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PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, July 1, 1976*

The House met at 10 o'clock a.m.

Rev. Charles A. Trentham, First Baptist Church, Washington, D.C., offered the following prayer:

Eternal Father, help us never to allow this awesome place where the great of our land have served to become common.

Help us never to allow the importance of our work to make us feel self-important.

Help us never to forget those who put us here.

Above all, help us to remember Him in whose face is the light of the knowledge of the glory of God.

Help us to do nothing today that would make it harder for anyone to do good or to know joy.

Help us to do something which will make life better for all who live after us that, when the day is done, we shall not be ashamed to look into Your face.

In the Saviour's name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 29, 1976:

H.R. 10268. An act to amend title 38 of the United States Code in order to clarify the purposes for which the Administrator of Veterans' Affairs may release the names and/or addresses of present and former members of the Armed Forces and their dependents.

On June 30, 1976:

H.J. Res. 726. Joint resolution to authorize and request the President to establish a "National Bicentennial Highway Safety Year"; and

H.R. 10051. An act to amend section 815 of the Internal Revenue Code to allow a life insurance company to disregard (for purposes of that section) a distribution during the last month of its taxable year, determined to have been made out of the policyholders surplus account, if such distribution is returned to the company not later than the due date for filing its income tax return (including extensions thereof) for that year, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 5666. An act for the relief of Won, Hyo-Yun; and

H.R. 10451. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14261) entitled "An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1977, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 14484. An act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for 1 year the eligibility of supplemental security income recipients for food stamps, and to extend for 1 year the period during which payments may be made to States for child support collection services under part D of title IV of such act.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12838) entitled "An act to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PELL, Mr. NELSON, Mr. EAGLETON, Mr. MONDALE, Mr. HATHAWAY, Mr. WILLIAMS, Mr. JAVITS, Mr. TAFT, and Mr. STAFFORD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3171. An act to amend section 502 of the Merchant Marine Act, 1936; and

S.J. Res. 127. Joint resolution to restore posthumously full rights of citizenship to Eugene Victor Debs.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 14231, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1977

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 14231, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FITTING TRIBUTE FOR D. R. "BILLY" MATTHEWS

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, I am joined today by my colleagues in the House of Representatives from Florida in introducing a bill to name the Veterans' Administration hospital in Gainesville, located in my Second Congressional District, in honor of former Congressman D. R. "Billy" Matthews.

I feel this is a fitting tribute to one who worked so hard to make this facility a reality and it has certainly been a factor in making the University of Florida Medical Center a recognized leader in medical research, teaching, and care.

Billy Matthews has been a devoted public servant, serving as a Congressman from the Gainesville area for 14 years. He served in the Armed Forces during World War II for 4 years and is certainly held in high regard by his community where he is now a political science instructor at Santa Fe Community College.

It is doubly fitting because two other Gainesville leaders have been honored at the complex when the health center was named in honor of University President J. Hillis Miller and the teaching hospital in honor of State Senator W. A. "Bill" Shands.

The D. R. "Billy" Matthews Veterans' Administration Hospital will join this as a tribute to a man who throughout his life has unselfishly rendered dedicated service to his community, State, and Nation.

PERMISSION FOR SUBCOMMITTEE ON SPACE SCIENCE AND APPLICATIONS OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY BETWEEN 10 AND 12 O'CLOCK WHILE HOUSE IS IN SESSION

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Subcommittee on Space Science and Applications of the Committee on Science and Technology be permitted to sit today between 10 and 12 o'clock while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERSONAL EXPLANATION

Mr. COUGHLIN. Mr. Speaker, in the Congressional Record of June 29, I am listed as "not voting" on rollcall No. 479, final passage of the foreign aid appropriations for fiscal year 1977. As a member of the Foreign Operations Subcommittee, which reported this legislation, I did, in fact, vote "yes" on this measure, but I was not recorded correctly. Therefore, I respectfully ask unanimous consent that this statement be printed in the permanent Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMENDATION FOR TWO CORPORATIONS FOR PUTTING LARGER PUBLIC GOOD IN FOREFRONT ON COAL MINE LEASING LAW

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I take the well this morning to publicly commend the management of the Texas Corp. and the management of the Food Machinery Corp., two of many companies whose wires of approval to President Ford arrived at the White House yesterday urging him to sign into law S. 391, the bill that would renew the leasing of Federal coal in the public land States of the Rocky Mountain West. Even though these coal lands leasing laws contain a few troublesome items to these companies, FMC and Texaco, nevertheless have put the large public good in the forefront and have recommended enactment of this legislation.

I commend them, and hope their precedent may be followed by still others who would act now to give the Western States at long last a better chance to solve out their own impact problems.

REQUEST TO INCLUDE DEMOCRATIC PLATFORM IN THE RECORD

Mr. PEPPER. Mr. Speaker, I ask unanimous consent to include in the body of the Record the Democratic platform as recently announced by the Democratic Platform Committee. I have had an estimate from the Printer. It will be 16 pages and cost approximately $4,576.

I have talked this matter over with the minority leader, the gentleman from Arizona (Mr. Rhodes), and we both agreed that it would be in the public interest for both the Democratic platform and then the Republican platform when it is subsequently announced to be incorporated in the Record for the interest of the Congress and the country.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. BAUMAN. Mr. Speaker, reserving the right to object I certainly do not want to deny the American people access to this document, but it has been the impression of the gentleman from Maryland that in the past the public newspapers have printed the party platforms. In addition I know my party and the Democratic Party print these documents for distribution. While some may consider this a very small amount of money I question whether many people will read the platform if it is printed in the Record.

Mr. PEPPER. Mr. Speaker, if the gentleman will yield, both of our parties would gain the additional advantage of being able to make reprints from the Congressional Record and the cost of the distribution would be less for the platforms than it would be otherwise.

The distinguished minority leader and I discussed the possibility of making the platforms House documents, and I discussed it with the gentleman from Indiana (Mr. Brademas), of the Joint Committee on Printing, but we decided it would be better to put them in the Record and allow the two parties to make reprints and to pay themselves for the distribution to the country.

Mr. BAUMAN. Under the so-called election reform laws the House passed this year and 2 years ago, it was provided that several million dollars would be paid to each of the parties to conduct their conventions. Certainly part of that money could be spent for publishing platforms. That is already taxpayers' money which could be used for this purpose.

Mr. PEPPER. Other than the cost of the platform appearing in the Record, the expense would be borne by the Democratic Party and the same would be true with respect to the Republican Party platform.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the able minority leader.

Mr. RHODES. Mr. Speaker, I take this time in order to verify the statement of the gentleman from Florida as to his having discussed the matter with me. We did consider then, as he said, the possibility of printing these documents as House documents. It was determined that it would be more efficacious to insert both platforms in the Record.

I think they are probably the two most important documents which will be evolved in this Nation this year, and to insert them in the Congressional Record seems to me fitting and proper and I hope it will be permitted.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object if these platforms are printed in the Record, would these documents be able to be franked? This is political matter, but if it appears in the Record can it then be franked by the Members of Congress?

Mr. PEPPER. I am not an authority on that. I think there is some prohibition against the use of the frank for dissemination of political matter. There are only a few copies of the Record available, so any Member would have to have a reprint made for distribution, but I am thinking primarily the distribution would be made by the respective political parties and they would pay for it. All we would be incurring here is the expense of this one insertion in the Record of this Democratic platform and then later the insertion of the Republican platform.

Mr. BAUMAN. Mr. Speaker, would it not be proper to address a parliamentary inquiry on that point? Would this matter be frankable if it is printed in the Record?

The SPEAKER. The gentleman's question should be addressed to the Commission on Franking.

Mr. PEPPER. Mr. Speaker, I think the appropriate time to raise that question is when any Member attempts to do that and then get a decision from the appropriate authority.

Mr. BAUMAN. The gentleman from Maryland does not want to place an undue burden on the gentleman from Florida; but I wonder if the gentleman from Florida could withdraw the request and address a question to the gentleman from Arizona (Mr. Udall) who heads the Franking Commission of the House and later renew his request.

Mr. PEPPER. I would be pleased to do so. Mr. Speaker, I will withdraw the request temporarily.

MEDICARE EXTENSION AMENDMENTS

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 13501) to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act, with a Senate amendment thereto, and disagree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, after line 5, insert:

Sec. 5. At the end of section 1861(v)(1) add the following:

"(F)(a) The Secretary of Health, Education, and Welfare, in the administration of the health insurance program established by title XVIII of the Social Security Act, may establish special criteria for purposes of determining the reasonable cost incurred by a skilled nursing facility for services for which payment is authorized under either such title, if—

"(1) such skilled nursing facility is located in an area characterized by unusually higher cost levels (as compared to other areas in the United States),

"(2) such facility is experiencing financial adversity due in substantial part to such unusually higher cost levels,

"(3) an increase in reimbursement to such facility, for services performed by it for patients covered under the program established by such title XVIII would enable such facility to continue in operation, and

"(4) such facility was a provider of services on or before July 1, 1976, which special criteria shall be designed to increase the amounts otherwise payable to such facility, under such title XVIII to the extent necessary more fully to take into account the unusually higher costs incurred by such facility and the impact of such higher costs on the cost which such facility would incur in necessary replacement of items and facilities utilized by it in carrying out its functions.

"(b) The special criteria referred to in subsection (a) shall be applicable to a skilled nursing facility only during a period with respect to which such facility meets the conditions specified in paragraphs (1), (2), (3), and (4) of such subsection."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. DUNCAN of Tennessee. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Illinois for an explanation of this request.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the chairman of the subcommittee.

Mr. ROSTENKOWSKI. Mr. Speaker, H.R. 13501, as passed by the House, included only three minor but necessary changes in the medicare law that must take effect as early as possible in July 1976, in order to avoid certain adverse effects on medicare beneficiaries and health care providers. The one amendment added by the Senate to the House-passed bill is not of this same order of urgency. Nor can it be considered a minor change since it provides broad discretionary authority for the Secretary of Health, Education, and Welfare to increase medicare reimbursement to skilled nursing facilities where he determines that a facility is experiencing difficulties because it is in a high cost area. Moreover, judging from the description of the amendment in the Senate report, it appears that the provision is designed essentially to permit higher reimbursement for facilities in one State.

As members know, both the Ways and Means and Senate Finance Committees are committed to a comprehensive reexamination of the medicare reimbursement system with a view to developing major structural reforms. It would be unwise, therefore, to consider the kind of limited, uncertain change in the reimbursement method contemplated by the Senate amendment. I would hope my colleagues will concur in the motion to send the bill as passed by the House back to the Senate.

Mr. DUNCAN of Tennessee. Mr. Speaker, I would just like to say that I agree that the Senate amendment to H.R. 13501 is ill advised and should be rejected.

When the House passed H.R. 13501, it had as its objective the enactment of a few, relatively minor, technical amendments that are necessary in order to prevent undesirable consequences to the medicare program due to certain June 30 deadlines.

The Senate amendment would raise issues pertaining to the reimbursement process that are very complex and extremely important. Moreover, the language of the amendment is unclear, and seems to allow the Secretary to make what may be regarded as arbitrary decisions with respect to the amount of reimbursement a particular skilled nursing facility may receive.

Mr. Speaker, I believe we should give such matters as these our serious attention and study, as indeed the Ways and Means Committee has stated it will do.

I therefore urge my colleagues to reject the amendment of the Senate to H.R. 13501, and recommend that this bill be limited to the important technical amendments that were enacted in the House-passed version of this necessary legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that, pursuant to the authority granted him on Wednesday, June 30, 1976, he did on that day sign the following enrolled bill:

H.R. 14114. An act to increase the temporary debt limit, and for other purposes.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT TODAY DURING 5-MINUTE RULE

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to sit today during debate under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PROPOSED RESCISSION IN ACCORDANCE WITH IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 94-542)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed with illustrations:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of $250,000 provided in the Second Supplemental Appropriations Act, 1976, for establishment of the Office of Drug Abuse Policy (ODAP) in the Executive Office of the President. When I signed into law P.L. 94-237, the "Drug Abuse Office and Treatment Act Amendments of 1976" which extended necessary appropriation authorizations for Federal drug abuse prevention and treatment programs, I expressed my opposition to establishing ODAP. I stated that "I thoroughly agree with the position of the Congress on the importance of a well coordinated Federal drug abuse program. I have consistently held, however, that such coordination can best be carried out by existing departments and agencies, without an additional agency for that purpose." Accordingly, I am recommending to the Congress that it rescind the $250,000 appropriated for ODAP.

This new Office is a relatively minor item in terms of dollars and staff size. The Director of ODAP is to "make recommendations to the President with respect to . . . drug abuse functions and . . . (to) coordinate the performance of such functions by Federal departments and agencies." ODAP represents an unnecessary expense for the taxpayer and adds to the Federal bureaucracy. Furthermore, I believe the establishment of this Office is an encroachment on my responsibilities as Chief Executive to organize the Executive Office of the President to carry out, as effectively as possible, the programs and laws which are established by Congress.

Since I have taken office, it has been my consistent objective to place the responsibility for governmental action with the Cabinet officers and their respective agencies. The Office of Drug Abuse Policy flies in the face of this objective, and adds to the bureaucracy a redundant layer that will have no direct management responsibilities. The drug abuse area—including treatment, enforcement, and international narcotics control—already has the necessary coordinating mechanisms and resources to accomplish its objectives. Likewise, I already have Cabinet officers, agency heads, and others to provide me advice on drug abuse matters. I do not need another Office with two officials with salaries of $42,000 (ODAP Director) and $39,900 (ODAP Deputy Director) to duplicate their work. Lastly, the annual preparation of the budget provides an effective process for identification and resolution of Executive Branch policy issues.

The attached chart displays the following coordinating mechanisms that already exist for Federal drug abuse treatment, law enforcement, and international activities:

—Domestic Council
—Drug Abuse Cabinet Committees
—National Security Council
—Office of Management and Budget

The Cabinet Committees will assure that various Federal agencies' efforts are integrated into an effective overall program but will keep responsibility for specific program management with the appropriate agencies. The Congressional committees can call upon the heads of the Cabinet Committees or agencies with drug abuse responsibilities to testify concerning my administration's policies whenever there is a need. I see no need for one more drug abuse spokesperson.

Administration Drug Abuse Initiatives to Date. During my Administration, the following initiatives have been taken demonstrating the priority I have placed on drug abuse:

—I launched a complete review of Federal drug abuse policies, and then endorsed the resultant *White Paper on Drug Abuse.*

—I have requested funding for fiscal year 1977 totaling over $780 million for Federal drug abuse programs to maintain existing programs and to implement the major recommendations of the *White Paper,* e.g., additional community treatment capacity and better targeting of law enforcement efforts at high level traffickers.

—I have met with the heads of the governments of Turkey, Mexico and Colombia to strengthen and improve our international drug abuse efforts.

—I transmitted a drug abuse message to the Congress on April 27, 1976, which included, among others, proposals for strengthening law enforcement efforts.

—The Cabinet officers have placed priority attention on strengthening their drug abuse organizations.

Future Actions. My Administration plans to strengthen its efforts against the drug abuse problem.

—The Cabinet Committee for Drug Law Enforcement has held its first meeting and the Cabinet Committee on Drug Abuse Prevention, Treatment, and Rehabilitation will be fully operational within a month. The Office of Management and Budget and the agencies involved will provide the necessary support to the Cabinet Committees.

—Over the next month, Cabinet officers will contact the Congressional committees with drug abuse responsibilities to discuss the agenda from the Cabinet Committees.

—The agencies affected by the recommendations of the *White Paper* will provide me with a full status report when they submit their budget requests for fiscal year 1978 this September.

In summary, the Office of Drug Abuse Policy is an example of unnecessary growth in the Federal bureaucracy, and should not be established. It is the responsibility of public officials to guard against the unwarranted or inefficient use of public funds. I am, therefore, asking that the Congress rescind the funds for the Office of Drug Abuse Policy. The details of the proposed rescission are contained in the attached report.

GERALD R. FORD.

THE WHITE HOUSE, *July 1, 1976.*

PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 1368 TO ESTABLISH A COMMISSION ON ADMINISTRATIVE REVIEW IN THE HOUSE OF REPRESENTATIVES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1395 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. HAGEDORN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 497]

Archer
Ashley
Badillo
Baucus
Broyhill
Burke, Calif.
Chisholm
Clausen,
  Don H.
Conyers
D'Amours
Dent
Diggs
Drinan
Esch
Eshleman
Evins, Tenn.
Flood
Ford, Mich.
Fraser
Hayes, Ind.
Hays, Ohio
Hébert
Helstoski
Hinshaw
Hungate
Jones, Ala.
Karth
Koch
Leggett
Litton
McDade
McDonald
McKinney
Matsunaga
Melcher
Mikva
Mitchell, Md.
Mollohan
Nix
O'Hara
Peyser
Railsback
Reuss
Riegle
Rose
Rosenthal
Ryan
Scheuer
Schneebeli
Shipley
Shuster
Solarz
Spellman
Stanton,
  James V.
Steelman
Stuckey
Symington
Teague
Udall
Ullman
Whitten
Yates
Young, Alaska

The SPEAKER pro tempore (Mr. MCFALL). On this rollcall 369 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TO ESTABLISH A COMMISSION ON ADMINISTRATIVE REVIEW IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution as follows:

H. Res. 1395

Resolved, That immediately upon the adoption of this resolution the House shall, without the intervention of any point of order, proceed to the consideration of the resolution (H. Res. 1368) to establish a Commission on Administrative Review in the House of Representatives. After general debate, which shall be confined to the resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the previous question shall be considered as ordered on the resolution to its adoption or rejection without intervening motion except one motion to recommit with or without instructions, and the previous question shall be considered as ordered on said motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) for the minority, pending which I yield myself 10 minutes.

Mr. Speaker, those who listened to the rule will know the procedure that will be followed when the rule is adopted.

The rule deals with all the procedural matters at once. The previous question is ordered on this rule; and when the rule has been adopted, the resolution establishing a Commission on Administrative Review in the House of Representatives will be debated in the House for an hour.

Mr. Speaker, there will be no amendments in order. I will control the time for debate on our side.

There will be no amendments in order, because I would have to yield for an amendment and I am not allowed to do so.

The Committee on Rules, however, provided for the minority an opportunity to have a motion to recommit with or without instructions. It is my understanding that, on a simple resolution, that would not necessarily have to be so.

So, this is a structured debate and an opportunity to consider one aspect of a very complicated situation.

I would like to take the time of the House for a few minutes to outline the whole situation as I see it since this is the first act by the House in dealing with the problem of reorganizing the accounts.

So far a number of actions have been taken in other places. Both the Democratic caucus and the Republican conference have met on this subject. The Committee on House Administration has met and done a variety of things, the first of which, I would like to mention, is that it has issued a number of orders. Those orders have the force of law. There was some controversy over the accuracy of the content of the orders. The members of the committee met together. The final orders as issued, as I understand it, were approved by those members of the committee who were concerned. In other words, the work of the committee that has the force of law was agreed to, not necessarily in terms of votes, but in terms of what had been done by the members of the committee on both sides of the aisle.

In addition to those orders we have been assured that there will be very specific regulations implementing those which will prevent the members from having the experience that I certainly had with the previous accounts that affect Members, of not really knowing what the score was. We have been assured in public and I have been assured in private that those regulations are going to be precise so that all the Members will know what they are dealing with in their accounts. We will go into that I think further in a later resolution.

In addition to that, the chairman of the Committee on House Administration has made an arrangement with the GAO—the General Accounting Office—and the Comptroller General, to have the books and the accounts of the Committee on House Administration audited and the accounts of other committees audited.

In addition, the chairman and the GAO have agreed on a process whereby if there are complaints made against a Member's behavior in dealing with his accounts, and it is found that those complaints—which must be in writing and which must be sworn to—are substantial, that then there will be an audit of that Member's accounts.

In other words, there is a measured approach to assure that there has been no wrongdoing in the past.

The matters that will come before us today—and this is the first one—are the establishment of the long-range look at the problem of improving the action of the House and its Members.

The resolution that will be in order when this resolution, the rule, is adopted, provides for a commission of 15 Members, 8 Members of the House, 5 from the majority and 3 from the minority, and 7 members of the public, all to be appointed by the Speaker. It will then have until December of 1977 to try to work out any difficulties that still exist in the accounts, to try to make recommendations for better management, to try to see if there are not better ways to do what we are doing now, and to do the things that have been improved upon by orders, regulations, and audits.

The last matter that will come up today after the conclusion of this matter will be the matter of stripping the Committee on House Administration of the power given to it by law in 1971, first by resolution, and then by law in 1971. That, I believe, will be the most controversial, but I believe that this collection of actions, the orders, the regulations, the agreements on the audit, the Commission, and the stripping of the Committee on House Administration of this special power provides a package that all Members of this House can be pleased with.

I am completely aware of the fact that some Members on one side or both sides bitterly oppose our doing any of the things that are proposed in this package. They feel that we are attacking ourselves. With that I wholly disagree. I believe we are attempting to deal with a problem that has needed dealing with for a long time. I know that there are some Members who do not want to give up the cash-outs, and I respect their views on that. I know that there are some Members who think that the package that I have described is wholly inadequate. And there are even some Members on either side who might want to try to be partisan about this matter. My own view is that the great majority of the Members of the House on both sides recognize that what we are doing here is something that the House is doing, and whether we succeed or fail will redound to the credit or discredit of the House. I do not happen to believe that there is any partisan advantage to be gained from this. I do not happen to believe that there is any disadvantage to the Members in doing this. I think this is a worthy package of reorganization. It is not, in my opinion, a question of a reform; it is a question of the House seeing to it that it handles its own affairs, short range, medium range, and long range, in the best possible way, and I think the passage of this resolution and the establishment of the Commission will redound to the credit of all Members of the House of Representatives.

Mr. LATTA. Mr. Speaker, since the gentleman from Missouri has already indicated that we are not being partisan in this matter today, I shall try not to be partisan and maybe, if the House will agree to the substitute that would be offered by myself which will incorporate section 2 of House Resolution 1386 as introduced by the gentleman from Arizona (Mr. RHODES) we will not be partisan. I shall attempt to confine my remarks not to both matters we will be dealing with today, but the matter of creating the Commission.

This is House Resolution 1368, which provides not for a nonpartisan nor bipartisan Commission but for eight Members of the House, five from the majority party and three from the minority party. I do not believe this can be considered bipartisan.

Then to make matters worse, it provides that the Speaker shall appoint seven individuals from the general public. I do not know who these seven individuals will be but the Speaker could appoint all Democrats from the general public. I happen to believe that this House is capable of cleansing itself without outside help. If this House cannot cleanse itself, maybe we ought to have some new Members around here who can do it. We are supposed to be representatives of the people and I am not ready to admit that we cannot cleanse ourselves, that we will have to invite in Common Cause or Ralph Nader or the Chamber of Commerce or representatives from the League of Women Voters or the NAACP or what-have-you to be represented on a Commission to do the job for us.

I do not admit to that deficiency as a Member of this body. If others wish to admit as Members of this House, that they are deficient and they are not capable of doing this job, then they ought to go back home and tell the people who sent them here that they are so deficient.

I say to my colleagues that the minority is going to offer the opportunity to the Members, the elected representatives of the people an opportunity to vote on the question of whether or not you think you are capable of cleansing this House of the regulations which have been abused. That opportunity will be offered in a motion to recommit.

What is the difference between these two proposals other than what I have already pointed out? Let me say I have examined this very hastily drawn Democrat-sponsored House Resolution 1368, even though it was not explained too well yesterday before the Rules Committee by one of the authors. When I questioned him about a certain provision, I apparently caught him by surprise as he did not even know it was there.

Let me say that this Democrat proposal is a milktoast approach to the problem. Nothing more. Let us read it. What does it say? Does it call for an audit, which is long overdue? It does not. Read the language on page 2, section 2. It says:

> It shall be the function of the Commission to conduct a thorough and complete—

Get this, "study"—

> study with respect to the administrative services of the House of Representatives, including staff personnel, administration, accounting and purchasing procedures, office equipment and communication facilities, recordkeeping, emoluments, and allowances.

If Members have been around very long they know what happens to studies. This Government of ours has been studied to death. Every time we turn around we have a new study.

What is the difference between this proviso and what is contained in House Resolution 1386? Let us read it. It says:

> There is created a select committee to be composed of ten Members of the House of Representatives.

It does not imply that we are incapable of cleansing ourselves. It says 10 Members from this body are to be appointed to do the job that is incumbent upon us to do. This is part of our job—we should fulfill it.

> Members shall be appointed by the Speaker, five from the majority party and five from the minority.

Is this what you call a nonpartisan or bipartisan study, five Democrats, three Republicans, plus seven appointments made by the Speaker. Now what would be incumbent upon the individuals to be appointed under the Republican proposal? Are they just going to study the problem and not look back and audit the acccounts? Absolutely not. They are going to:

> (1) examine and audit all records, memorandums, papers, documents, books, and other information in the possession of or under the control of any standing or select committee of the House respecting expenses incurred by the committee or by any member or employee of such committee in the performance of his duties as a member or employee,
>
> (2) examine and audit all records, memorandums, papers, documents, books, and other information in the possession of or under the control of any officer of the House respecting expenses incurred by any standing or select committee of the House or by any member or employee of any such committee in the performance of his duties as such a member or employee,
>
> (3) examine and audit all records, memorandums, papers, documents, books, and other information in the possession of or under the control of any Member of the House respecting the expenditure of any allowances or expenses, or any other funds, made available to such Member pursuant to House resolution or law,
>
> (4) examine and audit all vouchers submitted to the Committee on House Administration, and which are in its possession or under its control, for the payment or reimbursement of expenses incurred by (A) any committee referred to in paragraph (1) or member or employee of any such committee in the performance of his duties as such a member or employee, or (B) any Member of the House,
>
> (5) examine and audit all reports and other documents filed by any committee referred to in paragraph (1) or by any Member of the House with the Committee on House Administration (and which are in its possession or under its control) respecting expenses of any such committee or of any member or employee of such committee in the performance of his duties as such a member or employee or of any such Member,
>
> (6) examine and audit all records, memorandums, papers, books, and other information (including complete access to any computer containing such information) in the possession of or under the control of the Committee on House Administration respecting expenses of any committee referred to in paragraph (1) or of any member or employee of such committee in the performance of his duties as such a member or employee (including the salary, name, title, and job

description of any such employee) or respecting expenses of any Member of the House, and

(7) review and examine the auditing and other review procedures adopted and carried out by the Committee on House Administration respecting items referred to in paragraphs (4), (5), and (6).

These duties will be included in the Republican proposal and will be offered as a motion to recommit. This is what the American people are expecting of this House. This would be a meaningful investigation if we only adopt the substitute to be proposed in the motion to recommit.

I said I was not going to touch on the other matter but since it has been mentioned, let me say, I do not happen to be one of those individuals who voted to put all this power and authority in the House Committee on July 21, 1971. As a matter of fact, 167 Members of this House voted no—voted no to giving all this authority to the Hays Committee. It is not our fault this authority was later abused.

I read in the last few days that some of the individuals who voted to grant this authority are saying, "We have to do something. They have run away with this thing." Well, without the authority they gave the committee by their votes, it would not have happened.

I see many of their names listed among the 233 who voted to give the Committee on House Administration this power.

I say to the Members, now is the time for this House to correct its mistakes on its own. The general public did not make the mistakes. A majority in this House did by the vote of July 21, 1971. I was not one of those voting to give this power to the House Administration Committee.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, the gentleman has presented, I think, a rather wide-ranging discussion of the issues, but I would like to pursue just one aspect of the rule.

Does the gentleman not feel that, even though there may be a common agreement that there is some need for long-range study, either by a select committee or commission, the rule we are now being asked to adopt ought to be an open rule so that all Members may offer amendments, may have their views heard and may have them either refused or accepted? Why must we bring this resolution to the floor, or the next resolution to the floor, in such a way as to tie our hands? Are we not mature enough Members to deal with these issues in an open way?

Mr. LATTA. I agree with the gentleman that we are mature, but we did not have the votes. The vote yesterday in the Rules Committee was 11 to 5 for this closed rule.

Mr. BAUMAN. Would the gentleman say that a vote against a closed rule is not in any way a vote against the need for reform? It is simply a protest against the high-handed manner in which the rule is brought before us?

Mr. LATTA. I think we could interpret it as such.

Let me say to the gentleman that the rule provides, however, that we can offer one motion to recommit, which I shall do even though under the rules I must vote against the resolution on final passage should we fail to prevail. We are entitled to the motion to recommit under the rule. Otherwise, we would not have any opportunity at all to get our proposal before this House.

Mr. BAUMAN. The other question I would address to the gentleman from Ohio is this: The resolution creating a commission provides for a final report to the House, not to be transmitted until December 31, 1977, with recommendations for such actions as it considers necessary. If these changes and reforms are needed now, should not that date be, at the very least, transmitted at the end of this year so that the 95th Congress could operate under reform?

Mr. LATTA. I could not agree more with the gentleman.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, I agree with what the gentleman said. Speaking for myself, I too spoke against the consolidation of power in the House Administration Committee in 1971, and I warned against the excesses of power we were according to it. I pointed out that the matter of lack of confidence in the subcommittee chairman or the full committee chairman has nothing to do with it, we were making a mistake in doing this and voting on what I consider to be some of the excesses given to Members.

But, I cannot help but say that I agree with the gentleman. It is ludicrous to me for us to say, as Members of this House, to say that we are not capable of managing our own affairs; that we who serve in the House have to call in outside experts—if that is what they are—outside people from any walk of life to tell us and advise us on how to conduct ourselves, whether it be in matters of morality or ethics or simple accounting procedures.

I do not think there is any reason why there should be five Democrats and three Republicans and seven people from the outside. I do not think there is any morality issue involved that would cause the Democrats to have more expertise in the matter, that they should have more people on the Commission. I think that if it is going to be a bipartisan situation, it should be the same number from both sides of the House, some people with some background and experience and interest in the matter on the committee.

As has been pointed out by the gentleman from Maryland, we should not wait for it to come back 18 months from now after a study. If we are going to do something, let us do something that is effective, something that will help the Members; make a comprehensive study and get to the bottom of the story and do something about it, and not come back in 1977.

For that reason, I support the gentleman's motion to recommit. I hope the majority of the House supports it. Neither party has had any claim to more morality or can point a finger at any other. But I do think there are just as many people in the Republican Party who are concerned with what should be done as there are in the majority party. I think a bipartisan group from within the House, who can deal with the problem, who are personally affected by the problem and who must be responsible to the people, can be formed in the House.

Mr. Speaker, I support the motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. MATHIS).

Mr. MATHIS. Mr. Speaker, I rise this morning somewhat reluctantly to oppose the previous question on the rule that is before us, and I would like to make two points that I think the Members should take into consideration.

First of all, I find myself in substantial agreement with the gentleman from Ohio, when he says that we in this House should be capable of doing the things that are necessary to restore the confidence of the people in this body.

I think that that falls particularly heavy as a burden on those of us on our side of the aisle. We are in control. We have been in control, according to the wishes of the American public who voted us in control. I think that we must be aware that we are admitting that we are not capable of doing the things necessary to restore the confidence of the people in us when we have to resort to going to an outside commission.

Personally, I would like to see this Commission made up of Members of this body, not in a bipartisan manner, as has been suggested by the gentleman from Arizona, but I would like to see the Democrats in control of that committee do the studying of the problems that we have in this House because as a majority party we have that responsibility.

Second—and I think, Mr. Speaker, that this probably troubles me more—is the fact that if we establish this Commission and they come in with recommendations, that we are going to rush to embrace them simply because they have been made, as we in our caucus rushed to embrace the provisions of the Obey committee.

Mr. Speaker, I must say again that the Obey committee did an outstanding job. They worked hard. They were good-intentioned. They did the best they possibly could under a difficult set of circumstances. I regret very much that the Obey committee did not have on it a Member of the House Administration Committee who might have had some understanding of the intricacies involved in trying to establish these accounts. I am afraid if we go out now and establish a commission, with seven outsiders on it who also have no understanding of how our system works, then we are going to find ourselves in much the same situation at such time as that Commission reports back. And then, Mr. Speaker, will we rush to embrace these provisions because we do not have the courage to stand up and say, "Let us debate them, let us consider the alternatives, let us see what the other side of it is."

Mr. Speaker, I think we almost made

a horrible mistake in our caucus and in our committee in embracing the provisions of this consolidated account, which would have been the worst thing politically we could have done as Democrats in an election year. The Committee on House Administration—the majority of us, at least—felt that it was not the proper way to proceed to adopt that recommendation. We have in fact adopted a substitute that I offered, which I really feel a majority of the members of that committee feels does a better job than what the Obey committee intended.

Mr. Speaker, what I am suggesting is that we ought to slow down, we ought to be sure that what we are doing is the proper thing, and we ought to act in an orderly fashion.

Make no mistake about it, what we are attempting to do, I say to the ladies and gentlemen of the House, is to reform not the 94th Congress but the 95th Congress.

Mr. Speaker, I thank my friend, the gentleman from Missouri (Mr. Bolling) very much for yielding me this time, and I yield back the balance of my time.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, the trouble with this resolution is twofold. First it comes to us without having a closed rule which forecloses normal amendments. An amendment is possible but only through the difficult mechanism of the motion to recommit.

Second, this resolution, because it provides for a final report in a year and a half, has all the appearance of a copout, or coverup.

The promise of an audit sometime in the future, controlled by the chairman of the committee, and executed by the GAO, a creature of the Congress, is not reassuring. Even if it is perfect, it will be suspect.

The American people want an immediate, complete audit controlled on a nonpartisan basis. That is what the Rhodes resolution, to be presented in the recommital motion, will do. Anything less will be suspect.

There is nothing wrong with the Commission in House Resolution 1368, except that it is too little and too late. In short, it is a feeble response to a critically urgent problem.

I can recall way back to 1974. This same Commission was a better idea then. It was a part of the Bolling-Martin report. It might have prevented the scandals. Then, however, a majority of Republicans voted for it, and a majority of Democrats voted it down. It is a little discouraging to find that only a scandal has convinced the majority group that it needs to be studied. It surely does.

I urge a vote for the motion to recommit. That is the only way the people can get what they want now.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. Coughlin).

Mr. COUGHLIN. Mr. Speaker, I rise in opposition to the rule.

This is not reform to consider reform under a closed rule which does not permit this House to act on real reform. This is a grandstand play by the Democrat majority. Where is the sunshine and openness we talk about? This closed rule is darkness.

This is not reform but a coverup to divert attention from the investigation and prosecution of wrongdoing. The House Ethics Committee has been notoriously slow to act.

This is not reform to have the Committee on House Administration's power to dole out goodies self-destruct only after the goodies have been doled out. The committee's recent orders would, in fact, fatten Members' allowances and create more expenditure of the taxpayers' money. It is a hoax.

This is not reform to neglect audits and examination of committee functions and padded payrolls as well as other hidden perquisites that are rightly the subject of criticism.

This is not reform to establish a new commission when we already have a Joint Committee on Congressional Operations, a House Commission on Information and Facilities, a Committee on Standards of Official Conduct, a greatly expanded Committee on House Administration with 217 employees, and heaven knows how many other committees and commissions with oversight functions. If these are not properly performing their functions, we should abolish them at the same time.

As a member of the frustrated minority, I have continued to fight those abuses over the years. Back in 1971, for example, I voted against the Hays' resolution which originally gave his Administration Committee power to control congressional perquisites and allowances without a vote of Congress. It was this resolution, supported by the Democrat majority, that has resulted in lavish spending and allowances and which they now belatedly seek to rescind.

Mr. Speaker, I believe it is fair to place the blame for much of the abuse of power that has taken place where it belongs—on the Democrat leadership and majority that have controlled Congress for 22 years.

Mr. Speaker, I yield back the balance of my time.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Colorado (Mr. Armstrong).

Mr. ARMSTRONG. Mr. Speaker, I am grateful to my friend, the gentleman from Ohio (Mr. Latta) for yielding to me.

Mr. Speaker, I particularly want to associate myself with the remarks of the gentleman from Ohio (Mr. Latta) and of my friend, the gentleman from Minnesota (Mr. Frenzel), in their objections to this resolution.

I ask the Members of this body to reflect for a moment on how we came to be in this position. The abuses of power were made possible because the majority party in this House overrode the objections of the Republican minority and enacted this system in 1971. Then, last year, the majority party declined to adopt reform amendments suggested by the gentleman from Maryland (Mr. Bauman) and myself.

As recently as 10 days ago the majority members of the Committee on Appropriations declined to adopt reform amendments suggested by me, so far as I know only because I am a member of the minority. Now they bring us a resolution which has been considered not by any committee of the House but only by the Democratic caucus. They bring it to us under a closed rule. They are shutting us out; they will not let us participate.

Mr. Speaker, I say to my friends on the Democratic side of the aisle that we Republicans are all Members of this House, too. Let us participate. We want to help. This is not just a public relations problem of the Democratic caucus. This is a problem of the U.S. House of Representatives.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. O'Neill), the majority leader.

Mr. O'NEILL. Mr. Speaker, we are all aware of the fact that this House has been under serious attack recently.

There is no question that some of the procedures under which we operate lay at the heart of the very criticisms that have been made, and these procedures are in need of improvement.

Mr. Speaker, those of us who serve on this side of the aisle are talking about a bipartisan commission. We are asking for five Democratic and three Republican members. I think this is exceptionally fair, given the fact that the composition of the House is 2 to 1 Democratic. We hope that there will be nothing partisan about this Commission whatsoever. It will do the task. It will do the job needed to be done at this time.

Mr. Speaker, a great need exists for a thorough and really long-range examination of the administrative procedures of this House, and I think we would be remiss if we failed to take the advice of the Obey task force which spent so many long hours studying the problem.

The Commission we are proposing today will have no authority but to make recommendations regarding administrative services. Its composition insures a realistic assessment of our administrative needs and has the advantage of input from outside of the House, from persons who understand this House, too.

Mr. Speaker, there are a lot of students and a lot of businessmen who understand this House. The truth of the matter is that the people of America do not have confidence in us today, and I think we ought to step outside of the House because if we appoint a commission consisting only of the Members of the House, people will be saying that this is another coverup.

Mr. Speaker, the Members know how we are criticized when we go outside; but I think we ought to do both. I think we ought to have the five members from this side and then the minority leader can name three members from the other side. The Speaker will name our five members, and we will take members of the finest caliber in this House. We will do an honorable and a decent job.

Mr. Speaker, let us take a look at what has happened along the line here. The 94th Congress has been in session longer, has taken more votes, and has had more committee meetings than any other Congress in history.

The number of votes that Members have cast has increased remarkably over the past decade, from 100 per year in the historic 89th Congress to 600 per year in the 94th Congress.

Members have spent upwards of 12,000 hours in committee sessions during the first session of the 94th Congress. There were 3,878 committee meetings and hearings during the year 1975, constituting an increase of more than 60 percent more meetings than were held in the 92d Congress.

Demands from home have expanded just as dramatically. The House Postmaster has calculated that the flood of letters in 1969 that the Members of the House received totaled 14 million pieces of mail. In 1975 we received 42 million pieces of mail.

Mr. Speaker, these are the demands which necessitate increasing legislative staffs. The half million Americans whom each of us represents have a right to expect that we are going to discharge our legislative duties in a well-informed and responsible fashion. They have the right to expect some answers to their letters, phone calls, and inquiries; and they have a right to expect reasonable and efficient answers to their calls and requests for services.

Mr. Speaker, our Members must be equipped to cope with this workload, and that cannot be accomplished by simply streamlining the present antiquated system of accounts, but by eliminating the current atmosphere of public suspicion and accusation.

Mr. Speaker, what is needed is a fundamental change, both in the Congress itself and in the public's attitude toward the Congress. Whether Members are on that side of the aisle or whether they are on this side of the aisle, it is the whole body that has a 9-percent image. That is who has the image. The body of the House has the image of 9 percent, and we are not going to correct anything by getting up here and hollering, "Bipartisan, bipartisan."

We are not going to make these changes without a Commission composed of both Members of Congress and the public. That is what the people of America want.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. No, I do not yield to the gentleman. I have but 5 minutes. I do not want to be political about this. I am trying to be nonpolitical. Well, Mr. Speaker, as long as we seem to want to take off the gloves and become political, it is very, very easy; very easy.

I understand from Members on your side that most of this opposition stems from the National Republican Committee, which would like to make an issue of this because it does not have an issue as long as Watergate still hangs over the Republican Party.

Let me repeat what the pollsters told us yesterday, they said we would win 30 more Democratic seats. Thirty of you Republicans will not be back, and a couple of these are in the leadership—so long as we want to get political about it.

Mr. Speaker, this is an election year. I feel sorry for the Republicans.

If I were the gentleman from Arizona, I would be groping for every straw that I could possibly grasp.

Mr. Speaker, I hope the rule is adopted.

Mr. LATTA. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, my very beloved friend, the gentleman from Massachusetts (Mr. O'NEILL), with whom I served for many years on the Committee on Rules, refused to yield to me. I am not one who is going to admit that my good friend the gentleman from Massachusetts is not capable of performing the job that has to be done. He is an elected Member of this House. I am not ready to admit that because I have too much faith and confidence in him to admit that. We are, as elected representatives of the people, competent and capable of handling this problem which arose by reason of granting too much authority to the House Administration Committee. The record will show that I was one of those 167 Members of the House who voted against giving the committee this power.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. LATTA. No.

Yes, Mr. Speaker, I will be happy to yield even though the gentleman from Massachusetts did not yield to me. I do not want to be political.

Mr. O'NEILL. Mr. Speaker, I thank the gentleman from Ohio for yielding. I just want to point out that the Republicans lost 44 House seats in the last election, and you are going to lose 30 more this time. It is apparent that the American public has no confidence in your side of the aisle, and it is about time that you recognized that.

The SPEAKER. The time of the gentleman has expired.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, the distinguished majority leader of this body, the gentleman from Massachusetts (Mr. O'NEILL), a moment ago made a very interesting statement. He said that we are not going to get anything accomplished by standing here in the well of this House and speaking of bipartisanship in our approach to this problem.

My friend the gentleman from Ohio (Mr. LATTA) just pointed out that this Commission on Administrative Review that is now being proposed is word for word almost identical with the language of section 404 of House Resolution 988 that was proposed in the last Congress. I have in my hands the report of that committee. It was a bipartisan committee. It was 5 and 5. The chairman was the distinguished gentleman from Missouri (Mr. BOLLING), and the Vice President the ranking member of the Committee on Rules. Then there were four Democrats and four Republicans.

So apparently what made sense to you in the last Congress of a bipartisan approach to a matter of institutional reform—and this was, in my opinion, the greatest report that was ever assembled by a committee looking into institutional problems involving this body—does not make sense to you now.

We should have adopted that proposal then and if we had we would not be standing here in the well debating this matter this morning.

But how inconsistent, Mr. Majority Leader, can you get to propose this in the 93d Congress, to set up a five-and-five committee then to make an identical recommendation but then you turn it down in 1974?

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. In just one moment. Now that same gentleman tells us it is wrong to come before this House and suggest that we ought to adopt the proposal of the minority leader that we select a committee composed of five Republicans and five Democrats.

Now I am pleased to yield to the gentleman from Massachusetts (Mr. (O'NEILL).

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the majority leader.

Mr. O'NEILL. I thank the gentleman for yielding.

May I say the gentleman's side had a commission which this House did not adopt. Maybe the reason they did not adopt it was because they thought there should be some outside influence and outside input. When the gentleman's side rejects its own commission, then they do not have enough confidence in themselves, and it is time that they ought to go to the outside to get some help.

Mr. ANDERSON of Ilinois. Mr. Speaker, the majority leader is saying, then, that the Democratic Members of this House on that side of the aisle do not have confidence in their own ability to fashion reforms for this House and that we have to go outside. I reject that notion. The Republican side of this aisle thinks that we have the competence and the ability right here in this House if we set up a bipartisan committee to do this job.

What has produced the proposal that we have before us today? It was the Democratic Caucus. King Caucus has raised his scepter once again, and the majority leader bows. The majority leader bows before the shrine of King Caucus.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LATTA. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. ANDERSON of Illinois. The interesting thing is that we have on the calendar of this House, and we are scheduled to act in a few days on a government in the sunshine bill. The other side wants to subject the executive branch of this Government to all of the rays of sunshine that they can. But here we are going to turn over, as the other side has done in the Committee on House Administration, the power by fiat, by rule, to issue binding orders reforming the practices of this House. And then they only promise us that in time they will issue the kind of regulations that will make it possible for us, with some precision, to know what those actual rules are and what they are going to mean.

This is the same House that wanted the right of the House to disapprove the regulations of the Federal Election Commission. Oh, my! We had to send their regulations back here. We had to have the right in this House to disapprove them. Now they want to turn over to the same Committee on House Administration the power to do what has got us into trouble in the first place.

Mr. Speaker, we are presumably gathered here today in the name of reform. But this whole operation is being handled in the most undemocratic and antireform fashion I have ever seen. We are being asked here to adopt a closed rule so that no one will have an opportunity to amend the resolution creating this great reform commission. Why is it that the so-called liberal reformers on the other side of the aisle do not trust a House majority to work its will through the amendment process? The explanation we get for these high-handed, backroom, ramrod, steamroller, railroad tactics is that King Caucus says this is the way it is going to be done. Instead of "the devil made me do it," we get the weak-kneed excuse that "the King made me do it"—King Caucus that is. Why is it that you can trust your colleagues to offer amendments to these so-called reforms in the caucus, and yet, when you get to the floor, everyone is supposed to roll over and play dead and dumb? Is this the world's greatest deliberative body that we're showing off to the people of the world on the eve of our Bicentennial?

I challenge my reform-minded colleagues on the other side of the aisle: where is all that sunshine you crave? Have you been frightened off by one little Ray? Here we have pending on our calendar the so-called Government in the Sunshine Act to open up the process in the executive branch, and yet we are still getting the same old backroom moonshine from the Democratic Caucus. King Caucus has mandated that there be a commission on administrative review and our great majority leader went to the mountain and received from the King House Resolution 1368, engraved in stone. Who wouldst dare defy the King or deface that tablet? Come, come, now. We are now sitting in the House of Representatives, 435 freely elected Representatives of the people of the United States. We were sent here with minds to think and act on behalf of our constituents, not to swallow stone tablets by a party caucus.

And what about this perfect resolution creating a Commission on Administrative Review that somehow is going to clean up this whole mess you have made for yourselves around here? Do you really think the American people are going to be fooled for 1 minute by this sham? Do you really think the American people will be placated by bringing in seven public commissioners, paying them a total of over $1,000 a day to study how we go about purchasing office equipment? This is 1976. The people are keen today to the old commission trick. They know how it all works. If you have a problem, you set up a commission to study it to death and report back by some distant date when the whole thing has blown over and everyone has forgotten why you created the commission in the first place. And what about commission reports? Most of them are ignored and gather dust on shelves.

Mr. Speaker, if we were really interested in doing some real reforming around here, we would move swiftly to set up a select committee to report back in this Congress. They would call in outside experts and public witnesses in open session, then go to the heart of the problem and report back to us while there is still some public pressure for change. And if we were really interested in doing some meaningful reform around here we would be acting on numerous major reform proposals now bottled up in various committees. What about broadcasting our floor debates, reorganizing our committee jurisdictions, setting up a new intelligence oversight mechanism, passing a personal financial disclosure law for Federal officials, a new lobby disclosure bill, elimination of proxy voting in committees, eliminating our cost-of-living salary increases, booting the lobbyists off the floor of this House, overhauling our ethics investigations procedures? These are the real reform issues the American people are interested in. Where are they? They are all bottled up in committees, compliments of the Democratic leadership.

Mr. Speaker, we should open up this rule and the resolution it makes in order, and give the whole House a chance to work its will around here. Then let us move on to passing some meaningful reforms that have been languishing in committees for too long.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Speaker, as a Democratic Member of the House of Representatives who voted against the delegation of authority in 1971, I rise in support of the majority position on this matter. The reason I voted against my party ranks in 1971 was because I thought that the delegation was too clubby, and I think that anybody who regards the Congress of the United States as a club ought to be clubbed.

I would like to pose this question to this body: What American citizen is an "outsider" to the Congress of the United States? Thomas Jefferson said when he left office—

> I leave now to take a promotion from servant to master.

The master is not an outsider in the house of the servant.

Finally, it was Alexander Hamilton who said:

> Here, sir, the people govern.

I admire my friend, the gentleman from Illinois (Mr. ANDERSON) as he well knows, but I disagree with him on this matter.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, we have been discussing setting up a commission. It looks as though for some reason the solution to every problem that faces us here in the House is to set up a commission and throw money at the problem. I was wondering if I might have the attention of the gentleman from Missouri to answer a question as to cost here. Most people do not seem to care, but I am concerned. It is my understanding now that the civilian members, if seven are appointed, will be paid on the basis of an employment equal to a GS-18, and then have a per diem paid on top of that. Is this correct? If so, for what period of time will this be, and what is this going to cost taxpayers if it is done?

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Missouri.

Mr. BOLLING. I thank the gentleman for yielding.

I do not know how many days the members of the Commission will work, but they will get paid $105 a day for their work, and they will get paid a normal per diem as anybody else does, and they will get paid their travel. I hope that the quality of the members of the Commission from the outside will be such that they will be making a sacrifice when they get that remuneration, and I expect that they would be.

Mr. DICKINSON. I would expect so, but if they are willing to make this great sacrifice I do not know why they cannot work for a dollar a day.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume, to the gentleman from California (Mr. BOB WILSON).

Mr. BOB WILSON. Mr. Speaker, we have the chance today to enact major reforms in this body—reforms that are needed to restore public confidence in the Congress. The American people are watching and hoping, and I urge the membership of the House to rise to the public's expectations.

It is unfortunate that the question of congressional reform has bogged down in a partisan quagmire. As representatives of all our constituents, Democrat, Republican, and Independent, we must take steps to assure more openness in Government. We often speak of the need for a "Sunshine Bill" to provide greater public access to Government activities, but the sun must also shine on increases in funds for the operations of the Congress itself.

I opposed the resolution in 1971 which permitted the House Administration Committee to increase Members' allowances without a recorded vote of the full House and have supported subsequent efforts to repeal this procedure. We expect, in fact demand, full accountability from the witnesses of the various agencies who appear before congressional committees on behalf of their respective budgets and programs. We owe no less to the American people for our own operations.

I support the efforts of our distinguished minority leader to debate and decide this vital issue before the entire House, not within the confines of the Republican or the Democratic caucus, and I urge my colleagues to vote for full public accountability, regardless of party, by voting for the motion to recommit.

Mr. LATTA. Mr. Speaker, I yield 4 minutes to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, the gentleman from Massachusetts, my good and genial friend, suggested that I needed a little help, a straw, he said, and I would like to inform him that I do not need a straw as long as I have him. He is the best thing I have going for me as far as electing new Republican Members is concerned.

I suggest what we are being offered here today by my friend, the gentleman from Massachusetts, is not a solution. What he is offering is a whitewash. What we are being asked to do here today is to create a Commission which has a function of going forward but specifically not a function of going backward.

Mr. Speaker, the people of the United States are not going to stand for that. They recognize the fact that this House was very good at reviewing alleged wrongdoings of 2 years ago. The gentleman from Massachusetts mentioned Watergate. Of course he and the majority party did a very good job at investigating that. Why are we not as good at investigating when it is a matter of investigating our own Members?

We are asked to create a Commission to study. Do Members know what the definition of study is? The dictionary says it is "a methodical examination or review of the condition or situation."

The substitute which will be offered is for an audit, which is by definition, "a formal or official examination or verification of the books or accounts." I think that is what is required.

It has been said the gentleman from New Jersey and the distinguished chairman of the Committee on House Administration will ask for an audit by the GAO. I understand, and he can correct me if I am wrong, that he has not yet asked for any such study; that there has been an informal request made for GAO people to come and help the Committee on House Administration. I have not seen any letter. I do not know what the scope of the study, if any there will be, will be. I am not at all assured what would be accomplished, what the scope would be. But I am assured if we adopt this substitute that the chairman of the select committee, made up equally of Members on both sides, would have the right and the mandate to go into any area of investigation which he thinks is necessary in order to do something which we all want and all must have: We all must be able to go to our constituents and to say "we had a mess and we have cleaned it up and now we are devising a structure to keep it from happening again."

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman.

I would like to inform the gentleman and the House of the situation regarding the General Accounting Office.

Mr. RHODES. But do it briefly, because I do not have much time.

Mr. THOMPSON. First we checked the statute.

Second, I made, pursuant to the statute, some days ago a formal written request on June 29 after sevaral days of conversation with the GAO staff.

Mr. RHODES. Has the gentleman put that in the RECORD? He is very good at putting things in the RECORD. Has he put this in the RECORD?

Mr. THOMPSON. The gentleman has not but will.

Mr. RHODES. Very well.

Mr. THOMPSON. And yesterday I received a formal, affirmative reply, and the team of General Accounting Office auditors will be working beginning Tuesday next, but not as the gentleman would have it, on every Member of this body.

Mr. RHODES. Then I think it is important that we adopt the substitute even more, because the substitute gives the undoubted authority to the chairman of the committee to do whatever he finds necessary. And also we need to have somebody to which the General Accounting Office auditor or whoever, will report to. I do not cast any aspersions at all on my friend, the gentleman from New Jersey, nor on members of the Committee on House Administration, but it seems to me wrong that any report be made to them because it is their committee accounts which are being audited.

I ask that the motion to recommit be adopted.

Mr. BOLLING. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I suppose it was a waste of time for me to hope that this thing might be handled on a relatively peaceful basis. Since it has not been, I propose to participate a little less peaceably.

What the minority motion to recommit proposes is a bipartisan committee. The commission that the minority speaks so kindly of, when it was proposed by the so-called Bolling committee, was a committee that would have consisted of some Members of the House with a majority-majority and a minority-minority and some Members from the outside. If they loved that report so well then, why do they not love its proposal now, because the proposal under this resolution is the same kind of commission as was proposed then?

What they do propose, I am sorry to say, is the reason that they are still in the minority. They propose another look backward. Do not try to improve the way we do things, look back and hunt out everything we can possibly pretend is wrong.

What the gentleman from New Jersey has said is absolutely clear. Every single matter will be audited on committees and on Members when an accusation is made that is substantial.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. This gentleman will yield if he has time at the conclusion of his speech.

Mr. Speaker, this kind of looking backward and our ability to look forward is why we have been in charge for so long.

The next point is that it is our responsibility to deal with the management of the House and we should decide that we need the assistance of outside persons.

Mr. Speaker, the gentleman from Indiana made the point perfectly. We do not own the House of Representatives. We brag about its being the people's House. The people should be involved, not only through their elected Representatives, but through distinguished persons serving on that Commission.

It seems to me that the very arguments made by our friends in the minority make it absolutely clear that we should adopt the resolution and proceed then to discuss and adopt the proposal for a mixed commission.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I would like to associate myself with the gentleman's remarks. Although we disagreed on some aspects of the Bolling recommendation, I fully support it.

I lament the fact we did not adopt this overall view as contained in the Bolling recommendations to the last Congress. This is our opportunity to do so.

The need is clear. I support the position of the gentleman in the well.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I merely want to point out that, unlike the gentleman from Missouri portrayed the motion to recommit, this is a look both forward and backward. The Commission which would be created has the job of having an audit and supervising it and accepting the results of the audit; but it also has a mandate to study the accounts of the House and to bring to the House a report for a better accounting structure, so that the type of thing which has been going on for many years will not go on any more.

Mr. Speaker, the gentleman's party has been in control of the Congress for 22 years. I should imagine if I were in the position that the gentleman's party is in that I would look for all the help I could get to eke it out, even from the minority.

Mr. Speaker, I am surprised at two things.

I am surprised, first, we offered the help, and surprised even more that the majority did not accept it.

Mr. BOLLING. I would only comment to the gentleman—and then I am going to move the previous question without yielding further—I would only comment to the gentleman that the kind of help I heard the gentleman offer still seems to me largely looking backward, still seems to me the fundamental reason that the minority is the minority. I regret that a very few Members of the minority only have taken the constructive view that what we are proposing can be done both in this and the next resolution, and what the gentleman is proposing cannot and will not be done.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. Res. 1368

Resolved, That (a) there is established in the House of Representatives a commission to be known as the Commission on Administrative Review (hereinafter in this resolution referred to as the "Commission"). The Commission shall be composed of fifteen members as follows—

(1) eight Members of the House appointed by the Speaker of the House, five from the majority party and three from the minority party; and

(2) seven individuals from the general public, appointed by the Speaker of the House from among individuals whose background demonstrates an ability to analyze the management needs of the House.

(b) The Speaker shall designate one of the members of the Commission to serve as Chairman. Any vacancy occurring in the membership of the Commission shall be filled in the same manner as the original appointment.

Sec. 2. (a) It shall be the function of the Commission to conduct a thorough and complete study with respect to the administrative services of the House of Representatives, including staff personnel, administration, accounting and purchasing procedures, office equipment and communication facilities, recordkeeping, emoluments, and allowances.

(b) The Commission, in carrying out its functions under this resolution, shall seek the advice of the General Accounting Office and the business community.

Sec. 3. (a) The Commission, in carrying out its functions under this resolution, may meet at such times and places as it considers necessary. A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(b) The Commission shall make such rules with respect to its organization and procedures as it considers necessary, except that no action shall be taken by the Commission unless a majority of the Commission assent.

(c) The Commission shall keep a complete record of all its actions, including a record of the votes on any question on which a record vote is demanded. All records, data, and files of the Commission shall be the property of the Commission and shall be kept in the offices of the Commission or such other places as the Commission may direct.

Sec. 4. (a) Members of the Commission who are appointed under subsection (a) (2) of the first section of this resolution (other than those who otherwise are full-time employees of the Federal Government) shall receive compensation for each day they are engaged in the performance of the functions of the Commission at the rate of pay in effect for grade GS–18 of the General Schedule (5 U.S.C. 5332). All members of the Commission shall be entitled to receive reimbursement for actual and necessary travel expenses, including per diem in lieu of subsistence.

(b) The Commission shall appoint and provide for the compensation of such staff as may be necessary to carry out the functions of the Commission.

Sec. 5. The Commission shall transmit semiannual reports to the House of Representatives, and may transmit such additional reports and recommendations as it considers necessary or appropriate. The final report of the Commission shall be transmitted to the House no later than December 31, 1977. The final report shall contain a detailed statement of the findings and conclusions of the Commission together with its recommendations for such action as it considers appropriate. The Commission shall cease to exist after the transmission of its final report.

Sec. 6. The contingent fund of the House of Representatives is made available to carry out the purposes of this resolution.

The SPEAKER. Under the rule, the gentleman from Missouri (Mr. Bolling) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. Latta) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri (Mr. Bolling).

Mr. BOLLING. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, we have debated both matters, the matter that comes up in this resolution, as well as the resolution just agreed to, which brought this up. I understand the minority does not see any extended debate.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Speaker, I am going to support the motion to recommit with instructions which will be offered by the gentleman from Ohio (Mr. Latta) the thrust of which was originally proposed by the gentleman from Arizona (Mr. Rhodes).

I saw an article in the Washington Post this morning headlined, "Sex Reform Vote Today in House". The article goes on:

> The House is to vote on two resolutions rammed through the Rules Committee yesterday as part of a package of reforms aimed at curbing future suspicions of sex scandals such as those that have swirled around Congress in recent weeks.

One of the wisest votes I have made since coming to Congress was to vote against House Resolution 457 in 1971 which allowed the chairman of the House Administration Committee to gain the power which lead to the abuses which brought us here today. Most Members of Congress are hard-working, conscientious, honest, decent persons, and yet we are all thrown into this mess through no fault of our own.

I think we should adopt the Latta-Rhodes proposal to provide for a full audit of all expense records of every Member of Congress. I believe there should be equal representation on any committee established to administer the investigation, carry out the functions, and to manage the administrative services of the House of Representatives since every Member is affected. But, first I think we should repeal House Resolution 457 and pass a resolution which would mandate us to vote on a proposal which would require us to voucher all expenses.

While we are making reforms, I believe we should impose on ourselves the toughest, most inflexible antinepotism law possible. I have today introduced legislation which would prohibit the employment by the legislative branch of Government of any relative of a Member of Congress, and there would be no grandmother or grandfather clause as the case might be.

This is an area again where we have been subjected to considerable criticism. I do not wish to single out anyone for criticism, but the former chairman of the House Administration Committee has his wife on the payroll, his daughter is on the congressional payroll, his niece's boyfriend is on the congressional payroll, and his sister-in-law is on the congressional payroll. It just seems to me as if this leaves every Member of the House open for criticism if we do not speak up and express our disapproval.

I think the majority should have proposed an open rule so the House could work its will on this issue so important to each and all of us.

We should:

First. Adopt the Latta-Rhodes proposal to audit the accounts of each Member and all committees now for the future and retroactively and make a full report to the public.

Second. Adopt a proposal which would allow a record vote by the full membership of the House on all Member's allowances.

Third. All Member's office accounts should be administered by a bipartisan committee.

Fourth. An antinepotism law which would prohibit employment or continued employment by the legislative branch of the Government of any relative or any Member of Congress should be passed.

I thank the gentleman from Ohio for yielding and ask unanimous consent to revise and extend my remarks.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. Waggonner).

Mr. WAGGONNER. Mr. Speaker, I have no intention to utilize 5 minutes, but I do think we need some clarification of what the current law is and what can be done to make a decision about whether or not we are going to proceed to establish a commission or a select committee.

I have to say that I have been one who has in the past been very much opposed to a proliferation of select committees, because I do not think that they accomplish very much. They buried the bureaucracy.

I have some personal dissatisfaction with the proposal for a commission because of its constitution, but I would like to ask the distinguished gentleman from Missouri (Mr. Bolling) what can be done in the way of audits, under existing law, what does existing law provide for, in the way of audits of Members' accounts or committee accounts or accounts of the officers of the House.

Will the gentleman explain that to me?

Mr. BOLLING. If the gentleman will yield, the current law, which I do not know in detail, was examined by the chairman of the Committee on House Administration. Subsequent to the examination, he consulted with the Comptroller General. He then wrote a letter to the Comptroller General, seeking certain services in auditing from the Comptroller General.

Mr. Speaker, I ask unanimous consent to include in my remarks the letter to the Comptroller General from the gentleman from New Jersey (Mr. THOMPSON) and the reply.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, the Comptroller General replied that they have now established the following—and if I am in error, I hope to be corrected by a member of the committee, but I am quite sure I am right. No. 1, the GAO auditor will audit the books of the Committee on House Administration. It is my understanding that they will also examine the books of other committees automatically. In addition to that, if there is a charge filed, sworn to, considered to suggest probable cause against a Member, that Member's accounts will be examined.

All that has been worked out, and it is in writing, as I understand it. I will include those two letters in my remarks. They are coming down from the committee at this moment.

Mr. WAGGONNER. Mr. Speaker, would the gentleman from Missouri (Mr. BOLLING) be able to make some copies of those letters available reasonably soon for us here, perhaps before the vote? I am sure that some of us would like to see them.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WAGGONNER. Mr. Speaker, I first would like to get an answer from the gentleman from Missouri (Mr. BOLLING), and then I will yield to my friend the minority leader.

Mr. BOLLING. Mr. Speaker, if the gentleman will yield further, the problem the gentleman from Missouri has is that he does not have control of the letters. They are on the way, and I am quite sure that they accurately depict what the gentleman from Missouri has said they depict.

Mr. Speaker, the letters which I have referred to are as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., June 30, 1976.

Hon. FRANK THOMPSON, Jr.,
Chairman, Committee on House Administration, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is to confirm arrangements made pursuant to your letter dated June 29, 1976, requesting us to assign auditors to assist the Committee on House Administration in ensuring that the financial accounts of the Committee and of the House are properly maintained and most efficacious with regard to Members' needs.

We will assign three GAO auditors to work with the Committee on House Administration. The GAO auditors—a senior level C.P.A. and two middle level assistants—will serve under your direction and report directly to you. They will be available to examine the accounts of the Committee on House Administration and to pursue such other accounting matters within the jurisdiction of the Committee as you determine are needed.

As agreed with you, the salaries and other costs of the GAO staff members on this assignment will be reimbursed by your Committee. During our meeting the timeframe and ultimate scope of this assignment was left open. We will also provide additional staff as the circumstances may require to complete this work expeditiously. Therefore, we cannot at this time provide you with an estimate of the eventual costs which will be involved.

Our staff will be available to the Committee on July 6, 1976, when they will report for duty to Mr. William Cable, Staff Director of the Committee.

We trust that these arrangements are satisfactory.

Sincerely yours,
ELMER B. STAATS,
Comptroller General of the United States.

Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR SIR: On Thursday, June 24, and Friday, June 25, 1976, House Administration Committee staff discussed with members of your staff the possibility of having GAO auditors assigned to the Committee to ensure the integrity of our books, to establish the existence or absence of certain facts, and to identify potential or actual weaknesses in the accounts system of the House.

I have discussed the assignment of GAO auditors with my colleagues and the House leadership, and feel that such an assignment would be of immeasurable assistance in ensuring that the financial accounts of the Committee and of the House are properly maintained and most efficacious with regard to Members' needs.

I therefore formally request the assignment of such personnel to me as, in subsequent discussions, we determine necessary to audit and reconcile the books of the Committee on House Administration. Such personnel should be available to, at my direction, pursue other accounting matters within the jurisdiction of the Committee. Naturally, all findings and recommendations would be reported exclusively to me.

With kind regards,

Cordially,
FRANK THOMPSON, Jr.,
Chairman, House Administration Committee.

Mr. WAGGONNER. Mr. Speaker, I now yield to the minority leader.

Mr. RHODES. Mr. Speaker, I am sure that my friend, the gentleman from Louisiana (Mr. WAGGONNER) would agree with me that what we are trying to do here today is to reestablish the credibility of the House of Representatives with the American people.

I certainly have all the faith in the world in the General Accounting Office. In fact, it would be my hope that if the motion to recommit is agreed to, the chairman of the select committee, whoever that member may be, would ask for the help of the General Accounting Office in performing the audit.

As the gentleman will note, in the resolution we only allow for five professional employees and suggest that the rest be obtained elsewhere, probably from the GAO. The reason the select committee is important and necessary, it seems to me, is that in order to reestablish our credibility, we have to have someone to whom the GAO would report, someone who was obviously not involved in any way in what went on before.

Without casting any aspersions at all on my friend, the gentleman from New Jersey (Mr. THOMPSON), or on any other member of the Committee on House Administration, I suggest they are not in a position to provide that assurance. I suggest it is much more important in reestablishing credibility to see that the findings of GAO be reported to some other body, and the best body to receive that report is a select committee made up of five Members from each side of the aisle.

The SPEAKER pro tempore. The time of the gentleman from Louisiana (Mr. WAGGONNER) as expired.

Mr. BOLLING. Mr. Speaker, I yield 3 additional minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, let me say that I think every Member of this House shares the distinguished minority leader's desire to reestablish credibility. The point I would make is that from the bottom of my shoe soles to the top of my head I am convinced that we are overreacting to this entire matter, and I believe that an atmosphere of emotion prevails—maybe I am wrong—that precludes any possibility of us here today being able to make decisions rationally.

I share this attitude with the Members when we considered it in our caucus of the majority party. I think the caucus overreacted; nevertheless the caucus did act.

I simply do not believe—and I think the earlier debate here today has reflected this—that we can, without rancor, without partisanship, without emotion, debate this issue and come up with something that is workable. I do not question what any Member does under these circumstances. At this minute I truthfully do not know what I am going to do, but I am saying that we are allowing emotions to prevail, and we are going to live to regret it. We need to be a little bit more rational, it seems to me.

Mr. Speaker, we should think about this, and we should just let every Member do what his or her conscience says is right. But I am telling the Members that I think we are overreacting.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I would simply like to ask a question of the gentleman from Missouri (Mr. BOLLING).

The gentleman stated a moment or two ago that if there was a sworn charge against a Member, the GAO would examine that particular Member's accounts. I know that the GAO is comprised of a very busy group of people.

Is there anything to preclude a Member of this House demanding of GAO an audit of his or her own account?

Mr. BOLLING. Mr. Speaker, if the gentleman from Louisiana will yield, my understanding from my expert, who is the chairman of the Committee on House Administration, is that there is nothing to prevent that.

Mr. KETCHUM. Perhaps that is what we ought to do, then.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. WAGGONNER. I yield to the chairman of the Committee on House Administration.

Mr. THOMPSON. Mr. Speaker, in answer to the gentleman's question, the answer is: "no." The gentleman is right, the statute specifically provides one may request that the GAO audit the Member's office accounts, if he or she so chooses.

Parenthetically, I might add that I

have assurances from the GAO that they have sufficient personnel for the undertaking which I have requested of them and which will be made part of the effort.

Mr. WAGGONNER. Let me pursue that a little further with the gentleman from New Jersey (Mr. THOMPSON).

If there is nothing under existing law which would preclude a Member's asking for an audit of his own accounts, is there, by the same token, anything in existing law which would preclude one Member from asking for an audit of another Member's accounts?

The SPEAKER pro tempore. The time of the gentleman from Louisiana (Mr. WAGGONNER) has expired.

Mr. BOLLING. Mr. Speaker, I yield 5 additional minutes to the gentleman from Louisiana.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield so that I may answer his question?

Mr. WAGGONNER. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I am uncertain, under the statute.

It seems to me that the General Accounting Office on such a demand would have to make a decision, but I see nothing in the statute that would answer the gentleman's question.

Mr. WAGGONNER. At least, nothing prevents the Members asking for audits which the GAO has to consider then; is that not correct?

Mr. THOMPSON. Yes, it is correct. The statute, I say to my friend, the gentleman from Louisiana, provides the right of a committee or of a committee chairman or of an individual relating to audits.

Mr. WAGGONNER. I thank the gentleman from New Jersey.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, during the debate yesterday in the Committee on Rules, this very point was touched upon by the gentleman from New Jersey (Mr. THOMPSON) in his testimony. The gentleman from Illinois (Mr. ANDERSON), whom I do not see here at the present moment, read from the statute that authorizes investigations into individual Members' accounts. He indicated that the statute only provided for such audit if the full House ordered it or if a committee of the House ordered it.

Mr. Speaker, the gentleman from New Jersey (Mr. THOMPSON) has repeatedly referred to the fact that he has requested the GAO to make these audits, and that it will not be done, as he said yesterday, on a willy-nilly basis.

I am convinced, from what the statute says, as related by the gentleman from Illinois (Mr. ANDERSON), that the gentleman from New Jersey, in acting on his own, does not have that authority, nor does any other Member have a right to ask for an audit of another Member's accounts. Only a committee of the Congress or the full House can order that.

Mr. Speaker, that is why the substitute offered by the gentleman from Arizona is superior to what we have here.

Mr. WAGGONNER. Mr. Speaker, that brings up another question. Let me ask a question which, perhaps, the gentleman can include in his response: Are there committee procedures, or if there are not committee procedures, will committee procedures be established whereby such an audit can be achieved?

Mr. THOMPSON. If the gentleman will yield, the answer is yes.

Mr. WAGGONNER. Yes, there are committee procedures; or if they are not under review, the gentleman will establish such procedures; is that correct?

Mr. THOMPSON. There are two procedures. One is a committee one.

The gentleman from Illinois (Mr. ANDERSON) has not read the complete statute. That part which he read was predictably accurate.

I pointed out that in another section of the statute, and the Comptroller General and his counsel agree, there is provision that the chairman of a committee may request such an audit.

I have done that, and I have an affirmative response from the Comptroller General and a statement as to when his auditors will arrive.

Mr. Speaker, I thank my friend, the gentleman from Louisiana (Mr. WAGGONNER).

Mr. MATHIS. Mr. Speaker, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Speaker, I thank the gentleman for yielding.

I think the gentleman was probably in the Chamber when I spoke in opposition to the rule concerning the Bolling resolution, and I still have very grave concerns, Mr. Speaker, about what we are going to do until such time as this Commission reports back its findings on December 31.

I would simply like to have, if it is possible to obtain, some kind of assurance from the leadership that we are not going to rush willy-nilly into the adoption or the implementation of any kind of recommendation that this Commission brings back without an opportunity for proper study, proper debate, and for consideration of alternatives.

I would just like to know if there is any member of the leadership or any Member of this body who can tell me that we are not going to act in a precipitous fashion at that time.

Mr. WAGGONNER. I think the answer to that question is probably available through the majority leader.

Mr. MATHIS. Mr. Speaker, if the gentleman from Louisiana will yield still further, I feel, again, that we have acted in that kind of fashion in this instance. I want to be assured that it will not happen in the future.

Mr. WAGGONNER. Mr. Speaker, for an answer to the inquiry of the gentleman from Georgia, I yield to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, in reply let me say that I do not know of any instance where the Congress has acted willy-nilly on something like this. As an example, 2 years ago we had a committee looking into the defense of our Nation. They reported on April 19. I presume the committee is still studying the views of that Commision with regard to the defense of our Nation. I do not know how long a study the committee will make, or the investigation by outside input plus recommendations to the Congress. But if a matter of this type came back it would certainly go before the appropriate committees. They would go over the entire matter. The recommendations that would be up for consideration would be up for caucus matters, for the steering committee, and so forth, on both sides of the aisle. We would discuss the report. I would assure the gentleman from Georgia that we would not have them just bring it back and accept the recommendations right away. They would be thoroughly considered. As an example, there are still Hoover Commission recommendations that are actually being studied. They have not all been put into effect.

So again I assure the gentleman from Georgia that we would not rush into this.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, it would seem to me that the colloquy that has just taken place between the gentleman from Georgia (Mr. MATHIS) and the distinguished majority leader points out another reason why the motion to recommit should be adopted and not the commission as suggested by the majority.

If I understand the majority leader correctly, when the commission reports it reports merely to the House. Then, of course, the report is referred under the due course of events to the committees and the committees will then study the matter again. They will go through the whole matter, hold hearings, proceedings, so forth and so on, so that, in effect, there will be two studies made. That will of course be expensive and it will be time consuming.

It would seem to me, Mr. Speaker, it would be much better if we had a select committee, which committee, after all, does have the authority to report and request legislation to be adopted. That way we would have only one study. We would come up with a solution, which, as the gentleman from Missouri (Mr. BOLLING) mentioned, is what we all desire, and I am sure we do.

So, Mr. Speaker, I would hope that the select committee method would be adopted for many reasons, the one I just mentioned is only one of them.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I thank the gentleman from Ohio for yielding me this time.

Mr. Speaker and Members of the House, I believe that all of us were deeply moved last week when the gentleman from California (Mr. DELLUMS) rose on the floor of this House and spoke of the idealism with which he had come here. I think that is true of almost every Member of this House. It seems tragic that we have bogged down today in partisan squabbling, taunting the minority for being small and accusing the majority of having mishandled things.

That is not what we should be doing here. We should be talking about what the people have a right to: a system that will not allow a repetition of what we all know has happened. We should be permitted to have an audit of the accounts. An audit, yes, whether outside or inside. But also we should have a chance to keep the outside members on the Commission, as has been suggested by one of the plans, or maybe to proceed as suggested by the other plan. But, Mr. Speaker, why were these methods used to bring this to the floor so that we cannot debate them in a proper manner or offer amendments to them? Is this the proper way to proceed?

The SPEAKER. The time of the gentlewoman has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I would like to ask the gentleman from Missouri a question. Under the resolution the Commission expires on December 31 of 1977. It is my understanding that the Commission will report back with its study, findings, and recommendations. In the event that the study is completed and the recommendations are made, how do we reconstitute the Commission?

Mr. BOLLING. We do not reconstitute the Commission. It will have completed its function when it reports to the House. When its report is received by the House, it will be referred, I assume, by the Speaker, to the appropriate committee or committees, and the legislation, if any, would move from there.

Mr. ANNUNZIO. Then the Commission will die on December 31, 1976?

Mr. BOLLING. That is correct.

Mr. ANNUNZIO. I thank the gentleman.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield myself 2 minutes.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

I just wanted to respectfully ask the gentleman from Missouri why an open rule was not adopted on these two resolutions so that the House could work its will on this matter which is so important to all of us.

Mr. BOLLING. The gentleman from Missouri tried to say that in his opening speech and in his closing speech on the rule. What we have before us is something that I think the House can do. The next resolution that we have that deals with stripping is something I think the House can do. The danger that the gentleman from Missouri sees is that if we get into an amendment phase, the various factions, not parties, who do not like this or that or the other would create a situation on which the House would do nothing. My concern and the reason that I supported these rules is that I am afraid that a very fragile situation will unravel. As I said at the beginning there are people who do not like this aspect, there are people who do not like that aspect, and there are people on one side who do not like what the other side is doing, and vice versa.

I think that what we have proposed has a chance of being enacted, will not unravel, and will thus accomplish a good deal. That is the reason that there is no open rule.

Mr. WYLIE. I thank the gentleman for his comment. However, to coin an old phrase, we are all in the same boat together here, and many of us are not able to express ourselves on these two resolutions. We know that most Members are hard-working, conscientious, and decent people. But we have all been thrown into this mess through no fault of our own, and we are not able, as the gentlewoman from New Jersey (Mrs. FENWICK) said, to express how we really feel about the reform that should take place.

I thank the gentleman from his response.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Speaker, before we vote on this resolution and go forth into the sunlight, I want to see if we can get one additional clarification of a matter that was in the CONGRESSIONAL RECORD yesterday. I would like to have the attention of my good friend, the gentleman from Washington (Mr. MEEDS).

There has been considerable interest and speculation in the House and outside of the House as to whether or not, and by how much, the Committee on House Administration has increased the office accounts of Members of Congress in this interval before that authority is withdrawn from the Committee on House Administration. In the charts, the most recent of which the gentleman from Washington put in the RECORD yesterday at page 21625, there was a summary of the Dickinson estimate of $78,514 and of the Meeds estimate—as I will refer to it in honor of the gentleman from Washington—of $54,320. Then there is a footnote that says—

> This $54,320 will be reduced by half the telephone allowance if a Member elects WATS service.

Mr. MEEDS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Washington.

Mr. MEEDS. I thank the gentleman for yielding.

I am afraid the gentleman has misunderstood. The asterisk is by the telephone service, and that is the amount which would be reduced by one-half.

Mr. MARTIN. Yes, and that is what I said.

Mr. MEEDS. That is if WATS service is introduced and accepted by the Members.

Mr. MARTIN. If that is so, would we be entitled to introduce into our offices two WATS lines or one?

Mr. MEEDS. If the gentleman will yield, it was the recommendation of the committee and of the task force that two WATS lines be installed in each office.

Mr. MARTIN. Two?

Mr. MEEDS. Two.

Mr. MARTIN. Would these be nationwide WATS lines?

Mr. MEEDS. There is some question on how that would come about. We would try to effect economies and to run the WATS services through banks which would then distribute them out across the country.

There may be a situation in which the Members farthest from this center would have total WATS service all over the Nation immediately and it might be that other Members would have to go to the bank to get outside of areas beyond their zone.

Mr. MARTIN. Yes, and I have been reminded that this subject will properly come up under the next bill.

Mr. MEEDS. That is correct.

Mr. MARTIN. Has the gentleman made an estimate as to how much this will cost per office?

Mr. MEEDS. We do not have that.

Mr. MARTIN. I have one estimate from Southern Bell Telephone that runs as high as $40,000 a year for the two WATS lines.

Mr. MEEDS. That is probably for installation of the WATS line away from the bank that I talked about.

Mr. MARTIN. Does the gentleman have any kind of estimate of $20,000 or $40,000 or $30,000?

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. MARTIN. We will pursue this a little later on the next bill because I think it should be clarified.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, in the debate which just occurred a point was touched upon which ought to be of more than passing interest to each Member of the House regardless of his party.

As we well know, we are faced with a motion to recommit that would set up a select committee of the House, bipartisan and of equal numbers. On the other hand the majority has suggested a resolution which will create a study commission that will not report for almost a year and a half.

The gentleman from Arizona (Mr. RHODES) has explained the fact that his proposal provides for a General Accounting Office audit of any and all records of the House that the select committee to be created may request. In answer to that the gentleman from New Jersey (Mr. THOMPSON) said he has in fact already requested a formal audit by the General Accounting Office of House committees and that they will make other audits whenever good cause is shown as justification for such investigation.

I suggest we ought to be very careful. Yesterday before the Committee on Rules the gentleman from Illinois (Mr. ANDERSON) quoted from the statute which indicated the gentleman from New Jersey as committee chairman acting alone might not have the power to ask for an audit of anything, that instead, a request might have to come by way of action by the full House or it may require action by the appropriate committee to request an audit. The statute does not permit any individual Member to request a GAO audit of another individual Member.

I seem to remember that the entire debate that has occurred here has been brought about because of the abuse concentrations of power in the hands of a few. Certainly we have had a number of specific charges made against several Members of the House indicating the necessity to audit and investigate, not only committee accounts, but those of individual Members as well. So there may well be need for an audit but I raise this question with the Members.

If it is true the chairman of the Committee on House Administration, whoever he may be at any given time, has the power to order audits of individual Members on his own recognizance, so to speak, does that not give that chairman, whoever he may be, a power even greater than the former chairman of that committee had?

Mr. ANDERSON of Illinois. Mr. Speaker, if the gentleman will yield, I had an investigation made of the powers of the General Accounting Office with respect to audits and found the statute does refer to committees or to either House of the Congress. It occurs to me while the gentleman from New Jersey (Mr. Thompson) in his capacity as the chairman of the Committee on House Administration would have the power to ask the General Accounting Office to come in, as he has done, I am sure that power would not extend however to the audit of other committees of this House.

Mr. BAUMAN. Or to individual Members?

Mr. ANDERSON of Illinois. Or to individual Members.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished chairman of the Committee on House Administration.

The SPEAKER pro tempore. The time of the gentleman from Maryland (Mr. Bauman) has expired.

Mr. LATTA. Mr. Speaker, I yield 2 additional minutes to the gentleman from Maryland.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, the statement of the distinguished gentleman from Illinois is mostly correct, except in one regard. Under the rules of the House, the Committee on House Administration has the responsibility for the expenditure of the contingent funds of the House. Based on that authority, it follows that the committee, or its chairman, has a right to ask for an audit of any contingent fund expenditure emanating from the Committee on House Administration.

Mr. BAUMAN. Mr. Speaker, with all respect to the gentleman from New Jersey, if that is true, since many of our expenses are paid out of the contingent fund, it leaves in the gentleman's hands, without the approval of the gentleman's committee or of the House, the right to require an audit of any Member or of any committee. If that is the case, I believe it places a premium on adopting the substitute that will be offered as a motion to recommit. Then the power to audit would reside in a bipartisan committee of 10 Members. I really think it is very dangerous to sweep these problems under the rug of a commission that will not report its recommendations for a year and a half. That may be better than nothing but far preferable is the creation of a bipartisan select committee over which the House has control.

So I urge support for the motion to recommit.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. Myers).

Mr. MYERS of Pennsylvania. Mr. Speaker, as a new Member of Congress this past year, I contacted the Committee on House Administration in an effort to derive some assistance in addressing essentially the problem we have today. I requested funds to provide an independent audit of my personal and office accounts. I have, which I will include in the Record, a letter to the gentleman from Ohio (Mr. Hays) indicating that at that time I was in correspondence with Arthur Andersen and Co. to pursue the issue of setting up accounts, having them audited, and so forth.

I have responses from the gentleman from Ohio (Mr. Hays) and from the gentleman from New Jersey (Mr. Thompson), both of which essentially indicate that no funds were available for that function, that I could not set aside funds out of my own clerk hire to hire an independent auditor, which I thought was odd at the time, because I wanted to know if there were areas in which a Member could get out of line without knowing it. I recommended and wanted an audit. Essentially what I did was to hire an auditor on my staff to set up the books and go through an audit, which is included in the extraneous matter I am putting in the Record. I put it in the Record as an example to the commission, or the committee, whatever is created here today, of the type of report that I think should be required of all Members, or at the very minimum, available to all Members.

At the time I wrote to the Committee on House Administration, I was somewhat surprised by the fact that the committee had such power to change my benefits in any area they wanted, but would not concede me the opportunity to have an independent audit of my office.

I subsequently also had a complete personal financial statement made and included, which was circulated to all my constituents. That is the first part of my complete financial disclosure.

At the time that I contacted the Committee on House Administration, if the gentleman from New Jersey (Mr. Thompson) was aware that the GAO could be used, I wish the gentleman from New Jersey would have informed me as a new Member; but it was my understanding that the GAO could not be used as an independent auditing agent for our individual offices; so that I would have appreciated as a freshman Member that advice from the House Committee on Administration.

As I mentioned, what I have included in the Record today certainly is an example of what I believe all Members should be doing to satisfy the audits of their personal finances and also of their offices. I believe it would guarantee that our constituents know full well what our total financial records are.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. LATTA. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Speaker, while the gentleman from Ohio (Mr. Latta) is on his feet, I would like to ask if in the resolution we are now asked to vote on is there any guarantee whatsoever that the Commission's total work will be done out in the open, out in the sunshine, and the public will have full availability of all records that they work with?

Mr. LATTA. There is no such provision, but I assume they would do their work in the open.

Mr. MYERS of Pennsylvania. I think this is one of the very weak parts of the resolution. I think that it should emphatically guarantee that every aspect of this investigation would be available to the public.

Second, I would like to ask the gentleman from Ohio, Is the Commission directed also to the many patronage jobs and a listing of all the patronage jobs available to the House, but which do not have anything to do with committees or Members' offices? Will they also be audited and accounted for as to who is hired, who recommended them, and what relationships they have?

Mr. LATTA. Employees of the offices of the House would be covered.

Mr. MYERS of Pennsylvania. I thank the gentleman.

Mr. Speaker, I include the following correspondence and other material:

May 5, 1975.

Hon. Wayne L. Hays,
Chairman, Committee on House Administration, Washington, D.C.

Dear Mr. Chairman: I have been engaged in negotiations and discussions with an accounting firm in Washington with respect to my interest in having them set up a bookkeeping and auditing system for my congressional office. I have discussed with them possible ways of paying for such staff services.

Attached is a copy of a letter which they sent concerning their professional reservations about being placed on a congressional payroll for services to be performed in my office. Their reservations are based on their need as CPA's to maintain the appearance of independence. The attached letter goes into more detail on this point.

Under the circumstances they describe, is there any mechanism for paying for services which they perform for my office through my Clerk-Hire Allowance without putting their CPA on my payroll. For example, could a provision be made for payment for services rendered by a CPA through the payroll allocation in a fashion similar to the payment for computer services?

I would appreciate any assistance or guidance you could give me in devising a method of payment which would be consistent with their auditing standards.

Thank you for this and many past courtesies.

Sincerely,

Gary A. Myers,
Member of Congress.

COMMITTEE ON
HOUSE ADMINISTRATION,
Washington, D.C., May 28, 1976.
HON. GARY A. MYERS,
Longworth House Office Building, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN MYERS: This refers to your recent letter concerning the employment of Arthur Andersen & Co. to "set up a bookkeeping and auditing system" for your Congressional Office and to pay for such services through the "Clerk-Hire Allowance."

I regret to advise that payment for such services by the Clerk-Hire Allowance is not authorized. I also note the Arthur Andersen & Co. letter of April 1, attached to your request, advises that an employer/employee relationship under a Clerk-Hire Allowance would derogate from their status as an independent auditor.

I recognize that installation of a bookkeeping and auditing system for some Members is highly desirable and for that reason I am referring your letter with attachment to the Subcommittee on Accounts for their consideration.

With kindest personal regards, I am
Very sincerely yours,
WAYNE L. HAYS,
Chairman.

ARTHUR ANDERSEN & CO.,
Washington, D.C., April 1, 1975.
Mr. WARING PARTRIDGE,
Administrative Assistant, Congressional Office of Representative Gary Myers, Longworth Building, Washington, D.C.

DEAR WARING: It was indeed a pleasure meeting with you to discuss the various areas in which our Firm could provide assistance to the Congressional Office of Representative Gary Myers. We appreciate the opportunity to discuss this matter with you and assure you that the work will be given our closest attention.

As we discussed, the estimated fees to assist with the development and implementation of a manual accounting system for the Congressional Office of Representative Myers would be approximately $650. In addition, the estimated fees to perform an annual audit of the Congressional Office after the implementation of such an accounting system would be approximately $1,200–1,400 per year. The fees for these two areas of work are based on the total estimated time by the grade level of personnel required to complete the work and extending such hours by the applicable hourly rate.

You have inquired as to whether or not the staff person performing this work could be placed on the payroll of the Congressional Office in order to allow payment of that portion of our fees from the Congressional Office salary fund. Although we understand that this type of an arrangement is intended to provide a basis for paying our fees from the most flexible fund, an arrangement of this type could not be undertaken as it would give rise to a situation where our Firm might not appear to be independent. The Second General Auditing Standard issued by the Auditing Standards Executive Committee of the American Institute of Certified Public Accountants states "in all matters relating to the assignment, an independence in mental attitude is to be maintained by the auditor or auditors." This standard requires that an auditor not only remain independent, in fact, but also requires that the auditor not give rise to a situation where he appears not to be independent. Although it could be possible for a person assigned to the audit to maintain his independence while being paid from the office salary fund, such circumstances would certainly give rise to a question as to whether or not the auditor could be independent. Therefore, it would be inappropriate for any public accounting firm to assign personnel to such an audit engagement and allow their personnel to be placed on the Congressional Office payroll. The source of the funds used to pay our fees (e.g., salary fund, stationary fund, etc.) would have no effect on the independence of our Firm if the payment could be accomplished without actually placing our personnel on the Congressional Office payroll. Consequently, if our fees were to be paid from the salary fund without actually placing our personnel on the payroll, such an arrangement would be acceptable and would not jeopardize the independence of our Firm. If the House Administration Committee would permit our fees to be paid from the Congressional Office salary fund, or if you should decide that funds are available from other sources, we would be most happy to further discuss the nature and timing of this work with you and Representative Myers.

If you have any further questions or if we can provide assistance to you, please do not hesitate to contact us.

Very truly yours,
GERALD T. GABRYS.

COMMITTEE ON
HOUSE ADMINISTRATION,
Washington, D.C., June 2, 1976.
HON. GARY A. MYERS,
Longworth House Office Building, House of Representatives, Washington, D.C.

DEAR GARY: Reference is made to your letter of May 5, 1975, addressed to Chairman Wayne L. Hays regarding the employment of Arthur Andersen & Company. A copy of your letter was forwarded to the Subcommittee on Accounts for consideration.

The Counsel to the Subcommittee discussed the matter with Mrs. French of your staff on the afternoon of May 30, 1975. I trust that your questions were satisfactorily answered at that time.

The Subcommittee will consider your suggestion when we undertake a comprehensive review of Member allowances and emoluments in the near future. If you have further questions, contact the Subcommittee Counsel, Charles Howell, at 55850.

Kind regards,
Cordially,
FRANK THOMPSON, Jr.

PART I.—CONGRESSMAN AND MRS. GARY A. MYERS, STATEMENT OF ASSETS AND LIABILITIES

	Dec. 31, 1974	Dec. 31, 1975
ASSETS		
Cash	$3,379.36	$3,747.60
Savings bonds	173.93	180.96
Armco thrift plan (Note 1)	16,507.45	19,879.42
Cash value of life insurance	2,781.83	3,504.77
Automobiles	4,543.00	5,675.00
Residences (note 2)	50,000.00	142,000.00
Household furnishing	4,800.00	7,200.00
Escrow in mortgage accounts	316.55	486.18
Retirement fund deductions		3,125.77
Accrued income and wage tax prepayments	5,040.25	11,503.37
Total assets	87,542.47	197,303.07
LIABILITIES		
Security on rental property		300.00
5½ percent mortgage secured by residence (annual amortization and interest payments amount to $1,596)	16,540.78	15,540.61
8¼-percent mortgage secured by residence (annual amortization and interest payment amount to $2,242.56)		23,284.73
9¼-percent mortgage secured by residence (annual amortization and interest payment amount to $7,106.40)		73,913.70
10.09 percent note secured by 1975 Granada	5,378.10	3,534.18
10.09 percent note secured by 1975 Maverick		2,588.30
6 percent note unsecured	701.63	----------
Accrued income taxes on unrealized asset appreciation (note 3)	4,662.84	5,169.69
Accrued income and wage taxes payable	4,126.51	6,238.20
Total liabilities	31,409.86	130,569.41
Excess of assets over liabilities	56,132.61	66,733.66

NOTES TO THE PERSONAL FINANCIAL STATEMENT OF CONGRESSMAN AND MRS. GARY A. MYERS

Note 1. Armco Thrift Plan:

The Thrift Plan is an account accumulated through personal and company contributions and account earnings. All personal and company contributions ceased as of 12/31/74, and changes while a Member of Congress will reflect only changes in market prices of securities in the account along with earnings or losses on the securities. The number of shares of Armco Common Stock in the account were: 12/31/74—632.830 Shares; 12/31/75—688.488 Shares.

Note 2. Residences:

The estimated values of the residences reflect an independent appraisal on the one house early in 1975 ($50,000) and the purchase price of the other house in early 1975 ($92,000).

Note 3. Accrued Income Taxes on Unrealized Asset Appreciation:

Unrealized appreciation in value of assets would, if realized, require payment of taxes at capital gains rates. Therefore, the accrual has been made on that basis.

PART II

FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION WITH REPORT OF CERTIFIED PUBLIC ACCOUNTANTS FOR CONGRESSMAN GARY A. MYERS OFFICE ACCOUNT, YEAR ENDED DECEMBER 31, 1975

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Congressman GARY A. MYERS,
House of Representatives,
Washington, D.C.

We have examined the statement of cash receipts and expenditures of Congressman Gary A. Myers office account for the year ended December 31, 1975. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of cash receipts and expenditures presents fairly the cash transactions of Congressman Gary A. Myers office account for the year ended December 31, 1975.

The accompanying supplementary information, while not necessary for a fair presentation of the cash receipts and expenditures, has been examined and, in our opinion, is fairly stated in all material respects in relation to the statement of cash receipts and expenditures taken as a whole.

ELMER FOX, WESTHEIMER & CO.
Washington, D.C., January 29, 1976.

CONGRESSMAN GARY A. MYERS OFFICE ACCOUNT

(Statement of cash receipts and expenditures (on a cash basis) year ended December 31, 1975)

Receipts:	
Stationery allowance (Note 1)	$6,500
District office expense allowance (Note 2)	1,500
Reimbursements for staff purchases	1,485
Personal funds	1,125
Flags	670
	11,280
Expenditures:	
Stationery and supplies	4,524
Staff purchases	1,485
Subscriptions	1,060
Flags	670
Xeroxing	406
Purchase of equipment	286
Communications services	223
Tickets	77
Office	67
Meetings and receptions	49
Dues	30
Repairs to tape recorder	22
Postage	15

Bank charges	13
	8,927
Net increase in cash	2,353
Cash balance at beginning of year	------
Cash balance at end of year	2,353
Cash balance represented by:	
Stationery account	1,343
The National Capital Bank	487
The United National Bank of Pittsburgh	464
Petty cash balances	59
	2,353

The accompanying notes are an integral part of the financial statement.

CONGRESSMAN GARY A. MYERS OFFICE ACCOUNT

(Notes to Financial Statements, December 31, 1975)

1. Stationery allowance:

A stationery allowance of $6,500 per regular session is provided each member of Congress for purchase of office supplies.

The entire sum may be withdrawn in cash or kept in the staionery account for purchase of stationery and office supplies through the Clerk's House Office Supply Service.

For the year ended December 31, 1975, this amount consisted of the following transactions and balance:

Office supplies and stationery purchases	$3,757
Cash withdrawals	1,400
Cash balance at December 31, 1975	1,343
Total	6,500

2. District office expense allowance:

An office expense allowance of $500 per calendar quarter is provided to Members of Congress by the Clerk of the House.

The allowance has been drawn against during the year for the first through the third quarter in the amount of $1,500. The fourth quarter has not yet been requested.

3. Republican extra assistance for communication help (REACH):

The REACH program allowed a $750 quarterly allotment for frankable communication purchases during the regular session for Republican members of Congress. During the year ended December 31, 1975 REACH expenditures of $2,973 were made. The allotment and the expenditures are not reflected in the statement of cash receipts and expenditures, and the remaining balance of $27 will revert back to the REACH program.

CONGRESSMAN GARY A. MYERS OFFICE ACCOUNT

(Summary of Personal Funds, Year Ended December 31, 1975)

Honorariums:	
National Society of Professional Engineers	$500
Brookings Institution	300
Shenango Area School District	75
Memorial Day Speech—House	50
Total	925
To open bank accounts:	
The National Capital Bank of Washington	100
The United National Bank of Pittsburgh	100
Subtotal	200
Total	1,125

CONGRESSMAN GARY A. MYERS OFFICE ACCOUNT

(Summary of Petty Cash Balances, Year Ended December 31, 1975)

Office:	
New Castle, Pennsylvania	$25
Butler, Pennsylvania	20
Beaver, Pennsylvania	8
Washington, D.C	6
Total	$59

PART III

CONGRESSMAN GARY A. MYERS OFFICE AND STAFF ALLOWANCE ACCOUNTS REPORT FOR CALENDAR YEAR 1975

The report contained herein is the final part of a three-part public financial disclosure of the funds allocated and spent in conjunction with the operation of my congressional office. Part I, which included my personal finances, and Part II, which included an audit of discretionary office funds conducted by a C.P.A. firm, were disclosed earlier in the year.

The amounts shown in this report have been taken from statements, vouchers, and reports from the appropriate offices administering these accounts and, to the best of my knowledge, are true and accurate.

Enclosed along with the financial report of staff and office allowances is a brief summary of each of the accounts, depicting the limitations and exceptions of each as described in the January 1976 Edition of Regulations on Allowances and Expenses, prepared by the Committee on House Administration.

Noted within this report are allowances for the year 1975, which are cumulative and transferable to the next session of Congress, as well as those which are unused noncumulative allowances that revert back to the House Administration Committee. Thus, this portion of the report will show the following: (1) Total unused balance of accounts as of December 31, 1975; (2) Unused cumulative balances which revert into the second session of the 94th Congress; (3) Noncumulative unused balances of allowances as of December 31, 1975.

The figures represented in this report for allowances and expenses are those which are made available to each Member of the House of Representatives.

GARY A. MYERS,
Member of Congress.

CONGRESSMAN GARY A. MYERS
OFFICE AND STAFF ALLOWANCE FOR 1975

[In dollar amounts]

Allowance account	Available	Used	Balance
Staff *	220,686.00	194,089.00	26,597.00
Stationery	6,500.00	5,156.99	1,343.01
Postage	1,140.00	1,140.00	0
Constituent communication	5,000.00	2,801.74	2,198.26
Electrical and mechanical equipment *	5,500.00	4,489.10	1,010.90
Equipment lease program	9,000.00	7,757.28	1,242.72
Intern program	1,000.00	1,000.00	0
Telephone and telegraph *	12,500.00	11,031.46	1,468.54
Members travel allowance	2,250.00	1,592.83	657.17
Staff travel	607.00	607.07	0
District office lease *	12,514.50	12,297.83	216.67
District office equipment and furniture	15,000.00	12,393.00	2,607.00
District office expense	2,000.00	1,500.00	500.00
District carpet and drapery *	4,500.00	0	4,500.00
Subtotal, allowance	298,197.57	255,856.30	42,341.27
Additional expenditures incurred in 1975:			
1. Committee trip H. Res. 988		273.60	
2. Statutory mileage reimbursed * by Sergeant at Arms	212.00	106.00	106.00
Total	298,409.57	256,235.90	[1] 42,447.27

*See addendum.

UNUSED CUMULATIVE AND NONCUMULATIVE OFFICE AND STAFF ALLOWANCE FOR 1975

[In dollar amounts]

Allowance account	Cumulative	Noncumulative
Staff		26,597.00
Stationery	1,343.01	
Postage		0
Constituent communications	2,198.26	
Electrical and mechanical equipment		1,010.90
Equipment lease program		1,242.72
Intern program		0
Telephone and telegrabh	1,468.54	
Members travel allowance	657.17	
Staff travel		0
District office lease		216.67
District office equipment and furniture		2,607.00
District office expense		500.00
District carpet and drapery		4,500.00
Total	[2] 5,666.98	[3] 36,674.29

ADDENDUM

Staff Allowance: $220,686.00 is a prorated figure of actual available allowance of Congressman Myers who entered the Congress in January as a freshman. The original allowance of $194,004.00 ($173,052.00+$20,952.00 for research assistant) was changed August 1, 1975 to $227,220.00 ($205,116.00+$22,104.00 for research assistant). A 5% cost-of-living increase was given to federal employees in October 1975. Also included in this figure is a total of $1,250 for computer service. (A Member may use up to $1,000 per month of unused clerk hire for computer service.)

Elect. & Mech. Equip. Allowance: Actual purchase of new equipment for year 1975 was $3,375.00 by Congressman Myers. Balance would reflect actual purchases minus depreciated value plus former member's carry-over of net value equipment to equal balance of $1,010.90. Purchase of electric and mechanical office equipment is a total of $5,500.00 in depreciated value of equipment. Office equipment for new members if inherited from the former Member: Inherited Equipment must be kept by the new Member for 60 days from date of taking office. Requests for disposition are made in writing to the Clerk of the House. Procedures for Disposal of Office Equipment (after 90 days from taking oath): Equipment must be: Obsolete due the substantial design changes; fully depreciated; or economically not worth repairing. (Manual typewriters can be turned in at any time.)

Telephone & Telegraph Allowance: This allowance is based on a total of 125,000 units per session rather than dollar limitation. Actual unit & dollar expenditure for 1975 was: Unit: 111,806=Dollars: $11,031.46. This represents an approximate $0.10 per unit. Approximate cost per unit times available units (125,000) was used for comparison purposes: Available ($12,500.00)—Used ($171,031.46)=Balance $1,468.54).

District Office Lease Allowance: Figures represent $500.00 per month allocated for rental of Beaver Valley Mall office plus GSA allowance for New Castle & Butler Post Office based on square footage times prevailing rental rate in area:

New Castle—830 sq. ft.×4.83 sq. ft. per yer=$4,008.90.

Butler—480 sq. ft.×5.22 sq. ft. per year=$2,505.60.

District Carpet & Drapery Allowance: General Service Administration provides carpet and draperies at a rate of $1,500.00 per office for up to three district offices which must be in federal buildings. Since no carpet or drapes were furnished for either the New Castle or Butler offices and since the Beaver Valley Mall does not qualify for this allowance by GSA, no usage of funds in the account was incurred.

Statutory Mileage Reimbursed by Sergeant at Arms: Each Member of Congress is allotted 20c per mile at the beginning and end of each session for trip to Member's home district. (The mileage is according to Rand McNally Atlas Mileage Guide.) In the case of Congressman Myers, this would equal $212.00 per session. Congressman Myers waived the end-of-session trip.

[Ninety-fourth Congress, January 1976,
Committee on House Administration]

REGULATIONS ON ALLOWANCES AND EXPENSES FOR COMMITTEES, MEMBERS AND EMPLOYEES OF THE U.S. HOUSE OF REPRESENTATIVES

(Wayne L. Hays, Chairman)

PART II. REGULATIONS PERTAINING TO MEMBERS

1. Office equipment

A. Equipment Purchase Program

1. Electrical and mechanical equipment is furnished under a purchase program to Members, Delegates, and the Resident Commissioner for use in their Washington offices. Office equipment so furnished is limited to those types and categories which the Committee on House Administration shall prescribe.

2. The total value of such equipment in use in a Member's office under the purchase program at any one time shall not exceed $5,500.

3. The value of each item of equipment furnished under the above limitations is the initial cost of the article less the amount of depreciation, determined on a 10-year straight line basis.

4. The request of a Member, Resident Commissioner, or Delegate, the Clerk of the House will furnish items of equipment, the cost of which is in excess of the limitations established by these regulations, provided that—

(a) the Member, Resident Commissioner, or Delegate pays the cost in excess of the limitation; and

(b) the Member, Resident Commissioner, or Delegate agrees in writing that title to the equipment will rest with the House of Representatives and that the Member will claim no equity whatever in the equipment.

5. The Clerk of the House will not furnish equipment to be charged jointly to the allowances of two or more Members, Resident Commissioner, or Delegates.

6. The Clerk of the House will not purchase used equipment for use by a Member, Resident Commissioner, or Delegate unless such equipment is fully covered by warranty as new equipment of the same type.

7. When a new Member is elected to Congress he will inherit the equipment charged to his precedessor subject to the following conditions:

(*a*) The inherited equipment will be retained by the new Member for a period of at least 60 days following his taking the oath of office.

(*b*) From 60 to 90 days after his taking the oath of office, a Member may dispose of any equipment that has proven excessive or otherwise unsatisfactory. Requests for disposition will be made in writing to the Clerk of the House.

(*c*) After 90 days from the Members oath of office, such equipment will be disposed of in accordance with the procedures outlined in paragraph 8.

8. Equipment furnished under the purchase program will be disposed of as follows:

a. The equipment, except manual typewriters, will be turned in to the Clerk of the House for disposal, only (1) if the condition is such that it is not economically feasible to keep the item operating; (2) if the item has become obsolete due to substantial design changes; or (3) if the item is fully depreciated. Manual typewriters may be turned in at any time.

b. Requests for disposition are to be made in writing by Members to the Clerk of the House, and by the Chairmen of Committees and Officers of the House to the Committee on House Administration.

c. The Clerk of the House will examine the equipment to determine whether it meets the criteria for disposal.

d. Dispute with the Clerk of the House as to the determination of whether an item meets the criteria for disposal, may be submitted to the Committee on House Administration for hearing.

e. The Clerk of the House will dispose of worn out or obsolete equipment only through the General Services Administration.

f. If a member has equipment which is surplus to his need, but which does not qualify for disposal, he may, upon notification to the Clerk of the House, arrange with a Member who desires the item, to transfer it to the other Member's account at the depreciated value.

9. All equipment furnished under the purchase program will be subject to the following inventory procedures:

a. At the beginning of each session of Congress, the Clerk will send a list (in duplicate) to each Member, committee, or office of the House, showing assigned equipment. Each Member, Chairman of a committee or top official of an office, will return one copy to the Clerk certifying that the items are in his office. If the certification is not received within 30 days the Clerk will conduct a physical inventory of the equipment so charged.

b. When a Member has been defeated in an election, or otherwise leaves office, the Clerk will conduct an immediate physical inventory of the equipment assigned to that Member's office. If the departing Member is a committee chairman, the Clerk will also inventory the equipment assigned to the committee. In any periods during which a vacancy exists in a congressional district, a committee chairmanship or House office, the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

c. In the event of the change of the majority in the House, there shall be an immediate physical inventory of the offices affected.

B. Equipment Lease Program

1. Leased electrical and mechanical equipment will be furnished to Members, Delegates, and the Resident Commissioner of Puerto Rico for use in their Washington offices. The following leased equipment may in addition be used in their district offices: automatic typewriters, photo copying equipment and facsimile units.

2. The total lease value of equipment leased under this program, for use in a Member's offices, shall not exceed $750 a month at any time, *except* that if a Member allocates up to $250 a month of unused clerk hire allowance to equipment leasing, then the total lease value of such equipment shall not exceed $1,000 a month at any time.

3. Some members, because of the location of their district offices, may be limited in the selection of office equipment. Therefore, with the approval of the Committee on House Administration, they may select office equipment on the basis of availability to the district office. However any special servicing costs not covered by the lease agreement must be borne by the Member.

4. Upon written request to the Committee on House Administration, a Member may allocate up to $250 a month of any unused portion of his clerk hire allowance for the leasing of equipment necessary for the conduct of his office.

5. At the written request of a Member, Delegate, or Resident Commissioner, the Clerk of the House will furnish items of equipment, the monthly cost of which is in excess of the limitations established by these regulations, provided that—

(*a*) The Member, Resident Commissioner, or Delegate pays the cost in excess of the limitation;

(*b*) the excess cost will be for a specific item; and

(*c*) the leasing firm agrees to send a separate invoice to the Member for the excess cost.

6. A lease may be terminated upon written request to the Clerk of the House thirty (30) days from the date of the request.

7. The Clerk of the House will not furnish equipment to be charged jointly to the leasing allowances of two or more Members.

8. A Member is liable for damaged or lost equipment on the same basis as equipment under the purchased equipment allowance.

9. Special regulations governing the rental of equipment follow:

1. Automatic typewriters.

(*a*) A Member may retain a machine previously furnished under the purchase program of the House regardless of age, as long as it is economically feasible to keep it in working order, or he may turn it in.

(*b*) When a Member turns in a machine previously furnished under the purchase program, it may be replaced only through the leasing allowance.

2. Photocopying machines.

(*a*) A Member may lease or continue to obtain photocopying machines. In addition, Members may obtain photocopying supplies from the stationery account.

(*b*) If a Member leases a photocopy machine from a company that makes an additional charge for copies over a specified number, the additional cost must be borne by the Member.

C. Removal of equipment

The removal of office equipment, other than dictating equipment, from its assigned Washington office, is prohibited except for repairs by authorized dealers. Interoffice moves of equipment will be accomplished only by the Office Equipment Service, Office of the Clerk.

D. Damaged or Lost Equipment

1. When, through inventory or other means, it is determined that an item of equipment is damaged or lost, the Member should inform the Clerk of the House by letter, explaining the circumstances surrounding the loss of the item, or if damaged, how such damages occurred. Upon receipt of this letter, the Clerk will order an investigation of the occurrence in an effort to locate the missing item or items and ascertain the circumstances surrounding the loss or damage. At the completion of the investigation, the Clerk will send to the Committee on House Administration a copy of the letter, a copy of the investigation report (including an objective statement as to the cause of the loss or damage) and a letter indicating the value of the item at the time it was discovered missing, or if damaged, the extent of the damage, the result of his investigation, and his action to dispose of the case.

2. If it is determined that the Member is liable he or she will be charged with the GSA established trade-in value or the depreciated book value of the item, whichever is higher. Liability will be determined on the facts supporting each case. In cases involving the loss of or damage to an item while the equipment is outside the assigned office, the Member will be held liable.

3. The Clerk's decision as to liability shall be final and binding unless, within 30 days, the Member requests a hearing before the Committee on House Administration.

4. If payment of a charge levied against a Member is not made within 30 days of the date of final decision, the office equipment allowance of the Member will be suspended

until the charge is paid or the missing equipment is produced. If a charge is made against a Member or responsible official leaving the House payroll for any reason, payment will be deducted from his final paycheck.

5. The equipment will be dropped from the inventory and limitation records when payment is made or when the Member is absolved of liability by the Committee on House Administration.

2. Travel by Members and designated employers between Washington, D.C., and home district

1. Each Member is authorized 20 cents per mile for one round trip per regular session between Washington, D.C. and his place of residence in the district which he represents (2 U.S.C. 43). Payment will be computed on actual mileage traveled, not to exceed mileages shown in the Rand McNally Highway Mileage Guide plus 10 percent, and will be credited to the Member's account by the Sergeant at Arms at the beginning of each session.

2. In addition, Members, Delegates from Guam and the Virgin Islands and the Resident Commissioner from Puerto Rico, may be reimbursed for 26 round trips per regular session between Washington, D.C. and his or her home district. Members will be reimbursed the actual cost of transportation if travel is by common carrier, or at the rate of 20 cents per mile if by automobile. At the discretion of the Member, such Delegates or Resident Commissioner, no more than 6 of the 26 round trips may be allocated to designated employees of his or her office. In lieu of reimbursement for the 26 round trips, a Member, such Delegates, or Resident Commissioner may elect to receive a lump-sum of $2,250 per regular session of Congress.

3. A Member, such Delegates, or Resident Commissioner may authorize reimbursement of travel expenses for designated employees in his or her office, for no more than 6 round trips, or 12 one way trips, per regular session of Congress. For example, six persons could utilize six round trips, or as many as twelve persons could each be authorized reimbursement for a one-way trip. These six round trips are in addition to the six round trips which may be allocated from the Member's allowance. Such reimbursement will be made only upon vouchers approved by the Member, certifying that such travel was performed in line of official duty. Reimbursement will be at actual cost if by common carrier, or at the rate of 20 cents per mile if by private automobile, or 11 cents a mile if by private motorcycle or 24 cents a mile if by privately owned airplane.

4. Reimbursement for travel performed under items 2 and 3 above, will be paid on special voucher forms prescribed by the Committee on House Administration. Claims for actual cost of transportation by public carriers will be supported by receipts or ticket stubs showing the points of travel and cost. Claims for private automobile travel will be limited to mileage shown by odometer readings, not to exceed the direct route mileages shown in the Rand McNally Highway Mileage Guide, plus 10 percent. Reimbursement or taxicab fares for travel between a public transportation terminal and place of residence or official place of business is limited to $10 each way.

3. Hire of employees

1. Each Member of the House of Representatives, Resident Commissioner, and Delegate shall be entitled to an annual clerk-hire allowance of $215,376 for not to exceed 18 clerks. Employees' salaries are fixed at annual rates of not less than $1,200 or in excess of $37,355. A Member may employ in lieu of one of the 18 clerks allowed under the clerk-hire allowance, a research assistant at such salary within the authorized limits as the Member may designate. The Member's annual clerk hire allowance will then be increased by $23,208, for a total of $238,584. No person shall be paid from any clerk-hire allowance if such person does not perform the services for which he receives such compensation in the offices of the Member in Washington, D.C., or in the State or the district which such Member represents. The total of the salary payments to a Member's employees for each monthly pay period, out of the clerk hire allowance, shall not exceed one-twelfth of the single per annum gross rate or $17,948. If the request is made and granted for a research assistant, then the total monthly payroll for staff cannot exceed one-twelfth of the increased annual allowance or $19,882.

2. In addition to the above provision, each Member, Delegate, and Resident Commissioner may hire for any 2 months in any 1 year, one additional employee to be known as a "Lyndon Baines Johnson congressional intern" in honor of the former President. Each such intern shall be a student or a teacher in government or social studies and certified as such to the Clerk of the House. The intern must perform the duties of his employment in the Washington, D.C., office and not in the District office. The salary is established at the total gross sum of $1,000 for the 2-month period payable at the rate of not to exceed $500 per month. No more than one intern may be employed at any time and no more than two may be employed during the 2-month period. The employment of an intern will not affect the clerk-hire allowance nor the maximum number of employees. If the intern is a student, he must have been, during the academic year immediately preceding his employment, a bona fide student at a college, university, or similar institution of higher learning. If the intern is a teacher, he must have been, in the year immediately preceding his employment, a bona fide teacher in government or social studies at a secondary school or a post secondary school.

3. Appointment forms and the other necessary papers to be executed by each clerk-hire or intern employee may be obtained from the House Finance Office.

4. Office Supplies

1. *Postage.*—The Clerk of the House of Representatives is directed to procure and furnish to Members, Delegates and the Resident Commissioner, for each regular session of the Congress, U.S. airmail and special delivery postage stamps in an amount not to exceed $1,140. Stamps not called for by the end of a session cannot be carried forward to the succeeding session.

2. *Stationery allowance.*—(*a*) Each Member, Delegate and Resident Commissioner, is allowed $6,500 for each regular session of Congress which may be withdrawn or remain to the Members' credit for the purchase of stationery or other supplies purchased through the House Office Supply Service (Stationery Room). In event of resignation or death of a Member the stationery allowance remaining to his credit is payable to the Member, his spouse, or his estate.

(*b*) Voucher forms for withdrawing stationery allowance are available from the House Office Supply Service.

5. Telegraph and Telephone

1. Charges for strictly official long-distance telephone calls, telegrams, cablegrams, and radiograms made or sent by or on behalf of each member aggregating 125,000 units for each regular session will be paid by the Clerk of the House of Representatives from the contingent fund. Such units shall accumulate and be available for use by each Member from session to session and from term to term (if sessions and terms are consecutive), until the aggregate number of such units at the close of each session is not more than 250,000. Unused units in excess of 250,000 at the close of a session may not be carried forward for use in a succeeding session.

2. Units are charged as follows: (*a*) One minute of long-distance call shall be four units; (*b*) one word of a telegram, cablegram, or radiogram shall be two units, except that one word of a night letter shall be one unit. In addition 12 units shall be charged for physical delivery of any telegram, cablegram, or radiogram by the Telegraph Company.

3. Payment of billings and the computation of unit charges will be handled as follows: (a) Telephone and telegraph accounts should be billed to the Clerk of the U.S. House of Representatives, % Representative ———, at his or her office. The bills should be examined in the Member's office and improper charges, or charges for unofficial calls or messages, noted on the original of the bills. (b) The original bills should be sent to the Finance Office, accompanied by a special voucher, where the units will be computed and charged to the Member's allowance. (see Appendix J).

4. The cost of basic installation, and monthly service charges of up to $20 per telephone line for not to exceed nine telephone lines per Member, Delegate or Resident Commissioner will be paid by the Clerk of the House, without any charge to the Member's unit allowance. For the purpose of this regulation, any FTS line, WATS line, or "Bell-boy" type signaling device will be considered to be a "telephone line," while an extension of a telephone number will not be considered to be a "telephone line." Also for the purpose of this regulation, FTS hook-up or mileage costs are not considered a part of the "cost of basic installation." A Member, Delegate or Resident Commissioner may authorize the payment of all official telephone related expenses in excess of those paid for by the Clerk of the House, in which case those official telephone related expenses will be charged against that Member's, Delegate or Resident Commissioner's 125,000 unit communications allowance at a rate of eleven cents per unit.

5. Members are financially responsible for all telephone charges incurred in his or her office(s) in excess of the authorized allowance.

6. District office rental

1. Each Member, Delegate, or Resident Commissioner of the House of Representatives is entitled to suitable office space in the district he represents. The Sergeant at Arms shall secure office space satisfactory to the Member in post offices or Federal buildings at not more than three locations, if such space is available. Office space which is not secured by the Sergeant at Arms may be secured by the Member. The Clerk may approve payment from the contingent fund of vouchers for such office space not exceeding a total amount to each Member of $200 per month. Leases executed for rental office space aggregating a total monthly rental of $200 or less will be submitted directly to the Finance Office.

2. However, if a Member is unable to obtain suitable space in his district for $200 per month due to high rental rates or other factors, the Committee on House Administration may, as the committee considers appropriate, direct the Clerk to approve payment of vouchers covering bona fide statements of amounts due for suitable office space not exceeding a total of $500 per month. Leases which will bring the total monthly rental to an amount in excess of $200 a month but not more than $500 a month will be submitted with a cover letter to the Committee on House Administration. The letter should contain a listing of the leases and monthly rentals currently being charged to the rental allowance and a certification of the Member's inability to obtain suitable space in his district for $200 a month or less.

3. In the event all office space is not avail-

able in post offices or other Federal buildings, and the Member is unable to obtain suitable space in his district for $500 per month due to high rental rates or other factors, the Committee on House Administration may, as the committee considers appropriate direct the Clerk to approve payment of vouchers covering bona fide statements of amounts due for suitable office space not exceeding approximately 1,500 square feet at rates not to exceed the highest applicable rate charged to Federal agencies in the district established by regulations issued by the Administrator of General Services pursuant to section 210 (j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j)). The Committee on House Administration will supply information relating to the applicable rate established by GSA for a particular location.

4. The occupiable area of an office for determining the square feet limitation above will be determined as follows:

In those instances where the space involved consists of a room or suite of rooms accessible from a public corridor, the occupiable area is computed by measuring from the inside finish of the exterior wall (or face of the convector if the convector occupies at least 50% of the length of the exterior wall) to the tenant's side of the corridor wall and to the tenant's side of the partitions separating the space in question from the other tenant's. Occupiable area would include private toilets located within the area to be leased, as well as private corridors which exist solely for the convenience of the tenant.

5. No Member shall be entitled to have more than three district offices outfitted with office equipment, carpeting, and draperies by the General Services Administration.

7. Official expenses outside the District of Columbia

1. Upon proper certification, the Clerk of the House of Representatives shall pay each Member, Delegate or Resident Commissioner, an amount not to exceed $500 quarterly for official expenses incurred outside the District of Columbia, accept for the District of Columbia Delegate, whose official expenses are incurred within the District of Columbia.

2. Special voucher forms for this quarterly payment are available from the Finance Office.

8. Constituent communications allowance

1. Each Member, Delegate or Resident Commissioner is entitled to a constituent communications allowance of $5,000 per regular session of Congress, for use in the printing and production of newsletters, questionnaires or similar correspondence eligible to be mailed under the frank.

2. The Clerk of the House is authorized to pay vouchers certifying that the invoices submitted cover payment for the printing and production of newsletters, questionnaires or similar correspondence eligible to be mailed under the frank.

3. For the purposes of this regulation, newsletters are considered to be non-personalized constituent communication mailings. Personalized or computer generated letters are not covered by this regulation. Also, for the purposes of this regulation, production costs include stationery, envelopes, printing ink, stencils and all other direct supplies utilized in printing and production of newsletters.

4. Special voucher forms are available from the Finance Office (see Appendix K).

9. Computer and related services program

Each Member, the Resident Commissioner, and each Delegate to the House of Representatives is authorized, upon written request to the Committee on House Administration, to allocate an amount not to exceed $1,000 a month of any unused portion of his or her clerk hire allowance for the leasing of computer and related services in connection with his or her official duties. The said monthly allocation is not cumulative.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, as I said before, I will support the motion to recommit because I believe this Commission, however meritorious, is a cop-out. When urgent action is demanded, a one and a half year white-wash is inadequate.

However, I supported the Commission in 1974 because it was good, and timely, and I will support it this year if the Rhodes resolution does not pass. It is a feeble response, and surely not what is needed now, but it is better than nothing, and could surely have a good effect in the long run.

Mr. LATTA. Mr. Speaker, I yield myself four minutes.

Mr. Speaker, I think this debate has been worthwhile. Hopefully, some good will come of it. As most Members know, I have been here for 18 years, and I have been very proud to be a Member of this House. I want to continue to be proud to serve in this body. However, the House as an institution is now under attack and something needs to be done. This is a great institution, and I have a tremendous amount of respect for the Members of this House.

By and large, they are honorable men. Very few have stepped out of line during that time. For the most part those few individuals who have stepped out of line have been dealt with by the Justice Department, their constituents, or this House and if they have not, it is not the fault of this Member. I accept no blame for their wrongdoing and neither should the other Members who have played no part in their erring ways. Unfortunately, however, for the past several weeks every Member who sits in this body has been tarred with the same dirty brush by the news media for the activities of a few. This is grossly unfair but it makes one wonder whether he wants to serve in a body where everyone is so maligned by the press.

Frankly, I think it is high time for the media to take cognizance of the fact that there are honorable men and women serving in this House of Representatives who should not be tarred with that same brush. And given an opportunity, I think this House can and will correct its mistakes.

I know there has been partisanship here. I sat in the gallery during the open session of the Democratic Caucus for a few minutes. I know what went on and its planning was not nonpartisan. This is a partisan body, but I think that once the prestige of the House itself is under attack, the proper and fitting way to cleanse this House is by a bipartisan commission, or select committee, whichever we select, to do this job, so that neither side can point the finger at the other in the future and say, "It was your fault."

I want to see, as one Member of this House, these matters audited, studied, and corrected, and corrected quickly. I do not think that the resolution of the majority extending the reporting date to the end of 1977 is soon enough to get reform. Why should we have to live under this cloud, until the end of December 1977, for this commission to report? I think that is far too long to wait. We need this reform now.

Under the proposed motion to recommit I will offer, we will get some resolution of this problem during this session of Congress. It will not be delayed. So, I say to the Members, let us lay aside this partisanship today and look upon ourselves as Members of this House first and partisans second, and vote for what we think is the best for the House of Representatives of the United States of America in this, our Bicentennial Year.

Mr. BOLLING. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I am delighted to hear the tone of the speech of the gentleman from Ohio. It was really very different from the earlier one that he made. It was more, I thought, the kind of approach that I tried to take in my opening comments.

We are talking here about one action, as I tried to say in the beginning of the discussion—and I know it has gone on too long.

This is one of a number of actions. The committee has taken actions to provide orders to modify the way the accounts are handled. The Committee on House Administration has taken action to be precise as to what its orders mean. An audit system has been set up. This resolution deals with a Commission to look into the longrun improvement of our internal management in this area. It takes time to look into the longrun improvement. But we have acted in other ways to deal with the problems. The next resolution that comes up will take away from the Committee on House Administration the power that it has had to issue orders. I think we are taking action to deal with the present, to deal with the immediate future and to deal with the long-range future.

Mr. Speaker, I urge a vote against the recommittal.

Mr. STEIGER of Wisconsin. Mr. Speaker, I cannot join in voting for the motion to recommit. I do this because a select committee to audit past accounts is hardly a substitute for the proposed commission.

Mr. Speaker, not long ago in a weekly report, I wrote of my disappointment at the seeming inability of Congress to do as well in examining its own problems as it has done in examining the problems and abuses of power in the executive branch.

Recently, the three-man Democratic Task Force on House Accounts, headed by Wisconsin's Seventh District Representative DAVID OBEY, reported to the House Democratic Caucus. The caucus essentially adopted the report of the Obey task force. Still, it is disturbing to see what is happening to DAVE OBEY's efforts to substantially modify the system of House accounts.

On the part of both Democrats and Republicans, there is an attempt to play politics and to run from the basic issues. On the Democratic side there are many who, a year ago, had a chance to take away from the House Administration Committee the extraordinary power that the House granted it in 1971 to adjust accounts without a vote of the House. Few on the Democratic side responded then. More are responding now, but they are a day late and a number of votes short. On the Republican side, there is an effort to do nothing but posture politically and attack the proposed reforms as too little too late.

I find myself in a difficult position, because very honestly I do not think this is any time to play politics with the House of Representatives. That is why I must respectfully disagree with my leader, JOHN RHODES. Much of what was recommended by the Obey task force is sensible, rational, and long overdue. The key need facing the House is for Members on both sides of the aisle to straightforwardly face up to the obvious problems of the present system and to respond, not politically but from the standpoint of what is in the best interests of the American people and the House of Representatives as an institution.

There is one proposal where I do disagree with the task force, and that is the one asking the Committee on House Administration to consolidate Members' accounts without a vote of the full House. My view is that the full House of Representatives ought to debate this issue. Thus, were I to serve on House Administration, I would vote to strip the committee of that power before taking up the consolidated account issue. That is the reason I shall vote against the previous question on the next resolution. With that one exception, the Obey report responds well to the abuses of power that have taken place in the House of Representatives over a period of years.

Its idea of a bipartisan commission, which will involve people from outside Congress as well as a few House Members, is an idea that was included in the recommendations of the Select Committee on Committees in 1974. I served on that committee headed by DICK BOLLING, and at that time we also suggested having a citizens commission to take a thorough look at the House accounting system and its personnel practices. I think it is an essential step.

The concept of one consolidated account—that is, of taking the present separate accounts for House stationery, postage, telephone, travel and home office expenses and combining them into a single account, requiring vouchers—would end the present system whereby some Members make a practice of cashing-out the stationery and stamp allowances. The consolidated account would be accounted for monthly and would require quarterly reports to the press and the public. It would abandon the present system, which is complicated, time consuming, which involves needless paperwork and many employees who have to deal with the accounts. It would also allow greater flexibility to individual House Members whose needs and districts differ. Right now there is no system which works fairly for all House Members.

The charge made by some Democrats and some Republicans is that suddenly this would create a giant slush fund for House Members. I disagree. If anything, what we have now could be classified as a slush fund in terms of the House stationary account, which a Member can cash-out. The same goes for the postage allowance.

The new system, which would require a voucher, supported by documentation for legitimate House business, would significantly improve that system. It would make sure that you, the constituency, could then make a judgment on how well we do. That is not possible under the present system of accounts.

All of the publicity that has come to the House of Representatives—beginning with the payroll scandal of former House Administration Chairman WAYNE HAYS, as well as alleged abuses of the travel system—desperately needs to be dealt with by the House of Representatives. It is not a partisan issue. It involves the integrity of the people's institution.

If all that elected Representatives do is to posture politically, they will be doing the American people a disservice, the House a disservice and themselves a disservice. I hope it does not happen, but I am fearful that it may.

Mr. KEMP. Mr. Speaker, I opposed the falsely labeled reforms of both House Resolution 1368 and House Resolution 1372. I deeply regret that the opportunity before us today to effect genuine reform of House administrative procedure has been so thoroughly misused. The action today really covers up the abuses of power under the guise of reform.

Many genuine reform proposals have been languishing in the House for years, while others have been more recently introduced. I have sponsored, and cosponsored many of these proposals. They offer timely, responsible, remedial steps to help insure that full accountability for Members' office and travel funds will be required and enforced plus removing the power from the House Administrative Committee so fundamental to reform.

The measures before us today set back the cause of true reform, and make it very unlikely, in my opinion, that reform proposals now pending will receive serious House consideration.

House Resolution 1368 would establish a part congressional/part public commission to study for 18 months the entire House accounting system. I do not believe "study" is sufficiently forceful to convince the American people that the House is serious about reform. I have joined several of my colleagues in sponsoring legislation to require a General Accounting Office review and audit of House transactions related to office, travel, and other allowances for Members. As a professional, nonpartisan, investigative agency, the GAO recommendations of reform and follow-on legislation would carry a lot of weight, both with the membership of the House, and with the American people to help restore the integrity of the Congress.

A "study" of the House accounting system, by a commission composed partly of Members of the House, is patently not a strong enough forum to meet the challenge. Better proposals have been offered. Sadly, they have been ignored by the Democratic leadership, and are now in all probability, doomed.

House Resolution 1372 would, on the surface, strip the House Administration Committee of its authority to adjust Members' allowances. However the exceptions to this legislation—the areas where the committee would retain authority—are immense to the point of invalidating the whole thrust and purpose of the legislation. For instance, the committee would retain authority to fix or adjust allowances in cases where "any change in the price of materials, services, or office space" is involved, in cases where "any technological change or other improvement in electrical or mechanical equipment" is involved, or in cases where "any increase in the cost of living which results in action under the Federal Pay Comparability Act of 1971" is involved. I respectfully request an explanation of precisely how this legislation strips the Administration Committee of significant authority over Members' allowances. It is absurd to call this anything but a ratification of a congressional slush fund. I just cannot, in good conscience vote for it.

Too much power has accrued to the House Administration Committee. Abuses have been widely documented. And capable reform vehicles exist. It is regrettable that the House has chosen today to play what one newspaper editorial has aptly termed a "shell game" with the reform proposals. Genuine reform has been defeated here today. A comprehensive strategy of reform has been swept aside in favor of token legislation to convince the American people that the House has acted promptly to correct the abuse of taxpayers' hard-earned dollars.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on this matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. Under the rule, the previous question is ordered on the resolution.

MOTION TO RECOMMIT OFFERED BY MR. LATTA

Mr. LATTA. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the resolution?

Mr. LATTA. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LATTA moves to recommit H. Res. 1368 to the Committee on Rules with instructions to report back the same forthwith with the following amendment:

Strike all after the resolving clause and insert in lieu thereof the following:

"That (a) There is created a select committee to be composed of ten Members of the House of Representatives. Members shall be appointed by the Speaker, five from the majority party, one of whom he shall designate as chairman, and five shall be appointed from the minority party, upon recommendation of the minority leader, one of whom he shall designate as vice chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

(b) The select committee is authorized and directed to conduct a thorough and complete study respecting all records, memorandums, papers, documents, books, and other information of any standing or select committee of the House or officer of the House respecting expenses incurred by or on behalf of any such committee or its members or employees. The select committee also is authorized and directed to conduct a thorough and complete study and audit of any allowances and expenses, or any other funds, made available to Members of the House pursuant to House resolution or law.

(c) In conducting any study under subsection (b), the select committee is authorized and directed to—

(1) examine and audit all records,, memorandums, papers, documents, books, and other information in the possession of or under the control of any standing or select committee of the House respecting expenses incurred by the committee or by any member or employee of such committee in the performance of his duties as a member or employee.

(2) examine and audit all records, memorandums, papers, documents, books, and other information in the possession of or under the control of any officer of the House respecting expenses incurred by any standing or select committee of the House or by any member or employee of any such committee in the performance of his duties as such a member or employee.

(3) examine and audit all records, memorandums, papers, documents, books, and other information in the possession of or under the control of any Member of the House respecting the expenditure of any allowances or expenses, or any other funds, made available to such Member pursuant to House resolution or law,

(4) examine and audit all vouchers submitted to the Committee on House Administration, and which are in its possession or under its control, for the payment or reimbursement of expenses incurred by (A) any committee referred to in paragraph (1) or member or employee of any such committee in the performance of his duties as such a member or employee, or (B) any Member of the House.

(5) examine and audit all reports and other documents filed by any committee referred to in paragraph (1) or by any Member of the House with the Committee on House Administration (and which are in its possession or under its control) respecting expenses of any such committee or of any member or employee of such committee in the performance of his duties as such a member or employee or of any such Member.

(6) examine and audit all records, memorandums, papers, books, and other information (including complete access to any computer containing such information) in the possession of or under the control of the Committee on House Administration respecting expenses of any committee referred to in paragraph (1) or of any member or employee of such committee in the performance of his duties as such a member or employee (including the salary, name, title, and job description of any such employee) or respecting expenses of any Member of the House, and

(7) review and examine the auditing and other review procedures adopted and carried out by the Committee on House Administration respecting items referred to in paragraphs (4), (5), and (6).

In conducting the study, the select committee may interview any Member, officer, or employee of the House of Representatives who may provide information regarding the subject matter of the study.

(d) For the purpose of carrying out this section the select committee is authorized to sit and act during the present Congress, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to hear witnesses and other evidence. The chairman of the select committee, or any member of the committee designated by him, may administer oaths to witnesses.

(e) On request of the chairman of the select committee, the head of any Federal department or agency (including the General Accounting Office) is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to assist the select committee in carrying out any of its functions or duties.

(f) The select committee shall not hire more than the equivalent of five full-time professional and five full-time clerical staff in carrying out its duties. This limitation shall not apply, however, to personnel detailed to the select committee from any Federal department or agency on a reimbursable basis.

(g) The select committee shall report to the House as soon as practicable during the present Congress the results of its study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

(h) For purposes of this section, the term "Member of the House" or "Member" means any Representative in, or Delegate or Resident Commissioner to, the Congress."

Mr. LATTA (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Under the rule, the previous question is ordered on the motion to recommit.

The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 143, noes 269 not voting 20, as follows:

[Roll No. 498]

AYES—143

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, R. W.
Derwinski
Devine
Dickinson
Dingell
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Forsythe
Frenzel
Frey
Gilman
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hébert
Heckler, Mass.
Heinz
Hillis
Holt
Horton
Hutchinson
Hyde
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKinney
Madigan
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
O'Brien
Paul
Pettis
Poage
Pressler
Pritchard
Quie
Quillen
Regula
Rhodes
Rinaldo
Robinson
Rousselot
Runnels
Ruppe
Russo
Sarasin
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Walsh
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

NOES—269

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chappell
Chisholm
Clay
Collins, Ill.
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Hefner
Henderson
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jarman
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Steiger, Wis.

Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
White
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—20

Conyers
Dent
Evins, Tenn.
Hays, Ohio
Helstoski
Hinshaw
Jones, Ala.
Karth
Litton
McDade
Peyser
Railsback
Riegle
Schneebeli
Shipley
Steelman
Stuckey
Whitten
Yates
Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. McDade for, with Mr. Dent against.

Mr. Steelman for, with Mr. Shipley against.

Mr. Young of Alaska for, with Mr. Yates against.

Mr. Railsback for, with Mr. Helstoski against.

Mr. Peyser for, with Mr. Litton against.

Mr. Schneebeli for, with Mr. Riegle against.

Until further notice:

Mr. Stuckey with Mr. Conyers.

Mr. Whitten with Mr. Jones of Alabama.

Mr. Hays of Ohio with Mr. Evins of Tennessee.

Mr. RUPPE changed his vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BOLLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 380, nays 30, not voting 22, as follows:

[Roll No. 499]

YEAS—380

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McCloskey
McCollister
McCormack
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—30

Armstrong
Ashbrook
Brown, Ohio
Clawson, Del
Collins, Tex.
Devine
Dickinson
Emery
Findley
Gonzalez
Hammerschmidt
Hansen
Hébert
Holt
Kemp
Ketchum
Latta
Madigan
Michel
Myers, Ind.
Myers, Pa.
Paul
Rousselot
Ruppe
Ryan
Schulze
Shuster
Steed
Steiger, Ariz.
Teague

NOT VOTING—22

Boland
Conyers
Dent
Evins, Tenn.
Hays, Ohio
Helstoski
Hinshaw
Jones, Ala.
Karth
Litton
McClory
McDade
Peyser
Railsback
Riegle
Schneebeli
Shipley
Spellman
Steelman
Stuckey
Whitten
Yates

The Clerk announced the following pairs:

Mr. Dent with Mr. Conyers.

Mr. Shipley with Mr. Hays of Ohio.

Mrs. Spellman with Mr. Jones of Alabama.

Mr. Evins of Tennessee with Mr. Whitten.

Mr. Litton with Mr. Stuckley.

Mr. Yates with Mr. Boland.

Mr. Helstoski with Mr. Riegle.

Mr. DON H. CLAUSEN changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BOLAND. Mr. Speaker, on rollcall No. 499, on the adoption of House Resolution 1368 to establish a Commission on Administrative Review, I was unavoidably detained in another section of the building and was unable to be recorded on the adoption of that resolution. Had I been present and recorded, I would have voted "yea" in favor of the resolution.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT FRIDAY, JULY 16, 1976, TO FILE REPORT ON H.R. 14032

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight Friday, July 16, 1976, to file a report on the bill, H.R. 14032.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 1372, TO LIMIT AUTHORITY OF COMMITTEE ON HOUSE ADMINISTRATION TO FIX AND ADJUST ALLOWANCES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1396 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1396

Resolved, That immediately upon the adoption of this resolution the House shall, without the intervention of any point of order, proceed to the consideration of the resolution (H. Res. 1372) to limit the authority of the Committee on House Administration to fix and adjust allowances. After general debate, which shall be confined to the resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the previous question shall be considered as ordered on the resolution to its adoption or rejection without intervening motion except one motion to recommit with or without instructions, and the previous question shall be considered as ordered on said motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to, and also on the resolution now under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I see no reason to take an extended period of time in dealing with this matter. This resolution, this rule, is, for all practical purposes, the same type of rule we had before. It takes care of all the procedural matters. When the previous question is ordered on this resolution, it will take care of all the procedural matters on this resolution and the next matter, which of course is the question of stripping the Committee on House Administration of its power under the 1971 law.

I see no reason for extended debate on the resolution. It is identical to the one we had before in its effect. It allows the minority the right to have a motion to recommit, with or without instructions, and thus structures the matter in a way that seems to me sensible.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, do I understand this correctly, that the powers of the House Administration Committee to make these adjustments, with the exception of those listed here, will cease immediately upon enactment of this resolution?

Mr. BOLLING. That is the understanding that I have. That is correct.

Mrs. FENWICK. I thank the gentleman.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

To further clarify the question of the gentlewoman from New Jersey (Mrs. FENWICK), the recommendations of the Committee on House Administration which were promulgated in yesterday's colloquy in the RECORD, however, are binding regulations and will stay in effect, irrespective of what happens in the future; is that correct?

Mr. BOLLING. That is correct. The actions of the committee on Monday are part of the law under the law, the 1971 law, and this stripper, as it is called, takes effect for the future and not the past.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I thank the gentleman for yielding.

Do I understand then that any of these new orders, that any increase in allowances or emoluments that might come to us under those orders will come to us, and there is no way of stopping that?

Mr. BOLLING. The problem that I have with the gentlewoman's question is that I think it is unintentionally loaded, because I do not believe that those orders provide for increases.

Those orders are already in effect. They are the law of the land, and the allowances provided for in them will come to the Members.

Mrs. FENWICK. I thank the gentleman.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Then if some of us are unhappy with some of those regulations which were promulgated on yesterday, is it correct to say that the only way in which they could be attacked in this pending resolution would be to try to open this resolution up to change, and that would involve the voting down of the previous question?

Mr. BOLLING. I do not believe that is the only way, although I am not really desperately anxious to give suggestions to those who are on the opposite side of the matter than I am.

Mr. GIAIMO. I understand.

Mr. BOLLING. But there are other ways.

Mr. GIAIMO. If the gentleman will yield further, then would I be correct in saying that it is an expeditious way and one which presently presents itself to us?

Mr. BOLLING. I do not desire to fence with my friend.

Mr. GIAIMO. I will withdraw my question.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

First of all, in response to the question of my friend, the distinguished gentleman from Connecticut (Mr. GIAIMO), the answer is that under the rule any amendments would have to be germane.

In response to the question of the gentlewoman from New Jersey (Mrs. FENWICK), the regulations and orders promulgated as a result of the committee action on Monday are in fact the law at this moment. Not one of them represents an increase. As of today, July 1, the first regulation goes into effect. It reduces the mileage allowance for private automobiles from 20 cents to 15 cents.

The next resolution which will go into effect will be in September, on the first of September, at which point a modified vouchering system will become effective. All of the others will take effect in January.

In the interim, the committee will be subject to very carefully drawn regulations which will be discussed thoroughly and will be explicit so that each and every one of us for the first time in my memory will understand exactly what we are entitled to and the means by which we get those entitlements. The means by which we can inform the public as to what all of our expenditures are, who our employees are, how much they are paid, where they are located, is an important part of this resolution and I urge its adoption.

Mrs. FENWICK. I thank the gentleman.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I thank the gentleman for yielding.

As I understand this rule that is now before the House, if it is adopted, it would not be in order to offer any amendments to the resolution which would then be before the House; is that the fact?

Mr. BOLLING. In effect the Member handling the time, at least in theory, could yield for an amendment, but I am sure he would not.

Mr. LEVITAS. Mr. Speaker, the question I have ties in with the question asked by the gentlewoman from New Jersey (Mrs. FENWICK). If it were in order to offer amendments to this resolution which would then be before the House, would it be possible for an amendment to be offered changing the effective date of the resolution to an earlier time, predating the date of promulgation of the orders, and thereby give the House an opportunity to vote and consider each of the orders serially to determine whether or not the Members of the House agree or disagree with a particular section or order, and is the reason in effect for providing a closed rule to preclude the opportunity for doing so?

Mr. BOLLING. Mr. Speaker, the reason for offering a closed rule, as far as this Member is concerned—and he can only speak for himself—is that this Member believes if we get into the amendment stage and into an open rule situation, because of the enormous differences that exist on both sides of the aisle and with the attitudes that are so different, we would end up with an unraveling of what I believe to be a useful package.

There happen to be some things in the package that I am not enthusiastic about, but unless we keep the package together, I think the combination of circumstances would result in an unraveling and the House would do nothing that would be effective.

Mr. Speaker, that is the reason for the closed rule, as far as I am concerned. It is not actually a closed rule; it is a method of proceeding which does not allow amendments.

Mr. LEVITAS. Mr. Speaker, if the gentleman will yield further, I personally agree with the gentleman that there is great merit in a number of these proposals which have been opted by the Committee on House Administration. There are others about which I have some question and which I do not think really result in what is now being paraded as reform. Certainly a great deal more needs to be done, and that will presumably be done by the commission which was created by the resolution we just adopted.

However, it seems to me that in dealing with a matter of such importance to the Members of this House and to the public, it would be appropriate for the Members of this House, regardless of which side of the aisle they sit on or whether they have differing views or whether they represent the leadership on either side of the aisle, to express their views by having the opportunity to vote. As I understand the point of the gentleman from Connecticut (Mr. Giaimo), the only way we would be able to do this is by defeating the previous question and providing for amendments.

Mr. BOLLING. The gentleman is correct. But my own response remains that I think that the gentleman would accomplish the opposite of that which he wishes. I think we would end up with nothing at the end of the process. Although I respect the gentleman's views and desires to have a more open approach, I just do not think it would work.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Speaker, first of all, I would like to say that every time we use the words, "the power of the committee," I think "the authority of the committee" would be a better description.

I am going to support the ordering of the previous question on the rule; the whole matter of the previous question that has bothered me for some time. I would rather have seen the resolution contain the committee reforms en bloc because I think they can be defended on the merits, I think that they can be shown to be the first step in reform, an intermediate step until the commission has an opportunity to bring in a report.

I believe it should be made clear that none of those committee orders create in any way a slush fund, as some have called it, that could be used for any purpose, nor do they contain any added amount of $15,000 per Member.

Those items were dealt with by the Committee on House Administration when we amended the agenda items dealing with those issues.

Mr. Speaker, the committee orders specifically retain the present allowance categories, not a slush fund, and provide that expenditure under each category must be made by certified voucher.

The order does provide, in the event of a certified voucher, that a Member may transfer an unused portion from one specific account to another, but, again, by a public, certified voucher. This takes into consideration at this time the different problems faced by different Members throughout the country. Where someone who lives on the eastern seaboard may have to go home more times than those of us far away; and perhaps some of us far away who cannot get back to our constituents on a face-to-face basis may be able to communicate by mail in lieu of taking four or five trips to the coast.

It does provide for the institution of the WATS line if we give up half of our telecomunication units, which is really a break-even cost, a few cents, more or less. However, basically, it is a break-even formula and in the long run will provide for savings of dollars.

It does provide for the elimination of all of the cash-outs.

It does provide for the elimination of postage stamps. It does provide for publication, on a quarterly basis, of who works for a particular Member, where they work, and what they get, it does provide for monthly certification of payroll by name, salary, and location which is open for public inspection.

It does provide for the publication of the expenses of the Member in the same way. There is no additional money in this in any lump sum. Conceivably, under a travel arrangement, where they dealt with the mileage in a way by reducing it from 20 to 15 and allocating certain mileage to certain geographical areas, it is not to pay someone or to allow him to pick up, say, another $97 in travel expenses at the end of the year. I do not think it is that kind of deal myself.

Mr. Speaker, when we take a look at the package, this is why I say I would have liked to have seen the committee orders, if I had my druthers, in this rule, and voted on in the package I would have loved to see the gentleman on the other side of the aisle cast their votes on these various issues.

Mr. Speaker, the fact that this resolution takes away the authority of the committee makes sense. It does say that when Xerox raises the cost of their leasing equipment by $3.50, the House will not get the opportunity to vote on that.

To me, that makes sense. I remember one day when the gentleman from Missouri (Mr. Bolling) carried a $50,000 printing resolution, and we were talking about it for an hour. Then we took up some military appropriation of $100 billion, and we talked about it for about 32 minutes.

Therefore, Mr. Speaker, I do not think that allowing these cost-of-living adjustments does violence in any way. I think, even, that more or less is the intent of the amendment that the gentleman from Illinois (Mr. Michel) had.

The SPEAKER. The time of the gentleman from California (Mr. John L. Burton) has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I would say with respect to the fact that if our employees who are covered under the Federal Comparability Act were, along with all governmental employees, to get 3, 4, or 5 percent, I do not think it is unreasonable not to subject their cost-of-living pay increases to possible political rhetoric on the floor.

Consequently, Mr. Speaker, I say, as one who was not in favor of the package if it went to that committee, but because of the work of the committee that was done in most instances on a bipartisan basis, I feel that those committee orders can stand and could stand on their merits. However, I do feel that under this situation, if we do vote down the previous question, we could end up not dealing with basic, clean reforms that I believe should be dealt with. The committee orders clean up all of the interim problems. They keep the present categories. and they leave it up to the commission to come back with a final report.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this debate is one of the most serious debates that we will have on the floor of the House for some time to come. We must remove the cloud over the Congress and, indeed, we must restore our credibility. Therefore, Mr. Speaker, I would urge the Members of this body to vote down the previous question on this resolution so that a motion can be made for a completely open rule giving the Members an opportunity to vote, to amend and particularly to vote on the goodies, that have recently been passed out by the Committee on House Administration, up or down. The Members of this body must have that opportunity.

Therefore, Mr. Speaker, I would recommend wholeheartedly that the previous question be voted down. I ask that we replace the closed rule that we are now debating with an open rule and then, with an open mind, get on with the business of this House and take away the cloud that hangs heavily over our heads.

Mr. Speaker, a motion for a completely open rule will be offered if the previous question is voted down. If an open rule is adopted I understand the gentleman from Arizona (Mr. Rhodes) our minority leader, will offer an amendment, consisting of the language of section 1 of H. Res. 1386 which, in effect, goes backward and forward in removing certain powers of the House Administration Committee. It goes backward to June 23 which will, in effect, give the Members of this House an opportunity to vote on the goodies passed out by the Committee on House Administration after June 23, and also on other matters.

Further, I believe that there will be other amendments offered on the floor.

Mr. Speaker, I would again plead with my colleagues to vote down the previous question and open this rule up completely for the benefit of all of the Members of this House.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker and Members of the House, in this morning's Post, on page A-11, there is an article headed "Sex Reform Vote Today in House." Well, this arouses just a little bit more in this gentleman than mere curiosity. What hath this Committee on House Administration wrought here?

Mr. Speaker, I searched yesterday's Record to no avail even though the chairman made three unanimous-consent requests for insertions the day before. This morning's Record had not arrived in my office when I came to the floor. So I am at a loss to know what the House Administration has done to the Members of this House.

And frankly, to rely upon our friends in the press for the answers really leaves this Member somewhat cold.

What about this slush fund we have

to accept without a vote? How will it appear to the general public when the press gets around to adding it on to our salaries?

Obviously that is the way it is going to be played, and as individual Members, Mr. Speaker, we are being denied a vote on this consolidated slush fund.

I do not like it.

What are the limitations? Who can do what for whom? What assurances are there that, under "sex reform" as the Post described it, a Member could not under any circumstances, guise, or subterfuge, contract or lease a service of any kind? It does not require much ingenuity for this Member to conceive of a Member justifying a contract or a lease, paid by voucher against this slush fund, as a service to his constituents, either in his district or when they are here visiting him in Washington.

I hate to have to use this kind of an example to get the press's attention to see what a sham is taking place here.

I personally do not have any qualms about voting for my stationery allowance, my office equipment, telephone and telegraph allowances, travel, and so on, or, as a matter of fact, on raising my own salary, as I have done on previous occasions, when it is justified.

But I submit to the Members that what is going to happen with this slush fund within a week or so is that the news media around this country are going to take the $42,500 or the $44,600, salary we receive and add to that the bundle of what we are talking about here and back in our districts we are going to be making as a Congressman, $95,000 or $96,000 a year. It is a fraud. It is wrong. It is not right.

I submit that many of the Members of this House are proud to be here. I never demean my own worth as a conscientious hard-working Member of this House.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois.

Mr. MICHEL. Members of this House legitimately have not had a pay raise since 1969 except for that 5 percent gimmick a year or so ago. It is just a little bit ridiculous. I would much rather lay it out on the board openly here what I think I am worth and have a legitimate pay increase rather than having the House Administration Committee resorting time after time to these subterfuges and these under-the-table kinds of things.

We have an opportunity here to vote down the previous question and give ourselves an opportunity to lay it all out for a vote above board. I submit that is the proper way we ought to address ourselves to this problem, and I urge a vote against the previous question.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Wyoming.

Mr. RONCALIO. I thank the gentleman for yielding.

There may be several valid proper reasons for a vote to vote down the previous question. I respectfully submit that the gentleman's arguments contain none of them, and I take personal exception to the line that he pursues. I think it is, frankly, rather a "hawky" point that he has raised in this matter.

Mr. MICHEL. The committee cannot give us any assurance that "contracting" or "leasing" is not going to be permitted under this proposal.

Mr. RONCALIO. I take respectful exception to the gentleman's argument.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Missouri.

Mr. BOLLING. I thank the gentleman for yielding.

The gentleman raises the question of not being able to find the orders. For the gentleman's information they appear on the first page of the House section on Wednesday, June 30, 1976.

Mr. MICHEL. In talking about the specific rules and regulations implementing what the gentleman's side has done. No; these are not available. That is what I am talking about.

Mr. BOLLING. The gentleman started out talking about orders, and I wanted him to see them.

Mr. MICHEL. I appreciate that, but that does not tell me anything other than there is going to be a consolidation of these particular perquisites under one lump sum.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. Frey).

Mr. FREY. Mr. Speaker, the majority leader in previously extolling the virtues of the 94th Congress left out several important items. One, this Congress certainly has to be No. 1 in news coverage—very little of it good. Two, we are at an all-time low, 9 percent, in public acceptance. We are not trusted or respected and our percentage keeps sinking.

I think what has happened to date really has not helped us very much. The Democratic majority from the start has taken the approach that reform is a one-party problem and that is the way it has been handled: the Obey commission, an arm of the Democratic Party, the Democratic caucus, the closed rule, and the party line vote we have just finished are just indicators. We have also today made a basic decision that we are not going to look back at any wrongdoing. The gentleman from Missouri (Mr. Bolling) got a lot of laughs when he spoke about our party only looking backward. I am sure he would agree that if something was wrong 3 months ago, it is still wrong and it should be corrected. I think it should. The commission we just passed does not do this and, in essence, is a coverup.

If we came in front of this body during Watergate and said, "A mistake has been made and we are sorry," and then said, "Let's forget about it, and just pass rules looking to the future"—the majority would have laughed us out of the Chamber, and rightfully so. And the press which has bought these so-called reforms would have had headlines about the big rip-off.

Now we are faced with another rule, closed rule, a rule in essence that says whatever the House Administration Committee did, let it be. Under the rule we are not going to be able to suggest amendments; we are not going to be able to make any changes. We are told this is necessary because we are not capable of handling open debate. What a bunch of nonsense.

I must say I agree with the gentleman from South Carolina (Mr. Davis), who was quoted as saying the Democrats were hypocrites in asking the Administration Committee to "be the bad guy one more time" before stripping the committee of its power to act without a floor vote. He said, "Let us bring it to the floor and give the Republicans a chance to vote on it." That is a novel idea, but a pretty darned good one.

We have a chance on the vote to make this a nonpartisan matter, to act in the interests of the country and not one party—the majority party will probably prevail on many of the issues—but let us do it in the sunlight, let us do it in the open with full and open discussion. This is our House—the people's branch—it is not a Democratic or Republican House—our only hope is to vote down the previous question and support the substitute resolution which will be on open rule.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama (Mr. Dickinson).

Mr. DICKINSON. Mr. Speaker, I thank the gentleman for the time.

I would like to say I rise in support of the motion that will be made to vote down the previous question.

There has been some misunderstanding and perhaps some misconstruction of the facts here, Mr. Speaker. Recently in speaking to the Republican conference I put forth some computations.

CALL OF THE HOUSE

Mr. MOORE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 500]

Andrews, N.C.
Archer
Bedell
Bonker
Cederberg
Cleveland
Conyers
Daniel, Dan
Dent
Diggs
Drinan
Early
Emery
Esch
Evins, Tenn.
Flowers
Gibbons
Hall, Tex.
Harsha
Hays, Ohio
Helstoski
Hinshaw
Horton
Jarman
Jones, Ala.
Karth
Litton
McDade
McKinney
Mathis
Mazzoli
Melcher
Mezvinsky
Montgomery
Moorhead, Pa.
Mosher
Murphy, N.Y.
Peyser
Preyer
Railsback
Reuss
Riegle
Risenhoover
Santini
Scheuer
Schneebeli
Shipley
Shuster
Stanton,
  James V.
Steelman
Steiger, Ariz.
Stephens
Stuckey
Taylor, N.C.
Udall
Vander Veen
Waxman
Whitten
Wilson, C. H.
Wright
Yates

The SPEAKER. On this rollcall No. 371 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TO LIMIT AUTHORITY OF COMMITTEE ON HOUSE ADMINISTRATION TO FIX AND ADJUST ALLOWANCES

The SPEAKER. At the time the point of no quorum was made, the gentleman from Tennessee (Mr. QUILLEN) had yielded 3 minutes to the gentleman from Alabama (Mr. DICKINSON).

The Chair recognizes the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to insert a chart and graph in connection with the remarks being made.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. DICKINSON. Mr. Speaker, the misunderstanding expressed in the Obey, Meeds, and D'Armours memorandum of June 30, 1976, concerning certain calculations under the new proposed allowances, results in a large measure from the fact that my computations were made under House Resolution 900, as reported out of the Committee on House Administration on June 25, 1976, whereas their computations were made under committee orders published June 30, 1976. There are substantial differences between the allowances under the two plans.

My calculations under the old plan do not include $9,555 for office rental because I have two district offices in Federal buildings. This amount under the new plan will be added to the "pot" and can be used for other purposes. I consider this to be an increase.

Mr. MEEDS' plan failed to mention the cost of two nationwide WATS lines for each Member. While we do not have an estimate on the cost of these lines the telephone company tells us that the cost to an individual for one nationwide WATS line is $20,000 per year or $40,200 for two lines. If you multiply this by 435 Members of Congress, the cost is over $17 million a year, which I would be safe to say is an increase.

It may be that the amount available under committee orders should include such funds as the taxi fare component of the travel allowance. It is impossible at this time to make that determination since the committee order regulations have not been written.

In any event, I do not see any point in our continuing to compare apples and oranges. I am inserting into the RECORD, at this point, a chart containing the comparison made by my staff:

AVAILABLE UNDER OLD PLAN	
Travel	$5,824.00
Taxi	1,040.00
Postage	1,140.00
District office allowance	2,000.00
Telephone	13,750.00
Stationery	6,500.00
Equipment rental	9,000.00
Newsletter	5,000.00
Total	44,254.00
District office rental actual amount paid by clerk to GSA for two offices in Federal building	$12,312.00

AVAILABLE UNDER COMMITTEE ORDERS (IF MEMBER UTILIZES WATS LINES)	
Travel	6,514.56
Telephone	7,875.00
Office rental	9,555.00
Newsletter	5,000.00
District office allowance	2,000.00
Equipment rental	9,000.00
Stationery	6,500.00
Total	46,444.56
Estimated cost of two WATS lines (by telephone company)	40,200.00
Total	86,644.56

AVAILABLE UNDER HOUSE RESOLUTION 900	
Travel	6,514.56
Telephone	15,750.00
Office rental	9,555.00
Annual (basic allowance)	37,500.00
Total	69,319.56

AVAILABLE UNDER COMMITTEE ORDERS (IF MEMBER DOES NOT UTILIZE WATS LINES)	
Travel	6,514.56
Telephone	15,750.00
District office rental	9,555.00
District allowance	2,000.00
Newsletter	5,000.00
Stationery allowance	6,500.00
Equipment rental	9,000.00
Total	54,319.56

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, House Resolution 1372 which this rule makes in order is a bit of a fake. It has some aspects of a stripping resolution, but it strips too little and too late.

It was never considered by the committee. The committee was discharged from its obligation, and the Committee on Rules simply went around the Committee on House Administration in agreeing to House Resolution 1372.

It strips too late because it is effective only after the Democratic caucus mandated important changes in expense allowances to be made through the Committee on House Administrtion. The main goodies have already been passed out by our pals on the Committee on House Administration. There is not much left to strip. That is how it strips too late.

It strips too little because there are exceptions allowing the Committee on House Administration to increase allowances for increases in cost of living and for technological advances. Based on the track record of the Committee on House Administration to date, it will automatically grant these increases, and all we are doing is indexing our allowances. I do not think most of us want to do that.

The committee has granted, through its six committee orders and through three regulations and rules, a consolidation of some of our accounts. And, Mr. Speaker, in the consolidation of those accounts there were increases in our allowances. The increases occur in terms of our now being allowed to use the six trips which were formerly not available to us but only to our staff. We now have them to use for travel or for any other purpose; at least we have their monetary equivalent.

In addition, we have new telephone services which we never had before.

Further, the consolidation of all these accounts gives us a new flexibility which will result in larger spending and greater cost to the taxpayers.

Mr. Speaker, I think every Member of this House wants to vote on those changes. The only way we can do that is to vote against ordering the previous question and to vote for an open rule.

Then we will have a chance, all of us together, to let the House show what its will is. In that way we can be recorded as voting "yes" or "no" on our own allowances. If we do not do that, we are merely using this stripping resolution which comes too late as a means of covering up what is an effective increase in our allowances, and that change will result in greater expense to the taxpayers of the United States.

So I would ask every Member here who believes in open rules, who believes in fairness, and who has told his or her constituents that we want to vote on our own allowances, to vote down the previous question.

Mr. Speaker, I urge the Members to vote down the previous question.

The SPEAKER. Both sides have 14 minutes remaining.

The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I am somewhat surprised by the comments of the previous speaker.

As the Members of this House will recall, when our task force was first formed, we invited not only Members on this side of the aisle but Members on that side of the aisle as well to respond to our questions as to what needed to be done to rationalize the account system of the House. That was all we were trying to do. We were not just trying to take care of our political problems around here; we were trying to structure a system that makes sense. We have that obligation not only to the country but to ourselves.

Mr. Speaker, I did receive a letter from the gentleman from Minnesota (Mr. FRENZEL). The gentleman just indicated that he was somewhat unhappy with the idea that we consolidated accounts. Let me read from his letter.

I read as follows:

> If you or the committee could find a way to consolidate some of our accounts, I would be grateful.

Mr. Speaker, he made a second recommendation. He said: "I think it is silly that one cannot return stationery funds to the Government without incurring tax liability," and he asked us to address ourselves to that question.

We did, and we eliminated cash-outs, not only for stationery, but for other items as well.

Mr. Speaker, he also wrote and said:

> I believe one of our responsibilities is to

> insure visibility in the system. As long as anything we do is secret or has the aspect of being covert, our constituents are not going to trust us.

Therefore, Mr. Speaker, we required quarterly reporting of every expenditure made out of the consolidated fund.

Furthermore, we required monthly certification of the status of every employee in the House, so I would submit to the Members on this side of the aisle as well as those on the other side that it is literally impossible to satisfy the gentleman from Minnesota (Mr. Frenzel). We gave him approximately two-thirds of what he asked for. We probably adopted more of his recommendations than those of any other single Member of the House, and yet he is not satisfied.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker and Members of the House, I realize that normally when we consider a rule or a resolution which would make a matter in order for discussion on the floor, we are largely concerned with procedure. However, let me suggest to the Members of the House this afternoon that there are times when matters of procedure become matters of substance; and it seems to me that we have one of those cases before us this afternoon.

Mr. Speaker, I realize that my distinguished colleague, the gentleman from Missouri (Mr. Bolling), has advanced two principal reasons that this ought to be a closed rule. As he knows, I opposed him in committee on that, and I was the one who offered the motion that this resolution, 1372, should be brought before the House under the provisions of an open rule.

He argued that this has to be a structured debate. That was his first reason: We have to have a structured debate.

Mr. Speaker, let me ask the Members: Structured according to what? According to a resolution adopted by the Democratic Caucus on a matter which pertains to this body as an institution? Or should it be structured in such a way that all Members would have the right to vote on matters that concern each and every one of them individually?

Mr. Speaker, the other point he offered in justification of this closed rule is that this is a complicated matter. That carries with it the inference that somehow individual Members of this body, many of whom have served here for many, many terms, do not have the competence and the expertise to decide important questions as they relate to their own allowances and benefits. I simply cannot accept that kind of reasoning.

Mr. Speaker, the principal debate here, I think, is over the consolidation of accounts, and that is Committee Order No. 30 as it was inserted at page 21624 of the Record on yesterday.

At the conclusion of that committee order, which they say has the force of law—and I always had the rather naive notion that laws ought to be enacted by this body; laws should not be a matter of the issuance of a committee order—they go on in that particular Committee Order No. 30 to state this:

> The Committee on House Administration of the House of Representatives shall promulgate such regulations as may be necessary to carry out the provisions of this regulation.

Mr. Speaker, if there is anything we have heard about in this 94th Congress, it is that we have literally created a fourth branch of Government, that we need regulatory reform, that agencies of one kind or another are issuing regulations that have the force of law without the power of this body to do anything about it. Here we are, Mr. Speaker, falling into the very identical trap, issuing, through a committee, a resolution or a committee order that gives that committee additional power to promulgate additional regulations to carry out the provisions of the resolution.

Mr. Speaker, we are opening the door to Government by regulation in this very body and where we have so often heard complaints against that.

On the question of transferability which is involved in committee order No. 30, we are talking not just about an insignificant sum, we are talking about literally millions and millions of dollars of the taxpayers' money.

The SPEAKER. The time of the gentleman has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 1 additional minute.

Yet that committee order says:

> . . . Members may elect to transfer the authorization to expend funds among the following allowances.

And then it lists a whole group of things, constituent communication allowance, stationery allowance, and so forth. I think that the country is going to ask us this question: If those allowances are too large, if they are so excessive that the Members are given the liberty to freely transfer from one account to the other, then maybe, in the name of efficiency and economy, what this committee ought to have done, rather than consolidate and permit transferability, is to take a long look as to whether or not those accounts should not be reduced, or in the gross amount.

Using every bit of logic that I can possibly summon leads me to the conclusion that we ought to debate and discuss this matter under an open rule. That is the fair procedure. That ought to be the procedure that would appeal to a Congress that came riding in on a wave of reform.

Vote down the previous question.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Speaker, I take no pleasure in speaking on this subject, because I have the greatest affection and highest respect for some of the principals involved in support of this resolution, such as the gentleman from Wisconsin (Mr. Obey), the new chairman of the Committee on House Administration, the gentleman from New Jersey (Mr. Thompson), and the manager of this resolution, the able and distinguished gentleman from Missouri (Mr. Bolling). These are three men for whom I can truthfully say that I have the greatest respect, and it saddens me that I have to disagree with them because I do disagree with them.

I would like to address myself to my Democratic colleagues and to suggest that they consider very carefully what they are voting for here, because this is a vote that could very well come back to haunt us.

Mr. Speaker, I intend to vote against the previous question on this resolution.

Mr. Speaker, I say we are acting in haste here apparently because of a feeling that we have got to do something to reform ourselves because of the alleged sexual wrongdoings of some Members. Mr. Speaker, I do not know what a reduction in postage stamp allowance has to do with the sexual appetites of Members of the Congress, but so be it.

We are told that we have to do something, and so we are doing something and calling it reform. We are doing something which is good. We are going to discontinue the cash-outs. You know, that these cash-outs were voted by an all-powerful Committee on House Administration in the past as a substitute for a pay raise. Let us not kid ourselves. So in all we are also talking about a possible reduction of a cash-out of $6,500, depending on whether you use the full stationery allowance, and then against maybe an additional $2,000. So we are talking of $8,500 in cash-out money. Incidentally, you have to pay an income tax on this, so you cut it roughly in half to $4,250 if you are in the 50-percent bracket.

We are talking about a cash-out of perhaps, at the most $8,000 less what you get after you deduct your income taxes on it.

If that is a good idea, then let us eliminate this abuse and eliminate the cash-out.

But then, in the name of reform, I think, my colleagues, that the committee went a little further.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

I would like to point out to the gentleman that the cash-out ability goes back to, I believe, the year 1893 and has existed ever since then.

Mr. GIAIMO. All right. I am suggesting if we want to discontinue the cash-out, fine; we will do that in the next Congress. But then we went a little beyond that in our zeal and in our enthusiasm, I suspect, to get more money for Members' expenses, and so I call it an expense account. Right now the press in this country is calling this legislation reform. They are not omniscient, our friends in the press. While some of them may think they are, there is usually a lag time before they realize what really takes place in this body or in any other public body. Eventually, they are going to find out that in the name of reform we have voted and enabled ourselves to expend thousands and thousands of dollars in at least two principal areas, because of our ability to transfer moneys within these accounts. In my case, I figure I will have about $35,000 for travel and to flood my district with newsletters—and, incidentally, this was a goodie that was voted to us by the Committee on House Administration in the past, and against which we are now trying to reform. We are providing money for travel and newsletters, which are really propaganda, however you want to call it.

Up until now, I have been entitled to 26 trips a year home. So I buy an airplane ticket. I go to Connecticut, and I fly back. That is what I charge the Government for. It comes to $2,250 in my case.

But under this rule, Mr. Speaker, I will be able to be traveling throughout Connecticut on my expense account. There is nothing in this legislation that says that GIAIMO cannot get a helicopter when he lands at the airport at Bradley Field and travel all over his district in a helicopter and charge the taxpayers of the United States for these expenses. Is that what we want in reform? It was even mentioned in the Democratic Caucus that we could take our mayors to dinner. So, if we can take our mayors to dinner, we can take any other citizen in our community.

I plead with my colleagues, let us go slowly. We are voting ourselves an expense account, and it is going to come back to haunt us.

The SPEAKER. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I come before my colleagues with the naivete of a freshman. When I was privileged to be elected, I thought that I came here, and so did a half million people whom I represent, to vote on all issues and to have a voice in them. They do not understand open and closed rules. They do not understand caucuses and conferences. And, indeed, the Constitution does not speak of caucuses and conferences or open and closed rules. It talks of representatives of the people doing a job for the people.

This House needs reform. We all admit that. The resolution we have before us is good so far as it goes, but unless we have an open rule and a chance for each one of us to debate, each one of us to offer amendments, each one of us to vote, then we really have not fashioned what the people elected us to come here to do. There is no reason for a closed rule—we have discussed that—without an open rule we are leaving ourselves justifiably open to cries that the reason for a closed rule is a coverup, cries that there is a slush fund that we do not want exposed, and cries that we have been gagged and we cannot speak and we cannot vote on these things because of embarrassment to one group or another.

I simply look to my colleagues and say, we were elected to come here and face this issue. Let us do it with an open rule. There is no reason for a closed rule. We have voted them down in the past. The Members know we would not have stood for this on any other bill of such interest. This issue is not too complex. Everyone of us knows how a Congressman ought to operate. I submit the only way we are going to restore any kind of faith, any kind of integrity in this body is for every one of us to have the right to speak out, to vote, and to amend, and not have something shoved down our throats by a Committee on Rules that brings us a resolution that the Committee on House Administration refused to report, and does not give us a resolution (H. Res. 900) under an open rule reported by the Administration Committee which gave us a chance to vote on all points of reform. We are being bound and gagged, we ought to stand up and throw these shackles off, and vote our own integrity, our own individualism, our own consciences and vote as the half million people who sent us here expect us to.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I have asked for an open rule on many occasions because I believe that this House is capable of dealing in detail with the issues brought to the floor. Providing an open rule does not guarantee good legislation, but allows each member and the entire House to work its will. I appealed to the Rules Committee as I do now to the entire House to give us an open rule so that we would have an opportunity, each of us, to make a judgment on each of these Member expense items. I sincerely believe we should make that judgment ourselves and not allow a majority of the Rules Committee to deny us the right to amend this bill.

I do not have the great fear that some of my colleagues express that we are not capable of dealing with these issues here on the floor—that they are too complicated, or somehow we will not know how to cope with them.

Members of this House talk a great deal about "Government in the sunshine." Many of my colleagues have offered resolutions to demand the executive agencies of this Government to operate in the sunshine. Let this House do the same thing. I urge my colleagues to vote down the previous question and vote for an open rule.

I thank my colleague, Mr. ANDERSON, for yielding.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield the remaining time on this side to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, the speakers who have gone before have done as good a job as anybody could do in telling the effect of the House Administration Committee's activities of last week, how they will actually have the effect of making more taxpayers' money expended for Members rather than less, how they actually consist of the pressing of the panic button and not reform. Therefore it is not my purpose to follow along those lines but to bring up a point which I do not think has been mentioned.

As has been mentioned, we do ask a vote against the previous question for the purpose of offering an amendment which would provide for an open rule. I have faith in the Members of the House, I think the Members of the House are perfectly capable of solving these matters which are after all our own housekeeping matters, in the sunlight, and after due deliberation, on amendments which may be offered, and on the main question.

If that is successful and if we have an open rule, I will offer an amendment which will have the effect of repealing the act of 1971, which gave the House Administration Committee tremendous power, effective June 23, 1976. That, of course, will have the effect of undoing all of the acts of the House Administration Committee of last week.

I want it understood that I do not disapprove of many of the things that the House Administration Committee has done. I think that doing away with the cashout, the providing for personal signature of vouchers, and related changes are good things, but they can be done by bringing these matters before the House in the ordinary course of events to let the Members of the House vote on them. So that is not at issue.

The main issue of my amendment would be the effect that three reservations of power by the House Administration Committee would have. One of the main reasons I am offering this amendment is to strike the wording of House Resolution 1372 containing these conditions.

Mr. Speaker, the House Resolution 1372 repealer is a sham and a hoax. It does not repeal anything. Let me read the conditions under which the repealer will be adopted, which appear on page 2:

> The committee will retain its power to raise Members' funds in the event of: (1) any change in the price of materials, services or office space;

In other words, if the price of materials, services, or office space goes up in the opinion of the House Administration Committee, the level of Members' funds can be raised. This is exactly the right which the committee exercises now. Also, if—"(2) . . . any technological change or other improvement in electrical or mechanical equipment;" occurs then the committee has the authority to raise funds, as it does now.

Then it goes on to say if there is:

> (3) Any increase in the cost of living which results in action under the Federal Pay Comparability Act of 1971.

This is the same evil provision under which we voted to raise our own salaries in the event of a rise in the cost of living.

It provides again that the Members of this body, which has more to do with increases in the cost of living than any other body, can profit individually by such increases; so these conditions, subject to which the repealer would take place, make the whole repealer an exercise in futility. There is no reason in the world why we should adopt this resolution. We might as well admit we are continuing the 1971 arrangement and be honest about it.

This is purely cosmetic treatment, hoping that the press of the country if they are so deluded, and I do not think they will be, will say, "Yes, the House of Representatives has cleaned itself up. It has repealed the basis of the fiefdom which the former chairman of this committee built." It is an attempt to delude the people of the country into thinking that the majority Democrats have acted responsibly. Such is not the case.

Again, I cast no aspersions on my good friend, the gentleman from New Jersey. I know the gentleman has not built kingdoms and the gentleman will not do so now; but yet the power is there for any person who desires to build a similar power base. That is why when the time comes I will offer an amendment to repeal the act of 1971 effective June 23, 1976.

Mr. Speaker, I hope all the Members will vote to vote down the previous question, and when it is offered to vote on a substitute, will support the one I will offer. It is the only way I know of that we can really convince the people of the country that the House of Representatives has, indeed, reformed.

Mr. BOLLING. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, a long time ago I was chairman of the Subcommittee on Statistics of the Joint Economic Committee and I found out about statistics. I have listened to an awful lot of explanations about the way accounts are going to work and how much it is going to cost. Most of what I heard was interesting, but it did not sound like anything that I had seen or heard before in terms of any reality.

Mr. Speaker, I am a little startled at the number of people who seem to be able to make figures grow and change and shift in the interest of persuading people to vote down the previous question.

Now, there is one interesting thing about what was said by our friends over here. They are going to vote down the previous question and offer a motion for an open rule and then they are going to offer a substitute, which is already in order, as the recommittal; so they are going to go through all that exercise to get the right that is already built in and was built in for them deliberately by the Committee on Rules and I hope will be built in for them by the vote of the House when we vote for the previous question they there will have the right to offer what was described by the gentleman from Arizona in the recommittal.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I will yield before I finish, but I would like to make one other point.

Now, I am going to read from a newsletter sent by a Republican to his constituency some days ago, which is precisely pertinent on the main fact that a great many people have tried to sell us on; that is, that the Democrats are trying to increase the allowances in the guise of reform. It says:

> The charge made by some Democrats and some Republicans is that suddenly this would create a giant slush fund for House Members. I disagree. If anything, what we have now could be classified as a slush fund in terms of the House stationery account which a Member can cash out. The same goes for the postage allowance. The new system which would require a voucher supported by a documentation for legitimate House business would significantly improve the system. It would make sure that you, the constituency, could then make a judgment on how well we do.

Mr. Speaker, that is not possible under the present system of accounting.

I repeat what I said a number of times before on this and other matters. This is a part of a multiphase program to improve the situation: the orders of the committee, the audits that have been arranged, the additional regulations, the Commission we have established, and now the stripping of the committee of the greatest part of its power.

I think it would be unreal to vote down the previous question and open this thing up to all kinds of dilatory tactics. I urge that the Members vote the previous question.

Mr. Speaker, I now yield to my friend from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I think the gentleman is well aware that the reason we decided to ask for an open rule is because of the possibility that other Members might have amendments to offer also. This is a matter which affects everybody. We felt that it would be better to bring it up under an open rule.

Mr. BOLLING. I disagree one more time with my friend from Arizona, because I think if we get into a situation where any Member can offer any amendment, we will end up having done absolutely nothing on this crucial matter of stripping.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I would just like to clear up one small point. The assertion was made by the minority leader that the committee is retaining the power to adjust Members' salaries. The fact is that it does not do that. That refers only to the salaries for staff.

Mr. BOLLING. I did not think that is what the Member from Arizona intended, and I am sure he does not.

Mr. RHODES. The gentleman is correct. I did not have that in mind.

Mr. BOLLING. I think it is very clear that we need to vote the previous question and proceed with the debate.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ANDERSON of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 220, nays 190, not voting 22, as follows:

[Roll No. 501]

YEAS—220

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chisholm
Clay
Collins, Ill.
Corman
Cornell
D'Amours
Daniels, N.J.
Danielson
Delaney
Dellums
Derrick
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Eilberg
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gaydos
Gibbons
Ginn
Gonzalez
Hall, Ill.
Hamilton
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jarman
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Lloyd, Calif.
Long, La.
Long, Md.
Lundine
McCormack
McFall
McHugh
McKay
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pike
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
St Germain
Santini
Sarbanes
Scheuer
Seiberling
Sharp
Sikes
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—190

Abdnor
Allen
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Biester
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Devine
Dickinson
Dingell
du Pont
Duncan, Tenn.
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Fenwick
Findley
Fish
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Giaimo
Gilman
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Hannaford
Hansen
Harsha
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hillis
Holt
Horton
Hutchinson
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Levitas
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Michel
Miller, Ohio
Minish
Mink
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Natcher
Nichols
O'Brien
Paul
Pettis

Pickle
Poage
Pressler
Pritchard
Quie
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rogers
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
Ryan

Sarasin
Satterfield
Schroeder
Schulze
Sebelius
Shriver
Shuster
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton,
J. William
Steiger, Ariz.
Steiger, Wis.
Symms

Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—22

Conyers
Dent
Derwinski
Evins, Tenn.
Hays, Ohio
Helstoski
Hinshaw
Jones, Ala.

Karth
Litton
McDade
Peyser
Quillen
Railsback
Riegle
Schneebeli

Shipley
Steelman
Stuckey
Taylor, N.C.
Whitten
Yates

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Derwinski against.

Mr. Shipley for, with Mr. Steelman against.

Mr. Helstoski for, with Mr. Schneebeli against.

Mr. Yates for, with Mr. Quillen against.

Mr. Litton for, with Mr. Peyser against.

Mr. Riegle for, with Mr. Railsback against.

Mr. Conyers for, with Mr. McDade against.

Until further notice:

Mr. Hays of Ohio with Mr. Jones of Alabama.

Mr. Evins of Tennessee with Mr. Stuckey.

Mr. Taylor of North Carolina with Mr. Whitten.

Mr. ROONEY and Mr. HUGHES changed their vote from "nay" to "yea."

Mr. WAGGONNER changed his vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report House Resolution 1372.

The Clerk read as follows:

H. Res. 1372

Resolved, That, (a) until otherwise provided by law, any allowance specified in subsection (a)(1) of the first section of H. Res. 457, Ninety-second Congress, relating to expenditures of funds from the contingent fund of the House of Representatives for certain allowances to Members, officers, and standing committees of the House (2 U.S.C. 57), adopted July 21, 1971, and enacted as permanent law by the Supplemental Appropriations Act, 1972 (Public Law 92–184; 85 Stat. 627), hereinafter in this section referred to as "H. Res. 457, Ninety-second Congress", may be fixed or adjusted only through the adoption of a resolution by the House of Representatives, except that the Committee on House Administration may fix or adjust such allowance in any case in which such action by such committee is made necessary by—

(1) any change in the price of materials, services, or office space;

(2) any technological change or other improvement in electrical or mechanical equipment; or

(3) any increase in the cost of living which results in action under the Federal Pay Comparability Act of 1971.

(b) Upon the date of the adoption of this resolution, the authority of the Committee on House Administration under H. Res. 457, Ninety-second Congress, shall be subject to the provisions of this resolution.

The SPEAKER. Pursuant to the rule, on this resolution the gentleman from New Jersey (Mr. Thompson) and the gentleman from Alabama (Mr. Dickinson) will each be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. Thompson).

Mr. THOMPSON. Mr. Speaker, I yield myself 10 minutes.

vice, and there were—yeas 22, nays 190,

Mr. Speaker and Members of the House, 1 week ago today the House honored me by electing me chairman of the Committee on House Administration. I have been somewhat uncertain since whether congratulations or commiserations are in order and I suppose I will not be able to determine that until after this debate.

Mr. Speaker, thanks to the able and distinguished work of the gentleman from Wisconsin (Mr. Obey), the gentleman from New Hampshire (Mr. D'Amours), and the gentleman from Washington (Mr. Meeds), and by the direction of the Democratic Caucus, action was taken to clarify and make more open the accounts of the committees of this House and the allowances of the Members.

Beginning on Thursday last, June 24, with virtually all of the members of the Committee on House Administration present, we went through a carefully constructed agenda under the 5-minute rule, during which each and every member of the committee, majority and minority, was given full opportunity under the 5-minute rule—and in many cases beyond the 5-minute rule—to express himself or herself and they did so. They did so in an admirable manner. They did so in a responsible manner—and there were disagreements and there were many points of order and there were many parliamentary inquiries—but, despite the differences there was no acrimony, for which I am extremely grateful.

The committee met all day on last Thursday and again on last Friday, except during the times when because we could not get unanimous consent, we could not sit during the 5-minute rule. One of the results of that series of meetings—and the last meeting was on this past Monday when the committee convened at 8 o'clock a.m. and worked for many, many hours—was the adoption of nine items, three of which are proposed regulations, the remainder of which are committee orders, which under the 1971 act have the force of law. Seven of the nine items adopted were adopted unanimously or by a voice vote—seven of the nine. The other two were adopted by votes of 14 to 8, in other words, along party lines. The result was the prolongation of the orders and regulations which appeared in the Record as referred to earlier.

House Resolution 1372 by the gentleman from Michigan (Mr. Nedzi) was then considered. It was debated and was not reported, because the result was an 11 to 11 tie vote. Earlier in an action superseded by the subsequent adoption of the nine committee orders and regulations, the committee reported House Resolution 900, the first section of which is identical to the emasculation resolution now before us.

The Committee on Rules under its authority took up House Resolution 1372 offered by my distinguished friend, the gentleman from Michigan, and reported it on yesterday with the rule which has been adopted.

I would like to make some specific comments. I think that the GAO matter needs only brief comment, and I think we discussed it earlier. Having checked the law with the GAO and its lawyers as well as consulting with the Parliamentarian and with the committee staff lawyers, I requested formally that the GAO audit, beginning with the Committee on House Administration, all of its vouchers and records, and that it do so for all of the other committees which must come before the Committee on House Administration for their funds out of the Contingent Fund. That includes all committees except the Committee on Appropriations and the Committee on the Budget. That procedure will start on Tuesday next.

With respect to Members, the distinguished minority leader suggested that the accounts of each and every Member of this body, and of each and every committee and subcommittee of this body, be looked into by an accounting firm. We have determined by calling several accounting firms that the cost of that audit which the minority leader would ask for would be approximately $1,000 per Member, and $2,000 to $3,000 per committee, and approximately $1,500 for each subcommittee—a prodigious and unnecessary sum.

It has been said by some of the minority that this body itself should police itself. In other words, we should remain as the foxes in our own chicken coop, and that is not going to happen with regard to GAO audits we requested.

The General Accounting Office is going to do it and the GAO is not going to look into a Member's accounts unless we receive from a responsible source, in writing with verification and including reasonable cause, that justifies an audit as determined by the committee.

In other words, we are not embarking on a head hunting expedition, we will afford everyone the due process of law.

If after reasonable cause a Member's books are audited and there is probable cause of wrongdoing, reference will be made of those matters in writing to the Department of Justice or to the Committee on Standards of Official Conduct.

With respect to the most controversial item, the so-called consolidation item, it is not consolidation in the form which was requested by the Obey committee. Rather it is in effect a lumping together of the seven categories as they are now without even a 5-cent increase and making it possible in the Member's individual discretion to use those monies in the same manner in which they are now used but with the additional requirement of reporting and vouchering on a standard form. Also at the Member's individual discretion he may transfer moneys from one account to the other, except from the clerk hire account.

If this resolution is adopted, the Committee on House Administration will be emasculated of all of those powers except its right on the basis of proofs of increased costs to increase the costs of living as they occur. With respect to the employees of the House the committee would have the discretion to increase if under the 1971 Pay Act they are granted a 4-percent increase, and the Committee on House Administration by action of the full committee can authorize an increase which would go to each Member. That Member at his or her discretion may or may not grant his or her employees a cost-of-living increase. It is entirely up to the Member.

We are opening the process for public scrutiny. That is what the distinguished gentleman from Illinois called sunshine. This is sunshine. This is no slush fund. This is no ripoff. This does not add a dime.

If a gentleman such as the gentleman from Connecticut wishes to please or displease his constituents by leasing a helicopter, he could use his travel moneys for that if he wanted to take that risk. If indeed a Member found it necessary to be home because of a natural disaster or some other event requiring his presence or requiring additional trips, that Member could take from the stationery account or from one of the other transfer accounts on a voucher additional funds to use for trips at his or her discretion.

There is no additional rental allowance in any of these regulations and there cannot be, except by action of the full House.

Mr. Speaker, we all understand these rules. We all understand these regulations. We all understand that the purpose of us being here during this hour of debate is to decide whether or not to pass this resolution that takes away from the Committee on House Administration some of the rights which were given to it under the 1971 act.

Mr. Speaker, as the chairman of the Committee on House Administration for only 1 week, I find myself in a unique and difficult position. I stand before this body today to ask the authority of a committee that I have chaired for only a week to be reduced. I do so, Mr. Speaker, for two reasons.

First, I believe that the actions taken by the Committee on House Administration in the form of the committee orders adopted on Monday are a genuine improvement in the existing accounts system, both in terms of flexibility to the Member and accountability to the House and our constituents.

I do so, second, because of the overwhelming mandate for reform from my colleagues on this side of the aisle and from many of my distinguished colleagues on the other side of the aisle.

Mr. Speaker, I urge adoption of this resolution.

Mr. MILFORD. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. THOMPSON. Mr. Speaker, I yield myself 1 additional minute.

I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Speaker, this is in the form of a technicality the committee has adopted. It pertains to district offices and the committee's rights for cost-of-living adjustments.

In the district office I use, for example, the rentals in the area go up. Would this adjustment be made by the committee or would we have to come back to the floor each time there is an inflationary rise?

Mr. THOMPSON. If in the gentleman's immediate area the General Services Administration determined that the value or the cost of a square foot of office space, be it in a Federal building or a private building, has increased by say $1 per square foot per year, then on certification of that, my interpretation would be that the committee would have a right to make that adjustment.

Mr. MILFORD. Mr. Speaker, I thank the gentleman from New Jersey.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield for a point of clarification?

The SPEAKER pro tempore. The time of the gentleman from New Jersey has again expired.

Mr. THOMPSON. Mr. Speaker, I yield myself 1 additional minute.

I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, I said earlier in the form this was presented that there would be accelerated funds used by this Member over the amount the gentleman from Alabama has now.

The gentleman from New Jersey said this was not so.

My staff and I in reading the proposed consolidation, and as plainly as we can understand it, for instance, as an example, I am in two GSA-furnished buildings for which the rent is paid. I do not pay it.

Mr. THOMPSON. Mr. Speaker, may we work on the gentleman's time now?

Mr. DICKINSON. If the gentleman's minute is up, I will be glad to use my own time, but I will be glad to wait.

Mr. THOMPSON. Would the gentleman from Alabama yield himself time?

The SPEAKER pro tempore. The time of the gentleman from New Jersey has again expired.

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

From my calculations and what my staff tells me, under this proposed formula at the highest GSA rent available in my district the cost according to the GSA is $9 per square foot up to $15 and at $15 I would have $9,955 allocated to my contingency fund, based on the formula over and above the space I presently occupy on which I pay no money now.

Is the gentleman from New Jersey saying this is not correct?

Mr. THOMPSON. I am.

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may require.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield for a correction of my last answer?

Mr. DICKINSON. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I beg the gentleman's pardon. The answer is yes, and the gentleman can do that right now and he has been able to do that for some time.

Mr. DICKINSON. Well, the first part of the gentleman's answer is correct. Let me say again, there is no way to convert my rent into cash money and then write a check against it for any purpose now. I never have been able to and will not be able to under this resolution. There is no way I can convert my rent into cash money or into mail allowance or travel allowance or anything else. That is not the case, and I am sorry we are getting into this matter.

Mr. Speaker, let me say that I am anxious for some reform. Serving as a member of this particular committee for the past 5 years, I have been proud to be a member of it, and I think we have performed beneficial services to the Members of this Congress and to the people of this country.

I think, as has been said repeatedly here today, that most Members of this House are honorable, conscientious, hardworking people who want to do the best job that they can for their constituents. They want to do it at the most economical rates. However, Mr. Speaker, I have to say that it has been my experience that every once in a while somebody comes along who wants to beat the system, and they figure out how they can get around this little requirement and that little requirement. We are constantly, on the House Administration Committee, coming up with remedies and trying to correct pitfalls.

Quite often, we find that somebody has found a way to beat the system, and we move to block that, but these are only in minor instances and they are certainly not prevalent. By and large, we have a good system and the House Administration Committee has done a good job, a conscientious job, in trying to provide for the Members the tools which they obviously need so that they can serve their constituents, and also in keeping an eye on the taxpayers' interests so that no one, whether he be on the committee or off the committee, can abuse the rights that have been given to that individual and Member, whoever he may be.

We have done some good things in this legislation and in our committee. We have reduced the travel allowance from 20 cents per mile to 15 cents per mile, where it should be. Incidentally, in reviewing the minutes of our committee meeting, I find nowhere in our committee meetings where the House Administration, as such, ever took any action to make our travel allowance 20 cents per mile. It just sort of appeared one day.

We did reduce the postage allowance, cash amount available to the Members, by $1,140. That is not a big deal. We are setting up these various amounts that are in addition to what we presently have, but then take all this credit for taking off $1,140 for postage.

At the same time, however, we have—as is proposed—set up two WATS lines. We say, "Great, we are doing great things here. We are going to reduce the amount of telephones available in terms of units. We are going to give you 15,000 units, figured at 11 cents per unit or, if you want, you can have two WATS lines."

That is a nationwide, full-time, 24-hour telephone service. What does that cost? Well, we do not know because the telephone company has not come up with any set figures. There are a number of ways of figuring it, but I will tell the Members this, that if an individual should go into business as a corporation or as a person and wants to rent a full-time nationwide WATS line, according to the South Central Bell Co., it will cost that person $20,100 per line, or for two lines, will cost $40,200. That is over and above the conversion of units of one-half of the 15,000 units, and if we convert to units, that is $7,875 cash that goes into this consolidated fund which we do not presently have. It is turned into money over and above the WATS line, whatever the WATS lines cost.

We do not know what that would be yet, but it will be a cost to the taxpayer.

Mr. MEEDS. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Washington.

Mr. MEEDS. The gentleman from Alabama raised a question about the WATS line, and so did the gentleman from North Carolina (Mr. Martin). I recognize that there is no way to estimate the cost carefully at this time.

Mr. DICKINSON. The gentleman recognizes it is a value, and there will be a cost.

Mr. MEEDS. We contacted the C. & P. Telephone Co., and they indicated that at the present traffic, one WATS line installation per office would come to $310,000 per month, or $3,720,000 per year. Two WATS lines would be somewhere in the area of $5 million per year.

We must understand that when that happens, however, since we are spending about $10 million a year now for telephone service for the House of Representatives, a substantial portion of that, which is now used for long distance phone service, would be decreased. So it is very difficult to tell. But the figure of $40,000 per unit is clearly out of line.

Mr. DICKINSON. I thank the gentleman for his contribution.

I do not say that that is the figure. I am saying there is no figure forthcoming, that the gentleman has used a zero figure in some of his computations, when we know in fact there will be a substantial cost. At the same time, into each Member's contingency fund, slush fund, or whatever one wants to call it, is going to be added $7,875 more in cash money which he does not have and cannot convert into money. He will have it for the use of a telephone, or whatever else he wants to use. What I am saying is there is a substantial increase to the benefits to Members in the total package in what we have done.

While we can say we did not increase this item per se by lifting the ceiling here, we did not increase the ceiling here, we have still added certain benefits, some of which are not easily identified in actual cash, such as the WATS line. We do not know what that will cost, but what I am saying is the way we have gone about it, we have set up a pot of goodies here that we did not have before. We have set up certain benefits for the Members which we did not have before. We have set them up, and then by virtue of rule 457, I think, the rule of the House, we have the authority to do it without coming to the floor. We create these, and then by action of the House we come in and say, "The House Administration has done bad in the past by certain excesses. We would appreciate it if they would do one more bad thing now. We are going to take away all of your authority so that you cannot change what we have done."

So probably I am going to vote for the stripping resolution, but yet to do it under the guise of "reform" is ridiculous or a misnomer. I would say, in all sincerity, that the events of the recent past, according to the papers, the so-called sex scandals, the things that have brought us to the well today to deal with this particular legislation, the improprieties that are claimed between Members of Congress and his staff or Members of Congress and his clerical office staff, all of these things that have come to the attention of the press and have caused the legislation we are discussing, have not been remedied or corrected in one particle in the legislation we have now. This has nothing to do with prohibiting such things from happening. If any Member can point to one thing in this legislation that will prevent what has happened from happening again, I will be glad to retract my statement.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding. The gentleman is absolutely correct. We cannot legislate morals.

Mr. DICKINSON. Exactly.

Mr. THOMPSON. It is impossible.

Mr. DICKINSON. I agree with the gentleman.

Mr. THOMPSON. Further, the discussion, I respectfully say to the distinguished ranking minority member, should really be confined to the emasculation resolution rather than the details of the orders.

The gentleman is free tomorrow to introduce or he could later today introduce a resolution increasing, decreasing, or modifying this, or whatever he wishes. But that is not what is before us.

Mr. DICKINSON. Mr. Speaker, I agree with the gentleman.

Mr. THOMPSON. I thank the gentleman from Alabama.

Mr. DICKINSON. I agree with the gentleman from New Jersey (Mr. Thompson) 100 percent, and I do not want the press or anyone here to be deluded into thinking that this is some sort of great reform we are effecting here.

What we are doing here is trying to come to grips with the problems, and the problems we have experienced in the past and that have caused so many headlines in the papers really are not solved by the legislation before us today, I will say to the gentleman from New Jersey. We are in accord; we are in agreement with that.

I think what the Members of the House have not adequately been told—and this is a fact—is that we have provided in this legislation the authority within the House of Representatives and within this committee, the Committee on House Administration, to promulgate further rules and regulations which will, in fact, correct many of the abuses but which are prospective at this point and which have not been put into law and which have not been promulgated into the rules. I hope they will be, and I expect they will be, under the leadership of our able committee chairman. However, they have not been promulgated now, and that is not what we are dealing with here.

Mr. Speaker, what we are dealing with now is not answering the questions or correcting the problems that the country would like to see corrected.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I wish to take 1 minute to comment on something the gentleman said. He is suggesting that we have given the Members something, and indeed we have.

In our report from the committee we have given certain things, and we have taken away some things. What we have given is flexibility. What we have taken away is cash-outs, postage allowances, 20-cents-a-mile mileage allowances, when nobody else in the country gets 20-cent mileage, and secrecy.

Mr. Speaker, I think that is a pretty good balance.

Mr. DICKINSON. Mr. Speaker, if the gentleman is satisfied with it, he can live with that. I think we could do a good bit better, and I hope we will.

I think if we set up a commission, there will be 18 months of study and then they will come back with an answer. I do not think that is effecting much reform.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMPSON. Mr. Speaker, I yield myself 2 minutes.

Once again, Mr. Speaker, I reiterate that the sole purpose of this debate is supposed to be related to the resolution before us to take away the authority granted under the 1971 act. A discussion of the minute and technical details is in fact out of place.

I just want to add one more thought. I am not concerned about what another's opinion is, except to the extent that each and every one of us is absolutely entitled to his or her own opinion. But contrary opinions notwithstanding it is my considered judgment that if this resolution is adopted, it will properly be characterized as a considerable and needed reform.

In conclusion, Mr. Speaker, I neglected to thank my great and good friend, the minority leader, for his expression of confidence. I really am grateful for it. I cannot help, however, but wonder, as I look over some of his remarks, why he wants to emasculate me. I am not referring to what took place today or to his motion, but I refer back to last week when I was just born as a committee chairman. I would hope that if he succeeds in his efforts, he would be kind enough to provide me with a small fig leaf or something.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to my friend, the minority leader.

Mr. RHODES. Mr. Speaker, the gentleman has certainly been provided with much more than a fig leaf; this resolution provides him a full-dress suit. The Nedzi resolution, with the three reservations of power by the Committee on House Administration, in any fair reading, gives the gentleman the same amount of power that his predecessor ever had.

Mr. THOMPSON. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. JOHN L. BURTON), for the purposes of debate only.

Mr. JOHN L. BURTON. Mr. Speaker, I rise in strong support of this amendment.

I think by all standards this is one of the key provisions that addresses itself to concerns of the Members.

I would state that nowhere is there any cash involved in any of these programs, and they are programs provided in kind.

I think I, for one, can justify a trip or a telephone call as opposed to the cash-out provisions that have been in existence since the 19th century.

Mr. Speaker, I would like to say that I would also urge a vote against the recommittal motion because that recommittal motion will do many things. It will put us on the side of not having reduced the mileage from 20 cents to 15 cents.

Again, there are some GSA and Government executives of high order who do get 20 cents a mile, but that is not the issue.

Mr. Speaker, some Members say they are not in favor of the committee order that eliminates cash-outs, that provides for disclosure, for publication, and that provides the ability of a Member, by a certified voucher, to have some flexibility with respect to the increases.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I would like to remind the gentleman from California (Mr. JOHN L. BURTON) that I had stated previously that I am in favor of the provision which eliminates the cash-out of accounts. I am in favor of many of the things the gentleman mentioned.

I just think that this should be done in an orderly way so that the Committee on House Administration could bring a measure to the floor, we could amend it, and we could vote on it as we are equipped to do.

I just do not like the idea of the committee's continuing to operate under a power which it should no longer exercise.

Mr. JOHN L. BURTON. The only thing I would like to say to the gentleman from Arizona (Mr. RHODES) is that I am all for him, but I would hate to stand up and vote in this election year against the reforms that are in this package and which the gentleman's motion to recommit would gut.

Mr. DICKINSON. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I was interested in the characterization made by my good friend, the gentleman from California (Mr. JOHN L. BURTON), that this is some sort of reform that Members should avoid voting against in an election year.

On the contrary I believe this resolution to be anything but reform and it deserves no support at any time.

Those Members interested in true reform have to oppose this resolution which is a sham and a delusion cleverly drawn to gain maximum political benefit for the majority party while retaining the same old buddy system which has repeatedly been used to increase congressional allowances, often in secret and without recorded votes.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, that statement about this being an election year was merely made because of my sardonic whimsy, and I really do not consider the election year factor to be that important.

Mr. BAUMAN. Mr. Speaker, I appreciate the gentleman's remarks. Sardonic whimsy is one of the things which endears the gentleman to all of us in the House.

Mr. Speaker, the basic issue in all of this is how to restore and maintain the integrity of the House of Representatives. The scandals which have been exposed are part and parcel of a system in which the concentration of power allowed to accumulate in the hands of a few members led to inevitable abuse. If that is what the present system produced, need we ask whether the system must be fundamentally changed, not next year, but right now?

So we have before us House Resolution 1372 which purports to strip the Committee on House Administration of the authority granted in 1971 to be the final arbiter over the housekeeping matters of this body. I have some familiarity with this situation which has permitted the entire House to delegate its constitutional responsibility to the 25 or less members who serve on this committee. A year ago I offered an amendment to the 1975 legislative appropriation bill which really would have stripped the committee of this power. That amendment was offered on May 21, 1975, and it was bitterly opposed by the gentleman from Ohio (Mr. HAYS). I was defeated by a vote of 152 to 259 with the majority party members overwhelmingly opposing true reform.

The issue was and is the same then and now; whether the full House should abdicate its responsibility to decide on all matters pertaining to our funds, allowances and housekeeping details. I suggest to you that the same people who opposed reform then have now put forth the pending resolution not to bring about true reform, but in fact to cover up the fact that they want to and will retain their powers under this resolution.

Why am I so harsh in my indictment of the scheme that is before us? Simply because I believe that the Committee on House Administration must be indeed stripped of its current powers. The full House must take back the final say in these matters and this resolution fails in any way to do that.

At this point let me read to the House the full text of House Resolution 457, adopted in 1971, which shows the wide scope of authority granted to this committee:

> H. RES. 457
>
> *Resolved,* That (a) until otherwise provided by law, the Committee on House Administration may, as the committee considers appropriate, fix and adjust from time to time, by order of the committee, the amounts of allowances (including the terms, conditions, and other provisions pertaining to those allowances) within the following categories:
>
> (1) for Members of the House of Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from the District of Columbia—allowances for clerk hire, postage stamps, stationery, telephone and telegraph and other communications, official office space and official office expenses in the congressional district represented (including, as applicable, a State, the Commonwealth of Puerto Rico, and the District of Columbia), official telephone services in the congressional district represented, and travel and mileage to and from the congressional district represented; and
>
> (2) for the standing committees, the Speaker, the majority and minority leaders, the majority and minority whip, the Clerk, the Sergeant at Arms, the Doorkeeper, and the Postmaster of the House of Representatives—allowances for postage stamps, stationery, and telephone and telegraph and other communications.
>
> (b) The contingent fund of the House of Representatives is made available to carry out the purposes of this resolution.

Mr. Speaker, any Member reading the 1971 resolution can see the broad scope of authority which the committee was given. Since that time there have been enacted by the committee's order enormous increases in our allowances. The Washington Star, in an editorial on June 19, 1976, commented on how this power was used, and I quote:

> The year 1975 was a banner one for increasing the "perqs" of members. Mr. Hays and his Administration Committee raised the number of free trips members could make to their home districts from 18 to 26. They increased the allowance for driving one's car on these trips from 12 cents a mile to 20 cents. They increased the travel allowance while on official business from $35 a day to $50 within the United States and $75 overseas.
>
> They increased the number of staffers allowed each member from 16 to 18 and increased the total salary allowance for staff from $204,720 a year to $227,270. They revised telephone allowances to increase the number of calls that could be made from home district offices.
>
> They created a new "constituent-communication allowance" of $5,000 a year to pay for newsletters.
>
> Between 1971 and 1974, the Administration Committee increased the stationery allowance from $3,500 to $6,500. The postage allowance for mail that doesn't qualify for free congressional franking privileges was raised from $700 to $1,140.

All this was done by 25 or fewer Members of the House, often with the minority Members in opposition but in every instance these matters were not brought to the floor for debate, scrutiny or a vote. I think it is safe to say that had they been put before the full House many of them would have been rejected by Members forced to go on record on a rollcall vote. But then avoidance of such an embarrassing record was exactly the reason these powers were delegated to the committee in the first place.

Now take House Resolution 1372. The first part of that resolution reads as follows:

> *Resolved*, That, (a) until otherwise provided by law, any allowance specified in subsection (a)(1) of the first section of H. Res. 457, Ninety-second Congress, relating to expenditures of funds from the contingent fund of the House of Representatives for certain allowances to Members, officers, and standing committees of the House (2 U.S.C. 57), adopted July 21, 1971, and enacted as permanent law by the Supplemental Appropriations Act, 1972 (Public Law 92–184; 85 Stat. 627), hereinafter in this section referred to as "H. Res. 457, Ninety-second Congress", may be fixed or adjusted only through the adoption of a resolution by the House of Representatives,

Mr. Speaker, that first paragraph is like music to my ears. It is the Bauman amendment of last year. Left alone it does indeed repeal the committee's powers. But it is not left alone. It is followed by the word "except" and what a mighty exception it turns out to be. Read the exception carefully:

> Except that the Committee on House Administration may fix or adjust such allowance in any case in which such action by such committee is made necessary by—
>
> (1) any change in the price of materials, services, or office space;
>
> (2) any technological change or other improvement in electrical or mechanical equipment; or
>
> (3) any increase in the cost of living which results in action under the Federal Pay Comparability Act of 1971.

These three major exceptions taken together allow the Committee on House Administration to retain virtually all of its present jurisdiction and in fact means that the first paragraph of the resolution is rendered meaningless. There is no repeal at all. What a diabolically clever political invention. It allows the chance to vote for a repeal that is no repeal at all; a stripper that strips nothing. It leaves most of the same people in control with most of the same power abuse of which has led to the scandals which have so tarnished the House.

Compare the pending resolution to the existing accounts of the House. This year the House will spend nearly $30 million of taxpayers money for district office rents, district office expenses, telephone and telegraph, stationery, newsletters, equipment and computers, and travel expenses. And every one of these established accounts will be subject to increases by order of the House Committee on Administration without any one of these boosts having to be brought to the floor for a record vote.

Or take the second broad exception written into the resolution dealing with technological change or improvements in electrical or mechanical equipment. This might be called the "leased Cadillac" provision because it certainly permits the committee, with no reference to the full House, to authorize almost anything including the leasing of autos by Members.

Mr. Speaker, the gentleman from Connecticut (Mr. GIAIMO), in a courageous statement differing with his leadership, pointed out that under these combined accounts, this might allow him to rent a helicopter for use in his district.

Mr. Speaker, it is no secret that the former committee chairman was going around the floor of this House for months telling Members that he was going to have the committee pass an order so that Members could lease automobiles at the taxpayers' expense. He was dangling that as he often dangled these little goodies.

Mr. Speaker, this language still permits that.

Lastly, this resolution retains in this committee powers over all of our staffs, including cost-of-living increases in their salaries. It places no limitation. The committee could pass an order that would force us to give our employees increases in their pay every time the Federal Government pay went up whether we felt they needed it or not.

The gentleman says that it will be done with discretion, but there is no limit on discretion, and a lack of discretion caused many of the problems now facing the House.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Mr. Speaker, I will not yield and I ask for order, Mr. Speaker.

The SPEAKER. The gentleman from Maryland declines to yield.

Mr. BAUMAN. Mr. Speaker, the gentleman from New Jersey has repeatedly used the word "emasculation"—saying that this resolution will emasculate the powers of his committee. Well, perhaps if we had had some emasculation earlier some of these scandals would not have occurred.

But I would say to the gentleman from New Jersey that the definition of emasculation is "to deprive of virile and procreative powers." Surely this resolution imposes no such limitation on his committee's virility.

Mr. Speaker, the way this resolution is written there will be little bundles dropped at everybody's doorstep any time this committee so desires. This committee has the power to give birth to them and to provide all of the goodies they want to hand out, without few limitations.

The gentleman from New Jersey (Mr. THOMPSON) admitted to the gentleman from Alabama (Mr. DICKINSON) a moment ago that under the new committee orders the gentleman from Alabama might get a $9,500 increase in office rent alone, which he can use for any purpose he likes since he can switch it from account to account.

Mr. Speaker, that brief exchange between my two distinguished colleagues illustrates one of the central problems with what has come to be called "reform" by the majority party. Instead of bringing all these matters to the floor for the consideration of the full House, the majority leadership directed the Committee on House Administration to have one more fling at handing out the goodies. The result was a mixed bag with emphasis on more money for each Member at the taxpayer's expense. No one really knows what all this will cost and apparently no one in the press cares enough to go behind the high sounding words to really find out.

Let me cite a few examples of what is going to happen. Under committee order No. 30 which was published in the RECORD yesterday, all of the existing accounts which I just mentioned will be available for a free draw from each Member to transfer to other accounts. Thus, money accumulated for telephones under a new unit system which could greatly increase the telephone allowance, could be switched to the so-called communications account. This would mean that Members could send out a dozen or more newsletters each year, to which must be added the cost of the franking privilege which could run into the hundreds of thousands of dollars.

The changes in the district office rental rates allows each of us to take 1,500 times the highest GSA allowable rate per square foot. This is what could allow the gentleman from Alabama to acquire another $9,500 in that one account alone. The travel change under order No. 30 alone could enormously increase the money available to Members who live great distances from Washington and if they chose not to travel they could use these funds for any of the many other accounts which exist.

No one of us is going to argue against some few of the reforms the committee adopted such as full accounting, no cash out, vouchered expenditures, monthly certification of employees and a reduction in mileage from 20 to 15 cents. But these limited reforms hardly outweigh the bonanza which the committee has laid on the House. I have talked with Members who estimate that the new arrangement could net them anywhere from $40,000 to $80,000 slush funds each year. Hooray for reform!

For anyone to say that this resolution is stripping the committee of its power, I think is a misstatement. It is indeed a case of sending the fox into our own chicken coop. This resolution allows as few as 13, 12, or 11 Members of this House to bind the entire House of Representatives and that is wrong.

Is that reform, Mr. Speaker? I suggest that it is the antithesis of reform.

Over the last few years we have seen how this power gave one person the authority to build his own power base.

I do not believe the gentleman from New Jersey (Mr. THOMPSON) is going to do that, Lord knows. Not with the spotlight shining as it is on this House of Representatives. I think any Member would have great trepidation in doing that.

But, Mr. Speaker, we all know why this committee got this power and we can go back and look at the debates in 1971 and see why this House wanted to delegate this authority. We did not want to go on record. The Members did not want to have to face the music for raising our own allowances. We did not want to exercise our constitutional responsibility to vote on these matters. We wanted to hand it over to someone who was going to take care of us. And they did. We wanted the goodies but not the blame.

Mr. Speaker, this resolution does nothing to change that situation.

We have a constitutional responsibility to go on record on all of these matters. And if we had been out in that sunshine we have heard so much about in the last few hours we would not have the many problems we are faced with today.

Go back and read the 1971 debate, read the words of the future President of the United States.

The SPEAKER. The time of the gentleman has expired.

Mr. DICKINSON. Mr. Speaker, I yield one additional minute to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, go back and read the words of the future—now the President—of the United States when Mr. Ford said in answer to the statement that the House still retains ultimate control of these matters, he said:

> In theory he is correct, but the practicalities of the situation are that once this authority is given to this committee, 25 Members out of 435, it will never be retrieved by the House as a whole until and unless there is a scandal. I think the better way to avoid that scandal is to require these additional benefits be voted on in the House by each and every Member of the House. That is why I oppose this resolution.

This is not a stripper. If this is a stripper, then Gypsy Rose Lee performed her best act in long underwear.

There is no stripping about this resolution. It is a complete coverup.

I can tell the Members this: that I, as one Member who offered a true reform amendment a year ago, cannot support this resolution, but I will support the motion to recommit that will be offered by the gentleman from Arizona (Mr. Rhodes). That will force all of us to come out in the daylight and stand on the floor of this House and vote on these matters.

The American people have had enough of shame, and, yes, scandal. And we have an obligation to change things now. This resolution does none of this and I will not support it.

Mr. DICKINSON. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. Wiggins).

Mr. WIGGINS. Mr. Speaker, "reform" is an empty word. It takes shape and gains content only in terms of what we pour into it.

Today, we pour precious little into the container labeled reform. And, ironically, we debate reform under a aclosed rule.

I am not surprised. Only saddened. Changes in the status quo of significance are, and will remain, an impossible dream for so long as one party rule is perpetuated on Capitol Hill. I do not wish to be partisan, but I do wish to be honest. The fundamental problem, Mr. Speaker, is that your party has controlled Congress for too long.

Power has become entrenched. Its excesses have been condoned. When scandalous conduct has been exposed, the majority beats its breast and moralizes about reform. But nothing really changes.

The current "sex-for-pay" scandal illustrates the point.

Your party, Mr. Speaker, appointed Mr. Hays to be chairman of the House Administration Committee. Your party acquiesced in his rapid accumulation of extraordinary power as its chairman. Your party, knowing of Mr. Hays' conduct, endorsed it by reappointing him as chairman.

All of this was condoned, Mr. Speaker, by the Democratic Caucus. Only it has the power to discipline a chairman under the one-party procedure which governs Congress. And the Democratic Caucus did not do so until a scandal—a scandal made inevitable by your own party's indifference to expresses of power—appeared on the pages of the Washington Post.

Make no mistake about it: The responsibility of the current scandal lies at the doorstep of the Democratic Party. And now, in the name of reform, Mr. Speaker, your party wishes to sweep it under the doormat. What we see today is nothing less than a congressional coverup.

It is not too late, Mr. Speaker, to do what is right. Your party has recommended that the House Administration Committee be stripped of its power to implement changes in Members' accounts without the concurrence of the House itself.

Welcome to the side of responsibility. Republicans resisted the grant of this power to the committee when it was made. And it has been calling for its repeal long before a scandal convinced the majority of the wisdom of our position.

Let us, together, adopt a long-needed and genuine reform. Let us strip the House Administration Committee of this power.

And, together, let us repeal, as well, the unwanted exercise of that power which occurred only 3 days ago.

Mr. Speaker, Democratic Members must blush with embarrassment to call for a repeal of the power of the House Administration Committee as their first recommendation, and as their second, urge the same committee to sweeten the pot one last time before its power is lost.

I say to the majority: Avoid this embarrassment. Stop blushing. Repeal the recent acts of the House Administration Committee.

No harm will occur. Most changes do not go into effect for months. There is time for hearings to be held on these changes which Mr. Obey assures us are reforms. The House is entitled to a more deliberative consideration of the proper level and administration of Members' accounts than was given either by Mr. Obey or the Democratic Caucus.

To summarize:

The responsible course is to strip the committee of its power to alter Members' allowances without House concurrence; and subcommittees of the House Administration Committee appointed for that purpose should hold prompt hearings on the suggestions of Mr. Obey and all other persons with respect to changes in, and the administration of, Members' accounts and allowances.

At the appropriate time, we must adopt the motion to recommit to achieve these goals.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from California (Mr. Wiggins) has expired.

Mr. DICKINSON. Mr. Speaker, I yield 1 additional minute to the gentleman from California (Mr. Wiggins) in order that he may respond to the chairman of the committee.

Mr. WIGGINS. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I would like to say to my friend, the gentleman from California, I will take seriously the blushing aspects of it because I know 23 months ago he blushed as well.

I might point out with respect to the former chairman of the Committee on House Administration, that I ran unsuccessfully twice against him. The ultimate judge of the chairman selected is this whole body.

On last week a rollcall was demanded on my election by a member of the minority party. That right existed at the beginning of this Congress with respect to the election of my predecessor.

I thank the gentleman for yielding.

Mr. WIGGINS. I will say to my friend if he is trying to convince me that the House of Representatives has any realistic say in the selection of chairmen or their removal, he has not sustained his burden. He knows and I know that that responsibility is reposed in the Democratic caucus and they can exercise it any time they want without consultation with this Member.

Mr. THOMPSON. Mr. Speaker, I yield 3 minutes to the gentleman from New Hampshire (Mr. D'Amours).

Mr. D'AMOURS. Mr. Speaker, I was sitting here during most of the debate wondering why the attacks on our reform package are entirely negative. It occurred to me that it is necessarily so. The people who are opposing this package are in a difficult spot. They cannot say anything positive about our package even though there is much to be said. They are not talking about the publication and they are not talking about disclosure, which is major reform no matter how we slice it, because if they do this cuts against the rest of their argument, which is that somehow—and they have not proven this—we have put extra money into the consolidated account.

Well, of course even if we did, and it has not been proven, I submit that problem is taken care of by the publication requirement and by the fact of disclosure of expenses. Rather lightly, they have to tiptoe over that.

I would suggest the real problem is not that there may or may not be extra money in the consolidated account. The real problem is that they cannot get the money out of the account without dragging it in front of their constituents and the press and the public in order to do so.

There is another problem in political human reality that has not been mentioned at all. If it has, it has been mentioned rather lightly. Perhaps this reform is coming a little faster than many people would like, even though it has been in the books for many years. But there is a time when action is possible and there is a time when action is impossible. I have been home recently. I hope other Members have. I happen to know that my constituents are very much concerned and they want a change in the way the House of Representatives does its business and keeps its accounts. If we cannot make this reform now with the backing of the public, with the anger of the public prodding us, then when will we be able to make it?

Those people who are telling us "tomorrow," let us take our time and do this tomorrow, perhaps the next Congress, perhaps the Congress after that—they are telling us we will have no reform.

If we vote to recommit, we are voting against any change in the way the House does business. Do not let anybody kid any Member or talk him out of that. If we are going to have a change, we are going to have to do it now.

I believe everybody in this body is politically astute and is aware of this political reality. We know full well that now is the time to accomplish reform. If you do not want it, if you want to continue cash outs, fine, that is an honorable enough position to take. But why not say so. If you feel you are underpaid, you should say so. That is honest.

But for God's sake, do not pretend we will do something tomorrow if we cannot do it today.

Mr. DICKINSON. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. DICKINSON. Mr. Speaker will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, I did not want the last speaker in the well to have his remarks go uncommented on, because that is the best Republican speech I have heard in some time.

Mr. FRENZEL. Mr. Speaker, I too was struck by the speech of the last speaker. He wants reform now, and the best he can give us, of course, is in 7 months, which is hardly striking while the iron is warm.

When we asked for an audit now, in the last resolution before this House, he was willing to give us that in a year and a half. He really wants reform now.

About that Commission, I can recall the majority of Republicans voting for it in 1974. We could not find many Democrats around to support that resolution at that time. And so it was lost.

Mr. Speaker, there are some problems with this resolution. One problem is that some Members of the majority are deluded into thinking there is some reform in it. We are talking about a nonstripping resolution.

We are talking about a resolution that strips partial power from the Committee on House Administration, but only after the majority caucus mandated that the committee deliver that last one giant goody, the delicious, sweet consolidated slush fund, giving us all a chance to spend more of the taxpayers' money without having a chance to vote on it.

The whole system of "reform," and "reform" is in quotation marks in this case, is built on the slushy substance of that giant goody grab bag. If anyone can convince the people of the United States that is reform, he or she ought to get the Houdini award of the half-century.

It is quite obvious when they bring us this soggy, slushy package here under a closed rule, without using the normal rules of this House, that they have something to hide, or they have something they are ashamed of.

When they will not let the Members of this House make amendments, it is obvious, we know and they know, they are not bringing us reform. No real reform requires close rules, unit rules, and committee discharge.

Mr. Speaker, I will introduce in the Record later in the day obvious proof of the increases in the expense allowances and the amount of extra money that the taxpayers can expect to expend as a result of the consolidation.

I also will insert remarks later, because, unfortunately, the gentleman from Wisconsin was unable to yield to me after the gentleman quoted some portions of a letter to me.

Mr. THOMPSON. Mr. Speaker, I understand the gentleman from Alabama (Mr. Dickinson) will yield 2 minutes to the gentleman from Washington (Mr. Meeds), and then if I may have the gentleman's attention, our understanding was that the gentleman from Alabama would use the remainder of his time and I would use my time.

Mr. DICKINSON. I have 2 additional minutes that will be used immediately after the gentleman in the well.

I yield 2 minutes to the gentleman from Washington (Mr. Meeds).

Mr. MEEDS. Mr. Speaker, I appreciate the concern of the Members on the other side of the aisle, but I think we are faced with a fact or a condition and not a theory.

I agree totally with the gentleman from New Hampshire (Mr. D'Amours) that the question right now is whether we are going to reform this body or whether we are going to tear ourselves apart in some internal wrangling over some other package or some other segment or something that may be brought in here.

Now, this may not be a perfect package. We have a commission that can look into it, and if it is not, can improve it; but right now we have a condition where we can reform this body.

Mr. Speaker, I am reminded of what former Speaker McCormack would say when he disliked someone. He would say, "I hold the gentleman in minimum high regard." That is a gross understatement of how the public presently perceives this body. If we fail to enact these reforms and turn upon ourselves in internal and interminable wrangling, this perception will be increased and this body will be the loser.

Mr. DICKINSON. Mr. Speaker, I yield back the balance of my time.

Mr. THOMPSON. Mr. Speaker, I fervently hope that the motion to recommit forthcoming will be defeated.

Mr. Speaker, in the letter of June 17, referred to earlier by the gentleman from Wisconsin, addressed to him by my distinguished colleague, the gentleman from Minnesota (Mr. Frenzel), in that letter after referring to the $3,000 presently allowable tax deduction, the gentleman suggests to the committee, and I quote from the letter:

> I believe that we ought to try to make sure that our expense reimbursements cover all expenses and either leave the deductible amount static or get rid of it. This may necessitate increases in travel allowance, use of funds for car rentals, hotels, taxi fares, parking etc., and whatever we do ought to be spelled out carefully and available to anyone at regular intervals.

Of course, it would apply to the costs of running a house or an apartment here.

I am sorry that we felt that we could not be as generous as the gentleman required. As a matter of fact, we were much more parsimonious. This is indeed a constructive package of reforms. The time has come, I regret to admit, that this resolution reducing the power of the Committee on House Administration should be done in the form of the resolution before the House, and not in the manner to be suggested by the distinguished majority leader.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from North Carolina.

Mr. MARTIN. In the continuing saga of those WATS telephone lines, the House ought to know that is a first-class phony proposal. Can we install a WATS line or can we not? If we install one, can we use it?

Moments ago, the gentleman from Washington (Mr. Meeds) informed the House that the committee was not going to allow two WATS lines per office, for a total of 870 WATS lines. At $20,100 a piece that would cost $17,487,000 and would far exceed the $3.4 million by which we would reduce our office accounts.

Instead, he says we will get a bank of WATS lines that would be available to everyone, with each office getting two access phones to this WATS bank. For illustration he tells us that two such lines could be installed at a cost of $6 million a year.

It seems to me that would not nearly be enough; not two lines for 435 offices. Only two calls could be placed at any one time. Flexing a little simple arithmetic, since we each currently use about 15,000 minutes—250 hours—of long-distance phone calls a year, that totals for all 435 Members over 108,000 hours in all, at a cost of $11 million. There is just no way two lines can handle 108,000 hours. Even if both these proposed WATS lines were worked continuously for 10 hours a working day, that would only take care of roughly 500 hours a year. So, you see, if the committee intends to install adequate lines for 100,000 hours, we will need 40 lines, not 2. If two cost $6 million a year, will 40 cost $120 million? Some reform.

Mr. CLANCY. Mr. Speaker, the resolution presented by the majority party for House "reform" raises as many questions as it is meant to settle. I regret that the majority party did not see fit to include minority members in its discussions on House reform. As a result, we are here today with contrasting views which have not had the opportunity to be subjected to open discussion and compromise incorporating the best of both views. The procedures for consideration of the majority party's recommendations for reform do not allow the flexibility and chance for improvement that has marked the U.S. House of Representatives as the greatest representative assembly in the world.

The recommended reforms do not address themselves to meaningful change and elimination of corruption. We are asked to approve one large slush fund for each Member to replace the system of separate accounts for approved functions. One of my colleagues has noted that under this plan the amount approved for his use would be raised by approximately $30,000 per year. In the final analysis, each Member of Congress is accountable to the taxpayer. From my point of view, the establishment of one big pot for each Member is a flagrant disregard of the taxpayer, a display of arrogance of which I do not approve, I, for one, do not resent having to account for travel allowances, stationery allowances, and so forth. I do not want to see the uses of Government funds buried from public scrutiny in the guise of one large pot marked "for official business." The taxpayers deserve an explanation and accounting of "official business."

This legislative body cannot sweep past abuses under the rug by focusing its entire program toward the future. We must be willing to examine occurrences which have led to the pressing need for reform and to take disciplinary action where abuses of power have occurred.

Reform can only be meaningful when it takes into consideration past behavior, the need for change and the establishment of accountability and responsibility. We must demonstrate the willingness to look closely at ourselves, make the needed improvements and take decisive action to avoid future abuses by any person who in the present or future has the privilege to serve in the U.S. Congress.

Mr. ALEXANDER. Mr. Speaker, when I first came to Congress in 1969 there was a conspicuous need for congressional reform. I joined the efforts which have resulted in major reforms of the Congress. These reforms have not only been necessary to the effective performance of the legislative branch, they are essential if our citizens are to regain the faith and trust they have a right to be able to feel in the workings of the Congress.

The list of the improvements which have been made in the operation of the House of Representatives and the Congress is a long one. I have worked for and supported all of them. They have included:

Enactment of the Congressional Budget Control and Impoundment Act which has strengthened Congress' power to bring Federal spending under control.

Passage of the Federal Election Financing Act amendments of 1974 and 1976 to curb the influence of big money in elections and to strengthen the accountability of candidates for their campaign spending.

Approval of the War Powers Act which reaffirmed the constitutional authority of Congress over U.S. participation in international conflicts.

Adoption in 1973 of changes in the rules of the House which made committee chairmen subject to election by the full Democratic caucus; opened up meetings of committees, subcommittees and conference committees to the public; sharpened the authority to grant closed rules for consideration of legislative proposals; gave the Democratic Steering and Policy Committee a wider role in decisionmaking; limited the use of disruptive and time consuming quorum calls; provided for separate votes in the House on non-germane amendments added to bills by the Senate; increased the use of recorded votes to put Members on record as to their positions on amendments proposed to bills; and opened up committee leadership by limiting Members to holding one subcommittee chairmanship.

Adoption in 1974 of House rules changes which authorized providing staff assistance for minority members of committees; restricted the practice of voting in committee by proxy; created urgently needed subcommittees; required an inflation impact statement to be provided on all legislation; made a factual description on all bills introduced available to Members; required an early organizational meeting to be held for each new Congress; and mandated the updating of precedents for decisionmaking on application of the rules under which the House operates.

With the adoption here today of the resolutions before us to limit the authority of the Committee on House Administration and to establish a Commission on Administrative Review we will be taking yet another step toward removing the vestiges of and potential for abuse of authority which have recently been revealed. For the good of the Nation and of the Congress we must take this congressional reform action.

When these resolutions have been adopted the achievements toward congressional reform that we have made this year will include the following rules changes:

Adjustment of various Member office accounts, reduction of Members' travel mileage allowance, and elimination of stamp allowances;

Requiring stricter congressional accounting procedures;

Requiring documented, signed, and certified vouchers for disbursements from Members' accounts and eliminating the practice of cashouts;

Requiring Members, committee and subcommittee chairmen and officers of the House to provide monthly certification of salaries and duties of employees;

Abolishing the authority of the Committee on House Administration to expand, change, or create new categories of allowances for Members and committees, and requiring a vote in the full House of Representatives on such changes; and

Creation of a bipartisan commission of House Members and public members to conduct a thorough study of House administrative services.

All these congressional reforms have been essential to reaching the goal of a more open and accessible Congress where our citizens can more easily learn what kind of job their elected representatives are doing and how it is being done and paid for.

Mr. McCOLLISTER. Mr. Speaker, the actions of the House today in adopting House Resolution 1368 makes mockery of the word "reform." This is no reform. This is an outright sham.

The American people, pollsters tell us, have very little confidence in the Congress. Small wonder. It is just such empty gestures as this that have built the substantially correct image of a Congress unwilling to make the hard choices to police its own conduct.

Lumping all of a Member's allowances together not only has the effect of giving each Member a healthy boost in the public allowance available to him for the conduct of his office, but it fairly invites abuse and corruption. Disbursements from the lump sum allowance would be made solely upon the signed voucher of a Member that the purpose was official business. We have seen too many cases where this sort of loose, look-the-other-way accounting has been abused to the point of illegality.

The so-called reforms adopted by the majority today are superficial in the extreme. They ignore the two really basic flaws which made this an issue in the first place. The majority is engaging in a coverup of the past activities of the Members and has decreed that no audit be conducted to see where we are now and where we might be headed. Instead, the majority is going just the opposite direction. Instead of imposing greater controls on use of public moneys, the majority has established a system to loosen them still further. This is another display of brazen arrogance on the part of the majority, so smug in the security of their overwhelming majority that they flaunt their insensitivity to public concern over the way Congress is handling public moneys.

The public deserves reform of the way the House conducts its financial affairs. It deserves the courtesy of an outside audit conducted by the General Accounting Office. It deserves action by the House to tighten up its procedures for disbursement of public moneys. In short, it deserves far better than the majority has given it today.

Surely the American people will see this for the public relations campaign that it is and, come election day, express their displeasure at the highhanded treatment they have been given by the majority party.

Mr. DEVINE. Mr. Speaker, we have spent 6 hours on the floor of this House going through an exercise that the Washington Post describes as an effort to solve the sex scandals. The Democrat caucus, in a laughable performance under the guise of reform, came out with arbitrary action binding their Members, although their key vote was 127 to 112. The resolution ultimately adopted by the House under a gag rule, did not address the problem of sex scandals and possible fraud against the Government, but was a typical overreaction by the very group responsible for the rules permitting this situation, acting in panic, but not before setting out another bucket full or two of "goodies."

The Democrat caucus and the majority in this House self-righteously, in the name of reform, which is phony, took action to strip the House Administration Committee, but only after refusing to take action on House Resolution 900, which would have permitted the entire House to have an opportunity to publicly vote for or against the many emoluments for Members of the House that have been so severely criticized by the public and the media.

But no. We were denied that opportunity, as the majority again steamrollered by sheer weight of numbers a closed rule, which is a typical coverup tactic.

Unfortunately, our constituents—the American people—have been put in a position to accept the old McCarthyism theory of guilt by association. The eastern, liberal media has told them to believe that, since less than one-half dozen Members of this body of 435 have been involved in indiscretions, everyone is, and, therefore, it became necessary to take this precipitous, yet misdirected, action.

Our constituents, Mr. Speaker, are and must be the final judges as to the conduct and qualifications for each of us to sit in this body as their Representative, and a shotgun approach, building a slush fund, making available considerably more in dollar amounts, is certainly not a solution they will buy, just because, thereafter, the legislation purports to strip the House Administration Committee of certain powers.

Our action, I hope, will be examined closely by the press so they can tell the American people just exactly what we have done here today. I certainly do not believe they are so naive as to accept, at face value, the word "reform" and act like that will solve the scandal of a person purportedly on the payrolls for activities other than official business. This can still occur, notwithstanding the action taken by this House.

I have been and continue to be proud to be a Member of the U.S. House of Representatives, and I resent its reputation being sullied by improprieties by any Member or employee thereof. It seems to me, we should work in the sunshine by having all matters involving increases in salary, clerk-hire allowance, stationery, telephone, trips, et cetera, being voted upon individually by record vote by each Member of this House in order that his constituency may know just exactly where the Member stands on these vital issues.

Legislation will be introduced shortly to accomplish this result, because what we did here today, but not with my vote, falls far short of congressional reform.

Mr. OTTINGER. Mr. Speaker, I have decided most reluctantly to support these rules revisions, though I feel they fall far short of what I think is truly needed.

First, though, I am pleased that the House Administration Committee, the Rules Committee and the leadership decided to bring the reforms to the full House. I had voted for the Davis amendment to do this in our caucus, and am pleased this has been done despite the failure of that amendment to pass. I am supporting a "closed rule" in this situation, because the reforms are interrelated and really must be treated as a package. Great damage could be done to the effective operations of the House and to some of the more unpopular of the reforms if a free-for-all were permitted on this legislation; I fear, too, it would be an invitation to demagoguery.

There are measures included in this revision of the rules that I heartily support, most importantly the elimination of the "cash-out" provisions that permitted Members to take unused funds allotted for stationery and other accounts in cash. I also support strongly the disclosure and reporting provisions of the bill.

On the negative side, I strongly disapprove of the provision which permits consolidation of accounts and the use of unused travel and telephone allocations for other purposes. I fear this is subject to gross abuses. Rather than promoting reform, in the name of flexibility it will invite mischief and criticism. I voted in caucus to eliminate these items from the consolidation and still feel strongly that this should be done. In my view, we would be far better off having accounts for specific official needs and permitting all official expenses in each category to be reimbursed against vouchers. I will continue to work for this result.

The legislation before us also fails to address many badly needed reforms I should like to have seen included, such as full financial disclosure by Members and their senior staffs and full disclosure of amounts spent to influence legislation by lobbyists. I should also like to have seen eliminated subsidized barber, beauty shop and dining facilities for which Congress receives such frequent criticism in the media; the benefits certainly are not worth the gaff.

As with all bills, one must come to a bottom line and decide whether to vote for a measure because of the good it contains or oppose it for its faults and omissions. In this case, I think the balance is very close, but the bill does contain substantial improvements that will eliminate many past gross abuses, so I have decided to vote "aye," while committing myself to more far-reaching reform in the future.

In the next Congress, regardless of the results in the elections, we are assured at least 100 new members by reason of incumbent decisions not to seek reelection. Hopefully next year's new members will be as reform-minded and effective as the group with which I arrived in this Congress and had the privilege to chair during the historic reforms that were achieved. If that is the case, we should then be able to eliminate the inadequacies of this legislation and substantially extend last year's historic strides toward genuine reform.

Mr. MILLER of OHIO. Mr. Speaker, I am compelled to vote against House Resolution 1372. This putative and paltry attempt at reform of the House Administrative Committee activities and related matters is nothing more than mere window dressing, adequate from a public relations focal point but woefully inadequate from the standpoint of real substantive reform. The language of the resolution in question empowers the House Administrative Committee to fix and adjust any allowances "made necessary" by—

1. Any change in the price of materials, services, or office space.

2. Any technological change or other improvement in electrical or mechanical equipment.

3. Any increase in the cost of living which results in action under the Federal Pay Comparability Act of 1971.

I can say without a trace of hyperbole, that House Resolution 1372 is actually no reform at all. I say this because of the gaping loopholes—labeled exceptions—listed above which would permit the House Administration Committee to go back to its old ways of fixing allowances without a vote of the House. Those who were truly interested in reform wanted allowance fixing to proceed in the cleansing exposure of the light of day on the House floor not in the atmosphere of the House Administration Committee's chambers.

Mr. Speaker, instead of telling the people Congress has reformed itself when it really has not, Congress should forthrightly indicate that it does not desire reform at the moment.

Mr. Speaker, I do desire reform and the time is ripe. So therefore, I cannot join in support of House Resolution 1372, a mere facade of reform. I call for the following substantive reforms to be enacted immediately:

First. Divestment of the House Administrative Committee of unilateral power to fix and adjust various allowances of House Members without a floor vote;

Second. Elimination of automatic cost of living pay increase for Members and requirements of a floor vote on subsequent increases;

Third. Lobby law reform; and

Fourth. Provision for a bypass of the Ethics Committee should that committee balk at proceeding with a necessary investigation.

The SPEAKER. Under the rule, the previous question is ordered.

MOTION TO RECOMMIT OFFERED BY MR. RHODES

Mr. RHODES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. RHODES. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RHODES moves to recommit H. Res. 1372 to the Committee on House Administration with instructions to report back the same forthwith with the following amendments: Strike all after the resolving clause and insert in lieu thereof the following:

"That, (a) until otherwise provided by law, any allowance specified in subsection (a)(1) of the first section of H. Res. 457, Ninety-second Congress, relating to expenditures of funds from the contingent fund of the House of Representatives for certain allowances to Members, officers, and standing committees of the House (2 U.S.C. 57), adopted July 21, 1971, and enacted as permanent law by the Supplemental Appropriations Act, 1972 (Public Law 92–184; 85 Stat. 627), hereinafter in this section referred to as "H. Res. 457, Ninety-second Congress", may be fixed or adjusted only through the adoption of a resolution by the House of Representatives.

"(b) The authority of the Committee on House Administration under H. Res. 457, Ninety-second Congress, shall be subject to the provisions of this resolution effective June 23, 1976."

The SPEAKER. Under the rule, the previous question is ordered on the motion to recommit.

The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. RHODES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 165, nays 236, not voting 31, as follows:

[Roll No. 502]

YEAS—165

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Biester
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Fary
Fenwick
Findley
Fish
Forsythe
Frenzel
Frey
Giaimo
Gilman
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hammerschmidt
Hannaford
Hansen
Harsha
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Hillis
Holt
Horton
Hutchinson
Hyde
Jacobs
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Latta
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKinney
Madigan
Mann
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
O'Brien
Paul
Pettis
Poage
Pressler
Pritchard
Quie
Regula
Rhodes
Rinaldo
Risenhoover
Robinson
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
Ryan
Sarasin
Satterfield
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Teague
Thone
Treen
Vander Jagt
Walsh
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

NAYS—236

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chisholm
Clay
Collins, Ill.
Corman
Cornell
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Derrick
Diggs
Dingell
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Gibbons
Ginn
Gonzalez
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hefner
Henderson
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jarman
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
Landrum
Leggett
Lehman
Long, La.
Long, Md.
Lundine
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—31

Bevill
Brooks
Chappell
Conyers
Delaney
Dent
Dodd
Evins, Tenn.
Hays, Ohio
Helstoski
Hinshaw
Jones, Ala.
Karth
Litton
McDade
Minish
Peyser
Quillen
Railsback
Riegle
Schneebeli
Shipley
Spellman
Steelman
Stephens
Stuckey
Taylor, N.C.
Udall
White
Whitten
Yates

The Clerk announced the following pairs:

On this vote:

Mr. Schneebeli for, with Mr. Dent against.
Mr. Railsback for, with Mr. Yates against.
Mr. McDade for, with Mr. Chappell against.
Mr. Steelman for, with Mr. Brooks against.
Mr. Peyser for, with Mr. Shipley against.
Mr. Quillen for, with Mr. Minish against.

Until further notice:

Mr. Bevill with Mrs. Spellman.
Mr. Dodd with Mr. Conyers.
Mr. Delaney with Mr. Evins of Tennessee.
Mr. Helstoski with Mr. Hays of Ohio.
Mr. Stuckey with Mr. White.
Mr. Taylor of North Carolina with Mr. Whitten.
Mr. Udall with Mr. Litton.
Mr. Stephens with Mr. Riegle.
Mr. Karth with Mr. Jones of Alabama.

Mr. LLOYD of California changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 311, nays 92, not voting 29, as follows:

[Roll No. 503]

YEAS—311

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashbrook
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Chisholm
Clausen, Don H.
Clay
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Derrick
Derwinski
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Green
Gude
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jarman
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe

Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Randall
Rangel
Rees
Reuss
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Sikes
Simon
Sisk
Slack
Smith, Iowa
Snyder
Solarz
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Symington
Talcott
Taylor, Mo.
Teague
Thompson
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—92

Abdnor
Anderson, Ill.
Archer
Armstrong
Ashley
Bafalis
Bauman
Broomfield
Brown, Ohio
Burgener
Burke, Fla.
Butler
Cederberg
Clancy
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Duncan, Tenn.
du Pont
Emery
Eshleman
Fenwick
Findley
Fish
Forsythe
Frenzel
Frey
Giaimo
Gilman
Gradison
Guyer
Hagedorn
Hannaford
Hansen
Hébert
Hillis
Holt
Hutchinson
Hyde
Jacobs
Jeffords
Johnson, Colo.
Johnson, Pa.
Kelly
Kemp
Ketchum
Kindness
Lujan
McCollister
McDonald
McEwen
Madigan
Michel
Miller, Ohio
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
O'Brien
Paul
Pressler
Regula
Rhodes
Robinson
Rousselot
Ruppe
Ryan
Sarasin
Satterfield
Schulze
Shuster
Skubitz
Smith, Nebr.
Steed
Steiger, Ariz.
Symms
Thone
Vander Jagt
Walsh
Wampler
Whitehurst
Wiggins
Wilson, Bob
Young, Fla.

NOT VOTING—29

Chappell
Conyers
Delaney
Dent
Dodd
Evins, Tenn.
Hays, Ohio
Helstoski
Hinshaw
Jones, Ala.
Karth
Litton
McDade
Minish
Peyser
Quillen
Railsback
Richmond
Riegle
Schneebeli
Shipley
Spellman
Steelman
Stephens
Stuckey
Sullivan
Taylor, N.C.
Whitten
Yates

The Clerk announced the following pairs:

Mr. Conyers with Mr. Karth.
Mrs. Sullivan with Mr. Stuckey.
Mr. Dent with Mr. Stephens.
Mr. Chappell with Mr. Whitten.
Mr. Minish with Mr. Hays of Ohio.
Mr. Richmond with Mr. Evins of Tennessee.
Mr. Riegle with Mr. Jones of Alabama.
Mr. Shipley with Mr. Taylor of North Carolina.
Mrs. Spellman with Mr. Yates.
Mr. Litton with Mr. Dodd.
Mr. Delaney with Mr. Helstoski.

Messrs. ANDERSON of Illinois, GUYER, KEMP, SKUBITZ, REGULA, CONLAN, and HILLIS changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DERWINSKI. Mr. Speaker, on rollcall No. 501, the vote ordering the previous question on the rule providing for consideration of the resolution (H. Res. 1372), I was unavoidably absent. I was at that time in the first aid room.

Mr. Speaker, had I been present, I would have voted "no."

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 1372, the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

GUARANTEEING CERTAIN OBLIGATIONS OF THE GUAM POWER AUTHORITY

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the bill (H.R. 13679) to guarantee certain obligations of the Guam Power Authority, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DON H. CLAUSEN. Mr. Speaker, reserving the right to object, and I do not intend to object, the gentleman from California will explain the bill.

I will state to the Members on the floor that the administration is supporting this legislation. It will underwrite the loan authority in the amount of $36 million. It is urgency legislation. There has been a major typhoon that caused tremendous damage to the distribution system in Guam.

Mr. Speaker, H.R. 13679 has been amended to conform to the administration's request to provide Federal backing on bonds issued by the Guam Power Authority. Under the bill, the Secretary of the Interior would guarantee bonds or other obligations up to $36 million. The bonds would mature not later than December 31, 1978, with a possible extension to December 31, 1980, upon joint concurrence by the Secretary of the Interior and the Secretary of the Treasury. In the event of nonpayment of interest or default in the payment of the principal by the Guam Power Authority, the Secretary of the Interior may withhold such sums as he deems necessary from Federal revenues earmarked for the island.

The necessity of this legislation stems from the energy crisis, wherein the price of oil on Guam rose within 3 months from $2.77 per barrel to $12.95 per barrel. Exacerbating the problem is the recent typhoon, which caused severe damage to Guam's power generating capacity. Although the long-term prospects for the Guam Power Authority appear good, immediate attention is required, however, to attract necessary capital to repay outstanding short-term notes and to repair storm damage. Accordingly, I urge support of this bill. It is prudent legislation—at no cost to the Federal Government—which will insure an adequate living standard for Americans residing in Guam.

Mr. Speaker, I urge passage of the legislation.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, the purpose of H.R. 13679, as amended, and approved by the Committee on Interior and Insular Affairs, is to provide assistance to the Government of Guam, to guarantee certain obligations of the Guam Power Authority, and for other purposes.

H.R. 13679 was introduced by Mr. WON PAT.

BACKGROUND AND NEED

In 1972, the Guam Power Authority was forced to issue short-term notes because of its inability to successfully float long-term bonds, due to the fact that Guam's usury statute limited the payment of interest to a rate substantially below the prevailing market interest rate.

Concurrently, as the short-term notes became due, the Power Authority suffered losses in current income caused by the increases in the price of oil from $2.77 per barrel to $12.95 per barrel. Its bond rating fell from AA to BB, which is a noninvestment rating. Consequently, the Authority is unable to refinance the short-term notes which were due on June 1, 1976, although, before the recent typhoon, medium- and long-range prospects were good.

SECTION-BY-SECTION ANALYSIS

Section 1: The bill authorizes the Secretary of the Interior to guarantee bonds or other obligations of not more than $36 million to mature not later than December 31, 1978, and to extend, with the concurrence of the Secretary of the Treasury, the guarantee to December 31, 1980, if deemed necessary. The guaranteed bonds would be sold to the Federal Financing Bank without impact on the Federal budget.

If the Guam Power Authority defaults in the payment of interest or principal, the bill authorizes the Secretary of the Interior to reimburse the Department for any loss resulting from the guarantee by withholding any payments normally made to Guam under section 30 of the Guam Organic Act of tax receipts collected in Guam under the Internal Revenue laws of the United States, customs duties, and other moneys.

Also, in any appropriation act, Congress may deduct from appropriations for Guam the amounts lost by the United States by virtue of the guarantee.

COST AND BUDGET ACT COMPLIANCE

The bill, H.R. 13679, as amended, and approved by the Committee on Interior and Insular Affairs, will have no impact on the budget.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 11 OF THE ORGANIC ACT OF GUAM (64 STAT. 387, 48 U.S.C. 1423a)

* * * * *

SEC. 11. The legislative power of Guam shall extend to all subjects of legislation of local application not inconsistent with the provisions of this Act and the laws of the United States applicable to Guam. Taxes and assessments on property, internal revenues, sales, license fees, and royalties for franchises, privileges, and concessions may be imposed for purposes of the government of Guam as may be uniformly provided by the Legislature of Guam, and when necessary to anticipate taxes and revenues, bonds and other obligations may be issued by the government of Guam: *Provided, however*, That no public indebtedness of Guam shall be authorized or allowed in excess of 10 per centum of the aggregate tax valuation of the property in Guam. Bonds or other obligations of the government of Guam payable solely from revenues derived from any public improvement or undertaking shall not be considered public indebtedness of Guam within the meaning of this section. All bonds issued by the government of Guam or by its authority shall be exempt, as to principal and interest, from taxation by the Government of the United States or by the government of Guam, or by any State or Territory of any political subdivision thereof, or by the District of Columbia. *The Secretary of the Interior (hereafter in this section referred to as "Secretary") is authorized to guarantee for purchase by the Federal Financing Bank bonds or other obligations of the Guam Power Authority maturing on or before December 31, 1978, which shall be issued in order to refinance short-term notes due or existing on June 1, 1976 and other indebtedness not evidenced by bonds or notes in an aggregate amount of not more than $36 million, and such bank, in addition to its other powers, is authorized to purchase, receive or otherwise acquire these same. The interest rate on obligations purchased by the Federal Financing Bank shall be not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, adjusted to the nearest one-eighth of 1 per centum, plus 1 per centum per annum. The Secretary, with the concurrence of the Secretary of the Treasury, may extend the guarantee provision of the previous sentence until December 31, 1980. Such guaranteed bonds or other obligations shall, while outstanding, include a provision for semi-annual payments of interest only. If the Secretary determines that the Guam Power Authority will not meet its obligation to pay interest, the Secretary shall request the Secretary of the Treasury to deduct such payments from sums collected and paid pursuant to Section 30 of this Act (48 U.S.C. 1421h). Should there be default at maturity on the bonds or other obligations so guaranteed, (1) the Secretary may withhold such sums as he determines may be necessary from sums collected by the Secretary of the Treasury pursuant to Section 30 of this Act (48 U.S.C. 1421h) until losses incurred by the Secretary under the guarantee plus interest at the rate specified in this section have been reimbursed to the Secretary and (2) notwithstanding any other provision of law, Acts making appropriations may provide for the withholding of any payments from the United States to the Government of Guam which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the United States may have against the Government of Guam or the Guam Power Authority pursuant to this guarantee. For the purposes of this Act, under Section 3466 of the Revised Statutes (31 U.S.C. 191) the term "person" includes the Government of Guam and Guam Power Authority. The Secretary may place such stipulations as he deems appropriate on the bonds or other obligations he guarantees.*

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 11, 1976.

Hon. CARL B. ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Enclosed is a draft bill "To guarantee certain obligations of the Guam Power Authority."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

The Guam Power Authority has a financial problem of refunding its short-term debt. In 1972 the Guam Power Authority attempted to float long-term bonds as a part of its long-range financial plan. The usury laws of Guam prevented the payment of interest in excess of 7%. At the time of the attempted sale, however, market interest rates were above the 7% limit, so the bonds did not sell. Thus, short-term notes were issued in anticipation of a raise in the interest ceiling by the Guam Legislature, and in anticipation of a more favorable bond market in the near future. The Guam Legislature subsequently raised the usury rate to 9%.

Primarily due to the energy crisis, the price of oil within 3 months rose from $2.77 per barrel to $12.95 per barrel. As a result of this price increase, the Guam Power Authority suffered temporary losses in current income. Subsequently, Guam's bond rating slipped from AA to BB, which is a non-investment rating. In the period just before the recent typhoon, the Guam Power Authority was operating in the black and medium and long-term prospects were good. However, its short-term financial prospects are far from good. If the Guam Power Authority attempted to enter the bond market on its own at this time, it would be unsuccessful in attracting the necessary capital for repayment of the short-term notes which were due on June 1, 1976 and its other debts, due to its BB rating.

Under the bill, the Secretary of the Interior would guarantee bonds or other obligations of not more than $36 million which would mature not later than December 31, 1978. The Secretary, with the concurrence of the Secretary of the Treasury, may extend the guarantee to December 31, 1980. The guaranteed bonds or other obligations would be sold to the Federal Financing Bank without impact on the Federal budget. The Federal Financing Bank would charge a rate of interest equal to the current average market yield on outstanding marketable obligations of the U.S. of comparable maturities plus 1%.

Section 30 of the Guam Organic Act provides that Guam shall receive the proceeds of all taxes collected under the Internal Revenue laws of the United States together with customs duties and other moneys. The attached draft legislation provides that in the event of non-payment of interest or defualt in the payment of principal by the Guam Power Authority, the Secretary of the Interior may withhold such sums as he deems necessary from the Section 30 payments to Guam as will reimburse the Department for any loss incurred under the guarantee. In addition, there is authorization for the Congress in any appropriation act to deduct from appropriations which would otherwise go to Guam amounts lost to the United States should the guarantee be called into effect. The legislation authorizes the Secretary to place such restrictions as he deems appropriate on the loan to the Guam Power Authority.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal from the standpoint of the Administration's program.

Sincerely yours,

KENT FRIZZELL,
Under Secretary of the Interior.

Enclosure.

A bill to guarantee certain obligations of the Guam Power Authority

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the Organic Act of Guam (64 Stat. 387, 48 U.S.C. 1423a) is hereby amended by adding at the end thereof the following language:

The Secretary of the Interior (hereafter in this section referred to as "Secretary") is authorized to guarantee for purchase by the Federal Financing Bank bonds or other obligations of the Guam Power Authority maturing on or before December 31, 1978, which shall be issued in order to refinance short-term notes due or existing on June 1, 1976 and other indebtedness not evidenced by bonds or notes in an aggregate amount of not more than $36 million, and such bank, in addition to its other powers, is authorized to purchase, receive or otherwise acquire these same. The interest rate on obligations purchased by the Federal Financing Bank shall be not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, adjusted to the nearest one-eighth of 1 per centum, plus 1 per centum per annum. The Secretary, with the concurrence of the Secretary of the Treasury, may extend the guarantee provision of the previous sentence until December 31, 1980. Such guaranteed bonds or other obligations shall, while outstanding, include a provision for semi-annual payments of interest only. If the Secretary determines that the Guam Power Authority will not meet its obligation to pay interest, the Secretary shall request the Secretary of the Treasury to deduct such payments from sums collected and paid pursuant to Section 30 of this Act (48 U.S.C. 1421h). Should there be default at maturity on the bonds or other obligations so guaranteed, (1) the Secretary may withhold such sums as he determines may be necessary from sums collected by the Secretary of the Treasury pursuant to Section 30 of this Act (48 U.S.C. 1421h) until losses incurred by the Secretary under the guarantee plus interest at the rate specified in this section have been reimbursed to the Secretary and (2) notwithstanding any other provision of law, Acts making appropriations may provide for the withholding of any payments from the United States to the Government of Guam which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claims the United States may have against the Government of Guam or the Guam Power Authority pursuant to this guarantee. For the purposes of this Act, under Section 3466 of the Revised Statutes (31 U.S.C. 191) the term "person" includes the Government of Guam and Guam Power Authority. The Secretary may place such stipulations as he deems appropriate on the bonds or other obligations he guarantees.

Mr. DON H. CLAUSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill as follows:

H.R. 13679

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the Organic Act of Guam (64 Stat. 387; 48 U.S.C. 1423a) is hereby amended by adding at the end thereof the following: "Bonds or other obligations of the Guam Power Authority with a maturity or maturities falling due on or before June 1, 1986, which shall be issued in order to refinance short term notes due or existing on June 1, 1976, and other indebtedness not evidenced by bonds or notes in an aggregate amount of not more than $36,000,000, are hereby guaranteed, as they become due, as to both principal and interest by the United States of America. Such guaranteed obligations shall include provision for (1) semiannual payments of interest only during the first five years, (2) semiannual payments of interest and annual payments of principal (determined on a twenty-seven year level amortization schedule) for the remaining period ending June 1, 1986, and (3) payment in full on June 1, 1986, of all outstanding principal and interest. Nothing herein contained shall prohibit full payment without penalty by the Guam Power Authority prior to June 1, 1968, of such guaranteed obligations. Should there be default on the bonds or other obligations so guaranteed, thus calling the guarantee into effect, the Secretary of the Interior may withhold such sums as he determines may be necessary from sums collected pursuant to section 30 of the Organic Act of Guam until the amounts paid by the United States under the guarantee plus interest have been reimbursed to the United States and, notwithstanding any other provision of law, Acts making appropriations may provide for the withholding of any payments from the United States to the Government of Guam which may be or may become due pursuant to any law and for offsetting the amount of such withheld payments against any claim the United States may have against the Government of Guam or the Guam Power Authority pursuant to this Act. Should the guarantee be called into effect pursuant to this Act, for the purposes of section 3466 of the Revised Statutes (31 U.S.C. 191) the term 'person' includes the Government of Guam and the Guam Power Authority."

AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIP BURTON:

Strike out all after the enacting clause and insert:

That section 11 of the Organic Act of Guam (64 Stat. 387, 48 U.S.C. 1423a) is hereby amended by adding at the end thereof the following language:

"The Secretary of the Interior (hereafter in this section referred to as 'Secretary') is authorized to guarantee for purchase by the Federal Financing Bank bonds or other obligations of the Guam Power Authority maturing on or before December 31, 1978, which shall be issued in order to refinance short-term notes due or existing on June 1, 1976 and other indebtedness not evidenced by bonds or notes in an aggregate amount of not more than $36 million, and such bank, in addition to its other powers, is authorized to purchase, receive, or otherwise acquire these same. The interest rate on obligations purchased by the Federal Financing Bank shall be not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, adjusted to the nearest one-eighth of 1 per centum, plus 1 per centum per annum. The Secretary, with the concurrence of the Secretary of the Treasury, may extend the guarantee provision of the previous sentence until December 31, 1980. Such guaranteed bonds or other obligations shall, while outstanding, include a provision for semiannual payments of interest only. If the Secretary determines that the Guam Power Authority will not meet its obligation to pay interest, the Secretary shall request the Secretary of the Treasury to deduct such payments from sums collected and paid pursuant to section 30 of this Act (48 U.S.C. 1421h). Should there be default at maturity on the bonds or other obligations so guaranteed, (1) the Secretary may withhold such sums as he determines may be necessary from sums collected by the Secretary of the Treasury pursuant to section 30 of this Act (48 U.S.C. 1421h) until losses incurred by the Secretary under the guarantee plus interest at the rate specified in this section have been reimbursed to the Secretary and (2) notwithstanding any other provision of law, Acts making appropriations may provide for the withholding of any payments from the United States to the Government of Guam which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the United States may have against the government of Guam or the Guam Power Authority pursuant to this guarantee. For the purposes of this Act, under section 3466 of the Revised Statutes (31 U.S.C. 191) the term 'person' includes the government of Guam and Guam Power Authority. The Secretary may place such stipulations as he deems appropriate on the bonds or other obligations he guarantees.".

Mr. PHILLIP BURTON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To provide assistance to the Government of Guam, to guarantee certain obligations of the Guam Power Authority, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 14235, MILITARY CONSTRUCTION APPROPRIATIONS, FISCAL YEAR 1977

Mr. SIKES. Mr. Speaker, I call up the conference report on the bill (H.R. 14235) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 19, 1976.)

Mr. SIKES (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. The gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am pleased to bring to the House Conference Report No. 1314 on the bill making appropriations for military construction for fiscal year 1977.

This conference report has the full support of the Military Construction Subcommittee. It represents a decrease of $128,241,000 from the original budget request and from the allocation of the budget target. The conference agreed to a figure which is $45,641,000 above the original House bill but which is $88,132,000 below the Senate bill.

When the House bill was marked up, it was without benefit of completed authorizing action. In order to comply with present budget policies, it was necessary that we base our bill on the House authorizing action alone. As a result, projects which this subcommittee would have approved for funding could not be included in our bill.

The final authorizing action contained some of these and a significant additional number of line items. In conference, we screened as carefully as circumstances would permit, all of the items which had been added. The result is before you. A degree of compromise always is necessary in a House-Senate conference as the Members well understand. Nevertheless, the House conferees worked together in a splendid manner and we believe the conference report represents an excellent military construction bill. As I said, it is more than $128 million below the request. It should also be noted it is $246 million below the fiscal year 1976 appropriation.

Yet, it provides the services with essential facilities needed to perform their missions, support their personnel, and help fill the requirement to keep our Nation strong.

Changes in the House bill agreed to in conference are, in almost every instance, people-oriented. We have approved additional barracks spaces, dental and health care facilities, recreation facilities, dining hall modernizations, and Trident community impact funds.

Operational facilities agreed to include maintenance and repair facilities and shipyard modernization projects.

By adding these projects, those who serve in our Armed Forces will have better working and living conditions, and their planes, ships, tanks, and other equipment will be better maintained and will last longer before requiring replacement.

I would not want to leave the impression that we have filled either the foreseeable or the present needs for additional facilities at America's farflung military installations. As weapons systems change, there is a continuing requirement for modernization of facilities. In many installations the services still are using outmoded obsolescent World War II structures, including hospitals. There is a serious maintenance problem and the services find it extremely difficult to obtain through the Department of Defense and the Bureau of the Budget sufficient funds to prevent this situation from worsening year by year. It is more than a little noteworthy that the facilities which we provide to America's defense team play a considerable part in insuring that they have adequate accommodations in which to train, work, and live. Proper facilities help to demonstrate the strength, durability, and determination of our country.

America's progress and its strength would not be possible without those who serve now and have served in prior years in our military forces. They preserved our Nation when it was under attack. They have to be ready at all times to follow the flag whenever and wherever our country is in danger. In today's uncertain world where communism is striving to achieve world domination, an adequate defense is required more than ever for the security of our country. It is our ability to defend ourselves, more than diplomacy, which keeps the Communist hordes in check.

The military construction program is a very important factor in keeping America strong. I feel that we have reached a satisfactory agreement with the Senate on the differences in the two bills. I now ask that you support this conference report for military construction appropriations for fiscal year 1977.

At this point in the RECORD, I will insert a table showing the conference total with comparisons:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1976 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1977

Item	New budget (obligational) authority, fiscal year 1976	Budget estimates of new (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in—		New budget (obligational) authority recommended by conference action	Conference action compared with—			
			House bill	Senate bill		New budget (obligational) authority, fiscal year 1976	Budget estimates of new (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in—	
								House bill	Senate bill
Military construction, Army	$790, 025, 000	$649, 500, 000	$571, 565, 000	$611, 537, 000	$580, 868, 000	−$209, 157, 000	−$68, 632, 000	+$9, 303, 000	−$30, 669, 000
Military construction, Navy	770, 018, 000	595, 200, 000	526, 252, 000	578, 301, 000	549, 935, 000	−220, 083, 000	−45, 265, 000	+23, 683, 000	−28, 366, 000
Military construction, Air Force	550, 644, 000	802, 300, 000	777, 900, 000	809, 176, 000	788, 079, 000	+237, 435, 000	−14, 221, 000	+10, 179, 000	−21, 097, 000
Military construction, Defense Agencies	19, 300, 000	81, 100, 000	40, 896, 000	49, 396, 000	41, 396, 000	+22, 096, 000	−39, 704, 000	+500, 000	−8, 000, 000
Transfer, not to exceed	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)				
Military construction, Army National Guard	62, 700, 000	47, 200, 000	61, 128, 000	61, 128, 000	61, 128, 000	−1, 572, 000	+13, 928, 000		
Military construction, Air National Guard	63, 000, 000	27, 600, 000	37, 200, 000	37, 200, 000	37, 200, 000	−25, 800, 000	+9, 600, 000		
Military construction, Army Reserve	50, 300, 000	47, 000, 000	53, 804, 000	53, 804, 000	53, 804, 000	+3, 504, 000	+6, 804, 000		
Military construction, Naval Reserve	36, 400, 000	16, 800, 000	23, 300, 000	23, 600, 000	23, 600, 000	−12, 800, 000	+6, 800, 000	+300, 000	
Military construction, Air Force Reserve	18, 000, 000	10, 000, 000	10, 773, 000	10, 773, 000	10, 773, 000	−7, 227, 000	+773, 000		
Total, military construction	2, 360, 387, 000	2, 276, 700, 000	2, 102, 818, 000	2, 234, 915, 000	2, 146, 783, 000	−213, 604, 000	−129, 917, 000	+43, 965, 000	−88, 132, 000
Family housing, defense	1, 332, 244, 000	1, 302, 847, 000	1, 302, 847, 000	1, 304, 523, 000	1, 304, 523, 000	−27, 721, 000	+1, 676, 000	+1, 676, 000	
Portion applied to debt reduction	−107, 617, 000	−112, 547, 000	−112, 547, 000	−112, 547, 000	−112, 547, 000	−4, 930, 000			
Subtotal, family housing	1, 224, 627, 000	1, 190, 300, 000	1, 190, 300, 000	1, 191, 976, 000	1, 191, 976, 000	−32, 651, 000	+1, 676, 000	+1, 676, 000	
Grand total, new budget (obligational) authority	3, 585, 014, 000	3, 467, 000, 000	3, 293, 118, 000	3, 426, 891, 000	3, 338, 759, 000	−246, 255, 000	−128, 241, 000	+45, 641, 000	−88, 132, 00

Mr. McEWEN. Mr. Speaker, I yield such time as I may consume.

Mr. Speaker, the minority agrees on this conference report. It is a good report and a good appropriation bill.

Mr. SIKES. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I will take only 1 minute.

Mr. Speaker, I think it is not inappropriate for the Members to take note of what the House of Representatives has accomplished since June 14, the date when we began the consideration of the appropriation bills for fiscal year 1977.

While we may differ as to the virtues of some of these bills, I think we have achieved quite an important record of which we should be proud. We have passed 11 of the 13 annual appropriation bills through the House and are in a position to handle the remaining 2 after we return from the recess. With the passage of this measure, we will have agreed to five conference reports on 1977 bills. So five of them will go to the President for his approval. One other bill has been agreed to in conference and the conference report will be before the House when we return.

In this period since the 14th of June, we have also agreed on conference reports on two other appropriation bills for fiscal year 1976.

It has been a strenuous exercise and I just think we ought to take note of what the House has accomplished. The House has been patient, meeting early and working late. The leadership has been superb. The Committee on Appropriations is grateful for the cooperation we have received.

Mr. ADAMS. Mr. Speaker, I rise in support of the military construction appropriations conference report for fiscal year 1977 (H.R. 14235) which provides appropriations for military construction and family housing for the Department of Defense for the fiscal year 1977. The original bill as passed by the House provided $3,293 million in budget authority which was $174 million below the target. The conference report before us today provides a level of budget authority of $3,339 million or $128 million less than originally targeted in the first resolution. Outlays are within target.

Action on this conference report should complete action in this category for this year. I want to congratulate the distinguished chairman and the subcommittee for their efforts in meeting the resolution targets in a timely manner.

I urge my colleagues to support this conference report.

Mr. SIKES. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. McEWEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 357, nays 26, not voting 49, as follows:

[Roll No. 504]

YEAS—357

Abdnor
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield

Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Diggs
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Hébert
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCloskey
McCollister
McCormack
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Mills
Mineta
Mink
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Brien
O'Hara
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Randall
Rees
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Santini
Sarasin
Sarbanes
Satterfield
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spence
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Studds
Symington
Symms
Talcott
Taylor, Mo.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—26

Abzug
AuCoin
Bedell
Burke, Calif.
Chisholm
Collins, Ill.
Dellums
Drinan
Early
Edgar
Edwards, Calif.
Harrington
Hechler, W. Va.
Holtzman
Kastenmeier
Maguire
Miller, Ohio
Mitchell, Md.
Nolan
Rangel
Richmond
Rosenthal
Ryan
Scheuer
Stark
Weaver

NOT VOTING—49

Ashbrook
Chappell
Conlan
Conyers
Cotter
Delaney
Dent
Dingell
Dodd
Esch
Eshleman
Evins, Tenn.
Fish
Giaimo
Gibbons
Hayes, Ind.
Hays, Ohio
Helstoski
Hinshaw
Jones, Ala.
Karth
Ketchum
Krueger
Landrum
Litton
McDade
McKinney
Mikva
Minish
O'Neill
Peyser
Quillen
Railsback
Riegle
Ruppe
St Germain
Schneebeli
Shipley
Smith, Iowa
Spellman
Staggers
Steelman
Stephens
Stuckey
Sullivan
Taylor, N.C.
Whitten
Yates
Young, Alaska

The Clerk announced the following pairs:

Mr. Shipley with Mr. Ashbrook.
Mr. Chappell with Mr. Esch.
Mr. Dent with Mr. Fish.
Mr. Giaimo with Mr. Peyser.
Mr. Delaney with Mr. Young of Alaska.
Mr. Yates with Mrs. Sullivan.
Mr. Staggers with Mr. McDade.
Mr. St Germain with Mr. Litton.
Mrs. Spellman with Mr. Conlan.
Mr. Dodd with Mr. Karth.
Mr. Evins of Tennessee with Mr. Stephens.
Mr. O'Neill with Mr. McKinney.
Mr. Minish with Mr. Quillen.
Mr. Mikva with Mr. Gibbons.
Mr. Krueger with Mr. Eshleman.
Mr. Cotter with Mr. Railsback.
Mr. Conyers with Mr. Landrum.
Mr. Stuckey with Mr. Ketchum.
Mr. Riegle with Mr. Hayes of Indiana.
Mr. Dingell with Mr. Jones of Alabama.
Mr. Helstoski with Mr. Ruppe.
Mr. Smith of Iowa with Mr. Schneebeli.
Mr. Taylor of North Carolina with Mr. Hays of Ohio.
Mr. Whitten with Mr. Steelman.

Mr. EDGAR changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENT IN DISAGREEMENT

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 4, line 12, insert: All feasible economies should be realized in the accomplishment of this project, through the use of military forces, their subsistence, equipment, material, supplies and transportation, which have been funded for other programs supporting ongoing operations of the military services. Further, such support should be furnished without reimbursement from Military Construction funds.

MOTION OFFERED BY MR. SIKES

Mr. SIKES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SIKES moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

All feasible economies should be realized in the accomplishment of this project, through the use of military services' construction and support forces, their subsistence, equipment, material, supplies and transportation, which have been funded to support ongoing operations of the military services and would be required for normal operations of these forces. Further, such support should be furnished without reimbursement from military construction funds.

The motion was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 668. Concurrent resolution directing the Secretary of the Senate to make corrections in the enrollment of S. 586; and

H. Con. Res. 669. Concurrent resolution providing for a conditional adjournment of the Congress from July 2 until July 19, 1976.

H.R. 12438. An act to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14239) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes."

The message also announced that the Senate agrees to House amendments to Senate amendments numbered 20, 24, 29 of the foregoing bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2150. An act to amend the Solid Waste Disposal Act to authorize State program and implementation grants, to provide incentives for the recovery of resources from solid wastes, to control the disposal of hazardous wastes, and for other purposes.

CONFERENCE REPORT ON H.R. 12455, CHILD DAY CARE SOCIAL SERVICES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1393 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1393

Resolved, That immediately upon the adoption of this resolution it shall be in order to consider, any rule of the House to the contrary notwithstanding, the conference report, the Senate amendments reported from conference in disagreement, and the motions to dispose of said Senate amendments, on the bill (H.R. 12455) to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV–A and VI of the Social Security Act, may continue to receive services under title XX of that Act without individual determinations, and all points of order against said motions to dispose of the Senate amendments reported from conference in disagreement are hereby waived.

The SPEAKER. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. Anderson). Pending that, Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a most unusual rule. It waives all points of order against virtually everything in the conference report. The Committee on Rules granted it because it was persuaded that there was an emergency, an emergency of two kinds. I do not pretend to understand the ramifications of the emergency that deals with the standards for child day care centers and the effect on child day care centers. I understand that the effect is that unless there is some more money forthcoming, a significant number of child day care centers will be closed because they do not meet these standards. That is what we were informed. Then there is another complicated matter that is more properly dealt with by the members of the committee of jurisdiction than by us. But this rule was given and brought to the floor only on the ground that this was an emergency situation. I am perfectly prepared to admit that it is a quite remarkable and unusual rule.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. Vander Jagt).

Mr. VANDER JAGT. Mr. Speaker, the gentleman from Missouri handling the rule for the majority has confessed to this body, in the closing hours, that in his opinion this is an unusual and remarkable rule, waiving all points of order on a very complex and significant subject. He acknowledged that it was necessary for the Rules Committee to make a finding of the existence of an emergency before the rules could be waived, and he was frank to confess it was a little difficult for him to understand the exact state of this emergency with respect to nursing homes.

One of the reasons it was very difficult for him to understand the exact state of the emergency involving nursing homes is that this bill has nothing to do with nursing homes. It has to do with day care centers.

I say to my colleagues that is typical of how little understanding there is of the contents of this conference report. And it shows why we have guarded ourselves against this kind of action in the 11th hours of our sessions by having these rules.

The gentleman from Illinois discussed the emergency nature of this legislation, and the finding the Rules Committee had to make with respect to this legislation which provides $240 million in Presidential budget-busting dollars to meet staffing standards that would not exist.

I think I ought to repeat that so the Members get the full implication of it: This legislation provides $240 million to meet Federal staffing standards that would not exist. They would be wiped out by the very language of this conference report.

So obviously this is not an emergency situation. We are exactly today as we were February 1, with no emergency at all.

A point of order that was waived that concerns me very much involves the 3-day layover period. Make no mistake about it, this report represents a sharp turn in the road that we have been traveling relative to social services, or title XX, which the House enacted in 1974 to help save us from the welfare morass. It can be considered the only significant welfare reform that the Congress has enacted in the past decade.

Now, maybe Members of this body want to walk in this direction. I do not think they would if they knew what they were doing. That is precisely the reason for the requirement of a layover, so we will know what we are doing before we make such 180° turns.

Information on the conference report came in the Record presented today, when we went into session at 10 o'clock. How many of us have had an opportunity today, when we have been wrestling with House reform, to study that? There has been no opportunity for any real consideration by anyone, no opportunity for the administration to tell us the administrative monstrosity that we would be creating. That is precisely the reason for these rules and for the points of order that should not have been waived. The Committee on Rules should have been ashamed for waiving them, because they are designed to protect us from taking the kind of course on which we are now embarking.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Rosenthal).

Mr. ROSENTHAL. Mr. Speaker, I am concerned about one portion of the conference report, title XX, which deals with senior center eligibility. The description of the conference action, which is on page 7 of the report, says as follows:

> The House bill would have permitted States now determining eligibilty on a group rather than individual basis to continue this procedure until October 1, 1976. The Senate bill would have repealed all Federal eligibility requirements. The amendment agreed to by the conferees would, on a permanent basis, permit States to determine eligibility for social services on a group basis. The group would have to be such that the State can reasonably conclude that substantially all members of the group have incomes below 90 percent of State median income.

Then it goes on to explain the income standards.

The matter that I am concerned with, Mr. Speaker, and perhaps the distinguished gentleman from California (Mr. Corman) could address himself to it, is that what does anybody mean by the words, "substantially all"?

I looked in Webster's Seventh Collegiate Dictionary, which I guess is reasonably current, and it said in defining "substantial":

> Being that specified to a large degree or in the main.

I would assume that considering the fact that the Senate had no eligibility requirement whatsoever, I assume that "substantially all" the Members mean that a significant number, something more than 50 or 60 percent of the group, would meet these requirements. Within those parameters, does the gentleman feel that we are reasonably correct?

Mr. CORMAN. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from California.

Mr. CORMAN. I think that approximately 80 percent would be more appropriate.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I also have a question with respect to title XX of the Social Security Act and the extent to which it is going to require that a means test be imposed on senior citizens using senior citizen centers. As we know, the House has been concerned about whether or not a means test ought to be imposed with respect to senior citizens centers. I oppose such a means test and I would like to understand exactly what the conference report does in this respect.

Am I correct in understanding that the bill will allow a State to designate a particular service, such as senior citizens centers, as subject to group eligibility, so that the people in a particular geographical area—and the geographical area is one determined by the State on a reasonable basis to contain centers which service people who are eligible under the conference report—will not have to undergo a means test?

Mr. CORMAN. Mr. Speaker, will the gentleman from New York yield so that I may answer the question of the gentlewoman?

Mr. ROSENTHAL. I am happy to yield.

Mr. CORMAN. Yes; the whole purpose is to get away from individual means testing for senior citizens using senior citizens centers.

It is not to remove the obligation of those who administer the program to direct those centers to senior citizens who are below 90 percent of the median income of the State. So, in devising tests other than individual means tests, it is up to the States to look at the population that is being served by the center; not the total population around the center, but the population that is being served by the center, and if substantially all of them live at 90 percent of median income or below, there would be no further testing.

Ms. HOLTZMAN. Could the State do that—that is, determine group eligibility— in a number of centers in a particular geographical area; for example, if the State says that in a particular county or a particular city it believes that substantially all of the people who use the senior citizen centers have incomes of 90 percent of the State's median income or below?

Mr. CORMAN. I would think HEW would find that a reasonable test.

Ms. HOLTZMAN. I thank the gentleman.

Mr. BOLLING. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, I rise in support of the conference report for H.R. 12455 and urge my colleagues to vote for immediate passage of this legislation. This bill contains desperately needed funds for our child care centers and resolves the question of group eligibility by the States to provide title XX services to our senior citizens on a group basis without the imposition of an individual means test.

The $240 million contained in this bill to fund child care programs is similar to the funding contained in H.R. 9803 which the President vetoed in March. Although this House overrode the President's veto, a two-thirds vote for override was not achieved in the Senate. This compromise proposal includes funding for the continuation and upgrading of child care services, but postpones the controversial staffing standards until October 1, 1977. At that time the HEW study will be available to assist us in dealing with this question.

When President Ford vetoed H.R. 9803, his objections were based on the imposition of Federal standards on States for their child care centers. The President did not dispute the need for additional funds for child care centers nor the need to generally upgrade standards in these programs. A 1974 GAO study of 607 centers in nine States found 425 failing to meet State health and safety requirements—nearly twice the number failing to meet child-staff ratios. Regardless of whether the Federal Government or the State governments promulgate staffing and other standards, our child care centers desperately need additional funds so they can continue to provide quality child care.

Besides using these funds to voluntarily upgrade and enforce their own standards, some States, such as New York, need these additional funds to continue their child care program. In New York City, 49 child care centers face immiment shutdown. This will result in 3,500 children being displaced and nearly 500 employees losing their positions. This would force many working parents to give up their jobs, their only means of support, and turn to Federal public assistance programs. It makes far better sense to provide the support services which will permit continued employment of these working parents than to force them to rely on Federal benefits programs for their income. I want to commend the committee for reaching an agreement and bringing out this conference report at this time: I am hopeful that these funds will save child care centers for thousands of our children.

I am also pleased that the conference report resolves the issue of group eligibility for our senior citizens. I was a cosponsor of H.R. 9280 which prohibited States from imposing the individual means test on services for those over 60 years of age. This bill permits States to make any title XX service, other than day care, group eligible so long as substantially all those served are below 90 percent of the average State median income. This will allow our senior citizens to take full advantage of the title XX services without requiring them to submit to an individual means test, which these citizens oppose as unnecessary and humiliating. Not only is the means test an unpalatable provision, offensive to those of us who believe that our society has an obligation to our elderly for their past contributions to their communities, but this test is also a needless intrusion into the privacy of our senior citizens and a move against their fight to remain self-reliant. Since most older residents fall within the income levels established for eligibility for title XX services, this bill will permit our seniors to continue to use these services with dignity. I urge my colleagues to adopt this conference report.

Mr. BOLLING. Mr. Speaker, the gentleman from Michigan (Mr. VANDER JAGT) appeared before the Rules Committee and made his argument there. The gentleman from California (Mr. CORMAN) appeared before the Rules Committee and made his argument. I, perhaps, think it may be because we recognize that the gentleman from Michigan never misspoke himself, ever, that we were more persuaded by the gentleman from California that there was an emergency than that there was not.

That is precisely why the Rules Committee granted the rule. We found the gentleman from California persuasive, the gentleman from Michigan not persuasive.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 274, nays 92, not voting 66, as follows:

[Roll No. 505]

YEAS—274

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chisholm
Clausen, Don H.
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Coughlin
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Derrick
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Gaydos
Gilman
Ginn
Gonzalez
Grassley
Green
Gude
Guyer
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jarman
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Milford
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nolan
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Randall
Rangel
Rees
Reuss
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ryan
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shriver
Simon
Sisk
Skubitz
Slack
Solarz
Spellman
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Thompson
Thone
Thornton
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—92

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Bafalis
Bauman
Beard, Tenn.
Bell
Bevill
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Butler
Clancy
Clawson, Del
Cochran
Collins, Tex.
Crane
Daniel, R. W.
Derwinski
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Forsythe
Frenzel
Frey
Goldwater
Goodling
Gradison
Hammerschmidt
Hansen
Harsha
Hicks
Hillis
Holt
Hyde
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Kindness
Lagomarsino
Latta
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
Madigan
Mahon
Martin
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Pa.

Nichols
Paul
Poage
Quie
Regula
Robinson
Rousselot
Satterfield
Sebelius
Shuster
Smith, Nebr.
Snyder
Spence
Stanton,
  J. William
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Treen
Vander Jagt
Wiggins
Wilson, C. H.
Winn
Wylie
Young, Fla.

NOT VOTING—66

Ashbrook
Burke, Calif.
Chappell
Clay
Conlan
Conyers
Cotter
Delaney
Dent
Dodd
Esch
Eshleman
Evins, Tenn.
Fish
Flood
Fuqua
Giaimo
Gibbons
Hagedorn
Hays, Ohio
Hébert
Helstoski
Hinshaw
Hutchinson
Jones, Ala.
Jordan
Karth
Ketchum
Krueger
Landrum
Lehman
Litton
McDade
McEwen
McKinney
Mikva
Minish
Mottl
Nix
Nowak
Peyser
Quillen
Railsback
Rhodes
Riegle
Risenhoover
Roberts
Ruppe
Russo
St Germain
Schneebeli
Shipley
Sikes
Smith, Iowa
Staggers
Steelman
Stephens
Stuckey
Symington
Taylor, N.C.
Teague
Traxler
Weaver
Whitten
Yates
Young, Alaska

The Clerk announced the following pairs:

Mr. Dent with Mr. Eshleman.
Mr. Novak with Mr. Schneebeli.
Mr. Nix with Mr. Ashbrook.
Mr. Cotter with Mr. Risenhoover.
Mr. Delaney with Mr. Stephens.
Mr. Flood with Mr. Esch.
Mr. Fuqua with Mr. Stuckey.
Mr. Giaimo with Ms. Burke of California.
Mr. Hébert with Mr. Ruppe.
Mr. Helstoski with Mr. McEwen.
Mr. Minish with Mr. Fish.
Mr. Mottl with Mr. Peyser.
Mr. Staggers with Mr. Conlan.
Mr. St Germain with Mr. Railsback.
Mr. Shipley with Mr. McDade.
Mr. Sikes with Mr. Hagedorn.
Mr. Yates with Mr. Lehman.
Mr. Russo with Mr. McKinney.
Mr. Roberts with Mr. Quillen.
Mr. Litton with Mr. Landrum.
Mr. Gibbons with Mr. Hays of Ohio.
Mr. Evins of Tennessee with Mr. Jones of Alabama.
Mr. Conyers with Mr. Karth.
Ms. Jordan with Mr. Hutchinson.
Mr. Riegle with Mr. Clay.
Mr. Symington with Mr. Smith of Iowa.
Mr. Teague with Mr. Young of Alaska.
Mr. Whitten with Mr. Ketchum.
Mr. Mikva with Mr. Weaver.
Mr. Krueger with Mr. Steelman.
Mr. Dodd with Mr. Traxler.
Mr. Chappell with Mr. Taylor of North Carolina.

Mr. HILLIS changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, pursuant to House Resolution 1393, I call up the conference report on the bill (H.R. 12455) to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV-A and VI of the Social Security Act, may continue to receive services under title XX of that act without individual determinations, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12455) to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV-A and VI of the Social Security Act, may continue to receive services under title XX of that Act without individual determinations, having met, after full and free conference, have been unable to agree.

The SPEAKER. The Chair lays before the House the Senate amendments, which the Clerk will read.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

That (a)(1) section 2002(a) of the Social Security Act is amended by striking out paragraphs (4), (5), and (6) thereof.

(2) The amendments made by paragraph (1) shall be effective on and after October 1, 1975.

(b) Section 2007 of such Act is amended to read as follows:

"SEC. 2007. For purposes of this title, the term 'State' means the fifty States and the District of Columbia.".

SEC. 2. Section 7(a)(3) of Public Law 93-647 is amended by striking out "February 1, 1976" and inserting in lieu thereof "October 1, 1977".

SEC. 3. (a) For purposes of title XX of the Social Security Act, the amount of the limitation (imposed by section 2002(a)(2) of such Act) which is applicable to any State for the fiscal year ending June 30, 1976, which is applicable to any State for the fiscal period beginning July 1, 1976, and ending September 30, 1976, or which is applicable to any State for the fiscal year ending September 30, 1977, shall be deemed to be equal to whichever of the following is the lesser:

(1) an amount equal to—

(A) 102.5 per centum of the amount of the limitation so imposed (as determined without regard to this section) in the case of such fiscal year ending June 30, 1976,

(B) 110 per centum of the amount of the limitation so imposed (as determined without regard to this section) in the case of such fiscal period, or

(C) 110 per centum of the amount of the limitation so imposed (as determined without regard to this section) in the case of such fiscal year ending September 30, 1977, or

(2) an amount equal to (A) 100 per centum of such limitation for such fiscal year or period (as determined without regard to this section), plus (B) an amount equal to the sum of (i) 80 per centum of the total amount of expenditures (I) which are made during such fiscal year or period in connection with the provision of any child day care service, and (II) with respect to which payment is authorized to be made to the State under such title for such fiscal year or period, and (ii) the aggregate of the amounts of the grants, made by the State during such fiscal year or period, to which the provisions of subsection (c)(1) are applicable.

(b) The additional Federal funds which become payable to any State for a fiscal year or fiscal period specified in subsection (a) by reason of the provisions of such subsection shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services.

(c)(1) Subject to paragraph (2), sums granted by a State to a qualified provider of child day care services (as defined in paragraph (3)(A)) during the last quarter of the fiscal year ending June 30, 1976, during the fiscal year ending September 30, 1977, or during the fiscal period specified in subsection (a), to assist such provider in meeting its Federal welfare recipient employment incentive expenses (as defined in paragraph (3)(B)) with respect to individuals employed in jobs related to the provision of child day care services in one or more child day care facilities of such provider, shall be deemed, for purposes of title XX of the Social Security Act, to constitute expenditures made by the State, in accordance with the requirements and conditions imposed by such Act, for the provision of services directed at one or more of the goals set forth in clauses (A) through (E) of the first sentence of section 2002(a)(1) of such Act. With respect to sums to which the preceding sentence is applicable (after application of the provisions of paragraph (2)), the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall be deemed to read "100".

(2) The provisions of paragraph (1) shall not be applicable—

(A) to the amount, if any, by which the aggregate of the sums (as described in such paragraph) granted by any State during a fiscal year or fiscal period specified in subsection (a) exceeds the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal year or period, or

(B) with respect to any grant made to a particular qualified provider of child day care services to the extent that (as determined by the Secretary) such grant is or will be used—

(i) to pay wages to any employee at an annual rate in excess of $5,000, in the case of a public or nonprofit private provider, or

(ii) to pay wages to any employee at an annual rate in excess of $4,000, or to pay more than 80 per centum of the wages of any employee, in the case of any other provider.

(3) For purposes of this subsection—

(A) the term "qualified provider of child day care services", when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 20 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State's services program conducted pursuant to title XX of the Social Security Act; and

(B) the term "Federal welfare recipient employment expenses" means expenses of a qualified provider of child day care services which constitute Federal welfare recipient employment incentive expenses as defined in section 50(B)(a)(2) of the Internal Revenue Code of 1954, or which would constitute Federal welfare recipient employment incentive expenses as so defined if the provider were a taxpayer entitled to a credit (with respect to the wages involved) under section 40 of such Code.

(d)(1) In the administration of title XX of the Social Security Act, the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall, subject to paragraph (2), be deemed to read "80" for purposes of applying such sentence to expenditures made by a State for the provision of child day care services during a fiscal year or fiscal period specified in subsection (a).

(2) The total amount of Federal payments which may be paid to any State for any such fiscal year or such fiscal period under title XX of the Social Security Act at the rate specified in paragraph (1), shall not exceed an amount equal to the excess (if any) of—

(A) the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such year or period, over

(B) the aggreate of the amounts of the grants, made by the State during such year or period, to which the provisions of subsection (c)(1) are applicable.

SEC. 4. (a) Section 50A(a) of the Internal Revenue Code of 1954 (relating to amount of credit for work incentive program expenses) is amended—

(1) by adding at the end of paragraph (2) the following new sentence: "The preceding sentence shall not apply to so much of the credit allowed by section 40 as is attributable to Federal welfare recipient employment incentive expenses described in subsection (a)(6)(B).", and

(2) by striking out paragraph (6) and inserting in lieu thereof the following:

"(6) LIMITATION WITH RESPECT TO CERTAIN ELIGIBLE EMPLOYEES.—

"(A) NONBUSINESS ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are not performed in connection with a trade or business of the taxpayer shall not exceed $1,000.

"(B) CHILD DAY CARE SERVICES ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are performed in connection with a child day care services program, conducted by the taxpayer, shall not exceed $1,000.".

(b) Section 50B(a)(2) of such Code (relating to definitions; special rules) is amended to read as follows:

"(2) DEFINITIONS.—For purposes of this section, the term 'Federal welfare recipient employment incentive expenses' means the amount of wages paid or incurred by the taxpayer for services rendered to the taxpayer by an eligible employee—

"(A) before July 1, 1976, or

"(B) in the case of an eligible employee whose services are performed in connection with a child day care services program of the taxpayer, before October 1, 1977.".

(c) The amendments made by this section with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer to an eligible employee whose services are performed in connection with a child day care services program of the taxpayer shall apply to such expenses paid or incurred by a taxpayer to an eligible employee whom such taxpayer hires after the date of the enactment of this Act.

SEC. 5. (a) Section 2002(a)(9)(A)(ii) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (II), and

(2) by adding after the comma at the end of clause (III) the following: "(IV) the State agency may waive the staffing standards otherwise applicable in the case of a day care center or group day care home in which not more than 20 per centum of the children in the facility (or, in the case of a day care center, not more than 5 children in the center) are children whose care is being paid for (wholly or in part) from funds made available to the State under this title, if such agency finds that it is not feasible to furnish day care for the children, whose care is so paid for, in a day care facility which complies with such staffing standards, and if the day care facility providing care for such children complies with applicable State standards, and (V) in determining whether applicable staffing standards are met in the case of day care provided in a family day care home, the number of children being cared for in such home shall include a child of the mother who is operating the home only if such child is under age 6,".

(b) The amendments made by subsection (a) shall, insofar as such amendments add a new clause (V) to section 2002(a)(9)(A)(ii) of the Social Security Act, be effective for the period beginning October 1, 1975, and ending September 30, 1977; and on and after October 1, 1977, section 2002(a)(9)(A)(ii) of the Social Security Act shall read as it would if such amendments had not been made.

SEC. 6. Section 4(c) of Public Law 94–120 is amended to read as follows:

"(c) The amendments made by this section shall be effective on and after October 1, 1975.".

Amend the title so as to read: "An Act to amend title XX of the Social Security Act so as to permit greater latitude by the States in establishing criteria respecting eligibility for social services, to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to such title, to promote the employment of welfare recipients in the provision of child day care services, and for other purposes.".

Mr. ULLMAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendments be dispensed with and that they be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, would the gentleman from Oregon explain the amendment?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, in response to the inquiry of the gentleman from California, under the rule the gentleman from California (Mr. CORMAN) will be recognized to make a motion to recede and concur with amendments, and the time will be allocated to the gentleman from California (Mr. CORMAN) to explain the amendments and to the minority, and there will be full time to discuss the amendments under that motion.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, would the gentleman from Oregon explain briefly the major differences?

Mr. ULLMAN. Mr. Speaker, if the gentleman will yield, let me say that the reason for this procedure is that the conference report is in technical disagreement.

Mr. ROUSSELOT. We understand that. And the gentleman from Michigan explained very clearly his great disappointment that we were going through this procedure.

Mr. ULLMAN. That is the rule, but, let me explain, if the gentleman will yield further.

Mr. ROUSSELOT. I will be glad to yield further to the gentleman from Oregon.

Mr. ULLMAN. There is a matter of emergency involved in that child care staffing standards and other standards are currently in effect in the law.

Mr. ROUSSELOT. They have been in effect since February 1 of this year, is that correct?

Mr. ULLMAN. They have been, but not implemented.

In this agreement, the effective date for those standards is put off until October 1 of next year. The only way that you will get those staffing standards delayed is by approving this conference report.

Mr. ROUSSELOT. If I may interject again, do I understand that there is $240 million in here to put the staffing standards into effect?

Mr. ULLMAN. The $240 million additional funds for social services is in the budget resolution.

There has been some inference that it was not in the budget. This amount has been fully budgeted. The only reason that we need a waiver is because of a technical violation of the Budget Control Act.

Mr. ROUSSELOT. Why does it take so much money to implement those standards?

Mr. ULLMAN. The gentleman will get a full explanation.

Mr. ROUSSELOT. I will be glad to yield to my colleague from California (Mr. CORMAN), if he would like.

Mr. ULLMAN. I would hope the gentleman from California would allow the gentleman to make his motion.

Mr. Speaker, I renew my request.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. ROUSSELOT. Mr. Speaker, still reserving the right to object, might I ask what the other differences are?

Mr. CORMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Yes, I will be glad to yield to my distinguished colleague, the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, the gentleman will recall that we attempted to address ourselves to this problem on day care centers, on staffing, on the need for additional money. The gentleman recalls we reached agreement with the Senate. The bill was vetoed. The House overrode the veto. The Senate sustained the veto.

We sent H.R. 12455 to the Senate which had to do with group eligibility for senior citizen centers. The Senate took that legislation and attempted to solve the day care center problem again. In conference all but one of the conferees agreed to what we now bring to this House.

It deals with group eligibility for senior citizen centers and deals with day care centers. It deals in a very minor way, and in the same way that we did in the last bill, with providing some tax credit and some grants for hiring welfare mothers to work in day care centers.

It does defer until October 1977 the staffing standards.

That is the thrust of the bill.

Mr. ROUSSELOT. Why do we defer the standards now if they went into effect in February?

Mr. CORMAN. They have never been implemented. If they were implemented, it would probably result in closing a substantial number of day care centers, all of them in some States. There are two different kinds of standards referred to. The staffing standards were deferred until February 1 by statute. At that time we deferred them again because that was the bill that was vetoed, because, among other things, we put more money in than was acceptable to the President. Then we came back to conference. We had $240 million in our budget to add to title XX money for day care centers so that they could comply with building and safety standards, so they could comply with their State standards. We deferred the other Federal staffing requirements until October 1, 1977, so we could take a closer look at them.

Mr. ROUSSELOT. Further reserving the right to object, do I understand that one reason for deferring implementation of these standards, those that were in place February 1, is because a lot of the centers would be closed?

Mr. CORMAN. That is right. The Federal standards have not been complied with by a great many States, but have been by some States.

Mr. ROUSSELOT. Why? Are they too high?

Mr. CORMAN. That is the allegation, and that is a debate that will rage from now until at least October 1977, if we pass this bill. If we do not pass this conference report, I assume HEW will enforce those staffing standards.

Mr. ROUSSELOT. Is that their job under the law—to enforce these standards?

Mr. CORMAN. Yes, sir; that is their job under the law.

Mr. ROUSSELOT. Is there a great requirement to upgrade in all of these standards? How many centers would be closed? Does the gentleman have any estimate?

Mr. CORMAN. No, sir. In some States it would be all of them; in some States, there would be not many.

Mr. ROUSSELOT. Does the gentleman mean there are that many that are below the standards?

Mr. CORMAN. Staffing standards, yes. Staffing requirements were spelled out in 1969. They were deferred by statute up to February. The gentleman will recall the President's veto message. He said he was vigorously opposed to them. That may be why HEW has not been so vigorous in their enforcement.

Mr. ROUSSELOT. I thank the gentleman. Are there any other major differences?

Mr. CORMAN. Everything except group eligibility was added on by the Senate to our group eligibility bill.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

MOTION OFFERED BY MR. CORMAN

Mr. CORMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CORMAN moves that the House recede from its disagreement to the amendment of the Senate to the text of the bill, and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

That (a) section 2002(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(14)(A) For purposes of paragraphs (5) and (6), an individual shall, at the option of the State, be deemed to be an individual described in paragraph (5)(B) if, because of the geographic area in which any particular service is provided to him, the characteristics of the community to which it is provided, the nature of the service, the conditions (other than income) of eligibility to receive it, or other factors surrounding its provision, the State may reasonably conclude, without individual determinations of eligibility, that substantially all of the persons who receive the service are members of families with a monthly gross income which is not more than 90 per centum of the median income of a family of four in the State, adjusted (in accordance with regulations prescribed by the Secretary) to take into account the size of the family.

"(B) The provisions of subparagraph (A) shall not be applicable to child day care services furnished to any child other than a child of a migratory agricultural worker.".

(b) Section 2002(a)(4) of such Act is amended by adding at the end thereof (after and below subparagraph (E)) the following new sentence:

"In any case in which services are provided to individuals to whom the provisions of paragraph (14) are applied, the proportion of the expenditures for such services which are attributable to individuals described in the preceding sentence may be determined on the basis of generally accepted statistical sampling procedures.".

(c) Section 2002(a)(6) of such Act is amended, in the matter preceding subparagraph (A), by inserting ", family planning services," immediately after "referral service".

(d) The amendments made by this section shall be effective on and after October 1, 1975.

SEC. 2. Effective February 1, 1976, section 7(a)(3) of Public Law 93-647 is amended by striking out "February 1, 1976" and inserting in lieu thereof "October 1, 1977".

SEC. 3. (a) For purposes of title XX of the Social Security Act, the amount of the limitation (imposed by section 2002(a)(2) of such Act) which is applicable to any State for the fiscal period beginning July 1, 1976, and ending September 30, 1976, or which is applicable to any State for the fiscal year ending September 30, 1977, shall be deemed to be equal to whichever of the following is the lesser:

(1) an amount equal to—

(A) 106.4 per centum of the amount of the limitation so imposed (as determined without regard to this section) in the case of such fiscal period, or

(B) 108 per centum of the amount of the limitation so imposed (as determined without regard to this section) in the case of such fiscal year ending September 30, 1977, or

(2) an amount equal to (A) 100 per centum of such limitation for such fiscal period or fiscal year (as determined without regard to this section), plus (B) an amount equal to the sum of (i) 75 per centum (in the case of such fiscal period) or 100 per centum (in the case of such fiscal year) of the total amount of expenditures (I) which are made during such fiscal period or year in connection with the provision of any child day care service, and (II) with respect to which payment is authorized to be made to the State under such title for such fiscal period or year, and (ii) the aggregate of the amounts of the grants, made by the State during such fiscal period or year, to which the provisions of subsection (c)(1) are applicable.

(b) The additional Federal funds which become payable to any State for the fiscal period or fiscal year specified in subsection (a) by reason of the provisions of such subsection shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services.

(c)(1) Subject to paragraph (2), sums granted by a State to a qualified provider of child day care services (as defined in paragraph (3)(A) during the fiscal period or fiscal year specified in subsection (a), to assist such provider in meeting its Federal welfare recipient employment incentive expenses (as defined in paragraph (3)(B)) with respect to individuals employed in jobs related to the provision of child day care services in one or more child day care facilities of such provider, shall be deemed, for purposes of title XX of the Social Security Act, to constitute expenditures made by the State, in accordance with the requirements and conditions imposed by such Act, for the provision of services directed at one or more of the goals set forth in clauses (A) through (E) of the first sentence of section 2002(a)(1) of such Act. With respect to sums to which the preceding sentence is applicable (after application of the provisions of paragraph (2)), the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall be deemed to read "100".

(2) The provisions of paragraph (1) shall not be applicable—

(A) to the amount, if any, by which the aggregate of the sums (as described in such paragraph) granted by any State during the fiscal period or fiscal year specified in subsection (a) exceeds the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal period or year, or

(B) with respect to any grant made to a particular qualified provider of child day care services to the extent that (as determined by the Secretary) such grant is or will be used—

(i) to pay wages to any employee at an annual rate in excess of $5,000, in the case of a public or nonprofit private provider, or

(ii) to pay wages to any employee at an annual rate in excess of $4,000, or to pay more than 80 per centum of the wages of any employee, in the case of any other provider.

(3) For purposes of this subsection—

(A) the term "qualified provider of child day care services", when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 20 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State's services program conducted pursuant to title XX of the Social Security Act; and

(B) the term "Federal welfare recipient employment expenses" means expenses of a qualified provider of child day care services which constitute Federal welfare recipient employment incentive expenses as defined in section 50B(a)(2) of the Internal Revenue Code of 1954, or which would constitute Federal welfare recipient employment incentive expenses as so defined if the provider were a taxpayer entitled to a credit (with respect to the wages involved) under section 40 of such Code.

(d)(1) in the administration of title XX of the Social Security Act, the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall, subject to paragraph (2), be deemed to read "100" for purposes or applying such sentence to expenditures made by a State for the provision of child day care services during the fiscal year ending September 30, 1977.

(2) The total amount of Federal payments which may be paid to any State for such fiscal year under title XX of the Social Security Act at the rate specified in paragraph (1) shall not exceed an amount equal to the excess (if any) of—

(A) the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such year, over

(B) the aggregate of the amounts of the grants, made by the State during such year, to which the provisions of subsection (c)(1) are applicable.

SEC. 4. (a) Section 50A(a) of the Internal Revenue Code of 1954 (relating to amounts of credit for work incentive program expenses) is amended—

(1) by adding at the end of paragraph (2) the following new sentence: "The preceding sentence shall not apply to so much of the credit allowed by section 40 as is attributable to Federal welfare recipient employment incentive expenses described in subsection (a)(6)(B).", and

(2) by striking out paragraph (6) and inserting in lieu thereof the following:

"(6) LIMITATION WITH RESPECT TO CERTAIN ELIGIBLE EMPLOYEES.—

"(A) NONBUSINESS ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are not performed in connection with a trade or business of the taxpayer shall not exceed $1,000.

"(B) CHILD DAY CARE SERVICES ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are performed in connection with a child day care services program, conducted by the taxpayer, shall not exceed $1,000.".

(b) Section 50B(a)(2) of such Code (relating to definitions; special rules) is amended to read as follows:

"(2) DEFINITIONS.—For purposes of this section, the term 'Federal welfare recipient employment incentive expenses' means the amount of wages paid or incurred by the taxpayer for services rendered to the taxpayer by an eligible employee—

"(A) before July 1, 1976, or

"(B) in the case of an eligible employee whose services are performed in connection with a child day care services program of the taxpayer, before October 1, 1977.".

(c) The amendments made by this section with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer to an eligible employee whose services are performed in connection with a child day care services program of the taxpayer shall apply to such expenses paid or incurred by a taxpayer to an eligible employee whom such taxpayer hires after the date of the enactment of this Act.

SEC. 5. (a) Section 2002(a)(9)(A)(ii) of the Social Security Act is amended—

"(1) by striking out "and" at the end of clause (II), and

(2) by adding after the comma at the end of clause (III) the following: "(IV) the State agency may waive the staffing standards otherwise applicable in the case of a day care center or group day care home in which not more than 20 per centum of the children in the facility (or, in the case of a day care center, not more than 5 children in the center) are children whose care is being paid for (wholly or in part) from funds made available to the State under this title, if such agency finds that it is not feasible to furnish day care for the children, whose care is so paid for, in a day care facility which complies with such staffing standards, and if the day care facility providing care for such children complies with applicable State standards, and (V) in determining whether applicable staffing standards are met in the case of day care provided in a family day care home, the number of children being cared for in such home shall include a child of the mother who is operating the home only if such child is under age 6,".

(b) The amendments made by subsection (a) shall, insofar as such amendments add a new clause (V) to section 2002(a)(9)(A)(ii) of the Social Security Act, be effective for the period beginning October 1, 1975, and ending September 30, 1977; and on and after October 1, 1977, section 2002(a)(9)(A)(ii) of the Social Security Act shall read as it would if such amendments had not been made.

SEC. 6. Effective February 1, 1976, section 4(c) of Public Law 94–120 is amended by striking out "January 31, 1976" and "February 1, 1976" and inserting in lieu thereof "September 30, 1977" and "October 1, 1977" respectively.

Mr. CORMAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The gentleman from California (Mr. CORMAN) will be recognized for 30 minutes and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, let me describe what the conference susbtitute does. The House bill was primarily concerned with the eligibility of aged persons in senior citizen centers and other groups where determination of need appears inappropriate. The Senate would have removed all eligibility standards for social services. The conference substitute provides that any State, at its option, may provide for a group eligibility determination within certain limits. Substantially all of the group would have to have incomes below 90 percent of the median income of the State. This authority would not apply to child day care services which are unusually costly, and where a separate income determination for each family is almost essential. An exception would be made for day care services for children of migrant workers, since these are so mobile and generally of such low income that an eligibility determination is impractical.

Another change which would be made by the conference substitute is to eliminate all financial criteria for family planning services, placing these services in the same exempt category as information and referral services and protection of children and adults from abuse.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. As one who has a great many of these centers in my district I have heard expressions of extreme concern from these citizens who feel they would be demeaned by an individual means test and feel it would be an intolerable thing. I am very grateful to the gentleman and members of the committee for the solution that has been worked out. I think it will be satisfactory.

I commend the gentleman for his leadership and his outstanding service in this entire field of trying to help out our senior citizens.

Mr. CORMAN. I thank the gentleman.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, I thank the gentleman for yielding.

I wish to join my colleague, the gentleman from New York, in commending the committee for removing this demeaning means test from the senior citizens of our country.

I do not know of any other segment of our citizenship which deserves help more than those men and women in the older generation who have defended our country in wars and who have carried the burdens in peacetime.

I think those who can pay will voluntarily pay if they use the meals on wheels program, but we must not require everybody to meet an individual means test before they can qualify for this service.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I wonder if the gentleman from California would clarify a point with regard to the bill's effect on a means test for persons using senior citizen centers funded under title XX of the Social Security Act.

It is my understanding from our earlier colloquy that this conference report allows a State to designate a particular service, such as senior centers, as subject to group eligibility, so that the people in a geographical area, such as the city of New York, using these centers will not have to undergo an individual means test, that the State can determine eligibility on a citywide or countywide basis, or along similar lines.

Mr. CORMAN. That is correct. It is based on the survey of the population that is receiving the service. We are talking for example, about senior citizen centers.

Ms. HOLTZMAN. That is right. Would the State's determination that a particular service is properly subject to group eligibility be conclusive with regard to the Department of HEW?

It is my understanding, if I may say to the gentleman from California, that the State's determination with respect to group eligibility for senior citizen centers under the conference report would stand unless HEW had reason to suspect that the States were not acting in good faith, and unless HEW felt there was a flagrant violation of the group eligibility standards.

Mr. CORMAN. That is correct. The verification in the case of senior ciitzen centers, the verification would have to be done through an anonymous sampling of recipients.

Ms. HOLTZMAN. I thank the gentleman.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding.

I thank the gentleman for correcting this test for means, this inequity. I have never before seen our senior citizens so aroused as they have been over this means test. It is a mistake the Congress made. It is a credit to the Congress they have reversed that course of conduct.

On this day I am privileged to participate with my colleagues in making right what was wrong.

Mr. CORMAN. Mr. Speaker, the second part of this has to do with day care centers and money. This was worked out with the Senate after some rather difficult negotiations. The Senate felt that there should be during the transition period and the next fiscal year $312.5 million additional in title XX.

There is in the first concurrent resolution on the budget $240 million additional funds for social services. It is only for the next fiscal year.

The conference substitute would authorize a total of $240 million between July 1, 1976, and September 30, 1977. Of this amount, $40 million would be for the transition quarter, and would include a 25-percent matching requirement. The other $200 million would be available for the fiscal year 1977, with no matching requirement.

Allotments to the States of this amount could not exceed their actual expenditures under title XX for day care services. Thus, the amounts are earmarked to exactly the same extent as is true in H.R. 9803, the bill which was vetoed. The House voted to override that veto by a very substantial margin.

Under the conference substitute, Federal staffing standards for child day care centers would be deferred until October 1, 1977. States would be authorized to waive staffing standards for day care centers in which fewer than 20 percent of the children are receiving payments under title XX. The standards for family day care homes would be somewhat relaxed in that the day care mother would not have to count schoolage children of her own.

States would be granted authority to use social services funds for grants to day care providers for the employment of welfare recipients to work in child day care centers. In the case of proprietary centers, a 20-percent tax credit for the employment of welfare recipients up to a total of $1,000 would continue to be allowed.

Provisions related to use of social services funds for alcoholics and drug addicts dealing with the confidentiality of records and the use of social services funds for medical services during detoxification would be authorized. This is consistent with previous House action.

All of the provisions of H.R. 12455 except those dealing with group eligibility would expire on September 30, 1977. The group eligibility provisions would be permanent legislation.

Mr. Speaker, I believe that the conference substitute represents a reasonable compromise which will go far toward achieving the objectives of this House. I urge its support.

Mr. VANDER JAGT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I regret that we are here at this hour with a problem rather than a solution to a problem. As I see it, the President will have no alternative but to accept the recommendation that this bill be vetoed. This is the third time this problem has been before us.

Mr. Speaker, I do commend very sincerely the chairman of the subcommittee, the gentleman from California, and the chairman of the full committee, for their very earnest efforts in trying to reach a compromise on this very difficult problem. I think they went more than half way. I think the administration went more than half way. I regret that a compromise became unraveled because of the pressure of outside special interest groups, who I guess are more interested in confrontation than they are in solution.

Members will remember that this problem goes back to last year when Federal staffing standards were going to be imposed on our local day care centers. They all contacted us and said, "There is no way on the face of this earth we can meet those Federal staffing standards without additional Federal money."

We said, as the House of Representatives, that we do not know whether those standards are appropriate or will work, so let us suspend them until we have a chance to take a look at them some day. But we never had a chance to look at them. So the next time around we said, "No, we still don't know whether the staffing standards are reasonable or appropriate, but we will put in money to fund them."

That bill was wisely vetoed by the President and that veto was wisely sustained by the Congress.

Now we come up with this latest proposed answer to the problem. It would be laughable if it were not so tragic. We would be saying, "All right, we will wipe out those Federal standards, but we will put in the money to fund them." All of a sudden here we are in an 11th hour situation in which we are told this legislation is really for health and safety of day care children. I would remind Members if we cannot look to the local units to provide health and safety here, as they do in our local schools, then we cannot provide health and safety anywhere. There was no emphasis on health and safety when this matter appeared before the subcommittee. The only hearings in Congress centered on the Federal staffing standards, on the point that somehow those standards have been found not reasonable enough.

Now they are to be suspended by this conference report. Yet still we say we will put money in for staffing standards.

We really have the request for additional money for day care centers at least in part because of mismanagement of day care centers. What is my proof of that?

My friends, a large segment of this additional Presidential budget-busting $240 million will go to New York City.

The Mayor's own task force in New York City this spring concluded, after months of study, that there was abysmal mismanagement and overwhelming ineptness in the management of day care centers in New York City. That is the conclusion of the Mayor's task force, not mine. That is why the money there is going to pad the pockets of slum landlords and not to the welfare of children. Those "sweetheart" leasing arrangements are why it costs the taxpayers more to send a child to some day care centers in New York City than it does for a father to send his son to Harvard.

Members of this House, when a bucket is leaking like a sieve, we do not pour more water in; we try to plug up the holes. This conference merely pours in more water by putting $240 million additional into the day care center organizations. What a horrible Bicentennial birthday present this is for the American people. No. 1, it is $240 million over the budget; No. 2, it provides funds to meet standards that would not exist; and No. 3, it undercuts the whole welfare reform this body seeks to bring about.

I submit to the Members that on the basis of the wording of the rule we do not have an understanding of this emergency or a finding of an emergency, because if we had that understanding we would realize that it is not an emergency to provide funds to meet standards that would not exist.

But, if we go ahead and do this with the minimum understanding that we have, with waiving of points of order, then the 9 percent approval rating that Congress has may be about 500 percent too high. There is a very simple solution, and that is to simply suspend the standards without the funding until October 1977. That is what this body did once, and what a portion of the conference report would do, but that solution is so simple and so obvious that I doubt very much that this body will bring itself to do that.

Mr. ROSENTHAL. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Speaker, I thank my distinguished colleague and very good friend from Michigan for yielding to me.

I do want to comment on what the gentleman said about the alleged scandal in New York City. I think there have been some problems, but I want the gentleman to know that I support this bill for day care funding. I was among those who wrote a letter to the mayor asking that an investigation be held on allegations in this area. It seems to be that the Bureau of Real Estate was the agency in New York City which did commit some errors of judgment which probably the gentleman and I would not have entered into. The matter has been and is being thoroughly investigated. It is being cleared up.

I myself do not think that mothers and young children should be penalized by the errors or the wayward indulgence of a few people. The city is taking this very, very seriously and trying to make absolutely certain that no money is misspent. I would hope the gentleman would understand and indulge in this explanation I offer him.

Mr. VANDER JAGT. I thank my very good friend from New York for that explanation. I would hope that he would also indulge the taxpayers in the rest of the country who find that it does cost more money to send a child to some day care centers in New York City than to send a son to Harvard.

Mr. ROSENTHAL. I am not sure about that.

Mr. VANDER JAGT. I am dead sure.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, the gentleman mentioned that some of this money goes to slum landlords.

Mr. VANDER JAGT. That refers to the investigation by New York City. That was an investigation asked for by the mayor of the city of New York. The findings were revealed this spring. They indicated there was abysmal mismanagement and incompetence in the management of day care center funds in New York City. One of the reasons, as alluded to by the gentleman from New York, were "sweetheart" leases where there were leases as high as $100,000 a year for a room or two for a day care center.

Mr. ROUSSELOT. Did the gentleman say $100,000 a year for a room or two?

Mr. VANDER JAGT. According to the findings of the Mayor's task force, yes. My statement was that money is going to pad the pocketbooks of slum landlords, and not necessarily to the welfare children.

Mr. ROUSSELOT. I appreciate the gentleman clearing that up. So, by voting for this conference report, we are perpetuating that same problem?

Mr. VANDER JAGT. That would be a fair conclusion.

Mr. TREEN. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Speaker, I commend the gentleman in the well for his statement.

I commend the gentleman in the well for his statement. I surely support the gentleman in his views.

Mr. Speaker, I will vote against this conference report. I do so reluctantly because I am very pleased that the conference committee has recommended postponement of the effective date of the Federal Interagency Day Care requirements from February 1, 1976, to October 1, 1977. I had introduced H.R. 11004 on December 4, 1975, to do just this. It was my intention, of course, that Congress take this step before February 1, 1976, and not after many private day care centers have closed. I introduced my proposal before it became clear that the executive branch no longer supported these very restrictive staffing standards, and I now feel that outright appeal would be more appropriate.

H.R. 12455, as passed by the House, did not provide for any additional social services spending as this conference report does. I am not aware of any hearings held by either House or Senate Committee indicating any need to increase social services spending in one category alone during a period in which the FIDCR standards are suspended.

I hope the President vetoes this bill as he did H.R. 9803 and that Congress will take speedy action to suspend FIDCR for the period provided in this bill or to repeal the standards altogether as I propose in H.R. 14044.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from New York.

Mr. MURPHY of New York. The question on that lease that was just pointed out was this: It was not $100,000 per year. The term of the lease was ill-advisedly extended over a period of years. The city's corporation counsel at this time is breaking those leases to save the taxpayers' fund. New York City, unlike any other city in America, pays 25 percent of the total welfare dollar to those eligible under the welfare requirements.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from California.

Mr. ROUSSELOT. Would the gentleman assure us that this type of inappropriate practice, as found by the mayor's task force, has been discontinued, or are we funding it down a further rathole?

Mr. MURPHY of New York. I do not understand the gentleman's question.

Mr. ROUSSELOT. The gentleman said that this practice may still continue and that the mayor himself, or his task force, rather, has expressed substantial doubts that this money is properly funded through the day care centers, that it in some cases is funding slum landlords.

I asked my colleague from Michigan if he was concerned, if we go ahead and fund this without some kind of standard or control on this type of funding, that it might go on funding slum landlords.

His answer was that there is no guarantee.

Mr. MURPHY of New York. The guarantee is there, and it is a legal guarantee by the corporation counsel of the city of New York, that he has corrected these inequities.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to my colleague on the subcommittee, the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. I thank the gentleman for yielding.

The gentleman in the well was concerned because there was found to be an emergency. After the Senate conferees and the House conferees heard the facts, it was agreed that there was an emergency situation, that the day care centers, not only in the city of New York, but throughout this country, may lose if we set up standards, whether health and safety standards, or whatever standards, if the Congress sets them up and fails to provide the funds for the centers to live up to those standards.

It seems to me that since this House does have a problem, since the gentleman was the only Member who did not understand the problem, perhaps the majority does rule.

Mr. VANDER JAGT. If the gentleman will go back to the discussion on the rule, I was objecting to the point that refers to waiving points of order. We have to base the waiver of points of order on the ground that the funds were necessary because of an emergency. I submit to the gentleman that providing funds to meet standards that are nonexistent, does not make sense to me and will not make sense to the American people.

Mr. RANGEL. If the gentleman will yield further, I hope the gentleman is not saying that the Health Department safety standards in this bill do not exist.

Mr. VANDER JAGT. The gentleman is incorrect. There are no health and safety standards in this bill.

Mr. RANGEL. We have the staffing standards that certainly have been extended to 1977.

Mr. VANDER JAGT. That is a beautiful illustration of the total lack of knowledge that we have of the content of this conference report that is undercutting welfare reform, running $240 million over the budget, and doing a stupid thing, as far as the people are concerned, of providing money to meet standards that are waived.

Mr. Speaker, I am compelled to oppose the decision of the majority of the conferees on this bill. This is a personally disappointing action for me to take. I had hoped strongly that the conference would produce a sensible, workable and mutually acceptable compromise on the complex issues involved. Unfortunately, this was not the case.

H.R. 12455, which we passed on March 16, would have allowed States to determine eligibility for social services on a group basis through October 1, 1976. The Senate replaced this language with a provision eliminating all Federal eligibility requirements for social services.

The conference package would provide group eligibility for social services, as long as sampling showed that substantially all of the group in question had incomes at or below 90 percent of the State's median income. Day care and family planning programs would be excluded from this provision, however. Family planning would become universally available without regard to income. Present law eligibility requirements would continue to be applied to day care generally, but a special eligibility exemption would be granted to migrants.

The conference package also includes provisions to:

First. Suspend the controversial Federal-interagency day care requirements—for children aged 6 weeks to 6 years—

retroactively from February 1 of this year through September 30, 1977. State law in this regard would have to be observed, and standards could not be lowered from levels prevailing as of September 1975.

Second. Increase the Federal social services funding ceiling of $2.5 billion by $240 million from July 1, 1976, through the following fiscal year. The entire amount would be earmarked for day care purposes. The first $40 million of added funding would be available during the transition quarter from July through September, and current Federal-State matching requirements—on a 75–25 basis—would be applied to this amount. The remaining $200 million would be available to the States—without the matching requirement—during fiscal 1977.

The conference package also includes provisions designed to encourage the States to use the added Federal funding in ways which increase employment of low-income persons in child care jobs. States would be permitted to use the money for grants to day care providers to cover the cost of hiring welfare recipients. The grants to public and nonprofit providers would be limited to $5,000 per employee per year. For proprietary providers, grants would be limited to $4,000 per employee per year. The present law tax credit equal to 20 percent of wages paid to welfare recipients is due to expire June 30 this year. The conferees decided to continue the credit through September 30, 1977, for proprietary day care providers, and limit it to $1,000 per employee per year, thus placing a ceiling of $5,000 in grants and/or tax credits on all day care providers.

Another provision of the conference package would extend through September 1977, certain modifications provided under Public Law 94–120 regarding social services funding for drug addicts and alcoholics. These provisions expired January 31 of this year. They would permit, among other things, the use of social services funds for a 7-day detoxification period even though this funding is generally not available to institutionalized persons.

Mr. Speaker, I have no problems with some of these decisions. For example, I have long urged a sensible extension of the moratorium on enforcement of the Federal day care staffing ratios. I do have problems, however, with other parts of the conference package, particularly those involving the additional social services funds and the way in which they would be used.

It is important for us to remember that a similar bill (H.R. 9803) was vetoed—and that veto was sustained. Since then, in the interest of reaching a solution to the day care staffing problem, which has vexed us long enough, the administration has come forward with reasonable proposals for compromise. These efforts, however, have, in effect, been rebuffed.

The administration understandably was concerned about the provisions of H.R. 9803 which would have raised the ceiling on Federal social services funding. It also was concerned about the fate of its proposal to remove most of the strings attached to this funding, and thus to give the States greater flexibility in determining their own social services priorities.

Specifically, the administration indicated its interest in reaching an accord by proposing that the social services funding ceiling be lifted in stages—$200 million per year over 4 years—to a level of $3.3 billion by 1980. This would be justified on the main ground that the present ceiling, imposed in 1972, has not been adjusted to reffect the impact of inflation. The administration further proposed that this additional money not be earmarked or subjected to a matching requirement, in keeping with its block grant proposal for social services. It is obvious that earmarking does remove flexibility as far as the States are concerned and that earmarking for day care does set a precedent for other earmarking of funds under title XX, the social services provisions of the Social Security Act.

The conferees' sole concession to the administration's block grant proposal was elimination of the matching requirement for the additional $200 million for fiscal 1977.

The conference package also would continue present law "targeting" of social services; that is, 50 percent of the Federal funds would have to go to welfare, medicaid, and supplemental security income recipients, and the rest would have to go to those with incomes below 115 percent of the State's median. The administration has proposed 75 percent "targeting" for welfare, medicaid, and SSI recipients, or those under the poverty line, on the ground that social services are designed primarily to go to the poor and therefore, the targeting should be strengthened, not weakened.

The conference package permits group eligibility for all services except those for nonmigrant families when substantially all group recipients are shown by sample to fall under 90 percent of the State's median income. The administration had proposed group eligibility subject to a ceiling of 115 percent of the State's median income under independent audit.

The administration had argued generally that the States should be given increased flexibility by allowing group eligibility for any service when there is evidence that a substantial portion of the target population needs the service. The administration also had argued that, except for universal service involving information, referral, and protective services, Federal reimbursement should not be available to those with incomes more than 15 percent above a State's median income. The administration also had urged that the Department of Health, Education, and Welfare reimburse the States on the basis of State audits which meet Federal standards.

None of these administration proposals was accepted.

Finally, Mr. Speaker, the conference package provides a 100-percent Federal grant for the first $5,000 in wages paid to welfare recipients hired by nonprofit day care centers, as well as a tax credit up to $1,000, plus a $4,000 grant, to proprietary day care centers. The administration opposed this provision because direct grants result in subsidizing day care for families with higher incomes than those currently allowed under title XX. As many as 80 percent of the children, served by day care providers eligible to receive grants to hire welfare recipients, can be children not eligible under title XX.

In summary, I share the bulk of the administration's concern about the provisions of this conference report, and feel that the majority of the conferees could have, and should have, made more of an effort to seek an appropriate compromise. I feel that the block grant approach to social services is the right approach. Unfortunately, the conferees on H.R. 12455 have moved in a different direction, and for that reason, I urge my colleagues to vote against the report.

Mr. CORMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I say to the Members of the House that I am in somewhat of a dilemma as to what to do. I cannot answer the charges of the gentleman from Michigan without time, and yet I sense that the House is ready to vote.

Mr. Speaker, may I tell the Members only this: There was no quarrel about how much money we were going to put into this program, $240 million. There was no mention of all of the skullduggery in New York. The issue was how far we would move toward some of the changes the President wanted. I believe we could have had an even better bill to provide even more funds if we could have had support for some of the interest groups.

We moved far enough to satisfy the gentleman from California (Mr. KETCHUM), but we could not go far enough to satisfy the gentleman from Michigan (Mr. VANDER JAGT) without losing the Senate. We have brought the Members the best bill we could get. It is a good bill. We have not had an increase in title XX money since 1972. The programs need this money.

Mr. Speaker, I urge an "aye" vote.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Speaker, I thank the gentleman for yielding.

As the gentleman knows, I did have one concern, and that was whether the procedure for the individual means test for the senior citizens is virtually eliminated in this bill.

Mr. CORMAN. That is correct, and I thank the gentleman from Pennsylvania (Mr. GREEN) for his leadership in helping to resolve this issue. His concern and dedication to the cause of the elderly is not surpassed in the House.

Mr. Speaker, I reserve the balance of my time.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to the gentlewoman from the great State of Massachusetts (Mrs. HECKLER).

Mrs. HECKLER of Massachusetts. Mr. Speaker, I thank the gentleman for giving me this time.

Mr. Speaker, I rise in support of this conference report. I would like to say that I note among the managers of the conference that Senator Packwood and Senator Roth agreed to the report, as did our distinguished colleague, the gentleman from California, Bill Ketchum.

I think that this conference agreement represents a valid compromise. Frankly, it does not go as far as I would like in terms of support for day care. I believe it is totally unfair to penalize the children of America for the problems of selected slum landlords in New York City who are apparently being investigated by the appropriate authorities in New York. It is a question of the needs of the children, as well as a question of justice for senior citizens in terms of the means test in senior citizen centers.

Mr. Speaker, I think this is a good compromise, and I urge my colleagues to support it.

Ms. ABZUG. Mr. Speaker, the day care leases which the gentleman from Michigan refers to have been the source of great concern to myself and to the parents of children in the day care centers and I have been working closely with them to remedy this situation. I and the Ad Hoc Coalition to Save our Children have met with Mayor Beame and urged him to renegotiate these leases. We will continue to insist that money allocated for child care be spent on our children and not on property leases. But we should not confuse this problem with the real issue facing us today; additional funds are needed to keep our children in child care centers and to allow working mothers to continue their employment. The conference report contains these needed funds and I urge my colleagues to support it.

Mr. ROUSSELOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just briefly, the gentleman from California (Mr. Ketchum) was also concerned, as was the gentleman from Michigan (Mr. Vander Jagt), about the conditions under which this money has been funded in New York. So even though he supports the concept of day care centers, he, too, was concerned about the problem of inappropriate funding in New York.

Mr. VANIK. Mr. Speaker, I heartily support this conference report on H.R. 12455.

The Daycare program is the keystone to the efforts of the Congress to move welfare recipients who are employable to the dignity of work and self-sufficiency.

The conference report permits the States to use added Federal funds to make grants to child care providers, to cover the cost of employing welfare recipients.

The extension of the welfare recipient tax credit is a method of stimulating the employment of welfare recipients. It provides a tax credit to employers and thus involves the private sector of the economy in a job creating program.

This conference report should be adopted.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of the conference report of H.R. 12455, the Child Care and Social Services Act amendments which is being considered by the House today.

The conference report on day care is significant because it will exempt day care centers from the Federal regulations governing staffing ratios for 15 months until the Department of Health, Education, and Welfare has an opportunity to finish a study of the current regulations. Without suspending the applicability of these regulations to day care centers, we run the risk that day care centers may have to be closed down for failure to meet rules that in a short time may well be concluded not to apply.

In this conference report there is substantial transitional quarter funding for day care centers. In particular, passage of this report will result in Illinois receiving better than $2 million to day care funding for that perod. Adoption of this report will result also in Illinois receiving some $11 million over fiscal year 1977. Other States will gain substantially by this measure. However, I mention Illinois because the need for day care services in the greater Chicago area is extremely acute. There are many families in that locale who literally depend on this service to allow them to make a living. Without adequate opportunity for child care these families would be unable to enjoy independent wage-earning and the benefits of hard-earned income.

With this in mind I urge my colleagues to join me in the support of the conference report of H.R. 12455.

Mr. HEINZ. Mr. Speaker, one of the provisions in this report has special meaning for the elderly, blind, and disabled. I refer to the section in the report which amends Public Law 93–647 by giving the States the across-the-board option of using a group eligibility procedure instead of the present individual means test for all title XX programs except day care. The report states that this provision is intended to take care of problems raised regarding eligibility determination in senior citizen centers and problems of special groups such as migrant workers.

Mr. Speaker, I originally introduced legislation to eliminate the means test for the elderly, blind, and disabled, on May 15, 1975. Subsequently, along with my colleagues in both the Senate and the House, Senator Javits and Congressman Rosenthal, I introduced legislation that would mandate group eligibility for the elderly. The problems which this bill addresses are familiar to me, particularly the problems associated with means testing. This report contains a group eligibility option that attempts to be fair to everyone, but may not solve the original problem to which it was addressed, that of our senior citizens and other groups for whom an individual means test should never have been considered, much less, mandated.

The potential for a cruel hoax of the elderly and others still exists: discretionary group eligibility still allows States who wish to, to continue costly, burdensome, and demeaning individual means testing of the elderly, blind, and disabled. Furthermore, the report opens up group eligibility for all except day care services, but does not write a corresponding adjustment in the existing definition of universal services—which, for example, has in the past led some States to classify day care services as "child protective services." In short, this report may perpetuate practices of States who choose to discriminate against the elderly in their socal service program. I hope it does not have this effect.

The Select Committee on Aging has studied programs such as general revenue sharing and other Fed/State discretionary programs in which States place the elderly last in line to receive funds and services. How long shall we continue to draft legislation which continues this injustice?

Have we in Congress fully answered the question that our elderly constituents have put to us in numerous hearings in Washington and throughout the country: "Why permit the possibility of continuation of that pennywise-pound foolish, individual means test?" Might it not be more effective to mandate group eligibility testing for the elderly, the blind, the disabled, and for the migrants, now presently an optional procedure? Will the elderly and other groups from many States be back on our doorsteps next year—asking us to solve this problem again?

These problems are not fully addressed by this legislation. Nonetheless it is a step in the right direction, and a long overdue one at that.

Mr. CORMAN. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Corman).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LAGOMARSINO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 281, nays 71, not voting 80, as follows:

[Roll No. 506]

YEAS—281

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Burgener
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Chisholm
Clausen, Don H.
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Derrick
Derwinski
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.

Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Florio
Flowers
Foley
Ford, Mich.
Fraser
Frey
Gaydos
Gilman
Ginn
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hannaford
Harkin
Harris
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Hicks
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kasten
Kastenmeier
Kazen
Kelly
Keys
Koch
Krebs
LaFalce
Lagomarsino
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCloskey
McCormack
McEwen
McFall
McHugh
Madden
Madigan
Maguire
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nolan
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Solarz
Spellman
Spence
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Studds
Talcott
Thompson
Thone
Thornton
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Whalen
White
Whitehurst
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—71

Archer
Armstrong
Bafalis
Bauman
Beard, Tenn.
Bennett
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burke, Fla.
Burleson, Tex.
Cederberg
Clancy
Clawson, Del
Cochran
Collins, Tex.
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Edwards, Ala.
Erlenborn
Flynt
Forsythe
Frenzel
Goldwater
Hammerschmidt
Hansen
Harsha
Henderson
Holt
Howe
Ichord
Jarman
Kemp
Kindness
Lott
Lujan
McClory
McCollister
McDonald
McKay
Mahon
Martin
Michel
Miller, Ohio
Montgomery
Myers, Ind.
Myers, Pa.
Paul
Poage
Quie
Robinson
Rousselot
Runnels
Santini
Satterfield
Shuster
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Teague
Treen
Vander Jagt
Wampler
Wiggins
Winn
Wylie

NOT VOTING—80

Andrews, N. Dak.
Ashbrook
Burke, Calif.
Carney
Chappell
Clay
Conlan
Conyers
Cotter
Delaney
Dent
Dodd
Esch
Eshleman
Evins, Tenn.
Fish
Flood
Ford, Tenn.
Fountain
Fuqua
Giaimo
Gibbons
Hagedorn
Harrington
Hawkins
Hays, Ohio
Hébert
Helstoski
Hightower
Hinshaw
Hutchinson
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Ketchum
Krueger
Landrum
Latta
Lehman
Litton
McDade
McKinney
Mikva
Milford
Minish
Mottl
Nichols
Nix
Nowak
Peyser
Quillen
Railsback
Randall
Rhodes
Riegle
Risenhoover
Roberts
Roe
Ruppe
Russo
St Germain
Schneebeli
Shipley
Sikes
Smith, Iowa
Staggers
Stanton, James V.
Steelman
Stephens
Stuckey
Sullivan
Symington
Taylor, N.C.
Traxler
Weaver
Whitten
Yates
Young, Alaska

The Clerk announced the following pairs:

Mr. Dent with Mr. Eshleman.
Mr. Novak with Mr. Schneebeli.
Mr. Nix with Mr. Ashbrook.
Mr. Cotter with Mr. Risenhoover.
Mr. Delaney with Mr. Stephens.
Mr. Flood with Mr. Esch.
Mr. Fuqua with Mr. Stuckey.
Mr. Giaimo with Mrs. Burke of California.
Mr. Hébert with Mr. Ruppe.
Mr. Helstoski with Mr. Milford.
Mr. Minish with Mr. Fish.
Mr. Mottl with Mr. Peyser.
Mr. Staggers with Mr. Conlan.
Mr. St Germain with Mr. Railsback.
Mr. Shipley with Mr. McDade.
Mr. Sikes with Mr. Hagedorn.
Mr. Yates with Mr. Lehman.
Mr. Russo with Mr. McKinney.
Mr. Roberts with Mr. Quillen.
Mr. Litton with Mr. Landrum.
Mr. Gibbons with Mr. Hays of Ohio.
Mr. Evins of Tennessee with Mr. Jones of Alabama.
Mr. Conyers with Mr. Karth.
Ms. Jordan with Mr. Hutchinson.
Mr. Riegle with Mr. Clay.
Mr. Symington with Mr. Smith of Iowa.
Mr. Carney with Mr. Young of Alaska.
Mr. Whitten with Mr. Ketchum.
Mr. Mikva with Mr. Weaver.
Mr. Krueger with Mr. Steelman.
Mr. Dodd with Mr. Traxler.
Mr. Chappell with Mr. Taylor of North Carolina.
Mr. Fountain with Mr. Harrington.
Mr. Ford of Tennessee with Mr. Hawkins.
Mr. Hightower with Mr. Latta.
Mr. Jones of Tennessee with Mrs. Sullivan.
Mr. Jones of Oklahoma with Mr. Randall.
Mr. Roe with Mr. James V. Stanton.
Mr. Nichols with Mr. Andrews of North Dakota.

Mr. WAMPLER changed his vote from "yea" to "nay."

Mr. KASTEN changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. CORMAN

Mr. CORMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CORMAN moves that the House recede from its disagreement to the Senate amendment to the title of the bill and concur therein.

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 12455.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON S. 2145, TO PROVIDE FEDERAL FINANCIAL ASSISTANCE TO STATES TO ASSIST LOCAL EDUCATIONAL AGENCIES TO PROVIDE PUBLIC EDUCATION TO VIETNAMESE AND CAMBODIAN REFUGEE CHILDREN

Mr. PERKINS submitted the following conference report and statement on the Senate bill (S. 2145) an act to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94–1333)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2145), to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective House as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Indochina Refugee Children Assistance Act of 1976".

TITLE I—PROGRAM FOR THE 1976 FISCAL YEAR

APPLICABILITY; DEFINITIONS

SEC. 101. (a) The provisions of this title shall be applicable for fiscal year 1976.

(b) As used in this title—

(1) The term "Commissioner" means the Commissioner of Education.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "free public education" means education which is provided at public expense under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(4) The term "Indochinese refugee children" means children who are refugees within the meaning of that term as defined in section 3 of the Indochina Migration and Refugee Assistance Act of 1975.

(5) The term "average per pupil expenditure" for a State means the aggregate current expenditures during the second fiscal year preceding the fiscal year for which the determination is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the State, plus any direct current expenditures by the State for the operation of such agencies (without regard to the source of funds from which either of such expenditures is made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

(6) The term "current expenditures" means all expenditures for free public education, except for (A) expenditures attributable to fixed charges, including payments of principal and interest on short-term and long-term debt, and payments for retirement benefits, for insurance and judgments, for rental of land and buildings, and for construction costs, (B) expenditures attributable to administration, and (C) expenditures attributable to transportation or building maintenance.

(7) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(8) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(9) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(10) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(11) The term "elementary or secondary nonpublic schools" means schools which comply with the compulsory education laws of the State and which are exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

STATE ENTITLEMENTS

SEC. 102. (a) The Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for the fiscal year 1976 for the purposes set forth in section 103.

(b)(1) Subject to the provisions of paragraphs (2) and (3), each State educational agency shall be entitled to receive, for the fiscal year ending June 30, 1976, an amount which, in addition to any amounts received by such agency and the local educational agencies of such State in that fiscal year under the Indochina Migration and Refugee Assistance Act of 1975, equals the additional expenditures, as determined under section 103, incurred by such State and local educational agencies in that fiscal year in providing additional basic educational services and necessary supplementary educational services for Indochinese refugee children.

(2) For the fiscal year ending June 30, 1976, no State educational agency shall be entitled to receive an amount under this title, which, when combined with any funds received by such agency and the local educational agencies of such State in such fiscal year under the Indochina Migration and Refugee Assistance Act of 1975, exceeds an amount equal to the average per pupil expenditure in such State for such fiscal year multiplied by the number of Indochinese refugee children in such State receiving public educational services.

(3) For the purpose of this subsection, the term "State" does not include American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(c)(1) The jurisdictions to which this subsection applies are American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which this subsection applies shall be entitled to a grant for the purposes set forth in section 103 in an amount equal to an amount determined by the Commissioner in accordance with criteria established by him, except that the aggregate of the amount to which such jurisdictions are so entitled for any fiscal year shall not exceed an amount equal to 1 per centum of the aggregate of the amounts to which all States are entitled under subsection (b) of this section for that fiscal year. If the aggregate of the amounts, determined by the Commissioner pursuant to the preceding sentence, to be so needed for any fiscal year exceeds an amount equal to such 1 per centum limitation, the entitlement of each such jurisdiction shall be reduced proportionately until such aggregate does not exceed such 1 per centum limitation.

(d) Determinations with respect to the number of Indochinese refugee children by the Commissioner under this section for any fiscal year shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimate, to deprive any State educational agency of its entitlement to any payment (or the amount thereof), under this section to which such agency would be entitled had such determination been made on the basis of accurate data.

USES OF FUNDS

SEC. 103. (a) Financial assistance to State and local educational agencies under this title shall be available only to meet the cost of providing Indochinese refugee children—

(1) supplementary educational services necessary to enable those children to achieve a satisfactory level of performance including, but not limited to—

(A) English language instruction,

(B) other bilingual educational services, and

(C) special materials and supplies;

(2) additional basic instructional services which are directly attributable to the presence in the school district of Indochinese refugee children, including the cost of providing additional classroom teachers and additional teaching materials and supplies, but not including overhead costs, costs of construction, acquisition or rental of space, or costs of transportation; and

(3) special inservice training for personnel who will be providing instruction described in either paragraph (1) or (2).

(b) The Commissioner shall by regulation prescribe standards for the determination of the actual additional expenditures incurred by State and local educational agencies in providing educational services for Indochinese refugee children. Such standards may include—

(1) maximum incremental costs for providing basic educational services in relation to the number of additional children;

(2) maximum allowable costs for particular types of supplementary educational services; and

(3) to the extent consistent with this section, categories of programs, services, and expenditures for which funds provided under this title may be used.

ALLOCATION OF APPROPRIATIONS

SEC. 104. (a) If the sums appropriated for the fiscal year 1976 for making the payments provided for in this title are not sufficient to pay in full the total amounts which State educational agencies are entitled to receive under this title for such year, the allocations to such State educational agencies shall be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amounts so appropriated.

(b) In the event that funds become available for making payments under this title for such fiscal year after allocations have been made under subsection (a) for that year, the amounts reduced under subsection (a) shall be increased on the same basis as they were reduced.

APPLICATIONS

SEC. 105. (a) No State educational agency shall be entitled to any payment under this title for any fiscal year unless that agency submits an application to the Commissioner at such time, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require. Each such application shall—

(1) provide that the educational programs, services, and activities for which payments under this title are made will be administered by or under the supervision of the agency;

(2) provide that payments under this title will be used for purposes set forth in section 103;

(3) provide such data and assurances as the Commissioner may prescribe—

(A) to demonstrate that the costs of the additional instructional services for which the payment will be made are the direct result of the presence of Indochinese refugee children and that those additional instructional services will actually be provided to those children for the duration of the period for which assistance is made available under this title; and

(B) to demonstrate that such payments are distributed between the State educational agency and the local educational agencies within the State in proportion to the contribution to such costs by each such agency;

4) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this title without first affording the local educational agency submitting an application for such funds reasonable notice and opportunity for a hearing;

(5) provide for making such reports as the Commissioner may reasonably require to perform his functions under this title; and

(6) provide assurances—

(i) that to the extent consistent with the number of Indochinese refugee children enrolled in the elementary or secondary nonpublic schools within the district served by a local educational agency, such agency, after consultation with appropriate officials of such schools, shall provide for the benefit of these children secular, neutral, and nonideological services, materials, and equipment necessary for the education of such children;

(i) that the control of funds provided under this paragraph and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property; and

(iii) that the provision of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, association, agency, or corporation who or which, in the provision of such services, is independent of such elementary or secondary nonpublic school and of any religious organization; and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this paragraph shall not be commingled with State or local funds.

(b) The Commissioner shall approve an application which meets the requirements of subsection (a). The Commissioner shall not finally disapprove an application of a State educational agency except after reasonable notice and opportunity for a hearing on the record to such agency.

PAYMENT

SEC. 106. (a) The Commissioner shall pay to each State educational agency having an application approved under section 105 the amount which that State is entitled to receive under section 102.

(b) The Commissioner is authorized to pay to each State educational agency amounts equal to the amounts expended by it for the proper and efficient administration of its functions under this title, except that the total of such payments for any fiscal year shall not exceed 1 per centum of the amounts to which that State educational agency is entitled to receive for that year under this title.

(c) If a State is prohibited by law from providing public educational services for children enrolled in elementary and secondary nonpublic schools, as required by section 105(a)(6), the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this title.

WITHHOLDING

SEC. 107. Whenever the Commissioner, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirements of this title, the Commissioner shall notify that agency that further payments will not be made to the agency under this title, or in his discretion, that the State educational agency shall not make further payments under this title to specified local educational agencies (whose actions cause or are involved in such failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State educational agency under this title or payments by the State educational agency under this title shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

AUTHORIZATION OF APPROPRIATIONS

SEC. 108. There are authorized to be appropriated for fiscal year 1976 such sums as may be necessary to make payments to which State educational agencies are entitled under this title and payments for administration under section 106(b).

TITLE II—PROGRAM FOR THE TRANSITION PERIOD AND THE 1977 FISCAL YEAR

APPLICABILITY; DEFINITIONS

SEC. 201. (a) The provisions of this title shall be applicable for the period beginning July 1, 1976, and ending September 30, 1977.

(b) As used in this title—

(1) The term "Commissioner" means the Commissioner of Education.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "Indochinese refugee children" means children who are refugees within the meaning of that term as defined in section 3 of the Indochina Migration and Refugee Assistance Act of 1975.

(4) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(5) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(6) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(7) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(8) The term "elementary or secondary nonpublic schools" means schools which comply with the compulsory education laws of the State and which are exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

STATE ENTITLEMENTS

SEC. 202. (a) The Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for the period July 1, 1976, through September 30, 1977, for the purposes set forth in section 203.

(b)(1) Except as provided in subsection (d) of this section, the maximum amount of the grant to which a State educational agency is entitled under this title, for the period beginning July 1, 1976, and ending September 30, 1977, shall be equal to the sum of—

(A) the number of Indochinese refugee children aged 5 to 17, inclusive, receiving public educational services under the supervision of each local educational agency within that State during the period for which the determination is made;

multiplied by—

(B) the lesser of—

(i) $300 for each of the first one hundred such children who are furnished such services under the supervision of each local educational agency within such State, or

(ii) if the number of such children equals or exceeds 1 per centum of the total number of children enrolled in the schools of that agency, $300 for each such child in such 1 per centum who is furnished such services under the supervision of each local educational agency within such State; and

(C) $600 for each additional such child in excess of one hundred such children, or in excess of such 1 per centum, as the case may be, being furnished such services under the supervision of that agency.

(2) For the purpose of this subsection, the term "State" does not include American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(c)(1) The jurisdictions to which this subsection applies are American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which this subsection applies shall be entitled to a grant for the purposes set forth in section 203 in an amount equal to an amount determined by the Commissioner in accordance with criteria established by him, except that the aggregate of the amount to which such jurisdictions are entitled for any period shall not exceed an amount equal to 1 per centum of the aggregate of the amounts to which all States are entitled under subsection (b) of this section for that period. If the aggregate of the amounts, determined by the Commissioner pursuant to the preceding sentence, to be so needed for any period exceeds an amount equal to such 1 per centum limitation, the entitlement of each such jurisdiction shall be reduced proportionately until such aggregate does not exceed such 1 per centum limitation.

(d) Notwithstanding any other provision of this section, no State educational agency shall be entitled to receive a grant for any period in excess of the amount equal to the amount to which such agency would otherwise be entitled under this section for that period minus the sum of the amounts received by the local educational agencies of that State and by that State educational agency for that period under the Indochina Migration and Refugee Assistance Act of 1975.

(e) Determinations with respect to the number of Indochinese refugee children by the Commissioner under this section for any period shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimate, to deprive any State educational agency of its entitlement to any payment (or the amount thereof), under this section to which such agency would be entitled had such determination been made on the basis of accurate data.

USES OF FUNDS

SEC. 203. Payments made under this title to any State may be used in accordance with applications approved under section 205 for public educational services for Indochinese refugee children in the schools of the local educational agencies of that State and in elementary and secondary nonpublic schools of that State.

ALLOCATION OF APPROPRIATIONS

SEC. 204. (a) If the sums appropriated for the period from July 1, 1976, to September 30, 1977, for making the payments provided for in this title are not sufficient to pay in full the total amounts which State educational agencies are entitled to receive under this title for such period, the allocations to such State educational agencies shall be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated.

(b) In the event that funds become available for making payments under this title for such period after allocations have been made under subsection (a) for that period, the amounts reduced under subsection (a) shall be increased on the same basis as they were reduced.

APPLICATIONS

SEC. 205. (a) No State educational agency shall be entitled to any payment under this title for any period unless that agency submits an application to the Commissioner at such time, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require. Each such application shall—

(1) provide that the educational programs, services, and activities for which payments under this title are made will be administered by or under the supervision of the agency;

(2) provide that payments under this title will be used for purposes set forth in section 203;

(3) provide assurances that such payments will be distributed among local educational agencies within that State in accordance with sections 202(b)(1) and 202(d);

(4) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this title without first affording the local educational agency submitting an application for such funds reasonable notice and opportunity for a hearing;

(5) provide for making periodic reports to the Commissioner evaluating the effectiveness of the payments made under this title, and such other reports as the Commissioner may reasonably require to perform his functions under this title; and

(6) provide assurances—

(i) that to the extent consistent with the number of Indochinese refugee children enrolled in the elementary or secondary nonpublic schools within the district served by a local educational agency, such agency, after consultation with appropriate officals of such schools, shall provide for the benefit of these children secular, neutral, and nonideological services, materials, and equipment necessary for the education of such children;

(ii) that the control of funds provided under this paragraph and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property; and

(iii) that the provision of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, association, agency, or corporation who or which, in the provision of such services, is independent of such elementary or secondary nonpublic school and of any religious organization;

and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this paragraph shall not be commingled with State or local funds.

(b) The Commissioner shall approve an application which meets the requirements of subsection (a). The Commissioner shall not finally disapprove an application of a State educational agency except after reasonable notice and opportunity for a hearing on the record to such agency.

PAYMENTS

SEC. 206. (a) The Commissioner shall pay to each State educational agency having an application approved under section 205 the amounts which that State is entitled to receive under this title.

(b) The Commissioner is authorized to pay to each State educational agency amounts equal to the amounts expended by it for the proper and efficient administration of its functions under this title, except that the total of such payments for any period shall not exceed 1 per centum of the amounts which that State educational agency is entitled to receive for that period under this title.

(c) If a State is prohibited by law from providing public educational services for children enrolled in elementary and secondary nonpublic schools, as required by section 205(a)(6), the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this title.

WITHHOLDING

SEC. 207. Whenever the Commissioner, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirements of this title, the Commissioner shall notify that agency that further payments will not be made to the agency under this title, or in his discretion, that the State educational agency shall not make further payments under this title to specified local educational agencies (whose actions cause or are involved in such failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State educational agency under this title or payments by the State educational agency under this title shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

AUTHORIZATION OF APPROPRIATIONS

SEC. 208. There are authorized to be appropriated for the period beginning July 1, 1976, and ending September 30, 1977, such sums as may be necessary to make payments to which State educational agencies are entitled under this title and payments for administration under section 206(b).

TITLE III—ADULT EDUCATION PROVISION

AMENDMENT TO THE ADULT EDUCATION ACT

SEC. 301. The Adult Education Act (Public Law 91-230) is amended by adding the following new section at the end thereof:

"EMERGENCY ADULT EDUCATION PROGRAM FOR INDOCHINA REFUGEES

"SEC. 315. (a) From the appropriations authorized for the period beginning July 1, 1976, and ending September 30, 1977, but not appropriated for other programs under this title, the Commissioner shall carry out a program of making grants to State and local education agencies for such years for the purpose of operating special adult education programs for Indochina refugees, as defined in section 3 of the Indochina Migration and Refugee Assistance Act of 1975. Such grants may be used for—

"(1) programs of instruction of adult refugees in basic reading, mathematics, development and enhancement of necessary skills, and promotion of literacy among refugee adults, for the purpose of enabling them to become productive members of American society;

"(2) administrative costs of planning and operating such programs of instruction;

"(3) educational support services which meet the needs of adult refugees, including but not limited to guidance and counseling with regard to educational, career, and employment opportunities; and

"(4) special projects designed to operate in conjunction with existing Federal and non-Federal programs and activities to develop occupational and related skills for individuals, particularly programs authorized under the Comprehensive Employment and Training Act of 1973 or under the Vocational Education Act of 1963.

"(b) The Commissioner shall not approve an application for a grant under this section unless (1) in the case of an application by a local education agency, it has been reviewed by the respective State education agency which shall provide assurance to the Commissioner that, if approved by the Commissioner, the grant will not duplicate existing and available programs of adult education which meet the special needs of Indochina refugees, and (2) the application includes a plan acceptable to the Commissioner which provides reasonable assurances that adult refugees who are in need of a program are located in an area near that State or local education agency, and would participate in the program if available.

"(c) Applications for a grant under this section shall be submitted at such time, in such manner, and contain such information as the Commissioner may reasonably require.

"(d) Notwithstanding the provisions of sections 305 and 307(a), the Commissioner shall pay all the costs of applications approved by him under this section.".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same.

CARL D. PERKINS,
WILLIAM D. FORD,
PATSY T. MINK,
LLOYD MEEDS,
SHIRLEY CHISHOLM,
WILLIAM LEHMAN,
PAUL SIMON,
TIM L. HALL,
MICHAEL T. BLOUIN,
JAMES G. O'HARA,
LEO ZEFERETTI,
GEORGE MILLER,
ALBERT H. QUIE,
ALPHONZO BELL,
EDWIN D. ESHLEMAN,
JOHN BUCHANAN,
LARRY PRESSLER,
BILL GOODLING,
JAMES M. JEFFORDS,
Managers on the Part of the House.

CLAIBORNE PELL,
JENNINGS RANDOLPH,
HARRISON A. WILLIAMS, Jr.
EDWARD M. KENNEDY,
WALTER F. MONDALE,
THOMAS F. EAGLETON,
ALAN CRANSTON,
WILLIAM D. HATHAWAY,
J. GLENN BEALL, Jr.
JACOB K. JAVITS,
DICK SCHWEIKER,
ROBERT T. STAFFORD,
ROBERT TAFT, Jr.
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2145), to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendments to the text of the bill struck out all after the resolving clause and inserted a substitute text. The conference report recommends a substitute text for both the text of the bill and the House amendments. Except for minor, technical, and clarifying differences, this statement describes the actions of the conferees in resolving differences in the bill and the amendments.

1. Definition of "Indochinese refugee children."—The Senate bill limits the Indochina refugee children to be assisted under this new program to those who are receiving a free public education. The House amendments include refugee children in both public and private schools. The Senate recedes.

2. Definition of "current expenditures."—The House amendments, but not the Senate bill, limit the amount of these grants by defining the "current expenditures" used in computing these grants to exclude those expenditures attributable to fixed charges, administration, transportation, and building maintenance. The Senate recedes on this provision as regards fiscal year 1976, and the House recedes on this provision as regards the period beginning July 1, 1976, and ending September 30, 1977.

3. Definition of "nonpublic schools."—The House amendments, but not the Senate bill, contain a definition of "nonpublic schools." The Senate recedes.

4. Duration of the legislation.—The Senate bill authorizes grants for two fiscal years (1976 and 1977) and for the transition quarter. The House amendments authorize grants only for fiscal year 1976. The House recedes, with the understanding on the part of the conferees that the legislation shall be funded for the transition quarter and for fiscal year 1977 only, and that no further appropriations will be sought under the contingent extension authority of section 414 of the General Education Provisions Act.

5. Determination of entitlements.—The Senate bill determines a State's entitlement for funds by multiplying the number of Indochina refugee children in average daily attendance in public schools within the State by the average per pupil expenditure for that State. Each State's entitlement must, however, be reduced by the amounts received within that State under the Indochina Migration and Refugee Assistance Act of 1975.

The House amendments determine each State's entitlement as the amount which, in addition to grants received under the Indochina Migration and Refugee Assistance Act, equals the additional expenditures (as defined by the Commissioner) incurred in providing additional basic educational services and necessary supplementary educational services for these children. Each State's entitlement, however, may not exceed an amount which, when combined with any grants under the Indochina Migration and Refugee Assistance Act, equals the average per pupil expenditure in such State multiplied by the number of Indochina refugee children receiving public educational services in such State. After determining each State's entitlement thusly, the House amendments then reduce each State's grant by the amount of the grants received under the Indochina Migration and Refugee Assistance Act.

The Senate recedes on this provision as regards fiscal year 1976, and the conference agreement provides that, for the period beginning July 1, 1976, and ending September 30, 1977, each State's entitlement shall be an amount equal to the number of Indochinese refugee children receiving public educational services under the supervision of a local educational agency multiplied by $300 for the first one hundred such children or the number equaling one percent of the total enrollment, and $600 for each additional child.

6. Inclusion of Guam.—The House amendments, but not the Senate bill, treat Guam as a State for purposes of grants. The Senate recedes.

7. Uses of funds.—The Senate bill authorizes the use of these funds for educational programs for refugee children. The House amendments state that these funds can be used to provide refugee children with:

(1) supplementary education services necessary to enable those children to achieve a satisfactory level of performance.

(2) additional basic instructional services which are directly attributable to the presence of such children, and

(3) special in-service training for personnel who will be providing instruction.

Under the House amendments the Commissioner must prescribe standards for determining the actual additional expenditures incurred in providing these educational services. Such standards may include maximum allowable costs and the categories of programs for which funds may be used. The Senate recedes on these provisions as regards fiscal year 1976, and the House recedes on these provisions as regards the period beginning July 1, 1976, and ending September 30, 1977.

8. Applications.—The Senate bill requires States to distribute funds among local educational agencies in proportion to their numbers of refugee children, taking into consideration per pupil expenditures and grants under the Indochina Migration and Refugee Assistance Act. The House amendments provide that every State must demonstrate that the costs of additional instructional services are the direct result of the presence of refugee children and that those services will actually be provided to such children. The House amendments also provide that payments must be distributed between the State educational agency and local educational agencies in proportion to the contribution to such costs by each such agency. The Senate recedes on these provisions as regards fiscal year 1976, and the House recedes on these provisions as regards the period beginning July 1, 1976, and ending September 30, 1977, with an amendment providing for distribution of funds to local educational agencies according to the $300/$600 per child formula adopted by the conference.

9. Reports.—The Senate bill requires from the States periodic reports evaluating the effectiveness of payments under the Act and also such other reports as the Commissioner may request.

The House amendments only require such reports as the Commissioner may request. The Senate recedes on this provision as regards fiscal year 1976, and the House recedes on the provision as regards the period beginning July 1, 1976, and ending September 30, 1977.

10. Participation of nonpublic school children.—The House amendments, but not the Senate bill, require the participation of refugee children enrolled in nonpublic schools in programs funded under the Act. The Senate recedes.

11. Supplementary assistance grants.—The Senate bill, but not the House amendments, authorizes supplementary assistance grants of $300 a child to those State educational agencies which provide for the unique educational needs of Indochinese refugee children in local educational agencies. The authorization of appropriations for this purpose is $14 million for fiscal year 1976, $3.75 million for the transition quarter, and $7.25 million for fiscal year 1977. The Senate recedes.

12. "By-pass" provision for nonpublic school children.—The House amendments, but not the Senate bill, contain a "by-pass" provision for the participation of nonpublic school children. The Senate recedes.

13. Authorization of appropriations.—The Senate bill authorizes the appropriation of $57 million for fiscal year 1976, $14.5 million for the transition quarter, and $29 million for fiscal year 1977 for the basic grants and the State administrative grants. The House amendments authorize such sums as may be necessary for both purposes for fiscal year 1976. The conference agreement authorizes such sums as may be necessary for fiscal year 1976 and for the period beginning July 1, 1976, and ending September 30, 1977.

14. Emergency adult education program for Indochina refugees.—The Senate bill authorizes appropriations for programs for adult Indochina refugees from the remainder of any unappropriated portions of the authorization of the Adult Education Act. These grants would be used for programs of instruction of adult refugees in reading and mathematics, the administrative costs of planning and operating such programs, support services to meet the educational needs of adult refugees, and specially designed education projects. The conference agreements authorizes the use of Adult Education Act funds for these emergency programs for the period beginning July 1, 1976, and ending September 30, 1977, and clarifies that the support services shall be educational and the special projects shall be those designed to operate in conjunction with existing Federal and non-Federal programs and activities to develop occupational and related skills.

15. Title.—The House amendments amend the title of the Act to delete the word "public" before the word "education." The Senate recedes.

Carl D. Perkins,
William D. Ford,
Patsy T. Mink,
Lloyd Meeds,
Shirley Chisholm,
William Lehman,
Paul Simon,
Tim L. Hall,
Michael T. Blouin,
James G. O'Hara,
Leo Zeferetti,
George Miller,
Albert H. Quie,
Alphonzo Bell,
Edwin D. Eshleman,
John Buchanan,
Larry Pressler,
Bill Goodling,
James M. Jeffords,
Managers on the Part of the House.

Claiborne Pell,
Jennings Randolph,
Harrison A. Williams, Jr.,
Edward M. Kennedy,
Walter F. Mondale,
Thomas F. Eagleton,
Alan Cranston,
William D. Hathaway,
J. Glenn Beall, Jr.,
Jacob K. Javits,
Dick Schweiker,
Robert T. Stafford,
Robert Taft, Jr.,
Managers on the Part of the Senate.

REQUEST FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 14484, EXTENDING CERTAIN TEMPORARY PROVISIONS UNDER SOCIAL SECURITY ACT TITLE XVI AND CHILD SUPPORT PROGRAMS

Mr. CORMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 14484) to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for 1 year the eligibility of supplementary security income recipients for food stamps, and to extend for 1 year the period during which payments may be made to States for child support collection services under part D of title IV of such act, with Senate amendments thereto, and consider the Senate amendments in the House.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, after "1." insert: (a)

Page 1, after line 5, insert:

(b) Section 1631(g)(4)(A) of the Social Security Act is amended by striking out "ten" and inserting in lieu thereof "fifteen".

Page 2, strike out lines 1 to 14, inclusive, and insert:

FOOD STAMP ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME RECIPIENTS

Sec. 2. (a) Section 8 of Public Law 93–233 is amended by striking out "the 30-month period beginning January 1, 1974" where it appears—

(1) in the matter preceding the colon in subsection (a)(1), and in the new sentence added by such subsection, and

(2) in subsection (a)(2), (b)(1), (b)(2), (b)(3), and (e),

and by inserting in lieu thereof in each instance "the period ending June 30, 1977".

(b)(1) Section 8 of Public Law 93–233 is further amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following subsection:

"'(d) Upon the request of the State of California, the Secretary shall find, for purposes of the provisions specified in subsection (c) of this section, that the level of such State's supplementary payments of the type described in section 1616(a) of the Social Security Act, has been specifically increased for any month so as to include the bonus value of food stamps if—

"(1) the State law, as in effect for such month specifically provides for increases in such payments on account of general increases in the level of benefits payable under title XVI of the Social Security Act in a manner designed to assure that, whenever a general increase in the level of benefits payable under such title XVI becomes effective for any month atfer June 1976, the amount of the State supplementary payment payable, for each month with respect to which such general increase is effective, to any individual and to any individual with an eligible spouse, will be increased by such amount as is necessary to assure that the aggregate of—

"(A) the amount payable for such month to such individual, or to such individual with an eligible spouse, under such title XVI, and

"(B) the amount payable for such month to such individual, or to such individual with an eligible spouse, under the State's supplementary payments program,

will exceed, by an amount which is not less than the monthly amount of such general increase, the aggregate of the amounts which would otherwise have been payable, to such individual (or to such individual with an eligible spouse), under such title XVI and under the State's supplementary payments program for such month under the State law as in effect on June 1, 1976, and

"(2) such month is (A) the month of July 1976, or (B) a month thereafter which is in a period of consecutive months the first of which is July 1976 and each of which is a month with respect to which the conditions of paragraph (1) are met.

As used in this subsection, the term 'general increase in the level of benefits payable under title XVI of the Social Security Act' means an increase in benefits payable under such title XVI by reason of the operation of section 1617 of such Act. For purposes of this subsection, the general increase in the level of benefits payable under such title XVI which became effective for the month of July 1976 shall be deemed to have provided an increase of $3.00 per month in the case of an individual without an eligible spouse, and $4.50 per month in the case of an individual with an eligible spouse.".

(2) The provision of section 8 of Public Law 93-233 which, under paragraph (1) of this subsection is redesignated as subsection (f), is amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (e).".

Page 2, after line 19, insert:

CLARIFICATION OF GARNISHMENT PROVISIONS

SEC. 4. (a) Section 459 of the Social Security Act is amended (1) by striking out "(including any agency or instrumentality thereof and any wholly owned Federal corporation)" and inserting in lieu thereof "or the District of Columbia (including any agency, subdivision, or instrumentality thereof)", and (2) inserting "or the District of Columbia" immediately after "United States" where it appears the second time.

(b) Section 459 of such Act is further amended—

(1) by inserting "(a)" immediately after "SEC. 549.", and

(2) by adding at the end thereof the following new subsections:

"(b) Service of legal process brought for the enforcement of an individual's obligation to provide child support or make alimony payments shall be accomplished by certified or registered mail, return receipt requested, or by personal service, upon the appropriate agent designated for receipt of such service of process pursuant to regulations promulgated pursuant to section 461 (or, if no agent has been designated for the governmental entity having payment responsibility for the moneys involved, then upon the head of such governmental entity). Such process shall be accompanied by sufficient data to permit prompt identification of the individual and the moneys involved.

"(c) No Federal employee whose duties include responding to interrogatories pursuant to requirements imposed by section 461(b)(3) shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of any of his duties which pertain (directly or indirectly) to the answering of any such interrogatory.

"(d) Whenever any person, who is designated by law or regulation to accept service of process to which the United States is subject under this section, is effectively served with any such process or with interrogatories relating to an individual's child support or alimony payment obligations, such person shall respond thereto within thirty days (or within such longer period as may be prescribed by applicable State law) after the date effective service thereof is made, and shall, as soon as possible but not later than fifteen days after the date effective service is so made of any such process, send written notice that such process has been so served (together with a copy thereof) to the individual whose moneys are affected thereby at his duty station or last-known home address.

"(e) Governmental entities affected by legal processes served for the enforcement of an individual's child support or alimony payment obligations shall not vary their normal pay and disbursement cycles in order to comply with any such legal process.

"(f) Neither the United States, any disbursing officer, nor governmental entity shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if such payment is made in accordance with this section and the regulations issued to carry out this section.".

(c) Part D of title IV of such Act is further amended by adding at the end thereof the following new section:

"REGULATIONS PERTAINING TO GARNISHMENTS

"SEC. 461. (a) Authority to promulgate regulations for the implementation of the provisions of section 459 shall, insofar as the provisions of such section are applicable to moneys due from (or payable by)—

"(1) the executive branch of the Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any corporation the majority of the stock of which is owned or controlled by the Federal Government or any agency or instrumentality thereof, and the government of the District of Columbia), be vested in the President (or his designee),

"(2) the legislative branch of the Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Government, be vested in the Chief Justice of the United States (or his designee).

"(b) Regulations promulgated pursuant to this section shall—

"(1) in the case of those promulgated by the executive branch of the Government, include a requirement that the head of each agency thereof shall cause to be published, in the appendix of the regulations so promulgated, (A) his designation of an agent or agents to accept service of process, identified by title of position, mailing address, and telephone number, and (B) an indication of the data reasonably required in order for the agency promptly to identify the individual with respect to whose moneys the legal process is brought,

"(2) in the case of regulations promulgated for the legislative and judicial branches of the Governments, set forth, in the appendix to the regulations so promulgated, (A) the name, position, address, and telephone number of the agent or agents who have been designated for service of process, and (B) an indication of the data reasonably required in order for such entity promptly to identify the individual with respect to whose moneys the legal process is brought,

"(3) provide that (A) in the case of regulations promulgated by the executive branch of the Government, that each head of a governmental entity (or his designee) shall respond to relevant interrogatories, if authorized by the law of the State in which legal process will issue, prior to formal issuance of such process, upon a showing of the applicant's entitlement to child support or alimony payments, and (B) in the case of regulations promulgated for the legislative and judicial branches of the Government, or the person or persons designated as agents for service of process in accordance with paragraph (2) shall respond to relevant interrogatories if authorized by the law of the State in which legal process will issue, prior to formal issuance of legal process, upon a showing of the applicant's entitlement to child support or alimony payments.

"(c) In the event that a governmental entity, which is authorized under this section or regulations issued to carry out this section to accept service of process, pursuant to the provisions of subsection (a), is served with more than one legal process with respect to the same moneys due or payable to any individual, then such moneys shall be available to satisfy such processes on a first-come first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.".

"(d) Part D of title IV of such Act is further amended by adding after section 461 (as added by subsection (c) of this section) the following new section:

"DEFINITIONS

"SEC. 462. For purposes of section 459—

"(a) The term 'United States' means the Federal Government of the United States, consisting of the legislative branch, the judicial branch, and the executive branch thereof, and each and every department, agency, or instrumentality of any such branch, including the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation, any office, commission, bureau, or other administrative subdivision or creature thereof, and the governments of the territories and possessions of the United States.

"(b) The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which such individual has such an obligation, and (subject to and in accordance with State law) includes but is not limited to, payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children; such term also includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(c) The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of such individual, and (subject to and in accordance with State law) includes but is not limited to, separate maintenance, alimony pendente lite, maintenance, and spousal support; such term also includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to his spouse or former spouse in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(d) The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes such person not to be subject to legal process.

"(e) The term 'legal process', when used in the context of section 459, means any writ, order, summons, or other similar process in the nature of garnishment, which—

"(1) is issued by (A) a court of competent jurisdiction within any State, territory, or possession of the United States, or (B) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law, and

"(2) is directed to, and the purpose of which is to compel, a governmental entity, which holds moneys which are otherwise payable to an individual, to make a payment from such moneys to another party in order to satisfy a legal obligation of such individual to provide child support or make alimony payments.

"(f) Entitlement of an individual to any money shall be deemed to be 'based upon remuneration for employment', if such money consists of—

"(1) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to, severance pay, sick pay, and incentive pay (but does not include awards for making suggestions), or

"(2) periodic benefits (as defined in section 228(h)(3) of this Act) or other payments to such individual under the insurance system established by title II of this Act or any other system or fund established by the United States (as defined in subsection (a)) which provides for the payment of pensions, retirement or retired pay, annuities, dependents or survivors' benefits, or similar amounts payable on account of personal services performed by any individual (not including any payment under any Federal program established to provide 'black lung' benefits or compensation for deaths suffered by Federal employees, or any payment by the Veterans' Administration as compensation for service-connected disability or death),

and does not consist of amounts paid, by way of reimbursement or otherwise, to such individual by his employer to defray expenses incurred by such individual in carrying out duties associated with his employment.

"(g) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(1) are owed by such individual to the United States,

"(2) are required by law to be, and are, deducted from the remuneration or other payment involved, including but not limited to, Federal employment taxes, and fines and forfeitures ordered by court-martial,

"(3) are properly withheld for Federal, State, or local, income tax purposes, if the withholding of such amounts are authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1954 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding),

"(4) are deducted as health insurance premiums,

"(5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage), and

"(6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).".

(e)(1) Subsection (b) of section 303 of the Consumer Credit Protection Act (15 U.S.C. 1673(b)) is amended—

(A) by inserting "(1)" immediately after "(b)",

(B) by redesignating clauses (1), (2), and (3) thereof as clauses (A), (B), and (C), respectively, and

(C) by adding at the end thereof the following new paragraph:

"(2) The maximum part of the aggregate disposable earnings of an individual for any workweek which is subject to garnishment to enforce any order for the support of any person shall not exceed—

"(A) where such individual is supporting his spouse or dependent child (other than a spouse or child with respect to whose support such order is issued), 50 per centum of such individual's disposable earnings for that week, and

"(B) where such individual is not supporting such a spouse or dependent child described in clause (A), 60 per centum of that week;

except that, with respect to the disposable earnings of any individual for any workweek, the 50 per centum specified in clause (A) shall be deemed to be 55 per centum and the 60 per centum specified in clause (B) shall be deemed to be 65 per centum, if and to the extent that such earnings are subject to garnishment to enforce a support order with respect to a period which is prior to the twelve-week period which ends with the beginning of such workweek.".

(2) The provision of section 303(b) of the Consumer Credit Protection Act which is redesignated under paragraph (1) as clause (A) is amended by striking out all that follows "any order" and inserting in lieu thereof the following: "for the support of any person issued by a court of competent jurisdiction or in accordance with an administrative procedure, which is established by State law, which affords substantial due process, and is subject to judicial review.".

(3) Section 305 of such Act is amended by inserting "and (b)(2)" immediately after "section 303(a)" each place it appears therein.

(4) The amendments made by this subsection shall take effect on the first day of the first calendar month which begins after the date of enactment of this Act.

BONDING OF CERTAIN STATE OR LOCAL EMPLOYEES; HANDLING OF CASH RECEIPTS

SEC. 5. (a) Section 454 of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (12),

(2) by striking out the period at the end of paragraph (13) and inserting a semicolon in lieu thereof, and

(3) by adding at the end thereof the following new paragraphs:

"(14) comply with such bonding requirements, for employees who receive, disburse, handle, or have access to, cash, as the Secretary shall by regulations prescribe; and

"(15) maintain methods of administration which are designed to assure that persons responsible for handling cash receipts shall not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuse of cash receipts.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1976.

INCENTIVE PAYMENTS TO STATES AND LOCALITIES

SEC. 6. (a)(1) Section 458(a) of the Social Security Act is amended by striking out "parent—" and all that follows and inserting in lieu thereof "parent and amount equal to 15 per centum of any amount collected and required to be distributed as provided in section 457 to reduce or repay assistance payments.".

(2) Section 458(b) of such Act is amended by striking out "paragraphs (1) and (2) of".

(b) The amendments made by subsection (a) shall be applicable with respect to amounts collected on and after October 1, 1977.

EXTENSION OF DEMONSTRATION PROJECTS TO CHILD SUPPORT

SEC. 7. (a) Section 1115 of the Social Security Act is amended—

(1) in the matter preceding clause (a), by striking out "part A" and inserting in lieu thereof "part A or D",

(2) in clause (a) thereof, by inserting "454," immediately after "402,",

(3) in clause (b) thereof, by inserting "455," immediately after "403,", and

(4) in the second sentence thereof, (A) by striking out "$4,000,000" and inserting in lieu thereof "$8,000,000", and (B) by adding at the end thereof "No demonstration project authorized under this section for part D of title IV shall establish additional requirements for eligibility for aid under part A of title IV.".

(b) The amendments made by subsection (a) (other than the amendment made by clause (4) thereof) shall be effective on and after the date of enactment of this section, and the amendment made by such clause (4) shall be effective in the case of fiscal years which begin after the date of enactment of this Act.

ANNUAL REPORT OF THE SECRETARY

SEC. 8. (a) Section 452(a)(10) of the Social Security Act is amended to read as follows:

"(10) not later than three months after the end of each fiscal year, beginning with the year 1976, submit to the Congress a full and complete report on all activities undertaken pursuant to the provisions of this part, which report shall include but not be limited to, the following:

"(A) total program costs and collections set forth in sufficient detail to show the cost to the States and the Federal Government, the distribution of collections to families, State and local governmental units, and the Federal Government; and an identification of the financial impact of the provisions of this part;

"(B) costs and staff associated with the Office of Child Support Enforcement;

"(C) the number of child support cases in each State immediately prior to the effective date of this part and the number of such cases added each quarter thereafter, and the disposition of such cases;

"(D) the status of all State plans under this part as of the end of the fiscal year last ending before the report is submitted, together with an explanation of any problems which are delaying or preventing approval of State plans under this part;

"(E) data, by State, on the use of the Federal Parent Locator Service, and the number of locate requests submitted without the absent parent's social security account number;

"(F) the number of cases, by State, in which an applicant for or recipient of aid under a State plan approved under part A has refused to cooperate in identifying and locating the absent parent and the number of cases in which refusal so to cooperate is based on good cause (as determined in accordance with the standards referred to in section 402(a)(26)(B)(ii); and

"(G) data, by State, on the use of Federal courts and on use of the Internal Revenue Service for collections, the number of court orders on which collections were made, the number of paternity determinations made and the number of parents located, in sufficient detail to show the cost and benefits to the States and to the Federal Government; and

"(H) the major problems encountered which have delayed or prevented implementation of the provisions of this part during the fiscal year last ending prior to the submission of such report.".

(b) The amendment made by subsection (a) shall be effective in the case of reports, submitted by the Secretary of Health, Education, and Welfare, after 1975.".

SEC. 9. For purposes of determining the amount payable to the State of Georgia under section 403(a) of the Social Security Act on account of expenditures made by such State as aid to families with dependent children under its State plan approved under part A of title IV of such Act during calendar quarters, beginning after June 30, 1975 and prior to January 1, 1977, there shall be included as an offset against such expenditures amounts which—

(1) were collected as child support by the State pursuant to a plan approved under part D of such title IV, and

(2) were retained by the State pursuant to, and in accordance with the provisions of, section 457(a)(2) or section 457(b)(1).

Amend the title so as to read: "An Act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for one year the eligibility of supplemental security income recipients for food stamps, and to extend for one year the period during which payments may be made to States for child support collection services under part D of title IV of such Act, and for other purposes.".

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain briefly what is occurring here?

Mr. CORMAN. Mr. Speaker, if the gentleman will yield, the gentleman will recall some days ago the House passed H.R. 14484, which had three provisions in it.

H.R. 14484 would make permanent the existing authority for providing Federal reimbursement to States under the interim assistance reimbursement program. Such payments are made to individuals awaiting final determination on their applications for benefits from the SSI program for the aged, blind, and disabled.

Federal reimbursement is made only for applicants who are subsequently determined to be eligible for SSI payments.

The second provision of H.R. 14484 would delay for 1 year, or until comprehensive food stamp reform legislation is enacted, a provision of Public Law 93–86 now scheduled to go into effect on July 1. Under this law, a complicated procedure would be required to determine each recipient's eligibility.

The third provision in H.R. 14484 would continue for 1 year Federal matching for State child support programs for nonwelfare recipients. Current law mandates States to make available child support collection and enforcement services to welfare recipients and those not on welfare who request such services. The continuation of Federal matching is part of an effort to reduce the number of families which may have to obtain AFDC because of the lack of child support provided by an absent father.

As a fourth provision, the Senate has included an amended version of H.R. 14514, a bill reported by the Ways and Means Committee. The Senate amendment to H.R. 14484 would allow the State of California, which no longer qualifies for hold harmless treatment under the supplemental security income program, to elect to retain food stamp "cash-out" status upon condition that it pass through a part of the 1976 cost-of-living increase in SSI benefits and all of any subsequent increases to such benefits.

The Senate added certain other amendments to refine the provisions of current law dealing with the garnishment of wages and the child support law.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will explain briefly, my colleague, the gentleman from California (Mr. KETCHUM), was unable to be here at this second to object to this request, but he feels that because many of these provisions have been inserted by the Senate and he has not had a chance to review them and they are far-reaching, that they would have impact in California incorrectly and in some other States. Therefore I am constrained to object.

The SPEAKER. Objection is heard.

EXTENDING CERTAIN TEMPORARY PROVISIONS UNDER SOCIAL SECURITY ACT TITLE XVI AND CHILD SUPPORT PROGRAMS

Mr. CORMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 14484) to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for 1 year the eligibility of supplementary security income recipients for food stamps, and to extend for 1 year the period during which payments may be made to States for child support collection services under part D of title IV of such act, with Senate amendments thereto, and disagree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, after "1." insert: (a)

Page 1, after line 5, insert:

(b) Section 1631(g)(4)(A) of the Social Security Act is amended by striking out "ten" and inserting in lieu thereof "fifteen".

Page 2, strike out lines 1 to 14, inclusive, and insert:

FOOD STAMP ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME RECIPIENTS

SEC. 2. (a) Section 8 of Public Law 93–233 is amended by striking out "the 30-month period beginning January 1, 1974" where it appears—

(1) in the matter preceding the colon in subsection (a)(1), and in the new sentence added by such subsection, and

(2) in subsections (a)(2), (b)(1), (b)(2), (b)(3), and (e),

and by inserting in lieu thereof in each instance "the period ending June 30, 1977".

(b)(1) Section 8 of Public Law 93–233 is further amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following subsection:

"'(d) Upon the request of the State of California, the Secretary shall find, for purposes of the provisions specified in subsection (c) of this section, that the level of such State's supplementary payments of the type described in section 1616(a) of the Social Security Act, has been specifically increased for any month so as to include the bonus value of food stamps if—

"(1) the State law, as in effect for such month specifically provides for increases in such payments on account of general increases in the level of benefits payable under title XVI of the Social Security Act in a manner designed to assure that, whenever a general increase in the level of benefits payable under such title XVI becomes effective for any month after June 1976, the amount of the State supplementary payment payable, for each month with respect to which such general increase is effective, to any individual and to any individual with an eligible spouse, will be increased by such amount as is necessary to assure that the aggregate of—

"(A) the amount payable for such month to such individual, or to such individual with an eligible spouse, under such title XVI, and

"(B) the amount payable for such month to such individual, or to such individual with an eligible spouse, under the State's supplementary payments program,

will exceed, by an amount which is not less than the monthly amount of such general increase, the aggregate of the amounts which would otherwise have been payable, to such individual (or to such individual with an eligible spouse), under such title XVI and under the State's supplementary payments program for such month under the State law as in effect on June 1, 1976, and

"(2) such month is (A) the month of July 1976, or (B) a month thereafter which is in a period of consecutive months the first of which is July 1976 and each of which is a month with respect to which the conditions of paragraph (1) are met.

As used in this subsection, the term 'general increase in the level of benefits payable under title XVI of the Social Security Act' means an increase in benefits payable under such title XVI by reason of the operation of section 1617 of such Act. For purposes of this subsection, the general increase in the level of benefits payable under such title XVI which became effective for the month of July 1976 shall be deemed to have provided an increase of $3.00 per month in the case of an individual without an eligible spouse, and $4.50 per month in the case of an individual with an eligible spouse.".

(2) The provision of section 8 of Public Law 93–233 which, under paragraph (1) of this subsection is redesignated as subsection (f), is amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (e).".

Page 2, after line 19, insert:

CLARIFICATION OF GARNISHMENT PROVISIONS

SEC. 4. (a) Section 459 of the Social Security Act is amended (1) by striking out "(including any agency or instrumentality thereof and any wholly owned Federal corporation)" and inserting in lieu thereof "or the District of Columbia (including any agency, subdivision, or instrumentality thereof)", and (2) inserting "or the District of Columbia" immediately after "United States" where it appears the second time.

(b) Section 459 of such Act is further amended—

(1) by inserting "(a)" immediately after "SEC. 549.", and

(2) by adding at the end thereof the following new subsections:

"(b) Service of legal process brought for the enforcement of an individual's obligation to provide child support or make alimony payments shall be accomplished by certified or registered mail, return receipt requested, or by personal service, upon the appropriate agent designated for receipt of such service of process pursuant to regulations promulgated pursuant to section 461 (or, if no agent has been designated for the governmental entity having payment responsibility for the moneys involved, then upon the head of such governmental entity). Such process shall be accompanied by sufficient data to permit prompt identification of the individual and the moneys involved.

"(c) No Federal employee whose duties include responding to interrogatories pursuant to requirements imposed by section 461 (b)(3) shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of any of his duties which pertain (directly or indirectly) to the answering of any such interrogatory.

"(d) Whenever any person, who is designated by law or regulation to accept service of process to which the United States is subject under this section, is effectively served with any such process or with interrogatories relating to an individual's child support or alimony payment obligations, such person shall respond thereto within thirty days (or within such longer period as may be prescribed by applicable State law) after the date effective service thereof is made, and shall, as soon as possible but not later than fifteen days after the date effective service is so made of any such process, send written notice that such process has been so served (together with a copy thereof) to the individual whose moneys are affected thereby at his duty station or last-known home address.

"(e) Governmental entities affected by legal processes served for the enforcement of an individual's child support or alimony payment obligations shall not vary their normal pay and disbursement cycles in order to comply with any such legal process.

"(f) Neither the United States, any disbursing officer, nor governmental entity shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if such payment is made in accordance with this section and the regulations issued to carry out this section.".

(c) Part D of title IV of such Act is further amended by adding at the end thereof the following new section:

"REGULATIONS PERTAINING TO GARNISHMENTS

"SEC. 461. (a) Authority to promulgate regulations for the implementation of the provisions of section 459 shall, insofar as the provisions of such section are applicable to moneys due from (or payable by)—

"(1) the executive branch of the Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any corporation the majority of the stock of which is owned or controlled by the Federal Government or any agency or instrumentality thereof, and the government of the District of Columbia), be vested in the President (or his designee),

"(2) the legislative branch of the Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Government, be vested in the Chief Justice of the United States (or his designee).

"(b) Regulations promulgated pursuant to this section shall—

"(1) in the case of those promulgated by the executive branch of the Government, include a requirement that the head of each agency thereof shall cause to be published, in the appendix of the regulations so promulgated, (A) his designation of an agent or agents to accept service of process, identified by title of position, mailing address, and telephone number, and (B) an indication of the data reasonably required in order for the agency promptly to identify the individual with respect to whose moneys the legal process is brought,

"(2) in the case of regulations promulgated for the legislative and judicial branches of the Governments, set forth, in the appendix to the regulations so promulgated, (A) the name, position, address, and telephone number of the agent or agents who have been designated for service of process, and (B) an indication of the data reasonably required in order for such entity promptly to identify the individual with respect to whose moneys the legal process is brought,

"(3) provide that (A) in the case of regulations promulgated by the executive branch of the Government, that each head of a governmental entity (or his designee) shall respond to relevant interrogatories, if authorized by the law of the State in which legal process will issue, prior to formal issuance of such process, upon a showing of the applicant's entitlement to child support or alimony payments, and (B) in the case of regulations promulgated for the legislative and judicial branches of the Government, or the person or persons designated as agents for service of process in accordance with paragraph (2) shall respond to relevant interrogatories if authorized by the law of the State in which legal process will issue, prior to formal issuance of legal process, upon a showing of the applicant's entitlement to child support or alimony payments.

"(c) In the event that a governmental entity, which is authorized under this section or regulations issued to carry out this section to accept service of process, pursuant to the provisions of subsection (a), is served with more than one legal process with respect to the same moneys due or payable to any individual, then such moneys shall be available to satisfy such processes on a first-come first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.".

"(d) Part D of title IV of such Act is further amended by adding after section 461 (as added by subsection (c) of this section) the following new section:

"DEFINITIONS

"SEC. 462. For purposes of section 459—

"(a) The term 'United States' means the Federal Government of the United States, consisting of the legislative branch, the judicial branch, and the executive branch thereof, and each and every department, agency, or instrumentality of any such branch, including the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation, any office, commission, bureau, or other administrative subdivision or creature thereof, and the governments of the territories and possessions of the United States.

"(b) The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which such individual has such an obligation, and (subject to and in accordance with State law) includes but is not limited to, payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children; such term also includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(c) The term 'alimony,' when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of such individual, and (subject to and in accordance with State law) includes but is not limited to, separate maintenance, alimony pendente lite, maintenance, and spousal support; such term also includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to his spouse or former spouse in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(d) The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes such person not to be subject to legal process.

"(e) The term 'legal process', when used in the context of section 459, means any writ, order, summons, or other similar process in the nature of garnishment, which—

"(1) is issued by (A) a court of competent jurisdiction wtihin any State, territory, or possession of the United States, or (B) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law, and

"(2) is directed to, and the purpose of which is to compel, a governmental entity, which holds moneys which are otherwise payable to an individual, to make a payment from such moneys to another party in order to satisfy a legal obligation of such individual to provide child support or make alimony payments.

"(f) Entitlement of an individual to any money shall be deemed to be 'based upon remuneration for employment', if such money consists of—

"(1) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to, severance pay, sick pay, and incentive pay (but does not include awards for making suggestions), or

"(2) periodic benefits (as defined in section 228(h)(3) of this Act) or other payments to such individual under the insurance system established by title II of this Act or any other system or fund established by the United States (as defined in subsection (a)) which provides for the payment of pensions, retirement or retired pay, annuities, dependents or survivors' benefits, or similar amounts payable on account of personal services performed by any individual (not including any payment under any Federal program established to provide 'black lung' benefits or compensation for deaths suffered by Federal employees, or any payment by the Veterans' Administration as compensation for service-connected disability or death),

and does not consist of amounts paid, by way of reimbursement or otherwise, to such individual by his employer to defray expenses incurred by such individual in carrying out duties associated with his employment.

"(g) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(1) are owed by such individual to the United States,

"(2) are required by law to be, and are, deducted from the remuneration or other payment involved, including but not limited to, Federal employment taxes, and fines and forfeitures ordered by court-martial,

"(3) are properly withheld for Federal, State, or local, income tax purposes, if the withholding of such amounts are authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402 (i) of the Internal Revenue Code of 1954 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding),

"(4) are deducted as health insurance premiums, "(5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage), and

"(6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).".

(e)(1) Subsection (b) of section 303 of the Consumer Credit Protection Act (15 U.S.C. 1673(b)) is amended—

(A) by inserting "(1)" immediately after "(b)",

(B) by redesignating clauses (1), (2), and (3) thereof as clauses (A), (B), and (C), respectively, and

(C) by adding at the end thereof the following new paragraph:

"(2) The maximum part of the aggregate disposable earnings of an individual for any workweek which is subject to garnishment to enforce any order for the support of any person shall not exceed—

"(A) where such individual is supporting his spouse or dependent child (other than a spouse or child with respect to whose support such order is issued), 50 per centum of such individual's disposable earnings for that week, and

"(B) where such individual is not supporting such a spouse or dependent child described in clause (A), 60 per centum of such individual's disposable earnings for that week;

except that, with respect to the disposable earnings of any individual for any workweek, the 50 per centum specified in clause (A) shall be deemed to be 55 per centum and the 60 per centum specified in clause (B) shall be deemed to be 65 per centum, if and to the extent that such earnings are subject to garnishment to enforce a support order with respect to a period which is prior to the twelve-week period which ends with the beginning of such workweek.".

(2) The provision of section 303(b) of the Consumer Credit Protection Act which is redesignated under paragraph (1) as clause (A) is amended by striking out all that follows "any order" and inserting in lieu thereof the following: "for the support of any person issued by a court of competent jurisdiction or in accordance with an administrative procedure, which is established by State law, which affords substantial due process, and is subject to judicial review.".

(3) Section 305 of such Act is amended by inserting "and (b)(2)" immediately after "section 303(a)" each place it appears therein.

(4) The amendments made by this subsection shall take effect on the first day of the first calendar month which begins after the date of enactment of this Act.

BONDING OF CERTAIN STATE OR LOCAL EMPLOYEES; HANDLING OF CASH RECEIPTS

SEC. 5. (a) Section 454 of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (12),

(2) by striking out the period at the end of paragraph (13) and inserting a semicolon in lieu thereof, and

(3) by adding at the end thereof the following new paragraphs:

"(14) comply with such bonding requirements, for employees who receive, disburse, handle, or have access to, cash, as the Secretary shall by regulations prescribe; and

"(15) maintain methods of administration which are designed to assure that persons responsible for handling cash receipts shall not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuse of cash receipts.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1976.

INCENTIVE PAYMENTS TO STATES AND LOCALITIES

SEC. 6. (a)(1) Section 458(a) of the Social Security Act is amended by striking out "parent—" and all that follows and inserting in lieu thereof "parent an amount equal to 15 per centum of any amount collected and required to be distributed as provided in section 457 to reduce or repay assistance payments.".

(2) Section 458(b) of such Act is amended by striking out "paragraphs (1) and (2) of".

(b) The amendments made by subsection (a) shall be applicable with respect to amounts collected on and after October 1, 1977.

EXTENSION OF DEMONSTRATION PROJECTS TO CHILD SUPPORT

SEC. 7. (a) Section 1115 of the Social Security Act is amended—

(1) in the matter preceding clause (a), by striking out "part A" and inserting in lieu thereof "part A or D",

(2) in clause (a) thereof, by inserting "454," immediately after "402,",

(3) in clause (b) thereof, by inserting "455," immediately after "403,", and

(4) in the second sentence thereof, (A) by striking out "$4,000,000" and inserting in lieu thereof "$8,000,000", and (B) by adding at the end thereof "No demonstration project authorized under this section for part D of title IV shall establish additional requirements for eligibility for aid under part A of title IV.".

(b) The amendments made by subsection (a) (other than the amendment made by clause (4) thereof) shall be effective on and after the date of enactment of this section, and the amendment made by such clause (4) shall be effective in the case of fiscal years which begin after the date of enactment of this Act.

ANNUAL REPORT OF THE SECRETARY

SEC. 8. (a) Section 452(a)(10) of the Social Security Act is amended to read as follows:

"(10) not later than three months after the end of such fiscal year, beginning with the year 1976, submit to the Congress a full and complete report on all activities undertaken pursuant to the provisions of this part, which report shall include but not be limited to, the following:

"(A) total program costs and collections set forth in sufficient detail to show the cost to the States and the Federal Government, the distribution of collections to families, State and local governmental units, and the Federal Government; and an identification of the financial impact of the provisions of this part;

"(B) costs and staff associated with the Office of Child Support Enforcement;

"(C) the number of child support cases in each State immediately prior to the effective date of this part and the number of such cases added each quarter thereafter, and the disposition of such cases;

"(D) the status of all State plans under this part as of the end of the fiscal year last ending before the report is submitted, together with an explanation of any problems which are delaying or preventing approval of State plans under this part;

"(E) data, by State, on the use of the Federal Parent Locator Service, and the number of locate requests submitted without the absent parent's social security account number;

"(F) the number of cases, by State, in which an applicant for or recipient of aid under a State plan approved under part A has refused to cooperate in identifying and locating the absent parent and the number of cases in which refusal so to cooperate is based on good cause (as determined in accordance with the standards referred to in section 402(a)(26)(B)(ii)); and

"(G) data, by State, on the use of Federal courts and on use of the Internal Revenue Service for collections, the number of court orders on which collections were made, the number of paternity determinations made and the number of parents located, in sufficient detail to show the cost and benefits to the States and to the Federal Government; and

"(H) the major problems encountered which have delayed or prevented implementation of the provisions of this part during the fiscal year last ending prior to the submission of such report.".

"(b) The amendment made by subsection (a) shall be effective in the case of reports, submitted by the Secretary of Health, Education, and Welfare, after 1975.".

SEC. 9. For purposes of determining the amount payable to the State of Georgia under section 403(a) of the Social Security Act on account of expenditures made by such State as aid to families with dependent children under its State plan approved under part A of title IV of such Act during calendar quarters, beginning after June 30, 1975 and prior to January 1, 1977, there shall be included as an offset against such expenditures amounts which—

(1) were collected as child support by the State pursuant to a plan approved under part D of such title IV, and

(2) were retained by the State pursuant to, and in accordance with the provisions of, section 457(a)(2) or section 457(b)(1).

Amend the title so as to read: "An Act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for one year the eligibility of supplemental security income recipients for food stamps, and to extend for one year the period during which payments may be made to States for child support collection services under part D of title VI of such Act, and for other purposes.".

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT AMENDMENTS

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 1518) to amend the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) to authorize additional appropriations to establish fuel efficiency demonstration projects, to provide additional enforcement authority for the odometer antitampering provisions, and for other purposes, with Senate amendments to the House amendments thereto, and concur in the Senate amendments to the House amendments.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendments to the House amendments, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment to the text of the bill, insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Motor Vehicle Information and Cost Savings Act Amendments of 1976".

TITLE I—AMENDMENT TO TITLE I

SEC. 101. Section 111 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1921) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 111. There are authorized to be appropriated to carry out this title $125,000 for the fiscal year ending June 30, 1976; $75,000 for the period beginning July 1, 1976, and ending September 30, 1976; $130,000 for the fiscal year ending September 30, 1977; and $395,000 for the fiscal year ending September 30, 1978.".

TITLE II—AMENDMENTS TO TITLE II

SEC. 201. Section 201(d) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941(d)) is amended by inserting at the end thereof the following: "The Secretary may by rule require automobile dealers to distribute to prospective purchasers any information compiled pursuant to this subsection.".

SEC. 202. Section 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 209. There are authorized to be appropriated to carry out this title $1,875,000 for the fiscal year ending June 30, 1976; $500,000 for the period beginning July 1, 1976, and ending September 30, 1976; $3,385,000 for the fiscal year ending September 30, 1977; and $3,375,000 for the fiscal year ending September 30, 1978.".

TITLE III—AMENDMENTS TO TITLE III

SEC. 301. Section 303 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1963) is amended—

(1) by striking out "June 30, 1976" in subsection (b) and inserting in lieu thereof September 30, 1977"; and

(2) by adding at the end thereof the following new subsection:

"(c) The Secretary shall approve such applications and take such other action as may be necessary to provide that at least three motor vehicle diagnostic inspection demonstration projects receive financial assistance under grants under this part through September 30, 1977.".

SEC. 302. Section 311 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1963a) is amended to read as follows:

"FUEL EFFICIENCY

"SEC. 311. (a) The Secretary shall establish a special motor vehicle diagnostic inspection demonstration project to assist in the research, rapid development, and evaluation of advanced inspection, analysis, and diagnostic equipment suitable for use by any State in any high volume inspection facility designed to assess the safety, noise, emissions, and fuel efficiency of motor vehicles. Motor vehicles shall be inspected at such project for purposes of (1) evaluating the conditions of parts, components, and repairs which may be necessary to comply with State and Federal safety, noise, and emissions standards, and (2) assisting the motor vehicle owner in achieving optimum fuel and maintenance economy.

"(b) The Secretary shall evaluate, to the extent feasible, the existing diagnostic analysis and test equipment available for use in small automotive repair establishments and report to the Congress, within two years after the enactment of the Motor Vehicle Information and Cost Savings Act Amendments of 1976, as to the scope of research and development required to make such equipment compatible with State motor vehicle inspection and diagnostic equipment. The report shall assess the extent to which private industry can supply small automotive repair shops with low-cost test equipment which can be used to monitor compliance with Federal safety, noise, and emissions standards promulgated by the Secretary, the Administrator of the Environmental Protection Agency, and by State or local regulatory agencies.

"(c) In carrying out this section, the Secretary shall provide—

"(1) the Administrator of the Environmental Protection Agency with an opportunity to assist, to the extent such assistance relates to noise and emissions, in the establishment of the special motor vehicle diagnostic inspection demonstration project under subsection (a) and the evaluation of existing diagnostic and test equipment under subsection (b); and

"(2) the Administrator of the Federal Energy Administration with an opportunity to assist, to the extent such assistance relates to fuel efficiency, in the establishment of such project and the evaluation of such equipment.".

SEC. 303. Section 321 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1964) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 321. There are authorized to be appropriated to carry out this title $5,000,000 for the fiscal year ending June 30, 1976; $500,000 for the period beginning July 1, 1976, and ending September 30, 1976; $7,500,000 for the fiscal year ending September 30, 1977; and $4,400,000 for the fiscal year ending September 30, 1978. Sums appropriated under this section shall remain available until expended.".

TITLE IV—AMENDMENTS TO TITLE IV

SEC. 401. Section 402 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1982) is amended by—

(1) redesignating paragraphs (1), (2), and (3) as paragraphs (3), (4), and (5), respectively; and

(2) inserting before paragraph (3), as redesignated, the following new paragraphs:

"(1) The term 'dealer' means any person who has sold 5 or more motor vehicles in the past 12 months to purchasers who in good faith purchase such vehicles for purposes other than resale.

"(2) The term 'distributor' means any person who has sold 5 or more vehicles in the past 12 months for resale.".

SEC. 402. The first sentence of section 403 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1983) is amended to read as follows: "No person shall advertise for sale, sell, use, or install or cause to be installed, any device which causes an odometer to register any mileage other than the true mileage driven.".

SEC. 403. Section 404 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1984) is amended to read as follows:

"UNLAWFUL CHANGE OF MILEAGE

"SEC. 404. No person shall disconnect, reset, or alter or cause to be disconnected, reset, or altered, the odometer of any motor vehicle with intent to change the number of miles indicated thereon.".

SEC. 404. Section 405 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1985) is amended to read as follows:

"OPERATION WITH INTENT TO DEFRAUD

"SEC. 405. No person shall, with intent to defraud, operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or nonfunctional.".

SEC. 405. Section 407 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1987) is amended by (1) inserting "(a)" immediately after "SEC. 407."; (2) striking out the last sentence thereof; and (3) adding at the end thereof the following new subsection:

"(b)(1) No person shall fail to adjust an odometer or affix a notice regarding such adjustment as required pursuant to subsection (a) of this section.

"(2) No person shall, with intent to defraud, remove or alter any notice affixed to a motor vehicle pursuant to subsection (a) of this section.".

SEC. 406. Section 408(b) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988(b)) is amended to read as follows:

"(b) No transferor shall violate any rule prescribed under this section or give a false statement to a transferee in making any disclosure required by such rule.

"(c) No transferee who, for purposes of resale, acquires ownership of a motor vehicle shall accept any written disclosure required by any rule prescribed under this section if such disclosure is incomplete.".

SEC. 407. Section 410 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990) is amended to read as follows:

"INJUNCTIVE ENFORCEMENT

"SEC. 410(a) The United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of this title, or rules, regulations, or order issued thereunder. Such actions may be brought by the Attorney General in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found, is an inhabitant, or transacts business. In any action brought under this section, process may be served on a defendant in any other district in which the defendant resides or may be found.

"(b) In any action brought under this title, subpenas for witnesses who are required to attend a United States district court may run into any other district.".

SEC. 408. Title IV of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1981 et seq.) is amended by—

(1) redesignating sections 411, 412, and 413 as sections 418, 419, and 420, respectively; and

(2) inserting immediately after section 410 the following new sections:

"STATE ENFORCEMENT

"SEC. 411. (a) If any person violates any requirement imposed under this title, the chief law enforcement officer of the State in which such violation occurred may bring any action to—

"(1) restrain such violation; or

"(2) recover amounts for which such person is liable under section 409 to each person on whose behalf such action is brought.

"(b) Any action under subsection (a) of this section may be brought within two years from the date on which the liability arises—

"(1) without regard to the amount in controversy, in any appropriate district court of the United States, or

"(2) in any court of competent jurisdiction of any State.

"CIVIL PENALTY

"SEC. 412. (a) Any person who commits any act or causes to be done any act that violates any provision of this title or omits to do any act or causes to be omitted any act that is required by any such provision shall be subject to a civil penalty not to exceed $1,000 for each such violation. A violation of any such provision shall, for purposes of this section, constitute a separate violation with respect to each motor vehicle or device involved, except that the maximum civil penalty shall not exceed $100,000 for any related series of violations.

"(b) Any civil penalty under this section shall be assessed by the Secretary and collected in a civil action brought by the Attorney General on behalf of the United States. Before referral of civil penalty claims to the Attorney General, civil penalties may be compromised by the Secretary after affording the person charged with a violation of any section of this title an opportunity to present views and evidence in support thereof to establish that the alleged violation did not occur. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"CRIMINAL PENALTIES

"SEC. 413. (a) Any person who knowingly and willfully commits any act or causes to be done any act that violates any provision of this title or knowingly and willfully omits to do any act or causes to be omitted any act that is required by any such provision shall be fined not more than $50,000 or imprisoned not more than one year, or both.

"(b) Any individual director, officer, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation of any section of this title shall be subject to penalties under this section without regard to any penalties to which that corporation may be subject under subsection (a).

"INSPECTIONS AND INVESTIGATIONS

"SEC. 414. (a) (1) The Secretary is authorized to conduct any inspection or investigation necessary to enforce this title or any rules, regulations, or orders issued thereunder. Information obtained indicating noncompliance with this title or any rules, regulations, or orders issued thereunder, may be referred to the Attorney General for investigative consideration. In making investigations under this paragraph, the Secretary shall cooperate with appropriate State and local officials to the greatest extent possible consistent with the purposes of this subsection.

"(2) For purposes of carrying out paragraph (1) of this subsection, officers or employees duly designated by the Secretary, upon stating their purpose and presenting appropriate credentials and written notice (which notice may consist of an administrative inspection warrant) to the owner, operator, or agent in charge, are authorized at reasonable times and in a reasonable manner—

"(A) to enter (i) any factory, warehouse, establishment, or other commercial premises in or on which motor vehicles or items of motor vehicle equipment are manufactured, held for shipment or sale, maintained, or repaired, or (ii) any noncommercial premises in or on which the Secretary reasonably believes that there is a motor vehicle or item of motor vehicle equipment that has been the object of a violation of this title;

"(B) to impound, for a period not to exceed 72 hours, for purposes of inspection, any motor vehicle or item of motor vehicle equipment that the Secretary reasonably believes to have been the object of a violation of this title; and

"(C) to inspect any factory, warehouse, establishment, premises, vehicle, or equipment referred to in subparagraph (A) or (B) of this paragraph.

Each inspection or impoundment under this paragraph shall be commenced and completed with reasonable promptness.

"(3) Whenever, under the authority of paragraph (2)(B) of this subsection, the Secretary impounds for the purpose of inspection any motor vehicle (other than a vehicle subject to part II of the Interstate Commerce Act) or any item of motor vehicle equipment, he shall pay reasonable compensation to the owner of such vehicle or equipment to the extent that such inspection or impounding results in the denial of the use of the vehicle or equipment to its owner or in the reduction in value of the vehicle or equipment.

"(b) For the purpose of enabling the Secretary to determine whether any dealer or distributor has acted or is acting in compliance with this title or any rules, regulations, or orders issued thereunder, each dealer and distributor shall—

"(1) maintain such records as the Secretary may reasonably require to make such determination;

"(2) permit an officer or employee duly designated by the Secretary, upon request of such officer or employee, to inspect appropriate books, papers, records, and documents relevant to making such determination; and

"(3) provide such officer or employee information from records required to be maintained under this subsection as the Secretary finds necessary for such determination if the Secretary (A) provides the reason or purpose for requiring such information, and (B) identifies to the fullest extent practicable such information.

Nothing in this subsection authorizes the Secretary to require a dealer or distributor to provide information on a regular periodic basis.

"(c) (1) For the purpose of carrying out the provisions of this title, the Secretary or, with the authorization of the Secretary, any officer or employee of the Department of Transportation may hold such hearings, take such testimony, sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts, agreements, or other records as the Secretary, or such officer or employee, deems advisable.

"(2) In order to carry out the provisions of this title, the Secretary or his duly authorized agent shall at all reasonable times have access to, and for the purposes of examination the right to copy, any documentary evidence of any person having materials or information relevant to any function of the Secretary under this title.

"(3) Except to the extent inconsistent with the last sentence of subsection (b) of this section, the Secretary is authorized to require, by general or special orders, any person to file, in such form as the Secretary may prescribe, reports or answers in writing to specific questions relating to any function of the Secretary under this title. Such reports and answers shall be under oath or otherwise, and shall be filed with the Secretary within such reasonable period as the Secretary may prescribe.

"(4) Any of the district courts of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena or order of the Secretary or such officer or employee issued under paragraph (1) or (3) of this subsection, issue an order requiring compliance therewith, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(5) Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage which are paid witnesses in the courts of the United States.

"(d) All information reported to or otherwise obtained by the Secretary or his representative under this title, which information contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code, shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under his control from the duly authorized committees of the Congress.

"ADMINISTRATIVE WARRANTS

"SEC. 415. (a) A warrant under this section shall be required for any entry or administrative inspection (including impoundment of motor vehicles or motor vehicle equipment) authorized by section 414 of this Act, except if such entry or inspection is—

"(1) with the consent of the owner, operator, or agent in charge of the factory, warehouse, establishment, or premises;

"(2) in situations involving inspection of motor vehicles where there is reasonable cause to believe that the mobility of the motor vehicle makes it impracticable to obtain a warrant;

"(3) in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking;

"(4) for access to and examination of books, records, and any other documentary evidence pursuant to section 414(c)(2); or

"(5) in any other situations where a warrant is not constitutionally required.

"(b) Issuance and execution of administrative inspection warrants shall be as follows:

"(1) Any judge of the United States or of a State court of record, or any United States magistrate, may, within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting administrative inspections authorized by section 414 and of impoundment of motor vehicles or motor vehicle equipment appropriate to such inspections. For the purposes of this section, the term 'probable cause' means a valid public interest in the effective enforcement of this title or regulations issued thereunder sufficient to justify administrative inspections of the area, factory, warehouse, establishment, premises, or motor vehicle, or contents thereof, in the circumstances specified in the application for the warrant.

"(2) A warrant shall be issued only upon an affidavit of an officer or employee having knowledge of the facts alleged, sworn to before the judge or magistrate and establishing the grounds for issuing the warrant. If the judge or magistrate is satisfied that grounds for the application exist or that there is a reasonable basis for believing they exist, he shall issue a warrant identifying the area, factory, warehouse, establishment, premises, or motor vehicle to be inspected, the purpose of such inspection, and, where appropriate, the type of property to be inspected, if any. The warrant shall—

"(A) identify the items or type of property to be impounded, if any;

"(B) be directed to a person authorized under section 414 to execute it;

"(C) state the grounds for its issuance and the name of the person or persons whose affidavit has been taken in support thereof;

"(D) command the person to whom it is directed to inspect the area, factory, warehouse, establishment, premises, or motor vehicle identified for the purpose specified, and, where appropriate, shall direct the impoundment of the property specified;

"(E) direct that it be served during the hours specified in it; and

"(F) designate the judge or magistrate to whom it shall be returned.

"(3) A warrant issued pursuant to this section must be executed and returned within 10 days of its date unless, upon a showing by the Secretary of a need therefor, the judge or magistrate allows additional time in the warrant. If property is impounded pursuant to a warrant, the person executing the warrant shall give the person from whom or from whose premises the property was taken a copy of the warrant and a receipt for the property taken or shall leave the copy and receipt at the place from which the property was taken. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property taken. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was taken, if they are present, or in the presence of at least one credible person other than the person making such inventory, and shall be verified by the person executing the warrant. The judge or magistrate, upon request, shall deliver a copy of the inventory to the person from whom or from whose premises the property was taken and to the applicant for the warrant.

"(4) The judge or magistrate who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall file them with the clerk of the district court of the United States for the judicial district in which the inspection was made.

"PROHIBITED ACTS

"SEC. 416. No person shall fail to comply with the requirements of section 414 to maintain records, make reports, provide information, permit access to or copying of records, permit entry or inspection, or permit impounding.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 417. There are authorized to be appropriated to carry out this title $450,000 for the fiscal year ending June 30, 1976; $100,000 for the period beginning July 1, 1976, and ending September 30, 1976; $650,000 for the fiscal year ending September 30, 1977; and $562,000 for the fiscal year ending September 30, 1978.".

Amend the amendment of the House to the title so as to read: "An Act to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to require the establishment of a special motor vehicle diagnostic inspection demonstration project, to provide additional authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes.".

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. McCOLLISTER. Mr. Speaker, reserving the right to object, and I shall not object, will the gentleman give a brief explanation?

Mr. MURPHY of New York. Mr. Speaker, if the gentleman will yield, yes, I will be happy to oblige my colleague.

Mr. Speaker, this bill provides continued funding for the Motor Vehicle Information and Cost Savings Act through fiscal year 1978.

A special diagnostic inspection demonstration project is funded to assist in the development of testing equipment for use by the States in monitoring safety, noise emissions, and fuel efficiency of motor vehicles.

The Department of Transportation must report to Congress on the development of diagnostic testing equipment for small automotive repair garages to enable them to compete with automobile dealer garages. This equipment will be used to monitor compliance with Federal and State standards.

Title IV of this act prohibits tampering with motor vehicle odometers. The Department of Justice now enforces this title. Both Justice and Transportation—which administers this act—want the provision in this bill permitting State chief law enforcement officers to also enforce this title. There is evidence of widespread traffic in used motor vehicles whose apparent value is increased by setting the odometers back, prior to resale.

The Senate concurred in the House amendments to this bill on June 29 with additional amendments, which are acceptable to both the majority and minority members of the Interstate and Foreign Commerce Committee. Prompt action by the House is essential to continue funding during the transition period and the next 2 fiscal years.

Mr. McCOLLISTER. Mr. Speaker, I thank the gentleman from New York and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

RENEWAL OF REQUEST TO INSERT IN CONGRESSIONAL RECORD DRAFT PLATFORM OF 1976 DEMOCRATIC NATIONAL CONVENTION

Mr. PEPPER. Mr. Speaker, I renew the unanimous-consent request that I made this morning to extend my remarks and include the recently announced Democratic platform and opinions for the RECORD.

Mr. Speaker, I am now prepared to answer the inquiry this morning of the able gentleman from Maryland (Mr. BAUMAN).

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I understand the gentleman from Florida has consulted with the House Commission on Franking and received a ruling that if the Democratic platform is, indeed, printed in the RECORD as requested, it is not frankable material because it is political. With that assurance I do not object to the request.

Mr. PEPPER. Mr. Speaker, if the gentleman from Maryland will yield, it would not be proper for a Member to reprint this document and distribute it under his franking privilege.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mrs. FENWICK. Mr. Speaker, reserving the right to object, I would like to ask, if both the Democratic and Republican platforms are to be printed in the RECORD, who is going to pay for the printing?

Mr. PEPPER. Mr. Speaker, if the gentlewoman will yield, before I made the unanimous-consent request this morning, I discussed this matter with the distinguished minority leader. The gentleman agreed that he thought it would be in the public interest for these two documents to be included in the CONGRESSIONAL RECORD for the information of the Congress and of the country and the same request may be made on behalf of the introduction of the Republican platform.

Mrs. FENWICK. Mr. Speaker, further reserving the right to object, what would be the cost of this?

Mr. PEPPER. I have an estimate from the printer that it would take about 16 pages and would cost $4,576.

Mrs. FENWICK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, I was unavoidably detained and missed rollcall No. 506 by a few seconds. While I had a general pair, had I been here at the time, I would have voted "aye."

REAFFIRMATION OF THE DECLARATION OF INDEPENDENCE

Mr. O'NEILL. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 672) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 672

Whereas on July 2, 1776, the Continental Congress in Philadelphia approved a resolution submitted by Richard Henry Lee declaring that "these colonies are, and of right ought to be, Free and Independent States;" and,

Whereas on July 2, 1776 there existed among those Members of Congress meeting in Philadelphia a spirit of Liberty and Justice; and,

Whereas the efforts of these founding fathers led to a Declaration of Independence and the creation of the United States of America; and,

Whereas 1976 is the two-hundredth anniversary of the democratic form of government initiated by these leaders assembled in Philadelphia in 1776; now, therefore, be it,

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States of America does hereby reaffirm its commitment to the Ideals and Principles expressed in the Declaration of Independence by Members of Congress assembled in Philadelphia on July 2, 1776, resulting in the formation of the enduring Democracy that is the United States of America.

The SPEAKER. Without objection, the Chair recognizes the gentleman from Maryland.

There was no objection.

Mr. BAUMAN. Mr. Speaker, as I read this resolution, it does reaffirm the principles of the Declaration of Independence. I am wondering whether or not the majority leader can tell me whether this was approved by the Democratic caucus?

The SPEAKER. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING INTERVENTION OF HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS IN THE CASE OF COMMON CAUSE VERSUS BAILAR ET AL.

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1382 and ask its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1382

Resolved, That the House Commission on Congressional Mailing Standards is authorized to seek to intervene in the pending action entitled "Common Cause et al. v. Benjamin Bailar et al.", Civil Action Numbered 1887–73, pending in the United States District Court for the District of Columbia.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution was introduced by the majority leader and the minority leader. It is an action recommended to the Congress by the Justice Department. It will enable the House Commission on Congressional Mailing Standards to seek to intervene in the suit against the Department of the Treasury having to do with the frank.

It is, as far as I know, totally noncontroversial, and it is in the interests of the House and the Members of the House that the resolution be agreed to.

Mr. LOTT. Mr. Speaker, I thank the gentleman for his explanation, and I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1382 is designed to authorize the House Commission on Congressional Mailing Standards to seek to intervene in the action entitled "Common Cause et al. v. Benjamin Bailar et al." which presently is pending in the U.S. District Court for the District of Columbia. This action arose in 1973 when Common Cause filed suit against the Postmaster General and the Secretary of the Treasury to prevent the expenditure of funds to honor the congressional frank, alleging that the franking statute was unconstitutional.

Since the suit was filed, several employees of the House have been issued subpenas. Private attorneys were retained by authority of House Resolution 85 to assist these employees in responding to the subpenas and to examine the alternatives available to the House. Thereafter, a conclusion was reached that the best interests of the House would be served by its intervening in the matter in order to argue the constitutionality of the franking statute before the court. Pursuant to this determination, House Resolution 1382 was introduced by the majority and minority leaders and referred to the Committee on Rules. On June 30 the resolution was passed unanimously by that committee and ordered reported to the House.

Mr. Speaker, I favor this resolution and support its adoption.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CORRECTION OF THE RECORD

Mr. KASTEN. Mr. Speaker, on rollcall No. 489 I am not recorded. Had my vote been recorded I would have voted "nay."

I ask unanimous consent that my statement be inserted in the permanent RECORD immediately following the vote on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time to inquire of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), as to the program when we reconvene after the recess.

Mr. O'NEILL. Mr. Speaker, if the gentleman will be kind enough to yield, I will explain the program.

Mr. MICHEL. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of July 19, 1976, is as follows:

On Monday, we will call the Consent Calendar.

Under suspension of the rules, there are four bills scheduled. Votes on suspensions will be postponed until the end of all suspensions. The bills which will be considered under the suspension of rules are as follows:

H.R. 12939, Coast Guard personnel;

H.R. 13326, *Delta Queen;*

H.R. 13218, U.S.S. *United States;* and

H.R. 13720, debt collection practices.

Following the votes on the suspension bills we will consider H.R. 10210, unemployment compensation amendments, with a modified open rule, with 2 hours of general debate. The rule and general debate only will be taken on Monday.

Tuesday, Wednesday, Thursday, and Friday—and take note of the fact that I said Friday—we will call the Private Calendar.

Under suspension of the rules, there is one bill listed:

H.R. 14311, Panama Canal Company accounting standards.

This will be followed by H.R. 10210, unemployment compensation amendments, with votes on the amendments and the bill;

H.R. 6218, Outer Continental Shelf Act amendments, with votes on amendments and the bill;

H. Res. 1350, Select Committee on Narcotics;

H.R. 13777, public land policy and management, with an open rule with 2 hours of debate;

H.R. 7743, Pennsylvania Avenue development, with an open rule with 1 hour of debate;

H.R. 8401, nuclear fuel assurance, with an open rule with 2 hours of debate;

H.R. 13876, international banking, with an open rule with 1 hour of debate; and

H.R. 13955, Bretton Woods agreement, with an open rule and 1 hour of debate.

Conference reports may be brought up at any time, and any further program will be announced later.

May I make reference to the fact that, according to our program, we will work the following three Fridays in a row. That is what the schedule calls for. The House will adjourn on the following Wednesday, August 11, 1976, I believe, in order that the Republicans will have the time for their convention.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 21, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday, July 21, 1976, be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Monday, July 19, 1976, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED BY THE TWO HOUSES AND FOUND TRULY ENROLLED, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House from July 2 to July 19, 1976, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MICHEL. Mr. Speaker, I would like to ask one more question of the distinguished majority leader. On those Fridays that will be intervening, it is understood we will be having sessions on each of those Fridays up until we have our next recess?

Mr. O'NEILL. If the gentleman will yield, it apparently appears there will be enough of a work load that we will be working Fridays. So, anybody who is planning to be campaigning, or vacationing, anything of that nature, we must take into consideration that we are planning to work the Fridays of those 3 weeks we will be back.

Mr. MICHEL. I thank the gentleman.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, FRIDAY, JULY 2, 1976, TO FILE A REPORT ON H.R. 14566

Mr. LEVITAS. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight, Friday, July 2, 1976, to file a report on the bill (H.R. 14566), to enable freestone peach growers to finance a nationally coordinated research and education program to improve their competitive position and expand their markets for peaches.

The SPEAKER. Is there objection to

the request of the gentleman from Georgia?

There was no objection.

"THE SPIRIT OF 1776" CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, tomorrow is the 200th anniversary of the passage, by the Second Continental Congress, of the Declaration of Independence. Sunday, July 4, is the anniversary of the date of the order for the document to be printed.

It is also the date which we regard as the birth of these United States of America, and that fact is little short of remarkable.

Most nations do not consider their birthdate to be the day they adopted a statement of principles upon which the country was founded. Ask an English scholar when Britain emerged and he or she will most likely mention the date of October 14, 1066, the Battle of Hastings. The French celebrate as their national holiday comparable to our Fourth of July the anniversary of the storming of the Bastille on July 14, 1789. And so on. Violent acts, battles, uprisings, overthrow of the status quo and the like—these are the hallmarks of most emerging nations.

Our country, however, had its beginning not on the battlefield—we could, after all, have celebrated the victory at Yorktown—but rather in the agreement among a remarkable group of men who, in addition to all their other attributes, had the revolutionary quality of being representatives of the people of the Nation they proposed to found.

And remarkable as the event of the 1776 agreement was, the substance of the document they signed was even more so. They decided to create a nation upon the principle that human rights existed in the very nature of man. Although a tyrant might prevent the implementation of those rights, he could not really take them away, nor could he grant them.

This was very different from the British experience. King John was forced, in a political power play, to grant rights to the barons at Runnymede through the Magna Carta. The idea that a king could grant rights was foreign to Jefferson's thinking and to the spirit of 1776. For Jefferson and his cosigners, rights came from no political institution, but from natural law. "Nature and Nature's God" was a phrase sufficiently broad to please men of quite different religious beliefs and yet specifically to the point. Nature and Nature's God, the Founding Fathers were saying, created people with arms, legs and ears, but also with minds, souls, rights, and responsibilities.

This last was a revolutionary concept in 1776, and it still is.

It is to our discredit that if an American today were asked from whence we get our rights to life, liberty and the pursuit of happiness, he would most likely respond, "from the Declaration of Independence." Jefferson would be appalled. And he would be even more shocked at what I suspect would be the second most popular answer, "from the Constitution."

The Constitution is a very practical document, devoid of eloquent statements of political philosophy such as bejewel the Declaration. The delegates to the Constitutional Convention sought not to expound upon the rights of men, but rather, knowing perfectly well what those rights were, inasmuch as they had been clearly identified in the Declaration, they sought instead to seek the "consent of the governed" that there might be established a "more perfect union."

They would argue according to the following logic: In order to secure the natural rights of the people, governments are instituted; for America in 1787, the best available judgment suggested a bicameral Legislature, a Chief Executive, Supreme Court and all the rest.

It is interesting that in the preamble to the Constitution, the verb "secure" appears in virtually the same construction in which it appears in the Declaration. Jefferson said the purpose of governments was to "secure these rights": life, liberty and the pursuit of happiness; and the Constitution justifies itself as a proposal to "secure the blessing of liberty to ourselves and our posterity."

Thus it is clear that the framers of the Constitution were drawing heavily on the Declaration, then 11 years old. But their mission was different, as were the circumstances of the day. Roger Sherman noted that, during the Convention:

> The question was not what rights naturally belong to men, but how they may be most equally and effectually guarded in society.

Their purpose was to design the blueprint for the operations of Government. Benjamin Fletcher Wright explained the Convention in the following manner:

> It was called for the sole purpose of revising the existing form of government, and its sessions were not disturbed by the precarious circumstances of a struggle for existence. Some of its members had been leaders in the popularization of the concept of natural law during the years preceding the Revolution, but the philosophical needs of the occasion were different from those of that period. Then, too, the smallness of the assembly and the privacy of the proceedings contributed to produce a type of reasoning in which there were few appeals to the law of nature. This does not mean that the members of the convention repudiated this doctrine. Lacking a stenographic record of the speeches, we cannot be sure of their precise wording, but on the basis of Madison's notes and the more fragmentary notes of Yates, McHenry and King, it seems safe to say that no member of the convention, in spite of the secrecy of the discussion, ever questioned the validity of this concept.

In retrospect, it might have been better had the framers taken the time to reaffirm more clearly in their document the underlying principle in which they so clearly believed, and without which their work, far from being a great force for moral betterment based upon the rights of human beings, is really no more than another statement of a system for administering civil laws.

The Constitution without the Declaration leaves us without the advantage of understanding that our rights come not from civil law, which may be changed, nor Government, which has no rights at all save those ceded to it by the people, or indeed from the Constitution itself, which like a civil law may also be changed, although with greater difficulty.

Thus, our natural rights are not truly safeguarded from the Government unless the two documents are read together. In the early days of the Republic, there was a general understanding that they would be. John Quincy Adams addressed the subject directly in an 1839 speech:

> The Declaration of Independence and the Constitution of the United States, are parts of one consistent whole founded upon one and the same theory of government, then new, not as a theory, for it had been working itself into the mind of man for many ages, and been especially expounded in the writings of Locke, but had never before been adopted by a great nation in practice.
>
> There are yet even at this day, many speculative objections to this theory. Even in our own country there are still philosophers who deny the principles asserted in the Declaration, as self-evident truths—who deny the natural equality and inalienable rights of man—who deny that the people are the only legitimate source of power—who deny that all just powers of government are derived from the consent of the governed. This antirevolutionary theory . . . arrays state sovereignty against the constituent sovereignty of the people and distorts the Constitution of the United States into a league of friendship between confederate corporations. I speak to matters of fact. There is the Declaration of Independence and there is the Constitution of the United States—let them speak for themselves.

In Adams' time, proponents of the doctrine of nullification and the right of secession had lost sight of the intimate connection between the Declaration and the Constitution; they supported courses of action which could only be justified under the assumption that the Constitution is a compact of States, which possessed power in and of themselves.

In our time as well, we cannot assume that our leaders make a connection between the Declaration and Constitution. Yet our reliance on this connection is crucial in maintaining the overriding principle that the Government derives its power to govern from the people based on natural rights that extend from natural law. Alarming evidence of this shift away from the Founding Fathers' beliefs can be seen in the actions of the judicial branch of the Federal Government.

Instead of looking toward the people, their representatives in Congress, and the reason relied upon by the signers of the Declaration, the Supreme Court in some situations has become a law unto itself. It has moved uncomfortably to where the Court together with the Constitution appears to be absolute. The distinguished University of Michigan law professor Paul Kauper was able to accurately peg the danger in an address given in 1973:

> Where, if at all, can a basis be found for the moral consensus which is the heart of natural law? Historical tradition is important. The accepted views of nations are relevant. To others it may appear that the Constitution and the values it embodies constitute our moral consensus and that the Supreme Court serves the function of moulding and interpreting our higher law. But . . . dangers lurk in the view that ultimate ideas of wisdom, justice and morality are embodied in a written legal instrument. The ultimate

> ideas and the transcendent values must, in their very nature, lie outside the Constitution, just as basic rights have their source outside the Constitution. It is a form of idol worship to see the Constitution as the expression of ultimate values in our nation's life.
>
> Moreover, it is dangerous to rely on an institution—more particularly a tribunal of nine men—for the ultimate exposition of our national values. It is sometimes said that the Supreme Court is the conscience of the nation. This is specious. The Court cannot impose its notion of conscience without regard to the accepted moral views of the community. It can lead, but within limits. In the end its decision on ultimate values must be sustained by some higher law rooted in the common consciousness and understanding.

Professor Kauper's singling out of the Supreme Court for special consideration is certainly valid in terms of the understanding of the Declaration suggested herein, but at least two defenses of the Court may be advanced.

The first is minor, but nonetheless worth mentioning: the Court is not alone in transgressing the values and moral views of the people. Others do it as well.

The other defense is more to the point. Since the Constitution does not spell out the nature of human rights and responsibilities, and since the Declaration, for all its majesty does not have the force of law within our Nation, then how can we criticize the institution whose function is to interpret the meaning of the law in those cases where such meaning is not immediately obvious?

One can imagine a Supreme Court Justice saying, "If you want us to consider natural law in making our decisions, then put it in the Constitution."

Indeed, if the thesis of the Declaration is correct, and all rights do reside with the people, who cede to government only those they choose, then it follows that they must specifically cede to their courts the "right" to consider the workings of natural law in reaching their decisions.

In other words, we should give the Declaration of Independence the force of law.

It might be argued that to do so, with this particular purpose in mind, is to ask the Court to perform an impossible task. Who, after all, can read the inscrutable hand of Nature's God? If we adopt this attitude, we should do it knowing that Jefferson would have violently disagreed. He wrote:

> Natural law and rights can be discovered by the head and heart of every rational and honest man. It is there nature has written her moral laws, and where every man may read them for himself.
>
> Questions of natural right, are triable by their conformity with the moral sense and reason of man.

If the clearly stated language of the Declaration on the subject of natural law were embodied in the Constitution, then the Government, particularly the Supreme Court, as interpreter of our rights, would be forced to consider natural law in making decisions where moral values are concerned.

Moreover, if that language were inserted into the Constitution today, as an amendment which had been debated pro and con in view of the arguments considered herein, then its intent would be particularly clear, and the duty of the Justices obvious.

With the principles of the Declaration included in the Constitution the right of the people to govern themselves would be manifest. The Court would then be obligated to utilize the Constitution and natural law in its interpretation of questions of law and therefore would also be obligated to maximize its deference to the people and their elected representatives. If the Supreme Court does otherwise and chooses to act on its own, then it has placed itself above the people and has become the "State" drawing its powers from no legitimate source whatsoever. In other words, the Court cannot avoid the natural law basis for its decisions where applicable without denying the principle contained in the Declaration of Independence that we have the right to govern ourselves.

Such an amendment would also serve to rededicate the Nation to the principles of the Declaration of Independence and to increase public understanding of the meaning of this greatest of all political documents.

The amendment would best be constructed in the following form:

Article ——

SECTION 1. The following words are added as the second paragraph to the Preamble of this Constitution:

We hold these truths to be self-evident, that all people are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness. That to secure these rights, Governments are instituted among People, deriving their just Powers from the Consent of the Governed.

SEC. 2. The interpretation of this Constitution shall be based on the principles as expressed in the Declaration of Independence by the Representatives of the United States of America, in General Congress assembled, July 4, 1776.

SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States by September 17, 1987.

The inclusion of the text of the Declaration as an addition to the Preamble will basically, then, state the importance which the amendment itself will have. It would emphasize the act of rededication by the American people. Section 2 is the portion of the amendment which could have significant legislative impact.

This section of the amendment could be used in such a manner as to affect several issues, which are, at present, considered unresolved by many. Foremost, perhaps, among these is the question of abortion. The Roe and Doe abortion decisions of 1973 provide for three circumstances during pregnancy, and three corresponding legal "remedies." In the first trimester of pregnancy, a woman's freedom to an abortion may not be abridged; in the second trimester, the state may impose restrictions but may not proscribe abortion, and, in the last 3 months of pregnancy, abortion of any sort may be prohibited, except to preserve the life or health of the mother. The Court's justification for its permission to abort a fetus in the first 6 months of pregnancy was not based on a definition of "life," which the Justices did not attempt to make. Rather, they saw a right to "privacy" and, possibly, "property," in these cases.

This rationale did not please many people. In their protests against the decision, antiabortion spokesmen concerned themselves to a considerable degree with the manner in which the decision was made. California-Berkeley Law Prof. David Lousell, writing in the Human Life Review, said:

> Even more regrettable than the Court's decisions themselves is the rationale by which they were reached.

Lousell and others argued that the judiciary had imposed a ruling arbitrarily drawn upon the Constitution.

But why not? The Constitution does not specify a categorical right to life. But the Declaration of Independence does. By asserting an absolute right to life, the amendment could focus all of the judicial controversy with respect to abortion, onto the issue of when human life begins. If the Court found that it did not have enough knowledge to decide when human life begins it would have to turn to the people.

Under the philosophy of the Declaration, the people must decide questions which they have not put into the hands of the Government, or which are not discoverable through the application of natural law. Thus the adoption of this amendment would, in the event the Court could not find justification for applying natural law, return the whole issue to the people, who could then act through their Congress if they chose to do so or through themselves. The amendment might well have the same result on other "life-related" issues, notably euthanasia and capital punishment. The situation on euthanasia is very similar to that on abortion, as it requires the difficult-to-determine definition of life. This would probably place this question back in the domain of the Congress. Whether the Court chooses to take the "eye-for-an-eye" stance or the absolute right-to-life stance on the capital punishment issue remains for the Court's interpretation of natural law.

Besides the "life" issues, a major question arises with the terminology "created equal." This encompasses not only the equal rights amendment, but also the issues of civil rights and school busing as well. It is imperative, in consideration of these issues, to keep in mind, the definition of equality advanced by Thomas Jefferson, intended as one of the Nation's founding principles. John Dewey reminds us of Jefferson that:

> He was convinced, beyond any peradventure, on national and rational grounds of the existence of a divine righteous Creator who manifested his purposes in the structure of the world, especially in that of society and the human conscience. The natural equality of all human beings was not psychological nor legal. It was intrinsically moral, as a consequence of the equal moral relation all human beings sustain to their Creator;—equality of moral claims and of moral responsibilities. Positive law—or municipal law, as Jefferson termed it—and political institutions thus have both a moral foundation and a moral criterion or measure.

This Jeffersonian philosophy understood, the amendment would give wide discretion to the Congress. The Court would be empowered to rule if any person's rights—either "life, liberty, and the pursuit of happiness," those enumerated in the Bill of Rights, or those basic to natural law—were violated. The question of tools for protecting these rights whether it be through job status, equal educational opportunity, busing, et cetera, are creations of Government and, therefore, should be decided by Congress.

It is possible, and perhaps even likely, that on some issues no national consensus will be achievable, and thus Congress would not be able to decide the matter. In such cases, the holders of power, the people, may wish to work their will on a State-by-State basis, through their individual legislatures or through themselves. In this way, as in many others, the amendment works to promote pluralism within a general framework of natural law.

The amendment should be viewed as a shorthand way of stating the essential values and beliefs that characterized the original American experiment. The point is to require the Court to take into account—and give fair weight to—the spiritual ethos of the American society which gave us a Jefferson, Washington, Franklin, Adams, Hamilton, and the others; it is to supplement the Bill of Rights material protections—for example, habeas corpus, no unreasonable search/seizure, trial by jury, no cruel/unusual punishment, et cetera—with spiritual protections for the citizenry.

Once those protections and values are comprehensively enumerated and articulated, lower courts, that is, State supreme courts, Federal district courts—can be expected to give hearing and perhaps in some cases considerable weight to moral/ethical/spiritual arguments attacking some permissive statute or seeking to uphold some traditionalist statute. For example, coupling this amendment with an early paragraph in the Northwest Ordinance re "religion and morality being essential to well-ordered society, schools shall be established," one makes a case for reversal of the McCollum decision, which struck down voluntary ecumenical religious instruction offered on public school premises; and Schempp, which invalidated Biblereading in public schools. The amendment would enable the court to review these cases in light of the spirit of the Founding Fathers who, in the words of a former Congressman who proposed a voluntary prayer amendment, believed "that separation of church and State was meant to protect the State from mandatory religion, not from voluntary worship."

The ultimate litigative impact of this amendment may be to place the Constitution in a frame of reference, a perspective which, while of continued vitality, nevertheless introduces jurisprudential concepts—perhaps of a higher law—which will conceivably replace inordinate adherence to logic as a judicial and litigative framework. The Constitution would no longer be worshiped as an absolute, but "justice" could be used to supplement the written law, if needed. That document would not become cluttered with items whose determination could be facilitated by the amendment. The way in which the Court or the people would react on any of these issues is, largely, unpredictable, thus the debate on the amendment should center on the concept of natural law versus legal positivism, instead of the number of constituents lost by taking a probusing stance, et cetera.

The astute lawyer will point out that a modern constitutional amendment is obviously intended to have meaning and is a reflection of the people's judgment that society was drifting away from its original underpinnings. One thing is clear, however; justification would exist to request the court to rehear cases on some of these controversial issues. The Court would have the responsibility to come to conclusions, not compromises.

The Court would have to reckon with natural law and natural rights in its decisionmaking process. To do otherwise would violate the natural law and natural right foundation that underlies the principle that the people have the right to govern themselves. This principle embodies the essence of the "Spirit of 1776."

It is a spirit well worth recapturing, a moment of sublime insight. John Adams, as much as any man responsible for the final outcome of the Philadelphia Congress, was perhaps the only delegate to catch a glimpse of the occasion as posterity would see it. On the morning of July 3 he snatched time to dash off an exuberant note to his wife:

> Yesterday the greatest question was decided, which ever was decided in America, and a greater, perhaps never was nor will be decided among men.

Enthusiastic as this appraisal was, Adams must have concluded that he had not gone far enough. That same evening he wrote again to Abigail, and except for the date, his letter was prophecy:

> The second day of July, 1776, will be the most memorable epoch in the history of America. I am apt to believe that it will be celebrated by succeeding generations as the great anniversary Festival. It ought to be commemorated, as the day of deliverance, by solemn acts of devotion to God Almighty. It ought to be solemnized, with bonfires and illuminations, from one end of this continent to the other, from this time forward, forevermore.

Is it not time we again return to the support of this Declaration, with a firm reliance on the protection of divine providence?

NATIONAL TEENAGE SAFE DRIVER CONTEST

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, on May 15–17, in Framingham, Mass., teen-age safe-driver champions from throughout the United States competed for top honors in the 10th annual "National Teen-age Safe Driver" contest. Supported by city, county, and commonwealth officials, the event took place during the commonwealth's National Driver Excellence Week.

AMVETS—American Veterans of World War II, Korea, and Vietnam—and the Dodge Division of Chrysler Corporation cosponsored this endeavor to promote driver excellence. AMVETS' National Traffic Safety Commission, headed by Tom McDonough of Chicago, Ill., supervised the competition. The Massachusetts Department of AMVETS assisted in the preparation of the course. Chrysler's area sales manager Gino Giocondi represented the Dodge Corp. Judging was conducted by the Massachusetts State Police, under the supervision of Corporal Peloff of the Public Relations Department.

The driver excellence program is a constructive test involving skillful driving and a comprehensive understanding of the rules of the road. It does not include speed or racetrack driving. Each competitor who must have taken driver education in school, must win at the State level before entering the national finals. In the finals, each participant strives to complete a three-part program: written test, driving skills, and highway safety.

The winner of the 1976 program was Jerome Griffith, an 18-year-old high school senior from Export, Pa. Dave Jutilla of Aberdeen, Wash., and Tammy J. Reynolds of Charleston Heights, S.C., finished second and third, respectively. The Massachusetts competitor was Walter Hong of Malden.

Awards, which include a new Dodge car, a $2,000 scholarship, and a trophy for the first-place winner and scholarships and trophies for those who placed second through fifth, were presented at a special dinner. This year, contestants and chaperones were also taken on a sight-seeing trip to historic Lexington and Concord and to the Freedom Trail in Boston. In addition, they were guests at a buffet dinner sponsored by Natick, Massachusetts, AMVETS Post 79, in my home district.

Mr. Speaker, due to the objectives of the program and to the caliber of the participants, I am pleased to bring the "National Teen-age Safe Driver" competition to the attention of my colleagues, because it indicates an endeavor by private citizens—in this case members of a recognized veterans' organization—to help solve a serious national problem, lack of traffic safety.

WIND EROSION CONTROL AND WILDLIFE HABITAT AREA LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

Mr. GRASSLEY. Mr. Speaker, I am pleased to introduce today legislation which would encourage farmers to establish wind erosion control and wildlife habitat areas. Valuable topsoil is lost each year due to inadequate protection from the wind and this loss translates into millions of dollars of food which could be purchased by domestic consumers or purchasers abroad. The establishment of such areas can also provide a home for all forms of wildlife and thus can assure that species of animals common to particular areas of the country are protected and thus, at the same time perform their function in nature's cycles. In particular, such areas will insure that ample numbers of predators are available to keep under control those natural scavengers that destroy a farmer's crops. My bill will thus insure that a variety of natural resources are protected and can continue their role in natural processes.

A CITIZEN SPEAKS TO CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. BUCHANAN) is recognized for 30 minutes.

Mr. BUCHANAN. Mr. Speaker, I call to the attention of my colleagues a speech prepared by one of my distinguished constitutents, John A. Williamson, chairman of the board of Williamson, Merrill, Taylor & Darling, of Birmingham, Ala., for our consideration in the Congress.

It is my understanding that copies of Mr. Williamson's speech will appear in some 30 newspapers across the land.

I respectfully submit for your consideration the thoughts of one American citizen in this Bicentennial season:

A BIRTHDAY MESSAGE: AFTER 200 YEARS, A CITIZEN SPEAKS TO CONGRESS

(By John A. Williamson)

I am an American citizen.

I am one citizen, with one view, one voice and one vote—and with no delusions as to my own importance.

And yet, amidst the clamor of a bicentennial celebration, against a noise level of already deafening proportions, I presume to raise my voice. To speak up, and speak out, to the Congress of the United States, and to my fellow citizens.

It is my privilege to speak. To exercise the first and greatest of the rights that we celebrate today. But, much more compellingly, I conceive it as my duty to speak. To express a deep and urgent concern.

I do not propose to comment or to pay tribute to the glories and achievements of the past two hundred years except to say that I am proud of our country and our significant achievements. My concern is with the next one hundred years.

I know where our country has been. I wonder where it is going.

I know what we celebrate today. I wonder what we will celebrate on the 4th of July, 2076. Or on any of the anniversaries yet to come.

I wonder what we will have that will warrant celebration. What rights we will still exercise, what liberties we will still enjoy. What blessings we will acknowledge, what achievements we will hail, what accomplishments we will point to. What kind of America we will know, with what measure of joy in the knowing.

I wonder if self-reliance will still be a virtue or will our future generations be caught in the web of government dependency and cradle-to-the-grave security. Will our country be financially and morally bankrupt or will our financial strength and moral soundness be an inspiration for the world's peoples longing for sound guidance and leadership with character and integrity.

Dr. W. Philip Gramm, Professor of Economics at Texas A&M in an address to the Knights of the Million Dollar Round Table Foundation, San Francisco, June 16, 1975, said as follows:

"It is a great paradox that we have in the American free enterprise system the most successful system in history. We need only remember that, at the birth of our nation, 90 percent of our citizens by any definition were poor. Yet this system has elevated us into the most powerful agricultural and industrial nation on earth. So successful is our system, so high the aspirations of the American people, that we in this country define poverty at an income level that is higher than the average income level of the Soviet Union and 800 percent above average world income. Yet this system, which has given us so much in terms of goods and in terms of freedom, is under attack at all levels of government and is being replaced by a system that historically has never worked and this is working effectively nowhere in the world today."

I wonder because, as we enter upon the third American century, we seem to be groping our way, confused and uncertain, along paths that appear to me increasingly forbidding and unpromising.

My concerns are many. The energy problem, and our fumbling and counter-productive attempts to deal with it. The uncontrolled power of unions, and the abuse of that power. The enroachment of government upon our personal and business lives. The conflict between social goals and individual freedoms. A foreign policy that I do not understand, and that I suspect its executors do not clearly understand.

But what concerns me most, because it affects everything else, is an attitude. An attitude that begins with condoning moral degeneration and fiscal irresponsibility and from there pervades all policies and all actions. Of all the dubious paths we are pursuing, the Primose Path—symbol of folly and recklessness—is the most perilous.

2,500 years ago, a troubled statesman said: "This city of ours will never be destroyed by the planning of Zeus, or according to the wish of the immortal gods. But the citizens themselves, in their wildness, are bent on destruction. And money is the cause."

Solon was right. Athens accomplished her own destruction. And in the long record of history, the rule has prevailed. Except for those few cases where a strong and healthy nation has been overwhelmed by armed aggression, every collapse—of a regime, of a rule, of a political system of any kind—has been preceded and brought on by moral and financial bankruptcy. Every failed society has accomplished its own destruction. And in most cases, morality and money—moral degeneracy and money wasted, squandered and become worthless—have been the prime causes.

The rule still holds. Surveying the scene from Britain to Western Europe, to Africa, to South America, to Asia, every tottering or subdued democracy is threatened or has been defeated by moral and economic decay and financial chaos.

It is in this sense that I say that, except for the possible stupidity of blundering into nuclear war, this nation stands in more danger from within than from without. The most direct road to destruction lies along the Primose Path. The alluring path that invites the indulgence of every desire and every demand, without care, without regard, without responsibility, without concern for costs or consequences. We are most immediately threatened, in sum, by our own excesses—by our own endless demands, encouraged and abetted by our own appointed leaders.

The threat is that the excess of demand will destroy the American system. First the economic system, and then, inevitably, the political system. And in the process destroy what we have come to know and cherish as the American way of life.

The City of New York is a vivid example of what fiscal irresponsibility and a devotion to the Primrose Path and contemporary liberalism can do to ruin a city. As one writer put it, "This wild excess of goodwill is bankrupt as a guide to public policy." New York City has now reached the point where it is entirely incapable of self-government.

Oh men of Congress can you not see that your policies are taking us down the same deplorable road? For sixteen of the past seventeen years you have operated our federal budget with huge deficits. This display of operational incompetence and fiscal irresponsibility is inexcusable.

The justification for a generation of deficits, leading to a colossal national debt, is not to be found in theory, but in hope. The vague, touching, but insubstantial hope that somehow, someday, "Something will turn up."

If this hope is questioned, a simpler theory takes over. Which says, bluntly, what goes up must come down. Sooner, on our own heads—which would be bad. Or later, on our children's heads—which would be worse.

The questions are growing. The idea that "it can't happen here" has received a serious setback. What has happened to New York City can happen to Washington, D.C. Uncle Sam may be taller than Abe Beame, but he is just as vulnerable.

It has occurred to many. It does not appear to have occurred to Congress.

Let me be clear. There are those who distrust and dislike the American economic system, and who would deliberately demolish it. But they are few. The greater danger comes from those who believe in the system, but with more faith than understanding. From those who believe, or take it for granted, that the system has an infinite capacity. That it is capable of providing, without limit and without end, whatever is demanded of it—if the demand is pressed with enough insistence. That it can withstand any strain, absorb any stress, endure any abuse, and keep on functioning, efficiently and uncomplaining, world without end, amen.

So that it can fairly be said, we are not only in more danger from within than from without, we are also in more danger from our friends than from our enemies.

Over the past thirty-five years a gradual but dramatic change has occurred in the structure of our economy. The vast increases in the growth of services (personal, education, medical, legal, etc.) and the enormous growth in government (federal, state and local) have put a heavy strain on the productive base of our economy.

In a large measure the increased load on the productive base is directly attributable to the enormous growth in government at all levels. And this growth is in turn the result of a change in thought and attitude in our concept of the role of government, and in our expectations.

The Primrose Path, where there is no tomorrow, stands as the symbolic road to instant gratification of all desires and all expectations. It also stands as the avenue of escape for those responsible for satisfying or denying expectations, who seek to avoid their responsibility.

If this message is addressed to Capitol Hill, it is because it is there, in its latter guise, that the Primrose Path most conspicuously runs—a broad aisle, straight through the halls of Congress. A wide and welcoming thoroughfare, accommodating all men and all parties. And well used. For year after year thronged by a genial majority in annual procession, scattering largesse by the wayside and dancing its way to yet another multi-billion-dollar deficit.

Asking myself why, I conclude that you who are elected representatives are in fact representative. You as a politician are human, even as a citizen, I am human. But that, as it has been observed, some people are more human than others. And as many politicians seem to be human beings with common desires to be loved coupled with an uncommon, total, inability to say no. Which leads to predictable consequences. Perpetual pregnancy, on the one hand, perennial deficits on the other.

Which suggests that the old-fashioned remedy for the one human weakness may provide an answer for the other. To state it plainly, and not at all facetiously, there is nothing that Congress so sorely needs as the legal equivalent of a chastity belt. A pay-as-we-go requirement that would compel us to live within our means, except in case of an extreme national emergency. Pay as you go is a vital, but immediate first step.

In the Preamble to the Constitution the architects of the American government stated as one of their objectives, "to promote the general welfare." In an attempt to provide for, protect, safeguard, preserve, shelter, nurse, nourish, nurture, help, succor, maintain, minister to, cradle, cherish, comfort, and care for each and every citizen in each and every aspect and occasion of his personal and public life, you have gone far beyond what reasonable citizens can be expected to sustain.

We have reached the point where half of the national budget and one-fifth of our Gross National Product is devoted to the single purpose of welfare.

Criticism of the "welfare mess" has usually centered on the notorious waste and scandalous abuses engendered by a profusion of poorly designed, and loosely administered, federal programs.

Criticism of the extension of the welfare concept, from the provision of benefits to the provision of "protection" against all of the conceivable, and many of the inconceivable, hazards of life, has usually centered on the issue of intrusion.

I wonder what might happen if the government showed as much care in giving as it does in taking. If, that is, the welfare agencies exercised half the vigilance in dispensing money that the I.R.S. shows in extracting money. If, to say it plainly, nonworkers and noncontributors were subject to the same discipline and control as workers and contributors.

I wonder what might happen if we had or could obtain an honest accounting of the need for, and benefits of, our burgeoning protections against the costs of protection. The direct costs and the indirect costs, in terms of prices and inflation.

As an American citizen. I feel an urgent sense of responsibility for other citizens who are incapably lame, ill, too aged or too infirm to work. But, today there are far too many people riding in the wagon who are capable of pulling it!

There are other basic issues I feel compelled to consider and to speak up about. The energy crisis (to no small extent created by our government) has produced more congressional rhetoric, more political discussions, more improbable solutions and more confusion to the American public than any issue since civil rights.

What has been your approach to the solution? A loud cry of "energy independence" has been your objective. To accomplish this goal, however, your approach has been to restrict use rather than to expand supply.

Oh ye of little faith, don't you know that the creative talents available in our country can help to solve this problem? Business, industry and research can expand our energy supply and base if given a cooperative and understanding government whose mission is to help—but not control, to advise and consent—but not to manage.

My concern today, too, considers America's unions and the vast unbridled power they possess. This union power is a threat to the freedom of America and the orderly unhampered operation of a free Congress.

I am well aware that the union movement has made a significant contribution to the growth of America, the improvement of working conditions, and the balancing of labor-management relationships. Union negotiations have helped to earn a standard of living for laboring people and white collar workers they would not have otherwise. Unions, combined with a free enterprise system, and business—both small and large—have created a vast middle class of Americans who tend to make up the backbone of our country.

Just as government had to place restrictive laws on business through the Sherman and Robinson-Patman Acts, it is now time to curb the power of union leadership and return the control of unions to the union members. The average member in today's unions no longer has a voice. He is the forgotten man in the union movement.

Today's union leaders hold the power to bring our country to its knees at any given time. They have the power to shut down any industry and all industry, disrupt any transportation and all transportation, bankrupt any major company or many major companies, close any schools or school systems, and remove police protection from most major cities. Even many of you, the elected representatives of all the people, are caught in this web of power and are afraid to act without sanction of union leadership.

No group should have such power in this free America.

It seems to me to be a paradox of government, that lack of control on one hand and excess of control on another, brings a mixture that is difficult to understand for an ordinary and wayfaring citizen.

The growth of federal government control and regulation of Education, Business and Health Care has greatly increased costs in the operating structure of our economy. On the other hand, lack of control of unions, a failure to act on judicial decisions—such as forced busing of children, causes an unbalancing of power and a disrupting factor in our national life and gradually but surely restricts our cherished freedoms.

The freedom to work at a job of one's choosing has been a great freedom of choice for an American. The principle of choosing a neighborhood with a good school has also been one of America's great freedoms of choice.

Now, however, our citizens no longer have these choices. Only with union sanction may the citizen work in many places. Only with judicial sanction may our children attend the neighborhood schools.

Your plea of innocence may be that your legislation ordered neither of these—but you cannot deny your inaction has permitted it!

As I view our world today, my concern includes our foreign affairs. As an American citizen, it is my firm conviction that everyone in the world has a right to be free, to live together in a society with a minimum amount of government intervention, and to have the opportunity to be what one is capable of being.

As Americans we cannot "will" the above for the rest of the world. We can—and must—understand that being free and recognizing freedom in other societies is a moral consideration of our lifetime—or any lifetime.

Our recent philosophy as expressed through our foreign policy, has consistently scorned moral considerations. In many areas we of the western world seem to live on the principle that moral considerations have nothing to do with politics.

In today's world Americans seem to forget the moral considerations that were applicable in World War II. Today we are quite ready to recognize very quickly any power over any territory regardless of its moral character.

Tyrants, bandits and puppets have come to power in various countries of the world and we have given them speedy recognition.

As an American citizen I do not believe that the great principles of freedom end at the borders of the United States. Freedom is a moral consideration and we must be for it. We must value it, sacrifice for it, and be ready to defend it with our lives if that should be necessary. Being ready to defend freedom and liberty makes it mandatory that we have not only the will to defend, but the power to defend.

Around us we see a world of increasing and fluorishing totalitarianism. Unless we are strong, we will not be able to withstand this unprecedented force of lust for power among the totalitarians. If we do not stay strong we can be intimidated, and being intimidated could cause loss of our willpower and eventually our spiritual strength. In time there will only be one result—an eventual loss of the freedoms we cherish.

As an American citizen I believe in peace and believe we should exhaust all possible measures to live in harmony with other governments. But, when the vote is cast to choose freedom or totalitarianism in other countries, our vote must always be freedom—and we must stay strong enough to defend that position.

In conclusion, may I as an American citizen commend the many of you who have labored long and hard to preserve our liberties and to build a better America. I challenge, however, those of you who have taken the easy Primrose Path. You have tried to curry favor with your constituents for your own self-gain. You have worked harder to be reelected than you have worked to do your job. It is not too late to change, however—to review—to take a new look—a new direction.

America needs statesmen! We so urgently need elected officials dedicated morally and spiritually who will look to the future. We need men of character and integrity who will to the best of their ability, take our country on the course that will preserve our freedoms and rededicate us to the most meaningful objective Americans can have—to secure the blessings of liberty to ourselves and to our posterity.

My concerns go beyond these few issues. But, there must be a start. This is the starting place. Let us, for our common good and mutual salvation, get started.

This is one citizen's way—my way—of saying, "Happy Birthday, America!"

Happy Birthday today, and Happy Birthday on July 4, 2076.

RESULTS OF OHIO'S 17TH DISTRICT OPINION POLL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, the results of my 16th annual opinion poll have been tabulated. The response was tremendous. In addition to the completed questionnaires, I received thousands of letters, comments and notes included in the polls.

One area that was of increased concern was Government spending. About 90 percent of those answering the poll thought the Congress should place a limit on Federal spending. When a cut in services was suggested as going with a cut in Federal spending, 83 percent still favored a cut in spending.

Since last year's poll, the number of people viewing inflation as a more serious problem than unemployment has grown to 73 percent. Also, the individuals responding were heavily in favor of encouraging private enterprise to provide more jobs while only a small percentage favored the alternative of greater Federal spending to create more jobs.

In foreign policy and defense areas the results were also interesting. A large 77 percent of those responding thought détente was benefiting the Communist countries at the expense of the United States. Almost 80 percent were in favor of substantially reducing or eliminating U.S. contributions to the United Nations. On the Panama Canal issue 89 percent think the United States should maintain sovereignty, ownership and management of it.

On the issue of firearms the results are very interesting, for 65 percent opposed registration of firearms while 30 percent favored such a policy.

In addition to the above questions a large number of other areas of public policy were covered. Questions on public employee strikes, Child and Family Services, energy and environment, amnesty, and social security also were included.

I appreciate the efforts of all those who took the time to fill our the questionnaire and give me their views. The results of the poll follow:

1976 PUBLIC OPINION POLL OF THE 17TH DISTRICT OF OHIO

[Results in percent]

	Yes	No	No opinion
1. The most serious economic problem facing our Nation at this time is:			
(a) Inflation	73		
(b) Unemployment	22		
No opinion			5
2. What policy do you favor to lessen unemployment?			
(a) Encourage private enterprise through tax incentives to create jobs	84		
(b) Greater Federal spending to create jobs	10		
No opinion			6
3. I think the Central Intelligence Agency (CIA) should be:			
(a) Abolished	7		
(b) Retained as is	22		
(c) Retained, but with greater congressional oversight	42		
(d) Retained with greater Presidential oversight	25		
No opinion			4
4. To what extent would you favor capital punishment for a limited number of major crimes?			
(a) Strongly favor	75		
(b) Favor	14		
(c) Strongly oppose	4		
(d) Oppose	4		
No opinion			3
5. Do you favor registration of firearms as a means of combatting crime?	30	65	5
6. What do you feel is the major reason for the serious crime rate which is steadily increasing?			
(a) Leniency of the courts and the judicial system	82		
(b) Easy availability of firearms	2		
(c) Social conditions which contribute to crime, especially among minority groups and economically deprived citizens	14		
No opinion			5
7. Should Congress approve the Child and Family Services Act, which would establish a new, comprehensive child development program run by the Federa' Government?	11	81	8
8. Should Congress place a ceiling on Federal spending?	90	5	5
9. Do you favor a cut in Federal Government spending if this also means a cut in services?	83	12	5
10. The social security fund is in financial trouble. To deal with this problem I would prefer:			
(a) Increasing the social security tax	30		
(b) Holding a lid on social security benefits	58		
No opinion			12
11. Do you favor the position of public employees (police, firemen, teachers, etc.) when they say they should be allowed to strike?	25	70	5
12. The supersonic transport (SST) should be allowed to land in the United States:			
(a) Without restrictions	9		
(b) On a limited, trial basis only	58		
(c) Not at all	29		
No opinion			4
13. Do you favor relaxing environmental standards to allow greater use of coal, of which the United States has a large supply, as a means of lessening our energy problems?	80	15	5
14. Do you favor increased development of nuclear energy as a domestic power source?	75	17	8
15. U.S. contributions to the United Nations should be:			
(a) Increased	2		
(b) Left the same	16		
(c) Substantially reduced	54		
(d) Eliminated	25		
No opinion			3
16. What do you think of Secretary of State Kissinger's performance in office?			
(a) Good	29		
(b) Fair	41		
(c) Poor	27		
No opinion			3
17. Do you think detente has benefited the Communist countries at the expense of the United States?	77	12	11
18. Do you favor unconditional amnesty for Vietnam draft evaders?	16	80	4
19. Should the United States follow a policy of military superiority over the Soviet Union?	84	10	6
20. Should the United States maintain sovereignty, ownership, and management of the Panama Canal?	89	4	7

IT IS TIME FOR A CHANGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. ESCH) is recognized for 10 minutes.

Mr. ESCH. Mr. Speaker, a significant part of our Nation's governmental process is the exchange of views which takes place during campaigns and elections. It is through this political process that the American people have an impact on the direction that their government will take in the years ahead. Therefore, in the months ahead, I shall be spending the majority of my time talking with the people of Michigan. I shall be asking them for a mandate—a mandate to change things in Washington.

We all know that the people are angry at Washington. What we do not seem to realize is that this Congress perpetuates that anger by giving only lipservice to the people's concerns. It is time Congress changed from hot air to action.

Each of us from different regions of the country, with different socioeconomic perspectives, in different political parties, has our own pet legislation. To some it is jobs, to others health care, to still others energy development or education or consumer protection.

The basic problem is that this Government of ours could not administer the new programs any better than it has the old. It is too swollen to be efficient, too distant to be understanding, and too undisciplined to be effective. With a self-generating momentum of its own it simply keeps on growing—and as it grows in size it grows more impersonal and indifferent as well.

Unfortunately Washington, to date, has been satisfied with talk—and precious little else:

President Nixon, years ago, bemoaned the proliferation and longevity of regulatory agencies. He cited the Tea Tasting Commission as a good example. But it is now 5 years later and the Tea Tasting Commission still exists.

President Ford, last November, appointed a Presidential commission to advise him on how to reduce the number and minimize the intrusions of the regulatory agencies. But that commission still has yet to meet.

Government agencies print about 10 billion sheets of paper a year to be completed by U.S. businesses—enough to fill more than 4 million cubic feet of space.

The annual volume of daily logs filed by truckers, as required by the ICC, if placed end to end, would circle the Earth twice or reach 46,085 miles into space.

The public's anger and the politician rhetoric are met with bureaucratic indifference and such absurdities as a 64-page OSHA regulation on what is a safe ladder, an effort to impose expensive air bags on the automobile industry, and a constant expansion of Washington's triplicate form mentality.

Congress can act, but it has not. I am asking the people of Michigan for a mandate to blow the whistle on Washington's bureaucracy by congressional action on the following seven acts:

First. Before the Congress starts to reform the bureaucracy, it must put its own house in order. We need to rationalize the committee structure. A major reason for confusion in the Government is that the Congress itself is confused. When an issue like energy—which requires a coordinated national policy—is assigned to at least seven different committees, it is little wonder that we do not have a rationalized policy. We demand that all other agencies open their books for audit, but refuse to open our own. We cannot continue to tolerate fiscal irresponsibility in the Congress and must immediately approve my bill to require a yearly audit, to be made public, of all congressional financial records.

Second. A bill to freeze civil service hiring for 1 year. If it were practical I would like it extended to political appointees also, but should there be a new administration it should have the right to pick its own people. I happen to believe that most jobs done by six people would probably be more effectively done by five. Reducing the size of Government by attrition is a minimum requirement to get Washington working again.

Third. Legislation that permits the dismissal of incompetent civil servants. The merit hiring of civil service was a welcome improvement on the evils of political patronage. But when Government affects so much in the daily lives of our citizens, a civil service without the capacity to dismiss lazy or incompetent Government employees is intolerable. We all know that there are thousands and thousands of hard-working and competent civil servants. But sadly, we also know that Government employment has, all too often, become a haven for tired minds. I believe it is time to adapt some type of selection-out process. The private sector does not tolerate incompetence. There is no reason that the American taxpayers should do so.

Fourth. A sunset zero-based budgeting law by which every regulatory agency and each Government program would exist for only a prescribed number of years. This would require Congress to act to renew an agency if it was going to continue. The Congress should ask "Is this program essential; and, if it is essential, is it effective." The result should be that agencies whose reason for existence has died would also die. And agencies who have become adversaries against the people rather than their servants would have to answer for their action. It would curtail the self-generating momentum of Government and reduce the tendency of regulatory agencies to play God with the people.

Every agency should be required to answer the following questions: Is the program necessary; is it worth what it costs; does it work. If each agency would answer each of those questions we would have far better, and far less, government.

Fifth. The establishment of a Congressional Oversight Week each month when agencies and departments would be required to appear on the floor of the House and the Senate to answer questions about the administration of their programs. Based on the "Question Day" of the British and Canadian parliamentary systems, this would insure that Congress took an active and vital part in overseeing the Government. This proposal, which I first made in 1968, would bring the big bureaucracy closer to the people. It would be important, in such oversight questioning to call not only on the heads of agencies, but on those who actually operate the programs as well. Talking to Secretaries and Assistant Secretaries is not enough. We need to talk to the men who actually undertake the programs. They are the ones who know where the problems lie and the ones who now, are so often unresponsive to the will of the Congress and the people because they are so far removed from them.

Sixth. A congressional resolution which puts us on record as being unwilling to approve the fiscal 1978 appropriation for any department or agency which has not cut its authorized Government forms by a minimum of 10 percent in the previous year. If it takes the fear of fiscal chaos to force the bureaucracy to respond, then I think Congress should extend the warning and follow through.

Seventh. A 50-percent reduction in the budget of the Government Printing Office. If there is one regular symbol of the ills of our Government it is the semimonthly publication list of the Government Printing Office. It is not just that much of the material is silly, unnecessary, ludicrous and/or wrong. (My recent favorite was a bulletin which warned me that "hazards can be dangerous.") More important, the American taxpayers, and that includes me, are paying for someone, somewhere, to dream up the idea, someone to research it, someone to write it, someone to rewrite it, someone to edit it, someone to approve it, someone to set it in type, someone to proofread it, someone to illustrate it, someone to print it, someone to collate it, someone to staple it, someone to catalog it, someone to distribute it, someone to store it, and a lot of someones to file it. If we turn off the printing press, we just might bring the bureaucracy to its knees.

Some may say none of this will work. I say what alternative do we have to trying.

Some may say it is not Congress responsibility but the executive's. I say that the executive really does not do very much that we have not started.

Some may say this is unimportant compared to jobs and health care and education. I agree, but a government which can not handle the programs it has now can not handle anything new any better. We should impose a moratorium on the passage of new governmental programs. We must make the present Government work better before we launch off in a hundred new directions.

First things must come first. And all our good intentions for government to serve human needs are meaningless if we do not put the Government's house in order.

I am asking Michigan for a mandate to blow the whistle of bloated government, beginning with Congress itself. And I am asking you to do the same in your campaigns. Then, maybe Washington will have earned the people's trust again.

NOW, WHAT ABOUT REAL REFORM?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Anderson) is recognized for 30 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, now that the Democrats have been zapped into action by the infamous Ray-gun, the time would seem to be ripe for us to get down to the brass-tacks of doing some real reforming around this House. Any attempt to portray the caucus proposals for a little book-juggling and commission studying as a reform panacea for our tarnished image and sagging prestige, must be viewed as a joke, and a poor one at that.

Mr. Speaker, at the beginning of this Congress, my counterpart on the Democratic side of the aisle, the caucus chairman (Mr. Phillip Burton) was quoted as saying "the winds of change have arrived in the House of Representatives." A retrospective testing of those winds will reveal that they have grown stale, vapid and malodorous. The 94th was dubbed in the press as being a "reform minded" Congress. While I do not question what some may have had in "mind," I do know that very little in the way of meaningful reform has actually been implemented in this Congress. The "reform" tag was apparently the result of the ability of the caucus to depose three chairmen—though it also reversed the Steering and Policy Committee recommendation by reinstating Chairman Hays—and give more power and autonomy to our proliferating subcommittees. These so-called reforms have actually brought us to the sorry state in which we find ourselves today—less public and legislative accountability than ever before. The aim of the reformers was to break up the committee baronies perpetuated by the seniority system. And yet, what we have gotten in their place is 150 subcommittee fiefdoms—up from 132 subcommittees in the last Congress—with powers and responsibilities spread all over the lot, and layers upon layers of overlapping jurisdictions. The term, "confusing, gerry-built hodgepodge" is much more applicable to our existing committee and subcommittee maze than it is to the 14 House accounts examined by the Democratic Task Force on Accounts. If one is really interested in improving accountability in the House, as that task force was charged with doing, then he should look to our antiquated and dilapidated committee structure.

Mr. Speaker, while subcommittees can play a valuable role in terms of increasing Member participation in the process, developing expertise and initiatives on a broader range of issues, and sharpening oversight of executive branch agencies and programs, their irrational, uncoordinated and free-wheeling proliferation can also work to the detriment of the legislative process. It is perhaps ironic that Elizabeth Ray was successfully stashed away as a staffer on an oversight subcommittee—which she appropriately referred to as the "out-of-sight" subcommittee—the very subcommittee that was supposed to be overseeing other House committees and subcommittees.

This brings us to the question, "What about real reform in the House?" And the fact is, most major reforms remain pigeonholed in various House committees. The reform failings of the 94th Congress constitute a major scandal which has not yet been exposed, let alone dealt with.

COMMITTEE REORGANIZATION

In the 93d Congress we created a bipartisan select committee on committees to examine our committee system and make recommendations for change. It reported back early in 1974 with a comprehensive set of proposals for realining committee jurisdictions along more functional and rational lines, limiting Members to one major committee assignment, and providing for a jurisdictional appeal mechanism. The Democratic Caucus sat on that resolution for 6 months, then offered up a watered-down substitute that did little more than protect existing turf while forcing multiple referral of bills to committees which would continue to have overlapping jurisdictions. The result: In this Congress more committees are taking more time to report more versions of the same bills to a more confused and overburdened House than ever before. We are witnessing this nearly every week in the Rules Committee and on the House floor. Instead of leadership and coordination we are being served the most indigestible smorgasbord imaginable. And even though section 205 of the committee reform amendments adopted by the House in October of 1974 assigned the House Members on the Joint Committee on Congressional Operations the responsibility of conducting a continuing review of committee jurisdictions, including the mandate to periodically report recommended changes to the Rules Committee, nothing further has been done about committee reform in this Congress.

INTELLIGENCE OVERSIGHT

One of the major issues to confront this Congress has been the abuse of power by our foreign and domestic intelligence community. Both Houses conducted extensive hearings into this through select committees, and both select committees, plus two outside commissions, have recommended improved oversight of the intelligence community by the Congress. While the other body has proceeded to establish such a new oversight mechanism, numerous proposals in the House to follow suit continue to languish in the Rules Committee.

HOUSE BROADCASTING

Last year the Committee on Rules created an Ad Hoc Subcommittee on Broadcasting to further study the recommendation of the Joint Committee on Congressional Operations for broadcasting our floor proceedings. Early this year the subcommittee reported a resolution providing for continuous broadcast coverage of our sessions. Under intense pressure from the Democratic leadership, that resolution was recommitted to subcommittee. The reason: Majority leadership fears that the cameras might reveal to the public how they really run things around here.

PROXY VOTING

One of the recommendations of the Select Committee on Committees in the last Congress was the complete elimination of proxy voting in committees. The so-called Hansen substitute of the Democratic Caucus restored this irresponsible form of absentee voting to our House rules. The justification: since the caucus substitute failed to rationalize our committee jurisdictions, balance Members' workload and confine each Member to one major committee, the proxy practice had to be continued since Members would still have to be voting in several committees simultaneously. Last year I introduced a rules amendment to abolish proxy voting, with some 91 cosponsors. That resolution continues to languish in the Rules Committee.

BINDING PARTY INSTRUCTIONS

While the Democratic Caucus has dropped its rule permitting the caucus to bind its Members' floor votes, it may still issue binding instructions with respect to committee votes. And that is just what the caucus did to its House Administration Committee members in requiring that they unilaterally create a new consolidated slush fund. Last year I introduced an amendment to the House Rules to prohibit binding party instructions on Members' committee and floor votes, with 90 cosponsors. That resolution is still bottled up in the Rules Committee.

PERSONAL FINANCIAL DISCLOSURE

A major reform proposal, the Financial Disclosure Act (H.R. 3249) was introduced by Congressmen KASTENMEIER and STEELMAN, with numerous House cosponsors, back on February 19, 1975. The bill would require full public financial disclosure by high officials of the legislative, executive, and judicial branches, as well as candidates for Federal elective office, on an annual basis. As a cosponsor of that legislation I am extremely disappointed that the bill is still lying dormant in a subcommittee of the Judiciary Committee. This is one of the major Watergate Reform recommendations and is deserving of consideration and approval in this Congress.

LOBBY DISCLOSURE

Our present lobby law is antiquated, meaningless, and unenforceable. Major legislation has been introduced in both Houses to tighten up on the lobby law and require more comprehensive disclosure and enforcement. While this legislation passed the Senate by a vote of 82 to 9 on June 15, 1976, it was only reported from the House Judiciary subcommittee on June 17, and must still clear that full committee as well as the Committee on Standards of Official Conduct. The prospects for enactment of a lobby reform bill in this Congress grow dimmer as adjournment grows closer.

MEMBERS' SALARIES

While much to do is being made of the Democratic Caucus' belated endorsement of the Bauman amendment to require a House vote on any future increases in Members' office allowances, little mention is made of the fact that there will still be automatic cost-of-living increases in these same allowances without a House vote. But, more importantly, no mention is made of several pending bills to repeal the automatic cost-of-living salary increase for Members; I am cosponsoring one such bill with Congressman HYDE. Nor is any mention made of another worthwhile proposal I am cosponsoring with Congressman MOSHER which would not only require a House vote on any future salary increases, but specify that such increases could not take effect in the same Congress in which they are voted. This latter proposal would give the voters a chance to pass judgment on whether the increases are justified, just as it will give Members an opportunity to take their case to the voters and defend any increase they may have supported.

OTHER REFORMS

Many other worthy reforms have been introduced in this Congress and yet have gone nowhere. I have in mind, for instance, some of the other "open House amendments" I first introduced in February of 1975. These include making all nonclassified records of committee actions available to public inspection—at present only rollcall votes need be open to inspection; require that all committee meetings be open under the same conditions which now apply to committee hearings; permit any member of a committee to demand a rollcall vote on any issue, and require a rollcall vote on all measures reported from a committee; prohibit any closed House-Senate conferences; and permit the House, at the beginning of each Congress to fully debate and amend the proposed House rules for that Congress, instead of the present procedure of voting up or down, en bloc, the entire package of rules recommended by the majority party caucus.

Finally, I would mention my more recent resolution to permit a House majority to require the House ethics committee to undertake an investigation into alleged misconduct by any Member on a properly filed complaint or resolution of punishment, if it does not initiate an investigation on its own within a specified period after receiving the complaint or resolution; at present the House Rules state that an investigation may only be undertaken by majority vote of that bipartisan 12-member committee, thus precluding the House from acting responsibly on its constitutional responsibility to punish its own Members. I have also recently introduced with Congressman JOHN BURTON a rule to deny House floor privileges to former House Members who are employed for the purpose of influencing legislation.

All of the above reforms which I have just listed, plus many others introduced by other Members of this body, are stalled in the House Rules Committee which does not even have a permanent subcommittee on original jurisdiction or reform to consider whether some of these reform proposals might have merit. I think it is quite evident where the blame for the reform failings of the 94th Congress lies. For if, as it is widely stated, the Rules Committee is an arm of the Democratic leadership, then it would follow that the majority leadership is responsible for blocking reform and maintaining the status quo in this House. If the Democratic leadership is under any illusion that the American people are going to be bought off by some accounts juggling and commission study delays in the name of reform, it is sadly mistaken. The public will soon learn that the real House scandal is the reform coverup being perpetrated by various House committees and subcommittees, by direction or with the approval of the Democratic leadership.

THE PLIGHT OF SERGEJ KUSHIM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, all the nations which signed the Helsinki agreement pledged to do everything possible to reunite families separated by political boundaries. However, the Soviet Union is not abiding by that promise. One of the more tragic cases involves a family from the Ukraine who live in my congressional district. Their story is one which I want to bring to the Members attention.

Sergej Kushim, 57, presently living in

Rokitnoye, U.S.S.R., has been trying for the past 12 years to get exit permission from the Soviet Government to visit his mother and sister in La Grange Park, Ill. The Soviet authorities have refused, stating that his health prevents him from traveling to the United States; nevertheless, they have assigned him to manage a dairy. He is, by profession, a trained orchestral conductor. Kushim, the rest of whose family emigrated to the United States in 1949, is ill with gastric cancer and has been told that he has less than a year to live.

To compound this tragic situation, his mother, Donna Kushim, who is 82 years old and whom he has not seen in 38 years, is also very ill, suffering from diabetes melitus and the suspicion of cancer. She is being cared for by Mr Kushim's sister, Dr. Lydia Kolomijcew, a practicing physician who is doing everything she can to reunite her family. She could provide her brother with better medical care than he is receiving in the Soviet Union.

Dr. Kolomijcew says her mother keeps a portrait of Sergej on a table and each morning kisses it, saying "Hello, my dear son." She is becoming more despondent, waiting for the time when she can see him again.

Mr. Speaker, I have sent a number of letters and cables to Soviet Ambassador to the United States Anatoly Dobrinyn and Soviet Foreign Minister Andrei Gromyko urging humanitarian consideration of Mr. Kushim's case, but I have not received the courtesy of a single reply. I have also asked our Ambassador in Moscow Walter Stoessel to request reconsideration of this case by the Soviet authorities, but his efforts have been of no avail.

Last week Sergej Kushim was turned down again for the 11th time for exit permission by Soviet authorities. I wonder if Secretary Kissinger can explain if there is any consistency between this Soviet action and the Helsinki accords.

THE REALITIES OF FOOD STAMP REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 15 minutes.

Mr. SEBELIUS. Mr. Speaker, two or three votes. That is all it would take for the Committee on Agriculture to write a meaningful food stamp reform bill. Two or three votes.

The Committee on Agriculture has been tied up with food stamp markup since May 12. After 7 weeks we have covered 16 pages of a 46-page bill, only about half of which deal with basic policy issues. On June 29 the committee decided to continue after the Democratic Convention. Sometime this summer the committee may or may not report a food stamp bill. But, even if we do, it now looks like it will not reform; that is, cure abuse of the food stamp program. It will merely make cosmetic changes. The committee lacks two or three votes, on virtually every major issue, to replace legislative rouge and lipstick with the basic program change necessary to eliminate abuse.

The food stamp debate has been most costly. It has been costly in terms of the time and effort of the members of the committee. It has been costly in terms of diverting the committee from important agricultural issues, such as forestry, peanuts, and other legislation. And the food stamp debate has been costly in that the lax eligibility rules and sloppy program administration that started the controversy more than a year ago will not be solved as a result of our actions.

Early this year the Congress was informed that some of the agencies and organizations that sell food stamps to recipients had lost, stolen, or misused some $34 million in Federal funds. The Congress unanimously approved the Emergency Food Stamp Vendor Accountability Act of 1976 to solve the problem. This is a good piece of legislation, but one that does not deal with basic program policy issues. Two or three votes are preventing the Committee on Agriculture from taking the same swift and decisive action on the larger issue of food stamp reform. As pointed out some months ago by the distinguished gentleman from Texas (Mr. POAGE) the committee has touched the mechanics and it has touched the details, but it has not come to grips with the fundamentals. At the current pace, we will go home in October having manicured the nails of a gangrenous foot.

Let me give you some examples.

On April 28 the gentleman from Texas (Mr. POAGE) introduced a responsible food stamp reform bill: legislation which would have restored equity and perspective to the food stamp program, and which would have brought Federal spending into line with the agricultural appropriations bill passed by the House. On May 6 the gentleman from Washington (Mr. FOLEY) also introduced a food stamp bill. As introduced, the Foley bill would have increased program costs by $300 million and compounded existing program deficiencies by placing into law many of the bureaucratic regulations that caused the mess in the first place. The committee was faced with a simple choice between using a reform bill as the vehicle for food stamp markup or using a bill that merely tinkers with and adds to existing problems. On May 12 the committee voted by a margin of 22 to 19 to tinker rather than reform. Had only two members changed their vote, the committee would be marking up the Poage bill; but that did not happen, and we are not.

Advocates of the Foley bill insisted that the legislation authored by Mr. POAGE cut too deep; and that the Foley bill would be paired down through the amendment process, but this has not happened to any significant degree. For example, Federal bureaucrats recently developed a thrifty diet plan, which is the diet plan used to determine how many food stamps participating households get. The thrifty plan is so liberal that 17 percent of all dollars are spent for accessory items—things like cooking wine and ice cubes. The thrifty plan even budgets for junk food such as Coke and potato chips, because Federal "nutritioncrats" think this is an appropriate expenditure of Government funds. The committee food stamp bill gives the thrifty diet plan the force of law. On May 19 the committee had an opportunity to replace the thrifty diet plan with one of lower cost. The motion failed on a vote of 18 to 22. Had three members changed their vote, reform in this important area would have happened.

Even the food stamp bill passed by the Senate—which would increase program costs by over $900 million a year—bases eligibility on past—or retrospective—income. On June 10 the committee voted 18 to 17 to mix retrospective income accounting with the current "crystal ball" approach of forecasting food stamp incomes—a major cause of the program's 47 percent error rate. In this instance, the committee missed reform by a single vote.

In 1971 the Poage work amendment was written into the Food Stamp Act to require able-bodied recipients to seek and accept honest work. The bureaucrats downtown, perhaps reflecting the objectives of organized labor, circumvented the intent of this provision by creating a whole series of "suitability" and "good cause" copouts for recipients who did not want to work.

These "right not to work" regulations are perpetuated in the Foley bill, presumably to give them the force of law. On June 22 the committee defeated an amendment which would have solved the problem. The vote was 17 to 21. Again, meaningful reform could have been achieved had three members changed their vote.

Proponents of the Foley bill contend that, as a result of the amendments which have been accepted to date, the bill now will cost $5.8 billion in fiscal year 1977. Mr. Speaker, this is $1 billion more than called for in the House appropriations bill. Yet, the real tragedy of the lack of food stamp reform transcends overall spending levels. As the makers of national social policy, we must be accountable for the distribution of available funds as well as the amount. With respect to the food stamp program, this means assuring adequate benefit levels to those who are in legitimate need of food stamps; it means eliminating cheaters and the voluntarily poor; and it means providing incentives for improved program administration. The promise that reform along these lines could be achieved by amending a weak bill has not been realized. The committee started with a bill that aggravates rather than resolves basic program deficiencies. And the committee lacks two or three votes to make any significant changes to the bill.

Mr. Speaker, I hope that as this session continues, there will be some way to change two or three votes for fiscal responsibility. If we do not do so in the committee, then either the House should write a decent bill or our constituents will speak in November. The country will pay the price of our costly failure to act in a responsible way.

GEOTHERMAL ENERGY DEVELOPMENT INCENTIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER), is recognized for 15 minutes.

Mr. GOLDWATER. Mr. Speaker, I have today introduced legislation that will define and enhance the Federal tax status of geothermal energy resource development by bringing it under the Mineral Leasing Act and by extending to development activities the intangible drilling costs tax coverages. The effect of these two provisions will be to qualify geothermal resource development for the 22 percent depletion allowance that is extended to certain depletable minerals; and qualify geothermal resource development for intangible drilling costs tax incentives.

The larger objective of this legislation is to provide the budding and promising geothermal industry with two time-tested, defined development incentives.

Geothermal energy has a definite role to play in helping America achieve energy self-sufficiency. Geothermal energy cannot be disrupted or embargoed by any foreign nation. Further, it is proving itself every day to the city of San Francisco; the geothermal wells in the Geysers area of northern California are currently supplying almost 50 percent of the electricity consumed in San Francisco. Testimony before both House and Senate committees has repeatedly indicated that there are other areas in the country that could be equally productive. And, contrary to the popular misconception that all geothermal deposits are plagued with high salt brine, fluid caustics and toxic gas problems, recent discoveries have confirmed deposits of good temperature, good flow rates, and potable water or steam reserves. Some of these deposits could be producing electricity and steam for commercial purposes by 1983 if only the proper incentives exist.

The Congress has already taken a step in the direction of encouraging the rapid development of geothermal energy by passing the Geothermal Research and Development Act. That act does recognize and try to deal with the problem of mitigating the developmental disincentives that currently exist. Its approach relies on the use of loan guarantees and as a consequence does not provide a complete remedy. For example, the loan guarantee approach must of necessity accept a select few applicants. The other applicants, even though they may have excellent energy reserves, technological expertise, and good market opportunities will be left out. Some small independent developers may simply not be able to pay for the application process, or they may chose not to risk an affair with the Federal bureaucracy. Further, there will be some developers who did not have an organized production company at the time the loan guarantee program was open for applications. Consequently, what is needed is a basic industry-wide, equitable incentive. At the moment such an incentive, and I believe that it must be one that softens or mitigates the heavy financial risks that are involved in the initial stages of development, does not exist.

By extending to the geothermal energy industry the depletion allowance and the intangible drilling costs coverages, the Congress will be treating the industry fairly. It will be signaling the financial community that the Congress is serious about geothermal energy and its future. And, it will be creating the very incentive the industry needs to get going. After all, lease purchases and drilling costs can easily require the initial commitment of $15 to $40 million. Often it is much more. The result very often is a company that is financially strapped and unable to continue development. The depletion allowance and other tax relief this bill provides will permit enough capital recovery so that development may continue, and by so doing it will encourage the financial community to take the risk of backing the venture.

Finally, during the last Science and Technology Energy Subcommittee hearings on geothermal energy the question of improving the tax treatment of that industry came up. As was the case in the hearings in the Senate, the witnesses who responded to questions on the subject all indicated that the extension of tax incentives to the geothermal industry was definitely needed and would encourage a broader and more aggressive development of this important energy source. These discussions also revealed that the absence of clarity of treatment in Federal laws was contributing to an ever-widening disparity of treatment by the States. It was noted that in some States geothermal resources are treated as water resources; in others as steam; in others they are lumped in with oil and gas law; and, in some not at all. Federal action in this area would serve to resolve some of these differences, indicate strong congressional interest and concern, and stimulate more aggressive development. All of these results are long overdue and badly needed.

I will be circulating this proposal for cosponsorship by other interested Members of the House. Thus, I commend the bill to my colleagues attention and urge their serious consideration of it:

H.R. 14664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 189. EXHAUSTION OF GEOTHERMAL STEAM AND GEOTHERMAL RESOURCES

"(a) IN GENERAL.—There shall be allowed as a deduction, under regulations prescribed by the Secretary or his delegate, an amount equal to 25 percent of the gross income from a geothermal steam and geothermal resources property for the taxable year.

"(b) LIMITATION.—The deduction allowed under subsection (a) may not exceed 50 percent of the taxpayer's taxable income from the geothermal steam and geothermal resources property for the taxable year, computed without regard to the deduction allowed by this section.

"(c) SPECIAL RULES.—

"(1) LEASES.—In the case of a lease, the deduction allowed under subsection (a) shall be equitably apportioned between the lessor and lessee.

"(2) LIFE TENANT AND REMAINDERMAN.—In the case of property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant.

"(3) PROPERTY HELD IN TRUST.—In the case of property held in trust, the deduction allowed under subsection (a) shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or in the absence of such provisions, on the basis of the trust income allocable to each.

"(4) PROPERTY HELD BY ESTATE.—In the case of an estate, the deduction under this section shall be apportioned between the estate and the heirs, legatees, and devisees on the basis of the income of the estate allocable to each.

"(d) DEFINITIONS.—For purposes of this section—

"(1) GEOTHERMAL STEAM AND GEOTHERMAL RESOURCES PROPERTY.—The term 'geothermal steam and geothermal resources property' means property from which the taxpayer extracts any product included in geothermal steam and geothermal resources, as defined in subsection 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001).

"(2) GROSS INCOME FROM THE PROPERTY.—The term 'gross income from the property' means the gross income from extracting geothermal steam and geothermal resources from the property.

"(3) PROPERTY.—The term 'property' has the same definition it has under section 614. For purposes of applying such section 614 with respect to this section, a well producing geothermal steam and geothermal resources shall be considered to be a gas well.

"(e) APPLICATION WITH SUBCHAPTER. I.—No deduction shall be allowed under section 611 with respect to exhaustion of geothermal steam and geothermal resources if a deduction is allowable under this section with respect to such exhaustion."

(2) The table of parts for such part VI is amended by adding at the end thereof the following new item:

"Sec. 189. Exhaustion of geothermal steam and geothermal resources."

(3) Section 57(a) (8) of such Code (relating to items of tax preference) is amended by inserting immediately after "section 611" the following: "or the deduction for exhaustion allowable under section 189".

(4) Section 62(6) of such Code (relating to definition of adjusted gross income) is amended by striking out "and the deduction allowed by section 611." and inserting in lieu thereof a comma and "the deduction allowed by section 189, and the deduction allowed by section 611.".

(c) Section 263(c) of such Code (relating to deduction for intangible drilling and development costs in the case of oil and gas wells) is amended—

(1) by adding at the end thereof the following new sentence: "Such regulations shall also grant the option to deduct as expenses intangible drilling and development costs in the case of wells drilled for geothermal steam and geothermal resources, as defined in section 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001), to the same extent and in the same manner as such expenses are deductible in the case of oil and gas wells.", and

(2) by amending the caption of such section to read as follows:

"(c) INTANGIBLE DRILLING AND DEVELEPOPMENT COSTS IN THE CASE OF OIL AND GAS WELLS AND GEOTHERMAL WELLS.".

(d) Section 613A(b) (1) of such Code (relating to limitations on percentage depletion in case of oil and gas wells) is amended—

(1) by inserting immediately after the comma in subparagraph (A) the following: "and",

(2) by striking out "and" in subparagraph (B), and

(3) by striking out subparagraph (C).

(e) Section 617(a)(1) of such Code (relating to deduction and recapture of certain mining exploration expenditures) is amended by striking out "is not allowable under section 613." and inserting in lieu thereof "is not allowable under section 613 or section 189.".

(f) The amendments made by this Act apply to taxable years beginning after December 31, 1975.

CONGRESS MUST PASS THE DEBT COLLECTION PRACTICES ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, hopefully my colleagues will see as I do that there is clearly a need to pass legislation regulating the enormous debt collection industry. I refer to a most vital bill, the Debt Collection Practices Act (H.R. 13720) which will be voted on in the very near future.

At present, there is no effective debt collection regulation or law in 25 States, leaving over 80 million people completely unprotected from the demeaning and threatening techniques practiced by some collectors.

According to consumers who have experienced abusive treatment from these collectors, their lives have been severely affected. In one case, a man wrote me:

> They drive you up the wall trying to collect . . . I had a two year nightmare with them that is truly amazing.

It is not my intention to interfere with the legitimate and reputable efforts of those collection agencies providing a needed service—nor will this legislation provide a security blanket of protection to debtors from paying bills.

What I do hope to accomplish with passage of H.R. 13720 is twofold: To establish a uniform code of ethics which all agencies would have to abide by, and to offer the consumer protection from being unduly badgered and threatened by these unethical debt collectors who tarnish the reputation of all respectable collection agencies.

As chairman of the House Subcommittee on Consumer Affairs, it is of great importance to me that this bill is going to protect the consumers' rights to lead a life free from the mental anguish resulting from abusive harassment by these debt hounds. Practices such as advertising a consumer's home for sale to scare them into paying, threatening a consumer's relatives, and causing their jobs to be jeopardized by annoying phone calls to employers, would be regulated by the bill.

Other provisions in the bill would prevent collectors from hitting consumers with "added interest" charges, misuse of postdated checks, and attempting to use official looking documents and titles to intimidate the consumer into paying.

Responsibility for enforcing this legislation would lie with the Federal Trade Commission and would include stiff penalties consistent with those in the Consumer Credit Protection Act.

Those who believe this legislation will cause an increase in consumer credit costs due to fewer debts collected, should be aware that reputable collection agencies manage to collect without the harsh techniques and are encouraged by any legislation which will set up a code of ethics.

In the interest of preserving the rights of the American consumer and in protecting the reputation of honorable collection agencies, I urge you to vote in favor of H.R. 13720.

COMPETITION AND THE TELEPHONE COMPANIES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, in the midst of cries for Government deregulation of business, one agency has made some steps in that direction. The Federal Communications Commission has issued a series of rulings that have slowly opened up certain markets of the telephone industry to competition—the markets of terminal equipment and private line service. These rulings have been made after careful study and they have been supported by court decisions.

Despite the caution with which the FCC has developed rulings allowing limited competition in the telephone industry, a strong campaign is now being waged against even this tiny amount of deregulation. More than 125 Members of the House have cosponsored legislation to reverse the deregulation and to take away much of the authority in this area from the FCC. Some regulatory authority would be delegated to the public utility commissions of the individual States.

I have not, as yet, cosponsored this legislation, but I have been studying the issue. This is not easy because most of the information has been provided by advocates on either side of the issue. From my research so far, I have come to the conclusion that the carefully circumscribed competition now sanctioned by the FCC does provide benefits for consumers—both business and residential telephone customers. In the long run, I think, this competition may also prove helpful for the telephone industry itself.

When the Carterfone decision was made allowing consumers to purchase communications devices that were not provided by the telephone companies, A.T. & T.'s first response was to petition the FCC to require an intermediary between the non-A.T. & T. equipment and the customer's telephone. This protective barrier was leased to the customer by the telephone company—thus adding to the cost of the non-telephone-company equipment.

To protect telephone service and equipment from possible disruption and, at the same time, to protect the consumer from excess charges, the FCC initiated a certification procedure for the "foreign," that is nontelephone company, equipment. This certification seems to be working well. Since much of the foreign equipment is produced by the suppliers who also sell equipment to the telephone company, there is little danger that the service will be disrupted.

In other cases, A.T. & T. was not interested in offering new services to customers. Before the Carterfone deicsion, an engineer approached A.T. & T. with an invention to enable the deaf to use telephones. The company rejected the device as appealing to a very limited and unprofitable market.

The 1968 decision opened up the market for the inventor's product. More than 20,000 of the devices to aid deaf telephone users have now been sold. Yet under the Consumer Communications Reform Act, the telephone company could have asserted its ability to make such a product in private line service and could have effectively prevented the engineer from marketing the invention without ever producing the device itself.

Much of the potential competition to A.T. & T. is limited to a small and specialized market. One example is the private line service which provides communications between distant offices of companies. These private lines can handle not only voice communications, but also printed and computer messages. Through the rapid transmission of data, private line service has the potential to increase productivity in many industries, including banking and commercial enterprises.

Despite the fears of the Bell System that the competitors will take away revenues and force up the cost of consumer service, the new companies have taken only a tiny share of the telecommunications market. In 1975 the Bell System received 99.5 percent of industry revenues. Even in the fields where competition is allowed, it received 97 percent of the income.

Although these new entries to the telephone market are called competitors, much of their business is a new service, not business taken from the telephone companies. For instance, one company estimates that 40 percent of their private line customers are new users of that service. Competition has in fact generated demand—and the Bell System can compete for the new business.

The FCC is now completing a study of the economic impact of competition on the telephone industry. Preliminary evidence shows that the telephone companies will not be forced to curtail service or increase rates for basic service in order to survive.

Contrary to A.T. & T.'s traditional argument that home service is subsidized by sophisticated commercial service, there is some evidence that the reverse may be true. The New York and Massachusetts Public Service Commissions have found that cross-subsidies do exist. But the basic service is subsidizing the more complex commercial telephone operations.

Competition so far has proved beneficial by giving consumers options they did not previously have. This is particularly evident in the new technology that was introduced by the competitors of A.T. & T. Consumers will enjoy the fruits of these inventions and the increased productivity they can bring.

It may be useful for the Interstate and Foreign Commerce Committee to look at the whole issue of competition within this industry. I say this, not advocating legislation to restrict competition, but favoring a close examination of the current regulations. One aspect that needs to be examined are the claims of A.T. & T. that they are barred from meeting the competitors in the only meaningful sense—price competition.

I believe that competition will be healthy for both the consumers and the competing companies. Even the telephone system can benefit as its vast resources are challenged to come up with new technology and services for the expanded markets. But if we are to allow competition in the telecommunications industry, we need to insure that the regulations—and I cannot envision completely unregulated competition—are fair to all the competitors.

PORPOISES DIE FOR TUNA SALAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, the Connecticut Cetacean Society, a group concerned with the preservation of aquatic mammals, has urged me to oppose H.R. 13865, a bill that will permit the killing of porpoises incidental to fishing operations for a species of tuna. I have studied the issue and agree with their analysis.

For still unknown reasons, schools of yellowfin tuna swim directly below porpoise schools. When tuna fishermen cast their nets for a catch, the porpoises die as well. The air-breathing mammals are trapped in the nets and drown, suffer shock, or are mangled

The Marine Mammal Protection Act of 1972 was an attempt to check this slaughter. The act said:

> It shall be the immediate goal of all concerned that the taking of porpoises shall be reduced to insignificant levels approaching zero . . .

A recent decision by Judge Richey of the District of Columbia U.S. District Court was intended to force the tuna industry and Federal agencies to implement the law. The U.S. Appeals Court delayed the ruling and may announce its decision on the case early in July.

H.R. 13865, pending before the Merchant Marine and Fisheries Committee, will allow the tuna industry to continue its slaughter of marine mammals unchecked. The tuna industry supports the bill, although industry representatives assured Congress in 1972 that every effort would be made to stop the destruction of marine mammals, especially porpoises.

The industry has testified that it has substantially reduced its annual kill of porpoises from 300,000 in 1971 to 135,000 in 1975. These figures are meaningless because there is no evidence what annual fatality rate the porpoise population can sustain. Moreover, there is no way to verify the industry's figures.

Under these circumstances, it would be folly for the killing to continue while, as H.R. 13865 suggests, the Commerce Department undertakes studies to determine the optimum sustainable population of the porpoise.

Mr. Speaker, the House showed great wisdom when it passed the Marine Mammal Protection Act in 1972, mandating a zero mortality rate for porpoises. This was the central feature of the law. Today, we must not allow our concern of 4 years ago become the tragic reality of the near future.

From all reports, the tuna industry, with the acquiescence of the National Marine Fisheries Service, has succeeded in evading the requirements of the 1972 law. The term "immediate goal" did not mean that the killing should continue for 4 years or more. Yet we are being asked, in H.R. 13865, to protect the tuna industry against a law that has not even been enforced.

The tuna industry has attempted to create the impression that the entire industry will suffer great economic hardship should Judge Richey's decision be upheld. Nothing could be further from the truth. Only one species of tuna—the yellowfin—is fished "on porpoise," to use the industry's expression. And only Pacific Ocean yellowfish are fished in this way.

The industry argues that the prohibition of fishing on porpoise will cause a small increase in the price of tuna. Such an increase would be a small price to pay for the protection of a mammal that is one of the most intelligent creatures on Earth.

Mr. Speaker, I will vote against H.R. 13865 as presently drafted, and I hope the full Merchant Marine and Fisheries Committee will reject it.

For the information of my colleagues, I would like to insert an editorial on this subject that appeared June 13 in the Hartford, Conn., Courant. I also would like to insert a letter to the editor of the Washington Star, June 17:

Porpoises Die for Tuna Salad

Disregard of the law by 141 vessels of the American tuna fleet that have continued to catch yellowfin tuna in purse seines is only slightly more to be forgiven than the failure of the Department of Commerce to enforce that law. As a result of both illegal acts, friendly, intelligent and playful porpoises have been "incidentally" slaughtered, caught in the nets, depleting the world's porpoise population by about 180,000 every year. That despite the fact that the Marine Mammal Protection Act of 1972 specifically requires the tuna industry to reduce porpoise death and serious injury to "insignificant levels approaching zero" within two years of the bill's passage.

Because the carnage has continued in such numbers, the case was reviewed by federal court Judge Charles Richey who ruled that the National Marine Fisheries Service became a sort of guardian of the porpoise according to the act of Congress. As such it must stop the killing immediately while an assessment is made of the damage. When the Protection Act was passed, 400,000 porpoises annually were being trapped in the seines along with the tuna which swim below the porpoise "pod," thus signaling a school of yellowfin is present. Since porpoises are air-breathers, they either drown, or, hopelessly tangled in the mesh, their fins are broken or they are crushed by other struggling dolphins. What is completely deplorable is the ultimate act of the fishermen—the playmates of the sea are thrown over the side, their deaths a needless sacrifice to greed.

Meanwhile, 90 per cent of all tuna is caught with a line, hook and pole, the yellowfin supplying the best source of "light meat" or "chunk light" tuna. Other varieties—albacore and bonita—are fished differently not involving porpoises. Various preservation organizations have been urging a consumer boycott against the light meat or chunk light tuna in protest against the killings.

Although Judge Richey's ruling appears to help the porpoises for now, that may be far from the truth. The tuna fishing industry already lobbied Representative Robert L. Leggett, California Democrat, Merchant Marine and Fisheries subcommittee chairman, to propose emergency legislation which could erase protection for the porpoises unless Americans insist on a different end to an already tragic tale.

Catching Tuna Without Porpoise

In response to your editorial on "Porpoises and tuna fish" (May 24), I, for one, am gratified to see important people in the arts, "the glitteries" as you call them, taking part in our legislative process. Perhaps their example could help bring the public out of its apathetic state and encourage public interest in important issues.

Rep. Glenn Anderson's claim that "tuna boat owners will either join unemployment lines or will be forced to sell their boats to foreign buyers or sail under foreign flags, registering under nations that have no consideration for the killing of the porpoise" takes the viewpoint solely of the tuna industry. Its threatening tone smacks of the old Southerners' cry that giving up their slaves would force the South to abandon its agriculture, or the claim of the Northern factory owner that the loss of child labor would drive them out of business.

Slavery, child labor and fishing "on porpoise" might, debatably, be more efficient, but all are morally wrong. Using a creature reputed to have intelligence second only to man's, a creature which for centuries has displayed its love for and devotion to man, to make a quick buck speaks poorly not only of the United States but of all humans. We cannot outlaw racism, prejudice or exploitation of the environment in other countries. We can, however, set a good example by doing so in the United States.

Yellowfin or light tuna is the only tuna caught "on porpoise." Bonita, albacore or white, bluefish, skipjack or dark, bigeye, etc., are caught without the use of these marine mammals. The fisheries of yellowfin can still fish for these tuna with poles, as they did, successfully before the 1960s brought wide use of purse seine nets.

A report to Congress on the porpoise-tuna problem, distributed by National Marine Fisheries Service, states that "the fishery has growth potential because, at the present time, only yellowfin are possibly near the limit of their sustainable yield. The main stock of skipjack is still relatively untouched," indicating yellowish tuna are on the verge of being overfished.

Greed and efficiency at the expense of hundreds of thousands of porpoise may eventually have driven the yellowfin tuna fisherman completely out of business if the recent court order had not banned fishing on porpoise.

The Commerce Department testified at hearings before a House Merchant Marine and Fisheries subcommittee that there is no way zero mortality rate for porpoises can be reached while the purse seine net is being used.

The answer is evident; either bring back use of the poles to catch yellowfin tuna, or purse seine for tuna other than yellowfin. The fishermen of this particular tuna would not go out of business, dolphins would not be sacrificed, and the yellowfin would not be in danger of being overfished. Profits realized from higher sales of light tuna, presently boycotted by millions of Americans concerned about the porpoise, might compensate for the expense of catching tuna with poles.

Fishermen could even continue purse seining for yellowfin if they would follow the Japanese example of locating these schools of fish with floating objects rather than porpoise.

Judge Richey's decision strikes a much-needed blow for our earth and its wild creatures: ". . . steps which ensure the protection and conservation of our natural environment must, almost inevitably, impose temporary hardships on those commercial interests which have long benefited by exploiting that environment. The people of this country, speaking through their Congress, declared that porpoise and other marine mammals must be protected from the harmful and possibly irreversible effects of man's activities."

MARGARETHA HEWITT,
Member,
Committee for Humane Legislation.
WASHINGTON, D.C.

THE DICK GREGORY BICENTENNIAL FOOD RUN, APRIL 21–JULY 4, 1976

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. METCALFE) is recognized for 5 minutes.

Mr. METCALFE. Mr. Speaker, one of the most unsettling facts that confronts us in this day of affluence is the fact that so many of our citizens and so many individuals throughout the world suffer from hunger and malnutrition.

In an effort to dramatize the hunger which so many individuals suffer, Mr. Dick Gregory started a "Bicentennial food run" on April 21, 1976, in Los Angeles. Mr. Gregory is scheduled to end his run on July 4, 1976, in New York City.

Mr. Gregory has done extensive research into the relationship between nutrition and good health. A perusal of his book "Natural Diet for Folks Who Eat: Cooking With Mother Nature" will indicate the depth of his background in this area.

Dick Gregory is to be commended for the manner in which he is focusing the attention of all Americans on this problem. I commend him for his tireless efforts on behalf of the millions throughout the world who are suffering from malnutrition and hunger.

The Dick Gregory Bicentennial food run is necessary to alert the public to the evergrowing food crisis. The problem stems from a food shortage. American citizens, regardless of how poor they may be, deserve the right to eat. When that right goes unrecognized, liberty is mocked, there is no happiness, and life itself is threatened.

Mr. Gregory began his run in Los Angeles on April 21 and will enter New York City on the Fourth of July. On that day millions of Americans will celebrate this country's 200th birthday. At the same time countless numbers of our own people will have nothing to celebrate. They will be hungry.

Unless high Government officials acknowledge this problem and begin to seek an immediate solution, there is a possibility of food riots in the not-too-distant future. Those of us who take food for granted must wake up to this urgent need for action.

Having run a distance of approximately 50 miles a day, Gregory has consumed no solid food during the entire course of the run. His only nourishment has been freshly squeezed fruit juices, water, and a special formula of organic substances.

In preparation for this run, Mr. Gregory ran from Chicago to Washington, D.C., in July 1974. The purpose of that run also being to dramatize world and domestic hunger. He says the previous run along with the experience of his current running partner made this Bicentennial food run possible. In the 2 years that have elapsed since the first run, the food problem has become even more crucial.

Mr. Gregory's running companion is 30-year-old Gordon Brooks. A native of Columbus, Ohio, and a former high school English teacher, Mr. Brooks set a 1974 world's speed record for running from New York City to Los Angeles.

The primary reason for the Bicentennial food run is to sensitize Americans to the fact that countless millions of our own citizens do not have enough to eat. In doing this, Mr. Gregory hopes to promote support for already established food organizations now raising funds to help feed the hungry poor. Assisting Mr. Gregory in his effort to inform the American public of the growing food crisis is world heavyweight boxing champion, Muhammad Ali. During the course of the run, Mr. Ali has twice joined the food run staff on the road. He spent more than a week running with Gregory and shared the platform in cities where Mr. Gregory stopped to spread his hunger message.

Ali also sampled Gregory's own 4X formula. This is an organic substance consisting primarily of kelp—seaweed—mixed with 16 other ingredients including sesame and sunflower seeds. Gregory considers this 4X formula an ideal food for feeding the hungry poor. It does not need refrigeration or cooking and can be packaged and shipped at a minimal cost.

Mr. Speaker, I would like to insert an editorial from the Wichita Eagle of May 29, 1976, at this point in the RECORD. Following the editorial I am inserting a statement by Mr. Gregory:

AN OPTION TO CONSIDER

At the moment, there may be more inspirational than practical value in Dick Gregory's strategy to reduce hunger. But then, even such momentous events as the birth of the American nation had to be preceded by a lot of idea sowing.

The activist-comedian concedes that if President Ford took him up on his suggestion that there should be a cabinet-level Secretary of Food and Nutrition and asked Gregory for a specific plan, he'd have to think a little more about it.

But he believes that if there can be a federal department to attack housing problems, there can be one to attack hunger—using the authority of government to wean people away from what Gregory calls junk foods and educate them—especially the poor—into good nutritional habits.

Also, both he and an aide said, he believes there should be someone available to listen to the problems of the poor and the hungry and the small farmer while the Secretary of Agriculture busies himself with big programs and international grain deals.

And he's convinced that, with government behind the plan, all the world's hungry billions could be fed an adequate diet for as little as 36 cents a day. The Gregory cheap nutrition plan would utilize kelp—a class of seaweeds which grows especially well off the American Pacific coast—processed, powdered and mixed with about 16 other readily available ingredients including wheat germ.

A three-meal supply of the resulting mixture, which he likes to moisten with orange juice, though he says honey, water or several other things will suffice, could be produced for about 5 cents, he says, leaving 31 cents of the 36 cent "price" to cover packaging and other incidental costs.

He calls the formula "4X" and says he's keeping it secret for the present "to prevent some big company from ripping it off" before it can be used to solve the world's hunger problems. But he says it has sustained him on part of his transcontinental Bicentennial Run Against Hunger, which he interrupted to stop in Wichita for a rally and a speech here.

He says a 4X regimen changed the Muhammad Ali who danced for 15 rounds against Jimmy Young to the Muhammad Ali who quickly conquered Richard Dunn in Munich, Germany earlier this week. Ali said as much when he was interviewed at the conclusion of the fight; at the same time he told the televiewing world that Gregory was on his way into Wichita.

So there you have it, folks—news of a possible miracle food, and a reminder that 55 million Americans still go to bed hungry most nights. Dick Gregory's ideas just might help relieve that hunger problem. It doesn't cost to listen.

And since proposed cutbacks in the food stamp plan have been challenged by a coalition of state governments, church groups, labor unions and food stamp families, the Ford administration should be willing to consider all options.

STATEMENT BY DICK GREGORY

I, Dick Gregory and millions of the hungry poor will always be indebted to Mike Stewart who made the first run possible. Without his support on the first endeavor, the Bicentennial Food Run would not have taken place. I am also grateful to Dr. Alvenia Fulton whose spiritual power and knowledge of proper nutrition has made me more aware of the importance of good health. Many thanks go to Jack Healey and Melissa Cadet, Co-Chairpersons of the National Food Run Committee; Dan Sheehan, Legal Advisor; Father William Davis, Director of the Office of Social Ministries of the United States Jesuit Conference; and John Whitehead, National Public Relations Chairman. I am especially thankful to the members of the road staff who traveled with me across the country, making it possible for the run to stay on schedule. Melissa Cadet, Road Operations Director; Charlene Mitchell, Media Coordinator; Michael Watley, Road Manager; John Bellamy, Driver; Gordon Brooks, Route Coordinator along with Michael Martin, James Davis, John Lopes, Cissi Lopes, Charlotte Smith, and Zenobia Newton, who worked together to the various aspects of the Food Run.

In addition to the abovementioned, I would also like to thank George O'Hare, Jim Sanders, Gertha Love, Nathan Gray, Al Duckett, Ron Gregory, Steve Jaffee, Mother Annie Mae Gibson, Dr. Roger Holt, Dr. Roland Sidney, Herb Jubert, Herbert Muhammad, James Potter, Jim McGraw, Carlton Goodlett, Willis Edwards, Mercel Randolph, Marjorie Tabankin, Leonard Conway, and the following politicians who assisted me on my route: Mayor Tom Bradley, Los Angeles, California; Councilmen David Cunningham and Robert Farrell, Los Angeles, California; Arizona Governor, Raul Castro; New Mexico Governor Jerry Apodaca; Harry E. Kinney, Mayor of Albuquerque, New Mexico; Kansas Governor Robert F. Bennet; James McDonnel, Mayor of Wichita, Kansas; John Poelker, Mayor of St. Louis, Missouri; William E. Mason, Mayor of East St. Louis, Missouri; Gorden Bush, St. Louis City Treasurer; Gene McNary, St. Louis County Supervisor; Indiana Secretary of State, Larry Conrad; William H. Hudnut, Mayor of Indianapolis; Senator Birch Bayh, Indiana; Lieutenant Governor Richard F. Celeste, Ohio; Ohio State Representative Phale D. Hale; Tom Moody, Mayor of Columbus, Ohio; Governor Milton Shapp, Pennsylvania; and the many others who will join me in the New York completion of my run.

Special thanks also to the following organizations: United States Jesuit Conference, Save the Children Federation, YMCA New York, OXFAM-America, Youth Project, United Church of Christ Board of Homeland Ministries and the Hunger and Development Program of the Center for Community Change.

Finally, I express love and thanks to my family for patiently understanding the purpose of this endeavor which kept me away from my home for an extended period of time. My wife Lillian, and the children, Michelle, Lynn, Pamela, Paula, Gregory, Stephanie, Miss, Christian, Ayanna and Yohance.

STATEMENT OF CONGRESSWOMAN BELLA S. ABZUG ON FIRST ANNIVERSARY OF DECLARATION OF NATIONAL EMERGENCY IN INDIA ON JUNE 26, 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 30 minutes.

Ms. ABZUG. Mr. Speaker, the loss of democracy, civil liberties, and access to the courts is a matter of concern to all of us who live in this interlinked world. June 26, 1976, marked a milestone in the world's age-old struggle to maintain freedom and democracy. One year ago, on June 26, 1975, the Government of India declared a national emergency allegedly to "safeguard unity and stability." A state of emergency was already then in existence for external reasons, but this new emergency declaration included an unprecedented imposition of total press censorship and the suspension of all fundamental rights. Since then we have heard with dismay and concern reports of the arrest of tens of thousands of opponents of the Prime Minister Indira Gandhi, including members of Parliament and even of Mrs. Gandhi's ruling Congress Party. These political leaders and thousands of others who have accurately been described by Amnesty International as "prisoners of conscience" were arrested under the Maintenance of Internal Security Act, the emergency legislation of India which provides for detention without trial. Indeed, under the decrees which have followed the declaration of emergency, the authorities in India are under no obligation whatsoever to specify the charges against a detainee and, moreover, detainees have no right to legal counsel or trial.

The following deplorable steps were taken by the Government of India after the imposition of the emergency:

Total censorship of the press—a measure unprecedented in independent India—including censorship of foreign papers.

Suspension of all fundamental rights guaranteed in the constitution of India.

Prisoners arrested under the emergency were deprived of their constitutional right to seek redress from the courts against illegal detention. Thus, prisoners were deprived of their basic rights to seek their release by legal means, such as by habeas corpus petition.

On July 1, 1976, the Maintenance of Internal Security Act—MISA—under which all prisoners were arrested was amended. The Government was discharged of its legal duty to give grounds for detention. It is now sufficient that the authorities themselves are satisfied that detention is necessary "to safeguard the security of India." At the same time, the period that a political prisoner can spend in detention without trial was extended to 12 months.

Since the declaration of emergency, there have been reports of torture utilized against these prisoners of conscience. Courageous organizations have attempted to pierce the curtain of silence which has fallen on India, a country comprising one-sixth of all the world's population. I particularly commend in this regard Amnesty International, and also Indians for Democracy, a group of Indian nationals residing in the United States who are deeply devoted to principles of democracy, human rights, and justice; and also, the International League for Human Rights.

Mr. Speaker, all of us in the Congress of the United States should be deeply concerned about the arrest and imprisonment without trial or even specification of charges of tens of thousands of citizens of India. I personally cannot in the slightest accept the rationalization by the Government of India that this violation of basic human rights is justified by the various decrees of national emergency. This is a time when we who value freedom and civil liberties must let our opposition to their loss anywhere be known unequivocally. We should let the Government of India have no doubt whatsoever that we utterly abhor the deprivation of the civil liberties and human rights of the people of India.

The suspension of fundamental rights in India guaranteed under the constitution of that country clearly contravenes those international norms which are contained in the universal Declaration of Human Rights adopted by the United Nations. Article 3 of that declaration provides that—

> Everyone has a right to life, liberty, and security of persons.

Article 5 provides that—

> No one shall be subjected to torture or to cruel, inhuman, or degrading treatment or punishment.

And article 9 provides that—

> No one shall be subjected to arbitrary arrest, detention, or exile.

For each of these solemn declarations, there appear to have been innumerable violations. And we in the Congress of the United States cannot remain indifferent to the gross violations of human rights which have occurred in India in this last sad year.

On May 28, 1976, Indians for Democracy submitted a complaint to the United Nations Commission on Human Rights, charging the Government of India with what the complaint terms "a consistent pattern of gross violations of human rights by the Government of India." Indians for Democracy requested that this communication be placed before the U.N. Subcommission on Prevention of Discrimination and Protection of Minorities and the Commission on Human Rights. As evidence to support its charges, Indians for Democracy submitted 20 appendices, including reports of torture of political prisoners, letters from members of Parliament to the Prime Minister, Home Minister, and the President of India, calling their attention to the ill-treatment of political prisoners in India, and statements by bar associations in India. A report entitled "Torture of Political Prisoners in India" prepared by the Lok Sangharsh Samiti—People's Struggle Committee, the resistance movement in India, cites specific cases of torture with names of prisoners and officials, place and date of the torture, and listing the common forms of physical abuse, brutality, and torture.

The International League for Human Rights has charged the Government of India with violations of the United Nations Charter, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Declaration of Protection of All Persons From Torture. These charges are contained in a 73-page documented complaint transmitted to U.N. Secretary-General Kurt Waldheim on June 1, 1976. The International League for Human Rights, founded in 1942, is an independent, international nongovernmental organization affiliated to the United Nations in the human rights field.

In its complaint, the League has called upon the United Nations to undertake an investigation of the "antilibertarian legislation and executive action" imposed on India by Prime Minister Indira Gandhi beginning with the emergency proclamation of June 26, 1975, "which sounded the beginning of the decline of human rights for one-sixth of humanity."

The complaint challenges the view that considerations of internal security and the need to achieve greater economic progress warranted the sacrifice in India of individual liberties:

> Such justifications are legally and morally inadequate to exempt the Government of India from harsh approbation by the conscience of mankind for systematically trampling on the freedom and dignity of tens of thousands of its citizens.

The chairman of the League, Jerome J. Stestack, stated:

> We do not know whether the United Nations Human Rights Commission will take up this complaint. It has shown an aversion to act on human rights violations of large countries with influence in the U.N. However, the pattern of violations is so egregious here that the Human Rights Commission would be derelict in its obligations if it did not pursue an investigation of this matter.

Mr. Speaker, I commend and congratulate both Indians for Democracy and the International League for Human Rights for their leadership and courage in drafting their respective complaints and submitting them to the United Nations.

I urge my colleagues to do all we can to support these two complaints and have them both accepted by the United Nations. I also urge that our delegation to the United Nations vote in favor of placing both complaints on the agenda of the United Nations and that this country support both complaints vigorously. Further, I ask my colleagues to join me in requesting our Ambassador to the United Nations to support a motion to send a U.N. team to India to investigate the serious charges made in these complaints against the Government of India.

RESPONDING TO JUVENILE CRIMES OF VIOLENCE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, the Legislature of the State of New York has just passed legislation to curb the increasing number of juvenile violent offenses. The bill requires a minimum of 2 years confinement—up to a maximum of 5 years—of 14- and 15-year-old juveniles who commit such serious crimes as murder, rape, or arson. The first year of confinement is to be in a secure facility separate from adult criminals and supervised by the division of youth; the remainder is to be in a community-based facility.

I am not certain that the prospect of tougher punishment will necessarily deter juveniles from committing violent crimes. There are those who say that crimes of personal violence are less likely than others to be premeditated; that many of these crimes are the "emotional," "unplanned" crimes, and that there is very little prospect of deterring those who would commit such crimes by increasing sentences. One of those who holds this view is Ira Glasser, executive director of the New York Civil Liberties Union, who is familiar with the published literature on juvenile crime and justice and maintains an active interest in the field, and who provided me with some background on this problem. He points out that the available literature concludes that there is a correlation between the likelihood of apprehension and the deterrence of crime; but he maintains that there is no correlation between raising sentences and deterrence.

Obviously, there is logic in the view that an increase in sentence will not, in itself, reduce crime because those who would commit crimes must believe they are likely to be caught and, therefore, subjected to the penalties, before the penalties can have any real impact to deter a potential crime. However, I believe there must be a serious penalty for serious crimes; simply catching a juvenile and releasing him does not in my view adequately protect society or make the prospect of apprehension unpleasant to comprehend by those who would commit a crime of violence.

This is not a simple problem, however, because there are many learned studies which show that incarceration of juveniles or adults leads those individuals to commit further crimes once they are released. As Mr. Glasser points out, incarceration without any rehabilitation, educational or other programs is the easy and cheap thing for a society to do. It gets rid of the troublemakers for a time and appears to make society safer. As I cataloged in a recent statement about the problems of sexual assaults in prison, the institutions to which we send offenders are all too often horrible places and not places where we can comfortably assume that offenders are being given some opportunity to develop into less violent and more productive human beings. It appears that the cure for crime is going to cost society a great deal of money, whether we spend it on social programs or on the criminal justice system, including decent facilities with programs for education and rehabilitation. Even if we were willing to jettison our regard for human dignity and liberty and turn our cities into police states with barbaric prisons that would also cost money, besides being unjust and probably ultimately ineffective in eliminating crime.

Yesterday, the House approved $753 million for the Law Enforcement Assistance Administration, which grants localities money for law enforcement purposes, but the LEAA has not been successful in reducing crime, according to a recent Twentieth Century Fund study. Clearly crime is already costing the taxpayer a great deal of money. The question is what we should spend it for.

Because I wanted to see how other States are dealing with the problems of juvenile delinquency and violence, I have sought the advice of those close to the administration of juvenile justice. I recently wrote to the directors of the division of youth services in the 50 States to ascertain how each State deals with juvenile delinquents, particularly those under the age of 16 who engage in serious crimes of violence. Thus far, I have received 20 responses, excerpts of which I would like to share with my colleagues, and which are appended, along with a table showing the total arrests of persons under the ages of 15, 18, 21, and 25 for various crimes of violence and crimes against property:

RESPONSES TO JUVENILE CRIMES OF VIOLENCE

Alabama: (A new transfer procedure for transferring a delinquent child from juvenile court to criminal court goes into effect on January 16, 1977) . . . It is felt that the new transfer provision which is taken from the Model Act, makes it easier to transfer a youth between the ages of fourteen and eighteen to criminal court if he committed a serious crime of violence. There is no provision in either the old or the new law to transfer a child under fourteen to criminal court . . . regardless of the seriousness of the alleged act . . .

Alaska: Alaska Statutes commit the delinquent youth to the Commissioner of the Department of Health and Social Services for an indefinite period of time up to and not exceeding the youth's 19th birthday . . . in order for the youth to be committed under the youth code, the youth must be less than 18 years old. The average stay of a youth who has committed a serious delinquent act in a place of confinement for youth would be approximately 18 months to two years . . . On rare occasions children can be certified from the family court to the adult criminal court for prosecution and trial . . .

California: Youths under the age of 16 may be handled as juvenile delinquents in California. Options for care and control may range from county probation . . . to commitment to a county camp, ranch, or school, to commitment to the Department of the Youth Authority. Commitment to the Youth Authority as a juvenile can extend to the 21st birthday . . . institutional and subsequent parole time are determined by the offender's adjustment in and out of custody . . . and is handled on an individual basis . . . California, as other states, is experiencing an increase in youth violence and the Legislature is considering handling certain 16 and 17 year-olds who are repeat offenders as adults . . . Under existing California juvenile court law (initial jurisdiction up to 18 years of age), 16 and 17 year-olds may, if found to be unfit by the juvenile court, be certified to the general courts for trial as adults . . . In such a case, the safety of the community is better protected by the existing juvenile court processes than it is by the adult—a process that is conspicuous in its failure to protect us from adult offenders . . .

Connecticut: . . . the juvenile court has exclusive jurisdiction over children under the age of 16 who are charged with delinquency. On a finding of delinquency, the court may commit the child to the Department of Children and Youth Services for a maximum period of two years, unless extended by the court by petition of the Department within a certain time frame, or a recommitment based on subsequent delinquencies. When a youngster is committed to the Department, it is within the Department's authority to determine where the child shall be placed, whether it be in the State's Training School for delinquents, or in some alternate facility such as a group home . . . Statutes provide that a child over the age of 14, who is charged with murder, may be given a hearing in the juvenile court, and after appropriate findings, transferred to the Superior Court for trial and disposition as an adult. In 1975, the Legislature extended this concept to second offenders who have committed a Class A or Class B felony and who are charged with the second Class A or B felony . . . Under Connecticut law, the Department may petition the court for transfer to an adult correctional facility, if the child age 14 or over, is considered to be dangerous to himself or others, or cannot safely be contained in our facility or other facilities available to the Department . . .

Delaware: Existing Delaware statutes provide for a youth, up to 18 years old, to be found delinquent . . . and his custody placed with the Bureau of Juvenile Correction. The length of time up to 18 years he is held in custody is dependent upon a decision of the BJC. During the past year the Bureau has been considering the advisability of establishing policy and procedures to implement a "determinant sentence" . . . In the meantime, the police charged some 16 youth with with approximately 350 serious offenses . . . legislature responded by passing bill to provide mandatory sentencing of one to three years for repeat offenders in serious crimes and sentencing to secure facilities . . .

Idaho: The Idaho Youth Rehabilitation Act gives original jurisdiction in all cases involving youths under the age of 18 to the magistrate division of the district court; however, indicates that "the court may waive jurisdiction and order a child held for criminal proceedings after full investigation and hearing when a child is alleged to have committed an offense after he became 16 which would be a crime if committed by an audit." . . . There has been little if any move to lower from 16 the age at which a youth may be tried as an adult, primarily because there have been few recent incidents of serious crimes of violence involving youths under the age of 16.

Illinois: Under the Juvenile Court Act . . . a person under the age of 17 who commits a serious crime such as armed robbery or murder, may be tried in either the Juvenile or Criminal Court. This is an option of the presiding judge at the request of the State's Attorney. If the youth is tried in Criminal Court and found guilty, he is committed to the Juvenile Division of the Department of Corrections. The Juvenile Division has the right to petition the court for a transfer of the youth to the Adult Division, if such a transfer can be justified. This procedure provides . . . flexibility . . .

Louisiana: . . . Even though the process of transferring juveniles into adult courts is not . . . difficult . . . few juvenile judges are willing to do so . . . Individuals who work in the juvenile court system in this state are generally pleased with the transfer process as it is now practiced with the exception of the sentencing of children to adult institutions. A juvenile in adult court is treated, in all aspects, as if he were an adult and is sentenced to an adult facility. Most experts feel there should be a specially designed facility maintained by the State for sentenced juveniles. . . . Commitment by juvenile courts . . . is for an indeterminate period of time . . . The average juvenile spends between 6–8 months at the state training schools while the more violent offender spends considerably longer periods of time. . . .

Maine: At the present time the District Courts . . . act as juvenile courts and have exclusive jurisdiction over juvenile offenses except for misdemeanor traffic offenses (and have the option to try child under general law) . . . if it appears that the child's age, maturity and experience and development are such as to require such prosecution . . . the nature and seriousness of conduct constitute a threat to the community . . . The court can not commit a child to an institution if the offense or act committed by the juvenile would not be an offense under the criminal statutes of this State, if committed by a person 18 years old or over . . . A commission has been established to study the juvenile law in Maine and to come up with a new code or recommended changes in the existing . . . law.

Maryland: . . . Juvenile court jurisdiction extends to age eighteen . . . juvenile court also retains jurisdiction over youngsters if this jurisdiction was obtained prior to the eighteenth birthday . . . may extend to the 21st birthday. Excluded . . . are those offenders who are 14 years old or older and commit an offense which carries the penalty of life imprisonment or capital punishment . . . and offenders who have reached their sixteenth birthday and are alleged to have committed the offense of robbery with a deadly weapon. These types of cases are automatically tried in the adult criminal courts . . .

Massachusetts: In 1969, Massachusetts, in an unprecedented reform movement, began to close all of its juvenile institutions. To, date, the majority of our delinquent youth are serviced in community-based facilities . . . we do continue to grapple for a solution of how best to service that small minority of youth . . . not suited for community-based treatment . . . most of these youth are violent . . . DYS has set up a state-wide Security Treatment Task Force . . . chaired by an Assistant Attorney General and comprised of members of the Legislature, courts, probation, citizens, and state agencies to study the entire system . . .

Minnesota: . . . A subcommittee of the state legislature is looking at the problem of violent and repeated juvenile offenders within the state . . . possible solutions . . . range from early intervention to the possibility of using a secure institution program . . . Our present solution . . . is to work with existing juvenile treatment programs or, if the crime is heinous enough or where public safety is in serious jeopardy, then certification to the adult court is a possibility for those over age 14 . . . Housing juveniles in a secure facility, which Minnesota has done in the past, has proven of little value and yet to ignore them is a serious breach of public safety . . .

Nebraska: Every juvenile under the age of sixteen, except in cases of murder or manslaughter, will automatically come under the jurisdiction of the Juvenile Courts. A person, at the age of sixteen or seventeen, may be tried in Adult Court; however, the court has the alternative of waivering the proceedings to the Juvenile Courts . . . We are unable, in this state, to transfer an Adjudicated Delinquent to an adult facility. We may petition the original court of jurisdiction for relief which involves a complete court hearing and the filing of new charges on the youth. Again, this applies only to a youth who is over sixteen years of age . . .

New Hampshire: If a youth of 14, 15, or 16 is accused of committing a serious felony, such as homicide, armed robbery, serious assault, etc., he is generally certified by the District Court . . . to the Superior Court and is tried as adult. A decision is then made by the Superior Court as to whether he is to be sentenced as a juvenile, which would mean commitment to this facility, or would be committed to the State Prison or a county jail. We do have a few such cases on our grounds who have been found guilty of homicide and then committed for their minority or for a specified period of time to this facility . . .

North Carolina: . . . Court system is divided into two parts—District Court and Superior Court. Juvenile Court is always held in the District Court before a District Judge . . . If a child is found to be delinquent before his sixteenth birthday, the Juvenile Court retains jurisdiction over the child until his eighteenth birthday . . . A child who has reached his fourteenth birthday and is alleged to have committed a felony may be tried in Superior Court as an adult . . . If a child between the ages of fourteen and sixteen is alleged to have committed a felony which is a capital crime, and the Judge finds probable cause, the child's case must be transferred to Superior Court where the child will be tried as an adult . . . Children who have not obtained their fourteenth birthday may only be tried in Juvenile Court even if the child is alleegd to have committed a capital offense . . .

Oklahoma: Recently passed legislation establishes the Department of Institutions, Social and Rehabilitative Services as the state planning and coordinating agency for statewide juvenile justice and delinquency prevention services . . . among other goals of this agency are to divert youth away from the juvenile justice system into alternative programs such as community-based programs

Oregon: A child over 12 and under 18 may be committed to a state training school . . . A child 16 or over may be remanded to adult court for adjudication and disposition within that system (this usually occurs only for crimes of violence against persons) . . . youngsters who demonstrate pattern of violence against persons are likely candidates for admission to the training schools . . . youngsters who have engaged in serious crimes against persons and represent a potential risk are administratively classified as "sensitive cases" and are released to the community only after psychiatric evaluation and review and approval of the Policy Committee of the General Superintendent, Juvenile Corrections Services . . . Legislation has recently been proposed . . . for all juvenile criminal cases to be automatically heard in adult court after age 15 or 16 . . .

South Dakota: . . . our unified court system is responsible for handling juvenile intake screening, diversion, and caseflow of juvenile matters along with juvenile probation, aftercare services (parole) and adult probation. Therefore the judiciary is responsible for the procedures in your current area of interest . . . If adjudicated, the chief court officer will assign the case to a court service officer who will provide the judge with a written pre-dispositional diagnostic evaluation, a recommendation, and a recommended treatment plan . . . In the event of personal offenses and recidivists of a more serious nature the youth would probably be referred for a psychological evaluation in addition to that provided by the court service officer . . . if it was deemed necessary he would be committed to our state training school which is co-educational and without walls or fences . . . South Dakota does not currently have a major problem with "serious Crimes of violence" attributed to juveniles . . .

Washington: . . . the juvenile court has jurisdiction over juveniles up to age 18. This jurisdiction can be extended to age 21 if circumstances warrant the extension. Whenever the resources in the community cannot cope with an individual's behavior, the juvenile court can commit that individual to the Department of Social and Health Services' juvenile institutional system . . . There are no pre-determined sentences. The courts commit to this Department until age 18 unless circumstances support the extension to age 21. The paroling authority is the institutional superintendent . . . we are developing a classification system that will provide more specific guidelines for determining the length of stay in the institutions as well as a more systematic process for planning services for the offender . . . state legislation has drawn a firm line that prohibits the incarceration of incorrigible children in State institutions and forest camps. This legislation and the changes brought about by the Supreme Court decisions on juvenile court proceedings leads one to consider the advisability of a youthful offender system that would be separate from both the adult and juvenile court systems. This intermediate system could deal more specifically with the youth who is persistent in delinquency that is of a felonious nature . . . basically, the age range . . . from 16 to 25 . . .

West Virginia: There is presently underway a legislative effort to rewrite the West Virginia Code regarding juveniles . . . Presently Circuit Courts have jurisdiction over juveniles under the age of 18 and may make several dispositions of their cases, including, if the child is over sixteen, entering an order showing its refusal to take jurisdiction as a juvenile proceeding and permit the child to be proceeded against in accordance with the laws of the State governing the commission of crimes or violation of municipal ordinances . . .

TOTAL ARRESTS OF PERSONS UNDER 15, UNDER 18, UNDER 21, AND UNDER 25 YEARS OF AGE, 1973

[6,004 agencies; 1973 estimated population 154,995,000]

Offense charged	Grand total all ages	Number of persons arrested				Percentage			
		Under 15	Under 18	Under 21	Under 25	Under 15	Under 18	Under 21	Under 25
Total	6, 499, 864	614, 716	1, 717, 366	2, 654, 516	3, 586, 283	9. 5	26. 4	40. 8	55. 2
Criminal homicide:									
(a) Murder and nonnegligent manslaughter	14, 399	216	1, 497	3, 607	6, 426	1. 5	10. 4	25. 1	44. 6
(b) Manslaughter by negligence	2, 996	83	363	876	1, 397	2. 8	12. 1	29. 2	46. 6
Forcible rape	19, 198	813	3, 772	7, 500	11, 633	4. 2	19. 6	39. 1	60. 6
Robbery	101, 894	11, 015	34, 374	56, 678	77, 773	10. 8	33. 7	55. 6	76. 3
Aggravated assault	154, 891	8, 200	26, 270	47, 293	73, 724	5. 3	17. 0	30. 5	47. 6
Burglary—breaking or entering	316, 272	73, 139	170, 228	227, 280	266, 969	23. 1	53. 8	71. 9	84. 4
Larceny—theft	644, 190	146, 910	310, 452	414, 954	492, 783	22. 8	48. 2	64. 4	76. 5
Auto theft	118, 380	17, 736	66, 868	87, 925	101, 339	15. 0	56. 5	74. 3	85. 6
Violent crime[1]	290, 382	20, 244	65, 913	115, 078	169, 556	7. 0	22. 7	39. 6	58. 4
Property crime[2]	1, 078, 842	237, 785	547, 548	730, 159	861, 091	22. 0	50. 8	67. 7	79. 8
Subtotal for above offenses	1, 372, 220	258, 112	613, 824	846, 113	1, 032, 044	18. 8	44. 7	61. 7	75. 2
Other assaults	275, 105	21, 013	53, 044	89, 245	136, 626	7. 6	19. 3	32. 4	49. 7
Arson	11, 096	4, 420	6, 491	7, 626	8, 588	39. 8	58. 5	68. 7	77. 4
Forgery and counterfeiting	41, 975	729	4, 657	12, 329	22, 732	1. 7	11. 1	29. 4	54. 2
Fraud	85, 467	686	3, 159	12, 575	31, 316	. 8	3. 7	14. 7	36. 6
Embezzlement	5, 612	87	429	1, 212	2, 360	1. 6	7. 6	21. 6	42. 1
Stolen property; buying, receiving, possessing	70, 238	7, 121	23, 738	38, 423	50, 430	10. 1	33. 8	54. 7	71. 8
Vandalism	121, 011	51, 377	83, 428	95, 743	104, 396	42. 5	68. 9	79. 1	86. 3
Weapons; carrying, possessing, etc	115, 918	4, 756	18, 635	36, 085	57, 077	4. 1	16. 1	31. 1	49. 2
Prostitution and commercialized vice	45, 308	150	1, 769	12, 066	28, 497	. 3	3. 9	26. 6	62. 9
Sex offenses (except forcible rape and prostitution)	48, 673	3, 698	9, 784	15, 566	23, 012	7. 6	20. 1	32. 0	47. 3
Narcotic drug laws	484, 242	16, 222	127, 316	275, 553	391, 251	3. 3	26. 3	56. 9	80. 8
Gambling	54, 938	270	1, 544	4, 168	8, 991	. 5	2. 8	7. 6	16. 4
Offenses against family and children	42, 784	222	994	7, 098	15, 109	. 5	2. 3	16. 6	35. 3
Driving under the influence	653, 914	242	9, 026	61, 780	149, 713	([3])	1. 4	9. 4	22. 9
Liquor laws	183, 813	7, 178	74, 690	132, 789	146, 748	3. 9	40. 6	72. 2	79. 8
Drunkenness	1, 189, 489	4, 207	34, 722	117, 141	237, 364	. 4	2. 9	9. 8	20. 0
Disorderly conduct	461, 553	36, 114	103. 556	184, 088	268, 529	7. 8	22. 4	39. 9	58. 2
Vagrancy	50, 310	1, 272	6, 016	14, 385	29, 411	2. 5	12. 0	28. 6	58. 5
All other offenses (except traffic)	848, 835	87, 475	231, 018	371, 517	515, 808	10. 3	27. 2	43. 8	60. 8
Suspicion	40, 927	4, 383	13, 090	22, 579	29, 845	10. 7	32. 0	56. 2	72. 9
Curfew and loitering law violations	118, 003	33, 651	118, 003	118, 003	118, 003	28. 5	100. 0	100. 0	100. 0
Runaways	178, 433	71, 331	178, 433	178, 433	178, 433	40. 0	100. 0	100. 0	100. 0

[1] Violent crime is offenses of murder, forcible rape, robbery, and aggravated assault.
[2] Property crime is offenses of burglary, larceny and auto theft.
[3] Less than 1/10th of 1 percent.

Source: "Uniform Crime Reports," 1973, table 31, p. 130.

IN MEMORIAM OF ELMER J. HOFFMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. Collins) is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, I wish to say a few words about a former Member of this Chamber who died recently, Elmer J. Hoffman. The former Republican Congressman from Illinois passed away last Friday, June 25 after devoting more than 40 years to national, State, and local politics.

Mr. Hoffman was of simple origins, having been born and lived on a farm in Illinois. He was very much a representation of what is good in America. He worked hard and honestly and he served his fellow citizens in years of public life and in the military. His character as much as anything accounted for his range of success in elective politics. He was, besides being a Congressman, a township constable, a sheriff, a county treasurer, and a State treasurer.

His responsible advocacy of his point of view distinguished him as a respected member of the opposition. He was, in sum, liked and respected by both Republicans and Democrats.

In paying tribute to Elmer Hoffman we might all seek to muster the forthrighteousness and dedication he displayed throughout his public and personal life.

LEGISLATION TO EASE THE TAX BURDEN ON THE HANDICAPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. Flowers) is recognized for 5 minutes.

Mr. FLOWERS. Mr. Speaker, it has come to my attention that there is a group of taxpayers in our country who incur greater costs than most of us in maintaining major life activities and who are in serious need of some form of tax relief. These people are severely handicapped—some suffering from the crippling effects of polio, and other physical impairments, and some from mental retardation. I am sure you know people in your home districts who are fighting against these and similar disabilities in an effort to stay independent and self-supporting.

Many are working in positions which require little mobility or low IQ's and pay minimal salaries. Although employed at desk or assembly line jobs, they may be physically incapable of performing regular household duties, such as cooking or taking care of personal needs, such as bathing. Outside help is often hired to assist them with these basic life functions putting a large dent in an already meager paycheck from which taxes are deducted monthly.

At present there are no provisions in the tax statutes which enable self-supporting disabled persons to take any form of special deduction other than for medical expenses. I feel it is far better to encourage the handicapped to work and maintain themselves than to force them to resort to public assistance and institutional care. I am, therefore, introducing legislation today which is aimed at helping to relieve the tax burden placed on such individuals.

There is precedent for the special treatment of disabled individuals in the Internal Revenue Code. Section 151(d) allows blind taxpayers an extra personal deduction and withholding exemption due to blindness. Clearly there are others who suffer from inhibiting disabilities and they should not be overlooked.

The purpose of my bill is to increase the personal income available to disabled individuals and the provisions are twofold.

Section 1 would amend the personal deduction and withholding exemptions sections of the Internal Revenue Code and allow a disabled individual, as defined in the bill, additional personal deductions in the amount of $750. It would also allow for complementary withholding exemptions for a taxpayer, spouse, and dependent if so qualified. The definition of disabled used in the proposal is taken from section 504 of the Rehabilitation Act with some slight revisions. It is not intended that the regulations to be promulgated by the Secretary of the Treasury would include the disability determination criteria utilized under the Social Security Act.

The disability determinations under social security usually are based on whether an individual is employable. The purpose of this particular amendment is to allow tax relief for individuals who are still working or are employable, but who experience great financial difficulties in maintaining self-sufficiency. It is my intention that alternative forms of proof of disability would include medical certification from a licensed physician or certification from an accredited rehabilitation facility.

Section 2 allows for a "personal care services" deduction from gross income.

The deduction is proposed to be made from gross income as opposed to adjusted gross income so that individuals who do not itemize their deductions and take the standard deduction may benefit. Personal care expenses would include help in the preparation of meals, cleaning of one's residence, personal grooming and hygienic care, and food shopping.

Any deductions allowed for medical and dental expenses under section 213 of the code or for expenses for household and dependent care services necessary for gainful employment under section 214 would not be allowed as a deduction under this new section. Section 214 of the present code allows a taxpayer to deduct expenses for dependents or spouses physically or mentally incapable of caring for themselves only if such expenses are incurred to enable the taxpayer to be gainfully employed. When an individual receives free services under title XX of the Social Security Act he or she would not be eligible for this personal care deduction.

Mr. Speaker, I urge you and my distinguished colleagues in the House to read over my bill and support enactment of this legislation which will grant much needed tax relief to a group of very remarkable and deserving people.

AN EXAMPLE OF HEW BUNGLING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. DAVIS) is recognized for 15 minutes.

Mr. DAVIS. Mr. Speaker, I rise today to speak about the Department of Health, Education, and Welfare. Although not an elected official at the time, I can well remember our late President John Kennedy setting the goals for this fine, new Department. I can remember the vigor with which these goals were pursued—the injustices they set out to right—the inequities they were meant to abolish. I can remember the enthusiastic competence with which the bright, talented professionals went to work to better the health, upgrade the education, and promote the welfare of the Nation's disadvantaged. Fine goals to be sure, but this noble purpose has apparently been shunted aside if the case I am about to refer to is the rule rather than the exception.

I speak of a multiyear case concerning South Carolina and the second school district in Hampton, S.C. I speak of apathetic administration, bureaucratic bungling, and callous consideration—literally the ABC's of a textbook example of government that has gotten too big—too fat—too secure—to see or care about the problems of the people whose mission it is to serve.

I would like to cite one example of the many I have in hand, that will highlight the situation that has been allowed to exist for far too long. Early this year, administrators in the Hampton School District were informed that submission for the 1976–77 ESAA funding was due in Atlanta by February 13, 1976. They were further told that a program officer would be available to offer advice and help with the submission. The Hampton School District administrators made an appointment with Mr. Mel Carter, an Atlanta program officer for HEW, and then journeyed 100 miles to keep that appointment. They dutifully took along all of the pertinent material. Unfortunately, Mr. Carter did not keep the appointment, but did leave the authority with one of his surrogates. The surrogate reviewed and approved the submission. The Hampton County administrators traveled home and finalized the paperwork. On the 12th of February, they took the finalized project to Atlanta, and the HEW official took one look at it and said—and I quote: "I wish you had asked me about this before you did it."

Then to compound the problem, this official, whose job by the way is to aid people through the maze of regulations and rules, has the temerity to tell the Hampton County School administrators to redraft their submission by the next morning—if they want to have a chance to get money for their program. The people from my congressional district sat up all night in motel rooms—revising, retyping, and readying 10 copies of 160 pages each. All because someone did not give them the right information in the first place.

Tragically, this is not unusual—because in my office just 2 years ago—Mr. Jessi Jordan of HEW categorically denied that any funds existed and that no errors had been made in the processing of the Hampton School District submission. He was wrong on both counts, but only after we had made a careful study of the records. Frankly, I do not think this sounds like an agency that is concerned about the problems of the people they are supposed to be helping. In fact, it sounds like another Government agency that has become so big that they cannot see the forest for the trees. Maybe the time has come for a closer look at the budget. Maybe instead of automatically passing along budget increase after budget increase, we should begin to ask the hard questions and demand foursquare answers.

I am disappointed that our little school district—certainly not as fancy and fine as our big city neighbors—has to literally fight tooth and nail for every dime. And while I am at it, I want to say that evaluations of ESAA project operations in the past 2 years were without blemish—despite being accused twice of being in violation of civil rights. Both mistakes were found in the Washington office of HEW—in their filing system. I could go on and on, but I think you can see the nature of the problem. I would like to close with the most eloquent plea of one of the Hampton County School officials—and here once again I quote:

> I do not have faith in the present system. I hereby respectfully request your indulgence into an investigation of the process used by federal officers in funding under the Emergency School Assistance Act for the 1976–77 school year. The children who have been so adversely affected by their decisions are desperately in need of funds. They have only the voices of those we elect to speak for them.

Mr. Speaker, I would like to serve notice that my voice will join the outcry until this injustice is settled to the satisfaction of those concerned.

THE SLUDGE MANAGEMENT ACT OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, I greatly appreciate this opportunity to bring to the attention of my colleagues the issue of sludge management. I have recently introduced the Sludge Management Act of 1976, H.R. 14638, which would establish a program to regulate hazardous sewage sludges and provide for research and demonstration of technologies with respect to their safe disposal.

For many years the problem of waste water treatment and disposal has plagued municipal governments, especially in the larger urban centers. In the past, however, little was done to stop the outflow of raw sewage into our lakes, rivers, and oceans.

Fortunately, over the last few years there has developed a new awareness of the critical importance of restoring and maintaining our waterways. This was particularly apparent in the great public outcry for environmental action which was generated in the late 1960's. Government as well as industry responded by moving to reclaim the waters they used before returning them to the natural environment. Scores of waste water treatment plants were constructed, particularly adjacent to large metropolitan areas.

With the expansion in the number of these plants, there inevitably followed a massive growth in the outflow byproduct of waste water treatment, sludge. As treatment technologies developed, existing plants were constantly upgrading their ability to purify input waste water, thereby creating ever greater quantities of sludge. Moreover, trend estimates indicate that this pattern will continue well into the future. The combination of a growing population and the expectation that water treatment facilities will continue to be upgraded yields estimates of an average annual increase in the sludge outflow of at least 3½ percent for the next decade.

Since a completely viable sludge management strategy has yet to be demonstrated, it should be clear that today's difficult sludge management problem will develop into tomorrow's crisis unless we take affirmative action. If we are truly dedicated to the idea of clean water for all Americans, then it is incumbent upon us to develop a sludge management program that is both economically and environmentally sound.

The Sludge Management Act of 1976, which I have introduced, is designed to accelerate research and demonstration in the area of sludge disposal, as well as to regulate sludge determined to contain hazardous substances. Under the provisions of the bill, the Environmental Protection Agency would be directed to investigate all aspects of the present sludge management and disposal process, with special emphasis to be placed on ocean disposal, landfilling, landspreading, and incineration. It would be further instructed to finance and administer projects aimed at the reclamation of land and water damaged by previous sludge disposal as well as those projects seeking to demonstrate technologies with promise of economic and environmental viability.

I now wish to present some background information that should help clarify our present problem in trying to cope with the hazard of sludge. It is my belief that a clear understanding of the situation will point up the great need for some affirmative action toward the ultimate solution of this ever-growing national problem.

HEALTH AND ENVIRONMENTAL HAZARDS OF SLUDGE

Sludge can be defined as a thick, foul-smelling mass made up of solid matter dispersed in many times its weight in sewage water. It consists of a mixture of organic and inorganic solids which usually make up about 1 to 8 percent of the total aqueous solution. Although the data on the quantity of sludge currently being produced in the United States is quite sketchy, recent estimates and information point toward an annual sludge outflow of about 5 million dry tons.

It is becoming increasingly apparent that the sludge produced by our municipal and industrial sewage treatment centers contains a multitude of potentially dangerous components. Various carcinogenic pesticides, including aldrin and dieldrin, are often present in sludge. In addition, sludge contains pathenogenic viruses and bacteria, street runoff containing automobile exhaust, and a wide range of heavy metals, many of which are unfit for consumption.

The heavy metals are the substances in sludge which pose the greatest threat to human health. Many are found in concentrations which greatly exceed those of normal soil. Boron, cadmium, cobalt, copper, mercury, nickel, lead, and zinc are among these metals. Of these, experts are most concerned about cadmium, copper, and zinc, which are feared to have a harmful effect on the human food chain. The three metals enter the food chain when sludge is applied to agricultural lands as fertilizer. We directly consume either crops containing these metals, or products of the livestock which feed on them. A particular danger is that heavy metal content in milk may reach hazardous levels. As a result, children and young adults would be directly affected, for they consume the greatest amounts of this product.

Cadmium, the substance that most alarms sludge experts, has appeared in sludge in increasingly large quantities. Consumption of cadmium over significant periods of time can cause a build-up of this element in the body's filtering systems: the kidneys, liver, mammary glands, and placenta. High concentrations present in the body can lead to kidney and liver failure. Moreover, scientists have found that spleen damage and hypertension can be long-term effects of considerable cadmium consumption. For instance, the results of a recent study appearing in the medical journal, "Lancet," stated that "untreated hypersensitive patients have a much higher blood-cadmium ion level than a match group—with normal blood pressure."

The constantly increasing levels of sludge have become alarming in recent years. Drs. C. F. Jelinek, George Braude, and P. Corneliussen of the Food and Drug Administration's Bureau of Foods have stated that, "We're not even sure where most of it—the sludge—comes from." The highest acceptable level of cadmium in sludge is generally agreed to be 25 parts per million. However, Rufus Chaney, a USDA physiologist, noted at a July 1973 conference on land application of sludge that 1,000 ppm is not an unusual level in sludge. He also cited a case in which a sample of sludge taken from Elgin, Ill., contained 3,400 ppm cadmium.

Land-spreading of sludge runs the risk of polluting surface and underground water supplies in addition to endangering the human food chain. Mobile metals present in sludge, such as boron, can easily seep into water supplies at or near the surface. Nitrogen is another sludge component which could serve as a water contaminant.

Finally, ocean dumping of sludge may be contaminating our Nation's shellfish beds. Sludge is known to contain various pathogenic viruses and bacteria, including polio virus. Shellfish can absorb these organisms and cause diseases in humans that consume them. It is a noted fact that shellfish have a remarkable propensity to pick up and maintain organisms harmful to man.

A sound sludge management policy should take into consideration the potential health hazards resulting from the existing methods of sludge disposal. Four basic sludge management and disposal strategies are presently being used: ocean dumping, incineration, landfilling, and land spreading. Not one of these management strategies has proven to be optimal for all situations. Rather, each has its inherent merits and drawbacks, which must be evaluated in light of the site-specific variable facing each municipal region. There are no simple solutions.

OCEAN DUMPING

The first of these strategies, ocean dumping, is the cheapest of the widely used management strategies with a total construction and operating cost of about $56 per dry ton. It has therefore become one of the most popular disposal techniques among municipal regions with large sludge outflows and small budgets for waste water treatment. There are now eight actively-used dumping sites in the United States, all located in the Atlantic Ocean or the Gulf of Mexico. By far the largest of these is the so-called Bight, which lies about 12 miles off the southern coast of Long Island, N.Y. This one site receives about 80 percent of the estimated 750,000 dry tons of sludge ocean dumped in the United States each year.

Although much controversy surrounds the impact of the ocean dumping of sludge, its extensive use is clearly not an environmentally sound management strategy for the long term. In the late 1960's, the Public Health Service and the Sandy Hawk Marine Laboratories initiated a study of the ocean dumping situaton in the Bight area. It soon became clear that significant environmental damage had already been done; marine life was dying, and that which had been able to survive could not meet the standards which the Food and Drug Administration sets for the bacterial and chemical content of seafood.

In the past few years it has become increasingly apparent that the dumping of sludge into the ocean must be carefully controlled if not completely curtailed. To that end, the Environmental Protection Agency has, since mid-1973, regulated all dumping of wastes under the ocean dumping permit program. This program requires a thorough evaluation of all applications for ocean dumping permits. Permits are to be granted only to those who can show a need to dump as well as demonstrate that no alternative method of disposal is available. Moreover, EPA now requires that a detailed chemical and biological analysis be made of all waste material to be dumped at sea. The added cost of this chemical analysis has raised the total cost of ocean dumping by close to 100 percent. It is hoped that this increase will help make previously expensive alternative disposal methods relatively more feasible.

In the years following the implementation of this program, more than 75 ocean dumpers have found alternative methods for the disposal of their sludge outflow. Unfortunately, this decrease in the number of dumpers has not caused an overall reduction in the volume of sludge which is ocean-dumped. In fact, the volume has continued to increase on an annual basis. Experts attribute this phenomenon to two basic factors: Rapid industrial growth by those continuing to dump and the constant expansion and upgrading of existing wastewater treatment facilities.

It should be pointed out, however, that in spite of the guidelines established by the permit program, there is evidence that environmentally unacceptable wastes are still being dumped into the ocean. Henry Eshwege of the GAO noted in testimony before the Merchant Marine Subcommittee on Oceanography that it was EPA's lax enforcement of dumping regulations that had allowed wastes exceeding safety levels for mercury and cadmium by 100 times to be dumped off the coasts of New York, northern New Jersey, and Pennsylvania. The planned phaseout by EPA of all ocean dumping permits in region III, the lower New Jersey and Philadelphia area, will do little to remedy this situation, as only 10 to 15 percent of the ocean dumped sludge is deposited in these sites. Sludge dumping in region II, New York and northern New Jersey, will evidently continue unabated.

It would appear that the environmentally questionable practice of ocean dumping will continue into the foreseeable future. With the continued increase in the total sludge outflow, there will be even greater pressure to employ this management strategy even more.

To the extent that this dumping is to continue, the essential short-term goal, therefore, must be to carefully regulate all sludge that will be ocean-dumped. In this way, we can minimize environmental damage while awaiting the development of more acceptable, economically-sound management programs for the long term.

INCINERATION

The second of the exisiting management strategies, incineration, continues to be widely used. An estimated 1.7 mimion dry tons, or 35 percent of the total U.S. sludge outflow, is incinerated each year. It is a particularly popular method in areas that neither have access to an ocean dumping site nor to an area appropriate for land filling or land spreading. In addition, many municipalities have chosen to incinerate their sludge because the resulting ash has a greatly reduced volume, and is both chemically sterile and biologically inert. This makes it far easier to dispose of sludge in a manner which is environmentally and socially acceptable.

The aforementioned facts should not be taken to mean that incineration is the optimal sludge management strategy. Rather, a number of serious drawbacks serve to limit the expansion of its use. Sludge incineration programs have been found to be quite expensive, with the operating and construction costs in a minimum range of about $79 per dry ton. This makes it the most expensive of the major management strategies by a margin of more than 16 percent over the closest alternative. Moreover, incineration systems are subject to marked economies of scale. It simply is not economically feasible to run an incinerator unless a minimum of 10 million gallons per day of sludge is available on a regular basis. Thus, the number of cities that can budget such a management system is limited greatly because of their size.

Although there is little hard data on the environmental damage which results from the metal and gaseous pollutants discharged from sludge incinerators, it is feared that they may be creating a significant problem. Manganese, nickel, and mercury seem to present the most serious metal pollution hazard, while hydrogen chloride, sulfur dioxide, and oxides of nitrogen appear to be the most dangerous gaseous pollutants. Furthermore, the organic metals and pesticides in sludges can become toxic either as emissions from incinerator smokestacks, or as part of the byproduct ash. Unfortunately, as with ocean dumping, there is little knowledge of the extent of the environmental disruption created by this process.

Incineration seems to be, at best, an expensive and environmentally questionable management strategy. It is a process that could benefit from more careful research into its effect on the surrounding environment. In addition, it seems wasteful to continue expending large quantities of scarce energy on the incineration of sludge, a substance which has inherent energy production qualities.

LANDFILLING AND SPREADING

Landfilling, the third of the sludge disposal options, has become quite widely used in the last several years. About 25 percent of the sludge produced, or about 1.2 million dry tons, is landfilled annually. A major factor in this growth has been the development of new sanitary landfilling technologies. Specifically, a landfill can be distinguished from a sanitary landfill in that the former is a virtually uncontrolled open dumping operation, where the latter is a managed system in which the sludge is deposited and covered with earth in a preplanned fashion. This type of managed system serves to greatly limit the adverse environmental impact of disposal. Social objection to landfilling, primarily resulting from the objectionable odors and potential public health hazards, can also be limited through a mandatory digestion, stabilization, and pasteurization program.

Landfilling, however, is not without its own set of drawbacks. Only a small percentage of the undeveloped land available is appropriate for landfilling. Moreover, the site must have a water table which is located at least 5 feet below the bottom of the planned landfill to assure that there is no leaching of sewage waters into the surrounding groundwater. Similarly, the land chosen for the landfill must be dedicated to this use for at least the lifetime of the disposal. No crop or other developmental activity can be contemplated coincident with the landfill. Thus, one can easily see that it is often no easy task to find a site which fits these criteria, especially adjacent to the larger metropolitan areas where land is already a scarce and expensive commodity. Even when an appropriate site is located, municipal governments cannot afford the extremely high land prices which add to the already high costs of the digestion, stabilization, and pasteurization processes.

The spreading of organic sludges on land, the fourth management strategy, may very well offer the most attractive long-term solution to the problem. It is particularly attractive, for it is the only major management strategy which provides the potential for resource recovery as well as economic and environmental acceptability. One should note, though, that while landfilling does offer great potential, we currently lack the information necessary to understand the ecological impact of a long-term land-spreading program. As noted earlier, sludges contain an assortment of heavy metals, a number of which are known to be toxic to plants grown in waste-amended soils. Human consumption of crops grown in this type of soil can cause a wide range of health hazards. Moreover, the chemical reactions which result from contact between these metals and the soil are not clearly understood at this time. We must give further study to this situation before we embark on a large-scale land-spreading program.

Although we should not necessarily rule out the land spreading of sludge, we must limit the use of sludge as fertilizer to nonfood agricultural lands. A limitation of this sort would still allow for much sludge to be land spread. Sewage sludges cannot compare with commercial fertilizers in nutrient content and ease of handling, and thus offer little competition to conventional manmade fertilizers. They do, however, have exceptional soil conditioning characteristics; they can greatly enhance soil physical fertility. This property can be utilized to its maximum benefit in the reclamation of marginal lands for recreational or strictly nonagricultural purposes. In addition, land spreading of sludge can be particularly effective as a means of reclaiming strip mining areas.

It would, therefore, seem that to the extent that land spreading is a necessary sludge disposal alternative, its use can easily be limited to land reclamation and agricultural fertilizing unrelated to food. There is no reason to endanger the general public health by spreading the sludge on croplands before we can accurately assess the resulting public health hazards.

THE PROBLEM OF SLUDGE AND SOLID WASTE DISCHARGE ACCIDENTS

Recently the beaches on Long Island's south coast were closed for several days due to sludge and solid waste which washed ashore. The source of the waste has not been precisely determined and there remains the possibility that the large sludge dumping site 12 miles offshore, the Bight, contributed to the mishap. Whatever the sources of the sewage and sludge in this recent washup, this accident has shown that there are presently serious jurisdictional and technical problems in sludge and solid waste spill cleanup.

Local authorities showed that they lacked the expertise and the physical capability to conduct an immediate and thorough cleanup operation. Yet, both the Environmental Protection Agency and the Coast Guard believed that a hazardous situation did not exist and thus did not directly intervene. Beaches were closed for an unduly long period of time and additional unnecessary environmental damage may have been done.

We simply cannot risk serious health problems and ecological destruction because of confusion among Federal, State, and local jurisdictions in dealing with cleanup of sewage and sludge spills. In the future, we must direct the Federal Government to provide prompt and effective assistance in cases of accidents similar to that on Long Island.

Mr. Speaker, it is my hope that the preceeding summary has served to clarify at least one basic point: Much more research is needed to determine the economic and environmental impact of sludge management and disposal. There simply is no justification for continuing to dispose of sludge in a manner which we know to be less than environmentally acceptable, and which may pose a threat to public health. The time has come for us to face up to the problem and to move forward in an affirmative manner to assess the extent of the present problem, and design a program which will lead to a long-term solution. Finally, we must insure that sludge and solid waste discharge accidents are effectively and promptly cleaned up in the future.

H.R. 14638: THE NEED FOR AN ACTIVE FEDERAL ROLE

Mr. Speaker, the Sludge Management Act of 1976, H.R. 14638, is designed to stimulate research and development into sludge management and disposal. It also provides for the implementation of a program aimed at the reclamation of land, air, and water which has been damaged by previous sludge disposal.

In specific terms, the Sludge Management Act of 1976 will place the authority for managing all sludge programs directly in the hands of the Environmental Protection Agency. The EPA will be granted discretionary authortiy to immediately evaluate and fund sludge management technologies which are determined to be potentially viable. In addition, the Agency is instructed to implement a research program to determine the environmental, health and economic effects of the major existing sludge management strategies.

Upon analysis of the results from these research programs, the Administrator will be authorized to develop and publish comprehensive guidelines for sludge management. To insure that the established guidelines are implemented on a national basis, a permit program for all sludge disposal will be instituted within 2 years after enactment. State governments may chose to regulate their own sludge disposal by submitting proposals for EPA approval, but in all other circumstances the national permit program will apply.

Finally, the Agency is charged with establishing a local assistance program, by which the Federal Government will provide technical and financial support to communities involved in the cleanup of sludge, sewage, and other solid waste spills.

In conclusion, Mr. Speaker, the recent proliferation of industrial and sewage sludge has made it clear that we are confronted with a new and serious environmental problem. It is essential that the Federal Government take affirmative action both to effect an immediate evaluation of the sludge problem, and to assure the development of comprehensive, cost-effective solutions. Toward this end, I urge my colleagues to support H.R. 14638 as a first step in the process of achieving responsible sludge management.

For the benefit of my colleagues, I now include a text of the Sludge Management Act, H.R. 14638:

H.R. 14638

A bill to provide for certain research and demonstration respecting the disposal of sludge, the reclamation of waters damaged by sludge and sewage, the regulation of hazardous sludge, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sludge Management Act of 1976".

FINDINGS, POLICY AND PURPOSE

Sec. 2. (a) Findings.—The Congress hereby finds and declares that—

(1) the volume of sludge being generated in the United States is increasing dramatically and that the present methods of sludge disposal and utilization pose significant threats to public health and the environment;

(2) improved sewage treatment methods have resulted in greater quantities of toxic substances and heavy metals being contained in sludge, and these toxic substances and metals are increasingly working their way into the human food cycle and water supplies;

(3) sludge, sewage, and other solid wastes have fouled our lakes, rivers, and tidal waters, and no Federal agency has been charged with assisting municipalities and other governmental bodies in cleaning up major solid waste spills; and

(4) the United States lacks standards for the disposal, utilization, processing, transportation, and storage of sludge which is hazardous.

(b) Policy and Purpose.—It is the policy and purpose of this Act—

(1) to foster and promote research on the potential health, environmental, and economic threats inherent in sludge and its management strategies, and to develop new or improved methods for the disposal, utilization, processing, transportation, and storage of sludge;

(2) to conduct and encourage demonstration projects leading to the restoration of bodies of water within the United States which have been damaged or degraded by the discharge of sludge and untreated or partially treated sewage or solid waste;

(3) to direct the Administrator of the Environmental Protection Agency to establish a program whereby municipalities and other governmental bodies will be assisted in cleaning up major sludge, sewage, or other solid waste spills in our public waters; and

(4) to establish a program the implementation of which will result in safe standards governing the disposal, utilization, processing, transportation, and storage of hazardous sludge.

DEFINITIONS

Sec. 3. As used in this Act—

(a) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(b) The term "sewage" means any solid or suspended solid waste material (including any pollutant) which has been discharged from a municipal, industrial, or commercial facility which is a point source subject to section 402 of the Federal Water Pollution Control Act.

(c) The term "sludge" means any solid, semisolid, or liquid waste generated from a municipal, commercial, or industrial wastewater treatment plant, water supply treatment plant, air pollution control facility or any other such waste having similar characteristics and effects.

(d) The term "hazardous sludge" means sludge which in the judgment of the Administrator may cause, or contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, taking into account the toxicity of such sludge, its persistence, and degradability in nature, and its potential for accumulation or concentration in tissue, and other factors that may otherwise cause or contribute to adverse acute or chronic effects on the health of persons or other organisms.

APPLICATION OF ACT

Sec. 4. This Act shall not apply to any activity which is subject to any requirement imposed under or pursuant to the Federal Water Pollution Control Act or the Marine Protection and Sanctuaries Act of 1972 except to the extent that such application is not inconsistent with any such requirement.

RESEARCH, GUIDELINES, AND MODEL CODES

Sec. 5. (a) Research, Etc.—The Administrator shall conduct research, investigations, experiments, demonstrations, surveys, and studies on:

(1) the environmental, health, and economic effects of subsurface landfilling of sludge on soils and ground water and methods to eliminate such effects,

(2) the environmental and health effects of the surface landspreading of sludge on agricultural lands; specifically with respect to the translocation of metals to crops and methods to reduce such metals movement,

(3) the relative environmental, health, and economic effects of the various sludge disposal options (including but not limited to ocean disposal, incineration, landfilling, and surface spreading of sludge on food chain and non-food chain crops), giving particular attention to the potential health implications of pathogen survival and spread associated with the various sludge disposal options,

(4) the development and application of methods to reclaim marginal lands through the use of sludge,

(5) the development and application of new and improved methods of processing, transporting, and disposing of sludge, and

(6) the development of guidelines for sludge disposal and landspreading.

(b) Guidelines.—The Administrator shall develop and publish guidelines for sludge disposal and surface landspreading which shall be consistent with public health and welfare, and air and water quality standards and adaptable to applicable Federal, State, and local law.

(c) Model Codes.—The Administrator is authorized, in cooperation with appropriate State and municipal agencies, to recommend model codes, ordinances, and statutes designed to implement environmentally sound sludge disposal and landspreading practices.

REMOVAL OF SLUDGE AND OTHER SOLID WASTE FROM WATERS AND SHORTAGES

Sec. 6. (a) Definition.—As used in this section the term "remove" or "removal" refers to the removal of sludge or other solid waste from the water or shorelines (including public and private property) or the taking of such other actions as may be necessary to minimize or mitigate any dangers to health or the environment presented by sludge in such areas.

(b) Assistance to State and Local Authorities.—(1) Whenever the Administrator determines that (A) any navigable waters of the United States or any adjacent shoreline has been affected by the deposit of sludge or other solid waste from any source (including sludge or solid waste which has migrated to such area from a disposal site) and (B) such sludge or solid waste in such area presents a danger to the health or the environment, he may make grants and provide technical assistance to the State and local authorities having jurisdiction over the affected areas for the removal of such sludge or waste.

(2) No grant may be made under this subsection for an amount which exceeds 40 percent of the total amount expended by the recipient State or local government for purposes of the removal for which such grant was made.

(c) EPA Task Force.—(1) The Administrator shall establish or designate a task force consisting of personnel who shall be trained, prepared, and available to provide the necessary technical assistance (including equipment and material where necessary) for the removal of sludge or other waste pursuant to subsection (b).

(2) The task force established or designated under this section shall—

(A) carry out a system of surveillance and notice designed to alert areas which are or, may be, adversely affected by the deposit or migration of sludge and other solid waste in the navigable waters of the United States and the adjacent shorelines, and

(B) provide such technical assistance (including equipment and material where necessary) as may be necessary to remove such sludge or other solid waste.

(d) Other Authorities Not Affected.—(1) Nothing in this section shall be construed to affect or impair any authority under section 311 of the Federal Water Pollution Control Act (relating to oil and hazardous substances) or under any other provision of such Act or of the Marine Protection Research and Sanctuaries Act of 1972.

(2) The provisions of this section shall apply whether or not any deposit or migration of any sludge or other solid waste was in violation of any applicable Federal, State, or local law or regulation and shall not affect the determination of the criminal or civil liability of any person respecting such deposit or migration.

SPECIAL RESEARCH AND DEMONSTRATION PROJECTS CONCERNING RESTORATION OF CERTAIN BODIES OF WATER

SEC. 7. (a) RESEARCH, ETC.—The Administrator shall conduct and encourage, cooperate with, and render financial and other assistance to appropriate public (whether Federal, State, interstate, or local) authorities, agencies, and institutions, private agencies and institutions, and individuals in the conduct of, and promote the coordination of, research, investigations, experiments, training, demonstrations, surveys, and studies relating to the restoration of the water quality and other ecological features of rivers, lakes, and other bodies of water within the United States which have been damaged and degraded by the discharge of sludge and untreated or partially treated sewage.

(b) AUTHORITIES.—In carrying out the provisions of the preceding subsection, the Administrator is authorized to—

(1) collect and make available, through publications and other appropriate means, the results of, and other information pertaining to, such research and other activities, including appropriate recommendations in connection therewith;

(2) cooperate with public and private agencies, institutions, and organizations, and with any industries involved, in the preparation and the conduct of such research and other activities; and

(3) make grants-in-aid to public agencies and institutions and to individuals for research, training projects, surveys, and demonstrations (including construction of facilities), and provide for the conduct of research, training, surveys, and demonstrations by contract with public or private agencies and institutions and with individuals; and such contracts for research or demonstrations or both (including contracts for construction) may be made in accordance with the provisions with respect to research contracts of the military departments in title 10, United States Code, section 2353, except that the determination, approval, and certification required thereby shall be made by the Administrator.

HAZARDOUS SLUDGE MANAGEMENT

SEC. 8. (a) IDENTIFICATION, CRITERIA, AND REQUIREMENTS.—Not later than eighteen months after the date of the enactment of this Act, the Administrator shall promulgate regulations—

(1) identifying hazardous sludge which require specialized minimum sludge management practices (taking into account current and projected collection, storage, transport, treatment, and disposal methods and techniques);

(2) establishing criteria as to acceptable characteristics and conditions of treatment, storage, transport, and disposal of hazardous sludge; and

(3) establishing requirements for generators of hazardous sludge.

(b) IDENTIFICATION OF HAZARDOUS SLUDGE.—In promulgating regulations identifying hazardous sludge under paragraph (1) of subsection (a), the Administrator shall, at a minimum, designate as a hazardous sludge each material or substance included in any list of hazardous air pollutants under section 112 of the Clean Air Act (42 U.S.C. 1857–7), and each material or substance included in any list of toxic pollutants under section 307 (a) of the Federal Water Pollution Control Act (33 U.S.C. 1317(a)). Such regulations may also specify the quantities, concentrations, and physical, chemical, biological, and other properties of such sludge.

(c) CRITERIA.—Regulations promulgated under paragraph (2) of subsection (a) establishing criteria as to treatment, storage, transport, and disposal shall include (but not be limited to)—

(1) acceptable criteria for the location, design, and construction of hazardous sludge treatment, storage, and disposal sites;

(2) acceptable criteria as to operating methods, techniques, and practices of hazardous sludge treatment, storage, transport, and disposal;

(3) acceptable design, construction, and other criteria for vehicles used to transport hazardous sludge between points of generation, treatment, storage, and disposal;

(4) acceptable criteria for labeling of containers used for storage, transport, or disposal of hazardous sludge;

(5) acceptable criteria for satisfactory recordkeeping, accounting, reporting, monitoring, and inspection;

(6) acceptable criteria for contingency plans for effective action to minimize damage from any disposal of any hazardous sludge; and

(7) in the case of hazardous sludge treatment or storage services, acceptable criteria for the facilities at which such services are provided requiring maintenance and operation in a manner satisfactory to the Administrator, and requiring such additional qualifications as to ownership, continuity of operation, training and licensing for personnel, and financial responsibility as may be necessary or desirable.

No private entity shall be precluded by reason of criteria established under paragraph (7) from the ownership or operation of facilities providing hazardous sludge storage or disposal services where such entity can provide assurances of financial responsibility and continuity of operation consistent with the degree and duration of all risks associated with the storage or disposal of specified hazardous sludge.

(d) REQUIREMENTS APPLICABLE TO GENERATORS OF HAZARDOUS SLUDGE.—The regulations promulgated under paragraph (3) of subsection (a) establishing requirements for generators of hazardous sludge shall include (but not be limited to)—

(1) maintenance of records as to the volumes, constituents, and characteristics of sludge generated and the disposition of all such sludge;

(2) use of appropriate labeling for all containers used for any storage, transport, or disposal of such sludge;

(3) use of appropriate containers for all sludge packaged for storage, transport, or disposal; and

(4) a system to insure that all such sludge intended for off-site disposal are transported to a facility for which an appropriate permit has been issued pursuant to section 7 or 8.

(e) COST AND BENEFITS.—Regulations promulgated under subsection (a) shall be such as will minimize the risk of adverse effects on human health while taking to the greatest extent possible, into account the economic cost and benefits of achieving such standards.

HAZARDOUS SLUDGE PERMIT PROGRAM

SEC. 9. (a) PERMIT REQUIRED.—After two years after the enactment of this Act, no person may transport, treat, store, or dispose of any hazardous sludge unless he has received a permit for such activity under this section or under a State plan approved (as of the time of issuance of such permit) by the Administrator under section 10. Any permit issued under such a State plan shall apply for purposes of other affected States as provided in section 10(c)(2).

(b) ISSUANCE OF PERMIT.—The Administrator may, after opportunity for public hearing, issue a permit for such disposal, treatment, transport, or storage, upon condition that the application is in compliance with requirements of subsection (c) and such other conditions as the Administrator deems necessary to minimize any risk to the public health and the environment and meet the objectives of this Act. Such permit shall not apply for any period in excess of three years.

(c) PERMIT REQUIREMENTS.—Each application for a permit required under subsection (a) and each such permit shall—

(1) specify the composition, quantities, and concentrations of any hazardous sludge, or mixture of any hazardous sludge and any other waste, proposed to be disposed of, treated, transported, or stored, and the time, frequency, or rate at which such hazardous sludge is proposed to be disposed of, treated, transported, or stored;

(2) specify the site at which such hazardous sludge or the products of treatment of such hazardous sludge will be disposed of, treated, transported, or stored; and

(3) contain an agreement to comply with the criteria and requirements established under paragraphs (2) and (3) of section 8(a).

No permit may be issued under this section with respect to any activity in a State which has an approved hazardous sludge permit program under section 10.

STATE PROGRAM

SEC. 10. (a) REGULATIONS.—The Administrator shall promulgate regulations for a State hazardous sludge permit program equivalent to that established by the Administrator under section 9.

(b) ADOPTION AND APPROVAL OF PROGRAM.—Each State may develop and, after giving adequate notice and holding a public hearing, adopt a State hazardous sludge permit program which may be submitted for the Administrator's approval. The Administrator shall, within six months after such a State program has been submitted for approval, after opportunity for public hearing, approve or disapprove such program. The Administrator shall, by regulation, approve such program if he finds that such program meets the requirement contained in the last sentence of subsection (a).

(c) HAZARDOUS SLUDGE PERMIT.—(1) No hazardous sludge permit may be issued by a State unless a copy of such permit has been transmitted to the Administrator and the Administrator has not (within ninety days of his receipt thereof) objected to its issuance on the grounds that such permit is not in compliance with the requirements of sections 8 and 9(b).

(2) In any case in which an activity for which a hazardous sludge permit is required affects more than one State, a permit issued by one State shall apply (A) for purposes of each other affected State which has an approved hazardous sludge permit program and which has approved the issuance of such permit, and (B) for purposes of each other affected State which does not have an approved hazardous sludge permit program if the Administrator has approved the issuance of such permit.

PREEMPTION OF STATE LAW

SEC. 11. No State or political subdivision thereof may adopt or attempt to enforce any rule, regulation, or other requirement respecting management of hazardous sludge except as provided under section 10 or unless such State rule, regulation, or other requirement does not relate to the permit program under such section and is equivalent to the requirements of sections 8 and 9, taking into account the particular regional characteristics of such State.

FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS

SEC. 12. (a) Section 201(b) of the Federal Water Pollution Control Act, relating to grants for construction of treatment works, is amended by adding the following at the end thereof: "For purposes of this section, the term 'confined disposal' of pollutants means impoundment, storage, use, application, or disposal in such a manner as will prevent the degradation of ground or surface water resources or the entrance of such pollutants into the human food chain in concentrations or amounts which may threaten human health (taking into account an ample margin of safety) or result in other environmental pollution."

(b) Section 201(g) of such Act, relating to conditions for grants for treatment facilities is amended by adding the following new paragraph at the end thereof:

"(5) No grant shall be approved after September 30, 1976, for any treatment works under this section unless the applicant shows to the satisfaction of the Administrator that the agency operating such works will make adequate provision for the confined disposal of pollutants (within the meaning of subsection (b))."

RULES OF PROCEDURE FOR HABEAS CORPUS CASES AND PROCEEDINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. HUNGATE) is recognized for 5 minutes.

Mr. HUNGATE. Mr. Speaker, yesterday the House agreed to a Senate amendment to H.R. 13899, a bill to delay the effective date of certain rules of pleading, practice, and procedure recently promulgated by the Supreme Court. The bill, which now goes to President Ford, delays until 30 days after the end of the session the effective date of the newly promulgated rules of procedure to govern cases, actions, and proceedings under 18 U.S.C. 2254 and 2255.

Section 2254 of title 18, United States Code, provides that someone held in custody pursuant to the order of a State court may apply for a writ of habeas corpus "only on the ground that he is in custody in violation of the Constitution or laws or treaties of the United States." Section 2255 of title 18, United States Code, provides that someone in custody pursuant to the order of a Federal court may, by motion, seek release "upon the ground that the sentence was imposed in violation of the Constitution or laws of the United States, or that the court was without jurisdiction to impose such sentence, or that the sentence was in excess of the maximum authorized by law, or is otherwise subject to collateral attack."

The purpose for delaying the effective date of the rules is to give Congress time to study them with care. Therefore, the Subcommittee on Criminal Justice will hold a hearing on these proposed rules on Wednesday, August 4.

Persons wishing to testify are asked to contact the subcommittee in writing or by telephone at 202–225–0406.

THE EFFECTS OF MONETARY POLICY ON INFLATION AND RECESSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 15 minutes.

Mr. NEAL. Mr. Speaker, the Subcommittee on Domestic Monetary Policy which I chair has been holding hearings on the impact of monetary policy on inflation, unemployment and interest rates. As a corollary, the subcommittee staff has been conducting indepth statistical and econometric analyses of these complex relationships. At this time I would like to give my colleagues a brief progress report with the thought that they will be interested in our preliminary findings, and may be able to provide questions and suggestions to help us in regard to the course and form of our future research.

We first attempted to assemble the facts on the effects of money supply on inflation, unemployment, and interest rates. We found that inflation was the keystone to understanding unemployment and interest rates; that increased inflation first decreases unemployment but within 2 years it operates to raise interest rates, dampen spending and increase unemployment. The subcommittee, thus, has concentrated, in its work to date, on the relationship of inflation to money supply. But we have not ignored the money supply-recession relationship. Our analyses show that production rises about 3 months after money growth is increased, and slows 3 months after money growth is decreased. Recessions follow prolonged slowdowns in money growth. We suffered recessions in 1953–54, 1957–58, 1960–61, 1969–70, 1973–75 and a minirecession in 1966–67 after, I stress after, sharp prolonged decreases in money growth. Also, the recessions of 1969–70 and 1973–75 were magnified because they came in the wake of waves of inflation.

We found that a simple mapping of current inflation on money growth 23 months earlier explains 60 percent of the inflation pattern since 1953. Our work shows clearly that inflation was not a serious problem as long as money growth remained moderate—4 percent per year or less; and then, after 1964, followed the same upward-tilted rollercoaster pattern as money growth 23 months earlier.

Incidentally, we used computer studies of the simple one-on-one association between inflation and money growth at every possible lag, including zero, to determine what lag to use. We found that there was very little difference in the correlation between 16 or 17 and 25 to 27 months, depending on the period studied; but that 23 months reflects the association between inflation and lagged earlier money growth better than any other span of months. We checked this result out by studying the association between current inflation and the weighted effect of money growth occurring concurrently and 1, 2, and 3 years earlier. The weight or power peaked at 2 years.

The 60-percent figure emerged from a computer analysis of the relationship between current inflation and money growth with the 23-month lag. Let me add that our analysis of the weighted effect of money growth on inflation concurrently and 1, 2, and 3 years later, indicates that money supply can account for as much as 80 percent of the inflation we have experienced since 1953.

There are, of course, other factors which affect the rate of inflation. Government deficits exert some independent influence. But this factor is weak as compared to money supply, as studies reveal. The subcommittee also has studied whether introducing the state of the economy changes the results. We found that when production is rising, inflation tends to decline. But though this factor softens the impact of money growth, the basic result remains that increased money growth brings accelerated inflation about 2 years later, and conversely, slowing down money growth slows down inflation about 2 years later. And if money growth is slowed too sharply and for too long recessions develop as a result.

We also inquired as to the causes of inflation which we could not attribute to money growth, changes in production or the independent effects of the deficit. In this regard, we found that it can be attributed largely to changes in the prices of goods we import from abroad. Oil prices had a dramatic effect and the effects of dollar devaluation were highly significant.

In our work and hearings, we have been especially interested in the argument that large deficits—resulting allegedly from congressional excesses—create pressures on the Federal Reserve to accelerate money growth by monetizing the deficit. The Federal Reserve officials themselves make this argument. Our studies indicate that it has happened in the past. But, and this is the point I would stress, it did not have to happen, and does not have to happen in the future.

The Fed has often acted as the Treasury's handmaiden. But it was not required to do so by law, convention or logic. The Fed was given a degree of independence precisely so that it could resist pressures to monetize deficits. That it has not always resisted these pressures very well is a fact of history, and one that has led in the past both to more inflation and more unemployment than we need to have experienced.

Unfortunately, the Fed is far more politically sensitive and short run oriented than it should be. So long as I am chairman of the Domestic Monetary Policy Subcommittee, I intend that we exercise our oversight function with an eye to preventing the Fed from responding to political pressure to monetize deficits.

Let me add in this regard that since passage of House Concurrent Resolution 133 a year ago, the Fed has done a good job of moderating the growth of the money supply despite by far the largest deficits we have had since World War II. In my opinion, House Concurrent Resolution 133, which provides that the Fed set year-ahead money targets commensurate with our economy's real growth potential, is operating to promote stable prices—and as corollaries full employment and moderate interest rates. I was an early sponsor of the resolution and our subcommittee will be watching its effectiveness very carefully.

I hope that my colleagues will find this brief progress report helpful and will give me their comments and criticisms.

We have an excellent opportunity now to end the vicious cycles of inflation and recession and I urge full participation in this endeavor.

DISASTER RELIEF ACT NEEDS REFORM

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am introducing legislation today to amend the Disaster Relief Act of 1974 and the National Flood Insurance Act of 1968 to extend the various forms of assistance available under these two major and highly commendable programs.

These laws and the other disaster relief programs once in existence have served as the congressional response to more than 10,000 serious floods which have occurred since the United States was first settled, and to the 4,500 lives which have been lost as a result in the last century alone. In recent years, floods have caused losses averaging $1.5 billion and more than 90 percent of all property damage caused by natural disasters in America results from floods. The 1974 act itself came about, as we all know, following the tragic havoc wreaked by Hurricane Agnes and the philosophy behind this legislation was to provide assistance for individuals, families, nonprofit groups, and local governments adversely affected by a major disaster. The act provided for temporary housing assistance, mortgage and rental payments, unemployment assistance, food commodities, relocation help, crisis counseling and training, emergency public transportation, and grants to individuals and families who are unable to obtain assistance through other sources for disaster-related expenses and serious needs.

This last category of aid, established by section 408 of the Act, is perhaps its most important provision and certainly one of the cornerstones of the entire Federal disaster relief program. It is designed mainly to assist low- and lower middle-income people who cannot obtain SBA disaster loans and who, absent this stipend, would be unable to replace or repair much of the damage suffered in a disaster.

Last September, the State of New York was inundated by rainfall from Hurricane Eloise and 12 counties in that State were declared major disaster areas by the President as a result. My own county of Westchester was among them and suffered over $40 million in damage to public and private property. New York State damaged totaled approximately $125 million according to Gov. Hugh Carey, and neighboring Pennsylvania sustained $85 million in losses. Needless to say, I have become deeply involved and interested in our disaster relief and flood control programs.

In trying to assist my constituents in picking up the pieces, I have learned of the many problems which today plague the effective administration of the disaster relief program at both the Federal and State levels. These, I think, will be ironed out in the near future as the cooperative efforts of the two levels of government gain strength and jurisdictional lines are more clearly delineated. But more important than administration, however, is the necessity of making the program work for those who need it most. The guidelines for the section 408 program, in particular, have been written and interpreted by the Federal Disaster Assistance Administration so as to exclude major and vital categories of assistance. Westchester County Commissioner of Social Services Charles W. Bates recently discussed some of these problems with me in a letter he wrote earlier this year. I am inserting a copy of our correspondence for the benefit of my colleagues:

WASHINGTON, D.C.,
March 9, 1976.

Commissioner CHARLES W. BATES,
Department of Social Services,
White Plains, N.Y.

DEAR COMMISSIONER BATES: My district offices have advised me of a number of complaints from constituents awaiting their 408 flood disaster payments from the New York State Department of Social Services.

As I understand it, the County Department of Social Services has processed applications for the grants and forwarded them to the New York State Department of Social Services. Unfortunately, the processing at the State level has been very slow, I am sure that you, too, are being queried by persons awaiting their grants. Although I have been advised by the FDAA that the State will be moving quickly now in processing applications, it is six months since the flood and many of the flood victims are still living with the effects of the disaster. Additionally, the federal regulations may exclude restoration of certain damages.

Because the Department of Social Services acted as the local agency for the 408 program, I would be very appreciative of learning the Department's experiences in administering the program—its strengths and weaknesses, and any inequities that may exist because of the Federal regulations. A report of this nature will be most helpful to me in determining whether or not the program needs to be changed administratively or through new legislation.

Your response would be appreciated.

Sincerely yours,
RICHARD L. OTTINGER,
Member of Congress.

WHITE PLAINS, N.Y.,
March 22, 1976.

Hon. RICHARD OTTINGER,
Congressman,
White Plains, N.Y.

DEAR CONGRESSMAN OTTINGER: In response to your inquiry of March 9, 1976 regarding the 408 Flood Disaster Program, staff responsible for handling the applications has advised me of the following:

(1) The Program does not restore affected homes to their pre-flood status. This is due in part to the concept of the Program which is defined as one for "basic necessities". The current interpretation of "basic necessities" excludes many items from coverage.

(2) It appears that the 408 Program does not cover all parts of the home. For example, a family room that was damaged would not be covered if there is another living room area in the house.

(3) Areas of the home that are not "lived in" are not covered. Therefore, such rooms as den, playroom or utility room would not be covered even though they may have been severely damaged, as they are not considered essential to the family's functioning.

(4) While repairs to structural damages are covered, it appears that repainting is not. Evidently, under the 408 Program guidelines, repainting is considered a "cosmetic" item. This appears inconsistent, for if the homeowner had National Flood Insurance, repainting would be provided.

(5) The repair or replacement of retaining walls is not taken into consideration unless the condition presents imminent hazard to the occupants. Many of the applications received included claims for such repair or replacement at the retaining walls maintained the existing water table and continued existing drainage patterns to prevent damage to the home. In these cases, the repair or replacement of retaining walls might prevent flooding of the home in the future.

(6) The guideline allowances contained in the New York State Disaster Plan for replacement of furniture and clothing are based on the Public Assistance allowances for these necessities unless original purchase receipts are available. Needless to say, such receipts were not generally at hand.

(7) The Program does not provide coverage for the replacement of rugs or carpeting if they had been used over a hardwood or tile floor. Floor covering was allowed only to cover rough, unfinished floors and then only at the cost of linoleum.

(8) Many of the applications received included necessary repairs to or replacement of interior doors, which we were advised were not covered. Allowances for exterior doors were included.

An additional factor in the operational aspect of the Program should be noted. Applicants are required to obtain two estimates for each item of repair listed on the claim. Following the receipt of these estimates which in some cases proved impossible to obtain without a fee, a Department of Social Services representative was required to visit the home and "certify" the loss. Since there are no professional adjusters on our Agency staff, it would seem advisable for the State to employ adjusters when the 408 Grant Program is implemented. This would be similar in nature to the procedure used by the Small Business Administration when they move into a disaster area. It would save the applicant a great deal of anxiety and would also provide a more accurate assessment of the amount of money necessary to repair the home and property. Perhaps arrangements could be made to utilize some of the SBA Loss Verifiers to certify 408 Grant losses.

You are undoubtedly aware that the locality receives no reimbursement for costs incurred in administering the 408 Grant Program.

I trust our observations may prove helpful as you assess the Program for possible administrative or legislative change.

We appreciate your inquiry and interest.

Sincerely yours,
CHARLES W. BATES,
Commissioner.

The legislation I am introducing today would provide greater congressional guidance to the FDAA as to the kinds of assistance which section 408 should permit. It would redress many of the specific deficiencies cited by Commissioner Bates while protecting the integrity of the program as a disaster relief measure. My bill would define "disaster-related expenses and serious needs" more broadly than the interpretation of the law currently afforded by FDAA. The cost of structural repairs to any room of a home, the repair or replacement of floor coverings, the repainting the interior of one's home, and the repair, replacement, or rebuilding of outdoor retaining walls would be among the categories of assistance available under section 408 if my bill were enacted.

Meanwhile, we would exclude by law most of the losses for which no aid is allowed under the current FDAA regulations: Business and farm business losses, improvements or additions to real or personal property, landscaping, financial obligations incurred prior to the disaster, or any disaster-related expense or serious need for which assistance was available from other means but was refused by the individual or family.

I believe that clarification of the expenses for which aid is available under section 408 will help make the program work effectively for those who depend upon it when they are unable, for one reason or another, to obtain SBA disaster loan or flood insurance funds. We should remember that 408 serves mainly the unemployed, retired, or poor person who could not otherwise afford to rebuild his home—or his life—following a major disaster.

My legislation would address another serious problem in the 408 program—that is, compensation for the States which by law administer the guidelines and grants, and the localities which assist them in doing so. Under present law, a State may devote 3 percent of any grant under this section to administrative expenses. Local governments receive no reimbursement whatsoever, regardless of how intensive their efforts to assist flood victims may be.

Were section 1 of the bill to be adopted, the grant awards would obviously increase but there would also be an unavoidable increase in administrative expenses at both the State and local level. Thus, I have provided for an increase in State compensation from 3 to 4 percent of any grant, while permitting the State to devote an additional 1 percent to local governments who assist in the 408 relief program. I believe this will encourage States and localities to take a more active and effective role in this very worthwhile effort.

The third section of my bill would deal with a very different problem. As presently written, the law has been interpreted by FDAA to exclude disaster relief assistance under section 402 to nursery schools, preschools, and other early childhood education programs operated by private nonprofit organizations. I do not believe that this is what Congress intended in the 1974 act, but legislation appears to be necessary to correct this problem. My legislation would bring all early childhood educational facilities under the purview of the act. We have discussed the value of these kinds of facilities in other forums, particularly during debate on the day care bill, but if a preschool is forced to shut down as a result of a flood or other disaster, I am sure we would all agree that thousands of working parents would be terribly hurt. The expense of such a provision as this one, I am certain, would be minimal in comparison to the benefits to be reaped for both children and working parents.

The final change which my bill makes in present law touches the highly-successful flood insurance program. The National Flood Insurance Act of 1968 provides insurance for the structure and contents of a home, but does not provide any coverage for outdoor property. I have had many letters from constituents who have suffered tremendous damage to their walks, driveways, or retaining walls asking why this is so. There are reasons why such an extension must be carefully drawn but the principle, in my view, is a sound one. Therefore, I am proposing an amendment which would extend $5,000 in insurance coverage to a homeowner for any outdoor property, or permanent fixture—other than gardens or landscaping which are so easily inundated and damaged even in nonflood conditions—which is adjacent to the home.

Mr. Speaker, this proposed legislation will strengthen the disaster assistance program and will help the Disaster Relief Act of 1974 to meet its worthy goals more effectively. The long-term solution to this truly serious problem in our flood-prone areas is to provide permanent and effective flood control of a structural nature wherever this is economically and environmentally feasible. In the meantime, it is the responsibility of the Federal Government to provide short-term relief where the long-term solutions are not foreseeable. I hope the Committee on Banking, Currency and Housing will give serious consideration to this and other flood disaster relief measures designed to improve this important program.

I am inserting a copy of the text of the bill for the benefit of my colleagues:

H.R. 14652

A bill to amend the Disaster Relief Act of 1974 and the National Flood Insurance Act of 1968, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 408(a) of the Disaster Relief Act of 1974 is amended to read as follows:

"Sec. 408. (a) The President is authorized to make a grant to a State for the purpose of such State making grants to meet disaster-related expenses or serious needs of individuals or families where such individuals or families are unable to meet such expenses or needs through assistance under other provisions of this chapter, or from other means. For the purposes of this section, such disaster-related expenses and serious needs include, but are not limited to, the cost of—

(1) structural repairs to any room of a home;

(2) repainting the interior of a home;

(3) repairing or replacing tile or hardwood floors, or rugs, carpets, linoleum, or other floor covering in any room of a home; or

(4) repairing, replacing, or rebuilding outdoor retaining walls.

Assistance provided under this section does not include:

(A) business losses, including farm businesses;

(B) improvements or additions to real or personal property;

(C) landscaping;

(D) financial obligations incurred prior to the disaster; or

(E) any disaster-related expense or serious need or portion thereof for which assistance was available from other means but was refused by the individual or family.

The Governor of a State shall administer the grant program authorized by this section."

Sec. 2. Section 408(d) of the Disaster Relief Act of 1974 is amended to read as follows:

(d) (1) A State may expend not to exceed 4 per centum of any grant made by the President to it under subsection (a) of this section for expenses of administering grants to individuals and families under this section.

"(2) A State may expend not to exceed 1 per centum of any grant made by the President to it under subsection (a) of this section for reimbursement to local units of government for expenses incurred in conjunction with assisting the State in carrying out such State's duties under subsection (a) of this section."

Sec. 3. Section 402(b) of the Disaster Relief Act of 1974 is amended by adding at the end thereof the following: "For the purposes of this section, and notwithstanding any other provision of law, educational facilities include preschools, nursery schools, and other facilities in which early childhood education programs are conducted."

Sec. 4. Section 1306(b) (1) (A) of the National Flood Insurance Act of 1968 is amended—

(1) by striking out "and" at the end of clause (ii);

(2) by redesignating clause (iii), and all references thereto, as clause (iv) and by inserting the following new clause immediately after clause (ii):

"(iii) $5,000 aggregate liability per dwelling unit for any property, and any permanent fixture contained therein or located thereon, not including gardens or landscaping, adjacent to such unit, and".

INTELLIGENCE GATHERING

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, all of us have been very much concerned over the past months by the information that has been brought out about the functioning of the intelligence agencies of the U.S. Government in past years. Committees of Congress and many people of the country have felt the necessity for stricter congressional supervision over the activities of the intelligence-gathering branches of our Government. Many have felt that in some instances these intelligence agencies have gone far beyond activities that were essential to the protection of the national or the public interest. We all hope that the essential services of these intelligence agencies can be preserved as necessary to the public interest but that there can be assurance from appropriate supervisory committees of the Congress that abuses will be prevented and these agencies will confine their activities to a proper scope.

One distinguished American who has had eminent service in the Department of State and as a U.S. Ambassador, particularly to Western Germany after World War II, has written an article which, I believe, to be worthy of the attention of my colleagues and fellow countrymen, dealing with the activities in the past, as he has observed them, of the CIA. The writer is the Honorable George C. McGhee, and his article is entitled "CIA Reform: How Much Is Enough?" It appeared in the May 29, 1976, issue of the Saturday Review. I insert Ambassador McGhee's article in the body of the Record immediately following my remarks:

CIA Reform: How Much Is Enough

(By George C. McGhee)

The recent report of the Senate Select Committee on Intelligence Activities provides an excellent basis for congressional action to reform the CIA. The President's *own* recent reorganization of the agency, however, ignores key issues that must be dealt with by Congress.

The very word *intelligence* is prejudicial in its own favor. Everyone agrees that a government should base its activities on the best available intelligence. The Central Intelligence Agency, which, as its name implies, has been the focal point for such activities within our government, has been brought into serious question. Yet it has important responsibilities which are vital to national security and must be continued. How do we separate the good in the CIA from the bad? How can we clarify, in the public mind, the difference? How can we build a new intelligence structure which can perform the essential functions with public confidence? In my view, the President's executive order has not answered these questions.

The present agency was spawned by the Second World War. It was created at war's end as a "grab bag" not just for the intelligence activities of the Office of Strategic

Services but for a varied group of other covert activities. Protected by wartime security, these operations had not been under normal moral, legal, or resource limitations. In retrospect, it was, I believe, a mistake to have included such diverse operations under one umbrella. It was particularly misleading to call it an intelligence agency. Obviously, much of what it did went far beyond any ordinary definition of that term. Moreover, it provided continuity for wartime methods and objectives. War was succeeded by "cold war," with little change in outlook.

It should be understood, of course, that the CIA does not have a monopoly on intelligence. The Pentagon has its Defense Intelligence Agency. The Department of State, comprising some 7,500 people in Washington and 16,000 abroad, is in itself an enormous intelligence-gathering organization, not limited to its Bureau of Intelligence and Research. There is no obvious cutoff point between what should and what should not be done by the CIA. The agency has engaged in many activities, such as support for the National Student Association, because it could get the funds from Congress and State could not.

Nevertheless, as we continue to develop our overall intelligence capability, I believe we should also perpetuate an independent intelligence agency as a normal arm of government. There is, of course, the supporting theory that intelligence estimates by such an agency will be more objective in assessing the success or failure of policy. There is also the need for expertise and continuity in particular specialities which can perhaps best be provided by an independent agency. A case in point is the analysis of aerial photographs from satellites.

It must be emphasized, however, that most CIA intelligence gathering is, like satellite photography, quite open and aboveboard. Only the results need be kept secret. Many data are obtained from passive radio intercepts made by the military National Security Agency. Provided one has a place to put one's aerial, intercepts are an accepted tool. Often, however, in the search for intelligence, the line of legality must be breached. Covert means must be employed. Calculated risks must be taken. Spies are used. Someone is paid off. Forced entry is made. We must also protect ourselves—through counterespionage—from similar activities by other governments. In a dangerous world this is an accepted "gray" area in which all nations must compete, including, under appropriate restraints, our own intelligence agency.

Beyond this, however, as everyone knows, the CIA has been engaged in a wide range of covert activities which do not constitute intelligence collection at all; indeed, they are separated by a deep chasm. What I speak of, of course, is the whole array of covert *operational* activities, or "dirty tricks." This includes all secret attempts to manipulate the rest of the world in our favor. This is what was on trial before the Church committee and world opinion. It is these activities which have, by association, blemished CIA's legitimate intelligence function. The principal rationale, moreover, for putting them under the same roof, i.e., that the same agents do both, is not believed to be overriding. Results could be more objectively analyzed by an intelligence successor to the CIA if the two arms were separated, yet closely coördinated.

I was amazed when I came back into the State Department in 1961, after an absence of seven years, to learn the extent to which the CIA had become involved in covert activities all around the world.

The Bay of Pigs operation, which lay ripe for plucking on the drawing board, was only one of many I considered most too risky for the possible meager gains involved. We were operating in many countries. Some were close allies whose friendship we were risking. We were still supporting democratic parties in Western Europe long after the countries involved had recovered economically. Most of our operations were relatively unimportant to our national security.

When a government agency goes operational covertly, there is, of course, a variety of choices. You start by subsidizing foreign magazines and newspapers to influence popular opinion, then progress to support for political parties and discreet bribes to officials. In the past little attention has been paid to such activities; however, this is only the start. With know-how and funds available, you attempt to control elections, bring about the fall of governments, or even assassinate political leaders. On the macroscale this leads to what is, in effect, undeclared war. It was an open secret that in Laos the CIA for years ran a war involving large-scale air and ground forces. The CIA was deeply involved in Vietnam before our military took over.

Where do such activities start and end? What is their proper role? How can they be controlled? I believe that responsibility for covert operational activities must be separated from the intelligence function. These operations must also be reduced greatly in scope. They must constitute the exceptional rather than the usual instrument of policy. Any decision to employ them must take into account the long-range impact on United States and world opinion. People all around the world are now convinced that the CIA is manipulating their governments and people. Americans abroad are suspect as being under "cover" for CIA—our embassies, our companies, our professors, and our tourists. We are paying a high price for marginal gains.

Authority for covert operations must stem from our highest authority—the President—even if he may not always be forced to admit it. Those directing the operations must also be responsible to the Congress, preferably through one joint committee of the two houses. Every effort must be made to maintain secrecy. Guidelines must be set. Most Americans would insist, as a miniumum, on a total taboo on assassination—and on undeclared war, that is, one not first approved by Congress. The joint committee itself could decide what should be approved by Congress as a whole. The agency devoted exclusively to intelligence should be an open operation, staffed by professionals.

It should need little "cover." Covert operations beyond intelligence should be conducted by some new, anonymous agency reporting directly to the President. Any undeclared wars tacitly approved by Congress should be run by a branch of the military, upon whose expertise it would draw.

Most important, however, we must understand that today's world cannot be manipulated by us in such an obvious way. A prominent CIA official once bragged to me that their operations had saved 13 countries from communism. He did not mention countries where we are considered the enemy as a result of abortive CIA operations. We win dubiously in Chile, but we lose in Cambodia. We give Soviet arms to the Kurds and use the resulting appearance of Soviet intervention to justify furnishing arms to Iran. We give arms to Holden Roberto in Angola, and when the Soviet-backed Popular Front appears stronger, we feel compelled to raise the ante. What is cause and what is effect? How do you win such a game?

I recently heard a leading English journalist berate America for sabotaging our CIA just when it could have won the struggle against communism in Portugal. Does anyone really think a few million dollars can control the destiny of 10 million people?

If we are to produce the open and wise policies that will earn for us the place in the world we deserve, we must first rid ourselves of the delusion that we can win by the cheap and easy way of covert manipulation. At the same time, we must regroup and reform our varied intelligence activities—building what is appropriate into an independent and a respected arm of our government. When we venture into the murky area beyond, we should do so under new auspices, strict guidelines, and complete responsibility—not just to the President but, through the Congress, to the American people. For it is they who will have to pay the price of any failures, as they have done in Vietnam.

LIMITS OF OPENNESS IN GOVERNMENT

Mr. PEPPER. Mr. Speaker, the distinguished Chairman of the Board of Governors of the Federal Reserve System, the Honorable Arthur F. Burns, on June 19 delivered a very significant address on the subject of "The Proper Limits of Openness in Government" at the 1976 International Monetary Conference held in San Francisco, Calif. In this able address Chairman Burns dealt specifically with the concern of the Federal Reserve Board of Governors over proposals embodied in legislation pending in the Congress, and now before the House, requiring the recording of all the proceedings—everything said and done by any committee of the Federal Reserve Board or any group acting in concert with members of the Federal Reserve Board, such as the Open Market Operations Committee, except in certain limited circumstances. This legislation is popularly known as sunshine legislation—requiring departments and agencies of the Federal Government to operate in full view of the public in respect even to the most confidential aspects of the performance of their duties.

Chairman Burns, I think, properly points out in his address the parallel between the functions of the Federal Reserve Board, having to do with the most meaningful and delicate factors in the economy of this country, and through this country the world, to an appellate court where no one proposes to require the court sitting in conference upon the decision of cases to make an exact record of everything said and done in such conferences. I think Chairman Burns is right in suggesting this analogy and that the application of the present provisions of the so-called sunshine legislation to the sensitive activities of the Federal Reserve Board and its committees, including the Open Market Operations Committee, are dangerous proposals and have enormous potential for grave injury to the public interest.

I, therefore, commend Chairman Burns' very clear and persuasive address to my colleagues and to those interested in the subject who shall read this Record. Mr. Speaker, I insert Chairman Burns' address in the body of the Record:

THE PROPER LIMITS OF OPENNESS IN GOVERNMENT

(Address by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System)

During the past decade we have witnessed profound changes in the attitudes of Congress, the courts, and the public generally toward "secrecy" in government. Since the passage of the Freedom of Information Act in 1966, the public has had broad access to government documents, and almost daily one reads of new legislative proposals or judicial decisions that would require agencies of government to make public some aspects of their business that previously had been kept confidential. The balance between the needs of government to carry on certain aspects of its business in confidentiality and the right of the public to know what is going on in government is nowadays more frequently being struck on the side of disclosure. At a time when anti-establishment feeling is running high, there seems to be little inclination to consider what limits the national interest should impose upon openness in government.

The acceleration of the trend toward greater disclosure is unquestionably part of our Nation's reaction to Vietnam and Watergate. By 1972, a large section of the American public, including many members of the Congress, already felt that information vital to understanding the Vietnam war and its proper financing had been withheld or distorted by the Executive branch. The shocking revelations that soon followed of the Watergate crimes and other excesses at the highest level of government diminished still more the credibility of government. The very fact that serious misconduct by high government officials had been so recently concealed under spurious claims of national interest has naturally resulted in widespread public skepticism about the need for confidentiality in any phase of government business.

It has now become a popular saying among articulate advocates of disclosure that the government's business is the people's business, and that the people's business should be carried on in public. But this is a slogan, not a reasoned argument. Moreover, it is a dangerous slogan, because it obscures the practical need to conduct some of the work of government in private. The efforts to dispel mistrust in government by exposing more of the process to contemporaneous public view are undoubtedly well-meaning, but they run a serious risk of impairing the ability of government to carry out certain of its necessary activities effectively.

The trend toward increased openness in government should be of special significance to the banking industry. Historically, banking and bank supervision have been subject to a high degree of confidentiality. The process of bank examination, in particular, has been surrounded with elaborate safeguards intended both to protect the privacy of bank customers and to preserve public confidence in individual banks and the banking system as a whole. Yet during the past ten years a number of laws have been enacted—and a mass of regulations promulgated under Congressional mandates—requiring banks to make greater disclosure to their customers and security holders, and in recent months there have been several significant attempts in Congress to breach the confidentiality of the supervisory process. These events mark a serious departure from tradition with respect to banking matters, and both bank regulators and bankers must come to terms with these changing attitudes.

At the Federal Reserve we have been deeply concerned about two disclosure issues that have confronted us recently. One of these involves the disclosure of examination reports in connection with a Congressionally ordered study of the bank supervisory process. The other involves disclosure of certain aspects of our decision-making process—in particular, the application to the Federal Reserve of one or another of the "Government in the Sunshine" bills that may soon become law.

I would like to discuss each of these issues in some detail, because I believe that the positions we have taken indicate areas in which the public interest requires some limits on openness in government.

To be fully effective, the process of bank supervision—and by this I mean the process by which the banking agencies detect problems or potential problems in banks and attempt to remedy or prevent them—depends heavily upon an atmosphere of free communication between bank officials and examiners. While our laws have not yet recognized an enforceable privilege for such communications—similar to that which attaches to the relation between a lawyer and client or a doctor and patient—there are significant protections in this area. For example, an examiner or some other agency employee who makes an unauthorized disclosure of information obtained in the examination process may be subject to criminal penalties. Even the Freedom of Information Act expressly recognizes an exemption for documents relating to the bank examination process.

The banking agencies traditionally have gone to great lengths to protect the confidentiality of examination reports. They have done so for three principal reasons: First, public disclosure of problems surrounding a bank could threaten such swift erosion of public confidence in the bank that the ability of supervisors to remedy those problems might be destroyed. Since the main purpose of bank supervision is to prevent bank failures, public disclosure of the results of the examination process could run directly counter to the very objective that the supervisors are attempting to achieve. Second, bank examination reports typically will contain confidential information about bank customers that could damage the legitimate interests of those customers if it were disclosed publicly. We feel a very deep obligation to maintain confidentiality in this area. Finally, we believe that if examination reports were made public, bankers would be less candid in discussing their problems with the examiners, who in turn would be less candid in their appraisal of bank portfolios and bank managements. The effectiveness of the examination process itself would thus become impaired.

The Federal Reserve has recently had its commitment to the principle of non-disclosure of examination reports tested. You may recall that in January of this year two of the country's largest newspapers published highly confidential information from examination reports and internal supervisory memoranda relating to so-called "problem" banks—that is, institutions which had received or were receiving special supervisory attention. These disclosures set off a number of inquiries in Congress. In January, the late Congressman Wright Patman proposed that the General Accounting Office conduct a far-reaching study of the bank supervisory process—a request that was subsequently supported by Mr. Reuss, the Chairman of the House Banking Committee, and by Mr. St Germain, an influential subcommittee chairman. At about the same time, Mr. Proxmire, the Chairman of the Senate Banking Committee, proposed a similar study by GAO, to be conducted under the general direction of the Committee staff. In each case the focal point of the study was to be on the bank examination process, so that disclosure of examination reports would be required. A subcommittee of the House Government Operations Committee similarly indicated its intention to conduct such a study through its own staff, again focusing on the examination process. It sought authority in this connection to subpoena the Comptroller of the Currency to produce examination reports to more than 60 national banks.

In response to these Congressional initiatives, we at the Federal Reserve informed the two Banking Committees that we would welcome a meaningful inquiry into the performance of our bank supervisory responsibilities, but that we strongly opposed disclosure of bank examination reports. In order to permit such a study to go forward, we proposed a means by which GAO could look into the performance of our bank supervisory functions without the need for disclosure of the identities of individual banks or bank customers. We further offered to work with the Committees in developing a procedure by which information on the bank supervisory process and the health of the banking system could be supplied on a regular basis to assist the Committee in performing their oversight responsibilities.

Our staff negotiated at length with GAO, both on the issue of disclosure of examination reports and on the scope of the study itself. We explored a number of possible ways of providing information from examination reports without disclosing the identities of banks or their customers, but GAO would not accept any such limitations. The negotiations finally resulted in an agreement under which GAO will have access to examination reports of a sampling of state member banks on a carefully controlled basis. The security of these materials will be closely guarded. GAO will not be permitted to remove from our premises either the examination reports, copies or extracts of reports, or notes or other work papers generated by GAO itself during the study, and all such materials will be kept under lock at the Board. When GAO completes its study it will prepare a report to the Congress, but that report may not identify any bank, bank official, or customer, and it may not be framed in such a way as to permit such identification. Furthermore, GAO must give us an opportunity to review its report in draft form, so that we will be able to insure that no improper disclosure of examination report information is made.

I am pleased to say that both Mr. Reuss and Mr. St Germain of the House Banking Committee have accepted our agreement with GAO. More important, they have assured the Comptroller General that no attempt will be made to compromise the agreement by requiring disclosure of confidential information. An important precedent has been established, therefore, in support of our position that bank examination reports should not be a subject of Congressional staff study. Indeed, the fact that the Comptroller of the Currency and the FDIC had previously agreed to a GAO study, and that we too were involved in negotiations with GAO, finally persuaded the House Government Operations Committee not to issue a subpoena to the Comptroller for the production of bank examination reports in connection with the study being conducted by its staff.

We have by no means satisfied all demands for access to examination reports. With increasing frequency other agencies of government with investigative or law enforcement responsibilities are looking to the bank examination process as a means of obtaining information to carry out their responsibilities. It has been our practice in the past, when access to examination reports has been sought by other agencies in connection with specific allegations of wrongdoing, to allow carefully limited access under conditions intended to protect both banks and their customers from unwarranted invasions of privacy. Furthermore, when our examiners uncover evidence of crime in the course of their examinations, they regularly refer such matters to the proper authorities. However, we do not believe it appropriate for other agencies to use the examination process as a means of prospecting for evidence of possible wrongdoing in areas beyond our jurisdiction. I say this not because we want to protect bankers or bank customers from lawful investigation into possible misconduct, but because we firmly believe that the principal objective of the examination process, namely, maintenance of a safe and sound banking system, would be injured by burdening that process heavily with other tasks.

I would now like to turn to the question of disclosure of the Federal Reserve's internal decision-making process. This question has received considerable public attention recently because of a decision by a Federal district judge in Washington ordering the Federal Open Market Committee to make available to the public, immediately after each meeting of the FOMC, the guidelines agreed upon at that meeting for market operations by our New York bank during the succeeding month. In addition, the Court ordered that segregable factual portions of the minutes of two FOMC meetings be made promptly available to the plaintiff in that judicial proceeding.

We have appealed certain aspects of the Court's order, and I am therefore limited in the extent to which I may comment upon the case. But I can say that even if the district court's interpretation of the Freedom of Information Act is upheld, I believe the public interest would not be served by immediate disclosure of FOMC strategy. Our open market activities are watched closely by some of the sophisticated money market specialists. Based upon their observations they make judgments about the current direction of monetary policy, and they shape their strategies in the securities market on the basis of these judgments. While their guesses are often astute there is sufficient uncertainty to cause them to temper their aggressiveness.

If FOMC plans were disclosed immediately, however, market professionals would know at once the key determinants of our open market operations over the next four or five weeks. Sophisticated and experienced market participants, equipped with financial resources to act quickly, would be far better situated to interpret and trade on this information than members of the general public. Needless to say, the Federal Reserve has not the slightest interest in assuring profits for speculators in stocks or bonds—the ones who would inevitably be the chief beneficiaries of immediate disclosure. And there is still another difficulty with premature publicity. Not only would the large speculators gain trading advantages, but—being armed with these new insights—they would be apt to engage in more aggressive market behavior. As the response of market rates to Federal Reserve actions was accentuated by such behavior, the result could well be greater short-run volatility in interest rates. Exaggerated shifts in market expectations and interest rates caused by premature disclosure of FOMC strategy may in turn require adjustments of policy simply to maintain orderly conditions in financial markets. Our ability to control bank reserves and to make effective use of open market operations might therefore be weakened.

While the case just discussed raises questions about the timing of the release of FOMC market strategy, I am even more deeply concerned about the prospect that Board deliberations prior to decision may be opened to public scrutiny. One of the principal legacies of Watergate is a deep public cynicism about the process of government decision-making. Many people seem willing to assume that confidentiality in the decision-making process promotes improperly motivated or even corrupt decisions. The response to that attitude has been a drive to force government agencies to conduct their deliberations in public sessions. This movement has rallied under the banner of "Government in the Sunshine."

There are several versions of "Sunshine" bills presently pending in Congress, and I am continually amazed at how little public attention these bills have received. The basic structure of these bills is similar: they would require multi-member Federal agencies to conduct their deliberations concerning agency business in an open forum, accessible to the public. While the bills all recognize certain exemptions from open meetings, they require that if a meeting is to be closed pursuant to an exemption, notice must be given of the subject matter of the meeting and a verbatim transcript must be made and retained.

Following each closed meeting, the agency would be required to release to the public those portions of the transcript not covered by an exemption. Any member of the public could bring a court challenge to the validity of the agency's action in closing a meeting, and the court could order the entire transcript to be disclosed. This provision alone offers frightening potential for innumerable lawsuits, each of which would require individual defense.

The obstructionist dangers in this legislation do not stop there: they extend to the greater part of the substantive business of the Federal Reserve. Our deliberations on monetary policy issues involve highly sensitive questions of great national concern. The close scrutiny that is given our statements and actions in this area is itself an indication of the sensitivity of the matters with which we deal. We are keenly aware that financial markets may react dramatically, based solely upon nuances or shades of meaning in our decisions; and our public statements are drafted with great care because of this.

Similar observations apply to our bank supervisory and regulatory functions. We very often have before us detailed information about the financial and managerial condition of bank holding companies or about individual banks and their customers. Sometimes we must deal with crisis situations that may call for emergency action. It is unthinkable to me that the national interest would be served by discussion of these issues in public. Indeed, the Congress has thus far concurred in this judgment by delineating various exemptions from the requirement for open meetings. But it is no answer that certain meetings may be closed, for as long as we must keep a verbatim transcript of such meetings the threat exists that the substance of these meetings may be made public.

The underlying premise of the "Sunshine" legislation is that if the public is permitted to observe the decision-making process in action, the integrity of decision-making will be assured and public confidence in government will be enhanced. This, however, is a vastly oversimplified view of the manner in which the government works, and I believe it is a simplistic view of the way in which government should work. The advocates of this view ignore the fact that debate conducted on a stage is different in tone and quality from debate conducted in private. The simple fact is—and I think that even the supporters of "Sunshine" legislation ought to concede this—that debate carried on before a public audience tends to take on some characteristics of the theater, rather than serve as a search for truth and wisdom, and that the debaters themselves tend to become performers pronouncing predetermined positions, rather than participants in a deliberative process seeking to develop their own ideas and persuade their colleagues.

The advocates of "Sunshine" also overlook the fact that many actions of the Federal Reserve are quasi-judicial in nature. At almost every meeting we are called upon to adjudicate the rights of private parties seeking to engage in certain new activities or to extend the scope of their existing authority. In such matters we conduct ourselves much as judges would. It is a firm rule, for example, that Board members will not discuss the merits of an application with interested parties prior to Board action on the application. Historically, the deliberations of appellate courts on cases coming before them have not been conducted in open session. I see no convincing rationale for treating our adjudicatory deliberations differently. Of course, once decisions on applications before us have been reached, they are promptly announced and reasons for approval or denial are set forth.

There is a serious danger, I believe, that a "Sunshine" law may have the unintended effect of diminishing the quality of decision-making in an agency such as the Federal Reserve Board. The Board has a long tradition of free discussion. We have important decisions to make, and we have been extremely fortunate to have Board members and staff of high intellectual competence. Our deliberations are characterized by deep respect for one another's opinions, and by an atmosphere that welcomes completely free expression by both Board members and staff. A fundamental precondition to the free exchange of ideas is an atmosphere in which new or unpopular ideas—or even wrong ideas—can be put forth for discussion without fear of embarrassment or recrimination.

As we attempt to decide difficult issues, many things are said in our Board meetings that might well not be said if we were in public session or if each word spoken were subject to later public disclosure. This is not to say that "evil" views are being expressed; it simply means that the goal of fully informed decision-making can only be achieved if the participants are free to bring to light all considerations that may bear upon their actions. Were we forced to conduct our deliberations under circumstances where highly sensitive matters could not be discussed in private, the quality of our decision-making would unquestionably deteriorate and the public interest would ultimately be disserved.

Although the Board has at times been accused of being overly secretive in performing its responsibilities, I believe that charge is not based upon fact.

We make far more information available to the public about our activities than any other central bank. Very few of the world's central banks regularly inform their national legislature of their plans for the future course of monetary policy, and none does this as often as the Federal Reserve. Not only do we appear frequently before committees of Congress—Board members have testified 25 times already during 1976—but we deal constantly with inquiries from Congress and the public about the substance of our work. In our responses we strive to be as forthcoming and helpful as we can. In the bank regulatory area, unlike many other agencies, we have for many years published written decisions explaining our actions in application proceedings, such as those involving bank holding company and merger actions.

I believe we must face the problem presented by the "Sunshine" legislation realistically. Certain of the "Sunshine" bills and associated Congressional reports define the term "meeting" so broadly that a bare quorum of the Board—four members—literally could not converse informally about any aspect of the Board's business without being required first to issue notice to the public and thereafter to conduct a public discussion or hold a closed discussion with the tape recorder running. In certain instances, these requirements would apply even to discussions between only two Board members.

In conclusion, I fail to see how the national interest would be served by circumscribing actions of the Board in an endless array of recording requirements. In such circumstances we could not be expected to maintain the quality of thorough analysis and thoughtful care that has marked our work over the years. If the Board were exempted from the verbatim transcript requirement our difficulties with the "Sunshine" legislation would be substantially reduced. However, if any of the "Sunshine" bills as now written becomes law, an agency such as ours would be in an almost impossible position. On the one hand, we could operate under the law as enacted with the virtual certainty that some of the destructive consequences I have indicated—and I have not even mentioned international complications—will occur. On the other hand, we could go through the motions of adhering to the law's requirements but, as a practical matter, resort to "underground" procedures that would effectively circumvent the law. That would be a cruel dilemma, but I would have no hesitation about the choice.

I must and do reject circumvention as a suitable course for the Federal Reserve. We will have no part in any such dubious exercises.

In sharing with you my views on some of the disclosure issues that have come before the Board recently, it has been my purpose to question the premise that disclosure is a desirable end in and of itself. I particularly question the premise that disclosure is the cure for bad government. To be sure, it is more difficult for corruption and malfeasance to occur when the public has easier access to the inner workings of government. But there are legitimate and important reasons for permitting certain processes of government to operate in reasonable confidentiality. In striving to renew the public's trust in government, we should recognize that such trust ultimately will depend not upon the public's observation of the process of government decisionmaking, but upon their perception that their government is comprised of men and women of intelligence and integrity making reasonable decisions in the public interest.

TRIBUTE TO CONGRESSMAN JOE EVINS OF TENNESSEE

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, I join with my colleagues in paying my respects to one of the outstanding Members of the House during my years in Congress—Joe Evins of Tennessee.

His decision to retire to the beautiful country of middle Tennessee is an understandable one—but one that deprives the Congress and the country of the keen understanding of conservation and water resources policy, and of a sound fiscal expertise.

As chairman of the Appropriations Subcommittee on Public Works, Joe Evins has been particularly helpful to the people of my area as they sought to cope with the problems of recurring floods. His unfailing courtesy and his quick grasp of our people's problems made him a favorite of Kentucky delegations to Washington, and he will be sorely missed.

But Joe Evins' interests have not been confined to fiscal matters. He has been a legislator who immersed himself in the entire range of matters that concerned his Fourth Tennessee District—and that range is as broad as the Nation.

This distinguished legislator leaves Congress in his prime and he carries with him the warm esteem of all of his colleagues. That says a great deal about the man—and it says a great deal about the fine people of middle Tennessee who have the good sense to keep reelecting him for three decades.

May there be nothing but good in his future.

H.R. 10210 AND EXTENSION OF COVERAGE TO STATE AND LOCAL EMPLOYEES

(Mr. STEIGER of Wisconsin asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. STEIGER of Wisconsin. Mr. Speaker, last night we were scheduled to consider the Unemployment Compensation Amendments of 1975, H.R. 10210. Our consideration of the measure has now been postponed. But I think one issue posed by the bill needs to be addressed—the constitutionality of the coverage of State and local employees under the system.

The proposed rule under which the bill was to have been considered would have made several amendments in order, including one to strike the bill's provisions extending coverage under the permanent Federal-State unemployment compensation system to employees of State and local government. Following the decision of the U.S. Supreme Court last week in National League of Cities against Usery striking down provisions of the Fair Labor Standards Act imposing minimum wage requirements on the States, many Members asked me how that decision affected the provisions of H.R. 10210 extending unemployment compensation protection to State and local employees. It is my view that the Supreme Court decision is not applicable to the unemployment compensation bill.

The National League of Cities case dealt with a federally imposed requirement directly on the States; in the unemployment compensation bill we have no such direct requirement.

There is no legislative requirement in present law, and there is none in H.R. 10210, which would require any State to establish a State unemployment compensation system. The Federal law imposes a tax on employers and then grants a credit for participating in an approved State unemployment compensation system.

At my request, and at the request of committee staff, the Department of Labor has prepared a written legal opinion on the issue. So has the National Education Association and the American Federation of State, County, and Municipal Employees. I put the AFSCME opinion in the Record yesterday. Because of the importance of this issue I insert in the Record excerpts of these other two legal opinions. All of them are of the view that the provisions of H.R. 10210 which would extend coverage under the permanent Federal-State unemployment compensation system to State and local government employees are constitutional:

Memorandum of Law

U.S. Department of Labor,
Washington, D.C.

(The Constitutionality of Requiring State Law Coverage of State and Local Government Employees under the Federal-State Unemployment Compensation Program.)

The question addressed in this paper is whether the Congress has the constitutional power to enact a statute requiring the States, as a condition of continued participation in the Federal-State Unemployment Compensation Program, to cover employees of State and local governments This question is especially pertinent, in light of the decision of the Supreme Court in *National League of Cities* v. *Usery*, —— U.S. ——, June 24, 1976, which struck down the Fair Labor Standards Act requirements of mandatory coverage of State and local government employees under that Act's minimum wage and overtime provisions. We conclude that *National League of Cities* is clearly distinguishable and that Congress has the power, under the taxing and general welfare clause of the Constitution, to condition continued participation in the Federal-State Unemployment Compensation Program on unemployment compensation coverage of State and local government employees.

BACKGROUND

The basic structure of the Federal-State Unemployment Compensation Program has remained unchanged since the enactment of the Social Security Act on August 14, 1935. In Title IX of that Act a payroll tax of 3.0% was laid on private sector employers. A credit of up to 90% of the tax, or 2.7%, was allowable for contributions paid into a State unemployment fund, under a State unemployment compensation law found to meet the conditions for approval set out in Title IX. A State which had an approved unemployment compensation law could apply, under Title III of the Act, for grants of funds to assist the State in the administration of its laws; the payment of such grants would be certified upon a finding that the State law contained the further provisions required by Title III. The provisions on grants remain in Title III of the Social Security Act, 42 U.S.C. 501 *et seq.*, while the taxing provisions are in the Federal Unemployment Tax Act, Chapter 23 of the Internal Revenue Code of 1954, 26 U.S.C. 3301 *et seq*. The requirements for State unemployment compensation laws are set out in 42 U.S.C. 503(a) and 26 U.S.C. 3304(a), respectively.

For the first 37 years of this cooperative program no provision of the federal statutes required the State laws to cover any specific class of employees in either the public or private sector. Inducement or persuasion for State law coverage was founded on the tax credit in the Federal Unemployment Tax Act. Credit against the federal tax was based on contributions into a State unemployment fund on the same payroll, and coverage of the State law was based on the payroll subject to contributions. In this way State law coverage for compensation purposes was generally as broad as the tax coverage of the Federal Unemployment Tax Act, although the States retained the authority to adopt more restrictive coverage or expand coverage beyond the inducement provided by the federal law.

In the Employment Security Amendments of 1970 (Public law 91–373), Congress amended section 3304(a) of the Federal Unemployment Tax Act to add new requirements for approved State unemployment compensation laws. Among the new requirements was section 3304(a) (6) (A), which required State laws to cover for compensation purposes employees of nonprofit organizations and employees of State hospitals and institutions of higher education. Another new requirement, added to section 3304(a) (12), required States to permit political subdivisions of the States to elect coverage for compensation purposes of employees of hospitals and institutions of higher education operated by the political subdivisions. These were the first coverage requirements to be contained in the Federal Unemployment Tax Act, and were requirements for State laws beginning in 1972. Expansion of coverage to those three classes of employees was accomplished by making the coverage a State law requirement instead of taxing the States and localities; the employment of those three classes of employees still remains excepted from federal tax coverage.

Now before Congress is H.R. 10210, which in section 115 would further amend the Federal Unemployment Tax Act so as to further extend public employee coverage to most employees of State and local governments.

ARGUMENT

Article 1, Section 8, Clause 1, of the United States Constitution confers upon Congress the power—

"To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States * * *".

It is within the powers of Congress to lay taxes and provide for the general welfare. Thus, as this memorandum will demonstrate, it is within the power of Congress to impose the federal unemployment tax and grant a credit against the tax on the condition, among others, that State unemployment compensation laws cover State and local government employees. It is also within the power of Congress to grant funds to the States to assist them in the administration and funding of their approved unemployment compensation laws, to place limitations on those grants, and to make it a condition of such grants that the State unemployment compensation laws be approved under the Federal Unemployment Tax Act.

I

(The Decision of the United States Supreme Court in Steward Machine Co. v. Davis is Controlling on the Powers of Congress Under the Tax and General Welfare Clause.)

The issue of State law requirements as a condition of the approval of State unemployment compensation laws for tax credit purposes was fully argued and decided in favor of the validity of the federal statute in *Steward Machine Co.* v. *Davis,* 301 U.S. 548 (1937). The Court held that it is within Congress' power under the tax and general welfare clause to prescribe conditions for a tax credit which it found were related in subject matter to activities "fairly within the scope of national policy and power" (301 U.S. at 590), and which would "assure a fair and just requital for benefits received". (301 U.S. at 598). The conditions, it said, are "not directed to the attainment of an unlawful end, but to an end, the relief of unemployment, for which nation and state may lawfully cooperate". (301 U.S. at 593). "In determining essentials Congress must have the benefit of a fair margin of discretion." (301 U.S. at 594). In regard to these conditions, "inducement or persuasion does not go beyond the bounds of power". (301 U.S. at 591). On the Tenth Amendment issue the Court ruled that the provisions are not void as involving the coercion of the States in contravention of the Tenth Amendment or of restrictions implicit in our federal form of government.

In its opinion the Court referred to the events which led to the passage of the Social Security Act. During the years 1929 and 1936 the number of unemployed workers rose to unprecedented heights, often averaging more than 10 million, and at times reaching peaks of 16 million or more. The problem had become national in area and dimensions, and the States were unable to give the requisite relief. Obligations incurred by the national government for emergency relief were almost $3 billion in the period between January 1, 1933 and July 1, 1936, and the obligations of State local agencies were half that sum. For public works and unemployment relief for the three fiscal years 1934, 1935, and 1936, the national government expended "the stupendous total" of a little less than $9 billion. "It is too late today for the argument to be heard with tolerance that in a crisis so extreme the use of moneys of the nation to relieve the unemployed and their dependents is a use for any purpose narrower than the promotion of the general welfare." (301 U.S. at 586–587).

In these circumstances there was an urgent need for some remedial expedient. It was said that the freedom of the States to contribute their fair share to the solution of the national problem was paralyzed by fear, and to the extent the States failed to contribute to relief "a disproportionate burden, and a mountainous one, was laid upon the resources of the Government of the nation". (301 U.S. at 588). The Social Securitly Act was an attempt to find a method by which all the public agencies may work together to a common end. In devising the tax and tax credit Congress did not intrude upon fields foreign to its function. Its intervention is to safeguard the nation's treasury, and as an incident to that protection to place the States upon a footing of equal opportunity. (301 U.S. at 590–591). "Nothing in the case suggests the exertion of a power akin to undue influence, if we assume that such a concept can ever be applied with fitness to the relations between state and nation." A State which enacted an unemployment compensation law to conform with the Social Security Act cannot be said to have acted "under the strain of a persuasion equivalent to undue influence, when she chose to have relief administered under laws of her own making, by agents of her own selection, instead of under federal laws, administered by federal officers, with all the ensuing evils, at least to many minds, of federal patronage and power." (301 U.S. at 590).

Some of the conditions attached to the allowance of the tax credit are designed to give assurance that the State unemployment compensation law shall be one in substance as well as name. Others are designed to give assurance that contributions into a State's unemployment fund shall be protected against loss after payments to the State. (301 U.S. at 575). The conditions attached to the payment of granted funds to a State likewise are designed to give assurance to the Federal Government that the moneys granted by it will not be expended for purposes alien to the grant, and will be used in the administration of genuine unemployment compensation laws. (301 U.S. at 578). Congress must have the benefit of a fair margin of discretion in determining the standards which in its judgment are to be ranked as fundamental. (301 U.S. at 594). An unemployment law framed in such a way that the unemployed who look to it will be deprived of reasonable protection is one in name and nothing more. "What is basic and essential may be assured by suitable conditions." (301 U.S. at 593). One cannot say that the basic standards have been determined in any arbitrary fashion. (301 U.S. at 594).

The operation of the cooperative program in a State is dependent on the statutory consent of the State. A State so consenting obtains a credit of many millions in favor of her citizens out of the treasury of the Nation. "Nowhere is our scheme of government—in limitations expressed or implied of our federal constitution—do we find that she is prohibited from assenting to conditions that will assure a fair and just requital for benefits received." (301 U.S. at 597–598).

Further support for the scheme of tax credit and grants is found in other cases decided the same day as *Steward*. In *Carmichael* v. *Southern Coal & Coke Co.,* 301 U.S. 495 (1937), the Court upheld the constitutionality of the Alabama unemployment compensation law which was designed to meet the requirements of the Soical Security Act. Arguments as to the validity of the Alabama tax and contentions based on the Tenth Amendment were rejected. In one holding the Court said that if the tax, *qua* tax, is valid, and the purpose specified is one that would sustain a separate appropriation out of general funds, "neither is made invalid by being bound to the other in the same act of legislation", citing *Cincinnati Soap Co.* v. *United States,* 301 U.S. 308, 313 (1937).

And in *Helvering* v. *Davis,* 301 U.S. 619 (1937), the old age tax and benefit provisions of the Soical Security Act were upheld against similar challenges on constitutional grounds. Holding that Congress may spend money in aid of the general welfare, the Court said that the conception of the spending power advocated by Hamilton and strongly reinforced by Story has preavlled over that of Madison, with broad discretion not confined to the courts in the exercise of the power. "The discretion belongs to Congress, unless the choice is clearly wrong, a display of arbitrary power, not an exercise of judgment." (301 U.S. at 640). When an act is challenged as invalid " 'we naturally require a showing that by no reasonable possibility can the challenged legislation fall within the wide range of discretion permited to the Congress' " (301 U.S. at 641), quoting from *United States* v. *Butler,* 297 U.S. 1, 67. Citation for comparison was made to *Cincinnati Soap Co.* v. *United States,* in which the Court stated that it would require a very plain case to set aside a conclusion of Congress whether a tax it has imposed by law serves the purpose of the taxing power. (301 U.S. 308, 313).

Measured by these pronouncements the conditions of State law coverage of State and local government employees clearly are within the Congress' powers under Article 1, Section 8, Clause 1, of the Constitution. The discussion following shows that those conditions are fairly within the scope of national policy and power and have not been determined in any arbitrary fashion, and that those conditions involve no infringement of State sovereignty or constitutional federalism. Finally, there is discussion of the separable provisions on limited financial support of State laws.

(The decision of the United States Supreme Court in *National League of Cities* v. *Usery* does not render unconstitutional unemployment compensation coverage of State and local government employees.)

Application of the Tenth Amendment to the exercise of the taxing and general welfare power in Article I, Section 8, Clause 1, of the Constitution is clearly distinguishable from Tenth Amendment limitations on the exercise of the federal power to regulate commerce under Article I, Section 8, Clause 3, enunciated in *National League of Cities* v. *Usery, supra. National League of Cities* held that Congress exceeded its authority under the Commerce Clause by extending mandatory coverage under the minimum wage and overtime provisions of the Fair Labor Standards Act (29 U.S.C. §§ 201 et seq.) to employees of State and local governments. 29 U.S.C. §§ 203(d), (s)(5), and (x). The Court held, using the *Fry* v. *United States,* 421 U.S. 542, 547 (1975), test, that "Congress has sought to wield its power in a fashion which would impair the States' 'ability to function effectively within a federal system,' " thereby exceeding the scope of power vested in it by the Commerce Clause, and by that action impermissibly penetrated the Tenth Amendment barrier against infringement of the States' reserved powers. Slip Opinion at 17–18.

The Federal Unemployment Tax Act and Title III of the Social Security Act, as enacted, and as proposed to be amended by sections 115 and 212 of H.R. 10210, derive from Congress' power to lay and collect taxes and to provide for the general welfare. U.S.

Constitution, Article I, Section 8, Clause 1, *supra; Steward Machine Co.* v. *Davis,* 301 U.S. 548, 590 (1937). As stated in *Steward Machine Co.,* participation in the Federal-State Unemployment Compensation Program is voluntary on the part of the States and is constitutional under the taxing and general welfare clause. *Id.,* at 590 and 591. Neither regulation nor lack of consent is involved in the extension of unemployment compensation coverage to State and local government employees.

National League of Cities has no application to statutes enacted under the taxation and general welfare clause:

"We express no view as to whether different results might obtain if Congress seeks to affect integral operations of state governments by exercising authority granted it under other sections of the Constitution such as the Spending Power, Art. I, § 8, cl. 1, or § 5 of the Fourteenth Amendment. (Slip Opinion at 18, n. 17).

The opinion of the Court also left unanswered Mr. Brennan's statement in his dissenting opinion that the Federal Government might apply the Fair Labor Standards Act provisions to State and local government employees by making such coverage a condition for the receipt of federal grants. See Slip Opinion, J. Brennan's dissent at 24–25; see also *Steward Machine Co., supra,* 301 U.S. at 591, 593–98; and *Cincinnati Soap Co.* v. *United States,* 301 U.S. 308, 313 (1937).

The Court in *National League of Cities* stated that Congress exceeded its authority under the Commerce Clause, by forbidding choices to States and local governments in regulating relationships with their own employees. Slip Opinion at 14. The Court held that the only "discretion" left to the States under the amended Fair Labor Standards Act was to raise taxes or cut services or payrolls to meet their increased costs under that Act. Unlike the Fair Labor Standards Act, the Federal Unemployment Tax Act and Title III of the Social Security Act offer the States the discretion of participating in the benefit system.

As seen in the Supreme Court's clear language in *National League of Cities,* that decision is not applicable to enactments which derive from the taxation and general welfare powers, such as the provisions in the Federal Unemployment Tax Act and the proposed amendments in sections 115 and 212 of H.R. 10210. Unlike the Fair Labor Standards Act amendments struck down in *National League of Cities,* the provisions on unemployment compensation coverage of State and local government employees are not regulatory in nature, and are consistent with the historic structure of the Federal-State Unemployment Compensation Program. States are not forbidden choices in regulating relationships with their employees, nor are they stripped of their discretion of participating in the benefit program.

V

(The Limitations on Financial Support of State Laws are Separable and Within Congress' Power Under the General Welfare Clause.)

The validity of the conditions on coverage of State and local government employees is not affected by the amendments proposed in Section 212 of H.R. 10210, under which the financial support of grants and sharable compensation would not be furnished with respect to the coverage of any State or local government employees. As explained above, the funds for the financial support of all States is governed by the sum of the collections under the Federal Unemployment Tax Act. Because the States and localities are not subject to the Federal Unemployment Tax Act there is no contributory source of funding with respect to State and local government employees.

As a result the States will have to bear a portion of the costs of administration and what constitutes sharable compensation as to other workers covered by the State's laws. This is not different in principle, however, from the necessity undertaken by the States from the inception of the program to bear the costs of unemployment compensation. This was implicitly upheld in *Steward Machine Co.* v. *Davis,* 301 U.S. 548 (1937), in ruling that the nation and the States may cooperate in this manner to achieve a common end. The benefit created by statute may be partial, requiring the States to contribute a share of the costs, as in matching grant programs and the Federal-State Extended Unemployment Compensation Act of 1970.

Provision for less than full financial support needs no other authority than the statute itself. Congress has the power to create benefits by statute, and to attach any conditions to the benefits which it deems appropriate and suitable to the purpose. *Steward Machine Co.* v. *Davis, supra.* Having the power to create benefits, it may be exercised or not as the Congress decides in its judgment, and benefits once created may be abolished. Congress determines the scope of the benefits it creates; it is not compelled to cover the entire field as the judgment of others may conceive the proper scope. Therefore, it may provide a partial benefit, although there may be no explicit condition that the State make up the balance. The absence of an explicit condition does not make the benefit any less valid. Of necessity the balance must be provided for the benefit to operate in the fashion intended by the Congress. What is implicitly necessary need not be explicitly required for the statute to be valid. In this, as in matters concerning the operation of the benefit, the Congress determines the conditions upon which the benefit is to be given.

In *Steward Machine Co.* v. *Davis,* 301 U.S. 548, 598 (1937), the Court said that the financial support provisions of Title III of the Social Security Act are separable from the tax. The condition requiring coverage is in the Federal Unemployment Tax Act. The financial support provisions are valid, therefore, without regard to the conditions stated in the Federal Unemployment Tax Act.

There is a rational basis for the provisions in H.R. 10210, under which less than full financial support would be furnished to the States. The provisions clearly are within the "fair margin of discretion" vested in the Congress.

CONCLUSION

Provision for coverage of State and local government employees under State unemployment compensation laws, as a condition of the tax credit under the Federal Unemployment Tax Act, is within the tax and general welfare powers of the Congress under Article I, Section 8, Clause 1, of the United States Constitution. Provision for less than full financial support of State unemployment compensation laws is within the general welfare power of the Congress under Article I, Section 8, Clause 1, of the United States Constitution. Those provisions do not infringe on State sovereignty or constitutional federalism.

National League of Cities v. *Usery,* ——— U.S. ———, June 24, 1976, is not applicable to the provisions on unemployment compensation coverage of State and local government employees in the Federal Unemployment Tax Act, or as proposed in H.R. 10210 now before Congress. There are at least two major distinctions between the Fair Labor Standards Act amendments struck down by the Supreme Court in *National League of Cities* and the enacted and proposed provisions on unemployment compensation coverage of State and local government employees:

1. The Fair Labor Standards Act amendments were enacted under the Commerce Clause. The unemployment compensation provisions come under the taxation and general welfare ("Spending Power") provisions of the Constitution. The Supreme Court specifically excluded statutes enacted under the "Spending Power" and the Fourteenth Amendment from the holding in *National League of Cities* .

2. The Fair Labor Standards Act amendments were regulatory in nature, with no options afforded the States. The unemployment compensation provisions now enacted and proposed by H.R. 10210 are consistent with and fit into the historic structure of the Federal-State Unemployment Compensation Program, which permits States the option of participation. In this manner the unemployment compensation provisions are vitally different from the minimum wage and overtime provisions in the Fair Labor Standards Act amendments. States are not forbidden choices; choice is the essence of the Federal-State Unemployment Compensation Program.

Accordingly, the provisions on coverage of State and local government employees, enacted in the Employment Security Amendments of 1970, are in accord with the United States Constitution. The amendments proposed in H.R. 10210, concerning the extension of coverage to State and local government employees generally, and provision for less than full financial support for State unemployment compensation laws, also are in accord with the United States Constitution.

WILLIAM J. KILBERG,
Solicitor of Labor.

NATIONAL EDUCATION ASSOCIATION,
Washington, D.C.

You have requested our opinion as to the effect that the Supreme Court's decision in *National League of Cities* v. *Usery,* issued last week, might have on the provisions of H.R. 10210 which are designed to provide permanent unemployment compensation coverage for state and local government employees under certain conditions. For a number of reasons which are outlined below, we do not believe that the Court's decision will have any effect on the Bill as presently drafted.

At issue in the *National League of Cities* case was the validity of the 1974 amendments to the Fair Labor Standards Act (FLSA) which extended the coverage of that act to almost all categories of state and local government employees. The FLSA and the amendments in question were enacted by the Congress pursuant to its power "to regulate Commerce . . . among the several States", under Article I, S. 8, cl. 3, of the Constitution. The Supreme Court found in *National League of Cities* that the attempted direct regulation of the wages and hours of employees of the states and their subdivisions, while unquestionably affecting commerce, constituted too great an interference with the sovereignty of the states to be permitted under the federal system of government embodied in the Constitution, especially the Tenth Amendment thereto. The decision, however, was expressly limited to the effect on state governments of legislation enacted pursuant to the Commerce Clause. The Court left open the question of the validity of laws adopted under other Constitutional provisions which might have an effect on the sovereignty of states and their subdivisions:

"We express no view as to whether different results might obtain if Congress seeks to affect integral operations of state governments by exercising authority granted it under other sections of the Constitution such as the Spending Power, Art. I, S. 8, cl. 1, or S. 5 of the Fourteenth Amendment." Slip opinion at 18, n. 17.

The Federal Unemployment Tax Act (FUTA) and the amendments to that Act proposed in H.R. 10210 find their Constitutional authority—not in the Commerce Clause—but rather in Art. I, S. 8, cl. 1, the Taxing and Spending Power, which was expressly mentioned in the Court's comment as to the reach of its decision. In 1937, the Court explored and upheld the authority of Congress to enact the original Unemployment Compensation Act under Art. I, S. 8, cl. 1. *Steward Machine Co.* v. *Davis*, 301 U.S. 548 (1937). Thus, by its own terms, the *National League of Cities* decision does not apply to FUTA or to the proposed amendments.

There is an additional reason why *National League of Cities* would not invalidate the legislative scheme embodied in H.R. 10210. The rationale for the decision was specifically based on the fact that the FLSA amendments imposed upon state and local governmental employers the minimum wage and maximum hour requirements of the Act. The governmental employers had no discretion or option; they were required to adhere to the amendments. It was the obligatory nature of the legislation which ran afoul of the Court's views of state sovereignty. The Court expressed its holding as follows:

"We hold that insofar as the challenged amendments operate *to directly displace* the States' freedom to structure integral operations in areas of traditional functions, they are not within the authority granted Congress by [the Commerce Clause]." Slip opinion at 18 (emphasis added).

Later the Court stated:

"Congress may not exercise that power so as to force *directly* upon the States its choices as to how essential decisions regarding the conduct of integral governmental operations are to be made" Slip opinion at 21 (emphasis added).

Legislation which does not *compel* a state to act in a particular manner would not violate the decision's proscription. This point was made by Justice Brennan who, in his dissenting opinion stated that "Congress may nevertheless accomplish its objective—for example by conditioning grants of federal funds upon compliance with minimum wage and overtime standards, c.f. *Oklahoma* v. *United States Civil Service Commission*, 330 U.S. 127, 144 (1947) . . ." (dissenting opinion, at 24–25). In the case cited by Justice Brennan, certain federal funds were withheld from a state pursuant to the terms of the federal Hatch Act when the state refused to discipline a state employee for violating provisions of that Act. Answering contentions that such a legislative provision constitutes an invasion of the state's sovereignty and violated the Tenth Amendment, the Court replied that while the United States might not be able to regulate directly the activities of state officials, "It does have the power to fix the tenure upon which the money allotments to states shall be disbursed." 330 U.S. at 143. The Court held that the Tenth Amendment did not forbid such an exercise of power and it stated that "The offer of benefits to a state by the United States dependant upon cooperation by the state with federal plans, assumedly for the general welfare, is not unusual." 330 U.S. at 144.

The scheme of the FUTA and the amendments in question is similar to that of the Hatch Act and dissimilar from that of the 1974 amendments to the FLSA. No state is required to provide unemployment compensation to any public employee. Every state is free to stay out of the Federal Unemployment Compensation System. However, if a state wishes to obtain the benefits of federal credits and assistance for its programs, it must adhere to certain minimum standards—one of these being under HR 10210 the inclusion of public employees under the state's system.

The FUTA amendments contained in HR 10210 do not contain the element of "direct interference" or "force" essential to the *National League of Cities* holding. In *Steward Machine Co.* v. *Davis*, supra, the Supreme Court confronted this issue directly in upholding the constitutionality of FUTA as originally passed. The claim was made in that case that the conditioning of federal credits on compliance with the minimum standards of FUTA constituted coercion of the states in contravention of the Tenth Amendment and of restrictions implicit in the federal form of government. The Court rejected this argument, stating:

"Every tax is in some measure regulatory. To some extent it interposes an economic impediment to the activity taxed as compared with others not taxed," [citation omitted]. In a like manner every rebate from a tax when conditioned upon conduct is in some measure a temptation. But to hold that motive or temptation is equivalent to coercion, is to plunge the law in endless difficulties.

* * * * *

"Nowhere in our scheme of government—in the limitations expressed or implied of our Federal Constitution—do we find that [a state] is prohibited from asserting to conditions that will assure a fair and just requital for benefits received" 301 U.S. at 389–90, 598.

The fact that state and local employees would be covered under HR 10210 does not in any way change the holding of the *Steward* case. The state is not taxed for coverage of such persons, nor is it compelled or forced to include them in coverage. The state is always free to make the choice to exclude such persons and to accept the loss of Federal benefits. HR 10210 is valid under *Steward;* it is unaffected by *National League of Cities.*

One final point. As noted, the Supreme Court in *National League of Cities* was concerned with the effect of legislation on "integral governmental operations." Wages and hours of governmental employees, performing governmental functions, fall within this area. But, by definition, coverage of such individuals under unemployment compensation laws would not affect the "integral operations of government." On the other hand, the exclusion of such persons from state unemployment compensation systems could cause a large drain on the federal budget. The federal government thus has a strong interest in legislation in the area. This fact, when weighed against the nominal impact on the states' sovereignty which would occur if the bill passes, is a further reason why the unemployment compensation law is not in the same category as the wage and hour law considered by the Supreme Court.

I hope this information will be helpful to you. Please let us know if we can be of any further assistance.

Sincerely,

STEPHEN M. NASSAU,
Associate General Counsel.

KOCH-FRASER RESOLUTION TO GRANT ASYLUM TO SOUTH AMERICAN REFUGEES ENDANGERED IN ARGENTINA GAINS SUPPORT IN HOUSE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, 28 Members of the House are now sponsoring House Concurrent Resolution 656, expressing the sense of the Congress that the Attorney General parole into the United States those South American nationals having fled to Argentina and those Uruguayans within Uruguay who are in danger of losing their lives. Senator EDWARD KENNEDY has introduced an identical resolution in the Senate.

The need for a parole program for the refugees in Argentina and for Uruguayans is growing. Many innocent refugees are being caught in the vicious crossfire of left-wing terrorism and the Argentine Government's indiscriminate response of counterterrorism. The Argentine Government has stated frankly that the presence of refugees in Argentina is "a threat to our internal security." In effect, the right of political asylum granted to these refugees has been revoked by the Argentine Government without due cause. The U.N. has appealed to member nations to take in 1,000 refugees. While many countries have already taken in some of these refugees, the United States has yet to take action. Regrettably, the United States, which should be the leader in this movement, is lagging.

Recent events in Uruguay indicate that the Uruguayan Government no longer respects the territorial integrity of foreign embassies in Uruguay. Uruguayan authorities forced their way into the Venezuelan Embassy in Montevideo and arrested a woman seeking political asylum there. This incident is representative of the Uruguayan Government's lawless attitude, both toward its own people and toward the international community. I believe the United States should sharply criticize this infringement of Venezuelan sovereignty. It also points out the need for the United States to take vigorous action to provide asylum for the thousands of political prisoners now held by the Uruguayan Government.

Clearly, it is time for the State Department to state its position on the parole visa program for South American exiles and Uruguayans who are subject to persecution. The administration can rely on a strong and growing support within Congress for such a program.

The list of the cosponsors of House Concurrent Resolution 656 follows:

COSPONSORS OF HOUSE CONCURRENT RESOLUTION 656 ON SOUTH AMERICAN REFUGEES IN ARGENTINA—KOCH-FRASER

Abzug, Badillo, Burke of California, Phillip Burton, Chisholm, Collins, Dellums, Downey, Drinan, Edwards of California, Gude, Harkin, Harrington, Mitchell of Maryland, Moffett, Moss, Ottinger, Pattison, Rangel, Rosenthal, Simon, Solarz, Waxman, Weaver, Charles Wilson of Texas, and Wirth.

RESOLUTION ON HUNGER

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, so long as people are hungry, whether they be in our country or throughout the world, no one whose hunger has been satisfied can rest until others are fed. I believe that we must do our fair share in meeting the problem of hunger. To accomplish that end and to set forth my position, I am introducing a resolution which would make clear the obligation that we all have in achieving the goal of providing food and self-help assistance to the hungry of the world.

There are those who would devote 1 percent of our GNP, which percentage now exceeds $14 billion, for the purpose of international food assistance. I do not believe that with a $76 billion deficit and the hungry here at home that we can devote that amount to feed the hungry abroad. Hence, my resolution cites the need to feed the hungry in the United States and those abroad, and calls upon our Government to increase substantially over the years the moneys for that priority.

THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF SHOULD BE FREE OF ANTI-SEMITISM AND ALSO BE BRIGHT: GENERAL BROWN IS NEITHER

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the nomination of Gen. George S. Brown for a second 2-year term as Chairman of the Joint Chiefs of Staff is pending before the Senate. In November, 1974, the same Gen. George S. Brown in what he thought were unrecorded comments, made anti-Semitic, libelous remarks, saying in effect that the Jews owned the banks and the newspapers and exerted too much influence in Congress on behalf of Israel. As a result of the uproar that occurred at that time, the general apologized and gave the impression at least, that he had erred not only in giving utterance to the statements, but in having held them as part of his beliefs. As a result of his apology at that time, President Ford did not remove him.

In response to Senator Taft's question to General Brown, whether Brown still felt that Jews exerted undue influence on Congress, the general acknowledged to the Senate Armed Services Committee this past Monday that, "In all candor I do, * * *" But he also went on to say that this was "* * * not unusual. There are other special interest groups that have influence—on the Congress of the United States." His explanation simply reveals that he harbors ill-will and hostility toward a number of groups, and that does not make me feel any better.

I am delighted that Senators McIntyre and Taft have said that they will oppose his renomination. Senator Robert A. Taft said of General Brown,

> "(He) has shown a lack of sensitivity to public opinion that is particularly inappropriate in his position." And Senator Thomas J. McIntyre said General Brown's responses "clearly indicate no substantive change in his attitudes."

Mr. Speaker, anti-Semitic attitudes do not constitute crimes under our law, nor should they. One is entitled to believe whatever he or she wishes, even if it be based on error, prejudice, or myth. However, one seeking to serve in a high position who has such attitudes cannot in my judgment effectively, responsibly, and morally represent the United States with its pluralistic society, of which Jews form a part. Can Jewish-American citizens have confidence in General Brown to act in a manner that will not reflect adversely on our country when he harbors these anti-Semitic feelings? I think not.

And so, Mr. Speaker, I urge the President withdraw the nomination, and if not withdrawn, that the Senate decline to confirm. The Chairman of the Joint Chiefs of Staff, in addition to being free of anti-Semitism, should also be bright. General Brown has demonstrated that he is neither, because he continues to believe anti-Semitic canards, notwithstanding his having earlier advised us that he had erred in holding such beliefs.

AGENDA FOR THE NATION

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, in Washington this week, the Democratic platform committee analyzed, amended, and finally approved a major piece of work—the draft platform of the 1976 Democratic National Convention. The document represents a year of work and significant input from every part of the country. It represents a proposed agenda for the Nation which will be of interest to everyone regardless of partisan persuasion.

I include the draft platform in the Record:

PREAMBLE

We meet to adopt a Democratic platform, and to nominate Democratic candidates for President and Vice President of the United States, almost 200 years from the day that our revolutionary founders declared this country's independence from the British crown.

The founder of the Democratic Party—Thomas Jefferson of Virginia—set forth the reasons for this separation and expressed the basic tenets of democratic government: *That all persons are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these rights, Governments are instituted among people, deriving their just powers from the consent of the governed.*

These truths may still be self-evident, but they have been tragically abused by our national government during the past eight years.

Two Republican Administrations have both misused and mismanaged the powers of national government, obstructing the pursuit of economic and social opportunity, causing needless hardship and despair among millions of our fellow citizens.

Two Republican Administrations have betrayed the people's trust and have created suspicion and distrust of government through illegal and unconstitutional actions.

We acknowledge that no political party, nor any President or Vice President, possesses answers to all of the problems that face us as a nation, but neither do we concede that every human problem is beyond our control. We recognize further that the present distrust of government cannot be transformed easily into confidence.

It is within our power to recapture, in the governing of this nation, the basic tenets of fairness, equality, opportunity and rule of law that motivated our revolutionary founders.

We do pledge a government that has as its guiding concern, the needs and aspirations of all the people, rather than the perquisites and special privilege of the few.

We do pledge a government that listens, that is truthful, and that is not afraid to admit its mistakes.

We do pledge a government that will be committed to a fairer distribution of wealth, income and power.

We do pledge a government in which the new Democratic President will work closely with the leaders of the Congress on a regular, systematic basis so that the people can see the results of unity.

We do pledge a government in which the Democratic members in both houses of Congress will seek a unity of purpose on the principles of the party.

Now, as we enter our 200th year as a Nation, we as a party, with a sense of our own limitations, but also with a sense of our obligations, pledge a reaffirmation of this nation's founding principles.

In this platform of the Democratic Party, we present a clear alternative to the failures of preceding administrations and a projection of the common future to which we aspire: a world at peace; a just society of equals; a society without violence; a society of consonance with its natural environment, affording freedom to the individual and the opportunity to develop to the fullest human potential.

I. FULL EMPLOYMENT, PRICE STABILITY AND BALANCED GROWTH

The Democratic Party's concern for human dignity and freedom has been directed at increasing the economic opportunities for all our citizens and reducing the economic deprivation and inequities that have stained the record of American democracy.

Today, millions of people are unemployed. Unemployment represents mental anxiety, fear of harassment over unpaid bills, idle hours, loss of self-esteem, strained family relationships, deprivation of children and youth, alcoholism, drug abuse and crime. A job is a key measure of a person's place in society—whether as a full-fledged participant or on the outside. Jobs are the solution to poverty, hunger and other basic needs of workers and their families. Jobs enable a person to translate legal rights of equality into reality.

Our industrial capacity is also wastefully underutilized. There are houses to build, urban centers to rebuild, roads and railroads to construct and repair, rivers to clean, and new sources of energy to develop. Something is wrong when there is work to be done, and the people who are willing to do it are without jobs. What we have lacked is leadership.

Republican mismanagement

During the past 25 years, the American economy has suffered five major recessions, all under Republican Administrations. During the past eight years, we have had two costly recessions with continuing unprecedented peacetime inflation. "Stagflation" has become a new word in our language just as it has become a product of Republican economic policy. Never before have we had soaring inflation in the midst of a major recession.

Stagnation, waste and human suffering are the legacy left to the American people by Republican economic policies. During the past five years, U.S. economic growth has averaged only 1½ percent per year compared with an historical average of about 4 percent. Because of this shortfall, the nation has lost some $500 billion in the production of goods and services, and, if Republican rule continues, we can expect to lose another $600–$800 billion by 1980.

Ten million people are unemployed right now, and twenty to thirty million were jobless at some time in each of the last two years. For major groups in the labor force—

minorities, women, youth, older workers, farm, factory and construction workers—unemployment has been, and remains, at depression levels.

The rising cost of food, clothing, housing, energy and health care has eroded the income of the average American family, and has pushed persons on fixed incomes to the brink of economic disaster. Since 1970, the annual rate of inflation has averaged more than 6 percent and is projected by the Ford Administration to continue at an unprecedented peacetime rate of 6 to 7 percent until 1978.

The depressed production and high unemployment rates of the Nixon-Ford Administrations have produced federal deficits totalling $242 billion. Those who should be working and paying taxes are collecting unemployment compensation or other welfare payments in order to survive. For every one percent increase in the unemployment rate—for exery one million Americans out of work—we all pay $3 billion more in unemployment compensation and $2 billion in welfare and related costs, and lose $14 billion in taxes. In fiscal 1976, $76 billion was lost to the federal government through increased recession-related expenditures and lost revenues. In addition, state and local governments lost $27 billion in revenues. A return to full employment will eliminate such deficits. With prudent management of existing programs, full employment revenues will permit the financing of national Democratic initiatives.

For millions of Americans, the Republican Party has substituted welfare for work. Huge sums will be spent on food stamps and medical care for families of the unemployed. Social insurance costs are greatly increased. This year alone the federal government will spend nearly $20 billion on unemployment compensation. In contrast, spending on job development is only $2½ billion. The goal of the new Democratic administration will be to turn unemployment checks into pay checks.

What Democrats can achieve

In contrast to the record of Republican mismanagement, the most recent eight years of Democratic leadership, under John F. Kennedy and Lyndon B. Johnson, produced economic growth that was virtually uninterrupted. The unemployment rate dropped from 6.7 percent in 1961 to 3.6 percent in 1968, and most segments of the population benefited. Inflation increased at an average annual rate of only 2 percent, and the purchasing power of the average family steadily increased. In 1960, about 40 billion people were living in poverty. Over the next eight years, 14½ million people moved out of poverty because of training opportunities, increased jobs and higher incomes. Since 1968, the number of persons living in poverty has remained virtually unchanged.

We have met the goals of full employment with stable prices in the past and can do it again. The Democratic Party is committed to the right of all adult Americans willing, able and seeking work to have opportunities for useful jobs at living wages. To make that commitment meaningful, we pledge ourselves to the support of legislation that will make every responsible effort to reduce adult unemployment to 3 percent within 4 years.

Modernizing economic policy

To meet our goals we must set annual targets for employment, production and price stability; the Federal Reserve must be made a full partner in national economic decisions and become responsive to the economic goals of Congress and the President; credit must be generally available at reasonable interest rates; tax, spending and credit policies must be carefully coordinated with our economic goals, and coordinated within the framework of national economic planning.

Of special importance is the need for national economic planning capability. This planning capability should provide roles for Congress and the Executive as equal partners in the process and provide for full participation by the private sector, and state and local government. Government must plan ahead just like any business, and this type of planning can be implemented without the creation of a new bureaucracy but rather through the well-defined use of existing bodies and techniques. If we do not plan, but continue to react to crisis after crisis, our economic performance will be further eroded.

Full employment policies

Institutional reforms and the use of conventional tax, spending and credit policies must be accompanied by a broad range of carefully-targeted employment programs that will reduce unemployment in the private sector, and in regions, states and groups that have special employment problems.

The lack of formal coordination among federal, state and local governments is a major obstacle to full employment. The absence of economic policy coordination is particularly visible during times of high unemployment. Recessions reduce tax revenues, and increase unemployment-related expenditures for state and local governments. To maintain balanced budgets or reduce budget deficits these governments are forced to increase taxes and cut service—actions that directly undermine federal efforts to stimulate the economy.

Consistent and coherent economic policy requires federal anti-recession grant programs to state and local governments, accompanied by public employment, public works projects and direct stimulus to the private sector. In each case, the programs should be phased in automatically when unemployment rises and phased out as it declines.

Even during periods of normal economic growth there are communities and regions of the country—particularly central cities and rural areas—that do not fully participate in national economic prosperity. The Democratic Party has supported national economic policies which have consciously sought to aid regions in the nation which have been afflicted with poverty, or newer regions which have needed resources for development. These policies were soundly conceived and have been successful. Today, we have different areas and regions in economic decline and once again face a problem of balanced economic growth. To restore balance, national economic policy should be designed to target federal resources in areas of greatest need. To make low interest loans to businesses and state and local governments for the purpose of encouraging private sector investment in chronically depressed areas, we endose consideration of programs such as a domestic development bank or federally insured taxable state and local bonds, with adequate funding, proper management and public disclosure.

Special problems faced by young people, especially minorities, entering the labor force persist regardless of the state of the economy. To meet the needs of youth, we should consolidate existing youth employment programs; improve training, apprenticeship, internship and job-counseling programs at the high school and college levels; and permit youth participation in public employment projects.

There are people who will be especially difficult to employ. Special means for training and locating jobs for these people in the private sector, and, to the extent required, in public employment should be established. Every effort should be made to create jobs in the private sector. Clearly, useful public jobs are far superior to welfare and unemployment payments. The federal government has the responsibility to ensure that all Americans able, willing and seeking work are provided opportunities for useful jobs.

Equal employment opportunity

We must be absolutely certain that no person is excluded from the fullest opportunity for economic and social participation in our society on the basis of sex, age, color, religion or national origin. Minority unemployment has historically been at least double the aggregate unemployment rate, with incomes at two-thirds the national average. Special emphasis must be placed on closing this gap.

Accordingly, we reaffirm this Party's commitment to full and vigorous enforcement of all equal opportunities laws and affirmative action. The principal agencies charged with anti-discrimination enforcement in jobs—the Equal Employment Opportunity Commission, the Department of Labor, and the Justice Department—are locked into such overlapping and uncoordinated strategies that a greatly improved government-wide system for the delivery of equal job and promotion opportunities must be developed and adequate funding committed to that end. New remedies to provide equal opportunities need exploration.

Anti-inflation policies

The economic and social costs of inflation have been enormous. Inflation is a tax that erodes the income of our workers, distorts business investment decisions, and redistributes income in favor of the rich. Americans on fixed incomes, such as the elderly, are often pushed into poverty by this cruel tax.

The Ford Administration and its economic advisors have been consistently wrong about the sources and cures of the inflation that has plagued our nation and our people. Fighting inflation by curtailing production and increasing unemployment has done nothing to restrain it. With the current high level of unemployment and low level of capacity utilization, we can increase production and employment without rekindling inflation.

A comprehensive anti-inflation policy must be established to assure relative price stability. Such a program should emphasize increased production and productivity and should take other measures to enhance the stability and flexibility of our economy.

The see-saw progress of our economy over the past eight years has disrupted economic growth. Much of the instability has been created by stop-and-go monetary policies. High interest rates and the recurring underutilization of our manufacturing plant and equipment have retarded new investment. The high cost of credit has stifled small business and virtually halted the housing industry. Unemployment in the construction industry has been raised to depression levels and home ownership has been priced beyond the reach of the majority of our people.

Stable economic growth with moderate interest rates will not only place downward pressures on prices through greater efficiency and productivity, but will reduce the prospects for future shortages of supply by increasing the production of essential goods and services and by providing a more predictable environment for business investment.

The government must also work to improve the ability of our economy to respond to change. Competition in the private sector, a re-examination, reform and consolidation of the existing regulatory structure, and promotion of a freer but fair system of international trade will aid in achieving that goal.

At times, direct government involvement in wage and price decisions may be required to ensure price stability. But we do not believe that such involvement requires a comprehensive system of mandatory controls at this time. It will require that business and labor must meet fair standards of wage and price change. A strong domestic council on price and wage stability should be established with particular attention to restraining price increases in those sectors of our economy where prices are "administered" and where price competition does not exist.

The federal government should hold public hearings, investigate and publish facts on price, profit, wage and interest rate increases that seriously threaten national price stability. Such investigations and proper planning can focus public opinion and awareness on the direction of price, profit, wage and interest rate decisions.

Finally, tax policy should be used if necessary to maintain the real income of workers as was done with the 1975 tax cut.

Economic justice

The Democratic Party has a long history of opposition to the undue concentration of wealth and economic power. It is estimated that about three-quarters of the country's total wealth is owned by one-fifth of the people. The rest of our population struggles to make ends meet in the face of rising prices and taxes.

Anti-trust enforcement

The next Democratic Administration will commit itself to move vigorously against anti-competitive concentration of power within the business sector. This can be accomplished in part by strengthening the anti-trust laws and insuring adequate commitment and resources for the enforcement of these laws. But we must go beyond this negative remedy to a positive policy for encouraging the development of small business, including the family farm.

Small businesses

A healthy and growing small business community is a prerequisite for increasing competition and a thriving national economy. While most people would accept this view, the federal government has in the past impeded the growth of small business.

To alleviate the unfavorable conditions for small business, we must make every effort to assure the availability of loans to small business, including direct government loans at reasonable interest rates, particularly to those in greatest need, such as minority-owned businesses. For example, efforts should be made to strengthen minority business programs, and increase minority opportunities for business ownership. We support similar programs and opportunities for women. Federal contract and procurement opportunities in such areas as housing, transportation and energy should support efforts to increase the volume of minority and small business involvement. Regulatory agencies and the regulated small business must work together to see that federal regulations are met, without applying a stranglehold on the small firm or farm and with less paperwork and red tape.

Tax Reform

Economic justice will also require a firm commitment to tax reform at all levels. In recent years there has been a shift in the tax burden from the rich to the working people of this country. The Internal Revenue Code offers massive tax welfare to the wealthiest income groups in the population and only higher taxes for the average citizen. In 1973 there were 622 people with adjusted income of $100,000 or more who still managed to pay no tax. Most families pay between 20 and 25 percent of their incomes in taxes.

We have had endless talk about the need for tax reform and fairness in our federal tax system. It is now time for action.

We pledge the Democratic Party to a complete overhaul of the present tax system, which will review all special tax provisions to ensure that they are justified and distributed equitably among our citizens. A responsible Democratic tax reform program could save over $5 billion in the first year with larger savings in the future.

We will strengthen the internal revenue tax code so that high income citizens pay a reasonable tax on all economic income.

We will reduce the use of unjustified tax shelters in such areas as oil and gas, tax-loss farming, real estate, and movies.

We will eliminate unnecessary and ineffective tax provisions to business and substituting effective incentives to encourage small business and capital formation in all businesses. Our commitment to full employment and sustained purchasing power will also provide a strong incentive for capital formation.

We will end abuses in the tax treatment of income from foreign sources; such as special tax treatment and incentives for multinational corporations that drain jobs and capital from the American economy.

We will overhaul federal estate and gift taxes to provide an effective and equitable structure to promote tax justice and alleviate some of the legitimate problems faced by farmers, small business men and women and others who would otherwise be forced to liquidate assets in order to pay the tax.

We will seek and eliminate provisions that encourage uneconomic corporate mergers and acquisitions.

We will eliminate tax inequities that adversely affect individuals on the basis of sex or marital status.

We will curb expense account deductions.

And we will protect the rights of all taxpayers against oppressive procedures, harassment and invasions of privacy by the Internal Revenue Service.

At present, many federal government tax and expenditure programs have a profound but unintended and undesirable impact on jobs and on where people and business locate. Tax policies and other indirect subsidies have promoted deterioration of cities and regions. These policies should be reversed.

There are other areas of taxation where change is also needed. The Ford Administration's unwise and unfair proposal to raise the regressive social security tax gives new urgency to the Democratic Party's goal of redistributing the burden of the social security tax by raising the wage base for earnings subject to the tax with effective exemptions and deductions to ease the impact on low income workers and two-earner families. Further revision in the Social Security program will be required so that women are treated as individuals.

The Democratic Party should make a reappraisal of the appropriate sources of federal revenues. The historical distribution of the tax burden between corporations and individuals, and among the various types of federal taxes, has changed dramatically in recent years. For example, the corporate tax share of federal revenue has declined from 30 percent in 1954 to 14 percent in 1975.

Labor standards and rights

The purpose a fair labor standards legislation has been the maintenance of the minimum standards necessary for the health, efficiency and general well-being of workers. Recent inflation has eroded the real value of the current minimum wage. This rapid devaluation of basic income for working people makes a periodic review of the level of the minimum wage essential. Such a review should insure that the minimum wage rate at least keep pace with the increase in the cost of living.

Raising the pay standard for overtime work, additional hiring of part-time persons, and flexible work schedules will increase the independence of workers and create additional job opportunities, especially for women. We also support the principle of equal pay for comparable work.

We are committed to full implementation and enforcement of the Equal Credit Opportunity Act.

Over a generation ago this nation established a labor policy whose purpose is to encourage the practice and procedure of collective bargaining and the right of workers to organize to obtain this goal. The Democratic Party is committed to extending the benefit of the policy to all workers and to removing the barriers to its administration. We support the right of public employees and agricultural workers to organize and bargain collectively. We urge the adoption of appropriate federal legislation to ensure this goal.

We will seek to amend the Fair Labor Standards Act to speed up redress of grievances of workers asserting their legal rights.

We will seek to enforce and, where necessary, to amend the National Labor Relations Act to eliminate delays and inequities and to provide for more effective remedies and administration.

We will support the full right of construction workers to picket a job site peacefully.

We will seek repeal of Section 14(b) of the Taft-Hartley Act which allows states to legislate the anti-union open shop.

We will maintain strong support for the process of voluntary arbitration, and we will enact minimum federal standards for workers compensation laws and for eligibility, benefit amounts, benefit duration and other essential features of the unemployment insurance program. Unemployment insurance should cover all wage and salary workers.

The Occupational Safety and Health Act of 1970 should cover all employees and be enforced as intended when the law was enacted. Early and periodic review of its provisions should be made to insure that they are reasonable and workable.

The Democratic Party will also seek to enact a comprehensive mine safety law, utilizing the most effective and independent enforcement by the federal government and support special legislation providing adequate compensation to coal mines and their dependents who have suffered disablement or death as a result of the black lung disease.

We believe these policies will put America back to work, bring balanced growth to our economy and give all Americans an opportunity to share in the expanding prosperity that will come from a new Democratic administration.

II. GOVERNMENT REFORM AND BUSINESS ACCOUNTABILITY

The current Republican Administration did not invent inept government, but it has saddled the country with ineffective government; captive government, subservient to the special pleading of private economic interests; insensitive government, trampling over the rights of average citizens; and remote government, secretive and unresponsive.

Democrats believe that the cure for these ills is not the abandonment of governmental responsibility for addressing national problems, but the restoration of legitimate popular control over the organs and activities of government.

There must be an ever-increasing accountability of government to the people. The Democratic Party is pledged to the fulfillment of four fundamental citizen rights of governance: the right to competent government; the right to responsive government; the right to integrity in government; the right to fair dealing by government.

The right to competent government

The Democratic Party is committed to the adoption of reforms such as zero-based budgeting, mandatory reorganization timetables, and sunset laws which do not jeopardize the implementation of basic human and political rights. These reforms are designed to terminate or merge existing agencies and programs, or to renew them only after assuring elimination of duplication, overlap, and conflicting programs and authorities, and the matching of funding levels to public needs. In addition, we seek flexibility to reflect changing public needs, the use of alternatives to regulation and the elimination of special interest favoritism and bias.

To assure that government remains responsive to the people's elected representatives, the Democratic Party supports stepped-up Congressional agency oversight and program evaluation, including full implementation of the Congressional budget process; an expanded, more forceful role for the General Accounting Office in performing legislative audits for Congress; and restraint by the President in exercising executive privilege designed to withhold necessary information from Congress.

The right to responsive government

To begin to restore the shaken faith of Americans that the government in Washington is *their* government—responsive to their needs and desires, not the special interests of wealth, entrenched political influence, or bureaucratic self-interest—government decision-making must be opened up to citizen advocacy and participation.

Governmental decision-making behind closed doors is the natural enemy of the people. The Democratic Party is committed to openness throughout government: at regulatory commissions, advisory committee meetings and at hearings. Public calendars of scheduled meetings between regulators and the regulated, and freedom of information policies, should be designed to facilitate rather than frustrate citizen access to documents and information.

All persons and citizen groups must be given standing to challenge illegal or unconstitutional government action in court and to compel appropriate action. Where a court or an agency finds evidence of government malfeasance or neglect those who brought forward such evidences should be compensated for their reasonable expenses in doing so.

Democrats have long sought—against fierce Republican and big business opposition—the creation and maintenance of an independent consumer agency with the staff and power to intervene in regulatory matters on behalf of the consuming and using public. Many states have already demonstrated that such independent public or consumer advocates can win important victories for the public interest in proceedings before state regulatory agencies and courts.

This nation's Civil Service numbers countless strong and effective public servants. It was the resistance of earnest and steadfast federal workers that stemmed the Nixon-Ford efforts to undermine the integrity of the Civil Service. The organization of government which we envision will protect the job rights of civil servants and permit them to more effectively serve the public.

The Democratic Party is committed to the review and overhaul of Civil Service laws to assure: insulation from political cronyism, accountability for nonfeasance as well as malfeasance, protection for the public servant who speaks out to identify corruption or failure, performance standards and incentives to reward efficiency and innovation and to assure nondiscrimination and affirmative action in the recruitment, hiring and promotion of civil service employees.

The right to integrity in government

The Democratic Party is pledged to the concept of full public disclosure by major public officials and urges appropriate legislation to effectuate this policy.

We support divestiture of all financial holdings which directly conflict with official responsibilities and the development of uniform standards, review procedures and sanctions to identify and eliminate potential conflicts of interest.

Tough, competent regulatory commissioners with proven commitment to the public interest are urgently needed.

We will seek restrictions on "revolving door" careerism—the shuttling back and forth of officials between jobs in regulatory or procurement agencies and in regulated industries and government contractors.

All diplomats, federal judges and other major officials should be selected on a basis of qualifications. At all levels of government services, we will recruit, appoint and promote women and minorities.

We support legislation to ensure that the activities of lobbyists be more thoroughly revealed both within the Congress and the Executive agencies.

The Democratic Party has led the fight to take the presidency off the auction block by championing the public financing of presidential elections. The public has responded with enthusiastic use of the $1 income tax checkoff. Similar steps must now be taken for Congressional candidates. We call for legislative action to provide for partial public financing on a matching basis of the Congressional elections, and the exploration of further reforms to insure the integrity of the electoral process.

The right to fair dealing by government

A citizen has the right to expect fair treatment from government. Democrats are determined to find a means to make that right a reality.

An Office of Citizen Advocacy should be established as part of the executive branch, independent of any agency, with full access to agency records and with both the power and the responsibility to investigate complaints.

Freedom of information requirements must be interpreted in keeping with the right of the individual to be free from anonymous accusation or slander. Each citizen has the right to know and to review any information directly concerning him or her held by the government for any purpose whatsoever under the Freedom of Information Act and the Privacy Act of 1974, other than those exemptions set out in the Freedom of Information Act. Such information should be forthcoming promptly, without harassment and at minimal cost to the citizen.

Appropriate remedies must be found for citizens who suffer hardship as the result of abuse of investigative or prosecutorial powers.

Business accountability

The Democratic Party believes that competition is preferable to regulation and that government has a responsibility to seek the removal of unreasonable restraints and barriers to competition, to restore and, where necessary, to stimulate the operations of market forces. Unnecessary regulations should be eliminated or revised, and the burden of excessive paperwork and red tape imposed on citizens and business should be removed.

The Democratic Party encourages innovation and efficiency in the private sector.

The Democratic Party also believes that strengthening consumer sovereignty—the ability of consumers to exercise free choice, to demand satisfaction, and to obtain direct redress of grievances—is similarly preferable to the present indirect redress of grievances—is similarly preferable to the present indirect government protection of consumers. However, government must not shirk its responsibility to impose and rigorously enforce regulation where necessary to ensure health, safety and fairness. We reiterate our support for unflinching antitrust enforcement, and for the selection of an Attorney General free of political obligation and committed to rigorous antitrust prosecution.

We shall encourage consumer groups to establish and operate consumer cooperatives that will enable consumers to provide themselves marketplace alternatives and to provide a competitive spur to profit-oriented enterprises.

We support responsible cost saving in the delivery of professional services including the use of low-cost paraprofessionals, efficient group practice and federal standards for state no-fault insurance programs.

We reiterate our support for full funding of neighborhood legal services for the poor.

The Democratic Party is also committed to strengthening the knowledge and bargaining power of consumers through government-supported systems for developing objective product performance standards; advertising and labeling requirements for the disclosure of essential consumer information; and efficient and low-cost redress of consumer complaints including strengthened small claims courts, informal dispute settlement mechanisms, and consumer class actions.

The Democratic Party is committed to making the U.S. Postal Service function properly as an essential public service.

We affirm the historic Democratic commitment to assure the wholesomeness of consumer products such as food, chemicals, drugs and cosmetics, and the safety of automobiles, toys and appliances. Regulations demanding safe performance can be developed in a way that minimizes their own costs and actually stimulates product innovation beneficial to consumers.

III. GOVERNMENT AND HUMAN NEEDS

The American people are demanding that their national government act more efficiently and effectively in those areas of urgent human needs such as welfare reform, health care and education.

However, beyond these strong national initiatives, state and local governments must be given an increased, permanent role in administering social programs. The federal government's role should be the constructive one of establishing standards and goals with increased state and local participation. There is a need for a new blueprint for the public sector, one which identifies and responds to national problems, and recognizes the proper point of administration for both new and existing programs. In shifting administrative responsibility, such programs must meet minimum federal standards.

Government must concentrate, not scatter, its resources. It should not divide our people by inadequate and demeaning programs. The initiatives we propose do not require larger bureaucracy. They do require committed government.

The Democratic Party realizes that accomplishing our goals in the areas of human needs will require time and resources. Additional resources will become available as we implement our full-employment policies. Federal revenues also grow over time. After full-employment has been achieved, $20 billion of increased revenue will be generated by a fully operating economy each year. The program detailed in the areas of human needs cannot be accomplished immediately but an orderly beginning can be made and the effort expanded as additional resources become available.

Health care

In 1975, national health expenditures averaged $547 per person—an almost 40 percent increase in four years. Inflation and recession have combined to erode the effectiveness of the Medicare and Medicaid programs.

An increasingly high proportion of health costs have been shifted back to the elderly. An increasing Republican emphasis on restricting eligibility and services is emasculating basic medical care for older citizens who cannot meet the rising costs of good health.

We need a comprehensive national health insurance system with universal and mandatory coverage. Such a national health insurance system should be financed by a combination of employer-employee shared payroll taxes and general tax revenues. Consideration should be given to developing a means of support for national health insurance that taxes all forms of economic income. We must achieve all that is practical while we strive for what is ideal, taking intelligent steps to make adequate health services a right for all our people. As resources permit this system should not discriminate against the mentally ill.

Maximum personal interrelationships between patients and their physicians should be preserved. We should experiment with new forms of medical care delivery to mold a national health policy that will meet our needs in a fiscally responsible manner.

We must shift our emphasis in both private and public health care away from hospitalization and acute-care services to preventive medicine and the early detection of the major cripplers and killers of the American people. We further support increased federal aid to government laboratories as well as private institutions to seek the cure to heart disease, cancer, sickle cell anemia, paralysis from spinal cord injury, drug addiction and other such inflictions.

National health insurance must also bring about a more responsive consumer-oriented system of health care delivery. Incentives must be used to increase the number of primary health care providers, and shift emphasis away from limited-application, technology-intensive programs. By reducing the barriers to primary preventive care, we can lower the need for costly hospitalization. Communities must be encouraged to avoid duplication of expensive technologies and meet the genuine needs of their populations. The development of community health centers must be resumed. We must develop new health careers, and promote a better distribution of health care professionals, including the more efficient use of paramedics. All levels of government should concern themselves with increasing the number of doctors and paramedical personnel in the field of primary health care.

A further need is the comprehensive treatment of mental illness, including the development of Community Mental Health Centers that provide comprehensive social services not only to alleviate, but to prevent mental stresses resulting from social isolation and economic dislocation. Of particular importance is improved access to the health care system by underserved population groups.

We must have national health insurance with strong built-in cost and quality controls. Rates for institutional care and physicians' services should be set in advance, prospectively. Alternative approaches to health care delivery, based on prepayment financing, should be encouraged and developed.

Americans are currently spending $133 billion for health care—8.3% of our Gross National Product. A return to full employment and the maintenance thereafter of stable economic growth will permit the orderly and progressive development of a comprehensive national health insurance program which is federally financed. Savings will result from the removal of inefficiency and waste in the current multiple public and private insurance programs and the structural integration of the delivery system to eliminate duplication and waste. The cost of such a program need not exceed the share of the GNP this nation currently expends on health care; but the resulting improvement of health service would represent a major improvement in the quality of life enjoyed by Americans at all ecomomic levels.

Welfare reform

Fundamental welfare reform is necessary. The problems with our current chaotic and inequitable system of public assistance are notorious. Existing welfare programs encourage family instability. They have few meaningful work incentives. They do little or nothing for the working poor on substandard incomes. The patchwork of federal, state and local programs encourages unfair variations in benefit levels among the states, and benefits in many states are well below the standards for even lowest-income budgets.

Of the current programs, only Food Stamps give universal coverage to all Americans in financial need. Cash assistance, housing aid and health care subsidies divide recipients into arbitrary categories. People with real needs who do not fit existing categories are ignored altogether.

The current complexity of the welfare structure requires armies of bureaucrats at all levels of government. Food Stamps, Aid to Families with Dependent Children, and Medicaid are burdened by unbelievably complex regulations, statutes and court orders. Both the recipients of these benefits, and the citizen who pays for them, suffer as a result. The fact that our current system is administered and funded at different levels of government makes it difficult to take initiatives to improve the status of the poor.

We should move toward replacement of our existing inadequate and wasteful system with a simplified system of income maintenance, substantially financed by the federal government, which includes a requirement that those able to work be provided with appropriate available jobs or job training opportunities. Those persons who are physically able to work (other than mothers with dependent children) should be required to accept appropriate available jobs or job training. This maintenance system should embody certain basic principles. First and most important, it should provide an income floor both for the working poor and the poor not in the labor market. It must treat stable and broken families equally. It must incorporate a simple schedule of work incentives that guarantees equitable levels of assistance to the working poor. This reform may require an initial additional investment, but it offers the prospect of stabilization of welfare costs over the long run, and the assurance that the objectives of this expenditure will be accomplished.

As an interim step, and as a means of providing immediate federal fiscal relief to state and local governments, local governments should no longer be required to bear the burden of welfare costs. Further, there should be a phased reduction in the states' share of welfare costs.

Civil and political rights

To achieve a just and healthy society and enhance respect and trust in our institutions, we must insure that all citizens are treated equally before the law and given the opportunity, regardless of race, color, sex, religion, age, language or national origin, to participate fully in the economic, social and political processes and to vindicate their legal and constitutional rights.

In reaffirmation of this principle, an historic commitment of the Democratic Party, we pledge vigorous federal programs and policies of compensatory opportunity to remedy for many Americans the generations of injustice and deprivation; and full funding of programs to secure the implementation and enforcement of civil rights.

We seek ratification of the Equal Rights Amendment, to insure that sex discrimination in all its forms will be ended, implementation of Title IX, and elimination of discrimination against women in all federal programs.

We support the right of all Americans to vote for President no matter where they live; vigorous enforcement of voting rights legislation to assure the constitutional rights of minority and language-minority citizens; the passage of legislation providing for registration by mail in federal elections to erase existing barriers to voter participation; and full home rule for the District of Columbia, including authority over its budget and local revenues, elimination of federal restrictions in matters which are purely local and voting representation in the Congress, and the declaration of the birthday of the great civil rights leader, Martin Luther King, Jr., as a national holiday.

We pledge effective and vigorous action to protect citizens' privacy from bureaucratic and technological intrusions, such as wiretapping and bugging without judicial scrutiny and supervision; and a full and complete pardon for those who are in legal or financial jeopardy because of their peaceful opposition to the Vietnam War, with deserters to be considered on a case-by-case basis.

We fully recognize the religious and ethical nature of the concerns which many Americans have on the subject of abortion. We feel, however, that it is undesirable to attempt to amend the U.S. Constitution to overturn the Supreme Court decision in this area.

The Democratic Party reaffirms and strengthens its legal and moral trust responsibilities to the American Indian. We believe it is honorable to obey and implement our treaty obligations to the first Americans. In discharging our duty, we shall exert all and necessary assistance to afford the American Indians the protection of their land, their water and their civil rights.

Federal laws relating to American Indians and the functions and purposes of the Bureau of Indian Affairs should be reexamined.

We support a provision in the immigration laws to facilitate acquisition of citizenship by Resident Aliens.

We are committed to Puerto Rico's right to enjoy full self-determination and a relationship that can evolve in ways that will most benefit U.S. citizens in Puerto Rico. The Democratic Party respects and supports the present desire of the people of Puerto Rico to freely associate in permanent union with the United States, as an autonomous commonwealth or as a State.

Education

The goal of our educational policy is to provide our citizens with the knowledge and skills they need to live successfully. In pursuing this goal, we will seek adequate funding, implementation and enforcement of requirements in the education programs already approved by Congress.

We should strengthen federal support of existing programs that stress improvement of reading and math skills. Title I of the Elementary and Secondary Education Act must reach those it is intended to benefit to effectively increase these primary skills. "Break-throughs" in compensatory education require a concentration of resources on each individual child and a mix of home and school activities that is not possible with the underfunded Republican programs. Compensatory education is realistic only when there is a stable sequences of funding that allows proper planning and continuity of programs, an impossibility under Republican veto and impoundment politics.

We should also work to expand federal support areas of educational need that have not yet been addressed sufficiently by the public schools—education of the handicapped, bilingual education and vocational education, and early childhood education. We propose federally financed, family centered developmental and educational child care programs—operated by the public schools or other local organizations, including both private and community—and that they be available to all who need and desire them. We support efforts to provide for the basic nutritional needs of students.

We recognize the rights of all citizens to education, pursuant to Title VI of the Civil Rights Act of 1964, and the need in affected communities for bilingual and bicultural educational programs. We call for compliance with civil rights requirements in hiring and promotion in school systems.

For the disadvantaged child, equal opportunity requires concentrated spending. And for all children, we must guarantee that jurisdictions of differing financial capacity can spend equal amounts on education. These goals do not conflict but complement each other.

The principle that a child's education should depend on the property wealth of his or her school jurisdiction has been discredited in the last few years. With increased federal funds, it is possible to enhance educational opportunity by eliminating spending disparities within state border. State-based equalizations, even state takeover of education costs, to relieve the over-burdened property taxpayer and to avoid the inequities in the existing finance system, should be encouraged.

The essential purpose of school desegregation is to give all children the same educational opportunities. We will continue to support that goal. The Supreme Court decision of 1954 and the aftermath were based on the recognition that separate educational facilities are inherently unequal. It is clearly our responsibility as a party and as citizens to support the principles of our Constitution.

The Democratic Party pledges its concerted help through special consultation, matching funds, incentive grants and other mechanisms to communities which seek education, integrated both in terms of race and economic class, through equitable, reasonable and continuational arrangements. Mandatory transportation of students beyond their neighborhoods for the purpose of desegregation remains a judicial tool of last resort for the purpose of achieving school desegregation. The Democratic Party will be an active ally of those communities which seek to enhance the quality as well as the integration of educational opportunities. We encourage a variety of other measures, including the redrawing of attendance lines, pairing of schools, use of the "magnet school" concept, strong fair housing enforcement, and other techniques for the achievement of racial and economic integration.

The Party reaffirms its support of public school education. The Party also renews its commitment to the support of a constitutionally acceptable method of providing tax aid for the education of all pupils in non-segregated schools in order to insure parental freedom in choosing the best education for their children. Specifically, the Party will continue to advocate constitutionally permissible federal education legislation which provides for the equitable participation in federal programs of all low and moderate income pupils attending all the Nation's schools.

The Party commits itself to support of adult education and training which will provide skills upgrading.

In higher education, our Party is strongly committed to extending postsecondary opportunities for students from low and middle income families, including older students and students who can attend only part-time. The Basic Education Opportunity Grants should be funded at the full payment schedule, and campus-based programs of aid must be supported to provide a reasonable choice of institutions as well as access. With a coordinated and reliable system of grants, loans and work study, we can relieve the crisis in costs that could shut all but the affluent out of our colleges and universities.

The federal government and states must develop strategics to support institutions of higher education from both public and private sources. The federal government should directly provide cost of education payments to all higher education institutions, including predominantly black colleges, to help cover per-student costs, which far exceed those covered by tuition and fees.

Finally, government must systematically support basic and applied research in the liberal arts, the sciences, education and the professions—without political interference or bureaucratic restraints. The federal investment in graduate education should be sustained and selectively increased to meet the need for highly trained individuals. Trainee-ships and fellowships should be provided to attract the most talented students, especially among minority groups and women.

Libraries should receive continuous and guaranteed support and the presently impounded funds for nationwide library planning and development should be released immediately.

Social services

The Nixon-Ford Administration would limit eligibility for federally-subsidized social services to the very poor. Social services can make significant changes in the lives of the nonpoor, as well. The problems of alcoholism, drug abuse, mental retardation, child abuse or neglect, and mental illness arise at every income level, and quality day-care has become increasingly urgent for low and middle income families. Federal grants to the states should support a broad community-based program of social services to low and middle income families, to assure that these programs reach their intended populations.

The states are now being required to take over an increasing share of existing social service programs. In 1972, the ceiling for federal social service grants was frozen at $2.5 billion, and subsequent inflation of 28 percent has reduced the effective federal aid to existing programs. While there must certainly be a ceiling on such grants, it should be raised to compensate for inflation and to encourage states and localities to expand social services to low and moderate income families.

Disabled citizens

We support greater recognition of the problems of the disabled and legislation assuring that all people with disabilities have reasonable access to all public accommodations and facilities. The Democratic Party supports affirmative action goals for employment of the disabled.

Older citizens'

The Democratic Party has always emphasized that adequate income and health care for senior citizens are basic federal government responsibilities. The recent failure of government to reduce unemployment and alleviate the impact of the rising costs of food, housing and energy have placed a heavy burden on those who live on fixed and limited incomes, especially the elderly. Our other platform proposals in these areas are designed to help achieve an adequate income level for the elderly.

We will not permit an erosion of social security benefits, and while our ultimate goal is a health security system ensuring comprehensive and quality care for all Americans, health costs paid by senior citizens under the present system must be reduced.

We believe that Medicare should be made available to Americans abroad who are eligible for Social Security.

Democrats strongly support employment programs and the liberalization of the allowable earnings limitation under Social Security for older Americans who wish to continue working and living as productive citizens. We will put an end to delay in implementation of nutrition programs for the elderly and give high priority to a transportation policy for senior citizens under the Older Americans Act. We pledge to enforce vigorously health and safety standards for nursing homes, and seek alternatives which allow senior citizens where possible to remain in their own homes.

Veterans

America's veterans have been rhetorically praised by the Nixon-Ford Administration at the same time that they have been denied adequate medical, education, pension and employment benefits.

Vietnam veterans have borne the brunt of unemployment and economic mismanagement at home. As late as December 1975, the unemployment rate for Vietnam veterans was over 10 percent. Younger Vietnam veterans (ages 20–24) have had unemployment rates almost twice the rate of similarly-aged non-veterans. Job training, placement, and information and counseling programs for veterans are inadequate.

The Veterans Administration health care program requires adequate funding and improved management and health care delivery in order to provide high quality service and effectively meet the changing needs of the patient population.

The next Democratic administration must act to rescue pensioner veterans below the poverty line. Thirty percent of the veterans and 50 percent of the widows receiving pensions have total incomes below the poverty line. Cost of living increases should be automatic in the Veterans' pension and disability system.

Educational assistance should be expanded two years for those veterans already enrolled and drawing benefits in VA-approved educational and training programs.

The arts and humanities

We recognize the essential role played by the arts and humanities in the development of America. Our nation cannot afford to be materially rich and spiritually poor. We endorse a strong role for the federal government in reinforcing the vitality and improving the economic strength of the nation's artists and arts institutions, while recognizing that artists must be absolutely free of any government control. We would support the growth and development of the National Endowments for the Arts and Humanities through adequate funding, the development of special anti-recession employment programs for artists, copyright reforms to protect the rights of authors, artists and performers, and revision of the tax laws that unfairly penalize artists. We further pledge our support for the concept and adequate financing of public broadcasting.

IV. STATES, COUNTIES AND CITIES

More than eight years ago, the Kerner Commission on Civil Disorders concluded that the disorders of the 1960s were caused by the deteriorating conditions of life in our urban centers—abject poverty, widespread unemployment, uninhabitable housing, declining services, rampant crime and disintegrating families. Many of these same problems plagued rural America as well. Little has been done by the Republican Administrations to deal with these fundamental challenges to our society. This policy of neglect gives the lie to the current Administration's rhetorical commitment to state and local governments.

By tolerating intolerable unemployment, by vetoing programs for the poor, the old, and the ill, by abandoning the veterans and the young, and by withholding necessary funds for the decaying cities, the Nixon-Ford years have been years of retrogression in the nation's efforts to meet the needs of our cities. By abdicating responsibility for meeting these needs at the national level, the current administration has placed impossible burdens on fiscally hard-pressed state and local governments. In turn, local governments have been forced to rely excessively on the steadily diminishing and regressive property tax—which was originally designed to cover property related services and was never intended to support the services now required in many of our cities and towns.

Federal policies and programs have inadvertently exacerbated the urban crisis. Within the framework of a new partnership of federal, state and local governments, and the private sector, the Democratic Party is pledged to the development of America's first national urban policy. Central to the success of that policy are the Democratic Party's commitments to full employment, incentives for urban and rural economic development, welfare reform, adequate health care, equalization to education expenditures, energy conservation and environmental quality. If progress were made in these areas, much of the inappropriately placed fiscal burden would be removed, and local governments could better fulfill their appropriate responsibilities.

To assist further in relieving both the fiscal and service delivery problems of states and local governments, the Democratic Party reaffirms its support for general revenue sharing as a base for the fiscal health of all levels of government, acknowledging that the civil rights and citizens' participation provisions must be strengthened. We further believe that there must be an increase in the annual funding to compensate for the erosion of inflation. We believe the distribution formula should be adjusted to reflect better community and state needs, poverty levels, and tax effort.

Finally, to alleviate the financial burden placed on our cities by the combinaiton of inflation and recession, the Democratic Party restates its support for an emergency anti-recession aid to states and cities particularly hard hit by recession.

Housing and Community development

In the past eight Republican years, housing has become a necessity priced as a luxury. Housing prices have nearly doubled in the past six years and housing starts have dropped by almost one-quarter. The effect is that over three-fourths of American families cannot afford to buy an average-priced home. The basic national goal of providing decent housing and available shelter has been sacrificed to misguided tax, spending and credit policies which were supposed to achieve price stability but have failed to meet that goal. As a result, we do not have decent housing or price stability. The vision of the Housing Act of 1968, the result of three decades of enlightened Democratic housing policy, has been lost. The Democratic Party reasserts those goals, and pledges to achieve them.

The Democratic Party believes it is time for a housing and urban development policy which recognizes the needed and difficulties of both the buying and renting public and the housing industry. We support a revitalized housing program which will be able to meet the public's need for relief from years of stagnation and now-chronic unemployment.

We support direct federal subsidies and low interest loans to encourage the construction of low and moderate income housing. Such subsidies shall not result in unreasonable profit for builders, developers or credit institutions.

We support the expansion of the highly successful programs of direct federal subsidies to provide housing for the elderly.

We call for greatly increased emphasis on that rehabilitation of existing housing to rebuild our neighborhoods—a priority which is undercut by the current pattern of federal housing money which includes actual prohibitions to the use of funds for rehabilitation.

We encourage public and private commitments to the preservation and renovation of our country's historic landmarks so that they can continue as a vital part of our commercial and residential architectural heritage.

We will work to assure that credit institutions make greater efforts to direct mortgage money into the financing of private housing.

We will take all necessary steps to prohibit the practice of red-lining by private financial institutions, the FHA, and the secondary mortgage market which have had the effect of depriving certain areas of the necessary mortgage funds which they need to upgrade themsleves. We will further encourage an increase in loans and subsidies for housing and rehabilitation, especially in poverty stricken areas.

We support greater flexibility in the use of community development block grants at the local level.

The current Housing and Community Development Act should be reformed and restructured so that its allocation, monitoring, and citizen participation features better address the needs of local communities, major cities and underdeveloped rural areas.

The revitalization of our cities must proceed with an understanding that housing, jobs and related community facilities are all critical to a successful program. The Democratic Party will create the necessary incentives to insure that private and public jobs are available to meet the employment needs of these communities and pledges a more careful planning process for the location of the federal government's own employment-creating facilities.

The Democratic Party proposes a revitalization of the Federal Housing Administration as a potent institution to stabilize new construction and existing housing markets. To this end, the Agency's policies must be simplified, its operating practices and insurance rate structures modernized and the sense of public service which was the hallmark of the FHA for so many years must be restored. In addition, we proposed automatic triggering of direct production subsidies and a steady flow of mortgage funds during periods when housing starts fall below acceptable levels.

Women, the elderly, single persons and minorities are still excluded from exercising their right to select shelter in the areas of their choice, and many "high-risk" communities are systematically denied access to the capital the require. The Democratic Party pledges itself to the aggressive enforcement of the Fair Housing Act; to the promotion and enforcement of equal opportunity in housing; and to the pursuit of new regulatory and incentive policies aimed at providing minority groups and women with equal access to mortgage credit.

In addition to direct attacks upon such known violations of the law, a comprehensive approach to these problems must include policies aimed at the underlying causes of unequal credit allocations. The Democratic Party pledges itself to aggressive policies designed to assure lenders that their commitments will be backed by government resources, so that investment risks will be shared by the public and private sectors.

The special needs of older cities

The Democratic Party recognizes that a number of major, older cities—including the nation's largest city—have been forced to undertake even greater social responsibilities, which have resulted in unprecedented fiscal crises. There is a national interest in helping such cities in their present travail, and a new Democratic President and the Congress shall undertake a massive effort to do so.

Law enforcement and law observance

The total crime bill in the United States has been estimated at $90 billion a year, almost as much as the cost of our national defense. But over and above the economic impact, the raging and unchecked growth of crime seriously impairs the confidence of many of our citizens in their ability to walk on safe streets, to live securely in peaceful and happy homes, and to work safely in their places of business. Fear mounts along with the crime rate. Homes are made into fortresses. In large sections of every major city, people are afraid to go out at night. Outside big cities, the crime rate is growing even faster, so that suburbs, small towns and rural areas are no longer secure havens.

Defaulting on their "law and order" promises, the Republicans in the last eight years have let the rising tide of crime soil the highest levels of government, allowed the crime rate to skyrocket and failed to reform the criminal justice system. Recognizing that law enforcement is essentially a local responsibility, we declare that control of crime is an urgent national priority and pledge the efforts of the Democratic Party to insure that the Federal Government act effectively to reverse these trends and to be an effective partner to the cities and states in a well-coordinated war on crime.

We must restore confidence in the criminal justice system by insuring that detection, conviction and punishment of lawbreakers is swift and sure; that the criminal justice system is just and efficient; that jobs, decent housing and educational opportunities provide a real alternative to crime to those who suffer enforced poverty and injustice. We pledge equally vigorous prosecution and punishment for corporate crime, consumer fraud and deception; programs to combat child abuse and crimes against the elderly; criminal laws that reflect national needs; application of the law with a balanced and fair hand; a judiciary that renders equal justice for all; criminal sentences that provide punishment that actually punishes and rehabilitation that actually rehabilitates; and a correctional system emphasizing effective job training, educational and post-release programs. Only such measures will restore the faith of the citizens in our criminnal justice system.

Toward these ends, we support a major reform of the criminal justice system, but we oppose any legislative effort to introduce repressive and anti-civil libertarian measures in the guise of reform of the criminal code.

The Law Enforcement Assistance Administration has not done its job adequately. Federal funding for crime-fighting must be wholly revamped to more efficiently assist local and state governments in strengthening their law enforcement and criminal justice systems, rather than spend money on the purchase of expensive equipment, much of it useless.

Citizen confidence in law enforcement can be enhanced through increased citizen participation, by informing citizens of police and prosecutor policies, assuring that police departments reflect a cross-section of the communities they serve, establishing neighborhood forums to settle simple disputes, restoring the grand jury to fair and vigorous independence, establishing adequate victim compensation programs, and reaffirming our respect for the individual's right to privacy.

Coordinated action is necessary to end the vicious cycle of drug addiction and crime. We must break up organized crime syndicates dealing in drugs, take necessary action to get drug pushers off the streets, provide drug users with effective rehabilitation programs, including medical assistance, ensure that all young people are aware of the costs of a life of drug dependency, and use worldwide efforts to stop international production and trafficking in illicit drugs.

A Democratic Congress in 1974 passed the Juvenile Justice and Delinquency Prevention Act to come to grips with the fact that juveniles account for almost half of the serious crimes in the United States, and to remedy the fact that federal programs thus far have not met the crisis of juvenile delinquency. We pledge funding and implementation of this Act, which has been ignored by the Republican Administration.

Handguns simplify and intensify violent crime. Ways must be found to curtail the availability of these weapons. The Democratic Party must provide the leadership for a coordinated federal and state effort to strengthen the presently inadequate controls over the manufacture, assembly, distribution and possession of handguns and to ban Saturday night specials.

Furthermore, since people and not guns commit crimes, we support mandatory sentencing for individuals convicted of committing a felony with a gun.

The Democratic Party, however, affirms the right of sportsmen to possess guns for purely hunting and target-shooting purposes.

The full implementation of these policies will not in themselves stop lawlessness. To insure professionally trained and equitably rewarded police forces, law enforcement officers must be properly recruited and trained, and provided with decent wages, working conditions, support staff, and federal death benefits for those killed in line of duty.

Effective police forces cannot operate without just and speedy court systems. We must reform bail and pre-trial detention procedures. We must assure speedy trials and ease court congestion by increasing the number of judges, prosecutors and public defenders. We must improve and streamline courthouse management procedures, require criminal justice records to be accurate and responsible, and establish fair and more uniform sentencing for crimes.

Courts should give priority to crimes which are serious enough to deserve imprisonment. Law enforcement should emphasize the prosecution of crimes against persons and property as a higher priority than victimless crimes. Current rape laws need to be amended to abolish archaic evidence rules that discriminate against rape victims.

We pledge that the Democratic Party will not tolerate abuses of governmental processes and unconstitutional action by the government itself. Recognizing the value of legitimate intelligence efforts to combat espionage and major crimes, we call for new legislation to ensure that these efforts will no longer be used as an excuse for abuses such as bugging, wiretaps, mail opening and disruption aimed at lawful political and private activities.

The Attorney General in the next Democratic Administration will be an independent, non-political official of the highest integrity. If lawlessness is found at any level, in any branch, immediate and decisive action will be taken to root it out. To that end, we will establish the machinery for appointing an independent Special Prosecutor whenever needed.

As a party, as a nation, we must commit ourselves to the elimination of injustice wherever it plagues our government, our people and our future.

Transportation

An effective national transportation policy must be grounded in an understanding of all transportation systems and their consequences for costs, reliability, safety, environmental quality and energy savings. Without public transportation, the rights of all citizens to jobs and social services cannot be met.

To that end, we will work to expand substantially the discretion available to states and cities in the use of federal transportation money, for either operating expenses of capital programs on the modes of transportation which they choose. A greater share of Highway Trust Fund money should also be available on a flexible basis.

We will change further the current restrictive limits on the use of mass transit funds by urban and rural localities so that greater amounts can be used as operating subsidies; we emphatically oppose the Republican Administration's efforts to reduce federal operating subsidies.

We are committed to dealing with the transportation needs of rural America by upgrading secondary roads and bridges and by completion of the original plan of 1956 for the interstate highway system where it benefits rural Americans. Among other benefits, these measures would help overcome the problems of getting products to market, and services to isolated persons in need.

We will take whatever action is necessary to reorganize and revitalize our nation's railroads.

We are also committed to the support of healthy trucking and bus, inland waterway and air transport systems.

A program of national rail and road rehabilitation and improved mass transit would not only mean better transportation for our people, but it would also put thousands of unemployed construction workers back to work and make them productive tax-paying citizens once again.

Further, it would move toward the Democratic Party's goal of assuring balanced transportation services for all areas of the nation—urban and rural. Such a policy is intended to reorganize both pressing urban needs and the sorry state of rural public transportation.

Rural development

The problems of rural America are closely linked to those of our cities. Rural poor and the rural elderly suffer under the same economic pressures and have at least as many social needs as their counterparts in the cities. The absence of rural jobs and rural vitality and the continuing demise of the family farm have prompted a migration to our cities which is beyond the capacity of the cities to absorb. Over 20 million Americans moved to urban areas between 1940 and 1960 alone. We pledge to develop programs to make the family farm economically healthy again so as to be attractive to young people.

To that end, the Democratic Party pledges to strengthen the economy and thereby create jobs in our great agricultural and rural areas by the full implementation and funding of the Rural Development Act of 1972 and by the adoption of an agricultural policy which recognizes that our capacity to produce food and fiber is one of our greatest assets.

While it is bad enough to be poor, or old, or alone in the city, it is worse in the country. We are therefore committed to overcome the problems of rural as well as urban isolation and poverty by insuring the existence of adequate health facilities, critically-needed community facilities such as water supply and sewage disposal systems, decent housing, adequate educational opportunity and needed transportation throughout rural America.

As discussed in the transportation section, we believe that transportation dollars should be available in a manner to permit their flexible use. In rural areas this means they could be used for such needs as secondary road improvement, taxi systems, buses, or other systems to overcome the problems of widely dispersed populations, to facilitate provision of social services and to assure access of citizens to meet human needs.

Two thousand family farms are lost per week. To help assure that family farms stay in the family where they belong, we will push increases in relevant estate tax exemptions. This increased exemption, when coupled with programs to increase generally the vitality of rural America, should mean that the demise of the family farm can be reversed.

We will seek adequate levels of insured and guaranteed loans for electrification and telephone facilities.

Only such a coordinated program can make rural America again attractive and vigorous, as it needs to be if we are to deal with the challenges facing the nation as a whole.

Administration of Federal aid

Federal aid programs impose jurisdictional and administrative complications which substantially diminish the good accomplished by the federal expenditure of about $50 billion annually on state and local governments. An uncoordinated policy regarding eligibility requirements, audit guidelines, accounting procedures and the like compromise the over 800 categorical aid programs and threaten to bog down the more broadly conceived flexible block grant programs. The Democratic Party is committed to cutting through this chaos and simplifying the grant process for both recipient governments and program administrators.

The Democratic Party also reaffirms the role of state and general purpose local governments in the orderly administration of federal aid and revenue sharing programs.

V. NATURAL RESOURCES AND ENVIRONMENTAL QUALITY

Energy

Almost three years have passed since the oil embargo. Yet, by any measure, the nation's energy lifeline is in far greater peril today. America is running out of energy—natural gas, gasoline, and oil.

The economy is already being stifled. The resulting threat of unemployment and diminished production is already present.

If America, as we know it, is to survive, we must move quickly to develop renewable sources of energy.

The Democratic Party will strive to replace the rapidly diminishing supply of petroleum and natural gas with solar, geothermal, wind, tide and other forms of energy, and we recommend that the federal government promptly expend whatever funds are required to develop new systems of energy.

We have grown increasingly dependent on imported oil. Domestic production, despite massive price increases, continues to decline. Energy stockpiles, while authorized, are yet to be created. We have no agreements with any producing nations for security of supply. Efforts to develop alternative energy sources have moved forward slowly. Production of our most available and plentiful alternative—coal—is not increasing. Energy conservation is still a slogan, instead of a program.

Republican energy policy has failed because it is based on illusions; the illlusion of a free market in energy that does not exist, the illusion that ever-increasing energy prices will not harm the economy, and the illusion of an energy program based on unobtainable independence.

The time has come to deal with the realities of the energy crisis, not its illusions. The realities are that rising energy prices, falling domestic supply, increasing demand, and the threat to national security of growing imports, have not been contained by the private sector.

The Democratic energy platform begins with a recognition that the federal government has an important role to play in insuring the nation's energy future, and that it must be given the tools it needs to protect the economy and the nation's consumers from arbitrary and excessive energy price increases and help the nation embark on a massive domestic energy program focusing on conservation, coal conversion, exploration and development of new technologies to insure an adequate short-term and long-term supply of energy for the nation's needs. A nation advanced enough and weathy enough to send a man to the moon must dedicate itsef to developing alternate sources of energy.

Energy Pricing

Enactment of the Energy Policy and Conservation Act of 1975 established oil ceiling prices at levels sufficient to maximize domestic production but still below OPEC equivalents. The Act was a direct result of the Democratic Congress' commitment to the principle that beyond certain levels, increasing energy prices simply produce high-cost energy—without producing any additional energy supplies.

This oil-pricing lesson should also be applied to natural gas. Those now pressing to turn natural gas price regulation over to OPEC, while arguing the rhetoric of so-called deregulation, must not prevail. The pricing of new natural gas is in need of reform. We should narrow the gap between oil and natural gas prices with new natural gas ceiling prices that maximize production and investment while protecting the economy and the consumer. Any reforms in the pricing of new natural gas should not be at the cost of severe economic dislocations that would accelerate inflation and increase unemployment.

An examination must be made of advertising cost policies of utilities and the imposition of these costs on the consumer. Advertising costs used to influence public policy ought to be borne by stockholders of the utility companies and not by the consumers.

Domestic Supply and Demand

The most promising neglected domestic option for helping balance our energy budget is energy conservation. But major investments in conservation are still not being made.

The Democratic Party will support legislation to establish national building performance standards on a regional basis designed to improve energy efficiency. We will provide new incentives for aiding individual homeowners, particularly average income families and the poor in undertaking conservation investments. We will support the reform of utility rate structures and regulatory rules to encourage conservation and ease the utility rate burden on residential users; farmers and other consumers who can least afford it; make more efficient use of electrical generating capacity; and we will aggressively pursue implementation of automobile efficiency standards and appliance labeling programs already established by Democratic initiative in the Energy Policy and Conservation Act,

Coal currently comprises 80 percent of the nation's energy resources, but produces only 16 percent of the nation's energy. The Democratic Party believes that the United States' coal production can and must be increased without endangering the health and safety of miners, diminishing the land and water resources necessary for increased food production, and sacrificing the personal and property rights of farmers, ranchers and Indian tribes.

We must encourage the production of the highest quality coal, closest to consuming markets, in order to insure that investments in energy production reinforce the economics of energy producing and consuming regions. Improved rail transportation systems will make coal available where it is actually needed, and will insure a rail transport network required for a healthy industrial and agricultural economy.

We support an active federal role in the research and development of clean burning and commercially competitive coal burning systems and technologies, and we encourage the conversion to coal of industrial users of natural gas and imported oil. Air quality standards that make possible the burning of coal without danger to the public health or degradation of the nation's clear air must be developed and implemented.

The Democratic Party wants to put an end to the economic depression, loss of life and environmental destruction that has long accompanied irresponsible coal development in Appalachia. Strip mining legislation designed to protect and restore the environment, while ending the uncertainty over the rules governing future coal mining, must be enacted.

The huge reserves of oil, gas and coal on federal territory, including the outercontinental shelf, belong to all the people. The Republicans have pursued leasing policies which give the public treasury the least benefit and the energy industry the most benefit from these public resources. Consistent with environmentally sound practices, new leasing procedures must be adopted to correct these policies, as well as insure the timely development of existing leases.

Major federal initiatives, including major governmental participation in early high-risk development projects, are required if we are to harness renewable resources like solar, wind, geothermal, the oceans, and other new technologies such as fusion, fuel cells and the conversion of solid waste and starches into energy. The Ford Administration has failed to provide those initiatives, and, in the process, has denied American workers important new opportunities for employment in the building and servicing of emerging new energy industries.

U.S. dependence on nuclear power should be kept to the minimum necessary to meet our needs. We should apply stronger safety standards as we regulate its use. And we must be honest with our people concerning its problems and dangers as well as its benefits.

An increasing share of the nuclear research dollar must be invested in finding better solutions to the problems of nuclear waste disposal, reactor safety and nuclear safeguards—both domestically and internationally.

Competition in the Domestic Petroleum Industry

Legislation must be enacted to insure energy administrators and legislators access to information they need for making the kind of informed decisions that future energy policy will require. We believe full disclosure of data on reserves, supplies and costs of production should be mandated by law.

It is increasingly clear that there is no free, competitive market for crude oil in the United States. Instead, through their control of the nation's oil pipelines, refineries and marketing, the major oil producers have the capability of controlling the field and often the downstream price of almost all oil.

When competition inadequate to insure free markets and maximum benefit to American consumers exists, we support effective restrictions on the right of major companies to own all phases of the oil industry.

We also support the legal prohibition against corporate ownership of competing types of energy, such as oil and coal. We believe such "horizontal" concentration of economic power to be dangerous both to the national interest and to the functioning of the competitive system.

Improved Energy Planning

Establishment of a more orderly system for setting energy goals and developing programs for reaching those goals should be undertaken. The current proliferation of energy jurisdictions among many executive agencies underscores the need for a more coordinated system. Such a system should be undertaken, and provide for centralization of overall energy planning in a specific executive agency and an assessment of the capital needs for all priority programs to increase production and conservation of energy.

Mineral Resources

As with energy resources, many essential mineral resources may soon be inadequate to meet our growing needs unless we plan more wisely than we have with respect to energy. The Democratic Party pledges to undertake a long-range assessment of supply of our mineral reserves as well as the demand for them.

Agriculture

As a nation, we are blessed with rich resources of land, water and climate. When the supporting technology has been used to preserve and promote the family ownership and operation of farms and ranches, the people have been well served.

America's farm families have demonstrated their ability and eagerness to produce food in sufficient quantity to feed their fellow citizens and share with hungry people around the world as well. Yet this national asset has been neither prudently development nor intelligently used.

The eight-year record of the Nixon-Ford Administration is a record of lost opportunities, failure to meet the challenges of agricultural statesmanship, and favoritism to the special pleading of giant corporate agricultural interests.

Republican misrule in agriculture has caused wide fluctuations in prices to producers, inflated food prices to consumers, unconscionable profiteering on food by business, unscrupulous shipping practices by grain traders, and the mishandling of our abundance in export markets. Republican agricultural policy has spelled high food prices, unstable farm income, windfalls for commodity speculators and multinational corporations, and confrontations between farmer and consumer.

Foremost attention must be directed to the establishment of a national food and fiber policy which will be fair to both producer and consumer, and be based on the family farm agricultural system which has served the nation and the world so well for so long.

Maximum agricultural production will be the most effective means of achieving an adequate food and fiber supply and reasonable price stability to American consumers. Without parity income assurance to farmers, full production cannot be achieved in an uncertain economy. We must assure parity returns to farmers based on costs of production plus a reasonable profit.

We must continue and intensify efforts to expand agriculture's long-term markets abroad, but at the same time we must prevent irresponsible and inflationary sales from the American granary to foreign purchasers. Aggressive but stable and consistent export policy must be our goal. The production of food and fiber in America must be used as part of a constructive foreign policy based on long-term benefits at home and abroad, but not at the expense of the farmers.

Producers shall be encouraged to produce at full capacity within the limits of good conservation practices, including practices, including the use of recycled materials, if possible and desirable, to restore natural soil fertility. Any surplus production needed to protect the people of the world from famine shall be stored on the farm in such a manner as to isolate it from the market place.

Excess production beyond the needs of the people for food shall be converted to industrial purposes.

Farmers as individual producers must deal constantly with organized suppliers and marketers, and compete with non-farm conglomerates. To assist them in bargaining for the tools of production, and to strengthen the institution of the family farm, the Democratic Party will: support the Capper Volstead Act in its present form; curb the influence of non-farm conglomerates which, through the elimination of competition in the marketplace, pose a threat to farmers; support the farmer cooperatives and bargaining associations; scrutinize and remedy any illegal concentrations and price manipulations of farm equipment and supply industires; revitalize basic credit programs for farmers; provide adequate credit tailored to the needs of young farmers; assure access for farmers and rural residents to energy, transportation, electricity and telephone services; reinstate sound, locally administered soil conservation programs; eliminate tax shelter farming; and overhaul federal estate and gift taxes to alleviate some of the legal problems faced by farm families who would otherwise be forced to liquidate their assets to pay the tax.

Long overdue are programs of assistance to farm workers in housing, employment, health, social services and education.

To protect the health of our citizens the government shall insure that all agricultural imports must meet the same quality standards as those imposed on agricultural products produced in the United States and that only quality American agricultural products be exported.

Fisheries

America's fisheries must be protected and enhanced as a renewable resource through ecologically sound conservation practices and meaningful international agreements and compacts between individual states.

Environmental quality

The Democratic Party's strong commitment to environmental quality is based on its conviction that environmental protection is not simply an aesthetic goal, but is necessary to achieve a more just society. Cleaning up air and water supplies and controlling the proliferation of dangerous chemicals is a necessary part of a successful national health program. Protecting the worker from workplace hazards is a key element of our full employment program. Occupational disease and death must not be the price of a weekly wage.

The Democratic Party, through the Congress, has recognized the need for basic environmental security, and has authorized a comprehensive program to achieve this objective. In eight years, the efforts to implement that program have been thwarted by an Administration committed only to unfunded allegations that economic growth and environmental portection are incompatible.

Quite to the contrary, the Democratic Party believes that a concern for the environment need not and must not stand in the way of a much-needed policy of high economic growth.

Moreover, environmental protection creates jobs. Environmental legislation enacted since 1970 already has produced more than one million jobs, and we pledge to continue to work for additional laws to protect, restore and preserve the environment while providing still more jobs.

Today, permanently harmful chemicals are dispersed, and irrecoverable land is rendered worthless. If we are to avoid repeated environmental crises, we must now renew our efforts to restore both environmental quality and economic growth.

Those who would use the environment must assume the burden of demonstrating that it will not be abused. For too long this burden has been on government agencies, representing the public, to assess and hopefully correct the damage that has already been done.

Our irreplaceable natural and aesthetic resources must be managed to ensure abundance for future generations. Strong land and ocean use planning is an essential element of such management. The artifacts of desert, the national forests, the wilderness areas, the endangered species, the coastal beaches and barrier dunes and other precious resources are in danger. They cannot be restored. They must be protected.

Economic inequities created by subsidies for virgin materials to the disadvantage of recycled materials must be eliminated. Depletion allowances and unequal freight rates serve to discourage the growing numbers of businesses engaged in recycling efforts.

Environmental research and development within the public sector should be increased substantially. For the immediate future, we must learn how to correct the damage we have already done, but more importantly, we need research on how to build a society in which renewable and non-renewable resources are used wisely and efficiently.

Federal environmental anti-pollution requirement programs should be as uniform as possible to eliminate economic discrimination. A vigorous program with national minimum environmental standards fully implemented, recognizing basic regional differences, will ensure that states and workers are not penalized by pursuing environmental programs.

The technological community should be encouraged to produce better pollution-control equipment, and more importantly, to produce technology which produces less pollution.

VI. INTERNATIONAL RELATIONS

The next Democratic Administration must and will initiate a new American foreign policy.

Eight years of Nixon-Ford diplomacy have left our nation isolated abroad and divided at home. Policies have been developed and applied secretly and arbitrarily by the executive department from the time of secret bombing in Cambodia to recent covert assistance in Angola. They have been policies that relied on ad hoc, unilateral maneuvering, and on a balance-of-power diplomacy suited better to the last century than to this one. They have disdained traditional American principles which once earned the respect of other peoples while inspiring our own. Instead of efforts to foster freedom and justice in the world, the Republican Administration has built a sorry record of disregard for human rights, manipulative interference in the internal affairs of other nations, and, frequently, a greater concern for our relations with totalitarian adversaries than with our democratic allies. And its efforts to preserve, rather than reform, the international status quo betray a self-fulfilling pessimism that contradicts a traditional American belief in the possibility of human progress.

Defense policy and spending for military forces must be consistent with meeting the real security needs of the American people. We recognize that the security of our nation depends first and foremost on the internal strength of American society—economic, social and political. We also recognize that serious international threats to our security, such as shortages of food and raw materials, are not solely military in nature and cannot be met by military force or the threat of force. The Republican Administration has, through mismanagement and misguided policies, undermined the security of our nation by neglecting human needs at home while, for the first time in our nation's history, increasing military spending after a war. Billions of dollars have been diverted into wasteful, extravagant and, in some instances, destabilizing military programs. Our country can—and under a Democratic Administration it will—work vigorously for the adoption of policies of full employment and economic growth which will enable us to meet both the justified domestic needs of our citizens and our needs for an adequate national defense.

A Democratic Administration will work to create a foreign policy that does justice to the strength and decency of the American people through adherence to these fundamental principles and priorities:

We will act on the premise that candor in policymaking, with all its liabilities, is preferable to deceit. The Congress will be involved in the major international decisions of our government, and our foreign policies will be openly and consistently presented to the American people. For even if diplomatic tactics and national security information must sometimes remain secret, there can be no excuse for formulating and executing basic policy without public understanding and support.

Our policy must be based on our nation's commitment to the ideal of individual freedom and justice. Experience has taught us not to reply solely on military strength or economic power, as necessary as they are, in pursuit of our international objectives. We must rely too on the moral strength of our democratic values—the greatest inspiration to our friends and the attribute most feared by our enemies. We will ensure that human needs are not sacrificed to military spending, while maintaining the military forces we require for our security.

We will strengthen our ties to the other great democracies, working together to resolve common economic and social problems as well as to keep our defenses strong.

We will restore the Democratic tradition of friendship and support to Third World nations.

We must seek areas of cooperation with our traditional adversaries. There is no other option, for human survival itself is at stake. But pursuit of detente will require maintenance of a strong American military deterrent, hard bargaining for our own interest, recognition of continuing competition, and a refusal to oversell the immediate benefits of such a policy to the American public.

We will reaffirm the fundamental American commitment to human rights across the globe. America must work for a release of all political prisoners—men and women who are in jail simply because they have opposed peacefully the policies of their governments or have aided others who have—in all countries. America must take a firm stand to support and implement existing U.S. law to bring about liberalization of emigration policy in countries which limit or prohibit free emigration. America must be resolute in its support of the right of workers to organize and of trade unions to act freely and independently, and in its support of freedom of the press. America must continue to stand as a bulwark in support of human liberty in all countries. A return to the politics of principle requires a reaffirmation of human freedom throughout the world.

The challenge of interdependence

The International Economy

Eight years of mismanagement of the American economy have contributed to global recession and inflation. The most important contribution a Democratic Administration will make to the returning health of the world economy will be to restore the health of our own economy, with all that means to international economic stability and progress.

We are committed to trade policies that can benefit a full employment economy—through creation of new jobs for American workers, new markets for American farmers and businesses, and lower pices and a wider choice of goods for American consumers. Orderly reductions in trade barriers should be negotiated on a reciprocal basis that does not allow other nations to deny us access to their markets while enjoying access to ours. These measures must be accompanied and improved programs to ease dislocations and to relieve the hardship of American workers affected by foreign competition.

The Democratic Party will also seek to promote higher labor standards in those nations where productivity far outstrips wage rates, harming American workers through unfair exploitation of foreign labor, and encouraging American capital to pursue law wage opportunities that damage our own economy and weaken the dollar.

We will exert leadership in international efforts to strengthen the world economic system. The Ford Administration philosophy of reliance on the international "market economy" is insufficient in a world where some governments and multinational corporations are active in managing and influencing market forces.

We pledge constant effort to keep world monetary systems functioning properly in order to provide a reasonably stable economic environment for business and to prevent the importation of inflation. We will support reform of the international monetary system to strengthen institutional means of coordinating national economic policies, especially with our European and Japanese allies, thus facilitating efforts by our government and others to achieve full employment.

The Democratic Party is committed to a strong and competitive merchant fleet, built in the United States and manned by American seamen, as an instrument of international relations and national security. In order to revitalize our merchant fleet, the party pledges itself to a higher level of coordination of maritime policy, reaffirmation of the objectives of the Merchant Marine Acts of 1936 and 1970, and the development of a national cargo policy which assures the U.S. fleet a fair participation in all U.S. trade.

A Democratic Administration will vigorously pursue international negotiations to insure that the multinational activities of corporations, whether American or foreign, be made more responsible to the international community. We will give priority attention to the establishment of an international code of conduct for multinational corporations and host countries.

We will encourage multinational corporations—before they relocate production across international boundaries—to make sufficient advance arrangements for the workers whose jobs will be affected.

We will eliminate bribery and other corrupt practices.

We will prevent these corporations from interfering in the political systems of the countries in which they operate.

If such a code cannot be negotiated or proves to be unenforceable, our country should reserve the right to take unilateral action directed toward each of these problems, specifically including the outlawing of bribes and other improper payments to government officials of other nations.

In pursuit of open and fair international economic relationships, we will seek mechanisms, including legislation, to ensure that foreign governments cannot introduce third party boycotts or racial and religious discrimination into the conduct of American foreign commerce.

Energy

The United States must be a leader in promoting cooperation among the industrialized countries in developing alternative energy sources and reducing energy consumption, thus reducing our dependence on imports from the Middle East and restraining high energy prices. Under a Democratic Administration, the United States also will support international efforts to develop the vast energy potential of the developing countries.

We will also actively seek to limit the dangers inherent in the international development of atomic energy and in the proliferation of nuclear weapons. Steps to be given high priority will include: revitalization of the Nonproliferation Treaty, expansion of the International Atomic Energy Agency and other international safeguards and monitoring of national facilities, cooperation against potential terrorism involving nuclear weapons, agreement by suppliers not to transfer enrichment or reprocessing facilities, international assurance of supply of nuclear fuel only to countries cooperating with strict nonproliferation measures, subsidization of multinational nuclear facilities, and gradual conversion to international control of nonweapons fissionable material.

The Developing World

We have a historic opportunity in the next decade to improve the extent and quality of cooperation between the rich and poor countries. The potential benefits to our nation of a policy of constructive cooperation with the developing world would be considerable: uninterrupted access at reasonable cost to raw materials and to basic commodities; lower rates of global inflation; improved world markets for our goods; and a more benign atmosphere for international negotiation in general. Above all, the prospects for the maintenance of peace will be vastly brighter in a world in which fewer and fewer people suffer the pangs of hunger and the yoke of economic oppression.

We support efforts to stabilize and increase export earnings of developing countries through our participation in reasonable commodity arrangements. We support strengthening of global financing mechanisms and trade liberalization efforts. We will assist in promoting greater developing country capital markets.

Because our country provides food and fiber to all the world, the American farmer is heavily dependent on world markets. These markets must be developed in a way that prevents the wild gyrations of food prices and the periodic shortages that have been common under recent Republic Administrations. We pledge significant financial support to the International Fund for Agricultural Development; more effective food aid through further revision of the U.S. Food for Peace program; significant contributions to a multination world food reserve system, with appropriate safeguards for American farmers; and continuing efforts to promote American food exports.

The proliferation in arms, both conventional and nuclear, is a principal potential source of conflict in the developing as well as the industrialized world. The United States should limit significantly conventional arms sales and reduce military aid to developing countries, should include conventional arms transfers on the arms control agenda, and should reduce country-by-country justification for U.S. arms transfers, whether by sales or aid. Such sales or aid must be justified in terms of foreign policy benefits to the United States and not simply because of their economic value to American weapons producers.

A primary object of American aid, both military and economic, is first of all to enhance the condition of freedom in the world. The United States should not provide aid to any government—anywhere in the world—which uses secret police, detention without charges, and torture to enforce its powers. Exceptions to this policy should be rare, and the aid provided should be limited to that which is absolutely necessary. The United States should be open and unashamed in its exercise of diplomatic efforts to encourage the observance of human rights in countries which receive American aid.

Current world population growth is a threat to the long-range well-being of mankind. We pledge to support effective, voluntary family planning around the world, as well as at home, and to recognize officially the link between social and economic development and the willingness of the individual to limit family size.

To be true to the traditional concern of Americans for the disadvantaged and the oppressed, our aid programs should focus on alleviating poverty and on support of the quest for human liberty and dignity. We will work to see that the United States does its fair share in international development assistance efforts, including participation in the fifth replenishment of the World Bank's International Development Association. We will implement a foreign assistance policy which emphasizes utilization of multilateral and regional development institutions; and one that includes a review of aid programs, country by country, to reinforce those projects whose financial benefits go to the people most in need and which are consistent with overall United States foreign policy goals.

The World Environment

Decay of the environment knows no national boundary. A government committed to protect our environment knows no national boundary. A government committed to protect our environment at home must also seek international cooperation in defending the global environment.

Working through and supporting such organizations as the United Nations Environmental Program, we will join other governments in more effective efforts to preserve the quality and resources of the oceans; to preserve endangered species of fish and wildlife: to reverse the encroachment of the deserts, the erosion of the world's agricultural lands, and the accelerating destruction of its forests; to limit pollution of the atmosphere; and to control alternations of the global climate.

Criminal Justice Rights of Americans Abroad

We will protect the rights and interests of Americans charged with crimes or jailed in foreign countries by vigorously exerting all appropriate efforts to guarantee humane treatment and due process and to secure extradition to the United States where appropriate.

International Drug Traffic

We call for the use of diplomatic efforts to stop international production and trafficking in illicit drugs including the possible cut-off of foreign aid to noncooperating countries.

Defense Policy

The size and structure of our military forces must be carefully related to the demands of our foreign policies in this new era. These should be based on a careful assessment of what will be needed in the long-run to deter our potential adversaries; to fight successfully, if necessary, conventional wars in areas in which our national security is threatened; and to reassure our allies and friends—notably in Western Europe, Japan and the Near East. To this end, our strategic nuclear forces must provide a strong and credible deterrent to nuclear attack and nuclear blackmail. Our conventional forces must be strong enough to deter aggression in areas whose security is vital to our own. In a manner consistent with these objectives, we should seek those disarmament and arms control agreements which will contribute to mutual reductions in both nuclear and conventional arms.

The hallmarks of the Nixon-Ford Administration's defense policy, however, have been stagnation and vulnerability.

By its reluctance to make changes in those features of our armed forces which were designed to deal with the problems of the past, the Administration has not only squandered defense dollars, but also neglected making improvements which are needed to increase our forcess' fighting effectiveness and their capability to deter future aggression.

By its undue emphasis on the overall size of the defense budget as the primary measure of both our national resolve and the proficiency of our armed forces, the Administration has forgotten that we are seeking not to outspend, but to be able to deter and, if necessary, outfight our potential adversaries. While we must spend whatever is legitimately needed for defense, cutbacks on duplication and waste are both feasible and essential. Barring any major change in the international situation, with the proper management, with the proper kind of investment of defense dollars, and with the proper choice of military programs, we believe we can reduce present defense spending by about $5 billion to $7 billion. We must be tough-minded about the development of new weapons systems which add only marginal military value. The size of our defense budget should not be dictated by bureaucratic imperatives or the needs of defense contractors but by our assessment of international realities. In order to provide for comprehensive review of the B-1 test and evaluation program, no decision regarding B-1 production should be made prior to February 1977.

The Pentagon has one of the federal government's most overgrown bureaucracies. The Department of Defense can be operated more effectively and efficiently and its budget reduced, without in any way compromising our defense posture. Our armed forces have many more admirals and generals today than during World War II, when our fighting force was much larger than now. We can reduce the ratio of officers to men and of support forces to combat troops.

Misdirected efforts such as the construction of pork-barrel projects under the jurisdiction of the Defense Department can be terminated. Exotic arms systems which serve no defense or foreign policy purpose should not be initiated.

By ignoring opportunities to use our advanced technology innovatively to obtain maximum effectiveness in weapons and minimize complexity and cost, the Republican Administration has failed to reverse the trend toward increasingly intricate and expensive weapons systems. Thus, it has helped to put our forces—particularly the Navy—on the dangerous path of becoming both smaller in numbers and more vulnerable.

A new approach is needed. Our strategic nuclear forces should be structured to ensure their ability to survive nuclear attack, thereby assuring deterrence of nuclear war. Successful nuclear deterrence is the single most important task of our armed forces. We should, however, avoid becoming diverted into making expenditures which have only symbolic or prestige value or which themselves contribute to nuclear instability.

The United States Navy must remain the foremost fleet in the world. Our naval forces should be improved to stress survivability and our modern technology should be used in new ways to keep the essential sea lanes open. Concretely, we should put more stress on new sensors and armaments, and give priority to a navy consisting of a greater number of smaller and less vulnerable vessels.

Our land forces should be structured to fight effectively in support of our political and military commitments. To this end, modern, well-equipped and highly mobile land forces are more important than large numbers of sparsely-equipped infantry divisions.

Our tactical air forces should be designed to establish air superiority quickly in the event of hostilities, and to support our land and naval forces.

We can and will make significant economies in the overhead and support structure of our military forces.

The defense procurement system should be reformed to require, wherever possible and consistent with efforts to encourage full participation by small and minority businesses, advertised competitive bids and other improvements in procurement procedure so as to encourage full and fair competition among potential contractors and to cut the current waste in defense procurement. A more equitable formula should be considered for distribution of defense contracts and other federal procurement on a state or regional basis.

The United States and other nations share a common interest in reducing military expenditures and transferring the savings into activities which raise living standards. In order to smooth the path for such changes, the Executive Branch and the Congress should encourage long-range planning by defense-dependent communities and managements of defense firms and unions. This process should take place within the context of the Democratic Party's commitment to planned full employment.

Our civilian and military intelligence agencies should be structured to provide timely and accurate information and analysis of foreign affairs and military matters. Covert action must be used only in the most compelling cases where the national security of the U.S. is vitally involved; assassination must be prohibited. There should be full and thorough Congressional oversight of our intelligence agencies. The constitutional rights of American citizens can and must be fully protected, and intelligence abuses corrected, without endangering the confidentiality of properly classified intelligence or compromising the fundamental intelligence mission.

U.S.-U.S.S.R. Relations

The United States and the Soviet Union are the only powers who, by rivalry or miscalculation, could bring general nuclear war upon our civilization. A principal goal must be the continued reduction of tension with the U.S.S.R. This can, however, only be accomplished by fidelity to our principles and interests and through business-like negotiations about specific issues, not by the bad bargins, dramatic posturing, and the stress on general declarations that have characterized the Nixon-Ford Administration's détente policy.

Soviet actions continue to pose severe threats to peace and stability in many parts of the world and to undermine support in the West for fruitful negotiations toward mutually beneficial agreements. The U.S.S.R. has undertaken a major military buildup over the last several years in its navy, in its strategic forces, and in its land forces stationed in Eastern Europe and Asia. It has sought one-sided advantages in negotiations, and has exerted political and military pressure in such areas as the Near East and Africa, not hesitating to dispatch to Angola its own advisors as well as the expeditionary forces of its clients.

The continued U.S.S.R. military dominance of many Eastern European countries remains a source of oppression for the peoples of those nations, an oppression we do not accept and to which were are morally opposed. Any attempt by the Soviet Union similarly to dominate other parts of Europe—such as Yugoslavia—would be an action posing a grave threat to peace. Eastern Europe will not truly be an area of stability until these countries regain their independence and become part of a large European framework.

Our task is to establish U.S.-U.S.S.R. relations on a stable basis, avoiding excesses of both hope and fear. Patience, a clear sense of our own priorities, and a willingness to negotiate specific firm agreements in areas of mutual interest can return balance to relations between the United States and the Soviet Union.

In the field of nuclear disarmanment and arms control, we should work toward: limitations on the international spread of fissionable materials and nuclear weapons; specific strategic arms limitation agreements which will increase the stability of the strategic balance and reduce the risk of nuclear war, emphasizing mutual reductions and limitations on future weapons deployment which most threaten the strategic balance because their characteristics indicate a potential first-strike use; a comprehensive ban on nuclear tests; mutual reduction with the Soviet Union and others, under assured safeguards, of our nuclear arsenals, leading ultimately to the elimination of such arsenals; mutual restrictions with the Soviet Union and others on sales or other transfers of arms to developing countries; and conventional arms agreements and mutual and balanced force reductions in Europe.

However, in the area of strategic arms limitations, the U.S. should accept only such agreements that would not overall limit the U.S. to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union.

In the long-run, further development of more extensive economic relations between the United States and the Soviet Union may bring significant benefit to both societies. The U.S.S.R. has sought however, through unfair trade practices to dominate such strategic fields as merchant shipping. Rather than effectively resisting such efforts, the Nixon-Ford Administration has looked favorably on such steps as subsidizing U.S.-U.S.S.R. trade by giving the Soviet Union concessionary credits, promoting trade increases because of a shortrun hope of using trade to modify political behavior, and even placing major United States energy investments in pawn to Soviet Union policy. Where bilateral trade arrangements with the U.S.S.R. are to our economic advantage, we should pursue them, but our watch-words would be tough bargaining and concrete economic, political or other benefits for the United States. We should also press the Soviet Union to take a greater share of responsibility in multilateral solutions to such problems as creating adequate world grain reserves.

Our stance on the issue of human rights and political liberties in the Soviet Union is important to American self-respect and our moral standing in the world. We should continually remind the Soviet Union, by word and conduct, of its commitments in Helsinki to the free flow of people and ideas and how offensive we and other free peoples finds its violations of the Universal Declaration of Human Rights. As part of our programs of official, technical, trade, cultural and other exchanges with the U.S.S.R., we should press its leaders to open their society to a genuine interchange of people and ideas.

We must avoid assuming that the whole of American-Soviet relations is greater than the sum of its parts, that any agreement is superior to none, or that we can negotiate effectively as supplicants. We must realize that our firmness can help build respect for us and improve the long-run opportunities for mutually-beneficial concrete agreements. We must beware of the notion that Soviet-American relations are a seamless web in which concessions in one area will bring us benefits in others. By the same token, we must husband our resources to concentrate on what is most important to us. Détente must be military as well as political.

More fundamentally, we must recognize that the general character of our foreign policies will not and must not be set by our direct relationship with the Soviet Union. Our allies and friends must come first. Nor can the pursuit of our interests elsewhere in the world be dominated by concern for Soviet views. For example, American policy toward China should continue to be based on a desire for a steady improvement and broadening of relations, whatever the tenor and direction of Chinese-Soviet relations.

Above all, we must be open, honest, mature and patient with ourselves and with our allies. We must recognize that, in the long-run, an effective policy toward the Soviet Union can only be grounded on honest discussion, and on a national and, to some extent, an international consensus. Our own institutions, especially the Congress, must be consulted and must help formulate our policy. The governments of our allies and friends must be made partners in our undertakings. Haste and secret bilateral executive arrangements in our dealings with the U.S.S.R. can only promote a mood of uncertainty and suspicion which undermines the public support essential to effective and stable international relations.

America in the world community

Many of the critical foreign policy issues we face require global approaches, but an effective international role for the United States also demands effective working with the special interests of specific foreign nations and regions. The touchstone of our policy must be our own interests, which in turn means that we should not seek or expect to control events everywhere. Indeed, intelligent pursuit of our objectives demands a realization that even where our interests are great and our involvement essential, we do not act alone, but in a world setting where others have interests and objectives as well.

We cannot give expression to our national values without continuing to play a strong role in the affairs of the United Nations and its agencies. Firm and positive advocacy of our positions is essential.

We should make a major effort at reforming and restructing the U.N. systems. The intensity of interrelated problems is rapidly increasing, and it is likely that in the future, the issues of war and peace will be more a function of economic and social problems than of the military security problems that have dominated international relations since 1945.

The heat of debate at the General Assembly should not obscure the value of our supporting United Nations involvement in keeping the peace and in the increasingly complex technical and social problems—such as pollution, health, economic development and population growth—that challenge the world community. But we must let the world know that anti-American polemics is no substitute for sound policy and that the United Nations is weakened by harsh rhetoric from other countries or by blasphemous resolutions such as the one equating Zionism and racism.

A Democratic Administration should seek a fair and comprehensive Law-of-the-Sea Treaty that will balance the interests of the developed and less developed countries.

Europe

The nations of Western Europe, together with Japan, are among our closest allies. Except for our closest neighbors in this hemisphere, it is in these regions where our interests are most strongly linked with those of other nations. At the same time, the growing economic and political strength of Europe and Japan creates areas of conflicts and tension in a relationship both sides must keep close and healthy.

On the great economic issues—trade, energy, employment, international finance, resources—we must work with the Europeans, the Japanese and other nations to serve our long-run mutual interests in stability and growth, and in the development of poorer nations.

The military security of Europe is fundamental to our own. To that end, NATO remains a vital commitment. We should retain in Europe a U.S. contribution to NATO forces so that they are sufficient to deter or defeat attack without premature resort to nuclear weapons. This does not exclude moderate reductions in manpower levels made possible by more efficiency, and it affirmatively requires a thorough reform and overhaul of NATO forces, plans and deployments. We encourage our European allies to increase their share of the contributions to NATO defense, both in terms of troops and hardware. By mutual agreement or through modernization, the thousands of tactical nuclear weapons in Europe should be reduced, saving money and manpower and increasing our own and international security.

Europe, like the rest of the world, faces substantial political change. We cannot control that process. However, we can publicly make known our preference for developments consistent with our interests and principles. In particular, we should encourage the most rapid possible growth of stable democratic institutions in Spain, and a continuation on the path of democracy of Portugal and Greece, opposing authoritarian takeover from either left or right. We can make clear our sense of the risks and dangers of Communist participation in Western European governments, while being equally clear that we will work on a broad range of non-military matters with any legally-constituted government that is prepared to do the same with us. We similarly must reaffirm our support for the continued growth and cohesion of the institutions of the European community.

The voice of the United States should be heard in Northern Ireland against violence and terror, against the discrimination, repression and deprivation which brought about that civil strife, and for the efforts of the parties toward a peaceful resolution of the future of Northern Ireland. Pertinent alliances such as NATO and international organizations such as the United Nations should be fully apprised of the interests of the United States with respect to the status of Ireland in the international community of nations.

We must do all that is possible, consistent with our interest in a strong NATO in Southern Europe and stability in the Eastern Mediterranean, to encourage a fair settlement of the Cyprus issue, which continues to extract human costs.

Middle East

We shall continue to seek a just and lasting peace in the Middle East. The cornerstone of our policy is a firm commitment to the independence and security of the State of Israel. This special relationship does not prejudice improved relations with other nations in the region. Real peace in the Middle East will permit Israel and her Arab neighbors to turn their energies to internal development, and will eliminate the threat of world conflict spreading from tensions there.

The Middle East conflict is complex, and a realistic, pragmatic approach is essential. Our policy must be based on firm adherence to these fundamental principles of Middle East policy:

We will continue our consistent support of Israel, including sufficient military and economic assistance to maintain Israel's deterrent strength in the region, and the maintenance of U.S. military forces in the Mediterranean adequate to deter military intervention by the Soviet Union.

We steadfastly oppose any move to isolate Israel in the international arena or suspend it from the United Nations for its constituent organizations.

We will avoid efforts to impose on the region an externally derived formula for settlement, and will provide support for initiatives toward settlement, based on direct face-to-face negotiation between the parties and normalization of relations and a full peace within secure and defensible boundaries.

We vigorously support the free passage of shipping in the Middle East—especially in the Suez Canal.

We recognize that the solution to the problems of Arab and Jewish refugees must be among the factors taken into account in the course of continued progress toward peace. Such problems cannot be solved, however, by recognition of terrorist groups which refuse to acknowledge their adversary's right to exist, or groups which have no legitimate claim to represent the people for whom they purport to be speaking.

We support initiation of government enforcement action to insure that stated U.S. policy—in opposition to boycotts against friendly countries—is fully and vigorously implemented.

We recognize and support the established status of Jerusalem as the capital of Israel, with free access to all its holy places provided to all faiths. As a symbol of this stand, the U.S. Embassy should be moved from Tel Aviv to Jerusalem.

Asia

We remain a Pacific power with important stakes and objectives in the region, but the Vietnam War has taught us the folly of becoming militarily involved where our vital interests were not at stake.

Friendship and cooperation with Japan are the cornerstone of our Asian interests and policy. Our commitment to the security of Japan is central to our own, and it is an essential condition to a constructive, peaceful role for that nation in the future of Asia. In our economic dealings with Japan, we must make clear our insistence on mutuality of benefits and opportunities, while focusing on ways to expand our trade, avoiding economic shocks and resultant retaliation on either side. We must avoid the "shocks" to Japan which have resulted from Republican foreign policy.

We reaffirm our commitment to the security of the Republic of Korea, both in itself and as a key to the security of Japan. However, on a prudent and carefully planned basis, we can redeploy, and gradually phase out, the U.S. ground forces, and can withdraw the nuclear weapons now stationed in Korea without endangering that support, as long as our tactical air and naval forces in the region remain strong. Our continued resolve in the area should not be misunderstood. However, we deplore the denial of human rights in the Republic of Korea, just as we deplore the brutal and aggressive acts of the regime in North Korea.

We have learned, at a tragically high price, certain lessons regarding Southeast Asia. We should not seek to control the political future of that region. Rather, we should encourage and welcome peaceful relations with the nations of that area. In conjunction with the fullest possible accounting of our citizens still listed as missing in action, we should move toward normalized relations with Vietnam.

No foreign policy that reflects traditional American humanitarian concerns can be indifferent to the plight of the peoples of the Asian subcontinent.

The recent improvement in relations with China, which has received bipartisan support, is a welcome recognition that there are few areas in which our vital interests clash with those of China. Our relations with China should continue to develop on peaceful lines, including early movement toward normalizing diplomatic relations in the context of a peaceful resolution of the future of Taiwan.

The Americas

We recognize the fundamental importance of close relations and the easing of economic tensions with our Canadian and Mexican neighbors.

In the last eight years, our relations with Latin America have deteriorated amid high-level indifference, increased military domination of Latin American governments, and revelations of extensive American interference in the internal politics of Chile and other nations. The principles of the Good Neighbor Policy and the Alliance for Progress, under which we are committed to working with the nations of the Americas as equals, remain valid today but seem to have been forgotten by the present Administration.

The U.S. should adopt policies on trade, aid and investment that include commodity agreements and an appropriate system of trade preferences.

We must make clear our revulsion at the systematic violations of basic human rights that have occurred under some Latin American military regimes.

We pledge support for a new Panama Canal treaty, which insures the interests of the United States in that waterway, recognizes the principles already agreed upon, takes into account the interests of the Canal work force, and which will have wide hemisheric support.

Relations with Cuba can only be normalized if Cuba refrains from interference in the internal affairs of the United States, and releases all U.S. citizens currently detained in Cuban prisons and labor camps for political reasons. We can move toward such relations if Cuba abandons its provacative international actions and policies.

Africa

Eight years of indifference, accompanied by increasing cooperation with racist regimes, have left our influence and prestige in Africa at an historical low. We must adopt policies that recognize the intrinsic importance of Africa and its development to the United States, and the inevitability of majority rule on that continent.

The first task is to formulate a rational African policy in terms of enlightened U.S.-African priorities, not as a corollary of U.S.-Soviet policy. Angola demonstrated that we must have sound relations with Black Africa and disassociate our policies from those of South Africa to achieve the desired African response to Soviet expansionsm in Africa. Our policy must foster high-level U.S.-Africa communications and establish a sound basis for dealing when crises arise.

The next Democratic Administration will work aggressively to involve black Americans in foreign policy positions, at home and abroad, and in decisions affecting African interests.

To promote African economic development, the U.S. should undertake increased bilateral and multilateral assistance; continue Congressional initiatives in food assistance and food production, with special aid to the Sahel and implementation of the Sahel Development Plan; and carry forward our commitment to negotiate with developing countries on key trade and economic issues such as commodity arrangements and trade preferences.

Our policy must be reformulated towards unequivocal and concrete support of majority rule in Southern Africa, recognizing that our true interests lie in peaceful progress toward a free South Africa for all South Africans, black and white. As part of our commitment to the development of a free and democratic South Africa, we should support the position of African nations in denying recognition to "homelands" given pseudoindependence by the South African government under its current policy of "separate development."

The Republican Administration's relaxation of the arms embargo against South Africa must be ended, and the embargo tightened to prevent transfers of military significance, particularly of nuclear material. The U.S. government should not engage in any activity regarding Namibia that would recognize or support the illegal South African administration, including granting tax credits to U.S. companies doing business in Namibia and paying taxes to South Africa. Moreover, the U.S. government should deny tax advantages to all corporations doing busness in South Africa and Rhodesia who support or participate in aparthed practices and policies.

The U.S. government should fully enforce the U.N.-ordered Rhodesia sanctions, seek universal compliance with such measures, and repeal the Byrd Amendment.

Efforts should be made to normalize relations with Angola.

MR. FRENZEL'S REPLY TO MR. OBEY ON HOUSE RESOLUTION 1372

(Mr. FRENZEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRENZEL. Mr. Speaker, the distinguished gentleman from Wisconsin (Mr. OBEY) apparently ran out of time and was unable to yield to me after reading those portions of my letter that tickled his fancy.

I did answer his request for opinions. I thought the distinguished gentleman needed help, and I was laboring under the naive delusion that the gentleman and his committee might want to discuss these matters with me or other members of the minority. Of course I was wrong. King Caucus was not interested in my ideas or those of any Republican.

What I did not know was that the majority and the distinguished gentleman from Wisconsin were apparently afraid of minority ideas. Why else do we need a closed rule? Are we afraid of someone else's ideas or have we something to hide?

Had the gentleman asked, I would have explained, patiently I hope, that the consolidation of "some accounts" meant some, not all, accounts.

I know the gentleman, and the majority caucus, are nervous about a "reform" program built on the slush fund of consolidated expense accounts. Nevertheless I would have liked the opportunity to explain my thoughts, or to pose them as amendments for debate here. I think that is very little to ask. But it was too much for King Caucus.

In such a debate, I would say that some of the suggestions of the gentleman from Wisconsin and his committee are good ones. The verification, the publication, the elimination of cash-outs, reduction of mileage and postage accounts, and so forth, are good ones, which will have positive effect. Some of the suggestions, as I indicated today, are lousy. And can only be described as diversionary, or as a taxpayer ripoff. And, of course, the biggest flaw is the recommendations which were never made.

As long as a partial, elite group tries to run the whole House, without hearings, without amendments, under closed rules, reform will also be incomplete and imperfect.

Mr. Speaker, I cannot fault the gentleman from Wisconsin on motivation, but I do regret the procedures and I especially regret his attempt to describe my positions on his recommendations by quoting only parts of my letter.

The distinguished chairman, the gentleman from New Jersey has also quoted my letter. It must have been an awfully good one. I give both gentlemen my permission to use it anytime they wish, with the forlorn hope that they might use it all; and with the wistful hope that they may consult me sometime about their grand programs, and occasionally to allow me the courtesy of introducing an amendment to one of them.

Mr. Speaker, as I noted earlier, I now present a discussion of the effect of the consolidation of expense allowances. For me, and I believe for most Members, it will present an opportunity to spend a good deal more of the taxpayer's money.

Some Members are alleging the consolidation of accounts will either save money or have no effect. Since the notorious Obey proposal has not been accepted, it is easy to compare the new consolidated system with the previous system.

1. GENERAL CONSOLIDATION

Under the present system, Members are restricted by the limits in each of the several expense accounts. Freed of the individual limits, and constrained only by the single consolidated limit, Members will be able to spend more than before.

2. SPECIAL ALLOWANCES

Many special allowances could not be fully used by most Members. Few Members used all of their telephone allowances. Few have used all of their district office rental allowance. For them the ability to convert these unneeded accounts into travel or newsletters is an unearned bonanza. They will be getting the benefit of moneys originally designed to help Members with unique problems. They can use these moneys to overspend previously accepted, reasonable limits of travel, stationery, or the like. Obviously, much greater spending will result.

3. TRAVEL ALLOWANCE

Each Member must compare his or her own situation under the old system with the new system. Despite claims to the contrary, my own travel allowance will be increased. Because I have almost always flown tourist class, I can make an enormous "profit" on travel and convert it to use for newsletters, etc. I will get about a $1,900 increase over the first-class rate and about $3,200 over tourist rates.

Under the old system, I received trips, not dollars. I flew tourist-class, but I got no more than 26 trips. Under the new system, even if it were exactly equal to old in maximum allowances, I would have new money available "for any legislative purpose" equal to 26 trips times $46—difference between first and tourist—or almost $1,200. That will almost publish an extra newsletter for my district.

4. STAFF TRAVEL

Under the present system our staff is allowed six round trips to the district. Under the consolidation order, staff travel becomes available to the Member. In my case, this is a brand new personal allowance of 6 times $228, or about $1,400, which I can use for travel, or any other legislative expense.

5. DISTRICT OFFICE EXPENSE ALLOWANCE AND STATIONERY ALLOWANCE

These have been catch-all accounts. If a good case can be made for consolidation of any kind, it probably then should be restricted to these accounts. In my own case, I do not use all my district office expense. Therefore, I will have about $500 additional to use for other purposes.

6. TELEPHONE ALLOWANCE

This allowance has been changed so that Members may, after January 3, have two WATS lines and 7,500 units. At this time, the telephone company cannot give us a price on the WATS service, so it is hard to make a case that costs will increase. I believe that differences will be small. The extra cost to the taxpayers will come from conversion of these funds to other uses per No. 2 above. It will make perhaps $2,000 to $3,000 available to me that I cannot now use.

7. DISTRICT OFFICE RENTAL

This allowance is also about the same. As above, the extra costs to the taxpayers, that is the money unspendable and unneeded under the old system but convertible and spendable under the new one, will arise from conversion. In my case, I will have about $5,000 extra available to me.

8. NEWSLETTER ALLOWANCE

The consolidation of this account will benefit only those few Members who do not use it fully now. I estimate that there will be a modest overall cost increase caused by transfers from unused newsletter allowances to stationery or travel allowances.

9. OFFICE EQUIPMENT ALLOWANCE

This is a transfer from clerk hire and is not a consolidation item.

10. COMPUTER SERVICES ALLOWANCES

This is a transfer from clerk hire and is not a consolidation item.

11. STAMP ALLOWANCE

Terminates January 3, 1976.

12. CLERK HIRE

This is still a separate allowance and is not consolidated.

CONFERENCE REPORT ON H.R. 14231

Mr. YATES submitted the following conference report and statement on the bill (H.R. 14231) making appropriations for the Department of Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94–1330)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14231) "making appropriations for the Department of Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17, 20, 30, 33, 38, 39, 45, 58, 61, 68, 73, 74, and 75.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, 14, 18, 26, 27, 34, 43, 63, 66, 69, 70, and 71, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$397,056,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$144,603,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$52,506,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$15,745,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$128,861,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

"MIGRATORY BIRD CONSERVATION ACCOUNT

"For an advance to the migratory bird conservation account, as authorized by the Act of October 4, 1971, as amended (16 U.S.C. 715k 3, 5; 81 Stat. 612), $4,000,000, to remain available until expended"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$276,485,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$40,097,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,800,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$22,000,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,500,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$305,896,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$31,452,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$77,101,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$39,075,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,620,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,926,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$397,151,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,892,000"; and the Senate agree to the same.

Amendment numbered 47: That the House

recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$87,087,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$208,104,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$150,385,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$337,422,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,080,000"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$44,933,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,950,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 4, 12, 15, 22, 28, 29, 31, 35, 40, 48, 53, 54, 55, 57, 60, 65, and 72.

Sidney R. Yates,
Gunn McKay,
Clarence D. Long,
Frank E. Evans,
John P. Murtha,
Robert Duncan,
Joseph M. McDade.
Ralph S. Regula,
George Mahon,
Elford A. Cederberg,
Managers on the Part of the House.

Robert C. Byrd,
John L. McClellan,
Gale W. McGee,
Joseph M. Montoya,
Lawton Chiles,
Mike Mansfield,
Ted Stevens.
Milton R. Young,
Mark O. Hatfield,
Henry Bellmon,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14231), making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and reccmmended in the accompanying conference report:

TITLE I—DEPARTMENT OF THE INTERIOR

Bureau of Land Management

Amendment No. 1: Appropriates $223,829,000 for management of lands and resources as proposed by the Senate, instead of $216,299,000 as proposed by the House.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $10,160,000 for construction and maintenance instead of $7,510,000 as proposed by the House and $9,970,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The increase over the amount proposed by the House consists of the following increases: District Office, Fairbanks, Alaska, $2,600,000; and Goldeneye Reservoir Road, Wyoming, $50,000.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following:

Provided, That $13,900,000 of unobligated balances of contract authority provided by the Federal-Aid Highway Act of 1973 (P.L. 93–87) and proposed to be unobligated as of September 30, 1977, is hereby rescinded effective October 1, 1976.

The managers on the part of the Senate will offer a motion to concur in the amendment of the House to the amendment of the Senate.

Office of Water Research and Technology

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $18,923,000 for salaries and expenses instead of $21,003,000 as proposed by the House and $21,553,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The decrease under the amount proposed by the House consists of the following decreases: Water resources research, $900,000; technology development, $400,000; test facility operation, $700,000; administration, $80,000.

Amendment No. 5: Changes the amount for salaries and expenses which shall remain available until expended to $7,540,000 as proposed by the Senate instead of $9,700,000 as proposed by the House.

Amendment No. 6: Deletes the provision that makes a certain portion of the appropriation contingent on authorizing legislation and deletes the provision that allows for merger of unappropriated balances, as proposed by the Senate.

Bureau of Outdoor Recreation

Amendment No. 7: Appropriates $397,056,000 for land and water conservation fund instead of $307,056,000 as proposed by the House and $430,461,000 as proposed by the Senate.

Amendment No. 8: Earmarks $144,603,000 of the appropriation for land and water conservation fund for the National Park Service instead of $79,603,000 as proposed by the House and $172,303,000 as proposed by the Senate.

Amendment No. 9: Earmarks $52,506,000 of the appropriation for land and water conservation fund for the Forest Service instead of $32,506,000 as proposed by the House and $56,961,000 as proposed by the Senate.

Amendment No. 10: Earmarks $15,745,000 of the appropriation for land and water conservation fund for the Fish and Wildlife Service instead of $10,745,000 as proposed by the House and $16,995,000 as proposed by the Senate.

The managers are in agreement that the Department of the Interior shall submit for approval to the Committees on Appropriations of the House of Representatives and the Senate an allocation of the additional funds provided over the House allowance for the National Park Service, the Forest Service and the Fish and Wildlife Service.

U.S. Fish and Wildlife Service

Amendment No. 11: Appropriates $128,861,000 for resource management instead of $127,799,000 as proposed by the House and $129,169,000 as proposed by the Senate. The net increase over the amount proposed by the House consists of the following increases and decreases: Increases of $450,000 for biological services; $100,000 for operation of three game ranges; $320,000 for Alaska resource studies; $186,000 for Great Dismal Swamp, Va.; $55,000 for Agassiz National Wildlife Refuge, Minn.; $200,000 for Alaska fishery resources; $48,000 for Bowden National Fish Hatchery, West Virginia; $6,000 for White Sulfur Springs National Fish Hatchery, West Virginia; $20,000 for Miles City National Fish Hatchery, Mont.; $600,000 for blackbird control; $100,000 for the Lake Champlain environmental study; and decreases of $900,000 for law enforcement, and $123,000 for Marion, Alabama, Fish Research Center.

The managers are in agreement that the Secretary shall study on a nationwide basis the heavy concentrations of starlings, cowbirds, blackbirds, and grackles in "blackbird" roosts, with particular emphasis on the nature and extent of problems caused by such congregations and feasible solutions to alleviate or neutralize any such problems. The study shall include, but not be limited to, definition and assessment of (1) the danger to human and animal health and to aircraft, and (2) damages to agriculture and real property caused by such concentrations. In addition, changes in the economic and social lifestyle of human residents and disruption of agriculture and commerce in affected areas shall be considered.

A report detailing the findings and conclusions and presenting a feasible plan and alternative solutions to ameliorate any adverse economic, social and health effects of "blackbird" roosts—in emergency and nonemergency situations—shall be submitted to the appropriate committees of the Congress within six months following enactment of this legislation.

The managers are in agreement that language in the House report concerning the operation of warmwater fish hatcheries does not imply advance approval of any proposed hatchery transfer.

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $17,211,000 for construction and anadromous fish instead of $14,493,000 as proposed by the House and $15,330,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The increase over the amount proposed by the House consists of the following increases: Columbia White-Tailed Deer Refuge, Oregon, $223,000; Agassiz National Wildlife Refuge, Minn., $200,000; Bowden National Fish Hatchery, W. Va., $89,000; White Sulfur Springs National Fish Hatchery, W. Va., $206,000; Makah National Fish Hatchery, Washington, $2,000,000.

Amendment No. 13: Appropriates $4,000,000 for migratory bird conservation account, instead of $7,500,000 as proposed by the House. The Senate proposed no appropriation for this account.

Amendment No. 14: Provides for the acquisition of four aircraft as proposed by the Senate instead of three as proposed by the House.

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that one of the aircraft to be acquired shall be obtained by exchange.

National Park Service

Amendment No. 16: Appropriates $276,485,000 for operation of the national park system instead of $272,685,000 as proposed by the House and $280,437,000 as proposed by the Senate. The increase over the amount proposed by the House consists of the following increases: $2,000,000 for an additional 548 new positions, 383 to be converted from existing part-time positions; $1,500,000 for deferred maintenance and rehabilitation; and $300,000 for resource research in the Everglades National Park.

The managers are in agreement that before the National Park Service agrees to extend the use of the motion picture theater on the Washington Monument grounds beyond the current expiration date, it shall receive the approval of the House and Senate Committees on Appropriations.

Amendment No. 17: Restores House language, stricken by the Senate, providing that the National Park Service building at 900 Ohio Drive in the District of Columbia shall not be leased on any other basis than fair market value.

Amendment No. 18: Earmarks $257,000 of the appropriation for planning and construction for the Roosevelt Campobello International Park Commission as proposed by the Senate instead of $235,000 as proposed by the House.

Amendment No. 19: Appropriates $40,097,000 for planning and construction instead of $37,228,000 as proposed by the House and $40,237,000 as proposed by the Senate. The net increase over the amount proposed by the House consists of the following increases and decrease: Increases of $350,000 for Gustavus Airport runway repairs, Glacier Bay National Monument, Alaska; $1,000,000 for Father Marquette National Memorial, Michigan: $1,500,000 for rehabilitation; $109,000 for restoration at Harpers Ferry National Historical Park, W.Va.; $22,000 for Roosevelt Campobello International Park Commission; and a decrease of $112,000 for new area studies.

Amendment No. 20: Restores language stricken by the Senate providing that $2,060,000 of the appropriation for planning and construction shall be available only upon enactment of authorizing legislation for acquisition of locomotives and related facilities at the Golden Spike National Historic Site, Utah, and providing that $111,000 shall be available for the payment of outstanding obligations at the Chamizal National Memorial, Texas.

Amendment No. 21: Appropriates $21,800,000 for road construction (liquidation of contract authority) instead of $19,100,000 as proposed by the House and $23,495,000 as proposed by the Senate. The increase over the amount proposed by the House consists of the following: $500,000 for construction of Natchez Trace Parkway Section 3-C (Miss.); $495,000 for planning of Natchez Trace Parkway Section 1-C (Tenn.); $465,000 for planning of Natchez Trace Parkway Section 3-B (Miss.); $240,000 for planning Natchez Trace Parkway Sections 3-A-2 and 3-A-3 (Miss.); and $1,000,000 for rehabilitation projects.

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

Provided, That $118,995,000 of unobligated balances of contract authority provided by the Federal-Aid Highway Act of 1973 (P.L. 93-87) and proposed to be unobligated as of September 30, 1977, is hereby rescinded effective October 1, 1976.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 23: Appropriates $22,000,000 for preservation of historic properties instead of $19,500,000 as proposed by the House and $24,500,000 as proposed by the Senate.

Amendment No. 24: Earmarks $17,500,000 of the appropriation for preservation of historic properties for historic preservation grants instead of $15,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

Geological survey

Amendment No. 25: Appropriates $305,896,000 for surveys, investigations, and research instead of $296,146,000 as proposed by the House and $306,516,000 as proposed by the Senate. The net increase over the amount proposed by the House consists of the following increases and decreases: Increases of $7,450,000 for coal leasing; $800,000 for administration of Petroleum Reserve No. 4; $1,000,000 for environmental impact statement for Petroleum Reserve No. 4; $2,400,000 for repair of fire damage at the Denver Federal Center; $1,000,000 for the earth resources observation system; $800,000 for mineral resource appraisal in Alaska; $500,000 for Madison limestone formation studies; and decreases of $1,200,000 for standard quadrangle mapping; $500,000 for water resource investigations; $250,000 for earth sciences applications; $250,000 for environmental impact analysis; and $2,000,000 for OCS lands management.

The managers are in agreement that the Senate committee will recede from its directive that $100,000 be used from available funds for production of maps for use by the Senate Interior and Commerce Committees depicting energy transportation systems.

Mining Enforcement and Safety Administration

Amendment No. 26: Appropriates $93,740,000 for salaries and expenses as proposed by the Senate instead of $91,098,000 as proposed by the House.

Amendment No. 27: Provides for the purchase of not to exceed 195 motor vehicles as proposed by the Senate. The House had no comparable language.

Bureau of Mines

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $164,465,000 for mines and minerals instead of $163,315,000 as proposed by the House and $158,037,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The net increase over the amount proposed by the House consists of the following increase and decreases: An increase of $2,800,000 for purchase of facilities to replace the College Park, Maryland metallurgy research center; and decreases of $1,450,000 for metallurgy research and $200,000 for data collection and analysis.

The managers have agreed to the appropriations of $2,800,000 for the College Park Metallurgy Research Center. The managers are concerned, however, that this and similar facilities in the East may be established at the expense of facilities in other areas, and particularly the West. Therefore, the managers direct the Bureau of Mines to include funds for the Salt Lake City Metallurgy Research Center in the fiscal year 1978 budget request.

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that $97,779,000 for mines and minerals shall remain available until expended instead of $30,000,000 as proposed by the House.

Amendment No. 30: Restores House language stricken by the Senate which provides that the full-time permanent positions hired by the Bureau of Mines to staff the Carbondale, Illinois, mining research center shall not be counted against or considered to be a part of any employment ceiling assigned to the Department of the Interior.

Bureau of Indian Affairs

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $602,713,000 for operation of Indian programs instead of $602,610,000 as proposed by the House and $602,113,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The net increase over the amount proposed by the House consists of the following increases and decreases: Increases of $600,000 for direct employment (on-the-job training program); $153,000 for Masters in Public Health program; $250,000 for Indian-into Medicine (INMED) program; and decreases of $1,500,000 for Johnson-O'Malley education assistance; and $200,000 for housing program administrative expenses. In addition, the managers have agreed to a general reduction of $3,200,000 and 200 positions, an increase above the House allowance of $800,000 and 50 positions, in operating expenses. The managers direct that none of the position reductions apply to classroom teachers.

The managers are in agreement that the reduction of $200,000 in housing administrative expenses is in lieu of the House action to reduce housing administrative expenses by $1,000,000 and make that amount available for housing construction and renovation.

The managers are concerned about the effectiveness of the central office of Indian Education within the Bureau of Indian Affairs and agree that the Commissioner of Indian Affairs should be allowed to make necessary changes to improve the operation and administration of the Bureau's educational programs. However, the managers feel that useful program monitoring, technical assistance, and research activities may be carried out by a field component such as the Albuquerque Indian Education Resource Center.

The managers are in agreement with the House Committee position that $6,300,000 shall be available for operation and maintenance of the Intermountain Indian school in fiscal year 1977, but direct the Bureau to submit a reprogramming proposal for the approval of the Committees on Appropriations of the House and the Senate to accomplish this goal. Such reprogramming shall not consist entirely of education and facility management funds.

The managers are in agreement that the additional $500,000 provided for law enforcement retrocession assistance shall include assistance to the Washoe Tribe, among others.

The managers agree that the additional $5,500,000 for the forestry program shall include funding for development of Coeur D'Alene and Quinault tribal forestry programs in Idaho and Washington, among others. The managers agree that within available funds the Metlakatla Indian community resource management program, Alaska, will be continued at no less than the level for fiscal year 1976.

The managers agree with the directives in the Senate report regarding limitations on the fiscal year 1977 assessments for the Bureau's "3599" account. Any proposed program assessments or total account level in excess of the fiscal year 1976 amount shall be submitted as a supplemental or reprogramming request. The "3599" account is to be justified as a line item in the 1978 budget with no further assessments of programs.

Amendment No. 32: Provides $31,452,000 for assistance to public schools instead of $32,952,000 as proposed by the House and $29,952,000 as proposed by the Senate.

Amendment No. 33: Deletes language proposed by the Senate providing that $17,160,000 for self-determination grants to tribes shall remain available for obligation until September 30, 1978.

Amendment No. 34: Provides language that the funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 shall remain available until September 30, 1978, as proposed by the Senate.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that carryover authority for contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 does not extend to programs directly operated by the Bureau of Indian Affairs.

Amendment No. 36: Appropriates $77,101,000 for construction instead of $70,969,000 as proposed by the House and $82,406,000 as proposed by the Senate. The net increase over the amount proposed by the House consists of the following increases and decreases: Increases of $5,000,000 for the Chemawa Indian school, Oregon; $4,039,000 for public school construction; $2,000,000 for Pyramid Lake Hatchery, Nevada; $805,000 for Tamgass Creek Hatchery, Alaska; $410,000 for Seama dam and reservoir, Laguna Pueblo, New Mexico; and decreases of $4,300,000 for Lower Brule High School, South Dakota (Phase I); $359,000 for planning and design; and $1,463,000 for deferred equipment.

The managers are greatly concerned about the apparent lack of proper contract supervision and poor school design utilized in the construction of Bureau of Indian Affairs schools. The managers direct that before the Bureau of Indian Affairs obligates funds provided in this bill for school construction equipment, kindergartens, and quarters, the Bureau report to the Committees on Appropriations of the House and Senate on steps made to improve these deficiencies.

Amendment No. 37: Appropriates $39,075,000 for road construction instead of $37,205,000 as proposed by the House and $39,405,000 as proposed by the Senate. The increase over the amount proposed by the House consists of the following increases: $1,540,000 for Cochiti Lake road, New Mexico; and $330,000 for road construction needs of the Sisseton-Wahpeton Reservation, South Dakota.

Amendment No. 38: Deletes language proposed by the Senate citing authority for advance payments to the Alaska Native Fund.

Amendment No. 39: Appropriates $30,000,000 for Alaska Native Fund as proposed by the House instead of $40,000,000 as proposed by the Senate.

Office of Territorial Affairs

Amendment No. 40: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $79,077,000 for Trust Territory of the Pacific Islands instead of $84,566,000 as proposed by the House and $81,277,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The decrease under the amount proposed by the House consists of the following: $1,000,000 for operations grants, Public Works Department; $48,000 for general reduction in other operations grants; $2,241,000 for construction grants for seven lower priority projects; and $2,200,000 for dormitory facilities, Marshall Islands.

The managers are in agreement that the construction program in the Trust Territory is an important and vital one if a viable and workable infrastructure is to be established in the territory. The managers are aware that the Office of Territories is now reassessing the entire construction program in the territories and that the current construction moratorium will have the effect of delaying all projects, both those which are already funded and those provided in this appropriation. The managers have, therefore, agreed to the project deletions proposed by the Senate. This action is taken without prejudice to further consideration of these items in a subsequent appropriation.

Office of the Secretary

Amendment No. 41: Appropriates $20,620,000 for salaries and expenses instead of $20,430,000 as proposed by the House and $21,060,000 as proposed by the Senate. The increase over the amount proposed by the House consists of the following: $100,000 for personnel management and management consulting and services; $30,000 for immediate Office of the Secretary; and $60,000 for Office of the Under Secretary.

Amendment No. 42: Appropriates $12,926,000 for departmental operations instead of $11,812,000 as proposed by the House and $13,770,000 as proposed by the Senate. The increase over the amount proposed by the House consists of the following: $114,000 for the Office of Mineral Policy Research and Development, and $1,000,000 to initiate exploration and development studies in preparation for the transfer of Naval Petroleum Reserve No. 4 to the Interior Department.

Amendment No. 43: Deletes reference, under General Provisions, Department of the Interior, to the Public Works appropriation bill as it pertains to a limitation on total funds in both bills available for hire of consultants by the Department of the Interior.

TITLE II—RELATED AGENCIES

Forest Service

Amendment No. 44: Appropriates $397,151,000 for forest land management instead of $395,911,000 as proposed by the House and $399,248,000 as proposed by the Senate. The increase over the amount proposed by the House consists of the following increases: $330,000 for Blanchard Springs Caverns, Ark.; $30,000 for survey and planning, Bishop Knob Campground, W. Va.; and $880,000 for noxious weed control, including $140,000 for Wyoming.

Amendment No. 45: Provides $5,025,000 for insect and disease control as proposed by the House instead of $8,000,000 as proposed by the Senate.

Amendment No. 46: Provides that $15,892,000 for insect and disease control shall remain available until expended instead of $15,012,000 as proposed by the House and $18,867,000 as proposed by the Senate.

Amendment No. 47: Appropriates $87,087,000 for forest research instead of $83,311,000 as proposed by the House and $88,537,000 as proposed by the Senate. The increase over the amount proposed by the House consists of the following increases: $2,000,000 for renewable resources evaluation; $786,000 for forest products utilization research; $550,000 for forest economics and marketing research; and $440,000 for anadromous fish habitat research.

The managers are in agreement that $150,000 shall be provided for endangered species research, Hawaii, and $100,000 for pitch canker research, Athens, Ga., from within available funds.

Amendment No. 48: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $18,016,000 for construction and land acquisition instead of $16,674,000 as proposed by the House and $17,244,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The net increase over the amount proposed by the House consists of the following increases and decrease: Increases of $500,000 for deferred recreation maintenance at Ashley, Bighorn, and Bridger-Teton National Forests, Wyo.; $610,000 for tour development, Blanchard Springs Caverns, Ark.; $222,000 for recreation construction, Tipsaw Lake, Hoosier National Forest, Ind.; $200,000 for recreation construction, Monongahela National Forest, W. Va.; $60,000 for recreation construction, Trout Pond recreation area, George Washington National Forest, W. Va.; and a decrease of $250,000 for recreation construction, Bear Creek Campground, Jefferson National Forest, Va.

Amendment No. 49: Appropriates $30,000,000 for youth conservation corps instead of $28,000,000 as proposed by the House and $35,000,000 as proposed by the Senate.

Amendment No. 50: Provides that $15,000,000 shall be available to the Secretary of the Interior for the youth conservation corps program instead of $14,000,000 as proposed by the House and $17,500,000 as proposed by the Senate.

Amendment No. 51: Provides that $15,000,000 shall be available to the Secretary of Agriculture for the youth conservation corps program instead of $14,000,000 as proposed by the House and $17,500,000 as proposed by the Senate.

Amendment No. 52: Appropriates $208,104,000 for forest roads and trails (liquidation of contract authority) instead of $216,-

104,000 as proposed by the House and $200,104,000 as proposed by the Senate. The managers are in agreement that included in the amount provided are additions of $253,000 for Gallatin National Forest, Mont.; $195,000 for Hoosier National Forest, Ind.; and $45,000 for Bishop Knob Campground, Monongahela National Forest, W. Va.

Amendment No. 53: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

Provided further, That the unused contract authorization contained in the Federal-Aid Highway Act of 1973, Public Law 93–87, August 13, 1973, in the amount of $39,827,943 is hereby rescinded effective October 1, 1976.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Energy Research and Development Administration

Amendment No. 54: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $521,775,000 for operating expenses, fossil fuels instead of $544,275,000 as proposed by the House and $541,611,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The net decrease under the amount proposed by the House consists of the following increases and decreases: An increase of $6,000,000 for oil and gas extraction, including Devonian shale; and decreases of $6,500,000 for industry conservation research; $9,000,000 for building conservation research; $5,500,000 for transportation conservation research; $2,500,000 for energy extension service; and $5,000,000 for price support program for municipal solid waste.

The managers are in agreement that the amount included under improved conversion efficiency will provide an additional $9,000,000 over the budget for fuel cells.

Amendment No. 55: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $62,220,000 for plant and capital equipment, fossil fuels instead of $68,570,000 as proposed by the House and $63,920,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The net decrease under the amount proposed by the House consists of the following increase and decreases: An increase of $5,000,000 for MHD component development and integration facility; and decreases of $2,850,000 for capital equipment related to conservation and $8,500,000 for construction of a combustion research center.

Federal Energy Administration

Amendment No. 56: Appropriates $150,385,000 for salaries and expenses instead of $148,458,000 as proposed by the House and $185,220,000 as proposed by the Senate. The net increase over the amount proposed by the House consists of the following increases and decreases: Increases of $300,000 for office of the administrator; $400,000 for general counsel; $249,000 for management and administration; $200,000 for communications and public affairs; $125,000 for intergovernmental and special programs; $1,279,000 for policy and analysis; $300,000 for conservation and environment; $1,000,000 for energy resource development; $100,000 for international affairs; and decreases of $460,000 for travel and $1,566,000 for regulatory programs.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which strikes House language making the appropriation for salaries and expenses contingent upon enactment of authorizing legislation and inserts Senate language which provides that in the event of the expiration of such Administration, the funds provided herein shall be available for obligation by any other entity or entities established to carry-out substantially the same functions as such Administration.

Funds Appropriated to the President

Amendment No. 58: Deletes language proposed by the Senate relating to petroleum production at Naval Petroleum Reserve No. 1.

Health Service Administration

Amendment No. 59: Appropriates $337,422,000 for Indian health services instead of $314,562,000 as proposed by the House and $349,413,000 as proposed by the Senate. The increase over the amount proposed by the House consists of the following increases: $18,500,000 for implementation of the Indian Self-Determination Act; $2,350,000 for contract care; $1,350,000 for emergency medical services, Alaska; $300,000 for the Pawhuska health clinic, Oklahoma; and $360,000 for Sault Ste. Marie tribal medical services.

The managers are in agreement that within the amount provided for contract care, funding be provided for a community health program at the Rough Rock Demonstration School, Arizona.

Amendment No. 60. Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $88,163,000 for Indian health facilities instead of $70,663,000 as proposed by the House and $76,499,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The increase over the amount proposed by the House consists of the following increases: $8,000,000 for the Bethel, Alaska, hospital; $6,800,000 for the Whiteriver, Arizona hospital; $2,650,000 for Poplar Community Health Center, Mont.; and $50,000 for master planning, Sisseton-Wahpeton Hospital, South Dakota.

Office of Education

Amendment No. 61: Appropriates $25,000,000 for Indian education, Part A, as proposed by the House instead of $35,000,000 as proposed by the Senate.

Amendment No. 62: Appropriates $14,080,000 for Part B instead of $11,080,000 as proposed by the House and $18,000,000 as proposed by the Senate.

The managers agree that the increase over the House includes an additional $1,000,000 for graduate fellowships and concur in the House reduction of $920,000 proposed in the budget for a boarding school curricula and educational services model.

Amendment No. 63: Appropriates $4,000,000 for Part C as proposed by the Senate instead of $3,000,000 as proposed by the House.

Amendment No. 64: Appropriates $44,933,000 for Indian education instead of $40,933,000 as proposed by the House and $58,983,000 as proposed by the Senate. The managers concur in the decrease of $130,000 for the National Advisory Council on Indian Education as proposed by the House.

Smithsonian Institution

Amendment No. 65: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $82,106,000 for salaries and expenses instead of $82,635,000 as proposed by the House and $82,616,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The net decrease under the amount proposed by the House consists of the following increase and decreases: Decreases of $100,000 for the research awards program; $25,000 for the Office of Equal Opportunity; $250,000 for Office of Protection Service; $210,000 for Office of Plant Services; and an increase of $56,000 for Office of Personnel Administration.

Amendment No. 66: Appropriates $3,481,000 for museum programs and related research (special foreign currency program) as proposed by the Senate instead of $2,500,000 as proposed by the House.

Amendment No. 67: Appropriates $2,950,000 for restoration and renovation of buildings instead of $2,700,000 as proposed by the House and $3,050,000 as proposed by the Senate. The increase over the amount proposed by the House includes $250,000 for general building and facility repairs and improvements.

National Gallery of Art

Amendment No. 68: Appropriates $12,309,000 for salaries and expenses as proposed by the House instead of $11,546,000 as proposed by the Senate.

National Foundation on the Arts and the Humanities

Amendment No. 69: Appropriates $14,500,000 for matching grants as proposed by the Senate instead of $14,000,000 as proposed by the House.

The managers agree with the directive of the Senate Committee to the National Endowment for the Humanities relating to research publication costs, except that the required report shall be provided within 120 days.

Joint Federal-State Land Use Planning Commission for Alaska

Amendment No. 70: Appropriates $737,000 for salaries and expenses as proposed by the Senate instead of $540,000 as proposed by the House.

Pennsylvania Avenue Development Corporation

Amendment No. 71: Inserts heading as proposed by the Senate.

Amendment No. 72: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $1,000,000 for salaries and expenses instead of $1,318,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 73: Deletes language providing $25,000,000 in borrowing authority for the Pennsylvania Avenue Development Corporation proposed by the Senate.

Amendment No. 74: Deletes language providing $10,450,000 for public development activities of the Pennsylvania Avenue Development Corporation proposed by the Senate.

TITLE III—GENERAL PROVISIONS

Amendment No. 75: Deletes language proposed by the Senate pertaining to timber sales located on national forest system lands in Alaska.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1977 recommended by the Committee of Conference, with comparisons to the fiscal year 1976 amount, the 1977 budget estimates, and the House and Senate bills for 1977 follows:

New budget (obligational) authority, fiscal year 1976	$4,849,318,000
Budget estimates of new (obligational) authority, fiscal year 1977	[1] [2] 5,748,054,000
House bill, fiscal year 1977	[2] 5,660,897,000
Senate bill, fiscal year 1977	[2] [3] 5,797,965,057
Conference agreement	[2] [3] 5,641,379,057

Conference agreement compared with:

New budget (obligational) authority, fiscal year 1976	+792,061,057
Budget estimates of new (obligational) authority, fiscal year 1977	−106,674,943
House bill, fiscal year 1977	−19,517,943
Senate bill, fiscal year 1977	−156,586,000

[1] Includes $107,244,000 of budget estimates not considered by the House.

[2] Excludes $20,000,000 to become available immediately upon enactment of the appropriations bill.

[3] Includes rescission of unobligated balances of contract authority of $179,849,943 in the Senate bill and $172,722,943 in conference agreement.

Sidney R. Yates,
Gunn McKay,
Clarence D. Long,
Frank E. Evans,
John P. Murtha,
Robert Duncan,
Joseph M. McDade,
Ralph S. Regula,
George Mahon,
Elford A. Cederberg,
Managers on the Part of the House.

Robert C. Byrd,
John L. McClellan,
Gale W. McGee,
Joseph M. Montoya,
Lawton Chiles,
Mike Mansfield,
Ted Stevens,
Milton R. Young,
Mark O. Hatfield,
Henry Bellmon,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Railsback (at the request of Mr. Rhodes), for today and tomorrow, July 2, on account of medical reasons.

Mr. Chappell (at the request of Mr. O'Neill), after 3:30 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Regula) to revise and extend their remarks and include extraneous material:)

Mrs. Heckler of Massachusetts, for 5 minutes, today.

Mr. Grassley, for 5 minutes, today.

Mr. Buchanan, for 30 minutes, today.

Mr. Ashbrook, for 10 minutes, today.

Mr. Esch, for 10 minutes, today.

Mr. Anderson of Illinois, for 30 minutes, today.

Mr. Derwinski, for 5 minutes, today.

Mr. Kemp, for 10 minutes, July 2, 1976.

Mr. Sebelius, for 15 minutes, today.

Mr. Goldwater, for 15 minutes, today.

(The following Members (at the request of Mr. Levitas) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Fraser, for 5 minutes, today.

Mr. Cotter, for 5 minutes, today.

Mr. Metcalfe, for 5 minutes, today.

Ms. Abzug, for 30 minutes, today.

Mr. Matsunaga, for 15 minutes, today.

Mr. Koch, for 10 minutes, today.

Mrs. Collins of Illinois, for 5 minutes, today.

Mr. Brown of California, for 5 minutes, today.

Mr. Flowers, for 5 minutes, today.

Mr. Davis, for 15 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mrs. Mink, for 10 minutes, today.

Mr. Hungate, for 5 minutes, today.

Mr. Neal, for 15 minutes, today.

Mr. Danielson, for 20 minutes, on July 2, 1976.

Mr. Staggers, for 15 minutes, on July 2, 1976.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Steiger of Wisconsin, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,072.50.

Mr. Pepper, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $4,576.

Ms. Holtzman to revise and extend her remarks on House Resolution 1393.

Ms. Abzug to insert remarks prior to vote on conference report on child day care social services.

(The following Members (at the request of Mr. Regula) and to include extraneous material:)

Mr. Don H. Clausen.
Mr. O'Brien in two instances
Mr. Young of Alaska in two instances.
Mr. Kemp in four instances.
Mr. Grassley.
Mr. Buchanan.
Mr. Walsh.
Mr. Gilman.
Mr. du Pont in two instances.
Mr. Cohen.
Mr. Bob Wilson in two instances.
Mr. Derwinski.
Mr. Mitchell of New York.
Mr. Collins of Texas in two instances.
Mr. McClory.
Mr. Symms in two instances.
Mr. Ashbrook in three instances.
Mr. Esch.
Mr. Coughlin.
Mr. McCollister.
Mr. Shriver.
Mrs. Fenwick.
Mr. Kasten.
Mr. Spence.
Mr. Hyde.
Mr. Goodling.
Mr. Robinson.
Mr. Brown of Michigan.

(The following Members (at the request of Mr. Levitas), and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mrs. Lloyd of Tennessee in five instances.

Mr. Sisk.
Mrs. Meyner.
Mr. Wolff.
Mr. Dellums.
Mr. Rodino in three instances.
Mr. Edwards of California.
Mr. Cotter.
Mr. McDonald.
Mr. Teague.
Mr. Harkin.
Mr. Oberstar in five instances.
Mr. de Lugo in 10 instances.
Mr. Waxman.
Mr. Mezvinsky.
Mr. Ashley in two instances.
Mr. Nolan.
Mr. Harris in two instances.
Mr. Matsunaga.
Mr. Stephens.
Mr. Holland in three instances.
Mr. Boland.
Mr. Biaggi in 10 instances.
Mr. Russo in three instances.
Mrs. Schroeder.
Mr. Stokes in five instances.
Mr. Drinan.
Mr. Ottinger.
Mr. Hubbard in two instances.
Mr. Vander Veen in two instances.
Mr. Rose.
Mr. Young of Georgia.
Mr. Carney.
Mr. White.
Ms. Abzug in three instances.
Mr. Dan Daniel.
Mr. Levitas.
Mr. Henderson.
Mr. Baucus.
Mr. Maguire.
Mr. Ambro.
Mr. Baldus.
Mr. Dodd.
Mr. Neal.
Mr. Rogers in five instances.
Mr. Roybal.
Mr. Stark in five instances.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2150. An act to amend the Solid Waste Disposal Act to authorize State program and implementation grants, to provide incentives for the recovery of resources from solid wastes, to control the disposal of hazardous wastes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S.J. Res. 127. Joint resolution to restore posthumously full rights of citizenship to Eugene Victor Debs; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 10451. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes;

H.R. 12438. An act to authorize appropriations during the fiscal year 1977 for procurement or aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of Frank Thompson of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

H.R. 13899. An act to delay the effective date of certain proposed amendments to the Federal Rules of Criminal Procedure and certain other rules promulgated by the U.S. Supreme Court;

H.R. 14114. An act to increase the temporary debt limit, and for other purposes;

H.R. 14239. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes; and

H.R. 14261. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1977, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 586. An act to improve coastal zone management in the United States, and for other purposes; and

S. 811. An act to revise and extend the Horse Protection Act of 1970.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 30, 1976, present to the President, for his approval, bills of the House of the following titles.

H.R. 7792. An act to designate the Alpine Lakes Wilderness, Mount Baker-Snoqualmie and Wenatchee National Forests, in the State of Washington;

H.R. 9291. An act to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations;

H.R. 9771. An act to amend the Airport and Airway Development Act of 1970;

H.R. 10051. An act to amend Section 815 of the Internal Revenue Code to allow a life insurance company to disregard (for purposes of that section) a distribution during the last month of its taxable year, determined to have been made out of the policyholder's surplus account, if such distribution is returned to the company not later than the due date for filing its income tax return (including extensions thereof) for that year, and for other purposes;

H.R. 13965. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes;

H.R. 14114. An act to increase the temporary debt limit, and for other purposes;

H.R. 14236. An act making appropriations for public works for water and power development and energy research, including the Corps of Engineers-Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions for the fiscal year ending September 30, 1977, and for other purposes; and

H.R. 14237. An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1977, and for other purposes.

ADJOURNMENT

Mr. LEVITAS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, July 2, 1976, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3583. A letter from the Administrator, Federal Energy Administration, transmitting the fourth report on the economic impact of energy actions, pursuant to section 18(d) of Public Law 93-275; to the Committee on Interstate and Foreign Commerce.

3584. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of January and February 1976, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

3585. A letter from the Chairman, Federal Power Commission, transmitting copies of publications entitled "Statistics of Interstate Natural Gas Pipeline Companies, 1974," "Steam-Electric Plant Air and Water Quality Control Data, 1973," and "Federal Power Commission Reports: Opinions, Decisions, and Orders," volume 40, covering July 1, 1968–December 31, 1968; to the Committee on Interstate and Foreign Commerce.

3586. A letter from the vice president for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of May 1976, on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

3587. A letter from the Under Secretary of Health, Education, and Welfare, transmitting the first annual report on the child support enforcement program, pursuant to section 452(a)(10) of the Social Security Act, as amended; to the Committee on Ways and Means.

3588. A letter from the Chairman, U.S. International Trade Commission, transmitting the sixth quarterly report on trade between the United States and nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on allocation of budget totals by program (Rept. No. 94–1329). Referred to the Committee of the Whole House on the State of the Union.

Mr. YATES: Committee of conference. Conference report on H.R. 14231 (Rept. No. 94–1330). Ordered to be printed.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 14360. A bill to amend the John F. Kennedy Center Act to authorize funds for repair, reconstruction, and for other purposes (Rept. No. 94–1331). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 14545. A bill to designate the Federal office building located in Manchester, N.H., as the Norris Cotton Building (Rept. No. 94–1332). Referred to the House Calendar.

Mr. PERKINS: Committee of Conference. Conference report on S. 2145 (Rept. No. 94–1333). Ordered to be printed.

Mr. ULLMAN: Committee on Ways and Means. H.R. 2474. A bill to amend the Internal Revenue Code of 1954 to provide refunds in the case of certain uses of tread rubber, and for other purposes; with amendment (Rept. No. 94–1334). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 14639. A bill to provide direct aid to the States and territories for educational purposes only for the benefit of the taxpayers and local governments; to the Committee on Ways and Means.

By Mr. BALDUS:

H.R. 14640. A bill to amend the Small Business Act to create by definition a category of small business concerns called family enterprises, to provide that a minimum percentage of business loans under such act are made to family enterprises, to simplify certain reporting requirements on such enterprises, and for other purposes; jointly to the Committees on Small Business and Ways and Means.

By Mr. BERGLAND:

H.R. 14641. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. BINGHAM (by request) (for himself and Mr. Biester):

H.R. 14642. A bill to amend the International Claims Settlement Act of 1949 to provide for the determination of the validity and amounts of claims of nationals of the United States against the German Democratic Republic; to the Committee on International Relations.

By Mr. BURGENER (for himself, Mr. Steelman, Mr. Cochran, Mr. Derwinski, Mr. Duncan of Tennessee, Mr. Hillis, Mr. Hutchinson, Mr. Ketchum, Mr. McCollister, Mr. Martin, Mr. Moore, Mr. Moorhead of California, Mr. Quie, Mr. Robinson, Mr. Sebelius, Mr. Spence, Mr. Symms, Mr. Thone, and Mr. Young of Florida):

H.R. 14643. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; to the Committee on Rules.

By Mr. DELANEY (for himself, Mr. Dan Daniel, Mr. Beard of Rhode Island, Mr. Dodd, and Mr. Moorhead of California):

H.R. 14644. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by a taxpayer for tuition to provide an education for himself or for his dependents; to the Committee on Ways and Means.

By Mr. FASCELL (by request):

H.R. 14645. A bill to provide for acquisition of lands in connection with the international Tijuana River flood control project, and for other purposes; jointly to the Committees on International Relations, and Public Works and Transportation.

By Mr. FUQUA (for himself, Mr. Sikes, Mr. Bennett, Mr. Haley, Mr. Fascell, Mr. Rogers, Mr. Pepper, Mr. Gibbons, Mr. Burke of Florida, Mr. Chappell, Mr. Frey, Mr. Young of Florida, Mr. Lehman, Mr. Bafalis, and Mr. Kelly):

H.R. 14646. A bill to name the Veterans' Administration hospital located at Archer Road, Gainesville, Fla., the "D. R. (Billy) Matthews Veterans' Administration Hospital"; to the Committee on Veterans' Affairs.

By Mr. GRASSLEY:

H.R. 14647. A bill to encourage the establishment of wind erosion control and wildlife habitat areas which meet standards prescribed by the Secretary of Agriculture; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 14648. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

By Mr. MOAKLEY:

H.R. 14649. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. MOSHER (for himself, Mr. Corman, Mr. Edwards of California, Mr. Emery, Mr. Fuqua, Mr. Hechler of West Virginia, Mr. Roe, Mr. Scheuer, Mr. Stark, Mr. Van Deerlin, and Mr. Charles H. Wilson of California):

H.R. 14650. A bill to establish a national program of earthquake hazards reduction; to the Committee on Science and Technology.

By Mr. OTTINGER (for himself, Mr. Mann, Mr. Rosenthal, and Mr. Breaux):

H.R. 14651. A bill to amend the Budget and Accounting Act, 1921, to require that all departmental budget requests made to the Office of Management and Budget with respect to any fiscal year be submitted to the Congress along with the President's budget for such year, and that officials of the Office of Management and Budget, when requested to do so by the appropriate committees of the Congress, testify before such committees on the President's budget and on such departmental budget requests; to the Committee on Government Operations.

By Mr. OTTINGER:

H.R. 14652. A bill to amend the Disaster Relief Act of 1974 and the National Flood Insurance Act of 1968, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Banking, Currency and Housing.

By Mr. PEPPER:

H.R. 14653. A bill to establish an office within the Congress with a toll-free telephone number, to be known as the Congressional Advisory Legislative Line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Mr. RAILSBACK:

H.R. 14654. A bill to amend title 23 of the District of Columbia Code with respect to the release or other disposition prior to trial of persons charged with criminal offenses; to the Committee on the District of Columbia.

By Mr. ROYBAL (for himself and Mr. Mineta):

H.R. 14655. A bill to extend for 3 additional years the provision which exempts from taxation amounts received under certain medical scholarships; to the Committee on Ways and Means.

By Mr. SANTINI (for himself, Mr. Anderson of California, Mr. Badillo, Mr. Bingham, Mr. Carney, Mrs. Chisholm, Mr. Corman, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Harrington, Mr. Hughes, Mr. Miller of California, Mr. Moffett, Mr. Patterson of California, Mr. Simon, Mr. Stark, Mr. Charles Wilson of Texas, and Mr. Wirth):

H.R. 14656. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the label on certain food products to disclose the total sugar content thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. THONE (for himself, Mr. Abdnor, Mr. Bedell, Mr. Duncan of Tennessee, Mr. Forsythe, Mr. Frenzel, Mr. Fuqua, Mr. Gilman, Mr. Latta, Mr. Wampler, Mr. Won Pat, and Mr. Young of Florida):

H.R. 14657. A bill to amend section 618 of title 38, United States Code, in order to authorize the Administrator to expand the current program providing therapeutic and rehabilitation activities for certain veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WYLIE:

H.R. 14658. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct certain expenses paid by him in connection with his education or the education of his spouse or any of his dependents at an institution of higher education; to the Committee on Ways and Means.

H.R. 14659. A bill to amend title 5, United States Code, to provide that Members of the House of Representaives may not employ any individual who is a relative of any Member of the Congress; jointly to the Committees on House Administration, and Post Office and Civil Service.

By Mr. BLOUIN (for himself, Mr. Badillo, Mr. Bedell, Mr. Breckinridge, Mr. Brown of Ohio, Ms. Chisholm, Mr. Edgar, Mr. Frenzel, Mr. Haley, Ms. Heckler of Massachusetts, Mr. Howe, Mr. Koch, Mr. Krebs, Mr. Moakley, Mr. Ottinger, Mr. Patten, Mr. Quie, Ms. Spellman, Mr. Stark, and Mr. Charles Wilson of Texas):

H.R. 14660. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

By Mr. COHEN (for himself and Mr. Mazzoli):

H.R. 14661. A bill to enact the National School-Age Mother and Child Health Act of 1975; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOWERS:

H.R. 14662. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer, his spouse, or his dependent, who is disabled, and for other purposes; to the Committee on Ways and Means.

By Mr. FORSYTHE (for himself, and Mr. Florio):

H.R. 14663. A bill to amend section 5520 of title 5, United States Code, relating to the withholding of city taxes from the pay of Federal employees; to the Committee on Post Office and Civil Service.

By Mr. GOLDWATER:

H.R. 14664. A bill to amend the Internal Revenue Code of 1954 to allow a deduction with respect to the exhaustion of geothermal steam and geothermal resources; to the Committee on Ways and Means.

By Mr. GOLDWATER (for himself and Mr. Lagomarsino):

H.R. 14665. A bill to provide for the establishment of the Santa Monica Urban Park in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Ms. HOLTZMAN:

H.R. 14666. A bill to amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims; to the Committee on the Judiciary.

By Mr. JONES of Tennessee (for himself, and Mr. Bowen, Mr. Mathis and Mrs. Lloyd of Tennessee):

H.R. 14667. A bill to amend sections 3 and 5 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the 12th undesignated paragraph under the heading "Surveying the Public Lands" in the act of June 4, 1897 (30 Stat. 35, as amended); to the Committee on Agriculture.

By Mr. LEGGETT (for himself, Mr. Brown of California, Mr. John L. Burton, Mr. Dellums, Mr. Edwards of California, Mr. Hawkins, Mr.

Moss, Mrs. Pettis, Mr. Roybal, and Mr. Stark):

H.R. 14668. A bill to authorize and direct the Secretary of the Department of Health, Education, and Welfare to convey certain lands to D-Q University on fee simple absolute; to the Committee on Interior and Insular Affairs.

By Mr. LUNDINE (for himself, Mr. Maguire, Mr Harrington, Mr. Ottinger, Mr. Nowak, Mr. Baucus Mr. Bedell, Mr. Bingham, Mr. Breckinridge, Mrs. Chisholm, Mr. Downey of New York, Mr. Eilberg, Mr. Fraser, and Mr. Gilman):

H.R. 14669. A bill to provide for a program, to be carried out through the Secretary of Labor, of demonstration projects and an advisory committee to promote economic stability by increasing employment opportunities and improving productivity; to the Committee on Education and Labor.

By Mr. LUNDINE (for himself, Mr. Hannaford, Mr Hayes of Indiana, Miss Holtzman, Mr. Hughes, Mr. Lehman, Mr. McHugh, Mr. McKinney, Mr. Miller of California, Mr. Pattison of New York, Mr. Rees, Mr. Reuss, Mr. Scheuer, and Mr. Symington):

H.R. 14670. A bill to provide for a program, to be carried out through the Secretary of Labor, of demonstration projects and an advisory committee to promote economic stability by increasing employment opportunities and improving productivity; to the Committee on Education and Labor.

By Mr. MIKVA:

H.R. 14671. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly, to the Committees on Government Operation, and Rules

By Mr. OBERSTAR (for himself and Mr. Baldus):

H.R. 14672. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. RHODES (for himself, Mr. Conlan, Mr. Steiger of Arizona, and Mr. Udall):

H.R. 14673. A bill to designate the U.S. Department of Agriculture's bee research laboratory in Tuscon, Ariz., as the Carl Hayden Bee Research Center; to the Committee on Agriculture.

By Mr. RHODES (for himself, Mr. Butler, Mr. Robinson, Mr. Mitchell of New York, and Mr. McCollister):

H.R. 14674. A bill to establish a procedure and timetable for the systematic examination of Federal regulatory activities and comprehensive reform in order to eliminate excessive regulatory restraints on the economy, reduce paperwork, streamline regulatory bureaucracy, and for other purposes; jointly, to the Committees on Government Operation, and Rules.

By Mr. RHODES (for himself, Mr. Schneebeli, Mr. Walsh, Mr. Wydler, Mr. Treen, Mr. Lott, Mr. Whitehurst, Mr. Myers of Indiana, Mr. McCollister, Mr. Gradison, and Mr. Buchanan):

H.R. 14675. A bill to establish procedures and standards for the framing of relief in suits to desegregate the Nation's elementary and secondary public schools, to provide for assistance to voluntary desegregation efforts, to establish a National Community and Education Committee to provide assistance to encourage and facilitate constructive and comprehensive community involvement and planning in the desegregation of schools, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. ROGERS:

H.R. 14676. A bill to incorporate the American Blood Commission; to the Committee on the Judiciary.

By Mr. RUPPE (for himself, and Mr. Oberstar):

H.R. 14677. A bill to amend the River and Harbor Act of 1970 relating to the demonstration program for winter navigation of the Great Lakes-Saint Lawrence Seaway System; to the Committee on Public Works and Transportation.

By Mr. RUSSO (for himself, Mr. Traxler, Mr. Hughes, and Mrs. Collins of Illinois):

H.R 14678. A bill to authorize the Comptroller General to audit the programs, activities, and financial operations of the Federal National Mortgage Association, and to amend certain housing laws for the purpose of improving Federal programs which insure home mortgages; to the Committee on Banking, Currency and Housing.

By Mr. RUSSO:

H.R. 14679. A bill to repeal the recently enacted provisions authorizing increases in the salaries of Senators and Representatives; to the Committee on Post Office and Civil Service.

By Mr. SARASIN:

H.R. 14680. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to provide for third party actions for constribution or indemnification or other similar relief; to the Committee on Education and Labor.

By Mr. SOLARZ (for himself, Mr. Nix, and Mr. Whalen):

H.R. 14681. A bill to provide for termination of investment insurance and guaranties issued by the Overseas Private Investment Corporation in any case in which the investor makes a significant payment to an official of a foreign government for the purpose of influencing the actions of such government; to the Committee on International Relations.

By Mr. STEIGER of Wisconsin:

H.R. 14682. A bill to provide the American consumer the assurance that foreign dairy products marketed in the United States meet minimum standards of quality by requiring the inspection of these products at the U.S. ports of entry, at the foreign milk processing plants which provide dairy products for export to the United States, and at the foreign dairy farms which supply milk to foreign milk processing plants for the production of dairy products to be exported to the United States; to the Committee on Agriculture.

By Mr. STEIGER of Wisconsin (for himself, Mr. Archer, Mr. Cotter, Mr. Ford of Tennessee, Mr. Green, Mr. Jacobs, Mr. Pike, Mr, Mikva, Mr. Vander Jagt, and Mr. Waggonner):

H.R. 14683. A bill to amend the Internal Revenue Code to provide for distribution of certain tax-exempt income received by regulated investment companies to shareholders without change in tax-exempt status; to the Committee on Ways and Means.

By Mr. SYMMS (for himself, Mr. Charles Wilson of Texas, Mr. Paul, Mr. Pattison of New York, and Mr. Stokes):

H.R. 14684. A bill to terminate the Internal Revenue Service's informer program; to the Committee on Ways and Means.

By Mr. WAGGONNER (for himself, Mr. Archer, Mr. Baldus, Mr. Dickinson, Mr. Fuqua, Mr. Grassley, Mr. Hagedorn, Mr. Hillis, Mr. Kindness, Mr. Lott, Mr. Traxler, and Mr. Treen):

H.R. 14685. A bill to prohibit the Federal Trade Commission from promulgating trade regulation rules which repeal or limit use of holder-in-due-course defenses in connection with the sale or lease of goods or services to consumers; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 14686. A bill to provide medical and dental care for certain former wives and husbands of members and former members of the armed services; to the Committee on Armed Services.

By Mr. WHITEHURST (for himself, Mr. Cleveland, Mr. Coughlin, Mr. Robert W. Daniel, Jr., Mr. Gilman, Mrs. Heckler of Massachusetts, Mr. Hughes, Mr. Kasten, Mr. Kindness, Mr. Mazzoli, Mr. Roe, and Mr. Charles Wilson of Texas):

H.R. 14687. A bill to amend the Internal Revenue Code of 1954 to provide for individual supplemental retirement savings; to the Committee on Ways and Means.

By Mr. WOLFF (for himself and Ms. Chisholm):

H.R. 14688. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Currency and Housing.

By Mr. BROWN of Michigan:

H.J. Res. 1007. Joint resolution designating the poem "humanity Above All Nations" the Bicentennial Prayer for Peace; to the Committee on Post Office and Civil Service.

By Mr. CARNEY:

H.J. Res. 1008. Joint resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as National Volunteer Firemen Week; to the Committee on Post Office and Civil Service.

By Mr. CONTE:

H.J. Res. 1009. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. DELLUMS:

H.J. Res. 1010. Joint resolution to provide independence for Puerto Rico; to the Committee on Interior and Insular Affairs.

By Mrs. HOLT (for herself, Mr. Dickinson, Mr. Abdnor, Mr. Don H. Clausen, Mr. Del Clawson, Mr. Nichols, Mr. Risenhoover, Mr. Carney, Mr. Bevill, Mr. Winn, Mr. Young of Georgia, Mr. Bowen, Mr. Hammerschmidt, Mr. Hagedorn, Mr. Staggers, Mr. Hall of Illinois, Mr. Beard of Rhode Island, Mr. Hawkins, Mrs. Mink, Mr. Hefner, Mr. Sharp, Mr. Blanchard, Mrs. Spellman, Mr. Gaydos, and Mr. Zeferetti):

H.J. Res. 1011. Joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a National Bicentennial Day of Prayer of Thanksgiving and Guidance; to the Committee on Post Office and Civil Service.

By Mrs. HOLT (for herself, Mr. Minish, Mr. Murtha, Mr. Talcott, Mr. Jones of North Carolina, Mr. Jones of Oklahoma, Mr. Lagomarsino, Mr. Fish, Mr. Duncan of Oregon, Mr. Preyer, Mr. Henderson, Mr. Chappell, Mr. Ginn, Mrs. Lloyd of Tennessee, Mr. McDonald of Georgia, Mr. Jones of Tennessee, Mr. Byron, and Mrs. Pettis):

H.J. Res. 1012. Joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a National Bicentennial Day of Prayer of Thanksgiving and Guidance; to the Committee on Post Office and Civil Service.

By Mr. JACOBS:

H.J. Res. 1013. Joint resolution designating the American Beauty rose as the national flower of the United States; to the Committee on House Administration.

By Mr. LAGOMARSINO:

H.J. Res. 1014. Joint resolution designating the period March 1, 1977, through March 7, 1977, as National Weights and Measures Week; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS (for himself, Mr. Mikva, Mr. Jones of Oklahoma, Mr. Ambro, Mr. Badillo, Mr. Bedell, Mr. Bingham, Mr. Ginn, Mr. Koch, Mr. LaFalce, Mr. Lundine, Mr. Mezvinsky, and Mr. Solarz):

H.J. Res. 1015. Joint resolution to establish a National Commission on Social Security; to the Committee on Ways and Means.

By Mr. MICHEL:

H.J. Res. 1016. Joint resolution proposing an amendment to the Constitution of the United States with respect to rededicating the Nation to the principles expressed in the Declaration of Independence; to the Committee on the Judiciary.

By Mr. MIKVA:

H.J. Res. 1017. Joint resolution designating the week beginning June 19, 1977, as National Food Service Employees Week; to the Committee on Post Office and Civil Service.

By Mr. ROYBAL (for himself, Mr. de la Garza, Mr. Dodd, Mr. Forsythe, Mr. Gibbons, Mr. Hall of Illinois, Mr. LaFalce, Mr. Mitchell of Maryland, Mr. Neal, Mr. Preyer, and Mr. James V. Stanton):

H.J. Res. 1018. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. KOCH (for himself, Mr. Fraser, Ms. Abzug, Mr. Badillo, Mrs. Burke of California, Mr. Phillip Burton, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Dellums, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Gude, Mr. Harkin, Mr. Harrington, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Moss, Mr. Ottinger, Mr. Rangel, Mr. Rosenthal, Mr. Simon, Mr. Solarz, Mr. Waxman, and Mr. Weaver):

H. Con. Res. 673. Concurrent resolution expressing the sense of the Congress that the Attorney General, in accordance with existing law and U.S. humanitarian tradition, parole into the United States those South American aliens having fled to Argentina and those Uruguayans with Uruguay who are in danger of losing their lives; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. Fraser, Mr. Charles Wilson of Texas, Mr. Wirth, and Mr. Pattison of New York):

H. Con. Res. 674. Concurrent resolution expressing the sense of the Congress that the Attorney General, in accordance with existing law and U.S. humanitarian tradition, parole into the United States those South American aliens having fled to Argentina and those Uruguayans within Uruguay who are in danger of losing their lives; to the Committee on the Judiciary.

By Mr. KOCH:

H. Con. Res. 675. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly, to the Committees on Agriculture, and International Relations.

By Mr. MITCHELL of New York:

H. Con. Res. 676. Concurrent resolution to provide for the procurement and display in the Capitol of a facsimile of the Constitution of the United States; to the Committee on House Administration.

By Mr. WALSH (for himself, Mr. Bedell, Mr. Burgener, Mr. Moffett, Mr. Gilman, Mr. Lent, and Mr. Madigan):

H. Con. Res. 677. Concurrent resolution expressing the sense of Congress that the Constitution does not grant immunity from arrest to a Member of Congress, and for other purposes; to the Committee on the Judiciary.

By Mr. CARR (for himself, Mrs. Schroeder, Mr. Dellums, Mr. Moffett, Mr. Blouin, Mr. Miller of California, Mr. Vander Veen, Mr. Seiberling, Mr. Edgar, Mr. Harkin, Mr. Fascell, Mr. Traxler, and Mr. Lujan):

H. Res. 1397. Resolution to amend the Rules of the House of Representatives with respect to procedures to be followed by conference committees, and for other purposes; to the Committee on Rules.

By Mr. CONTE:

H. Res. 1398. Resolution directing the Committee on International Relations to conduct hearings to determine the nature and extent of any U.S. involvement in the hostilities in northern Ireland; to the Committee on Rules.

By Mr. JENRETTE (for himself and Mr. Mathis):

H. Res. 1399. Resolution expressing the sense of the House relative to foreign palm oil development loans; jointly to the Committees on Agriculture, and Banking, Currency and Housing.

By Mr. JENRETTE (for himself and Mr. Mathis):

H. Res 1400. Resolution expressing the sense of the House relative to a study by the Secretary of Agriculture on palm oil imports; jointly to the Committees on Agriculture, and International Relations.

By Mr. KETCHUM (for himself, Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Bedell, Mr. Blouin, Mr. Don H. Clausen, Mr. Cochran, Mr. Downey of New York, Mr. Edgar, Mr. Fraser, Mr. Gilman, Mr. Grassley, Mr. Hannaford, Ms. Holtzman, Mr. Hughes, Mr. Ichord, Mr. Jenrette, Mr. LaFalce, Mr. Maguire, Mr. Mann, Mr. Miller of Ohio, Mr. Schneebeli, Mr. Stark, Mr. Symington, and Mr. Traxler):

H. Res. 1401. Resolution to amend rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution; to the Committee on Rules.

By Mr. RHODES (for himself, Mr. Krebs, Mr. Burke of Florida, Mr. Bell, Mr. Esch, Mr. Hughes, and Mr. Myers of Pennsylvania):

H. Res. 1402. Resolution to establish a select committee to review the accounts of all committees of the House; to the Committee on Rules.

By Mr. WHALEN (for himself, Mr. Andrews of North Dakota, Mr. Breckinridge, Mr. Broyhill, Mr. Burgener, Mrs. Chisholm, Mr. Cleveland, Mr. Cohen, Mr. Downey of New York, Mr. Drinan, Mr. Edgar, Mr. Gude, Mr. Hannaford, Mrs. Heckler of Massachusetts, Mr. Jacobs, Mr. LaFalce, Mr. Mann, Mr. Martin, Mr. Pressler, Mr. Sarasin, Mr. Simon, and Mr. Traxler):

H. Res. 1403. Resolution to provide that any unexpended portion of the stationary allowance of a Member of the House of Representatives shall be returned to the contingent fund of the House at the close of each Congress, and for other purposes; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

415. By the SPEAKER: Memorial of the Legislature of the State of California, relative to Federal assistance for forest fire prevention; to the Committee on Agriculture.

416. Also, memorial of the Legislature of the State of California, relative to Amtrak; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 14689. A bill for the relief of Mrs. Maria Angela Arbageti; to the Committee on the Judiciary.

By Mr. FAUNTROY:

H.R. 14690. A bill to authorize the Secretary of the Interior to convey certain property to the Hadley Memorial Hospital, Washington, D.C.; to the Committee on Interior and Insular Affairs.

By Mr. GOODLING:

H.R. 14691. A bill for the relief of Sigurd Thorsteinsson; to the Committee on the Judiciary.

H.R. 14692. A bill for the relief of Ulrich L. Peters; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 14693. A bill for the relief of Milos Forman; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 14694. A bill for the relief of Kim Meeja; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

508. The SPEAKER presented a petition of Michele Mooney, Los Angeles, Calif., relative to American Indians, which was referred to the Committee on Interior and Insular Affairs.

FACTUAL DESCRIPTION OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of June 30, 1976, page 21752:

HOUSE BILLS

H.R. 14231. June 8, 1976. Appropriates funds for fiscal year 1977 for the Department of the Interior, the Department of Agriculture and the Department of Health, Education, and Welfare.

H.R. 14232. June 8, 1976. Appropriates funds for the Department of Labor, Department of Health, Education, and Welfare, and related agencies for fiscal year 1977. Prohibits the use of funds appropriated by this Act to bus students or teachers for the purpose of overcoming racial imbalance in the schools.

H.R. 14233. June 8, 1976. Appropriates to the Department of Housing and Urban Development and other specified agencies specified sums for fiscal year 1977.

H.R. 14234. June 8, 1976. Appropriates specified amounts for the Department of Transportation and related agencies for fiscal year 1977.

H.R. 14235. June 8, 1976. Makes appropriations for military construction functions administered by the Department of Defense.

H.R. 14236. June 8, 1976. Makes appropriations for fiscal year 1977 to the Energy Research and Development Administration, the Corps of Engineers, the Bureau of Reclamation, various power agencies of the Department of the Interior, and other Federal agencies, for public works for water and power development, energy research, and related activities.

H.R. 14237. June 8, 1976. Makes appropriations to the Department of Agriculture and related agencies for fiscal year 1977.

H.R. 14238. June 8, 1976. Appropriates specified sums for the legislative branch for fiscal year 1977.

H.R. 14239. June 8, 1976. Appropriates specified funds for fiscal year 1977 to the Departments of State, Justice, and Commerce, the Judiciary, and related agencies.

H.R. 14240. June 8, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14241. June 8, 1976. Interstate and Foreign Commerce. Requires, under the Federal Food, Drug, and Cosmetic Act, that the identity of the manufacturer of a prescription drug must appear on the label of the package from which the drug is to be dispensed.

H.R. 14242. June 8, 1976. Small Business. Amends the Small Business Investment Act to change the title of the Associate Administrator for Finance and Investment to the Small Business Administration to that of Associate Administrator for Investment. Changes the duties of such office.

H.R. 14243. June 8, 1976. Judiciary. Requires the United States to pay to any defendant who prevails in a civil action in which the United States is a plaintiff a reasonable attorney's fee and other reasonable litigation costs.

H.R. 14244. June 8, 1976. Judiciary. Amends the Sherman Act by declaring unlawful any agreement between a labor organization and an employer whereby such employer agrees to boycott any product which is distributed in interstate or foreign commerce.

H.R. 14245. June 8, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14246. June 8, 1976. Public Works and Transportation. Terminates the authorization of the navigation study and survey of the Wabash River in Indiana by the Secretary of the Army, acting through the Chief of Engineers.

H.R. 14247. June 8, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14248. June 8, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to revise procedures for suspension of new rate schedules pending final determination by the Federal Power Commission. Stipulates that public utilities may not file proposals for additional rate increases while similar proposals are pending before the Commission.

H.R. 14249. June 8, 1976. Banking, Currency and Housing. Directs the Administrator of the Energy Research and Development Administration to assist communities in developing solar energy community utility programs. Establishes a revolving fund for continued financing of such program.

H.R. 14250. June 8, 1976. Ways and Means. Amends the Internal Revenue Code to provide a single unified rate schedule for estate and gift taxes. Repeals the estate and gift tax exemptions. Substitutes for such exemptions a credit against estate and gift taxes. Provides an additional credit against the estate tax for certain farms and closely held businesses passing to a qualified heir. Increases the estate and gift tax marital deduction. Imposes a tax on the unrealized appreciation of property transferred by a decedent. Allows the executor of an estate which includes real farm property to value the property as a farm, rather than at its fair market value basis on its best use.

H.R. 14251. June 8, 1976. Ways and Means. Authorizes any amount received from appropriated funds as a scholarship by a member of a uniformed service who is receiving training under the Armed Forces Health Professions Scholarship Program from an educational institution to be continued to be treated as a scholarship, excludable from gross income under the Internal Revenue Code for calendar years 1976, 1977, and 1978.

H.R. 14252. June 8, 1976. Ways and Means. Amends the Internal Revenue Code to exempt cooperative housing corporations, condominium management associations, and residential real estate management associations from taxation on certain types of income.

H.R. 14253. June 8, 1976. Interior and Insular Affairs. Authorizes the Secretary of the Interior to enter into an agreement with the Cherokee, Choctaw, and Chichasaw Indian Nations for the purchase or lease by the United States of each nations' right and interests in the riverbed of the Arkansas River.

H.R. 14254. June 8, 1976. Education and Labor. Amends the Farm Labor Contractor Registration Act of 1963 to revise the definition of a "farm labor contractor" and to define "transport" and "immediate family" for purposes of such Act.

H.R. 14255. June 8, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 15256. June 8, 1976. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to revise food and drug labeling laws and require that drugs imported into the United States be accompanied by certificates of registration.

Increases the criminal penalties for violation of such Act.

H.R. 14257. June 8, 1976. Interstate and Foreign Commerce. Amends the Medicaid program of the Social Security Act to require the States to operate programs of control of the utilization of specified medical and health care services.

Sets forth requirements for such utilization control programs.

Provides for the reduction of the Federal payment to a State for Medicaid costs for any quarter in which the requirements of the Medicaid utilization control programs are not met.

H.R. 14258. June 8, 1976. Judiciary. Authorizes the recrediting of accumulated sick leave and the payment of certain moving and relocation expenses of a certain Government employee.

H.R. 14259. June 8, 1976. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 14260. June 8, 1976. Makes appropriations for foreign assistance and related programs for under (1) the Foreign Assistance Act of 1961, (2) the Foreign Military Sales Act, (3) the Peace Corps Act, (4) the Migration and Refugee Assistance Act of 1962, (5) the Foreign Service Act of 1946, (6) the Foreign Relations Authorization Act of 1972, (7) the Foreign Relations Authorization Act, Fiscal Year, 1976, (8) the Asian Development Bank Act, (9) the Foreign Assistance and Related Appropriations Act, 1975, and (10) the International Development Association Act.

Sets forth limitations on such appropriations.

SENATE—*Thursday, July 1, 1976*

(Legislative day of Friday, June 18, 1976)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by Hon. Patrick J. Leahy, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord, our Heavenly Father, almighty and everlasting God, who hast safely brought us to the beginning of this day: Defend us in the same with Thy mighty power; and grant that this day we fall into no sin, neither run into any kind of danger; but that all our doings, being ordered by Thy governance, may be righteous in Thy sight; through Jesus Christ our Lord.

Now unto the King eternal, immortal, invisible, the only wise God, be honor and glory for ever and ever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The second assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., July 1, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Patrick J. Leahy, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. LEAHY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, June 30, 1976, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committees on the Judiciary, Banking, Housing and Urban Affairs, and Labor and Public Welfare be allowed to meet during the session of the Senate today for the purpose of conducting hearings only.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I wish to revise my request. I ask unanimous consent that the Committees on the Judiciary and on Banking, Housing and Urban Affairs be allowed to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. And I ask unanimous consent that the Committee on Labor and Public Welfare be allowed to meet for the purpose of conducting a hearing only during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 972

Mr. MANSFIELD. Mr. President, I am about to make a unanimous-consent request. I ask unanimous consent that when Calendar No. 780, S. 972, a bill to provide scholarships for the dependent children of public safety officers who are the victims of homicide while in the performance of their duties is considered, that there be a 2-hour time limitation on the bill equally divided between Senators Pell and Javits; 2 hours on any amendment, and 1 hour on motions, appeals, and so forth; and that it be in the usual form as to division and control of time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That during the consideration of S. 972 (Order No. 780), a bill to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes, debate on any amendment shall be limited to 2 hours, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Rhode Island (Mr. Pell) and the Senator from New York (Mr. Javits): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour for the conduct of routine morning business of not to exceed 30 minutes, with a time limitation of 3 minutes attached thereto.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MILITARY PROCUREMENT CONFERENCE REPORT (H.R. 12438)

Mr. STENNIS. Mr. President, following a most difficult conference, the conference bill—H.R. 12438, House Report 94–1305—on the fiscal year 1977 defense authorization request was filed last Friday night.

All aspects of the differences will be fully covered when the conference report is called up in the Senate. Due to the enormous importance of Navy ships, however, I shall address this matter as a matter of record at this time.

Preliminarily, Mr. President, I would observe that overall this is a very fair and strong conference report, not achieving all of what both sides desired, of course, but ending up with a very balanced result on the resolution of the differences. I strongly support, and hope that the Senate does likewise, the conference report.

TREATMENT OF NEW SHIPS AND CONVERSIONS IN THE BILL

Mr. President, the conferees recommend a total of almost $6.7 billion for the Navy shipbuilding account. This is the largest sum recommended for shipbuilding that I recall during my years in the Senate. The $6.7 billion recommended is $2.7 billion, or 69 percent, greater than was funded last year. The House bill recommended $1.4 billion more than the Senate, with the final result being a reduction of $723.3 million below the House bill and $678.1 million above the Senate version. I ask unanimous consent to insert in the Record at the end of my remarks, Mr. President, a detailed breakout of the exact recommendation of the conference on ships.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STENNIS. Let me emphasize, Mr. President, that this report contains a strong shipbuilding program, both in terms of numbers and quality. Seventeen new ships would be authorized. In addition, there are the long lead funds for a new nuclear carrier of the *Nimitz* class. There are also funds which may be used for the modernization of the *Long Beach* nuclear cruiser which will be outfitted with the new Aegis air defense system.

Mr. President, probably the biggest difference in the House and Senate bills was the inclusion by the House of long lead funds for both the carrier and the nuclear strike cruiser, neither of which were in the Senate bill. As the report indicates, the conferees are strongly recommending the carrier but have omitted long lead funds for the nuclear strike cruiser.

I wish to emphasize that all of the conferees were concerned about the future of the Navy and its ability to meet the Soviet challenge. Under all the circumstances, this bill represents an adequate program for fiscal year 1977. Mr. President, in my opinion this bill provides about all the Navy can handle in the way of a new shipbuilding program for fiscal year 1977.

COST GROWTH AND ESCALATION

This brings me to one of the most important elements in the conference report on shipbuilding. There is in this account the total sum of $1.6 billion, the full amount requested, to pay the debts on ships contracted for some years ago and to settle shipbuilding claims. This full amount I hope will be an important step toward solving some of the problems now plaguing the Navy shipbuilding program. Unless the Navy and the Department of Defense are able to somehow overcome these current shipbuilding difficulties, I have my doubts as to whether the challenge of any expanded program can be met. If the overall shipbuilding problem is not solved, Congress may next year be faced with the difficult dilemma of approving ships that cannot be built on any reasonable schedule.

BACKGROUND

Mr. President, in 1969, Secretary of Defense Laird indicated that one of the most serious DOD problems was the shipbuilding overruns which then totaled $600 to $700 million. In 6 years shipbuilding problems have grown worse rather than better. The current and longstanding shipbuilding problems now pose a serious threat to future Navy shipbuilding. The national defense necessitates that we get on and build new ships in an efficient and economic manner.

BASIC ISSUES

Mr. President, what was initially described as a simple cost overrun is now recognized as a very complicated problem affecting almost every aspect of shipbuilding. Delay in ship construction and delivery has been apparent for some years. The basic cause has been the failure to anticipate and properly manage all of the various elements in this problem—design changes, escalation and cost, late government furnished equipment, inadequate work force, low productivity, strikes, as well as other factors. These management failures have resulted in a large amount of contract claims against the Navy. Charges and countercharges as to who is at fault have further eroded good business relations, making a resolution of these issues even more difficult.

PRESENT STATE OF AFFAIRS

Now, in fact, Mr. President, what is the present state of affairs? Deputy Secretary of Defense Clements has recently indicated some of the current situations in the private shipbuilding industry:

First. Several years ago two major shipbuilders "adopted a policy of not participating in the Navy's shipbuilding program because of their abhorrence of the contractual arrangements and the business relations that ensue";

Second. In 1975 only two out of eight ship companies bothered to respond to the Navy request for production of the so-called patrol frigates. Competition has been reduced because of current problems between Navy and private contractors;

Third. Another major shipyard has advised Defense that they will not continue work on Navy ships or even attempt to negotiate the price on a ship already under construction unless problems are solved;

Fourth. Work is progressing on another warship in this same yard only because of an interim court order; and

Fifth. Private shipyards engaged in Navy shipbuilding have indicated that they have encountered serious cash flow and profitability problems while attempting to complete Navy work.

The last issue I would emphasize is the matter of the $1.9 billion which private Navy ship contractors have filed against the Navy.

Let me emphasize that I am in no way attempting to assess the validity of all these claims. I do not believe in any bailout or reward for inefficient management. I do say, however, that this general claims issue tends to drag on year in and year out. The problem grows bigger, not smaller. Unless some solution is reached it will be most difficult for the Navy to get ahead and provide these new ships so essentially needed.

I draw no conclusion as to who is at fault. I strongly suspect, Mr. President, all of the parties, the Navy, the contractors, and the Department of Defense, share some blame for the present state of affairs. I realize that hard-working men of good will are attempting to resolve these problems and therefore intend no personal criticism. However, all parties must come together, find an acceptable solution, and build the ships.

Let me make a further observation. There are many legitimate programs in the Department of Defense competing for money. If the shipbuilding problems are not solved in a reasonable period of time, we can only expect that other programs may obtain some of the ship money on the premise that they are more efficiently managed. This should not happen, but its likelihood should not be overlooked.

ABSENCE OF APPROVED PROGRAMS

Last year, the Senate Armed Services Committee report cited the absence of firm planning for Navy ships. The Department of Defense was requested to present, with the fiscal year 1977 request, firm ship programs and approved force levels.

We simply must have firm ship objectives. There is too much money and military strength involved to take a haphazard approach. We cannot afford to waste money, neither can we afford to build the wrong types of ships.

It is unfortunate that the Defense Department and Navy again this year failed to make firm decisions on Navy ship programs. We were told that the National Security Council is studying the matter and that the study would not be finished until October of this year.

Mr. President, I feel that the National Security Council study is an honest and sustained effort. We need Navy ship programs designed to meet our national objectives. We need a Navy that does not duplicate other forces. We cannot have everyone trying to do the same job. Every defense dollar must be used wisely.

I believe the National Security Council study is an excellent approach. I urge that the study be completed as soon as possible. Congress remains responsible for raising military forces, but we must have the counsel of the executive branch in this important matter.

CONCLUSION

Mr. President, I would again emphasize that the fiscal year 1977 shipbuilding program is strong and adequate. It provides a necessary step toward maintaining a strong Navy in the future.

At the same time, we must recognize and resolve the unsatisfactory situation in the current shipbuilding program. Any future expanded shipbuilding program must be based on sound management and cooperation among all parties.

I look forward to presenting the full conference report to the Senate.

FISCAL YEAR 1977 AUTHORIZATION CONFERENCE ACTION

TITLE I—PROCUREMENT—NAVY SHIPBUILDING AND CONVERSION

[In millions of dollars]

	Amended fiscal year 1977 request		House		Senate		Conference	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Trident submarine	1	729.7	2	1,428.7	1	729.7	1	729.7
Trident advance procurement		61.8		91.6		61.8		61.8
SSN-688 attack submarine	3	745.6	4	1,062.0	2	500.0	4	1,062.0
SSN-688 advance procurement		213.1		253.7		213.1		253.7
CVNX nuclear carrier: Advance procurement		350.0		350.0		0	(1 LL)	350.0
CSGN strike cruiser: Advance procurement		170.0		302.0		0		0

	Amended fiscal year 1977 request		House		Senate		Conference	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
DDG-47 Aegis destroyer	1	858.5	0	0	1	858.5		0
DD-963 destroyer	0	0	4	940.0	0	0		0
FFG-7 guided missile frigate	12	1,700.5	4	590.0	8	1,147.1	8	1,147.1
FFG-7 advance procurement		0		0		32.4		32.4
Long Beach modernization		0		371.0		0	(1 LL)	371.0
Belknap repair and conversion		0		213.0		0	(1)	213.0
AD destroyer tender	1	260.4	2	503.0	1	260.4	1	260.4
AS submarine tender	1	260.9	2	509.0	1	260.9	1	260.9
AO fleet oiler	2	205.3	2	204.7	2	205.3	2	205.3
Cost growth		533.7		213.7		533.7		533.7
Escalation on prior programs		1,089.5		256.4		1,089.5		1,089.5
Programs not in dispute		84.5		84.5		84.5		84.5
Total	21	7,263.5	20	7,378.3	16	5,970.9	17	6,655.0

Note: Difference from House, −723.3; difference from Senate, +678.1.

(Routine morning business transacted today is printed later in today's RECORD of Senate proceedings.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there morning business? If there is none, then morning business is closed.

HEALTH MANPOWER ACT OF 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 5546, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 5546) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. Debate on this bill is limited to 2 hours to be equally divided and controlled by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Pennsylvania (Mr. SCHWEIKER) with 30 minutes on any amendment, except an amendment to be offered by the Senator from Maryland (Mr. BEALL) on which there shall be 1 hour, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. BEALL. Mr. President, I ask unanimous consent that Joe Carter from my staff, Jim George from Senator BROCK'S staff, Joyce Vialet from the Library of Congress, Jay Cutler, Dr. Margaret Heagarty from the staff of the Committee on Labor and Public Welfare, and Patricia Bauman and Nik Edes be granted the privileges of the floor during the debate and votes on this legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who seeks recognition?

Mr. HATHAWAY. Mr. President, I ask unanimous consent that Mrs. Francie Brady, a member of my staff, be allowed the privileges of the floor during debate and any vote on this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the agreement be transferred to S. 3239, and that it be made the pending business.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The second assistant legislative clerk read as follows:

A bill (S. 3239) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health professions, to revise the National Health Service Corps program and for other purposes.

The Senate proceeded to consider the bill (S. 3239) which had been reported from the Committee on Labor and Public Welfare with an amendment in the nature of a substitute.

Mr. HATHAWAY. Mr. President, the proposed Health Professions Educational Assistance Act of 1976, addresses a number of the most serious and pressing health care problems confronting our Nation: the geographic maldistribution of health professionals, the maldistribution of physicians by specialty and the excessive reliance upon physicians who are graduates of foreign medical schools. S. 3239 represents a continuation of Federal initiatives, originating with the enactment of the Health Professions Educational Assistance Act of 1963, to insure the availability of quality health care for all citizens.

The original Health Manpower Act, in marking the beginning of Federal involvement in the training of health professionals, implicitly recognized the strong national interest which attaches to the quality of our health care delivery system. The purpose of the original act was to remedy the doctor shortage that followed on the heels of the Flexner report which, in establishing standards of quality for medical education, resulted in the closure of a number of medical schools.

Subsequent legislation continued the concept of using incentives and disincentives to promote the rational development, distribution, and utilization in our health care professions, and was broadened to encompass institutional support, student assistance, construction assistance, and special project assistance.

Today, the problem of physician shortage has been replaced by the problem of geographic and specialty maldistribution. For the substantial portion of our population living in rural and innercity areas, however, the result is the same—the health care needs of residents of those areas remain unmet. And statistics reflecting the health status of residents of such under-served areas, compared with other regions of the country, are predictable and depressing.

The scarcity of health manpower in rural areas is of great concern to me as a Senator from a rural State. Recent statistics indicate that Maine, where there are 908 persons for every physician and 2,771 persons for every dentist, is the most medically under-served State in New England and ranks 17th from the bottom among the 50 States with regard to the supply of physicians and 13th from the bottom with regard to the supply of dentists. A glance at other statistics makes clear that the situation in rural areas, if unremedied, will become increasingly more critical in the years immediately ahead. The average age of physicians now practicing in rural areas is 55 years and a large percentage of those physicians can be expected to retire over the next decade.

Titles IV and VIII of this proposed legislation, in strengthening and expanding the National Health Service Corps which provides physicians and other health professionals to medically underserved areas, simultaneously address the problem of the escalating cost of obtaining a medical education and of meeting the needs of our medically underserved communities. Title IV makes scholarship assistance available to dental and medical students who will agree to practice in medically underserved areas following graduation for a period of 1 year for each year of assistance, while title VIII requires health professions schools to set aside a percentage of their enrollment positions for such students in order to remain eligible for capitation grants. I think it is important to note that health professions schools are unique in that they are the only schools in the United States that receive direct Federal subsidies on a capitation, or per student, basis. I believe that it is only just that taxpayers receive the services of health professionals, whose training they have subsidized, in areas where they are sorely needed.

Mr. President, I believe that these provisions and the other provisions of the bill reported by the Senate Labor and Public Welfare Committee, represent a sound, workable approach toward meeting our most critical health care needs and I urge my colleagues to support the committee's recommendations as embodied in S. 3239.

Mr. President, I reserve the remainder of my time.

Mr. BEALL. Mr. President, S. 3239, the Health Professions Education Assistance Act, which is before the Senate today, is a most important measure. It is legislation which is long overdue. It is a measure that is a "must" for this Congress.

I am pleased to be able to support and urge Senate passage of this bill. Members will recall that in 1974 the Labor and Public Welfare Committee reported to the full Senate a bill which, although identifying and addressing the right problems—geographical maldistribution, specialty maldistribution and our reliance on foreign medical graduates—proposed extreme and unwise remedies.

At that time, we offered a substitute amendment, which effectively addressed the problems, but eliminated the objectionable features. The Senate overwhelmingly adopted our substitute and it was passed by a vote of 81 to 7.

The bill reported by the Labor and Public Welfare Committee, for the most part, embodies the concepts of the 1974 Beall-Taft substitute; and with one major exception—the residency provisions—the objectionable features of the 1974 bill are eliminated or substantially changed. Later on in the debate, I shall propose amendments to the residency and dental provisions, which, if adopted, will both improve the bill and enhance its prospects for ultimate enactment.

Now, Mr. President, I would like to discuss the problems and the bill's provisions in response thereto. As I earlier indicated, there is broad agreement with respect to the health manpower problems confronting our country. They are—

First, geographical maldistribution:

Second, specialty maldistribution; and

Third, excessive reliance on foreign medical graduates (FMG's).

GEOGRAPHICAL MALDISTRIBUTION

The most serious health manpower problem is geographical maldistribution. A 1970 AMA study estimated that there were 132 counties in the country without a single physician. Obviously, there are many communities without a single or an adequate number of physicians. In the committee report, significant differences both among and within States with respect to physician distribution are documented. Although my own State of Maryland has one of the highest physician-population ratios—1: 526—in the Nation, there are great variations within the State. The range runs from one physician per 299 persons in Baltimore City, to one physician for every 325 persons in Montgomery County, to one physician for every 2,215 persons in Calvert County, and to one physician for every 3,312 persons in Caroline County. Even within areas, which have overall a favorable physician-population ratio, serious shortages exist. For example, a 1970 study of the metropolitan area of Baltimore identified 16 census tracks in the innercity, serving approximately 174,000 citizens, most of whom were lower income, which were totally lacking in primary care physicians.

The committee has selected as the primary mechanism for attacking the geographical maldistribution problem, a scholarship-for-service concept. This program provides scholarships to young men and women in medicine and other health professions, in return for a period of service in a shortage area, of 1 year for each year of scholarship, with a minimum service period of 2 years. The scholarships are generous—tuition and other expenses plus a stipend of $400 a month. The bill also contains a provision for an individual to opt for service as a private practitioner, rather than in the corps, which was an important feature of our 1974 bill.

The scholarship-for-service concept was the centerpiece of the Beall-Taft substitute, and I believe such a program, administered properly, can and will work. In addition, it is the fairest to all concerned. Under the committee bill, scholarships equal to 25 percent of the first year students for the initial year, 30 percent the second year, and 35 percent the third year are authorized. Although the Beall-Taft substitute would have required each medical school to have reserved 25 percent of its positions for such students, the committee provides instead a national target. If the national goal is met, there will not be a triggering of the required reservation on an individual school basis. Proponents of the national positions argued that if we make available sufficient scholarships, the students will accept them, and, therefore, a requirement on individual schools was unnecessary. I agree that students will accept the scholarship offered, and can and do support the compromise.

However, I do have two concerns. Under the Beall-Taft approach, the focus of the scholarship would have been primary care, and our concept contemplated medical schools in their admission seeking out qualified students who were predisposed to practice primary care in shortage areas. It is still possible that admission committees will still work on their admission process to secure the best possible students. I hope they will. But the facts are that the scholarships will be awarded only after the student is admitted. My concern is that the attractiveness of the scholarship and not an interest to serve may tempt students hardpressed for funds. It is true that the committee's tough pay-back provisions, which I support, will discourage students from reneging on their commitment.

Second, it may be that, just as the Nation's most prestigious medical schools lead the way to implement the Flexner report, to achieve the reorientation required, may require a similar commitment today. Certainly, in my judgment, all medical schools placing an emphasis on primary care for a quarter of their student body, does not have to result in homogenized medical schools. It simply does not follow. They can still have their research emphasis and mission. In fact, research and primary care emphasis need not conflict, but should rather complement one another.

SPECIALTY MALDISTRIBUTION

The second major problem the bill addresses is the specialty maldistribution, or too many specialists and too few primary care physicians.

To a remarkable extent, there is broad agreement in the health community that a reorientation toward primary care is required. There is a consensus that at least 50 percent of practicing physicians should be in primary care.

Many experts tell us that about 85 percent of the health care problems of our citizens could be provided by primary care physicians. The shortage of primary care providers can be seen by—

The number of patients seeking care in emergency rooms of hospitals;

The number of rural areas without physicians—primary care providers are distributed geographically much better than specialists; and

The long lines, even in suburban areas, in securing service of family physician.

The absence of primary care providers has possible adverse consequences for the health system and the delivery of services. Their absence can mean—

Primary care is provided by specialists who usually charge more and tend to utilize more tests and expensive equipment;

Increased hospitalization; and

The neglect of preventive care and less continuity of service.

There is little question that this imbalance between specialist and primary care providers must be reversed.

The 1974 Beall-Taft substitute contained a number of provisions aimed at the specialty maldistribution problem. They included requirements that medical schools provide increasing percentages of primary care residencies in their affiliated programs; a major community-based health education program; support for residencies in family medicine and primary care; and requirement that medical schools make primary care comparable to their other clinical specialties. Thus, with a combination of incentives and requirements, that proposal would have produced the required reorientation toward primary care.

The committee's proposal this year—

Includes the requirement that medical schools have an increasing percentage—42, 47, and 57 percent of affiliated residencies in primary care over a 3-year period;

Provides grants to support family practice residency training programs;

Establishes a new program in special projects to support primary care training in general internal medicine and general pediatrics; and

Continues support for the area health education center programs.

In addition, the committee includes provisions calling for Federal regulation of the number, type and location of postgraduate training positions or residencies. This provision is the only objectionable provision in the 1974 bill, which is retained in its unadulterated form. I felt the regulatory provisions were unnecessary and premature then; and, in view of the developments since then, the case is even weaker today. In addition, the requirement in the bill for more primary care positions in affiliated residencies of medical schools will do the job. As the committee report acknowledges:

> Since 92 per cent of filled residencies positions in the U.S. are affiliated with medical schools, the program would appear likely to be successful in ensuring that a larger percentage of new physicians enter the primary care specialties.

FOREIGN MEDICAL GRADUATES

The third health manpower problem is the Nation's reliance on foreign medical graduates—FMG's.

The number of FMG's entering the United States is large. Although Rosemary Stevens has indicated that our earlier estimates were off as much as 23 percent, nevertheless according to Stevens, 8,123 FMG's entered the United States in 1973 as immigrants and students. In 1973, 21 percent of licensed physicians in the United States were FMG's, and in the same year, 44.5 percent of all new medical licenses were issued to FMG's.

A number of important policy issues are raised with respect to the large influx of FMG's. They are:

First, quality;

Second, fairness to American students;

Third, fairness to foreign nations; and

Fourth, whether FMG's have discouraged or delayed this Nation from fulfilling its own health manpower needs and the development of new manpower roles.

It is generally felt, although research is inconclusive, that FMG's overall are inferior to U.S. graduates. As the American Association of Medical Schools has stated:

> FMG's undermine the process of quality medical education in this country and ultimately pose a threat to the quality of care delivered to the people. . . . The FMG scores lower and has higher failure rate on objective type examinations. It is generally acknowledged, although not proven, that the medical care rendered by some FMG's is a poorer quality.

Also, many FMG's have difficulty with the English language and this is particularly troublesome because medicine requires adequate communication between the patient and the physician and among the health team participating in life and death struggles when time does not allow for translations or misunderstandings.

The growing number of FMG's is particularly bothersome in view of the large number of qualified young Americans who desperately desire to enter medical school but are unable to do so. Medicine is too important and financially rewarding to deny so many Americans the opportunity to become medical doctors or other health positions while we allow so many FMG's to enter our country.

The effect of the physician drain on the exporting countries also concerns me. As evidence of this problem, it is interesting to note that, first, there are more Thai-trained physicians in New York than are providing care to Thailand's 28 million rural population; second, South Korea, which has only one physician per 13,000 citizens recently has been losing 10 percent of its physicians annually to the United States; and third, approximately one-sixth of the medical graduates of Iran come to the United States annually.

Rather than deal with the FMG's problem through national licensing and residency regulation as the committee proposed in 1974, the Beall-Taft substitute utilized the mechanism which was the best and most appropriate mechanism for solving the considerable problems posed by FMG's. In essence, it is an immigration problem, best solved by an amendment to the immigration laws. Naturally, I am pleased that the committee in its report, now concedes:

> That the basis for the foreign medical graduate problem results from U.S. immigration problems.

In this regard, the reported bill—

First. Requires that aliens seeking admission as immigrants on the basis of their occupational status who are graduates of a medical school coming to the United States primarily to perform services as members of the medical profession demonstrate a level of professional competence comparable to that of graduates of U.S. medical schools. Accordingly, the immigration law is amended by the addition of a new provision requiring that all such applicants for entry under categories subject to the labor certification provision would, as a condition of their admission, be required to pass parts I and II of the National Board of Medical Examiners examination, or an equivalent examination as determined by the Secretary of HEW. They would also be required to be competent in oral and written English. Passage of the NBME exams and competency in oral and written English will also be required of aliens seeking to enter as or adjust to "J" exchange student status for the purpose of receiving medical education or training. In the case of the nonimmigrant aliens only, provision is made for a waiver of these and other new requirements under specified conditions until December 31, 1980.

Second. Makes a congressional finding that there is no longer an overall shortage of physicians and surgeons in the United States justifying their blanket inclusion on schedule A (29 C.F.R. 60), the shortage schedule established by the Secretary of Labor pursuant to his authority under section 212(a)(14), the labor certification provision of the Immigration and Nationality Act. Accordingly, it is the sense of the Congress that the Secretary of Labor remove physicians and surgeons from schedule A and that each such applicant for entry to whom the labor certification provision applies be considered on a case-by-case basis.

Third. Returns the student exchange program to original purpose to assure they receive training required by their country and that they will remain in the United States for only a 2-year period.

Also, the committee includes in its special project grants encouragement to physician assistants in hospitals to perform some of the service provided by FMG's. This was also an important part of the Beall-Taft substitute.

Mr. President, I ask unanimous consent that a section-by-section analysis of the FMG provisions as reported and as modified by committee amendments, along with a chart provided by the Immigration and Naturalization Service of the U.S. Department of Justice, be inserted at the end of my remarks. I might add, Mr. President, that this analysis was prepared by Joyce Vialet of the Education and Public Welfare Division of the Congressional Research Service, whose creativeness and expertise contributed to the shaping of this title.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

OTHER IMPORTANT PROVISIONS

Mr. BEALL. The bill extends the existing scholarships for qualified students of exceptional need. Health profession schools are expensive and the proportion of lower income students remains low. This provision is designed to assure greater opportunity and representation in our health profession schools of minority and lower income students.

LOANS FOR MIDDLE INCOME

Tuition of health profession schools, particularly medicine, has been rising fantastically. In this area, students at Georgetown and George Washington face tuition as high as $12,000. In addition, the demanding nature of the education often precludes part-time employment. The bill establishes a program of federally insured loans for students of the health professions. Under this provision, students in the health profession schools could borrow up to $10,000 annually with a maximum of $50,000. Principal payments would be deferred while in school, but the student would be required to pay interest.

The financial difficulties of both students and medical schools are illustrated by the problems of Georgetown and George Washington. With tuition rising as it is, these schools feel that as many as 50 percent of their student body would be unable to continue, because of their inability to secure financial loans and assistance.

I was pleased to work with and support Senator EAGLETON, who authored the creative and unique plan addressing the Georgetown and George Washington problem. Under this proposal, medical schools could elect to forgo capitation payments to which they were entitled and instead use such sums to subsidize the interest of student loans. In addition, the problem includes a forgiveness feature of up to $10,000 annually for students who would serve in shortage areas. The interest subsidy would be either one-half of annual interest owed by the student or the amount of the capitation payment, whichever is less. It is anticipated that with this provision schools may be able to convince lending institutions to allocate funds for the purposes of this program.

HEALTH ADMINISTRATION

The critical need for health care administration to staff existing and emergency health institutions and organizations has been of concern to me for some time. As Dr. Kerr White, professor of medical care and hospitals, of the Johns Hopkins University, has stated:

> Vastly improved managerial expertise is a prerequisite for any meaningful improve-

> ment in our health care system at the operating and geographical levels.

Public Law 93-353, Health Services Research, Health Statistics and Medical Library Act, included specific provisions of the National Institutes of Health care delivery bill, which I introduced, including the establishment of a Health Care Management Center. HEW has not yet selected such a center; they should do so quickly in view of the importance of health managers to the overall health systems. The bill would provide support for graduate programs in health administration. This is an important provision and I agree with the observation of Dr. Fine, deputy commissioner of the Boston Department of Health and Hospitals that—

> Practitioners of health care administration, among whom I am one, have been flying by the seat of their pants too long.

Such "winging it" may have been all right in earlier, less sophisticated times, but it does not suffice in today's $120 billion health industry.

PUBLIC HEALTH

The bill provides capitation grants to schools of public health. The administration sought to terminate support for schools of public health. Our committee carefully considered their recommendation and concluded such a proposal was unwise, unworkable, and not in the national interest. Support for schools of public health is simply not available elsewhere, and this is particularly true for private universities, such as Johns Hopkins in my State, which was the first school of public health in the Nation. Also, graduates of public health for the most part do not receive the high salaries received by some health profes-schools; only 20 such schools are in the to handle tuition covering total costs.

Schools of public health are national resources. Every State does not have such schools; only 20 such schools are in the Nation. The mission of schools of public health, although always important, looms even larger today. The need by society for a flow of trained personnel in environmental areas, health planning and administration, health education and preventive health will continue and public health schools will play a major role in filling those needs. Therefore, I strongly support the committee's public health school and student training provisions. The legislation also authorizes special project grants for schools of public health, health administration, and graduate schools of social work for new or expanded programs in biostatistics or epidemiology; health administration, planning and policy analysis; environmental or occupational health; and dietetics and nutrition.

CAPITATION GRANTS FOR HEALTH PROFESSION SCHOOLS

The committee bill continues capitation grants to the health profession schools—medicine, dentistry, osteopathy, veterinary, optometry, podiatry, and pharmacy. While the committee considered the administration's proposal to both terminate or phase out capitation grants, we concluded that the health profession schools required continued assistance and so provided.

OCCUPATIONAL HEALTH

A new program to establish a number of occupational health and training centers is authorized. Under this program grants will be available for joint undertaking, primarily by schools of medicine and public health. In addition, traineeships and medical residencies are authorized. Occupational health and safety are areas of obvious need and growing interest. The national health requires workers who are healthy. Increasingly, we are learning of occupational hazards. Closer attention and more trained personnel may result in prevention and earlier identification of the problems. If we are successful in decreasing workers' exposure to new compounds and environmental contamination causing occupational diseases, then these funds will be worth the investment.

HEALTH MANPOWER INITIATION AWARDS

Under this section, the Secretary is authorized to make grants of special projects to, among other things—

First, identify and increase admissions of students more likely to serve in shortage areas; and

Second, encourage interest and assist disadvantaged individuals to pursue careers in the health professions.

As I stated earlier in my remarks, schools need to work on the admissions so as to identify students predisposed to practice primary care in shortage areas. If such students' undergraduate experience and role models reinforce that initial decision, and they then take residencies in primary care away from major medical centers, I believe that students will not only go to shortage areas, as they will commit themselves to do under the scholarship program, but equally important, stay there. Certainly, recruiting qualified students from shortage areas makes sense, and I call to the attention of my colleagues and the health schools and community what an HEW-sponsored study had to say about the physician shortage scholarship program, which I authored:

> Of the existing programs, this one embodies more of the characteristics specified in our conceptualization of a model program. The risk inherent in this program is that unless it is supported by special recruiting, screening and admission procedures, it may attract the wrong people, that is, people who are not predisposed to enter a shortage area but who for want of funds agree to serve only to renege later.

I am hopeful that medical schools will work as hard in identifying students to solve this national problem as they have in identifying, say, students with a bent toward research.

ALLIED HEALTH

The committee continues the allied health program. Health professionals can delegate many tasks to allied health personnel. This program has not only been important in helping the Nation improve health productivity, but also in providing new opportunities for many young men and women in the health field. The Allied Health Act has resulted in support for and an increase in allied health personnel.

START-UP AND CONSTRUCTION ASSISTANCE

The reported bill continues the existing program of support for new health profession schools. However, the program is redirected to encourage new schools which will emphasize efforts to alleviate geographical and specialty maldistribution problems.

The bill also redirects the existing program of construction grants for teaching facilities to grants for ambulatory care facilities. Under this program, 50 percent of the cost or $1 million would be provided to support—if fully funded—120 ambulatory primary care teaching facilities. Special consideration is given to facilities which train family physicians.

These two provisions, then, are two of the many incentives designed to bring about the reorientation toward primary care.

AREA HEALTH EDUCATION CENTERS—AHEC

This existing program is continued, but amended to encourage AHEC's in urban areas as well as rural areas. I strongly support training away from the major medical centers and acute hospital care. AHEC's are joint endeavors by medical schools and health centers in an area. A number of requirements are included; namely, that—

First, not less than 10 percent of undergraduates' clinical training of the medical school may be conducted at such centers;

Second, a program of nurse practitioners or physician assistance be included;

Third, other health disciplines will be involved, including dentistry.

EMERGENCY MEDICAL SERVICES

The legislation provides for grants for training in emergency medical services—EMS—including ambulance service. The EMS legislation is one health program that is working. I was pleased to not only cosponsor the original legislation, but this year's extension, S. 2548, which passed the Senate on June 10. The legislation is saving lives, reducing disability and forcing the health system to talk to each other and work as a team. The training of personnel for this task is critical to maintaining the considerable momentum and progress. Maryland is a pioneer in this field and I know this training authority will be most useful.

SPECIAL PROJECTS

Finally, the bill provides grants for a number of important special projects for—

First, the training of physician assistants and dental auxiliaries;

Second, health profession schools in financial distress;

Third, human behavior and psychiatry;

Fourth, special pathology, audiology, bioanalysis, and medical technology;

Fifth, humanism in health care;

Sixth, biomedical education programs combining undergraduate and medical training to educate primary care physicians;

Seventh, education of U.S. citizens returning from foreign medical schools;

Eighth, environmental health education grants;

Ninth, training physicians and other health professions on special problems of women;

Tenth, regional health profession schools;

Eleventh, the study of the implication of advances in biomedical research;

Twelfth, dietetic residencies;

Thirteenth, regional systems of continuing education;

Fourteenth, grants to schools of social work in health care; and

Fifteenth, grants for developing residencies in primary care for general internists and general pediatrics.

This last item is most important, for these primary care residencies, like family medicine, suffer from the bias of present public and private insurance systems in favor of hospitalization and against ambulatory care. Therefore, if we want postgraduate training positions in the primary care areas, we must support the residencies.

PROFESSIONAL STANDARDS REVIEW ORGANIZATION STAFF

Mr. President, I am pleased that the Senate accepted the amendment, coauthored by Senator KENNEDY and me, dealing with the problem in the administration of the Professional Standards Review Organizations program. As the number of planning and conditional PSRO's increase and as their activities in the areas of hospital review, medical care evaluation studies and long-term care review increase among PSRO's, the demand for capable, well-trained staff to carry out these activities increases geometrically. In order to assure that effective efforts to recruit and train the people needed to perform their duties well are carried out, a specific, targeted effort should be made. That is what my PSRO amendment would do. It also adds a new section to the bill to provide assistance for the selection and training of PSRO staff. It authorizes $2.5 million for each of the fiscal years beginning with fiscal year 1978 for special selection and training efforts for PSRO staff.

In carrying out the program, the Secretary would give some priority to top staff and to those charged with the special responsibilities for structuring, analyzing and interpreting PSRO data, since the needs in these areas are especially acute.

In summary, Mr. President, S. 3239 is a product of a year's controversy and work. It is a compromise bill, although, as I stated, it follows the Beall-Taft substitute which the Senate overwhelmingly passed in 1974.

Adequate health manpower, properly distributed, is essential and a precondition in achieving national goals in the health area. This particular measure is long overdue, and I am hopeful that after early passage today, a quick and early resolution of the differences between the Senate and House versions will result.

Mr. President, I yield back the remainder of my time.

EXHIBIT A

SECTION-BY-SECTION ANALYSIS OF TITLE VI, FOREIGN MEDICAL GRADUATES, OF S. 3239, HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1976, AS REPORTED AND AS MODIFIED BY COMPROMISE COMMITTEE AMENDMENT

Title VI, Foreign Medical Graduates, of S. 3239 amends the Immigration and Nationality Act of 1952, as amended (8 U.S.C. 1101 *et seq.*). With the exception of the section 601 and 602 series of references to S. 3239, all section references in the following section-by-section analysis are to the Immigration and Nationality Act.

Sec. 601(a). Adds new paragraph 212(a) (15) to section 212, pertaining to inadmissible aliens, excluding from admission certain aliens who are graduates of a medical school and are coming to the U.S. primarily to perform services as members of the medical profession, unless they have passed parts I and II of the National Board of Medical Examiners Examination, or an equivalent examination as determined by the Secretary of Health, Education, and Welfare; and are competent in oral and written English. Provides that this applies to third preference (members of the professions), sixth preference (skilled and unskilled workers), and nonpreference immigrant aliens from the Eastern Hemisphere, as described in section 203 (a); and to Western Hemisphere special immigrants defined in section 101(a) (27) (A) (other than the parents, spouses, or children of United States citizens or of aliens lawfully admitted for permanent residence). [Aliens described in the new section 212(a) (15) are also subject to the labor certification requirement, contained in section 212(a) (14).]

Sec. 601(b) (1). Amends section 101(a) (15) (H), pertaining to nonimmigrant temporary workers, to (A) limit entry under the "H-1" category (exceptional merit and ability) to graduates of medical school coming pursuant to an invitation to teach and/or conduct research from a public or nonprofit private educational or research institution or agency; (B) to prohibit graduates of medical school coming to practice from entering under the "H-2" category (other temporary services or labor); and (C) to prohibit aliens coming to receive graduate education or training from entering under the "H-3" category (trainee). Amends section 101(a) (15) (J), pertaining to nonimmigrant exchange visitors, to provide that "J" nonimmigrants coming to the U.S. to participate in a program of graduate medical education or training must also meet the requirements set forth in section 212(e) (2).

Sec. 601(b) (2). Amends present section 212(e) to consist of two parts. Section 212 (e) (1) recodifies existing law pertaining to the conditions under which "J" nonimmigrant exchange visitors may apply for an immigrant visa, permanent residence, or for "H" (temporary worker) or "L" (intracompany transferee) nonimmigrant visa. Includes those who entered with "J" visas or who acquired such status after admission in order to receive graduate medical education or training among those "J" exchange students who must fulfill a two year foreign residency requirement in their country of nationality or last permanent residence before applying for the specified visas or for adjustment of status to that of permanent resident alien. Retains two provisos in existing law allowing for a waiver of the two year foreign residency requirement under specified conditions, with an amendment to the second proviso (permitting a waiver with the permission of the alien's country of nationality or last permanent residence) making it inapplicable to "J" exchange students receiving graduate medical education or training.

A new section 212(e) (2) sets forth the additional requirements referred to in the amended section 101(a) (15) (J), which must be met by aliens seeking entry as "J" nonimmigrants under programs to provide them with graduate medical education or training, as follows:

(A) Requires a written agreement by an accredited school of medicine and participating affiliated hospitals, to provide the graduate medical education or training for which the alien is coming to the U.S., or to assume responsibility for the provision thereof by an appropriate public or nonprofit private institution or agency;

(B) Requires that prior to making such agreement, the accredited school must be satisfied that the alien has passed parts I and II of the National Board of Medical Examiners (or equivalent exam as determined by the Secretary of HEW); that he has competency in oral and written English; that he will be able to adapt to the educational and cultural environment in which he will be receiving his education or training; and that he has adequate prior education and training to participate satisfactorily in the program for which he is coming to the U.S.;

(C) Requires a commitment by the alien to return to his country of nationality or last permanent residence upon completion of his graduate education or training there. Requires a written assurance, satisfactory to the Secretary of HEW, by the country to which the alien will be returning that he will be appointed to a position in the government of that country or in an educational or other appropriate institution or agency that will fully utilize the skills acquired;

(D) Limits the duration of the alien's participation in the program for which he is coming to the U.S. to not more than two years, with the possibility of a one year extension for the purpose of continuing his education or training under the same program. Requires that the extension must be requested by the government of the alien's country of nationality or last permanent residence, that said country must agree to fully utilize his skills upon his return, and that the accredited school providing for his education or training must agree to such an extension;

(E) Provides that, notwithstanding provisions (A) through (D) above, from the date of enactment until December 31, 1980, aliens may participate in accredited programs of graduate training in medical facilities, where such programs would otherwise be substantially disrupted; the number of such aliens is not to exceed the number participating in such accredited programs on the date of enactment.

Sec. 601(c). Adds a new subsection (41) to section 101(a) (Definitions), defining "graduates of medical school" to mean "aliens who have graduated from a medical school or who have qualified to practice medicine in a foreign state."

Sec. 601(d). Provides that the amendments made by this section shall take effect July 1, 1976.

Sec. 602. Makes a Congressional finding that there is no longer an insufficient number of physicians and surgeons in the United States, and expresses the sense of the Congress that the Secretary of Labor should remove them from Schedule A (29 C.F.R. 60), established pursuant to the authority vested in him by section 212(a) (14) of the Immigration and Nationality Act.

TABLE 4.—PHYSICIANS, SURGEONS, PROFESSIONAL NURSES, AND HEALTH TRAINEES ADMITTED, BY CLASSES UNDER THE IMMIGRATIONS LAWS, YEAR ENDED JUNE 30, 1975

[Data exclude border crossers, crewmen, and aliens admitted on documentary waivers]

Class of admission	Physicians and surgeons	Professional nurses	Health trainees[1]	Total
Immigrants	5, 361	6, 131	31	11, 523
Immigrants subject to numerical limitations of the Eastern Hemisphere	4, 500	4, 914	10	9, 424
Relative preferences	635	708	6	1, 349
1st preference, unmarried sons and daughters of U.S. citizens and their children	10	16	1	27
2d preference, spouses, unmarried sons and daughters of resident aliens, and their children	466	526	5	997
4th preference, married sons and daughters of U.S. citizens, their spouses and children	10	7	--------	17
5th preference, brothers and sisters of U.S. citizens, their spouses and children	149	159	--------	308
Occupational preferences	2, 145	2, 669	2	4, 816
3d preference, immigrants in professions	1, 606	2, 431	--------	4, 037
6th preference, other workers	296	125	2	423
Their spouses and children	243	113	--------	356
7th preference	66	42	--------	108
Nonpreference	1, 654	1, 494	1	3, 149
Aliens adjusted under sec. 244, I. & N. Act				
Foreign government officials adjusted under sec. 13 of the act of Sept. 11, 1957	--------	1	1	92
Immigrants subject to numerical limitations of the Western Hemisphere	437	537	6	980
Natives of the Western Hemisphere, their spouses and children	384	519	4	907
Immigrants, act of Nov. 2, 1966	53	18	2	73
Immigrants exempt from numerical limitations	424	680	15	1, 119
Immediate relatives	413	647	13	1, 073
Wives of U.S. citizens	372	620	13	1, 005
Husbands of U.S. citizens				
Children of U.S. citizens	--------	2	--------	2
Orphans adopted abroad or to be adopted				
Other children	--------	2	--------	2
Parents of U.S. citizens	41	25	--------	66
Special immigrants	1	8	--------	9
Ministers of religion, their spouses and children	--------	6	--------	6
Employees of U.S. Government abroad, their spouses and children				
Children born abroad to resident aliens or subsequent to issuance of visa				
Aliens adjusted under sec. 244, I. & N. Act				
Aliens adjusted under sec. 249, I. & N. Act	1	2	--------	3
Immigrants, act of Sept. 11, 1957				
Hungarian parolees, act of July 25, 1958				
Refugee-escapees, act of July 14, 1960				
Immigrants, act of Sept. 26, 1961				
Immigrants, act of Oct. 24, 1962				
Spouses of U.S. citizens and their children, act of Apr. 7, 1970	7	25	2	34
Other immigrants not subject to numerical limitations	3	--------	--------	3

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[1] Includes student nurses.

Mr. KENNEDY. Mr. President, the Health Professions Educational Assistance Act expired June 30, 1974. Although the Congress worked arduously during 1974 and 1975 to restructure and extend the act, agreement could not be reached on several essential but controversial issues. Assuring the American people of an adequate supply of manpower to meet their health care needs is an important task. In this sense, it is unfortunate that we were unable to act more quickly on this legislation.

The health manpower problems this legislation addresses, however, are complex and not readily tractable. Conventional solutions have not worked and traditional beliefs are being challenged. The need to understand and deal directly with new and difficult issues has made delays unavoidable and probably necessary.

The focus of health manpower policy has changed markedly over the last 10 years. We have moved from an emphasis on quantity and aggregate counts of health professionals to the concepts of access, availability and the assurance of quality. We now recognize that placing ever higher premiums on technology and tertiary care will not provide most people with the basic health services they require on a continuing basis. We have also learned that increased spending for medical care has a marginal effect on health outcomes and that decisions to allocate our health dollars must be carefully examined to insure a maximum investment return.

The Senate Health Subcommittee has agonized over these and related issues for many months. It is our belief that new initiatives are required to solve the Nation's health manpower problems. The committee-reported bill provides for significant policy and program improvements in the major health manpower problems identified: Geographic and specialty maldistribution of physicians, excessive reliance on foreign medical graduates, licensure, and occupational health. I am confident that all of the subcommittee members agree that these are the critical issues in health manpower policy It is my belief that the committee bill effectively addresses these issues and that its provisions are appropriately strong to result in substantive improvements in the quantity and quality of the Nation's health manpower supply.

In addition to basic policy and program changes, the bill extends the existing provisions of the Public Health Service Act through fiscal year 1977 to provide support for the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health and allied health. The new higher authorization provisions in the bill are effective in fiscal year 1978, 1979, and 1980.

Mr. President, the committee regards the geographic maldistribution of physicians and dentists as the Nation's most serious health manpower problem.

Millions of Americans still do not have access to basic medical services because there are no physicians in their area. In 1970 there were 132 counties in the Nation with no doctors. More than one-half of the counties in 25 States had fewer physicians on a per capita basis in 1970 than in 1960. While these figures are dramatic, it is important to realize that the problem is not just one of numbers. It is the uneven distribution of doctors that restricts the availability of medical services. Physicians are heavily clustered in suburban and middle- and upper-income neighborhoods of urban communities. They are in short supply or even absent in rural and innercity areas. This trend has steadily worsened and future projections are not sanguine.

Distribution problems are at least as severe in dentistry as medicine. Presently, the 10 top-ranking States have dentists-to-population ratios ranging from one dentist per 1,308 to 1,754 persons while the 10 most poorly supplied States have ratios which range from one dentist per 2,709 to 3,793 persons. Presently, 9 percent of U.S. counties have no dentists and approximately 80 percent have ratios worse than the national average. Concurrently, dentists continue to migrate to suburban areas from rural communities and the innercity.

The committee believes that the National Health Service Corps represents the most promising new approach for improving the distribution of health manpower. The National Health Service Corps provides for the placement of physicians, dentists, nurses, and other health personnel in underserved areas of the country, and the committee bill includes several provisions to enlarge and strengthen this program. First, the definition of a health manpower shortage area to which corps personnel may be assigned has been broadened. This will allow placement of health personnel in innercity urban as well as rural areas and includes institutions such as prisons and mental institutions.

Thus, the Corps program will be extended to new population groups who do not have access to medical services and to institutions that otherwise are unable to obtain health professionals. Second, the demonstrated interest of a community and the willingness of medical and other health societies to accept and support a Corps service site will be taken into consideration as well as quantified need criteria. This is necessary to assure the operational success of the program. Third, the committee bill provides a new program of interest-free loans, up to $75,000, to assist approved NHSC sites that are financially unable to offer the facilities, equipment, or management systems necessary to support the Corps personnel. Finally, provision is made for payment by individuals served by Corps personnel. Citizens in many underserved areas have the ability to pay for medical services. It is felt that these persons should contribute to their care and the collected revenues used to reimburse the Federal Government for Corps-related expenses. Corps personnel will continue to provide services to any person, however, who is unable to pay.

In addition to these major program changes, the committee bill includes a number of other provisions to enhance the development and effectiveness of the National Health Service Corps. The Secretary will notify the Governor of the State, the health systems agency in the area, and appropriate local nonprofit private or public entities within 60 days of the date of designation of a shortage area. This will alert groups interested in sponsoring a site to the possibility for such assignment. Provision is made for public or nonprofit private entities who represent underserved groups or who operate a medical facility in the designated area to obtain Corps personnel. The Secretary will give special consideration to entities which demonstrate that physician assistants, nurse practitioners, or expanded-function dental auxiliaries will be used to assist Corps personnel. Finally, every effort will be made to match the location preference of the Corps personnel and their area of assignment. We believe this will result in a higher percentage of health professionals remaining in shortage areas upon completion of their assignment.

Mr. President, our evaluation of the National Health Service Corps indicates that its only significant weakness has been its limited size. Despite the demonstrated need for health professionals in scarcity areas, funding constraints have enabled the Corps to place 85 dentists to date. The committee bill, therefore, includes provisions to enlarge the National Health Service Corps. We believe that the best mechanism to increase the size of the Corps is through the National Health Service Corps scholarship program. The administration, the health professional schools and their students endorse this concept.

The National Health Service Corps scholarship program provides scholarships to medical and other health professions students in return for a commitment to serve in shortage areas after completion of their training. I want to emphasize that this is not a doctor draft. The program is modeled on the ROTC scholarship used by the armed services to recruit medical and other needed manpower. Medical and dental students volunteer for the NHSC program to receive a yearly scholarship while in school. Following graduation, these students agree to serve 1 year in a medically underserved area for each year they receive this support. This provision is equitable and preserves the principle of voluntaryism.

The scholarships shall go to individuals who are full-time students in accredited educational institutions in the United States. The scholarships will include an annual stipend of $4,800, tuition and all other expenses, including fees, books and laboratory charges. The stipend will increase annually by a percentage equal to that of salaries of Federal employees. Students are required to participate in the NHSC scholarship program for a minimum of 2 years. Priority in awarding scholarships will be given to students who have previously received a NHSC scholarship or a scholarship based on exceptional financial need. A second priority will be given to entering students at health professions schools.

The committee bill provides that the Corps may release from service any individual who desires to provide service as a private practitioner in a health shortage area. This innovative provision will dramatically reduce the "out-year" costs of the program to the taxpayer. Other contractual commitments, however, will remain in effect. If a participant subsequently withdraws or is dismissed from school or dies, the obligations incurred under the scholarship program are canceled. Provision is also made to insure that participating students fulfill their contractual obligations. Any student breaching his contract will be required to pay damages equal to three times the total scholarship funds received plus the maximum legal prevailing interest on the total amount over the intervening time.

We believe that enlargement of the National Health Service Corps and the attendant policy and program changes can significantly reduce the problem of geographic maldistribution of physicians and dentists. We are confident that this will improve the access and availability of basic medical and dental services for the American people.

Mr. President, the second major problem identified by the committee is the specialty maldistribution of physicians and dentists.

Too few physicians in the United States are in the primary care specialties while too many practice surgical and other nonprimary care specialties. Primary care physicians provide first contact, continuous medical care—the type most people need most of the time. Experts have told us that 85 percent of all health problems can be appropriately managed by well-trained primary care physicians. We have learned that 75 percent of the physicians in the United Kingdom are in the primary care specialties and that 65 percent of physicians in recognized health maintenance organizations in our own country, such as the Kaiser Foundation health plan, are primary care practitioners. The administration and the American Medical Association both agree that at least 50 percent of practicing physicians should be in the primary care specialties.

Nationally, however, only 35 percent of active physicians practice primary care. This compares to 64 percent in primary care in 1949, and the trend has been steadily growing worse. In 1949, 50 percent of all physicians considered themselves to be general practitioners, but that percentage dropped to 16.4 percent by 1974. Conversely, the number of specialists has quadrupled in the last 25 years. Since 1965, surgical specialist have increased 20 percent while there has been a drop of 10 percent in primary care practitioners. Furthermore, only 39 percent of physicians-in-training in 1973 were enrolled in primary care specialties and only 31 percent of these trainees can actually be expected to practice primary medicine. The result is that many people in both rural and urban areas simply cannot and will not be able to gain access to general practice physician services. There is a clear need to reverse this trend and increase the number of physicians in family practice, general medicine, and general pediatrics.

Since physicians enter the specialties for which they are trained, the graduate training programs for physicians represent the focal point for change. The number and type of positions for graduate medical education are determined by the more than 4,000 separate training programs across the country. The only criterion for accrediting these programs is quality. The national need for the numbers and types of specialists is not considered.

Graduate training programs are controlled by the sponsoring hospitals and medical school faculty. The incentives for these groups to maintain or increase trainees in surgical and subspecialty positions are powerful. Hospitals obtain a cheap source of service and medical coverage for their emergency rooms, operating suites, intensive care units, and general weekend and night staffing. Medical school faculty gain staff support for their clinical and laboratory research interests. Moreover, an increasing share of the burgeoning cost of graduate medical education is paid by the insurance carrier of the patient who enters a hospital. Since most third-party coverage is designed to pay for inpatient hospitalization, it is difficult for hospitals to recover the costs associated with training primary care physicians in outpatient departments. For these reasons, I believe the trend for inpatient-based specialty training will not naturally reverse.

Mr. President, the committee has considered the specialty maldistribution problem at great length. We have concluded that simply increasing the numbers of physicians-in-training is a necessary but insufficient remedy. The real needs and expectations of the American people for equal access to basic medical services cannot be met unless graduate medical training programs are shifted to emphasize primary care.

The committee bill, therefore, establishes national goals for new physicians entering primary care training programs. These goals provide that 35 percent of filled residency positions be in the primary care specialities of family practice, general internal medicine, and general pediatrics in 1977; 40 percent in 1978; and 50 percent in 1979. Unlike the administration's proposal, each medical school is not required to meet the goal individually. This voluntary approach was chosen to mitigate the conflict between medical schools and the institutions sponsoring their affiliated training programs. We also recognize that some medical schools with strong basic science traditions will want to continue to educate a higher proportion of subspecialists for resarch and academic faculty positions as well as clinical practice. If the national goal is not met voluntarily, however, each medical school must allocate primary care residencies among its total affiliated positions to meet the national goals as a condition for receiving Federal capitation grants.

The committee bill further provides for the establishment of a National Council on Postgraduate Physician Training and 10 regional councils. These groups, which include a majority of physicians, will assist in planning to meet these national goals. Following 2 years of intensive study, the national Council will annually determine the total number of graduate physician training positions and allocate these positions among the various specialties and subspecialties. The total number of such positions will not exceed the number of graduates of medical schools by more than 140 percent in 1979; or by 125 percent of the graduates in 1980; or by 110 percent in succeeding years. The National Council will then distribute the positions to 10 regions.

The regional councils will directly assign the positions allocated to them to the approved graduate medical education training programs in their region. The responsibility for approving residency positions for the purpose of assignment of graduate physicians rests with the regional councils. The regional councils will ascertain that the educational component of each program meets acceptable standards and has been evaluated by the liaison committee on graduate medical education. Special consideration will be given to community-based institutions in the assignment of positions as well as to the determined health manpower needs of the region. Any institution that establishes or maintains an unapproved position will not be eligible for Public Health Service Act and Community Mental Health Center Act grants as well as be subject to civil penalties.

Specialty maldistribution is a less visible but growing problem in dentistry. In the last decade, the number of dental students receiving specialty training has increased by 20 percent and more than 50 percent of graduating classes are applying for such positions. The committee is becoming increasingly concerned for the fragmentation of dental services resulting from further specialization.

The provisions in the bill relating to dental specialization seek only to limit the training of specialists in areas other than general dentistry and pedodontics. The limitation applies only to new positions above those existing in the 1975–76 academic year. Dental schools may meet this requirement in one of two ways: Either by not starting new or enlarging existing specialty training programs, or by insuring that a minimum number of general dentists or pedodontists are produced if a new or enlarged training program is established in another specialty field.

Beyond the problems of distribution, the bill addresses two other dental manpower issues. First, unlike medicine, there is a projected aggregate shortage of dentists. This will result from anticipated major increases in expressed demand for dental services. Experts have demonstrated that increases in per capita income, more extensive dental insurance coverage and a higher level of education in the general public will generate demand for 36,000 additional dentists by 1985. Second, dental productivity can and should be improved. Many dental schools are unable to make further enrollment increases and producing more dentists will not improve productivity.

It has been demonstrated that auxiliary staff can be trained to perform extended duties that will increase the capacity of the current dental system to provide additional care to more people at the same quality level.

The committee believes that dental schools should either continue to increase their enrollment or develop programs to increase the service capacity of practicing dentists. With the latter approach, the bill provides incentives to develop a TEAM—training in expanded auxiliary management—program. TEAM includes four-handed dentistry, expanded-function dental auxiliaries, dental hygienists and preventive dentistry and teaches dental students how to manage and utilize these concepts and personnel in their routine office practice. We expect these programs will improve dental manpower productivity and increase the probability for having TEAM-trained dentists and expanded-function auxiliaries available for National Service Corps sites.

Mr. President, the excessive reliance on foreign medical graduates is the third major manpower problem. The number of foreign medical graduates entering the United States has increased markedly during the last 15 years. In 1959, foreign medical graduates comprised less than 6 percent of all physicians in the country. In 1974, more than one-fifth of all physicians, or 76,504 licensed doctors, were graduates of foreign medical schools. About one-third of all physicians currently in graduate training programs are foreign medical graduates and more than 50 percent of physicians newly licensed to practice are foreign trained.

The committee finds two basic problems in this alarming trend: Concern for the quality of care provided by foreign graduates and the foreign policy issue created by encouraging emigration of scarce medical resources from nations which desperately need many more competent physicians.

Foreign medical graduates have not attended an accredited U.S. medical school. They have not been supervised in what is regarded as the highest quality medical education system in the world, nor are they subject to the rigorous admission, preclinical and clinical training process required for American graduates. While foreign graduates must pass an examination before entering this country, no written test can adequately substitute for the 8 years of keen competition and socialization that prepare U.S. students. Many believe that it is not possible to teach the culture and sociology that is felt to be an increasingly integral part of the practice of American medicine.

An equally serious concern exists that the United States, the wealthiest nation in the world, is in the position of obtaining nearly one-fourth of the free world's foreign medical graduates. Since some foreign nations are actively opposing emigration of large numbers of their physicians, and the administration has testified that further enrollment increases are unnecessary, it is desirable that the practice cease. Even beyond the pragmatic issues of need and foreign relations, there is a moral implication associated with importing inexpensive manpower from developing countries which have serious health care problems and manpower shortages. It is understandable that we are viewed elsewhere as a country that has not kept its stated commitments to help the world's underdeveloped nations meet their health care needs.

Mr. President, the committee believes that the basis for the foreign medical graduate problem results in the main from the U.S. immigration policy. Foreign graduates currently enter the United States under the exchange visitor or "J-Visa" program and the preference (3) and (6) immigrant visa programs provided by the Immigration and Nationality Act. While the Immigration and Nationality Act was intended to assist developing nations by facilitating the education of their medical and other students in the United States, the programs have become a de facto source of physician manpower. The committee bill proposes amendments to the act to return it to its original purpose and provides quality assurances for foreign graduates who enter the country. First, under the exchange visitor program, applicants must have passed either parts I and II of the National Board of Medical Examiners' examination or an equivalent examination, and participate in a program sponsored by a U.S. school of medicine or a similarly recognized educational institution. This will insure that individuals entering the country are able to provide quality medical care as well as benefit from their training program. It further insures that the students are coming to obtain additional training rather than to provide service.

The committee recognizes that some institutions are heavily dependent on foreign medical graduates to provide services. Therefore, until 1980, a health facility may apply for a waiver of the exchange visitor provisions if it can demonstrate that its ability to provide health services will be substantially disrupted by the inability to fill staff positions.

Second, foreign medical graduates

must enter a training program that provides skills required in their home country and make a commitment to return to their country of origin upon completion of training. This insures that the physicians will use their new skills for the benefit of their countrymen.

Third, the committee bill provides that foreign students remain in this country no more than 2 years and that a 1-year extension be made only at the request of the student's government.

The committee bill also amends preferences (3) and (6) relating to physicians. Individuals will not receive preference (3) or (6) classification if they enter the United States primarily to perform services as physicians. Physicians of truly exceptional scientific ability, however, will still be able to enter the United States as research scientists under preference (3).

We believe that these amendments and policy changes are reasonable and appropriate. They are necessary to insure the quality of care provided the American people and to maintain our good faith commitments to other nations who do not have the wealth of medical resources we enjoy.

Mr. President, two other major problems related to health manpower have been highlighted by the committee. They are the inconsistent requirements for licensure among States and the immediate need to develop increased capacity to train health professionals in the field of occupational health.

State requirements for medical licensure vary markedly. A physician who is a qualified practitioner in one State may not even be eligible for licensure in another. These inconsistencies unreasonably restrict the mobility of physicians between different areas of the country and contribute to excess supply of doctors in some areas and scarcity in others. More importantly, the licensing systems are not responsive to their primary purpose of insuring continued competency. Little effort is made to identify individuals with substandard skills and insure that they improve their performance or leave practice.

The committee bill includes provisions to develop and establish model standards for State licensure of physicians and dentists; to prepare appropriate procedures and examinations for licensure and relicensure; and to develop standards for continuing education programs for physicians and dentists. I want to emphasize that the bill does not preempt any State statutes regarding medical or dental licensure. Similarly, the committee intends that these standards be developed with the full participation and support of appropriate professional organizations. We believe that increased interest and momentum must be generated to assure the continued competency of practitioners and that the provisions in the bill positively encourage this purpose.

Occupational health is a relatively new and seemingly undramatic field. The committee has become increasingly concerned, however, with the incidence of occupational disease and its impact on the Nation's work force and economy. The National Health Survey has estimated that the average worker experiences 6 days of absence and more than 16 days of restricted activity each year due to some type of job-related disability. At least 390,000 new cases of disabling occupationally related deaths occur annually. Diseases range from the overt, classic cases of lead and mercury poisoning to the insidious, delayed effects of noise exposure that cause hearing loss. Man-made dusts may cause fibrosis of the lungs while exposure to other occupational hazards, such as chemicals, may cause cancer. On the basis of these facts and extensive testimony during the subcommittee hearings, the committee determined that manpower related to occupational health merits high priority.

The committee bill authorizes the expenditure of Federal funds to establish and operate occupational health training and education centers. Grants will be awarded to promote cooperative arrangements between schools of medicine and schools of public health or other qualified departments and schools. These centers will include training programs in occupational health for doctors, nurses, and industrial hygenists; provide for continuing education of personnel in occupational health; and encourage increased enrollment in occupational health programs. At least 10 centers will be established and funding is authorized to increase from $5 million in fiscal year 1977 to $10 million in fiscal year 1979.

Mr. President, in addition to these essential program and policy improvements, the bill also provides basic support grants for nine health processions schools, student assistance for the long and expensive medical, osteopathic and dental education process, and special project grants and contracts. Funding priority has been given to those professional schools whose graduates are in short supply or whose essential manpower output can be maintained only through continued Federal support. Special project assistance is also targeted for those schools and students for which a demonstrated shortage exists.

The committee bill extends through September 30, 1977 the existing health manpower provisions of the Public Health Service Act to provide authorization for appropriations in fiscal year 1976 and fiscal year 1977. The amount of funding for each designated health manpower program is the higher of the fiscal year 1975 appropriation or the fiscal year 1977 administration budget request. The new funding provisions of the bill are effective in fiscal years 1978, 1979, and 1980.

The bill substantially revises the existing capitation grant program for medical, osteopathic, and dental—MOD—schools. Annual grants to each mod school are equal to $1,800 for each full-time student enrolled in the school in fiscal year 1978; $1,900 in fiscal year 1979; and $2,000 in fiscal year 1980. MOD schools are required to maintain existing enrollment levels and not decrease the amount of non-Federal funding; as a result of receiving more generous Federal support.

Schools of medicine and dentistry must meet two additional requirements on a national basis. First, for medical schools in the 3 consecutive fiscal years beginning 1978, 25, 30, and 35 percent of their first year classes must agree to accept National Health Service Corps scholarships. Second, 42, 47, and 57 percent of their affiliated residencies must be in the primary care specialities for the same years.

I want to stress that these conditions are in the form of national goals. They are not now being imposed on each school individually. As long as the goals are met on a national basis, capitation grants will continue. If the goals are not voluntarily achieved, however, the conditions for receiving capitation funds will become effective on a school-by-school basis.

Dental schools must also meet certain conditions to be eligible for capitation grants. First, they must either operate a TEAM—training in expanded auxiliary management—program that includes four-handed dentistry, expanded function auxiliaries, dental hygienists and preventive dentistry; or, increase dental class size by 5 percent or 10 positions. Second, beginning in 1978, 20 percent of entering dental students must agree to accept National Health Service Corps scholarships. Finally, 70 percent of new dental residencies must be established in primary or general dentistry rather than in one of the clinical specialties. Again, as long as these goals are met voluntarily, the requirements will not be imposed on a school-by-school basis.

Capitation grants are also provided for veterinary medicine, optometry, pharmacy, and podiatry—VOPP—schools. The bill authorized grants equal to $1,350 for each full-time student enrolled in a school of veterinary medicine; $600 for each full-time student in optometry; $650 for each full-time student in pharmacy; and $775 for each full-time student enrolled in a school of podiatry. Each VOPP school is required to maintain its current enrollment level and not substitute Federal funding for existing non-Federal support as conditions for receiving capitation grants. In addition, pharmacy schools must develop clinical pharmacy programs and schools of veterinary medicine must increase enrollment by 5 percent and emphasize the care of the fiber and food producing animals in their clinical training programs.

Four basic programs are authorized for schools of public health and health care administration. First, institutional support grants are provided to each school of public health equal to $1,225 for each full-time equivalent student enrolled. Second, grants shall be made to public or nonprofit private entities to support graduate education programs in health or hospital administration and health planning. Third, special project grants will be available to schools of public health to support programs in biostatistics or epidemiology; health administration, planning or policy analysis; environmental or occupational health; and dietetics or nutrition. Traineeships shall also be available to students enrolled in these fields. At least 80 percent of these funds will go to individuals who have previously received a postbaccalaureate degree or who have 3 years experience in health services.

The committee bill also authorizes funding for allied health schools for special project grants, traineeships for advanced training of allied health personnel, and education assistance to individuals from disadvantaged backgrounds. Additional funding is provided to support projects regarding regional coordination for training allied health personnel; methods of retraining allied health personnel; programs of advancement for practicing allied health personnel; and new or improved methods of credentialing allied health workers.

Another provision of the bill provides for special project grants or contracts with hospitals, medical schools, or other entities to plan, develop and operate training programs in family medicine and financial assistance for medical students, interns, and residents enrolled in such training programs. Support is also authorized for the training of physicians who plan to teach family medicine. The bill further provides a priority listing for special projects grants. Forty-five percent of special projects funds must be spent in those areas determined by the committee to be most important, including: primary care residencies, startup funds for new schools or for schools in financial distress, training programs for physician and dental extenders, and area health education centers.

In the area of construction grants for teaching facilities, title XIV of the bill restricts support to assisting in the construction of ambulatory primary care teaching facilities for the training of physicians and dentists and the treatment of ambulatory patients primarily in the specialties of family practice, primary pediatrics, primary internal medicine, primary dentistry, and pedodontics. The bill continues without substantial change the existing loan guarantee and interest subsidy program for teaching facilities in schools of the health professions.

Mr. President, the last major provision of the committee bill provides a series of programs for student assistance in addition to the National Health Service scholarships. The direct student aid program is maintained, although Federal support of the loan program provisions for medical and osteopathic schools will be phased out effective fiscal year 1979. While the student aid program is appropriately designed, the National Health Service Corps scholarship program obviates the need for additional Federal funds and repayments of outstanding loans should provide sufficient funds to meet the demand for new loans to medical and osteopathic students. Scholarships for students of exceptional financial need will be limited to first-year MOD or VOPP students. The total authorized funding in fiscal year 1977 is $11 million and the amount available to each student is $400/month plus tuition, books, and fees.

A new federally insured loan program is established for MOD students. This guaranteed loan program will provide loans up to $10,000 annually and $50,000 in aggregate to eligible students at an interest rate not to exceed 10 percent. Together with the National Health Service Corps scholarship program, the committee believes that these programs for student assistance are sufficiently broad and generous to enable any needy student to pursue a professional health career to the full extent of his desire and capability.

Mr. President, while the health professions schools were recognized as national resources under the health professions educational assistance legislation passed 4 years ago, the expectations of the American people for access to basic health services have not been met. The Labor and Public Welfare Committee is presenting to the Senate a bill which will enable every citizen to begin to realize some of the benefits of providing basic support funds for the education of health professionals. As chairman of the Senate Health Subcommittee, I urge my colleagues to support S. 3239, as reported from the committee.

Mr. JAVITS. Mr. President, I urge my colleagues, as ranking minority member of the Labor and Public Welfare Committee, to support the Health Professions Educational Assistance Act, S. 3239, of which I am a coauthor.

The bill has been fashioned after considerable study of how most effectively to provide for an adequate and appropriate supply and distribution of physicians and other health professionals essential to America's health and well-being.

The bill identifies and seeks to solve the three major health manpower problems plaguing our Nation:

First. The geographic maldistribution of health professionals, especially of physicians and dentists;

Second. The maldistribution of physicians by specialty;

Third. The excessive reliance upon physicians who are graduates of foreign medical schools and who often are not as well prepared to practice medicine as their U.S. counterparts.

The solutions to the first two problems are achieved by the bill's provisions that, in essence, condition receipt of Federal capitation upon the medical schools' aggregate cooperation with the following goals:

First, a phased-up percentage set-aside of their enrollment for students who volunteer to receive National Health Service Corps, NHSC, scholarships and who are prepared to provide care—upon completion of their education—in the NHSC, in medically underserved areas; and second, a phased-up percent of their affiliated residencies in primary care.

I believe that the expansion of the highly successful and voluntary National Health Service Corps scholarship and subsequent service program is a creative and constructive approach to meeting the health care needs of underserved populations. Also, I believe that gradually shifting the balance in affiliated residencies from specialty to primary care fields effectively responds to specialty maldistribution when it is accomplished together with the National Council on Postgraduate Physician Training, established pursuant to a separate title of the bill.

With respect to the third critical problem—excessive reliance upon physicians who are graduates of foreign medical schools—the bill closes down, over time, the inequities in the immigration and naturalization law that perpetuate the problem. A gradual response is necessary to assure fairness to the professionals involved and not to disrupt crucial patient care needs that FMG's are presently filling. Otherwise we would have a health care catastrophe in many of our large urban centers.

The nature and scope of these problems is evidenced and documented throughout the hearing record.

GEOGRAPHIC MALDISTRIBUTION

There are fewer physicians practicing in rural and inner-city areas than there were 10 years ago. We, in New York City are well aware of this problem. Physicians are found in great numbers in the more affluent areas of Manhattan, yet there is a real shortage of physicians in many areas of the South Bronx and Brooklyn.

This physician shortage affects the health of people living in such areas. For example, while the national rate of infant mortality is at a level of 16 per 1,000, the mortality rate for central Harlem in New York City stands at the level of 35 per 1,000. Certainly the lack of doctors in this area is one of the important reasons for this shocking statistic.

Surely the time has come to try to remedy this situation, and this legislation represents a strategy to correct this geographic maldistribution of health personnel.

SPECIALTY MALDISTRIBUTION

Since the Second World War physicians have increasingly tended to enter into training programs which prepare them for the practice of specialties of medicine. The reasons for this trend are complex, but the result has been a dramatic shortage of physicians prepared to care for the general health needs of our citizens. In 1949 about 71 percent of all physicians provided primary or general medical care, but by 1970 this percentage had decreased to 44 percent. Clearly we need to try to reverse this trend if the health needs of the Nation are to be met in a rational fashion.

In 1973 21 percent of all physicians in this country were graduates of foreign medical schools. In seven States more than 50 percent of all licensed physicians were from these foreign medical schools. In 1973 45 percent of all new medical licenses were issued to such graduates.

New York is one of a number of States that are heavily dependent on foreign medical graduates to render care in areas that are not favored by our own physician citizens, namely, rural areas and our inner cities. FMGs also provide the bulk of care in certain essential specialities, such as rehabilitation medicine, nationwide.

Mr. President, I would like to discuss more fully several critical provisions about which I feel not only a certain pride of authorship, but which also, I believe, enhance the effectiveness of the legislation and indeed the quality of health professional education:

First. The criteria for designation of health manpower shortage areas are revised so that more regions, especially urban areas, may be so determined. This is achieved by requiring specific consideration of health indicators such as infant mortality rates and percentage of FMGs employed in the area.

Second. Since tuition costs are reimbursed at 100 percent under both the scholarship and loan titles of the bill, the Secretary is authorized to establish criteria to justify increases over base-year tuition that are reimbursed. Such criteria will be of two generic categories: First, increase in costs over which medical schools have very little control, and are essentially pass-throughs, such as fuel costs; and second, increases in cost attributable to improving the quality of medical education, such as hiring of additional faculty to improve faculty/student ratios; payments to ambulatory care service facilities for their costs incurred in off-site training of medical students; necessary improvements in teaching equipment; et cetera.

Third. To avoid disrupting health services delivery now provided by foreign medical graduates in some areas and facilities in the United States, exchange visitor visas may continue to be issued under existing regulations until December 31, 1980, to individuals who will come to the United States to participate in programs which would "otherwise be substantially disrupted."

Fourth. Special project grants are authorized:

To plan, develop, study, and implement programs which increase and diffuse knowledge of humanism in health care and in the training of health personnel;

To establish programs in biomedical education and provide training to primary care physicians who agree to go to an underserved area;

To plan, develop, and operate programs to train U.S. citizens who have been enrolled in foreign medical schools, have passed part I of the NBME so they can enroll in U.S. schools; and to train U.S. citizens who have transferred from foreign to U.S. schools.

To establish and improve programs to increase the number and improve the training of social workers in health care with emphasis on health planning and policy analysis; and

Which will require psychiatric participation in the training of new primary care providers as well as continuing education for those already in practice, and provide support for the development of psychiatric liaison consultation services throughout the United States.

Fifth. Since there are an increased percentage of primary care residencies articulated as a capitation condition, the Secretary is required to assure that an appropriate percent of titled residencies are in psychiatry calculated in the national aggregate.

Mr. President, as I conclude my remarks I believe it important to point out that one particular amendment—a printed amendment intended to be offered by Senator BEALL—in my view strikes at the heart of the fragile compromise respecting the interrelationship of the aggregate, voluntary implementation of the capitation conditions and the National Council on Postgraduate Physician Training.

While I support the committee-reported bill and believe it provides a better way to attack the problems of geographic and specialty maldistribution I also believe most strongly in the need for an effective health manpower bill. Accordingly, I shall hope to find a way out of the problem presented by the Beall substitute to the National Council.

Mr. President, our responsibility is to provide the American people with a policy that deals promptly and effectively with physicians' geographic and specialty maldistribution. We must not be beholden to any group—either the AMA which opposes the National Council on Postgraduate Physician Training—or our medical institutions, which oppose philosophically what they consider an intrusion into their prerogatives with respect to education. It is our duty to fashion for the American people what the Committee Views section of the report express as "the need for a mechanism to overcome specialty maldistribution enacted into law as quickly as possible." And I hope we will do so.

Mr. SCHWEIKER. Mr. President, I rise to join in support of S. 3239, the Health Professions Educational Assistance Act of 1976. As the ranking member of the Health Subcommittee, and as a cosponsor of this legislation. I commend the chairman, the distinguished Senator from Massachusetts (Mr. KENNEDY), the chairman of the Labor and Public Welfare Committee, the distinguished Senator from New Jersey (Mr. WILLIAMS), and the ranking member of the Labor and Public Welfare Committee, the distinguished Senator from New York (Mr. JAVITS), for their work and leadership in developing this bill.

The Health Professions Educational Assistance Act of 1976 will establish important new programs for solving three major problems regarding health manpower in the United States. These three problems are:

First. The geographic maldistribution of health professionals,

Second. The maldistribution of physicians by specialty; and

Third. The excessive reliance upon physicians who are graduates of foreign medical schools.

In addition to programs in each of these three areas, the committee bill includes a number of other important initiatives. One of these initiatives is a provision to provide institutional support for graduate programs in health administration. I have fought for this provision throughout the committee deliberations.

There is clearly a need for the training of health administrators in the most advanced management and planning skills. The committee received evidence that the health system is undermanaged and that 75 percent of the top administrators of all kinds of health programs have no management training. In spite of this serious limitation, in recent years the Congress has added complex new service programs, new planning agencies, and regulations which require sophisticated management. In all delivery organizations, cost and utilization control require the best modern management systems and health professionals who can implement them.

It is time for an investment in the Nation's health management training capacity. This investment will not add to the cost of the legislation, but earmarks a portion of the project grant funds for this purpose. The schools of public health do not object to this approach and it is actively supported by the programs in medicine, allied health, graduate schools, schools of management and public affairs—the other settings in which health administrators are trained.

The programs are accredited by an agency recognized by the Commissioner of Education. That Agency represents public health, planning, hospitals, nursing homes, group practice, and mental health, and makes sure that the programs have appropriate health content.

Many fine institutions have responded to the need for trained health administrators by launching programs and getting them up to accreditation standards. The objective is to combine health and management according to the strengths of each university.

Typical programs include those at the University of Pennsylvania and Temple which are based in business schools and are associated with the medical schools, and Pennsylvania State which is in the health oriented college of human development. These programs, as well as many other programs throughout the country, are bringing together many diciplines which have much to contribute to improved management of health resources.

Another critical need in the field of health professions education is the need for better training in human nutrition. Many health problems are rooted in nutritional deficiencies, and in recent years increasing numbers of people have turned to food faddists or health quacks for nutritional information. I feel we can go a long way toward correcting this problem by better educating doctors and dentists to recognize nutritional disorders and offer their patients sound nutritional advice.

Presently, many nutritional problems go undiagnosed or misdiagnosed, and they affect a broad range of Americans in all age groups. Poor nutrition is closely tied to poor learning capabilities and inattentiveness in school-age children. Elderly patients may be diagnosed as victims of irreversible senility, when in fact they are simply suffering from nutritional deficiencies which may be treated—and the symptoms of senility reversed—by vitamin supplements or changes in their diets.

I am pleased this bill provides for special project grants and contract assistance to public and nonprofit private hospitals and health professions schools for the establishment and expansion of programs designed to train doctors, dentists, and other health professionals in the science of nutrition and its day-to-day application to health. This provision is the outgrowth of bills which I have sponsored in recent years to fund departments of nutritional education which could be integrated into existing medical and dental school curricula.

I strongly feel this provision will enable health care training centers to improve the teaching and application of sound nutritional principles, and should make health professionals more alert to the symptoms of poor nutrition and more aware of the importance of proper nutrition in heath care.

Mr. TAFT. Mr. President, 2 years ago, Senator BEALL and I fought to get an effective and workable health manpower bill through the Senate. We succeeded, our substitute bill passed the Senate overwhelmingly by a vote of 81 to 7. Unfortunately, the bill died in conference.

At that time our major concerns with the committee bill were those provisions calling for: First, mandatory service requirements; second, Federal standards for the licensing and relicensing of doctors and dentists; and third, a national council and 10 regional councils designed to deal with the specialty maldistribution problem and the foreign medical graduate problem.

Our substitute, which was reintroduced this Congress as S. 1357, would require medical schools to reserve 25 percent of their first year class for individuals who wanted to and agreed to practice in medically underserved areas—in medicine, such service would have to be in primary care. These students would be entitled to a Federal scholarship in return for service in the shortage area. Today, I am happy to say that the bill before us adopts the concept of the Beall-Taft proposal regarding the geographical maldistribution problem by requiring medical schools to set aside an increasing percentage of their slots for students who accept scholarships in return for which they must serve at least two years in an underserved area.

There are some very proper concerns about the influx of foreign medical graduates, FMG's, and the quality of education they receive in foreign medical schools. The Beall-Taft proposal addresses this problem by amending the Immigration and Nationality Act to prohibit admission of foreign medical graduates unless they pass parts I and II of the national board of medical examiners examination; demonstrate competency in oral and written English; and would not lead to a surplus in a specialty or geographic area. The bill we are considering today, though more restrictive and goes somewhat further than our proposal, also attempts to resolve the FMG problem through the U.S. Immigration laws, as well as require that FMG's pass qualifying exams and demonstrate a command of oral and written English.

While I am pleased that the committee realized that the merits of our proposal as it relates to the geographic maldistribution problem and the FMG problem, and included similar provisions in the committee bill, I do not agree with their attempt to resolve the specialty maldistribution problem as well as certain dental matters, which as you are aware, Senator Beall and I, at a later time, will offer amendments to make changes in those provisions. Should the Senate accept our amendments, and I encourage my colleagues to do so, we will essentially again be adopting the Beall-Taft proposal, except for the licensure provisions.

The committee bill still calls for Federal standards for the licensing and relicensing of doctors and dentists but does not call for preempting of any State statutes. This year, the committee bill includes provisions for the Secretary of HEW to develop model standards, examinations and procedures for the State licensure, relicensure and continuing education of physicians and dentists. Any State which voluntarily wishes to participate may apply for Federal financial assistance to upgrade its own program. I would assume that these provisions mean that any State which meets the Federal standards will not opt for a piece of the financial pie. I will not belabor this issue because the House bill does not contain licensing provisions and I would hope we can deal with this matter in conference.

However, at this time, I would like to thank the distinguished subcommittee chairman (Mr. KENNEDY) and other members of the Labor and Public Welfare Committee for accepting my amendment to the allied health personnel provisions to allow the Secretary to make grants and enter into contracts to assist eligible entities in meeting the cost of planning, developing, operating and evaluation projects to provide for the training of allied health personnel as well as retraining.

Also, I am grateful to the committee for accepting my amendment to allow schools of veterinary medicine the same option as schools of optometry and podiatry with respect to the admission of out-of-State students in lieu of increasing their enrollment.

Mr. STAFFORD. Mr. President, I rise to support S. 3239, the Health Professionals Educational Assistance Act of 1976. This bill, which was reported by the Labor and Public Welfare Committee under the skillful guidance of Senator KENNEDY, is the culmination of 3 years of work. This legislation is designed to provide the doctors, dentists and other health professions necessary to provide better health care for the American people. The design of the legislation is to address two major problems that have become more apparent since Congress began Federal support for medical care in 1963. While in the intervening 13 years we have produced more doctors and related personnel, some Americans, because of geographic location, still do not have access to a doctor; and the number of doctors in subspecialties has increased significantly creating a shortage of general medicine practitioners to serve the medical needs of most Americans. The problems of geographic maldistribution and specialty maldistribution are addressed by this bill.

Quite frankly, Mr. President, unless the committee bill addresses the issue of geographic and specialty maldistribution in the manner in which it does, there would be some questions about the justification for this bill. Simply stated, the American taxpayer, regardless of where he or she lives should receive the best medical treatment from doctors trained in the right specialties.

The bill attempts to accomplish this principle as it has been reported from the committee and I urge my colleagues to support this bill.

Mr. President, before closing my remarks I would like to mention one of several of my amendments that was adopted by the Health Subcommittee. Section 1501 of S. 3239 provides for a nurse traineeship program to train and educate nurse practitioners who are residents of rural underserved areas who will agree to return to their former area of residence and provide needed medical service for that underserved area. The amendment would provide for the cost of training for any individual who will participate in the program.

One of the questions raised about the scholarship for service concept in the bill is that while doctors will have to serve in underserved areas for 2 years, their retention rate in such areas will be extremely low thus creating a revolving door type of medical service for the people in the underserved area.

By providing a program to train nurse practitioners from rural underserved areas, we can provide a measure of stability in the medical personnel for that area. So while the doctors may come and go under the program, the nurse practitioner who assists the doctor will be a permanent resident of the community and will provide the people of the community with the continuity needed for good medical care.

Again Mr. President, I urge my colleagues to support the committee reported bill.

UP AMENDMENT NO. 158

Mr. PACKWOOD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 184, insert between lines 13 and 14 the following:

(e) Section 721 (relating to the approval of applications) is amended by—

(1) inserting "(A)" after "(2)" of subsection (b);

(2) adding at the end of paragraph (2) of subsection (b) the following:

"(B) in the case of an affiliated clinical facility an application which is approved by a school of veterinary medicine, optometry, podiatry or pharmacy with which the clinical facility is affiliated, which otherwise complies with the requirements of this part, may be filed by any public or other nonprofit agency, for the purpose of establishing or expanding a regional health professions school, provided that only that portion of the project to construct the clinical facility which the Secretary determines to be reasonably attributable to the need of such school for the facility for teaching purposes shall be regarded as the project with respect to which payments may be made under section 722.";

(3) inserting before the semicolon at the end of subparagraph (A) of paragraph (1) of subsection (d) the following: "particularly through the development of regional health professions schools"; and

(4) adding at the end thereof the following new subsections:

"(e) The Secretary in approving applications for assistance under this section shall give special consideration to applicants developing regional health professions schools.

"(f) For the purposes of this part the term 'regional health professions schools' refers to interstate programs in which states with existing degree-granting schools set up cooperative programs with other states which may or not have such schools. The structure of these regional programs may be (1) a shared curriculum between two or more schools, or (2) a single campus program which two or more states cooperatively finance and control.".

On page 184, line 14, strike "(e)" and substitute "(f)".

On page 184, line 21, strike "(f)" and substituto "(g)".

On page 185, line 1, strike "(g)" and substitute "(h)".

On page 186, line 13, strike "(h)" and substitute "(i)".

On page 186, line 21, strike "(i)" and substitute "(j)".

On page 187, line 1, strike "(j)" and substitute "(k)".

On page 187, line 5, strike "(k)" and substitute "(l)".

On page 187, line 9, strike "(l)" and substitute "(m)".

On page 187, line 13, strike "(m)" and substitute "(n)".

On page 187, line 23, strike "(n)" and substitute "(o)".

On page 188, line 17, strike "(o)" and substitute "(p)".

On page 188, line 22, strike "(p)" and substitute "(q)".

On page 188, line 25, strike "(q)" and substitute "(r)".

Mr. PACKWOOD. Mr. President, This amendment has been cleared by both the majority and minority.

I am offering today an amendment which is designed to encourage the development of regional health profession schools. It amends section 721 of existing law relating to the approval of construction grant applications.

I would like to begin providing a very brief overview of what the amendment accomplishes:

The first part of the amendment is simply technical.

Part 2 allows a component school or entity participating in a regional program to apply directly to HEW for a construction grant, if it has the approval of an affiliated, accredited school also participating in the regional program.

The purpose here is to modify existing law under which only an accredited school in a regional program can apply for and use a construction grant. This creates a legal conflict as to titleship on the land of an affiliated school in another State.

Existing law promotes an "equitable geographical distribution of opportunities" for training in the health professions. Part 3 adds such equitable distribution shall be promoted "particularly through the development of regional health profession schools."

By supplying health manpower on a regional basis, I believe the structure of regional programs is particularly well-suited to providing an equal geographic distribution of opportunities.

Part 4 provides that the secretary shall give special consideration to construction grant applicants developing regional programs.

Regional programs are innovative, cost-effective and should be given the same priorities for construction grants, as they are already given in the startup grants section of S. 3239.

Part 4 also defines regional health profession schools as interstate cooperative programs which may involve several schools sharing a curriculum—for example, the WAMI medical program in the Northwest; or one school which several States finance and control—for example, the New England College of Optometry, opening this summer.

This language clarifies the explanation of "regional health profession schools" provided the committee report, page 244, and places a definition directly in the bill.

I believe that innovative and fiscally responsible education programs, such as regional health profession schools, deserve our wholehearted support and encouragement here in Congress.

To further detail the purpose and impact of this amendment, it is important that we have general agreement here in Congress and among HEW officials as to what is meant by the term "regional health profession schools." It is my understanding the committee intended the term to have narrow application. To clarify the explanation provided in the committee report to S. 3239, I am adding to the bill a definition of "regional health profession schools." It defines them as interstate programs in which States with existing degree-granting schools set up cooperative programs with other States having or not having such schools. Such interstate cooperative programs are ideal for serving entire regions of the country.

My amendment defines two possible strructures for a regional program. It can be a shared curriculum between two or more schools, in which students rotate between campuses for the various portions of their training. WAMI—which stands for Washington, Alaska, Montana, Idaho—the unique medical program in the Northwest, is a good example of this type of structure.

Medical students enrolled in WAMI rotate between university campuses in the four participating Northwestern States. The accredited University of Washington School of Medicine serves as the central school. Representatives from all four States compose WAMI's Board of Trustees, thus sharing control of the program. In addition, all four States share in financing WAMI.

In the second type of structure, the program can be located on a single campus with other States cooperatively participating. The proposed New England College of Optometry is an excellent example of this second structure. As of July 1, the Massachusetts College of Optometry will become the New England College of Optometry, a regional school serving the Northeast region of the country. Six participating New England States will share the costs and management of the college.

It is important to mention here that the term does not include simple financial contracts between States to reserve space for students. An example of this sort of simple contractual program is the Western Interstate Commission on Higher Education Student Exchange Program—WICHE—in which States with schools are paid by have-not States to reserve a certain number of slots for out-of-State students. These contractual programs are basically financial agreements which do not involve interstate management and control of a program, as do WAMI and the New England College of Optometry.

Part of my amendment provides that the Secretary shall give special consideration to construction grant applicants developing regional programs. Not only are regional programs already given priorities in the start-up grants section of S. 3239, but more importantly they are innovative and cost effective.

I believe that as long as the Federal government continues to fund construction for health profession schools, it ought to encourage the fiscally responsible approach proposed by regional programs. By establishing cooperative education programs, we can avoid the construction of new schools, or the major expansion of existing facilities.

I am also adding language that equitable distribution of training opportunities shall be promoted: "particularly through the development of regional health profession schools." Existing law already promotes an "equitable geographical distribution of opportunities" for training in the various health professions. By supplying health manpower on a regional basis, the structure of regional programs is highly suited towards supplying an equal geographic distribution of opportunities.

Finally, this amendment allows a component university or entity of a regional program to apply directly to HEW for a construction grant, if it has the approval of an affiliated, accredited school participating in the regional program.

The purpose here is to modify existing law under which only an accredited school in a regional program can apply for and use a construction grant. Since regional programs may be composed in part of schools or entities not individually accredited, existing law creates a conflict regarding legal titleship to buildings when the accredited school in one

State has to build on the land of an affiliated school in another State.

My amendment, in allowing HEW to deal directly with the component universities of a regional program, if they have the approval of an affiliated, accredited school, eliminates the problem of titleship to buildings and opens the way for the development of interstate training programs in the health professions.

In summary, my amendment creates funding priorities for regional health profession schools; modifies construction grant application standards in existing law to accommodate the development of regional programs, and places a clear definition of regional health profession schools in S. 3239.

I have a great deal of praise and admiration for the regional schools concept which has been developed in the best interests of fiscal restraint. Through sharing of facilities and teaching staffs, each school or entity becomes only a component of a health training program. This sharing of resources substantially reduces the funds that would be needed for each school or State to independently develop a full degree-granting program. Through pooling of resources, such regional programs will be able to conserve, and at the same time serve large sections of the country. Thus the cost benefits are enormous.

In preparing this piece of health manpower legislation, the Health Subcommittee has made major attempts to correct manpower shortages, both geographic and by specialty, in the health professions. A great deal of the focus has been on medical and dental care. But I would like to direct the attention of my colleagues at this time, to the crucial area of veterinary medicine.

In testimony presented before the Health Subcommittee just this past fall by the Association of American Veterinary Medical Colleges—AAVMC—and the American Veterinary Medical Association—AVMA—the projected and critical veterinary medical manpower shortage were clearly delineated.

Unless enrollment in colleges of veterinary medicine is substantially heightened, there will be, in 1980, a national shortage of about 8,000 veterinarians. The AAVMC and AVMA suggested additional colleges as the primary means of increasing teaching resources.

At a time when the Federal Government is backing out of funding construction, however, it is impractical to talk of building new veterinary schools around the country. The costs would be enormous. It takes anywhere between $20 million to $35 million just to begin a veterinary school and around $4 or $5 million to operate annually.

It is apparent that coordinated regional efforts are our best answer, and the AAVMC and AVMA did not fail to mention regional efforts in their testimony. Included in their list was a program of cooperative education developing between three Northwest States. If it reaches fruition, this program will be the Northwest regional program of veterinary medicine.

This Northwest program was designed in hopes of alleviating the maldistribution of veterinary schools and meeting the demand for veterinarians in the Northwest. There are 32 States which currently have no schools of veterinary medicine. This shortage is magnified when we realize that as of this fall, when two new schools will open, 18 out of 21 veterinary schools will be located in the eastern half of the country. We have only three veterinary schools west of Kansas.

According to OSU's Department of Veterinary Medicine 1972 study "Veterinary Medical Manpower Needs and Education in Oregon," the State of Oregon needs 30 new veterinarians annually in order to retain its 1972 level of veterinary medical services. Between 1966 and 1973, however, only 11 Oregonians were accepted into veterinary schools each year—all out of State. In 1973–74, 100 Oregon students meeting all requirements, applied to veterinary schools, compared to the actual 12 who were accepted.

Rather than build a complete school of veterinary medicine, Oregon State University—OSU—hopes to share a curriculum with Washington State University's School of Veterinary Medicine and the University of Idaho. Operating as a component of a regional program would run OSU Veterinary School about one-third the cost of operating independently.

I think it important to remember that veterinary medicine is by no means a narrow field within the health professions. Its impact is, in fact, very broad. The veterinary profession not only involves the medical care of companion animals, but includes a whole range of research in human disease, animal disease control, toxicology, ecology, space biology, marine and zoo animal medicine. Not only is the public health aided by the veterinary profession, but its advances in food animal health and productivity ultimately affect the consumer.

Mr. President, I have been greatly impressed with the unique and practical approach to education which the regional schools concept proposes. I believe Federal priorities in meeting the health manpower needs of this Nation could not be better placed than in lending our full Congressional support to all regional health professions schools, and I would be most pleased to see the urgently needed Northwest regional program of veterinary medicine given the opportunity to meet the veterinary medical manpower needs it promises to serve.

Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I understand from the staff this amendment is acceptable to the majority. It is certainly acceptable to me. I ask that it be acted upon.

Mr. President, I yield back whatever time there is.

Mr. HATHAWAY. Mr. President, the majority accepts the amendment offered by the Senator from Oregon.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BEALL. Will the Senator yield to me on the bill?

Mr. JAVITS. Yes.

Mr. BEALL. Mr. President, I ask unanimous consent that Chet Douglas from the staff of the Committee on Labor and Public Welfare be granted privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that Eleanor Parker of my staff be granted privilege of the floor during debate and voting on this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Debbie Robertson of my staff be granted privilege of the floor during debate and action on the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 159

Mr. ABOUREZK. Mr. President, I have an amendment, and I ask for its consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from South Dakota (Mr. ABOUREZK), for himself and Mr. GRAVEL, proposes an unprinted amendment numbered 159.

The amendment is as follows:

> On page 377, line 8, after the words "licensed medical practitioner," insert the following: "(including licensed chiropractors and licensed osteopaths),".

Mr. KENNEDY. Will the Senator withhold his amendment until we are able to get an opportunity to dispose of the Beall amendment?

Mr. ABOUREZK. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. KENNEDY. On the time of the bill.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that a member of my staff, Jack Hershey, be granted the privilege of the floor during the consideration of S. 3239.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. If the Senator will yield, Mr. President, I ask unanimous consent that during consideration of S. 3239, the following staff personnel be permitted the privilege of the floor:

Brian Biles, Alan Fox, Patricia Bauman, Margaret Haggerty, Kent Angerbauer, Nik Edes, Chet Douglas, Mary Frances Lowe, and Lee Olson.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask unanimous consent that David Harf, of my staff, be granted the privilege of the floor during the consideration of S. 3239.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. Will the Senator withhold that and yield me 2 minutes?

Mr. SCHWEIKER. I yield.

Mr. JAVITS. Mr. President, I hope Senator Abourezk may stand by for a few minutes. We are doing our utmost to dispose of the primary amendment to this bill. Time pressures upon me are such that it represents an accommodation essentially to me. I have a Teamsters investigation hearing that goes on this morning and I simply have to be there.

I ask the Senator if he would be good enough to have his amendment laid aside so that Senator Beall can offer his amendment and then resume the consideration of the Abourezk amendment immediately thereafter.

Mr. ABOUREZK. I did not hear the Senator.

Mr. JAVITS. I asked if the Senator would be good enough to have his amendment laid aside so that it would immediately follow Senator Beall's amendment.

Mr. ABOUREZK. Is that the one that will be accepted?

Mr. JAVITS. That is the one that will be worked out, we hope. We do not believe it will take a great deal of time.

Mr. ABOUREZK. If the Senator will give me a minute, I will be able to answer him.

Mr. JAVITS. If I may use my additional minute, Mr. President, I will say I favor this bill. I commend it to the Senate. It represents enormous labor on the part of our committee. It represents a very great effort to reconcile views. We do not know as yet, Mr. President, but we hope very much that we have found the way in which to work out a difference in view which was very basic, relating to the participation by medical teaching institutions in the establishment of a way in which to better apportion the available talent to medical specialties, especially as they concern residencies and relate to primary care practice, which apparently is the place where the great squeeze comes. If Senator Abourezk will allow us to proceed with that, I am hopeful we can work out a reconciliation of these views this very morning. I yield.

Mr. KENNEDY. Mr. President, we are prepared to accept the Abourezk amendment.

Mr. ABOUREZK. Mr. President, I want to say just one thing.

Mr. KENNEDY. I withhold my statement.

CLARIFICATION OF THE STATUS OF CHIROPRACTORS AND OSTEOPATHS USING RADIATION

Mr. ABOUREZK. Mr. President, I am very pleased that the Radiation Health and Safety Act has been added as title XVI of the pending legislation dealing with health manpower.

As a cosponsor of S. 1261, introduced by the Senator from West Virginia (Mr. Randolph), I applaud the goals and provisions which will protect the public and the workers involved from the possible harmful effects of radiation.

However, there is a potential ambiguity in S. 1261 with respect to which health professions are authorized to use X-rays in diagnosis and treatment.

Subsection 360J(a) of S. 3239 provides that "medical practitioners," dentists, dental hygienists, and radiologic technicians are specifically authorized to use X-rays for diagnostic or therapeutic purposes.

Logic would hold that chiropractors and osteopaths are included in the term "licensed medical practitioner," and I am assured that this is the intention of Senator Randolph and the sponsors of this section.

Chiropractors and osteopaths regularly use diagnostic X-rays, and to forbid such use would alter their practice far beyond the intent or scope of legislation before us. In fact, section 1851R(5) of the Social Security Act mandates the use of X-rays by chiropractors in order to be reimbursed by medicare for certain treatment.

But the majority of States, like my own State of South Dakota, license chiropractors separately from medical doctors, and sometimes osteopaths are licensed by still a third board. In South Dakota, we have a board of "medical practice" and another chiropractor board. Thus, the term "medical practitioner" is a term sometimes used for medical doctors or for M.D.'s and osteopaths only.

For this reason I am offering perfecting language to clarify in the statute itself that in all States the definition includes chiropractors and osteopaths.

This amendment I am offering is to include in the section on radiological regulation, licensed chiropractors and licensed osteopaths. I think it is important that people who are licensed in their own States in these two professions be allowed to use X-ray techniques. In fact, under the medicare section of the statutes they are, in fact, required to use these kinds of tools in order to get reimbursed for medicare payments.

I am very happy that the managers of the bill have decided to accept it.

Mr. KENNEDY. Mr. President, I move the amendment.

The ACTING PRESIDENT pro tempore. Do Senators yield back their time?

Mr. ABOUREZK. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ABOUREZK. I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1952

Mr. BEALL. Mr. President, I call up my printed amendment No. 1952 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Maryland (Mr. Beall), for himself and others, proposes printed amendment No. 1952.

The amendment is as follows:

Strike out line 10, page 266, through line 25, page 284, and insert instead the following:

TITLE V—POSTGRADUATE PHYSICIAN TRAINING

Sec. 501. Title VII is amended by inserting after section 711 the following:

"Part B—Postgraduate Physician Training

"NATIONAL COUNCIL ON POSTGRADUATE PHYSICIAN TRAINING

"Sec. 712. (a) There is established in the Public Health Service the National Council on Postgraduate Physician Training (hereinafter in this part referred to as the 'National Council').

"(b) The National Council shall consist of 24 members. The Assistant Secretary for Health, the Chief Medical Director of the Veterans' Administration, the Assistant Secretary for Health and Environment of the Department of Defense, and an individual from the Department chosen by the Secretary of Health, Education, and Welfare shall be ex officio members of the Council. The remaining members shall be appointed by the Secretary (within 6 months of the enactment of this section) without regard to the provisions of title V, United States Code, relating to appointments in the competitive service from persons who are not officers or employees of the United States Government as follows:

"(1) Twelve members shall be appointed from among doctors of medicine or osteopathy. Of the 12—

"(A) two shall be representatives of schools of medicine or university health science centers;

"(B) two shall be associated with the medical departments of hospitals which maintain postgraduate physician training programs and which are not university health science centers;

"(C) five shall be representatives of physician specialty organizations, including one each from family medicine and other primary care specialties;

"(D) two shall be representatives of national physician organizations; and

"(E) one shall be in the private practice of medicine.

"(2) Two members shall be administrators or assistant administrators of hospitals which maintain postgraduate physician training programs.

"(3) One member shall be representative of the health insurers.

"(4) One member shall be representative of health systems agencies as defined in section 1512 of this Act.

"(5) One member shall be representative of and shall be a student in a residency program.

"(6) Three members shall be appointed from and shall be representative of the general public. The Secretary shall not appoint under this paragraph any individual who (A) is a provider of health care (as defined in section 1531(3)) or (B) has any significant financial interest in the provision of health care services or in entities engaged in the provision of such services or in producing or supplying drugs or other articles for individuals and entities engaged in the provision of such services, or an individual who has any fiduciary interest in such entities.

The members of the National Council shall select a chairman from among their own number.

"(c) The Secretary shall appoint members to fill any vacancies among the appointed members of the National Council.

"(d) Members of the National Council, while attending meetings or conferences thereof, or otherwise serving on business of the National Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding for any day (including traveltime), the daily equivalent of the effective rate for grade GS-18 of the General Schedule, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(e)(1) The National Council may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) The National Council may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule.

"(f) The National Council shall cease to exist 4 years after the enactment of this section.

"DUTIES OF THE NATIONAL COUNCIL

"SEC. 713. (a) The National Council shall, within 2 years of the enactment of this section, conduct studies and other activities (and make recommendations to the Secretary based thereon) relevant to the various matters relating to the postgraduate training of physicians specifically including the following:

"(1) The commissioning and supervision of a study or studies of physician specialty distribution in the United States and its possessions, including—

"(A) an analysis of the distribution among the several medical specialties of postgraduate physician training positions;

"(B) numerical goals for the distribution of postgraduate physician training positions among the several medical specialties;

"(C) a recommendation as to how regions may be defined for purposes of implementing those goals;

"(D) a recommendation as to how those goals should be applied across the regions described in clause (B);

"(E) a timetable for achieving those goals; and

"(F) positive and negative incentives that may be utilized to assure implementation of those goals.

"(2) The development of collaborative working relationships with each physician specialty organization to determine and assist its individual activities with respect to the number and location of practitioners within each such specialty.

"(3) An assessment of the need for financial support for postgraduate physician training, especially training in the specialties of family practice, general internal medicine and general pediatrics.

"(4) An assessment of the service needs of hospitals and other health institutions, the role of postgraduate physician trainees in meeting such needs, and alternate means of meeting such needs.

"(5) An assessment of the educational component of postgraduate physician training programs.

"(6) An assessment of the impact of practice in the United States by graduates of medical schools located in foreign nations on the present and future health care in the United States and foreign nations.

"(b) Upon completion of the study or studies referred to in clause (1), the National Council, working with physician specialty organizations, State governments, national, regional, and local associations of health services providers, health planning organizations, and health insurers, shall, for a period of 18 months, advise and assist institutions in implementing the goals developed by that study or studies.

"RECOMMENDATIONS OF THE SECRETARY

"SEC. 714. The Secretary shall, not later than 6 months prior to the expiration of this section, report to the Congress:

"(1) the status of the specialty and geographic distribution of postgraduate physician training positions (both filled and unfilled) and of practicing physicians;

"(2) the changes in distribution of such positions and physicians which have occurred and which may be expected to occur;

"(3) what changes in the goals originally recommended by the National Council are advisable, together with a discussion of the reasons for such recommended changes; and

"(4) what authority he may require to insure implementation of those goals as modified by his recommended changes.".

The ACTING PRESIDENT pro tempore. Is this the amendment on which there is an agreed time of 1 hour?

Mr. BEALL. That is correct. I will ask the Chair how much time have we on the amendment?

The ACTING PRESIDENT pro tempore. The Senator has 30 minutes.

Mr. BEALL. Mr. President, I yield myself 10 minutes on the amendment.

Mr. President, on behalf of Senators TAFT, BENTSEN, GARN, GRIFFIN, HRUSKA and myself, I call up amendment No. 1952. This amendment would delete from the bill that provision in title V that would establish Federal regulation of postgraduate training of physicians. Generally referred to as residencies.

To summarize title V of the bill as reported, it would—

First, establish 1 national and 10 regional councils on postgraduate physician training composed of 264 members.

Second, have those councils study six broad areas related to specialty distribution of physicians and medical trainees, financial support of graduate medical training, content of residency training, and the role of foreign medical graduates. This study would last for 2 years.

Third, following the study, have the Secretary of the Department of Health, Education and Welfare annually certify the total number of residency positions to be authorized nationwide, specify the number to be allocated to each medical specialty and subspecialty, and assign those positions by specialty and subspecialty to the hospital and health facilities in each of the 10 regions.

Finally, as regards penalties, hospitals whose residencies did not fit into the national or regional scheme, even if they were providing an essential service to an area, would face loss of funds under the Public Health Service Act and civil penalties of up to $10,000 a day for continuing any residencies without Federal approval. Not only that, but any institution affiliated with the transgressing hospital or any person employed by it would be ineligible for Federal assistance. As if that were not enough, any institution which subsequently employed an individual trained in an "illegal" residency would be barred from Federal assistance.

Mr. President, one must concede that this is conferring extraordinary and pervasive regulatory authority on a group of national and regional planners and exacting prohibitive penalties. At a time when considerable questions and concern have been raised with respect to the costs and benefits of regulation generally, I cannot believe that the Senate wants to commission yet another regulatory scheme to dictate the number, type and location of every residency in the country. Before approving such regulation, the committee should have the burden of demonstrating to the Senate, first, that regulation is clearly required; second, that other mechanisms have been tried and failed, and third, that the particular regulatory mechanism selected is clearly the best method to achieve the objective. In none of these instances has the committee made a case to justify the regulation it advocates.

First, any objective reading of the current data on residencies strongly indicates a substantial movement toward primary care without Federal regulation. This can be seen by the growing percentage of U.S. graduates entering initial resident training in primary care. Defining primary care broadly, as does the bill, to include family medicine, general practice, internal medicine, pediatrics, obstetrics, and gynecology, the percentages of U.S. graduates entering first-year primary care residencies increased from 38 percent in 1968 to 55 percent in 1973 to 58 percent in 1974. If we exclude oxygen from primary care, the percentages are 32, 49, and 52 respectively. And most importantly, the newest data from the national intern and resident matching program, which matches graduating medical students with first-year hospital residency positions, is most encouraging. This data reveals that filled primary care residencies increased in both 1975 and 1976, reaching 65 percent of all filled residencies in the latter year. Not all applicants to the program are matched; however, unmatched students do not appear to have preferences different from their matched colleagues. For example, of the U.S. students who are not matched, 80 percent had first choices for primary care positions. Even where one considers attrition, or those residents who leave primary care training after the first year to enter specialty training, substantial progress has been made toward retaining residents in the primary care programs.

With all of this data indicating unmistakable change in the desired direction, one might wonder why the

committee chose to institute such massive Federal regulation. Frankly, the committee's assessments were based on data that is 3 and 4 years old. This illustrates, I think, how the health manpower field is fraught with inadequate or outmoded data. For example, in our minority views we cited Rosemary Stevens' 1975 article in Science magazine showing that widely accepted data on incoming foreign medical graduates contained a 23-percent error.

Another good illustration of how new data has overtaken what was defined to be a problem is with respect to the number of available residency positions. In the past, various parties and the committee have expressed concern over the absolute numbers of residency positions. Excess numbers, it was hypothesized, both attracted foreign medical graduates and gave American graduates too many specialty alternatives to the nationally needed primary care training. It was proposed that the numbers of residency positions be reduced from 180 percent of the number of U.S. medical graduates to 110 to 120 percent. This bill as written seeks to phase down total positions to 140 per 100 U.S. graduates in 1979, 125 per 100 graduates in 1980, and 110 in 1981 and thereafter.

While we debated the correct course to follow on this issue, the problem appears to have corrected itself. In 1974, the ratio of positions per 100 American graduates dropped to 150; in 1975, to 130; and in 1976, to 120. In a recent speech, Dr. John Cooper of the Association of American Medical Colleges said that in the 1976 national intern and resident matching program, there were only 114 first-year residency positions per 100 U.S. graduates. Thus, the situation has taken such an about-face that Dr. Cooper now warns of possible residency shortages by 1980. What this all adds up to is that the committee's 1981 goal of 110 residency positions for each 100 American graduates has been essentially achieved this year.

Mr. President, a collateral regulatory mandate to the National and regional councils the bill would establish under this title would be to cut back on the number of available nonprimary care specialty training positons, particularly those deemed to be in an oversupply. In this regard, general surgery and the surgical subspecialties are the most frequently cited examples. Again, using data from a just-completed analysis of this year's national intern and resident matching program, I would like to offer three examples to illustrate that here, too, the desired change appears to be taking place without Federal regulation:

First. What is the trend in number of surgical positions offered? Between 1974 and 1975, they increased by 14 percent. Between 1975 and 1976, however, the number of available positions declined by 50 places. In other words, hospitals began to respond to this national priority.

Second. What choices did students make? While the proportion of all medical students choosing surgery training increased from 16 percent in 1974 to 19 percent in 1975, in 1976 that proportion declined to 18 percent.

And third. If one looks only at American graduates, despite an increase of 784 graduates matched in 1976, the number choosing surgery increased by only six persons over 1975.

Thus, we are beginning to see a clear reversal of priorities on the parts of students and institutions.

It is difficult to say 15 percent of all slots available devoted to surgery is good or bad—necessary or unnecessary. Certainly, there is a presumption that there should be fewer. Further, the study of surgical specialties for the United States—SOSSUS—recommend that the number of surgical residents be reduced by as much as 20 percent over the next 3 or 4 years. If one assumes major increases in residencies as Dr. John Cooper of the AAMC envisions will be required, it is possible that the percentage of surgical slots available by 1982 may be in the neighborhood of 9 percent.

I might also add that another reason for advocating an absolute number limitation was the concern over excessive reliance on foreign medical graduates. The committee, adopting the approach which I recommended in 1974, has employed and amended the bill to address the foreign medical graduate problem.

Finally, there have been a number of important studies addressing the specialty maldistribution issue. Indeed, the committee refers to them in their report. These include McKinsey and Company; the Institute of Medicine; the Bureau of Health Manpower, HEW; and the study of surgical services for the United States.

It is important to note that not one—and I repeat, not one—proposed any direct form of Federal regulation now, much less the regulation of the breadth and magnitude contained in the committee bill.

Mr. President, I want to emphasize that I agree with the committee's desire to effectuate a reorientation of residency training. There is a broad consensus in the health community that we have a specialty maldistribution problem and there is agreement that 50 percent of all residencies should be in primary care. This problem is basically that of too few primary care practitioners and too many specialties. To achieve a more appropriate balance does not require regulating everyone as the committee bill would do, but to focus on primary care, and through incentives, requirements and professional and public pressure, achieve the reorientation to primary care.

The bill contains a number of provisions to do just that, although not as strong as the 1974 Senate-passed bill. These include—

First, grants of $40, $45 and $50 million over the life of the bill to support training in family medicine, plus special projects grants to support training in other primary care fields;

Second, conditioning capitation grants on medical schools having a growing percentage of their affiliated residencies in primary care, reaching 52 percent in 1980. A 7 percent "add-on" is included for obstetrics and gynecology;

Third, construction support for certain primary care teaching facilities; and

Fourth, scholarships which we hope will go to individuals predisposed and desirous of practicing primary care.

So, even without resorting to the residency regulation mechanism which the committee proposes, I believe the combination of incentives, requirements and obvious trends will attain the desired objectives.

Mr. President, I believe it would be a serious error in judgment for the Senate to blindly and irrevocably embrace the massive regulatory scheme proposed in the bill now before us. The amendment that Senator Taft and I now offer proposes that we proceed on a step-by-step basis, doing no more as well as no less than is required to achieve the necessary reorientation of residency training.

Our amendment does just that. Our amendment—

Essentially retains the national council on postgraduate training and the mandate for a 2-year study of residency training during which residency distribution goals would be specified;

Deletes the regional councils because their study is duplication of the national council;

Allows an 18-month period following the national council's findings in which the Secretary would work with the graduate medical education community to achieve the goals of the national council; and

Requires the Secretary 6 months prior to the expiration of this legislation to report on the progress and improvements that have taken place and to recommend additional mechanisms and incentives, which are required to achieve the goals of the national council.

I am in agreement that at least 50 percent of all graduate training should be focused on primary care. Beyond that general objective, there is little agreement regarding which of the individual specialties—except family practice—should be increased or decreased, in what amounts, or at what rate. Further, we do not know what are likely to be the results of current patterns of change. For these reasons, I believe that the Secretary should appoint a national council on postgraduate physician training to examine this issue. The council should have the opportunity to complete its study and report both the results and the steps taken voluntarily by the graduate medical education sector to implement specified goals. Once the results of these initiatives are known, decisions can be made regarding the necessity for a regulatory mechanism to be employed and the form of positive or negative incentives that might be developed to promote implementation.

Residency regulation as proposed is a precipitous and excessive over-reaction to the graduate medical training problems.

Mr. President, as I have clearly shown, on the merits title V is both unnecessary and unwise. In addition, if the residency regulation provisions of title V are not stripped from the bill, it faces a certain veto. That could mean that this Congress, like its predecessor, will fail to produce a health manpower bill.

Every provision in the health manpower bill is not as I would have preferred, but it represents a workable compromise and it can do the job. Given the importance of health manpower to the country, it is imperative that a compromise be reached and a bill be enacted. As the result of the conference committee's failure to reach agreement in 1974, we lost the opportunity to impact on three medical classes. To delay that long was bad enough; to delay any longer, or to lose a bill over a fundamentally ill-advised rush to regulate residencies makes no sense to me at all.

Mr. President, I strongly urge that the Senate adopt this amendment to eliminate unnecessary and at best premature regulation, and to assure the enactment of health manpower legislation in this Congress.

Mr. President, I commend the chairman of the committee and the ranking minority member for bringing this excellent legislation to the floor, and for trying to work out an acceptable resolution of the objections interposed last year by the various parties. I think they have done a herculean job, and have, all in all, made a splendid record in trying to work out the differences before the legislation came to the floor; and I hope this area of difference can also be worked out.

Mr. KENNEDY. Mr. President, at this time, before yielding to the Senator from Ohio, I wonder if the Senator from Maryland would be willing to temporarily set aside his amendment to permit amendments being offered by myself and the Senator from Pennsylvania, which are primarily technical amendments, and which will then permit the amendment of the Senator from Maryland and any amendments thereto to be in order.

If there is no objection, Mr. President, I ask unanimous consent that the amendment of the Senator from Maryland be temporarily set aside.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts? Without objection, it is so ordered.

UP AMENDMENT NO. 160

Mr. KENNEDY. Mr. President, I send to the desk a series of technical amendments which I offer in behalf of the committee to modify the committee amendment in the nature of a substitute. I send the series of amendments to the desk, and ask that the committee amendment in the nature of a substitute be modified to incorporate these amendments.

The ACTING PRESIDENT pro tempore. Without objection, the amendment will be so modified.

Mr. KENNEDY's amendments are as follows:

Strike out page 298, line 8, through page 303, line 22, and insert in lieu thereof the following:

"(b) (1) SCHOOLS OF MEDICINE AND OSTEOPATHY.—The Secretary shall not make a grant under section 770 to any school of medicine or osteopathy in the fiscal year beginning October 1, 1978, and in fiscal years thereafter, unless such school establishes mechanisms to provide, in a form and manner satisfactory to the Secretary; that—

"(A) Except as provided in subparagraph (B), the required percentage for a school for each academic year (as defined in paragraph (4)) of places available for full-time students, excluding students in their fourth year of study, at such school shall be retained for persons who—

"(i) in the case of first-year students, prior to (a) their admission to such school, or (b) November 1 of each year, and

"(ii) in the case of second- and third-year students, prior to November 1 of each year, have submitted applications for National Health Service Corps scholarships under section 751 and have agreed in writing to accept such scholarships.

"(B) The provisions of subparagraph (A) shall not apply if the assured national goal for National Health Service Corps scholarships for each academic year (as defined in paragraph (5)) has been substantially met (as defined in paragraph (6)).

"(C) In the event that the assured national goal for National Health Service Corps scholarships for each academic year (as defined in paragraph (5)) has not been substantially met as defined in paragraph (6)), the provisions of subparagraph (A) shall become effective for the academic year beginning immediately after the academic year in which such goal had not been substantially met and for all academic years thereafter and the provisions of subparagraph (B) shall no longer apply.

"(2) SCHOOLS OF MEDICINE.—The Secretary shall not make a grant under section 770 to any school of medicine in the fiscal year beginning October 1, 1978, and in fiscal years thereafter, unless such school establishes mechanisms to provide, in a form and manner satisfactory to the Secretary that—

"(A) Except as provided in subparagraph (B) or paragraph (3), each medical school shall have at least the required percentage for each academic year (as defined in paragraph (7)) of its filled residencies (direct and affiliated of all schools of medicine) in family practice, general internal medicine, general pediatrics, and general obstetrics and gynecology;

"(B) The provisions of subparagraph (A) shall not apply if the assured national goal for each academic year (as defined in paragraph (8)) of all filled residencies (direct and affiliated of all schools of medicine) in family practice, general internal medicine, general pediatrics and general obstetrics and gynecology has been substantially met (as defined in paragraph (9));

"(C) In the event that the assured national goal for each academic year (as defined in paragraph (8)) has not been substantially met (as defined in paragraph (9)), the provisions of subsection (b) (2) (A) shall become effective for the academic year beginning immediately after the academic year in which such goal had not been substantially met (as defined in paragraph (9)) and for all academic years thereafter and the provisions of subsection (b) (2) (B) shall no longer apply.

"(b) For purposes of paragraphs (2), (7), and (8), residencies in a hospital or other medical institution or facility affiliated (to the extent and in the manner prescribed by the Secretary) with a school shall be considered residencies of such school.

"(3) If the Secretary has established numerical allocation requirements with respect to postgraduate physician training positions under any provision of law, each school shall comply with such requirements in lieu of the requirements of subsections (b) (2) (A) and (b) (2) (B).

"(4) For purposes of subsection (b) (1), the term 'required percentage for a school for each academic year' means—

"(A) for the academic year beginning in the calendar year 1977, at least 25 percent (based on such percentage of the full-time students, enrolled in such school's first-year class, during the preceding academic year);

"(B) for the academic year beginning in the calendar year 1978, at least 30 percent (based on such percentage of the full-time students, enrolled in such school's first-year class, during the preceding academic year); and

"(C) for the academic year beginning in the calendar year 1979, at least 35 percent (based on such percentage of the full-time students, enrolled in such school's first-year class, during the preceding academic year.

"(5) (A) For purposes of subsection (b) (1), the term 'the assured national goal for National Health Service scholarships' means—

"(i) a number, equal to the national percentage for an academic year, of positions retained for full-time students, excluding students in their fourth year of study, in all schools of medicine and osteopathy during such academic year, who have submitted applications for National Health Service Corps scholarships and have agreed in writing to accept such scholarships.

"(B) For purposes of subparagraph (A), the national percentage for an academic year is—

"(i) for the academic year beginning in calendar year 1977, 25 percent of the full-time students enrolled in the first-year classes of all schools of medicine and osteopathy during the academic year beginning in calendar year 1976;

"(ii) for the academic year beginning in calendar year 1978, 30 percent of the full-time students enrolled in the first-year classes of all schools of medicine and osteopathy during the academic year beginning in calendar year 1977; and

"(iii) for the academic year beginning in calendar year 1979, 35 percent of the full-time students enrolled in the first-year classes of all schools of medicine and osteopathy during the academic year beginning in calendar year 1978.

"(6) For the purposes of subsection (b) (1), the term 'substantially met' means at least 92.5 percent of the funds required to be used from those funds authorized to be appropriated under section 757 for National Health Service Corps scholarships for medical and osteopathic students for each fiscal year have been obligated, or at least 92.5 percent of the assured national goal for National Health Service Corps scholarships (as defined in paragraph (5)) has been met.

"(7) For purposes of subsection (b) (2), the term 'required percentage for each academic year' means—

"(A) for the academic year beginning in the calendar year 1977, at least 42 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis);

"(B) for the academic year beginning in the calendar year 1978, at least 47 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis); and

"(C) for the academic year beginning in the calendar year 1979, at least 57 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis).

"(8) For the purposes of subsection (b) (2), the term 'the assured national goal for each academic year' means—

"(A) for the academic year beginning in the calendar year 1977, at least 42 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated in the national aggregate);

"(B) for the academic year beginning in the calendar year 1978, at least 47 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated in the national aggregate); and

"(C) for the academic year beginning in the calendar year 1979, at least 60 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated in the national aggregate).

"(9) For the purposes of subsection (b) (2), the term 'substantially met' means at least 95 percent of the assured national goal for each academic year (as defined in paragraph (8)) has been met.

"(10)(A) In the case of a student who has entered into a contract under section 754, a renewal thereof may not be counted for purposes of paragraphs (1), (4), and (5).

"(B) In the case of a student who has submitted an application for a National Health Service Corps scholarship under section 751 and has never been offered such scholarship, such student may be counted, for purposes of paragraphs (1), (4), and (5), once each academic year in which he submits such application.

"(C) In the case of a student who has failed to accept a National Health Service Corps scholarship when offered such scholarship, such student may not be counted for purposes of paragraphs (1), (4), and (5) when such student submits an application for such a scholarship thereafter.

On Page 281, strike lines 1 through 3 and insert in lieu thereof: professional organizations, and that, if the Liaison Committee on Graduate Medical Education has been approved by the Commissioner of Education for the purpose of accrediting programs of this nature, the program has been accredited by that Committee.

3. On Page 262, insert between lines 18 and 19 the following: "(e) Whenever an individual who has (1) submitted an application for a National Health Service Corps scholarship under Section 751, (2) agreed in writing to accept such scholarship, and (3) enrolled as a student in a school of medicine or osteopathy fails to accept such scholarship, if offered, such individual shall be liable to the United States for the sum of $1500 as liquidated damages."

On page 312, line 23, strike the period at the end of subparagraph (C) and insert in lieu thereof "; or".

On page 312, between lines 23 and 24 insert the following new subparagraph:

"(D) In the case of schools of veterinary medicine, the application shall contain or be supported by assurances satisfactory to the Secretary that for the first academic year beginning after the close of the academic year in which such grant is made at least 40 percent of the first year enrollment of full-time students in such school will be comprised of students who are residents of States in which there are no accredited schools of veterinary medicine."

On page 314, line 8, insert "accredited" before "schools".

On page 314 through page 318 insert "accredited" before "schools" each time it appears.

On page 314 through page 318 insert "an accredited" before "school" each time it appears.

On page 320, strike lines 16 through line 2 on page 321 and insert in lieu thereof the following:

"SEC. 783. (a) The Secretary may make grants to assist accredited schools of public health in meeting the costs of special projects to develop new programs or to expand existing programs in—

"(1) biostatistics or epidemiology,

"(2) health administration, health planning or health policy analysis and planning,

"(3) environmental or occupational health, or

"(4) dietetics and nutrition.

"(b)(1) The Secretary may make grants to assist those public or nonprofit educational entities (including graduate schools or social work) which have accredited programs in accordance with subsection (2) in meeting the costs of special projects to develop new programs or to expand existing programs in—

"(a) biostatistics or epidemiology,

"(b) health administration, health planning or health policy analysis and planning,

"(c) environmental or occupational health, or

"(d) dietetics and nutrition."

On page 320, line 4, strike "and" and insert in lieu thereof "or".

On page 320, line 14, insert "ACCREDITED" after "FOR".

On page 321, line 3, strike "(b)" and insert in lieu thereof "(2)".

On page 321, line 18, insert "accredited" before "schools".

On page 321, line 18, insert "accredited" before "schools".

On page 354, line 4, strike "and" and insert between lines 4 and 5 the following:

(N) plan, develop, operate, expand or evaluate predoctoral training programs for medical and osteopathic students in the field of family medicine; and

(O) provide traineeships (including costs of training, fees, stipends, travel and subsistence expenses and dependency allowances) for full-time students to secure part of their education under a preceptor in primary health care (as designated by the Secretary) or in any field of health care when such training takes place in an area designated by the Secretary as a health manpower shortage area.

On page 210, line 20, insert "optometry," before "podiatry"

On page 210, line 22, strike "optometry or".

On page 211, line 2, insert "optometry, public health" before "or".

On page 211, line 4, strike "optometry or".

On page 367, insert the following new section after line 25:

SEC. 1503. Section 301 of the Public Health Service Act is amended by inserting:

"(i) Make grants-in-aid to universities, hospitals, laboratories, and other public or private institutions for such projects as are recommended by the National Advisory Environmental Health Sciences Council for the purpose of providing institutional as well as individual support for curriculum development and support of predoctoral, postdoctoral and special manpower development programs, such support to include, but not to be limited to, stipends, special allowances and training research costs associated with such environmental health sciences manpower development projects.".

On page 42, after line 21, add the following:

HEALTH PLANNING

SEC. 22. (a) Section 1512 (b)(3)(c)(ii)(I) is amended by inserting "optometrists," after "nurses,".

(b) Section 1531(3)(A) is amended by inserting "optometrist," after "podiatrist,".

On page 215, line 11, strike "12" and substitute "10".

On page 297, line 10, strike "September 30," and substitute "October 1," and insert "in each fiscal year" before "thereafter".

On page 297, line 15, strike "school" and substitute "academic".

On page 297, line 19, strike "school" and substitute "academic".

On page 310, line 18, strike "September 30" and substitute "October 1".

On page 310, line 19, insert "in each fiscal year" before "thereafter".

On page 310, line 23, strike "school" and substitute "academic".

On page 311, line 19, strike "school" and substitute "academic".

On page 312, line 8, strike "school" and substitute "academic".

On page 312, line 9, strike "fiscal" and substitute "academic".

On page 312, line 15, strike "or."

On page 312, line 18, strike "school" and substitute "academic".

On page 312, line 19, strike "fiscal" and substitute "academic".

On page 312, line 23, strike the period at the end thereof and substitute "; or".

On page 314, line 19, insert "multiplied by" before "the".

On page 314, line 23, strike "for" the first time it appears and substitute "enrolled in".

On page 314 line, 23, strike "for" the second time it appears and substitute "in".

On page 315, line 11, strike "for a" and substitute "enrolled in".

On page 306, line 4, strike "1975" and substitute "calendar year 1976".

On page 306, line 21, strike "(1)".

On page 203, line 15, strike "The amendments made by" and substitute "The provisions of".

On page 364, line 1, strike "(a)".

On page 283, line 11, strike "Civil Penalties" and substitute "civil penalties; Exclusion".

On page 284, strike line 23.

On page 284, line 24, strike "'Sec. 719A." and substitute "'(e)".

On page 366, insert between lines 18 and 19 the following:

(f) The heading for Part B of title VII of the Act is redesignated as Part C.

On page 190, insert between lines 22 and 23, the following:

(e) The heading for Part D of title VII of the Act is redesignated as Part E.

On page 291, line 13, strike "Part E" and substitute "Part J".

On page 297, line 1, strike "Part E" and substitute "Part F".

On page 297, line 5, strike "Sec. 802. Part E of title" and substitute "Title".

On page 314, line 5, strike "Part G" and substitute "Part H".

On page 358, line 19, strike "Part F" and substitute "Part K".

On page 365, insert the following between lines 8 and 9:

(b) Section 721 is amended by striking subsections.

(c), (d), and (e), in their entirety.

On page 356, line 10, strike "primary dental care" and insert in lieu thereof: "general dentistry or pedodontics."

On page 332, line 7, strike "primary."

On page 293, lines 11, 12, and 13, strike "ending" each time it appears and insert in lieu thereof "beginning".

Beginning on line 23, page 303, strike out through line 9, page 305 and substitute the following:

"(c) Schools of Dentistry.—The Secretary shall not make a grant under section 770 to any school of dentistry in the fiscal year beginning October 1, 1978 and in fiscal years thereafter, unless such school establishes mechanisms to provide, in a form and manner satisfactory to the Secretary, that—

"(1) except as provided in subparagraph (2), for each academic year beginning in the calendar year 1977, 1978, and 1979, at least 20 percent (calculated on a per school basis) of places available for full-time students, excluding students in their fourth year of study, at such school shall be retained for persons who—

"(A) in the case of first-year students, prior to (a) their admission to such school, or (b) November 1 of each year, and

"(B) in the case of second- and third-year students, prior to November 1 of each year, have submitted applications for National Health Service Corps scholarships under Section 751 and have agreed in writing to accept such scholarships.

"(2)(A) The provisions of subparagraph (1) shall not apply if, for each such academic year, at least 20 percent (calculated in the national aggregate average of the full-time students in the first year classes of all schools have submitted applications for National Health Service Corps scholarships under section 751 and have agreed in writing to accept such scholarships and 92.5 percent of the funds required to be used from those funds authorized to be appropriated under section 757 for scholarships for dental students for each fiscal year have been obligated.

(B) In the event that the conditions specified in subparagraph (A) have not been met, the provisions of subparagraph (1) shall become effective for the academic year beginning immediately after the academic year in which such conditions had not been met and for all academic years thereafter and the provisions of subparagraph (2) shall no longer apply."

On page 305, line 10, strike "(4)" and substitute "(3)".

On page 305, strike lines 17 through 20 and substitute:

"(II) maintain a first year enrollment of full-time students for each academic year, beginning in the calendar year 1977 and for each academic year thereafter, which exceeds the number of such students enrolled in the academic year beginning in the calendar year 1976".

On page 264, line 24, strike "780" and insert in lieu thereof "'758".

On page 189, between lines 8 and 9, insert the following:

"(r) Section 771(b)(2) is amended by striking "July 1, 1974" and by inserting in lieu theerof "October 1, 1978" and by striking "June 30, 1975" and by inserting in lieu thereof "September 30, 1979".

On page 242, line 12, strike "2" and insert in lieu thereof "3".

On page 201, lines 21 and 22, strike "directly or indirectly".

On page 230, line 21, insert "podiatry" after "pharmacy".

On page 285, line 2, strike out "(1)".

On page 285, line 9, insert before the period a comma and "except such aliens who have passed parts I and II of the National Board of Medical Examiners Examination (or equivalent examination as determined by the Secretary of Health, Education, and Welfare) and who are competent in oral and written English".

On page 285, line 11, strike out "only" and insert in lieu thereof "to special immigrants defined in section 101(a)(27)(A) (other than the parents, spouses, or children of United States citizens or of aliens lawfully admitted for permanent residence), to nonpreference immigrant aliens described in section 203(a)(8), and".

On page 285, strike out lines 13 through 16.

On page 286, line 16, strike out "(c)" and insert in lieu thereof "(e)".

On page 291, between lines 8 and 9, insert the following:

"SECTION 602. The Congress hereby finds and declares that there is no longer an insufficient number of physicians and surgeons in the United States and that the Secretary of Labor should immediately remove physicians and surgeons from the Schedule A established by regulations pursuant to Section 212(a)(14) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(14))."

On page 285, line 12, strike out "(i)".

On page 288, line 7, strike out the period and insert in lieu thereof a colon, and "*and provided further*, that, except in the case of an alien described in clause (A), the Attorney General may, upon the favorable recommendation of the Secretary of State, waive such two-year foreign residence requirement in any case in which the foreign country of the alien's nationality or last residence has furnished the Secretary of State a statement in writing that it has no objection to such a waiver in the case of such alien.".

On page 234, line 21, strike "$10,000,000" and insert in lieu thereof "$16,000,000."

On page 234, line 22, strike "$11,000,000" and insert in lieu thereof "$17,000,000."

On page 234, line 23, strike "$12,000,000" and insert in lieu thereof "$18,000,000."

On page 197, line 9, insert "Socio-economic background" after "sex."

On page 226, line 21, strike "24" and insert in lieu thereof "26."

On page 268, line 16, strike "One" and insert in lieu thereof "Three."

On page 272, line 10, strike "24" and insert in lieu thereof "26."

On page 274, strike "One" and insert in lieu thereof "Three."

On page 324, line 5, insert "training and" after "the".

On page 201, insert the following new section after line 24:

"SEC. 718. (a) Any entity which (1) maintains a postgraduate physician training position in a primary care specialty, and (2) receives a grant, loan, loan guarantee, or interest subsidy or which enters into a contract with the Secretary under this Title, shall to the maximum extent feasible establish or restructure a reasonable number of its postgraduate physician training positions in each primary care specialty, as sharing schedule positions.

"(b) For purposes of this section, 'sharing schedule positions' are postgraduate physician training positions which are limited to an average of two persons sharing one such position in a fiscal year and each such person shall for each such year—

"(1) expend ¾ or ⅔ of the total training time in such position;

"(2) receive ¾ or ⅔ of the total credit toward qualifying for Board certification for such position;

"(3) receive ½ of the total salary for such position; and

"(4) receive the full employee benefits for such position.

"(c) For purposes of this section, the term 'primary care specialty' means family practice, general internal medicine, general pediatrics, and general obstetrics and gynecology."

On page 235, line 11, insert "(a)" before "There."

On page 235, line 18, strike " " ".

On page 235, insert the following between lines 18 and 19:

"(b) The identifiable administrative unit within the Department which administers sections 720, 770 and 776 shall concur in the issuance of regulations, guidelines, funding priorities, application forms, grant and contract awards, prior to the issuance thereof, with respect to the National Health Service Corps established under section 330 and the National Health Service Corps Scholarship Program established under section 751."

On page 249, strike lines 4 through 9 and insert in lieu thereof the following:

"(d)(1)(A) It shall be unlawful for any hospital to deny an authorized physician or dentist member of the Corps admitting privileges, when such Corps member otherwise meets the professional qualifications established by the hospital for granting such privileges and agrees to abide by the published bylaws of the hospital and the published bylaws, rules, and regulations of its medical staff.

"(B) Any hospital which is found by the Secretary, after notice and an opportunity for a hearing on the record, to have violated this subsection shall upon such finding cease to receive and be eligible to receive any Federal funds under this Act, and shall be liable to the United States for a civil penalty of $10,000."

On page 244, line 13, insert "(1)" after "(b)".

On page 244, between lines 19 and 20, insert the following:

"(2) Any entity, which is located in a health manpower shortage area and in which a significant percentage of the residents of such area are elderly, living in poverty, or have other characteristics which would indicate an inability to repay the amounts required in subsection (a)(3) shall be exempt from the provisions of such subsection. Any amounts of funds retained by such entity, in accordance with the provisions of this section, shall be used by such entity for the improvement of the capability of such entity to deliver health services to the residents of such area.".

On page 221, following line 10, insert the following new subsection:

"FIVE-YEAR NONDISCHARGEABILITY OF CERTAIN LOAN DEBTS

"(g) A debt which is a loan insured or guaranteed under the authority of this subpart may be released by a discharge in bankruptcy under the Bankruptcy Act only if such discharge is granted after the five-year period (exclusive of any applicable suspension of the repayment period) beginning on the date of commencement of the repayment period of such loan.".

EXPLANATION.—The proposed amendment would prohibit an individual holding a federally insured loan from discharging his loan obligation through bankruptcy during a five-year period beginning with repayment date of the loan. Identical language with respect to the Higher Education Act guaranteed student loan program is contained in S. 2657, the Education Amendments of 1976, reported by the Labor and Public Welfare Committee.

On page 323, after line 13 insert:

"Assistance for Selection and Training of Professional Standards Review Organization Staff.

"SEC. 785. (a) The purpose of this section is to enhance and improve the performance of Professional Standards Review Organizations (including organizations which meet the requirements of section 1169(a) and (b) of the Social Security Act) through a program of selecting and training effective lay staff of such organizations.

"(b) The Secretary shall carry out the purposes of the program described in subsection (a) by making grants to, or entering into contracts with, any public or non-profit private agency, institution, or organization which can demonstrate the ability to assist in carrying out such program in an effective manner.

"(c) In carrying out the program described in subsection (a) and making the grants and contracts under subsection (b), the Secretary shall give priority to the selection and training of top-level executive staff and of those staff charged with the structuring, analysis, and interpretation of statistical and related data produced by or made available to Professional Standards Review Organizations.

"(d) For carrying out the purposes of this section there is hereby authorized to be appropriated for each of the three fiscal years beginning October 1, 1977, $2,500,000.".

On page 337, strike lines 21 through 23, and insert in lieu thereof the following:

"(i) provide for or conduct health education services, including but not limited to education in nutrition evaluation and counseling, throughout a specifically designated geographic area or a medically underserved population;".

LISTER HILL SCHOLARSHIP PROGRAM

SEC. 758A. (a) The Congress finds and declares that—

(1) an essential element in maintaining the health of the people of the United States is the continued assurance of trained health manpower, capable of delivering the highest quality of health care;

(2) despite the fact that the health care system in the United States is in general the

finest system in the world, quality health care is not always available to those persons residing in depressed urban areas or rural areas; and

(3) quality health care is a right of citizens regardless of the area in which they reside, and that the delivery of such quality health care was always an objective of Lister Hill during his service to the people of his State and the Nation in the Congress of the United States.

(b) It is purpose of this section to assist in securing quality health care for all citizens, through the establishment of a medical scholarship program.

(c) In addition to other assistance available under this Act, the Secretary shall annually make grants to at lest ten individuals (to be known as Lister Hill scholars) for medical school scholarships of up to four years and up to $8,000 per year each in accordance with the provisions of this subpart, who agree to enter into the family practice of medicine in areas described in subsection (a) of section 784. Grants made under this section shall be made from funds appropriated under subsection (d).

(d) There are authorized to be appropriated to carry out the purposes of this section $80,000 for the fiscal year ending September 30, 1977, $160,000 for the fiscal year ending September 30, 1978, $240,000 for the fiscal year ending September 30, 1979, and $320,000 for the fiscal year ending September 30, 1980. For the fiscal year ending September 30, 1981 and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to October 1, 1980) have received such a grant under this section during such succeeding fiscal year.

AMENDMENT NO. 1952

Mr. KENNEDY. Mr. President, I ask unanimous consent that the amendment of the Senator from Maryland be considered in order at the present time.

The ACTING PRESIDENT pro tempore. Without objection, it is ordered.

Mr. BEALL. Mr. President, I shall yield 5 minutes to the distinguished Senator from Ohio (Mr. TAFT) who is not only a cosponsor of the amendment being offered this morning, but was also a cosponsor of the substitute offered and adopted by the Senate in 1974.

In yielding, I thank him very much for his cooperation and contributions to this effort.

Mr. TAFT. Mr. President, I thank the distinguished Senator from Maryland for yielding. Also, I thank him for his very distinguished leadership in this entire area over the last 2 or 3 years.

Starting with a good deal of confusion on the entire subject, recognizing the problems to be there, we have now succeeded in working out with the cooperation of the distinguished chairman of the subcommittee and other members of the committee what is a very workable approach to the entire problem if the Taft-Beall amendment is adopted here today.

Mr. President, I want to speak for just a few minutes this morning in support of amendment No. 1952, offered by Senator BEALL and myself to remove from title V of this bill the provision calling for Federal regulation of every residency position in every hospital in every State across this Nation, and I associate myself with the remarks of our colleague from Maryland just delivered.

The data just reviewed by our distinguished colleague from Maryland reveals that the desired changes in the proportion of medical residencies in primary care is already occuring without sweeping Federal intrusion.

Before any justification can be made for a large, expensive, and intrusive Federal regulatory apparatus as that proposed in title V, data on the types of graduate training positions available to medical students and on the specialty choices such students are making must unequivocally show that past, present, and probable future position availability and student decisions are clearly inconsistent with national needs and goals. The most current data available reveals exactly the opposite.

The recent results of the National intern and resident matching program, just discussed, shows that this year, out of some 11,000 American students who will enter first-year residency positions, 66 percent will be entering primary care specialities.

In 1976, the highest proportions of openings filled are in family practice—85 percent filled; internal medicine—91 percent filled; and pediatrics—84 percent filled. These are all primary care specialities.

While as a whole, the number of residency positions offered has actually declined by 8 percent over the past 3 years, the number of primary care positions has increased by over 20 percent. This is not lack of response.

Finally, over 80 percent of the U.S. graduates, who for one reason or another applied for but could not be matched through the resident matching program, as a first choice opted for a primary care specialty.

This data hardly confirms a need for Federal takeover of residency planning. Indeed, it suggests that both students and institutions understand and are responding to this national priority. There is no question in my mind that the positive incentives contained elsewhere in this legislation will continue, even accelerate, changes toward primary care training and away from specialty training.

But even if we set aside for a moment the question of need to legislate changes, let us consider for a moment the advisability of choosing direct Federal regulation as the instrument of remedy. I do not know what concerns the citizens of the States of our colleagues have communicated to them. But while the citizens of Ohio want to see progress toward increased availability of health care resources, of even greater concern to them is the growing intrusion of Federal regulation, both direct and indirect, into every aspect of their daily lives. Such regulation, always well-meaning in its intent, typically ends up imposing arbitrary restrictions and reporting requirements, providing costly and irrevocable subsidies—in sum, afflicted with that host of inequities that make it virtually impossible to identify a success story in the history of Federal attempts at regulation. That said history does not inspire in me any confidence at all that a committee in Washington, or even a regional committee overseeing five or six States, can equitably decide whether a urological residency position should be allocated to Good Samaritan Hospital in Cincinnati or St. Francis Hospital in Peoria. Nor can I accept that a local decision to establish a residency based on local needs, if somehow inconsistent with the Federal Government's master plan, would exact penalties of up to $10,000 per day. In addition, the offending hospital, all affiliated institutions, all the hospital's employees, and all future employers of residents trained in unauthorized positions would be barred from Federal assistance under the Public Health Service Act. The excesses are glaring.

Finally, let there be no misunderstanding regarding the scope of such regulation. It would not focus on one region of the country with an acute problem, or on one or two specialties that are out of line, or on a selected group of hospitals that are for some reason unresponsive. It would be all hospitals, all specialties, all States regardless of performance.

The amendment proposed by Senator BEALL and myself recognizes four reasonable principles: That the changes that we all desire are occurring without need for Federal regulations; that beyond broad general agreement that 50 percent of physicians, and 50 percent of residents, should be in primary care, there is no concensus on goals for the several medical specialties, much less subspecialties, and such goals need to be defined; that once such goals are established, the graduate medical education system should have the opportunity—albeit one limited in time—to voluntarily implement them; and finally, should there emerge failures to meet such goals, Congress should, at the time such failures come to light, give consideration to a number of alternative remedial approaches that are targeted selectively on such failures.

I thank the Senator for yielding, and I yield back the remainder of my time.

Mr. BEALL. Mr. President, I ask for the yeas and nays on the amendment.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, the basic Beall amendment is, in a summarized comment, just really another study. It provides for HEW to do another study. If the Senator from Maryland as well as the Senator from Ohio understands that we are really facing a problem, they know this is an area which has really been studied to death. We have gone through studies by HEW and by the McKenzie group, looking at the various numbers of specialists that we need. There has been an excellent study by the Institute of Medicine as a direct result of the Senate's action.

The Institute of Medicine study points out very clearly and precisely what the nature of the problem is that we are facing in this country. We have tried to fashion a means and a way of dealing effectively with it.

What we are recognizing with the development of this particular program is the fact that, with the large investment of the American taxpayer in health manpower training, we ought to be able to fashion some kind of a sensible, reasonable, and appropriate response to our national needs in terms of the types of specialties that we need. We ought to insure that needs of the areas which are underserved in the rural and urban parts of this country are actually going to be met.

That is why we establish the mechanism to do this. We recognize that this is an area of very considerable importance. We must not only insure that the American people are going to receive the kind of skilled and trained health manpower that they need in the area of primary care, but also that there will be a more appropriate allocation of health manpower in the specialties; in the area of surgery and some of the other speciality areas. Practically every group, even the American College of Surgeons, has recognized that we have too many surgeons. When we have surgeons, the result is that too much surgery is done. The one who ends up paying for the excess surgery is the American taxpayer. In Blue Cross and Blue Shield and in the Medicaid and the Medicare programs the American taxpayer pays too much.

I refer to a part of the House Commerce Committee's report on this issue. Using an estimate of $1,650 per procedure, the subcommittee estimates 2.38 million unnecessary operations were performed in 1974. The subcommittee determined that the American public spent $3.92 billion on unnecessary surgery in 1974.

If we really are interested in dealing effectively with costs, one of the most effective ways we can do so is by getting the right type of manpower in the right areas. To date, we have not done this.

It has been the view of the medical schools to say, "Just give us the money. Let us develop the educational program, whatever it is." In many, many instances, they have developed a superb educational program, but one which has no rationality in terms of our national needs.

Mr. President, I have serious reservations about this proposal. I have no reservations about the nature of the commitment of the Senator from Maryland or the Senator from Ohio in addressing these two particular problems. We have debated for hours the issue of the allocation of manpower in underserved areas, both here, in 1974, and in the committee this year. I fully accept their very deep commitment to meet the problems that all of us have indentified. I just feel that the proposal they make, after reviewing it one more time, does not face up to this imporant issue.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. Mr. President, it is my intention, when the time expires or is yielded back, to send to the desk an amendment to Senator BEALL's amendment. I just wish to again announce that, so that my colleagues may be guided by it.

Mr. HATHAWAY. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. HATHAWAY. Mr. President, I join the Senator from Massachusetts in opposition to the amendment of the Senator from Maryland and the Senator from Ohio. In acknowledging the contribution that both Senators have made to the bill, I am glad this is the only point that is in dispute.

It seems to me that the basic issue here is that the law of supply and demand is not going to give us the medical care we need because, unfortunately, the demand factor is money, not illnesses.

I am not saying that the medical profession does not have its share of altruistic practitioners. They probably have more altruistic members in that profession than most other professions. Nevertheless, a great many of them—I imagine the great majority—are going to go into those areas and types of practice where they can make the most money. Unfortunately, that is going to leave many people in the poorer areas of this country, in the rural areas and in the hard-pressed ghetto areas in our large cities, without adequate primary medical care.

Statistics show, for example, that in 1949, 50 percent of all physicians considered themselves general practitioners. In 1974, that percentage dropped to 16.4 percent. That is in contrast to the United Kingdom, where 75 percent of the physicians are, in effect, in primary care. Studies indicate that 85 percent of all health problems for which people seek care can be managed by primary care physicians.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Mrs. Julie Wetson, a staff member, may have the privilege of the floor during this debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, the committee bill is simply an effort to correct this specialty maldistribution. Although there may be technical shortcomings in it, I think that, by and large, it is an excellent proposal and we should adopt it and go ahead and see how it works out.

I do not believe that simply voluntary efforts by doctors, or the law of supply and demand, are going to take care of the very acute shortages in the primary care area.

Mr. SCHWEIKER. Mr. President, I support the bill as reported by the Health Subcommittee. As the ranking Republican member of that subcommittee, I believe it is a good bill. I believe it addresses many of the critical problems of the health care system of this country—the matter of not having physicians in the right place and the matter of not having the right kinds of physicians in the right place.

The maldistribution of specialties and the maldistribution of primary care physicians are two problems with which this bill attempted to deal. I believe we have long passed the day when we can afford to sit back and say that these problems can be taken care of by free market forces.

The Federal Government is paying approximately 55 percent of physicians' educational costs today. I believe this certainly gives the Federal Government the right to say in which geographic and specialty areas our doctors are needed.

A few years ago, that was not the case. The Federal Government was not involved. However, because of the inflated cost of medical education as a result of the gigantic pressures on medical schools, we now see that the majority of the education of a medical graduate today has been paid for by the taxpayers. So if we do not have doctors in Kentucky, that is a Federal problem. Since we are paying the bill, we have the right to ask that we have doctors in Kentucky or in the poor Appalachia areas or in the city ghettos.

By the same token, if we have too many surgeons and not enough general practitioners, we have the right to say, "What is our money going for? What are we paying for?" Do we not have the right to get the kind of doctors we need? That is exactly what this bill is all about.

When the Federal Government picks up 55 percent of the tab, it has every right to say where our doctors will practice for several years of service. Primary care is badly needed in this country. It is only fair and right, if we are going to foot 55 percent of the physicians' education bill, that we determine exactly the kind of physicians who are being educated. It does not do this country any good if everybody is a surgeon when we need general practitioners and primary care people.

That is the issue. That is the matter with which the bill attempts to deal. I think it is a good bill in its present form and copes with the problem at hand.

So long as the Federal Government helps pay the bill, we have a right to ask that of a medical education system that has not been meeting these needs.

So, I strongly support the bill in its present form. I think our Health Subcommittee did a good job in meeting these problems. So long as the medical education system is going to accept and demand 55 percent Federal support, we in the Federal Government have the right to ask that the doctors be in the right place and trained in the right specialty.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Dr. Caper be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I yield myself 2 minutes for the purpose of clearing up what seems to be a misconception or a mischaracterization. I would characterize the Beall-Taft amendment as requiring what amounts to more than a study of the problem. I think the RECORD should point out that the proposal for a study did not originate with my amendment but was a proposal of the Health Subcommittee. We all agreed on the need for such a study. But I think, in addition to the study, my amendment, like the recommendations of the Institute of Medicine study, goes much further. It establishes the time table for goals and provides that if the recommended changes do not take place, the Secretary of HEW will report to Congress on the nature of the failures and request the authority needed to address any failures. This approach avoids the heavyhanded interference on the part of the Federal Government. Therefore, I think our suggestion is much more to the study. In addition, when we examine what we suggested with the provisions already in the bill relating to affiliated residencies, which I authored and which the Senate passed in 1974, then I think we see that we can solve the problem without having the Federal Government become so directly involved in controlling every aspect of medical training in the United States. Indeed the committee in its report conceded such provisions would work.

Mr. President, I am prepared to yield back my time on this amendment.

Mr. KENNEDY. I yield back my time.

UP AMENDMENT NO. 161

Mr. JAVITS. Mr. President, I send an amendment to the desk to the Beall amendment.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the language proposed insert the following:

Strike out page 298, line 8 through page 303, line 22 and insert the following:

"(b)(1) SCHOOLS OF MEDICINE AND OSTEOPATHY.—The Secretary shall not make a grant under section 770 to any school of medicine or osteopthy in the fiscal year beginning October 1, 1977, and in fiscal years thereafter, unless such school establishes mechanisms to provide, in a form and manner satisfactory to the Secretary, that—

"(A) The required percentage for a school for each academic year (as defined in paragraph (4)) of places available for full-time students, excluding students in their fourth year of study, at such school shall be retained for persons who—

"(i) in the case of first-year students, prior to (a) their admission to such school, or (b) November 1 of each year, and

"(ii) in the case of second- and third-year students, prior to November 1 of each year, have submitted applications for National Health Service Corps scholarships under section 751 and have agreed in writing to accept such scholarships.

"(2) SCHOOLS OF MEDICINE.—The Secretary shall not make a grant under section 770 to any school of medicine in the fiscal year beginning October 1, 1977, and in fiscal years thereafter, unless such school establishes mechanisms to provide, in a form and manner satisfactory to the Secretary that each medical school shall have at least the required percentage for each academic year (as defined in paragraph (5)) of its filled residencies (direct and affiliated of all schools of medicine) in family practice, general internal medicine, general pediatrics, and general obstetrics and gynecology;

"(3) For purposes of paragraphs (2) and (5), residencies in a hospital or other medical institution or facility affiliated (to the extent and in the manner prescribed by the Secretary) with a school shall be considered residencies of such school.

"(4) For purposes of subsection (b)(1), the term 'required percentage for a school for each academic year' means—

"(A) for the academic year beginning in the calendar year 1977, at least 25 percent (based on such percentage of the full-time students, enrolled in such school's first-year class, during the preceding academic year);

"(B) for the academic year beginning in the calendar year 1978, at least 30 percent (based on such percentage of the full-time students, enrolled in such school's first-year class, during the preceding academic year); and

"(C) for the academic year beginning in the calendar year 1979, at least 35 percent (based on such percentage of the full-time students, enrolled in such school's first-year class, during the preceding academic year.

"(5) For purposes of subsection (b)(2), the term required percentage for each academic year means—

"(A) for the academic year beginning in the calendar year 1977, at least 42 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis);

"(B) for the academic year beginning in the calendar year 1978, at least 47 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis); and

"(C) for the academic year beginning in the calendar 1979, at least 57 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis).

"(6)(A) In the case of a student who has entered a contract under section 754, a renewal thereof may not be counted for purposes of paragraphs (1), (4), and (5).

"(B) In the case of a student who has submitted an application for a National Health Service Corps scholarship under section 751 and has never been offered such scholarship, such student may be counted for purposes of paragraphs (1), (4), and (5), once each academic year in which he submits such application.

"(C) In the case of a student who has failed to accept a National Health Service Corps Scholarship when offered such scholarship, such student may not be counted for purposes of paragraphs (1), (4), and (5) when such student submits an application for such a scholarship thereafter.

The ACTING PRESIDENT pro tempore. There are 30 minutes on this amendment, 15 minutes to a side.

Mr. KENNEDY. Would the Senator modify his amendment by making the conditions or requirement of the corps scholarship and the other the same as in the bill. That is not the issue of maldistribution of specialties but the issue of geographic maldistribution.

Mr. JAVITS. I would be willing to do that if the manager of the bill on the majority side would agree that if his modification of my amendment is accepted and if Senator Beall accepts the amendment as modified, then it will be acceptable to the managers of the bill.

Mr. KENNEDY. Fine. I shall make the proposal later on. Is it agreeable with the Senator from Maryland?

Mr. BEALL. Is the Senator suggesting a modification now of the Javits amendment?

Mr. KENNEDY. I can make it now, or later.

Mr. JAVITS. As I say, I shall accept it if Senator BEALL and Senator TAFT accept my amendment as modified. Then I ask Senator KENNEDY if he, as manager of the bill, will accept the total Beall amendment as amended.

Mr. KENNEDY. I would recommend that.

The ACTING PRESIDENT pro tempore. The amendment sent forth by the Senator from New York amends the bill in a place not amended by the Senator from Maryland, and therefore, is not in order.

Mr. KENNEDY. I ask unanimous consent that it be made technically conforming.

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. JAVITS. Will the Senator yield me 10 minutes?

Mr. SCHWEIKER. Yes, I yield.

Mr. JAVITS. I withdraw the amendment, Mr. President.

The amendment is withdrawn.

Mr. JAVITS. I have just been given 10 minutes and I seek recognition.

The PRESIDING OFFICER. Does the Senator withdraw the request for a quorum call?

Mr. JAVITS. No quorum is possible under controlled time, Mr. President, unless time is yielded. No time has been yielded for a quorum. It has been yielded to me. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct and the Senator has 10 minutes.

Mr. JAVITS. I now have 10 minutes, right?

Mr. BEALL. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. BEALL. As I understand where we are, the Senator from New York has offered an amendment amending my amendment and the Senator from Massachusetts modified the amendment of the Senator from New York, which is acceptable. I ask for the yeas and nays.

Mr. JAVITS. We are not at that point. There is some technical point as to where it fits, so I have withdrawn it. I have just been yielded 10 minutes.

Mr. BEALL. All right.

Mr. JAVITS. Mr. President, I am sure we will work out whatever technical problem there is. I shall be offering an amendment. I will accept Senator KENNEDY's modification, and obviously, the mover of the original amendment or the movers—Senator TAFT and Senator BEALL—show a disposition to accept the amendment as modified and thereby to try to settle this controversy.

Mr. President, first, I should like to join Senators KENNEDY and SCHWEIKER in the feeling that Senators BEALL and TAFT have a very valid point upon which reasonable men can differ. Senator SCHWEIKER and Senator KENNEDY have felt very strongly about it. Obviously, Senator HATHAWAY has, also, and I have joined with them; we have had a very deep feeling about the fact that the specialty maldistribution, which reduces the number available for primary care, is a very concerning part of the whole problem which we face in this particular field. We have tried for a long period of time to bring about a situation in which commitments are required in a very important way of the individual student in order to earn the scholarship treatment in return for which, on a year-for-year basis, he finds it possible to receive the education which is to be provided to him with very special help from the Federal Government. But, Mr. President, I think that we have gone through that as far as it is humanly possible to do and that it is time to get on with the business. I think that Senator BEALL has raised a very legitimate concern, though I have not agreed to it, as to the ability of the Department of Health, Education, and Welfare really to fine-tune the distribution of specialty positions.

I think the time has come to try to work out some practical solution to this problem and, therefore, the planning approach which is specified in the Beall amendment, plus an immediate approach as provided in the administration bill as to what may be available with respect to the percentages engaged in primary care as contrasted to those engaged in other specialties, school by school, rather than the overall look at the total of what all schools do should be a reasonable solution. The amendment which I shall propose is in coordination with the American Association of Medical Colleges amendments accepted previously which steamlines and facilitates the administrative procedures of schools that accept capitation. In essence the amendment requires that each school meets individually the percentage of class size set-aside for students agreeing to receive scholarships and serve in underserved areas in the National Health Service Corps; and the percentage of affiliated residencies in the primary care fields which receive capitation, beginning in the fiscal year 1977.

Furthermore, we retain the percentages which are contained essentially in the bill. These, also, we deemed to be appropriate after proper consideration.

Mr. President, few Senators are as hard working, thorough, knowledgeable and deeply caring about the quality of health professions education as the chairman of the Health Subcommittee, Senator KENNEDY, and our colleague, Senator BEALL. I have listened with great care and attention to their informed colloquy, and I believe that there is great merit to the position taken by both on the subject of the distribution of residency training positions in the medical and surgical specialties.

I believe the amendment I will propose represents a compromise that fairly reflects and preserves the convictions and concerns of both Senators and achieves the policy outcome we all seek.

I agree with Senator KENNEDY, and with the views expressed in the report accompanying this bill, that specialty maldistribution is one of the most serious health professions education problems we face, and I shall not reiterate but affirm the substantial evidence documenting the scope and consequences of this problem. I agree with Senator KENNEDY that we know enough already not to delay in seeking to remedy the situation.

Over and over again, from all witnesses, from all quarters, from all voices in the health care field, we have heard the consensus that half our physicians should be delivering care in the "primary care" specialties of general pediatrics, general internal medicine, and family practice. The reported bill seeks precisely this objective, and does so sensibly and vigorously addressing the major problem—the balance between primary and specialty care—without delay. Change will always be disconcerting to some, but there is no reason to delay on this basic and important matter.

At the same time, Senator BEALL raises legitimate concern with respect to the ability of HEW to "fine tune" the distribution of specialty positions within the half of all such positions that are in specialties as a whole. It is worth noting, too, that many of the specialty societies themselves, such as the surgeons and the radiologists, have expressed the will and desire and ability to engage in rational planning for their own specialties on a voluntary basis. A great deal of evidence is coming in—and would continue to be gained under Senator BEALL's amendment—with respect to planning within the specialties of medicine and surgery, but we can and should act at once to achieve the priority objective of physician primary care balance and geographic distribution.

My amendment would respond to both sets of valid concerns expressed by Senators BEALL and KENNEDY. Essentially, what I propose is that Senator BEALL's modifications of the nature and scope of title V, regarding the study of specialties and planning of recommendations for further action if necessary, be retained. This would give all interested and dedicated expert groups in the voluntary sector the opportunity to work in creative partnership with government and avoid what some might construe as excessive Federal regulation.

At the same time, my amendment reflects the philosophy and policy so clearly and sensibly articulated by the administration in its Health Profession Education Amendments of 1975 (S. 2748) which I was pleased to introduce with Senators KENNEDY, SCHWEIKER, BEALL, TAFT, WILLIAMS, RANDOLPH, and HATHAWAY on December 5, 1975.

As I said at that time, the administration bill recognized the need for stable, institutional support of our Nation's health professions schools, yet at the same time it appropriately recognized that the American taxpayer should legitimately expect the medical schools, as national resources, to respond to national needs. The administration bill proposed to provide capitation support only to those schools that choose to respond to national needs by both gradually increasing their "set-aside" for National Health Service Corps scholarship recipients and their proportion of affiliated residences in primary care.

As the administration bill required, capitation support, based on evidence of commitment to meeting the identified national problems of physician geographic and specialty maldistribution, ought to be achieved on a school-by-school basis. There is no need not to require each school in order to continue to receive capitation support to meet the scholarship and residency goals beginning upon enactment into law of the bill.

It also should be noted that my amendment retains the changes suggested by the American Association of Medical Colleges—changes that would streamline and facilitate the administrative procedures for schools that accept capitation. It also requires that each school meet individually the percentage of class size set-aside for students agreeing to receive scholarships and serve in underserved areas in the National Health Service Corps and the percentage of affiliated residencies in the primary care fields before receiving capitation awards under section 770 beginning in the fiscal year 1977, as proposed by the administration.

Furthermore, the percentages—namely, 25 percent, 30 percent, and 35 for corps scholarships, and 42 percent, 47 percent and 57 percent for primary care residences and general obstetrics and gynecology—are those deemed appropriate and proper by the committee after careful consideration.

The net effect of my amendment is to move our Nation's schools rapidly in the directions that they have told us are best for the Nation's health, and not to move us rapidly at a level of detail that seems precipitous to some.

Mr. President, I am hopeful that this amendment will be satisfactory not only to Senator KENNEDY and Senator BEALL, but to this entire body.

Mr. President, I believe that in this way, we will attain the objectives of the bill and we will attain the objective of the amendment by Senator BEALL and Senator TAFT in the planning terms which they have very much in mind. We will realize, insofar as we can, because we have certain inhibitions, based upon the attitude and point of view of the Senate, as Senator BEALL has explained, which has been manifested before in respect of this amendment, a way to deal with this particular problem.

Also, the modification which has been suggested to my amendment by Senator KENNEDY, which deals, again, solely with the specialties aspect and eliminates the scholarship aspect of my particular amendment, goes to the end point; that is, the performance standard which we seek, rather than dealing with the method by which we arrived at that point. I gather that that is satisfactory to Senator BEALL, and therefore, when we have the procedure straightened out, I will accept that modification and incorporate it in my amendment.

Mr. President, in toto—and I say this especially to my colleague, Mr. SCHWEIKER, who has done such an extraordinarily fine job as the ranking member on the Subcommittee on Health, working with Senator KENNEDY—we are not getting everything this bill seeks to give us. No one is trying to fudge that, least of all myself. I still believe, as does Senator SCHWEIKER, that the approach of our bill was the right approach, the one we should have taken and stayed with.

But now that those forces—and they are very considerable and very responsible and legitimate forces, led by Senators BEALL and TAFT—are willing to come to some agreement with us moving, and opinions will vary as to how far along the road that we think has to be trod, but certainly moving along that road, I think that the rock in that road, which has prevented us for rather a long time from realizing many of the basic objectives in this bill, should now be removed in this way, and I hope very much that by doing what we propose to do we will be able to remove that which has stood in the way—and again I repeat quite legitimately, based upon honest differences of opinion of our attaining our goal.

Mr. BEALL. Mr. President, will the Senator offer an amendment?

Mr. JAVITS. In a moment. I shall offer it shortly.

Mr. President, upon reflection I find myself in agreement with the distinguished Chairman of the Health Subcommittee and coauthor of this legislation, Senator KENNEDY.

His amendment to my amendment calls attention to an important distinction that can be made between national policies regarding geographic maldistribution and specialty maldistribution. While these problems are related in our health professions education system, as Senator KENNEDY notes, they are by no means identical, and therefore there are different approaches to dealing with them.

I believe Senator KENNEDY is right in saying that the National Health Service Corps scholarship program is so attractive that many, many qualified and dedicated young people will want to participate in the program. While the problem of geographic maldistribution is urgent, for scholarships the approach embodied in aggregate national goals, rather than a school-by-school basis, is likely to work and certainly ought to be encouraged. However, with respect to specialty maldistribution, the issue is not the career decisions and educational choices of individual students but, rather, the responsiveness of institutions in meeting national needs for increases in primary care practitioners.

It is easy to imagine a limitless pool of young people who would, in exchange for scholarship support, wish to enter the corps program and serve in medically underserved urban and rural areas throughout the Nation.

On the other hand, it would be wasteful, costly, and extremely unfortunate—and unresponsive to people's actual health care needs—if primary care house staff training positions and specialty house staff training positions were skewed or bunched or geographically maldistributed. I am, therefore, gratified that Senator KENNEDY's amendment retains the feature of affiliated residencies on an individual basis, thereby achieving the broad outline of residency distribution about which the professional community has no dispute.

I hope that my distinguished colleague from Maryland (Senator BEALL), could join with me in accepting this amendment by Senator KENNEDY. I believe it reflects our mutual aspirations.

Mr. SCHWEIKER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SCHWEIKER. I want to thank the distinguished Senator from New York because he has worked very long and hard on this bill and deserves a lot of credit for his initiative and leadership.

I hope, and I am sure this will be the case, that when we work out an agreement in terms of modifying the portion of the bill which relates to Senator BEALL's proposed amendment, that we will then approach our conference with some fairly strong resolve. We should be determined that we are going to stand by the Senate position, in the face of any other efforts to weaken or dilute our position in conference.

I hope that, in accepting this agreement as modified, we will at least be of like mind that we should have a unified approach to the conference and not further cut something in half and half again—because we will end up with nothing if that happens. I am sure that is the objective of the Senator from New York, too. But I do think the Senate, as a body, ought to have a firm approach to the conference, so that the Senate's position is not cut in half again, or we will end up with about an eighth of a loaf instead of half a loaf.

Mr. JAVITS. May I say to my colleague, in response, that a conference depends on the fidelity of those who are the conferees. He will be a conferee, I expect I will be a conferee, and I expect Senator BEALL will be a conferee as well. I can certainly pledge—and I think he has been through many conferences with me to know that we mean it, and this has been so hard to arrive at—that I can assure the Senator we are not just going to give it away. I expect to stand firm. I think it is the right course. I think that any conceivable argument that could be made against the committee plan has been made. Senators BEALL and TAFT—and I am in concurrence with this—have arrived at or have come forward a lot. I deeply appreciate the spirit of conciliation which has been shown by our two colleagues on the minority side, and I think the Senator can rely upon the fact—and I say it publicly and openly—and I pledge myself to be really dug in on this proposition. All the giving that ought to be done has already been done right here on the Senate floor and, as far as I am concerned, there will be no more.

Mr. President, unless other Members wish to speak on this matter, to give us a moment's opportunity to perfect the technical part of this amendment, I ask unanimous consent that we may call for a quorum.

Mr. BEALL. Mr. President, will the Senator yield? I would just like to have a few moments to make a statement about accepting the proposition.

Both the conditions outlined by the distinguished Senator from New York, the ranking minority member of the Labor and Public Welfare Committee, that is the reservation of scholarships and an increasing percentage of affiliated residencies of primary care, were part of the Beall substitute offered in 1974 and overwhelmingly passed by the Senate at that time.

I might say these conditions were also recommended and strongly supported by the administration. Since they were part of our bill in the last Congress, I obviously have no difficulty in accepting the proposal this year. I am pleased to accept the amendment offered by the Senator from New York.

I recognize likewise that the title we are debating today, title V, addresses only the issue of specialty maldistribution, and I am aware of the committee's position in this area. I think, in a spirit of compromise, and in order to make sure we are all talking about the same thing, that it is useful to accept also the modification proposed by the Senator from Massachusetts because, as I said, we are dealing in the section with specialty maldistribution and, therefore, I think his modification should be accepted.

Finally, with regard to the Senate position in the conference, it seems to me the Senate this year really, as a result of these modifications made this morning, does have a unified position as it goes to conference. I cannot imagine a piece of legislation recently when there has been more unanimity among the Members of the Senate on both sides of the aisle and, presumably, among the conferees on both sides of the aisle, than there is on this health manpower bill.

Therefore, I think when we go to conference we will go with a great deal of harmony and, as a result, we will bring a great strength to the conference which should and, I hope, will enable the Senate position to carry in conference, and we will get legislation finally enacted, if not totally the Senate version, which would be very close to the Senate version.

I think that is the goal we are all trying to achieve, and I thank the Senators from New York and Massachusetts for their willingness to come together on this issue. I also thank Senator TAFT for his willingness to be a party to this compromise. I think with the compromise we have a bill that is going to be very acceptable.

Mr. President, has the amendment been offered yet?

Mr. JAVITS. Not yet. It will be.

Mr. KENNEDY. Mr. President, what I think we are really achieving or accomplishing, if this is an acceptable approach, is the following: We are insuring that in the area of great need, which is the primary care, we are going to develop a sufficient number of those over the period of the life of this particular bill.

Under our approach from the Health Subcommittee, by the establishment of our title V provisions, we also, I think, would achieve not only in the primary care but in these other specialty areas some improvement. I prefer the committee's approach.

However, the Senator from Maryland has indicated he does not feel there is sufficient information or knowledge or awareness in this particular area. This is a point of some difference within the members of the committee. But what we will be doing, if this procedure is worked out, is we will be accepting the Beall additional study in this area, with recommendations, and what we will know is through the life of this bill whether this particular procedure which we have embraced now, which will be the modified Beall-Javits amendment, is going to be successful in terms of these other specialty areas as well.

It seems to me that although this does not go as far as I think we need to go and, as I think, has been demonstrated in the course of the record, I think we are moving in a very important way and a very significant way.

I think this is why I do feel this is an approach which I would find—although not as effective as I think the title V provision is—a legitimate approach to what is a very serious and significant national problem. So that is why I intend to support it. This is no time to simply agree to another study.

AMENDMENT NO. 162

Mr. JAVITS. Mr. President, I send an amendment to the desk to be added to the Beall amendment and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BIDEN). The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Beall amendment, add the following:

(b) (1) SCHOOLS OF MEDICINE AND OSTEOPATHY.—The Secretary shall not make a grant under section 770 to any school of medicine or osteopathy in the fiscal year beginning October 1, 1977, and in fiscal years thereafter, unless such school establishes mechanisms to provide, in a form and manner satisfactory to the Secretary, that—

"(A) Except as provided in subparagraph (B), the required percentage for a school for each academic year (as defined in paragraph (4)) of places available for full-time students, excluding students in their fourth year of study, at such school shall be retained for persons who—

"(i) in the case of first year students, prior to (a) their admission to such school, or (b) November 1 of each year, and

"(ii) in the case of second- and third-year students, prior to November 1 of each year, have submitted applications for Nanational Health Service Corps scholarships under section 751 and have agreed in writing to accept such scholarships.

"(B) The provisions of subparagraph (A) shall not apply if the assured national goal for National Service Corps scholarships for each academic year (as defined in paragraph (5)) has been substantially met (as defined in paragraph (6)).

"(C) In the event that the assured national goal for National Health Service Corps scholarships for each academic year (as defined in paragraph (5)) has not been substantially met (as defined in paragraph (6)), the provisions of subparagraph (A) shall become effective for the academic year beginning immediately after the academic year in which such goal had not been substantially met and for all academic years thereafter and the provisions of subparagraph (B) shall no longer apply."

"(2) SCHOOLS OF MEDICINE.—The Secretary shall not make a grant under section 770 to any school of medicine in the fiscal year beginning October 1, 1977, and in fiscal years thereafter unless such school establishes mechanisms to provide, in a form and manner satisfactory to the Secretary that each medical school shall have at least the required percentage for each academic year (as defined in paragraph (5)) of its filled residencies (direct and affiliated of all schools of medicine) in family practice, general internal medicine, general pediatrics, and general obstetrics and gynecology;

"(3) For purposes of paragraphs (2) and (5), residencies in a hospital or other medical institution or facility affiliated (to the extent and in the manner prescribed by the Secretary) with a school shall be considered residencies of such school.

"(4) For purposes of subsection (b) (1), the term 'required percentage for a school for each academic year' means—

"(A) for the academic year beginning in the calendar year 1977, at least 25 percent (based on such percentage of the full-time students, enrolled in such school's first-year class, during the preceding academic year);

"(B) for the academic year beginning in the calendar year 1978, at least 30 percent (based on such percentage of the full-time students, enrolled in such school's first-year class, during the preceding academic year); and

"(C) for the academic year beginning in the calendar year 1979, at least 35 percent (based on such percentage of the full-time students, enrolled in such school's first year class, during the preceding academic year.

"(5) For purposes of subsection(b) (2), the term required percentage for each academic year means—

"(A) for the academic year beginning in the calendar year 1977, at least 42 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis);

"(B) for the academic year beginning in the calendar year 1978, at least 47 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis); and

"(C) for the academic year beginning in the calendar year 1979, at least 57 percent of which not more than 7 percent may be residencies in general obstetrics and gynecology (calculated on a per school basis).

"(6) (A) In the case of a student who has entered a contract under section 754, a renewal thereof may not be counted for purposes of paragraphs (1), (4), and (5).

"(B) In the case of a student who has submitted an application for a National Health Service Corps scholarship under section 751 and has never been offered such scholarship, such student may be counted for purposes of paragraphs (1), (4), and (5), once each academic year in which he submits such application.

"(C) In the case of a student who has failed to accept a National Health Service Corps Scholarship when offered such scholarship, such student may not be counted for purposes of paragraphs (1), (4), and (5) when such student submits an application for such a scholarship thereafter.

Mr. JAVITS. Mr. President, this amendment which I have now sent to the desk contains the Kennedy modification, which carries out the intention of all parties.

We have explained it and debated it. I am prepared to yield back my time.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. BEALL. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BEALL. I yield back the remainder of my time.

Mr. JAVITS. I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. GARY HART), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nevada (Mr. LAXALT), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

The result was announced—yeas 77, nays 2, as follows:

[Rollcall Vote No. 373 Leg.]

YEAS—77

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hartke
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Montoya
Morgan
Moss
Muskie
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—2

Mondale
Nelson

NOT VOTING—21

Bayh
Buckley
Bumpers
Case
Chiles
Church
Eastland
Goldwater
Hart, Gary
Hart, Philip A.
Haskell
Johnston
Laxalt
Long
Magnuson
McClellan
Metcalf
Pastore
Scott,
William L.
Symington
Tunney

So Mr. Javits' amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENT SUBMITTED

Mr. DOLE. Mr. President, I wish to express my support for the amendment offered by the Senator from Maryland (Mr. Beall) to strike those provisions in S. 3292 which mandate Federal determination of the number and types of postgraduate physician training positions. Although, as modified, it may establish a timetable difficult for some medical schools to meet with respect to the family practice enrollment percentage requirements, I believe overall it represents the bottom line of acceptability for dealing with the committee's current residency control provisions.

There is little question that the Federal intervention into the medical profession contemplated by title V of the reported bill surpasses even the most ominous predictions made 12 years ago—when manpower legislation was first enacted—by those who were reluctant to concede an expanded Government role in health education. Certainly, fears that such involvement would be accompanied by a corresponding increase in Federal regulation of health professionals would appear to have been warranted in view of the HEW allocation and certification powers now being advocated.

Since I represent a largely rural State with numerous medically underserved areas, I can appreciate the good intentions of those who would propose Federal remedies for our maldistribution problems. However, the ends being pursued in this instance cannot be justified by a plan which attempts to solve such difficulties by dictating to future physicians what type of medicine they will be allowed to practice—and where. That type of solution represents an overreaction to the actual problem and ignores viable alternatives which recognize the effectiveness of voluntary action.

Proponents of title V seem to be suggesting that the medical profession is unaware of specialty maldistribution, or—if aware— is doing nothing to alleviate it. An examination of current progress toward increasing the numbers of family practitioners and primary care physicians, however, would indicate that that is not the case.

In 1972, for example, the Coordinating Council on Medical Education was formed to deal with the issue of specialty maldistribution. Its membership included representatives of the American Medical Association, the American Hospital Association, the American Association of Medical Colleges, the Council of Medical Specialty Societies, and the American Board of Medical Specialties.

Their report, submitted in early 1975, made several recommendations of ways in which to attract doctors to practices in primary care fields. Most notably, they emphasized their preference for incentives to expand primary care practices, rather than to regulate the numbers and types of specialties, and felt that with this approach it would be reasonable to establish "an initial target of having 50 percent of graduating medical students choose careers as primary care specialists."

In 1974, nearly 1,000 applications for family practice residencies had to be rejected simply because a sufficient number of positions were not available. In addition, by 1975, 96 of the Nation's 114 medical schools had established teaching programs in family medicine.

This represented an increase of 47 programs in 2 years' time. Furthermore, the Department of Health, Education, and Welfare has already created a Graduate Medical Education National Advisory Committee to evaluate specialty distribution patterns.

In my own State of Kansas, serious efforts are underway to provide further encouragement to medical students to develop an interest in primary care fields. In his initial address to the faculty assembly of the University of Kansas College of Health Sciences and Hospital, our new executive vice chancellor, Dr. Robert B. Kugel, stated:

> For the medical school, I would like to suggest that we consider a greater emphasis on primary care through our teaching at the undergraduate level and through the development of more residency programs throughout the state. The integrated family practice program will be one such effort, but I would think we need to have as an objective establishing at least half of all our residencies in primary care—family practice, general pediatrics, general internal medicine, and obstetrics—so that by 1980, at least half of all our graduates will be entering primary care residencies and we will have sufficient numbers of first year positions to meet this demand within the state. Currently, there are no more than 75 first year positions available in the primary care areas, so we will need to develop at least 25 more over the next four years to meet this objective.

Dr. Kugel's remarks illustrate an important point: that while statistics can be generated which demonstrate that our current supply of primary care physicians is inadequate to meet all of our needs, they do not necessarily reflect a continuation of the trend toward specialization which developed in the late 1940's. Indeed, since voluntary efforts on the part of medical schools and societies are succeeding in turning these figures around, I feel very strongly that we should allow the private health sector to continue its initiatives without Federal control—which will result only in administrative confusion and complexity.

Attempts to institute a residency control program similar to that included in S. 3239 were first made in the 93d Congress. At that time, a House bill sponsored by a former representative from Kansas was overwhelmingly defeated in committee as an unrealistic and unfair response to the problem it addressed.

Members of the Senate will also remember the rejection of similar legislation in this body and the acceptance of a substitute measure offered by Senators Beall and Taft. More recently, the House of Representatives eliminated the residency provisions originally contained in H.R. 5546.

Mr. President, title V of this legislation is nothing more than an attempt to impose arbitrary and unnecessary Federal controls on individual students. The medical profession finds it objectionable; the House has rejected it in concept; and the administration is likely to veto any measure which contains it. Accordingly, I would hope the amendment of the distinguished Senator from Maryland (Mr. Beall)—which both the Senator from Massachusetts (Mr. Kennedy) and the Senator from New York (Mr. Javits) have recognized is more desirable to most of us concerned with this problem—can be adopted.

Mr. KENNEDY. Mr. President, as I understand the parliamentary situation now, we would normally vote on the Beall amendment as amended.

The PRESIDING OFFICER (Mr. McIntyre). The Senator is correct.

Mr. KENNEDY. Unless someone objects, I ask unanimous consent to vitiate that vote. I think the mood of the Senate is perfectly clear. I ask unanimous consent that the order for the yeas and nays on the Beall amendment, as amended, be vitiated.

The PRESIDING OFFICER. Is there objection?

Mr. BEALL. Mr. President, reserving the right to object, I tend to agree with the Senator from Massachusetts, because I think on the last vote most of the Senators in the Chamber thought they were voting for the Beall amendment. I think that is a clear indication of the Senate position, and that the Beall-Javits amendment represents the position of the Senate.

Mr. RANDOLPH. Mr. President, reserving the right to object, and I shall not object, the Senator from West Virginia is in no sense critical of any Member of this body. I recognize also that any amendment can be either accepted, rejected, expanded, or restricted. But let us briefly consider what is happening here.

Let us realize that this procedure is the sort of situation which focuses on the necessity of having amendments printed, and to lie on the desk for 24 hours. We have, in this instance, a revision of an amendment taking place, because it is drafted to the wrong section. This is taking place while debate is in progress. Senators cannot understand what is in an amendment under this type of procedure? How can staff members study the amendment?

I embrace this opportunity, not as a critic, but to emphasize very earnestly that such a practice does no credit to the

Senate in its deliberations on legislative matters which are before the Members.

Mr. President, I shall continue to advocate, as I have for years and in conference with members on the Commission to Improve the Operation of the Senate, practical and realistic changes. Amendments, well intentioned but hastily drawn, are often passed with little understanding or knowledge of the impact of their language. Printed amendments would possibly slow the process but perhaps if we acted more slowly or deliberately we might do the job much better.

The PRESIDING OFFICER. Is there objection to the request that the order for the yeas and nays on the Beall amendment be vitiated? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, one thing I want to say to my friend from West Virginia is that even though the amendment he refers to was not printed, we are really dealing with subject matter which is not foreign to title XIV of the bill. I did not offer it, so I make no apologies for the Senator who did offer it. It was not my amendment; but it was certainly in the general area of matters that we have been discussing.

Mr. MONTOYA. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. KENNEDY. Yes.

Mr. MONTOYA. Mr. President, I ask unanimous consent that Kathleen Moody of my staff, Paul Fadelli of Senator TUNNEY's staff, and Jim Murphy of Senator EAGLETON's staff be accorded the privilege of the floor during the pendency of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Maryland (Mr. BEALL), as amended.

The amendment, as amended, was agreed to.

Several Senators addressed the Chair.

AMENDMENTS NOS. 1981 AND 1982, EN BLOC

Mr. CLARK. Mr. President, I call up my amendments numbered 1981 and 1982, and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CLARK), for himself, Mr. LEAHY, and Mr. STAFFORD, proposes amendments numbered 1981 and 1982.

Mr. CLARK. I ask unanimous consent that further reading of the two amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK's amendments are as follows:

AMENDMENT NO. 1981

On page 248, insert between lines 17 and 18 the following:

"(c) (1) The Secretary, in accordance with such regulations as he may promulgate, may make one grant to an entity with an approved application under section 332, in lieu of a loan, which demonstrates to the satisfaction of the Secretary that it is financially unable to meet the full cost of providing facilities. Such grant shall be made to assist such entity in meeting the costs described in clauses (1) through (4) of subsection (b).

"(2) No grant may be made under this subsection unless an application therefor is submitted to and approved by the Secretary.

"(3) (a) The amount of any grant made under this subsection shall not exceed $15,000 or 50 percent of the cost of providing such facilities, whichever is less.

"(b) No grant may be made to an entity under this subsection unless the entity demonstrates to the satisfaction of the Secretary that it will provide an amount of funds, in cash or in kind, equal to the grant for purposes of subsection (a).

"(4) No grant may be made under this subsection to an entity which has received a loan under subsection (b).".

On page 248, line 18, strike "(c)" and substitute "(d)".

On page 249, line 14 strike "(d)" and substitute "(e)".

AMENDMENT NO. 1982

On page 240, line 6, strike the words "demonstrate that" and add in lieu thereof "will utilize".

On line 8, strike starting with the word "will" through the period on line 9 and insert in lieu thereof "to provide for stability in medical personnel (to include, if necessary, Corps support for such personnel.)".

Mr. CLARK. I ask unanimous consent that the name of the Senator from Minnesota (Mr. HUMPHREY) be added as a cosponsor of these amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Caroleen Silver of my staff have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order. Senators will either take their seats or leave the room.

Mr. STAFFORD. Mr. President, will the Senator yield for a unanimous-consent request ?

Mr. CLARK. I yield.

Mr. STAFFORD. I ask unanimous consent that Mike Francis of my staff have the privilege of the floor during the consideration of this amendment, the bill, and all votes pertaining thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent, on behalf of the Senator from Kansas (Mr. DOLE), that Ken Benjamin and Susan Hatten of his staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I offer, with Senators LEAHY and STAFFORD, two amendments that would improve rural citizens' access to primary health care.

The lack of adequate health care in the rural portions of this Nation is well documented, and much of the health manpower legislation now under consideration is addressed precisely to this problem.

We know that rural areas have significantly fewer primary care physicians on a proportional basis than do our cities and suburbs. In fact, a total of 138 rural counties, containing half a million people, do not even have a single resident doctor.

We know that transportation problems unique to remote rural areas severely limit access to health facilities and services. And we know that much of rural America is poverty-stricken, with 1 out of every 6 living in poverty, compared with 1 of 10 in urban areas. Therefore, rural America is plagued by insufficient health manpower, inaccessible health facilities, and financial barriers to health care.

The amendments that Senator LEAHY, Senator STAFFORD, and I offer today would address all three of these problems. We believe that medically underserved communities deserve the best of health care, physically and financially accessible to their residents.

We believe that family nurse practitioners, and other new forms of health personnel, are the hope of the future for rural areas. We have come to this conclusion through a set of hearings held in Vermont last February and through considerable research and consultation since then.

Dr. C. G. Pickard, Jr., medical coordinator of the family nurse practitioner training program at the University of North Carolina at Chapel Hill, described the usefulness of nurse practitioners during the National Conference on Rural Health Maintenance Organizations held in Louisville, Ky., 2 years ago. He stated:

> It was our belief that a system of care based on nurse practitioners in rural satellite clinics backed up by doctors from nearby urban centers would capitalize on the skills of each provider group and provide the patient with accessible health services of highest quality. The nurses, while adding medical practice skills to their area of practice, would still provide nursing care including patient education, counseling, preventive health care, etc. The physicians would be freed from many of the time consuming problems of a relatively minor nature and could devote more time to the complicated illness that truly required their time and talent.

Dr. Pickard proceeded to note that the University of North Carolina nurse practitioner program fulfilled its obligation of providing high quality health care, with general acceptance from the communities served.

I am especially pleased by efforts of this kind to use nurse practitioners in rural manpower-shortage areas working in satellite clinics on a semi-independent basis.

Certainly there should be limits—and there are—on the scope of care these nurses can provide. Physicians in nearby communities are giving day-to-day consultation to the nurses and are regularly auditing their diagnoses. Within these limits, nurse practitioners are making valuable contributions to the health of our citizens. They provide stability in the provision of primary health care to rural areas, and I believe the Federal Government should do all it can to promote their utilization.

The first step in achieving this goal is to increase the numbers of nurse practitioners available for practice. In several States, organizations sponsor the training of registered nurses in accredited nurse practitioner programs. These nurses devote several months to classwork and on-site training, in order to attain the extra knowledge and experience necessary to perform the duties of a nurse practitioner.

I am proud to cite one such example that exists in my home State of Iowa. Recently, the Iowa Hospital Association and the Iowa Medical Society sponsored six registered nurses, who were given the financial backing to attend a nurse practitioner training program at the University of North Dakota. These nurses now practice in several shortage areas of Iowa, and all reports of their service are highly complimentary.

Sister Mary Brigid, who oversaw the Iowa pilot project for the Iowa Hospital Association, wrote me of the success of the program:

> As you may know, we did a pilot project (funded by the Regional Medical Program) on the use of Family Nurse Practitioners in satellite clinics. We successfully prepared six registered nurses as physician extenders to work in a collaborative role with physicians in Iowa . . . Since the close of the project, many nurses in Iowa have expressed an interest in becoming F.N.P.s and some have enrolled in the North Dakota program. Many physicians have expressed an interest in securing prepared F.N.P.'s to assist them in their practices. There is a great need for funds to underwrite the cost of this preparation. Since all six of those prepared in the pilot project are residents of Iowa communities and have their roots deeply set, we anticipate stability of service.

This first necessary step is clearly reflected in the health manpower bill before us. One section of the bill, title XV, would authorize a Federal program of financing the education of nurses who reside in underserved areas. These nurses would receive Federal funds to attend a nurse practitioner school, and then return to their homes in the health manpower shortage area.

The Senate committee report on this section underscores the value of nurse practitioners, in terms of the stability they provide to rural areas:

> Based on information gathered by the Committee, few physicians placed in rural underserved areas remain after their two year commitment expires because of several socio-economic reasons. The problem of shifting medical personnel adds to the problems already faced by persons living in underserved areas.
>
> By identifying nurses who already reside in underserved areas and are likely to remain residents of the area and providing advanced training for them as nurse practioners, a measure of stability in medical care could be brought to many areas. (Page 251)

Equally important to the training of nurse practitioners is their full utilization. Because several obstacles exist to limit the use of nurse practitioners in remote satellite settings, the Federal Government should lead the way to greater utilization of these valuable personnel. The two amendments we offer today are intended to do just that—to help communities have greater access to nurse/practitioners and to the health care services they can provide.

The first amendment would provide communities with special grants to be used for the establishment and startup costs of satellite clinics that use nurse practitioners and other health personnel. The health manpower bill contains a loan provision for clinics of this sort. However, Senator Leahy, Senator Stafford, and I believe that many small rural communities may be more inclined to take advantage of a grant of $15,000 than a loan, and we want to provide them with this option.

A crucial requirement in our grant provision is the demonstration of community support and commitment to the health clinic. Communities would be required to match, on a dollar-for-dollar basis, the Federal grant. The local match could be in the form of cash, capital, or services.

Thelma Luther, the director of the nursing section at the Iowa Department of Health, wrote me of her support for this amendment:

> The grant to staff clinics with nurse practitioners should be helpful to some of our counties, particularly in the southern two tiers where the physician shortage is acute.

Compared to some other States, Iowa is fortunate to have relatively few areas that are inaccessible to primary health care. However, this amendment would be of special assistance to areas with acute manpower shortages and distant facilities, as found in the rural South, in Appalachia, and in parts of rural New England. Senator Leahy will discuss his experiences in some of these areas in his remarks.

Our second amendment would stimulate the greater use by the National Health Service Corps of nurse practitioners and other forms of primary health personnel. At present, only a handful of family nurse practitioners around the country are sponsored in communities by the NHSC, despite various factors that should point to greater utilization. As mentioned earlier, nurse practitioners are often quite willing to work in rural areas, they are more likely to remain in a community beyond their initial commitment, their focus is on health education and promotion, and they can provide high quality primary care at a relatively low cost.

This amendment requires that the National Health Service Corps take into consideration these factors, particularly the stability factor, during its selection process. We are hopeful that a requirement of this sort will give appropriate congressional mandate to the NHSC to seek candidates from many realms of the health profession. We believe that greater use of personnel such as nurse practitioners by the NHSC would do much to improve both the program itself and rural health care in general.

I would like to make one final point regarding the financing of rural health care. At the present time, medicare policies prohibit the reimbursement of nurse practitioners unless physicians are physically present at the time the services are rendered.

This one policy obstructs the access of many elderly and impoverished rural Americans to the health care they need, because medicare and medicaid will not pay for the services of nurse practitioners in satellite clinics.

We firmly believe that the time has come for this policy to be reversed. There certainly is sufficient evidence to alleviate the concerns about the quality of care provided by nurse practitioners. There can be little doubt that reimbursement for nurse practitioner services would greatly improve the health of rural citizens.

Floyd Jones, a physician from Shenandoah, Iowa, described his experiences with a nurse practitioner who practices in a satellite clinic in nearby Essex, a town of less than 1,000 people in southwestern Iowa:

> As you well know, the nurse practitioner is able to care for most of the routine office procedures without any sacrifice of quality of care. We have found, with our nurse practitioner, that anything too complicated or of possible dangerous consequences are immediately referred to a physician so that people with life-threatening or crippling illnesses or accidents are actually seen even sooner than they previously might have been.

Senator Leahy and I along with 11 other Senators, have cosponsored Senator Inouye's S. 104, which would reimburse the services of registered nurses under the medicare plan. We hope the Senate Finance Committee will recognize the importance of this legislation for rural America and include it in its package of amendments to the medicare legislation.

I ask unanimous consent that a Washington Post editorial of April 24, 1976, outlining the need to change this counterproductive regulation, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, Apr. 24, 1976]

Rural Health Care in Appalachia

> Some five years ago in eastern Tennessee, a cooperative effort by some mountain citizens helped create a health clinic in the small town of Clairfield. It was desperately needed. As in much of rural Appalachia, the isolation and poverty of Clairfield meant that the people had no doctor or nurse. Because of both the need and the citizen's enthusiasm, the Appalachian Regional Commission provided funds. By law, the commission's support would last for five years, after which the town would have to pay its own way. With the five year period running out, the future of the health clinic is in serious doubt.
>
> The troubles in Clairfield might be seen as another hard luck story, the kind that

has been crushing Appalachians for generations. But the town's difficulties are significant because many of the problems in its health clinic are found throughout the 13-state region. In all, the ARC assists more than 150 communities in running primary health care clinics.

What makes the running difficult is an outdated and unworkable Medicare regulation that prevents clinics from being reimbursed for services unless a doctor is physically present. But in Clairfield and many other clinics, doctors can only come once a week or at other intervals. Most of the time, nurse-practitioners, physician assistants or other non-doctors provide the daily health care needs. According to the commission, between 70 to 80 per cent of the region's rural medical problems can be competently handled by the nurse practitioners and other non-physicians. Thus, because Medicare does not reimburse for this non-physician care, the clinics lose money and cannot pay their way. As a recent ARC staff paper notes: "The prohibitive Medicare regulation is based upon objections raised by the American Medical Association during the 1972 hearings on amendments to the Social Security Act. At that time, such (nurse) practitioners were relatively unknown, and many physicians considered them a threat to the high standards of the medical profession. Times have changed and many physicians now use these practitioners extensively. Medicare has not changed, however."

Corrective legislation is now before both the Senate Finance Committee and the House Ways and Means Committee. At the moment, the bills are being debated by the American Medical Association, the American Nursing Association, the administration, the committees and the commission. Each party has its own position, based on its special interests. But what about the interests of the sick people in the mountains? It is already tragic enough that many of them are victimized by poor housing, lack of transportation, the effects of strip mining and insensitive coal companies. But now they have to sit still and wait for outsiders to argue it out about Medicare regulations. Even then, the 72 clinics offer only minor relief; the ARC estimates that 700 to 800 clinics are actually needed in Appalachia.

To delay changing the regulations means that many of the existing clinics will soon be closing. The commission argues persuasively that Medicare reimbursement should be given according to the care provided rather than according to the provider of the care. In other words, what difference does it make to the sick person if he is treated by a doctor or nurse practitioner as long as he is treated in an adequate way?

Mr. CLARK. Finally, I want to express my thanks to Senator KENNEDY and his Health Subcommittee staff for their assistance and their support of these two amendments.

Mr. KENNEDY. Mr. President, I recommend that the Senate accept the amendments.

What we are trying to do is get people together to serve the areas where health care has been inadequate or lacking. We have visited, for example, an area in Iowa.

We have tried to draft the program so that highly skilled medical personnel would be made available to deliver health care by means of a loan program. The amendments of the Senator from Iowa would add, in addition to the loan program, a much smaller program of grants, which some local communities seem to prefer.

I urge the Senate to accept that amendment.

The second part assists the National Health Service Corps in maximizing its effort to tie people into underserved areas with the hope of those individuals remaining in those particular communities. This provision seems to me to strengthen those provisions in the National Health Service Corps program which deal with that effort. I believe that this amendment would strengthen the purpose of the legislation, and urge the adoption of the amendment.

Mr. CLARK. I thank the Senator very much.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. LEAHY. Mr. President, I take 1 minute to associate myself with the remarks of the distinguished senior Senator from Iowa.

I do thank him for his hard work and dedication as chairman of the Rural Development Subcommittee of the Committee on Agriculture and Forestry in conducting hearings resulting in the introduction of these two amendments.

As he has indicated, the first of our amendments will be particularly helpful to small rural communities in the South, in Appalachia, and in rural New England.

The $15,000 matching grant program will increase a community's options as it considers starting a health clinic. It will be able to choose between this and the loan program which is already included in the bill. It recognizes the unique needs of much of rural America.

I appreciated the opportunity to chair some of those hearings in the State of Vermont, including the one in our most rural county where we had more than 100 people show up to testify on the need for this type of delivery health care system.

I commend my senior colleague from Vermont (Mr. STAFFORD) for his help. It certainly long predated my service here in the Senate on this matter.

I commend the senior Senator from Massachusetts for his willingness and his committee's willingness to accept these amendments.

In my State of Vermont, an example of the type of situation where the grant program would be helpful exists in the island community of Grand Isle on Lake Champlain. In 1974, the Champlain Islands Health Center opened after many months of volunteer effort by the consumer-dominated Grand Isle Health Council.

Now in operation, the clinic utilizes two nurse practitioners who are audited and backed up by physicians in nearby St. Albans and Burlington. The clinic itself is modest—two attached trailers equipped with medical supplies obtained inexpensively from a variety of sources, including an Army field hospital. The total capital, operating, and developmental costs for the clinic in its first year of operation were less than $35,000. During that period nearly 800 people made 2,240 visits to the clinic. Excluding development expense, the cost per visit was $11.50.

Last February, when the Rural Development Subcommittee held hearings in Vermont, we spent the evening portion of the session in Grand Isle. The response from the 100 or so residents who attended was uniformly and overwhelmingly positive.

At that time Betsy Davis, the executive director of the Visiting Nurse Association which operates the center under the direction of the Health Council delivered a very cogent presentation detailing the background and operation of the center. Mr. President, I ask unanimous consent that her statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

VERMONT RURAL HEALTH HEARING

My name is Betsy Davis and I am Executive Director of the VNA, Inc., located in Burlington, Vermont and serving Chittenden and Grand Isle Counties. I am pleased to have the opportunity to discuss with you a recently established Health Center, one which we believe to be a model in addressing the health care needs of a rural population.

The Champlain Islands Health Center is located in the town of Grand Isle in Grand Isle County. The county is a series of islands forty miles in length extending to the Canadian border. The population is approximately 3,750. The Health Center was established in May of 1974 as a result of efforts of the Grand Isle County Health Council, VNA, State Health Department, University Health Center, and a St. Albans pediatrician. The major goal of the Health Center is to establish a coordinated and integrated twenty-four hour system of health care that is available, accessable and accountable to the people of Grand Isle County. The important features of this Health Center are:

(1) Consumer involvement and governing responsibilities;

(2) Utilization of nurse practitioners as primary care givers with back-up physician availability through telephone consultation and periodic on site visits;

(3) The linkages to the rest of the health care system;

(4) That it is cost effective;

(5) That services focus on prevention and health education;

(6) That it's accountable.

I would like to address each point briefly.

It was through the initiative, support and many ongoing volunteer hours of the County Health Council that the Health Center was established. This group now has responsibilities for program and services planning, budget and contract approval, evaluation and other policy determinations. In addition, a consumer advisory committee has been created which makes recommendations to the Health Council. The VNA and other involved agencies support this local responsibility believing that health care providers must be accountable to the people we are trying to serve. This increased involvement will also lead to increased responsibility, greater self direction and hopefully more demand for a system of health care to which people are entitled.

A nurse practitioner and paramedic staff the Health Center daily. They perform preventive maintenance exams for infants, children and adults as well as treatment of acute or chronic illness by protocol or telephone consultation. Each patient identifies a physician who may be located either in Franklin County or Chittenden County with whom the nurse practitioner communicates and to whom she sends records. Consulting and medical-legal back up are provided by contract physicians who are on site every two or three weeks to perform record audit, establish protocols and see patients with the nurse practitioner on a consulting basis. Volunteers staff am evening and night answering service with a tie-in to physicians at the Villemaire Health Center located in Milton and an affiliate of University Health Center. Home care services are operated out of the Health Center and coordinated with ambulatory services.

The nurse practitioner concept has been well accepted. Almost 800 people made 2,240 visits to the Health Center in it's first year of operation when it was open four or five half days per week. This meant an average of eleven patients per afternoon for one nurse practitioner. Ninety-eight percent of all acute pediatric problems and 93% of all acute adult problems were cared for onsite. The remainder were triaged outside of the county.

The nurse practitioner serves as an extension of the health care system providing an entry point to total care. It is our task to 1) define those primary care services that can be provided onsite in Grand Isle County considering the population base and economics of the area and 2) provide a consistent and reliable service onsite and guide the patient through the rest of the health care system.

Again, critical to that system is the involvement of the patient as the coordinator of his/her own care. This means full knowledge, understanding and participation in health care. Patient education and the problems oriented health care record in the patient's possession are central to this concept and practiced at the Health Center. This should mean appropriate utilization of health services, less duplication and greater efforts toward self help. This should also mean increased levels of expectations on the health system and greater accountability.

The value of preventive services need not be testified to here. Prior to the opening of the Health Center, the VNA experience on the mobile unit out reach pediatric service showed that 33% of the children seen had no source of regular preventive care and another 45% had irregular patterns of care.

A total health screening service is provided at the Health Center for children and a health check examination for problems that "we cannot afford to miss" is provided for adults. A problem list and recommendations are prepared for and shared with each patient in writing. Some of the problems identified can be monitored by the nurse practitioner, others require further diagnostic evaluation. All patient records receiving the screening service are audited by contract physicians.

The average cost per visit at the Health Center in the first year was $11.55 after deducting developmental expense. For those people utilizing the Center, there was a saving when travel expense and time are eliminated. This raises the main, critical problem facing the Health Center:

Current Federal and State regulations require a physician on site, directly supervising care in order to collect third party reimbursement through Medicare, Medicaid and most private insurance. If this continues, then the nurse practitioner as an extension of the health care system into rural areas is not viable. Yet, we feel we have been able to create a quality service that is acceptable, accessible, accountable and cost effective.

Reimbursement for nurse practitioner services would partially solve the financial struggle. The population of Grand Isle County is probably representative of many rural areas in Vermont: 58% of the population of Grand Isle earns less than 200% of the poverty level, the most recent unemployment rate was 17%, 29% of the population utilizing the Health Center have no health insurance and only 15% are Medicaid eligible. A sliding scale approach is necessary in order to keep the marginally employed or unemployed in the health care system. Some form of subsidy, particularly for preventive services will probably always be necessary for local, rural health centers. We would like to see any proposed health legislation consider that possibility.

Thank you for the opportunity to share this experience with you.

Mr. LEAHY. Mr. President, the Grand Isle experience is a perfect example of what can be done to solve long-standing problems of a rural health care vacuum with a small amount of money and strong community support.

With the approval of our amendment, this experience could be duplicated in many other rural and medically underserved areas throughout the country. Its provisions would enable localities to help meet the health needs of their people with a minimum of Federal aid or assistance.

Mr. President, our second amendment would simply strengthen the National Health Service Corps.

Currently, Corps physicians are assigned to an underserved area for a period of 2 years. For a variety of well-documented reasons, including professional isolation, difficult social lives for their families, and in some cases, like Appalachia, the inability to find housing, Corps physicians most often move on after their 2-year stint.

This has created a problem of constantly shifting medical personnel in many underserved areas. Our amendment mould require the NHSC to specifically address this question and, hopefully, to find answers to it. One example of how this problem can be effectively dealt with exists in the Appalachian community of Haysi, Va. Two Corps physicians have spent nearly 2 years at the Haysi Community Clinic, but this summer they both will be leaving. While they will be replaced by two new Corps physicians, the residents of Haysi who use the clinic will have to go through a period of readjustment.

Were it not for the stability of the other medical personnel at the clinic, that period of adjustment would have been even more difficult for many of the patients. In this case, however, the people of Haysi and the NHSC recognized the potential problem and effectively dealt with it. They identified a nurse who was already living in the area and sent her through nurse practitioner training. Now she is back at the clinic and the chances are good that she will remain there as a stabilizing influence.

It is a concept which may be difficult to measure in the short run, but over the long term it reinforces and strengthens the clinic's position in the community.

The NHSC is to be congratulated for its effort at the Haysi Clinic. Our amendment will help extend that policy to every other underserved area served by Corps personnel.

Mr. President, I also comment on the problems of third party reimbursement which Senator CLARK has raised.

The present policy of nonreimbursement of nurse practitioners not only has had a dramatic negative impact on the struggling health clinics in Appalachia, but has raised an artificial barrier in every other medically underserved area in the country. In some cases the policy forces badly needed clinics to close down. In other instances clinics just do not open in the first place because of the threat of having to close down 1, 2, or 3 years later after developmental funding runs out.

In Grand Isle, Vt., which I mentioned earlier, the problem is the same. For the Champlain Islands Health Center, however, there is one recent development which will help maintain its existence in the long run.

For several weeks representatives of the Champlain Islands Center and New Hampshire-Vermont Blue Cross-Blue Shield, working cooperatively with my office, were able to fashion a pilot reimbursement project in Grand Isle and in Danville, Vt.

It was a process which began last February when the Rural Development Subcommittee held hearings in Vermont. At that time Oliver Field the president of New Hampshire-Vermont Blue Cross-Blue Shield was confronted on his company's nonreimbursement policy which paralleled the Federal policy.

After that hearing, we coordinated our efforts which ultimately led to the pilot study.

It is a classic example of how the public and private sector can sit down, quietly discuss a problem, and ultimately fashion a solution which benefits both.

While I am obviously very happy that I was able to play a role in that cooperative effort, the real credit properly belongs to those at the Grand Isle Health Center who have developed a high degree of quality in their system and to those people at Blue Cross-Blue Shield who recognized the quality of the system, the detrimental effect to it of their policy, and who sought to correct the problem.

Mr. CLARK. Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All times is yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BROCK. Mr. President, was the Senator going to have an amendment?

Mr. MONTOYA. Yes; I have an amendment.

Mr. BROCK. May I discuss mine for a couple of minutes? It will not take long, and then I will be glad to yield back.

Mr. President, I have prepared, and have at the desk, three amendments to try to deal with the problem of maldistribution and physician shortages in various areas. I will admit——

The PRESIDING OFFICER. The Senator has no time until the amendments he suggested are either offered en bloc or individually.

AMENDMENT NO. 1985

Mr. BROCK. Mr. President, I call up my amendment No. 1985.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. Brock) proposes amendment No. 1985.

Mr. BROCK. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 296, line 14, strike "'(e)" and substitute "'(f)".

On page 296, insert between lines 13 and 14 the following:

"(e) Capitation Differential Incentive.—In addition to other sums available under this section a school of medicine, osteopathy, or dentistry shall each receive $200 for each full-time student enrolled in such school who is in his third or fourth year of a program of primary care.".

Mr. BROCK. Mr. President, I had spent some time on this legislation the last several months, but I will admit that in the last 2 months I have been completely occupied in committee and in the Chamber with the tax bill, and I have not had time to do the kind of work that I would wish to. I have prepared these three amendments which I shall briefly describe because I think they raise an important point, but, I do not intend under the circumstances to press for their passage. I do raise them in order to draw the committee's attention in the hopes that we can begin to deal with this problem in a more precise fashion.

The amendment which is at the desk provides for a $200 capitation grant for students enrolled in primary care programs. The purpose of it is to maintain a certain amount of academic freedom for our schools since it would not force but does give incentive to establish primary care programs.

Second, I think the basic philosophy behind it is the fact that if we can get our senior medical school students into primary care courses then the specialization problem would take care of itself.

Third, I think this would have, hopefully, an indirect effect on the maldistribution problem because most of our studies show the primary care doctors are more apt to go into nonmetropolitan areas than are the specialists, as most of us would understand.

It is important for us to draw our attention to a study that was conducted by the Senator from New York (Mr. Javits) by Dr. Dave Banta then a Robert Wood Johnson Fellow and now on the staff of OTA. I shall quote some statistics.

Twenty-eight schools have no department of family planning. Even in my own State of Tennessee only 2 percent of faculty positions are in family medicine. In Georgia, it is only 1 percent. And yet our two States, for example, have clearly underserved area problems.

I ask unanimous consent that the Javits report prepared by Dr. Banta be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Primary Care Training Programs in Schools of Medicine and Osteopathy

(Prepared by staff for the use of the Committee on Labor and Public Welfare, U.S. Senate)

First off, let us define a primary care physician as one who: a) is the physician of first contact for the patient; (b) makes the initial assessment and attempts to solve as many of the patient's problems as possible; c) coordinates the remainder of the health care team, including ancillary health personnel as well as consultants, that are necessary to impinge on the patient's problem; d) provides continued contact with the patient, and often his family; e) acts as the patient's adviser and confidant; and f) assumes continued responsibility for his care.

If we accept this definition, it is apparent that the average academic medical center has few training programs that produce this type of physician and few role models after which the trainee can pattern himself. It also assumes that the Schools of Medicine, particularly their major clinical departments, need to consider making major radical changes in their training programs at the graduate level.

Robert G. Petersdorf, M.D.,
Professor and chairman, Department of Medicine, University of Washington School of Medicine.

While there has been a significant increase in the supply of physicians—first year medical school places went from 8759 in 1965 to 13790 in 1973—the absolute number of primary care physicians has decreased. In 1966 primary care physicians accounted for 46% of all active physicians, but by 1972 this percentage had fallen to 44.9%. Furthermore in 1972 family practice physicians accounted for only 1.4% of all active physicians. The most drastic change has been in the percentage of physicians in general practice, from 22.4% in 1966 to 15.8% in 1972. On the other hand, by 1970, 80% of practicing physicians were specialists.

The type of training medical students and residents receive has contributed to this problem. Since the Flexnerian reforms in medical education earlier in this century, the typical medical school in the United States has been based in a large teaching hospital in an urban area and has had a large associated research program and a faculty of researchers and clinical investigators. Even the faculty of the clinical departments tend to see themselves as researchers first, and clinicians second. The opening quotation by Dr. Petersdorf points out that few role models for a primary care-oriented physician or medical student are available in the classical medical school in this country.

The clinical curriculum deals almost entirely with the hospitalized patient: a patient with an acute illness, often with a rare or "interesting" disease and confined to bed. This is not the typical person seeking medical care. Yet student contact services to non-acute illness or preventive services is limited, and usually occur in a specialty-oriented out-patient department which is often considered "Siberia" by the clinical faculty.

The solution to the training of primary care physicians must include a reorientation of medical student and residency education in medical schools.

Admittedly, considerable change has occurred. In the 1960's many schools developed departments of community medicine, to, among other things, introduce students to the more realistic problems of people in their homes, places of work, and even in physicians' offices. That movement, not yet completed, has been accompanied by the rapid development of family medicine departments, dedicated to the production of physicians such as those described by Dr. Petersdorf.

The report attempts to describe the progress which has been made, the degree to which medical schools are implementing programs to solve the problems of specialty and geographic maldistribution and the work which remains to be done.

Osteopathic schools, whose traditions are quite different, are also described in this report.

SURVEY METHODS

In general, the Chairman of the Family Medicine or Family Practice Department was contacted by telephone by Committee staff. If the school did not have a Department of Family Medicine, the Chairman of the Department of Community or Preventive Medicine was contacted, a person recommended by the Chairman's office. In schools having neither type of Department, the contact was directly to the Dean's Office.

The Departments of Family Medicine were chosen as the contact point on the basis that persons involved in this area would be most knowledgeable about primary care programs at each school.

All schools were contacted during February and March, 1975.

Each person contacted was told the purposes of the survey, and the name and identification of the staff person calling. No one refused to answer, and most were extremely eager to help the Committee obtain information.

The individual contacted was asked 7 specific questions:

1. "How many medical students in your first year class?"

2. "Does your school have required primary care clerkship?" (The definition of a primary care physician was read aloud if the informant was not sure of the meaning of "primary care.")

3. "Does your school have a remote-site clerkship required of all students?" (Remote site was defined as any clinical experience

away from the main teaching hospital or hospitals.)

4. "Does your school have a required ambulatory care experience within the teaching medical center?" (Although this probably does not represent "good" primary care, schools were given every possible opportunity to discuss the area concerned.)

5. "Is there anything else in your school related to primary care teaching to medical students?" (The answers, listed under "Other" in the table, were varied.)

6. "Does your school have a Department of Family Medicine?" If so, does the Department have a residency program?" "How many residents?"

7. "Does your school have any other primary care program for residents?" (If this was not clear, it was explained that some schools are developing multi-specialty service programs and primary care curricula for residents based in the traditional departments of medicine or pediatrics.)

If the informant was uncertain about his facts, or recommended contacting someone else, further contact was made. Most of these additional contacts were with the Dean's office of the school, and often were to check facts.

The information received was then tabulated in much the form it appears in the report.

The information on numbers of residency positions in medical schools was obtained from the AMA Directory of Approved Residencies 1974–75. The total number of residents were generally those listed under the name of that particular medical school, as were the numbers of types of residents. The total of medicine, pediatrics and obstetrics-gynecology residents was taken as the upper limit of possible primary care training slots, since the schools contend that these specialists are indeed primary core practitioners. In a few cases, new family medicine programs were not listed in the books, and these were included in the figures. In some cases, the school's program was not listed by the name of the school. In these instances, the programs of the one or two most closely affiliated programs were used. This minimum total number of residents was used so as not to understate the percentage of family medicine residents. The numbers given are not actually residents, but positions offered, which generally coincide closely.

GENERAL RESULTS FOR MEDICAL SCHOOLS

The total numbers of positions offered in medical-school affiliated hospitals are as follows, according to the Director of Approved Residencies.

Family medicine, 1,993 positions, 4% of total.

Internal medicine, 9,188 positions, 18.8% of total.

Obstetrics/Gynecology, 3,090 positions, 6.3% of total.

Pediatrics, 4,126 positions, 8.4% of total.

Total positions, 48,703.

These figures allow comparison school by school. Officials of the Association of American Medical Colleges have recently predicted that the percentage of positions in general internal, pediatrics, obstetrics/gynecology and family practice, which now totals 38%, will reach 50% by 1980.

There are notable variations between schools. 28 schools have no departments of family medicine and no residence, and are not planning such a program. Only 1% of medical school positions in Georgia are offered in the area of family medicine, and only 2% in Tennessee, Connecticut and Massachusetts. On the other hand, 15% of the positions in Virginia are in family medicine, and 31% of those in Nebraska.

The geographic concentration of schools without departments of family practice is unique also. Of the 29 schools without departments of family medicine, 17 are in East Coast urban areas (including 6 in New York City). Also, there is a marked difference between private and public schools. Using the designation of the Association of American Medical Colleges of schools "privately endowed", and counting the three University of Illinois schools separately, there are 46 private schools and 67 public schools. Only five public schools have no department of family medicine (and are not developing one), and one of those is a two year school. Fully one-half of the private schools have no department and are not developing one.

Despite this marked difference in graduate (residency) training, medical student programs do not vary greatly between public and private institutions. Of the 55 schools which have essentially no primary care program for students, 22 are private and 33 are public.

Other findings emerged in staff discussions with the informants. It appears that there are three general groups of academic medical centers: (1) Schools resisting changes, and at most making cosmetic changes; (2) Traditional schools, which recognize the need for change, and are attempting to make innovations (a considerable number) and (3) New schools, which have rejected the old model, and are trying exciting new experiments. Examples of the last category include: (1) Michigan State University which has no university hospital, and carries out its clinical teaching through corporations for undergraduate education in 5 different communities, taking true responsibility within given areas; (2) the University of Missouri, Kansas City, which is training physicians in a six-year program from high school, and does it on the basis of small group clinical teaching in tutorials, beginnings very early in the student's educational experience; (3) the University of Illinois, Rockford, where the university has set up clinics in 5 under-served areas, staffs these clinics, and requires a continuous experience for all medical students from the second through the fourth year, to familiarize one group of patients and the entire spectrum of their problems.

Another area of interest is State activity. New York and Ohio (and perhaps others) now have laws requiring family practice departments in state-supported medical schools. In Texas, the state schools are seeking state funding for all the University of Texas schools, which are experiencing financial difficulty in supporting new family medicine programs from existing funds. Despite state activity, at least half of the informants in family medicine departments stated that federal funding was critical for their particular programs and they expressed considerable anxiety about the future of such funding.

The results of the survey establish that much more is happening than was expected.

Many schools are seriously examining their roles in the community, and are providing service and teaching models which address real problems. Unfortunately, there are still a significant number of schools which resist change, and continue to train specialists and clinical researchers and ignore the proposition that this nation may already have an excess of such medical personnel, or that each medical school should bear its part of the burden of training a new kind of physician.

GENERAL RESULTS FROM THE SCHOOLS OF OSTEOPATHY

Schools of osteopathy have a tradition of training primary care specialists. If there is doubt that the medical student curriculum affects the career goals of a physician one of the schools of osteopathy offer a significant avenue of investigation. Informants in these schools stated that 60–85% of their graduates go into general or family practice.

Doctors of Osteopathy are licensed as practitioners by almost all states, and may carry out essentially all functions which physicians consider their domain.

Internships are required of all graduates of schools of osteopathy, but residencies are not common. Therefore, residencies have not been tabulated for these schools. Residencies in family medicine are beginning to develop in response to societal pressures, especially Congressional mandate. This change is not being received entirely happily. Some informants feel that an Osteopathic Physician may be a perfectly adequate practitioner without a residency. Furthermore, schools of osteopathy have traditionally had departments of general practice, which are now changing their names to conform to the family practice trend.

The important point is the amount of primary and ambulatory care in the clinical curricula of schools of osteopathy. The Philadelphia College of Osteopathic Medicine, for example, requires 42 weeks of such clinical experiences of all students. This is far beyond what the average medical school would require, and considerably more ambulatory experience than required by even the newest, most revolutionary medical school.

While the staff expresses its confidence that the facts and figures presented do have a general validity, whose importance can only be appreciated in the comparison of individual medical schools, the staff recognizes it is undoubtedly flawed as social research.

EXHIBIT 1.—NEW YORK STATE MEDICAL SCHOOLS

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
Albany Medical College of Union University.	112	None	None	4th yr. 1 morning per week for a year.	Strong family practice program in department of community medicine, various electives.	Begins, 1975.	Train nurse clinicians.	312	0	0	128	41

MEDICAL SCHOOLS OF THE UNITED STATES

(By Public Health Service Region and State)

	Primary care teaching of medical students					Primary care teaching of residents						
									Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number	Percent	Number	Percent
REGION I												
Connecticut:												
The University of Connecticut Health Center, School of Medicine.	70	Being planned.	None	Being planned.	Limited specialty focus.	Yes—Division in department of community medicine.	None	148	10	7	64	43
Yale University School of Medicine.	102	None	None	4th year, 6 weeks full-time or 18 weeks part time; HMO option.	Primary care center being built; specialty focus.	None	Primary care center being developed—New general medicine program for residents.	375	0	0	99	26
Total for Connecticut								523	10	2	163	31
Massachusetts:												
Boston University School of Medicine.	165	Option in community medicine; 3d year, 2 weeks during Pediatrics clerkship, full-time.	4th year, 4 weeks full-time home medical service or M.D. offices.	None	Community medicine course, 1st year—field visits.	None	Elective tracks for residents in medicine and pediatrics.	203	0	0	133	65
Harvard Medical School	160	None	None	None	Very elective program—20 students per year do family care program—3d year, 1 afternoon per week.	Being considered in affiliated hospital.	Being planned—expect to take in 7 percent of medical residents eventually.	903	0	0	262	29
Tufts University School of Medicine.	145	None	None	None	AHEC program; very elective program—40 students per year do remote site or ambulatory elective.	None	Community placements in pediatric residency.	286	0	0	85	29
The University of Massachusetts Medical School, Worcester.	64	1st year, 3 weeks full-time, physicians offices; 3d year, 6 weeks clinical clerkship.	2d year, 2 weeks full-time, community diagnosis.	None—but entire curriculum focused on primary care.	Primary care planned—Medicine, pediatrics, and community and family medicine cooperatively active electives.	Yes—Department of community and family medicine.	Being planned—Departments of medicine, pediatrics, and family medicine.	36	36	100	(1)	(1)
Total for Massachusetts								1,428	36	2	480	34
New Hampshire: Dartmouth Medical School, Hanover.	64	None	3d year, 4 weeks full-time, community-based ambulatory clerkship.	See "Remote site."	Electives in GP offices; 3 year school.	None	New interdepartmental residency coordinated by department of community medicine.	138	0	0	42	35
Rhode Island: Brown University, Division of Biological and Medical Sciences.	60	Being planned.	3d year, 6 weeks full-time, clinical work emphasizing chronic illness.	None	Ambulatory care center in main hospital—emphasis on primary care.	Yes—Section of family medicine in department of community health.	Primary care center, active in resident teaching, especially internal medicine.	259	(2)	(2)	146	56
Vermont: The University of Vermont, College of Medicine.	83	None	None	None	Some emphasis on primary care in clinical teaching.	Yes	Comprehensive care center at medical center—little used for teaching.	133	5	4	46	35
REGION II												
New Jersey:												
College of Medicine and Dentistry of New Jersey, New Jersey Medical School.	120	None	None	None	Some electives; student interest.	Being discussed.	None	321	0	0	148	46
College of Medicine and Dentistry of New Jersey, Rutgers Medical School.	115	4th year, 4 weeks full-time, physicians offices.	Under "primary care."	None	Electives—Home care program, well-baby clinic.	Yes	HMO planning.	80	0	0	34	42
Total for New Jersey								401	0	0	182	45

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
REGION II—Continued												
New York:												
Albany Medical College of Union University.	112	None	None	4th year, 1 morning per week for a year.	Strong family practice program in department of community medicine—various electives.	Begins, 1975	Train nurse clinicians.	312	0	0	128	41
Albert Einstein College of Medicine of Yeshiva University.	175	None	None	4th year, 10 weeks full-time.	Field visits in 1st year—Community health course.	None	None	427	0	0	136	31
Columbia University College of Physicians and Surgeons.	150	None	None	None	Field visits in 2d year—Public health course.	None	None	376	0	0	97	25
Cornell University Medical College.	105	None*	None	3d year, 1 day per week for 12 weeks.	Electives in family medicine.	None	Being planned.	340	0	0	120	35
Mount Sinai School of Medicine of C.U.N.Y.	85	None	3d year, 6 weeks full-time.	None	Community medicine requires field visits and offers.	None	Being considered.	431	0	0	128	29
New York Medicial College	180	None	None	None	Field visits in 2d year—community and preventive medicine course.	None	None	396	0	0	144	36
New York University	177	None	None	None	Field visits in 1st year—Urban affairs course.	None	None	454	0	0	178	39
The University of Rochester School of Medicine and Dentistry	90	None	None	4th year, ½ day per week.	4th year, 4 week rehabilitation medicine course.	Yes	Being planned	419	32	8	13	32
State University of New York at Buffalo.	135	None*	None	None	2d year, ½ day per week for 9 weeks—Family medicine course.	Yes	None	254	41	16	142	55
State University of New York—Downstate Medical Center, College of Medicine.	218	None	2d year, 4 weeks full-time—Family study.	None	Strong elective program in family medicine.	Yes	Being considered.	551	18	3	157	2
State University of New York—Upstate Medical Center (Syracuse).	120	None	None	None	Very elective curriculum.	Yes	None	327	36	11	98	29
State University of New York—Stony Brook Health Sciences Center College of Medicine.	48	2d year, 4 weeks full-time.	1st year, 3 weeks full-time.	None	Many outside affiliates—electives in family and community medicine.	Yes	None	528	54	10	252	48
Total for New York								4,815	181	4	1,716	36
REGION III												
District of Columbia:												
Georgetown University School of Medicine.	205	See "remote site."	3d year, 3 weeks of pediatric clerkship—⅔ of class required to work in offices of practitioners.	4th year, 4 weeks full-time, emergency room rotation.	2d year—Course in community medicine—10 hours' field work HMO electives.	None	Being planned—Track in medicine residency.	305	0	0	241	79
The George Washington University School of Medicne.	150	3d year, 8 weeks full-time-HMO site, private practitioners.	See "primary care."	None	HMO electives	None	Being planned—Multispecialty model.	294	0	0	148	50
Howard University School of Medicine.	135	4th year, 4 weeks full-time-family practice rotation.	2 year, 15 weeks, 1 afternoon per week in physicians offices.	None	Electives—4th year preceptorships; primary care emphasis.	Yes	Being discussed.	231	28	12	95	41
Total for District of Columbia								830	28	3	484	58
Maryland:												
The Johns Hopkins University School of Medicine.	120	None	None	None	Electives—HMO available.	None	Being discussed.	408	0	0	123	30
University of Maryland School of Medicine.	169	3d year, 8 weeks full-time-different clinics, "primary responsibility."	None	3d year, 8 weeks options of different clinics.	1st and 2d year site visits to different system.	Yes	Primary care clinic—New primary care residency (small).	395	49	12	111	28
Total for Maryland								803	49	6	234	29

Footnotes at end of table.

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
REGION III—Continued												
Pennsylvania:												
Hahnemann Medical College and Hospital.	160	3d year, 12 weeks.	None	None	Electives—40 students a year.	Yes—Division in department of medicine—family medical clinic.	Division of general medicine in department of medicine—General medicine.	245	12	5	83	34
Jefferson Medical College of Thomas Jefferson University.	223	3d year, 6 weeks full-time.	None	None	Electives—4th year preceptorships with practitioners.	Yes	Being discussed.	301	30	10	161	53
The Medical College of Pennsylvania.	88	None	None	None	Primary care center being planned; fellow in emergency medicine, good elective.	None	Being planned; strong emergency room program.	139	0	0	63	45
The Pennsylvania State University College of Medicine, Hershey.	91	3d year—20 days full-time—in medicine, pediatrics of family medicine.	None	None	Electives—70 percent take 4th year preceptorship; 1st year course, some family visits.	Yes—Department of family and community medicine.	Primary care clinic—Medicine, pediatric, and family medicine.	126	18	14	42	33
Temple University of the Commonwealth System of Higher Education, School of Medicine.	180	Being planned.	None	None	Electives—30 students a year take senior preceptorship; 2d year course; same field visit.	Yes—Program being planned.	None—Accept family medicine model.	288	0	0	131	45
The University of Pennsylvania School of Medicine.	160	None	None	None	HMO electives	None	Being discussed.	434	0	0	100	23
The University of Pittsburgh School of Medicine.	130	None*	None	None	Electives—50 percent take primary care apprenticeship in 2d year.	None	Being planned—Medicine and pediatrics cooperatively.	359	0	0	194	54
Total for Pennsylvania								2,137	60	3	674	32
Virginia:												
Eastern Virginia Medical School, Norfolk.	36	3d year, 8 weeks fulltime—outside offices and public health projects used; 1st year, 1 morning per week, preceptorship with practicing physicians.	See "primary care."	None	Committed to primary care; 3-year school.	Yes	General medicine track in medical residency; program being developed.	90	7	8	44	50
The Medical College of Virginia, Richmond.	165	3d year, 6 weeks full-time—community hospital rotation, strong ambulatory focus; some public health.	See "primary care."	None	25-teaching practices associated; 60 seniors chose family practice as a career.	Yes	Remodeling ambulatory services—discussions of teaching program.	380	94	25	152	40
The University of Virginia, School of Medicine, Charlottesville.	133	Being planned.	None	None	Electives—15 students took health center elective, 45 chose rural practice elective.	Yes—Division of family practice—will become department soon.	Primary care center being built—Department of medicine developing general program.	309	18	6	107	34
Total for Virginia								779	119	15	303	39
West Virginia:												
West Virginia University School of Medicine, Morgantown.	84	None	None	None	Electives—39 graduates had had 4 or more weeks in a family practice office; community medicine has field visits relating to occupational health.	Yes	Being discussed—Conflict with family practice.	206	12	6	63	30

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
REGION IV												
Alabama:												
University of Alabama School of Medicine.	125	(Self-selected clinical tracks to 3 sites.)				Yes	Being discussed.	256	43	17	91	42
Birmingham	(65)	None	None	None	Limited.							
Huntsville³	(30)	See "remote site."	3d year, 4 weeks community medicine-practitioner-based.	None	Limited.							
Tuscaloosa³	(30)	See "remote site."	3d year, 8 weeks community medicine—practitioner-based.	None	Limited.							
The University of South Alabama College of Medicine Mobile. (Students only as far as 3d year).	64	Being planned—family medicine clerkship.	Being planned—senior preceptorship in family medicine.	None	Limited—new school.	Being developed.	Yes—Good clinic model, ambulatory emphasis, community orientation.	67	0	0	41	61
Total for Alabama								323	43	13	132	41
Florida:												
University of Florida College of Medicine.	120	See "remote site."	2d–3d yr—community health clerkship of 6 weeks—⅖ rural; extensive use of community hospitals for clinical clerkships.	None	Service project in 4 rural counties—med., pediatrics and family medicine cooperatively—used for student and resident teaching.	Yes—Community health and family medicine.	4 rural counties—community governance; medicine and family med. residents go to rural projects.	238	18	8	90	37
University of Miami School of Medicine.	140	None	None	None	Elective preceptorship in family medicine—40 students per year: family med. teaches courses.	Yes	Being discussed.	462	40		222	48
University of South Florida College of Medicine, Tampa.	64	Being planned.	None	3d yr, 6 weeks.	Ambulatory care center opens in 1975; 3 yr school; new department of family medicine.	Yes, new	New ambulatory care center.	202		0	83	41
Total for Florida								902	58	6	395	44
Georgia:												
Emory University, School of Medicine.	105	None	None	None	2d-yr course, longitudinal patient experience of 6 mo.; primary care electives through preventive medicine and community health.	None	None	520	0	0	191	36
Medical College of Georgia School of Medicine.	170	Being planned.	None	None	Model clinic for department of family practice opens 1975; ambulatory care center being discussed.	Yes	None	171	10	6	80	46
Total for Georgia								691	10	1	271	38
Kentucky:												
University of Kentucky College of Medicine.	115	None*	4th yr, 6 week community medicine—Practitioner-based many rural.	None	Constructing model practice involving medicine, pediatrics, and family medicine cooperatively.	Yes	None	277	16	6	91	32
University of Louisville School of Medicine.	145	None*	None	None	Electives in family medicine—hope for ¼ of students.	Yes	Emergency room program.	321	18	6	113	35
Total for Kentucky								598	34	6	204	34

Footnotes at end of table.

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
REGION IV—Continued												
Mississippi: University of Mississippi School of Medicine.	126	None*	None	None	Elective 4th-yr preceptorship, 35 students take; summer rural program, 20 students take.	Yes	Being discussed.	273	28	10	101	36
North Carolina:												
The Bowman Gray School of Medicine of Wake Forest University, Winston-Salem.	89	4th yr, 10 weeks physicians offices fulltime.	See "Primary care."	None	1st yr—Team of students study a family; 2 rural clinics using physician extenders AHEC contract from University of North Carolina.	Yes, new	Primary care curriculum after 1st yr; strong primary care council in medical center.	253	0	0	90	35
Duke University School of Medicine.	114	None	None	None	1st yr—Community health course, some site visits.	Yes	None	461	24	5	120	26
The University of North Carolina School of Medicine.	125	4th yr, 4 weeks full-time, family medicine in physcians offices.	See "Primary care."	None	Electives; AHEC program; nurse practitioner program.	Yes	Yes, pediatrics, residents work in primary care clinics; medical residents work in ocmmunity hospitals.	269	20	7	93	34
Total for North Carolina								983	44	4	303	31
South Carolina: Medical University of South Carolina College of Medicine.	165	None	None	None	Electives either clerkship or preceptorship—25 seniors a year take preceptorship.		None	310	45	15	104	33
Tennessee:												
Meharry Medical College School of Medicine.	102	3d yr, 6 weeks full-time, 4½ weeks clinical work in practices.	See "Primary care."	None	Family assignment in 1st yr, student follows for 4 yr, 2d yr site visits.	Yes	Yes, comprehensive care center used for resident teaching.	92	12	13	38	1
The University of Tennessee College of Medicine.	230	None	None	None	1st yr, 2 site visits; 2d year, course in primary health care, patient assignment, visit to physician office.	Yes, new	None	336	6	2	129	38
Vanderbilt University School of Medicine.	83	None	None	None	Electives, 20 students per year take preceptorship; 20 students per year take senior elective in family clinic.	None	Being developed, departments of medicine and preventive medicine.	306	0	0	130	42
Total for Tennesseee								734	18	2	297	40
REGION V												
Illinois:												
Loyola University of Chicago-Stritch School of Medicine.	128	None*	None	None	Electives, primary care center being planned.	Yes, department of community and family medicine.	Being planned some conflict with family mecidine.	154	0	0+	46	30
Northwestern University Medical School.	170	None	None	None	Electives in physicians offices and in community medicine.	None	Being discussed.	520	0	0	192	36
Rush Medical College	80	None	None	None	Elective clerkship in preventive medicine with ambulatory care; developing family practice center at main hospital.	Yes	Being discussed.	234	0	0+	96	41
The University of Chicago, The Pritzker School of Medicine.	104	None	None	None	Developing electives in remote sites; developing affiliations with community hospitals.	None	Being discussed.	300	0	0	126	42
Southern Illinois University School of Medicine.	55	3d yr, 1 afternoon per week for 6 mo.	None	None	4 weeks full-time, In-hospital family medicine electives; ⅓ of graduates choose family practice.	Yes	Being discussed.	95	16	17	46	48
University of Health Sciences-The Chicago Medical School.	100	4th yr, 12 weeks full-time, in family practice clinic or physicians' offices.	See "Primary care."	None	1st yr, 30 hr of family practice with patient contact: 50 percent of graduates choose family practice; 3-yr school.	Being developed.	Being developed.	(4)	(4)	(4)	(4)	

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
								Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program		Number	Percent	Number	Percent
REGION V—Continued												
Illinois—Continued												
University of Illinois College of Medicine	(3 clinical schools are included in this complex)											
The Abraham Lincoln School of Medicine Chicago.	230	Track system-25 do family practice.	Family practice track includes strong community hospital orientation.	3d yr, 10 weeks full-time, alternatives allowed.	Many electives; 3-yr school; active community involvement.	Yes	None, some conflict with family practice.	437	0	0+	129	29
Peoria School of Medicine	110	Being considered as full-time experience; 2d yr, ½ day per week in physicians' Offices.	See "Primary care" 2d yr.	None	Active family practice electives still developing.	Yes	Affiliated multi-specialty clinic.	22	18	80	0	0
Rockford School for Medicine	60	2d, 3d, and 4th yr, continuous experience in community health center with same group of patients ½ to 2 days/week.	See "Primary care."	None	Active electives, including public health programs; 5 university clinics in underserved areas, with faculty assigned and student rotations.	Yes	Being discussed.	27	27	100	0	0
Total for Illinois								1,789	51	3	635	
Indiana: Indiana University School of Medicine.	307	See "Remote site."	1st yr, 1 afternoon per week for 3 mo, early clincial experience, 1 mo with practitioner 1 mo with community hospital 1 mo in teaching hospital.	None	Strong family practice electives 25 percent of students take an elective; community medicine has a nurse practitioner program.	Yes	Good general medicine program.	409	16	4	10	24
Michigan:												
Michigan State University College of Human Medicine.	100	Being planned.	All clinical teaching in community hospitals—½ to 1 day per week in family practice, some in physicians' offices, during the 2 clinical yr.	Strong focus in clinical teaching.	Define objective for all courses; self-learning track offered with no lectures; strong self-learning emphasis corporations for undergraduate (medical students teaching in 5 communities) (similar to AHEC).	Yes	Yes, emphasis of entire program.	45	0	0+	19	42
The University of Michigan Medical School.	270	None in standard curriculum; 35 students in 6 yr program including a 4 week required preceptorship in the 1st yr.	See "Primary care"; none except for special program.	None	Electives, especially a summer preceptorship run jointly with the other Michigan schools, 145 students from University of Michigan took it, plus about 300 from the other 2 schools.	None	Department of primary care and community medicine, developing service and teaching program.	544	0	0	200	36
Wayne State University School of Medicine.	270	4 weeks full-time in 3d yr, using physicians' offices.	See "Primary care"; 2d yr, family study with family practice preceptors for entire year, 2 hr per week.	None	Electives, university clinic being built, placed to concentrate on primary care, no university hospital.	Yes	Being planned.	370	(5)	(5)	193	52
Total for Michigan								959	0	0	412	43

Footnotes at end of table.

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total): Number	Number of family medicine residents (and percentage of the total): Percent	Number of medical pediatricians and obstetrician gynecologist ■ residents (and percentage of total): Number	Number of medical pediatricians and obstetrician gynecologist ■ residents (and percentage of total): Percent
REGION V—Continued												
Minnesota:												
Mayo Medical School, Rochester (students only as far as 3d yr).	40	Track system, 12 in family medicine track, required to take 6 week full-time clinical preceptorship.	See "Primary care"; 2d yr, 2 weeks full-time with rural practitioner.	None	Other tracks include required ambulatory experiences.	Yes, planning residency.	Yes, division of community medicine with 22 clinicians, required of all 1st yr residents, residency offered in primary care medicine.	661	0	0	262	39
University of Minnesota, Duluth School of Medicine (2-yr school—clinical students all go to the University of Minnesota, Minneapolis).	36	See "Remote site".	1st yr, 2 hr per week in physician offices; 2d yr, a day per month in physician offices.		14 communities involved in program.	Yes, department.	None	16	16	100	0	0
University of Minnesota, Minneapolis Medical School.	239	Track system, 114 students per year medicine—6 weeks full-time preceptorship required of those.	See "Primary care"; 2d yr, 18½ days spent with urban family practitioner.	None	Student option for 3 or 4 yr curriculum; 1 yr rural M.D. program offered, student paid for combined education and service—37 students per year.	Yes, Department of family practice and community health.	Affiliated hospitals, emphasis on general medicine.	759	109	14	290	38
Total for Minnesota								1,436	125	9	552	39
Ohio:												
Case Western Reserve University School of Medicine.	120	Being planned.	None	None	Electives, family clinic, student follows pregnant woman and then baby for 1st 2 yrs, 1 visit per month.	Yes, new department.	None	347	0	0	219	63
Medical College of Ohio at Toledo.	86	None	None	3d yr, 4 weeks full-time, option for medicine, pediatrics or community medicine.	Electives	Yes, new department.	Primary care clinic, residents rotate through it.	111	0	0	32	28
The Ohio State University College of Medicine.	240	3d yr, 4 weeks full-time, community medicine—30 percent with family practitioners.	See "Primary care."	3d yr, 16 weeks full-time.	Visits to practitioners offices in 1st year; behavioral science source; electives.	Yes, new department.	Planning primary care center.	291	0	0	106	36
University of Cincinnati College of Medicine.	192	None	None	None	Electives, 60 percent take clinical opportunities course, 1st yr family care elective, 2d yr. 20 students per year.	Yes, new department.	None except emergency medicine residency.	445	0	0	163	36
Total for Ohio								1,194	0	0	520	44
Wisconsin:												
The Medical College of Wisconsin, Milwaukee.	125	None	None	4th yr, 4 weeks ½ time, some M.D. offices.	Health center administered by preventive medicine, medicine and pediatrics cooperate, available to students, electives.	Yes	Being planned by departments of medicine and pediatrics.	334	6	2	116	35
University of Wisconsin Medical School, Madison.	160	None	None	None	Electives, summer rural preceptorship.	Yes	Multispecialty group practice elective for residents.	338	48	14	112	33
Total for Wisconsin								672	54	8	228	34

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
REGION VI												
Arkansas: The University of Arkansas School of Medicine.	120	None*	None	None	Electives, 20 students per year take 2d yr preceptorship.	Yes	Being planned, new ambulatory care center, cooperative relationships between departments.	286	60	21	70	24
Louisiana:												
Louisiana State University School of Medicine in New Orleans.	149	None	None	None	Electives, 20 students per year take 2d yr preceptorship; 20 to 30 4th yr students take family medicine elective.	Yes	Primary care retreat planned to discuss.	335	30	9	138	41
Louisiana State University School of Medicine in Shreveport (new school).	44	3d and 4th yr—1 day per week in comprehensive care clinic under family medicine (except during effectives).	None	None	Electives, ⅓ of class takes rural preceptorship; 1st and 2d yr family medicine courses with some patient contact and visits to physicians' offices.	Yes	Being discussed.	163	(6)	(6)	60	37
Tulane University School of Medicine.	151	See "Remote site."	3d yr, 4 weeks in private physician office.	None	Limited, some electives.	No, being planned.	Being discussed, residents rotate through community service programs.	285	0	0	103	36
Total for Louisiana								783	30	4	301	34
New Mexico: The University of New Mexico School of Medicine.	75	None	None	None	Electives, some preceptorships; emergency medical course in 1st yr.	Yes, department of family and community medicine.	Good service model in outpatient department, being discussed.	162	12	7	66	40
Oklahoma: The University of Oklahoma College of Medicine.	135	4th yr, 5 week full-time preceptorship with practitioners.	See "Primary care."	4th yr, 10 weeks full-time, ¼ go to family medicine clinic.	1st yr, 1 afternoon per week with practitioner, extensive elective.	Yes	Being planned in department of medicine.	358	36	11	90	25
Texas:												
Baylor College of Medicine	166	See "Ambulatory medicine".	See "Ambulatory medicine."	3d yr, 8 weeks, including 2 weeks in neighborhood health center, remainder speciality-oriented.	Electives, 63 took preceptorship with a practitioner; 3-yr school.	Yes, division of family medicine in department of community medicine.	Primary care track in departments of medicine and pediatrics, 4 residents in each neighborhood health center.	584	12	2	223	38
Texas Tech University School of Medicine.	45	4th yr, 12 weeks full-time in family medicine—4 weeks in preceptorship, remainder clinic and hospital-based.	See "Primary care."	None	Primary care oriented, planning additional curriculum time.	Yes	Being planned, limited full-time faculty.	31	21	68	[7]10	[7] 32
The University of Texas Health Science Center at Dallas, Southwestern Medical School.	200	None	None	None	New program, planning electives.	Yes, division of family medicine in department of community medicine.	Being discussed, some conflict.	279	48	17	131	47
The University of Texas Health Science Center at San Antonio Medical School.	123	Being planned—Begins 1975 in 4th yr; 2d yr, 7 weeks half-time in family practice clinic.	None	None	1st yr, family study visits; elective preceptorship, 24 students per year.	Yes	Being discussed, changes in pediatrics and obstetrics.	199	10	5	117	58

Footnotes at end of table.

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
REGION VI—Continued												
Texas—Continued												
The University of Texas Medical Branch at Galveston.	200	Being planned.	None	None	4th yr family medicine track, 20 students take.	Yes	Discussions, satellite service program in preventive medicine department.	302	12	4	96	32
The University of Texas Medical School at Houston.	56	1st yr, ½ day per week for 18 weeks in physicians' offices; 3d yr, ½ day per week for 1 year, in family medical clinic.	See "Primary care."	None	3d yr elective preceptorship in rural area, ⅓ of class takes; ⅓ of graduates choose family practice training 3-yr school.	Yes, will become a division of department of community medicine.	Discussing medical-pediatric-obstetrics-gynecology model, small primary care track in those 3 departments.	241	20	8	78	35
Total for Texas								1,636	123	8	655	40
REGION VII												
Iowa: The University of Iowa College of Medicine.	175	3d yr, 2 weeks full-time, preceptorship-internists, pediatricians and family practitioners—60 percent choose family practitioner.	See "Primary care."	None	Electives, 80 students take senior elective.	Yes	Emphasis in medicine and pediatric residencies, some conflict with family practice.	385	30	8	109	28
Kansas: University of Kansas School of Medicine.	270	3d yr, 4 weeks full-time rural preceptorship.	See "Primary care."	None	Electives, 36 per year take senior elective; 1st-yr course with field visits, including some to physician offices.	Yes	Being discussed.	345	18	5	133	38
Missouri:												
Saint Louis University School of Medicine.	155	4th yr, ½ day per week preceptorship.	1st yr, course with 4 days of visits to physicians' offices, community project.	4th yr, 6 weeks full-time, in outpatient department.	Electives, student interest in family practice.	None	Being discussed.	270	0	0	109	49
University of Missouri, Columbia School of Medicine.	70	3d yr, 8 weeks full-time preceptorship, usually rural.	See "Primary care."	None	Electives, 15 per year take senior elective in family practice; 1st and 2d yr courses include field visits.	Yes, department of community health and medical practice section of family practice.	Being planned institutional commitment.	260	20	8	83	31
University of Missouri, Kansas City School of Medicine.	70	2d yr, 4 weeks full-time with family practitioner.	See "Primary care."	None	"Docent" tutorial system for the 6 yrs of the program strong ambulatory focus throughout, electives, 6th yr preceptorship 90 percent of students take strong rural focus in electives.	Yes	Small primary care residency in department of medicine; adolescent program, active primary care electives.	77	0	0+	33	43
Washington University School of Medicine.	120	None	None	None	Electives in social medicine 10 to 12 students per year do preceptorship.	None	Primary care option in department of medicine and pediatrics; 3 residents this year, growth expected.	457	0	0	102	22
Total for Missouri								1,064	20	2	327	31

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

		Primary care teaching of medical students				Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
REGION VII—Continued												
Nebraska:												
Creighton University School of Medicine.	104	Being planned.	None	None	1st and 2d yr, some clinical center in physician office. Electives, 25 percent take 4th yr rural preceptorship.	Yes	No good cooperation with family practice department.	94	26	28	40	42
The University of Nebraska Medical Center.	130	3d or 4th yr, 4 weeks full-time, preceptorship.	See "Primary care".	None	2d yr ⅓ do physical diagnosis in family medicine center; electives.	Yes	Ambulatory care center with departments of medicine and pediatrics cooperating good acceptance of family medicine.	182	60	33	90	49
Total for Nebraska								276	86	31	130	47
REGION VIII												
Colorado: The University of Colorado School of Medicine.	130	None	None	None	Electives, department of pediatrics trains nurse practitioners and physician-assistants.	Yes	Emphasizing non-physician providers.	540	18	3	154	28
North Dakota: University of North Dakota School of Medicine (students only as far as 3d yr).	65	Being planned—12 weeks 4th yr, preceptorship.	See "Primary care."	None	Strong primary care orientation expect clinical curriculum to emphasize.	Yes	Being planned, community based.		(6)	(6)	(6)	(6)
South Dakota: University of South Dakota School of Medicine (students only as far as 2d yr).	52	Being planned—3d yr., 1 afternoon per week; 4th yr, 6 week full-time preceptorship rural area.	See "Primary care."	None	Strong primary care orientation expect clinical curriculum to emphasize.	Yes	Being planned, community-based.	15	15	100		
Utah: University of Utah College of Medicine.	100	None	None	None	Electives, clerkships and preceptorships in family medicine.	Yes, department of family and community medicial.	Ambulatory care facility being planned, ambulatory electives in medicine and pediatrics.	149	36	24	76	51
REGION IX												
Arizona: The University of Arizona College of Medicine.	70	None	None	None	1st yr course—some field visits, electives, 3d-yr family practice, ½ class takes, 4th yr preceptorship, ½ class takes.	Yes, department of family and community medicine.	None, no interest.	219	24	11	95	43
California:												
Loma Linda University School of Medicine.	160	None	None	None	Electives, 4th yr. 12 weeks, urge students to take community electives; mission hospitals available for electives, tradition of service.	Yes	No, other departments cooperate.	205	0	0+	77	37
Stanford University School of Medicine.	85	None	None	None	Very elective curriculum, limited numbers of students do primary care electives, 30 students per year do remote site electives.	None	None	381	0	0	104	27
University of California, Davis School of Medicine.	100	None	None	None	Electives in family practice, including preceptorships.	Yes	None	285	36	13	87	30
University of California, Irvine California College of Medicine.	70	Being planned for 1st and 2d yr.	None	3d yr, 4 weeks out-patient psychiatry.	No teaching hospital, use community clinics and hospitals.	Yes, new department.	Being discussed.	217	(6)	(6)	208	95

Footnotes at end of table.

MEDICAL SCHOOLS OF THE UNITED STATES—Continued

(By Public Health Service Region and State)—Continued

	Primary care teaching of medical students					Primary care teaching of residents						
	Number of students per class	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other	Family medicine department	Other primary care program	Number of residents in medical school program	Number of family medicine residents (and percentage of the total)		Number of medical pediatricians and obstetrician gynecologist residents (and percentage of total)	
									Number	Percent	Number	Percent
REGION IX—Continued												
California—Continued												
University of California, San Diego, School of Medicine.	90	Family medicine track—30 to 40 students do preceptorship in 2d yr; 3d and 4th yr, 2 to 4 students at 1 time.	See "Primary care."	None	Electives in community medicine.	Yes, new department.	Some interest being discussed.	570	8	1	114	20
University of California, San Francisco School of Medicine.	146	3d yr, 12 weeks, based in health centers, clinics, maternal-child health centers.	See "Primary care."	None	Community medicine course 1st yr; some primary care.	Yes	None	522	60	11	146	27
UCLA School of Medicine	146	None	None	None	Some students rotate to the Drew Postgraduate Center, which has a strong ambulatory care focus.	None	None	408	0	0	140	34
University of Southern California School of Medicine	128	None	None	None	Elective summer clerkship and preceptorships in 4th yr good student demand.	Yes, family practice unit in department of community medicine will become department.	Being discussed.	775	(6)	(6)	320	41
Total for California								3, 363	128	4	1, 291	38
Hawaii:												
University of Hawaii School of Medicine.	66	4th yr. 6 weeks full-time, preceptorship both rural and urban.	See "Primary care."	4th yr, 6 weeks full-time, emergency room.	Strong commitment to primary care, many ambulatory care possibilities, no university hospital.	Yes, department of family practice and community medicine; residency being planned.	Strong commitment, focus on ambulatory care.	72	0	0	[8] 22	[8] 30
Nevada:												
University of Nevada, Reno School of Medical Sciences (2 yr school).	48	See "Remote site."	1st yr, 4 weeks full-time preceptorship with general physician.	1st yr, 1 week full time emergency room.	6 weeks summer preceptorship 32 students take behavioral science course, some field visits.	None	Strong commitment; clinical faculty all practitioners.					
REGION X												
Oregon:												
University of Oregon Medical School.	114	None	None	Being planned, 3 weeks full-time.	Electives in family practice, 4th yr preceptorships, 20 students take, 1st yr. 1 afternoon per week in practitioner's office, 50 percent of class take; summer preceptorship, 35 students take.	Yes	Internal medicine planning general program.	341	22	6	105	30
Washington:												
The University of Washington School of Medicine.	135	Track system, 45 percent do family medicine track which includes 6 weeks full-time with a rural practitioner.	"WAMI" program—all students go to remote area at least once.	Clinical specialist track requires 4 weeks full-time.	Active primary care electives—2d yr preceptorship, 1 day per week, 24 students take.	Yes	Comprehensive clinic in department of medicine; medicine-pediatrics model being discussed.	472	18	4+	147	31

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[1] In process of development.

[2] New residency approved.

[3] Family medicine residents only.

[4] Recent disaffiliation—all programs in development.

[5] New program.

[6] Begins in 1975.

[7] Only obstetricians-gynecologists.

[8] No medical residents yet.

SCHOOLS OF OSTEOPATHY OF THE UNITED STATES (BY PUBLIC HEALTH SERVICE REGION)

	Number of students per class	Department of family medicine	Primary care clerkship	Remote site clerkship	Ambulatory medicine clerkship	Other
PRIMARY CARE TEACHING OF STUDENTS						
Region I: None.						
Region II: None.						
Region III:						
Philadelphia College of Osteopathic Medicine.	200	Yes; Department of General Practice.	3d yr, 12 weeks full time, general practice clinics; 3d yr, 6 weeks full time, preceptorship in offices.	3d yr, 6 weeks full time, general practice clerkship in community hospital or GP's office; 4th yr, 6 weeks full time, in community hospitals (many rural).	3d yr, 6 weeks full time, emergency room.	4th yr, 6 weeks full time, inpatient general practice in teaching hospital; beginning general practice residency.
West Virginia College of Osteopathic Medicine, Lewisberg (students only in 1st yr).	36	Being developed	Will be extensive in clinical years.	2d yr, 1 day per week in physicians' offices planned: will be extensive in clinical years.	Will be extensive	Primary care emphasis.
Region IV: None.						
PRIMARY CARE TEACHING OF OSTEOPATHIC STUDENTS						
Region V:						
Chicago College of Osteopathic Medicine.	96	Yes	3d yr, 35 weeks full time in family medicine clinic: 4th yr, 15 weeks full time, in family medicine clinic.	None	4th yr, 5 weeks full time in emergency room.	Elective preceptorships in offices, in rural areas.
Michigan State University College of Osteopathic Medicine.	85	Yes	2d yr, 1 afternoon per week in family medicine clinic for 6 quarters; 4th yr, 6 weeks full time in practitioners' offices.	See "Primary care"; 2d yr, 1 afternoon per week in different community programs for 6 quarters.	Strong focus—will increase.	3 yr school; 1st year family medicine teaches physical diagnosis as introduction to family medicine.
Region VI:						
Oklahoma College of Osteopathic Medicine, Tulsa (students only in 1st yr).	36	Yes	Plan 6 mo of primary ambulatory care full time; 1st yr, ½ day per week in physician offices—will continue during 2d yr.	Plan an additional 6 mo in community hospitals, stress on follow-up.	See other columns	
Texas College of Osteopathic Medicine, Fort Worth.	60	Yes—Department of General Practice.	3d yr, 4 weeks full time, preceptorship in urban and rural areas.	See "Primary care"	3d or 4th yr, 12 weeks full-time in clinics; 3d yr, 2 weeks rehabilitation medicine.	Extensive elective emphasize primary care.
Region VII:						
College of Osteopathic Medicine and Surgery, Des Moines, Iowa.	175	Yes	3d yr, 4 weeks full time preceptorship; 3d yr, 12 weeks full time in satellite clinics.	See "Primary care"; 3d yr, 12 weeks full time community medicine, in public health programs.	Emphasized	3 yr school.
Kansas City College of Osteopathic Medicine, Kansas City, Kans.	120	Yes	3d yr, ½ day per week in GP's offices; 4th yr, 12 weeks full time in GP offices.	See "Primary care"; 4th yr, 3 weeks in clinics, many rural.	4th yr, 6 weeks emergency room full time.	Electives—50 percent do more general practice electives.
Kirkville College of Osteopathic Medicine, Kirkville, Mo.	122	Yes	4th yr, 4 weeks full time in GP offices; 4th yr, 16 weeks full time in rural extension clinics.	See "Primary care"	Emphasized	Nursing home requirement in 2d and 3d yr, 6 hrs per week of service responsibility.

RESPONSES TO THE SURVEY

This survey was first published in the Congressional Record of September 26, 1975. On October 6, 1975, the Association of American Medical Colleges sent copies of the survey to the Deans of all U.S. medical schools, asking them to write the Committee to verify the accuracy of the report on that school and to provide updated information on new program developments.

The Committee received letters from 29 medical schools, and three schools made personal contact. In addition, the American Association of Colleges of Osteopathic Medicine wrote the Committee to suggest changes.

In general, the responses confirmed the basic accuracy of the information presented. The most common response was to point out changes in resident and medical student programs since the date of the survey. Sixteen schools made no corrections other than to update the information. However, it is significant that almost every letter referred to increasing primary care activity.

Five medical schools pointed out student teaching programs required of all students which were not described in the original survey and which were in effect at the time of the survey early in 1975. Although these are all ambulatory clerkships in traditional settings, they should be listed:

The University of Rochester School of Medicine and Dentistry—4th year, 4 week emergency medicine clerkship.

University of Kentucky College of Medicine—3rd year, 4 week ambulatory pediatric clerkship.

The Bowman Gray School of Medicine of Wake Forest University—3rd year, 10 weeks in medical out-patient department.

Mayo Medical School—3rd year, 21 weeks in ambulatory medicine.

Case Western Reserve University School of Medicine—4th year, 8 weeks in ambulatory medicine: many options available, including primary care practice.

In addition, one program was pointed out: University of California at Los Angeles—has a Division of Family Practice in the Department of Medicine.

Several schools stressed the importance of their primary care electives. However, the basic purpose of the survey was to discover required experiences as a measure of the commitment of the school to primary care.

Four schools made corrections in the number of students in the first year class. Since these were generally not large differences, they will not be given here.

Several schools sent "corrected" figures for the numbers of residents in different categories. However, the source for the figures, as noted, was the latest AMA Directory of Approved Residents. Affiliated institutions were not used because the staff is aware that such affiliations are generally not close.

One type of affiliation was pointed out, however, which must be seen as different: the Area Health Education Center (AHEC) program. This program has as one of its goals to improve primary care services and training program. Schools with such programs include: The University of California; The University of Illinois; The University of Minnesota; The University of Missouri; The University of New Mexico; The University of North Carolina; The University of North Dakota; The University of West Virginia; Medical University of South Carolina; University of Texas at Galveston; and Tufts University.

Finally, the Albany Medical College pointed out that it runs a Physician Associate Program.

Several schools referred to their traditional clerkships in medicine or pediatrics as primary care training experiences. The staff is aware that all medical students have some ambulatory experience at different times in clinical clerkships. However, these experiences cannot be considered to be excellent programs which will interest students in primary care careers. The survey does include full-time ambulatory clerkships, but these are not felt to be satisfactory primary care training experiences unless the setting has been organized to delivery effective primary care.

The American Association of Colleges of Osteopathic Medicine pointed out that requirements for licensure for Doctors of Osteopathy and Doctors of Medicine are very similar and that all fifty states and the District of Columbia license osteopathic physicians to provide the same range of professional services as provided by M.D.'s. The letter also stated that there are presently about 500 residencies for osteopathic physicians, fifty-seven percent of which are in primary care fields. A 1971 survey indicated that sixty-nine percent of all active osteopathic physicians were in a primary care specialty, and that over seventy percent were office-based physicians.

In summary, many medical schools are actively involved in teaching primary care, and new programs are developing rapidly. Nonetheless, much remains to be done.

The staff would like to express its gratitude to the Association of American Medical Colleges for its assistance in validating the information obtained from the survey. Ideally, such a survey would be carried out periodically to measure the rate of change.

Mr. BROCK. Mr. President, as I said, I will not press for these particular amendments, but if the Senator from Maryland could have a discussion with me, I do think what we are trying to do here is something that needs to be done and that is to provide additional opportunity for our medical schools to deal with the primary care problem as well as the administrative area problem by, first of all, enlisting more students from the unserved areas because they tend to go back to those areas in which they live. Second, by providing more funds for the primary care training programs, and by focusing, in effect, our efforts here toward the provision of additional incentives for medical schools, for the medical profession, and for the health delivery system to come to grips with the problem that is particularly severe.

I might say in my State of Tennessee where we have a very extensive medical school system in Vanderbilt University, the University of Tennessee in Memphis and Meharry, we graduate an awful lot of doctors, but our rural areas and central cities are still terribly underserved, and there has to be a way of coming to grips with this problem and dealing with it in a fashion that provides more primary care physicians in the underserved areas.

I wonder if the Senator will address himself as to how the bill purports to do this and, second, whether or not it is worthy of consideration to talk about providing some additional capitation for the medically underserved areas and for the primary care field.

Mr. BEALL. The Senator raises a good point with regard to the necessity of getting people into the areas of need, both rural and urban areas, where there are shortage of primary care physicians. As the Senators know I, a couple of years ago, introduced legislation, that was adopted, called the physician area shortage scholarship bill in which we required 1 year of service in an area for each year of scholarship that was granted.

The bill deals with the problem on a much broader basis. The bill recognizes that we do have a great need countrywide for more primary care physicians. And so the bill offers scholarships for those who will serve as primary care physicians, as previous legislation did.

Although the bill does not give priority to students from shortage areas or specify that a doctor has to serve in a specific locality in turn for that scholarship, I believe that if the medical schools work on their admission procedures with a view to securing students predisposed to primary care, and with special emphasis on recruiting those from a shortage area that we will see a significant improvement in the distribution of physicians. In addition, it is important for medical schools to reinforce the student's choice for primary care and that the physician secure his or her postgraduate training away from major medical center, we noticed in my own State of Maryland, as a matter of fact, that hospitals are establishing family practice scholarships are now sending family practice graduates into the rural areas of the State and the doctors that have gone there, then bring a second wave after them, associating these others with them in the practice, so it is a kind of self-healing process so long as you have at the beginning a large enough supply, a large enough pool of doctors so they will spread around.

As the Senator knows, in the bill, as in my 1974 substitute there is a requirement that 25 percent of the slots in all medical schools in the country should be reserved for those people who will serve in shortage areas in return for a scholarship.

Mr. BROCK. Yes.

Mr. BEALL. With regard to the money that is available or with regard to the Senator's suggestion that we have an add-on to the capitation grant for primary care scholarships, I think that is a very useful suggestion. As a matter of fact, we exposed similar incentive in 1974, but we just did not have additional funds. This was the only thing that would keep me from supporting it at the present time. We simply do not have enough money. If we could afford additional money, it would have merit, but we are concerned now with the cost of the bill. To load another $200 for instance, on the $2,000 we are going to get for capitation, I think would cause us problems.

Mr. BROCK. I cannot argue that point. The Senator knows how we feel about the level of expenditures up here and certainly has expressed it. I do think in terms of establishing our priorities, if we are going to create an emphasis on primary care, as I certainly agree with him, there has to be some method of providing an inducement to do so other than Government mandation.

It costs money—let us be very honest about it—to take a school system that has virtually no primary care and reorient it because of a sizable expenditure of funds. I cannot argue the point in terms of the national budget because I agree. But I do think it would be worth the committee's time to consider a reallocation of its basic resources to this area in the next year, if that is possible.

Mr. BEALL. There are other provisions in the bill directed toward the concerns by the Senator from Tennessee. There are some manpower initiation provisions. Among other things, they will be used to direct and increase admission of students to serve in shortage areas. These people can be identified. In the admission process, it has been determined that those people who come from a rural area are more likely to go back there to practice. So we are encouraging the schools to identify those students and give them a preference in admission if they are going to go back and practice in those areas.

Mr. BROCK. I can agree with that. But on that point, one of my other amendments would have increased the capitation by $500 for students from an underserved area. I do that because, to be very honest with the Senator—and I think the Senator from Maryland knows what I am talking about—most of these young people coming out of either core city schools or rural schools do not have the preparation that is adequate for them to get into medical school, in competition with suburban students who may have a higher level of education. Private schools and public schools in these areas are not that good. It is our fault, and we need to do a better job. The fact is that they are not that good today, and it costs more money to take these students and give them a chance.

Mr. BEALL. I think there are many qualified people in the rural areas who can meet the requirements for most of the medical schools.

In my State, I was talking to the dean of one of the medical schools, Johns Hopkins University, and he told me that they had 3,400 applicants for only 100 first year positions at the school.

I said, "How many of those people would qualify?"

He said, "Fifty percent of them are qualified for admission."

When you get down to 50 percent, or 1,700, it is almost an arbitrary decision as to which one is taken in the school because they are all very well qualified.

In addition, the bill contains some scholarships for students who come from a low socioeconomic environment, which would be directed toward some of the students the Senator mentioned.

I believe that one of the ways to get students to practicing in nonmetropolitan areas is to get the medical schools to spread out their residency programs or intern programs away from the core hospital. We are having some success throughout the country in getting medical schools to do that. They will establish residency or intern programs in nonmetropolitan hospitals that are affiliated with a teaching hospital and send students into the area. That is a great inducement.

Mr. BROCK. The previous Governor of Tennessee, Winfield Dunn, started a program of clinical centers to spread the residency population around. It makes a great deal of sense to me, and I think it will help a great deal.

Mr. BEALL. There is also a provision in the bill for continuation of health education area centers. We also specify that not less than 10 percent of the undergraduate's clinical training in a medical school may be conducted at such area health centers. So the medical school could send their students into these rural areas, and they would learn to work with nurse practitioners and others in the field and be more inclined, I believe, as a result of that experience to go into the areas that are underserved. My State is establishing more community-based training facilities and providing residents in rural areas.

Mr. BROCK. I appreciate the Senator's explanation. I also appreciate the leadership that the committee is exercising in this area.

I know the need firsthand in these underserved areas. It is enormous, it is expensive, in the rural and central city areas. We cannot avoid the responsibility of dealing with this problem. I appreciate the efforts of the committee. I want the committee to know they will have my support to the extent we can do so.

I will not press these amendments, but I did want to express my concern with the problem. It is a serious problem and one that I think needs our continuing attention.

Mr. KENNEDY. Mr. President, I thank the Senator for his comments. I assure him that these are areas with which the committee has been enormously concerned. He has put his finger on the critical manpower problems and the general health problems facing this country.

As the Senator knows, we have accepted the concept put forward by the Senator from Tennessee with respect to permitting young students who participated in the scholarship program to go into an underserved area in private practice, rather than the health service corps. That was a worthwhile and valuable suggestion, and hopefully it will create additional opportunities to get services to those in need.

I know that this is an area to which the Senator has given a great deal of attention. I thank him for his interest and indicate that we welcome very much any observations or suggestions he has in this area.

Mr. BROCK. I appreciate that very much.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER (Mr. HASKELL). The amendment is withdrawn.

AMENDMENT NO. 1980

Mr. MONTOYA. Mr. President, I call up my amendment No. 1980.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from New Mexico (Mr. MONTOYA), for himself and Mr. TUNNEY, proposes Amendment No. 1980.

The amendment is as follows:

On page 358, line 6, strike "$100,000,000" and substitute "$110,000,000".

On page 358, line 7, strike "$110,000,000" and substitute "$120,000,000".

On page 358, line 8, strike "$120,000,000" and substitute "$130,000,000".

On page 358, line 11, strike "45" and substitute "50".

Mr. MONTOYA. Mr. President, the Senator from California did not know in advance that this bill would be debated today, and he is necessarily absent from the Chamber. Therefore, on his behalf, I will send his statement on this amendment to the desk and ask for its insertion in the RECORD.

I compliment the distinguished floor manager and the committee which they represent on this bill. They have taken much time in insuring adequate primary health care in all geographic areas through addressing the problems of maldistribution of health professionals, overspecialization, and increasing reliance on students from foreign medical schools.

It is my hope that as part of this comprehensive reform, the committee will accept the amendment offered by Senator TUNNEY and myself which will retain a high priority of assistance for individuals entering the medical profession from disadvantaged backgrounds.

Approximately $15 million was spent for minority assistance programs through the Comprehensive Health Manpower Act. These past funds have provided valuable counseling services for minority students applying to health institutions as well as transitional and academic assistance to enable these students to complete the regular course of study. The Health Resources Administration estimates that only $5 or $6 million will be available for programs to assist disadvantaged students under S. 3239's formula. The bill's formula authorizes only $100 million for special projects and specifies that 45 percent of special project authorizations must be allocated for the 5 priority areas of the 23 projects.

Mr. President, our amendment will not change the structure of the bill before the Senate. It will not increase the costs of funding disadvantaged students from the fiscal year 1976 level. It will merely insure continued operation of funding for minority assistance by authorizing an additional $10 million for fiscal year 1977 and specifying that 50 percent of the funding for special projects be spent for the five priority areas.

I urge the adoption of this amendment to maintain minority enrollment in our health institutions. Hispanic enrollment, for example, has increased 10-fold in the past 5 years. In spite of this progress, it will take at least 30 more years to achieve parity between the proportion of Spanish-speaking health professionals and the general minority population from which they come.

It is my hope that this amendment will be accepted by the committee with anticipation that when these funds are authorized, special attention will be directed to section B of title XII in the report.

The House bill already has a specific provision directing that the authorization be applied to the tune of $20 million for this particular purpose. I am hopeful that when the bill goes to conference, the committee will approximate the House version, which clearly enunciates that it is the purpose of this particular authorization that it be directed toward the purpose and objective which I have tried to enunciate in offering my amendment.

I ask unanimous consent at this time, Mr. President, that the statement of Senator TUNNEY be printed following my remarks on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR JOHN V. TUNNEY

I am pleased today to offer an amendment with Senator Montoya of New Mexico which I believe is a necessary addition to a necessary bill.

We all know the purpose of the "Health Professions Educational Assistance Act of 1976"—and it is indeed a just purpose. Up and down my state of California and throughout the entire nation, the urban and rural regions have long remained isolated from adequate physician coverage. It boils down to the fact that the vast sparsely populated areas of this land and the densely populated inner cities will not be prepared for any kind of a national health insurance program if the same physician maldistribution program is allowed to continue.

I believe this amendment which Senator Montoya and I am offering lies at the very crux of the issue which will be debated today. Fifty percent of the manpower shortage areas in this country have a predominant minority population, so I propose that we secure an adequate funding level for those programs helping the disadvantaged and minority students who may seek to serve in their home areas.

Under subsection (b) of Title XII, the Special Projects Section of S. 3239, a provision is made for "Educational assistance to individuals from disadvantaged backgrounds." Counselling, recruiting and selection programs, and the very important retention and preliminary education programs are made available to those capable students interested in the health sciences. The Office of Health Resources Opportunity of the Health Resources Administration has estimated that in excess of $20 million was spent on similar programs to assist students from disadvantaged backgrounds in each of the three preceeding years. The already-passed House health manpower legislation, H.R. 5546, provided authorizations of $20 million for the continuation of such programs.

The present language of S. 3239 reserves 45 percent of $100 million for the first five projects under Title XII. While there is no final distribution formula for the funds provided under this section, the Health Resources Administration has predicted that only 5 or 6 million dollars will be made available for these educational programs for the disadvantaged health student.

I strongly believe that we should not reduce the funding of these programs by almost 75 percent when they have proven to be extremely successful in the past. My amendment would add an extra $10 million to the authorization level for special projects for each of the following three years, and increase from 45 percent to 50 percent the percentage reserved for the first five categories, thus earmarking the extra $10 million for subsections (a) through (e). It is the intent of Sen. Montoya and myself, and I hope the intent of the committee, that the extra authorized amount will be aimed at the programs under subsection (b).

There is ample evidence which supports the success of these programs offered to disadvantaged students—and the best evidence is the dramatic increase in minority enrollment over the past five years. In the 1968-1969 academic year, minorities represented less than 3 percent of the total medical school enrollment. Last year that percentage increased to almost 9 percent. The size of the entering medical school class has increased by 4,000 positions over the past five years, and of this increase, 25 percent of the slots were filled by minority applicants. This amendment will insure that this trend continues. The enrollment number of Chicano medical students has increased tenfold in the past five years and yet, in spite of this progress, it will take more than thirty years to achieve parity between the proportion of Chicano health professionals and the overall Spanish-speaking population. Blacks have also benefited greatly from the service provided by the programs. In the 1968–69 year, Blacks represented 2.9 percent of the total medical student enrollment. By 1975–76, that enrollment has reached 6.8 percent of the total number; still a low percentage, but progress is being made and should not be hindered at this time.

The need for this amendment is indeed ironic, in that a major purpose of the bill is to help populate our urban core areas with qualified health personnel. Yet, the funding formula of the reported bill would drastically cut back funding for programs which help qualified minority health professionals return to their homes and practice. A recent study revealed that minority health professionals do indeed return to minority communities in large numbers. This encouraging trend, in the long run, can help to provide better health care for all Americans living in the city centers without intensive and extended federal intervention and service designations.

Our goal, we must remember, is not just to increase minority enrollment, but also to increase the possibility that those already in school will graduate. There have recently been articles in the press concerning the ability of minority medical students to successfully complete their medical studies. The discussion has focused on the disparity between the testing record of minority students as compared to the record of non-minority students. While the failure rate for minority students is twice that of non-minority students, we have to note that 90 percent of all minority students successfully complete their medical studies. We should, therefore, provide the continued funding for the academic support programs which are needed if we are to maintain our progress in training minority doctors.

The extra cost of my amendment is surely not high compared to the investment of top notch minority health personnel. The House of Representatives did not see the cost too high as they specifically allowed $20 million for disadvantaged programs.

My amendment has drawn support from the Association of American Medical Colleges, El Congresso, the Student National Medical Association and the National Medical Association because it will help us maintain our strong commitment to opening up the medical professions to all those who are qualified. Our commitment to provide quality health care to all must especially extend to the Black, Chicano, Asian, Native American and Puerto Rican communities in our inner cities which experience special health problems.

I ask that this amendment be accepted by the committee so that we can begin to solve the health manpower shortage with those who come from the most critical shortage areas.

Mr. KENNEDY. Mr. President, I urge my colleagues to accept this amendment. The provision which the Senator from New Mexico is referring to is a provision that exists in the legislation that was introduced by the Senator from New York (Mr. Javits) and myself in the 1971 legislation. We are completely familiar with it. It is a good program. Under the existing legislation, approximately $10 million will be available to various medical schools that really make a significant effort to reach out to help young minority students who otherwise might not be able to obtain a medical education. The Senator from New Mexico is stressing the importance of that provision. It has worked well. We have tried it. We have tested it. It is a successful program. We are glad to accept the amendment of the Senator from New Mexico and the Senator from California. I urge support for it.

Mr. MONTOYA. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. I yield back my time.

Mr. MONTOYA. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BEALL. Mr. President, I send a modified version of my amendment 1968 to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. Beall), for himself and Mr. Taft, Mr. Bentsen, Mr. Garn, Mr. Hatfield, and Mr. Hruska, proposes an amendment as follows:

AMENDMENT NO. 1968, AS MODIFIED

On page 303, line 23, after "(1)" insert "(A)".

On page 304, line 6, strike "at least 20 percent" and substitute "up to 20 percent, but not less than 10 percent as determined by the Secretary pursuant to paragraph (B)".

On page 304, between lines 11 and 12, insert the following new paragraph:

"(B) The Secretary shall, in cooperation with appropriate national dental organizations, develop and submit to Congress by October 1, 1977, (1) proposed criteria for determining dental manpower shortage areas, (2) the number and location of shortage areas meeting such criteria, and (3) national goals for the number of dental students, who, prior to their admission to dental school, have submitted applications for scholarships under section 751 and have agreed in writing to accept such scholarships.".

On page 304, line 12, strike "paragraph (1)" and substitute "paragraph (1) (A)."

On page 304, line 13, strike "at least 20 percent (calculated in the national aggregate)" and insert in lieu thereof "the percentage (calculated in the national aggregate) as determined by the Secretary pursuant to paragraphs (1) (A) and (B) and up to 20 percent, but not less than 10 percent".

On page 304, line 17, strike "and" and insert in lieu thereof "or".

On page 305, line 1, insert "(A)" immediately before the word "shall".

On page 305, line 12, beginning with the word "Training", strike all through "program" on line 15, and substitute the following: "program to train dental students in the organization and management of multiple auxiliary dental team practices".

On page 305, line 10, strike "(A)".

On page 306, strike lines 6 through 17.

On page 306, insert the following between lines 17 and 18:

"(d) The Secretary may waive the requirements of subparagraphs (I) or (II) of subsection 4(i) with respect to any school upon written notification by such school with such requirements will prevent such school from meeting the accreditation standards of such body.".

On page 306, line 18, strike "(d)" and substitute "(e)".

On page 332, strike lines 3 through 8, and substitute the following:

"(I) consist of supervised clinical practice and classroom instruction directed toward preparing students to assist in the delivery of dental care; and".

Mr. BEALL. Mr. President, this amendment is cosponsored by Senator Taft, also by Senator Bentsen, Senator Garn, Senator Hatfield, and Senator Hruska. I ask unanimous consent that Senator Eagleton be included as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, this amendment addresses the dental provisions of the bill, and will, I believe, achieve the objectives of the committee and, at the same time, eliminate some questionable and unwise provisions.

Such provisions represent an unprecedented intrusion into the curriculum of dental schools and impose conditions impossible for some medical schools to meet and could result in their loss of accreditation.

The reported bill provides capitation or per-student grants to dental schools as well as other health profession schools. In return for such capitation support, dental schools are required to take a number of actions in response to dental geographical maldistribution and possible specialty maldistribution problems. Dental schools starting in 1978 will be required to—

First, have 20 percent of their first-year students accept service scholarships;

Second, provide 70 percent of new, affiliated residencies in general dentistry; and

Third, either increase enrollment or establish so-called team—training in expanded auxiliary management—programs.

The Beall-Taft compromise amendment would—

First, reduce the set-aside from 20 percent to a minimum of 10 percent up to a maximum of 20 percent, with the actual number determined by the Secretary following a study documenting the dental shortage areas in the Nation;

Second, delete the specificity of the committee's language included under the team language and replace this language with general language simply stating that the program must train dental students in the organization and management of multiple auxiliary dental team practice;

Third, retain the capitation options of enrollment increase or the establishment of team programs, and include authority for the Secretary to waive either of these capitation options in those cases where dental schools, if required to comply, would face the loss of accreditation; and

Fourth, delete the specific language in the special project section relating to expanded dental auxiliaries and substitute general language outlining that the expanded function of dental auxiliary programs must consist of supervised clinical practice and classroom instruction directed toward preparing students to assist in the delivery of dental care.

With respect to the number of scholarships, Senator Taft and I want to provide an adequate number of scholarships for dentists, but we do not want to provide for an excess number.

The committee report indicates that the National Health Service Corps has identified 786 dental shortage areas. With a 20-percent reservation, 1,000 students would be committed to serve the initial year. Now, I am aware of some of the deficiencies of the corps estimates, but the facts are, we have none better. In 1974, when we were preparing our substitute, the best estimate we could arrive at was 10 percent. So, what we propose in this amendment is to assure a 10-percent set-aside but allow the Secretary to establish the maximum up to 20 percent based on the results of a study.

What bothered us with respect to the third capitation condition option for dental schools was that, for many schools, this presented impossible conditions and was, in fact, no option. Many dental schools are operating at or near capacity, as the result of three preceding mandatory enrollment increases Congress imposed on them. The situation is already so critical that several dental schools currently are in jeopardy of losing their accreditation because of inadequate physical facilities. A school unable to accommodate an enrollment increase because of insufficient clinical and teaching facilities would find it equally difficult or impossible to provide facilities for a team program.

I should have preferred to have provided additional options for the third capitations, particularly a remote site option which many land-grant universities are interested in, but in the spirit of compromise and in recognition that remote site training is in the House bill, I have agreed to retain only the two options, but with a waiver for those schools who face accreditation problems if they were forced to comply with an enrollment increase or team.

In connection with team and the expanded functions of dental auxiliaries, I point out that I am not opposed to these programs. Indeed, I believe that such programs have the potential of improving productivity. However, I believe the bill is far too specific in detailing the curriculum content and personnel that must be included. The bill in one place speaks to four-handed dentistry. Our committee did not delve into the kind and the number of operative dental procedures which can be delegated to persons other than dentists. In medicine, we encourage physician assistants, but we do not specify which tasks should be delegated and how many hands should be in the physicians' offices.

Mr. President, I am convinced that to accept the committee's position, as we said in our views, would "open a Pandora's box that would invite amendments involving minutia every time health manpower bills are considered in the future."

Our compromise amendment would retain the intent of the committee, but would strike the undesirable and unnecessary language from the bill.

Mr. President, one final comment—and I know the committee has some specific concerns in this regard: It is not our intent to preclude HEW from funding team and expanded function dental auxiliaries, as specified in the language which we are deleting. It would allow such team programs to qualify as well as those with more or less of the functions specified. This, however, would be up to the dental schools, and not the Federal Government.

Mr. President, I think this amendment is worthy of consideration. I hope it is adopted.

I yield to the Senator from Ohio for his remarks.

Mr. TAFT. I thank the Senator for yielding.

Mr. President, I thank my colleague from Maryland for his short but to the point remarks as to our position on certain dental provisions of the committee bill.

As he stated, schools of medicine and osteopathy are required to meet only the mandatory set-aside of first-year students for places in the National Health Service Corps and limitations on specialty training programs. Yet, the dental schools, in addition to these two conditions, are required to increase enrollment or establish auxiliary training programs, better known as TEAM—and the bill mandates the type of training for the dental auxiliary personnel.

I believe that the imposition of this third condition would place extreme financial burdens upon the majority of dental schools and could possibly jeopardize the quality of their program.

As Senator Beall has said, we support the TEAM concept, the purpose of which is to teach dental students how to function effectively as managers and organizers of multiple auxiliary dental health care delivery teams to significantly increase services available to the public.

Our fundamental concern involves the provision which stipulates that a TEAM program—

> Shall include at least one expanded function dental auxiliary and one dental hygienist who shall perform functions including and must provide comprehensive preventive care, placement, carving and finish of amalgam restorations.

I find this to be a profoundly disturbing proposal which challenges the very foundation of academic freedom. By specifying those auxiliaries which must be utilized in a TEAM program as well as the exact procedures which a dental student must delegate to these personnel, Congress would in effect place the course content of a school's training program in Federal statute. Thus, a basic issue which must be addressed in considering this unprecedented provision is whether it is proper to legislate the dental education curriculum.

In summary, while I do believe that it is entirely appropriate for Congress to authorize Federal assistance for those training programs it deems to be in the public interest, it is not a proper legislative function in our view to mandate the curriculum of such programs. I strongly urge, therefore, the adoption of this amendment to correct what I think is a problem in the bill.

Mr. NELSON. Mr. President, I wonder if the Senator from Massachusetts will yield for a unanimous-consent request?

Mr. KENNEDY. Yes, I yield.

Mr. NELSON. I ask unanimous consent that Judy Robinson of my staff be permitted the privilege of the floor during the course of the pending legislation and the rollcalls.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Will the Senator yield to me for one question? He can answer it later if he wishes.

Mr. KENNEDY. Yes, I yield.

Mr. STENNIS. Before the debate closes, will the Senator explain briefly just what this bill proposes to do for rural medicine—that is, for medical practitioners and so on, out in the rural areas? I did not get to hear the Senator's opening remarks.

Mr. KENNEDY. I certainly will.

Mr. STENNIS. I would appreciate it. I yield back the time.

Mr. KENNEDY. Mr. President, I am ready to recommend the acceptance of this amendment, however, I would like to get some clarification of the views of the proponents of the amendment.

I would like to address this either to the Senator from Maryland or the Senator from Ohio. They are basically not opposed to the TEAM approach in terms of dental practice or dental education; am I correct in that understanding?

Mr. BEALL. The Senator is very correct in that understanding. Not only not opposed but in favor of it.

Mr. KENNEDY. The Senator also recognizes the importance of the expanded function dental auxiliary program as well?

Mr. BEALL. That is correct.

Mr. KENNEDY. You would also agree that there is a need for increasing the number of National Health Service scholarships available to dental students? As I understand the Senator's position, additionally you do not feel that there is sufficient evidence at this time to justify the precise figures we have outlined here, but you do recognize the need for additional scholarship support for dental students? This then is consistent with your recomendation that there be not more than 20 percent nor less than 10 percent of scholarships available for first-year students for the fiscal year 1978, 1979, and 1980 in dental schools; am I also correct in that?

Mr. BEALL. Yes, we could reach the same number.

Mr. KENNEDY. I have some other questions I would like to work out along these lines which, I think, we could incorporate in the Record, if that is agreeable with the Senator from Maryland and the Senator from Ohio, and I would be glad to proceed in that particular way.

I would like to say, as a final thought, I am still concerned that there is still a deficiency in the number of dental manpower in the country and in the nature of the functions they perform. We have tried in the legislation to identify through the TEAM approach a way of maximizing the production of the existing dental personnel and to increase and expand the functions of new dental auxiliary personnel.

I am satisfied that any review of date and studies in terms of the numbers of dental personnel required to meet a shortage of dentists will support our position.

However, the amendment is being advanced still recognizes the importance of allocating increasing hundreds of scholarships in the area of dental students, and those who are supporting this amendment understand the importance of the TEAM approach which, I think, can be encouraged by the Department and, I personally feel, should be.

They also understand the importance of the expanded function program, which is a very essential aspect in terms of dental education and increasing productivity of the dental workforce.

I think we are all talking about the same area of need, and the same programs, and I think we have the same concerns even though Senators Beall and Taft have a somewhat different approach than was advanced by the committee. I think we can reach our objectives with the amendment of the Senator from Maryland.

Mr. RANDOLPH. Mr. President, I appreciate the leadership of the manager of the bill, the Senator from Massachusetts (Mr. Kennedy).

I want the Record to reflect that when we think of the team approach we can recognize what some dental surgeons and dentists in this country are doing in moving into certain underdeveloped areas, such as they work in many localities in the United States, serving without cost the elderly citizens and needy children, in Central America, South America, and Mexico. We have dentists who, at their own expense, have organized groups of three, four and five dental surgeons and have gone into those areas. They have given weeks and weeks of care without any cost whatsoever to the people being treated. Children especially, who need the treatment of these surgeons and dentists have benefited. With their expertise and their training gained in the United States, these dentists have been able through this type of voluntary service, to aid those in other countries. Thus humanity is served, the world is the better for such concern, expressed in service to those in need.

This team approach gives me the opportunity to express appreciation to this type of surgeon or dentist who gives freely of his time or her time and their knowledge in helping people. For the Record I mention the names of two such men, both dentists, Dr. Ben Johnson of New Kensington, Pa., and Dr. Jimie Vance of Miami, Fla. These men work to help people and they are intensely interested in the development of good training programs. The Senator from Massachusetts (Mr. Kennedy) advocates such efforts and brings them into being through the legislative process.

Mr. KENNEDY. I appreciate the words of the Senator (Mr. Randolph) who has given special service to aid of our handicapped citizens. Mr. President, I am prepared to yield back the remainder of my time.

Mr. BEALL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Haskell). All time having been yielded back, the question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

UP AMENDMENT NO. 163

Mr. PEARSON. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Kansas (Mr. Pearson) for himself and Mr. Brock proposes unprinted amendment No. 163

The amendment is as follows:

On page 253, line 23, insert before the period at the end thereof "and special consideration to those individuals who reside in designated medically underserved areas".

Mr. PEARSON. Mr. President, I am offering today for myself and the Senator from Tennessee (Mr. Brock) an amendment to S. 3239, health manpower legislation, requiring the Secretary of the Department of Health, Education, and Welfare, to give priority consideration for National Health Service Corps scholarships to applicants from areas which have been designated as medically underserved.

The National Health Service Corps scholarship program provides scholarship assistance to medical, dental, and osteopathic students who agree to accept a scholarship for at least 2 years and to serve a minimum of 2 years in the corps. Additional service is required for additional years of scholarship.

Mr. President, this country faces a growing health care crisis, and nowhere is the problem more pressing and complex than in isolated, medically underserved areas.

Despite significant increases in the total supply of health professionals in the last decade, the geographic maldistribution of health manpower has worsened. In rural areas, even in locations where specific programs were designed to resolve the problem, the deficit of physicians has shown no improvement in the past 50 years. Rural areas in 35 States now have less than one-half of the per capita number of physicians found in urban areas, and rural areas in 14 States have less than one-third of the urban supply of physicians.

Mr. President, available data and our own experience demonstrate that the majority of medical graduates originally from big cities returned to big cities, and the majority from small towns returned to small towns. Most physicians tend to practice in communities which are the same as or similar to communities from which they came. One study presented to the Senate Labor and Public Welfare Committee in its review of the health manpower issue, demonstrated that approximately one-third of the graduates were practicing in the same community from which they entered medical school.

We must develop positive incentives to achieve a better geographic distribution of physicians. Twenty-six percent of our people, but only 13 percent of our physicians live in nonmetropolitan counties. We must encourage and assist medical students to complete their training and establish practices in these medically underserved areas. Without our action, adequate medical care will continue to be unavailable to millions of Americans.

Mr. President, my amendment would require the Secretary of HEW to give priority for National Health Service Corps scholarships to students from medically underserved areas. These students are most likely to establish practices permanently in shortage areas following formal medical training. Resolution of the geographic maldistribution of physicians problem is essential if rural Americans are to enjoy adequate health care. Therefore, I urge earnest consideration of my proposal.

Mr. President, this amendment addresses itself, as have some others, to the problem of medical care in the medically underserved areas.

The amendment would require that the Secretary give special consideration to awarding scholarships in the National Health Service Corps to those who are from the underserved areas.

While the bill has required and does now require that those who receive scholarship aid serve 2 years as a minimum in the underserved area, the record is pretty clear that the retention rate in those areas is quite low. The report of the committee itself indicates from their studies that doctors tend to go to their own communities or to similar communities. It is on this assumption and upon the study of the Senate committee that we offer this amendment asking, to repeat, that the Secretary give special consideration in the awarding of scholarships to those from the underserved areas.

Mr. President, I understand this amendment is acceptable to the managers of the bill, and I move its adoption.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. PEARSON. I yield to the Senator from Maryland.

Mr. BEALL. Mr. President, I want to commend the Senator from Kansas for offering this amendment. I ask his permission to have me named, put on the amendment, as a cosponsor of the amendment.

Mr. PEARSON. Mr. President, I ask unanimous consent for that cosponsorship.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that an article on this subject from the magazine New Physician of June 1976, entitled "Home-Grown' Country Doctors," by Phil Aaron, M.D., be printed in the Record on this subject.

There being no objection, the article was ordered to be printed in the Record, as follows:

HOME-GROWN COUNTRY DOCTORS

(By Phil Aaron, M.D.)

Transplanting a city-reared physician into the country can be an almost impossible task. To many doctors and their spouses, the biggest drawback of a rural practice is living in a rural area or small town. To them, the prospect of life without a deli or an art museum seems as appealing as a stint in Siberia.

Many rural communities that have tried to turn city slickers into country docs have found that they are far better off with the "home grown" variety of physician. The best preparation for practicing medicine in rural America is living in rural America. And the best bet for getting more doctors into rural America may be getting more rural Americans into medicine.

Various studies have indicated that the type of community in which a physician and his or her spouse reside prior to medical school is related directly to choice of practice location. One study of 1955 graduates of American medical colleges (surveyed nine years after graduation) showed that 43 percent established practices in communities of the same size as those in which they had lived before medical school. Regardless of the size or location of a physician's community of origin, he or she tends to locate in a community of similar size. And doctors from rural backgrounds establish practices in rural areas much more often than their urban-reared peers.

These practice preferences are important because they could help reverse existing physician-location patterns. And the best place to start correcting physician maldistribution is at the beginning of the manpower pipeline—admission to medical school.

Under the present system of selecting medical students, great weight is given to high grade point averages (GPAs) and Medical College Admission Test (MCAT) scores.

Medicine, however, is an applied profession and must be evaluated in terms of the service it provides to the public. A good doctor must have qualities other than those that can be measured by academic standards.

Reliance upon GPAs and MCAT scores preselects the students least likely to locate in rural areas. Rural applicants, who often have less sophisticated secondary school preparation than their urban counterparts, do not score as well in college or on the MCAT. The students who do test well tend to choose academic medicine, research or advanced specialty practice. Many students with lower scores, on the other hand, choose family practice, the specialty best suited to rural health care delivery.

Some medical educators argue that altering the present admissions criteria could lead to a higher attrition rate among medical students. Several studies refute this premise. One 15-year study of students with exceptionally low GPAs and MCAT scores (below 3.0 and 425, respectively), found no statistically significant difference in performance between these students and their colleagues. Other researchers who studied grades as a predictor of performance also found no correlation with performance.

Admission preferences are not new to medical schools. Special consideration traditionally has been given to children of alumni or of physicians. But preferential treatment should reflect public goals and needs rather than private ones. At least five medical schools (the Universities of Alabama, Illinois, Southern Illinois and Missouri and Wayne State University) already give special attention to applicants from rural areas.

But the problem of increasing the number of rural medical students begins even before the admission committees sit down to make their choices. Even the brightest of rural students are not applying to medical school. A high percentage of rural students consider applying, but, unlike their urban peers, most do not follow through. In Virginia, for example, there are about 101.6 medical school applicants per million people in urban areas but only 87.5 per million in rural areas. This lopsided distribution of applicants leads to a lopsided distribution of doctors. Only 1.7 percent of applicants from urban areas have gone on to establish rural practices, as compared to 20 percent of the rural applicants.

Like minority students, rural candidates often have limited educational aspirations, attend schools with poor science training or are inadequately counseled. To overcome these problems, medical schools have to try to recruit rural applicants in the same way they recruit minorities.

One program that has proven successful in attracting more rural applicants is the Illinois Medical Student Loan Fund, which was set up in 1948 but the Illinois State Medical Society and the Illinois Agricultural Association. The Fund's administrators seek out capable students from doctor-needy rural areas of Illinois and recommend several to the University of Illinois medical school. In return for a recommendation, financial assistance (up to $6,000 over a four-year period) or both, the applicants agree to practice in a needy community. Overall, the program has an 80 percent success rate, with 70 doctors locating in rural Illinois since 1948.

The Illinois program proves that there are applicants who are qualified to be good doctors and who are interested in practicing rural medicine. These are the applicants that medical schools should recruit, admit and graduate. Rural America's brightest hope for improved health care well may lie with its own native sons and daughters.

Mr. KENNEDY. Mr. President, I think this is a good amendment. The record in the past would show that some of those people who came from particular geographical areas and, particularly, if they came from underserved areas, generally return to those areas. That has not been quite as true in recent times as it has been in the past, but I think we still ought to do, our best in this regard.

Of course, they will have to meet the other requirements of the legislation. So, if a young person is able to come from an underserved area, he would not have that sense of indentured servitude that might come if the scholarship program were only to be available to the economically disadvantaged.

This kind of amendment is useful, worthwhile, and valuable, and I support it.

Mr. President, I yield back the remainder of my time.

Mr. PEARSON. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HASKELL). All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 164

Mr. PEARSON. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. PEARSON) proposes an unprinted amendment numbered 164.

Mr. PEARSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on line 20, page 255, strike out through line 7, page 256, and substitute the following:

"(2) The period of obligated service for each participant shall begin upon graduation from a school, except that the Secretary may at the request of a participant who is a physician or dentist, defer the beginning of such service for the period of time (not to exceed three years) required for the participant to complete internship, residency or other advanced clinical training. The Secretary shall give priority to those participants who request such deferral for the purpose of completing such internship, residency or advanced clinical training in a designated under-served area; or in the specialities of family practice, general internal medicine, general pediatrics, general obstetrics and gynecology. Periods of internship, residency or other advanced clinical training shall not satisfy any period of obligated service under this section.".

Mr. PEARSON. Mr. President, on the bill, as now before the Senate, the secretary would be required to grant deferrals in the service and the health corps scholarship program for a student to complete specialty studies. The specialty studies, as indicated in the bill, include not only those four primary areas, but some six, instead.

This amendment, rather than six others, in addition to the four primary, rather than having the secretary be required, would give some discretion whether or not there would be a priority for those who are interested in the four primary areas.

Also, a priority for those who would do their specialty studies in areas of underserviced medical care.

Mr. President, I offer an amendment to the health manpower legisaltion, which seeks to assure the most effective utilization of National Health Service Corps participants by retaining a measure of secretarial discretion in the granting of deferrals from service.

The bill, as it now reads, requires the Secretary to grant a 3-year deferral from service in the corps to any requesting participant who seeks the time for completion of internship, residency, or advanced clinical training in one of a number of listed specialties. This represents a change in the present law which allows the Secretary, in the interests of the needs of the corps, to deny such deferral requests.

The purported rationale for this change lies in the specialty maldistribution problem. The Committee on Labor and Public Welfare has noted that this problem is a growing one. In 1949, about 71 percent of active physicians were in the primary care specialities, including obstetrics and gynecology, which address the bulk of patient needs. By 1960, these specialities had declined to 59 percent of total physicians; by 1970, the figure was 44 percent. If legislation is to be successful in reversing this trend, the specialities listed in section 752 should at least be limited to those which comprise the primary care disciplines. The committee bill, however, requires the Secretary to defer service not only in these four specialties that serve 85 percent of patient needs but in six others as well.

Additionally, the bill's approach to speciality imbalance may result in further problems to the operation of the National Health Service Corps. Specifically, priority scholarships for first-year students provided elsewhere in the bill, combined with the automatic deferral provision would drastically reduce the number of corpsmen who would otherwise be available during 1979 through 1982 and cause an absolute decrease in 1981–82. The Department of Health, Education, and Welfare has advised that they oppose automatic deferral because it obviously postpones the time when services would be available and makes manpower planning most unpredictable. Additionally, the Secretary can best determine, year to year, which speciality training programs will best equip an individual to perform effectively in primary care health service sites.

My amendment recognizes both the

problems of corps management as well as specialty and geographic maldistribution. Rather than tie the Secretary to required deferrals or set him free with unbridled discretion, I suggest that he be allowed to grant deferrals with priority consideration given to those who would enter a primary care speciality or to those who wish to complete a residency or additional training in a designated underserved area.

With these priorities as guidelines, the Secretary will be able to address the problems of undirected speciality training as well as the imbalance in physician to population ratio plaguing our rural and inner city areas. This can then be accomplished within the manpower needs of the National Health Service Corps.

I urge favorable consideration of my proposal as a middle ground seeking to address these important problems of health service management.

Mr. President, I understand, in like manner, this amendment is acceptable to the managers of the bill. I move its adoption.

Mr. KENNEDY. We have some trouble with this particular amendment.

The matter that concerns me in accepting the amendment is the possibility that it would mean an individual with only 1 year of residency training may go out into an underserved area and not be fully prepared to practice first-class medicine.

I believe, and I am sure the Senator from Kansas believes in first-rate medicine.

Whether we can give that assurance with only 1 year of training as compared to completion of 3 years, is a matter of concern to the committee.

Mr. PEARSON. Will the Senator yield on that point?

Mr. KENNEDY. Yes.

Mr. PEARSON. That was not my understanding of the thrust of the amendment.

The thrust of the amendment was, rather than it being mandatory deferral of 3 years, that there be a discretion in giving that deferral.

First, whether or not a student was going into a specialty for the 3 years, or second, whether or not he was going to take his internship or residency in an area where it might be classified as an underserved area.

I did not understand from the thrust of this amendment the deferral would only be a 1-year specialty rather than the full period.

Mr. KENNEDY. In addition, one of the points of concern would be the fact that if we take the young person at that point he would be required for his training program to leave that area and complete his education. It is the impression of the committee that it is preferable for the physician to have completed 3 years of training.

But I would be glad to explore this, take it to conference, work with the Senator, and go over and review this provision with the Health Service Corps.

Mr. PEARSON. I would be pleased if the Senator would take it and accept it on that particular basis.

Mr. KENNEDY. Fine.

Mr. PEARSON. Because I think there is some misunderstanding, first, by myself on my own amendment, or by the Senator's staff.

If the Senator will accept it on that basis, I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. PEARSON. We will continue to work out the details.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

UP AMENDMENT NO. 165

Mr. MATHIAS. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an unprinted amendment numbered 165.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 332, line 15, strike out through page 333, line 19, and substitute the following:

"EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

"Sec. 758. (a) (1) For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2).

"(2) A grant or contract under paragraph (1) may be used by the health or educational entity to meet the cost of—

"(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for education and training in the health professions,

"(B) facilitating the entry of those individuals into such a school,

"(C) providing counseling or other services designed to assist those individuals to complete successfully their education at such a school,

"(D) providing, for a period prior to the entry of those individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education, and

"(E) publicizing existing sources of financial aid available to persons enrolled in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program.

"(b) There are authorized to be appropriated $20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978, for payments under grants and contracts under subsection (a).".

On page 358, line 6, substitute $80,000,000 for $100,000,000; line 7, substitute $90,000,000 for $110,000,000; line 8, substitute $100,000,000 for $120,000,000.

Mr. MATHIAS. Mr. President, this amendment makes the program of "Education Assistance to Individuals from Disadvantaged Backgrounds" a categorical program. It supports programs in schools to identify, inform, motivate, facilitate admission, and retain students in medical educational programs. At this time the assistance is part of the special projects grants programs and competes with other programs for family practice, financial distress, and others for money issued in one lump sum. The amendment will put this program on its own footing with its own separate authorization for appropriations. That is all it does.

Mr. KENNEDY. This seems to be satisfactory to me and I would urge the committee to support it.

Basically, it is a provision that was put in the bill in 1971 in terms of assistance to the disadvantaged. We have strengthened it with the Montoya-Tunney amendment by expanding the authorization, to some extent. It has been a good program. It is the kind the medical schools ought to be encouraged to participate in.

We would be glad to accept it and work with the Senator.

It seems to be satisfactory.

I am interested in the program and will be glad to take it to consider in conference.

Mr. MATHIAS. I appreciate the Senator's support. I think it is necessary.

For fiscal year 1977, the entire special projects grants will get $100 million for 24 projects. HEW estimates this will allow about $5 million for the disadvantaged background program. The authorization in the amendment is $20 million.

Since 1971, enrollments of minority students in medical schools have leveled off, and for the 1975–76 academic year, new admissions of minority students has actually decreased. Thus, the need for increasing Federal support for efforts to increase minority enrollments. Total minority enrollment in medical schools still is less than 10 percent of the total first year enrollment.

I believe the committee's action here will improve the situation.

Mr. KENNEDY. I move favorable consideration of the amendment.

I yield back the remainder of my time.

Mr. MATHIAS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

UP AMENDMENT NO. 166

Mr. BELLMON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 166.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On age 260, line 21, strike out "agrees to accept" and insert in lieu thereof "to accept (subject to the availability of appropriated funds for carrying out the agreement)".

On page 261, line 7, strike out "under section 757" and insert in lieu thereof "as determined by him) from funds appropriated to carry out such contract and other contracts entered into under this section."

Mr. BELLMON. Mr. President, I offer this amendment today in my role as the ranking minority member of the Senate Budget Committee. This bill as written mandates spending of $1 billion by 1980 and $2 billion by 1990 to support positions in the Health Service Corporation. At a time when we are trying to control spending for health programs, this bill as now written will create yet another uncontrollable entitlement program. This amendment will make funding for the Health Service Corporation contingent upon both the need and upon the funds available. It would keep the program controllable.

In my opinion, Mr. President, the Senate and the Congress should not commit ourselves to this type spending for future years when we can neither know what the need will be nor what the availability of funds will be. The bill as it is now written is, in effect, an entitlement program. We already find that we have so many programs that the hands of the Congress are, to a large extent, tied. I feel we should not go further in this direction, and I would urge the Senate to accept this amendment.

Mr. SCHWEIKER. Mr. President, I have discussed this amendment with the distinguished Senator from Massachusetts. This amendment is acceptable to both the majority and the minority side.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 167

Mr. BELLMON. Mr. President, I have another amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON), for himself, Mr. MAGNUSON and Mr. CHILES, offers unprinted amendment No. 167.

The amendment is as follows:

On page 264, strike lines 20 through 24.

Mr. BELLMON. Mr. President, I am pleased to cosponsor with Senator MAGNUSON and Senator CHILES an amendment to S. 3239, the Health Professions Educational Assistance Act of 1976. This is a short amendment—it consists of only eight words, but in my view, this is a very important amendment.

We propose striking four lines of this bill which deal with funding for capitation grants to school of medicine, osteopathy, and dentistry as well as scholarships for the Health Service Corps. As written, S. 3239 mandates that these grants and scholarships either be fully funded to the levels stated in this authorization or else they are not to be funded at all. This all-or-nothing approach virtually dictates to the Appropriation Committee the funding level for the next 3 years for these programs. The Appropriations Committee is left with almost no flexibility in allocating funds among programs.

This seems to be a dangerous precedent. It also is bad budgeting practice. Yesterday ended fiscal year 1976, the first year of the congressional budget process. One of the primary things we learned in this first year of the budget process was our frustrating inability to make funds available for a high priority item, simply because such a high percentage of the budget funds were "committed" by decisions made in earlier years.

Almost 75 percent of the budget falls in the category of "uncontrollables," and this all-or-nothing language in S. 3239 would add to the inflexibility of the budget—would add to the "uncontrollables." No matter how deserving a program might appear now, I think it is terribly unwise for us to set this morning the 1978–1979–1980 funding level for that program.

This amendment would simply strike the all-or-nothing language and would have the effect of making the grant and scholarship programs no different than any other program in this bill—all would be competing on an equal footing in the appropriation process.

I urge my colleagues to support this amendment. Let us not lock in 1980 funds today and let us leave with the Appropriation Committee what is their responsibility; namely, the decision of funding levels each year for the various health programs.

Mr. SCHWEIKER. Mr. President, I rise to offer an amendment to Senator BELLMON's amendment. I happen to wear two hats in that I serve on the Appropriations Committee and I am also the ranking member of the Health Subcommittee, so I well understand the criticism that the Senator is making.

I share his concern that we cannot usurp the jurisdiction authority of the Appropriations Committee. However, the idea behind this language in the bill was to insure that, when we put money into medical schools in terms of capitation, we also put money into the scholarship program. It is vital that the scholarship program be funded concurrently because that is the device by which we get young doctors to go into underserved areas. So if someone would arbitrarily put all the money into the capitation program and not put money into the scholarship program, we would have a great capitation program with no medical graduates going to the underserved areas. It was with that objective in mind that the committee staff drafted this language.

I share the concern Senator BELLMON has expressed. The language that I have drawn up, which I will send to the desk in a minute, I believe will overcome the objections that the Senator from Oklahoma has raised. At the same time, it will tie in by saying, in essence, that an amount equal to at least 50 percent of the amount of money appropriated for capitation grants must be put into the scholarship program. This would enable us to be sure that we do have people in the scholarship program who will go into underserved areas upon graduation. Yet, it would not infringe on the prerogatives of either the Budget Committee or the Appropriations Committee.

Mr. President, I send an amendment to the desk. It is an amendment to Senator BELLMON's amendment.

UP AMENDMENT NO. 168

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an unprinted amendment No. 168 to the amendment of Mr. BELLMON, unprinted amendment No. 167.

The amendment is as follows:

In lieu of the language proposed to be stricken, insert the following:

"(c) Funds appropriated under sections 757 and 758 shall not be less than 50 percent of the funds appropriated under section 770(e)."

Mr. KENNEDY. Mr. President, I rise to support the amendment offered by my colleague (Mr. SCHWEIKER). He has stated succinctly what the issue is. Under past funding and financing of medical education, about 80 percent to fit, or 82 or 83 percent, went directly to the medical schools and only about 16 percent or 17 percent actually went to the students.

If we are really going to be effective in trying to deal with the problem of the underserved areas, we feel that the device which we have fashioned in terms of the scholarship program quite clearly is the way to do it. But we are very conscious of the fact that when the time comes for appropriations the medical schools are going to be down here asking for generous finding for their program and those students who are out in those underserved areas, in the inner cities, or in rural communities will not be down here advancing their cause as forcefully.

The best and most effective way we can deal with it is the way that has been devised by the Senator from Pennsylvania. It is a fair way, and it is sensitive to the Budget Committee's responsibility and the Appropriations Committee's responsibility, and also the authorizing committee. I believe it is an excellent and fair way of dealing with this. I hope all of our colleagues will support it.

Mr. SCHWEIKER. Mr. President, I would like to ask the Senator from Oklahoma if he would consider modifying his amendment by my amendment.

Mr. BELLMON. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BELLMON. Does the Senator from Oklahoma need unanimous consent to modify his amendment?

The PRESIDENT OFFICER. The Senator has the right to modify his amendment.

Mr. BELLMON. Then, Mr. President, I accept the modification offered by the Senator from Pennsylvania and ask that my amendment be so modified.

The PRESIDING OFFICER. The Senator's amendment is so modified.

Mr. BELLMON. Before we vote on the amendment, I would like to say that I am sure that Senator MAGNUSON, the chairman of the Subcommittee on Labor-HEW, who is very favorable to this program, will certainly see that it is properly funded. The only point I wanted to make is that I believe it is wrong for us to tie his hands and lock us into a level of funding for future years.

I might say that as a representative of a State where we have many areas that are medically underserved, rural counties particularly, I support the objective of the bill and certainly do not want any of my remarks to be interpreted as opposing the objective that the authors of this legislation have in mind. We have in my own State several counties in which there are several thousand residents without even one doctor. So the objective of using these scholarship funds to direct medical services into those areas is one that I will support and I will do all I can to see that this program is properly funded. I do not think it is wise, however, to lock us into a level of funding and lock us into the uncontrollable problem where we are trying to budget into the areas where the funds are most needed.

Mr. MAGNUSON. Mr. President, I am pleased that a good compromise has been worked out to delete the entitlement provisions. By doing this, we have set a precedent. We have clearly stated that we intend to closely review all legislation to insure that entitlements and new backdoor spending is not allowed.

The controllable health programs are being restricted more and more by uncontrollable spending. It is vital that our flexibility to fund health programs remain. The Appropriations Committee must be in a position to recommend such sums as it feels is necessary—for all Labor-HEW and related agency programs.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma, as amended.

The amendment, as amended, was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Arthur Silverstien may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. I ask unanimous consent that Cal Johnson, of my staff, have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 169

Mr. KENNEDY. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes and unprinted amendment numbered 169.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY's amendment is as follows:

On page 201, insert the following after line 24:

"SEC. 712. The Commissioner of Education shall—

(1) not recognize any entity for puropses of accrediting graduate medical education, or

(2) revoke recognition in the case where he has recognized an entity for purposes of accrediting graduate medical education.

which has or proposes to accredited a residency graduate program in medical education in a hospital which is not contractually affiliated with an accredited United States school of medicine or osteopathy.".

Mr. KENNEDY. Mr. President, this is basically a conforming amendment to other provisions of the legislation. We know that there are about 7 or 8 percent of the residencies in this country which are not affiliated. What we are attempting to assure, as we deal with the problems of specialty maldistribution, is that we not see an attempt to avoid the central thrust of this legislation; and this amendment would conform those provisions of the bill with other provisions of the bill providing that the Commissioner of Education permit accreditation only to those entities that will assure the highest quality of residency training.

I believe this is desirable and valuable. It is a familiar issue to my colleagues, and I urge the adoption of the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back? All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

UP AMENDMENT NO. 170

Mr. KENNEDY. Mr. President, I send to the desk an amendment, on behalf of the Senator from South Dakota (Mr. McGOVERN) and the Senator from Vermont (Mr. STAFFORD), and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), in behalf of Mr. McGOVERN and Mr. STAFFORD, offers an unprinted amendment numbered 170.

The amendment is as follows:

On page 337, strike lines 21 through 23, and insert in lieu thereof the following:

"(1) provide for or conduct health education services, including but not limited to education in nutrition evaluation and counseling, throughout a specifically designated geographic area or a medically underserved population;".

Mr. KENNEDY. Mr. President, the amendment of the Senator from South Dakota and the Senator from Vermont seeks to assure that there is ample priority given to nutrition education. It seems to me to be completely consistent with not only the purpose of the bill, but with good health policy. We are willing to accept the amendment, and I ask unanimous consent that a statement of the Senator from South Dakota be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF MR. McGOVERN

As Chairman of the Senate Select Committee on Nutrition and Human Needs, it has long been clear to me that good nutrition is central to any program of preventive medicine. If we as a nation are to move to a new plateau of health we must invest more money and energy in preventive medicine.

In the Select Committee's report *Nutrition and Health*, which is to be re-published shortly in revised form, the staff points out that six of the 10 leading causes of death in the United States are believed to have diet among their causative factors. The report also notes that medical education has been slow to incorporate nutrition training in medical school curricula, in part because of medicine's traditional emphasis on curative rather than preventive medicine.

S. 3239, the Health Professions Educational Assistance Act of 1976, would provide grants to medical schools for nutrition training. In addition, the bill contains an extremely worthwhile incentive for such training by providing for dietetic residencies for doctors. I applaud these initiatives.

I believe that the intent embodied in these two provisions will be furthered by the amendment I am offering which would specifically include nutrition evaluation and counseling among the services to be offered by the Area Health Education Center Programs.

These programs are operated by medical schools to both provide training for their students and provide health care in rural and urban areas needing medical services.

This amendment will emphasize the importance of nutrition education to medical educators in medical training. Moreover it will provide many doctors with direct experience in nutrition evaluation and counseling, experience they might otherwise never have. And most important, perhaps, this amendment can mean that many people in economically deprived areas will be provided with information and treatment that will literally change and save their lives.

The PRESIDING OFFICER. Is all remaining time on the amendment yielded back?

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from South Dakota and the Senator from Vermont.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, if there are no other amendments to be proposed, and I know of none, I would like to address myself briefly to the request of the Senator from Mississippi.

One of the critical needs we are facing in rural America, in the South as well as in underserved areas of the North, is health manpower. We have seen an enormous change and shift of health manpower in the United States from underserved rural communities into the more affluent areas. The record we have compiled is replete with evidence that there are increasing numbers of countries and communities that are underserved all over this Nation, and there are increasing numbers of population groups that are being underserved.

We are sensitive to that issue, and have fashioned the thrust of the legislation to try to meet it through a voluntary method as compared with the legislation we reported out 2 years ago in terms of mandatory service in underserved areas. I am myself not opposed to national service of this type, but other Members of this body are. This time we are doing it through a voluntary scholarship program, and without substantially increasing the amounts actually allocated to health manpower. The amount we are requesting is just about the amount appropriated in recent years.

A second very critical need in rural America as well as the inner cities is getting more primary care physicians. Most of the people in rural communities are looking for the general practitioner, to provide needed services to the sick child, the sick elderly person, or the sick mother. This represents about 85 percent of the needed health services in our country, and is best provided by primary care practitioners.

The second thrust of the legislation is to increase residencies in primary care, by a formula which we believe medical schools can meet.

In this area, we have directed the legislation toward rural communities in the southern part of our Nation as well as, for example, industrial areas in northern parts of our country which are facing similar problems.

I think it is good legislation. I think it is the most important health manpower legislation with which I have been associated during my service in the Senate. I think it can make for meaningful progress in the areas with which the Senator from Mississippi is most concerned.

Mr. STENNIS. Mr. President, if the Senator will yield, I thank him for his good explanation and commend him for his purposes. He has described the main thrust and the main area of special service?

Mr. KENNEDY. I have.

Mr. STENNIS. I am going to support his proposal.

Mr. KENNEDY. We deal with education programs, and also an area of licensure, but the thrust I have described is the central thrust of the legislation.

Mr. STENNIS. Mr. President, I am going to support the Senator's bill.

ADDITIONAL STATEMENTS SUBMITTED

Mr. NUNN. Mr. President, I would first like to commend the distinguished chairman and the members of the Health Subcommittee for their diligent efforts to formulate legislation to cope with the health manpower problems facing our Nation. Certainly, this is a difficult task, and I believe that with their leadership and guidance, the Congress will pass vigorous and effective health manpower legislation.

The problem of geographic maldistribution of health professionals is a serious one in my State of Georgia as it is in many others. Morehouse College and Mercer University, two excellent institutions of higher learning in the State of Georgia, are attempting to cope with this problem in Georgia and the South by establishing medical education programs. I was very gratified to note in the committee report that the committee appreciates the excellent project at Morehouse College. Officials at Morehouse and interested citizens throughout Georgia and the Nation have worked diligently to develop a medical education program that will help alleviate our health manpower maldistribution with particular emphasis on relieving the health care problems of urban and rural blacks. With the continued assistance of the Federal Government, I believe that the Morehouse medical education project will develop into one of the finest programs of its kind in the Nation.

For several years, Mercer University in Macon, Ga., has also been working with community, State and Federal officials to develop a medical education program that will help alleviate the health professional shortage in rural Georgia and the Southeast. As your committee pointed out in the report on this legislation, the Southeast is one of the areas of our Nation that has a severe health manpower shortage. With a national average of 129 physicians per 100,000 persons, Georgia has only 101 physicians per 100,000 persons, Alabama has 82, Mississippi has 76, South Carolina has 86, Tennessee has 106 and North Carolina has 99. All of these States has a physician/patient ratio that is well below the national average. In my State of Georgia, there is further geographic maldistribution of physicians—72 percent of Georgia's physicians are located in the six metropolitan statistical areas. In the Atlanta area alone, 46 percent of the State's physicians serve only 29 percent of the people. Such statistics prove that the maldistribution of health professionals in many rural areas is far worse than the State physician/patient ratio show them to be.

In this regard, I was pleased to note that the committee has revised the section of the law which concerns start-up grants for medical schools, giving special emphasis to projects in health manpower shortage areas, projects which seek to train professionals for practice in the primary care medical specialties, and projects which will use new and innovative approaches to medical care. I believe that the Mercer University project can meet this criteria.

In formulating a medical education project, Mercer established the following goals:

First. To better the existing quality and quantity of health care in the State of Georgia and surrounding areas;

Second. To educate medical students with capability and motivation for rendering excellent primary and comprehensive medical care;

Third. To influence a favorable distribution of these physicians in its region;

Fourth. To cooperate with others in the education of allied health professionals who can augment physician services; and

Fifth. To serve as a repository for existing medical information and seek advances in knowledge that particularly relate to medical care and services.

In order to accomplish these goals, Mercer has outlined a medical education program that will recruit students from a diverse social, economic and educational background into a program that will give particular emphasis to the field of primary care medicine. Students from rural areas with expressed interest in primary medical care will be especially recruited. Mercer also hopes to increase the percentage of female and minority students over the national average.

Clinical experience for students will be afforded through health access stations, hospital-based exposure and clinical teaching facilities. Health access stations will be established in areas in which health patients, and paying patients where no other physician is available, will be accepted for care. The students will be responsible for the care of their patients throughout the illness, and supervision will be commensurate with the level of training for the student.

Hospital based exposure for the student will be available from three major hospitals in Macon, the State Mental Hospital in Milledgeville, which is 35 miles from Macon, and the Veterans Administration Hospital in Dublin, which is 50 miles from Macon. The Medical Center in Macon admits 22,000 patients per year, has a full time emergency room and a separate out-patient clinic. This major center fulfills the requirements for an area health education center for middle and south Georgia.

A clinical teaching facility adjacent to the medical center would provide the necessary medical instructional environment to facilitate the education of the students and provide the best possible care for the ambulatory and hospitalized patients.

I believe that this is an innovative medical education program which will develop critically needed primary care physicians and deliver health care services through health access stations to medically underserved areas in rural Georgia.

I would like to know if the distinguished chairman of the Health Subcommittee considers this type of proposal as one that might be eligible for startup grant assistance under the Health Professions Educational Assistance Act of 1976?

Mr. KENNEDY. Yes, I believe that the Mercer project is one that will be eligible for startup assistance under the provisions of this legislation. The committee certainly recognizes the health manpower shortage and geographic maldistribution of health professionals in rural Georgia and the Southeast. The startup grant provisions of this legislation are designed to emphasize innovative programs to train primary care physicians in shortage areas. The committee has discussed this startup grant program with officials at the Department of Health, Education, and Welfare, and they have assured us that they understand our purpose. I certainly feel that the Mercer University Medical Education Project could be a prime candidate for startup grant assistance under the provisions of this bill.

Mr. NUNN. I thank the distinguished chairman of the Health Subcommittee for his comments in support of the Mercer University Medical Education Project and for his able leadership in the important field of health legislation.

Mr. DOLE. Mr. President, I recognize that the support for S. 3239, as amended, is near unanimous, but it is not without some definite misgivings that I am going to vote in favor of final passage.

Certainly, I am in agreement with the stated objectives of the measure, for my own work with rural communities in Kansas desperately seeking the services of a doctor has made me acutely aware of the need to provide for a better distribution of primary care physicians. However, I am bothered by our departure in this legislation from strictly voluntary incentives for solving these problems and the adoption of an approach which—no matter how moderate it seems—still contains coercive features.

I am afraid this will be borne out in the years ahead, moverover, by prospective medical students who will feel "forced" to "volunteer" to serve in a physician shortage area—simply because they are not among the top 40 percent who can get in otherwise, or because they cannot afford to do without a scholarship. As a result, only a few, perhaps, of the students who fill these positions will be truly interested in establishing permanent practices in underserved areas.

To avoid any nonproductive consequences, therefore, I would hope medical schools will make a careful evaluation of students agreeing to service requirements in an effort to select foremost those who show a sincere desire to remain in the localities to which they will be assigned. In this way, some continuity of health service to our rural and inner city areas might be assured. Since current figures indicate a satisfactory retention rate of National Health Service Corpsmen, it would be most unfortunate if this rate were to drop because students look at service requirements as merely one more "cost" of their medical education.

When manpower legislation was originally enacted, it was designed to increase the aggregate supply of health personnel and to alleviate the financial difficulties confronting a large number of our medical schools. These needs no longer exist to the extent they once did, so it is understandable that this particular measure places increased emphasis upon solving maldistribution problems.

While I completely concur with that effort, I really question whether we can make a meaningful contribution to the solution by soliciting what amounts to 2-year volunteers. In fact, we may be creating a situation which is unfair to both the student and the community to which he is assigned by promoting regular turnover and encouraging individual disenchantment.

Unless the incentives are there for physicians to go by true choice and remain in underserved areas, Mr. President, the shortage problem will never be satisfactorily diminished. That is why I have my doubts about the likelihood of success for S. 3239 and why in application it may prove to be an objectionable program—no matter how reasonable a response it now seems.

In any event, I recognize that if Federal assistance to our medical schools is to continue—and quality medical education is to be maintained—the capitation aid and related provisions of S. 3239 do require consensus action. In that regard, the legislation we now have may be the best compromise that can be agreed upon.

Assuming that is the case, I would hope we might pause over the next 3 years and take a broader view of potential cures for our Nation's manpower problems. Instead of looking ahead to ever stronger Federal solutions, however, I suggest we again seriously review and reevaluate the strength and potential of voluntary mechanisms—for unless we do, we may be making it very difficult for the medical profession to work out problems with which it is far more familiar than we.

Mr. WILLIAMS. Mr. President, 5 years ago, Congress passed health professions education assistance legislation that laid the foundation for the recognition of health professions schools as national resources. Today, the Senate is considering a bill which will enable every citizen of the United States to begin to realize some of the benefits of providing basic support funds for the education of health professionals. If Federal tax dollars are going to be used to underwrite the professional education of physicians and other health professionals, the time has come for the citizens who provide these tax dollars to obtain a substantial return on their investment.

Several major problems in the health manpower area are addressed by this new bill. First, there is an immediate need to increase the supply of certain kinds of health care providers. Second, we must overcome the well documented geographic maldistribution of providers. Third, there is a need to correct the imbalance of too few primary care providers and too many subspecialists. This imbalance is particularly true in the subspecialty area of surgery. And fourth, the number of foreign medical graduates becoming licensed to practice medicine in the United States has increased to alarming proportions at a time when it is more and more difficult for our own college educated sons and daughters to obtain entrance into medical school.

Mr. President, the trends concerning the percent of physicians in primary care are most distressing. Health maintenance organizations use 64 percent primary care doctors. A recent American Medical Association resolution called for 50 percent in primary care. However, in the United States today, only 41 percent of the doctors are in primary care. The trend, in fact, is becoming worse as only 30 percent of current medical residencies are in primary care specialties. Since 1965, there has been nearly a 10 percent drop in primary care providers, while surgical specialties have increased 20 percent. Medical and pediatric subspecialties have increased 150 percent and other specialties have increased 30 percent. The result of these trends is that many people in both urban and rural America simply cannot gain access to general practice physician services. Therefore, there is a clear need to reverse this situation and increase the number of doctors in family practice, general internal medicine, and general pediatrics. In this regard, Mr. President, I ask unanimous consent that an article from the Newark Star Ledger be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Study Finds State Needs 2,569 More Family MDs

New Jersey faces a serious shortage of family physicians, according to a report of the New Jersey Academy of Family Physicians.

The study, scheduled for release at the academy's 24th annual convention which begins tomorrow in Cherry Hill, says the state needs 2,569 more family doctors to reach the American Medical Association's ideal ratio of one family doctor for every 2,000 people.

The report says there are 1,188 family doctors in New Jersey, which means only 15.2 percent of the state's doctors are concerned with general care while the rest are practicing in speciality areas.

And of the 1,188 family doctors practicing today, 897—or 75 percent of the total—are 60 years of age or older and probably will stop practicing within a decade.

As a result of the small number of physicians trained to give basic health care—those services needed when disease or disorder first strikes—many people delay seeking treatment or rely on hospital emergency rooms for service, the study asserts.

The report also says that in hospital emergency rooms, treatment is episodic, impersonal and complicated by the large number of hospital house staff physicians who are foreign-born and sometimes fail to understand their patients or the social and community implications of total medical care. Over two-thirds of New Jersey's house staff physicians are foreign doctors.

Titled "The Crisis in Family Medicine in New Jersey," the study says the solution for the lack of family physicians depends on adequate financing for additional family medicine training programs in the state.

By July, there will be seven New Jersey hospitals with family-physician training programs, and they are expected to produce 42 family doctors a year by 1980.

However, the report points out that 352 of the family doctors practicing in the state today are over 64 years old, and 545 are over 60 years old and can be expected to stop practice within 10 years.

The report urges legislative financing of new family practice training programs within New Jersey, based on evidence that most doctors remain to practice in the area where they trained.

The study's findings will be presented to the academy's policy making body, the House of Delegates, at the convention this weekend.

The study was initiated by Dr. Seymour Taffet of Bloomfield, outgoing president of the 700-member academy, and was completed by a committee headed by Dr. Harold Kallman of Edison, who will be inducted Sunday as the group's new president.

Mr. WILLIAMS. Mr. President, the Health Professions Education Assistance Act of 1976 is a major step in assuring an adequate supply of medical and other health professional personnel and in correcting serious shortages caused by the imbalance just described. Not only does the bill extend basic Federal support for schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, and allied health; more importantly, the bill deals with the need for primary care physicians. In this regard, the bill provides that in order to receive education assistance funds, medical schools will be expected to fill 57 percent of their affiliated residencies with doctors specializing in family medicine, primary internal medicine, primary pediatrics, and primary obstetrics/gynecology. The need for this legislative approach cannot be overemphasized. Many of our citizens do not have access to general primary health services because the medical education community has gone too far down the road toward specialization and subspecialization. Since specialty services are more costly, the provisions in the bill dealing with specialty maldistribution are critical if we are going to begin to control the high and rising cost of medical care. I am also pleased to note that we have included similar provisions for the limitation of residencies in dentistry. These provisions will prevent the already apparent trend toward specialization in dentistry from causing a fragmentation in dental care services.

Mr. President, a second key provision of the bill calls for the increased funding for an expanded National Health Service Corps program. This program provides for the placement of physicians, dentists, nurses, and other health personnel in underserved areas of the country, such as rural areas and intercity areas. Medical and dental schools, if they apply for general capitation funds, will be required to reserve a percentage of their student openings for young men and women who are willing to participate in this critically needed program.

I am delighted that a new and more appropriate definition of "underserved areas" has been developed in the bill. During the past 4 years, this program applied only to rural communities where the doctor/population ratio was substantially below the national average. The program has, therefore, ignored the severe problems of obtaining health services within the intercity. Accordingly, the amendments to the National Health Service Corps program will apply not only to the health manpower shortage in geographic areas, but also to population groups who cannot obtain services and medical facilities that are seriously understaffed. This provision, Mr. President, is an important contribution to the more equitable distribution of health services throughout our Nation. It will also aid in providing additional health services currently offered by many of our understaffed community health facilities.

In my view, the National Health Scholarship program has been very carefully worked out. The Secretary may assign members of the Corps to provide health services in health manpower shortage areas if a public or nonprofit private entity applies for such assignment, and if the health systems agency serving such an area approves such assignment. No assignment is made, Mr. President, without consultation with the local health care providers and officials. Provision also is made, that in reviewing such applications, the Secretary shall take into consideration, the need of an area for services, the willingness of the population to assist and cooperate in providing services, and recommendations for medical, osteopathic, dental, or other health professions societies. The Secretary is to give priority to the assignment of Corps members to entities in an area with greatest health manpower needs and to assign such individuals without regarding the ability of the population of such an area to pay for services.

Mr. President, the National Health Service Corps, as proposed in this bill, is not a doctor draft. Rather, the bill provides financial incentives for medical and dental students who will volunteer for the NHSC program in the form of a yearly scholarship while in school. This scholarship will pay for tuition, books, fees on a $400 per month stipend. In return for this generous award, these students will agree to serve after graduation, for 1 year in a medically underserved area for each year they received such a scholarship. This provision is fair and preserves the principles of volunteerism.

Mr. President, a third key provision of the bill provides for the support of Occupational Health Training which is aimed at the ever increasing problems of poor health resulting from unhealthy working conditions. Over 80 million American men and women spend 25 percent of their lives in a work place outside the home and the extent of deterioration in health quality, which results from exposure to hazard in the work place is well documented. Recent estimates of the incidence of occupational disease indicate that at least 390,000 new cases of disabling occupational disease occur each year and there may be as many as 100,000 deaths per year from occupational caused diseases.

This pattern of disease is very costly. The National Health Survey has estimated that the average worker experiences 6 days of absence and more than 16 days of restricted activity due to some type of job-related disability per year. On the average, 1 out of 10 workers will sustain job-related injury each year. Ten times as many man-days are lost from job-related disabilities as from strikes. These shocking annual morbidity and mortality statistics place occupational health hazards among the Nation's leading causes of illness and death.

Mr. President, an increase in the number of physicians, nurses, and industrial hygienists who are trained to prevent, diagnose, and treat occupational illnesses that are associated with occupational hazards has been long overlooked in our national health manpower policy. For example, occupational health manpower is critical to current efforts to fight one of the Nation's primary causes of death—cancer. Cancer is the only leading cause of death for which the death rate has been steadily increasing in recent decades. Cancer has been estimated to be 60 to 90 percent environmentally caused, and it is the workplace which is one of the most common arenas for exposure to environmental carcinogens.

An estimated 1,684,000 man-years of work are lost annually because of cancer from all causes. Approximately 1.5 million American workers are exposed to inorganic arsenic which has been linked to a twofold to eightfold increase in lung and lymphatic cancer. Rubber workers are exposed to benzine, which has been linked to increased risk of leukemia. Employees exposed to benzidine experienced an extremely high rate of bladder cancer. An estimated 300,000 of 1 million current and former asbestos workers in this country will die of cancer. Operating room personnel exposed to anesthetics in operating rooms experience a cancer rate as much as twice as high as medical personnel who do not work in operating rooms. Workers exposed to solvents have three to five times the risk of leukemia. Workers in the wood products industry have unusually high rates of stomach and lymphatic cancers. Workers exposed to benzo(a)pyrene when applying pitch and asphalt to roofs showed an increased rate of various cancers. Coke-oven workers have a high rate of lung and kidney cancer. Kepone poisoning of workers has resulted in a, thus far, incurable nerve disorder, and a drastically high incidence of a rare and fatal form of liver cancer exists among plastic workers.

Mr. President, the enormity of occupational illness, death, and disability has become increasingly apparent. With passage of the Occupational Safety and Health Act of 1970 and the Coal Mine Health and Safety Act of 1969, Congress has recognized that the pollution of the work place is responsible for the degradation and exploitation of workers. In addition, many of the same pollutants have a deleterious impact on the surrounding community. In response to these increasing occupational health hazards, medical surveillance requirements initiated by the Occupational Safety and Health Act and the Coal Mine Health and Safety Act, has resulted in occupational standards being promulgated by the Department of Labor, utilizing criteria recommended by NIOSH and the Department of Health, Education, and Welfare. These standards have increased the demand in both the private and public sector for occupational health services. At present most businesses covered by these standards either have no medical program or must rely on private physicians or nurses without special training in occupational health to maintain the required surveillance over the health of the worker.

Thus, while the Federal Government has set as a national goal the protection of all workers from the adverse effects of occupational exposures, unless sufficient occupational health manpower is available, this goal cannot be achieved.

Mr. President, occupational health is currently in need of nearly 50,000 health personnel without which any attempts to significantly deal with health in the work place will be unsuccessful. There is a well-documented, immediate need for 1,200 occupational physicians, 4,000 certified industrial hygienists, and 8,400 certified occupational health nurses. I am proud to have authored the Occupational Health Training and Education Centers provision of this bill, and if implemented immediately, it will produce only 400 occupational health professionals each year. Therefore, this modest proposal must be considered only an initial but vital step in meeting the occupational health needs of the 75 million Americans that are subjected daily to hazardous and unhealthy working conditions.

In addition to these major efforts in the bill, there are a variety of special projects and student aid provisions worthy of brief discussion. There is a growing need for improved loan and scholarship support for the expensive and long-term medical and dental education process. And so provision has been made for a new federally guaranteed loan program for medical, osteopathic and dental students. This program has been developed with technical assistance from individuals with experience with the existing guaranteed student loan program operated by the Office of Education. The total amount guaranteed in any given year shall not exceed $10,000 and $50,000 in the aggregate for any student. The loans shall be guaranteed to 100 percent of the unpaid balance and the interest rate is allowed to be determined on a national, regional, or other basis. This provision, Mr. President, along with the National Health Service Corps Scholarship program will make it possible for the sons and daughters of parents with even the most modest economic means to achieve the highest levels of the health professions.

Mr. President, also included in this bill is an important set of high priority, special project grants which include primary care residencies, physician and dentist extender training programs and the development of area health education centers. These special project programs are a small but important component of this Health Professional Education Assistance Act.

For example, as we saw earlier, family physicians are one of the critical manpower needs in the health care field. Provisions in this bill will support the planning, development, and operation of approved residency training programs in family medicine, primary internal medicine, and primary pediatrics and to provide financial assistance to residents who are participants in such programs. The need for these kinds of primary medical care providers cannot be over emphasized.

Other special project grants include a wide variety of important innovations needed on a smaller scale for the development of more broadly educated health care providers.

Mr. President, this legislation is badly needed by, and has direct health implications for the vast majority of American citizens. As chairman of the Senate Labor and Public Welfare Committee, I urge my colleagues to give this important legislation their full and complete support.

Mr. MONDALE. Mr. President, I am compelled to express my deep disappointment with H.R. 5546, the Health Professions Educational Assistance Act of 1976, because of the final compromise on the Beall amendment, and the manner in which that agreement was reached.

As amended, the Beall amendment totally reverses the committee approach to the problem of specialty maldristribution—converting from flexible national regulation to rigid, mandatory school-by-school quotas.

As a party to the committee compromise, I intended to oppose the original Beall amendment. And I agreed not to offer a number of amendments of my own to a bill I believe is far from perfect.

I deeply regret that the Beall amendment as amended was accepted, and I believe this bill is far weaker as a result.

CHILD HEALTH ASSOCIATES

Mr. GARY HART. Mr. President, in conjunction with consideration of the Health Manpower bill, I would like to call attention of my colleagues to a unique program in medical education and health care delivery which has been developed in the State of Colorado. This program prepares a new category of health professional, the child health associate, to work with primary care physicians in providing extensive and competent health care to children. The people of Colorado take great pride in this project because it has resulted in a number of child health associates working with physicians in communities where there were no pediatricians. Because of my concern for and interest in the health of children, I am particularly pleased that this program was developed in Colorado where it has become the model for other similar programs being considered for implementation in other States.

The child health associate program grew out of a need for nonphysician health workers who were more adequately prepared to care for children than physician's assistants, MEDEX, or nurse practitioners. The child health associate program, implemented in 1969, represents a significant modification of traditional medical education since it prepares a nonphysician to carry out many of the functions and activities of a physician and to give extensive primary care to children. Child health associates can be fully prepared for clinical practice 5 years after graduation from high school in contrast to the 9 to 11 years it takes to prepare a physician.

Child health associates can provide a wide range of diagnostic, preventive, and therapeutic services. They may prescribe and write prescriptions for a wide variety of drugs. They were the first group in the United States who did not possess a doctorate degree in a health science to be permitted by law to write prescriptions for drugs. Child health associates have special training in the counseling of children and their parents and in providing broad preventive services. Mothers are particularly comfortable in dealing with them since they provide the time, knowledge, and skill needed to manage many of the health problems of children. There will be great need for them when a national health insurance program is established.

The child health associate program is a 3-year program in which students enroll after a minimum of 2 years of preprofessional preparation at any college or university. The first 2 years are taught at the medical center where students take basic science courses similar to those of medical students. Students also have a wide variety of clinical experiences, in which they learn to take complete medical histories, perform comprehensive physical examinations, establish differential diagnoses, formulate and carry out treatment plans, and perform or assess pertinent laboratory studies. Following 2 years at the medical center students have a 1-year internship in settings where they are likely to practice: The offices of physicians—both pediatricians and family practitioners—in private practice, neighborhood health centers, other public health facilities, clinics for migrant workers, Indian reservations, and group practices. The internship prepares a child health associate to assume primary responsibility for patient care and to function with autonomy in making independent value judgments regarding the health care of children.

During the 3-year program students receive a baccalaureate degree and most of them are also able to earn a master's degree on its completion.

Studies have shown that:

Child health associates are able to provide total child health care to more than 95 percent of patients seen in office settings. (In less than 5 percent of cases was a brief consultation by a supervising physician necessary);

The diagnostic ability of child health associates in private practice settings is comparable to that of practicing pediatricians;

Child health associates are able to see patients for less than half the cost of having them seen in the same settings by pediatricians;

Child health associates are very well accepted by patients and their parents, by supervising physicians, and by other health professionals;

Mothers rate health care to be equally as good when given by child health associates as by physicians; and

In a newborn nursery for infants, child health associates have the ability of assuming the responsibility of managing the unit, providing health education about infants, assessing psychosocial as well as physical problems, and providing extensive health care.

Graduates of the child health associate program are certified by the Colorado State Board of Medical Examiners and by the National Commission on Certification of Physician's Assistants as assistants to the primary care physician. The child health associate program is accredited by the Council on Medical Education of the American Medical Association.

Child health associates practice primarily in two settings: in various public health facilities in medically underserved areas and as colleagues and employers of family practitioners and pediatricians in their private offices. Experience to date indicates that a significantly larger proportion of child health associates practice in medically underserved areas than do pediatricians or other medical school graduates. Graduates of the program are practicing in a number of rural areas in Colorado as well as throughout the United States. In Colorado child health associates work in clinics for migrant workers where they are the only health professionals who have had special training in child health care, in various public health settings in the core city, with the U.S. Public Health Service, and in military installations where they care for dependents of military personnel. Other child health associates are in practice in the States of Wyoming, Connecticut, Arizona, Washington, Illinois, California, Minnesota, Texas, and Kansas.

The child health associate program has received very favorable national and international recognition as an innovative program to provide comprehensive health care to children in ambulatory settings. At the present time a number of other medical centers are developing plans for similar child health associate programs. Our own medical school is adopting some of the child health associate program's innovative teaching methods. Because of the importance of having every child in the United States receive the best possible health care from qualified health professionals, it is imperative that we support programs such as the child health associate program.

Mr. HUMPHREY. Mr. President, one of the primary objectives of the Health Professions Educational Assistance Act of 1976 is to address the serious health manpower problems faced by our Nation. These problems are caused by a number of factors, but two are most prominent: First, a maldistribution of doctors, especially in rural America, but also in many of our inner cities; and second, the problems of not having enough primary care doctors. In this regard, I am pleased that the Senate has addressed these problems by passing H.R. 5546, as amended.

I am also pleased that the Senate adopted two amendments which I cosponsored with Senator CLARK. These amendments would further the efforts of communities in rural America to obtain and retain medical personnel to provide essential health services.

Throughout consideration of this legislation, there was a diligent effort to solve the problems of geographic and specialty maldistribution on a collective, nationwide basis rather than by a rigid school-by-school approach. It was my understanding that the amendments to title V, Postgraduate Physician Training, would retain this reasonable approach to increasing the number of physicians in primary care fields and I, therefore, supported it.

I am disturbed to find that this is not, in fact, the case. I am further concerned that the provisions adopted will adversely affect efforts already underway in Minnesota to meet the health needs of our Nation.

The University of Minnesota recognized the importance of primary health care several years ago and began emphasizing residencies in these fields. Additional graduates, soon to emerge from this pipeline, will add to the overall increase in general practitioners already observed in Minnesota.

The Mayo Clinic and its affiliated medical school in Rochester, Minn. are world reknowned. The unique contributions of this facility to the medical world are a national, indeed an international, resource.

The efforts by these fine institutions in meeting the health needs of this country cannot be discounted or discarded by adoption of rigid, mandatory school-by-school quotas.

There is no question that as a nation we need more doctors trained in primary care, but we must address this problem reasonably and with some flexibility.

National goals in meeting primary care needs and providing health services can be met on a collective basis. Already the facts indicate that this is happening.

The conferees for this legislation have a special responsibility to address this point as they work together to resolve their differences. The school-by-school or college-by-college approach must give way to a more flexible system, which will deal with primary care doctor training on a collective or nationwide basis. We need primary care doctors, but to request every medical school to have a quota for such training violates the requirements for medical personnel.

Mr. DOMENICI. Mr. President, I want to congratulate the committee members and staff, particularly Jay Cutler, for their efforts to construct a reasonable health manpower bill. As you know, many compromises have been made both in the committee and on the floor today to make this legislation responsive to the country's physician needs.

In particular, I am pleased the committee included by legislation introduced on January 26th as an amendment to the health manpower bill. This legislation requires the Secretary to also consider public institutions as "underserved areas" if they are indeed medically understaffed. Many mental hospitals, prisons, juvenile centers and other public facilities are medically underserved, and I believe this is one way to address this very real problem. The committee incorporated this suggestion as part of title IV of the bill. The bill language also specifies that a physician can serve part-time in the community, however, it is medically designated, if his or her services are needed only part of the time at the institution.

I believe that with the expanded definition of underserved areas, many more citizens will be medically assisted when they are now often ignored.

Mr. President, just one further word with regard to the bill in general. I do have certain reservations with some provisions of the bill. I think, however, that S. 3239 represents the fairest compromise between the many different points of view concerning the Federal role in the physician distribution issue, and again, I congratulate the committee members for their conciliatory efforts. It has been a difficult task to address an obvious public need and to determine the Government's duty inasmuch as Federal dollars are involved, however indirectly, in the training of our country's medical personnel.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1976

Mr. RANDOLPH. Mr. President, I am gratified that the long-awaited Health Professions Educational Assistance Act is being considered in the Senate. There is broad agreement with respect to most of the bill's provisions. It is my hope that the Senate may conclude action, that a conference agreement can be reached, and that a measure can be submitted to the President for his signature in advance of the anticipated adjournment of the 94th Congress.

I support the measure, S. 3239, reported from the Committee on Labor and Public Welfare, because it comprises, overall, a reasoned and thoughtful approach to meeting the personnel needs for the training and placement of health professionals throughout our Nation.

The bill includes, as title XVI, the Radiation Health and Safety Act, which is similar to legislation of which I have been the principal sponsor during the past three Congresses. I am gratified that the committee accepted as an amendment to S. 3239 the substance of my current bill, S. 1261, without objection or dissenting vote.

Title XVI requires the establishment of minimum Federal standards for the licensure of all radiologic technologists. The justifications for a uniform standard of competence are well documented. They are amply covered in the Senate Committee Report accompanying S. 3239. I do, however, wish to indicate that serious potential hazards are present for the consumer-patient who is subjected to careless or incompetent X-ray procedures. Such hazards can be minimized, from the standpoint of those who administer ionizing radiation, through the assurance of uniform standards of competency.

Those who are accountable for their own competence—such as medical practitioners, including physicians, dentists, podiatrists, and chiropractors—are not subject to licensure under these provisions.

Mr. President, I am pleased that the National Health Service Corps is to receive considerably greater attention in this legislation than it has under current law. The Corps is an integral part of the drive to bring quality health care to medically underserved areas. Our State of West Virginia, which has a large percentage of rural areas critically short of health services, will benefit by an expanded Corps program.

The chairman of the Health Subcommittee (Mr. KENNEDY) has agreed to sponsor with me an amendment which would eliminate the current "payback" requirement now imposed on communities, for those entities in health shortage areas which have a significant population of elderly and poor residents. This provision will permit these rural, health-starved communities to become truly self-sufficient in providing health care to their residents. Currently, such communities must preoccupy themselves with repayment for Corps-provided services, to the long-term detriment of health care for the people who need it most. I believe this is wrong. It is contrary to the original intent of the Congress when it established the Corps, and I am gratified to sponsor this amendment.

As ranking majority member of the Senate Committee on Labor and Public Welfare, I thank, particularly for their efforts on behalf of health care in America, the chairman of the Subcommittee on Health, Mr. Kennedy; the ranking minority member of the full committee, Mr. Javits; and the ranking minority member of the Subcommittee on Health, Mr. Schweiker. Other members of the committee have contributed to the pending bill. I commend them.

Mr. President, I urge the adoption of S. 3239.

Mr. KENNEDY. Mr. President, we are ready for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3239) was ordered to be engrossed for a third reading, and was read the third time.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 5546.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5546) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps scholarship training program, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. KENNEDY. I ask unanimous consent to strike out all after the enacting clause of H.R. 5546, and substitute the text of S. 3239, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. KENNEDY. I ask unanimous consent that S. 3239 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on passage of H.R. 5546.

Mr. MANSFIELD. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been orderd. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I will take 1 minute, and 1 minute only, to express my very deep sense of appreciation to the Senator from Pennsylvania (Mr. Schweiker), the ranking Republican member of our subcommittee, and the distinguished ranking Republican member of the full committee, the Senator from New York (Mr. Javits), and to thank Senators Beall, Taft, and Hathaway, who have been enormously interested and active in shaping this legislation. We on the Health Subcommittee have spent many long hours dealing with this particular problem, and we have been dealing with men of strong views about the best ways to cope with one of the most critical and important health issues we face in this country, which is the adequacy of health manpower, the type of manpower, and the distribution of the manpower.

We have taken a long, hard look at this problem, and this bill, I think, represents, as we have seen from the discussion and debate today, a very strong consensus as to the best and most effective way to deal with this issue.

I am very appreciative of the time and the attention that have been given to this legislation, and I would also like to express a very warm sense of appreciation to the Senate Health Subcommittee staff, both of the majority and the minority, who have really been tireless in bringing this legislation to the point of its disposition today.

We are prepared to vote.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Mississippi (Mr. Eastland), the Senator from Colorado (Mr. Gary Hart), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Louisiana (Mr. Johnston), the Senator from Arkansas (Mr. McClellan), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. Pastore), and the Senator from California (Mr. Tunney), are necessarily absent.

I further announce that the Senator from West Virginia (Mr. Randolph), is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph), and the Senator from Rhode Island (Mr. Pastore), would each vote "yea".

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater), is necessarily absent.

I further announce that the Senator from New York (Mr. Buckley), is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. Goldwater), would vote "yea."

The result was announced—yeas 88, nays 0, as follows:

[Rollcall Vote No. 374 Leg.]

YEAS—88

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—12

Buckley
Church
Eastland
Goldwater
Hart, Gary
Hart, Philip A.
Johnston
McClellan
Moss
Pastore
Randolph
Tunney

So the bill (H.R. 5546), as amended, was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 5546.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I ask unanimous consent to have the Senate-passed bill printed.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

AUTHORIZATION FOR THE SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION TO MEET TODAY

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. McGovern, I ask unanimous consent that his Subcommittee on Agricultural Credit and Rural Electrification may hold hearings today on the drought emergency in the upper midwest.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS, 1977—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. Nunn). Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 12438, which the clerk will state.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedos, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of June 25, 1976, beginning at page H6803.)

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I want to take a half minute to tell the Members of the Senate that this is the military procurement bill. I think it is pretty well understood now and has been straightened out and can be rather readily passed. Time has been given to the Committee on the Budget and others who are going to be recognized.

Mr. President, I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage.

ORDER FOR RECESS TODAY FROM 12 NOON UNTIL 12:20 P.M.

Mr. MANSFIELD. The President of the United States will be in Statuary Hall for the ceremony marking the opening of a safe which has been there for 100 years, come this July 4. Mr. President, I ask unanimous consent that the Senate stand in recess from the hour of 12 to 12:20 P.M. and that, immediately upon the reconvening of the Senate, the distinguished Senator from Mississippi again be recognized to have the floor.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. Reserving the right to object.

Mr. MANSFIELD. There will be no formal walk over. The House is not doing it, but it is hoped on the part of the leadership that as many Senators as possible will participate in this ceremony.

Incidentally, the House is not standing in recess.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. Reserving the right to object, could the distinguished majority leader make that at least until 12:30? The program does not actually get started until 12 o'clock. It is a very brief program. The President of the United States will be in the Capitol at least a half-hour.

Mr. MANSFIELD. We have to get on with this bill. We are loaded up with work. It does not mean that Senators will have to come back at 12:20, but I anticipate that those interested in the bill will come back at that time. The House is taking no recess at all.

Mr. GRIFFIN. Mr. President, there will be standing room reserved for the Members of the Senate. The ceremony begins at 12 and those wishing to attend should get over there a little before 12, even though it does not start until 12.

The PRESIDING OFFICER. Is there objection to the Senator's request for a recess?

Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I ask unanimous consent that time used here on the parliamentary situation not be charged to either side. More and more Members want to speak 2 or 3 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Will the Senator yield 1 minute to me?

Mr. STENNIS. I yield 1 minute to the Senator from Alaska.

DIRECTIONS TO SECRETARY OF THE SENATE TO MAKE CORRECTIONS IN THE ENROLLMENT OF S. 586

Mr. STEVENS. Mr. President, House Concurrent Resolution 668 is at the desk. I ask unanimous consent that it be taken up at this time.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

> A concurrent resolution (H. Con. Res. 668), directing the Secretary of the Senate to make corrections in the enrollment of S. 586.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. STEVENS. Mr. President, the purpose of the concurrent resolution is to clear up two errors that occurred in the passage of the coastal zone amendments measure.

For the record I want to make something absolutely clear concerning the second technical change regarding this concurrent resolution on the enrollment of S. 586. In the new section 508(l)(2)(B) added to the Coastal Zone Management Act by S. 586, the phrase "any provision of Federal law other than this section" excludes the Federal loan and guarantee provisions of the new section 308(d).

The concurrent resolution, House Concurrent Resolution 668, was considered and agreed to.

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS, 1977—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977.

Mr. STENNIS. Mr. President, if I may have the attention of the Senators present, this bill is a military authorization bill for research and development, procurement, manpower levels, and so forth for fiscal 1977. It has been before the Senate and passed at that point by an overwhelming vote, with only two votes against it. We went on to one of the most thorough and exhaustive conferences that I have ever attended, where all major areas—and maybe minor, too, I do not doubt that—were taken up at great length. We have before us now the conference report on the bill. The Senator from Maine, for the Committee on the Budget, of course, will speak for himself but, as I understand it, our figure is well within the guidelines, and targets of the Committee on the Budget. I think what the chairman says today is highly important, not only as to this bill but as to the forthcoming appropriation bill, which will include these items as well as O. & M. funds, and so forth.

I think that this bill is worked out now to where, at this stage, there are no complications about it. It passed the House yesterday by a very large margin. A motion to refer it back to the conference or appoint new conferees was overwhelmingly defeated.

Mr. President, the figures in this bill are approximately $507 million below the target figure in the budget resolution as passed by Congress. As to the overall money in this conference report, as compared with the bill already passed by the Senate, the report adds approximately $691 million. At the same time, the House-passed bill was brought down by something very near $734 million. So, in rounded-out numbers, the figures were approximately the same.

On the manpower differences in the report—and this is highly important—the differences were, generally speaking, split as to the manpower numbers. On legislative items that relate to manpower, some were accepted by the House and some were not. On the so-called "kicker" on the automatic increases in compensation, the language of the Senate was kept. The matter with reference to commissaries was agreed to be left in the discretion of the Committees on Appropriations.

The matter as to ships, a highly important part of the bill—I emphasize first that all the money that was of proven and established ship claims, escalation, inflation, and so forth, was kept in the bill as a prelude or opening door to the increased building of ships.

I have thought all along, that this matter had to be put on its way to settlement before we could have satisfactory bidding. I am glad to see that position adopted. I think it will mean a whole lot. It is now up to the Navy, the Department of Defense, and the shipbuilders to get together. I believe the money will be appropriated, the money that is authorized here, and we will go to getting a settlement. Then we can have the opening, the beginning, of more bidding and more building.

On the B-1 amendment, I never saw

anything more thoroughly considered by a conference. The author of that amendment, Mr. CULVER, was a valiant member of our conferees for the Senate. He handled himself splendidly on this subject matter in this bill. I was really proud of him.

After he had fully covered all his matters, and we did not get any votes from them yielding, other Senate conferees proposed a modified amendment unanimously, except for Mr. CULVER, and he did not object to our proposing it, but could not join it.

When that too was totally rejected, we proposed a still further modified amendment with respect to the B-1, representing the Senate view, and with the same results. We took the B-1 matter up nine separate times during this conference, including the Senate amendment and the two alterations of it proposed, and they were all unanimously declined.

So we regret that we could not have a more favorable report on that than we have.

Mr. President, I have a statement here that I think covers the outline of the situation.

I urge the Senate to approve the conference report on H.R. 12438, the military authorization bill for the 1977 fiscal year. I believe the conferees have drafted a good bill which authorizes the materiel and manpower necessary for the armed services.

It was a difficult conference, further complicated by the fact that the House did not have the opportunity to consider certain budget amendments submitted by the President. I would observe, however, that the conferees ended up with a very balanced result on the differences.

MONEY DIFFERENCES

The conference bill, with authorizations totaling $32.5 billion, is $734 million less than the House bill and $691 million more than the Senate version.

A summary of the differences in dollars and manpower are as follows:

[Dollars in billions]

	House action	Senate action	Conference recommends
Procurement	$22.9	$21.4	$22.0
R. & D.	10.4	10.5	10.5
Total	33.3	31.8	32.5

The $32.5 billion recommended is $1.7 billion below the President's amended authorization request as submitted to the Senate.

MANPOWER STRENGTHS

	Original DOD request	House	Senate	Conference recommends
Active Forces:				
Army	790,000	790,000	787,100	789,000
Navy	544,000	544,904	534,604	540,600
Marine Corps	196,000	196,000	190,000	192,000
Air Force	571,000	571,000	570,000	571,000
Reserve Forces:				
Army Reserve	215,700	215,700	212,400	212,400
Naval Reserve	52,000	102,000	92,000	96,500

CONGRESSIONAL BUDGET TARGET RESOLUTION

Another matter which had a great bearing on conference deliberations was the congressional budget target resolution which sets forth a target ceiling on both budget authority and outlays for the entire national defense category.

The conferees were aware at all times of the relationship of their action to the budget resolution and made every effort to comply with the letter and spirit of the resolution.

The chairman of the Budget Committee, of course, can speak directly on the subject as to whether this conference bill is within the target resolution. It is my understanding, however, that the final figures in this bill are within the congressional budget target.

As the Senate knows, the budget target involves a number of assumptions, many of which have not materialized at this point one way or another. The appropriations process and the legislative process will deal with these assumptions as this session moves on.

I would emphasize that the various cost-saving elements recommended by the Budget Committee within the Armed Services Committee's jurisdiction were all dealt with in this bill and most were adopted.

PAY RESTRAINTS—ESTIMATED $217 MILLION SAVINGS

In another action with important budget implications, the Senate, when it approved this bill, included several pay restraints by adopting—and in some cases strengthening—proposals included as if enacted in the President's budget. These legislative provisions were not included in the House bill.

I am glad to report that three of these pay restraints were approved by the conference.

First. The conference bill provides for repeal of the 1-percent "kicker" on pay increases for military retirees when and if the "kicker" is eliminated for Federal civilian retirees. This will save about $75 million in the 1977 fiscal year.

Second. The conference bill includes an amended version of the Senate's provision to increase the quarters allowance as a part of overall compensation. This will save an estimated $52 million in the 1977 fiscal year.

Third. Also approved by the conference was the Senate provision limiting to 60 days the total of unused leave time which may be compensated in cash. The fiscal year 1977 saving here is estimated at $90 million.

These savings, relatively small this year, will escalate in future years.

MAJOR ACTIONS IN PROCUREMENT AND R. & D.

I turn now to the other actions of the conference committee on major programs in disagreement. In that connection, I have already expressed my satisfaction, here in the Senate, with the Navy shipbuilding programs.

Again, I would emphasize that the conference action will result in a strong Navy ship program. The conference action on the Navy shipbuilding program is as follows:

FISCAL YEAR 1977 AUTHORIZATION CONFERENCE ACTION

TITLE I—PROCUREMENT—NAVY SHIPBUILDING AND CONVERSION

[In millions of dollars]

	Amended fiscal year 1977 request		House		Senate		Conference	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amoun
Trident submarine	1	729.7	2	1,428.7	1	729.7	1	729.7
Trident advance procurement		61.8		91.6		61.8		61.8
SSN-688 attack submarine	3	745.6	4	1,062.0	2	500.0	4	1,062.0
SSN-688 advance procurement		213.1		253.7		213.1		253.7
CVNX nuclear carrier: Advance procurement		350.0		350.0		0	(1 LL)	350.0
CSGN strike cruiser: Advance procurement		170.0		302.0		0		0
DDG-47 Aegis destroyer	1	858.5	0	0	1	858.5		0
DD-963 destroyer	0	0	4	940.0	0	0		0
FFG-7 guided missile frigate	12	1,700.5	4	590.0	8	1,147.1	8	1,147.1
FFG-7 advance procurement		0		0		32.4		32.4
Long Beach modernization		0		371.0		0	(1 LL)	371.0
Belknap repair and conversion		0		213.0		0	(1)	213.0
AD destroyer tender	1	260.4	2	503.0	1	260.4	1	260.4
AS submarine tender	1	260.9	2	509.0	1	260.9	1	260.9
AO fleet oiler	2	205.3	2	204.7	2	205.3	2	205.3
Cost growth		533.7		213.7		533.7		533.7
Escalation on prior programs		1,089.5		256.4		1,089.5		1,089.5
Programs not in dispute		84.5		84.5		84.5		84.5
Total	21	7,203.5	20	7,378.3	16	5,970.9	17	6,655.0

Note: Difference from House, —723.3; difference from Senate, +678.1.

B-1.—The toughest issue in disagreement between the Senate and House conferees was, without question, the B-1 bomber. This new strategic bomber was discussed at 9 of the 14 meetings of the conference committee.

You will recall that both the House and Senate provided the amount requested—$1.049 billion—for the B-1 bomber. The authorizations will provide three production-model B-1 aircraft plus certain advance procurement.

The Senate, in approving the Culver amendment, restricted use of the B-1 authorization. The amendment, sponsored by the Senator from Iowa, would have prevented the obligation of B-1 funds prior to February 1, 1977. After that time the money could have been used only if the President—the new President, whoever he may be—certified to Congress that this new bomber was in the national interest.

Senator CULVER was a member of this conference for the B-1 provision. He, along with the other Senate conferees, argued persuasively for his amendment in meeting after meeting.

Two alternative plans were finally proposed with the hope of breaking the deadlock and, at the same time, preserving the sense of the Culver amendment. The House conferees would still not agree.

In the words of the House conferees themselves, in the statement of managers, "the House conferees were adamant."

Finally, in order to get a bill, the Senate conferees yielded on this matter. It was the last item settled. Had the Senate not receded, I am quite sure we would not have a conference report before us today.

Sea Launched Cruise Missile—SLCM.—The $164.9 million request was cut by both House—$64.9 million and the Senate—$62.7 million, but the Senate specified certain portions of the program for cuts. The conferees adopted the specific Senate cuts and included House language stating that the cuts in no way reflect a lack of support for the SLCM program. The authorization provided is adequate for development of the tactical and strategic versions.

Minuteman III.—The Senate approved the President's supplemental authorization request for $317 million in authorization for production of 60 additional Minuteman III missiles. The House did not consider that supplemental authorization request. The conferees approved the $317 million with Senate language requiring that the authorization be used only for these missiles.

M-X.—The House approved $80 million of the requested $84 million for research and development on advanced ICBM technology. The Senate approved $51.6 million. The conference committee authorized $69 million and specified that the R. & D. be performed only on land-based mobile systems. A full scale Defense Department study of the future of ICBM's, as required by the Senate, was also approved.

F-14 Engine.—Both the Senate—$1 million and the House—$15 million—included research and development authorization for a new powerplant for the Navy's F-14 fighter plane. The conferees approved the $15 million authorization with Senate language for a competitive selection procedure which is to be completed by the end of fiscal year 1977.

F-16.—The House approved the $311.2 million requested for this Air Force fighter. The Senate authorized $145.9 million. The conference approved the $174.9 million on grounds that the remainder will not be needed until fiscal year 1978.

Lance.—The Senate deleted $75 million for production of a nonnuclear armed version of this battlefield missile. The House approved the program, and it was authorized by the conferees.

AWACS.—The House bill included a restriction on use of fiscal year 1977 authorization for this aircraft until NATO nations buy this aircraft. The Senate bill had no such language, and the restriction was dropped.

For detailed information on other weapon programs I invite the attention of Senators to the printed conference report.

ACTION ON MANPOWER STRENGTHS

In the conference there was the usual give and take with regard to authorized strengths of the services, both civilian and military strengths. The conference action fully maintains present U.S. combat troop strength.

I believe the bill's provisions with respect to civilian employees are particularly important. The Defense Department requests totaled 1,035,80 for Army, Navy, Air Force and Department of Defense agencies. The House authorized 1,040,981, and the Senate a total of 1,027,881. The conference committee recommends 1,031,000. While the Senate bill authorized civilian strength by service, the conference committee adopted the House approach authorizing the overall total to the Department of Defense for added flexibility.

CONCLUSION

As I have said, I view this as a good bill and a very good resolution, in a very difficult conference, of the differences between House and Senate bills.

I want to thank all the conferees and especially Senator THURMOND, the ranking Republican member, and the chairmen of our subcommittees, Senators CANNON, McINTYRE and NUNN. All were extremely helpful in their areas of expertise.

We met 14 times, as I have said. I do not believe we could get a better bill in 14 more meetings.

I ask that the conference report be approved.

Mr. President, how much time have I used?

The PRESIDING OFFICER (Mr. NUNN). The Senator has used 6 minutes.

Mr. STENNIS. I reserve the remainder of my time. Here is the situation timewise: 15 minutes STENNIS, 15 minutes MUSKIE, 15 minutes THURMOND, 15 minutes CULVER, but I am sure we can swap around, I mean, yield time among each other.

I yield the floor now, Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in support of the conference report on H.R. 12438 (H. Rept. 94-1305) which authorizes military procurement, research and development, and personnel for fiscal year 1977.

The compromise reached by the conferees allows a fiscal year 1977 budget authority spending level of $32,522 million and outlay authority for $24,635 billion.

BILL BELOW BUDGET

These spending levels, considered along with other elements of the national defense budget category account result in a trend which places defense about one-half billion below budget resolution levels.

On H.R. 12438 the House approved a bill allowing $33,256 million in budget authority, while the Senate approved $31,831 million. The compromise of $32,522 is $691 million higher than the Senate bill and $734 million lower than the House bill.

Mr. President, this was one of the longest and most difficult conferences in my memory. While I signed the conference report, in my judgment, some of the decisions reached did not satisfy important national security requirements.

SHIP DEFICIENCY

Chief among these issues was the refusal of the conference to approve two ships requested by the administration, the nuclear strike cruiser and the DD-47, a conventional destroyer platform for the AEGIS air defense system.

Most everyone in the Congress recognizes the need for an acceleration in our naval shipbuilding program. The President's request, if it had been granted, would have marked a major and historical thrust forward in meeting the Soviet naval challenge.

REQUEST REFUSED

However, the Navy's badly needed AEGIS missile defense system which is ready for deployment will not be authorized for ships in this bill because of the insistence of the Senate conferees to deploy it only on a conventional ship, whereas the House agreed to deploy it on both nuclear and conventional ships as the President requested.

Thus, while a sizable ship program of $6.6 billion, including a fourth nuclear aircraft carrier, was agreed to by the conferees, we have delayed possibly for 1 year development on the AEGIS system.

President Ford took the unusual step of calling upon the conferees to approve both AEGIS ships, but the Senate held to its position of refusing money for the nuclear strike cruiser which would use AEGIS on a nuclear platform.

As a proponent of this ship, I feel we must have it to accompany our nuclear carrier task forces if we are to withstand the Soviet missile threat. Conventional AEGIS ships, while useful, cannot support nuclear carriers in high intensity battle areas due to their dependence on oil as a power source.

TITLE 8 GUIDANCE

Furthermore, with the rising price of oil and its shortages expected in the 1990's and beyond when these ships will begin their service, we are wise to make all major combatants nuclear powered as directed under title 8 passed several years ago by Congress.

SUPPLEMENTAL REQUEST

The conference report did state the willingness of both Armed Services Committees of the Congress to carefully consider any supplemental request on AEGIS ships the President may wish to submit. I would urge the President make such a submission, and that both committees have extensive hearings looking toward positive action on deployment of the vital AEGIS system through new ship programs at the earliest possible time.

While the conference approved AEGIS for deployment on the *Long Beach*, a nuclear ship already in service, the requirement to initiate new major shipbuilding programs for AEGIS as compared with a conversion, remains the primary need of the Navy.

SHIPBUILDER DISPUTES

Recent announcement by the Newport News and Dry Dock Shipbuilding Co. in Norfolk, Va., and yesterday's statement by Litton Industries shipyard in Pascagoula, Miss., threatening to quit work on Navy ship contracts raise serious questions about the Nation's ability to build the ships and submarines needed.

Both contractors have outstanding claims against the Government, claims which should be settled as soon as possible. However, the Government cannot allow itself to be threatened in a time when more ships are so desperately needed. The Congress faced similar problems on the F–14 with Grumman Aircraft and on the C–5A with Lockheed Aircraft. If these companies refuse to perform under Government contracts, they should be denied all Government business and not allowed to stop work on just one program as Litton threatens on the LHA landing ship.

Here again the conference should have considered more fully a proposal by the House to allow the hiring of outside attorneys to assist the Navy in settling long pending claims. Presently the shipyards are using prominent lawyers specializing in ship claims while the Navy's general counsel's office struggles to meet this challenge.

There is also need for a requirement that the shipbuilders certify their claims in order to speed the claim procedure and reduce inaccurate claims now slowing down the process. Further, the Navy is presently not allowed to appeal decisions of the Armed Services Board of Contract Appeals whereas if the shipbuilder loses before that Board, the claim is taken to Federal Court.

PLANNING STEPS NEEDED

The threats of two major shipyards, Litton and Newport News, must be taken seriously. The Navy should accelerate forthwith its efforts to prepare other shipyards, both private and public, to undertake the business which these yards no longer desire.

Fortunately, there are excellent private shipyards in the State of Washington and several on the east coast which could undertake construction of the required Navy ships. Furthermore, no matter how the shipyard issues may be resolved, the Navy should undertake to move more overhaul work from private yards to public yards.

EIGHT NAVAL SHIPYARDS

Of the eight naval shipyards in this Nation, six have a nuclear capability. These shipyards have demonstrated ability to overhaul very complex Navy vessels and their capacity should be used to the fullest extent feasible, both from an economic and scheduling viewpoint.

Presently we have shipyards in Portsmouth, Maine; Philadelphia, Pa.; Norfolk, Va.; Charleston, S.C.; North Beach and Mare Island, Calif.; Puget Sound, Wash.; and at Pearl Harbor. All of these shipyards and possibly the addition of others will be needed if our Navy is to meet the threat of the expanding all-ocean Soviet presence.

B–1

While the ship problem dominated the conference, other major decisions were undertaken by the conferees. After numerous discussions of the Senate B–1 amendment, the Senate receded to the House as the last action of the conference.

Thus, the B–1 bomber program can now go forward with procurement to take place on schedule. In my judgment this important strategic program deserves the support of the Congress and delays will merely add to its cost.

OTHER PROGRAMS

Other important decisions by the conference allowed initial procurement of the Army's Lance nonnuclear missile, the F–16 lightweight fighter, the Captor mine, and the U.S. 3A COD—carrier onboard delivery—aircraft.

In the research and development account the conferees allowed maximum funding for the cruise missile account and the Navy's Trident missile system, except for Trident II. We must press forward in development of these crucial systems if our national security is to be assured.

Next year all services should give more attention to higher levels of procurement. The cost of systems can be reduced if more efficient levels of procurement are requested. Stretching out programs is a costly business and one which the country can no longer afford.

PERSONNEL ACCOUNT

In the personnel accounts the conferees generally split the difference but in most all cases the levels allowed were very close to those requested by the Defense Department. Stabilization of the military personnel levels are essential in reducing costs and improving efficiency.

The Naval Research manning level, a matter in which the Senate expressed a special interest, was allowed at the level of 96,500.

The conferees agreed to various administration-recommended proposals to reduce manpower costs. However, the commissary recommendation was not adopted although language urging a more efficient system was included in the report.

CIVIL DEFENSE

One highly significant step taken in the bill was acceptance by the conference of the civil defense amendment. This brings under our committee next year authorization powers over civil defense.

The Soviets are outspending us 10 to 1 in this area and our committee needs to give this subject more attention. While we allowed civil defense to assist in the event of a natural disaster, the conference stressed its primary goal remains preparation for an enemy attack.

Mr. President, before closing, I wish to thank the members of the conference, especially the Senate members who worked together to represent the Senate portion. Also the staff of the Armed Services Committee from both Houses, and especially the Senate staff, the majority being headed by Ed Braswell and the minority by Ed Kenney. Other staff members who assisted us included Clark McFadden, Phyllis Bacon, Doris Connor, Doris Cline, Charles J. Conneely, Christine Cowart, Charles Cromwell, Marie Fabrizio Dickinson, Hyman Fine, George Foster, John Goldsmith, Paulette Hodges, Louise Hoppe, Mary Ketner, Jeanie Kilgore, Don Lynch, Ken Fish, Betty Mayo, Robert Old, Ruth Price, George Riedel, Mary Shields, James Smith, Francis Sullivan, Larry Smith, John Ticer, George Travers, and Roberta Uzakovich.

Mr. President, in conclusion I wish to commend the Senate conferees for their spirited defense of the Senate position in the conference. As usual, our distinguished chairman played a key role in bringing together the differing positions of the conferees.

Mr. President, the distinguished Senator from New Mexico has some questions on the civil defense matter. He wanted to carry on a little colloquy with me, and we will do it at this time.

Mr. DOMENICI. Mr. President, I first want to thank Senator STENNIS and Senator THURMOND for their understanding in this area, and I would just like to ask a couple of questions. I would like to ask the floor managers of the conference report to clarify for me the section in the report dealing with the Defense Civil Preparedness Agency.

It is my understanding that the purpose of the section in the act is to provide statutory authority for and restore the so-called dual use program whereby local civil defense personnel, equipment and facilities may be used to provide emergency assistance in natural disaster situations.

Until recently, civil defense resources have been utilized by the State and local communities for assistance during an emergency. Local civil defense resources have supplemented other Federal assistance programs. The purpose of this legislation is to give statutory recognition to what has been carried on in the past.

I raise this question and have asked for a clear statement of the committee's intent because of my concern about the relation of this legislation to the Federal Disaster Relief Act—the basic authority under which the Federal government provides assistance in emergencies and Presidentially declared natural disasters. The program also authorizes funds to each State to undertake planning and preparedness for responding to natural disasters.

I ask the distinguished Senator if my understanding of what we have done is this bill as it relates to natural disasters and civil defense preparedness is correct.

Mr. THURMOND. In recent years resources of the Defense Civil Preparedness Agency have been utilized by States and local communities during emergencies created by natural disasters. In fact, many civil defense resources and skills have common application to both enemy caused and nonenemy caused disasters. The purpose of the section included in the conference report is to make clear that resources of the Defense Civil Preparedness Agency may also be used in the event of a natural disaster as they have in the past. The authority in this report, while recognizing the tacit policy of the last several years, does not alter the primary purpose and responsibility of the Defense Civil Preparedness Agency to prepare for an enemy attack. DCPA is the only Federal agency charged with that responsibility and it will continue to be its primary mission.

During consideration of this legislation by the conferees, the chairman of the Disaster Relief Subcommittee, Senator BURDICK, and the ranking Republican member, Senator DOMENICI, wrote Senator STENNIS, chairman of the Armed Services Committee and myself seeking clarification of this section. As stated in the conference report, nothing in this bill is intended to infringe upon or duplicate the programs and functions of the Federal Disaster Assistance Administration, the Federal agency with principal responsibility in natural disasters. As I understand, these two agencies have operated together in the past in many emergencies situations and would continue to do so under the language in this bill.

Mr. DOMENICI. I have only one additional question. I understand that the authority in the bill refers to emergency assistance and does not direct the Agency to undertake planning and preparation activities for natural disaster? Is that correct?

Mr. THURMOND. Mr. President, in response to that question, I would say that the Senator is eminently correct. The bill authorizes the use of Defense Civil Preparedness Agency personnel, equipment and facilities in the emergency phases of a natural disaster. There is nothing in the conference agreement which authorizes the Defense Civil Preparedness Agency to preplan for natural disasters. The word "preparation" was omitted purposely in order that the Defense Civil Preparedness Agency would not undertake this responsibility already being carried out by the Federal Disaster Assistance Administration.

Mr. DOMENICI. I thank my distinguished friend, and I also thank my floor manager from the other side for their cooperation in this matter.

Mr. BURDICK. Mr. President, I would like to thank Senator STENNIS and Senator THURMOND for their attention, during the conference with the House of Representatives, to the concerns raised earlier by Senator DOMENICI and me for the meaning of that section of the military procurement authorization legislation dealing with the Defense Civil Preparedness Agency.

An effective response to a natural disaster frequently requires the application of all available resources. To the extent that civil defense personnel, equipment and facilities acquired in furtherance of their mission to prepare for enemy attack are usable in the context of a naturally caused emergency or disaster, these resources should be utilized. However, the legislative recognition of the logic and practicality of dual use which is provided by the bill before us should not be construed as an authority to create an independent natural disaster relief program within the Defense Civil Preparedness Agency. Such an intendment would be a step backward from the goal of providing a unified Federal response to aid those affected by natural disasters or emergencies.

While many State, Federal, and local agencies are involved in disaster relief and recovery, it has become apparent that the aid is most effectively delivered when efficiently coordinated. The Federal Disaster Relief Act, as amended by Public Law 93–288, provides a coordinated mechanism to deliver relief in major disasters and emergencies arising from natural causes. The authority granted to the President by the Disaster Relief Act has been substantially delegated to the Federal Disaster Assistance Administration. Senator DOMENICI and I were fearful that the section in the bill before us clarifying the authority of the Defense Civil Preparedness Agency would be construed as creating authority which overlapped and duplicated the powers marshaled within the Federal Disaster Assistance Administration.

The statement of managers and colloquy with Senator DOMENICI should make it clear that nothing in the bill is intended to infringe upon or duplicate the programs or functions of the Federal Disaster Assistance Administration.

Mr. THURMOND. Mr. President, how much of my time have I used?

The PRESIDING OFFICER. The Senator from South Carolina has used 8 minutes.

Mr. THURMOND. Mr. President, I now yield 5 minutes to the distinguished Senator from Ohio, and I will reserve the remainder of my time.

Mr. TAFT. I thank the distinguished Senator from South Carolina for yielding. I appreciate his doing so. I do want to make some brief comments on the report.

I believe the report is a major step forward in several key areas in developing a rational defense. This was done despite strong opposition from the members of the conference on some of these matters. There certainly was not total agreement, but I think the conference was carried on with great dedication by all involved in the arguments on their particular side. But I do think the final outcome is a step forward in conceptual thinking.

In the shipbuilding area, they deleted all procurement funding for the proposed strike cruiser at this time, although there is R. & D. funding continuing for this ship, and I hope that if it is presented again we will see a better conceptual approach. I think the presentation this year, unfortunately, was a classic example of a failure to think conceptually.

In the independent role, the strike cruiser would be a return really to the battleship concept, and in today's battle scenario no less vulnerable to air attack than was the *Bismarck*.

In the escort role it seems to keep us locked in for the next decade to the carrier task force concept. Yet the Soviets have designed their whole navy to counter precisely this carrier task force concept.

The strike cruiser program also could cost as much as $15 billion over the next 10 years, and absorb a great deal of the increased budget for shipbuilding that I think is necessary and where I think it is necessary to have more platforms and more ships rather than larger and heavier ships.

In the Aegis system, another item of interest, I think that in its consideration the Navy avoided building any new hulls for the so-called Aegis defense system which is necessary for the task force. There are many questions about Aegis yet to be resolved. A great deal of work has to be done on it. We did, however, authorize the modernization of the nuclear cruiser *Long Beach*, which could serve as an existing platform.

We went along with the House in areas where the ships would be militarily effective.

I think it is especially good that we put emphasis on attack submarines, and went along with the House in that regard.

We are seriously behind the Soviets in submarines, and the submarine may be the single most effective type of ship for antishipping and ASW work. In all, it is a good program that is presented. Greatest importance is that it says "No" to DOD and others who want to pursue obsolete concepts without thinking out the problems we face in any future conflict or relying too much on what the conflicts of the past have taught us.

I hope Navy may next year present a shipbuilding budget that reflects modern concepts and up-to-date ship designs.

I would particularly like to mention the amendments put in by the distinguished Senator from Georgia (Mr. NUNN) and the distinguished Senator from Iowa (Mr. CULVER) and myself relating to standardization in NATO.

Lack of standardization has been one of NATO's greatest weaknesses. It has been said it wastes up to $15 billion per year.

It is estimated that in the war games recently carried out in the NATO theater, that self-inflicted casualties today might be up to 50 percent of the total on exercises, and clearly something has to be done to clear this up.

There are a number of standardization amendments in the report. The House resisted, but the Senate overcame this. I have one to further standardization of threat.

I think this should do much to try to get some common thinking between various NATO powers as to the threats.

In all, I think it is a solid report and a victory for the Senate. I hope my colleagues will support it.

I will have, possibly, a few words to say later on the subject of the B–1, if that issue is raised.

I feel strongly that we made the correct decision in going ahead with the B–1, and that has been sustained, of course.

Mr. McINTYRE. Mr. President, I ask unanimous consent that members of the Armed Services Committee staff, Clark McFadden and Frank Sullivan, be granted privilege of the floor during the remainder of the debate, and the debate that may ensue on General Brown's nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that William Lind of my staff be granted the privilege of the floor during the debate and voting on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. I yield back the remainder of my time.

Mr. STENNIS addressed the Chair.

Mr. THURMOND. Mr. President, I now yield the remaining 2 minutes—after the Senator from Ohio completes his 5 minutes—to the distinguished Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, I will be very brief. I think that the chairman is to be commended and the ranking minority member of the committee is to be commended for the way in which they insisted on the conferees——

Mr. STENNIS. Mr. President, may we have some kind of order so we can hear half of what is going on, anyway?

Mr. TOWER. Where it was insisted the conferees on the Senate side stick to the Senate position and represent it as vigorously as possible.

I think that we now have come out with a bill everybody should be satisfied with. Everybody had his day in court on what were very serious differences between the Senate and the House, and, finally, it was resolved in a statesmanlike way.

I think it is a credit to the leadership. I think this conference report should be adopted without any problem at all.

I am hopeful Members of the Senate will support the conference report.

I want to associate myself with the remarks of my friend from Ohio on the Navy shipbuilding position.

One thing disturbs me, the discovery that in here, the greatest industrial power in the world, our industrial base may be inadequate, particularly for ships, perhaps tanks, or some other forms of munitions required to maintain a strong defense policy.

Mr. President, I urge the Senate to adopt the conference report.

Mr. STENNIS. Mr. President, I yield myself half a minute.

I want to thank the Senator from Texas for his remarks. I want to add to it that all members of our committee greatly contributed to this bill and, without their active cooperation, I never would have gotten anywhere. The Senator from South Carolina feels the same way, I am sure.

Mr. President, I reserve the remainder of my time.

Several Senators addressed the Chair.

Mr. CULVER. Mr. President, I regret that I must oppose this conference report, for I recognize the many days of work which went into it and the sincere effort made by my colleagues to bring about a fair reconciliation of sharp differences between Senate and House.

But since I was named a conferee by the Senate solely to represent our position on the B–1 bomber program, and since that position was ultimately rejected in conference, I did not sign and I cannot support this report.

Mr. President, I wish to commend the other Senate conferees for many aspects of this report. They achieved a much more balanced and affordable shipbuilding program as a result of the efforts of Senator TAFT. Many of the Senate's efficiencies in manpower costs were sustained, significantly because of the efforts of Senator NUNN and others. The prospects for weapons standardization in NATO have been significantly enhanced.

Mr. President, let me also say the Senate conferees presented a united stance on the B–1 issue, notwithstanding personal views to the contrary.

The statement of managers presents a fair summary of the situation:

> The Senate conferees stated clearly that the purpose of their amendment was to give the incoming President an opportunity to review and pass on the production decision of the B–1 bomber before production funds are obligated. The House conferees are adamant in their position that the obligation of the B–1 production funds authorized in this bill should not be delayed. The Senate conferees pressed their position with unusual vigor. However, the House conferees were adamant. The Senate, therefore, reluctantly recedes.

Mr. President, I might also mention that our side even offered a substantial compromise intended to be responsive to the principal House objections, but it was rapidly and totally rejected. There was no willingness on the part of the other side to try to acheive a reconciliation of views on this issue—despite the solid Senate position and the near majority in the House for a similar provision.

And the end result, Mr. President, was that the Senate conferees did recede from our approved position on one of the most costly and controversial items in the bill.

I shall not repeat in detail the arguments for the Senate position—for a deferral in the production decision on the B–1 bomber—for they have been spelled out in earlier debate.

The simple facts are these: Rather than killing this dubious project, the Senate amendment took the very reasonable position that the final production decision should not be made until planned testing has been completed and the elected President can assess the relation of the B–1 to his own view of national priorities and world conditions next January.

Such a deferral in the contract award, now planned for next December 1, would remove the B–1 from election year politics, permit about 20 percent additional flight test hours, and avoid the premature obligation of $860 million in case the next President cancels or restructures the program.

The question of test results is particularly significant since we now have conducted less than three-fourths of the planned hours of flight tests and already have encountered problems which require modifications. Moreover, routine test flights at the critical 200-foot penetration altitude, where maximum loads and buffeting occur, will not begin until November of this year. Surely we would have greater confidence in any production decision if we had additional test data on this aspect of performance.

Mr. President, the Air Force has produced some papers supposedly setting forth the impact of this amendment on the B–1 program, but they have never been able to back up their claims with detailed data. It is noteworthy that the House conferees also placed little faith in these figures and did not try to argue from them.

The unchallenged platform of one of our major political parties has explicitly called for a deferral in the production decision until next February. That party's likely candidate only a few weeks ago repeated his view that the B–1 bomber is a wasteful program which should not be funded. If he is elected, this program will probably be terminated.

Unfortunately, the rejection of the Senate's B–1 position in this conference report means that the American people will have to waste over half a billion dollars extra on the B–1 until a decent burial can be arranged. This figure is based on the Air Force's own estimates of expenditures and liabilities under the present plan of signing the contract on December 1.

In other words, Mr. President, our haste on the B–1 will likely waste enough money to buy 3 dozen F–15s or 1,000 new main battle tanks.

One of the hitherto unexamined questions is whether we can truly afford the B–1 without sacrificing some other military requirements—not to mention the impact on domestic programs and on U.S. taxpayers.

Opponents of the B–1 include former high ranking officers and civilian officials who recognize that the billions of dollars required to build and operate the B–1 are not warranted by any contribution that plane might make to national security, however marginal.

Consider these facts: This year's budget for new aircraft procurement for the Air Force was $3.8 billion, for 239 planes. Only three of those planes were B–1's, but they consumed over one-fourth of that entire budget. In the next few years, the B-1 procurement is slated to jump to $1.5 billion, $2.3 billion, $2.7 billion, $2.9 billion, and so forth in the out years.

Unless the Air Force takes money from the Army or Navy, the B-1 program may prevent that service from acquiring the 200 or so planes it needs every year to preserve needed numbers and quality of aircraft. Or we will cut back again on combat readiness, which is already at a deplorable standard in terms of aircraft readiness, not only in the Air Force but in the Navy as well.

In his confirmation hearing this week, Gen. George Brown gave indications that he is aware of this budget crunch caused by the B-1 and that the pace of the program, if it is continued, will be reviewed on a year-to-year basis. If this is the case, Mr. President, then all of the crying and moaning about the impact of a deferral would be misdirected, since the Air Force itself may have to slip the schedule and substantially increase the total program cost.

Mr. President, the case against the B-1 bomber ultimately rests on the issues of need and priorities, need and priorities in our defense budget to maintain a strong America, and the need and priorities in our domestic budget to also maintain a strong America.

Do we need a manned, penetrating bomber when we have B-52's good for two more decades and when we can have fully effective ballistic and cruise missiles?

Do we want $90 million B-1's —each at the cost of the Rayburn Building—when we have nuclear sufficiency but an uncertain balance in conventional forces and deterrent credibility in that area?

Can we afford the B-1 and still fulfill our other defense requirements?

Can we afford the B-1 and still act to solve those domestic problems which undermine our overall national strength and will?

Mr. President, I shall continue to press the fight for a deferral in the production decision on the B-1. Such action would serve the best interests of the Defense Department and of our Nation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial which appeared in the Des Moines Register of June 30, 1976.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PUSHING THE B1

Antiaircraft rockets make costly big bombing planes vulnerable. Long-distance offensive rockets make them unnecessary. Yet a U.S. Air Force still run by flyers wants a huge new costly bombing plane—244 of them. The B1 bomber is the latest gleam in the flyers' eyes.

The proposed B1, said Clark Clifford, former defense secretary, is "the most inexcusably wasteful program our government is now contemplating." But President Ford wants the B1, and so does his defense secretary, Donald Rumsfeld. The Air Force has always wanted such a plane. Congress is not sure.

The annual battle in Congress over the B1 (which has been under development for years) reached a halfway point last week when the House-Senate conference committee recommended a military procurement bill for fiscal 1977 "authorizing to be appropriated" nearly $1 billion to build three B1s.

Senator John Culver (Dem., Ia.) had led the fight in the Senate in May to delay a decision on going from development to production of B1 bombers until after Feb. 1. This date would give time to digest the final Defense Department tests of the existing prototype B1s in November and for the presidential election and inauguration.

Senator Culver said after the conference committee decision that he would continue to oppose "this wasteful and unnecessary program."

Authorization is only preliminary. The appropriation bill providing the actual money passed the House June 17 with only a narrow margin (207–186) against delaying the decision on the B1. The bill is scheduled to reach the Senate floor July 28.

Jimmy Carter, probable Democratic nominee for president, opposes the B1 bomber. He told the Democratic platform committee so in June, and the draft platform calls for delaying the decision on B1 production until Feb. 1.

There is still a chance to save taxpayers $1 billion in fiscal 1977 and $22 billion altogether by delaying or halting production of the B1.

Mr. CULVER. Mr. President, I reserve the remainder of my time.

Mr. STENNIS. Mr. President, I yield myself a half-minute.

How much time does the Senator from Iowa have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 4 minutes remaining.

Mr. STENNIS. Mr. President, I yield 2 minutes to the Senator from Vermont. Will the Senator from Iowa yield him 1 minute?

Mr. CULVER. We have a problem on the time with regard to a colloquy on NATO standardization.

Mr. STENNIS. All right.

Mr. President, under the agreement, I did not get quite as much time as I asked for. May the Senator proceed for 2 minutes?

Mr. LEAHY. May I ask unanimous consent that the time be extended by an extra 3 minutes to give me 5 minutes?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I am not expressing concern with the military procurement bill as it passed the Senate earlier this year. I think the Senate made a realistic effort on the bill, and I think that the distinguished chairman of the Armed Services Committee did yeoman service this year in his efforts to bring about some realistic compromises, especially in the area of shipbuilding. But I am concerned with the bill as it came back from conference.

During the debate on the military procurement bill last year, I suggested that instead of going through all our hearings, our markup and our floor consideration of the bill, we could have saved a great deal of time and effort by simply allowing the Pentagon to take a couple of tanks and trucks and drive over to the Treasury Building, pull up to the doors, load up whatever amount of money they want, take it back across the river and spend it any way they like.

After looking at the results of this year's conference report, I am compelled to make the same suggestion. Although the conferees, seemingly in the spirit of compromise, have, as usual, split the difference between the Senate and the House versions of the bill, the major items requested by the Department of Defense, and rejected or restricted by the Senate, have remained in the bill, untouched by any restrictions.

The items that especially concern me this year are the B-1 bomber, another Nimitz-class aircraft carrier, AWACS, and, on a more personal level, airlift programs.

While the conferees split the difference on the total bill, they left intact these major programs that will lead to the spending of massive amounts of taxpayers' money in future years.

The Senate added restrictive language on the B-1. The Culver amendment wisely delayed until February 1, 1977, the production decision on the new weapon system that will cost us about $100 billion in the next 30 years. By that time, the testing of that new bomber will have been completed and the super-charged atmosphere of election year politics and pressures will be behind us.

The House added language that would prohibit expenditure on AWACS aircraft until a favorable decision to buy is made by our NATO allies, the chief beneficiaries of the added capabilities provided by this new aircraft.

Not surprisingly, the Senate receded on the B-1 amendment, and the House receded on the AWACS amendment. The Pentagon received what it wanted, even though the taxpayers did not.

Another item that was included by the conferees was long-lead funding for another Nimitz-class aircraft carrier which was not funded in the Senate bill. Spending $350 million this year will pretty much obligate the future expenditure of more than $1.5 billion more for this ship alone, billions more for the aircraft for that carrier over the 30 years it will be in active use, and additional billions for escort ships whose primary functions will be to protect the carrier.

This money was added by the House even though the request was not contained in the original budget request of the administration. Therefore, neither the House nor the Senate had the benefit of extensive hearings and study of the merits of procuring yet another supercarrier. But we will spend the money anyhow, and at the same time obligate the spending of billions more in years to come.

As a result of my lengthy study of strategic mobility requirements and airlift programs, the Senate Armed Services Committee determined that two proposed airlift programs had not been adequately justified. Therefore, the committee rejected all funding for modifications of the Civil Reserve Air Fleet and all but $10 million requested for the advanced medium STOL transport aircraft. These cuts were intended to send a strong signal to the Department of Defense that the Congress is not satisfied with the proposed mobility programs. But now, the Department of Defense has the go-ahead on these new programs.

Although the Armed Services Committee has required a comprehensive study of strategic mobility requirements and programs in addition to the cut in funding for programs that are being pushed prematurely, the Pentagon will now justifiably conclude that Congress is not serious in pursuing this issue.

Mr. President, I am disappointed by the report of the conference committee. But I wish to emphasize again my high regard for the Committee on Armed Services. The work of the distinguished chairman, Mr. STENNIS, is to be commended.

I understand the difficulties that faced members of the conference committee, and I understand that it was a particularly arduous task this year. I realize that compromises must be made. Therefore, I will vote to approve this report, although I will continue to support efforts to eliminate or restrict spending on those major programs I have discussed.

The PRESIDING OFFICER. The time of the Senator has expired.

RECESS UNTIL 12:20 P.M.

The PRESIDING OFFICER. Under the previous order the Senate will now stand in recess until the hour of 12:20. The remainder of the Senator's time will be reserved.

There being no objection, the Senate, at 12 noon, recessed until 12:20 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RANDOLPH).

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS, 1977—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977.

Mr. McINTYRE. Mr. President, I would like to report to the Senate about some of the highlights of the Research and Development section of the conference report on the Military Procurement bill.

There were 164 differences between the House and Senate bills for R.D.T. & E. The conferees resolved about 53 of these differences through compromise. The Senate receded on about 49 and the House receded on about 62.

The result of these agreements is a total $10.5 billion for R.D.T. & E. in the bill. This is $582.1 million less than the $11.1 billion requested but about a billion more than last year's $9.5 billion and $117 million more than this year's House bill. In other words, the conference agreed on a total amount for R. & D. which is essentially the same as the Senate approved in its bill.

I feel we were able to preserve the essentials of several programs of special interest to the Senate.

For example, the legislative effect of the conference compromise on the Navy Sea Launched Cruise Missile—SLCM—program is essentially the same as the Senate bill. Both Houses had cut about the same amount—over $60 million, but the Senate had denied the authority to continue certain specific activities in the program by directing in a detailed table where the cuts should be made. The House cuts were undirected.

The conferees agreed on the Senate approach which will require DOD to adopt a more militarily sound direction in the program.

We were also able to preserve the essentials of the Senate position on Seafarer. Although the House insisted that we restore the authority for full scale development, we insisted that the use of that money must be contingent upon: First, completion of studies of the environmental and biological impact of the Seafarer system and the conclusion that the system poses no unacceptable environmental or biological hazards; second, selection by the Navy of a candidate site; and third, a firm plan including a schedule to begin installation of the system of the selected site.

I feel this is a substantial victory for our position because the House in its report this year, in effect argued that the environmental issues were already settled, and they were very insistent upon their position that Seafarer should proceed immediately and without restrictions. But with the conference position, I think we can confidently expect the kind of rationality on this system which Senator NELSON, the Senate Armed Services Committee and other Members of this body have been trying to achieve.

We were also to preserve, perhaps even strengthen our position on M–X missile development in the conference.

We agreed to $69 million for the program, roughly splitting the difference between the House $80 million and the Senate $51.6 million level. This implicitly supports, we feel, the Senate's conclusions that the program should not move to full-scale development until major contradictions about mission and doctrine are resolved. Since the President's Minuteman III amendment necessarily implies a higher confidence in the continued survivability of our current site based ICBM's, there is certainly ample time for the careful evaluation of mobile basing of M–X.

The House also agreed to direct a major review of the future of the ICBM and to require that the study's conclusions reflect Presidential policy.

The conferees also required that Air Force give up the silo based option for the M–X since this would not counter the Soviet threat to the survivability of our ICBM's. Since the Air Force flaunted our report language to this effect last year, we spelled this directive out in detail and with emphasis. And I assure you we will be watching this and the SLCM program to insure strict compliance.

I regret to report that the House conferees were adamant about the Senate restrictions on certain R. & D. programs on lethal binary—chemical warfare—weapons. The Senate conferees had no recourse but to recede. But we were able to extract one concession. DOD is directed to review its entire chemical warfare policies and in particular to face up to some hard questions about how we can best defend our troops against the Soviet capability in CW.

Let me note more briefly a few other highlights of the conference:

Army Advanced Scout Helicopter—The House had denied the full $26 million requested. The Senate had restored $2 million for program continuity and increased the advanced attack helicopter program by $18.7 million to develop the Pilot Night Vision System and the Target Acquisition and Designation System which are common to both helicopters. The House conferees receded.

Navy F–14B Engine—The House bill increased the requested $1 million to $15 million to continue development of this engine to improved performance of the F–14 aircraft. The Senate had approved only the $1 million requested. The Senate receded and the conferees agreed that the $15 million provided will be used for competitive development, including hardware demonstration, with selection of the winner and initiation of full-scale development by the end of fiscal year 1977.

Navy Trident missile program—The House approved the $522.5 million requested. The Senate deleted $3.0 million as being premature for the Trident II missile. The conferees agreed upon $519.5 million and also transferred $49 million from the missile procurement account to the R. & D. account to work on a backup propellant and other development problems, as requested by the Secretary of Defense, because of recent difficulties experienced in the program.

Air Force F–15—The House reduced the request of $51.0 million by $45.0 million because of inadequate justification. The Senate authorized the full amount. The conferees agreed to provide $35.0 million and required the Air Force to present a plan for completion of research and development.

Air Force advanced medium STOL transport—The House approved the $29.3 million requested. The Senate approved $19.3 million denying funds requested for the transition period preceding full-scale engineering development. The Senate conferees receded with the understanding that the $10.0 million will be used for plans and studies needed for consideration of full-scale engineering development, and to include the improved C–130 aircraft as a competitor.

I think this is a good conference bill which generally reflects the two Houses' capacity for compromise and reasonableness even when the issues are difficult and disagreements run deep.

I want to commend Senator STENNIS, whose patience, civility, and wisdom were a constant source of strength through the conference. The Senate has had, in my experience, no abler or more tenacious advocate of its positions in conference, than the distinguished chairman of the Senate Armed Services Committee. Even when he may have initially disagreed with a position which the Senate nevertheless voted into its bill, he had been a resolute lawyer for our case in conference.

His leadership, along with that of

Chairman PRICE, has produced a conference report which I certainly recommend to the Senate and for which I ask your support.

Mr. MUSKIE. I yield myself 5 minutes.

Mr. President, I want to address the military procurement authorization conference report and express my views on how it relates to the national defense targets Congress established in the first budget resolution for fiscal year 1977. Further; I want the Senate to know what must be done if the Congress is to stay within the defense targets established only last month when the budget resolution was adopted.

The military procurement conference agreement authorizes $32.5 billion in budget authority for fiscal year 1977 which, if fully funded, would result in $24.6 billion in outlays. This amount for budget authority is a $0.7 billion increase to the Senate-passed military procurement authorization bill total of $31.8 billion. The outlay amount is estimated at $0.2 billion below the Senate-passed total of $24.8 billion. This is basically due to the different composition of weapons systems in the conference agreement than was in the Senate bill and a somewhat slower spendout rate associated with the procurement of these items. The conference agreement represents a decrease in the House military procurement authorization bill totals of $0.8 billion in budget authority and $0.1 billion in outlays.

I believe Congress can accept the levels represented in the conference report, particularly in view of the emerging action on the defense appropriation bill which funds these military procurement authorizations. The House has passed its defense appropriation bill which, when conformed to the levels in this authorization bill, provides $32.1 billion in budget authority for military procurement programs. Although the Senate Committee on Appropriations has not reported a defense appropriation bill, its Subcommittee on Defense has reported an appropriation amount to the full committee that is below the House-passed bill.

When the defense appropriation actions are considered in context with the other appropriation measures associated with the national defense function, such as military construction, military assistance, ERDA-Defense related activities, and miscellaneous items, it appears that Congress is currently within the first budget resolution targets. Preliminary cost estimates for the national defense function developed by the Senate Budget Committee staff indicate that we are currently at $112 billion in budget authority and $100.3 billion in outlays for the national defense function as a whole. This is $500 million below the first budget resolution targets of $112.5 billion in budget authority and $100.8 billion in outlays.

Let me be quick to point out, however, that these levels I have just cited assume that significant legislative and administrative savings in defense programs will be achieved. The first budget resolution targets for fiscal year 1977 assume implementation either of the administrative and legislative economies of $5.4 billion in budget authority and $4.5 billion in outlays which were proposed by the administration or of other actions that would achieve comparable savings. Savings of this magnitude are also assumed in the "current status levels" I have just cited. If the Congress fails to enact these proposed economies, offsets elsewhere within the national defense function will be required if we are to stay within the budget resolution targets. Similarly, if the President requests and Congress approves any future budget amendments or supplementals, tradeoffs between high priority and low priority areas will be required to remain within the resolution targets.

The PRESIDING OFFICER (Mr. CHILES). The Senator's 5 minutes have expired.

Mr. MUSKIE. I yield myself 2 additional minutes of my time. I believe I have 15 minutes allotted to me.

Let me identify the major items included in the administration's economies package which impact the National Defense function. They are: the pay cap on civilian and military pay, stockpile sales, elimination of the 1 percent kicker for military and CIA retired pay, elimination of dual compensation for Federal workers on reserve duty, phase-out of commissary subsidies, reallocation of compensation increases and a revised wage board pay policy. The Senate Committee on Armed Services recommended favorable action on all but one major legislative proposal within its jurisdiction. That proposal is for stockpile sales which could save the government over $0.7 billion during fiscal year 1977. The House Military Procurement Authorization bill did not include favorable action on any of these major legislative proposals.

I received a letter from the chairman of the subcommittee, my good friend from Nevada (Mr. CANNON) indicating that hearings would be held on that proposal.

The conferees on this bill have included two of these proposed savings. They are the 1 percent kicker provision—with the stipulation that it be eliminated only if the same action is taken for all Federal retiree programs—and the reallocation of compensation increases. Elimination of the 1 percent kicker for Civil Service retirees is under the jurisdiction of the Post Office and Civil Service Committee. The conferees on this bill and the conferees on the State-USIA authorization bill are taking favorable action on the military, CIA, and foreign service retirement plans. I think it is most appropriate to now do the same with the Civil Service retirement program and urge my distinguished friend from Wyoming (Mr. MCGEE), to press on in this endeavor.

Two of the other major savings that impact defense spending also come under the jurisdiction of the Post Office and Civil Service Committee. The elimination of dual compensation for Federal workers on reserve duty and a revised wage board pay policy including a wage board pay cap. In its March 15 letter to the Budget Committee in connection with the first budget resolution, the Post Office and Civil Service Committee gave very little hope for favorable action by the committee or the Congress regarding these two items. I think we all realize that these are politically sensitive issues. However, the combination of these two items sums to $0.3 billion savings in fiscal year 1977 and a projected savings of $1.2 billion in fiscal year 1980. If we cannot achieve these savings, my earlier current estimate of $112.0 billion for budget authority and $100.3 billion for outlays for the national defense function would rise to $112.3 billion and $100.6 billion respectively.

The conferees agreed that some provision for the phaseout of the commissary subsidy would be desirable. However, action on this item rests with the Committee on Appropriations. The House-passed defense appropriation bill did not eliminate the commissary subsidy and added $0.1 billion to the President's request as a result. We will not know the Senate position until late July when the Senate defense appropriation bill is reported. The savings amount to $0.1 billion in fiscal year 1977 and over $0.3 billion in fiscal year 1980. I urge my colleagues on the Appropriations Committee to give favorable consideration to this savings possibility.

Failure to achieve the President's proposed pay gap would not only increase the national defense functional targets, but also the allowances function of the budget which includes the pay raise funds for civilian agencies. The savings in the national defense function alone amount to $0.5 billion. If Congress does not agree with the President's proposal regarding the pay raises due in October, it will be yet another item forcing our defense estimates upward over the congressional targets.

Finally, let us look at the sale of material from the critical and strategic stockpile. Savings of over $0.7 billion may result from receipts from sales if legislative authorization for the sales is approved. This is a very critical savings item. My distinguished colleague from Oklahoma (Mr. BELLMON) and I have written to our good friend from Nevada (Mr. CANNON) about hearings that he will hold regarding the proposed sales. I cannot overemphasize the need to conduct the hearings as soon as possible. If for some reason these savings are not realized, the $0.7 billion must be added to the national defense targets.

As I have mentioned our current estimate for the national defense function resulting from authorization and appropriation actions is $112 billion in budget authority and $100.3 billion in outlays. The effect of not achieving the various savings possibilities I have discussed would be to increase the current estimate to $113.8 billion in budget authority and $102.1 billion in outlays—well over the national defense targets in the first budget resolution. Is this what the Congress had in mind when it set the budget resolution targets for defense in May? I think not. But if the economies do not get implemented, then we must face this dilemma. Further, we must remember that supplementals will probably be submitted later in the year. These will create additional pressures. I believe we must understand now that without these savings, the Congress and the Executive should be prepared to determine the high and low priority areas within the national defense function so that we can see the tradeoffs involved.

Mr. President, in concluding my remarks, I extend my sincerest appreciation to the distinguished chairman of the Senate Committee on Armed Services (Mr. STENNIS). His task in arriving at a conference agreement with the House was a very difficult one. The Senate bill which we passed was a good bill. I thought the House position was unreasonable. I am aware of the pressure exerted by the House on Senator STENNIS to raise the Senate amounts to the House level amid their insistence that it could be done and still stay within the budget resolution targets. There are many things in the conference agreement with which I personally disagree. I do not need to address them here. I do want to state that Senator STENNIS refuted the House attempts and remained with a position that Congress had mandated targets in the budget resolution, and that he intended to stick by these targets. He is aware of the difficulties confronting us regarding the proposed economies and the resulting effects on the budget if the Congress fails to enact them. I will continue to seek his support in achieving the economies. I have spoken to Senator STENNIS several times regarding the national defense budget targets. I appreciate his dedication to the success of the congressional budget process and his continued support.

I think that the distinguished Senator from Mississippi would like some of my time and I think also the Senator from Oklahoma would.

Mr. STENNIS. If the Senator will yield to me just 1 minute. I want to thank the Senator very much for the fine attention he and his associates have given to this bill and the problems inherent in it.

Too, we certainly can doubly assure him that we tried to stay within bounds. We consider it a duty, the primary duty, to have sufficient weaponry, but we certainly will work with the Committee on the Budget. I am going to pay close attention to what the Senator said in the RECORD and it is well that he said it now for future reference.

Mr. MUSKIE. Does the Senator want some more time?

Mr. STENNIS. I would appreciate it. I got caught short just a little. But I suggest that the Senator yield to the Senator from Oklahoma first.

Mr. BELLMON. Will the Senator yield for 3 minutes?

Mr. MUSKIE. Yes; I yield 3 minutes.

Mr. BELLMON. Mr. President, I want to say a few words with respect to the Military Procurement Authorization Conference Report, and its relationship to the national defense function target in the first concurrent resolution.

The conferees agreed to a budget authority figure of $32.5 billion and to outlays of $24.6 billion. In conjunction with the other components of the National defense function and the ongoing appropriations process, these figures will not breach the target the Congress included in the budget resolution. With this in mind, Mr. President, I intend to support the conference report.

I feel obliged, Mr. President, to point out to my fellow Senators that this optimistic analysis assumes achievement of the President's proposed economies. As you know that Senate-passed authorization bill included most of those economies that were within the Armed Services Committee's jurisdiction. The House version contained only one minor economy. It is a tribute to our distinguished colleague (Senator STENNIS) the Chairman of the Committee on Armed Services, and his fellow conferees that the conference report before us today contains the majority of the economies from the Senate version.

I congratulate Senator STENNIS for his success in that regard.

Unfortunately, however, the final disposition of economies totaling about $1.7 billion has not yet been determined. These include large items such as the stockpile sales and the pay cap. Mr. President, I know these are politically difficult issues for my colleagues—they are difficult for me, also. Nevertheless, the current estimated cushion in the 050 function, including this conference report, is only about $0.6 billion. Thus, if we do not achieve at least two-thirds of the remaining economies, we will be forced into the position of having to reduce lower priority Defense items to stay within the target.

Mr. President, I urge my colleagues to support this conference report. From the Budget Committee viewpoint, I would have preferred an agreement closer to the Senate-passed version, which was a good bill. Nevertheless, I understand how difficult this conference was and I think we owe Senator STENNIS and his colleagues a debt of gratitude for their firmness and diligent effort. I urge acceptance of the conference report.

Mr. STENNIS. I thank the Senator. The conferees took an active part in the conference.

Mr. President, I yield to the chairman of the Tactical Air Subcommittee (Mr. CANNON) for a statement.

THE B-1 BOMBER

Mr. CANNON. Mr. President, the time has come to move out on the B-1 bomber program.

We have reached the position where our one remaining area of strategic superiority over the Soviet Union is with our manned bombers. The other two legs of our strategic triad are now inferior, or shorter, than their counterparts in the Soviet Union strategic triad. Our B-52's are the vehicles that carry over half of our megatonnage. These venerable aircraft are over 15 years old, they are big, slow, patched up and modified, and are performing a low-level mission profile for which they were not designed. In my personal opinion, there is no question that the B-52 is obsolete as a modern strategic bomber and must be replaced on an urgent basis if we are to retain a creditable strategic bomber threat. The B-1 is the aircraft for just that role.

Much ado is made of the fact that the B-52's life can be made to last until 1990. This is no more pertinent in my mind than the fact that the DC-3's still are serving in a few of the world airlines. The DC-3 was a great airplane for its time but we have moved far beyond it technically and it no longer is a cost-effective transport airplane. The same analogy holds true for the B-52 and it is high time that we got that B-1 production line rolling.

The opponents of the B-1 program are trying to delay it based on the subterfuge that there has been inadequate testing to make a production decision. This is nonsense. There is enough flight testing completed right now, today, on the B-1 to know how far it will fly, how fast it will go, that it can do the low altitude penetration profile, that it will get to its targets and knock them out when it is built and put in the inventory. The rest of the flight test program is to generate the kind of engineering data that is necessary to produce any good and reliable new weapons system but it has absolutely nothing to do with the decision on whether or not to go ahead with the program. I fully supported the B-1 program and schedule in the Armed Services Committee this year and on the floor, and while I did my best to uphold the Senate position in the conference with the House, now that we have receded, I urge my colleagues to vote for the conference report and to support a go-ahead on the B-1 bomber program.

We had to make some compromise. Some were more than I like, but I think, on balance, we did the best, that we could in a difficult situation to get a bill that was responsible and would properly care for our defense needs.

Mr. STENNIS. I thank the Senator for his comments.

We have the Senator from New Hampshire, Mr. President, who is chairman of our Research and Development Subcommittee, which handled over $9 billion in money. I hope he has something to say.

Mr. McINTYRE. I thank my chairman. But in the constraint of time, as we hope for a recess to come, I have already submitted my statement for the record.

Let me take this opportunity to state again what I have said before, the total appreciation that the members of the Committee on Armed Services have for our able chairman who usually presides in the conference. This year, he was the vice chairman of the conference, but along with MELVIN PRICE, the Congressman from Illinois who is his counterpart in the House and was chairman of the conference, I thought both displayed excellent equilibrium under the stress and strife of the conference. I want to pay him my deep respect.

I know, too, we want to say to the Senator from Iowa, who uphold the position of the Senate on the extension of 62 days on the B-1 bomber, no man could have been more eloquent or persuasive than our distinguished friend was.

I thank the chairman.

Mr. STENNIS. We have the Senator from Georgia, who is chairman of our Manpower and Personnel Subcommittee. I yield him 3 minutes. I wish I had more.

Mr. NUNN. Mr. President, I shall take just 1 minute. Then I would like to have a couple of minutes for a dialog with

Senator **CULVER** on NATO standardization.

Mr. President, I rise in support of the conference report on H.R. 12438, the fiscal year 1977 military authorization bill. After a long and difficult conference, the conferees have reported what I believe to be a strong authorization bill which is fair to both the Senate and House positions on a broad range of conference items. This afternoon I would like to discuss the manpower, pay and compensation, and NATO portions of this conference report.

MANPOWER STRENGTHS

First of all, in the area of active duty manpower strengths the House had added 904 manpower spaces to the President's request for fiscal year 1977 and the Senate had reduced the budget requests by 19,296. The conferees agreed to an active duty manpower strength level of 2,092,600, a reduction of 8,400 from the President's request.

For reserve forces manpower, the House added 50,000 to the President's request for reserve forces. The State added 36,700 to the requested level. The conferees agreed to add 41,200 to the President's request for reserve personnel, which is a position somewhat closer to the Senate position. On the Naval Reserve the conferees agreed to a level of 96,500, a reduction of 5,500 from the House position and an increase of 4,500 from the Senate position.

On civilian personnel, the conferees also agreed to a level of 1,031,000 which was more than halfway toward the Senate position. The House had added 5,181 to the President's request for civilian personnel while the Senate had reduced the President's requested level by 7,919. The conferees agreed to a net reduction of 4,800 civilians from the President's request.

Mr. President, on balance the conferees agreed to manpower strengths which came more than halfway to the overall Senate position on active duty, reserve and civilian forces. This reduction of active duty and civilian strengths and increase in reserve strengths will save $9 million in fiscal year 1977. The reduction in active duty and civilian personnel alone will save about $200 million annually when fully implemented.

The House conferees agreed that reductions in the active duty and civilian strength requests should be taken in the areas recommended in the Senate committee report on the bill.

MANPOWER COSTS RESTRAINTS

The Senate bill included several important provisions to restrain the growth of defense manpower costs. The House bill included none of these provisions. The Senate conferees encouraged the inclusion of these provisions. The House conferees agreed that it is necessary to restrain the growth of manpower costs and agreed to most of the Senate provisions.

The Senate bill included a provision to limit the reimbursement for unused leave to 60 days over a military member's career. It also included a provision to prohibit the paying of quarters and subsistence allowances in the payment for unused leave. This action will save some $90 million in fiscal year 1977 and $840 million over 5 years. The House had passed similar legislation in 1975, without the prohibition on the payment of quarters and subsistence allowances. The House receded on this item.

The Senate bill included a provision to authorize the allocation of more of the annual military pay raise into the quarters allowance. The House agreed to this provision but with an additonal provision authorizing a partial payment of quarters allowance to military personnel without dependents living on base. The Senate agreed to this amendment. This action will save some $52 million in fiscal year 1977 and $980 million over 5 years if fully implemented.

The Senate bill also included a provision which would eliminate the 1 percent "kicker" on pay raises for military retirees contingent on the enactment of similar legislation for Federal civilian retirees. This provision alone would save $75 million in military retired pay in fiscal year 1977, with a 5-year cumulative savings of approximately $1.6 billion. The House supported this provision and agreed to the Senate provision with minor modifications to permit adjustment of the computation of military retired pay raises to be consistent with those of civilians.

On the matter of commissary subsidies, both the House and Senate bills contained provisions relating to the President's proposal to phase out commissary subsidies. The House provision stated the sense of the Congress that the current system of appropriated subsidies for commissary operations should be maintained. The Senate provision authorized the phaseout of the appropriated subsidies over a 3-year period. The conferees discussed this matter at great length and agreed that significant economies can be effected by improvements in commissary operations. The Senate and the House both dropped their respective provisions from the bill and directed the Secretary of Defense to institute management improvements and operational efficiencies in order to reduce the need for present operating subsidies for the commissaries. The Secretary is directed to report to the committees by February 1, 1977 on the progress of such efforts. The conferees also noted that phaseout of the appropriated subsidy for commissary operations does not require authorizing legislation. Commissary operations are again being reviewed in the appropriations process.

Mr. President, the legislative initiatives in the conference bill should save approximately $200 million in fiscal year 1977. These savings will rise to almost $1 billion annually by fiscal year 1980. This is a five-year cumulative savings of about $3.4 billion.

NATO PROVISIONS

The bill as passed by the Senate contained three provisions relating to NATO. After extensive deliberations two of the provisions were accepted by the House with certain amendments.

The first provision accepted by the House was the Culver-Nunn amendment which states it to be the policy of the United States to increase standardization and interoperability of equipment among the NATO allies. To achieve this policy, the Secretary of Defense is given explicit authority to waive the provisions of the "Buy American Act" for the purpose of NATO standardization. This is not a policy change—the Secretary already has this authority. However, this provision is a signal to our NATO allies of our serious intent towards standardization. I would like to emphasize this point. The "Buy American Act" has had profound psychological impact on our NATO allies. They assert that standardization is a two-way street—the Americans must purchase equipment produced in their countries if standardization is to be achieved. But they continually point to the "Buy American Act" as a hindrance to the achievement of this goal. The enactment of this waiver provision into law is intended to be a major step toward improving U.S.-European cooperation to achieve NATO standardization.

The House conferees were concerned that standardization should not become a means of bypassing prudent consideration of costs and other factors in the procurement process. A House amendment was accepted that would require the Secretary of Defense to take into consideration the cost, function, quality and availability of equipment to be procured while carrying out the policy of standardization.

The House also receded on the so-called Taft-Nunn-Culver amendment which expresses the sense of Congress relating to the development of common NATO requirements. The provision requires the Secretary of Defense to seek areas for cooperative arrangements for coproduction and licensing of equipment.

The third provision, on which the Senate receded, would have prohibited the U.S. Government from paying taxes to any NATO country in which U.S. military units are stationed. The House conferees were adamant in their refusal to accept this provision because the Department of Defense could not identify the amount and purposes for these payments.

This is a matter for further investigation and the conferees requested the Secretary of Defense to furnish a report to the Senate and House Committees on Armed Services on the amount and purposes of taxes paid to European countries as a result of stationing U.S. Forces in those countries. I expect that this report will be completed by February 1, 1977.

Mr. President, there were 13 other provisions which dealt with manpower in the conference. In the conference, the House receded on six of these items, the Senate receded on four and a compromise was reached on three.

TRAINING PROVISIONS

Eight of these 13 provisions dealt with training. Of these eight the House receded on the following five provisions:

A House provision to require prior notification of alterations in major training programs;

A Senate provision to allow the Commander of the Air Training Command to grant associate degrees to graduates of the Community College of the Air Force;

A Senate provision to encourage the continuation of Naval ROTC programs at the merchant marine academies;

A provision to extend for 1 year the financial assistance program for members of the Marine Corps platoon leader class program; and

A provision to require the Secretary of Defense to adjust the military training student loads in the bill consistent with the manpower strength authorized.

The Senate accepted on a House provision to express the sense of Congress that certain Naval Reserve training centers should not be closed until the military authorization and appropriations legislation for fiscal year 1977 is enacted.

The conferees compromised on the following provisions:

A provision to raise the statutory limit on the number of Junior ROTC units to 2,000. The limit was set at 1,600 units.

A provision to study greater use of civilian faculty at the Service academies was amended to require a study of the desirability of increased use of civilian faculty.

OTHER PROVISIONS

On the remaining provisions, the House receded on a provision to extend the current military physician's bonus pay program.

The Senate receded on a provision to eliminate the payment of administrative duty pay for reserve and national guard commanders.

The Senate receded on a provision requiring a study on industrially funded civilians.

The Senate receded on a provision requiring the Secretary of Defense to request suggestions from retiring DOD personnel to improve procurement policies. Although this provison was dropped as a matter of law, the conferees made it clear that the Secretary of Defense should take firm steps to get a meaningful retiree suggestion program underway this year and report to Congress on the results next year.

A compromise was reached on a provision to grant command status to Rear Adm. J. Edward Snyder, Jr., retired, as the Oceanographer of the Navy. Admiral Snyder's term of office will be limited to 3 years.

OVERALL BUDGET RESOLUTION

Mr. President, based on congressional action to date, the military authorization bill would result in a national defense budget category level of $112 million in budget authority and $100.2 in outlays. This is a level of $500 million below the first concurrent budget resolution in budget authority and $600 million below in outlays.

The Senate conferees went as far as they could reasonably go to reach a compromise on the military authorization bill. Indeed, this authorization bill has set the ball in motion to restrain the growth of defense manpower costs. However, further action is needed in this area to bring the legislative action thus far to full fruition.

Mr. President, I reserve the remainder of the time the Senator from Mississippi yielded to me. I should like to utilize that in a dialog with Senator CULVER on standardization.

Mr. CULVER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes.

Mr. CULVER. Mr. President, I believe that the conferees took a major step forward and sent a strong signal to our allies by adopting the Senate amendments on NATO standardization. In order to avoid any misunderstandings, I would like to ask the distinguished Senator from Georgia a few questions on this matter.

Mr. President, does the Senator agree that section 802 now makes explicit for the sake of standardization a waiver authority in the Buy America Act which has previously been implicit?

Mr. NUNN. Yes. Under existing law, the head of a department may waive the Buy America Act either when the cost of domestic goods is unreasonable or when purchase of U.S.-made items is inconsistent with the public interest. Public statements by military and civilian officials in recent years have clearly demonstrated that continuation of the present lack of standardization is inconsistent with the public interest.

I believe that the provisions adopted by Congress fully support the concept that standardization is consistent with the public interest. The lack of standardization, if we continue it, is inconsistent with the public interest.

Mr. CULVER. Mr. President, would the Senator from Georgia also be good enough to explain the purpose of the sentence that was added in the conference by the conferees to subparagraph (1)?

Mr. NUNN. Yes, I will be glad to. The conferees added the following sentence to subparagraph (1) after a sentence directing procurement procedures to achieve standardization:

> Such procedures shall also take into consideration the cost, functions, quality, and availability of the equipment to be procured.

What this means is that those various factors ought to be considered in the development of procurement procedures. In fact, I think that any wise manager would want to take such issues into account. But this list of factors is not exclusive or fully precise. For example, I believe that cost considerations would include research and development, procurement, and operating and support costs. Quality factors would include reliability, maintainability, and so forth.

In any event, these procedures are independent of the waiver authority contained in subparagraph (2), though I would expect that the Congress will want to be assured that weapons which we are asked to authorize will meet the needs of our Forces at reasonable costs.

Mr. CULVER. Did the conferees intend by that sentence to limit in any way the existing authority of the Secretary of Defense to waive the Buy American Act when it is inconsistent with the public interest?

Mr. NUNN. No. In fact, the conferees specifically rejected the addition of any qualifying language to the section allowing the Secretary of Defense to waive the Buy American Act for purposes of NATO standardization.

In other words, the final conclusions of the conferees on the conference report, and the provisions adopted, clarified that NATO standardization is in the public interest, and that if we continue not to have standardization in all NATO, it is inconsistent with the public interest and inconsistent with the best interests of the American taxpayers.

Mr. CULVER. I wonder if I might address one last question to the distinguished chairman of the Armed Services Committee.

I certainly believe there is a need to make this point absolutely clear in the legislative history on this point. In the RECORD of yesterday one of the House conferees suggested that the Secretary of Defense could not waive the Buy American Act if the cost is unreasonable. I understand the conferees fully discussed that issue and rejected that limitation. Is that the understanding of the chairman?

Mr. STENNIS. Yes, that is correct. That very issue was discussed and it was rejected.

Mr. CULVER. In other words, Mr. President, is the Senator from Georgia saying that the Congress will ultimately determine whether military equipment is to be purchased, and that we would have an opportunity to question the adequacy of the procurement procedures which may be followed?

Mr. NUNN. The Senator is eminently correct on that point. I am sure Congress will continue to carefully review the procurement of weapons, whether made here or abroad. But the purpose of these provisions and the purpose of the conference report is very clear: to clarify and, if anything, broaden the existing authority under the Buy American Act of the Secretary of Defense to move toward standardization and interoperability of weapons systems in NATO.

Mr. CULVER. Mr. President, will the Senator please describe section 802 by component?

Mr. NUNN. I would like to provide a more detailed description of the significance and meaning of this section. First, it makes it the policy of the United States that equipment procured for the use of U.S. military personnel stationed in Europe, under the terms of the NATO Treaty, should be standardized or at least interoperable with the equipment of our other Allies in NATO. That means that interoperability of equipment with our Allies is a goal and a criteria upon which equipment should be judged, much the same as the range or speed or destructive force or other criteria.

Second, this section states that the Secretary of Defense should initiate and carry out procedures that provide for the acquisition of equipment which is standardized and interoperable with the equipment of our NATO Allies. That means the Defense Department is meant to take NATO standardization seriously. Further, it means that in the day to day procurement and acquisition processes that NATO standardization should be a major consideration and not just an afterthought. It does no good to spend years designing and building equipment and then consider NATO standardization once the equipment is all complete.

Third, at the insistence of the House conferees, a section was added which requires the Secretary of Defense to take into account the costs, function, cost functions, quality and availability of equipment to be procured. This is just commonsense and we would expect the Secretary of Defense to use his good judgment on all these matters.

Finally, this section requires a report to Congress on the full details of the matter and substance of any and all agreements entered into between the United States and its NATO Allies providing for the acquisition of equipment manufactured outside the United States as a quid pro quo for the purchase of equipment in the United States by the NATO Allies. This report covers all equipment authorized in Title I of this conference report and is due within 30 days of enactment.

Perhaps the most significant section of this bill psychologically and in relation to our NATO Allies is the one relating to the so-called Buy American Act. Its purpose is to broaden and more clearly relate the "Buy American Act" to NATO. This section expressly, in law, authorizes the Secretary of Defense to waive the "Buy American Act" for purposes of carrying out the policy of NATO standardization. Although we certainly expect the Secretary of Defense to use his good judgment relating to the cost, function, quality and availability of equipment during the acquisition process, there are no strings in the authority for him to waive the "Buy American Act" in the law. That is really no different than the current provisions already in the "Buy American Act." These provisions allow the Secretary of Defense to waive the "Buy American Act" by simply finding that purchase of equipment in the United States is inconsistent with the public interest.

This new provision, in a way, says that NATO standardization is very much in the U.S. public interest. I believe it is in the public interest militarily and economically. If we do not improve standardization with our NATO Allies, it will become increasingly expensive and difficult to meet the Warsaw Pact threat, which is all standardized with Soviet equipment. If we can get this "two-way street" working between Europe and the United States, both the United States and Europe will benefit economically in terms of business and jobs, since the total market for military equipment of all the NATO Allies is much greater than the individual market any one of the NATO Allies can offer.

Finally, this section requires a report by the Secretary of Defense of the initiation of procurement of any new major systems which are not standard or interoperable with our NATO Allies.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. NUNN. I reserve the remainder of my time.

Mr. MUSKIE. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from Maine has 1 minute.

Mr. STENNIS. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from Mississippi has 3 minutes.

Mr. STENNIS. I yield my time to the Senator from Maine.

Mr. MUSKIE. I listened to this colloquy with great interest. I am interested in the particular application as well as the broad policy of procurement. I am sure from the colloquy I just heard, and I do not know what the insert for the record is, as to whether or not there are left in doubt or settled in a reasonable way from my point of view two points: The first point, the standardization policy, as I understood from an earlier colloquy on the floor, spelled out in this bill applies prospectively and not retroactively.

Mr. NUNN. In answer to the question of the Senator from Maine, the previous colloquy we had on the floor has not been changed by the conference. It is the intention that this would apply in the future. But I would also have to make it clear that nothing in the conference was done to diminish existing authority of the Secretary of Defense in the areas of standardization and the waiver of the "Buy American Act."

Mr. MUSKIE. The point I want to make about that is in this bill you undertake to be more specific about defining the standardization policy than was so under current policy. Under current policy the definition of a lot of the competing interest is left to the courts or administrative action. This legislation would undertake to clear up what the authors of this legislation considered ambiguities, and they wanted to resolve them in favor of standardization.

All I am worried about is whether there is anything in the bill or anything in the colloquy which has a retroactive impact in a case that is now in the courts where such definition of the policy is taking place under current law and not the policy stated in the bill. I do not want any retroactive implications from this bill.

Now, this may be a sound policy for the future. I have not studied it closely enough for that purpose and have remaining reservations on that point. But with current judicial proceedings underway I just want to be very certain there are no retroactive implications that could affect that proceeding or affect the definition of standardization policy in that proceeding.

Mr. NUNN. I would say in answer to the Senator's question, the Senator from Georgia understands that the law becomes effective when it is signed into law. It is prospective in nature.

Mr. MUSKIE. Mr. President, I am reassured by the remarks of my colleague from Georgia to the effect that this legislation will not affect the pending procurement of armor machineguns which has been the subject of so much controversy, the subject of protests to the General Accounting Office and civil action in the courts. The protest to the General Accounting Office is still pending but Judge Green, presiding in the U.S. District Court for the District of Columbia, this morning granted a preliminary injunction against the Department of Defense prohibiting them from taking any action to procure armor machineguns from the Belgian firm, Fabrique Nationale, until the Comptroller General rules on the allegations by Maremont Corp. and the Members of the Maine congressional delegation that the Army violated U.S. procurement laws and regulations in the competition between Maremont, the domestic manufacturers, and Fabrique Nationale, the Belgian competitor.

I have been troubled from the beginning by this procurement because of reports in the press that former Secretary of Defense Schlesinger entered into an agreement under which the United States Army would give favorable consideration to the Belgian machinegun to encourage Belgian purchase of our F-16 fighter aircraft. My concern remains despite assurances to the contrary by various Army spokesmen and I am convinced that only in the General Accounting Office review permitted by this court action will we obtain a full, fair and impartial ruling on this matter. I am particularly reassured to learn that after the General Accounting Office and the courts rule in favor of the domestic manufacturer, as I am confident they will, the Department of Defense or the Army cannot then look to this legislation and invoke a claim of standardization to waive the Buy America Act.

The General Accounting Office found in the report prepared on this procurement that purchase of the Mag 58 would not substantially contribute to standardization and in fact found that the Maremont M60-E2 would probably contribute more by dramatically improving standardization and interoperability within our own forces.

We have to remember that "standardization", although a somewhat ambiguous term, is not a carte blanche grant of discretion to the Secretary of Defense. Standardization is most meaningful when used as a cost savings to avoid duplicative research and development costs for new highly sophisticated weapons systems and offers little benefits to either the United States or our NATO allies in the areas of existing technology and existing manufacturing capacity.

I am concerned that this primary cost savings purpose be kept in mind as the Department of Defense moves to implement this policy and am pleased that the conferees added language requiring consideration of costs. I will be monitoring carefully DOD implementation of this policy from this prospective. I would be most chagrined to learn that the policy was being called on to permit foreign procurements of little or no cost savings benefit to the Department of Defense at the expense of existing domestic jobs and industries.

Mr. STENNIS. Mr. President, if I may add there, the Senator says nothing about it being retroactive, and it could not be unless it is spelled out.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. CULVER. I yield back my time.

ADDITIONAL STATEMENTS SUBMITTED

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to express his support for the military procurement conference report.

Two provisions in this measure—the Naval Reserve strength and the B-1 bomber—have been of particular interest to this Senator and I am pleased with the way these provisions have been dealt with by the conference committee.

NAVAL RESERVE STRENGTH

As my colleagues will recall, the Senate during its consideration of the military procurement bill, adopted my amendment to put the Naval Reserve strength at 92,000, which was an increase from the committee recommendation of 79,500. This amendment was adopted after my earlier amendment to retain the Naval Reserve at its existing strength of 102,000 was narrowly defeated in the Senate.

The Senator from Kansas is satisfied with the compromise reached in the conference committee to authorize a Naval Reserve strength of 96,500. In the opinion of this Senator, that strength level and possibly an even higher strength level is fully justified. That was my feeling during the Senate debate and continues to be my best judgment.

The strength authorization of 96,500 or higher is fully justified by the congressionally mandated Defense Manpower Commission and by the study conducted by the Navy in the Pentagon. Hopefully the authorization of 96,500 will not be such a severe reduction from the present authorization as to reduce the ability of the Naval Reserve to fulfill the mobilization requirements of the Active Navy.

RECOMMENDATIONS FULFILLED

Prior to the conference committee meeting, the Senator from Kansas addressed a letter to the conferees urging that three actions be taken regarding the Naval Reserve. These recommendations were to maintain a high strength authorization, to retain the existing 17 Naval Reserve combat Seabee battalions, and to direct the Office of the Secretary of Defense and the Navy to better utilize the Naval Reserve.

As already noted the conferees dealt with the strength authorization to my satisfaction and I am pleased to note that my other two recommendations were fulfilled completely.

MISSION IMPROVEMENT

The conference report states that—

> The conferees agree that the Navy should find improved ways to integrate and restructure the Active and Reserve missions and manpower so as to increase the reliance on and reliability of the Naval Reserve.

I support this statement wholeheartedly, as indicated by my third recommendation to the conferees.

I strongly believe that the Naval Reserve has an important mission to fulfill with the active naval forces. It is my observation that the Naval Reserve forces are not being fully utilized, and this constitutes a waste to taxpayers and a failure to fully utilize all resources in maintaining the highest level of national defense.

It appears that there may be some concern in the Active Navy that missions turned over to the Naval Reserve will result in a diminished role for the Active Navy. On the contrary, giving the Naval Reserve a greater role should free the Active Navy to better concentrate on the fulfillment of its primary missions.

It is my desire and the stated desire of the conferees that the Navy leadership should recognize the importance of better utilizing the Naval Reserve. I am confident that on the basis of the publicly stated commitment of the Secretary of the Navy, the Chief of Naval Operations, and other top Navy leaders that the full utilization of our Naval Reserve Forces will be achieved.

The Senator from Kansas is concerned, however, that there may be an inconsistency in our desire in Congress to see an improved utilization of the Naval Reserve together with the continued reduction of Naval Reserve Forces. For the past several years, the Naval Reserve strength has been reduced. This year again we are shaving the strength of the Naval Reserve.

It clearly would be difficult to fully employ the Naval Reserve Force when there is no way of knowing whether those forces will continue to exist in coming years.

It appears to this Senator that stability in our Reserve forces is essential to achieving their full utilization. It is my hope that the Navy and the appropriate committees in Congress will work together for the upgrading of the mission and the stabilization of the strength of the Naval Reserves.

SEABEE STRENGTH

The Senator from Kansas is pleased to note that all of the existing 17 Naval Reserve Seabee battalions are retained by the conferees. As stated in the conference report:

> It was agreed by the conferees that the 96,500 strength does not require reductions in the current number of Naval Reserve construction battalions (Seabee units).

As I pointed out during floor consideration of the Naval Reserve authorization, the Seabee units are useful in the time of military mobilization and for satisfying the needs of civil disasters and other civil problems as well. These units have a dual benefit and I am pleased that they have been retained in their entirety by the conferees.

B–1 BOMBER

The funding of the B–1 bomber for the Air Force has also been a matter of great interest to me. Prior to the Senate consideration of this issue I addressed a number of questions to the Secretary of the Air Force. After a careful review of the responses to those questions, it is my belief that the program is justified and that funding should be authorized.

My support to this program is not given lightly. With direct costs of nearly $25 billion and associated costs that may rise to over $90 billion, this is the most expensive weapon system ever built by the United States. It is my belief that the Congress has the responsibility to carefully scrutinize programs of this type to insure that taxpayer dollars are spent in the most effective manner.

During Senate consideration of this program, I voted against a delay in the continuation of the project and voted for the full funding. My votes were cast after a careful review of all considerations. I am satisfied that there are no serious deficiencies in the B–1 program and that the deployment of the B–1 will further our national policy of modernizing and strengthening our strategic deterrent.

It is my understanding that a great many people in Kansas will probably contribute to this project, either directly or indirectly. I am confident that the Kansas participation in this project will help insure the highest quality of workmanship.

More importantly I am confident that this weapons system will be a vitally important contribution to our national security. It is on this basis that I express my support.

Mr. President, again the Senator from Kansas is pleased with the action of the conferees. I urge the adoption of this conference report.

Mr. KENNEDY. Mr. President, I would like to comment briefly on one point in this legislation, concerning the establishment of the Armed Forces Institute of Pathology. This legislation provides a firm basis upon which this internationally famous institution can continue as an important medical resource for both civilian and military medicine.

The new American Registry of Pathology will enable civilian medical societies to cooperate and collaborate fully in the professional activities of the Institute of Pathology. It is our hope that, in addition to serving as merely a fiscal intermediary between the Institute and civilian medicine, the Registry will contribute significantly to the functions of the Institute on the professional and scientific level.

Once again, Mr. President, I would like to thank the distinguished chairman of the Armed Services Committee (Mr. STENNIS) for his cooperation in helping to give full meaning to this unique medical establishment. I would also like to acknowledge the competent help in this of Mr. Ed Braswell and Mr. Clark McFadden of the Armed Services Committee staff.

Mr. TAFT. The real issue here is not just an airplane, but strategic deterrence.

Strategic deterrence is the sine qua non of our national life—if it fails, all else is lost.

There is no cost/effectiveness for strategic deterrence, because the cost of failure is incalculable.

The basis of deterrence is the Triad—a concept which has worked for many years.

As we examine the B–1, we must ask ourselves, do we want to experiment with deterrence by abandoning Triad. Triad might not be necessary, but do we want to risk discovering it was necessary?

If you are going to maintain the Triad, you need the B–1 bomber.

A civilian airliner converted to a cruise missile carrier will be too vulnerable—to long-range interceptors and missiles—to be effective the B–1 itself may end up a cruise missile carrier, but it will be capable of evading long-range enemy defenses.

The B–52 is simply wearing out. It must be replaced if we are to have a Triad.

The FB–111 is too small to carry the electronic equipment needed for survival against Soviet air defenses.

So it is clear, the choice we have is the B–1 or abandonment of the Triad.

Nor is this the time to sit back and do nothing in strategic systems.

The Soviets now have in service: Four new ICBM's at least 11 Delta class strategic missile submarines, equivalent to our Trident we are only starting to build, and the Backfire bomber.

The Russians already have three squadrons—strategic character—but not so yet in SALT II talks.

The Soviets are now engaged in a massive civil defense program. This makes a bomber of greater importance because most of our missiles have warheads too small to be effective against hard or protected targets—only bombers and our 54 Titan II missiles can carry the megatonnage to insure retaliation against hard targets. Our silos will be vulnerable in early to mid-1980's. Fifty-four percent of throw weight of the United States is in bombers.

If we now adopt a "do nothing" policy, we will risk the Soviets perceiving us as weak in strategic systems—and deterrence is largely a matter of perceptions.

The B-1 bomber is our only real option in the near future for a major strengthening of our strategic capability. Unless we are prepared to let the Soviets shift the strategic force balance decisively in their favor, we must go ahead now with the B-1.

If we did not have it, we would have to create it, at far greater cost.

MILITARY WASTE

Mr. McGOVERN. Mr. President, I am voting today in opposition to the conference report on the military procurement bill. But my vote should not be seen as one against those funds authorized in this bill which are justified to maintain the defense of the Nation and its interests abroad. I recognize that the report does authorize funds which are necessary and, in the interest of a strong national defense, should not be held back.

But I cannot ignore the fact that this conference report contains authorizations totaling $32.5 billion, and that huge amount in itself is only a small portion of the exorbitant military budget requested by the President—over $100 billion.

My vote today represents a forceful protest against such a frightfully high Pentagon budget and against the conferees' reluctance or inability to make any meaningful cuts in the several excessive and unjustified demands and desires of the Pentagon. While there are a number of items which I regard as wasteful and nonsensical, I must make specific mention of the money in this bill which has been authorized for the production of the B-1 bomber, the most expensive and the most unnecessary weapons system ever devised.

As I have suggested repeatedly, the B-1 is a militarily marginal weapon and it just does not make sense to throw our money away in this manner when there are areas, both in and out of the military budget, where it could be more wisely spent.

At a time when we are already faced with the inflationary pressures that now confront the country, I cannot see how the $1.5 billion for the B-1 bomber can be anything more than a severe and dangerous strain on our economy.

I want to serve notice today that when the military appropriations bill is before the Senate, I shall call up an amendment to prevent any of the funds in that bill from being used to procure the B-1 bomber.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 22, line 6, delete period after "1979" and add the following:

"*Provided*, That none of the funds appropriated in this Act may be used for production of the B-1 bomber."

Mr. STENNIS. Does the Senator from Ohio wish to say anything?

Mr. TAFT. No.

The PRESIDING OFFICER. The Senator has no time remaining. The Senator from Maine has 1 minute.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. GARY HART), the Senator from Louisiana (Mr. JOHNSTON), the Senator from North Carolina (Mr. MORGAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "yea."

The result was announced—yeas 78, nays 12, as follows:

[Rollcall Vote No. 375 Leg.]

YEAS—78

Allen
Bartlett
Bayh
Bellmon
Bentsen
Brock
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Cranston
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Philip A.
Hartke
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Montoya
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—12

Abourezk
Biden
Clark
Culver
Durkin
Haskell
Hatfield
Mansfield
McGovern
Mondale
Nelson
Proxmire

NOT VOTING—10

Baker
Beall
Buckley
Church
Eastland
Goldwater
Hart, Gary
Johnston
Morgan
Tunney

So the conference report was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. STENNIS. Mr. President, I believe the majority leader wishes to be heard at this point.

May we have quiet? This is of interest to all, Mr. President.

The PRESIDING OFFICER (Mr. HUDDLESTON). The Senate will be in order.

Mr. MANSFIELD. Mr. President, we have an appropriation bill on the Department of Transportation and related agencies, and a conference report on the State-Justice-Commerce appropriations, which we would like to call up at this point in order. I understand that they will not take too long.

Mr. STENNIS. Mr. President, the proposal is to take up those matters for 5 minutes, and I have agreed to withhold the General Brown matter in favor of the request to take up those matters. If they are not completed at the end of 5 minutes, we will go back to the General Brown nomination.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the consideration of both matters be limited to not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senate will be in order.

STATE - JUSTICE - COMMERCE - JUDICIARY AND RELATED AGENCIES APPROPRIATIONS, 1977—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on H.R. 14239 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HUDDLESTON). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14239) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of June 28, 1976, beginning at page 21064.)

Mr. PASTORE. Mr. President, we do not have order. The Senator from Rhode Island does not like to shout.

The PRESIDING OFFICER. The Senate will be in order, so that the Senator from Rhode Island may be heard.

Mr. PASTORE. Mr. President, the 1977 State, Justice, and Commerce, the judiciary, and related agencies appropriation bill as agreed to in conference is $6,680,314,453. This amount is: $190,664,453 over 1976; $139,186,453 over the House bill; $199,833,000 under the Senate bill; $367,063,000 over the budget request; and $319,685,547 under the amount allocated to the subcommittee under the new congressional budget process.

Mr. President, the House and Senate conferees attempted to deal with a very perplexing problem—that is to come up with a total figure that could be acceptable to the administration and which would not provoke a veto—and at the same time sustain the highest priority and most urgent Senate increases.

Mr. President, the conference report is the product of a great deal of work and effort on the part of both Houses to reach a compromise. As is usual, Mr. SLACK and Mr. CEDERBERG and their fellow House conferees were most courteous and gracious to us in our joint effort to reach a compromise that is in the best interest of the American people.

I believe that the amounts agreed to by the conferees will provide for the necessary expenses in 1977 for the Departments of State, Justice, Commerce, and the Federal judiciary.

In connection with the appropriation for the Board for International Broadcasting, I would like to point out the vital importance of the negotiations which will reconvene very soon in Madrid for a renewal of the Radio Liberty lease on transmitter facilities in Spain. These transmitters furnish four-fifths of the power for these significant broadcasts to the Soviet Union.

Although the facilities are now the property of the Spanish Government, it is worth recalling that they were originally built, between 1957 and 1959, with U.S. Government funds. In fiscal year 1976, the Board has expended more than $3,000,000 in personnel and power costs, as well as various fees, to maintain and operate the six high-power transmitters in Spain, which have a combine rating of 1,350,000 watts. I mention these facts to indicate that the arrangement has been beneficial to Spain as well as to us.

The Board for International Broadcasting is attempting to obtain a long-term renewal of this lease. The Board has estimated that, if it were forced to set up a new transmitter base in another country and install new transmitters of equivalent power, the costs—at present price levels—would exceed $20,000,000. Moreover, the quality of the broadcast signal might not be as good as from the transmitters in Spain, which is ideal for shortwave radio propagation to European Russia and the Baltic States, areas inhabited by more than 150 million Soviet citizens.

In view of the various other financial commitments which our Government has made to Spain, I sincerely hope that the Spanish authorities will show a proper understanding of our strong interest in renewing this lease.

Mr. President, I wish to express my sincere thanks to the distinguished ranking minority member of the subcommittee (Mr. HRUSKA) for his support and assistance during the conference.

I ask unanimous consent that the usual tabulation of figures be printed in the RECORD at the conclusion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Agency and item	New budget (obligational) authority, fiscal year 1976	Budget estimates of new (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1976	Conference action compared with— New budget (obligational) authority, fiscal year 1977	Conference action compared with— New budget (obligational) authority recommended in House bill	Conference action compared with— New budget (obligational) authority recommended in Senate bill
TITLE I—DEPARTMENT OF STATE									
Administration of Foreign Affairs									
Salaries and expenses	$432,400,000	$541,800,000	$537,800,000	$539,800,000	$539,800,000	$107,400,000	−$2,000,000	$2,000,000	
Representation allowance	1,700,000	2,000,000	2,000,000	2,000,000	2,000,000	300,000			
Acquisition, operation, and maintenance of buildings abroad	29,942,000	67,200,000	67,200,000	67,200,000	67,200,000	37,258,000			
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	9,785,000	5,535,000	5,535,000	5,535,000	5,535,000	−4,250,000			
Emergencies in the diplomatic and consular service	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000				
Payment to Foreign Service retirement and disability fund	8,055,000	8,055,000	8,055,000	8,055,000	8,055,000				
Payment to conditional gift fund, general	125,000					−125,000			
Total	484,107,000	626,690,000	622,690,000	624,690,000	624,690,000	140,583,000	−2,000,000	2,000,000	
International Organizations and Conferences									
Contributions to international organizations	217,853,000	277,545,453	274,000,000	277,545,453	277,545,453	59,692,453		3,545,453	
Contributions for international peacekeeping activities	35,000,000	45,000,000	40,000,000	40,000,000	40,000,000	5,000,000	−5,000,000		
Missions to international organizations	9,139,000	9,300,000	9,350,000	9,350,000	9,350,000	211,000	50,000		
International conferences and contingencies	7,140,000	7,035,000	7,035,000	7,035,000	7,035,000	−105,000			
International trade negotiations	2,856,000	3,540,000	3,500,000	3,500,000	3,500,000	644,000	−40,000		
Total	271,988,000	342,420,453	333,885,000	337,430,453	337,430,453	65,442,453	−4,990,000	3,545,453	
International Commissions									
International Boundary and Water Commission, Unitad States and Mexico:									
Salaries and expenses	5,525,000	5,810,000	5,800,000	5,800,000	5,800,000	275,000	−10,000		
Construction	8,365,000	3,919,000	3,919,000	3,919,000	3,919,000	−4,446,000			
American sections, international commissions	1,609,000	1,840,000	1,840,000	1,840,000	1,840,000	231,000			
International fisheries commissions	4,760,000	5,500,000	5,500,000	5,500,000	5,500,000	740,000			
Total	20,259,000	17,069,000	17,059,000	17,059,000	17,059,000	−3,200,000	−10,000		
Educational Exchange									
Mutual educational and cultural exchange activities	55,325,000	58,500,000	58,500,000	58,500,000	58,500,000	3,175,000			
Center for cultural and technical interchange between East and West	9,000,000	10,000,000	10,000,000	10,000,000	10,000,000	1,000,000			
Total	64,325,000	68,500,000	68,500,000	68,500,000	68,500,000	4,175,000			
Total, title I	840,679,000	1,054,679,453	1,042,134,000	1,047,679,453	1,047,679,453	207,000,453	−7,000,000	5,545,453	
TITLE II—DEPARTMENT OF JUSTICE									
General Administration									
Salaries and expenses	21,612,000	20,668,000	20,100,000	20,481,000	20,400,000	−1,212,000	−268,000	300,000	−81,000

Agency and item	New budget (obligational) authority, fiscal year 1976	Budget estimates of new (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with—			
						New budget (obligational) authority, fiscal year 1976	New budget (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
TITLE II—DEPARTMENT OF JUSTICE—Continued									
Legal Activities									
Salaries and expenses, general legal activities	$62, 259, 000	$64, 090, 000	$63, 565, 000	$64, 090, 000	$64, 090, 000	$1, 831, 000		$525, 000	
Salaries and expenses, Antitrust Division	22, 239, 000	23, 426, 000	24, 000, 000	24, 000, 000	24, 000, 000	−1, 761, 000	$574, 000		
Salaries and expenses, U.S. attorneys and marshals	146, 532, 000	161, 101, 000	158, 850, 000	161, 905, 000	160, 890, 000	14, 358, 000	−211, 000	2, 040, 000	−$1, 015, 000
Fees and expenses of witnesses	16, 830, 000	19, 177, 000	19, 177, 000	19, 177, 000	19, 177, 000	2, 347, 000			
Salaries and expenses, Community Relations Service	4, 034, 000	4, 131, 000	4, 500, 000	4, 500, 000	4, 500, 000	466, 000	369, 000		
Total	251, 894, 000	271, 925, 000	270, 092, 000	273, 672, 000	272, 657, 000	20, 763, 000	732, 000	2, 565, 000	−1, 015, 000
Federal Bureau of Investigation									
Salaries and expenses	485, 950, 000	466, 777, 000	493, 977, 000	493, 977, 000	493, 977, 000	8, 027, 000	27, 200, 000		
Immigration and Naturalization Service									
Salaries and expenses	214, 609, 000	221, 581, 000	234, 000, 000	234, 000, 000	234, 000, 000	19, 391, 000	12, 419, 000		
Federal Prison System									
Salaries and expenses, Bureau of Prisons	195, 938, 000	208, 160, 000	208, 160, 000	208, 160, 000	208, 160, 000	12, 222, 000			
National Institute of Corrections		4, 997, 000	4, 997, 000	4, 997, 000	4, 997, 000	4, 997, 000			
Buildings and facilities	12, 560, 000	59, 095, 000	56, 980, 000	56, 980, 000	56, 980, 000	44, 420, 000	−2, 115, 000		
Support of U.S. prisoners	31, 875, 000	31, 875, 000	31, 875, 000	31, 875, 000	31, 875, 000				
Federal Prison Industries, Incorporated: Limitation on administrative and vocational training expenses	(7, 185, 000)	(6, 447, 000)	(6, 447, 000)	(6, 447, 000)	(6, 447, 000)	(−738, 000)	( )	( )	( )
Total	240, 373, 000	304, 127, 000	302, 012, 000	302, 012, 000	302, 012, 000	61, 639, 000	−2, 115, 000		
Law Enforcement Assistance Administration									
Salaries and expenses	809, 638, 000	707, 944, 000	738, 000, 000	809, 638, 000	753, 000, 000	−56, 638, 000	45, 056, 000	15, 000, 000	−56, 638, 000
Drug Enforcement Administration									
Salaries and expenses	155, 001, 000	159, 287, 000	161, 175, 000	161, 175, 000	161, 175, 000	6, 174, 000	1, 888, 000		
Total, title II	2, 179, 077, 000	2, 152, 309, 000	2, 219, 356, 000	2, 294, 955, 000	2, 237, 221, 000	58, 144, 000	84, 912, 000	17, 865, 000	−57, 734, 000
TITLE III—DEPARTMENT OF COMMERCE									
General Administration									
Salaries and expenses	13, 198, 000	14, 412, 000	13, 595, 000	14, 410, 000	13, 595, 000	397, 000	−817, 000		−815, 000
Participation in United States expositions	530, 000					−530, 000			
Total	13, 728, 000	14, 412, 000	13, 595, 000	14, 410, 000	13, 595, 000	−133, 000	−817, 000		−815, 000
Office of Energy Programs									
Salaries and expenses	2, 090, 000	2, 162, 000	2, 162, 000	2, 162, 000	2, 162, 000	72, 000			
Bureau of the Census									
Salaries and expenses	41, 474, 000	44, 278, 000	43, 245, 000	43, 924, 000	43, 245, 000	1, 771, 000	−1, 033, 000		−679, 000
Periodic censuses and programs	33, 853, 000	47, 429, 000	47, 400, 000	47, 400, 000	47, 400, 000	13, 547, 000	−29, 000		
Total	75, 327, 000	91, 707, 000	90, 645, 000	91, 324, 000	90, 645, 000	15, 318, 000	−1, 062, 000		−679, 000
Bureau of Economic Analysis									
Salaries and expenses	11, 759, 000	12, 491, 000	12, 300, 000	12, 300, 000	12, 300, 000	541, 000	−191, 000		
Economic Development Administration									
Economic development assistance programs	360, 000, 000	223, 438, 000	300, 000, 000	453, 500, 000	360, 000, 000		136, 562, 000	60, 000, 000	−93, 500, 000
Administration of economic development assistance programs	25, 378, 000	25, 426, 000	25, 426, 000	28, 750, 000	26, 725, 000	1, 347, 000	1, 299, 000	1, 299, 000	−2, 025, 000
Job opportunities program	374, 000, 000					−374, 000, 000			
Total	759, 378, 000	248, 864, 000	325, 426, 000	482, 250, 000	386, 725, 000	−372, 653, 000	137, 861, 000	61, 299, 000	−95, 525, 000
Regional Action Planning Commissions									
Regional development programs	64, 068, 000	42, 200, 000	42, 200, 000	85, 068, 000	63, 500, 000	−568, 000	21, 300, 000	21, 300, 000	−21, 568, 000
Domestic and International Business Administration									
Operations and administration	60, 527, 000	62, 902, 000	62, 280, 000	63, 530, 000	62, 912, 000	2, 385, 000	10, 000	632, 000	−618, 000
Minority Business Enterprise									
Minority business development	49, 850, 000	50, 013, 000	50, 000, 000	50, 000, 000	50, 000, 000	150, 000	−13, 000		
United States Travel Service									
Salaries and expenses	12, 799, 000	12, 220, 000	12, 220, 000	16, 720, 000	14, 470, 000	1, 671, 000	2, 250, 000	2, 250, 000	−2, 250, 000
National Oceanic and Atmospheric Administration									
Operations, research, and facilities	505, 562, 000	549, 708, 000	558, 200, 000	574, 490, 000	566, 270, 000	60, 708, 000	16, 562, 000	8, 070, 000	−8, 220, 000
Coastal zone management	18, 032, 000	23, 408, 000	18, 050, 000	18, 050, 000	18, 050, 000	18, 000	−5, 358, 000		
Fishermen's Guaranty Fund	61, 000	61, 000	61, 000	61, 000	61, 000				
Construction	1, 000, 000			2, 860, 000	970, 000	−30, 000	970, 000	970, 000	−1, 890, 000
Offshore shrimp fisheries fund	270, 000					−270, 000			
Total	524, 925, 000	573, 177, 000	576, 311, 000	595, 461, 000	585, 351, 000	60, 426, 000	12, 174, 000	9, 040, 000	−10, 110, 000

Agency and item	New budget (obligational) authority, fiscal year 1976	Budget estimates of new (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1976	New budget (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
TITLE III—DEPARTMENT OF COMMERCE—Continued									
National Fire Prevention and Control Administration									
Operations, research, and administration	$8, 718, 000	$10, 178, 000	$10, 178, 000	$14, 300, 000	$12, 239, 000	$3, 521, 000	$2, 061, 000	$2, 061, 000	−$2, 061, 000
Patent and Trademark Office									
Salaries and expenses	85, 350, 000	86, 406, 000	86, 400, 000	86, 400, 000	86, 400, 000	1, 050, 000	−6, 000		
Science and Technical Research									
Scientific and technical research and services	64, 704, 000	68, 785, 000	68, 785, 000	68, 785, 000	68, 785, 000	4, 081, 000			
Maritime Administration									
Ship construction	195, 000, 000					−195, 000, 000			
Operating-differential subsidies (appropriation to liquidate contract authority)	(315, 936, 000)	(403, 721, 000)	(388, 000, 000)	(388, 000, 000)	(388, 000, 000)	(72, 064, 000)	(−15, 721, 000)	( )	( )
Research and development	12, 000, 000	19, 500, 000	18, 500, 000	18, 500, 000	18, 500, 000	6, 500, 000	−1, 000, 000		
Operations and training	45, 900, 000	48, 525, 000	48, 200, 000	48, 200, 000	48, 200, 000	2, 300, 000	−325, 000		
Total	252, 900, 000	68, 025, 000	66, 700, 000	66, 700, 000	66, 700, 000	−186, 200, 000	−1, 325, 000		
Total, title III	1, 986, 123, 000	1, 343, 542, 000	1, 419, 202, 000	1, 649, 410, 000	1, 515, 784, 000	−470, 339, 000	172, 242, 000	96, 582, 000	−133, 626, 000
TITLE IV—THE JUDICIARY									
Supreme Court of the United States									
Salaries and expenses	6, 581, 500	7, 571, 000	7, 482, 000	7, 482, 000	7, 482, 000	900, 500	−89, 000		
Care of the building and grounds	1, 454, 000	800, 000	800, 000	800, 000	800, 000	−654, 000			
Total	8, 035, 500	8, 371, 000	8, 282, 000	8, 282, 000	8, 282, 000	246, 500	−89, 000		
Court of Customs and Patent Appeals									
Salaries and expenses	853, 000	898, 000	898, 000	898, 000	898, 000	45, 000			
Customs Court									
Salaries and expenses	2, 629, 500	2, 705, 000	2, 705, 000	2, 705, 000	2, 705, 000	75, 500			
Court of Claims									
Salaries and expenses	2, 454, 000	2, 536, 000	2, 536, 000	2, 536, 000	2, 536, 000	82, 000			
Courts of Appeals, District Courts, and Other Judicial Services									
Salaries of judges	28, 750, 000	30, 182, 000	29, 782, 000	29, 782, 000	29, 782, 000	1, 032, 000	−400, 000		
Salaries of supporting personnel	119, 475, 000	138, 145, 000	132, 250, 000	132, 250, 000	132, 250, 000	12, 775, 000	−5, 895, 000		
Representation by court-appointed counsel and operation of defender organizations	20, 846, 000	20, 686, 000	20, 686, 000	20, 686, 000	20, 686, 000	−160, 000			
Fees of jurors	20, 000, 000	19, 350, 000	19, 350, 000	19, 350, 000	19, 350, 000	−650, 000			
Travel and miscellaneous expenses	20, 040, 000	26, 550, 000	24, 380, 000	24, 380, 000	24, 380, 000	4, 340, 000	−2, 170, 000		
Salaries and expenses of U.S. magistrates	10, 914, 000	12, 341, 000	11, 862, 000	12, 341, 000	12, 341, 000	1, 427, 000		479, 000	
Salaries and expenses of referees	26, 671, 000	33, 446, 000	29, 824, 000	30, 201, 000	30, 201, 000	3, 530, 000	−3, 245, 000	377, 000	
Total	246, 696, 000	280, 700, 000	268, 134, 000	268, 990, 000	268, 990, 000	22, 294, 000	−11, 710, 000	856, 000	
Administrative Office of the United States Courts									
Salaries and expenses	7, 431, 000	8, 957, 000	8, 320, 000	8, 320, 000	8, 320, 000	889, 000	−637, 000		
Federal Judicial Center									
Salaries and expenses	6, 565, 000	7, 720, 000	7, 650, 000	7, 650, 000	7, 650, 000	1, 085, 000	−70, 000		
Space and Facilities, the Judiciary									
Space and facilities	64, 000, 000	75, 969, 000	71, 980, 000	71, 980, 000	71, 980, 000	7, 980, 000	−3, 989, 000		
Expenses, United States Court Facilities									
Furniture and furnishings	4, 570, 000	5, 675, 000	4, 940, 000	4, 940, 000	4, 940, 000	370, 000	−735, 000		
Bicentennial Expenses, the Judiciary									
Bicentennial activities	2, 000, 000					−2, 000, 000			
Total, title IV	345, 234, 000	393, 531, 000	375, 445, 000	376, 301, 000	376, 301, 000	31, 067, 000	−17, 230, 000	856, 000	
TITLE V—RELATED AGENCIES									
Arms Control and Disarmament Agency									
Arms control and disarmament activities	11, 680, 000	12, 200, 000	12, 000, 000	12, 000, 000	12, 000, 000	320, 000	−200, 000		
Board for International Broadcasting									
Grants and expenses	64, 500, 000	53, 385, 000	53, 385, 000	53, 385, 000	53, 385, 000	−11, 115, 000			
Commission on Civil Rights									
Salaries and expenses	8, 047, 000	9, 540, 000	9, 450, 000	9, 450, 000	9, 450, 000	1, 403, 000	−90, 000		

						Conference action compared with—			
Agency and item	New budget (obligational) authority, fiscal year 1976	Budget estimates of new (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	New budget (obligational) authority, fiscal year 1976	New budget (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
Commission on Security and Cooperation in Europe									
Salaries and expenses			$300,000	$375,000	$340,000	$340,000	$340,000	$40,000	−$35,000
Equal Employment Opportunity Commission									
Salaries and expenses	$63,659,000	$70,100,000	67,850,000	67,850,000	67,850,000	4,191,000	−2,250,000		
Federal Communications Commission									
Salaries and expenses	50,938,000	51,448,000	51,448,000	57,945,000	54,696,000	3,758,000	3,248,000	3,248,000	−3,249,000
Federal Maritime Commission									
Salaries and expenses	8,040,000	8,309,000	8,300,000	8,300,000	8,300,000	260,000	−9,000		
Federal Trade Commission									
Salaries and expenses	47,199,000	53,073,000	52,700,000	52,700,000	52,700,000	5,501,000	−373,000		
Foreign Claims Settlement Commission									
Salaries and expenses	1,400,000	800,000	650,000	650,000	650,000	−750,000	−150,000		
International Trade Commission									
Salaries and expenses	10,400,000	11,539,000	11,300,000	11,539,000	11,350,000	950,000	−189,000	50,000	−189,000
Japan-United States Friendship Commission									
Japan-United States Friendship Commission Trust Fund	30,000,000					−30,000,000			
Legal Services Corporation									
Payment to the Legal Services Corporation	92,330,000	140,300,000	110,000,000	130,000,000	125,000,000	32,670,000	−15,300,000	15,000,000	−5,000,000
Marine Mammal Commission									
Salaries and expenses	900,000	1,000,000	1,000,000	1,000,000	1,000,000	100,000			
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance									
Salaries and expenses	400,000					−400,000			
Office of the Special Representative for Trade Negotiations									
Salaries and expenses	2,020,000	2,370,000	2,250,000	2,250,000	2,250,000	230,000	−120,000		
Privacy Protection Study Commission									
Salaries and expenses	800,000	750,000	750,000	750,000	750,000	−50,000			
Renegotiation Board									
Salaries and expenses	5,566,000	6,370,000	5,700,000	5,700,000	5,700,000	134,000	−670,000		
Securities and Exchange Commission									
Salaries and expenses	49,291,000	53,098,000	53,000,000	53,000,000	53,000,000	3,709,000	−98,000		
Small Business Administration									
Salaries and expenses:									
Direct Appropriation	29,000,000	35,400,000	35,400,000	35,400,000	35,400,000	6,400,000			
Transfer from revolving funds	(91,850,000)	(99,600,000)	(99,600,000)	(99,600,000)	(99,600,000)	(7,750,000)	( )	( )	( )
Business loan and investment fund	278,750,000	466,600,000	601,600,000	601,600,000	601,600,000	322,850,000	135,000,000		
Disaster loan fund	100,000,000	90,000,000	90,000,000	90,000,000	90,000,000	−10,000,000			
Lease guarantees revolving fund		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000			
Pollution control equipment contract guarantees revolving fund			15,000,000	15,000,000	15,000,000	15,000,000	15,000,000		
Surety bond guarantees revolving fund	10,000,000	36,000,000	36,000,000	36,000,000	36,000,000	26,000,000			
Total	417,750,000	631,000,000	781,000,000	781,000,000	781,000,000	363,250,000	150,000,000		
United States Information Agency									
Salaries and expenses	247,300,000	248,325,000	248,325,000	248,325,000	248,325,000	1,025,000			
Salaries and expenses (special foreign currency program)	9,995,000	8,600,000	8,600,000	8,600,000	8,600,000	−1,395,000			
Special international exhibitions	6,187,000	4,841,000	4,841,000	4,841,000	4,841,000	−1,346,000			
Acquisition and construction of radio facilities	10,135,000	2,142,000	2,142,000	2,142,000	2,142,000	−7,993,000			
Total	273,617,000	263,908,000	263,908,000	263,908,000	263,908,000	−9,709,000			
Total, Title V	1,138,537,000	1,369,190,000	1,484,991,000	1,511,802,000	1,503,329,000	364,792,000	134,139,000	18,338,000	−8,473,000
Total, titles I, II, III, IV, and V: New budget (obligational) authority	6,489,650,000	6,313,251,453	6,541,128,000	6,880,147,453	6,680,314,453	190,664,453	367,063,000	139,186,453	−199,833,000
Memoranda: Appropriations to liquidate contract authorizations	315,936,000	403,721,000	388,000,000	388,000,000	388,000,000	72,064,000	−15,721,000		
Total appropriations, including appropriations to liquidate contract authorizations	6,805,586,000	6,716,972,453	6,929,128,000	7,268,147,453	7,068,314,453	262,728,453	351,342,000	139,186,453	−199,833,000

Mr. HRUSKA. Mr. President, as ranking minority member of the Subcommittee on State, Justice, Commerce, the Judiciary, and Related Agencies, I would be terribly remiss if I failed to commend our chairman, the distinguished senior Senator from Rhode Island, for his faithful diligence in maintaining the priorities established by the Senate during our recent conference with the Members of the House. This conference report which is on the desk of every member, should be adopted. It was approved by the conferees as the best possible solution to those items and matters in serious disagreement. Although I am generally satisfied with most of the provisions contained in the report, there are certain matters which disappoint me. For instance, Law Enforcement Assistance Administration received $753 million instead of the $809 million as proposed by the Senate. Fiscal year 1977 will be most stringent for LEAA because of the $753 million, $40 million was earmarked for the Law Enforcement Education program, $75 million for the Juvenile Justice program, and $15 million for the Community Crime Prevention program.

Mr. President, I am happy to report that we came out of conference $199,833,000 below the Senate recommendation. Our total bill amounts to $6,680,314,453 which is $367,633,000 over the budget. I do not like to see these bills go over the budget but in this case this conference represents the best that we could do.

Finally Mr. President, I would like to comment on the appropriations for the Board of International Broadcasting and point out the importance of the negotiations about to take place in Madrid for a renewal of the Radio Liberty lease of transmitter facilities in Spain. This transmitter complex furnishes over 80 percent of the power for these important broadcasts to the Soviet Union.

The facilities are the property of the Spanish Government, but we must remember that they were originally built, between 1957 and 1959, with U.S. Government funds. During fiscal year 1976, more than $3 million was spent for personnel, power, and miscellaneous costs to maintain and operate the six high-power transmitters in Spain. These facts are important as they indicate that this arrangement is not one-sided but has been beneficial to Spain as well.

The Board for International Broadcasting is attempting now to obtain a long-term renewal of this lease. The Board has estimated that, if it had to replace this installation with a new transmitter based in another country and install new transmitters of equivalent power, the costs—at current price levels—would exceed $20 million. Equally as important is the fact that the quality of the broadcast signal might not be as good as from the transmitters in Spain, which is ideal for shortwave radio broadcasting to areas inhabited by more than two-thirds of all the Soviet citizens.

In view of the various other financial commitments which we have made just last week to Spain, I sincerely hope that the Spanish Government will understand our strong interest in renewing this lease.

Once again, I would like to thank the distinguished chairman of our subcommittee, the Honorable JOHN O. PASTORE, for his many courtesies during the consideration of this legislation. I want to take this opportunity to thank Mr. SLACK, Mr. CEDERBERG, and the other House conferees for their cooperation during the conference.

Mr. KENNEDY. I want to express my appreciation to the chairman for his strong and committed action in the conference with regard to Regional Development Commissions.

Not only did we obtain $63.5 million for the Commission; but in addition to its normal allocation the conferees were able to sustain $500,000 of my amendment adding funds to the New England Regional Commission for economic development activities.

I am pleased at this action which will insure the advancement of the Regional Economic Development Bank and the other economic development activities of the Commission, particularly railroad rehabilitation. Is it the Senator's understanding that the funds can be used for these activities?

Mr. PASTORE. I thank the Senator. He is correct in his interpretation of our action and hopefully these funds will spur the region's economic development, which continues to face serious difficulties.

Mr. WEICKER. Mr. President, the conference report on H.R. 14239, making appropriations for Departments of State, Justice, Commerce, and the judiciary for fiscal year 1977 is on the floor for Senate approval.

I would like to take this opportunity to again comment on the need for a strong national undersea research program. Undersea science and technology will be more and more important in our future efforts to harvest, mine, farm, and protect the oceans. Undersea techniques to gain knowledge of our fisheries, for instance, will augment conventional research. It will give science the tools necessary to measure stocks directly and to describe such things as behavior, spawning, feeding and schooling necessary to manage fish populations effectively.

Even though undersea science and technology has been utilized almost 25 years in the United States, relatively little progress in this field has been realized. We cannot presently place scientists on the bottom of the ocean safely and efficiently in depths of over 100 feet for extended periods of time. These deficiencies in progress toward undersea capabilities may be attributed to the lack of coordination of and commitment to a national oceans policy and program at the Federal level.

The Oceanlab manned habitat system, initial funding of which is included in the pending appropriations bill, will be the focal point of a program to develop new capabilities in undersea science and technology. Until the Oceanlab is actually constructed and operational, I urge the National Oceanic and Atmospheric Administration to continue their support of the Manned Undersea Science and Technology Office and to continue their programs of undersea marine studies, diver physiology, technological testing, and diver training.

Again, I wish to pay particular thanks to the distinguished Senator from Rhode Island (Mr. PASTORE) for his important support of funding for the Oceanlab and related undersea research programs.

Mr. PASTORE. Mr. President, if there are any questions, I will be glad to answer them. Apparently there are none.

I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 20 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

CONSTRUCTION

For expenses necessary for the National Oceanic and Atmospheric Administration for planning the construction of facilities and construction of an access road and security fencing, $970,000, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: "$340,000 for the period beginning July 1, 1976, and to remain available until expended."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 606. None of the funds appropriated in this Act shall be made available for the collection and preparation of budgetary information which will not be available to the Committees on Appropriations of the Senate and House of Representatives.

Mr. PASTORE. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate Nos. 20, 24, and 29 and concur therein.

The motion was agreed to.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1977

Mr. BAYH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 960, H.R. 14234.

The PRESIDING OFFICER (Mr. HUDDLESTON). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 14234) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAYH. Mr. President, this is the appropriation bill for the Department of Transportation and related agencies for fiscal year 1977.

The DOT Subcommittee took testimony on budget estimates totaling $13,837,409,779, of which $8,568,320,000 was for liquidating cash and $5,268,892,357 for new budget authority. The committee's recommendations total $14,259,916,779 consisting of $8,894,080,000 in liquidating cash and $5,365,639,357 in new budget authority. For the controllable, or new budget authority part of the bill, the committee's recommendations are $69,562,000 over the budget requests and $96,747,000 over the House bill. However, I hasten to add that there are several appropriations contained in the bill for which budget requests were received by the Senate after House action had been completed on the bill. Those items are as follows: For the redeemable preference share of the Federal Railroad Administration, a $70 million budget estimate was received on June 2 and is contained in Senate Document 94–203—we recommend the full amount for that program; for Amtrak's operating deficits in the Northeast, we received a budget estimate for $62.6 million—we recommend $68 million, which is Amtrak's best judgment as to what those losses will amount to in fiscal 1977; $33 million for the Coast Guard, and for the National Highway Traffic Safety Administration, we received a budget estimate of $6 million on June 2 to enable that agency to implement the Energy Policy and Conservation Act of 1975 and we recommend the full amount for that effort. So, when you consider these items, which total $171.6 million, that were not considered by the House of Representatives, our recommendations are actually slightly below the total new budget authority provided in the House bill.

The total new budget authority recommended is broken down as follows:

Title I—Department of Transportation	
Office of the Secretary	$68,500,000
Coast Guard	1,288,025,578
Federal Aviation Administration	1,983,900,000
Federal Highway Administration	119,649,000
National Highway Traffic Safety Administration	74,826,000
Federal Railroad Administration	1,003,100,000
Urban Mass Transportation Administration	532,600,000
Subtotal, title I	5,070,600,578
Title II—Related agencies	
National Transportation Safety Board	13,800,000
Civil Aeronautics Board	101,457,000
Interstate Commerce Commission	57,036,000
Panama Canal Zone Government	69,150,000
United States Railway Association	12,000,000
Washington Metropolitan Area Transit Authority	41,595,779
Subtotal, title II	295,038,779
Total new budget authority	5,365,639,357

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

For the Office of the Secretary of Transportation, the committee recommends $68,500,000, including $34,900,000 for salaries and expenses to enable the Secretary of Transportation to carry out the functions of policy development, central supervisory and coordinating functions necessary for the overall planning and direction of the Department of Transportation.

For transportation planning, research and development, the committee recommends $31 million. The major programs for fiscal 1977 being:

University research, national transportation policy, noise abatement, environment affairs, and hazardous materials transportation.

For grants-in-aid for pipeline safety, the committee recommends the full $2,500,000 budget request.

COAST GUARD

For operating expenses of the Coast Guard, the committee agrees with the House allowance of $818,580,000, of which $197,442 shall be applied to Capehart housing debt reduction.

For acquisition, construction, and improvements, the committee recommends $251 million. Of this amount $80 million is to be used by the Coast Guard for carrying out its missions under the Fishery Conservation and Management Act of 1976, Public Law 94–265. Also, both the House and Senate bills contain $24,300,000 for the procurement of medium-range surveillance aircraft. When combined with prior year appropriations, this makes a total of $72 million available for the MRS program and should enable the Coast Guard to purchase these aircraft at the rate of at least one per month during fiscal year 1977.

For the retired pay, reserve training, and research and development activities, the committee recommends the same appropriations as are provided in the House bill. These are on-going programs of the Coast Guard with no major program revisions from previous years' appropriations.

FEDERAL AVIATION ADMINISTRATION

For the FAA, the committee recommends $1,666,000,000 for operations. This is the same as the House allowance and is $11,519,000 below the budget request. At the same time, however, the committee report contains language which will enable the FAA to proceed with employment of the full number of personnel requested for their airport and air traffic control activities.

For facilities and equipment, the committee recommends $200,000,000. This amount plus substantial carryover funds, will enable the FAA to conduct its full fiscal 1977 program for this activity.

For research and development, the committee recommends the full budget request of $76,700,000. The committee feels that the House reduction to $72,000,000 is unwarranted and would seriously impact upon the important aviation safety research programs of the Federal Aviation Administration if allowed to stand.

For grants-in-aid for airports, the committee recommends an obligation ceiling for fiscal 1977 of $510,000,000 in addition to language in the bill that will allow for the carryover of uncommitted balances from the fiscal 1976 ceiling of $437,500,000.

For National Capital Airports, we recommend concurrence with the House allowances of $20,700,000 for operations and $5,000,000 for construction.

FEDERAL HIGHWAY ADMINISTRATION

For the programs of the Federal Highway Administration, we recommend appropriations of new budget authority totaling $119,649,000. In addition, the committee again this year recommends a ceiling of $7,200,000,000 on the obligations that can be incurred under the various contract authority programs of FHWA. This level is $500,000,000 over the budget request, but can be accommodated within the subcommittee allocations under the concurrent resolution.

For the highway related safety grant program, the committee recommends an obligation ceiling of $150,000,000 for fiscal year 1977. This level is $30,000,000 over the budget request, but is below the authorized level. Of this amount, $21,000,000 will come from the Federal Highway Administration and $129,000,000 from the National Highway Traffic Safety Administration. The committee received testimony indicating that last year's increase over the budget of $12,000,000 which was earmarked for the use of States on their highest payoff programs in terms of fatality reduction, had a very positive impact. The committee received correspondence during the year from virtually every State in the country detailing the increased program areas that benefited last year. I can think of no program in Government more worthy than this 402 highway safety grant program for spending enough money to get the job done.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

For the programs of the National Highway Traffic Safety Administration the committee recommends $74,826,000 in new budget authority. This amount is $6,826,000 over the House allowance, but includes a $6 million budget amendment which was not considered by the House which will enable the NHTSA to implement the Energy Policy and Conservation Act of 1975. This appropriation should enable the agency to continue its important efforts in the setting and enforcement of safety performance standards and in safety research.

FEDERAL RAILROAD ADMINISTRATION

For the Federal Railroad Administration, the committee recommends appropriations totaling $1,003,100,000. This amount is $66,115,000 over the budget requests and $214,800,000 over the House allowances. However, the House deferred consideration of funding to cover Amtrak's Northeast Corridor operating deficits, for which a budget request of $62.6 million was submitted to the Senate after House action on the bill as well as the funding for the redeemable preference share program for which a $70 million budget estimate was likewise submitted to the Senate.

Of the amount provided, approximately $20,000,000 is for the rail safety functions of the FRA, including $1 million for grants-in-aid for the States.

For rail continuation subsidies, the committee recommends the full $81.2 million budget request. This is $21.2 million over the $60 million House allowance, which the committee feels is inadequate to cover the nationwide program of assisting the States in covering their losses on so-called light density rail lines. This program, authorized by the Regional Rail Reorganization Act and the Railroad Revitalization and Regulatory Reform Act of 1976, is vitally important to the many small communities throughout the country that will otherwise lose their existing rail service. We have included language in our report encouraging the administration to submit a supplemental estimate during fiscal 1977 should this amount prove inadequate to cover all qualified applicants for these funds.

For the minority resource center, we recommend $3,050,000 for fiscal year 1977, in addition to another $10,000,000 that is to be used to establish a venture capital mechanism as authorized section 11(c) (6) and (7) of the DOT act, as amended. The committee intends that minority businesses shall have every opportunity to effectively compete for the more than $6 billion in Federal funding that will be made available under the Railroad Revitalization and Regulatory Reform Act of 1976. This appropriation is designed to assist in that effort.

For Amtrak, the committee recommends appropriations totaling $603.7 million. This is $108,500,000 over the House bill and $57,400,000 over the budget estimate. The House bill, however, does not contain any funding for the Northeast Corridor operations for which the committee has included $68 million and for which a supplemental estimate of $62.6 million was received by the Senate. The committee has included sufficient funding to enable Amtrak to continue operations on all existing lines plus funding for the full capital program for fiscal 1977. At the same time, the committee intends that Amtrak should tighten its belt and do a better job in the future of utilizing the appropriations it receives. The report includes language that encourages Amtrak to keep better records in the future concerning its travel and entertainment expenses and has eliminated any funding for automobiles for officers and employees except for use while in official travel status. Also, the report encourages Amtrak to do a better job concerning incentive payments to the railroads for providing so-called on-time performance. Such payments in the past have been made where no better service was being given. The committee approves of the route and service criteria developed for Amtrak's Board to use in making changes in service and expects such criteria to be applied where necessary.

The committee has included the full $70 million requested for the redeemable preference share program authorized under the RRRR Act to assist railroads that are in such poor financial condition that they cannot otherwise avail themselves of opportunities to make necessary improvements that would be in the national interest. The Government's investment will be protected under this program, should these railroads go bankrupt. Also, we have provided the authority requested that will enable the Secretary of the Treasury to pay off up to $400,000,000 during 1977 in defaulted loans under the $1,000,000,000 loan guarantee program authorized by the RRRR Act. The Secretary of Transportation, under that program can, at his discretion, loan up to the full amount authorized during the fiscal year.

For the Northeast Corridor Improvement Program, we recommend the full budget request of $150,000,000, as does the House bill. That amount should enable the FRA to continue to meet the 5-year program for making these improvements in the Boston-New York and Washington-New York mainline designed to greatly improve passenger service in the corridor.

For railroad research and development, we recommend $54,300,000, which is $2.8 million over the House bill and $2,200,000 below the budget estimate. The committee feels that it is essential that FRA have sufficient funding for its research programs at this time in light of the major Federal commitment for improved rail service throughout the Nation. Many of these research programs can have a substantial positive impact on the future efficiency of railroad operations.

URBAN MASS TRANSPORTATION ADMINISTRATION

For the Urban Mass Transportation Administration, we recommend new budget authority of $532,600,000. This is $167,000,000 below the House bill, but only $11 million below the President's revised budget estimates. The House included $575,000,000 in new budget authority for interstate transfers in addition to $175,000,000 in contract authority for this program. The administration, in a budget amendment, changed their request for this activity to total the same amount as the committee recommends—that is, $400,000,000 in new budget authority and $175,000,000 in contract authority. Should a supplemental estimate be required to fund all qualified applicants for these transfers during the year, the committee expects to receive such an estimate and will give immediate attention to it.

For UMTA's research programs, the committee recommends $65,000,000, which is $8 million over the House allowance and $5 million below the budget. The committee has restored the full $5 million House reduction to the Service and Methods Demonstration program. This program is designed to produce near-term, cost-effective solutions to transit problems throughout the Nation and for that reason the committee has provided the full request, which is greatly expanded over last year's appropriation. For the downtown people mover demonstration program planned for fiscal 1977, the committee has restored the full $3,000,000 House reduction. Under that program, UMTA intends to select up to 3 cities from the more than 60 applicants and develop DPM systems in each location from existing technology. The contractors will be competitively selected and the local communities will be required to provide 20 percent of the funding for these programs. It is expected that these systems will take up to 5 years to complete, at a cost of around $75,000,000 each. The committee feels that these demonstrations will enable UMTA to better determine the public reaction to such systems and they will then be in a better position to conduct their future programs.

In addition, the committee recommends an obligation ceiling of $2,083,000,000 for fiscal year 1977. This will enable UMTA to carry out its full program during the fiscal year for its capital and formula grant activities.

RELATED AGENCIES

The bill contains the following appropriations for the related agencies that receive their funding from this subcommittee: for the National Transportation Safety Board, $13,800,000; for the Civil Aeronautics Board, $101,457,000; for the Interstate Commerce Commission, $57,036,000; for the Panama Canal Zone Government, $69,150,000; for the U.S. Railway Association, $12,000,000; and finally, for the Washington Metropolitan Area Transit Authority, $41,595,779, of which $15,421,779 is advance fiscal year 1978 funding.

Mr. President, I believe the committee has presented a bill to the Senate that will enable the DOT and related agencies that are funded in the bill to effectively carry out their programs for fiscal 1977; but, at the same time, we have succeeded in staying well within the target allocations for the subcommittee that were set by the committee.

Before yielding, I want to express my thanks and gratitude to all members of the committee. Our committee chairman, Senator McClellan, has done a remarkable job this year in seeing that the committee meets all of its new responsibilities under the Budget Act. To my knowledge, the committee has met and is meeting all of its schedules and deadlines. We are indeed fortunate to have the distinguished Senator from Arkansas as our chairman; the Senate should be grateful to him for his efforts.

Mr. President, I also wish to pay particular tribute and express my appreciation to the distinguished ranking minority member of our subcommittee, the Senator from New Jersey (Mr. CASE), who worked closely with me on this bill and also the distinguished Senator from Missouri (Mr. EAGLETON) and the distinguished Senator from Alaska (Mr. STEVENS), who helped conduct the hearings.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered for the purpose of further amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreeing to this request.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, in line 15, strike out "$28,000,000" and insert "$31,000,000".

On page 3, in line 4, strike out "$2,000,000" and insert "$2,500,000".

On page 4, in line 5, strike out "$241,000,000" and insert "$251,000,000".

On page 4, in line 9, strike out "$9,600,000" and insert "$12,300,000".

On page 6, beginning with line 1, insert:

of which $250,000,000 shall be derived by transfer from the Airport and Airway Trust Fund, for the purposes of subsection (e) of section 14 of the Airport and Airway Development Act of 1970, as amended, and subject to the conditions of that subsection: *Provided,* That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities.

On page 8, in line 10, strike out "$72,000,000" and insert "$76,700,000".

On page 8, in line 23, strike out "$355,000,000" and insert "$386,000,000".

On page 11, in line 20, strike out "$25,820,000" and insert "$26,820,000".

On page 11, in line 21, strike out "$19,320,000" and insert "$20,320,000".

On page 12, in line 9, after "Fund" insert a colon and the following:

Provided, That section 163 of Public Law 93–87 is hereby amended to include projects at Terre Haute, Indiana.

On page 13, in line 22, strike out "1980" and insert "1979".

On page 15, beginning with line 7, insert:

BALTIMORE-WASHINGTON PARKWAY

For necessary expenses, not otherwise provided, to carry out the provisions of the Federal-Aid Highway Act of 1970, for the Baltimore-Washington Parkway, to remain available until expended, $3,000,000 to be derived from the "Highway Trust Fund" and to be withdrawn therefrom at such times and in such amounts as may be necessary.

On page 15, strike out from line 20 through line 2 on page 16.

On page 16, beginning with line 3, insert:

ALASKA ROADS STUDY

For necessary expenses not otherwise provided to carry out the provisions of section 151, "Federal-Aid Highway Act of 1976," $200,000 to remain available until expended.

On page 16, in line 13, strike out "$68,000,000" and insert "$74,826,000".

On page 16, in line 14, strike out "$25,750,000" and insert "$26,746,000".

On page 16, in line 16, strike out "$27,260,000" and insert "$32,426,000".

On page 16, in line 17, strike out "$8,550,000" and insert "$8,616,000".

On page 16, in line 24, strike out "$83,300,000" and insert "$88,500,000".

On page 16, in line 25, strike out "$78,160,000" and insert "$83,360,000".

On page 17, in line 14, strike out "$51,500,000" and insert "$54,300,000".

On page 17, in line 25, strike out "$60,000,000" and insert the following:

$80,450,000, together with $10,000,000 for the programs authorized by section 11(c) (6) and (7) of the Department of Transportation Act, as amended, and $3,050,000 for the Minority Resource Center, as authorized by section 906 of Public Law 94–210.

On page 18, in line 15, strike out "$495,200,000" and insert "$603,700,000".

On page 18, in line 16, strike out "$414,700,000" and insert "$498,000,000".

On page 18, in line 18, strike out "Corporation." and insert:

Corporation, including $68,000,000 which shall be available for the payment of additional operating expenses of the National Railroad Passenger Corporation, resulting from the operation, maintenance, and ownership or control of the Northeast Corridor pursuant to title VII of the Railroad Revitalization and Regulatory Reform Act of 1976, and not more than $105,700,000 shall be available for capital improvements: *Provided, however,* That none of the funds herein appropriated shall be used for the lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the President, of the National Railroad Passenger Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status.

On page 20, beginning with line 5, insert:

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

The Secretary of Transportation is hereby authorized to expend proceeds from the sale of Fund anticipation notes to the Secretary of the Treasury and any other monies deposited in the Railroad Rehabilitation and Improvement Fund pursuant to sections 502. 505–507 and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94–210) for the uses authorized for the Fund, in amounts not to exceed $70,000,000, to remain available until September 30, 1978. The Secretary of Transportation is also authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94–210) in such amounts and at such time as may be necessary to pay any amounts required pursuant to the guarantee not to exceed $400,000,000 principal amount of obligations under sections 511 through 513 of such act, such authority to exist as long as any such guaranteed obligation is outstanding, and to make such expenditures from the Obligation Guarantee Fund established pursuant to section 511(b) of such act as may be necessary to carry out the program in sections 511 through 513 of such act.

On page 21, in line 23, strike out "$57,000,000" and insert "$65,000,000".

On page 21, in line 24, strike out "$54,500,000" and insert "$62,500,000".

On page 22, in line 13, strike out "$1,718,000,000" and insert "$1,700,000,000".

On page 22, in line 17, strike out "such".

On page 22, in line 18, strike out "as are necessary".

On page 23, in line 8, strike out "$575,000,000, of which not more than $400,000,000 shall be" and insert "$400,000,000".

On page 23, in line 10, strike out "such".

On page 23, in line 10, strike out "as are necessary".

On page 25, in line 1, strike out the period and insert "of which not to exceed $300 shall be used for official reception and representation expenses."

On page 25, in line 21, strike out "$56,400.-000" and insert "$57,036,000".

On page 25, in line 24, strike out "$1,363.-400" and insert "$1,999,400".

On page 26, in line 20, strike out "$65,800,000" and insert "$66,000,000".

On page 28, beginning with line 4, insert:

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INVESTMENT IN FUND ANTICIPATION NOTES

For the acquisition, in accordance with section 509 of the Railroad Revitalization and Regularly Reform Act of 1976 (Public Law 94–210), of fund anticipation notes, $70,000,000, to remain available until September 30, 1978.

On page 29, in line 23, after the period insert:

Grants-in-aid for airports in fiscal year 1977. Section 302 of P.L. 94–134 is amended by striking in the fourth line "$350,000,000 in fiscal year 1976 and $87,500,000" and substituting therefor $437,500,000": *Provided,* That such amounts as remain uncommitted on October 1, 1976 shall be exempt from the fiscal year 1977 limitation for Grants-in-Aid for airports.

On page 30, in line 14, strike out "303." and insert "305."

On page 30, in line 18, strike out "304." and insert "306."

On page 30, in line 21, strike out "$1,947,000,000" and insert "$2,083,000,000".

On page 30, in line 23, after "5" insert "or appropriated pursuant to section 17".

On page 30, in line 25, after "apportionment" insert "or appropriation".

On age 31, in line 1, after "limitation" insert a colon and the following:

Provided further, That the uncommitted amounts of the amounts which were estimated as the activity levels for sections 3, 6, 9, 10, and 11 in fiscal year 1976 and the period July 1, 1976, through September 30, 1976, shall be exempt from this limitation.

On page 31, in line 6, strike out "305." and insert "307."

On page 31, in line 11, strike out "306." and insert "308."

On page 31, in line 25, strike out "307." and insert "309."

On page 32, in line 3, strike out "308." and insert "310."

On page 32, beginning with line 12, insert:

SEC. 311. No funds appropriated or made available by this Act shall be used to implement the provision of section 155 of title 2 of the Canal Zone Code relating to the establishment of employment standards, pay levels and other conditions of employment within the Canal Zone.

On page 32, in line 17, strike out "309." and insert "312."

On page 33, in line 8, strike out "310." and insert "313."

On page 33, in line 14, strike out "311." and insert "314."

On page 33, in line 21, strike out "312." and insert "315."

On page 34, in line 19, strike out "313." and insert "316."

On page 34, beginning with line 22, insert:

SEC. 317. None of the funds provided under or included in this Act shall be available for the planning or execution of programs, the obligations for which are in excess of $7,200,000,000 for "Federal-Aid Highways" and for "Highway Safety Construction Programs" in fiscal year 1977: *Provided,* That this limitation shall not apply to obligations for emergency relief under section 125 of title 23 U.S.C., special urban high density traffic program under section 146 of title 23 U.S.C., and special bridge replacement program under section 144 of title 23 U.S.C.

On page 35, strike out lines 7 through 11.

On page 35, in line 12, strike out "315." and insert "318."

On page 35, strike out lines 20 through line 2 on page 36.

Mr. CASE. Mr. President, I concur completely with the chairman as to the bill before us. We worked it out in complete harmony, and I support it fully.

The bill before us, H.R. 14234, appropriates funds for fiscal year 1977 for the Department of Transportation and its related agencies, a total of 14 separate entities. The bill contains about $5.5 billion in new budget authority and $9 billion in appropriations to liquidate contract authority.

In all we have proposed more than 40 amendments to the House bill some of which I would like to highlight briefly.

In the safety area we have restored $500,000 for gas pipeline safety. This program provides matching funds to States to help support their pipeline inspection programs. Currently there are over 2,100 pipeline operators and 1.4 million miles of gas pipeline—obviously the potential hazard is great. We have also increased by $30 million, the money available for State highway safety grants. Through this grant program funds are made available to states in order to provide money for safety programs that might not otherwise be funded. These additional funds will be spent on such high payoff safety areas as alcohol enforcement, enforcing the 55 miles per hour speed limit and providing emergency medical services. Last year we also increased the funding for safety grants and the results to date have been very promising.

In the research and development area we have restored $4.7 million to the Federal Aviation Administration for use in the effort to develop mid-air collision alert systems, more fuel efficient landing procedures and to automate the air traffic control system further. We have also restored $8 million for research and demonstration of promising urban mass transit programs. The Downtown People Mover demonstration program will provide an operational demonstration of a relatively simply automated transit system that runs on an exclusive right-of-way—similar to systems now in use at some airports.

We restored $2.8 million for use in railroad research and development. The railroad studies that are funded involve freight car management, track safety research, and the study of financial problems in the rail industry. In the highway area we restored $826,000 for research and development. Most of this money will be used to support research aimed at reducing alcohol-involved auto accidents, developing more effective means of providing emergency medical service and providing assistance to States in their enforcement and evaluation efforts.

The Senate version of the bill contains additional funds for rail assistance and subsidies. We have included $603.7 million for Amtrak—sufficient funds to operate the entire 25,000-mile system and purchase the equipment necessary for improved service. The subcommittee expects Amtrak to review carefully its route structure and service in order to provide the most economical transportation possible. Our bill includes two provisions not considered by the House. These provisions would in effect make $470 million available for railroad mergers, consolidations, and rehabilitation of State-designated light density freight lines.

Several other amendments to H.R. 14234 are also worthy of note. The bill contains an additional $10 million to be used for enforcement of the 200-mile coastal fisheries limit. These funds will permit the Coast Guard to purchase an additional long range surveillance aircraft. Six million dollars is recommended for the implementation of the Energy Conservation Act of 1975. With these funds the National Highway Safety Administration will develop techniques to monitor the compliance of auto manufacturers with the act. The Senate bill also includes a substantial increase for the Minority Resource Center. The center is designed to assist minority enterprises so as to insure them adequate opportunities to participate in the $1.9 billion revitalization of the Northeast Rail Corridor.

The bill as reported out by the House was a good one and the amendments that we have made strengthen it further. I support this bill and urge the Senate to act on it favorably.

Mr. MATHIAS. I would like to commend the chairman of the Transportation Appropriations Subcommittee, Senator BAYH, and the ranking minority member, Senator CASE, for their work on H.R. 14234. I believe that the bill before us today represents a balanced effort to meet the transportation needs of the Nation. I am especially pleased to note the support that Members of the committee have given to the Washington Metro system. Although the Metro system still faces some financial problems, the opening of the first segment earlier this year has been welcomed as the beginning of a new era of efficient transportation for the Nation's Capital.

In spite of the evidence that ridership on the first segment of Metro has exceeded initial projections, questions about the viability of the entire system are still being raised in some discussions. Changes in population distribution and financial conditions since the original plans for Metro were made have unfortunately led to doubts in some circles about the need for a complete rapid transit system in the Nation's Capital. Nevertheless, I am pleased that the chairman of the Transportation Appropriations Subcommittee has indicated his commitment to seeing the Washington Metro system completed. He has had the foresight to recognize that Metro is a project that will shape the form of the National Capital region for decades to come.

Mr. BAYH. I am certainly hopeful that the Metro system will be completed as originally approved by Congress and the local jurisdictions in the Washington area. Unfortunately, I do believe that the escalation of Metro costs in some cases may require a careful evaluation to assure that the system is being constructed in the most cost effective manner. As I mentioned at the time of our action on the second supplemental appropriations bill, I hope that UMTA and Metro will work together to determine if there are any segments of the system that should be subjected to further analysis.

Mr. MATHIAS. As you recall, the Metro system has already been the subject of extensive analysis. Of course there are individual segments of the system not yet even ready to enter the final design phase that will be carefully analyzed by Metro and the local jurisdictions.

Mr. BAYH. I do not believe that we intend to suggest that any further analysis of Metro should duplicate the studies that have been made to date or create delays in the progress of final design and construction work. In line with the concerns expressed by some Members of the House of Representatives, we would concur in an effort to assure that the Federal contributions to the Metro system are being used in the most effective way.

Mr. MATHIAS. As you know, each individual segment of the Metro system is subjected to extensive reviews by local officials prior to entering the final design phase. For example, the portion of the Glenmont route north of the Silver Spring station was the subject of an extensive environmental impact analysis by an independent consultant. This analysis included thorough consideration of alternate ways of meeting the transportation needs of that corridor, including bus lanes, highways, other transit modes, and the option of no new facilities at all. After that analysis, local officials reached agreement on a specific Metro alinement that is now ready to enter the final design phase with the next round of funds to be transferred from interstate highway projects.

Mr. BAYH. I would certainly agree that in the example you have outlined, further analysis of a segment ready to enter final design would result in unnecessary delays and cost escalation.

Mr. MATHIAS. I think it is also important to note that the current plans for Metro, like any other major transportation facility, may not represent the ideal technical solution to the needs of an area. The plans are in fact the result of an elaborate process of political compromise that in this case united two States and the District of Columbia in a cooperative venture.

Mr. BAYH. I do appreciate the need for sensitivity to the delicate political balance among the local jurisdictions that has been maintained to support the Metro system and I would expect that UMTA should take account of this point in exercising their responsibilities with respect to Federal funds. Short range technical considerations should not be permitted to become an issue that provokes any of the partners in the Metro compact to withdraw. I believe that UMTA is well aware of the unique character of the Metro cost allocation formula, and the potential for serious conflicts if any one jurisdiction is forced to withdraw its contributions to the system.

The PRESIDING OFFICER. The bill is open to amendment.

UP AMENDMENT NO. 171

Mr. TAFT. Mr. President, I send an amendment to the desk and ask for its immediate consideration. This amendment is submitted on behalf of myself and my distinguished colleague (Mr. Glenn).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Taft), for himself and Mr. Glenn, proposes unprinted amendment No. 171.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, line 14, strike out "$74,826,000" and insert in lieu thereof "$88,326,000."

On page 16, line 16, strike out "$32,426,000" and insert in lieu thereof "$45,926,000."

On page 16, line 19, strike out the period and in lieu thereof insert a colon and the following: "*Provided, further*, That $13,500,000 shall be available for the construction of the Compliance Test Facility at East Liberty, Ohio.".

Mr. TAFT. Mr. President, this amendment for myself and for Mr. Glenn would add $13.5 million to construct and equip the National Test Compliance Facility in East Liberty, Ohio.

This project has been pending for quite a number of years. The Department of Transportation again this year reaffirmed its desire and its need for this particular facility.

It has been discussed with the members of the committee and I understand they are agreeable to take it. Secretary Coleman, Department of Transportation, requested funding for the project, but this was denied by the Office of Management and Budget. Expressing his support for the project, Secretary Coleman wrote to Congressman Brown on February 25, 1976, stating:

> I wish to assure you that the decision to defer the compliance test facility does not mean that a permanent compliance test facility is no longer considered a necessary element for the National Higway Traffic Safety Administration (NHTSA) program. I still hold my previously stated intentions with respect to this facility, and I hope that budget priorities will permit its initiation in the near future.

Mr. President, I share the desire of the President to hold down Federal spending.

The idea for a compliance test facility had its genesis 10 years ago in the Highway Traffic Safety Act of 1966.

After a detailed study of the need for such a facility to aid in enforcement of the act, the Department of Transportation—DOT—reported to Congress in 1968 that—

> The Department is firmly convinced that such an investment must be made as part of a national commitment to a scientific approach in vehicle and highway safety.

After considerable deliberation by the Congress, Public Law 91-265 was enacted on May 22, 1970, authorizing the construction of a facility which would enable the National Highway Traffic Safety Administration—NHTSA—to test highway vehicles and parts to insure their compliance with Federal vehicle safety standards. The Congress felt then that the practice of depending completely on private laboratories for all compliance testing had led to delays, scheduling problems and control problems which produced increased costs.

An exhaustive site selection procedure followed, and on May 21, 1971, Secretary Volpe designated the Ohio Transportation Research Center—TRC—at East Liberty, Ohio, as the site for the compliance test facility. The TRC is an 8,100-acre, Ohio-owned auto testing facility which was built at a cost of $33 million, financed by a bond issue approved by the voters of Ohio.

The site was extended by 3,100 acres and the proving ground was built to DOT requirements based on the DOT commitment to locate there. The facility is now used on contract with the State by a variety of industries for private testing activities. A major reason for the selection of the Ohio site is its location within 250 miles of 60 percent of all motor vehicle and equipment production in the United States.

In July 1971, Congress approved a prospectous outlining construction plans, and a $9.6 million appropriation followed quickly for fiscal year 1972. The compliance test facility would have been on its way to construction with completion set for fiscal year 1974 if it had not been for a well-intentioned effort to save some of the taxpayers' money.

The Ohio TRC proposed to construct the facility itself and to lease it back to DOT. A cost analysis by DOT using an approved Office of Management and Budget procedure, showed that this method would have saved the Federal Government $386,000.

So DOT came back to Congress with a new, revised prospectus embodying the lease arrangement. This course was followed until it became apparent that the State of Ohio would be unable, due to an adverse Internal Revenue Service ruling on tax free status in a similar case, to issue revenue bonds within a statutory 6-percent limitation imposed in the lease between the TRC and NHTSA.

In the meantime, two events occurred. First, the design cost of the Federal facility consumer $582,000 out of the original $9.6 million appropriation. Second, Congress transferred the unobligated $9 million balance to be dissipated under the Motor Vehicle Information and Cost Saving Act, Public Law 92-513.

Secretary Coleman came on the scene and found a need for a testing facility and plans for a testing facility, but no money to build a testing facility. So he went to Ohio last fall to view the Ohio TRC, and pledged to request $13.5 million in the fiscal year 1977 budget for the project. The Secretary made the request, and appealed OMB's rejection of the request, but lost the appeal.

Therefore, I urge my colleagues to allow us to go ahead with the project by supporting this amendment. There should be no doubt as to the need for the facility which in time could result in substantially reduced deaths on our highways.

Mr. BAYH. Mr. President, the Senators from Ohio have discussed this with the subcommittee chairman. I am prepared to accept this amendment at this time, in the pursuit of highway safety.

I must say, as I have said to the distinguished colleagues from Ohio, that we may well be confronted with insurmountable difficulties in conference, but I am prepared to make a good-faith effort and to accept this amendment.

Mr. TAFT. I thank the Senator.

Mr. CASE. Mr. President, I join the chairman of the subcommittee in our willingness to accept this amendment which I think makes sense.

Mr. President, our subcommittee has received testimony on the need for this test center and the Secretary has endorsed its location at East Liberty, Ohio. The center would facilitate NHTSA's compliance with the Motor Vehicle and School Bus Amendments of 1974. These amendments invite interested parties to petition for the development of new standards and/or question the compliance with existing standards. NHTSA is required to respond in 120 days to such petitions. The test center would permit the rapid evaluation needed to implement the legislation.

For these reasons I support the inclusion of the necessary funds at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 172

Mr. SCHWEIKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Schweiker) proposes unprinted amendment No. 172.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, line 20, insert the following:

Project Acceleration Demonstration Program

For necessary expenses to enable the Secretary to conduct demonstration projects authorized by section 141 of the Federal Aid Highway Act of 1975, $10,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Mr. SCHWEIKER. Mr. President, I shall be very brief.

This amendment was discussed in subcommittee and relates to section 141 of the Federal Highway Aid Act. It deals with demonstration projects, and I believe that the chairman of the committee and the ranking member will be favorably disposed.

Mr. President, the amendment I propose today will allow us to go forward with one of the most innovative programs in the highway area.

Building a modern highway, with elaborate interchanges connecting multiple lanes in each direction, and with the procedural safeguards we have provided for environmental and other concerns, is a very expensive proposition. This we all know. One thing that we frequently overlook is that it is also a very time-consuming proposition. It now takes about 8 years from the approval of a major highway project until it can be opened for traffic. This delay means the benefits from the road are denied to the people who want to use it and, in the inflationary climate of today, it also means the costs rise and rise and rise.

The highway authorization bill recently approved by Congress includes a new demonstration project to see if we can speed up this process. Highway engineers and planners sit around and dream up ways delays might or might not be eliminated, but we have to give this idea a try in the real world to see for sure. I think that it will work, and that we can cut both time and money from highway construction projects.

The demonstration projects which will be funded by my amendment should be set up in areas which, through changed circumstances, are experiencing a major, unplanned increase in traffic flow. It would be especially appropriate if the projects are in areas where the traffic problem was created by some other Federal activity.

In Pennsylvania, we have an outstanding candidate for such a demonstration project. The Corps of Engineers is putting the finishing touches on Lake Raystown, which is expected to open in the next year or two. Lake Raystown will be the largest manmade recreation area in the East, and is expected to attract over 2 million cars per year. Lake Raystown is located just north of the Breezewood exit to the Pennsylvania Turnpike, which, as many of you know, is the junction connecting Washington and Baltimore with the Midwest.

The Breezewood area, including the nearby town of Everett, is already a traffic nightmare. When 2 million cars are added to this, all having to go through Everett, turning at the single traffic light in the center of town, we could find we have created the biggest parking lot in Pennsylvania. We must have a bypass around Everett, and it will be needed as soon as the lake is open to visitors. I regret that we will not be able to build it that quickly, but they are ready to go up in Everett, and I think that this will prove a good testing place to see how much we can speed up that 8-year delay between approval and opening day.

Mr. President, I was pleased to see that the bill before the Senate includes funds for access roads into Lake Raystown. These roads will serve to replace the dirt roads now connecting the lake with State Route 26. My amendment, if it is approved and if the Everett bypass is designated to be one of the demonstration projects under this bill, will connect State Route 26 with the Breezewood exit and allow people to enjoy this federally constructed project without huge traffic bottlenecks.

I urge the Senate to approve this amendment.

Mr. BAYH. Mr. President, if the Senator will yield, for the benefit of our colleagues we had rather extensive discussions with the distinguished Senator from Pennsylvania. This involves a particular traffic congestion problem relative to getting large numbers of people and their vehicles to and from an Army Corps of Engineers reservoir that has been built in his State which was Federal policy which created State and local problems.

I am willing to accept the amendment. It was in the bill passed by the House of Representatives about which the committee expressed reservations. And because of the tenacity and persuasiveness of our friend and colleague from Pennsylvania we are prepared to accept his good judgment and put that money back in the bill.

Mr. CASE. Mr. President, I concur with my chairman.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was agreed to.

AMENDMENT NO. 173

Mr. BAYH. Mr. President, I am prepared to offer an amendment and send it to the desk at this time for airport planning grants which is a matter of concern to the Senator from Nevada (Mr. CANNON). I notice he is not present in the Chamber at this time.

Let me take the liberty of offering that amendment in his name and suggest that it be accepted.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Indiana (Mr. BAYH) for Mr. CANNON proposes unprinted amendment No. 173.

The amendment is as follows:

> On page 8, line 23, strike $386,000,000 and insert in lieu thereof the following: $401,000,000, of which $15,000,000 shall be for airport planning grants: *Provided*, That the sum appropriated for airport planning grants shall be available for obligation upon the date of enactment of this Act: *Provided further*, That the amounts appropriated for airport planning grants shall be available only upon enactment into law of appropriate authorizing legislation.

The PRESIDING OFFICER. Without objection, the amendment will be in order.

Mr. GRIFFIN. Mr. President, reserving the right to object, I am very troubled by the procedure, frankly. I think there is some obligation here to protect other Members of the Senate.

We have a $5 billion appropriations bill. The report has just been available a very short period of time.

The PRESIDING OFFICER. If the Senator will yield, the Chair will state that the amendment is in order. The Clerk had not given the bill third reading as the Chair had presumed. So the amendment is in order.

Mr. GRIFFIN. I see.

The PRESIDING OFFICER. The Senator from Michigan may continue.

Mr. GRIFFIN. Mr. President, will the Senator from Indiana yield?

Mr. BAYH. The Senator from Michigan has the floor.

Mr. GRIFFIN. All right.

It is very difficult to know what the implications of some of these amendments are.

I notice that some of them are being offered by members of the Committee on Appropriations, who obviously have had an opportunity to offer them in committee, and they knew when this bill was being taken up, but no one else in the Senate knew when it was going to be taken up. It has not been on the calendar. The report has not been available. I wonder——

Mr. ALLEN. Mr. President, I call for the regular order. Five minutes have expired that were allotted.

The PRESIDING OFFICER. The Senator is correct. Five minutes have expired.

Mr. MANSFIELD addressed the Chair.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that we have an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to speak for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. The distinguished acting Republican leader has a valid complaint. I will say that we had notified the membership, at least I thought I had, that we would do our best to take it up today providing the reports and hearings were in order, and they are. It is a little unusual. We are going to have the yeas and nays.

I must apologize, but to the best of my knowledge, after making extensive inquiries, I found, in effect, there was no opposition, and that it came out of the Committee on Appropriations with as little difficulty as could be.

Mr. GRIFFIN. I say that is my general understanding, also. I do not wish to be critical. I do wish to get along with the business of the Senate. I did not understand there would be amendments brought up. I thought there would be no amendments.

Mr. MANSFIELD. I did not either.

Mr. GRIFFIN. But having amendments, apparently there are parochial interests, and whether other Senators have opposition or not is something we just do not have any idea about or what the impact is.

Mr. BAYH. Let me suggest that the Senator from Indiana was prepared to take up this measure at length at the convenience of the Senate. I was told in an effort to cooperate with the Senate that we could do it in 5 minutes. We had studied the three amendments very carefully. In an effort to try to cooperate with our colleagues, we thought we would make an effort to get these moneys in the bill. They serve worthwhile purposes.

The last amendment which was proposed by the Senator from Indiana in the absence of the Senator from Nevada was proposed at this time, because I understand that Senator CANNON, who is chairman of the Aviation Subcommittee, feels that these planning grants, which are authorized under the conference report which recently passed, are vitally needed at this time. I did not know of his intention to offer it until just a few moments ago, but I do fully support it.

Mr. GRIFFIN. We will withdraw the objection and go ahead. I just want to indicate——

Mr. ALLEN. Mr. President, call for the regular order.

The PRESIDING OFFICER. The Senator from Alabama is calling for the regular order, and regular order is under the previous order.

The Senate will now go into executive session and proceed——

Mr. MANSFIELD. No, Mr. President.

Mr. ALLEN. I object to further consideration of this bill at this time. Mr. President, I have not had an opportunity to study it, and major amendments were offered here in the Chamber with no explanation.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Gen. George S. Brown.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nomination of Gen. George S. Brown, U.S. Air Force, reappointment as Chairman of the Joint Chiefs of Staff.

The PRESIDING OFFICER. Debate on this nomination is limited to 65 minutes to be divided 20 minutes to the Senator from Mississippi (Mr. STENNIS), 10 minutes to the Senator from Ohio (Mr. TAFT), 10 minutes to the Senator from New York (Mr. JAVITS), 10 minutes to the Senator from Washington (Mr. JACKSON), and 15 minutes to the Senator from New Hampshire (Mr. MCINTYRE).

Mr. STENNIS. Mr. President, this matter has an agreed time as has been read out, and I shall make a brief statement about the issue, but the Senator from Washington who is present in the Chamber needs to leave for a meeting.

Mr. JACKSON. Mr. President, I ask unanimous consent to yield back the 10 minutes allotted to me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I consider this to be an important matter, but it is not difficult to get to the merits of the case.

Mr. President, Gen. George Brown has served for 2 years as Chairman of the Joint Chiefs of Staff. That 2-year term expired at midnight last night. This nomination is for an additional 2 years.

We had full committee hearings on this matter and had General Brown before us on two occasions. There was a thorough discussion of the nomination, and the committee has voted 14 to 2 in favor of confirmation of the nomination.

Mr. President, I request that Senators' offices be notified that this matter is now being considered by the Senate.

The PRESIDING OFFICER. The Senator's request will be complied with.

Mr. STENNIS. Mr. President, the law is simple on this. The Chairman of the Joint Chiefs serves at the pleasure of the President of the United States for a 2-year term. That is not a contradiction. It means that anyone in this post, as an adviser to the President of the United States, is subject to the pleasure or the will of the President of the United States as to how long the term will be, but not more than 2 years, and the nomination has to be submitted for each 2-year term.

This recent matter has been gone into. It first came up soon after General Brown's term started, with reference to remarks that were made in a conference at a university. The remarks that General Brown made concerning the influence of the Israeli Government. The matter was well aired at that time, and it came up again at the hearing the other day.

Mr. President, this officer has already served 2 years. According to all my impressions and according to all the proof, there has been nothing amiss about his service or the discharge of his duty, and so forth; and the President finds none, because he has nominated the general for a second 2-year term.

This is an important office, but is really not an office of command. It is the fourth member of the joint chiefs.

When the act of 1957 was passed, there was some difficulty in settling this matter. So someone proposed that a chairman be selected, as I have said, by the President, and the person selected would not be representing any of the services and would not have any command.

I think it is fair to say that, as a matter of practice, the President of the United States uses the person in this position as much or as little as he sees fit. I have seen it vary with different Presidents.

We are at the point now, at which this office is really vacant. I hope, as was true with the committee, that we will consider this matter deliberately and absorb the significance of what the complaints may be and then pass on the matter accordingly. The better the committee understood it and weighed the evidence, the stronger the nomination became with respect to voting in favor of confirmation, and the vote was 14 to 2 in favor of confirmation of the nomination.

Mr. President, will the Chair advise me how much time I had and how much time I have used?

The PRESIDING OFFICER. The Senator had 20 minutes; he has used 4 minutes; 16 minutes remain.

Mr. STENNIS. I believe that the Senator from New Hampshire has time alloted to him.

The PRESIDING OFFICER. The Senator is correct.

Mr. McINTYRE. The distinguished Senator from Washington just yielded back his 10 minutes.

Mr. STENNIS. The Senator from Ohio has time allotted to him under the agreement.

The PRESIDING OFFICER. The time of the Senator from Washington was yielded back, and is not available.

Mr. STENNIS. I yield 5 minutes to the Senator from Florida.

Mr. STONE. Mr. President, in spite of my deep and abiding respect for the chairman of the Committee on Armed Services and the committee itself, I must respectfully differ with their recommended confirmation of the nomination of Gen. George S. Brown for an additional 2-year term.

Gen. George Washington, the first Commander of the same Armed Forces which Gen. George S. Brown heads today, sent a letter to the Jewish Congregation in Newport, R.I., in 1790 in which he stated:

> Happily, the Government of the United States, which gives to bigotry no sanction, to persecution no assistance, requires only that they who live under its protection should demean themselves as good citizens in giving it on all occasions their effectual support.

On Sunday, July 4, we will be celebrating our Bicentennial, commemorating the signing of the Declaration of Independence which is truly an historic document. It established a nation which has as a primary reason for its existence a total commitment to religious freedom and the elimination of all forms of bigotry.

General Brown has now served 2 years as Chairman of the Joint Chiefs of Staff. He is not just another soldier; not even just another general. General Brown is the No. 1 military adviser to the President. In this role he helps shape policy. He is responsible for evaluating the strengths and weaknesses of our allies.

In short, he is a man whose advise can affect the course of American policy. It only stands to reason, therefore, that we should expect this person to exhibit the highest capabilities, the soundest judgment and at least a basic capability to learn from past mistakes and grow in the job.

In all these respects his performance, in my judgment, is wanting. His statements this week to the Senate Foreign Relations Committee show that he has not learned from his own personal experiences during the past 2 years.

Several months after former President Nixon nominated him and this body confirmed him for his term as Chairman of the Joint Chiefs of Staff, General Brown made statements in an interview at the Duke University Law School forum which, unknown to him, had been recorded. Every responsible American, including President Ford, chastised General Brown for these remarks which smacked with basic antisemitism and religious bigotry. He was called on the carpet by President Ford and apologized profusely after this incident. He claimed that he was misunderstood and stated that it was not his intent to offend anyone.

I was extremely concerned about these remarks because there is no room for bias in someone occupying such a high office. This is not an office which should be held by someone who has exhibited even the slightest reservation with the necessity and rationale behind our policy of assisting a nation to which our country is openly committed.

Did General Brown learn from the

reaction to his Duke remarks? No; I cite as proof the June 28, 1976, transcript detailing General Brown's appearance before the Senate Committee on Armed Services during which he was questioned about his 1974 statement by our able colleagues, the senior Senator from Ohio (Mr. Taft) and the junior Senator from Georgia (Mr. Nunn). I must say that after reading this transcript, I cannot support General Brown for nomination to a second term as Chairman of our Joint Chiefs of Staff.

Again, on Monday before the Senate Armed Services Committee, he exhibited misunderstanding of the actions and intentions of the American Jewish community and the State of Israel which I view as dangerous to our policy in the Middle East. I do not know the cause of his fears, but his statements show a strong insensitivity and ignorance in a basic area of our American way of life. I cannot, in good conscience, allow such insensitivity and ignorance to be transposed into the field of our military intelligence and operations. In reiterating his position that the American Jewish community has "undue influence on the Congress of the United States," he has once again caused me concern with the possibility that his views will have their own undue influence over our military policy. The Miami Herald and the St. Petersburg Times, in editorials on June 30 and July 1, respectively entitled "Quite Enough of General Brown" and "What Kind of Advice?", have spoken eloquently on this matter. I ask unanimous consent that these editorials be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Miami Herald, June 30, 1976]

QUITE ENOUGH OF GENERAL BROWN

Twice Gen. George S. Brown, chairman of of the Joint Chiefs, has had to repudiate or back away from statements in public which were at least covertly anti-Semitic. The first time he was reprimanded by President Ford. The second time he waffled on testimony before the Senate Armed Services Committee that Jews exercise "undue influence" on Congress.

Gen. Brown in 1974 passed to an audience the old wheeze that Jews "own the banks in this country; the newspapers." His "undue influence" which he does not seem to be sure he does not believe, means by definition inappropriate, unsuitable, exceeding or violating propriety or fitness. It is plainly a slur.

The very first commander of the armed forces which Gen. Brown heads proclaimed "to bigotry no sanction." Since George Washington's time until this, there had never been bias uttered officially in the armed forces.

Once should have been enough for Gen. Brown, who apparently really hasn't rearranged his prejudices since 1974 and who should have been let out then. The Senate committee would be wise to deny him a second term. The fires of bigotry can run out of control when they are ignited by seemingly responsible people, a description which no longer fits Gen. Brown.

[From the St. Petersburg Times, July 1, 1976]

WHAT KIND OF ADVICE?

We have no idea what counsel President Ford gets from his chief military adviser, Gen. George S. Brown, chairman of the Joint Chiefs of Staff. We can only hope it is better than some of that Brown has been giving the public.

It is difficult to understand Brown.

He is a West Pointer, a decorated World War II bomber pilot, and a veteran of high command in the Korean and Vietnam wars. In his long military career he climbed every rung of the ladder and finally was recommended for the nation's highest military post because of his reputation as firm-willed, candid, and thoughtful.

Incredibly, a few months after his 1974 appointment by Ford he suggested to a law school seminar at Duke University it might take another Arab oil embargo to prod Americans into ending the "undue influence" of Jews on the Congress.

"They own, you know, the banks in this country, the newspapers," he said. "Just look at where the Jewish money is."

When this came to public attention Brown apologized for his "unfortunate," "ill-considered," and "unfounded" remarks. President Ford personally called him on the carpet about them. There was a tendency to excuse Brown for an unfortunate lapse.

On Monday Brown was before the Senate Armed Services Committee for a routine hearing on his nomination by Ford for another two-year term in high office. Sen. Robert Taft Jr., R-Ohio, recalled Brown's remarks and asked for his comments.

Brown said he had found he was wrong about Jewish control of the banks and the press. He said his comment about "undue influence" of Jews was "inappropriate." Taft asked him if he still believed it was true.

"In all candor, I do," Brown replied.

Although he went on to add that Jewish lobbying activity wasn't unique, and that he didn't necessarily think it was bad for the United States, the committee was sufficiently concerned to talk the whole thing over in closed session, after which it recalled Brown for "clarification."

"Do you believe that the American Jewish people have undue influence in Congress?" Sen. Sam Nunn, D-Ga., asked him again.

"No," Brown replied, the alarm bell having been rung in his ear.

On the basis of his entire record the committee later recommended on a 13 to 2 vote that the Senate approve Brown's re-nomination. Sens. Taft and Thomas J. McIntyre, D-N.J., in a minority report will tell the Senate Brown's apparent attitudes and his insensitivity render him unfit for the office he holds.

We tend to agree.

Obviously there is room for debate and differing views on all aspects of the Middle East problem. But there is no place for ignorance, intolerance, or prejudicial comment, on this or any other subject, by such high-placed officials as the chairman of the Joint Chiefs of Staff.

Mr. STONE. Mr. President, I ask my colleagues to vote "no," on behalf of better advice by the Chairman of the Joint Chiefs and against bigotry in high office.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, the Senator from South Carolina wishes time. I yield him 2 minutes or whatever he wishes.

Mr. THURMOND. Mr. President, I rise in support of the nomination of Gen. George S. Brown to serve a second 2-year term as Chairman of the Joint Chiefs of Staff.

General Brown has served as the chief military adviser to President Ford almost since the time President Ford took office. Now the President is asking that General Brown be continued in this advisory capacity for an additional 2 years.

General Brown, in his appearances before the Senate Armed Services Committee, has impressed me as a highly competent and able officer. He obviously has the confidence of the President and the Secretary of Defense or his nomination would not be before us.

While I have found General Brown's remarks relative to the influence of our Jewish citizens most inappropriate, I do not feel these instances are sufficient to reject his nomination. In fact, many of my friends in the Jewish community respect General Brown's military judgment and do not oppose his reappointment.

Mr. President, in conclusion, allow me to say the Nation is fortunate to have a man of General Brown's experience and ability to serve in this high post. I support his nomination because I am confident he will fulfill well the high and grave responsibilities entailed by this appointment.

The PRESIDING OFFICER. Who yields time?

The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, as in the case in committee when this appointment came up, I speak again today with some misgivings. I speak with misgivings because I certainly do not want to make an unfortunate situation any worse. I do not want to undermine public confidence in the Joint Chief. But, as in committee, my conscience tells me that I must speak briefly on this subject.

I voted in the Committee on Armed Services against confirming Gen. George S. Brown's appointment for a second 2-year term as Chairman of the Joint Chiefs of Staff, I did so with great reluctance, because I have no personal objection to General Brown and believe him to be a man of integrity, honesty, and professional expertise.

However, I shall have to vote against him again today. The unfortunate remark made by General Brown in 1974, which was so well publicized, made me feel when he came before the committee that I must examine him in some detail. I might say that anyone who examines the transcript will find, I feel, that I did so with a degree of fairness and with no intent to try in any way to entrap General Brown or embarrass him or anything else. I merely felt that an inquiry was appropriate and, indeed, was required.

His replies to questions on that subject in the committee seemed to me to show still, and again, a lack of sensitivity to public opinion which is particularly inappropriate for one in his position.

Mr. President, if there is one lesson that I hope the American people have learned and that I hope our leaders have learned from our experience in the Vietnam war and from our recent experiences in foreign policy, it is that we must in America, in the conduct of our foreign policy and our military policy, include in our considerations, in a very deep and sensitive way, the public opinion of the people of the United States. Not to be able to do that is to put us in a position where I feel, as in the case of the Vietnam war, that we can be undermined in our policy positions very rapidly, and will be undermined, indeed, from outside by forces using the freedoms which we use to protect our citizens, and even those who are not citizens of this country but who are here, in their freedom to speak out as they wish to speak and to associate and assemble in the way they wish to associate and assemble. But I think we all must know, and those must know in positions of high responsibility, that public opinion is a key element in military and foreign policy determination.

I went into that in great detail when we passed the resolution last year regarding the war-making powers of the President.

Mr. President, as I indicated in a letter to the President on November 26, 1974, when this matter first arose, asking for the resignation of General Brown at that time, I believe that his earlier statement and his testimony at that time, and again, his testimony today, jeopardize his ability to participate in national decisions relating to the Middle East, particularly because of their effect upon public opinion.

I do not believe that it showed in General Brown any bigotry or anti-Semitism when we got full explanations of what he meant before the committee. But it did show, I thought, a profound lack of sensitivity and a profound lack of judgment.

I have examined General Brown also, relating to a number of other key issues in our defense posture, in open and in closed session. Some of his replies raised other doubts in my mind as to his judgment or articulation, or both, relating to some of those issues.

Mr. President, I have arrived at the conclusion that, among the many other top-grade men serving in our military establishment, there must be others more capable of handling the responsibilities involved and without the handicaps under which General Brown will inevitably serve.

Mr. President, I reserve the remainder of my time.

Mr. STENNIS. Mr. President, the Senator from New Hampshire has his own time.

Mr. McINTYRE. Mr. President, I rise to oppose the nomination of Gen. George S. Brown to a second term as Chairman of the Joint Chiefs of Staff.

In late 1974, I called for the resignation of General Brown as Chairman.

At that time, I said his remarks at Duke University about alleged Jewish influence on national policy revealed "an abysmal insensitivity and a woeful misunderstanding of what this country is all about." I said he had thus "forfeited his claim to the public's trust, respect and support."

Although I have remained convinced of his unfitness for the office he holds, he has not, in the intervening 2 years, again expressed the attitudes that created the initial controversy. Indeed, in the aftermath of that controversy, he was reprimanded by President Ford and the then-Secretary of Defense and made a formal apology to the Jewish community.

That considered—and because I wanted to avoid the suggestion that I was engaged in an ongoing vendetta—I have not, until yesterday, played an active role in opposing his nomination to a second term as Chairman of the Joint Chiefs.

But this week's Committee on Armed Services questioning of General Brown strongly indicates that the substance of the attitudes the general publicly expressed 2 years ago has not changed despite all the conciliatory backing and all the conciliatory filling, thus reinforcing my original conviction that he is insensitive to the issue and unfit for the office. And so today, I feel that I must speak out again.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. McINTYRE. I am happy to yield to my friend from Connecticut.

Mr. RIBICOFF. I have a couple of questions that bother me. Why is it necessary that General Brown be reappointed at this time for another 2-year term? My understanding is that only on two occasions in the past has the incumbent Chairman of the Joint Chiefs of Staff been reappointed—General Wheeler and Admiral Moorer, the former while the United States was actively engaged in the Vietnam war. Are there no other senior military officers capable of assuming this most important responsible position?

Mr. McINTYRE. Let me say to the Senator from Connecticut that it is true that General Wheeler and Admiral Moorer were both given double 2-year terms, mostly because of the constraints and the problems of the conflict in Vietnam. There is no good reason why any officer who has had a 2-year term should be reappointed, absent, perhaps, an outstanding record he may have compiled. It is my opinion, of course, perhaps held only by this Senator, that General Brown's record has not been that compelling. I am not so sure—I do know that some time ago, the Chairman of the Joint Chiefs served for a 4-year term. But I do not know if, prior to General Wheeler, the 4-year term was in existence or not.

Mr. RIBICOFF. Am I correct in assuming that the Chairman of the Joint Chiefs of Staff serves as the principal military adviser to the President, the Secretary of Defense, and the National Security Council.

Mr. McINTYRE. He is the top military figure in America. It may be said that under the law, he commands no troops, but he is the top military man and military adviser to the President of the United States. I repeat, he commands no troops, but he is the top military adviser.

Mr. RIBICOFF. Then he is an active participant in making military, political, and foreign policy judgments.

Mr. McINTYRE. This is a difficult question for me to answer. I think it varies with the personality of the person holding the office. It is apparent from some of the questioning, that it is a little difficult to determine whether General Brown does play the active role that I would assume he would play. Some of the questions in the hearing, directed by Senator Jackson of Washington, indicated that when crucial decisions involving the foreign policy of this country were being made at one place in Europe, he was at another place in Europe. I think that is where I would expect him to be, but I do not, I hope I do not, want the military making the foreign policy of the country.

Mr. RIBICOFF. Let me ask the Senator, since this post is so important, when a man shows such lack of judgment and sensitivity to broad, basic issues in this Nation, should such an individual be placed in such an important position

Mr. McINTYRE. Not in my opinion. I must say to the Senator from Connecticut that, as a Senator who has a great deal to do with the interrogation and questioning of our distinguished officers, admirals, and marine generals, we have a great number, right as of this moment a tremendous number, of highly skilled people who are, I think, equally sensitive to the judgments and the feelings of America. Therefore, I see no reason why another man could not have been sent up for confirmation. I know of no reason why General Brown has earned this second nomination.

Mr. STENNIS. Mr. President, will the Senator yield to me for a question at this point?

Mr. McINTYRE. On the Senator's time.

Mr. JAVITS. I yield 1 minute of my time.

Mr. STENNIS. Let me say to the Senator from New Hampshire he goes right to the heart of things and makes a fine contribution. But the idea that someone is appointed because there was no one else available is so foreign to the picture that it is unthinkable. Of course, they have many available.

On the question here of this being the first man not in wartime, you know, to be reappointed, the old term was a 4-year term. I do not remember just when it was changed, but it was a 4-year term, and that is a long term for any military officer. It was changed to make it a 2-year term, but he was eligible for reappointment. That is spelled out in the law. If a war was on he could be reappointed more than once.

You just do not pick up a man from somewhere and make him Chairman of the Joint Chiefs of Staff. It is a matter of someone who is in the job and who has a feel for or who is close to the problem.

I know I have taken too much time.

Mr. RIBICOFF. Just one more comment: The Senator from New Hampshire was incensed 2 years ago when a similar occurrence took place, and was consistent in his position.

General Brown, after that incident, did come around to my office for a long chat, and he told me that he misspoke; that he did not quite understand the situation; that he had looked into the entire situation and that many of the statements that he made were really without basis, and then he apologized to the President of the United States.

After speaking to General Brown, I thought this was a mistake for which he was really and truly sorry, and I voted then for his confirmation.

But when basically he repeats the

same thing 2 years later, indicating these are deep, ingrained philosophical thoughts that he has, I do not feel I can again vote for his confirmation, and I shall vote "no."

Mr. President, the Joint Chiefs of Staff serve as the principal military advisers to the President, to the Secretary of Defense and to the National Security Council. They actively participate in the formulation of this Nation's defense policies and furnish the basic critical information on which the highest councils of Government base their decisions as to the U.S. military and political position toward other countries. Clearly, then, the members of the Joint Chiefs of Staff—and the Chairman in particular—occupy very sensitive positions and must be capable of making sound and rational judgments.

Unfortunately, the current Chairman of the Joint Chiefs—and the person we are being asked to approve for reappointment to another 2-year term—has demonstrated on more than one occasion some very questionable judgment in his public statements. Remarks which General Brown has made before the Armed Services Committee during his confirmation hearings and in early 1974 are untrue and baseless. These statements and, in particular, the fact that he should repeat them after the public protest following his earlier comments were reported raise in my mind very serious doubts as to his ability, his discretion and his basic judgment. Although General Brown has the right of any citizen to express his views freely and openly, his comments clearly raise a question as to his basic and overall ability to serve in this most important post—the highest military office in the country.

Consequently, I shall vote to reject his nomination.

Mr. McINTYRE. I thank the Senator. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator from New Hampshire has 7 minutes.

Mr. McINTYRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McINTYRE. Continuing then, Mr. President, let me remind my colleagues of what General Brown actually said in that question and answer session at the Duke University Law School forum on October 10, 1974:

He was asked if the United States were contemplating the use of force against the oil producing nations, and his answer, tape-recorded by a student, and reported in the Washington Post on November 13 of that year, was as follows:

> Now, in answer to the question of would we use force in the Middle East, I don't know. I hope not. We have no plans to. It is conceivable, I guess. It's kind of almost as bad as the "Seven Days in May" thing. But you can conjure up a situation where there is another oil embargo and people in this country are not only inconvenienced and uncomfortable, but suffer and they get tough-minded enough to set down the Jewish influence in this country and break that lobby.
>
> "It's so strong you wouldn't believe now," Brown said of the lobby. "We have the Israelis coming to us for equipment. We say we can't possibly get the Congress to support a program like that. They say, 'Don't worry about the Congress, we'll take care of the Congress.' Now this is somebody from another country, but they can do it. They own, you know, the banks in this country, the newspapers, you just look at where the Jewish money is in this country."

So spoke General Brown.

President Ford called him to the White House and told him he thought his remarks were "ill-advised and poorly handled." Defense Secretary James Schlesinger said they were "unfortunate and regrettable."

I found those remarks utterly appalling and do to this day.

There was something bone-chilling in hearing the highest ranking military officer of this country uttering the big lie about Jewish control of the Nation's banks and newspapers—given the fact that Jews are the principal stockholders or owners of only 3 percent of the country's newspapers and make up less than 1 percent of the directors and top officers of our commercial and savings banks. And something else equally disturbing.

Commenting at that time in the Washington Post, Joseph Califano, at one time Special Assistant to the Secretary of Defense, Mr. McNamara, wrote:

> Thus, in the context of the most explosive situation in the world today—the one situation most likely to precipitate a major war involving not only the Israelis and the Arabs, but our country and the Soviet Union—the Chairman of the Joint Chiefs vented his spleen on the Israelis, the Arabs, the American Jews, the Congress, and informed the world that he didn't intend to go to war in the Middle East.

Califano and others pointed out that the general's remarks were read not only here but in Israel, the Arab countries, Russia, and other nations around the world.

The long-established principle of civilian control over the military is at the very foundation of our system of democratic self-government, and whenever a spokesman of the military, and particularly a spokesman as high ranked as General Brown, injects himself and his views into what must remain civilian domain, it assaults and weakens that crucial principle. And in this instance, the violation was as dangerous as it was improper.

Mr. STONE. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield for 30 seconds.

Mr. STONE. Is the Senator aware of the old statement, the old saw, that we have in the South that the first time someone does something to you shame on him. But the second time someone does something to you shame on us.

The first time this happened, as the Senator knows, many people just said, "Well, it was a slip." The Senator from Connecticut did; the Senator from Florida, not then a Senator, did, and many others.

But when that type of thing is repeated it has to be "shame on us," not "shame on him."

Mr. McINTYRE. I agree.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. McINTYRE. The issue is not General Brown's right to hold the attitudes he holds. The issue is his insensitivity to the consequences of expressing these attitudes from the office he holds. For not only are those attitudes deeply offensive to an entire element of our society, they crudely inject the influence of General Brown's high office into highly sensitive areas of foreign as well as national policy—thus violating those constitutional boundary lines so wisely imposed upon the military by the Founding Fathers.

Moreover, after the fact that the issue also becomes one of accountability.

An elected official expressing General Brown's view is judged by the voters, and his tenure is decided at the polling booth.

In the case of the general, however, his tenure can only be decided by those who appoint, those who confirm—or he, himself.

In an era when America is being challenged to reassert itself before the world as an uncompromising champion of human rights, we can ill afford a man in that office who has become anathema to a people whose human rights have been denied so often and so long.

And in a time when the importance of constitutional checks and balances ought to be burned into our collective consciousness, we can ill afford a Chairman of the Joint Chiefs of Staff who has such difficulty recognizing the constitutional division of authority and responsibility between the civilian and the military.

In conclusion, let me make this very clear:

I am not questioning General Brown's competence as a career military officer. Within the defined limits of technical competence, he has performed with distinction. Nor do I doubt for one moment his deep devotion to his country.

But technical competence and patriotism are not enough to qualify a man for the ranking military office of the land.

That office—representing American center stage as it so frequently does—ought to speak for the best of America. And when it speaks, it should speak with sensitivity and discretion.

It is the manifest failure of General Brown to meet that criterion that persuades me he is not the man for the office.

Mr. President, I ask unanimous consent that an editorial from that old distinguished newspaper of the South, the Atlanta Constitution, be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

An Old Story

It's kind of scary to have a chairman of the joint chiefs of staff who shares the grand vision and ideological insights of a national disgrace like Spiro Agnew.

But that's what we apparently have is Gen. George S. Brown.

The former vice president, who has now found his niche as a writer of trashy fiction, once galvanized the nation with his tirades against "nattering nabobs of negativism" and sundry vague bogeymen in our midst. Pushing his literary efforts, Agnew recently opined on TV that the news media are controlled by Jews who use it to promote the interests of a foreign country—Israel.

Gen. Brown feels the same way. Has for a long time. The other day he told the Senate Armed Services Committee that Jews have too much influence over Congress. That represented a strategic retreat from his 1974 opinion that they not only influenced Congress unduly but "owned" the banks and newspapers, a view that earned him a rebuke from the Commander in Chief, Gerald Ford. The general admitted to the senators that he was wrong about the banks and newspapers, some of which are firmly in the grip of gentiles.

Agnew's opinions can be dismissed as approximately what can be expected from a man who sat in offices of high trust, including the vice presidency of The United States, and accepted dirty money from a succession of sleazy-wheeler dealers.

But it is not reassuring to have the nation's military establishment answerable to a general who sees the world pretty much as Agnew does. Talk of "Jews" in control of banks and the media echoes all too clearly the kind of talk heard in Germany (and elsewhere) before Herr Hitler took over. It is the old, old effort to deal with profound national problems by sniffing around for available scapegoats. The nation doesn't need it—certainly not in a year when we are celebrating our 200-year dedication to something our Agnews and Browns will never understand.

Mr. McINTYRE. I hope that my distinguished colleagues will join me in voting against the renomination of General Brown.

Mr. JAVITS. Mr. President, I might state to Senator McINTYRE that some Senators will, and with very good reason.

Mr. President, like Senator RIBICOFF, I had the same experience with General Brown after the unfortunate incident of 1974. He came to see me. He did not have to apologize to me personally, but he did, and he apologized to the Jewish people of the United States and to the President of the United States.

Mr. President, as my colleagues have said—and I am not going over this ground again—the same thing has happened all over again.

Mr. President, I am willing to accept the evaluation of Senator THURMOND and Senator STENNIS that he is a highly competent and able officer. I am willing even to accept his own protestations that he is not anti-Semitic. I think that is a word which is sometimes used much too loosely and I am always very wary in tossing it about.

But, Mr. President, he is not qualified for this job. That is a very much more important point—and I think a number of my colleagues have tried to make that—and I base that upon three propositions.

First, he does not learn from his mistakes, Mr. President. I shall illustrate that for the record.

Second, he does not realize the meaning of words. He does not realize what he meant by the words "undue influence."

How can the Chief of Staff not understand the meaning and the implications of words if he is going to represent the United States with other Chiefs of Staff—and I believe others do.

Third, Mr. President, he really does not understand how very sensitive to the slightest breath of indication of a difference in a person's evaluation between Jews and non-Jews the Jewish people of our country must be after what they have seen and endured through generations in the United States and in the world.

The slightest breath, Mr. President, has a right to give them a feeling of deep suspicion and a deep feeling of bias after what they have been through.

Mr. President, let us just prove these from the record.

At page 7 of the unprinted record which I have gotten from the committee, General Brown's testimony is as follows:

> But in any event, I regretted my utterances at Duke and I have learned a very harsh lesson from that affair.

What harsh lesson has he learned? Simply to repeat all over again, in almost exactly the same terms, Mr. President.

Mr. President, I understand mistakes and I can understand mistakes by even the greatest military officers of all. But, Mr. President, I cannot see a George Marshall, or a Dwight Eisenhower, or a Douglas MacArthur, not learning from a mistake. Yet that is General Brown's record from his own mouth in his own testimony.

Then, Mr. President, he was asked on page 8:

> General Brown, you stated that in two of the matters you were wrong. What was the third matter you were referring to?
>
> General BROWN. The third matter that I felt, and it was a matter of opinion, that the Jewish community in the United States had an undue influence on the Congress of the United States.
>
> Senator TAFT. Do you still feel that that is true?
>
> General BROWN. In all candor, I do, but I feel it is not unusual. There are other special interest groups that have influence or seek to achieve influence on the Congress of the United States, but I will hasten to add that I don't think this necessarily works to the disadvantage of the United States in all cases.

Then, Mr. President, we turn from that statement I have just read to page 63 of the RECORD in which Senator STENNIS defines what is meant by undue influence, Senator STENNIS himself recognizing that General Brown did not understand the meaning of the words.

On page 64, Senator STENNIS says:

> Would the Senator yield to me just on this point. That term "undue influence" in legal terminology, as I recall, has a sinister connotation or meaning. It might mean guilty of inducement, and so forth, or even fraud, undue influence. And I think of that, and I don't know whether laymen or foreign lawyers think of undue influence in another way.
>
> General BROWN. I would say that I think the Jewish influence in the interest of Israel's survival and security—which, incidentally is the national policy, and which I support—is absolutely proportionate to the energy with which they put into the effort, they work hard at it.
>
> Senator NUNN. Do you think, then, that the influence is undue? Undue, as Senator Stennis says, has the connotation of going beyond the proper——
>
> General BROWN. No, I never implied, and I wouldn't now, that there is anything sinister or wrong or illegal in their actions at all.

And yet, just a few pages back, he had said in answer to the following question: "Do you still feel that that is true?"—in other words, that the Jewish community in the United States had an undue influence on the Congress of the United States?

> General BROWN. In all candor, I do.

Mr. President, what kind of a Chief of Staff is that who does not understand the meaning and the implication of the words "undue influence": Even after they were explained to him by the chairman of the Armed Services Committee, who properly had solicitude, he wanted the man confirmed if he could get him confirmed.

Finally, Mr. President on this question of even a breath in this particular field, what American who is sophisticated enough to negotiate with the heads of armies, navies and air forces of the rest of the world, what American who is Chief of Staff, is the proconsul of the United States, who is ordained to lead the forces of the United States, including those of Jews who have laid down their lives for this country since the Revolutionary War, who would not be sensitive to what his words mean to a people who have been so assailed and so persecuted?

Mr. President, my opposition to this nomination is simply that the man is unqualified to exercise the duties of being the military proconsul and Chief of Staff of the Armed Forces of the United States. The question as to what that man would do in war, a given cause for that war, whatever it might be, is just too serious, too portentous, or too critical to our Nation, to let this nomiation go through.

Mr. President, I repeat, in conclusion, I have never—and I have had a long career—tossed this word "anti-Semitism" around lightly, and I do not do it here.

I do not know what is deeply in the heart of this man somewhere, whether he is just confused. But I do know that a man who does not learn from his mistakes, who does not know the meaning of undue influence, and is so insensitive he does not realize how the Jewish people are bound to react to a situation like this, not once but twice, is unfit to be Chairman of the Joint Chiefs of Staff of the United States, and I shall vote "no."

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, this is a very delicate matter, one that is emotionally charged and politically significant, which I think would give some of us some pause to speak of.

I shall vote for the confirmation of General Brown.

May I say at the outset that I think his remarks were unfortunate. I think that they probably conveyed an impression that the general did not intend should be conveyed.

I think, however, that a man should be judged as much, if not more, by his deeds than by words.

I would like to point out that in the Yom Kippur war, the United States marshaled an enormous airlift to resupply Israel in Israel's hour of travail.

Without this resupply effort on the part of the United States, probably the outcome of that war would have been different. It might have resulted in the destruction of the State of Israel or, short of that, it might have required the active intervention of the armed services of the United States to prevent the fall and surrender and destruction of Israel.

In the establishment of this airlift we had to reckon with several things. To begin with, some of our allies would not allow us to overfly their territory, or to use bases on their territory, which compounded the difficulty in trying to maintain a viable and effective airlift operation to resupply Israel from the United States to the eastern Mediterranean.

The man who managed that airlift, the man who was responsible for it, was General Brown, who at that time was the Chief of Staff of the Air Force.

We managed that airlift in such a way I think none of us conceived to be possible, given the enormity of the difficulties that confronted us in a logistical situation which was virtually next to impossible.

So I think we should reflect on the deed of the man who was Chief of Staff of the Air Force, who commanded that operation, who managed that operation, and who probably, by virtue of his skill, his capacity to command, his managerial ability, was able to see that airlift through to success. It was that airlift that was probably the essential element in the salvation of Israel.

When we are considering General Brown's nomination at this point, we should reflect on that.

Mr. STENNIS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. DOMENICI). The Senator has 5 minutes remaining.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Nevada.

Mr. CANNON. Mr. President, I fully support the reappointment of General Brown to serve his second tour as Chairman of the Joint Chiefs of Staff. General Brown is a fine military officer and dedicated American, the kind that we need in our high leadership posts. His many years of service to the Air Force and to our country have culminated in his serving his first term in the top ranking U.S. military post, and he has shown in his 2 years that he should continue to serve out the normal full 4-year tenure as Chairman.

Much ado has been made about the statement of a year and a half ago regarding the influence of the Jewish lobby in America and I think that General Brown's apology at that time fully explained his personal position in making those unfortunate remarks. Since the issue was raised again in his renomination hearings this past week, in my opinion, he reaffirmed his basic personal belief that he had erred in his original remarks and he was sorry he had made them.

Additional controversy has been raised over the fact that he said this week that there is a strong pro-Israel lobby in this country, but I do not understand why we should object to that straightforward statement. There is no doubt that there is a strong pro-Israel advocacy group in the United States, and I hear from them all of the time. This group continues to remind me that they fully support the existence of an independent and free State of Israel and urges me to support that state's military preparedness. My personal opinion is that the State of Israel should remain strong and free and should be able to exist in a state of peace and mutual understanding with its Arab neighbors.

As I interpret General Brown's testimony before our committee this week, this is his individual belief and also his position as Chairman of the Joint Chiefs of Staff. I think it is time we laid this matter to rest and moved on to more important considerations regarding his renomination.

General Brown gave us very candid testimony on his assessment of our military needs and our military balance vis-a-vis the Soviet Union during his renomination hearings, just as he always has in all of his testimony before the Armed Services Committee. This is the kind of unequivocal advice that we need and must have from the Chairman of the Joint Chiefs, and this is one of his major and principal duties. There is no doubt that this fine military officer has served the country well in the first 2 years as Chairman and fully deserves the opportunity to serve us again for another 2 years.

Mr. President, I urge my colleagues to vote favorably for the renomination of General George S. Brown to be Chairman of the Joint Chiefs of Staff for a second term.

Mr. McINTYRE. Mr. President, may I have 1 minute? I would like to submit a list of the men who have served as chairmen, Joint Chiefs of Staff, since the creation of that office after World War II:

From 1949 to 1953, Gen. Omar N. Bradley, having served 2 terms; from 1953 to 1957, Adm. Arthur W. Radford, having served 2 terms; from 1957 to 1960, Gen. Nathan F. Twining, having served 2 terms, and who retired due to illness in the middle of his second term; from 1960 to 1962, Gen. Lyman N. Lemintzer, who served 1 term; from 1962 to 1964, Gen. Maxwell D. Taylor, who served 1 term; from 1964 to 1970, Gen. Earl G. Wheeler, who served 3 terms during the Vietnam war; from 1970 to 1974, Adm. Thomas H. Moorer, who served 2 terms; followed by Gen. George S. Brown, from 1974 until 1976, 1 term, now being considered for a second term. Why?

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. Mr. President how much time have I remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. TAFT. Mr. President, I will not say a great deal more. I do want to say I hope we keep this debate in focus. In my opinion remarks I indicated I was not going to vote against General Brown for reasons of antisemitism or bigotry shown on his part. I am sure he does not have those feelings. I do think he showed a tremendous lack of sensitivity and lack of judgment in connection with this particular matter.

I want to associate myself completely with the remarks of the distinguished Senator from New York (Mr. JAVITS). It is a question of whether a man who makes this kind of mistake has the judgment that is required to carry out the duties of the office to which he has been nominated. I am absolutely convinced he does not. I am sorry that he does not. He seems to be a fine man. I am sure he was a fine military commander as head of the Air Force. But he is today in a position of responsibility where this kind of judgment can have tremendous adverse policy effects upon the United States foreign policy and military policy.

There are other men, I am sure, with more ability, more judgment in these areas, more free to articulate their judgments when they arrive at a judgment. I hope that is the issue the Senate will be voting on today rather than voting on whether or not there is antisemitism involved in this entire matter. I do not feel there is. I do not think it should be decided on that basis. Rather, it is a matter of this man having shown a tremendous lack of judgment that disqualifies him for the post and also having put himself under a great handicap in carrying out the post in the future.

Which one of us knows what will happen with regard to our entire military and foreign policy relating to the Middle East? Who knows how American public opinion will be tied into that? What Senator can say the remarks General Brown has made and repeated again will not vastly affect the American public opinion on issues relating to these policies?

These are the points I think the Senate ought to be considering and voting upon. I would like to yield the remainder of my time to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida.

Mr. STONE. Mr. President, the distinguished Senator from Nevada urged us that it was time to lay this matter to rest. It was not those of us who oppose this nomination who have raised this matter. It was the general himself who reviewed this matter.

In answer to the attempt of the Senator from Nevada to classify these statements as simply analyzing a strong lobby as a strong lobby, that is not accurate. What the general said was not how strong a lobby is, but that it uses undue influence or is an undue influence. When given the chance to back out, far from confirming his contrition, he said, "In all candor, I do." He means it.

Under those circumstances, the Senator from Florida, who has, I believe a 100 percent record in supporting every Defense request since he became a Senator, would like the feeling of security that it would give him to know that the requests are being forwarded by a smart adviser rather than an inept adviser.

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. Mr. President, what time remains?

The PRESIDING OFFICER. The Senator from Ohio has 2 minutes remaining.

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. STENNIS. Mr. President, may I present a matter to the Senate? I yielded 5 minutes in a generous moment to my friend from Florida (Mr. Stone). I feel the need of that time back.

Mr. STONE. I would join the chairman's request.

Mr. STENNIS. Mr. President, I ask unanimous consent that I be allowed 5 additional minutes and those in opposition be allowed 5 additional minutes, if they wish.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STENNIS. I thank the Chair. I yield 3 minutes to the Senator from Georgia.

Mr. NUNN. Mr. President, I am a member of the Armed Services Committee and came in just as General Brown was answering the questions of Senator Taft the other afternoon. I was very disturbed by what I understood to be his answers. I made it a point after the vote to come directly back and ask him a series of questions to make certain that not only the committee but the full Congress would be able to know his views on this sensitive subject. I want to quote very briefly his answers when the questions were posed to him, beginning on page 64 of the transcript.

This is quoting the chairman of the committee (Mr. Stennis):

> Would the Senator yield to me just on this point. That term "undue influence" in legal terminology, as I recall, has a sinister connotation or meaning. It might mean guilty of inducement, and so forth, or even fraud, undue influence. And I think of that, and I don't know whether laymen or foreign lawyers think of undue influence in another way.
>
> General Brown. I would say that I think the Jewish influence in the interest of Israel's survival and security—which, incidentally is the national policy, and which I support—is absolutely proportionate to the energy with which they put into the effort, they work hard at it.
>
> Senator Nunn. Do you think, then, that the influence is undue? Undue, as Senator Stennis says, has the connotation of going beyond the proper—
>
> General Brown. No, I never implied, and I wouldn't now, that there is anything sinister or wrong or illegal in their actions at all.
>
> Senator Nunn. Do you think their influence is disproportionate to their numbers, then?
>
> General Brown. Well, it may be. But it is not disproportionate to the energy they put behind their effort.
>
> Senator Nunn. Are you saying that the influence of the Jewish people in the US of America goes beyond that which they properly be accorded in the national interest or under this constitutional rights and constitutional process?
>
> General Brown. No, I don't think so.
>
> Senator Nunn. Are you saying that Congress in its wisdom has accorded significant weight to the views held by the Jewish community or that the Jewish community has somehow improperly imposed its views on the Congress?
>
> General Brown. No, I don't imply that there is anything improper about it. And I think whether it has been persuasive in disproportion to their numbers or anything else can only be judged by the Congress.
>
> Senator Nunn. Do you believe that the views of the American Jewish population should be made known to the Congress?
>
> General Brown. Absolutely.
>
> Senator Nunn. Do you believe that they have a legal and constitutional right to make them known?
>
> General Brown. Absolutely.
>
> Senator Nunn. Do you think Congress has been irresponsible and improper in evaluating these views of the American Jews?
>
> General Brown. I have no basis to judge that. And I wouldn't try to.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. NUNN. Will the Senator yield me 2 more minutes?

Mr. STENNIS. One more minute, please.

Mr. NUNN. The testimony continued:

> Senator Nunn. Do you think it is your duty to make that judgment?
>
> General Brown. Absolutely not.
>
> Senator Nunn. Do you have any reluctance in carrying out national policies as you now understand them?
>
> And you understand that national policy to help assure the preservation of the State of Israel?
>
> General Brown. As I stated, we are pledged to the survival and the security of the State of Israel. And I endorse that policy freely and fully.
>
> Senator Nunn. Then do you believe that the American Jews have gone beyond their constitutional right in expressing their views to the Congress of the US?
>
> General Brown. Of course not.

Mr. President, it is obvious that General Brown did not accord the same definition to the word "undue" that many of us do here in this body. The question before us today is whether a man is disqualified to serve as chairman of the Joint Chiefs of Staff because he put a different connotation on the word "undue" from that of many of us in the Senate.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. NUNN. That is the senatorial question. I believe he was wrong, but I believe he realizes it now. I believe he realizes the definition of "undue" that that word is accorded in the views of many thousands of Americans.

As I say, we have one question here, and that is whether the chairman of the Joint Chiefs of Staff should be disqualified because he did not place the same connotation on that one simple word "undue" that many other people do.

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. STENNIS. I yield 1 minute to the Senator from Texas.

Mr. TOWER. Mr. President, it is very easy to make a statement that can be widely misinterpreted, as so many of us in politics have done so many times. Without an opportunity to elaborate, we are often misunderstood, and our remarks are lifted out of context.

One of the most celebrated men in this country, a man who has received the approbation of people from all ethnic and racial origins, said only a few short weeks ago that he belives in the preservation of the ethnic purity of the suburbs. We forgave him that gaffe. I do not see why we cannot forgive General Brown his.

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes.

Mr. STENNIS. Mr. President, I will be quite brief, of necessity.

Let us not make a mistake, now, by running by on a semi-emotional point. I believe I have had the feel of this situation from the time it first developed, because I got telephone calls from all over the country, including General Brown. I have never seen a man more contrite, more honest, with more feeling of regret.

The man here, before the committee, showed the same candor and honesty. I would not particularly choose his choice of words in saying things, but after all, he was just baring his thoughts, and I do not think he said anything to cast any reflection on the Israeli nation or the Jewish people. I do not think he said anything to cast any reflection on Congress. I have often dealt with this issue, of adding amendments to appropriation bills and authorization bills when the Israeli question was up. I have always voted for a reasonable amount. This is just a statement of fact. And when this was understood better, all of that subsided.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I hope—well, I thank the Chair.

Mr. McINTYRE. Mr. President, how much time does the affirmative, in opposition to the nomination have? Five minutes, am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McINTYRE. Mr. President, I shall not take too long. I have just heard the distinguished Senator from Georgia take us through the examination which straightened the General out. But let me remind the Senate of the first question put to him very early in the hearing, by the distinguished Senator from Ohio:

> Senator Taft. General Brown, you stated that in two of the matters you were wrong. What was the third matter you were referring to?
>
> General Brown. The third matter, that I felt—and it was a matter of opinion—that the Jewish community in the U.S. had an undue influence on the Congress of the U.S.
>
> Senator Taft. Do you feel that that is true?
>
> General Brown. In all candor, I do. But I

feel that it is not unusual. There are other special interest groups that have influence—

Senators will notice the absence of the word "undue." He said:

> There are other special interest groups that have influence or seek to achieve influence on the Congress of the U.S. But I will hasten to add that I don't think this necessarily works to the disadvantage of the U.S. in all cases.

The point I am trying to make, and I am sure others are trying to make, is that this testimony given by General Brown indicates that even after his abysmal mistake at Duke University, and even after his reprimand by the President of the United States, upon being asked a question any youngster going for an oral examination in college might have expected, that the General does have some kind of feeling that is anti-Semitic.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief regarding General Brown.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

BRIEF REGARDING GENERAL BROWN

I. FACT SITUATION

General George S. Brown, Chairman of the Joint Chiefs of Staff, gave a prepared address on October 10 at the Duke Law School Forum. His topic was the rules of warfare and international law.

After the speech, Q&A followed, with topics ranging from inflation and military spending to the Soviet threat. The last question was whether the U.S. was contemplating force against the oil producing nations.

His response, as recorded by a student, was as follows:

"Now," Brown said, "in answer to the question of would we use force in the Middle East, I don't know. I hope not. We have no plans to. It is conceivable, I guess, it's kind of almost as bad as the 'Seven Days in May' thing, but you can conjure up a situation where there is another oil embargo and people in this country are not only inconvenienced and uncomfortable, but suffer and they get tough-minded enough to set down the Jewish influence in this country and break that lobby.

"It's so strong you wouldn't believe now," Brown went on. "We have the Israelis coming to us for equipment. We say we can't possibly get the Congress to support a program like that. They say, "Don't worry about the Congress. We'll take care of the Congress.

"Now this is somebody from another country," Brown added, "but they can do it. They own, you know, the banks in this country, the newspapers, you just look at where the Jewish money is in this country."

The chairman of the joint chiefs then went on to describe the "terrible disruption" another oil embargo would also bring about in Europe and Japan which could also bring about a demand that something be done.

He added, too, that aside from the embargo possibilities there was also a big problem with the money rolling into the Middle East and Persian-Gulf oil producers.

". . . It's not going to be too many years when all of the money is in their corner of the bank, you know, 700 or 800 billion dollars. And they're going to be the world's banker . . . they're taking on a role they aren't equipped to handle and I don't know whether the world will put up with it. It's a heck of a problem to contemplate, but I don't intend to go off to war in the Middle East, if that's the question."

This accuracy of the recording has never been challenged by Brown.

The statements were first published in the Washington Post on November 13. Following publication, President Ford personally rebuked the General, stating he considered the remarks "ill advised and poorly handled." Secretary Schlesinger termed the remarks, "unfortunate and regrettable."

The statement raises obvious questions of anti-semitism, and is, therefore, offensive and insulting. But there are many other issues involved, issues that fall directly within the purview and jurisdiction of the Armed Services Committee. This is why I became concerned and why I pressed for the General's resignation or a full inquiry into the remarks. The General's statement, looked at as a whole, is far more than a mere stab at the Jewish lobby, or a repetition of a long-discredited and obviously false anti-semetic myth. This paper will examine the other issues raised by the General's remarks.

II—THE STATEMENT DIRECTLY IMPUGNS THE INTEGRITY OF CONGRESS

General Brown points to alleged control of the Jewish lobby over the Congress, stating:

"We have the Israelis coming to us for equipment. We say we can't possibly get the Congress to support a program like that, they say, 'Don't worry about the Congress, We'll take care of the Congress.' Now is somebody from another country, *but they can do it.*"

Not only does the General make a statement about the Israeli lobby, but his last five words are a direct statement that Congress will follow the dictates of that lobby. As Joseph Califano puts it,

"Does the General believe that collective Congressional motivations are so simple-minded? Anyone who has dealt with the Congress must recognize how demeaning General Brown's remarks are to Senate and House members."

Of course, there is a pro-Israel lobby. It is a strong lobby primarily because its goals reflect the wishes of a large majority of the American people—a dedication and commitment to the integrity of the state of Israel. It is no secret that lobbies of all kinds operate on the Hill. But let's recognize the real irony on the General's statement. Undoubtedly, the most powerful lobby on the Hill is not the Jewish lobby nor Big Oil, nor organized labor. It is the Pentagon.

We thus have a situation where the highest ranking military officer publicly questions the integrity of the entire Congress. We cannot let such a statement go unchallenged or unexplored.

III—GENERAL BROWN'S REMARKS WERE AN IMPROPER INTRUSION INTO THE FIELD OF INTERNATIONAL RELATIONS

A significant issue raised by the remarks is the propriety of public discussion of foreign policy by members of the military, speaking in their official roles. The long established principle of civilian control over the military is weakened by such actions, particularly when the statements are made by such a high ranking officer.

As Califano writes:

"Thus, in the context of the most explosive situation in the world today—the one situation most likely to precipitate a major war involving not only the Israelis and the Arabs but our country and the Soviet Union—the chairman of the Joint Chiefs vented his spleen on the Israelis, the Arabs, the American Jews, the Congress, and informed the world that he didn't intend to go to war in the Middle East.

General Brown's audience was not limited to a handful of law students at Duke University. His audiences included the American Public at large, the Israelis, the Arabs, the Soviets, the Chinese, the U.N., the President, the Secretaries of State and Defense and fellow military officers. His apology to the Jewish War Veterans may have saved his job for the moment, but it is not likely to affect the way these critical audiences read him in the future.

What is General Brown's credibility with the Israelis today? A few days after publication of the general's remarks in the Post, the Pentagon disputed a report by Israel's Prime Minister Yitzhak Rabin that the Soviets had some 20 ships unloading arms in a Syrian port. The Pentagon said that number of ships was normal and that, contrary to what Rabin said, only a few of the ships were unloading arms. Who are we to believe—A JCS Chairman who under pressure from the Secretary of Defense recanted his anti-Semitic comments, or the Prime Minister of Israel?

How do the Arabs feel knowing that the top military officer of the United States believes they are incompetent to handle the money that is flowing to them? What is the Soviet reaction to General Brown's publicly stated reluctance to fight for the Israelis in the Middle East? And to this thinly veiled hope that the American people will "put down the Jewish influence in this country"?

IV—GENERAL BROWN'S FUTURE EFFECTIVENESS AND CREDIBILITY HAVE BEEN WEAKENED

The General is now clearly on the spot, and I am concerned about the effect of his remarks on the future conduct of his office. Will he feel the need to overreact and give more support to Israel than in the past? Or will the public and foreign perception of his actions reflect a lessened credibility? His action will be suspect to a degree, and this can only result in reduced effectiveness. The Office of Chairman of the JCS is just too crucial to be weakened in any manner.

If the Armed Services Committee had taken the opportunity to fully explore the remarks and General Brown's true attitudes, perhaps the credibility problem could have been overcome. As the issue now stands, questions remain.

V—THE GENERAL'S STATEMENT CALLS INTO QUESTION HIS JUDGMENT

I am concerned about the General's judgment for two reasons. First, he displayed an appalling lack of judgment in volunteering the comments at all. In part, this goes back to the propriety of discussion of foreign policy issues, but additionally, the stupidity of publicly insulting a segment of the American population should be obvious. We depend on our top military officers for quick decisions in times of immense stress. Their performance must be error-free. This may be a super-human standard, but with the stakes as high as they are in modern warfare, it is a standard we must strive to attain. I am not saying that this one comment obviates an entire career of distinguished service. However, I believe the Committee has an obligation to explore the ramifications of the General's remarks in terms of his judgment.

Secondly, the General's use of obviously false religious stereotypes must lead us to question the type of thinking and information-gathering he uses to form his decisions. Foreign policy is a complex and difficult field. It requires sophisticated judgment, a wide range of knowledge, and a deep appreciation for subtleties. Does General Brown approach the issues with judgments based on stereotypes and misinformation?

Mr. STONE. Mr. President, will the Senator yield?

Mr. McINTYRE. I am very happy to yield.

Mr. STONE. Would the Senator explain the difference between the general's answer that there were two things he said that were wrong, and the implication that one of the things he said was not wrong?

Mr. McINTYRE. Well, the two things he admitted were wrong were that the Jews owned a great share of all the banks in this country and controlled the newspaper business. "I was wrong on that," General Brown said.

Mr. STONE. The point I am raising is, having admitted that he was wrong on those two other statements, 2 years later, he still admits to feeling he was right on the question of undue influence by the Jewish community on Congress; and the issue is, does he understand that what he did was wrong? When we raised the question of undue influence, he does not understand he was wrong, 2 years later.

Mr. McINTYRE. Further, in the discussions in the Armed Services Committee he was praised for his truthfulness.

Mr. STENNIS. Mr. President, will the Senator from New Hampshire yield to me for a question?

Mr. McINTYRE. Yes.

Mr. STENNIS. I announced here yesterday that 13 Members voted to approve this nomination.

Today, I said there were 14 who voted to approve it. I am afraid the Senator did not understand. That vote is climbing all the time. This is my point. Those who more thoroughly consider this matter on the record and all the way through on the intent, more and more support the nomination.

Time has run out. This position is vacant this afternoon.

Mr. McINTYRE. I am the first to admit that the proper influence of our chairman has a great deal of probative value in our committee.

Mr. STENNIS. Not a bit.

Mr. STONE. Mr. President, will the Senator yield?

Mr. McINTYRE. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. All time has expired.

Mr. WEICKER. Mr. President, on Monday, June 29, Gen. George S. Brown, in hearings on his reappointment as head of the Joint Chiefs of Staff, once again indulged in questionable remarks about people of the Jewish faith. To this Senator that indicates a degree of permanent misunderstanding so great that I am compelled to vote against his appointment.

The Chairmanship of the Joint Chiefs of Staff is the highest military position in Government, carrying with it great influence over armed services policies. No person should achieve such high visibility whose grasp of the American ideal and sensitivity to individual liberties is so clearly inadequate.

Mr. PACKWOOD. Mr. President, I will vote against the nomination of General Brown for another 2-year term as Chairman of the Joint Chiefs of Staff. I will vote against him frankly because of his anti-Semitic remarks. It was bad enough 2 years ago when he made his comments about Jewish influence in the press and banking being disproportionately large in this country. It was even worse when a few days ago he made similar remarks, again saying that Jews had undue influence in the Halls of Congress and on our Government policy. First, his remarks are not true. If he is not intelligent enough to realize that, then he has no business being Chairman of the Joint Chiefs of Staff. But even if he thinks they are true, anybody who has not got the good judgment to keep those personal, although mistaken views to himself, causes me to question any other judgment that he might make. I do not want somebody with that kind of bad judgment in a critical position like Chairman of the Joint Chiefs of Staff.

Mr. DOLE. Mr. President, the Senator from Kansas rises to express his support for the reconfirmation of General Brown as the Chairman of the Joint Chiefs of Staff.

First let me say that my support is based on the ability of General Brown to carry out his responsibilities in that position. I have listened carefully to this debate and I have studied the record. It is my judgment that General Brown is fully qualified to carry out his duties as Chairman of the Joint Chiefs of Staff.

General Brown has an established record as the Chairman of the JCS. He has demonstrated that he is capable. He has done an excellent job and I believe his record can stand on its own.

The committee has also questioned General Brown carefully on his knowledge and his views. The transcript of the hearings show his responses. The committee has judged that he has shown by his responses the ability to do the job. My judgment is that General Brown is fully qualified for this position based on his record of performance and on the review he has undergone by the committee.

Further I would like to comment on General Brown's view of the influence on Congress by American Jews. I gather from the record that General Brown may feel that American Jews have an influence on Congress that is disproportionate to their numbers.

Let me say that I think General Brown is wrong in this matter. As a matter of right, every constituent of mine has the prerogative to address to me any concern he or she may have. That right belongs to everyone regardless of religion. It is the view of this Senator that his vote has not been unduly influenced by any religious group or any other kind of group.

As in my own case, it is my belief that the Congress makes judgments and decisions and policies independent from any individual lobbying group.

If there is any opposition to this nomination on the basis of General Brown's personal views, aside from those related to his responsibilities, then this vote may indicate the degree of independence from any lobbying group. If the Senate confirms this nomination then it may indicate that the Senate has in effect made an independent judgment based on the merits and the qualifications totally aside from any particular lobbying effort.

The influence of any particular group on Congress is beyond the responsibilities of General Brown in his position. I believe General Brown recognizes this as indicated in the hearing transcript and that his personal views are separate from his professional views in his position as Chairman of the Joint Chiefs of Staff.

The record shows that General Brown has conducted himself and made judgments in his official capacity in a manner unbiased by any personal views. He has stated his cognizance of the national policy regarding the survival and security of the State of Israel. His professional record shows full support of that policy both in belief and in deed.

Mr. President, in the judgment of this Senator, General Brown is fully qualified for this position. I urge the confirmation of his nomination.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Gen. George S. Brown, U.S. Air Force, for reappointment as Chairman of the Joint Chiefs of Staff for an additional term of 2 years? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from California (Mr. TUNNEY), the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Nebraska (Mr. HRUSKA), the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "yea."

The result was announced—yeas 57, nays 34, as follows:

[Rollcall Vote No. 376 Ex.]

YEAS—57

Baker
Bartlett
Bellmon
Bentsen
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Clark
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hathaway
Helms
Hollings
Humphrey
Inouye
Jackson
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGovern
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Randolph
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Thurmond
Tower
Young

NAYS—34

Abourezk
Allen
Bayh
Beall
Biden
Brock
Brooke
Case
Chiles
Cranston
Durkin
Ford
Hart, Philip A.
Hartke
Haskell
Hatfield
Huddleston
Javits
Kennedy
Mathias
McGee
McIntyre
Metcalf
Mondale
Montoya
Packwood
Proxmire
Ribicoff
Roth
Schweiker
Stone
Taft
Weicker
Williams

NOT VOTING—9

Buckley
Church
Eastland
Goldwater
Hruska
Johnston
Scott, Hugh
Talmadge
Tunney

So the nomination was confirmed.

Mr. PERCY. Mr. President, I have voted for General Brown's nomination with mixed feelings because of his controversial and deplorable remarks which conveyed his view that the Jewish community has too much influence on Congress and on the country. These remarks, for which he has apologized and for which he was reprimanded by the President, were clearly provocative and gave the impression of an anti-Semitism which has been a blight on the world for far too long.

In a speech in Philadelphia on May 22 of this year, I addressed the question of the political power of particular groups which, by working diligently and spiritedly have an influence on national policy. I commented as follows:

> It has been said that the Jewish community has put too much pressure on Washington to favor Israel and that the Greek community has put too much pressure on Washington to deny aid to Turkey. But I don't buy these complaints. It is the duty of each ethnic group to speak out about its concerns and to be as convincing as possible. The final decisions rest with the Executive Branch and with Congress, but the people have a right to say what they want—loud and clear.
>
> This sort of organized lobbying may make it hot for policymakers and legislators, but why are ethnics expected to be less vocal about their concerns than business, than labor, than educators or other Americans? If this is to be the land that we want it to be, every individual and every group should be encouraged to speak its mind. The genius of this Nation is not embodied only in those of Anglo-Saxon descent. The genius of this Nation lies in the diversity of thought and background of all Americans.

This is my strong view and therefore I couldn't disagree more with the remarks of General Brown.

Because of my concern I raised the issue directly today in personal talks with the President, with Secretary of State Henry Kissinger, Secretary of Defense Donald Rumsfeld and Assistant to the President for National Security Affairs Brent Scowcroft. Each of them told me that General Brown has been intimately and constructively involved with the ongoing SALT and MBFR negotiations and that they feel it is essential and in the national interest that General Brown continue to play that role. They said strongly they would not want to change generals in mid-negotiation, particularly because General Brown is doing an outstanding job as Chairman of the Joint Chiefs and is, in their judgment, the best man for the job at this time.

Many Members of Congress, myself included, are making it clear to General Brown that a public man has a responsibility to be responsible in his remarks and that the Congress will not tolerate further statments which convey any impression of anti-Semitism. The President has a right to accept a resignation at any time and to replace the Chairman of the Joint Chiefs with the advice and consent of the Senate. I am convinced that there will be no repetition of such deplorable comment by the general, and have been so assured, but I would call for his resignation should there be any repetition.

However, I voted affirmatively today because of my conviction that General Brown's lifetime of outstanding service to his country, his deep patriotism, his extensive military knowledge, his present involvement in highly complex international negotiations, plus his public apology for his unfortunate remarks warranted continuing his services in the overall national security interest of our Nation.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

TAX REFORM ACT OF 1976

The Senate resumed with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 10612.

Mr. GRIFFIN. Mr. President, if we may have order——

The PRESIDING OFFICER. Let us have order in the Senate.

ORDER OF BUSINESS

Mr. GRIFFIN. For the guidance and information of Senators, particularly those who may have questions about their airline reservations, I ask the distinguished majority leader if he can give us any information about the program for the rest of the day and the rest of the week.

Mr. MANSFIELD. Yes, indeed.

UNANIMOUS-CONSENT AGREEMENT

First, I wish to ask unanimous consent, with the approval of the Senator from Wisconsin (Mr. NELSON), the manager of the bill, the Senator from Louisana (Mr. LONG) and the Senator from Nebraska (Mr. CURTIS) that before we turn to the Nelson amendment, 5 minutes be allocated in executive session to the distinguished Senator from Hawaii to bring up the nomination of Mr. Knoche as Assistant Deputy Director of the CIA, which has been cleared by the Select Committee on Intelligence unanimously; then 5 minutes to the distinguished Senator from Illinois, Mr. STEVENSON, to bring up his bill, S. 3521, which has been cleared all the way around.

Just those two so far.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MANSFIELD. Then we shall go back, as we agreed to, to the Nelson amendment, the Packwood amendment, and the Hathaway amendment, all tied to the DISC. When that is disposed of——

Mr. NELSON. Mr. President, will the Senator yield one moment?

Mr. MANSFIELD. Surely.

Mr. NELSON. Senator PACKWOOD advised me a few moments ago that he does not intend to call up his amendment.

Mr. MANSFIELD. Then we have just the Nelson and Hathaway amendments.

TIME-LIMITATION AGREEMENT—H.R. 14234

Mr. MANSFIELD. I suggest, Mr. President, that after that has been disposed of, it be in order to call up the Department of Transportation appropriation bill. Earlier today, I made a serious error when I called up that bill with a 5-minute limitation. It is a huge bill, $5 billion, I believe. I had been assured ahead of time that there were no amendments to be offered and everything had been cleared. I was mistaken.

Now, Mr. President, I ask unanimous consent that when the Transportation appropriation bill is called up, there be a period of not to exceed 1 hour on the bill itself, that there be a period of not to exceed 30 minutes on amendments, not to exceed 15 minutes on amendments to amendments, motions, and appeals, that it be in the regular form, and that divisions be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I hope that that bill would not take too long, that we could then perhaps turn to consideration of the Muskie or other amendments on the tax bill.

Tomorrow, the Senate will come in at 8 o'clock and we shall have two special orders to have the joint leaders recognized. At the conclusion of those orders, we will take up the Radio Free Europe resolution. There will be a rollcall vote on that.

ORDER FOR THE YEAS AND NAYS TOMORROW ON SENATE RESOLUTION 413

Mr. MANSFIELD. I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the bill, Calendar No. 959, Senate Resolution 413, when it comes up tomorrow, by 8:30 a.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PASTORE. Will the Senator yield to me?

Mr. MANSFIELD. Yes, I yield.

HOUSER NOMINATION—EDA

Mr. PASTORE. Can he fit in 5 minutes for the Houser nomination?

Mr. MANSFIELD. Yes, I told Senator PERCY that it could be brought up at the same time Mr. INOUYE's nomination is brought up.

I also inform the Senate that we will take up the EDA legislation tomorrow. How quickly we dispose of the items before us tomorrow, including elements of the tax bill, will determine when we will be able to get out, which I hope will be at a not unreasonable hour tomorrow evening.

ORDER FOR CONSIDERATION OF RADIO FREE EUROPE RESOLUTION TOMORROW

Mr. ROBERT C. BYRD. Will the distinguished majority leader yield?

Mr. MANSFIELD. Yes.

Mr. ROBERT C. BYRD. Did the majority leader ask unanimous consent to take up the Radio Free Europe resolution immediately following the special orders tomorrow morning?

Mr. MANSFIELD. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM ACT OF 1976

Mr. MUSKIE. Will the majority leader yield?

Mr. MANSFIELD. Yes.

Mr. MUSKIE. I would be amendable to a time limitation on the tax extension amendment. It might be useful to Members.

Mr. LONG. I would suggest that we reach an agreement on time on that amendment after we take care of DISC. We have two DISC amendments. After we take care of that, then we may be able to reach an agreement.

Mr. MUSKIE. I was hoping we could get that done now, if possible.

Mr. LONG. I do not want to make a time agreement at the moment. I shall talk about it after a while. I suggest we wait a while on that.

I may be willing to make a time agreement. I think I will want to vote today on the DISC first.

I suggest that if the Senator will withhold that for an hour or so, we shall get together.

Mr. MUSKIE. Then is it the expectation of the leadership that we can finish the Transportation appropriation today?

Mr. MANSFIELD. I do not think we shall take too much time on the Department of Transportation appropriation bill.

Mr. CURTIS. Will the distinguished majority leader yield?

Mr. MANSFIELD. Yes.

Mr. CURTIS. I wonder if we can have a little more definitive answer about the program tomorrow.

Mr. MANSFIELD. I thought I gave it.

Mr. CURTIS. I mean in reference to the tax bill. Many of the Senators are vitally interested in various provisions of the tax bill. Some of the features are very much in controversy. I think that they should know. As far as I am concerned, I shall stay here all the time, but I think our Members should know what to anticipate in the way of controversial tax matters tomorrow.

Mr. MANSFIELD. The Senator will recall that I did mention, aside from the tax matters, that Radio Free Europe will have a rollcall vote. EDA will have a rollcall vote. The Muskie amendment, if that is disposed of tonight, then the Haskell amendment on which we could not reach a time agreement, and any other matters which will come in at that time. I shall be willing to notify the Senator as soon as I can find out myself.

Mr. CURTIS. As to whether or not there will be controversial tax matters tomorrow.

Mr. MANSFIELD. Yes, the Muskie amendment if it is not completed tonight; the Haskell amendment, which will be controversial and will take some time, and others that come along.

LEGISLATIVE PROGRAM

Mr. CURTIS. Is the majority leader ready or able at this time to suggest how late we might work tonight, just for the information of the Members?

Mr. MANSFIELD. Eight or nine o'clock, if need be.

Mr. CURTIS. I thank the distinguished majority leader.

Mr. MANSFIELD. But the idea would be to get out as early as we could tomorrow afternoon.

Mr. CURTIS. I understand.

Mr. MANSFIELD. The later today, as the assistant majority leader said, the earlier tomorrow.

Mr. GRIFFIN. I would like to suggest for the consideration of the majority leader what I think is on the minds of a lot of Senators, and that is, does it really make sense to go on to the tax bill tomorrow after you finish Radio Free Europe and the EDA legislation, and have those two rollcalls? How are Senators going to have any idea of when they are going to be able to get away if we go on to the tax bill, and we obviously cannot finish it this week?

Mr. MANSFIELD. Oh, no, but we have been working pretty hard, I think, and we have been achieving some results—not on the tax bill but even there—on other legislation. I know we will let down the last day unless we have some legitimate reason for doing so, and I do not think catching a plane or a train is sufficient reason.

We are going to be out for 17 days and come back for 2 weeks; then we are going to go out for 12 or 14 days and come back for 2 weeks.

Mr. GRIFFIN. I respectfully suggest that it is very difficult to rearrange airline schedules. Senators have to make some plans, and we ought to be aware.

Mr. MANSFIELD. The acting Republican leader knows that the Senate was on notice that there was a good possibility that there would be a Saturday meeting this week, I think the Senate has prepared itself accordingly. The attendance has been excellent, and I would anticipate if you have reservations beginning around 4 or 5 o'clock tomorrow you would be in pretty good shape.

Mr. GRIFFIN. I appreciate the answers and the cooperation of the distinguished majority leader.

Mr. MANSFIELD. Now, Mr. President, in addition to the other matters which I mentioned, the housing authorization conference report will be ready tomorrow, and if the Senate will indulge me, I ask unanimous consent at this time that the distinguished Senator from Oklahoma (Mr. BARTLETT) be recognized for not to exceed 1 minute, and then Senator INOUYE, along with Senator PASTORE, and then Senator STEVENSON.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDEPENDENT SAFETY BOARD ACT AMENDMENTS OF 1976

Mr. MANSFIELD. I ask that the Senate proceed to the consideration of Calendar No. 854, S. 2661.

The PRESIDING OFFICER (Mr. HELMS). The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 2661) to amend the Independent Safety Board Act of 1974, to authorize additional appropriations, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce with amendments as follows:

On page 1, line 4, strike "1975" and insert in lieu of "1976";

On page 1, line 6, strike "redesignating said section as subsection 306(b)(1) and adding a new subsection 306(2) to read as follows:" and insert "adding the following new subsection:";

On page 1, line 10, strike "(2)" and insert "(c) Exception.—";

On page 2, line 1, strike "V" and insert "5";

On page 2, line 4, after "state" insert "when so requested by such foreign state,";

On page 2, line 6, strike "and" and insert "if such information is";

On page 2, line 10, strike "may" and insert "shall";

On page 2, line 11, after "investigation" insert "has published its report or";

On page 2, line 20, strike out:

"$17,300,000 for the fiscal year ending September 30, 1977, and $18,500,000 for the fiscal year ending September 30, 1978, such sums to remain available until expended.".

and insert in lieu thereof:

"$3,800,000 for the transition quarter ending September 30, 1977, $14,500,000 for the fiscal year ending September 30, 1977 and $15,700,000 for the fiscal year ending September 30, 1978, such sums to remain available until expended.".

so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Safety Board Act Amendments of 1976".

SEC. 2. Section 306(b) of the Independent Safety Board Act of 1974 (49 U.S.C. 1905) is amended by adding the following new subsection:

"(c) EXCEPTION.—Notwithstanding section 552 of title 5, United States Code, relating to freedom of information, the Board shall prohibit the disclosure of all information obtained from an aircraft accident or incident investigation conducted by a foreign state, when so requested by such foreign state, in accordance with the Chicago Convention (16 Stat. 1180), and annex 13 issued thereunder, if such information is in the possession of the Board, personnel thereof designated as a United States accredited representative, or advisers to such accredited representatives: *Provided,* That public disclosure shall be made of such information when the state which conducted the investigation has published its report or has notified the Board in writing that it has no objection to such disclosure. All such information shall be immune to legal process prior to public disclosure by the Board.".

SEC. 3. Section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated for the purpose of this Act not to exceed $3,800,000 for the transition quarter ending September 30, 1976, $14,500,000 for the fiscal year ending September 30, 1977, and $15,700,000 for the fiscal year ending September 30, 1978, such sums to remain available until expended.".

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

UNPRINTED AMENDMENT NO. 174

Mr. MANSFIELD. I send to the desk an amendment and ask for its immediate consideration. It has been cleared all around.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD) proposes an unprinted amendment No. 174.

The amendment is as follows:

On the first page, beginning with line 5, strike out all through line 15 on page 2 and insert in lieu thereof the following:

SEC. 2. Section 306 of the Independent Safety Board Act of 1974 (49 U.S.C. 1905) is amended by adding a new subsection (c) to read as follows:

"(c) **Foreign State Investigations.**—(1) Whenever the Board participates in an aircraft accident or incident investigation conducted by a foreign state in accordance with Annex 13 issued under the Chicago convention (61 Stat. 1180), it may, when so requested by such state, issue an order prohibiting the premature disclosure of confidential information obtained from or relating to such investigation in the possession of the Board, persons designated as United States accredited representatives to the investigation, or advisers to such accredited representatives.

"(2) In determining whether to issue an order prohibiting the premature disclosure of such information, the Board shall consider whether such order (A) is necessary to assure the full participation by the Board in such investigation, and (B) will unduly prejudice the interests of litigants or potential litigants in connection with such accident or incident.

"(3) No order issued under this subsection shall prohibit disclosure of such information (A) for a period longer than two years following the date of the accident or incident, (B) if the host state has published a report thereon or has treated the information as not confidential, or (C) if the host state has notified the Board that it has no objection to such disclosure.

"(4) Before issuing an order under this subsection, the Board shall publish a notice in the Federal Register stating its intention to issue such an order and its reasons therefor, and providing interested persons an opportunity to comment thereon.

"(5) In any judicial proceeding to compel the production or disclosure of information subject to a Board order under this subsection by persons designated as United States accredited representatives to the investigation or advisers to such accredited representatives, the Board shall be given notice and opportunity to be heard therein, and the court may enter such protective orders as may be appropriate with respect to the public disclosure of such information.

"(6) This subsection shall not be construed as authority to withhold information from Congress, and nothing herein shall restrict the power of the Board to use or refer to any information in connection with safety recommendations.".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

INDEPENDENT SAFETY BOARD ACT (S. 2661)

Mr. KENNEDY. Mr. President, I want to commend the sponsors of the Independent Safety Board Act Amendments, S. 2661, for their taking the initiative in amending this bill to insure appropriate public access to aircraft accident information. The National Transportation Safety Board had called to the attention of the Congress a real and immediate need to provide additional protection against premature release of aircraft accident information where the investigation is conducted by a foreign state. The amendment adopted today fulfills the needs of the Board and the wishes of foreign countries, while allowing reasonable and appropriate access to information by the public and litigants.

S. 2661, as originally introduced, would have prohibited absolutely the disclosure of all information obtained from an investigation conducted by a foreign state under the Chicago Convention. Further, the bill would have made that information immune to legal process prior to disclosure by the Board, which could be made only when the foreign state involved notified the Board that it had no objection to disclosure.

Earlier this month I indicated my concern to both the Board and the Commerce Committee that this bill might have the undesired results of inhibiting the free flow of safety information to Congress and the public, and potentially jeopardizing the legal rights of crash victims and survivors.

Specifically, it appeared to me that the bill might well present the following problems if it were enacted as initially drafted:

The prohibition on disclosure would be mandatory and the NTSB would be without discretionary power to release information. Authority to decide what information must be held confidential by our Government would thus be transferred to the agencies and officials of foreign nations. Indeed, the Board's own use of information for safety recommendations might be restricted.

The Congress itself would apparently be barred from obtaining vital information concerning aircraft safety and procedures. If this provision had then been in effect, it is doubtful that either the Senate or the House could have conducted their intensive and critical inquiries into the problems identified as a result of the Turkish Airlines DC-10 crash in France.

The bill covers "all information obtained from" the foreign state's investigation. This is obviously far too broad, as it would cover even nonconfidential factual data.

The judicial immunity provision is too broad and could be very prejudicial to the interests of damage claimants. For example, representatives of aircraft manufacturers, as you know, frequently participate as "advisers" to the NTSB accredited representatives in foreign investigations. The manufacturer would thus be privy to information of great importance in civil litigation arising from a crash, in which it is a defendant, but could argue for immunity under this bill to avoid revealing the information to attorneys for the plaintiffs. Obviously parties in such cases should not be put on an unequal footing with regard to any relevant information.

I made certain proposals to the Board and to the committee which I am pleased to see have been incorporated into this amendment and into the bill. They respond to each of these potential problems with the earlier version.

I believe that this reflects the kind of constructive, balanced result that can obtain when the Congress takes the necessary time to work out resolution of complex problems relating to information disclosure by Federal agencies. The Freedom of Information Act, which Congress strengthened over Presidential veto in 1974, embodies our commitment to open government and the full and free flow of information to the public. When any exemptions or exceptions are to be drawn to that act which go further than the exemptions already contained in it in section 552(b), the language of those exceptions should be carefully, narrowly drawn and should be based on evidence of demonstrated need.

I will continue, Mr. President, to oppose attempts to circumvent the Freedom of Information Act with provisions vague in language, overbroad in scope, or unjustified by clearly evidenced need. I have amended or deleted backdoor exemptions in the past, and I will continue to do so in the future. But where, as with this amended bill, the information disclosure provision has been tightly drafted to accommodate not only the agency or industry involved, but also the general public, persons with particular interest in the information, and the Congress, I will rise in support of that provision.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 941, 950, 954, and 956.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUDICIAL REVIEW OF AGENCY ACTION

The Senate proceeded to consider the bill (S. 800) to amend chapter 7, title 5, United States Code, with respect to procedure for judicial review of certain administrative agency action, and for other purposes, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 2, in line 8, strike out the period and insert a comma and the following: provided, that any mandatory or injunctive decree shall specify the Federal officer or officers (by name or by title), and their successors in office, personally responsible for compliance."

On page 2, in line 15, strike out "granting" and insert in lieu thereof "that grants".

On page 2, in line 15, strike out "for money damages" and insert in lieu thereof "expressly or impliedly".

On page 2, in line 21, strike out "of" and insert in lieu thereof "or".

On page 3, beginning with line 7, strike out

SEC. 2. (a) Section 1331, title 28, United States Code, is amended to read as follows:

"§ 1331. Federal questions

"The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy arises under the Constitution, laws, or treaties of the United States.".

(b) The item relating to section 1331, title 28, United States Code, contained in the section analysis of chapter 85, title 28, United States Code, is amended to read as follows: "1331. Federal questions.".

and insert in lieu thereof:

SEC. 2. Section 1331(a) of title 28, United States Code, is amended by striking the final period and inserting a comma and adding thereafter the following: "except that no such sum or value shall be required in any such action brought against the United States, any agency thereof, or any officer or employee thereof in his official capacity.".

On page 4, in line 12, strike out "without regard to other venue requirements.", and insert in lieu thereof:

and with such other venue requirements as would be applicable if the United States or one of its officers, employees, or agencies were not a party.".

so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 702 and 703 of title 5, United States Code, are amended to read as follows:

"§ 702. Right of review

"A person suffering legal wrong because of agency action, or adversely affected or aggrieved by agency action within the meaning of a relevant statute, is entitled to judicial review thereof. An action in a court of the United States seeking relief other than money damages and stating a claim that an agency or an officer or employee thereof acted or failed to act in an official capacity or under color of legal authority shall not be dismissed nor relief therein be denied on the ground that it is against the United States or that the United States is an indispensable party. The United States may be named as a defendant in any such action, and a judgment or decree may be entered against the United States, provided, that any mandatory or injunctive decree shall specify the Federal officer or officers (by name or by title), and their successors in office, personally responsible for compliance. Nothing herein (1) affects other limitations on judicial review or the power or duty of the court to dismiss any action or deny relief on any other appropriate legal or equitable ground; or (2) confers authority to grant relief if any other statute that grants consent to suit expressly or impliedly forbids the relief which is sought.

"§ 703. Form and venue of proceeding

"The form of proceeding for judicial review is the special statutory review proceeding relevant to the subject matter in a court specified by statute or, in the absence or inadequacy thereof, any applicable form of legal action, including actions for declaratory judgments or writs of prohibitory or mandatory injunction or habeas corpus, in a court of competent jurisdiction. If no special statutory review proceeding is applicable, the action for judicial review may be brought against the United States, the agency by its official title, or the appropriate officer. Except to the extent that prior, adequate, and exclusive opportunity for judicial review is provided by law, agency action is subject to judicial review in civil or criminal proceedings for judicial enforcement.".

SEC. 2. Section 1331(a) of title 28, United States Code, is amended by striking the final period and inserting a comma and adding thereafter the following: "except that no such sum or value shall be required in any such action brought against the United States, any agency thereof, or any officer or employee thereof in his official capacity.".

SEC. 3. The first paragraph of section 1391 (e) of title 28, United States Code, is amended to read as follows:

"(e) A civil action in which a defendant is an officer or employee of the United States or any agency thereof acting in his official capacity or under color of legal authority, or an agency of the United States, or the United States, may, except as otherwise provided by law, be brought in any judicial district in which (1) a defendant in the action resides, or (2) the cause of action arose, or (3) any real property involved in the action is situated, or (4) the plaintiff resides if no real property is involved in the action. Additional persons may be joined as parties to any such action in accordance with the Federal Rules of Civil Procedures and with such other venue requirements as would be applicable if the United States or one of its officers, employees, or agencies were not a party.".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments are agreed to en bloc.

Mr. KENNEDY. Mr. President, in approving S. 800 the Senate today is taking an important step toward making Federal agencies and officials more accountable to the public. This bill removes three technical but substantial barriers to judicial consideration on the merits of a citizen's complaint against the Federal Government, its agencies, or employees.

First, S. 800 eliminates the defense of sovereign immunity in Federal court litigation where unlawful action by a Federal agency, officer, or employee is alleged. Government lawyers all too frequently plead this archaic doctrine—derived from the concept that the King can do no wrong—to prevent judges from reaching the merits of cases against the Government. Under the law as it presently stands—and it should be emphasized that this is judge-made law, since Congress has not spoken directly on the matter—an officer of the U.S. Government can act arbitrarily, capriciously, discriminatorily, or illegally, and yet an aggrieved or threatened citizen may have no recourse to the courts. For if he should bring a suit against the official, U.S. attorneys will surely cry "sovereign immunity" and judges across the land, with no further analysis, may respond "case dismissed."

The doctrine of sovereign immunity prevents the orderly, rational review of actions of Federal officials and agencies, and it is clearly inconsistent with the principles of accountable and responsible government. For where sovereign immunity provides a bar to suit where no other defenses, retained by S. 800, would have been applicable, it is safe to say that unjust or irrational decisions have resulted.

Second, the bill eliminates the required minimum $10,000 amount in controversy in a narrow category of Federal question cases brought in Federal courts against the Government. In some cases where it is impossible to place a monetary value on the right asserted by the plaintiff, courts have tossed the case out of court for failure to meet this required minimum dollar amount. For example, plaintiffs have been denied a federal forum in suits claiming illegal police surveillance, unlawful induction into military service, or unconstitutiona restraint on the distribution of political leaflets.

This is an intolerable result where the right being infringed or threatened is one being claimed under the Constitution, treaties or laws of the United States and when the party being sued is the Federal Government or its agency or official.

Third, S. 800 remedies certain technical problems in the law concerning, the naming of the United States, its agencies, officers, or employees as parties defendant in suits challenging administrative action. Frequently a citizen sues an agency, naming the agency as defendant, only to be thrown out of court for failing to name the individual officer as defendant. If a statute of limitations has run, the aggrieved citizen is without further remedy. Whether the Government can be held accountable in the courts for improper or unlawful action should not turn on the niceties of who is named in the court pleadings.

So this bill does a lot to enable the public to bring the Government into Federal court where the Government itself may have acted illegally. But it does not go beyond what is needed; it does not apply to monetary damages and will not open the Government to any further liability in the regard. And it will not expand the scope of judicial review, which remains limited by the Administrative Procedure Act.

Mr. President, sovereign immunity and these other technical defenses to suite against the United States have been around for years. But they cannot withstand the test of time. They have taxed the resources of the courts, rather than relieved them of burdens. They have often proved barriers to justice, rather than vehicles for insuring reasonable and just results. They obfuscate, confuse, and confound. They direct court attention away from, not toward, the merits of the case. There has been a lot of talk about government responsiveness to the citizens lately, and this bill would do something about it.

Mr. President, I would like to recognize those persons who have contributed to the development and passage by the Senate of S. 800. The proposals which underlie this bill were brought to most recent fruition by Dean Roger Cramton and Prof. Kenneth Culp Davis. They were studied and worked on by the Administrative Conference of the United States and by the Administrative Law Section of the American Bar Association. Dean Cramton and Profesor Davis have continued to provide the Administrative Practice and Procedure Subcommittee with invaluable advice and assistance on many fronts, and I hope that we will continue to have their counsel and good judgment in the future.

Assistant Attorney General Antonin Scalia, who initially as Chairman of the Administrative Conference and now as Assistant Attorney General in the Office of Legal Counsel, provided substantial momentum in recent years and weeks toward the refinement and ultimately the Judiciary Committee's adoption of this bill. I know that some of the technical defenses this bill would eliminate provide the regular ammunition of the Government's legal arsenal in defense of lawsuits against the United States and Federal officials. Mr. Scalia's participation in this legislative effort reflects his—and I am pleased to say, the Justice Department's—commitment to the best interests of the American public in this area.

Finally I want to recognize the work of Mr. Richard Berg and Mr. Steve Klitzman, of the Administrative Conference, who assisted our subcommittee staff in preparing the way for Senate action on S. 800 this session. It is doubtful that we would have the chance to act on this bill today if it were not for their hard work.

Mr. President, I would also like to add a few words on an especially innovative proposal by Senator BUMPERS, S. 2408. Like S. 800, S. 2408 would increase court review of agency actions. In particular, S. 2408 would remove the presumption of legality for agency regulations and require each agency to prove by clear and convincing evidence that a challenged regulation is within the statutory mandate of the agency.

The purpose of S. 2408 is to keep Federal agencies within the authority delegated by Congress; it is a purpose which I wholeheartedly support. Some concerns have been raised, however, by the Department of Justice and various agencies about the means employed by S. 2408.

I personally tend to support the general purpose of S. 2408—making agency actions adhere more closely to the letter of the laws governing them. But I believe that we should not change the procedural code for all the diverse Federal agencies without more intensive study of the consequences of such a change. I have already asked the Administrative Conference of the United States to undertake a study of the impact and consequences of S. 2408, and the conference staff has indicated a willingness to comply with this request. I also intend to request detailed comments on S. 2408 from the Department of Justice, the Judicial Conference, and a number of administrative law experts. I am asking that these reports be completed this session, so that the Administrative Practice and Procedure Subcommittee may act on this proposal as early as possible in the next session of Congress.

Mr. BUMPERS. Mr. President, I rise in support of S. 800, a bill to make a number of needed changes in the Administrative Procedure Act. I have long been vitally interested in the subject matter of this bill. Although its provisions are technical in one sense, it intimately affects the lives of all Americans, because it concerns the procedures by which citizens may obtain judicial review of agency action that has aggrieved or injured them. I suppose no complaint occurs more frequently in the mail coming to the offices of most Members of this body than that the federal establishment has become insensitive to the effect that their multitudinous rules and regulations are having on the everyday lives of our citizens.

S. 800 is a step in the right direction toward solving this problem. The bill contains two principal provisions. First, it would waive, in most circumstances, what is left of the doctrine of sovereign immunity. A citizen, for example, who claims that his property has been unlawfully seized or taken by an agency or employee of the United States would be able to secure specific redress in the courts of law. Sovereign immunity, despite its long history in our jurisprudence, is in my opinion an evil doctrine, based upon the fiction that the King, or the Government, can do no wrong. The fact is, Mr. President, that in this country the people, and not the Government, are sovereign. The whole concept of the people's servants being immune from suit in the courts is an odious one, and I am happy to see that S. 800 takes a large step toward totally abolishing this outmoded doctrine of the law.

As a matter of fact, S. 800 is identical in most respects to S. 2407, a bill I introduced last year. In addition to the provisions with regard to sovereign immunity, S. 800 makes it clear that a citizen with a claim against an agency or employee of the United States can simply name the Government itself as a defendant. Lawsuits can no longer be dismissed by reason of a plaintiff's having mistakenly named the wrong agency or employee of the United States as a defendant. This is an important improvement in the law and should increase the number of cases in which disposition is made on the merits, whatever they may be, instead of on technical grounds that thwart a just resolution of disputes. Again, S. 2407 contained a similar provision, modeled after a British statute enacted in 1947.

I would like to add a few words concerning S. 2408, another bill that I introduced last year, referred to by the distinguished Senator from Massachusetts (Mr. KENNEDY) in his just-concluded statement. In brief, S. 2408 would provide that courts, not agencies, decide questions of law.

There is a long-standing doctrine of administrative law that courts will defer to the interpretation adopted by an agency of its governing statute. Although the doctrine was well founded in its inception, in practice, at least in recent years, it has led to courts' virtually rubber-stamping every agency action that comes before them for review. Chief Justice Marshall said that it is emphatically the province of the judicial department to declare what the law is, and S. 2408 would simply amend the Administrative Procedure Act to declare that principle unequivocally. The bill provides that courts shall review de novo all questions of law that come before them in suits to review agency action, and that rules and regulations issued by an agency shall not be upheld unless the court is persuaded clearly and convincingly that the rules are within the power that Congress intended the agency to exercise.

Mr. President, I realize that S. 2408 would work a far-reaching change in administrative law. That is precisely the intention of the measure. It would reverse the traditional doctrine that rules and regulations are presumed valid. A number of interested parties have raised questions about S. 3408, and I am happy that the bill will be systematically studied, as indicated in Senator KENNEDY's statement. My original intention was to offer S. 2408 in the form of an amendment to S. 800, but I have decided not to take such a step at this time. Withholding action for the present will mean that S. 800 can proceed expeditiously on its way to final enactment, a result that I strongly advocate, and that the Department of Justice, the Administrative Conference of the United States, and other interested groups will have a full opportunity to study S. 2408 and share their views with the Committee on the Judiciary and other Members of the Senate. I note with satisfaction that the Senator from Massachusetts is requesting that these studies be completed before September 15 of this year. In this way, the views of all interested parties will be before us in time to allow the Subcommittee on Administrative Practice and Procedure to act on S. 2408 early in the 95th Congress. I plan to reintroduce the bill promptly upon convening of the next Congress in January.

Mr. President, I will not encumber the RECORD with further argument in favor of S. 2408, but I do want to call the attention of Members to a statement submitted by the Direct Selling Association to the Committee on the Judiciary. This statement discusses the bill in some detail and explores the practical changes that the bill would work in the law. The statement is a particularly lucid and cogent exposition of the salutary effect that S. 2408 would have, and I ask unanimous consent that it be printed in the RECORD immediately following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF DIRECT SELLING ASSOCIATION

The Direct Selling Association (DSA) submits this statement in support of S. 2408, introduced by Senator Dale Bumpers and presently before this subcommittee. The purpose of this proposal is to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress. DSA, by this statement, hopes to specifically illustrate the need for enactment of this bill through discussing one particular regulatory agency in some detail.

The Direct Selling Association is a national trade association composed of about eighty companies whose goods and services are offered directly to consumers through sales transactions conducted in the home. Its members market a wide range of products including: clothing, shoes and other wearing apparel; cookware, china, silver, cutlery; cosmetics and personal care items; decorative accessories for the home; encyclopedias and other reference books; foods, food supplements and vitamins; hobby and craft items; household cleaning products, soaps, detergents and brushes; houseware specialties; jewelry; photo album plans; security systems, and vacuum cleaners. These products are marketed through some three million salespersons throughout the fifty states, with annual retail sales in the neighborhood of $6 billion dollars (membership list attached).

Principal federal agencies whose rules and regulations affect direct selling companies are: Consumer Product Safety Commission; Employment Standards Administration; Federal Reserve Board (credit grantors); Federal Trade Commission; Food and Drug Administration (companies selling cosmetics, food supplements and vitamins); Defense Department (sales to military personnel and on military bases); General Services Administration (product procurement); Internal Revenue Service; Occupational Safety and Health Administration; Postal Service; Securities and Exchange Commission (publicly held companies), and the Wage and Hour Division of the Department of Labor.

Of these, the Federal Trade Commission is the agency whose rules and orders probably have the greatest potential for circumscribing the direct-to-consumer method of distribution, and it is the agency with which the Direct Selling Association is most familiar. While the time may well have arrived when a broadening of the scope of judicial review of agency actions in general is desirable, we feel that a careful examination of this question in relation to the Federal Trade Commission is definitely indicated in view of the rapid expansion of that agency's powers.

We do not wish to suggest that the basic functions performed by the Federal Trade Commission are unnecessary. The Direct Selling Association has not endorsed bills of the "agency self-destruct" type which have recently been introduced in Congress. We do see, however, a need for balancing great power with adequate judicial review when experience shows how difficult it is for an agency to have a continuing and accurate knowledge of the peculiarities of each industry it regulates. The difficulty comes in large measure from the constant and rapid turnover not only amongst the Commissioners themselves but amongst those in critical staff positions.

Our trade association makes constant efforts to acquaint FTC staff with the association members' methods of distribution and with the variations in types of direct selling, but neither these efforts nor presentations on specific proposals insure that regulations could not at some point fatally impair the industry's ability to secure an adequate supply of competent salespeople, for whose services direct sellers are in competition with other types of sellers who are not similarly regulated. DSA has found on more than one occasion that the lack of FTC staff and Commission understanding of the direct selling method of marketing has led to the proposing of legally suspect concepts of dubious potential effectiveness and certain negative impact on legitimate sales activities. Thus, our sincere feeling that a broadening of the scope of judicial review of Commission rules and orders is needed. DSA will be glad to give specific examples where the FTC has exhibited, in our opinion, a lack of understanding and knowledge of direct selling which shows that it does not have expertise in this area inviting judicial deference.

We are sure that witnesses supporting S. 2408 will have introduced into the record ample citations of recent cases in which courts have clearly stated the narrowness of judicial review of agency actions. This narrowness of judicial review of agency actions seems to us to be of particular concern in view of two recent Congressional grants of power to the Federal Trade Commission in the Magnuson-Moss Warranty/FTC Improvement Act which became law on January 4, 1975 (P.L. 93–637).

As to trade regulation rules, the Act spelled out the authority of the Commission to prescribe rules defining with specificity acts or practices which are unfair or deceptive and to prescribe requirements for the purpose of preventing such acts or practices. These rules, it is argued, have the force and effect of federal statutes. It appears that the Commission interprets its mandate from Congress to be to promulgate trade regulation rules as opposed to litigating issues on a case-by-case basis. Judicial review of such rules therefore takes on greater importance than ever.

DSA's concern with FTC rulemaking is manifested by the attached filing made by this association in conjunction with the American Retail Federation and the Chamber of Commerce of the United States FTC Issues Working Group. DSA respectfully requests that it be made part of this statement and included in the hearing record. The filing relates to the Commission's announced intention to codify via trade regulation rules what it terms principles of consumer protection law based on Commission decisions and consent orders. DSA believes this statement clearly underscores the need for enactment of S. 2408 and rather than summarize it herein, urges members of the subcommittee and its staff to carefully read it and consider its points.

A second grant of expanded power to the Federal Trade Commission contained in Magnuson-Moss appeared in Sec. 205, which empowered the Commission to seek a civil penalty of not more than $10,000 for each violation of a final cease and desist order, whether or not the alleged violator was a subject to such cease and desist order. Actual knowledge that the acts or practices proscribed by the order are unfair or deceptive and unlawful is necessary.

Accordingly, the Commission under authority of this new provision, has been notifying companies in various industries of final orders against other companies in the industry, some such orders cited going back thirty-five years.

Section 205(a) did provide that if the cease and desist order establishing the act or practice is unfair or deceptive was not issued against the defendant, the issues of fact in the action against him shall be tried de novo. This appears to mean that what is to be tried is whether or not the defendant committed the act, not whether the original finding of deception was sound.

This innovative provision is causing additional uneasiness because the Federal Trade Commission is mandating through its cease and desist orders specific affirmative statements and actions as insurance that the consumer will not be deceived. Recently, respondent in an FTC case was ordered to tell its present and prospective salespeople that any failure to follow the exact prescription in its order will constitute a "violation of federal law." (Docket No. 8908) Access to thorough judicial review would certainly seem to be called for if this type of affirmative prescription is to be applied via Sec. 205 of P.L. 93–637 to companies who were not parties to the original case.

By giving notice of old orders to companies throughout an industry the Commission appears to now have the power to create industrywide rules without going through the rulemaking process. This process has been expanded from prior FTC procedures spelled out in Section 202 of Magnuson-Moss which now provide, among other things, for cross-examination of witnesses. The final form of a cease and desist order can be affected by the relative strengths and capabilities of counsel for the adversaries in the proceeding. If the Commission's findings as to deceptive practices in one case are to be applicable to all, the safeguard of broader judicial review certainly seems to be called for.

That the expanded power provided to the Commission by Section 205 is seen as an important breakthrough is evidenced by the fact that already Congress is being asked to expand the enforcement of this particular section. Section 8 of S. 2935, which passed the Senate on March 18th, would permit the Commission to seek an injunction against one company's violation of another company's cease and desist order and, in addition to monetary penalty for violation, the court would be empowered "to provide such other equitable relief as it may deem appropriate." Under our American system of checks and balances it would seem that such a marked expansion of regulatory power calls for the enlarged scope of judicial review which would be provided by S. 2408.

In summary, DSA has found that the FTC does not have expertise concerning the direct selling industry that would justify the courts giving its rules a presumption of validity. As Senator Bumpers has pointed out, administrative law has come to the point where reversal of the traditional doctrine that rules or regulations adopted by a Federal agency are presumptively within the authority granted by Congress, or by Executive order, is called for. DSA agrees with the Senator when he states that the 'burden should be upon the Federal agency which has at its command the resources of the sovereign, to establish the validity of its own action, instead of being placed upon the citizen to prove the reverse." The present burden placed on the citizen, vis-a-vis FTC rulemaking, is insurmountable for most, and the present situation found since enactment of Magnuson-Moss is fraught with potential abuses of Congressional intent by well-motivated but inexpert FTC staff.

While DSA calls for increased and more meaningful oversight of the FTC and other regulatory agencies; we urge the Congress to enact S. 2408 to shift the burden of litigation to the party bringing it about and which can and should shoulder the heavier burden.

Thank you.

Mr. HRUSKA. Mr. President, I rise in support of the bill, S. 800, a bill to amend chapter 7 of title 5, United States Code, with respect to procedures for judicial review of certain complaints brought by citizens against the Federal Government, its agencies, or employees.

Briefly, S. 800 would remove three technical barriers to such complaints:

First. It would eliminate the defense of sovereign immunity in Federal court actions for specific relief claiming unlawful action by a Federal agency, officer, or employee.

Second. It would eliminate the $10,000 amount-in-controversy requirement in Federal question cases where the United States, any agency thereof, or any officer or employee acting in his official capacity is involved.

Third. It would remedy certain technical problems in the law concerning the naming of the United States, its agencies, or employees as parties defendant in actions challenging Federal administrative action.

Mr. President, the doctrine of sovereign immunity is a long-standing principle that developed slowly during the 19th century which allowed the Government to invoke limitations upon the jurisdiction and power of U.S. district courts. In other words, the United States could not be used without its consent.

The question put to the courts, however, has not been one of whether the United States has given its consent to be sued. Rather, sovereign immunity has more often than not been a question of whether particular conduct of the government or its agents is reviewable. In addition to court decisions recognizing a presumption of reviewability, a number of Federal statutes have been enacted to cover the review of administrative actions, most notably in two areas where sovereign immunity was most powerful—tort claims and contract damages against the Government.

Mr. President, because of the many limitations that have been placed on the doctrine of sovereign immunity by both case law and congressional action, its use has become unacceptable in many areas of litigation. S. 800 seeks to correct many of the deficiencies in this complex area of the law. It is a much-needed reform in the law, one that is long overdue. I am pleased to add my support to it.

U.S. DEPARTMENT OF JUSTICE VIEWS ON S. 800

Mr. President, in responding to a request by Senator KENNEDY, chairman of the Subcommittee on Administrative Practice and Procedure, wherein the bill, S. 800, was processed, Mr. Antonin Scalia, Assistant Attorney General of the Office of Legal Counsel, submitted the views of the U.S. Department of Justice on the bill.

In his letter to Senator KENNEDY dated May 10, 1976, Mr. Scalia opined with respect to the matter of soverign immunity:

> Indeed, if the present bill is properly understood and properly applied by the courts, it is likely to produce a more stable and predictable system of immunity from suit than the present doctrine of sovereign immunity can ever attain—because it will be a system directly and honestly based upon relevant government factors rather than upon a medieval concept whose real vitality is long since gone and which we have tried vainly to convert to rational modern use. It is not the intent of the Department nor, as I understand it, the intent of the drafters of this bill, that all of the cases which have heretofore been disposed of on the basis of sovereign immunity would in the future be entertained and adjudicated by the courts. To the contrary, one of the very premises of the proposal is the fact that many (indeed, I would say most) of the cases disposed of on the basis of sovereign immunity could have been decided the same way on other legal grounds, such as: lack of standing; lack of ripeness; availability of an alternative remedy in another court; express or implied statutory preclusion of judicial review; commission of the matter by law to agency discretion; privileged nature of the defendant's conduct; failure to exhaust administrative remedies; and the "political question" doctrine.

Mr. Scalia also placed great weight on the recommendations of the Administrative Conference committee which originally drafted this legislative proposal. The Administrative Conference felt it important that the waiver of immunity only apply to claims relating to improper official action; and be subject to the other limitations of the Administrative Procedure Act, including that which renders review unavailable "to the extent that: First, statutes preclude judicial review; or second, agency action is committed to agency discretion by law," 5 United States Code, section 701(a).

Mr. President, Mr. Scalia also qualified his support for S. 800 as originally drafted, by requesting the addition of language to section 702 of 5 United States Code that would require any mandatory or injunctive decree to specify the Federal officer or officers, and their successors in office, personally responsible for compliance with any such decree.

AMOUNT IN CONTROVERSY

In addition, with regard to section 2 of S. 800, which would amend 28 United States Code, section 1331, to eliminate the requirement that there be at least $10,000 in controversy, and thus provide Federal court jurisdictions over all civil cases involving "Federal questions" regardless of the monetary amount involved, Assistant Attorney General Scalia noted that the bill as originally drafted went beyond the proposal of the Administrative Conference. Under S. 800, as drafted, it would remove the "amount in controversy" requirement not merely in suits for review of Federal agency action but in all Federal question cases.

During full Judiciary Committee consideration of S. 800, Senators THURMOND and BURDICK expressed concern that elimination of the $10,000 "amount-in-controversy" requirement in Federal question cases where the United States, agencies, or Federal officials are not involved might have unforeseen impact on the workload of the Federal courts. Thus, the following amendment was adopted:

> SEC. 2. Section 1331(a) of title 28, United States Code, is amended by striking the final period and inserting a comma and adding thereafter the following:
>
> ". . . except that no such sum or value shall be required in any such action brought against the United States, any agency thereof, or any officer or employee thereof in his official capacity."

The language of this amendment also conforms with the recommendation of the Administrative Conference of the United States and the U. S. Department of Justice.

VENUE

Mr. President, one final suggestion by Mr. Scalia was also adopted in S. 800 as reported: 28 United States Code Section 1391(e) permits the joinder of additional persons as parties in actions against the United States, its agencies, officers, or employees, "without regard to other venue requirements." Under present law, 28 United States Code Section 1391(e), venue is granted not merely in the defendant's district but in the plaintiff's district, where the cause of action arose or where real property which is involved is situated. This applies to an officer or employee of the United States or any agency thereof.

Some courts have held that section 1391(e) applies only to additional defendants who may be joined so long as an independent basis of venue with respect to them exists. See *National Resources Defense Council, Inc.* v. *Tennessee Valley Authority*, 459 F.2d 255, 257 n. 3 (2d Cir. 1972).

The original amendment of S. 800 would have gone much further by permitting any plaintiff to obtain venue against any private defendant by simply joining as a party to the action a Federal official over whom venue may be obtained under 28 United States Code Section 1391 (e). The Department of Justice saw no reason to unnecessarily involve non-Government defendants and impose hardships on them which the ordinary venue rules were designed to avoid. Therefore, language was added to the bill as reported in order to avoid this result.

Mr. President, sometimes we find a substantial and scholarly work which is slow to be developed, but most helpful to those of us who toil in the legislative vineyards. In this case, the skillful, legal craftsmanship of Dean Roger C. Crampton, who authored recommendation No. 9 of the report of the Committee on Judicial Review of the Administrative Conference of the United States—see recommendation and reports of the ACUS, volume 1, January 8, 1968, to June 1, 1970, pages 191–236—set in motion the efforts to revise the law relating to sovereign immunity. This work has now reached fruition in the instant bill. Sincere thanks are extended to Dean Crampton.

Mr. President, S. 800 is a good bill. It is an even better measure because of the thoughtful and careful consideration that was given to its final drafting by Senator KENNEDY and other members of the Judiciary Committee in conjunction with the Department of Justice. I have taken the time to set forth in some detail the changes which were made in response to the suggestions of the Administrative Conference Committee and the Justice Department because I feel it is important that the history of the formulation, of the consideration of this bill, be registered so that the reasons for congressional action in this area of the law will be well understood.

Mr. President, I urge the Senate to approve S. 800.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and to be read the third time. The bill was read the third time and, as amended, was passed.

CONVEYANCE OF CERTAIN LANDS TO LUCILLE JONES

The bill (H.R. 1404) to authorize the Secretary of the Interior to convey certain lands in Madera County, Calif., to Mrs. Lucille Jones, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

LEAH MAUREEN ANDERSON

The bill (H.R. 4829) for the relief of Leah Maureen Anderson, was considered, ordered to a third reading, read the third time, and passed.

CONSIDERATION OF H.R. 11009

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 481.

The PRESIDING OFFICER. The clerk will report the resolution. The legislative clerk read as follows:

S. RES. 481

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 11009. Such waiver is necessary because information regarding the cost of updating the financial reporting systems of the District of Columbia did not become available until June 19, 1976, and therefore was not available at the time of the adoption of the Budget Resolution. The fiscal year 1977 cost of this legislation will be $5 million.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

FINANCIAL PLANNING, REPORTING AND CONTROL SYSTEMS FOR THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 11009) to provide for an independent audit of the financial condition of the Government of the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert the following:

That there is hereby established the Temporary Joint Committee on Financial Oversight of the District of Columbia (hereinafter referred to as the "joint committee").

(b) The joint committee shall consist of four members as follows:

(1) the chairman of the Committee on the District of Columbia of the Senate;

(2) the chairman of the Committee on the District of Columbia of the House of Representatives;

(3) the chairman of the Committee on Appropriations of the Senate, or his delegate; and

(4) the chairman of the Committee on Appropriations of the House of Representatives, or his delegate.

(c) Three members of the joint committee shall constitute a quorum.

(d) A chairman and vice chairman of the joint committee shall be selected by a majority vote of the full joint committee from among the members thereof. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman.

(e) The first meeting of the joint committee shall be called by the majority leader of the Senate and the Speaker of the House of Representatives, jointly.

(f) The joint committee is authorized, with the approval of the chairman thereof, to utilize the personnel of the Committee on the District of Columbia of the Senate, the Committee on the District of Columbia of the House of Representatives, the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives.

SEC. 2. (a) For the purpose of meeting the responsibilities imposed by the Constitution on the Congress with respect to the District of Columbia, it shall be the function of the joint committee, after consultation with the Comptroller General, the Mayor of the District of Columbia, and the Chairman of the Council of the District of Columbia, to select such qualified persons as the joint committee may determine necessary for the development of certain plans on behalf of the government of the District of Columbia (including assisting in the implementation thereof) for the purpose of improving the financial planning, reporting, and control systems of such government. Such plans, among others, to be considered for development and implementation are as follows: plans for immediate improvement in financial control and reporting; assessing the scope of further necessary improvements; financial management system improvements; personnel-payroll system improvements; water-sewage billing and information system improvements; purchasing and material management system improvements; property accounting system improvements; real property system improvements; welfare payments system improvements; human resources eligibility, payment, and reporting system improvements; health care financial system improvements; and traffic ticket system control improvements.

(b) Each contract entered into with a person pursuant to subsection (c) of this section for the development of a system improvements plan shall contain a provision requiring that person to include within such plan procedures for the establishment of an ongoing training program for operating personnel of the government of the District of Columbia whose duties involve matters covered by such plan or part thereof in order to provide training for such personnel in connection with the operation of such system.

(c) Upon the selection by the joint committee of each qualified person to develop and implement a plan pursuant to this section, the chairman of the joint committee shall enter into a contract or contracts with that person for the development and implementation of such plan.

(d) (1) Each such contract so entered into shall set forth the scope of the work to be performed, amounts to be paid thereunder, and a schedule of reporting and completion dates, including a schedule of implementation dates, for each portion of such work. Each contractor shall have full access to such books, individuals, accounts, financial records, reports, files, and other papers, things, or property of the government of the District of Columbia as such contractor deems necessary to complete such contract. The Comptroller General shall have full access to all documents produced under each contract in order to facilitate his review and approval.

(2) At least once during each one-hundred-and-eighty-day period after establishment of the schedule for completing each such contract and until the completion of such contract, each contractor shall report to the joint committee, the Council of the District of Columbia, and the Mayor of the District of Columbia on the progress toward completion of such contract.

(e) (1) With respect to any such contract or part thereof involving the design (including a preliminary design) of a system referred to in subsection (a) of this section the contractor, upon the completion of the plan or part relating to such design (including procedures for its implementation), shall submit such plan or part, together with a schedule for its implementation, to the Comptroller General of the United States for his consideration.

(2) With respect to any such contract involving work other than the design and implementation of such a system, the contractor, upon the completion of the plan or part thereof relating to such work (including its implementation), shall submit such plan or part hereof, together with a schedule for implementing such plan or part, to the Comptroller General of the United States for his consideration.

(3) Notwithstanding the foregoing provisions of paragraphs (1) and (2) of this subsection, no such plan, part, or schedule shall be submitted to the Comptroller General for his consideration unless such plan, part, or schedule has first been submitted to the lead contractor responsible for the development and implementation of a financial management system improvements plan pursuant to subsection (a) (1) of this section for such contractor's review, comments, and recommendations. A copy of such comments and recommendations, if any, shall be submitted, together with such plan, part, or schedule, to the Comptroller General in accordance with paragraphs (1) and (2) of this subsection.

(4) Within the sixty-day period following the date of the receipt by him of such plan or part thereof, and after consultation with the Mayor of the District of Columbia, the Council of the District of Columbia, and the joint committee, the Comptroller General shall be authorized to approve, disapprove, or modify such plan or part (including any schedule for the implementation thereof), in whole or in part. On or before the expiration of such sixty-day period, the Comptroller General, if he approves or modifies such plan or part in whole or in part, shall submit such plan or part, as so approved or modified, to the Congress for its information. In any case in which the Comptroller General disapproves any such plan or part, in whole or in part, the Comptroller General shall, within such sixty-day period, submit such plan or part so disapproved to the Congress for its information, together with his reason for such disapproval.

(f) Each such plan or part thereof so approved or modified by the Comptroller General shall be deemed to be a part of the financial planning, reporting, accounting, control, and operating procedures of the government of the District of Columbia. No plan or part thereof disapproved by the Comptroller General shall take effect.

(g) With respect to any such plan or part so deemed to be a part of the financial planning, reporting, accounting, control, and operating procedures of the government of the District of Columbia, the Mayor of the District of Columbia, with the assistance of the contractor responsible for such plan or part, shall implement such plan or part for the government of the District of Columbia in accordance therewith. The Comptroller General shall monitor such implementation and report as he deems appropriate to the joint committee.

SEC. 3. (a) (1) For the purpose of meeting the oversight responsibilities imposed by the Constitution on the Congress with respect to the District of Columbia, the joint committee is authorized in accordance with the provisions of paragraph (2) of this subsection to cause to be undertaken, on behalf of the government of the District of Columbia, by a certified public accountant licensed in the District of Columbia, a balance sheet audit of the financial position of the District of Columbia as of September 30, 1977. Such audit may—

(A) include an identification of assets, liabilities, accumulated surplus or deficit; and

(B) exclude statements of revenues and expenses, changes in fund balances, statements of changes in financial position for enterprise funds, and property and equipment.

(2) The balance sheet audit authorized by paragraph (1) of this subsection shall cover the financial position of the District of Columbia as of September 30, 1977, unless the joint committee, on or before August 1, 1977,

is notified by the Comptroller General to the effect that such an audit as of that date is not practicable, in which case the joint committee is authorized to cause to be undertaken a balance sheet audit of the financial position of the District of Columbia as of such date as the Comptroller General shall recommend to the joint committee.

(b) The joint committee is further authorized to cause to be undertaken, on behalf of the government of the District of Columbia, by a certified public accountant licensed in the District of Columbia, an audit or audits of the financial position and results of operations of the District of Columbia for each fiscal year or years next following September 30, 1977, or the date recommended by the Comptroller General for the conduct of a balance sheet audit pursuant to paragraph (1) of this subsection, whichever last occurs, and which precede the fiscal year commencing October 1, 1979.

(c) Upon selection by the joint committee of each qualified person to conduct an audit pursuant to this section, the chairman of the joint committee shall enter into a contract with that person for that purpose. Each such audit shall be carried out in accordance with generally accepted auditing standards and the financial standards shall be prepared in accordance with generally accepted accounting principles. The results of each such audit shall be submitted to the Congress, the President, the Council of the District of Columbit, the Mayor of the District of Columbia, and the Comptroller General of the United States.

(d) Such contractor shall have full access to such books, individuals, accounts, financial records, reports, files, tax returns, and other papers, things, or property of the government of the District of Columbia as such contractor deems necessary to complete each such audit required by such contract.

SEC. 4. (a) For the fiscal year beginning October 1, 1979, and each fiscal year thereafter, the government of the District of Columbia shall conduct, out of funds of the government of the District of Columbia, an audit of the financial operations of such government. Each such audit shall be conducted by a certified public accountant licensed in the District of Columbia and carried out in accordance with generally accepted auditing standards and the financial statements shall be prepared in accordance with generally accepted acounting principles.

(b) For the purpose of conducting an audit for each such fiscal year as required by subsection (a) of this section, the Mayor of the District of Columbia shall, on or after January 2, 1979, select, subject to the advice and consent of the Council of the District of Columbia, a qualified person to conduct such audits for the fiscal year commencing October 1, 1979, and the next following three fiscal years. Thereafter, each individual elected as Mayor in a general election held for Mayor of the District of Columbia shall, on or after January 2 next following his or her election to, and the assuming of, the Office of Mayor, select, subject to the advice and consent of the Council of the District of Columbia, a qualified person to conduct such audits for the fiscal year commencing October 1 of the calendar year in which such Mayor takes office, and the next following three fiscal years. The person previously selected for a four-year period shall not succeed himself. If the Council fails to act on any such selection within a thirty-day period following the date on which it receives from the Mayor the name of such person so selected, the Mayor shall be authorized to enter into a contract with that person for the conduct of such audits. If any person so selected by the Mayor to conduct any such audits for such fiscal years is rejected by the Council, the Mayor shall submit to the Council the name of another qualified person selected by the Mayor to conduct such audits. In the event that the Council rejects the second person so selected by the Mayor, the Mayor shall, within thirty days following that rejection, notify the chairman of the Committee on Appropriations of the Senate and the chairman of the Committee on Appropriations of the House of Representatives, in writing, of that fact. Within fifteen days following the receipt of that notice, such chairmen shall jointly select a person to conduct such audits and shall inform the Mayor, in writing, of the name of the person so selected. Within ten days following the receipt by the Mayor of such name, the Mayor shall enter into a contract with such person pursuant to which that person shall conduct such audits for such fiscal years as herein provided.

(c) The Mayor shall submit a copy of each such audit so conducted to the Congress, the President, the Council of the District of Columbia, the Mayor of the District of Columbia, and the Comptroller General of the United States.

(d)(1) There is hereby established the Audit Control Commission of the District of Columbia (hereinafter referred to in this subsection as the "Commission"), which shall be composed of the following members:

(A) chairman of the Appropriations Committee of the Senate, or his delegate;

(B) chairman of the Appropriations Committee of the House of Representatives, or his delegate;

(C) chairman of the Council of the District of Columbia;

(D) chairman of the Committee on the Budget of the Council of the District of Columbia; and

(E) chairman of the Committee on Finance and Revenue of the Council of the District of Columbia.

(2) Three members of the Commission shall constitute a quorum.

(3) A Chairman and Vice Chairman of the Commission shall be selected by a majority vote of the full Commission from among the members thereof. The Vice Chairman shall act in the place and stead of the Chairman in the absence of the Chairman.

(4) The first meeting of the Commission shall be called by the Chairman of the Council of the District of Columbia not later than October 1, 1979.

(5) Among the functions of the Commission shall be to—

(A) discuss with the auditing firm prior to the beginning of an audit—

(i) the scope of the audit,

(ii) the District's accounting principles, policies, and practices,

(iii) recent developments in accounting principles or reporting practices that may affect the District, and

(iv) the status of suggestions and recommendations developed as part of the last audit;

(B) discuss with the auditing firm after the completion of each year's audit—

(i) the results of the audit,

(ii) overall evaluation of the financial statements, and

(iii) suggestions for improvements in accounting, financial, and operating controls.

(6) The foregoing provisions of this subsection shall take effect upon the date of the execution by the Mayor of the District of Columbia of a contract for the conduct of such audits pursuant to the first sentence of subsection (b) of this section.

SEC. 5. (a) Notwithstanding any other provision of law, all costs and other expenses arising out of any contract entered into pursuant to this Act for the development of a plan referred to in section 2 of this Act, including all costs and other expenses in connection with the implementation of such plan, shall be an obligation of the District of Columbia to be paid out of funds authorized by subsection (c) of this section. Any and all assistance provided by the Comptroller General in connection with the carrying out of this Act shall be on a reimbursable basis.

(b) Upon certification to him by the chairman of the joint committee of any amount due and payable to any person on the basis of a contract entered into pursuant to section 2 or 3 of this Act, or to the Comptroller General on the basis of assistance furnished by him pursuant to this Act, the Mayor shall pay such amount to that person or the Comptroller General in accordance with such certification.

(c) For the purpose of making payments under contracts entered into pursuant to section 2 or 3 of this Act (including audits carried out under section 3 of this Act), and for the purposes of subsection (b) of this section, there are authorized to be appropriated to the District of Columbia such sums, not to exceed in the aggregate $20,000,000, as may be necessary.

SEC. 6. As used in this Act, the term—

(1) "person" means any individual, partnership, firm, corporation, or other entity; and

(2) "government of the District of Columbia" includes the Mayor of the District of Columbia, the Council of the District of Columbia, and all agencies (as defined in paragraph (3) of section 3 of the District of Columbia Administrative Procedure Act (D.C. Code, sec. 1–1502(3))).

SEC. 7. Thirty days after notification by the Comptroller General to the joint committee of the completion and implementation of all plans and designs and after final payment of all contracts entered into pursuant to sections 2 and 3 of this Act, the joint committee shall cease to exist.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PRIVILEGE OF THE FLOOR—S. 3521

Mr. STEVENS. Mr. President, I ask unanimous consent that Phil McLeod be permitted access to the floor during consideration of S. 3521.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I renew my request that the distinguished Senator from Oklahoma be granted permission to proceed for 1 minute to offer a Senate resolution which has been cleared all around.

The PRESIDING OFFICER. The Senator from Oklahoma.

SENATE RESOLUTION 485—CALLING FOR BICENTENNIAL REFLECTIONS AND PRAYERS OF THANKSGIVING AND GUIDANCE

Mr. BARTLETT. Mr. President, I send a resolution to the clerk's desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes a resolution calling for bicentennial reflections and prayers of thanksgiving and guidance.

Mr. BARTLETT. Mr. President, the Senate passed a joint resolution substantially to this same effect. It is being held up in the House, and the target on this is July 2, which is tomorrow, and this has been cleared on both sides. I would like to bring it up right now and move that it be passed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and without objection, the Senate will proceed to its immediate consideration.

Mr. CHILES. Mr. President, will the Senator yield? I just want to associate myself with the remarks of the Senator from Oklahoma and to congratulate him on bringing this matter before the Senate. I think in these times of sort of a rush for us to get home for the Bicentennial, we really have not paid the kind of attention to this area that we should in reflecting our concern and our gratitude as our Founding Fathers did 200 years ago.

I am delighted to see the distinguished Senator from Oklahoma bringing this up, and I just want to associate myself with his bill.

Mr. BARTLETT. I thank the distinguished Senator from Florida very much.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 485) and the preamble are as follows:

Whereas on July 4, 1976, the United States of America officially recognizes the two hundredth anniversary of our independence as a nation; and

Whereas this date is the two hundredth anniversary of the signing of the Declaration of Independence on July 4, 1776; and

Whereas the date of signing the Declaration of Independence followed by two days the date of the adoption of the Declaration by the delegates to the Second Continental Congress, July 2, 1776; and

Whereas the authors of this momentous document appealed to "the Supreme Judge of the world for the rectitude" of their intentions and signed their names "with a firm reliance on the protection of divine Providence"; and

Whereas the decision by the delegates to the Continental Congress to sign the Declaration of Independence was a difficult, unprecedented decision which placed in jeopardy their lives and material well-being for the sake of the ideals of liberty and self-government; and

Whereas the United States of America has enjoyed unparalleled blessings of prosperity and identification with the dignity of man, tempered by war, tribulations, and the recognition that at times we have lost sight of the ideals of the founding of our country: Now, therefore, be it

Resolved, That all Americans are hereby encouraged to engage in reflection and prayers of thanksgiving and guidance on July 2, 1976, and throughout the Bicentennial weekend of July 3 and July 4, 1976, in remembrance of the time two hundred years beforehand when the founders of our country sought similar assistance from their Creator for the momentous decisions they were about to make.

EXECUTIVE SESSION

NOMINATION OF E. HENRY KNOCHE TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Mr. INOUYE. I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. E. Henry Knoche.

The PRESIDING OFFICER. Without objection, the Senate will now go into executive session.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. Will the Senator withhold. The Senator is entitled to be heard. The Senate is not in order.

Mr. INOUYE. Mr. President, I wish to yield to my distinguished colleague from Mississippi, the chairman of the Armed Services Committee.

Mr. STENNIS. Mr. President, if I may make a statement, this nomination here was originally referred to the Senate Armed Services Committee. I am going to ask unanimous consent in a moment with reference to the committee's discharge, but I want to refer now, Mr. President, to a memorandum of understanding between the chairman of the Senate Select Committee on Intelligence and the chairman of the Senate Armed Services Committee, dated today, July 1, 1976. It is concurred in by the Senator from South Carolina and the Senator from Tennessee (Mr. BAKER).

Now, Mr. President, this is an effort on the part of those concerned to work out a working paper between those two committees so that with reference to matters where one needs intelligence from the other there can be a free exchange as well as covering of the matters in which both are interested. It will speak for itself.

I am going to ask unanimous consent that this be printed in the RECORD at this point. It is signed by each of the chairmen.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM OF UNDERSTANDING BETWEEN THE CHAIRMAN OF THE SENATE SELECT COMMITTEE ON INTELLIGENCE AND THE CHAIRMAN OF THE SENATE ARMED SERVICES COMMITTEE

In all matters of concern to both the Senate Armed Services Committee and the Senate Select Committee on Intelligence, the Chairman, members, staffs of the two Committees shall make every effort to assist and facilitate the work of the two Committees.

In legislative matters relating to intelligence the procedures and responsibilities set forth in S. Res. 400 will be followed. Both Committees will make every effort to assure that the U.S. Intelligence Community supplies all intelligence information requested by either Committee. In addition, both Committees will cooperate to preserve the right of either Committee to call witnesses from the U.S. Intelligence Community, obtain appropriate information and hold hearings on intelligence matters necessary to the work of either Committee.

Where there are questions of joint concern between the Senate Select Committee on Intelligence and the Senate Armed Services Committee, they will be promptly made a matter of consultation and resolution between the Chairmen of the two Committees, the full Committees, and the Chiefs of Staffs of both Committees as may be appropriate.

JOHN C. STENNIS,
Chairman, Senate Armed Services Committee.

DANIEL K. INOUYE,
Chairman, Senate Select Committee on Intelligence.

Mr. STENNIS. I ask unanimous consent that the Senate Armed Services Committee be discharged from further consideration of this nomination and the Senate proceed to consider it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will report.

The legislative clerk read as follows:

Nomination of E. Henry Knoche, of Virginia, to be Deputy Director of Central Intelligence, reported earlier today from the Committee on Armed Services.

Mr. INOUYE. Mr. President, I am pleased to report to the Senate that the Senate Select Committee on Intelligence considered the nomination of Mr. Knoche, conducted hearings exceeding 7 hours, and at the conclusion thereof came forth with the unanimous decision to recommend his approval as the new Deputy Director of the CIA.

Mr. Knoche has been a career employee of the Agency for 23 years. His specialty has been in the analytical field. The entire committee feels this is a great indication because, as of this moment, if there is any weakness in the CIA, it is in the Analysis Department.

We look forward to great things coming from Mr. Knoche. We wish him the best. We are pleased to see that we have a fine civil servant assisting us in our intelligence gathering activities.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NOMINATION OF THOMAS J. HOUSER TO BE DIRECTOR OF THE OFFICE OF TELECOMMUNICATIONS POLICY

Mr. PASTORE. Mr. President, there is a Thomas J. Houser nomination at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the nomination.

The second assistant legislative clerk read the nomination of Thomas J. Houser, of Illinois, to be Director of the Office of Telecommunications Policy.

Mr. PASTORE. Mr. Houser served at the pleasure of the President. It is his wish to have him as an adviser. There is not much more can be said except he was reported out unanimously by the committee.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. PASTORE. Mr. President, I ask unanimous consent that the President be notified of the confirmation of both nominations.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. **MANSFIELD**. Mr. President, I move that the Senate return to the consideration of legislative business.

The motion was agreed to, and the Senate resumed consideration of legislative business.

ALASKA NATURAL GAS TRANSPORTATION ACT

Mr. **STEVENSON**. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 963, S. 3521.

The **PRESIDING OFFICER**. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3521) to expedite a decision on the delivery of Alaska natural Gas to the United States markets, and for other purposes.

The **PRESIDING OFFICER**. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill which had been reported from the Committees on Commerce and Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

SHORT TITLE

This Act may be cited as the "Alaska Natural Gas Transportation Act of 1976".

CONGRESSIONAL FINDINGS

SEC. 2. The Congress finds and declares that—

(a) a natural gas supply shortage exists in the United States;

(b) large reserves of natural gas in the State of Alaska could help significantly to alleviate this supply shortage;

(c) the construction of a viable natural gas transportation system for delivery of Alaska natural gas to other States is in the national interest; and

(d) alternative systems for transporting Alaska natural gas to other States have been proposed, and the selection of a system, if any, involves critical questions of national energy policy, international relations, national security, and economic and environmental impact, and therefore should appropriately be addressed by the Congress of the United States and the executive branch, in addition to the Federal Power Commission.

STATEMENT OF PURPOSE

SEC. 3. The purpose of this Act is to expedite a sound decision as to the selection and construction of a natural gas transportation system for delivery of Alaska natural gas to other States through establishment of new administrative and judicial procedures. To accomplish this purpose it is the intent of the Congress to exercise its constitutional powers to the fullest extent in the authorizations and directions herein made, in limiting judicial review of the actions taken pursuant thereto.

DEFINITIONS

SEC. 4. As used in this Act—

(a) the term "Alaska natural gas" means natural gas derived from the area of the State of Alaska generally known as the North Slope of Alaska, including the Continental Shelf thereof;

(b) the term "Commission" means the Federal Power Commission; and

(c) the term "Secretary" means the Secretary of the Interior.

FEDERAL POWER COMMISSION REVIEW AND REPORTS

SEC. 5. (a) (1) Notwithstanding the provisions of the Natural Gas Act (15 U.S.C. 717–717w), all pending proceedings before the Commission relating to the transportation of Alaska natural gas shall be governed by this Act, and the procedures established and authorized hereunder shall govern actions by the Commission with respect to review of applications and reasonable alternatives relating to the transportation of Alaska natural gas to other States.

(2) The Commission, in the exercise of its discretion, shall establish such rules and procedures as it deems appropriate to carry out its responsibilities under this Act with respect to review of applications and reasonable alternatives relating to the transportation of Alaska natural gas to other States. Such rules and procedures shall supersede rules or procedures that would otherwise have obtained under the Natural Gas Act (15 U.S.C. 717–717w) and the Administrative Procedure Act (5 U.S.C. 522).

(3) Any certificate of public convenience and necessity related to the transportation of Alaska natural gas from the State of Alaska to other States shall be issued by the Commission in accordance with section 9 of this Act.

(4) The provisions of the Natural Gas Act shall apply to the extent they are not inconsistent, as determined by the Commission, with this Act.

(b) The Commission may request such information and assistance from any Federal agency as it deems necessary and appropriate regarding the transportation of Alaska natural gas. All Federal agencies requested to submit information shall submit such information to the Commission at the earliest possible time after receipt of a Commission request.

(c) The Commission, pursuant to rules and procedures established under paragraph (2) of subsection (a) of this section, is hereby directed to review all applications pending on the date of enactment of this Act, and any subsequent amendments thereto, as well as other reasonable alternatives, as determined by the Commission, for the transportation of Alaska natural gas to other States, and to transmit a recommendation concerning an Alaska natural gas transportation system to the President by March 1, 1977. Such recommendation may be in the form of a proposed certificate of public convenience and necessity, or such other form as the Commission deems appropriate, and may include a recommendation that approval of a transportation system be delayed. Any recommendation for the construction of a system shall: (1) include a description of the route and major facilities; and (2) designate a party to construct and operate such a system.

(d) In making its recommendation, the Commission shall consider, and its report shall include, for each transportation system under review, a discussion of the following factors:

(i) projected natural gas supply and demand for all regions of the United States, including an analysis of—

(A) the economic deliverability of Alaska natural gas directly, by displacement, or otherwise; and

(B) the regional availability of alternative fuel supplies if adequate supplies of natural gas are not available;

(ii) transportation costs over its economic life, including an analysis of—

(A) anticipated tariffs, and

(B) delivered prices for Alaska natural gas in each affected region of the country;

(iii) the extent to which it provides access for the transportation to the United States of natural resources or other commodities from sources in addition to the Prudhoe Bay Reserve;

(iv) environmental impacts;

(v) safety and efficiency in design and operation and potential for interruption in the supply of natural gas;

(vi) construction schedules and other possibilities for delay;

(vii) feasibility of financing;

(viii) extent of reserves, both proven and probable, and their deliverability;

(ix) the estimate of the total delivered cost to consumers of the natural gas to be transported by the system;

(x) capability and cost of expanding the system to transport additional volumes of natural gas in excess of initial system capacity; and

(xi) such other factors as the Commission deems appropriate.

(e) The recommendation by the Commission pursuant to this section shall not be based upon the fact that the Government of Canada or agencies thereof have not by then rendered a decision as to authorization of a pipeline system to transport Alaska natural gas through Canada.

(f) The Commission's recommendation shall be accompanied by a report, which shall be made public, explaining the basis of its recommendation, including specific reference to the factors described in subsection (d) of this section.

(g) Within 20 days of the transmittal of the President's decision to the Congress pursuant to section 7, the Commission shall issue a report, which shall be made public, commenting on the decision and including any information with regard to that decision which the Commission deems appropriate.

OTHER REPORTS

SEC. 6. (a) By April 1, 1977, any agency may submit a report to the President with respect to the recommendation of the Commission and the alternative methods for delivering Alaska natural gas to other States. Such reports shall be made public when submitted to the President, unless expressly exempted from this requirement by the President, and shall include information within the competence of such agency with respect to—

(i) environmental considerations, including air and water quality and noise impacts;

(ii) the safety of the transportation systems;

(iii) international relations, including the status and time schedule for any necessary Canadian approvals and plans;

(iv) national security, particularly security of supply;

(v) sources of financing for capital costs;

(vi) impact on the national economy including regional natural gas requirements; and

(vii) relationship of the proposed transportation system to other aspects of national energy policy.

(b) By April 1, 1977, the Governor of any State, any municipality or State utility commission, and any other interested person may submit to the President such reports, recommendations and comments with respect to the recommendation of the Commission and alternative systems for delivering Alaska natural gas to other States as they deem appropriate.

PRESIDENTIAL DECISION AND REPORT

SEC. 7. (a) (1) As soon as possible after receipt of the recommendation, reports, and comments pursuant to sections 5 and 6 of this Act, but not later than July 1, 1977, the

President shall issue a decision as to which system for transportation of Alaska natural gas, if any, shall be approved. The President in making his decision on the natural gas transportation system shall take into consideration the Commission's recommendation pursuant to section 5, the factors set forth in section 5(d), and the reports provided for in section 6, and his decision shall be based on his determination as to which system, if any, best serves the national interest.

(2) If the President's decision pursuant to this section designates a system for the transportation of Alaska natural gas, such decision shall provide for—

(A) a process by which disputes among agencies and by which administrative appeals from agency decisions may be resolved in an expeditious manner;

(B) the designation of an official of the United States to serve as Federal inspector and coordinator of construction of the Alaska natural gas transportation system. The Federal inspector shall—

(i) assure compliance with applicable laws and the terms and conditions of any applicable certificate of public convenience and necessity, rights-of-way, permits, leases or other authorizations in accordance with section 11 of this Act;

(ii) assure adequate control of construction, quality of workmanship, environmental impact, and cost;

(iii) have the power to compel, by subpena if necessary, submission of such information as he deems necessary to carry out his responsibilities; and

(iv) keep the President and the Congress currently informed on any significant departures from compliance and issue quarterly reports to the President and the Congress concerning existing or potential construction difficulties and the extent to which quality control, safety, and environmental protection objectives have been achieved.

(3) The President's decision pursuant to this section may provide for the establishment of a special administrative review process to assure that the actions of Federal officers under this Act for which judicial review is limited may be reviewed administratively to assure they are reasonable and in the public interest. Any such review under such process shall not exceed 45 days and shall be subject to section 10 of this Act.

(4) For fiscal year 1978 and each succeeding year, there are hereby authorized to be appropriated such sums as may be necessary to carry out the functions delegated to the Federal inspector.

(5) Consistent with the provisions of this Act, the Natural Gas Act and other applicable law, the President's decision shall contain such terms and conditions as he deems appropriate for inclusion in any certificate issued pursuant to this Act. The President shall identify the legal authority pursuant to which any such term or condition is included. No such term or condition shall be included unless the President has identified such legal authority.

(b) The decision of the President made pursuant to subsection (a) of this section shall be transmitted immediately to the Senate and the House of Representatives on the first day that both are in session, and such decision shall be accompanied by a report explaining in detail the basis for his decision with specific reference to the factors set forth in sections 5(d) and 6(a), and the reasons for any revision, modification or substitution of the Commission recommendation.

(c) The report of the President pursuant to subsection (b) of this section shall contain a financial analysis for the transportation system chosen by him. Unless the President states in his findings pursuant to this subsection that he can reasonably anticipate that the system chosen by him can be privately financed, constructed, and operated, his report shall also be accompanied by his recommendation concerning the use of existing Federal financing authority or the need for new Federal financing authority.

(d) In making his decision the President shall inform himself, through appropriate consultation, of the views and objectives of the several States and the Government of Canada with respect to those aspects of such a decision that may involve intergovernmental and international cooperation between the Government of the United States and the Government of Canada.

(e) The decision of the President shall become final as provided in section 8.

CONGRESSIONAL REVIEW

SEC. 8. (a) The decision concerning an Alaska natural gas transportation system by the President shall become final upon enactment of a joint resolution in the form described in subsection (d) of this section within the first period of 60 calendar days of continuous session of Congress after the date of receipt by the Senate and House of Representatives.

(b) If the Congress does not enact a joint resolution within such 60-day period, the President, within 30 days of such failure to enact a joint resolution, may propose a new decision and shall provide a detailed statement concerning the reasons for such proposal. The new decision, together with a statement of the reasons therefor, shall be transmitted to the House of Representatives and the Senate on the same day while both are in session and shall become final pursuant to subsection (a) of this section.

(c) For purposes of this section—

(1) continuity of session of Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day calendar period.

(d)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; with

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a joint resolution passed by each House, the resolving clause of which is as follows: "That the House and Senate approve the Presidential decision on an Alaska natural gas transportation system submitted to the Congress on , 19 , and find that any required final environmental impact statements issued in connection with that decision are in compliance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.)". The blank space therein being filled with the date on which the President transmits his decision to the House and Senate.

(3) A resolution once introduced with respect to a Presidential decision on an Alaska natural gas transportation system shall be referred to a committee (and all resolutions with respect to the same Presidential decision on an Alaska natural gas transportation system shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee to which a resolution with respect to a Presidential decision on an Alaska natural gas transportation system has been referred has not reported it at the end of 30 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to such Presidential decision on an Alaska natural gas transportation system which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same Presidential decision on an Alaska natural gas transportation system), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential decision on an Alaska natural gas transportation system.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a resolution shall be decided without debate.

(e) Prior to the transmittal to the Senate and House of Representatives of the President's decision pursuant to section 7(b) the President must find that all final environmental impact statements on the Alaska natural gas transportation system proposed by the President has been prepared. To meet the requirements of this section the President may supplement the impact statements prepared by the Commission or other appropriate Federal agencies. If the President selects an Alaska natural gas transportation system for which no required final environmental impact statement has been prepared, the President may delay his transmittal to the House and Senate for up to 90 additional days for the purpose of supplementing or preparing any required final environmental impact statement.

(f) Within 20 days of the transmittal of the President's decision to the Congress under section 7(b) the Council on Environmental Quality shall hold public hearings on the legal and factual sufficiency of the environmental impact statements prepared in connection with the President's decision, and shall submit to the Congress a report summarizing the testimony received and setting forth the Council's views concerning the legal and factual sufficiency of such environmental impact statements. The appropriate committees in each House shall conduct hearings on the Council's report and shall invite testimony from the Council on Environmental Quality and representatives of the public.

AUTHORIZATIONS

Sec. 9. (a) The Congress hereby authorizes and directs the Commission, the Secretary and other appropriate Federal officers and agencies to issue and take all necessary action to administer and enforce all certificates, rights-of-way, permits, leases, and other authorizations necessary or related to the construction and initial commercial operation of the transportation system selected in the decision, if any, which becomes final pursuant to section 8 of this Act. All certificates, rights-of-way, permits, leases, and other authorizations issued pursuant to this subsection shall be issued at the earliest practical date. All agencies shall expedite in every way their consideration of such certificates, rights-of-way, permits, leases, and other authorizations and such matters shall take precedence over all other similar activities of such agencies. Rights-of-way, permits, leases, and other authorizations issued pursuant to this Act by the Secretary shall be subject to the provisions of section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), except the provisions of subsections (h) (1), (j), with respect to initial approvals, (k), (q), and (w) (2) thereof: *Provided, however*, That the submission required by the first sentence of subsection (h) (2) thereof shall be made at the earliest practicable time after the issuance of the rights-of-way and other authorizations hereunder.

(b) All authorizations issued pursuant to this Act shall include the terms and conditions required, and may include the terms and conditions permitted, by the provisions of law that would otherwise be applicable if this Act had not been enacted, so long as such terms and conditions are not inconsistent with the purposes of this Act and do not change the basic nature and general route of the transportation system designated hereunder, and the Federal officers and agencies issuing such authorizations may expedite or waive any procedural requirements of law or regulations which they deem necessary to waive in order to accomplish the purposes of this Act. The direction contained in this section shall supersede the provisions of any law or regulations relating to an administrative determination as to whether the authorizations for construction of a system for transportation of Alaska natural gas shall be issued.

(c) The holders of certificates issued by the Commission pursuant to this section 9 shall have all rights, powers, and obligations of holders of a certificate of public convenience and necessity issued pursuant to the Natural Gas Act in addition to any other rights, powers and obligations pursuant to this Act.

(d) Consistent with the purposes of this Act, the Secretary and other Federal officers and agencies are authorized at any time when necessary to protect the public interest, to exercise any authority under existing law to amend or modify any right-of-way, permit, lease, or other authorization issued by such officer or agency pursuant to this Act.

JUDICIAL REVIEW

Sec. 10. Notwithstanding any other provisions of law, except the provisions of section 11 of this Act, the actions of Federal officers or agencies taken pursuant to this Act, including the issuance of a certificate of public convenience and necessity by the Commission and actions concerning the issuance of the necessary rights-of-way, permits, leases, and other authorizations pursuant to section 9 for construction and initial commercial operation of a system for the transportation of Alaska natural gas and the legal or factual sufficiency of any environmental statement prepared relative to the Alaska natural gas pipeline pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.) shall not be subject to judicial review under any law, except that claims alleging the invalidity of this Act may be brought within 60 days following a decision becoming final pursuant to section 8 of this Act, and claims alleging that an action will deny rights under the Constitution of the United States, or that an action is beyond the scope of authority conferred by this Act, may be brought within 60 days following the date of such action. A claim shall be barred unless a complaint is filed in the United States Court of Appeals for the District Court of Appeals for the District of Columbia acting as a Special Court within such time limits, and such court shall have exclusive jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided, and no other court of the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have jurisdicion of any such claim whether in a proceeding instituted prior to or on or after the date of enactment of this Act. Any such proceeding shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and such court shall render its decision relative to any claim within 90 days from the date such action is brought unless such court determines that a longer period of time is required to satisfy requirements of the United States Constitution. Such court shall not have jurisdiction to grant any injunctive relief against the issuance of any certificate, right-of-way, permit, lease or other authorization pursuant to this section except in conjunction with a final judgment entered in a case involving a claim filed pursuant to this section. There shall be no review of an interlocutory, or final judgement, decree, or order of such court except that any party may file a petition for certiorari with the Supreme Court of the United States, within 15 days after the decision of the United States Court of Appeals for the District of Columbia shall be rendered.

REMEDIES

Sec. 11. (a) In addition to remedies available under other applicable provisions of law, whenever on the basis of any information available to it the Commission, the Secretary or other appropriate Federal officer finds that any person is in violation of any provision of this Act or other applicable law or any rule, regulation, or order thereof, or condition of the certificate, right-of-way, permit, lease or other authorization, the Commission, Secretary, or other appropriate agency head, as the case may be, in their discretion, may: (1) issue an order requiring such person to comply with such provision or requirement or; (2) bring a civil action in accordance with subsection (c).

(b) Any order issued under this subsection shall state with reasonable specificity the nature of the violation and a time of compliance not to exceed 30 days, which the Commission, the Secretary, or other appropriate agency head, as the case may be, determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

(c) Upon a request by the Commission, the Secretary, or other appropriate Federal officer, the Attorney General may commence a civil action for appropriate relief, including a permanent or temporary injunction or a civil penalty not to exceed $25,000 per day of such violation, for any violation for which the Commission, the Secretary, or other appropriate Federal officer is authorized to issue a compliance order under subsection (a) of this section. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation, require compliance, or impose such penalty.

EXPORT LIMITATIONS

Sec. 12. Any exports of Alaska natural gas shall be subject to all of the limitations and approval requirements of the Natural Gas Act (15 U.S.C. 717 et seq.) and, in addition, notwithstanding any other provision of law, before any Alaska natural gas in excess of 1,000 Mcf per day may be exported to any nation other than Canada or Mexico, the President must make and publish an express finding that such exports will not diminish the total quantity or quality nor increase the total price of energy available to the United States, and are in the national interest.

EQUAL ACCESS TO FACILITIES

Sec. 13. There shall be included in the terms of any certificate issued pursuant to this Act a provision that no person seeking to transport natural gas in the Alaska natural gas transportation system shall be prevented from doing so or be discriminated against in the terms and conditions of service on the basis of degree of ownership, or lack thereof, of the Alaska natural gas transportation system.

ANTITRUST LAWS

Sec. 14. The grant of a certificate, right-of-way, permit, lease, or other authorization pursuant to this Act shall not impair or amend any of the antitrust laws.

EXPIRATION OF AUTHORITIES

Sec. 15. The provisions of sections 4(a), 5, 6, and 8 of this Act shall expire upon the date that a certificate for the Alaska natural gas transportation system becomes final in accordance with the provisions of section 8 of this Act or July 1, 1978, whichever is earlier.

SEPARABILITY

Sec. 16. If any provision of this Act, or the application thereof, is held invalid, the remainder of this Act shall not be affected thereby.

Mr. FANNIN. Mr. President, I ask unanimous consent that Fred Craft and Ted Orf be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, this matter has been cleared on all sides. I know of no objection to it.

Mr. President, S. 3521 establishes a procedure for expediting a decision on construction of facilities to transport natural gas from the North Slope of Alaska to the gas-starved lower 48 States.

Whether it is feasible to construct a transportation system for moving natural gas from Alaska to the lower 48

States is a question of the highest national priority. But beyond the proposition that Alaska has vast reserves of natural gas and the lower 48 States have serious shortages, questions of how to decide whether such a transportation system is feasible, who should make the decision, which system it should be, where it should be located, when it should be built, and how it should be financed are complicated and controversial.

Proof of that fact is the massive record compiled in the course of the Federal Power Commission's consideration of the applications before it. The competition is so intense and the opposition to certain systems so strenuous that it is likely the Commission's proceeding will end up in the courts, delaying construction of any project for at least 3 more years. Costs due to delay rise an estimated $1 million per day—and the shortages of natural gas grow more severe.

Because of this potential for delay under existing law, earlier this year the fierce competition between projects spilled over into the Congress.

Senator MONDALE and 29 other Senators introduced a bill to mandate construction of a trans-Canada pipeline for bringing natural gas to the lower 48 States.

Senator STEVENS and Senator GRAVEL, who favored construction of a pipeline across Alaska, with subsequent liquefaction of the natural gas and shipment by tanker to the lower 48 States, also introduced their own bills.

The decision as to which project, if any, ought to be built involves delicate negotiations with Canada which neither the Congress nor the FPC is qualified to undertake. It will require technical assessments of environmental impacts on land and sea. The considerations are many, and they do not all yield to resolution by the Congress. Indeed, a congressionally proposed route could result in a clash between regional interests that might make a sound decision impossible in the near future. And yet the 4-year delay inherent in existing procedures is not acceptable.

Instead of doing nothing or mandating a decision, the Congress should establish a process through which a timely and sound decision can be reached.

Mr. President, after almost 7 months of joint hearings and deliberations by the Senate Committees on Commerce and Interior and Insular Affairs, I believe we have reached a broad-based, bipartisan consensus that a neutral process bill of this kind would best serve the Nation.

S. 3521, cosponsored by Senators MONDALE, STEVENS, and GRAVEL as well as Senators PEARSON and HOLLINGS, establishes just such a neutral process.

The bill would require the Federal Power Commission to review all project alternatives—including those which are not currently represented by an application before the Commission—and recommend to the President by February 1, 1977, whether a project should be built and, if so, which one.

Federal agencies would comment to the President on the Commission's recommendation prior to April 1, 1977. By that same date, the Governor of any State, any municipality or other interested party could also submit comments on the Commission's recommendation to the President.

With the benefit of the Commission's recommendation, agency comments and other public submissions, the President would then be required by July 1, 1977, to issue a decision as to which transportation system, if any, should be built. That decision would be transmitted to the Congress together with a report explaining the decision. Within 20 days of the President's decision, the Commission would be required to comment on the President's decision, and the Council on Environmental Quality would be required to hold a public hearing on the sufficiency of the environmental impact statement prepared for the chosen project, as well as submit a report on its findings to the Congress.

The President's decision would then become final upon enactment of a joint resolution of approval by both Houses of Congress.

If the Congress fails to approve the President's decision, the President can send a new decision to the Congress within 30 days. The procedures established by this bill would be exhausted if the second Presidential decision was not approved.

Once a Presidential decision became final, judicial review of the decision and actions taken pursuant to it, would be limited to claims challenging the constitutionality of the legislation and acts pursuant to the legislation and claims that such acts are beyond the scope and authority of the legislation. All claims challenging the constitutionality of the legislation would have to be filed with the court of appeals of the District of Columbia within 90 days of a final decision, and all claims challenging actions, within 60 days of the challenged act.

The court would be required to render a decision on all such matters within 60 days of the filing of such claims. Petitioners would have another 15 days from the time such a decision is rendered to file a petition for certiorari with the Supreme Court.

The bill requires all Federal agencies to issue the necessary permits, leases, and other authorizations necessary to execute a final decision and provides the appropriate Federal officers with civil remedies enforced through the Justice Department for noncompliance with any agency order issued under the legislation.

As part of the decision he submits to Congress for approval, the President is also required to specify a process for resolving disputes during the construction period as well as designating a Federal inspector to monitor construction. Such a process may also provide a special administrative review of actions by Federal officials for which judicial review is limited by this act.

Finally, the bill provides for equal access to facilities for all shippers and purchasers, places a limitation on the export of Alaska natural gas to foreign nations, and assures that all actions taken pursuant to a final decision under the bill are consistent with requirements of the antitrust laws.

The bill provides 5 months, from February 1 to July 1, 1977, for the President to explore the possibilities of a jointly approved project with the Canadians, and the delicate questions such negotiations may involve. It establishes a timetable for reaching a decision in the United States that matches the decisionmaking time frame for the Canadian Government.

And, if, after all the safeguards, public input and mobilization of public and private expertise, the initial result still offends public policy, there is the final check of congressional approval.

The bill assures a timely, informed decision. In that regard, the bill establishes a neutral process. It requires the Commission to base its decision on project costs, environmental impacts, safety, potentials for delay, an assessment of regional natural gas needs, financeability, and the potential for opening access to the transportation of other resources or commodities to the United States.

In addition to these factors, the President in reaching his decision must also consider matters related to international relations and the prospects for reaching a reasonable agreement with Canada, national security concerns, and impacts on the national economy.

Mr. President, all the parties who have taken an active interest in this critical question are now agreed that passage of S. 3521 at the earliest possible time is in the national interest.

S. 3521 was ordered to be jointly reported by the Committees on Commerce and Interior and Insular Affairs. The bill and report have been filed.

With construction costs escalating, and the time for enactment growing short, I urge my colleagues to act favorably on S. 3521 as a vehicle for moving swiftly and harmoniously on this urgent energy need.

Finally, Mr. President, section 10 of S. 3521, which limits judicial review, is one of the most important and complex provisions in the bill.

I, therefore, ask unanimous consent that a more detailed analysis of the provisions in section 10 be printed in the RECORD at the end of my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

JUDICIAL REVIEW UNDER S. 3521

The judicial review provisions of S. 3521 operate to insure that the construction of any Alaska natural gas transportation system is completed within the most expeditious time frame possible. Thus, judicial review of the actions of federal offices or agencies taken pursuant to the bill is limited. Judicial review of such actions is permitted only as to:

(1) claims alleging the invalidity of the Act;

(2) claims alleging that an action will deny rights under the Constitution of the United States; or

(3) that an action is beyond the scope of authority conferred by the Act.

In those situations where judicial review is permitted, the bill provides that actions must be brought within 60 days following the date of the action of the federal officer or agency. The United States Court of Appeals for the District of Columbia, acting as a special court, is given exclusive jurisdiction to determine those cases where judicial review is permitted, and that court is to decide the case being reviewed at the earliest possible date, not to exceed 90 days unless the court determines that a longer period of time is required to satisfy requirements of the United States Constitution. The bill also provides that a petition for certiorari to the United States Supreme Court from the Special Court must be filed within 15 days after the decision of the United States Court of Appeals for the District of Columbia acting as a special court.

Section 10 of S. 3521 not only provides that actions of federal officers or agencies shall not be subject to judicial review but also precludes judicial review of the legal or factual sufficiency of any environmental statement prepared relative to the Alaska Natural Gas Pipeline pursuant to the National Environmental Protection Act.

In analyzing the judicial review provisions of S. 3521 it is necessary to discuss which "actions of federal offices or agencies taken pursuant to this Act" are not subject to judicial review except in the three situations discussed above. Section 9 of the bill delineates the actions that federal officers and agencies are to take. Federal officers and agencies are to "issue and take all necessary action to administer and enforce all certificates, rights of way, permits, leases, and other authorizations necessary or related to the construction and initial commercial operation of the transportation system selected in the decision, if any, which becomes final pursuant to section 8".

Thus, actions of federal officers and agencies referred to in section 10 include the issuance and administration of all certificates, rights of way, permits, and so forth. With respect to the enforcement actions referenced in section 9, judicial review of enforcement actions is not limited by section 10 because section 10 specifically exempts the actions of federal officers or agencies under section 11 dealing with enforcement. Section 11 specifically reserves "remedies available under other applicable provisions of law".

Thus, even though a permit issues under the authority of this Act, remedies available under other applicable provisions of law are in no way affected by the bill. For example, if a particular permit is issued, and the law which would have been applicable but for the bill provides for citizen suits to enforce the provisions of the permit, then such citizen suits are available and in no way are precluded by judicial review.

The language of S. 3521, when read in conjunction with the Administrative Procedure Act (5 U.S.C. 552 et seq.) reflects the decision to limit judicial review and preclude collateral attack on the legality of the "actions of Federal officers and agencies" issuing and administering necessary authorizations for the construction of the designated Alaska natural gas pipeline system. As discussed above, such actions are precluded from judicial review by section 10 of the bill. Under the Administrative Procedure Act (APA), actions which are specifically excluded from review by statute are not governed by the judicial review provisions of the APA. (See section 701(a) of title 5 of the United States Code.)

It is the judicial review provisions of the APA, specifically section 703, which could give rise to collateral attack of the actions of Federal officers and agencies referred to in section 10 of the bill. But because judicial review under section 10 is precluded under any law (with certain specific exceptions), no provision of chapter 7 of the APA is applicable in those situations where judicial review is precluded. Therefore, collateral attack on the authorizations issued is not permitted in subsequent civil or criminal proceedings.

However, under section 10 of S. 3521 there are these exceptions to the general preclusion of judicial review. Claims falling within those exceptions would be guided by the provisions of the APA. But specific language in S. 3521 would be controlling if there were any inconsistencies between S. 3521 and the APA.

The Committee on Commerce recognized that claims alleging the invalidity of the bill, claims alleging that an action will deny rights under the Constitution, and actions beyond the scope of authority conferred by the bill would be subject to the judicial review provisions of the APA. Section 703 of the APA states:

"The form of proceeding for judicial review is the special statutory review proceeding relevant to the subject matter in a court specified by statute or, in the absence or inadequacy thereof, any applicable form of legal action, including actions for declaratory judgments or writs of prohibitory or mandatory injunction or habeas corpus, in a court of competent jurisdiction. *Except to the extent that prior, adequate, and exclusive opportunity for judicial review is provided by law,* agency action is subject to judicial review in civil or criminal proceedings for judicial enforcement." (*Emphasis added*)

Section 10 of S. 3521 expressly establishes a "prior, adequate, and exclusive opportunity for judicial review" through the Special Court proceeding described above. Therefore, the actions of federal officers or agencies for those claims where judicial review is not precluded, while subject to the judicial review provisions of the APA, nevertheless would not be subject to judicial review in a civil or criminal proceeding for judicial enforcement—i.e. would not be subject to collateral attack.

Where judicial review of actions of Federal officers and agencies is permitted under the Special Court proceeding within 60 days following the action, the APA would apply. But the scope of judicial review would be limited by the express terms of S. 3521 to those provisions set forth in section 706(2) (B) and (C) of title 5 of the United States Code.

Suppose, for example, that federal officer A issues permit B which is necessary to the construction of an Alaska Natural Gas Transportation System. Suppose that party C believes that the action of the officer in issuing permit B is beyond the scope of authority conferred by S. 3521. Party C must bring that action within 60 days following the date of the issuance of the permit. That is party C's exclusive opportunity for reviewing the validity of that permit. In a subsequent enforcement action party C could not challenge the validity of permit B on the ground that it was beyond the scope of authority conferred by S. 3521.

It is important to note that the judicial review provisions of S. 3521 refer to "the actions of federal officers or agencies taken pursuant to this act". The judicial review provisions then go on to say "including the issuance of a certificate of public convenience and necessity" and so forth. The "actions" are not limited to the "issuance" since in section 9(a) Congress authorizes and directs federal officers and agencies to "issue" and "take all necessary action to administer" all certificates, rights of way, permits, and so forth.

A final issue concerns the relationship between S. 3521 and the provisions of law that would otherwise be applicable if S. 3521 had not been enacted. In section 9(b) the authorizations issued pursuant to S. 3521 must comply with the provisions of law that would otherwise be applicable if S. 3521 had not been enacted. Thus, if the pipeline contractor needs a telecommunications permit from the FCC, the FCC is authorized and directed to issue that permit. But in issuing that permit the FCC must comply with the "terms and conditions" of the statute which govern the FCC. Of course, the FCC cannot invoke any terms and conditions to prevent the issuance of the certificate but it is to comply with its own substantive law in all other respects (except any strictly procedural requirements of law or regulations it becomes necessary to waive in order to accomplish the expedited construction of the Alaska Natural Gas Transportation System). A failure to comply with the terms and conditions of the FCC Act would be subject to judicial review under section 10 if the claim alleges that the action is beyond the scope of authority conferred by S. 3521. But that claim would have to be brought within 60 days following the date of the issuance of the permit and would not be subject to later collateral attack in an enforcement proceeding.

In order to assure that the Nation receives the benefits of natural gas which is in critically short supply through the Alaska Natural Gas Transportation System in the shortest possible time judicial review provisions precluding collateral attack as described above are absolutely necessary.

Because the bill severely limits judicial review as described above, the Commerce and Interior Committees included a provision in the bill authorizing the President to set up an administrative review procedure for those actions not subject to judicial review on the grounds of arbitrary or capricious action or compliance with procedural requirements. No judicial review of this administrative review process would be permitted. But the administrative review process further assures that in those situations where review is precluded or the scope of review is narrowed that an individual Federal officer will be answerable to someone in case he acts arbitrarily or capriciously, while the construction of the pipeline will proceed as expeditiously as possible.

Mr. PEARSON. Mr. President, as an original cosponsor of S. 3521, I strongly support its provisions and urge my colleagues to approve the bill. After detailed analysis, the Committees on Commerce and Interior and Insular Affairs have reported this bill with significant amendments that strengthen its terms and promote its fundamental purposes.

Mr. President, the executive and regulatory agencies of the United States and Canada have before them competing proposals for the construction of a transportation system, or systems, to deliver urgently needed natural gas supplies from the Northern Slope of Alaska and the Canadian Mackenzie Delta region. Under existing law, the Federal Power Commission in the United States and the National Energy Board in Canada have the primary responsibility for granting of a certificate to an applicant for the construction of a transportation system.

Both the FPC and the NEB have under consideration competing proposals which would, respectively, establish all-American and all-Canadian transportation systems for the delivery of Arctic natural gas supplies to the more populated regions of the North American continent. Each agency also has under consideration proposals which would provide for systems which traverse the territories of both countries.

There is a need for coordination and negotiation between the governments of the two countries in order that the ultimate selection of a system which serves the best interests of the respective countries can be made. Under the terms of S. 3521, as reported, the President of the United States is extended authority to negotiate with Canada and to recommend a final system which reflects the paramount interests of the United States as well as the interests of our sister nation on the North American Continent.

Mr. President, the Federal Power Commission under this legislation will be responsible for the initial designation of a transportation system. This designation will be forwarded to the President as a recomendation no later than March 1, 1977. The President will have until July 1, or until October 1, if the required environmental impact assessment is not completed, to forward to the Congress his decision on this matter. Under procedures of expediting consideration, the Congress would then have adequate time to approve by joint resolution the President's decision and make such decision final.

In lieu of full judicial review of all necessary certificates, permits, and other authorities, the legislation provides for executive and legislative review to insure that the interests of consumers and the environment are adequately protected.

Mr. President, there are some 26 trillion cubic feet of proved natural gas reserves in the Prudhoe Bay area alone. There are trillions more in probable reserves in northern Alaska. If this system can be selected and constructed within a reasonable time frame, these urgently needed natural gas supplies can be made available to millions of consumers who today are suffering shortages. I am gratified at the broad consensus among the members of the two committees, and I urge broad approval of this important bill.

UP AMENDMENT NO. 175

Mr. JACKSON. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes an unprinted amendment numbered 175.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add a new section at the end of the bill as follows:

"CIVIL RIGHTS

SEC. 17. All Federal officers shall take such affirmative action as is necessary to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving, or participating in any activity conducted under, any permit, right-of-way, public land order, or other Federal authorization granted or issued pursuant to this Act. The appropriate Federal officers shall promulgate such rules as are necessary to carry out the purposes of this subsection and may enforce this subsection, and any rules promulgated under this subsection, through agency and department provisions and rules which shall be similar to those established and in effect under title VI of the Civil Rights Act of 1964."

Mr. JACKSON. Mr. President, by inadvertence, this was left out of the joint bill, the joint report.

Mr. DURKIN. Mr. President, may we have order to hear what the amendment is?

Mr. JACKSON. This amendment was in the Alaska Pipeline Act. It is an amendment prohibiting discrimination and requiring affirmative action on the part of the appropriate Federal agencies as it pertains to work in connection with the pipeline.

Mr. DURKIN. I thank the Senator.

Mr. JACKSON. It is in the existing law and it was in the original bill and by inadvertence it was deleted.

I ask for a vote. It has been cleared all the way around.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. STEVENSON. I am happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JACKSON. Mr. President, yesterday the Senate Committee on Commerce and Interior and Insular Affairs filed a joint report on S. 3521, a bill to expedite the decision on transporting Alaska natural gas to the lower 48 States. The large reserves of gas in the Prudhoe Bay field, estimated at approximately 26 trillion cubic feet, could make an important contribution to meeting the Nation's future natural gas requirements. A number of difficult questions are raised, however, in deciding whether to proceed with such a major transportation project, when and by whom it should be constructed, and under what standards and safeguards. The purpose of S. 3521 is to establish special procedures—involving the relevant Federal agencies and the President and Congress—to resolve these questions in an expeditious and sensible manner.

There are now three principal proposals before the Federal Power Commission: El Paso, Arctic Gas and Northwest Pipeline. The Commission has already conducted extensive hearings, but a final decision under existing law and procedures is still far off. There are several reasons why both the executive and legislative branches should share decision-making responsibility with the Commission on this important issue. The decision to construct an Alaska natural gas transportation system has a significant impact on national energy policy, which should be reviewed by both the President and Congress.

In addition, some projects would traverse Canada and thus require intergovernmental coordination most appropriately dealt with by the President. I believe that the procedures provided in S. 3521, under which the FPC will make a recommendation to the President by March 1, 1977, and the President will transmit his decision concerning a transportation system to the Congress for review by July 1, 1977, will improve chances not only for an early decision but for a sound decision as well.

The two committees have worked together on this issue since January, when a joint questionnaire was sent to relevant Federal agencies, the applicants and other interested persons, to assemble detailed information concerning the complicated issues raised by the transportation of Alaska natural gas. Joint oversight hearings were conducted in February and joint legislative hearings in March. I especially want to commend Senator BUMPERS, who cochaired these hearings; he has made several significant contributions to the bill now before the Senate. The reported bill establishes a neutral process for selection of a transportation system designed to assure careful consideration of reasonable alternatives, and further, to limit unnecessarily long delays once a decision has been made.

The limitations on judicial review deserve special attention. Under section 10 of S. 3521 as reported, the actions of Federal officers and agencies in issuing necessary authorizations and approvals pursuant to the act may be judicially reviewed only under certain conditions and under certain time limitations. The only basis for judicial review of such decisions are claims alleging the invalidity of the act, and claims alleging the denial of rights under the Constitution or that an action is beyond the scope of authority conferred by the act. Claims alleging the invalidity of the act must be brought within 60 days of a final decision thereunder. Where a claim alleges that an action denies rights under the Constitution or is beyond the authority conferred by the act, the claim must be brought within 60 days of such action.

These limitations are intended to be narrowly construed. Moreover, section 9(b) makes it clear that the existing body of law pursuant to which any authorization is issued must be complied with. This is a procedural bill which, unless otherwise explicitly stated therein, does not modify existing rights and obligations of affected persons. The provisions of the Natural Gas Act apply, for example, to the extent they are not inconsistent with the act.

Similarly, applicants will be issued authorizations by other agencies pursuant to their governing laws and regulations. Judicial review is preserved in such instances—for the applicant, the Government and third parties—where the agency fails to comply with such governing laws and regulations. There is simply no intent, and no precedent insofar as I am aware, to foreclose all judicial challenge of the provisions of the innumerable permits and authorizations which must be issued in the future for construction of a transportation system.

Mr. President, S. 3521 also contains special provisions to test the adequacy of the environmental impact statement and assure compliance with the National Environmental Policy Act. Before transmitting his decision to Congress, the President must find that the required environment impact statement in connection with an Alaska natural gas transportation system has been prepared. He may delay transmitting his decision for 90 days to supplement an existing statement or to complete a final statement. Within 20 days of the submission of the President's decision to Congress the Council on Environmental Quality is directed to hold public hearings on the legal and factual sufficiency of the environmental impact statement, and to report to the Congress. Appropriate committees in the Congress must then hold public hearings. Finally, S. 3521 requires that in approving the President's decision, Congress specifically finds that there has been compliance with NEPA. I want to express my appreciation to Senator BUMPERS for his concern and efforts in developing these important safeguards.

Mr. President, S. 3521 includes safeguards to protect the public interest long after approval is given. A special Federal inspector will coordinate and monitor the construction of any project approved under the act. The Federal inspector is authorized to subpena information and to compel compliance with his directives. His responsibilities will include keeping the President and Congress currently informed on construction progress and the extent to which quality control, safety, and environmental protection objectives have been achieved.

I would add a concluding comment, Mr. President, about language in the bill which would require, as part of the President's report and recommendation to Congress, an analysis of financing arrangements for the system proposed by him. I believe it would be unwise to ignore potential financing problems associated with these Alaska natural gas construction projects. The proposed projects are multi-billion-dollar ventures. The Congress cannot and should not approve any project without being fully informed of financing arrangements and their impact on, and acceptability to, lenders, bondholders, natural gas distributors, and American consumers.

The economics of constructing and operating an Alaska natural gas system which will deliver gas to markets at prices consumers and businesses will pay has been the subject of much discussion and debate. The provisions of S. 3521 which require analysis of potentially troublesome questions of financing do not imply, as the report clearly states, a grant of Federal assistance. I am hopeful that, if a system is to be built, it will be privately financed. If it cannot be privately financed, there may be a serious question whether such a system should be built at this time.

Mr. STEVENS. Mr. President, the problem of the transportation of Alaska's natural gas supplies is a complex one. It involves vital matters of international relations, maritime safety, environmental protection, arctic engineering, natural gas supply and demand, economics, State and Federal regulations and State-Federal relations. The project, whichever route is selected, will cost several billion dollars and provide a significant share of the country's natural gas supply.

Although the designation of an exact route is not an appropriate function of the Congress, it is critical that Congress act to speed up the approval process in this country. Alaskans, because of their experience with the delays in approval of the Alyeska oil pipeline, are acutely aware of the possibilities for delay that exist in the approval process. The Federal Power Commission has acted with diligence and discipline to conduct a full hearing on the case but they have not been able to stick to their schedule. The Secretary of the Interior must approve rights-of-way across Federal lands. That process is underway though nowhere near completion. A variety of other Federal agencies must approve parts of any project. And above all is the specter of extended court review. The court review delayed the Alyeska line for 4 years.

We cannot afford the delays inherent in the regulatory process. The supply of gas to this country is dwindling and each winter we hold our collective breaths to see if the weather will be bad and industry and jobs will suffer. The sooner we get Alaskan gas to markets the better, and that is the basic precept of this bill.

The bill directs the Federal Power Commission to complete the proceedings and make a recommendation by March 1, 1977. In making its decision, the Commission is directed to consider numerous factors. Chief among them is their analysis of the construction schedules and the possibility for delays, not only in those schedules but also delays in obtaining governmental approvals, delays due to adverse weather conditions, civil disobedience, and other delaying factors in each system considered. Since our goal must be to have the gas quickly, anything which might work to delay the line's completion should be carefully examined.

Another important criteria is the extent to which the line facilitates the delivery of other supplies of natural resources including natural gas to the United States. Alaska has vast reserves of gas on and offshore in the southern part of the State. Estimates of the State department of natural resources are that Alaska has recoverable reserves of 450 trillion cubic feet of gas. Any system which aids in transporting those supplies to American consumers must receive careful consideration by the Commission.

The Commission is also urged not to base the decision upon the fact that Canada has not yet made a decision on transporting its frontier gas supplies. While the basis for the decision should not be that Canada has not acted, the Commission should review and consider those discussions in its record that indicate the status and progress of Canadian governmental approval.

After the Commission reports, Federal agencies will make reports to the President on their areas of expertise. It is anticipated that the State Department will report on the Canadian Government action and plans for consideration of a route, as well as the extent of our negotiations with Canada, the prospects for prompt action in Canada, and the feelings of the Government and people of Canada on the line. The Department of Transportation will consider the safety of the proposed systems; the Department of the Interior should report on the effect on land and wildlife of the lines; and the other appropriate agencies shall report on their areas of concern.

State and local officials may also make recommendations to the President who shall decide by July 1, if not sooner, on his recommendation of a route to Congress. If no environmental impact statement adequately covers his choice, the President shall complete a statement using existing or new material within 90 days. The Council on Environmental Quality then conducts a hearing on that statement and appropriate committees of the Congress should consider the report of CEQ's hearings. But these hearings are not prerequisites to congressional action approving the President's choice.

Congress has 60 days after the President's recommendation is submitted to approve a joint resolution of approval. If they do not do so, the President has 30 days to prepare another report if he chooses and that recommendation is subject to a 60-day approval period. If not approved, the expedited procedures under the bill are terminated.

An important part of the President's report is his designation of a system by which interagency disputes may be resolved in the construction process and his establishment of a Federal officer to supervise the construction. The oil line is managed by the Alaska Pipeline Office and that is the form that this Federal officer should take. He will not get involved in the substantive law that each agency with responsibility now has, but he would coordinate and oversee the work they do and the contractors' compliance.

The most important section of the bill is the one limiting judicial review. To eliminate the major cause of delays in the regulatory process, the section eliminates judicial review on the project until it reaches initial commercial operation. The bill would serve no purpose if all judicial review were not eliminated except for challenges on those grounds enumerated in the bill—that an action under the bill violates constitutional rights, or that it is beyond the authority of the act. Those grounds are similar to the grounds that we allowed under the Alaska Pipeline Act and the review under that act has been effectively limited. That is our intent under the act.

This bill is a neutral bill which benefits all applicants equally. All are given the benefit of expedited procedures and the advantages of limited judicial review. Enormous work has gone into the bill and the report to insure that the procedure is fair to all parties and I am confident the bill achieves that end.

This measure is supported by the Organization for the Management of Alaska's Resources, a group of Alaskan citizens who are concerned about the gasoline matter. Their efforts and the trip they recently made to Washington to argue for the bill has paid off today. El Paso Alaska, one of the applicants at the FPC, has indicated that they do not oppose the measure. The administration supported a bill similar to this, providing for expedited procedures, consideration by the FPC, the President, and the Congress, and limitation of judicial review.

I think it is no surprise to my colleagues that I support the all-Alaska gasline. I feel that a gasline roughly paralleling the existing oil line, with the gas being liquefied on Alaska's south coast and being transported to the west coast is in the best interest of the country and my State. It can be delivering gas to American consumers quicker than any other proposal. It involves a minimum of environmental damages, does not adversely affect our balance of trade, would provide more jobs for Americans, and would give us a transportation system which is within our complete control. I commend its benefits to my colleagues.

But as I stated, Congress is not the proper place for the exact system to be chosen. This measure, by setting up a procedure and providing for our approval, is a good bill. I think this legislation is a bill that everyone can live with. It will give us a decision on this important problem without undue delay but after appropriate deliberation. The process is fair to all and I urge the Senate to approve the measure.

Mr. FANNIN. Mr. President, I strongly support the immediate passage of S. 3521, a bill to expedite a decision on delivery of Alaska natural gas to U.S. markets. This measure was a product of the efforts of the Interior and Commerce Committees. The perils of our energy posture demand that this mechanism for an accelerated decisionmaking process be adopted as soon as possible. The Congress, as it did in the Alaska pipeline bill, must forthrightly decide how to resolve this issue in the shortest possible time frame. Our energy demands cannot wait for a normal judicial review process. I believe this bill represents a consensus of the best way to proceed. This bill closely follows the President's recommendations and I urge my colleagues to support it.

Mr. STEVENSON. I yield to the Senator from New Hampshire.

ASSURING THAT FPC RECOMMENDATION IS BASED ON ADEQUATE ENVIRONMENTAL CONSIDERATION

Mr. DURKIN. Mr. President, I have a few specific questions addressed to ambiguities in the environmental consideration which will occur if this bill passes. In section 5(d), the bill makes reference to the factors which the Federal Power Commission must take into account in arriving at its recommendation to the President. Subsection 4 of that section states that the FPC shall evaluate "environmental impacts" in the recommendation it makes. First, do I understand correctly that this language means that the FPC must study all existing environmental data and reports which have been produced on any pending application or reasonable alternative?

Mr. STEVENSON. Yes, that is correct.

Mr. DURKIN. Second, is it true that this language means that the FPC must continue to research and investigate the potential environmental effects of different proposals even after the date of enactment?

Mr. STEVENSON. Under the bill, the FPC and any other agency which issues permits or authorizations under the act has the responsibility of insuring compliance with the terms and conditions of such permits and authorizations. They are thus responsible for continuing vigilance to see that provisions designed to maintain the environment and minimize environmental damage are followed.

Mr. DURKIN. Third, is it not true that the FPC must supply the President with an environmental impact statement as that term is used in the National Environmental Policy Act of 1969 for any natural gas transportation system which it recommends be built?

Mr. STEVENSON. The standard applied under the act for the environmental impact statement which the President must submit is a statement "required" under existing law. Thus it is clear that such statement must meet the standards outlined in the National Environmental Policy Act.

I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the additional views I expressed in the committee report be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

ADDITIONAL VIEWS OF MR. BUMPERS

It is clear that we will face increasing shortages of natural gas in this country within the next few years. Curtailments of existing contracts have already occurred, and new customers have been denied access to our present limited supply. Because the amount of natural gas is limited, and nonrenewable, there has been understandable excitement over the discovery of the massive gas field at Prudhoe Bay, Alaska.

The major purpose of this bill is to expedite both the decisions as to which route the natural gas pipeline will follow to the lower forty-eight states, and its construction. As anxious as I am to make Alaskan natural gas available at as early a date as possible, I am troubled by what I see as the development of a dangerous trend in our energy policy. One of the key provisions of this act is Section 10 which severely limits judicial review of decisions concerning the gas pipeline itself, and the environmental impact statements prepared subject to the National Environmental Policy Act. The reason for the limitation is the assumption that permitting judicial review will only lead to challenges and delays in constructing the pipeline. We all remember the oil pipeline court battle and the delay which followed. What we tend to forget is how much was accomplished by that court challenge. Yes, the pipeline did cost more because of the delay, but all of us benefited by a safer, more reliable oil supply, and the protection of one of the most important environmental areas, and its fish and wildlife resources. It is important to remember that it is not environmentalists and other intervenors who cause delays. It is the courts that grant delays, and they grant them because laws or procedures have been violated. The high quality of the environmental impact statements already prepared by the Federal Power Commission and the Department of the Interior on several Alaskan gas pipeline proposals is certainly due in part to the knowledge that such statements were potentially subject to judicial review. It is interesting to note that of the 6,466 draft environmental impact statements filed by July 1, 1975, less than 5 percent or 291 have been challenged, and of those, 120 temporary and 4 permanent injunctions granted.

I have always felt that the right to judicial review of administrative and Congressional actions provides an important check on what might otherwise become oppresssive or unreasonable governmental policy. We should be exceedingly reluctant to relinguish that right, and should do so only in the face of overriding concerns.

The bill before us provides an alternative to judicial review in several places. First, the President must prepare a final environmental impact statement (EIS) on the actual route selected, and must find that it is in compliance with NEPA. Second, the President's Council on Environmental Quality (CEQ) must hold a public hearing to receive comments on the adequacy of the EIS. Third, committees of each House of Congress shall hold hearings on the adequacy of the EIS to which the chairman of CEQ and members of the public are invited to testify. Finally, an organizational scheme is provided which has provision for the public review of administration decisions. All of these review provisions are to be implemented within tight time constraints so as to expedite pipeline construction.

Having described these alternatives to the judicial review of environmental impact statements, I would like to raise a word of caution. The National Environmental Policy Act and its requirements were enacted in order to provide an orderly procedure for assessing the impact of major governmental actions on the environment. No one denies that this $10 billion project constitutes a major action having substantial environmental consequences. Because of time and financial constraints many feel that it is necessary to curtail judicial review. Despite the safeguards proposed in this bill, we run a major risk in following this course.

There is a danger as we deplete our energy resources that we will come to accept even greater environmental damage as the price we must pay to retain our "highest standard of living." The NEPA review process, and the opportunity to challenge its adequacy in the courts presently stands as an all tōo thin barrier between us and that possibility. I hope that we will withstand the temptation to remove that protection to suit our convenience. NEPA has served us well in the past, and must be permitted to continue to do so in the future. The limitation on judicial review contained in this act should not be viewed as a precedent for undermining our commitment either to the NEPA process or to a quality environment.

Mr. BUMPERS. I would like to make a quick observation.

There has been some concern about the process. I think it should be pointed out, this bill does not relieve anybody of the responsibility of filing an environmental impact statement.

It only takes away judicial review and puts a heavier onus on the commitees of Congress.

Second, regarding the financiability of the project, I want to make it very clear that language dealing with financiability of the project, does not in any way put any burden on the United States to assume any part of the financing of this pipeline.

On the contrary, it is put in there to be certain that the people who do get authority and permission to build the pipelines will be extremely circumspect to arrange financing with the knowledge that the U.S. Government is not prepared to assist or provide any financing for this project.

I thank the Senator from Illinois.

Mr. STEVENSON. I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, my remarks are in the Record, but I hope statements that have been made individually have not in any way disturbed the delicate balance of this bill in terms of our interpretation of it, I assume that that would be the case, because it is our understanding that this bill is one that is fair to all concerned.

It has no tilt towards any of the applicants, and it is designed to accelerate the process of bringing Alaska gas to the south 48.

I assume the Senator from Illinois will agree.

Mr. STEVENSON. I agree, and I assume the other Senators agree. The purpose is to expedite the decision and establish as neutral a process as possible in order to reach not only an early decision, but a sound decision with respect to the location of the transportation system for the transmission of natural gas from the North Slope to the lower 48 States.

I yield to the Senator from Alaska.

Mr. GRAVEL. Mr. President, I commend the committee for acting with dispatch on this very knotty problem. This culminates the beginning of a record made last fall on the introduction of a bill by myself to cause Congress to act so as to expedite construction of the line.

I think the Senate has done this. I hope the House will follow on its heels.

The only delay that could now take place would, of course, be the delay of construction itself. It would have been criminal to see the American public deprived of this vital energy, because of bureaucratic entanglements that exist in Government.

I think this step that is being taken on the leadership of the Senator from Illinois and others is a giant step in overcoming these bureaucratic intricacies that will have served no purpose other than delay in satisfying the energy needs of this Nation.

So I commend the Senator for its passage.

Mr. STEVENSON. Mr. President, I thank both Senators from Alaska. I also wish to thank Senator BUMPERS and Senator PEARSON, and all the others who have cooperated in this very important undertaking.

Mr. MONDALE. Mr. President, I am pleased to support Senate approval of S. 3521, a bill which I have joined with Senators STEVENSON, STEVENS, PEARSON, HOLLINGS, AND GRAVEL in sponsoring. I believe the broad sponsorship of this measure reflects the strong consensus of the Senate in favor of the early and economical delivery of U.S. gas reserves from the Arctic. This measure would permit an early decision on an Alaskan natural gas transportation system by—

First. Expediting Federal Power Commission consideration of all pending applications and reasonable alternatives for transporting natural gas to the lower 48 States in accordance with certain factors set forth in the bill, and providing for a Commission recommendation by March 1, 1977;

Second. Providing for Presidential review of the Commission's recommendation and other appropriate reports and comments, an opportunity for consultation and negotiation with Canada, finalization of the required environmental impact statement, and Presidential submission of a decision to the Congress by July 1, 1977;

Third. Enabling the Congress to review the FPC recommendation, the President's decision, and the sufficiency of the environmental impact statement under expedited Congressional procedures to assure timely consideration of the recommended alternative;

Fourth. Directing the prompt issuance of necessary permits, certificates, rights-of-way, and other authorizations; and

Fifth. Limiting the period and grounds for judicial review of actions related to permit issuance, while assuring that there will be adequate mechanisms for enforcement of terms and conditions imposted by Federal officers and agencies.

Earlier this year, I joined with 29 other Members of the Senate in introducing S. 2950, a bill to provide U.S. approval for the Alaska natural gas transportation system proposed by the arctic gas consortium. Of all of the alternative systems that have been advanced, I believe that the arctic gas project is without doubt superior, and Senators representing States from the west to east coasts have endorsed this view. Nevertheless, others—particularly spokesmen for the State of Alaska—have expressed opposite, and what are obviously strongly felt views. I believe all sides of the controversy should have a fair opportunity to make their case before the Federal Power Commission, the President and the Congress. However, unless prompt legislative action is taken to permit an early decision, interminable procedural, judicial and other delays could prevent approval of any system to meet America's pressing need for additional supplies of nautral gas.

AMERICA'S NEED FOR NATURAL GAS

The United States is urgently in need of additional supplies of natural gas.

The magnitude of the potential shortfall can be seen in a comparison prepared by the Federal Power Commission of demand and available supply of natural gas for the years 1980–85. During this period, demand for natural gas will increase from 32.4 to 37.2 trillion cubic feet, TCF, while supplies will decline from 19.1 to 17.7 TCF. This will leave supplies more than 60 percent below natural gas requirements by 1985.

As a result of spreading shortages, major industrial users have already experienced curtailments, and in the next few years, pipelines will also be curtailing small commercial enterprises, hospitals, schools and all larger industrial users. Some companies will be forced to curtail even residential customers.

AMERICA'S GAS SUPPLIES IN THE ARCTIC

Over 26 trillion cubic feet of gas have already been discovered in Prudhoe Bay, Alaska. Estimates now place the potential of the North Slope at 114 TCF, excluding petroleum reserve No. 4 where the Navy Department projects an additional 78 TCF.

With respect to natural gas, Alaska is the Persian Gulf of North America. But in order to capitalize on these vast resources, we must build a system to transport the northern Alaska gas to markets in the lower 48 States.

The issue before the Nation is whether and how soon the natural gas supplies in northern Alaska can be economically delivered to the lower 48 States and what system of transportation best serves the public interest.

The feasibility of any Alaskan natural gas transportation system built by private industry is directly related to the potential for delay in securing necessary government approvals to undertake and complete construction. Financing of the high capital costs associated with any potential transportation system will require reasonable assurance that permits will be granted expeditiously, and once provided will not be subject to protracted litigation. Under U.S. law, unlike that in Canada, the potential for a losing applicant to delay construction of a transportation system would span a period of not one but up to 5 years, even though the chosen system had been shown to be the most economical, safe, reliable, efficient, and environmentally sound alternative. Under these circumstances, the national interest in each respect would suffer and the mere possibility of such delay would in all likelihood prevent financing of any system.

Thus, the provisions of S. 3621 affecting system authorizations and judicial review are among the most important contained in this act. I would like to make clear that this bill does not suspend the requirements of the National Environmental Policy Act. A full review, consistent with the provisions of NEPA, is required of the environmental impacts of the Alaska Natural Gas Transportation System which is selected. However, the Congress would itself make, rather than delegate to the courts, the decision concerning the sufficiency of the impact statement prepared for the system. Moreover, the bill does not alter the substantive requirements of existing law with respect to the terms and conditions included in necessary permits and applications, except in the event that any term or condition would overturn the judgment of the President and Congress regarding the basic nature and route of the system or otherwise contradict the intent of the provisions of S. 3521. Procedural requirements of existing law could be expedited or suspended if necessary to carry out the provisions of this act.

Private parties or governmental entities could challenge in the courts an action relating to issuance of a permit of construction and initial commercial operation of the selected system only pursuant to the provisions of section 10 of this act. That provision protects the constitutional rights of citizens. Section 11 insures that ample authority will be available, to Federal officials to secure compliance with the terms and conditions they have prescribed. However, S. 3521 would make clear that issuance and terms and conditions of permits will be subject to litigation only under the circumstances set forth in sections 10 and 11.

By expediting approval of permits and narrowing the grounds and period for judicial review, the Congress will have moved a major step closer to solving the problem of when and how soon a transportation system can be built. But what of the substantive choice itself among competing proposals?

Four alternatives have been suggested. I should like to discuss these alternatives in the context of the factors for FPC and Presidential consideration set forth in S. 3521.

METHANOL

The possibility of a methanol transportation system was raised in the Senate committee hearings, even though no application has been submitted by private industry to any government agency to build such a system. While no reliable data is available with respect either to construction or transportation costs, I believe that when the factors provided for consideration under S. 3521 are reviewed, it is clear that a methanol transportation system is not a desirable option. The bill, for example, provides that consideration be given to a system's ability to alleviate shortages of natural gas in the various regions of the Nation, particularly the regions where alternative fuels are in short supply. According to the testimony of the Federal Energy Administration the two principles used for methanol would be as a gasoline additive or substitute, or as a utility fuel.

At the present time, the FPC and the Congress are attempting to force the conversion of utilities to coal rather than natural gas. The reason for this shift is that there soon will not be enough natural gas even to meet the most essential needs of homeowners, schools, hospitals and processing industries in many parts of the country. The use of methanol as either a utility fuel or a gasoline additive would do nothing to alleviate these shortages. In fact, the gasoline proposal would create an entirely new market for America's scarce supplies of natural gas.

Moreover, the methanol concept poses serious environmental risks. The water requirements of methanol creation alone create a major problem, requiring up to 10 million gallons per day according to one FEA estimate. In addition, there are both safety and environmental problems associated with the use of nuclear-powered submarine tankers operating beneath the polar ice cap. The methanol option is also enormously inefficient. The waste of energy in converting from natural gas to methanol is estimated at a level of 45 percent, excluding energy losses for transportation—whether for pipeline compressors, or powering of tankers. Finally, if an increase in the Nation's supply of methanol is judged to be a desirable goal, coal provides a much cheaper source of this fuel than natural gas and does not waste the gas. The same is true of wood and waste.

In short, a methanol system would do nothing to alleviate the severe shortage of natural gas that our Nation is facing, it would waste up to 50 percent of gas found in the Prudhoe Bay region simply in conversion, it raises new and potentially significant environmental problems, and it would provide fuel in a form that could more easily and less expensively be derived from other sources including coal, wood and waste.

ALCAN HIGHWAY

An application is now being prepared by the Northwest Pipeline Co. for a Federal Power Commission certificate to build a pipeline across the Fairbanks-Alcan highway corridor. This application is still in a preliminary stage. However, again I think it is possible to reach certain conclusions. First, most estimates place deliverable supplies of natural gas from Prudhoe Bay at about or slightly more than 2 billion cubic feet, BCF, a day. Northwest Pipeline Company argues that savings can be achieved on construction costs by making use of existing excess capacity in the west coast and Alberta gas trunk line, AGTL, pipeline systems in Canada. In fact, the AGTL system today can accommodate only about 2 BCF per day, and the west coast system substantially less than that. Unless new pipelines were built, the only options available would be either to reduce greatly volumes of Alaska gas that could be transported or to reduce significantly the supply of Canadian gas to Canadian consumers. These problems are compounded if it is assumed that Canada will want to tap its own natural gas supplies in the Mackenzie Delta. If whatever small excess capacity that may be available in the existing pipeline systems in Canada is used to deliver American gas to the United States it not only would be grossly insufficient, but, who will pay the cost of building duplicate lines in Alberta, British Columbia, and the central and eastern provinces?

There are also serious questions about how such a pipeline system would be regulated. International agreements would be required to cover throughput, sharing of capacity, taxation and nondiscrimination in transportation charges, yet to date the Alberta gas trunk line—a critical link in Northwest Pipeline's proposal—has been unwilling to submit to Canadian Federal, much less international, regulation and they propose only partial Federal regulation under their new proposal.

What about the cost of this project? The route of the Northwest Pipeline project would be about 300 miles longer than the arctic gas alternative. If the Maple Leaf project, to provide access to Canada for the Delta reserves, is also included, which is what clearly would happen by the late 1980's if the Alcan route were chosen, the system would be about 1,300 miles longer than the arctic gas route. The 1,300 miles of additional pipeline would cost $3–4 billion more than the Arctic Gas project, adding at least $300 million per year to the transportation charges paid by American consumers, and $250 million to the charges paid by Canadian consumers. If no connection were made to permit Canadians to develop their natural gas reserves in the Arctic, U.S. consumers would pay $350 million more in transportation costs over those of the Arctic Gas system.

Let us assume for a moment that the Northwest Pipeline application were approved in the United States and Canada was somehow persuaded to grant the necessary permits. Unless the Maple Leaf system were constructed by Canada, projections show that supply shortages of up to 1 trillion cubic feet a day would be experienced in that country. The only alternative means of alleviating these shortages would be to terminate exports to the United States. The loss of this natural gas would amount to more than the total new supplies our country could look forward to receiving initially from northern Alaska. Thus, from the standpoint of national energy availability, the Northwest Pipeline proposal—without a Maple Leaf extension—would result in a net loss of energy for the United States.

From an environmental point of view, if the Northwest Pipeline project is considered in conjunction with the Maple Leaf proposal in Canada, it is clear that the environmental effects would be substantially greater than those of the Arctic Gas pipeline. The FPC environmental staff, in fact, recently testified that this longer route is environmentally inferior to the Arctic Gas proposal.

Finally, with respect to potential for delay, there have been no Canadian applications or detailed technical, economic and environmental analysis, just as there has been none in the United States. No consortium has been arranged to secure project financing and all of these activities will require additional time.

In summary, there is no significant factor that would appear to make this option attractive to either the United States or Canada when compared with the arctic gas project.

ALASKA-LNG

El Paso Natural Gas Co. has proposed a third Alaska natural gas transportation alternative involving a pipeline to southern Alaska, liquefaction of the gas at Point Gravina, tanker shipment to the Los Angeles area and regasification of the liquid. This system involves transportation of all of the Alaskan natural gas to the west coast, a region that recent estimates show will be experiencing an energy surplus of from 500,000 to 1 million barrels per day of crude oil when the trans-Alaska oil pipeline is fully operational. Under this system, it is likely that the State of California would become almost exclusively dependent upon gas delivered by the Alaska-LNG method, a situation which the State has indicated it is anxious to avoid.

With respect to transportation tariffs, the El Paso system would cost consumers in California an additional $150 to $160 million over the arctic gas pipeline. Total national charges to consumers for transportation of natural gas would be nearly $800 million more for the El Paso rather than the arctic gas alternative. The El Paso system would likewise do nothing to alleviate Canada's anticipated shortage of natural gas, thereby increasing the possibility that Canadian natural gas exports to the United States would be reduced or eliminated altogether. And, the Federal Power Commission's final environmental impact statement contained the following conclusion with respect to the environmental risks associated with the two systems:

> The staff has concluded that the Arctic Gas proposal is environmentally preferable

to the El Paso Alaska proposal for the following reasons:

(a) It would eliminate pipeline construction through a higher seismic risk area.

(b) It would eliminate the hazards of siting two LNG terminals in high seismic risk areas.

(c) It would eliminate the construction of a large industrial site in a totally undeveloped area of Alaska and in a remote area of California, which would significantly alter the land use, biological, aesthetics, and topographical features of these areas in addition to providing a catalyst for future development of these areas.

(d) It would eliminate the potential impacts on the marine environments in Prince William Sound and Point Conception from the seawater system and LNG plant discharges and from the LNG tanker traffic.

(e) The all pipeline system would provide a more operationally reliable system. It would also eliminate the potential operational and safety hazards of handling LNG and the possible disruptions and accidents related to shipping the LNG.

(f) It would have a substantially lower fuel consumption during operation.

In addition, the construction schedule contemplated by El Paso is substantially longer than that proposed by Arctic Gas. The El Paso application contemplates a period of 60 to 70 months from formal approval to final completion, while Arctic Gas has proposed a schedule calling for completion within 54 months of approval. Substantial leadtime would also be required by El Paso for financing arrangements, which would require reorganization of the present members of the Arctic Gas consortium.

In all of these, and other respects, the El Paso pipeline proposal is greatly inferior to that of Arctic Gas.

ARCTIC GAS

I believe that the Arctic Gas project is by far the most desirable alternative when considered in light of the factors set forth in S. 3521. It would bring gas directly, and by using existing pipelines, to major market areas in the Midwest and East, where it is most needed, in addition to the west coast and Pacific Northwest. By enabling Canada to obtain access to its natural gas supplies in the Mackenzie Delta, it would also lessen the possibility of a reduction in Canada's natural gas exports to the United States. Transportation tariffs would be substantially less under this alternative, 90 cents to $1 less per million Btu in the East, 75 to 95 cents less per million Btu in the Midwest, and over 50 to 60 cents less per million Btu in the West. Environmentally, the Arctic Gas proposal was shown by the final environmental impact statement of the Federal Power Commission to be preferable to the El Paso project. The testimony of the FPC environmental staff in recent questioning also showed it to be more desirable than the Alcan Highway system if a Mackenzie Delta connection is constructed. The pipeline avoids major safety problems as a result of earthquakes and the extreme risks associated with LNG spills aboard tankers and at storage facilities. It can be built more quickly than either the El Paso or Northwest pipeline option. And, the judgment of the industry, reflected in the many consumer-owned pipeline companies that have joined in the arctic gas consortium, demonstrates that this option makes the most sense financially.

In my view, the only question outstanding is whether Canada will decide to approve the arctic gas project. The present Canadian schedule calls for a decision on the arctic gas pipeline within the timetable set forth for U.S. action under the pending bill. This is obviously one issue that will be decided in Ottawa with the interests and welfare of Canadian citizens uppermost in mind. However, I believe there are a number of compelling reasons why Canada would decide that its own national interest lies in approval of the arctic gas system. Looking at the Canadian energy supply and demand outlook, it is clear that Canada will be faced with one of three options for the next decade—constructing the arctic gas pipeline, building a Canada-only system to draw upon Mackenzie Delta reserves, or sharply curtailing natural gas exports to the United States. The so-called polar project to deliver natural gas from the arctic islands is viewed by its own sponsors as a second step, to be undertaken only after the resources in the Mackenzie Delta are developed. Members of the FPC technical and environmental staff recently offered testimony concerning the costs and benefits to the United States and Canada of the arctic gas system versus the Alcan Highway and Maple Leaf alternatives. The following is an excerpt from the testimony of James M. Kiely, Jr., of the FPC staff, filed April 27, 1976:

> Q. Using your exhibit, what type of comparisons can be made?
>
> A. First, although the Arctic Gas project will cost an estimated $7.3 billion, the Canadian share of this cost will only be approximately $1.6 billion while the required Canadian equity contribution will be in the order of $700 million. In contrast, if the Fairbanks-Alcan route is constructed, all of the burden of the $8.0 billion cost would be shifted to the U.S. rate payers, but under current policy the Canadians would still be required to provide almost $600 million in equity for those facilities constructed within Canada while receiving no direct benefit from them. This is assuming a route through Emerson, if the Monchy route were chosen, the Canadian equity contribution would be $58 million less.
>
> If the Maple Leaf project were constructed in addition to the Fairbanks-Alcan alternative, the Canadian consumers would pay for the full $3.1 billion capital cost. The equity requirement for this project alone would be $785 million.
>
> On the basis of cost, the Fairbanks-Alcan route with a Richards Island lateral would be the more realistic combination. However, based on my exhibit, this combination would require the Canadian consumer to bear the burden of a capital cost of more than $3 billion for a jointly owned facility when an all Canadian project is being proposed for approximately the same capital cost. Furthermore, the Canadian equity participation in the joint venture would be $75 million more than the Maple Leaf project by itself.
>
> Q. What conclusions did you draw from this information?
>
> A. It was my conclusion that economically the Fairbanks-Alcan route was not a viable alternative to the Arctic Gas project in view of the impact it would have upon Canada.

For all of these reasons, I believe it is in the U.S. interest and I am hopeful that Canada will find it is in her interest, as well, to approve the Arctic Gas pipeline. The measure now pending before the Senate provides a method for systematic analysis of the costs and benefits of the various alternatives. It will also permit the consultation and negotiation required if Canada and the United States are to undertake the construction of a joint pipeline project.

As evidence of the strong support for approval of the Arctic Gas pipeline among both labor interests and public officials representing the Midwest, I ask unanimous consent that the following letters and resolutions be printed at this point in the RECORD.

There being no objection, the letters, statements, and resolutions were ordered to be printed in the RECORD, as follows:

STATE BUILDING AND
CONSTRUCTION TRADES
COUNCIL OF CALIFORNIA,
Sacramento, Calif.

To All Members of California Congressional Delegation:

I am writing to you in my capacity as President of the State Building and Construction Trades Council of California, AFL–CIO, in support of the Arctic Gas Project to transport natural gas from Alaska to the lower 48 states.

As you know, the labor organizations of this nation, and their members, are deeply concerned that employment levels be increased, including thorough increased economic activity. Unemployment in the construction trades is especially severe. We also are concerned as consumers, that prices be kept as low as feasible.

The Arctic Gas Project proposes to construct a pipeline across Alaska, Canada and to the Western, Midwestern and Eastern United States, to transport natural gas from Alaska. It would also carry Canadian gas, which will assist us keeping our imports of Canadian gas, which are especially large in California.

The Arctic Gas Project is important. It will provide Alaskan gas, which is necessary for our industry and homes, by the least expensive transportation method, and will conserve gas.

The Project will also generate billions of dollars of construction and material producing activity in the United States, providing needed employment, including California.

Congressmen Ruppe and Bergland have introduced H.R. 11273 into the Congress. We urge that you become a co-sponsor of that Bill and give it your active support. We believe it is in the national interest and would appreciate your assistance.

With kind personal regards, I remain
Sincerely,

JAMES S. LEE, *President*.

STATEMENT OF JOHN H. CALLAHAN, LEGISLATIVE DIRECTOR OF THE INTERNATIONAL UNION OF ELECTRICAL, RADIO AND MACHINE WORKERS, ALF–CIO

Mr. Chairman and members of the Subcommittee, my name is John H. Callahan, and today I will speak in my capacity as Legislative Director of the International Union of Electrical, Radio and Machine Workers.

On behalf of its members, I thank you for the opportunity to submit this statement in support of H.R. 11273. The IUE is a major industrial union with over one quarter million members in the United States and Canada. Both as consumers and as workers, our members are vitally concerned with the cost and supply of energy needed by their homes and places of employment. We are convinced that the energy crisis facing this country will have a long-term adverse impact on the quality of our life if not checked. We believe it essential for our industry as well as our private interests that the United States and Canada be assured of the earliest possible achievement of energy independence. The dependence of the United States on imported fuels, especially from the OPEC nations, must be reduced and ultimately eliminated. I am sure that the members of this Subcommittee share this view.

Recent discoveries of untapped energy resources in the North Slope of Alaska and the Mackenzie Delta region of Canada suggest an excellent alternative to foreign supplies. This Congress, in a forthright manner, has taken the steps necessary to expedite transportation of oil discovered on the North Slope of Alaska. We understand that oil will begin flowing through the Trans-Alaskan oil pipeline by 1978. However, similar steps have not been taken to expedite the transportation of natural gas from the Alaska North Slope to the areas of the United States which need it most.

The United States, in both our factories and our homes, has developed a dependence upon natural gas as an energy alternative because of its non-polluting qualities, its relatively inexpensive cost and because what was previously considered abundant supply. Recently, threats of gas supply curtailments have become a reality and the exorbitant costs of changeover to alternative energy sources have jeopardized many businesses. Additionally, because of its increasing scarcity and the premium to be paid for alternative energy sources, the cost of fuel to heat and power our industry has increased significantly. This increase has had a serious effect on the economic life of our members.

We believe that increased resources of energy will restrain the continued climb of prices. Similarly, decreased reliance on OPEC oil and other imported fuels should also have a stabilizing influence on the cost of energy. The sooner this is accomplished, the better. We have carefully studied the alternative means proposed for transportation of Alaskan gas, and believe that it is in the best interest of the nation and our members to utilize the conventional all-pipeline method proposed by H.R. 11273.

The proposed pipeline from the North Slope of Alaska connecting with gas supplied from the Mackenzie Delta of Canada, which traverses Canada and extends through the contiguous states of the United States, appears to provide the safest, most expeditious and economical manner of transporting northern gas reserves to the widest range of consumers. The all-land transportation system would not only assure continued supply, at a lower cost, but would also permit Canada to develop and deliver its own gas resources to its consumers and thereby allow it to resume its export program of energy sources to the United States to the fullest extent.

Moreover, we believe that the pipeline system of transportation is a safer and more efficient means of delivering gas supply than the alternative of liquefaction, deliquefaction, and oceanic shipment. The all-pipeline proposal utilizes substantially less energy to transport the gas and there is no loss through the conversion process.

We also believe that the distribution system contemplated by H.R. 11273 will deliver gas directly to those areas of the United States which have been most seriously victimized by the limited natural gas supply in recent years. Such direct service will also result in diverting gas now being transported from the southern areas of this country to the upper midwest for use in other areas of the nation.

Finally, the IUE and its members believe that the need of the United States for increased natural gas resources is urgent. Access to the North Slope gas supply cannot be delayed. H.R. 11273 offers the opportunity to designate the most expeditious method proposed to date for transportation of natural gas in 1976.

Thus, the IUE supports this more prompt and certain approval of the all-land pipeline, and we urge this Subcommittee to favorably report H.R. 11273.

On behalf of the IUE, let me again express my appreciation for the opportunity of presenting our views to this Subcommittee.

Thank you.

Testimony of J. C. Turner, President of International Union of Operating Engineers

My name is J. C. Turner. I reside in Washington, D.C. I will speak to you today in my capacity as President of the International Union of Operating Engineers.

The Operating Engineers are an affiliate of the American Federation of Labor-Congress of Industrial Organizations and have 425,000 members in the United States and Canada. It is a member of the Building Trades Department of the AFL–CIO. Members of the Operating Engineers are engaged in construction and other work vital to this nation in all parts of the United States and Canada.

I am very pleased to be able to submit this statement for this hearing of the Subcommittee on Energy and Power to give the views of the International Union of Operating Engineers with regard to the transportation of Northern Alaskan natural gas to the lower 48 states of the United States. I am sure that I do not need to stress to this Subcommittee the great need for energy in this nation. We are all well aware of the substantial dependence we now have upon imported fuels, and particularly upon imported oil from the OPEC nations. Both the supply and the price of that imported energy are in the hands of the OPEC nations. It seems obvious to us that multiple steps to reduce the dependence upon the governments of the OPEC nations must be taken as soon as feasible.

We have all been made aware of the development of a large amount of natural gas on the north coastal area of Alaska along with the large amount of oil discovered there. It seems self-evident that this large supply of natural gas should be transported as soon as possible to the market areas which require it, for use in the homes of the people of the United States, and by the industries and commercial activities which are necessary for the employment of our people. Securing that gas is a necessary supplement to the development of additional sources of energy, and to efforts to conserve energy. At a time when unemployment and under-employment is such a serious problem in our nation, we should take no chances that an insufficient supply of energy may worsen that situation.

The union which I represent has been made aware of the two alternative applications for government permission to construct transportation systems to carry the North Slope natural gas to the lower 48 states: the all pipeline proposal and the liquefaction proposal. We have reviewed the various aspects of those proposed projects and we believe that the United States will be best served if the transportation method which is constructed and put into operation is an all pipeline system from Alaska to the United States. Such a pipeline system would, of course, cross Canada, and would therefore be able to transport the substantial amount of natural gas which we are informed has been discovered in the Canadian Arctic. We are aware of the large amount of natural gas now exported from Canada to the United States and we believe that a pipeline which will allow Canada to transport its own Arctic reserves to its markets will be helpful in allowing the United States to continue to import at least the quantities now imported, which are very significant to our nation's natural gas supply.

In addition, we believe that an all-land pipeline is the most economical way to transport the natural gas to all parts of the nation: the West and Northwest, as well as the Midwest and East. We are also aware of the efficiency and reliability of a natural gas pipeline, since the members of the union which I represent have long experience in the construction of natural gas pipelines. We are one of the essential trades which made the construction of pipeline systems possible.

We are every much aware, in supporting the construction of the pipeline across Alaska and Canada to the United States, that a project of this size will not only provide natural gas to the areas which need it, but will also cause an increase in the general economic activity of the United States. The purchase of substantial materials in the United States and the utilization of United States contractors and United States working men and women during the construction period, will be a very useful addition to the economic activity of the nation. At a time when the construction activities in this nation are at such a low level, we need to encourage projects of this type, which will serve a useful public function when completed. We need to have them move ahead as promptly as possible.

H.R. 11273 or H.R. 12311 offer the opportunity for approval of the pipeline across Alaska and Canada to the United States in 1976.

The International Union of Operating Engineers supports this more prompt and certain approval of that pipeline, and we therefore urge the members of this Subcommittee to favorably report H.R. 11273 or H.R. 12311. We hope that the House of Representatives will act favorably on that legislation as promptly as possible.

We shall also urge similar action on a similar bill in the Senate, in the hope that the project can be approved in this session of Congress, before the autumn recess, so that this important energy project can move forward to construction as promptly as possible.

On behalf of the International Union of Operating Engineers, let me again express my appreciation for the opportunity of submitting our views to this Committee.

Statement of Angelo Fosco, General President, Laborers' International Union of North America, AFL–CIO, CLC

Mr. Chairman and Members of the Committee, my name is Angelo Fosco. I am President of the Laborers' International Union of North America and a Vice President of the AFL–CIO and the Building & Construction Trades Department. At this hearing I will speak in my capacity as General President of the nearly three-quarters of a million member Laborers' International Union of North America.

On behalf of those members I wish to thank the Chairman and Committee members for the opportunity to appear here to speak to the issues involved in H.R. 11273, the Alaskan Natural Gas Pipeline Act of 1976. Our International Union is no stranger to pipeline construction. From the early days of the "Big Inch" during the Second World War to the present, we have been one of the major unions participating in the construction of underground pipelines. At present, we are the largest, numerically, of the four unions having national agreements in both the United States and Canada with national mainline pipeline contractors associations. Depending upon the state of the industry, from five to ten thousand members of our International Union are employed annually in the construction of mainline pipelines. As for myself, my interest in this work extends over the period of my service with the International Union. In my former capacity as Vice President and Regional Manager of our International Union's Chicago Regional Office, I was directly responsible to my predecessor for the administration of our national pipeline agreement.

Thus, I think that I can appear before you today with a fair basis of experience in the pipeline and construction and transmission industries. I speak also from a basis of deeper concern with respect to this bill, however. In recent years I have joined those who are convinced that the energy crisis faced by this country, if not met squarely, can have serious long-term effects on the quality of our national life. Just to hold our own, economically, will require that we meet growing demands upon our energy sources. Continued economic growth for our nation requires an ever-expanding base of energy resources. At the same time, I join with others in a desire to make this country as nearly independent of foreign sources of energy as our resource base and technological ingenuity permit.

To my mind it is vital that we develop as rapidly as possible all known domestic energy sources. Among these sources, Alaskan oil and natural gas are of supreme importance. In the case of natural gas the Prudhoe Bay Reserves, alone, are estimated to add over 22 trillion cubic feet to our domestic supply of natural gas, with other North Slope reservoirs expected to add an additional trillions of cubic feet. The development of this Prudhoe Bay area alone is expected to add to our proven reserves of natural gas, by 1985, sufficient for a daily consumption of gas from this slope of 2.5 billion cubic feet for the next 20 years.

To assess the merits of the competing proposals for transporting this vast reserve of new energy to the continental United States, I have directed close attention to the 1975 report of the U.S. Department of Interior entitled "Alaskan Natural Gas Transportation Systems." In my opinion, this report clearly demonstrates the superiority of the Alaska-Canada Pipeline proposal over the Liquefied Gas Proposal for transporting the North Slope Natural gas to the continental United States. No only does the Alaska-Canada Pipeline promise to deliver gas at a lower cost and greater safety to our country, it has additional benefits for our good neighbor to the North. Benefits which will be shared and enjoyed by the many thousands of members of our International Union who are Canadian citizens.

The experience of the United States with pipeline transportation of oil and natural gas, has, in my opinion, demonstrated that this technology provides the safest, cleanest, least wasteful and most environmentally protective method of moving these resources from the wellhead to the point of use that we are capable of developing. The pipeline safety record—both in construction and operation—is superior to most domestic industries. This is not to say that there have not been tragic occurrences in connection with pipelines, they have, however, proven to be controllable and each one has resulted in additional safeguards to the public. In its operation, a buried pipeline disturbs very little of the environment and interferes least with the flow of other goods and service on the surface of the ground. Finally, pipelines use less energy to move cargo than any other known form of transportation making their net benefit in terms of the delivery of natural gas higher than that which could be achieved by any other method. In passing, let me say that the benefits are not restricted to pipeline transmission of oil and natural gas, and put in a small plug for passage of the Coal Slurry Act presently under consideration in this Congress.

The benefits described above are certainly clear in the case of the Alaska-Canada Pipeline proposal. Again, according to estimates prepared by the Department of Interior at a delivery rate of 2.5 billion cubic feet per day, liquefied natural gas delivery cost is billions of dollars more per million Btu, assuming that no fuel is lost in transit or in processing. Fuel losses, however, would increase that cost disadvantage. The pipeline would bring natural gas to market areas at far less cost, with much less fuel loss.

I have previously indicated that our Union has a deep and abiding interest in the Dominion of Canada, both by virtue of our common heritage and the fact that our Union represents over 50,000 construction and other workers in the several provinces in Canada. We are aware that these members are suffering as deeply from unemployment as our construction workers in the United States and that the construction of a cooperative pipeline in Canada would do much to heal their unemployment problems. Going deeper than that, however, the benefits to the Dominion arising from this joint venture, are significant for consideration by this Body. Canada is a major supplier of natural gas to the Northwest and western states. However, Canada has been depleting her own reserves of natural gas in making these deliveries. The Alaska-Canada Gas Pipeline proposal will open the way for Canada to enjoy proven reserves of natural gas in the MacKenzie fields of the Yukon territories. Thus, the Dominion's energy supply will be enhanced along with that of the United States. The reserves which Canada has in the MacKenzie area will be a significant addition to Canada's energy sources. They are not, unfortunately, sufficiently significant for Canada to pursue an independent course in bringing those reserves to the southern provinces. Of course, our point of view is not entirely altruistic, since a failure on the part of the Dominion of Canada to develop the MacKenzie reserves will have consequences on the United States. Canada, as has been noted, is depleting its own natural gas reserves and is seriously concerned about that depletion. In point of fact, the National Energy Board, although they have promised that there will be no sudden curtailment of Canadian natural gas exports to the United States, has by that very promise, implied that phased curtailment is an active possibility. By assuring or helping to insure a stable Canadian supply of natural gas, we contribute to our ability to continue, over the near term, purchases of Canadian natural gas for domestic use. On balance, surely, a consideration which should move us even further along the road of approval of the Alaska-Canada Natural Gas Pipeline.

It is seldom in this life that I have been given a hand consisting of all Aces, but I feel that this is one of those occasions. It pleases me greatly to reiterate our International Union's support for the Alaska-Canada Natural Gas Pipeline, and urge on environmental, economic, foreign policy and plain humanitarian grounds that Congress effect a prompt passage of legislation which will speed its approval.

Resolution of the Midwest Association of Railroad and Utility Commissioners

Whereas, Americas dependency on foreign energy sources continues to grow at an alarming rate at a time when balance of payments and other considerations dictate the need for greater energy self-sufficiency, and

Whereas, substantial reserves of natural gas have been and are being discovered in the Prudhoe Bay area of Alaska that if brought to market in the lower 48 states could greatly add to our goal of energy self-sufficiency, and

Whereas, the Arctic Gas Project designed to more Alaskan gas by large diameter pipeline through Canada to eastern, western and midwestern markets will afford the fastest, most direct means by which Alaskan gas can be made available to markets in the lower 48 states, and

Whereas, it appears that the proposed all-overland pipeline route through Alaska and Canada will afford the safest, most environmentally acceptable and most efficient method proposed to date for the movement of Arctic gas to markets in the lower 48 states, now be it

Resolved, (1) that the Midwest Association of Railroad and Utility Commissioners hereby expresses its support for the Mackenzie River Valley Pipeline known as the Arctic Gas Project, and

(2) that the Midwest Association of Railroad and Utility Commissioners urges the President of the United States, the Secretary of the Interior, the Congress of the United States, the Federal Power Commission, and other responsible federal agencies to take all necessary action to expedite approval for the construction and operation of the said Arctic Gas Project.

Whereas, The Federal Communications Commission has promulgated rules and regulations which preempt the jurisdiction of the State Regulatory Commissions represented by MARUC with regard to the provision of local, terminal and station equipment, and

Whereas, such preemption will adversely affect the overall costs of instrastate telephone service in the Midwest and will not be in the best interest of the consumers, and

Whereas, the Consumer Communications Reform Act of 1976 reaffirms the prerogative of Congress to study and enunciate the telecommunications policy of this nation,

Now, therefore, be it resolved that MARUC commends and supports the Midwest Congressional delegation for their introduction of the "Consumer Communications Reform Act of 1976" and their continuing efforts for a Congressional review which will serve to resolve the matters herein described to the benefits of the consumers of basic local telephone service, and

Be it further resolved that the Association advise all members of Congress from the member states of the adoption of this Resolution and urge them to support debate of the Consumer Communications Reform Act of 1976, and

Be it further resolved that the Association furnish a copy of this Resolution to members of the Commerce Committee of the United States Senate, the Committee on Interstate and Foreign Commerce of the United States House of Representatives, the Federal Communications Commission and the Office of Telecommunications Policy.

Mr. CRANSTON. Mr. President, I want to make clear my views about the general wisdom embodied in the approach in S. 3521, a bill to expedite a decision on the delivery of Alaskan natural gas to U.S. markets. I discussed this matter with my colleague from California and he concurs in the general remarks I am about to make.

First, because of the shortness of time remaining in the 94th Congress, coupled with the widely divergent viewpoints on the best method for delivery of this gas to U.S. markets, I believe that a procedural bill that sets deadlines for a recommendation by the Federal Power Commission, a decision by the President, and concurrence by the Congress, is the best way to proceed at this time.

This should enable us to go forward with an Alaskan gas project by late 1977.

As exploration continues on the North Slope it can be expected that substantial additional gas reserves will be developed, and that the North Slope will account for a greatly increasing percentage of the country's natural gas supplies—at the same time that remaining volumes in the traditional producing region of the Southwest are being rapidly depleted.

I therefore want it to be clearly understood by the Federal Power Commission, the administration, and my Senate colleagues that support by California for the natural gas transportation system finally selected depends upon the concept that all sections of the lower 48 retain access to North Slope reserves. If the selection is an all-land pipeline, the selection must not eliminate a "western leg" as has been proposed by the FPC staff.

The indirect delivery of North Slope gas to California and the other far Western States by means of displacement of Texas gas would leave our region dependent upon dwindling reserves in the States of Texas and New Mexico while the remainder of the country obtains direct access to virgin supplies in the North, which undoubtedly will increase as exploration continues.

Further, a direct pipeline connection between North Slope reserves and Western U.S. markets is essential for the reason that without such a connection they would be seriously disadvantaged in their ability to negotiate with the producers, as opposed to those areas of the country that did obtain direct pipeline access to the North Slope.

California, therefore, supports a procedural bill to expedite the selection of a North Slope transportation system with the understanding that such support depends upon the establishment of a process leading to a decision on a system which contemplates direct access by all regions to the new gas supplies in Alaska.

In furtherance of this position, I ask unanimous consent that the following documents be printed in the RECORD at the conclusion of my remarks: Testimony presented by California Public Utilities Commissioner Leonard Ross to the Senate Commerce Committee hearing on March 25, 1976; and a resolution unanimously approved by the California PUC advising the FPC that their continued support of an all-land pipeline system is dependent upon the maintenance of the "western leg."

I understand and concur with the position of the Senate Commerce and Interior Committees that the approach of the present bill is to maintain congressional neutrality with respect to the ultimate gas transportation system selected by the President.

My intention here today is not to try to dictate the overall transportation system to the FPC, but rather to make clear that should the all-land pipeline system be selected from among the alternatives, California's continued support is contingent upon the inclusion of the "western leg." It is of vital importance that we adhere to the principle that all regions of the Nation have direct access to this new and rich source of natural gas.

I would appreciate knowing if the distinguished floor manager of the bill (Mr. STEVENSON) agrees with my view that the critical element in any gas transportation system selected by the President is that all regions of this vast Nation of ours shall have fair access to the rich gas resources of the North Slope.

Mr. STEVENSON. I thank the Senator from California for raising a point which I know is of critical importance to his constituents as well as to all other regions of the Nation. Certainly, I concur that it is imperative that no region be unfairly advantaged or disadvantaged by the gas transportation system that will ultimately be chosen. The concept of fair access to new natural gas supplies is essential to assure the equitable distribution of the rich gas reserves from the North Slope.

I would call the Senator's attention to sections 5(d)(1), 6(a)(v), and 7(b)(i) of the bill.

Section 5(b)(i) provides that in making its recommendation to the President, the Federal Power Commission consider and report on the "projected natural gas supply and demand for all regions of the United States, including an analysis of . . . deliverability . . . and . . . the regional availability of alternative fuels" for each transportation system it reviews.

In addition, the various Federal agency comments to the President on the Commission's recommendation are required to address themselves to, among other factors, "the impact on the national economy . . . of any system . . . including regional natural gas requirements."

During this same time period, the Governor of any State, any State utility commission, and any other interested party can also comment to the President on the Commission's recommendation—thus affording an opportunity for public and private comments as part of the selection process on specific matters like regional natural gas supply and demand requirements.

Finally, in section 7(a)(1) the President, in making his decision, is required to consider the criteria spelled out in section 5(d) for the Commission, the criteria spelled out for other agency reports, as well as other interested party comments in section 6, and the added consideration of which system, if any, best serves the national interest.

So I think it is clear that the question of regional natural gas needs is spelled out in every step of the decisionmaking process under S. 3521 as one of the critical criteria in reaching a decision on a natural gas transportation system from Alaska. Together with the opportunity for public comment to the President on the Commission's recommendation, and the final check of congressional approval, I would agree with the distinguished Senator from California that S. 3521 provides every possible protection for the interest of natural gas consumers on the west coast in gaining direct access to North Slope gas, while establishing a neutral process for reaching a decision on this critical energy matter.

Mr. CRANSTON. I note that the bill grants authority to the Federal Power Commission to consider displacement of gas as an alternative when it judges the merits of various Alaska gas transportation systems. The so-called Gas Arctic proposal for which an application is on file provides for direct gas services to the Midwest and the Western States. Is it the intent of this bill to direct the FPC to propose, for example, that services to the Western States be provided by displacement from the Midwest rather than by the proposed direct all-land pipeline service from Alaska?

Mr. STEVENSON. May I say to the Senator from California that it is not the intent of the bill before us today to direct the FPC or anyone else to take any specific actions with regard to the details of the project chosen. As I have stated, the intent of this bill is to maintain congressional neutrality as to the specific projects under review by the FPC while prescribing the kind of criteria we discussed earlier for reaching a decision by a date certain.

There are several applications on file which the FPC is reviewing. One is a proposal by El Paso Natural Gas Co. which involves displacement of natural gas, and it was felt necessary therefore to recognize that fact in the bill. That is the purpose for the reference to displacement. There is certainly no intent to alter the proposals which are on file or to deprive the Western States of direct pipeline access to natural gas if an overland pipeline system is adopted.

Mr. CRANSTON. I appreciate that clarification. The possibility of being deprived of direct pipeline access to Alaskan gas has been of concern to my constituents and the regulatory agencies representing consumers in my State. Subject then to the understanding that the intent is as you state it, I will vote in support of S. 3521 today.

Mr. President, I ask unanimous consent that one more document relevant to this discussion be included in the RECORD at the conclusion of my remarks. That is a letter to Senator MONDALE, which he has shared with me, from the acting director of the State of California's Office of Planning and Research accompanied by a copy of a statement presented by the OPR's director, Mr. Bill Press, to the May 13, 1976, hearing on LNG import policies conducted by the President's Energy Resources Council. This letter and statement make clear that the State of California believes that its permission is necessary prior to the construction and operation of a port and regasification plant for the receipt of liquefied natural gas on the coast of California.

There being no objection, the material and resolution were ordered to be printed in the RECORD, as follows:

RESOLUTION NO. L–177

PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA,
San Francisco, Calif., June 21, 1976.

Whereas, the People of the State of California and Public Utilities Commission of the State of California (California) have intervened in the proceeding entitled El Paso Alaska Company, et al., Docket No. CP75–96, et al., before the Federal Power Commission (FPC); and

Whereas, said proceeding relates to various proposals to construct facilities to transport natural gas from the Prudhoe Bay field on the North Slope of Alaska to the lower 48 states;

Whereas, the record in the El Paso Alaska proceeding contains suggestions both by the FPC Staff and the Presiding Administrative Law Judge that assuming a certificate of public convenience and necessity is issued by the FPC for the Arctic Gas project, further consideration of the western delivery facilities of the proposed Arctic Gas project be deferred until after the issuance of a certificate for other portions of the proposed Arctic Gas project;

Whereas, direct delivery of Prudhoe Bay gas to California markets via the proposed Arctic Gas project, including the western delivery facilities, would be less consumptive of gas and more economical than, or at the very least economically competitive with, delivery of the Prudhoe Bay gas by "displacement" from the southwestern portion of the lower 48 states where gas supplies are dwindling;

Whereas, direct delivery of Prudhoe Bay gas to California markets via the proposed Arctic Gas project, including the western delivery facilities, would provide California with direct access to Prudhoe Bay gas on an equal basis with other major gas consuming areas of the lower 48 states;

Whereas, deferral of consideration of western delivery facilities of the proposed Arctic Gas project may place California distributors at a competitive disadvantage vis-a-vis other markets of the lower 48 states with respect to the purchase of Prudhoe Bay reserves;

Whereas, the elimination of the western delivery facilities from the proposed Arctic Gas project might foreclose the opportunities of California consumers to take advantage of additional future gas supplies both in Alaska and Canada;

Whereas, deferral of consideration of the western delivery facilities of the proposed Arctic Gas project until some later date would constitute a denial of the Arctic Gas Applicants' right to a comparative hearing with the El Paso Alaska project; Be it

Resolved, That California urges that the FPC not defer consideration of the western delivery facilities of the proposed Arctic Gas project; and Be it further

Resolved, That California could not support the Arctic Gas project, absent the proposed western delivery facilities.

Testimony of Commissioner Leonard Ross

Thank you for inviting me to testify in behalf of the California Public Utilities Commission, which represents the interests of California gas consumers in the Federal Power Commission proceedings on Alaska gas transportation. California, like other states, is already suffering the effects of the natural gas shortage. Conversion of electric generating capacity and interruptible industrial customers from gas to oil is predicted to increase air pollution in the critical South Coast Air Basin, roughly doubling sulfate concentrations and causing major increases in emissions of nitrogen oxides, hydrocarbons, and particulates. Without major new supplies, Priority 1 and 2 consumption of gas in California will have to be curtailed during the early 1980s, and perhaps earlier. Thus California has a strong interest in the prompt delivery of Alaskan gas to the lower 48 states. We are also concerned that the chosen delivery system western leg be one which maximizes both the likelihood of continued gas exports from Canada and the availability of future discoveries on the North Slope.

We do not believe that Congressional legislation dictating the choice of route would reduce delay, although we do favor procedural legislation which would preclude lengthy appeals of the FPC decision. The FPC is expeditiously addressing the hugely complex questions involved in Alaska gas transportation. In our opinion, the major avoidable delay comes from the failure of the three gas producers in Prudhoe Bay to file gas purchase contracts with the FPC. According to the producers, contracts cannot be filed until the State of Alaska approves a unitization agreement. But the producers themselves have not yet reached such an agreement; the March target date has been moved back to July. Alaskan regulatory action cannot then be completed before late Fall at the earliest. Thus gas purchase contracts may not be executed before early 1977.

Without purchase contracts, the FPC cannot make an informed choice of transportation route. Financial institutions, in addition, are unlikely to commit funds for pipeline construction without assurance of state regulatory approval of automatic pass-through of FPC-approved rates. The state approvals cannot take place until states know which pipelines and distribution utilities will receive the North Slope gas. In our view, the absence of gas purchase contracts may delay pipeline construction by six months or more. We have argued before the FPC that there is insufficient evidence to support the producers' claims that gas purchase contracts cannot be filed prior to approval of the unitization agreement.

On the merits of the proposed transportation systems, our own preliminary assessment is that the Arctic Gas Transportation route as presently proposed would be preferable. But we strongly feel that many questions remain to be resolved in the FPC hearing, and we are keeping an open mind as to the ultimate merits of the competing proposals. If the Arctic Gas route were modified as proposed by the FPC Draft Environmental Impact Statement, its crucial cost and supply advantages would be compromised and our own recommendation might be reversed.

A crucial factor in our judgment is the superior ability of the Arctic system to pick up the MacKenzie Delta gas for Canadian use. Canada's National Energy Board has recommended severe export curtailments in the event that Canadian frontier gas is not hooked up in time to meet Canadian needs. We see little prospect that the Arctic Islands gas will be developed prior to the late 1980s; thus any failure to connect MacKenzie Delta gas might result in serious export curtailments in the early 1980s, even before the current Canadian export licenses expire. These curtailments, in turn, would have a devastating effect on gas supply in California and in several of the northern tier states. Forty-five per cent of Northern California's gas supply now comes from Canada.

While connecting the MacKenzie Delta gas to the El Paso system would be technically feasible, we believe it would be unlikely and, in any event, substantially delayed. It seems improbable that the Canadian government would approve the construction of an additional, costly segment of pipeline for the MacKenzie reserves and the shipping of those reserves to the West Coast of the United States in return for gas received in Eastern Canada by displacement. Even if desired, such an arrangement would undoubtedly require extensive reworking of the draft U.S.-Canadian agreement on hydrocarbon flow, as well as evidentiary hearings before the Canadian National Energy Board. To date, El Paso has submitted no application to the NEB or the FPC to transport MacKenzie Delta gas and has not done related engineering studies. Thus certification of the El Paso project would make it virtually impossible to connect the MacKenzie Delta gas prior to the expiration of Canadian gas export licenses in the mid-1980s.

Another concern raised by the El Paso project has to do with liquefied natural gas. Two LNG projects involving Indonesia and South Alaska have already been proposed by the Southern California Gas Co., Pacific Gas and Electric, and their affiliates. Certification of El Paso Alaska would increase California's dependence on LNG to as much as 90 per cent of our gas supply by the mid-1980s. Presumably, gas from the Southwest would be backed off and the existing pipelines either abandoned or used for reverse flow. The net effect would be to make California exceedingly vulnerable to any LNG supply interruption, such as a maritime strike.

Tankers for all three potential LNG projects would come through the same coastal shipping corridor south from Point Conception, along with existing oil traffic, future Alaskan oil movements, and liquefied petroleum gas traffic. The wide discrepancy in the results of various existing LNG risk assessments is a source of major concern. For this reason, we urge the federal government to embark on a complete engineering assessment of the possibility of offshore siting for LNG terminals. The State of California has modest matching funds available for this purpose.

Because of the problems of LNG shipment and Canadian gas availability, our preliminary preference, based on currently available information, would be for the Arctic Gas Transportation System as originally proposed. But two modifications suggested by the F.P.C. staff's Draft Environmnetal Impact Statement would make the system substantially less attractive.

1. The Arctic Gas proposal includes a Western leg which would allow direct delivery of Prudhoe Bay gas to substantial markets in the Western states chiefly by looping existing pipelines. The draft EIS by FPC would drop the Western leg in favor of a single "gun barrel" route to the Midwest. Western states would receive their gas by displacement.

No adequate cost or engineering studies have been done to specify the mechanism of displacement or calculate its effect on total system costs. The cost estimates in the draft EIS are not complete and do not address the potential need to transport additional gas from new finds on the North Slope or in the offshore Beaufort Sea area. A displacement scheme would require major looping and conversion modifications in a large number of pipeline systems as well as a complex set of contractual and regulatory arrangements. In effect, the "gun barrel" proposal contemplates a virtual integration of much of the nation's pipeline system in order to accommodate a single large transaction. The F.P.C. would be required to integrate a vast network of technological, financial and allocative relationships—a chore which, in our view, the Commission should neither lightly request or accept.

In the absence of detailed cost data, we find the issues of flexibility, administrative feasibility, and direct access to major markets to be compelling arguments for a Western leg.

2. The draft EIS further recommends a detour around the Arctic Wildlife Range via what is called the Fairbanks Corridor. This detour would cost an additional $2.9 billion (1975 dollars) and would itself entail considerable environmental hazards. We feel that such an additional cost burden might render the North Slope gas uneconomic for delivery to the lower 48 states.

A final issue relates to both competitive systems—the proposal for "project financing" or "all events" tariffs. Under this concept, gas consumers would be obligated to pay for the costs of the pipeline whether or not gas ever flowed. This provision in effect transfers all of the risks of investment to the consumer, virtually eliminating effective regulation of pipeline costs. We are urging the F.P.C. to reject this request.

STATE OF CALIFORNIA,
GOVERNOR'S OFFICE,
Sacramento, Calif., June 1, 1976.
Hon. WALTER F. MONDALE,
U.S. Senate, Committee on Labor and Public Welfare, Washington, D.C.

DEAR SENATOR MONDALE: This letter is a preliminary response to your letter to Bill Press of May 5, 1976, inquiring as to whether the State of California believes that its permission is necessary in order that a port and regasification plant for the receipt of liquefied natural gas be constructed and operated on the coast of California.

The delay in our response results from efforts to obtain a legal opinion on this issue from the Attorney General's Office and from the counsel for the California Public Utilities Commission. Briefly stated, the answer to your question is yes.

On May 13, Mr. Press testified in Los Angeles, before a committee of FEA personnel representing the President's Energy Resources Council, and spoke to this issue, as follows:

"(I recommend) . . . (4) that this panel carry away a clear understanding that the public safety, land use, and environmental decisions involved in siting of LNG terminal and regasification facilities are decisions historically made by local and state government and best left in their hands. For the past several months, there has been a strong undercurrent of threat from Washington that the FPC or Congress might preempt the State's jurisdiction on LNG terminal siting. I am aware that lawyers are presently constructing intricate arguments on the federal preemption issue as it relates to LNG facilities siting. From a purely pragmatic point of view, however, I strongly believe that the federal government is better off allowing local and state governments to exercise concurrent jurisdiction with them, and committing to working closely with such governments to see that the necessary facilities are wisely sited and timely brought on line. This involves some increased time and energy in the short run; but it results in less delay, less cost, and more good will in the long run."

At present, this office is proceeding on the assumption that, at the very least, several State agencies have jurisdiction over aspects of the LNG receiving facilities and regasification plants, including the California Coastal Zone Conservation Commission, the State Lands Commission, the Department of Fish and Game, and local Air Pollution Control Districts, and the regional Water Quality Control Boards. In addition, we assume that the local, regional or county government involved would have to grant the necessary use permits for facilities onshore.

If the federal government attempts to preempt State and local governments on these facilities, it will precipitate long and bitter litigation. We cannot emphasize strongly enough our hope that the federal government will proceed on the basis of concurrent jurisdiction for State and local agencies, except on such issues as navigational safety, where it is clear that the Coast Guard must be responsible for coordination of marine traffic.

I am enclosing, for your further information, the complete text of Bill Press's May 13 testimony to which I referred earlier. If I may be of any further assistance to you in any way, please call.

Sincerely,
MICHAEL L. FISCHER, AIP,
Acting Director.

TESTIMONY BY BILL PRESS

Good morning. I am Bill Press, Director of the Governor's Office of Planning and Research.

The responsibilities of the Office of Planning and Research include oversight and coordination of the planning activities of state, local and regional agencies throughout California; research and policy analysis for the Governor's Office; the State Clearinghouse review of Environmental Impact Reports; and ad hoc coordination of State agencies on issues of statewide significance. The Office of Planning and Research is involved, therefore, in numerous aspects of the development of policy with respect to LNG imports and terminal sites.

Your hearing today focuses primarily on the implications of LNG import programs for the security of regional and national natural gas supply and on project costs and consumer gas prices. This morning, you will hear testimony from other representatives of California on these issues, on the acute need in California for clean fuels to help restore air quality in critically polluted areas, and on single vs. multiple site supply strategies. These are critical threshold analyses that must be performed before LNG import needs can be identified. As you know, however, any conclusions drawn will mean little if LNG projects are not brought on-line in a manner fully responsive to the critical and unique safety and environmental concerns posed by LNG import operations.

In my remarks, I will focus on the principal planning issues presented by the three LNG terminals proposed by Western LNG Terminals, Inc., underscoring the need to fully resolve all identifiable issues during the initial siting decision process and not after a project is underway. I will also comment on the impossible procedural tangle the project proponents and the Federal Power Commission have produced.

LNG import terminals and regasification facilities differ from other large industrial facilities in several respects:

1. There is a clearly articulated public need for the natural gas which will be brought into California through the terminal facilities;

2. LNG marine terminal operations present a potential for accidents involving an unprecedented release of energy and substantial potential dangers even at some distance from the actual site of an accident;

3. LNG sites must be located along the coast or in bays where they are subject to coastal management regulation, where the principal concentrations of human population are located, and where remaining open space is particularly highly-valued;

4. LNG projects involve cryogenic temperatures, and therefore present some unique environmental problems; and

5. Thoughtful energy conservation strategies suggest grouping other industrial and commercial enterprises capable of making use of cryogenic temperatures around LNG regasification plants.

PUBLIC NEED FOR LNG IMPORT TERMINAL CAPACITY IN CALIFORNIA

It is painfully clear that the adequacy of natural gas supply in California will partially depend on LNG imports from any one of several sources around the Pacific perimeter; whether from the Alaskan North Slope, Southern Alaska, Ecuador, Australia, Indonesia, or the Soviet Union. With proper planning, LNG from any one of these sources can be landed at any terminal facility in California and distributed to markets. The important questions, therefore, are: How many LNG terminal sites are needed initially? Of what capacity? To be located where? These questions could be decided independently of the policy decisions on each of the supply procurement projects. It is clear that the supply procurement efforts of natural gas utilities would be greatly facilitated once a choice of a specific site or sites for terminal facilities were made.

PUBLIC SAFETY ISSUE

LNG terminals present uniquely troublesome public safety issues. Developers of LNG projects have assured the public that LNG transportation involves manageable risks that are little different from those society already routinely accepts in the transportation of other hydrocarbons and hazardous materials. They say that the statistical probability of a major LNG accident is infinitesimally small. They point to the decade of LNG marine transportation operations without noteworthy accident.

However low the probability of a major accident, the potential consequences of a loaded LNG tanker releasing its cargo in a developed harbor are sufficiently extreme to warrant special attention.

First, the LNG vessels proposed for use at the Point Conception facility will each carry LNG equivalent to 3.61 billion cubic feet of gas—an amount equal to 1.4 times the total amount of gas consumed on an average day in 1974 in the entire Southern California Gas Company service area. If this amount of LNG, released on water, were to vaporize and be ignited, the holocaust would dwarf even the worst industrial conflagrations experienced to date.

Second, because of the characteristics of the vapor plume that would result from a major spill on water, the plume could drift at ground level considerable distance downwind from the actual point of release, carrying its hazard into inhabited harbor areas before igniting. This off-site risk is not common to other hazardous substances currently transported into harbor areas.

Third, experience to date with LNG marine transportation has involved vessels of less than half the capacity proposed for future projects, and for fewer trips. The March 2nd Zausner report to Secretary Kissinger, et al., itself points out that "large-scale LNG technology is still in the development stage." (page 11)

Fourth, as you have already heard this morning, the analytical work done to date on risk analysis and risk management is mostly theoretical, is incomplete, and is controversial. It is doubtless true that the risk of a disaster causing vast loss of life and property damage at an in-harbor terminal can be minimized by meticulous enforcement of design and operational safety standards; on the other hand, such risk could be effectively eliminated by locating LNG terminals at sites remote from human populations.

The FPC and the Pacific Lighting Company resist remote siting options because of the additional costs of trestle construction and onshore gas pipelines to markets. In this regard I offer the following observations:

(a) The additional costs may well be justified by the virtual elimination of risk to large human populations and in-harbor property; perhaps we should consider a new type of cost accounting in planning for hazardous activities:

(b) The estimated costs of an LNG terminal facility represent only 10 percent of the overall costs of an LNG import project (Zausner's Report, pages 10 and 11). The costs of the liquefaction facility and LNG tankers comprise the other 90 percent. Therefore, even the substantial increase in terminal and pipeline costs dedicated to elimination of risk to human life, would comprise but a small percentage increment to total project costs.

(c) The Federal government presently spends millions of dollars to subsidize domestic construction of LNG carriers. Why is it any more important to publicly fund construction activities than to fund siting options providing additional public safety?

REMOTE SITE VS. PROTECTION OF OPEN SPACE ALONG THE COAST

The priority given to public safety concerns and the strong presumption in favor of remote siting of LNG termianls, is expressed both in the Coastal Plan and in the current coastal legislation, S.B. 1579. This represents an explicit exception to the generally preferred land use policy of concentrating new development in already-developed areas and protecting remaining open space along the coast. This conflict between land use planning goals is clearly unavoidable and requires policy makers to establish priorities among public safety, land use, and environmental concerns. If remote siting of LNG facilities becomes the preferred policy, such facilities ought not to become a wedge for opening undeveloped coastal areas to industrial sprawl.

It is conceivable that this conflict can be eliminated by the development of offshore artificial island siting strategies. If, however, LNG terminal capacity is indeed required within the time period indicated by current natural gas supply analysis, it is unlikely that such an option can be considered as an alternative to the need for at least one onshore terminal.

UNIQUE ENVIRONMENTAL PROBLEMS PRESENTED BY CRYOGENIC TEMPERATURES

The cryogenic temperatures involved in LNG terminal facility operations result in two environmental problems unique to such facilities:

(1) The use of large volumes of ocean water as a heat source to vaporize the LNG results in a discharge to the marine environment 12 F° lower than ambient temperatures. Although considerable work has now been done regarding elevated temperature discharges, no experimental work has been reported to date evaluating the potential adverse impacts on marine life of negative thermal discharges. Outfall systems will therefore have to be carefully designed to minimize the impact of such cool discharges on the Southern California warm water marine eco-system.

(2) The lack of operationally proven subsea cryogenic pipeline technology requires that LNG tanker berthing facilities outside of dredged harbors be connected to the shore by long trestles. At Point Conception, for example, the proposed trestle would be 4600 feet long—nearly a mile. A similar, longer pier would be required at the proposed Oxnard Facility. Such trestles could interfere with other nearshore coastal activities. In any event, they must be designed to minimize the potential beach emission effects caused by interference with normal beach replenishment processes.

SITING STRATEGIES AND ENERGY CONSERVATION

The cryogenic temperatures at which LNG is kept can be put to use in a variety of industrial and commercial applications ranging from thermal power plant cooling to new chemical processes. This would allow for substantial energy savings, and, in some cases, would temper the effects of cooled water discharge from a revaporization plant. The potential clustering of such applications around an LNG revaporization plant represents a planning opportunity. It also raises the following possible policy conflicts:

(a) Clustering of activities immediately around an LNG terminal facility may be counter to public safety goals, and may defeat the purpose of remote siting;

(b) Induced development around a remote LNG terminal site would increase the scale of industrial intrusion into a developed area;

(c) In the Oxnard area, there is already a conflict between pressures for industrial development and the goal of preserving prime agricultural lands in the Oxnard Plain, as expressed in A.B. 15, in the Coastal Plan, and in the California coastal legislation, S.B. 1579. Clustered development around the proposed Oxnard revaporization facility would increase pressures to convert prime agricultural lands to industrial uses.

There are, of course, other planning issues relating to LNG facilities siting. These include, for example, navigational safety issues, about which James Rote of the Resources Agency will speak this afternoon.

It is important to note that all of the planning and environmental issues cited above are issues that relate to siting of LNG terminals and regasification facilities, as opposed to the supply procurement phase of LNG import programs.

I would like to offer a few observations about the way the decision-making is proceeding on these three Western LNG Terminals, Inc. siting proposals.

As I prepared these remarks, I could not help but reflect on the similarities between California's current experience with the Federal Power Commission on LNG siting issues, and California's experience in 1975 with the Department of Interior on Outer Continental Shelf issues.

First: In 1974 and 1975, the Department of Interior issued its EIS on the 10 million acre accelerated OCS leasing program, of which the Southern California Lease Sale #35 was an integral part. Then even before the programmatic Final EIS was issued, Interior issued its draft EIS on the proposed Lease Sale #35. California state and local governments were left to respond to documents out of phase with one another. Now, in the first five months of 1976, with debate over LNG terminal siting policies increasing, the FPC staff has issued and finalized an EIS on but one of the three proposed LNG terminal sites—Pt. Conception. The Pt. Conception EIS, in a summary paragraph or two and with no elaboration, concludes that the Oxnard site is a preferred alternative to Pt. Conception, and that the Los Angeles Harbor site should be eliminated altogether from further consideration because of seismic conditions. The FPC staff has given no indication as to when it might publish the site specific EIS's for Oxnard and Los Angeles Harbor. Once again, the federal agency responsible for a major energy development project has forced California governments to develop a policy response on critical issues on the basis of incomplete or non-existent environmental documents.

Second: In 1975, Interior's EIS on OCS Lease Sale No. 35 failed to adequately address a variety of planning issues that went to the heart of the debate over the lease sale. These were detailed in a report recently released by my office entitled "Onshore Impact of Offshore Southern California OCS Sale No. 35". Again this year, the FPC's Final EIS on the Pt. Conception site fails to present full discussion of the planning issues outlined above.

Third: In 1975 the Department of Interior, citing the need for rapid development of domestic energy sources, pushed ahead with a development program on a schedule that could simply not accommodate full participation by state and local governments any more than it could accommodate full EIS preparation. Interior's policy decisions were made, of course, in Washington, behind closed doors. In 1976, the FPC is holding its hearings and making its decisions in public, to be sure. But the hearings are in Washington, and it is difficult for California local and state officials to attend. It would appear to be mere common sense for the FPC to hold hearings on the proposed California terminals at a California location. Instead, the requests of the County of Santa Barbara, the City of Los Angeles, and the California Public Utilities Commission for a local hearing have been unanswered by the FPC, or denied by the presiding judge.

Fourth: In August, 1975, when the OCS lease sale was imminent, California representatives found themselves pleading their case in a Los Angeles forum provided not by Interior but rather by an ad hoc congressional committee lacking the power to directly affect the decision. Again today we find ourselves expressing many of our concerns to a panel representing the Energy Resources Council, which does not have any direct authority over the project, rather than the FPC, which will make the decision.

To summarize, in last year's lease sale, the federal government, cheered on by industry, blindly rushed forward an energy development plan championed as the solution to critical energy needs. It did so at the expense of thorough evaluation processes, and at the expense of full involvement by affected local and state governments. The result of such procedures is almost inevitably political battle, litigation, delay, and a brimming reservoir of ill will. I am acutely concerned now that decisions on the California LNG facilities may be following a similar course. This need not happen, and should not be allowed to happen where supply of natural gas is at stake.

Therefore I offer the panel the following recommendations:

(1) that this panel recommend to the FPC approval of the CPUC's motion for consolidated hearings on all three proposed LNG terminal sites, to be held in southern California on a date not less than 30 days after the publication of the site specific EIS's on the Oxnard and Los Angeles Harbor sites;

(2) that this panel communicate to the FPC staff the urgency of issuing the Draft EIS's on the Oxnard and Los Angeles sites, and the need to give the fullest possible treatment in the Final EIS to the planning issues outlined here today;

(3) that this panel recommend to Western LNG Terminals, Inc., and to El Paso Natural Gas Company the filing of an application with Santa Barbara County for the proposed Pt. Conception facility, in order to precipitate preparation of an environmental impact report under the California Environmental Quality Act. No EIR is being prepared for the facility at present, and EIR preparation will require an estimated two years. The Pt. Conception site, therefore, cannot be considered a feasible alternative to either the Oxnard or the Los Angeles sites for the immediate term. In fact, California does not have a remote siting option for the immediate term.

(4) that this panel carry away a clear understanding that the public safety, land use, and environmental decisions involved in siting of LNG terminal and regasification facilities are decisions historically made by local and state government and best left in their hands. For the past several months there has been a strong undercurrent of threat from Washington that the FPC or Congress might preempt the state's jurisdiction on LNG terminal siting. I am aware that lawyers are presently constructing intricate arguments on the federal preemption issue as it relates to LNG facilities siting. From a purely pragmatic point of view, however, I strongly believe that the federal government is better off allowing local and state governments to exercise concurrent jurisdiction with them, and committing to working closely with such governments to see that the necessary facilities are wisely sited and timely brought on line. This involves some increased time and energy in the short run; but it results in less delay, less cost, and more good will in the long run.

Mr. STEVENS. Mr. President, I commend the Senator from Illinois for his leadership in seeking this neutral ground. This is a bill that affects our State primarily, but it is of vast concern to the rest of the Nation.

I believe the confidence that we all have expressed in him and his staff in working out this bill on the basis that it has been worked out is a credit to him and a credit to the staff of both committees.

On behalf of our State, I thank him and all others who had a direct input and interest in this legislation.

Mr. STEVENSON. Mr. President, I am grateful to the Senator for those words. This effort could never have succeeded without him, and without another Senator who has been of enormous assistance throughout. That is the senior Senator from Minnesota (Mr. MONDALE).

Mr. STEVENS. Does the Senator want to go to third reading?

Mr. STEVENSON. Yes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 3521) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

This Act may be cited as the "Alaska Natural Gas Transportation Act of 1976".

CONGRESSIONAL FINDINGS

SEC. 2. The Congress finds and declares that—

(a) a natural gas supply shortage exists in the United States;

(b) large reserves of natural gas in the State of Alaska could help significantly to alleviate this supply shortage;

(c) the construction of a viable natural gas transportation system for delivery of Alaska natural gas to other States is in the national interest; and

(d) alternative systems for transporting Alaska natural gas to other States have been proposed, and the selection of a system, if any, involves critical questions of national energy policy, international relations, national security, and economic and environmental impact, and therefore should appropriately be addressed by the Congress of the United States and the executive branch, in addition to the Federal Power Commission.

STATEMENT OF PURPOSE

SEC. 3. The purpose of this Act is to expedite a sound decision as to the selection and construction of a natural gas transportation system for delivery of Alaska natural gas to other States through establishment of new administrative and judicial procedures. To accomplish this purpose it is the intent of the Congress to exercise its constitutional powers to the fullest extent in the authorizations and directions herein made, in limiting judicial review of the actions taken pursuant thereto.

DEFINITIONS

SEC. 4. As used in this Act—

(a) the term "Alaska natural gas" means natural gas derived from the area of the State of Alaska generally known as the North Slope of Alaska, including the Continental Shelf thereof;

(b) the term "Commission" means the Federal Power Commission; and

(c) the term "Secretary" means the Secretary of the Interior.

FEDERAL POWER COMMISSION REVIEW AND REPORTS

SEC. 5. (a) (1) Notwithstanding the provisions of the Natural Gas Act (15 U.S.C. 717–717w), all pending proceedings before the Commission relating to the transportation of Alaska natural gas shall be governed by this Act, and the procedures established and authorized hereunder shall govern actions by the Commission with respect to review of applications and reasonable alternatives relating to the transportation of Alaska natural gas to other States.

(2) The Commission, in the exercise of its discretion, shall establish such rules and procedures as it deems appropriate to carry out its responsibilities under this Act with respect to review of applications and reasonable alternatives relating to the transportation of Alaska natural gas to other States. Such rules and procedures shall supersede rules or procedures that would otherwise have obtained under the Natural Gas Act (15 U.S.C. 717–717w) and the Administrative Procedure Act (5 U.S.C. 522).

(3) Any certificate of public convenience and necessity related to the transportation of Alaska natural gas from the State of Alaska to other States shall be issued by the Commission in accordance with section 9 of this Act.

(4) The provisions of the National Gas Act shall apply to the extent they are not inconsistent, as determined by the Commission, with this Act.

(b) The Commission may request such information and assistance from any Federal agency as it deems necessary and appropriate regarding the transportation of Alaska natural gas. All Federal agencies requested to submit information shall submit such information to the Commission at the earliest possible time after receipt of a Commission request.

(c) The Commission, pursuant to rules and procedures established under paragraph (2) of subsection (a) of this section, is hereby directed to review all applications pending on the date of enactment of this Act, and any subsequent amendments thereto, as well as other reasonable alternatives, as determined by the Commission, for the transportation of Alaska natural gas to other States, and to transmit a recommendation concerning an Alaska natural gas transportation system to the President by March 1, 1977. Such recommendation may be in the form of a proposed certificate of public convenience and necessity, or such other form as the Commission deems appropriate, and may include a recommendation that approval of a transportation system be delayed. Any recommendation for the construction of a system shall: (1) include a description of the route and major facilities; and (2) designate a party to construct and operate such a system.

(d) In making its recommendation, the Commission shall consider, and its report shall include, for each transportation system under review, a discussion of the following factors:

(i) projected natural gas supply and demand for all regions of the United States, including an analysis of—

(A) the economic deliverability of Alaska natural gas directly, by displacement, or otherwise; and

(B) the regional availability of alternative fuel supplies if adequate supplies of natural gas are not available;

(ii) transportation costs over its economic life, including an analysis of—

(A) anticipated tariffs, and

(B) delivered prices for Alaska natural gas in each affected region of the country;

(iii) the extent to which it provides access for the transportation to the United States of natural resources or other commodities from sources in addition to the Prudhoe Bay Reserve;

(iv) environmental impacts;

(v) safety and efficiency in design and operation and potential for interruption in the supply of natural gas;

(vi) construction schedules and other possibilities for delay;

(vii) feasibility of financing;

(viii) extent of reserves, both proven and probable, and their deliverability;

(ix) the estimate of the total delivered cost to consumers of the natural gas to be transported by the system;

(x) capability and cost of expanding the system to transport additional volumes of natural gas in excess of initial system capacity; and

(xi) such other factors as the Commission deems appropriate.

(e) The recommendation by the Commission pursuant to this section shall not be based upon the fact that the Government of Canada or agencies thereof have not by then rendered a decision as to authorization of a pipeline system to transport Alaska natural gas through Canada.

(f) The Commission's recommendation shall be accompanied by a report, which shall be made public, explaining the basis of its recommendation, including specific reference to the factors described in subsection (d) of this section.

(g) Within 20 days of the transmittal of the President's decision to the Congress pursuant to section 7, the Commission shall issue a report, which shall be made public, commenting on the decision and including information with regard to that decision which the Commission deems appropriate.

OTHER REPORTS

SEC. 6. (a) By April 1, 1977, any agency may submit a report to the President with respect to the recommendation of the Commission and the alternative methods for delivering Alaska natural gas to other States. Such reports shall be made public when submitted to the President, unless expressly exempted from this requirement by the President, and shall include information within the competence of such agency with respect to—

(i) environmental considerations, including air and water quality and noise impacts;

(ii) the safety of the transportation systems;

(iii) international relations, including the status and time schedule for any necessary Canadian approvals and plans;

(iv) national security, particularly security of supply;

(v) sources of financing for capital costs;

(vi) impact on the national economy including regional natural gas requirements; and

(vii) relationship of the proposed transportation system to other aspects of national energy policy.

(b) By April 1, 1977, the Governor of any State, any municipality or State utility commission, and any other interested person may submit to the President such reports, recommendations and comments with respect to the recommendation of the Commission and alternative systems for delivering Alaska natural gas to other States as they deem appropriate.

PRESIDENTIAL DECISION AND REPORT

SEC. 7. (a) (1) As soon as possible after receipt of the recommendation, reports, and comments pursuant to sections 5 and 6 of this Act, but not later than July 1, 1977, the President shall issue a decision as to which system for transportation of Alaska natural gas, if any, shall be approved. The President in making his decision on the natural gas transportation system shall take into consideration the Commission's recommendation pursuant to section 5, the factors set forth in section 5(d), and the reports provided for in section 6, and his decision shall be based on his determination as to which system, if any, best serves the national interest.

(2) If the President's decision pursuant to this section designates a system for the transportation of Alaska natural gas, such decision shall provide for—

(A) a process by which disputes among agencies and by which administrative appeals from agency decisions may be resolved in an expeditious manner;

(B) the designation of an official of the United States to serve as Federal inspector and coordinator of construction of the Alaska natural gas transportation system. The Federal inspector shall—

(i) assure compliance with applicable laws and the terms and conditions of any applicable certificate of public convenience and necessity, rights-of-way, permits, leases or other authorizations in accordance with section 11 of this Act;

(ii) assure adequate control of construction, quality of workmanship, environmental impact, and cost;

(iii) have the power to compel, by subpena if necessary, submission of such information as he deems necessary to carry out his responsibilities; and

(iv) keep the President and the Congress currently informed on any significant departures from compliance and issue quarterly reports to the President and the Congress concerning existing or potential construction difficulties and the extent to which quality control, safety, and environmental protection objectives have been achieved.

(3) The President's decision pursuant to this section may provide for the establishment of a special administrative review process to assure that the actions of Federal officers under this Act for which judicial review is limited may be reviewed administratively to assure they are reasonable and in the public interest. Any such review under such process shall not exceed 45 days and shall be subject to section 10 of this Act.

(4) For fiscal year 1978 and each succeeding year, there are hereby authorized to be appropriated such sums as may be necessary to carry out the functions delegated to the Federal inspector.

(5) Consistent with the provisions of this Act, the Natural Gas Act and other applicable law, the President's decision shall contain such terms and conditions as he deems appropriate for inclusion in any certificate issued pursuant to this Act. The President shall identify the legal authority pursuant to which any such term or condition is included. No such term or condition shall be included unless the President has identified such legal authority.

(b) The decision of the President made pursuant to subsection (a) of this section shall be transmitted immediately to the Senate and the House of Representatives on the first day that both are in session, and such decision shall be accompanied by a report explaining in detail the basis for his decision with specific reference to the factors set forth in sections 5(d) and 6(a), and the reasons for any revision, modification or substitution of the Commission recommendation.

(c) The report of the President pursuant to subsection (b) of this section shall contain a financial analysis for the transportation system chosen by him. Unless the President states in his findings pursuant to this subsection that he can reasonably anticipate that the system chosen by him can be privately financed, constructed, and operated, his report shall also be accompanied by his recommendation concerning the use of existing Federal financing authority or the need for new Federal financing authority.

(d) In making his decision the President shall inform himself, through appropriate consultation, of the views and objectives of the several States and the Government of Canada with respect to those aspects of such a decision that may involve intergovernmental and international cooperation between the Government of the United States and the Government of Canada.

(e) The decision of the President shall become final as provided in section 8.

CONGRESSIONAL REVIEW

SEC. 8. (a) The decision concerning an Alaska natural gas transportation system by the President shall become final upon enactment of a joint resolution in the form described in subsection (d) of this section within the first period of 60 calendar days of continuous session of Congress after the date of receipts by the Senate and House of Representatives.

(b) If the Congress does not enact a joint resolution within such 60-day period, the President, within 30 days of such failure to enact a joint resolution, may propose a new decision and shall provide a detailed statement concerning the reasons for such proposal. The new decision, together with a statement of the reasons therefor, shall be transmitted to the House of Representatives and the Senate on the same day while both are in session and shall become final pursuant to subsection (a) of this section.

(c) For purposes of this section—

(1) continuity of session of Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day calendar period.

(d)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; with

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a joint resolution passed by each House, the resolving clause of which is as follows: "That the House and Senate approve the Presidential decision on an Alaska natural gas transportation system submitted to the Congress on , 19 , and find that any required final environmental impact statements issued in connection with that decision are in compliance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.)". The blank space therein being filled with the date on which the President transmits his decision to the House and Senate.

(3) A resolution once introduced with respect to a residential decision on an Alaska natural gas transportation system shall be referred to a committee (and all resolutions with respect to the same Presidential decision on an Alaska natural gas transportation system shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee to which a resolution with respect to a Presidential decision on an Alaska natural gas transportation system has been referred has not reported it at the end of 30 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to such Presidential decision on an Alaska natural gas transportation system which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same Presidential decision on an Alaska natural gas transportation system), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential decision on an Alaska natural gas transportation system.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a resolution shall be decided without debate.

(e) Prior to the transmittal to the Senate and House of Representatives of the President's decision pursuant to section 7(b) the President must find that all final environmental impact statements on the Alaska natural gas transportation system proposed by the President has been prepared. To meet the requirements of this section the President may supplement the impact statements prepared by the Commission or other appropriate Federal agencies. If the President selects an Alaska natural gas transportation system for which no required final environmental impact statement has been prepared, the President may delay his transmittal to the House and Senate for up to 90 additional days for the purpose of supplementing or preparing any required final environmental impact statement.

(f) Within 20 days of the transmittal of the President's decision to the Congress under section 7(b) the Council on Environmental Quality shall hold public hearings on the legal and factual sufficiency of the environmental impact statements prepared in connection with the President's decision, and shall submit to the Congress a report summarizing the testimony received and setting forth the Council's views concerning the legal and factual sufficiency of such environmental impact statements. The appropriate committees in each House shall conduct hearings on the Council's report and shall invite testimony from the Council on Environmental Quality and representatives of the public.

AUTHORIZATIONS

SEC. 9. (a) The Congress hereby authorizes and directs the Commission, the Secretary and other appropriate Federal officers and agencies to issue and take all necessary action to administer and enforce all certificates, rights-of-way, permits, leases, and other authorizations necessary or related to the construction and initial commercial operation of the transportation system selected in the decision, if any, which becomes final pursuant to section 8 of this Act. All certificates, rights-of-way, permits, leases, and other authorizations issued pursuant to this subsection shall be issued at the earliest practical date. All agencies shall expedite in every way their consideration of such certificates, rights-of-way, permits, leases, and other authorizations and such matters shall take precedence over all other similar activities of such agencies. Rights-of-way, permits, leases, and other authorizations issued pursuant to this Act by the Secretary shall be subject to the provisions of section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), except the provisions of subsection (h)(1), (j), with respect to initial approvals, (k), (q), and (w)(2) thereof: Provided, however, That the submission required by the first sentence of subsection (h)(2) thereof shall be made at the earliest practicable time after the issuance of the rights-of-way and other authorizations hereunder.

(b) All authorizations issued pursuant to this Act shall include the terms and conditions required, and may include the terms and conditions permitted, by the provisions of law that would otherwise be applicable if this Act had not been enacted, so long as such terms and conditions are not inconsistent with the purposes of this Act and do not change the basic nature and general route of the transportation system designated hereunder, and the Federal officers and agencies issuing such authorizations may expedite or waive any procedural requirements of law or regulations which they deem necessary to waive in order to accomplish the purposes of this Act. The direction contained in this section shall supersede the provisions of any law or regulations relating to an administrative determination as to whether the authorizations for construction of a system for transportation of Alaska natural gas shall be issued.

(c) The holders of certificates issued by the Commission pursuant to this section 9 shall have all rights, powers, and obligations of holders of a certificate of public convenience and necessity issued pursuant to the Natural Gas Act in addition to any other rights, powers and obligations pursuant to this Act.

(d) Consistent with the purposes of this Act, the Secretary and other Federal officers and agencies are authorized at any time when necessary to protect the public interest, to exercise any authority under existing law to amend or modify any right-of-way, permit, lease, or other authorization issued by such officer or agency pursuant to this Act.

JUDICIAL REVIEW

SEC. 10. Notwithstanding any other provisions of law, except the provisions of section 11 of this Act, the actions of Federal officers or agencies taken pursuant to this Act, including the issuance of a certificate of public convenience and necessity by the Commission and actions concerning the issuance of the necessary rights-of-way, permits, leases, and other authorizations pursuant to section 9 for construction and initial commercial operation of a system for the transportation of Alaska natural gas and the legal or factual sufficiency of any environmental statement prepared relative to the Alaska natural gas pipeline pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.) shall not be subject to judicial review under any law, except that claims alleging the invalidity of this Act may be brought within 60 days following a decision becoming final pursuant to section 8 of this Act, and claims alleging that an action will deny rights under the Constitution of the United States, or that an action is beyond the scope of authority conferred by this Act, may be brought within 60 days following the date of such action. A claim shall be barred unless a complaint is filed in the United States Court of Appeals for the District of Columbia acting as a Special Court within such time limits, and such court shall have exclusive jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided, and no other court of the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any such claim whether in a proceeding instituted prior to or on or after the date of enactment of this Act. Any such proceeding shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and such court shall render its decision relative to any claim within 90 days from the date such action is brought unless such court determines that a longer period of time is required to satisfy requirements of the United States Constitution. Such court shall not have jurisdiction to grant any injunctive relief against the issuance of any certificate, right-of-way, permit, lease, or other authorization pursuant to this section except in conjunction with a final judgment entered in a case involving a claim filed pursuant to this section. There shall be no review of an interlocutory, or final judgment, decree, or order of such court except that any party may file a petition for certiorari with the Supreme Court of the United States, within 15 days after the decision of the United States Court of Appeals for the District of Columbia shall be rendered.

REMEDIES

SEC. 11. (a) In addition to remedies available under other applicable provisions of law, whenever on the basis of any information available to it the Commission, the Secretary or other appropriate Federal officer finds that any person is in violation of any provision of this Act or other applicable law or any rule, regulation, or order thereof, or condition of the certificate, right-of-way, permit, lease or other authorization, the Commission, Secretary, or other appropriate agency head, as the case may be, in their discretion, may: (1) issue an order requiring such person to comply with such provision or requirement or; (2) bring a civil action in accordance with subsection (c).

(b) Any order issued under this subsection shall state with reasonable specificity the nature of the violation and a time of compliance not to exceed 30 days, which the Commission, the Secretary, or other appropriate agency head, as the case may be, determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

(c) Upon a request by the Commission, the Secretary, or other appropriate Federal officer, the Attorney General may commence a civil action for appropriate relief, including a permanent or temporary injunction or a civil penalty not to exceed $25,000 per day of such violation, for any violation for which the Commission, the Secretary, or other appropriate Federal officer is authorized to issue a compliance order under subsection (a) of this section. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation, require compliance, or impose such penalty.

EXPORT LIMITATIONS

SEC. 12. Any exports of Alaska natural gas shall be subject to all of the limitations and approval requirements of the Natural Gas Act (15 U.S.C. 717 et seq.) and, in addition, notwithstanding any other provision of law, before any Alaska natural gas in excess of 1,000 Mcf per day may be exported to any nation other than Canada or Mexico, the President must make and publish an express finding that such exports will not diminish the total quantity or quality nor increase the total price of energy available to the United States, and are in the national interest.

EQUAL ACCESS TO FACILITIES

SEC. 13. There shall be included in the terms of any certificate issued pursuant to this Act a provision that no person seeking to transport natural gas in the Alaska natural gas transportation system shall be prevented from doing so or be discriminated against in the terms and conditions of service on the basis of degree of ownership, or lack thereof, of the Alaska natural gas transportation system.

ANTITRUST LAWS

SEC. 14. The grant of a certificate, right-of-way, permit lease, or other authorization pursuant to this Act shall not impair or amend any of the antitrust laws.

EXPIRATION OF AUTHORITIES

SEC. 15. The provisions of sections 4(a), 5, 6, and 8 of this Act shall expire upon the date that a certificate for the Alaska natural gas transportation system becomes final in accordance with the provisions of section 8 of this Act or July 1, 1978, whichever is earlier.

SEPARABILITY

SEC. 16. If any provision of this Act, or the application thereof, is held invalid, the remainder of this Act shall not be affected thereby.

CIVIL RIGHTS

SEC. 17. All Federal officers shall take such affirmative action as is necessary to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving, or participating in any activity conducted under, any permit, right-of-way, public land order, or other Federal authorization granted or issued pursuant to this Act. The appropriate Federal officers shall promulgate such rules as are necessary to carry out the purposes of this subsection and may enforce this subsection, and any rules promulgated under this subsection, through agency and department provisions and rules which shall be similar to those established and in effect under title VI of the Civil Rights of 1964.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PEARSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TIME-LIMITATION AGREEMENT— SENATE RESOLUTION 413

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation not to exceed 20 minutes on Senate Resolution 413, a resolution expressing the sense of the Senate regarding freedom of the press at the Olympics, Radio Free Europe, the time to be equally divided between Mr. RIBICOFF and the minortiy leader or his designee, and that the vote thereon, which has already been ordered, occur at the expiration of that time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TAX REFORM ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Wisconsin, which will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON), for himself and others, proposes an amendment No. 1988.

ORDER FOR CONSIDERATION OF S. 2228

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of Senate Resolution 43 tomorrow, the Senate proceed to the consideration of S. 2228, a bill to amend the Public Works and Economic Development Act of 1965, as amended, to extend the authorizations for a 3-year period.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. NELSON. Do I understand the unanimous-consent request which was made last night provided that there will be a live quorum before debate on this amendment begins?

The PRESIDING OFFICER. There is no such unanimous-consent agreement. There has been no such previous order, but, of course, the Senator can ask for one.

Mr. BUMPERS. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. There is no question about that.

The Senate is still not in order.

All staff members and our guests in the galleries and all Senators in the Chamber will please help participate in restoring order to the Senate.

Mr. NELSON. Mr. President, we had a unanimous-consent agreement from the day before yesterday that there would be 4 hours on the DISC amendment, with 1 hour allotted to the Senator from Colorado (Mr. HASKELL), and a further agreement for 1 hour to the Senator from Arizona (Mr. FANNIN). Those two items were taken up last night.

In order to accommodate Members who have been here every night for more than a week, the chairman of the Finance Committee (Mr. LONG) and myself agreed that we would not hold people here for 4 hours on into 9 or 10 o'clock in order to get a rollcall; that we would have an agreement to put our materials into the RECORD and have whatever discussion anybody may want, agreeing to 1 hour today, voting at the conclusion of 1 hour.

I do not like to impose upon anybody and probably could not anyway, but I would hope that perhaps we could have someone here to hear the debate, 30 minutes to a side. Whether that is possible or not, I do not know. We gave up our time yesterday. I think I will call attention to the absence of a quorum.

Mr. LONG. Mr. President, if the Senator will yield, I would be willing to share the time in asking for a quorum with the understanding that if we do get anybody to come in and stay long enough to hear the Senator will take 5 minutes and I will take 5 minutes. My impression is that if we get them in they will not stay long.

Mr. NELSON. I wish I could accede to that request. The facts and material I have would take much more time than that. I realize there is no defense that could be made that could consume 5 minutes on the chairman's side of the argument.

Mr. LONG. If that is the case, I suggest the Senator get them in on his time and make his speech and I will get them in on my time to hear my speech.

Mr. BUMPERS. Will the Senator yield for a suggestion?

Mr. NELSON. Yes.

Mr. BUMPERS. It is that the distinguished floor manager and the Senator from Wisconsin agree on something less than that. I strongly support the Senator's idea. It may not work but I feel the magnitude of this bill is such that the effort ought to be made. I would suggest that we have a live quorum with an agreement that it take no more than 10 or 15 minutes on a side at least, in the hope that some people who are not as knowledgeable on this issue as they ought to be would take that time. We are talking about hundreds of millions of dollars.

Mr. NELSON. Billions.

Mr. FANNIN. The Senator from Arizona and the Senator from Colorado both had amendments that amounted to the same thing. They were both only accorded 1 hour, with 30 minutes to a side. The Senator from Arizona thought his amendment was the most important one of all and the Senator from Colorado thought his was the most important. I thank the Senator from Wisconsin for cooperating in getting the 1 hour for the Senator from Arizona.

Mr. NELSON. That may be. However, the unanimous-consent agreement was 4 hours, of which I think he might have used 10 minutes. I do not think it is unreasonable, having given up the time so everybody could leave last night, to use 1 hour of the 4 hours, 30 minutes to a side.

May I make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Mr. President, might I suggest in order to accommodate all of our colleagues so we can get home as soon as we can, that we have the clerk call the roll.

Does the Senator insist on a live quorum? Shall we just see what we can bring in because the Senator from Wisconsin is going to make his speech? My impression is that Lyndon Johnson was right when he used to tell me when I would complain about very few Senators here. He would say, "RUSSELL, I can make somebody come in here and answer his name but I can't make him stay and hear your speech."

That is a problem that plagues all of us. We can get somebody to come in here and answer the roll if it requires the Sergeant at Arms to bring them in, but we cannot make them stay. I do not think the Senator will have any better luck in that respect than the Senator from Louisiana.

Mr. NELSON. May I make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. NELSON. I do not think we yielded back our time last night.

The PRESIDING OFFICER. The agreement of last evening was that there would be 1 hour today, to be equally divided, on the amendment.

Mr. NELSON. I am getting beaten on all sides. I asked the majority whip would he be agreeable to a live quorum, and he said, "Yes." Furthermore, we did yield back our time yesterday. So I ask unanimous consent that we have a live quorum, that the time not be charged to either side, and that each side then have 30 minutes on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG. Mr. President, I would be willing to have a quorum call charged equally against both sides, and the Senator can have the floor whenever a quorum is present.

Mr. NELSON. Well, I must say, Mr. President, we had 4 hours, and I took 3 of it, and now the chairman is saying he is not willing to allow me to have 30 minutes. I think I can offer an amendment and get the time that way if that is what the chairman wants. I am asking for 30 minutes. I gave up all that time last night in order to accommodate everyone.

Mr. LONG. Well, if I heard the Senator correctly, he said we had 4 hours and he took 3.

Mr. NELSON. 3 minutes.

Mr. LONG. 3 minutes? That is different.

Mr. NELSON. That was 3 minutes of my 2 hours, and the chairman had 2, and we made this arrangement because everyone here was tired of being here every night, and I said I would be willing to make my argument in 30 minutes; and I think that is enough.

Mr. LONG. Fine. I hope the Senate will give the Senator consent to have a live quorum without it counting against anyone.

The PRESIDING OFFICER. Is that the Senator's request, that we have a live quorum without it being charged to either side?

Mr. NELSON. That is my request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

CONDITIONAL ADJOURNMENT OF CONGRESS FROM JULY 2 UNTIL JULY 19, 1976

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 669.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 669) providing for a conditional adjournment of the Congress from July 2 until July 19, 1976.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The concurrent resolution (H. Con. Res. 669) was considered and agreed to.

AUTHORITY FOR COMMITTEES TO FILE REPORTS DURING THE ADJOURNMENT OF THE SENATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding any other previous request, all committees be authorized to file reports during the July recess between the hours of 10 a.m. and 3 p.m, on Wednesday, July 14, and Thursday, July 15, respectively, and that such reports be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

VIRGIN ISLANDS UNEMPLOYMENT FUND

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 13069.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate a message from the House of Representatives to the bill (H.R. 13069) to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands, announcing its disagreement to the amendments of the Senate.

Mr. LONG. Mr. President, in establishing the supplemental security income program for the aged, blind, and disabled which provides a nationally uniform basic benefit amount for needy persons in these categories, the Congress decided that it would be inappropriate to make this program applicable in our territorial jurisdiction where the economic and other conditions might not require the same level and type of benefit structure. Instead, the Congress kept in force in the territories separate programs which can be operated according to locally developed plans which are better adaptable to the circumstances of each jurisdiction. Unfortunately, the individuals who negotiated the covenant establishing the Northern Marianas as a new territory provided in that covenant for the establishment there of the supplemental security income program. An attempt has already been made to use that covenant as a precedent for extending the program to other territories where congressional judgment has been that the SSI program would not be appropriate.

To correct this situation, the Committee on Finance added to H.R. 13069, which deals with another territorial matter in our jurisdiction, an amendment which would place the Marianas on the same footing as the other territories by eliminating the applicability there of the SSI program and of another program not otherwise applicable outside the States.

This would, of course, not preclude later action to consider establishing the program there and in the other territories if the Congress should desire to do so through the usual legislative processes. The Finance Committee felt strongly, however, that the principle of treating the jurisdictions in an equivalent manner should be upheld and that it was inappropriate on the part of those who negotiated the covenant to include a provision so clearly opposed to established congressional policy.

Unfortunately, the House of Representatives has simply rejected the amendment of the Committee on Finance to the bill H.R. 13069. Because it is necessary to pass that bill before the recess in order to continue unemployment compensation payments in the Virgin Islands, I have recommended that the Senate accept the House's rejection of the Senate amendment. I want to make it clear, however, that this does not represent any substantive agreement with the House position. I believe that if the House of Representatives will look more closely at the Senate amendment they will find it has a great deal of merit, and I certainly intend to find a way to send it to them again in the near future.

Mr. President, I move that the Senate recede from its amendment to the House bill.

The motion was agreed to.

MEDICARE AMENDMENTS

Mr. LONG. Mr. President, I move that the Chair lay before the Senate a message from the House of Representatives on H.R. 13501.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate a message from the House of Representatives on the bill (H.R. 13501) to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act, announcing its disagreement to the amendment of the Senate.

Mr. LONG. Mr. President, I regret that the House is unwilling at this time to accept the Senate amendment to H.R. 13501 which would authorize the Secretary of HEW to increase medicare payments to nursing homes in areas with unusually high cost levels. Senator GRAVEL pointed out to the Committee the difficulty in securing necessary skilled nursing facility beds for medicare beneficiaries in Alaska. He indicated that this might be due in part to a deficiency in the amount paid by the medicare program.

The Gravel amendment would authorize the Secretary of HEW to make adjustments where he deemed additional payments appropriate and fair in order to assure availability of bed space for medicare patients.

It is my understanding that the House did not reject the Senate amendment on its merits but indicated that, since both Houses of Congress are undertaking an extensive review of reimbursement under medicare and medicaid, it would be better to consider this type of amendment as part of an overall review of reimbursement policy.

In view of the fact that the provisions of H.R. 13501 are urgent amendments with an effective date of today, I believe the Senate should approve the bill before us without change. We must act now in order to prevent immediate reductions in payments to doctors for medicare beneficiaries. Legislation which expired on June 30 would be extended under this bill to avoid cutbacks in benefit payments.

I want to assure the Senator from Alaska, Mr. GRAVEL, that during the course of review of medicare and medicaid administration and reimbursement policies which our Subcommittee on Health plans to undertake at the earliest opportunity, the amendment to provide additional assistance to skilled nursing facilities in Alaska will be carefully considered.

Mr. President, I move that the Senate recede from its amendment to the House bill.

The motion was agreed to.

TEMPORARY SUSPENSION OF DUTIES ON MANGANESE ORE AND RELATED PRODUCTS

Mr. LONG. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 940, H.R. 12033.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

The bill (H.R. 12033) to continue until the close of June 30, 1979, the existing suspension of duties on manganese ore (including ferruginous ore) and related products.

Mr. LONG. Mr. President, this bill would continue for an additional 3 years the existing suspension of duties on manganese ore. I know of no objection to the bill.

I send to the desk an amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

UP AMENDMENT NO. 176

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes unprinted amendment numbered 176:

At the end of the bill, add the following new section:

TEMPORARY EXTENSION OF FEDERAL WELFARE RECIPIENT EMPLOYMENT INCENTIVE TAX CREDIT

SEC. 2. Section 50B (a) (2) of the Internal Revenue Code of 1954 is amended by striking out "July 1, 1976" and inserting in lieu thereof "September 1, 1976".

Mr. LONG. Mr. President, a few days ago we extended the withholding rates 2 months so that they would not go up July 1 while we were still working on the tax bill. Another provision of the tax law, providing a Federal welfare recipient employment incentive tax credit. also expired June 30. The Senate Finance Committee approved an extension of this credit for 5 years in its amendments to H.R. 10612, the Tax Reform Act that is presently before the Senate and is now being debated. The amendment I am offering would extend the welfare recipient tax credit to September 1, 1976, at which time it is hoped we will have passed the pending tax reform bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass?

So the bill (H.R. 12033) was passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. ALLEN. Mr. President, will the Senator yield me 2 minutes so that I may make a parliamentary inquiry?

Mr. LONG. I yield.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Mr. President, a moment ago a unanimous-consent agreement was entered into that there be a live quorum, and that was called off also by unanimous consent. Is it not correct that any quorum call can be called off by unanimous consent until such time as the Chair announces that there is not a quorum present?

The PRESIDING OFFICER. That is correct.

Mr. ALLEN. So actually such a request really has no greater standing than just a simple request for a quorum call, does it?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. I thank the Chair.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I think it ought to be straightened out that I did see the manager of the bill and the sponsor of the amendment, because of the fact that the House of Representatives was up against the time situation. It was with the understanding that once what I had requested would have been agreed to, had it been agreed to and the Senator from Louisiana made his motion, I would then again make the request on the same basis as the Senator from Wisconsin did earlier.

Mr. ALLEN. Yes. I merely wish to point out that really there is no such thing as getting unanimous consent to have a live quorum, but that can still be called off by unanimous consent.

Mr. MANSFIELD. Yes.

Mr. ALLEN. That was not guaranteed it would go all the way through.

Mr. MANSFIELD. Senators can get unanimous consent through unanimous consent in almost any fashion in this body.

Mr. ALLEN. Yes. But such a quorum call can be called off by unanimous consent until the Chair says that a quorum is not present and then a quorum has to be established before any business can be transacted.

Mr. MANSFIELD. That is right.

Mr. ALLEN. I thank the Chair.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I reiterate the request of the distinguished Senator from Wisconsin under the same conditions that there be a live quorum call.

The PRESIDING OFFICER. The clerk will call the roll without the time consumed being charged to either side.

The second assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 28 Leg.]

Allen
Bentsen
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Curtis
Dole
Fannin
Hansen
Haskell
Helms
Humphrey
Inouye
Long
Mansfield
Muskie
Nelson
Pearson
Ribicoff
Scott, Hugh
Sparkman

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Washington (Mr. MAGNUSON), the Senator from Utah (Mr. MOSS), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

The result was announced—yeas 82, nays 2, as follows:

[Rollcall Vote No. 377 Leg.]

YEAS—82

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stone
Symington
Taft
Thurmond
Tower
Williams

NAYS—2

Biden
Weicker

NOT VOTING—16

Buckley
Case
Church
Eastland
Goldwater
Hatfield
Hruska
Johnston
Magnuson
Moss
Percy
Stennis
Stevenson
Talmadge
Tunney
Young

So the motion was agreed to.

The PRESIDING OFFICER. A quorum is present. Who yields time?

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. NELSON. Mr. President, I yield myself 10 minutes.

Mr. President, I think it is vitally important that the Members of the Senate understand that we are now voting or preparing to vote on an amendment to close slightly the loophole in DISC over what the House did and a little more closing over what the Committee on Finance did. The first thing that ought to be understood is the numbers. We are talking about a program that is the size of the B-1 bomber. If we build the B-1 bomber as is planned, up to 200-some planes, it will cost $22 million. The current DISC program, under the current law—which we intend to modify slightly—if left in the statute as is, would cost $22,200,000,000 in subsidies by our taxpayers within 7 years, by 1984.

Under the provision of the Committee on Finance, it will cost, in subsidies, $22 billion by 1986. Under the coalition amendment, by 14 of us, it is almost as bad. It will cost $22 billion by 1988. So we are talking about a program that, within 7 to 10 years, depending upon what amendment we take, is going to cost, in subsidies out of the pockets of the American taxpayers, the equivalent of the cost of the whole B-1 bomber, which is the largest weapons system ever proposed in the history of this country.

I say as to that that I hope that we can take this modest amendment, which would pick up about $400 million more, $350 million or so, this year over the Finance Committee amendment. But I hope, when the country sees and Congress realizes that we are off on an open-ended program that has nothing to do with selling goods overseas and has everything to do with stuffing the multinationals full of money, that next year, the Committee on Finance and Congress will demand that the Committee on Finance and the Committee on Ways and Means of the House have hearings and lay it out, or this country is going to be bankrupt.

No one that I know of could defend this DISC program—the House version, the Senate Finance version, or the one I am advocating.

Nobody could defend that loophole in any forum in America, save the U.S. Senate, without being laughed off the platform and washed away by the taxpayers' tears. There are substantial loopholes left by all these amendments. The loophole that would be left by our amendment is a little bit smaller than the Finance Committee's loophole and the House bill loophole.

All I can say in behalf of the amendment I am arguing for, is that the loophole left by this amendment is a little bit smaller, a little less outrageous than the two loopholes in the House version and in the Finance Committee amendment..

Every time—and I do not see my good friend, the talented, eloquent, histrionic, chairman of the Finance Committee, here—but every time a tax bill comes to the floor I marvel at the virtuoso performance of the chairman of the Finance Committee.

He takes a great big, huge loophole and he gets out here on the floor and he starts to paint a picture.

Mr. LONG. What?

Mr. NELSON. He starts to paint a picture, telling us that this loophole is a thing of great beauty—there he is— that this loophole is a thing of great beauty, and after 6 hours go by he has convinced the Senate "That ain't no loophole you see there, that is an optical illusion. Why, that is just a great big beautiful halo," and everybody can vote for a halo. [Laughter.]

I will say this, as we all will, that the chairman, my good friend the chairman, is exceptionally able and convincing and the best-informed person in the house—probably in both Houses—on taxes. That is a great advantage, and when the facts are on his side he never loses, he always wins.

The troublesome part is that when he does not have any facts at all on his side he still wins. [Laughter.]

Now, that is the situation we are in today, that is the one we are in today. There is not—and I tell you after looking at this for a solid month and reading what the Treasury has got to say, and what Professor Horst and Professor Pugel had to say, and Stanley Surrey and Joe Pechman, and industry and the research library—I cannot find a single fact on the merits that indicates that this DISC has anything to do whatsoever with actually expanding our exports overseas.

Now, let us take a look at it. Thus far, from 1972 when it went into effect through 1977, DISC will cost a total of $6.6 billion. That is $35 tax out of the pocketbook of every man, woman and child in America. And worse is yet to come because of the escalating cost in future years.

Now, who gets the dough? Well, there were about 4,200 active DISCs that filed tax returns in 1974, the most recent year the Treasury has reported on. These 43 companies, 43 DISC's out of 4,200 got over 50 percent of the total DISC benefits, all huge multinationals, each one with over $100 million in export sales, each with more than $250 million in assets. Forty-three of these huge corporations got over 50 percent of the total DISC benefits.

Two thousand one hundred small firms, over half, of all active DISCs got 2.5 percent of these benefits that we are giving away. So we cannot argue that it is for the little fellows.

As a matter of fact, out of the 4,200 DISCs in this country, in 1974, 475 got all but 16 percent of the tax subsidies. Let me repeat, all but 16 percent. Eighty-four percent of the total subsidy went to 475 corporations.

Now, what does this actually accomplish?

I cannot find a single economist to quote, nor can the other side that I know of, who tells you this great tax subsidy has anything to do of any consequence worth mentioning in expanding our exports. This program was designed during the sixties when we had a fixed exchange rate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NELSON. I yield myself 10 more minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 more minutes.

Mr. NELSON. You might find some economists—as HUBERT HUMPHREY will tell you, you will find some economists who will support any proposition—but you will not find more than one. Not a single one of them, every one I have read supports DISC. Over 100 leading economists and tax experts recently signed a petition saying, "Wipe it out. It accomplishes nothing."

Out of those 100 economists and tax experts if I can find them here, eight were former Treasury officials, seven of whom had served under Republican administrations: Stanley Surrey, Nathan Gordon, George Kopits, Robert Sammons, Oswald Brownlee, George Tolley, Gerard Brannon, and Emil Sunley, who just resigned this year from the Treasury Department as Associate Director of the Office of Tax Analysis to go back to Brookings. Over 100 signed it.

I ask unanimous consent to have the names on this sheet printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

ONE HUNDRED LEADING ECONOMISTS AND TAX EXPERTS' PETITION TO REPEAL DISC

Former high Treasury officials:

Stanley Surrey, Assistant Secretary of Treasury for Tax Policy, 1961–69.

Nathan N. Gordon, retired this year from post as Treasury's Deputy for International Tax Policy.

George Kopits, now with International Monetary Fund, did much of Treasury's original research work on DISC.

Robert Sammons, Economic Consultant—worked on Treasury Dept. Reports on DISC in last 2 years.

Oswald Brownlee, U. of Minnesota, headed the Treasury's Office of Tax Analysts in recent years.

George S. Tolley, U. of Chicago, headed the Treasury's Office of Tax Analysis in recent years.

Gerard Brannon, Georgetown University, headed the Treasury's Office of Tax Analysis in recent years; supervised research work on DISC.

Emil Sunley, Brookings, resigned this year as Associate Director of Treasury's Office of Tax Analysis.

Other eminent tax economists:

Joseph Pechman, Brookings.
Robert Eisner, Northwestern Univ.
Wallace Peterson, U. of Nebraska.
George Break, U. of California at Berkeley.
James Tobin, Yale Univ.
William Vickerey, Columbia Univ.
Lester Thurow, MIT.
John F. Due, U. of Illinois.
Alan S. Blinder, Princeton Univ.
Harold Watts and Robert Haveman, U. of Wisconsin.
Walter Heller.
Gardner Ackley.

International economics specialists:

C. Fred Bergsten, Brookings Institution.
Dr. Peggy Musgrave, Northeastern Univ.

Mr. NELSON. Every one of these independent experts says the same thing, that DISC is nothing but a giveaway of taxpayers' money, and an inexcusable one.

Mr. LONG. Mr. President, will the Senator yield for a question at that point?

Mr. NELSON. I think not. [Laughter.] To anybody else in the Senate I would [laughter] but because——

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. NELSON. Almost anybody else. [Laughter.]

Now, let us get down to the heart of the matter.

Mr. FANNIN. Mr. President, will the Senator yield to the Senator from Arizona?

Mr. NELSON. No, I will not yield until I finish my remarks. I know how it is hurting. [Laughter.]

Now, let us get down to the heart of the matter. We passed the DISC in 1971 because the argument was we have got a fixed exchange rate at that time. The dollar is overvalued. Therefore, this little subsidy will help our exporters cut their prices and offset that overvalued dollar. This would be a bad policy in any case, but at least in 1971 there was some argument for it.

So we passed the DISC and devalued the dollar almost at the same time. The effective date of DISC was January 1972 and we devalued in December 1971.

What caused the expansion of our exports from $44 billion in 1971 to $107 billion by 1975?

What caused it was the devaluation of the dollar, and everybody says so.

The figures are pretty compelling. The 17.4 percent devaluation of the dollar cumulatively over this period translates to 17.4 percent reduction in the price of American goods in the marketplace overseas. That is the dramatic statistic.

Do you want to know the other dramatic one?

If you took every single subsidy penny we are giving them, all $1.4 billion that they will get this year, and they took it all, and translate that into a reduction in the cost of their goods in the marketplace in Europe—they are not doing that, but if they did—do you know what impact that would have on the price of U.S. export goods in the European marketplace?

At the maximum, it would reduce the price of U.S. exports by a total of 1.2 percent. More likely, close to 0.7 of 1 percent.

But that is the highest figure we can find. The DISC subsidy would cut the price of U.S. export goods by 1.2 percent, at a cost to the American taxpayer of $1,400 million.

That is a 1/15 part of the impact on U.S. export prices of the devaluation of the dollar alone.

They are not doing that, however. The idea was that when we had a fixed dollar we would be more competitive with this extra subsidy. We would be more competitive, because our exporters could pass on the subsidy in price cuts, and be able to compete.

We do not have a fixed dollar now, so we do not need the subsidy at all.

Treasury itself says, and is telling GATT in Europe, our trading partners, that our exporters are not passing on the DISC subsidy; they are not using it to reduce the price of their goods in order to sell more.

I think this is true when we realize that on the same products that these companies are selling in Europe, where they make a profit margin of 17 percent, here in the United States the same products bring an 8.5 percent profit margin.

Why should American taxpayers line the pockets of huge corporations, not to compete in Europe, but just to make a bigger profit and chase dollars away from here?

There is no validity at all in this whole business.

I might say, I quoted yesterday and I will quote again, the president of the Caterpillar Tractor Co., an honest man, Lee Morgan, who appeared before the Ways and Means Committee last year. What did he say, He is the witness. His company has a DISC:

> I would like to say in all candor that although 50.2% of Caterpillar's sales were outside the U.S. last year, and we did benefit from DISC to the extent of about $9 million on our tax bill, I am not really sure that we did anything extra in order to generate additional exports, so that I suspect that I agree . . . that not much has happened, at least at our company, to earn the tax deferral that has come from DISC.

What better endorsement do we need than for a recipient of the benefits of the tax subsidy we passed to say, "We are happy to have it, we don't know what we did to earn it, but we will take it and let the American taxpayers pay for it."

I do not know how long we can defend that, any Senators can defend that to their constituents. I cannot defend it 1 minute. I could not, as I said earlier, even defend this amendment by the 14 of us in any forum in America but here without being laughed off the platform, because it is totally inexcusable.

It happens to be that this amendment is the most we thought we could get. That is the shameful condition we are in in terms of equity in our tax structure.

So there is not anybody, not one knowledgeable expert, who says this DISC subsidy actually works to expand our trade. But they are saying other things. Treasury is saying it helps the cash flow of our exporters.

I will say it helps them with their cash flow by filling up their coffers. I would like my coffers helped that way. But what has that got to do with our national interest?

And the argument has been made that we are in GATT now over the DISC subsidy. We have had a complaint filed. It is in court. Our trading partners say this is a subsidy, and are challenging us. And we are challenging some of their practices. So the argument is, do not give away one of our negotiating weapons.

Well, heaven knows, we are not giving it away if we pass this amendment that we are proposing.

DISC will still be here, regretfully. We are only trimming it back a little.

So are our trading partners going to say, "Oh, it is all over with, we withdraw our complaint." Obviously, they are not. The Finance Committee bill would continue the DISC subsidy at the rate of $1.3 billion. Now our amendment would only continue it at about a billion. So all this argument about our negotiating weapon has nothing to do with it. It is all beside the point.

If we take this amendment, we are still going to have DISC, still going to have the same setup with our trading partners. So we are not going to give away a single point with our trading partners on this issue.

One more thing, they say that DISC creates jobs. Well, for every job it creates, it loses at least one because if we sell over there, they sell more in this market as a result. Every economist knows that.

I have a quote from Prof. Thomas Horst of Tufts University who recently did an in-depth study of DISC:

> American automotive workers, textile and shoe workers and many others may find their jobs displaced by the growing imports. The multiplier process works in reverse. If you want to estimate the real contribution DISC makes to U.S. employment, you must first add the jobs created by exports and then subtract the jobs destroyed by imports. Because the industries which must compete with imports are often labor-intensive, DISC may well be destroying more jobs than it creates.

The job argument dissolves when we look at the overall effect of DISC. It does not create any jobs on net balance and even the Treasury does not claim that it does.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. NELSON. I know there are some others who will wish to say something, so I will just conclude by saying that I think we got where we are out of ignorance.

This was the most heavily lobbied bill I have dealt with in a long time.

My State is loaded with corporations that are under DISC. All kinds of them, that I never even knew of, that are big conglomerates. So they got their poor little subsidiaries out there, in Wisconsin, having nothing to do with it, call me to say how important it is, because the boss in New York, or Chicago, or elsewhere, says, "Get on that Senator of yours."

Phone calls, letters, everything one can imagine, all of them saying that this will cut jobs.

Well, it does not cut jobs. All of them say, "We need the money,"—or "We want the money" is a better answer.

So they want the money. So do those taxpayers from whom we are taking it to give away to the largest corporations in the country.

To what avail? Expanding trade? No. Nobody can prove that.

I cannot in good conscience support this DISC any further. I hardly have got conscience enough to vote for my own amendment. As I said, I will only do so because it is less bad—a little less bad—than the Finance Committee amendment and the House bill provision.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. Mr. President, we are here talking about a tax break, but what we have before us today is really a trade policy.

As a nation, in 1971, we found ourselves in a sharp decline in our position in world trade. In 1960, the United States share of free world exports was 15.9 percent. In 1973, that share had declined to 12.4 percent.

During the same period, total free world exports more than quadrupled.

And in world exports, the U.S. share

declined from 17.5 percent in 1964 to 12.7 percent in 1974.

When we look at the comparative trade balances among the three major trading countries, the United States, West Germany, and Japan, in the period between 1970 and 1975 we were running a trade deficit in this country of $33 billion. For the same period, West Germany had a favorable trade balance of $78.2 billion and Japan had a favorable trade balance of $30.8 billion. Here was the United States, the greatest industrial country in the world, finding itself outclassed and outsold in the world markets.

In trying to determine what the problems were in this country, we found that practically every major trading country was giving special breaks and benefits to their exporters.

Let me just give a sample of some of the breaks that are given by foreign countries to help their trade.

The basic one is the border tax adjustment, the so-called value-added tax.

In the United States we have major reliance on revenues from direct taxes, basically, income taxes. But that is the exception among our trading partners and not the rule in Europe and Japan. They rely, to a significant extent on turnover taxes.

Let me give a simple example of how the value-added tax works when it comes to the problem of exports, and I do it in an example that is symbolic, that everybody can understand.

Let us say we have a shirt manufacturer in France who exports a dozen shirts to an American department store at a cost of $100. The value-added tax that is supposed to be paid to the French tax collector is 15 percent or $15. But when he sells that dozen shirts to Sachs Fifth Avenue he is rebated $15. He is really selling those shirts for $85.

Let us say the Arrow Shirt Co. in the United States sells a dozen shirts to a French department store for $100. In order to get those shirts into France, they add their value-added tax, which is $15. So we have a differential of $115 against $85, and we have a differential of 30 percent on a $100 transaction.

Furthermore, in addition to a rebate of the value-added tax when you export and a charge of a value-added tax when you import into that country, they have what are known as variable levies and restitution payments.

The EC maintains prices for agricultural products at levels which are almost always above the world market price by imposing a special tax called a variable levy on all imports of food. To sell the surpluses which frequently occur, for example, in dry milk powder, cheese, and beef, the EC pays subsidies to agricultural exporters called restitution payments so European agricultural goods will be competitive on the world market.

Further, there is a tax exemption for foreign source income. Foreign source income of French and Australian exporters is totally tax-exempt. Belgian exporters are taxed at one-quarter the usual rate on foreign source income, and Danish and Norwegian exporters are taxed at half the usual rate.

Then France, Germany, Italy, Britain, and Sweden give inflation insurance to protect their people against inflation.

Then there are regional development incentives. Practically every exporting country in the world establishes special tax breaks in order to have regional buildups.

In addition, there is currency fluctuation insurance, where, if there is a fluctuation in the value of a currency, the exporter is protected.

These are just a few examples of the breaks that are given to manufacturers in foreign countries.

After looking at what other countries do to help their exporters, let me ask what should we do in the United States to encourage our trade? We passed DISC, and we said that we were going to give a special tax break to companies when 95 percent of their business is oriented toward exports or is export-connected.

That was a big tax break. There was a mistake, in my opinion, and in the opinion of the Finance Committee, in giving companies a break on the entire amount of their earnings because many of those companies would be doing exporting without DISC.

We tried to find a rule of thumb to solve the problem, and we came up with an incremental approach.

First, a company chooses any 3 of the 4 years during the 4 years of the base period, 1973–76. The company then averages its export earnings during the 3 years it has chosen.

The company would receive DISC benefits only on export earnings in excess of 60 percent of the average amount of export earnings during the 3 years it has chosen. The company would continue to receive DISC benefits on its exporting income above 60 percent of the base period average earnings until 1980.

In that year, the company would recompute the base year average export earnings, this time choosing any 3 of the 4 years, 1974–77. DISC benefits would continue to be granted only on the amount by which export earnings exceed 60 percent of the new base period average export earnings level.

Each year, from then on, the company would recompute the base period average level of earnings, advancing the base period 1 year at a time. So in 1981, the base period would be any 3 of the 4 years, 1976–79, and so on.

For small DISC's with export earnings of $100,000 a year or less, the company would continue to receive DISC benefits as under present law on all of its export earnings.

Let me give you an example of how the Finance Committee proposal works:

Let us say that a company qualifies as a DISC, which means that 95 percent of its assets are export related. The company was formed in 1973, and it immediately began exporting. During its first year of operation, the company earned $1,000. Each year, its export earnings increase by $1,000, and let us say that the company continues to increase its export earnings by $1,000 a year for the next 10 years.

Under the Finance Committee proposal, the company would average its export earnings during any 3 of the 4 years, 1973–1976. Let us say it takes the first 3 years when its earnings were $1,000, $2,000, and $3,000. It would average these amounts, which comes out to $2,000. Now it is 1976, and the earnings this year, if the growth in export earnings remains constant would be $4,000. So the company would get DISC benefits on the difference between current earnings, $4,000, and 60 percent of the base period average level, which was $2,000. Sixty percent of that number is $1,200. So the company would get DISC benefits on the difference between $4,000 and $1,200, which is $2,800. Half of that amount would be automatically deemed distributed to the company's shareholders, as under present law, and taxed currently. The other half, $1,400 would be deferred under DISC benefits.

Now, let us say it is 1979, and the company has continued to do well in the export market, increasing its export earnings by $1,000 a year. So in 1979, its earnings would be $7,000. The base period average is still $2,000, and the company receives DISC benefits on its current export earnings to the extent they exceed 60 percent of the base period amount, or $1,200. So the company is eligible for $5,800 in 1979, the difference between its current earnings, $7,000, and 60 percent of the base period amount, or $1,200. One-half of the $5,800 would be deemed distributed to the shareholders and taxed currently, the other half, $2,900 would be deferred under DISC.

Now in 1980, the base period begins advancing 1 year at a time, so the company chooses 3 of the 4 years 1974–1977. Again, it chooses the first 3 years. During those years the earnings from exports were $2,000, $3,000, and $4,000. So the average is $3,000. Sixty percent of that amount is $1,800. In 1980 current earnings would be $8,000. So the company would get DISC benefits on the difference between $8,000 and $3,000, which is $5,000. One-half would be deemed distributed to the shareholders, as before, and taxed currently. The other half, $2,500 would be deferred under DISC.

The opponents say that this benefits big companies. It does benefit big companies. After all, the United States, after 200 years, is not a Nation of cottage industries or cottage businesses or cottage manufacturers. Maybe nostalgically we would hope that we would have a simple economy. But the United States is a big industrial complex, and U.S. international business is conducted basically by large multinationals. But business all over the world is conducted by big companies. We are not the only country with that situation.

With the sophisticated methods that we have in technology, in organization, in research and development, the small businessmen cannot compete. The Germans, the Japanese, the Dutch, the French, the English, and the West Germans are all in big business. Huge multinational corporations are a world problem but also, they are the world's way of doing business.

What happens when we encourage exports? It is our objective to encourage exports. This is not a question of whether we are giving a break to someone who has a plant overseas. We are giving the tax break to someone whose plant is in the United States of America. We are giving the break to a manufacturing company in the 50 States of the United States. If he sells abroad and gets this break, it is our hope, and not only our hope but our experience, that he is creating jobs in the United States. He is investing in plant expansion in the United States in order to encourage more export trade.

The United States is not isolated. All over the world the United States is in tough competition. And the United States does not have all the answers.

Mr. LONG. Will the Senator yield at that point?

Mr. RIBICOFF. I will be pleased to yield.

Mr. LONG. Is it really true that our trade problems can all be solved, when we are competing against people who subsidize their exports, by just letting our currency fluctuate in the world markets?

Mr. RIBICOFF. The reason we cannot solve that is because currency is fluctuating in every country in the world. It is going to continue. Look at the decline of the British pound. It puts them in a uncompetitive position. Currencies keep fluctuating. Look what has happened with the Italian lira. The French franc keeps fluctuating. The Swiss franc is mighty strong and the Deutsche mark is mighty strong. So in comparison with the West Germans, in comparison with the Swiss, we do have the advantage. But we cannot rely upon currency fluctuations because what fluctuates up one day will fluctuate down the next.

Mr. LONG. Let us put it this way: Can a businessman sign a contract to deliver something 6 months from now, and, in signing that contract, count on the value of our money going up, and therefore that he might be able to make a profit because the value of the dollar depreciates? Can he depend on that?

Mr. RIBICOFF. No, he cannot. But let me tell the Senator from Louisiana this: In Belgium, France, Germany, Italy, the Netherlands, England, Ireland, Sweden, and Japan, their exporters may purchase government insurance against unfavorable changes in currency exchange rates which reduce the profit margin on export contracts.

There is not an American manufacturer who can buy currency fluctuation insurance, but this is one of the subsidies foreign countries provide to protect their exporers. They are anxious to do export business. For heaven's sake, let us in the United States not cut off our export business.

Mr. LONG. Let me get to the second point. Our exports are about $107 billion, is that not correct?

Mr. RIBICOFF. One hundred seven billion dollars in 1975.

Mr. LONG. Now, DISC is estimated to result in about $1.4 billion less taxes than these industries would pay otherwise. As I read that, it works out to a subsidy of about 1.5 percent for industry overall, that is, on all of our exports the DISC amounts to an overall subsidy of about 1.5 percent.

Just in this area of subsidizing exports by tax policy, how much is Europe giving its producers in that one area?

Mr. RIBICOFF. Just on the value added tax alone, which everyone of the European Economic Community countries have, and Japan is to put it into effect this year, there is a differential of 15 percent.

I believe we have placed on Senators' desk a list of tax breaks, a table indicating the multiplicity of tax breaks and subsidies that are provided.

Mr. LONG. So in just this one area alone, Europe is giving its exporters 10 times the advantage we give ours, is that correct?

Mr. RIBICOFF. That is right.

Mr. LONG. How do we compare in other areas? Is it not true that they give their people help in many different ways, and there is only one other significant way we are helping ours at all?

Mr. RIBICOFF. That is correct. You can poke all the fun you want to at the GATT problem today, but right this week there is being heard in Geneva the complaint of the European countries against DISC. They complain that this is a subsidy given by the United States.

The United States has filed a counterclaim, pointing out that there are many distinctions. In the 1974 Trade Act, written and passed by Congress, we specifically directed the President of the United States to negotiate with other countries on the problems of subsidies given by one country and given by every country.

What we have in the GATT negotiations is an effort to try to get a series of understandings and rules of fair and equal treatment.

If Congress eliminates GATT, we leave ourselves naked, because we have the European countries and Japan with all types of subsidies, all kinds of incentives, and the United States has none.

What we are saying to them is, "We await this decision, and we think you should hand down a decision on the other issues at the same time. If there is something wrong with DISC as a subsidy, you must look at your value-added tax rebates; you must look at your subsidies. You must look at the fact that Belgium, the Netherlands, and France do not have any income tax at all on foreign profits."

What we must ask ourselves is, "How can we in the United States be foolish enough to deny our industry, in the overall balance of trade, equal treatment?"

I think once in 10 years we have a trade surplus. But in one year we had a $33 billion trade deficit, while West Germany had a trade surplus of $78 billion, and Japan a trade surplus of $30 billion.

Mr. LONG. The answer the other side proposes through its economists is that we should devalue the dollar. To further devalue means we would pay a great deal more for that $30 billion worth of oil that we have to buy from the exporters, the OPEC countries, those who sell to us. Which would cost us more, to devalue the dollar and pay a great deal more for the things we must import, or to give this minor, little bit of help, amounting to about a 1.5-percent subsidy, to our exporters?

Mr. RIBICOFF. All I can say is, I have studied the reports cited by the distinguished Senator from Wisconsin, and I have studied the reports and economic analyses given by the representatives of manufacturers' associations, and frankly I do not consider any of them worth the powder to blow them to hell. I do not understand those reports and I do not think that anyone else does. They are all special pleadings.

These people come up with their own assumptions, and you have such complications in the whole economic field that I do not think there is an economist anywhere in the world who knows the answers. If you mention Germany, France, England, the United States, or Japan, in the trade field they are all guessing.

But I do know what the bottom line is. The bottom line is that the United States keeps going down relatively, and our trading partners go up. We cannot continue to do that year after year, running trade deficits while our competitors run trade surpluses.

Eventually we will become poor and the others will become rich. They are becoming rich. I would like to see the entire world get rich, but if we are to have free trade or fair trade, we have to have the same rules apply all over the world. For the United States of America to tie the hands of our exporters by giving them nothing, and allowing the advantage to go to our trading partners all over the world, is sheer nonsense and foolishness, and I do not think the Yankee traders of America ever got to the top of the heap through such nonsense.

I think what we are asked to do is to say we are giving away the substance of America, and the substance of America is its industry. We should be proud of the record it has achieved, and we should encourage it, because there is a capital shortage, and to the extent that we can give industry the opportunity to keep some of this capital—and I think it should be kept in mind, which is so seldom understood, that the amount that is put aside by the so-called tax break must be invested completely in export-oriented programs. They cannot take the 1.5 percent and use it for anything else but to increase their export business.

What we are saying is, "We are charging you one-half of 48 percent, and we are levying the tax whether it is desirable or not."

That 24 percent tax is charged to the exporters, even though they may keep the other 24 percent; but the part left is required to be put into funding and expanding export business.

I think, Mr. President, it is the only commonsense thing that this country has ever achieved or accomplished, and we seem to be wanting to do everything to hurt American industry and to give an advantage to foreign industry, instead of doing everything we can to help American industry.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. RIBICOFF. I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I say this as sincerely as I know how to say it: If ever the Senate found a way to start out to kill the goose that laid the golden egg, this amendment is it.

This amendment is it, because of all the industrialized nations in the world, all of them have either one form of subsidy or another, and we in the United States of America have suffered year after year with an imbalance in world trade.

In my own State of Rhode Island—and I speak from experience—all the time that I was governor, for 6 years, and for the 26 years I have been in the U.S. Senate, all I have done is worry about the textile industry. When I was Governor, 45 percent of our gross national product in Rhode Island was from textiles and now it is practically down to nothing. Our exports in textiles are nil. And the market has been captured by our foreign competitors. Unless we remain competitive in the world market, how many of our people will lose their jobs? They talk about how much money is being lost by the Treasury. How much money is going to be lost by the Treasury if we cannot sell abroad? How many people will lose their jobs? Are we thinking about that? All we think about is that this is a loophole.

Well, let us look at the genesis of it. Why did we pass this law in the first place? I shall tell Senators why we did. We had a big cutlery factory in my State, and the first thing you know they were losing money. Why? Because the Japanese were taking over the market. And how were they doing it? The stainless steel that was being sold for export was much cheaper than the steel that was being sold for domestic consumption. So we could not compete. First you had the differential in wages and, second, of course, you had the differential in the benefits that were being paid for export.

And that plagued us year in and year out until we passed this law. Now, when America has a fairly good position, now we are beginning to hear from our competitors. They are saying that we are subsidizing. Well, if we are, they taught us the lesson. After all, all we are doing is imitating a little bit. We are beginning to play their game, and that is what we are doing.

Mr. RIBICOFF. And they do not like it.

Mr. PASTORE. Aw, do they like it?

Mr. RIBICOFF. Will the Senator yield?

Mr. PASTORE. People talk about GATT and talk about the Kennedy round. We have always picked up the short end of the stick. When you go to a GATT conference, the Japanese representative is sitting right there and he is backed up with representatives of the entire industry about which he is talking. Our State Department will not let our people in. They will not let our people in. They think it is a foreign aid program that they are discussing, and they do not realize that it is an economic competitive program. Oh, I am for reform. I am just as liberal as anyone in this Chamber. I am a reformer, too. I am for cutting out the fat where it is, but I am telling you do not let America's business become uncompetitive because, if you do, if you do, you are going to pay for it in American jobs.

Now I voted against deferral and I would vote against deferral again for the simple reason that deferral means the export of American jobs. This is the reverse. This is to create American jobs. What I am surprised at is, when you walk out there on deferrals, you will meet 15 representatives of labor and they will buttonhole you and tell you the evils of deferral. Where are they on DISC, which means so many jobs in my State? And every one of these companies in my State is unionized. And they stand to lose a great deal if we do not give them this little bit of advantage.

Do they put it all in their pocket? Of course not. These labor leaders are pretty smart people and God bless them. The minute the company is making some money they are going to ask more wages, and we do, and that is how we promoted the high standards of living, that is how we did it. And they pay it off in dividends to many people, and that is the way it is being done.

All I know is that there are some fat cats in industry, and I condemn them as much as anyone else.

I say, in conclusion, what I said in the beginning: Do not kill the goose that laid the golden egg.

I thank the Senator.

Mr. RIBICOFF. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. RIBICOFF. The Senator from Kansas made the first request.

Mr. DOLE. Mr. President, 1 minute will be fine.

Mr. RIBICOFF. I shall yield 1 minute to the Senator. I think we ought to give an opportunity to Senator NELSON to respond before we vote. How much time remains on the other side?

The PRESIDING OFFICER. The Senator from Wisconsin has 9 minutes remaining.

Mr. RIBICOFF. Will the Senator from Wisconsin like to take some of his time now?

Mr. NELSON. I shall repeat what I said in my statement. We discussed this issue for 2 days, and I have heard a number of speeches on it. I have yet to hear the first explanation of what it is that this taxpayers' subsidy does to expand our foreign trade. It is clear and unrefuted that they pocket the money. The Treasury Department claimed that exports expanded $4.6 billion because of DISC, which no one in the economic world believes. No one. The closest anyone can come is $2.1 billion.

How will the Senator from Rhode Island explain what it is that this great big tax windfall does to expand our trade? If we took the whole $1.4 billion subsidy this year, and they did not cream it off as just more profits, but instead they passed it into the marketplace in reduced prices in order to expand their export sales, that would reduce the price of American goods in the foreign markets by only 1.2 percent, when the dollar devaluation accounts for 17.4 percent price reduction on American goods. So there is just no way the DISC subsidy could have much effect on expanding U.S. exports overseas. What the Senator is arguing is that these companies ought to become bloated, wealthy corporations making 17.4 percent in the European market when they can only make 8.5 percent in our market. Tell me what does this subsidy do for them that causes an expansion of exports?

Mr. PASTORE. All right, the Senator is asking me the question. I will tell him.

Mr. NELSON. That is what I want.

Mr. PASTORE. He is asking me the question. I will tell him.

Mr. NELSON. All right. Let us hear it.

Mr. PASTORE. You see, I do not fool around with statistics, because statistics is anybody's poker game.

Mr. NELSON. There is a good reason for not doing it.

Mr. PASTORE. Anybody's poker game. What I do is I talk from experience. We have factories in my State. We have 13 percent unemployment, and I do not want to see any more people thrown out of work. And that is what they tell me, and I believe it. I believe it. I believe it sincerely that most of their business is export, and this is going to hurt their export business. Now the Senator can quote all the figures he wants. I do not know whether he sells cheese up where he comes from or whatever he sells, but I do know this that of what we make in Rhode Island much of it goes abroad, and is sold abroad. If you take away this benefit, they have to raise their prices; if they raise their prices, you put them out of the world market.

And I lived with that for 41 years in public life. I come from a manufacturing State; 96 percent of our economy is manufacturing. We have no agriculture. We have no tobacco to subsidize. We do not have any of this largess that is being spread all over the country. What we have to do is produce. We have workers who work in the mills and the factories, and those are the people.

Mr. NELSON. Is this on my time?

Mr. PASTORE. The Senator asked me a question?

Mr. NELSON. All right.

Mr. PASTORE. He asked me a question. Now I will give him an answer.

The PRESIDING OFFICER. It is on the Senator's time.

Mr. NELSON. If the Senator were going to answer the question, I would be glad to have it on my time, but since he did not answer the question, I ask unanimous consent that it be charged to the time of the other side.

Mr. PASTORE. I object. He asked the question, and I answered the question.

Mr. NELSON. I am happy to know that my articulate colleague from Rhode Island does not pay any attention to the facts. That is obvious.

Mr. PASTORE. I did not say that. I did not say facts. I said the Senator's statistics.

Mr. NELSON. Oh.

Mr. PASTORE. They are not facts. The Senator twists those around any way he wants. I do not buy statistics. I buy facts.

Mr. NELSON. If the Senator wants to explain on his time the distinction, I would be glad to hear it, and I think the people who read the RECORD would, too. The point is being missed all along here. The Senator from Rhode Island says his State is a manufacturing State.

Is that the right emphasis? [Laughter] And you export things.

Mr. PASTORE. That is right.

Mr. NELSON. And when you export things, you also have to import an equal amount, and who does the Senator think makes the products we import? I do not think the Senator from Rhode Island was here when I read this, so let me read this to my distinguished colleague.

Mr. PASTORE. Go ahead, read it again.

Mr. NELSON. This is what Professor Thomas Horst said. This is what all on the other side are missing or do not understand or ignore. He says:

> American automotive workers, textile and shoe workers and many others may find their jobs displaced by the growing imports. The multiplier process works in reverse. If you want to estimate the real contribution DISC makes to U.S. employment, you must first add the jobs created by exports and then subtract the jobs destroyed by imports. Because the industries which must compete with imports are often labor-intensive, DISC may well be destroying more jobs than it creates.

Mr. PASTORE. What is the name of the Senator who wrote that?

Mr. NELSON. Professor Thomas Horst, of Tufts University.

Mr. PASTORE. I thought so. [Laughter] These professors are really something.

Mr. NELSON. I know. If the Senator from Rhode Island has not heard of him, he cannot be much. [Laughter.]

Let us see what happens. The presumption here is that if you export, you do not import. You import dollar for dollar with your exports, and obviously nobody on the other side recognizes that it is the floating exchange rate that creates the balance. That is why this DISC is of no value except to line the pocketbooks of the multinational corporations.

In 1971, we exported $44 billion and imported $45 billion. That is before the devaluation occurred. In 1972, we exported $50 billion and imported $55 billion. In 1973, we exported $71.3 billion and imported $69.5 billion. In 1974, we exported $98.5 billion and imported $100 billion.

Who is making the $100 billion worth of products we import? They are making them in Europe, are they not? And they are replacing the same people making it here.

Finally, after all these years of the devaluation, we are about in balance on exports and imports, and we would be in just about exactly the same place if we were not giving away the Treasury of the United States, which belongs to the American taxpayer.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. NELSON. I will yield on the time of the Senator from Texas.

Mr. TOWER. For a brief question.

Mr. NELSON. I will answer it on the time of the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas has no time.

Mr. RIBICOFF. I yield the Senator from Texas 1 minute.

Mr. TOWER. I am concerned, too, about the export of jobs, and a lot of our import trade represents oil and gas which we import from the Middle East. So I ask the Senator from Wisconsin if he would join me in supporting legislation to give added incentive to the oil and gas industry so that we can keep those jobs at home.

Mr. NELSON. In all due respect, if I were to join the Senator in any enterprise, I would want to examine it very carefully first. [Laughter.]

To be fair to the Senator, I say that that is not insulting, because it might ruin both of us if we are found on the same side of an issue. [Laughter.]

Mr. DOLE. Mr. President, I should like to address a word to Senator HUMPHREY and others who come from farm States.

I point out that this is a compromise put together by the Senator from Kansas and the Senator from Minnesota. It means a lot to the farm community, and it meant a lot to the House when they struck out agriculture. They struck out all exports of agriculture commodities. In 1974, for agriculture, it was $120 million. In 1977, it was approximately $244 million.

The Nelson amendment would reduce these DISC benefits by about $80 million.

Everyone who is familiar with agriculture exports knows that in 1975 it was about $20 billion; in 1976 it is estimated to be $21 billion.

My point is that the Senator from Rhode Island has spoken eloquently for industry. It is also important to agriculture.

Mr. President, the committee bill would alter the tax laws applicable to domestic international sales corporations, or DISC's as they are known, in a rational and equitable manner. The Senator from Kansas strongly supports this committee amendment to the tax laws for several very important reasons. The Finance Committee's treatment of DISC is in many regards an improvement over current law and over the amendments contained in the House bill.

First, the tax bill passed by the House of Representatives would eliminate entirely the tax incentive provided to exporters of agricultural products. The Senator from Kansas knows of no valid reason why the great agricultural sector of our economy should be discriminated against. Agricultural exports are a major factor contributing to our favorable balance of trade situation. The earnings from these exports maintain the international value of the dollar enable this country to acquire much needed exports at reasonable prices. The Finance Committee tax bill removes this unfair discrimination against agriculture.

In light of the recent and perhaps temporary surge in the level of agricultural exports, the application of the "incremental" rule proposed would be delayed for several years. If agricultural exports in recent years are unusually high due to certain temporary world economic factors, and the "incremental" rule is immediately applied to agricultural DISC's, these exporters may in the next few years be effectively deprived of any export tax incentive or benefits.

To guard against this very possible situation, agricultural DISC's are afforded the same tax treatment as current law until 1980. In addition to the unfair treatment of agricultural exports, the House bill would disallow DISC incentives for military equipment. Mr. President, the United States cannot unilaterally prevent the sale of military equipment and its use throughout the world. Most military equipment can be obtained from a number of competing sources, only one of which is U.S. exporters. The House bill amendment could not accomplish the moral purpose for which it is apparently intended. Mr. President production of military equipment is essential to maintaining our defense posture. The efficiency and productivity of U.S. firms is dependent in part on their ability to produce for and compete in world markets. In doing so, they need and deserve tax treatment and incentives on a par with their foreign competitors.

The committee bill recognizes that there exist some specialized U.S. produced military equipment that has no foreign sales competition. DISC benefits would be terminated in these cases.

Second, the Finance Committee bill recognizes the fact that current law affords greater tax benefits than is necessary to provide the degree of export incentive desired.

It cannot be denied that corporations now receive tax benefits for exports that would have occurred even in the absence of the tax incentive. The "cost-effectiveness" of this tax incentive program is thereby reduced.

The committee would reduce this unnecessary tax expenditure by an amount rising to an estimated $500 million by 1981. This is accomplished by granting the favorable tax treatment only to export earnings in excess of 60 percent earnings in a previous base period. This is the "incremental rule."

The Finance Committee has substituted a 60-percent incremental rule for the House-passed 75-percent rule. In the committee's judgment, the tax benefit of an exporter's achieved increase in exports are taken away too quickly by the 75-percent rule. In addition, the committee's 60-percent rule would provide a greater assurance that exporters experiencing a declining trend in their exports—for reasons of whatever complex world economic factors—would retain an incentive to maintain their exports and reverse that trend.

The base period defined by the committee is any 3 years out of a 4-year period. The 4-year period is that which ends 3 years prior to the current taxable year. The purpose of this arrangement is to provide that the base period used in figuring benefits is immediately adjusted to the most recent export earnings experience. This protects against the counterproductive incentive created if the exporter finds his DISC benefits immediately reduced because exports have been successfully increased. The committee believes this "grace period" arrangement is a reasonable compromise between immediate adjustment and the 5-year grace period provided in the House bill.

Similarly, the base period selection from 3 out of 4 years assumes first that their DISC incentives will not be reduced because of our abnormally high year. This is an improvement over the House provisions of an inflexible 3-year base period.

Finally, the Finance Committee bill provides the exemption of relatively small exporters—those with adjusted taxable income of $400,000 or less—from the incremental rule. This will provide full DISC benefits to those small firms who most need the incentive and the benefit to expand their foreign markets.

Mr. President, the committee realizes that the DISC tax incentive does effectively serve the objective of promoting exports and of putting U.S. exporters on an equal competitive footing with foreign exporters.

The Finance Committee has therefore resisted the urgings of some to operate on the DISC tax provision with a butcher knife. We have instead carved out the "incremental rule" with a scalpel and allowed for phasing in this new rule in such a way that the production and investment plans of our exporters are not seriously disrupted.

Mr. President, for these reasons, the Senator from Kansas urges his colleagues to support the DISC tax provisions contained in this bill.

Mr. President, after having disposed of the all-out attack on the DISC program, the amendment before us now is more reasonable. It would make some additional marginal changes to the DISC proposal recommended by the Finance Committee. It concedes the continuation of the DISC program and approaches it on the same grounds as the committee amendment. At issue, therefore, is not a difference in principle but a difference in judgment and degree.

I would like to clarify a comparison presented in the "dear colleague" letter circulated by the Senator from Wisconsin. The revenue gain from this amendment is stated as $476 million in fiscal year 1977, as compared with $84 million in the committee bill. This comparison is misleading.

The effective date assumed under the amendment is December 31, 1976, whereas the effective date under the committee bill is for taxable years beginning after December 31, 1976. A more valid comparison can be made by considering fiscal years in which both proposals would be fully effective. For the fiscal year 1979, the amendment picks up $791 million while the committee bill picks up $431 million, a difference of $360 million.

At issue with this amendment, then, is not a dramatic difference in the DISC program, but a marginal judgment as to how much the program should be curtailed.

The amendment proposes a 75-percent incremental rule. As compared to the 60-percent rule, the effect of this is to take back a larger amount and more quickly the tax benefits allowed an exporter for having successfully increased his export earnings. Just as this raises more revenues, it reduces export incentives. It does neither dramatically. With regard to the treatment of agricultural products, the amendment would disallow the delayed implementation of the incremental rule for agricultural exports. The Senator from Kansas defends that the committee's recommendation for delayed implementation. The picture in agricultural exports remains unsettled and cloudy. Due to a variety of factors—including the events of nature and resulting worldwide harvests—these exports have increased dramatically, even more than merchandise exports as a whole. Agricultural exports increased by over 50 percent in 1973 and by over 50 percent again in 1974. Since then they have stabilized. The future of these exports is subject to much greater uncertainty than other merchandise exports, and if abundant harvests worldwide should occur, export earnings could decline markedly. Under the incremental rule, DISC benefits and attendant export incentives would decline dramatically for agricultural exporters.

Mr. President, to allow for the present uncertainty and to allow further resolution of trading arrangements and patterns in agricultural commodities, the Senator from Kansas supports the committee bill provisions with regard to agricultural exports.

Mr. President, I would stress that the committee bill provides for better than a 20-percent reduction in the DISC program. I fear that further reductions may begin to significantly reduce the effectiveness of that program. Therefore, I oppose the amendment by the Senator from Wisconsin.

Mr. LONG. Mr. President, I have here a letter that we sent to Ambassador William Walker, Office of the Special Representative for Trade Negotiations. I think Senators will find this interesting. It is dated March 31, 1976, and it reads, in part:

> The Committee on Finance has recently conducted hearings on DISC. From the factual information supplied to the Committee, including both Treasury and Commerce Department studies, there is substantial evidence that the DISC provision has been a significant factor in: (1) creating jobs in the private sector of our economy; (2) improving our nation's agricultural and industrial exports and thereby our balance of payments position; (3) enabling small business to participate in the export business; and (4) through increases in the GNP, actually resulting in net revenue gain to the Treasury. In view of all this, we could not support any trade agreement which would eliminate the DISC without eliminating the subsidy practices of our trading partners.

The letter is signed by 12 Senators: RUSSELL B. LONG, CARL T. CURTIS, PAUL FANNIN, BILL BROCK, BILL ROTH, CLIFFORD P. HANSEN, HERMAN E. TALMADGE, ABE RIBICOFF, HARRY F. BYRD, JR., BOB DOLE, and listen to this—GAYLORD NELSON. [Laughter.]

I regret that the Senator has changed his mind since we conducted the hearings on March 31; but, so far as I know, our able chairman of the Trade Subcommittee has not changed his mind. I have not changed my mind, and, so far as I know, nobody else who signed this letter has changed his mind.

Mr. HUMPHREY. Mr. President, will the Senator yield, in all fairness?

Mr. LONG. I yield.

Mr. HUMPHREY. The point is that we are not repealing this. That letter talks about repealing DISC. This is a modification, and it is a very modest one.

Mr. LONG. Mr. Nelson voted to repeal the whole blamed thing just yesterday.

Mr. HUMPHREY. The amendment that the Senator from Wisconsin is sponsoring does not repeal DISC.

Mr. LONG. It takes two-thirds of it away from people. I understand that.

Mr. HUMPHREY. No; it does not.

Mr. LONG. It takes away two-thirds of the benefit.

Mr. PASTORE. Will the Senator take the name of NELSON off and put the name of PASTORE in?

Mr. LONG. I will do that.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APPENDIX A

U.S. SENATE,
March 31, 1976.

Ambassador WILLIAM WALKER,
Office of the Special Representative for Trade Negotiations, Executive Office of the President, Old Executive Office Building, Washington, D.C.

DEAR MR. AMBASSADOR: We understand that the United States has proposed the genesis of a subsidy-countervailing duty code which would outlaw the DISC provision in our tax laws and add an injury test to our countervailing duty law. It is not at all clear specifically which export subsidies other countries employ would be in the "red", i.e., outlawed, category under the U.S. proposal.

The Committee on Finance has recently conducted hearings on DISC. From the factual information supplied to the Committee, including both Treasury and Commerce Department studies, there is substantial evidence that the DISC provision has been a significant factor in: (1) creating jobs in the private sector of our economy; (2) improving our nation's agricultural and industrial exports and thereby our balance of payments position; (3) enabling small business to participate in the export business; and (4) through increases in the GNP, actually resulting in net revenue gain to the Treasury. In view of all this, we could not support any trade agreement which would eliminate the DISC without eliminating the subsidy practices of our trading partners.

As far as adding an injury test to our countervailing duty law is concerned, there is no inclination on the part of a majority on which would have the effect of weakening this remedy against unfair trade practices. We had a bad experience with the injury test adopted in the International Antidumping Code during the Kennedy Round and the Congress rejected that test.

We certainly hope you will learn from past mistakes of previous U.S. negotiators and not agree to any provision which would significantly weaken either our antidumping or countervailing duty statutes.

In view of the current GATT negotiations on these matters, we feel you should be aware of our position on these matters.

Sincerely yours,

Herman E. Talmadge, Abraham Ribicoff, Harry F. Byrd, Jr., Robert Dole, Gaylord Nelson, Russell B. Long, Carl T. Curtis, Paul Fannin, William Brock, William Roth, and Clifford P. Hansen.

Mr. RIBICOFF. Mr. President, I should like to highlight what the Senator from Rhode Island has said.

What we have is a competitive problem. Let us take our big trading partners, Japan and Germany. I will tell Senators what happens to foreign export subsidies for Japan.

A Japanese company exporting to foreign markets gets its tax on the percentage of its gross export receipts deferred if it sets up a reserve fund for foreign markets development.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment.

Mr. NELSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Mississippi (Mr. Eastland), the Senator from Louisiana (Mr. Johnston), the Senator from Utah (Mr. Moss), the Senator from Illinois (Mr. Stevenson), the Senator from California (Mr. Tunney), the Senator from Missouri (Mr. Symington), and the Senator from Georgia (Mr. Talmadge) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), and the Senator from Nebraska (Mr. Hruska) are necesssarily absent.

I further announce that the Senator from New York (Mr. Buckley) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The result was announced—yeas 30, nays 58, as follows:

[Rollcall Vote No. 378 Leg.]

YEAS—30

Abourezk
Bayh
Biden
Bumpers
Burdick
Cannon
Clark
Culver
Durkin
Eagleton
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Kennedy
Leahy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Proxmire
Stone

NAYS—58

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Cranston
Curtis
Dole
Domenici
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Helms
Inouye
Jackson
Javits
Laxalt
Long
Magnuson
McClellan
McClure
McGee
Montoya
Morgan
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Williams
Young

NOT VOTING—12

Buckley
Church
Eastland
Goldwater
Hatfield
Hruska
Johnston
Moss
Stevenson
Symington
Talmadge
Tunney

So Mr. Nelson's amendment was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TIME-LIMITATION AGREEMENT ON AMENDMENT NO. 1977

Mr. MANSFIELD. Mr. President, the next order of business will be the Hathaway amendment, and I ask unanimous consent that there be a time limitation of not to exceed 1 hour, with the time to be equally divided between the sponsor of the amendment and the manager of the bill, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NELSON. Mr. President, may I make an inquiry? The committee DISC amendment is the one that we proposed an amendment to, and the one that Mr. Hathaway does, and I wonder if the chairman would advise us whether we intend to go, following the Hathaway amendment, to action on the committee amendment itself?

Mr. LONG. I would think so, but I believe the Senator has an amendment he wishes to offer, and we would provide time on that one, too, and vote on it.

AMENDMENT NO. 1977

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to consider the amendment of the Senator from Maine (Mr. Hathaway), amendment No. 1977, which the clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Title XI shall be amended on page 595, after line 18, by inserting the following new subsection (h):

(h) Proper Allocation of Profits.—

(1) Section 994(a) (relating to general rule for intercompany pricing) is amended by adding at the end thereof the following sentence: "In no event shall the ratio that the taxable income of such DISC and such person from the sale by the DISC of products of the same product line bears to such DISC's gross receipts from such sales be greater than the ratio that the taxable income of such DISC and all members of the controlled group (as defined in section 993(a)(3)) which includes the DISC from the sale of products of such product line bears to the total gross receipts by the DISC and such members from such sales."

(2) Effective date.—The amendments made by this subsection shall apply to taxable years ending after December 31, 1976.

Mr. HATHAWAY. I yield to the majority leader.

TIME-LIMITATION AGREEMENT ON PROPOSED NELSON AMENDMENT

Mr. MANSFIELD. Mr. President, I understand the Senator from Wisconsin (Mr. Nelson) will offer another amendment to the Hathaway amendment. I ask unanimous consent that there be a time limitation of 20 minutes on that amendment, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maine is recognized.

Mr. HATHAWAY. Mr. President, the amendment which is proposed does not change any of the DISC formula as the other amendments did. It does not abolish DISC. It simply adds a section to the Finance Committee bill that requires an equitable accounting procedure for overseas profits.

As has been pointed out in the previous debate, DISC and their parent companies earned 17.3 percent on their export sales, which is more than double the profit margin they made on the same sales in this country.

The primary reason for the increase in profit on the same product line overseas as compared with the same product line here in the United States is the accounting procedures that have been used by the companies to determine their overseas profits. They are not accounting for all of the costs that are involved in the overseas product. For example, their R. & D. costs, research and development costs, that would be attributable to the production of a certain product are all attributed to the cost of that product sales in the United States of America, and no part of the R. & D. is attributed to the cost overseas.

Of course, this is tremendously advantageous to the DISC's, because the larger the profit overseas, the larger the amount of DISC benefits that are available to the company.

The amendment which is before us simply states that they have to average the profits overseas with those of the United States and that they cannot, as an overseas profit, take a margin greater than that average.

For example, if 50 percent of a company's taxable income is from a DISC and 50 percent from the parent, and the DISC produces, for example, 16 percent, the parent 8 percent, its maximum profits for receiving DISC benefits would be 16 plus 8 divided by 2, which would be 12 percent.

The estimated revenue impact from adoption of this amendment would be $300 million to $400 million more than the bill reported by the Finance Committee.

Mr. President, I anticipate that some arguments will be made in opposition to this. Rather than anticipate them at the present time, I reserve the remainder of my time to let the opponents talk.

Mr. HASKELL. Will the Senator yield?

Mr. HATHAWAY. I am happy to yield to my friend from Colorado.

Mr. HASKELL. Mr. President, whether anybody here is in favor of DISC or against DISC, I think they would be in favor of honest accounting.

All the Senator from Maine is asking is that what costs are truly attributable to a certain class of sales be allocated to those sales.

The temptation, when we have one tax rate much lower on foreign sales and a higher tax rate on domestic sales, is obviously to load all the costs on domestic sales. The Senator from Maine is asking that there be some honest accounting, if I understand the amendment correctly.

I hope that no matter what the viewpoint is on the merits or demerits of DISC, the Senators will support the Senator from Maine.

Mr. HATHAWAY. I thank the Senator from Colorado.

I reserve the remainder of my time.

Mr. RIBICOFF. I yield 5 minutes to the Senator.

Mr. FANNIN. Mr. President, it is difficult for the Senator from Arizona to understand why the distinguished Senator from Maine is so disturbed about whether or not we make profits overseas. As far as this Senator is concerned, it is the hope we will make much greater profits overseas. It is certainly beneficial to the people of this country to have those profits made overseas.

Mr. President, when we talk about what actually will happen, I have a letter from the Treasury Department on this particular amendment. I would like to refer to some parts of it. This letter is from the Acting Assistant Secretary of the Treasury, William M. Goldstein:

> We believe that Congress has clearly expressed its intent that DISC continue.

I think that, of course, was certainly expressed in the last vote:

> The effect of the amendment would be to limit DISC to such an extent that most of the incentive would be lost. In fact, we estimate that this amendment would take away almost one-half of the DISC benefit which would remain if the Finance Committee amendment was adopted

I feel it will be adopted, from what the vote has been so far:

> DISC benefits are supposed to be available with respect to the income from export sales. This amendment changes the concept so that DISC in effect would apply to total income from a product line, multiplied by the ratio of DISC sales to total sales. This is not logical. If this amendment were enacted, the DISC deferral would no longer be based on export profits.
>
> The effect of the amendment would be to reduce the DISC benefit in the case of those companies with high export profits. If a company is able to earn higher profits abroad than it does domestically, its exports should be encouraged, not discouraged.

Certainly, I am in agreement with that—

> The amendment would have just the opposite result.
>
> The provision would also be complicated to administer because of the difficulties inherent in attempting to allocate expenses among profit lines. Additional administrative burdens fall most heavily on the smaller businessmen, and it can be assumed that a burden such as this will make DISC more difficult for the smaller companies to use.

Mr. LONG. Will the Senator yield for a question?

Mr. FANNIN. I am very pleased to yield to the Senator.

Mr. LONG. Generally speaking, can the Senator tell me why the average American producer would want to go overseas and try to make a sale over there if he can make the same sale here for the same profit?

Mr. FANNIN. The Senator is so correct. The companies are seeking sales overseas to make profits and, certainly, they are able to do a better job because of the DISC benefits.

The Senator is 100 percent correct.

Mr. LONG. This DISC provision, is it not designed to make the after-tax profits on a foreign sale greater than the after-tax profit on a sale here?

Mr. FANNIN. Absolutely.

Mr. LONG. So that the whole idea——

Mr. FANNIN. That is the reason we have DISC, that some said we have DISC, was because of the change in the dollar valuation. DISC was to do exactly what the Senator said.

Mr. LONG. We heard the Senator from Massachusetts (Mr. KENNEDY) make the argument eloquently and in a fashion that could not be misunderstood on yesterday, that there is more profit in making an overseas sale, when one can make it, than domestically in this country.

Mr. FANNIN. That is correct. The Senator did say that.

Mr. LONG. In order to be able to trade in the world and pay for all that oil we will have to buy, whether we like it or not, are we not going to have to earn a great deal over there?

Mr. FANNIN. Absolutely. It is essential, if we will have anywhere near the balance of payments.

Mr. LONG. Does not this amendment seek to completely negate what we are trying to do with DISC, and that is, to provide an incentive to go overseas?

Mr. FANNIN. It defeats the whole purpose of the DISC program.

I cannot understand why this would even be offered.

Mr. LONG. And does not the net effect of it work out about the same as the amendment we just defeated, which was to cut in half the benefits provided for under DISC?

Mr. FANNIN. The Senator is correct. It was very adverse to the position.

Mr. LONG. So it is just a different way of doing the same thing the Nelson amendment was trying to do but it gets there a different way. Under this amendment, going into the foreign market would produce the same profit if we made more sales here; the whole idea of DISC is to make it more profitable to go overseas and make a sale.

Mr. FANNIN. We are condemning a company for making a sale overseas, making a profit, being able to produce more goods in this country, have a greater number of employees. Here we are trying to dissuade them from doing it.

Mr. LONG. Is it not ordinarily true that a domestic manufacturer who develops a product will find he has research and development costs? He will have these costs but will have recovered these costs pretty well by the time he builds his domestic market to where he can make the investment into foreign markets worthwhile.

Mr. FANNIN. That is very true.

Mr. LONG. Having done that, is it not fair to assume, insofar as he can find a foreign market for his product, he should not have to allocate his research and development costs to the foreign market?

Mr. FANNIN. That is true.

If he produces more, his costs come down. So not only is he better able to compete in a foreign market, but, at the same time, he is producing goods in this country at lower cost because of that extra volume of business.

So it is absolutely right. The Senator from Louisiana has covered it quite adequately.

Mr. RIBICOFF. While the Senator is on the floor, I would like to ask him some questions.

Are there risks associated with export sales which do not exist for domestic sales?

Mr. FANNIN. The Senator is very correct. There are many problems.

Mr. RIBICOFF. Let us go over some of them. Let us take the question of currency losses. Is it not true that a company that is paid in foreign currencies, as most DISC's are, must reconvert these currencies into usable U.S. dollars——

The PRESIDING OFFICER. The 5 minutes have expired.

Mr. RIBICOFF (continuing). I will yield myself 5 more minutes—often at exchange penalties and subject to overnight devaluations which loses them money. Is that correct?

Mr. FANNIN. The Senator is correct. We have seen this happen. We are now facing problems with the Japanese and also the European Economic Community.

Mr. RIBICOFF. Is it not true that export markets generally are much smaller than domestic markets so that it is much harder to do business on a small scale than it is to do business on a large scale as in the United States?

Mr. FANNIN. That is very true.

Mr. RIBICOFF. Is it not true that there are political risks? Foreign governments often act all of a sudden, curb imports or put conditions onto imports that the companies cannot anticipate when they entered into contracts?

Mr. FANNIN. The manager of the bill brought out facts which are very important when he talked earlier about the value-added tax and the barriers against imports. We must compete with those. As we go forward with increased production under the DISC program, we are in a better position.

Mr. RIBICOFF. Is it not true that, when it comes to the question of credit sales, most sales in the United States have a maximum of 60 days for payment while in many of the export markets they have to wait almost a year before they get their money so they lose the value of the use of their money?

Mr. FANNIN. The Senator is correct. We find ourselves competing for credit in many countries of the world and we find in many countries they demand these credit concessions before they agree to trade with us, so it is a problem.

Mr. RIBICOFF. I thank the Senator.

Mr. FANNIN. I thank the distinguished Senator from Connecticut.

I reserve the remainder of my time.

Mr. HATHAWAY. Mr. President, I would like to take this opportunity to answer some of the arguments which have been made by the distinguished chairman and by the Senator from Arizona.

First of all, I would like to say I have no objection whatsoever to any company making profits, either domestically or overseas.

The argument has been made that the company would not sell its products overseas unless it had a profit margin higher than its domestic profit margin. That does not make sense at all. If we accept that argument, we could say of the company that is now in the United States selling two automobiles and making 8 percent they will not sell three automobiles unless they can make 10 percent on the third. They are going to continue to expand, if they can get the 8 percent, which is a good return on their investment. And they will go overseas. If they are getting double the profit they are getting at home, they do not need the DISC incentive in order to expand.

They will expand as long as their foreign profits are going to be at least as great as their domestic profits.

The Senator from Connecticut just mentioned they have the additional cost of credit overseas. Those are already computed into this figure which shows they are making 17.3 percent or double the profit overseas that they are making here.

To be sure, there is some risk overseas.

Mr. FANNIN. Is there anything wrong with that profit percentage?

Mr. HATHAWAY. I am glad they are making 17.3 percent, but if they are making that much, they do not need the DISC subsidy.

Mr. FANNIN. They are able to do it because of the DISC subsidy.

Mr. HATHAWAY. It is supposed to be because they have such a tough time competing overseas. If they are making 17.3 percent or twice as much as they are making here, they do not need the DISC subsidy. If they do not want the accounting procedure and do not want DISC, that is fine with me. Either way is all right. But the company will be protected under this amendment. This is simply an equitable allocation of their cost. It does not affect their profits and I applaud their profits. But it says if those profits exceed their domestic profits, they do not need such a large subsidy. They will still get it; it just will not be as large.

If a Connecticut company decided to sell products in New York, they would still spread out their cost to account for the profit they were making on their New York sales. It is no different if the same company decided to sell in France, Belgium, or any other country. As a matter of good accounting practice, they would still allocate those costs proportionately to their overseas sales. Under my amendment, they just will not, in addition, qualify for quite such a large DISC benefit.

Mr. HASKELL. Will the Senator yield?

Mr. FANNIN. Will the Senator yield?

Mr. HATHAWAY. I have just one more point and then I will yield.

I want to refer to one other point that the Senator mentioned, that it will be very difficult to allocate these and to keep the books, especially in the small businesses, because they will have to do it on a product-line basis. The current regulations, under which they are operating, now state, and I will quote the regulation which indicates this: "All of the taxable income of the related supplier and the DISC from all sales" and I emphasize "of the same product or product line."

So they already are accounting on a product or product-line basis. This is not going to be any more inconvenient for them than it already is. I will be happy to yield so the Senator from Arizona may answer. First, I would like to yield to my colleague from Colorado.

Mr. HASKELL. I wonder if I can ask the Senator from Maine two questions. If he were selling overseas and he paid one tax rate and he were selling in this country and paying twice the tax rate, where would he allocate the costs if he wanted to make some money?

I think the answer is pretty clear. I know where I would do it. I would load all of my costs onto my domestic sales in order to make the least profit on my domestic sales where I paid the highest tax.

Mr. HATHAWAY. That is right.

Mr. HASKELL. Really, the question is whether we are going to let companies misallocate costs to get an artificial advantage from DISC? I think the Senator from Maine is really asking for some realistic accounting and allocating costs between foreign sales and domestic sales. I just wanted to make this comment because I do not really understand the opposition to the Senator's amendment.

Mr. HATHAWAY. I agree with the Senator, I cannot understand the opposition either. We are simply asking them to use the same accounting practices they would normally use. They simply get away from them in order to get an additional benefit on the DISC.

Mr. FANNIN. May I ask this question: Is the Senator disputing what the Assistant Secretary of the Treasury said that, "We estimate this amendment will take away almost one-half of the DISC benefit which would remain if the Finance Committee was adopted."

Mr. HATHAWAY. I do not know exactly how much it would take away. It would raise from $300 million to $400 million, whatever that amounts to, in relationship to how much we are losing without it. Whether that comes to 50 percent or not, I do not know.

Mr. FANNIN. The Treasury Department has made a very careful study of this amendment. We just received this response. As far as what is provided to us, I am sure they are thoroughly informed.

Too, as far as the administration of it, they should know more about the administration of it and what would result. After all, they are the ones that have to do a great deal of work.

Mr. HATHAWAY. That is true. If the Treasury statement is correct, that shows how much is involved in the accounting cost because of poor accounting. If it is 50 percent, that shows how much of the DISC benefits are unjustified.

Mr. FANNIN. The Senator is not correctly interpreting the words I utilized in reading their statement.

Mr. HATHAWAY. The Senator is saying they will lose 50 percent of the tax benefits if they allocated their costs properly.

Mr. FANNIN. I did not say that.

Mr. HATHAWAY. That is accounting for 50 percent.

Mr. FANNIN. "We estimate this amendment will take away almost one-half of the DISC benefits which would remain if the Finance Committee was adopted." Completely separate from that, "The provision would also be complicated to administer because of the difficulties inherent in attempting to allocate expense along product line."

Then they bring out about the difficulties as far as small businesses are concerned. The arguments they have stated, I believe, are very valid.

Mr. HATHAWAY. I have already answered the Senator, that their current regulations require them to account, reading from the regulation, on a product line basis.

Mr. FANNIN. The Assistant Secretary of the Treasury has stated differently and is referring directly to the amendment of the Senator from Maine. This is the answer I have given and it has been given by the Assistant Secretary of the Treasury.

Mr. HATHAWAY. Perhaps the Secretary has not read his own regulations. That would not be unusual.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I yield 10 minutes to the distinguished Senator from Tennessee.

Mr. BROCK. Mr. President, I would just like to address a couple of points that were made, and try to do so as rationally as possible.

First of all, the Senator from Colorado said that all the Senator from Maine is asking is that the cost of making foreign sales should be attached to those sales.

I cannot argue that point in an academic atmosphere, but I just want to point out that that is not exactly what the amendment does. It is not even close to what the amendment does.

What the amendment does is say you cannot have more profits from export sales than you have from domestic sales. That is a very different thing.

Mr. HATHAWAY. Mr. President, will the Senator yield on that point?

Mr. BROCK. I yield.

Mr. HATHAWAY. This is simply for purposes of figuring the DISC payment. It does not take any profits away from the companies; it takes away nothing at all. It just says that in figuring their DISC benefits, they have to use this formula. It does not take away any of their profits.

Mr. BROCK. It just reduces the application of DISC. It limits their profits under the DISC arrangement.

Mr. HATHAWAY. That is true; we are not taking away their profits, however. Just changing the DISC allocation by going to this formula.

Mr. BROCK. After you do that, the DISC treatment gives an allocation by which you are going to tax those profits, which means, by definition, that you are taking a part of those profits away.

But let me point out the real nub or gist of this amendment.

I cannot think of any surer way to reduce American jobs than this amendment would do. The purpose of the amendment is to say that to allow our export firms to compete, we will suspend the profits on those export sales to the extent to which they exceed domestic sales. At that point, DISC gives them the opportunity to compete.

As the Senator points out, the purpose of making higher profits is to create more sales and to create more jobs. That is the whole function of DISC.

Let me take an example here. If in fact we had gross sales in 1974 of $44 billion, and let us say that the Senator's amendment only knocked 10 percent—just 10 percent—off of those sales because they could not compete, and we calculate that $20,000 worth of export sales will create one U.S. job, what the Senator will do is eliminate the right to work for 225,000 Americans.

That gets to be pretty serious to the families of those men. But that is really what we come down to: Do we have a right to compete in the international marketplace, not just for our balance of payments—and Lord knows we need income to be able to pay for all the oil we are having to import because this Congress has not come to grips with the development of an energy policy—but that is not as important as that these men and women be able to work and to feed their children. If we are not allowing them the right to work, and the Senator would deny them that right, then we have a very important problem in this country.

Mr. HATHAWAY. On the jobs question, if that be true, it seems very strange that the AFL–CIO would advocate that we repeal DISC.

Mr. BROCK. It is strange, and it is also dumb.

Mr. HATHAWAY. They know they are not going to lose any jobs.

Mr. RIBICOFF. Mr. President, if the Senator will yield, it is very interesting that when the AFL–CIO came around lobbying me to vote against DISC, I pulled out of my file hundreds of letters from union members working for Connecticut manufacturing firms that are in the export business, telling me how much of that plant's jobs depend on export sales.

Mr. BROCK. That is right.

Mr. RIBICOFF. So I say, are they members of the union? Unfortunately, many of the union lobbyists in Washington have not the slightest idea how their membership back home is thinking on issues.

Mr. BROCK. Senator, you are so right, and it is tragic, because they have forgotten why they are here.

We have a little Carrier plant in Tennessee; 130 people work there. They make component parts for air-conditioning equipment shipped around the world. They could not compete without the opportunity to do that export business, and 130 men and women in Tennessee would not be able to feed their children; they would be on welfare, because we would cut out their business, if this amendment carries. I say that is just absolutely upside-down thinking.

What I do not understand about the proponents of the amendment, as well as the leadership of some of our international labor unions, is this: We have been arguing this bill for 2 weeks, and all through the 2 weeks they have come in and supported every single amendment to tax the operations of U.S. firms overseas. The Senator from Indiana made an exquisite case yesterday:

> Let's keep these jobs in America; let's tax the multinationals, the big fat cats. Let's tax all the subsidiaries, and eliminate the deferrals. Why? So we can create jobs in the United States of America.

There is nothing wrong with that argument in its theoretical context, but it is utterly inconsistent, then, for the same people who say, "Let us tax the operations operating overseas" come back and say, "Let us eliminate the right of the workers in this country to export." Because, while you are saying you want to let us bring jobs back to America and quit exporting them, the next day you come up with another amendment to tax the ones manufacturing here.

What do you want, no jobs at all? Does not anyone understand that this country is no longer an island, we are not isolated, a Fortress America any more, that we are interdependent with the rest of the world?

We are going to have $120 billion worth of exports this year. Does the Senator have any idea how many jobs that represents? That is 7 percent of the gross national product of the United States, and 20 percent of our total manufacturing output. Does the Senator know how many hundreds of thousands of American men and women are working to produce things for export, so that they can feed their families and the United States can purchase what it has to have for its survival overseas?

For them to come in and say, "All we are doing is having a nice little accounting system," is ridiculous. It does not have to do with accounting, it has to do with jobs. If we adopt this amendment, we are going to be saying to hundreds of thousands of American workers, "Sorry, you cannot work any more, neighbor."

The Senator says we are going to soak the corporations. Corporations are nothing but pieces of paper. What we have in front of us is the question of jobs for American human beings, sweating to support their families. The question is whether the American family has a right to that job. That is what this amendment would take away. It does not create accounting equity at all.

I ask the proponents of the amendment to be honest. Do what you wish with DISC; either eliminate it or not, but if not, then do not come in with a device that does the same thing, eliminates the profit which is necessary for DISC to work, and say, "We just have a little accounting modification," because that is not what the amendment does.

Mr. HATHAWAY. Mr. President, I think the Senator from Tennessee is speaking in behalf of the dividend receivers. They are the ones that are suffering. The profit margin of American companies on overseas operations last year was 17.3 percent. If the amendment of the Senator from Maine carries, that profit margin of 17 percent will be cut down some, but it will not be eliminated. The companies will not stop operating, though it may mean that dividends will be cut back a little.

Mr. President, I do not believe in giving food stamps to the rich, and I do not believe the Senator from Tennessee does; and I do not believe in giving DISC or any other subsidy to those who are making a 17.3-percent profit.

All this does, instead of taking away their DISC benefits, is ask them to account for their costs properly. If the Senator wants to give an even greater incentive, I suppose he could say they would not have to deduct any of their costs against foreign sales, and then they can get an even greater benefit.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. HATHAWAY. Before we go further, it has been mentioned that many letters have been circulated indicating that some people will be put out of work. Ray Denison of the AFL–CIO checked into many of those letters, and stated, and I am quoting from a report from him:

> It is interesting that in the opposition to any changes in the DISC law, companies are resorting to letters from their employees to members of Congress. These letters, for some reason, all follow a similar pattern and copies of which are in the hands of the special committee to retain DISC. The companies usually tell the employees that the AFL–CIO is neutral on DISC, so it is a local issue.
>
> No doubt if a plant manager tells the workers that the Congress is considering a change in tax law that could affect their employment, most workers would be upset and be agreeable to signing a letter seeking that the law remain unchanged. Unfortunately, most workers—even if they have a union—believe what they are told and do not check out the facts.
>
> During House Ways and Means Committee consideration of DISC a letter was read declaring that the members of a local union in a particular plant in Tennessee would lose their jobs if DISC were repealed. The letter was most persuasive. Later it was learned that the 1,200 workers involved manufactured products that were used only domestically and were not exported. This was a clear case of deception of the workers in the plant and a deception of the members of the House tax-writing committee.

If the Senator wishes more detail, the local involved was in Knoxville, Tenn., and involved members of the Textile Workers Union, Local 1742, at the Allied Chemical Corp. plant there. The product was seatbelts for U.S. automobiles.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. HATHAWAY. I am happy to yield the floor to the Senator. We are under a time limitation. I prefer to have the Senator talk on his own time.

Mr. BROCK. Will the Senator yield me a few minutes to respond?

Mr. RIBICOFF. Yes, I yield the Senator 2 minutes.

Mr. BROCK. I do not really think the Senator understands or means what he says.

First of all, I find it the height of something or other, irony at least, that a president of a union will come in and cite someone else sending him mail that was all written by the same hand. That is ridiculous. How many times do we receive mass-produced letters from the same international that he produces—I am not saying him, but someone like him, and other groups? Those are simply tactics, and I am not going to argue about that.

Let us argue about the facts.

Take the accounting system. There is a plant in Maine and it is producing $1 million worth of popcorn cookers. They say:

> Okay. We have already built the plant. We bought the land. We have our fixed overhead. We are carrying that. And we are making 8 percent on domestic sales. We decide to go overseas and set up a DISC operation.

The only thing in the DISC operation is, it is the same corporation, because that is what the law requires. That is exactly what it requires. They set up a DISC corporation. Ninety-five percent of those sales have to be in promotion. That is what the law requires. And they sell another $1 million worth of popcorn cookers to Brazil, because they like popcorn, maybe, and that corporation makes 16 percent profit.

What the Senator is saying is that all of a sudden we have to charge that fixed plant, that was already in existence selling popcorn cookers domestically, against the Brazilian sales.

That does not make sense.

There is a so-called marginal cost concept that has been in accounting for 100 years in this country. The Senator knows that. Yet he would absolutely repeal it and say that they cannot do that.

That does not make sense.

So what the Senator does is he denies the sale of those popcorn cookers to Brazil and denies 400 people working in that plant jobs. All of a sudden we do not understand why we have unemployment in this country because we simply do not understand what makes the market system work here in Congress.

That is all I am trying to say.

We in Memphis, Tenn., have a little firm that sells popcorn, not popcorn makers. They sell popcorn. They are the largest exporter of popcorn. They sell $1 million a year. It is not a giant corporation, by any means. But we are the biggest because there are not many popcorn exporters in the world.

That company could not even begin to operate had it not been for DISC, and the Senator is saying:

> Well, let us find out where their parents were, or all these other people that were producing snuff, or whatever they were producing in their backyard on American domestic operations, and let us charge them with that.

That just does not make sense.

What the Senator is going to do is to say:

> Gee, we like the fact that you were selling snuff. We like the fact people were working, but we are not going to let you do it anymore.

That is counterproductive and it does not make sense.

If the Senator wishes to ask me a question I will respond now.

Mr. HATHAWAY. I know the Senator understands it well enough, but I shall explain it anyway.

In the Senator's example of the popcorn maker producer in Maine, if that producer decided he will expand beyond Maine and go into New Hampshire, does the Senator think they might employ the same technique to find out whether it would be worth it to produce additional popcorn makers, regardless of where they were going to sell them, simply to determine whether it was going to be economical for them?

As far as determining what their net profit is on all of the popcorn makers, wherever they are selling them, they take in the gross from the sales of the popcorn makers, and subtract whatever it was costing them.

That is all I am asking them to do here. Regardless of where they are selling these things, they have to charge all their costs equitably.

Mr. BROCK. I say to the Senator that I have been in the business world, and I have never heard of anyone making a decision on the basis the Senator suggests. If he wishes to expand into a market he does it on the basis of his marginal additional incremental cost.

Mr. HATHAWAY. And all my amendment does is provide that if his profit in that additional market is higher than it would be in his original market, then the tax incentive he is given in addition is somewhat limited. But if he is trying to determine his overall profit he determines it by taking his gross receipts and subtracting his gross expenses.

Mr. BROCK. That is right.

Mr. HATHAWAY. That is all this amendment requires for purposes of receiving the DISC benefit.

Mr. BROCK. No. What the Senator says in this amendment is not to determine the overall profit and then make it. The Senator is saying if one's international profit exceeds his domestic profit he has to cut the difference, that is, he has to reduce his profit by half of the difference. That is exactly what the Senator is saying, and that has nothing whatsoever to do with the domestic sales. All it does is hurt the foreign sales.

Mr. HATHAWAY. If the Senator will yield, it depends on the ratio. If they are selling more of that product back here, then the ratio is much greater than it would be overseas. They would weight the average.

The example I gave was a simple example so everyone would understand. If they sold 50 percent here and 50 percent there, then they would divide it down the middle. If they sold 25 percent here and 75 percent there then they would divide that.

Mr. BROCK. Then the Senator would cut 75 percent off the profit. That is worse.

What the Senator is doing is he is simply saying:

> Look, this is a little old amendment. It is just an accounting amendment and is only going to cost 4 or 5 hundred million dollars.

Four hundred million dollars or $500 million is 10 percent of the gross profits we expect to make on the increase in export sales this year.

What the Senator is doing is he is saying:

> No, you can't make any more profit on those people in Brazil, India, or England, that you seek to than you do here, even though the risk is greater, even though there is a possibility of expatriation, even though you are operating on a reduced cost.

There is a marginal cost concept, whether the Senator admits it or not, and the Senator is saying:

> I am just going to pop you with a $500 million bill because you are trying to do what has been a Government policy and that is to create jobs by exporting products.

Now, all of that the Senator and I can disagree on.

What I cannot understand is how he has been supporting all this time all the other amendments which socked it to the company who is operating overeas and says, "Let us bring them back and make them operate here and then have all the jobs here," and the minute we defeat him on that, then he comes back and says, "Let us hurt the ones that are here."

The Senator cannot have it both ways. He has to do one or the other if he is going to be consistent.

Mr. HATHAWAY. The Senator's position is consistent. I voted to knock out deferral and DISC benefits both and let them compete on their own without getting a subsidy from the American taxpayer, and the profit margin clearly indicates they do not need the subsidy.

Mr. BROCK. There is no subsidy involved on an export sale when we do not tax them on the export sale because those are not being bought by Americans. They are being bought by Englanders, the French, or Germans. It is not a subsidy. The Senator cannot call it that. Call it what he wishes, but it is not a subsidy. I do not accept that description.

Mr. HATHAWAY. It is a subsidy. I do not know of any other reason why it would not be a subsidy. They are getting dough that they do not have to pay a tax on. If the Senator did not have to pay a tax on his salary I would say that would be a subsidy, of course.

Mr. BROCK. No. I say a subsidy is something one gives. It is cash. If the Senator wishes to come up with a new definition he will have to get a new dictionary.

Mr. HATHAWAY. It is not a direct subsidy.

Mr. BROCK. It is a reduction in taxes or an exemption from taxes on earnings from other people in other lands in order that we can create jobs here. It is a simple thing. It is very simple.

All I am saying is that one cannot say consistently, "Let us bring the jobs home," and when we get them home let us abolish them here because then he would not be interested in jobs.

The PRESIDING OFFICER. Who yields time?

Mr. HATHAWAY. Mr. President, will the Chair advise us how much time is remaining on both sides?

The PRESIDING OFFICER. The Senator from Maine has 16 minutes remaining. The Senator from Connecticut has 5 minutes remaining.

Mr. RIBICOFF. Mr. President, I am willing to yield back the remainder of my time.

Mr. HATHAWAY. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. HATHAWAY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Utah (Mr. MOSS), the Senator from Illinois (Mr. STEVENSON), the Senator from Missouri (Mr. SYMINGTON), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), the Senator from Texas (Mr. BENTSEN), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 29, nays 57, as follows:

[Rollcall Vote No. 379 Leg.]

YEAS—29

Abourezk
Bayh
Biden
Bumpers
Burdick
Cannon
Chiles
Clark
Cranston
Culver
Durkin
Eagleton
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Kennedy
Leahy
Mansfield
McGovern
McIntyre
Metcalf
Muskie
Nelson
Nunn
Proxmire

NAYS—57

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Curtis
Dole
Domenici
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Helms
Humphrey
Inouye
Jackson
Javits
Laxalt
Long
Magnuson
Mathias
McClure
McGee
Mondale
Montoya
Morgan
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Thurmond
Tower
Weicker
Williams
Young

NOT VOTING—14

Bentsen
Buckley
Church
Eastland
Goldwater
Hatfield
Hruska
Johnston
McClellan
Moss
Stevenson
Symington
Talmadge
Tunney

So Mr. HATHAWAY'S amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HEALTH MANPOWER ACT

UP AMENDMENT NO. 160—TECHNICAL CORRECTION

Mr. JAVITS. Mr. President, I have a unanimous consent request related to a bill we passed this morning. It is a technical problem which arose. Senator KENNEDY has cleared it.

I ask unanimous consent that my unprinted amendment No. 162, as agreed to as an amendment to the Beall amendment No. 1952 to the bill entitled the "Health Professions Educational Assistance Act of 1976" be substituted in lieu of that part of the Kennedy unprinted amendment No. 160 relating to capitation conditions for schools of medicine and osteopathy.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. NELSON. Mr. President, what is the pending business? Is the bill open for amendment?

The PRESIDING OFFICER. The bill is open for amendment.

UP AMENDMENT NO. 177

Mr. NELSON. Mr. President, I send to the desk an amendment for myself, Mr. MCGOVERN, and Mr. PROXMIRE. This amendment has a 20-minute time limitation.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes unprinted amendment No. 177.

On page 589, strike out lines 10 through 17 and insert in lieu thereof the following:

"(D) property which, at the time of sale, is an arms, ammunition, or implement of war designated in the munitions list published pursuant to the Mutual Security Act of 1954 (22 U.S.C. 1934),".

Mr. NELSON. Mr. President, I shall need just 2 or 3 minutes to explain what the amendment is about.

This amendment provides that DISC may not be applied to foreign military sales.

The House passed the same amendment, with one additional sentence. The House provided that DISC's shall not apply to foreign military sales except for military equipment that is to be used for nonmilitary purposes. I think they meant, if it were intended for policemen, guns for policemen, or something like that.

The Senate Finance Committee struck out that provision and added one by the Senator from Connecticut, I believe, which is now in the committee amendment, which says that DISC shall not apply to military sales except in a competitive sales situation. In other words, if our weapon we were proposing to sell was competing in a sale with a weapon from another country, then DISC would apply.

The fact of the matter is, that just leaves the matter wide open and leaves DISC applying, for all practical purposes, to a whole miscellaneous huge amount of military sales, because there is some kind of competitive military weapon in just about every category—light fighter, tank, gun of almost every kind—except some of the most sophisticated weapons, and the Soviet Union matches one way or another most of those. So, in short, that proviso so put in the Finance Committee amendment really guts the proposal.

In 1970 we reached $1 billion in military sales. We are now in the last 3 years at $10 billion, selling to both sides all over the world. It has become a worldwide disgrace that this country would lead the arms race and, for heavens sake, we ought not to be taking taxpayer dollars and subsidizing the sales of weapons, which money is going to be pocketed by the company selling them.

I think it is important that we simply have a clear-cut provision that prohibits the application of DISC to military sales.

Mr. RIBICOFF. Mr. President, it seems to me the Senate should adopt the committee's recommendation, and let me give you the background.

The committee agreed to terminate DISC benefits for certain military goods when there is no competition with foreign military goods. DISC benefits for foreign military sales would be available only after the Secretary of the Treasury has certified that the articles in question are in competition with foreign made articles. In addition, under present Treasury regulations, no DISC benefits would be available in transactions where AID or DOD military assistance grants have been made available to the purchaser.

The Congress has recently completed an intensive review of the question of foreign military sales. The Foreign Military Sales Act of 1968 and the recently enacted Military Assistance and Arms Export Control Act of 1977 prescribe elaborate rules governing the sales of arms abroad. No arms sales occur unless they are deemed to advance the foreign policy of the United States. For these reasons, it would be inconsistent and contrary to recent policy decisions of the

Congress to deny DISC benefits in the case of military sales.

There is no sound economic reason to discriminate against companies which manufacture military goods. The governments of most industrialized countries engage in direct military sales. The governments of most industrial nations also strongly encourage sales of military products by their domestic manufacturers providing strong competition to private U.S. companies. For example, in many countries, the aircraft industries are state-owned or receive substantial government subsidies. Last year, the Belgium Government chose the General Dynamics F-16 over the French Mirage F-1 and the Swedish Viggen. The competition for that sale had been going on for 4 years with great significance for the United States because all NATO depended on its sales to what happened with the Belgian sale. Without the benefit of DISC this major sale would have made the United States noncompetitive with the Swedish Viggen.

I cannot understand why throughout this entire debate on DISC the proponents of all these amendments seek to put the United States in an inferior competitive position. The whole purpose of DISC is to assure that American manufacturers can compete in their export sales abroad with all the subsidies and special benefits that are given by every country in the world.

I think the time has come for the United States to recognize that every nation in the world has some special gimmick to give to their companies, a special edge given them over the United States, and I do not think we should be ashamed in pushing American exports in competition with foreign goods.

Mr. LONG. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. LONG. Is it not just as simple as this: If you are talking about where nations are competing with one another to make sales and the buyer is going to buy this commodity anyhow and he is going to buy it from somebody else if he does not buy it from us, why should we not go ahead and make a sale and get some of the business?

Mr. RIBICOFF. There are certain goods which are completely competitive. You take helicopters. The French make a helicopter, the West Germans make a helicopter, a helicopter is made by the English, and a helicopter is made by the Americans. This is tough competition, and there is an edge given by every foreign government to assure those sales.

Now, once you get the protections of AID or DOD where there is no competition, then you cannot get DISC under the law. But where there is competition I do not see why the United States should foreclose itself from a competitive market no matter what those goods are.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. BROCK. I want it to be clearly understood that the amendment as drawn, even though your military sales section is 10 percent of your whole volume, you would receive no DISC treatment at all?

Mr. RIBICOFF. That is correct.

Mr. BROCK. So that you eliminate the DISC competitive advantage on popcorn makers even though the military portion is 10 percent or even 1 percent.

Mr. RIBICOFF. The Senator from Tennessee is correct.

Mr. NELSON. Just one moment. The Senator from Connecticut says he does not understand why the proponents continually attempt to put the United States in a disadvantageous position. The proponents are not trying to do that. The proponents have been pointing out to the opponents on the DISC issue that they have failed or refused to answer what all the economists in the United States are saying: The fact that you give DISC treatment to the exportation for foreign military sales has nothing to do with the price of the product, just as it had nothing to do with the price of the product or the goods we are selling in Europe, because they are not passing on the subsidy, as the Treasury itself admits.

What we are dealing with here, and what the defenders of this raid on the taxpayers' pocketbook fail to recognize, is what RUSSELL LONG says about his Uncle Earl that I quoted yesterday; that Uncle Earl said one time, "There are more ways to kill a cat than stuffing them with butter." Why do you not stop trying to kill every multinational by stuffing them with butter paid for by the taxpayers? That is the issue, and if you will not understand that, we cannot pass anything around here to protect the taxpayers of this country.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. RIBICOFF. I will be pleased to yield.

Mr. PASTORE. Of course, in my State that same goose is being stuffed with baloney. (Laughter.) I will tell you very frankly, we live in a free society, and we like to brag about the fact that this is a free enterprise system, and because it is a free enterprise system we say you have got to paddle your own canoe no matter whatever your adversary does, no matter what your competition is, no matter what gimmicks they use. You have got to glorify yourself, you are in the free enterprise system, so you take it right on the chin no matter what the situation is.

We did not start this. This was started by them. This was started by our competitors who said, "Well, if this is going to be for export we have got to give our people jobs, so if we have got to give our people jobs, we will give you this gimmick, we will give you that gimmick, no matter what the result might be."

Now, Japan has been having a hard time because of the price of oil, and because of other conditions, because their main market is the U.S. market, and because they have not been able to indulge in the U.S. market now as they did before they have unemployment.

What do you think the unemployment is? Two percent. They have 2-percent unemployment. Do you know what the unemployment is in the State of Rhode Island? Thirteen percent. What are we shedding crocodile tears over? All we are saying is "If you play your game we want to play the same game."

Everybody knows if we are to put our cards on the table opened up, and they keep theirs face down, the fact still remains we have no chance to win. We have lost the textile industry in my State, as I said a short while ago, 45 percent of our gross income in Rhode Island when I was Governor was from textiles, 45 percent. Today it is less than 10 percent.

Today it is less than 10 percent. The same is true about Lawrence, the same is true about Lowell. We have lost the textile industry. Why?

Buy a bale of cotton? Buy a bale of cotton?

We buy a bale of cotton. We have to pay the top price for that bale of cotton. They pay the price. They get a break on the cotton.

But, after all, how many people does it take to put together a bale of cotton? But that same bale of cotton, how many people does it take to make a shirt?

That is what they are doing.

So they employ a lot of people to make the shirts, and the first thing we know, our shirts are off the market.

We have had a tremendous influx in our market that has disrupted the American market of our textile industry—and this I know—during the time I was Governor and now that I have been in the Senate for 26 years.

All I am saying is that if we take away this incentive of competition, if we take away from the American producer the one advantage he has to compete, we will destroy competition.

If we destroy competition for the American manufacturer, what is the result going to be? Thousands upon thousands of people being thrown out of work—and that I know from experience.

I have heard from every company in my State. My State does a tremendous export business and the only reason they are able to survive is because of this law.

Change this law and we close down our shops, we close down our factories, and throw people out of work.

If that is what you want to do tonight, then kill the goose that laid the golden egg.

Mr. RIBICOFF. Mr. President, while we have so many people on the floor, let me read the tax incentives that our competitors give their exporters:

> Partial or total exemption on foreign branch income; foreign subsidiaries not subject to tax; foreign branch losses deductible; partial or total exemption on foreign source dividends; export tax incentives; nonenforcement of intercompany pricing rules; border tax adjustments.

All we have in the United States to give our exporters is DISC.

I do not think it is a sin for American business to make a profit. American profits, American business, sustain the free enterprise system. They do pay taxes and they do produce jobs and they do bring prosperity.

What we have seen on this attack on DISC is an attempt, really, to undermine the free enterprise system of the United States.

REPEALING DISC FOR ARMS SALES

Mr. NELSON. Mr. President, this amendment to the tax reform bill would terminate DISC—Domestic International Sales Corporation—tax benefits for military sales abroad. The House Ways and Means Committee took this action, but the Finance Committee undid the work of the House by adding an exception clause so broad as to nullify the termination. This amendment would remove the exception clause.

THE FINANCE COMMITTEE'S COMPETITIVE RULE

This amendment calls into question the Finance Committee's decision to add a competitive rule to the prohibition on DISC for arms sales. Both the House of Representatives and the Finance Committee adopted a prohibition on DISC for arms sales. The language found in both bills states that "property, which, at the time of sale, is an arms, ammunition, or implement of war designated in the munitions list published pursuant to the Mutual Security Act of 1954 (22 U.S.C. 1934)" shall not enjoy DISC benefits. The Finance Committee, however, added an exemption to the prohibition which will undoubtedly be exploited as a mammoth loophole. It reads, "unless a determination is made by the Secretary—after consultation with the Secretary of Defense—that the property to be exported is competitive with foreign manufactured property."

This addition creates great difficulty and should be removed. The most obvious problem is definitional. What is meant by "competitive." The report language found in the Finance Committee Report dated June 10, 1976, does not provide a definite answer to this basic problem. On page 298, it adds the following remarks:

> Generally, a U.S. manufactured military good is competitive with a foreign manufactured product if any equipment which is the same or similar to the military good is available even though the specifications are not identical and even though the foreign purchaser generally purchases military equipment from the United States.

It would seem from this remark, that any U.S.-manufactured military good is considered to have competition and therefore will receive DISC treatment. At first blush, this is what Treasury officials construe this Finance Committee language to mean. In other words, the prohibition accepted by both the House of Representatives and included in the Finance Committee bill is nullified by this broad exception.

But the definitional issue is complicated by the fact that the Department of Treasury is not qualified to determine when a U.S. military product has foreign competition. Treasury officials have informed my office that they are concerned about the administrability of the noncompetitive rule. It will need to coordinate with two other departments of the Government. The Finance Committee language recognizes the obvious need for the Treasury Department to consult with the Department of State. But it overlooked the fact that $600 million worth of arms are sold through commercial channels and must be licensed by the Munitions Control Board of the Department of State. So State, as well as Defense officials, would have to be consulted in the search for potential foreign competition for each arms sale which tries to qualify under DISC. Consulting with other departments is always a problem since they are charged with missions which may contradict IRS' mission. The objective of the IRS is to make sure the U.S. Treasury collects as much revenue due it; obviously this objective is not shared by DOD or State.

Let me just illustrate some of the difficulties which will confront the Department of Treasury, Defense, and State in administering this so-called "competitive" rule.

For example, whose word will these three agencies take in deciding whether competition exists or not? The manufacturers in the United States will find it in their interest to say competition existed for a sale, since they will thereby qualify for DISC. The foreign purchaser will also find it possibly in his interest to claim that there is competition with the American product in order to encourage the American producer to make his deal more attractive to the foreign purchaser. Will we have to assign a team of American investigators to search for potential competition and then consider how serious the claims of competition are by comparing every sale with goods produced by any number of other nations which may be similar but which will obviously have different design, specifications, price, and quality?

Clearly administering this competitive rule will either be a nightmare for bureaucrats, or it will be a charade. If it is a charade, then all goods will be considered to have competition and the rule will totally nullify the will of Congress as expressed in the House of Representatives' bill and in the Finance Committee's adoption of similar prohibitions on extending DISC to arms sales. Congress should not throw the burden of deciding how to interpret its will on to the executive branch. We should make it clear that the prohibition was a sincere one, by taking out this potentially broad loophole, the "competitive" rule.

PRIORITIES

According to Internal Revenue Service estimates, if this amendment succeeds and DISC deferral of payment of taxes on profits from the sale of arms, ammunition, and instruments of war overseas is eliminated, the U.S. Treasury will be richer by $80 million. Saving $80 million in revenue at a time when we find ourselves tightening governmental budget across the board and ferreting out revenue savings wherever feasible is not an inconsiderable advantage of this amendment. But there are also very important nonfiscal reasons why arms sales abroad should not enjoy a DISC tax bonus. By maintaining the Finance Committee version, which perpetuates DISC benefits for arms sales, Congress would be saying that as a matter of policy, the U.S. Government sets a high priority on stimulating the export of weapons of death to other nations of the world. Rewarding arms manufacturers with special tax incentives if they sell weapons overseas may be appealing to the arms manufacturers in question. However, it seems to me that governmental incentives could be applied to more worthy projects which are competing for scarce tax revenues.

COMMERCIAL VERSUS POLITICAL-SECURITY CONSIDERATIONS

But assuming Congress does want to pursue a policy of encouraging arms exports, the proper agency to carry out that policy is the Department of State—not private arms merchants or the Internal Revenue Service. The primary purpose for making arms sales is to advance American security and political objectives. The economic advantages gained by arms manufacturers should be a minor consideration compared to these vital national goals.

The fact of the matter is that the arms industry has reaped an economic bonanza as a result of shifting political considerations in this country in the past few years. Arms sales have skyrockted as a result of the Nixon doctrine enunciated in late 1969 which said that our allies would have to do their own job of advancing their national security interests; we would sell them the arms to perform that mission instead of sending American personnel to help or give away American arms. Arms sales have also exploded onto the political scene as a result of the increased wealth and appetite for arms of the newly rich OPEC nations. In just three years, 1973–1975, the USA secured firm orders for military equipment and services valued at $13.7 billion from the OPEC nations alone, according to data just published in the 1976 SIPRI Yearbook on World Armaments and Disarmaments.

The political and security incentives fueling this arms trade are more than sufficient to keep America's arms manufacturers active in the export business. Giving a tax incentive is unnecessary. The DISC tax bonus added to the economic advantages these manufacturers are reaping from a policy that should be followed on strictly political and security grounds is therefore all the more superfluous.

Because of the overriding political and security implications of arms sales, the Government and the people have a vital stake in this activity. Exporting arms is simply not comparable to exporting other kinds of American-made goods. The defense industry does not wish to make such a distinction. They are marketing missile launchers as they would television sets. In contrast, the Departments of Defense and State, which with Congress have a major say so in arms exports, understand that arms sales carry highly volatile political implications and thus must be handled differently from exports of nonlethal equipment. The purpose of this amendment is to bring the IRS Code into line with American arms sales policy in general.

To illustrate that the U.S. Government (except for the IRS) handles arms exports differently from the export of other goods, one need only take a look at how the over $10 billion worth of arms orders were prepared in the last fiscal year. Most of these arms exports were not made through normal commercial channels. Nine and one-half billion dollars of these arms sales were conducted by the U.S. Government acting as a middleman between the American arms manufacturers and the foreign purchaser. Arms sales which were not made through governmental channels—roughly $600 million worth—were closely scrutinized and licensed by the Munitions Control Board of the Department of State. The Defense Security Assistance Agency—DSAA—of the Department of Defense which administers the foreign military sales program—FMS—is intimately involved in the costing and pricing, transporting, servicing and training for the great majority of arms sales abroad. According to a May 5, 1976, Congressional Budget Office survey, which was based on Department of Defense figures: "4,800 man-years, both military and civilian, were devoted to the FMS program in fiscal year 1975." In addition, 1,800 personnel in the military assistance advisory groups—MAAG's—are stationed in 45 countries; "the majority of MAAG effort worldwide has come to be expended on FMS * * *"

The Government also assists arms exporters by guaranteeing private credit sales or by extending direct credit through the Export-Import Bank and by other means. There are three basic types of credit assistance supporting arms sales. The U.S. Government may guarantee repayment of loans arranged between non-Government U.S. lenders and foreign purchasers. The Export-Import Bank is used to finance defense articles and services sold to developed countries. And special funds are appropriated annually permitting the Government to finance directly the sale of defense articles. According to a GAO study published June 1, 1976—

> Interest is charged at a rate equivalent to the current average interest rate on the last day of the month preceding financing that the government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to the Congress that the national interest requires a lesser rate of interest.

COMPETITION

The direct involvement of the Government in these sales also indicates that arms companies receive a windfall tax incentive simply not due them. Thousands of man-years are spent by one arm of the Government to arrange for these sales, while at the same time another arm of the Government awards DISC private manufacturers who theoretically are finding new markets and filling new orders abroad.

Those representing the economic interest of the arms industry argue that the U.S. Government should subsidize arms exports so American manufacturers can compete with arms salesman from other nations. I have consulted with independent economic analysts, Pentagon, Treasury and congressional officials and experts dealing in this business, and with private arms salesmen, and they all scoff at the notion that DISC gives American manufacturers a competitive edge in the arms market. The sad truth is that the United States is the giant in the worldwide arms sales field. The United States outsells every other country in the world. It did before DISC was put in the Internal Revenue Service Code in 1971, and it will continue to dominate the field regardless of the future of the provision we are considering today. Last fiscal year, $9.5 billion dollars worth of goods were sold via the FMS program, a program which began to skyrocket from $900 million 6 years ago—before DISC was even on the law books. Crying the need to subsidize exports of arms makes a mockery of these facts.

In general, sales are made more on the basis of political considerations than on the basis of quality of equipment or price of equipment. But even assuming sales were made based on economic calculations, the United States would still have a comparative advantage over its potential competitors. Since America's defense expenditures are nearly twice those of all the European NATO countries combined, U.S. military unit production costs are lower because of the operation of economies of scale. DISC adds virtually nothing to America's competitiveness in arms sales.

The Internal Revenue Service estimated that $80 million in taxes was diverted from the U.S. Treasury when arms sales use DISC. That figure was based on calendar year 1974 tax returns which estimated that $4.2 billion in arms exports were effected by DISC benefits. That would mean that DISC benefit might have permitted a discount on the listed price of those arms of less than 2 percent. A 2-percent price discount is practically irrelevant to a potential foreign purchaser faced with the decision to buy American arms or arms manufactured in another country. Generally, such decisions are made on political and security grounds—for example, whether America is a country which the foreign purchaser wants to have an arms supply relationship with. Those decisions are further based on the vastly more important consideration that America has a well-deserved reputation for backing up sales with excellent service, training, and spare parts. Indeed, U.S. contracts go beyond mere transfer of weapons and include training, technical support, the establishment of maintenance and repair facilities in the purchasing country, and construction projects. The decision of a foreign purchaser also is based on the particular needs of the purchaser—whether the United States can provide the kinds of items which fit those needs. America's ability to provide vast supplies and America's technological lead in many aspects of the weapons field are the critical factors here. In light of these factors, the idea that a less than 2 percent break on the price of a weapons system will make any difference in the sale of particular weapons is simply ludicrous. The kind of sale we are discussing is the Iranian purchase of 80 F–14 Tomcats, advanced aircraft with thousands of Americans servicing the planes and training the pilots. We are not talking about making a quick killing on cheap transistor radios at cut-rate prices.

In fact, most companies generally do not pass on their DISC bonus to their customers in the form of a price discount. DISC has never been a certain element in their pricing since they view the DISC benefit as a temporary deferral, not a permanent tax reduction. The fact that profit margins on DISC sales is about twice that on domestic sales indicates that the tax reduction is being used more to increase the after-tax profit on an unchanged sales volume rather than to increase export sales.

POTENTIAL VIOLATION OF THE GATT

Moreover, the U.S. Government would never admit that DISC results in reduction in listed prices of American exports thereby making American goods cheaper than foreign competition. As it stands now, the European Community has already complained against DISC and a panel of experts under the framework of the GATT is currently examining that complaint.

According to a Senate Finance Committee memorandum dated April 2, 1976, a GATT panel met on March 16 to begin hearing arguments on the European Community's complaint. This memorandum states:

> If the GATT panel finds that DISC is a violation of Article XVI:4, then it will report this finding to the governing council on the GATT which is composed of all contracting parties to the GATT, including the U.S. The Council would probably recommend to the U.S. that it repeal the DISC. If the U.S. did not then repeal the DISC, the EC would probably appeal to the Council for authority to retaliate against the U.S. under XXIII:2 by withdrawing EC trade concessions favorable to the U.S.... It should be noted that a finding that the DISC violates GATT would create difficulties for the U.S. in the negotiations on subsidies currently underway in Geneva. Our trading partners would probably refuse to compensate us for the modification or elimination of an illegal subsidy.

There will likely be a GATT decision on this issue in September.

CONCLUSION

This amendment does not take a position regarding the wisdom of our arms sales policy in general. It should also be added that this amendment does not take a position regarding how DISC benefits should be computed; this question will undoubtedly be debated on other amendments to the tax revision bill. This amendment relates merely to the advisability of foregoing vital tax revenue to promote a policy of arms exports abroad.

Mr. President, the case for this amendment is compelling. Providing tax incentives to promote export of arms should be low priority in the scheme of demands put on limited treasury revenues. First, the commercial arguments advanced for DISC for arms sales improperly assumes that arms are exported from this country for commercial gain rather than for the purpose of advancing America's political and security objectives. Second, DISC has a minute impact on America's commercial competitiveness in the arms sales field. Third, providing commercial incentives to boost arms sales contradicts and potentially distorts the policymaking process of selling arms, which is a major foreign policy instrument of this Nation.

Mr. President, for all these reasons, I urge the support of the Senate in eliminating this tax incentive for the purpose of exporting arms, ammunition, and implements of war. To do this, I urge the elimination of the "competitive rule" loophole to the otherwise commendable prohibition against extending DISC treatment to arms sales—which has been adopted by the House of Representatives and by the Finance Committee.

Mr. President, I ask unanimous consent that an editorial from the New York Times be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 30, 1976]

Missiles to Arabia

American military sales abroad, fueling arms sales in the third world, have soared from about $1 billion in 1970 to more than $10 billion in each of the past three years. This shameful development has seen the United States become a major supplier to both sides in both Mideast military rivalries—between Arabs and Israelis and between Iran and the Arab states bordering the Persian Gulf.

The plan to sell civilian versions of the C–130 military transport plane to Syria and Iraq is the latest such deal to come to light. But, far more outrageous is the current Pentagon proposal to approve the sale of 1,900 more Sidewinder air-to-air missiles to Saudi Arabia, a five-fold increase.

Ostensibly, Saudi Arabia "needs" the missiles to equip the American F–5 fighter aircraft that defend the country against neighboring Iraq, which has been armed by the Soviet Union. But it is an open secret that Riyadh's chief concern is the growing military power of Iran—which has been sold many billions of dollars of American arms, including advanced equipment just entering United States forces.

Saudi Arabia has 50 F–5's now and will only have 110 by the end of 1978 when Sidewinder delivery is to begin. An F–5 can only carry two Sidewinders. Even counting many reloads, it is difficult to conceive of a legitimate Saudi need for 2,400 Sidewinders. Riyadh already has purchased through commercial channels—bypassing Congressional review—16 Hawk ground-to-air missile batteries, ten of which now are in place manned by United States civilians employed by the American manufacturer.

That is one reason why a review by the Arms Control and Disarmament Agency, which now is required by law, has held that the Sidewinder sale is excessive for Saudi defense. There is concern in Congress that a missile stockpile of that size could only be designed for transfer to the Arab states in the event of another war with Israel. The Pentagon rejects that thesis on the basis of Saudi performance during past Mideast wars. But it is not necessary to adjudicate that issue to challenge the size of the proposed Sidewinder sale.

That is one reason why a review by the government transaction, can be disapproved by a majority vote in both houses of Congress. This has proved to be a difficult procedure, rarely attempted, but it should be invoked in this case unless the number of missiles is sharply reduced. And Congressional oversight clearly must be strengthened.

President Ford recently vetoed legislation that would have improved the procedures for Congressional review in cases of this kind, extending them to commercial sales, which have been rising rapidly as a result of a Pentagon-supported effort to avoid existing Congressional oversight. But the compromise legislation now voted by both houses retains this and other improvements. Prompt signature by the President should bring into being the kind of Executive-Legislative sharing of responsibility for arms sales policy that long has been needed.

Mr. FANNIN. Mr. President, here are some examples as to why we need DISC for military sales in competition to other countries:

Examples of competitions won against foreign competitors in military engines.

LM2500 gas turbine for Italian Navy frigate:

Won initial application in 1974 over the Rolls Royce Olympus engine, resulting in over $25 million in orders.

One of key elements in competition was in payment terms, and we were required to accept terms requiring receivable investment as a result of Rolls Royce's government supported terms. Rolls Royce, a nationalized company, receives direct government subsidies and other benefits not available to U.S. companies. Without the DISC funds which were used to finance the prolonged receivable investment, the company would have been forced to diverting capital or losing the sale.

T58 engines for S61 helicopters:

Orders for 20 S61's received recently with 44 T58 engines. To meet French competition of Puma helicopter, extended payment terms required. Orders for engines approximately $10 million. The French, in addition to strong political support in sales activities, offers their industry export incentives in the form of government guarantees, special tax treatment and financing arrangements.

Aircraft Engine Group receivable investment for foreign military sales was $29 million in 1974 and $22 million in 1975. This financing was made possible through use of DISC funds. If these funds were not available, the company would have to find the necessary capital elsewhere, with attendant disruption, loss of jobs, etc. or, on the other hand, be forced to lose the sale.

Mr. CRANSTON. Mr. President, I will support the Nelson amendment to deny DISC subsidies for military arms sales. The world arms race is hot enough without being fueled by arms sales underwritten by the American taxpayer through DISC tax subsidies.

In my view, we rely too much on armament sales in bringing about a favorable balance of trade.

My State has a substantial involvement in trade. Some 601 DISC corporations were active in California in 1974. Their activities do contribute toward a favorable trade balance and to the economy of California. Therefore, I support reasonable DISC incentives, but I prefer that DISC be limited to nonmilitary exports and I urge support for the Nelson amendment to the committee amendment.

Mr. NELSON. Mr. President, I ask unanimous consent that Senator Gravel be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Utah (Mr. MOSS), the Senator from Illinois (Mr. STEVENSON), the Senator from Missouri (Mr. SYMINGTON), the Senator from California (Mr. TUNNEY), the Senator from Florida (Mr. CHILES), the Senator from Georgia (Mr. TALMADGE), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 32, nays 52, as follows:

[Rollcall Vote No. 380 Leg.]

YEAS—32

Abourezk
Bayh
Biden
Bumpers
Burdick
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Kennedy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Pell
Proxmire
Schweiker

NAYS—52

Allen
Bartlett
Beall
Bellmon
Brock
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Curtis
Dole
Domenici
Fannin
Fong
Garn
Glenn
Griffin
Hansen
Helms
Inouye
Jackson
Javits
Laxalt
Leahy
Long
Magnuson
McClure
McGee
Montoya
Morgan
Nunn
Packwood
Pastore
Pearson
Percy
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Thurmond
Tower
Weicker
Williams
Young

NOT VOTING—16

Baker
Bentsen
Buckley
Chiles
Church
Eastland
Goldwater
Hatfield
Hruska
Johnston
McClellan
Moss
Stevenson
Symington
Talmadge
Tunney

So Mr. NELSON's amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to the consideration of Calendar No. 960, H.R. 14234, which the clerk will state.

Mr. LONG. Wait a minute. Mr. President, can we vote on the committee amendment?

The PRESIDING OFFICER. Without objection, the question is on agreeing to committee amendment No. 21.

Mr. LONG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, following this vote, the Senate will take up the Department of Transportation bill?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. And there will be a yea and nay vote on that?

The PRESIDING OFFICER. The Senator is correct. The yeas and nays have been ordered on that vote.

The question is on agreeing to committee amendment No. 21. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Florida (Mr. Chiles), the Senator from Idaho (Mr. Church), the Senator from Mississippi (Mr. Eastland), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Arkansas (Mr. McClellan), the Senator from Utah (Mr. Moss), the Senator from Illinois (Mr. Stevenson), the Senator from Missouri (Mr. Symington), the Senator from Georgia (Mr. Talmadge), and the Senator from California (Mr. Tunney) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), and the Senator from Nebraska (Mr. Hruska) are necessarily absent.

I further announce that the Senator from New York (Mr. Buckley) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 64, nays 19, as follows:

[Rollcall Vote No. 381 Leg.]

YEAS—64

Allen
Bartlett
Bayh
Beall
Bellmon
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Cranston
Curtis
Dole
Domenici
Durkin
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hartke
Helms
Humphrey
Jackson
Javits
Laxalt
Leahy
Long
Magnuson
Mathias
McClure
McGee
Mondale
Montoya
Morgan
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Thurmond
Tower
Weicker
Williams
Young

NAYS—19

Abourezk
Biden
Bumpers
Clark
Culver
Eagleton
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Kennedy
Mansfield
McGovern
McIntyre
Metcalf
Nelson
Proxmire

NOT VOTING—17

Baker
Bentsen
Buckley
Chiles
Church
Eastland
Goldwater
Hatfield
Hruska
Inouye
Johnston
McClellan
Moss
Stevenson
Symington
Talmadge
Tunney

So committee amendment No. 21 was agreed to, as follows:

COMMITTEE AMENDMENT NO. 21

On page 569, line 1, strike all through page 580, line 25, and insert in lieu thereof:

TITLE XI—AMENDMENTS AFFECTING DISC

Sec. 1101. Amendments Affecting DISC.

(a) In General.—Section 995 (relating to taxation of DISC income to shareholders) is amended—

(1) in paragraph (1) of subsection (b) thereof, by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, by striking out "and (C)" in subparagraph (E) (as so redesignated) and inserting in lieu thereof "(C), and (D)", and by inserting after subparagraph (C) the following new subparagraph:

"(D) the taxable income for the taxable year attributable to base period export gross receipts (as defined in subsection (e)),";

(2) in paragraph (2)(B) of subsection (b) thereof, by striking out "more than the number" and inserting in lieu thereof "more than twice the number"; and

(3) by adding at the end thereof the following new subsections:

"(e) Definitions and Special Rules Relating to Computation of Taxable Income Attributable to Base Period Export Gross Receipts.—

"(1) Taxable income attributable to base period export gross receipts.—For purposes of this section, the taxable income attributable to base period export gross receipts shall be an amount equal to that portion of the adjusted taxable income of a DISC which—

"(A) the amount of the adjusted base period export gross receipts, bears to

"(B) the amount of the export gross receipts of the DISC for the taxable year.

"(2) Adjusted taxable income.—For purposes of this section, the term 'adjusted taxable income' means the income of a DISC for the taxable year, reduced by the amounts described in subparagraphs (A), (B), and (C) of paragraph (1) of section 995(b).

"(3) Adjusted base period export gross receipts.—For purposes of this section, the term 'adjusted base period export gross receipts' means 60 percent of the average of the export gross receipts of the DISC for taxable years during the base period (as defined in paragraph (5)). For purposes of the preceding sentence, if any property would not qualify during the taxable year as export property by reason of section 993 (c)(2), gross receipts from such property shall be excluded from export gross receipts during the taxable years in the base period.

"(4) Export gross receipts.—For purposes of this section, the term 'export gross receipts' means qualified export receipts described in subparagraphs (A), (B), (C), (G), and (H) of section 993(a)(1).

"(5) Base period.—For purposes of paragraph (3)—

"(a) In general.—The base period shall consist of taxable years beginning in 3 of the 4 base period years chosen by the DISC. For taxable years beginning—

"(i) before 1980, the base period years shall be the taxable years beginning in 1973, 1974, 1975, and 1976, and

"(ii) in any calendar year after 1979, the base period years shall be the taxable years beginning in the 3rd, 4th, 5th, and 6th calendar years preceding such calendar years.

"(B) Special rule for agricultural products.—With respect to agricultural products, the base period shall consist of taxable years beginning in 3 of the 5 base period years chosen by the DISC, except that for taxable years beginning before 1980, no taxable income shall be attributable to base period export gross receipts. For taxable years beginning in any calendar year after 1979, the base period years shall be the taxable years beginning in the 3rd, 4th, 5th, 6th, and 7th calendar years preceding such calendar year.

"(C) Agricultural products defined.—For purposes of this paragraph, agricultural products include agricultural and horticultural commodities and products (including but not limited to livestock, timber, poultry, fish, and fur-bearing animals). Agricultural products shall not include any commodities or products at least 50 percent of the fair market value of which is attributable to manufacturing or processing.

"(6) No base period year.—If a DISC did not have a taxable year beginnning in a calendar year specified in paragraph (5), then for purposes of computing the adjusted base period export gross receipts such DISC is deemed to have such a taxable year and export gross receipts of zero for that year.

"(7) Short taxable year.—The Secretary shall prescribe such regulations as he deems necessary with respect to a short taxable year for purposes of computing base period export gross receipts of a DISC, or a short taxable year in which deemed distributions (as described in subsection (b)) are made, including the circumstances under which the short taxable year shall be annualized, and the proper method of annualization.

"(8) Controlled group.—If more than one member of a controlled group (as defined in section 993(a)(3)) for the taxable year qualifies as a DISC, then subsection (b)(1)(D), this subsection, and subsection (f) shall each be applied in a manner provided by regulations prescribed by the Secretary by aggregating the export gross receipts and taxable income of such DISCs for the taxable year and by aggregating the export gross receipts of such DISCs for each taxable year in the base period.

"(9) Special rule where the ownership of DISC stock and the trade or business giving rise to export gross receipts of the DISC are separated.—

"(A) In general.—If, at any time after the beginning of the base period, there has been a separation of the ownership of the stock in the DISC from the ownership of the trade or business which (during the base period) produced the export gross receipts of the DISC, then the persons who own the trade or business during the taxable year shall be treated as having had additional export gross receipts during the base period attributable to such trade or business.

"(B) Exceptions.—Subparagraph (A) shall not apply—

"(i) where the stock in the DISC and the trade or business are owned throughout the taxable year by members of the same controlled group; and

"(ii) to the extent that the taxpayer's ownership of the stock in the DISC for the taxable year is proportionate to his ownership during the taxable year of the trade or business.

"(10) DISC base period attributed through shareholders in certain cases.—

"(A) In general.—If—

"(i) any person owns 5 percent or more of the stock of a DISC (hereinafter in this paragraph referred to as 'first DISC'), and

"(ii) such person at any time during the base period of the first DISC owned 5 percent or more of the stock of a second DISC.

then, to the extent provided in such regulations as the Secretary may prescribe to prevent circumvention of the application of subsection (b)(1)(D), an amount equal to such shareholder's share of the base period export gross receipts of the second DISC shall be added to the base period export gross receipts of the first DISC.

"(B) Ownership of stock.—For purposes of subparagraph (A), the ownership of stock shall be determined under section 318.

"(f) Small DISC's.—

"(1) Adjusted taxable income of $100,000 or less.—If a DISC has adjusted taxable income of $100,000 or less for a taxable year, subsection (b)(1)(D) shall not apply with respect to such year.

"(2) Special rule.—If a DISC has adjusted taxable income of more than $100,000 for a taxable year, then the amount taken into account under subsection (b)(1)(D) shall be deemed to be an amount equal to the excess (if any) of—

"(A) the amount which would (but for this paragraph) be taken into account under subsection (b)(1)(D), over

"(B) twice the excess (if any) of $150,000 over the adjusted taxable income.

"(g) Certain Transfers of DISC Assets.—If a corporation owns, directly or indirectly, all of the stock of a subsidiary and a DISC, the subsidiary has been engaged in the active conduct of a trade or business (within the meaning of section 355(b)) throughout the 5-year period ending on the date of the transfer and continues to be so engaged thereafter, and, during the taxable year of the subsidiary in which its stock is transferred and its preceding taxable year, such trade or business gives rise to qualified export receipts of the subsidiary and the DISC, then, under such terms and conditions as the Secretary by regulations shall prescribe, transfers of assets, stock, or both will be deemed to be a reorganization within the meaning of section 368, a transaction to which section 355 applies, an exchange of stock to which section 351 applies, or a combination thereof. The preceding sentence shall apply only to the extent that the transfer or transfers involved are for the purpose of preventing the separation of the ownership of the stock in the DISC from the ownership of the trade or business which (during the base period) produced the export gross receipts of the DISC."

(b) Amendment of Section 993(c)(2).—Section 993(c)(2) (relating to property excluded from export property) is amended—

(1) by striking out "or" at the end of subparagraph (B),

(2) by striking out "under section 611, or" at the end of subparagraph (C) and inserting in lieu thereof "under section 613 or 613A,",

(3) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", or" and by redesignating such subparagraph (D) as subparagraph (E),

(4) by inserting after subparagraph (C) the following new subparagraph:

"(D) property which, at the time of sale, is an arms, ammunition, or implement of war designated in the munitions list published pursuant to the Mutual Security Act of 1954 (22 U.S.C. 1934) unless a determination is made by the Secretary (after consultation with the Secretary of Defense) that the property to be exported is competitive with foreign manufactured property,".

(c) Amendments to Section 993(d).—Section 993(d) (relating to definition of producer's loans) is amended—

(1) by inserting in paragraph (1)(C) immediately after "export property", the following: "determined without regard to subparagraph (C), (D), or (E) of subsection (c)(2),".

(2) by inserting in paragraph (2) immediately after "of property which would be export property" the following: "determined without regard to subparagraph (C), (D), or (E) of subsection (c)(2)".

(d) Recapture of Accumulated DISC Income on Disposition of Stock in a DISC or Former DISC.—

(1) Section 995(c) is amended to read as follows:

"(c) Gain on Disposition of Stock in a DISC.—

"(1) In general.—If—

"(A) a shareholder disposes of stock in a DISC or former DISC any gain recognized on such disposition shall be included in gross income as a dividend to the extent provided in paragraph (2),

"(B) stock of a DISC or former DISC is disposed of in a transaction in which a separate corporate existence of the DISC or former DISC is terminated other than by a mere change in place of organization, however effected, any gain realized on the disposition of such stock in the transaction shall be recognized notwithstanding any other provision of this title to the extent provided in paragraph (2),

"(C) a shareholder distributes, sells, or exchanges stock in a DISC or former DISC in a transaction to which section 311, 336, or 337 applies, then an amount equal to the excess of the fair market value of such stock over its adjusted basis in the hands of the shareholder shall, notwithstanding any provision of this title, be included in gross income of the shareholder to the extent provided in paragraph (2).

"(2) Amount included.—The amounts described in paragraph (1) shall be included in gross income as a dividend to the extent of the accumulated DISC income of the DISC or former DISC which is attributable to the stock disposed of and which was accumulated in taxable years of such corporation during the period or periods the stock disposed of was held by the shareholder which disposed of such stock."

(2) Interest in a partnership holding stock in a DISC.—The last sentence of section 751(c) (relating to unrealized receivables) is amended—

(A) by striking out "(as defined in section 617(f)(2))," and inserting in lieu thereof "(as defined in section 617(f)(2)), stock in a DISC (as described in section 992(a))," and

(B) by striking out "617(d)(1), 1245(a)," and inserting in lieu thereof "617(d)(1), 995(c), 1245(a)."

(e) Rules for Allocating Distributions Made to Meet Qualification Requirements.—Paragraph (2) of section 996(a) (relating to rules for actual distributions and certain deemed distributions) is amended by adding at the end thereof the following new sentence: "In the case of any amount of any actual distribution made pursuant to section 992(c) which is required to satisfy the condition of section 992(a)(1)(A), the preceding sentence shall apply to one-half of such amount, and paragraph (1) shall apply to the remaining one-half of such amount."

(f) Amendment of Section 603(b) of Tax Reduction Act of 1975.—Section 603(b) of the Tax Reduction Act of 1975 (relating to effective date) is amended to read as follows:

"(b) Effective Dates.—

"(1) In general.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to sales, exchanges, and other dispositions made after March 18, 1975, in taxable years ending after such date.

"(2) Binding contract.—The amendments made by subsection (a) shall not apply to sales, exchanges, and other dispositions made after March 18, 1975, but before March 19, 1980, if such sales, exchanges, and other dispositions are made pursuant to a fixed contract. The term 'fixed contract' means a contract which was, on March 18, 1975, and is at all times thereafter binding on the DISC or a taxpayer which was a member of the same controlled group (within the meaning of section 993(a)(3) of the Internal Revenue Code of 1954) as the DISC, which was entered into after the date on which the DISC qualified as a DISC and the DISC and the taxpayer became members of the same controlled group, and under which the price and quantity of the products sold, exchanged, or otherwise disposed of cannot be increased."

(g) Effective Dates.—

(1) For subsections (a) through (e).—The amendments made by subsections (a) through (e), shall apply to taxable years beginning after December 31, 1976, except as provided in paragraph (2).

(2) For subsection (b).—

(A) Certain fixed contract sales.—The amendments made by subsection (b) (other than paragraph (2)) shall not apply to sales, exchanges and other dispositions made after October 2, 1975, but before October 3, 1978, if such sales, exchanges and other dispositions are made pursuant to a fixed contract. The term "fixed contract" means a contract which was, on October 2, 1975, and is at all times thereafter binding on the DISC or a taxpayer which was a member of the same controlled group (within the meaning of section 993(a)(3) of the Internal Revenue Code of 1954) as the DISC, which was entered into after the date on which the DISC qualified as a DISC and the DISC and the taxpayer became members of the same group, and under which the price and quantity of the products sold, exchanged, or otherwise disposed of cannot be increased.

(B) For subsection (b)(2).—The amendments made by paragraph (2) of subsection (b) shall apply to sales, exchanges, and other dispositions made after March 18, 1975, in taxable years ending after such date.

(3) For subsection (f).—The amendment made by subsection (f) shall apply to taxable years ending after March 18, 1975.

(4) Proration of base period in case of fixed contracts.—For purposes of determining adjusted base period export gross receipts (under section 995(e)(3) of the Internal Revenue Code of 1954, as amended by this section), if any DISC has export gross receipts from export property by reason of paragraph (2)(A) of this subsection or paragraph (2) of section 603(b) of the Tax Reduction Act of 1975, then the export gross receipts of such DISC for the taxable years of the base period shall be increased by an amount equal to the amount of gross receipts which were excluded from export gross receipts during each taxable year of the base period by reason of the last sentence of section 993(e)(3) multiplied by a fraction, the numerator of which is the amount of the gross receipts in the taxable your which are export gross receipts by reason of paragraph (2)(A) of this subsection or paragraph (2) of section 603(b) of the Tax Reduction Act of 1975 and the denominator of which is the amount of total gross receipts which are excluded from export gross receipts in the taxable year by reason of subparagraph (C) and (D) of paragraph (2) of section 993(c) (determined without regard to paragraph (2)(A) of this subsection and paragraph (2) of section 603(b) of the Tax Reduction Act of 1975).

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the committee amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1977

The Senate continued with the consideration of the bill (H.R. 14234) making appropriations for the Department of Transportation and related agencies, for the fiscal year 1977.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, H.R. 14234, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 14234) an act making appropriations for the Department of Transportation and related agencies, for the fiscal year ending September 30, 1977, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Time under this bill is 1 hour on the bill, 30 minutes on the pending amendment and all amendments in the first degree, 15 minutes on amendments in the second degree, debatable motions, and appeals.

UP AMENDMENT NO. 173

The pending amendment is amendment No. 173 by Mr. BAYH for Mr. CANNON, which the clerk will state.

The assistant legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH) for Mr. CANNON proposes unprinted amendment No. 173.

Mr. BAYH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I yield to the distinguished Senator from Nevada.

Mr. STENNIS. May we have quiet so the Senator is able to be heard?

The PRESIDING OFFICER. The Senate is not in order.

The Senator from Nevada may proceed.

Mr. CANNON. Mr. President, the Airport and Airway Development Act Amendments of 1976 have gone to the White House for the President's signature. As my colleagues are aware, this important legislation will provide a $5.5 billion program to develop the Nation's airport and airway system over the next 5-year period. This program is funded entirely from the airport and airway trust fund which is funded by charges on aviation users.

Mr. President, the delay in enactment of this important legislation has worked a serious hardship on many of our airports around the country who have been without Federal financial assistance for more than a year because of the expiration of the program in June 1975. Once the President signs the bill embodying the new program I am hopeful that airport development funds will begin to flow almost immediately because of the contract authority provision in the bill.

Unfortunately, funds available from the trust fund for planning purposes as distinguished from development purposes, must be appropriated in an appropriations act and the bill before us today contains no appropriations for planning. Many communities, in order to begin airport development programs, must first do some planning. But planning funds are not available in this bill and therefore, unless my amendment is amendment is to put forth $1 million least October, and perhaps not until the first of the year.

This anomalous situation makes little sense from the perspective of proper planning. In order to achieve orderly and efficient airport development, planning must occur first and funds must be available to assist communities to meet the planning need.

Under the ADAP program now before the President, $15 million annually is authorized for each of the next 5 years. My amendment will insure that planning funds will be available now to coincide with the availability of development funds.

I urge the adoption of my amendment.

Mr. BAYH. Mr. President, as I stated earlier in the day, I certainly support the amendment of the Senator from Nevada, and I offered it for him. At the risk of stepping on toes, I think it is really because of differences between the means of approaching how we do a better job of providing good airport facilities. It is my judgment that this measure should have been resolved within the last couple of years. It has not happened. The bill was just passed recently.

So when we considered this first in the subcommittee and then the full committee, the matter was not a germane question for us. It is now, and I am prepared to take it and urge my colleagues to support the Senator from Nevada.

Mr. CASE. I concur with the chairman. I think it is a good amendment, and I support it.

The funds for airport planning are an integral part of the ADAP legislation. I believe we should do everything in our power to support advanced planning in all areas of transportation. Consequently, I support this amendment proposed by the chairman of the authorizing committee.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BAYH. I yield back my time.

Mr. CANNON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was agreed to.

Mr. CASE. Mr. President, I would like to comment on action taken by the House on Monday. The House in a floor vote removed the ceiling from highway construction funds. I believe that this was unwise. I would like to briefly comment on why I feel the retention of this ceiling is important.

Our subcommittee has been charged by the Budget Committee and the Senate as a whole in the first Concurrent Resolution 94–1190 to live within an outlay figure of $14.693 billion. This amendment could potentially result in us exceeding this self-imposed budget target by over $4 billion.

In considering the highway budget the committee carefully weighed the economic and job consequences of its action. We were sensitive to the concerns of the authorizing committee and I believe our actions attest to the care which we took in this matter. Not only have we excluded several programs from the ceiling, we have also recommended a ceiling that is $500 million above that requested.

In fiscal year 1976 the Senate included the same $7.2 billion ceiling and there have been no complaints that I am aware of. The fact of the matter is that in the 11 months in fiscal year 1976 only $4 billion has been obligated. Not because of a ceiling on Federal spending but simply because the various States have not been able to raise the local matching funds. Furthermore, the Administrator of FHWA testified before this subcommittee that the States will not be able to utilize even the $6.7 billion requested in the budget during fiscal year 1977.

We should seriously consider any action such as adopted by the House that would result in treating highway construction differently than every other budget account.

Mr. President, I believe that the House action Monday to remove the ceiling on highway safety grants was likewise unwise. This subcommittee recognizes the great value of this Federal/State program and has carefully reviewed its accomplishments over the last several years.

As a result in fiscal year 1976 we recommended an increase of $12 million over the budget request and the House marks. We prevailed in conference, due in large part to the effort of our chairman (Mr. BAYH) and testimony received in fiscal year 1977 hearings indicates that the additional $12 million has been well spent.

In H.R. 14234 we are recommending a ceiling of $150 million—$30 million over the budget and House. This once again demonstrating our confidence in this program.

The removal of the ceiling would essentially nullify our oversight role and seriously hamper the orderly growth of this program. It is our joint responsibility to assure that tax dollars are being spent in a manner that provides the greatest return. I believe that the procedures recommended in our bill are the way to do that. Therefore, I would hope that the House would recede in conference.

UP AMENDMENT NO. 178

Mr. GRAVEL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL), for himself and Mr. BENTSEN, proposed unprinted amendment No. 178.

Mr. GRAVEL, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, after line 10, insert the following new section:

"NATIONAL TRANSPORTATION POLICY STUDY COMMISSION

"SEC. —. For necessary expenses to enable the National Transportation Policy Study Commission to carry out its functions under the Federal Aid Highway Act of 1976, P.L. 94–280, the sum of $1,000,000 to remain available until expended."

Mr. GRAVEL. Mr. President, this amendment is to put forth $1 million of authorized funds for a Commission on Transportation, which Commission was included as part of the Highway Act of this last year. It is for startup moneys for a Commission that will be appointed by the President and will have Members from the Senate and the House. It will deal with the total subject of all forms of transportation, interrelating those forms to develop a broad national policy that would make some sense.

I have talked this matter over with the distinguished Senator from Indiana (Mr. BAYH), the floor manager of this bill, and he has indicated to me that the committee can accept the amendment.

When the Public Works Committee earlier this year reported out and passed the Federal Aid Highway Act of 1976, we included a section, section 154, which established a National Transportation Policy Study Commission, which was to make a full and complete report of the Nation's transportation needs and the resources and policies necessary to meet them.

This measure was critical to the Senate conferees on the bill, and we carried it successfully through the conference.

The Commission which is established in the bill is to consist of 19 members, including, 6 Members of the Senate, 5 from the House, and 7 public members to be appointed by the President. It is to address the most crucial issues in transportation through the year 2000 and report back to the Congress by December 31, 1978.

For too long in this country, we have taken our transportation system for granted. As long as automobile production was booming, gasoline was cheap and plentiful, our air and water remained relatively clean, we felt confident about our ability to move goods and people from place to place.

That is no longer the case. These last several years have exposed the great mass of Americans to the fact that our transportation system is vulnerable and threatened, our supply of energy is finite, and the redtape and regulation which afflicts so many elements of transportation is a threat to our way of life.

Transportation, in fact, has emerged as one of the great issues of our time, as more and more of us face critical decisions about what mode of transportation we will use, how often we travel, and how we will move from our homes to work and recreation.

The National Transportation Study Commission is given a charge to project our transportation needs, to determine the proper mix of transportation systems to meet those needs, the energy requirements and availability of energy, to study the existing policies of the Federal Government which affect development of a national transportation system, and to suggest new methods to develop balanced transportation.

We consider this to be a critically important commission. The results of its report, which is due on December 31, 1978, should have a profound bearing upon how we in Congress approach transportation issues and how the executive branch implements congressional policy.

Thus far, Mr. President, the Department of Transportation is only in the early stages of submitting names for members of the Commission. However, this is a task which must proceed. The final report is due in less than 30 months, and the task is a very large one. The amendment I am offering today provides some $1 million in startup funds to get the Commission underway. This should allow for hiring of staff, some preliminary planning, and some early steps in setting up an office and developing lines of inquiry. I think it is imperative that we take this modest step at this time, and I am now willing to yield to the distinguished majority and minority leaders of the Transportation Appropriations Subcommittee, in the hope that they can accept the amendment.

Mr. BAYH. Mr. President, this is only the second time I have had the good fortune to present a transportation appropriation bill to the Senate. There are other colleagues of mine who have had a longer period of time to become fully indoctrinated and experienced in the transportation area. My colleague from Indiana handles the authorization end of this measure on surface transportation.

One thing that comes home time and time again is that we are getting ourselves involved in an number of different types of programs. I ask myself on occasion what the net impact of all these programs is going to be on one another by the time they are fully funded and operable.

I think the Commission, which was the brain child of the Senator from Alaska and some of our other colleagues, which really goes to the nut of studying the interrelationships, makes a great deal of sense. In the final analysis, it is going to save us a lot more money than we are spending in studying these problems.

I suggest that we accept the amendment of the Senator from Alaska.

Mr. CASE. Mr. President, I concur in the acceptance of the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BAYH. I yield back my time.

Mr. GRAVEL. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

UP AMENDMENT NO. 179

Mr. HARTKE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Indiana (Mr. HARTKE) proposes an unprinted amendment numbered 179.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 16, line 14, strike "$88,326,000" and insert in lieu thereof "$89,326,000".

Mr. HARTKE. Mr. President, this amendment would increase the appropriation by $1 million for the National Highway Traffic Safety Administration and is intended to be used in the standards enforcement and development area of the motor vehicle programs. The House reduced the administration's request by $1 million for this function and the purpose of this amendment is to reinstate those funds in accordance with the request of the administration.

The combination of increasingly sophisticated testing requirements related to newer standards and inflation have meant that the agency completed 1,000 fewer compliance tests in 1976 than in 1975. This is a particular problem because the test failure rate has increased from 5.5 percent in 1973 to 6.1 percent in 1975.

This additional $1 million would return the testing effort to prior year levels and would anticipate the compliance problems which will occur because of the introduction of all new vehicle designs in the 1977 model year. Additionally, these funds will insure that NHTSA has sufficient resources to evaluate the motor vehicle safety standards for effectiveness and to assure that the public is receiving benefits in excess of the costs.

The PRESIDING OFFICER. The Chair advises the Senator that the amendment is not in order, because it amends a figure previously amended. It would be in order by unanimous consent.

Mr. HARTKE. Mr. President, I ask unanimous consent that the amendment be in order, notwithstanding the previous amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DURKIN. Mr. President, reserving the right to object, what are we amending? What are we adding to?

Mr. HARTKE. To the national highway traffic safety budget $1 million which was requested by the administration. The House of Representatives cut it by $1 million.

Mr. DURKIN. For what?

Mr. HARTKE. For the testing of standards. A testing program.

Mr. DURKIN. Testing what?

Mr. HARTKE. The testing of the compliance tests for the various items in the highway traffic safety program. They have to test these materials. What has happened is that they have completed 1,000 less tests than they did the year before, even though the incidence of failures was much higher.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARTKE. Mr. President, this is really to evaluate the motor vehicle safety standards, as to whether or not they are effective. In other words, if the standards are submitted, the question is whether or not they are effective. This is in the interest of safety in the United States in the highway traffic safety program.

Mr. BAYH. Mr. President, I have discussed this matter with the distinguished ranking member. What we are doing here is restoring the figure to the budget and

$1 million above the House figure. I am prepared to accept the amendment. The money is spent in an area that in the long run probably can help save a lot of lives. We accept the amendment.

Mr. CASE. We concur.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HARTKE. I yield back my time.

Mr. BAYH. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

UP AMENDMENT NO. 180

Mr. KENNEDY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 180.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 1, strike out "$80,450,000" and insert in lieu thereof "$100,450,000".

Mr. KENNEDY. Mr. President, this adds some $20 million that will be used in the modernization and maintenance of the branch lines which are absolutely essential to the economy of our region. It will be used primarily in 17 States. My own State of Massachusetts will benefit, but to an initial ratio of only some 3 percent of the moneys authorized. It will have a major impact in 17 States, primarily the areas in the Northeast, Midwest, and the Middle Atlantic States. Most of those areas are facing the most serious economic problems, and the maintenance of these branch lines—as Congress recognized in the Rail Reorganization Act and the Rail Revitalization and Regulatory Reform Act—is essential to prevent further economic difficulties. Unless these moneys are utilized effectively and early, there will be a further deterioration of the branch lines, and the cost to the States as well as the Federal Government for rehabilitation will be even more severe.

We have authorized a 2-year, $180 million program for the 17 States for rail service continuation. This additional funding will help maintain the funding level we established during the last months of fiscal year 1976 and the transition quarter and it will permit States to begin without delay to implement cost-saving improvements.

For example, Massachusetts is continuing service on only 6 of the 14 branch lines not included in ConRail. In the 17-State region, the States are continuing slightly over 180 of the 450 branch lines available for subsidy. This is less than half of the 7,000 miles not included in ConRail.

Clearly, this program is not an unthinking, politically motivated, simple subsidy of failing rail branch lines. Rather, it has become at the States' hands, and with this Congress aid, a program for resuscitating the vital branch line links which have true potential but which Penn Central and the other bankrupts had neglected and cast aside.

As such, the States' initiative needs our support. These lines are essential to the economic vitality of plants and businesses throughout the region, and as such are crucial for jobs and income and economic prosperity.

I have talked to the chairman, and I hope he can accept it. I know that both he and the ranking minority member are well aware of the need to develop an improved rail passenger and freight system in our region and in the Nation, and I commend them for their actions in this area.

Mr. PASTORE. Will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. PASTORE. Will the Senator make me a cosponsor?

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. PASTORE be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I think, for the edification of all our colleagues, that what we need to know is that this money which is being requested by the Senator from Massachusetts, which I think will be well spent, well directed, is coming out of one pie. We are authorized to spend $180 million for 2 years. This would up it to $90 million for fiscal year 1977. I would say we are going to spend this $20 million this year to stop further deterioration, further depreciation of these tracks so the job next year is not going to be as great, but the total amount of money we are going to spend in a 2-year authorization is still $180 million. We are going to spend $20 million more this year, which means we will spend $20 million less next year to get the job done in a little more businesslike manner. I think it makes sense, although it is over the budget.

The PRESIDING OFFICER. Who yields time?

The Senator from New Jersey.

Mr. CASE. Mr. President, I only want to say that while I have not canvassed my colleagues on this side on the committee, I do personally favor this strongly. The chairman correctly says it is merely an acceleration of spending on a project which we cannot spend too much on too fast, because deterioration of these branch lines will mean they are gone forever. I think it is a very useful thing, personally.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. I shall be glad to yield time to the Senator from Alabama.

Mr. ALLEN. I am not going to make any point as to this specific amendment. I see the distinguished Senator from Maine here. I wonder if he will comment on the overall aspects of the bill as regards the budget.

Mr. MUSKIE. I shall be glad to.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 11 minutes remaining.

Mr. KENNEDY. I yield what time the Senator from Maine may need.

Mr. MUSKIE. I do not have a long statement. I was waiting to see whether the Senate was ready for some of this exciting budget rhetoric, but since it has been requested, I have no hesitation to do it.

As I have done on other appropriations bills, I should like to comment on the relationship between this one and the first budget resolution. At the outset, I shall say I support the bill. I think it offers a fine example of budgetary restraint by coming in at a level below the subcommittee's spending allocation under section 302(b) of the congressional budget Act.

The Transportation Subcommittee's allocation under section 302(b) amounts to $6.1 billion in budget authority and $14.4 billion in outlays. The reported bill provides $5.4 billion in budget authority and $3.9 billion in outlays. In addition, CBO estimates that outlays arising from prior year authority are $9.9. billion, so that total fiscal year 1977 outlays for these programs amount to $13.8 billion. Enactment of H.R. 14234 as reported would, therefore, leave $0.7 billion in budget authority and $0.6 billion in outlays available within the subcommittee's allocation.

There are a number of potential claims on this remaining allocation which could produce supplemental appropriations. For example, I understand that there could be additional appropriations required for newly enacted highway and railroad programs, and also for additional interstate/mass transit substitution projects. However, the first budget resolution anticipated these additional requirements, and the subcommittee's allocation remaining after passage of this bill should be adequate to provide for these supplemental appropriations. In addition this bill, plus the possible supplementals, is generally consistent with the first budget resolution functional targets.

I am pleased to note that the reported bill includes obligation ceilings for the highway and airport development programs funded through trust funds. The House bill does not. These are valuable programs and it is important that they be adequately funded to satisfy our growing transportation needs. But it is also important that the Congress apply some practical limitations on program growth in any 1 year. If it did not, then there would be little protection against an unexpected temporary upsurge in new program commitments that could threaten both our outlay and deficit targets in the budget resolution. If that were to happen, then there would be pressure to adjust for overruns in the trust fund programs by reducing spending on appropriated programs. This would be unfair to both the Appropriations Committee and the programs involved.

The budget crosswalk assigns responsibility for the outlays of these two trust fund programs to the Appropriations Committee, for it is appropriations that must provide funds for liquidating their contract authorizations. But if appropriations is to be held responsible for those outlays, in fairness it must have at least some control over those outlays. It is exactly such control that is provided by the reported bill through its recommended obligation ceilings.

I commend the distinguished chairman, Senator BAYH, and the other members of the Transportation Subcommittee for reporting a bill that is within their allocation targets and consistent with both the letter and spirit of the first budget resolution.

So I take this opportunity to express hope to my good friend from Indiana, whom I compliment on bringing this bill to the floor well within the allocation, and urge him to stand fast on those particular points in the conference.

Mr. BAYH. Mr. President, I should like to respond to the Senator by expressing deep appreciation to my friend from Maine. I am sure he noticed a flicker of a smile on my face when he talked about the budget limitations on the highway spending. He and I were arguing, when, in last year's budget, I was trying to take the ceilings off because I thought we could spend the amount of money available there then. I still feel that, last year, we could have, but that was last year's battle. I think it is obvious to anybody who looks at this year's situation that there is no way we can spend $12 billion, yet we are going to be charged with it under the Budget Act, so why not put it down to where we are meeting the needs and if it looks like we need more, we can add to that in the supplemental.

Mr. MUSKIE. Correct.

Mr. YOUNG. Will the Senator yield?

Mr. BAYH. I yield.

Mr. YOUNG. Mr. President, it is useless to try to oppose an amendment like this at this hour of the night. This involves a small part of the railroads that are in trouble. There was no hearing on this program. We are lucky that it is only $20 million that is requested rather than a billion dollars. I shall not object to it, because I know it would be useless. I am going to serve notice, though, that I am going to object in the future to taking up an appropriations bill at this time of the night with a time limit on it.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. I yield back my time.

Mr. BAYH. I think the point of our colleague from North Dakota is well taken and I feel constrained about accepting an amendment, either to railroads or something else that I thought was a real departure from the purpose and the confines, really, of the bill as we have brought it out of the subcommittee and full committee. But as I said earlier, what we are doing now is determining to expand this year's program slightly, retract next year's program a bit to compensate for it, and in the 2-year period, we are not spending any more. I think the basic point of the Senator from North Dakota is well taken.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DURKIN. Mr. President, will the Senator yield so I may ask unanimous consent to be added as a cosponsor?

Mr. KENNEDY. Yes, I yield.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I do not want to hold up third reading. I have a question to ask of the manager of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill read a third time.

The bill was read the third time.

Mr. HUMPHREY. Mr. President, if I may have the attention of the Senator from Indiana for just a moment, as the Senator knows, I have been very much concerned over the need for procurement of vessels with icebreaking capability to be used on the Great Lakes. As the Senator also knows, H.R. 11670, authorizing appropriations for the Coast Guard for fiscal year 1977, as reported by the Committee on Commerce on May 13, 1976, includes a designation of $50 million for the procurement of these icebreaking vessels. This is of vital importance to us in the Great Lakes and, of course, the Senator from Indiana is a member of the Great Lakes senatorial group here, so to speak. We need this icebreaking capability.

I know that there are two new tugboats that will increase that capability appropriated for in this particular appropriations act. I noted that the report indicates that the bill includes funds for two unbudgeted harbor tugboats with icebreaking capability. These two tugboats are in addition to the one boat funded in fiscal year 1976 and the one included in the fiscal year 1977 budget. They are intended to replace existing harbor tugs which are more than 30 years old. The replacement boats have double the horsepower of the existing tugs and are designed to meet the growing demands for icebreaking service in the Great Lakes and in the Northeastern coastal States.

But they are not really icebreakers. I want to ask the Senator, am I correct that the authorization bill is still in conference? Is that correct.

Mr. BAYH. That is accurate.

Mr. HUMPHREY. When it finally is resolved in conference, because there is some difference between the House bill and the Senate bill in this matter, does the Senator from Indiana feel that we have a chance, and a good chance, to get the funds that are vitally needed for this icebreaking capability?

Mr. BAYH. I want to say to my colleague he knows of my longtime interest——

Mr. HUMPHREY. Yes, indeed.

Mr. BAYH (continuing). In expanding the navigation capabilities in the St. Lawrence Seaway and the Great Lakes. We spent a lot of money on the seaway, and it has not been an annual navigation facility.

Yet the Army Corps of Engineers and the Coast Guard have been working together in cooperation and have over the last couple of years now expanded the number of days and, in my judgment, that is going to more than pay for itself, and it is well within the realm of reason.

I am an optimist, like my distinguished colleague from Minnesota, that we could conceivably have a year-round navigation capability up there. And, of course, that is what we are moving toward. To do that we are going to have to have additional icebreaker capability.

We listened extensively to the Coast Guard and, as the Senator pointed out, we have provided two additional icebreaking tugs. We gave the Coast Guard really more than they asked for.

Mr. HUMPHREY. $10 million; is that right?

Mr. BAYH. Yes; we gave them $10 million more than the House bill. Although the Senator from Maine was very complimentary in pointing out in this bill we are about $800 million under what our resolution is, we have not gone along and rubber-stamped in what everybody has said. We tried to put Senate priorities in their proper position, and in this area we have put $52.9 million more than the President requested, and $10 million more than the House, and we have those two icebreaking tugs in there over the budget.

Mr. HUMPHREY. But they are not real icebreakers, I want to be sure to have the record note that.

Mr. BAYH. It is important for us, as we are appropriating now, to recognize, as the Senator pointed out, that that bill to authorize icebreaking ship capability is now in conference. Once it has been resolved, then I am certainly prepared to help fund whatever is necessary.

I know we have had some people to tell us that we ought to buy a big boat, we ought to buy a small boat, we ought to buy one from Finland, we ought to have it made in America. You are talking to a dry-land farmer from Indiana, and I do not think any of us who have that kind of expertise ought to try to start telling the Coast Guard how to try to break ice before we have heard their testimony on an authorized program.

As soon as that bill is passed, the authorization bill is passed, then I want the Coast Guard to come up and for them to give us the expertise as to what they need to do the major job to get maximum capability up there, and I will cooperate with them.

Mr. HUMPHREY. May I say, Mr. President, I have spent several years during my life listening to people about what could be done in the Great Lakes in terms of icebreakers and extending our navigation season.

I represent, in part, the Port of Duluth, which is the largest inland seaport in the world. It is a major terminal. I know we are wasting many, many weeks of possible navigation at great cost, may I say, to the people of my part of the country and to this Nation.

Now, there is an argument about which kind of an icebreaker is the better. But I will tell you that no icebreaker is no good, and there is a lot of difference between an icebreaking tug that has icebreaking capability, and an icebreaker, the likes of which, if I may say, are able to keep the Port of Murmansk in the Soviet Union and ports in Northern Europe, which are with much more ice than we have, open the year round. All I want to say is having listened to engineers, listened to the Coast Guard, having been in Duluth, Superior, in the port, having spent hours and hours and hours and hours, and my colleague, Senator MONDALE, the same, listening to this, knowing that the former Congressman from the Eighth District of Minnesota, Mr. Blatnik, and the current Congressman, Mr. OBERSTAR, both of whom have spent months at this, and have traveled to Finland, to Norway, to Sweden, to the Soviet Union, to see what can be done with icebreakers, we want an icebreaker. We want to extend the season, and we know it can be done.

While I am interested in the repair and modernization of our railroads and I think it is a high priority, I want to say that from our point of view of commerce and the shipment of agricultural products and in the shipment of steel—and we produce the steel in northern Minnesota that is necessary for the industry of this Nation, we produce 90 percent of it out of the Duluth-Superior Port, that is where it goes from—I am simply saying that to have those icebreakers is good business It will save us millions and millions of dollars. It may not save the Federal Treasury millions, but you will save the economy hundreds of millions of dollars.

I know the Senator from Indiana feels just like I do, he is being prudent here saying that he will give it the most favorable attention. I just want him to know that once that conference report is settled, I am going to use several icebreakers around here to break through this ice of indifference that we have had for years about icebreakers on the Great Lakes

Mr. BAYH. Wait just a minute, if the Senator would yield, Mr President. I hope he will not direct that at the Senator from Indiana.

Mr. HUMPHREY. It was not directed at the Senator.

Mr. BAYH. That remark about indifference at the Senator from Indiana.

Mr. HUMPHREY. On the contrary, I have already included the Senator in the select circle.

Mr. BAYH. We already included the icebreaker the Coast Guard asked for.

Mr. HUMPHREY. The Coast Guard is a very fine organization, but I have learned after 22 years in the Senate that you do not get anything here unless you fight for it. The Coast Guard does not spend quite as much time being around the Great Lakes as they do along the seacoast. But there is another seacoast, and it was authorized by the Congress of the United States, and that seacoast is the Great Lakes.

We want equal treatment. The problem is it is a little colder out our way than in the gulf ports. They do not happen to have ice on the Pacific coast; they do not have very much ice until you get up beyond Norfolk and you get beyond Philadelphia and Boston, up around that area. But we have got a lot of it, and we want to break up the ice, and we want to move the grain, and we want to move the steel. If there are any two things that the country needs more than grain and iron ore, I would like to know what they are. We make the iron ore, taconite pellets. We export out of that Port of Duluth 40 million tons of taconite pellets, and we will have more than that because there is $1 billion of new investment that is going in there right now.

So I rise today just to kind of warm the situation up a little bit. I know that my beloved friend from Indiana is with me. He is on the Great Lakes. He cannot help but be interested in this.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I would hope when he gets his icebreaker it will be propelled by nuclear power.

Mr. HUMPHREY. I will say to the Senator I will be glad to have it propelled by whatever you want.

Mr. PASTORE. So that you will not need petroleum, and it will last for 15, 20 years before you have to refuel it.

Mr. HUMPHREY. It sounds very good to me.

Mr. PASTORE. The Russians have done it. Let us do it.

Mr. HUMPHREY. I want to thank the Senator.

Mr. BAYH. Before terminating this particular part of our discussion here, I think the Senator from Minnesota has done an excellent job in warming up this situation. [Laughter.] He is no novice in that department, and I salute him for focusing attention on the problem.

And lest he consider the Senator from Indiana as just a neutral bystander on this issue, I would remind him that a goodly percentage of those taconite pellets is headed for the steel mills in Indiana.

Mr. HUMPHREY. That is right.

Mr. BAYH. So all of us who live on the Great Lakes, I think, recognize the important asset we have that is not being utilized a certain part of the year, and we are going to do everything we can to break up that ice in the most expeditious manner we can.

Mr. HUMPHREY. May I say I am heartened by the exchange we have had here. I knew my colleague from Indiana was for it, but now I feel I have not only a political commitment but a spiritual one. [Laughter.]

Mr. STENNIS. Mr. President, will the Senator yield to me that I might compliment him briefly?

Mr. BAYH. If the Senator will just let the spirit die down a moment, then I would be glad to yield to the Senator. [Laughter.]

Mr. STENNIS. Mr. President, I want to just call the attention of the Senate to this fact, and the Senator from Indiana is included in this compliment. This, being July 1, I note from the calendar on the back part that nine appropriation bills have already been passed during these first 6 months of this year. Only two remain, foreign assistance and the Department of Defense.

That has not happened, I do not believe, in more than 20 years. I think it is partly due to the—not necessarily—change in this fiscal year, but that and the Budget Committee. It makes all of us more alert when we have timetables to meet. It is quite a job, quite an undertaking, and I compliment the Senator from Indiana as well as others, and the chairman of the Appropriations Committee, the Senator from Arkansas, and the highly valuable ranking minority member on that committee, the Senator from North Dakota (Mr. YOUNG).

I have some appreciation of how much work these gentlemen have done to bring this about.

Another reason why I wanted to bring it up, I can point out that the Department of Defense authorization bill has been passed as early as today, and that is the first time in several years, many years, that we have been able to get it out that early, and I think the same reason is the way we have been operating. So I thank the Senator.

Mr. DOLE. Mr. President, I just want to take a moment to commend the committee on their bill and to express my particular interest in the section dealing with "access roads to public recreation areas." The committee's continuing cooperation in funding this program is encouraging, and these access roads will serve certain transportation needs of our country well for years to come.

The Senate committee report recommends that additional funding be provided for the "Clinton Parkway" access road, which was begun this year with construction money provided in transportation appropriations for fiscal year 1976. This vital roadway will run from Lawrence out to the New Clinton Lake, and is expected to carry as many as 1 million persons annually by 1980.

Of course, the Federal Highway Administration is responsible for the actual distribution of the funding provided for this section, and I am confident that administration officials will again heed the mandate of both Senate and House Appropriation Committees in providing adequate resources to complete the Clinton Parkway project. I certainly intend to closely monitor the allocation by Federal highway officials of the money we are providing today for this purpose.

Mr. BAYH. I yield back the remainder of my time.

Mr. CASE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Utah (Mr. Moss), the Senator from Illinois (Mr. STEVENSON), the Senator from Missouri (Mr. SYMINGTON), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 74, nays 6, as follows:

[Rollcall Vote No. 382 Leg.]

YEAS—74

Abourezk
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Williams
Young

NAYS—6

Allen
Bartlett
Fannin
Helms
Thurmond
Tower

NOT VOTING—20

Baker
Bentsen
Buckley
Chiles
Church
Eastland
Goldwater
Griffin
Hatfield
Hruska
Inouye
Johnston
McClellan
Moss
Scott,
  William L.
Stevenson
Symington
Talmadge
Tunney
Weicker

So the bill (H.R. 14234), as amended, was passed.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAYH. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BAYH, Mr. McCLELLAN, Mr. STENNIS, Mr. MAGNUSON, Mr. PASTORE, Mr. ROBERT C. BYRD, Mr. EAGLETON, Mr. YOUNG, Mr. CASE, Mr. STEVENS, Mr. MATHIAS, and Mr. SCHWEIKER conferees on the part of the Senate.

Mr. BAYH. I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 14234.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

AMENDMENT NO. 2012

Mr. MUSKIE. Mr. President, on behalf of myself and Senator BELLMON, I send an amendment to the desk, and I also add Senators MONDALE and HUMPHREY as cosponsors at their request.

The PRESIDING OFFICER. Without objection, the cosponsors will be added, and the amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) for himself and others, proposes an amendment.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 152, beginning with line 11, strike all through line 3 on page 155, and insert the following:

(2) NINE-MONTH RULE FOR 1977.—Notwithstanding the provisions of paragraph (1), in the case of taxable years ending after December 31, 1976, and before January 1, 1978, the percentage "1.5 percent" shall be substituted for the percentage "2 percent" in subparagraph (A) of such paragraph and the amount "$26.25", shall be substituted for the amount "$35" in subparagraph (B) of such paragraph.

(3) TECHNICAL AMENDMENTS.—

(A) Section 56(a)(2) (relating to imposition of minimum tax), as in effect on the day before the date of the enactment of the Tax Reduction Act of 1975, is amended by striking out "and" at the end of clause (iv), by striking out "; and" at the end of clause (v) and inserting in lieu thereof ", and", and by inserting after clause (v) the following new clause:

"(vi) section 42 (relating to taxable income credit); and".

(B) Section 56(c)(1) (relating to tax carryovers), as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out "and" at the end of subparagraph (D), by striking out "exceed" at the end of subparagraph (E) and inserting in lieu thereof "and", and by inserting after subparagraph (E) the following new subparagraph:

"(F) section 42 (relating to taxable income credit), exceed".

(C) Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund), as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out "and 41" and inserting in lieu thereof "41, and 42".

(4) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1, as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out the item relating to section 42 and inserting in lieu thereof the following:

"SEC. 42. Taxable income credit.".

(b) STANDARD DEDUCTION.—

(1) LOW INCOME ALLOWANCE.—Subsection (c) of section 141 (relating to low income allowance) is amended to read as follows:

"(c) LOW INCOME ALLOWANCE.—The low income allowance is—

"(1) $2,100 in the case of—

"(A) a joint return under section 6013, or

"(B) a surviving spouse (as defined in section 2(a)).

"(2) $1,700 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

"(3) $1,050 in the case of a married individual filing a separate return.".

(2) PERCENTAGE STANDARD DEDUCTION.—Subsection (b) of section 141 (relating to percentage standard deduction) is amended to read as follows:

"(b) PERCENTAGE STANDARD DEDUCTION.—The percentage standard deduction is an amount equal to 16 percent of adjusted gross income, but not more than—

"(1) $2,800 in the case of—

"(A) a joint return under section 6013, or

"(B) a surviving spouse (as defined in section 2(a)),

"(2) $2,400 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

"(3) $1,400 in the case of a married individual filing a separate return.".

(3) TECHNICAL AMENDMENT.—

(A) Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) REQUIREMENT OF WITHHOLDING.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary. Until September 30, 1977, the tables so prescribed shall be the same as the tables in effect on June 18, 1976. With respect to wages paid after September 30, 1977, the Secretary shall prescribe new tables which are the same as the tables in effect on January 1, 1975, but modified to the extent necessary to reflect the amendments made by section 101(b) of the Tax Reform Act of 1976.

"For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1).".

Mr. MUSKIE. Mr. President, this is an amendment——

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 2-hour limitation on the pending amendment, the time to be equally divided between the sponsor of the amendment and the manager of the bill, and that the vote thereon occur at 2 o'clock on Tuesday, July 20.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. The vote on final passage.

Mr. MUSKIE. Mr. President, reserving the right to object, this issue was debated last, I think, for a period of somewhere around 3 days. We were urged to delay action on it until the major issues were brought up, voted on, and decided.

That has been done. I sat, to use the phrase of the chairman of the Finance Committee, waiting my turn. My turn is here, and the Senator apparently is not ready to vote. I certainly am not going to put myself in an obstructionist posture at this point and insist on trying to go to a vote today or tomorrow, but I want to make it clear that I understand what games are being played. I am ready for a vote; I do not need 5 minutes, and I do not think any Senator in this body needs 5 minutes to resolve this issue.

But out of deference to my colleagues, at the suggestion of the majority leader, I will not object.

Mr. MANSFIELD. Mr. President, may I say to our distinguished colleague from Maine that the chairman of the committee, the manager of the bill, the Senator from Louisiana (Mr. Long) was willing to agree to a 40-minute limitation and a vote tonight.

Mr. MUSKIE. I would commend him for that.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. Mr. President, reserving the right to object, and I shall not object, in order to be sure I understand, what was the request?

Mr. MANSFIELD. Two hours to be equally divided between the sponsor of the amendment and the manager of the bill.

Mr. LONG. Could we have an order that at least 30 minutes of that would be just prior to the vote on Tuesday?

Mr. MANSFIELD. Yes. Indeed. So we could get in an hour and a half tonight and tomorrow, and, if the Senate agrees to the unanimous-consent request, come in and start again on the pending amendment at 1:30 on Tuesday, the 20th of July, and vote on it at 2 o'clock that day.

Mr. LONG. Very well.

Mr. MUSKIE. Mr. President, will the majority leader yield? I want to make sure I understand.

As I understand, Senator Long is willing to agree to a time agreement and a vote tonight?

Mr. MANSFIELD. That is right.

Mr. MUSKIE. I did not understand that, and I would like to thank the Senator from Louisiana for his courtesy.

Mr. ABOUREZK. Reserving the right to object, I just want to ask the majority leader if there will be any more votes this evening.

Mr. MANSFIELD. There will be no more votes this evening, but there will be a vote around 8:30 or 8:40 tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The Chair requests the attention of the Senator from Montana.

The Chair would observe that this amendment is not in order until committee amendment No. 14 has been laid before the Senate. The clerk will state that amendment.

The legislative clerk read as follows:

On page 147, line 1, strike all through page 151, line 24, and insert new language.

The amendment is as follows:

COMMITTEE AMENDMENT NO. 14

On page 147, line 1, strike all through page 151, line 24, and insert in lieu thereof:

TITLE IV—EXTENSIONS OF INDIVIDUAL INCOME TAX REDUCTIONS

Sec. 401. Extensions of Individual Income Tax Reductions

(a) Taxable Income Credit.—

(1) In general.—Section 3(b) of the Revenue Adjustment Act of 1975 is amended by striking out “December 31, 1976” and inserting in lieu thereof “December 31, 1977”.

(2) Six-month rule for 1977.—Paragraph (2) of section 42(a) (relating to application of six-month rule) is amended by adding at the end thereof the following: “This paragraph applies to taxable year ending after December 31, 1976 and before January 1, 1978.”.

(3) Technical amendment.—Section 6096 (b) (relating to designation of income tax payments to Presidential Election Campaign Fund), as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out “and 41” and inserting in lieu thereof “41, and 42”.

(4) Clerical amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 42 and inserting in lieu thereof the following:

“Sec. 42. Taxable income credit.”.

(b) Standard Deduction.—

(1) Low Income Allowance.—Subsection (c) of section 141 (relating to low income allowance) is amended to read as follows:

“(c) Low Income Allowance.—The low income allowance is—

“(1) $2,100 in the case of—

“(A) a joint return under section 6013, or

“(B) a surviving spouse (as defined in section 2(a)),

“(2) $1,700 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

“(3) $1,050 in the case of a married individual filing a separate return.”.

(2) Percentage Standard Deduction.—Subsection (b) of section 141 (relating to percentage standard deduction) is amended to read as follows:

“(b) Percentage Standard Deduction.—The percentage standard deduction is an amount equal to 16 percent of adjusted gross income, but not more than—

“(1) $2,800 in the case of—

“(A) a joint return under section 6013, or

“(B) a surviving spouse (as defined in section 2(a)),

“(2) $2,400 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

“(3) $1,400 in the case of a married individual filing a separate return.”.

(3) Technical amendments.—

(A) Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

“(a) Requirement of Withholding.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary. The tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1975, except that, with respect to wages paid after June 30, 1977, the Secretary shall prescribe new tables only to the extent necessary to reflect the amendments made by section 401(b) of the Tax Reform Act of 1976. For purposes of applying such tables, the term ‘the amount of wages’ means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1).”.

(B) Paragraph (6) of section 3402(c) (relating to wage bracket withholding), as such paragraph existed on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out “table 7 contained in subsection (a)” and inserting in lieu thereof “the table for an annual payroll period prescribed pursuant to subsection (a)”.

(C) Subparagraph (B) of section 3402(m) (1) (relating to withholding allowance based on itemized deductions) is amended to read as follows:

“(B) an amount equal to the lesser of (i) 16 percent of his estimated wages, or (ii) $2,800 ($2,400 in the case of an individual who is not married (within the meaning of section 143) and who is not a surviving spouse (as defined in section 2(a)).”.

(D) So much of paragraph (1) of section 6012(a) (relating to persons required to make returns of income) as precedes subparagraph (C) thereof is amended to read as follows:

“(1)(A) Every individual having for the taxable year a gross income of $750 or more, except that a return shall not be required of an individual (other than an individual referred to in section 142(b))—

“(i) who is not married (determined by applying section 143), is not a surviving spouse (as defined in section 2(a)), and for the taxable year has a gross income of less than $2,450,

“(ii) who is a surviving spouse (as so defined) and for the taxable year has a gross income of less than $2,850, or

“(iii) who is entitled to make a joint return under section 6013 and whose gross income, when combined with the gross income of his spouse, is, for the taxable year, less than $3,600 but only if such individual and his spouse, at the close of the taxable year, had the same household as their home. Clause (iii) shall not apply if for the taxable year such spouse makes a separate return or any other taxpayer is entitled to an exemption for such spouse under section 151(e).

“(B) The amount specified in clause (i) or (ii) of subparagraph (A) shall be increased by $750 in the case of an individual entitled to an additional personal exemption under section 151(c)(1), and the amount specified in clause (iii) of subparagraph (A) shall be increased by $750 for each additional personal exemption to which the individual or his spouse is entitled under section 151(c);”.

(c) Earned Income Credit.—

(1) In General.—Subsections (a) and (b) of section 43 (relating to earned income credit) are amended to read as follows:

“(a) Allowance of Credit.—In the case of an eligible individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of so much of the earned income for the taxable year as does not exceed $4,000.

“(b) Limitation.—The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount equal to 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $4,000.”.

(2) Eligible individual.—Section 43(c)(1) (A) is amended by striking out “with respect to whom he is entitled to claim a deduction under” and inserting in lieu thereof the following: “if such child meets the requirements of”.

(3) Conforming amendment.—Section 209(b) of the Tax Reduction Act of 1975 is amended by striking out “, and before January 1, 1977.” and inserting in lieu thereof a period.

(d) Effective Dates.—The amendments made by subsection (a) apply to taxable years ending after December 31, 1975, and cease to apply to taxable years ending after December 31, 1977. The amendments made by subsections (b) and (c)(1) apply to taxable years ending after December 1, 1975.

The amendments made by subsections (c) (2) and (3) shall apply to taxable years beginning after December 31, 1974.

Sec. 402. Refunds of Earned Income Credit Disregarded in the Administration of Federal Programs and Federally Assisted Programs.

(a) Subsection (d) of section 2 of the Revenue Adjustment Act of 1975 is amended by striking out "or any month thereafter which begins prior to July 1, 1976,".

(b) Subsection (g) of section 2 of such Act is amended to read as follows:

"(g) Effective Dates.—The amendments made by this section (other than by subsection (d)) apply to taxable years ending after December 31, 1975, and before January 1, 1977. Subsection (d) applies to taxable years ending after December 31, 1975.".

Mr. MANSFIELD. The amendment of the Senator from Maine is now in order?

The PRESIDING OFFICER. The amendment is now in order.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that the Senate be in order.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senate will be in order. Senators will please clear the well and clear the aisles.

The Senator from Louisiana may proceed.

ORDER OF BUSINESS

Mr. LONG. Mr. President, there is a bill, or there is at least an amendment in the Finance Committee bill, which is relevant to H.R. 10572, having to do with Federal employee withholding for taxes imposed by certain nonincoporated local governments.

I believe that that bill, as passed by the House of Representatives, is substantially the same as what we have recommended from the Committee on Finance. We are checking it right at this moment.

The problem is that there is some urgency about this matter in the State of Kentucky, and it would be a disservice to the people of that State to postpone action on this matter until final action has been taken on the tax reform bill which is before us.

I should think we could accommodate the Senators from Kentucky and the delegation in the House of Representatives from Kentucky by simply discharging the committee from further consideration of that bill.

I move that the committee be discharged from further consideration of H.R. 10572.

The motion was agreed to.

WITHHOLDING OF INCOME OR EMPLOYMENT TAXES

Mr. LONG. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 10572.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10572), an act to amend title 5 of the United States Code to provide the provision for withholding of city income or employment taxes from Federal employees shall apply to taxes by certain cities not incorporated.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LONG. Mr. President, this is a measure that the Senator from Kentucky was concerned about, and I believe he and his colleague are both anxious that this measure should be passed before we go home for the recess.

Mr. HUDDLESTON. Mr. President, if the Senator will yield, that, of course, is correct.

It simply redefines a city that gives the city the permission of IRS to collect withholding taxes from Federal employees and the city like a specific example of Lexington, Ky., where it is a merged government of both city and county is not provided for in the current bill. This corrects that and just simply enables them to proceed immediately to collect taxes as other cities are able to do.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FINANCIAL PLANNING FOR THE DISTRICT OF COLUMBIA

Mr. ROBERT C. BYRD. Mr. President, earlier today the Senate acted on H.R. 11009 and failed to appoint conferees thereon.

I ask unanimous consent that the Senate insist upon its amendments to H.R. 11009 and request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. Stone) appointed Mr. Eagleton, Mr. Inouye, Mr. Stevenson, Mr. Glenn, Mr. Mathias, Mr. Bartlett, and Mr. Garn conferees on the part of the Senate.

MERCHANT MARINE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce be discharged from consideration of H.R. 11504, that the Senate proceed to its immediate consideration, that the enacting clause be stricken, that the text of S. 3171 as it passed the Senate be substituted therefor, and that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 11504) to amend section 502 (a) of the Merchant Marine Act, 1936.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Without objection, the bill was considered, all after the enacting clause was stricken, the text of S. 3171 as it passed the Senate was substituted therefor, and the motion to reconsider was laid on the table.

The bill (H.R. 11504), as amended, and passed is as follows:

That this Act may be cited as the "Negotiated Shipbuilding Contracting Act of 1976".

Sec. 2. Section 502(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1152(a)) is amended in the third sentence thereof—

(1) by striking out "June 30, 1976" and inserting in lieu thereof "June 30, 1979";

(2) by striking out "(i) the negotiated" and all that follows through "per centum in fiscal 1976;"; and

(3) by redesignating "(ii)", "(iii)", and "(iv)" as "(1)", "(2)", and "(3)".

Sec. 3. Section 502(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1152(b)) is amended by amending the fifth, sixth, seventh, and eighth sentences thereof to read as follows: "The construction differential approved and paid by the Secretary shall not exceed 50 per centum of the cost of constructing, reconstructing, or reconditioning the vessel (excluding the cost of national defense features). If the Secretary finds that the construction differential exceeds, in any case, the foregoing percentage of such cost, the Secretary may negotiate with any bidder (whether or not such person is the lowest bidder) and may contract with such bidder (notwithstanding the first sentence of section 505) for the construction, reconstruction, or reconditioning of the vessel involved in a domestic shipyard at a cost which will reduce the construction differential to such percentage or less.".

ANNUAL REPORT OF THE SENATE SPECIAL COMMITTEE ON AGING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be discharged from further consideration of Senate Resolution 482, a measure to print additional copies of part 2 of the annual report of the Senate Special Committee on Aging, that the Senate proceed to its immediate consideration, the resolution be agreed to and the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 482) as agreed to is as follows:

S. Res. 482

Resolved, That there be printed for the use of the Special Committee on Aging one thousand one hundred additional copies of its report to the Senate entitled "Developments in Aging: 1975 and January-May 1976" Part Two.

REAFFIRMATION OF COMMITMENT TO PRINCIPLES OF DECLARATION OF INDEPENDENCE

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 672.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 672, which was read as follows:

> A concurrent resolution (H. Con. Res. 672) reaffirming the commitment of the Congress to the principles of the Declaration of Independence.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 672) was agreed to.

The preamble was agreed to.

ORDER FOR RECOGNITION SENATOR CULVER AND SENATOR NUNN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow after the two leaders or their designees have been recognized each for not to exceed 10 minutes and in whichever order they may desire.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

APPROVAL OF JOINT RESOLUTION AND BILLS

A message from the President of the United States announced that on June 30, 1976, he approved and signed the following:

S.J. Res. 203. Joint resolution to amend the Higher Education Act of 1965, and for other purposes.

S. 98. An act to authorize the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park in the States of Alaska and Washington, and for other purposes.

S. 2529. An act to amend chapter 37 of title 38, United States Code, to increase the maximum Veterans' Administration's guaranty for mobile home loans from 30 to 50 percent, o make permanent the direct loan revolving fund, to extend entitlement under chapter 37 to those veterans who served exclusively between World War II and the Korean conflict, and for other purposes.

S. 3122. An act to extend the authorization for appropriations to carry out the Endangered Species Act of 1973.

S. 3147. An act to extend the Marine Protection, Research, and Sanctuaries Act for two years.

S. 3475. An act relating to the display of certain historical documents within the United States Capitol Building during the calendar year 1976.

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions in which it requests the concurrence of the Senate:

H. Con. Res. 668. A concurrent resolution directing the Secretary of the Senate to make corrections in the enrollment of S. 586.

H. Con. Res. 669. A concurrent resolution providing for a conditional adjournment of the Congress from July 2 until July 19, 1976.

The message also announced that the House has agreed to, without amendment, the concurrent resolution (S. Con. Res. 128) directing the Secretary of the Senate to make corrections in the enrollment of S. 811.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 811) to revise and extend the Horse Protection Act of 1970.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. Metcalf).

At 1:04 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 13501) to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act.

ENROLLED BILLS SIGNED

At 4:30 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the following enrolled bills:

S. 586. An act to improve coastal zone management in the United States, and for other purposes.

H.R. 10451. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes.

H.R. 14261. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1977, and for other purposes.

H.R. 13899. An act to delay the effective date of certain proposed amendments to the Federal Rules of Criminal Procedure and certain other rules promulgated by the U.S. Supreme Court.

H.R. 14239. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

H.R. 12438. An act to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. Leahy).

At 5:40 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14235) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes; and that the House recedes from its disagreement to the amendment of the Senate numbered 6 and concurs therein, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the concurrent resolution (H. Con. Res. 672) reaffirming the commitment of the Congress to the principles of the Declaration of Independence, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

Report of the Federal Energy Administration

A letter from the Administrator of Federal Energy reporting, pursuant to law, on changes in market shares for petroleum products preliminarily for February 1976 and finally for January 1976; to the Committee on Interior and Insular Affairs.

Report of the Comptroller General

A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Federal Government Use of U.S. International Exposition Facilities after the Event—A Continuing Program" (with an accompanying report); to the Committee on Government Operations.

Report of the Federal Communications Commission

A letter from the Chief, Records, Management Division, of the Federal Communications Commission transmitting, pursuant to law, a report on a new systems of records (with an accompanying report); to the Committee on Government Operations.

Report of the National Science Foundation

A letter from the Director of the National Science Foundation transmitting, pursuant to law, a report on two planned additions to the systems of records for review (with an accompanying report); to the Committee on Government Operations.

Report of the District of Columbia Auditor

A letter from the District of Columbia Auditor transmitting, pursuant to law, a report entitled "Actual Funding of New Programs in Fiscal Year 1975 (with an accompanying report); to the Committee on the District of Columbia.

Approval of Loan by the REA

A letter from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, a survey made in connection with a proposed loan to Cajun Electric Power Cooperative, Inc., of New Roads, Louisiana (with accompanying papers); to the Committee on Appropriations.

Proposed Legislation by the Secretary of Transportation

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs and the Committee on Commerce, jointly, by unanimous consent.

Report of the Commodity Futures Trading Commission

A letter from the Chairman of the Commodity Futures Trading Commission transmitting, pursuant to law, a report relating to the need for insurance legislation (with an accompanying report); to the Committee on Agriculture and Forestry.

Proposed Legislation by the Department of the Army

A letter from the Assistant Secretary of the Army transmitting a draft of proposed legislation relating to the retirement of Lt. Gen. Vernon Anthony Walters (with accompanying papers); to the Committee on Armed Services.

Report of the National Railroad Passenger Corporation

A letter from the Vice President of the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the operations of Amtrak for the month of May 1976 (with an accompanying report); to the Committee on Commerce.

Report of the International Trade Commission

A letter from the Chairman of the International Trade Commission transmitting, pursuant to law, its sixth quarterly report on trade between the United States and nonmarket economy countries (with an accompanying report); to the Committee on Finance.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

Report of the Federal Energy Administration

A letter from the Administrator of Federal Energy transmitting, pursuant to law, a report on the economic impact of energy actions (with an accompanying report); to the Committee on Interior and Insular Affairs.

Report of the Pacific Tropic Botanical Garden

A letter from the Counsel to the Pacific Tropical Botanical Garden transmitting, pursuant to law, the audit for the Corporation for the calendar year 1975 (with an accompanying report); to the Committee on the Judiciary.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication from the Secretary of the Treasury relative to amending section 5 of the Mass Transportation Act of 1964 be referred jointly to the Committees on Banking, Housing and Urban Affairs and Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions, which were referred as indicated:

A resolution adopted by the Council of the District of Columbia in opposition to further limits upon the criminal law authority of the Council; to the Committee on the District of Columbia.

A resolution adopted by the Township Committee of the County of Union, New Jersey, in support of the Financial Reform Act and the Financial Institutions Act; to the Committee on Banking, Housing and Urban Affairs.

A resolution adopted by the Board of Directors of the Northwest Dallas County Chamber of Commerce, Texas, relating to the Humphrey-Hawkins bill (S. 50); to the Committee on Labor and Public Welfare.

A resolution adopted by the Rhode Island League of Cities and Towns relating to general revenue sharing; to the Committee on Finance.

Resolution No. 190–1976 adopted by the Legislature of the Northern Mariana Islands; to the Committee on Interior and Insular Affairs:

"Resolution No. 190–1976

"Whereas, the Honorable J. Bennett Johnston, Jr., United States Senator from the State of Louisiana, as a member of the Senate Interior Committee, has been one of the principle proponents and supporters of H.J. Res. No. 549, a 'Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America'; and

"Whereas, Senator Johnston has visited the Northern Mariana Islands several times, and is personally familiar with and aware of the needs and desires of the people of our islands especially with regard to political status matters; and

"Whereas, during the floor debate on the Covenant, Senator Johnston noted that the people of the Northern Mariana Islands 'have been, in every way, members of the American family . . . and . . . are among the most staunchly pro-American people anywhere on the face of the earth'; and

"Whereas, following his untiring and commendable effort, and eloquent remarks as floor manager of H.J.R. No. 549, the measure passed the United States Senate by a two-thirds majority vote; and

"Whereas, because of his efforts, goodwill, and firm belief in the desires of the people of the Northern Mariana Islands, their aspirations will be achieved in the near future; and

"Whereas, it is the sense of the members of the Northern Mariana Islands Legislature that due respect and recognition ought to be given to the Honorable Senator from Louisiana for his untiring efforts on behalf of our people;

"Now, therefore, be it resolved, by the Fourth Northern Mariana Islands Legislature, Eighth Regular Session, 1976, that the title of "Honorary Citizen of the Northern Mariana Islands" be and is hereby bestowed upon the Honorable J. Bennett Johnston, Jr., in recognition of his outstanding service to the people of the Northern Mariana Islands; and

"Be it further resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and thereafter transmit copies of the same to the President of the United States Senate, and the Honorable J. Bennett Johnston, Jr., United States Senator from Louisiana."

Senate Resolution No. 79, adopted by the Senate of the State of New York; to the Committee on Interior and Insular Affairs:

"Senate Resolution No. 79

"Whereas, Fort Wadsworth located in Staten Island, New York has been a continuously manned fort of the United States since 1663; and

"Whereas, Fort Wadsworth is the oldest continuously manned fort in the United States and on the North American continent; and

"Whereas, Fort Wadsworth is a landmark of military history of the United States and is worthy of preservation as such; and

"Whereas, Fort Wadsworth is currently staffed with a detachment from each of the five services under the auspices of the United States Army and should remain so; and

"Whereas, The Fort Wadsworth Committee for a 'Living National Park Memorial' (1636——) proposed legislation to the President and Congress of the United States to establish Fort Wadsworth as a monument to our Armed Forces in our Bicentennial year; now, therefore, be it

"Resolved, That the Senate of the State of New York respectfully urges the President of the United States and Congress to enact legislation establishing Fort Wadsworth as a 'Living National Park Memorial' (1636——) memoralizing all servicemen and servicewomen who have fought to create this one nation under God, who kept our nation free and who will safeguard its future; and be it further

"Resolved, That copies of this resolution, suitably engrossed, be transmitted to the President of the United States, the President Pro Tem of the United States Senate, the Speaker of the House of Representatives, and to each member of Congress from the State of New York."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ALLEN, from the Committee on Agriculture and Forestry, without amendment:

H.R. 10930. An act to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture (Rept. No. 94–1023).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 481. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 11009 (Rept. No. 94–1024).

By Mr. MATHIAS, from the Committee on the Judiciary, without amendment:

H.R. 2943. An act for the relief of the estate of James J. Caldwell (Rept. No. 94–1025).

By Mr. METCALF, from the Committee on Interior and Insular Affairs, with an amendment:

S. 393. A bill to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes (Rept. No. 94–1027).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 474. A resolution waiving the provisions of section 402(a) of the Congressional Budget Act of 1974, with respect to H.R. 8603 (Rept. No. 94–1028).

REPORT BY THE JOINT COMMITTEE ON ATOMIC ENERGY—REPT. NO. 94–1026

Mr. PASTORE submitted a report by the Joint Committee on Atomic Energy, pursuant to section 302(b) of the Congressional Budget Act of 1974, which was ordered to be printed.

PART II, MINORITY VIEWS, S. 2387—REPORT NO. 94–1005

Mr. THURMOND. Mr. President, on behalf of the Senators who endorsed the part II, Minority Views to S. 2387, the so-called Oil Vertical Divestiture bill—namely, Senators James O. Eastland, John L. McClellan, Quentin N. Bur-

DICK, ROMAN L. HRUSKA, HIRAM L. FONG, STROM THURMOND, and WILLIAM L. SCOTT, and Senators who submitted individual views, therein, namely, QUENTIN L. BURDICK and STROM THURMOND, I announce that said minority views and individual views are being filed at the desk for appropriate attention. This filing is consistent with the agreement reached with the majority, which filed part I of the report on June 28, 1976.

The minority views and additional views filed today are in opposition to the Oil Vertical Divestiture bill, S. 2387.

The PRESIDING OFFICER. The views will be received and printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PASTORE, from the Committee on Commerce:

Thomas J. Houser, of Illinois, to be Director of the Office of Telecommunications Policy.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, July 1, 1976, he presented to the President of the United States the following enrolled bills:

S. 229. An act to amend the Endangered Species Act of 1973 in order to permit the disposal of certain endangered species products and parts lawfully held within the United States on the effective date of such Act.

S. 811. An act to revise and extend the Horse Protection Act of 1970.

S. 3168. An act to authorize fiscal year 1977 appropriations for the Department of State, the United States Information Agency, and the Board for International Broadcasting, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. STEVENSON:

S. 3648. A bill for the relief of Harvey E. Ward. Referred to the Committee on the Judiciary.

By Mr. BROCK:

S. 3649. A bill to amend title XX of the Social Security Act so as to eliminate certain restrictions therein pertaining to the use, in the financing of State social services programs, of goods and services provided in kind by a private entity and of donated private funds. Referred to the Committee on Finance.

By Mr. HUDDLESTON:

S. 3650. A bill to amend section 8332, title 5, United States Code, to provide for the inclusion in the computation of accredited services of certain periods of service rendered States or instrumentalities of States, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. GRAVEL (for himself, Mr. STEVENS, and Mr. ABOUREZK):

S. 3651. A bill to amend the Alaska Native Claims Settlement Act to provide for the withdrawal of lands for the Village of Klukwan, Alaska. Referred to the Committee on Interior and Insular Affairs.

By Mr. GARN (for himself, Mr. MORGAN, Mr. TOWER, and Mr. SPARKMAN):

S. 3652. A bill to amend the Consumer Credit Protection Act. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs and the Committee on Commerce.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 3653. A bill to provide financial assistance for the education of the dependents of persons engaged in the construction of additional hydroelectric power facilities at Chief Joseph Dam and Reservoir, Washington. Referred to the Committee on Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENSON:

S. 3648. A bill for the relief of Harvey E. Ward. Referred to the Committee on the Judiciary.

Mr. STEVENSON. Mr. President, the eighth clause of article 1, section 9, of the Constitution states as follows:

> No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.

In 1964 the Comptroller General of the United States interpreted that clause to bar an enlisted member of the Coast Guard, retired on disability because of a World War II injury, from accepting a teaching position in a public school administered by the State of Tasmania, Australia. 1964, 44 Comp. Gen. 227. He had accepted the position unaware of the constitutional barrier, and as a penalty the Coast Guard withheld from his retired pay an amount equal to the total salary he had received in the position, $15,475.59.

Mr. Harvey E. Ward of Lake Forest, Ill., had served in the Coast Guard for 15 years when he retired in 1946 as a result of an injury incurred during World War II. Although he required periodic surgery until 1959, he continued his education, obtained bachelors' and masters' degrees, and taught social studies in a junior college.

In 1960, Mr. Ward was offered a teaching position in the State of Tasmania, Australia, in a school which was the Australian equivalent of an American junior college. As required by Coast Guard regulations, he wrote to the Coast Guard explaining the offer and requesting permission to accept it. He received permission in a letter from the Coast Guard which contained only one stipulation: that he not accept a position that would require him to take an oath of allegiance to a foreign government. It contained no warning against accepting a position in an agency of a foreign government.

Having ascertained that no oath would be required, Mr. Ward moved to Australia and assumed the teaching position. He promptly informed the Coast Guard of his arrival and gave the school as his address. In 1964 he was offered a similar position in New Zealand, and again he wrote to the Coast Guard for permission. Only then did he learn, directly from the Coast Guard's legal division, that he could not accept the new position and indeed that he had been in violation of the Constitution for the preceding 4 years. And only then did he learn that the legal division had informed the division of personnel of the legal difficulty in 1960 in an internal memorandum which the Coast Guard, by its own admission, failed to transmit to Mr. Ward.

His retirement pay was promptly suspended and Mr. Ward, unable to teach in either Australia or New Zealand, returned home. The Coast Guard referred his case to the Comptroller General, who held that he had violated the Constitution, and also held that the appropriate penalty would be the withholding from his retirement pay of an amount equal to the salary he had earned while teaching in Australia, $15,475.59.

Mr. President, I am persuaded that the circumstances of this case warrant the relief Mr. Ward now seeks; that is, recovery of the full amount withheld. He tried faithfully to comply with Coast Guard regulations; he understandably relied on the Coast Guard's letter in which he was warned of one hazard and thus had no reason to suspect that there was another difficulty not mentioned; even if he were to remember the eighth clause of article 1, section 9 of the Constitution, it probably would not have occurred to him that he held an "office of profit or trust" under the United States, or that in accepting employment in an Australian state school he would be receiving an "emolument" from "any King, Prince, or foreign State."

Mr. President, I introduce a private bill to authorize payment to Mr. Ward, and submit a resolution referring the bill to the U.S. Court of Claims in accordance with sections 1492 and 2509 of title 28 of the United States Code. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harvey E. Ward of Lake Forest, Illinois, the sum of $15,475.59, in full satisfaction of all claims of the said Harvey E. Ward against the United States for reimbursement for his United States Coast Guard disability retirement pay which was withheld from him as a result of his employment as a teacher by the Department of Education of the State of Tasmania, Australia, from 1960 to 1964, such employment being in violation of article I, section 9, clause 8 of the Constitution of the United States. The said Harvey E. Ward had no knowledge of the constitutional prohibition against such employment and was not informed by personnel of the United States Coast Guard that such employment was not prohibited when he requested permission to live in Australia for the purpose of accepting such employment.

SEC. 2. No part of the amount appropriated by this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same is unlawful, any contract to the contrary notwithstanding. A violation of this section is a misdemeanor punishable by a fine in an amount not to exceed $1,000.

By Mr. BROCK:

S. 3649. A bill to amend title XX of the Social Security Act so as to eliminate certain restrictions therein pertaining to the use, in the financing of State social services programs, of goods and services provided in kind by a private entity and of donated private funds. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, today I am introducing legislation which will facilitate the use of appropriated title XX funds, a substantial part of which could not be utilized in fiscal year 1976 because of restrictive regulations. The provision precluding matching funds in kind proved to be particularly troublesome in rural areas with the result that my State, for instance, was able to draw less than half of the available Federal money. In view of the great need to expand the nutrition and transportation programs for the elderly, this development is particularly deplorable. According to the preliminary data of HEW, 16 other States find themselves in a similar position. Inasmuch as there is a definite limit of $2.5 billion in title XX appropriations, there is no danger of a resulting undue burden on the Federal Treasury. On the other hand, my bill would assure the aged who reside in rural areas the full benefit of appropriated Federal funds.

By Mr. HUDDLESTON:

S. 3650. A bill to amend section 8332, title 5, United States Code, to provide for the inclusion in the computation of accredited services of certain periods of service rendered States or instrumentalities of States, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. HUDDLESTON. Mr. President, I rise today to introduce legislation which would grant Federal retirement credit to Federal employees, who retire as such, for periods of prior service as State or county employees of Federal-State programs which were federally funded and federally supervised.

Congress and the Civil Service Commission have recognized in the past the right to Federal retirement credit for persons who have performed Federal functions on federally funded and federally supervised projects. It is estimated that approximately 27,000 persons have already received this credit but there are still 7,000 persons who, in my judgment, should be granted such employment credit.

In 1955 Congress passed legislation which would have accomplished the intent of the bill I am introducing today. President Eisenhower vetoed this legislation passed by the 84th Congress. Subsequent to the veto new criteria for Federal retirement credit for persons in the Agricultural Extension Service were approved by the Civil Service Commission.

Through administrative action employees of the USDA received Federal retirement credit for previous State employment in the Agricultural Extension Service of their respective States. This action granted Federal retirement credit to 12,000 persons.

In 1960 Congress granted such credit to employees of county Agricultural Stabilization and Conservation Committees with the enactment of Public Law 568. This action covered 15,000 persons not included earlier by the Civil Service Commission. Now only 7,000 persons remain to receive equitable treatment.

These 7,000 persons are Federal employees that have previously worked in 18 specific categories and performed Federal functions on federally funded and federally supervised projects. The legislation I am introducing today entitles these Federal employees to "buy in" to the Federal retirement system for the years they were not covered.

The purpose of S. 3650 is to provide that service formerly rendered by a present Federal employee for a period when he was a State employee under a Federal-State program shall be creditable under the Civil Service Retirement System. The employees of the following 18 types of such service would be affected by this bill:

THE 18 GROUPS THAT REPRESENT THE INTENT OF LEGISLATION

(1) The Federal-State Cooperative Program to inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce as authorized under the provisions of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627);

(2) the program of a State rural rehabilitation corporation created for the purpose of handling rural relief funds for which were made available by the Federal Emergency Relief Act of 1933 (48 Stat. 55), the Act entitled 'An Act making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the civil works program, and for other purposes', approved February 15, 1934 (48 Stat. 351), and title II of the Act entitled 'An Act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes', approved June 19, 1934 (48 Stat. 1021);

(3) the Federal-State cooperative program of agricultural experiment stations research and investigation authorized by the Act entitled 'An Act to establish agricultural experiment stations in connection with the colleges established in the several States under the provisions of an Act approved July second, eighteen hundred and sixty-two and of the Acts supplementary thereto', approved March 2, 1887 (7 U.S.C. 361a–361i);

(4) the Federal-State cooperative program of vocational education authorized by the Act entitled 'An Act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure', approved February 23, 1917 (20 U.S.C. 11–28);

(5) the Federal-State cooperative program of agricultural extension work authorized by the Act entitled 'An Act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an Act of Congress approved July second, eighteen hundred and sixty-two, and of Acts supplementary thereto, and the United States Department of Agriculture', approved May 8, 1914 (7 U.S.C. 341–348);

(6) the Act entitled 'An Act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on the lands chiefly suitable therefor', approved June 7, 1924 (16 U.S.C. 564–570); the cooperative forest management program unauthorized by the Cooperation Forest Management Act (16 U.S.C. 568c and 568d); and operations under the Forest Pest Control Act (16 U.S.C. 594–1 through 594–5); and the predecessor programs of any Act referred to in this paragraph;

(7) the Federal-State cooperative program for the control of plant, pests, and animal diseases authorized by the subheading entitled 'Federal Horticulture Board' under the heading entitled 'Department of Agriculture' of the Act entitled 'An Act making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June thirtieth, nineteen hundred and eighteen, and prior fiscal years on account of war expenses, and for other purposes', approved October 6, 1917 (40 Stat. 374; 7 U.S.C. 145); section 102 of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a); a joint resolution entitled 'Joint Resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, mormon crickets, and chinch bugs', approved April 6, 1937 (7 U.S.C. 148–148e); an Act entitled 'An Act to provide for regulating, inspecting, cleaning, and, when necessary, disinfecting railway cars, other vehicles, and other materials entering the United States from Mexico', approved January 31, 1942 (7 U.S.C. 149); the Act entitled 'An Act to regulate the importation of nursery stock and other plants and plant products; to enable the Secretary of Agriculture to establish and maintain quarantine districts for plant diseases and insect pests; to permit and regulate the movement of fruits, plants, and vegetables therefrom, and for other purposes', approved August 20, 1912 (7 U.S.C. 151–154, 156–164a, and 167); the first paragraph under the subheading entitled 'Enforcement of the Plant-Quarantine Act'; under the heading entitled 'Miscellaneous' of the Act entitled 'An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and fourteen', approved March 4, 1913 (37 Stat. 854; 7 U.S.C. 155), insofar as such paragraph relates to the importation of certain plants for scientific purposes; the second, third, and fourth paragraphs under the subheading entitled 'Enforcement of the Plant-Quarantine Act' under the heading entitled 'Miscellaneous' of the Act entitled 'An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and sixteen', approved March 4, 1915 (38 Stat. 1113; 7 U.S.C. 166); and section 11 of the Act entitled 'An Act for the establishment of a Bureau of Animal Industry, to prevent the exportation of diseased cattle, and to provide means for the suppression and extirpation of pleuropneumonia and other contagious diseases among domestic animals', approved May 29, 1884 (21 U.S.C. 114a);

(8) the Federal-State cooperative program of the public employment service authorized under section 7 of the Act entitled 'An Act to provide for the promotion of vocational education; to provide for co-

operation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure', approved October 6, 1917 (40 Stat. 345); the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49–49k); and the provisions for employment service and unemployment insurance under title III of the Social Security Act (42 U.S.C. 501–504);

(9) the Federal-State cooperative program of highway construction authorized by the Federal-Aid Road Act, approved July 11, 1916, and the provisions of title 23 of the United States Code;

(10) the Federal-State cooperative assistance programs approved under titles IV and V, and titles I, X, XIV (after January 1, 1974, such titles I, X, and XIV become title XVI) of the Social Security Act (42 U.S.C. ch. 7, subchs. 1, 4, 5, 10, and 14), and under agreements entered into under section 221 of the Social Security Act (42 U.S.C. 421);

(11) the Federal-State cooperative program of vocational rehabilitation authorized by the Vocational Rehabilitation Amendments Act of 1954 (29 U.S.C. 31–42);

(12) the cooperative program of fish restoration and management authorized by the Act entitled 'An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes', approved August 9, 1950 (16 U.S.C. 777a–777k);

(13) the cooperative program in wildlife restoration authorized by the Act entitled 'An Act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes', approved September 2, 1937 (16 U.S.C. 669–669i);

(14) the Federal-State cooperative program in marketing service and research authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and predecessor programs;

(15) the public health programs authorized by sections 309, 314, and 316 of the Public Health Service Act (42 U.S.C. 242g, 246, 247a);

"(16) the program of aid to certain public schools for the education of Indian children authorized by the Act entitled 'An Act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes', approved April 16, 1934 (25 U.S.C. 452–454);

"(17) instructors of veterans educational programs, including part-time instruction of veterans in on-the-farm training programs, as provided for in the Education of Veterans Act of 1944 and subsequent amendments and acts pertaining thereto;

"(18) Federal-State Cooperative Program of Elementary and Secondary Education authorized by 'The National Defense Education Act of 1958 as amended, and the Elementary and Secondary Act of 1965 as amended'; to provide for cooperation with the States in providing an opportunity for each young person to develop his talents, and for the improvement of Elementary and Secondary Education; approved September 2, 1958 and April 11, 1965, respectively."

All of these groups of employees have in common the following: First, the function in which they worked was created by an act of Congress; second, it was administered by a Federal department; and third, it was financed wholly or in part by Federal funds.

Mr. President, in my judgment, this legislation is fair. This legislation is equitable. And this legislation is needed now because many of the Federal employees who would be eligible if it were enacted are nearing retirement age.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8332, title 5, United States Code, is amended by adding at the end thereof the following new subsections:

"(L) Subject to the conditions contained in this subsection, any employee or Member who is serving in a position within the purview of section 8331 of this title at the time of his retirement or death shall be allowed credit for all periods of service, not otherwise creditable, performed by him under agreements to which the Federal Government was a party (except for those periods in which the record shows he was certified as being eligible for relief) in the employ of a State, or a political subdivision thereof or of any instrumentality of either in the carrying out of:

"(1) the Federal-State cooperative program to inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce as authorized under the provisions of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627);

"(2) the program of a State rural rehabilitation corporation created for the purpose of handling rural relief funds for which were made available by the Federal Emergency Relief Act of 1933 (48 Stat. 55), the Act entitled 'An Act making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the civil works program, and for other purposes', approved February 15, 1934 (48 Stat. 351), and title II of the Act entitled 'An Act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes', approved June 19, 1934 (48 Stat. 1021);

"(3) the Federal-State cooperative program of agricultural experiment stations research and investigation authorized by the Act entitled 'An Act to establish agricultural experiment stations in connection with the colleges established in the several States under the provisions of an Act approved July second, eighteen hundred and sixty-two and of the Acts supplementary thereto', approved March 2, 1887 (7 U.S.C. 361a–361i);

"(4) the Federal-State cooperative program of vocational education authorized by the Act entitled 'An Act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure', approved February 23, 1917 (20 U.S.C. 11–28);

"(5) the Federal-State cooperative program of agricultural extension work authorized by the Act entitled 'An Act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an Act of Congress approved July second, eighteen hundred and sixty-two, and of Acts supplementary thereto, and the United States Department of Agriculture', approved May 8, 1914 (7 U.S.C. 341–348);

"(6) the Act entitled 'An Act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on the lands chiefly suitable therefor', approved June 7, 1924 (16 U.S.C. 564–570); the cooperative forest management program authorized by the Corporation Forest Management Act (16 U.S.C. 568c and 568d); and operations under the Forest Pest Control Act (16 U.S.C. 594–1 through 594–5); and the predecessor programs of any Act referred to in this paragraph;

"(7) the Federal-State cooperative program for the control of plant, pests, and animal diseases authorized by the subheading entitled 'FEDERAL HORTICULTURE BOARD' under the heading entitled 'DEPARTMENT OF AGRICULTURE' of the Act entitled 'An Act making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June thirtieth, nineteen hundred and eighteen, and prior fiscal years, on account of war expenses, and for other purposes', approved October 6, 1917 (40 Stat. 374; 7 U.S.C. 145); section 102 of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a); a joint resolution entitled 'joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, mormon crickets, and chinch bugs', approved April 6, 1937 (7 U.S.C. 148–148e); an Act entitled 'An Act to provide for regulating, inspecting, cleaning, and, when necessary, disinfecting railway cars, other vehicles, and other materials entering the United States from Mexico', approved January 31, 1942 (7 U.S.C. 149); the Act entitled 'An Act to regulate the importation of nursery stock and other plants and plant products; to enable the Secretary of Agriculture to establish and maintain quarantine districts for plant diseases and insect pests; to permit and regulate the movement of fruits, plants, and vegetables therefrom, and for other purposes', approved August 20, 1912 (7 U.S.C. 151–154, 156–164a, and 167); the first paragraph under the subheading 'ENFORCEMENT OF THE PLANT-QUARANTINE ACT' under the heading entitled 'MISCELLANEOUS' of the Act entitled 'An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and fourteen', approved March 4, 1913 (37 Stat. 854; 7 U.S.C. 155), insofar as such paragraph relates to the importation of certain plants for scientific purposes; the second, third, and fourth paragraphs under the subheading entitled 'ENFORCEMENT OF THE PLANT-QUARANTINE ACT' under the heading entitled 'MISCELLANEOUS' of the Act entitled 'An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and sixteen', approved March 4, 1915 (38 Stat. 1113; 7 U.S.C. 166); and section 11 of the Act entitled 'An Act for the establishment of a Bureau of Animal Industry, to prevent the exportation of diseased cattle, and to provide means for the suppression and extirpation of pleuropneumonia and other contagious diseases among domestic animals', approved May 29, 1884 (21 U.S.C. 114a);

"(8) the Federal-State cooperative program of the public employment service authorized under section 7 of the Act entitled 'An Act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure', approved October 6, 1917 (40 Stat. 345); the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49–49k); and the provisions of employment service and unemployment insurance under title III of the Social Security Act (42 U.S.C. 501–504);

"(9) the Federal-State cooperative program of highway construction authorized by the Federal-Aid Road Act, approved July 11, 1916, and the provisions of title 23 of the United States Code;

"(10) the Federal-State cooperative assistance programs approved under title IV and V, and titles I, X, XIV (after January 1, 1974, such titles I, X, and XIV become title XVI) of the Social Security Act (42 U.S.C. ch. 7, subchs. 1, 4, 5, 10, and 14), and under agreements entered into under section 221 of the Social Security Act (42 U.S.C. 421):

"(11) the Federal-State cooperative program of vocational rehabilitation authorized by the Vocational Rehabilitation Amendments Act of 1954 (29 U.S.C. 31–42);

"(12) the cooperative program of fish restoration and management authorized by the Act entitled 'An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes', approved August 9, 1950 (16 U.S.C. 777a–777k);

"(13) the cooperative program in wildlife restoration authorized by the Act entitled 'An Act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes', approved September 2, 1937 (16 U.S.C. 669–669i);

"(14) the Federal-State cooperative program in marketing service and research authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and predecessor programs;

"(15) the public health programs authorized by sections 309, 314, and 316 of the Public Health Service Act (42 U.S.C. 242g, 246, 247a);

"(16) the program of aid to certain public schools for the education of Indian children authorized by the Act entitled 'An Act authorizing the Secretary of the Interior to arrange with States or territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes', approved April 16, 1934 (25 U.S.C. 452–454);

"(17) instructors of veteran educational programs, including part-time instruction of veterans in on-the-farm training programs, as provided for in the Education of Veterans Act of 1944 and subsequent amendments and Acts pertaining thereto;

"(18) Federal-State cooperative program of elementary and secondary education authorized by the National Defense Education Act of 1958, as amended, and the Elementary and Secondary Act of 1965, as amended; to provide for cooperation with the States in providing an opportunity for each young person to develop his talents, and for the improvement of elementary and secondary education; approved September 2, 1958, and April 11, 1965, respectively.

"(2) The period of any service specified in this subsection shall be included in computing length of service for the purposes of this section of any officer or employee only upon compliance with the following conditions:

"(1) the Civil Service Commission shall accept the certification of the head of the appropriate employing agency, or his designee, concerning the service performed by an employee for the purpose of this subsection;

"(2) for the purpose of this subsection, the term 'State' includes the fifty States and Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territories of the Pacific Islands, the territories of Hawaii and Alaska prior to statehood, and the District of Columbia;

"(3) an annuity or survivor annuity based on the service of an employee or annuitant who performed service described in section 8332(1) of title 5, United States Code, as added by the first section of this Act, shall, upon application to the Civil Service Commission, be recomputed, effective on the first day of the first month following the date of enactment of this Act, in accordance with such section 8332(1);

"(4) the annuity of an employee who separated under section 8338 of title 5, United States Code, or any prior applicable provision of law, prior to the date of enactment of this Act which has a commencing date on or after such date of enactment shall be paid as if the amendment made by the first section of this Act had been in effect at the time of the employee's separation;

"(5) the annuity computed under this subsection is reduced by the amount of any State annuity (including social security benefits) which an employee is receiving, or may receive, toward which the employee contributed during such State service and to which he is entitled by reason of such State service as used in this subsection, the term 'State' includes those instrumentalities referred to in section 2 above;

"(6) no annuity shall be paid pursuant to this subsection until the employee has made a deposit to cover the period of service that is creditable pursuant to section 8334.

By Mr. GRAVEL (for himself, Mr. Stevens, and Mr. Abourezk):

S. 3651. A bill to amend the Alaska Native Claims Settlement Act to provide for the withdrawal of lands for the Village of Klukwan, Alaska. Referred to the Committee on Interior and Insular Affairs.

Mr. GRAVEL. Mr. President, I am today introducing legislation which would correct an unforeseeable problem which arises from passage of the omnibus bill amending the Alaska Native Claims Settlement Act of 1971.

One of its provisions reinstated Klukwan, a southeastern Alaska village, as a participant in the claims act. It further provided that Klukwan be granted the right to select 23,040 acres of land.

However, the lands withdrawn for that purpose are inadequate and unsuitable. First, because the area surrounding Klukwan was not a part of the Tongass National Forest, the majority of the withdrawal area was selected by the State of Alaska in the period 1959 to 1972. Furthermore, what remains are inaccessible, snow-covered mountains with an average elevation of 5,000 feet.

In attempting to resolve this dilemma, and obtain suitable lands, Klukwan has explored and exhausted all avenues. Neither the Bureau of Land Management nor the State of Alaska have been able to provide a solution.

On June 18 my colleague from Alaska, Senator Stevens, met with the Solicitor of the Department of the Interior to satisfy the question of whether the Department has the authority under existing law to solve the land selection problem faced by the village of Klukwan. Although a final decision was not rendered by the Solicitor at that meeting and a written reply to the question posed by Senator Stevens is still forthcoming, there is no reason to believe the Department of the Interior has the authority to resolve this matter in a manner satisfactory to the Klukwan Village Corp.

Therefore, short of years of litigation with the Federal Government which Klukwan does not have the ability to finance, the only solution is congressional action. On June 14 the president of the Klukwan Village Corp., testified before the Senate Interior and Insular Affairs Committee during oversight hearings called to examine the progress of implementation of the Alaska Native Claims Settlement Act. The testimony presented during the hearing adequately describes the difficulty the corporation faces. That testimony and answers to questions directed to the Klukwan witnesses should serve as the foundation of an adequate record for the committee on this matter.

The Alaska Native Claims Settlement Act provided for two forms of compensation for aboriginal claims: Money and lands of similar character to those traditionally utilized. If Klukwan is to receive the same compensation as the rest of the Alaskan villages, this legislation is essential.

Finally, Klukwan is faced with a critical time factor. Its right to select expires on January 2, 1977. Therefore, if the proposed legislation is not enacted into law during this session, 253 Natives will be deprived of the lands to which they are entitled pursuant to the terms of the Alaska Native Claims Settlement Act.

I am pleased to have my colleague, the senior Senator from Alaska, join me in cosponsoring this measure, as well as Senator Abourezk, a member of the Committee on Interior and Insular Affairs.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3651

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 16(a) of the Alaska Native Claims Settlement Act, is amended by deleting "Klukwan, Southeast."

(b) Section 16(d) of such Act is amended to read as follows:

"(d)(1) Because Congress has determined that there are no lands of suitable character available for selection by the village of Klukwan in the township that encloses Klukwan or in the townships contiguous to or cornering on such township, the Secretary is authorized and directed to withdraw 70,000 acres of public lands, as defined in section 3 of this Act, in order that the Village Corporation for the village of Klukwan may select 23,040 acres of land. Such Corporation and the shareholders thereof shall otherwise participate fully in the benefits provided by this Act to the same extent as they would have participated had they not elected to acquire title to their former reserve as provided by section 19(b) of this Act: *Provided,* That nothing in this subsection shall affect the existing entitlement of any Regional Corporation to lands pursuant to section 14(h)(8) of this Act: *Provided further,* That the foregoing provisions of this subsection shall not become effective unless and until the Village Corporation for the village of Klukwan shall quitclaim to Chilkat Indian Village, organized under the provisions of the Act of June 18, 1934 (48 Stat. 984), as amended by the Act of May 1, 1936 (49 Stat. 1250), all its right, title, and interest in the lands of the reservation defined in and vested by the Act of September 2, 1957 (71 Stat. 596), which lands are hereby conveyed and confirmed to said Chilkat Indian Village in fee simple absolute, free of trust and all restrictions upon alienation, encumbrance, or otherwise: *Provided further*, That the United States and the Village Corporation for the village of Klukwan shall also quitclaim to said Chilkat Indian Village any right or interest they may have in and to income derived from the reservation lands defined in and vested by the Act of September 2, 1957 (71 Stat. 597), after the date of enactment of this Act and prior to the date of enactment of this subsection.

(2) The lands withdrawn by the Secretary pursuant to paragraph (1) of this subsection shall be located in the Southeastern Alaska region and shall be of similar character and comparable value to those of the Chilkat Valley surrounding the village of Klukwan. Such withdrawal shall be made within six months of the date of enactment of this subsection and the Village Corporation for the village of Klukwan shall select, within one year from the time that the withdrawal is made, and conveyed, 23,400 acres. None of the lands withdrawn by the Secretary for selection by the Village Corporation for the village of Klukwan shall have been selected by, or be subject to an outstanding nomination for selection by, any other Native Corporation organized pursuant to this Act, or located on Admiralty Island."

Mr. STEVENS. Mr. President, in 1971 the Congress took a major step to compensate Alaska's first residents for their land claims with the passage of the Alaska Native Claims Settlement Act. That measure has, for the most part, operated effectively to provide land and monetary compensation to thousands of Alaskan Natives.

The strong role the regional and village corporations are playing in Alaska's economy is a testament to the importance and wisdom of the act.

But there are those Alaskan Natives who have not participated fully in the act.

The residents of the small village of Klukwan were involved in a complicated problem when the original act was passed. Under the original act the residents of Klukwan were afforded the opportunity to choose between participation in the act or retain reserve lands. The vote to retain the reserve status was made under a misconception as to the effect of a lease conveying mineral interests in the reserve land. Actually the lease probably survived the passage of the act and the benefits under it would have accrued only to the members of the Chilkat Indian Village and not to the 155 residents of Klukwan, who do not belong to Chilkat Indian Village. Therefore, those 155 individuals were denied all benefits of the act and the lease.

Last year, the Congress recognized the inequities of this situation and reinstated Klukwan as a village eligible to participate in the act and to select land.

Unfortunately, at that time another oversight occurred and the Congress did not realize that the land Klukwan was eligible to select, in the core township, had already been selected by the State. Therefore, Klukwan was faced with the problem of being authorized to select land from an area where no land was available. The purpose of the bill that we are introducing today is to correct that oversight and to provide lands for all residents of Klukwan to select.

The land would be in the southeastern part of the State and would be lands of a like character and quality to the lands in the Chilkat River Valley, which is where Klukwan is and which are already selected by the State of Alaska. It is my understanding that the Secretary of Interior would be authorized to withdraw 70,000 acres of such land elsewhere in the southeast panhandle of Alaska to meet the Klukwan entitlement. The residents of Klukwan do not wish to interfere with the selection right of any other group but they do seek adequate land under the act. The measure would allow the Secretary 6 months to make his withdrawal and the village corporation would have another year to select from that land.

This matter requires congressional approval even in this hectic year. The Department of the Interior has informed me that they know of no authority under existing law which would allow them to assist Klukwan. The possibility of a land swap with the State is rendered slight by the totally useless land that Klukwan could bargain with. And the amended act provides that Klukwan make its selection by January 2, 1977. Without prompt congressional action Klukwan will be left without remedy or benefits under the act.

No Member of the Senate is more aware than I of the press of business and the short time that we have to complete our work. But it is a matter of simple justice that the residents of Klukwan receive the right to select this land. It is a minor problem but it requires Congress to act and act quickly. I hope the Congress, its committees and the executive branch will all cooperate in acting expeditiously to aid the people of Klukwan.

By Mr. GARN (for himself, Mr. MORGAN, Mr. TOWER, and Mr. SPARKMAN):

S. 3652. A bill to amend the Consumer Credit Protection Act. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs and the Committee on Commerce.

THE CONSUMER LOAN CONTRACT ACT OF 1976

Mr. GARN. Mr. President, on behalf of Mr. MORGAN, Mr. TOWER, Mr. SPARKMAN, and myself I introduce today a bill to amend the Consumer Credit Protection Act to assure a steady flow of funds into consumer credit transactions at reasonable rates.

The Chairman of Federal Reserve Board has warned that the availability of credit for consumer lending by financial institutions may be severely restricted as a result of the Federal Trade Commission's rule which abolished the holder in due course doctrine in consumer lending. The Consumer Loan Contracts Act would restore the power to the States and Congress to enact laws to protect consumers from abuses of the holder in due course doctrine and allow these elected bodies to measure the effect such laws may have on the cost and availability of credit.

HISTORY OF THE HOLDER IN DUE COURSE DOCTRINE

The holder in due course doctrine historically played an important role in expanding the availability of credit for consumer loan purchases by protecting the lender from the buyer's claims against the seller. In the early days commercial banks were not interested in consumer lending because they did not want to hold large amounts of debt instruments that they could not resell. The holder in due course doctrine, which was incorporated in the Uniform Commercial Code, provided that subsequent purchasers of a note took the note free of any underlying claims regarding the transaction which was the subject of the note.

This legal position commonly was described as making the purchaser a "holder in due course." The evolvement of the doctrine met the need to make such credit instruments fully negotiable in the market place, thereby making more funds available for lending to other consumers. If the original borrower could assert any claims he had against the original seller or the original lender, this would destroy the marketability of the note. Thus, the banks went into consumer lending of everything from automobiles to aluminum siding.

Abuses arose because the doctrine was used by some unscrupulous sellers as a device to sell defective goods or services without standing behind them. They did this by immediately selling the note to a third party. The buyer would then be required to make payments on the note and could not assert the defenses he had against the seller against the new holder.

To correct these abuses, State legislatures and courts moved in varying degrees to limit the doctrine.

The Federal Trade Commission stepped in with its rule effective May 14, 1976, entitled "Preservation of Consumer's Claims and Defenses." The rule requires that in connection with any purchase money loan or any sale or lease of goods or services it shall be an unfair trade practice if a seller receives the proceeds of the loan where creditor does not include in the consumer credit contract notice that the holder of the contract is subject to all claims and defenses which the debtor could assert against the seller. This has the effect of abolishing the doctrine of holder in due course so far as covered consumer credit transactions are concerned.

The rule is based on the theory that consumers are not in a position to police the market, exert leverage over sellers, or vindicate their legal rights in cases of clear abuse. It shifts the responsibilities for policing the market to the creditors. As well intentioned as the rule may be, it has created innumerable problems.

DISRUPTION OF THE ECONOMY

My principal concern is that the rule may have a disruptive effect upon the economy. Chairman of the Federal Reserve Board, Arthur Burns on May 5, 1976, wrote the Chairman of the Federal Trade Commission that if the rule went into effect as scheduled it could have harmful consequences for the economy I have personally received correspondence from savings and loan associations indicating that they are going to curtail home improvement and mobile home loans. Some bankers have stated that they may get out of the consumer lending business. Others have stated that they will restrict loans to the better risks. The automobile dealers have warned that this may seriously affect the sale of new and used cars.

RULE TOO BROAD IN SCOPE

The Federal Trade Commission's rule goes entirely too far in a number of areas. The most troublesome one is the coverage of the purchase money loans. Bankers have difficulty with the lack of distinction in the regulations between dealer's tie-in loans and a legitimate, genuinely two-party traditional direct loan transaction, all or part of which loan proceeds might be used to purchase consumer goods.

Another problem is that the regulations place no time limitation on the liability of lenders. This is particularly troublesome so far as home improvement and mobile home loans are concerned. These are often for large sums of money over a long period of time. It is most unreasonable to make a lender responsible for claims against the seller 5 to 10 years after the sale.

Another problem is that the lender is made responsible for tort and warranty claims against the seller. This puts an impossible burden upon the lender.

AREA RESERVED FOR THE STATE

The most disturbing feature is the fact that the Federal Trade Commission has promulgated a rule which preempts a multitude of State consumer credit laws. This area has historically been regulated as part of the general law of contracts in each and every State. Virtually every State has protected consumers and subsequent holders of their credit contracts through its common law contracts, the Uniform Commercial Code, the Uniform Consumer Credit Code, or some other form of statute. At least 39 jurisdictions have eliminated or limited the holder in due course doctrine with regard to consumer obligation. Approximately 41 jurisdictions have eliminated or limited the effectiveness of waiver defense provisions in contracts. At least seven States have subjected direct lenders to the same obligations and liabilities as sellers when they knowingly participate in the sales transaction. Thus, the consumer is protected in most jurisdictions with some form of limitations on waivers or the holder in due course doctrine. There simply was no need for the Federal Trade Commission to move as broadly as it did in this field.

RETURN POWER TO STATES TO PROTECT CONSUMERS

The Consumer Loan Contract Act, which we have introduced today, will return the rightful power to the States to protect consumers from abuses in the holder in due course doctrine. The States are in an ideal position to judge the needs of both the business community and the consumer for regulation in this area.

Because of the potential disruption that the Federal Trade Commission rule abolishing the holder in due course doctrine can have on the economy, it is important that the Senate Banking Committee hold hearings on these problems to determine what effect the regulation is having on the flow of credit into consumer lending. It is also important that the committee look at the particular problems that the regulation is causing financial institutions to see if there is a need for a Federal rule balancing the interests of the consumer, the sellers, and the creditors in consumer lending.

Because of the urgency of this matter, I urge prompt action on this bill.

Mr. MORGAN. Mr. President, I support the Consumers' Loan Contract Act which is being introduced today to return to the elected representatives of the people in the State legislatures the authority to regulate consumer credit contracts and protect consumers with restrictions on the holder in due course doctrine and waiver of defense clauses.

STATE ACTION TO PROTECT THE CONSUMER

The holder in due course rule initially benefited the consumer and the small businessman because it meant that banks which were at first reluctant to become involved in consumer lending began buying consumer contract loans from merchants. The holder rule enable the banks to resell this fully negotiable paper to investors who had a surplus of cash and thus to channel this money into consumer purchases.

Abuses of the holder doctrine and waiver clauses followed. Some dealers having a working relationship with lenders would separate the consumer's duty to pay from the dealer's obligation to perform by promptly transferring the paper to the lender.

These abuses lead State courts and legislatures to limit the doctrine. The approach has differed from complete elimination in all consumer transactions to more limited restrictions in the use of "time-notice" provisions. Approximately 39 jurisdictions have eliminated or limited the holder doctrine and no fewer than 41 jurisdictions have eliminated or limited the effectiveness of waiver of defense provisions. Approximately seven States have subjected direct lenders to the same obligations and liabilities as sellers when they knowingly participate in the sale transaction.

My State of North Carolina has elected to prohibit the waiver by a consumer credit buyer of his defenses when the debt is secured by an interest in real property. In addition, under the North Carolina Retail Installment Sales Act the consumer must be notified when an assignment is made to permit the consumer to notify the financial institution of any complaints regarding the merchandise.

As attorney general of North Carolina, I fully supported these and other State efforts to protect the consumer in credit transactions.

THE FEDERAL RULE USURPS THE STATE POWER TO PROTECT ITS CITIZENS

The Federal Trade Commission in its rule entitled "Preservation of Consumers' Defenses and Claims" on a national level abolished the holder in due course doctrine by requiring that most consumer credit contracts contain a legend that the contract is subject to all claims and defenses which the debtor could assert against the seller. As well intentioned as this rule may be, it has the effect of usurping the power of the States to continue their experimentation in consumer credit protection laws.

I am concerned that a five member commission, which is not elected by the people, can promulgate such a broad rule with no guidelines from Congress and override State legislation as well as some decisions of Congress.

STATE EXPERIMENTATION SHOULD BE ALLOWED TO CONTINUE

The States are in the best position to balance the conflicting interests in the passage of consumer credit protection laws. As the National Commission on Consumer Finance pointed out in its 1972 report to Congress, the first choice is for the States to adopt laws designed both for fair treatment of all consumers and to give all credit grantors equal opportunity to compete. Failing this, the Commission's second choice is to urge Federal legislation to accomplish this goal.

The States have moved to protect the consumer in this area and the power should be restored to them to continue their work.

ECONOMIC IMPACT

Another concern of mine is the economic impact the broad-brush approach taken by the Federal Trade Commission may have on the economy. The Chairman of the Federal Reserve Board warned in May of 1976, that if the FTC rule was not altered from its original scope it could have harmful consequences for the economy. A University of Pennsylvania's Wharton School economist has projected a $3 billion a year decline in gross extensions of consumer credit as a result of the Federal Trade Commission's adoption of the holder in due course rule.

Although forecasts differ on this issue, it is most important that the Senate Banking Committee promptly hold hearings to determine the effect that the rule may have on the economy and on financial institutions under its jurisdiction.

David Roe, director of short-term forecasting at Wharton Econometric Forecasting Associates told the editors of the Washington Credit Letter that although the total impact of the holder rule will not be "a whole lot—one serious and unquestionable impact will be on smaller, independent, or newer merchants—often located in minority areas."

Congress in the Civil Rights Act of 1968 and the Equal Credit Opportunity Act Amendments of 1976 declared as a matter of public policy that minorities should not be discriminated against in lending. In addition, it has been congressional policy to keep open opportunities for financing for small business and new entrants into the marketplace. It is important that the appropriate committees of Congress promptly hold hearings to determine the impact of the FTC rule on minorities and small business.

Mr. President, I urge that the Senate Consumer Affairs Subcommittee hold hearings on this legislation to afford all interested parties and the appropriate

Government agencies the opportunity to advise us of the economic impact that abolishing the holder rule will have on the economy.

Mr. TOWER. Mr. President, today I am cosponsoring the Consumer Loan Contracts Act. The purpose of this legislation is to return the authority for protecting consumers in consumer loan contracts to the States and the Congress and to assure that the flow of credit to consumers will not be impeded by unwise actions at the Federal level.

The need for this legislation is an outgrowth of a recent ruling by the Federal Trade Commission, which abolished the doctrine of holder-in-due-course in consumer lending transactions. Prior to this ruling, purchasers of debtors' notes were not responsible for claims against merchandise purchased with the notes. For example, a financial institution which bought a note from an auto dealer could not be held liable for the auto should it fail to perform according to a customer's expectations.

Of course, there obviously have been some abuses in this area. Unscrupulous dealers and retailers have been known to sell notes to financial institutions when the merchandise purchased with the notes was defective. In those instances, the buyer has been required to make payments on the note and has not been able to make a claim against the financial institution as the new holder of the note. However, until now the States and the courts have served as the main line of defense against such practices.

The ruling adopted by the Federal Trade Commission on May 14, 1976, changed this practice by abolishing the doctrine of holder-in-due-course. Thus, creditors who now purchase notes are responsible for the merchandise purchased with the notes. Responsibility for the merchandise has thereby been shifted to the creditor from the retailer, even though the creditor is not responsible for the condition of the merchandise. The problem with this ruling is that it may disrupt the flow of credit to consumers as creditors refuse to purchase notes, and it will make it more difficult for new business ventures to establish themselves with creditors.

Therefore, I am particularly concerned with the effect which the recent Federal Trade Commission's rule abolishing the holder-in-due-course doctrine will have on the economy. The econometric model used by the National Commission of Consumer Finance indicated that, in those States which have prohibited both the holder-in-due-course and waiver of defense clauses, there has been an observable reduction in the availability of consumer goods and credit. Chairman Arthur F. Burns of the Federal Reserve wrote the Chairman of the Federal Trade Commission on May 5, 1976, that unless a number of ambiguities in the regulations were cleared up the economy could be seriously disrupted.

I requested the FTC Chairman to give assurances that the regulation will not have the undesirable consequences outlined by Chairman Burns before it was permitted to become effective. It was my wish to avoid a recurrence of the sort of disruption caused by the recent ill-conceived regulations in the real estate closing area issued by another agency. Although the staff of the Federal Trade Commission has made a commendable effort to clear up some of the problems in staff guidelines, many still remain. Because of the ripple effect this may have on the economy, it is important that Congress immediately review the entire matter.

PROBLEM AREAS—PURCHASE MONEY LOANS

One of the most serious problems under the rule is its broad coverage of "purchase money loans."

The FTC's trade regulation rule, preserving consumers' claims and defenses, purports to affect only sellers of consumers' goods and services. However, it affects bank financing of consumer purchases in at least two ways. In the first instance, whenever a bank purchases consumer credit contracts containing the FTC's clause from a merchant, it is subject to any claims or defenses the obligor under the contract—the consumer—has against the merchant.

Second, when a bank loans money directly to a consumer and the proceeds of the loan are used to purchase consumer goods or services, and the bank has a consumer financing arrangement with the seller of such goods or services by means of contract, business arrangement, or referrals, either the bank would have to make sure that its bilateral loan agreement with the consumer contains the FTC's clause abrogating holder in the course or the seller would be unable to accept the proceeds of the loan in payment for the goods.

A hypothetical example of the latter case follows:

First National Bank makes a personal loan of $500 to John Doe on the security of Doe's signature. The loan agreement does not contain FTC's holder-in-due course clause. Doe deposits the funds in his checking account, goes down the street to Acme Appliances and purchases a television set, tendering a check for $500 in payment. First National Bank provides inventory financing for some of Acme's merchandise and agrees to purchase Acme's consumer credit paper. If Acme accepts Doe's check in payment for the television, it has violated the FTC rule. Doe, on discovering that the television has no picture tube, can refuse to make payment on his $500 personal loan even though the bank had no idea he would use the funds to purchase a television at Acme's, and even though the bank had violated no rule whatsoever.

The foregoing example illustrates the impossible position the banks are put in under the rule.

COVERAGE OF TWO-PARTY CREDIT CARD ISSUERS

The Federal Trade Commission's Bureau of Compliance has interpreted the rule as covering the two-party credit cards issued by chain retailers. Third-party credit cards were not covered because Congress had preempted the area in the Fair Credit Billing Act.

The coverage of the credit cards issued by retailers seems unnecessary because traditionally the consumer goes back to that retailer for the correction of any problems. On the other hand the cost of this coverage will be quite large and will ultimately be borne by the consumer. It will require the printing of new contract forms, the mailing of notices to existing credit customers, and can destroy the image of the retailer.

HOME IMPROVEMENT AND MOBILE HOME LOANS

The home improvement loan presents a difficult question. These loans are generally written for a term ranging from 5 to 15 years. For example, in the construction of a permanent addition to a consumer's personal residence, as in the construction of a swimming pool or similar improvement, which should be considered to be a major undertaking, there seems to be a logical distinction between expected abuses of consumer rights in that area when compared with the expected abuses of consumer rights in sales and installation of carpeting, alarm systems, aluminum siding, texture coatings and sealings, and roofing materials. Because of the amounts generally involved in major home improvement projects and the necessary term of amortization of such a loan, the rule would be tantamount to making the creditor acquiring a consumer credit contract for such an improvement an absolute insurer of the advisability, fitness and quality of the construction project, as well as the workmanship and the materials used.

A lending institution would probably look away from undertaking such a long term responsibility, especially a responsibility of such magnitude. Whether lenders would decline to make this type of credit except in isolated situations involving highly reputable contractors of unquestioned financial strength can only be a matter of speculation; however, that speculation would have to include the thought that the rule would necessarily force lending institutions to favor the financially strong, long-established companies over small, new contractors and that further leads one to speculate on the monopolistic overtones that accompany that kind of discussion or speculation.

A similar problem is faced with mobile homes. These loans, which account for 90 percent of all home loans under $20,000, generally have a term of 5 to 10 years. Yet the average manufacturer's responsibility under warranty on a mobile home is 12 months. In effect the lender becomes the insurer of the product long after the manufacturer is willing to stand behind it. It is not surprising that many lenders are becoming reluctant to make mobile home loans.

TORT CLAIMS

The Federal Trade Commission went far beyond what most States have done by including tort claims among those which can be raised by the consumer against the creditor. Congress itself in the Fair Credit Billing Act specifically excluded credit card issuers from tort claim liability. Apparently, the FTC felt its judgment on the matter was sounder than that of Congress.

On the practical side of the question, the only possible way for the lender to protect himself would be to pass on the quality of all products. This is next to impossible and certainly not the business of creditors.

ANTICOMPETITIVE EFFECTS

Equally disturbing are the anticompetitive effects the regulation may have on the market.

Some financial institutions have already indicated that they will stop taking retail installment contracts arising from the sale of motor vehicles which contain the required notice. If creditors abandon the automobile finance market, it may be dominated by wholly-owned subsidiaries of the manufacturers who are dedicated to the market and who will be free to choose their credit terms with the dealer and to choose the consumer with whom they want to deal. This will seriously affect the ability of any independent dealers to sell motor vehicles on credit. Moreover, new businesses will find it difficult to sell their paper to financial institutions until they somehow become well enough established to sell such paper.

AN AREA FOR STATE EXPERIMENTATION

The most disturbing feature of the Federal Trade Commission Rule is that it has preempted States efforts to protect the consumer.

The subject sought to be addressed in the Rule has received a great deal of attention from State legislatures.

Many States have adopted, or are presently considering, statutory provisions which modify the traditional holder-in-due-course doctrine. The Congress has recently enacted legislation subjecting credit card issuers to liability for merchant performance in certain specified circumstances. The FTC's resolution of the issue is at considerable variance with almost all of these legislative pronouncements and positions. This disparity suggests that rather than implementing legislative policy, the FTC has apparently acted in disregard of such policy. Sweeping away years of careful study by legislators, economists, legal scholars and others, the FTC has dictated an immediate and profound change in the law based upon a standard of "fairness" that goes well beyond even the most extreme position taken by elected representatives at both the State and Federal levels.

I have no quarrel with the elimination of the holder-in-due-course doctrine and waiver defense clauses in closely connected loans. The National Commission on Consumer Finance after carefully study recommended that the consumer be given added protection in the marketplace by limiting these doctrines. However, most significantly, the Commission urged as its first choice the adoption of State laws designed both to assure fair treatment of all consumers and to give all credit grantors equal opportunity to compete. The States have been moving vigorously in this area and there simply was no reason for the Federal Trade Commission to preempt the field. The bill which I am introducing today will correct this by returning to the States the power to legislate. It would enact a Federal law restoring the holder-in-due-course doctrine and giving to the States the power to preempt the Federal rule with a State law that abolishes the holder-in-due-course doctrine. This would wipe out the FTC rule and put the States in the same position they were in before the issuance of the rule. It would also reserve for Congress the right to pass a substantive rule at a later date.

Mr. President, I urge that committee hearings be promptly held on the problems that I have outlined above.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced today by Mr. Garn and others to amend the Consumer Protection Credit Act to be jointly referred to the Committee on Commerce and the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. JACKSON (for himself and Mr. Magnuson):

S. 3653. A bill to provide financial assistance for the education of the dependents for persons engaged in the construction of additional hydroelectric power facilities at Chief Joseph Dam and Reservoir, Washington. Referred to the Committee on Public Works.

Mr. JACKSON. Mr. President, on behalf of my colleague, Senator Magnuson, and myself, I am today introducing legislation which will assist the Bridgeport and Brewster School Districts in Washington State which are being impacted by substantial increased enrollments of students as a result of construction activities at the Chief Joseph Dam project.

The Chief Joseph Dam construction activities began in 1974 and will continue through 1980. During this period the Brewster and Bridgeport schools will feel an educational impact of approximately 360 students at the peak of construction. By Washington State standards, some of the schools in Bridgeport and Brewster are already beyond capacity in terms of allowable classroom space per child and available recreation areas.

Mr. President, the legislation I introduce today is patterned after Public Laws 89–789 and 90–483 which authorized assistance for federally connected students as a result of the Libby Dam and reservoir project in Montana and the Dworshak Dam and reservoir project in Idado. Federal assistance will be limited to costs for temporary facilities and added maintenance and operation expense. Permanent facilities and assistance remain the responsibility of local school districts.

ADDITIONAL COSPONSORS

S. 123

At the request of Mr. Inouye, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 123, to amend the Social Security Act.

S. 495

At the request of Mr. Ribicoff, the Senator from Washington (Mr. Jackson) and the Senator from Michigan (Mr. Philip A. Hart) were added as cosponsors of S. 495, the Watergate Reorganization and Reform Act.

S. 3175

At the request of Mr. Kennedy, the Senator from Tennessee (Mr. Brock) was added as a cosponsor of S. 3175, relating to title XX of the Social Security Act.

S. 3192

At the request of Mr. Hartke, the Senator from Mississippi (Mr. Stennis) was added as a cosponsor of S. 3192, the Consumer Communications Reform Act.

S. 3364

At the request of Mr. Kennedy, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 3364, to revise the economic regulation of air transportation.

S. 3533

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Humphrey), the Senator from Iowa (Mr. Clark), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Rhode Island (Mr. Pastore) were added as cosponsors of S. 3533, relating to services of nurses in the medicaid and medicare programs.

S. 3585

At the request of Mr. McGovern, the Senator from West Virginia (Mr. Randolph), the Senator from Ohio (Mr. Taft), the Senator from New Hampshire (Mr. Durkin), and the Senator from Minnesota (Mr. Mondale) were added as cosponsors of S. 3585, the National Meals-on-Wheels Act.

S. 3596

At the request of Mr. Hartke, the Senator from New Mexico (Mr. Montoya) was added as a cosponsor of S. 3596, to amend title 38, United States Code.

S. 3606

At the request of Mr. Inouye, the Senator from Iowa (Mr. Clark), and the Senator from Minnesota (Mr. Humphrey) were added as cosponsors of S. 3606, to amend the Social Security Act.

SENATE CONCURRENT RESOLUTION 118

At the request of Mr. Jackson, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of Senate Concurrent Resolution 118, urging the Soviet Union to release Georgi Vins.

AMENDMENT NO. 1750

At the request of Mr. Haskell, the Senators from Minnesota (Mr. Mondale and Mr. Humphrey) were added as cosponsors of amendment No. 1750, intended to be proposed to S. 495, the Watergate Reorganization and Reform Act of 1976.

AMENDMENT NO. 1902

At the request of Mr. Taft, the Senator from Kansas (Mr. Dole) was added as a cosponsor of amendment No. 1902, intended to be proposed to H.R. 10612, the tax reform bill.

AMENDMENT NO. 1945

At the request of Mr. Gary Hart, the Senator from Massachusetts (Mr. Brooke) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of amendment No. 1945, intended to be

proposed to H.R. 10612, the Tax Reform Act of 1976.

SENATE RESOLUTION 484—SUBMISSION OF A RESOLUTION TO REFER A BILL TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. STEVENSON submitted the following resolution:

S. RES. 484

Resolved, That bill (S. 3648) entitled "A bill for the relief of Harvey E. Ward", now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims; and the Chief Commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due from the United States to the claimant.

SENATE RESOLUTION 486—SUBMISSION OF A RESOLUTION RELATING TO THE TREATY POWERS OF THE SENATE

(Referred, by unanimous consent, to the Committee on Foreign Relations; and, if and when reported by that committee, jointly for not to exceed 30 days to the Committee on the Judiciary and the Committee on Rules and Administration.)

Mr. CLARK (for himself, Mr. CHURCH, Mr. GRAVEL, Mr. KENNEDY, Mr. MONDALE, and Mr. EAGLETON) submitted the following resolution:

S. RES. 486

Resolved, That this resolution may be cited as the "Treaty Powers Resolution".

PURPOSE FINDINGS, AND DECLARATION

SEC. 2. (a) It is the purpose of this resolution to fulfill the intent of the framers of the Constitution and to ensure, through use of the legislative power of the Senate, that no international agreement constituting a treaty will be implemented by the Senate without its prior advice and consent to ratification of that agreement.

(b) The Senate finds that—

(1) article I, section 5, clause 2 of the Constitution empowers each House of the Congress to "dates the Rules of its Proceedings";

(2) article II, section 2, clause 2 of the Constitution, empowers the President "by and with the advice and consent of the Senate to make treaties, provided two-thirds of the Senators present concur";

(3) the requirement for Senate advice and consent to treaties has in recent years been circumvented by the use of "executive agreements"; and

(4) the Senate may, for its part, refuse to authorize and appropriate funds to implement those international agreements which, in its opinion, constitute treaties and to which the Senate has not given its advice and consent to ratification.

(c) It is the sense of the Senate that, under article 2, section 2, clause 2 of the Constitution, any international agreement, which involves a significant political, military, or economic commitment to a foreign country constitutes a treaty and should be submitted to the Senate for its advice and consent.

ADVICE

SEC. 3. It is the sense of the Senate that, in determining whether an international agreement constitutes a treaty under section 2(c) of this resolution, the President should, prior to and during the negotiation of such agreement, seek the advice of the Committee on Foreign Relations.

CONSENT

SEC. 4. (a)(1) Where the Senate may, by resolution, express its sense and that any international agreement hereafter entered into which has not been submitted to the Senate for its advice and consent constitutes a treaty under section 2(c) of this resolution and should be so submitted.

(2) Any such resolution shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of the War Powers Resolution is privileged under section 7 (a) and (b) of that law.

(b)(1) It shall not be in order to consider any bill or joint resolution or any amendment thereto, or any report of a committee of conference, which authorizes or provides budget authority to implement any international agreement if the Senate has expressed its sense, pursuant to subsection (a) of this section that such agreement constitutes a treaty under section 2(c) of this resolution.

(2) This subsection shall not apply if the Senate has given its advice and consent to ratification of such agreement.

(c) Any (1) committee of the Senate which reports any bill or joint resolution, and (2) committee of conference which submits any conference report to the Senate, authorizing or providing budget authority to implement any such agreement, shall so indicate in the committee report or joint statement filed therewith, as the case may be, that such budget authority is authorized or provided in such bill, resolution, or conference report.

Mr. CLARK. Mr. President, on April 14, 1976, I submitted Senate Resolution 434, the treaty powers resolution. I am pleased to say that it has been cosponsored by four of my colleagues, Senators CHURCH, GRAVEL, KENNEDY, and MONDALE.

At my request, the resolution was sent to the executive branch for comments, and a response was received recently from Monroe Leigh, legal adviser to the Department of State.

Nearly all of Mr. Leigh's opinion is based upon a misreading of the content and effect of the resolution. The resolution does not purport, as Mr. Leigh suggests, to give the Senate the power to "make" treaties or to "convert" executive agreements into treaties. It is a simple Senate resolution. As such it obviously cannot have the force of law. All it can legally do is to state the sense of the Senate and establish internal Senate procedures which bind no one but the Senate. And that is all it does.

If as a result of those internal Senate procedures the executive branch chooses to conduct its affairs differently, it nonetheless makes that choice freely, without legal compulsion. If the executive branch elects, as a result of those procedures, to submit as treaties certain executive agreements which it would not otherwise have submitted, that is legally its own choice. The consequences of that choice will admittedly be serious—that is the purpose of the resolution—but the decision remains, legally, that of the executive branch. The resolution states clearly that its purpose is to insure "that no international agreement constituting a treaty will be implemented by the Senate without its prior advice and consent to ratification of that agreement." Nothing in the resolution—and nothing I said upon introducing it and nothing said by any of the Senators who have cosponsored it—would suggest that it has any external legal effect or that it would require as a matter of law that those agreements be submitted as treaties. And, certainly, nothing therein suggests any intent to "undo" existing executive agreements or to redesignate them, legally, as treaties.

Its fundamental policy impact notwithstanding, the resolution is legally simply a parliamentary carrot-and-stick procedure. If the executive branch submits as treaties agreements which in the opinion of the Senate ought to be so submitted, then the Senate will join with the House in funding them. If the executive branch does not submit those agreements as treaties, then the Senate will not join the House in funding them. All the resolution does is to establish a new Senate procedure to implement its judgment internally.

The proposed procedure is simple. The resolution would cause a point of order to lie against the consideration of any measure which authorizes or appropriates funds to carry out any international agreement if the Senate has, by simple resolution, said that it believes that agreement should be submitted as a treaty for advice and consent. The simple resolution stating that opinion will, of course, have no legal effect whatsoever. It will simply serve as a trigger for the subsequent point of order.

Mr. President, I believe Senate Resolution 434 is clear on this point. For the purpose of eliminating even the slightest ambiguity, however, I am reintroducing the treaty powers resolution today with several slight modifications. They make clear—if anyone could ever genuinely have doubted it—that provisions in a single Senate resolution regarding Senate "findings" and the provision regarding the Senate "declaration" have only internal, sense-of-the-Senate effect.

I trust that these revisions will allow the discussions to focus on the two constitutional objections raised by the Department which are pertinent. They are:

First. Refusal to fund a valid executive agreement would, in the words of Ambassador Robert J. McCloskey's cover letter to Chairman SPARKMAN, violate "the constitutional requirements for passage of a money bill designed to implement a properly authorized and legally binding agreement."

Second. The Senate has no constitutional power to establish this rule of internal procedure.

Mr. President, I believe it is fair to say that these two contentions, taken together, represent one of the broadest assertions of executive power that has yet been made by any administration on the treaty powers issue.

The first claim is patently unsound—that the Congress, even if it disagrees with an executive agreement or considers that agreement beyond the President's constitutional authority, must nonetheless provide the funds to implement it. To whom does the power over the purse belong, the President or the Congress? The Congress is not even required, constitutionally, to provide funds to carry out treaties which have received the advice and consent of the Senate—let alone executive agreements which no one but the President may desire.

Mr. President, the Department of State has told the Senate that it lacks the constitutional power to adopt a certain rule of internal procedure. Because of the far-reaching ramifications of that position I asked the Office of the Legislative Counsel of the Senate for its opinion. They concluded that—

> Section 4(b) of S. Res. 434 is clearly constitutional as an exercise of the rule-making power granted the Senate under Article I, section 5, clause 2 of the Constitution.

I have, in addition, written to the President asking whether these two propositions represent the true position of his administration. I ask unanimous consent to have printed in the RECORD the portion of the State Department legal adviser's opinion dealing with the Senate's rulemaking power.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE'S RULEMAKING POWER

The question then arises whether such designations are constitutionally sufficient to permit a single Senator to block funding legislation. An authorization or appropriations bill is legislation, and the requirements of Article I, section 7 of the Constitution for its passage must accordingly be met. For the Senate so to permit one Senator to block a particular and important type of legislation would, in our submission, be a serious distortion of the legislative process and of the constitutional requirements for passage of legislation. Ordinarily the Department of State would not venture to present a position on the internal rules of procedure of the Senate. We nevertheless feel obligated to oppose a proposal which would so impair the constitutional process under Article I, section 7, with such potentially damaging effect on the capacity of the United States to conclude international agreements.

Senator Clark, in presenting S. Res. 434 to the Senate on April 14, said that the resolution was "patterned, in fact, after the House germaneness rule." (Cong. Rec., Apr. 14, 1976, p. 10968.) However, it does not appear that there is a relationship between the germaneness rule and the point of order procedure suggested in S. Res. 434. It is one thing to permit a point of order to block an amendment because it is not germane to the subject under consideration (see House Rule XVI, para. 7). It is quite another matter to permit a point or order to block legislation to fund an international agreement authorized by law and legally binding under international law, simply because one House has passed a resolution giving that agreement another designation.

The germaneness rule follows naturally from the legislative process prescribed in Article I, section 7 of the Constitution. But a Senate or even a concurrent resolution cannot constitutionally overcome the President's legal authorization by a statute, a treaty, or the Constitution, to conclude an executive agreement. Where the President is legally empowered to conclude an international agreement, it would be a most serious distortion of the constitutional framework to permit one Senator to block funding legislation on the basis of a Senate resolution which cannot legally supersede the law authorizing the agreement.

A point of order would lie, of course, where an attempt is made to appropriate funds for an item for which there is no legal authorization. But where an executive agreement is authorized by law, that authorization will subsist and cannot be nullified by a Senate resolution or a concurrent resolution. No matter what designation the Senate attaches to the agreement, the legal authorization for that agreement remains valid and in force.

Nor, it is submitted, can the Senate alone constitutionally impose a rule requiring that legally authorized executive agreements receive a further two-thirds approval by the Senate before such agreements are implemented. Special majorities are imposed by the Constitution, and not by Senate resolution. In fact, in its most fundamental sense S. Res. 434 is an attempt by resolution to create a unanimous Senate approval rule for money bills that would fund "significant" international agreements. But like all other bills, funding measures are adopted by a majority, and it requires an amendment to the Constitution to make it otherwise.

We do not believe that either the Senate or the House would wish to establish a precedent under which statutory authorizations or mandates may be so overridden or amended. The alteration of the legislative process involved in proposed S. Res. 434 is extremely serious, and is one which, in our view, would substantially upset that process as set forth in the Constitution.

The opinion of the Senate legislative counsel is as follows:

MEMORANDUM FOR SENATOR CLARK

This memorandum is in response to your letter to Mr. Littell requesting the opinion of this Office as to the constitutionality of section 4(b) of S. Res. 434 (94th Congress, 2d session) and the comments thereon by Monroe Leigh, Legal Adviser, Department of State.

The Constitution provides that "Each House may determine the Rules of its Proceedings. . . ." Article I, section 5, clause 2. This broad grant of authority is limited only by the specific exceptions set forth in section 5: the requirements respecting a quorum (clause 1), keeping and publishing a journal (clause 3), recording certain votes (clause 3), and adjournment (clause 4). No other exception is provided by the Constitution.

The Supreme Court has, accordingly, construed the rule-making power liberally. In *United States* v. *Ballin*, 144 U.S. 1 (1892), the Court upheld the validity of a rule relating to quorums, stating that "the advantages or disadvantages" and "the wisdom or folly" of the rule did not "present any matters for judicial consideration." It continued:

". . . With the courts the question is only one of power. The Constitution empowers each house to determine its rules of proceedings. It may not by its rules ignore constitutional restraints or violate fundamental rights, and there should be a reasonable relation between the mode or method of proceeding established by the rule and the result which is sought to be attained. But within these limitations all matters of method are open to the determination of the house, and it is no impeachment of the rule to say that some other way would be better, more accurate or even more just. It is no objection to the validity of a rule that a different one has been prescribed and in force for a length of time. The power to make rules is not one which once exercised is exhausted. It is a continuous power, always subject to be exercised by the house, and within the limitations suggested, absolute and beyond the challenge of any other body or tribunal." *Id.* at 5.

Applying these standards to section 4(b) of S. Res. 434, it is clear that the rule established, which causes a point of order to lie against the consideration of a measure providing funds to carry out certain executive agreements, does not "ignore constitutional restraints or violate fundamental rights." The Constitution provides that no moneys can be drawn from the Treasury except pursuant to appropriations made by law (article I, section 9, clause 7), and it does not place any restraints on the power of Congress to refuse to appropriate funds, nor does it contain any restraint against the adoption of rules which might facilitate such a refusal. It is also clear that a "reasonable relation" exists between the method established by section 4(b) and the result which is sought to be achieved. The result sought is apparently that set forth in section 2(a) of the Resolution, namely, "to insure, through use of the legislative power of the Senate, that no international agreement constituting a treaty will be implemented by the Senate without its prior advice and consent to ratification of that agreement." The method established for achieving that result is to allow a point of order to be made against the consideration of any measure which provides funds to carry out an executive agreement which the Senate (as indicated by simple resolution) believes should be submitted as a treaty. This method, it appears, could accomplish the result sought.

Under the language of article I, section 5, clause 2 of the Constitution, therefore, and under the construction given that provision by the Supreme Court, the rule proposed to be established seems clearly constitutional.

Turning to the comments of Mr. Leigh, we note that he objects to the adoption of this rule on the grounds that it would "permit one Senator to block a particular and important type of legislation" and thus "be a serious distortion of the legislative process and of the Constitutional requirements for the passage of legislation." Such a rule, he believes, would "impair the Constitutional process under article I, section 7. . . ."

Simply summarized, article I, section 7 requires that revenue bills originate in the House; establishes the veto power and a procedure for overriding a veto; and requires that measures having the force and effect of law be presented for Presidential signature. Article I, section 7 thus contains no provision relevant to the adoption of the proposed rule, nor has any court ever construed the provisions of article I, section 7 as prohibiting the adoption of or invalidating a procedural rule of the Senate or the House of Representatives.

The proposed rule would not "permit one Senator to block" legislation. At least two, and possibly three, majority votes of the Senate would be required in order to block such legislation. First, a majority vote would be required to adopt S. Res. 434, which establishes the rule giving rise to points of order. Second, a majority vote would be required to adopt the simple resolution of the Senate giving rise to a point of order with respect to legislation implementing a particular executive agreement. Third if a point of order is made, under the procedural rules of the Senate, the Presiding Officer must first rule on the point of order. Any Senator may appeal the ruling of the Presiding Officer and the Senate by majority vote either sustain or overrules that ruling. In effect the Senate by majority vote has the power to determine whether a point of order lies.

Both the Senate and the House of Representatives have numerous procedural rules relating to the consideration of bills, resolutions, and amendments under which points of order can be made. *See, e.g.,* Rule XVI of the Standing Rules of the Senate; sections 303, 311, 401, and 402 of the Congressional Budget Act of 1974.

It is therefore the conclusion of this Officer that section 4(b) of S. Res. 434 is clearly constitutional as an exercise of the rule-making power granted the Senate under article I, section 5, clause 2 of the Constitution.

Respectfully submitted,

Michael J. Glennon,
Assistant Counsel.

June 25, 1976.

Mr. CLARK. Mr. President, I ask unanimous consent that this resolution be referred to the Committee on Foreign Relations and, if and when reported by that committee, it be referred jointly to the Judiciary Committee and the Rules and Administration Committee for not to exceed 30 days for these committees to consider matters therein which may be within their jurisdiction.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 131—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO INCREASES IN SOCIAL SECURITY BENEFITS

(Referred to the Committee on Finance.)

Mr. ABOUREZK (for himself and Mr. Hugh Scott) submitted the following concurrent resolution:

S. Con. Res. 131

Whereas 33,000,000 recipients of social security benefits, along with 1,185,000 recipients of railroad retirement benefits, are expected to receive a 6.4 percent cost-of-living increase on July 3, 1977; and

Whereas past cost-of-living increases in social security benefits have resulted in cutbacks in other Federal and federally-assisted programs and reductions in the benefits otherwise available thereunder; and

Whereas dealing with this problem on an overall basis is particularly difficult because the Federal and federally-assisted programs involved fall within the jurisdictions of a number of different congressional committees: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is declared to be the sense of the Congress that no individual whose social security benefits are increased (whether as the result of an automatic cost-of-living adjustment or by the enactment of a law) should suffer, by reason of such increase, a loss of or reduction in any benefits which he or she (or the family or household of which he or she is a member) is otherwise entitled to receive under any Federal or federally-assisted program.

Sec. 2. In order to implement the declaration contained in the first section of this resolution, each committee of the House of Representatives or the Senate which has jurisdiction over any Federal or federally-assisted program providing benefits subject to loss or reduction as described in such section should without delay consider and report legislation eliminating the possibility of any such loss or reduction to the extent that such benefits are concerned.

Mr. ABOUREZK. Mr. President, I am submitting a concurrent resolution today expressing the sense of the Congress to act immediately to correct a grave injustice confronting those individuals receiving social security benefits while losing other Federal pension benefits because of an increase.

Time and time again, I have received reports from people who, after receiving a social security cost-of-living increase, as they will next month, suddenly find themselves suffering from a loss or a reduction in other federally assisted programs, simply because the cost-of-living increase moves them into a different income bracket.

Mr. President, I strongly believe this is a misinterpretation of the cost-of-living concept. I simply do not believe an increase in social security benefits should cause a decrease in other Federal programs.

I have cosponsored S. 445, with the distinguished Senator from Pennsylvania (Mr. Hugh Scott) in an attempt to correct this problem. Similar legislation has also been introduced in the House. The resolution I am submitting today with Senator Scott would direct the committees of the Senate and the House of Representatives who have jurisdiction over this problem to draft legislation along the line I am suggesting, in order to insure that those increases granted by the Government are actually received by the people.

In his introductory statement to S. 455, Senator Scott described the depth of this problem. He pointed out that some 2.5 million people have been adversely affected by this situation. It is time that something is done to correct it.

Essentially, there are no additional costs to the Federal Government for this legislation. This legislation would merely insure that those increases which have already been granted by the Federal Government are received by the people they were intended to benefit.

People on limited incomes simply cannot afford to lose any portion of their fixed income. And, they cannot understand how, in some circumstances, they can receive a cost-of-living increase and end up with a net loss in their fixed incomes.

I would hope the Senate and House committees with jurisdiction in this problem would act favorably and promptly to correct the situation, giving people not only additional benefits but also allowing them to keep that which they have already been granted.

Mr. HUGH SCOTT. Mr. President, I am very pleased to cosponsor a resolution submitted by my colleague, the Senator from South Dakota (Mr. Abourezk), which respectfully urges members of the Senate Finance Committee to consider and act upon S. 445, which I submitted on January 28, 1975, to correct an inequity in the social security system.

The purpose of this bill is to disregard social security in determining allowable income for those receiving benefits from any other Federal or federally assisted program such as supplemental security income, SSI, aid to families with dependent children, AFDC, and veterans. Since the 11-percent increase in social security benefits went into effect July 1, 1974, many people have found their total benefits have been reduced. This clearly was not the purpose of the social security increase.

Our bill will provide that any individual or family whose income is increased because of subsequent increases in monthly social security benefits will not suffer a loss of or a reduction in the benefits due them under certain other Federal programs. Any individual who was receiving benefits for the month immediately preceding the first month the social security increase became effective will be entitled to any subsequent increase in those benefits and his total income will not be reduced as a result of that increase.

Increases in social security effective July 1, 1976, will further increase the number of people facing a total reduction in benefits, rather than an expected increase. Each of those people have faced a reduction in their anticipated benefits. I am deeply concerned that so many Americans are suffering great hardships when social security increases should have meant relief.

Mr. President, for these reasons I very willingly cosponsor Mr. Abourezk's resolution urging our colleagues to recognize this need and to act quickly on this vital measure to end the intolerable burden upon millions of persons.

AMENDMENTS SUBMITTED FOR PRINTING

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS, 1977—H.R. 14260

AMENDMENT NO. 2000

(Ordered to be printed and to lie on the table.)

EMERGENCY RELIEF FOR LEBANON

Mr. KENNEDY. Mr. President, I send to the desk for printing an amendment to H.R. 14260, making appropriations for foreign assistance and related programs for fiscal year 1977.

The purpose of this amendment is simply to provide $5 million in emergency relief funds for Lebanon, to support the ongoing work of the International Committee of the Red Cross—ICRC. This will enable our country to respond more adequately to the desperate appeals of the ICRC for funds for medical and food relief for the growing number of war victims in Lebanon.

Regrettably, Mr. President, there has been some misunderstanding over the need for immediate relief funds for Lebanon, and the programs now underway for this purpose. As a result, I understand there has been some hesitancy to fund the existing authorization for $20 million for Lebanon, contained in the foreign assistance authorization bill.

However, until the picture becomes clearer as to the possibilities for providing rehabilitation and reconstruction assistance to Lebanon, the fact remains that there are immediate relief needs which are not being met. The continuing strife has produced an escalating list of emergency needs, from food and medicine, to temporary shelter for tens of thousands of refugees.

Currently there are no earmarked funds available in the foreign aid appropriations bill to specifically meet these urgent needs.

Also, it is not a question of no agency or organization available through which to channel the funds. The only operating international humanitarian relief agency in Lebanon is the International Committee of the Red Cross—ICRC. And, Mr. President, they have made a series of desperate appeals for funds.

The ICRC has issued a number of appeals—the first dating back to November 1975, and the most recent on June 8, 1976—for a total of $12 million. Of this amount the United States has contributed only $1 million, and of that only $500,000 has actually been received by the ICRC.

Unless greater funds are forthcoming from the international community, the International Red Cross will be forced to cut back and perhaps close down its emergency relief operation in Lebanon. This would truly be catastrophic.

The United States must not contribute to this tragic possibility by withholding needed funds. For countless thousands of beleaguered Lebanese, many with relatives in the United States, the Red Cross is the only link to life and to food and relief. If ever there was a humanitarian effort deserving of American support, it is the Red Cross program in Lebanon today.

I hope Senators will review the appeal of the ICRC, and support this amendment, pending the appropriation of the $20-million authorization.

Mr. President, I would like to share with my colleagues the complete texts of the recent ICRC appeals, and their memorandum on ICRC's current relief operation in Lebanon, and I ask unanimous consent that they be printed at this point in the Record, together with the text of my amendment.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

Amendment No. 2000

On page 15, line 13, strike out "$10,000,000" and insert in lieu thereof "$15,000,000".

[From the International Committee of the Red Cross]

Lebanon: Desperate Need for Funds

Geneva (ICRC).—On 8 June 1976 the representatives of government missions in Geneva met at the headquarters of the International Committee of the Red Cross (ICRC) to hear Mr. Roger Gallopin, President of the ICRC Executive Board, describe the International Committee's work in Lebanon, with special emphasis on the four-month action programme for which 21 million Swiss francs is required; [approx. $12 million].

Mr. Gallopin stressed that the ICRC needed immediate financial support from the Community of Nations, since the funds made available so far were exhausted. He made it clear that without substantial financial backing the ICRC would be compelled to reduce the scale of its activities and perhaps even to recall its delegates in the near future.

To conclude, Mr. Gallopin urged governments to give their replies quickly, and expressed the hope that the ICRC's appeal would meet with a generous response.

ICRC Launches Appeal for Lebanon: 21 Million Swiss Francs Needed for Relief Operation

Geneva (ICRC).—The International Committee of the Red Cross (ICRC) needs worldwide financial assistance if it is to continue and increase its humanitarian activities in Lebanon. For the next four months it needs 21 million Swiss francs. To raise this amount the ICRC has launched an urgent appeal to governments and Red Cross and Red Crescent Societies.

According to the ICRC, the supply of medicines to Lebanese hospitals crowded with war wounded is of utmost importance; often even the most elementary drugs and instruments have run out in these hospitals. In addition, some 150,000 Lebanese desperately need food and medical assistance; these are mostly displaced people who have lost their homes in this civil war.

So far the ICRC has sent some 350 tonnes of relief to the Lebanon—mainly medicines. These goods valued at about 6 million Swiss francs were for all the victims, to whichever side they belonged.

The ICRC has 25 delegates in the Lebanon, including 11 Nordic Red Cross doctors and nurses who run the ICRC field hospital in Beirut.

ICRC Action in Lebanon

Since mid-March, fierce fighting continued in Lebanon, necessitating increasing action on the part of the International Committee of the Red Cross. The combats were marked by a stiffening in the position of the combatants on both sides, and consequently it quickly became extremely dangerous, and even quite impossible, to cross the lines separating them in Beirut as much as in other sectors. The ICRC was therefore obliged to take practical steps in order to remain operational in all the areas controlled by the various parties to the conflict, so as to bring assistance to all the victims. To that end, the ICRC opened an office in Jounieh, to the north-east of Beirut, so as to send relief to the victims in that region. The ICRC has therefore at present two main logistics bases.

OVER 300 TONS OF RELIEF

The volume of relief shipments to Lebanon has thus considerably increased, some being carried by air to Beirut and some by sea to the port of Jounieh. From 1 April to 15 May, the ICRC sent hospitals and various organizations on both sides in Lebanon 200 tons of goods, including medicaments, medical equipment, powdered milk and blankets.

This brings to 325 tons, to a value of 4 million Swiss francs, the total of shipments forwarded since the beginning of 1976 by the ICRC to Lebanon. These relief supplies were provided by the ICRC, various National Red Cross Societies, a number of Governments and some private donors.

INTENSE ACTIVITY AT THE FIELD HOSPITAL

The renewed intensity of the fighting in Beirut has given rise to a medical emergency which has increased the work falling on the ICRC's field hospital. The surgico-medical team provided by the Red Cross Societies of Denmark, Finland and Norway has tended a large number of war-wounded from various parts of the city. At present the doctors, anaesthetists and nurses perform some sixty operations a week, about a third of them requiring major surgery.

In view of the way the situation is developing, the ICRC has decided to continue operating the hospital for several months (it was previously planned to close it at the end of May).

Towards the middle of May, some of the hospital tents were evacuated for the greater safety of the patients, to improve their comfort, and to ease the working conditions for the hospital staff. For that purpose several houses have been built near the tents, and they are now occupied by about a hundred patients and the operating theatre.

DIFFICULTIES FOR THE MOBILE MEDICAL TEAMS

At the end of March two mobile medical teams were sent, one to the Bekaa region (eastern Lebanon) and one to Akkar (in the north) to help the inhabitants of villages isolated by the danger prevailing on the roads. Despite extremely unsettled and dangerous conditions, these two teams, each consisting of one doctor, one nurse and a delegate, began their work. Each day they went to a different village.

The making of these visits required prolonged discussions with the various factions to permit passage from one zone to another and was often a dangerous procedure. The team based in the Bekaa plain, in particular, worked under excessively perilous conditions and the ICRC decided to withdraw it, temporarily, until the different groups in the region had given the necessary instructions to their troops and supporters. The situation in the Akkar region, in contrast, made it possible for the ICRC team to carry on under normal conditions. The doctor, nurse and delegate are based at Damascus but live for most of the time at Tripoli, Lebanon's northern port, from which they travel throughout the region. This team also sees patients at the dispensary in Halba.

TRACING AGENCY—SUCCESSFUL ACTIVITIES

Thousands of requests from relatives of missing persons have come to the ICRC bureau in Beirut. The worker specializing in Agency tracing activities has followed up these inquiries and, despite the chaotic conditions prevailing in the country, has been able to give positive replies to 90% of the requests.

Present and Foreseeable Situation

1. STRUCTURE OF DELEGATION IN LEBANON

One year of experience has made it possible for the ICRC to establish an infrastructure which, under present circumstances, enables it to reach victims in the various zones.

The delegation in Lebanon is composed of several branches, as follows:

(a) a bureau in western Beirut, with a field hospital, supplied from the airport;

(b) a bureau at Jounieh, supplied from Cyprus;

(c) a bureau at Tripoli, covering the Province of Akkar, supplied from Syria;

(d) a bureau at Baalbek, covering the Bekaa Plain, supplied from Damascus.

2. Victims needing the help of the ICRC are in two categories:

(a) Wounded people

The ICRC supplies hospitals in proportion to their needs. These needs depend directly upon the intensity of the fighting.

(b) Displaced and destitute people

Estimates indicate that 150,000 persons, including most of the displaced persons, need immediate assistance especially in food and medical aid.

3. On the basis of this information, the ICRC is putting into effect a programme which will provide assistance to the victims

in these categories in different parts of Lebanon. The programme provides for the expenditure of 5,384,000 Swiss francs (U.S. dol. 2,153,600) per month (see table), a total of approximately 21 million Swiss francs (U.S. dol. 8,614,400).

ANNEX I

ASSISTANCE PROGRAMME FOR DISPLACED AND NEEDY PERSONS IN LEBANON*

I. FOOD

1. Relief food for 150,000 persons

Monthly ration per head:
Flour: 6 kg.
Powdered skimmed milk: 1 kg.
Tinned meat: 1.5 kg.
Fats: 450 gr.
(1,100 cal per person/day).

Totals for 150,000 people/month:	*U.S. dollar*	*Swiss francs*
Flour—900 T	288, 000	720, 000
Powdered skimmed milk—150 T	120, 000	300, 000
Tinned meat—225 T	270, 000	675, 000
Fats—68 T	95, 200	238, 000
	773, 000	1, 933, 000
2. Supplementary programme for 100,000 children, women and elderly people		
3 kg protein-rich food per person/month (about extra 400 calories a day).		
For 100,000 persons/month:		
High protein food—300 T	360, 000	900, 000
	1, 133, 000	2, 833, 000
II. SOAP, BLANKETS		
100 gr soap per person/month:		
Required for 150,000 persons—15 T	4, 800	12, 000
150,000 blankets (purchased over a period of 4 months) (900,000 Sw.Fr.)	90, 000	225, 000
	1, 228, 000	3, 070, 000
III. FREIGHT		
About 2,500 m3 x 450 Sw.Fr.	450, 000	1, 125, 000
	1, 678, 000	4, 195, 000
IV. EXPENSES FOR MEDICAL ACTIVITIES		
Field hospital—12 persons, plus 4 mobile medical teams, inclusive medical and equipment supplies	170, 280	425, 700
V. Medical supplies for hospitals	200, 000	500, 000
VI. Operating expenses	105, 320	263, 000
	2, 153, 600	5, 384, 000

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*It is estimated that some 600,000 persons have been affected in one way or another by the events. The ICRC has calculated that in the whole country there are about 150,000 people in need of this supplementary food assistance.

ANNEX II

DISPLACED AND NEEDY PERSONS

Totals		Central (including Beirut)	North	South
Urgent requirements for 150,000 persons including 100,000 children, women and other groups needing extra special assistance.		70,000 persons including 46,000 persons needing extra special assistance.	35,000 persons including 24,000 persons needing extra special assistance.	45,000 persons including 30,000 persons needing extra special assistance.
Requirements for 150,000 persons per month (tons):				
Flour	900	420.0	210.0	270.0
Skimmed milk	150	70.0	35.0	45.0
Meat	225	105.0	52.5	67.5
Fats	68	31.5	16.5	20.0
Soap	15	7.0	3.5	4.5
Supplementary food for children and women:				
Enriched food	300	138.0	72.0	90.0
Total	1, 658	771.5	389.5	497.0
Blankets (pieces)	150, 000	70, 000	35, 000	45, 000

ANNEX III

STATEMENT OF CONTRIBUTIONS AND EXPENDITURE*

[In thousands dollars/francs]

	U.S. dollars	*Swiss francs*
Contributions:		
Governments	1, 046	2, 614
National Societies	165	413
Miscellaneous	149	373
	1, 360	3, 400
Expenditure:		
Operating expenses	213	532
Relief purchased by ICRC	979	2, 447
	1, 192	2, 979
Relief made available by National Societies, various organizations and institutions	1, 240	3, 100

*October 1975 till May 1976 (15/5 approx.).

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENTS NOS. 2001 AND 2002

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted two amendments intended to be proposed by him to the bill (H.R. 10612) to reform the tax laws of the United States.

AMENDMENT NO. 2003

(Ordered to be printed and to lie on the table.)

Mr. BURDICK. Mr. President, today I am pleased to submit an amendment to H.R. 10612, the tax reform bill of 1976. This amendment would exempt certain agricultural aircraft from the aircraft use tax and provide for the refund of the gasoline tax to the agricultural operator.

I firmly believe that these taxes are unfairly imposed upon crop sprayers and other agricultural aviators. As my colleagues know, taxes are imposed under the Airport and Airways Development Act of 1970 upon the gross weight of aircraft and upon aviation fuel. The revenues raised go into a trust fund, with a current surplus totaling over $2 billion, to be used for construction and improvement of our Federal airport system.

The agricultural aviation industry is paying this tax on aircraft used solely for agricultural purposes. Yet, most agricultural aircraft operators own and maintain private air strips from which their business is conducted. In fact, the recent "Measures of Use" study by the Federal Aviation Administration indicated that agricultural aircraft account for less than one-half of 1 percent of the use of the Federal system, while the revenues raised by this tax on agricultural operators constitute roughly 4 percent of the total taxes paid by all general aviation. This, Mr. President, is inequitable.

Mr. President, the other component of this amendment is a provision to exempt from taxation gasoline used by agricultural aircraft. Federal taxes paid by farmers are a refundable item when used for machinery on the fields. Gasoline used to propel a tractor across a field is not subject to Federal taxation; why would the gasoline which the same farmer uses to spray the very same field be subjected to Federal taxation? Tax equity, Mr. President, demands a change.

As my colleagues know, the ideas incorporated in my amendment are not new. The substance of this amendment was introduced in the 93d Congress as S. 2567. And in the 94th Congress, the substance of this amendment is contained in S. 1403 which was referred to the Finance Committee in April of 1975. It is also noteworthy that the substance of this bill has been introduced in the House in several different bills: H.R. 6223 by Mr. BOWEN of Mississippi, H.R. 8098 by Messrs. BOWEN of Mississippi and SISK of California, H.R. 8925 by Mr. MONTGOMERY of Mississippi, H.R. 9335 by Mr. MATHIS of Georgia, and H.R. 11033 by Mr. GOLDWATER of California. Today, Mr. President, it is time for the Senate to act on this matter.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2003

At the appropriate place insert the following:

SEC. . EXEMPTION OF CERTAIN AGRICULTURAL AIRCRAFT FROM AIRCRAFT USE TAX.

(a) In General.—Section 4493 (relating to special rules relating to tax on use of civil aircraft) is amended by adding at the end thereof the following new subsection:

"(c) EXEMPTION OF AIRCRAFT USED IN AGRICULTURAL OPERATIONS.—No tax shall be imposed by section 4491 on the use of any aircraft by a person who holds a certificate as an agricultural aircraft operator under part 137 of title 14 of the Code of Federal Regulations, if such aircraft is equipped for agricultural operation as provided in such part 137 and if such person uses it primarily for such agricultural operation.".

(b) Conforming Amendment.—Section 6420(c)(3) (defining farming purposes) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection and section 6427(c), if (i) the use of any liquid as a fuel on a farm for farming purposes is in an aircraft and by an aerial applicator who was the actual ultimate purchser thereof.

(c) Effective Date.—The amendments made by this Act shall take effect as of July 1, 1976.

AMENDMENT NO. 2004

(Ordered to be printed and to lie on the table.)

INVOLUNTARY CONVERSION

Mr. BURDICK. Mr. President, today I am submitting another amendment to the Tax Reform Act of 1976, the language of which I have presented to the Senate in bill form. In September of last year, I introduced S. 2311, legislation which is highly important to landowners affected by Federal projects. S. 2311 amends the Internal Revenue Code to allow the owner of real property which is compulsorily or involuntarily converted an extended period of time in which to reinvest the proceeds of the sale of said property. S. 2311 and the amendment I am offering today have the benefit of assisting individuals whose land has been condemned by the Government or sold under threat of condemnation.

Under present law—section 1033(g) of the Internal Revenue Code—if real property used in trade or business or for investment is condemned, no gain is recognized if the money received on the condemnation or sale is used to buy other real property used in trade or business or for investment. The replacement must take place within 2 years from the end of the year in which gain is realized on the condemnation. The reinvestment may be in any real property to be used in a business or held as an investment. Thus, for example, a farmer could buy another farm, a ranch, or an apartment house to be held for rental with the proceeds.

Now this language seems good enough, except when you consider the case of the farmers who have been displaced by the arrival of a Federal public works project. Finding land to buy which is comparable to that which has been claimed by the Federal Government under eminent domain proceedings is one long, hard process. First of all, these individuals are confronted with the problem of finding comparable land. Then these individuals must find land at a comparable price. And finally, and probably most importantly, these individuals are confronted with the problem of trying to find land which is for sale. The reinvestment period under present statute is simply not long enough to enable the displaced farmers to find suitable replacement land.

It is for these reasons that I am once again asking my colleagues to consider this legislative proposal. My amendment will lengthen the time period for replacement from 2 to 4 years. It would also allow investments other than in land be permitted to meet this investment criteria. For the whole Federal Government, the fiscal impact will be small, if any. But for the individual landowners who have been displaced by Federal projects, the impact will be clear. Mr. President, I urge the Senate to carefully consider this amendment.

AMENDMENTS NOS. 2006 AND 2007

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted two amendments intended to be proposed by him to the bill (H.R. 10612), supra.

AMENDMENT NO. 2009

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN. Mr. President, I recently submitted an amendment to the Tax Reform Act asking that the joint income tax return be made a reality by having both partners swear that the taxable income, property and liabilities are equally shared.

The purpose of the amendment was to focus attention on the discrimination against full-time, nonsalaried homemakers—women who choose to devote themselves to work in the home but who have no opportunity to benefit from income earned in the job force. Women who make this choice at the time of marriage or some time later in marriage must also choose to become a totally economically dependent person. This is an economic group that should have been freed from their dependency long ago.

My amendment asked that this discrimination be eased by simply affirming on the joint return that each has equal ownership—thus providing the homemaker with the financial backing of the spouse that is employed.

The intent was to be carried out by the right to claim an equal share of the taxable income and property for use in investment, retirement plans, credit and loan applications, and the many other business transactions that require proof of income. This change would cut inheritance tax liability in half—by crediting one-half of the property to the living spouse.

While accepting the idea of needed equality for homemakers, many questions have been raised by tax consultants regarding the impact of this type of requirement. Because of the complexity of our tax system, the simplicity of dividing an earned income and extending the benefits to full-time homemakers appears to have raised some contradictory opinions. The question of possible abuse or nonacceptance of a joint affirmation by financial institutions must be clarified by further study of the impact of such an amendment. I am submitting a substitute amendment to my original amendment directing a study of fiscal and tax effects of a provision that would limit the joint return to cases where each spouse has equal ownership, management, and control of all income and assets for which any tax deductions, exemption or credit is claimed.

It is my wish that by this study, many of the questions can be answered and we can be closer to allowing homemakers the dignity of economic independence and tax justice.

I ask unanimous consent that my proposed amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

At the appropriate place, insert the following new section:

Sec. Joint returns.

"The Secretary of the Treasury shall conduct a full and complete study and investigation with respect to the fiscal and tax effects of a provision that would limit use of the joint return to cases where each spouse has equal ownership, management, and control of all income and assets for which any tax deduction, exemption or credit is claimed. Such study shall be submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives not later than 180 days after the date of enactment of this Act. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."

AMENDMENT NO. 2010

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (H.R. 10612), supra.

AMENDMENT NO. 2011

(Ordered to be printed and to lie on the table.)

BROADENED STOCK OWNERSHIP PLAN AMENDMENT

Mr. CURTIS. Mr. President, the amendment I am submitting will encourage participation by low- and middle-income working Americans in private enterprise, by allowing deferral of taxes on certain funds invested in common stock. There is a severe shortage of capital in the United States at the present time. Our income tax system has served to aggravate the problem by affecting the willingness of people to save and invest. To the extent that income taxes take away part of the financial reward which flows from investment, it lessens the incentive to save and invest.

It is therefore important to provide incentives for Americans to invest part of their income in common stocks. Widespread stock ownership among all Americans will provide capital, promote stability in the financial markets, provide individuals with a greater sense of participation in the free market system, and give them an opportunity to build a reasonable estate for themselves and their heirs.

The amendment will allow all Americans, whether self-employed, employed by a corporation, or employed by the Government, to establish a broadened stock ownership plan—BSOP—under which they will have an opportunity to invest in common stocks. In general, a BSOP will provide nonforfeitable benefits and certain tax incentives.

Under a BSOP:

Contributions will be deductible from taxable income.

Income earned by the plan will be tax-exempt.

Taxation will instead be deferred until

benefits are actually distributed, at which time they will generally be subject to tax at capital gain rates.

Participation will be voluntary and will be restricted to individuals in the middle- and low-income range through a limit on the maximum amount of the annual contribution eligible for the exclusion from income tax.

Contributions are to be invested in common stocks.

The BSOP represents an important program for capital formation and a vehicle for strengthening our free market system.

VETERANS EDUCATION AND EMPLOYMENT ASSISTANCE ACT—S. 969

AMENDMENT NO. 2005

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. HARTKE. Mr. President, today I submit an amendment in the nature of a substitute to S. 969 to be known as the Veterans' Education and Employment Assistance Act of 1976. This amendment, which consists of seven titles, is the third major legislative initiative designed to improve and expand the VA educational assistance program since I assumed the chairmanship of the Committee on Veterans' Affairs in 1971. First was the 1972 GI bill amendments—Public Law 92-540—which significantly increased benefits payable to Vietnam veterans. This was followed by the Vietnam Era Veterans' Readjustment Assistance Act of 1974—Public Law 93-508—a comprehensive bill enacted over President Ford's veto in December of 1974. The measure which I introduce today is intended to complete further the efforts of 1972 and 1974 and to provide more adequate educational and employment assistance for our Nation's veterans.

I am pleased that joining me in sponsorship of this comprehensive amendment is the ranking Republican member of the Subcommittee on Readjustment, Education and Employment, the distinguished senior Senator from Vermont (Mr. STAFFORD). Senator STAFFORD has been a hard working member of this subcommittee and played an important role in shaping the GI bill legislation enacted both in 1972 and 1974. I am pleased that continuing the strong bipartisan tradition of this committee, he has joined once again to help fashion what I believe will be a strengthened and improved GI bill.

At the onset, let me say that the Veterans' Education and Employment Assistance Act of 1976 is neither a completely finished product nor all that I would like it to be. It is, however, the product of a considerable amount of attention to the education and employment problems of veterans within the context of the budgetary restraints placed on our committee by the concurrent resolution on the budget adopted by the House and Senate earlier this year. The level of spending adopted for veterans' benefits and services in the concurrent resolution does not permit us to provide a cost-of-living increase to account fully for the changes in the Consumer Price Index since September of 1974, the effective date of the last GI bill increases. However, it does appear that we can grant an 8-percent increase within the context of available resources. Though this increase is not all I would like it to be, it is not an insubstantial increase in benefits payable to veterans. Members will also note that there is no provision in the amendment offered today for a general extension of the 10-year delimiting date for post-Korean veterans, those veterans who served between 1955 and 1966.

I have previously addressed this issue in some detail and I refer my colleagues to the remarks I made on the floor of the Senate on June 2 this year. At that time, I noted the strong opposition to an extension by the administration and by others indicated that it might be difficult to extend the delimiting period over a Presidential veto. Second, I noted that, in any event, there were insufficient funds provided in the first concurrent resolution on the budget to permit such an extension. Such remains the case. Nevertheless, I want my colleagues to know that if it is the clear and unmistaken expression of the will of Congress to exceed and increase the amount of moneys provided to veterans' benefits and services in the first concurrent resolution for that purpose, then the committee would be in a position to consider proposals to extend the delimiting date. I must observe, however, that this will require a reversal of the earlier position of the Senate which voted during consideration of the first concurrent resolution 53 to 21 to table the amendment offered by Senator CRANSTON and myself to add additional moneys for veterans' benefits and services.

Mr. President, there are also a number of provisions in the measure introduced today which are aimed at preventing or reducing abuses under the GI bill program. If all of these provisions are enacted, we believe that the result will be a reduction in overpayments and, ultimately, cost savings to the Government.

Finally, the amendment introduced today attempts to achieve a reasonable balance between those who would prospectively terminate GI bill benefits and those who would allow the current program to continue. In an attempt to balance legitimate concerns about budgetary expenditures with the many advantages our Nation receives from GI bill expenditures, the amendment offered today would adopt a new post-Vietnam-era veterans' educational and assistance program. This program would require voluntary contributions by servicemen. In turn, matching funds, at the rate of $2 for each $1 contributed will be paid by the Veterans' Administration. The new program will result in reduced future expenditures of GI bill moneys while, at the same time it will be gleaning many of the benefits which I believe are necessary to assure a viable military force and to continue the important educational investments by our Nation in the youth of our country.

Mr. President, the following is a brief summary of the major provisions of the Veterans' Education and Employment Assistance Act of 1976. Title I of the Veterans' Education and Employment Assistance Act of 1976:

First, increases by 8 percent the subsistence allowance paid disabled veterans pursuing a course of vocational rehabilitation under chapter 31 of title 38, United States Code;

Second, eliminates the current termination date for use by seriously disabled veterans of chapter 31 benefits when it is determined that such veterans are still in need of vocational rehabilitation; and

Third, permits chapter 31 trainees to be trained in Federal agency facilities on the same basis as trainees under the Rehabilitation Act of 1973, thus affording disabled veterans increased opportunities for Federal employment.

Title II of the Veterans' Education and Employment Assistance Act of 1976:

First, increases by 8 percent the educational assistance allowance paid eligible veterans pursuing a program of education—including farm cooperative, elementary and secondary education, and preparatory educational assistance—under chapter 34 of title 38, United States Code;

Second, increases by 8 percent the individualized tutorial assistance allowance authorized for eligible veterans with deficiencies in subjects required as part of an approved program of education;

Third, extends the tutorial assistance program in certain cases to veterans enrolled in institutional or technical courses not leading to a standard college degree;

Fourth, removes the current restriction to undergraduate use of the 9 months of additional benefit entitlement granted in 1974, thus allowing a maximum of 45 months of eligibility for an approved program of education—including graduate work;

Fifth, extends the 10-year delimiting period for use of VA benefits for such periods of time that a veteran is prevented from completing his or her program of education because of a physical or mental disability not the result of the veterans' misconduct;

Sixth, allows maximum entitlement for benefits under chapter 34 for service of less than 18 months if the veteran received a medical discharge because of a service-connected disability;

Seventh, terminates authority for new enrollments in flight training effective October 1, 1976;

Eighth, clarifies, codifies and strengthens certain administrative provisions of the VA educational assistance program to prevent or reduce abuses.

Ninth, extends to all programs of education the requirement that no more than 85 percent of the students enrolled in certain approved courses be in receipt of VA benefits or other Federal grants; and

Tenth, amends the veterans' student services program to permit completion of a work study agreement even if the veteran ceases to be a full-time student.

Title III of the Veterans' Education and Employment Assistance Act of 1976:

First, increases by 8 percent the educational assistance allowance paid survivors of veterans who died of service-connected causes, and dependents of seriously disabled veterans;

Second, extends maximum entitlement to benefits from 36 to 45 months for all persons training under chapter 35;

Third, liberalizes the period of eligibility for use by eligible children of educational assistance benefits under chapter 35; and

Fourth, clarifies, codifies and strengthens certain administrative provisions of the VA educational assistance program to prevent or reduce abuses.

Title IV of the Veterans' Education and Employment Assistance Act of 1976:

First, establishes December 31, 1976, as the terminating date for establishing eligibility for veterans education and training benefits under chapter 34 of title 38, United States Code;

Second, establishes for those men and women entering the Armed Forces on or after January 1, 1977, a new chapter 32 educational program known as Post-Vietnam Era Veterans' Readjustment Assistance; and

Third, provides that in the event universal military training is reimposed by law that those entering military service after the effective date of such a change in the law shall be eligible for chapter 34 educational benefits.

Title V of the Veterans' Education and Employment Assistance Act of 1976:

First, increases by 8 percent the monthly training assistance allowance paid to eligible veterans or persons pursuing a full program of apprenticeship or other on-job training and provides similar increases for those pursuing a program of education by correspondence;

Second, increases from $600 to $1,200 the maximum annual VA educational loan available for eligible veterans, survivors and dependents;

Third, amends the VA educational loan program to provide that interest charges on such loans shall be comparable to, but shall not exceed those charged students under other federally insured educational loan programs;

Fourth, clarifies, codifies and strengthens certain administrative provisions of the VA educational assistance program to prevent or reduce abuses.

Fifth, permits continued VA payments for intervals between school terms and provides that when a veteran or eligible person transfers from one institution to another, payments are permitted providing that in either event such periods do not exceed 30 days;

Sixth, increases by 8 percent the allowance paid for administrative expenses incurred by State approving agencies in supervising approved educational institutions and further permits in certain cases subcontracting by State agencies;

Seventh, increases by $2 the reporting fee paid to institutions for each veteran or other eligible person enrolled therein;

Eighth, strengthens and improves the Education Advisory Committee to the Veterans' Administration; and

Ninth, repeals the current 48-month limitation for benefit entitlement to any person eligible and training under more than one VA educational assistance program.

Title VI of the Veterans' Education and Employment Assistance Act of 1976:

First, provides that the Veterans' Employment Service within the Department of Labor shall be headed by an Assistant Secretary of Labor for Veterans' Employment; and

Second, expands and strengthens the administrative controls to assure that eligible veterans receive satisfactory employment assistance.

Title VII of the Veterans' Education and Employment Assistance Act of 1976:

First, provides that except as otherwise specified all provisions shall become effective on October 1, 1976.

Second, clarifies and strengthens provisions prohibiting the assignment of VA benefits.

In addition to the foregoing, there are a number of technical amendments to chapters 31, 34, 35, and 36 of title 38, United States Code, including the removal of unnecessary and unwarranted gender references. Most of the provisions would become effective on October 1, 1976 as contemplated by the congressional budget process.

Mr. President, during the recess we will seek to receive all appropriate agency comments concerning the amendments proposed in the "Veterans' Education and Employment Assistance Act of 1976". In addition, during this recess period the committee would welcome receiving written comments, with respect to the subjects covered by this amendment, by any interested party. Such comments will be distributed to all committee members as well as made part of the committee's official education hearing record during the 94th Congress. It is my intention that the Subcommittee on Readjustment, Education, and Employment meet in open executive session shortly after the upcoming July recess so that the subcommittee may consider the measure proposed today together with any additional amendments which may be offered by the members. It is my hope that we will be in a position to report a bill to the full Senate for its consideration prior to the August recess.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2005

On page 1, line 3, strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Veterans' Education and Employment Assistance Act of 1976".

TITLE I—CHAPTER 31 DISABLED VETERANS' VOCATIONAL REHABILITATION RATE AND PROGRAM ADJUSTMENTS

SEC. 101. The table contained in section 1504(b) of title 38, United States Code, is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$226	$280	$329	$24
Three-quarter-time	170	210	247	18
Half-time	113	140	165	12
Farm cooperative, apprentice, or other on-job training:				
Full-time	197	238	275	18".

SEC. 102. Section 1503(c) of title 38, United States Code, is amended by striking out ", but not beyond ten years after such termination date, or June 30, 1975, whichever date is the later," and inserting in lieu thereof "when this is determined by the Administrator to be necessary for such veteran based upon the veteran's disability and need for vocational rehabilitation,".

SEC. 103. Section 1511 of title 38, United States Code, is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, the facilities of any agency of the United States, as designated in clause (3) of this section, may be used to provide unpaid training or work experience as part or all of a veteran's program of vocational rehabilitation when the Administrator determines this to be necessary to accomplish vocational rehabilitation. While pursuing such training, an uncompensated veteran shall be deemed an employee of the United States for the purposes of the benefits of chapter 81 of title 5 but not for the purposes of laws administered by the Civil Service Commission.".

SEC. 104. Chapter 31 of title 38, United States Code, is amended—

(1) by striking out in section 1502(b) "him" and inserting in lieu thereof "the veteran";

(2) by striking out in subsections (a) and (b) of section 1503 "his", "he", and "him" each time they appear and inserting in lieu thereof "the veteran's", "the veteran", and "the veteran", respectively;

(3) by striking out in section 1503(c) "him" and "he" each time they appear and inserting in lieu thereof "the veteran" and by striking out "his" the first and second time it appears and inserting in lieu thereof "the veteran's" and "the veteran", respectively;

(4) by striking out in subsections (a) and (c) of section 1504 "his" and "him" each time they appear and inserting in lieu thereof "the veteran's" and "the employer", respectively;

(5) by striking out in section 1505 "he" and "his" each time they appear and inserting in lieu thereof "the Administrator" and "the veteran's", respectively;

(6) by striking out in section 1507 "him" and inserting in lieu thereof "the Administrator";

(7) by striking out in section 1508 "he" and inserting in lieu thereof "the Administrator";

(8) by striking out in section 1509(a) "him", "his", and "he" each time they appear and inserting in lieu thereof "the veteran", "the veteran's", and "the veteran", respectively;

(9) by striking out in section 1509(b) "he" and inserting in lieu thereof "the Administrator";

(10) by striking out in section 1510 "he" each time it appears and inserting in lieu thereof "such person"; and

(11) by striking out in section 1511 "he" and inserting in lieu thereof "the Administrator".

TITLE II—VETERANS' EDUCATION RATE AND PROGRAM ADJUSTMENTS

SEC. 201. Chapter 34 of title 38, United States Code, is amended—

(1) by amending the table contained in paragraph (1) of section 1682(a) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$292	$347	$396	$24
Three-quarter-time	219	260	297	18
Half-time	146	174	198	12
Cooperative	235	276	313	18";

(2) by striking out in section 1682(b) "$270" and inserting in lieu thereof "$292";

(3) by amending the table contained in paragraph (2) of section 1682(c) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$235	$276	$313	$18
Three-quarter-time	176	207	235	14
Half-time	118	138	157	9";

and

(4) by striking out in section 1696(b) "$270" and inserting in lieu thereof "$292".

SEC. 202. Section 1652 of title 38, United States Code, is amended by adding at the end thereof the following new subsections:

"(f) For the purposes of this chapter and chapter 36 of this title, the term 'institution of higher learning' means a college, university, or similar institution offering postsecondary level academic instruction that leads to an associate or higher degree or a technical or business school empowered by the appropriate State education authority under State law to grant an associate or higher degree. Such term shall also include a hospital offering educational programs at the postsecondary level without regard to whether the hospital grants a postsecondary degree.

"(g) For the purposes of this chapter and chapter 36 of this title, the term 'standard college degree' means an associate or higher degree awarded by (1) an institution of higher learning that is accredited as a collegiate institution by a recognized accrediting agency; or (2) an institution of higher learning that is a 'candidate' for accreditation; or (3) an institution of higher learning upon completion of a course which is accredited by an agency recognized to accredit specialized degree-level programs. The accrediting agency must be one recognized by the Commissioner of Education under the provisions of section 1775 of this title.".

SEC. 203. Section 1661 of title 38, United States Code, is amended—

(1) by striking out in the second sentence of subsection (a) all after "period of" the second time it appears and inserting in lieu thereof "45 months (or the equivalent thereof in part-time educational assistance).";

(2) by inserting in subsection (a) "or served for a period of less than 18 months after such date and received medical discharge because of service-connected disabilities," after "active duty obligation,"; and

(3) by amending subsection (c) to read as follows:

"(c) Except as provided in subsection (b) and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of 45 months.".

SEC. 204. Section 1662(a) of title 38, United States Code, is amended by inserting immediately before the period at the end thereof the following: "; except that in the case of any eligible veteran who was prevented from initiating or completing such veteran's program of education within such time period because of a physical or mental disability which was not the result of such veteran's own misconduct, such veteran shall, upon application, be granted an extension of delimiting period for such length of time as the Administrator determines, from the evidence, that such veteran was prevented from initiating or completing a program of education.".

SEC. 205. (a) Chapter 34 of title 38, United States Code, is amended—

(1) by striking out in section 1662(c) "or flight training within the provisions of section 1677 of this chapter.";

(2) by striking out in section 1673(b) "Except as provided in section 1677 of this title, the" and inserting in lieu thereof "The";

(3) by striking out section 1677 in its entirety;

(4) by striking out in section 1681(b) "or a program of flight training,";

(5) by striking out section 1681(c);

(6) by striking out the center heading which immediately precedes section 1681(c); and

(7) by striking out in section 1682(a)(1) "1677 or".

(b) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended by striking out:

"1677. Flight training.".

(c) Chapter 36 of title 38, United States Code, is amended—

(1) by striking out in section 1780(a) "or a program of flight training,"; and

(2) by striking out in section 1798(c) "flight,".

(d) Notwithstanding the provisions of this section, any eligible veteran pursuing a program of flight training under the authority of section 1677 of chapter 34 of title 38, United States Code, on the day before the effective date of this Act, shall be permitted to continue to pursue such program through completion of the authorized objective if continuously enrolled.

SEC. 206. Section 1673 of title 38, United States Code, is amended—

(1) by striking out at the end of subsection (a)(2) "or";

(2) by striking out the period at the end of subsection (a)(3) and inserting in lieu thereof "; or";

(3) by adding at the end of subsection (a) a new clause (4) as follows:

"(4) any independent study program except one leading to a standard college degree."; and

(4) by amending subsection (d) to read as follows:

"(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V or subchapter VI of this chapter or any farm cooperative training course) for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all of their tuition, fees, or other charges paid to or for them by the educational institution or by grants from any Federal agency.".

SEC. 207. Section 1674 of title 38, United States Code, is amended by inserting immediately after the first sentence thereof the following: "Progress will be considered unsatisfactory at any time the eligible veteran is not progressing at a rate that will permit such veteran to graduate within the approved length of the course based on the training time as certified to the Veterans' Administration unless the Administrator finds there are mitigating circumstances.".

SEC. 208. Section 1682 of title 38, United States Code, is amended by adding a new subsection (e) at the end thereof as follows:

"(e) The educational assistance allowance of an eligible veteran pursuing an independent study program which leads to a standard college degree shall be computed at the rate provided in subsection (b)(2) of this section. In those cases where independent study is combined with resident training and the resident training constitutes the major portion of such training, the maximum allowance may not exceed the full-time institutional allowance provided under subsection (a)(1) of this section.".

SEC. 209. Section 1685(b) of title 38, United States Code, is amended by adding at the end thereof the following: "In the event the veteran ceases to be a full-time student before completing such agreement, the veteran may, with the approval of the Administrator, be permitted to complete such agreement.".

SEC. 210. Section 1692 of title 38, United States Code, is amended—

(1) by adding at the end of subsection (a) thereof the following: "A veteran enrolled in and pursuing an institutional or technical course not leading to a standard college degree, who has not received a high school diploma or equivalency certificate, may, subject to such regulations as the Administrator shall prescribe, be entitled to receive tutorial assistance. Such assistance shall be limited to the academic portions of such a course and may not be granted in connection with the laboratory or shop portions or to any courses provided under section 1691 or section 1695 of this title."; and

(2) by striking out in subsection (b) "$60" and "$720" and inserting in lieu thereof "$65" and "$780", respectively.

SEC. 211. (a) Chapter 34 of title 38, United States Code, is amended—

(1) by striking out in section 1652(e) "United States Code,";

(2) by striking out in subsections (a) and (b) of section 1681 "section 1780" and inserting in lieu thereof "chapter 36";

(3) by redesignating section 1697A as section 1698; and

(4) by striking out in the table of sections at the beginning of such chapter "1697A" and inserting in lieu thereof "1698.".

SEC. 212. Chapter 34 of title 38, United States Code, is amended—

(1) by striking out in subsections (a) and (d) of section 1652 "he" and "wife" each time they appear and inserting in lieu thereof "such individual" and "spouse", respectively;

(2) by striking out in section 1661(a) "his" and "he" each time they appear and inserting in lieu thereof "the veteran's" and "the veteran", respectively;

(3) by striking out in subsections (a), (b), and (d) of section 1662 "his" and "he" each time they appear and inserting in lieu thereof "the veteran's" and "the veteran", respectively;

(4) by striking out in section 1663 "he" each time it appears and inserting in lieu thereof "the Administrator";

(5) by striking out in section 1670 "him" each time it appears and inserting in lieu thereof "the veteran";

(6) by striking out in section 1671 "he" the first time it appears and inserting in lieu thereof "the Administrator", by striking out "he" the second time it appears and inserting in lieu thereof "the veteran or person", and by striking out "his" each time it appears and inserting in lieu thereof "the veteran's or person's";

(7) by striking out in section 1673(a) "he" and "his" each time they appear and inserting in lieu thereof "the Administrator" and "the veteran's", respectively;

(8) by striking out in section 1674 "his" and "he" each time they appear and inserting in lieu thereof "the veteran's" and "the Administrator", respectively;

(9) by striking out in section 1676 "his" and "he" each time they appear and inserting in lieu thereof "the Administrator's" and "the Administrator", respectively;

(10) by striking out in section 1681(a) "his" and inserting in lieu thereof "the veteran's";

(11) by striking out in section 1685(c) "he" and "his" each time they appear and inserting in lieu thereof "the Administrator" and "the veteran's", respectively;

(12) by striking out in section 1691(a) "his" and "he" each time they appear and inserting in lieu thereof "the veteran's" and "the veteran", respectively;

(13) by striking out in section 1696(a) "he" and inserting in lieu thereof "the Administrator"; and

(14) by striking out in subsections (a) and (b) of section 1698 (as redesignated by section 211(a)(3) of this Act) "he" and "his" each time they appear and inserting in lieu thereof "the Administrator" and "such person's", respectively.

TITLE III—CHAPTER 35 SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE RATE AND PROGRAM ADJUSTMENTS

SEC. 301. Chapter 35 of title 38, United States Code, is amended—

(1) by striking out in section 1732(b) "$217" and inserting in lieu thereof "$235"; and

(2) by amending subsection (a) of section 1742 to read as follows:

"(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on behalf of such person a special training allowance computed at the basic rate of $292 per month. If the charges for tuition and fees applicable to any such course are more than $92 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed $92 a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each $9.76 that the special training allowance paid exceeds the basic monthly allowance.".

SEC. 302. Section 1701(a) of title 38, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(10) For the purposes of this chapter and chapter 36 of this title, the term 'institution of higher learning' means a college, university, or similar institution offering postsecondary level academic instruction that leads to an associate or higher degree or a technical or business school empowered by the appropriate State education authority under State law to grant an associate or higher degree. Such term shall also include a hospital offering educational programs at the postsecondary level without regard to whether the hospital grants a postsecondary degree.

"(11) For the purposes of this chapter and chapter 36 of this title, the term 'standard college degree' means an associate or higher degree awarded by (A) an institution of higher learning that is accredited as a collegiate institution by a recognized accrediting agency; or (B) an institution of higher learning that is a 'candidate' for accreditation; or (C) an institution of higher learning upon completion of a course which is accredited by an agency recognized to accredit specialized degree-level programs. The accrediting agency must be one recognized by the Commissioner of Education under the provisions of section 1775 of this title.".

SEC. 303. Section 1711 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) "thirty-six" and inserting in lieu thereof "45"; and

(2) by striking out in subsection (b) "nine" and inserting in lieu thereof "12".

SEC. 304. Section 1712 of title 38, United States Code, is amended—

(1) by striking out in clauses (3) and (4) of subsection (a) "five" each time it appears and inserting in lieu thereof "8";

(2) by amending clause (5) of subsection (a) to read as follows:

"(5)(A) if such person is enrolled in an educational institution regularly operated on the quarter or semester system and such period ends during a quarter or semester, such period shall be extended to the end of the quarter or semester; or

"(B) if such person is enrolled in an educational institution operated on other than a quarter or semester system and such period ends after a major portion of the course is completed, such period shall be extended to the end of the course, or until 12 weeks have expired, whichever first occurs."; and

(3) by repealing subsection (d) and redesignating subsections (e), (f), and (g), as subsections (d), (e), and (f), respectively.

SEC. 305. Section 1713 of title 38, United States Code, is amended to read as follows:

"The parent or guardian of a person (or the eligible person if such person has attained legal majority) for whom educational assistance is sought under this chapter shall submit an application to the Administrator which shall be in such form and contain such information as the Administrator shall prescribe. If the Administrator finds that the person on whose behalf the application is submitted is an eligible person, the Administrator shall approve the application provisionally. The Administrator shall notify the parent or guardian or eligible person (if the person has attained legal majority) of the provisional approval, or of the disapproval of the application.".

SEC. 306. Section 1723(a) of title 38, United States Code, is amended—

(1) by striking out at the end of clause (2) "or";

(2) by striking out at the end of clause (3) the period and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof a new clause (4) as follows:

"(4) any independent study program except one leading to a standard college degree.".

SEC. 307. Section 1724 of title 38, United States Code, is amended by inserting immediately after the first sentence thereof the following: "Progress will be considered unsatisfactory at any time an eligible person is not progressing at a rate that will permit such person to graduate within the approved length of the course based on the training time as certified to the Veterans' Administration unless the Administrator finds there are mitigating circumstances.".

SEC. 308. Section 1732(c) of title 38, United States Code, is amended by adding a new paragraph (3) at the end thereof as follows:

"(3) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing an independent study program which leads to a standard college degree shall be computed at the rate prescribed in section 1682(e) of this title.".

SEC. 309. (a) The title of chapter 35 of title 38, United States Code, is amended by striking out

"CHAPTER 35—WAR ORPHANS' AND WIDOWS' EDUCATIONAL ASSISTANCE"

and inserting in lieu thereof

"CHAPTER 35—SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE"

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by striking out

"35. War Orphans' and Widows' Educational Assistance .... 1700"

and inserting in lieu thereof

"35. Survivors' and Dependents' Educational Assistance .... 1700".

(c) Section 1731(a) is amended by striking out "section 1780" and inserting in lieu thereof "chapter 36".

SEC. 310. Chapter 35 of title 38, United States Code, is amended—

(1) by striking out in section 1700 "widows", "wives", and "his" each time they appear and inserting in lieu thereof "surviving spouses", "spouses", and "the veteran's", respectively;

(2) by striking out in section 1701(a) "widow" and "wife" each time they appear and inserting in lieu thereof "surviving spouse" and "spouse", respectively;

(3) by striking out in section 1701(b) "his" and inserting in lieu thereof "the person's" and by striking out "himself";

(4) by striking out in section 1701(c) "his" each time it appears and inserting in lieu thereof "such person's" and by striking out "himself";

(5) by striking out in section 1701(d) "he" each time it appears and inserting in lieu thereof "such person";

(6) by striking out in section 1711(b) "she" the first time it appears and inserting in lieu thereof "the spouse", by striking out "her" each time it appears and inserting in lieu thereof "such person's", and by striking out "he or she" each time it appears and inserting in lieu thereof "such person";

(7) by striking out in section 1712(a) "him," "his", and "he" each time they appear and inserting in lieu therof "the person", "the person's", and "the person", respectively;

(8) by striking out in section 1712(c) "him," "he," "his" each time they appear and inserting in lieu thereof "such person", "such person" and "such person's," respectively;

(9) by striking out in subsections (e) and (f) of section 1712 (as redesignated by section 304(3) of this Act) "her" and "he" each time they appear and inserting in lieu thereof "the" and "such person", respectively;

(10) by striking out in section 1720(a) "his" each time it appears and inserting in lieu thereof "such person's";

(11) by striking out in section 1721 "he" and inserting in lieu thereof "the Administrator";

(12) by striking out in section 1723(a) "he" and "his" each time they appear and inserting in lieu thereof "the Administrator" and "the person's", respectively;

(13) by striking out in section 1723(c) "his" and "he" each time they appear and

inserting in lieu thereof "the Administrator's" and "the Administrator", respectively;

(14) by striking out in section 1723(d) "his" each time it appears and inserting in lieu thereof "such person's";

(15) by striking out in section 1724 "he" the first time it appears and inserting in lieu thereof "such person", by striking out "his" each time it appears and inserting in lieu thereof "the person's", and by striking out "he" the second time it appears and inserting in lieu thereof "the Administrator";

(16) by striking out in section 1731(b) "his" and "he" each time they appear and inserting in lieu thereof "the person's" and "the person", respectively;

(17) by striking out in section 1733(a) "wife or widow" and "she" and inserting in lieu thereof "spouse or surviving spouse" and "such spouse", respectively;

(18) by striking out in section 1733(b) "he" and inserting in lieu thereof "such person";

(19) by striking out in section 1734(b) "wife or widow" and inserting in lieu thereof "spouse or surviving spouse";

(20) by striking out in section 1736 "he" and inserting in lieu thereof "the Administrator";

(21) by striking out in section 1741(b) "he" and inserting in lieu thereof "the Administrator";

(22) by striking out in subsections (a) and (b) of section 1743 "his" and "he" each time they appear and inserting in lieu thereof "the Administrator's" and "the Administrator", respectively;

(23) by striking out in section 1761(a) "he" and inserting in lieu thereof "the Administrator"; and

(24) by striking out in section 1763 "his" and inserting in lieu thereof "such person's".

TITLE IV—POST-VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT

Sec. 401. This title may be cited as the "Post-Vietnam Era Veterans' Readjustment Assistance Act of 1977".

Sec. 402. Section 1652 of title 38, United States Code, is amended—

(1) by amending paragraph (1) of subsection (a) to read as follows:

"(1) The term 'eligible veteran' means any veteran who—

"(A) served on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and before January 1, 1977; or

"(B) contracted with the Armed Forces and was enlisted in or assigned to a reserve component prior to January 1, 1977, and as a result of such enlistment or assignment served on active duty for a period of more than 180 days, any part of which commenced within 12 months after January 1, 1977, and was discharged or released from such active duty under conditions other than dishonorable; or

"(C) was discharged or released from active duty, any part of which was performed after January 31, 1955, and before January 1, 1977, or following entrance into active service from an enlistment provided for under clause (B) of this paragraph, because of a service-connected disability."; and

(2) by inserting in subsection (a)(2) "or (B)" after "paragraph (1)(A)".

Sec. 403. Section 1661(a) of title 38, United States Code, is amended—

(1) by striking out the period at the end of the first sentence and inserting in lieu thereof a comma and "and before January 1, 1977.";

(2) by inserting in the second sentence "and before January 1, 1977," after "January 31, 1955."; and

(3) by adding at the end thereof a new sentence as follows: "In the case of any person serving on active duty on December 31, 1976, or a person whose eligibility is based on section 1652(a)(1)(B) of this chapter, the ending date for computing such person's entitlement shall be the date of such person's first discharge or release from active duty after December 31, 1976.".

Sec. 404. Part III of title 38, United States Code, is amended by inserting immediately after chapter 31 of such title a new chapter as follows:

"CHAPTER 32—POST-VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE

"SUBCHAPTER I—PURPOSE; DEFINITIONS

"Sec.
"1601. Purpose.
"1602. Definitions.

"SUBCHAPTER II—ELIGIBILITY; MATCHING FUND

"1621. Eligibility.
"1622. Contributions; matching fund.
"1623. Refunds of contributions upon disenrollment.
"1624. Death of participant.
"1625. Release or discharge under conditions which would bar use of benefits.

"SUBCHAPTER III—ENTITLEMENT; DURATION

"1631. Entitlement; loan eligibility.
"1632. Duration; limitations.

"SUBCHAPTER IV—ADMINISTRATION

"1641. Requirement.
"1642. Outreach efforts.
"1643. Outreach reporting requirements.
"1644. Deposits; reports.

"Subchapter I—Purpose; Definitions

"§ 1601. Purpose

"It is the purpose of this chapter (1) to provide educational assistance to those men and women who enter the Armed Forces after December 31, 1976, (2) to assist young men and women in obtaining an education they might not otherwise be able to afford, and (3) to promote and assist the all volunteer military program of the United States by attracting qualified men and women to serve in the Armed Forces.

"§ 1602. Definitions

"For the purposes of this chapter—

"(1)(A) The term 'eligible veteran' means any veteran who (i) entered military service on or after January 1, 1977, served on active duty for a period of more than 180 days after such date, and was discharged or released therefrom under conditions other than dishonorable, or (ii) entered military service on or after January 1, 1976, and was discharged or released from active duty after such date for a service-connected disability.

"(B) For the purposes of paragraph (1)(A), the term 'active duty' does not include any period during which an individual (i) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (ii) served as a cadet or midshipman at one of the service academies, or (iii) served under provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

"(2) The terms 'program of education' and 'educational institution' shall have the same meaning ascribed to them in sections 1652(b) and 1652(c), respectively, of this title.

"(3) The term 'participant' is a person who is participating in the educational benefits program established under this chapter.

"Subchapter II—Eligibility; Matching Funds

"§ 1621. Eligibility

"(a) Each person entering military service on or after January 1, 1977, shall have the right to enroll in the educational benefits program provided by this chapter (hereinafter in this chapter referred to as the 'program' except where the text indicates otherwise) at any time during such persons' service on active duty. When a person elects to enroll in the program such person must participate for at least 12 consecutive months before disenrolling or suspending participation.

"(b) The requirement for 12 consecutive months of participation required by subsection (a) of this section shall not apply when (1) the participant suspends participation or disenrolls from the program because of personal hardship as defined in regulations issued jointly by the Administrator and the Secretary of Defense (hereinafter in this chapter referred to as the 'Secretary'), or (2) the participant is discharged or released from active duty.

"(c) A participant shall be permitted to suspend participation or disenroll from the program at the end of any 12-consecutive-month period of participation. If participation is suspended, the participant shall be eligible to make additional contributions to the program under such terms and conditions as shall be prescribed by regulations issued jointly by the Administrator and the Secretary.

"(d) If a participant disenrolls from the program, such participant forfeits any entitlement to benefits under the program except as provided in subsection (e) of this section. A participant who disenrolls from the program is eligible for a refund of such participant's contributions as provided in section 1623 of this title.

"(e) A participant who has disenrolled may be permitted to reenroll in the program under such conditions as shall be prescribed jointly by the Administrator and the Secretary.

"§ 1622. Contributions; matching fund

"(a) Each person electing to participate in the program shall agree to have a monthly deduction made from such person's military pay. Such monthly deduction shall be in any amount not less than $50 nor more than $75 except that the amount must be divisible by 5. Any such amount contributed by the participant or contributed by the Secretary pursuant to subsection (c) of this section shall be deposited in a special educational funding account (hereinafter in this chapter referred to as the 'fund') to be established in the Treasury of the United States. Contributions made by the participant shall be limited to a maximum of $2,700.

"(b) Except as otherwise provided in this chapter, each monthly contribution made by a participant under subsection (a) shall entitle the participant to matching funds from the Veterans' Administration at the rate of $2 for each $1 contributed by the participant.

"(c) The Secretary is authorized to contribute to the fund of any participant such contributions as the Secretary deems necessary or appropriate to encourage persons to enter the Armed Forces. The Secretary is authorized to issue such rules and regulations as the Secretary deems necessary or appropriate to implement the provisions of this subsection.

"§ 1623. Refunds of contributions upon disenrollment

"(a) Contributions made to the program by a participant may be refunded only after the participant has disenrolled from the program or as provided in section 1624.

"(b) If a participant disenrolls from the program prior to release or discharge from active duty, such participant's contributions will be refunded on the date of the participant's release or discharge from active duty or within 60 days of disenrollment, whichever is later, except that refunds may be made earlier in instances of hardship or other good reason as prescribed in regulations issued jointly by the Administrator and the Secretary.

"(c) If a participant disenrolls from the program after release or discharge from active duty, the participant's contributions shall be refunded within 60 days of disenrollment.

"§ 1624. Death of participant

"(a) If a participant dies while still on active duty, the amount of such participant's contributions to the fund shall be paid (1) to the beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy, or (2) to the participant's estate if no beneficiary has been designated under such policy or if the participant is not insured under the Servicemen's Group Life Insurance program.

"(b) If a participant dies after having been discharged or released from active duty and before using any or all of the contributions which the participant made to the fund, such unused contribution shall be paid as prescribed in subsection (a) of this section.

"§ 1625. Release or discharge under conditions which would bar the use of benefits

"If a participant in the program is discharged or released from active duty under conditions which would bar the use of benefits provided by this chapter, such participant is automatically disenrolled and any contributions made by such participant shall be refunded to such participant on the date of such participant's discharge or release from active duty or within 60 days thereafter.

"Subchapter III—Entitlement; Duration

"§ 1631. Entitlement; loan eligibility

"(a) (1) A participant shall be entitled to a maximum of 36 monthly benefit payments (or their equivalent in the event of part-time benefit payments).

"(2) The amount of each monthly payment to which any eligible veteran is entitled shall be ascertained by (A) adding all contributions made to the fund by the eligible veteran, (B) multiplying the quotient by 3, (C) adding all contributions made to the fund by the Secretary, and (D) dividing the sum by the lesser of 36 or the number of months in which contributions were made by such veteran.

"(3) Payment of benefits under this chapter may be made only after an eligible veteran has been discharged or released from active duty and only for such periods of time during which the eligible veteran is actually enrolled in and pursuing an approved program of education. Benefits payable under this chapter may not be assigned.

"(b) Any member of the Armed Forces participating in the program shall be eligible to participate in the Predischarge Education Program (PREP) authorized by subchapter VI of chapter 34 of this title.

"(c) In the case of a participant pursuing a program of education under this chapter by correspondence, such participant's entitlement shall be charged at the rate of 1 month's entitlement for each month of benefits paid to the participant (computed on the basis of the formula provided in subsection (a)(2) of this section).

"(d) Eligible veterans participating in the program shall be eligible for education loans authorized by subchapter III of chapter 36 of this title in such amounts and on the same terms and conditions as provided in such subchapter, except that the term 'eligible veteran' as used in such subchapter shall be deemed to include 'eligible veteran' as defined in this chapter.

"§ 1632. Duration; limitations

"No educational assistance may be afforded an eligible veteran under this chapter beyond the date 10 years after such veteran's last discharge or release from active duty. In the event an eligible veteran has not utilized any or all of such veteran's entitlement by the end of the 10-year period, such eligible veteran is automatically disenrolled and any contributions made by such veteran remaining in the fund shall be refunded to the veteran following notice to the veteran and an application by the veteran for such refund.

"Subchapter IV—Administration

"§ 1641. Requirements

"The provisions of sections 1663, 1670, 1671, 1673, 1674, 1676, 1683, 1685, 1695, 1696, 1697, and 1698 (as redesignated by section 211(a)(3) of this Act) of this title and the provisions of chapter 36 of this title, with the exception of sections 1777, 1780(c), and 1787, shall be applicable to the program.

"§ 1642. Outreach efforts

"The Administrator shall designate an appropriate official of the Veterans' Administration who shall cooperate with and assist the Secretary (or any official designated by such Secretary as administratively responsible for such matters) in carrying out an effective outreach program to acquaint all persons entering or considering entry into the Armed Forces with the benefits and advantages of the program provided for in this chapter. The outreach program shall be designed to advise and counsel each person entering and each person considering entry into the Armed Forces on or after January 1, 1977, with respect to the benefits and advantages of enrollment in the program.

"§ 1643. Outreach reporting requirements

"The Administrator and the Secretary shall, within 90 days after the date of enactment of this chapter, submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a joint report containing their respective plans for implementation of the program provided for in this chapter. The Administrator and the Secretary shall submit to such committees a report each year detailing the operations of the program during the preceding year. The first such annual report shall be submitted 15 months after the date of enactment of this section.

"§ 1644. Deposits; reports

"Deductions made by the Department of Defense from the military pay of any participant shall be promptly deposited in the fund. The Secretary shall submit to the Administrator a report each month showing the name and serial number of each participant, the amount of the deduction made from the military pay of such participant, the date the contribution was made to the fund, and the name and serial number of each participant who disenrolls or suspends participation in the program. The Administrator shall maintain accounts showing contributions made to the fund by individual participants as well as disbursements made from the fund in the form of benefits.".

SEC. 405. The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by inserting immediately below

"31. VOCATIONAL REHABILITATION ..... 1501"

the following:

"32. POST-VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE .... 1601".

SEC. 406. The provisions of this title shall become effective on January 1, 1977.

SEC. 407. In the event that universal military training is reimposed by law—

(a) any individual entering military service on or after the effective date of such law shall be eligible to accrue entitlement to the benefits provided by chapter 34 of title 38, United States Code, but shall not be eligible under the provisions of chapter 32 of such title (provided in section 404 of this Act); and

(b) any veteran eligible under the provisions of chapter 32 of such title (provided in section 404 of this Act), shall have the right to elect to (1) remain under the provisions of chapter 34 of title 38. In the event the eligible veteran elects to come under the provisions of chapter 34, such veteran shall be deemed to have disenrolled under chapter 32, and such veteran's contribution to the matching fund shall be refunded as provided in such chapter. In the event the veteran elects to come under the provisions of chapter 34, such veteran's eligibility for benefits under such chapter shall accrue from the effective date that universal training is reimposed by law.

TITLE V—CHAPTER 36 EDUCATION LOAN AND PROGRAM ADMINISTRATION AMENDMENTS

SEC. 501. Chapter 36 of title 38, United States Code, is amended—

(1) by striking out in section 1786(a)(2) "$270" and inserting in lieu thereof "$292"; and

(2) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months.......	$212	$238	$260	$11
Second 6 months.....	159	185	207	11
Third 6 months.......	106	132	154	11
Fourth and any succeeding 6-month periods...........	53	79	101	11".

SEC. 502. Subchapter III of chapter 36 of title 38, United States Code, is amended—

(1) by striking out in section 1798(b)(3) "$270" and "$600" and inserting in lieu thereof "$292" and "$1,200' respectively; and

(2) by amending clause (3) of section 1798(d) to read as follows:

"(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, at the time the loan was contracted for, which rate shall be comparable to the rate of interest charged students at such time on loans insured by the Commissioner of Education, Department of Health, Education, and Welfare, under part B of title IV of the Higher Education Act of 1965, but in no event shall the rate so prescribed by the Administrator exceed the rate charged students on such insured loans, and shall provide that no interest shall accrue prior to the beginning date of repayment; and".

SEC. 503. Section 1774 of title 38, United States Code, is amended—

(1) by adding at the end of subsection (a) thereof the following new sentence: "The Administrator may also reimburse such agencies for work performed by their subcontractors where such work has a direct relationship to the requirements of chapter 34, 35, or 36 of this title, and has had the prior approval of the Administrator."; and

(2) by amending subsection (b) to read as follows:

"(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

"Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$600.
Over $5,000 but not exceeding $10,000	$1,080.
Over $10,000 but not exceeding $35,000	$1,080 for the first $10,000 plus $1,000 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000	$6,535.
Over $40,000 but not exceeding $75,000	$6,535 for the first $40,000 plus $865 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000	$12,960.
Over $80,000	$12,960 for the first $80,000 plus $755 for each additional $5,000 or fraction thereof.".

SEC. 504. Section 1775 of title 38, United States Code, is amended—

(1) by striking out the period at the end of subsection (a) and inserting in lieu thereof "which must be certified as true and correct in content and policy by an authorized representative of the school. The catalog or bulletin must specifically state its progress requirements for graduation and must include as a minimum the information required by section 1776(b) (6) and (7) of this title."

(2) by inserting at the end of the first sentence of subsection (b) the following: "and must include as a minimum (except for attendance) the requirements set forth in section 1776(c) (7) of this title.".

SEC. 505. Section 1780(a) of title 38, United States Code, is amended—

(1) by striking out at the end of clause (1) "or";

(2) by striking out at the end of clause (2) the period and inserting in lieu thereof ";" and

(3) by inserting immediately after clause (2) the following new clauses:

"(3) to any eligible veteran or person for auditing a course;

"(4) to any eligible veteran or person for a course for which the grade assigned is not used in computing the requirements for graduation including a course from which the student withdraws unless the Administrator finds there are mitigating circumstances; and

"(5) to any eligible veteran or person for pursuit of the correspondence portion of a combination correspondence-residence course leading to a vocational objectives if the correspondence portion is completed in less than 6 months.".

SEC. 506. The last sentence of section 1780(a) of title 38, United States Code, is amended to read as follows: "Notwithstanding the foregoing, the Administrator may, subject to such regulations as the Administrator shall prescribe, continue to pay allowances to eligible veterans and eligible persons enrolled in courses set forth in clause (1) or (2) of this subsection—

"(A) during periods when the schools are temporarily closed under an established policy based upon an Executive order of the President or due to an emergency situation, and such periods shall not be counted as absences for the purposes of clause (2);

"(B) during periods between consecutive school terms where such veterans or persons transfer from one approved educational institution to another approved educational institution for the purpose of enrolling in and pursuing a similar course at the second institution, provided the period between such consecutive terms shall not exceed 30 days: *And provided further*, That such periods shall be counted as absences for the purposes of clause (2); or

"(C) during periods between a semester, term, or quarter where the educational institution certifies the enrollment of the eligible veteran or eligible person on an individual semester, term, or quarter basis, providing the interval between such periods does not exceed 1 full calendar month and provided further that such periods shall be counted as absences for the purposes of clause (2).".

SEC. 507. Section 1784(a) of title 38, United States Code, is amended by adding at the end thereof the following: "The date of interruption or termination will be the last date of pursuit or in the case of correspondence training the last date a lesson was serviced by the school.".

SEC. 508. Section 1784(b) of title 38, United States Code, is amended by striking out "$3" and "$4" and inserting in lieu thereof "$5" and "$6", respectively.

SEC. 509. Section 1789 of title 38, United States Code, is amended—

(1) by inserting at the end of subsection (b) (3) "or";

(2) by striking out subsection (b) (4);

(3) by redesignating subsection (b) (5) as subsection (b) (4); and

(4) by adding at the end thereof a new subsection (c) as follows:

"(c) Notwithstanding the provisions of subsections (b) (1), (2), and (3) of this section, the provisions of subsection (a) shall apply to any course offered by a branch or extension of—

"(1) a public or other tax-supported institution where the branch or extension is located outside of the area of the taxing jurisdiction providing support to such institution; or

"(2) a proprietary institution where the branch or extension is located beyond the normal commuting distance of such institution.".

SEC. 510. Section 1792 of title 38, United States Code, is amended—

(1) by inserting in the last sentence "on a regular basis" after "shall"; and

(2) by striking out in the last sentence "from time-to-time" and inserting in lieu thereof "which shall meet at least semiannually".

SEC. 511. Subchapter II of chapter 36, United States Code, is amended—

(1) by repealing section 1793; and

(2) by striking out in the table of sections at the beginning of chapter 36 of such title

"1793. Institutions listed by Attorney General.".

SEC. 512. Subchapter II of chapter 36, United States Code, is amended—

(1) by repealing section 1795; and

(2) by striking out in the table of sections at the beginning of chapter 36 of such title

"1795. Limitation on period of assistance under two or more programs.".

SEC. 513. Section 1796 of title 38, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as (c) and (d), respectively; and

(2) by adding new subsection (b) as follows:

"(b) To insure compliance with this section any institution offering courses approved for the enrollment of eligible persons or veterans shall maintain a complete record of all advertising, sales, or enrollment materials (and copies thereof) utilized by the institution during the preceding 12-month period. Such record shall be available for inspection by the State approving agency or the Administrator. Such materials shall include but are not limited to any direct mail pieces, brochures, printed literature used by sales persons, films, video tapes and audio tapes disseminated through broadcast media, material disseminated through print media, tear sheets, leaflets, handbills and fliers together with any sales manuals for instructions to salesmen.".

SEC. 514. Chapter 36 of title 38, United States Code, is amended—

(1) by striking out in section 1771(a) "his" and inserting in lieu thereof "such";

(2) by striking out in section 1775(a) "he" and inserting in lieu thereof "the Commissioner";

(3) by striking out in subsections (b) and (c) of section 1777 "he", "him", "his" each time they appear and inserting in lieu thereof "the veteran or person", "the veteran or person", and "such veteran's or person's", respectively;

(4) by striking out in section 1779(b) "his" and inserting in lieu thereof "the Administrator's";

(5) by striking out in subsections (a) and (b) of section 1780 "his", "he", "wife or widow", and "wife's or widow's" each time they appear and inserting in lieu thereof "such veteran's or person's", "the Administrator", "spouse or surviving spouse", and "spouse's or surviving spouse's", respectively;

(6) by striking out in subsections (c) and (d) of section 1780 "his" and "he" each time they appear and inserting in lieu thereof "such veteran's or person's" and "the veteran or person", respectively;

(7) by striking out in section 1780(f) "him" and inserting in lieu thereof "such veteran or person";

(8) by striking out in section 1780(h) "he" the first time it appears and inserting in lieu thereof "the Administrator" and by striking out "he" the second time it appears and inserting in lieu thereof "the veteran or person";

(9) by striking out in section 1781 "him" and inserting in lieu thereof "such person";

(10) by striking out in section 1783(a) "his" and inserting in lieu thereof "such officers or employees";

(11) by striking out in section 1783(b) "he" the first time it appears and inserting in lieu thereof "such person" and by striking out "he" the second time it appears and inserting in lieu thereof "the Administrator";

(12) by striking out in section 1783(d) "he" and inserting in lieu thereof "the Administrator";

(13) by striking out in subsections (a) and (b) of section 1784 "him" each time it appears and inserting in lieu thereof "the Administrator";

(14) by striking out in subsections (a), (b), and (c) of section 1786 "wife and widow" and "his" each time they appear and inserting in lieu thereof "spouse or surviving spouse" and "such veteran's or spouse's", respectively;

(15) by striking out in subsections (a), (b), and (d) of section 1790 "he" each time it appears and inserting in lieu thereof "the Administrator";

(16) by striking out in subsections (a), (b), and (c) of section 1791 "his" and "he" each time they appear and inserting in lieu thereof "the veteran's or person's" and "the Administrator", respectively;

(17) by striking out in section 1794 "his" and inserting in lieu thereof "the Administrator's";

(18) by striking out in section 1796(b) "his" and inserting in lieu thereof "the Administrator's";

(19) by striking out in section 1798(b) "he" and inserting in lieu thereof "the veteran or person"; and

(20) by striking out in subsections (e) and (d) of section 1798 "he" and "his" each time they appear and inserting in lieu there-

of "the Administrator" and "the Administrator's", respectively.

TITLE VI—VETERANS' EMPLOYMENT ASSISTANCE PROVISIONS

SEC. 601. (a) Section 2002 of title 38, United States Code, is amended by inserting "by an Assistant Secretary of Labor for Veterans' Employment" after "promulgated and administered".

(b) Chapter 41 of title 38, United States Code, is amended—

(1) by adding after section 2002 a new section as follows:

"§ 2002A. Veterans' Employment Service; Assistant Secretary of Labor for Veterans' Employment

"There is created within the Department of Labor a separate agency to be known as the Veterans' Employment Service. Such agency shall be headed by an Assistant Secretary of Labor for Veterans' Employment who shall be responsible, subject to the supervision and control of the Secretary of Labor, for carrying out the policies and purposes of this chapter."; and

(2) by amending the table of sections at the beginning of chapter 41 of such title by inserting below

"2002. Purpose."

the following:

"2002A. Veterans' Employment Service; Assistant Secretary of Labor for Veterans' Employment.".

(c) Section 2 of the Act of April 17, 1946, as amended (29 U.S.C. 553), is amended—

(1) by striking out "five" in the first sentence of such section and inserting in lieu thereof "six"; and

(2) by adding at the end thereof a new sentence as follows: "One of such Assistant Secretaries of Labor shall be an Assistant Secretary of Labor for Veterans' Employment.".

(d) Paragraph (20) of section 5315 of title 5, United States Code, is amended by striking out "(5)" and inserting in lieu thereof "(6)".

SEC. 602. Section 2003 of title 38, United States Code, is amended—

(1) by inserting "or by prime sponsors under the Comprehensive Employment and Training Act" after "programs administered by the Secretary";

(2) by striking out in clause (5) "and";

(3) by redesignating clause (6) as clause (7); and

(4) by inserting new clause (6) as follows:

"(6) promote the participation of veterans in Comprehensive Employment and Training Act programs and monitor the implementation and operation of Comprehensive Employment and Training Act programs to assure that eligible veterans receive special consideration when required; and".

SEC. 603. Section 2006(a) of title 38, United States Code, is amended by inserting after last sentence "each" after "shall".

SEC. 604. Section 2006(a) of title 38, United States Code, is amended by inserting after "eligible veterans" "eligible persons".

SEC. 605. Section 2007 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) "his" and inserting in lieu thereof "such veteran's and eligible person's";

(2) by inserting in subsection (c) "and public service employment" after "occupational training"; and

(3) by striking out in subsection (c) "or 2006" and inserting in lieu thereof ", 2006, or 2007(a)".

SEC. 606. Section 2012 of title 38, United States Code, is amended by adding paragraph (c) as follows:

"(c) The Secretary shall include as part of the annual report required by section 2007(c) of this title the number of complaints filed pursuant to subsection (b) of this section, the actions taken thereon and the resolutions thereof. Such report shall also include the number of contractors listing suitable employment openings, the nature, types, and number of positions listed and the number of veterans receiving priority pursuant to subsection(a)(2) of this section.".

SEC. 607. Chapter 41 of title 38, United States Code, is amended—

(1) by striking out in section 2003 "he" and "his" and inserting in lieu thereof "the Secretary" and "such representative's", respectively;

(2) by striking out in section 2004 "his" and inserting in lieu thereof "such representative's" and by inserting "or eligible persons" after "eligible veterans";

(3) by striking out in section 2005 "he" and inserting in lieu thereof "the Secretary"; and

(4) by striking out in section 2008 "his" and "him" and inserting in lieu thereof "the Secretary's" and "the Administrator", respectively.

SEC. 608. Chapter 42 of title 38, United States Code, is amended—

(1) by striking out in section 2011 "his" and inserting in lieu thereof "the person's"; and

(2) by striking out in section 2012(b) "his" and inserting in lieu thereof "the contractor's".

SEC. 609. Chapter 34 of title 38, United States Code, is amended—

(1) by striking out in section 2021(a) "his" each time it appears and inserting in lieu thereof "the employer's";

(2) by striking out in section 2021(b) "his" and "he" and inserting in lieu thereof "the person's" and "the person", respectively; and

(3) by striking out in section 2024(d) "his" each time it appears and inserting in lieu thereof "such employer's".

TITLE VII—MISCELLANEOUS AND EFFECTIVE DATE

SEC. 701. Section 3101(a) of title 38, United States Code, is amended by adding at the end thereof the following: "For the purposes of this subsection, in any case where a payee of an educational assistance allowance has designated the address of an attorney-in-fact as the payee's address for the purpose of receiving his or her benefit check and has also executed a power of attorney giving the attorney-in-fact authority to negotiate such benefit check, such action shall be deemed to be an assignment and is prohibited.".

SEC. 702. Except as otherwise provided, the provisions of this Act shall become effective on October 1, 1976.

Mr. STAFFORD. Mr. President, as the ranking Republican member of the Senate Veterans' Affairs Committee Subcommittee on Readjustment, Education, and Employment, I am pleased to join with the chairman of both the subcommittee and the full Committee on Veterans' Affairs (Mr. HARTKE) in submitting this amendment today.

As most Members of the Senate are aware, Mr. President, there has been debate both in this Chamber and in the committee over the future of the GI bill of rights. The committee has at present before it a proposal to terminate the GI bill, as well as a proposal to make it a lifetime entitlement program, and numerous variations on those two themes.

The amendment that we introduce today is one designed to give assistance to those Vietnam-era veterans now enrolled by giving them a cost-of-living increase. It is also an amendment which provides a reasonable alternative to termination of the GI bill for those persons who enter the Armed Forces after January 1, 1977.

Mr. President, my colleagues may recall that my involvement with the concept of the all volunteer force goes back to its beginnings. It is something that I was deeply committed to achieving and am proud that it has been achieved. But achieving that goal, and sustaining it are necessarily entwined. I fully believe that the continuation of some program of educational benefits after service is a necessary recruitment tool and this is part of what are trying to achieve with this amendment. It will create a new chapter 32 of title 38 of the United States Code which presents a novel and new approach to educational benefits. The serviceman will be asked under this new program to participate in the payment for his educational benefits, by contributing one-third of the costs himself through monthly allotments during his active duty service.

Much has been said, Mr. President about the higher pay scales and bonuses being sufficient incentives for the recruit now considering entry into the armed services. I question the wisdom of termination of all opportunities for advanced education after service in light of the contribution former GI bill programs have made to our country and its veterans.

Apparently, Mr. President, others question it as well. For example, in the annual Defense Department report for fiscal year 1977, Secretary of Defense Donald H. Rumsgeld stated that—

> The prospective loss of GI educational benefits for new enlistees (are) expected to have an adverse impact on our ability to recruit high-potential personnel.

That is a disturbing statement. Equally disturbing is an unofficial DOD estimate that, with no education benefits or opportunities available for postservice use, the net decrease in enlistments per year is estimated at 20 percent. That is 20 percent of 440,000 a year. That is most disturbing.

So, Mr. President, I commend the chairman for what I consider to be a reasonable approach to the problem in proposing this amendment. I would also like to commend the committee staff for the thorough job they have done in researching and preparing the amendment.

I hope, Mr. President, that all those who testified at the hearings last fall on the matter of GI bill continuation will make their comments known to the committee on this approach we are introducing here today. I hope that we can move this matter through the committee as quickly as possible over the months ahead. If there is a need for an additional hearing, I for one would try to be as accommodating as possible.

Mr. President, again I stress that my cosponsorship of this amendment today is part of my continuing commitment to the concept of the All-Volunteer Force. I believe it is a responsible approach, and an approach that will work.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1977—H.R. 14262

AMENDMENT NO. 2008

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to the bill (H.R. 14262) making appropriations for the Department of Defense for fiscal year 1977.

ADDITIONAL STATEMENTS

RIGHT TO FOOD

Mr. HATFIELD. Mr. President, the world food issue is still with us. Although climatic conditions have improved in some of the more severly afflicted areas of the globe, the number of persons suffering from hunger and malnutrition has not appreciably changed. Our own Department of Agriculture, through a speech given by Mr. Don Paarlberg in Japan on June 7, notes that the number of hungry people in the world is just under 500 million. Figures mentioned at the time of the World Food Conference in November 1974, numbered the malnourished at 460 million.

Regardless of the change in these statistics, the fact remains that our Nation still has not adopted a food policy which reflects the rhetoric of Secretary Kissinger at the Food Conference, that within a decade no child should go to bed hungry. Indeed, our stated policy of maximum production, food aid, and free trade is no more than a palliative.

I quote from "U.S. and World Development, Agenda for Action 1976," by Martin M. McLaughlin:

> When maximum production threatens to produce a surplus over immediate consumption (which could replenish the world's depleted food stocks), the call to maximize is quickly muted. Food aid was reduced in 1973 and 1974 below previous levels—in fact to less than 3 per cent of all agricultural exports—and then was raised in 1975, but only after strong congressional and public pressure (and mainly to get a larger total out of which to supply the Indochina operation). Can it really be claimed that "free trade" is operative when soybeans are embargoed, when fertilizer shipments overseas are stopped for over half a year, and when the market is suspended while grain deals are negotiated with the U.S.S.R. and Poland?

Mr. President, the House Subcommittee on International Resources, Food and Energy, has recently completed hearings on the House version of the right-to-food resolution, House Concurrent Resolution 393. The Senate version is Senate Concurrent Resolution 66. This resolution, with over 50 cosponsors in the House and 20 in the Senate, is an attempt to formulate a food policy which encourages the wise use of resources for the benefit of all and the development of increased production in areas which are in need of food. It would lift the food issue above bureaucratic and political wranglings.

I am hopeful that this body will give consideration to the resolution before our adjournment later in the fall.

I call to the attention of my colleagues an editorial from the St. Louis Post-Dispatch which relates not only information about the "Right to Food" resolution but also information about our declining activity in the area of food aid and agricultural development.

I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Right to Food

The House Subcommittee on International Resources, Food and Energy has begun hearings on what could well be the most radical proposal now before Congress: the right-to-food resolution, sponsored by an organization called Bread for the World and endorsed by a wide spectrum of religious leaders. The resolution declares that every person in the world has the right to food.

As it applies to hunger in the U.S., the resolution incorporates specific commitments to improved food assistance programs for those in need, full employment and a "floor of economic decency for everyone." To alleviate hunger overseas, the resolution commits Congress to a gradual increase in development assistance—with the emphasis on self-help agricultural programs—to a target level equal to 1 per cent of the gross national product. But the resolution goes beyond specific programs: It expresses the sense of Congress that the right to food shall "become the fundamental point of reference in the formation of legislation and administrative decisions . . . that bear on hunger."

It is not surprising that the Ford Administration is fighting passage of the resolution. When this Administration considers food policy, it is more likely to be scheming to gut the food stamp program or to abrogate a program providing nutrients to pregnant women than to be offering leadership on the hunger that consigns half the people on earth to misery.

U.S. assistance to Western Europe following World War II amounted to nearly 3 per cent of GNP, but by 1975 U.S. development assistance for the entire world, as a percentage of GNP, had declined to .24 per cent. Poor countries have not suffered equally from the shrinking assistance pie. Between 1945 and 1969, 25 per cent of all development assistance went to the countries of Africa and the Indian subcontinent; since 1969, however, the Nixon and Ford Administrations have cut the share of those countries—even as a percentage of a declining total—almost in half. The type of assistance has changed as well: Military programs, which prior to 1969 accounted for 35 per cent of assistance, have since absorbed 48 per cent of the total aid.

Secretary of State Kissinger preaches the gospel of interdependence and faults oil producers for saddling poor countries with high-priced energy. He does not stress that in 1975 poor countries paid almost as much to import food from the U.S. as for imported oil, nor does he concede that the practical result of his theoretical interdependence has been the exploitation of poor countries by multinational corporations combined with a mushrooming debt that threatens to cripple development.

At the 1974 World Food Conference Mr. Kissinger pledged that "within a decade no child will go to bed hungry, that no family will fear for its next day's bread." But aside from halting progress on the International Fund for Agricultural Development, the bold commitments have been frittered away: emergency food assistance goals have not been met, the proposed international grain reserve remains a proposal, agricultural production of poor countries is increasing but at slower rates.

The Ford Administration adheres to the spurious notion that national security depends on an ever more bloated military, and only this month it persuaded the House of Representatives to go along with reckless increases in defense spending. The right-to-food resolution pleads for a more rational perspective: that security cannot be purchased with superfluous armaments, that "hunger anywhere represents a threat to peace everywhere."

1976 GOLDEN MILESTONE AWARD TO VIRGINIA

Mr. HARRY F. BYRD, JR. Mr. President, the Highway Users Federation has presented its 1976 Golden Milestone Award for excellence in highway safety public information to the State of Virginia.

I take this occasion to salute the dedicated and able public officials of my State who are responsible for the information program which has earned this award.

The award is presented every other year by the Federation to that State "which has most worthily supported its highway safety program with an effective and imaginative public information program," in the opinion of a panel of judges from the news media and traffic safety organizations.

Virginia will receive its award at the National Conference of Governors Highway Safety Representatives in Portland, Oreg., in October. The trophy is a gold and marble miniature replica of the original Golden Milestone erected by Caesar Augustus in the Roman Forum to mark the hub of the Roman road system.

Virginia's splendid Gov. Mills E. Godwin, Jr., has been invited to accept the award.

Virginia previously won the Southern Regional Golden Milestone Award for the best traffic safety public information program in the Southeast and was selected as the national winner from among four regional winners.

The Highway Users Federation is a national, nonprofit organization of 600 businesses and associations interested in safer, more efficient ground transportation.

WATERGATE REFORM BILL

Mr. HRUSKA. Mr. President, upon return from the forthcoming recess, the Senate is scheduled to take up S. 495, the Watergate reform bill. Regrettably, this bill contains a number of serious defects, some of them constitutional. Because of them I intend to oppose it in its present form.

The bill, which was processed by the Government Operations Committee, contains provisions for the court appointment of a specal prosecutor. Such a proposal was made in the 93d Congress. Examining the rationale being offered for these provisions in the present bill strikes this Senator with a sense of deja vu.

The topic of special prosecutor was the subject of extensive hearings and debate during the second half of 1973 within the Judiciary Committee, upon which I serve.

The dominant element which emerged from those hearings, during which testimony was received from many eminent legal scholars and practitioners, is that prosecution of crimes is a core executive function. The doctrine is implicit in the Constitution, notably article II, section 3, which provides that the President is to "take care that the laws be faithfully executed." Viewed in the context of the principle of separation of powers a long line of court decisions has held that the other two branches of Government could not encroach upon this purely executive function.

Mr. President, for the benefit of the Members who wish to further explore this constitutional issue, I shall request that a copy of the pertinent provisions of the Judiciary Committee's report on S. 2612, 93d Congress, be printed in the Record following my remarks.

Since the time that report was written, two Supreme Court decisions which bear on this question have been handed down. Specifically, in United States against Nixon (1974) the Court reaffirmed the principle that the executive branch has "exclusive authority and absolute discretion" to decide whether to prosecute a criminal case.

Further support for the doctrine of separation of powers in reference to the appointment of an executive officer is found in this year's decision of Buckley against Valeo.

At issue was a provision in the Federal Election Commission law in which Congress reserved the power to appoint some of the Commission's officials. The Court held that the Congress cannot appoint an officer who serves in another branch of the Government, specifically one who is vested with executive powers. This principle applies equally in the situation where the courts would seek to appoint another officer in another branch. In Buckley the Court pointed out that—

> It is to the President, and not to the Congress, that the Constitution entrusts the responsibility to "take care that the Laws be faithfully executed.

The questions which were raised before the Judiciary Committee last Congress and which are strengthened by the two decisions referred to above, are not, Mr. President, resolved by S. 495 in its present form.

S. 495, as introduced provided for the establishment of a permanent office of Public Attorney with appointment of its officer by a panel of three retired members of the U.S. court of appeals, who would be selected by the Chief Justice of the United States. Strong objection to these provisions was voiced from many quarters. See generally, "Hearings before the Committee on Government Operations, U.S. Senate," 94th Congress, 1st session, on S. 495. Criticism centered around the permanency of the office, the long tenure of its executive officer, and the fact that the Public Attorney was solely the creature of the courts and totally divorced from the supervision and control of the Attorney General. Not only was the provision regarding the office of Public Attorney seen as unconstitutional in violation of the doctrine of separation of powers, but unwise as well. See the testimony of Philip A. Lacovara, former assistant prosecutor to the Watergate Special Prosecution Force, "Hearings, Part I", supra at 260.

In reaction to that criticism, an attempt was made in the Government Operations Committee to amend the bill to reflect the constitutional and policy objections raised. The result is a substantially new version which contains essentially the same constitutional problems exhibited in the first.

S. 495, as amended, deletes the separate officer of Public Attorney provision and establishes within the Justice Department a new statutory division called the Division of Government Crimes with explicit jurisdiction over criminal violations committed by officials and employees of the Federal Government. It additionally provides for a mechanism for the appointment of a temporary Special Prosecutor by the Attorney General and in certain situations the Federal Court of Appeals for the District of Columbia in those cases where the court has determined there exists a conflict of interest. It is here the amended version continues to abuse the principle that the powers and responsibilities of making, enforcing, and adjudicating the laws are divided in our system among three branches of Government, the legislative, executive, and judicial. Such abuse will not be tolerated after serious, balanced reflection.

Much is made by proponents of the bill that circumstances are limited under which a special prosecutor would be appointed by the courts and that the duration of his office would be temporary. This should not obscure the fact, Mr. President, that the bill would not only permit the courts to select a special prosecutor, but by virtue of their selection power, would give the courts the authority to determine which cases to prosecute. This incongruity puts the Judiciary not only in the business of trying cases, but of deciding which cases to prosecute, a function long and consistently held to be a nonjudiciary role.

The role of prosecutorial discretion as basic to our scheme of Government and the principle of the separation of powers was the root of the decision of the court in *United States* v. *Cox* (342 F.2d 167 (1965)). In that case, the court dealt with the validity of a contempt order against a U.S. attorney for failure to sign an indictment at the order of the Federal district court. Reversing the contempt order the 5th Circuit Court stated:

> The discretionary power of the attorney for the United States in determining whether a prosecution shall be commenced or maintained may well depend upon matters of policy wholly apart from any question of probable cause. Although as a member of the bar, the attorney for the United States is an officer of the court, he is nevertheless an executive official of the Government, and it is as an officer of the executive department that he exercises a discretion as to whether or not there shall be a prosecution in a particular case. It follows, as an incident of the constitutional separation of powers, that the courts are not to interfere with the free exercise of the discretionary powers of the attorneys of the United States in their control over criminal prosecutions.

The wisdom in keeping the judicial and prosecutorial functions separate is found in James Madison's writings in the Federalist Papers, No. 47, where commenting upon Montesquieu's maxim of separation of powers, he wrote:

> The reasons on which Montesquieu grounds his maxim are a further demonstration of his meaning. "When the legislative and executive powers are united in the same person or body," says he, "there can be no liberty, because apprehensions may arise lest the same monarch or senate should enact tyrannical laws to execute them in a tyrannical manner." Again: "Were the power of judging joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control, for the judge would then be the legislator. Were it joined to the executive power, the judge might behave with all the violence of an oppressor." Some of these reasons are more fully explained in other passages; but briefly stated as they are here, they sufficiently establish the meaning which we have put on this celebrated maxim of this celebrated author.

Mr. President, I have tried briefly to outline some of the serious difficulties with one of the three titles of S. 495. I believe it should be noted that although this bill is fraught with constitutional questions it was referred only briefly under a limited time agreement to the Judiciary Committee.

Mr. President, the bill had resided in the Government Operations Committee for a period of nearly 14 months prior to its referral to the Judiciary Committee, at which time only 30 days were allowed to that committee for consideration during its busiest period of the year, Thirty days is too brief a period for the proper consideration of any piece of major legislation, especially when part of that time is consumed by a recess. Despite the committee's repeated, but unsuccessful attempts to meet to mark up this bill, it was discharged from the committee without benefit of remedial amendment.

Fortunately the Judiciary Committee was able to conduct 1 day of hearings on the bill during this period. Extremely helpful testimony was received from Deputy Attorney General Tyler and Assistant Attorney General Thornburgh of the Department of Justice's Criminal Division. The committee was cautioned regarding the constitutionality of the bill and advised in strongest terms of the Department's opposition to it in its present form.

In this context, I was surprised to read news reports last week that the Department was somehow just now reversing itself and taking up oppositon to the bill. Nothing could be further from fact. It should be noted, Mr. President, that the Department of Justice has long opposed the concept of a court appointed special prosecutor. This opposition has been stated with great merit and on the record since the time of hearings on this subject in the 93d Congress. More recently the Assistant Attorney General for Legislative Affairs testified in clear and direct fashion on this topic before the Government Operations Committee.

Mr. President, I shall ask a copy of the recent letter from Attorney General Levi to the Chairman of the Government Operations Committee outlining the Department's opposition be printed in the Record following my remarks.

Mr. President, it is my hope that when the Senate reconvenes and takes up S. 495 that it will not lightly brush aside its grave constitutional defects. It is my intention to ask the Senate to study this bill with much more careful deliberation than it has thus far. It would be appropriate, I think, for the bill to be recommitted to the Judiciary Committee for a longer period of time. If this cannot be done, it would be my suggestion that the bill be afforded sufficient time on the floor for the consideration of all the issues that enactment of this legislation would engender.

Mr. President, I can appreciate the concerns of the proponents of S. 495 to avert the recent trauma which this country has experienced. We are faced, however, with certain constitutional limitations as to what Congress can legislate to prevent similar future situations.

S. 495, if enacted as presently drafted, would present a situation in which one branch of the Government would be granted, by legislation, the authority to interfere with the central power of another branch. Quite simply, the bill would permit the courts to intrude and limit the responsibility of the Attorney General to undertake his constitutional responsibility to insure that the laws are faithfully executed.

It may be that a future Attorney General will be derelict in his duties, or even corrupt. But that possibility cannot be used as an argument that therefore the courts should be granted essentially executive powers to fulfill essentially nonjudicial duties. There exist within the legislative branch oversight responsibilities and procedures to carry them out through its powers of appointment consent, investigation, appropriation, and even impeachment.

It simply does not make sense from a policy standpoint to tamper with the system and engage in unconstitutional procedures violating basic rights when other means exist to ensure effective enforcement of the law.

Mr. President, there are additional infirmities and compelling objections to other provisions in the bill.

Some of them are constitutional in nature; others are based on policy grounds. Most of them were considered during the 1973 hearings on special prosecutor prior to the reporting by that committee of two bills on the subject in the 93d Congress.

One of these bills was authored by the Senator from Massachusetts (Mr. Kennedy). It was S. 2611, the report on which is found in Report No. 93–595.

The second bill (S. 2642) authored by this Senator and found in Report No. 93–596.

The Judiciary Committee's schedule from May 12 to June 11 did not permit a review thereof—with suitable commentary following same.

In due time, Mr. President, there will be submitted a more detailed analysis and schedule of other points in S. 495 upon which the members of this body should be more fully informed.

It is a subject more likely at home in the jurisdiction of the Committee on the Judiciary, particularly in view of its recent extensive and deep inquiry into the subject.

It is my hope that adequate provision for its consideration will be made.

I ask unanimous consent that the material I have referred to be printed in the Record.

There being no objection, the report and letter were ordered to be printed in the Record, as follows:

Judiciary Committee Report, No. 93–596 (at Pages 6–13) Special Prosecutor, Act of 1973, 93rd Congress

THE CONSTITUTIONAL ISSUE

1. General

The framers in Article II, as elsewhere in the Constitution, painted with a broad brush, and it has been left to nearly 200 years of interpretation by each of the three coordinate branches of the Republic, to define the scope of their respective powers. Yet, despite disputes over the powers granted to the Executive branch in other areas, it has been consistently conceded that the function of prosecuting offenses against the United States belongs exclusively to the Executive.

Article II of the Constitution vests all executive power in the President and further commands him to "take Care that the Laws be faithfully executed." In *Springer* v. *Philippine Islands,* 277 U.S. 189, 202 (1922), the Supreme Court, in a general discussion of the separation of powers principle, observed, "[l]egislative power, as distinguished from executive power, is the authority to make laws, but not to enforce them or appoint the agents charged with the duty of such enforcement. The latter are executive functions."

Applying this principle, the Fifth Circuit in *United States* v. *Cox,* 342 F. 2d 167, *cert. denied,* 381 U.S. 935 (1965) ruled that the judiciary could not encroach upon this purely executive function. There, a federal grand jury had returned an indictment for perjury against blacks who testified in a civil rights case and the presiding judge ordered the United States Attorney to sign the indictment. At the direction of Attorney General Katzenbach, however, the United States Attorney refused the order. Upon appeal, the contempt citation, issued against the U.S. Attorney was reversed.

Sitting *en banc,* the Court of Appeals held that the Attorney General is the hand of the President in taking care that the laws of the United States in the prosecution of offenses are faithfully executed. Although it recognized that as a member of the bar, the attorney for the United States is an officer of the court, the court ruled that nevertheless he is "an executive official of the Government, and it is an an officer of the executive department that he exercises a discretion as to whether or not there shall be a prosecution in a particular case. It follows," said the court, that "an an incident of the constitutional separation of powers, . . . the courts are not to interfere with the free exercise of the discretionary powers of the attorneys of the United States in their control over criminal prosecutions." Judge Wisdom, concurring specially, noted: "The prosecution of offenses against the United States is an executive function within the exclusive prerogative of the Attorney General." He further observed that "the functions of prosecutor and judge are incompatible." The Supreme Court declined to review the *Cox* decision.

The principle that the Executive alone has the duty and the power to enforce the laws through prosecution before the courts has been restated on many occasions.

Very recently, in a case most apposite, District of Columbia denied an application for the appointment of an independent special prosecutor to investigate the Watergate incident. Judge Richey viewed such action as both an unwarranted interference with the prosecutorial discretion of the Executive and a violation of the Doctrine of Separation of Powers.

These cases indicate that the responsibility in conducting the prosecution of offenses against the United States lies with the Executive and only with the Executive. And where the responsibility lies, so must lie the power to discharge effectively that responsibility. As Judge (now Chief Justice Burger), speaking for the court in *Newman* v. *United States,* 382 F. 2d 479 (U.S. App. D.C. 1967), said "[t]he Constitution places on the Executive the duty to see that the laws are faithfully executed and the responsibility must reside with that power."

In the face of these formidable precedents, S. 2611 would divest the Executive of the power to prosecute "Watergate"-related offenses by vesting the powers to appoint and to remove the Special Prosecutor in the courts. In short, prosecutorial powers would be lodged outside the Executive in apparent derogation of Article II which directs the Executive "to take care that the Laws be faithfully executed." Such an effort shoulders a heavy burden in attempting to justify a departure from the deeply embedded understanding of the Constitution. As Mr. Justice Frankfurter said in his concurring opinion in *Youngstown Sheet & Tube Co.* v. *Sawyer,* 343 U.S. 579, 610 (1952), "the Constitution is a framework for government. Therefore, the way the framework is consistently operated fairly establishes that it has operated according to its true nature." In this light, let us examine some of the theories which purport to permit a departure from this framework.

2. Article II, Section 2, clause 2

Article II, Section 2 grants wide powers to the President with respect to a number of matters, including the nomination of certain officials by and with the advice and consent of the Senate and then as an exception to the nomination and confirmation procedure states:

"But the Congress may by law vest the Appointment of such inferior officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments."

Proponents of S. 2611 rely on this provision in arguing that appointment of a Special Prosecutor (an "inferior" federal officer) may be placed in the hands of a court of law. As a corollary, it is argued that the removal power, with its effective ability to supervise and ultimately control the operations of a Special Prosecutor, accompanies the power of appointment.

Ex Parte Siebold, 100 U.S. 371 (1879) is cited as the leading case. There the Supreme Court upheld a statute which authorized the federal courts to supervise certain elections of candidates for the House of Representatives. Observing that it is ". . . usual and proper to vest the appointment of interior officers in that department of the government, executive or judicial, or in that particular executive department to which the duties of such officers pertain . . .," the Court reasoned that the Constitution did not require such a result because, if it did, there would be difficulty "in many cases to determine to which department an office properly belonged."

Notably, the example given by the Court of an executive officer whose appointment Congress might vest in someone other than the President was a marshal which the Court characterized as ". . . preeminently the officer of the courts." And as Dean Cramton pointed out in his testimony before the Committee, the officer in question in *Siebold* performed functions "akin to those in which courts have traditionally appointed masters. Moreover, Congress has the power to investigate the qualifications of its own members and the blending of powers involved in the functions of the appointed officials did not involve criminal law enforcement." Thus, under the *Siebold* case, a court may appoint an officer who performs functions which characteristically derive from several departments, or in other words, functions which blend the powers such as those performed by a marshal or election supervisor. The case goes no further. On the basis of its facts and reasoning, therefore, the *Siebold* case does not speak to a situation such as the present one where the officer to be appointed performs purely executive functions.

A reading of *Siebold* that would permit judicial appointment, and as an incident removal, of important executive officials would be entirely inconsistent with our scheme of government. Such a reading would allow Congress to insulate the Chief Executive from his subordinates, including Under Secretaires, Assistant Secretaries and advisers who serve in the Executive Office of the President by vesting the appointment and removal power in the courts. "The encroachment on the independence and responsibility of the Executive branch," Dean Cramton has testified, "would be impaired intolerably by legislation of this character.

The decision in *Myers* v. *United States,* 272 U.S. 52 (1926), confirms this conclusion. There, the Supreme Court held that a statute attempting to limit the President's power to remove postmasters was unconstitutional. In concluding that a finding that limited the President's power of removing officers of the United States whom he had appointed with the advice and consent of the Senate would make it impossible for the President to discharge his constitutional responsibility to execute the law, the Court reasoned:

"A reference of the whole power of removal to general legislation by Congress is quite out of keeping with the plan of government devised by the framers of the Constitution. It could never have been intended to leave to Congress unlimited discretion to vary fundamentally the operation of the great independent executive branch of government and thus most seriously to weaken it. It would be a delegation by the Convention to Congress of the function of defining the primary boundaries of another of the three great divisions of government."

While some of the broad language in *Myers* was limited by the Supreme Court's subsequent decision in *Humphrey's Executor* v. *United States,* 295 U.S. 602 (1935), the *ratio decidendi of Myers,* namely, that the responsibility of the Executive with respect to executive officers cannot be divested, was reaffirmed in *Humphrey's Executor.*

Siebold does not support the appointment of a Special Prosecutor by the courts for a second reason. In ruling on the appointment of the election supervisor, the Court considered whether there was any incongruity in the judicial appointment and observed:

"[T]he duty to appoint inferior officers, when required thereto by law, is a constitutional duty of the courts; and in the present case there is no such incongruity in the duty required as to excuse the courts from its performance, or to render their acts void. It cannot be affirmed that the appoinment of the officers in question could, with any greater propriety, and certainly not with equal regard to convenience, have been assigned to any other depositary of official power capable of exercising it."

The judicial appointment of a Special Prosecutor, and the supervision which would be required if the appointing judges were to fulfill their responsibility effectively to review the conduct of the prosecution in determining whether to remove the prosecutor for gross impropriety or gross dereliction as S. 2611 contemplates, appear incongruous with the judicial function. As Judge Wisdom said in *United States* v. *Cox,* discussed earlier, "the functions of prosecutor and judge are incompatible."

More recently, Judge Gesell in *Nader* v. *Bork,* observing that legislation such as S. 2611 would be incompatible with the judicial role, stated:

"The suggestion that the Judiciary be given responsibility for the appointment and supervision of a new Watergate Special Prosecutor, for example, is most unfortunate. Congress has it within its own power to enact appropriate and legally enforceable protections against any effort to thwart the Watergate inquiry. The Courts must remain neutral. Their duties are not prosecutorial. If Congress feels that laws should be enacted to prevent Executive interference with the Watergate Special Prosecutor, the solution lies in legislation enhancing and protecting that office as it is now established and not by following a course that places *incompatible duties* upon this particular court. As Judge Learned Hand warned in *United States* v. *Marzano,* 149 F. 2d 923, 926 (1945): Prosecution and judgment are two quite separate functions in the administration of justice; they must not merge." [Emphasis added.]

Added force was given to this observation by the communication of Chief Judge Sirica of the D.C. District Court to the Chairman of the Committee which, in pertinent part, notes:

"I am in full agreement with Judge Gesell's statement * * * I might (also) mention that * * * eight of our judges * * * remarked that they disapprove of a procedure that would require this court to appoint a spectial prosecutor."

Thus, because *Siebold* can be read only to permit the judicial appointment, and as an incident removal, of those officers not performing pure and essentially executive functions and because the appointment of a special prosecutor would be incongruous with judicial duties, it cannot support S. 2611.

Two other cases are cited to support the proposition that under Article II, Section 2, clause 2, the Congress can delegate to the judiciary power to appoint a Special Prosecutor—*United States* v. *Solmon,* 216 F. Supp. 835 (S.D. N.Y. 1963) and *Hobson* v. *Hansen,* 265 F Supp. 902 (D.D.C. 1967), *appeal* dismissed 393 U.S. 801 (1968).

In *Solomon,* a federal district court upheld the constitutionality of a statute vesting in federal district courts the power to appoint United States Attorneys to fill vacancies for a temporary period. In finding that the statutory procedure did not violate the Doctrine of Separation of Powers the court stressed that the appointment of the attorney was temporary and that it did not derogate the powers, indeed the responsibility, of the Executive. The President retained the power to remove a court-appointed U.S. Attorney, to replace him with his own appointment, and through the Attorney General to direct his action in the same way he may any other U.S. Attorney. This, of course, is not the case presented by S. 2611, for under that bill only the judiciary can appoint or remove the Special Prosecutor.

In *Hobson* v. *Hansen,* a three-judge court in a 2–1 decision upheld the constitutionality of a statute granting United States district judges in the Disrict of Columbia the power to appoint members of the Board of Education of the District. The majority opinion rested upon two alternate bases. First, the Court found authority for the challenged statute under Article I, Section 8, clause 17, giving Congress exclusive power to legislate for the District. The majority also concluded that the appointment power was authorized under Article II, Section 2, clause 2, giving Congress the authority to vest in courts the power to appoint inferior officers, and explicitly found that the "incongruity standard" referred to in *Siebold, supra,* did not prohibit the court to exercise such an appointment function, noting also that the United States District Court for the District of Columbia exercises dual judicial-legislative powers with respect to the District. Thus, *Hobson* is not a precedent for the procedure proposed by S. 2611 because the court-appointed board of education members, who were local officials and not federal officers, did not exercise any constitutionally-mandated executive powers of the President under Article II of the Constitution.

While it is true that the Separation of Powers principle does not require three watertight compartments, each branch of the government has core functions, the performance of which cannot be transferred to other branches. To hold otherwise would be to permit one branch to swallow up the functions and thereby the independence of and checks by another branch. The prosecution of offenses against the United States is such a core function. Indeed, it is a function that was placed in one of the four original executive departments. S. 2611, because it vests the appointment and removal of an executive officer exercising a core Executive function in the hands of a panel of federal judges appears to be in derogation of Article II of the Constitution.

3. The necessary and proper clause

It has also been suggested that the traditional understanding of the Constitution which places the prosecutorial power solely in the Executive branch may be circumvented by exercising power granted to Congress by the "necessary and proper" clause. Article I, section 8, clause 18 of the Constitution provides that Congress shall have power "[t]o make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof." This clause is not a "delegation of a new and independent Power." *Kansas* v. *Colorado,* 206 U.S. 46, 88 (1907). Instead, it grants to Congress the power to select any means reasonably adapted "for carrying into Execution" the expressed powers. By its terms, it is thus a clause of implementation. It empowers Congress not to abrogate the powers expressly vested in the Government "or in any Department or officer thereof" but to implement those powers.

In interpreting the necessary and proper clause, Chief Justice Marshall, in his classic opinion in *McCulloch* v. *Maryland,* 4 Wheat. 316, 420 (1819), reiterated the general principle that constitutionally-granted powers must be read in the light of other powers conferred by the Constitution and with reference to the overall intention of the Framers:

"Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional."

A reading of the Necessary and Proper clause that empowered Congress to transfer crucial executive functions to other branches of the government would run afoul of the Doctrine of Separation of Powers, for it would transform our government of checks and balances into a parliamentary system where the legislature would control the acts of Executive officials, and through them, the acts of the President. The power to create a Special Prosecutor outside the Executive branch cannot be found among the enumerated powers. As Acting Attorney General Bork testified before your Committee:

"* * * [t]he theory, therefore must be that the power to make laws necessary and proper for the enforcement of the laws includes the power to remove law enforcement from the

Executive Branch. If the Necessary or Proper Clause were read in that fashion it would be a power lodged in Congress that swallows up much of the rest of the Constitution. Under this theory, for example there could have been no doubt of the constitutionality of the plan to back the Supreme Court in the 1930's. In fact, if a recalcitrant Supreme Court frustrated Congress' wishes by applying the Constitution, the Congress could declare it necessary and proper that the Congress rather than the court decide constitutional cases. No one has ever suspected before that the Necessary and Proper Clause was a power to amend the Constitution that makes wholly unnecessary the specific procedures for amendment provided by Article V. The Necessary and Proper clause must be read as a means of making the exercise of powers by the various branches effective, not as a means of shifting powers between the branches of government. Thus Congress may create or abolish various positions within the Department of Justice. It may provide or take away jurisdiction. It may pass or repeal substantive laws. It may appropriate funds or not as it sees fit. But all of this does not add up to a theory that can keep the laws but forbid the Executive Branch to enforce them and transfer the enforcement function to itself or to the courts."

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., June 25, 1976.
Hon. ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: I am writing to urge as a matter of the utmost importance your support for recommittal of S. 945 to committee for further consideration. This bill, entitled "The Watergate Reorganization and Reform Act of 1976," raises serious issues of law and of policy. It is my understanding that the bill was referred to the Judiciary Committee in recognition of the special need for review of its constitutionality and its effects upon the administration of justice. Unfortunately, however, the urgent nature of other business prevented that Committee from considering the bill or any amendments to it, and as a result the proposal comes to the floor without the benefit of any formal assessment by that Committee of its constitutionality, its impact upon the criminal law system and its preservation of minimal protections for the reputation of public officials.

The doubts on all of these points are numerous and substantial. It is impossible, in what is intended to be a brief letter, to describe all of them, but a few examples should suffice to demonstrate the gravity of proceeding without further consideration. Perhaps the most serious practical effect of the bill is to deprive public officials of that protection against the publication of scurrilous and unfounded allegations which is the basis for our long established common law tradition of grand jury secrecy, and one of the fundamental safeguards provided by our criminal law system. Under the bill, whenever the Attorney General receives an allegation of wrongdoing which is directed against certain high government officials, or which if handled by the Department of Justice would otherwise present a possible conflict of interest or the appearance of a conflict of interest (a criterion which may be met by a vaguely defined "direct and substantial partisan political interest" in the outcome), he must set forth the substance of that allegation in a memorandum to a division of the Court of Appeals for the District of Columbia in order that it may consider whether a special prosecutor should be appointed; moreover, any private citizen who submits an allegation of criminal wrongdoing to the Attorney General has the power to compel a similar reference. No special safeguards of confidentiality are set forth. This procedure enables any private individual to convert a private allegation against any high elective or appointive public official into a highly publicized Federal investigation of that official. In thus enabling the criminal investigative process to be transformed into a media event whenever high State or Federal officials or Members of Congress are involved, the bill casts aside one of the most decent traditions of our criminal law system; it makes high public office attractive only to those who are careless of their reputation; and ultimately, in my view, it will contribute to a public attitude of cynicism and distrust of government officials which is incompatible with healthy and effective democratic government.

The only device established to winnow out baseless allegations is patently inadequate to protect against this evil. It only enables the avoidance of ultimate appointment of a special prosecutor, and not the prior special investigation and referral of the matter to the court. Moreover, even the appointment of a special prosecutor can be avoided only if, within 30 days of receipt of the allegations, the Attorney General certifies that they are "clearly frivolous, and therefore, do not justify any further investigation or prosecution." I can categorically attest that such a certification is extremely unlikely to be made within such a period—and indeed its unlikelihood increases in almost direct proportion with the outrageousness of the allegation, since the most wild allegations often require the most careful investigation and review. The consequence will be the frequent appointment of special prosecutors, with all the attendant publicity.

Another practical deficiency of the bill is exemplified by those provisions which require the Attorney General to make available to the special prosecutor all "documents materials, . . . memoranda, . . . resources and personnel" necessary to carry out his duties. Apart from the wisdom of ordering departmental priorities on such a haphazard basis, regardless of the character or gravity of the allegations involved, these provisions can be interpreted in theory (and, as a practical matter, will in fact operate) to remove from the discretion of the Attorney General, and to require to be exercised at the request of each special prosecutor, even those extraordinary powers which the Attorney General has carefully reserved for exercise by himself alone, as a safeguard to fundamental liberties—to seek subpoenas against newsmen. It should not be supposed that the special prosecutor will always be an individual of great prominence and national stature, since the language of the bill—prohibiting the appointment of anyone who is already an officer or employee of the Federal government—evidently requires a separate special prosecutor for each new allegation (no matter how minor), even a new allegation directed at a person already under investigation by a special prosecutor. The provision which allows any citizen making an allegation of criminal wrongdoing to apply to the court for appointment of a special prosecutor is not merely subject to abuse for political purposes. It can also serve as a convenient device for any individual under a normal criminal investigation to slow the machinery of justice; he need only allege involvement of some high Federal official in order to seek (and possibly obtain) a transfer of some or all of the investigation to new personnel.

The serious constitutional issues presented by the bill include the following:

(1) The establishment of an official who is to perform functions exclusively executive in nature, but who is insulated from all control by the President, through a means other than the President's voluntary abstention from such control.

(2) The conferral upon a court of the power to appoint an official who is to perform significant executive functions, and who is not "inferior" to any other official in the sense of being subject to direction and control.

(3) The assignment to a court of powers, such as the reviewing of Attorney General appointments and decisions, which are unrelated to the constitutionally prescribed function of deciding "cases or controversies."

(4) The attempted exclusion of the President from appearing, through the Attorney General, in cases which the United States is not a party, to assert the unconstitutionality of an act of Congress.

In addition to issues of constitutionality and practical effect, there is serious questions whether the new institutions established by this bill—both the special prosecutor and the Congressional Legal Counsel—are really directed to any genuine needs, given the full history of our national experience in such matters, and given the Department of Justice's recent establishment of institutional structures which further strengthen the safeguards against improper interference in the prosecutory function. The latter include the Public Integrity Section of the Criminal Division, which has special responsibility for the investigation and prosecution of criminal wrongdong by government officials, and the Counsel on Professional Responsibility, reporting directly to the Attorney General, which investigates charges of impropriety or criminality involving officials and employees of the Department. It is my earnest hope that the Senate will not proceed with the legislation, which bears so closely upon serious principles of constitutional law, procedures of criminal justice and operations of this Department, without further committee deliberation.

I would be pleased to accept your offer to discuss the bill further with you and Senator Percy.

Sincerely yours,

EDWARD H. LEVI,
Attorney General.

ADMIRALS DISPUTE CLEMENTS ON SHIPBUILDING CLAIMS

Mr. PROXMIRE. Mr. President, important differences between the Navy and Deputy Defense Secretary William P. Clements, over the issue of how to handle nearly $2 billion in shipbuilding claims, are beginning to emerge as Navy officials are given an opportunity to comment on the facts and voice their views.

Despite concerted efforts by some of the larger shipbuilders and Secretary Clements to divert attention from the merits of the claims, more and more questions are being raised about the claims as the facts come to the surface.

Last Friday, on June 25, 1976, the Subcommittee on Priorities and Economy in Government received testimony from Secretary Clements, Adm. Robert C. Gooding, Adm. Stu Evans (retired), and Adm. Kenneth L. Woodfin (retired).

Earlier on June 7, 1976, the subcommittee heard testimony from Adm. H. G. Rickover and William Cardwell, a former official at the Newport News Shipbuilding Division of the Tenneco Co.

NEED FOR AN AUDIT OF THE CLAIMS

Among the major facts established in the hearings thus far are the following:

First, none of the pending shipbuilding claims have been fully audited, analyzed or evaluated by the Navy.

Second, there have been serious allegations by persons familiar with the Newport News claims that they are based on inflated figures, unsupported allegations, attempts to charge the Government with the costs of commercial activities and possible double counting.

Third, at least two of the shipbuilders, Newport News and Litton, have gone to extreme lengths to apply political pressure on the Navy and the Defense Department to extract payments without regard to legal entitlement.

POLITICAL PRESSURE TACTICS

Among the tactics employed by the shipbuilders has been direct communication with top level Pentagon officials in an attempt to circumvent the Navy's claims review process, harsh personal attacks against Navy officials who have attempted to examine the merits of the claims, and threats to stop work on Navy projects unless the claims are immediately paid.

Unfortunately, Secretary Clements has played into the hands of the shipbuilders. He has agreed to deal with the contractors personally and has thereby undercut the responsible Navy officials who have attempted to resolve the disputes with the shipbuilders.

In doing so, Secretary Clements has perpetuated a myth that the claims in question are of long standing and that the Navy has failed to make progress with them. The facts are that most of the claims filed by Newport News were received by the Navy only in the past few months and that Litton began providing the Navy with documentation for its claims only in the past few months.

ADMIRALS SAY CONTRACTS FAIR

Secretary Clements has also tended to lend substance to the allegations by the shipbuilders that their contracts are inherently inequitable and therefore should not be enforced. The facts are, as four Navy admirals have now testified, that the contracts with the shipbuilders are fair and generous, and not inequitable.

CLEMENTS PROPOSES A BAILOUT

What Secretary Clements and the shipbuilders have been attempting to present to Congress has familiar characteristics. Many of my colleagues have seen the tracks of this animal before.

It walks like a bailout, it sounds like a bailout, it looks like a bailout, and I dare say that those of my colleagues who look closely at this specimen will conclude with me that it is a bailout.

Another corporate bailout, in the tradition of Penn Central and Lockheed, hardly seems an appropriate or logical action for the Government to take at a time when there is continued concern with inflation and unnecessary Government spending, and during a period of growing awareness of false claims and other fraudulent misrepresentations designed to unjustly enrich individuals and business firms at the expense of the taxpayers.

TESTIMONY OF ADMIRAL WOODFIN

One of our witnesses last Friday, Adm. Kenneth L. Woodfin, presented testimony in direct conflict with the assertions of the shipbuilders.

Admiral Woodfin stated that "shipbuilding claims figures can be misleading and should not be accepted at face value. Typically shipbuilding claims are greatly exaggerated and viewed by many contractors simply as a starting point for negotiation."

Admiral Woodfin disagrees with the view that the shipbuilding contracts are inequitable and that therefore the contracts are unenforceable. Admiral Woodfin was also critical of the shipbuilders' pressure tactics and of the devices they have employed to shortcut the normal claims review procedures.

Admiral Woodfin stated:

> I fear that as long as shipbuilders can achieve a vastly superior position by going to high level Government officials they have little incentive to deal with the designated Navy contracting officers. In such an environment, it appears that it will be increasingly difficult to enforce future contracts and settle claims on their legal merits in accordance with established Navy procedures (which seem to be acceptable to the GAO).

I ask unanimous consent that the prepared testimony of Adm. Kenneth L. Woodfin be printed in the Record at the close of my remarks. I also ask unanimous consent to have printed in the Record at the close of my remarks an article in the Washington Post, June 26, 1976, by Dan Morgan entitled "Admirals Dispute Pentagon on Shipbuilding Claims," an article from the Newport News-Hampton Daily Press, June 26, 1976, by Ross Hetrick, entitled "Claims Spark Hearing Fury," and an article from the Washington Post, June 29, 1976, by Marquis Childs, entitled "Rickover and the Carter Connection."

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement of Rear Admiral Kenneth L. Woodfin, Before the Subcommittee on Priorities and Economy in Government, Joint Economic Committee

I am Rear Admiral Kenneth L. Woodfin, Supply U.S. Navy Retired. I am basing my comments today on my direct experience with Navy Shipbuilding contracts during the period from 1970 up to my retirement from the Navy in May 1975. During the period June 1975 through May 1976, I was Assistant Administrator for Procurement at NASA. June 1976, I resigned from NASA and accepted a position as Vice President for Business Management, Burns and Roe, Inc., an engineering consulting firm in Oradell, N.J. I am expressing my views today as a private individual and not as a representative of the Navy or the Administration. During the period 1970 to 1975, I was Deputy Commander for Contracts, Naval Ships Systems Command and Deputy Chief of Naval Material (Procurement and Production). During that period I consider that real progress was made in resolving the Navy's shipbuilding claim backlog in that approximately 40 shipbuilding claims involving $1 billion were settled using a Navy-developed claim review and settlement process. In the year since I left the Navy, regrettably it does not appear that the contractual situation between the Navy and its shipbuilders has improved significantly. In view of this, I fully appreciate the Defense Department's urgent need to improve this relationship as the Navy proceeds into a period of increased contracting for Naval warships.

My knowledge of the recently withdrawn Department of Defense proposal to settle shipbuilding claims by application of Public Law 85–804 comes almost entirely from published news accounts and public statements by the Defense Department. From these accounts it appears that the Defense Department originally proposed to settle about $1.8 billion of recently submitted and potential shipbuilding claims from General Dynamics, Newport News, Litton Shipbuilding and National Steel outside of the Navy's normal claims review and settlement process for about $500 to $700 million although I understand that no settlement agreements with the individual companies have been negotiated. The stated justification for granting extra-contractual relief is that Navy shipbuilding contracts have been unfair and inequitable, particularly with respect to escalation provisions and have proven to be unworkable. I understand that there has not yet been an official Government determination of the amount the Navy legally owes against these claims. However, the Defense Department proposed to use P.L. 85–804 to correct the so-called inequities quickly and thereby promote better relations between the shipbuilders and the Navy and facilitate carrying out the Navy's new shipbuilding program. This is a unique approach since, as I recall, the use of P.L. 85–804 requires that all other avenues of relief have been exhausted and that only by recourse to this extraordinary authority can the necessary end be achieved.

Even though the earlier mentioned P.L. 85-804 settlement proposal has been withdrawn by the Department of Defense, there are several important points which I believe the Committee should consider in any future settlement proposals.

Shipbuilding claims figures can be misleading and should not be accepted at face value. Typically shipbuilding claims are greatly exaggerated and viewed by many contractors simply as a starting point for negotiation. A $1.8 billion claims backlog does not mean that the shipbuilders expect to get $1.8 billion or from my experience that they actually believe they are entitled to such sums under these contracts. Also, claim amounts are often expressed in terms of a ceiling price adjustment to a fixed-priced incentive contract. Under such contracts, how much more the contractor is actually paid depends on his actual costs in relation to the overall pricing structure of his contract. Thus, it is possible that, even if the Navy agreed to pay the total $1.8 billion in shipbuilding claims at 100 cents on the dollar, the actual increased cash payment to the contractors could be hundreds of millions less. More importantly, the value of any claim settlement depends on what kind of a claims release is obtained so any proposed settlement should be carefully reviewed in this regard.

I see no reason why shipbuilders or other Government contractors should be excused from the terms of their contracts, except in rare cases where otherwise the contractor would not be able to complete his contract and there is no practicable alternative to obtaining the item in question. Insofar as the Government owes the shipbuilders money against their claims, orderly processes have been established to see that they are reimbursed in amounts to which they are legally entitled.

The escalation provisions used in Navy shipbuilding contracts during the late 1960's and early 1970's were not, in my opinion, inequitable when negotiated, as has been alleged. Keep in mind that as long as a shipbuilder performed on time and within the target cost of his contract, the escalation clause protected him from the effects of inflation because his escalation payments were geared to indices. To the extent shipbuilders believed that these escalation provisions might not fully reimburse them for all the effects of inflation, many of them included additional contingencies in their pricing. Thus, even through the period of double digit inflation, escalation payments to shipbuilders were geared to the actual inflation experienced in the shipbuilding industry and as such provided better protection than that enjoyed by the rest of the Defense industry. Further to the extent the Government added work or caused delays, shipbuilders are entitled to full reimbursement, including escalation, for the additional costs of these actions under the changes article. Unfortunately, some shipbuilders have refused to price changes in order to retain these entitlements as a backbone for future claims.

As I recall, during the period in question (1967–71), the Armed Services Procurement Regulation did not encourage the use of escalation provisions in defense contracts, except for shipbuilding contracts. Thus, most other defense contractors did not have escalation clauses, even on long-term contracts which may have lasted 3 or 4 years or more, and had to bear the entire brunt of double digit inflation themselves whereas shipbuilders did not. Of course, to the extent a shipbuilder delivers late or overruns his contract for reasons that are his responsibility, his problems are aggravated by inflation. In effect, the Navy Escalation Clause constitutes a form of liquidated damage well understood by the contracting parties. If shipbuilders are excused from their contracts on the basis that the contract did not provide adequate protection against inflation, every other defense contractor and subcontractor should logically contend that they have a basis to request similar relief.

It has been alleged that the Navy awarded unfair and inappropriate shipbuilding contracts. I disagree; at the time negotiated, I believe both parties considered them fair. I have found shipbuilders to be hard and skillful negotiators. Year after year shipbuilders send their most experienced, senior negotiators and lawyers to the bargaining table where they are generally confronted by Navy negotiators who often have far less experience. Generally shipbuilder negotiating personnel have had many years of experience in negotiating with the Navy and are expert in the intricacies of shipbuilding contracts. In contrast, because of turnover problems, their Navy negotiating team counterparts, in some cases, stay on the job for only a short time. Many negotiations were difficult and hard fought, but in the end compromises were made and agreements reached. For example, when the Navy pushed for lower target costs to both encourage tighter cost controls and at times to meet budget constraints at a particular shipyard, the contractor insisted on protective share lines and a ceiling price that would protect him in the event he overran the target costs. I cannot recall any situation where the Navy knowingly outwitted and out-negotiated experienced and knowledgeable shipbuilders or that the shipbuilders accepted contracts against their will. Naturally, negotiations are and should continue to be an adversary relationship. Conversely, I have been concerned that the Navy is generally in a poor negotiating position since there is a severely limited number of shipbuilders qualified to build its ships. But, I prefer this limited competition to none at all.

Some shipbuilders complain to high levels of the Defense Department and to Congress about delays in settling shipbuilding claims. This undoubtedly generates pressure on contracting officers to accelerate the claim settlement process. I believe that the Navy has improved the timeliness of its processing approach without sacrificing the full determination of legal entitlement. Frequently a shipbuilder may have a set figure in mind that it must recover, regardless of the merits of the claim, in order to make its desired profit objective. When the initial Navy analysis concludes the Government owes a much smaller amount, quick settlement by negotiation appears virtually impossible. On the other hand, where both parties are accelerating the fact-finding process, recent data indicates that even complex claims could be settled in approximately a year. Fact finding remains the key, particularly in the complex shipbuilding atmosphere, and I can visualize no real short-cuts to the process of determining what acts or inacts of the Government have caused the basis for a contract change.

Recent accounts of some shipbuilders refusing to honor contracts, threatening to stop work and stating that they will not accept new contracts, are questionable pressure tactics growing out of the obvious overruns on the 1967–1971 period contracts. I believe that, since 1973, the Navy has recognized some of the problems of shipbuilding contracts through the use of even more liberal escalation clauses to meet the shipbuilders problems of material and labor shortages and the virtual eliimnation of multi-year contracts to avoid any total package procurement problems. I also have been concerned at the apparent steady deterioration in both the Navy's and the shipbuilder's ability to estimate manufacturing and weapon system integration costs on new complex warships. As a result of this concern, I have reluctantly advocated in future contracts the use of cost-type contracts for some of the more complex lead ships. I agree with the House Armed Services Committee's historic concern over the uncontrolled aspects of cost-type contracts for shipbuilding, but unless and until the shipbuilders can better control productivity, some cost-type contracts appear to be a necessary interim alternative.

However, in the case of the present contracts in force, I believe that, if there is to be any integrity to the Government contracting process, the shipbuilders should honor their contracts and continue to take new contracts under the more liberal contract approaches I have just mentioned.

As I stated earlier, I can appreciate the Defense Department's desire to resolve the claims backlog quickly and obviously the Navy should pay where money is due. It is also obvious that senior Defense officials have authority, subject to Congressional approval, to apply P.L. 85–804 for this purpose. I recognize also that it is, of course, possible that a P.L. 85–804 settlement could be obtained under certain circumstances that would be equitable to the Government. However, by announcing publically that the Navy contracts are inequitable, announcing a decision to provide extra-contractual relief, setting a date for competion of settlement negotiations, and announcing how much it is willing to pay—all before a specific arrangement and contractual release has been agreed to with the shipbuilders, Defense officials have put their negotiators in the most unfavorable negotiating position I can imagine.

I fear that as long as shipbuilders can achieve a vastly superior position by going to high-level Government officials, they have little incentive to deal with the designated Navy contracting officers. In such an environment, it appears that it will be increasingly difficult to enforce future contracts and settle claims on their legal merits in accordance with establishing Navy procedures (which seem to be acceptable to the GAO). Thus, I cannot accept the theory that by use of P.L. 85–804 we can expect to resolve Navy differences with its major shipbuilders. Instead it appears we should proceed to an accelerated settlement of these claims in the established manner, while at the same time ensuring that our new contracts do not create the same bases for claim assertion.

Thank you, Mr. Chairman, that concludes my statement.

KENNETH L. WOODFIN,
Rear-Admiral, SC, U.S.N. (Ret.).

Admirals Dispute Pentagon on Shipbuilding Claims

(By Dan Morgan)

Two retired admirals and a third on active duty yesterday disputed the view of their Pentagon bosses that Navy shipbuilding contracts had been so unfair as to justify claims for $1.8 billion in cost overrun reimbursements.

Their testimony before Congress' Joint Economic Committee differed sharply from that of Deputy Secretary of Defense William P. Clements Jr., who said national security could be jeopardized if the government failed to settle the claims quickly.

"I see no reason why shipbuilders or other government contractors should be excused from the terms of their contracts," said retired Rear Adm. Kenneth L. Woodfin. He said the Navy's contracts had provided numerous protections for the companies against inflation and other problems that raised the cost of building ships.

His testimony was backed by Adm. Robert C. Gooding, commander of naval sea systems and director of shipbuilding programs, and by retired Adm. Stu Evans, who until recently was chief of naval procurement.

Gooding acknowledged that shipbuilders' claims often are overstated and exaggerated, and Evans testified that the Navy's contracts were "extremely equitable."

Yesterday's hearing was called by Sen. William Proxmire (D-Wis.) to review a Pentagon proposal to use emergency powers to rewrite contracts with shipbuilders to pay from $500 million to $700 million in company claims.

That plan was withdrawn in May, and Clements said yesterday he would not settle with the firms without congressional approval. But he refused to promise Proxmire that the claims would be handled "in strict accordance with Navy procedure."

Newport News Shipbuilding Co., at Newport News, Va., and the Ingalls Co. at Pascagoula, Miss., have filed cost overrun claims totaling $1.4 billion. The Electric Boat Division of General Dynamics in New London, Conn., has not formally filed a claim but reportedly seeks $400 million.

Under order in those yards are nuclear submarines, nuclear carriers, nuclear cruisers and helicopter carrier vessels.

In a letter released by the committee, a Newport News official warned the Navy June 18 that unless the government provided reasonable assurances that claims would be met, "we will reserve the right to suspend work" on the CVN70 nuclear attack carrier as of yesterday.

A company spokesman said late yesterday that work was proceeding normally.

Proxmire lashed out at the company for "pressure tactics," and said the government could not let a private company "dictate terms on which it will continue doing business."

During repeated verbal sparring with Proxmire and Rep. Otis G. Pike (D-N.Y.), Clements declared he was "sensitive as hell to the charge of bailing out the shipbuilding industry," but asserted that "if we proceed the way we're going, the Navy won't get the ships, or if we get them, they'll cost far, far more."

Clements said that attacks on the shipbuilding industry by such officials as Vice Adm. Hyman G. Rickover, head of the Navy's nuclear propulsion program, had created an "acrimonious atmosphere "

Claims Spark Hearing Fury

(By Ross Hetrick)

Washington.—Newport News Shipbuilding in a June 18 letter set a deadline of June 25 for the Navy to "provide reasonable assurances" that certain claims disputes will be settled or work on the U.S.S. Carl Vinson (CVN 70) might be stopped.

In a letter to Adm. R. C. Gooding, commander of Naval Sea Systems Command Shipyard Vice President F. H. Creech outlined problems encountered by the yard, such as cost escalation and interference by the Navy, and said, "We therefore ask that you provide reasonable assurances, with appropriate documentation and reference to funding documents, that the Navy will cure all of the matters set forth above.

"If such assurances are not provided by June 25, 1976," Creech wrote, "we reserve the right to suspend work until such assurances are provided."

No work stoppage has been ordered at the shipyard according to a Newport News Shipbuilding spokesman.

A Navy spokesman said: "The final form of the Newport News letter was delivered to the Navy on June 23 and it does not contain any indication that the company plans to stop work on CVN 70. The Navy is considering the information in the letter as part of the normal dialogue and the continuing negotiation with Newport News. To the Navy's present knowledge, the company has not stopped work on CVN 70."

The letter was released by Senator William Proxmire (D-Wis.), whose subcommittee on Priorities and Economy in Government of the Joint Economic Committee held a hearing Friday on the Department of Defense's plan to settle $1.5 billion worth of backlogged claims by four shipyards. Newport News' claims amount to $894 million.

The plan, which envisioned the use of Public Law 85–804 to settle the claims by rewriting contracts to provide money for escalating costs, was dropped June 9 after the Defense Department could not reach agreement with Newport News and Ingalls Point Shipyard of Litton Industries over the amount of claims to be paid.

Friday's hearing was characterized by sharp exchange by Proxmire and Deputy Secretary of Defense William P. Clements, who was defending the attempt to settle the claims.

"I'm sensitive as hell," Clements told Proxmire when he asked his reaction to accusations the plan is a bailout.

"I want to emphasize that in proposing to invoke the extraordinary powers of P.L. 85–804," he told the committee, "we were not seeking a quick and easy method of claims settlement. We are not trying to bail out contractors who have been inefficient and guilty of mismanagement."

Rather, Clements said the Pentagon was trying to solve problems which "currently handicap the construction of naval ships currently building and which threaten to seriously impair planned additional new construction."

He added that the situation "constitutes a serious threat to the national defense."

However, Proxmire was not convinced. "It's certainly a permissive and soft way of dealing with the shipyards," he said at one point.

Proxmire kept hammering away that few of the claims, especially for Newport News, have been audited. "It would be improper, as a general proposition, for the government," Proxmire said, "to pay any claim by a private firm or individual that has not been audited.

"In light of the evidence which has been brought forth to this committee, from an examination of the claims documents as well as testimony from witnesses, it would be grossly improper to pay these claims prior to a complete audit and evaluation," he said.

"You're trying to relate an elephant to a flea," Clements said answering Proxmire's concern about the validity of the claims. Clements stressed the claims themselves were not being settled, rather the contracts, which cover about 70 ships, would be re-written to compensate the yards for the cost overruns.

The old contracts allowed for cost escalations compensation as long as the ships were delivered on time. After that point, escalations would be absorbed by the yard.

Clements said under this plan yards were reluctant to bid for contracts and were having difficulty making any profit.

Rep. Otis Pike, a member of the subcommittee, asked Clements if the Navy was able to move partially completed ships to another yard.

Newport News has threatened to stop work on all Naval shipbuilding if their claims are not settled promptly.

"We're not over a barrel, under a barrel—we are no way related to a barrel," Clements responded to Pike.

While saying the Navy is not "totally dependent on any one shipyard," Clements did say the moving of the Eisenhower would be a very difficult and costly task.

Though not at the hearing, one of the most talked about persons during the hearing was Adm. Hyman G. Rickover, head of the Navy's Nuclear Propulsion division and a severe critic of the claims proposal.

Clements said he objected to Rickover's statement when he earlier appeared before the subcommittee and said the conglomerates which own the shipyards would just as soon be manufacturing "horse turds" as ships, as long as they were making a profit.

"He (Rickover) casts an atmosphere over the whole negotiations (with that comment) and impunes their (shipyards) integrity," Clements said.

Proxmire said, however, Rickover is a man of "enormous experience" and should be listened to.

Rickover and the Carter Connection

(By Marquis Childs)

In his autobiography, "Why Not The Best?" Jimmy Carter writes of his admiration for Admiral Hyman Rickover whom he rates as an influence on his life second only to that of his parents. The title of the book comes from a question Rickover put to him when Carter was about to assume new responsibility in the development of nuclear propulsion for submarines which Rickover had pushed against the resistance of traditional-minded admirals.

With Rickover still on active duty at 76 and as articulate and outspoken as ever, the Carter connection could prove important should the peanut farmer from Georgia become President. The spunky admiral's latest crusade is directed at the cost overruns in shipbuilding contracts. Just this month testifying on the Hill he said that the Defense Department's proposal to settle shipbuilders' claims could become "one of the biggest ripoffs in the history of the United States."

Both Secretary of Defense Donald Rumsfeld and Deputy Secretary William P. Clements Jr. recently stressed the need to settle the claims promptly without regard to merit. Earlier this year Rickover had testified:

"Unfortunately contractors appear to be submitting claims in amounts that are based on what they need to make their desired profit, regardless of their own mistakes or inefficiency, rather than that to which they are legally entitled."

The Rickover charges are part of an extensive study by the Center For Defense Information on weapons cost overruns. The Center estimates the cost overruns for current systems at $55 billion. The figures come in part from a report to Congress by the General Accounting Office.

The amounts are so stupendous as to be almost beyond imagination. The total baseline cost estimate, normally used prior to making full production decisions, was $121 billion. The current estimate for these major systems is $176 billion, a growth of just under $55 billion.

Despite the fantastic rise in costs, only a small part of it attributable to inflation, the Ford administration is ordering production go-aheads. The stellar example is the B–1 Bomber which the President himself ordered into production even though the new plane is still in the research and development phase. The cost of the bomber has risen 84 per cent above the baseline estimates of 1970 while performance requirements have been lowered, according to the Defense Center.

Competitive bidding is virtualy non-existent as the major defense firms share out the contract plums. Here again Rickover's testimony of two years ago is pertinent:

"About 88 per cent of the defense contract dollars today are placed under other than truly price competitive situations. Design competition, or the so-called competitive negotiated contracts, are not really price competitive.

"Further, it is generally the same contractors who do defense business year after year. It is about as hard for new defense contractors to enter the business as it is for new firms to enter the automobile industry. The investment is so large that many contractors practically become appendages to the government which the government has to support."

It was Ernest Fitzgerald, a civilian employee of the Air Force, who first blew the whistle on the staggering overrun costs. He took as the most conspicuous example the C-5A plane which had advanced in cost from an initial $3.4 billion to $5.3 billion by 1968. Congressional investigation showed that thousands of parts had been left off supposedly completed C–5As and the plane was notoriously inefficient.

In striking testimony before a Senate hearing Fitzgerald said that in effect the big defense contractors had become part of government. They were akin to the state corporations Mussolini had created in Italy, combining the worst features of private monopoly and government bureaucracy.

In his autobiography, Carter describes how Rickover asked him about his standing in his class at Annapolis. He swelled his chest with pride as he replied that he had been 59th in a class of 820. Rickover was not impressed, following up with the question, "Did you do your best?" Tense with his desire to make the best possible impression, the young naval officer finally gulped and said, "No, I didn't always do my best." As he turned away Rickover asked, "Why not?" and, describing himself as white and shaken, Carter left the room.

Such a close and hero-worshipping connection should mean a lot if Carter becomes President. He will surely turn to the crusty admiral for counsel on his dealings with the military.

LABOR-HEW APPROPRIATIONS BILL

Mr. WEICKER. Mr. President, I would like to associate myself with the remarks made by my distinguished colleague from Massachusetts concerning funding for title I of the Elementary and Secondary

Act. The purpose of this program is simply to expand and improve educational programs geared toward meeting the special learning needs of disadvantaged children.

On May 11, Senator KENNEDY and I offered an amendment to provide an additional $1 billion for the title I program for the end of this fiscal year. Unfortunately, this measure failed. However, in recognition of the need to maintain a strong Federal commitment in this area, the Senate Appropriations Committee has agreed to fund this program at $2.3 billion for fiscal year 1977. This figure represents an increase of $100 million over the House figure and $300 million over the administration budget request.

As the committee report states:

> Our children and youth represent this country's most important asset and resource. To reduce or hold the line on the Federal effort is to deny segments of our young people opportunities enjoyed by others.

I hope, Mr. President, that the Senate will make every effort to retain the $2.3 billion funding level in the conference with the House.

In my home State of Connecticut, there are approximately 35,000 children participating in this program. Adequate funding would help insure that these children could benefit from our most modern educational techniques and facilities.

THE STRUGGLE FOR CLEAN AIR

Mr. RIBICOFF. Mr. President, when the Senate returns from the forthcoming recess one of the major legislative items to be considered will be S. 3219, the Clean Air Act Amendments of 1976. This urgently required measure seeks to strengthen the 1970 Clean Air Act and to reinforce a number of the Environmental Protection Agency's present regulations.

There is no question that affirmative and effective steps must be taken to significantly improve the air we breathe and to provide meaningful protection of our country's air resources. Daily we read statistics which directly relate lung and heart disease to the poor quality of the air or which reveal the further deterioration of the air on account of automobile or factory emissions.

It has recently been reported that Connecticut has the second most severe auto-related pollution problem in the United States. Further, it was revealed that Connecticut's air quality problems cannot be attributed to polluted air blowing in from New York and New Jersey as Connecticut has reportedly exceeded safe levels even when the wind has been blowing from the north.

Last month the Litchfield Enquirer carried two very timely and pertinent articles regarding air pollution problems in Connecticut. These news items discuss the varied air quality difficulties being experienced in my State and focus on the need for action to effect needed improvements. Because of conditions such as those described in these articles I was pleased to join with my distinguished colleague from Colorado, Senator GARY HART, in urging the Senate to oppose attempts to delay the imposition of strict automobile emission regulations.

Mr. President, I believe that much can be learned about air pollution problems in the Northeast from these articles and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

State Air Too Dirty for Refinery; Vegetables Damaged by Ozone; Our Smog Second to Los Angeles

We've had a few questions concerning our article about auto pollution, which was based on a study taken in various areas of the state, one of which was the town of Morris. You can rest assured, that if the air in Morris is polluted, so is the air in Litchfield. It just so happened that the survey was within the boundaries of Morris.

Last week, the Department of Environmental Protection noted that air pollution in Connecticut has gotten worse after four years of improvement. DEP also referred to new industry in the state, commenting that particulate matter in the air had worsened significantly. Seventy per cent of the state's hydrocarbons are produced by motor vehicles.

Sulphur dioxides remain the same; ozone, that smog which comes from automobiles exhausts was worse in some areas, better in others.

More on air pollution—The U.S. Environmental Protection Agency has found Southeastern Massachusetts, Rhode Island and Connecticut the "least desirable area" for an oil refinery "from an air quality standpoint" since "these three areas now have very serious (very serious . . .) air pollution problems, particularly with photo chemical oxidants, or smog,'" EPA says that standards for oxidants are being violated "hundreds of times each year in southern New England" (that's us, folks, our air stinks!).

EPA continues: "Measured oxidant levels in these three states are often two to three times the public health standards. . . . The only place in the country where monitors have shown higher, more frequent violations, is Los Angeles." (We told you we were second worst in the nation; second only to Los Angeles).

And the fault is mainly industry and the automobile. EPA concludes: "An oil refinery in New England would be a major new source of hydrocarbons . . ." one of the main contributors to our smog.

EPA also states that "at least some of the smog problems . . . is due to transport of pollutants from other sources," but emissions from sources in New England contribute to the problem.

And Connecticut has not complied with the Clean Air Act of 1970.

More on air pollution in Connecticut . . . the Connecticut Agricultural Experiment Station reports that air pollution has damaged recently planted vegetables with injury to cucumber seedlings, leaves on squash, tomatoes and muskmelons, and injury to eggplants, as well as some experimental tobacco plants in greenhouse injured by ozone. Symptoms of ozone injury are light or dark brown flecks restricted to the upper surface of the leaves. If damage is severe, there are large, dead areas. Ozone, we explain again, is a form of oxygen produced by the action of sunlight on products of automobile exhaust. The Station says that it is very unusual to have young plants injured so severely this early in the year.

We have also heard that the amount of lead in the food and plants within a certain number of feet of a heavily travelled highway is rather high, but confess we can't recall the exact statistics.

Sen. Abraham Ribicoff said that there are attempts once again to delay imposing strict emission regulations, that "pending Clean Air Act revisions would put off strict standards for hydrocarbons and carbon monoxide from 1978 to 1979 . . ."

The senator says that those against the standards complain necessary control technology has not been developed, but he notes that Volvo has certified cars meeting more stringent standards while at the same time showing a 10 per cent gain in fuel economy. Sen. Lowell Weicker has joined Ribicoff in urging support of the new standards. (Do they know Connecticut can't even meet the present ones?)

Ribicoff's office told the Enquirer Tuesday that a vote on this isn't expected probably until after the Democratic convention.

Floor chairman for the bill is Sen. Edmund Muskie. Write to him. We are killing ourselves and our children and most people don't give a damn. Those of us who do have to work for it.

State Second in Air Pollution; Morris Has 43 Bad Days

Connecticut has the second most severe auto-related pollution problem in the country. Hard to believe, isn't it? And every auto in the state—yours and mine—is contributing to that pollution. Imagine, all those places we think of as polluted—New York, New Jersey, California—and we're second in the nation.

The Council on Environmental Quality has recently estimated that 60–90 per cent of all cancer is related to the environment, according to the Connecticut Air Conservation Committee (CACC). They report that the federal government's report on the nation's health says that death rates doubled in the last 10 years due to bronchitis, emphysema and asthma . . . "all of which are aggravated, if not caused, by air pollution." The feds say that the air pollution "often exceeds the federal standards set to protect public health everywhere in Connecticut." If you really want to bring it home, the number of unhealthy days in Morris for 1975 totalled 43 . . . 43 days in the rural, farming community of Morris when the air was unhealthy to breathe! The highest number of days in the state is 48 in Bridgeport!

Some facts: all pollution does not come from New York and New Jersey, we have exceeded safe levels even when the wind has been blowing from the north;

. . . in Connecticut there are 600,000 cases of chronic lung and heart conditions, for which polluted air "holds a special threat," as it does to children and the elderly;

. . . polluted air costs Americans at least $12 billion a year, including $5 billion for medical bills;

. . . spending for air pollution control (according to the U.S. Bureau of Labor Statistics) has stimulated the economy by creating new jobs and industries;

How can you help? Keep your cars in tune; set up car pools and use public transportation when possible; support land use and transportation control regulations; support restructuring the tax system to encourage mass transit, etc. and to pull back from the highway building emphasis; do your part in demanding—and complaining to neighbors and those who leave cars idling—strict adherence to clean air laws, etc.; write your legislators supporting clean air legislation and demanding clean-air be a priority; support development of non-pollution sources of energy.

Dr. Wallace Pringle, chairman of the CACC, a committee of the Connecticut Lung Association, has written to senators Weicker and Ribicoff re pending legislation which would reduce—not improve, but reduce!—air quality controls. (by the way, CACC is conducting a fund drive and the Address is Conn. Air Conservation Committee, 45 Ash St., East Hartford, 06108, make checks payable to CACC).

In his letter, Dr. Pringle noted that nondegradation is necessary to prevent increases in levels of sulfates. "Sulfates are man-made, toxic secondary products of sulfur dioxide," Dr. Pringle said, "caused by emissions from burning fuels containing sulfur. Connecticut's levels of these pollutants already greatly exceed concentrations which have been observed to aggravate symptoms in asthmatic children and chronic lung and heart patients."

This is particularly disturbing, Dr. Pringle said, when one notes that there are over 200,000 cases of chronic lung disease in Connecticut. "While there are presently no standards for sulfates," Dr. Pringle said, "a strong Federal nondegradation provision is necessary to hold down increases until a sulfate standard is developed by the U.S. Environmental Protection Agency." Recent evidence, he said, shows that small sulfate particles are carried to Connecticut from sources hundreds of miles away and, perhaps, even further; this problem further underlines the necessity for strong Federal legislation and regional cooperation.

"Americans pay at least $12 billion a year for the damage to health and material caused by air pollution," the Association says, and a strong Clean Air Act is not only crucial to the health of Connecticut's citizens, but would also stimulate the economy by providing thousands of jobs in the pollution control industry."

NEGOTIATED SHIPBUILDING CONTRACTING ACT

Mr. BEALL. Mr. President, I ask unanimous consent to have my statement in connection with S. 3171, the Negotiated Shipbuilding Contracting Act printed in the RECORD, and ask that it be printed in the permanent RECORD at the appropriate point during the bill's consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I am pleased to support S. 3171, the Negotiated Shipbuilding Contracting Act.

I introduced this legislation on March 18, 1976, the Merchant Marine Subcommittee conducted hearings on the bill shortly thereafter and it received unanimous support by the Senate Commerce Committee members when it was considered in executive session. The House of Representatives approved similar legislation on March 15, 1976, and I am hopeful that the Senate will pass its companion measure today by voicing approval of S. 3171.

Mr. President, S. 3171 will extend the authority of the Secretary of Commerce to accept a negotiated price for vessel construction until June 30, 1979, and increase the ceiling rate on ship construction differential subsidy payments for negotiated contracts. This will unquestionably be of immense assistance to the construction of U.S.-flag merchant vessels which are essential to maintain our Nation's domestic security as well as our position of leadership in world trade.

Today, a vessel owner has two options when contracting with a shipyard for the construction of a subsidized vessel. He can use the competitive bidding procedure in which case the maximum construction subsidy payable would be 50 percent. Alternatively, he can use the negotiated contracting procedure where the maximum subsidy payable would be 35 percent.

However, competitive bidding is generally considered to be an inefficient approach to the construction of today's sophisticated vessels. More specifically, a multiplicity of bidders must spend a considerable amount of time and money carefully preparing their bids when only one will actually be awarded the construction contract. On the other hand, negotiated bidding is recognized throughout the world as a superior means of securing ship construction contracts. This procedure allows shipowners to work closely with a selected shipyard on ship design and development. In fact, nearly all of the construction subsidized by the Merchant Marine Act of 1970 has been contracted for by means of negotiated procurement. It is, therefore, essential to extend Marad's authority to approve negotiated contract prices past the scheduled expiration date of June 30, 1976. S. 3171 extends this authority for 3 years until June 30, 1979.

Second, it is now nearly impossible to construct many types of vessels in the United States within the current 35 percent subsidy ceiling on negotiated contract prices. Indeed, foreign prices for ship construction have fallen dramatically partly due to the overcapacity of world shipyards and because foreign yards have been able to lower their previously high profit margins. Construction differential subsidy payments represent an amount equal to, but not more than, the excess of the U.S. shipbuilder's bid over the reasonable cost of constructing a similar vessel in a foreign shipbuilding center. It is, therefore, unrealistic to expect U.S. yards to be able to stay within the 35 percent subsidy payment guideline for many negotiated construction contracts. Accordingly, S. 3171 increases to 50 percent the subsidy ceiling on negotiated contracts.

Mr. President, this legislation is urgently needed to assist our Nation's shipbuilding industry to construct U.S.-flag vessels to maintain our Nation's position of strength in world trade as well as our domestic security.

I accordingly urge my colleagues to voice their approval of S. 3171, the Negotiated Shipbuilding Contracting Act.

NUCLEAR MARKET SHARING AND PLUTONIUM

Mr. SYMINGTON. Mr. President, for the steadily growing number of those of us who have become increasingly interested in problems of nuclear technology, this month's Foreign Affairs and Smithsonian magazines carried articles of particular note.

One in Foreign Affairs entitled, "A Market-Sharing Approach to the World Nuclear Sales Problem," was written by our able and distinguished colleague, Senator RIBICOFF. This article reflects his broad understanding and insight into issues which affect the security and economic well-being of our Nation: For that matter, all nations.

Senator RIBICOFF stresses the need for greater regulation of the international nuclear trade, so as to avert a substantial increase in the number of nations which can acquire through ordinary commence the means to make nuclear weapons.

I also draw attention to certain domestic issues of nuclear power Peter Gwynne has described in an article in Smithsonian entitled, "Plutonium: 'Free' Fuel or Invitation to Catastrophe?" Mr. Gwynne, who is the science editor of Newsweek, reviews the pros and cons of any national decision with regard to the use of plutonium as an energy fuel.

I ask unanimous consent that both of these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

A MARKET-SHARING APPROACH TO THE WORLD NUCLEAR SALES PROBLEM

(By ABRAHAM A. RIBICOFF)

An unanticipated development in the world nuclear marketplace has suddenly transformed the problem of nuclear proliferation from a potential to an immediate danger. The recent decisions by West Germany and France to sell nuclear fuel facilities to Brazil and Pakistan, respectively, mark the first sharp divergence by major industrial nations from long-established U.S. nonproliferation policy. The cornerstone of this policy has been the general practice of exporting power reactors and low-enriched uranium fuel, neither of which can be applied directly to weapons-making, and of not exporting nuclear fuel plants capable of enriching uranium and reprocessing plutonium in a form suitable for direct use in atomic bombs.

The United States failed to anticipate these sales and has been ineffective in seeking to persuade Germany and France not to proceed with them. This indicates a serious weakness in the execution of American nonproliferation policy, which if left uncorrected, could result in the rapid spread of nuclear weapons material and capability around the world.

II

U.S. exports of nuclear technology, equipment and material currently dominate 70 percent of the world market. We require the customer nations to pledge that our nuclear assistance will be used for peaceful purposes, the most important of which is generating electricity. The turbines of the average nuclear power plant sold today generates one billion watts of electricity, enough to serve a city of one million people. The nuclear core of the power plant generates 500 pounds of plutonium a year, which if separated from the spent fuel, is enough bomb material to devastate several cities of that size.

As the principal developer and promoter of nuclear power plants, the United States has sought to keep the plutonium generated by these plants out of the hands of our customers by refusing to sell them reprocessing plants or technology. Such plants are used to chemically separate plutonium—readily usable in a weapons development program—from the "ashes" of the reactor fuel. The policy has also reflected the fact that there has been no commercial justification for such plants because there is no present need to recycle plutonium as reactor fuel.

In addition, at what is sometimes called the "front end" of the nuclear fuel cycle, the United States has all along refrained from sharing the plants or technology for the enrichment of uranium. The degree of enrichment required to fuel the American-designed light water reactor is low, but a uranium enrichment plant is capable of producing weapons-grade uranium.

Over the past few years, however, several U.S. actions have served to undermine the influence of this policy, and to encourage the export of reprocessing and uranium enrichment plants:

First, the United States abandoned its initial policy to provide complete fuel cycle services with the reactors that we sell. The original regulations of the Atomic Energy Commission provided for the reprocessing of the spend fuel of all reactors sold abroad, and for the disposal of highly radioactive wastes, in AEC facilities. However, this policy was implemented only for research reactors, not power reactors, thereby making clear to purchasers of nuclear power plants that the spent fuel was theirs to keep.[1]

Second, the United States failed to increase the capacity of its uranium enrichment plants to keep pace with worldwide demand for reactor fuel, thereby casting doubt as to our traditional role as a reliable supplier. In 1974, the AEC, shortly before it was abolished, announced it would not be able to accept uranium enrichment orders for nuclear power plants sold after that year. West Germany, France and other European countries had by then already entered into substantial programs for uranium enrichment, and the American failure to increase our own enrichment capacity contributed further to the diversification of available sources not only of domestic uranium enrichment services, but for the possible export of plants and technology.

Third, the United States has sold substantial amounts of plutonium and weapons-grade uranium to advanced industrial nations, even to the apartheid government of South Africa, while refusing to export such material to developing nations.[2] Although the material sold has been intended for research and development purposes, this export policy strikes some Third World nations as galling.

Fourth, although the United States had taken the lead in getting the Treaty on the Nonproliferation of Nuclear Weapons (NPT) that came into effect in 1970, it set a bad example by agreeing to engage in nuclear trade with nations that had refused to ratify the NPT and were thus under no treaty obligation not to produce nuclear weapons (or to accept safeguards on all their nuclear activities). Of the 29 U.S. agreements for nuclear cooperation with other countries, no less than 13 are with non-NPT nations.[3] This policy represents a form of "tunnel vision" in which the United States focuses on getting agreement for safeguards—applied through the International Atomic Energy Agency (IAEA)—on specific exported equipment and material, but not on all activities in a recipient nation.[4]

Fifth, although U.S. trade with non-NPT nations has been limited to sales of reactors and low-enriched fuels, we did not originally seek commitments from France and West Germany to follow the same policy. This could have been made a condition of their obtaining our technology, equipment and fuel for the development of their own nuclear industries. Now they are free to offer plutonium reprocessing and uranium enrichment plants to non-NPT nations as an incentive to buy U.S.-design reactors made in West Germany or France.

Sixth, although the United States has been the world's leading nuclear-technology nation, we have not developed—even within our own country—material-accounting and physical security safeguards capable of reducing risks of diversion, theft and sabotage to acceptable levels. Yet the United States accepted less rigorous IAEA safeguards and bookkeeping systems demanded by West Germany and Japan as the price of winning widest possible adherence to the NPT.[5] Nuclear material accounting is particularly primitive, and several experts consider it not difficult to divert small, but strategically significant, amounts of weapons-grade material under the measurement and bookkeeping systems presently used by the United States and the IAEA. These experts also believe that should reprocessing and enrichment plants proliferate on a national basis, the IAEA will be unable to apply safeguards capable of detecting a diversion of weapons-grade material in time to prevent fabrication of nuclear weapons.[6] Under these circumstances, there can be no mutual trust in the international nuclear community if national production and stockpiling of plutonium is permitted to proceed.

Seventh, the United States did not rebuke India when it set off a nuclear explosion in 1974, utilizing plutonium from a Canadian-supplied research reactor that, in turn, used U.S.-supplied heavy water. The reactor predated the IAEA and had never been placed under the Agency's safeguards. Canada relied on a peaceful-use clause in its agreement with India, but India refused to accept Canada's assertion that a nuclear explosion was a non-peaceful application of its nuclear assistance. The United States now has an agreement with India requiring "civil use" of two U.S.-supplied power reactors. But the export of heavy water had been made before negotiation of the agreement and was not included in it, apparently at India's insistence. The Indian explosion therefore, was deemed not to be in violation of the civil-use provision.

In response to the Indian explosion, Canada cut off nuclear exports to India, a move that was expected to be only temporary because it was not joined by the United States. But Canada recently surprised the international community by announcing that it would continue its nuclear boycott until India agreed to accept IAEA, safeguards on, and to make a no-explosion pledge with respect to, all Canadian nuclear assistance—past, present and future. Canada, therefore, becomes the first nuclear supplier to place itself at a commercial disadvantage by cutting off exports in an effort to curb weapons proliferation—an example that serves to discredit U.S. nonproliferation policy.

The United States, for its part, has not generally made known our export to India of heavy water for use in the Canadian-supplied reactor. Instead, the State Department is maintaining normal nuclear relations with India and is seeking to continue supplying enriched uranium fuel to the two power reactors, over objections raised in an environmental suit and by several Members of Congress. Continued U.S. inaction establishes a precedent that may encourage other non-NPT nations to set off peaceful nuclear explosions (PNEs).[7]

The loss of the original American monopoly in nuclear technology was probably inevitable. But the United States now finds itself at a competitive disadvantage, in a rapidly proliferating world, for reasons largely of its own making. The sum total of these recent developments has greatly weakened American leverage, increased the incentives for others to engage in sensitive export activities, and left IAEA safeguards in an unsatisfactory position. It is against this background that the West German and French sales were made.

While both the West German sale to Brazil and the French sale to Pakistan are expressly subject to IAEA safeguards, neither France, Pakistan nor Brazil are signatories of the NPT and the very existence of enrichment and reprocessing capacity in Third World countries is a profounding dangerous development. The agreements do provide for the extension of IAEA safeguards to any domestic copy of the imported plants, as well as to the imported plants themselves, and the French and Germans assert that the safeguards will thus be sufficient to prevent the recipient nations from building an unsafeguard plant or from diverting weapons quantities of material from a safeguarded fuel plant. However, such a presumption goes beyond what can be reasonably expected under safeguards and is disputed by a growing number of independent experts and government officials familiar with the situation.[8]

Unless a way can be found to bring about the cancellation of the ill-advised exports of fuel facilities to Brazil and Pakistan, other Third World countries are likely to order them. Germany is now known to be negotiating such a transaction with Iran, which as a party to the NPT views the withholding of any nuclear assistance as a violation of its right, under the Treaty, to access to peaceful nuclear technology on a nondiscriminatory basis.[9] Furthermore, unless a way can be found to make clear to non-NPT nations that the United States will react adversely to any additional nuclear explosions, such explosions may become an attractive way for developing nations to seek prestige abroad and greater support at home.

Some developing nations now seeking to establish nuclear programs, complete with their own fuel facilities, must be considered as potential nuclear-weapons countries either because they have refused to ratify the NPT—Argentina, Brazil, India, Pakistan, South Africa, Egypt and Israel—or because of national security considerations that could override their obligations under the NPT—South Korea, Iran, Libya and Taiwan. To give a sense of the quantitative dimensions of the problem, by 1990 nuclear power plants in the less-developed countries may be generating 30,000 pounds of plutonium a year—the equivalent of 3,000 atomic bombs.[10] Plutonium is also extremely toxic: government safeguards specialists estimate that between 10 and 100 *grams* of of plutonium oxide powder, dispersed through a ventilation system, is sufficient to kill thousands of occupants of a large office building.

Little time remains to correct the present dangerous situation. But there may still be time so long as most of the plutonium produced in civilian power reactors remains unseparated from spent fuel, and if the capacity to enrich uranium can be harnessed and internationally controlled.

In essence, an international system must be devised that encourages the sale of reactors to meet legitimate energy needs without proliferating the capability and material to develop nuclear weapons. Although the United States does not have the leverage that it had in the recent past to bring about such a system, it still retains considerable influence and power to attain nonproliferation objectives.

The key to solving the proliferation problem is to prevent the spread of national capabilities to produce nuclear explosive materials. The spread of nuclear technology may be inevitable, but it is needlessly hastened in the developing world by supply arrangements with industrial nations. It is incumbent upon the industrial nations, therefore, to bring the dangerous elements of the nuclear fuel cycle—uranium enrichment and plutonium reprocessing—under meaningful international control.

III

The greatest obstacle today to achieving this control is the projected shortage of enriched uranium, which encourages the export of enrichment and reprocessing plants, presumably to ensure an adequate fuel supply for nuclear power plants.

The present U.S. approach to dealing with this shortage of enriched uranium is to permit a consortium of three American corpora-

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Footnotes at end of article.

tions, Uranium Enrichment Associates, to build a gaseous diffusion plant in Dothan, Alabama, with participation by French, German, Iranian and Japanese commercial interests as well. In addition, the U.S. government is apparently, though not formally, committed to expanding the capacity of one of three government-owned enrichment plants for production of commercial reactor fuel.[11]

Assuming congressional approval of, and foreign participation in, the plan—and these are by no means assured—the price paid for increasing the reactor fuel supply will be to permit a major expansion of private control over the production of nuclear energy. Advocates of this approach state that it will promote interdependence among the major nuclear nations—Iran being included on the basis of its intention to develop a large nuclear power industry—which, in turn, will serve to promote nonproliferation objectives. However, there appear to be no firm commitments on the nonproliferation front.

For example, are each of the participating supplier countries prepared to agree not to export nuclear fuel facilities on a national basis as a condition of their participation in the U.S.-sponsored enrichment venture? Or are they planning to use the additional supply of enriched uranium from the United States to meet domestic needs, while continuing to offer enrichment and reprocessing plants with the reactors that they sell abroad? Without firm nonproliferation commitments from the parties to this multinational venture, it must be assumed that the other suppliers, particularly France and Germany, are not prepared to alter their present dangerous export policies.[12]

The best course would be to place the question of building a multinational enrichment plant in the United States on the agenda of the nuclear suppliers conference, which is to resume in London this June.[13] The governments should work out nonproliferation commitments that will be binding on the commercial interests of all parties as a condition of proceeding with this venture.

The basic commitment should be an agreement among the parties that the increased supply of enriched uranium provided by this plant would be used to the degree necessary to supply fuel for sales of exported reactors by the participating countries, and that these countries would refrain from providing enrichment and reprocessing plants with reactor sales, or otherwise. (A parallel undertaking should be sought from potential suppliers not participating directly in the Dothan plant.) Each nation's export program, therefore, would be limited to the number of reactors for which long-term fuel commitments can be provided.

With respect to Iran, a recipient nation, there should be a binding commitment to use the enriched uranium domestically and not to build or to import an enrichment or reprocessing plant. Iran, in turn, would have to be assured a reliable supply of uranium in order to forego proceeding with its own fuel facilities. There is no reason such assurances cannot be given by the United States and the other suppliers on condition that Iran continues to live up to its NPT commitments to place all nuclear activities under IAEA safeguards and not to develop a nuclear explosion program.

Perhaps even more important from a nonproliferation perspective is the question of reprocessing the plutonium that will be generated by power reactors as part of the spent fuel. This problem is complicated by the fact that no steps have been taken to implement Article 12(A)(5) of the IAEA statute authorizing the Agency to regulate reprocessing and to require deposit with the Agency of any plutonium in excess of the commerical needs of a country—that is, in excess of what is needed for recycling as reactor fuel.

The IAEA is not prepared to implement this provision without the strong backing of the major supplier nations. The United States, therefore, has an opportunity to use the proposed multinational enrichment venture as a lever for moving under multinational auspices the "back end" of the nuclear fuel cycle as well, i.e., the reprocessing of plutonium and the permanent disposal of highly radioactive waste by-products that cannot be reclaimed from spent reactor fuel.[14]

In this regard, the United States should propose that the plutonium reprocessing plant now in final stages of construction at Barnwell, South Carolina, be made available as a multinational facility for servicing the spent fuel of foreign reactors as well as our own. I wish to stress that this is not a proposal for immediate reprocessing of spent fuel—a step that should not be taken until there is a real commercial need for recycled plutonium and until safeguards have been upgraded sufficiently to prevent the resulting weapons-grade material from being diverted by nations or stolen by terriorists. The pending decision of the Nuclear Regulatory Commission on whether to approve the use of plutonium as a reactor fuel involves a landmark consideration of these difficult questions.[15]

Rather, the Barnwell plant can be used initially as a spent-fuel storage area to be managed and safeguarded by the IAEA pursuant to Article 12 of the Agency statute. As an incentive for nations to deposit their spent fuel at Barnwell, the United States and the other parties to the multinational enrichment plant can offer to replace the unseparated plutonium in the deposited spent fuel with an equivalent amount of low-enriched uranium fuel suitable for use in reactors, but unsuitable for use as weapons material. The unrecovered plutonium would be held as a potential long-term fuel resource, and any out-of-pocket cost of supplying the substitute enriched uranium could be underwritten by the participating governments.

Such an agreement should not be as hard to achieve as it may appear at first glance. There is already a multinational arrangement for spent-fuel reprocessing among the three principal European suppliers—Great Britain, Germany and France. The resulting joint company, United Reprocessors, will be used for allocating reprocessing contracts on a rotating basis among the British Windscale plant, the French La Hague plant and the projected German PWK/KEWA plant. This approach to eliminating competition in the supply of reprocessing services has been approved by the Commission of the European Economic Community as an acceptable form of industrial concentration, compatible with the anti-cartel laws of the Treaty of Rome. The arrangement includes the use of a single transporter, Transnucleare, to handle all transportation of plutonium serviced by United Reprocessors.[16]

The arrangement has not been implemented yet because of technical difficulties encountered at the British plant and siting problems with the German plant. There is time, therefore, for the United States to explore whether the Barnwell plant, itself delayed because of strong opposition by environmentalists to the start-up of actual commercial reprocessing, can be tied into the Anglo-French-German cooperative effort on a storage-only basis.

I propose that the United States place the highest priority on achieving such an arrangement for enrichment and spent-fuel storage at the suppliers meeting because it could provide the needed connection between the front and back ends of the nuclear fuel cycle. This connection could then provide the basis for meaningful ground rules among the suppliers to provide complete nuclear fuel services on a cheap, reliable, nondiscriminatory basis to their reactor customers in lieu of exporting enrichment and reprocessing plants. The dangerous open-ended nuclear fuel cycle will at last have been safely closed.

V

Specifically, the suppliers are now in a position to arrange cooperatively for the supply of enriched uranium from the proposed multinational facility to be built in the United States and from two other multinational enrichment projects now under construction in Europe. One venture, URENCO, a consortium of British, Dutch and German companies, involves the construction of centrifuge plants in Almelo, Holland, and Capenhurst, England. The other venture, EURODIF, involves the construction of a gaseous diffusion plant in Tricastin, France, by a consortium of French, Belgian, Italian, Spanish, Japanese and Iranian interests. These plants are scheduled to be in full production by the early 1980s.[17] The Soviet Union could be a participant as well because its enrichment capacity is now second only to that of the United States.

The American objective should be an arrangement that invites the widest possible international participation in these enrichment ventures by user nations which, in return for obtaining low-enriched uranium under the most favorable terms, would be prepared to deposit their spent fuel under IAEA control at the reprocessing plants affiliated with United Reprocessors or a successor company that includes participation of the Barnwell plant in the United States. And there would be the added incentive, as discussed above, that part of the uranium enrichment services will be provided to customer nations as a credit for the plutonium contained in the spent fuel that they deposit.

With this type of coordination among the suppliers, it should be possible to reach several nonproliferation objectives.

First, without fear of being placed at a competitive disadvantage, each supplier can agree to delay the start of reprocessing until there is a clear commercial need for recycled plutonium and until the political and technical systems have been established for preventing diversion of plutonium by nations or theft by terrorists.

Second, although uranium enrichment will be available under multinational auspices, individual customers should be able to enter into bilateral fuel contracts with individual suppliers. This eliminates the possibility that a customer nation could be cut off from reactor fuel by a single-minded supplier cartel. Sufficient diversity of supply can be built into the multinational system to prevent such a contingency.

Third, any stockpiles of highly enriched uranium or separated plutonium at these multinational plants can be placed under the management and control of the IAEA. Such a system will deny sovereignty over commercially produced weapons-grade material to all nations, not just to customer nations. This provides an element of symmetry that is important to nations of the Third World and essential for winning their assent to such a system.

Fourth, these cooperative arrangements over existing enrichment technology can be extended to new technology as it is developed—particularly the use of lasers to separate the fissionable isotope of uranium 235 from natural uranium 238. Laser isotope separation, as this new technology is called, is particularly sensitive from the proliferation standpoint because, once developed, it can be employed on a small scale to produce significant amounts of weapons-grade

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uranium. It is essential, therefore, that institutional arrangements be made now among the suppliers that can be applied to promote multinational utilization, and to prohibit national export, of this dangerous technology.

Fifth, under a multinational system in which spent fuel is deposited with the IAEA in return for equivalent low-enriched uranium, nations unwilling to participate in the system would identify themselves as having nuclear weapons intentions and could be isolated by participating nations. If all major suppliers could be brought into the system, then a ban on the export of fuel facilities to individual nations is possible, as well as a ban on all nuclear assistance to nations that refuse to ratify the Nonproliferation Treaty or to enter into a comparable commitments with the IAEA regarding universally applied safeguards and a ban on nuclear explosions.

VI

Is it practical to assume that such a cooperative system can be achieved through a conference of fiercely competitive suppliers? I believe that it is possible, but only if sufficient incentives can be provided by the United States to win the participation of all the other suppliers.

The problem is that the more the other suppliers cooperate in providing fuel services for exported reactors, the more they are promoting the traditional incentive to buy American reactors—that is, the reliable supply of cheap nuclear fuel. Why should the Germans and the French give up the "sweetener" they are now using to promote the sale of their reactors—namely enrichment and reprocessing plants—in order to help promote the "sweetener" for American reactors—namely cheap fuel?

The heart of the problem, therefore, is the underlying competition to sell reactors. If the United States can devise a plan for eliminating the dangerous element of this competition that leads to the sale of fuel facilities, the international nuclear fuel cycle can yet be brought under effective control. If such a plan cannot be devised, the prospect is for the continued sale of nuclear fuel facilities, the proliferation of weapons-grade material and a high risk of worldwide nuclear anarchy and violence.

The institutions and commercial base already exist, as indicated above, for establishing cooperative arrangements among the suppliers to provide complete fuel services for the reactors that they sell abroad. What is still needed, however, is a political system for ensuring that no supplier is placed at a commercial disadvantage by offering fuel instead of fuel facilities to potential reactor customers.

The suppliers conference, which was convened last year at the initiative of the United States in response to India's peaceful nuclear explosion of 1974, provides a suitable forum for taking positive steps to establish such a system. Thus far, however, the conference has been used primarily for negative purposes—that is, to seek to negotiate voluntary restrictions on the types of nuclear items to be exported as well as to establish criteria that prospective customers would have to meet to ensure that these exports and any indigenous nuclear activities will not be applied to any kind of nuclear explosion program. Meaningful restraints have not been agreed to, however, because of the commercial considerations noted above.

I propose that at the suppliers meeting the United States, in order to help overcome these commercial obstacles, offer to enter into positive arrangements to share the world reactor market on an equitable basis. Unless the United States is prepared to enter into such an arrangement—and implicitly to accept a smaller share of the world reactor market as the price of achieving nonproliferation objectives—the other suppliers will continue to suspect that our nonproliferation proposals are designed to promote the sale of American reactors and to preserve American domination of the nuclear marketplace.

I make this proposal fully aware of the complex legal, technical and political problems that it raises. I do not believe, however, that these problems are of such a magnitude that they cannot be overcome in the overriding interest of preventing the global spread of nuclear weapons capability. In fact, this proposal is based on the assumption that all of the major suppliers share a deep concern about proliferation and are prepared to deal with it effectively if their legitimate desire to preserve tens of thousands of jobs and billions of dollars in prospective reactor sales can be satisfied.

Let us examine various options for putting a market-sharing arrangement into effect. and then address the major objections that might be urged against such an arrangement.

One possible approach would be to divide the world into regions and to allocate different regions to different supplier nations. Article 6 of the IAEA statute divides the world into regions for the purpose of determining representation on the Board of Governors, and this breakdown could serve as the basis for a regional approach to marketsharing.

This would probably be the most objectionable method of allocating the reactor market. Sharp variations in demand for nuclear power plants among the various regions would place some suppliers in a much stronger commercial position than others. Furthermore, this approach would recall the "spheres of influence" of a past imperialist era, which would be objectionable to many nations of the Third World. Generally, there would be serious political and legal difficulties in placing particular customer nations in the position of having to deal exclusively with, and accept the reactor technology of, particular supplier nations, solely on the basis of a regional division of the reactor market. Customers may have a strong preference between the two types of reactors sold today—the light water and heavy water reactors, and the fuels that these reactors require, enriched uranium and natural uranium, respectively. The preference of parties to the Nonproliferation Treaty would seem to be guaranteed by Article IV, giving them access to nuclear technology on a nondiscriminatory basis.

Another approach would be to divide the market on the basis of long-term projections of the type and size of reactors that will be sought by each potential buyer. The supplier would then be in a position to agree on which supplier would provide which type and size of reactor, perhaps with limited competition permitted between suppliers in providing certain categories of reactors to preserve a degree of diversity in the market. Any such competition, however, would be limited by a particular supplier's ability to fulfill a certain number of orders at a time and to provide complete fuel services for each reactor sold.

The main problem with this approach is that there is simply not enough diversity (or evenness of appeal) in the sizes and designs of reactors. The number of categories of marketable reactors appears to be limited today by the fact that only the larger size reactors—in the area of 1,000 megawatts electric (MWe)—have sufficient economies of scale to operate efficiently. Smaller reactors are deemed by U.S. manufacturers to be too costly in relation to the electricity they produce, and are not being offered for sale. Currently, the French are seeking to sell what they claim to be an efficient barge-mounted nuclear power plant of 100 MWe capacity. Until this can be demonstrated, however, the economy-of-scale disadvantage of smaller nuclear power plants may serve to limit the number of orders for such reactors from the developing countries, many of which do not have the electrical grid systems or the power needs to justify the purchase of 1,000 MWe facilities.

A third possible approach might be based on agreed minimum sales for each supplier country, or an agreed quantitative sharing of reactor orders. Under this approach, each supplier would be guaranteed a minimum number of reactor sales a year, or a pro rata share of the reactor market, based largely on the supplier's actual productive capacity. Ideally, the market would be divided in such a way that each supplier would be able to sell the maximum number of reactors which it is able to produce and for which complete fuel services can be provided. If the market could not support the maximum capacity of each supplier, sales quotas would be cut back generally in proportion to each supplier's productive capacity as a percentage of the total capacity of the suppliers.

Orders could be placed by the purchasing countries through the IAEA, which would forward them to the suppliers group along with the purchaser's preference of reactor type and manufacturer. A problem with this approach might be the inability of the suppliers group to match the purchaser nation's choice of reactor and manufacturer, particularly if a certain supplier nation's quota for a given year had been filled by the time the order was placed.

The minimum-sales approach may be the most feasible form of market-sharing, however, because it appears to permit the greatest flexibility in matching reactor orders and reactor sales. Much of the uncertainty could be eliminated if reactor orders for a given year had to be placed with the IAEA on a quarterly, semiannual or annual basis, thereby permitting the orders to be divided among the suppliers *en bloc* rather than as orders are received throughout the year.

A great problem may be encountered when negotiating the formula that would determine what each supplier's minimum annual sales should be. If productive capacity alone is to be the determining factor, the U.S. quota would be about half the market, based on present U.S. capacity to produce as many essential components of a nuclear power plant as all the other suppliers combined.[18] These components are the steel pressure vessel surrounding the reactor, the turbine generator and, in the case of the pressurized version of the light water reactor, the steam generator.

However, it does not take much productive capacity to corner the lion's share of today's world nuclear market. The industrial nations have passed the peak of their domestic reactor programs, and the developing nations, which were expected to comprise the next generation of reactor customers, have been slow in placing orders because construction costs have become prohibitively high and commercial application to meet their still limited energy needs is too low.[19]

As a result, only 18 orders were placed for nuclear power plants outside the United States last year.[20] Of these, just four, or 22 percent, were placed with United States companies, compared with six, or 33 percent, placed with German firms; five, or 28 percent, with the Soviet manufacturer, and one each with companies in Switzerland, Sweden and Japan. Thus, the U.S. share of reactors to be built abroad was far smaller than our traditional 70 percent share.

However, when viewing the world market from the perspective of how many reactors were *exported* by each supplier, as distinguished from those built domestically, then the total number of orders was reduced to eight, of which the United States had four, or 50 percent of the market. Germany was in second place with three export orders. The remaining export order was placed with

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Switzerland. These were all firm orders. However, letters of intent or similar commitments were received by Germany for export of eight additional reactors and by France for two reactors.[21]

It should be apparent, therefore, that the other suppliers, particularly West Germany and France, will not find acceptable a market-sharing arrangement with the United States having a 50 percent share based on productive capacity. They will want an arrangement that more closely approximates the actual shares of the present export market.

If market-sharing is to work, the United States will have to accept a compromise that will leave it with a smaller share of the market than it has capacity to fill. This will be a bitter pill for the American nuclear industry because it has been looking to the export market to make up for sharply declining reactor sales at home. Only seven new orders were placed in 1975 for reactors to be built in the United States, compared with 27 in 1974 and 36 in 1973.

The United States has as legitimate an interest in preserving the tens of thousands of jobs and billions in revenues connected with its nuclear industry as do Germany and France with respect to theirs. The negotiation of market shares, therefore, can be expected to be very difficult, but no less worthwhile because of the difficulty. It is better that the energies of our diplomats be expended in this manner, to eliminate the sale of enrichment and reprocessing plants, than in negotiating safeguards agreements that many experts believe will serve to promote the sale of these plants without providing adequate protection against diversion of weapons-grade material.

If the United States is prepared to make commercial concessions, bearing in mind, as discussed above, that past policy errors contributed to the present dangerous situation, and if the other suppliers, particularly Germany, are prepared to forgo some of the fruits of unrestricted competition in the interest of curbing the spread of nuclear weapons, I believe that the negotiation of an equitable market-sharing system can be achieved.

VII

It is clear that complex problems are raised by the concept of market-sharing. A principal advocate, Dr. Lawrence Scheinman of the Energy Research and Development Administration (ERDA), states that "a number of the traditional arguments against market-sharing remain nothing more than untested hypotheses and do not qualify as unassailable reasons against even consideration of the concept." [22] Yet Dr. Scheinman does identify three basic arguments against market-sharing, and they should be addressed in this article.

The first argument is that reactor market-sharing is contrary to United States anti-cartel policy and in violation of antitrust laws. It is clear that export cartels relating to United States exports come under the general prohibition of section I of the Sherman Act which expressly covers restraint in trade with foreign nations. The Supreme Court has held that any scheme of market division among competitors is illegal per se, and a lower Federal court has held that an international cartel arrangement providing for a worldwide division of a market is a per se violation.[23]

At the same time, there is a long history of antitrust waivers in areas affecting national security. The federal government has not directly and actively participated in an international cartel. Nevertheless, exemptions under the antitrust laws for certain private companies to participate in cartels, decisions not to prosecute U.S. companies participating in cartels, and other qualifications have led to a U.S. policy of less than inflexible opposition to international cartels, especially in situations where overriding national objectives are at stake.

With respect to United States participation in a cartel-type arrangement for sharing the world reactor market to attain nonproliferation objectives, three basic questions as to the applicability of antitrust law would seem to apply.

First, if the United States should enter into such an international agreement that could be deemed a violation of section I of the Sherman Act, and the U.S. government then directed private industry to conform with the market-sharing arrangement, could the members of that industry be in violation of the law?

Second, if in such a situation private industry entered into a voluntary agreement to conform with the market-sharing arrangement, could the members be in violation of that law?

And, *third,* even if participation by private industry might be a violation of section I, are there any statutory exemptions from the operation of the antitrust laws which are applicable?

A persuasive argument can be made that an official directive by the executive branch of the government, mandating the participation of an industry in a market-sharing arrangement, would be tantamount to governmental action itself. Thus, the issue here for a court to decide would be whether the government, acting within a sphere in which it is believed to be competent, can give immunity under the antitrust laws by compelling or authorizing conduct that possibly otherwise would be prohibited by those laws.

If the agreement (containing authority for a government directive to the industry) was submitted as a treaty to the Senate, and the Senate gave its advice and consent, there would appear to be an absolute defense against antitrust litigation, although this has not been definitively passed upon by the courts. However, if there was no "official" mandate or authorization directed at private industry, but some voluntary arrangement or agreement within the industry to enter into a market-sharing arrangement requested by the executive, it is questionable that such activity would be exempt from the antitrust laws, even if assurance to that effect had been given by the executive.

Congress, in other words, must be a party to the agreement. In the absence of the establishment of some "legislative action," a voluntary arrangement might be subject to antitrust attack as well as involve some possible constitutional problems. It is reasonable to assure, however, that Senate approval of a treaty or congressional approval of an executive agreement would constitute such "legislative action" as to satisfy legal and constitutional requirements.[24]

The second argument is that the other nuclear supplier countries would reject a market-sharing arrangement.

It can be argued in response that market-sharing is quite compatible with the way Europeans do business. To some extent, indeed, the Europeans have been responding to the way Americans do business. Although American anti-cartel policy is based on the principle of fostering competition and world trade, many important sectors of the American economy are either effectively monopolized or subject to what economists call "imperfect competition" among a few giant corporations. Our European trading partners feel, with some reason, that nuclear power has been such an area, in which they have been exposed to dealing with large U.S. corporations to their detriment.

Would the French and the Germans be agreeable, therefore, to engaging in a market-sharing arrangement with the still formidable U.S. nuclear industry? To some extent they already do. The two predominant U.S. nuclear companies, Westinghouse and General Electric, are deeply involved in the European nuclear program. As noted above, the transfer of their technology provided the basis of the French and German nuclear industries.[25] The closeness of commercial ties between the U.S. and European nuclear industries would seem to offer a strong potential for successful market-sharing if agreement could be reached at the government level in the suppliers' meetings.

And the reach of the U.S. nuclear industry extends beyond Europe to Canada and Japan as well. Between 20 and 30 percent of the return on sales of the Canadian CANDU heavy water reactor flow back to Canadian General Electric Company and Westinghouse of Canada. Both General Electric and Westinghouse own substantial shares of Japanese fuel fabrication plants, and they each license Japanese reactor manufacturers as well.[26]

Closer ties to all of these foreign companies in the form of market-sharing might prove attractive to our own companies. In return for giving up a portion of the world reactor market, Westinghouse and General Electric could be called upon to supply a greater share of the principal components in foreign-exported reactors, to augment the limited productive capacity of foreign companies. It is not unusual today to find the pressure vessels used in European reactors an export item from the United States. The U.S. companies might find more of this business coming their way under a market-sharing arrangement and, therefore, may not have as much to lose as would appear at first glance.

The third basic argument against market-sharing is that the recipient countries of the Third World would view it as a nuclear cartel and refuse to do business with it.

Aside from figuring out what the alternative source of supply would be if all the major suppliers were included in the arrangement, a recipient nation would also have to consider whether the *actual* economic and political features of the arrangement warrant the stonewall treatment. A properly designed market-sharing system would have two key elements to help promote reactor sales to the Third World.

First, reactor fuel services would be priced as cheaply as possible and made readily available on an assured nondiscriminatory basis. *Second,* symmetry would be built into the system to keep special privileges of the supplier countries to a minimum and to promote maximum involvement of the recipient countries. The manner in which potential weapons-grade material is handled is essential to both key elements of market-sharing.

If enrichment, reprocessng and fabrication of reactor fuel are concentrated in large multinational plants in the supplier countries, economies of scale can be achieved that should keep down the price of fuel and ensure a reliable supply. Reliability of supply can be further assured by providing that no multinational plant can withhold a fuel shipment from any customer nation unless the nation diverts spent fuel or other material in violation of IAEA safeguards or sets off a nuclear explosion. The only grounds for cutting off fuel would be nuclear-related, thereby ensuring that fuel could not be withheld by a single-minded cartel for political purposes.

True symmetry can be achieved in a market-sharing arrangement only if commercially produced plutonium is kept under strict international control. If the recipient countries are to be denied access to separated plutonium, why should the supplier nations have access to it before it is commercially needed as a reactor fuel?

Apart from the serious environmental and cost problems or reprocessing, it now appears that plutonium will not be required commer-

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cially until such time as the breeder reactor achieves commercial application—probably at least 10 to 20 years from now.[27] The wisest course, therefore, may be for the suppliers to agree to delay plutonium reprocessing, as discussed above.[28]

Such evenhandedness by the suppliers would go far toward reassuring the recipient nations without in any way crippling the present commercial nuclear program. The safest place for plutonium is in the highly radioactive and inaccessible spent fuel, and this should be shipped back to the original fuel supplier for safe storage under IAEA custody, as provided in Article 12 of the IAEA statute.

VIII

The question remains of what happens if France and West Germany, in particular, refuse to participate in a reasonable market-sharing arrangement. The United States would then be confronted with the difficult problem of how to deal with allies that refuse to act like allies. We should become very emphatic that this is a matter of far greater potential consequence for U.S. and world security than even the Arab oil embargo.

U.S. nonproliferation policy has been ineffective in eliminating dangerous competition from the world nuclear marketplace because of the basic premise that the policy can be executed on an evolving basis—that the French and Germans can *eventually* be brought around to seeing things our way. This is a dangerous premise, and the sudden escalation of nuclear competition—as evidenced by the fuel-cycle sales to Brazil and Pakistan and the negotiations for a similar transaction with Iran—indicates that a quantum shift in U.S. dealings with France and West Germany is in order.

At the very least, the United States should enter the next round of supplier negotiations prepared to propose multinational arrangements for closing the commercial nuclear fuel cycle and for making all weapons-grade material generated by the fuel cycle unavailable to any nation on a sovereign basis. The United States should also make clear that it would view with the gravest concern the continuation of the present export policies of West Germany and France.

Unfortunately, there are no indications from the State Department that the United States is prepared to act boldly. There is no official support for market-sharing arrangements; nor is there any sign that the United States is prepared to express strong displeasure with the export policies of our allies. In fact, on the subject of unfair competitive practices by West Germany and France, the State Department is prepared only to say, "It is our intention to explore carefully with our partners *whether such practices do exist,* and to seek means to overcome them." [29]

If this is to be our posture as the supplier talks resume, it is difficult to see how we can hope to persuade others of the depth of U.S. concern and the need for corrective measures. Our nonproliferation policy is at risk of being bankrupted by the complacency and the defeatism of our negotiators. It may be that only an act of nuclear violence by a nation or terrorist group will be sufficient to put some teeth into U.S. nonproliferation efforts. By then, however, it is likely to be too late to establish an effective nuclear world order.

How far should the United States be prepared to go to win participation by France and Germany in multinational arrangements for preventing the spread of uranium enrichment and plutonium reprocessing plants? There should be sufficient economic incentives to win their participation. But if these do not suffice, the United States should be prepared to use other forms of leverage.

The implied threat to use such leverage must be credible. And there is at least one credible nuclear leverage still available to the United States, namely a cutoff of enriched uranium fuel to supplier nations that refuse to join in meeting basic nonproliferation objectives.

The two most troublesome nuclear suppliers, France and West Germany, are developing their own multinational uranium enrichment capability, as noted above. However, these facilities will not be in full production until the early 1980s, and an analysis of current data prepared at my request by Dr. Warren H. Donnelly of the Congressional Research Service, Library of Congress, indicates that for the next five to ten years, the French and West German nuclear programs will need continued access to U.S. uranium enrichment capacity just to supply their domestic needs, not to mention providing enriched fuel for the reactors they wish to export.[30] This continued need gives the United States a powerful lever to move our two allies with us toward the shaping of sane, coherent and effective world policy for nuclear export control on terms fair to all.

If the United States should cut off enriched uranium to France and Germany, the only alternative supplier would be the Soviet Union. The United States has not determined whether the Soviet Union would cooperate in an embargo of reactor fuel shipments to France and Germany in order to achieve nonproliferation objectives. Even if the Soviet Union would not cooperate in such an effort, it seems unlikely that France and Germany are prepared to rely solely on the Russians. Furthermore, the French and German governments would have to explain to their own people why defiance of the United States on nonproliferation policy warrants reliance on the Soviet Union for a vital fuel.

A cutoff of nuclear fuel by the United States should be unnecessary once France and Germany are convinced that we are prepared to act in order to attain our nonproliferation objectives. If the threat is credible, it should not be necessary to carry it out.

I concede that this can be viewed as pressuring our allies. But the question is, "At what price the alliance?" Is allowing the world to head toward nuclear hell a fair price? By the year 2000, nuclear power plants may be generating between one and three million pounds of plutonium a year—the equivalent of hundreds of thousands of Nagasaki bombs. It is simply unrealistic to assume that any safeguards regime can, by means of timely detection, prevent the rapid spread of nuclear weapons from that amount of material if national production and stockpiling are allowed to proceed. The State Department must consider these figures, and the terrifying dilemma that they represent, when determining what pressures should be brought to bear to win French and German cooperation.

IX

With the cooperation of our allies, an integrated worldwide nuclear market can be established such as I have proposed. It would then become possible to develop a broad consensus in favor of effective sanctions against nations that choose to operate their nuclear programs outside the system. Nations that insist on operating unsafeguarded reactors and fuel facilities, and on developing nuclear explosion programs, will identify themselves as having nuclear-weapons intentions. Nuclear-trade and general-commercial embargoes can be imposed against these nations to isolate them from the world community. Such embargoes, if applied universally to cover all high-technology items—including non-nuclear items that play an essential role in weapons-related nuclear technology—would make it extremely difficult for less-developed countries to develop a nuclear-weapons capability.[31]

The strong consensus underlying an integrated market approach to controlling nuclear proliferation would also permit a more effective system of IAEA safeguards than is now possible for detecting diversions and weapons activities.

A final word of caution. Any market-sharing arrangement must be closely and effectively regulated. The multinational corporations involved would have not only a tight grip on a vital energy source, but access to atom bomb material as well. National governments should make the decisions governing the nuclear energy supply, and they should delegate effective powers to the IAEA, far greater than that Agency now exercises, to take universal custody of, and ensure the peaceful use of, actual or potential weapons-grade material.

It is essential that we win the cooperation of our allies, France and West Germany, if the atom is to be controlled for peaceful purposes. Without their cooperation, the prospect is for a world of nuclear anarchy, which in turn can only lead to widespread nuclear violence.

I am convinced that nuclear proliferation can be controlled if we have the will and the wisdom to do so.

FOOTNOTES

[1] U.S. Energy Research and Development Administration, *Final Environmental Statement, U.S. Nuclear Power Export Activities,* Washington, April 1976, p. 14–5.

[2] For data on U.S. exports of plutonium and high-enriched uranium to specific countries, see correspondence between David Lilienthal and Glenn Seaborg submitted for the record by David Lilienthal, and subsequent data submitted for the record by Secretary of State Kissinger, *Hearings of the Senate Committee on Government Operations, the Export Reorganization Act of 1976,* Washington: GPO, January and March, 1976 (hereafter referred to as Senate Government Operations Committee Hearings), in press.

[3] *United States Agreements for Cooperation in Atomic Energy,* an analysis prepared for the Senate Committee on Government Operations by Dr. Warren H. Donnelly, Senior Specialist—Energy, Congressional Research Service, Library of Congress, Washington: GPO, 1975, p. 55, Table II—List of Agreement Nations and Their NPT Status.

[4] The most current example of this problem is the pending application by General Electric to export two power reactors of nearly 1,000 megawatts electric (MWe) each to South Africa, a non-NPT nation. The reactors would be safeguarded by the IAEA, but other nuclear activities in South Africa would not, including a uranium enrichment plant. The United States is heavily involved in the South African nuclear program, having exported computers for use in the unsafeguarded enrichment plant and having committed itself to provide enrichment services for power reactors of up to a maximum capacity of 2,000 MWe, regardless of which nation supplies them. France and Germany are competing strongly for these reactor sales in the hope that the United States will be blocked at home from proceeding with the exports.

The United States also has supplied South Africa about 200 pounds of weapons-grade uranium as fuel for a safeguarded research reactor (the equivalent of 10 bombs) and is committed to supply an additional 100 pounds.

[5] Robert Pendlay and Lawrence Scheinman (with collaboration of Richard W. Butler), "International Safeguarding as Institutionalized Collective Behavior," *International Organization,* Summer 1975, pp. 612–16.

[6] For authoritative discussion of safeguard problems, see General Accounting Office report, *Role of the International Atomic Energy Agency in Safeguarding Nuclear*

Material, ID 75-65, July 3, 1975; unclassified digest of GAO report, *U.S. International Nuclear Safeguards—Are They Being Effectively Exercised?* ID-76-21, February 9, 1976; Remarks by Victor Gilinsky, Commissioner, Nuclear Regulatory Commission, at the Conference on Nuclear Safeguards, Atomic Industrial Forum, April 12, 1976 (NRC press release S-5-76); Response of Lawrence Scheinman, International Affairs Division, Energy Research and Development Administration, to my questions for the record, Senate Government Operations Committee Hearings; *Nuclear Weapons Proliferation and the International Atomic Energy Agency,* a report prepared for the Senate Committee on Government Operations by Warren H. Donnelly, Washington: GPO, 1976.

[7] It is speculated in arms control circles that India is subtly blackmailing the United States by reason of 1,000 pounds of plutonium that have accumulated in the spent fuel of these power reactors—plutonium over which India can take control if it deems the United States to be in abrogation of its fuel-supply agreement. At the very least, the United States should consider exercising an option to buy back the plutonium generated by these power reactors.

[8] See sources cited in footnote 6, above, particularly Gilinsky.

[9] Article IV of the Treaty states that: "Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of this Treaty." On the other hand, Article I of the Treaty obligates the United States, as a nuclear weapon state "not in any way to assist, encourage, or induce any non-weapon state to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices. . . ." In any event, it is reasonable for the United States to make clear to other supplier nations that the Treaty does not require them to do foolish things that will increase proliferation, when effective alternatives are available. For further discussion of this point, and a general analysis of U.S. obligations under the NPT, see testimony of Adrian S. Fisher, a principal U.S. negotiator of the Treaty, Senate Government Operations Committee Hearings, *op. cit.*

[10] Richard J. Barber Associates, Inc., *LDC Nuclear Power Prospects, 1975–1990: Commercial Economic and Security Implications* (ERDA-52), Washington, 1975, Figure V-1. This table is reproduced in *Facts on Nuclear Proliferation—A Handbook,* prepared for the Senate Committee on Government Operations by the Congressional Research Service, Library of Congress, Washington: GPO, 1975, p. 198.

[11] U.S. Energy Research and Development Administration, *Expansion of U.S. Uranium Enrichment Capacity—Final Environmental Statement* (ERDA-1543), Washington, 1976, and *Nuclear Fuel Cycle; A Report by the Fuel Cycle Task Force* (ERDA-33), Washington, 1975. These and similar documents are available from the National Technical Information Service, Washington.

[12] For details of German nuclear export policy see the translation of an article from the March 15, 1976, issue of *Der Spiegel,* "Booming Business or Business with the Bomb?" *Congressional Record* of April 26, 1976, pp. S5873–79. For French nuclear export policy, see Jean Sauvagnargues, *France's Policy on Exporting Nuclear Material and Technology,* Statement before the National Assembly on Foreign Affairs Committee, April 8, 1976.

[13] The original members of the suppliers conference were the United States, the U.S.S.R., the United Kingdom, France, the Federal Republic of Germany, Japan and Canada. For the resumed talks this June, the Netherlands, Sweden, Belgium, Italy, East Germany and Poland have also been invited.

[14] While the proposals in this article do not deal specifically with the question of permanent waste disposal—a question which is indeed vital—it is my strong hope that the type of multinational cooperation here advocated would lend itself to early common resolution of the technical and practical problems involved. In the meantime the plan I am proposing would at least prevent waste by-products from being scattered, and would put most or all of them under IAEA control.

[15] Opposition to plutonium recycle is broadly based. Environmental arguments are summarized in J. Gustave Speth, Arthur R. Tamplin and Thomas B. Cochran (of the Natural Resources Defense Council), "Plutonium Recycle: The Fateful Step," *Bulletin of the Atomic Scientists,* November 1975, pp. 15–22, and economic objections in Marvin Resnikoff, "Is Reprocessing Cost-Justified?" *Environment,* July–August 1975. Last fall, National Public Radio disclosed what was apparently the authentic text of an internal report of the Edison Electric Institute, a trade association representing privately owned utilities, which stated: "The U.S. utility industry should regard reprocessing and recycle of plutonium and uranium as matters both of marginal economic interest or value and not clearly central to the economic viability or public acceptance of nuclear power. Indeed they may be negative on both counts. NPR Press Release, September 24, 1975.

[16] For details of this arrangement, and on nuclear market-sharing in general, see the testimony of Lawrence Scheinman, Senate Government Operations Committee Hearings, *op. cit.*

[17] Estimates of world enrichment capacity can be found in ERDA-1543, cited in footnote 11, and in a report of the Organization for Economic Cooperation and Development and other international agencies, *Uranium: Resources, Production and Demand,* Paris: OECD, 1976, p. 66.

[18] Barber Report, *op. cit.,* Figure IV-4, U.S. Production and Demand Requirements for Major Nuclear Power Plant Equipment, and Figure IV-5, Heavy Equipment Production Requirements, Capacities, and Capacity Utilization in Japan. These tables are reproduced in *Facts on Nuclear Proliferation, op. cit.,* pp. 202–203.

[19] For further details, see Barber Report, *op. cit.,* Chapter II: Comparative Costs: Nuclear vs. Conventional Power; also, International Atomic Energy Agency, *Market Survey for Nuclear Power in Developing Countries,* 1974 ed., Vienna: IAEA, 1974. (The Barber Report contends that the IAEA estimates are overly optimistic.)

[20] Testimony of Dwight Porter, Westinghouse Electric Corporation, Senate Government Operations Committee Hearings, *op. cit.*

[21] The complete data, as furnished by the State Departments, for nuclear power plants outside the United States either contracted for or announced for contracting during 1975, are as follows:

Customer, number of Nuclear Power Units, and Supplier:

Spain, 2, Westinghouse (U.S.).
Spain, 2, General Electric (U.S.).
Spain, 1, Kraftwerk (Germany).
Brazil, 2, Kraftwerk (Germany).
FRG (Germany) 3, Kraftwerk (Germany).
Luxembourg, 1, Brown, Boveri (Switzerland).
Sweden, 1, ASEA (Sweden).
Japan, 1, Mitsubishi (Japan).
Soviet Union, 5, Soviet manufacturer.

In addition to the above firm commitments, there are a number of projects for which a letter of intent or a similar commitment has been made or which has been announced at a governmental level. These include the sale by France of two reactors to Iran, the sale by Germany of two reactors to Iran and the sale by Germany of up to eight reactors to Brazil, two of which are included in the above total.

[22] See footnote 16 above. Dr. Scheinman's ideas on market-sharing have been helpful in framing some of the proposals in this article.

[23] The following discussion of cartel and antitrust implications is drawn largely from the following two reports prepared for the Senate Government Operations Committee: Daniel Hill Zafren and Moses L. Perry, Jr., *United States Antitrust Law Implication of an International Scheme of Market-Sharing of Nuclear Enrichment or Reprocessing Equipment (A Suppliers' Cartel),* Washington: Library of Congress, Congressional Research Service, American Law Division, April 27, 1976, 18 pp.; and Raymond Ahearn, *Precedents for United States Involvement in International Cartels and Participation in Intergovernmental Commodity Agreements,* Washington, Library of Congress, Congressional Research Service, Economics Division, April 21, 1976, 14 pp.

[24] An alternative legal approach might be to invoke the provision in the Defense Production Act authorizing the President to approve "voluntary agreements to help provide for the defense of the United States." At the very least, this provision—as well as the recent International Energy Agreement between the United States and other OECD members—offers relevant precedents for congressional action either directly through legislation or through approval of a treaty or an executive agreement.

[25] Today, the principal German domestic reactor is virtually identical to the General Electric reactor, while their principal export reactor is of Westinghouse design. The standard French reactor for both domestic use and export is based on blueprints provided by Westinghouse, and about a third of the components are provided by Westinghouse as well. General Electric owns 8 percent of a principal German reactor manufacturer, 20 percent of a German fuel fabrication plant, and licenses several European companies to design and construct nuclear reactors and fabricate fuel. Westinghouse owns 15 percent (until recently 49 percent) of the principal French reactor manufacturer, 34 percent of a French fuel fabrication plant, 100 percent of a Belgian reactor manufacturer, 40 percent of a Belgian fabrication plant, 51 percent of Italian reactor and fuel fabrication companies, has similar holdings in Germany and Sweden, and licenses several other European companies for reactor and fuel production. Testimony of George J. Stathakis, General Electric Company, and Dwight J. Porter, Westinghouse Electric Corp., Senate Government Operations Committee Hearings, *op cit.*

[26] See Barber Report, *op. cit.,* Appendix C, for a detailed discussion of U.S. nuclear industry involvement worldwide.

[27] While the article does not address in detail the questions of possible export of breeder reactors—which France is now ahead in building—there appear to be strong reasons for a general moratorium on such exports, which would not only require plutonium as fuel but generate large additional quantities in operation. See testimony of Dr. Hans Bethe (Nobel laureate and a staunch nuclear power advocate), Senate Government Operations Committee Hearings, *op. cit.*

[28] A less satisfactory option would be to proceed with reprocessing of plutonium in multinational plants under IAEA custody and immediately to mix the plutonium with natural uranium for use as a diluted "mixed-oxide" reactor fuel that is unsuitable for direct use in weapons. Unlike low-enriched uranium, however, a mixed-oxide fuel can be chemically separated to produce weapons-grade material—in this case plutonium. For this reason, production and use of mixed-

oxide fuel should be avoided, particularly in nations not processing nuclear weapons.

[29] Emphasis supplied. State Department response to my letter to Secretary Kissinger, Senate Government Operations Committee Hearings, *op. cit.*

[30] *Analysis of Uranium Enrichment Needs of France and West Germany.* The principal sources of this data are the report of the OECD *et al., op. cit.*, and a table prepared by ERDA: *Current and Anticipated Foreign Enrichment Production Capacity and Separative Work Requirements*, Senate Government Operations Hearings, Export Reorganization Act of 1975, p. 916. Based on these materials the assessment is approximately as follows:

In 1976, just to provide replacement fuel for the enriched uranium consumed in their nuclear power plants, France and Germany each will require about 1.3 million separative work units (SWU), which is the basic measurement unit for uranium enrichment. At most, France has a 400,000 SWU per year capacity at the small enrichment plant that she uses for her weapons program. When EURODIF comes into full production by the early 1980s, France will be entitled to only 40 percent of its 10 million SWU total enrichment capacity, the rest being committed to the other parties in the multinational venture. France, at that time, will need between 4 and 6 million SWU to keep her own reactors running. As late as 1985, French enrichment requirements will be some 7.6 million SWU, which will not be filled by its 40 percent share of EURODIF's 10.5 million SWU capacity projected for that year.

Germany, on the other hand, has no weapons-enrichment capacity to draw from, and by the time its multinational enrichment venture, URENCO, begins producing 2 million SWU a year in 1981, it will be entitled to only about 30 percent of that total. Germany, however, will need nearly 4 million SWU in 1981 to run its domestic reactors. By 1985, it will require 6.6 million SWU to run domestic reactors in Germany, more than twice Germany's share of URENCO's projected output for that year.

According to present projections, in 1985, France will be obtaining 72 percent of her electricity from nuclear power plants, while Germany's electricity will be 42 percent nuclear.

[31] As an example, there are now 127 companies—51 of them in the United States, the balance all in West Germany, Great Britain, France or Japan—that market products and services for nuclear fuel reprocessing. Items include cranes, data loggers, dissolving tanks, glove boxes, periscopes, remote handling devices and systems, shipping casks, valves, pipefittings and gaskets. These could be made subject to IAEA safeguards when imported for use in a reprocessing plant or could be embarged to nations that refuse to accept safeguards. *Countries and Industrical Companies Capable of Supplying Items, Services and Assistance for Nuclear Fuel Reprocessing*, Congressional Research Service, Library of Congress, 1976, 7 pp.

A even more extensive embargo on *all* technology items may have to be imposed in the event that a country is suspected of, or detected, secretly building a research reactor capable of producing enough plutonium for two bombs a year. Plans for such a facility, a relatively simple graphite-moderated, natural uranium reactor (not requiring expensive and difficult enrichment) are available in public print. The reactor could be built and put into operation in about four years at a cost of about $13 million, using components that, with the exception of the uranium, are freely available on the world market. Even the natural uranium, where available domestically, can be mined and milled with moderate effort. *On the Construction of Plutonium-Producing Reactors by Small and/or Developing Nations*, a report prepared for the Congress Research Service, Library of Congress by John R. Lamarsh, Washington, 1976, 26 pp.

PLUTONIUM: "FREE" FUEL OR INVITATION TO A CATASTROPHE?

(By Peter Gwynne)

(This waste, worth about $4,000 a pound, could be used as a reactor fuel, but we must decide if benefits are worth the risks.)

Plutonium. The stuff of bombs. Intensely radioactive for hundreds of thousands of years. For many Americans, the very word invokes a dread akin to botulism or anthrax or worse.

Plutonium is indeed deadly, and more is being produced every year. Men make it deliberately for weapons of war, and they make it inadvertently in nuclear power plants. Now the United States and other countries are deciding whether to use it to fuel nuclear reactors of the future.

Some critics contend that a decision to use plutonium as a fuel will inevitably lead to a disaster. Sooner or later, they say, human error will cause an accident during processing, shipping or in a power plant, and plutonium will be released to the atmosphere, causing widespread death and disease. Even worse, they say terrorists could seize a shipment, put together a crude atomic bomb and bring a government to its knees. Finally, they raise the problem of disposing of a substance that remains dangerous many times longer than the lifetime of any recorded civilization.

But supporters of the "plutonium economy" argue that this potent source of energy will eventually be urgently needed, when coal, for instance, presently plentiful, becomes too scarce, too polluting and too expensive. They say that the element is not as toxic as it has been made out to be, and that present techniques for handling and guarding "hot" substances are more than adequate to prevent catastrophe.

Plutonium is a very heavy metal with some Promethean characteristics. Although exceedingly minute quantities exist in nature, it is essentially a man-made element, discovered in 1940 at the University of California at Berkeley. Bombarding a uranium compound, they found first neptunium, which broke down in a few days, and then plutonium. Like some forms of uranium, plutonium underwent spontaneous fission; every so often one of its atoms would split apart, releasing a tremendous amount of energy in the process. Whether this energy is worth the risks is what the fight is all about.

In some ways plutonium is no different from other heavy metals, such as uranium, thorium and even lead. It can be melted into ingots, machined into rods, rolled into foil and stretched into wire; it can form alloys with other metals. Plutonium combines with carbon, nitrogen, oxygen and other elements to form stable compounds. The plutonium used in reactors is an oxide.

Like most other elements, plutonium exists in different forms called isotopes (each isotope of an element has the same number of protons and electrons, but a different number of neutrons; hydrogen, for example, exists naturally in three isotopes). A unique characteristic of some plutonium isotopes is that they are self-heating: a chunk of Pu 239 is noticeably warm to the touch; another isotope, Pu 238, is literally too hot to handle. (Pu is the chemical symbol for plutonium; the number of each isotope is the sum of its protons and neutrons.) They are hot as an indirect result of their radioactivity; their crystals absorb their own radiation.

All 15 isotopes of plutonium are extremely radioactive. Its radiation has little penetrating power, however; a piece of cardboard can be an effective shield, in contrast to the walls of concrete needed for other radioactive elements. But this low power presents its own deadly problems. If a speck of plutonium manages to get inside the body, its radiation is dissipated within a very short space, severely damaging the tissues surrounding it. A speck in the lungs can cause fibrosis within a few weeks.

Experiments on laboratory animals leave no doubt that plutonium is a potent carcinogen. Most commonly, airborne particles can cause lung cancer. Introduced through the mouth of an open wound, plutonium tends to migrate to the liver and skeleton, where it can produce cancer of those parts of the body. Experiments involving humans have been performed in this country as well. Between 1945 and 1947, federal officials wanted to know just how dangerous plutonium really was, especially for the scientists and technicians working on the bomb at Los Alamos. So from two to 145 times what is now the current standard of plutonium that the human body can tolerate was injected into 18 patients from 4 to 65 years old (most of the patients were middle-aged), all of whom had been diagnosed as already having terminal illnesses. Most of the patients died within a few months—although as a result of their diagnosed illnesses, government scientists insisted, not the plutonium. Two patients, however, survive to this day; one of those patients still living had plutonium injected into a cancerous leg that was later amputated.

Officials at the Energy Research and Development Administration (ERDA), which now oversees research on nuclear matters, insist that no government would tolerate experiments of this type today, but they add that the information obtained was invaluable in setting standards for plutonium exposure. Others now say the study was completely unnecessary because the same information could have been obtained from the considerable number of people who had been exposed to plutonium on the job.

The government has also kept close watch over a group of 26 workers who were exposed to plutonium at Los Alamos. Since 1945 one of them has died of a heart attack, but none has developed any cancer. In 1968 the government began a registry of people who have been exposed to plutonium and other transuranium elements. Their medical records can be released to scientists studying plutonium's effects. And this year the government is beginning a long-term study that will involve a few thousand patients who have been exposed to plutonium, as well as control groups. In fact, government officials are quick to point out that so far they have no evidence that any human being has ever contracted cancer from internal exposure to plutonium. Nobody is saying that plutonium is not dangerous, but the medical records seem to show that its dangers to the body may not be quite as bad as is sometimes thought.

No one doubts, either, that plutonium can be harmful to human health when incorporated in a bomb. Nuclear war has been a specter for 30 years, but now some physicists are warning that terrorists, too, may turn to atom bombs. In 1974 atomic physicist Theodore B. Taylor and lawyer Mason Willrich published *Nuclear Theft: Risks and Safeguards* to spell out the danger. They argued that making a "crude fission bomb" required little more than a scientifically trained mind and about 12 pounds of plutonium oxide. Acquiring the plutonium would be relatively easy for one person acting alone, a criminal group or a dedicated terrorist group, they said, because security was lax at nuclear plants.

India's explosion of an atom bomb, produced with plutonium from reactor wastes, indicated that the path from swords into plowshares is not a one-way street. But the nuclear establishment argued that bombs still required well-trained teams of scientists.

Then *Nova*, the public television science program, invited a chemistry major at the Massachusetts Institute of Technology with no experience in nuclear engineering to design a bomb, using only information he could find in the unclassified literature. He did it in a matter of weeks. Shown the design, an expert at the Swedish Ministry of Defense said: "There is a fair chance that it would not go off . . . [but] there is also a fair chance that it would." The student, who refused to be identified for fear of kidnapping, said he was surprised at how simple it was. He estimated that the primitive device would cost about $10,000 to build and would require about 15 pounds of plutonium—an amount produced in two weeks by a typical commercial reactor. Critics said that if the atomic bomb exploded, it would probably have the destructive force of 1,000 tons of TNT and could kill 100,000 people.

Right, now, extracting plutonium from reactor wastes is difficult and dangerous: the spent fuel is extremely radioactive, and the plutonium is much too polluted with uranium and reaction by-products to be easily converted into bomb-grade material. But if the Nuclear Regulatory Commission (NRC) decides in favor of plutonium as a reactor fuel, the situation will change radically.

THE DREAM OF "FREE" FUEL

The great attraction is getting something for nothing. The fuel in conventional reactors is uranium 235 mixed with a much larger quantity of uranium 238. Plutonium is made when an atom of nonfissionable U 238 absorbs a stray neutron, starting a short chain of events that eventually produces an atom of plutonium. On the average, one atom of plutonium is formed for every two atoms of uranium that fission. Because some of the plutonium will fission before the fuel is removed, the net result is one atom of plutonium for every four atoms of uranium. All reactors "breed" some new fuel in this way.

Now that uranium is becoming scarce and expensive in the United States, we are faced with the prospect of becoming as dependent on foreign sources for uranium as we are for oil, or switching to another nuclear fuel. By adding "free" plutonium to uranium in a mixed-oxide fuel, this country could significantly stretch its uranium supplies. The problem is that the plutonium would have to do a lot of traveling before it ended up as fuel in a reactor core. Starting as a component of spent fuel, it would be shipped from the power plant to a recycling center. It would then be shipped to any of a dozen fuel fabrication plants, and from there to any of the 100 or more power plants expected to be in operation by 1980. The danger would arise after recycling, when the separated plutonium would be in a form terrorists could use; by the 1990s there could be enough plutonium in transit every year to make 20,000 atom bombs.)

Breeder reactors will produce even more. Breeders are still a long way off (the demonstration plant at Clinch River, Tennessee, has run into technical problems and spectacular cost overruns), but they remain the core of this country's energy policy for the future. Fueled with large quantities of weapons-grade plutonium, they will "make" about 20 percent more than they use; thus five breeders will provide enough fuel for a sixth.

The nuclear industry insists that existing safeguards can keep all this plutonium from hijackers. The amount that can be shipped on passenger aircraft is limited, and no containers which weigh 500 pounds or less may be shipped in open trucks, railroad cars or ships. Trucks are marked so they can be identified from the air, and truck crews must maintain regular radio contact with shippers. For stored material, precautions take the form of large security staffs and physical barriers. Nuclear plant guards search visitors and employees and patrol the grounds.

Critics insist that none of this would stop a dedicated group of would-be terrorists. They point out that a Pennsylvania utility was fined $8,000 in March after a former employee evaded a guard, scaled an eight-foot fence and entered a security area. They concede that the shipping record is perfect so far, but argue that the opportunity for theft rises with the volume of shipments.

If the NRC decides to go along with plutonium as a fuel, it is expected to require stricter precautions. One of these may be to "spike" plutonium with other extremely radioactive materials before shipping. Another would be the creation of a special federal police force whose sole responsibility is guarding nuclear material. Taylor estimates that proper security would cost about one percent of the total cost of operating nuclear plants.

If the NRC rejects plutonium as a fuel, utilities will have to dispose of all the plutonium in their spent fuel. If it is approved, they still will have to cope with unusable plutonium ejected at various points in the recycling process. In many ways this "ultimate garbage crisis" is the most intractable of all the problems facing the nuclear industry.

At present, large quantities of nuclear wastes containing plutonium are stored in double-lined stainless steel and concrete containers buried at Hanford, Washington. The system is not perfect: a 1972 AEC report noted that at least 660 pounds of plutonium had been allowed to leach into the ground. And burial at Hanford is plainly a temporary solution because plutonium 239 remains radioactive for a quarter of a million years. Spent fuel is piling up at existing nuclear power plants because at the moment there are no operational recycling centers. The plant at West Valley, New York, is closed until at least 1983 for modifications. A plant built in Illinois by General Electric for $64 million does not work and has been shut down. A third, being built in Barnwell, South Carolina, awaits NRC licensing.

ONGOING SEARCH FOR WASTE DISPOSAL

So far the search for a permanent method of disposal has led the nuclear industry down a number of blind alleys (SMITHSONIAN, April 1974), and no definitive answer is in sight. The government has considered burial in stable geological formations (Kansas salt mines were an early candidate), launching into space (possibly into the sun, for in that thermonuclear hell a little plutonium would present no problems), and using modern alchemy to transmute the plutonium into something less dangerous (it's not easy). ERDA said last year that burying nuclear wastes in stable geological formations looks most promising.

By any criterion, plutonium is an unpleasant substance to have in circulation. While its actual toxicity may not equal its reputation, the threat that it poses as the raw material of bombs puts it in a class by itself. The nuclear industry believes that its safety procedures can reduce the risks to a sufficiently low level to allow exploitation of its benefits as a fuel. Opponents argue that the benefits do not justify the risks, some going so far as to say that no benefits could justify the risks.

Caught in the middle is the Nuclear Regulatory Commission. The NRC had announced last November that it would grant interim licenses for use of plutonium while continuing studies of the fuel's safety. But then in May a federal appeals court ruled that the NRC had violated the National Environmental Policy Act and had established ground rules that were "at best vague and at worst disingenuous." Unless overturned, the court ruling will delay the use of plutonium fuel for several years. Once the study is complete, the NRC will have to hold hearings.

By that time the facts about plutonium, as far as we know them, will be part of the public record. The scientific and technical people will have had their say. But whether the benefits outweigh the risks is not a scientific question; it is a question of policy. That's where the American public comes in.

Before we decide, we should know that there are other choices. Do we have to go with plutonium or inevitably suffer high prices and even embargoes on foreign uranium? Other options do exist, enough of them to provoke corporations into magazine advertisements urging the federal government to come up with an energy policy.

Beyond what by now might be called conventional nuclear power, beyond breeder reactors, beyond the exotic (and energy-demanding) schemes such as tar sands and coal gasification, are at least three alternatives that both government and industry are looking at with varying degrees of interest.

The first is solar energy in its many forms: direct heating and cooling; conversion to electricity; windmills; even the ocean thermal devices proposed by space companies. A backyard industry for years, with only minuscule federal funding, solar power is becoming respectable, if not yet the wave of the future. NASA is building windmills, blue-chip corporations are fabricating solar collectors, solar homes are springing up across the landscape. (This summer in Washington, tourists are visiting an elaborate solar energy display on the Mall.)

A second possibility, fusion power, is also being actively pursued as a long-range solution. It offers some of the same benefits as the sun itself: clean energy, few problems, and an almost inexhaustible source of fuel in seawater. So far, fusion power is familiar only in the form of so-called hydrogen bombs, but physicists are ever so slowly learning to contain fusion reactions so that their heat can be harnessed like any other source of energy. The most promising results to date involve the use of lasers to supply the unearthly heat needed to start a fusion reaction.

The obvious option, of course, is as prosaic as plutonium is exotic: coal, the black rock that used to heat our homes and drive our ships. This country presumably still has enough coal to last us hundreds of years. But, like plutonium, coal involves decisions that are not simple. We must consider the losses, as well as risks, while weighing the benefits.

Our federal government is quitely adopting a policy of exploiting Western coal that lies under public land, or land to which mineral rights were reserved. That coal is claimed to be cheaper than Eastern coal, and the utilities and energy companies are anxious to dig in. But a long list of questions remain to be answered—and not only what will happen to the landscape, the water supply and the flow of capital. Coal policy is also a question of where industry will locate, and thus where people will live. Even more fundamental questions are being raised by critics of our emerging coal policies. If both federal and local laws are bent and even ignored to facilitate exploitation of Western coal, what kind of society will we be left with when we have satisfied our energy needs?

Like the plutonium question, all our energy decisions are complex. Worse, they are all interrelated. The scientists can tell us how dangerous plutonium may be, the economists can tell us how much electricity generated from Western coal will cost, but only we can decide which is worth the cost and which is not.

SISTER FRANCELLA

Mr. HATFIELD. Mr. President, from time to time, all of us come into contact with individuals whose efforts on behalf of others are so selfless and relentless that they warrant the attention and admiration of all of us.

Over the years, I have had the opportunity to work with Sister Francella Mary Griggs, a Catholic nun who is currently director of the urban Indian program in Portland, Oreg. Sister Francella has devoted her life to the poor and the disadvantaged. She is a gentle but strong advocate, and one cannot help but be impressed with her beliefs and her actions.

Her philosophy, as she expresses it, is "to let an individual function * * * to let an individual do the best that he is capable of doing." I believe that Sister Francella brings hope and light to everyone she comes into contact with—and I include myself in that number. I am grateful to be able to work with her on some of her projects. She testified 3 months ago before the Senate Indian Affairs Subcommittee in support of the Siletz Restoration Act, and is a member of the Confederated Tribes of Siletz.

Mr. President, I ask unanimous consent that an article from the May 16, 1976, issue of the Oregonian which tells a part of Sister Francella's story be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Indian Girlhood Inspired Sister

(By Robert Olmos)

Sister Francella Griggs, the little Catholic nun who runs the big, $864,000 Urban Indian Program in Portland, did not learn her moral values from the Bible.

She learned them, she said, from the Tututni Indian legends she heard on her grandmother's and great-grandmother's knees.

"The Bible came later," laughed Sister Francella, a member of the Holy Names of Jesus and Mary community.

Descended from Scotch and Irish (on her father's side) and French and Tututni Indian (her mother's side), Sister Francella was reared in Siletz, where her grandmother and great-grandmother regaled her and her sister with legends in Indian tongues.

"When we were little, we spoke five languages—English, Spanish, Tututni and two other Indian languages, including Chinook jargon, which my mother didn't want us to learn because she said she had no use for it. But we learned it because our grandmothers sometimes used it," said Sister Francella.

The Urban Indian Program director took time out from her busy schedule to describe how she—a tranquil teacher in Catholic schools for 26 years—got involved in aspects of both Chicano and Indian movements in Oregon.

In the past few years, Sister Francella has had to face controversies that are a far cry from teaching English and Spanish and working in the bookkeeper's office at Star of the Sea High School in Astoria.

She was in the middle of controversy last February when she assumed the position of Urban Indian Program director—a position that previously had been held by aggressive, hard-hitting males.

"I came in when the program was having trouble over the E Kosh Kosh child-care program in Southeast Portland. There were resignations and allegations of improper use of funds. The issue still isn't resolved—it's in the hands of the court—so I'd better not say too much about it," said Sister Francella.

"Things are running much smoother now. We have an excellent staff—without them we wouldn't be able to function. We're busy working on funding proposals for next year."

When asked to be director, she accepted readily because she felt she was needed, she said.

"Our community lets us do what we feel we can—and should—be doing."

It was that developing liberal attitude in the Holy Names of Jesus and Mary community that allowed her in 1971, to embark on a career that involved her in Chicano and Indian circles.

After her community closed down Star of the Sea High School, Sister Francella accepted several fellowships allowing her to further her education. Those opportunities eventually placed her in Eastern Oregon College earning a master's degree in teaching of minority races.

With her background, she was the likeliest prospect in Oregon in the early 1970s to direct a statewide, federally funded "Right to Read" literacy program that had its headquarters at the Chicano Indian Study Center of Oregon (CISCO) near Corvallis.

Sister Francella shaped the program that reached adult illiterates in migrant camps, poor city neighborhoods and at the state penitentiary.

When funds for the program ran out—"funding was opened up to large educational systems causing opportunities for community-based organizations to be reduced"—Sister Francella was once more available to tackle new duties. That's when the Urban Indian Program directorship came her way.

Sister Francella learned that she wanted to share her life with others when she observed the Holy Names nuns working with disturbed and homeless girls at Christi School, where she and her sister were students for many years.

"My mother came down with tuberculosis and was admitted to the old TB hospital near Salem. My father had died and my sister and I had to go to Christi School. I still remember the day—March 21, 1929. I was 9 and my sister was 6. My mother died two months later and that was why we had to stay at Christi for such a long time—all the way through high school," she said.

When she graduated from Christi, she joined the order.

"I am just as happy doing what I am doing today as I was in the classroom teaching because I am working with people," she said, "My whole idea has always been to let an individual function—to let an individual do the best that he is capable of doing. I don't consider myself a director. I am only helping others do what they can do best."

MacMILLAN BLOEDEL SALUTES AMERICAN BICENTENNIAL

Mr. ALLEN. Mr. President, ever since the days of Alexis de Tocqueville we have been aware that some of the clearest views of America have been held by those not Americans themselves. In this Bicentennial Year, many of our foreign friends are wishing America a happy 200th birthday—often in terms which we who live here would do well to remember as guideposts for the future.

One such message in particular has come to my attention. Entitled "Happy Birthday, America, From a Lot of Canadians Who Like You," it was placed as an advertisement in the July 1 edition of the Washington Post and in the July 5 edition of Time magazine by MacMillan Bloedel of Vancouver, British Columbia, Canada's largest manufacturer of forest products.

Not only are the words of this Bicentennial birthday message generous in spirit but they summon up a vision of a better America ahead. They also address the special and historic friendship between the United States and Canada and call for its continuation.

MacMillan Bloedel's view of America is not entirely theoretical because the company supplies many products to American industry. It is more than a supplier, however, as it makes a direct and important contribution to the economy of the United States.

Alabamians are proud that this fine Canadian company has established headquarters of its U.S. subsidiary, MacMillan Bloedel, Inc., at Pine Hill, Ala. The Pine Hill installation includes woodlands, lumber, plywood, and particle board mills. The firm's president, Mr. E. A. "Pete" Stafford, is a resident of Pine Hill and the firm has approximately 1,000 employees in Alabama, and much of its more than $195 million U.S. investment is centered here.

Mr. President, I am pleased to call to the Senate's attention the message "Happy Birthday America, From a Lot of Canadians Who Like You," and ask unanimous consent that it be printed in the Record.

There being no objection, the message was ordered to be printed in the Record, as follows:

Happy Birthday, America, From a Lot of Canadians Who Like You

Just for today, let's not talk about America's problems. Let's talk about America's strengths, as seen by some of your neighbors who appreciate you more than you might suspect.

We *are* neighbors, all 22 million of us Canadians; we're each other's best customers. We vacation in each other's countries by the millions. We share a continent, we share your concerns and aspirations. We know you well, as only close neighbors can.

And for many reasons we like you. Because you're open; deviousness and dither are not part of the American style. Because you're generous; and here we're not thinking so much of foreign aid, the Marshall Plan, earthquake relief. We're thinking of the products of American creation—from jazz to technology to Hollywood to Ernest Hemingway—that have enriched the lives of people all over the world.

We like you because you're not cynical. You still believe that life should be beautiful, that the world *can* be a better place, that social injustice should be confronted rather than simply endured. This can-do attitude, if carried to extremes, can lead to grievous folly. But the alternative to hoping that something can be done is to accept that nothing can be done. In 200 years, Americans have not learned resignation. Instead you have acquired a maturity that now co-exists with American innocence.

Maturity means moderation. It means knowing that the pursuit of happiness, if carried too far, becomes merely the pursuit of sensation. It means learning that the earth's riches aren't inexhaustible. It means recognizing that there are many paths up the mountain. It means understanding that, in America's third century, the only route to survival will be through sharing.

At times during the past decade, it has appeared to some Canadians as though American society were coming apart. What happened, some of us wondered, to the consensus, the confidence, the joyous entrepreneurial energy that animated two centuries of your history?

A friend's birthday is a good time to say this: as neighbors who know you well, we think you've still got it all. You never lost it. You'll always have it. In our view, the problems of the past decade haven't been a denial of the American spirit. They've been a splendid vindication of it.

The essence of the American proposition has always been that free people can be trusted to know what's good for them. Two hundred years of clamor and dissension haven't impaired the vigor of that idea. The American marketplace still operates—a marketplace not only of things, but of ideas. Products and philosophies still compete in that marketplace. Courage and energy and conscience still count. Choices still exist.

And that's what we especially like about you. You're still making choices. You're a people who haven't given up on yourselves. You have developed a mechanism for achieving change, noisily but mainly peacefully, that is unique in the history of the human species. There is still no country on earth where a person with an idea—be it even for creating a better can opener—has a better chance of putting it into practice. From where we sit, all your questioning and turmoil and doubts seem essentially creative, part of the healthy clamor of the American scene. As neighbors, we see you as a large, noisy family that fights a lot but one that always sticks together.

We like Thomas Wolfe's confident assertion of the American dream: "I think the true discovery of America is before us. I think the true fulfillment of our spirit, of our people, of our mighty and immortal land, is yet to come. I think the true discovery of our own democracy is still before us. And I think that all these things are certain as the morning, as inevitable as noon."

From MacMillan Bloedel, Vancouver, British Columbia, Canada's largest manufacturer of forest products, supplier of newsprint to many American newspapers, building materials to the American construction industry, packaging materials, and wood pulp to thousands of American companies.

COL. CHARLES O. BOYER

Mr. THURMOND. Mr. President, a distinguished American and great patriot, Army Reserve Col. Charles M. Boyer, passed away Monday in Arlington, Va.

Colonel Boyer, affectionately known as "Count Boyer," is best known for his tenure as executive director of the Reserve Officers Association in the early 1950's.

As national president of the ROA from June of 1954 through June of 1955, I had the great pleasure of working with Colonel Boyer who served as executive director during my tenure. He distinguished himself in many ways, especially in connection with his efforts to increase the membership and standing of the ROA.

Also, his appearances before Congress in matters affecting the Reserve forces always resulted in a clear enunciation of the policies and beliefs of the Reserve Officers Association.

Mr. President, I extend to his lovely wife, Ruby Lee Boyer, and his daughter, Mrs. Jack Jenkins of Kensington, my deepest sympathy.

I ask unanimous consent that at the conclusion of my remarks two articles regarding Colonel Boyer's death be printed in the RECORD. The first, "Army Reserve Aide Col. Charles Boyer" appeared in the July 1, 1976, issue of the Washington Post and the second, "Col. Charles Boyer, 89; Directed Officers Group" appeared in the June 30, 1976, issue of the Washington Star.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ARMY RESERVE AIDE COL. CHARLES BOYER

Army Reserve Col. Charles M. Boyer, 89, executive director of the Reserve Officers Association from 1950 to 1956, died Monday at Arlington County Hospital following a stroke.

A native of Atlanta, Col. Boyer was a four-letter athlete at William Jewell College in Liberty, Mo., from which he graduated in 1912. He later was a member of the Southern Football Officials Association, and officiated at many college gridiron classics in the South.

A former Southern Veterans tennis champion, he was active on the tennis committee of the Army Navy Country Club, where he was a member of the board of governors.

During World War I, Col. Boyer was a machinegun company commander in France. In the 1930s, he was commander of the 524th Coast Artillery Unit in Atlanta. During World War II, he commanded the anti-aircraft harbor defense at Ft. Wright, N.Y., and later was transferred to Army Chief of Staff George C. Marshall's staff as deputy for reserve affairs.

As executive director of the Reserve Officers Association, Col Boyer often testified before Congress on reserve interests. In 1953, he told a House subcommittee that reserve officers considered many training programs too elementary and "unrealistic," and complained of shortages of training equipment and lack of interest in their problems at the Pentagon.

Known for his sense of humor, he published a jokebook called "Laughing with Count," his nickname, after he retired in 1956.

Col. Boyer was a member of the Fairlington United Methodist Church in Alexandria, where he served as chairman of a building fund and construction campaigns and was a member of the finance commission and board of trustees.

He is survived by his wife, the former Ruby Lee Queen of the home, 1225 Martha Custis Dr., Alexandria, and a daughter, Mrs. Jack Jenkins of Kensington.

COL. CHARLES BOYER, 89; DIRECTED OFFICERS GROUP

Retired Army Col. Charles M. (Count) Boyer, 89, executive director of the Reserve Officers Association here for about 10 years after World War II, died Monday in Arlington Hospital.

Boyer, a resident of Martha Custis Drive in Alexandria, suffered a stroke Saturday at the Army Navy Country Club, where he was playing bridge. He was a member of the country club's board of governors for many years and also was a tennis player of note at the club.

A native of Missouri, Boyer lettered in four sports while attending William Jewell College in Missouri.

Following World War I Army service as a company commander, Boyer did insurance work in Atlanta, but continued in the Army Reserve and became commander of the 524th Coast Artillery.

During World War II he served on the staff of Gen. George C. Marshall as executive officer for the Army Reserve. He retired as executive director of the Reserve Officers Association in 1956.

Boyer won the Southern Veterans Tennis Championship after World War I The opponent of many government officials on the courts of Army Navy Country Club, Boyer continued to play tennis actively until he reached the age of 80.

An active member of Fairlington United Methodist Church, Boyer headed many fund drives for the church.

He leaves his wife, the former Ruby Lee Queen, and a daughter, Sarah Jenkins of Kensington.

Services will be held at 1:30 p.m. tomorrow in Fairlington United Methodist Church, 3900 King St., Alexandria, with burial in Arlington Cemetery. The family suggests that expressions of sympathy be in the form of contributions to the church.

TIME FOR HUD TO MAKE NEIGHBORHOODS A PRIORITY

Mr. PROXMIRE. Mr. President, the Washington Post carried an excellent article in its June 30 edition entitled, "No One Is Speaking for the Neighborhoods." The article was written by Geno Baroni and Arthur Naparstek of the National Center for Urban Ethnic Affairs, both of whom testified eloquently at the Banking Committee's recent hearings on neighborhood preservation.

Naparstek and Baroni point out that Federal laws and programs have largely ignored the fact that established neighborhoods are living resources which should be conserved.

HUD, unfortunately, has not made neighborhood preservation any sort of priority. In many cities, FHA has been a party to the devastation of neighborhoods. Bankers and bank regulatory agencies have been guilty of devaluing established neighborhoods in mortgage lending patterns. Federal subsidies have gone mostly to tear down and rebuild from scratch—not to conserve.

Since nobody else is speaking for the neighborhoods, it is time for Congress to do so. As Baroni and Naparstek point out, neighborhood groups provided the impetus of the 1975 Home Mortgage Disclosure Act, which I introduced as a measure to deter redlining. Now, I have proposed new legislation to make neighborhood preservation a national priority. As the article notes, the National Neighborhood Policy Act would establish a Presidential commission to evaluate the impact of Federal laws and programs on neighborhoods, and to recommend a shift in the focus of subsidies and incentives to better preserve neighborhoods. The measure has the support of neighborhood groups and mayors throughout the country. It was jointly sponsored by Senator GARN and myself, and cosponsored by Senators STEVENSON and TOWER. There is wide bipartisan support for the idea that Federal policies must be revised in order to better conserve city neighborhoods. As Baroni and Naparstek point out, neighborhoods are the key to the problem of cities. That insight, so obvious once it has been made, has been ignored for too long.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"NO ONE IS SPEAKING FOR THE NEIGHBORHOODS"

(By Geno Baroni and Art Naparstek)

Joe Drobot is worried about his neighborhood. The retired auto worker is worried about the abandoned house across the street and the two others on the block. They are rundown eyesores. Hangouts for wild teenagers. Places to be avoided.

Drobot has lived all his life in his West

Detroit neighborhood. He likes the old city neighborhood. His children grew up there. Most of his friends lived there, and some still do. But it has become increasingly difficult to stay as he sees the neighborhood rapidly deteriorate around him. He has made a special effort to keep his own property in good shape, but like his other neighbors, has found it almost impossible to get a loan for any property improvements. The neighborhood bank where Drobot has always saved his money, considers Drobot's neighborhood a bad investment and has refused to return some of the neighborhood's own savings in home improvement loans.

Frustrated and angry, Drobot is fighting back. He and his neighbors want to be a partner with the city and federal government to revitalize their neighborhood. In his retirement, he explains, he is working harder than he has ever worked in his life. He is working to save his neighborhood. In his case, the owner of those ugly, dangerous symbols of urban decay is the Department of Housing and Urban Development. He and his friends believe HUD is not a good neighbor.

He has also learned as president of the Michigan Avenue Community Organization, his neighborhood association, that HUD owns so many repossessed, decaying properties across the country that it can be considered the tenth largest city in the nation. Unfortunately, instead of being part of the solution, many neighborhood organizations believe that HUD is part of the problem.

What Drobot is fighting in Detroit is true of many other American cities. The abandonment of middle class whites and business and investment money has, especially in the older cities of the Northeast and Midwest, created cities that are increasingly black, brown and broke.

But it is in the pluralistic, ethnic, racial neighborhoods where the worst of the results of the decline of the American cities can be seen. People live in neighborhoods, not cities. It is safe to say that to the degree to which the neighborhoods are falling apart, so are their lives. Yet the residents of these neighborhoods lack sufficient control over their lives and their neighborhoods to be able to do anything about it. The neighborhood has been ignored by federal plans and policies, and most neighborhood people have felt powerless, not knowing where to turn.

No one is speaking for the neighborhoods. The urban crisis, every bit as real today as it was during the explosive rioting of the late 1960s, is no longer a sexy issue, even though New York City and other major American cities are facing financial bankruptcy. Here we are at the height of a major presidential campaign, and not one candidate has made a major address on urban problems. The government, public interest groups, the academicians have other interests. Even the media, which a few years ago was assigning urban reporting teams, devotes little attention to the problems of the cities or to preserving the quality of neighborhood life.

Neighborhoods are the key to the problems of the city. If the neighborhoods die, the cities die and we will enter a new era of American apartheid, with urban ghettos surrounded by hostile suburbs.

There is a vitality about ethnic and racial neighborhoods that is exciting; an ambiance that does not exist in the newer, sterile suburbs that have grown up since the end of World War II. Bankers, bureaucrats and urban planners for too long have considered the older neighborhoods expendable. In the modern American throw-away society where the litany is "New is good; old is bad," older neighborhoods, older homes, older people are considered expendable.

Angered by this attitude and frustrated by the lack of any official neighborhood policy, neighborhood associations like Drobot's in Detroit are forming all across the country to seek a national policy on neighborhoods. Their first action was to take on local banks and city halls to stop the redlining that arbitrarily draws a line around neighborhoods that are considered unsafe for investment money, thus contributing to the abandonment of those neighborhoods.

It was these citizens' groups that came before the Senate Banking Committee last year with a proposal attacking redlining to demand that banks disclose how much money that comes from the local neighborhoods is invested back into the neighborhoods and how much is invested outside the city. Primarily through their efforts, a Home Mortgage Disclosure act was signed by President Ford requiring the banks and lending institutions to reveal this information.

Now the citizens groups are back before Sen. Proxmire's Senate Banking, Housing and Urban Affairs Committee. This time the citizens' groups are seeking legislation to establish a Presidential Commission on Neighborhood Policy to evaluate the impact of current and past federal programs on neighborhoods with emphasis on restructuring the financial system with focus on developing subsidy and incentive programs. Effective ways need to be determined to meld federal funds and programs with local conditions and to review the role regulatory agencies play in dealing with neighborhood programs.

Such a Commission, with the prestige of President, behind it, is necessary to develop a comprehensive neighborhood impact policy that takes into account the ethnic and racial diversity of neighborhood needs, builds incentives through appropriate local and state public actions and supports the upgrading of public service delivery systems on the local and state level.

There is something wrong as Joe Drobot and the thousands like him know, where there are no national urban polices which respect him and his neighborhood and there are no official policies which prevent neighborhood decline without intervention until the point at which the abandonment process is complete and urban renewal is declared.

Maybe with a new policy that respects the older, pluralistic neighborhood, Drobot and his neighbors can form a working partnership with their HUD and FHA neighbors and other government agencies to revitalize and restore those abandoned houses and create a new life for Drobot's neighborhood and his city.

PERSONAL FINANCIAL DISCLOSURE

Mr. BAYH. Mr. President, as the Members of this body know, I have long supported the imposition of higher ethical standards on all of us who do the public's business, whether in the executive, legislative, or judicial branches. As one step in that direction, I am today, as I have every year since 1969, making public a detailed description of my current assets and liabilities as well as my income and taxes paid for the calendar year 1975.

I ask unanimous consent that my financial statement be printed in the RECORD.

There being no objection, the financial statment was ordered to be printed in the RECORD, as follows:

PERSONAL FINANCIAL DISCLOSURE OF SENATOR AND MRS. BIRCH E. BAYH, JR.*

Assets and liabilities on June 1, 1976

Cash in hand in savings and checking accounts	$7,353
340-acre farm located in Vigo County, Ind. (basis at acquisition)	68,000
Residence, 2919 Garfield Street NW., Washington, D.C., acquisition cost:	
Lot	25,000
House	75,000
Less mortgage	49,526
Net	50,474
Securities placed in blind trust in May 1970 with Terre Haute First National Bank (based on May 14, 1970, market value: present value unknown)	45,655
394 shares Vigo County, Ind., Farm Bureau Cooperative Association	2,122
Farm Producers Marketing Association	250
Tangible personal property (estimated)	9,500
Cash value of life insurance (approximate)	15,000
Automobiles (2):	
Book value	9,250
Less encumbrances	4,370
Net	4,880
Unsecured bank loan	−11,000
Net value of all assets	192,234

Income 1975, married couple filing jointly

Salary	$48,305
Dividends	2,565
Interest income	819
Senator and Mrs. Bayh's combined net income on schedule C (profit from business or profession, including Senator Bayh's honoraria and writing income of $14,672)	27,565
Net loss in capital assets	−1,000
Royalties	236
Farm income	22,300
State income tax refund	120
Income	100,910
Federal taxes paid	35,369
Indiana State taxes paid	2,022

*Does not include property purchased by Mrs. Bayh with the proceeds of her father's estate, including real estate near Front Royal, Virginia.

NEW JERSEY'S FREDERICK SONTAG RECEIVES USITC AWARD

Mr. WILLIAMS. Mr. President, Frederick H. Sontag of South Orange has been honored by being awarded the U.S. International Trade Commission Award for Special Achievement. I am pleased to share with my colleagues the fact that one of our New Jersey consultants has been publicly recognized for his diligent efforts to make the ITC economic effects trade hearings a success.

The chairman of the USITC, Will E. Leonard, and the vice chairman, Daniel Minchew, selected Mr. Sontag last year to organize the 21 regional hearings that the USITC held outside of Washington for the first time. Those hearings resulted in the 66 volumes of information concerning the trade negotiations which are of great benefit to the Congress and the President in the formulation of ongoing trade policy decisions.

Throughout New Jersey and the Nation, we have many talented and experienced individuals who deserve recognition by the government for their achievements. I think the Civil Service Commission should consider expanding its award and recognition program to cover the experts and consultants who, like Mr. Sontag, make important contributions to Federal programs.

I am keenly aware of the magnitude of the challenge before Congress and the executive in implementing our legislative intent of the Trade Act of 1974. The USITC will continue to play a significant role in the resolution of international trade issues in the future. Along with their mandated statutory responsibilities, it is reassuring to know that the ITC chairman and vice chairman have been sensitive to the need to recognize superior achievement as an integral part of their administrative responsibilities.

Mr. President, I ask unanimous consent that the announcement of this award be printed in the Record.

There being no objection, the announcement is ordered to be printed in the Record, as follows:

Frederick H. Sontag Receiving Federal Special Achievement Award

Frederick H. Sontag of South Orange, N.J. and Seal Harbor, Me. is receiving the Special Achievement Award of the U.S. International Trade Commission that is granted for outstanding performance of a specific major assignment.

Sontag, who is the Senior Advisor to USITC Chairman Will E. Leonard, is receiving the citation which reads:

"For distinguished special achievement in transacting arrangements on numerous occasions for the conducting of hearings and other Commission activities outside of Washington, D.C. and for demonstrated accomplishment in assuring that Commission actions and decisions receive the broadest possible dissemination and accurate interpretation, all of which materially advanced the accomplishment of the Commission's mission in international trade."

The public affairs and research consultant is also being given a check award.

Sontag, a graduate of Philips Academy, Andover and Colby College, is a member of numerous professional and civic organizations.

The USITC is the chief international economic research arm of the Congress and the Executive Department. It is a independent agency.

Sontag, who is a nationally recognized lecturer, is the co-author of *"Parties: The Real Opportunity for Effective Citizen Politics"* (Alfred A. Knopf, hardback; Vintage-Random House, softcover).

Chairman Leonard said:

"In a year when the U.S. International Trade Commission has taken on additional responsibilities and a corresponding increase in workload, my co-worker more than met the challenge. Excellence in any capacity is worthy of recognition and the Commissioners feel that this past year in patricular represents a significant period in the history of our agency—a period that marked the beginning of expanded activities, importance, and service to this nation. To be honored at such a time commands special respect and admiration by all of us and represents a degree of achievement to which all of us might aspire.

"The Commissioners join in extending their personal congratulations and very sincere appreciation to you as you are being honored today, knowing that it is such individuals as yourself that make us proud of the U.S. International Trade Commission and its accomplishments."

In receiving the award, Sontag was told:

"This award is in recognition of work performed outside of a regular assignment for performance above and beyond the call of duty. With this award the six Commissioners express their thanks and appreciation to an individual member of the staff for that extra measure of interest and service. One receiving recognition is to be congratulated, for such performance is the substance on which exemplary records of public service are built."

PORTUGAL'S ELECTIONS—NEW HOPE FOR DEMOCRACY IN EUROPE

Mr. KENNEDY. Mr. President, this week the people of Portugal elected Gen. Antonio Ramalho Eanes to be their new President, in the first free Presidential election held in Portugal in 50 years.

In this Bicentennial Year, as we celebrate America's freedom, the return of democracy to Portugal heralds a new era in United States-Portuguese relations. I am happy to join with so many other Americans in my home State of Massachusetts and across the Nation in expressing my deep admiration for the Portuguese people and the return of freedom and liberty to a proud people. They have traveled from dictatorship to democracy in 2 short years, and are once again assuming their rightful place among the free and democratic nations of Europe.

The election of General Eanes and the prospective appointment of Mario Soares as Portugal's Prime Minister begins a new chapter in the history of Portugal; and in this week of Bicentennial celebrations across our land, we gain new inspiration from what our Portuguese friends have accomplished.

Mr. President, in our own Nation Portuguese-Americans will be celebrating our Nation's Bicentennial with even greater pride because of this week's events in the homeland of their ancestors. For whether we go back 20 or 200 years, the Portuguese-Americans have cherished their freedom in the past as they do today. Indeed, the Portuguese experience in America serves as an inspiration to our people, and to people everywhere who treasure man's greatest right—his right to be free.

Americans of Portuguese heritage have also left their mark in every facet of American life. Wherever we look in business and in labor, in public service, or in literature, music or the sciences—at every level we find leading citizens of Portuguese heritage.

As millions of Americans mark the 200th anniversary of our Nation's birth, their spirits will soar as they listen to the music of John Phillip Sousa—an American of Portuguese heritage who found promise in a new land. In New Bedford, as well as throughout my home State of Massachusetts and over the Nation, millions more have come to this new land to begin a new life—and to help make the American dream come true of all our people.

Although democracy has returned to Portugal, its challenges are not over. It is laboring under the burden of a depressed economy, and the continued progress of democratic government will depend, in part, on what specific efforts are made to solve these massive problems. That is why the commitment of the United States must be clear: To provide continued economic assistance to Portugal in order to help it through the difficult times that lie ahead.

Together with the firm support of the United States and our allies in Europe, democracy's return to Portugal will be enduring, and the bonds of friendship which tie our two peoples together will be strengthened during the days ahead.

EXTRADITION AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, opponents of the Genocide Convention have often expressed the concern that ratification of this document would result in American citizens being tried in foreign courts without American constitutional guarantees. Closer examination of this section of the treaty should serve to dispel these fears.

Should an American be accused of genocide in another nation, he may be tried by a competent tribunal of that country. This is stipulated under article VI and is only applicable if the defendant is still in the nation in which the act was committed. This provision does not depart at all from the U.S. policy regarding similar crimes, such as murder.

If, on the other hand, an American citizen has returned to the United States and is subsequently charged with genocide by another nation, extradition is to be granted. What is important to note here is that extradition would take place only in accordance with existing laws and treaties. Extradition will not be altered by the Genocide Convention, therefore, as it will only be conducted as stipulated by present laws.

The United States does not at this time have treaties dealing with genocide, although they may be made in the future with the advice and consent of the Senate. The United States does not make extradition treaties with nations whose legal systems do not afford basic procedural rights to our citizens. Similarly, the Department of State has stated that:

> Any extradition treaty will require the state requesting extradition to produce sufficient evidence that the person sought would be held for trial under U.S. law if the offense had been committed here.

Mr. President, the genocide treaty is not, in itself, an extradition treaty. There is no reason to think that the extradition arrangements we would make concerning genocide would differ from existing treaties, either in form or effect. Criticism of the Genocide Convention on these grounds, therefore, is unfounded.

I urge that the Senate delay no longer in ratifying the genocide treaty.

RETURNABLE BEVERAGE CONTAINERS

Mr. BUMPERS. Mr. President, on June 30 I voted with the majority of the Senate in rejecting, 60 to 26, amendment No. 1944 proposed by the Senator from Oregon (Mr. Hatfield) to S. 2150, the Solid Waste Utilization Act. This was a difficult vote for me to cast. The question was an exceedingly close one, and I would like to take this opportunity to explain briefly my reasons for voting as I did.

The Environmental Protection Agency has recently issued regulations requiring deposits on beverage containers sold at Federal facilities. These regulations are new, and there has not been a great deal of experience with them. As the administration of these regulations goes forward, information as to the cost, practicability, and energy effects of requiring returnable containers will be gathered by EPA and made available by it to the public and to Congress. When this information has been received and analyzed, we will then be in a much better position to make a judgment with regard to legislation similar to the Hatfield amendment.

In addition, as the distinguished Senator from Wisconsin (Mr. NELSON) pointed out on the floor of the Senate shortly before the vote on the Hatfield amendment, the Triangle Research Institute, pursuant to a contract with the Federal Energy Administration, is conducting a study of mandatory deposit legislation at a cost to the taxpayers of $100,000. This study is supposed to be completed by September of this year, and it will include the development of a model that individual States may use to determine the impact of deposit legislation at the State level. The study will evaluate all of the significant issues relevant to this question, including the impacts on employment, the impacts on natural resources, a comparative analysis of energy efficiencies, the question of capital formation, and the impacts of such legislation on consumer prices. Frank G. Zarb, Administrator of FEA, in a letter to Senator NELSON dated June 28, 1976, has assured the Senate that the Triangle Research Institute's study will be made immediately available as soon as it is completed and received by FEA.

Mr. President, in this situation I believe that it would be wise to wait before acting definitively on a proposal to impose the deposit requirement by Federal law. States, of course, remain completely at liberty to impose such a requirement if they wish, following the lead of Oregon, Vermont, and others. Congress will have a much sounder data base on which to make a judgment when there has been sufficient experience with EPA's regulations and when the FEA study is available for inspection.

I should add, in order to be completely fair with both sides of this issue, that my present inclination is in favor of legislation imposing a deposit requirement. The experience in Oregon and Vermont, according to Senators from those States, has been good. If this experience is a guide as to what may be expected nationally, several trillion Btu's of energy can be saved, and roadside litter drastically reduced. My final decision on this legislation will await the results of the ongoing studies and experience I have mentioned, but my vote will probably be cast in favor of a deposit requirement the next time this issue comes before the Senate.

CONGRESS FOR PEACE THROUGH LAW

Mr. McGEE. Mr. President, at a recent meeting of the Developing Nations Committee of Members of Congress for Peace Through Law, the guest speaker was His Excellency Paul Bomani, the Ambassador of the United Republic of Tanzania to the United States. Ambassador Bomani, an extremely knowledgeable diplomat, has served as his country's representative in Washington since 1972. Prior to that he held several prominent Cabinet posts in Tanzania and had responsibility for directing key sectors of his nation's economy.

Ambassador Bomani's message to the Members present was a candid and forthright one. He spoke forcefully of the needs of the poorest people in the poorest countries; of the inadequacy of the industrialized nations' response to those needs; of the burdens imposed on the less developed nations by high prices, inflation, worsening terms of trade; and the reluctance of the rich nations to address their economic problems and needs in a more equitable manner. He also spoke of the dangers to this increasingly interdependent world if these problems are not faced squarely and soon.

Closer to his own home, the Ambassador spoke of the more immediate dangers to the peace of his continent in Southern Africa. And finally, he spoke of the need for the United States to be on the right side in the coming struggle in Rhodesia.

As one who has worked with many of my colleagues to repeal the Byrd amendment, which permits the United States to import chrome from Rhodesia in violation of U.N. sanctions, I hope we will soon be in a position to redress this unseemly anomaly in our foreign policy. The Senate has already voted once to end this state of affairs. I look forward to our being able to act with our colleagues in the other body to place the United States back into compliance with our international obligations and responsibilities.

Accordingly, I request permission to place this excellent statement by Ambassdor Bomani in the RECORD and commend it to the attention of my colleagues. We may not all agree with, nor find comfort in, all of his observations. But we should know what others think of our policies and how we pursue them if we are to play a positive role in building a new set of global institutions and understandings this world so badly needs as we enter the last quarter of the 20th century.

I ask unanimous consent the Ambassador's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY H. E. PAUL BOMANI, AMBASSADOR OF TANZANIA

Mr. Chairman, Honourable Members of Congress, Ladies and Gentlemen: I consider it a privilege to have been asked to address you on this very special meeting. I want also to express my deepest appreciation for the honor you have extended to my Government and the people of Tanzania whom I represent, for honoring me with your kind hospitality. This meeting I am sure is one of the useful steps in the effort to bridge the gap of misunderstandings. For I believe dialogue between peoples from developing countries and developed nations, in particiular, members of the Developing Nations Committee like you is extremely important. It is these forums that allow for frank discussions that help to properly educate the parties involved. Without an understanding of the problems that confront the developing nations your deliberations would have been seriously handicapped if not impossible. That is why we view positively such gestures of giving us an audience.

Talking of our development program let me give you a brief survey of the road we have travelled. We became independent in 1961. Since that time we have been trying to give meaning to our independence. We have been trying to develop the country and to raise the living standard of our people.

In the course of this journey we recognized the major problem facing our country; poverty. My President has at different occasions addressed himself to this problem. And recently, when addressing the Royal Commonwealth Society in London in November 1975, he said and I quote:

"The problem of poverty, and of the national dependency and humiliation which goes with it, will be tackled at its root when the endless pursuit of economic growth for the sale of growth ceases to be the major objective of national and international policies. The objective must be the eradication of poverty and the establishment of a minimum standard of living of all people."

One of the major efforts taken in Tanzania soon after independence was to attempt to narrow the income disparity we inherited. Within the developing countries, the haves, who are the elite controlling the countries' resources and institutions, can count on political leaders to support continuation of the status quo. In my opinion, this will change only as population pressures on the countries' resources result in more and more people being born into poverty multiplying the numbers denied access to the nation's resources, living in continuous fear of hunger and death from starvation.

As crisis after crisis occurs, perpetuated by excessive malnutrition and starvation, the poor whose numbers will multiply, can be counted on to express their restlessness and sooner or later will break out of the bonds of suppression. At this point, one of two things may happen—either a leader committed to correcting the socio-economic political balance against the poor will emerge; or there will be revolutions and political instability as the poor press for a greater share of the countries' resources and the haves persist in holding on to all they possess. Ethiopia is a case in point. The situation I have described here is current phenomenon in many countries in Asia, Africa and Latin America. In Tanzania since independence various measures have been taken to correct the situation under the Arusha Declaration and the Ujamaa policy.

For example between 1961 and 1975 the maximum disparity in post tax purchasing power of public sector salaries/wages went from 50 to 1 down to about 8 to 1, between 1961 and 1975 the share of the health budget devoted to urban hospitals went from 75% to 50% in favor of rural clinics and health centers, between 1966 and 1975 the adult education enrollment rose from about 100,000 to over 3,000,000; and between 1969 and 1975 the proportion of peasants in planned village communities rose from 15% to about 75% and that in communally organized villages seeking joint self reliance and cooperative enterprise from nothing to over 33%.

The type of cooperative village I am referring to is like the American Indian Community I saw near Juneau, South Alaska. I remember the village I visted two years ago at Metla-Catla or the Kibutzim in Israel which are similar to Ujamaa villages in Tanzania.

These figures may look impressive, indeed they are impressive. But they are far from satisfactory. In spite of this development still 40% of our peasants have a real income of less than two thirds of the purchasing power of the minimum wage earner (which is less than $50 p.m.). My President had occasion of explaining this situation when he bluntly put it and I quote:

"The Truth is that however much we reorganize our economic system to serve the interests of the mass of the people, and however much our government tries to weight the income distribution in favour of the poorest people, we are merely redistributing poverty, and we remain subject to economic decisions and interests outside our control. The amount of wealth we can produce is subject to the weather, which no one can control. But it is also dependent on economic decisions made by the wealthy nations in the interests of making the rich even richer. And the real value of that proportion of our poverty which we set aside for investment depends entirely on the prices of capital goods—which are set outside our own country."

We found to our disappointment therefore that just as we are struggling at the home front we have to equally struggle at the international level in order to change the old unjust economic order that militates against our efforts of development. Let me elaborate by outlining the areas in the international order that continue to militate against us.

International trade, or the exchange of goods and services and the international movement of capital, plays an important role in the international distribution of income. The present situation is characterised by the continuing steep price increases for manufactured goods, low prices and weak markets for many primary commodities and a consequent sharp decline in the terms of trade of many developing countries. Low prices for primary products also discourage investment and output and eventually lead to shortages and high prices. And this situation has been worsening for quite some years now. For example in 1965 Tanzania could buy a tractor from a John Deere plant in the United States by selling 17.25 tons of our sisal. The price of the same model in 1972, needed 42 tons of sisal.

Even during the much talked of commodity boom of 1974 we still needed 57% more sisal to get the same tractor, than we did 9 years before. And the sisal price keeps on falling while that of the tractor keeps on going up still further. For the tractor price is fixed according to two criteria:

First, those costs of its production which will enable its producers to enjoy a high standard of living; and secondly, what the market will bear—which is determined by competition among the rich. And Tanzania will either buy at the price set, or go without. Conversely, we shall either sell our sisal at prices fixed by competition among the rich countries, or we shall earn no foreign exchange from it at all. And the price we get for our primary products keeps worsening. The serious extent to which this is now happening can be gauged from the fact that between 1970 and 1974, East Africa's five major exports went up in price by about 34%; its major industrial imports—not including oil—went up in price by about 91%. Even when we put a lot of effort to increase production of our primary products these efforts become futile and nullified by a substantial reduction of the real value of our products. And this system turns us, in the words of a prominent economist, into "price-takers," not "price-makers". For a different purpose and not completely irrelevant the Holy Bible had this to say about the situation and I quote:

"For to him that has, more shall be given and from him that has not, even that which he seems to have shall be taken away."

A literal interpretation of this quotation would seem to portray The World Economic malfunction which the beneficiaries call Economic Order. And Professor Tinbergen, the Dutch Nobel Prize economist, has estimated, that 10% of mankind are consuming 25 times as much as the remaining 90% of the people.

Our position was bad enough in 1972. When you add on the burden of the increased prices of oil the situation is desperate and devastating indeed. What is worse however is the fact that Tanzania is not only paying the extra costs of the oil which Tanzania consumes. My country, and others like it, are also paying extra amounts which rich nations now have to pay to the oil producers. Let me elaborate. Modern agriculture requires the use of oil. But Tanzania cannot set its sisal or baler twine prices to take account of the extra production costs. The buyer sets the prices. The things which Tanzania seeks to buy with its sisal export earnings, however, do have their prices adjusted to meet the extra oil costs involved in their manufacture. It does not end there. The manufacturers also make the new price compensate the workers and the owners for the higher oil prices involved in producing the goods which they want to consume.

There is a "cost of living" increases to prevent the standard of living from falling. From our poverty we end up compensating the rich—the same Biblical principle in operation.

Developing countries have been advised that as a remedy to this, they must encourage private investment, by creating a suitable economic climate for it. Implicitly it is acknowledged that this can be foreign private investment. But the motive of private investment is the making of profit. Anyone proposing to build a factory demands four things: assured, adequate, and cheap power and water supplies; a labor supply which is disciplined and with an adequate skill component, the existence of an effective market, and easy access to it, and fourthly economic and political stability, with special reference to low taxation, profit repatriation, and the availability of adequate consumer goods and services to provide incentives for senior management staff. Unfortunately, none of these things are readily available in the poor countries. If they were we would not be poor! We don't have existing power supplies; we have to raise the money to build them. We don't have a skilled labor force. We have to raise the money and train the teachers and establish the educational institutions to create one. Our market is large in the sense of there being very many people in need of simple consumer goods. It is very small in terms of purchasing power. Our transport system are rudimentary and over strained. Further, because we are poor, the rate of taxation has to be high if any administrative and social structure is to be sustained or exist at all. And because we earn very little foreign exchange, all of it is needed for things which are essential either to the existence of our people or to development. When it is used to meet our international obligations about the repatriation of profit or to buy luxuries for expatriate employees, something vital to our people's future has to be sacrificed. By its very nature therefore, foreign capital will only find poor countries attractive in those areas where returns are immediate and very high. Any other kind of foreign investment has to be induced by promises of tax exemptions, and of priority over even the most essential provision of services to our people.

This reaction notwithstanding, we are not saying that foreign private enterprise cannot make any contribution to the economic growth of the poor nations. Far from it. As a matter of fact in the Arusha Declaration, which is the political philosophy underlying the the social and economic policy of Tanzania, an attempt was made to clearly define the areas that investments are to be fully publicly owned; the areas where the Government will demand majority control; and the areas left for the private sector. We believe under these clear demarcation and division of ownership, enlightened foreign firms can go into partnership with local organizations for specific purposes, and assist national development at the same time providing the foreign investor with a reasonable and secured return on his investment.

The other traditional solution to the problem of the poor is the voluntary transfer of resources from the rich countries to the poor in the form of International Aid. We seek and appreciate this assistance. Our experience has however compelled us to come to the conclusion that in principle this whole concept of aid at best is a helpful palliative which reduces the poor countries to the status of beggars. Serious nations do not deal with the problems of internal poverty by relying upon charity. To a greater or lesser extent, directly and indirectly, they all transfer resources from their rich to their poor by taxation. If we are serious about world poverty we have to accept the same logic between nations. Contributions to the fight against world poverty should be on the basis of obligation with the rest of the world, not on a conditional act of charity with the amount dependent upon the vagaries of politics. At the end of first development decade, the Pearson Commission of the United Nations set a target of aid at 0.7 percent of the Gross National Product of the rich countries. They pointed out that to reach this target all the rich countries have to do is to retain 95% instead of 100% of the amount by which they may reasonably be expected to get richer in the next five years. One would not have thought this was a demand for self sacrifice. Today the average percentage of official Development Assistance transferred to the poor nations by the major industrialized market economies is 0.33% of their G.N.P. Only Sweden, Norway and Holland are expected to reach this U.N. target this year. The U.S. is presently contributing 0.24% of its G.N.P. to the developing countries, making clear it will not go along with the U.N. specific target of 0.70% of G.N.P.

I hope you will bear with me if I give you more statistics when attempting to relate this question of aid and trade from our experience. Considering the effect of changes in Tanzania's terms of trade between two periods, as measured by an "import-basket", and an "export-basket" consisting of our eight major exports. Had the actual price average of 1958–1962 prevailed in 1968–1971, we would have been better off by a little more than $220 million. This represents a transfer from us to our trading partners of something like 5.9 percent of our total G.D.P. over the four years 1968–1971. Our major trading partners are, except for Kenya, virtually all wealthy industrialized nations. During the same period of our 4 years Tanzania received just a little more than half of what we had transferred to the rich in terms of trade exchange. In other words, if commodity prices had been stabilized at the level of 1958–1962 Tanzania could have been better off without foreign aid.

Ladies and gentlemen, these are only some of the problems that we have experienced. No serious person should therefore find it difficult to understand why developing countries are pushing for a new international economic order. The main elements of this international economic order are commodity price stabilization, debt cancellation and/or moratorium, transfers of technology and greater flows of aid to the poorest countries and more access to Western markets. At Nairobi the developing world called for the creation of a common fund, a new international agency financed by both the Western industrialized commodity importers, and the smaller, economically weaker exporters. This blue print called for the indexing of over a dozen commodities to a market basket of over 80 manufactured products. Further this fund was to maintain buffer stocks in those commodities where spoilage is not a factor. This fund is also supposed to adjust commodity prices to take account of world inflation rates.

The question of debt cancellation and/or moratorium is a question that most tangibly links the problems of the developing nations. As the gap between prices for commodity exports and manufactured goods increased, the deficit in the Third World was made up largely by borrowing mostly from the West and from Western banking institutions. In the 1960's the collective annual debt of the Third World countries stayed constant at about $12 billion a year.

By 1972, spurred by inflation and rising oil prices, it leaped to $30 billion. Estimates for the current year put the figure at $45 billion placing some countries in a serious danger of being crushed. You should have a vital interest of preventing this, not only because your governments and private institutions hold the notes, but also because some of your exports are sold to these very countries. When because of the austerity budgets we are forced to operate on, we have to cut our imports; and if we have to import less the developed world will have to export less, hence unemployment, stagnation, recession, etc. The developed world therefore should not find it hard to restrain particularly the banking institutions from—like Shylock—demanding their pound of flesh back in their desire to collect debts. At Nairobi therefore a proposal was made for generalized rescheduling and in some cases a cancellation of debts. This idea however did not find favor with the North group.

And what has been the role of the United States amidst all that poverty on the face of the world? Unfortunately, the U.S. foreign trade policies, which continued on the whole in the 1960's, was directed broadly at hindering our industrialization and increased export earnings needed for development. To substantiate this, let us review the U.S. positions at UNCTAD, Geneva, in March–June 1964. The United States was generally identified there as the least willing of the industrialized capitalist countries even to consider a 'new' international division of labor which would permit the developing countries to industrialize. In the final act of UNCTAD, the United States had the most negative votes against the demands of the underdeveloped states. Of the 15 general principles, the United States alone voted against principle one—'respect for the principle of sovereignty, equality of states, self-determination of peoples, and non-interference in the internal affairs of other countries,' voted alone against principle four—acceleration of growth and narrowing of income gap between the developed and less developed countries; alone against principle six—increased export earnings of less developed countries regardless of social system, and against principle twelve—disarmament—freed resources to be used for development. On other principles, the United States had the company of other Western powers in opposition to the underdeveloped states.

It wasn't until the Seventh Special Session of the United Nations that the United States began to appreciate our problems. This in itself is a healthy sign—a development from the previous total negative attitude. And this is what Dr. Kissinger did in Africa. He at least proclaimed a new policy, expressing willingness to consider the terms of a new international economic order. He didn't stop there, he even went to Nairobi with new, innovative ideas. That is a very encouraging approach. But when making the U.S. proposal for the establishment of an International Resources Bank, the Secretary had overlooked the fact that the developing world was still aware and sensitive of the negative role of the United States to their problems. To gain credibility therefore the United States—which is a very key country—should first demonstrate that she is positively engaged on concrete measures to correct the existing unjust terms of trade for this remains the key issues. Anything short of this approach is bound to create suspicions on any new proposals of a late-starter—particularly when this late starter was the main beneficiary of the unjust structure. The South is bound to suspect more when they find out that at more or less the same time when Dr. Kissinger was proposing the establishment of the International Resources Bank in Nairobi back in Washington at the United States insistence the World Bank was made to increase its lending rate immediately from 8.5% to 8.85%. Furthermore, a new automatic interest formula was created, which will establish a rate each three months at one-half of one percent above average weighted cost of funds borrowed by the bank on the preceding 12 months. And to coin it all the World Bank was limited in its lending program for the fiscal year 1977 to a ceiling of $5.8 billion which ceiling would include loans through the bank's new "Third window" operation. At a time when the World Bank is becoming a truly development Bank, the United States, it is reported, fears that the Bank is becoming too big and too powerful to, in effect, warrant a commercialization of its activities. More important however is our realization that what is needed now is not the creation of new institutions but a political willingness to immediately overhaul the old economic structure that we all concede is unfair.

The have not nations are not asking for charity. They want conditions to exist for a more egalitarian sharing of the world's resources so they, in turn, will have an opportunity to advance economically and culturally. They want the industrial nations, who are the heavy consumers of the minerals they provide, to pay a more just price so they, in turn, will have money to develop their economies and earn foreign exchange to pay for needed capital goods, technology and food imports. In the final analysis it is. As President Nyerere aptly put it and I quote:

"Tackling the problem of poverty in the world is first and foremost a matter of political will and determination . . . But the question as the poor see it is not whether there should be changes in the present economic situation; change will come one way or the other. The question is when, how, they will be brought about."

Finally let me comment just briefly about the political situation in Southern Africa. A lot has been said and written about Dr. Kissinger's recent visit to Africa including my country. I would not wish to take much of your time on this. The facts are known. The objectives in this explosive region should be a combined effort by all United Nations member countries in their attacks against the policies of apartheid of the Government of South Africa. The second objective is to work for the elimination of all forms of racial discrimination in the region and three: To work relentlessly for the liberation of Rhodesia and Namibia.

In Rhodesia a war of independence is being waged by the military wing of the A.N.C. (African National Congress) after their leaders have unsuccessfully exhausted all avenues for a peaceful settlement. The only thing that can avert this is complete majority rule. We very much regret the need for war. It can only bring dreadful suffering to the people of Rhodesia—both black and white. It will inevitably leave a heritage of bitterness which will make the eventual development of a non-racial democratic society in that country very much more difficult. They need the support of all Freedom Loving people at least to the same extent as your founding fathers needed two centuries ago.

So is the situation in Namibia. The international community has recognized SWAPO as the sole freedom party in Namibia. The international community must reject any maneuvers intended to divide the people of Namibia through a balkanization of the territory under the guise of Bantustan or separate development.

South Africa is a different problem. We conceded it is a sovereign state. But it is also a tyranny. It is the only country in the world which has, as its fundamental purpose—its philosophy of life, the separation of men according to their physical characteristics, and the perpetuation of domination by one race over another. It is this singularity which is so fundamental that it cannot be disregarded—not even under the cover of equality and sovereignty of independent nation states. We are not advocating for military intervention. We should however be aware of the fact that there are now, and there will be in the future, South Africans—of all colors—who will risk torture and death in the fight against the whole structure of the racialist society. We have made our decision to support them. Sooner or later everybody will have to take a stand.

The most urgent and potentially explosive however is the Scenario in Rhodesia which seems to be zeroing on to liberation war.

The choice of armed rather than peaceful struggle has been made by Smith. He has persisted in that choice, despite attempts to keep open the alternative by talking for much longer than could be justified by reason alone. Still the talks failed. Smith must now be left to sink alone under the tide of African Liberation.

The Rhodesian minority will continue to seek for allies, knowing that reinforcements to their position can delay the day of final liberation. All Smith's thinking, his statements, and his actions, will be designed to secure company in this political suicide. The two most open methods used to attract support will continue to be allegations that the Nationalists are Communists, or black racists—or a combination of the two. But whatever Smith's rationalizations, his continued purpose will be to get support for the maintenance of minority rule.

When the pressure on the Minority Regime gets very great, Smith may even renounce U.D.I., and call upon Britain to resume responsibility for the protection of her colony. A renunciation of U.D.I. would not settle anything. The minority rebellion took place because of a problem. That problem was the minority resistance to the principle of majority rule. Whether the Rhodesian White minority now resists majority rule as a so-called independent government, or again as a government of a self-governing colony (as was the position up to 10th November 1965), or as a political and economic group in a colony directly ruled by British administrators and British troops, it still clearly intends to go on resisting majority rule. And ending of the rebellion by Smith's renunciation of U.D.I. would therefore still leave the problem of majority rule to be solved.

U.D.I. is relevant to the issue only in legal terms and the opportunities they create.

No one can like the prospect of an intensified armed struggle in Rhodesia. The friends of Africa, and the friends of those White people who are willing to live and work as loyal citizens of a Zimbabwe ruled by the majority, will be wishing to do three things. First, to reduce the period and the bitterness of the fighting, and therefore of the suffering of both black and white; second, to avoid the conflict taking on the form of a generalized race war; and third, to avoid the identification of minority rule with the Western Block and of majority rule with the Eastern Block. It is still possible for the world, and especially the Commonwealth, to make some contribution to these desirable ends.

The most vital thing of all is that Smith should be left alone to sink. He must not receive political or military support of any kind from Europe or America or other Commonwealth countries. If countries still find it impossible to give arms to the Freedom Fighters, they should consider whether they cannot give medical and educational supplies to the Liberation Forces. And they must at all costs refuse any political, or military, support to the Smith Regime and the people under its control. In particular they must refuse to be duped by Smith's explanation that he is fighting communism because the Freedom Fighters get support from the communist countries. They have been getting, and will continue to get, support from wherever they can. If the "West" refuses support they will get it exclusively from the "East".

The less support Smith gets, and the more support the Freedom Fighters receive, the quicker the fighting will be over.

Secondly, the world should consider what it can do to provide alternatives for these members of the minority communities who do, for one reason or another, find it impossible to contemplate living in the free Zimbabwe. For Zimbabwe will be free; resistance by those who find this prospect unacceptable but who have nowhere else to go, will only prolong the agony and make difficulties for those who could, and would be willing to adjust to change.

The minority communities in Rhodesia can be broadly divided into three categories.

The first is the racialists and hard-liners like Smith himself. They have not yet been convinced that majority rule is inevitable. They will therefore fight to defend their position of privilege—what they call their 'way of life'. But sooner or later they will leave Rhodesia. Living under majority rule will be ideologically impossible for them. And members of this group may be unacceptable to a majority government, because they will never cooperate in building a new Zimbabwe.

The second group consists of those who are not necessarily racialists, but whose attitudes towards Africans as servants and inferiors have become fixed by long habit. Such people may be personally kind; they may be paternal in their relationships with Africans whom they meet. But they may well find it impossible to adjust to living in a society where Africans are their representatives in Parliament, the teachers of their children, their equals and superiors at work, and where black servants are no longer constantly at their beck and call.

People like this are now followers of Smith and his kind, and they join Smith in fighting the majority of the people of Zimbabwe. But basically their opposition is not based on an ideology of racial superiority; it is partly psychological and partly practical. Psychologically these people would rather live elsewhere without servants than live in Zimbabwe under an African Government. Their problem is where to go and how to start a new way of life. If they have a practical alternative to living through, and getting dragged into a civil war, they will welcome it. What they really want is an opportunity to leave Rhodesia soon.

The third group appears to be a minority of the minority. But if the last eleven years and the coming armed struggle do not create too much racial bitterness it may be larger than most people expect, and may include a considerable number of the younger white Rhodesians,—especially those who were born in the country.

For this is the group which will be willing and able to adjust to the new reality; who can accept majority rule either happily or as a better alternative than exile from Rhodesia. This group is really saying—our country is Rhodesia; if we have an opportunity to say, to live and work here as equal citizens, we will do so.

The whole of Africa, and the world, will benefit if those who will leave Rhodesia anyway are pursuaded to leave without plunging the country into the misery of a protracted liberation war. And the alternative to fighting which is most likely to have this effect is the offer of a welcome and a home in other countries. This would involve some kind of assurance of the means of a reasonable livelihood if they were young enough to work, or a means of living in reasonable comfort if they were older.

Such compensation to people who might otherwise cause problems by resisting the march of history—and who have the power to create such problems—is not unprecendented in international affairs. And in some ways it is analogous to the manner in which many countries pay compensation to shareholders in industries which have been nationalized. In all cases the purpose is to achieve a socially desirable objective at the least cost in human and material resources.

I suggest it is timely and necessary to begin thinking seriously in these terms. Your Committee seems ideal to me as a forum to critically examine this proposition as part of the solution to the Rhodesian problems.

I apologize for my frankness and for having taken so much of your time; and I thank you for your indulgence.

REFLECTIONS ON THE BICENTENNIAL

Mr. HUMPHREY. Mr. President, in a very short time we will enter our third century as a nation. That anniversary will be an occasion of understandable joyfulness and well-deserved celebration.

But it will also be a time of solemnity, of self-examination, of reflection on our role and our identity in an ever-changing world.

I have followed our Bicentennial events with interest and enthusiasm—as a private citizen, as an elected representative of our Government, and in my capacity as a member of the Joint Committee on Arrangements for Commemoration of the Bicentennial—and I have developed some thoughts on the state of the Nation at this juncture in our history.

America faces a paradox this year. It is the 200th anniversary of our system of government—the greatest force for freedom in the history of civilization. It is a time for celebration, and a time for reflection—on what we have become and what we want to be.

Yet it is also a time when Americans feel far from their Government. It is a year in which our most hallowed institutions are the objects of suspicion and mistrust—a year in which our representative form of government and many of its achievements are being called into question.

We seem to have lost our traditional optimism and our perennial self-confidence, and with them our will to pioneer, to experiment, to take a risk in the hope of something better.

Our people seem to lack a sense of accomplishment, a feeling of dedication to a common purpose and a cause larger than ourselves.

Throughout our history, it has been the Government, expressing the will of the people, which has acted as the voice of a united citizenry.

But we have ceased to hear that voice in recent years. And as a result, each of us carries within him a small emptiness, a hollow place in ourselves which is the sense of something unsatisfied—a sense of something that is best in our character going unused.

Americans are an independent people. We are a nation of individuals who are jealous of our own prerogatives. We are a nation of many distinct regions and groups.

And we can be proud of that tradtion—it is a part of our character. Indeed, the respect we give to individual freedom and the diversity of our ethnics, cultural, and geographic backgrounds have contributed immeasurably to the progress and richness of our society.

But there is another, more profound, part of our character as well, and it is not being fulfilled. It is that element in us which wants to be part of a greater whole. It is our sense of community and our deep reserves of compassion, courage and self-sacrifice.

We have drawn on those reserves before. America's greatest hours have come, not when each of us was simply working on his own behalf, but when we were motivated by a common purpose and achieved our goal.

When the Second World War threatened the world with fascism, the United States committed itself, its blood, its treasure, and its resources to the fight, and we won.

And when we undertook to rebuild Europe after that war, we put our wealth and our reputation on the line, and we did it.

When President Kennedy pledged that we would put a man on the Moon and bring him back to Earth, we made up our mind to meet that deadline, and we did—to the wonder and admiration of the world.

When we challenged the youth of this country to prove their dedication by showing it to others, Americans turned out by the tens of thousands to join the Peace Corps.

And when President Johnson declared war on poverty, and we went to work to win it, 11 million Americans pulled themselves above the poverty line.

Those were great days for America, days full of courage and commitment. They were days when we showed what was best in us. They were days when we proved to the world that Americans are not afraid to make a promise or to get a tough job done, that Americans do not run away from a fight.

I believe that we can revive that spirit in these times—to bring back our great days as a nation and our pride in our accomplishments.

In this famous year of our history, America needs bold national goals. We need ideals to match our strength. We need challenges to match our imagination.

And sensing that need, Americans feel out of touch with their Government. They are ready to work. They are not afraid to put their talent to the test. They are prepared to meet any eventuality.

They know that human beings need goals and promises to give their lives meaning and purpose.

They know that no challenge is too great for this country—no fight is too hard, no problem too complex, and no sights too high for the American spirit.

They know that we have the greatest accumulation of human energy and talent in the history of the human race ready and waiting to go—and yet we are not putting those resources to work.

Our forebearers from every part of the world fought the wild lands of a new and unmapped wilderness, and out of it created cities which were miracles of human invention.

They stretched our borders to the Pacific Ocean and beyond and made the world our market. They showed an unbelieving globe how to build well and to build plentifully.

They turned our unforgiving landscape into a garden, and our broad and level plains into the most abundant producer of food and fiber the earth has ever known.

What can we do to share their tradition? What special challenges remain to us in our own time, in the beginning of our nation's third century?

The answer is reflected by the broken glass and echoed from concrete of our cities.

It is glistening in the tears of a hungry child, and it is standing in the stillness of the unemployment line.

The challenge is whispered by the dying man whose disease we could have cured, and echoed by the family whose home we could have saved.

It is running in the refuse in our lakes and streams, and carried in the air around us.

The challenge is waiting wherever bigotry or injustice still survive, and wherever a man or woman is prevented from becoming the best that it is in them to be.

The answer is that we still can become what our forefathers shed their blood for, what they staked their lives and their fortunes on.

The answer is that we can keep the promise made 200 years ago by men who saw a vision—a vision of a people committed to protecting every person's right to life, liberty, and the pursuit of happiness; and a promise of a firmly United Nation determined to establish justice and to promote the general welfare.

Those promises must be kept. They are a sacred trust, and we cannot rest until we have seen them through—until we have built the kind of nation which will preserve them inviolate for generations to come:

A nation which is dedicated to life—not survival, not subsistence, not wealth for a few only, but the good life for each and every person;

A nation which is committed to liberty—not anarchy, but real liberty which comes from duty and responsibility; and

A nation which offers the pursuit of happiness—which holds out the hope, unfettered by poverty, that every American can achieve to the limits of his ability.

CORRUPTION IN THE GRAIN TRADE

Mr. CLARK. Mr. President, a story in this morning's Wall Street Journal by John Huey provides further strong indication that the scandal in the Nation's grain inspection system is far from over; in fact, it may be only just beginning.

Mr. Huey's article deals primarily with the growing evidence of wrongdoing in Texas port elevators. But the story makes clear that the continuing investigation is not confined solely to the gulf ports:

> Although Texas ports have received considerable attention because of the volume of grain moving through them, the Agriculture Department's Office of Investigation confirms that it is conducting inquiries in Philadelphia (where a federal grand jury also is examining grain dealings) and at some other ports. And the Interstate Commerce Commission has been investigating railroads' dealings with grain companies.

Mr. President, it is tragic that, while these investigations proceed, the Senate-House conference committee charged with the responsibility of reporting grain inspection reform legislation remains hopelessly deadlocked. The Senate conferees have gone much further than halfway in an effort to reach a meaningful compromise between Senate and House versions of the reform bill.

Unfortunately, despite our best efforts, all we have been offered by the House is their weak bill, with minor changes, on a take-it-or-leave-it basis. I hope Mr. Huey's story will stimulate the House conferees to rethink their position, and to finally make a sincere effort to reach agreement on this vitally needed legislation.

Mr. President, I ask unanimous consent that the full text of Mr. Huey's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, July 1, 1976]

Texas Grain Elevators Come Under Scrutiny in Export Fraud Cases

(By John Huey)

Houston.—On Aug. 8, 1974—the same day Richard Nixon's presidential resignation filled the news—federal prosecutors in New Orleans obtained 10 little-noticed indictments against persons and companies associated with the grain industry. Those indictments led to one of the most spectacular export fraud scandals ever, resulting, so far, in more than 60 convictions, 12 prison sentences and fines as high as a half million dollars.

That was in Louisiana, whose ports last year accounted for 37% of U.S. grain exports. Two years later, here in Houston and other Texas Gulf ports—which ranked second with 24% of the grain exports—only five indictments, one no-contest plea and a $10,000 corporate fine have emerged from the scandal.

"Maybe our skirts are just cleaner here than in New Orleans," says C. E. Bullock, general manager of operations for the Port of Houston Authority.

Maybe. But investigators from outside the state are convinced that the Texas inquiry simply hasn't been pushed far enough. They say many of the circumstances surrounding the New Orleans scandals—including huge quantities of grain unaccounted for by inventories, and incestuous relationships between grain companies and inspection agencies—exist in Texas. Only now, almost two years after the grain scandals broke, do federal grand juries here appear to be investigating. And so far, that investigation seems perfunctory.

"Texas should be spitting out indictments like New Orleans," says one congressional investigator who spent several months in the state interviewing more than 200 persons involved with grain operations.

DEVELOPED IN NEW ORLEANS

But in fact, all six Texas cases—five of which may never come to trial—were developed by the New Orleans U.S. Attorney's office. Investigators there note that many of the same companies that pleaded no contest to charges that they bilked the U.S. government and foreign customers out of millions of dollars through bribery of inspectors, shortweighting, misgrading and adulteration of grain in New Orleans also operate in Texas.

Beyond that, some hard data exist that, in the opinion of some federal investigators and other grain-industry experts, cast doubt on the dealings of the mammoth Texas grain elevators.

According to inventories prepared over a five-year period by the Transportation and Warehouse Division of the Agriculture Department's Agricultural Marketing Service—and obtained elsewhere by The Wall Street Journal—a number of Texas elevators routinely experienced sizable inventory "overages."

Such overages were common in New Orleans elevators, where grain companies manipulated and bypassed scales to ship substantially less grain than they were paid for. Through such shortweighting, they accumulated excess grain that then could be sold again.

NOT GROWN IN ELEVATORS

"The key thing to remember is that grain doesn't grow in these elevators," says New Orleans U.S. Attorney Gerald J. Gallinghouse, who is spearheading the successful Louisiana investigations. His wry comment helps explain the investigative significance of these overages—figures that are derived by taking elevator records showing the amounts of grain flowing into and out of an elevator, and then comparing the amount of grain that theoretically should be left with the actual amount in the elevator. An overage is indicated when the sounding of the elevator tubes shows more grain on hand than can be accounted for by intake and outflow records.

According to these Agriculture Department reports, 81 examinations of 10 Texas export elevators turned up 28 overages in excess of 100,000 bushels and only three "underages" that large. By comparison, 109 examinations of eight elevators in Louisiana over the five years turned up only 19 overages and no underages that large.

At Goodpasture Inc.'s Galena Park, Texas, elevator, for example, examiners found eight such overages. One exceeded 208,000 bushels of wheat, or 9.8% over listed inventory; another was for 205,000 bushels, or 9.3% over listed inventory. This elevator has since been destroyed by an explosion and fire blamed on welding torches and grain dust.

VARIANCES AT CARGILL

Examiners found similar overages at other Texas elevators, including several sizable ones where inventory records indicated that none of a particular type of grain should be there. Among the variances reported at Cargill, Inc.'s, Channelview, Texas, elevator were two mixed-grain overages of more than 281,000 bushels and 168,000 bushels, both considerably more than the zero amount shown in inventory records. Total variances of all sizes found at this elevator included 36 overages and only eight underages.

Neither Cargill nor Goodpasture were among the companies indicated in the New Orleans cases.

The significance of overages is hotly debated. Most grain companies argue that grain can indeed "grow" in elevators because of humidity, blending techniques and other factors. Also, they term the overages insignificant compared with the total volume of grain moved through the elevators; in some cases, the total exceeds 100 million bushels a year.

"I'm sure all this stuff means something," says Truitt Kennedy, executive vice president and general manager of Goodpasture's Houston operations, when asked about the overages. "But a man ought to work in one of these elevators five or 10 years before he makes up his mind just exactly what they mean." Overages at his elevator indicate no wrongdoing, he says.

In Minneapolis, a Cargill spokesman says, "Overages occur as a normal part of business when you move grain from dry climates to humid climates." He adds, "Human error is also a factor."

But such overages do vex at least one operator of a giant export elevator. Wayne Slovacek, vice president of Huston operations for Union Equity Cooperative Exchange, says, "We were concerned about them at the time, and if we had a string of overages that size again we would need to find out why." With two overages and one underage in excess of 100,000 bushels. Union Equity's elevator showed fewer large variances than most, though both overages—one topping 296,000 bushels and the other, 243,000 bushels—were huge.

In New Orleans, Mr. Gallinghouse says most grain handlers interviewed by his investigators concede, when pressed, the grain handling always results in loss rather than gain because of spillage, dust and other factors. The accumulation of overages as high as 100,000 bushels is "pregnant with significance," he says. "If there's any logical explanation for these overages, we haven't heard it. You can cut it thick; you can cut it thin. I don't care how you cut it, it's still baloney."

DIFFERENT MISSION

Ironically, Agriculture Department examiners have traditionally looked on overages kindly since their primary responsibility under the law was, and still is, to safeguard the elevators' grain deposits by looking for underages.

"If you'd asked me what overages meant three years ago, I would have said 'nothing'," explains Gerald Olen, chief of the Transportation and Warehouse Division's warehouse service branch. "But since New Orleans, I'd have to say they've become something of a red flag."

James Lauth, director of the Transportation and Warehouse Division, declines to define a "significant" overage, but he does say that a variance of 1% to 3% under listed inventory is considered a "significant underage which would be cause for concern." Variances as high as 16% over inventory weren't uncommon in Texas and some topped 700%, though none exceeded 300,000 bushels.

All these inventory figures, of course, are based on records supplied to Agriculture Department examiners by elevators themselves. And the methods used at one Texas elevator seem to cast some doubt on how well such records reflect the real magnitude of overages.

NO-CONTEST PLEA

Last October in federal district court in Galveston, Texas, Bunge Corp. pleaded no contest to charges of shortweighting and conspiring to convert grain to its own use at an elevator it leases in Galveston. According to criminal information charges filed by federal prosecutors, Bunge manipulated and bypassed scales to shortweight and then, to account for the excess grain acquired by the shortweighting, falsified records to show the fictitious delivery of 65 rail cars containing more than 193,000 bushels of grain. Moreover, Agriculture Department inventory figures for Bunge's Galveston elevator show five overages exceeding 100,000 bushels each during the five-year period. Included were two mixed-grain overages 125% and 753% over listed inventory.

For its plea—the only one to date involving a Texas port—Bunge paid a $10,000 fine, agreed to an affirmative-action program to clean up its operations and received a government pledge not to prosecute the corporation for offenses committed from the time of the plea back five years. Bunge also paid a $10,000 fine and made a similar agreement in New Orleans.

Perhaps because of these and other adjustments in the Transportation and Warehouse Division's records, the Agriculture Department's Office of Investigation conducted its own investigation of overages at elevators across the country. Some of the results were disclosed by the Senate Agriculture Committee.

REQUEST REFUSED

The Office of Investigation, which confirms that overages are a key part of its criminal investigations, refused a request for the undisclosed figures that was made by The Wall Street Journal under the Freedom of Information Act. The agency said disclosure of these reports "would interfere with enforcement proceedings." But sources close to the investigations say those figures show substantial overages for elevators in Texas and elsewhere and that they generally reflect much larger overages than those shown by the Transportation and Warehouse examinations.

Overage figures in themselves, of course, don't constitute legal evidence of shortweighting or grain mishandling. And while they have helped prosecutors in New Orleans, the Louisiana cases have been built largely on the cooperation of witnesses who agree to testify in return for reduced sentences. Criminal investigations, indictments and pleas are continuing in Louisiana. Mr. Gallinghouse says his office is laying the groundwork for possible civil suits that could seek millions of dollars in damages from grain companies for misgrading and shortweighting grain sold to the government.

Here in Texas, however, the investigations appear to have bogged down, with little or nothing to show for almost two years of work. Privately, a number of investigators close to the grain investigations in Washington, New Orleans and Texas are criticizing Edward B. McDonough Jr., U.S. Attorney for the Southern District of Texas, for allegedly dragging his feet.

TOO MANY CASES

A source in Mr. McDonough's office says the grain inquiry was "put on the back burner" until recently because the office was concentrating on an investigation of local police corruption. That investigation has yielded mixed results: Six policemen were convicted on various charges in February, but after a prolonged, much-publicized investigation, 10 others were acquitted of wire-tapping charges in March.

"Critics are a dime a dozen," says Mr. McDonough, who declines comment on specific progress made in grain investigations or on priorities of cases.

Clearly, grain investigations aren't popular in certain circles. "We have every reason to believe there are many interests who would like to see the investigations terminated," says Mr. Gallinghouse, when asked if he has felt pressure to cool off his pursuit of the grain companies. Though difficult to substantiate, it is persistently rumored in New Orleans that Mr. Gallinghouse, who already had many enemies, was denied a federal judgeship because of his grain inquiry and the bad publicity it showered on the city. "The grain cases were the last nail in his coffin," an associate says.

In Houston, Mr. McDonough says his investigation has been hampered by manpower problems and the size of his district. "We have more business than my staff can accommodate," he says. "If there's something there, we'll prosecute; if our investigation doesn't reveal anything, we aren't going to beat a dead horse."

Of the overages, Mr. McDonough says: "It's obvious that they warrant further investigation."

And of his office's only grain cases other than the Bunge plea, he says, "I can't predict whether the trial will take place."

CAPTAIN UNAVAILABLE

In those cases, five government-licensed grain inspectors employed by the Houston Merchants Exchange were indicted 15 months ago for accepting bribes from a port captain. The captain, however, is said to be too sick to testify or complete a deposition.

The Houston Merchants Exchange, a private agency licensed by the Agriculture Department for grain grading and pre-loading inspection in Houston, also has come under fire for allegedly being too close to the grain industry to perform its duties without prejudice. Goodpasture's Mr. Kennedy and Union Equity's Mr. Slovacek are exchange directors. Frank Hemmen, general manager of Cargill's Houston operations, recently resigned from the board to "avoid any possible appearance of a conflict of interest," a company spokesman says. Messrs. Kennedy and Slovacek deny any conflict.

In any case, two federal grand juries—one in Houston and one in Galveston—called about 20 witnesses several weeks ago, and even though the sessions were brief, some take it as a sign that the Houston U.S. Attorney's Office is finally cranking up the inquiry. Mr. McDonough says he has assigned two assistants to the grain investigation full-time, but one of them had been involved in a skyjacking trial and is expected to participate in more coming police trials.

One of the assistants candidly admits, "We've barely scratched the surface of this thing."

OTHER INVESTIGATIONS

Although Texas ports have received considerable attention because of the volume of grain moving through them, the Agriculture Department's Office of Investigation confirms that it is conducting inquiries in Philadelphia (where a federal grand jury also is examining grain dealings) and at some other ports. And the Interstate Commerce Commission has been investigating railroads' dealings with grain companies.

Meanwhile, legislation to reform regulation and supervision of the grain industry remains deadlocked in a Senate-House conference committee. The Senate passed a bill federalizing both inspection and grading at export terminals and major inland ports and providing more stringent penalties for grain-law violations. The House bill, however, permits the federal government to delegate its inspection duties to states, and instead of replacing the present system, calls for improving it.

Whatever happens, it seems clear that the grain scandal begun in New Orleans almost two years ago is bound to raise its ugly head again. And Texas seems a likely spot for the resurfacing.

FINANCIAL STATEMENT OF SENATOR STEVENSON

Mr. STEVENSON. Mr. President, I believe that the financial affairs of a public servant are a legitimate matter of public concern. I ask unanimous consent that a consolidated financial statement for myself and Mrs. Stevenson, including a full report of all sources of income and sales and purchases of property for the year 1975, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Consolidated financial statement of Senator and Mrs. Adlai E. Stevenson, July 1, 1976

Real estate	
Home, Washington, D.C. (cost)	$125,000
One-third interest, residence, Beverly, Mass	55,000
Home and farm (including farm equipment and livestock), JoDaviess County, Ill	605,939
10 percent undivided interest in real estate, Tiburon, Calif	66,195
Stocks and bonds	
12,640 shares, Evergreen Communications, Inc. (publishes Bloomington, Ill., Daily Pantagraph, operates WROK, Rockford, Ill., and WJBC, Bloomington, Ill., owns 10 percent of Bloomington, Ill. CATV)	164,573
3 shares, Bloomington Broadcasting Corp., Class B, nonvoting	1,500
533 shares, KBA Townbuilders Group Ltd., Tel Aviv	550
State of Israel Bond	500
(Market value as at June 26, 1976)	
200 shares General Electric	11,900
66 shares IBM	18,117
69 warrants Lin Broadcasting Corp	492
160 shares Xerox Corp	9,741
350 shares American Can	11,858
500 shares Allis Chalmers Corp	12,000
400 shares Massey Ferguson	11,800
200 shares Sperry Rand	10,176
Life insurance policies	
(Current cash surrender value)	
United Services Life Insurance Co	1,595
Continental Assurance Co	4,122
(Contributions paid as of June 30, 1976)	
Civil Service Retirement System	19,242
Cash	
Less current obligations	15,000
Miscellaneous	
Personal property, including securities of nominal value, furniture, cars, paintings and clothing	65,000
Total	1,210,300
Debts	
Mortgage on home, Perpetual Federal Savings & Loan Association, Washington, D.C	72,870
Mortgage on farm, Charles J. Calderini	57,750
Farm purchase contract, Ralph Virtue	160,000
Note payable to Continental Assurance Co	4,041
Note payable to First National Bank of Galena, Ill	80,000
Total	374,661

Other sources of income	
Salary:	
1975, U.S. Senate	$43,025
1976 (through 6/30), U.S. Senate	22,300
Honoraria 1975:	
2/7: Jersey City (N.J.) State College (speech)	1,000
3/3: Louisville (Ky.) Law School (speech)	1,000
3/9: Los Angeles Times Mirror (article)	150
5/5: Brotherhood of Railway, Airline & Steamship Clerks, Washington, D.C. (speech)	1,000
5/23: Christian Science Monitor (article)	100
7/25: Panepirotic Federation, Chicago (speech)	1,000
9/22: American Bakers Association, Chicago (speech)	1,000
9/29: United Bank of California, Los Angeles (speech)	500
10/1: National Executive Conference, Washington, D.C. (speech)	1,000
10/19: First Unitarian Church of St. Louis, Mo. (speech)	500
11/5: New York Times (article)	150
11/11: Brookings Institution, Washington, D.C. (speech)	150
11/17: National Building Material Distributors, Washington, D.C. (speech)	1,000
Total, 1975	8,550
Honoraria—1976:	
1/6: FMC Corp. (formerly Food Machinery Corp.) of Philadelphia, speech in New Orleans, La.	1,000
2/9: University of Louisville, Ky. (speech)	750
2/9: High Point College, High Point, N.C. (speech)	1,000
3/30: Monmouth College, Monmouth, N.J. (speech)	1,000
5/10: Albright College, Reading, Pa. (speech)	1,000
Total, through June 30, 1976	4,750

Other sources of income: None.

Gifts from other than family members, including contributions to any account to defray expenses as permited by Senate rules—1975: None; 1976 (through June 30): None.

Business transactions, including purchase and sale or transfer of securities in excess of $5,000—

1975

Farm consisting of 160 acres, house and buildings in Rice Township, JoDaviess County, Ill., purchased 2/21/75 from Edward Flynn, Julius Flynn, Marguerite Engels and Alberta Milner—$82,000.

Farm consisting of 160 acres, house and buildings in Rice Township, JoDaviess County, Ill., purchased 5/13/75 from Charles J. Calderini—$86,000.

Farm consisting of 440 acres, house and buildings in Elizabeth, Ill., purchased 7/31/75 from Ralph Virtue—$210,000.

Sale of residence, 1519 North Dearborn, Chicago, Ill., 2/14/75 to Michael Reese Hospital, Chicago, Ill—$137,000.

1976 (through June 30)

Farm consisting of 155 acres, house and buildings in Elizabeth, Ill., purchased 5/11/76 from the John Rodden Estates—$77,000.

Sale to John Fell Stevenson of all interest in 1776 Pennsylvania Avenue (Washington, D.C.) and Folsom Street (San Francisco, Calif.) properties, 2/4/76—$45,000.

VA DIRECTOR GORDON SPENDLOVE RETIRES

Mr. HARTKE. Mr. President, yesterday marked Dr. J. Gordon Spendlove's last day on the job after a distinguished public service career of over 30 years. Dr. Spendlove has, for the past several years, been Director of the Veterans' Administration hospital in Fort Wayne, Ind. For over 30 years he has devoted himself to the service of our Nation's veterans. Whenever members of the staff of the Veterans' Affairs Committee called, he was always helpful and responsive; he cared for veterans. He has treated wounded and disabled veterans throughout the VA hospital system, serving in States such as North Carolina, Washington, Montana, Iowa, Oregon in addition to my own home State of Indiana. For his contributions, Dr. Spendlove was awarded the Veterans' Administration's Department of Medicine and Surgery's Outstanding Career Award.

As chairman of the Senate Veterans' Affairs Committee, I have a heightened interest in assuring that the VA hospital system is second to none. With men such as Dr. Spendlove, this goal is nearer to realization. We need men such as this good physician; I am sorry that he is retiring. It will be hard to replace this fine gentleman.

Thus, it is with pleasure that I bring to your attention and ask you all to join with me in saluting Dr. Spendlove and wishing him a long and pleasant retirement.

NOTES ON THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) RELATIVE TO DISC

Mr. FANNIN. Mr. President, the Domestic International Sales Corporation—DISC—provisions of the tax code are currently before GATT in two separate ways.

First. The GATT proceedings. The European Economic Community—EEC—has challenged the legality of DISC provisions under the GATT before a special GATT tribunal in Geneva. The United States, through the Department of the Treasury, has vigorously defended the legality of DISC and has counterclaimed against export incentives of certain European countries.

Opening statements before the tribunal were delivered on March 15, 1976. Briefs were filed on April 28, 1976, and formal presentations before the tribunal are scheduled to commence on June 28 lasting through July 1. A formal decision on the claim and counterclaim should be rendered by late this year.

This GATT proceeding should not be confused with the trade negotiations. This proceeding is a legal challenge to DISC and is being coordinated by Treasury. It is the legal challenge to which Ambassador Dent, in the letter enclosed addressesd his point that congressional action at this time might prejudice the U.S. defense of DISC.

Second. The GATT trade negotiations.

The Special Trade Representative and his staff believe that DISC will be an important bargaining point in the trade negotiations to reduce foreign restrictions and export incentives which adversely affect U.S. exports. It is their belief, which was underscored by the testimony of Congressman JOSEPH KARTH, that the vigor with which the ECC has prosecuted the DISC claim demonstrates clearly the ECC belief that DISC has and will continue to have a large impact on increasing U.S. exports and domestic employment. While EEC members have been unwilling on many occasions to make concessions over the nature and extent of their own export incentives, all persons connected with the trade negotiations have concluded that DISC will be a major concern of the EEC and that it—DISC—will be of major importance to the U.S. trading position in future negotiations.

It was to this point that Ambassador Dent addressed his concern that we should not unilaterally give DISC away.

Senators NELSON, HOLLINGS, and others' tax reform package includes the following proposed floor amendment on DISC:

> Retains DISC for incremental export sales in excess of 75 percent of average of a 3-year base moving period (three out of four immediately preceding years).

This amendment would reduce the percent of DISC benefit to U.S. exporters by 60 percent over the present DISC law. This loss of DISC benefit would destroy the incentive for U.S. business to export and could result in a corresponding loss in employment and tax revenues generated in our U.S. economy by increased export business.

One of the reasons given by opponents to DISC for the need of this amendment is stated as follows:

> DISC was designed to aid US exports in a world of fixed exchange rates; that world no longer exists and DISC involves significant waste of money.

This infers the floating rather than fixed currency rate is the cure-all to our balance-of-trade problem. If this is the case, the evidence to date indicates it is not working. The United States has a trade deficit of nearly $4 billion so far this year with a projected deficit of $13 billion by year end. C. Fred Bergsten of the Brookings Institute in a recent article in Business Week describes what other countries are doing to the U.S. dollar to "sink" the floating currency exchange system.

I ask unanimous consent that the article and letter be printed in the RECORD.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

THE THREAT OF AN OVERVALUED DOLLAR

The battered British pound leaped ahead almost 6¢ today from its Friday close of $1.72, as the Bank of England announced that it had arranged $5.3 billion in standby credit from 10 countries and the Bank for International Settlements in Switzerland. The British central bank noted that the recent drop in the pound had led to a disorderly market that carried sterling to unjustifiably low levels.

C. Fred Bergsten, a senior fellow of the Brookings Institution, however, places a good part of the blame for the plummeting pound at the doorstep of the Bank of England itself. In a statement last week before the U.S. House subcommittee on international trade, investment, and monetary policy, Bergsten said that there is "strong evidence" that Britain deliberately pushed the pound down to achieve a competitive advantage for its exports.

Elaborating on his formal remarks, Bergsten notes in particular that the British had cut interest rates, in order to put pressure on the pound. "They wanted to get themselves out of the recession by stimulating exports. But things got out of hand. Everyone got on the selling bandwagon and the pound plunged," he adds.

Indeed, Bergsten is highly critical of the way a number of countries have recently been operating under the flexible exchange rate system. Despite agreements at Rambouillet, France, in 1975 and in Jamaica earlier this year to support a multilaterally managed float, individual countries are intervening in the market to gain advantage. The Japanese, for example, this year will be running the largest trade surplus in history. Yet according to Bergsten, they have been buying dollars by the bushel during the past five months to keep the exchange rate of the yen from rising and making Japanese goods more expensive on world markets.

This unilateral intervention usually ends up with other countries buying dollars, since the dollar is the basic reserve currency. So the U.S. in effect has little control over the exchange rate of its own currency. Bergsten warns that the dollar may soon become overvalued, which will cut sharply into exports and cost jobs. This can lead to U.S. import quotas seriously disrupting international trade.

Bergsten wants this issue raised forcefully at Rambouillet II, which will be held late in June. He argues that President Ford should press the countries running a trade surplus—notably Japan and Germany—to let their exchange rates rise. Since the beginning of the year the U.S. has been running a trade deficit, thus supporting the world recovery. But says Bergsten: "If our trade deficits are perpetuated by unfair practices by other countries—either to push their exchange rates down or keep their rates from going up—the U.S. will have no choice but to retaliate in kind."

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.:

I understand that the Senate Finance Committee is currently considering tax reform on HR 10612, Tax Reform Act of 1975, which includes modification of the DISC provisions of the Internal Revenue Code.

I feel it is my responsibility as a labor representative to inform you of my personal opinion and attempt to influence you toward supporting the DISC provisions as they currently stand.

My concern and support for DISC is simple—DISC creates and maintains jobs for U.S. citizens. According to the facts we have DISC played a great part in Monsanto which is a multinational corporation building a new butvar resin plant in Springfield. This created about 40 new jobs in our area which as you know has a high unemployment rate. Our plant was competing with a Monsanto site in Antwerp, Belgium for this new facility.

For this reason alone I feel the continuation of DISC is important to the workers I represent and I request you to take all action possible in the support of DISC.

RICHARD D. SHEETS,
President, Local 414 International Chemical Workers Union.

ERA—CATHLEEN DOUGLAS

Mr. BAYH. Mr. President, July has been a very special month in the magazine world. The July editions of 38 national magazines including the Ladies Home Journal, American Home, Nurse Practitioner, Cosmopolitan, Family Circle, Essence, Good Housekeeping, Modern Bride, Ms., Seventeen, Women Sports, Parents Magazine contain articles on the Equal Rights Amendment.

One of the most disturbing aspects of the struggle to attain ratification of the ERA in the remaining four States has been the amount of misinformation and myths concerning the ramifications of the ERA. One of the most persuasive articles on the ERA in these July editions is one by Cathleen Douglas appearing in Redbook. In order that my colleagues can share this article with many of their constituents who may have questions on the ERA, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOU CAN BE ANYTHING YOU WANT TO BE!

(By Cathleen Douglas)

Let me tell you a story that illustrates, better than any other I can think of, why I support the Equal Rights Amendment.

A sociologist who was studying sex attitudes in children posed the question "What do you want to be when you grow up?" to two four-year-olds, a girl and a boy. The girl said she wanted to be a nurse, a teacher or a mother. The boy hankered to be a fireman, a cowboy or a lawyer. Then the researcher asked the girl what she would be if she were here brother. "Oh," she said, "I'd go to the highest part of the city, take wings and fly." When the question was reversed for the boy, he stopped and thought a moment. Finally he said sadly, "If I were my sister, I couldn't be anything."

I was that girl.

I was raised in an Irish-Catholic, working-class family with three brothers and lots of male cousins. All curiosity as to what I would be when I grew up ceased dramatically at my birth—when it was discovered that I was female. Our family's savings went for my brothers' education, not mine, and most of my life has been spent trying to build a custom-made role for myself.

That's why I cheered, applauded and stamped my feet when the Equal Rights Amendment was passed by Congress in 1972. But before the amendment can become law, 38 of the 50 states must ratify it within seven years of its Congressional passage. Thirty-four have done so, and four more ratifications are needed before March, 1979. That must happen, for when it does, ERA will make legal rights free of sex bias. It will, in effect, tell children, "You can be anything you want to be." No one else will have to spend years in gray doubt sorting that out, as I did.

Now, I hear that many women oppose ERA. I shudder to think of it. I can't believe women would object to ERA if they know what it can do for them—and what it will *not* do *to* them. So many injustices would be corrected, injustices that have their roots deep in the history of our country.

Thomas Jefferson, father of the liberty we celebrate this July, said:

"Were our state a pure democracy, there would still be excluded from our deliberations women, who, to prevent deprivation of morals and ambiguity of issues, should not mix promiscuously in gatherings of men."

Where did the author of our Declaration of Independence acquire such notions? Well, Jefferson was a lawyer—a good one—and he knew his Blackstone well. Then, as for centuries past in England—as Blackstone's *Commentaries* made crystal-clear—the view of women was rather dismal in the eyes of the law. (When I was in law school, I saw countless footnotes in my books that read, "The above is not applicable to children, idiots and married women.") A wife was considered the "chattel," or property, of her husband, with the same legal rights as a goat, a hog or a piece of land. Any property or money she owned before her marriage became her husband's after marriage.

In the 1850s, as a result of the earliest woman's suffrage movement in this country, the Married Women's Property Acts were passed in several states. This legislation gave married women the right to own, rent and sell property in their own name. New York was the first to pass these laws. It seems that the daughter of one of the state assembly's most prestigious and wealthy members was about to marry a spendthrift. Unable to bear the thought that his hard-earned fortune would fall into the hands of his vagabond son-in-law and fired with a passion more pragmatic than idealistic, this Dutch farmer from the banks of the Hudson pushed the bills through both houses of the New York legislature.

Not all that century's legal decisions went so well for women. In 1872, upholding Illinois' right to forbid women to practice law, the Supreme Court declared: "Man is, or should be, woman's protector and defender. The natural and proper timidity and delicacy which belongs to the female sex evidently unfits it for many of the occupations of civil life."

More recent Supreme Court decisions have upheld a law prohibiting a woman from becoming a bartender unless her father or husband owns the bar, and one making it more difficult for a woman to be chosen for jury duty. But the discrimination does not begin and end with the Supreme Court. It is insidious.

Does this discrimination harm women? Yes, indeed it does. Because victims of rape are treated as seducers and liars and because the law bends over backward to protect the rapist from false charges, 50 to 75 per cent of all rapes go unreported. Because a housewife's work is unpaid, hence unvalued under law, she has no Social Security benefits. Because women who do work are often paid less than their male counterparts, their earning capacities are severely limited, even when they are heads of their households. (And two thirds of all women who work are single, divorced, widowed or have husbands who earn less than $7,000 a year.) Statistics show that for every $3 earned by a woman, a man in a comparable job will earn $5.

ERA will give the impetus to correct these wrongs. Will it be worth it? Yes. As living proof, I offer the experiences of states that have amended their own state constitutions to adopt an Equal Rights Amendment. Among them are Texas, Pennsylvania, Maryland, Illinois and my own home state of Washington. What has happened under ERA in these states can be taken as examples of the way ERA would affect law and family life as a Federal amendment.

Many states, for instance, have laws that require a husband to support his wife and children. Under state ERAs, laws have been broadened to apply support duties to both men and women. Oddly enough, in Texas and Washington, even before ERA, support duty was imposed on both husband and wife, so there was no change with the advent of ERA. That was not true in Pennsylvania, and here is what has been happening in that state.

Joe Smith, after his divorce from Mary, was ordered to pay $250 a month in child support, plus another $50 a month for the orthodonist. At the time this sum was set, Joe earned $12,400 a year and Mary earned nothing. Subsequently Joe lost his job and was re-employed at a lower salary—$7,500 a year, or $625 a month. Meanwhile, Mary got a job that paid $700 a month. Joe went to court to seek a reduction in his support payments on ERA ground and he won. But the court was explicit in saying that the support obligation of each spouse is to be determined "in accordance with his or her capacity and ability" to pay.

Equality under law does not require a woman to contribute half of the family's needs. Nor does it take alimony from a woman who has no job, no training and no chance to acquire either. It does mean that the wife's income is considered in determining the husband's support duties.

In the past, a husband could sue for loss of consortium, or the loss of his wife's sexual attentions. The suit typically arose when the wife suffered some physical injury. (I remember in my law books a plethora of 19th-century women who were always getting hit by carriages!) A wife had no corresponding right because, remember, she was not a person under the law. But that is no longer the case in Pennsylvania, thanks to Mrs. John B. Hopkins. She successfully sued a Philadelphia doctor on ERA grounds for the loss of her husband's sexual comforts when the doctor allegedly caused certain bladder and bowel problems in her husband.

Men and women traditionally have been treated differently under the law because of physical stature. Thus, legislation "protected" women from working long hours, participating in sport and joining the armed services. What happens to such legislation under ERA?

With regard to labor laws protecting women, Washington State has extended all its laws to include men. And is this not a better result? Now the 100-pound male is prevented from over-exertion, just as is the 100-pound female, while the 200-pound woman is free to work overtime or on a night shift job.

In sports, women's participation has changed a lot since my girlhood (I retired from athletics at the age of 15 in favor of "feminity"), and ERA can make it a lot easier for them, as in the case of Carol and Delores Darrin, sisters who were students in 1972 at Wishkah Valley High School, in Grays Harbor County, Washington. Carol, then a junior, was five feet six inches tall and weighed 170 pounds; Delores, a freshman, was five feet nine and weighed 212 pounds.

Both girls played on the high-school football team. Both had passed the physical examination, met the insurance requirements, played the necessary number of practice games, and except for the fact that they were girls, would have met the standards of the Washington Interscholastic Activities Association (WIAA) for qualified football players.

Their parents sued when the WIAA refused to permit the girls to play. And the Darrins won. According to the state supreme court, the fact that certain characteristics appear to a greater degree in one sex than in the other does not warrant the exclusion of the entire sex from any activity. Under the law, all requirements having been met, it is up to the child and coach to judge if that child is a fit competitor.

No ERA issue has raised more fear than that of women in the military. We must begin, of course, with the understanding that there is no draft. We also begin with the fact that there are already 109,000 women currently in the service. They are there by choice. Military benefits, once the almost exclusive preserve of the male, are opening to women, and ERA can improve their benefits even more.

But critics retort, what if there is a war? Women should not be subjected to the battlefield. To them I must point out that there were never more women in the military than during World War II; in May, 1945, 266,300 women were on active duty. And no military service in the world, including Israel, uses women as battle troops.

Basic training for women is slightly less strenuous than for men. On the first try, more women fail the physical tests. After that, however, their success rate is higher. Where women meet the most problems is in leadership training. But in the future, in the spirit of ERA, the Army will concentrate on teaching leadership to women. That certainly seems to me a step toward real equality.

Some state laws have been upheld in spite of the ERA challenge. Washington was faced with the much-discussed problem of unisex bathrooms. Did the Equal Rights Amendment compel the legislature to act against their good sense and demand coed toilets? Of course not. Under the United States Constitution, all persons enjoy a right to privacy. It is this right that allows any person to seek birth-control information, whether the person is married or single, and that allows a woman to have an abortion if she so chooses. This same right to privacy, says the State of Washington, also prevents the imposition of unisex bathrooms on its citizens.

Nor does ERA sanction homosexual marriage. In one case two men, Singer and Barwick, sought to acquire a marriage license from the auditor of King County, in Seattle: The county laws required that "persons of the age of 18 years, who are otherwise capable" shall be granted a marriage license. The auditor agreed that the couple met the first qualification but held they did not meet the second, and he denied them the license. Singer and Barwick sued on the grounds, that the denial was an unconstitutional discrimination based on sex. The state court of appeals disagreed. The marriage statute, said the court, is founded upon the presumption that marriage as a legal relationship exists between a man and a woman. Nothing in the Equal Rights Amendment requires a change in that presumption.

Very few laws have actually been ruled unconstitutional and repealed under state ERAs. Washington repealed a 1963 statute giving women the right to enter any profession of their choosing—it was rendered unnecessary by the state ERA. There are other laws for which we can predict the scrap heap, like the Georgia law that claims, "The husband is head of the family and the wife is subject to him." Also in the suspect category are these: an Arizona law which stipulates that the governor, secretary of state and treasurer must be male; an Ohio law which provides that only men may serve as arbitrators in county court proceedings; a Wisconsin law which states that cosmeticians may work only on women.

What does all this mean? The principle summing it up is that under ERA, no longer will a state determine what legal rights are applicable to persons on the basis of sex. It is the individual, under Federal law, who will determine whether to play football, work a graveyard shift or join the Marines. We must remember that ERA will be a heritage for our children and our children's children. Should we not give them, at the very least, the option to be whatever they want to be regardless of whether it suits our present sense of propriety?

If we look over the stretch of history, we see that women have consistently fought for legal equality. They have not done so for frivolous reasons. They have sought the vote so that they could reform divorce laws that bound women to brutal, uncaring men. They fought to secure equal pay for equal work and to gain access to universities. Like the good Dutch father in New York, they fought because they recognized the fact that the best protection for women lies in equality under the law. Protection based on a stereotyped view of a woman's role impoverishes all but the few who conform. It is no tradeoff for a fair and equal system of justice.

YWCA DELEGATION ENDORSES ERA

Mr. BAYH. Mr. President, also at this time I would like to commend the National YWCA Convention delegation for voting unanimously to give its full support to efforts in Indiana to secure ratification of the Equal Rights Amendment. I ask unanimous consent that an article appearing in the South Bend Tribune regarding YWCA support for the ERA be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YWCA DELEGATION ENDORSES ERA

(By Mary Collins)

The National YWCA Convention delegation today voted unanimously to give its full support to efforts in Indiana to secure ratification of the Equal Rights Amendment (ERA).

An emotional response was given by the delegation as it endorsed a proposal vowing national YWCA support to Indiana and other states in securing ratification for the controversial amendment. Only four more states need to ratify the ERA to make it acceptable federally. The National YWCA has vowed support to the state YWCAs in efforts to bring about that ratification.

Norma Jean Ganaway, delegate representing the YWCA of St. Joseph County in South Bend, was the proponent of the resolution presented to the convention today, which stated, in part, "whereas Indiana has not ratified the Constitutional Amendment despite the vigorous efforts of Indiana YWCAs in coalition with other groups; therefore, be it resolved that we the YWCA of the U.S.A. in Convention assembled support YWCAs in Indiana as they continue to work toward ratification of this Amendment in the Indiana General Assembly in 1977; and be it further resolved that the YWCA work cooperatively with other organizations in support of the ratification in the remaining states; including disseminating a fact sheet to answer many of the questions about the ERA."

In her presentation of the resolution, Ms. Ganaway told the Convention, "We are embarrassed because we have not passed the ERA amendment in our legislature. We would like your support."

Following a loud standing ovation in response to that statement, she announced, "I have been more often discriminated against because I am a woman than because I am black."

After another round of cheers, the convention started an enthusiastic rally for the ERA. Signs emerged from everywhere in the convocation room of the Athletic and Convocation Center, and a march brought non-delegate visitors out of the bleachers and onto the main floor, which at all other times was strictly designated for voting delegates only.

Others in the bleachers did not attempt to join the cheering crowd on the main floor, but displayed a large sign: "The peanut gallery says: All the Way with ERA."

The voice of Helen Reddy resounded loudly throughout the room on a taped version of her 1974 hit, "I Am Woman." The crowd of delegates marched and clapped to the song, singing loudly with it, and a member of the committee that developed the approved resolution led the group repeatedly in the cheer: "Who are we? YWCA. What do we want? ERA. How many more (states)? Only four."

The enthusiasm and emotion that swept the group was shown through sobs, hugs and smiles that were so wide, many women rubbed sore faces. The age range was from early teens to the late 80s, and the enthusiasm was spread evenly among members of all age groups.

A white-haired woman danced to the rhythmic celebration next to a young girl who found room to hug her friend, and middle-aged delegates screamed that their daughters and granddaughters deserved equality.

The convention leaders expressed appreciation for the rally, which was loud but well-ordered. The delegates who had been expected to give such responses to several of the issues dealt with at the convention, notably the reaffirmation of the One Imperative and of the status of the YWCA as an Autonomous Women's Movement, were raising their voices in unison for the first time.

No arguments on parliamentary procedure distracted their concentration from the issue at hand, and not one delegate voted against the resolution.

Following the rally, Ms. Ganaway discussed the resolution and its implications outside the convention hall. She said a concentrated effort never before put forth by the YWCA would now be started in Indiana, in cooperation with other groups fighting for ratification of the amendment.

She said information would be disseminated to educate residents of Indiana who have long misunderstood many elements of its implications, and that legislators running for state General Assembly offices in November would be contacted and questioned about their stand on the issue.

BICENTENNIAL MINUTES

Mr. SCHWEIKER. Mr. President, on June 27, 1974, I joined in with several of my colleagues from the 13 Original Colonies in supporting Senate Resolution 353, commending the CBS Television Network for initiating its series called the Bicentennial Minutes. In commemorating our Nation's 200th birthday, the series, presented each evening in prime time, has highlighted important people, places, and events in our Nation's struggle for independence.

The series was to conclude July 4, but CBS has elected to extend it at least through 1976.

At this time, Mr. President, I ask unanimous consent that there be printed in the RECORD a list of all the participants in this series starting on July 4, 1974, and concluding with the appearance of Mrs. Gerald Ford on July 4, 1976. I also ask unanimous consent to have printed in the RECORD an excerpt from the RECORD of June 27 relating to Senate Resolution 353.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BICENTENNIAL MINUTES

Air date, subject, and narrator:

1—July 4, 1974, George Washington, Charlton Heston.

2—July 5, 1974, Boston Blockade, Richard Widmark.

3—July 6, 1974, Alexander Hamilton, Richard Thomas.

4—July 7, 1974, Sam Adams, Edward Asner.

5—July 8, 1974, Martha Washington, Jean Stapleton.

6—July 9, 1974, French Settlers, Louis Jourdan.

7—July 10, 1974, Samuel Dyer, James Franciscus.

8—July 11, 1974, William Johnson, George Kennedy.

9—July 12, 1974, Chief Logan, Glenn Ford.

10—July 13, 1974, Runaway Slave, Gail Fisher.

11—July 14, 1974, Fasting in Boston, Cloris Leachman.

12—July 15, 1974, Felons, Jack Klugman.

13—July 16, 1974, Post Office, Walter Cronkite.

14—July 17, 1974, John Adams, Tony Randall.

15—July 18, 1974, Smallpox, Arthur Hill.

16—July 19, 1974, Junipero Serra, Ricardo Montalban.

17—July 20, 1974, Letter From England, George Peppard.

18—July 21, 1974, Catherine the Great, Zsa Zsa Gabor.

19—July 22, 1974, Benjamin Franklin, Lloyd Bridges.

20—July 23, 1974, New York Water, Valerie Harper.

21—July 24, 1974—Settlement Destroyed, Dennis Weaver.

22—July 25, 1974, Boston Prayers, Cleveland Amory.

23—July 26, 1974, Thomas Jefferson, Richard Chamberlain.

24—July 27, 1974, Georgia Imports, Eddie Albert.

25—July 28, 1974, New York Elects Delegates, George Segal.

26—July 29, 1974, No Commencement, Father Ellwood Kieser.

27—July 30, 1974, Marie Antoinette, Leslie Caron.

28—July 31, 1974, Energy Crisis, Richard Crenna.

29—August 1, 1974, Joseph Priestly, Linus Pauling.

30—August 2, 1974, Governor Bull, Burl Ives.

31—August 3, 1974, Lord Dunmore, James Earl Jones.

32—August 4, 1974, Captain Cook, Robert Vaughn.

33—August 5, 1974, Indentured Servants, Pat O'Brien.

34—August 6, 1974, Shakers, Michael Learned.

35—August 7, 1974, Sam Adams, Edward Asner.

36—August 8, 1974, Lord Percy, Roddy McDowall.

37—August 9, 1974, Father Crespi, Cesar Romero.

38—August 10, 1974, Delegates to Congress, Carl Reiner.

39—August 11, 1974, Thomas Jefferson, Alan Alda.

40—August 12, 1974, New York Watchman, Joseph Wambaugh.

41—August 13, 1974, Captain Amero Andre, Ted Knight.

42—August 14, 1974, Actors/Charles Town, Rosalind Russell.

43—August 15, 1974, Rev. Samuel Peters, Norman V. Peale.

44—August 16, 1974, Voltaire/Lord Chesterfield, Rod McKuen.

45—August 17, 1974, John Copley, Corita Kent.

46—August 18, 1974, John Hancock, Elizabeth Montgomery.

47—August 19, 1974, Abigail Adams, Shirley Jones.

48—August 20, 1974, Boston Suffering, David Janssen.

49—August 21, 1974, Israel Putman, Henry Fonda.

50—August 22, 1974, John Adams, Bea Arthur.

51, August 23, 1974, James Madison, Beau Bridges.

52, August 24, 1974, Salem Town Meeting, Will Geer.

53, August 25, 1974, Quebec Act, William Shatner.

54, August 26, 1974, Best Selling Novels, Irving Wallace.

55, August 27, 1974, The Orrery, Dr. William Kaufman.

56, August 28, 1974, Daniel Boone, Sen. Huddleston.

57, August 29, 1974, Delegates Arrive in Philly, Make Douglas.

58, August 30, 1974, Chief Justice Mobbed, Barry Sullivan.

59, August 31, 1974, Augustine Prevost, David Steinberg.

60, September 1, 1974, British Seize Arsenal, Sen. Brooke.

61, September 2, 1974, Alarm at Cambridge, Carol Burnett.

62, September 3, 1974, Col. Israel Putnam, Gen. Gavin.

63, September 4, 1974, Hudson's Bay Colony, Chuck Conners.

64, September 5, 1974, Carpenters Hall, Sen. Hugh Scott.

65, September 6, 1974, Patrick Henry, Harry Byrd.

66, September 7, 1974, Prayer in Congress, Chaplain Elson.

67, September 8, 1974, Letter to England, Bob Reiner.

68, September 9, 1974, Deserter Executed, Patricia Neal.

69, September 10, 1974, Casanova, Hugh Hefner.

70, September 11, 1974, Food in Philly, Euell Gibbons.

71, September 12, 1974, Indian Civilization, Major Bradley.

72, September 13, 1974, James Boswell, Melvin Belli.

73, September 14, 1974, Jews in Savannah, Harry Golden.

74, September 15, 1974, Mrs. Ludeman, Joan Rivers.

75, September 16, 1974, Congress Entertained, Georgie Jessel.

76, September 17, 1974, Suffolk Resolves, Arthur Schlesinger.

77, September 18, 1974, Colonial Dances, Gene Kelly.

78, September 19, 1974, Exams at Princeton, Sen. Harrison Williams.

79, September 20, 1974, John & Abigail Adams, Betty White.

80, September 21, 1974, Formation of the Minute Men, Gen. Omar Bradley.

81, September 22, 1974, Pope Clement XIV, Bishop Gilbert Chavez.

82, September 23, 1974, Sugar Smuggling, Robert Stack.

83, September 24, 1974, Boston Mechanics, Major Abe Beame.

84, September 25, 1974, Clementina Rind, Gloria Steinem.

85, September 26, 1974, Connecticut, Sen. Lowell Weicker.

86, September 27, 1974, Maryland, Sen. J. Glenn Beall.

87, September 28, 1974, Joseph Galloway, Roscoe Lee Browne.

88, September 29, 1974, Charles Peale, Al Capp.

89, September 30, 1974, King George III, Alfred Hitchcock.

90, October 1, 1974, Georgia, Sen. Sam Nunn.

91, October 2, 1974, Sharp-Shooting Yankee, Sam Peckinpah.

92, October 3, 1974, New Smyrna, Telly Savalas.

93, October 4, 1974, Rev. Samuel Peters, Dr. Joyce Brothers.

94, October 5, 1974, Plymouth Rock, Billy Graham.

95, October 6, 1974, Rhode Island, Sen. Claiborne Pell.

96, October 7, 1974, Fire in Salem, Barbara Rush.

97, October 8, 1974, Lord Mayor Wilkes, John Houseman.

98, October 9, 1974, George Washington Writes a Letter, Dr. John Hubbard.

99, October 10, 1974, Chief Cornstalk, Harvey Korman.

100, October 11, 1974, Massachusetts, Henry Cabot Lodge.

101, October 12, 1974, Border Dispute, Theodore Kheel.

102, October 13, 1974, Edmund Burke, Ed McMahon.

103, October 14, 1974, Decl. of Rights & Grievances, Sen. Thomas McIntyre.

104, October 15, 1974, Stiegel/Glass Maker, Thomas Hoving.

105, October 16, 1974, Ghost Story, Vincent Price.

106, October 17, 1974, New York Newspaper, Dorothy Schiff.

107, October 18, 1974, Delaware, Sen. Joe Biden.

108, October 19, 1974, SS Peggy Stewart, Harold Robbins.

109, October 20, 1974, South Carolina, Sen. Thurmond.

110, October 21, 1974, Appeal to the English, Sen. Walter Mondale.

111, October 22, 1974, Lord North, Peter Finch.

112, October 23, 1974, Gun Running, Scott Carpenter.

113, October 24, 1974, Georgia Farm Land, Roy Clark.

114, October 25, 1974, Ladies of Edenton, Dinah Shore.

115, October 26, 1974, Petition of Grievances, Jack Valenti.

116, October 27, 1974, Musical Concert, Andre Kostelanetz.

117, October 28, 1974, Delegates on the Road, Charles Kuralt.

118, October 29, 1974, New York Garbage Collections, Nancy Walker.

119, October 30, 1974, Slavery in Connecticut, Esther Rolle.

120, October 31, 1974, Joseph Hewes, Fannie Flagg.

121, November 1, 1974, Thomas Hutchinson, Diahann Carroll.

122, November 2, 1974, Omiah Visits England, James Wong Howe.

123, November 3, 1974, SS Maria Wilhelmina, Wally Schirra.

124, November 4, 1974, Phyneas Lyman, Jim Brown.

125, November 5, 1974, Guy Fawkes Day, Dina Merrill.

126, November 6, 1974, Volunteers Take Stand, Richard Kiley .

127, November 7, 1974, Shipment of Sheep, Cliff Robertson.

128, November 8, 1974, Jockey Club Races, Willie Shoemaker.

129, November 9, 1974, John Wilkes, Graham Kerr.

130, November 10, 1974, Detroit Garrison, Smokey Robinson.

131, November 11, 1974, Washington Takes Command, Pat Hingle.

132, November 12, 1974, Chief Logan, Chief Byron Tsingine.

133, November 13, 1974, Juan Bautista de Anza, Fernando Lamas.

134, November 14, 1974, Nehemiah Strong, Roger Price.

135, November 15, 1974, Winter Barracks, Monty Hall.

136, November 16, 1974, Cost of Cussing, Edgar Bergen.

137, November 17, 1974, Josiah Quincy, Jr., Joe Don Baker.

138, November 18, 1974, King George III, Roddy McDowall.

139, November 19, 1974, Male Doctors, Dr. Lee Salk.

140, November 20, 1974, Nagging Wife, Martha Mitchell.

141, November 21, 1974, Newgate Prison, Mickey Spillane.

142, November 22, 1974, Pennsylvania Magazine, Norman Cousins.

143, November 23, 1974, Freedom for Russians, John Astin.

144, November 24, 1974, Thanksgiving, Florence Henderson.

145, November 25, 1974, Dr. Abraham Chovet, James Daly.

146, November 26, 1974, Rev. Samuel Seabury, Pat Boone.

147, November 27, 1974, Crime in New York, Carroll O'Connor.

148, November 28, 1974, Corn Shucking, Lucille Ball.

149, November 29, 1974, King George III/ Parliament, Sen. Packwood.

150, November 30, 1974, Tom Paine, Peter Lawford.

151, December 1, 1974, Ban On Trade With Britain, Joseph Campanella.

152, December 2, 1974, Phillis Wheatley, Ossie Davis.

153, December 3, 1974, Gambling in the Colonies, Phyllis Diller.

154, December 4, 1974, Father Palou, Ross Martin.

155, December 5, 1974, Philadelphia Butchers, Ernest Borgnine.

156, December 6, 1974, A Drowned Sailor, Dean Jones.

157, December 7, 1974, Spermacetti Candles, Jack Warden.

158, December 8, 1974, Jefferson, Madison Elected, Sen. Pete Domenici.

159, December 9, 1974, Cannons at Newport, Sen. Pastore.

160, December 10, 1974, The Tory Opposition, Earl Holliman.

161, December 11, 1974, Dutch Christmas, Ann Blyth.

162, December 12, 1974, Banning a Puppet, Shari Lewis.

163, December 13, 1974, Paul Revere Raid on Ft. Wm. & Mary, Martin Sheen.

164, December 14, 1974, John Sullivan Raid on Ft. Wm. & Mary, Martin Sheen.

165, December 15, 1974, Alexander Hamilton, Patrick O'Neal.

166, December 16, 1974, Invincible Americans, George Montgomery.

167, December 17, 1974, Liberty Poles, Cyril Ritchard.

168, December 18, 1974, 1775 Almanacs, Gena Rowlands.

169, December 19, 1974, A Jew is Elected, Sam Levinson.

170, December 20, 1974, King George III, Rod Serling.

171, December 21, 1974, Prison Conditions, Broderick Crawford.

172, December 22, 1974, Forefather's Day, Pearl Bailey.

173, December 23, 1974, Count Rumford, Robert Horton.

174, December 24, 1974, Church Bell Hung, Sally Field.

175, December 25, 1974, Moravian Christmas, Sen. Sam Ervin.

176, December 26, 1974, Classes for Working Girls, Raquel Welch.

177, December 27, 1974, Masons/St. John's Day, Bill Bixby.

178, December 28, 1974, A Storm at Sea, William Manchester.

179, December 29, 1974, Poor Make Bricks, Simon Oakland.

180, December 30, 1974, Mazzei/Wine Business, Kaye Ballard.

181, December 31, 1974, A Poem for 1775, Richard Basehart.

182, January 1, 1975, No More Fireworks, Ida Lupino.

183, January 2, 1975, 3 Die in Sleigh Accident, Leslie Nielsen.

184, January 3, 1975, Josiah Quincy Writes a Letter, Howard Duff.

185, January 4, 1975, Raids on Bakeries, Peter Bonerz.

186, January 5, 1975, Quakers Told to Stay Neutral, William Windom.

187, January 6, 1975, Twelfth Night, Gordon MacRae.

188, January 7, 1975, An Electricity Show, Don Adams.

189, January 8, 1975, Boston Blue Laws, Michael Constantine.

190, January 9, 1975, Make A Report to Spain, Sheldon Leonard.

191, January 10, 1975, George Washington's Herring, John Forsythe.

192, January 11, 1975, Traffic Laws for Boston, Tony Orlando.

193, January 12, 1975, Tortured & Enslaved by Pirates, Rosey Grier.

194, January 13, 1975, Sam Adams Defending Himself, Ralph Bellamy.

195, January 14, 1975, Execute Rebel Leaders, George Grizzard.

196, January 15, 1975, Mercy Warren's "The Group," Anne Francis.

197, January 16, 1975, An Indentured Schoolmaster, Monte Markham.

198, January 17, 1975, Ben Franklin's 69th Birthday, Sen. John Tunney.

199, January 18, 1975, The Queen's Birthday, Rudy Dee.

200, January 19, 1975, Earl of Chatham in Parliament, Lief Erickson.

201, January 20, 1975, Drunken Soldiers in Boston, Jack Cassidy.

202, January 21, 1975, Russian Rebel Beheaded, John Dehner.

203, January 22, 1975, Price-Gouging, McLean Stevenson.

204, January 23, 1975, A War of Words, John Saxon.

205, January 24, 1975, Troops to Marshfield, Wayne Rogers.

206, January 25, 1975, Smallpox in Boston, Harry Guardino.

207, January 26, 1975, Tories Win By Single Vote, Jim Backus.

208, January 27, 1975, Black Craftsmen, Greg Morris.

209, January 28, 1975, Forging Ahead, Sen. Richard Schweiker.

210, January 29, 1975, Sam Adams & The Minute Men, Robert Culp.

211, January 30, 1975, Ethan Allen's Green Mountain Boys, Warren Oates.

212, January 31, 1975, Cure For The Common Cold, Dick Sargent.

213, February 1, 1975, Plea by the Earl of Chatham, Gene Barry.

214, February 2, 1975, Aaron Burr, Gore Vidal.

215, February 3, 1975, The Generous Americans, Richard Dawson.

216, February 4, 1975, Hartford Powder Incident, Robert Conrad.

217, February 5, 1975, Abigail Adams, Lee Grant.

218, February 6, 1975, Lord Dartmouth, David Frost.

219, February 7, 1975, Jail Breakout, Andy Griffith.

220, February 8, 1975, Hard Time on Job, Keenan Wynn.

221, February 9, 1975, Schoolmaster Repents, Cleveland Amory.

222, February 10, 1975, Mayor Dragged Thru Streets, Alan Arkin.

223, February 11, 1975, Town Built from Scratch, Merle Haggard.

224, February 12, 1975, Physician Heal Thyself, John Davidson.

225, February 13, 1975, War Clouds, Patty Duke Astin.

226, February 14, 1975, Valentine's Barb, Helen Reddy.

227, February 15, 1975, Bootleg Molasses, Jonathan Winters.

228, February 16, 1975, British Troops Ship For Amer., Lloyd Bochner.

229, February 17, 1975, Americans Train for Battle, James Drury.

230, February 18, 1975, Slaves Plot, John Amos.

231, February 19, 1975, The Candle Affair, Rich Little.

232, February 20, 1975, Lord North's Tax Plan, Francine Neff.

233, February 21, 1975, Justice Drayton's Charge, John Randolph.

234, February 22, 1975, George Washington's Birthday, Edward Binns.

235, February 23, 1975, British Spies, Carl Betz.

236, February 24, 1975, David Rittenhouse, Dr. Frank Baxter.

237, February 25, 1975, Franklin Reports from London, Hugh O'Brian.

238, February 26, 1975, Incident at Salem Bridge, Forrest Tucker.

239, February 27, 1975, Cargo Dumped, Steve Allen.

240, February 28, 1975, Hospital Burns, Pamela Mason.

241, March 1, 1975, Americans Stop Drinking Tea, Sada Thompson.

242, March 2, 1975, Crime and Punishment, John Ireland.

243, March 3, 1975, Tom Paine, Martin Balsam.

244, March 4, 1975, Sam Adams, Vince Edwards.

245, March 5, 1975, Indians in Pennsylvania, Robert Foxworth.

246, March 6, 1975, Boston Massacre, Dave Garroway.

247, March 7, 1975, Ship's Captain Beaten, Buddy Ebsen.

248, March 8, 1975, Washington's Folly, June Lockhart.

249, March 9, 1975, Tar & Feather a Yankee, Bob Crane.

250, March 10, 1975, Daniel Boone, Howard Keel.

251, March 11, 1975, George Washington's Orchard, June Allyson.

252, March 12, 1975, Benedict Arnold, Michael Ansara.

253, March 13, 1975, Cumberland County Courthouse, Slim Pickens.

254, March 14, 1975, Transylvania, Loretta Lynn.

255, March 15, 1975, An Illegal Election, Edmund G. Brown.

256, March 16, 1975, Indian Allies, Iron Eyes Cody.

257, March 17, 1975, St. Patrick's Day, Mitzi Gaynor.

258, March 18, 1975, Rebel Bullets, Jeanette Nolan.

259, March 19, 1975, John Hancock, Peter Graves.

260, March 20, 1975, British Spies, Rod Taylor.

261, March 21, 1975, Ben Franklin Leaves England, Tony Franciosa.

262, March 22, 1975, Edmund Burke, Ronald Reagan.

263, March 23, 1975, Patrick Henry, Burgess Meredith.

264, March 24, 1975, Compleat State of Defense, Henry Silva.

265, March 25, 1975, Improved Militia, Robert Reed.

266, March 26, 1975, Rebel Women, Hope Lange.

267, March 27, 1975, Yankee Doodle, Victor Borge.

268, March 28, 1975, Traitor Doctor, Dr. Edgar Mitchell.

269, March 29, 1975, A Spy in Canada, Paul Burke.

270, March 30, 1975, A False Alarm, Andrew Duggan.

271, March 31, 1975, New England Restraining Bill, Robert Lansing.

272, April 1, 1975, Travel Plans, Peter Haskell.

273, April 2, 1975, Gunpowder Boom, Dane Clark.

274, April 3, 1975, Counterfire Assembly, John McIntire.

275, April 4, 1975, Asking Indians to Attack, Sal Mineo.

276, April 5, 1975, Rebel Bullets, Janet Leigh.

277, April 6, 1975, No Delegates From Georgia, Pernell Roberts.

278, April 7, 1975, Aunt Lydia, Eve Arden.

279, April 8, 1975, United New England, Jack Kelly

280, April 9, 1975, Runaway Spy, Jack Gilford.

281, April 10, 1975, Tory Leader Flees, Art Linkletter.

282, April 11, 1975, Challenge to Rebels, Lee Meriwether.

283, April 12, 1975, Lord Effingham, Patrick MacNee.

284, April 13, 1975, Spy Reports to General Gage, Raymond St. Jacques.

285, April 14, 1975, 1st. Anti-Slavery Society, Maya Angelou.

286, April 15, 1975, British Troops on the Move, Robert Brown.

287, April 16, 1975, Paul Revere, William Christopher.

288, April 17, 1975, Concord Arsenal Moved, George Plimpton.

289, April 18, 1975, Paul Revere's Ride, William DeVane.

290, April 19, 1975, Lexington and Concord, Walter Cronkite.

291, April 20, 1975, Hannah Winthrop, Rosemary Murphy.

292, April 21, 1975, Showdown Over Gunpowder, Tige Andrews.

293, April 22, 1975, Benedict Arnold, Karl Malden.

294, April 23, 1975, New York Gets The News, Sen. Alan Cranston.

295, April 24, 1975, Israel Bissell, Don Defore.

296, April 25, 1975, Army Out of Chaos, Farley Granger.

297, April 26, 1975, Rebels Dig In, Alvin Toffler.

298, April 27, 1975, Exodus From Boston, Don Ameche.

299, April 28, 1975, Revolutionary PR Campaign, Scoey Mitchell.

300, April 29, 1975, Rachel Revere, Kim Hunter.

301, April 30, 1975, Benedict Arnold, Jack Albertson.

302, May 1, 1975, A Peace Mission to Gen. Gage, Orson Bean.

303, May 2, 1975, A Redcoat's Wife Writes Home, Judy Carne.

304, May 3, 1975, Governor Was Deposed, John Anderson.

305, May 4, 1975, Virginians Praised Patrick Henry, Edward Albee.

306, May 5, 1975, Benjamin Franklin Comes Home to War, Amanda Blake.

307, May 6, 1975, A Wild Welcome in New York, Gary Crosby.

308, May 7, 1975, Quakers Were Drilling in Philadelphia, Vera Miles.

309, May 8, 1975, A Private Peace Mission, Richard Anderson.

310, May 9, 1975, Arnold And Allen Argued For Command, Robert Fuller.

311, May 10, 1975, Capture of Fort Ticonderoga, Kenneth Mars.

312, May 11, 1975, The 2nd Continental Congress, Rep. John Rhoades,

313, May 12, 1975, Crown Point & Fort George Were Captured, Dale Robertson.

314, May 13, 1975, General Putnam Paraded His Troops, Dana Andrews.

315, May 14, 1975, A Tory College President Ran, Joan Hackett.

316, May 15, 1975, An Exhausting Pace at 2nd Cont. Congress, Sen. Robert Byrd.

317, May 16, 1975, Loved the Hand, Hated the Politics, Larry Hagman.

318, May 17, 1975, Boston in Danger if Burning, F. Lee Bailey.

319, May 18, 1975, Benedict Arnold Took St. John, Jimmy Breslin.

320, May 19, 1975, Food Prices For The Army, Mary Travers.

321, May 20, 1975, A Mecklenburg Decl. of Indepen., Robert Merrill.

322, May 21, 1975, A Hay Raid on Grape Island, Dick Cavett.

323, May 22, 1975, Abigail Adams Wrote About Boston, Laraine Day.

324, May 23, 1975, Democratic Government in Transylvania, Marshall Efron.

325, May 24, 1975, John Hancock Pres. of the 2nd Congress, Thomas P. O'Neill.

326, May 25, 1975, 3 British Generals in Boston, Art Carney.

327, May 26, 1975, A Visit From a British Doctor, Kevin McCarthy.

328, May 27, 1975, Victory at Hogg Island, Heywood Hale Broun.

329, May 28, 1975, Winning British Sympathy, Ron Nessen.

330, May 29, 1975, Captain Was Stealing Sheep, Jim Bouton.

331, May 30, 1975, British Raiders Wreck Ft. Wm. and Mary, Larry Blyden.

332, May 31, 1975, Josiah Martin Knew It Was Time To Leave, Benny Goodman.

333, June 1, 1975, Overage Germans Trained to Fight, Hal Prince.

334, June 2, 1975, An Attack on New Mexico's Apache, Joseph Montoya.

335, June 3, 1975, A Near-Riot Over Flour, Harriet Van Horne.

336, June 4, 1975, Appeal From Massachusetts for Powder, Norman Rosten.

337, June 5, 1975, Another Town Called Lexington, Beverly Sills.

338, June 6, 1975, An Exchange of Prisoners of War, Robert Griffin.

339, June 7, 1975, Major Skene Was Jailed in Phil., Leonard Nimoy.

340, June 8, 1975, Cancel Graduation Exercises, Milt Kamen.

341, June 9, 1975, Congress Assumed Government Power, Barry Newman.

342, June 10, 1975, Letters From Home, Tony Roberts.

343, June 11, 1975, An Attack on a British Warship, Pat Summerall.

344, June 12, 1975, Amnesty to the Rebels, Lynn Redgrave.

345, June 13, 1975, A Violent Impeachment, Roberta Peters.

346, June 14, 1975, An All-American Army, Bo Callaway.

347, June 15, 1975, Command of the Army to George Washington, General Weyand.

348, June 16, 1975, American Troops Fortified Bunker's Hill, Stacy Keach.

349, June 17, 1975, The Battle of Bunker Hill, Dan Rather.

350, June 18, 1975, The Battle of Bunker Hill Cont., Morley Safer.

351, June 19, 1975, Two American Martyrs Died, Anna Moffo.

352, June 20, 1975, George Washington Wrote Farewells, Loretta Swit.

353, June 21, 1975, Burying the Bunker Hill Dead, Estelle Parsons.

354, June 22, 1975, American Paper Money, Cong. John McFall.

355, June 23, 1975, Washington Left Philadelphia, Frank Langella.

356, June 24, 1975, James Monroe Stormed the Governor's Palace, Leon Jaworski.

357, June 25, 1975, New York Had a Protocol Problem, Jack Whitaker.

358, June 26, 1975, A Plan to Crush the American Rebels, Steve Forrest.

359, June 27, 1975, Invasion of Canada, Sen. John Tower.

360, June 28, 1975, Pledge of Neutrality from the Oneida Indians, Debra Paget.

361, June 29, 1975, A Letter to General Gage, Herschel Bernardi.

362, June 30, 1975, The Long Rifle, Fred Hofheinz.

363, July 1, 1975, 18 Men Deserted From the Amer. Army, Robert Webber.

364, July 2, 1975, A Send-Off in New Mexico, Buddy Rich.

365, July 3, 1975, General Washington Took Command, Lorne Greene.

366, July 4, 1975, Nathan Hale Enlisted, Joanne Woodward.

367, July 5, 1975, New York Welcomed Connecticut Troops, Cecil Smith.

368, July 6, 1975, Necessity to Bear Arms, Don Rumsfeld.

369, July 7, 1975, An Amer. Captain Was Dismissed as a Coward, Kris Kristofferson.

370, July 8, 1975, Olive Branch Petition, Carl Albert.

371, July 9, 1975, Washington Reported on the Army, Rudy Vallee.

372, July 10, 1975, Southern Rebels Pirated British Powder, Mark Spitz.

373, July 11, 1975, An American Gen. Cancelled a Reunion, Anthony Zerbe.

374, July 12, 1975, A Good Day's Work, Buckminster Fuller.

375, July 13, 1975, Spanish Landed in Washington, Christopher Kraft.

376, July 14, 1975, Health Standards for the Army, Dr. Denton Cooley.

377, July 15, 1975, Congress Agreed to Foreign Trade, Gen. Tom Stafford.

378, July 16, 1975, Abigail Adams Had a Request, Sandy Dennis.

379, July 17, 1975, Showdown Between Rebel & Tory Militia, Claude Akins.

380, July 18, 1975, Gen. Schuyler Arrived At Ticonderoga, Deke Slayton.

371, July 19, 1975, An Exercise in Terror, Eli Wallach.

382, July 20, 1975, A Day of Fasting and Prayer, Glynn Lunney.

383, July 21, 1975, Franklin's Plan for Union, Vance Brand.

384, July 22, 1975, British Deserters in the Amer. Camp, Melba Moore.

385, July 23, 1975, Washington Convinced Gen. Thomas To Stay, Cliff Gorman.

386, July 24, 1975, Letters From John Adams, Robert Morse.

387, July 25, 1975, John Trumbull, Soldier-Artist, Peter Nero.

388, July 26, 1975, Amer. Postal System, Benjamin Franklin Bailar.

389, July 27, 1975, Doctors for the Amer. Army, Dr. Michael DeBakey.

390, July 28, 1975, General Gage to London, Harold Gould.

391, July 29, 1975, First Treasurers, Kevin Dobson.

392, July 30, 1975, Backwoods Riflemen, Cameron Mitchell.

393, July 31, 1975, Burning Lighthouses, Dana Elcar.

394, August 1, 1975, Radical Article on Women, Shirley Chisholm.

395, August 2, 1975, Congress Adjourned, Jim Nabors.

396, August 3, 1975, Thomas Browne Was Tarred and Feathered, Judd Hirsch.

397, August 4, 1975, A Uniform for the Amer. Army, Brenda Vaccaro.

398, August 5, 1975, Bad Conditions at Fort Ticonderoga, Howard DaSilva.

399, August 6, 1975, Ending a Friendship with Wash. Charles Grodin.

400, August 7, 1975, War to East Florida, Frank Gorshin.

401, August 8, 1975, Rations for the Army, Craig Claiborne.

402, August 9, 1975, Women Factory Workers, Sylvia Sidney.

403, August 10, 1975, Support From Germany, Werner Klemperer.

404, August 11, 1975, Brawling in a Boston Street, John Cullum.

405, August 12, 1975, No Invasion of Nova Scotia, Hume Cronyn.

406, August 13, 1975, Washington and Gage on POW's, Douglas Edwards.

407, August 14, 1975, Bermudans Kept a Bargain With Americans, Ken Berry.

408, August 15, 1975, An Indian Tory-Molly Brant, Tammy Grimes.

409, August 16, 1975, Philip Freneau, Poet of the Revolution, Brendan Gill.

410, August 17, 1975, The Women of Newport, Donald Hornig.

411, August 18, 1975, A Grisly Token of Justice, Henry Darrow.

412, August 19, 1975, A Harsh Loyalty Oath, Jack Anderson.

413, August 20, 1975, A Fort at Tucson, Hal Linden.

414, August 21, 1975, Washington and Arnold Met on Canada, Ron Howard.

415, August 22, 1975, Wash. Banned Nude Bathing, Louise Latham.

416, August 23, 1975, A Proclamation Against Rebellion in America, Petula Clark.

417, August 24, 1975, The HMS Asia's Guns, Bella Abzug.

418, August 25, 1975, Celebration in St. Louis, Sy Oliver.

419, August 26, 1975, Plowed Hill, Tony Musante.

420, August 27, 1975, A British Soldier Complained, Clive Revill.

421, August 28, 1975, John Hancock Marries Dolly Quincy, Maureen Stapleton.

422, August 29, 1975, Heading for Canada, Jessica Walter.

423, August 30, 1975, Bombarding Stonington, Conn., Bernard Kalb.

424, August 31, 1975, Boston's Liberty Tree, Jessica Tandy.

425, September 1, 1975, The Culpeper Minute Men, Peter Rodino.

426, September 2, 1975, America's First Privateer, Richard Castellano.

427, September 3, 1975, Ordering Boats for Canada, Dan Frazer.

428, September 4, 1975, Surgeon General was Accused, Christopher George.

429, September 5, 1975, Petition From British Businessmen, Jerome Lawrence.

430, September 6, 1975, An Ambush Near St. John's Quebec, John Ericson.

431, September 7, 1975, A Preacher Was Held in Boston, David Hartman.

432, September 8, 1975, An Epidemic in Massachusetts, Dorothy McGuire.

433, September 9, 1975, An Empty Harbor in Philadelphia, Robert Michel.

434, September 10, 1975, Washington Put Down a Mutiny, Jan-Michael Vincent.

435, September 11, 1975, Washington's Attack Plan Rejected, Louis L'Amour.

436, September 12, 1975, Aaron Burr Joined Arnold's Expedition, Lloyd Nolan.

437. September 13, 1975, No Attack on Detroit, Bob Barker.

438, September 14, 1975, Bunker Hill Wounded to England, Yul Brynner.

439, September 15, 1975, Washington Asked for Tolerance, Mort Sahl.

440, September 16, 1975, Adams and Dickinson Snubbed Each Other, James Clavell.

441, September 17, 1975, The Siege of St. John's, Craig Stevens.

442, September 18, 1975, A Secret Arms Committee, Don Meredith.

443, September 19, 1975, A POW Asked to Wear His Sword, Gavin MacLeod.

444, September 20, 1975, Patrick Henry Took Command, Nanette Fabray.

445, September 21, 1975, Washington Begged For Help, Bill Macy.

446, September 22, 1975, Asking Louis XVI's Support, for Americans, Philippe Cousteau.

447, September 23, 1975, A Town Divided, Joan Diener.

448, September 24, 1975, Debate on Clothing the Army, Dionne Warwicke.

449, September 25, 1975, Ethan Allen Was Captured, Neville Brand.

450, September 26, 1975, Parley at Fort Pitt, John Carradine.

451, September 27, 1975, Ban on Gambling, Harry James.

452, September 28, 1975, Philadelphia's Harbor Defenses, Vincent Bugliosi.

453, September 29, 1975, Benjamin Church Arrested as a Spy, Daniel Schorr.

454, September 30, 1975, Seize Norfolk's Printing Press, Nat Hentoff.

455 October 1, 1975, Abigail Adam's Mother Died, Shelley Winters.

456, October 2, 1975, An Unsafe Harbor, Gale Gordon.

457, October 3, 1975, Peter Edes Was Freed From Jail, Richard Brooks.

458, October 4, 1975, Harvard's Temporary Campus, Lynda Day George.

459, October 5, 1975, A Rebuke for Captain Morgan, Tony Lo Bianco.

460, October 6, 1975, A Tory Doctor Was Jailed, Nancy Malone.

461, October 7, 1975, An Unexpected Answer From the Empress Catherine, Dina Merrill.

462, October 8, 1975, Ban on Black Enlistments, Norman Van Lier.

463, October 9, 1975, How to Divide One Duck, Gary Burghoff.

464, October 10, 1975, Howe Replaced Gage, Deborah Kerr.

465, October 11, 1975, Independence, Newton Minow.

466, October 12, 1975, Debate Over Foreign Trade, Warren Lebeck.

467, October 13, 1975, An American Naval Force, William Middendorf.

468, October 14, 1975, Another Governor in Exile, Mike Royko.

469, October 15, 1975, Congressional Investigators at HQ, Dorothy Malone.

470, October 16, 1975, A Duel With Pistols, Allen Ludden.

471, October 17, 1975, Americans Captured Chambly, Robert Goulet.

472, October 18, 1975, Falmouth Was Destroyed, Glen Campbell.

473, October 19, 1975, Escape from a British Ship, Trish Van Devere.

474, October 20, 1975, The Pine Tree Flag, Frankie Laine.

475, October 21, 1975, Benedict Arnold's Camp Flooded, Hoyt Axton.

476, October 22, 1975, Privateers Put Out To Sea, John Gavin.

477, October 23, 1975, San Francisco, Vikki Carr.

478, October 24, 1975, Ships Had New Names, Carol Kimmel.

479, October 25, 1975, Colonel Enos Quit Arnold's Army, Ed Ames.

480, October 26, 1975, The Opposition Was Broken, Jason Evers.

481, October 27, 1975, Old South Church Was Gutted, Mortimer Adler.

482, October 28, 1975, Three Proclamations by Howe, Irving Stone.

483, October 29, 1975, Washington Lost His Aide, Irv Kupcinet.

484, October 30, 1975, A Radical's Suspicions, Studs Terkel.

485, October 31, 1975, Benedict Arnold's Men Were Starving, Neil Sedaka.

486, November 1, 1975, Two Women on the March to Canada, Maria Tallchief.

487, November 2, 1975, Firewood for the Army, Raymond Massey.

488, November 3, 1975, St. John's Surrendered, Richard Deacon.

489, November 4, 1975, Dolly Hancock, Anne Baxter.

490, November 5, 1975, Guy Fawkes Day Banned by Wash., Ann B. Davis.

491, November 6, 1975, A Patriot Coverup, Theodore Bikel.

492, November 7, 1975, Freedom to Black Fighters, Kareem Abdul-Jabbar.

493, November 8, 1975, The Hair Buyer, Rex Reed.

494, November 9, 1975, An Oath of Secrecy, Pete Hamill.

495, November 10, 1975, An American Marine Corps, Gen. Kenneth Houghton.

496, November 11, 1975, Lord Germain to Replace Lord Dartmouth, Robert Stephens.

497, November 12, 1975, A Naval Battle At Charleston, S.C., Derrick Butler.

498, November 13, 1975, Montreal Surrendered, Joel Grey.

499, November 14, 1975, Washington Was Waiting for Wine, James Beard.

500, November 15, 1975, Guy Carleton Escaped, David Wayne.

501, November 16, 1975, Looking Ahead to 1975, Carla Hills.

502, November 17, 1975, A Disgrace to Washington's Navy, John Raitt.

503, November 18, 1975, American Turtle, Irene Worth.

504, November 19, 1975, Arrest John Connolly, Paul Sorvino.

505, November 20, 1975, Washington Was Worried About Re-Enlistments, Norman Fell.

506, November 21, 1975, The Battle of "96", Steve Lawrence.

507, November 22, 1975, New Yorkers Outraged, Paddy Chayefsky.

508, November 23, 1975, Washington Ordered Thanskgiving, Cardinal Cody.

509, November 24, 1975, A Ball Honoring Martha Washington, Eydie Gorme.

510, November 25, 1975, Smallpox Victims at Point Shirley, Luther Adler.

511, November 26, 1975, Instructions To Make Saltpeter, Julia Meade.

512, November 27, 1975, Washington's Instructions on Charity, Charles Percy.

513, November 28, 1975, Nancy Was Captured, Barry Nelson.

514, November 29, 1975, Committee of Secret Corres., Barbara Feldon.

515, November 30, 1975, Saint Andrew's Day, Art Lund.

516, December 1, 1975, Troops Try To Quit, Lilli Palmer.

517, December 2, 1975, Gen. Montgomery & Col. Arnold Met, Kent McCord.

518, December 3, 1975, Lt. Jones Raised the Flag, Adm. James Holloway.

519, December 4, 1975, Knox and Andre Met, Ken Howard.

520, December 5, 1975, New Jersey's Petition Was Voted Down, Irwin Shaw.

521, December 6, 1975, Salem Poor, Robert Hooks.

522, December 7, 1975, An American-Made Ale, Charles Durning.

523, December 8, 1975, Important New York Records, Maurice Nadjari.

524, December 9, 1975, Great Bridge, Robert Loggia.

525, December 10, 1975, Connecticut Troops Leave Army, Alfred Drake.

526, December 11, 1975, Ship Was Lost On St. Eustatius, James Jones.

527, December 12, 1975, Secret Letter to Spain, Leo Zeferetti.

528, December 13, 1975, Quaker Relief Mission, Bob Keeshan.

529, December 14, 1975, Two French Visitors Make An Offer, Richard Benjamin.

530, December 15, 1975, An American Crew Was Captured, Keene Curtis.

531, December 16, 1975, A New, Model Jail, Stuart Knight.

532, December 17, 1975, Relatives Got Five Captain's Jobs, Art Buchwald.

533, December 18, 1975, Captain Manley, Dick Gautier.

534, December 19, 1975, Three Gunsmiths To Leave the Colonies, Sam Jaffe.

535, December 20, 1975, A Salt Cargo Was Captured, Bess Myerson.

536, December 21, 1975, The Prohibitory Act, Joseph Papp.

537, December 22, 1975, Great Cane Brake, Dick Haymes.

538, December 23, 1975, $4 a Day for Being in Congress, Olivia De Havilland.

539, December 24, 1975, Knox Started His Show, Hugh Downs.

540, December 25, 1975, The Battle At Rampart Rocks, Paul Newman.

541, December 26, 1975, "Crush the Serpent . . . ", Robert Evans.

542. December 27, 1975, The Rattlesnake Flag, Jerry Orbach.

543. December 28, 1975, Archard de Bonvouloir, Robert Clary.

544, December 29, 1975, Lord Dunmore's Scots Were Free, Gail Patrick.

545, December 30, 1975, Ready to Die at Quebec, Carol Lawrence.

546, December 31, 1975, Americans Were Routed At Quebec, Vic Morrow.

547, January 1, 1976, New Flag Raised Over the Amer. Army, Kirk Douglas.

548, January 2, 1976, The British Burned Norfolk, Clifton Davis.

549, January 3, 1976, Donations of Hospital Supplies, Sam Groom.

550, January 4, 1976, Montgomery Was Buried With Honors, Gary Merrill.

551, January 5, 1976, New Hampshire Adopted a Const., Dr. Norman Topping.

552, January 6, 1976, Plan to Defend New York, Ed Nelson.

553, January 7, 1976, Schoolhouse Was Saved, Jackie Cooper.

554, January 8, 1976, Not All The Action Was on Stage, Laurence Luckinbill.

555, January 9, 1976, Valet as a Spy, Donald O'Connor.

556, January 10, 1976, *Common Sense* Was Published, Bradford Dillman.

557, January 11, 1976, Refusing To Accept Paper Money, Gus Yatron.

558, January 12, 1976, An Old Tory Stood Firm, George Rose.

559, January 13, 1976, Washington And Howe Had Trouble, Red Buttons.

560, January 14, 1976, Dr. Benjamin Rush Was Newly Married, Jane Wyatt.

561, January 15, 1976, Selling Hessian Troops to Britain, Hans Conried.

562, January 16, 1976, Stuck at Springfield, Marshall Thompson.

563, January 17, 1976, News of Quebec to Congress, Philip Abbott.

564, January 18, 1976, No Help For New York, John Lindsay.

565, January 19, 1976, Convoy Was Ready to Sail, John Warner.

566, January 20, 1976, Sir John Johnson, Warren Stevens.

567, January 21, 1976, Advice for a Prisoner of War, John Phillip Law.

568, January 22, 1976, Mass Arrests in Queen's County, NY, Gary Lockwood.

569, January 23, 1976, The *Blue Mountain Valley*, Georg Stanford Brown.

570, January 24, 1976, Washington Dined with the Indians, James Gregory.

571, January 25, 1976, Ethan Allen an Honored "Guest" in Cork, Gerald O'Loughlin.

572, January 26, 1976, William Franklin Was a Prisoner, Cornel Wilde.

573, January 27, 1976, Admiral Graves Gave Up Command, Stuart Whitman.

574, January 28, 1976, M'Fingal Was a Best-Seller, Dana Wynter.

575, January 29, 1976, Rumors About George and Martha, Beatrice Straight.

576, January 30, 1976, ***HMS Orpheus*** Makes Port, Ron Harper.

577, January 31, 1976, John Hancock Wanted to Resign, Curt Gowdy.

578, February 1, 1976, Keeping the Business Going, Jayne Meadows.

579, February 2, 1976, Command to Admiral Lord Howe, Mel Ferrer.

580, February 3, 1976, Quakers Felt Sam Adams' Wrath, Peter Fonda.

581, February 4, 1976, New Yorkers in a Panic, Milton Berle.

582, February 5, 1976, A Waterworks for New York City, Harrison Goldin.

583, February 6, 1976, "I Intend to Leave this Colony . . . ", Dick Lesher.

584, February 7, 1976, Flora MacDonald, Gisele MacKenzie.

585, February 8, 1976, Richard Price's New Book, Owen Kiernan.

586, February 9, 1976, Excused from Guard Duty, Morey Amsterdam.

587, February 10, 1976, Gadsden's Plea for Independence, William Spong.

588, February 11, 1976, Gen. Lee Worried New Yorkers, Tom Poston.

589, February 12, 1976, Parker's Convoy Sailed for Amer., Roger Moore.

590, February 13, 1976, A Speech by James Wilson, Pam Powell.

591, February 14, 1976, Ideas About Bows and Arrows, Debbie Reynolds.

592, February 15, 1976, Offer From Martinique, Trini Lopez.

593, February 16, 1976, Attack Boston Across The Ice, Gen. Gazzara.

594, February 17, 1976, The Fleet Sails, Andy Williams.

595, February 18, 1976, *The Decline and Fall of the Roman Empire,* Diana Muldaur.

596, February 19, 1976, Unexpected Sentiment in a Eulogy, William Daniels.

597, February 20, 1976, No Special Investigation, Sen. Gary Hart.

598, February 21, 1976, Hard Cash from the American Army, Gary Collins.

599, February 22, 1976, George Washington Was 44, Raymond Burr.

600, February 23, 1976, Wife Was Waiting, Rosemary DeCamp.

601, February 24, 1976, British POW's Were At Lancaster, Edward Mulhare.

602, February 25, 1976, A Letter from Gen. Washington, Dr. John Porter.

603, February 26, 1976, Cowards Are to Be Shot, Victor Buono.

604, February 27, 1976, Scots Loyalists Were Defeated, Paul Lambert.

605, February 28, 1976, Less Grumbling Aboard the *Ranger*, Arthur Godfrey.

606, February 29, 1976, Dealing With A British Agent, George Hamilton.

607, March 1, 1976, Silas Deane to France, John McMartin.

608, March 2, 1976, Patriots Burned Rice Ships, Doug Sanders.

609, March 3, 1976, The Marines Made Their First Landing, Christopher Stone.

610, March 4, 1976, Dorchester Heights, Michael Parks.

611, March 5, 1976, Rained Out, Darryl Hickman.

612, March 6, 1976, An Ad For Army Nurses, Brig. Gen. Madelyn Parks.

613, March 7, 1976, A Note to Washington, Ed Flanders.

614, March 8, 1976, British Guns Made Rebels, Stephen Boyd.

615, March 9, 1976, Arrest New York's Harbor, Jim Hutton.

616, March 10, 1976, Official Permission to Loot, Michael Cole.

617, March 11, 1976, Washington's Elite Guard, Nick Nolte.

618, March 12, 1976, French Support for the Americans, Nina Foch.

619, March 13, 1976, Washington Sent a Token Force to New York, Arnold Palmer.

620, March 14, 1976, New Yorkers Were Called Up for Labor, Mark McCormack.

621, March 15, 1976, Alexander Hamilton Had His Comm., Edward Albert.

622, March 16, 1976, Commission to A German Officer, Jason Miller.

623, March 17, 1976, British Were Gone From Boston, Douglas Fairbanks, Jr.

624, March 18, 1976, Washington in Boston, Val Avery.

625, March 19, 1976, Pamphlets Seized and Burned, Judith Crist.

626, March 20, 1976, The Wealth of Nations, Lee Berendt.

627, March 21, 1976, A Phoney $3 Bill, Abe Burrows.

628, March 22, 1976, Vote No, Richard Morris.

629, March 23, 1976, The Names of Heroes, Kitty Carlisle.

630, March 24, 1976, 20 Peace Commissioners, Charles Hepler.

631, March 25, 1976, Gold Medal for Washington, William Holden.

632, March 26, 1976, Break With Britain, Michael York.

633, March 27, 1976, British Evacuation Fleet, Richard Jaeckel.

634, March 28, 1976, Congress Mourned Samuel Ward, Bill Cullen.

635, March 29, 1976, Shipwrecked Tory, Oliver Reed.

636, March 30, 1976, Troops Got to New York City, Fritz Weaver.

637, March 31, 1976, Abigail Adams Wrote On Women's Rights, Merle Oberon.

638, April 1, 1976, Bitter April Fools' Day, Conrad Janis.

639, April 2, 1976, Bedloe's Island, Darren McGavin.

640, April 3, 1976, A Play That Wouldn't Be Performed, Janis Paige.

641, April 4, 1976, Boston on Its Own, Emerson Boozer.

642, April 5, 1976, Open American Ports, Nehemiah Persoff.

643, April 6, 1976, American Navy Met *HMS Glasgow*, Glenn Corbett.

644, April 7, 1976, A Victory for the American Navy, Stan Kenton.

645, April 8, 1976, Hero's Funeral, Robert L. Green.

646, April 9, 1976, American Mutineers, Peter Strauss.

647, April 10, 1976, Major Paul Revere, Dick Clark.

648, April 11, 1976, Chief White Eyes, Ada Deer.

649, April 12, 1976, The Halifax Resolves, David Levine.

650, April 13, 1976, A "Pernicious Habit," Kathie Browne.

651, April 14, 1976, Refugees in Halifax, Israel Horovitz.

652, April 15, 1976, The "Last" Journey of Ben Franklin, Fred MacMurray.

653, April 16, 1976, Camping Equipment, Melvin Van Peebles.

654, April 17, 1976, Maryland's Governor Was Still in Office, Oleg Cassini.

655, April 18, 1976, John Adams Wrote to His Daughter, Margaret Hamilton.

656, April 19, 1976, Supplies to the British, Tom Bosley.

657, April 20, 1976, Father's Plea for Freedom, Keir Dullea.

658, April 21, 1976, Flora and Fauna, William Wyler.

659, April 22, 1976 Poisoned Medicine, Celeste Holm.

660, April 23, 1976, Chief Justice Drayton Charged a Jury, Max Lerner.

661, April 24, 1976, A New War Tax, Rise Stevens.

662, April 25, 1976, James Madison, Michael Tilson Thomas.

663, April 26, 1976, Marines Had a Black Recruit, Moses Gunn.

664, April 27, 1976, New York Was an Armed Camp, Vincent Sardi.

665, April 28, 1976, Army Hospital at William and Mary, Dr. Thomas Graves.

666, April 29, 1976, Delegation Arrived in Montreal, Betty Comden.

667, April 30, 1976, Price Controls, Bill Tankersly.

668, May 1, 1976, Two Black Students at Princeton, Douglas Turner Ward.

669, May 2, 1976, The Real Story From Boston, Dallas Townsend.

670, May 3, 1976, Charles, Lord Cornwallis, Sir Rudolf Bing.

671, May 4, 1976, Fourth Colony For Independence, Bobby Short.

672, May 5, 1976, Aaron Burr Dared Benedict Arnold, Dave DeBusschere.

673, May 6, 1976, End of the Adventure in Canada, Adolph Green.

674, May 7, 1976, Jefferson Returned to Congress, Otto Preminger.

675, May 8, 1976, Pennsylvania's Navy, Michael Douglas.

676, May 9, 1976, Orders For A Draft, Frank Converse.

677, May 10, 1976, A Step Closer To Independence, Otis Chandler.

678, May 11, 1976, Connecticut Blacks' New Governor, Marcia Ann Gillespie.

679, May 12, 1976, Issuing Money, Mitchell Ryan.

680, May 13, 1976, Refugees in London, Susan Starr.

681, May 14, 1976, Explorers Swim Across the Colo., Philippe Halsman.

682, May 15, 1976, Resolution Was Passed in Virginia, Mills Godwin.

683, May 16, 1976, Parents' Worry For Soldier Sons, Hermione Gingold.

684, May 17, 1976, Day of Humiliation, Prayer, and Fasting, Cardinal Cooke.

685, May 18, 1976, Secret Reports to Washington, Lou Jacobi.

686, May 19, 1976, Captain Mugford Died in Battle, Jule Styne.

687, May 20, 1976, A Protest For Independence, Zubin Mehta.

688, May 21, 1976, The Raleigh Was Launched, Alexander Cohen.

689, May 22, 1976, Gunpowder From New Orleans, Alex Cord.

690, May 23, 1976, Martha Washington Was Inoculated, Peggy Cass.

691, May 24, 1976, Washington Met With Congress, James Parton.

692, May 25, 1976, Portrait By Peale, Maria Karnilova.

693, May 26, 1976, A New York Tory Minister, Eugene List.

694, May 27, 1976, Mason's Virginia Declaration of Rights, Carson Kanin.

695, May 28, 1976, Wife and Children Arrested, Lottie Lenya.

696. May 29, 1976, Endangered, Shelly Smith.

697, May 30, 1976, Shirts to American Prisoners, Joe Silver.

698, May 31, 1976, Loyalist Recruits for the King, John DeLury.

699, June 1, 1976, A Warning From London, James Farentino.

700, June 2, 1976, Tom Paine Was Anxious To Fight, David Mathews.

701, June 3, 1976, Travelling North, Sen. Herman Talmadge.

702, June 4, 1976, Charleston Waited For An Attack, Sen. Fritz Hollings.

703, June 5, 1976, A Scots Transport Was Captured, Clive Barnes.

704, June 6, 1976, Massachusetts Towns Were Voting, James Goldman.

705, June 7, 1976, A Resolution For Independence, Arthur Taylor.

706, June 8, 1976, Debate A Resolution For Independence, Dr. Gloria Scott.

707, June 9, 1976, John Adams Wrote On Independence, Sen. Ted Stevens.

708, June 10, 1976, Vote Was Delayed, Barbara Howar.

709, June 11, 1976, Jefferson To Draft A Declaration, James Hart.

710, June 12, 1976, Haym Salomon Was In New York, Sol Chaiken.

711, June 13, 1976, Retreat From Canada, Marvin Kalb.

712, June 14, 1976, Connecticut Would Vote Yes, Sen. Abe Ribicoff.

713, June 15, 1976, New Hampshire Said Yes, Cong. Norman D'Amours.

714, June 16, 1976, Opposititon To Independence, Vince Gardenia.

715, June 17, 1976, New York's Vote, Barnard Hughes.

716, June 18, 1976, Horatio Gates In Command, Eileen Heckart.

717, June 19, 1976, Refugees In Florida, Sen. Richard Stone.

718, June 20, 1976, Offer Was Too Late, Michael Tolan.

719, June 21, 1976, Thomas Jefferson Was Writing, Cornelia Otis Skinner.

720, June 22, 1976, New Jersey Delegates To Vote "Yes", Brendan Byrne.

721, June 23, 1976, John Adams Looked A Few Days Ahead, Alexis Smith.

722, June 24, 1976, Pennsylvania's Delegates, Connie Chung.

723, June 25, 1976, Resigned From Congress, Garry Moore.

724, June 26, 1976, Private Hickey Heard His Sentence, Don Hastings.

725, June 27, 1976, Smallpox Was Killing Dunmore's Men, Mary Stuart.

726, June 28, 1976, Sullivan's Island, Carter Brown.

727, June 29, 1976, Instructions To Maryland Delegates, Charles Mathias.

728, June 30, 1976, Troopships Arrived At New York, Phyllis George.

729, July 1, 1976, Vote On Independence, Nelson Rockefeller.

730, July 2, 1976, Congress Voted For Independence, Sen. William Fulbright.

731, July 3, 1976, Editing The Declaration Of Independence, Marian Anderson.

732, July 4, 1976, Declaration of Independence, Betty Ford.

Senate Resolution 353—Submission of a Resolution to Commend the CBS Television Network

(Referred to the Committee on Commerce.)

Mr. SCHWEIKER. Mr. President, on behalf of Senators Biden, Beall, Brooke, Case, Cotton, Helms, Hollings, Javits, Mathias, McIntyre, Nunn, Pell, Ribicoff, Roth, Talmadge, Thurmond, Weicker, and Williams, I am today introducing a resolution commending the CBS television network for initiating its series "Bicentennial Minutes" in commemoration of our Nation's 200th birthday. This series of 1-minute vignettes depicting historic events of 200 years ago will begin July 4, 1974, and run for 732 consecutive days through July 4, 1976.

The cosponsors of this measure, representing 12 of the 13 original colonies, are proud of the role their States played in founding the Republic, and welcome this effort and others aimed at fostering the Bicentennial spirit.

Mr. President, I ask unanimous consent that there be printed in the Record at this point a copy of the resolution and an article from the June 24 issue of Time magazine describing the "Bicentennial Minutes" series.

There being no objection, the resolution and articles were ordered to be printed in the Record, as follows:

"S. Res. 353

"Whereas on this July 4 the CBS television network will debut a prime-time television series called "Bicentennial Minutes"; and

"Whereas this series will run every night of every day for 732 consecutive days, and will end on July 4, 1976, our Nation's 200th birthday; and

"Whereas each minute documentary will highlight an event from American history occurring on that date 200 years before: Now, therefore, be it

"*Resolved,* That the Senate commends the CBS television network for so commemorating the birth of our Nation, and for providing a focus for Americans to foster a sense of deepened pride in their heritage."

The 732 Steps

The 200th birthday of the United States is still two years away, but already television networks are starting to celebrate. Among the shows planned for the fall are NBC's series based on Carl Sandberg's biography of Lincoln, and another by the Public Broadcasting System on the Adams family from 1750 to 1900. CBS, however, has decided to go to extremes with the longest-running shortest commemorative of them all. Beginning on July 4, it will offer a prime-time TV series called Bicentennial Minutes, which will run every night of every week until B–day, July 4, 1976. Each segment is exactly one minute long.

Dreamed up by Executive Producer Lewis Freedman, the series will describe bits of American history, data and errata, the momentous and the obscure. The 732 minutes—of the newspaper filler "on this day 200 years ago" variety—will be narrated, says the network, by "everyone from movie starts to Supreme Court Justices," Sample Minutes: Actor Barry Sullivan recounting the career of Tom Paine, Charlton Heston describing George Washington's reaction to the Boston Tea Party, Richard Crenna explaining the impact of the fuel crisis in Boston in the year 1774, and Jean Stapleton revealing Martha Washington's secret recipe to prevent cherries from spoiling.

RISE IN CANCER DEATH RATE TIED TO PLUTONIUM

Mr. GRAVEL. Mr. President, I would like to call to the attention of my colleagues an article published June 6 in the New York Times.

The article concerns the findings of the Health Research Group with regard to the incidence of cancer among those who work with the deadly radioactive element plutonium.

The çarcinogenic potential of plutonium has long been known, but the nuclear power industry has tried to pooh-pooh the dangers involved.

The really significant fact to keep in mind when reading this article is that we have hardly begun to use plutonium. If the United States goes to a plutonium economy, we will be producing and transporting tens of thousands of pounds of this material every year.

Nuclear proponents tell us the statistical base is too small to draw the kinds of conclusions outlined in this article. And yet most of these proponents are willing to see us launched headlong into dependency on plutonium fuel.

Our approach to the wide-scale use of plutonium should be extremely conservative. If plutonium is indeed as dangerous as many nonindustry physicians tell us it is, we should avoid altogether such wide-scale use.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Rise in Cancer Death Rate Tied in Study to Plutonium

(By David Burnham)

Washington, June 5.—The death rate from cancer found among a small group of plutonium workers was almost twice as high as the cancer death rate of all white males, according to a study of Government statistics. Though tiny amounts of plutonium have been known for many years to cause cancer in experimental animals, the study by the Health Research Group of statistics gathered by two leading radiation experts for the Government was believed to be the first strong evidence that plutonium also causes cancer in humans.

Only a relatively small number of American workers—probably fewer than 10,000—have so far worked in factories and plants where they were exposed to plutonium.

But the Federal Government and the nuclear industry are now actively supporting an energy program that would lead to a vast expansion in the nation's use of plutonium to fuel both the present and future generations of reactors.

LOW EXPOSURE LEVELS

In addition to finding a comparatively high rate of cancer deaths among the first group of plutonium workers who underwent autopsies, the study of Government statistics showed that virtually all of those who died had been exposed to amounts of plutonium well below the levels established as safe by the Government.

Dr. Sidney M. Wolfe, the Health Research Group official who did the study of the Government's statistics, said that the findings indicated that the present allowable exposure level "may be more than a thousand times too high for adequately protecting workers."

The Health Research Group was established by Ralph Nader, the consumer's advocate, to undertake research on the Government's handling of public health problems.

The original statistics were published last year by Dr. W. E. Norwood, of the Hanford Environmental Health Foundation, and Dr. C. E. Mewton Jr., of the Pacific Northwest Laboratory, a research facility operated in the State of Washington by the Energy Research and Development Administration.

The 1975 analysis by the two radiation experts concentrated almost entirely on the amounts of plutonium found during the autopsies of the 30 plutonium workers. Concerning the reasons they died, it concluded that "the usual causes of death were encountered."

Dr. Norwood, in a telephone interview, said that because of the relatively small number of autopsies no conclusion should be drawn as to the incidence of cancer. "There just have not been enough autopsies to draw statistically significant conclusions as to the cause of death," he said.

Dr. Wolfe disagreed. In an article submited to the Lancet, a British health magazine, he said that the information drawn from the autopsies "demonstrate an increased incidence of cancer in workers exposed to plutonium" and that "most of the victims were exposed to amounts of plutonium far below the levels adjudged 'safe' by the Atomic Energy Commission."

Noting that the autopsies showed 11 of the 30 had died of cancer, Dr. Wolfe said he then compared this proportion with the number of deaths as a result of cancer among all deaths of white males in the United States in 1970.

According to this comparison, he said, there were among the plutonium workers almost twice as many deaths from all types of cancer and about nine times more deaths from leukemia than were found among all white males.

Dr. Wolfe also said that 10 of the 11 plutonium workers who died had been exposed to well under the 600 billionths of a gram of the heavy gray metal, the level that the Government has established as safe.

The 30 autopsies were conducted under a program begun in 1968 in which a total of 5,843 workers have been identified as having worked in or around plutonium facilities mostly operated by the Government in Oak Ridge, Tenn., Golden, Colo., Savannah River, S.C., and Hanford, Wash.

Of the workers who have been registered, 819 have consented to undergo autopsies at their death to help determine the plutonium found in different parts of their bodies.

Dr. Wolfe said, "If these excess rates of cancer seen in these first 30 workers who died apply to others, there may be several hundred excess cases of cancer, presumably caused by plutonium exposure."

Dr. Wolfe further contended that the findings "suggest that people without occupational exposure to plutonium, those living near production or research facilities, also may be at increased risk" if minuscule particles are released in the atmosphere around a facility.

CHILD ABUSE

Mr. MONDALE. Mr. President, I would like to share with my colleagues a most interesting article on the subject of child abuse, which appeared in the Chisholm, Minn., Free Press recently.

The article concerns a speech by Dr. Robert W. ten Bensel, a University of Minnesota professor of pediatrics, at the annual meeting of the Minnesota State Medical Association.

Dr. ten Bensel, who teaches a course on child abuse, gave a most interesting presentation on the historical aspects of the problem.

Chid abuse and neglect have been a major concern of the Subcommittee on Children and Youth, which I chair, for several years. As a result of subcommittee hearings and investigations, a National Center on Child Abuse and Neglect was created in the Department of Health, Education, and Welfare to support programs designed to prevent, identify, and treat child abuse and neglect.

One of the most important effects of the legislation has been to create a greater awareness of and dedication to responding to the needs of families who are involved in child abuse and neglect.

I think that Dr. ten Bensel's comments provide a valuable historical perspective on the subject and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chisholm (Minn.) Free Press, May 22, 1976]

CHILD ABUSE NOT BYPRODUCT OF A CONTEMPORARY WORLD

ROCHESTER.—"Man's inhumanity to man," and most especially, his inhumanity to children, goes back a long way in history, according to a University of Minnesota professor of pediatrics. But conditions are getting better, he believes.

Although the reported cases of "battered child syndrome" are on the rise in Minnesota and in the rest of the United States, "We've come a long way," according to Dr. Robert W. ten Bensel, noon keynote speaker at the annual meeting of the Minnesota State Medical Association this week.

Dr. ten Bensel recounted the story of the bird who perpetually had a hole in his nest. When asked about it, the bird replied, "We like to lay eggs, but we don't like to raise kids."

Infanticide, the killing of children, goes back as far as history itself, the pediatrician said, with the 18th century being recorded as the "peak of physical discipline." The rule generally prevalent then, he said, was, "You could beat kids and break their bones, but you weren't allowed to kill them."

In 7000 B.C. babies were sacrificed in the walls of Jericho, and in India, girl babies were thrown in the river when the "ratio" was off. The prescribed ratio then was 10 males for every one female, and the "extras" were done away with, Dr. ten Bensel noted. He also told of instances in history where weak or deformed children were killed, so they would not be a disgrace to society.

Famous quotes from the Bible and early history served to foster the severe discipline notion, the doctor said. One such quote was, "Whoever strikes his father or mother should be put to death." Another has been, "Train up a child in the way he should go, and when he is old, he will not depart from it."

Dr. ten Bensel showed slides and gave futher historical perspective on the maiming and killing and the general abuse of children.

In times of famine, mothers butchered their own children and ate them.

In the early 1800's, abandonment of children in London was common practice, and in France, orphanages provided a "bin" with a "slot," similar to a garbage dumpster, where parents could come under cover of darkness and get rid of their unwanted children. Then, nuns from the orphanage supposedly would care for the children. Most often, however, the same children died within a year from malnutrition and lack of care. In the late 1880's, it became common, in Europe, for parents to intentionally maim and cripple their children to make them better "street beggars."

"So as you can see, things were much more severe than they are now. . . . Things are getting better," the physician added.

He said such devices as foot bindings for the Chinese, corsets on children, head bindings, and "swaddling," or the tight wrapping of babies to restrict their activities, were the actual forerunners of types of child abuse.

Almost all cultures used swaddling, he said, when parents had no time to care for the children. "They would simply swaddle the child in the blankets, and hang him up on a tree for the day. . . . Then he was no bother."

Dr. ten Bensel said the papoose boards and backcarriers that are now in vogue are in themselves, also a form of restraint for children.

However, when children were swaddled, and thus restrained, "At least they weren't beaten. When swaddling went out, it created a crisis. The parents had to deal with the kids, and then history began to change."

For 5,000 years, society thought that the best way to discipline children was to beat them, the speaker said. In the state of Minnesota, it is still legal for parents to punish their children with physical means, as long as it is not to excess.

Canes and whips were once very popular punishing devices, because of the "swishing" noise that went along with it, the physician said. In that way, it served as a form of conditioning at the same time.

"But we're moving into a new era," Dr. ten Bensel said. "We're accepting more and more that the young are the future makers and owners of the world."

AEROSOLS: THE DANGER TO OUR HEALTH AND ENVIRONMENT CONTINUES

Mr. PACKWOOD. Mr. President, many of us are eagerly awaiting the scientific evidence that will prove without a doubt that halocarbon chemicals which are used as propellants in some aerosols are in fact depleting the ozone layer of the stratosphere. If we had such evidence, if it were even possible to obtain, I am sure many of us could easily vote to phase out aerosols which use these nonessential chemicals as propellants. What would the impact be?

Over three fourths of the aerosols which use halocarbons are hair sprays and deodorants of one type or another, the remainder are convenience household items such as pan sprays, home insecticides, and the like. These aerosols would soon be replaced by aerosols that merely use carbon dioxide or other propellant gases rather than halocarbons. The real loss to the public would be a spray which is just slightly less misty or fine, and the aerosol would have a tendency to be less pressurized as the container was close to empty—basically the two and only two reasons for halocarbons being used in aerosols. I imagine the public would also find a greater number of roll-on and stick deodorants than before halocarbon aerosols were phased out. On balance, these losses are far from anything the Nation would regret for an increased assurance that their health and environment were better protected.

The National Academy of Sciences report on the ozone-halocarbon controversy was due in April, over 2 months ago. Then it was expected in late June, that passed as yesterday. Now I understand it will be later this summer.

Admittedly, we may not have that report prior to the Senate debate and vote on a "qualified ban" on halocarbon aerosols. However, we can very easily make that the Nation's policy on the control of aerosols and let the actual decision to ban aerosols using halocarbons be made by the appropriate Federal agency.

By a "qualified ban" I mean the amendment which several of my colleagues and I have joined in supporting to be offered during the debate on the Clean Air Act Amendments of 1976. A qualified ban would require the EPA Administrator to decide by a date certain whether or not sufficient evidence exists to uphold a ban on aerosols using halocarbons. Simply enough, if the evidence does not exist the Administrator waives or modifies that qualified ban. This approach has been taken in a number of statutes for the control of other practices, chemicals, and goods, and deserves serious consideration as a decisionmaking procedure in the control of aerosols that are widely claimed to be depleting the ozone layer of the stratosphere.

Moreover, considering the danger to our personal health and the environment, and the fact that we really do not need spray cans for underarm deodorants and the like because substitutes exist right now, the risk-benefit plays out in favor of controlling these chemicals.

The danger which these gases present to the ozone will probably be debated for years to come. We have all witnessed the long drawn out controversies over red dye, DDT, PCB's, and the like, and have ultimately found that environmental protection was warranted. I hope we come to the same reasonable conclusion in this case concerning the nonessential danger which aerosols pose to our safety.

I ask unanimous consent that an article which appeared in the Washington Post this morning concerning the growing danger of aerosols using halocarbons be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 1, 1976]

PROOF GROWING ON DANGER OF SPRAY CANS, PANEL SAYS

(By Victor Cohn)

Scientists reported growing evidence yesterday that gases from aerosol spray cans may be damaging the ozone, the layer in the atmosphere that protects life on earth from the sun's most damaging rays.

But the question is not settled, said most of the members of a panel who summed up the findings of a conference at the National Bureau of Standards in Gaithersburg.

One panelist, Dr. Mario J. Molina of the University of California at Irvine, called for a federal ban now on the use of fluorocarbon propellants as a "definite" threat. It was Molina and his Irvine colleague, Dr. F. Sherwood Rowland, who in 1974 first proposed that products of fluorocarbon breakdown are harming the ozone layer.

But another panelist—Dr. J. Peter Jesson of Du Pont, the main maker of Freon, trade name for fluorocarbon gases—maintained that the Molina-Rowland theory "is open to more question today than it was a year ago."

Another four panel members agreed that it will take another 1½ to 2 years to be reasonably sure that the sprays are indeed a danger.

Their reports raised the possibility that a National Academy of Sciences panel, scheduled to report late this summer on the issue, may reach the same conclusion. Most government agencies concerned with the atmosphere or product safety have been waiting for that report before making any recommendations for federal regulation.

Two members of the National Academy group—Dr. Fred Kaufman of the University of Pittsburgh and Dr. Harold Schiff of York University in Toronto—were among yesterday's panelists. Neither would say what the academy report will conclude.

But Kaufman said the annual effect of the gases on the ozone is apparently so small that a delay of a year or two in making a decision would not be catastrophic.

Some scientists have said that if the ozone is depleted—and more harmful ultraviolet rays from the sun strike the earth—more skin cancer and eye damage will result and the life cycles of all plants and animals will be affected.

Fluorocarbons are believed to damage the ozone layer indirectly—when hit by ultraviolet rays—by breaking down chemically and releasing chlorine, a fluorocarbon constituent, that enters into other chemical reactions that attack the ozone itself.

Early this year, some scientists said that still other reactions might actually be removing substantial amounts of chlorine from the process, leaving the ozone much less damaged than supposed.

Those reactions may actually be occurring, the scientists agreed yesterday. But the most they might reduce the depletion process by a third, said Dr. John McAffee of the National Oceanographic and Atmospheric Administration.

Molina said, "There's no reason to believe that the environmental threat is any less than originally outlined. Our first estimate of long-term loss of 7 to 13 per cent of the atmospheric ozone is still reasonable. Some calculations indicate the loss may be even more severe."

The fact that "we don't really need spray cans for underarm deodorants and the like" and "a risk-benefit assessment would lead us to the conclusion that we shouldn't take a chance with these gases," he argued.

Jesson replied that a hasty decision would destroy an industry, possibly needlessly.

YORK SCHOOL SELECTED FOR PHYSICAL FITNESS PROGRAM

Mr. SCHWEIKER. Mr. President, six students from St. Patrick's School of York, Pa., have been selected by the American Alliance for Health, Physical Education, and Recreation to represent Pennsylvania in a new network television series featuring competitive events requiring mental and physical agility and team effort.

Michael Vottero, Steve Strausbaugh, James Forjan, Rose Mingora, Jennifer Land, and Linda McDonald were chosen because of St. Patrick's high standing in the 1974–75 Presidential Physical Fitness Awards program.

Mr. President, these young Pennsylvanians have my best wishes for success in this event, and I ask that a news article describing their selection be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the York (Pa.) Daily Record, June 11, 1976]

Way Out TV Games for St. Pat's

St. Patrick's School has been selected to represent Pennsylvania on a new CBS television show in cooperation with the American Alliance for Health, Physical Education and Recreation. St. Patrick's was selected because of its high standing in the 1974–75 Presidential Physical Fitness Awards Program.

CBS Television will begin a network series called "WOG" (Way Out Games) as part of its Saturday morning programming for children in the fall. The show will feature competitive events that require quick thinking, team effort and physical activity.

The American Alliance for Health, Physical Education and Recreation was asked to provide a team of three boys and three girls from each state to take part in the series. The Pennsylvania team will be competing against students from Arizona and West Virginia.

Selected on a competitive basis by St. Patrick's faculty and administration were Michael Vottero, Steve Strausbaugh, James Forjan, Rose Mingora, Jennifer Land and Linda McDonald. Alternates, if they are unable to go, are Zachary Newby, Patrick Flakenstein, Robert Gribbin, Angie Gribbin, Julie Klinedinst and Maria Mingora.

The delegates will be sent to California, all expenses paid by CBS–TV, MGM and the American Alliance for Health, Physical Education and Recreation.

St. Patrick's students will leave Sunday, July 25, and their show will be taped July 25, 26, 27 and 28. Should they win, they will return for final competition Aug. 8, 9, 10 and 11.

A volunteer committee is being recruited to help with publicity and to make school banners to be used on the television show. Those desiring to help should contact the group's director, "Skip" Lehman at 757–3665.

NATIONAL SCHOOL LUNCH PROGRAM

Mr. LEAHY. Mr. President, for some time, I have been concerned with the nutritional quality and appeal of the food served to millions of schoolchildren through the National School Lunch program.

Oversight hearings are now being held by the Subcommittee on Elementary, Secondary, and Vocational Education of the Committee on Education and Labor of the House of Representatives. The Senate Agriculture Committee has held hearings on this subject in the past from which much useful information was gathered. Also, the General Accounting Office is preparing a report which hopefully will result in constructive recommendations for those administering the program.

Too often, the reports we receive and the testimony we hear on this subject come from administrators, educators and other adults with particular interest in it. We seldom hear from those most directly involved—the schoolchildren who eat the food. Certainly, they have as great or greater a vested interest in the matter as any other particular group.

I received a fairly indepth survey conducted by three concerned sixth-grade students from the Adams Elementary School in Burlington, Vt. I believe this survey lends some insight into how the program can be improved to the satisfaction of both the students eating the food and those responsible for preparing nutritionally balanced meals. I ask unanimous consent that the survey be printed in the Record.

There being no objection, the survey was ordered to be printed in the Record, as follows:

Our Poll

Question: How do you feel about hot lunch?

Answer:

Negative 37, middle 7, positive 12; out of 56 polled—37 were negative.

(A1) Question: How would you change hot lunch?

Answer:

Make the lunch at school.

Make soup.

Hot dogs, hamburgers, and I would be willing to pay more.

Soup and sandwich.

Better food.

Own cafeteria, own food.

Own cafeteria, own food.

Own cafeteria, own food.

Own cafeteria, own food.

Own cafeteria, own food.

Own cafeteria, own food.

Own cafeteria, own food.

Own cafeteria, own food.

Make better lunch.

Have something better, hotter.

Get new lunches.

[1] Bake better ones

[2] Bake some blanks, (A2) they'd taste better.

Better lunches.

Question: How do you feel about a soup and sandwich lunch?

Answer:

Negative 1, middle 1, positive 20; out of 22 polled—20 were positive.

[1,2] In these comments, the child polled used the word "baked". This suggests that Mary Goodwin's theory that there is a bad educational message in the hot packs, is correct.

OUR REPORT

I. Why

We questioned the whole program and the wasted food.

II. What we found

1. A3 Poor Tasting Food. Out of 56 children polled, 18 children felt positively about the hot packs, but these were mainly 1st graders.

2. Convection Ovens. We were given the impression that these could be used only for hot packs, but Blodgett can be used for home cooked food.

3. Waste:

*1 5/25/76, 31% of 85 lunches 8 oz. each.

*2 5/26/76, 35% of 95 lunches 12 oz. each.

*3 6/1/76, 50% plus of 85 lunches 12 oz. each.

III. Hot lunch director

1. Cost $7400 for hot pack system.

2. "Convenient".

Cost—He said:

3. 11¢ per lunch from federal funds.

20¢ per reduced lunch from Federal funds.

He didn't say what the total subsidy was.

We found that: 12.25¢ per lunch; 44.55¢ per reduced lunch—as of 12/31/75, by the Durkee sales book.

IV. Reaction to the investigation

1. One person said that: "too wealthy to do the investigation".

*4 2. Lunch room attendants took food (unwanted food) from the children so that it could not be weighed.

3. They also stated that if the investigation was successful that the Lunch Program

would be "taken away" and then the poor children would not get a well balanced meal.

V. Senate Agriculture Committee

(A4)

1. $400 million nationally wasted.

*5 2. Local food producers can supply food.

*6 3. Educationally, Hot Packs teach bad food habits.

VI. New York Times series—(in May)

1. The New York Times clearly stated that Hot Packs were by far the worst form of school lunches.

2. Bulk lunches are the best form of school lunches.

VII. Our suggestions

1. Make it possible to serve bulk lunches and offer an alternative of soup and sandwich each day.

2. Take economical and nutritional standards to parents *and children,* so that the lunch program becomes an educational experience.

3. The present system should be changed, because a first grader gets as much as a sixth grader.

*1—this lunch consisted of bologna and cheese on a bun, potato chips and an apple. It appeared that none of the children rejected the potato chips.

*2—this lunch consisted of one-person sized pizza, with a banana.

*3—this lunch consisted of a fishwich and potato gems. We noticed that unwanted lunches were apparently taken away so that they could not be weighed.

*4—we regret to say that we have been unable to find an answer to the question of: "What happens to the heated but unopened lunches?" The only answer we have been able to obtain is that the lunches are "broken down for the secondary schools." We do know that the unwanted lunches are loaded into a City truck and taken away from our school.

*5—We have found that it would be considerably cheaper to use local food stores and whole sale depots as suppliers, with the average lunch costing 37¢—without milk, which is still well under the 60¢ that is charged now.

***6—Mary Goodwin stated that this is true,** and 2 statements made by children who commented on how to change the lunches proved it. See page 1.

APPENDIX

(A1) all of the comments here are recorded in the child's own words, except for (A2), as the child used an expletive deleted, (A3) most of the positives were recorded as positive when the child polled said "some of them are O.K." (A4) Senator Leahy sent me a newspaper clipping with a headline stating: "400 million junked in school food every year."

37¢	Meatballs & noodles with a peach.
60¢	Drumstick & corn with an orange.
37¢	One small pizza & lemon sherbert with an orange.
54¢	Hero sandwich & an orange.
37¢	Hamburger & fries with an orange.
37¢	Cheeseburger & chips with an orange.
28¢	Macaroni & cheese & carrot sticks with a pear.

These are some of Durkees lunches, at our prices. We took prices from supermarkets and whole sale depots. They could probably be brought down some more if you bought the meat whole sale.

NOTE

To me, our investigation was badly received. I felt that the people I had to deal with did not want to let us into their little haven. Some of their feelings could doubtlessly be tracked down to the fact that children were questioning them.

We still have questions about the lunch program. Our biggest questions are the ones of "breaking down" and "sending them back."

SUSAN J. CRAIGHEAD.

"BREAK DOWN"

When we talked to Mr. Billings, the Food Service Director, this morning, we asked him to clarify what he meant by "Break Down." He said: "The lunches are taken from their containers and served a-la-carte the next day, to the students." He also said, "What do you want me to do with it, throw it out?"

We would be happy to tell this to your committee in person.

BICENTENNIAL POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that according to the Population Reference Bureau, the total population as of 1776 was approximately 2.5 million. According to current U.S. Census approximations, the total population of the United States as of July 1, 1976, in the year and month of our Bicentennial, reached 215,655,733. Thus, this country's population has grown by 8,520 percent since its founding 200 years ago.

In addition, the population has increased by 1,732,480 since July 1 of last year. It also represents an increase of 122,646 since June 1 of this year, that is, in just 1 short month.

Thus in this last year, we have added enough additional people to our population to nearly fill the combined cities of Portland, Oreg., Seattle, Wash., San Diego, Calif., and Garden Grove, Calif. And in 1 month our population has grown enough to more than fill a city the size of Raleigh, N.C.

PRESIDENT'S LABOR-MANAGEMENT PANEL OPENS FOR BUSINESS AT NEW LOCATION

Mr. METCALF. Mr. President, it is easier to enter the realm of Federal advisory committees than it is to leave it—and not just because these committees, like committees everywhere, tend to outlive their usefulness and finally have to be carried out feet first.

It is easier to enter because the Federal Advisory Committee Act defines "advisory committee" as one established or utilized by the President or an agency in the interest of obtaining advice and recommendations.

Thus, certain committees of the Securities Industry Association and the American Bankers Association become Federal advisory committees when they are utilized by the Secretary of the Treasury and his staff for advice in handling Federal financing and in managing the public debt. To the extent they are so utilized, these private sector panels must be chartered and operated as Federal advisory committees.

However, nothing in the act provides for granting an exit visa to a Federal advisory committee so that it may emigrate to the private sector. It was unheard of—until recently—for a Federal advisory committee to relocate in the private sector and go into business for itself.

That is what the President's Labor-Management Committee has done, according to a report in the New York Times, leaving the following memorabilia:

First. President Ford's Executive Order 11809 of September 30, 1974, establishing the committee, to consist of "eight labor members and eight management members and a neutral coordinator, all to be designated by the President."

Second. Some ambitious recommendations on electric utility financing dated May 21, 1975, which were characterized this way in a subsequent Wall Street Journal article, "Power Play in Washington," by James P. Gannon:

> Labor Power. Big business power. White House power. Pork barrel power. Put them all together and you have Washington's big electric power play of 1975.
>
> That's partly pun, but the subject isn't funny. It is no laughing matter when big corporations and big unions together concoct a scheme to siphon $600 million a year from the U.S. Treasury, sell the idea to the President, and then get the Secretary of the Treasury to set aside his principles and act as their special-interest lobbyist in Congress.

After so successful a coup, it is no wonder that the Times report says the committee "is widely regarded as the most effective instrument ever formed for improved understanding between the ranking leaders of American industry and labor."

So the committee, brainchild of former Labor Secretary John T. Dunlop, has left Government service, as he did, and will attempt to "function independently of Government as a forum for confidential discussion and, on occasion, release of recommendations to the public."

Mr. President, the Subcommittee on Reports, Accounting, and Management held a hearing last August on energy advisory committees and focused on the President's Labor-Management Committee. The hearing volume contains a complete account of this advisory committee's activities and antecedents.

The President's Labor-Management Committee will remain on the books as a Federal advisory committee until its charter expires on September 30, unless erased sooner by Executive order. Meanwhile, it will be interesting to see how well the committee functions at its new location, and whether it will still command the ear of the White House.

Mr. President, I ask unanimous consent that "The Labor Scene" column by A. H. Raskin, from the New York Times of May 7, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. GROUP NOW MEETS AS INDEPENDENT UNIT

(By A. H. Raskin)

President Ford's Labor-Management Committee is back in business, but it is no longer the President's committee. The 16 top corporate and union executives who make up the panel have cut their formal tie to the Administration and are now holding periodic meetings on their own to seek consensus on issues of basic policy.

The committee, brainchild of former Secretary of Labor John T. Dunlop, is widely regarded as the most effective instrument ever formed for improved understanding between the ranking leaders of American industry and labor.

It had seemed doomed after Mr. Dunlop left the Cabinet last January, complaining that the President's veto of the construction "situs picketing" bill—a measure he had originally promised to sign—had undermined the necessary foundation of trust in relations among unions, management and government.

What brought the panel back to life was private word sent to Mr. Dunlop, now back in his old chair as a Harvard economics professor, that both sides valued the rapport they had established within the committee and wanted it to continue.

However, George Meany, as chief spokesman for the labor members, emphasized his belief that the group should function independently of government as a forum for confidential discussion and, on occasion, release of recommendations to the public.

The industry members, representing such huge enterprises as General Motors, General Electric, United States Steel and Mobil Oil, let Mr. Dunlop know that they considered the opportunity for a frank exchange of views more important than the auspices

The one thing on which both sides were insistent was that Professor Dunlop continue as coordinator, a role in which he invokes his redoubtable talents as stimulator of discussion and harmonizer of differences. These talents had been instrumental last year in bringing the committee to unanimous public positions on such controversial issues as taxes, energy policy and expanded construction of utilities plants.

The reconstituted panel has now held two meetings and has decided to give top priority to the question of jobs and where future jobs are to come from. Leaders on both sides are enthusiastic about the new climate.

"It was a good committee before; it functioned in a constructive way," says one union member. "It gives promise of being an even better instrument without the inhibitions created by its old governmental connection."

A similar estimate comes from an industry member: "We get rid of a lot of posturing now that government is out of the picture. The committee has just as much chance of being useful, probably more so, than in its old incarnation."

Perhaps the most striking evidence of the degree of accommodation the industry and union chiefs have developed out of their association in the committee is that, its meetings, once held in the White House, are now held in a hotel two blocks away across Lafayette Park. The hotel faces the headquarters of the American Federation of Labor and Congress of Industrial Organizations, Mr. Meany's command post.

INCREASED OUTPUT AND JOB ENRICHMENT

The notion that management and labor can benefit by parking their economic weapons at the door and discussing mutual problems in nonadversary fashion is holding up well in another area of frequent past animosity.

The new Work in America Institute, a nonprofit corporation that draws its financing from large companies, unions, foundations and Federal agencies, has had substantial initial success in persuading diehards on both sides that there is no inherent conflict in concern for heightened industrial productivity and improvements in the quality of working life.

Many unionists have viewed emphasis on "job enrichment" and other forms of work humanization as masks for employer-fostered efforts to speed up production and weaken unionization. Conversely, there has been fear among many industrialists that pressure to take the drudgery out of work stems largely from "social do-gooders" bent on cutting down managerial authority.

The institute proceeds on the theory that "productivity and the quality of working life are opposite sides of the same coin," according to its president, Jerome M. Rosow, a former Assistant Secretary of Labor and Exxon executive.

"It is not a matter of a Hobson's choice, in which you have to take one at the expense of the other," he says. "The most efficient economic organizations are those that utilize their human resources effectively and respect human values."

This endeavor to equate good human relations with good economics for workers and employers alike has proved convincing enough to induce the A.F.L.-C.I.O. to turn its confidential mailing list over to the institute for use in its work as a communications clearing house on experiments in this country and Western Europe. Similar assistance has come from major corporations. The institute's offices are at 700 White Plains Road, Scarsdale, N.Y. 10583.

FEDERAL ENERGY ADMINISTRATION ORDERS NEW POWERPLANTS TO USE COAL—OIL IMPORTS AND CONSUMER ELECTRIC COSTS WILL BE REDUCED

Mr. RANDOLPH. Mr. President, today Federal Energy Administrator Frank G. Zarb announced that he had initiated major actions to increase the U.S. reliance on coal for the generation of electricity.

Finalizing notices issued in June 1975, Administrator Zarb directed 30 new powerplants in 17 States to be constructed with the capability to use coal. This action will reduce oil imports by 155 million barrels annually and save consumers $500 million a year. It also will increase coal demand by 43.2 tons per year. Finalization of the remaining 44 notices from last year is expected soon.

Our regret is that it has taken 2 years since enactment of the Energy Supply and Environmental Coordination Act of 1974 to finalize this first group of orders.

Building on this experience Administrator Zarb announced preliminary notices to another 48 new electric powerplants, now in the early planning process. These new powerplants in 22 States comprise 29,000 megawatts of electric generating capacity. One of these plants will be located at New Haven, in West Virginia.

These facilities will consume 84.4 million tons of coal per year in compliance with applicable Federal and State environmental regulations. The resultant annual oil savings will be 301.6 million barrels. Many of these facilities would have been built to use coal but these orders will assure that coal is used.

Finalization of these 78 orders will save the American consumer $1.5 billion per year in electricity costs, and will reduce foreign expenditures for imported oil by $5.9 billion. The resultant oil savings are the equivalent to the projected production from the giant Prudhoe Bay field in Alaska—1.25 million barrels of oil per day. These new powerplants will consume 127 million tons of coal per year.

This program is vital to our country's quest for greater energy independence.

I ask unanimous consent that the press release of the Federal Energy Administration, listing the affected powerplants, be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

FEA ORDERS ELECTRIC UTILITY POWERPLANTS TO BURN COAL

Increased reliance on coal to generate electricity is expected to result from a series of actions announced today by Federal Energy Administrator Frank G. Zarb.

Zarb said that FEA yesterday made effective orders to 30 powerplants in 17 states, requiring that they be constructed with coal burning capability. The 30 plants will have a combined generating capacity of 15,000 megawatts with the capability to use 43.4 million tons of coal per year, which is the equivalent of 155 million barrels of oil.

The FEA Administrator also announced that his agency has sent preliminary notices to 48 other powerplants, now in the planning stages in 22 states, indicating intent to issue orders requiring coal burning capability, pending results of public comment on the proposed actions.

If final orders are issued to all 48, a generating capacity of more than 29,000 megawatts will be affected, with the capability to use 84.4 million tons of coal per year, equivalent to 301.6 million barrels of oil. All plants which burn coal must meet applicable federal and state environmental regulations.

The Energy Supply and Environmental Coordination Act of 1974 (ESECA) authorizes FEA to take steps to increase the use of coal in powerplant boilers so that scarce oil and natural gas may be redirected to higher priority uses for which no substitute is feasible.

Preliminary notices were issued a year ago to 74 powerplants, including the 30 for which orders were made final yesterday. Final orders are expected soon for the remaining 44.

All of the plants involved in the 78 notices issued yesterday plan to build with coal-burning capability, but the orders will preclude future backsliding to dependence on oil. In the past two years, about half of the planned coal-fired plants have been deferred or cancelled. These orders are designed to prevent changes to building of plants which can burn only oil.

"Compared to oil, coal for electricity generation is clearly the better option for consumers," Zarb commented. "If oil were used instead of coal in all 78 of these powerplants, consumers would be paying $1.5 billion more per year for electricity. Also, if all of that oil had to be imported, we would be paying foreign sources another $5.9 billion a year for their oil."

"These powerplants will be able to consume 127 million tons of coal per year. That is the energy equivalent of 1.25 million barrels of oil per day, equal to the projected production of the Prudhoe Bay oil field in Alaska," Zarb added. "The impact of these orders is important in helping reach the goal of reducing imports of foreign oil."

A summary of the actions and lists of the affected powerplants are attached.

FACT SHEET ON CONSTRUCTION ORDER NOE'S AND NOI'S ISSUED ON JUNE 30, 1976

	Notices of effectiveness	Notices of intent	Total, NOE and NOI
Powerplants	30	48	78
Companies	21	30	----------
States	17	22	31
Capacity affected (megawatts)	14,961	29,079	44,040
Coal consumption per year (million tons)	43.4	84.4	127.8
Equivalent oil consumption (million barrels)	155.0	301.6	456.6
Equivalent oil cost, at $13 per barrel (billions)	$2.0	$3.9	$5.9
Coal consumption per day (tons)	119,000	231,000	350,000
Equivalent oil consumption (barrels)	425,000	826,000	1,251,000
Equivalent oil cost, at $13 per barrel (millions)	$5.5	$10.7	$16.2
Capital required to construct plants (billions)	$5.7	$11.6	$17.3
Amount of power produced per year (billion kilowatt-hours)	91.7	178	269.7
Increased annual consumer cost if oil were used instead of coal (billions)	$0.5	$1.0	$1.5

POWERPLANTS ISSUED NOTICES OF EFFECTIVENESS OF CONSTRUCTION ORDER JUNE 30, 1976

Docket No.	Owner	Power-plant No.	Generating station	Location	Capacity (mega-watts)	Expected coal use (million tons) per year	Equivalent oil use (million barrels) per year
OFU-001-N	Alabama Power Co	2	J. H. Miller	West Jefferson, Ala	660	1.9	6.8
OFU-002-N	do	3	do	do	660	1.9	6.8
OFU-003-N	do	4	J. H. Miller (formerly 1981 unnamed).	do	660	1.9	6.8
OFU-009-N	City of Painesville, Ohio		Painesville Municipal	Painesville, Ohio	25	.1	2.6
OFU-027-N	Southwestern Electric Power Co	2	Welsh	Cason, Tex	510	1.5	5.3
OFU-028-N	do	3	do	do	510	1.5	5.3
OFU-029-N	Cincinnati Gas & Electric Co	2	East Bend	Boone County, Ky	600	1.7	6.2
OFU-033-N	Central Illinois Public Service Co	2	Newton	Jasper County, Ill	550	1.6	5.7
OFU-034-N	Central Power & Light Co	1	Coleto Creek	Goliad County, Tex	570	1.7	5.9
OFU-035-N	Dairyland Power Cooperative	6	Alma	Alma, Wis	367	1.1	3.8
OFU-036-N	Iowa Southern Utilities Co	1	Ottumwa	Chillicothe, Iowa	275	.8	2.9
OFU-037-N	Kansas City Power & Light Co	1	Iatan	Iatan, Mo	674	2.0	7.0
OFU-045-N	Montana-Dakota Utilities Co	1	Coyote Station	Beulah, N. Dak	415	1.2	4.3
OFU-048-N	Oklahoma Gas & Electric Co	1	Sooner	Noble County, Okla	510	1.5	5.3
OFU-049-N	do	2	do	do	510	1.5	5.3
OFU-050-N	Portland General Electric Co		Boardman	Boardman, Oreg	400	1.2	4.1
OFU-051-N	Public Service Co. of Colorado		Pawnee Plant (formerly Northeastern 1).	Brush, Colo	500	1.5	5.2
OFU-052-N	Public Service Co. of Oklahoma	3	Northeastern	Oologah, Okla	475	1.4	4.9
OFU-053-N	do	4	do	do	475	1.4	4.9
OFU-054-N	Public Service Co. of New Mexico & Tucson Gas & Electric Co	3	San Juan	Waterflow, N. Mex	515	1.5	5.3
OFU-055-N	do	4	do	do	515	1.5	5.3
OFU-056-N	Sierra Pacific Power Co	1	N. Valmy No. 1 (formerly unnamed).	Humboldt County, Nev	250	.7	2.6
OFU-061-N	Southern Illinois Power Cooperative	4	Southern Illinois	Marion, Ill	173	.5	1.8
OFU-062-N	Southern Indiana Gas & Electric Co	1	A.B. Brown	West Franklin, Ind	265	.8	2.7
OFU-063-N	Southwestern Electric Power Co	1	Flint Creek	Gentry, Ark	511	1.5	5.3
OFU-065-N	Dayton Power & Light Co.; and Cincinnati Gas & Electric Co	1	Killen	Adams County, Ohio	613	1.8	6.4
OFU-066-N	do	2	do	do	613	1.8	6.4
OFU-069-N	Kansas Power & Light Co	2	Jeffrey Energy Center	St. Marys, Kans	720	2.1	7.5
OFU-070-N	do	3	do	do	720	2.1	7.5
OFU-071-N	do	4	do	do	720	2.1	7.5
Total					14,961	43.4	155

POWERPLANTS ISSUED NOTICES OF INTENT TO ISSUE CONSTRUCTION ORDERS, JUNE 30, 1976

OCU-075-N	Appalachian Power Co		Project 1301	New Haven, W. Va	1,300	3.8	13.5
OCU-076-N	Arizona Public Service Co		Intermediate 1983 unit	Arizona/New Mexico [1]	350	1.0	3.6
OCU-077-N	Basin Electric Power Coop	1	Beulah plant	Beulah, N. Dak	438	1.3	4.5
OCU-078-N	do	2	do	do	438	1.3	4.5
OCU-079-N	do	1	Laramie River	Wheatland, Wyo	621	1.8	6.4
OCU-080-N	do	2	do	do	621	1.8	6.4
OCU-081-N	do	3	do	do	621	1.8	6.4
OCU-082-N	Big Rivers Electric Corp	R-2	Robert Reid	Near Sebree, Ky	240	.7	2.5
OCU-083-N	Central Illinois Light Co	2	Duck Creek	Banner Township, Ill	400	1.2	4.1
OCU-084-N	do	3	do	do	500	1.5	5.2
OCU-085-N	Central Louisiana Electric Co., Inc	3	Rodemacher	Near Boyce, La	520	1.5	5.4
OCU-086-N	Cincinnati Gas & Electric Co	3	East Bend	Near Rabbit Hash, Ky	800	2.3	8.3
OCU-087-N	Columbus & Southern Ohio Electric Co	5	E. M. Poston	Athens, Ohio	413	1.2	4.3
OCU-088-N	do	6	do	do	413	1.2	4.3
OCU-089-N	Consumers Power Co		Unassigned unit, 1984	Michigan [1]	800	2.3	8.3
OCU-090-N	do		Unassigned unit, 1985	do [1]	800	2.3	8.3
OCU-091-N	Brazos Electric Power Cooperative, Inc., and South Texas Electric Cooperative, Inc.	1	San Miguel	South of Christine, Tex	409	1.2	4.2
OCU-092-N	Georgia Power Co	2	Scherer	Juliette, Ga	818	2.4	8.5
OCU-093-N	do	3	do	do	818	2.4	8.5
OCU-094-N	do	4	do	do	818	2.4	8.5
OCU-095-N	Hoosier Energy Division, Indiana Statewide REC, Inc	1	Merom	Near Merom, Ind	490	1.4	5.1
OCU-096-N	do	2	do	do	490	1.4	5.1
OCU-097-N	Idaho Power Co	1	Pioneer	Orchard, Idaho	511	1.5	5.3
OCU-098-N	do	2	do	do	511	1.5	5.3
OCU-099-N	City of Independence (Missouri), Power and Light Department	4	Blue Valley	Independence, Mo	120	.3	1.2
OCU-100-N	Indianapolis Power & Light Co	1	New plant	Indiana [1]	650	1.9	6.7
OCU-101-N	Intermountain Power Project	1	Intermountain Power Project	Near Caineville, Utah	820	2.4	8.5
OCU-102-N	do	2	do	do	820	2.4	8.5
OCU-103-N	do	3	do	do	820	2.4	8.5
OCU-104-N	do	4	do	do	820	2.4	8.5
OCU-105-N	Kentucky Utilities Co	3	Ghent	Ghent, Ky	550	1.6	5.7
OCU-106-N	Lower Colorado River Authority	2	Fayette Power Project	LaGrange, Tex	569	1.7	5.9
OCU-107-N	Northern States Power Co		1981 fossil-fueled unit	Becker, Minn	860	2.5	8.9
OCU-108-N	do		1983 fossil-fueled unit	do	860	2.5	8.9
OCU-109-N	Pacific Power & Light Co	1	Roosevelt	West Roosevelt, Wash	500	1.5	5.2
OCU-110-N	Pennsylvania Electric Co. and Jersey Central Power & Light Co	7	Seward	Seward, Pa	800	2.3	8.3
OCU-111-N	Potomac Electric Power Co	4	Dickerson	Dickerson, Md	813	2.4	8.4
OCU-112-N	San Antonio City Public Service Board		Not determined	South or south-central Texas (indefinite).	375	1.1	3.9
OCU-113-N	South Carolina Public Service Authority	3	Winyah	Georgetown, S.C	277	.8	2.9
OCU-114-N	Southwestern Public Service Co	1	South Plains	Lubbock County, Tex	565	1.6	5.9
OCU-115-N	do	2	do	do	565	1.6	5.9
OCU-116-N	Tampa Electric Co	1	Beacon Key	Hillsborough County, Fla	465	1.3	4.8
OCU-117-N	do	4	Big Bend	Ruskin, Fla	465	1.3	4.8
OCU-118-N	Texas Power & Light Co., Texas Electric Service Co., and Dallas Power & Light Co. (Texas Utilities Generating Co., agent/operator).	1	Forest Grove	Near Athens, Tex	750	2.2	7.8
OCU-119-N	Texas Power & Light Co. and Aluminum Co. of America (Texas Utilities Generating Co., agent/operator).	4	Sandow	Near Rockdale, Tex	575	1.7	6.0
OCU-120-N	do	1	Twin Oak	Near Franklin, Tex	750	2.2	7.8
OCU-121-N	do	2	do	do	750	2.2	7.8
OCU-122-N	Wisconsin Power & Light Co	5	Edgewater	Sheboygan, Wis	400	1.2	4.1
Total					29,079	84.4	301.6

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[1] Site not yet selected.

ITALIAN ELECTIONS

Mr. PELL. Mr. President, democracy in Italy has received a vital reprieve in the parliamentary elections held on June 20–21. The Christian Democratic Party emerged once again as the dominant political party in the country, as it has in every election since World War II. But while the Christian Democrats were essentially holding their ground as compared with the 1972 election, the Communist Party made significant gains at the expense of the Socialists and other smaller parties. A two party system is thus emerging in Italy, but it is not the kind of two-party system that is healthy for a democracy trying to remain democratic.

Amidst the current speculation about the nature of the next Italian Government, including the role of the Communist Party, it is well to remember that the election of 1976 may represent the last chance for the Christian Democrats to reform themselves and prevent an irretrievable loss of support and confidence among the Italian people. The forces opposed to the performance of the Christian Democrats in recent years are now grouped largely around the Communist Party. The alternative to the Christian Democrats is thus ominously clear.

Most of the commentary I have read since the Italian election has dwelt on what the prospects are for Communist cooperation with the next government which the Christian Democrats are likely to be requested to form. There has even been serious conjecture that Italian communism may be a new breed of political animal which will play by the democratic rules of the game and which deserves to be given a chance to play a role in dealing with Italy's massive economic problems.

While I agree that the attitude of the Communist Party will be important as the next Italian Government comes to grips with Italy's problems, I am concerned that the rush of interest in how to deal with the Communists may obscure the fact that it is equally important to inquire into what the Christian Democrats, and what remains of the other center parties, plan to do to revitalize their leadership and policies and what the most appropriate supportive role of the United States should be.

Mr. President, the New York Times published an editorial on June 27 entitled, "Imponderables for Italy." While even that editorial tends to understate the imperative of reconstructing the political center in Italy, it is a perceptive analysis of the Italian political dilemma. I ask unanimous consent that the Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IMPONDERABLES FOR ITALY

Italy's prospects of successfully coping with its colossal economic problems while preserving its thirty-year-old democratic system now depend largely on two factors:

(1) the capacity of the Christian Democratic Party for harnessing the country's immense human resources, and

(2) the willingness of the second-place Communists to make a positive contribution to the recovery process rather than obstructing or sabotaging it.

In any serious effort to turn around the inflation-ridden economy, the Catholic party at times will require the neutrality of the Communists and perhaps even their active support. Because of election losses by the Socialists and other smaller democratic parties, this dependence on Communist benevolence will surely be greater in the aftermath of the recent election than it has been at any time during the last several years.

Such dependence will be precarious for a government with an uncertain parliamentary majority. But it probably is the least hazardous political way for Italy to travel in the near future. Badly needed economic and financial assistance from allied countries and international agencies is far more likely to materialize if the Communists remain outside the government—even a government that will be forced on occasion to rely on them.

The willingness of the Communists to cooperate with the Christian Democrats after an acrimonious campaign in which the Catholic party revived "red scare" tactics with a vengeance is one of Italy's major imponderables. But the Communist leader, Enrico Berlinguer, may actually prefer at this stage to provide occasional help from the sidelines to joining a multi-party government of national unity that he proposed during the campaign.

Such informal assistance would enable Mr. Berlinguer to escape direct responsibility for difficult government actions while continuing to polish his image as a moderate Communist, independent of Moscow and willing to collaborate with the Catholics for the national good.

Another main imponderable is what direction the Christian Democrats will take after regaining the ground they lost in the 1975 regional elections and finishing narrowly ahead of the Communists for yet another time. If the faction that imposed strident anti-Communism as the main theme of the election campaign should prevail, the Catholic party can hardly expect even the minimum Communist cooperation. But wiser heads in the party leadership know that deadlock, stagnation and disintegration lie inevitably along that road.

If the elections confirmed the Christian Democrats as Italy's leading political force, certain to head any government for the predictable future, they also confirmed that the Communist tide is still flowing in Italy—a development of which any government must take account, a fact of life with which Italy's friends and allies must abide.

CHINA AND THE UNITED STATES PRESENCE ON TAIWAN: WITHDRAWAL FROM QUEMOY AND MATSU

Mr. THURMOND. Mr. President, the announcement by the State Department of the pullout of U.S. advisers from the offshore islands of Quemoy and Matsu has opened a new chapter of American withdrawal from Asia.

A State Department official connected this move to the Shanghai Communique of 1972, which was signed by President Richard Nixon at the conclusion of his visit to China.

The islands of Quemoy and Matsu have an unusual strategic significance because of their location overlooking the important port of Foochow, the only possible staging area for any naval operations against the free and independent Chinese Island of Taiwan, the seat of our friend, the Government of Nationalist China.

We have an outstanding long-range commitment and obligation to defend and support our friends and allies on Taiwan with whom we have not only a valid treaty of mutual defense, but also very extensive economic relationships of about $3.7 billion annually.

The Shanghai Communique was very general in defining the understanding; it said that—

> As international tensions in the area were reduced, we would reduce the size of our military establishment in Taiwan.

Unless there are some specific secret agreements in addition to the general communique, there never was any specific limitation in time, size, and place of withdrawal of American military personnel.

Nor should Americans be deluded into thinking that the Shanghai communique represents anything more than the expressed desire of then President Nixon and his PRC hosts to open up relations between the United States and mainland China. In other words, the communique was the expressions of the views of two men no longer in power. For official U.S. policy toward Taiwan, and, by implication, official U.S. policy bearing on the interrelations among the United States, Taiwan, and the PRC, we must look to the 1954 security treaty with Taiwan. This is a treaty, duly negotiated by the President of the United States and ratified by the U.S. Senate, as our Constitution requires.

It is is a treaty, not a communique; as such, the 1954 security treaty is the official statement of the legal policy of this country bearing on Taiwan—and, by implication, upon the PRC.

The radical faction of leadership around Mao Tse-tung, headed by Hua Kuo-feng, needs any support they can get from internal or foreign developments to solidify their power position in the critical period of transition.

It is not beyond conception that Red China's governing group has insisted upon the removal of American advisers from Quemoy and Matsu precisely for the psychological effect it would have upon the world; indeed, this psychological effect helps Red China build an image of effective and growing influence abroad.

Three American advisers were withdrawn from Matsu on June 2 and three others left Quemoy on June 15. Their mission there was to supervise the training of Nationalist Chinese communication teams on the islands located about 100 miles from Taiwan and about 20 miles off the Chinese continent.

The island of Matsu is the more important of the two. It is located about 100 miles north of Quemoy and it has a controlling position overlooking the harbor of Foochow, capital of Fookien Province. The operations and movement of ships to and from the port of Foochow is in line of artillery fire from Matsu and, therefore, no major naval operation against Taiwan is possible from the continent without direct interference from Matsu. The defenders of Matsu and the 15,000 civilians who for years now have gone about their daily activities notwithstanding the constant artillery barrages from the Communist mainland do not intend to be in any way deterred from their tasks by the American withdrawal.

Quemoy, which really is a group of small islands within sight of Amoy, a city on the mainland, has a civilian population of 60,000 people and a system of defense similar to Matsu, exchanging artillery fire with the mainland every other day for more than two decades. The rate of casualties is low with several fatalities annually. There is no expectation that the removal of three Americans will change the situation tactically enough to induce any military action from the mainland against Quemoy.

To Americans, the restationing of six American servicemen is not really significant—in light of the wide-ranging commitment of large numbers of American troops in other countries around the world—as a matter of strategic value and necessity. The presence of these six Americans was not that important, for their mission or actual direct contribution to the defense of the islands was no longer that great.

But after our defeats in Asia in 1975, with complete American evacuation and withdrawal from Vietnam, Cambodia, Laos, and Thailand, the psychology of the continuation of contraction of the American presence in Asia signalled by abandoning Quemoy and Matsu, cannot help but leave a lasting and detrimental impact. Our credibility again is called into question. The very Chinese on the mainland who see such a removal as bolstering their temporary position, may, in the long run, come to see this withdrawal as a sign of U.S. vacillation and weakness. Moreover, they may come to view the value of any alliance with the United States as essentially transitory and ultimately of no value.

Nor do U.S. policymakers know for sure that the faction they are helping will be the faction in China which ultimately gains political and military control of the country. It would seem that it is better for the United States to stick by its alliance with Taiwan—and show its value as a stability-producing factor in Asia—than to unilaterally make concessions to a faction in Peking that may very well not be in control of the PRC 6 months from now.

So, the only convincing explanation of why the Communists pushed for the Quemoy-Matsu American withdrawal now, if they did, is that the tense domestic situation in connection with the failing health of Mao could get a temporary relief by such action.

In connection with Mao's sickness—according to recent rumors several West European doctors were invited to attend the dying Communist leader—the bitter struggle for power of succession has been going on since January of this year.

There have been many reports of riots in China in 1976, including the well-publicized April 5, Tienanmen Square demonstration involving more than 300,000 people who marched in support of the more moderate policies of the deceased Chou En-lai and his handpicked successor Teng Hsiao-ping. But the militant radicals took the upper hand and Teng has been purged along with many other prominent party leaders:

Tan Chi-lung, First Secretary of Chekiang Provincial Committee.

Chiang Wei-ching, First Secretary of Kiangsi Provincial Committee.

Lu Jui-lin, First Secretary of Kweichow Provincial Committee.

Chen Ming-li, Commander of Tibet Military District.

Hsieh Chen-hua, Commander of Shansi Military District.

Chou Yung-hsin, Minister of Education.

The total number of demonstrations and bloody riots in the first 5 months of 1976 grew to 236, including 67 armed clashes. These activities were registered in 26 Provinces, primarily in the coastal areas of Kwantung and Fookien but also in Tibet, Kiangsi, Chekiang, and Peking.

These riots and disturbances were probably the cause for purges of the leading officials in the affected Provinces, including the recent disappearance of Chan Hsien-jui, the military commissar of Peking Military Region.

It seems that the fight for succession to Mao's throne is going on while he is still alive and that his health is so bad that he has no direct influence on the outcome.

At present, the most militant-radical faction headed by Prime Minister and Minister of Security—top policeman of the country—Hua Kuo-feng—and his close associates, Wang Hung-sen, Chang Chun-chiao and Mao's wife, Chiang Ching—are in the controlling position, exercising administrative power over the country and purging their opponents. The U.S. withdrawal from Quemoy and Matsu helps this strongarm group politically to solidify their positions, and thereby to continue their process of eliminating any opposition from the more moderate groups or other political forces potentially existing in China.

Mr. President, the United States can ill afford to dabble in the internal politics of the PRC, especially now, with such a power struggle taking place. Nor can we afford to abandon our proven ally on Taiwan, even symbolically. Breaking treaty commitments with an ally, and showing an instability that cannot help us in Asia, or in any other part of the world, does not benefit the United States or our vital interests.

Mr. President, a chart, outlining the number, type, and place of internal incidents of unrest in the People's Republic of China during the first 5 months of this year, has come to my attention. I shall ask unanimous consent that this chart be included in the RECORD at the conclusion of my remarks.

An excellent analysis of the Taiwan issue was published recently in the Christian Science Monitor. Written by Dr. Robert R. Bowie, a member of Harvard's Center for International Affairs, Dr. Bowie's analysis is important to any careful consideration of the Taiwan issue.

Mr. President, I ask unanimous consent that the chart and the article, "The Taiwan Issue," by Dr. Bowie, which appeared in the June 9, 1976, edition of the Christian Science Monitor, be printed in the RECORD.

There being no objection, the chart and article were ordered to be printed in the RECORD, as follows:

CIVIL DISTURBANCES AND INTERNAL DISORDERS: PEOPLES REPUBLIC OF CHINA, JAN. 1, 1976 THROUGH MAY 31, 1976

Location	Armed riots	Sabotage and mass resistance	Armed clashes	Distribution of anti-Mao literature	Murder of cadres	Flight from PRC	Total
Anhwei		1					1
Chekiang	3	1		5		2	11
Fukien	3	2	13	2		5	25
Heilungkiang	1	1	2				4
Honan	1		1	1			3
Hopeh	2	1	1				4
Hunan	2	1	1	1			5
Hupeh	1	1	3		3		6
Kansu			2				2
Kiangsi	2		3	2		1	8
Kiangsu	1	1	1				3
Kwangsi	1	2				2	5
Kwangtung	19	29	15	21	4	15	103
Kweichow	1	2					3
Liaonang		1	1	1	1		4
Peking	1	3	4	2			10
Shanghai		2	1				3
Shansi						1	1
Shantung			2				2
Shensi	1						1
Sinkiang		1	1		2	1	5
Szechwan		2	5			1	8
Tibet	1			2	1	2	6
Tientsin			1				1
Tsinghai			1				1
Yunnan	2		4		2	3	11
Total	42	51	67	32	11	33	236

[From the Christian Science Monitor, June 9, 1976]

THE TAIWAN ISSUE

(By Robert R. Bowie)

Since Richard Nixon's visit to China in 1972 and the exchange of liaison offices, relations with the People's Republic of China (PRC) have reached a plateau. Now, some China specialists are urging the U.S. to "normalize" relations while Mao Tse-tung is still on the scene. PRC leaders have, of course, been pushing for such action for some time.

In essence, the question comes down to the Taiwan issue. In the Shanghai communiqué on the 1972 Nixon visit, Peking stated flatly that this issue was the "crucial" obstacle to normalizing relations, it asserted that Taiwan was a province of the PRC, whose liberation was solely an internal affair, in which outsiders must not interfere. As its price for full diplomatic relations, the PRC insists that the U.S. sever diplomatic ties with the Republic of China (ROC) on Taiwan, end the 1954 security treaty with it, and withdraw all U.S. forces.

While favoring normalization, the U.S. has never agreed to pay the PRC price. Its Shanghai statement was ambiguous about the future of Taiwan. It "acknowledged" that "all Chinese" maintain there is only one China, and did not "challenge" that position, asserting its interest in a peaceful settlement by the Chinese themselves. It also affirmed its intent to reduce its forces on Taiwan as tensions diminished, with the ultimate objective of withdrawing all of them. But Nixon and Kissinger explicitly denied making any secret agreements affecting Taiwan and the security links with it.

Thus, the U.S. is free to decide the issue on its merits. In my view, paying the PRC price would be contrary to America's real interests. Any benefits are doubtful and are heavily outweighed by the serious costs.

What would the U.S. gain from capitulating on Taiwan? Replacing the U.S. and PRC liaison offices with ambassadors will make no real difference. Would yielding on the Taiwan issue make the PRC more cooperative on regional and global problems, as some suggest? Or would it ensure that Mao's successors will continue his Sino-U.S. policy?

Such suggestions seem to me to misjudge the actual relation. The PRC chose to reopen relations with the U.S., despite the Taiwan issue, mainly because of fear of the Soviet Union and the desire to break out of its isolation and enter the UN. Its recent concerns have been mostly that the U.S. détente policy showed weakness or naiveté. Even so, the PRC still depicts the U.S. as an imperialist threat, second only to the U.S.S.R. Certainly meeting its demands on Taiwan will not change its basic policy line. It acts now and will in the future on the basis of its leaders' judgment as to its interest—not out of gratitude.

Leaders after Mao may possibly decide that reducing tensions with the U.S.S.R. would better serve their security interests. If so, that would perhaps diminish their priority for the U.S. connection. But it would be foolish to believe that U.S. actions on Taiwan will determine either the successors or their policy. The abrupt demotion of Teng Hsiao-ping and the elevation of Hua Kuo-feng as acting Premier highlight once more that outsiders know far too little about the political processes in the PRC to be able to manipulate them. There are no grounds for thinking that Mao's successors will be more moderate because the U.S. yields on Taiwan. Whoever they may be, they would surely pocket that concession and go on from there. Thus the Taiwan issue could be a more potent lever on their future actions if it is still open than if it is already "in the bag."

More important, the U.S. would be cynical to pay the price demanded. For 25 years, Taiwan has flourished under U.S. protection, formalized since 1954 in the security treaty. The 15 million Taiwanese, who have actually been under mainland control for only four years since 1895, clearly do not want to be absorbed by Peking. Compared to the mainland, their living standard is much higher and they suffer much less repression than exists in the PRC.

The status of Taiwan is not merely a legal matter; the issue has now been reshaped by nearly 30 years of history, as has happened in Germany. Any solution should take account of the current realities and the desires of the Taiwanese. To slough off U.S. obligations to Taiwan would prejudice such a solution and would not be consistent with America's commitments and values. Such U.S. desertion of Taiwan would raise serious doubts about the United States' reliability among allies, especially Japan and Korea.

The U.S. could, however, do more to clarify its actual position regarding Taiwan. It should make clear that it does not support ROC claims to represent all of China. The U.S. has already reduced its forces on Taiwan and should continue to do so while maintaining the defense commitment. Finally, it should affirm its own openmindedness regarding the future of Taiwan, as long as the outcome is peaceful and not coerced. The U.S. can accept any solution acceptable to the Taiwanese—whether it be as part of China, a separate entity, or something in between.

1976 DEMOCRATIC PARTY PLATFORM ON TAX REFORM

Mr. KENNEDY. Mr. President, as we continue to vote in the Senate on the pending tax legislation and the important issues of tax reform that are being presented to the Senate, I hope that all of us will keep in mind the strong position in favor of meaningful tax reform expressed in the Democratic Party Platform for 1976.

The theme of the 1976 platform is a quotation from President Harry S. Truman in 1948, who said:

> To me party platforms are contracts with the people, and I always looked upon them as agreements that had to be carried out first.

Tax reform is part of that contract we are making with the American people in 1976, and I ask unanimous consent that the portion of the platform dealing with tax reform may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FROM THE NATIONAL DEMOCRATIC PLATFORM 1976—TAX REFORM

Economic justice will also require a firm commitment to tax reform at all levels. In recent years there has been a shift in the tax burden from the rich to the working people of this country. The Internal Revenue Code offers massive tax welfare to the wealthiest income groups in the population and only higher taxes for the average citizen. In 1973, there were 622 people with adjusted income of $100,000 or more who still managed to pay no tax. Most families pay between 20 and 25 percent of their income in taxes.

We have had endless talk about the need for tax reform and fairness in our Federal tax system. It is now time for action.

We pledge the Democratic Party to a complete overhaul of the present tax system, which will review all special tax provisions to ensure that they are justified and distributed equitably among our citizens. A responsible Democratic tax reform program could save over $5 billion in the first year with larger savings in the future.

We will strengthen the internal revenue tax code so that high income citizens pay a reasonable tax on all economic income.

We will reduce the use of unjustified tax shelters in such areas as oil and gas, tax-loss farming, real estate, and movies.

We will eliminate unnecessary and ineffective tax provisions to business and substitute effective incentives to encourage small business and capital formation in all businesses. Our commitment to full employment and sustained purchasing power will also provide a strong incentive for capital formation.

We will end abuses in the tax treatment of income from foreign sources; such as special tax treatment and incentives for multinational corporations that drain jobs and capital from the American economy.

We will overhaul federal estate and gift taxes to provide an effective and equitable structure to promote tax justice and alleviate some of the legitimate problems faced by farmers, small business men and women and others who would otherwise be forced to liquidate assets in order to pay the tax.

We will seek and eliminate provisions that encourage uneconomic corporate mergers and acquisitions.

We will eliminate tax inequities that adversely affect individuals on the basis of sex or marital status.

We will curb expense account deductions.

And we will protect the rights of all taxpayers against oppressive procedures, harassment and invasions of privacy by the Internal Revenue Service.

At present, many federal government tax and expenditure programs have a profound but unintended and undesirable impact on jobs and on where people and business locate. Tax policies and other indirect subsidies have promoted deterioration of cities and regions. These policies should be reversed.

There are other areas of taxation where change is also needed. The Ford Administration's unwise and unfair proposal to raise the regressive social security tax gives new urgency to the Democratic Party's goal of redistributing the burden of the social security tax by raising the wage base for earnings subject to the tax with effective exemptions and deductions to ease the impact on low income workers and two-earner families. Further revision in the Social Security program will be required so that women are treated as individuals.

The Democratic Party should make a reappraisal of the appropriate sources of federal revenues. The historical distribution of the tax burden between corporations and individuals, and among the various types of federal taxes, has changed dramatically in recent years. For example, the corporate tax share of federal revenue has declined from 30 percent in 1954 to 14 percent in 1975.

MRS. ESTHER HOLDEN—100 YEARS

Mr. HUGH SCOTT. Mr. President, it is a pleasure to note in the CONGRESSIONAL RECORD that a constituent, Mrs. Esther Holden of Sharon Hill, Pa., will have a dual reason to celebrate this July 4.

On that day, Mrs. Holden will mark her 100th birthday, as all America rings the bells on the occasion of our Nation's 200th birthday.

I have personally written to her my congratulations, and I am certain my colleagues in the Senate join me in extending our warm best wishes for her centennial on our Bicentennial.

A BICENTENNIAL MESSAGE

Mr. ALLEN. Mr. President, Alabamians view the Bicentennial as a time for rededication to God as well as a time for rededication to country, and forthcoming July 4 celebrations throughout Alabama will be both religious and patriotic in nature. As a matter of fact, on Sunday, July 4, I will be attending a religious-patriotic celebration in my hometown of Gadsden. This communitywide observance is being held in the local football stadium because of the anticipated crowd and it is being sponsored by the Etowah County Baptist Association.

The religious fervor connected with our Bicentennial is epitomized by a Bicentennial edition of the bulletin published by Knesseth Israel Congregation in Mountain Brook, Ala. This congregation was established in 1889 and has long been active in the religious and civic life of the community.

In his message in the bulletin, Rabbi Moshe Stern utilizes his column, "Rabbi's Corner," to address the hopes and prayers of Knesseth Israel Congregation for our country's future, and in it he expresses thoughts on matters that concern us all.

Mr. President, I ask unanimous consent that Rabbi Stern's letter addressed to me and his message in the bulletin be printed in the RECORD.

There being no objection, the material

was ordered to be printed in the RECORD, as follows:

JUNE 21, 1976.

Senator JAMES B. ALLEN,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLEN: It is my joyous pleasure to share with you our Synagogue Bulletin which has produced a special Bi-Centennial edition. Specifically the "Rabbi's Corner" on the front cover and the middle yellow section are devoted to the Jewish experience in these United States. I do hope you will enjoy our small contribution as we celebrate the 200th Birthday of our Country.

The Jewish community of Birmingham joins with you and Americans everywhere in the prayerful hope that the Eternal G–d will grant our Country and its citizens the wisdom and strength to stand as a beacon of democracy and love for all people.

With warmest best wishes and all of G–d's blessings, I remain

Sincerely,

Rabbi MOSHE STERN.

RABBI'S CORNOR: DEDICATED TO U.S. BICENTENNIAL

A BICENTENNIAL MESSAGE

This year the United States of America, the world's largest and strongest democracy, will be celebrating two hundred years of independence. In 1776, a democracy was a rare breed among nations. Most countries were either monarchies or dictatorships. Our founding fathers were imbued with the philosophy of John Locke and Montesquieu, who believed that man is endowed by his creator with certain natural rights, among which are the right of life, liberty and the pursuit of happiness, and that governments are established to enable man to achieve the fruits of such rights. This philosophy found its most eloquent expression in the Declaration of Independence. The writers of the constitution of the United States believed that they penned a form of government which was going to become the wave of the future and that in time democracy would be the norm rather than the exception. It was not until 1918, however, that the belief in the superiority of democratic government seemed to be vindicated. After World War I, monarchies everywhere toppled and republics took their place. Wilson's proclamation that America entered the war to "make the world safe for democracy" appeared to be more than an empty boast.

Unfortunately, democracy's heyday was very shortlived. Country after country abandoned its republican form of government after a brief honeymoon period and displaced it with a dictatorship. Today, once again, democracy is on the defensive and in a visible minority. Nor should one be deceived by false labels. The Union of Soviet Socialist Republics and the People's Republic of China are not republics in any sense of the word. They are drastically autocratic and tyrannical in their spirit, composition, and practice. We certainly have cause to be apprehensive about the survival of democracy. Surely, we can no longer sit back, confident that it is the wave of the future!

For a number of reasons Jews are especially concerned about the future welfare of the United States. Close to six million Jews—the largest number of our brethren ever gathered under one flag—live in these United States. We have reached the highest pinnacle of success ever in the arts, sciences, industry, commerce, and government. We feel greatly indebted to this country which has been a haven of refuge for millions of our persecuted brethren in the past two centuries. Many times in the past has this country spoken up for the Jewish People and today, it is a great bulwark for the struggling State of Israel. We are not ungrateful people; we have a keen sense of memory. As Jews, we also know that only in a democracy can a Jew enjoy a proper modicum of peace of mind and security. We have a large investment in America and we want to preserve this country for the future.

It grieves us, therefore, to witness the rapid decline of this, one of the most glorious examples of human government. Fear has gripped this nation. Crime and violence are ubiquitous, not escaping even the great academies of learning. Corruption and lawlessness are found in the highest echelons of government and society. Ominous clouds of bigotry, divisiveness, terrorism, and bloodshed overhand the American horizon. The country is tearing at its seams. We may well be witnessing, heaven forbid, the demise of the American dream.

Why have so many countries turned their backs on the democratic way of life? Why is democracy gasping for breath here in the United States? In our humble opinion it is because of a fallacious and highly erroneous interpretation of the concept of "freedom". Many are under the impression that freedom has no limits. They fail to perceive that absolute freedom leads to anarchy and ultimately to tyranny. Freedom can be misused by powerful and unscrupulous men to cover up their insidious lust for exploitation and power. Indeed, before a People can rule itself, there must prevail a spirit of justice and righteousness. Our founding-fathers insisted upon a written constitution, because they realized that a democracy can survive only if it is a government of laws and not of men. The rule of law is the best guarantee of a free society. That a written constitution is crucial to the perpetuation of freedom is something the founding-fathers learned from their Biblical heritage. The Bible was the constitution of the Jewish Commonwealth. The laws found in it governed the Jewish People and only by adherence to these laws would they enjoy security and freedom. The Talmudic sages aptly expressed this when they said, "the tablets of the law were the handiwork of G–d and the writing was the writing of G–d graven upon the tablets. Read not 'charuth' (graven) but 'cheruth' (freedom), for no many is free but he who labors in the Torah." (Ethics of the Fathers, 6:2). When the guarantees and protection of the law are invoked by those who aim to undermine and destroy them, we are bidden to deny the benefits of the law to them. Society can afford to grant only so much freedom as is in consonance with its security. In times of war or danger the boundaries of freedom must be retrenched. Free societies which failed to do this found themselves overwhelmed by force of lawlessness, dictatorship, and oppression. Lack of such perception led to the overthrow of the democratic Kerensky regime by the communists in Russian, to the crushing of the Weimar Republic by Hitler, to the seizure of power by Mussolini in Italy, and to the rise of Franco in Spain. For only where there exists a wide degree of morality can freedom prevail. Where the people are morally obtuse freedom must be curtailed. Granting freedom's benefits to those who are bent on destroying it is committing political suicide.

Is it not, therefore, absurd for the Supreme Court of the United States to seek to extend maximum freedom at a time when the crime rate has risen to dangerous proportions? Such folly makes the streets free for thugs while decent citizens are seized with fear to emerge from their homes. Can the right to privacy be so sacrosanct as to deprive a court of the ability to permit wiretapping to combat organized crime—crime which is threatening society as a whole? To allow known criminals to escape justice because of legal protections which were meant for law-abiding citizens is sheer insanity! To the degree that criminals manifest improvement in their character may they enjoy a greater measure of freedom. They must earn it and be compelled to use it constructively.

Much of this spurious philosophy which is endangering the fabric of our political structure is equally destroying our homes and our schools. The struggle between parents and children at home and between teachers and students at school is making a mockery of both home and school. The clamor of children and students for more freedom is quite understandable, but the gullibility of parents and school administrators in granting freedom so promiscously is totally incomprehensible. Such a policy has turned many a home into a battlefield and converted schools into jungles and training-grounds for crime. How pathetic it is to see parents in fear of their children and teachers being terrorized by their students.. Irreverance of all parental and teacher authority and guidance is responsible for our abnormal rate of delinquency. Authoritarianism in home and school can be diminished only to the extent that children and students learn to acquire self-discipline and to assume responsibility together with freedom. The virtues of responsible citizenship should be emphasized in school as much—and even more—than any other subject matter taught. Self-government has to be learned and acquired as a result of experience. Never have the words of the Rabbis been more true than in our time: "Pray for the government, were it not for the fear of it, men would swallow each other alive."

As Jews, we pray for a strong and righteous America. We hope that it may be spared the decay which has destroyed so many great societies in the past. We will beseech the Almighty that America may experience a moral regeneration, which alone can save it from the agonies of despair and destruction. May we merit the blessings of freedom which can accrue to us only as a result of greater responsibility and self-discipline. Then, indeed, will the United States once again be a beacon-light unto mankind in the centuries to come.

TOM LOUGH—THE BICENTENNIAL OLYMPIC PROJECT

Mr. HARRY F. BYRD, JR. Mr. President, as the 200th anniversary of our Nation's founding approaches, many splendid activities and events are reaching their culmination.

I would like to comment on one event in particular which has come to my attention.

In 1975, Maurice Thomas Lough of Port Republic, Va., a lovely little community on the South Fork of the Shenandoah River in Rockingham County, had an idea to combine the inspiration of an athlete's dedication, the celebration of the 21st Olympiad in Montreal, and the U.S. Bicentennial into one meaningful event. To that end, he developed and, along with 12 other athletes, will soon execute "The Bicentennial Olympic Project."

That project involves the transmission of greetings from the Governors of the 50 States and the Mayor of the District of Columbia to the members of the U.S. Olympic team by the members of Tom Lough's group, running and, where necessary, swimming from Washington, D.C., to Plattsburgh, N.Y., the staging area for the U.S. Olympic team.

A team of nine runners will make the first leg of the trip from Washington, D.C., to Philadelphia, Pa. On July 3, 1976, the team will receive an official sendoff from the White House grounds at 8 a.m. From that point, they will run in relay to Independence Hall, arriving there on July 4. After brief ceremonies and the transfer of the messages to the four long-distance runners, the project will cover 40 miles per day for the next 10 days.

The effort will be concluded on July 14 with the delivery of the messages entrusted to the runners to officials of the U.S. Olympic team prior to the team's departure for the games in Montreal.

A dual highlight of this remarkable event will be the swim-crossing of the Delaware River by former world-class swimmer Charles J. Hunter at a point not far from the site of George Washington's historic crossing. The waterproof message cylinder will be passed at that point to Miss Hillary Noden, national record holder in the high school women's 2-mile run.

The Bicentennial Olympic Project is sponsored by the U.S. Modern Pentathlon and Biathlon Association. Tom Lough is himself a former pentathlete and member of the 1968 U.S. Olympic team in modern pentathlon.

The project has been granted official recognition by the American Revolution Bicentennial Administration.

And befitting the individual effort and self-reliance displayed by this effort, no Federal money is involved. Instead, the estimated $4,000 budget is being underwritten by the generosity of private donations from people who are impressed with the merits of this fine project and the virtues of individual reliance, team spirit, and good will which it exemplifies.

I commend Tom Lough, an Eagle Scout, high school valedictorian, West Point graduate, decorated Vietnam veteran, former Olympian and currently a high school teacher at Montevideo High School, for conceiving and nurturing this splendid idea.

And I congratulate each of the members of his dedicated team, whose names I shall place in the Record at the conclusion of my remarks.

They carry with them the warm wishes of all Americans to our Olympic athletes.

They will provide inspiration to the thousands of our citizens they will pass along their way.

I salute them and wish them Godspeed.

I ask unanimous consent that the articles from the Harrisonburg, Va., Daily News-Record of June 17 and June 24, 1976, be printed in the Record at the conclusion of my remarks. I also ask unanimous consent that the fact sheet on the Bicentennial Olympic Project, the schedule of events, and route of travel and the biographical notes on the participants in the event be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

County Man Readies for 480-Mile Run

(By Patta Steele)

Port Republic.—In high school, the young man couldn't seem to fit into the athletic program.

His coach told him he wasn't basketball material and sent him to run hurdles. After tripping and stumbling over them for awhile, he landed in the 880-yard dash.

And there, Tom Lough seemed to excel. Before he graduated in 1960, he had set a school record for the half-mile run.

Eight years later he was a runner in the 1968 Olympics Modern Pentathlon and in less than a month, he intends to outdo that accomplishment.

The wiry, 34-year-old Montevideo High School science teacher is planning a 480-mile run from Philadelphia to Montreal, where he and three other runners hope to present official greetings from all 50 state governors to the United States teams at the opening of the 1976 summer Olympics.

The run has been approved by the American Revolution Bicentennial Commission and U.S. Olympic Committee through its National Bicentennial Sports Alliance branch.

Mr. Lough has been working on the idea since last summer.

As he sat in his comfortable living room in Port Republic recently, the former Olympian explained some of his reasons for organizing the long-distance running project.

"With the bicentennial and all, I figured this would be a neat summer to do something like this," he said. "My first idea was to run from Mexico to Canada, to show that our country is united and that we have respect and love for our neighbors to the north and south."

The initial plan was to complete the trans-America trip in 30 days, but that grew into a running trip through the 13 original colonial capitals after his wife Posy suggested he do something more bicentennial-oriented.

"But that project never got further than the idea stage," he admitted.

However, it was part of the inspiration for the upcoming trip beginning July 4 in Philadelphia and ending July 16 in Montreal, a day before the Olympics are set to open.

During the last six months, Mr. Lough broke through the governmental red tape barrier to win approval of his idea.

His story of the events leading up to the final approval is a classic example of being in the right place at the right time.

Although he had originally planned to run alone, Mr. Lough decided to enlist support from three other runners to involve persons from different parts of the country.

Two of the three other runners also are Olympians. Chuck Hunter, a high school teacher from Santa Clara, Calif., has helped coach Modern Pentathlon swimming, and Lyle Nelson is a member of the 1976 Olympic Biathlon team.

Biathlon athletes compete in two areas, cross country skiing and rifle shooting during winter Olympic games. Athletes in Modern Pentathlon must be able to run, swim, shoot, ride and fence in summer competition.

Also running will be Zane Branson, a 1976 graduate of Staunton River High School in Moneta. The youth has been a top competitive runner during high school.

"These people were chosen on their personality," Mr. Lough explained. "They're all inspirational-type people, which we're going to need to meet people along the road while we're running."

The group hopes to average 40 miles a day, running 20 miles in the early morning and 20 in the late evening. They will take turns running except at the final stretch and all four plan to enter Montreal together.

Not all of it will be running, however. Mr. Hunter plans to swim the Delaware River between Pennsylvania and New Jersey at approximately the same place where George Washington and his colonial troops crossed during the Revolutionary War.

The run will take them through a number of other sites that are being singled out during the bicentennial year, but one stop along the way will be particularly special to Mr. Lough.

The journey will take him through West Point, N.Y. where he attended the United States Military Academy.

The runners will be accompanied by motorhome escorts that will serve as an office and a dormitory. A bicycle rider also will stay close by the runners, Mr. Lough said.

In preparation, Mr. Lough runs each day, and has worked back up to 20 miles a day after suffering a minor injury recently.

He has competed in several races throughout the state during recent months, but is especially proud of one long-distance haul he made recently.

After his father, M. W. Lough, won the Elkton mayorial race, Mr. Lough typed up a congratulatory note, ran to Grottoes and gathered written congratulations from relatives there and collected even more from relatives as he ran along US 340 to Elkton.

He presented them to his father as he was throwing the first ball to open Little League season in Elkton.

"That was just great," he smiled. "It really pleased my father, and surprised him, too, plus I got some experience carrying a message."

The younger Lough, a well-known figure to motorists in the Port Republic area, noted the cooperation he has gotten from people along the highways.

"I really appreciate the patience of Rockingham County drivers," he said. "They've been real kind and will pull over when they pass." Runners and joggers, he added, sometimes have been harrassed by motorists, and some have even been run off the road by passing cars.

During the trip, Mr. Lough hopes the group doesn't encounter such treatment. Instead of running along interstates where there is a wide stopping lane, the runners will stay on major highways where they will pass through towns and be able to meet more people.

Despite the blisters and tired, aching muscles he's sure to get, Tom Lough is excited about the trip, and said his companions also are looking forward to July 4.

They are receiving no commercial sponsorship nor do they want it. The men will be wearing and using American-made products and hope to get contributions from all 50 states to make the effort representative of the whole nation.

Mr. Lough estimated the entire trip will cost no more than $4,000, including lodging, food, gas, equipment, uniforms and other items necessary for the trip.

Donations for the run may be sent to Bicentennial Olympic Project, Box 160, Port Republic 24471. Contributions are tax deductible.

"This is not an advertising gimmick. We want to focus on the bicentennial and at the same time link it to the Olympics," he noted.

"None of us are glory-seekers. Good grief," he laughed, "if we were, don't you think we'd try to find an easier way to do it?"

Lough Prepares for Run

Port Republic.—Tom Lough continues to build up his endurance in preparation for his anticipated run from Philadelphia to Montreal next month.

The Montevideo High School teacher and three other men will be carrying greetings from all state governors to members of the United States Olympic delegation before the opening of the 1976 Olympics in Montreal July 17.

In preparation for the trip, he runs about 20 miles each day along rural roads near his home in Port Republic, and said this week people are beginning to recognize him and ask questions about the trip.

Mr. Lough and three others, Zane Branson of Moneta, Chuck Hunter of Santa Clara, Calif., and Lyle Nelson, an Idaho native, plan to run 40 miles a day in two separate periods during early morning and late afternoon.

Lyle Nelson has recently been added to the list of long-distance runners as a replacement for Dave Kirkwood. Mr. Nelson was a member of the 1976 Olympic Biathlon team in Innsbruck. Mr. Branson, a 1976 graduate of Staunton River High School, has an outstanding track record.

Mr. Lough reported that Mr. Nelson probably will be supervising a group of athletes from the Olympics' Modern Pentathlon and Biathlon training center as they run the governors' messages from Washington, D.C. to Philadelphia July 3.

The four runners will leave from Philadelphia's Independence Hall early July 4 and will conclude the day with Mr. Hunter's swimming the Delaware River at the point where George Washington crossed in 1776 before the Battle of Trenton (N.J.).

To carry the messages, the runners have received special metal tubes that were designed and made at Massanutten Vocational-Technical Center by John Bryan.

The containers fit handily in the runners' hands, and one is watertight for use when Mr. Hunter swims the Delaware.

Recent attention to the upcoming run has helped people in the Port Republic area identify the lean figure jogging along back roads.

"People will ask me in to have a drink of water when I'm running and they will ask about the project," Mr. Lough commented. "Everybody's been real friendly and seems to know now what I'm doing now," he laughed.

But there seems to be some confusion about the nature of the run. "We are not part of the opening ceremonies at the Olympics and none of us is carrying a torch at the games," Mr. Lough said.

The group is not an official part of the U.S. Olympic delegation, he added. Olympics officials simply have agreed to receive the messages and see that they are delivered to the American athletes.

The runners are seeking to tie the American bicentennial celebration to the opening of the Olympics. Mr. Lough himself is a former Olympics participant along with Mr. Nelson, and Mr. Hunter has helped coach Modern Pentathlon swimming.

The project seeks to involve all 50 states, since the runners will be carrying greetings from all the governors. The run is a nonprofit venture and contributions are tax-deductible. Donations may be sent to Bicentennial Olympic Project, Box 160, Port Republic 24471.

Fact Sheet—Bicentennial Olympic Project

The Bicentennial Olympic Project is an activity designed to link the Bicentennial celebration in the United States with the Olympic Games in Montreal, Canada in a meaningful way. This is the concept of the project:

Messages to the United States Olympic Team from the governors of the 50 states and the mayor of the District of Columbia will be assembled and presented July 3 to a group of runners in Washington, D.C. The runners will carry the messages to Independence Hall in Philadelphia where they will be transferred to another group of runners in a special ceremony July 4. These runners will carry the messages to Plattsburgh, N.Y., where they will deliver them to the assembled United States Olympic Team prior to its departure for the Olympic Games. Thus, members of our Olympic Team will receive greetings from their respective governors, and through them, from the entire nations.

The project has been approved and is officially recognized by the American Revolution Bicentennial Administration. The United States Olympic Committee has stated they will receive the delivery of the messages with appropriate protocol and ceremony. The project is sponsored by the United States Modern Pentathlon and Biathlon Association.

The Modern Pentathlon is an Olympic sport in the summer games, consisting of horseback riding, fencing, pistol shooting, swimming, and cross-country running. The Biathlon is a sport in the winter Olympics, consisting of cross-country skiing, and rifle shooting.

The route of the runners will be as follows:

Washington, D.C., to Phaldelphia, Pa.—US Route 1.

Philadelphia, Pa., to Montreal, Can.—Route 532 to Washington's Crossing, Route 202/I-287 past Morristown, N.J., to Haverstraw, N.Y. North on Route 9/9W/9N, past West Point, Saratoga, Fort Ticonderoga, to Plattsburgh, N.Y.

A special highlight of the project will be July 4, when the messages will be taken by swimmer across the Delaware River where George Washington crossed with his troops December 1776 prior to the Battle of Trenton.

This project is non-profit and within the tax-exempt status of the US Modern Pentathlon and Biathlon Association. Contributions are being sought from all 50 states to cover the $4,000 budget in an attempt to get participation from the entire nation, which the project represents. Contributions are deductible for income tax purposes and may be sent to Bicentennial Olympic Project, Box 160, Port Republic, Va. 24471.

Personnel:

RUNNERS

Washington to Philadelphia—selected athletes from the national training centers of modern pentathlon and biathlon, under the charge of Army Captain Lyle Nelson.

Philadephia to Montreal—

Zane Branson of Moneta, Virginia.

Chuck Hunter of Santa Clara, California.

Lyle Nelson of Boise, Idaho (member of 1976 US Olympic Team in Biathlon at Innsbruck).

Tom Lough of Port Republic, Virginia (member of 1968 US Olympic Team in Modern Pentathlon at Mexico City). Project Coordinator.

ADMINISTRATIVE

Posy Lough of Port Republic, Virginia—clerk, secretary.

Patta Steele of Shenandoah, Virginia—press relations.

SCHEDULE OF EVENTS

July 3—7 AM: White House, Washington, DC. Ceremony presenting a commendation to the US Modern Pentathlon and Biathlon Association for the Bicentennial Olympic Project. The governors' messages are presented to a team of runners made up of biathlon and modern pentathlon athletes, who will carry the messages to Landsdowne, PA, on the SE side of Phila. The athletes will stay overnight in the vicinity.

July 4—5 AM: runners depart Landsdowne and run into Philadelphia to Independence Hall, where a special transfer ceremony takes place at 6 AM. The messages are handed to Mr. Wilson, who makes a few remarks; then the messages are handed to the first runner of the next team, which will carry them to Plattsburgh, NY. The runner arrives at the Delaware River where George Washington crossed in 1776 at 2 PM, hands the messages to Chuck Hunter, who swims them across, and hands them to Miss Hillary Noden, national record holder in the women's 2-mile, Miss Noden runs with the messages 2 miles, and gives them to Zane Branson, who continues to Larison's Corners. The team returns to Washington's Crossing to spend the night.

July 5—Noon break at Pluckemin, NJ. Overnight at Dover, NJ.

July 6—Noon break at Pompton Lakes, NJ. Overnight at Pomona, NY.

July 7—Noon break at USMA, West Point, NY. Overnight at Marlboro, NY.

July 8—Noon break at Ulster Park, NY. Overnight at West Camp, NY.

July 9—Noon break at Coxsackie, NY. Overnight at Loudinville, NY.

July 10—Noon break at Round Lake, NY. Overnight at Wilton, NY.

July 11—Noon break at Lake George, NY. Overnight at Bolton Landing, NY.

July 12—Noon break at Fort Ticonderoga, NY. Overnight at Westport, NY.

July 13—Noon break at Poke-O-Moonshine Park. Overnight at Plattsburgh, NY.

July 14—Delivery of messages to Olympic Team at Plattsburgh, NY.

ROUTE OF RUN

Washington, DC to Landsdowne: US Route 1 to Media, PA, then onto the Baltimore Pike to Landsdowne, PA.

Landsdowne to Philadelphia: Baltimore Pike to Route 13 to Walnut St, into town on Walnut Street to Independence Hall.

Philadelphia to Plattsburgh, NY: I95 to Cottman Ave to PA 532 to Washington's Crossing. NJ Route 579 to 31 to US 202 to I287, back onto US 202 and on into NY. At Haverstraw, NY, north on 9W to West Point, then 218 to 9W to Albany. Then onto 9 to Lake George, then 9N to Elizabethtown, then 9 to Plattsburgh.

TYPICAL DAY

AM: Runner and escort off at 7 AM, arrive at break area 10 AM, approximately 20 miles away.

PM: Runner and escort off at 4 PM, arrive at overnight area 7 PM, approximately 20 miles away.

Total miles each day: 40 miles, averaging 10 miles per runner.

Press Representative will contact media representatives one day in advance of arrival to coordinate final arrangements.

INDIVIDUALS AND DUTIES

Zane Branson of Moneta, VA—PM runner.

Chuck Hunter of Santa Clara, CA—PM runner, swimmer.

Lyle Nelson of Boise, ID—AM runner.

Tom Lough of Port Republic, VA—AM runner, project coordinator.

Posy Lough of Port Republic, VA—clerk, secretary.

Patta Steele of Shenandoah, VA—Press Representative.

Runners of the DC to Phila portion to be named by Mr. Wilson and Lyle Nelson.

Additional: We will also have with us books with blank pages in them for the people we meet to sign their personal greetings and best wishes to the Olympic Team. These books will be presented to the US Olympic Team.

Bicentennial Points of interest along the way include: Washington's Crossing, Morristown, West Point, Saratoga, Ticonderoga.

PARTICIPANTS

*Tom Lough—Port Republic, Virginia.

*Zane Branson—Moneta, Virginia.

*Charles Hunter—Santa Clara, California.

*Lyle Nelson—Boise, Idaho.

Sean Maxwell—Arlington, Virginia.

Dave Richardson—Arlington, Virginia.

Doug Cromack—Norton AFB, California.

Anthony Voboril—Colorado Springs, Colorado.

Peter Dascoulias—Tilton, New Hampshire.

Mike Coscia—Memphis, Tennessee.

Arthur Stegen—New Paltz, New York.

Milos Voboril—Glen Cove, New York.

Hillary Noden—Titusville, New Jersey.

*Relay runners from Philadelphia, Pa. to Plattsburgh, N.Y.

BIOGRAPHICAL NOTES

Maurice Thomas Lough, project coordinator and runner—Born: July 14, 1942, son of Mr. and Mrs. M. W. Lough of Elkton, Virginia; Eagle Scout; West Point graduate, 1964; CISM Team for Pentathlon, 1967; U.S. Olympic Team for Modern Pentathlon, 1968; Combat duty in the Republic of Vietnam: Purple Heart, Bronze Star with 2 Oak Leaf Clusters with "V", Army Commendation Medal with Oak Leaf Cluster, Air Medal, Vietnamese

Cross of Gallantry; high school teacher at Montevideo High School; married to Posy Ann Baker of Macon, Ga.; Hometown: Port Republic, Virginia.

Zane Branson, runner—Born: Sept. 23, 1957, son of Mr. and Mrs. C. E. Branson of Moneta, Virginia; named "prep athlete" of the year by *Coach and Athlete* Magazine; winner of 12 district track championships; Hometown: Moneta, Virginia.

Charles James Hunter, runner and swimmer—Born: May 15, 1942, son of Mr. and Mrs. C. M. Hunter of Lima, Ohio; graduate of Ohio State University; national record-holder in 2 events, 1972 Masters Swim Meet; extensive and varied coaching experience; Hometown: Lima, Ohio.

Lyle B. Nelson, assistant coordinator and runner—Born: Feb. 9, 1949, son of Mr. and Mrs. J. E. Nelson of Boise, Idaho; West Point graduate, 1971; 1st National Biathlon Championships, 1975, 1976; member U.S. Winter Olympic Team, 1976; Hometown: Boise, Idaho.

AUSTRALIA AND NEW ZEALAND RESPOND

Mr. BAKER. Mr. President, several months ago I and several colleagues visited Australia and New Zealand and had discussions with their new Prime Ministers, Mr. Fraser and Mr. Muldoon. One of the issues I raised with these Prime Ministers was the refusal by the previous governments to allow U.S. nuclear-powered warships to visit their countries. I was particularly gratified to learn that they agreed with me that such an attitude on the part of a close defense ally was not proper and that they intended to change this situation.

I am happy to note that both men have made good on their commitment. On June 4, 1976, Mr. Fraser of Australia, and on June 28, 1976, Mr. Muldoon of New Zealand, publicly announced that their countries were permitting U.S. nuclear-powered warships to visit their ports. I ask unanimous consent to have printed in the Record the statements that were released, because they carry a message that some of our other allies and friends need to hear.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement by Australian Prime Minister Fraser, June 4, 1976

I wish to inform the House that my Government has decided to allow the resumption of visits to Australian ports by nuclear powered warships. This decision has been made after a long and careful examination of the many aspects associated with this subject.

In furtherance of the objective of ensuring that matters affecting the environment are fully examined and taken into account, the Government has given very careful consideration to a classified draft Environmental Impact Statement prepared by the Department of Defense. However, in the opinion of the Government it would be contrary to the interests of Australia for this document to be made available publicly.

Nevertheless, in order that maximum possible information consistent with the interests of Australia, be made available to the public, a document entitled "Environmental Considerations of Visits of Nuclear Powered Warships to Australia" dated May 1976 is attached to this statement.

The House will be aware that there have been a number of visits in the past by United States nuclear powered warships. In the interests of our national security the Australian Government attaches great importance to the presence in this area, under the ANZUS alliance, of the United States Navy, which is increasingly converting to nuclear powered warships.

With well over one hundred naval reactors in operation, United States nuclear powered warships have visited over thirty countries and eighty five foreign ports.

Our decision follows consultations with the United States Government on safety procedures and legal indemnity. In the latter connection, the United States Congress in December 1974 enacted a Law (Public Law 93–513) pursuant to which, as was made clear by the Joint Congressional Committee on Atomic Energy, the United States accepts absolute liability for any nuclear damage which might result from a nuclear incident involving the reactor of a United States warship.

The Government is taking these decisions on the basis of international experience with nuclear powered warships and in light of the assessments in the unclassified Environmental document which I am tabling. The Government accepts the expert advice that the risk of an incident resulting in a release of radioactivity is extremely low and the hazard to human health and the environment is remote. All necessary control and safety measures will be implemented at the berths to be used.

Those matters are dealt with in detail in the document "Environmental Considerations of Visits of Nuclear Powered Warships to Australia". I would also point to the remarkable safety record of United States nuclear powered warships.

There is further compelling reason why action is required in this matter. About a third of the United States Navy is nuclear powered. We have a military alliance with the United States through the ANZUS Treaty. Under Article II of that Treaty, we have undertaken to act separately and jointly to maintain and develop our individual and collective capacity. . . . Unless nuclear powered ships are able to use Australian ports, there will be no prospects of Australia remaining an adequate and reliable ANZUS partner. That is not a statement from any American source—it is my own.

The ANZUS Treaty requires cooperation with the United States. At the very least, that would require that the United States be able to replenish her ships and that we should provide such support as we are able, not only in peace-time circumstances as a good ally, but in any emergency that may arise in the future. The vital character of our alliance with the United States and with ANZUS require this action to be taken.

In reaching a decision on the resumption of visits, the Government has had the benefit of a very wide range of expert advice. Defence and Australian Atomic Energy Commission scientists have participated in the examinations and relevant matters have received consideration by the Australian Ionising Radiation Advisory Council.

Appropriate arrangements concerning environmental safeguards will be applied in consultation with state governments by a group of officials led by officials of the Department of Environment, Housing and Community Development. Such arrangements will be undertaken, as necessary, before visits take place.

Statement by New Zealand Prime Minister Muldoon, June 28, 1976

The Government has decided to permit the resumption of occasional visits to selected New Zealand ports by nuclear propelled naval ships.

The first such visit was in 1960. No special safety rules were thought necessary, nor was any special political significance attached to the visit. Since last such visit, in 1964, some public attitudes have changed. Whereas there was no public interest in the conditions under which such a vessel should be allowed to come here back in 1964 there is now a widespread and vigorously argued interest.

In recent years we have been much preoccupied with the effort to end the testing of nuclear weapons in the pacific area and indeed in the world at large. We have seen more than we want of the destructive side of nuclear power. We have not really focussed on the controlled, constructive uses to which atomic energy can be put.

In such a climate of political doubt and lack of scientific information there are many who want to be assured that it is both in the political interests of New Zealand and certainly not to the likely detriment of the health of this and future generations to admit nuclear-powered naval ships to our ports. I give you an assurance on both these points.

Political Considerations:

There has been an orchestrated campaign running for some months now to stir up opposition to such visits. Some of the people active in this campaign, though naive and confused, are genuinely well-intentioned. But a good deal of the impetus comes from people whose motives cannot be given the benefit of the doubt. Their deliberate aim is to harm this country's national interest.

These people, in my opinion, grossly exaggerate the risk arising from the use of nuclear ship propulsion. They play up the potential hazards but don't mention that past experience has shown the possibility of accidents to be remote in the extreme. They seek to raise fear and alarm, to play on honest doubts and ignorance; to induce emotional irrational responses. Their real purpose is to have this country cut its defense links with the United States and Australia in the ANZUS Treaty. This Government is not about to let a tiny disaffected minority dictate our foreign policy. This Government does not agree that New Zealand has no interests to defend and no reason to be concerned about its security, now or in the future.

It rejects the proposition that New Zealand can retreat behind the illusory shield of its geography into a friendless and vulnerable isolation.

We live in a hard world from which force and the use of force have yet to be removed.

My Government is no less determined than its predecessors were to work for peace and nuclear disarmament and the relaxation of international tension but it believes that we can make no contribution towards a more peaceful world by running after woolly-minded schemes that can bring no practical results. The last Government's proposal for a nuclear free zone in the South Pacific was a case in point. We believe on the other hand that our ANZUS alliance has stood New Zealand in good stead. We are determined to see it continues to do this.

In saying this I am convinced I can count on the support of the great majority of New Zealanders.

Being a good ally does not require us to abandon our independence or our right to make up our own minds on what our best interests are and how they might best be defended.

We are convinced that ANZUS must remain strong and healthy. ANZUS is much more than a defense alliance, but it is that as well. We share this conviction with Australia as well as with our principal partner, the United States.

It is very obvious to me and my colleagues, as it is to our neighbors across the Tasman, that we cannot have the dependable and active relationship we want with the United States if we continue to insist that a large and growing part of our ally's most modern naval units should be banned from visiting our ports and harbors. This is scarcely what could be called being a good ally.

Provided that we are satisfied that these ships are safe to visit our shores and that the arrangements agreed between us meet our position on questions of legal liability, there is no justification for keeping them out. We are so satisfied and there are in fact a number of specific advantages in our receiving them here from time to time.

It is in New Zealand's national interest, as it is in Australia's, that the United States should remain an active force for peace in our part of the Pacific. This is all the more necessary when we look at the expansionist policies and actions of the other super power. That is why New Zealand will coopperate with the United States without placing needless restrictions on the movement of United States naval units to our shores.

Safety Considerations:

I want to take this question away, if I can, from the exaggeration, confusion and misrepresentation with which it seems to have become entangled.

There is no such thing as absolute safety. Our sophisticated society encourages us to use many technologies which are inherently dangerous. Electricity is one. They become safe in our hands because we introduce sensible precautions into the design and construction of equipment and we make sensible and practical—but adequate—rules for the operation of that equipment. Essentially the same but much more rigorous approach is made in designing, building and operating nuclear ships. We have now produced our rules for such ships while they are in our ports but rather than say nuclear warships must be intrinsically unsafe if they require such careful treatment in port we should accept that they are safer than many conventional ships, and pose less of a threat to public safety, because of the high degree of caution which has gone first into their design and construction and now into our safety code. As a result, the chances of a nuclear accident, and of resultant injury or death to New Zealand citizens caused by a visiting nuclear warship are extremely remote. The United States Navy has been operating nuclear powered ships for 22 years. During this time not one death has resulted from a nuclear accident, nor has there been a single injury from such a cause. The experts, here and abroad, have calculated the risk of what they call the "maximum credible accident" as one in 10,000 years of continuous reactor operation. On the basis of a ship visiting New Zealand ports for only a few days each year that puts the risk as one in a million visits.

Under our entry criteria, the "maximum credible accident" could cause up to five deaths from cancer over the following 30 years. Five people die in motor car accidents in New Zealand every two or three days, on average, so motor cars, it could be argued, are 50 million times more dangerous than nuclear-powered warships if we have two visits a year.

The Australians have calculated the likelihood of being killed by lightning as one chance in 2,000,000 per year, and they also calculate the average additional risk of a fatal cancer being caused by a nuclear warship visiting an Australian port at one in a hundred thousand million per year. They are therefore, 50,000 times more likely to be killed by lightning than they are likely to develop a fatal cancer as a result of a nuclear accident in a naval ship.

A much more common hazard and one faced daily by almost all of us is the risk of electrocution. That risk has been calculated as one in 200,000 per year or 500,000 times more likely than a fatal cancer caused by a nuclear warship accident.

If I have dealt at some length on stressing the astronomical magnitude of the odds against death or injury from a nuclear accident in a New Zealand port it is because many people have a number of misconceptions about the possibility of danger associated with marine reactors.

There are people for instance who believe that nuclear warships could suffer an accident which might cause a nuclear explosion like an atomic bomb. This is one misconception which can be disposed of totally and without qualification. It is physically impossible.

Many people also believe that nuclear propelled ships leak radioactivity as a matter of routine, as distinct from an accidental cause, they do not. Some people maintain that if these nuclear powered ships are to come here, they must be kept right out of ports and harbors and be sent to remote, uninhabited locations.

I want to assure those people that the berthing criteria which have been adopted in the code from nuclear-powered shipping will keep these ships far enough away from residential areas without the necessity of restricting them to remote, unpopulated harbors.

To sum up, the Government sees many political advantages to New Zealand of occasional visits by nuclear warships. At the same time it is satisfied that there is an adequate safety margin built into the design, construction and operation of these vessels. It has now added yet another set of safety rules for the handling of these vessels in our ports. All of these considerations permit the Government to say that such visits can take place in safety.

ANNOUNCEMENT OF STAFF TRAVEL TO REPUBLIC OF KOREA

Mr. BAKER. Mr. President, pursuant to the statement of the joint leadership of the Senate on July 16, 1974, I wish to state that Cranwell Montgomery of my staff will travel at the invitation and expense of the Korea-United States Economic Council, to the Republic of Korea, July 12–17, in order to enhance his knowledge of that nation and its government.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 8 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. CULVER and Mr. NUNN will be recognized each for not to exceed 15 minutes. On the completion of those two orders, the Senate will proceed to the consideration of Senate Resolution 413, Calendar Order No. 959, the Radio Free Europe resolution. There is a time limit on that resolution of 20 minutes. Upon the expiration of the time of 20 minutes, the Senate will proceed to vote by rollcall, the yeas and nays having already been ordered, on the adoption of the resolution.

Upon the disposition of Senate Resolution 413, the Senate will proceed to consider S. 2228, the Public Works and Economic Development Act on which there is a time agreement, there being 1 hour on the bill and a time limitation on any amendment of 30 minutes. Rollcall votes will occur on amendments to the bill presumably and certainly on final passage of the bill. The Senate may take up the housing conference report on tomorrow and other conference reports and possibly other measures tomorrow. Rollcall votes, I repeat, will occur on tomorrow, the first to begin at about circa 8:30 a.m., and hopefully the Senate will complete its work well before midafternoon tomorrow.

RECESS UNTIL 8 A.M. FRIDAY, JULY 2, 1976

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the previous order that the Senate stand in recess until the hour of 8 a.m. tomorrow.

The motion was agreed to; and at 8:28 p.m., the Senate recessed until tomorrow, Friday, July 2, 1976, at 8 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 1, 1976:

OFFICE OF TELECOMMUNICATIONS POLICY

Thomas J. Houser, of Illinois, to be Director of the Office of Telecommunications Policy.

CENTRAL INTELLIGENCE

E. Henry Knoche, of Virginia, to be Deputy Director of Central Intelligence.

The above nominations were approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF DEFENSE

Gen. George S. Brown, U.S. Air Force, for reappointment as Chairman of the Joint Chiefs of Staff for an additional 2 years.

HOUSE OF REPRESENTATIVES—*Friday, July 2, 1976*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Blessed is the nation whose god is the Lord.—Psalms 33: 12.

Almighty and Eternal God, without whom no nation can be great and no people can be good, we thank Thee for the blessings so abundantly bestowed upon us during the 200 years of our existence. We pray that we may be worthy of Thy goodness to us. With our faith in Thee may we continue to make the spirit of freedom live in our day.

On these national days of thanksgiving and prayer we commit our lives and our land anew to Thee. May each one of us and may every citizen pledge his allegiance to our country by obeying the laws of our land, by supporting our Constitution, and by endeavoring to maintain liberty in righteousness and peace.

As we think of the Magna Carta and

the Declaration of Independence may we sing again and pray:

> "Our fathers' God, to Thee,
> Author of liberty,
> To Thee we sing!
> Long may our land be bright
> With freedom's holy light;
> Protect us by Thy might,
> Great God, our King."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 1404. An act to authorize the Secretary of the Interior to convey certain lands in Madera County, Calif., to Mrs. Lucille Jones, and for other purposes;

H.R. 4829. An act for the relief of Leah Maureen Anderson;

H.R. 10572. An act to amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments; and

H. Con. Res. 672. Concurrent resolution reaffirming the commitment of the Congress to the principles of the Declaration of Independence.

The message also announced that the Senate receded from its amendments to bills of the House of the following titles:

H.R. 13069. An act to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands; and

H.R. 13501. An act to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO HAVE UNTIL MIDNIGHT, JULY 16, 1976, TO FILE A REPORT, NOTWITHSTANDING RECESS

Mr. BRADEMAS. Mr. Speaker, notwithstanding the recess of the House from July 2, 1976, until July 19, 1976, I ask unanimous consent that the Committee on Standards of Official Conduct may have until midnight, July 16, 1976, to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL MIDNIGHT, SATURDAY, JULY 3, 1976, TO FILE A REPORT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tomorrow night, Saturday, July 3, 1976, to file a report, "A Review of the Environmental, Economic, and International Aspects of the Garrison Diversion Unit, North Dakota."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 13655, AUTOMOTIVE TRANSPORT RESEARCH AND DEVELOPMENT ACT OF 1976

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 13655, a bill to establish a 5-year research and development program leading to advanced automobile propulsion systems, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE REPORT ON H.R. 13676, NATIONAL ENERGY EXTENSION SERVICE ACT OF 1976

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology have until midnight tonight to file a report on H.R. 13676, the National Energy Extension Service Act of 1976.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO FILE REPORT ON H.R. 8800, ELECTRIC VEHICLE RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1976

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 8800, a bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON JUDICIARY TO HAVE UNTIL MIDNIGHT, JULY 16, 1976, TO FILE REPORTS ON H.R. 9182 AND H.R. 13489

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight on July 16, 1976, to file a report on H.R. 9182 and on H.R. 13489.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the Committee on Public Works and Transportation, which was read and referred to the Committee on Appropriations:

WASHINGTON, D.C.,
June 29, 1976.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works and Transportation has approved the work plans transmitted to you which were referred to this Committee. The work plans involved are the following:

STATE, PROJECT, EXECUTIVE COMMITTEE, AND DATE APPROVED

Oregon, Little Luckiamute River, 1635, June 29, 1976.

Tennessee, McNairy-Cypress Creek, 2848, June 29, 1976.

North Carolina, Country Line Creek, 3091, June 29, 1976.

With warm personal regards, I am,

Sincerely,

ROBERT E. JONES.

ELMER J. HOFFMAN

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ERLENBORN) is recognized for 60 minutes.

Mr. ERLENBORN. Mr. Speaker, it is with deep personal sorrow that I announce the passing of Elmer J. Hoffman, the man who preceded me in Congress from the 14th Congressional District of Illinois.

Mr. Hoffman died at the age of 76 in his Wheaton, Ill., home last Friday. He served in this Chamber for 6 years, beginning with the 86th Congress, and was a member of the Rules and Merchant Marine and Fisheries Committees.

Elmer Hoffman was described as the patriarch of Du Page County's Republican Party. That he was, having been elected county party chairman 10 times before retiring as chairman emeritus.

However, his greatest achievements came as a servant of all the people. His 40-year career in public life began in 1932, when he was elected township constable. Later he served two terms as Du Page County sheriff before being elected Illinois State treasurer in 1952. After 6 years in State office, Mr. Hoffman came to Congress. He served in his last elected office 10 years ago as Du Page County treasurer and later was appointed to fill an unexpired term on the Du Page County Board.

What separated Elmer Hoffman's career from that of the average politician were the personal qualities he brought to his work. He was a giant among men. Forceful, hard working, intelligent, and politically savvy, he was a born leader.

Mr. Speaker, we Du Page County residents are proud of our growing and prosperous community. Fifty years ago Du Page was primarily a quiet farming area, dotted occasionally with small towns supporting a total county population of about 90,000.

Gradually, however, the Chicago suburbs grew out to Du Page County and the population has soared to well over 500,000. Yet throughout this period of great change, the county has maintained its unique character and has avoided several of the problems normally associated with urban expansion. We owe much of this good fortune to the foresight and good judgment of the area's government leaders.

A man who helped establish this tradition of good government—the public servant whose labor of love set the example for the rest of us to follow—is Elmer J. Hoffman. I will miss him, and I extend my deepest condolences to his widow, Frances, and his daughter, Mrs. Joan Sovereign.

Mr. BAUMAN. Mr. Speaker, I want to join my distinguished colleague from Illinois (Mr. ERLENBORN) in expressing my deep sympathy over the passing of the late Honorable Elmer Hoffman of Illinois. From 1957 to 1965, Elmer, as we all knew him, served with distinction in the House of Representatives. Although he was a quiet person who did not engage extensively in floor debate, he was a tireless worker for his constituents.

Equally important, all of us who worked on the House staff knew him to be one of the most pleasant and affable Members, a man who always had a kind word to say and a personal inquiry about family members and friends. On more than one occasion my wife, Carol and I joined Elmer and his family for dinner. He was particularly proud of his young grandson, Mike, whom I am sure is today many times the size when I knew him.

Elmer Hoffman was also a man of great dedication to principle. He was a staunch conservative who consistently voted his convictions. For a time he helped form the triumvirate of "Hoffman, Hoffman and Gross," a sort of three horsemen of conservatism, including the late Clare Hoffman of Michigan and our friend, the former Member from Iowa, H. R. Gross. Elmer's long background in law enforcement gained him the nickname of "The Sheriff of Us All." With his imposing presence one could readily imagine that he was most effective during his law enforcement career.

Although I had not seen Elmer for several years we did talk by telephone and I recall that shortly after my election in 1973 he called to offer me his congratulations.

Mr. Speaker, we will all miss Elmer Hoffman and to his family, Carol and I extend our sincere condolences on the passing of a great gentleman and a good friend.

Mr. DERWINSKI. Mr. Speaker, when I came to this body in 1958 as a freshman Member, it was my privilege to enter in the same class with our late colleague and good friend, the Honorable Elmer J. Hoffman. We were close friends here in Washington as we had been when we both served in State government in Springfield.

When Elmer came to the House, he was appointed as a member of the House Rules Committee. At that time, under the chairmanship of former Representative Howard Smith of Virginia, the Rules Committee was a key element in the procedures of the House. Mr. Hoffman served his party and his State well in that position and in the process he served the people of the United States well. In fact, he was a major tower of strength on the House Rules Committee and that is an accomplishment for which he will long be remembered in the House and among his successors in the Illinois delegation.

His commitment to traditional American values and principles remains as a legacy to his successors. I salute Elmer as a good friend and an outstanding public official.

Mrs. Derwinski joins me in extending our heartfelt condolences to his widow, Frances, and his daughter.

Mr. HALL of Illinois. Mr. Speaker, although I never had the opportunity to personally know Congressman Elmer J. Hoffman, I, along with thousands of other citizens from Illinois, came to respect this fine public servant.

Congressman Hoffman's years of public service centered in Wheaton in Du Page County. He was the township constable, county sheriff, county treasurer, and the treasurer of the State of Illinois. For three terms he represented Illinois' 14th District here in the House.

Congressman Hoffman's career paralleled the growth of his community. As Du Page County grew, Congressman Hoffman continued to accept more and more responsibility.

Mr. Speaker, we are saddened at his death but Congressman Hoffman's four decades of public service to his country and to his party remind us of his long and successful life. To his wife and daughters go our deepest sympathy.

Mr. McCLORY. Mr. Speaker, it is with a sad heart that I join in this final tribute to my longtime friend, the distinguished former Congressman from the 14th District of Illinois, Elmer J. Hoffman.

In addition to our close friendship over a long period of years, Elmer Hoffman was a virtual institution in Du Page County and the State of Illinois. Elmer Hoffman was a man of stature in every sense of the word. Within his giant frame, Elmer Hoffman embodied political principles which he was capable of articulating in a most eloquent and forceful way.

Congressman Hoffman's service was in no sense limited to his 6 years in the U.S. House of Representatives from 1958 to 1964. He served his county as county treasurer, as chairman of the Du Page County Republican organization, and in other local and county capacities. In addition, he was elected twice as State treasurer of Illinois where he established a record of honorable service and efficient management of the funds of our great State of Illinois.

Mr. Speaker, I have also been privileged to know Elmer Hoffman's wife, Frances, and was frequently in the company of both Elmer and Frances Hoffman when Elmer served here in Washington. Congressman Hoffman has left a permanent mark in our State's and Nation's history.

Joining with his successor in the U.S. House, Congressman JOHN ERLENBORN, I feel privileged to participate in this final tribute to Elmer Hoffman and extend to his widow, Frances, and daughter, Mrs. Joan Sovereign, my respect, affection, and deep sympathy.

Mr. HYDE. Mr. Speaker, it is very fitting that we take this moment today to pay tribute to one of our former members in the House, Mr. Elmer Hoffman. His death last week at the age of 76 was a sad occasion for all who knew him.

Elmer Hoffman grew up on a farm in Illinois, served in World War I, and then came home to serve the people of his State in elective office for more than four decades. As a township constable, sheriff, State and county treasurer, and as a three-term Member of the House, Elmer Hoffman was known as a skilled legislator and a friend of the people. His 40-plus years of public service were marked by dedication, devotion, and concern for those he represented.

I commend Congressman ERLENBORN for requesting this special order today allowing us the opportunity to pay tribute to a great American, and I extend my condolences to Mr. Hoffman's family and many friends.

Mr. ROSTENKOWSKI. Mr. Speaker, I am participating in this special order to pay tribute to a former colleague of ours, Elmer Hoffman. Elmer was the dean of Republican politics in Du Page County. He served as Congressman from the 14th District of Illinois from 1958 to 1964, in addition to service in other posts in the State of Illinois.

Elmer Hoffman was a big, burly man with a heart just as grand. The State of Illinois was benefited by his service in many capacities. I remember when he was our State treasurer; I used to see him walking around Springfield in his big mackinaw.

But, I really got to know Elmer when we were freshmen together here in Congress. Early on, he was one of the people who had the common touch, even before it was in vogue. Seeing him talking to his constituents in the streets for hours on end was not at all an unusual sight.

Elmer Hoffman was always one concerned not only with individual rights of people but also with their personal concerns. He was a hard-working Republican who was a fine man equally respected by Republican and Democrat alike.

Illinois and the Nation have lost a fine man in Elmer Hoffman. He shall be missed very much.

Mr. MICHEL. Mr. Speaker, I want to join my colleagues in paying respect to the memory of Elmer J. Hoffman, who served with us for three terms from 1959 to 1965, and who held statewide and county offices in Illinois for many years.

His death on Friday was the end of a long and eminently successful career of public service, throughout which he was a spokesman and advocate for sound fiscal policies and limited growth.

But he was also an innovator. Under his leadership, Du Page County, Ill., developed an early model of modern county planning. As Illinois State Treasurer, he was responsible for many procedural improvements.

Those of us who remember him from his service here in the Congress will recall him as a decisive, straightforward man, not given to evasions or half measures. As the longtime Republican county chairman from Du Page, well-known as one of the most solid Republican counties in the Nation, he earned his reputation as a patriarch of the party.

The Du Page County Elmer Hoffman served was more than a Republican stronghold. It was a place of immense growth and change during those years, turning from rural countryside to bustling suburbia during his lifetime. He left his stamp on the area, and knowing its beauty and prosperity, I think he is due great credit for his leadership.

He was colorful, and often controversial. But above all he was a leader, and his leadership will be missed. To his wife Frances and his daughter, Joan, I extend sympathies and condolences.

Mr. FARY. Mr. Speaker, we mourn the loss of a former Member of this House from Illinois, the late Honorable Elmer J. Hoffman of Wheaton. He was my close friend; I regret indeed that I did not have the privilege and pleasure of serving with him here during his terms in the 86th, the 87th, and the 88th Congresses.

He had a distinguished record as a House Member, but his career of public service and political activity had many other aspects and counted many more achievements. In all, there were four entire decades of active participation in the public affairs of town, county, State, and Nation.

Born in Wheaton on July 7, 1899, he grew up on his father's farm and attended the Longfellow Elementary School; he graduated from Wheaton High School and then enlisted in the Artillery of the AEF. After World War I he ran a trucking business until he joined the Du Page County sheriff's department. He was elected a township constable in 1932 and was first elected sheriff in 1938; in subsequent elections he was chosen chief deputy sheriff in 1942, and sheriff in 1946. He was chosen by Illinois voters to be State treasurer in 1952 and 1956. He was elected county treasurer in 1966. In 1949 he had been chosen chairman of the Du Page County Republican Central Committee, a post he continued to hold throughout his congressional years and thereafter. In noting his passing the Suburban Trib appropriately referred to him as "the patriarch of Du Page County's Republican Party."

He joined many organizations and gave useful service to all of them. For years he was the elected secretary-treasurer of the Illinois Sheriff's Association. He was a member of the Legion, the VFW, the Elks, the Moose, and the Mystic Workers. He was a Knight of Columbus. He was the first president of the first Little League organized in Du Page County.

I extend my deepest sympathies to his beloved wife, Frances Elick Hoffman, and the daughter who was so dear to him, Mrs. Joan Sovereign. They may take comfort in the pride they have in the worthy life lived by this fine American, devoted family man, and outstanding public servant.

GENERAL LEAVE

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Illinois (Mr. ERLENBORN).

The SPEAKER. Is there objection to the request of the gentleman from Maryland.

There was no objection.

WE SHOULD CELEBRATE THE BICENTENNIAL WITH A RIGID REEXAMINATION OF ALL FEDERAL AGENCIES AND SPENDING PROGRAMS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, I presented a statement yesterday to the Budget Reform Task Force of the Committee on the Budget which I wish to bring to the attention of my colleagues. That statement dealt with sunset laws, and it was in support of their enactment this session in celebration of our Bicentennial Year.

Sunset laws are measures which require each Federal progam and activity to rejustify itself on a preestablished cycle, such as every 4 or 5 years, or go out of operation. Sunset laws give us an opportunity to eliminate or reform programs and activities, to reduce costs to the taxpayers, to reduce the number of Government workers and to reassign others to more productive tasks, to enhance efficiency and reduce redtape by combining otherwise duplicating functions, and even to more carefully examine programs before they become law in the first place.

A number of sunset bills have been introduced this session, but a measure which I introduced on May 11—H.R. 13699, the proposed Economy in Government and Spending Reform Act of 1976—is different in several respects from the other bills.

The bill requires a consolidated financial statement for each fiscal year based on accrual accounting practices for all Federal obligations—on-budget and off-budget—in order that we know exactly to what we are obligating the taxpayers in dollar terms each year, not just to what we are actually paying out each year. We need to know how much of our future we are mortgaging.

The bill requires disclosure of the projected costs and savings of actions proposed through bills and joint resolutions at the time of their introduction, a requirement which ought to make Members think twice about the costs of taxes and inflation which will have to be borne by the taxpayers and consumers, if what is proposed in their bills and resolutions becomes law.

Most importantly, the bill does not exempt trust fund and other type of income transfer programs from the same type of requirements to which all other programs and activities will be subjected. Trust funds and transfer-payment programs have burgeoned in recent years, becoming an increasingly greater percentage of combined budget and offbudget obligations and outlays, growing over the past 20 years at the rate of about 9 percent a year. If this continues until the year 2000, 50 percent of the people will be living off the other 50 percent, the hard-earned income of the latter being transferred through taxes and inflation to the former, from the more productive elements of our society to the less productive. Unless Congress does address itself on some systematic basis to the growth in transfer payment programs, we are going to be in real trouble. These programs should not be exempted.

At this point I wish to include the full text of my statement before the task force:

STATEMENT OF THE HONORABLE JACK KEMP, REPRESENTATIVE TO CONGRESS FROM THE 38TH DISTRICT OF NEW YORK, BEFORE THE PROCESS TASK FORCE, HOUSE COMMITTEE ON THE BUDGET, WASHINGTON, D.C., JUNE 30, 1976

Mr. Chairman and Members of the Task Force, I first wish to express my appreciation to the Budget Proccess Task Force, its Chairman, and its Members for holding these important public hearings.

I think we were all aware, when we passed the Congressional Budget Act, not only that the role of Congress would grow with respect to preparing the budget but also that we would have to refine constantly the process by which we examine the budget and the nature of the activities for which we are budgeting tax and borrowed dollars. Consideration of enacting a mandatory review of all Federal activities is certainly consistent with that awareness, and requiring such a review is consistent with the commitments of Congress to the taxpayers and to itself, expressed repeatedly when we passed the Congressional Budget Act, to come to grips with the growth of the budget and the increased taxes and increased borrowing required to meet obligations and with the impact of this growth on our institutions and way of life. These hearings are an important step to living up to these commitments.

ECONOMY IN GOVERNMENT AND SPENDING REFORM ACT OF 1976

On May 11 of this year, I introduced H.R. 13699, the proposed Economy in Government and Spending Reform Act of 1976. This legislation would do a number of important things:

First, it provides for the elimination of inactive and overlapping Federal programs.

Second, it requires authorizations of new budget authority for programs and activities at least every four years, and no authorization could be for longer than four years.

Third, it mandates a procedure for zero-base review and evaluation of programs and activities, again on a four-year cycle, assuring that each program and activity either rejustify itself to the satisfaction of the Congress or be eliminated.

Fourth, it requires a consolidated financial statement for each fiscal year based on an accrual system of accounting, in order that we know exactly to what we are obligating ourselves in dollar terms each year, not just to what we are actually paying out in each year, as it is presently.

Fifth, it requires disclosure of the projected costs and savings of actions proposed through bills and joint resolutions of the Congress at the time of their introduction.

This legislation differs from the other zero-base measures which have been introduced in several instances. As I just indicated, the bill requires a consolidated financial statement for each fiscal year based on accrual accounting practices and requires disclosure of the projected costs and savings of actions proposed through bills and joint resolutions at the time of their introduction. To my knowledge, these relevant and consistent provisions are not found in any other bills being considered. The legislation differs in another instance also, and it is a major one.

Most of the bills which have been introduced in this subject area exempt all or most transfer-payment and trust fund programs. I think this is a serious mistake, one which must be rectified. Trust fund and transfer-payment programs have burgeoned in recent years, becoming an increasingly greater percentage of combined budget and off-budget obligations and expenditures. The Office of Management and Budget has concluded that if you take the transfer-payment growth for the past two decades—it is about 9-percent per year—and continue it, by the year 2000, 50-percent of the people will be living off the other 50-percent, the hard-earned income of the latter being transferred through taxes and inflation to the former, from the more productive elements of our society to the less productive.

We just cannot continue at this trend level without reaching a point in the near future, when the productive people decide there are no longer sufficient reasons to continue to work long and hard, when others work little or not at all but are able to enjoy the same standard of living by virtue of government assistance programs. Unless Congress does address itself on some systematic basis to the growth in tranfer-payment programs, I believe what I have just described will be an inevitability. I will return to this point in a moment, but I do hope the Committee on the Budget will require trust fund and transfer-payment programs to be reviewed on a four-year cycle.

THE IMPORTANCE OF MANDATORY REVIEW AND LIMITATIONS ON AUTHORIZATIONS AND NEW BUDGET AUTHORITY

Statutes requiring zero-base budgeting and mandatory reviews associated with it are known as "sunset laws." Sunset laws have already been enacted by some of the States, and a number of measures have been introduced in the Congress to require it at the Federal level. These measures are called sunset laws, because of the procedure they set forth. A program, an activity, an agency put in place to administer a program or activity, and a bureaucracy to sustain it—the sun sets, so to speak, upon each of these unless they are rejustified and reauthorized in a specific time frame. Instead of a program or activity being continued and funded year after year—for no obvious reason than the fact that it existed during the prior year—these sunset laws establish a mechanism to force a reexamination of the value of the program or activity.

A sunset law gives us an opportunity, therefore, to eliminate or reform programs and activities, to reduce costs to the taxpayers, to reduce the number of government workers or to reassign them to more productive tasks, to enhance efficiency and reduce redtape by combining otherwise duplicating functions, and even to more carefully examine programs before they become law in the first place.

Theoretically, we could do what the sunset law would require us to do without having such a law on the books. But, the experience of recent decades shows rather conclusively that we have not done these things sufficiently without such a law, and there is no reason to believe that we will in the future without it. Government expenditures, borrowing, programs, departments and agencies, and civilian personnel continue upwardly. Programs and functions duplicate one another, and the duplications are left unresolved. Other programs and functions actually conflict with one another, and they too are left unresolved. It is far too easy, given the tremendous pressures of time and the divergence of interest among Members of Congress, to put off from one Session to another a thorough review of a program or agency and the preparation of remedial legislation. Congressmen are no different from others, in that it is sometimes if not often easier to wait until tomorrow to do that which ought to have been done today. This is why we need a sunset law to require us to conform to a preestablished schedule. We imposed such a requirement upon ourselves in the Budget Control Act, and it is working very well. We ought to impose a similar requirement upon ourselves with respect to mandatory reviews, limitations on new authorizations, etc.

Sunset laws alone will not do all that is necessary to bring Government under more effective control of the legislative branch—the First Branch of Government in our Constitutional system. Government will not be brought back into its rightful role—that of servant to the people instead of their master—until a change in attitude about the role of Government in relation to society as a whole takes effect and is felt in the legislative chambers. But, the sunset laws are, beyond question, very important steps in the right direction.

THE WAY GOVERNMENT FUNCTIONS TODAY

The significance of putting these procedures into place cannot be overstated. These procedures stand in marked contrast with the way government functions today, and there can be little doubt but that the Federal Government is virtually out of control.

It continues to accumulate power over our lives—and to exercise it.

It spends more money in every year that goes by, and it persists in mortgaging our future by deficit financing much of that spending.

It continues to grow out of proportion to the rest of society.

It willingly—forcefully, if need be—assumes responsibilities which previously rested with the people.

Its rules and regulations have grown so cumbersome as to tie down almost any decisionmaking into a bundle of redtape.

And, if all of these things are not bad enough, consider the reality that neither the Congress nor the Administrations, today's or yesterday's with respect to both, have dealt effectively with the problem.

In far too many instances, the Congress has become captive of the Government workers who advocate a continuation or expansion of their own programs, budgets and agencies, and of the special interests which threaten retaliation at the voting booths in the next election unless their projects are kept going or new ones started, no matter what the effects on the common good, the general welfare, the general interest.

In far too many instances, the elected heads of the Government—the President and the Vice President—and the appointed and confirmed heads of the departments and agencies and their policy-oriented assistants have become little more than spokesmen for the bureaucracy below them, responding more to what the bureaucrats think should be the administration's program than to what the people think should be such a program. This process is known among public policy analysts and administrators as "marrying the natives," a term which comes to political science from the British colonial experience, where Englishmen sent to distant lands to reflect British policy would soon reverse their roles and start reflecting the attitudes of the colonials to the government in London. In the modern era and in our more recent experiences, we can see just how this has been turned upside down. I wish we had more administrators today that reflected the will of the people instead of the will of the government. Now, instead of the "natives" being the colonials, the "natives" with which most or far too many top administrators ally themselves are the bureaucrats. But the common denominator remains the same: allying oneself as an administrator with interests other than those with which one ought to have made alliance.

GOVERNMENT TODAY IS INCREASINGLY ACTING IN ITS OWN INTEREST AND NOT IN THE PEOPLES'

The effects of all of this have become obvious. Inefficiency in government has become the norm instead of the exception. So has delay. Confused as to both purpose and means, government alternates erratically between doing too much and doing too little. And all the election mandates notwithstanding, the same general policies remain in effect, carried out day to day in the intermediate and lower echelons of the departments and agencies, no matter what may or may not be being said at the upper levels, in support of or in opposition to the existing policies. In sum—and I believe this is the question to which the reforms now being proposed ultimately turn—government in America today increasingly acts in its own interest and not in the interest of the people whose purpose it ought to be to serve.

We see more clearly every day that the vision of the Government in Washington as a benevolent, grandfather-image Uncle Sam—acting always in the best interest of the people—is out of touch with the reality of a government there increasingly serving its own ends. When government reaches the point that it is more to be tolerated than to be supported, something is wrong with the relationship between the people and government—regarding their relative positions as to which is the master and which is the servant.

Through the enactment of a multitude of program activities, Government has taken unto itself the exercise of functions once regarded as the province of private conduct. And, whether one regards a specific Government intervention or influence as good or bad, one still ought to weigh the impact of the totality of extensive and still growing Government regulation over the exercise of personal freedom.

Unfortunately, this process of rapid and substantial growth of Government is not diminishing. It is not even slowing.

As Members of this Task Force and Committee are well aware, Federal budget outlays have doubled in the six years in which I have been in the Congress, as has also the public debt. The Federal budget for fiscal year 1977 will be $413.3 billion, if the outlays limit in the first concurrent resolution on the budget is not pushed upward. This is

$129+ billion over the budget only two years ago.

The mushrooming public debt has been authorized to go up to $700 billion through September 30, 1977—over two-thirds of a trillion dollars—pushing the percentage of total taxes and total borrowing, in relation to gross national product from 14.88-percent in 1950 to 21.65-percent in 1975, an amazing jump with profound potential impact on our society.

The average amount of taxes the Federal Government will have to collect from every man, woman, and child in the Nation to meet expenses this year is about $1750—or $7000 for the average family of four. Of course, because deficit financing is a principal source of financing Federal programs today, the Federal Government will actually collect in taxes an average of about $1415 for every man, woman, and child—or $5660 for that family of four. The remainder will be taken from them, of course, in decreased purchasing power—inflation arising from monetizing the deficit.

Look at the bureaucracy which this spending and borowing sustains. Between 1789 and 1974, the population of our country multiplied by 60 times. The bureaucracy multiplied by 8170 times. Between 1930 and 1976, while the population grew 71-percent, the bureaucracy grew by 462-percent. In our national work force of about 85 million, 1 out of every 6½ employees is on a Government payroll of one form or another.

Look at the controls over our lives—and our economy—which this funding and this bureaucracy sustain. The United States Code Annotated, the basic compilation of congressionally enacted statutes, now totals more than 55,000 pages. The Code of Federal Regulations—consisting of the rules and regulations which carry those statutes into effect and which have the same full force of law—totals hundreds of thousands of pages. The Internal Revenue Code—the tax laws under which we all live—is now nearly 1900 pages long, and the regulations which carry those tax laws into effect constitute another 4500 pages. In addition, one is governed by the rulings and regulations of a myriad of Federal agencies, bureaus, departments, commissions, administrations, offices, and boards, not alway reflected through the CFR, as well as the rulings of our vast court network.

WHY THE BUREAUCRACY GROWS AND GROWS

Why has there been such an inordinate growth in government in recent years?

There are many reasons for this growth. For example, the general interest has been repeatedly forced to yield to an ever increasing number of special interests. Members of Congress, wishing to enact new and larger programs which would be subject to their partial control through the committee process, have contributed to this growth. We have the prevalent attitude among policy makers in recent years that government ought to assume a greater role in planning and then governing our lives, an attitude which finds its way into both approaches to problem solving and specific legislation. There are many other reasons too.

But there is a reason for the growth of government which relates specifically to the bills now before us. It is the inherent characteristic of government to grow—unless held into line by measures such as we are discussing today. The best way to look at the "inherent" characteristic of this growth is to contrast motivations in the private and public sectors.

The free enterprise economy—the economy of the private sector—dictates that waste and duplication be guarded against. In such an economy it is in a person's self-interest to serve the interest of others. In order to gain access to material goods, and thus satisfy his own wants and needs, a person must first earn income by supplying in a market something which is valued by other people. This individual must of necessity consider the wants and needs of others. This is the way to assure the greatest growth in the common good too, for the best way to promote the welfare of all the people is to allow people the maximum amount of personal liberty, individual action, and freedom of enterprise.

These self-interests do not stop in a person when he assumes a position in government. The market restraints which channeled that self-interest to the benefit of society do stop, however. Without these market restraints, the pursuit of self-interest can become identified too readily with those of government, or one of its departments or agencies, or one's own position within it. For example, a problem solved is one less from which to justify increases in statutory or regulatory power and agency authority, and one less from which to justify more funds and staff slots in the budget and management process. In a government of fiercely vying interests among departments and agencies for percentages of overall employee slots and funds, the greater the likelihood of getting them if you have more and more to do—year after year. The best way to assure this, of course, is to constantly add to the workload. And the best way to do that is to finish less and less. Delay is the best way to do it. This observation is not to cast a blanket aspersion on all government employees' conduct, for this is often an unconscious process. But the consequences are the same, and I think we would be burying our own heads in the sand, if we said that any department or agency in this town has it as its goal to solve the problems with which it is working as soon as possible, so that it might then be able to go out of business and save the taxpayers millions or even billions of dollars.

GROWING AWARENESS OF PROBLEM WILL MAKE ITS RESOLUTION BY CONGRESS MORE POSSIBLE

I am encouraged by a rapidly growing awareness of the problem of government grown too big. A better understanding of the problem will lead to attempts to deal with it.

What is most encouraging of all to me, however, is the way in which efforts to deal with the problem of how to control government's size and activities cut across—as they should and must—the traditional separations of political party and philosophy. Both Republicans and Democrats are at the forefront of this issue, as are liberals, moderates, and conservatives. It cannot be overlooked either that the principle Senate bill, S. 2925, was introduced by Senator Muskie, the Democratic Party's nominee for Vice President in 1968 and an acknowledged spokesman for liberal forces in our country, and was cosponsored by Senator Goldwater of Arizona, the Republican Party's candidate for President in 1964 and an acknowledged spokesman for conservative causes in our country. Nor can we overlook the embracing of sunset law principles by candidates for President in both parties during this Spring's primaries and state conventions.

But, the battle is far from won. I think we must realize that we are a long way from sunset bills becoming sunset laws. We have not forgotten the substantial opposition to the Congressional Budget Act, as it wound its way through the legislative process in 1973 and 1974. We should not assume that this next logical step—enacting sunset laws—will be without opposition too. Since I introduced H.R. 13699 on May 11, I have received letters from different special interests, saying in effect "require mandatory review if you must—but not of our programs, just those of others." I assume there might be opposition from some in committee leadership positions. There certainly will be opposition from the departments and agencies.

My point in bringing these matters up at this point is to caution the Task Force and the Committee against yielding to the line of argument that exemptions from mandatory review and four-year cycles ought to be written into the law. My fear is that we will have a general policy which is automatically frustrated by a myriad of exceptions, and I foresee the most enticing exception being that of trust funds and transfer payments. I would like, therefore, to return to this point for a few moments.

TRUST FUNDS AND TRANSFER PAYMENTS SHOULD NOT BE EXEMPTED

As I indicated at the beginning of my testimony, some of the sunset bills which have been introduced would exclude trust funds and other types of transfer-payment programs. This would be a mistake.

As long as income transfers are soundly financed, few problems arise. Few would deny that in both a social and economic sense it is good to have cushions against unemployment or old age or whatever, and it is not unreasonable to expect government to organize this kind of protection. Limiting the scale, however, is economically crucial.

The essential political fact is that it is popular to receive an income transfer but unpopular to be the donor. When there are large groups of voters in both categories, as there are now, a legislative body becomes tempted to try to satisfy both donor and donee, the one from which the money is taken and the one to which it is given. The Congress has consistently legislated additional benefits, therefore, without legislating sufficient taxes to cover them.

Only one thing can happen when this occurs, and it has and continues to happen. The tax is levied in another way—by inflation. And this becomes a vicious cycle. At first, the Congress satisfies both constituencies, but inflation creates demands for greater transfers. At the same time it moves earners into ever higher tax brackets, increasing their effective tax rates. The result of this rising combination of inflation and taxation is to eat away at the nation's savings and thus its capacity to invest, create jobs, develop new technology and improve the overall standard of living. Job losses then create still more income transfer demand.

This is a little bit like using up all your savings and credit just to keep going, without making any provision for the future. The future, at the moment, is not all that bright in terms of fully stabilizing the dollar and the economy, and it will not be made any brighter by our failure to put income transfer demands on the same basis as all other demands upon the budget. The emphasis has been too much on the social dangers of having too little income transfer and not enough on the very real social dangers of having too much. The entire productive sector of society can become alienated and demoralized through seeing savings and capital destroyed by inflation and through a sense of the unfairness of government policies that allow this to happen.

Whether Congress decides to increase or to restrain income transfer programs, those funded through trust funds and those funded out of general revenue, the Congress ought to make that decision on the same par with all other program decisions. The only way that can be done, if we enact a sunset law, is to resist efforts to provide an exemption for these programs, and I hope the Committee will recommend against any such exemption.

CONTINUED BUDGET REFORM IS ESSENTIAL

I hope that the consideration of—and hopefully the adoption of—these sunset law proposals will facilitate a movement within the Congress to restore a more rational balance between the role of Government and the role of the private sector. Whether one's viewpoint is that we should undertake these reforms to cut drastically the size of government or whether one's viewpoint is that it is the only way to assure more effective Government exercise of its responsibilities, a Federal sunset law should be adopted and as soon as possible.

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION—SHAME ON YOU

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 15 minutes.

Mr. DANIELSON. Mr. Speaker, here we are, on the second day of July 1976, the 200th anniversary of the adoption of a resolution of independence by the Representatives of the United States of America, in General Congress assembled, at Philadelphia, on July 2, 1776. The formal and immortal Declaration of Independence was adopted by the Congress 2 days later, on July 4, 1776.

Today, and this year, the American people are proudly celebrating and commemorating this great Bicentennial.

One discordant note which distresses me and many other Americans is the manner in which the Bicentennial is being "used" and commercialized by many whose only incentive appears to be profit. This has reached the point where many criticize our anniversary as a buy centennial, spelled b-u-y. Sadly, there is justification for that charge, for every conceivable type of gadget and gimmick is being purveyed to the public, in red, white, and blue, with the necessary implication that somehow, one's patriotism is up to par only if he buys, and wears or otherwise utilizes some of them.

We Americans are conditioned and accustomed to that type of exploitation and can live with it. Few, if any, will lose any sleep over the selling campaign although they may find it tedious or even offensive.

But when agencies of the Government permit themselves to be used, when, by their acts and omissions, they seem to lend their approval and sanction, their imprimatur as it were, to advertising which contains false statements of purported facts, and which tend to mislead and deceive the public, then I feel that it is time that someone call the attention of the public to those acts and omissions in the hope that those government agencies cease and desist from so participating in the b-u-y centennial.

I call attention of the Members to the fact that the American Revolution Bicentennial Administration, which was created for the purpose of coordinating and lending dignity to our Bicentennial, has lent itself shamefully to this commercialization. All of us have seen countless applications of the lovely logo of the ARBA, used in contexts that leave much, if not everything, to be desired.

I call the attention of the Members to one of the most aggravated and offensive of these improper near-endorsements by the ARBA; this one involving so-called replicas of one of our most cherished patriotic symbols, the Liberty Bell.

In December 1974 there came to my attention an advertisement in the Christian Science Monitor, for Friday, November 22, 1974, offering for sale so-called replicas of the Liberty Bell, which advertisement contained a heading "Official Sanction and Endorsement" followed by text to the effect that the Administrators of Independence National Historical Park had "pledged their full cooperation in support of this Official Bicentennial Liberty Bell project."

Because of the joint interest in the subject matter of the U.S. Department of the Interior, which includes the National Park Service and Independence National Historical Park, and of the American Revolution Bicentennial Administration, I wrote to the Honorable Rogers C. B. Morton, Secretary of Interior, on December 10, 1974, and on December 11, 1974, to John M. Warner, Administrator, American Revolution Bicentennial Administration, enclosing copies of the newspaper ad and requesting their comments. My letters are as follows:

DECEMBER 10, 1974.

Hon. ROGERS C. B. MORTON,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed, for your study and evaluation, is a copy of a full-page advertisement which appeared on page 3 of the *Christian Science Monitor* for Friday, November 22, 1974. In essence, this advertisement is an invitation to members of the public to purchase replicas of the Liberty Bell, the original of which is on display at Independence Hall, in Philadelphia, Pennsylvania.

On page 2 of the enclosed copy, under the heading "Official Sanction and Endorsement", appears the following statement:

"The administrators of Independence National Historic Park, where the original Liberty Bell is enshrined, (operated by the National Park Service, U.S. Department of Interior) have also pledged their full cooperation in support of this Official Bicentennial Liberty Bell Project."

I would appreciate your advising me whether the Department of the Interior, the National Park Service, or any other agency under the jurisdiction of the Department of the Interior, has endorsed the sale of these replica Liberty Bells, or has in any way lent official sanction or support to the promotion, sale, or use of such replicas.

I would be most grateful for your comments.

Very truly yours,
GEORGE E. DANIELSON,
Member of Congress.

DECEMBER 11, 1974.

Mr. JOHN M. WARNER,
Administrator, American Revolution Bicentennial Administration, Washington, D.C.

DEAR MR. WARNER: Enclosed, for your study and evaluation, is a copy of a full-page advertisement which appeared on page 3 of the *Christian Science Monitor* for Friday, November 22, 1974. In essence, this advertisement is an invitation to members of the public to purchase replicas of the Liberty Bell, the original of which is on display at Independence Hall, in Philadelphia, Pennsylvania.

On page 2 of the enclosed copy, under the heading "Official Sanction and Endorsement", appears various statements which, in my opinion, could lead an individual into believing that the promotion of these bells is sanctioned by the government, and that these replicas are "official" Bicentennial bells.

I would very much appreciate your advising me whether the ARBA is in any way involved in the promotion of these replicas of the Liberty Bell, or has in any other way lent official sanction to the sale, use or promotion of such replicas.

I would be grateful for any additional comments you might have.

Very truly yours,
GEORGE E. DANIELSON,
Member of Congress.

By letter dated January 30, 1975, I received a response from the Department of the Interior together with an enclosure described therein. They are as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., January 30, 1975.

Hon. GEORGE E. DANIELSON,
House of Representatives,
Washington, D.C.

DEAR MR. DANIELSON: Thank you for your letter to Secretary Morton inquiring about the alleged endorsement or official sanction by the Department of the Interior or the National Park Service of the sale, promotion, or use of the Liberty Bell replicas by the Limited Editions Collectors Society.

Few artifacts of our country's history are more widely recognized by the public than the Liberty Bell. Its likeness is used in numerous letterheads and logos, and replicas can be found in buildings in the United States and abroad.

The Department of the Interior, through the National Park Service, is entrusted with the care and keeping of the Bell, but possesses no authority to control or prohibit its replication. In the specific case of which you inquired, our role was limited to providing historic information, a courtesy we would extend to anyone who inquired. Similar information would be available at almost any public library.

We have not implied or stated endorsement, or in any way lent official sanction or support to the promotion, sale, or use of this or any similar project, although their sales information seems to imply such. Furthermore, we are requesting officials of the Limited Editions Collectors Society to modify their advertisements of the Liberty Bell replica to eliminate any implied endorsement of this project by the Department of the Interior and the National Park Service. A copy of our letter is enclosed for your information.

We appreciate your interest and hope that this matter will be resolved in the very near future.

Sincerely yours,
NATHANIEL REED,
Assistant Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., January 30, 1975.

OFFICE OF THE PRESIDENT,
Limited Editions Collectors Society,
Hingham, Mass.

DEAR SIR: It has come to our attention that your advertisements for replicas of the Liberty Bell contain what can be construed as an endorsement of the project by the National Park Service.

We, of course, cannot in any way lend sanction to, or endorsement of, this project. Therefore, we must request that you modify your advertisement to eliminate any implied endorsement by the National Park Service. For example, with respect to the enclosed advertisement, we request that the underlined provisions regarding the National Park Service be deleted in all advertisements, notices, and/or brochures. Any similar reference contained in other brochures or documentation regarding the project should also be changed.

Your prompt attention to this matter will be appreciated. In addition, please advise us as to what steps have been taken to implement this request.

Sincerely yours,

Nathaniel P. Reed,
Assistant Secretary of the Interior.

By letter dated February 18, 1975, John W. Warner, Administrator of the American Revolution Bicentennial Administration advised me that the ARBA was in no way involved in the promotion of the replica of the Liberty Bell described in the advertisement, nor had they "in any other way 'officially sanctioned' the sale of these replicas." Mr. Warner's letter, together with the enclosures described therein, follows:

American Revolution Bicentennial Administration,
Washington, D.C., February 18, 1975.

Hon. George E. Danielson,
House of Representatives,
Washington, D.C.

Dear Mr. Danielson: The American Revolution Bicentennial Administration (ARBA) is in no way involved in the promotion of the replicas of the Liberty Bell as described in the Christian Science Monitor article, nor have we in any other way "officially sanctioned" the sale of these replicas.

Pursuant to Public Law 93–179, Section 4(b)(4), this Administration is directed to:

". . . provide for the preparation, distribution dissemination, exhibition, and sale of commemorative medals and other historical, commemorative and informational materials and objects which will contribute to public information, awareness, and interest in the bicentennial."

In furtherance of this directive, the American Revolution Bicentennial Board at its meeting of August 22, 1974, adopted the enclosed Resolution No. 4 and its accompanying policy guidelines by which the ARBA will enter into licensing agreements for a selective number of commemorative and/or educational products to bear the official Bicentennial symbol and the legend, "An Officially Recognized Commemorative of the American Revolution Bicentennial Administration." While the guidelines indicate that a Liberty Bell reproduction could be recognized in this manner, we have not done so to date, nor are we presently considering any proposal from any manufacturer to do so.

For your information, the Bicentennial Council of the Thirteen Original States referred to in the "Official Sanction and Endorsement" paragraph on Page 2 of the article is comprised of the Executive Directors and Chairmen of the respective State Bicentennial Commissions of the original thirteen states. While the organization has no direct state government relationship, its members do comprise the duly constituted State Bicentennial Commissions in those states.

Please call upon me if I can be of further assistance.

In the Spirit of '76,

John W. Warner,
Administrator.

Resolution

Whereas P.L. 93–179 directs the Administrator to perform specific duties and further empowers the Board to establish basic policy and guidelines for the performance of such duties; and

Whereas, with respect to a licensing program, Section 2(1) authorizes the Administrator to adopt an official Bicentennial logo:

"Whoever, except as authorized under rules and regulations issued by the Administrator, knowingly manufactures, reproduces, or uses any logos, symbols, or marks originated under authority of and certified by the Administrator for use in connection with the commemoration of the American Revolution Bicentennial, or any facsimile thereof, or holds out to the public objects in such a manner as to suggest any such logos, symbols, or marks not officially authorized by the Administrator, shall be fined not more than $250 or imprisoned not more than six months or both: *Provided,* That this section shall be applicable upon publication in the Federal Register of notification of certification hereunder by the Administrator with respect to each such logo, symbol, or mark."

Whereas Section 4(b)(4) provides that the Administrator shall: "provide for the preparation, distribution, dissemination, exhibition, and sale of commemorative medals and other historical, commemorative, and informational materials and objects which will contribute to public information, awareness, and interest in the bicentennial. In preparing the Administration's plans and programs, the Administrator shall give due consideration to any related plans and programs developed by State, local, and private groups, and he may designate special committees with representatives from such bodies to plan, develop, and coordinate specific activities."

Now therefore, be it resolved—

That Public Law 93–179, having vested in the Administrator discretionary authority to administer an ARBA commemorative licensing program, the Board hereby establishes as policy those guidelines for a commemorative licensing program as set forth in the attached memorandum entitled "Board Authorization for Administering the ARBA Commemorative Licensing Program" and "Proposed Guidelines for the ARBA Commemorative Licensing Program," which documents are hereby incorporated by reference.

The Resolution was moved, seconded and passed at a meeting of the Board on August 22, 1974.

Edward W. Brooke,
Chairman, Pro Tem.

Guidelines for the ARBA Commemorative Licensing Program

(1) The ARBA will not officially endorse products. Rather, it will authorize the use of the ARBA logo symbol through a license agreement for use in product design or packaging with the words "Officially Recognized Commemorative of the American Revolution Bicentennial Administration."

(2) In order to provide equitable opportunity for participation, it generally will be ARBA policy to issue non-exclusive licenses. However, exclusive licenses may be issued in exceptional instances. The product must be determined to be commemorative in nature and/or educational as it relates to our nation's heritage, the present commemoration of the Bicentennial, and our future. (See Public Law 93–179)

(3) The product must be made in the United States of America, its territories and possessions within the meaning of the Federal Trade Commission "Made in USA" designation guidelines. Any exceptions to this policy must be approved by the ARBA.

(4) The product must meet high standards of quality and safety and meet all applicable industry standards, laws and regulations. The ARBA will have final determination of design and product promotion. In general, products must be available nationwide and subject to a pricing structure which will enable a wide range of income levels to make purchases.

(5) A non-refundable advance against future royalties will normally be required from the licensee.

(6) The product license will expire April 30, 1977 with no residual rights to the manufacturer. Products manufactured on or before April 30, 1977 may be sold subsequent to such date subject to payment of applicable royalty to ARBA or its successor organization.

(7) The ARBA generally will not license limited editions by quantity of product but may, where appropriate, authorize a limited term of availability similar to the marketing format for the ARBA Commemorative Medals, authorized by the Congress of the United States, and the Philatelic Numismatic Combinations (PNCs).

(8) As implied under Public Law 93–179, the ARBA has the discretion to exclude product areas from the licensing program. For example, no license will be issued for consumables such as alcoholic beverage, tobacco, fresh or processed food products, and personal hygiene toiletries.

(9) Licensed items may initially be limited to the following few product areas or items:

Book covers and bookmarks
Buttons
Calendars
China and crystal
Coin displays
Craft items
Decals (pressure sensitive markings)
Desks sets and paper weights
Embroidered cloth patch
Flags (sale restricted to Bicentennial Communities and organizations)
Furniture
Games and puzzles
Greeting cards
Jewelry
Liberty Bell reproductions
License plates
Maps and national guidebooks
Needlepoint kits
Playing cards
Printed materials
Recordings
School rings and yearbooks
Silverware and pewter
Stamp displays
Toys
Wearing apparel, limited to a few items like scarf, necktie, belt, etc.
Educational or commemorative premium campaigns where the end result is the free or low-cost dissemination of Bicentennial information or keepsake materials to the general public.

(Approved August 22, 1974.)

During the following year and a half I have noted with distress, from time to time, that many items of merchandise have been offered to the public in such manner as to imply that there is some kind of official sanction attached to them. Often times those advertisements are accompanied by other language which implies some special kind of "authenticity."

The Liberty Bell seems to be the symbol of the American Revolution which has come in for the greatest play. One of the most popular myths relating to the Liberty Bell is that the original was cast at the Whitechapel Bell Foundry in London in 1752 and that some special significance should be given to alleged replicas of the Liberty Bell which are cast at the Whitechapel Bell Foundry. Historical and present facts make clear that the Liberty Bell was not cast at Whitechapel but, as the Declaration of Independence, was created and first saw light of day in Philadelphia, Pa. The official journals of the Assembly of the Province of Pennsylvania for 1752 and 1753 tell the story of the casting there, in Philadelphia, of the bell which became the Liberty Bell, in the brass foundry of John Stow. Stow was assisted in making the mold and in casting the bell by a native of the Isle of Malta, John Pass. Pass and Stow placed their names in bold letters on the waist of the bell together with the abbreviated name of Philadelphia, "Philada" below which they placed the date in Roman numerals, MDCCLIII (1753). Those inscriptions appear on the Liberty Bell today to be seen by all who are willing to look.

I was particularly distressed a few weeks ago to find that the American Revolution Bicentennial Administration in its publication, Bicentennial Times, for June 1976, at page 16, has lent itself and its stature to the perpetuation of the Whitechapel myth, and to the misleading of the American people and all others who are interested, by repeating the myth that the Liberty Bell was cast in England. The language to which I refer reads as follows:

> The United Kingdom's contributions to the celebration within the United States itself include . . . the gift from the people of Britain to the people of America of a Bicentennial Bell which is being made by the same foundry that made the Liberty Bell;.

Later, adding to my dismay and distress, the special Bicentennial issue of the Saturday Evening Post, for July/August, 1976, at pages 30 and 31, carried a huge, two-page, red, white, and blue advertisement decorated with the ARBA logo and carrying the headline: "The American Revolution Bicentennial Administration Established Under the Laws of the United States, Announces the Availability of—The Bicentennial Collection of Our Nation's Three Most Cherished Historic Treasures in Authentic Reproductions, Authorized by the Curators or Makers of the Originals—And Issued by the Limited Editions Collectors Society of America."

While the lantern and the inkstand described in the ad are replicas of originals, and I do not question that they are beautiful and well-crafted, I do seriously question the propriety of a U.S. Government agency lending its prestige to—or permitting its official prestige to be used by—a strictly commercial venture. And, what happened to the ARBA's official guideline against limited editions?

As to the bell—that is another story. Through its "announcement" of availability and seeming sponsorship of the advertisement the ARBA has adopted and ratified the false statement that America's Liberty Bell was cast at Whitechapel Bell Foundry, in London, in 1752, and that these so-called replicas are being cast "on the very same site where the original was made." The pertinent portion of the advertisement reads:

> THE BIRTH OF A NATION: THE LIBERTY BELL
>
> "Ring, ring, ring, oh ring for liberty."
>
> The famous Whitechapel Bell Foundry, London, makers of America's Liberty Bell back in 1752, are casting these exquisite one-fifth scale replica bells on the very same site where the original was made. Each is hand-cast, using a special (lost wax) investment-casting process to assure accuracy of detail.
>
> Whitechapel has been casting bells for over 500 years. Among their more recent works are the bells at Big Ben, which towers over the Houses of Parliament in London and the large peal of bells at the Washington National Cathedral, which were hung in 1964.
>
> Each Liberty Bell Replica is meticulously tuned to the perfect pitch of E Flat to produce the same tone of the 1752 bell. Each of these bells will ring out loud and clear and have no crack.
>
> This Officially Recognized Liberty Bell Replica is considered such a prudent investment by knowledgeable collectors of historic reproductions, that more than 1,700 have already been commissioned, not only by private individuals, but by Historical Societies, Universities, Veterans Organizations, Churches, Banks, Service Clubs, Fraternal Groups, and Business Firms.
>
> To insure the integrity of this official Commemorative, a Limited Edition of only 2,400 bells are being cast, each symbolically representing one month of America's independence, and when the Edition is completed, the master mold will be destroyed forever.
>
> In Oxidized Black, the bell is available for $925. In Polished Bronze, it is $985, and in Silver Plate, it is $1,050. The Gold-plated version is priced at $1,460.
>
> Size: 15½ inches high (including plinth).

To this I must say to the ARBA, "shame on you." By this careless act you have let yourself be used in a manner which not only distorts history, and denies a part of the exciting story of the American Revolution and of American colonial ingenuity, but your performance will probably induce many Americans to part with from $925 to $1,450 for a handsome, well-made, small bell which has no historical significance and therefore no value other than its intrinsic value as a handsome curio. For it is not cast at the very same site where the original Liberty Bell was made, nor is it cast by the foundry which made America's Liberty Bell.

Possibly the ARBA's error was made unwittingly. But the ARBA has no right to enter into such important ventures without using its wits. Witless error, in the face of great responsibility, is unacceptable and inexcusable. I hope that the ARBA will withdraw and retract its error before further damage is done.

TELECOMMUNICATIONS TECHNOLOGY

The SPEAKER. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 15 minutes.

Mr. STAGGERS. Mr. Speaker, at this very moment, after a journey of 10½ months, America's Viking I spacecraft is orbiting Mars, capable of landing on the Fourth of July, our Bicentennial, and is sending back photos with striking detail of the surface of the planet Mars, some 236 million miles from Earth.

All of this reminds us once again of the tremendous telecommunications technology available to this country and to the world.

Last year about this time I handed a letter to President Ford telling him of my concern that we are not doing enough to bring home to our citizens the benefits of this technology. That letter was the subject of remarks which I made on this floor on August 1, 1975. I am sorry to report that the time which has gone by has seen no real progress in effectively focusing our Government's efforts. Those efforts are fragmented and relatively ineffective. There are over 40 telecommunications centers within the Government, scattered through the various agencies and departments, but their activities are uncoordinated.

During the past year our national problems with the energy shortage, environmental pollution, crime, national defense, and the economy have become more acute. Yet, the technology which we have available for use today holds the key to the elimination of these problems.

There have been many wonderful developments in this field. They could transform our way of life. So far, however, they have only been utilized on a comparatively limited scale.

A marvelous development known as the "optical fiber" will soon be ready for mass development. It is a glass fiber which, to me, looks very much like a thin nylon fishing line. Yet it can transmit laser beams through its length in both directions at the same time, and transmit 33,000 telephone conversations through a core the diameter of a human hair. It can also transmit enormous amounts of data and two-way TV communications. The main ingredient of the optical glass fiber is silicon, a cheap and inexpensive substitute for copper which is the main ingredient of conventional coaxial cable.

These discoveries can, and must, be put to work in solving our national problems. The energy crisis, for example, is going to be with us for the foreseeable future, and it is going to get worse. Yet, with the proper telecommunications facilities, our requirements for energy would be greatly reduced. Face to face business conferences could be conducted between participants in widely scattered locations—thus avoiding the need for a great deal of business travel. Mail and newspapers could be delivered electronically with far less energy requirements than under the present system. It even appears that the rush hour traffic jam might become only a memory, since telecommunications can permit large numbers of our citizens to perform their work at home, conferring with their coworkers, conducting research, and exchanging drafts through television links and facsimile printing facilities.

In short, the ability of telecommunications to transport information and ideas will eventually make it unnecessary to transport people and printed material as we do today. This will relieve our already overtaxed and aging transportation system, lower our use of scarce energy resources, and improve the quality of our environment.

One of the most important effects, in my view, is the impact on our national economy which might be brought about by making use of the discoveries which have been made in the laboratory. Today the total market for broadband communications goods and services is about $1 billion a year. Yet it has been estimated that in a relatively short time, this market could expand to $30 billion a year. This means a healthier economy, improved balance of trade, and more jobs for our people.

It also appears that telecommunications technology will permit us to decentralize our society, and relieve the burden of our crowded inner cities. Aside from the sociological benefits which will result, there are obvious implications for our national defense.

In an age when a single hydrogen bomb can devastate an entire metropolitan area, decentralization of our population may be the key to national security.

This was put into sharp focus by the recent report of the Subcommittee on Investigations of the Armed Services Committee. The report noted that, given the present status of our civil defense capabilities vis-a-vis those of the Soviet Union, a situation could arise wherein a nuclear attack could leave the United States with 90 million casualties with Russia losing about 10 million. These are not comforting figures, but they must be confronted. The technology which can do so many things to improve our national life can also help us to preserve it.

On March 10, 1876, the first telephone call was completed. This was the famous and urgent message delivered by Alexander Graham Bell to his laboratory assistant: "Mr. Watson, come here—I want to see you." We have come a long way in the century which has followed.

It is clear to me that our citizens want something better than has been available to them in the past in the field of communications. For too long, the American public has, of necessity, been a passive spectator, a mere recipient, of electronic communications. In this age of mass merchandised electronic communication, the average citizen has been described as one who "hears, but is not heard." In my view, the present rapid expansion of the use of citizen's band radio is only an indication of what is to come. Our citizens do not simply want to just listen any more, they want to speak—and they want to be heard. They want to speak to each other, and they want to speak to their Government.

In just 2 days we will move into the third century of the United States. During our first century we explored the expansive geographical frontiers of this country. The past 100 years have seen a similar exploration of the sociological frontiers leading to a greater appreciation of the rights and dignity of our citizens. No man today can see clearly into the future. Yet I feel that there is still a vast technological frontier which we must and will explore. If we do this wisely and as energetically as our forefathers explored the frontiers confronting them, our third century as a Nation will be filled with achievements which will raise human security and dignity to its highest level in recorded history.

HAPPY BIRTHDAY AMERICA

The **SPEAKER**. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, no single tribute to this country could hope to encompass all the qualities which have contributed to its growth and character. The one quality which stands out above all others and which, in my mind, makes this country great, is the responsibility which the people of this Nation have shown for one another and for the citizens of the entire world.

Our past reflects the many faces of a nation growing, not all of which are entirely admirable. The United States has been compassionate and it has been self-serving. It has been bold and has been compromising. It has been defiant and has been cooperative. This Nation has been right and it has been wrong. In each instance, Mr. Speaker, this Nation has shown responsibility.

Our accomplishments as a Nation have been carried out with a mind on the responsibility to provide for its people and when possible, the people of other nations. When we as a Nation have been wrong, we have shown responsibility of acknowledging our misdeeds—though sometimes at a cost higher than we would like to recall. Despite the costs, Mr. Speaker, I can think of no instance in our history when an offense has gone unnoticed and a grievance has not been aired. More often than not, the responsibility of our Nation has called the offender to task and granted full redress to the offended.

As the elected Representative of Connecticut's Fourth Congressional District, I speak for all of my constituents in calling on every citizen to not only celebrate the beauty of our Nation this Sunday, but to continue that celebration into the future. For if we can come this far in 200 years, we have yet to fully realize the potential of the United States of America.

ON THE RESOLUTIONS ADOPTED AT THE SIXTH ANNUAL CONVENTION OF THE NATIONAL HERITAGE GROUPS (NATIONALITIES) COUNCIL

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 10 minutes.

Mr. CRANE. Mr. Speaker, I find the resolutions adopted by the Republican Heritage Groups (Nationalities) Council, which met in Philadelphia in late May, to be a very meaningful and valuable political document. Some of the resolutions are predictably controversial but they represent what, in my judgment, is the thinking of nationalities groups throughout the country. The resolutions adopted on May 23 in Philadelphia follow:

SECTION ONE

We do resolve:

1. The Council reaffirms its steadfast allegiance to the United States of America and to its loyalty to the Republican Party which we are convinced remains a party of vision, progress and profound moral principle—the great popular American vehicle of free enterprise and the exponent of individual and world freedom, a concept in which this Nation and this Party has pioneered.

2. This Council supports the Republican Party and its candidates, because the Republican Party is the Party of all individuals; the Party which wants to return government to the people, the Party opposed to big government, the Party which advocates fully democratic programs, the Party which stands for law and order with equal justice to all, including the ethnic groups. This Council supports the Republican Party, too, because, through the Party's official recognition and support of this Council our heritage groups enjoy an opportunity to elect their own leaders from local to the national levels, and to have elected representation on all bodies of the Repubic National Committee.

3. Because we Republicans feel that the best interests of the United States are inseparable from the best interests of the other nations of the world, we are totally opposed to the intrusion of isolationism into the conduct of our foreign affairs. We believe the United States cannot achieve an ultimate security until it has played a major role, as the world's most powerful and most free nation, in creating a world of nations as free as is the United States.

4. We urge the Republican Party to recognize the pluralistic nature of the whole community of the United States. The Party must strive through both administrative and legislative means to increase the opportunities for all ethnic groups in the United States to make their unique and distinctive contributions to the formulation of both the domestic and foreign policy of the United States.

5. We urge our support to the Republican Party not only because we are indeed Republicans, but because we feel that in strengthening our Party, we strengthen the two-party structure of American politics—that which gives this Nation its unique political stability and serves to interdict the establishment of a one party or authoritarian rule—that which, as we have all seen in the tragedies that have occurred abroad, challenges the rule of the people, the right of free expression and untrammeled choice of leadership.

6. We pledge our wholehearted support of that candidate who will be honored to be nominated the Presidential candidate of our Party at the National Republican Convention.

7. We call on the leadership of our Party to understand that because of our unique heritages and experiences, the membership of the NRHG(N)C represents a company of expertise in foreign affairs on which both our Nation and Party can call for helpful advice when issues arise where such counsel is needed.

8. We hail the establishment in the White House of the Office of Presidential Advisor on Ethnic Affairs and the appointments of ethnic Americans to other important positions in Government.

SECTION 2

In the field of internal (domestic) policy we do thus resolve:

9. We are in full support of the President's efforts to achieve an adequate, realistic budget, to improve the economy, fight inflation, deter recession, stop creeping bureaucracy and halt the burgeoning of neo-socialistic, or "liberal", doctrines and experiments which often react sharply and adversely on American society—and often call for recall.

10. We endorse the need for adequate laws to protect the environment, but warn against inducement of any traumatic imbalance between the economic and human needs of our people and our country's genuine ecological interests.

11. We are pleased to note that under the challenge of the times our labor unions are manifesting their concern that excessive demands on industry and management are moderated, and that, similarly, industry and management themselves are demonstrating a refreshing concern for the welfare of the American worker and consumer.

12. We eschew price and wage controls and feel that further encouragement of the American tradition of free enterprise and competition is the most effective means of minimizing inflation.

13. We deplore the use of the media for attacks on the Federal Bureau of Investigation and the Central Intelligence Agency. Exaggerated attacks on the intelligence community impedes the enforcement of responsible law and order in our Nation, and makes it more difficult for our Government in its duty to defend the Nation from overt or covert criminal operations emanating from abroad or within the Nation.

14. Our Government must act wisely and forcefully to stop the flow of illegal drugs into the United States.

15. We honor the valor and sacrifices of the veterans of America's wars and deplore all moves, *on State or Federal levels,* to wrest from our veterans' preference status in civil service or State employment.

This Council is categorically opposed to the granting of amnesty to all those who refused to serve our Nation during the recent conflict in Southeast Asia, and to those who fled this country to escape their military obligations to this Nation.

16. The Equal Employment Act must be so administered as to do away with all connotations of "minorities" or "nationalities". At present, the implementation of the Act favors the former categorization. The Government must be vigilant of the right of of all ethnic groups in all legislation and operations.

17. We ask that Congress speedly enact legislation to overcome court decisions imposing forced school busing on this Nation. Court decisions have introduced so much bitterness and strife into American society at the expense of education of all school children involved. We suggest laws calling for *voluntary* busing at the wisdom of the parents of children—if indeed even this step is necessary.

18. Federal, State and Municipal laws must be enacted calling for the censure or removal from the bench of the judiciary who free a multitime offender on "technicalities", only to have said criminal commit new crimes.

19. We call on the ethnic citizens and organizations to play a more vigorous role in the American political arena—on Federal, State, City, County, Borough, Parish, Town and Hamlet levels.

SECTION THREE

This we do resolve in terms of the present Bicentennial Year of the American Revolution:

20. Our pride, our love in our America, knows no bounds in this the Bicentennial Year of the American Revolution and of the great Republic which was founded on those stirring events. The Bicentennial Year is of special significance to ethnic Americans because, in effect, it marks too the advent in American life of the mounting stream of immigrants from abroad who indeed have given America its unique national character—a nation one and indivisible, a nation of nations, a mosaic of cultures of magnificent and durable nationhood. Certainly, at such a milestone in the history of our America, its ethnic strains must band together to express their gratitude to the United States for giving those peoples the privilege of living in liberty, untouched by the hands of tyrants. We call on all members of this Council to accord the Council's heritage Bicentennial Committee, headed by Mrs. Anna Chennault, all support in pushing ahead plans for an organized program appropriate to the Bicentennial Year.

21. We propose that the Council's participation in the Bicentennial be geared to the promotion and support of ethnic candidacy for electoral office. To this end, ethnic organizations can sponsor Bicentennial Balls, held perhaps under the patronage of the First Lady of the Nation. These Balls would be particularly effective if they were to be held under the joint sponsorship of as many ethnic groups as possible. Exhibits can be mounted, displaying ethnic cultures, arts, crafts, culinary arts, and there can be ethnic dancing and music. Thus, such events would have the twofold purpose of making our neighbors aware of our heritages and to provide necessary funds to help ethnic candidates campaign for office. *The Council itself is asked to investigate the possibility of mounting such Bicentennial Ball and Exhibit in Washington, D.C. in the early Autumn.*

SECTION FOUR

In the area of foreign policy we do hereby resolve:

22. We respectfully suggest to the President of the United States that the time has come for the resignation of Dr. Henry Kissinger as Secretary of State. Although Dr. Kissinger has certainly worked hard and long at his duties, it is our opinion that his concepts of diplomacy and foreign policy have too often failed to obtain objectives healthful to the position of America and freemen in this world. It is our opinion that, politically, Dr. Kissinger is a liability to Mr. Ford and the Republican Party's aspiration to elect a Republican President in 1976.

23. We recognize that the highly partisan Democrat-controlled Congress has created difficulties for the President in his conduct of American foreign policy. We believe that a review of our present foreign policy and its objectives is in order at this time.

24. To preserve the security of the United States, and the freedom and peace of the world, we urge our government to maintain the military superiority of the U.S. on land, in the air, in space and on and under the sea.

25. We call for the swift abandonment of the so-called "policy of détente" with the Soviet Union as perilous to the security of the United States and all nations of the free world. We point out that "détente" was initiated earliest during the administration of a Democratic president only to be continued during subsequent presidencies and *has only served to benefit the Soviet Union and other aggressor nations*. Its connotations are so unclear and confusing that even our President, Gerald Ford, recently found it necessary publicly to advocate abandonment of the term "détente." American adherance to "détente" has colored almost every aspect of foreign policy and has handcuffed the United States in its dealings with issues worldwide. As an example, action by the Congress to terminate the President's efforts to stop the Cuban communist conquest in Angola, an operation supported openly by the Soviet Union, was the result of the unwillingness of the Congress to meet its responsibilities, just as the Congress was responsible for the victory of communist forces in Vietnam. This Convention calls for the return of our America to the foreign policy of our late great President, Dwight D. Eisenhower—that policy which in fact maintained the peace of the world by projecting our message that all adventures of would-be aggressors would not be tolerated, and that in fact the United States aspires to the peaceful liberation of the once-free nations of the Soviet Union and the communist world in Europe and elsewhere—Albania, Armenia, Azerbaijan, Bulgaria, Byelorussia, Cossakia, Cuba, the Czechs and Slovaks in Czechoslovakia, East Germany, Estonia, Georgia, Hungary, Latvia, Lithuania, North Korea, Poland, Rumania, Russia, the Croats and the Serbians and Slovenians in Yugoslavia, the Ukraine, Vietnam, Mainland China and other nations.

26. In short, we strongly urge the reestablishment of the traditional American foreign policy based on the time-honored and time-tested concepts of *diplomacy in morality,* in order that the United States can contribute most significantly to the building of a world in peace and harmony on the postulate of justice. American policy must, as we have said, endorse the freedom of those nations who today endure Soviet occupation. Similarly, American foreign policy must advocate the swift return to all proprietor peoples of their patrimony—their historical territories held without legal basis by all invader nations, and the captive peoples in previously free nations now under communist rule must be returned to their historically parental peoples.

27. We deplore and condemn the statement reported as having been made by Mr. Helmut Sonnenfeldt, a Counsellor of the Department of State, to the effect that what he called the "inorganic, unnatural relationship between Moscow and Eastern Europe" should be converted into an "organic relationship"—something which would amount, of course, to the complete abandonment of the captive peoples of Eastern Europe and, by rote, elsewhere. Any philosophy which calls for the accommodation of the Soviet Union at the expense of the national aspirations of the Eastern European and other captive peoples must be vigorously dealt with. We call for a full investigation to determine exactly what Mr. Sonnenfeldt is reported to have said, and call for his dismissal should it be determined that he in fact said what he is reported to have said. We ask the President of the United States explicitly to disown the "Sonnenfeldt doctrine" thus to uphold Public Law 86–90 which states: "The desire for liberty and independence by the overwhelming majority of these submerged nations (i.e. the captive nations) constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace . . ."

28. We commend the Congress for approving, and the President for signing into law, legislation which establishes a "Commission on Security and Cooperation in Europe" which is empowered to monitor the acts of the signatories of the so-called "Helsinki Agreement", with particular regard to the provisions relating to Cooperation in Humanitarian Fields. This "watchdog" commission is urgently needed since proof has emerged that the Soviet Union and her Central and Eastern European allies have been reneging on certain promises made in Helsinki as evidenced, for example, by statements made at hearings on the Freedom to Write and Publish, conducted by the Permanent Committee on Government Operations, U.S. Senate, November 18, 1975.

29. Because Turkey, through its 1974 invasion of Cyprus, now occupies approximately 40 percent of the most productive area of that land; because no invasion or aggression of a free nation by its neighbors or powers, even those "friendly" to the United States; because 200,000 Greek Cypriots have been forcibly driven from their homes by the military forces of Turkey; because Turkey has not responded to the plight of the refugees so as to permit them to return to their homes; because Turkey has failed to negotiate in good faith to resolve the Cyprus issue in spite of the willingness of the Cypriot government to do so; and because it is vital to establish a peaceful environment in the sensitive area of the Near East; and because a just solution of the Cyprus issue will improve relations between Turkey and Greece and in turn with the United States; because of all this, the Council calls for the United States to take an immediate initiative to achieve an accord in Cyprus along the lines outlined by the United States before the United Nations in October, 1975.

30. We ask that the United States act to restrengthen our old and historic ties with the Republic of Greece.

31. We urge all Republican Senators to solicit quick plenary debate and affirmative action in relation to the long-delayed adoption by the United States of the Convention on the Prevention and Punishment of the Crime of Genocide. Such a measure, most recently lodged with the Senate Committee on Foreign Relations by a Republican President, was recently approved for Senate action by that Committee.

32. We are deeply grateful to the House of Representatives for the approval of a resolution that the so-called Helsinki Agreement in no way alters United States policy of nonrecognition of the occupation of the Baltic States. We advocate similar action by the United States Senate. We see in such resolutions a commitment by the United States of non-recognition of the occupation of other once-free States.

33. We support all humanitarian and economic aid to the Republic of Lebanon to alleviate the suffering of all the peoples of that State caught in the tragic strife that besets that nation.

34. We are pleased to note the continuation of Federal stipends to assist Radio Free Europe and Radio Liberty so that they might maintain and expand their services. We urge broadcast programs in the Albanian language.

35. We ask that the USIA establish a Voice of America program in the Byelorussian language and point out that the Byelorussians in the USSR and Poland represent the third largest nationality group in the Soviet sphere.

36. Mindful of the President's assurance that the United States will honor its pledges and commitments to its allies, South Korea and the Republic of China, the Philippines and other free Pacific nations, we expect that nothing will be done to impair the status of Free China and its 16 million people on Taiwan, and that the President retains United States defense commitments to Free China. Although the United States is pursuing a policy known as "normalization of relations" with "The Peoples Republic of China", in the light of the mounting political instability of the regime in the Chinese mainland, it is unwise for the United States Government to take further substantial steps toward its realization. Too, realizing that the United States foreign policy should always remain flexible, we suggest the other possibility would be to use the example of dealing with the situation in terms of that of Germany, that is, recognizing one Germany—two governments. Both East Germany and West Germany have diplomatic relations with the United States. This might be a workable formula on the China issue.

37. We deplore that while today 30 years after World War II anti-German manifestations are continuing in the mass media, other crimes such as the extirpation of the Polish officer corps at Katyn, the forced starvation of the people of Ukraine and all other crimes of genocide and deportation against all once-free peoples by the Soviet Union, as well as the Turkish massacres of the Armenians, and similar crimes that have taken place elsewhere in the world, remain forgotten by the same media.

38. We point out that clear crimes of aggression, occupation, and all acts of genocidal nature are not governed by statutes of limitation and legally remain candidates for formal judgment even despite the passage of time.

39. We urge the President and Congress to refuse to establish diplomatic ties with Castro Cuba, which has recently reemerged as an armed advance force of Sovietism, as shown by the participation of the Cuban military in the sack of Angola and Castro's tampering with Iran through Cuban contacts with the outlawed Tudeh Communist party of the latter kingdom. We point out that Cuba is the key to the Gulf of Mexico, and Cuban ports are available to Soviet shipping and submersibles. We point out that Cuba acted to intervene similarly in the previous Chile crisis.

40. And finally, this we say: We are totally against war. As the sons and daughters of nationality stocks who in many instances came to the United States to escape war, we abhor war with a depth and a passion strange to those who have not experienced the barbarous scenes of battle and of death. Precisely because we have found at long last that the shield of this Republic not only protects its citizens, but acts to discourage assaults worldwide, we urge the President to continue to maintain the ability of the United States to move swiftly in moments of crises, without the paralyses we are presently experiencing.

We propose no military adventures; we propose armed intervention only when it is needed. But we urge the United States to conduct its foreign affairs always in total fulfillment of its own security and in the pursuance of its God-given destiny—the championship of justice and freedom both at home and abroad—for the sake of our nation and our planet, for peace and the freedom of mankind in our time. God Save the United States of America. God Save Republicanism!

Special entry

The Sixth Convention of the National Republican Heritage (Nationalities) Council extends to the Honorable Edward J. Derwinski, Congressman, State of Illinois, its deepfelt expressions of gratitude and admiration for not only his inspirational Championship of this Council, but his continuing interest in ethnic affairs nationwide. His efforts on behalf of world freedom, his deep-rooted conviction that freedom starts from the Grassroots, his confidence in the common man and his espousal of justice as the beginning principle of Government, bring upon Mr. Derwinski the mantle of both great legislator and total man. We feel that no greater accolade may be given a public servant.

Special entry

This is the Presidential election year. There may be reason to believe that some Republicans as yet have not fully appreciated the power and strength reposing in the ethnic community of America. More than 40 million practicing ethnics may in fact now hold the balance of power in American elections. *The cultivation of this vast electoral bloc—a wise, down-to-earth program of action to enlist the ethnic voter to the cause of the Republican candidacy—must be impressed on the forthcoming National Convention of the Republican Party and the campaign committees and planners of the Presidential effort. We feel that should the National Platform reflect the Resolutions adopted by this Council Convention, most ethnics will in fact rally to the Party and its candidate—for what we speak of is freedom and justice—which all ethnic Americans especially hold dear.*

IS CREDIT DRYING UP?

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, loud but unfounded claims by some credit trade associations are jeopardizing one of the most beneficial consumer rulings that the Federal Trade Commission has ever enacted—the repeal of the holder in due course doctrine.

Consumer credit will dry up, the associations say, if this new ruling is allowed requiring banks and other creditors to be responsible for the goods and services upon which they collect money.

On the other hand, consumer advocates are applauding the FTC's move, saying that it provides long overdue protection against the unfair practice of selling inferior products with third-party financing and then hiding behind the legal immunity of the due course doctrine when the products fail to live up to the original claim made on them.

The FTC promulgated this rule over 6 months ago under the authority of the FTC Act, which gives the agency the right to enact any rule which will promote fair and less deceptive trade between consumers, retailers, and third-party creditors. By repealing the holder in due course doctrine, the FTC merely sought to give the consumer some redress when a product fails to meet the seller's claims, even if the credit contract has been sold to a third party. It is a guarantee, that is all—certainly not something any reputable businessman should mind allowing. If he is honest his business is not jeopardized at all.

To my way of thinking, this new ruling gives the installment plan an important new perspective—one which now has a consumer side.

Before the ruling, consumers, especially the more uninformed who were most susceptible, would listen to inflated promises and performance claims not knowing that once the contract or "paper" had been sold to a finance company or bank, they would never again have the legal right to demand that the product or service live up to those claims. All the seller had to do was make sure the product lasted until he could sell the contract to a third party.

As an early proponent of the FTC's efforts to enact this ruling I wanted to find out the truth. And as chairman of the Banking Subcommittee most directly concerned with consumer credit I certainly wanted to be among the first to know if the market was indeed drying up. So I conducted an investigation of my own.

Is consumer credit drying up? My research indicates solidly that it is not. The results of the subcommittee study were released yesterday in a public statement which I would like to insert here. In my opinion it clearly indicates that the holder in due course repeal was a very wise move on the FTC's part, for consumers will now have the protection they have so long needed without damaging those businesses which are affected.

WOLF CRIERS AND CHICKEN LITTLE APPROACH TO NEW FTC RULING

Washington area businesses are not being adversely affected by the recent Federal Trade Commission ruling repealing the holder in due course doctrine, Chairman FRANK ANNUNZIO of the House Consumer Affairs Subcommittee said today. He stated further:

> The major business and financial trade associations have been attacking the FTC ruling because they contend it will force many businesses to curtail their activities, but a survey of metropolitan area businesses by the Consumer Affairs Subcommittee staff shows at the local level at least, that is not true.
>
> It appears to be just another case of the lobbying groups crying "wolf" or doing a good imitation of Chicken Little's "the sky is falling" routine.

Prior to the FTC's ruling which took effect in mid-May a business which financed a purchase or service for a consumer could sell the contract to a financial institution and if the product proved defective, the consumer would still have to pay for the item and would have no recourse against the financial institution. The FTC's action, however, now holds the financial institution equally responsible for defective products or services.

In order to determine the effect of the

ruling, the Consumer Affairs Subcommittee staff called more than 100 automobile, furniture, and home improvement businesses in Washington, Maryland, and Virginia.

Of the more than 30 automobile dealers contacted not a single one indicated any major problem with the new method of doing business. From the automobile dealers, the most common reply when asked about the new ruling was, "we haven't noticed any difference," or "it hasn't affected us." Several dealers claimed they never heard of the FTC's action. One Virginia dealer apparently was trying to use the FTC's action as a basis for steering customers away from Maryland dealers. The Virginia dealer told the staff that people with good credit have nothing to worry about and that the new regulations seem to affect Maryland banks more than those in Virginia.

Here are some typical quotes from Washington car dealers concerning the FTC ruling. A General Motors dealer said, "no problem at all." A used car dealer pointed out, "it is easier and cheaper for you to find your own financing." A luxury car dealership said, "it depends on your credit rating; no problem at all." An import car dealer said, "it will be a while before people start changing their policies." A used car operator said, "no problem whatsoever." A Chrysler product dealer remarked, "it hasn't affected us." Another used car dealer responded, "never heard of it." An import dealership said, "it is not difficult for us to finance cars at all." A luxury car dealership said, "no problem at all." Another luxury car dealership said, "no problem" and another GMC dealership said, "I haven't noticed any change at all."

The survey of furniture dealers for the most part paralleled the results obtained from car dealers with the exception that not as many furniture dealers financed purchases. Of 10 furniture dealers contacted in Virginia only four of them financed sales through a lending institution and all four indicated that there was no problem with the new ruling.

One salesman admitted, however, that he had never heard of the ruling and asked to have the staff explain it to him. At the end of the explanation the salesman responded, "we've been in business a long time and we back our merchandise. We will have no problem with the ruling."

Similar reports about lack of problems were received from furniture stores in Maryland and the District of Columbia.

One of the most universal comments received from furniture dealers was that as long as the company sold quality merchandise it would have no problem in obtaining financing for customers.

The responses received from home improvement firms were for the most part identical to the responses received from auto and furniture dealers. One company representative indicated that he was thoroughly knowledgeable with the new regulation because his bank had a meeting with all of the companies that financed with the bank to explain the rule. He indicated that the bank foresaw no problem for reputable companies.

One Washington contractor was upset with the FTC's action and labeled it as ridiculous. However, he did not indicate that the ruling had caused his company any problem at this time.

Chairman Annunzio added:

> The banking lobby has been screaming the loudest about the FTC's action, but at the same time it is protesting the action of one of the major Virginia banks in running a radio campaign in which it tells listeners to "obtain your loan from us or ask your dealer to finance your purchase with us."
>
> If the Holder in Due Course repeal is causing banks as many problems as the banking lobby would like Congress to believe, why is it that a major banking institution in the area is openly soliciting new business that would come directly under the new ruling? And why in light of the bankers protest has the American Bankers Association announced that its member banks have planned to substantially increase the financing of new automobiles for consumers? According to the ABA not only is an increase planned, but not a single bank surveyed by the association plans to cut back the amount of money available for new car lending.

Annunzio said that consumers can conduct their own survey as to whether or not business is being hurt by the FTC action. He suggested that a person planning to buy an automobile call a dealership and ask them if they can finance the car.

Chairman Annunzio said:

> I would be willing to bet that not a single dealership will respond in the negative.

THE URBAN, ELDERLY POOR

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, the plight of many of our older Americans has become a matter of increasing national concern, particularly as we gain new knowledge about both the aging process itself and the ways in which older Americans live in our society.

The Older Americans Act of 1965, which was most recently amended last year, stands as a significant national effort to assist our older citizens in obtaining access to adequate income, medical care, housing, and community services. This legislation is based on a commitment to the inherent dignity of the individual in our free society.

Despite the advances made by more than a decade of Federal and State legislative efforts on behalf of older Americans, I am often reminded of the unmet needs of our elderly, and particularly of our elderly poor.

I am placing at this point in the Record an article from the June 26, 1976, issue of the National Observer which describes the condition of hundreds of thousands of elderly poor who live alone in deteriorating urban hotels:

[From the National Observer, June 26, 1976]

They're Old, Alone, Poor—They're The Invisible Elderly

(By Jim Hampton)

"Hey!" she shouts, freezing her six departing visitors in midstride. "Hey! You wanna hear a song?" Nobody can—nobody *could*—say no. Not to a 70-year-old former vaudevillian ("I was on the same bill with Mae West once") booked by age and poverty to play out her days among drug addicts, alcoholics, and former mental patients in a seedy New York City hotel, subsisting on welfare and memories.

As her visitors turn in assent back into the hotel's dingy, makeshift recreation room, Annie is already awaiting her cue from some long-ago orchestra. Feet together, hands clasped at her bosom, chin up, she smiles across non-existent footlights, then closes her eyes. At stage left, seated at a rickety table, four young black men—dwellers, like Annie, in "the society of the alone"—grin and shake their heads as her still-resonant contralto pours out:

"When your *o-o-o-ld wedding r-i-n-g* was *new-w-w-w . . .*"

As Annie's last note dies away, the young blacks whistle and thump the table. "All *riiight*, Annie!" they say. "Git it on, baby, get it *onnnn!*"

The visitors, the song, the applause—all will give Annie memories to savor tomorrow. And for her, and tens of thousands like her, tomorrow promises little to savor except memories. For Annie is one of those impoverished old people known as "the invisible elderly."

The invisible elderly are the elderly poor who live alone in single rooms in cheap, usually old, and often decrepit urban hotels. These people live their alienated lives in every American city that has such hotels, and they're scattered among small-town boarding-houses as well. Loners by choice, they often spend their entire adult lives downtown. When they move, it's usually from squalid hotel to squalid hotel, just one swing ahead of the redeveloper's wrecking ball.

Grown old, without family, friends, funds, or a future, they nonetheless treasure their independence and sometimes shun help when it's offered. One researchers terms their lifestyle "anonymity in proximity": They live close to, but apart from, other people. They're uninvolved and hence politically voiceless. They've lived outside the system so long that few know how to tap its benefits even when they'd like. They ask nothing of society but to be left alone, and so to society they are invisible.

Nobody knows how many invisible elderly there are. They're part of a larger group of "social isolates" that sociologists, social workers, and housing officials call SROs—single-room occupants. There are 100,000 SROs in New York City alone, officials there say, and a study in St. Louis puts the number of elderly SROs there at 500. Nationally there are tens of thousands of other invisible elderly, according to persons familiar with the SROs plight.

In a 1973 article on that plight, Mrs. Carroll Kowal of New York City's Office of Special Purpose Housing, which deals with SROs, wrote: "Throughout the history of cities the single poor have grown in size as a significant portion of the population in every urban center. Yet in the history of housing they have never been planned for . . .

"The SRO population is a varied one, including men and women, employed and nonworking, well and disabled, stable and socially deviant. . . . The overwhelming characteristic of the SRO population is neglect, isolation, and alienation, and even the stable and healthy deteriorate in a milieu of apathy and absence of hope. As persons outside the traditional family unit, single-room occupants are omitted in the language of housing legislation, written off in the minds of communities, ignored and rejected in urban-redevelopment plans, and pushed from one area to another on the waves of fluctuating real-estate markets."

Last summer St. Louis University's Institute of Applied Gerontology (IAG) put together in St. Louis the first national conference on SROs. It drew social-services professionals from 35 cities in 17 states and

Canada, most of whom were unaware of each other's work with SROs. (A second, larger conference was held in St. Louis in mid-May.)

The first conference yielded one fundamental discovery, says Mrs. Phyllis Ehrlich, the IAG's field-practicum co-ordinator and author of a 1975 study on St. Louis' invisible elderly. The participants learned that "from San Diego to New York" the invisible elderly "are substantially the same" in their attitudes, life-styles, and problems.

Dan is a testament to all three traits. (His name is a pseudonym, as are all SROs' names in this story.)

Dan lives in a woebegone SRO hotel a few blocks from the St. Louis public library, in an area that's in transition from rundown to redeveloped. He is 78, a bit older than the average elderly SRO in St. Louis. Mrs. Ehrlich's study reports that St. Louis' invisible-elderly population is white, 89 per cent male, with a median age of 66 to 70 and median income of $200 to $249 a month. Thirty-nine per cent have never married, 29 per cent are divorced, 25 per cent are widowed, and 7 per cent are separated.

The stench in Dan's room is overpowering. He is incontinent, his mattress sodden, his room filthy and stifling, the grimy windows shut tight despite the hot day. Dan is too ill with a kidney infection to walk, and he needs to be in a hospital or nursing home. Dan won't hear of it. The hotel's his home, he says, and he won't leave. If Ray, his friend down the hall, didn't bring him food, Dan might die, unattended and unnoticed.

That friendship is itself unusual: Fearing robbery or just plain nosiness, SROs almost never invite others to their rooms. And, various studies of SROs add, while the invisible elderly may spend hours together in the lobby every day, their talk is of sports, sex, and other universal topics that sustain acquaintance but don't invite friendship.

Under gentle prodding by his only "outside" contacts, St. Louis University graduate students Beckey Kerley and Lavern Raber, Dan finally consents to be taken to the hospital, "but not in no wheel chair." He'll inch down the two flights of stairs on his haunches, he insists. Finally persuaded that that's a bad idea, Dan consents to the wheel chair but tells Ms. Kerley, "I'll go next week honey." "No, honey," Ms. Kerley fires back, "we'll go today."

In New York City, where the SRO problem—like so many others—is magnified almost beyond solution, city agencies maintain in-hotel assistance projects for residents of 24 SRO hotels. Several hospitals provide regular medical, nursing, and psychiatric service at the hotels, and the city's Office of Special Housing Services keeps social workers there full-time. In fact, New York's the only city with full-time programs to aid SROs.

THE PROBLEM GETS WORSE

Even so, this aid reaches only one-fourth of the city's SROs, social-services officials say. There are about 1,000 SRO hotels in New York City, most of them in Manhattan. Their over-all vacancy rate is 25 per cent, but a few are 50 to 70 per cent vacant. Services are minimal at best, and occasionally management simply walks out, leaving the SROs to fend for themselves. At many hotels, fear and physical danger are omnipresent. "If I had to spend three days in some of those buildings," says Ms. Elaine Berlin, head of the Mayor's Office of SRO Housing, "I'd either be suicidal or addictive."

"These are people who cannot deal with their environment, who have never been able to," adds Robert Jorgen, director of the Office of Special Housing Services. "As New York gets more complex—and it gets more complex daily—the problem gets worse."

Eleanor can't seem to decide which of her problems is worse: the man across the hall who, she fears, wants to rape her, or the fact that she, widow of a man whose forbears she says came over on the Mayflower, should have to live as she does.

A STOLEN INHERITANCE

Eleanor is about 70, a native Tennessean who was a waitress in her youth ("Sure I flirted with the men customers," she says impishly, "but not serious"). She says her late husband ("Surely you've heard of him?") left a fortune but that she was done out of it by a woman who forged her signature and made off with everything from the bank.

Graduate students from the Institute for Applied Gerontology visit Eleanor regularly in her tiny third-floor room. They make rounds, and have since last fall, of several St. Louis SRO hotels, chatting with the elderly, offering help where they can, cultivating the SROs' trust. Their graduatework project—begun under Mrs. Ehrlich's aegis and supervised by a social worker from the Cardinal Ritter Institute, a St. Louis social-services agency—is the only service directed specifically at SROs in St. Louis.

Eleanor's only income is a $157.70 monthly Supplemental Security Income check. She pays $65 a month rent for her seven-by eight-foot room, and she frequently runs out of money toward the end of the month and goes days without food. For weeks Ms. Kerley and Ms. Raber have been trying to persuade her to move to another, better SRO hotel, where a room and meals would cost $135 a month. That way, they remind her, she'd never go hungry. Still, she balks.

Any problems? they ask Eleanor. Just the usual one, she whispers: "Every time I open my door, somebody across the hall opens their door." Then, noticing that her door is ajar, she yells toward the opening, "I'll tell you one thing: It won't do you a goddam bit of good!"

LIVELY TALES

The "rapist" is probably imagined, for Eleanor has a lively imagination. "Did you know," she asks her male visitor, "that if you play with a cat and you get implicated in a murder, they'll have your fingerprints on that cat?"

Despite their alienated life-style, two-thirds of the invisible elderly in the St. Louis study said they weren't "bothered at all" by being lonely or by having nothing to do. Most weren't bothered by not using the telephone (none had made a recent call, although 91 per cent had easy access to a phone) or by not seeing relatives.

The invisible elderly's independence is reflected in another fact as well: their perceived and actual health. Almost none of the 111 SROs in the St. Louis study took any prescription medicine. They commonly said their health was good even when their appearance belied it. Only half of those who had lived downtown 10 or more years had seen a doctor in the preceding 2 years.

ABSENCE OF STRESS

"Diseases such as heart disease, arthritis, hypertension were very low in perceived incidence—again, much lower than that found in a general elderly population," the study says. The study also noted the general absence of such stress-related ailments as nervousness, tension, headache, high blood pressure, and stroke.

Ray, who watches out for his sick friend, Dan, considers himself healthy despite a hip injury that keeps him from standing or walking except briefly. Somehow, Ray lives on a disability check of only $70 a month—$60 of which goes for rent. He says he pays $4 for $44 worth of food stamps (unlike most SROs, he has a tiny stove in his room and doesn't have to eat out). That leaves him $6 a month "to blow."

DIVERSION BY THE NUMBERS

"I'm not an old man," says Ray. "I'm only 56, but as far as this industrial world is concerned, I'm old. I'd rather be working, but because of my hip I can't even go out and watch a parade; can't even stand." He pauses reflectively, then: "Oh, well. Them parades ain't no good any more anyway. When they took them horses away, they ruined the parades."

A dozen or more paint-by-the-numbers canvasses lie around Ray's room. The oils are his major occupation, and he works on several at a time. "You gotta have something to do," Ray explains. "You can't sit around here all day or you'll go crazy. I don't have a TV, and there's nothing on the radio but a bunch of arguments."

Ray has lived all his life in St. Louis, the last six years in his present room. "I was married," he says, "but my wife died. In fact, *two* of my wives died. I decided I'd better quit getting married."

A MATTER OF PRIVACY

Except for Dan, Ray doesn't mix with the other SROs in his hotel. "I know some of them, the ones that live on this floor," he says. "I know them to say 'Hi,' but I don't know them real personally. A lot of them guys, they sit around and talk and argue, but I'd sooner stay up here and do this," nodding toward his paints.

"I don't like for people to ask me where I'm going or where I've been. If somebody asks me, 'Where are you going?' I say, 'What do you care? *You're* not going with me.'"

One reason the invisible elderly prefer living downtown is that essential services are available within a limited "life space"—the distance they can easily walk. For elderly SROs, it's generally agreed that restaurants, medical facilities, and recreation must be within 10 blocks or they'll rarely be used. As their downtown "homes" are demolished—and 30 SRO hotels have been torn down in St. Louis since 1960—the invisible elderly must sometimes move to hotels farther out, where essentials are beyond their life space.

Nikkos, who is 75 but looks 60, has recently undergone such a move. The hotel where he had lived since 1961 closed last fall, but the owner moved some SROs to another of his hotels farther from downtown. It's also farther from the amenities, but that's partially offset by having a restaurant nearby that serves the SROs a meal for $1.

A retired pants presser, Nikkos was born in Constantinpole. He emigrated to St. Louis in 1915 after his widowed mother was killed by the Russians in World War I. "I have a brother here," Nikkos relates, "and he says, 'Nikkos, any time you get tired of it there, come on out here.' I go out sometimes—to do some laundry or to have a meal—but I always come back here. This is my *home*."

To concerned outsiders such as Phyllis Ehrlich, who says she wants to be humanitarian without intruding on them, the invisible elderly are a source of both admiration and chagrin. Admiration because they maintain their independence against great odds. Chagrin because by living for decades outside the system, they don't know how to get back in even when they need the system's help.

"Lord knows there'd be nothing worse than a bunch of well-meaning nurses and social workers running around those hotels," Mrs. Ehrlich says. "But a few people [from social-services agencies] *have* to be there. The jeopardies of aging are enough by themselves. You add to it the indignities of poverty, and you've got a problem."

Her studies of the invisible elderly have left her with one indelible thought, Mrs. Ehrlich adds. "I have a theory: If you're going to be poor, don't get old."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BAUMAN) to revise and extend their remarks and include extraneous material:)

Mr. McKinney, for 5 minutes, today.

Mr. Crane, for 10 minutes, today.

Mr. Goldwater, for 5 minutes, today.

(The following Members (at the request of Mr. McCormack) and to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Bauman) and to include extraneous matter:)

Mr. Derwinski in two instances.

Mr. Conable.

Mr. Del Clawson.

(The following Members (at the request of Mr. McCormack) and to include extraneous matter:)

Mr. Green.

Mr. Bowen.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Ottinger.

Mr. Wolff.

Mr. Danielson in five instances.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. According to the provisions of House Concurrent Resolution 669 of the 94th Congress, the House stands adjourned until 12 o'clock meridian, Monday, July 19, 1976.

Thereupon (at 10 o'clock and 6 minutes a.m.), pursuant to House Concurrent Resolution 669, the House adjourned until Monday, July 19, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3589. A letter from the Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed interim regulations for the treatment of Public Law 81–874 payments under State equalization programs for fiscal years 1975 and 1976, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3590. A letter from the Assistant Secretary of the Army (Civil Works) transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on the Richmond Filtration Plant, James River basin, Virginia (H. Doc. No. 94–543); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on a review of the environmental, economic, and international aspects of the Garrison diversion unit, North Dakota (Rept. No. 94–1335). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 14291. A bill to provide for an elective Governor and Lieutenant Governor of American Samoa, and for other purposes (Rept. No. 94–1336). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 12939. A bill to amend certain laws affecting personnel of the Coast Guard, and for other purposes (Rept. No. 94–1337). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LEGGETT (for himself, Mrs. Sullivan, Mr. Forsythe, Mr. Breaux, Mr. Mosher, Mr. Murphy of New York, Mr. Emery, Mr. Young of Alaska, Mr. de la Garza, Mr. de Lugo, Mr. Oberstar, Mr. Anderson of California, Mr. Lent, Mr. Ginn, Mr. AuCoin, Mr. Rogers, Mr. Rinaldo, Mr. du Pont, Mr. Studds, Mr. Downing of Virginia, Mr. Bonker, Mr. Biaggi, and Mr. Pritchard):

H.R. 14695. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. O'NEILL (for himself, Ms. Abzug, Mr. AuCoin, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Boland, Mrs. Burke of California, Mr. Carney, Ms. Collins of Illinois, Mr. Corman, Mr. Cotter, Mr. Dodd, Mr. Downey of New York, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Flood, Mr. Fraser, Mr. Gilman, Mr. Hall of Illinois, Mr. Harrington, Mr. Harris, Mr. Howard, Mr. Jeffords, and Mrs. Keys):

H.R. 14696. A bill to amend the Energy Policy and Conservation Act to minimize the use of energy in residential housing, commercial and public buildings, and industrial plants; to create an Energy Conservation Extension Service; to establish energy conservation research, development, and demonstration institutes; to authorize a Federal program of research, development, and demonstration designed to promote efficiency of energy use; to insure coordination of Federal energy conservation activities; and for other purposes. Divided and referred as follows: Title I jointly to the Committee on Banking, Currency and Housing, and to the Committee in Interstate and Foreign Commerce; and title II to the Committee on Science and Technology.

By Mr. O'NEILL (for himself, Mr. Koch, Mr. LaFalce, Mr. Leggett, Mr. Lehman, Mr. Lundine, Mr. Maguire, Mrs. Meyner, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Murphy of New York, Mr. Nix, Mr. Oberstar, Mr. Ottinger, Mr. Pepper, Mr. Richmond, Mr. Rodino, Mr. Rosenthal, Mr. Sarbanes, Mr. Scheuer, Mr. Seiberling, Mrs. Spellman, Mr. Solarz, and Mr. Stark):

H.R. 14697. A bill to amend the Energy Policy and Conservation Act to minimize the use of energy in residential housing, commercial and public buildings, and industrial plants; to create an Energy Conservation Extension Service; to establish energy conservation research, development, and demonstration institutes; to authorize a Federal program of research, development, and demonstration designed to promote efficiency of energy use; to insure coordination of Federal energy conservation activities; and for other purposes. Divided and referred as follows: Title I jointly to the Committee on Banking, Currency and Housing, and to the Committee on Interstate and Foreign Commerce; and title II to the Committee on Science and Technology.

By Mr. O'NEILL (for himself, Mrs. Mink, Mr. Studds, Mr. Symington, Mr. Thompson, Mr. Udall, Mr. Van Deerlin, Mr. Vander Veen, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 14698. A bill to amend the Energy Policy and Conservation Act to minimize the use of energy in residential housing, commercial and public buildings, and industrial plants; to create an Energy Conservation Extension Service; to establish energy conservation research, development, and demonstration institutes; to authorize a Federal program of research, development, and demonstration designed to promote efficiency of energy use; to insure coordination of Federal energy conservation activities; and for other purposes. Divided and referred as follows: Title I jointly to the Committee on Banking, Currency and Housing, and to the Committee in Interstate and Foreign Commerce; and title II to the Committee on Science and Technology.

By Mr. HECHLER of West Virginia (for himself and Mrs. Schroeder):

H.R. 14699. A bill to amend title 39, United States Code, to abolish the use of franked mail, to establish a system for the distribution of mail transmitted by Members of the Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SEIBERLING (for himself, Mr. Whalen, Mr. Ashley, Mr. Bedell, Mrs. Burke of California, Mr. Downey of New York, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Mazzoli, Mr. Moorhead of Pennsylvania, Mr. Preyer, Mr. Pritchard, Mr. Scheuer, Mr. Simon, Mr. James V. Stanton, and Mr. Weaver):

H.R. 14700. A bill to amend the Emergency School Aid Act to provide innovative desegregation programs and procedures, and for other purposes; to the Committee on Education and Labor.

By Mrs. FENWICK (for herself, Mr. Koch, Mr. Dodd, Ms. Abzug, Mr. Badillo, Mr. Baucus, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Bevill, Mr. Biaggi, Mr. Brademas, Mr. Breckinridge, Mr. Brodhead, Mr. Brown of California, Mr. Buchanan, Mr. Phillip Burton, Mr. Cotter, Mr. Dominick V. Daniels, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Fish, Mr. Flood, Mr. Forsythe, and Mr. Fraser):

H.J. Res. 1019. Joint resolution authorizing and directing the President to declare Valentyn Moroz an honorary citizen of the United States of America; jointly to the Committees on the Judiciary, and International Relations.

By Mrs. FENWICK (for herself, Mr. Gilman, Mr. Green, Mr. Gude, Mr. Harrington, Mr. Heinz, Mr. Helstoski, Ms. Holtzman, Mr. Horton, Mr. Howard, Mr. Howe, Mr. Hughes, Mr. Kemp, Mr. Krebs, Mr. Lagomarsino, Mr. Long of Maryland, Mr.

McHugh, Mr. Maguire, Mr. Mezvinsky, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Mosher, and Mr. Murphy of New York):

H.J. Res. 1020. Joint resolution authorizing and directing the President to declare Valentyn Moroz an honorary citizen of the United States of America; jointly to the Committees on the Judiciary, and International Relations.

By Mrs. FENWICK (for herself, Mr. Nix, Mr. O'Hara, Mr. Ottinger, Mr. Patten, Mr. Pepper, Mr. Peyser, Mr. Preyer, Mr. Rees, Mr. Rinaldo, Mr. Roe, Mr. Rosenthal, Mr. St Germain, Mr. Scheuer, Ms. Schroeder, Mr. Simon, Mr. Solarz, Mr. James V. Stanton, Mr. Thompson, Mr. Walsh, and Mr. Yates):

H.J. Res. 1021. Joint resolution authorizing and directing the President to declare Valentyn Moroz an honorary citizen of the United States of America; jointly to the Committees on the Judiciary, and International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MELCHER:

H.R. 14701. A bill for the relief of Loretto B. Fitzgerald; to the Committee on the Judiciary.

By Mr. WHALEN:

H.R. 14702. A bill for the relief of SP7 Herbert Hendrix, U.S. Army, retired; to the Committee on International Relations.

PETITIONS, ETC.

Under clause 1 of rule XXII,

509. The SPEAKER presented a petition of the Central States Synod, Lutheran Church in America, Overland Park, Kans., relative to Namibia, which was referred to the Committee on International Relations.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of July 1, 1976, p. 21910.

HOUSE RESOLUTIONS

H. Res. 1251. June 3, 1976. House Administration. Provides that funds shall not be expended from the contingent fund of the House of Representatives for allowances to Members, officers, or standing committees of the House except through the adoption of a resolution by the House of Representatives.

H. Res. 1252. June 3, 1976. Rules. Amends Rule X of the Rules of the House of Representatives to provide that no Member shall serve as a chairman of the same committee or subcommittee during more than three Congresses beginning after 1976. Directs that all selections of Members to serve as chairmen of committees or subcommittees shall be made without regard to seniority.

H. Res. 1253. June 3, 1976. House Administration. Amends the Supplemental Appropriations Act, 1974 to make individuals attending or teaching at vocational schools eligible to serve as congressional interns in the House of Representatives.

H. Res. 1254. June 3, 1976. Sets forth the rule for the consideration of H.R. 9719.

H. Res. 1255. June 4, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the United States Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1256. June 4, 1976. Post Office and Civil Service. Express the sense of the House of Representatives that the United States Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1257. June 4, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the United States Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1258. June 4, 1976. Rules. Establishes the House Committee on Intelligence to oversee and make continuing studies of the intelligence activities and programs of the United States Government.

H. Res. 1259. June 4, 1976. Sets forth the rule for the consideration of H.R. 10210.

H. Res. 1260. June 7, 1976. Rules. Amends rule X of the House of Representatives to allow the payment of all of the expenses of the House Committee on Standards of Official Conduct from the contingent fund of the House of Representatives.

H. Res. 1261. June 7, 1976. Interstate and Foreign Commerce. Calls for hearings by the committee with appropriate jurisdiction to consider and determine what should be the Nation's future telecommunications policy.

H. Res. 1262. June 7, 1976. House Administration. Provides that funds shall not be expended from the contingent fund of the House of Representatives for allowances to Members, officers, or standing committees of the House except through the adoption of a resolution by the House of Representatives.

SENATE—*Friday, July 2, 1976*

(Legislative day of Friday, June 18, 1976)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. Metcalf).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, with thankful hearts we lift our prayer to Thee on this National Day of Prayer. We thank Thee for our goodly heritage; for wise Founding Fathers; for the hero's valor and the patriot's devotion; for all human and all natural resources; for freedom of person and press and religion; and for the Federal Union under the people's constitution. For Thy goodness we give Thee thanks and praise.

Forgive us, O Lord, wherein we have sinned in our wanton waste of soil and sea, and desecration of natural beauty, our profligate waste of energy, our love of money, our contempt for small things and our worship of big things, and our neglect of those who need our help. For wrong things done as for right things left undone, O God, forgive us.

Cleansed and renewed by Thy grace, make us fit for the third century by correcting what is wrong and more earnestly doing what is right. Quicken our love of America that beyond the ceremonies of these days we may see the glory of the Republic, both as a heritage and as a trust. May we be steadfast in our love of life, our devotion to freedom, our intolerance of evil, our dedication to justice, and our pursuit of peace.

We pray in the Redeemer's name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, July 1, 1976, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be authorized to meet during the session of the Senate today, for the purpose of conducting a hearing only.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COTTON RESEARCH AND PROMOTION PROGRAM AMENDMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 966, H.R. 10930.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 10930) to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture.

Mr. GRIFFIN. Mr. President, I wonder whether the majority leader would withhold the request with respect to this bill.

Mr. MANSFIELD. Yes. I had been informed that it had been cleared on both sides. I withhold the request. I would not have called up the bill otherwise.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations under "New Reports," beginning with the judiciary. This is on yesterday's calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

THE JUDICIARY

The second assistant legislative clerk proceeded to read sundry nominations in the judiciary.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. AIR FORCE

The second assistant legislative clerk read the nomination of Maj. Gen. Andrew B. Anderson, Jr., to be lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The second assistant legislative clerk read the nomination of John W. Snow, of the District of Columbia, to be Administrator.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ZOHAIR MOGHRABI—S. 3654

Mr. MANSFIELD. Mr. President, today I introduce legislation to recognize the sacrifice made for the United States by Zohair Moghrabi, the Lebanese chauffeur who was assassinated with Ambassador Meloy and Mr. Waring in Beirut. As the President said when the bodies of the two Americans were returned to the United States—

> Zohair Moghrabi gave over 25 years of loyal service to America. He has our respect, our honor, our gratitude—his family, our sympathy.

It is fitting for the Congress to insure that the family of someone who made the supreme sacrifice in the service of the United States should receive evidence of our appreciation. Under our civil service system, Mrs. Moghrabi would receive a pension slightly over $3,000 per year. This is inadequate for the family of someone who risked and lost his life in our service. It would leave his widow and children in poverty, particularly in view of the inflation which has occurred in Lebanon and in the world in recent years. The bill which I am introducing today would provide an ex gratia payment of $50,000 for Mrs. Moghrabi. In addition it would take into account the dream of Mr. Moghrabi throughout his 25 years of devoted service to the United States. Mr. Moghrabi's dream was that he and his family would one day be able to immigrate to the United States, to live in the country which he served with great devotion. This bill would make his widow and children eligible to come to the United States as nonquota immigrants at a time of their own choosing.

We are all saddened by the violence, suffering, and death of the civil war in Lebanon. Our concern has been expressed in resolutions passed by the Senate and the House, as well as in the statements and actions of the executive branch. As we move to provide well-deserved compensation to the Moghrabi family, we can only pray that the travail of Lebanon will come to an end and that its people will find again the peace and harmony which their country was so well known for in the past.

Mr. President, I send the bill to the desk and ask that it be appropriately referred.

The ACTING PRESIDENT pro tempore. The bill will be received and will be appropriately referred.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Iowa (Mr. CULVER) is recognized for not to exceed 10 minutes.

STANDARDIZATION AND THE FUTURE OF NATO

Mr. CULVER. Mr. President, this is a most significant week for the cause of standardization. I am pleased to join with my distinguished colleague from Georgia (Mr. NUNN) in discussing where we are today and where we go from here.

The achievement of greater standardization and interoperability of weapons is imperative if NATO is to be an effective fighting force. And so long as we fail to make rapid progress in this direction, we are hindering NATO's combat capability and wasting tens of billions of dollars each year.

The previous Supreme Allied Commander in Europe, General Goodpaster, has estimated that NATO could be 30 to 40 percent stronger and more effective at current spending levels if there were substantial standardization. Other analysts say that $10 to $20 billion of NATO members' $90 billion annual defense expenditures are wasteful duplication.

Despite these vast costs, the end product is a hodgepodge of weapons, making NATO appear to be a military museum. In Central Europe alone, NATO forces currently have 23 different families of combat aircraft, 22 different families of antitank weapons, 36 different types of ship radars, and 7 different families of main battle tanks. Only now is it becoming possible for aircraft to refuel and rearm at other nations' airfields. Meanwhile, there are disabling deficiencies because of lack of commonality in equipment. For example, in naval exercises, over half the theoretical kills of NATO patrol aircraft were attributable to NATO weapons.

The time is ripe and the task is urgent to end this mindless proliferation of weapons and to turn NATO into an effective fighting force.

Yesterday, the Senate cleared for the President the military procurement conference report containing two new provisions to promote standardization and interoperability of weapons in NATO.

When the Senate approved similar language last year, there was what one close observer described as an "electric effect" in Europe. And when the conferees modified that provision, its political effect was weakened.

Now that policy has been clearly stated in what will become permanent law. At the same time, the psychological roadblock set up by the "Buy America" Act has been removed where standardization is concerned.

Congress did even more to lay the groundwork for progress by an additional amendment offered jointly by Senators NUNN, TAFT, and myself. The first paragraph urges the development of regular procedures and a mechanism in NATO to determine common requirements for weapon systems, including a common definition of the threat. If this comes to pass, we will not be plagued by disputes based on different tactics or threat assessments. In fact, meaningful standardization must begin in the research and development phase, and must include agreement on the threat, tactics, and weapon characteristics.

The second paragraph urges greater reliance on licensing and coproduction arrangements in order to minimize some of the political and economic obstacles to standardization. Finally, the Congress recognized that the two-way street on procurement can work only if the European NATO members work on a united and collective basis.

Taken together, these new provisions provide a solid foundation for an improved NATO force structure.

But while the skies are clear today, the long-range forecast is cloudy.

As Aviation Week reported in its June 21 issue,

> The next six months are considered to be critical to the North Atlantic Treaty Organization in its efforts to standardize weapons systems to increase combat capability. . . . A number of standardization efforts are in the balance but are encountering difficulty. A quid pro quo outlook has developed within NATO for major weapon systems that is fragmenting the alliance.

Despite recent cooperation on tactical aviation, a major problem looms on the choice for the next generation tank, to join our current M–60's. Since NATO now has seven different families of main battle tanks, we clearly need increased standardization in the future.

If we cannot resolve this issue satisfactorily, this vital effort may be stopped dead in its tracks.

The current situation is muddled. The Defense Department is about to decide between two competing U.S.-built prototypes. Later this year, we will receive a German-made Leopard 2 tank for competitive evaluation. Hopefully, these tests will produce results that will convince both countries to agree upon a common tank.

Last year, the Senate Armed Services Committee pressed for a full and fair evaluation of the German tank, although specific funding restraints were not sustained in conference.

This year, the committee expressed disappointment in the results of the tripartite tank gun competition, which did not lead to a single, common gun, and urged new agreements in NATO for standardizing tanks in whole or through major components.

Recently reported United States-German discussions in this regard are encouraging, and I hope that far-reaching agreements can be concluded.

Mr. President, even if we resolve these immediate issues, there remains the fundamental question of the future role of the tank.

Last year, in my report to the Senate on tank programs, I said:

> We need to move cautiously so that we will achieve the best balance of tanks and antitank weapons. Our long-term objective is to encourage development of new weapons and force structures which provide the most cost-effective blend of advanced technology and refined tactics.

This year, the committee renewed its request for a still-not-completed study on the role of the tank on the future battlefield and the effect of technological improvements on that role. The committee also said that this study should be completed before any further budget requests for tanks are made to the Congress.

Meanwhile, the committee has consistently supported an Advanced Research Projects Agency—ARPA—effort to investigate the possibility of a liquid propellant gun which could be the basis of a lightweight, highly mobile tank in future decades.

Mr. President, these very issues have been raised just this week by a new General Accounting Office report on the XM–1 tank program in response to requests by Senator Eagleton and Congressman Aspin.

The GAO report criticized the Army for permitting the XM–1 program to proceed "on the basis of incomplete and inconclusive information concerning broader issues." In addition, the report urged the Secretary of Defense to "accelerate ongoing studies which would consider the cost-effectiveness of an alternative armored force not wholly dependent on the use of costly heavy tanks."

Mr. President, I believe that we must address these issues fully before we proceed into multibillion-dollar tank programs.

While I am not ready to jump to any conclusions on the future role of the tank, I am deeply concerned about the vulnerability of expensive tanks to cheap antitank weapons, as demonstrated in the 1973 Middle East war.

It is also potentially quite significant that the Soviet Union, despite its history of concentration on armor, appears to be conducting its own internal debate on the role of tanks. As one close student of that subject, Phillip A. Karber, has written:

> Given that Soviet tanks are the preeminent threat to NATO, the discovery of their concern over the future viability of their armored forces is not of small significance in the evaluation of the Central European Balance, and should also raise important questions regarding current U.S weapons systems under development by the Pentagon.

Mr. President, we can make our decisions on tank programs rationally and cooperatively, or we can react instinctively and unilaterally. I believe it is imperative that we think ahead and work together on this critical problem.

I would propose the following steps, building upon the new amendments on standardization.

First. NATO should conduct a careful reassessment of the present and future ground force threat and should seek to develop a common doctrine and related weapons for countering that threat.

Second. As Senator Nunn and I have previously urged, the United States and the Federal Republic of Germany should make a joint commitment to adopt a common tank that would be produced in both countries. At a minimum, we should seek maximum commonality of components and subsystems, and maximum interoperability and interchangeability of parts.

Third. Other NATO member governments and parliaments should take their own appropriate steps to declare their commitment to standardization; to remove any impediments to two-way cooperation in the development and procurement of military equipment; and to approach these issues on a united and collective basis.

Mr. President, U.S. policy is clear. Now we need a response from our allies—in both words and deeds—which sustains and increases our forward movement.

This is a most urgent task, for if we fail to achieve standardization, we might as well abandon our efforts to mount a credible conventional deterrent and defense in Europe.

Mr. President, I ask unanimous consent that several recent articles, the digest of the GAO report on tanks, and my own remarks on tank programs last year be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From Aviation Week & Space Technology, June 21, 1976]

HURDLES CONFRONT STANDARDIZATION

(By Clarence A. Robinson, Jr.)

(First of a series)

Washington.—Next six months are considered to be critical to the North Atlantic Treaty Organization in its efforts to standardize weapons systems to increase combat capability.

A move by the United Kingdom to exercise a leadership role in the Independent European Program Group formed to avoid NATO weapons proliferation is gaining momentum. Canada and the U.S. are not included in group membership.

France also is vying for a leadership position in the group, but believes it can benefit more from bilateral agreements with the U.S. and an infusion of advanced U.S. technology, according to senior State and Defense Dept. officials.

This could cause a change in historic ties, Pentagon officials believe, with France moving closer to an arrangement with the U.S. while Great Britain moves away from U.S. influence in weapons development. "It's almost a classic role reversal," one Defense Dept. official said.

A number of standardized efforts are in the balance but are encountering difficulty. A quid pro quo outlook has developed within NATO for major weapon systems that is fragmenting the alliance.

These efforts include:

NATO advance warning and control system (AWACS). The procurement of the Boeing E–3A system is gradually becoming a trading chip in a high-level multi-national procurement game.

Joint Tactical Information Distribution System (JTIDS), as the basis for an electronic countermeasures-resistant communications network. U.S. is offering NATO nations participation in the development program and access to U.S. technology without requiring a direct return.

Franco-German Roland surface-to-air missile. U.S. Army awarded a contract to Hughes Aircraft Co. for technology transfer, fabrication and test of the weapon system based on Franco-German Roland 2 to satisfy its requirement for short-range air defense. All three countries have agreed to seek an optimum level of standardization with their Roland systems. Norway will purchase the Roland and other nations have expressed interest in the weapon.

General Dynamics F–16 air combat fighter. Air Force and Defense Dept. are convinced problems in cost increase with European participation in coproduction are being overcome, but major hurdles are still ahead in competitive pricing with U.S. aerospace industry for F–16 components from the consortium of Belgium, Norway, Denmark and the Netherlands.

McDonnell Douglas AV–8B Harrier for Marine Corps and Navy use. A memorandum of understanding has been signed for a continued exchange of data with the British on the program. Pressure by Hawker Siddeley to push the British Labor government into procuring the Nimrod maritime patrol aircraft instead of the AWACS could adversely affected British AV–8B participation.

AIM–9L Sidewinder infrared-guided missile. In exchange for a U.S.-German agreement to permit coproduction of the AIM–9L, Germany agreed to cancel development of its Dornier Viper air-to-air missile. The U.S., however, has angered the Germans by being slow in providing the data package for the Sidewinder. Members of both the F–16 consortium and multi-role combat aircraft (MRCA) group have expressed AIM–9L procurement interest.

XJ–521/AIM–7F air-to-air missiles. Hawker Siddeley Dynamics XJ–521 missile with an inverse monopulse seeker for beyond visual range and all-weather application and an active fuze is being tested in the U.S., and is under consideration for use with some U.S. fighters. Navy/Raytheon/General Dynamics are developing an inverse monpulse seeker for the AIM–7F and have already developed and tested an active fuze for that missile. The XJ–521 monopulse seeker may be procured for the U.S. inventory while development of a second-generation seeker for the AIM-7F continues.

U.S. XM1 main battle tank/German Leopard 2 tank. The U.S. will compare the Krauss-Maffei Leopard 2 against the XM1 in tests in September at Aberdeen Proving Grounds, Md. The Army will select between General Motors and Chrysler, competitors in the XM1 development, and seek to move into engineering development in a Defense Systems Acquisition Review Council (DSARC) scheduled July 19. This will make it difficult for the Leopard 2 to compete against the XM1, and this is now a burning issue in NATO that may affect AWACS and many of the standardization initiatives.

Raytheon Improved Hawk. A Hawk consortium has been formed in NATO with Denmark, France, Germany, Greece, Italy and the Netherlands agreeing to purchase the system. Two of three medium-altitude surface-to-air missile system developments have been dropped and Improved Hawk has been adopted.

McDonnell Douglas Harpoon. Despite cost increases and problems requiring a halt twice in operational evaluation, the Navy believes it can still meet its delivery schedule of foreign sales. The missile has been sold to Turkey—33 missiles; Denmark—20, and the Netherlands—12. The Germans are planning to procure 80 for surface application and the United Kingdom 300.

NATO Sea Sparrow. This is a Danish, Norwegian, Italian, Dutch, Belgian and U.S. cooperative production program for the fire control system and lightweight missile launcher as part of a ship-defense surface-to-air system.

Standard 30-mm. ammunition. To achieve greater ammunition standardization, the U.S. canceled development of the WECOM-30 round for the advanced attack helicopter and adopted ammunition compatible with the Aden and Defa 30-mm. guns used in NATO and on the Harrier.

Ammunition for 155-mm. howitzers. All U.S. projectiles and propellants are designed to meet common specifications for standardization in a memorandum ratified by the U.S., Britain, Germany and Italy.

Mk. 46 anti-submarine torpedo. The weapon is designed for use from aircraft and surface vessels. It is in use with Canada, Greece, Italy, the Netherlands and the United Kingdom. Germany, Norway and Turkey are considering procurement of the Mk. 46.

Raytheon SAM-D surface-to-air missile system. Germany has a team of military and civilians assigned to Project Successor, a study of SAM-D and how to adopt it to replace Nike-Hercules and Hawk units. The study is scheduled for completion in early 1977.

Single-channel ground and airborne radio. The U.S. has informed NATO it will initiate advanced development of such a radio, and invited allied participation through testing of allied-developed equipment against the requirement. It also has encouraged U.S./foreign industrial teaming for advanced development contracts.

Infantry small arms ammunition. NATO nations have agreed there will be only two calibers for future small arms ammunition in the post-1980 period. One will be the NATO 7.62-mm. standard, and the other is to be determined by test and evaluation in 1977–1979. The U.S. plans to enter an improved 5.56-mm. round for rifle and support weapons and will fund its share of the tests.

Defense Secretary Donald H. Rumsfeld is continuing a major Defense Dept. effort made over the past three years to improve NATO weapons standardization. Director of Defense research and engineering Malcolm R. Currie has played the major role in the standardization move and has focused his effort and implementation through Robert Basil; assistant director of the directorate of Defense research and engineering (DDR&E) for international programs.

Basil cited the Pentagon decision to produce Roland 2 for the Army and said it is not just a token program for standardization. "The Defense Dept. is looking hard to evaluate and gain acceptance of a number of European candidates along the lines of Roland," Basil said.

The difficulty, he added, is that the U.S., in contrast to other NATO nations, develops weapon systems across the board so that any offshore procurement automatically penalizes some segment of industry.

"This is not true of other nations, which often specialize in specific areas of development and can procure weapons in areas where they are inactive without penalty," Basil said.

The objectives of NATO standardization often appear conflicting, according to Basil, because military requirements are compromised to some extent toward acquiring a common weapon.

A country's research and development community is asked to accept another's technology, and the country is asked to procure a weapons system that may hurt its industry.

"But in toto, despite pockets of opposition, it is collectively in the interest of NATO as a whole to standardize. The alliance can get more defense for the same dollar, even though individual sacrifices will have to be made. It avoids excessive duplication and increases force effectiveness within a constrained NATO budget," he said.

NATO officials estimate the alliance loses about 30 percent of its effectiveness because of duplication.

Currie told Aviation Week & Space Technology: "It is a sensitive time in the alliance because a number of things are happening simultaneously—the Leopard 2/XM 1 tank testing, command, control and communications programs, and the AWACS decision NATO will face late this year."

Currie said his offer was well received at the April meeting of national armaments directors to make available high-technology components without recoupment if NATO will standardize on signal formats.

The Pentagon will permit participation in development and competitive production in the time-division multiplex system—JTIDS—Currie said. U.S. services have merged their requirements, and a $250-million research and development program is planned over the next five years.

USAF's Seek Bus and Navy's Integrated Tactical Air Control System have been combined for JTIDS—the tactical data system of the 1980s.

The AWACS aircraft will have a time-division multiple-access system terminal for JTIDS. A NATO AWACS would force cohesion in the alliance, particularly in the command, control and communications areas.

Currie said he believes there is still a good chance that NATO will adopt the ADACS. A decision to procure the Hawker-Siddeley Nimrod would prevent the United Kingdom and eventually NATO from having a capability it needs, he said. NATO plans to spend $20–30 billion on air defense systems over the next 10 years, and Currie said that a $2-billion investment in AWACS would make the air defense cost effective.

"If NATO can't meet the Warsaw Pact in numbers, it can overcome superiority through superior command, control and communications systems," he said

Two of the major issues—AWACS and the selection of a tank—are linked and may well decide the future of standardization within the alliance.

The most pressing issue in the AWACS, because of the pressure the British aerospace industry is applying to the government to produce the Nimrod and drop the AWACS. Germany has linked its participation in AWACS to the outcome of the Leopard 2 testing in the U.S. and its competition with the XM 1.

"In the final analysis, the U.S. cannot select a foreign system based primarily on offset considerations," Basil said. "We have no mechanism to do this within present laws and regulations. We must select based on performance and cost, as we do all our decisions, regardless of a system's origin."

The Leopard/XM 1 competition is a burning issue in both the U.S. and German armies. "It is a terrible gut issue because the [U.S.] Army will fall on its sword before it will accept a German tank," one Pentagon official said.

Defense Dept. is committed that the U.S. will adopt and produce the Leopard 2 in the U.S. if it proves to be the better tank in the forthcoming evaluation, including cost factors.

The decision is expected in March, 1977. A jointly funded U.S.-German productibility study for the Leopard 2 is nearing completion.

"Of all the Army programs, development of a tank has become a symbol of Army manhood," a Defense Dept. official said. Another issue between the XM 1 and the Leopard 2 is the gun system.

The German tank has been developed so that the Leopard turret can accommodate either 105-mm. or a 120-mm. smooth-bore gun system for use against the Soviet T–72, which has a 125-mm. gun system, or the Soviet T–62 with its 115-mm. or 122-mm. smooth-bore gun, which fires fin-stabilized rounds.

The Army is convinced that its 105-mm. gun on the XM1, with its kinetic energy round, is adequate to meet the threat. The Army is less than enthusiastic about the possibility of having to equip the XM1 with a 120-mm. gun system because it will not fit in the turret for that tank. One of the requirements for the XM1 is that it accept a new turret without chassis modification. The Leopard comes equipped with either the 120-mm. or a 105-mm. gun. Having to equip the XM1 with a 120-mm. gun system could delay the program by as much as a year and thus aid the Leopard 2 in the competition.

Preliminary results of the jointly funded $4-million study on the costs of producing the Leopard 2 in the U.S. indicate that it is within 10% of the $550,000 goal in constant 1972 dollars established for the XM1. Final results of the study are expected by the end of June.

Germany is upset because the Army wants to go into full-scale development in July, before the Leopard 2 can be tested. Once a contract is let for continued development, the cancellation cost must be computed in the cost of the Leopard 2 and weighed against that tank.

The Leopard 2 will be tested against a data base established for testing the two prototypes of the XM1. The data base is the performance of the M–60 tank. Germany initially believed the Leopard 2 would be tested against the XM1 in head-to-head tests, and officials are disappointed with the evaluation against baseline data. The Army has a milestone in its program to reevaluate the XM1 in March, 1977, against the results of the Leopard 2 testing but the termination costs would be high by that time, some Pentagon officials believe.

In addition to the German's position of favoring 120-mm. gun, the British also believe a 120-mm. gun is required to defeat Soviet armor, but their gun system is a rifled 120-mm. and would not use common 120-mm. ammunition.

The Army's rifled 105–mm. gun embodies advanced technology, but the Europeans believe a better, more-powerful gun is required if NATO armor is to survive. The U.S. has developed the XM735, a new, more powerful 105–mm. round to fire from a standard rifled barrel, but there are measures the

Soviets can take to make it ineffectual against armor, one non-U.S. official said. He added that the French are also convinced that a 120-mm. gun system is required for tanks in the 1980s.

The Germans are willing to standardize on the new 105–mm. round for use in tanks already equipped with that caliber gun, but they plan to star a logistics system for the 120–mm. round.

The average range for tank battles is less than 1,000 meters and the U.S. 105–mm. gun proved its effectiveness last year in tripartite testing in England at 1,500 meters.

"But the topography of Germany allows for ranges of over 2,000 meters in tank battles," a non-U.S. official said.

The Germans are convinced that the 120–mm. round has a two-to-one effectiveness when compared to the 105-mm. round. There are two 120-mm. rounds—a kinetic energy penetrator round and a multi-purpose round. The multi-purpose round is used more than the kinetic energy round.

The gun issue is one which the Germans do not intend to compromise, according to one of their officials. They claim it is the first time the U S. has ever decided not to accept a better weapons system and the reason is that if the U.S. accepted the German gun, it would jeopardize the XM1 program by causing a delay, according to the official.

A one-year delay in the XM1 program is estimated to cost about $250 million. If the Army waits to retrofit the 1,500 XM1s it will have in 1985, it will cost over $500 million to accomplish the conversion to a 120–mm. gun system.

"In a real competition, the customer doesn't claim one item is better than the other until an analysis has been made," the German official said, "but the Army has been claiming the Leopard is twice as costly as the XM1."

The world market for the new tank is about 10,000. The Germans want about 1,000 and the U.S. about 3,000 tanks.

If the U.S. produced the Leopard 2, over 6,000 would be produced here because the Germans will only sell the tank to NATO. This is twice the production base planned for the XM1.

A Defense official said the tank issue is a tough one because the U.S. was far along on XM1 development before the move was made with the Germans to standardize on a tank. The XM1 was delivered on schedule in February, a schedule established long before talks were started with Germany

If a common 120-mm. gun can be adopted in Europe, NATO should standardize with it, he said, but it is a problem because the British gun is rifled, the German is smooth bore and there are no adeqaute data available on tube life and ballistic results.

U.S. officials believe NATO will be able to standardize on at least a common gun, engine and tracks for tanks—logistically the most important areas.

The Army has been instructed to create a provision in the contract to terminate the XM1 program with minimum cost to the government next spring, depending on results of the Leopard 2 evaluation.

The problem is that a weapon system must be designed to meet a specific threat and not for a probable threat later on, Currie added. "It can't be superfically done. NATO needs to start working toward a common threat model."

The United Kingdom is developing a whole new generation of tank with Iran paying for the development. It has new armor and the rifled 120-mm. gun.

The U.S. has gone further than anyone else in seeking to be fair about the Leopard 2 evaluation, its officials believe. The U.S. made available the fire-control system technology for the Leopard 2 that will be evaluated here. The whole idea of inviting the Germans to compete was a Defense Dept. initiative, Currie explained. The Army already had structured the XM1 program and had to maintain its integrity—"a Defense Dept. position as well," Currie added.

In the final analysis, another Defense Dept. official said, both sides will end up with both the XM1 and Leopard looking great, and with the same data the U.S. and Germany will both be convinced its tank is the best.

The tank development is the one area where the Germans might be able to substantially aid the NATO alliance technologically, a Pentagon official said, since much of their industry and expertise is attuned to armored development.

The prototype Leopard 2 for comparative evaluation with the XM1 will be fitted with a Hughes fire control system. Hughes is under contract for the integration. The major component is the gunner's stabilized primary sight, with a built-in laser range finder, dual-power daylight optics, and an in-eyepiece target data display. The primary sight is designed for a thermal-imaging, night-vision system and a TV camera for target tracking.

The 120-mm. gun has a new special ammunition for anti-craft employment. The system is fully computerized with a gunner's periscope for engaging ground and air targets. The weapon is slaved to the line of sight of the periscope.

The U.S. will cooperate witn the Germans participating in production of the AIM–9L, Currie said. A memorandum of understanding and a letter of offer have been prepared, and the data package will be turned over to Germany. The U.S. will retain the production of the fuze but provide the fuse assembly for the NATO missiles.

[From Aviation Week & Space Technology, June 28, 1976]

U.S. Mulls NATO Standardization Moves

(By Clarence A. Robinson, Jr.)

(Second of a series)

Washington.—U.S. Defense Dept. will waive discriminatory price differentials, tariffs and duties against overseas bidders on U.S. government contracts in the interest of achieving standardization within the 15-member North Atlantic Treaty Organization.

Under an executive order, a price differential of 6% including duty is applied to foreign bids for U.S. government contracts. That figure is 12% when the low U.S. bidder is a small business or in a labor surplus area.

The Pentagon uses an alternative differential of 50% without duty as an interim measure to reduce U.S. balance of payment deficits.

The U.S. already has signed a memorandum of understanding with Great Britain that removes the price differentials to provide for cooperation in armaments research, development and procurement. The goal is to obtain the greatest military capability at the lowest cost for improved standardization and exchange of common components in weapons systems. In removing price differentials, both countries have agreed to examine removal of other restrictions on a case-by-case basis.

STATUTORY RELIEF

The Pentagon is pressing hard to ease restrictions that affect NATO standardization efforts, including seeking statutory relief from the Congress.

Legislative provisions were included in the Senate version of the $30-billion-plus Fiscal 1977 Weapons Authorization Bill to strengthen the authority of the Secretary of Defense to make procurements from foreign countries when it is in the interest of alliance standardization. It was being considered last week in a House-Senate conference committee.

The most significant area where the Defense Dept. is seeking statutory relief is procurement of speciality metals. This area affects aircraft, particularly the General Dynamics F–16 air combat fighter and the co-production agreement with the European consortium, as well as missile, ship, tank and ammunition contracts.

A restriction now provides that components must be fabricated from specialty metals melted within the U.S. or its possessions.

Another U.S. initiative was the Defense Dept.'s recommendation to appoint ad hoc groups to study the underlying issues of NATO standardization.

The U.S. recommendation was that the groups be formed under the aegis of the North Atlantic Council. This move places the groups under the council of foreign ministers rather than under defense ministers, involving State Dept. in the recommendations as well as the Pentagon.

The move was made so that France could participate in the formulation of basic principles and steps leading to NATO policy on standardization.

In the French view, exchange of weapon system components linked to the capability for battlefield cooperation is the most pressing problem facing NATO. France believes European nations must reach agreements on improving efficiency in armaments production before moving to the long-range aspects of standardization.

The five ad hoc groups have completed their studies, and they will be submitted to the North Atlantic Council late this month.

The areas studied include:

Aircraft rearming.

Tank gun ammunition.

Communications.

NATO standardization agreements.

Fuels.

In a report to Congress on NATO standardization, the Defense Dept. said most NATO airfields are capable of supplying allied aircraft with turnaround service—oxygen or fuel. Tests were conducted in the central region at NATO airfields to determine the compatibility of selected munitions. The tests concluded that four types of allied and U.S. conventional bombs can be loaded on all attack aircraft of Belgium. The Netherlands, United Kingdom, Federal Republic of Germany and the U.S.

Additional tests are now being conducted to determine if additional cross-servicing is possible in areas like safety releases and interchange of bomb delivery data.

Senior directorate of Defense research and engineering (DDR&E) officials believe the most important area where immediate gains can be made in NATO standardization are in command, control and communications. The Defense Dept. already has completed a draft of a memorandum of understanding to permit bilateral agreements with alliance nations for participation in the Navstar global positioning system, the worldwide satellite navigation network.

[Malcolm R. Currie, director of DDR&E, took the initiative and approached Canada, the United Kingdom, Germany and France about program participation, and the draft memorandum is now being studied within the Pentagon]

The initial plan is to provide technical data to alliance nations on a selected basis.

NATO nations will start with the U.S. technical package to build receivers. Detailed transfer of satellite technology is not now part of the understanding, according to Defense Dept. officials, but the program for cooperation in the communications area could lead to that.

COOPERATIVE UTILIZATION

Cooperative use of satellite communications already exists. Over the past several years, NATO, the U.S. and United Kingdom have used the capacity in each other's satellites and ground terminals for high-priority requirements.

"The standardization of command, control and communications is the overlay for pulling together all of the assets of the alliance for the most immediate payoff," according to Robert Basil, who heads DDR&E's international programs, the focus for the standardization effort.

Launch failures of two U.S. Defense Satellite Communications Systems-2 and the failure last fall of the U.S. Atlantic satellite caused NATO to offer the U.S. assistance in the use of NATO Phase 3 communications satellites. The first became available in May.

The U.S. has negotiated an agreement to operate the ground terminal in Iceland for the NATO Satcom 3A in exchange for circuits for the U.S. between the continental U.S., Iceland and Europe. This is expected to produce savings in comparison to building the facility unilaterally—savings that can be used for offsetting U.S. contributions to other standardization projects, according to Defense Dept. officials.

NATO is striving to obtain establishment of the NATO Integrated Communications System and priority has been given to it to insure system operation by 1980 for command, control and communications. The network for NATO civil and military authorities will be a highly survivable circuit-switched common user system. When completed, it is expected to replace the NATO tropospheric scatter transmission system called Ace-High, the NATO-wide communications system, and the NATO Satellite Communications System.

The NATO Integrated Communications System will have facilities in all NATO nations and will be manned by an international crew. The system is expected to cost about $500 million in the first phase. A second, more survivable phase is scheduled to be complete in the mid-1980s and will cost approximately $250 million in additional funding.

The United Kingdom is planning to build a military digital radio relay grid network for the British Isles, but funding has not yet been provided. The U.S. has equipment in England, Scotland and Northern Ireland that could be transferred to the United Kingdom in exchange for 60 circuits in the proposed system. The U.S. wants similar agreements in NATO whenever allies consider making important improvements, according to the Defense Dept.

SLOW PROGRESS

The Defense Dept. believes it is essential to achieve commonality with the NATO Integrated Communications System in time of crises, and common equipment characteristics are being prepared. Even though progress is being made, it is slow, and tactical communications equipment in many cases cannot directly communicate with corresponding equipment used by other nations in the alliance because of differences in frequencies, modulation techniques, data rates and encrypting methods.

In some sectors of Allied Command Europe, tactical aircraft of some allies can only communicate with tactical air operations centers through manual morse code.

The lack of standard encrypting equipment forces transmission of classified message from one ally to another by decrypting passing in the clear and then reencrypting.

NEW SYSTEMS

Seven NATO nations plan to introduce six major new tactical communications systems in their land forces within the next several years. These are:

RITA system by Belguim and France in 1976–1978. The system uses pulse code modulation.

Autokonetz system to be introduced by Germany. It uses pulse code modulation but is not common with RITA.

Interim system to be used by The Netherlands and replaced with Zodiac after 1980. Both Dutch systems use delta modulation and cannot communicate with pulse code modulation systems.

Delta modulation system being developed by Italy for use in 1977 on an experimental basis.

Ptarmigan planned for use in 1983 by the United Kingdom. It also uses delta modulation and will not be common for communications with any of the other systems.

Tri-Tac to be introduced in 1977 by the U.S. It is delta modulation, but like the Ptarmigan cannot communicate with the other new systems.

None of the systems will be common with the NATO Integrated Communications System. Hundreds of millions of dollars will be spent for these systems, and they fail to facilitate effective combined operations, according to the Pentagon.

It will be 1995 before systems can be placed in the inventory that will have commonality and standardization. Meanwhile, special electronic interface equipment will be used for selected units to provide limited compatibility. Testing of the U.S. interface equipment will start in June, 1977.

One of the major U.S. efforts in NATO standardization is the agreement for the U.S. to build the German/French Roland 2 short-range air defense system under license in the U.S. The competition and selection of Roland to enhance NATO air-defense standardization is helping to establish the "two-way street" principle in the alliance, according to senior Defense Dept. officials.

Roland 2 has run into serious cost increases in the U.S. production plan, and the Pentagon is now planning to ask Germany and France to submit bid quotations to determine whether it is more feasible to procure the first unit module from Europe.

Strong congressional opposition is expected, but Pentagon officials believe the major congressional objection to joint U.S.-NATO programs has been related to cost factors.

ANOTHER COMPETITION

However, because a competition had been held between the United Kingdom's Rapier, France's Crotale and the U.S. Chaparral, the system may have to face another competition unless it is built under license by Hughes and Boeing.

Congress has set a limit for research and development funding of $230 million, with $130 million of that amount earmarked for the contractors.

To overcome an earlier cost growth that appeared in the program of about $40 million above the original estimate of $105 million for research and development, the Army decided to redirect the Roland program and combine some testing with France and Germany. The service also decided to reduce the level of spending with Hughes and Boeing until it could determine the cause of the cost increase.

The initial operational capability of the program was slipped about a year when the program was reduced in scope.

In April, the Army got approval to redirect the program and asked Hughes and Boeing to rebid the program under the new plan for U.S. Roland 2 production. The bid was due by June 1, and it is between $260–270 million, about $40–50 million above the limit set by the House Armed Services Committee in February. This is an interim estimate and the Army does not yet know the final impact on the program.

In restructuring the program, the Army decided to expand the joint U.S./European test plan and to reduce the unilateral tests of the system. The test plan is still being negotiated, but a joint test plan has been formally submitted and an oral agreement in principle has been reached.

The joint test program is scheduled to be moved forward about six months—from early 1978 to late 1977. A total of 30 test launches has been scheduled by the U.S. and Germany. In that batch of 30 Roland 2 firings, 10 telemetry shots have been added to the joint test plan to satisfy U.S. requirements.

All joint Roland 2 tests will be conducted on U.S. ranges against live, high-performance, maneuvering target drones. Crew control firings will be conducted to make the tests more realistic.

The Army has changed the scope of a planned U.S. unilateral test program to validate specific U.S. requirements. All the joint testing will be conducted using European-produced fire unit modules, with some U.S. missiles to be fired in the last stages to validate compatibility. Later in testing, German missiles are scheduled to be fired from U.S.-produced fire units.

When the Army redirected the Roland program in October, 1975, it established the requirement for compatibility of the two countries' missiles and launcher systems and certain components.

Further international interchangeability was required by the Army and DDR&E in April so that all electrical connectors in the U.S. fire unit will be interchangeable with those in the European fire unit. There are 2,500 electrical connectors in the system, and 1,300 of them are associated with U.S.-peculiar items. These are not required to be interchangeable. Of the 1,200 other connectors, about 800 already are common because France and Germany use some U.S. commercial connectors. The 400 remaining connectors are unique to Europe and are not available in the U.S. They will be procured by the U.S. off shore and stockpiled so that the Army will not have to depend entirely on the European production base.

U.S. spending on Roland through this coming September is estimated to be $67.9 million.

Research and development in a number of other programs offer increase in standardization in NATO. They include:

Rocket mine-laying equipment. The U.S. has developed a mine that can be delivered by artillery, and Germany is working on rocket-deliverable mines. Both could be laid tactically during a battle, instead of in advance.

The two nations are considering a joint development program for a U.S.-produced mine warhead delivered by a German rocket system. Other NATO members are involved in developing, with the U.S. and Germany, a doctrine for deployment, command and control of scatterable mine fields.

Explosive-resistant, multi-influence sweep system for mines. Belgium, Denmark, France, Germany, The Netherlands and the U.S. are studying the integration of the U.S. captive craft and the German Troika communication/control system as a possible minesweeper.

NATO short-term chaff/infrared decoy system. The U.S., Denmark, The Netherlands, Norway and the United Kingdom are involved in a NATO cooperative program to develop a ship-launched decoy system for use against anti-ship missiles.

The nations involved have agreed to collaborate on developing a U.S. proposal for a short-term solution.

Aerial-delivered submunitions. The U.S. has established the requirement for delivering explosive devices from a canister at low altitudes, and several NATO countries are developing submunitions that may satisfy this requirement. The U.S. has been negotiating with the United Kingdom and Germany for joint development of other conventional aerial-delivered submunitions.

Follow-on anti-ship missile. The U.S. is participating with NATO for a second-generation missile to follow Harpoon that will be able to accept varying modules to meet different national requirements. The new missile will have a supersonic-speed, low-altitude attack profile, and will be capable of launch from aircraft and surface and submarine vessels.

EUROPEAN VIEW

"It is in the overall alliance interest to sustain a healthy European technological and industrial base," Basil said. "The Europeans themselves are sensitive to what many of them view as U.S. dominance of the high-technology defense industry, and they are intent on preserving the viability of their own defense industrial base.

"Consequently, U.S. approaches to our allies on standardization should be made with full consideration of the dual objective of U.S. and European technological and industrial strength."

[From the Congressional Record, June 3, 1975]

Mr. Culver. Mr. President, I appreciate this opportunity to report to the Senate on the recommendations of the Armed Services Committee regarding tank programs.

At the request of the distinguished chairman of that committee, Mr. Stennis, Senator Bartlett and I conducted an extensive study of all tank programs and made recommendations which are reflected in this bill.

Our approach was to get the best available information from tank users, tank planners, and tank testers, both on current plans and problems and on future needs.

The committee's immediate objective is to provide adequate numbers of tanks to strengthen our conventional deterrent force in Europe. Although all active Army units now have their full complement of prime asset tanks, our Reserve Forces inventories and prepositioned stocks have been seriously depleted by foreign military sales. In addition, delays have been encountered in increasing rates of production.

Our long-term objective is to encourage development of new weapons and force structures which provide the most cost-effective blend of advanced technology and refined tactics.

Mr. President, the heavy tank losses in the Middle East war have cast doubt on the utility of heavy tanks on the modern battlefield. We need to move cautiously so that we will achieve the best balance of tanks and antitank weapons.

Furthermore, since the most likely theater for potential ground combat is in Europe, we must be sure that our tanks and other weapons have the highest possible degree of standardization and operability with our allies. This requires close cooperation in tactics and doctrine as well as in weaponry.

Mr. President, this bill furthers those objectives.

To help reduce our current shortages in the authorized numbers of tanks, this bill provides 910 new tanks for the Army and 154 for the Marine Corps. We on the committee are skeptical, however, that all of these tanks can be built within the funded delivery period, and consequently the bill stipulates that these funds can be used only for new tank production and thus cannot be reprogramed to less urgent activities.

While approving the requested numbers of tanks, the committee did delete funds for expensive product improvements involving laser range finders and computers, since these improvements have not been demonstrated as cost effective.

If further rapid improvements in our tank posture are deemed necessary, the committee, has urged consideration of upgrading of M-48 tanks which, when given a larger gun and a diesel engine, become as effective against Soviet tanks as M-60 tanks.

In short, Mr. President, this bill will provide the tanks which are needed to strengthen our ground combat forces so that they can deter and, if necessary, defeat, an enemy attack.

Looking to the future, the committee has taken a cautious approach. The availability of relatively inexpensive, highly accurate antitank weapons on the battlefield of the future may render the tank as we know it today obsolete.

We cannot make that judgment now, but we must be willing to face up to the issue. Several studies are now under way on different aspects of the future role of the tank and the best tank/antitank force mix. The committee has requested a report from the Secretary of Defense on these matters in order to assist our continuing evaluation of tank program's.

The Army is currently developing a new main battle tank, the XM-1, which is expected to have significant improvements over the current M-60 tanks. In a commendable effort to achieve greater standardization of weapons in NATO, the U.S. Government is participating in a tripartite gun competition with Germany and the United Kingdom and has agreed to let the German Leopard II tank compete in the XM-1 plan.

To reduce these uncertainties, and particularly to provide a full and fair evaluation of the German Leopard II tank, the committee has approved a reduction in the funding proposed for the transitional quarter. This is intended to continue the competition between American contractors until the Leopard II has been tested and evaluated—provided, of course, that the Germans fulfill their commitments under the bilateral memorandum of understanding.

Although the Army would have preferred no change in the XM-1 program, it has commented on the committee's recommendation as follows:

"The alternative program is not preferred by the Army; however, it would certainly not be expected to have a devastating effect on the XM-1 project assuming no complications arise in the international aspects of the program. The advantage it offers is one of increased evidence of U.S. emphasis on NATO standardization."

Given the appalling lack of standardization and interoperability in NATO today, as well as the European doubts about American willingness to make standardization a two-way street, successful cooperation on tanks would be no small achievement.

Mr. President, I hope that the Senate will strongly support these recommended tank programs, both to improve our current posture and to provide for the best possible judgments and programs to meet our future needs.

Finally, Mr. President, let me conclude by expressing my appreciation to the outstanding staff committee work provided the Senator from Oklahoma (Mr. Bartlett) and myself in tihs study by Mr. George Foster of the Committee on Armed Services.

I yield back the remainder of my time.

Exhibit 1

Interim Report of Senator John Culver and Senator Dewey Bartlett on Tank Programs

Mr. Chairman and members of the Committee: The Chairman in March 1975 requested that Senator Bartlett and myself undertake to prepare for the full Committee a thorough study of the entire situation relating to the tank program of the U.S. Army and Marine Corps.

We were requested to make an interim report to the Commmittee for use during mark-up of the Authorization Bill presently before us.

I am pleased at this time to present to the Committee this interim report with recommandations that we have been able to arrive at from our study to date.

Since we were asked to undertake this study we have visited and had discussions with the tank user, the tank planner, and the tank testers. We have visited Fort Riley, Kansas, and discussed the tank issues with the tankers themselves that are in units assigned as the primary reforger division scheduled to be the first to respond in a NATO conflict. We visited the Aberdeen Proving Grounds where we had the opportunity to review both U.S. and Soviet tanks and weaponry and see the testing of the new armor planned for the Army's XM-1 tank. We have visited extensively with General DePugh, the Army's Chief tactician, and discussed thoroughly the Army's problems and direction in the tank/anti-tank role. We have discussed to a large degree in hearings before the R&D Subcommittee, the new XM-1 program both with the Program Manager and the Army's Secretary for Research and Development. We have discussed the Marine Corps requirements for a new mobile weapon system and their views of the tank program. A visit has also been made to both competing U.S. contractors to review the XM-1 tank program at the test site.

I have myself visited the NATO area and discussed the tank issue with both the German and U.S. force commanders in the field. I had the opportunity to fly over in a helicopter the actual section of responsibility to the U.S. in the NATO area.

I believe that we have a good start on our examination of this tank issue.

With this lengthy introduction, I would suggest that our future effort in the tank area would be to respond to these questions:

1. Will the tank as we know it now be obsolete on the modern battlefield?

2. What is the proper role of a tank in the modern battlefield considering the evolution of anti-tank weaponry in the recent years?

More directly into the budget authorization request before us now for FY 1976 and FY 197T we have certain recommendations to present to the Committee at this time.

In the Research and Development budget request our recommendations are primarily related to the new Army's XM-1 program where the budget request for FY 1976 and FY 197T is for $90.8 million to complete the competitive prototype development testing and select a contractor for full scale engineering development.

Our recommendation is to defer $29.7 million out of the FY 197T budget request to allow continuation of the full competitive evaluation up through March 1977 when the Army will also, by agreement with the German government, consider the Leopard II tank in an effort to mutually promote standardization in this important area of NATO.

It is our coincident recommendation that language be incorporated in the Committee report to the effect that, barring further agreements by the Army, if the Germans do not deliver the tank test articles as requested for testing on the scheduled date of September 1, 1976, the Committee would consider it proper and essential for the Army to request authorization to go ahead with their U.S. tank program at the start of the new fiscal year 1977.

Under the current XM-1 program the Army would make a source selection of the U.S. competitor in July 1976 and award a full scale engineering development contract some eight months before the Defense Department's decision is made on the German Leopard II competitor.

The Secretary of Defense, the Assistant Secretary of Defense for Research and Development, and the Army have all strongly supported the efforts toward standardization of weaponry in NATO. This Committee is also a strong supporter of efforts toward standardization of weaponry.

If we are to support this issue, and I fully believe that we should make every effort toward this end, then we should support this recommendation and defer the selection of a tank until the full consideration can be given to the German competitor.

Other advantages to this recommendation are the continuation of competition to avoid a sole source situation and to reduce technical risk. History has shown that competition usually results in lower costs.

The Army advises that this recommendation will increase the overall development cost by about $38.5 million and the procurement cost by about $100 million. The current overall program cost estimate is now at about $6.2 million.

The Army is now involved in an attempt at standardization of the gun with the United Kingdom and Germany scheduled for a decision in September of this year. The Army advises that if other than the U.S. gun is selected the program will slip about a year and add about $200 million to the cost from this gun standardization effort alone.

The Army has expressed concern with our recommendation that the Germans may not deliver their prototype as now scheduled on September 1, 1976. The Germans have agreed to this schedule as late as November of last year and have shown no indication to date that they will not deliver the prototype tank on schedule. The report language recommended will provide a strong sitmulus to the Germans to deliver this prototype on time, and at the same time eliminate the Army's concern. If Germany is not ready for the competition as scheduled, this recommendation and language will cause only a 2 month delay in the program.

This recommendation is feasible and practical from the standpoint of providing the Committee additional time to complete the tank study requested by the Chairman and showing the Germans that we are sincere in our efforts toward standardization of weaponry in NATO.

Mr. Chairman, we are also recommending that language be included in the Committee report that Marine Corps be encouraged to take a more active participation in the Army's XM-1 development and to accelerate to the extent practical their conceptual effort toward a mobile assault system.

In the procurement area, we are recommending authorization of $746.1 million for the Army's tank program and $86.4 million for the Marine Corps tank program in FY 1976 and FY 197T out of a requested amount of $910.8 million. This recommendation is with the stipulation to be included in the bill that of the funding authorized for the Army tank program an amount of $512.4 million can be used only for the procurement of new M60 tanks.

This recommended funding will provide authorization for new production of 910 M60 tanks for the Army and 154 new M60 tanks for the Marine Corps; the modification of 636 older M48 tanks with new engines and 106 mm guns; the product improvement of M60 tanks excepting the laser range finder and solid state computer; and facilities funding to expand the production capacity.

I would add, Mr. Chairman, that the Army also presently has authorization and contracts for 1558 new tanks and about 600 modifications of older M48 tanks.

The recommendation for the language in the bill is because the Army's attempts to establish a second source of the critical hull and turret castings has been delayed from December 1974. The go ahead on this second source capability is now expected to be in August of this year. Because of this delay, we are skeptical whether the Army will get these tanks manufactured within the period considered in the budget authorization request. But we recommend full funding for M60A1s provided that those funds be used only for new tank production as requested.

The recommendation to defer the laser range finder and solid state computer on the M60 tank is related to the less than anticipated improvement in effectiveness from test analysis to date for the laser range finder and computer. The Army is concerned that the effectiveness of these improvements is not as good as anticipated for the cost investment. These improvement items are recommended for deferral until more development and testing can be performed.

We would recommend report language that could support a reprogramming request by the Army for reinstating these items if subsequent testing proved the effectiveness of the laser range finder and computer.

We are further requesting that the Committee report include the following recommendations:

(a) That the Secretary of Defense be requested to advise the Committee of the Defense Department plans to maintain a standby tank production facility as well as standby foundry capability for the crucial hull and turret castings.

(b) That the Army consider the use of a tank similator in an effort to increase the proficiency of tank gunners in their first round hit capability.

(c) That the Army consider acceleration of their M48 tank modification program as a means of improving their present tank inventory problem and also consider the feasibility of modifying up to 1000 additional M48 tanks at a cost effectiveness means of improving the tank posture.

(d) Recommend that the Army be requested to submit a report on how they plan to improve the training program for tank gunners to increase proficiency.

(e) Recommend that the Army consider that in any future competitive selection the Army's new tank program which includes the German Leopard II tank, representation from the Secretary of Defense office be included on the source selection advisory board to protect the Army's interest in full and fair competition as it may be viewed from outside the Army.

(f) That the Secretary of Defense be requested to submit a report to the Committee which would include a conceptual analysis of the future role of the tank and the effort that the technological improvements in anti-tank and precision guided weapons will have on that role. The report should also include an analysis of the qualitative and quantitative improvements that present tank and anti-tank weaponry now in development will provide in meeting the NATO threat. The report should further include a status position on the discussions on changes in force structure and weapon mix in NATO and the degree of agreement on common doctrines, tactics, and concepts in the use of tank anti-tank weapons in NATO.

Finally, Mr. Chairman, we are recommending that the Committee consider legislation designed to reduce the drain on U.S. prime tank assets and require that the funding from the sale of tanks be sufficient to fully pay the replacement cost including inflation when the replacement tank is manufactured.

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

DIGEST

The Army is in the midst of its third attempt in the last decade to develop a successor to its current main battle tank—the M60A1. Earlier efforts were aborted mainly for reasons of cost. (See pp. 2 and 39.)

Improvements in anti-tank weapons have made tanks more vulnerable than in the past. Even so, most military strategists maintain that the tank is still an effective assault weapon, the best anti-tank weapon, and a critical instrument in conventional land warfare. (See ch. 1.)

More pertinent considerations are the numbers, operational capabilities, and costs of tanks to be procured; their effective mix with other weapons; and the need for standardization of weapons systems among North Atlantic Treaty Organization members.

In July 1976 the Secretary of Defense is scheduled to decide whether the new tank, the XM-1, should advance into the next phase of development. (See ch. 5.)

GAO recognizes the desirability of maintaining a development program at a reasonable rate of progress. Although the performance of the XM-1 against the stated requirements is known from recent prototype testing, GAO believes the Army is permitting the XM-1 program to proceed on the basis of incomplete and inconclusive information concerning broader issues.

For example:

Army cost-effectiveness studies have not considered whether a qualitative improvement in the main battle tank, or the fielding of less costly weapons in greater numbers, is a better solution to overcoming the Warsaw Pact's heavy numerical superiority in tanks. (See pp. 21 to 26.)

There are questions regarding the choice of the main armament for the XM-1. Recent tripartite tests in which the U.S., Great Britain, and West Germany jointly participated showed that a German 120mm gun provided the best basis for development as an effective tank gun of the future. The Army now plans to equip the XM-1 with its 105mm gun and rely on improved ammunition to increase its lethality. This decision was made, in part, to avoid increases in weight and cost. The Soviets, employing a larger gun with a longer range on their tanks, may have an advantage in firepower over the XM-1. (See pp. 27 to 30.)

A competitive tank developed in West Germany, the Leopard 2AV, has been modified to conform to the Army's XM-1 performance requirements. The Leopard, however, will not be ready for testing by the Army until some months after the decision on full-scale development of the XM-1 is due. This raises a question of whether the Department of Defense intends to seriously consider the Leopard as an alternative. (See ch. 5.)

Two factors determine the effectiveness of a tank—firepower and survivability.

Firepower is the ability to destroy enemy targets. It is influenced by the tank gun's range and accuracy and by the accuracy and lethality of the ammunition it fires. (See pp. 27 to 31.)

Survivability depends greatly on silhouette, mobility, and an ability to withstand enemy firepower. In any new tank development, trade-offs must be made between these and other factors. For example, a tank that provides substantial protection against enemy fire will generally be larger, heavier, and slower than a less well-protected tank and will be easier for the enemy to see and hit. (See pp. 31 to 33.)

There are no clear-cut measures that define which of these features are most critical to the survivability of a tank in all situations—only varying judgments among military experts. The Army, in designing the XM-1, is mainly banking on better armor protection to enhance its survivability. (See pp. 33 to 37.)

Also bearing on the tank's survivability will be the Army's success in developing the Mechanized Infantry Combat Vehicle and its mounted BUSHMASTER gun, which are counted on to support the XM-1 in combat. (See pp. 30 and 31.)

The Secretary of Defense should

Accelerate ongoing studies which would consider the cost-effectiveness of an alternative armored force not wholly dependent on the use of costly heavy tanks and

Inform the Congress of the results of these comparisons and analyses at the next budget hearings.

The Department of Defense, disagreeing with GAO, maintains that it will have all the information necessary to properly decide whether to continue developing the XM-1. The Department regards the issues raised by GAO as ones which either cannot be resolved before the XM-1 will be needed or should be studied apart from the XM-1's acquisition.

The Department maintains that its July decision will be based on a thorough review of the prototype test results and a cost-effectiveness analysis of the tank. The Department does not believe it appropriate to include in this analysis the potential of possibly less costly force mixes as alternatives to a heavy tank force. It sees this as a question of planning the force structure not related to the decision at hand. It will continue to study the feasibility of a highly mobile, light tank concept for possible adaptation after the XM-1's development. (See pp. 25, 26, and 54.)

The Department also maintains that the 105mm gun is the only logical choice for a main gun based on considerations of cost-effectiveness, North Atlantic Treaty Organization standardization, logistic economics, low risk, and adequacy of meeting the threat. The Department sees the tripartite tests and its own testing as having demonstrated that new 105mm ammunition will be more than adequate to meet the future threat as currently forecast. It will consider the 120mm gun if its assessment of the threat should change. (See pp. 30, 55, and 58.)

Department of Defense officials reaffirmed to GAO that the Secretary of the Army and the Secretary of Defense will consider the Leopard 2AV if it proves to be clearly superior and of comparable cost, all factors considered. On the other hand, the Department believes that the principal benefits to be gained from evaluating the Leopard are opportunities for technological transfusions and greater standardization of components. The Department is therefore continuing to develop the XM-1 rather than delaying the program until after Leopard 2 tests are completed, as some have suggested. (See pp. 48, 49, 55, and 57.)

GAO believes that the information on alternative force mixes evolving from the studies it has advocated is vital for the Congress to properly consider the XM-1's future. Additional issues which should be examined are:

Whether the Department of Defense should be encouraged to develop cheaper tanks which, fielded in greater numbers, might better offset the Warsaw Pact's numerical tank advantage than large numbers of heavy tanks.

Whether test results show that the 105mm gun's ammunition can be improved sufficiently to make it a worthier candidate than the 120mm gun, which has proven superior in armor-piercing capability.

How the XM-1's cost, weight, and agility would be affected if the 120mm had to be adopted as the main gun.

Whether the Mechanized Infantry Combat Vehicle and BUSHMASTER can be produced at an acceptable cost, and with the performance capability necessary to provide the support critical to the XM-1's survivability.

Whether information is available on the Leopard's cost and performance to indicate that it should be seriously considered as an alternative to the XM-1.

[From the New York Times, June 30, 1976]

GAO Assails Army's Plans for New Battle Tank

(By John W. Finney)

WASHINGTON, June 29.—The General Accounting Office has criticized the Defense Department for rushing into development of a costly new main battle tank in the face of major uncertainties about the future of armored warfare.

The criticism comes at a time when the Army is about to make a multibillion-dollar decision on a future battle tank that will join the forces in the 1980's.

Within the next month the Army is to select a winner between competing prototype tanks developed by the General Motors Corporation and the Chrysler Corporation.

The Army's plan is to put the winning tanks into advanced development with the objective of producing 3,300 of the 60-ton weapons at a cost of $4.5 billion.

The General Accounting Office, the investigative arm of Congress, complained that the Army would be making this crucial, costly decision based on incomplete and inconclusive information about the need and role of a tank on a battlefield that is changing with antitank technology.

ADDED VULNERABILITY SEEN

The report was made public today by Senator Thomas F. Eagleton, Democrat of Missouri, and Representative Les Aspin, Democrat of Wisconsin, both of whom have raised questions about the cost and need for the new tank.

The General Accounting Office's report observed that recent advantages in antitank weapons, such as the precision guided missiles developed by both the United States and the Soviet Union, have "made tanks more vulnerable than in the past."

It questioned, therefore, whether the advent of new antitank technology did not require a shift away from heavy tanks and increased emphasis on less expensive, lighter-armored vehicles carrying antitank weapons.

Basically, the Army looks upon the main battle tank as its major weapon to engage and destroy enemy tanks. The accounting office's report suggested that "this objective might be achieved for less cost by reducing the number of heavy tanks and increasing the number of other types of less costly antitank weapons employed in ground operations."

OTHERS ASK SAME QUESTION

The same question about the need for a heavy, expensive battle tank is being raised by the Senate Armed Services Committee and by defense analysts at the Brookings Institution.

In a recent report growing out of a study by Senators John C. Culver, Democrat of Iowa, and Sam Nunn, Democrat of Georgia, the Senate committee said there was "a need to reevaluate the role of the tank in the modern day battlefield" before any more money was committed to development and production of the new main battle tank.

The Defense Department and the Army, which regards the new tank as its prestige weapon in the same way that the Navy looks upon the aircraft carrier and the Air Force regards its B-1 strategic bomber, are resisting any such re-evaluation of armored warfare.

In a letter to the General Accounting officer, Malcolm R. Currie, director of defense research and engineering, "strongly disagreed" with the conclusion that development of the tank would be based on incomplete information. He said "no concept for a light tank is presently known that could substitute effectively for the heavily armored main battle tank."

GUNS ALSO AN ISSUE

The accounting office's report also questioned whether the new tank would be equipped with the correct gun and whether the Army should proceed with engineering development of its tank before it had a chance to evaluate the competing Leopard II tank developed by West Germany.

The same questions are being raised by West German defense officials in an issue that could become a major source of friction between the two most important allies in the North Atlantic Treaty Organization. The West German Defense Minister, Gorg Leber, will meet with Defense Secretary Donald H. Rumsfeld later this week at the Pentagon in their continuing discussions over whether the two nations can agree to use the same tank, or at least the same size tank gun.

A Leopard II tank is to be delivered in September for "comparative evaluation" with the XM-1 main battle tank being developed by the United States Army. West German defense officials have complained that the United States Army, in effect, would be prejudging the competition if in advance it put its tank into full-scale development.

West German officials also have complained that the XM-1 tank would not carry a large enough gun to deal with Soviet armor. The XM-1 is armed with a 105-mm. gun, the Leopard II with a 120-mm. gun. The latest Soviet tanks carry a 122-mm. gun.

The same objection was raised by the General Accounting Office.

The Soviet Antitank Debate

(By Phillip A. Karber)

On 21 June 1339, an outnumbered group of Swiss Infantry, armed with hand-held pikes, stood up to the cream of feudal armour, unseated the knights from their armoured chargers and ushered in a new era of warfare. The battle of Laupen was a tactical innovation which not only established the defence superiority of light infantry over the shock action of mobile and heavily armored forces, but also announced a political and social revolution. With striking similarity this "democratization of warfare" was repeated 634 years later in the opening days of the 1973 Middle East War, when an Arab infantry force armed with anti-tank weapons met and brought to a halt an Israeli tank offensive.

The implications of the Arab success have been widely discussed in the West. Numerous commentators have agreed that the balance has swung against the tank, which has dominated the battlefield since World War II. Many have taken heart that the same weapons which provided the Arab success, the anti-tank guided missile (ATGM) and the hand-held anti-tank grenade-launcher, would give NATO a greatly improved chance of off-setting the Warsaw Pact's tank superiority in Central Europe. Indeed one study has claimed that the ground forces of the Warsaw Pact and Soviet Union are tank-heavy, even tank-dependent, suggesting that "Soviet tables of organization are unduly influenced by experiences gained in a war of 30 years ago and that a certain amount of 'battleship thinking' permeates their military intellectual environment." [1]

Another study concludes that Soviet reliance on tanks as the core of the Army's shock and initial striking power is not likely to change. "The debate in Western military circles that followed the Yom Kippur War over the viability of armour in a battlefield environment dominated by precision-guided munitions has had no visible parallel in the USSR . . ." [2]

These conclusions reveal a naivete about Soviet force structure and ignore recent Soviet doctrinal literature. The Soviet Union is not only aware of the implications of the 1973 Middle East War—after all, it was Soviet antitank weapons that the Arab forces used—but demonstrates a deep appreciation of the potentials of anti-tank technology for the modern battlefield in professional military writings. Changes in Soviet doctrine and force structure reflect this concern and the implications are important for Western defence.

In mid-November 1974 a military science conference of the ground troops was held at the Malinovsky Tank Academy.[3] Participating were more than 200 marshals, generals and officers of the central apparatus, military districts and groups of Soviet troops stationed abroad, commandants and instructors stationed at military academies and representatives of scientific institutions. Their purpose was to discuss the tactical implica-

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Footnotes at end of article.

tions of the 1973 Middle East War, with particular focus on the future viability of armored vehicles on the modern battlefield. Subsequent discussions raised doubts about the perpetuation of Soviet offensive doctrine. This conference was followed by an unprecedented second conference in January 1975 at which A. A. Grechko, Minister of Defence, and I. G. Pavlovsky, Commander-in-Chief of the Ground Troops, strongly emphasized the lessons and implications of the October War, fiercely criticized current Soviet operational exercises, and called for a doctrinal debate on the implications of anti-tank technology. To date neither conference has been reported—let alone analysed—in the West.

Marshal Grechko's comments were incorporated in the second edition of his recent book:

"Combat actions in the Middle East, unleashed more than once in the last 10 years by the aggressive circles of Israel, have put anew the question of the relationship of offence and defence of ground troops, and have disclosed a number of characteristic phenomena in the struggle of offensive and defensive means and in methods of waging the fire battle.

"It is noteworthy that modern defense, in connection with the appearance in troop armaments of powerful firing means, has acquired greater stability. This is being caused first of all by the fact that the main striking force of the attackers—tanks—has become more vulnerable, and the use of them on the battlefield, more complicated. The continuing process of perfecting the anti-tank weapon has placed before science and technology a serious task in the business of tangibly raising the viability of tank troops and developing more effective ways and means of reliably suppressing anti-tank defence." [4]

Grechko's provocative comments signalled the beginning of the Soviet anti-tank debate, and within the last year Soviet journals have published more than fifty analytical articles discussing the implications raised by the effectiveness of anti-tank weapons as demonstrated in the Middle East conflict.[5]

While debate has been mainly confined to the pages of the professional military journal *Military Herald*, concern over anti-tank technology is reflected in the increased coverage of the subject in wider-circulation media such as *Red Star*[6] and *Soviet Military Review*[7] (the latter published in English). Given the quantity of writings, the high level of authorship, and the clear expressions of concern, the Red Army evidently feels it has come up against a problem.

However, before NATO embraces the ATGM as a *deus ex machina*, several points arising from the Soviet anti-tank debate need to be outlined:

The current Soviet concern over anti-tank weapons, and particularly ATGM, is not a feature of the last year only, but dates from the Khrushchev period.

The Red Army has not been putting all of its offensive 'eggs' in the tank 'basket': the basic trend in Soviet force structure over the last decade has been just the reverse—a scaling down of the tank in favour of other combined arms elements.

Ironically, the system the Army perceives as most threatened by anti-tank weapons is not the tank but their infantry combat vehicle—the BMP.

The Soviet debate over anti-tank weapons is not really a debate over anti-tank weapons *per se*—the capabilities and defensive potential of these weapons have been generally accepted. What is being discussed is how to deal with the increased anti-tank threat while maintaining the Soviet doctrinal preference for the offensive.

Each of these points needs more detailed examination:

THE ANTI-TANK THREAT

The Red Army has long been aware of the potentials of anti-tank weaponry. It was in fact one of the first armies to deploy ATGM in large numbers, and to mount them on armoured vehicles. As early as 1964 (upon seeing a firing demonstration of an ATGM against a tank), Khrushchev noted: 'It hurt. After all, we are spending a lot of money to make tanks. And if . . . a war breaks out, these tanks will burst into flames even before they reach the battle-line.' [8]

Throughout the intervening decade Russian writers have often studied anti-tank weapons and shown a keen interest in the state of the art in Western ATGM technology. In 1967 Soviet military writers noted 'serious changes' resulting from the technological improvements to ATGM: 'A qualitatively new method of combating tanks has appeared—the anti-tank guided projectile, which can destroy any tank at a distance of up to several kilometers.' [9]

In 1972 the classic work *Antitank Warfare*[10] appeared, which paid particular attention to ATGM, noting their significantly greater range and armour-penetrating power in comparison with tanks, their high kill probability, and that under operational conditions ATGM vehicles could achieve a favorable exchange ratio of four-to-one against tanks and double this against armoured personnel carriers (APC). In 1973 the authors of a book titled *Tanks* pointed out that "no little danger for tanks is presented by ATGM".[11] Following the Middle East War (but in advance of the current debate) Soviet authors were quick to recognize that: "Guided anti-tank missiles gave to the infantry that which it never had: the probability of destroying tanks with one shot before the tank could use its own weapons against the infantry." [12]

SOVIET EMPHASIS ON TANKS

While the Soviet Union and the Warsaw Pact allies have a decided advantage in tanks *vis-a-vis* NATO, the Soviet Army has not neglected the other combat arms. In fact, contrary to opinions frequently expressed in the West over the last decade, the Soviet Army has actually reduced the importance of the tank in relation to the other combat arms—particularly motorized infantry and artillery. In the early 1960s the ratio of tank to motorized rifle divisions was 1 to 1.8. By 1974 the Soviet Army had increased by 20 divisions—all motorized rifle—decreasing the ratio to 1 to 2.2.

The increased Soviet emphasis on combined arms has run parallel with the doctrinal shift from "one variant" nuclear war to the adoption of conventional options for the theatre forces and was preceded by changes in Soviet ground force organization and command.[13] In the late 1950s the Soviet Army was reorganizing to meet what were deemed to be the new demands of nuclear warfare. The artillery branch gave way to the nuclear rocket forces and infantry was de-emphasized in favour of tanks, which might survive on a nuclear battlefield. However, with the conversion of the infantry forces to full mechanization, a rival branch to the tank troops, motorized rifle,[14] was formed in 1963. At the same time the concept of the "offensive in depth," which emphasized mechanized infantry, was re-instated.[15] This had been developed by Tukhachevsky in the 1930s but purged by Stalin. In 1967 the Soviet Army brought back the position of Commander-in-Chief of Ground Forces with the appointment of J. V. Pavlovsky, who had been in charge of the build-up of Soviet motorized infantry forces on the Chinese border. In the same year the Soviet Union conducted her first exercise emphasizing conventional rather than nuclear combat, and from then on numerous Soviet writers have stressed the importance of ground force arms other than tanks, and there was even the suggestion that the tank divisions be merged with motorized rifle divisions.

Contrary to Western expectations and predictions, it took the Soviet Union 15 years to deploy a new main battle tank in Central Europe following the introduction of the T-62. (This is the T–72 which is now undergoing initial deployment.) Yet over the same period she designed, developed and deployed five major battlefield air defence systems, five major artillery systems and numerous armoured personnel vehicles—in particular the BMP. Unlike its Western counterparts or previous Soviet models, the BMP is not just an 'armoured taxi' but wields considerable firepower. This is not only for use against infantry and other armoured personnel carriers, for the BMP also contains three systems for combating tanks: an ATGM, a turret-mounted 73mm anti-tank gun and at least one RPG–7 anti-tank grenade-launcher, carried by a trooper inside.

This emphasis on combined arms is also reflected in the build-up of Soviet forces in Central Europe over the last five years; for while the Soviet Union has increased the number of her tanks in East Germany, artillery, logistics, anti-tank and air defence capabilities have been increased by larger margins.[16]

SOVIET MOTORIZED INFANTRY ARE MORE VULNERABLE THAN TANKS

The threat to the Soviet combined arms build-up is of major importance in relation to the new Soviet anti-tank debate. What is clearly illustrated in recent Soviet writings on anti-tank weapons is not so much concern over the survival ability of the tank, as of the operational viability of motorized infantry. The army had previously assessed APC to be twice as vulnerable as tanks. Apparently, in exercises and field tests since the Middle East War, the army has found that the BMP is even more vulnerable to the new generation of anti-tank weapons than was previously believed. Yet Soviet writers recognize that the success of a conventional offensive is highly dependent upon the protection and mobility of motorized infantry. Until recently the army assumed that the infantry, mounted in combat vehicles and with the support of massed indirect fire artillery, could over-run NATO defenders, and thus maintain a high rate of advance. However, recognition of the increased vulnerability of the BMP to anti-tank weapons starts a chain reaction which seems to threaten the entire structure of Soviet offensive doctrine.

If BMP are significantly more vulnerable than the tanks they are accompanying, they may be destroyed at a much faster rate: the infantry may then have to dismount in order to carry out the attack on foot, which makes the infantry more vulnerable.[17] Since infantry on foot are much slower than tanks, the tanks either outrun the infantry and arrive at the defenders' lines unescorted, or they must reduce their speed and that of the attack.[18] In either case the tanks become more vulnerable. Artillery can suppress anti-tank defences, but this raises the possibility of a long drawn-out 'slugging match' with lower rates of advance, greater ammunition expenditure and higher logistics requirements. Even more critical, the vulnerability of one component of the Soviet combined arms force places more strain on the other elements and greatly magnifies the problems of command and control in small units—a traditional Soviet weak point reflected in recent exercises.[19]

Ironically then, the recent Soviet concern over anti-tank weapons has actually raised rather than lowered the status of the tank. Practically all of the articles have emphasized the greater vulnerability of the BMP.[20] It is the BMP, not the tank, which is perceived as the weak link in the combined arms chain.

Footnotes at end of article.

MAINTAINING THE OFFENSIVE

It is perhaps misleading to classify the recent Soviet writings as an anti-tank debate, for there is really no argument over whether anti-tank weapons are effective, and there is an apparently universal recognition that a tactical revolution is being brought about by the deployment of ATGM. Nor does there seem to be much disagreement between Soviet commentators over the implications—they generally agree that the ground force component most threatened is the motorized infantry, which in turn raises serious problems for the tempo and co-ordination of the offensive. What is being debated is how to overcome the challenge of anti-tank weapons and retain a high rate of advance against a strengthened NATO defensive capability.

While Soviet writers do not offer neat 'policy' packages, several patterns appear to be emerging. Reminiscent of the debates over the reduction of ground forces in the Khrushchev era, opinion groups seem to form around service branch rather than on the basis of personality cliques or modernist-traditionalist arguments. The various options can be grouped into three major categories:

THE NUCLEAR OPTION

For 30 years the keystone of Soviet strategic and operational concepts for the employment of ground forces has been the offensive'. Starting with a massive bombardment of firepower, the ground forces would break through the prepared positions of the defender and massive tank armies would follow to engage the opponent's mobile reserves. At the end of World War II the breakthrough phase was to be conducted by the massing of artillery fires. By the lote 1950s the massive conventional artillery barrage had been replaced by multiple nuclear strikes; by the late 1960s the Soviet doctrine again considered the possibility of a conventional breakthrough. Despite three decades of doctrinal and technical development, the armoured forces were still thought to be the prime means of exploiting a breakthrough. But ATGM technologies threaten the Soviet Army with a tactical revolution and the potential abandonment of the armoured offensive. There is consequently a strong incentive for the Soviet Union to return to her earlier dependence upon nuclear weapons as a means of overcoming anti-tank defenses.

Traditionally, the Soviet Union has not mirrored NATO's penchant for low-yield tactical nuclear weapons fired from self-propelled artillery, depending rather on higher-yield and less accurate rocket-delivered warheads. However, the last few years has seen a new interest in, and admiration for, self-propelled artillery in Soviet writings, with some linking of this with low-yield artillery-fired tactical nuclear weapons.[21] In addition several Soviet writers have argued recently that the problems which anti-tank weapons pose for the BMP do not apply in a nuclear environment. The first reason put forward is that, in anticipation of nuclear fires, the defender will have to disperse his forces in case they fall victim to nuclear effects.[22] Second, with the use of highly accurate nuclear fire against the defensive positions, the infantry do not have to dismount from APC and the attack can proceed at a high rate of advance.[23]

Evidently the Soviet Union only sees anti-tank weapon as a threat "when nuclear weapons are not used." Yet Soviet ground force commanders are clearly unwilling to discount the anti-tank problem by relying solely on nuclear weapons. For the present, the nuclear solution seems to have been ruled out by both political and operational considerations.

THE ARTILLERY OPTION

In countering anti-tank weapons particular importance is attached to the role played by the artillery. Many Soviet authors, particularly those from the artillery branch, argue that only massive suppressive fire from artillery "is capable of reliably destroying an enemy's anti-tank defence. During the conduct of combat operations not involving the use of weapons of mass destruction such as task rests almost entirely upon the artillery" [24] The artillery branch apparently relishes this new role for two main reasons: that within the Soviet Army supervision of ATGM falls under the artillery branch; and that this is a major opportunity for artillery to regain its pre-Khrushchev influence and command over resources.

In the anti-tank debate, the pro-armour writers insist that traditional indirect artillery fire is not sufficient to suppress anti-tank weapons.[25] The artillery advocates recognize this and repeatedly point out that artillery fire against anti-tank positions is much more effective when fired in a direct rather than an indirect mode.[26] But to be truly effective in the direct fire mode, artillery will have to be decentralized in battery-sized units down to battalion level and "many direct fire weapons are needed to penetrate a defence." [27]

To ensure that the artillery weapon has tactical mobility and enable the crew to survive in close proximity to the tactical battle, the artillery must be armoured and self-propelled. In fact within the last year the Soviet Union has deployed two new self-propelled large calibre artillery pieces with direct fire capability. This emphasis upon decentralized direct fire self-propelled artillery demonstrates a major shift in traditional Soviet thought which hitherto emphasized massed indirect artillery barrages fired from towed equipment.[28]

As the Soviet experts themselves are well aware, parcelling out artillery in battery-sized units and attempting to co-ordinate the artillery with tanks and infantry is not without its potential disadvantages: even a small-unit tactical assault is rendered enormously complex. Battalion staffs—traditionally lean in personnel—will have to be expanded and even greater strain will be placed upon an already frugal logistic structure. The artillery itself becomes much more exposed and its decentralization becomes a major problem in co-ordinating massed fires.

THE MANOEUVRE OPTION

As might be expected, officers of the tank troops strongly disagree with the artillery branch. Rather than slow the offensive down they want to speed it up. Arguing against holding the armoured forces back as the infantry launch a dismounted attack, General Bukharenko of the tank troops states: "It would seem that in modern fast moving combat when each minute is precious, that this is not the best way to use such high speed military materiel." [29] Tank Troop general Skorodumov goes even further and attributes the vulnerability of Soviet APC to the slowness of attack.[30]

These rejoinders by high-level tank officers raise some interesting points. First, they do not attempt to deny the effectiveness of anti-tank weapons. Second, where the tank advocates take exception to the artillery proponents is not in the use of fire suppression but the restrictions such dependence places upon the speed of the attack. Third, while the BMP was originally perceived as a potential competitor to tanks (having many of the characteristics of a tank and closely associated with the meteoric rise of the rival motorized infantry branch), recently the tank branch has closed ranks with their armoured brethren and become the most ardent defenders of the BMP. Basing their arguments on the BMP's superior speed and anti-tank armament, the tank commanders hold that not only should the infantry remain mounted but that independent BMP units should be used in daring surprise raids, deep in the enemy rear.[31] But how can the vulnerability of BMP units to anti-tank weapons be reduced by placing greater emphasis upon them? The key to this question may lie in the Soviet interest in the growing "density" of anti-tank deployment. Soviet writers have long held that density—the ratio of force to space—is the key variable influencing rate of advance. The greater the quantity of force in a given area the slower the movement, and conversely with a low force-to-space ratio the battlefield becomes granular rather than linear, fluid instead of static. Instead of nuclear weapons to disperse the defence, the armour advocates call for pre-emptive manoeuvre—attacking the defence before it mobilizes and deploys a dense anti-tank defence. Soviet writers note that surprise attacks with conventional weapons offer the same opportunities as nuclear strikes for low force densities: fluidity of manoeuvre, and a high initial rate of advance.

There are then several indications that in the event of conflict with NATO the Red Army would prefer to launch a surprise attack without needing to rely upon massive mobilization of the rear echelon divisions in the Soviet Union or filling out under-strength forces of the Warsaw Pact. Such an attack, with in-place theatre forces, might have a prospect of catching NATO before, or in the process of, mobilization, thus preventing the West from establishing a linear and dense forward-deployed anti-tank defence. This would permit the Soviet Union to concentrate her forces in the weakest zones of the defence and so maintain their potential for a rapid rate of advance. Soviet commentators often make the point that NATO ground forces, particularly the West German and American armies, are not geared to a prepared defence in depth, which would make the most favourable use of anti-tank weapons, but remain committed to the doctrine of a mobile defence based on brigade and division level armoured counter attacks. Thus while the West still seems to believe that the tank is the best means of anti-tank defence, Soviet military writers are beginning to stress the offensive use of anti-tank weapons.

FOOTNOTES

[1] Col. E. B. Atkeson, 'Is the Soviet Army Obsolete?' *Army*, May 1974, pp. 10–16.

[2] Jeffrey Record, *Sizing Up the Soviet Army* (Washington: Brooking's Institute, 1975), p. 48.

[3] Reported in *Red Star*, 16 November 1974, p. 1; see also *Military Herald*, No. 1, January 1975, p. 16.

[4] Marshal A. A. Grechko, *Armed Forces of the Soviet State*, 2nd ed. (Moscow, 1975), p. 198.

[5] For instance, Marshal G. Peredelsky, Commander of Rocket Troops and Artillery has warned: 'Combat actions in the course of the Middle East conflict testify that modern anti-tank defence is the pivot of all defence. It includes ATGM (anti-tank guided missiles), anti-tank guns on a tracked base and recoilless guns (as a rule self-propelled), tanks, self-propelled units, BMP (mechanized infantry combat vehicles), grenade-launchers. Now not only each sub-unit has anti-tank means but each soldier.' 'The Experience of War—Into Training Practices', *Military Herald*, No. 7, July 1975.

Major General of Tank Troops I. Skorodumov writes that 'More effective methods must be found for combating anti-tank weapons having various firing ranges—ATGM, grenade-throwers, recoilless guns and helicopters armed with anti-tank weapons. These have become formidable weapons for use against tanks and other armoured vehicles having various armour thickness.' 'An Attack at High Speed', *Military Herald*, No. 3, March 1975.

Lieutenant-General Koritchuck states categorically: 'The anti-tank guided missile projectile (ATGM) is the basic anti-tank means in contemporary battle. Their combat qualities are constantly being improved: the range of firing is growing, the minimum range of launch is being reduced, and their reliability is being raised by the wide introduction of automation.' 'The Struggle with Anti-tank Means in the Offensive', *Military Herald*, June 1975.

[6] For example—see four article series by Col. A. M. Latukin 'Weapons Against Tanks', *Red Star*, 22 October 1975; 12 November 1975; 12 November 1975; 4 December 1975; and 13 December 1975.

[7] B. Antsiz 'Antitank Guided Missiles in Defense', *Soviet Military Review*, No. 7, July 1975; Lt. Col. Y. Volodin, 'Antitank Means in Defense', *Soviet Military Review*, May 1975.

[8] Cited in T. W. Wolfe, *Soviet Power and Europe 1945–1970* (Baltimore: Johns Hopkins Press, 1970), p. 175.

[9] Col. General A. S. Zheltov (ed.), *V. I. Lenin and the Soviet Armed Forces* (Moscow: Military Publishing House, 1967), p. 264. Col. General Zheltov is head of the Lenin Military Political Academy.

[10] Major General G. Biryukov (Artillery) and Col. G. Melnikov, *Antitank Warfare* (Moscow: Progress Publishers, 1972).

[11] Y. A. Kosyrev, Y. M. Orehkov and N. N. Fomin, *Tanks* (Moscow, 1973).

[12] Col. N. Nikitin, 'New in the Struggle with Tanks', *Banner Carrier*, May 1974. See also Col. Nikitin and Col. S. Petrov, 'Israel: Aggression in October 1973', *Military History Journal*, November 1974.

[13] See John Erickson, *Soviet Theatre—Warfare Capability: Doctrines, Deployments and Objectives* (Monograph), March 1975; and his *Soviet Military Posture and Policy in Europe* (Stanford Research Institute, 1974).

[14] I. S. Lyapunov, 'Motorized Rifle Troops', *Bolshaya Soviet Encylopedia*, 3rd ed., 1970.

[15] A. B. Kadisher (ed.), *Questions of Strategy and Operational Art in Soviet Military Work 1917–1940* (Moscow 1965). See also Col. P. Matronov, 'Offensive Battle in Depth', *Soviet Military Review*, October 1970.

[16] Erickson, *op. cit*. See also John Erickson, 'Soviet Military Capabilities in Europe', *RUSI*, March 1975; R. Meller, 'The Intensive Reequipment of Warsaw Pact Forces Since 1969/70', *International Defense Review*, April 1975; and testimony of General A. J. Goodpaster, 'To Consider NATO Matters', Hearing before the Joint Committee on Atomic Energy, Ninety-third Congress, 19 February 1974.

[17] 'When nuclear strikes on the front edge are not used, a battalion breaks through the enemy's defences, as a rule, on foot. This is explained by the fact that modern defences are saturated with great quantities of antitank weapons and engineer obstacles, having high resistance to fire or artillery and aviation strikes . . . On foot, however, the automatic riflemen, machine gunners and grenade-throwers will be subjected to withering fire from all types of enemy artillery units, small arms and anti-infantry mines.' Lt. Col. V. Pishakov and Major L. Kirpach, 'The BMP in Battle', *Military Herald*, No. 6, June 1975.

[18] The problem is so severe that several Soviet writers have proposed forgetting the BMP and mounting the troops on the backs of tanks as in World War II. See Lt. Col. M. Typchko, 'The Launching of Riflemen Mounted on Tanks', *Military Herald*, No. 1, January 1975.

[19] '. . . it would be an unforgivable mistake to keep silent about the lacks in combat training and specifically in field training . . . commanders and officers of staffs have still not learned to firmly control the actions of subordinates in battle, to manoeuvre with them, and did not always correctly use armoured transporters and combat machines of the infantry (BMP) in breaking through a prepared defence, poorly organized cooperation of means of fire suppression, and did not take energetic measures to destroy ATGM and enemy anti-tank guns.' General of the Army I. G. Pavlocky, 'The Field—The School of Combat Mastery', *Military Herald*, No. 1, January 1975.

[20] Over half the fifty articles covering the current anti-tank debate have focused on the BMP vulnerability exclusively. In fact when tanks are mentioned, it is usually in a favourable context—i.e. that tanks are less vulnerable or that they should lead the assault. The only tank-dedicated article within the last year was Col. N. Shaporalov 'Teaching Crews to Combat Tanks, Self-propelled Artillery and ATGM', *Military Herald*, No. 6, June 1975.

[21] Col. P. Grigorycv, 'Development of Cannon Artillery', *Soviet Military Review*, August 1971.

[22] Col. V. Savkin, 'Features of Modern Combat', *Military Herald*, No. 3, March 1974.

[23] Pishakov and Kirpach, *op. cit*.

[24] Col. A. Rodin, 'Struggle Between Artillery and Anti-Tank Weapons,' *Military Herald*, No. 5, May 1974.

[25] 'In actual combat, as soon as our artillery lifts its fire into the further reaches of the defence, the opponent could issue from cover, re-occupy his position, cut off the MR [motorized rifle] troops from the tanks by fire, and pin them (the former) to the ground.: And this would lead to large unwarranted casualties in materiel and in personnel.' Lt. General of Tank Troops A. Bondarenko, 'On the Utility of BMP's in Battle, *Military Herald*, No. 10, October 1975.

[26] Direct fire is over open sights, when the gunner can see the target; indirect fire is directed on to the target by an observer, displaced some distance from the guns.

[27] Col. V. Selyavin, 'Direct Fire', *Soviet Military Review*, November 1975. See also Col. V. Selyavin, 'Artillery Breaches [anti-tank] Obstacles', *Soviet Military Review*, August 1975

[28] The original proponents of self-propelled artillery came from the tank branch, which argued that these weapons should fall under their jurisdiction; apparently they lost. For a detailed discussion see Marshal of Tank Troops Pavel A. Rotmistrov, *Time and the Tank* (Moscow, 1972), pp. 265–9.

[29] Lt. General Bukharenko 'On the Utility of the BMP in Battle', *Military Herald*, No. 11, November 1975.

[30] Skorodumov, *op cit*.

[31] 'In order to employ effectively small units equipped with BMP, it is necessary to appreciate that such manoeuvrable small units, strengthened in firepower, are designated for daring raids into the depths of enemy defences with the goal of circling around their strong points and exiting on the defender's flank's and read. To this the special attention of the Minister of Defense and the CINC Ground Forces is directed.' Bondarenko, *op. cit*.

Mr. CULVER. I yield back the remainder of my time, Mr. President.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Georgia (Mr. NUNN) is recognized for not to exceed 10 minutes.

Mr. NUNN. Mr. President, first, I wish to congratulate my colleague (Mr. CULVER) on an outstanding statement and I think a timely statement. Defense Minister Leber of the Federal German Republic is in our Nation, in Washington, for the next few days. Although I am not privy to the planned conversations between Minister Leber and Secretary Rumsfeld, I do think that right at the top of their agenda should be this very subject that Senator CULVER has alluded today; that is, the overall subject of standardization and particularly the subject of the forthcoming decision on the next generation of tanks for NATO.

Mr. President, the need to standardize arms and equipment is perhaps the most important challenge confronting the North Atlantic Treaty Organization today. Standardization and interoperability is no longer simply desirable. It is imperative. What was once little more than an intriguing topic of cocktail party conversation has now become an issue upon whose resolution hangs NATO's future viability as a collective security organization. A combinaton of dramatic increases in Soviet military capabilites and shrnking active force levels within NATO prohibits a continuation of the vast duplication and waste associated with purely national approaches to weapons procurement, logistics, doctrine, and tactics.

The waste is staggering. According to Gen. Andrew J. Goodpaster, NATO's former Supreme Allied Commander, the combat potential of the Alliance's general purpose forces has been degraded by 30 percent as a result of failure to standardize. Moreover, the economic penalties to NATO's members stemming from duplicative national approaches to weapons design and procurement total an estimated $10 billion per year.

In sharp contrast to the Warsaw Pact, which has achieved virtually complete standardization by reliance on a single family of Soviet arms and equipment and allied copies of them, NATO's inventory takes on the character of a vast museum clustered with every conceivable type of weapon and variation of it, few of which are interoperable with one another. For example:

The 12 alliance armies currently muster no fewer than 31 different kinds of antitank weapons, with 18 new ones under development.

NATO navies muster 100 different types of ships of destroyer size or larger, possessing 30 different kinds of radar, 8 different kinds of surface-to-air missiles, and 40 different kinds of guns of 30 millimeter or larger caliber.

The 2d Allied Tactical Air Force in Central Europe, excluding U.S. forces, musters 11 different types of combat aircraft for only 5 combat missions, 5 different types of gun ammunition, 4 different bombs, 6 different napalm containers, and 16 different drop tanks.

Mr. President, we of all people should appreciate the tremendous advantages of standardization. After all, it was an American, Eli Whitney, who developed the concept of interchangeable parts, thus permitting another American, Henry Ford, to create the assembly line, the foundation of western industrial might in the 20th century.

Small but encouraging steps toward standardization and rationalization have been taken.

A North Atlantic Council study group on weapons standardization policy has been created.

Attempts to develop common air-land and naval warfare doctrines are underway.

An integrated tactical air command and control system for the central region is being formed.

An agreement to conduct joint basic helicopter training has been signed and similar collaboration on jet pilot training is expected.

Tactical communications have been made more interoperable.

Cross-maintenance of aircraft is being expanded.

Standardization of naval fuel is nearly complete.

And provision for greater U.S. reliance on local civil resources to meet its wartime logistics requirements have been negotiated.

These initiatives are commendable and certainly long overdue. But they are not enough. Meaningful standardization cannot be achieved unless the United States is prepared to buy more weapons from our European allies. Without the development of a genuine "two-way street" on procurement between the United States and NATO Europe, standardization of arms within the Atlantic Alliance will not be possible. Up to now, Europeans have purchased 8 dollars' worth of U.S. arms for each dollar's worth we have bought from them. This disparity continues to fuel suspicions on the other side of the Atlantic that the United States is incapable of disassociating the principle of standardization from "buy American."

I am not suggesting that we should permit pressures for standardization to compel procurement of inferior or cost-ineffective weapons. To buy another NATO member's product simply for the sake of standardization would be self-defeating in the long run. Yet to buy another NATO member's product simply to protect certain parochial, economic, and political interests in this country would be even more disastrous. The common interest of the 15 nations of the North Atlantic Treaty Organization must of necessity prevail over the interests of any particular State or congressional district.

In this regard, the Army's upcoming choice of a successor to the M-60 main battle tank is crucial. The choice itself, as well as the manner in which it is made, will constitute the supreme test in the near future of the degree to which the United States, Germany, and the alliance as a whole are committed to genuine standardization. Selection has narrowed down to two contenders: the U.S. XM-1, prototypes of which have already been tested, and the German Leopard II. These two tanks are slated for competitive trials this fall, and a final Army decision is expected in the spring of 1977.

It is imperative that the United States and Germany, whose armies constitute the bulk of NATO's ground forces in the central region, adopt a common main battle tank, or at least tanks which are interoperable with one another. The United States has already announced that it will select the Leopard II if that tank emerges as the clear winner in the fall trials. Even should the trials end in a dead heat, it would be imprudent for the United States to disregard the need for standardization as a consideration in making the final choice.

Maintaining standardization as a consideration, however, can be facilitated by licensing and coproduction agreements reached prior to these trials. Such agreements could eliminate the potential economic and political penalties to the "loser" country by insuring that both countries would have an appropriate piece of the production pie regardless of which tank is chosen. With this in mind, last April Senator CULVER and I wrote a letter to Secretary of Defense Donald Rumsfeld urging the Department of Defense to seek a memorandum of understanding with the Federal Republic of Germany for a joint commitment to adopt a common tank that would be produced in both countries. Following that letter, Senator Culver, Senator TAFT, and I, with the full support of the Senate Armed Services Committee, attached an amendment to the fiscal 1977 defense authorization bill which states, and I quote:

> It is . . . the sense of the Congress that expanded inter-Allied procurement would be facilitated by greater reliance on licensing and co-production agreements among the signatories of the North Atlantic Treaty. It is the Congress' considered judgment that such agreements if properly constructed so as to preserve the efficiencies associated with economies of scale, could not only minimize potential economic hardship to parties to such agreements but also increase the survivability in time of war of the Alliance's armaments production base by dispersing manufacturing facilities."

Mr. President, as we approach the upcoming tank trials I believe that our attitudes should be governed by the philosophy of "may the best tank win." But unless we make sure that neither the United States nor Germany will lose politically or economically as a result of those trials, whatever their outcome, it is highly unlikely that either country will be prepared to judge the competition on its merits.

Mr. President, I ask unanimous consent that the letter dated April 27, 1976, from Senator CULVER and myself to Secretary Rumsfeld be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 27, 1976.

Hon. DONALD H. RUMSFELD,
Secretary of Defense,
The Pentagon,
Washington, D.C.

DEAR MR. SECRETARY: As we have made clear through our public statements and through legislation we have authored in the Senate Armed Services Committee, we believe that development of a genuine "two-way street" between the United States and its NATO allies is essential to realization of a comprehensive standardization and rationalization of arms within the Atlantic Alliance.

We are therefore disturbed by recent developments concerning the forthcoming competitive evaluation of the American XM-1 and German Leopard II main battle tanks.

Testimony before the Armed Services Committee from American and German witnesses suggests that the Federal Republic intends to procure the Leopard II tank, regardless of the test results.

The U.S. Army has structured its XM-1 program with an implicit assumption that a U.S. prototype is most likely to be chosen for production.

Furthermore, the chances of tank gun standardization have been jeopardized by German and American decisions to proceed with separate national guns on new tanks, at least for the next few years, despite the objective of commonality sought by the Tripartite Gun Competition.

In our judgment, these developments, if unchecked, could eliminate any possibility of developing a common main battle tank for both countries. Therefore, we believe it imperative that the United States and the Federal Republic of Germany seek a new Memorandum of Understanding containing:

1. A joint commitment to adopt a common tank that would be produced in both countries.

2. A firm agreement to employ a standardized tank gun and main components.

Insofar as these objectives are unattainable at this time, we urge you to seek an interim understanding which would guarantee maximum commonality of components and subsystems and maximum interchangeability of parts and interoperability of equipment.

We believe it is urgent to resolve these issues as soon as possible and certainly before any irrevocable production decision by either country.

We look forward to hearing from you on this important matter.

Sincerely,

JOHN C. CULVER,
U.S. Senator.

Mr. NUNN. Mr. President, does Senator CULVER need any more time?

Mr. CULVER. No.

Mr. NUNN. Mr. President, I yield back the remainder of my time.

FREEDOM OF THE PRESS AT THE OLYMPICS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 413, which the clerk will state by title.

The legislative clerk read as follows:

> The Senator from Connecticut (Mr. RIBICOFF) proposes a resolution expressing the sense of the Senate regarding freedom of the press at the Olympics.

The Senate proceeded to consider the resolution.

The ACTING PRESIDENT pro tempore. Debate on this resolution is limited to 20 minutes to be equally divided and controlled by the Senator from Connecticut (Mr. RIBICOFF) and the minority leader or his designee.

Who yields time?

UP AMENDMENT NO. 182

Mr. RIBICOFF. Mr. President, I send an amendment to the desk and ask that it be read.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

> On page 2, at the end of the resolution add the following:
>
> "SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the Chairman of the International Olympic Committee.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I move the adoption of the amendment.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, the summer Olympic games open in Montreal on July 16, 1976. In the opening days there will be more at stake than gold medals. Freedom of the press is under challenge at the Olympics.

This winter at Innsbruck the International Olympic Committee adopted a Soviet definition of acceptable press coverage. Acting on a Soviet protest, the International Olympic Committee revoked the accreditation of Radio Free Europe—despite the fact that Radio Free Europe has covered the Olympics since 1952.

Last year in Helsinki the Signatory nations agreed—and here I quote:

> To make it their aim to facilitate the freer and wider dissemination of all kinds.

To censor sports news is to make a joke of this provision. If Olympic reporting is to be censored, what will be free?

The expulsion of Radio Free Europe from the Olympics is deeply troubling for its symbolism and for the precedent it sets. The exclusion endangers the idea of the Olympic games as a symbol of fair play in an open and friendly atmosphere. The exclusion also sets a dangerous precedent for the 1980 games in Moscow. If the Soviets are successful this summer in excluding Radio Free Europe from Montreal, what attitude will the Soviet Organizing Committee take toward other press applications in 1980?

Radio Free Europe has been granted tentative accreditation to the Montreal Games by the Canadian Organizing Committee. This accreditation, however, must be confirmed by the International Olympic Committee, and a repeat of the Soviet challenge is expected.

The Senate cannot do anything to guarantee equal treatment for Radio Free Europe at the Olympics. This resolution, however, provides support for the U.S. members to the International Olympic Committee in their attempt to prevent the expulsion of RFE correspondents. I am pleased to have been joined by 20 of my colleagues in sponsoring this resolution. Its passage today reaffirms and restates the Senate's commitment to defending the principle of freedom of the press.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I rise to join with the able and distinguished Senator from Connecticut in support of Senate Resolution 413. Senator Ribicoff submitted this resolution, and I was privileged to join him as principal cosponsor.

The resolution was referred to the Committee on Foreign Relations and was reported to the Senate unanimously. This resolution, I believe, strikes at the very heart of the agreement we arrived at with the Soviet Union at Helsinki, an agreement that included the commitment, as the resolution says, to the free flow of information.

As we know, the Soviet Union has protested, and successfully, the presence of Radio Free Europe for the winter Olympics. Radio Free Europe was denied the opportunity to cover the winter Olympics under pressure from the Soviet Union and, of course, this violates one of the significant portions of the Helsinki Agreement.

But, more importantly, the Olympics, Mr. President, should be nonpolitical. They represent games, contests among the peoples of the Earth for the purpose of sportsmanlike competition.

There is an attempt being made by certain nations to politicize the Olympic games. Not only has the Soviet Union engaged in the policy of politicizing the Olympic games, but we have seen others do exactly the same thing. This is to be deplored, and our country should protest it vigorously.

In the instance of Radio Free Europe, this Radio Free Europe is a means of communication. It represents a very legitimate radio broadcast. Yet, as the record reveals, it has been excluded from coverage of the Olympic games.

This is the first time that any such facility has been excluded.

I might add that Tass, the official news agency of the Soviet Union, covers the Olympic games. All of the information systems of the respective countries of the world cover the Olympic games, and only Radio Free Europe has been denied those same privileges.

This resolution expresses the sense of the Senate that Radio Free Europe should be granted the same privileges granted to other news organizations covering the Olympic games.

Mr. President, on the face of it, it may seem that a sense-of-the-Senate resolution is not too significant. But I think this resolution should be interpreted not only as a sense of the Senate, but also as a sharp protest to the political activities of the Soviet Union in denying Radio Free Europe its rights and privileges as a news organization.

I think it should be interpreted as an expression, once again, in this Bicentennial Year, of our commitment to free speech and free press.

I think it is time the Government of the United States told the Soviet Union in unqualified, unmistakable terms that we believe in free speech and free press, and that in the international conclaves we will insist upon the same principles.

The Soviet Union can control the news that is in its own country. It can do that because of its sovereign power. But when it comes to international games, international conferences, international meetings, the Soviet Union should have no such control.

What we have really done, what has happened here, is that the International Olympic Committee has just bowed down under Soviet pressure.

If the Soviets do not like the news coverage, or the stories about it, they do not need to participate in the games. But they will not forego that privilege, because the Soviet participants are people of great skill and competence. The Soviet participants, those Russian citizens that participate, win many medals to the everlasting credit of themselves and glory to their country.

But here again, we have seen the political arm of the Soviet Union thrust into something that is a nonpolitical event, and countries bow down before this kind of international pressure.

I, personally, resent it. I feel that it is wrong. I think it is imperative that not only the Senate protest, but also I think that, since the President of the United States went to Helsinki, and signed the Helsinki Agreement, a protest should come from the highest office of the land.

I hope that the President of the United States will join with the Senate in their expression of resolution.

Mr. President, I ask unanimous consent that certain editorials that have appeared in the American press be printed at this point in the Record to show the editorial support for this resolution, and also the demand of the news media of America that free speech and free press be honored.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Christian Science Monitor, Feb. 19, 1976]

Moscow's Extra Win at Innsbruck

Perhaps the most significant victory the Communists won at Innsbruck during the Winter Olympics was not on the ski trails or skating rink. It was the lifting of the credentials of the Radio Free Europe press team sent to cover the sports events. The Soviet Union and East European countries generated enough pressure to convince the International Olympic Committee to bar RFE staffers from the scene. Not even Secretary of State Kissinger's personal intervention reversed the decision.

This decision sets a dangerous precedent for forthcoming Olympics, such as those in Montreal this summer and in Moscow in 1980. If coverage of international sports events can be forbidden or withdrawn on political grounds, then the Olympic committee may face other accreditation challenges as well. And how much freedom of press coverage is likely to be granted by the Russians in Moscow four years hence? Once Radio Free Europe is eliminated, is it likely no other Western outlet is on the Krelmlin's list?

No one who might be considered impartial contends that the RFE has covered the games in a political manner. And the argument that its accreditations technically were not in order also is suspect. Thus the banning seems only punitive, against the station's news and editorial policies, and beyond the purview of athletics alone.

At Helsinki, the Soviet Union agreed to concessions on human rights and freedoms. But at Innsbruck, the Kremlin showed once again that its concept of such matters can be quite different from the Western interpretation.

[From the Chicago Tribune, Feb. 16, 1976]

LETTING DOWN THE OLYMPIC BARS TO SOVIET CENSORSHIP

(By Frank Starr)

WASHINGTON.—The temptation to use the Olympic Games for political purposes has always been too great for some to resist. Now the International Olympic Committee has officially endorsed the practice. In Innsbruck censorship on political grounds became policy.

Here is what happened. On the opening day of the games the Radio Free Europe [RFE] broadcasting team was notified that the press credentials issued to it would have to be returned on orders of the International Olympic Committee [IOC].

For several days no official reason was given. A spokesman said the credentials had not been properly endorsed, but they were identical to other credentials that weren't revoked. Another explanation came from Radio Moscow and the Soviet press agency Tass, which reported immediately that the IOC had acted on a protest of the Soviet Union and its allies because RFE "represents no one and engages in slanderous subversive propaganda against the socialist countries." RFE, Tass said, "has won notoriety in the world for its misinformation and foul slander" and its reporters were "poisoners of the airwaves."

Five days later the IOC president, Lord Killanin of Ireland, appeared to confirm the Soviet report in an interview on West German television: "We do not want the Olympic Games to be used for propaganda or as a bait—an attraction—for propaganda."

Finally, as the games drew to a close, Killanin offered a new explanation, the first in writing. "The IOC," he said, "basically recognizes national bodies and press being resident in their own countries, besides the five international news agencies. The position of RFE does not come into these categories. . . ."

The bylaws on accreditation do not mention "press being resident in their own countries," but even if it did RFE would qualify. Its transmitters are in Germany but its headquarters is in Washington.

There is no little irony in all this. RFE reporters had covered every Olympic meet since 1952. Soviet challenges to their credentials were turned down by the IOC in Mexico City in 1968 and in Munich in 1972. In 1974 Congress removed Central Intelligence Agency funding of RFE and placed it under congressional control, increasing the authorization 30 per cent last year.

Moreover, just six months ago the Soviets and their allies signed a long agreement in Helsinki which said in part: "The participating states will favor cooperation among public or private, national or international radio and television." The agreement said they would favor "expansion in the dissemination of information broadcast by radio . . . so as to meet the interest of mutual understanding."

The practical problem here is the precedent set for the games this summer in Montreal and, more importantly, the 1980 games in Moscow. The bylaws say the committee of the host country "shall issue" accreditations either on its own authority or the endorsement of the Olympic committee of the respective country, subject to approval by the International Olympic Committee.

Since the IOC has finally agreed to Soviet censorship, it has in effect encouraged the Russians to use the Moscow games to favor their friends and penalize their adversaries.

That the IOC executive committee voted to participate in Soviet censorship is especially disturbing, considering the countries represented in its membership: the Soviet Union, Hungary, Tunisia, Spain, Brazil, Japan, West Germany, Ireland, and Canada.

[From the Washington Star, Feb. 14, 1976]

KISSINGER CITES HELSINKI PACT—OLYMPICS' BROADCASTER BAN HIT

(By Henry S. Bradsher)

The Ford administration has decided to make a major fight over the exclusion, because of Communist pressure, of the government-financed Radio Free Europe reporting on the Winter Olympics.

The revoking of RFE's press credentials for the games in Innsbruck, Austria, is "contrary to the intent and spirit of" the agreement signed in Helsinki last Aug. 1 for a greater flow of information between East and West, Secretary of State Henry A. Kissinger protested in an angry cable.

He sent it yesterday to Julian K. Roosevelt, the U.S. member of the International Olympic Committee. The cable also called the decision by the committee to yield to pressure from Communist countries for RFE's exclusion "a capitulation to blatant Communist efforts to make the Olympic movement serve their political purposes."

Roosevelt was scheduled to confer this morning in Innsbruck with the American ambassador to Austria, Wiley Buchanan, about trying to reopen the case, Kissinger urged that the decision be reversed even though the games are closing, so that a precedent is not set for future Olympic games.

The Soviet Union and their European Communist allies began several Olympics ago to try to block RFE. When they started, the radio station based in Munich, West Germany, was secretly funded by the CIA for broadcasts to East Europe. It has a large audience in five Communist countries which is dependent upon it for news not carried by local media.

In 1971 the U.S. Congress began public funding of RFE and its sister station in Munich, Radio Liberty, which broadcasts into the Soviet Union. The Soviet Union has long argued that the stations are cold war relics and should be closed down.

By invoking the Helsinki agreement, Kissinger put the U.S. government directly into confrontation with Moscow, where the decision to push for RFE's exclusion was an official one implemented by Soviet media representatives. Tass, the Soviet government news agency, reported the exclusion decision before RFE was even informed of it.

Communist representatives in Innsbruck had contended that RFE "represents no one and engages in slanderous subversion propaganda against socialist countries." The Soviets have tried to argue that only stations based on their national soil are legitimate.

RFE was initially given Olympic reporting credentials but then banned last week for vague "technical reasons." This week the Olympic committee president, Lord Killanin, said the station was banned because "we do not want the Olympic games to be used for propaganda."

RFE has continued to provide coverage of the games from television monitoring and news agency reports, so the exclusion was more important as a matter of principle than as a practical hindrance.

Kissinger was asked about the case at a news conference Thursday. He was not familiar with it, but when he looked into it later that day he ordered the strong cable drafted for his signature.

[From the New York Times]

KISSINGER ASSAILS CURB AT OLYMPICS—PROTESTS COMMITTEE' CURB ON RADIO FREE EUROPE

(By David Binder)

WASHINGTON, FEBRUARY 13.—Secretary of State Henry A. Kissinger sent a message to the International Olympic Committee in Innsbruck, Austria today strongly protesting the exclusion of Radio Free Europe from official coverage of the 1976 winter games.

He called the exclusion ordered Feb. 4 by Lord Killanin of Ireland, chairman of the Olympic committee a "craven capitulation to the Communist countries."

According to United States officials, Lord Killanin ordered withdrawal of accreditation for a correspondent of Radio Free Europe in response to objections of Soviet-bloc countries that the Munich-based American station indulged in "subversive propaganda."

He acted on behalf of the nine-member executive council of the Olympic committee, whose representatives are from the Soviet Union, Hungary, West Germany, Spain, Brazil, Canada, Japan, Tunisia and Ireland.

DECISION EXPLAINED

Lord Killanin later justified his action in a radio statement saying: "We do not want the Olympic games to be used for propaganda or as bait for propaganda."

Mr. Kissinger was asked about the problem yesterday at his State Department news conference, but he was apparently unaware of it.

After being informed by aides and by David M. Abshire, chairman of the United States Board for International Broadcasting, which supervises Radio Free Europe, Mr. Kissinger sent two messages to Austria demanding restoration of the station's accreditation.

One went to Wiley T. Buchanan, the United States Ambassador to Austria, the other to Julian K. Roosevelt, the United States member of the Olympic committee.

In the second message, he denounced Lord Killanin's decision as being a "response to crude political pressure from representatives of certain Communist countries," adding that it has been "justified on spurious grounds."

Mr. Kissinger called the exclusion "totally unwarranted and a capitulation to blatant Communist efforts to make Olympic activities serve their political purposes."

HELSINKI ACCORD CITED

He said further that the exclusion was "contrary to the intent and spirit of the final act signed at Helsinki," concluding the European Security Conference in Finland last summer. The 35-country document specifically called for freer exchange of opinions and freedom of movement for journalists.

Radio Free Europe was founded by the Central Intelligence Agency and was secretly financed by the agency until 1971, when it was transformed into an independent body, along with Radio Liberty, openly supported through a Congressional appropriation.

But the East European countries have continued to denounce Radio Free Europe as a propaganda transmitter "run by the C.I.A."

Radio Free Europe had been accredited to cover Olympic games since 1952. Its correspondent in Innsburck has been covering this year's games from a hotel room, from where he follows the events on television.

RFE CREDENTIALS LIFTED AT INNSBRUCK OLYMPICS

THE PROBLEM

As a result of Soviet initiatives, Radio Free Europe sports reporters, who have been accredited to every Olympic game since 1952, have been excluded from Innsbruck. The chairman of the International Olympic Committee, Lord Killanin of Ireland, has openly admitted that the exclusion was based on political grounds. If this decision is permitted to stand, a dangerous precedent of political exclusions will have been set for future Olympics—not only Montreal this summer but, more importantly, Moscow in 1980.

BACKGROUND

There is no evidence that Lord Killanin or other members of the committee are aware that since 1971, RFE and its sister station Radio Liberty have been funded by open Congressional appropriation—at first through the Department of State, and since April 1974 through grants from the Board for International Broadcasting, whose members were appointed by the President with the advice and consent of the Senate. The FY 1976 appropriation for the Board and the Radios, representing more than 99 percent of their funds and a 30 percent increase over FY 1975, was passed without a single recorded dissent in either House of Congress.

There have been Soviet challenges to RFE credentials at previous Olympics, notably Mexico City in 1968 and Munich in 1972, but these have been rejected. RFE has covered the games in a completely non-political manner.

THE FACTS

On February 4, 1976, the RFE news team at Innsbruck was informed by the Austrian organizing committee that the IOC had ordered the withdrawal of RFE credentials. No reason was given. However, the Tass news agency at 1427 Innsbruck time, followed by Radio Moscow at 1700 Innsbruck time that same day, announced that the Soviet delegation at Innsbruck, supported by radio-TV representatives of Bulgaria, Hungary, Poland, Czechoslovakia and the German Democratic Republic, had challenged the RFE accreditation because (in Radio Moscow's words) RFE "represents no one and engages in slanderous subversion propaganda against the socialist countries." The Czechoslovak news agency Ceteka specified that the Communist initiative in the IOC had come through the East-bloc Organization for International Radio and Television.

In the face of the initial IOC action February 4, the Austrian organizing committee gave the RFE reporters until February 7 to return their credentials. The Austrian committee has stated repeatedly that in its view, and according to the bylaws of the IOC, RFE had been properly and duly accredited. Some confusion entered the situation when an anonymous IOC spokesman told the Reuters news agency that the credentials had been withdrawn because of a technicality—namely, that RFE credentials had not been formally endorsed by the West German Olympic Committee. However, this alleged technicality was exposed as fraudulent by West German and other journalists on the scene: many other press and radio organizations located in West Germany lacked the same endorsement because of last-minute haste. Thereafter, no further reference was made to the technicality. On February 9, after RFE reporters had left the Olympic grounds, Lord Killanin stated on West German television that RFE had been excluded because "we do not want the Olympic games to be used for propaganda, or as bait for propaganda."

Soviet and Eastern European media, who are in the midst of a major campaign against RFE and RL which charges that they are still controlled by the CIA, continue to take credit for the IOC exclusion of the RFE news team.

MEMBERSHIP OF THE IOC

In addition to Lord Killanin as chairman, the executive committee of the IOC includes representatives of the FRG, Spain, Brazil, Canada, Japan, Tunisia, Hungary and the U.S.S.R.

CSCE RELEVANCE

The U.S.S.R. and its allies, in their campaign of recent months, have charged that RFE and RL are contrary to the spirit of Helsinki. However, the Final Act of the CSCE declared that the participating states "will favor cooperation among public or private, national or international radio and TV organizations, in particular through the exchange of both live and recorded radio and TV programs, and through the joint production and the broadcasting and distribution of such programs."

In a clear reference to Soviet and East European jamming, the Final Act declares: "The participating states note the expansion in the dissemination of information broadcast by radio, and express the hope for the continuation of this process, so as to meet the interest of mutual understanding among peoples and the aims set forth by this Conference."

The ACTING PRESIDENT pro tempore. The time of the Senator from Connecticut has expired.

The Senator from Michigan.

Mr. GRIFFIN. Mr. President, I yield such time as the Senator from Illinois may require.

Mr. PERCY. Mr. President, had the Soviet Union not succeeded in pressuring the International Olympic Committee to withdraw the credentials of Radio Free Europe correspondents at the 1976 winter Olympics, we would not be considering this resolution today.

The fact is that the Soviet Union obviously seeks to eliminate official Radio Free Europe coverage from the Olympic games, and I think that we in the U.S. Senate have a responsibility to pass this resolution which will show the International Olympic Committee that we stand by RFE and that we find the Soviet action to be offensive.

Certainly the Soviet action against RFE, and the International Olympic Committee's acquiescence in it, are offensive to the principle of press freedom, just as they are offensive to the principle of fair play which is supposed to have a role at the Olympics.

I am pleased to be a cosponsor of this resolution, which hopefully will have some influence in preventing a repetition of the hostile action against RFE at the summer Olympics in Montreal.

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

Mr. GRIFFIN. I yield to the Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished Senator for yielding.

Mr. President, several weeks ago the Senate passed a sense of the Senate resolution calling on the United States and Russia to implement the provisions of the Helsinki accord and the Vladivostok accord.

I pointed out in opposition to the resolution that it called for support of agreements between Russia and the United States.

By the way, the first draft of it was so lacking in practicality that it was sent to the committee; it had not been to the committee at all, and later came back in a different version.

I pointed out then that agreements with Russia are futile, that Russia is going to do exactly what it wants to, irrespective of world public opinion, irrespective of any agreement that it enters into.

I pointed out the futility of unilateral action on our part, saying that we are going to do certain things and we hope that the Russians will.

This is just an example of the Russian action and the Russian mind, if they are going to do what they want to irrespective of agreements.

This is absolutely counter to the Helsinki accord which is supposed to allow the free flow of information throughout the world. This is the first fruit, we might say, of the resolution we agreed to here in the Senate, we can agree to resolutions every day in the week, but it is not going to change Russia.

While I have no objection to passing this resolution, and I certainly think it does show a protest on our part to their action, I think this should be a lesson to us that no matter what agreement Russia enters into they are going to do exactly what they want to do.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution, as amended.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I note in the New York Times today a story entitled "Two U.S.-Run Radios Chided on Salary." The subheading is, "Report Finds Excessively High Pay Scale in Stations Beamed to Soviet Bloc."

I think all radio stations should have the right to freely broadcast, but when I read where a report issued by the General Accounting Office discloses cases of office secretaries receiving annual salaries of over $35,000 and middle-range executives $60,000 to $70,000, according to the GAO, and if it is correct, that amount is far in excess of regular Government pay scales.

This report has drawn some criticism. It has been brought to the attention of the distinguished chairman of the Subcommittee on Communications in the Commerce Committee, our distinguished colleague, the senior Senator from Rhode Island (Mr. PASTORE), who, in effect, has written a letter to David M. Abshire, Chairman of the Board for International Broadcasting, in which he states that, "These are shocking figures."

I would hope we would keep in mind that these two organizations, which in many respects overlap each other, and which the GAO has recommended should be stationed in the United States rather than Munich, should be kept under pretty close rein as far as this Government is concerned so that these matters will not get out of hand.

I ask unanimous consent that the article which appeared in the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Two U.S.-Run Radios Chided on Salary—Report Finds Excessively High Pay Scale in Stations Beamed to Soviet Bloc

(By David Binder)

WASHINGTON, July 1.—A General Accounting Office study of the United States-operated Radio Free Europe and Radio Liberty has disclosed cases of office secretaries receiving annual salaries of over $36,000 and middle-rank executives $67,000, amounts far in excess of regular government pay scales.

The report made public earlier this week has drawn criticism from Congress and a promise by the Ford Administration to review pay scales of the two Munich-based stations that broadcast to Eastern Europe and the Soviet Union.

In a letter to David M. Abshire, chairman of the Board for International Broadcasting, which supervised the stations, Senator John O. Pastore, Democrat of Rhode Island, cited the pay scales and said: "These are shocking figures."

By way of comparison, the study showed that a regular Government employee posted in Munich with a base salary of $23,670 received extra allowances raising income to $31,870. A Radio Free Europe employee with the same base pay received the equivalent of $45,603.

HIGH CONVERSION RATE

The difference was made up almost entirely by the favorable conversion rate from dollars to West German marks accorded Radio Free Europe employees. The favorable rate, as in the early days of allied occupation of West Germany, is 4 marks to the dollar.

But following a series of revaluations since 1971, the mark is now officially pegged at about 2.50 to the dollar.

The accounting study showed that almost 70 percent of the total cost of the radio stations, or $39.2 million, was attributable to personnel compensation and benefit practices, including $3 million in housing allowances for 600 employees. Senator Charles H. Percy, Republican of Illinois, declared in response to the report: "It is just intolerable to continue these practices."

Radio Free Europe and Radio Liberty were founded and secretly financed by the Central Intelligence Agency in the early 1950's to provide news and analysis for Soviet and East European audiences in 25 languages. They have been under Congressional funding authority since 1971.

The General Accounting Office study concluded that the best way to deal with "inequities" and "duplication" it found in the Munich operations was to move the major part of the stations to the United States.

TO REVISE PAY SCALES

At a meeting in mid-April with the directors of the Board for International Broadcasting, Sig Michelson, president of the two radio stations for the last year, said he agreed with the general thrust of the accounting recommendations and was moving to carry them out, including a revision of the pay scales.

The housing and other special compensations for the radio station employees were an outgrowth of the early occupation practices in what was then the American zone of Germany.

An official familiar with the special benefits said that 80 percent of the two station's 1,786 employees were probably being fairly compensated, but that "top executives are getting indefensibly high salaries." These executives are almost all American citizens.

Mr. PASTORE. Will the Senator yield?

Mr. MANSFIELD. Yes, I yield.

Mr. PASTORE. Mr. President, we are in accord with the objective that is to be accomplished by these agencies. That is, historically, when the situation was a little more sensitive than it is today, there may have been a better reason than might exist today. But be that as it may, the abuse has reached the point of becoming almost scandalous: The salaries that are being paid; the fact that most of the employees are not Americans; that every time we say that we would like to either limit it, cut it down, or move it we have almost an international diplomatic situation.

For the life of me, sometimes I do not understand what we are trying to accomplish. I have no objection to the Voice of America because that brings to the rest of the world the news that is factual. Whenever we speak of Radio Free Europe, freedom, and that sort of rhetoric, I question sometimes whether it has outlived its usefulness. I have remarked about this time and time again when we have had our budgetary hearings, but I think once we hit the floor the situation seems to take a different twist.

I would hope that the responsible authorizing committee would go into this very deeply, find out what is wrong with it, and correct it.

A lot of these salaries that were mentioned by the distinguished majority leader are being paid to foreigners.

Here is another gimmick: when we devalued the dollar, a lot of these foreigners insisted that they be paid in the currency that is indigenous to that country. So we appropriate money to take care of the deficiency. If an American lives abroad and because of the devaluation of the dollar, his dollar cannot buy as much as it used to before the devaluation. Insofar as the foreign employee is concerned, they are now insisting that we pay them, even though they work for the U.S. Government, in the currency of their own native country. This means that we are paying them more than the American receives. There, again, I think it is rather scandalous and something ought to be done. Be that as it may, I would hope that we would pursue this further.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution, as amended. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Washington (Mr. MAGNUSON), the Senator from Illinois (Mr. STEVENSON), the Senator from Missouri (Mr. SYMINGTON), the Senator from California (Mr. TUNNEY), the Senator from Texas (Mr. BENTSEN), the Senator from Louisiana (Mr. LONG), and the Senator from Massachusetts (Mr. KENNEDY), are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), the Senator from Ohio (Mr. GLENN), and the Senator from Illinois (Mr. STEVENSON), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Jersey (Mr. CASE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Alaska (Mr. STEVENS), are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

The result was announced—yeas 74, nays 0, as follows:

[Rollcall Vote No. 383 Leg.]

YEAS—74

Abourezk
Allen
Bartlett
Beall
Biden
Brock
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Ford
Garn
Griffin
Hansen
Hart, Gary
Hartke
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Laxalt
Leahy
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stennis
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—26

Baker
Bayh
Bellmon
Bentsen
Buckley
Case
Chiles
Church
Eastland
Glenn
Goldwater
Gravel
Hart, Philip A.
Haskell
Hatfield
Hruska
Johnston
Kennedy
Long
Magnuson
Scott, Hugh
Scott,
  William L.
Stevens
Stevenson
Symington
Tunney

So the resolution was agreed to, as follows:

S. RES. 413

Whereas freedom of the press is essential to the free flow of information between countries;

Whereas the Helsinki Agreement includes a commitment to the free flow of information;

Whereas Radio Free Europe has been one of the news organizations covering the Olympic games since 1952;

Whereas the revocation of the accreditation of Radio Free Europe to cover the winter Olympics under pressure from the Soviet Union and its allies constitutes a violation of both the principle of freedom of the press and the Helsinki Agreement;

Whereas no news organization had, prior to the exclusion of Radio Free Europe on February 4, 1976, ever been excluded from coverage of the Olympic games; and

Whereas press censorship is contrary to both the spirit of the Olympic games and the spirit of the Helsinki Agreement: Now, therefore, be it

Resolved, That it is the sense of the Senate that Radio Free Europe should be granted the same privileges granted to other news organizations covering the Olympic games.

"SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the Chairman of the International Olympic Committee.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The preamble was agreed to.

MILITARY CONSTRUCTION APPROPRIATIONS, 1977 — CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I submit a report of the committee of conference on H.R. 14235, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14235) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of June 29, 1976, beginning at page 21186.)

Mr. MANSFIELD. Mr. President, the joint conference committee for military construction has brought back a bill from the joint conference amounting to $3,338,759,000. The amount as presented in this bill today is $44,641,000 over the estimate as approved by the House and $88,132,000 below the estimate as approved by the Senate.

This bill is $128,241,000 below the budget estimate presented to the Congress in January amounting to $3,467,000,000. The conferees agreed on the following amounts for the military services and the Department of Defense:

Army, $580,868,000.
Navy, $549,935,000.
Air Force, $788,079,000.
Department of Defense, $41,396,000.
Family housing, $1,304,523,000.

The following amounts were not in conference but are a part of this bill:

Army National Guard, $61,128,000.
Air National Guard, $37,200,000.
Army Reserve, $53,804,000.
Naval Reserve, $23,600,000.
Air Force Reserve, $10,773,000.

Mr. President, it is the consensus of the conferees that we have brought back to the Senate floor a bill that is equitable and fair. Of course, we would like to have sustained completely the Senate position. However, in a bill this large, compromises have to be made and the conferees feel we have made the best compromise possible.

I wish to compliment my fellow conferees on their help in working out the differences in this bill, especially the distinguished Senator from Alaska (Mr. STEVENS).

It is my judgment that this bill provides for all of the necessary operating facilities needed by the military services and I wish to state categorically that there are no moneys in this bill for plush accommodations.

I do not intend to make a long and involved statement on the actions taken by the committee of conference for we did settle some 45 different items in the bill. The conference report explains in a most succinct manner the actions of the committee of conference.

We had two disappointments. The Senate conferees tried very hard to sustain the Senate position on the two projects at Fort Benning, Ga. The conferees agreed that the two projects at Fort Benning, the reception station and training facilities—phase 2—could be deferred pending the completion of the Army study on the one-station training concept due in November 1976. It was further agreed that both Houses of the Congress will consider these two projects in the fiscal year 1978 budget contingent upon the results of the Army study.

A second disappointment was that the Senate conferees negotiated at great length with the House conferees concerning the Aeromedical Center at Fort Rucker, Ala.

The conference agreed that the aeromedical research laboratory would be deferred pending a restudy to insure that there is not a duplication of this research activity within the three services. It was further agreed that full-scale hearings in both Houses of the Congress should be held on this subject during the consideration of the fiscal year 1978 military construction bill.

The conference agreed to provide the $20,000,000 requested for the cleanup of Enewetak Atoll. It is the intent of the conference that each of the services provide construction and support troops together with essential organic equipment, material, supplies, and subsistence to enable these forces to complete this project. Such equipment, materials, supplies, and subsistence should not exceed that which would be required for support of these forces in normal operations. Support troops identified are harbor clearance, chaplains, finance, transportation boat, field radiological, medical, laundry, petroleum, oil and lubricants, and Military Airlift Command airfield teams.

Mr. President, this completes my brief statement. I will be glad to answer any questions from Senators regarding construction projects in their States.

I ask unanimous consent that at the conclusion of my remarks a tabulation comprising a summary of the conference action on the military construction bill for fiscal year 1977 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1976 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1977

Item	New budget (obligational) authority, fiscal year 1976	Budget estimates of new (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in—		New budget (obligational) authority recommended by conference action	Conference action compared with—			
						New budget (obligational) authority, fiscal year 1976	Budget estimates of new (obligational) authority, fiscal year 1977	New budget (obligational) authority recommended in—	
			House bill	Senate bill				House bill	Senate bill
Military construction, Army	$790,025,000	$649,500,000	$571,565,000	$611,537,000	$580,868,000	−$209,157,000	−$68,632,000	+$9,303,000	−$30,669,000
Military construction, Navy	770,018,000	595,200,000	526,252,000	578,301,000	549,935,000	−220,083,000	−45,265,000	+23,683,000	−28,366,000
Military construction, Air Force	550,644,000	802,300,000	777,900,000	809,176,000	788,079,000	+237,435,000	−14,221,000	+10,179,000	−21,097,000
Military construction, Defense agencies	19,300,000	81,100,000	40,896,000	49,396,000	41,396,000	+22,096,000	−39,704,000	+500,000	−8,000,000
Transfer, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)				
Military construction, Army National Guard	62,700,000	47,200,000	61,128,000	61,128,000	61,128,000	−1,572,000	+13,928,000		
Military construction, Air National Guard	63,000,000	27,600,000	37,200,000	37,200,000	37,200,000	−25,800,000	+9,600,000		
Military construction, Army Reserve	50,300,000	47,000,000	53,804,000	53,804,000	53,804,000	+3,504,000	+6,804,000		
Military construction, Naval Reserve	36,400,000	16,800,000	23,300,000	23,600,000	23,600,000	−12,800,000	+6,800,000	+300,000	
Military construction, Air Force Reserve	18,000,000	10,000,000	10,773,000	10,773,000	10,773,000	−7,227,000	+773,000		
Total, military construction	2,360,387,000	2,276,700,000	2,102,818,000	2,234,915,000	2,146,783,000	−213,604,000	−129,917,000	+43,965,000	−88,132,000
Family housing, Defense	1,332,244,000	1,302,847,000	1,302,847,000	1,304,523,000	1,304,523,000	−27,721,000	+1,676,000	+1,676,000	
Portion applied to debt reduction	−107,617,000	−112,547,000	−112,547,000	−112,547,000	−112,547,000	−4,930,000			
Subtotal, family housing	1,224,627,000	1,190,300,000	1,190,300,000	1,191,976,000	1,191,976,000	−32,651,000	+1,676,000	+1,676,000	
Grand total, new budget (obligational) authority	3,585,014,000	3,467,000,000	3,293,118,000	3,426,891,000	3,338,759,000	−246,255,000	−128,241,000	+45,641,000	−88,132,000

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate an amendment which is in disagreement.

The PRESIDING OFFICER. The amendment in disagreement will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

All feasible economies should be realized in the accomplishment of this project, through the use of military services' construction and support forces, their subsistence, equipment, material, supplies and transportation, which have been funded to support ongoing operations of the military services and would be required for normal operations of these forces. Further, such support should be furnished without reimbursement from military construction funds.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House to the Senate amendment No. 6.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, notwithstanding the previously agreed-to order, I ask unanimous consent that the Senator from Wyoming may have 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNCOMMITTED REPUBLICAN DELEGATES

Mr. HANSEN. Mr. President, in today's Washington Post a story by Bob Woodward and Carl Bernstein states that I "promised President Ford the votes of seven uncommitted Republican delegates in return for the President's signature on a bill that the administration has opposed."

That statement is untrue. I did talk with Bob Woodward on the telephone about my visit with the President. The bill is important to Wyoming and public land States, especially those with coal reserves. I did discuss likely attitudes in the affected Western States with the President and I summarized to Woodward as openly and honestly as I know what was said by me to the President.

The Wyoming delegates will make up their own minds—in due time—as to the candidate they will support for the presidency.

The President—as he has been doing ever since taking the oath of office—will decide whether to sign or veto this bill on its merits as he makes that evaluation.

Mr. Woodward does not lend credit to his profession by quoting other sources in ascribing statements to me to the President. Only four people were present at that conversation. The President, Dick Cheney, Max Friedorsdorf, and myself. Those persons know I did not promise the President the votes of seven uncommitted delegates.

AUTHORIZATIONS FOR CERTAIN PUBLIC WORKS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2228, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2228) to amend the Public Works and Economic Development Act of 1965, as amended, to extend the authorization for a 3-year period.

The Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert:

SEC. 101. The second sentence of section 101(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows: "In the case of any State, political subdivision thereof, or Community Development Corporation which the Secretary determines has exhausted its effective taxing or borrowing capacity, the Secretary may reduce the non-Federal share below such per centum or waive the non-Federal share in the case of such a grant for a project in a redevelopment area designated as such under section 401(a)(6) of this Act.".

SEC. 102. The first sentence of section 102 of the Public Works and Economic Development Act of 1965, as amended, is amended—

(1) by striking out "and June 30, 1976," and inserting in lieu thereof "June 30, 1976, September 30, 1977, September 30, 1978, and September 30, 1979,"; and

(2) by inserting immediately before "shall be available" the following: ", and for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $7,500,000 of the fund authorized to be appropriated under such section 105 for such period,".

SEC. 103. Section 105 of the Public Works and Economic Development Act of 1965, as amended, is amended—

(1) by striking out the period at the end of the first sentence and inserting in lieu thereof the following: ", not to exceed $62,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $450,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.";

(2) by striking out "and June 30, 1976," in the third sentence and inserting in lieu thereof "June 30, 1976, the period beginning July 1, 1976, and ending September 30, 1976, and the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 104. (a) Title I of the Public Works and Economic Development Act of 1965, as amended, is further amended by adding the following new section at the end thereof:

"URBAN ECONOMIC DEVELOPMENT

"SEC. 107. (a) Any municipality with a population of fifty thousand or more which has been designated a 'redevelopment area' or which is within the boundaries of a 'redevelopment area' shall be eligible on a priority basis for the assistance as authorized by section 101(a)(1) of this Act if (i) or (ii) and either (iii) or (iv) of the following indicators of economic distress is determined by the Secretary to be present—

"(i) 15 per centum of a municipality's population below poverty level as defined by the Office of Management and Budget;

"(ii) unemployment at least 50 per centum above the national unemployment rate for the preceding twenty-four months;

"(iii) significant decline in per capita employment over the preceding three-year period; or

"(iv) deterioration of a municipality's economic base including industrial, commercial, and other facilities, as determined by the Secretary.

"(b) Not to exceed 20 per centum of the first $250,000,000 appropriated under section 105 and not to exceed 35 per centum of appropriations in excess of $250,000,000 shall be available for eligible urban areas under this title. Any municipality qualifying for assistance under this section shall not be eligible for other assistance under title I of this Act.

"(c) Projects funded by this priority assistance program must relate to the number and needs of unemployed persons in the eligible areas and contribute significantly to the reduction of unemployment in the area for which the eligibility was determined.

"(d) Each municipality seeking assistance under this section must have a current approved overall economic development program or where appropriate prepare such a program for approval in accordance with subsection 202(b)(10) of this Act prior to receiving assistance under this section. Such planning programs should be coordinated with planning of other jurisdictions in the metropolitan area. The development program shall also be coordinated with activity in the city under the Comprehensive Employment and Training Act and the community development block grant program.".

(b) Section 401(a)(8) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(8) those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas with unemployment at least 50 per centum above the national unemployment rate for the preceding twenty-four months.".

SEC. 105. Section 201(c) of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the period at the end thereof and inserting the following: ", and shall not exceed $18,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and shall not exceed $125,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.".

SEC. 106. Section 303 of the Public Works and Economic Development Act of 1965, as amended, is amended—

(1) by striking the period at the end of subsection (a) and inserting the following: ", $18,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $75,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.";

(2) by inserting after "1976" in subsection (b) the following: ", not to exceed $3,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $15,000,000 in each of the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.".

SEC. 107. Section 304(a) of the Public Works and Economic Development Act of 1965, as amended, is amended by inserting after "June 30, 1976," the following: "$18,750,000 for the period begininng July 1, 1976, and ending September 30, 1976, and $75,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 108. Section 401(a)(1)(A) of the Public Works and Economic Development

Act of 1965, as amended, is amended by striking "available calendar year" and inserting in lieu thereof "twelve consecutive months".

SEC. 109. Section 403(g) of the Public Works and Economic Development Act of 1965, as amended, is amended by inserting immediately after "June 30, 1976," the following: "not to exceed $11,250,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $45,000,000 per fiscal year for the fiscal year ending September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 110. Section 404 of the Public Works and Economic Development Act of 1965, as amended, is amended by inserting after "June 30, 1976" the following ", not to exceed $6,250,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $25,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.".

SEC. 111. Section 509(c) of the Public Works and Economic Development Act of 1965 as amended, is amended by striking out the first sentence and inserting in lieu thereof the following: "The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized on or before September 30, 1979, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; titles VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; and titles I and IX of this Act.".

SEC. 112. The first sentence of section 509(d)(1) of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "and for the fiscal year ending September 30, 1977, to be available until expended, $250,000,000." and inserting in lieu thereof "and for the fiscal year ending September 30, 1977, September 30, 1978, and September 30, 1979, to be available until expended, $250,000,000 per fiscal year.".

SEC. 113. Section 704(e) of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the period and adding at the end thereof the following: ": *Provided,* That this prohibition shall not apply to a publicly-owned utility which seeks financial assistance to cover the costs of transmission or distribution facilities for electric energy or natural gas. Such assistance shall be limited to the difference between the revenue derived over the project life from the sale of electricity or natural gas and the costs associated with the transmission and distribution of the electricity or natural gas.".

SEC. 114. Section 905 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out the period at the end thereof and inserting the following: ", not to exceed $25,000,0000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $100,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.".

TITLE II

SEC. 201. The President of the United States is authorized and requested to call a White House Conference on Balanced National Growth and Economic Development within one year of the date of enactment of this Act in order to develop recommendations for further action toward balanced national growth and economic development, and to take account of present conditions and trends as set forth in the report accompanying this Act. Such conference shall be planned and conducted under the direction of the domestic council with the cooperation and assistance of such other Federal departments and agencies, including the regional commissions established under the Appalachian Regional Development Act and title V of Public Works and Economic Development Act.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, and energies and the improvement of our country's social and economic needs, the conference shall assemble representatives of government, business, labor, and other citizens and representatives of institutions who could work together for balanced national growth and economic development.

(c) A final report of the White House Conference on Balanced National Growth and Economic Development shall be submitted to the President not later than one hundred and eighty days following the date on which the conference is called and findings and recommendations included therein shall be immediately made available to the public. The President shall, within ninety days after the submission of such final report, transmit to the Congress his recommendations for the administrative action and legislation necessary to implement the recommendations contained in such report.

SEC. 202. In administering this joint resolution, the Secretaries shall—

(1) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate;

(2) give all reasonable assistance, including financial assistance, to the States to enable them to organize and conduct conferences on balanced growth and economic development;

(3) prepare and make available background materials for the use of delegates to the White House Conference on Balanced National Growth and Economic Development as they may deem necessary;

(4) prepare and distribute interim reports of the White House Conference on Balanced National Growth and Economic Development as may be appropriate; and

(5) engage such personnel as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 57 and subchapter 53 of such title relating to classification and General Schedule pay rates.

SEC. 203. For the purpose of this joint resolution the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

SEC. 204. The Secretaries are authorized and directed to establish an Advisory Committee to the White House Conference on Balanced National Growth and Economic Development composed of fifteen members of whom not less than five shall represent businesses in the private sector and the Secretaries of the Departments of Commerce, Agriculture, Housing and Urban Development, and relevant Federal program managers.

The PRESIDING OFFICER. Debate on this bill is limited to 1 hour, to be equally divided between and controlled by the distinguished Senator from New Mexico and the distinguished Senator from New York, with 30 minutes on any amendment and 20 minutes on any debatable motion, appeals or point of order.

Mr. MONTOYA. Mr. President, I ask unanimous consent that during the consideration of and voting on S. 2228, the following staff members of the Committee on Public Works be granted the privilege of the floor: Mr. Barry Meyer, John W. Yago, Richard Harris, Richard Greer, Bailey Guard, Judy Parente, Stevens Swain, Lee Rawls, and Leon Billings.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, S. 2228 extends the Public Works and Economic Development Act of 1965 for a period of 3 years to September 30, 1979. This extension has been requested by the administration. The Public Works Committee concurs unanimously with this request.

The Economic Development Administration, known as EDA, and the title V Regional Commissions are authorized by this bill. The Commissions, encompassing all or portions of 32 States are: The New England Regional Commission, Coastal Plains Regional Commission, the Ozarks Regional Commission, the Four Corners Regional Commission, the Upper Great Lakes Regional Commission, the Old West Regional Commission and the Pacific Northwest Regional Commission. Other regional commissions expected to be designated are: Puerto Rico, Virgin Islands, the Mexican Border Commission, Alaska, California, and Texas.

Mr. President, nearly 11 years ago Congress passed the Public Works and Economic Development Act. The purpose was to assist regions, counties, and communities suffering from substantial and persistent unemployment which have lagged behind the rest of the Nation. EDA and the Commissions were designed to assist these areas to take effective steps in planning and implementing economic development programs based on public works investments.

There is little doubt that these programs have been successful in many places. During the past decade, rural America suffered great distress: high unemployment and underemployment, outmigration, and low income. The programs authorized by this act provided public works grants, business development loans and guarantees, technical assistance and planning grants to eligible areas. Many of them now have flourishing industrial parks fostered by EDA public works grants and supplemental grants from regional commissions.

Today across America there exist more than 150 multicounty economic development districts, each with the basic mission of increasing jobs and incomes in their respective regions. They too are flourishing. And today our States, thanks to 1975 amendments to the act, are undertaking statewide planning and implementation of economic development as an acceptable State responsibility.

Mr. President, most Members of Congress can point to communities within their districts and States that have reached a takeoff point thanks to Federal assistance through EDA and the regional commissions.

We saw an effort during the Nixon

years to do away with these programs. But Congress refused. As chairman of the Subcommittee on Economic Development, I have worked with these programs for many, many years. I am pleased that the Ford administration has proposed a 3-year extension of this important act. I believe in these programs. I have worked hard to insure their continuation. With Senator Pastore with whom I serve on the Appropriations Committee, I have sought each year to match our legislative aspirations with adequate appropriations. It has been an uphill fight.

Is there still a need? Has the mission of EDA and the commissions changed? We held hearings for 3 days on the pending bill. Without exception, witnesses exhorted the subcommittee not only to preserve the basic programs of the act, but if possible, to expand them to provide broader eligibility and greater funding authority. Three governors testified to the increasing usefulness of the Federal-State partnership of the title V Regional Commissions. Public interest groups representing economic development districts, councils of governments, counties, cities, and mayors all stressed the national need for a continuation of the act.

PROVISIONS OF S. 2228

The bill provides for the extension of the Public Works and Economic Development Act for 3 years until September 30, 1979.

Provides for continuation of titles III, IV, V, and IX programs at present 1976 authorization levels.

Increases authorization for title I—public works grants—from present $250 million authorization to $450 million and title II—business development loans and guarantees—from the present level of $75 military annually to $125 million.

Provides that up to 20 percent of the first $250 million appropriated and up to 35 percent of appropriations over $250 million of title I public works grants shall be available to eligible urban areas of 50,000 or more.

Directs EDA to provide assistance on a priority basis to central cities in metropolitan areas of high unemployment or low-family income.

Amends section 401(a)(8), which provides that areas may become redevelopment areas if they have an unemployment level of 6 percent or more for 1 year, by requiring such areas subsequently to have unemployment at least 50 percent above the national unemployment rate for the preceding 24 months.

Amends section 704(e) which presently prohibits financial assistance for facilities to generate, transmit, or distribute electrical energy or to produce or transmit natural gas by permitting an exemption for the transmission and distribution facilities for natural gas and electric energy of publicly owned utilities.

Title II of the bill authorizes and requests the President within 1 year to convene a White House Conference on Balanced National Growth and Economic Development.

Amends section 101(c) to permit 100 percent grants for public works impact projects—PWIP—for community development corporations.

Mr. President, besides extending the Public Works and Economic Development Act for an additional 3 years, this bill has two other important provisions. One, it provides an increase in authorization of $250 million for titles I and II in recognition of the growing distress of many of our cities. Two, it authorizes and requests a White House Conference on balanced national growth and economic development.

The committee has recognized the need for greater EDA assistance to cities, a need often evident by an eroding economic base. The answer is not to take away from other eligible areas but to increase the funding authority as more cities become eligible.

Today, nearly 200 cities of 50,000 or more population out of 384 are eligible in whole or part for EDA assistance. The bill recognizes the need to direct a greater amount of resources to the central cities, particularly, in metropolitan areas that have suffered job loss, outmigration of middle income families, a shrinking tax base, a significant portion of population below poverty level, and high unemployment. EDA is directed, in making investment decisions, to give priority to these cities.

A word about the proposed White House conference. Our committee chairman, Senator Randolph is responsible for this provision in the bill. There was no opposition in committee. In general, title II asks the President to call such a conference to discuss the entire question of balanced growth today and for the coming years. Should there be a policy on growth? Some guideline or framework within which the country can be guided in various policy and program areas? There have been many clear voices in recent years calling for such a policy. There are, to be sure, those on the other side of the argument who believe with equal conviction that decisions on growth and where people live and work should be left to the forces of the free market.

Many of us who serve on the Public Works Committee believe a national public works investment policy should be considered. We do not have a national transportation policy. There is no urban policy despite efforts by Congress to encourage the administration to propose one. Indeed, in a number of important sectors we are without guidance. I am impressed by the efforts of the European nations—particularly those in the European community—that have been working in recent years to set regional and other policies that promote balanced growth. Of course, those nations do not have the space and the resources that we do here in America. There, managing growth appears to be a necessity.

Mr. President, the programs authorized by S. 2228 have been consistently popular in Congress. Members have seen what these programs accomplish in their own communities. The Ford administration has proposed a 3-year extension—though in fairness I should add that no increases in authorization or new programs were requested.

The Senate bill essentially extends the act, but the committee recommends an increase in public works grants and business development authority primarily in recognition of the economic sickness so many of our cities are experiencing. Last week during debate on the public works jobs bill, Senator Muskie and I both referred to an article in the June 16 issue of the Wall Street Journal describing the failure of many cities to recover from this recession. A followup article, the second in the two-part survey entitled "Sick Cities," appeared in the June 17 issue.

Finally, I give notice that I intend to introduce an amendment to the bill on the floor today that would add to the bill the job opportunities program, or title X as it is often called, to the bill as permanent legislation.

That antirecession provision was dropped in the conference on the public works jobs bill from S. 3201 as it passed the Senate. I indicated my intention at the conference to offer it as a permanent antirecession standby authority in the EDA legislation to be available should unemployment again reach the alarming levels we have lived with these past 2 years. Since we had already reported this bill, I was not able to offer it in committee.

Mr. President, that concludes my introductory remarks on the bill. I ask unanimous consent to print in the Record a table showing the new funding authorized by S. 2228.

There being no objection, the table was ordered to be printed in the Record, as follows:

NEW FUNDING AUTHORIZED BY S. 2228, AS REPORTED

[In millions of dollars]

Title—Public Works and Economic Development Act Amendments of 1976	Transition, June to Sept., 30, 1976	1977	1978	1979	Total
I. Public facility grants and supplemental grants	112.50	450	450	450	1,462.50
II. Public facility loans and business development loans and guarantees	31.25	125	125	125	406.50
Technical assistance research and planning	18.75	75	75	75	243.75
III. Sec. 304 grants to States	18.75	75	75	75	243.75
Area and district eligibility	11.25	45	45	45	146.25
IV. Indian tribe grants	6.25	25	25	25	81,25
V. Regional Action Planning Commission Improvement Act:					
Title V regional commissions (designated 2 yr or more)			250	250	500.00
New commissions			5	5	10.00
IX. Economic adjustment	25.00	100	100	100	325.00
Total new funding authroized	223.75	895	1,150	1,150	3,419.00

Mr. MONTOYA. I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. Gary Hart). Who yields time?

Mr. McCLURE. Mr. President, the bill reported by the Committee on Public Works, S. 2228, extends the Public Works and Economic Development Act for 3 more years, through September 31, 1979. The bill also extends the multistate Regional Commissions—authorized by title V of the act—for an additional 2 years, through 1979.

During markup of the extension legislation, the chairman, Senator Ran-

DOLPH, joined by the junior Senator from New Mexico, Senator DOMENICI, proposed a White House Conference on Balanced Growth and Economic Development. The proposal, which authorizes the President to call such a national conference within the next 12 months, was adopted and added as title II of this legislation.

While I have doubts about the need for the increased authorizations in the bill, I consider this bill a good overall piece of legislation and recommend that it be passed by the Senate.

Last July the administration submitted a proposal for a straight 3-year extension of the existing act at currently authorized levels. I introduced the measure, along with the distinguished chairman of the committee, Mr. RANDOLPH, then ranking minority member, Mr. BAKER, and the chairman of the Economic Development Subcommittee, Mr. MONTOYA. Three days of hearings were held in early March of this year on the administration's bill.

The bill reported by the committee is essentially a straight extension of existing programs. There are a few modifying amendments but no substantive alteration of the basic purposes or strategies of the program nor any major new authorities. The authorizations in the committee bill, however, have been substantially increased over the administration's recommendation.

Before discussing the specific provisions of S. 2228, I would briefly sketch the background of the program which extends over 10 years.

The Public Works and Economic Development Act was originally enacted in 1965 to promote development in lagging, economically distressed areas of the country. Under the program, Federal assistance has been extended to help finance the basic infrastructure necessary to provide essential public services—and thus make possible growth and development, primarily through the private sector. Over the years, numerous water systems, roads, industrial parks, harbors, and other public works have been provided. Assistance is targeted to areas which have continually lagged behind the rest of the Nation in economic activity and per capita income, even in times of general prosperity.

The program is designed to focus on the long-term development problems and needs of an area. It is not a countercyclical program. The Public Works Committee came before the Senate earlier this year with a program especially designed to counter the unemployment caused by the recession. That measure, the Public Works Employment Act, carried a special purpose and provisions—entirely separate and separable from the ongoing central mission of the Public Works and Economic Development Act.

The chairman of the Economic Development Subcommittee, Senator MONTOYA, has carefully outlined the separate amendments made by this legislation. I want to briefly focus on those amendments which I think are very important such as the provisions to earmark funds for metropolitan communities, to assist public utilities that finance energy facilities and to increase the authorizations in the bill.

Section 106 of the bill earmarks a certain percentage of the funds appropriated for public works grants under title I to metropolitan areas. These are defined in the bill as communities of 50,000 population or more which are designated under the eligibility criteria in existing law.

I would note that many urban communities are now eligible and participate in the programs administered by the Economic Development Administration. The program serves distressed areas—urban and rural. While the majority of EDA's public works investments over the 10-year span of the program have been in nonmetropolitan areas, the Agency has undertaken some major investments involving millions of dollars in metropolitan communities. These include the very largest cities of New York and Chicago. Since 1970 an increasing share of program resources has been focused in eligible urban areas.

While earmarking funds for all metropolitan areas eligible under the act, section 107 of the Senate amendments gives priority consideration to those urban communities demonstrating severe economic distress. Criteria have been set out in the bill to pinpoint these communities: prolonged, high unemployment; a high rate of the resident population below the poverty level; declining per capita employment; and deterioration of the municipality's economic base. These criteria are in addition to the regular eligibility critera in the act and only serve to focus aid.

During hearings on the extension legislation, witnesses representing urban areas appeared before the committee. Citing the complex problems facing many of our cities, the witnesses recommended to expand greatly the economic development program in urban areas—beyond what is being proposed in this legislation.

I am sympathetic to the economic development needs of metropolitan communities. I believe, however, before the present economic development program is greatly expanded beyond the Senate amendments that we must better understand the results of our ongoing efforts and carefully define any further Federal role.

As I indicated earlier, the Economic Development Administration has gained some experience in urban economic development. There has not been, however, any systematic evaluation of the ongoing programs. I understand that the Agency is presently conducting a complete appraisal of its urban development efforts and plans to report to the Secretary of Commerce later this year. It is regrettable that we cannot have the benefit of the study in time for this bill, but I am certain that if legislative recommendations emerge from the study, the Committee on Public Works will be willing to consider them promptly regardless of the multiyear extension.

During subcommittee markup of the bill, the distinguished junior Senator from New Mexico—who has shown considerable interest in the work of the economic development subcommittee—offered an amendment to permit financial assistance to public utilities for energy facilities. The law now prohibits funding of facilities to generate, transmit, or distribute electrical energy or to produce or transmit natural gas.

The Senator's amendment provides a limited exemption in the case of publicly owned utilities. The amendment authorizes assistance to fund the difference between the revenues that would be required to fully finance the project and the revenues permitted by law.

Mr. President, the bill increases the authorizations in the act above the levels recommended by the administration. The administration's 3-year proposal would authorize a total of $770 million per year through 1979. The increases added by the committee raises this to $895 million for fiscal year 1977 and $900 million each for fiscal years 1978 and 1979.

As I pointed out in the additional views filed with Senator BAKER, I consider these additional amounts unnecessary and unrealistic at this time. Historically funding for this program has fallen substantially below authorized levels. In some years only about a third of the authorization was appropriated. Largely because of this discrepancy between authorized levels and actual funding, the committee reduced the program authorizations in the 1974 extension. Even at current levels, only about half of the authority is being used. The program could be nearly doubled without the increase in this bill. In committee I proposed a more modest increase in authorization levels—an increase which would have provided sufficient room for expansion of the program while reflecting existing funding levels—but my proposal was not adopted.

Putting aside my concern about the authorized levels, I believe this is a good bill, representing the bipartisan efforts of the committee, and I intend to vote for it.

I want to acknowledge the fine cooperation of all members of the committee, particularly the chairman, Senator RANDOLPH, and the chairman of the Economic Development Subcommittee, Senator MONTOYA. Senator STAFFORD and Senator DOMENICI also contributed their time and effort to the final product.

Mr. STAFFORD. Mr. President, I speak in support of S. 2228, the bill to extend the Public Works and Economic Development Act, and to recommend passage of the bill.

During markup of the bill by the full committee, I offered an amendment, which was adopted by a unanimous vote, to guarantee funds for cities in distress.

The bill before the Senate earmarks a percentage of the funds appropriated for title I public works grants for eligible metropolitan areas—which are defined as designated communities with a population of 50,000 persons or more.

Under terms of the language agreed to by the committee, up to 20 percent of the first $250 billion appropriated under title I and up to 35 percent of appropriations in excess of $250 million—up to a ceiling of $450 million—would be available for eligible urban areas. That earmarking assures a minimum level of EDA investment in urban areas.

Although my State of Vermont is the

most rural of all States in our Nation, I am sympathetic to the plight of the cities and I am convinced that the economic health and well-being of rural places and of cities are interdependent. I do not believe, however, that cities intent on promoting their economic development should be placed in direct competition with rural areas for assistance under this program.

The Public Works and Economic Development Act contains programs oriented primarily to rural areas, and the programs have served rural communities well over the years. Indeed, it is one of the few remaining programs that focuses on the problems of rural America.

Under the terms of my amendment that earmarks funds for urban areas, the distressed cities are given a greater share of increasing appropriations. The cities, thus, have a strong interest in seeking additional funding for this legislation. I shall support the urban interests in this effort, for I agree with those who argue for more assistance for our ailing cities.

Since the well-being of our cities and villages is interdependent, however, it serves no one's interest to seek to provide additional help for the cities at the expense of the rural areas of our Nation that have been traditionally served by this legislation.

Mr. McCLURE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Tennessee (Mr. BAKER) relating to this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR BAKER

I am pleased to join my colleagues on the Public Works Committee in recommending S. 2228, to the Senate. The bill extends the Public Works and Economic Development Act for an additional three years, through 1979.

Since it was first enacted in 1965, the Public Works and Economic Development Act has provided federal assistance to economically distressed communities to build the basic public infrastructure necessary to stimulate long term development. I believe the program has usefully carried out this role, in both urban and rural areas, over the years since 1965.

I commend the fine efforts of the Chairman of the Economic Development Subcommittee, Mr. Montoya, and the ranking Republican, Mr. McClure, in bringing this measure to the floor.

The Chairman of the Committee, Senator Randolph has once again contributed his support and knowledge to this legislation. Promoted by his long-standing interest and involvement in this field, the Chairman offered a proposal during Committee markup requesting the President to call a national White House Conference on balanced national growth and economic development. The Chairman's proposal, which was cosponsored by Senator Domenici—who has also contributed a great deal to the economic development legislation—was adopted as Title II of the bill.

The floor managers have fully outlined the provisions of S. 2228 and I will not do so again. I would, however, comment on provisions in the bill affecting designated urban communities.

During hearings on the Administration's bill, witnesses testified about the complex and difficult problems facing many of our urban areas, asserting the need to expand federal economic development assistance in the larger urban areas.

Urban areas are now and have always been eligible for EDA grants, under the same criteria and for the same purposes and assistance provided all other communities under the EDA program. In addition, the 1974 amendments established a special urban planning program in Section 302.

S. 2228 continues the basic purposes and strategies of the existing Act, while targeting funds in metropolitan areas to communities of greatest distress. I support the Committee's intent as I believe it is essential to the effective continuation of a program which has been so valuable to distressed communities—both rural and urban. As stated in the supplemental views I filed with Senator McClure, I consider that it would be a disservice to the ongoing program to establish an artificial and competitive separation of rural and urban areas, as proposed by some during our hearings.

Before the EDA program is greatly expanded in the cities, I think we must evaluate ongoing agency programs and carefully define the Federal role in meeting urban development needs. EDA has been involved in several of our major urban centers since 1967 and has made substantial investments in public works, business development, planning and technical assistance. A full appraisal of these investments would be the first step in defining an urban development strategy.

In support for expanding the federal economic development program, witnesses discussed a myriad of problems obstructing urban development—many of which are beyond the purpose and scope of the present Public Works and Economic Development program. It is imperative, therefore, that those problems and needs which are of higher priority or greater urgency than current projects be identified and the further federal role in meeting these needs be carefully defined in kind and scope.

Some of the same needs which have prompted support for enlarging this program beyond its present purposes and authorities have been the focus of other legislation over the years. Such programs include the old model cities and urban renewal programs, forerunners to the community development grants; manpower programs; the OEO community development corporations, and the Small Business Administration. Through these programs, as well as through EDA, we have gained long experience in urban development and I believe we must learn from and build on these past efforts.

Also, an expanded EDA urban authority should be coordinated with these and other ongoing activities which also affect the economic development of a community. We must clearly define how the EDA urban program complements, supplements or supplants other federal programs.

Only as the task to be accomplished is defined and priorities established will we know what role EDA may serve and whether this agency and approach, or another combination of agencies and approaches would be most appropriate to address the task. I do not believe that good intentions and a few more dollars will alone resolve the problems we have been discussing. And, unless we are careful, the existing and useful program could be destroyed by charging it with a huge, undefined task beyond its capacity.

Mr. President, while I support this legislation I urge that as we proceed we continue to carefully evaluate the program and where it is going. I hope we can address the matters I have raised.

Mr. DOMENICI. Mr. President, I would like to give several remarks in support of S. 2228. Since its inception, the Public Works and Economic Development Act has provided assistance to communities suffering substantial and persistent unemployment. S. 228 extends this valuable program for another 3 years. I strongly endorse such an extension.

I would like to call attention to an amendment I authored to section 704(e). Presently, section 704(e) prohibits funds under the act from being used to finance the cost of facilities for the generation, transmission, or distribution of electrical energy. My amendment would alter this to allow funds to be allowed for transmission or distribution facilities.

The origin of my amendment lies in the plight of the town of Tucumcari, N. Mex. This isolated, rural community has suffered from repeated Federal Power Commission curtailments of its natural gas supply, its principal boiler fuel for electrical generation. Because of its poverty and isolation, the town has had difficulties in procuring alternative supplies of electricity. And without outside financial assistance, it has become apparent that Tucumcari must continue its unacceptable hand-to-mouth existence, relying on increasingly sporadic natural gas supplies. My amendment is designed to alleviate Tucumcari's problems by allowing it, and other similarly situated communities, to employ funds under the Economic Development Act to hook up with the distribution and transmission facilities of alternative suppliers of electricity. It should be stressed that funding under this act is limited to the difference between the actual cost of constructing a transmission line and the revenues which the town could raise from reasonable rate increases.

Another provision of special personal interest is title II of the bill which I cosponsored with Senator RANDOLPH and which requests the President to call a White House Conference on Balanced National Growth and Economic Development within 1 year of enactment. My work on the Budget Committee has left me deeply dissatisfied with the state of knowledge the Nation possesses with respect to the workings of the national economy. The economists that testified before the Budget Committee were at a loss as to how to solve the twin dilemma posed by a recession accompanied by high inflation. Moreover, my intellectual dissatisfaction is heightened by the inability of the Congress to bring what tools it has into play in a coordinated fashion. Overlapping jurisdictions have prevented us from fashioning a coordinated attack on our recent economic ills. Each committee, be it Public Works, or Labor and Public Welfare, or some other committee has been offering cure-alls to a recession that eventually has had to cure itself.

Embedded within the confusion on the proper treatment for the recession is our ignorance of how to end the chronic unemployment of youth in our cities or bring our depressed rural areas into the economic mainstream of American life. The members of the committee tried to address portions of the problem, and in fact expanded the eligibility of urban centers for funding under this bill. Nevertheless, I believe the other members of the committee would agree with me that neither S. 228, nor any other legislation before this Congress provides a comprehensive policy to attack the Nation's economic woes, be they urban or rural, chronic or temporary.

Accordingly, I see the proposed White House Conference as a critical step in continuing the national dialog on how to bring to bear available tools available to fashion a coherent policy for attacking our national economic ills. I would hope that such a conference would serve to coalesce the finest minds in the country on the subject so that at the next extension of this program, the Public Works Committee will have both a better conceptual and a better data base from which to work.

UP AMENDMENT NO. 183

Mr. President, I send to the desk an unprinted amendment and ask the clerk to report it.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 183.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 6, insert the following new section:

SEC. —. Section 515(c) of the Public Works and Economic Development Act, as amended, is amended by deleting the following "Not to exceed $5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out the energy-related provisions of this section and".

Mr. DOMENICI. Mr. President, the purpose of the amendment I am sending to the desk is to increase the amount of funds available to the title V Regional Commissions for their energy demonstration activities. My amendment would remove the funding ceiling in this section of existing law. The amendment does not increase the total authorization in the present bill—it will not violate the Budget Committee targets—but it will allow the Commissions greater flexibility in the use of funds which are appropriated.

Appropriations for the Commissions are made on a lump sum basis—leaving the choice of priorities to each commission. Funds are not earmarked by the Congress for particular activities. The 1975 amendments stipulate, however, that only up to $5 million of a Commission's program funds may be used on energy related programs in a year.

I believe the demonstrated need and the readiness of several regions to move ahead on energy programs merit the greater flexibility provided by my amendment. Many States have been involved in energy related programs for several years—even before the 1975 amendments—and have gained experience and developed sound, worthwhile programs. We know the energy need is immediate and I believe, where a region is ready to proceed, that these demonstration activities should be fully supported so they may be gotten underway as soon as possible.

The Regional Development Act of 1975 authorized a new energy demonstration program for the title V Regional Commissions. The commissions include some of the Nation's major energy producing states as well as some of the larger user-States and States with unique energy requirements. Energy has a profound impact on the development of these regions. In energy producing States, such as my own State of New Mexico, proper development of these resources is important to long term economic viability and a better quality of life.

The committee, therefore, authorized a new program directing the commissions to develop a regional wide strategy for anticipating and planning for the economic and environmental impacts of the energy crisis on the region and for shaping and implementing on-going activities so as to better meet these impacts.

Section 515(b) specifically authorizes each commission to carry out energy related demonstration projects addressing its unique energy problems as these relate to the commission's program. My amendment does not change the energy demonstration program but only removes the funding ceiling on the program.

Mr. President, I believe my distinguished senior Senator is aware of this amendment and, from what I understand, he has no objection to it. I do not intend to use a lot of time.

Mr. MONTOYA. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. MONTOYA. For the majority, I am willing to accept the amendment.

Mr. DOMENICI. I thank my senior colleague.

I just want to make one remark so that everybody will understand that in this particular amendment I do not add any money or any authority for the commissions, but rather there is a provision in the bill which permits a demonstration project with reference to energy programs in States. They can do some energy planning and put together some programs for energy growth areas. That provision had a $5 million limit among the various authorities. By my legislation we just remove that ceiling, and they are left to use their own discretion within the authority they have to use whatever amount they see fit of their authority for this particular function in the area of energy growth.

Mr. President, I ask that this amendment be agreed to, and I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONTOYA. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico (Mr. DOMENICI).

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1992

Mr. MONTOYA. Mr. President, I have an amendment, No. 1992, which I now ask to be considered.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. MONTOYA) proposes amendment numbered 1992.

Mr. MONTOYA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 6, insert the following: SEC. 115. Section 701 of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new paragraph and renumbering subsequent paragraphs accordingly:

"(11) reobligate funds previously obligated under title I, section 201 of title II, or section 403 of title IV for projects which cannot be initiated or completed without regard to the purpose or location of the incomplete or uninitiated project: *Provided, however,* That such previously obligated funds must remain in the same State or State as the initial obligation and the project for which funds will be reobligated must meet all the requirements of this Act;".

Mr. MONTOYA. Mr. President, I offer an amendment to the pending bill S. 2228. It is rather technical in nature with limited substantive impact. The amendment would grant discretionary authority to the Secretary of Commerce in section 701 of the act to reobligate funds previously obligated for projects which cannot be initiated or completed.

When EDA approves a public works project, funds are thereby obligated for the Federal share. When the applicant provides the matching local share, the project can be initiated. Infrequently, some projects never get off the ground. Reasons vary. In some cases, construction costs have risen so sharply that the applicant cannot or will not provide the difference. Or elections bring new governmental officials who refuse to go forward on a project approved by their predecessors. Finally, litigation over environmental requirements may stop a project or delay it for years.

Over its 11 year history, EDA has averaged not more than $2 to $3 million annually in such aborted projects.

This amendment would permit the Secretary to reobligate these funds on new projects provided the new projects are located in the same State.

I believe the amendment would be a useful addition to the Secretary's authorities under title VII.

Unless further explanation is required, I am prepared to yield back my time.

Mr. McCLURE. I have no objection. I yield back all my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico (Mr MONTOYA).

The amendment was agreed to.

AMENDMENT NO. 1991

Mr. MONTOYA. I now call up amendment No. 1991, Mr. President.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. MONTOYA) proposes Amendment No. 1991.

Mr. MONTOYA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 6, insert the following:

SEC. 116. Section 1002 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the entire section and inserting the following:

"SEC. 1002. For the purpose of this title the term 'eligible area' means any area, which the Secretary of Labor designates as an area which has a rate of unemployment equal to or in excess of 7 per centum for the most recent calendar quarter or any area designated pursuant to section 205(c) of the Comprehensive Employment and Training Act of 1973 which has unemployment equal to or in excess of 7 per centum, with special consideration given to areas with unemployment rates above the national average.".

SEC. 117. (a) Section 1003(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(c) Where necessary to effectively carry out the purposes of this title, the Secretary of Commerce is authorized to assist eligible areas in making applications for grants under this title.".

(b) Section 1003(d) of such Act, as amended, is amended to read as follows:

"(d) Notwithstanding any other provisions of this title, funds allocated by the Secretary of Commerce shall be available only for a program or project which the Secretary identifies and selects pursuant to this subsection, and which can be initiated or implemented promptly and substantially completed within twelve months after allocation is made. In identifying and selecting programs and projects pursuant to this subsection, the Secretary shall (1) give priority to programs and projects which are most effective in creating and maintaining productive employment, including permanent and skilled employment measured as the amount of such direct and indirect employment generated or supported by the additional expenditures of Federal funds under this title, and (2) consider the appropriateness of the proposed activity to the number and needs of unemployed persons in the eligible area.".

(c) Section 1003(e) of such Act, as amended, is amended to read as follows:

"(e)(1) The Secretary, if the national unemployment rate is equal to or exceeds 7 per centum for the most recent calendar quarter, shall expedite and give priority to grant applications submitted for such areas having unemployment in excess of the national average rate of unemployment for the most recent calendar quarter. Seventy per centum of the funds appropriated pursuant to this title shall be available only for grants in areas as defined in the first sentence of this subsection.

"(2) Not more than 15 per centum of all amounts appropriated to carry out this title shall be available under this title for projects or programs within any one State, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be available for such projects or programs.".

SEC. 118. Section 1004 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"SEC. 1004. (a) Within forty-five days after enactment of the Emergency Job and Unemployment Assistance Act of 1974 or within forty-five days after any funds are appropriated to the Secretary to carry out the purposes of this title, each department, agency, or instrumentality of the Federal Government, each regional commission established by section 101 of the Appalachian Regional Development Act of 1965 or pursuant to section 502 of this Act, shall (1) complete a review of its budget, plans, and programs and including State, substate, and local development plans filed with such department, agency or commission; (2) evaluate the job creation effectiveness of programs and projects for which funds are proposed to be obligated in the calendar year and additional programs and projects (including new or revised programs and projects submitted under subsection (b)) for which funds could be obligated in such year with Federal financial assistance under this title; and (3) submit to the Secretary of Commerce recommendations for programs and projects which have the greatest potential to stimulate the creation of jobs for unemployed persons in eligible areas. Within forty-five days of the receipt of such reccommendations the Secretary of Commerce shall review such recommendations, and after consultation with such department, agency instrumentality, regional commission, State, or local government make allocations of funds in accordance with section 1003(d) of this title.

"(b) States and political subdivisions in any eligible area may, pursuant to subsection (a), submit to the appropriate department, agency, or instrumentality of the Federal Government (or regional commission) program and project applications for Federal financial assistance provided under this title.

"(c) The Secretary, in reviewing programs and projects recommended for any eligible area shall give priority to programs and projects originally sponsored by States and political subdivisions, including, but not limited to, new or revised programs and projects submitted in accordance with this section.".

SEC. 119. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking such section and renumbering subsequent sections accordingly.

SEC. 120. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended by striking the period and inserting the following at the end thereof: "unless this would require project grants to be made in areas which do not meet the criteria of this title.".

SEC. 121. (a) Section 1006 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended to read as follows:

"SEC. 1006. (a) There are hereby authorized to be appropriated to carry out the provisions of this title $125,000,000 for each calendar quarter of a fiscal year during which the national average unemployment is equal to or exceeds 7 per centum on the average. No further appropriation of funds is authorized under this section if a determination is made that the national average rate of unemployment has receded below an average of 7 per centum for the most recent calendar quarter as determined by the Secretary of Labor.

"(b) Funds authorized by subsection (a) are available for grants by the Secretary when the national average unemployment is equal to or in excess of an average of 7 per centum for the most recent calendar quarter. If the national average unemployment rate recedes below an average of 7 per centum for the most recent calendar quarter, the authority of the Secretary to make grants or obligate funds under this title is terminated. Grants may not be made until the national average unemployment has equalled or exceeded an average of 7 per centum for the most recent calendar quarter.

"(c) Funds authorized to carry out this title shall be in addition to, and not in lieu of, any amounts authorized by other provisions of law.".

SEC. 122. Section 1007 as redesignated by this Act is amended by striking "December 31, 1975" and inserting in lieu thereof "September 30, 1979".

SEC. 123. Title X of the Public Works and Economic Development Act of 1965 is further amended by adding at the end thereof the following new section:

"CONSTRUCTION COSTS

"SEC. 1008. No program or project originally approved for funds under an existing program shall be determined to be ineligible for Federal financial assistance under this title solely because of increased construction costs.".

Mr. MONTOYA. Mr. President, I propose an amendment to the Public Works and Economic Development Act that would add the job opportunities program as a standby antirecession measure to EDA's regular programs.

The job opportunities program, also known as title X, would become operative only when unemployment reached 7 percent nationally for the preceding calendar quarter. It would provide project opportunities on a priority basis for the areas with highest unemployment. It would authorize $125 million each quarter, with a maximum annual authorization of $500 million.

The Senate has passed this program three times: First, as title III of the Emergency Jobs and Unemployment Assistance Act of 1974 in December of 1974; second, in H.R. 5247, the Public Works Employment Act of 1975, that the President vetoed and the Congress failed to override by three votes in February of this year; and third, in S. 3201 passed on April 13, 1976, the Public Works Employment Act of 1976, the conference report of which the Senate passed on June 16, 1976.

Despite some signal successes in the title X program, the conferees of S. 3201 and H.R. 12972 found it expedient, in the interests of a more modest bill in the hopes of President Ford's approval, to omit this program from the conference report. As chairman of the conference, I indicated to my fellow conferees my intention of adding it as a standby program to the EDA legislation. That is the history of the amendment.

As the amendment is drafted, the program will not cost the Government any money during the current economic recovery. It will not be available as standby authority until the new fiscal year begins on October 1. The administration is now predicting that unemployment will drop below 7 percent before the end of this year.

Mr. President, $500 million was spent by the Federal Government for this program in 1975. The program had some bugs in it, but we have excised them. The program had a premium on labor intensity because the legislation required that half the money go to projects with 75 percent or more labor costs. We have eliminated that provision, replacing it with an emphasis on job effectiveness, that is, the leveraging potential of each program dollar.

The other difficulty we had with the program was the short turnaround time potential applicants had to submit applications. The responsibility for this rests with the administration, as we detailed for the record in an oversight hearing on November 5, 1975.

This program is today producing a man-year job at less than $11,000 for persons who had been unemployed—the Federal cost is $8,900, but only $7,000 title X dollars. The $500,000 obligated during 1975 produced a total of more than 100,000 direct jobs. The total man-year jobs was nearly 72,000. We think these statistics indicate a very good program.

Projects have been undertaken across the country that were generally of a community improvement variety. The average duration of a job has been 8 months. Highest priority was given projects in high unemployment areas. Indeed, the average area unemployment for all projects selected was in the 15- to 17-percent range.

Members will recall that this program uses many different agencies of the Federal Government, gathering project opportunities from each agency's program areas and program clients. Using Federal agencies and their programs as a vehicle to reach out into the country has the twin advantages of low cost for administration, that is, no new bureaucracy need be created, and speed, that is, using the existing program mechanisms and networks of appropriate agencies for maximum responsiveness to unemployment.

In closing, let me remind my colleagues that too often Congress is unable to legislate against the virus of recession until the country is very ill. There is widespread agreement that if standby authorities existed, programs to provide useful community-improvement jobs could be in place at the front end of a recession. This is an opportunity to do that. It is a modest program. It would have a legislative life of 3 years, the length of time we are extending the public works and economic development act.

Mr. President, I ask unanimous consent to print in the RECORD at this point a table showing jobs created and job costs for the title X program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

APR. 31, JOB OPPORTUNITIES PROGRAM[1]—TITLE X

$500,000,000 APPROPRIATED AND OBLIGATED DURING 1975

	1st round of $125,000,000 produced	2d round of $375,000,000	Total
Direct jobs created	27,929	72,929	100,223
Man-year jobs	15,913	55,490	71,403
Total cost per job per man-year	$10,926	$10,846	$10,875
Title X funds only per job (man-year)	$7,827	$6,829	$7,000
Total Federal funds per man-year job			8,900
Total project costs	[2]$173,870,000	[3]$601,891,000	[4]$775,762,000
Average rate of unemployment in project area (percent)	14.9	18	
Labor intensity (costs) (percent)	72	83.4	
Average length of employment (months)	8	8	

[1] Based on EDA estimates.

[2] 29 percent nontitle X.

[3] 37 percent nontitle X.

[4] Includes: 123,500,000 private, local, and State government; 128,000,000 other Federal funds.

Mr. RANDOLPH. I commend the distinguished Senator from New Mexico (Mr. MONTOYA) for his amendment. The bill, as reported from the committee, did not extend the authority of the job opportunities program, title X of the Public Works and Economic Development Act. This provision was included in the public works employment bill (S. 3201) as it passed the Senate. The conference, however, did not include this measure.

I believe that the inclusion of a standby job opportunities program is necessary in S. 2228. We must have a means of creating jobs in the event that a recession occurs. As the distinguished Senator has indicated, appropriations under this title would only be made when unemployment exceeds 7 percent for any calendar quarter. Under this provision, funds would not be appropriated for any period when unemployment is not excessive.

The job opportunities program was originally initiated by Senators MCCLURE, DOMENICI and myself in December of 1974 when the current recession created substantial unemployment. The program was created as an amendment to title III of the Emergency Jobs Assistance Act of 1974. An initial authorization of $500,000,000 was provided and an appropriation of $125,000,000 made in December of 1974. The first appropriation created 16,000 man-years of employment at an average cost of $10,925 per man-year. It is estimated that the additional $375,000,000 which was appropriated subsequently will create 55,000 direct jobs at an average cost per job of $10,850.

The program established by title X provides jobs swiftly when the need arises. This language provides an opportunity for meaningful jobs. It is essential that adequate authority exists when we are faced with serious unemployment problems. I therefore fully support this standby authority as a regular part of our economic development program.

Mr. MONTOYA. Mr. President, the minority is very well acquainted with this amendment, as are all the other members of the committee who are here on the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I have no objection to this amendment, but I do have one reservation which, I think, we might explore for the record at this time.

I would ask how the program being added by the Senator's amendment—which is a standby antirecession authority—relates to S. 3201, the Public Works Employment Act, which is now pending, which the President may or may not sign and which the Congress may or may not pass over his veto if he does veto it. If that antirecession measure becomes law, then it seems to me that this program might be made effective following calendar 1977 rather than in the same year in which the pending public works jobs bill would become law. By the time we get to conference on this bill, we will know whether the other legislation has become law, and we might then decide to make this program effective either now or at the end of calendar 1977, depending upon the effective date of S. 3201.

Would the Senator from New Mexico be willing to consider that as a possibility in the conference, and that we might be able to take that action then?

Mr. MONTOYA. I would not want to make a definite commitment that I would go that route because this authorization bill has a different function to perform.

I am willing to consider the Senator's proposal and to discuss it, but I really do not want to give the Senator a commitment at this time.

Mr. McCLURE. I thank my colleague from New Mexico.

As the Senator knows, this program is one that I have supported. I was one of the cosponsors of the original bill and it has widespread interest in this body.

We have had a little more difficulty getting the other body to accept the concept, and we have had very great difficulty getting the Department of Commerce to actually implement the program when it was on the books and we were trying to get it implemented.

But I do have some real doubts about the wisdom of trying to overlay the antirecessionary jobs bill, which is on the President's desk, with this additional program authorizing $1.5 billion over a 3-year period.

But if we can get some sort of understanding that in the conference we will take a good hard look at deferring the beginning date of the authorization of this program to the termination of calendar 1977 in the event that S. 3201 becomes law, then I would have no objection, no reservation at all, in accepting the amendment.

Mr. MONTOYA. Of course, we have another possibility, that the Appropriations Committee will certainly weigh the dual operations of both bills and make a determination as to whether or not any programs under this amendment would be justified if the other bill becomes law.

I am sure that is something we can look forward to, because the Appropriations Committee has been very responsible in appropriating funds within the authorization, and below the authorization, heretofore.

Mr. McCLURE. The Senator from New Mexico, of course, is entirely correct. But I am somewhat concerned that we do not abdicate our initiatives in this instance and give to the Appropriations Committee greater latitude than we ought to give them in determining which of the programs ought to go forward.

Mr. MONTOYA. No.

Mr. McCLURE. This body has already gone on record in favor of S. 3201 and indicated we want it done. We are going to have to fight somewhat to determine whether or not the total authorized in S. 3201 will be fully funded.

I wonder if I might ask the Senator from West Virginia, the chairman of the full committee, if he perhaps could agree with me that we will give that matter consideration when we get to the conference, by which time we will know what the fate of S. 3201 will be?

Mr. RANDOLPH. Yes.

Mr. President, the able Senator from Idaho (Mr. MCCLURE) certainly has, I think, treated this matter in a realistic manner.

There is no difficulty with my approval of the suggestion which has been made during the debate today. We can examine the situation with respect to title X when the conference takes place on this legislation.

I am sure the able manager of the bill (Mr. MONTOYA) is perfectly agreeable, as I am, as to the Senator's request.

Mr. McCLURE. I thank the Senator from West Virginia.

With that assurance, I have no objection to the adoption of the amendment.

Mr. MONTOYA. I yield back the remainder of my time.

Mr. McCLURE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MONTOYA. Mr. President, I yield such time as the Senator from West Virginia may require on the bill.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, there are legislative proposals advanced in the Senate which have the interest of Members to a greater degree than other proposals. But I do believe that the benefits that flow from the passage of such legislation as we are considering today are of not only intense interest to the Members of the Congress; they reflect the thinking of the American people as a whole.

Mr. McCLURE. Will the Senator yield for a unanimous-consent request?

Mr. RANDOLPH. Yes.

Mr. McCLURE. I wonder if it might be in order to ask for the yeas and nays on final passage of the bill?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RANDOLPH. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 17 minutes remaining on the bill.

Mr. MONTOYA. Mr. President, will the Senator yield?

Mr. RANDOLPH. Yes.

Mr. MONTOYA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. I thank the Senator.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, it is in that spirit that I discuss the legislation which extends for 3 years. A program has a personal connotation. This legislation has an impact, Mr. President, upon individual lives. The citizens of our country have a direct benefit.

The Public Works and Economic Development Act became a law in 1965. There was an awareness at that time that all of the sections of our country were not equipped to share the general prosperity and the well-being that was prevalent throughout the Nation.

This program was designed to help communities build sound bases on which they could develop stable and diversified economics.

The program, through the years, has recognized that the primary facilities needed to help achieve these goals often are beyond the financial capability of some communities.

We adopted a procedure, therefore, whereby the Federal Government would provide additional funds to help these communities build the public works services.

Mr. President, this is not a program primarily intended to reverse economic recession on an emergency basis.

It is, instead, a long term effort to move forward and to actually avoid those violent fluctuations which occur in the economic cycle. There are provisions of this program which can be helpful in softening the impact of recession and helping to turn around. But the basic thrust is one of long term economic development.

The act has been strengthened several times during the past 11 years.

I take occasion now to say that often a measure placed upon the books 7, 8, 10, or 11 years ago needs review. It needs careful oversight from time to time to make it workable.

I believe the objectives have been worthwhile.

I believe the program has been successful in the pursuit of its objectives. Throughout our country, there are communities which are better places to live where the children and parents are living better today because of these community projects. There are communities throughout the Nation which have seen the creation of new jobs. In this way, we have helped underdeveloped communities in the country. We have strengthened them in many ways.

The measure before the Senate would extend the law for 3 years. It provides new funding authority totaling $3.4 billion and continues the evolutionary process of adapting the program to changing conditions.

I express appreciation to the Senator from New Mexico (Mr. MONTOYA), and all members of the Subcommittee on Economic Development, as well as all members of the Public Works Committee. Our committee is without partisanship. The members of the committee address these subjects constructively and objectively. We try to work from the standpoint of the needs of people. So our programs, although they deal with public works, are people-oriented. That is the very reason for the action that we are taking today.

The major new provision in this legislation enhances the ability of the program to deal with problems that are mainly urban in nature. The Public Works and Economic Development Act is generally perceived to have a rural and small town thrust. There are nearly 200 cities of more than 50,000 population eligible to participate under this program. The bill improves the ability of the program to make a bold attack on the specific parts of our urban society where there is severe unemployment.

In recent years, approximately 20 percent of the funds of the Economic Development Administration have been invested in cities. This figure has gradually increased and last year stood at 24 percent. To accommodate the greater ability of this bill to cope with city problems, authorizations for the title I program are increased from $250 million to $450 million. It also designates precise percentages for use in urban areas.

A vital part of the total economic development program is that intended to help create and support new businesses. For this purpose, funds are provided for business development loans and loan guarantees. The availability of these funds has assisted many small enterprises in making contributions to local economic progress. The present authorization is $75 million per year. The committee bill increases this authorization to $125 million annually in the belief that this activity should be more vigorously pursued. It also recognizes that the new urban segment of the program will make additional demands on the business loan and guarantee authority.

Mr. President, we have no mechanism within our governmental system for the development of a national growth and economic development policy. Each administration has its Council of Economic Advisers, but no coherent policy evolves from this framework. Title II of this bill authorizes and requests the President to convene a White House Conference on Balanced National Growth and Economic Development.

At this point I want to express very sincere tribute for leadership in calling attention to the need for the balanced growth in our country. That tribute goes to the able Senator from New Mexico (Mr. DOMENICI) who for several years, especially in the last year or year and a half, has addressed this subject in a very constructive way.

Some people would say that a national policy on growth and economic development is not needed. There are, I believe, other authoritative voices being heard in this country who say that this is the time for such a policy is essential.

Mr. DOMENICI. Will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. DOMENICI. I know the Senator does not have much time, so I will use my time.

I want to make a comment on this economic conference that the Senator referred to, the balanced growth conference.

First, I want to thank the distinguished chairman for his kind words with respect to my participation. I think back about 2½ years when the chairman and I introduced such legislation. I would like to address that for just a moment.

There are those who think that this part of the bill means that the chairman and I, and the Public Works Committee, want to somehow control the growth in this country. We are not talking about that at all. If there is anything that is obvious, Mr. President, and I know our distinguished chairman shares this with me, we have so many inconsistent policies in this country with reference to growth it is almost incredible. On the one hand, there are thrusts toward rural development and rural growth. Across the land is the cry that the major problem is in the big cities.

As we look to see and to attempt how to focus in on these problems, we find that it covers a myriad of public problems, from taxes, to where we put the money for mass transit. The inconsistencies which exist there indicate clearly to me that this conference could be used not to dictate to the private enterprise system but to put some sense into the conflicting policies which now exist and, if nothing else, lay them out once and for all for what they are: inconsistent approaches, piecemeal approaches to problems either of growth, nongrowth, or changing growth patterns, and that affect rural and big city America every day and every year, and it is in that spirit——

Mr. RANDOLPH. You know, in the attempt to carry out some of these programs, rather than having them adjusted to the cooperative thrust which is necessary, we have created an octopus in the Federal Government. It stretches out in different directions, but the center is that octopus, which is certainly not sound legislative or administrative dealing with these problems.

Mr. DOMENICI. I would just close by saying that if such a conference was called, merely to examine the situation and lay out some precise evaluations of where we are, and to make some deductions as to what impact or lack of impact existing programs and existing tax laws are having on this utterly confused state of affairs, where our central cities are in a state of decay and our rural America thinks it is disappearing, by way of vitality—if we just put those down by way of some informed observations, it would lend some credibility to the efforts of the public sector and Congress, and I think it would be an excellent mechanism for arriving at some comprehensive, nonpiecemeal approaches.

Mr. RANDOLPH. I thank the Senator for his kind words.

Mr. MONTOYA. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. MONTOYA. I commend our distinguished chairman, the Senator from West Virginia (Mr. Randolph) for the leadership he has supplied to the subcommittee and the full committee with respect to economic development legislation, not only this year but in past years. As we all know, the distinguished chairman was the original author of the Appalachian Regional Commission, which was the starting blueprint for economic development programs in this country. In subsequent legislation, we provided for the five regional commissions, and we have been able to stimulate economic development through economic legislation which the Public Works Committee, under his leadership, has forged in the last few years.

I also commend my good friend the Senator from Idaho (Mr. McClure) and the other members of this committee, Senator Domenici and the others, and also the staff, for working so diligently and so harmoniously in trying to bring this legislation to the floor.

I thank the Senator for yielding.

Mr. RANDOLPH. I thank the manager of the bill. As I have said today and on prior occasions, his leadership in these matters is certainly understood by all members of our committee, and I think well appreciated in the Senate.

Is the Senator from Idaho seeking recognition?

Mr. McCLURE. Yes.

Mr. RANDOLPH. Mr. President, how much time do we have?

The PRESIDING OFFICER. There is 1 minute remaining on the bill.

Mr. RANDOLPH. Mr. President, just to conclude one thought on a very important part of this bill, in our thinking: We need a means of bringing together our housing, our community development, our agriculture, our rural and urban development programs—all of these must be recognized, and we must find balanced solutions.

That is the reason why I think that, with the diverse interests of the American society, industrial and agricultural, we need to better understand how we can achieve these goals.

So the bill itself is a bill not just for today, but a bill that will help us, Mr. President, to build a better America.

Mr. MONTOYA. Mr. President, I am prepared to yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I have discussed the matter with the chairman of the committee, and I ask unanimous consent that the order to vitiate the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCLURE. Mr. President, do I correctly understand that that action will lead to the reinstatement of the yeas and nays, and that the yeas and nays are ordered?

Mr. MANSFIELD. Yes.

Mr. McCLURE. Mr. President, let me just conclude with these words: The EDA program has been directed toward the balanced economic development of the country, identifying those areas that have lagged behind. Under the distinguished leadership of the Senator from West Virginia and the Senator from New Mexico, chairman of the subcommittee (Mr. Montoya), the program has had that thrust. I trust we will continue to monitor the program, and to assist the administration in making certain that the EDA programs are directed toward the economically lagging areas of our country, and will provide that rather precise tool that is needed to provide economic stimulus where there is a cronic economic lag.

That has characterized the program in the past. I think it will continue to characterize the program, and, therefore, has the support of most Members of Congress.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Morgan). All remaining time having been yielded back, the question is on agreeing to the committee amendments, as amended.

The committee amendments, as amended, were agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 2228) was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Florida (Mr. Chiles), the Senator from Idaho (Mr. Church), the Senator from Mississippi (Mr. Eastland), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Illinois (Mr. Stevenson), the Senator from Missouri (Mr. Symington), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Stevenson) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), the Senator from Nebraska (Mr. Hruska), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that the Senator from New York (Mr. Buckley) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) and the Senator from Arizona (Mr. Goldwater) would each vote "yea."

The result was announced—yeas 79, nays 2, as follows:

[Rollcall Vote No. 384 Leg.]

YEAS—79

Abourezk
Allen
Bartlett
Beall
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—2

Helms
Proxmire

NOT VOTING—19

Baker
Bayh
Bellmon
Bentsen
Buckley
Chiles
Church
Eastland
Goldwater
Hart, Philip A.
Hatfield
Hruska
Johnston
Kennedy
Long
Stevens
Stevenson
Symington
Tunney

So the bill (S. 2228), as amended, was passed, as follows:

S. 2228

An act to amend the Public Works and Economic Development Act of 1965, as amended, to extend the authorizations for a three-year period

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. The second sentence of section 101(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows: "In the case of any State, political subdivision thereof, or Community Development Corporation which the Secretary determines has exhausted its effective taxing or borrowing capacity, the Secretary may reduce the non-Federal share below such per centum or waive the non-Federal share in the case of such a grant for a project in a redevelopment area designated as such under section 401(a)(6) of this Act.".

SEC. 102. The first sentence of section 102 of the Public Works and Economic Development Act of 1965, as amended, is amended—

(1) by striking out "and June 30, 1976," and inserting in lieu thereof "June 30, 1976, September 30, 1977, September 30, 1978, and September 30, 1979,"; and

(2) by inserting immediately before "shall be available" the following: ", and for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $7,500,000 of the fund authorized to be appropriated under such section 105 for such period,".

SEC. 103. Section 105 of the Public Works and Economic Development Act of 1965, as amended, is amended—

(1) by striking out the period at the end of the first sentence and inserting in lieu thereof the following: ", not to exceed $62,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $450,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.";

(2) by striking out "and June 30, 1976," in the third sentence and inserting in lieu thereof "June 30, 1976, the period beginning July 1, 1976, and ending September 30, 1976, and the fiscal year ending September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 104. (a) Title I of the Public Works and Economic Development Act of 1965, as amended, is further amended by adding the following new section at the end thereof:

"URBAN ECONOMIC DEVELOPMENT

"SEC. 107. (a) Any municipality with a population of fifty thousand or more which has been designated a 'redevelopment area' or which is within the boundaries of a 'redevelopment area' shall be eligible on a priority basis for the assistance as authorized by section 101(a)(1) of this Act if (i) or (ii) and either (iii) or (iv) of the following indicators of economic distress is determined by the Secretary to be present—

"(i) 15 per centum of a municipality's population level as defined by the Office of Management and Budget;

"(ii) unemployment at least 50 per centum above the national unemployment rate for the preceding twenty-four months;

"(iii) significant decline in per capita employment over the preceding three-year period; or

"(iv) deterioration of a municipality's economic base industrial, commercial, and other facilities, as determined by the Secretary.

"(b) Not to exceed 20 per centum of the first $250,000,000 appropriated under section 105 and not to exceed 35 per centum of appropriations in excess of $250,000,000 shall be available for eligible urban areas under this title. Any municipality qualifying for assistance under this section shall not be eligible for other assistance under title I of this Act.

"(c) Projects funded by this priority assistance program must relate to the number and needs of unemployed persons in the eligible areas and contribute significantly to the reduction of unemployment in the area for which the eligibility was determined.

"(d) Each municipality seeking assistance under this section must have a current approved overall economic development program or where appropriate prepare such a program for approval in accordance with subsection 202(b)(10) of this Act prior to receiving assistance under this section. Such planning programs should be coordinated with planning of other jurisdictions in the metropolitan area. The development program shall also be coordinated with activity in the city under the Comprehensive Employment and Training Act and the community development block grant program.".

(b) Section 401(a)(8) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(8) those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas with unemployment at least 50 per centum above the national unemployment rate for the preceding twenty-four months.".

SEC. 105. Section 201(c) of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the period at the end thereof and inserting the following: ", and shall not exceed $18,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and shall not exceed $125,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.".

SEC. 106. Section 303 of the Public Works and Economic Development Act of 1965, as amended, is amended—

(1) by striking the period at the end of subsection (a) and inserting the following: ", $18,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $75,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.";

(2) by inserting after "1976" in subsection (b) the following: ", not to exceed $3,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $15,000,000 in each of the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 107. Section 304(a) of the Public Works and Economic Development Act of 1965, as amended, is amended by inserting after "June 30, 1976," the following: "$18,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $75,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 108. Section 401(a)(1)(A) of the Public Works and Economic Development Act of 1965, as amended, is amended by striking "available calendar year" and inserting in lieu thereof "twelve consecutive months".

SEC. 109. Section 403(g) of the Public Works and Economic Development Act of 1965, as amended, is amended by inserting immediately after "June 30, 1976," the following: "not to exceed $11,250,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $45,000,000 per fiscal year for the fiscal year ending September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 110. Section 404 of the Public Works and Economic Development Act of 1965, as amended, is amended by inserting after "June 30, 1976" the following ", not to exceed $6,250,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $25,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 111. Section 509(c) of the Public Works and Economic Development Act of 1965 as amended, is amended by striking out the first sentence and inserting in lieu thereof the following: "The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized on or before September 30, 1979, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; titles VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; and titles I and IX of this Act.".

SEC. 112. The first sentence of section 509(d)(1) of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "and for the fiscal year ending September 30, 1977, to be available until expended, $250,000,000." and inserting in lieu thereof "and for the fiscal year ending September 30, 1977, September 30, 1978, and September 30, 1979, to be available until expended, $250,000,000 per fiscal year.".

SEC. 113. Section 704(e) of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the period and adding at the end thereof the following: ": Provided, That this prohibition shall not apply to a publicly-owned utility which seeks financial assistance to cover the costs of transmission or distribution facilities for electric energy or natural gas. Such assistance shall be limited to the difference between the revenue derived over the project life from the sale of electricity or natural gas and the costs associated with the transmission and distribution of the electricity or natural gas.".

SEC. 114. Section 905 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out the period at the end thereof and inserting the following: ", not to exceed $25,000,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $100,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979.".

SEC. 115. Section 515(c) of the Public Works and Economic Development Act, as amended, is amended by deleting the following "Not to exceed $5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out the energy-related provisions of this section and".

SEC. 116. Section 701 of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new paragraph and renumbering subsequent paragraphs accordingly:

"(11) reobligate funds previously obligated under title I, section 201 of title II, or section 403 of title IV for projects which cannot be initiated or completed without regard to the purpose or location of the incomplete or uninitiated project: *Provided, however,* That such previously obligated funds must remain in the same State or States as the initial obligation and the project for which funds will be reobligated must meet all the requirements of this Act;".

Sec. 117. Section 1002 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the entire section and inserting the following:

"Sec. 1002. For the purpose of this title the term 'eligible area' means any area, which the Secretary of Labor designates as an area which has a rate of unemployment equal to or in excess of 7 per centum for the most recent calendar quarter or any area designated pursuant to section 204(c) of the Comprehensive Employment and Training Act of 1973 which has unemployment equal to or in excess of 7 per centum, with special consideration given to areas with unemployment rates above the national average.".

Sec. 117. (a) Section 1003(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(c) Where necessary to effectively carry out the purposes of this title, the Secretary of Commerce is authorized to assist eligible areas in making applications for grants under this title.".

(b) Section 1003(d) of such Act, as amended, is amended to read as follows:

"(d) Notwithstanding any other provisions of this title, funds allocated by the Secretary of Commerce shall be available only for a program or project which the Secretary identifies and selects pursuant to this subsection, and which can be initiated or implemented promptly and substantially completed within twelve months after allocation is made. In identifying and selecting programs and projects pursuant to this subsection, the Secretary shall (1) give priority to programs and projects which are most effective in creating and maintaining productive employment, including permanent and skilled employment measured as the amount of such direct and indirect employment generated or supported by the additional expenditures of Federal funds under this title, and (2) consider the appropriateness of the proposed activity to the number and needs of unemployed persons in the eligible area.".

(c) Section 1003(e) of such Act, as amended, is amended to read as follows:

"(e)(1) The Secretary, if the national unemployment rate is equal to or exceeds 7 per centum for the most recent calendar quarter, shall expedite and give priority to grant applications submitted for such areas having unemployment in excess of the national average rate of unemployment for the most recent calendar quarter. Seventy per centum of the funds appropriated pursuant to this title shall be available only for grants in areas as defined in the first sentence of this subsection.

"(2) Not more than 15 per centum of all amounts appropriated to carry out this title shall be available under this title for projects or programs within any one State, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be available for such projects or programs.".

Sec. 118. Section 1004 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"Sec. 1004. (a) Within forty-five days after enactment of the Emergency Job and Unemployment Assistance Act of 1974 or within forty-five days after any funds are appropriated to the Secretary to carry out the purposes of this title, each department, agency, or instrumentality of the Federal Government, each regional commission established by section 101 of the Appalachian Regional Development Act of 1965 or pursuant to section 502 of this Act, shall (1) complete a review of its budget, plans, and programs and including State, substate, and local development plans filed with such department, agency or commission; (2) evaluate the job creation effectiveness of programs and projects for which funds are proposed to be obligated in the calendar year and additional programs and projects (including new or revised programs and projects submitted under subsection (b)) for which funds could be obligated in such year with Federal financial assistance under this title; and (3) submit to the Secretary of Commerce recommendations for programs and project which have the greatest potential to stimulate the creation of jobs for unemployed persons in eligible areas. Within forty-five days of the receipt of such recommendations, the Secretary of Commerce shall review such recommendations, and after consultation with such department, agency instrumentality, regional commission, State, or local government make allocations of funds in accordance with section 1003(d) of this title.

"(b) States and political subdivisions in any eligible area may, pursuant to subsection (a), submit to the appropriate department, agency, or instrumentality of the Federal Government (or regional commission) program and project applications for Federal financial assistance provided under this title.

"(c) The Secretary, in reviewing programs and projects recommended for any eligible area shall give priority to programs and projects originally sponsored by States and political subdivisions, including, but not limited to, new or revised programs and projects submitted in accordance with this section.".

Sec. 119. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking such section and renumbering subsequent sections accordingly.

Sec. 120. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended by striking the period and inserting the following at the end thereof: "unless this would require project grants to be made in areas which do not meet the criteria of this title.".

Sec. 121. (a) Section 1006 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended to read as follows:

"Sec. 1006. (a) There are hereby authorized to be appropriated to carry out the provisions of this title $125,000,000 for each calendar quarter of a fiscal year during which the national average unemployment is equal to or exceeds 7 per centum on the average. No further appropriation of funds is authorized under this section if a determination is made that the national average rate of unemployment has receded below an average of 7 per centum for the most recent calendar quarter as determined by the Secretary of Labor.

"(b) Funds authorized by subsection (a) are available for grants by the Secretary when the national average unemployment is equal to or in excess of an average of 7 per centum for the most recent calendar quarter. If the national average unemployment rate recedes below an average of 7 per centum for the most recent calendar quarter, the authority of the Secretary to make grants or obligate funds under this title is terminated. Grants may not be made until the national average unemployment has equalled or exceeded an average of 7 per centum for the most recent calendar quarter.

"(c) Funds authorized to carry out this title shall be in addition to, and not in lieu of, any amounts authorized by other provisions of law.".

Sec. 122. Section 1007 as redesignated by this Act is amended by striking "December 31, 1975" and inserting in lieu thereof "September 30, 1979".

Sec. 123. Title X of Public Works and Economic Development Act of 1965 is further amended by adding at the end thereof the following new section:

"CONSTRUCTION COSTS

"Sec. 1008. No program or project originally approved for funds under an existing program shall be determined to be ineligible for Federal financial assistance under this title solely because of increased construction costs.".

TITLE II

Sec. 201. The President of the United States is authorized and requested to call a White House Conference on Balanced National Growth and Economic Development within one year of the date of enactment of this Act in order to develop recommendations for further action toward balanced national growth and economic development, and to take account of present conditions and trends as set forth in the report accompanying this Act. Such conference shall be planned and conducted under the direction of the domestic council with the cooperation and assistance of such other Federal departments and agencies, including the regional commissions established under the Appalachian Regional Development Act and title V of Public Works and Economic Development Act.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, and energies and the improvement of our country's social and economic needs, the conference shall assemble representatives of government, business, labor, and other citizens and representatives of institutions who could work together for balanced national growth and economic development.

(c) A final report of the White House Conference on Balanced National Growth and Economic Development shall be submitted to the President not later than one hundred and eighty days following the date on which the conference is called and findings and recommendations included therein shall be immediately made available to the public. The President shall, within ninety days after the submission of such final report, transmit to the Congress his recommendations for the administrative action and legislation necessary to implement the recommendations contained in such report.

Sec. 202. In administering this joint resolution, the Secretaries shall—

(1) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate;

(2) give all reasonable assistance, including financial assistance, to the States to enable them to organize and conduct conferences on balanced growth and economic development;

(3) prepare and make available background materials for the use of delegates to the White House Conference on Balanced National Growth and Economic Development as they may deem necessary.

(4) prepare and distribute interim reports of the White House Conference on Balanced National Growth and Economic Development as may be appropriate; and

(5) engage such personnel as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 57 and subchapter 53 of such title relating to classification and General Schedule pay rates.

Sec. 203. For the purpose of this joint resolution the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

Sec. 204. The Secretaries are authorized and directed to establish an Advisory Committee to the White House Conference on Balanced National Growth and Economic Development composed of fifteen members of whom not less than five shall represent businesses in the private sector and the Secretaries of the Departments of Commerce, Agriculture, Housing and Urban Development, and relevant Federal program managers.

Mr. MONTOYA. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 2228.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I ask unanimous consent that 250 copies of the bill as passed be printed for the use of the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ALLEN. Mr. President, I ask unanimous consent that I may proceed for 3 minutes, without regard to the rule of germaneness.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR RANDOLPH'S TREATISE ON THE SIGNING OF THE DECLARATION OF INDEPENDENCE

Mr. ALLEN. Mr. President, I wish to comment briefly on Senator JENNINGS RANDOLPH's patriotic and inspirational treatise on the signing of the Declaration of Independence.

The able and distinguished senior Senator from West Virginia (Mr. RANDOLPH) is one of the most noted and best informed authorities on the history of the United States. Of particular interest to Senator RANDOLPH has been the history of the founding of our Republic.

In the July 1976 issue of "Success Unlimited, The Magazine With a Positive Mental Attitude," in a learned treatise, "They Signed for Our Independence," Senator RANDOLPH writes of the signing of the Declaration of Independence, of the events leading up to the signing, of the tremendous significance of the Declaration, of the background and later lives of the signers, and how it all came about.

Senator RANDOLPH makes these great patriots and their momentous decisions and actions come to life and inspires us to be willing, as did the 56 signers of the Declaration, to pledge our lives, our fortunes, and our sacred honor for the maintenance and support of our freedom and independence.

Feeling that more Americans should have the privilege of reading Senator RANDOLPH's patriotic and inspirational message, I ask unanimous consent that a copy be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THEY SIGNED FOR OUR INDEPENDENCE

(By JENNINGS RANDOLPH)

Even in this Bicentennial year, few Americans appreciate the stirring drama, the tales of bravery and sacrifice that lie behind the fifty-six signatures on our Declaration of Independence. Here is your chance to meet some of the courageous men who helped shape our country . . .

The National Archives Building in Washington, D.C., is about halfway between the U.S. Capitol and the White House. Prominently on display in Exhibition Hall is a parchment document that is one of our most cherished legacies—the Declaration of Independence.

The thrilling words written two hundred years ago are familiar: "When in the course of human events, it becomes necessary for one people to dissolve the political bonds which have connected them with another . . ."; "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are Life, Liberty, and the pursuit of Happiness . . ."; "The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States."

This hallowed document ends with—"And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lifes, our fortunes, and our sacred Honor."

This was not an idle pledge by the fifty-six signers of the Declaration. Instead it was an act of singular bravery, considering that they had stepped forward openly and exposed themselves to the fury of the mightiest nation on the globe.

Who were these signers who were not afraid to chance revenge and destruction to support their beliefs? How did their awesome decision come about?

The path toward independence had led to Philadelphia in the late spring of 1776. From New Hampshire to Georgia, more than sixty patriots from the thirteen colonies had come together as delegates to the Second Continental Congress to consider this issue.

Two years earlier the First Continental Congress had convened to present a united protest against the British Parliament for violating the rights of the colonies. Since then "the shot heard round the world" had been fired on the Lexington green and the bloody Battle of Bunker Hill had taken place two months later in June 1775.

Prompted by a Williamsburg convention declaring Virginia's independence and requesting like action by the Continental Congress, Richard Henry Lee, leader of the Virginia delegation, complied. On June 7, 1776, he made the motion: "Resolved, that these United Colonies are, and of a right ought to be, free and independent states." Four days later Congress appointed a five-member committee to draft a declaration of independence as an explanation to the world should Lee's resolution pass on the vote scheduled for July 1.

But independence was far from assured. A count of the support showed only seven of the delegations were in favor while the other six either opposed it or were undecided. This was disheartening to the leaders for independence because they knew that only a unanimous agreement would have significance.

Each colony had only one vote, based on the majority stand of its delegation. In the weeks remaining before the balloting on the Lee resolution, a feverish activity was underway to convince opponents that it was a fiction to blame only Parliament for the unjust acts and not the Crown. When delegates continued to take an "olive-branch" position, pro-independence leaders back home worked on their assemblies to replace them or send firm instructions.

On July 1, nine states voted for Lee's resolution, with New Jersey and Maryland supporting independence. But there was sharp disappointment as South Carolina and Pennsylvania voted in opposition. New York abstained because new instruction had not arrived; Delaware's vote was tied.

This was not the end, however, for the Congress agreed to another vote the following day, July 2. New York would still abstain. But the South Carolina delegation promised to support independence, and Pennsylvania passed word that two of its four men in opposition would not be present for the vote. This would give the delegation a three to two ballot for independence.

Unanimity depended now on tiny Delaware with Thomas McKean for independence and George Read against. McKean had send a messenger into the night to Dover, where Caesar Rodney, the third delegate, was fighting a Tory uprising. Shortly before the vote, mud-splattered Rodney, exhausted from a non-stop eighty-mile horseback ride in a rainstorm, dashed into the State House where the Congress met. A silk veil covered the large cancerous growth on his face. "I vote for independence!" he announced, making the final vote twelve to zero.

Now came the debate on the Declaration of Independence. This was the written handiwork chiefly of Thomas Jefferson, the brilliant Virginian, who had served on the drafting committee with Benjamin Franklin, John Adams, Roger Sherman and Robert R. Livingston. Jefferson was so poor a speaker that Adams handled the questioners. With pride of authorship, Jefferson was in anguish when the Congress cut 460 words from his 1,800-word total.

The vote came at 4:00 p.m. on July 4. With New York still abstaining for want of home instructions, all delegates voted for the Declaration of Independence except John Dickinson of Pennsylvania. Then it was signed by John Hancock, president of the Congress, and Charles Thompson, the secretary.

Paper after paper reprinted the declaration. Speakers read it to large crowds in several cities. George Washington, commander in chief of the Continental Army, had it read aloud to his troops on July 9 on the spot where New York's City Hall stands today. In Boston, the celebration din was deafening with ships in the harbor joining guns in the forts in firing cannon salvos while church bells rang.

The popular belief is that the Declaration of Independence was signed by the membership of the Congress on July 4, but the official signing took place on August 2. Timothy Matlack, master calligrapher, was commissiond to prepare the engrossed copy on parchment for that occasion, and he did so on a single sheet. Before Matlack began his work, the New York delegation announced for independence. The title was changed accordingly to: "The Unanimous Declaration of the Thirteen United States of America."

By August, it became far more courageous to sign the Declaration of Independence than on July the Fourth. The British brothers, General Sir William Howe and Admiral Lord Richard Howe, had brought the largest expeditionary force of the century to New York to face Washington's badly outnumbered and poorly trained and equipped brigades. The likelihood of the Continental Army's surviving an attack seemed small. In addition, Tory forces in the States were stepping up their civil war.

John Hancock showed no fear when he wrote his name in over-large, clear strokes as the first signer. "There, King George can read that without spectacles, and may now double his reward of £500 for my head," he said defiantly. When he added, "We must all hang together," Benjamin Franklin remarked, "if we don't, we shall all hang separately."

William Ellery of Rhode Island scanned the faces of his fellow delegates during the ceremony. "I was determined to see how they all looked as they signed what might be their death warrants," he said. "Undaunted resolution was displayed on every countenance."

John Adams also watched closely, and later wrote that if anyone felt fear, he did not reveal it. Stephen Hopkins of Rhode Island best signified the spirit of the signers. Afflicted severely with palsy, he had trouble writing his name. "My hand trembles, but my heart does not," as he explained his shaky signature.

Among the signers were George Read of Delaware and Robert Morris of Pennsylvania, who had opposed independence in the July voting. The four New York delegates, who had not voted because they were without instruction, also signed the document. In addition, five signers from Pennsylvania, one from Connecticut and another from New Hampshire had become delegates after July the Fourth.

The signing had begun with the delegates from New Hampshire and proceeded down the Atlantic coast to Georgia. When the ceremony ended, fifty names were on the parchment. Six others, who were absent, were permitted to add their names later. Thomas McKean, away on military duty, did not sign until the following year.

Who were these fifty-six who gained immortality? What they had in common was their patriotism. They were otherwise as diverse a lot as their fellow Americans. Forty-eight were native-born, such as John Adams, who was the great-great-great-grandson of Priscilla and John Alden. Eight were foreign-born, such as George Taylor of Pennsylvania, who had come from North Ireland as an indentured servant.

Most were in their thirties or forties, with Edward Rutledge of South Carolina the youngest at twenty-six and Benjamin Franklin the oldest at seventy. With the exception of Charles Carroll, who was a Roman Catholic, and a few Deists, such as Jefferson, the rest were Protestants. William Floyd of New York was one of several without formal schooling, but twenty-two were college graduates, eight from Harvard, four from Yale and three from William and Mary. John Witherspoon was president of the College of New Jersey, which became known as Princeton, and George Wythe of Virginia was the first professor of law in America. Wythe's students over a long career included Thomas Jefferson, John Marshall, James Monroe and Henry Clay.

By occupation, more than twenty were lawyers; four were doctors, including Benjamin Rush, the most renowned physician of his time; another four had been trained as ministers. Fourteen were in business, and an equal number operated plantations or farms. Francis Hopkinson of New Jersey was both a lawyer and judge, but he was better known as a musician, essayist and artist. Ben Franklin, of course, had the most varied interests as author, publisher, philosopher, scientist, inventor and diplomat.

Most were well-off financially, though some were poor and others wealthy. Friends of Sam Adams, who was the cousin of John Adams, had to supply him with clothes and funds to attend the Continental Congress because he was unemployed. Button Gwinnett of Georgia was in financial agony at the time he signed the Declaration, and he never recovered. In contrast, Charles Carroll of Carrollton was a millionaire and lived like a lord. John Hancock, too, was rich. His contribution of $100,000 to the prosecution of the Revolutionary War made little dent in his fortune.

In ancestry, the overwhelming number were of Anglo-Saxon origin. One exception was William Paca of Maryland, who was of Italian descent. Another was John Morton of Pennsylvania, born of Swedish-Finnish descent. A few were the only child in their family, but most came from large families. Franklin, for example, was the tenth son of a soap and candle maker, and Elbridge Gerry of Massachusetts, whose name would one day help form the word "gerrymander," was the third of twelve children. Ten of the signers were sons of preachers.

Only two of the fifty-six were bachelors. One was Caesar Rodney, who had ridden horseback through the night to make the vote for independence unanimous. The other was Joseph Hewes of North Carolina, who had opposed Lee's independence resolution for a long time. It was John Adams who wrote of the abrupt change that had come over Hewes during the debate. "He started suddenly upright," said Adams, "and lifting up both his hands to Heaven, as if he had been in a trance, cried out, 'It is done! And I will abide by it.' "

Of the fifty-four married signers, a few were childless but the others fathered more than three hundred offspring. Carter Braxton, a Virginia plantation owner, had eighteen children; William Ellery of Rhode Island, seventeen; and Roger Sherman of Connecticut, a member of the committee that drafted the Declaration, had fifteen. John Adams had a son who became President of the United States, while the son and great-grandson of Benjamin Harrison of Virginia also achieved this singular honor.

Several of the signers were related. The Lees of Virginia—Richard Henry and Francis Lightfoot—were brothers. Arthur Middleton of South Carolina, who succeeded his father as delegate in time to be a signer, was the brother-in-law of Edward Rutledge, who was in his delegation. And Francis Hopkinson was the brother-in-law of Thomas McKean. Similarly George Read of Delaware was married to the sister of Pennsylvania delegate George Ross, who in turn was the uncle of Betsy Ross, the flag maker. Seven months before the signing three of those involved took part in another ceremony. Dr. Benjamin Rush was married on a January day to Julia, daughter of Richard Stockton of New Jersey, John Witherspoon officiating.

As the facts were to bear out, there were good reasons for the signers to be concerned about British reprisals. In a wrathful spirit of revenge, the enemy singled them out for harsh vengeance.

Five were captured and imprisoned and two others barely escaped captivity. Thomas Heyward, Jr., Arthur Middleton and Edward Rutledge were seized together in Charleston, South Carolina, and imprisoned in St. Augustine, Florida. George Walton of Georgia was captured in Savannah and was kept in prison until his exchange for a British navy captain almost a year later.

Richard Stockton, Congress member, suffered wores than these four. When the British invaded New Jersey in late 1776, he rushed home from a tour of inspecting Washington's army in upstate New York in order to save his family. He succeeded, but a Loyalist informer told the British of their hiding place. Stockton was dragged from bed in the middle of the night, severely beaten and thrown into prison. There he underwent continual abuse and also suffered malnourishment. By the time the Congress arranged for his exchange, he was broken physically and never recovered. A further blow came when he returned home and found his horses and family silver stolen, the furniture burned and his library—one of the finest in America—destroyed.

Abraham Clark, also a New Jersey signer, did not suffer Stockton's fate, but his two sons did. When they were taken by the British, they were imprisoned on the notorious prison ship Jersey in New York Harbor, a vessel on which 11,000 American men died. Word was sent to Clark that his boys would be freed if he would disown the Revolutionary cause and praise the British Crown. At his refusal his sons were singled out for cruel treatment. One was placed in a tiny cell and given no food. Fellow prisoners kept him alive by laboriously pushing tiny bits of food through a keyhole. Both sons somehow survived their ordeal.

Thomas Jefferson and George Read were two who had close calls. When Jefferson was serving as Virginia's wartime governor, British General Banastre Tarleton's cavalry raiders swooped into Charlottesville to capture him as a war prize. But Jefferson was alerted just in time, and while Tarleton's men galloped up one side of the mountain, he sped down the other.

George Read, his wife and small children were on their way back from Philadelphia to Dover when a British armed barge chased them across the Delaware River. With the tide out, Read's boat hit bottom far from the shoreline. But with presence of mind as the British approached, he tore off all identification tags from his family's luggage. Then he acted as the good-natured, foolish country man returning from a trip. His performance was so skillful that British sailors carried his family ashore.

Marked for destruction were the homes and property of the signers. About a third suffered this fate. Benjamin Harrison's Virginia plantation was plundered by British troops under Benedict Arnold. British forces advancing on Philadelphia took a detour to destroy the home of George Clymer and loot his property. His wife and children managed to escape and hid in the woods until they were gone. A few months after Dr. John Witherspoon signed the Declaration, Redcoats occupied the College of New Jersey that he headed. Before leaving, they destroyed the library and other valuable property.

Immensely wealthy Philip Livingston of New York was not captured by the enemy. But they confiscated his businesses in New York, used his Duke Street mansion as a barracks and another residence in Brooklyn Heights as a navy hospital.

He was luckier than John Hart and William Hooper, two other signers. While his wife lay gravely ill, Redcoats destroyed Hart's growing crops and ripped his many grist mills to pieces. Bent on taking him, they chased him for several days. They almost nabbed him in a wooded area, but he hid in a cave. When he returned home with his health broken, he found his wife dead and their thirteen children scattered.

Two New York signers, William Floyd and Francis Lewis, also suffered personal tragedies because their names were on the Declaration. Tories followed a "scorched earth" technique on Floyd's extensive holdings of woodlands on Long Island, and "despoiled almost everything but the naked soil." When the Redcoats seized his home at Mastic, Mrs. Floyd and their three children managed to escape across Long Island Sound to Connecticut. While still a refugee seven years later in 1781, Mrs. Floyd died.

The Lewis story was even worse. When the British plundered and burned his home at Whitestone on Long Island, they took his wife prisoner. She was thrown into a foul barracks and treated cruelly. For several months she had to sleep on the floor and was given no change of clothing. George Washington was able eventually to arrange for her exchange for two wives of British officials the Continental Army was holding prisoner. Her health was so undermined that she died two years later.

Did the signers consider their sacrifices worthwhile? Not one ever went on record to say he had made a mistake. In fact, many spoke of the benefits. As General Howe's army neared Philadelphia, said Dr. Benjamin Rush, "Nothing but the signing and recognizing of the Declaration of Independence preserved the Congress from dissolution."

There were other benefits from the signing of the parchment sheet. The long discussion was over. From that day forward every person had to stand up and be counted as either a Patriot or a Tory-Loyalist. The signing also helped unify citizens of the former colonies into a nation. Said Patrick Henry, "I am not a Virginian, sir, but an American." Still another benefit was that it formed a solid base in the diplomatic efforts that led eventually to the establishment of the vital French alliance.

In 1826, the mayor of Washington, D.C., invited Thomas Jefferson, John Adams and Charles Carroll of Carrollton, the last surviving signers, to a ceremony on the fiftieth anniversary of the passage of the Declaration of Independence. Both Jefferson and John Adams were to die on that Fourth of July.

But shortly before, Jefferson wrote to the mayor what proved to be his last letter.

"I should, indeed, with peculiar delight, have met with the remnant of that host of worthies, who joined with us on that day, in the bold and doubtful election we were to make for our country, between submission or the sword; and to have enjoyed with them the consolatory fact, that our fellow citizens, after half a century of experience and prosperity, continue to approve the choice we made."

In 1976, on our nation's two hundredth anniversary, there is sound reason for Americans to "approve the choice" made by the men who signed for our independence.

CERTAIN MEASURES PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, certain measures, beginning with Calendar No. 72 but excluding Calendar No. 445, up to and including Calendar No. 550 be taken off the general orders under rule VIII and placed under "Subjects On The Table."

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORT BY 5 P.M. TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that committees be authorized to file reports until 5 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 962, 966, and 969.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMERCIAL OUTDOOR RECREATION PERMITS ON PUBLIC DOMAIN NATIONAL FOREST LANDS

The Senate proceeded to consider the bill (S. 2125) to provide for the issuance of permits on public domain national forest lands for commercial recreation facilities and activities, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That (a) the Congress hereby finds that appropriate facilities and services within the forest reserves created from the public domain may be desirable to meet the projected increasing demand for public recreation; and the enhancement of these opportunities for recreation and the protection of environmental quality require prudent development and susbtantial capital investment. It is the policy of the Congress that, where such facilities and services are determined to be advisable by the Secretary of Agriculture through long-range, multiple-use planning conducted by the Forest Service, and upon consideration of the views of the relevant State and local governments and the public, private development and management of such facilities and services, on a competitive basis where appropriate, may be authorized through issuance of permits. As the facilities and services authorized by any such permit, which has as its purpose the provision of needed services to the public on public lands, are affected with a public interest, such permit shall provide, consistent with the policy and provisions of this Act and subject to conditions which protect the soil, air, and water and other uses of the forest reserves, for payment of reasonable fees which reflect a primary objective of maintaining a high quality of outdoor recreation facilities and services at reasonable prices for the use and enjoyment of the public.

(b) For the purpose of this Act—

(1) "forest reserves" or "forest reserve lands" means lands of the national forests which have been created from the public domain;

(2) "Secretary" means the Secretary of Agriculture;

(3) "person" means any individual, partnership, association, corporation, trust, estate, or other legal or commercial entity;

(4) "permittee" means the holder of a permit issued pursuant to this Act;

(5) "other recreation permit" means a permit or special use permit for commercial outdoor recreation facilities and services on forest reserve lands issued before or after enactment of this Act in whole or in part under the Act of March 4, 1915 (38 Stat. 1101, as amended; 16 U.S.C. 497), the Act of June 4, 1897 (30 Stat. 35, as amended; 16 U.S.C. 551), the Act of April 24, 1950 (64 Stat. 84, 16 U.S.C. 580(d)), or any other Act authorizing special use permits;

(6) "prior permit" means a permit or special use permit for commercial ski area facilities and services on forest reserve lands issued prior to the enactment of this Act under the Acts set forth in clause (5) of this subsection; and

(7) "local government" or "unit of local government" means a county, parish, township, municipality, borough, or other unit of general government as determined by the Secretary of the Treasury (on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes).

PERMIT AUTHORITY

SEC. 2. Subject to such terms and conditions as he deems desirable or as required by this Act or other applicable law, the Secretary is authorized to permit any person to use and occupy areas within the forest reserves which are needed to provide commercial outdoor recreation facilities and services for the use and enjoyment of the general public.

AREA COVERED BY PERMITS

SEC. 3. The areas of land to which permits issued pursuant to this Act may apply shall in each case be determined by the Secretary, taking into consideration present and future public needs for all the multiple uses of the forest reserves: Provided, That—

(1) any permit issued pursuant to this Act for commercial outdoor recreation facilities and services other than commercial ski area facilities and services shall not apply to more than eighty acres of forest reserve lands;

(2)(A) any permit to be issued pursuant to this Act for commercial ski area facilities and services which will apply to more than three thousand acres of forest reserve lands shall not be approved until after (i) the Secretary has submitted to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate the draft environmental impact statement prepared pursuant to section 102(2)(C) of the National Environmental Policy Act (83 Stat. 852, 853, as amended; 42 USC 4321, 4332) and section 5(a)(2)(E) of this Act on the issuance of such proposed permit, together with the terms and conditions he expects to impose upon the permit applicant, and (ii) each committee has adopted a resolution stating that such committee approves of the issuance of the permit;

(B) whenever either committee fails to adopt a resolution of approval for the issuance of such proposed permit within one hundred and eighty days from the date of the submission of the draft environmental impact statement, the Secretary, should he continue to deem the facilities and services to be provided by the permit applicant to be advisable, the applicant to have met all requirements for the issuance of the proposed permit, and the proposed permit to contain all necessary and appropriate terms and conditions, shall submit to the Congress proposed legislation, together with a report thereon, authorizing the issuance of said permit;

(C) not more than one permit may be issued pursuant to this Act for commercial ski area facilities and services within an area of less than six thousand acres unless each such permit, irrespective of the acreage involved, is issued in accordance with procedures provided in this paragraph (2); and

(D) the total area to be used by the applicant for a permit for commercial ski area facilities and services and to which such permit shall apply shall include all land within the outer boundaries of the land to be used by the proposed facilities and services including uncleared or unimproved land between areas to be cleared or improved for ski runs, lifts, or other such ski area facilities and services.

PERMIT PERIOD; PERMIT TERMINATION AND SUSPENSION

SEC. 4. Subject to the provisions of this Act and other applicable law, the Secretary may—

(1) issue permits pursuant to this Act for such periods as he deems appropriate, but not to exceed thirty years;

(2) issue, at the expiration of the period of any such permit, a new permit pursuant to this Act to either a new permit applicant or the holder of the expired permit if such holder is determined by the Secretary to have fully complied with the terms of the expired permit: *Provided*, That the Secretary may issue a new permit pursuant to this Act to a permittee within a ten year period prior to the expiration of an existing permit issued pursuant to this Act if he approves a proposal by the permittee to make, prior to the expiration of the existing permit, a substantial capital investment to construct additional facilities, replace or remove existing facilities, or provide additional services consonant with the purpose for which the existing permit was issued; and

(3) suspend or terminate any permit issued pursuant to this Act for breach of the terms of said permit after giving the per-

mittee due notice and a reasonable opportunity to conform with such terms, or if, in the judgment of the Secretary, the lands to which the permit applies are needed for another use: *Provided,* That the Secretary may order an immediate temporary suspension of any such permit prior to providing such notice and opportunity to conform with permit terms if he determines that such a suspension is necessary to protect public health or safety or the environment.

CONDITIONS FOR, AND TERMS OF, PERMITS

SEC. 5. (a) (1) Within six months from the date of enactment of this Act, the Secretary shall publish in the Federal Register and submit to the Congress proposed regulations containing objective criteria and procedures which must be applied and followed by him prior to issuance of a permit pursuant to this Act which applies to an area of more than 60 acres. Such criteria and procedures shall be applied and followed by the Secretary in determining whether such a permit shall be issued to a particular permit applicant or for a particular area. Such regulations shall not be promulgated prior to sixty days from the date of submission thereof to the Congress.

(2) Such regulations shall, among other things, require the Secretary, in making the determinations required in paragraph (3) of this subsection, to follow the procedures set forth in this paragraph (2). The Secretary shall—

(A) notify the relevant State and local governments within fifteen days of the allocation of an area in a unit plan for a form of recreation which would require a permit issued pursuant to this Act which would apply to an area of more than 60 acres, the designation of an area as a winter sports site, the filing of an application for any such permit, or the taking of any action by a Forest Service employee which will likely result in the issuance of any such permit;

(B) consult with the relevant State and local governments within thirty days of any action set forth in clause (A) of this paragraph, and continue such consultation thereafter at each significant stage in the permit issuance process;

(C) submit the permit application to the Attorney-General of the United States and the Attorney-General of the State involved to permit them to review such application under the Federal and State antitrust laws;

(D) consider, for both forest reserve lands and private land in the proximity thereof, all facilities to be constructed by the permit applicant, all residential, recreation, commercial, and transportation development which will likely occur as a result of the construction and operation of the applicant's facilities, all public services necessary for such facilities and development, and other direct and indirect financial impacts on State and local government;

(E) prepare an environmental impact statement pursuant to section 102(2)(C) of the National Environmental Policy Act (38 Stat. 852, 853, as amended; 42 U.S.C. 4321, 4332); and

(F) require the permit applicant to comply with any conceptual land use plan adopted by the relevant State and local governments, including any plan which anticipates the direct and indirect impacts of the facilities and services and the development which will likely occur as a result of such facilities and services and which sets forth the policies and procedures to be employed in managing such impacts.

(3) Such regulations shall, among other things, establish objective criteria to be applied by the Secretary in making the determinations set forth in this paragraph (3). Such criteria shall insure that any such permit shall not be issued unless the Secretary, following the procedures set forth in, and making use of any conceptual land use plan identified pursuant to paragraph (2)(F) of this subsection and the environmental impact statement developed pursuant to paragraph (2)(E) of this subsection, determines that—

(A) sufficient demand exists for the commercial outdoor recreation facilities and services;

(B) such facilities and services would not preempt more suitable uses of the forest reserve lands involved;

(C) the public would not be better served by permitting or siting such facilities and services in a location other than that specified in the permit application;

(D) where any unit of the national park, wildlife refuge, wilderness preservation, and wild and scenic rivers system is adjacent to or in the vicinity of the lands to which such permit would apply, such facilities and services would not adversely affect the purpose for which that unit is withdrawn, designated, or established;

(E) any conceptual land use plan identified pursuant to paragraph (2)(F) of this subsection is accurate and consistent with the policies and provisions of this Act and other relevant laws;

(F) all applicable State and local government laws, regulations, plans, and permitting and licensing requirements are or will be met by the permit applicant and are compatible with any conceptual land use plan identified pursuant to paragraph (2)(F) of this subsection; and

(G) the State and local governments have sufficient authority and capability to meet all significant public service demands generated by, and to mitigate all significant adverse environmental impacts of, such facilities and services and all residential, recreation, commercial, and transportation development which will likely occur as a result of such facilities and services.

(b) Development, management, and operation of the facilities and services to which any permit issued pursuant to this Act applies shall be the responsibility of the permittee, subject to such terms and conditions as the Secretary may prescribe, consistent with the policies and provisions of this Act and other applicable laws.

(c) Within any area to which a permit issued pursuant to this Act applies, the Secretary may issue permits to persons other than the permittee for other uses, such as cross-country skiing, independent ski instruction, and professional guide services, not incompatible with the facilities and services to which the permit applies: *Provided,* That the Secretary shall, by regulation, establish proof of ability, liability and indemnity insurance, and such other requirements for any such use as he deems necessary to protect the public and the permittee.

(d) Any information, data, or documents submitted by a holder of a permit issued pursuant to this Act, a prior permit, or any other recreation permit, by an applicant for a permit pursuant to this Act or any other recreation permit, or by any other party, which is required or used by the Secretary or any employee of the Department of Agriculture in reaching any decision concerning or leading to the issuance, transfer, or amendment of any such permit, including the preparation of any unit plan or designation of any area as a winter sports site, shall be verified as to the accuracy and completeness thereof by the Secretary prior to such decisionmaking.

PERMIT FEE

SEC. 6. (a) The permittee shall pay to the United States an annual fee for the use and occupancy of forest reserve lands to which the permit issued pursuant to this Act applies. In all cases, fees and charges shall be in accord with the principles set forth in title V of the Independent Office Appropriations Act of 1925 (65 Stat. 290, 31 U.S.C. 483a).

(b) Notwithstanding the provisions of the Acts of May 23, 1908, and March 1, 1911 (35 Stat. 260 and 36 Stat. 963, as amended; 16 U.S.C. 500) and any other pertinent law, 50 per centum of all moneys received by the United States during any fiscal year from any permit issued pursuant to this Act, any prior permit, or any other recreation permit, shall be paid to the unit or units of local government within the boundaries of which the forest reserve lands to which the permit applies are situated, and such payments may be used by such unit or units for (1) planning; (ii) construction, operation, and, maintenance of public facilities; and (iii) provision of public services: *Provided,* That where all or part of one unit of local government is located within the boundaries of another unit and forest reserve lands subject to this subsection are within the boundaries of both such units, the payments shall be distributed between such units on the basis of population within the jurisdiction of each such unit: *Provided further,* That the Secretary of the Treasury shall promulgate regulations which provide for the distribution of a share or shares of any such payments, which otherwise would be paid in full under this subsection to the unit or units of local government within the boundaries of which the forest reserve lands to which the permit applies are situated, to the unit or units of local government, (i) the boundaries of which do not encompass any forest reserve lands to which the permit applies, and (ii) which experience more significant economic, social, or environmental impacts from the commercial outdoor recreation facilities and services and the development which accompanies such facilities and services than do the unit or units of local government which would otherwise receive the full payments. When any such payments are shared the shares shall be divided equitably based on the impacts experienced by each eligible unit.

PERMITTEES' CHARGES TO THE PUBLIC

SEC. 7. (a) Within six months of the date of enactment of this Act, the Secretary shall publish in the Federal Register and submit to the Congress proposed regulations which set forth in detail the criteria the Secretary shall apply in exercising his authority under this Act and other laws to determine whether to allow, reject, or modify any request by a holder of any permit issued pursuant to this Act, any prior permit, or any other recreation permit to increase any charge to the public for use of the principal facilities and services of such holder. Such regulations shall not be promulgated prior to sixty days from the date of submission thereof to the Congress.

(b) Such regulations shall, among other things—

(1) require that the decision to allow, reject, or modify any such proposed increase in a charge to the public shall not be delegated below the level of regional forester;

(2) require that any such proposed increase shall be reasonable and shall not unduly restrict access for any customer class to the facility or service for which the charge is to be made;

(3) set forth conditions under which a holder of any such permit may offer special season rates or other special rates to, among other individuals, those who reside in the same general area in which are located the forest reserve lands to which the permit applies; and

(4) insure that any such proposed increase under a permit issued pursuant to this Act for commercial ski area facilities and services or a prior permit, and the criteria to be used in the determination of whether to allow, reject, or modify such proposed increase, shall relate only to the operation of facilities and provision of services directly related to the activity of skiing.

PUBLIC DISCLOSURE

SEC. 8. (a) Notwithstanding any other provision of law, the Secretary shall make available for public inspection any and all memoranda, financial statements, or other materials, or portions thereof, concerning or providing historical financial data or information, or concerning any aspect, other than financial, of the operation of commercial outdoor recreation facilities and services, furnished to him or any official of the Department of Agriculture in support of or in opposition to proposed increases in charges to the public for use of the facilities or services of the holder of any permit issued pursuant to this Act, any prior permit, or any other recreation permit or in connection with the administration of any prior permit and the issuance and administration of any permit issued pursuant to this Act or any other recreation permit.

(b) A detailed statement providing the basis upon which a decision by the responsible officer of the Forest Service to issue, transfer, or amend a permit pursuant to this Act or any other recreation permit, amend or transfer a prior permit, or allow, reject, or modify a request to increase any charge to the public for use of the principal facilities or services of a holder of any permit issued pursuant to this Act, any prior permit, or any other recreation permit shall be made available for public inspection promptly after such decision is made.

PERMIT REVIEW

SEC. 9. Three years after the issuance of a permit pursuant to this Act or other recreation permit after the enactment of this Act, or three years after the enactment of this Act for any prior permit or other recreation permit issued prior to enactment of this Act, and at three-year intervals thereafter, the Secretary, when such permit applies to an area of more than 60 acres, shall hold a public hearing, with adequate public notice, in a location in the proximity of the area to which the permit applies to determine whether the holder of such permit has complied and is complying with the provisions of this Act and other applicable law and with the terms and conditions of the permit. The Secretary shall set forth his findings, based on the hearing, in writing and make them available to the public. Nothing in this section shall be construed as relieving the Secretary from his responsibility to review independently the performance of the holder of any such permit as periodically as necessary during such three-year periods to insure such compliance.

TITLE TO IMPROVEMENTS; COMPENSATION

SEC. 10. Any structure, fixture, or improvement which is not owned by the United States and to which a permit issued pursuant to this Act applies shall not be deemed to be the property of the United States. The permittee shall be deemed to be the owner thereof, and may remove the property and assign, transfer, encumber, or relinquish the title thereto. Said title shall not be extinguished by expiration or other termination of the permit and shall not be taken for public use without just compensation: *Provided*, That the use or enjoyment of any structure, fixture, or improvement shall be permissible only so long as the owner thereof holds a permit which applies to the area on which such structure, fixture, or improvement is located: *Provided further*, That, within six months following the expiration or other termination of such permit, the Secretary may order the removal of such structure, fixture, or improvement and the restoration of the site, and, upon failure of the owner to comply with such order, the Secretary may bring an action for ejection and recovery of costs incurred by the United States in such removal and restoration: *Provided further*, That, in the event the Secretary does not order the removal of such structure, fixture, or improvement and permits the continued use thereof either by the United States or by a person other than the permittee, then the Secretary shall, before allowing such use to become effective, take such action as may be necessary to assure the permittee of just compensation therefor, unless the Secretary and the permittee mutually agree to other arrangements for the disposition of such structure, fixture, or improvement: And provided further, That, if any permit is terminated by the Secretary for another use, the United States shall be obligated to pay an equitable consideration for the removal of such structure, fixture, or improvement and thereto resulting from the removal.

UTILITY SERVICES FOR CONCESSIONERS; REIMBURSEMENT

SEC. 11. The Secretary may furnish, on a reimbursement of appropriation basis, all types of utility services within the forest reserves to concessioners, contractors, permittees, or other users of such services: *Provided*, That reimbursement for costs of such services may be credited to the appropriation from which the expenditure was made.

RECORDKEEPING; AUDIT AND EXAMINATION; ACCESS TO BOOKS AND RECORDS

SEC. 12. Each permittee shall keep such records as the Secretary may prescribe in the permit to enable the Secretary to determine that all the terms of the permit have been and are being faithfully performed. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to said records and to other books, documents, and papers of the permittee pertinent to the permit and all the terms and conditions thereof.

EFFECT ON OTHER LAWS; APPLICABILITY

SEC. 13. (a) This Act shall be construed as supplemental to, and not in derogation of, the provisions of the Act of March 4, 1915 (38 Stat. 1101, as amended; 16 U.S.C. 497); the Act of June 4, 1897 (30 Stat. 35, as amended; 16 U.S.C. 551); the Act of April 24, 1950 (64 Stat. 84, 16 U.S.C. (580(d)), or any other Act authorizing special use permits, except that this Act and the Act of April 24, 1950, shall be construed as the sole authorities for issuance of permits for commercial ski area facilities and services. Prior permits shall be subject to the provisions of section 6(b), 7, 8, and 9 of this Act and the applicable provisions of the other Acts enumerated in this subsection until the expiration of the periods of such permits remaining as of the date of enactment of this Act: *Provided*, That when one person holds more than one such prior permit applicable to a single, integrated commercial ski area facilities and services operation and such permits have different expiration dates, the provisions of this Act, other than the provisions of sections 6(b), 7, 8, and 9 hereof, shall not be applicable to such facilities and services and the holder of such permits until the expiration of the prior permit with the lengthiest remaining period, and those prior permits with shorter remaining periods may be amended or renewed under the authority of such Acts to remain valid until such expiration: *Provided further*, That the holder of any such prior permit may apply to the Secretary for cancellation thereof and issuance of a permit pursuant to this Act: *Provided further*, That the holder of such prior permit who applies for a permit to be issued pursuant to this Act shall be required to conform facilities operating under the prior permit to the provisions of sections 3 and 5(a) only to the extent practicable: *And provided further*, That the provisions of this Act shall be fully applicable to any amendment to a prior permit which would add an area of more than 60 acres to the land to which the prior permit applies.

(b) The provisions of this Act shall not be applicable to any existing or future application for a permit for commercial outdoor recreation facilities and services on forest reserve lands in Mineral King Valley, Sequoia National Forest, and shall not affect in any manner any litigation pertaining thereto.

(c) Nothing contained in this Act shall be construed as impairing, amending, broadening, or modifying any of the antitrust laws or limiting or preventing the application of any such law to any person under the provisions of this Act.

Mr. HASKELL. Mr. President, the purpose of this bill has been thoroughly described in my statement of July 16, 1975, on introducing the measure; my statement of May 18, 1976, on submitting amendment No. 1655, an amendment in the nature of a substitute to S. 2125; and the committee report (Report No. 94–1019). Accordingly, I will keep my remarks today brief.

S. 2125 would provide a modern permit authority to the Forest Service to supplement and, in the case of ski areas, replace the increasingly inadequate, antiquated statutory base upon which the agency is presently dependent for permitting purposes. Presently the Secretary of Agriculture employs two statutes for licensing concessioners: the Act of June 4, 1897, which authorizes the Secretary to regulate occupancy and use of the national forests; and the act of March 4, 1915, which authorizes the Secretary to issue permits for the use and occupancy of national forests for the specific purpose of constructing hotels, resorts, or other recreation facilities. Both of these early statutes have been amended; however, the most recent amendment was made 20 years ago by the act of July 28, 1956, well before the recent heavy demand for outdoor recreation opportunities.

The time has passed when the Congress or the executive branch could hope to keep pace with the escalating demand for increasingly costly recreation facilities and services on national forest lands through the expenditure of public funds only. The shortfalls in capital investments must be met by private concessioners. The Forest Service estimates that $200 million of investments by concessioners will be required within the next 10 years to top up appropriated funds in order to meet projected demand for recreation use of national forest lands. If these investments are to occur we must reform the existing statutory base upon which concessioners are dependent to provide them with all reasonable assurances as to the security of their investments.

We must also recognize that, although the concessioners are being granted through Forest Service permits that privilege of pursuing private gain on public lands, the basic purpose of those permits is to provide high quality service at a reasonable cost to the public which owns the land. Any business which holds a Forest Service permit is uniquely affected with a public interest. It must expect vigorous enforcement of that interest; and that is achieved when the public is allowed to participate. We must encourage such participation.

Concessioners no longer limit their development activities to construction of facilities strictly for recreation purposes on national forest lands. Many such permittees become hotel and lodge operators and real estate developers on privately owned land adjacent to the national forest land. These developments by the permittees, in turn, stimulate similar development by others. These facilities and services and the population growth and secondary development they induce have significant adverse impacts upon the environment of national forest lands and private lands alike and create heavy demands for public services in largely rural areas. The communities in these areas are ill-equipped in planning and financing capabilities to meet these public service demands and mitigate the environmental impacts. These impacts and demands are a direct result of the Federal permitting activity, yet the existing statutory base for that Forest Service activity fails to adequately address them. We must provide the Forest Service with more vigorous congressionally established standards to insure that such issues are properly addressed in the issuing and administering of commercial outdoor recreation permits.

Virtually all the interest groups which presented testimony at the hearings on S. 2125 identified deficiencies in the existing statutory base which pose a threat to the security of permittees' investments, prevent adequate attention to environmental and public services impacts of concessioner developments and secondary growth arising therefrom, and fail to adequately involve affected citizens and State and local governments in the processes for issuing and administering commercial outdoor recreation permits.

In particular they found the 1897 and 1915 acts to be deficient by failing to remedy a lack of proper notice to, and participation of State and local governments in permit issuing procedures; not providing effective forums and procedures for citizen participation in reviewing permittees' performances; requiring too small a percentage of, and placing serious use limitations on, permit fee monies distributed to the States and local governments; not establishing uniform and objective methods for reviewing requests by permittees to increase their charges to the public; not allowing permittees to provide discount rates to citizens in the affected areas; permitting only minimum public disclosure of information concerning permit issuing and administering decisions; and not prompting adequate consideration of the antitrust implications of awarding more than one permit to a single party in the same geographical area.

To correct these deficiencies, S. 2125, as reported, removes the 80 acre limitation; directs the Secretary of Agriculture to develop objective criteria for decisionmaking on both applications for permits and proposals of permittees to raise rates charged the public; requires a more rigorous consideration of permit applications, including the secondary growth, environmental impact, public service, and antitrust implications of the proposed facilities and services; sets out procedures to involve State and local governments and the public more fully in the permit issuing and review process; allows renewal of the 30-year permits within 10 years of their termination when the permittees make substantial capital investments; increases the non-Federal share of permit fee moneys from 25 percent to 50 percent, pays that share directly to affected local governments rather than the States, and widens its permissible use from construction of roads and schools only to construction of any public facility and provision of any public service; provides for disclosure of historical financial data supplied by permit applicants and permittees in support of permit applications, requests for permit renewals, and proposals for increases in charges to the public; and requires verification by the Forest Service of information supplied by permittees or permit applicants upon which the agency expects to base permit issuing or administering decisions.

Mr. President, this bill is a cooperative effort of many diverse, interest groups. It embodies changes recommended by the Chief Forester, State and local officials, ski area operators, environmental organizations, and local citizens. The suggestions were made over 3 days of hearings on the measure last year, both in the field and in Washington, D.C. In addition, the committee has made changes in the bill resulting from 6 days of oversight hearings on a controversy concerning the preparation of the East River unit plan for the Gunnison National Forest, Colo., and the treatment afforded in that plan to a proposal by a Forest Service permittee, the Crested Butte Development Corp., to expand the Crested Butte Ski Area within the East River unit. These hearings provided a case study of the policies and procedures employed by the Forest Service in determining whether to issue and how to administer outdoor recreation permits and permitted the committee to identify specific problems by viewing how these policies and procedures are actually applied in the field.

Mr. President, I believe that this is a genuinely important measure which will insure that our national forest lands—the public's lands—are used wisely in the public interest.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

> A bill to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, and for other purposes.

COTTON RESEARCH AND PROMOTION PROGRAM AMENDMENTS

The bill (H.R. 10930) to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture, was announced as next in order.

Mr. ALLEN. Mr. President, cotton research and promotion programs are not new. The first such effort dates back to 1938 when rayon began to make inroads into the fiber market. This is when the National Cotton Council was organized.

In 1960 the Cotton Producers Institute was formed by the National Cotton Council but these efforts were plagued by irregular funding.

The enactment of the Cotton Research and Promotion Act of 1966 was in response to this problem. However, market conditions and general attitudes of how such funding should be secured direct that we modify this important program to achieve a more efficient and effective program.

H.R. 10930 makes these constructive changes in the cotton research and promotion program. It provides for expanded research and promotion efforts through producer assessment, but at the same time eliminates Federal expenditures. The bill also recognizes the importance of consumers in a balanced research and promotion program by providing for consumer advisers to the Cotton Board.

A healthy cotton industry is an asset to the national economy and makes a significant contribution to our export trade and the all-important balance of payments in international trade.

There is a need for a coordinated research and promotion program if cotton is to maintain and expand its markets. Cotton faces competition from synthetic fabrics which receive extensive promotional efforts. The synthetic fiber industry is also highly concentrated. There are seven major chemical companies which control an estimated 84 percent of synthetic production. In 1974, the two largest companies dominated the market with 54 percent of sales. Research in the fields of cotton production and marketing has been almost completely overshadowed by the heavily financed programs of research and marketing by the manufacturers of synthetic textile products.

The program authorized by the Cotton Research and Promotion Act will enable cotton to maintain its markets and begin to regain its rightful share of the total fiber market. It provides a means for our farmers to meet the competition of the giants of the chemical industry.

H.R. 10930 is self help legislation. It is cost saving for the Federal Government and it assures the continuation of fair competition in the fiber industry.

Mr. President, on behalf of the Committee on Agriculture and Forestry I urge that the Senate pass H.R. 10930.

The bill was ordered to a third reading, read the third time, and passed.

WAIVING SECTION OF THE CONGRESSIONAL BUDGET ACT WITH RESPECT TO H.R. 8603

The resolution (S. Res. 474) waiving the provisions of section 402(a) of the Congressional Budget Act of 1974 with respect to H.R. 8603, was considered, and agreed to, as follows:

> *Resolved*, That the provisions of section 402(a) of the Congressional Budget Act of 1974 are waived with respect to H.R. 8603, a bill to amend title 39, United States Code,

with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

ORDER TO CONSIDER HOUSING CONFERENCE REPORT ON TUESDAY, JULY 20, 1976, AT TIME SUITABLE TO LEADERSHIP AND FOR TIME LIMITATION THEREON

Mr. MANSFIELD. Mr. President, this is in compliance with a pledge made by the leadership to the distinguished Senator from Connecticut. I ask unanimous consent at this time that, when the housing conference report is brought up, it be taken up at a time suitable to the leadership on Tuesday and that there be a time limitation of 1 hour, to be equally divided between the chairman of the committee, the Senator from Wisconsin (Mr. Proxmire) and the ranking Republican member of the committee, the Senator from Texas (Mr. Tower).

Mr. TOWER. Reserving the right to object, and I shall not object, that is Tuesday, July 20?

Mr. MANSFIELD. Tuesday, July 20, yes. That is the time when the tax bill will also be taken up.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO LAY ASIDE THE UNFINISHED BUSINESS (H.R. 10612) UNTIL 1 P.M., TUESDAY, JULY 20, 1976, AND TO MAKE S. 495 THE PENDING BUSINESS.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Calendar No. 891, H.R. 10612, an act to reform the tax laws of the United States, be laid aside until the hour of 1 p.m. on Tuesday, July 20, 1976, and that the Senate now proceed to consideration of Calendar No. 897, S. 495, the so-called Watergate Reform Act, and that it be made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

A bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes,

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS ON MONDAY, JULY 19, 1976, AND FOR CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, July 19, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each; that upon the conclusion of routine morning business, the Senate proceed to the consideration of Calendar Order No. 774, H.R. 366, benefits to survivors of policemen and others, on which there is a time agreement; that upon the disposition of H.R. 366, the Senate proceed to the consideration of Calendar Order No. 803, on the surety bond guarantee, on which there is a time agreement; that upon the disposition of S. 3370, the Senate proceed to the consideration of S. 2212, the LEAA extension, on which there is a time limit.

Mr. TOWER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

ORDER FOR YEAS AND NAYS ON H.R. 366, S. 3370, AND S. 2212 AT ANY TIME WITH ONE SHOW OF SECONDS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on final passage of H.R. 366, S. 3370, and S. 2212 at any time, and with one show of seconds.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TOWER. Has Senator Hruska been contacted on this agreement on H.R. 366 and on S. 2212?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. This has been cleared all around?

Mr. ROBERT C. BYRD. That is my understanding.

Mr. TOWER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make this request with the understanding that the votes will occur on Monday, July 19, 1976, on S. 2212, H.R. 366, and S. 3370.

Mr. MANSFIELD. In other words, we can anticipate three rollcall votes, at least, on Monday, July 19.

Mr. ROBERT C. BYRD. The majority leader is correct.

AUTHORIZATION FOR CERTAIN ACTION DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment of the Senate over to July 19, 1976, the Vice President of the United States, the President of the Senate pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Mr. ROBERT C. BYRD. Mr. President, has the authority to receive messages and for the committees to file reports been granted during that same adjournment?

The PRESIDING OFFICER. The authority has been given to file reports and for messages from the President, but not from the House.

Mr. ROBERT C. BYRD. Is it anticipated that any will be needed?

The PRESIDING OFFICER. Yes.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Secretary of the Senate be authorized during the adjournment of the Senate over to July 19, 1976, to receive messages from the other body.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEADERSHIP STATEMENT ON COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, on June 23, the joint leadership announced that committees would not be allowed to meet during the session of the Senate except to consider nominations or for other extraordinary matters. All substantive legislation should have been reported by May 15 under the new budget procedures, and it was felt that Members should be present in the Chamber during debate of the current tax bill and other important legislation, such as appropriation measures.

This is to advise all committees that the same conditions will prevail following the pending recess which ends on July 19. Any committee chairman who feels it necessary to conduct a committee hearing should address a letter to the leadership outlining the extraordinary conditions involved. This does not apply in any instance where a committee desires to meet only for the purpose of reporting nominations.

Mr. President, I think we are going off the deep end and are in danger of violating the procedures outlined under the Budget Act to which the Senate agreed.

It had been thought, I believe, that legislative matters would be considered up until and including May 15 and that, in effect, would mark the end of substantial legislative proposals.

It was also thought if that was done the Senate would then have more time, following May 15 and the disposal of these substantial legislative proposals, to pay attention to the appropriations measures.

Such has not been the case. I would hope that meetings from here on out would be held to an absolute minimum so that we could anticipate a sizable attendance on the floor for the consideration of these money measures which are entitled to much more consideration than has been the case to date.

Because of the pressure on the leadership, we have had to adopt some extraordinary measures, for some of which I must apologize to the Senate, and I hope that will not be necessary in the future.

Mr. GRIFFIN. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. Yes, indeed.

Mr. GRIFFIN. I wish to commend the distinguished majority leader, and to associate myself with what he said, and to make it clear he speaks for the joint leadership of the Senate.

It is unfortunate enough that it is necessary, and I acknowledge that it is necessary, to come in and have the Senate meet prior to 12 noon, and particularly unfortunate to come in at such an hour as 8 o'clock in the morning. But if we are going to meet prior to 12 o'clock it certainly should not be the case that Senators would be confronted with the dilemma of whether to go to committee meetings or come to the floor of the Senate, particularly when important bills are being considered and votes are being taken.

As the distinguished majority leader has indicated, it is the plan now that legislative matters should be completed by May 15, and it seems to me it is not only in the interest of orderly procedure in the Senate but in the best interests of the country that we require compliance with those procedures.

So I am glad to join the majority leader in making it clear that that is the will and the intent of the leadership on both sides.

Mr. MANSFIELD. I thank the acting Republican leader.

ORDER TO HOLD H.R. 13679 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 13679 be held at the desk, pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with statements limited therein to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILL

A message from the President of the United States announced that on June 30, 1976, he approved and signed the bill (S. 3625) to extend the expiration date of the Federal Energy Administration Act of 1974.

REPORT ON ADMINISTRATION OF NATURAL GAS PIPELINE SAFETY ACT—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Commerce:

To the Congress of the United States:

I herewith transmit the Eighth Annual Report on the administration of the Natural Gas Pipeline Safety Act of 1968. This report has been prepared in accordance with section 14 of the Act, and covers the period January 1, 1975 through December 31, 1975.

GERALD R. FORD.

THE WHITE HOUSE, *July 2, 1976.*

MESSAGE FROM THE HOUSE

At 10:05 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 13679) to provide assistance to the Government of Guam, to guarantee certain obligations of the Guam Power Authority, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 12455) to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV–A and VI of the Social Security Act, may continue to receive services under title XX of that act without individual determinations, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendments of the Senate to the amendments of the House to the bill (S. 1518) to amend the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) to authorize additional appropriations to establish fuel efficiency demonstration projects, to provide additional enforcement authority for the odometer antitampering provisions, and for other purposes.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 14484) to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for 1 year the eligibility of supplementary security income recipients for food stamps, and to extend for 1 year the period during which payments may be made to States for child support collection services under part D of title IV of such act.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

Report of the Department of the Interior

A letter from the Secretary of the Interior transmitting, pursuant to law, a report relating to the feasibility of extending to onshore Federal energy leases the prohibition now existing on joint bidding for Outer Continental Shelf oil and gas leases (with an accompanying report); to the Committee on Interior and Insular Affairs.

Approval of Loan by the REA

A letter from the Acting Administrator of the Rural Electrification Administration transmitting, pursuant to law, a survey in connection with the approval of a loan to Oglethorpe Electric Membership Corporation of Decatur, Georgia (with accompanying papers); to the Committee on Appropriations.

Report of the Secretary of Health, Education, and Welfare

A letter from the Under Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on the child support enforcement program (with an accompanying report); to the Committee on Finance.

Report of the Deputy Attorney General

A letter from the Deputy Attorney General transmitting, pursuant to law, a report on the intention of the Department of Justice to expand a telecommunications network providing access to five systems of records (with an accompanying report); to the Committee on Government Operations.

Proposed Legislation To Repeal the Requirements That the Amount of U.S. Notes Outstanding at Any Time Remain Fixed

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to repeal the requirements that the amount of U.S. notes outstanding at any time remain fixed (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation To Extend the Authority of Federal Reserve Banks To Purchase U.S. Obligations Directly From the Treasury

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 5 years the authority of Federal Reserve Banks to purchase U.S. obligations directly from the Treasury (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Statistics Submitted by the Federal Power Commission

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, documents entitled "Statistics of Interstate Natural Gas Pipeline Companies, 1974," "Steam-Electric Plant Air and Water Quality Control Data, 1973," and "Federal Power Commission Reports, Opinions, Decisions, and Orders, Volume No. 40, covering July 1, 1968–December 31, 1968" (with accompanying documents); to the Committee on Commerce.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the need to develop a national non-fuel-mineral policy, Department of the Interior (with an accompanying report); to the Committee on Government Operations.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions, which were referred as indicated:

A concurrent resolution adopted by the State of South Carolina; to the Committee on Interior and Insular Affairs:

"A CONCURRENT RESOLUTION

"To memorialize the President, the Congress of the United States and the National Park Service of the U.S. Department of Interior to plan and construct an extension of the Blue Ridge Parkway into South Carolina; to request the State of North Carolina to cooperate in such efforts; and to request the State Highway Department and the Department of Parks, Recreation and Tourism to plan the project and cooperate in its implementation.

"Whereas, the Southern Highlands' Region of the Appalachia Mountain Range is one of the most beautiful, natural areas of our Nation; and

"Whereas, the Blue Ridge Parkway which extends into the Southern Highlands' Region is one of the Nation's most scenic highways and opens the natural splendor of the area to the view of millions of persons each year; and

"Whereas, the Blue Ridge Parkway does not extend into that section of the Southern Highlands lying in the State of South Carolina; and

"Whereas, the National Park Service is presently studying the extension of three alternate routes of the Parkway from Beech Gap to Norton in North Carolina, a distance of sixty-one (61) miles; and

"Whereas, one of these alternate routes passes near Whitewater Falls very close to the South Carolina State line; and

"Whereas, the State of South Carolina and the Appalachian Regional Commission has expended millions of dollars constructing and improving S.C. 11, the Cherokee Foothills Scenic Highway, to interchange with Interstate 85 at the Georgia state line; and

"Whereas, it would be desirable and appropriate for the Blue Ridge Parkway to be extended into South Carolina connecting with S.C. 11, the Cherokee Foothills Scenic Highway, which would only require forty-eight (48) miles of construction. Now, therefore,

"Be it resolved by the Senate, the House of Representatives concurring: That the General Assembly of South Carolina memorializes the President, the Congress of the United States and the National Park Service of the U.S. Department of Interior to plan, authorize and construct an extension of the Blue Ridge Parkway into the State of South Carolina so as to connect at some appropriate point with the South Carolina Cherokee Foothills Scenic Highway.

"Be it further resolved that the sovereign State of North Carolina is hereby respectfully requested to assist and cooperate with the Federal Government and the State of South Carolina in the planning and development of the proposed Blue Ridge Parkway extension insofar as it shall affect the lands of the State of North Carolina.

"Be it further resolved that the South Carolina Highway Department and the South Carolina Department of Parks, Recreation and Tourism are hereby requested to assist and cooperate with the officials of the Federal Government and the State of North Carolina in the planning and development of an extension of the Blue Ridge Parkway into the State of South Carolina and that these departments are requested to file a report with the General Assembly which shall set forth the following: (1) their efforts to implement the intent of this resolution; (2) propose alignments for the Blue Ridge Parkway in South Carolina; (3) to analyze the cost and benefits to be derived by the construction of the proposed highway; and (4) such further actions as may be necessary to implement this plan, including a timetable for implementation.

"Be it further resolved that copies of this resolution be forwarded to the President, each United States Senator from South Carolina, each member of the House of Representatives of Congress from South Carolina, the National Park Service of the United States Department of Interior, the Senate and House of Representatives of the State of North Carolina, the Chief Highway Commissioner of the South Carolina Highway Department and the Executive Director of the South Carolina Department of Parks, Recreation and Tourism."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGEE, from the Committee on Appropriations, without amendment:

H.R. 5465. An act to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes (Rept. No. 94–1029).

H.R. 3650. An act to clarify the application of section 8344 of title 5, United States Code, relating to civil service annuities and pay upon reemployment, and for other purposes (Rept. No. 94–1030).

PART 2—APPENDIXES, DEVELOPMENTS IN AGING: 1975 AND JANUARY–MAY 1976—REPORT NO. 94–998

Mr. CLARK (for Mr. CHURCH) submitted a report entitled "Part 2—Appendixes, Developments in Aging: 1975 and January-May 1976," from the Special Committee on Aging, pursuant to Senate Resolution 62, July 23, 1975, which was ordered to be printed.

BILL PLACED ON THE CALENDAR

The Committee on Government Operations was discharged from the further consideration of the bill (S. 2715) to amend the Administrative Procedure Act to permit awards of reasonable attorney fees and other expenses for participation in proceedings before Federal regulatory agencies, and for other purposes; and the bill was placed on the calendar.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MANSFIELD:

S. 3654. A bill for the relief of the family of Zohair Moghrabi. Referred to the Committee on the Judiciary.

By Mr. EAGLETON (for himself and Mr. SYMINGTON):

S. 3655. A bill to clarify and reaffirm the intent of Congress with respect to the transmission and sale of electric power and energy generated or purchased in the southwestern power area. Referred to the Committee on Appropriations.

By Mr. MANSFIELD (for Mr. LONG):

S. 3656. A bill to authorize the State of California to elect not to implement the food stamp program for beneficiaries of supplemental security income but to provide instead for a higher level of State supplementary benefits. Considered and passed.

By Mr. PERCY (for himself, Mr. NUNN, and Mr. RIBICOFF):

S. 3657. A bill to remove certain civil service positions in the Drug Enforcement Administration from the competitive service. Referred to the Committee on Post Office and Civil Service.

By Mr. SPARKMAN (by request):

S. 3658. A bill to provide for acquisition of lands in connection with the International Tijuana River Flood Control project, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. MONTOYA:

S. 3659. A bill to provide for control of incipient or emergency outbreaks of range caterpillars. Referred to the Committee on Agriculture and Forestry.

By Mr. CRANSTON (for himself, Mr. JOHNSTON, and Mr. TUNNEY):

S. 3660. A bill to amend section 8 of the Emergency Petroleum Allocation Act of 1973 to exempt first sales of crude oil produced and owned by any State or political subdivision thereof from certain regulations. Referred to the Committee on Interior and Insular Affairs.

By Mr. LAXALT (for himself, Mr. MANSFIELD, and Mr. METCALF):

S. 3661. A bill to amend medicare and medicaid provisions as they relate to rural health care facilities. Referred to the Committee on Finance.

By Mr. WILLIAMS:

S. 3662. A bill to amend the Railroad Retirement Act of 1974 with respect to the computation of annuity amounts in certain cases, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. GARY HART:

S. 3663. A bill to amend section 404 of the Federal Water Pollution Control Act in order to exempt certain activities from the permit requirement under such section, and for other purposes. Referred to the Committee on Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MANSFIELD:

S. 3654. A bill for the relief of the family of Zohair Moghrabi. Referred to the Committee on the Judiciary.

(The remarks of Mr. MANSFIELD on the introduction of the above bill are printed earlier in today's RECORD.)

By Mr. EAGLETON (for himself and Mr. SYMINGTON):

S. 3655. A bill to clarify and reaffirm the intent of Congress with respect to the transmission and sale of electric power and energy generated or purchased in the southwestern power area. Referred to the Committee on Appropriations.

Mr. EAGLETON. Mr. President, for myself and Senator SYMINGTON, I am today introducing a bill to prohibit rate discrimination among customers of the

Southwestern Power Administration, SPA, and I ask that the bill be referred to the appropriate committee.

The need for this legislation arises from a decision by SPA in 1970 to impose a special transmission charge on its rural Missouri customers for service identical to that provided in other States without such a charge. For the 350,000 Missourians affected, this special charge will add $80 million to utility bills by the year 2000.

But it is not on the basis of simple cost that I am introducing this bill. It is rather to undo the brazen inequity of the SPA action which has the effect of unilaterally canceling a contractual obligation to Missouri cooperatives the agency undertook in 1950 at congressional direction.

That obligation stemmed from a decision by Congress not to appropriate further money for construction of Federal transmission lines in Missouri. Instead, SPA was directed to use lines which the cooperatives would build with money borrowed from REA. SPA, in turn, was to pay rentals adequate to service that REA debt, as well as operation and maintenance costs.

Except for that rental payment, rural electric cooperatives customers in the 114 Missouri counties were to be treated just like other customers in the SPA system. All were to pay the same basic SPA rate for power delivered to load centers. The Appropriations Committees even insisted this assurance of nondiscriminatory rates be written into the SPA—Missouri cooperatives contract.

That is how the matter stood until 1970 when the Nixon administration, taking note of growing SPA deficits, ordered a special transmission charge levied on Missouri cooperatives above and beyond the basic SPA rate charged everywhere else.

The rationale was that the payments made by SPA for lease of the Missouri lines was a cost, and since the agency was charged by law to recover all costs, it was only appropriate to offset the lease payments by levying a transmission charge on the cooperatives receiving those payments.

The net effect of this circular argument is that Missouri cooperatives are providing transmission service free of charge to SPA. In the other States served by SPA, transmission lines either were built with Federal funds or leased from private power companies, but no special cost-recovery charge is levied on customers. Only in Missouri has that been the case.

To add to the inequity, Missourians continue to pay the basic SPA rate which is designed to recover all costs of the system, including amortization of the Federal investment in transmission lines outside of Missouri. In short, Missourians are helping to shoulder the cost of delivering power to other States but are being asked to assume the total cost of delivering SPA power in their own State.

This discriminatory transmission charge would increase the cost per kilowatt to Missouri cooperatives more than 60 percent above the price per kilowatt charged to users of peaking power in other States.

Commitments made by SPA to deliver power to all customers at the same basic rate without distinction as to whether the users were served over government-owned or government-leased lines were simply ignored. The long history of congressional approval of the arrangement between SPA and Missouri cooperatives was shunted aside.

With the imposition of the transmission charge, SPA effectively relieves itself of its obligation to compensate Missouri cooperatives for use of their transmission facilities. The cooperatives, however, remained obligated to repay the REA debt which they incurred to build the lines for SPA.

Not surprisingly, Mr. President, the victims of this bureaucratic ploy went to court and in 1973 won a summary judgment in district court. However, that decision was reversed in 1974 by the court of appeals on the grounds the Administrator of SPA had not exceeded his ratemaking authority. The Supreme Court refused to review the case and the matter is now back in district court for a factual determination on what the exact amount of the charge should be.

Mr. President, the courts have held that SPA acted within its legal powers but I do not believe it acted fairly or in keeping with the expressed intent of Congress. I am confident that, upon the review of the facts, the Congress will agree and insist on an end to this discriminatory rate.

By Mr. PERCY (for himself, Mr. NUNN, and Mr. RIBICOFF):

S. 3657. A bill to remove certain civil service positions in the Drug Enforcement Administration from the competitive service. Referred to the Committee on Post Office and Civil Service.

THE DRUG ENFORCEMENT ADMINISTRATION IMPROVEMENT ACT OF 1976

Mr. PERCY. Mr. President, the traffic in hard drugs and the violent crime it breeds are surely the scourge of this Nation's great cities. They have reduced life in large areas of our urban centers to truly primitive levels. They are populating our cities with armies of the living dead—those hopelessly crippled in mind and body by drug addiction. The toll on our young, our urban life, and our society as a whole is staggering.

Since July 1, 1973, the Drug Enforcement Administration, DEA, has been the Federal Government's lead agency in the struggle against this deadly menace. While DEA has made enormous strides during the past 10 months, the hearings and investigations of the Permanent Subcommittee on Investigations, on which I am the ranking minority member, have convinced me that the Federal drug law enforcement effort has been sadly lacking. DEA's own statistics indicate that not only has the flow of drugs onto the Nation's streets not been reduced, it has in fact been on the upswing.

Part of the explanation for this poor performance lies in the serious internal problems which have plagued DEA. The Investigations Subcommittee's June–July 1975 hearings showed that during DEA's first 2 years, a period in which heroin addiction was growing to epidemic proportions, the agency was beset by mismanagement, internal strife, and some serious integrity problems.

A major obstacle to the successful resolution of these problems has been the restrictions imposed upon the Administrator of DEA by the civil service personnel policies under which the Agency operates. Because of rigid civil service rules and regulations, an Administrator interested in upgrading the quality of DEA personnel and the effectiveness of agency programs, does not have the administrative flexibility needed to make those major personnel changes he deems necessary. Furthermore, when the Administrator seeks to fill key supervisory positions from within the Agency, his choice is severely limited by civil service rules which ordinarily prohibit an employee from advancing more than one full grade per year. This problem is especially acute at the crucial top levels of the Agency, where the Administrator's choice may be limited to as few as two or three potential appointees.

The legislation I am introducing today, along with Senator RIBICOFF and Senator NUNN, S. 3657, is designed to solve this problem. Mr. President, I am especially pleased to have as cosponsors for this bill my distinguished colleagues from Connecticut and Georgia. They were both active participants in the Investigations Subcommittee's inquiry into Federal drug law enforcement efforts, and Senator NUNN, as acting chairman of the subcommittee, plans to chair further hearings into the performance of DEA in July. Both Senators have consistently demonstrated their deep concern with the horrors of the drug traffic in this country, and they have also indicated an acute understanding of the enormous need for greater management flexibility at the highest levels of DEA.

S. 3657 provides for the removal of all upper-level supervisory personnel in DEA from the civil service system. This involves those positions of grade GS–15 and above—some 162 people in this 4,200 person agency.

This removal would become effective 1 year after the enactment of this bill. In the interim, the people in such positions who do not elect to remain in their positions in the excepted service could either:

First, transfer to a similar position for which they are qualified in another agency which is protected by civil service; or

Second, transfer to a grade GS–14 position in DEA, with no loss in salary or pension rights.

Mr. President, I would like to be very clear about one point in particular. This legislation is not intended as a means of capriciously punishing those individuals now in supervisory positions in DEA. Nor is it intended as a precedent for the wholesale removal of Government agencies from the civil service system. Rather, it is a recognition of the fact that Federal law enforcement agencies constitute a special case. In these agencies, the opportunities for "corner-cutting" and outright corruption are so great that a more flexible personnel system is needed to insure the integrity and effectiveness of agency personnel.

By way of comparison, the other law enforcement agency under the Justice Department, the FBI, has, since its creation, maintained a personnel system wholly outside the civil service. Largely as a result of this, the FBI has been relatively free of the kinds of abuses and integrity problems which have plagued DEA.

The record of the hearings held by the Senate Permanent Subcommittee on Investigations strongly supports this proposal. After an extensive review of internal difficulties at DEA and its predecessor agencies, the subcommittee has concluded that this reform is essential to the effective management of the agency. As the subcommittee report, which will be made public soon, concludes:

> It is the finding of the subcommittee that DEA personnel should not be covered by civil service rules and regulations. The subcommittee believes a fair method of disengaging DEA or any successor organization from civil service would be to give personnel a 1-year grace period during which they could seek other Federal employment covered by civil service with their rights intact. In turn, should personnel choose to remain in place, they would, after the 1-year period, lose all rights and protections previously provided them under civil service.

In addition, I have been in contact with various individuals who have had experience, either working in, or dealing with DEA. Former Deputy Attorney General Laurence Silberman, former Acting DEA Administrator Henry S. Dogin, former Chief Inspector, and former Acting Deputy Administrator of DEA Andrew C. Tartaglino, Watergate Special Prosecutor and former Acting DEA Chief Inspector Charles Ruff, and other senior officials both in and out of the Department of Justice have all expressed strong support for this legislation. Perhaps Mr. Silberman, who as Deputy Attorney General was the official primarily responsible for oversight of DEA, most cogently summed up the need for this legislation in his testimony before the Permanent Subcommittee on Investigations:

> I think this committee . . . could do something that would be of enormous help for DEA and for the Justice Department, and that is to pass legislation to take civil service away from DEA and give them the same personnel status as the FBI.
>
> If you do that, you will end up with a much better DEA, which will be less susceptible to corruption.
>
> As you dug into this investigation, I think this committee has become aware that the protections which civil service gives employees, while very valuable, are probably inappropriate in an organization engaged in direct law enforcement. You have a higher degree of discipline and you need a higher degree of flexibility of management.

Since July 1, 1973, the Administrator of the Drug Enforcement Administration has been charged with responsibility for the Federal law enforcement effort in combating drug abuse in this country. To date, Administrators of that Agency have been prevented from forming the strong leadership team they desperately need due to restrictive personnel rules. If enacted, S. 3657 will give the Administrator much needed managerial flexibility in the appointment and removal of top supervisory personnel so that his antidrug policies, as well as those of the Congress and the President, can be implemented. While this measure cannot insure success in the struggle against drub abuse, it should go a long way toward increasing the efficiency and effectiveness of DEA. We can do no less for our cities, our young, our country.

Mr. President, I ask unanimous consent that S. 3657 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) one year after the date of enactment of this Act, all positions in the Drug Enforcement Administration, which was established under section 4 of the Reorganization Plan Numbered 2 of 1973, as amended, to which grades GS–15 or above of the General Schedule under section 5332(a) of title 5, United States Code, apply are excepted from the competitive service.

(b) The incumbents of such positions occupy positions in the excepted service and the provisions of sections 7501 and 7512 of title 5, United States Code, shall not apply to such incumbents.

(c) Under regulations prescribed by the Civil Service Commission, any incumbent of such position may—

(1) transfer to a similar position in the competitive service in another agency if such incumbent is qualified for such position, or

(2) within one year of the date of enactment of this Act transfer to another position in the Drug Enforcement Administration to which grade GS–14 of the General Schedule under section 5332(a) of title 5, United States Code, applies.

Any individual who transfers to another position in the Drug Enforcement Administration shall be entitled to have his initial rate of pay for such position set at a step of grade GS–14 which is nearest to but not less than the rate of pay which such individual received at the time of such transfer. If the rate of pay of such individual at the time of such transfer is greater than the rate of pay for step 10 of grade GS–14, such individual shall be entitled to have his initial rate of pay for such position set at step 10 but such individual shall be entitled to receive the rate of pay he received at the time of such transfer until the rate of pay for step 10 is equal to or greater than such rate of pay.

Mr. NUNN. Mr. President, I join our distinguished colleagues, Senators PERCY and RIBICOFF, in introducing S. 3657, the Drug Enforcement Administration Improvement Act of 1976.

We all know of the horrible destruction and waste caused by the traffic in hard drugs in this country and by the crime which inevitably accompanies it. Its toll is especially heavy on our young and in our cities.

As the principal Federal agency in the struggle to eliminate this terrible scourge, the Drug Enforcement Administration is of vital importance to the health of our country and the survival of our cities. It is absolutely essential that this agency function effectively in carrying out its mission.

Unfortunately, the investigation and hearings undertaken by the Permanent Subcommittee on Investigations, of which I am acting chairman, have shown that during its first years of existence DEA has not performed its function well. The record of the hearings which we held last June and July demonstrate conclusively that DEA has been beset by such serious mismanagement, internal strife, and integrity problems that its primary function of limiting the supply of illicit narcotics in this country has been greatly impaired.

While DEA has greatly improved its performance in recent months, its Administrator has been seriously hampered in his efforts to resolve these major problems by the restrictive civil service rules and regulations under which he must operate.

The severity of this problem became apparent to the subcommittee during the course of its investigation. The subcommittee report concludes that:

> It is the finding of the Subcommittee that DEA personnel should not be covered by civil service rules and regulations.

The proposal that we are introducing today, S. 3657, provides for the removal of all upper level supervisory positions in DEA from the civil service system. This would affect those people in positions of grade GS–15 and above in DEA, some 162 of that agency's 4,200 employees. It is these individuals who are the most important in setting the tone for the agency and in insuring its successful operation, and it is at this level that the Administrator most needs flexible personnel policies if he is to effectively run the agency.

Because this bill removes some important civil service protections from certain positions in DEA, we want to ensure fair treatment for the present occupants of those positions. For this reason, S. 3657 provides for a 1-year period prior to the removal of civil service protections. During this grace period the affected DEA personnel would be able to either remain in their positions in the excepted service, transfer to a similar position elsewhere in the Federal bureaucracy, or transfer to a grade GS–14 position in DEA with no loss in salary or pension rights.

These options will allow an orderly transition period, and will minimize any adverse effects this legislation might have on the current upper level supervisors in DEA.

The proposal we are introducing has been warmly received by many top officials who have worked with or in DEA. Senator PERCY has named some of them and I think that this widespread support gives some indication of the importance of this measure. Admittedly S. 3657 is no panacea for the drug problem in this country. It will not even eliminate all of the difficulties at DEA. However, it will give the Administrator the managerial flexibility he so desperately needs to effectively run the Agency, and thus it should be a major contribution to improving the Federal Drug law enforcement effort.

Mr. RIBICOFF. Mr. President, I rise in support of the legislation introduced by my distinguished colleague, Senator PERCY, with whom I have worked closely on the Senate Government Operations Committee in an effort to reorganize and reform the Federal drug enforcement and treatment programs.

In 1973, we conducted a series of extensive hearings on the need to reorganize the old Bureau of Narcotics and Dangerous Drugs and the drug enforcement section of the Customs Bureau into the present Drug Enforcement Administration. Reorganization plan No. 2 of 1973, which established the DEA, was a direct outgrowth of the committee's work in this area.

Unfortunately, Mr. President, many of the abuses of Federal drug law enforcement which were brought to our attention at that time still exist within the new DEA, and these abuses were made clear in the recently concluded investigation of the Permanent Investigations Subcommittee of the Government Operations Committee. I wish to commend, in particular, the work of Senators Jackson, Nunn, and Percy for the outstanding investigation that was conducted under their direction.

The bill being introduced today by Senator Percy, in which Senator Nunn and I have joined, provides for the removal of all upper level supervisory personnel in the DEA from the civil service system. This involves some 162 individuals who hold positions of grade GS–15 and above, out of a total of 4,200 employees in the agency. I would like to reiterate what Senator Percy has said concerning the fact that this legislation is not intended as a means of punishing those individuals now in supervisory positions in the DEA. Nor is it intended as a precedent for the wholesale removal of Government agencies from the civil service system. Instead, it recognizes that Federal law enforcement agencies require special consideration in this regard so that there is sufficient flexibility in appointing key supervisory personnel to insure the integrity and effectiveness of the agency.

This bill evolved from the testimony of several expert witnesses at the subcommittee hearings to the effect that the Administrator of DEA should have the authority to appoint and remove officials at a supervisory level to promote the efficiency and effectiveness of the agency. Thus, under this bill, the DEA Administrator would have the authority to speedily remove incompetent or corrupt personnel at supervisory levels, whereas present civil service regulations make such removal extremely difficult if not impossible. The bill would also open up a wider pool of potential appointees from which the Administrator of DEA can choose when he seeks to fill key supervisory positions. Again, civil service procedures presently restrict this choice by requiring that a job can be filled only by an individual who is no more than one grade below the position in question.

Mr. President, I believe this is a sound bill which will do much to improve the internal operations and the external image of the DEA. It is essential, that the agency on which the American people depend to protect them from the ravages of drug trafficking be upgraded so that it can fulfill this crucial mission.

By Mr. SPARKMAN (by request):

S. 3658. A bill to provide for acquisition of lands in connection with the International Tijuana River flood control project, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for acquisition of lands in connection with the International Tijuana River flood control project, and for other purposes.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the Record at this point, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated June 28, 1976.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 3658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2 of Public Law 89–640, 80 Stat. 884, is amended by striking out Section 2 in its entirety and substituting in lieu thereof the following new section:

Sec. 2. Pursuant to the agreement concluded under the authority of Section 1 of this Act, the United States Commissioner is authorized to construct, operate, and maintain the portion of the "International Flood Control Project, Tijuana River Basin," assigned to the United States, and there is hereby authorized to be appropriated to the Department of State for use of the United States Section the sum of $10,800,000 for construction costs of such project, as modified, based on estimated June 1976 prices, plus or minus such amounts as may be justified by reason of price index fluctuations in costs involved therein, and such sums as may be necessary for its maintenance and operation. Contingent upon the furnishing by the City of San Diego of its appropriate share of the funds for the acquisition of the land and interests therein needed to carry out the agreement between the United States and Mexico to construct such project, the Secretary of State, acting through the United States Commissioner, is further authorized to participate financially with non-Federal interests in the acquisition of said lands and interest therein, to the extent that funds provided by the City of San Diego are insufficient for this purpose.

Department of State,
Washington, D.C., June 28, 1976.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: The Department of State, having responsibility through the U.S. Commissioner, International Boundary and Water Commission, United States and Mexico, has not been able to construct the U.S. part of the International Tijuana River Flood Control Project authorized by Public Law 89–640 (80 Stat. 884) approved October 10, 1966, and agreed upon with the Government of Mexico on June 19, 1967. The Department therefore submits draft amendatory legislation, which it recommends for enactment during the current session of the Congress, and which will enable the Department to proceed with this construction.

Public Law 89–640 authorized the conclusion of the agreement with Mexico, and subject thereto, authorized construction of the part of the project in the United States, and the appropriation of funds not to exceed $12.6 million to meet the estimated Federal cost of that construction, as well as such funds as might be necessary for operation and maintenance. Following the normal practice in domestic flood control projects, the expenditure of those funds was made conditional on donation to the Federal Government of the lands needed for the construction. Since the City of San Diego, California, had formally committed itself to furnishing these required lands, the U.S. Commissioner, with the Department's approval, concluded an agreement with Mexico for joint construction of the international flood control project, which was to consist of coordinated channel and levee works in the United States and in Mexico, with each Government to perform the works in its country at its expense.

The Government of Mexico has now essentially completed its part of the project. However, as explained further in the enclosed background statement, the U.S. part of the project has not been started because the City of San Diego has not furnished the lands as required by the Public Law. The City has not done so because, albeit at its request, the project was reduced to a small part of its original size, and the resulting modified project would leave as an open space the major part of the area that was to have been protected. The flood control benefits to the City have been correspondingly reduced.

The project as modified represents the minimum works needed to comply with the 1967 agreement with Mexico and to protect a small urban area in the United States. The principal purpose of the project has become implementation of that agreement. The total cost of the lands and associated work has been reduced to an estimated $3.8 million. Of this amount, the City, with the assistance of the State of California, agrees to pay an estimated $2.2 million, or about 60 percent of those costs. The City proposes that the Federal Government assume the remaining land acquisition costs estimated at $1.6 million.

With the changes described the estimated total Federal cost would not exceed the $12.6 million which was the estimated cost of the full project as originally presented to the Congress in 1966, and which the Congress stipulated as the maximum Federal expenditure authorized for the U.S. part of the project. According to most recent estimates, the Federal cost of the modified project at 1976 prices, including Federal participation in the land acquisition costs to the extent of $1.6 million, would amount to about $12.4 million. If the Federal Government were to undertake construction of the original project at current prices, the Federal cost would amount to $27.8 million.

There is an urgent need to construct the part of the works planned in the United States. Unless they are completed before the next flood occurs on the Tijuana River, the floodwaters will enter the United States with increased velocity, as a result of the construction in Mexico. Damages will be suffered in the United States, and waters will back up into Mexico causing serious urban damage in the City of Tijuana.

So that the international project can be completed in accordance with the agreement with Mexico, the Department believes that the offer of the City of San Diego should be accepted, and that the Department should be authorized to assume a part of the costs of land acquisition estimated to amount to $1.6 million.

The Department regrets that, through circumstances that could not have been anticipated, it must ask the Congress to amend Public Law 89–640 and undertake a somewhat larger share of the cost of the U.S. part of this international project than it would normally accept in an exclusively domestic flood control project. It is believed that a departure from normal practice is warranted in this instance in order to enable the United States to fulfill an international obligation. A draft bill to amend Section 2 of Public Law 89–640 in the manner recommended is accordingly enclosed.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely,
ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

ANALYSIS OF DRAFT BILL—TIJUANA FLOOD CONTROL PROJECT

By an Act approved October 10, 1966 (P.L. 89–640, 80 Stat. 884) the Congress authorized the Secretary of State, acting through the U.S. Commissioner on the International Boundary and Water Commission, United States and Mexico, to conclude an agreement with Mexico in accordance with the provisions of the Treaty of February 3, 1944, for the joint construction, operation, and maintenance of an international project to control the floods of the Tijuana River in Mexico and in the United States. The project was to be located and have substantially the characteristics as described in a report of the U.S. Section of the Commission submitted to the Congress at that time.

Subject to the conclusion of an agreement, Section 2 of the Act authorized the U.S. Commissioner to construct, operate, and maintain the United States portion of the joint project and authorized an appropriation not to exceed $12.6 million for the construction, and such sums as might be necessary for operation and maintenance of the project. The Act specifically prohibited the use of any part of the appropriations ". . . for construction on any land, site, or easement until such had been acquired by donation and title thereto had been approved by the Attorney General of the United States."

The agreement with Mexico was concluded in Minute No. 225 of the International Boundary and Water Commission dated June 19, 1967. The agreement divided the work and costs between the two Governments by assigning to each Section of the Commission the work planned in its own country. Mexico has completed the work in its country except for the 1312-foot (400 meters) reach just upstream from the international boundary. The work was not extended downstream from that point pursuant to a subsequent agreement of the Commission made in 1970.

The United States has not begun construction because the lands required for the project have not been donated by the local beneficiaries to the Federal Government. Meanwhile, at the request of the City of San Diego, the original project has been reduced in size.

The draft bill would amend Section 2 of the Act by substituting a new Section 2, which would modify the existing Section in three respects: It would change the authorized appropriation for construction from an amount "not to exceed $12.6 million" (1966 prices) to the amount of the estimated cost of the present smaller project, $10.8 million, based on estimated June 1976 prices, plus or minus whatever change in the estimate is caused by fluctuation in construction costs. Secondly, it would recognize that the project would be modified. Finally, it would authorize Federal participation with California State and Municipal governments in the cost of acquisition of the required lands to the extent that funds provided by the non-Federal governments are insufficient to cover the total land acquisition costs. The cost of this additional Federal participation is estimated at $1.6 million, but this estimate is subject to change because final current appraisals have not yet been made of the properties.

PUBLIC LAW 89–640, AS AMENDED

An act to authorize the conclusion of an agreement for the joint construction by the United States and Mexico of an international flood control project for the Tijuana River in accordance with the provisions of the treaty of February 3, 1944, with Mexico, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State, acting through the United States Commissioner, International Boundary and Water Commission, United States and Mexico, is hereby authorized to conclude with the appropriate official or officials of the Government of Mexico an agreement for the joint construction, operation, and maintenance by the United States and Mexico, in accordance with the provisions of the treaty of February 3, 1944, with Mexico, of an international flood control project for the Tijuana River, which shall be located and have substantially the characteristics described in "Report on an International Flood Control Project, Tijuana River Basin," prepared by the United States Section, International Boundary and Water Commission, United States and Mexico.

SEC. 2. Pursuant to the agreement concluded under the authority of Section 1 of this Act, the United States Commissioner is authorized to construct, operate, and maintain the portion of the "International Flood Control Project, Tijuana River Basin," assigned to the United States, and there is hereby authorized to be appropriated to the Department of State for use of the United States Section the sum of $10,800,000 for construction costs of such project, as modified, based on estimated June 1976 prices, plus or minus such amounts as may be justified by reason of price index fluctuations in costs involved therein, and such as may be necessary for its maintenance and operation. Contingent upon the furnishing by the City of San Diego of its appropriate share of the funds for the acquisition of the land and interests therein needed to carry out the agreement between the United States and Mexico to construct such project, the Secretary of State, acting through the United States Commissioner, is further authorized to participate financially with non-Federal interests in the acquisition of said lands and interest therein, to the extent that funds provided by the City of San Diego are insufficient for this purpose.

SUMMARY—THE TIJUANA RIVER FLOOD CONTROL PROJECT, JUNE 1, 1976

The Tijuana River is located in the far southwest corner of the United States and in the far northwest corner of Mexico. It is an international river having its source partly in the United States and partly in Mexico. It flows northwestward five miles through the City of Tijuana, Baja California, to the international boundary and then continues westward into the United States through farm and grazing lands in the City of San Diego, California, a distance of about 5.4 miles and thence through marsh lands of the City of Imperial Beach, about 0.6 mile, to discharge into the Pacific Ocean.

The provisions of the 1944 Water Treaty with Mexico, relating to the Tijuana River, directed the International Boundary and Water Commission (IBWC) to "study and investigate, and . . . submit to the two Governments for their approval . . . Plans for storage and flood control to promote and develop domestic, irrigation, and other feasible uses of . . . this [river] system . . ." Storage works for flood control were not found feasible.

The City of San Diego, by Resolution dated May 21, 1964, recommended that the United States Government join with the Government of Mexico to construct an international flood control project for the Tijuana River, to consist of coordinated channel and levee works in each country. The City proposed that the part of the project in the United States provide flood protection for essentially the entire Tijuana Valley in this country—approximately 4800 acres—to enable their development for recreation, urban and commercial use.

The City agreed to assume the costs to acquire the necessary lands and for relocations in the United States, then estimated to amount to $1.94 million. By a later Resolution dated July 29, 1965, the City agreed to further assume 17.8 percent of the construction cost of the part of the Tijuana River Flood Control Project in this country, then estimated at $2.25 million, on the basis of the benefits which the City would derive from increased utilization of the lands.

Based upon the recommendations of the City of San Diego, the U.S. Section of the Commission, and the Department of State, the United States Congress, by the Act of October 10, 1966, Public Law 89–640 (80 Stat. 884) authorized the conclusion of an agreement with Mexico for the joint construction by the United States and Mexico of an international flood control project for the Tijuana River. Subject to the conclusion of an agreement, the Act authorized the United States Commissioner to construct, operate, and maintain the portion of such project assigned to the United States and authorized an appropriation to the Department of State for use of the U.S. Section, not to exceed $12.6 million, for the construction of the portion of the project in the United States and such sums as may be necessary for its maintenance and operation. The Act provided that "No part of any appropriation . . . shall be expended for construction on any land, site or easement, except such as has been acquired by donation . . ."

An agreement was reached with Mexico by Minute No. 225 of the IBWC dated June 19, 1967, which was subsequently approved by the two Governments, for joint construction by the United States and by Mexico of an international flood control project for the Tijuana River. The agreement provided for a coordinated plan for construction of a concrete-lined flood control channel, to contain the river's floods through the City of Tijuana, Baja California, Mexico, for a distance of 2.7 miles to the International boundary, and continuing the flood control channel in the United States to contain its floods through the lands in the United States, a distance of 5.3 miles, to the Pacific Ocean. Reference Exhibit 1. The agreement provides that each country will, at its expense, construct, operate, and maintain the works located in its territory. In addition to each country providing works in its territory to protect its properties, the works in each country will guard against floodwaters from one country causing damage in the other country. By Minute No. 236 dated July 2, 1970, and approved by both countries, either country can proceed with its construction of works in its territory whenever it desires, except in the 1312-foot reaches upstream and downstream from the international boundary.

Mexico began construction of its part of the project in August 1972, and it is now (June 1976) essentially complete except for the last 1312 feet upstream from the boundary.

The United States has not yet started part of the project in this country because at the request of the City of San Diego the plan for the project was changed and because the City has not donated the lands needed for construction of the project.

On December 21, 1971, the City Council of San Diego, by Resolution No. 204491, requested work on the project be held in abeyance pending its review of land use plans for the Tijuana River Valley. Accordingly, plans for work in the United States were halted. On October 31, 1972, the City Council of San Diego, by Resolution No. 206814, requested that the United States Commissioner provide the Council with alternative plans for a modified project for work in the United States. Alternative plans were prepared and presented to the City of San Diego on February 7, 1973.

On August 23, 1973, the City Council, after public hearings, selected the "Minimum Plan." The City Council formalized selection of this plan in its Resolution dated October 30, 1973, and requested the United States Section to proceed toward its construction.

The "Minimum Plan" would be in accord with the City's more recent land planning to retain practically all of the Tijuana Valley in the United States as an open space area for agriculture, a natural preserve, and parks. It would provide the minimum works in the United States required to give Mexico the same degree of protection from floodwaters in the United States, as would the original plan.

It would further provide protection for about 400 acres in the suburban area of San Diego, known as San Ysidro. The channel structure in the United States would be less than one mile in length. It would be designed to gradually reduce the high velocities from the channel in Mexico to velocities for a north levee extending northwestward from the end of the structural channel 1.2 miles to high ground and a south levee extending from the structure westward along the boundary about 0.5 mile to high ground. Reference Exhibit 2.

The estimated costs for the "Minimum Plan" for mid-1976 levels are:

	Million
Federal Construction costs—engineering, supervision and administration	$10. 8
Lands and associated costs for rights-of-way and relocations	3. 8
Total	14. 6

However, before the United States Commissioner could proceed with construction, a further delay was encountered when the City of San Diego advised that with the "Minimum Plan" the benefits to the City were so reduced from the original plan that it could not justify the total costs of lands needed, as required by the Act of the Congress, estimated to amount to about $3,800,000. The City's position is that the major benefits of the "Minimum Plan," accrue to the Federal Government in fulfillment of the international agreement—about 68 percent, and only a small part of the benefits accrue to flood protection for the City of San Diego, estimated at 32 percent. The City further points out that construction of the "Minimum Plan" works in lieu of the original plan of works will save the Federal Government an estimated $15.4 million at current prices. The Federal cost of the original project would amount to an estimated $27.8 million, excluding costs of lands and land enhancement costs which were to be borne by the City.

Therefore, the City of San Diego, with the financial assistance of the State of California, states that it can only participate in the costs of the lands required, including related works, to the extent of about $2.2 million. This amount consists of $0.6 million pledged by the City in its Resolution dated February 25, 1976, plus $0.2 million for resolutions plus approximately $1.4 million recommended by the Governor in his budget for the State of California for the year beginning July 1, 1976. There remains an estimated $1.6 million needed to cover the estimated total lands for the "Minimum Plan."

The Department of State supports the recommendation of the United States Commissioner that the authorizing Act (Public Law 89–640) be amended to provide for Federal participation in the costs of acquiring the lands needed for the "Minimum Plan" to the extent of about $1.6 million which, with the funds offered to be provided by the City of San Diego, about $2.2 million, are estimated to be sufficient to cover the total estimated cost of $3.8 million. The Department agrees that the major part of the project costs are to fulfill the international agreement. Also, there would be an estimated savings of some $15.4 million to the Federal Government by constructing the "Minimum Plan" instead of constructing the original project. The total Federal Costs for the "Minimum Plan," including participation in the land acquisition costs, are estimated at about $12.4 million (1976 prices), which would be within, or very close to, the United States Federal cost of $12.6 million authorized by the Act of October 10, 1966.

Environmental analyses were made by the Corps of Engineers for the United States Section, IBWC, and the draft Environmental Statement was circulated for comment on May 1, 1974, to local, State, and Federal agencies, to conservation associations, and to the public. The draft statement described the various alternatives considered, the environmental impacts of each, and presented the minimum flood control facility as the proposed plan. The public hearing on the draft statement was held in San Diego, on April 8, 1976. The comments received were considered in the final Environmental Statement which was submitted to the Council on Environmental Quality on June 7, 1976.

The recommendations of the Department of State and of the U.S. Commissioner are conditional, of course, on the appropriation of the required State funds by the California legislature, which is expected about July 1, 1976.

By Mr. MONTOYA:

S. 3659. A bill to provide for control of incipient or emergency outbreaks of range caterpillars. Referred to the Committee on Agriculture and Forestry.

CONTROL OF THE RANGE CATERPILLAR

Mr. MONTOYA. Mr. President, today I am introducing a bill that will provide for the control of incipient or emergency outbreaks of range caterpillars. This legislation reclassifies the range caterpillar and places it in the same category as the chinch bug, another insect that has proven to be very destructive to grass and other crops.

The need for such a reclassification is great. Presently there is a 7.4-million-acre infestation of the range caterpillar in four Southwestern States. This infestation, as devastating as it is unfortunate, is even more tragic when one realizes that this insect has been present since the early part of this century and yet has been allowed to steadily increase in numbers. The spread has not been due to the failure of individual landowners to try and control this insect, but rather than the national grasslands, and in the southern counties the national resource lands, have not been properly treated and thus act as a breeding ground for the further infestation of the private lands.

Information I recently received from the New Mexico Department of Agriculture indicates that the present infestation rate, reaching nearly 60 caterpillars per square yard in many places, will totally destroy the grass production in this otherwise fertile area. It is disturbing that the Federal Government has not responded to this disaster situation before now. When the Teton Dam recently broke in Idaho and countless acres of valuable land were put to waste, the Federal Government rushed in millions of dollars to assist the victims of this avoidable catastrophe. Environmental devastation and ensuing economic hardship in any form are conditions that must not be allowed to permanently disrupt any American family. Surely it is just as devastating to be eaten off your land as it is to have it flooded.

Mr. President, the economic impact of this continued infestation is truly staggering. In the last decade alone nearly $30 million has been lost due to the loss of forage and livestock grains. When this amount is coupled with the long-range effects of soil erosion in the denuded areas, attempts to control the insect, and prolonged weight loss in cattle and other livestock, the economic losses become nearly unrecoverable.

Earlier this year, I requested and subsequently received report language for the fiscal year 1977 agriculture appropriations directing the Animal and Plant Health Inspection Service to develop and make available the necessary pesticides to control and eradicate this insect. While initially unwilling to comply with this directive, an order from the President forced this agency to cooperate with the farmers and the State of New Mexico in beginning the proper control efforts necessary to salvage at least the remainder of this year's growing season.

This legislation will correct this bureaucratic hedging as well as clarify many jurisdictional problems now encountered by the Department of Agriculture. With the enactment of this bill, all infestations of chinch bugs and range caterpillars, whether classified as an "inter" or "intra" State dilemma will become the responsibility of the Department, and thus, insure that the necessary funds and assistance will be available for the ranchers and farmers of the Southwest. There is no reason why it should take a near disaster and an Executive order to force an agency to do its job when more efficient and permanent solutions are available.

I hope that I have impressed upon my colleagues here in the Senate the necessity of this legislation, and hope that they will join me in supporting this measure.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the joint resolution of April 6, 1937 (7 U.S.C. 148) is amended by striking out "and chinch bugs" and inserting in lieu thereof "chinch bugs, and range caterpillars".

By Mr. CRANSTON (for himself, Mr. Johnston, and Mr. Tunney):

S. 3660. A bill to amend section 8 of the Emergency Petroleum Allocation Act of 1973 to exempt first sales of crude oil produced and owned by any State or political subdivision thereof from certain regulations. Referred to the Committee on Interior and Insular Affairs.

Mr. CRANSTON. Mr. President, I introduce today for appropriate reference for myself, my colleague from California (Mr. Tunney) and my friend and colleague from Louisiana (Mr. Johnston) a bill to allow States and their local subdivisions a partial exemption from price controls on crude oil owned by, produced by or accruing to States as royalty.

This bill grew out of an amendment Senator Johnston and I offered to the FEA extension bill, S. 2872. That amendment—UP amendment No. 40—was withdrawn after I received an assurance from the distinguished chairman of the Senate Interior and Insular Affairs Committee, Mr. Jackson, that hearings on the subject would be scheduled as soon as the committee's schedule allowed. I am pleased that that hearing has now been scheduled for July 19, 1976, at 10 a.m.

Mr. President, the purpose of this legislation is to restore a part of the price benefits previously enjoyed by States under the Cost of Living Council's original ruling exempting States from oil price controls. That exemption was withdrawn by the Cost of Living Council and the Federal Energy Office in an unusual retroactive action in February 1974, effective October 25, 1973.

Another purpose of this legislation is to restore pricing equity for State-owned California crude oils. Currently, California crude oil averages $4.21 per barrel, while the national average "old" oil price is $5.25 per barrel. The difference results from the long-standing especially severe gravity penalty imposed upon California crude oils.

At the hearing on July 19, Senator Johnston and I hope to receive testimony from the States affected, to hear from California government officials familiar with the gravity differential problem, and to probe our frustrating efforts to receive fair treatment from the Federal Energy Administration on this issue.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(1) Notwithstanding any other provision of this section—

"(1) first sales of crude oil owned by any State or political subdivision thereof after the date of enactment of this subsection shall not be subject to regulation by the Administrator to the extent that the first sale price of such crude oil does not exceed the maximum weighted average first sale price as established and adjusted pursuant to this section;

"(2) the quantity of first sales of crude oil owned by States and political subdivisions thereof shall be excluded from the computation involved in establishing a maximum weighted average first sale price for sales of crude oil produced in the United States; and

"(3) first sales of crude oil owned by any State or political subdivision thereof which exceed the lower tier ceiling price as a result of paragraph (1) of this subsection and purchased by refiners shall not incur any entitlements obligation by reason of its inclusion in any refiners crude oil receipts.".

By Mr. LAXALT (for himself, Mr. Mansfield, and Mr. Metcalf):

S. 3661. A bill to amend medicare and medicaid provisions as they relate to rural health care facilities. Referred to the Committee on Finance.

Mr. LAXALT. Mr. President, I am today introducing legislation which would amend title 18 of the Social Security Act as it pertains to rural health care facilities. This legislation is a companion to H.R. 13267 as introduced by Congressman Baucus and it is designed to assist small rural health facilities in meeting medicare reimbursement standards.

To participate in the medicare program, providers of health care services are rightly held to very high standards designed to insure the safety of our Nation's patient population. These standards are promulgated by the Secretary of Health, Education, and Welfare to provide for high quality professional staff and the maintenance of an adequate physical plant.

Naturally no one quarrels with the need to provide first-rate technical personnel or safe and sanitary physical plants for our hospitals. But, as many Nevada hospital administrators have complained to me, title 18 regulations are better suited to large urban hospitals with impressive facilities and an abundance of trained personnel than to small rural facilities lacking both of these attributes. Thus, title 18 regulations, although well intentioned, fail to consider the particular problems of rural facilities frequently providing only a limited number of services at small isolated facilities.

Permit me to provide just two examples of the harm which can come when standards well suited to large urban hospitals are applied to small rural ones. In Yerington, Nev., the Lyon Health Center has a 34-bed capacity—24 hospital, 10 skilled nursing. The average occupancy rate is 18 beds and the average patient age at the present time is 89. However, because title 18 standards require it, the Administrator at Lyon is forced to undergo a tremendous and needless expense to procure the services of an occupational therapist for her elderly patients. At Nye General in Tonopah, the difficulty in recruiting skilled nursing help is so acute that the administrator there has been desperately seeking to encourage the immigration of Filipino nurses because it has proven impossible to recruit and keep domestic nurses at his isolated facility.

Mr. President, let me reiterate. It is not my intention to weaken the title 18 standards. With the bill I am proposing today, I only seek to add an additional increment of flexibility in order to make those standards better suited to small rural health care facilities.

Furthermore, both the Social Security Administration and the Congress agree that many requirements placed upon rural hospitals were counterproductive. Recognizing the vital nature of the small isolated facilities in providing essential services for our rural areas, and the costly nature of some of title 18 regulations, the Social Security Administration has certified certain small hospitals as "access" hospitals. The Congress also has recognized the importance of flexibility in the title 18 standards by authorizing the Secretary of HEW to waive the requirement that "access" hospitals have registered nurses on duty around the clock if there is a health manpower shortage in the area or if the failure of the hospital to qualify for certification would seriously weaken the availability of services to beneficiaries and the hospital continues its attempt to meet nurse staffing requirements. Thus, my bill is simply another step toward the flexibility which both the Social Security Administration and the Congress have acknowledged they wish to see in the medicare regulations.

In essence, my bill would amend title 18 of the Social Security Act to ease requirements which have to be met by rural hospitals with 50 beds or less in order to qualify for medicare reimbursement. As such, it provides for the following:

Nursing services.—The Secretary of HEW can waive the 24-hour nurse service provision for one year for rural hospitals under the current law. My bill would require that the Secretary establish requirements for nursing services on the basis of regional availability data and it would forbid in any event hospitals from being decertified on the basis of a temporary shortage of nursing personnel.

Health-Safety Requirements.—My bill would require that the Secretary modify existing requirements to ensure that personnel requirements are consistent with the availability of technical personnel in rural areas and the scope of services rendered by such rural facilities.

Fire and Safety Code.—My bill would allow the Secretary to deem a rural facility in compliance with fire and safety regulations in the event that facility met sufficiently stringent state fire and safety codes.

Mixed-Use.—My bill would relax the prescription against merging hospitals and nursing home patients in the same facility. Although this requirement makes sense for cost-accounting purposes in large urban facilities, it is extremely costly to implement in small rural ones.

Mr. President, the net effect of this bill is to provide flexibility for rural hospitals in meeting title 18 standards without sacrificing quality of health care to be delivered to rural patients. It would also significantly reduce rural medical costs both to the hospitals and patients alike.

I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(e) of the Social Security Act is amended by adding the following sentence at the end thereof: "The term 'hospital' also includes a rural health facility of fifty beds or less (whether used exclusively for patients requiring inpatient hospital services or for such patients and patients requiring long-term care services), which meets the requirements of the first sentence of this subsection for waiver of the requirements of paragraph (5), except that (i) with respect to the requirements for nursing services, such requirements shall be established by the Secretary in regulations taking into account regional data on the availability of nursing personnel, but in no event shall such a rural health facility be precluded from participation because of a temporary shortage of nursing personnel; (ii) with respect to health and safety requirements promulgated under paragraph (9) such requirements shall be appropriately modified by the Secretary for application to such rural health facility so as to assure that personnel requirements are consistent with (A) the availability of technical personnel and the educational opportunities for technical personnel in the area in which the rural health facility, and (iii) with respect to life safety codes, a rural health facility in compliance with all applicable State codes shall be deemed, at the discretion of the Secretary, to be in compliance with the Secretary's regulations relating to fire and safety requirements.".

(b) Section 1861(v) of such Act is amended by adding the following new paragraph at the end thereof:

"(8) Notwithstanding the previous provisions of this subsection the reasonable cost of services furnished in a 'rural health facility' (as described in section 1(a) of this Act) shall be determined without regard to the requirement in subsection (j) relating to a distinct part, and further shall be so calculated as to provide proper payment for services rendered to patients requiring inpatient hospital services and services rendered to patients requiring long-term care services.".

Sec. 2. The Secretary shall, not later than 90 days after the date of enactment of this Act, promulgate regulations implementing the amendments made by the first section of this Act.

By Mr. WILLIAMS:

S. 3662. A bill to amend the Railroad Retirement Act of 1974 with respect to the computation of annuity amounts in certain cases, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. WILLIAMS. Mr. President, I am today introducing legislation to amend the Railroad Retirement Act of 1974. Under this law, an eligible employee and his family are provided pension benefits and other retirement and death benefits in the form of an annuity. The 1974 amendments to this act substantially overhauled the major provisions dealing with the granting of these benefits, most notably the method of computing annuities.

In 1974, it was the intent of all of the parties involved that the changes enacted in the amendments of that year would in no way alter the amount of benefits to which an employee or an employee's spouse had been entitled prior to the effective date of the amendments. However, certain situations escaped the attention of the proponents of the 1974 amendments and as a result, in a limited, but substantial number of cases, the benefits as computed in accordance with the 1974 amendments have actually increased from the amount which the beneficiaries were receiving prior to the adoption of the new method of computation.

The legislation that I am introducing today includes technical amendments to the 1974 act which provide that a beneficiary will not be entitled to receive more than he or she was receiving as of the effective date of the changes made in 1974.

The present Railroad Retirement Act contains the so-called spouse minimum provisions, which are intended to assure that the total annuity amounts payable to a widow or widower will not be less than the annuity amounts that the widow or widower may have received as a spouse in the month preceding the employee's death. There are certain situations in which this protection loses its effectiveness however. The bill I am introducing will assure that the spouse minimum provisions are strictly adhered to so that no widow or widower will receive less than they were receiving before the employee's death.

The bill introduced today will also remedy the situation where a widow or widower is entitled to a benefit based on her or his own earnings, and as a result in certain cases, is given a lower survivor annuity than would have been payable under the computation prior to the 1974 amendments.

One last section of this legislation dealing with the widows and widowers of deceased railroad employees would restructure the computation method for the widow or widower who is entitled to the employee's railroad retirement benefits and to social security benefits based on their own earnings. This would establish a new benefit formula to be used in these cases, again insuring that a widow or widower's annuity will not be less than the amount received as a spouse.

Several other amendments are made by this legislation and are technical in nature. The need for each has come to the attention of the Railroad Retirement Board in the course of its implementation of the 1974 amendments. It should be noted that the corresponding changes in the Railroad Retirement Tax Act are made by this proposed legislation.

Mr. President, this legislation represents what is felt to be the best means to reach the end of a true interpretation and administration of the Railroad Retirement Act of 1974. It has the support of both railroad labor and management. A similar bill, H.R. 14041, has been introduced in the House of Representatives by Congressman Harley Staggers. The House Subcommittee on Transportation and Commerce has held hearings on the bill and on Tuesday of this week, reported it to the full House Commerce Committee for consideration.

It is my hope that this bill is considered expeditiously, as I know that its implementation will assure the administration of the Railroad Retirement Act of 1974 in the manner which was originally intended.

By Mr. GARY HART:

S. 3663. A bill to amend section 404 of the Federal Water Pollution Control Act in order to exempt certain activities from the permit requirement under such section, and for other purposes. Referred to the Committee on Public Works.

Mr. GARY HART. Mr. President, today I am introducing a bill to amend the Federal Water Pollution Control Act to solve a problem which has plagued Federal water pollution control efforts in the area of estuaries, swamps, and other wetlands.

As a response to our growing environmental problems, we have tended to rely increasingly on regulation as a pollution control strategy. In many instances, the regulatory approach has provided the most successful avenue for solution of these problems and has yielded incredible dividends.

But, I am sure that every Member of this body can identify an area where his approach has failed miserably because of overregulation or inadequate regulation.

We face these two regulatory pitfalls with respect to section 404 of Public Law 92–500. This section was designed to protect our Nation's wetlands—a priceless and irreplaceable national resource. These swamps, estuaries, and other wetlands are vanishing at an alarming rate because of dredging, filling and other activities. Once they are gone, we will find that there is no substitute for the functions they perform by cleansing water, supporting the lower end of the food chain, and recharging acquifers.

Having cited the dangers of overregulation and underregulation, let me say that it is imperative that we assure a regulatory jurisdiction broad enough to protect these wetland areas adequately. To restrict, as some have proposed, the authority of the Corps of Engineers and the EPA to those waters which actually support commerce not only ignores the original intent of Congress in this area, but may also prove to be a case of environmental negligence.

But, we must just as carefully avoid unnecessary and purposeless harassment of our agricultural community which has a hard enough time without increased Federal meddling.

Hundreds of farmers throughout Colorado and other States have expressed their fears that they are going to be burdened by unnecessary Federal redtape under section 404 of the act as they go about their routine farming activities. While this issue has become confused and some have legitimately overreacted, I am sure that it was not the intent of Congress to regulate most activities through the 404 permit program.

I am introducing this amendment to the Federal Water Pollution Control Act, therefore, to further assure that certain farming and forestry activities which have negligible environmental impact are exempted from the corps' program under section 404.

A similar approach was aired on the House floor by Representatives CLEVELAND and HARSHA and received widespread support from the administration and agricultural and environmental organizations. I ask unanimous consent that letters of endorsement provided at the time of the House debate be entered in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GARY HART. Under the provisions of this bill, a large number of routine farming practices never intended to fall under the corps' jurisdiction would be statutorily exempted from the permit program.

In addition, this bill would provide statutory authority to the corps for the issuance of general permits to cover activities which have so small an environmental impact that they need not be subject to individual permits.

The Corps of Engineers, through the lack of clear congressional mandate, has floundered through the regulatory wilderness under section 404 and has become understandably court-shy. This bill will provide the corps with more specific guidance and will hopefully dispell the cloud of misinformation which has surrounded this issue. Armed with a clear mandate we can then proceed with the task of cleaning and protecting our Nation's waters.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 404 of the Federal Water Pollution Control Act is amended by inserting at the end thereof the following:

"(d) No permit shall be required under this section, or section 402 of this Act, for discharges of dredged or fill material—

"(1) resulting from normal farming, silviculture, or ranching activities, such as plowing, cultivating, seeding, and harvesting, for the production of food, fiber, and forest products;

"(2) placed for the purpose of maintenance, including emergency reconstruction of recently damaged parts, of currently serviceable structures such as dikes, dams, levees, groins, riprap, breakwaters, causeways, and bridge abutments or approaches, and transportation structures; or

"(3) placed for the purpose of construction or maintenance of farm or stockponds or irrigation ditches or the maintenance of drainage ditches.

"(e)(1) Consistent with the requirements of subsections (a) through (c) of this section the Secretary of the Army acting through the Chief of Engineers may issue general permits for discharges of dredged or fill material where such activities are similar in nature, cause only minimal adverse environmental impact when performed separately, and will have only a minimal adverse cumulative effect on the environment. Such permits shall contain such conditions as necessary to achieve the purposes of this Act and shall be for a maximum period of five years. A general permit may be revoked or modified if it is determined that the cumulative effects of the permitted activities are such that individual permit treatment is required: *Provided,* That no general permit shall be revoked or substantially modified without opportunity for public hearings.

"(2) The Secretary shall distribute through normal public notice procedures, notice of all categories of activities proposed for processing by means of general permits.

"(f) The Secretary of the Army shall submit a detailed report to the Congress, on or before December 31, 1977, on the implementation to such date by the Department of the Army of the provisions of this section. This report, which shall be prepared in conjunction with the Administrator, shall detail the progress made in implementing the requirements of this section and the objectives of this Act.".

EXHIBIT 1

NATIONAL FARMERS UNION,
Denver, Colo., June 1, 1976.

Hon. JAMES CLEVELAND,
U.S. House of Representatives,
Rayburn Office Building,
Washington, D.C.

DEAR CONGRESSMAN CLEVELAND: We have reviewed your proposed amendment to H.R. 9560, the Water Pollution Control Act Amendments of 1976 and believe they clarify, what for farmers, has been a difficult and confusing situation.

As you know, there has been considerable controversy over the interpretation of NRDC court case last year. We have previously expressed our objection to the notion that the Corps of Engineers would seek to regulate normal farming operations.

We have reviewed the general permit plan approach with the Corps of Engineers and believe it to be a sound approach to implementing the court decision and the 1972 Act without regulating normal family farming operations. Your amendment gives statutory authority for the general permit program, which should remove any doubts as to the Corps' authority for this aspect of the program. We support your efforts to clarify this situation.

Sincerely,

TONY T. DECHANT.

NRDC ENVIRONMENTAL LOBBY, INC.,
Washington, D.C., May 27, 1976.

Hon. JAMES C. CLEVELAND,
Hon. WILLIAM H. HARSHA,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR MESSRS. CLEVELAND AND HARSHA: We are writing on behalf of the undersigned environmental organizations to state our wholehearted support for your amendment to section 404 of the Water Pollution Control Act.

No other amendments to section 404 are needed or are wise at this point.

We firmly believe that the section 404 program has great merit and must be allowed to operate in an atmosphere free of confusion, misinformation and conflicting claims. Your amendment would provide such an atmosphere. It goes beyond simple deletion of section 17 of H.R. 9560, the "Breaux amendment," in that it also would significantly improve the section 404 program.

We have noted with dismay the alarm and confusion that has resulted from misstatements about the scope of the section 404 program. It is therefore important to reassure the Nation's agricultural community that their day-to-day activities such as plowing, planting, and maintaining dikes and dams are not subject to regulation under either section 404 or section 402 of the Water Pollution Control Act.

Your amendment would provide that assurance. It establishes in law the clarifying language in the Corps' program regulations, ensuring that these exclusions cannot be later reversed by administrative fiat or court action. It goes even further than the interim program regulations by establishing that dredged or fill material placed for the purpose of the construction and maintenance of farm ponds, stock ponds and irrigation ditches and the maintenance of drainage ditches is also not to be regulated by the program.

The amendment makes another contribution by giving the Corps of Engineers a clear legislative authorization for the issuance of general permits. Such permits will include numerous individual activities within a single permit document and eliminate the red tape associated with individual applications and permits. Thus, the Corps will be able to devote its resources to the more important projects requiring individual permits.

Lastly, the amendment requires a report on the ongoing permit program. This report will be available to Congress to evaluate the progress made in implementing the section 404 program, and thereby precludes any need for delay at this time.

We have consistently maintained that the Breaux amendment is a precipitous and ill-advised assault on the federal water pollution control effort. It would remove approximately 85 percent of the Nation's vital wetlands from the existing federal permit programs. It would legitimize the discharge of polluted dredged or fill material into many waters used for recreation, fishing and water supply. Its possible ramifications were never explored in hearings. For these reasons, and others, it should be stricken from H.R. 9560 and replaced by the amendment which you have proposed.

Sincerely,

RONALD B. OUTEN,
NRDC Environmental Lobby.
BRENT BLACKWELDER,
Environmental Policy Center.

Sierra Club, Environmental Policy Center, Friends of the Earth, National Wildlife Federation, Wilderness Society.

Citizens Committee on Natural Resources, American Rivers Conservation Council, Environmental Action, Clean Water Action Project, Wildlife Management Institute.

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., June 2, 1976.

Hon. ROBERT E. JONES,
Chairman, Committee on Public Works, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Upon reviewing the amendments to H.R. 9560 which were accepted by the House Committee on Public Works and Transportation, I believe it is necessary to take this initiative in addressing some of those amendments and the rather serious concerns we have regarding them.

1. Section 404—On June 1, 1976, I met with the President and representatives of other agencies to discuss the section 404 permit program. As a result of that meeting, the Administration endorses the amendment which will be offered by Messrs. Cleveland and Harsha as a substitute for the Breaux amendment currently in H.R. 9560.

The Cleveland-Harsha amendment would require the Corps of Engineers and EPA to avoid overregulation of relatively harmless discharges while continuing to protect valuable aquatic areas from harmful discharges. First, the amendment would make explicit the statutory authority for the issuance of general permits covering categories of activities that have a minimal impact on water thus eliminating the need for individual permits. Secondly, the amendment would confirm that Congress did not intend the 404 program to regulate a wide range of relatively harmless farming, silviculture and maintenance activities.

It is apparent that the Breaux amendment in H.R. 9560 would severely restrict the jurisdictional scope of the section 404 program. We oppose enactment of that amendment.

The Breaux amendment would remove any Federal regulation over the filling of vast acreage of coastal and inland wetlands. The areas removed from Federal regulation are perhaps the most important elements of vital natural aquatic systems. The values of such wetlands are inestimable in terms of their role of providing a key link in the maintenance of water quality and marine life, including most sport and commercial fish. Wetlands also serve as waste treatment systems for both point and non-point sources of pollution. In fact, in many locations the marshes and other aquatic plants associated with such wetlands serve as the only waste treatment facility available. Their role in buffering storm tides and flood waters exerts a major impact in minimizing serious economic losses that would involve billions of dollars. Existing storm and flood damages are often directly attributable to alterations of natural wetland areas that would be commonplace if the Breaux amendment were enacted.

As the Administrator stated in his letter to you on April 7, 1976, the statutory scheme of the Federal Water Pollution Control Act established a complicated balance of relationships between various programs. EPA and the Army Corps of Engineers have agreed to cooperate in establishing a joint program under section 404 of the Act. As you know, interim final regulations and guidelines were promulgated to direct implementation of a manageable program for balanced decision making with improved opportunities for State and local participation. New administrative mechanisms employed by the Army Corps of Engineers now in effect promise to avoid overregulation and to focus limited private and public resources on the more significant environmental problems associated with destruction of critical aquatic areas by dredged or fill material discharges. As administrative problems develop, they are being reviewed by several agencies and interest groups including the Corps and EPA. A comprehensive assessment of State programs is nearing the first stage of completion. We believe that the Breaux amendment ignores the basically sound program goals embodied in section 404 and would only result in further delays and create dangerous inconsistencies in the statutory scheme.

The Cleveland-Harsha amendment would complement the administrative efforts already taken to avoid overregulation and affirm that general permits are consistent with the intent of Congress. By specifically excluding certain activities, the amendment would also allay fears that the court decision of last March (NRDC v. Callaway) could result in unwarranted expansion of the Corps' jurisdiction beyond the presumed intent of Congress. . . .

I would be happy to discuss any of these matters further at your convenience.

Sincerely yours,

JOHN R. QUARLES, Jr.,
Deputy Administrator.

AMENDMENTS SUBMITTED FOR PRINTING

HIGHER EDUCATION AMENDMENTS OF 1975—S. 2657

AMENDMENT NO. 2015

(Ordered to be printed and to lie on the table.)

Mr. HARTKE submitted an amendment intended to be proposed by him to the bill (S. 2657) to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes.

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENT NO. 2016

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL submitted an amendment intended to be proposed by him to the bill (H.R. 10612) to reform the tax laws of the United States.

RECYCLING TAX CREDIT

Mr. GRAVEL. Mr. President, today I am submitting a substitute amendment for section 2006 of the tax reform bill, H.R. 10612, as reported by the Finance Committee. The Finance Committee recognized the pressing needs that our municipalities face in regard to the disposal of solid waste and during the markup on this bill, the committee approved a tax credit for those manufacturers who use recyclable materials in their operations as well as a tax credit for those that purchase fuel or steam made from the garbage residues of the resource recovery systems. This is an important first step but, I think it is too cautious a beginning.

Because of the committee's concern over possible revenue losses, they restricted the credit two ways. First of all, they adopted an incremental approach for the purpose of "limiting windfalls." This provision would have made the user of recyclable materials eligible for the credit only to the extent that his consumption exceeded 75 percent of a base period figure. Second, the credit was to be phased-in over a 3-year period. So, in effect we are saying to a recycler that he can only get the credit on a portion of his consumption and after he determines the amount he is eligible for we will cut that by one-fourth because it is too expensive.

When I introduced this recycling tax credit idea, I had one goal in mind. That was to create a situation of equity between virgin natural resources and recyclable materials. Recyclable materials are generally substitutable for virgin materials in the industrial process. They have significant advantages over virgin materials in the amount of energy consumed and in the levels of pollution generated. Yet over the past decade our national rate of recycling has steadily declined. There is no doubt in my mind that the tax advantages we give to virgin materials producers have contributed to this serious problem.

Historically we have given virgin natural resource producers tax advantages through the percentage depletion allowance and the capital gains rate for timber growers. In fiscal year 1977 these benefits are expected to cost the Federal Government over $1.5 billion. In this legislation I am not going to dispute the rationale for these benefits. They were enacted as a national policy and I have not detected a sentiment in either House for their repeal.

In light of these realities, it is clear that our only option is to give users of recyclable materials tax treatment that is comparable to that enjoyed by virgin material producers. This amendment would clearly do that. We are granting users of recyclable materials a tax credit which would equal one-half of the percentage depletion allowances given to the competing virgin natural resources. In the case of paper, the credit is 10 percent which roughly equates the advantage given to timber growers through the capital gains treatment.

There is no windfall aspect. We are only granting equality to those companies that use recyclable materials. At that point we will have created a situation in the marketplace where fair competition can take place. There will be no advantage given to any particular group of natural resources. The relative merits of each material will become apparent and the marketplace will be able to determine the trends of material usage.

The argument has been raised that this provision will result in a significant drain to the Treasury. A figure on the order of $345 million by 1981 has been suggested. I firmly believe that this figure is totally unrealistic. At the present time we are spending $1.5 billion in tax benefits to virgin natural resource producers. If we encourage producers to turn to recyclabe materials instead of virgin materials, there will be no revenue loss. We will be giving the tax breaks to recyclers instead. There is no additional tax loss.

The amendment that I am submitting would grant tax equality to this group. It would establish a "base period quantity" equal to the average amount of recyclable material consumed during the years of 1973, 1974, and 1975. During the first year of the operation of this credit, a recycler would get the credit on one-fourth of his base period amount plus any amount recycled in excess of the base period quantity. In the second year of operation the credit would be granted on one-half of the base period quantity plus the excess. The third year, the credit would be granted on 75 percent of the base period quantity plus the excess. Thereafter, the credit would be available on the total quantity of waste materials recycled. The base period concept exists for only 3 years. After that, we move to a situation of tax equity between virgin resource users and recyclers.

I believe that this provision would provide a much stronger incentive for increased recycling than does the present Finance Committee approved version. I have outlined the reasons why I do not believe that the revenue impact would be significant. We are rapidly reaching a time of crisis—both in our national materials supply policy and in the cities ability to deal with the quantities of waste generated by their citizens. Increased recycling is the only way to effectively deal with these problem areas. I strongly urge my colleagues to consider this amendment.

AMENDMENT NO. 2017

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL (for himself and Mr. TUNNEY) submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 10612), supra.

Mr. GRAVEL. Mr. President, after having carefully studied the Recycling Tax Credit provisions of the Tax Reform Act, found in title XX, section 2006 of the bill, Senator TUNNEY and I have concluded it is clearly in the national interest for the Senate to approve these provisions at an early date, with two necessary modifications covered by the amendment we have filed today.

The disposal of solid wastes and the need to conserve energy and depletable resources are two of the most urgent problems facing the United States as we move into the last quarter of this century. Almost half of our cities are already approaching the maximum limits of their waste disposal capacities. At the same time, domestic industries continue to deplete precious supplies of critical natural resources, while they squander huge amounts of industrial energy in the process.

For several years, therefore, the U.S. Conference of Mayors, the National League of Cities, the National Governor's Conference, the Citizens Advisory Committee on Environmental Quality, the National Materials Policy Commission, the National Association of Recycling Industries, the Institute of Scrap Iron and Steel, the American Paper Institute and others have constantly urged the Congress to provide a reasonable Federal income tax incentive which would operate to stimulate and increase industrial use of recyclable solid waste materials such as wastepaper, metals, glass, textiles etc. in place of or as a supplement to scarce virgin natural resource raw materials.

These national organizations contend that enactment of an effective recycling tax incentive is essential because the Internal Revenue Code has historically provided extremely valuable tax incentive to encourage utilization and accelerated depletion of scarce virgin natural resources by scores of large, integrated paper, metal, and glass manufacturers which operate mines and forests as their source of raw materials.

These existing virgin tax incentives—in the form of depletion allowances for virgin ores and capital gains treatment of profits derived from the cutting of trees—give these integrated industrial users of virgin resources a substantial economic advantage over manufacturers who use competing recyclable materials in the areas of both pricing of products and payment of Federal income taxes. The decisive economic significance of these natural resource tax allowances is underscored by the special analysis of the Federal budget for fiscal 1977 which reports that those provisions of the Internal Revenue Code save virgin-oriented metal and paper manufacturers more than $1.5 billion a year in Federal income taxes.

It is hardly surprising, therefore, that during the recent years our national resource recycling rates have fallen to alarmingly low levels, while the President's Council on Environmental Quality reports that each year our cities and States are forced to burn or bury 135 million tons of garbage that contains 44 million tons of wastepaper; 13.2 million tons of glass; 12.5 million tons of aluminum, iron, steel, copper, lead, and zinc; 5 million tons of plastics; 2.6 million tons of rubber; 1.9 million tons of textiles; and so forth and so on.

The Council's 1975 report to Congress goes on to emphasize that by 1980, these mountains of recyclable garbage will increase to 175 million tons a year, and by 1990, they will skyrocket to 225 million tons per annum. Simultaneously, of course, it is predicted that city and State solid waste disposal costs, which now average more than $10 a ton nationally—far higher on the east and west coasts, will continue to increase dramatically.

Confronted with these totally unacceptable, wasteful conditions, cities and States throughout the United States have turned to the construction of large resource recovery facilities which in many cases will cost as much as $75 million each. California is among the leaders of this new movement. These resource recovery facilities are typically designed to receive and recover from garbage all major recyclable metals, glass and wastepaper. The more efficient operations then produce salable energy products such as fuel or steam from the remaining garbage residues, while in other cases, such as the facility in Seattle, Wash., the garbage residues are treated to produce ammonia.

In order to pay the bonds issued to finance these resource recovery facilities, however, the cities and States must find ready, stable markets for all the recyclable metals, paper, and glass they will be recovering from garbage, and they must find steady purchasers for fuel, steam, ammonia, et cetera, they will produce from garbage residues. As stated by the President's Council on Environmental Quality in its 1975 report to Congress, at page 93:

> In the long run, increased recycling will depend upon a commitment by the major firms in the paper industry, for example, to use wastepaper day to day, rather than only when virgin fiber is unavailable. For them to do so, a fundamental shift in the economics of recycling is necessary.
>
> Several economic factors now favor virgin production. One is that virgin timber profits are treated as capital gains for tax purposes, an advantage that is not available to wastepaper.

This, therefore, is the urgent national problem which was met head on and vigorously by the recycling tax credit provision approved overwhelmingly by the Senate Finance Committee.

Since the basic need in this area is to increase recycling by bringing a new measure of tax equity to manufacturers who use recyclable materials in competition with manufacturers who use competing virgin natural resources, the committee could have reached its goal in one of two ways. The committee could have adopted the all-or-nothing approach of those who believe the best solution is simply to repeal all the longstanding virgin natural resource tax allowances. That proposal was overwhelmingly defeated by the Finance Committee, and it appears that neither House of the Congress is ready to adopt such a drastic solution at this time.

Accordingly, I seriously believe that Senate Finance Committee acted wisely and correctly when it voted to pursue the only other viable, effective approach—the adoption of a reasonable, relatively modest recycling tax credit provision which will change the country's solid waste sense of direction and move the United States from the age of wasteful depletion and senseless disposal of precious materials into the age of recycling and resource recovery.

There are still some, of course, who will undoubtedly argue that further action by the Senate in this area should await additional study. First of all, this contention loses sight of the fact that the recycling tax credit proposal originated from lengthy hearings and studies conducted almost 6 years ago by the Joint Economic Committee. Further hearings or studies have been conducted by the Ways and Means Committee, the Senate Finance Committee, and by the staff of the Joint Committee on Internal Revenue Taxation.

Patently, therefore, the question has been exhaustively studied and it would be wrong to delay any longer.

Moreover, as I see it, there are overriding, compelling reasons why the Congress must act favorably now. Those reasons are as follows:

NEED TO CONSERVE DWINDLING SUPPLIES OF NATURAL RESOURCES

The Bureau of Mines projects that, by 1985, the United States will be dependent on foreign nations and foreign cartels for more than 50 percent of its requirements of nine of the most critical virgin ores and metals. That list will grow to include all 13 basic ores and metals by the turn of the century. Increased use of recyclable aluminum, copper, lead, zinc, and iron or steel scrap, accelerated by the new recycling credit, is one sure way to alleviate this serious trend.

NEED TO PROTECT OUR BALANCE OF PAYMENTS POSITION; INCREASE DOMESTIC EMPLOYMENT

The Department of the Interior states that if current metal import trends continue, imports of foreign ores and metals which presently adversely impact our balance of payments position by roughly $6 billion a year, will expand to an adverse impact of $36 billion a year by the early 1990's. Increased utilization of domestic recyclable metals, in place of metals mined and processed abroad, therefore, is a good way to deal with this pressing national problem too—and, by so doing, it should simultaneously serve to create new jobs for Americans here at home.

NEED TO CONSERVE PRECIOUS INDUSTRIAL ENERGY

The Environmental Protection Agency and the Atomic Energy Commission have conducted a series of scientific studies which prove that industrial use of recyclable materials in place of competing virgin resources results in astounding energy conservation, as follows:

First. Aluminum smelting, 95 percent energy savings.

Second. Paper manufacturing, 66 percent energy savings.

Third. Steel manufacturing, 55 percent energy savings.

Fourth. Copper smelting, 65 percent energy savings.

Moreover, if the amendment which

Senator Tunney and I propose today is adopted, utilities and industries throughout the United States would receive a 5 percent tax credit for purchasing energy, fuel or steam, produced from garbage residues, after all recyclable materials have been recovered for reuse. Under our amendment, these energy savings will be even more dramatic and direct. Energy produced from garbage would be used as a direct substitute for scarce oil and natural gas, for which we are becoming increasingly dependent on the foreign oil cartel.

NEED TO REALIZE REDUCED INDUSTRIAL AIR AND WATER POLLUTION AND WATER UTILIZATION FROM INCREASED RECYCLING

The Environmental Protection Agency also reports to Congress that industrial use of recyclable raw materials in place of virgin ores or pulpwood regularly results in 60 to 86 percent less air pollution; 44 to 76 percent less water pollution; and 40 to 61 percent less industrial water utilization.

Certainly the Nation cannot afford to delay the enactment of legislation which, for relatively low costs to the Federal Government, promises to contribute so significantly to the alleviation of so many dangerous environmental hazards.

NEED TO REDUCE GROWING MUNICIPAL AND STATE SOLID WASTE DISPOSAL COSTS AND PROBLEMS

As stated above, one of the basic purposes of the recycling tax credit provision is to make it financially feasible and economically viable for cities and States to operate their growing number of resource recovery facilities. Without ready, steady markets for the recyclable materials and fuel they extract from garbage, many of these facilities will face ultimate failure, and large sections of the United States will be doomed to return to the "age of the great American landfills," wherein billions of dollars are spent continuously to burn or bury invaluable waste materials that should be recycled again and again.

At this point, I ask unanimous consent to insert in the Record a telegram I received from the California Solid Waste Management Board on this subject, and a joint letter addressed to every Senator by the U.S. Conference of Mayors and National League of Cities in support of the recycling tax credit provision I have been discussing.

There being no objection, the material was ordered to be printed in the Record, as follows:

State Solid Waste Management Board,
Sacramento, Calif., May 26, 1976.

Senator John Tunney:

It has come to our attention that the Senate Finance Committee has passed out of the committee on a 9–2 vote H.R. 106–12. We are vitally interested and supportive of at least one provision of this bill dealing with solid waste resource recovery. That provision provides for tax credits in the way of income tax credit on a percentage basis to industries utilizing secondary or recycled materials. The intent of that provision is exactly in accord with the need found to exist by the California State Solid Waste Management Board. The need for market for recovered materials is essential to utilizing our solid wastes, and this provision would enhance the use of secondary materials, thereby creating more markets, and would also encourage private capital investments for resource recovery facilities. The Solid Waste Management Board strongly urges your support of the provision for income tax credit in this bill, aimed at utilizing recovered material from solid waste. This would also assist in decreasing the use of our remaining natural resources.

Alfred M. Dias,
Chairman.

National League of Cities,
U.S. Conference of Mayors,
Washington, D.C., June 10, 1976.

Dear Senator: We have been informed that the tax bill H.R. 10612 is scheduled to be taken up by the Senate today. As the Presidents of the U.S. Conference of Mayors and the National League of Cities, we wish to call your attention to one provision placed in the bill by the Finance Committee which has the strong support of both our organizations.

That provision phases in a modest tax expenditure over a period of three years for those who increase usage of secondary materials recovered from solid waste. Nearly all of the solid waste involved would be municipal solid waste. Cities throughout the nation are running out of space for landfills and are struggling to pay for modernization of incinerators while the United States simultaneously struggles to conserve its supplies of depletable natural resources and energy. The provision which will be before you is a small step in the direction of equalizing the economic incentives as between utilizing recycled or virgin materials. From the cities' viewpoint, it has the added advantage of expanding markets for the materials recovered by the scores of municipal resource recovery plants which are on line or under construction throughout the country. Expanded markets would improve the economic viability of these present and future facilities.

As the elected spokesmen of the Mayors and elected city officials throughout the nation, we are confident that the Mayors and City Council members of your state join us in urging your support for this brief provision in the tax measure.

Sincerely,

Moon Landrieu,
President, U.S. Conference of Mayors.
Hans Tanzler,
President, National League of Cities.

Mr. GRAVEL. Mr. President, the amendment we have filed today would modify the committee version of the recycling tax credit in two respects:

First. It would extend the 5 percent recycling tax credit already provided to purchasers of recyclable glass and plastics to purchasers of energy and other products produced from garbage residues, after all recyclable materials have been removed. In my judgment, this addition is essential to assure successful operation of resource recovery facilities throughout the Nation, and it is strongly supported by the U.S. Conference of Mayors, the National League of Cities, the National Solid Waste Management Association, and by Solid Waste Management Boards in several States.

Second. It would modify the base period formula provided in the bill so that it would be based on the volume and tonnage of recyclable commodities recycled by the taxpayer during the base period rather than on the price paid or dollars expended for such recyclable purchases. This change is essential because, under the present formula and because of other restrictions provided in the bill, to strictly limit the "revenue loss" aspects, some recyclable materials would unfairly be excluded from any credit during at least the first 2 years of operation under the bill.

Substitution of a "volume" formula, as proposed, would not materially increase the revenue losses projected by the committee, but it would guarantee that all major recyclable commodities would earn a credit under the bill. For example, under the bill as presently written, revenue losses for fiscal 1977 are projected as $9 million. Under this amendment, those losses would not exceed $10 to $12 million.

Similar relatively small increases would result in subsequent years. Considering however that the revenue loss for competing virgin natural resource allowances is presently running at the rate of $1.5 billion per year, these proposed increases in the recycling tax credit are truly miniscule.

In any event, as the Senate Finance Committee report states, there might ultimately be no revenue loss of any consequence as a result of the enactment of the recycling tax credit. If the credit operates as intended to cause firms heretofore committed to depletion of virgin materials to switch to recyclables, then there will merely be an erosion or reduction of the natural resource tax revenue losses already being sustained by the Treasury, and thus there will be no net revenue loss to the Treasury in such cases. Furthermore, every ton recycled as a result of the credit will save at least $10 in solid waste disposal costs.

For 1977 alone, Congress is authorizing the expenditure of $35,000,000 simply to continue to operate the office of Solid Waste Management in EPA just to continue to study the solid waste problem. Under the recycling tax credit, every tax dollar spent by the Federal Government will pay for the actual recycling of recoverable resources and reduce solid waste disposal costs according.

CONCLUSION

For all the foregoing reasons, therefore, we urge our colleagues in the Senate to fully support the recycling tax credit provisions of the Tax Reform Act, as modified by our amendment.

NOTICE OF NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Public Welfare has scheduled a nomination hearing for John A. Penello, of Maryland, on his reappointment to the National Labor Relations Board. The hearing will take place Wednesday, July 21, 1976, commencing at 10 a.m. in room 4232, Dirksen Senate Office Building.

Persons wishing to testify or submit statements, please contact Donald Elisburg, General Counsel, Committee on Labor and Public Welfare, 4233 Dirksen Senate Office Building.

NOTICE OF HEARINGS

Mr. PROXMIRE. Mr. President, I wish to announce that the Committee on Banking, Housing and Urban Affairs will hold hearings on S. 3163, a bill to permit payment of interest on demand deposits of Federal, State, and local governments, beginning at 10 a.m., July 20 and 21, 1976, room 5302, Dirksen Senate Office Building.

Anyone wishing information concerning these hearings should contact Elinor B. Bachrach, professional staff member, room 5300, Dirksen Senate Office Building, 202–224–7391.

ADDITIONAL STATEMENTS

THE SIGNERS OF THE DECLARATION OF INDEPENDENCE

Mr. PERCY. Mr. President, on the eve of the Nation's Bicentennial celebration, we should all pause and consider the sacrifice shown by those who signed the Declaration of Independence.

The stories of these men and their determination to stand fast in the face of adversity are truly profiles in courage. They are the living legend of our country's birth.

Our esteemed colleague, Senator RANDOLPH, has written a stirring account of those who signed the Declaration of Independence. I recommend it highly as further insight into our Nation's founding and those who made it possible.

I ask unanimous consent that Senator RANDOLPH's story, titled "They Signed for Our Independence," which appeared in the July issue of Success Unlimited magazine, be printed in the RECORD at this time.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

THEY SIGNED FOR OUR INDEPENDENCE

(By Jennings Randolph)

NOTE.—JENNINGS RANDOLPH was first elected to the U.S. House of Representatives in 1932 and is the only remaining member of the Congress to have served during the first 100 days of the Roosevelt Administration.

(The West Virginian was first elected to the United States Senate in 1958. He serves as chairman of the Committee on Public Works and is ranking majority member of the Labor and Public Welfare and Post Office and Civil Service Committees. The Senator is also chairman of the Subcommittee on the Handicapped.)

The National Archives Building in Washington, D.C., is about halfway between the U.S. Capitol and the White House. Prominently on display in Exhibition Hall is a parchment document that is one of our most cherished legacies—the Declaration of Independence.

The thrilling words written two hundred years ago are familiar: "When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another . . ."; "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are Life, Liberty, and the pursuit of Happiness . . ."; "The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States."

This hallowed document ends with—"And, for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred Honor."

This was not an idle pledge by the fifty-six signers of the Declaration. Instead it was an act of singular bravery, considering that they had stepped forward openly and exposed themselves to the fury of the mightiest nation on the globe.

Who were these signers who were not afraid to chance revenge and destruction to support their beliefs? How did their awesome decision come about?

The path toward independence had led to Philadelphia in the late spring of 1776. From New Hampshire to Georgia, more than sixty patriots from the thirteen colonies had come together as delegates to the Second Continental Congress to consider this issue.

Two years earlier the First Continental Congress had convened to present a united protest against the British Parliament for violating the rights of the colonies. Since then "the shot heard round the world" had been fired on the Lexington green and the bloody Battle of Bunker Hill had taken place two months later in June 1775.

Prompted by a Williamsburg convention declaring Virginia's independence and requesting like action by the Continental Congress, Richard Henry Lee, leader of the Virginia delegation, complied. On June 7, 1776 he made the motion: "Resolved, that these United Colonies are, and of a right ought to be, free and independent states." Four days later Congress appointed a five-member committee to draft a declaration of independence as an explanation to the world should Lee's resolution pass on the vote scheduled for July 1.

But independence was far from assured. A count of the support showed only seven of the delegations were in favor while the other six either opposed it or were undecided. This was disheartening to the leaders for independence because they knew that only a unanimous agreement would have significance.

Each colony had only one vote, based on the majority stand of its delegation. In the weeks remaining before the balloting on the Lee resolution, a feverish activity was underway to convince opponents that it was a fiction to blame only Parliament for the unjust acts and not the Crown. When delegates continued to take an "olive-branch" position, pro-independence leaders back home worked on their assemblies to replace them or send firm instructions.

On July 1, nine states voted for Lee's resolution, with New Jersey and Maryland supporting independence. But there was sharp disappointment as South Carolina and Pennsylvania voted in opposition. New York abstained because new instructions had not arrived; Delaware's vote was tied.

This was not the end, however, for the Congress agreed to another vote the following day, July 2. New York would still abstain. But the South Carolina delegation promised to support independence, and Pennsylvania passed word that two of its four men in opposition would not be present for the vote. This would give the delegation a three to two ballot for independence.

Unanimity depended now on tiny Delaware with Thomas McKean for independence and George Read against. McKean had sent a messenger into the night to Dover, where Caesar Rodney, the third delegate, was fighting a Tory uprising. Shortly before the vote, mud-splattered Rodney, exhausted from a non-stop eighty-mile horseback ride in a rainstorm, dashed into the State House where the Congress met. A silk veil covered the large cancerous growth on his face. "I vote for independence!" he announced, making the final vote twelve to zero.

Now came the debate on the Declaration of Independence. This was the written handiwork chiefly of Thomas Jefferson, the brilliant Virginian, who had served on the drafting committee with Benjamin Franklin, John Adams, Roger Sherman and Robert R. Livingston. Jefferson was so poor a speaker that Adams handled the questioners. With pride of authorship, Jefferson was in anguish when the Congress cut 460 words from his 1,800-word total.

The vote came at 4:00 p.m. on July 4. With New York still abstaining for want of home instructions, all delegates voted for the Declaration of Independence except John Dickinson of Pennsylvania. Then it was signed by John Hancock, president of the Congress, and Charles Thompson, the secretary.

Paper after paper reprinted the declaration. Speakers read it to large crowds in several cities. George Washington, commander in chief of the Continental Army, had it read aloud to his troops on July 9 on the spot where New York's City Hall stands today. In Boston, the celebration din was deafening with ships in the harbor joining guns in the forts in firing cannon salvos while church bells rang.

The popular belief is that the Declaration of Independence was signed by the membership of the Congres on July 4, but the official signing took place on August 2. Timothy Matlack, master calligrapher, was commissioned to prepare the engrossed copy on parchment for that occasion, and he did so on a single sheet. Before Matlack began his work, the New York delegation announced for independence. The title was changed accordingly to: "The Unanimous Declaration of the Thirteen United States of America."

By August, it became far more courageous to sign the Declaration of Independence than on July the Fourth. The British brothers, General Sir William Howe and Admiral Lord Richard Howe, had brought the largest expeditionary force of the century to New York to face Washington's badly outnumbered and poorly trained and equipped brigades. The likelihood of the Continental Army's surviving an attack seemed small. In addition, Tory forces in the States were stepping up their civil war.

John Hancock showed no fear when he wrote his name in overlarge, clear strokes as the first signer. "There, King George can read that without spectacles, and may now double his reward of £500 for my head," he said defiantly. When he added, "We must all hang together," Benjamin Franklin remarked, "If we don't, we shall all hang separately."

William Ellery of Rhode Island scanned the faces of his fellow delegates during the ceremony. "I was determined to see how they all looked as they signed what might be their death warrants," he said. "Undaunted resolution was displayed on every countenance."

John Adams also watched closely, and later wrote that if anyone felt fear, he did not reveal it. Stephen Hopkins of Rhode Island best signified the spirit of the signers. Afflicted severely with palsy, he had trouble writing his name. "My hand trembles, but my heart does not," as he explained his shaky signature.

Among the signers were George Read of Delaware and Robert Morris of Pennsylvania, who had opposed independence in the July voting. The four New York delegates, who had not voted because they were without instruction, also signed the document. In addition, five signers from Pennsylvania, one from Connecticut and another from New Hampshire had become delegates after July the Fourth.

The signing had begun with the delegates from New Hampshire and proceeded down the Atlantic coast to Georgia. When the ceremony ended, fifty names were on the parchment. Six others, who were absent, were permitted to add their names later. Thomas

McKean, away on military duty, did not sign until the following year.

Who were these fifty-six who gained immortality? What they had in common was their patriotism. They were otherwise as diverse a lot as their fellow Americans. Forty-eight were native-born, such as John Adams, who was the great-great-great-grandson of Priscilla and John Alden. Eight were foreign-born, such as George Taylor of Pennsylvania, who had come from North Ireland an an indentured servant.

Most were in their thirties or forties, with Edward Rutledge of South Carolina the youngest at twenty-six and Benjamin Franklin the oldest at seventy. With the exception of Charles Carroll, who was a Roman Catholic, and a few Deists, such as Jefferson, the rest were Protestants. William Floyd of New York was one of several without formal schooling, but twenty-two were college graduates, eight from Harvard, four from Yale and three from William and Mary. John Witherspoon was president of the College of New Jersey, which became known as Princeton, and George Wythe of Virginia was the first professor of law in America. Wythe's students over a long career included Thomas Jefferson, John Marshall, James Monroe and Henry Clay.

By occupation, more than twenty were lawyers; four were doctors, including Benjamin Rush, the most renowned physician of his time; another four had been trained as ministers. Fourteen were in business, and an equal number operated plantations or farms. Francis Hopkinson of New Jersey was both a lawyer and judge, but he was better known as a musician, essayist and artist. Ben Franklin, of course, had the most varied interests as author, publisher, philosopher, scientist, inventor and diplomat.

Most were well-off financially, though some were poor and others wealthy. Friends of Sam Adams, who was the cousin of John Adams, had to supply him with clothes and funds to attend the Continental Congress because he was unemployed. Button Gwinnett of Georgia was in financial agony at the time he signed the Declaration, and he never recovered. In contrast, Charles Carroll of Carrollton was a millionaire and lived like a lord. John Hancock, too, was rich. His contribution of $100,000 to the prosecution of the Revolutionary War made little dent in his fortune.

In ancestry, the overwhelming number were of Anglo-Saxon origin. One exception was William Paca of Maryland, who was of Italian descent. Another was John Morton of Pennsylvania, born of Swedish-Finnish descent. A few were the only child in their family, but most came from large families. Franklin, for example, was the tenth son of a soap and candle maker, and Elbridge Gerry of Massachusetts, whose name would one day help form the word "gerrymander," was the third of twelve children. Ten of the signers were sons of preachers.

Only two of the fifty-six were bachelors. One was Caesar Rodney, who had ridden horseback through the night to make the vote for independence unanimous. The other was Joseph Hewes of North Carolina, who had opposed Lee's independence resolution for a long time. It was John Adams who wrote of the abrupt change that had come over Hewes during the debate. "He started suddenly upright," said Adams, "and lifting up both his hands to Heaven, as if he had been in a trance, cried out, 'It is done! And I will abide by it.'"

Of the fifty-four married signers, a few were childless but the others fathered more than three hundred offsprings. Carter Braxton, a Virginia plantation owner, had eighteen children; William Ellery of Rhode Island, seventeen; and Roger Sherman of Connecticut, a member of the committee that drafted the Declaration, had fifteen. John Adams had a son who became President of the United States, while the son and great-grandson of Benjamin Harrison of Virginia also achieved this singular honor.

Several of the signers were related. The Lees of Virginia—Richard Henry and Francis Lightfoot—were brothers. Arthur Middleton of South Carolina, who succeeded his father as delegate in time to be a signer, was the brother-in-law of Edward Rutledge, who was in his delegation. And Francis Hopkinson was the brother-in-law of Thomas McKean. Similarly George Read of Delaware was married to the sister of Pennslyvania delegate George Ross, who in turn was the uncle of Betsy Ross, the flag maker. Seven months before the signing three of those involved took part in another ceremony. Dr. Benjamin Rush was married on a January day to Julia, daughter of Richard Stockton of New Jersey, John Witherspoon officiating.

As the facts were to bear out, there were good reasons for the signers to be concerned about British reprisals. In a wrathful spirit of revenge, the enemy singled them out for harsh vengeance.

Five were captured and imprisoned and two others barely escaped captivity. Thomas Heyward, Jr., Arthur Middleton and Edward Rutledge were seized together in Charleston, South Carolina, and imprisoned in St. Augustine, Florida. George Walton of Georgia was captured in Savannah and was kept in prison until his exchange for a British navy captain almost a year later.

Richard Stockton, Congress member, suffered worse than these four. When the British invaded New Jersey in late 1776, he rushed home from a tour of inspecting Washington's army in upstate New York in order to save his family. He succeeded, but a Loyalist informer told the British of their hiding place. Stockton was dragged from bed in the middle of the night, severely beaten and thrown into prison. There he underwent continual abuse and also suffered malnourishment. By the time the Congress arranged for his exchange, he was broken physically and never recovered. A further blow came when he returned home and found his horses and family silver stolen, the furniture burned and his library—one of the finest in America—destroyed.

Abraham Clark, also a New Jersey signer, did not suffer Stockton's fate, but his two sons did. When they were taken by the British, they were imprisoned on the notorious prison ship *Jersey* in New York Harbor, a vessel on which 11,000 American men died. Word was sent to Clark that his boys would be freed if he would disown the Revolutionary cause and praise the British Crown. At his refusal his sons were singled out for cruel treatment. One was placed in a tiny cell and given no food. Fellow prisoners kept him alive by laboriously pushing tiny bits of food through a keyhole. Both sons somehow survived their ordeal.

Thomas Jefferson and George Read were two who had close calls. When Jefferson was serving as Virginia's wartime governor, British General Banastre Tarleton's cavalry raiders swooped into Charlottesville to capture him as a war prize. But Jefferson was alerted just in time, and while Tarleton's men galloped up one side of the mountain, he sped down the other.

George Read, his wife and small children were on their way back from Philadelphia to Dover when a British armed barge chased them across the Delaware River. With the tide out, Read's boat hit bottom far from the shoreline. But with presence of mind as the British approached, he tore off all identification tags from his family's luggage. Then he acted as the good-natured, foolish country man returning from a trip. His performance was so skillful that British sailors carried his family ashore.

Marked for destruction were the homes and property of the signers. About a third suffered this fate. Benjamin Harrison's Virginia plantation was plundered by British troops under Benedict Arnold. British forces advancing on Philadelphia took a detour to destroy the home of George Clymer and loot his property. His wife and children managed to escape and hid in the woods until they were gone. A few months after Dr. John Witherspoon signed the Declaration, Redcoats occupied the College of New Jersey that he headed. Before leaving, they destroyed the library and other valuable property.

Immensely wealthy Philip Livingston of New York was not captured by the enemy. But they confiscated his businesses in New York, used his Duke Street mansion as a barracks and another residence in Brooklyn Heights as a navy hospital.

He was luckier than John Hart and William Hooper, two other signers. While his wife lay gravely ill, Redcoats destroyed Hart's growing crops and ripped his many grist mills to pieces. Bent on taking him, they chased him for several days. They almost nabbed him in a wooded area, but he hid in a cave. When he returned home with his health broken, he found his wife dead and their thirteen children scattered.

Two New York signers, William Floyd and Francis Lewis, also suffered personal tragedies because their names were on the Declaration. Tories followed a "scorched earth" technique on Floyd's extensive holdings of woodlands on Long Island, and "despoiled almost everything but the naked soil." When the Redcoats seized his home at Mastic, Mrs. Floyd and their three children managed to escape across Long Island Sound to Connecticut. While still a refugee seven years later in 1781, Mrs. Floyd died.

The Lewis story was even worse. When the British plundered and burned his home at Whitestone on Long Island, they took his wife prisoner. She was thrown in a foul barracks and treated cruelly. For several months she had to sleep on the floor and was given no change of clothing. George Washington was able eventually to arrange for her exchange for two wives of British officials the Continental Army was holding prisoner. Her health was so undermined that she died two years later.

Did the signers consider their sacrifices worthwhile? Not one ever went on record to say he had made a mistake. In fact, many spoke of the benefits. As General Howe's army neared Philadelphia, said Dr. Benjamin Rush, "Nothing but the signing and recognizing of the Declaration of Independence preserved the Congress from dissolution."

There were other benefits from the signing of the parchment sheet. The long discussion was over. From that day forward every person had to stand up and be counted as either a Patriot or a Tory-Loyalist. The signing also helped unify citizens of the former colonies into a nation. Said Patrick Henry, "I am not a Virginian, sir, but an American." Still another benefit was that it formed a solid base in the diplomatic efforts that led eventually to the establishment of the vital French alliance.

In 1826, the mayor of Washington, D.C., invited Thomas Jefferson, John Adams and Charles Carroll of Carrollton, the last surviving signers, to a ceremony on the fiftieth anniversary of the passage of the Declaration of Independence. Both Jefferson and John Adams were to die on that Fourth of July.

But shortly before, Jefferson wrote to the mayor what proved to be his last letter.

"I should, indeed, with peculiar delight, have met with the remnant of that host of worthies, who joined with us on that day, in the bold and doubtful election we were to make for our country, between submission or the sword; and to have enjoyed with them the consolatory fact, that our fellow citizens, after a half a century of experience and prosperity, continue to approve the choice we made."

In 1976, on our nation's two hundredth anniversay, there is sound reason for Americans to "approve the choice" made by the men who signed for our independence.

MOHAMMED NAIM OF AFGHANISTAN

Mr. PERCY. Mr. President, it is a great pleasure for us to welcome to Washington Mr. Mohammed Naim, Special Envoy of the Head of State and Prime Minister of the Republic of Afghanistan, Mr. Mohammed Daoud, who arrived on June 28 as a guest of Secretary of State Henry Kissinger.

Mr. Naim is a distinguished statesman who has been his country's Foreign Minister and Ambassador in Washington and London.

Afghanistan is a nation whose independent spirit we Americans have long admired. We have assisted Afghanistan's economic and social development for many years, concentrating recently on programs strongly desired by the new Republic which are designed to improve agriculture, health, and education in rural areas. Our relations with Afghanistan are warm and friendly.

Mr. Naim comes to Washington at a time of encouraging developments in his part of the world. The countries of that region have taken important steps on their own to resolve some of the major differences that have plagued their relations for many years. India and Pakistan have recently decided to resume diplomatic relations and to restore air and ground transportation links which had long been broken. Pakistan's Prime Minister Bhutto recently visited Afghanistan for talks with Afghan President Daoud, and the two leaders agreed to ban hostile propaganda radio broadcasts which have for several years been beamed at each other by their official radios. Mr. Daoud will soon visit Pakistan to continue talks designed to improve relations between these neighboring Moslem nations.

We Americans are of course not involved and should not be involved in these diplomatic negotiations which can succeed only through the efforts of the nations directly concerned. Nevertheless we can take comfort and encouragement from the fact that these nations are acting to improve their relations, to lay to rest old quarrels and to create regional stability so that they can get on with the urgent tasks of economic and social development. It is in this spirit that we welcome Mr. Naim to Washington.

THE TEAMSTERS UNION

Mr. DURKIN. Mr. President, you do not have to be a weatherman to know which way the wind is blowing.

Jimmy Hoffa disappears from the face of the Earth.

Organized crime investigators expose apparent links between organized crime figures and the Teamsters Union hierarchy.

The Internal Revenue Service revokes the tax-exempt status of Teamster Union pension funds.

The Departments of Labor and Justice begin investigating misuse of Teamster pension money by union officials—misuse which threatens the retirement income of millions of Americans.

A Senate subcommittee investigation turns up irregularities in the New York Teamster pension operations, and threatens to expand its probe to other activities by union officials.

Another Senate panel hints at ties between the CIA, Howard Hughes, the Mafia and the Teamsters.

Still a third Senate subcommittee calls the Secretary of Labor in behind closed doors to receive reports on how vigorously his department is pursuing the pension fund probe. Similar oversight hearings could spread to the Judiciary Committee on the conduct of the Justice Department investigation of Teamster officials; to the Finance Committee, on the tax status of Teamster pension funds; to the new Intelligence Committee.

The Teamsters, on the verge of a nationwide strike, win a handsome contract agreement negotiated by the Secretary of Labor. Then the same Secretary of Labor makes a special trip to Las Vegas during an election year, enthusiastically announces to the country that he and Teamster President Frank Fitzsimmons are members of the same club, and all but renominates the man as union president. This is the same Secretary of Labor who is supposed to be objectively and aggressively looking into whether Fitzsimmons or any of his cronies have misused Teamster money.

The current situation cries out for a single Senate investigation into the activities of the Teamster Union hierarchy and all of its apparent ties to the underworld. If illegal operations and ties exist, then they ought to be exposed and appropriate criminal actions initiated. If they do not exist, then the current mythology ought to be shattered, and the Nation's largest labor union given a clean bill of health.

With all the overlapping jurisdictions and oversights, it is clear we need a single committee to undertake an investigation. Because of the seriousness of the problem, I am calling for a select committee with a strong mandate from the Senate to get to the bottom of any wrongdoing by Teamster Union officials and restore public confidence in the Nation's largest labor organization and protect the pension of the average hard working teamster.

I am not talking about a witch hunt. I am not talking about congressional interference in the orderly process of administrative and criminal investigations. I am talking about a legislative investigation into influence and activities of the Teamsters Union hierarchy, with an eye toward possible legislative remedies to prevent abuses of power that may be uncovered.

Americans are upset at the undue concentration of economic power now held by big government and big business, and during my campaign I promised to do something about breaking it up. Arthur Burns and Harold Geneene have more influence over the economy and over everyone's well-being than they should have.

The Teamsters Union, under its current leadership, also represents an unhealthy concentration of political and economic power. The American economy can be brought to a virtual standstill by the actions of the Teamster hierarchy. Teamster pension money can finance enormous commercial undertakings, either good or evil. The political influence of Teamster officials is awesome.

The Senate should stand up to that challenge by taking a long and hard look into that concentration of economic and political power, to determine if it is too great a threat to a free and open democratic society.

I am, therefore, joining with others in the Senate in calling for a Senate Select Committee to investigate the Teamsters Union Pension Fund and the activities of the Teamsters Union hierarchy. The committee ought to be appointed this summer, and the investigation begin immediately.

JUDGE PHILIP H. DORSEY

Mr. MATHIAS. Mr. President, Maryland lost one of its most distinguished citizens with the death on June 6 of Judge Philip H. Dorsey, the retired chief judge of the St. Mary's County circuit court. As a private citizen and as a public figure prominent in politics and government, Judge Dorsey played a key role in the life of southern Maryland. He will be long remembered and missed by all who knew him.

Mr. President, two newspapers in southern Maryland, the Maryland Independent and the St. Mary's Beacon, paid tribute to Judge Dorsey in their June 9 editions. I ask unanimous consent that those tributes be printed in the Record.

There being no objection, the tributes were ordered to be printed in the Record, as follows:

[From the St. Mary's (Md.) Beacon, June 9, 1976]

End of an Era

St. Mary's County lost two institutions over the weekend; one a man and the other a school. The closing of Charlotte Hall school coupled with the death of Judge Philip H. Dorsey truly marks the end of an era in St. Mary's County. In both instances the county has suffered an irretrievable loss.

For 202 years, Charlotte Hall School stood as a giant symbol of the heritage of St. Mary's County and of the state. For more than 50 years the name of Phil Dorsey stood as a symbol of the political tradition of St. Mary's County and of the state. Both stood as reminders of what the county was and of how important St. Mary's was in state matters.

Institutions are things people always think about as being ever present and indestructable. In short, they are always there. But now both are gone and the county is left with a feeling of emptiness. The county knows such things have to happen sooner or later, but that knowledge does not make the reality any easier to accept.

Charlotte Hall has had many of the names of St. Mary's County, past and present, pass through its halls. Even Judge Dorsey is counted among its illustrious graduates. The roster of Charlotte Hall students reads like a who's who in St. Mary's County. Yet the school had an importance far beyond the confines of St. Mary's County. It was well known across the nation as an historic institution that turned out fine men, good leaders and strong citizens.

Judge Dorsey was perhaps the county's strongest political force in the 20th century. The number of friends he could call his own and the power he could wield through those friendships has been unmatched for more than 40 years. His name was mentioned in all political circles for nearly 50 years.

The difference in the deaths of these two institutions is in their manner of death. Judge Dorsey died as most men hope to go, quietly in his sleep. Unfortunately, Charlotte Hall was not allowed to die peacefully in its sleep. It died a controversial death surrounded by many who were serving interests other than the salvation of the institution.

One thing that should be remembered about the death of an era, however, is that another one must begin. No matter how missed and mourned this era will be, a new era will take its place. About all that can be done is to remember those things that were good and meaningful, forget those things that were bad, and build on whatever mistakes were made.

We can only remember the words of Ecclesiastes, "To every thing there is a season, and a time to every purpose under the heaven: a time to be born and a time to die, a time to plant and a time to pluck up that which is planted . . . A time to weep and a time to laugh; a time to mourn and a time to dance; a time to love and a time to hate; a time of war and a time of peace."

We hope both institutions have found that peace.

[From the Maryland Independent, June 9, 1976]

JUDGE DORSEY DIES AT 75

St. Mary's County lost more than 50 years of political leadership Sunday upon the death of Judge Philip H. Dorsey, Jr. The 75-year-old Dorsey was a recognized power in both county and state politics for more than a half century.

Tributes and eulogies came from both long-time friends and political enemies soon after the announcement of the former circuit court justice's death. Governor Marvin Mandel called Dorsey's death a loss to the whole county. He said Dorsey was "a living symbol in his day of all the county meant to the state."

Judge Dorsey died in his sleep of an apparent heart attack at about 6:30 a.m. Sunday. He was discovered by his wife Dorothy at approximately 9:40 a.m. according to family physician Dr. Walter Boyd, who called the death the end of an era. He is survived by his wife, two sons, John Rule and Walter Dorsey, also surviving are his sister, Mrs. Frank S. Combs and six grandchildren.

One trend runing through many of the comments made about Judge Dorsey following his death was the friendship displayed by the man. One of his close associates, former State Senator Paul Bailey, said Dorsey's strength was in his friends and in the counsel people took from him. Bailey said the judge was never selfish and was a diligent public servant, who never stopped taking an interest in the county, even after his retirement in 1971. Sen. Bailey said the county had lost its first citizen Sunday morning.

Others also spoke of the judge's friendship. Long time friend Dick Arnold spoke of Dorsey's compassion for the little people; the Hon. Henry Fowler said there was never a time if someone needed help Dorsey was not there to provide it.

Dorsey's public life covered many facets. He served as a lawyer, State's Attorney, member of the Maryland House of Delegates, State Senator, people's counsel, circuit court judge, newspaper publisher and member and President of the St. Mary's College Board of Trustees.

Perhaps his two greatest political victories, however, came after his retirement from public life. He battled hard behind the scenes to help defeat charter government in 1972 and the Steuart oil refinery in 1974.

Long called the leader of the Dorsey machine, which succeeded the "old Peverley machine" of the 1930's. Philip Dorsey's name was never far removed from political dealings in St. Mary's County. Bailey, however, said the judge never had a machine, unless one's friends can be called a machine.

Born on July 15, 1901, in Leonardtown, the young Dorsey attended Charlotte Hall Military Academy, which ironically closed its doors just hours after the judge's death. Dorsey was graduated from the University of Maryland Law School in 1925. He was elected State's Attorney in 1926 and held that position until 1930 when the political world beckoned.

In 1926, Dorsey bought the Enterprise newspaper, then a Republican paper, and served as its editor, owner and publisher until he sold it in 1946, an act he later said he regretted. He sold the Enterprise for some $14,000 and soon found the paper to be one of his bitterest enemies, although the two worked side by side to defeat the refinery proposal.

His ownership of the newspaper, in fact, almost cost him the election to State's Attorney. John H. T. Briscoe changed his mind about runing for the office and filed for re-election at the last moment. A letter to the editor of the St. Mary's Beacon shows Briscoe expressing concern over the Democrat Dorsey's ownership of the Republican Enterprise. Dorsey defeated Briscoe by nearly a two to one majority.

In 1930, Dorsey successfully ran for the Maryland House of Delegates. He was the top vote getter in that election. His main political opponent in the 1930's, Alan Coad, was elected to the State Senate in that same 1930 election. For years the "Coad machine" would battle what then was called the "Old Peverly Machine" and would eventually be called the Dorsey Machine.

Dorsey suffered his first major political defeat at Coad's hands in the 1934 race for State Senate. The old war horse, as Senator Bailey called him, made it to the state senate in 1938 by defeating Joseph M. Mattingly in the Democratic primary. Mattingly is the father of present Circuit Court Judge Joseph Mattingly, who was elected in 1972 following the appointed term of Joseph Weiner who filled in following Dorsey's retirement. Dorsey's main campaign issue in 1938 was in support of school bus transportation for parochial students. Dorsey then went on to defeat Republican W. Biscoe Wallace in the general election, only to lose to Wallace in the 1942 general election.

Dorsey also ran for the office of Attorney General of Maryland only to lose to what later would be proven an unconstitutional law. Dorsey won the popular vote by more than 10,000 votes but lost the election because he failed to win enough individual counties. The Maryland unit rule required a successful candidate to carry a majority of the counties across the state, regardless of the popular vote margin. This rule was struck down as a result of the United State Supreme Court one-man, one-vote decision.

After serving for a time as People's Counsel, Dorsey sought the appointed position of Circuit Court Judge for Prince George's, Charles, Calvert and St. Mary's County. The appointment, however, went to Judge J. Dudley Digges. In 1956, Dorsey became the first elected Circuit Court Judge for St. Mary's County as he defeated William Aleck Loker Sr. and John H. T. Briscoe. Dorsey would hold that position until his mandatory retirement at age 70 on July 15, 1971.

In 1969, he was appointed to the Board of Trustees of St. Mary's College, and later became its Chairman. He was a delegate to the state constitutional convention in 1968 and spoke out against reforms in the constitution which were later defeated in statewide elections.

After his retirement he remained a force in county politics. He fought against charter government and the refinery and won both battles. In 1972, he became one of the charter members of the St. Mary's County Taxpayers Association.

Besides attending the University of Maryland, Dorsey also spent two years at St. John's College. He was a member of Anapolitan in Annapolis, the Placid Harbor Yacht Club, Navy League, Elks Club and served as President of the Navy League for two years.

His association with the Democratic party on the state level included being named a delegate to four national party conventions, as well as serving on the platform committee in 1956.

Barely two weeks before his death Judge Dorsey told Taxpayers Association members of his strong opposition to the five acre zoning proposal. He also called for a public meeting on the controversy surrounding negotiations between the county commissioners and the Board of Trustees of Charlotte Hall School.

Bailey, who was associated with Dorsey since 1933, said the judge was never selfish in victory and was always gracious in defeat. The Senator said he never knew a man with so many friends.

Long time friend Dick Arnold, whose association stretches back some 46 years, said this type of person comes along only once in a lifetime. Arnold said it always hurts to lose a friend, but Dorsey's death would hurt as much as losing a member of his family.

Taxpayers' Association President J. Claude Jarboe spoke of Dorsey's work with the Taxpayers group. Jarboe and Dorsey had been political opponents some years back, but the two worked together during the refinery fight. Jarboe called him one of the strongest political leaders the county has ever had.

St. Mary's College President J. Renwick Jackson said, "Judge Dorsey was a strong, wise, reliable and kind colleague and a great friend of St. Mary's College. He always did everything within his powers to serve the best interests of the college, and during his chairmanship, the college made substantial progress toward becoming an excellent liberal arts institution. The judge was unique—we will not see his like again, and we will miss him, very very much." Appropriate memorial services will be held at the college some time during the fall semester.

Perhaps the comments of F. Elliott Burch Sr., former county commissioner and present Commissioner Larry Millison best sums up the attitude of those learning of the Judge's death. Burch said he "was saddened by the death of such a great statesman and gentleman," Millison said, "I was his friend, and hopefully we will meet again."

Arrangements for the funeral were handled by the Mattingly Funeral Home. Services were held at St. Andrews Episcopal Church in Leonardtown, Wednesday at 1 pm.

MINNESOTA INDIANS CELEBRATE 500TH ANNIVERSARY

Mr. MONDALE. Mr. President, I am pleased to announce that as America plans to celebrate its 200th birthday, the Indians in Red Lake, Minn., will also be celebrating another historic event. From July 3 through July 6 the Indians will be celebrating their 500th birthday as a Chippewa band at Red Lake. While the actual date of the Chippewa settlement is lost in legend, tribal leaders feel that their band has been there at least since 1476.

Highlights of the 4-day event will be an international dance contest and pow-wow. The celebration is being called the largest gathering of American and Canadian Indians ever held in the United States. Representative groups are expected from Minnesota, Iowa, Wisconsin, Oklahoma, North and South Dakota, California, Montana, Illinois, Ontario, and Manitoba.

I believe that this bicentennial year is an especially appropriate time to remember the many contributions Native Americans have made to our culture. As the very first Americans they have enriched our heritage in a unique and valuable way. I hope that when the Chippewa Indians gather together this weekend they will take great pride in their accomplishments. And I hope that all Americans will take pride in how much richer our society is because of those accomplishments. I would like to extend my best wishes to the Chippewas on this most happy occasion.

REMARKS BY HON. RICHARD ROUDEBUSH AT THE SITE DEDICATION FOR THE RIVERSIDE NATIONAL CEMETERY, RIVERSIDE, CALIF.

Mr. HANSEN. Mr. President, I have recently read an outstanding address by the Honorable Richard Roudebush, which he delivered at the site dedication for the Riverside National Cemetery in Riverside Calif., on June 27, 1976.

In his address, Mr. Roudebush outlines his philosophy of our Bicentennial celebration, and most appropriately points out that our veterans are the citizens who have made it possible for our country to survive in times of war and to remain free.

Mr. President, in order to share this excellent address with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Remarks of the Honorable Richard L. Roudebush, Administrator of Veterans Affairs, Site Dedication, Riverside National Cemetery, Riverside, Calif., June 27, 1976

I feel it a great personal honor to be here this afternoon to participate in these ceremonies. It is a privilege to appear with the distinguished persons on this platform and to associate with those kind friends who are interested in this project and have gathered to see it get its official start.

Today's event is one we have worked toward for some time and one we have long looked forward to. This is a significant occasion for the Veterans Administration and for the cause of effective help for veterans and their dependents.

Today we do more than dedicate a site and start construction of a new cemetery.

Today we inaugurate activity that will soon take place in several locations across this great country and that will result in facilities to honor and to express our respect for those who have served the Nation well.

Today we act on behalf of the American people to give new impetus to a program that will ultimately reach and provide benefit and comfort to millions of veterans and their families.

One week from today America celebrates its Two-hundredth Birthday. It is a day we have long looked forward to, a day that is important all over the world as well as in this country, a day that is a symbol of freedom and of man's determination to live in dignity and to seek higher levels of fulfillment.

It is this kind of symbol because these are the things our country has stood for during the 200 years of its life. We have been determined to protect and nurture liberty and opportunity for ourselves, and we have championed the right of others to seek their own destiny and to go their own way in safety and in peace.

I think what we do here this afternoon is appropriate not only to the occasion of starting this new facility but as a Bicentennial observance.

Time after time throughout our history we have been endangered, and the principles that are the foundation of our society have been jeopardized, in armed conflict. And time after time we have met the challenge.

America would not have survived and there would be no Bicentennial if devoted and brave citizens had not responded to the needs of their country and done so successfully.

More than 40 million Americans have worn the uniforms of our armed forces since we became a nation. More than 30 million of them, veterans and service people, are alive today.

It is these men and women whom we honor with these ceremonies. This cemetary and the others to be built will be symbols of the esteem in which they are held by their countrymen and will be everlasting reminders of their service and their patriotism.

It is fitting that the event to inaugurate this new period of construction comes at a time when we are paying special tribute to the service and patriotism of other Americans who founded, built and defended this nation.

The site we dedicate this afternoon will become a cemetery of which we can all be proud. It will in time be the final resting place of nearly 400,000 residents of this section of the United States.

It will be a useful facility. It will be an impressive memorial. And it will be a place of grace and beauty.

It is also to be, as I have mentioned, the forerunner of other cemeteries to be built within the near future, cemeteries for which land has been acquired or is being acquired in Virginia, Pennsylvania, New York and Massachusetts.

Each will be located near large concentrations of population and each will serve an area of the country where there is a great need for burial facilities. It is our intention to build this and other cemeteries as rapidly as possible, extending to veterans and their families in these areas the choice of burial in a national cemetery.

I share the satisfaction felt by those of you who have long advocated the location of a new cemetery in California, one that would be convenient to the large veteran population in this region. I commend you for the support you have given this project and I thank you for the assistance you have provided us.

We are rewarded today with the knowledge that we have made enough progress to at last be at a starting point in construction. We know that the project you have looked forward to for so long will be a reality . . . the first new national cemetery to be opened in this country in more than a generation.

We are called on this afternoon to dedicate a site. It is a site that has been carefully chosen for a need, acreage that has been determined to be suitable as the location of a cemetery and that has been acquired for that purpose. So, in one meaning of the word, this site has already been dedicated.

It is a site that will be changed greatly. It will be cleared, improved and reshaped. It will be made beautiful. When it is ready to serve its purpose, it will not present the same appearance that it does today.

So I think it is clear that our concern here today is not just with the real estate that we view . . . or even what we make of it, what physical changes we bring about. The work would go on without our engaging in this impressive ceremony.

Our purpose as we dedicate this site is to emphasize the gratitude and the love we feel for the great country we live in and, thus, our appreciation for those who have served the country well in time of danger.

If we make of this site a fitting resting place for them, we honor the nation they served . . . our nation. And, of course, we plan to do so.

If we transform this land and bring it beauty as a measure of our esteem for those who will be buried here, we add to the enjoyment of the living. It is our intention to make such a transformation.

If we create a setting worthy of those whose memory this cemetery will serve, we will add to our own dignity as individuals and ennoble our society as one that remembers and cares. This will be such a setting.

But I think that today we should declare it our hope . . . and that it should be our intention . . . that this site and this cemetery have meaning beyond anything I have mentioned thus far.

At this time of a significant national birthday, I think we should remember the traditions we have fallen heir to and the inspiration that we have gained from the institutions and the shrines that are our reminders of a glorious history.

I think of the years ahead, of the time far into our third century and beyond, and see this cemetery and the others to be built soon as monuments not only to those buried in them but to the America of this era.

Our descendants will know that here are buried veterans of various wars men and women who contributed to the defense and the safety of America at their time in history and, thus, to the Nation as it exists at that future time.

Our descendants will also know that Americans in our Bicentennial Year were grateful enough to build such facilities. We hope they will be inspired and will have a greater sense of their heritage because we have done so.

And, so, it is my great hope . . . and I know it is yours . . . that we are building here a resting place to receive and honor those with distinguished service in the past and an important monument *for* the future.

Before I leave you, I would like, once again, to express my appreciation to all who have had a part in bringing this project to its present stage of development . . . to our congressmen and senators who gave us their leadership, to members of the veterans organizations who have been so active, to our friends in the Air Force without whom today would have been an impossibility, to other friends in this area and to my colleagues in the Veterans Administration.

With you, I am thankful that this day is now at hand. With you, I look forward to the day when our work here will be accomplished.

TURKISH-SOVIET RELATIONS

Mr. PELL. Mr. President, one often hears that congressionally imposed restrictions on military assistance to Turkey risks driving the Turks into the arms of the Soviets. Actually, however, relations between these one-time arch-enemies began warming up as long ago as 1959.

In an excellent article which was published in the Baltimore Sun on June 1, Brophy O'Donnell sets forth the record of Soviet-Turkish rapprochement over the past 17 years and shows that this process began independently of the Cyprus problem and predated the congressional arms embargo by many years.

Mr. President, I ask unanimous consent that the Baltimore Sun article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Russian-Turkish Amity Isn't New

(By Brophy O'Donnell)

The growing rapprochement between the Soviet Union and Turkey, the anchor of NATO's southern flank, is widely considered a consequence of the current Congressionally imposed embargo on American arms shipments to the Turks in retaliation for their invasion and continued occupation of Cyprus. Actually, however, Turkish hostility to the USSR began to soften 17 years ago, and relations between the two countries have been warming perceptibly since the mid-Sixties.

A reminder that the reconciliation of these two supposedly implacable foes is no new development was seen last December in the visit of Soviet Premier A. N. Kosygin to officiate at the formal opening of a new $640 million steel mill in Iskenderun, a city on the Mediterranean. Built with Russian credits and technical assistance, this plant had its inception in March 1968 when Turkey acepted a Soviet assistance program which also included six other major industrial projects. The Soviet loans were set up for a sixteen year amortization at an annual interest rate of two and one-half percent, with repayment in Turkish products surplus on the world market.

This agreement on aid followed Turkish Premier Suleyman Demirel's two week state visit to the Soviet Union late in 1967. On his return home Demirel said that the excursion had "eliminated the last traces of hostility from Soviet-Turkish relations." He added that relations with the USA and other NATO allies were not affected.

In a dispatch that reported the opening of the Iskenderun steel mill. *Pravada* quoted the assistant director of the enterprise as emphasizing that "in accord with most recent Soviet-Turkish agreement on further development of economic and technical cooperation, signed in Ankara in the summer of 1975, the capacity of the mill will be increased to four million tons of steel a year." this is more than triple the total annual production of the entire Turkish steel industry in 1973.

Demierel's 1967 Russian jaunt was preceded by several years of increasing amicability in Soviet-Turkish relations. As far back as 1959 Premier Adnan Menderes, dissatisfied with the extent of American economic aid, arranged a trip to the Kremlin for the following year, but before the scheduled date he was ousted by the army coup of May, 1960 and later hanged. His advances to the Soviets had no bearing on his death sentence. On the contrary, the military seizure of power resulted in a new tolerance for leftist ideas.

In the last 300 years the Turks have fought at least 11 wars with the Russians. The pointed significance of these centures of hostilitiy is somewhat blunted by the consideration that the Turks warred also with just about everyone within reach—with Venice, Austria, Poland, France, Malta, Tuscany, Persia, England, Italy and of course, the Greeks. The root conflict with the Russians has been geographic. Turkey has always been in the way of Russian expansion southward, and additionally sits aside the straits that give exit from the Black Sea to the Mediterranean. Tsars and Communist First Secretaries alike have yearned for control of this strategic passage to the world's oceans.

The events since the early Sixties do not constitute the only Russian-Turkish rapproachment in modern times. In 1921 in a reversal of historic enmity Lenin's government was the first major power to recognize the Turkish republic when it fought its way out of the ruins of the Ottoman empire. Soviet-Turkish relations remained amiable until the late Thirties. In December, 1925, a treaty of friendship and neutrality was concluded despite Turkey's having outlawed the Communist party and arrested its leaders earlier that year. Soviet economic assistance was extended to the Turks' first five-year plan in 1934. A few years later relations deteriorated amidst the political jockeying that preceded World War II. At the close of that war the Turks were driven to look westward for protection from Stalin's demands for a chunk of their territory and for control of the straits. These demands were dropped by his successors.

In 1964 Soviet-Turkish rapproachment was nourished by the Cyprus question. Krushchev had supported the government of Archbishop Makarios both with words and arms. In November, 1964, soon after Brezhnev took over, the Russian position seemed to change with the issuance of an endorsement of the Turkish-Cypriot community's right to coexistence. This was interpreted as approval of the Turkish demand that Cyprus be a federal state. Probably facilitating acceptance of this Soviet signal was a harshly worded warning against invasion of Cyprus sent the Turks by President Lyndon Johnson six months earlier.

In July 1974 at the UN the Soviets opposed the first demands for withdrawal of the Turkish troops who had landed on Cyprus, but a few weeks later did an about face and presented a resolution calling for the witdrawal of all foreign forces. Presumably the Turks are not pleased by the present Soviet position on Cyprus. Last February the USSR quickly denounced the Turkish Cypriots' unilateral proclamation of an autonomous state in the northern part of the island. *Pravda* reminds its readers that the Soviet Union recognizes the Makarios government as the only legal one.

The Russians constantly ascribe the Cyprus difficulties to the machinations of the NATO powers. On March 12 in a story from Athens *Pravda* refers to "the efforts of the imperialist circles of NATO to force through their variant of a resolution to this problem, proceeding first of all from their military aspirations in the eastern Mediterranean." The same piece recapitulates the Soviet position: "Support for the struggle by the Cypriot people for a peaceful and democratic resolution of their problem on the basis of the decisions of the UN . . . unconditional respect for the independence, sovereignty and territorial integrity of the republic."

Both the USA and the USSR continue to urge the withdrawal of all foreign military forces, meaning the 35 to 40 thousand Turkish troops on the island. Although considerable ambiguity surrounds the United States government's conduct, both overt and covert, at the time of the 1974 Cyprus coup, President Ford and Secretary Kissinger now unambiguously say, "A settlement must preserve the independence, sovereignty and territorial integrity of Cyprus."

The Soviet objective long has been to prevent transformation of Cyprus into a NATO base. Considering the present deterioration of NATO in that part of the world—Turkey, Greece, Italy, Portugal—it doesn't seem that Brezhnev should be losing much sleep over the prospect.

Thus, while Cyprus since 1964 has been a factor in the dual relationship of the Turks with the USA and the USSR, Turkish rapproachment with the latter is a process that began independently of the Cypriot problem and clearly predated the American arms embargo by quite a few years.

FOUNDRIES IN DILEMMA

Mr. McCLURE. Mr. President, the industrial and military strength of our Nation requires a productive and growing foundry base. Without the primary metals produced by this industry, our economic growth would soon stop. For this reason—among many others—it is necessary that we continue to closely examine the impact of unreasonable Federal regulations.

Two months ago, I discussed the serious impact that many Federal regulations have on our ability to produce military weapons, especially armored vehicles. At that time, I used as a reference an article in National Defense magazine, by Ms. Debbie C. Tennison. Ms. Tennison has now completed a second article, again documenting the serious impact of Federal controls on this vital basic industry.

Mr. President, I believe that the information provided by Ms. Tennison should be available to my colleagues and I ask unanimous consent that the article "Foundries in Dilemma," from the May–June 1976 issue of National Defense, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Foundries in Dilemma

(By Debbie C. Tennison)

While the Russians continue to expand their already extensive industrial foundry base, American foundries are facing increasing difficulties in maintaining and expanding their capacity. And this is posing a serious threat to the viability of an important segment of our industrial base.

It likewise poses a threat to the production of many items necessary for our national defense including: tanks, ships, rifles, shells, bombs, grenades, rocket and missile launchers, fire-control systems, and cast armor and treads for many vehicles besides tanks. Nuclear power plants also are affected, as are virtually all electrical generating systems, and hydroelectric and fossil fuel. Mining equipment and all engines to power ordnance vehicles depend on castings also.

Why are U.S. foundries in trouble? Foundry owners and foundry association officials say problems stem from environmental regulations, safety and health directives, materials shortages, import/export policies, and the inflationary impact on foundry working capital.

The primary-metal industry is affected by environmental regulations since it generates sources of air pollutants such as smoke, fumes, vapors, particulate matter, and odors. Almost all basic foundry operations such as molding, melting, pouring, grinding, chipping, powder burning, and shake-out generate air contaminants. Pollution control regulations require capture, retention, and proper disposal of pollutants from each source at great expense for control equipment, engineering, installation, and maintenance.

Soviet Practices.—Soviet foundry owners, on the other hand, do not have to contend with such restrictive environmental legislation. U.S. Government sources explain that the Soviets are aware of environmental problems, but if they need foundries to produce castings for their armed forces, they aren't going to let environmental problems stop them.

American businessmen who visit Soviet foundries are amazed by the lack of safety and environmental practices there. The Russians have some basic safety guidelines, but they are not enforced. For example, visits to some foundries showed that standard safety equipment required in the United States, such as hard hats, safety shoes, and eye protection, was not in evidence. Output is what counts in the U.S.S.R.

The Soviets have a stable production base because of their long-term planning. They have the clout at the top of their structure to control what their foundries produce. This is in comparison with the U.S. market economy, where economic and commercial interests prevail over defense interests. The result: the Soviets clearly have a faster response to their defense needs. (See Table I on page 454 for a comparison of the capacity of the defense-industrial base of both countries.)

A look at the figures in the table and a study of the foundry industry's problems explain the statement made recently by Assistant Secretary of the Army Harold L. Brownman that our national security is being threatened by the industry's problems. Secretary Brownman first became interested in the industry's dilemma in December 1974 when he became responsible for increasing U.S. tank production. He still maintains a very active interest in the program.

"Foundries have been in this country for many, many years and have been doing very well without the Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA)," Secretary Brownman comments. "I don't think the industry should be left totally to its own devices, but the laws should be administered with reasonableness and fairness."

Secretary Brownman contends that the environmentalists have gone too far in trying to achieve perfection. He adds that the environmental laws have been promulgated by people with good intentions—but who don't have sufficient background in industrial operations.

Excessive Regulations.—According to the Cast Metals Federation, excessive regulations by EPA and OSHA have greatly affected all U.S. foundries. They have been the principal cause of the closing of many smaller jobbing foundries.

"Foundries must expend capital to meet conflicting, and in many cases immeasurable, standards with unproven control equipment," says Walter M. Kiplinger, Jr., Washington representative of the Cast Metals Federation. "The net results are a major reduction in working capital, vast increases in nonproductive operating and maintenance costs, and escalation of energy consumption—resulting in much less productive capacity."

Those in the foundry industry do not challenge the concepts of the legislative acts of EPA and OSHA but only the manner in which they are implemented. Referring to EPA in particular, foundry officials claim that economic impact studies conducted by that agency grossly underestimate the full cost of compliance to the industry. Such studies rarely, if ever, include the high operating costs and the many exceptional variables which are encountered in installation, engineering, and sometimes relocation.

According to John Butler, chief of compliance of the analysis section of EPA's Office of Enforcement, the usual cost of installing EPA-mandated regulation equipment in a foundry is less than $1 million, but he admits that the small foundries do have problems paying this price.

Disagreeing with Mr. Butler's cost estimate is William B. Huelsen, director of environmental affairs for the American Foundrymen's Society of Des Plaines, Ill., who says the less-than-$1-million estimate "is more the unusual circumstance than the usual."

An example which supports Mr. Huelsen's statement is the Urik Foundry Company, Erie, Pa., which installed a cupola dust collector in 1967. Air pollution regulations changed in the early 1970's, necessitating a new dust collector, costing in excess of $1 million. Other compliance costs will be another $1 million.

In defending EPA, Mr. Butler claims the agency really hasn't focused on the foundry industry but that some industries are harder hit than others. He says the requirements are reasonable.

But what about the costs which foundries must absorb so "reasonable" standards can be enforced? "There are penalties you must pay," answers Mr. Butler. "Spending for the protection of public health purposes can't be termed unproductive."

However, those in the foundry industry view costs to meet the standards as unproductive. Industry officials estimate that compliance with EPA and OSHA standards will drain 15 to 20 per cent of the industry's total capital expenditures throughout the 1970's. This means that significant sums of capital are being diverted from foundry modernization and expansion.

Administrative Burdens.—But capital investment is not the only problem caused by the enforcement of EPA and OSHA standards. The administrative work required for compliance with these regulations is also a burden to foundrymen. They find it difficult to attend to their business properly when they must fill out numerous forms and spend time with inspectors.

Another problem is that, in some cases, action taken by foundries to control cupola emissions has created a new problem of water pollution. A recent American Foundrymen's Society survey showed that 24 per cent of the respondents had waste water treatment problems. Of those reporting such problems, 78 per cent said this was the result of the operation of dust-collection equipment.

In the same group of respondents, 79 per cent reported that they had a new solid waste disposal problem, especially in ferrous foundries, and here again is an area of operation that is affected by overlapping or conflicting regulations.

Why is it that lawmakers pass such conflicting regulations? Sen. Dewey F. Bartlett, R-Okla., says: "Any bill becomes a sort of sacred cow once it's passed. We pass too many bills too hurriedly. And we make requirements involving technological changes when we don't understand the full impact on small foundry owners."

As a result, of the 400 foundries which have closed since 1969, at least one-third closed chiefly as a result of the clean-air standards. The foundries that are surviving are finding that it costs 10 times as much to control 99 per cent of foundry emissions as it does to control 93 per cent.

"The new standards promulgated by EPA are getting progressively more strict, and when you must reduce the amount of emissions it means more emissions collection equipment," states Mr. Huelsen.

For example, he explains, a document presented to the National Air Pollution Control Techniques Advisory Committee in December 1975 justifies a proposed standard (0.0052-grain per dry standard cubic foot of exit gas) "which is not attainable in my mind. Certainly the energy requirements associated with this regulation are going to increase considerably. There will be other new source performance standards coming for cupolas and other foundry equipment. If this is any indication of what future proposals are going to be, the impact will be substantial."

One foundry which found that compliance with EPA standards caused substantial increases in energy consumption is the Grede Foundry of Iron Mountain, Mich. It reported that the afterburners used to convert carbon monoxide to carbon dioxide are fired by natural gas, and on an average day those afterburners consume about 44 million Btu's. This is enough natural gas to heat 200 average homes in that town.

Another foundry experiencing increased energy use and higher costs is the Texas Steel Company of Fort Worth, Tex. That company found that to move the 400,000 cubic feet of air per minute to control fugitive emissions will require increasing fan motor power from 200 to 1,500 horsepower. This will increase operating expenses by some $100,000 annually. Additionally, as furnaces are equipped to meet the codes, effective capture of emissions is improved by only 5 to 10 per cent.

Also facing economic difficulties due to equipment for environmental regulation is Ross-Meehan Foundries of Chattanooga, Tenn. The company has found it necessary to raise prices in order to derive revenues to pay for the necessary new air pollution control equipment and its subsequent operation and maintenance because the additional equipment is not productive.

Even though Ross-Meehan Foundries has not been forced to close like many smaller foundries, officials there fully anticipate that the Chattanooga area will be designated a Class I area according to Clean Air Act amendments.

"With that designation, we foresee serious complications (probably insurmountable) in any modernization or expansion effort to remain competitive, with the result that our company, if not relocated, would slowly die, because no additional particulate matter would be permitted in the area," states Harold F. Torok, manager of defense operations for Ross-Meehan.

Present methods for measuring fugitive emissions from plants appear to be arbitrary at best since interpretation is left entirely to the judgment of a single individual who is not knowledegably equipped for such measuring. Quite often the source of contaminants is not sufficiently definable to determine proper control measures.

Noise Regulations.—Because of the nature of the industry, it is also greatly affected by OSHA noise regulations. There are numerous operations where metal-to-metal contact is unavoidable, and there is extensive use of high-velocity intake and exhaust fans and compressed air.

OSHA requires costly engineering or administrative controls as a permanent solution to noise problems and considers use of personal protective devices, such as earplugs, as only a temporary solution until economically and technically feasible control measures can be installed and implemented.

According to officials at the Lebanon Steel Foundry, Lebanon, Pa., the 90-decible maximum noise requirement is an extremely difficult and costly regulation to accommodate in a primary metal industry. Process noises from plants in community surroundings—particularly during summer months when windows are open—are naturally subject to complaints resulting in pressure to apply strong noise-control measures.

Commenting on Lebanon's complaint about the ability to control noise, James Foster of OSHA states: ""There's no question that it presents problems, but there are people going deaf too."

He adds that OSHA is not trying to put anyone out of business—or to reap Federal penalties. But foundries do have a substantially high accident rate, he claims—much higher than the national average of 10.4 cases per 100 workers in 1974. In that year, the primary metal industries (which includes foundries) had 19.7 accidents per 100 workers; the national metal industries had 10.9; the malleable iron industry had 42.1; and the iron and steel foundry industry had 32.2.

"It's very hazardous work," Mr. Foster notes, "just from the safety standpoint alone." It is for this reason that OSHA is focusing on foundries in its National Emphasis Program—expected to be implemented late this summer.

This is to be different from the routine OSHA inspection. OSHA will inspect for standard violations, will consider new standards, and will look at the total safety commitment in its inspections. OSHA already has announced its intention to inspect foundries—and it will notify foundrymen as to what it is looking for through intensive education programs. This type of inspection hasn't been performed previously. In the past, OSHA only looked at standards—not at the whole climate.

OSHA will begin training its inspectors in foundry practices in June. "They will train in a foundry so they will know what to look for—so they won't be bamboozled," explains Mr. Foster.

How will this National Emphasis Program affect foundries? For one thing, they will be cited and fined if violations are found. Also, OSHA will give foundrymen suggestions as to how improvements can be made. After keeping very detailed records during inspection, OHSA will return to the foundries at a later time to see if the improvements have been made. The inspection phase of the program will last for approximately 18 months.

According to G. John Tysse, director of OSHA's Occupational Safety and Health Committee, the National Emphasis Program is a major effort to make standards more reasonable. He says OSHA is considering some kind of exception for industries which have special difficulties in complying.

Even so, Secretary Brownman claims that the program will " probably raise holy cane with the foundries. I don't think it's fair for the foundry industry to be singled out for this study."

Silica Dust.—Under OSHA's proposed silica-dust regulation, one man is needed for every 50 employees on the payroll to carry out the monitoring requirements. Record keeping will be horrendous.

If such requirements aren't enough to hinder the larger foundries, perhaps OSHA's new and proposed regulations will be. With OSHA now moving into the health area (new dust and noise standards and heat-stress criteria), the potential outlay for foundries will far exceed expenditures for air and water pollution control.

According to the Cast Metals Federation, OSHA is being implemented in an unrealistic manner, forcing large expenditures of funds by even those foundries which have had outstanding safety records.

Materials Shortages.—Some foundrymen seem to be just as worried about materials shortages and related problems as they are about environmentally related quandries. And rightly so, since foundries experience shortages of ferrous scrap, merchant pig iron, carbon products, ferro-alloys, refractory products, chemical and organic binders, coke, electricity, natural gas, and foundry machinery.

The major raw material for ferrous casting is scrap iron and steel, which is supplemented by pig iron and, depending on the metal composition desired, a variety of nonferrous metals. One of the major problems of the ferrous-casting industry has been the availability of scrap, which has been scarce and rising in price.

Ferrous casting industry trade associations and individual producers believe that substantial scrap exports are the main cause of the domestic shortages. In 1973, the industry consumed a total of 21.1 million tons of scrap, according to Bureau of Mines figures. Scrap exports in that year amounted to 11.1 million tons. The price of No. 1 melting scrap rose 251 per cent to $121.67 per gross ton from January 1973 to March 1974.

"Scrap is a form of stored energy," says Secretary Brownman. "So we're exporting energy to other countries."

Action by the Government to embargo or limit the exportation of scrap metal temporarily has been urged by the steel foundry industry. Scrap requires only one-third of the energy needed to get the same castings from virgin ore. Yet the United States remains the only industrial nation which exports it.

Although scrap and other material shortages have not been as much of a problem to the foundry industry in the last year, due to the recession, as soon as business picks up to the 1973 level, the industry expects to be in the same trouble as then.

One major problem, according to Mr. Huelsen, is that "much of the low-sulfur coal that the EPA is literally pushing the power companies to burn is metallurgical coal—which in our lifetime will not be a problem, but it could be better used by future generations for iron and steel production. Many wars have been fought in Europe to control metallurgical coal supplies. We are using it for power generation—while it is invaluable."

Experts from the Illinois Institute of Technology contend that using this special commodity merely for energy-producing purposes is criminal. This coal is the *sine qua non* of high-grade steel production. It is accordingly a natural resource to be carefully husbanded.

Chrome.—Another invaluable metal is chrome—which is said to be in short supply for some foundries. Even with the recent defeat by the House on the Rhodesian chrome import restriction bill which should help stabilize chrome's price and availability. America depends on chrome that is under Soviet control. This situation stems from the fact that Rhodesian chrome has no market in the industrial countries, thanks to political sanctions involving racial affairs. So Rhodesian chrome has to be sold—at a discount—behind the Iron Curtain.

According to *Nation's Business*, the Soviets already have a lot of chrome of their own, and Western countries have little, so the Soviets buy Rhodesian chrome and sell it, as well as their own chrome, at premium prices to Westerners.

One foundry owner who produces high-alloyed ferrous castings requiring chrome, nickel, molybdenum, silicons, and other alloys and has had serious difficulty obtaining metallurgical chrome in the past year is Lane Currie, president of H. C. Macaulay Foundry Company, Berkeley, Calif.

He tried to buy chrome alloy from Russia through U.S. contacts both here at home and in Russia in 1975. Responses to these inquiries were negative and included such comments as "we regret to inform you that we are not in a position to make you an offer for the goods required," and that "over the past few years Soviet chrome exports have been reduced considerably, principally due to the Soviets' increased domestic demand for stainless steel."

Mr. Currie notes that the Russians do not have a surplus to sell to the U.S. at this time—a condition most likely caused by Russia's ferrous foundry expansion mandate to continue to maintain a metal-casting industry far in excess of U.S. production. Mr. Currie also notes that he recently had been acquiring alloys from Rhodesian sources and is greatly concerned as to the continuance of availability dependent upon our governmental intervention regarding another embargo against Rhodesia and the political situation there.

Chrome, which is 98 per cent imported from foreign countries, has two basic functions in a foundry; it hardens and toughens metal, and it helps resist corrosion.

Without chrome alloys, Mr. Currie's foundry would not be able to produce the many component parts for numerous defense projects which include: cell doors for Western Gear's antiballistic missiles; landing gear arrester parts for Platt Manufacturing of Dayton, Ohio; and test fixtures for Lockheed Missile's space equipment and missiles. The H. C. Macaulay Foundry also provides parts for Argonne National Laboratories of Idaho Falls, Idaho; York Manufacturing of York, Pa.; Westinghouse Electric of Sunnyvale, Calif.; Sargent Industries of Huntington Park, Calif.; and Sandia Laboratories of Albuquerque, N. Mex.

Pig Iron.—Shortages also have risen to critical levels for merchants pig iron. During the latter part of the past decade, 10 blast furnaces producing merchant pig iron have been taken out of production or converted to hot-metal use for steel mills. During 1972, three more followed, leaving a total of only five blast furnaces engaged in this activity—with one of these often used for steel-mill hot-metal requirements.

OSHA and EPA regulations, along with a substantial increase in imported pig iron, have been major factors in the decline.

Also in short supply are a variety of carbon products. These range from electrodes for arc furnaces to carbon raisers for the production of gray, malleable, and ductile iron—which represents 83 per cent of the total annual casting tonnage produced.

One shortage which is worldwide is that of raw magnesite—used in refractories for steel foundries and arc furnaces. This is another area being affected by OSHA. In the United States, this material is produced synthetically. Delivery is taking approximately two years—with energy availability being given as the chief cause of the shortage. Other refractory products, such as fire clay and silica brick, are running into problems of lengthening lead times despite availability of raw materials.

Another important problem for the industry is a shortage of foundry machinery. When available, improved foundry equipment enables the industry to improve its productivity and expand its capacity substantially. However, with existing lead times for equipment delivery of up to two years, and with the difficulty of obtaining capital, many foundries are forced to stay at their present production level.

One contributing factor to this problem is the overwhelming number of machinery orders received by U.S. manufacturers from countries such as the U.S.S.R. and Poland.

Even though some economists point out that, in theory, shortages of machinery and other products don't exist and that supply and demand equilibrium is almost always achieved by shifts in price—shortages are indeed very real.

They are real to the purchasing agent placed on allocation for raw material supplies or whose margins and competitive position are damaged by skyrocketing prices. And they are real to the military procurement officer whose lead times for weapon systems have quadrupled overnight.

Some of the larger foundries are not affected by materials shortages. In recent years, Blaw-Knox Foundries of East Chicago, Ind., has not been affected—to a major degree that would reflect curtailed operations—by either scrap or chrome shortages. However, this plant is presently limited on maximum natural gas consumption, and production could be curtailed should extreme cold weather conditions exist.

Bob Buckley of Blaw-Knox notes that the industry is given a maximum allocation of gas. However, this allocation can be reduced in order to give preference to residences, hospitals, and other public uses. Gas at the East Chicago plant is used mainly for the heat-treating furnaces, and, should gas be in short supply, this part of the operation would have to be reduced.

Inflationary Impact.—Foundries also are affected by inflation, just as any other industry. The 1971–1974 period of wage and price controls seriously impacted on the ability of the industry to generate profits because of a low profit margin base period. The industry was exempted a few months prior to the expiration of controls, but long after severe damage had been done.

According to the Cast Metals Federation, wage and price controls were not the answer then—and are not the answer to the industry's problems today.

Foundrymen contend that severe environmental, health, and safety controls are not the answer to pollution and safety problems either. And they have supporters in industry and Government.

One is the U.S. Chamber of Commerce, which is supporting amendments to the Water Pollution Control Act, the Clean Air Act, and the Occupational Safety and Health Act—to provide for reasonable, attainable, and cost-effective standards and compliance schedules to consider social, employment, economic, and energy impacts on a case-by-case basis. The amendments are now being debated by Congress.

Solutions to the foundry industry's problems as outlined in this article will be dealt with in the next installment of this series, to appear in the July-August 1976 issue of National Defense.

LABOR ENVIRONMENTALISTS, COMMUNITY ACTION GROUPS WORK TOGETHER—PHIL HART'S INSPIRATION

Mr. MONDALE. Mr. President, one of the positive things which is occurring in the Nation today is the increasing cooperation between labor and environmental and community action groups. Some 5 years ago when the environmental awareness of the American people was at its crest, Senator Philip Hart took the lead in establishing something which chose to call itself the Urban Environment Conference.

This group has somehow held together on a very thin budget, acting as a link between trade unions and environmental groups, and with a strong focus on the problems of the urban environment. Thus the Urban League and the Steelworkers and the Sierra Club sit down at the same table in Washington to lobby for occupational health, providing flexibility in the highway trust fund for funding of mass transit, legislation on lead paint, and a toxic substances control bill. As in all coalitions they work together when and where they can, and they find their opportunities for unity increasingly better than might be expected.

A national conference at the United Auto Workers large educational center in northern Michigan recently assembled 350 leaders from every conceivable group. People from labor, industry, native Americans, southern mountaineers, blacks, chicanos, welfare rights activists, League of Women Voter leaders, and many more came together for a single week to discuss the great issues of "economic and environmental justice and jobs."

A few days afterward at the Museum of African Art a reception was held in Washington, D.C., for the senior Senator from Michigan. A tribute to Phil Hart described UEC as "one of your children, Phil Hart—the youngest, in fact." It was a fitting climax to the Black Lake conference.

"UEC is today a functioning, ongoing group in Washington which works steadfastly for a quality urban environment, where a pollution-free environment and social justice can blend," said the tribute to Phil Hart.

The full text of the special tribute to Senator Hart is as follows:

Urban Environment Conference, Inc.

The Urban Environment Conference is one of your children, Phil Hart—the youngest, in fact.

We consist, as you know, of labor, environmental, and community action groups united to improve the quality of life, and to see that the employment and environmental goals of all groups can harmonize. As a coalition of sometimes differing interests, we work together where and when we can.

To Phil Hart, on this occasion, we express our thanks for your vision and your great help in launching us five years ago. Because of your foresight, the Urban Environment Conference has managed to struggle on—acting as a clearinghouse for numerous groups which find in us the common ground they each need.

UEC is today a functioning, ongoing group in Washington which works steadfastly for a quality urban environment, where a pollution-free environment and social justice can blend.

We see, as you do Phil Hart, an urban society with full employment, with non-polluting public transportation, with parks and playgrounds and flowers, with clean air and clean water, and above all—a society where both freedom and social justice thrives.

Thanks, Phil Hart, for getting us started. We will work on to justify your faith as we strive to achieve those goals your own life so well exemplifies.

Mr. President, the UAW conference center called the Walter and May Reuther UAW Family Education Center was a sylvan setting for confrontation between seemingly warring groups. The press clippings from the Black Lake conference indicate that despite wide differences and despite conflicting agendas, there was a genuine attempt made to find common ground—which is the daily objective of Phil Hart's UEC dream.

In many ways, the conference was also a fitting aftermath of Earth Day. It represents another landmark in the distance our Nation has traveled in putting environmental concerns into human dimensions. As UAW President Leonard Woodcock said in his keynote speech:

> We often find ourselves caught in the middle between the movement to clean up the environment and our mission of protecting workers' jobs.

There is no official link between the Urban Environment conference and the Black Lake conference except that many of the same people and organizations helped plan the Black Lake conference and many continue to work together in UEC. It is fitting that Phil Hart's inspiration can find such tangible good works in the day-to-day work of this unique coalition.

I ask unanimous consent that the invitation to the Phil Hart reception with the sponsoring organizations to be included here, along with many excellent articles about the Black Lake conference.

There being no objection, the material was ordered to be printed in the Record, as follows:

Urban Environment
Conference, Inc.,
Washington, D.C.

Dear Friend: The Urban Environment Conference invites you to join in a celebration honoring Senator Philip A. Hart. Five years ago, Senator Hart gave public recognition to the potential for the cooperation of organized labor, environmentalists, consumers, and the urban poor. The Senator initiated a series of meetings in which representatives of these sectors came together to discuss urban issues of mutual interest. The experiment was so successful that the Urban Environment Conference, a private, nonprofit organization, was established. Now entering its sixth year, the Conference has both educational and advocacy programs to address such urban environmental problems as transportation, lead paint, pollution, land use, and occupational health.

In an effort to thank Senator Hart for his strong and continued interest of social and environmental reform, the Urban Environment Conference is hosting a reception in his honor. Proceeds will continue the good work of the Conference. We hope you will join us at the Museum of African Art on Thursday evening, May 20th, in paying tribute to the distinguished Senior Senator from Michigan.

Sincerely,

Chuck Clusen,
Cochairperson.
Frank Wallick,
Cochairperson.

[From the New York Times, May 9, 1976]

Labor Seeks Ties to Ecology Bloc

(By Gladwin Hill)

Black Lake, Mich., May 6.—Leading elements in organized labor, the environmental movement and community action have charted courses of collaboration in politics and public affairs.

Major aims concurred in at an intensive five-day conference here this week were national "full employment," the combatting of environmental "corporate blackmail" in threats to shut down plants, passage of legislation mutually advantageous to labor and conservationists and the defeat of office holders who are considered antipathetic alike to labor and environmental protection.

The conference, spurred by the 1.6-million-member United Automobile Workers, was cosponsored by some 140 additional labor, environmental, civic, religious and racial organizations.

Conceived as a refutation of the notion that economic and environmental progress are fundamentally at odds, the conference sought to explore differing interests, promote mutual understanding and develop bases for cooperative action.

"Contrary to what corporate America and the Ford Administration would have the public believe," Leonard Woodcock, U.A.W. president, said in the keynote address, "there is today more than ever before a common cause between union members and environmentalists, between workers, poor people, minorities and those seeking to protect our natural resources. It is in times such as these that the corporate tactics of trying to make workers and communities choose between jobs and ending pollution can be most effective."

A FALSE CONFLICT

"It is frequently a false conflict," he continued, "If we had a full-employment economy in America today, corporate polluters would have a far more difficult time with environmental blackmail."

The 300 conferees included representatives of major labor unions, from miners to machinists; nearly all the national and many regional environmental organizations, and such diverse groups as the National Farmers Union, the United Church of Christ, the National Urban League, the Iowa Sioux City Indian Center, and the New York City Clean Air Campaign.

Because of the wide range of concern among the participants, no effort was made to formulate a unified program of action or a new organization.

Instead, the conferees, from every section of the country, headed home today with intentions of forming state and local coalitions based on new-found common interests.

Partisan politics had a minimal effect in the proceedings. A few "Carter" stickers appeared on bulletin boards and many Jimmy Carter badges were in evidence. Loud applause met Mr. Woodcock's observation that President Ford's record was "atrocious on both labor and environment." But most matters were deliberated in a nonpartisan context.

Some of the main topics of interest were the Humphrey-Hawkins bill, designed to reduce unemployment, by Federal measures, to 3 percent; the Mondale-Ford bill for Federal assistance to workers and communities in cases of industrial plant closings, conflicts between environmental protection and employment; occupational safety and health; energy alternatives; "inner city" problems of minorities and low-income groups, and revamping of the national economy to better fulfill consumer needs.

The conference was held at the U.A.W.'s $23 million Reuther Educational Center here.

The broadest issues that emerged, and remained unresolved was the question of national economic growth policy. While many environmentalists see slowed growth as an inescapable consequence of shrinking resources, labor tends to equate growth with adequate employment.

Some union officials said bluntly that they did not care about the merits of construction politics, such as the controversial aspects of nuclear power plants, as long as they provided jobs.

However, there were acknowledged to be large "areas of agreement" such as labor's concurrence in the need for strip mining controls and national land use legislation.

Environmentalists, on their part, acknowledged some fresh insights.

"I realize now that we've been a little myopic in some of our efforts to get our story across," commented Peter Harnik, coordinator of Environmental Action, a Washington-based lobbying and educational group. "We spend a couple of years studying up on something like solar energy, and we have expected people to accept our conclusions on our say-so, just on the basis of a few sentences of explanation. We realize now that we have to be far more coherent."

[From the New York Times, May 4, 1976]

WOODCOCK CALLS FOR AN ALLIANCE OF LABOR AND ENVIRONMENTALISTS

(By Gladwin Hill)

BLACK LAKE, MICH., May 3.—One of the nation's top union leaders called last night for a "a new alliance" between labor and environmentalists in the political arena to thwart industries' "environmental blackmail" and hasten full employment.

Only such collaboration, said Leonard Woodcock, president of the United Automobile Workers, will help resolve, on the one hand, workers' fear of environmentally induced unemployment and, on the other, some corporations' resistance to pollution abatement.

Mr. Woodcock spoke at the opening of a five-day national conference of 300 union officials, ecology activists and community leaders aimed at exploring common interests and easing frictions between environmental and economic progress.

The conference, entitled "Working for Environmental and Economic Justice and Jobs," is sponsored by the U.A.W. and more than 100 other labor, environmental and civic organizations. It is being held at the auto union's Reuther Educational Center here.

CAUGHT IN THE MIDDLE

Initial conference discussion groups brought forth pronounced differences in outlook among the participants, with union officials expressing some of the same apprehensions cited by Mr. Woodcock.

"We often find ourselves caught in the middle between the movement to clean up the environment and our mission of protecting workers' jobs," said Tom Donahue, executive assistant to George Meany, president of the American Federation of Labor and Congress of Industrial Organizations.

"We don't see eye to eye with the environmental community in its opposition to nuclear power. On the other hand, we thoroughly supported legislation to regulate strip mining.

"We haven't agreed with them on banning nonreturnable containers, but we're with them in seeking national land use legislation."

Dr. Barry Commoner, Washington University ecologist, suggested that a basis toward reconciling the divergent interests lay in a needed reorientation of the nation's economy away from "inefficient" use of both energy and capital in ways prejudicial to labor.

He suggested: "We face a big debate on how we're going to devote resources for the common good rather than for private profit. There's a whole question of inventing a new form of socialism."

COMMON CAUSE

Organized labor and the environmental community, Mr. Woodcock said, had common cause in fighting "the corporate tactic of trying to make workers and communities choose between jobs and ending pollution" by threatening to close down or move.

"It's frequently a false conflict," he continued, "but to a worker confronted with the loss of wages, health care benefits and pension rights, it can seem very real."

[From UAW Washington Report, May 10, 1976]

NEW ALLIANCE WILL UNITE LAROR WITH ENVIRONMENTALISTS

ONAWAY, MICH.—"The Coal Caucus will meet in Room B at 7:30."

The Coal Caucus?

Yes, one of the many groups which huddled at the UAW's big education center in northern Michigan last week was called "the Coal Caucus." They were trying to explore ways that labor, environmentalists, and community groups could get more coal out of the ground with health and safety for the workers, and how strip-miners could be thwarted so the land could not be harmed for easy profit by absentee energy companies.

Over 300 people spent a whole week grappling with a conference theme "working for environmental and economic justice and jobs." Among the agreed-upon issues which permeated the week was the Humphrey-Hawkins bill for full employment and balanced growth.

At the insistence of several groups, it was commonly called "Hawkins-Humphrey" in deference to Congressman Gus Hawkins, who gave the idea its start.

While the week was not a week of sweet talk, there was a mood among the often contending groups that "we have more in common then we have differences." UAW President Leonard Woodcock in keynoting the weeklong event called for an ongoing alliance of labor, environmentalists, and community action groups.

Seldom have more divergent groups in American life gathered together with more harmony and more willingness to listen to each other. There were bonafide native American groups, Chicanos, blacks, League of Women Voter types, building tradesmen, mountaineers from Appalachia, and some of the UAW's veteran CAP workers in such scattered places as Iowa, the West Coast, Michigan, upstate New York, Indiana, and Ohio.

There was natural suspicion at the outset, but an almost family attitude emerged by the end of the week as hard core groups made up of the three elements of the conference wrestled with questions of clean air quality, nonreturnable bottles, solar energy, nuclear power, the 160 acre limitation for farm ownership where federal water is used in California, and a host of other timely issues which confront all groups.

The closing prayer was delivered by a Sioux Indian from South Dakota, and a standing ovation was given during the closing hours to a ten minute attack on the corporate despoilers of people and the land by a Farmers Union writer who spoke for "the Rural Caucus."

In one core group, Jim Turner, UAW political and community action director for several southern states, was coaching young activists trying to get a hearing with a new mayor and another trying to stop strip-mining in his community backyard.

While there was plenty of goodwill expressed throughout the week, one parting shot from a North Carolina rubber worker typified the gaps that still remained. He said he came to Black Lake "convinced that environmentalists were really people trying to rip off the federal government at $20,000 a year," but he'd changed his mind about that. He still felt that there were people trying to show off their education, "and they know who they are." Another unionist got some hissing when he mentioned his core group worked "when the women didn't talk too much."

No resolutions were adopted, partly because the differing groups did not want to be stampeded into any rash actions—but the underlying mood of the week was that the U.S. must have a full employment policy which puts an environmental emphasis on labor intensive programs which are also energy conserving.

Much of the accent was on what can be done at the grassroots to blend the goals of labor, environmentalists, and those who want positive social change.

Penny Walden of Clearwater, Florida, told how she got "turned on" by a UAW energy conference, organized a protest over rising utility rates with the help of her husband, and then became "tuned in" to the national network of consumer activists kept together by the Consumer Federation of America. She is fighting for energy conservation, lower utility rates for offpeak use, and other ways to protect the American consumer from the profit greed of the big utilities.

Jessie de la Cruz is a 56-year-old grandmother who has fought the good fight for farm workers in California and is currently waging a valiant struggle to force big landowners to obey the law which requires them to sell any land which uses federal irrigation water. She told the conference that thousands of farm workers would buy the land

and would become resident family farmers if given half a chance.

Besides Humphrey-Hawkins, the question of occupational health and safety, solar energy, and anti-strip mining were unifying issues upon which there seemed to be plenty of common ground.

Barry Commoner, one of the gurus of the environmental movement who can also make sense to many labor people, set the tone for the week by demonstrating that many exploitive users of scarce resources are also heavy users of capital—and thus will inevitably force the nation to turn to alternative sources of energy.

[From UAW Solidarity, June 1976]

JOBS VERSUS ENVIRONMENT: MUST THERE BE A CONFLICT?

(By Frances d'Hondt)

"We made a beginning!"

That was the consensus of the 300 representatives of environmental, labor and community groups who spent five days at Black Lake, exploring in depth problems relating to jobs and the environment, and ways to resolve them.

"We have opened up lines of communication between workers and environmentalists," observed an ecology activist at the May 2–6 national action conference on Working for Environmental and Economic Justice and Jobs.

The purpose of the conference was to bring to light conflicts between concerns of workers, environmentalists and the community, to promote mutual understanding of the issues, and to develop cooperative action programs aimed at achieving environmental quality and economic justice.

"Much more unites us than divides us," declared a union member. "I always figured that environmentalists were only interested in doing 'their thing.' I was wrong. They're as concerned about workplace pollution and unemployment as I am."

"We're richer than when we came," reported a community leader at the final summation session in the lecture hall of the Walter and May Reuther UAW Family Education Center near Onaway, Mich.

"What I learned here will be invaluable at home."

FRANK DISCUSSION

Frank and often heated discussion of individual priorities among the participants from 140 sponsoring organizations paved the way for general agreement on the need for working together on common interests and goals.

The upbeat tone of the conference was set by keynoter UAW Pres. Leonard Woodcock, who urged environmentalists and community leaders to join forces with labor in the fight for a full employment economy within a healthy environment.

"Contrary to what corporate America and the Ford Administration would have us believe," he said, "there is today more than ever before a common cause between union members and environmentalists—between workers, poor people, minorities and those seeking to protect our natural resources."

In listing "some of the struggles we have in common," Woodcock emphasized the importance of achieving full employment legislation. "Our experts now estimate that more than nine million people in this country are unemployed.

CORPORATE TACTICS

"Without jobs and a healthy economy, we'll never achieve a healthy environment," he told the conference, noting that recession and economic dislocations already have "dulled the momentum of our struggle to clean up the environment.

"It is in times such as these that the corporate tactic of trying to make workers and communities choose between jobs or ending pollution can be most effective," he said.

"It's frequently a false conflict, but to a worker confronted with the loss of wages, health care benefits and pension rights, it can be very real."

Passage of the Full Employment and Balanced Growth Act (Humphrey-Hawkins bill), which mandates the federal government to bring unemployment down to 3% in four years, "would be a major step toward ending environmental blackmail," he said.

Woodcock cited, as another weapon in the fight against environmental blackmail, the National Employment Priorities Act (Mondale-Ford bill), which would protect workers affected by plant closures or layoffs resulting from environmental regulations.

WORKERS NEED ALLIES

He emphasized that "workers need allies in the political fight to set better standards for workplace contaminants. There is still one set of pollution standards for the general public and another for workers.

"I am deeply troubled," he told the conferees, "that where parallel standards exist, a much larger exposure to toxic chemicals is permitted inside the plant than outside."

In order to achieve these political goals, Woodcock said, "we must join together to bring new leadership to the White House. Gerald Ford's record in the Congress was atrocious on both labor and environment.

"In the less than two years he's been President, Ford has resisted virtually every environmental initiative from Congress. He's vetoed crucial bills, such as the strip mine control legislation that had both labor and environmental support. He's tried to gut the toxic substances act, and has opposed other environmental-labor improvements."

Also addressing the conference, chaired by UAW Vice Pres. Odessa Komer, was Russell W. Peterson, chairman of the President's Council on Environmental Quality.

Peterson emphasized that "the current recession was not caused by environmental regulations. The evidence is that environmental regulation created jobs that otherwise would not exist.

"About one million people are employed today as a result of the environmental clean-up regulations established over the past 10 years," he said. "We figure that 300,000 people who are working today would be out of jobs if it weren't for those regulations."

In declaring AFL–CIO support for the nation's nuclear power program, Tom Donahue, executive assistant to Pres. George Meany, explained that the federation's primary interest is in the creation of jobs and job safety.

"We often find ourselves caught in the middle between the movement to clean up the environment and our mission of protecting workers' jobs," he said. "On the other hand, we agree with environmentalists on the urgent need for strip mine control and land use planning legislation."

[From AFL–CIO News, May 15, 1976]

JOBS, CONSERVATION SEEN AS COMPATIBLE

ONAWAY, MICH.—The needs of workers and the goals of environmentalists must be blended together for the good of all concerned, Thomas R. Donahue told a conference of 300 union, conservation and community representatives here.

Donahue, executive assistant to AFL–CIO President George Meany, stressed that organized labor's immediate priority on full employment does not clash with its continuing concern for the protection of the nation's natural resources.

"Both of these goals must be achieved," he said in an address during the week-long conference sponsored by the Auto Workers at the UAW education center on Black Lake.

He noted, however, that "to move toward a clean environment and full employment, there will inevitably be some trade-offs. If the labor movement and the environmental community are to travel the road together, this must be recognized. Extremism by either element is only selfdefeating."

"There must be mutual recognition that the environment is also people, and the circumstances under which they live and work," Donahue said. "Equally vital is the recognition that this magnificent, but fragile, planet must from now on be treated with respect and care."

In keynoting the conference, UAW President Leonard Woodcock called for the formation of a strong alliance of environmental, labor and community groups to help achieve needed economic, environmental and political changes.

Woodcock said that among key objectives around which the coalition can be forged are the need for full employment and a healthy economy, along with the fight against in-plant pollution and other workplace hazards.

"A strong and healthy economy cannot exist within an unhealthy environment, just as only a strong economy can enable us to achieve that healthy environment," he declared.

Woodcock also suggested it was the responsibility of environmentalists to become more involved in the environment of the workplace, calling on their political support for stronger occupational safety and health legislation and standards.

Both Woodcock and Donahue warned on the tactics of "environmental blackmail" used by a number of large corporations that threaten to shut down plants and wipe out jobs if workers press for the clean-up of polluting workplaces.

Donahue also told the conference participants that as socially concerned persons they must consider the importance of balanced economic growth as a tool to make manpower programs work and to reduce poverty among the poor.

Without effective economic expansion, job opportunities for the disadvantaged would not materialize, he stressed.

He suggested that labor and the environmentalists may not agree totally on issues such as nuclear power plant development or the use of disposable containers, but do have common positions on such issues as the control of strip mining and legislation for land use.

Organized labor has long been an advocate of national programs to protect natural resources, Donahue said. He cited convention resolutions on that topic adopted by the AFL in 1908 and 1929, and subsequent actions taken by the CIO and later the merged federation, including the environmental resolution adopted at the AFL–CIO convention last year.

[From Industry Week, May 10, 1976]

MUST AN ENVIRONMENTAL PUSH THREATEN BLUECOLLAR JOBS?

(By John H. Sheridan)

Often, labor unions find themselves at odds with environmentalists in situations where enforcement of cleanup regulations threatens to close plants and put people out of work.

Is there a chance that the two factions might resolve the jobs conflict and close ranks in an accelerated push for environmental controls?

Prospects for such an alliance were probed last week by a gathering of nearly 300 people—a mix of environmentalists, labor representatives, and community action group leaders—at the United Auto Workers' Walter and May Reuther Family Education Center at Black Lake in northern Michigan.

Initially, the jobs aspect appeared to be the central issue. "Too often," complained one United Auto Workers (UAW) official, "the environmentalists aren't looking at the jobs involved."

But keynote speaker Leonard Woodcock, UAW president, warned the environmentalists by stating that "contrary to what corporate America and the Ford Administration would have the public believe, there is today more than ever before a common cause between union members and environmentalists. . . . I think too often we are pitted against one another in needless and counterproductive ways."

"Blackmail"—Mr. Woodcock appealed to the environmentalists to take a greater interest in issues involving the workplace environment and full employment.

The UAW chief accused corporate leaders of practicing "environmental blackmail"—which he described as the "tactic of trying to make workers and communities choose between jobs or ending pollution. And while the threatened shutdowns usually do not materialize . . . workers have been held hostage against proper environmental enforcement."

He called attention to legislative remedies, too. Passage of the Hawkins-Humphrey bill, designed to reduce unemployment to 3% within four years, "would be a major step toward ending environmental blackmail," he said.

But Mr. Woodcock also described the National Employment Priorities Act—the Mondale-Ford bill—as a step toward protecting workers affected by plant shutdowns or layoffs resulting from antipollution regulations.

The measure, he pointed out, would require that businesses intending to close or transfer a large portion of the plant's operation give written notice of that intent—including "the reasons for closing, the extent of the potential unemployment, the economic circumstances . . . and plans to alleviate the economic loss to affected employees."

Nuclear conflict—Just as Mr. Woodcock sought environmentalists' support on issues which unions regard as crucial, many of the denim-clad cleanup advocates wanted to know how they could go about enlisting the political muscle of the labor movement to press the ecology fight.

Many of the environmentalists were dismayed to hear Thomas Donohue, executive assistant to the president of the AFL–CIO, explain that the labor federation supports the nation's nuclear power program.

Mr. Donohue pointed out that economic growth is necessary to create jobs. "And to have growth, we need electric power," he said. "To move toward a clean environment and full employment there will have to be tradeoffs."

But David R. Brower, president, Friends of the Earth, urged a return to 1960 energy consumption levels and argued that "growth is simply a sophisticated device for stealing from our children."

He compared the U.S. practice of consuming ever increasing amounts of energy with King Midas. "Everything we touch will become kilowatts, and everything we leave behind will be radioactive," he quipped. And he proposed that with reduced energy consumption and heavier stress on energy alternatives such as solar and wind power, "we can get by without the nuclear risk."

Profit "problems"—Barry Commoner, director of the Center for the Biology of Natural Systems at Washington University, St. Louis, described energy as a common thread linking the ecosystem, the production system, and the economic system. In a one-hour oral synopsis of his latest book—*The Poverty of Power*—he equated private enterprise with "maximization of profit."

And that, he argued, is the flaw in the capitalist system. "Industry has increased its profits by changing the means of production in a way that has made energy shortages inevitable, unemployment inevitable, and pollution inevitable."

He described government bureaucracy—including the Environmental Protection Agency—as "an inefficient attempt to put patches on the wounds caused by the capitalistic system" and suggested that a better solution might be social control over the means of production. But, he added, the "question of how you accomplish that politically is wide open.

"We face a big debate in this country over how we are going to use our resources for the common good rather than for private profit . . . if we begin to look the issue in the eye, we may begin to save both jobs and the environment."

The audience—which included representatives of the Urban League, the League of Women Voters, and several unions—seemed impressed by Dr. Commoner's economic analysis.

But not all were in full agreement. A UAW leader from Iowa, for example, took issue with the attack on profits. "I'm all for companies making a big profit," he said during a hallway conversation. "Then we can go to the bargaining table and demand our share."

[From Environmental Action, May 22, 1976]

They Said It Couldn't Be Done

(By Deborah Baldwin)

We were at a "celebration"—actually a little tired of relating after three intensive days of workshops, lectures, lobbying, discussing, debating and deliberating. The black caucus sat at a table near the front of the room. The labor union members lined up along the back, holding drinks in plastic glasses. Both ends of the room were eyeing a preponderance of environmentalists grouped comfortably at crowded tables in the middle. The environmentalists were talking—as usual. The denim set may have outnumbered the rest, but the United Auto Workers (UAW) had chosen the band, a three-man combo on saxaphone, drums and electric accordion who on more typical nights play the Detroit bowling alley circuit, not labor-community-environmental conferences.

I stood at the bar at one point and didn't object when a member of one Michigan UAW local called women "girls." In time the conversation turned to the Rockefellers and we agreed about them.

By the end of the evening the room was jammed and the tables were filled with empty beer cans. Everybody was on their feet, having somehow agreed that the best way to meet was through the polka. The tuxedoed musicians, long past the point of wondering why so many of us looked more like field hands than partygoers, played one polka after another, setting them to the tune of old Carpenters' hits, "Hello Dolly" and even "Dixie" (the black caucus was tolerant but unenthusiastic).

Things didn't break up until two or three a.m. Everyone who made it to breakfast (to begin yet another round of caucusing and debate) agreed the evening had been a great success.

The notion that you could bring together environmentalists, community activists and labor unions for five days of friendly exchange seemed ambitious from the beginning. To then expect them to endorse a pledge of cooperation and mutual support was enough to elicit cynicism from nearly everyone concerned. Throughout the history of American environmentalism few conflicts have been as sharply drawn as that between environmentalists, alarmed at the nation's appetite for energy and materials, and labor, with its tunnel-vision commitment to rapid growth.

The conference took place nonetheless, with the unwieldy title of "Working for Environmental and Economic Justice and Jobs." It was planned by over 100 national, local, state and regional groups. To some it was a little like college. There we were amid a widely diverse group of 350 people, united by a sense of mission and flushed with the excitment of seeing all the pieces finally fit together.

There were the compulsive note-takers, scribbling away in anticipation of some inevitable question period. There were so many classes with attractive titles that it was impossible to decide which ones to attend. The lectures were great (for the most part) but not nearly as interesting as the late-night bull sessions. Friendships were made quickly, the shared experience leading to a generous kind of intimacy right from the beginning. Mealtime turned into a welcome distraction during a day of heavy scheduling. And naturally, just as you were able to find your way around it was time to go home.

The setting was the UAW's sprawling, $30-million educational complex, built in the late sixties as a family retreat and organizing school in a lake-laced region of northern Michigan. Enclosed walkways, classrooms, bedroom suites, lecture halls, even a solar-heated swimming pool, nestle in a honeycomb of natural wood and an extravagant quantity of glass. The central dining hall reached an inspiring 60 feet into the air—testimony to earlier days of energy abundance—forming a stunning, silent backdrop to the conference. "Next time we should meet in Newark," said Tom Donahue, an AFL–CIO executive who helped open the debate the first night of the conference. "The view we have here turns us all into 100 percent environmentalists."

Some of the "new-timers" in the environmental movement—at least the ones I am familiar with—date their initial consciousness-raising to 1970, when the UAW sponsored a similarly ambitious meeting shortly after Earth Day. Hundreds of environmentalists and community organizers, some of them barely versed in the causes of pollution, came together to outline their aims and to form coalitions and organizations.

But the 1976 conference had a new vision. UAW president Leonard Woodcock explained what he was after the first night: "Too often, the relationship between jobs and the environment is approached from our individual, and at times, narrow viewpoints. This conference provides a unique opportunity for workers, environmentalists and community people to explore just where those individual interests conflict and where they coincide . . . As one used to the diverse and frequently boisterous give-and-take of a local union meeting, I'm sure that there will be some issues before us on which we will agree to disagree.

"But I think, contrary to what corporate America and the Ford Administration would have the public believe, that there is today more than ever before a common cause between union members and environmentalists—between workers, poor people, minorities, and those seeking to protect our natural resources. . . .

"I begin with a simple premise: A strong and healthy economy cannot exist within an unhealthy environment, just as only a strong economy can enable us to achieve that healthy environment."

Much of the coalition building and issue exploration at the conference took place in the 16 "core" groups which periodically met to thrash things out. Each group was structured to include environmentalists, community leaders and working people, and most of them served as convenient temporary battlegrounds. Each core group developed a life of its own, and no attempt to systematize the results was made. Some groups constructed large lists of issues on which participants could agree. Others played roles, tried to solve specific problems or discussed philosophical questions. In still other groups, the focus was on learning each other's language.

A worker in a filthy rubber plant found out for the first time that environmentalists are concerned about smoke, soot, noise and chemicals *inside* factories—and he learned that there are strong ecology groups in his state. A community group leader discovered that lead paint poisoning is an ecological issue, and—low and behold—his "terrible" congressman happens to be one of the "Dirty Dozen." An environmentalist was told point blank that her group had always approached labor for help but had never offered to reciprocate on issues important to the union.

By the final day, the rubber worker asked for the names and addresses of his state's environmentalists, the community leader pledged to investigate his congressman's voting record on community issues, and the environmentalist promised to ask her labor allies how she could help.

In many core groups, people devoted much time and energy to the Humphrey-Hawkins bill, which would mandate a full-employment economy and would set up guidelines to achieve it. While the conference did not take formal action on the bill, many participants supported it, and several amendments and improvements were discussed to protect the environment and to assure job assistance in high-unemployment areas. Community groups are siding with labor on this bill because most feel that a full employment bill will help poor people break out of the cyce of poverty and powerlessness. Many environmentalists support the concept as well, because it might remove the threat of environmental blackmail from the corporations' arsenal.

The primary goal of the conference was to fight "corporate blackmail," or big business' effort to blame job losses on environmental standards. By theatening to close shop rather than install pollution controls, companies are able to fight regulation using community and labor clout.

A discouraging aspect to this game of divide-and-conquer is that gradually labor groups begin to sound more like management. The nation's very real need for jobs ends up as a buttress for industry's monopoly of energy and resources. Ironically, labor suffers in the long run, since the trend among most U.S. corporations is to replace jobs with energy-intensive forms of technology. After all, machines can't fight back and can't go on strike.

Which brings us full circle back to the question of how environmentalists can help fulfill economic as well as ecological needs.

Nowhere are the long-term impacts of a labor-management campaign against environmental standards more disconcerting than in the area of workplace safety. Death and disablement due to workplace conditions has been at frightening levels for decades, affecting not just the men and women who work with nuclear materials and chemicals, but nearly all workers in all walks of life.

The crisis in worker health and safety takes on a new dimension when workplace pollution strays into the local air and drinking water. For instance, the offspring of inhabitants of three company towns in Ohio where vinyl chloride is manufactured have suffered genetic damage at a level significantly higher than the national norm. In Niagara Falls, N.Y., according to Tony Mazzocchi of the Oil, Chemical and Atomic Workers Union, poorly monitored emissions from Goodyear Rubber's vinyl chloride plant threaten to poison the families of the workers who live nearby. In Hopewell, Va., a subsidiary of Allied Chemical working out of a makeshift pesticides plant dumped enough ant killer into the environment to temporarily close down the community; dozens of workers and their families are being treated for poisoning.

If the local economy depends on the operation of a single industry, however, it is hard for workers to fight what they may interpret as fate and nothing more. The situation is further exacerbated by a press often more interested in sensationalism than solutions. Local government may be ill-equipped to deal with bizarre, unpredictable assaults on the moral and physical well-being of the community. Politically passive employees whose senses have been deadened by years of exposure to fumes and noise may also have lost their sense of outrage. A worker may be at once tough and philosophical—"I can handle it. Nothing's happened to me yet—right? Why should I begin to worry now?"

Ohio's Mahoning Valley is an area dominated by three steel companies whose archaic, marginally productive steel-making processes create some of the worst air and water pollution in the country. But the companies employ over 20,000 people, so the Environmental Protection Agency, a victim of economic blackmail, has granted the plant owners an unusual exemption to national water quality standards. (Some observers speculate that the plants may have to close anyway and in the meantime EPA doesn't want the role of "fall guy.") Is there any alternative for those 20,000 workers and their families to living at the mercy of corporate whim? EPA must leave that question for community leaders.

The case is a classic one and has attracted the attention of one of the nation's leading environmental law firms, the Natural Resources Defense Council (NRDC). NRDC is not only worried that the steel companies purposefully misled EPA into thinking future economic security lies entirely in the disposition of the discharge permit; there is a legitimate fear that the legal precedent will send the chemical industry and numerous others scurrying to court to demand equal treatment. "Already other industries have petitioned every piece of paper in EPA's files concerning this decision," NRDC lawyer Khris Hall told me. "Maybe we can trust the current administration to restrict itself to one exemption. But what happens in four years?"

AFL–CIO executive Tom Donahue spoke on behalf of many unions when he stressed that the priority for them *must* be to preserve existing jobs; beyond that to strive for better pension plans and health insurance and to negotiate for better working conditions—as long as better conditions don't threaten to close down factories. Unions simply can't undertake the reformation of America's economy and for the most part they aren't impressed by long-term, theoretical plans for a more "labor-intensive, low-technology society." ("Does that mean running on a treadmill in order to conserve precious oil resources?" someone asked.)

Coupled with this is a deep resentment against middle-class environmentalists, many of whom are ensconced in white-collar jobs. Even within the context of the give-and-take atmosphere at the conference, some union representatives found the far-reaching goals of the environmental movement a bit hard to take. It was fine for a college-educated office worker. It made no sense to people dependent on an assembly line for a liveable wage.

At the same time, when meeting with labor representatives and community organizers at round-table discussions, some environmentalists expressed contempt (however subtly) for the kinds of jobs most often affected by occupational safeguards and environmental standards. "Of course I'm not concerned about fewer steelworker jobs," one environmentalist admitted. "I can't imagine anything worse than being a steelworker." Perhaps not. But that doesn't mean that the steelworker who makes throwaway beer cans for a living wants someone else converting his job to that of a returnable bottle handler at the local A&P.

"Feelings run high when container legislation is discussed," commented one environmentalist who attended a workshop on recycling. "This issue has always been the wedge that has driven labor and environmentalists apart."

He went on, "First, of course, are the preconceptions. Environmentalists have to stop believing that all union workers come home from work, plop in front of the tube with a beer, and promptly fall asleep. Workers have to realize that all environmentalists aren't college kids making $20,000 a year, sitting in their air-conditioned offices in Washington playing God with other people's lives. (In fact, a lot of environmentalists get home from work, plop in front of the tube with a beer, and promptly fall asleep.)

"The steelworkers kept talking about the jobs they would lose as the result of a national bottle bill modeled on Oregon's. Hungry wives and children, motherhood and the flag, all were pulled into the fray to prove the point. The eco-people, not to be outdone, lapsed into personal horror stories about litter on the beaches, rusty cans by the roadside, and broken glass in the street.

"But after the initial blitz of babble, people settled down, retrenched, and, surprisingly, began to listen to what the other side was really saying. No miracles of conversion were expected, yet some common ground was discovered. We all knew about "job dislocation." We all knew about the increasing mountains of trash. What to do?"

The steelworkers feel that resource recovery and other types of recycling efforts will lead us out of the mess. Instead of "restrictive" legislation, they want citizen education on litter prevention, while environmentalists reject these efforts as futile. To throw away less, we must produce less, they said. Only in this way can energy and resources be saved.

"The conversations became more specific for a moment. Political realities raised their ugly heads and compromises floated around looking for a place to sit," my friend reported.

"Then the storm renewed, and people rushed back to defend their positions. Rationality took cover and prudence fled for higher ground. Yet a dialogue had begun."

One of the most popular refrains among labor representatives at the conference was taken from a recent article by Bayard Rustin in which he attacked the environmental movement for its "selfish" hold on America's material wealth. Environmentalists don't want to share the nation's shrinking supply of land and resources, Rustin argues. That's why they're so highly motivated to fight growth.

Rustin quotes a British foreign secretary as saying, "My working-class constituents have their own version of the environment, which is equally valid and which calls for economic growth. They want lower housing densities and better schools and hospitals. They want washing machines and refrigerators to relieve domestic drudgery. They want cars and the freedom they give. . . . And they want these things not . . . because their minds have been brainwashed and their tastes contrived by advertising, but because the things are desirable in themselves."

I don't agree with Rustin about the goals of the environmental movement. Neither do I believe that the answer for the lower class lies in rapid growth of materials and energy consumption. But I think he is correct in sensing an asceticism which many young middle-class environmentalists would like to impose on everybody: less meat, fewer cars, durable denim, fastidious recycling, smaller homes, humbler forms of recreation, a return to the "simple" life. It works for third-generation nature lovers, so their logic goes; why not the rest of America?

Barry Commoner, the noted ecologist-writer, lept into an ambitious discussion of all this during which he linked our many problems—resource scarcity, capital shortages, unemployment and pollution—to a neat formula involving the gradual transformation away from a labor-intensive society and into a vicious cycle involving heavy dependence on energy and capital.

Commoner believes the current economic and environmental crisis started when modern civilization began to dictate its needs to nature instead of vice versa; this led to a "production system" which sucks up resources and spews forth products without once looking back to see how quickly the mouth bites the hand that feeds it. He lept from side to side, betraying his background as star college professor, supporting his enlightened theory of economics and energy development with a surprisingly simple narrative.

Commoner's most interesting points dealt with the inevitable trend toward more capital-intensive, high-technology industries. No one wins in the end, he said, since jobs become scarce and so does the capital that industry needs so badly to expand and diversify.

Everybody loved Commoner. Sales of his new book, *The Poverty of Power*, should be good.

"What alternative to the current system do you envision?" came the inevitable question from the floor. "I have no answers," Commoner replied. "I prefer the role of professional 'worrier.' "

[From Environmental Action, May 22, 1976]

We Are the People Who Are Responsible for the Stewardship of the Vast Majority of the Nation's Land and Water Resources

Editor's Note.—The following address was given by Karl Limvere of the North Dakota Farmers Union on the final day of the conference.

Those from rural America attending this conference believe that if labor, community groups, and environmentalists are to succeed in their endeavors, that rural Americans must be included in the dialogue. Therefore we want to offer some recommendations for your thought and for the conference record.

We are family farmers, farmworkers, the rural poor, and those of rural communities. We are the people who are responsible for the stewardship of the vast majority of the nation's land and water resources. We are the ones who will have to live with the land and water decisions.

We want to remind you that the problems of urban America began when the opportunities in rural America were dismantled and the world witnessed the greatest migration of people in its entire history, the migration from rural America to urban America. It left rural America depleted and struggling and the urban centers overflowing and unmanaged. It put 70 percent of the nations population on two percent of its land.

Some say that this tide is now reversing. But it isn't increasing the number of farms. Instead our land is the prime target for urbanization, mineral and lumber exploitation, industrial expansion and similar encroachments.

We are the victims of bulldozers that are reshaping our land into non-agricultural uses, and in the process destroying our various cultures, our economic structures, our values, and our families. We all eventually suffer from this loss of agricultural production and the social dislocations.

If these developers can't swindle us out of our land, the increased land taxation pushes us off. Even if we still are somehow able to hang on, they use the power of government under the disguise of public interest and initiate eminent domain proceedings and condemn our land to build their subdivisions, transmission lines, pipelines, highways, strip mines, dams, reservoirs, and whatever else their imagination dictates, on what used to be the source of our livelihood.

We want to support you in your efforts to revitalize the inner city and to let people work and shop where they live, because it reduces the pressure on our land for suburban development and highways.

We ask your support for farmland taxation on the basis of its agricultural productivity, to replace the present system of taxing it on the basis of a speculator's or developer's potential profit. We ask for your support to limit the right of eminent domain. We ask your support for a land use planning system that gives us the ability to have a voice in how our land is utilized.

We ask your support in the redirection of our nation's rail system so that we all have a more economical, socially and environmentally efficient means of transportation of ourselves and our production.

You see, we also want a new basis and definition of growth. We don't want new strip mines when our deep-mining industry can supply coal requirements if we improve its safety and its technology. We can't afford the loss of land and deep-miners can't afford the further loss of jobs. Why should the energy, lumber, or any industry be permitted to move to new areas of exploitation, simply because they can no longer profit as much from their previous exploitation?

This is why we ask for strict regulation and de-emphasis of stripmining, higher severance taxes, an end to clearcutting of forests, and similar environmental measures.

These industries want our coal, our water, our trees and our land, and then they think we will be happy to go to work for them at non-union wages.

We have this strange notion that the land should belong to those who work it. We ask for your help in stopping tax-loss farming by corporations and the wealthy. We ask for help in curbing corporate agriculture. They are not farmers with a land ethic. We ask you to remember that Meadowlark Farms, Inc. is owned by AMAX Coal, and that Tenneco agricultural subsidiaries have become suburban developers.

We ask your help in enforcing the 160-acre limitation and residency requirements of the Reclamation Act of 1902 so that land served by federally sponsored irrigation systems can be taken out of the hands of agribusiness conglomerates and placed in the hands of farmworkers.

We ask that various productive tribal lands be returned to Native Americans.

We ask that the bargaining rights and health of migrant workers be protected. But more important, we ask that they be provided the opportunities to become family farmers.

We ask support for the right of family farmers to bargain collectively with food processors and distributors through legislation similar to the National Labor Relations and Wagner Acts.

We ask support for new concepts of land tenure and structures to provide land opportunities for starting farmers. At the same time we ask that you help redirect federal farm credit agencies so that they serve the family farmer, rather than subsidizing or imitating the banker.

We ask that the Department of Agriculture and the Census Bureau not be permitted to hide the plight of small farmers by redefining farms and thus removing them from the statistical data.

We ask these things because we believe that the small diversified farmer produces more jobs, better food, and more environmental protection. These are also your goals at this conference.

When you talk about housing, we ask that you remember that the majority of substandard housing in this nation is in rural America.

When you talk about health care, remember that rural America has counties without a single doctor. We not only want a comprehensive national health insurance program, but also a health delivery system that brings health professionals and services to our people.

When you talk about discrimination in federal programs and services, remember that our rural poor in our communities want clean water, sewage systems and similar basics.

When you talk about toxic chemicals, decentralized alternate energy systems, or the development of appropriate technology, we ask that you join us in redirecting the priorities of our land grant university system and the agricultural extension service. We want the alternatives of an integrated pest control system. We don't want our extension agent to be the carnival barker who repeats the pitches of petrochemical monopolies.

We want alternate sources of power on our farms. We want technology that will give the competitive advantage to the family farm for a change.

We want an end to the development of technology at our land grant universities and by the Department of Agriculture for agribusiness giants who view land only as the rooting zone for chemically produced food planted and harvested without the caress of human hands.

We ask for your help in developing a national food policy that provides equitable returns to family farmers, stable prices, food reserves, and stable supplies. We ask your help to remove the speculators, on both the domestic and international level of our food distribution system, who rip off the farmer and keep on raising the prices to the consumer.

We offer our support to the expansion of the food stamp program, school lunch programs, establishment of full employment, and the repeal of right to scab laws, because we understand that the only viable way to increase our food markets is to give people the ability to buy food.

These are the recommendations of the rural caucus. We do not represent everybody in rural America. We had no participants from the Farm Bureau, the local chamber of commerce, or the agricultural councils fronting for agribusiness.

We are not in full agreement among ourselves, but we believe we represent the rural forces that potentially can coalesce with other groups in this conference on a multitude of issues. We believe we can help reach your goals, and just as importantly we believe you can help us attain our populist notion that this entire society can live in an economic, social and representative democracy.

THE JOBS BILL

Mr. GRIFFIN. Mr. President, for many months, Congress and the President have been sparring over an issue of major importance to millions of citizens—the problem of severe unemployment that continues to plague some of our major urban areas.

The problem is particularly acute in cities like Detroit with complex, diversified industrial economies which were hard hit by the deep recession.

Recent economic indicators have been encouraging. Total employment has been going up, the jobless rate has been very gradually moving down, and inflation has been slowed.

The national trends are in the right direction. But while there has been impressive recovery in some areas of the country, stubborn pockets of unemployment still remain in other areas. Unfortunately, my own State of Michigan is one of the latter.

The jobless rate in Michigan now stands at 9.7 percent. And in Detroit, home of the auto industry, the unemployment rate is 13.4 percent.

But statistics are not very meaningful to the person who cannot find work. The tragedy of unemployment is a personal one for millions of Americans without jobs. It is also a community tragedy when falling tax revenues eventally force cities to cut back on services and to lay off their own municipal employees.

That is the situation in Detroit, and it is particularly acute. Detroit's Mayor Coleman Young has been forced to trim back the city's budget by $46 million and to institute drastic cutbacks in essential services. Just yesterday, 1,000 police officers—nearly one-fifth of the police force—were laid off.

Unlike New York City, Detroit cannot be accused of irresponsibility in the handling of its fiscal affairs. As best I can determine, Mayor Young and his council have worked diligently to stay within the bounds of fiscal responsibility.

Needless to say, the President and the Congress have had serious differences of opinion about methods for combating severe unemployment. President Ford sincerely believes that the best approach is through the private sector; that the role of Government should be to provide a climate that encourages job creation in the private sector.

On the other hand, the controlling majority in Congress has preferred the approach of creating jobs in the public sector. Last January, this Congress sent to the White House a $6.2 billion jobs bill. It was vetoed, and the veto was sustained in the Senate by a close vote.

I opposed that costly bill and worked hard to sustain the President's veto. I believed that the bill was too inflationary—that it would actually damage the economy in the long run.

At that time, along with Congressman Gary Brown of Michigan, I proposed an alternative jobs bill that was less costly and that would have been more effective in creating private sector jobs in areas of highest unemployment.

Unfortunately, the Griffin-Brown jobs bill did not receive enthusiastic acceptance by this Democratic Congress. Instead, another jobs bill has been developed and passed, which now awaits action by the President.

In one respect the President and those who supported his earlier veto have won an important victory. I refer to the cost of this legislation.

On reconsideration, it has been revised downward from $6.2 billion to $3.9 billion—a savings of $2.3 billion that would avert a budget crisis and ease the inflationary impact of the spending involved.

Significantly, the cuts have come primarily in the public works and related sections—which the administration most strenously opposed as the least effective approach—and not in countercyclical aid sections, which would quickly channel urgently needed funds to Detroit and other cities with severe unemployment problems.

I understand that the amounts authorized in the current legislation are within spending targets set by the first congressional budget resolution and should be close to limits that the President could accept.

Time is fast running out for cities like Detroit and for thousands of unemployed. Regardless of our personal preferences, we know that if this bill does not become law, it would be extremely difficult, if not impossible, to enact a third jobs bill in this session of Congress.

Of course, my primary and most solemn responsibility is the one I owe to the people I represent in Michigan. I would be remiss if I did not recognize how vital this legislation is to my State.

For these reasons, I have urged President Ford to sign this legislation. If he does not, I will vote to override the veto.

SUPPORT FOR CIGARETTE TAX REFORM

Mr. GARY HART. Mr. President, on June 24, Senators Kennedy, Moss, and I introduced amendment No. 1945, the health protection tax, to H.R. 10612. Our amendment would establish a Federal excise tax on cigarettes based on their tar and nicotine content. This change in the cigarette tax structure will encourage smokers to switch to lower tar and nicotine brands.

Many national health organizations have been actively interested in the relationship between smoking and health. The American Heart Association, American Nurses' Association, National Kidney Foundation, and American Association of Neurological Surgeons have previously indicated their support of our amendment. Their letters of endorsement appear on pages 21331–21332 of the June 29 Congressional Record.

We have recently received additional letters of support from the American Cancer Society, American Lung Association, American Public Health Association, and the Cystic Fibrosis Foundation. For the benefit of my colleagues I ask unanimous consent that these letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

American Cancer Society, Inc.,
New York, N.Y., June 25, 1976.
Senator Gary Hart,
U.S. Senate,
Washington, D.C.

Dear Senator: The American Cancer Society applauds your leadership in seeking to encourage by tax legislation the production, distribution and use of less hazardous cigarettes.

The Society endorses the principle of differential taxation of cigarettes according to their tar and nicotine yield as a device for reduction of the level of these noxious elements in cigarettes and thereby the reduction of the risk of cancer, pulmonary, and circulatory diseases for the smoker. While maintaining the position that any cigarette smoking is harmful, we feel this is a positive move in the right direction.

In support of your efforts, the attached telegram has been sent to our 58 Divisions throughout the United States.

The American Cancer Society stands ready to assist you in this important work and urges quick approval of Cigarette Tax Reform Amendment to H.R. 10612.

Sincerely,
Allan K. Jonas,
Chairman, Tobacco and Cancer Committee.

American Lung Association,
New York, N.Y., June 28, 1976.
Hon. Gary Hart,
U.S. Senate,
Washington, D.C.

Dear Senator Hart: The American Lung Association supports an additional Federal tax on cigarettes, graduated in amount according to tar and nicotine content, as proposed in your amendment 1945.

We believe that the proposed differential tax can be a viable economic incentive to progressively reduce the consumption of tar and nicotine. At the same time, the government must devote major attention to informing the public that no safe cigarette exists. The best protetcion is still complete abstinence.

Sincerely,
Gerald R. Riso,
Managing Director.

American Public Health Association,
Washington, D.C., July 2, 1976.
Senator Gary Hart,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Hart: The American Public Health Association supports passage of Amendment 1945 (the Cigarette Tax Reform Amendment) to H.R. 10612. We recognize that this action will not preclude the consumption of cigarettes by the American public, but we do feel that the incentive measures proposed should positively affect the amount of tar and nicotine ingested by cigarette smokers.

For more than two decades APHA has been active, both through its individual members and as a national health organization, in providing leadership in educational and other activities related to the hazards of cigarette smoking, and we believe that the passage of the amendment will serve the interest of the public's health.

Because of the overwhelming scientific evidence that there is a dose-response relationship between the amount of tar and nicotine received by the smoker and the risk for a host of serious health problems, including cancer, cardiovascular disease, and pulmonary impairment, we have consistently supported efforts to reduce the amount of these substances to which smokers are exposed.

Should you find it helpful to review documentation of findings supportive of the scientific merits of this position, our staff would be pleased to assist you.

Sincerely,
Morton S. Hilbert, C.E., M.P.H.,
President.

Cystic Fibrosis Foundation,
Atlanta, Ga., June 29, 1976.
Hon. Gary Hart,
U.S. Senate,
Washington, D.C.

Dear Senator Hart: The Cystic Fibrosis Foundation is pleased to respond to your request for views on the proposed amendment 1945 to H.R. 10612 which provides for a graduated tax on cigarettes based on their tar and nicotine content. Though it is known there are not any safe cigarettes, this amendment represents a constructive effort to reduce the health hazard of cigarette smoking which is so threatening to the lives of the citizenry of our country.

It is hoped that the increased revenue generated by this amendment can be utilized to expand the research and clinical activities in the treatment of patients harmed by cigarette smoking.

Respectfully,
Mrs. Robert F. Tulcin,
President.

CAPTIVE NATIONS WEEK

Mr. McCLURE. Mr. President, for a generation, Prof. Lev Dobrianski has been a vocal champion of the liberation of the captive peoples within the Soviet and Communist Chinese empires. An unrelenting foe of tyranny, he is an outstanding example of the ethnic heritage that has given so much to this country. He is a proud American, of whom millions of Americans are proud.

Dr. Dobrianski's warnings concerning Soviet imperialism are more important now than ever before. For as the democracies of the West let down their guard under the illusive protection of détente, it has become all too obvious that the tragic reality of Communist aggression continues in its course of international domination. I, therefore, ask unanimous consent that Dr. Dobrianski's address to the American people for the upcoming observance of Captive Nations Week be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

DELETED DÉTENTE AND THE CAPTIVE NATIONS

(By Lev E. Dobrianski)

Clearly indicative of the confusion in our foreign policy is the deletion of the nomer "détente" and yet the announced retention of the type of self-defeating policy the term characterized. Substituting for détente the new, nominal designation, "a policy of peace through strength," is tantamount to declaring the absence of any comprehensive, well-defined and realistic foreign policy. One that is firmly grounded in values, principles and the sustaining traditions of our nation; that is conceptually and precisely geared to the dominant historical forces of Eurasia, where the prime and only real threat to our national security exists; one that holistically views the total assault of our chief Soviet Russian enemy; and certainly one that infuses purpose, mission, vision and courage into the consciousness of our people. For with the same type of policy we can expect the same medley of so-called pragmatic makeshifts, accommodating compromises, and cosmetic diplomacy that have only served to devaluate these indispensable criteria of a realistic policy and to guarantee the further erosion of our guiding power in the world. As the writer emphasized a year ago, "Apart from the blunderous Moscow Agreement of '72 and grave shortcomings in understanding the USSR, the debacle in Southeast Asia in itself is sufficient cause for the removal of the Secretary of State and his motion diplomacy." [1]

Each Captive Nations Week Observance has proven to be an excellent national forum for a constructive re-examination of our foreign policy, and the 18th Observance, this July 18–24, should be no exception. As a matter of fact, it promises to be a fitting continuation of the '75 Captive Nations Week forum, highlighting the confusion and contradictions in our foreign policy, the defects of détente, now called "peace through strength," and the practical alternatives to the perilous course we have been pursuing. Examples of the prevailing confusion abound. For one, regarding Helsinki and the President's Captive Nations Week proclamation last year, one writer accurately observed, "Ironically, Ford recently proclaimed the third week in July as 'Captive Nations Week, 1975.' Though the proclamation made no specific mention of East European nations, they are the ones at whom the annual observance is aimed." [2] To this day millions of Americans are virtually convinced that the Helsinki agreement has written off the captive nations to permanent Soviet Russian domination. The Sonnenfeldt doctrine revealed this year has served to confirm this conviction.

Another, even more fundamental, example of confusion is seen in another top State Department official interpreting the USSR as a nation/state while Vice President Rockefeller imputes an imperial structure to what is actually an empire/state. For the former, the USSR and the U.S. "have competing national interests," [3] and as director of the policy planning staff in the Department of State, he doubtlessly must wield considerable influence with such misconceptions. How deficient and backward the Department of State is with regard to basic fundamentals is further revealed in a current publication of the department which under the caption of "Relations With the Soviet Union" states that, "for the first time in history, two nations have the capacity to destroy mankind," i.e. the USSR and the U.S.[4] With such ruling misconcepts on the USSR, Moscow need scarcely fear any imaginative and winning diplomacy on our part.

In "just telling it like it is," Vice President Rockefeller has added to our foreign policy confusion with some fundamental truths that have consistently been embodied in the Captive Nations Week Resolution but have been buried by détente. During his goodwill tour to West Germany, he frankly stated, "The era of old world imperialism has gone, and yet we find ourselves faced with a new and far more complex form of imperialism, a mixture of Czarism and Marxism with colonial appendages." [5] Actually, there is nothing new about traditional Russian imperialism, whether Czarist or Marxist, and its projections into Asia, the Mideast and the New World have able precedents in the past. The span of the Czarist Russian Empire roughly coincides with that of the USSR today, but the Soviet Russian Empire includes not only the USSR but areas beyond, in Central Europe, Asia and the Caribbean.

The important aspect about the Rockefeller statement is that basically it supports the method and content of genetical captive nations analysis, and distinguishes itself from the gross misconceptions shared by many State Department officials. The paramount significance of this is that the former allows for a new ethnographic dimension in our foreign policy whereas the latter conceptually precludes it and falsely makes out of the empire-state of the USSR a nation/state, which is one of the many illusions in the policy of deleted detente. This point on a new ethnographic dimension cannot be too strongly emphasized because it is the foundation of an alternative policy to that pursued now. Also, it entered into the vital discussion on undeleted detente in the period of the '75 Captive Nations Week and will undoubtedly be discussed further in the period ahead.

THE FIRST EPISODE IN THE DEMISE OF DETENTE

As the printed record unmistakably shows, the period of the '75 Captive Nations Week was veritably the first episode in the demise of detente. The '76 Week should appropriately occasion the second episode. To this day it remains a mystery as to how much of our media overlooked, no less understood, the interrelated events of the '75 Week. In tune with deleted detente the Captive Nations proclamation was ambiguous and weak, and surely without accident in timing. On Monday (American astronauts and Russian cosmonauts shook hands in an orbital detente. But on the following day Solzhenitsyn addressed Congressional legislators on oppressed peoples and the shortcomings of detente, while the White House implicitly admitted its blunder in not inviting the Russian writer on the inept advice of the Secretary of State, who by now took to a grassroot defense of his policy. In the course of all this, speeches in Congress observed the continuing reality of the captive nations, proclamations by governors and mayors emphasized all the captive nations, particularly those in the USSR, and assemblies here and abroad precipitated a mounting criticism of detente. Significantly, on Friday of the Week and much to the surprise of most analysts the official announcement was made of the forthcoming Helsinki Conference on Security and Cooperation in Europe.

The cumulative effect of these successive events was clearly witnessed in the over-spill of debate, colloquy and discussion the following week. The interrelated nature of the events was perceived by many legislators and observers. For example, with reference to the Week and the CSCE, Congresswoman Holt of Maryland pointed out, "While seemingly unconnected, these two events have a strong inner affinity. In a fast-moving, cynical era this point can be lost all to easily." [6] Or to take the analyst James Burnham who sees history "providing transparent symbols," he observed: "Take, in addition to the Solzhenitsyn display, an eloquent feature of the Apollo-Soyuz linkup: its date. It somehow it, was the same as that designated by an happened that the week selected for this 'historic event,' as all official comment hailed act of our legislature as 'Captive Nations Week': a yearly reiteration—so it was conceived to be—of our dismay at the subjection of the nations of Eastern Europe to Moscow's tyranny . . ." [7] He added further, "The juxtaposition could not have been more exquisite." The outstanding fact is that since 1959, when the Captive Nations Week Resolution was passed by Congress, Moscow has used every possible strategem to overshadow the Week, including negro liberation, the Moscow-New York flight run, the 1965 Suslov barrage in Vilnius, Lithuania, ratifying the Consular Convention, signing the non-proliferation pact and the like—all more or less timed with the Week. Regrettably, our people don't believe in history's transparent symbols.

So overwhelming was this cumulative effort of the '75 Week that the President in an unprecedented move summond leaders concerned with Eastern Europe to a meeting in the White House to explain his reasons for participating in the Helsinki conference.[8] In his statement the President explicitly declared, "It is the policy of the United States, and it has been my policy ever since I entered public life, to support the aspirations for freedom and national independence of the peoples of Eastern Europe—with whom we have close ties of culture and blood—by every proper and peaceful means." [9] This was addressed to many of those present who view the captive nations in the USSR, such as Ukraine, Lithuania, Byelorussia, Armenia, Georgia and others, as being of basic critical importance to our foreign policy. It is significant to note that, in sharp contrast, the President's Captive Nations Week proclamation issued before this first episode spoke only about "rededication to the aspirations of all peoples for self-determination and liberty." [10] When the Sonnenfeldt doctrine on "organic relationship" flared up this spring, the Presi-

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dent issued a Milwaukee statement to some ethnic leaders in the area, rejecting the notion of organic relationship, though not Sonnenfeldt himself and Kissinger, and even more strongly affirming the pre-Helsinki point above.

What is the importance of this development for the '76 Week and a realistic alternative to the substance of deleted detente? Namely, on the basis of the President's pre-Helsinki meeting and the confirming Milwaukee statement, Americans are looking forward to a Presidential proclamation of the '76 Week that will honestly translate the Congressional resolution upon which Public Law 86-90 is predicated, and to which Vice President Rockefeller has recently given part expression to, and that will convey with equal, pointed force the essence of the two mentioned statements. Not only would this clear up much of the existing confusion in our national leadership, but it would also clearly certify to the credibility of the President's own declarations to ethnic leaders and others in the country. More, in truth the proclamation should realistically—or as the Vice President says, "just telling it like it is"—specify for the continued benefit of our citizenry and its memory the now long list of captive nations under communist domination.

THE UNFORGETTABLE LIST

One of the contributing factors to our mental block regarding the primary, empire nature of the USSR is the general unfamiliarity of our people with the long list of captive nations which commenced with the first thrusts of Soviet Russian imperialism at the close of World War I. Some know the record and the genetical analysis underlying it, but find it too disturbing to remember. Others mistakingly believe that differences between the totalitarian communist regimes alter the captive nation status of the peoples involved. The power center in the so-called communist world is without sensible question the USSR, and this would not have been possible without the earliest victims of Soviet Russian imperio-colonialism shown on this list. As the historical record well shows, Moscow's systematic exploitation of non-Russian resources in the USSR has enabled it to expand its empire far beyond the dreams of the old Czar. Since World War II its expanded empire has provided for an even more intensified exploitation of non-Russian resources both within and without the Soviet Union for a global expansionism felt by way of threat and influence on every continent of the world. Despite our warnings to Moscow's forays in the Free World, the dynamics of Soviet Russian imperialism, as in part indicated by the list of its victims, will surely not be arrested by empty verbal threats or even our own type of sabre-rattling.

Considering present trends and the confused character and defects of our foreign policy, it would be worth your while to study this unforgettable list carefully, for it is inevitable by sheer historical process that more entities will be added in our time: [11]

THE CAPTIVE NATIONS—WHO'S NEXT?

Country, people, and year of Communist domination

Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkestan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats, Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975
Laos	1975

WHO'S NEXT?

Angola? Thailand? Republic of China? South Korea? Rhodesia? South Africa?

To the tune of a historical domino effect, the extension of this list within the short span of scarcely 60 years is phenomenal in itself. With perspective and sober reasoning, it would seem that by now a full understanding and analytic grasp of its mainsprings have been achieved in our national leadership. But as the few, selected examples cited earlier indicate, this is far from being the case. There is little appreciative knowledge of the very foundation of this captive cumulation, namely the numerous non-Russian nations within the USSR, and, as a consequence, no thought and attention are devoted to it in our active policy. Yet it is in this direction that a realistic alternative exists to our present self-defeating course of being confronted by one crisis situation after another on our side of the fifty yard line and deluding ourselves that this is the course of world peace.

Angola is the latest example of the endless-crisis course. Developments there are rapidly qualifying this highly resourceful and strategic area as another legitimate addition to the captive nations list. Employing traditional Russian techniques, Moscow has been at work in Angola for about ten years and with its Cuban proxy seized the opportunity to plant its power and influence in the region. Despite the promised and misleading withdrawal of Cuban troops, Angola stands to become the "Cuba of Africa," a base for all types of warfare in southern Africa. By all estimates, it could easily have been saved with foresight and preparations long before the two branches of our government began blaming each other for this critical loss. It should not be overlooked that our rapproachment movement toward Cuba did not deter Havana from playing its role for Moscow. The South African Minister of Foreign Affairs, Dr. Hilgard Muller, accurately interpreted this latest success of Soviet Russian global play in these words: "The Angolan crisis was a struggle of both white and black Africans against Russian and Cuban imperialists. . . . If the people of Angola elected a Marxist of Communist government, it was their right. It was, however, a totally different matter if a foreign power intervened with force." [12]

Throughout the Far East an overhanging apprehension exists as to our national will to resist communist imperialism and our sense of morality to meet commitments. Evincing the same apprehension, CENTO members meeting in London were recently assured by us that "The United States will stand by its friends." Our friends and some of our best allies in South Korea, the Republic of China, Thailand, the Philippines and elsewhere are not so sure. They all recognize that our defeat in Southeast Asia was a political and not a military one, and they rightly wonder whether more political blunders will be committed. Critical to this question of general confidence in the entire region is our future relationship with Taiwan. Aside from the strategic values of the Republic of China to our national interest and in spite of all the pro and con arguments bearing on "further normalizing our relations with Peking," the basic truth is that a severance of diplomatic relations with Taipei would be a prime and dishonorable example of how not to stand by one of our most loyal friends.

At a time when Free World confidence in our leadership and word is at a low ebb, there is every reason to reinforce it by plainly upholding principle and our close bond with the Republic of China. An unprincipled and imprudent severance in diplomatic relations with it would only deepen this lack of full confidence. Literally to sacrifice Taiwan in order to appease Peiping's arbitrary demand would not only not normalize our relations with a basically unstable regime but also abnormalize our relations with every friend in Asia. Such a rupture in diplomatic ties would mean a psychological blow to the free Chinese with damaging reverberations not only on the island but also throughout Asia, including the forces of anti-communism on mainland China. Proponents for the recognition of Peiping have yet to offer a sound case rebutting these fundamental considerations. Contrary to prevailing myth, it was not former President Nixon or Dr. Kissinger who opened the way for our relations with Peiping but rather the Red Chinese themselves. Efforts along these lines were known in the intelligence community in the summer of 1968. Plainly, in view of this and if the Peiping regime dreads so deeply the threat of Soviet Russian imperialism, to which it constantly refers as "social imperialism," these constitute additional, substantial reasons for us not to accede to its arbitrary demand. In the case of one divided nation we blundered badly, and three once-free entities joined the list of captive nations. Similar blunders on the basis of speculation and political miscalculation concerning the divided Chinese nation will result in the extension of the list.

Still the problem of another divided nation, namely Korea, is aggravated by unjustified allegations and pressures in our country concerning the denial of human rights in the free Republic of Korea. In what is essentially a war zone marked by open, military presence and a constant threat from the north, the expression of human rights enjoys a latitude and scope that far surpass other countries in the Free World which are not similarly situated. As in the case of the free Chinese, the overall politico-economic progress achieved by South Korea these past ten years cannot but attract the admiration of all who have invested heavily in its survival and continued struggle for national independence. Here, too, it should not be forgotten that it was Moscow that formed the North Korean armed forces and has had a vital, sustained interest in their preparations for further aggression. South Korea, too, could become a captive nation should we politically miscalculate to the detriment of our own strategic and politico-moral interests. The gain ultimately would redound to Moscow and its expanding global interests.

The real possibilities for more captive nations should be obvious, given the global goals and the growing array of means available to Moscow, as well as the essentially defensive and defective nature of deleted detente. The areas cited here are presently the most critical. Tomorrow, along the endless-crisis course propped by our own short-run makeshifts, they will be in South Asia, the Mideast, Latin America, and even Western Europe. Temporary peace in the Mideast, for example, is only a surface situation beneath which driving forces are at work toward a further, inevitable unsettlement. One of these forces is the deeply penetrating tentacles of Soviet Russian imperialism. Twenty

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Footnotes at end of article.

years ago most analysts viewed this as "unthinkable." But as one of the few analysts with a grasp of understanding this chief force has vividly expressed it, the USSR "has pursued the age-old policies of Russia which, in the Middle East as elsewhere, have a very respectable ancestry under the aegis of Czarism." [13]

In short, so long as our policy continues to lack purpose and movement, in addition to compatible means for execution, the opportunities for Soviet Russian expansionism will remain bright and open. Moscow, with its traditional array of purpose, mission and techniques, which it does not fear to use even in a nuclear age, knows this, and consequently desires more than anything the continuation of deleted detente. For not only in the so-called Third World but also in Western Europe emerging opportunities exist through associated communist parties. Significantly, when it comes to the fundamental issue of mythical American imperialism and real Soviet Russian imperialism, the typical answer was recently given by France's Paul Laurent: "Differences of opinion that exist between Communist parties can under no circumstances be allowed to form an obstacle to joint action against imperialism and to the proclaiming of joint goals." [14] The imperialism here is the common American target.

MOSCOW VALUES DELETED DETENTE

When "detente" was deleted from our official vocabulary—though the policy of drift has remained—Moscow immediately reacted in a very concerned manner. As a crude example, Georgi Arbatov, head of the think-tank Institute of the USA and Canada saw fit to advise the President not to listen to "right-wing loud mouths" and "old horses of the Cold War who criticize detente." This advice was entirely in conformity with the values the Russians have been reaping from detente, which in their clear logic of "peaceful coexistence" is in reality just another form of the incessant Cold War but at this stage and time of greater comparative advantage. In the whole discussion on detente, this crucial point of operational logic is insufficiently appreciated. But more important, we still have developed no logical counterpart, and thus no mechanics of positive action, to the rational and motivating constructs of Moscow's "peaceful coexistence" doctrine. As we shall see, this glaring gap in our posture can strategically be filled with the non-Russian dimension that the captive nations analysis provides.

On more than one occasion Brezhnev has defined clearly the Russian view of detente and its basic utility at this time for Moscow's unchanged global goals. As he stated it in 1973, "Peaceful coexistence does not mean the end of the struggle of the two world powers. The struggle between the proletariat and bourgeoisie, between world socialism and imperialism will be waged right up to the complete and final victory of communism on a world scale." [15] Stripped of its Aesopean language, this means the further advance of Soviet Russian imperialism and additional captive nations, including in the end the U.S., not inconceivably as another non-Russian republic in the World USSR. At the 25th Party Congress, Brezhnev restated this doctrinal point and emphasized that detente does not "in the slightest abolish the laws of the class struggle," which are mythical laws justifying Russian interventionism anywhere. In short, Moscow has always and with logical consistency maintained that detente can place no curbs on the systemic warfare construct of its fixed "peaceful coexistence" policy. This has been so since Lenin enunciated it nearly 60 years ago.

In addition to the integral systemic warfare construct, which operationally is chiefly dircted at the advanced industrial democracies, the other fixed construct on "wars of national liberation" is also consistently upheld by Moscow. Angola is the most rcent example of success in the operational application of this concept. At the same 25th Party Congress, Brezhnev let it be known that "Our party supports and will continue to support peoples fighting for their freedom. This attitude to the complicated processes within the developing countries is clear and definite." Of course, the party controls the government with totalitarian reins, and as it fought in Lenin's time for the "freedom" of the now captive nations of Byelorussia, Ukraine and others, so on this two-level basis it has been fighting for the "freedom" of Vietnam, Angola, Portugal and countless others in our time.

What is not generally understoood with appreciative insight is that the very logic of Moscow's "peaceful coexistence," involving systemic warfare, wars of national liberation, and ideational warfare in general, with each conducted through extensive networks of the dual party/governmental setup, sharply contradicts the peaceful intentions, the conciliatory moves and much of the process of deleted detente as viewed by us. When last fall the French President Giscard d'Estaing toasted Brezhnev at a state dinner in Moscow with the words "There should be a relaxation of ideological competition between East and West to avoid excessive tensions," the Russian leader was psychologically toasted. Whenever truths such as this one, the captive nations, the denial of human rights in the USSR and so forth confront the Russians, they characteristically display irritation enough to cause us to retreat for want of negotiating another relatively minor agreement. The pursuit of a policy of retreat from truths can only mean a steady erosion of our own values, purposes and leadership. More important at this stage, its signifies a failure on our part to provide a logical counterpart to the total doctrine of Moscow's "peaceful coexistence."

It is only a question of time before this grave need will be recognized; the sooner the better, for it is time that Moscow has been buying in its support and use of deleted detente. As overall trends will show, the USSR has made rapid strides in the past decade in its own military build-up and the manufacture of arms for export to foment the so-called "wars of national liberation." Given our margin of technological advantage, and at that a dubious and shifting one in many areas, the USSR by mid-1975 has exceeded us in military manpower, major surface combatant ships and submarines, strategic offensive and defensive weapons, and in basic conventional ground force weapons, except for helicopters.[17] Well documented analyses along these lines, including the recent CIA revision on Moscow's military expenditures, can lead to a numbers game and all sorts of speculation. They can also distort our perspectives regarding traditional Russian modes of diplomacy and Cold War operations.

Unless the Russians develop a first-strike capability in strategic arms, their use of overall military superiority will be no different from the manpower "steamroller" scare by which the former Czars frightened the capitals of Europe. In other words, "peaceful coexistence" will inevitably become more intensified, with diplomatic intimidation and blackmail predicated on a flaunted military superiority. To many of us this will appear as a so-called return to the Cold War; in reality, it will only be a more intensified phase of the present, marked by still greater unsettlement, friction and disarray in all quarters of the globe. Essential to the composite development of USSR's psychopolitical strength, engendering the economic, sociological, cultural and other spheres under totalitarian control, is Moscow's ready access to advanced Western technology. One of the chief illusions of detente, "economic interdependence," would facilitate this.[18] Those given to this illusion had better interpret Brezhnev accurately when at the "25th" he clearly stressed, "Economic and trade ties with capitalist states strengthen and expand the policy of peaceful coexistence," as conceived by Moscow.

THE NONRUSSIAN DIMENSION

Is there a better alternative to detente? There certainly is, for a more genuine peace, our strong leadership, a reborn America and a newly confident Free World. A careful analysis of State Department statements will show that the supportive logic behind detente breaks down into three essential points, namely the necessity for peace, the dread of returning to the Cold War, and the prospect of a nuclear war. In combination, these scarcely provide a counterpart logic to that of Moscow's "peaceful coexistence" policy. No person in his senses would dispute the first point, but when one reviews, among other things, Moscow's role in Vietnam, its incitement of the Yom Kippur War, its try in Chile and Portugal, its success in Angola, etc, not to mention its avowed "peaceful coexistence" policy with its warfare constructs, we only delude ourselves that under the cover of his detente these events and more pave the road of peace. The "peace" achieved in Vietnam was a piece of territory lost to the enemy.

The second point on returning to the Cold War need hardly be elaborated upon in light of our foregoing analysis. If anything, it plainly indicates a misconception of traditional Russian policy. As for the point on an outbreak of a nuclear war, the play on popular nuclearitis has become somewhat outworn. Here, too, one prays that this will never come to pass, and with undiminished growth in our military technology, the probability of it not remains high. But, for some reason, it is often overlooked that the presence of nuclear arms in no way deters Moscow from pursuing the warfare paths ingrained in its policy of "peaceful coexistence." Except for terminological differences, these paths have always existed in imperial Russian policy, and it is in this area that a policy with regard to the captive nations must be developed.

In providing a counterpart logic to "peaceful coexistence," one hesitates to use the appropriate term, ethnographic warfare. However, if we are realistic enough and view it in ideational terms as the communists do systemic warfare in their "peaceful coexistence," the necessary counterpart logic should become evident. Moreover, the methods of its employment would be consistent with the tides of "peaceful coexistence." The chief field for its employment is made to order in the non-Russian dimension of the Soviet Union itself, namely its captive non-Russian nations. Nowhere in any of Kissinger's works, from the early *A World Restored* to *The Troubled Partnership* is there any vivid awareness of this fundamental dimension and its vast possibiilties for effective competition with Moscow. For the recent period, his views are shaped by his aid's "organic relationship" notion.[19]

American concern for peoples and nations subjected to colonialist rule has always been a precious asset of our tradition. Indeed, the focal point of the American Bicentennial Revolution is the Declaration of Independence from an empire. Yet, ironically enough, when it comes to Russian colonialist rule within the USSR, involving over 125 million non-Russians, such concern and interest fades, and our official policy operates as though the USSR were some nation-state rather than the primary empire that it is. As a recent editorial put it, "Millions of Ukrainians, Byelorussians, Latvians, Esto-

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Footnotes at end of article.

nians, Lithuanians, Jews, Georgians, Armenians, Azerbaidzhanis, Kazakhs, Uzbeks and other non-Russians wonder why they remain subjugated in an era when colonialism has been destroyed almost everywhere else." [20] Contrary to Kissinger's moral observations that we can "no longer expect that moral judgments expressed in absolute terms will command broad acceptance," [21] judgments about national independence, the end of colonialist rule, human rights and more still command broad acceptance, particularly among the captive nations.

The formulation of this new policy and its imaginative implementation in the whole politico-economic sphere require not only a sensitive knowledge of the non-Russian nations and peoples in the USSR but also a modicum of courage, conviction and will to cultivate constructively this basic dimension—all in the fair spirit of competitive coexistence. A good start on this, as indicated earlier, was provided by the President's pre-Helsinki declaration. His Milwaukee statement on April 2 repudiated the notion of "organic relationship" and emphasized, "The United States strongly supports the aspirations for freedom, for national independence of peoples everywhere, including the peoples of Eastern Europe." [22] On the basis of these two statements observers are looking forward to a strong Presidential proclamation of the '76 Captive Nations Week. More, the credibility of these positions will be judged in the field of application as concerns the non-Russian dimension within the imperial state of the USSR. A studied interference in empires has always been the hallmark of the American tradition. The worst of them all, the USSR, can be no exception for a reborn and renewed America.

FOOTNOTES

[1] Letter to Members of Congress, National Captive Nations Committee, June 20, 1975.

[2] Fred Barnes. "Ford's Guard Is Up On Pact," *The Washington Star*, July 23, 1975.

[3] Winston Lord. "The United States, the Soviet Union, and the People's Republic of China." The Department of State News Release, March 23, 1976, p. 1.

[4] *United States Foreign Policy*, January 1976, p. 20.

[5] *The Washington Star*, May 16, 1976.

[6] *Congressional Record*, July 25, 1975, p. 24864.

[7] "The Logic of Detente," *The National Review*, New York, August 15, 1975.

[8] For background, see "CSCE and the Captive Nations," *The Ukrainian Quarterly*, Autumn 1975, pp. 247–257.

[9] *Statement by the President*, The White House, July 25, 1975, p. 1.

[10] *Captive Nations Week, 1975*, The White House, June 27, 1975.

[11] For background, see author's work *The Vulnerable Russians*, New York, 1967, pp. 454; also his *U.S.A. and the Soviet Myth*, Old Greenwich, Conn., 1971, p. 274.

[12] "Angola and Détente," *South African Scope*, March 1976, p. 11.

[13] Hans Morgenthau in *Détente in Historical Perspective*, ed. by George Schwab, New York, 1975, p. 78.

[14] "Communist Split Visible at Parley," *The New York Times*, May 23, 1976.

[15] *Pravda*, August 22, 1973.

[16] *The Washington Post*, February 4, 1976.

[17] See excellent summary in *Bicentennial Operation Alert*, American Security Council, Boston, Virginia.

[18] See *The Illusions of Detente*, USGPO, Washington 1974, p. 9.

[19] "The Sonnenfeldt Caper, *Congressional Record*, April 8, 1976, pp. 10073–10074.

[20] "Moscow's 25th Congress," *The New York Times*, February 23, 1976.

[21] "The Moral Foundations of Foreign Policy." Department of State, July 15, 1975, p. 6.

[22] *Congressional Record*, April 6, 1976, p. 9726.

NATO

Mr. CANNON. Mr. President, I wish to invite attention to Soviet Communist Party General Secretary Leonid Brezhnev's statement wherein he asked for the simultaneous disbanding of the North Atlantic Treaty Organization and the Warsaw Pact while addressing the summit meeting of the leaders of 28 of Europe's Communist parties in East Berlin on June 29, 1976.

He expressed criticism of the military spending of NATO and the United States, while denouncing the "time-worn myth" of a Soviet threat to Europe. Brezhnev said:

> The military budget of the United States is growing incessantly.

He added:

> The military spending of NATO's West European member countries has more than doubled in the five years to 1975.

Brezhnev claimed that it was the Soviet Union which is making the peace initiatives while the West has not expressed any great desire to translate these proposals into life. He also discounted the charges that the Soviet Union is a closed society.

But, he said, the Soviet doors will remain shut to foreign spies, anti-Soviet emigree organizations and "publications that advocate war, violence, racism, and man-hating views."

This is a most interesting statement coming from the Soviet Union which is the most autocratic nation in the world. We as the leading democracy have the responsibility of continually demonstrating to our allies our will to withstand either overt attack or the more subtle, indirect diplomatic thrust to destroy NATO's confidence and the ability to resist.

His claim that the Soviet Union is not a closed society really takes a lot of crust, particularly when being made in East Berlin where a wall had to be built to keep people from leaving.

If he is serious about what he is proposing, let him demonstrate that sincerity by tearing down the Berlin Wall. There is far more at stake than merely the relative military alliances of two superpowers. It should be of interest to everyone that estimates of Soviet defense expenditures run from 20 to 50 percent greater and nearly double the percentage of their gross national product when compared to that of the United States.

BICENTENNIAL CHARTER FOR OLDER AMERICANS

Mr. BEALL. Mr. President, in just 2 days, our Nation will celebrate the 200th anniversary of our independence. During the last two centuries, America has grown from 13 small, semiindependent States located along the east coast into a continent spanning superpower that has vital interests throughout the world.

The growth of America, as a great industrial power, has largely occurred since 1900. Today's generation of senior citizens are primarily responsible for the prosperity and greatness that our Nation now enjoys. They deserve our gratitude and our respect for they have toiled long and hard in our Nation's factories, on our farms, in our armed services, and in our homes—raising and educating future generations of Americans. Through their efforts and sacrifices our Nation has reached unprecedented heights of economic prosperity, met the challenge of foreign aggressors, and created for all Americans a society dedicated to the full realization of the goals enunciated by our forefathers.

Mr. President, in 1776 the life expectancy in America was about 32 years. In 1976 it has increased to approximately 71 years. In 1900 only about 1 out of every 35 Americans reached the age of 65, today it is 1 out of 10. As we observe our Bicentennial celebration, let us pause to reflect on the contributions of our senior citizens. This generation of older Americans have earned the right to live their retirement years in security, dignity, and independence.

I am pleased that the Federal Council on Aging has prepared a "Bicentennial Charter for Older Americans." The Federal Council was created by the 1973 amendment to the Older Americans Act. Under the skilled leadership of Miss Bertha Adkins, the Council has emerged as an important spokesman for the needs of the elderly within the Federal Government.

President Ford addressed himself to the "Bicentennial Charter for Older Americans," during a ceremony proclaiming May as older Americans month. The President said:

> It is important that our Nation make every effort to recognize the worth and dignity of our older citizens. To this end, the Federal Council on Aging has prepared a Bicentennial Charter for our older Americans. This charter sets forth principles to guide us in evaluating our Nation's response to the problems facing older persons and appreciating the response to the problems now confronting our Nation.

Mr. President, I would like to bring this charter to the attention of my colleagues on the very eve of our Bicentennial celebration. I therefore ask unanimous consent that the text of the Federal Council on the Aging's "Bicentennial Charter for Older Americans" be printed in the RECORD along with an article entitled "Older Americans Forums to Consider New Bicentennial Charter," which appeared in the May-June 1976 issue of Aging magazine.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Prepared by the Federal Council on the Aging, January 1976]

BICENTENNIAL CHARTER FOR OLDER AMERICANS

Two hundred years ago, a new nation was founded based on the self-evident truths that all men—and women are created equal and that they are endowed by their Creator with certain inalienable rights. A Constitution was set forth for governance of these new United States of America with the goal of forming a more perfect union, establishing justice, insuring domestic tranquillity, providing for the common defense, promoting the general welfare, and securing the blessings of liberty to ourselves and our posterity.

In the two hundredth year of this nation's existence, it is good and well that we call special attention to a group of citizens which literally did not exist at the time of our Revolution. The life expectancy at birth in 1776 was 32 years. In 1976, it is projected to be 71 years and we now have a virtual "generation" of older Americans whose roles, contributions, rights and responsibilities need to be given particular attention at this time in our history.

Americans of all ages have the ultimate responsibility to be or become self-reliant, to care for their families, to aid their neighbors and to plan prudently for their old age. Older persons have the responsibility to make available to the community the benefits of their experience and knowledge. Society—be it through the institutions of the public or the private sector—has the responsibility to assist citizens to be prepared for their later years as well as to assist directly so many of the very old who for one reason or another cannot cope with the burden of increasing physical, mental, social and environmental debilities.

There follow certain basic human rights for older Americans based on the "laws of nature and of nature's God" as set forth in the founding documents of this nation some two hundred years ago.

I—The Right to Freedom, Independence and the Free Exercise of Individual Initiative. This should encompass not only opportunities and resources for personal planning and managing one's life style but support systems for maximum growth and contributions by older persons to their community.

II—The Right to an Income in Retirement Which Would Provide an Adequate Standard of Living. Such income must be sufficiently adequate to assure maintenance of mental and physical activities which delay deterioration and maximize individual potential for self-help and support. This right should be assured regardless of employment capability.

III—The Right to an Opportunity for Employment Free from Discriminatory Practices Because of Age. Such employment when desired should not exploit individuals because of age and should permit utilization of talents, skills and experience of older persons for the good of self and community. Compensation should be based on the prevailing wage scales of the community for comparable work.

IV—The Right to an Opportunity to Participate in the Widest Range of Meaningful Civic, Educational, Recreational and Cultural Activities. The varying interests and needs of older Americans require programs and activities sensitive to their rich and diverse heritage. There should be opportunities for involvement with persons of all ages in programs which are affordable and accessible.

V—The Right to Suitable Housing. The widest choices of living arrangements should be available, designed and located with reference to special needs at costs which older persons can afford.

VI—The Right to the Best Level of Physical and Mental Health Services Needed. Such services should include the latest knowledge and techniques science can make available without regard to economic status.

VII—The Right to Ready Access to Effective Social Services. These services should enhance independence and well-being, yet provide protection and care as needed.

VIII—The Right to Appropriate Institutional Care When Required. Care should provide full restorative services in a safe environment. This care should also promote and protect the dignity and rights of the individual along with family and community ties.

IX—The Right to a Life and Death With Dignity. Regardless of age, society must assure individual citizens of the protection of their constitutional rights and opportunities for self respect, respect and acceptance from others, a sense of enrichment and contribution, and freedom from dependency. Dignity in dying includes the right of the individual to permit or deny the use of extraordinary life support systems.

We pledge the resources of this nation to the ensuring of these rights for all older Americans regardless of race, color, creed, age, sex, or national origin, with the caution that the complexities of our society be monitored to assure the fulfillment of one right, does not nullify the benefits received as the result of another entitlement. We further dedicate the technology and human skill of this nation so that later life will be marked in liberty with the realization of the pursuit of happiness.

OLDER AMERICANS FORUMS TO CONSIDER NEW BICENTENNIAL CHARTER

A "Bicentennial Charter for Older Americans" will be the focal point for discussion in forums of older people during the summer months. The new Charter, developed by the Federal Council on the Aging, revises and updates the Senior Citizens Charter produced by the 1961 White House Conference on Aging.

At the April 5 signing of the Older Americans Month Proclamation, President Ford urged organizations to observe May with ceremonies, activities, and programs designed to increase opportunities for older people. He said, "I urge that such programs include public forums for discussion of the Bicentennial Charter for Older Americans."

Commissioner on Aging Arthur S. Flemming is also urging that the new "Bicentennial Charter" be considered at forums of older persons throughout the Nation.

State and Area Agencies on Aging are being asked to plan for the development of forums within their jurisdictions. It is expected that these agencies, along with nutrition projects and senior citizen groups, including chapters of national organizations, will organize the forums.

The forums are to have three objectives. First, forum participants will have the opportunity to review the Charter in terms of its acceptability as a statement of goals for older people. Second, participants will be asked to assess progress or lack of progress at Federal, State, and local levels in implementing the Charter's goals. Third, their recommendations for action at these levels will be solicited for the guidance of agencies in the public and private sectors in their efforts to afford older people the rights set forth in the Bicentennial Charter.

A handbook of suggestions for organizing and conducting forums has been prepared for distribution to State and area agencies on aging, nutrition projects, other agencies serving older people, and organizations of older people themselves. Action recommendations generated in local forums will be presented to the area and State agencies on aging and, as appropriate, to the Administration on Aging or the Federal Council on the Aging.

It is intended that these recommendations will contribute materially to the development of new legislation, programs, and actions at all levels in behalf of older people.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1976

Mr. HOLLINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have sent to Secretary Elliot L. Richardson concerning the legislative intent behind S. 586. The Senate cleared the conference report on this bill last Tuesday.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 7, 1976.

HON. ELLIOT L. RICHARDSON,
Secretary of Commerce,
The Department of Commerce,
Washington, D.C.

DEAR ELLIOT: Apparently there is a dispute between the Senate and certain of the House conferees on S. 586 concerning the Congressional intent on how "section 308(b)" of section 7 should be administered. My remarks concerning Senate intent, which appear on page 21230 of the June 29, 1976 Congressional Record, were declared a "misstatement" by one of the House conferees, who cited certain portions of section 308(b) as evidence (pg. 21678 of the Record of June 30, 1976).

Before examining the arguments of the other side, let me restate to you how I believe section 308(b) of the Coastal Energy Impact Program is to be administered. Each fiscal year the Secretary of Commerce shall apply the formula of section 308(b)(2) to the amount of funds appropriated for that year for the purposes of 308(b). Through the application of the formula, the amount of grants to which each State is entitled will be established. Proceeds of the grants are not to be disbursed by the Secretary, however, until a State demonstrates to the Secretary that such proceeds will be used for the purposes of section 308(b)(4).

In my original statement I spoke of the proceeds of section 308(b) grants staying in a State's "account" with the Secretary until disbursement. S. 586 does not explicitly mention such "accounts", but my purpose in making this statement was to make clear that the allocation of 308(b) appropriated funds among States is fixed by the formula and that a State is not to lose its allocation to another State or to the general Treasury because the proceeds are not disbursed within the fiscal year.

The demonstration prior to disbursement is a small requirement and is not intended to be burdensome or onerous to the States. In order to expend the proceeds of the 308 (b) grants wisely, the States will surely have to first consider the options, identify a clear purpose for expenditures, and make preparations for such expenditures. This will take at least some time during which the States can communicate the purposes to the Secretary. Once the Secretary verifies that the purposes are valid and gives the adequate assurances of section 308(b)(5), the proceeds can be disbursed and expended or committed by the States immediately.

The requirement is necessary to assure the fiscal responsibility of the Program. In particular, I am not confident that the 308(b) formula will always allocate the appropriated funds to states in relation to needs, For example, a State could be allocated a significant amount of grants, because OCS acreage is leased off its shores and oil and gas production takes place "adjacent" to it, but not experience any onshore or coastal zone impacts. In such a case why should the Secretary go through the process of disbursing funds and taking legal steps for recovery?

The House conferee who feels my remarks were a "misstatement" cited the following language from section 308(b)(5) as evidence:

> "Before disbursing the proceeds of any grant under this subsection to any Coastal State, the Secretary shall require such State to provide adequate assurances of being able to return to the United States any amounts [not expended for purposes listed in section 308(B)(4)]".

Clearly, though, the fact that the Secretary shall require such adequate assurances does not mean that he can not, in addition, verify prior to disbursement that the State plans to spend the proceeds for a proper purpose. The prior check would be based on a State's plans; recovery would take place in the unlikely event that the plans were altered and the purpose is no longer a valid one. The cited passage does not support the claim that "the Secretary has no discretion beyond requiring certification by the State".

The second cited passage (in full) also does not support such claim: "[section 308(b)(5)] The Secretary, in a timely manner, shall determine that each coastal State has expended or committed, and may determine that such State will expend or commit, grants which such State has received under this subsection in accordance with the purposes set forth in paragraph (4)."

In fact the second passage says clearly that the Secretary can determine sometime prior to a State's expenditure that it has a proper purpose in mind.

Besides, nowhere in the conference report does it state that the only discretion the Secretary has in administering section 308(b) is afforded him in section 308(b)(5). In fact the Secretary is given the broad authority in 308(a)(2) to "promulgate, in accordance with section 317, such rules and regulations . . . as may be necessary and appropriate to carry out the provisions of this section."

Finally, I strongly disagree with the statements of another House conferee on page 21679 of the same day which seems to imply that it makes no difference how 308(b) money is expended by a State: "the money . . . if not used by the States, and only then, . . . does revert back to the general treasury."

I trust that this letter, which I will submit for the Record, will set straight the legislative intent.

Sincerely,

Ernest F. Hollings.

TEAMSTER FUNDS

Mr. GRIFFIN. Mr. President, amid reports that the Teamsters Union may have squandered as much as $700 million from the huge Central States pension fund, the Detroit Free Press has uncovered information concerning a questionable $1.3 million Teamster organizing campaign.

I ask unanimous consent that the Free Press article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Detroit Free Press, June 20, 1976]

Violence and Threats Used in Teamster Campaign—Organizers Signed up Few in $1.3 Million Drive

(By Jo Thomas and Ralph Orr)

From 1972 to 1974, the Teamsters Union spent more than $1.3 million on a violent, nationwide organizing campaign that brought few members into the union and served as a smokescreen for efforts to get trucking companies to pay for labor peace.

The organizers' techniques ranged from heavy-handed persuasion—one goon threatened a driver's child, then lit his own cigarette with a blowtorch for emphasis—to strong-arm tactics: shootings, beatings, arson, vandalism, and sabotage.

Some of their activities have been under investigation by the FBI; the Alcohol, Tobacco and Firearms Bureau of the Treasury Department, and a federal grand jury in Pittsburgh.

The organizing campaign extended from Michigan to Alabama and from Maryland to California. Originally, it was intended to recruit new members from an estimated 150,000 nonunion truck drivers.

The campaign was financed and monitored by the general executive board of the International Brotherhood of Teamsters and run by general organizer Rolland B. McMaster, of Detroit, who was nominated for the job by Teamster President Frank E. Fitzsimmons.

It is not clear how much the Teamster executive board actually knew about the project it was financing. At least one report filed by McMaster was loaded with false information.

McMaster showed this report to the Free Press and explained that it was one of a number of such reports submitted during the campaign.

McMaster claimed in this report to have organized 1,587 employees at 54 companies. But eight of these companies had already been organized by the Teamsters—some of them years before.

In addition, three companies said they had been organized by local unions—not by Mc Master; three others were nonunion, and two were firms the Teamsters had failed to organize.

The campaign actually signed up about 750 drivers at 35 small companies. Eleven of these companies subsequently went out of business, and the Teamsters were left with about 475 dues-paying members for their million dollars.

Fitzsimmons could not be reached for comment on why he allowed this expensive and unsuccessful campaign to continue for as long as it did. But it's possible that Fitzsimmons believed that reports submitted by McMaster were accurate.

Under the Labor-Management Reporting and Disclosure Act 1959 (Landrum-Griffin Act) it is a crime for a union official to submit a false report to his supervisors to justify the expenditure of union funds. Although it is only a misdemeanor, conviction results in a five-year ban on holding union office.

An unusual occurrence during the organizing campaign was the timely appearance at some campaign trouble spots of McMaster's old friend, W. R. (Dick) Dininger, a retired Teamster business agent turned labor consultant. . . .

Dininger, who used the letterhead of an Indianapolis firm, Labor Associates, approached at least eight companies that were on strike or were threatened with strikes.

Trucking company owners said Dininger told them that, for a price, he could guarantee either that McMaster's organizers would go away or that they would agree to a "sweetheart," or substandard, contract providing fringe benefits substantially cheaper for the employer than those in the national Teamster contract.

If Dininger actually had been able to guarantee this by, in turn, paying someone in the union, his actions would have been illegal. But both Dininger and McMaster have insisted they were not working together and that no money changed hands between them.

McMaster did admit he might have talked to Dininger about an Ohio company, whose owner told the Free Press he paid Dininger to negotiate a sweetheart contract.

And McMaster's top assistant told a representative of a Michigan company McMaster was trying to organize that Dininger was "pretty understanding gentleman" who "can usually substantiate his claims."

Dininger did obtain, with McMaster's concurrence, a relatively cheap contract for the Ohio company. He was also able to deliver labor peace to a Minnesota firm, whose owner told the Free Press he paid Dininger to get rid of the Teamsters.

The manpower for this organizing campaign was furnished by about 30 organizers who worked on what they called McMaster's "task force." Some organizers had lengthy criminal records.

McMaster, a huge man with hands like shovels, has had his woes with the law, too. Nearly 10 years ago, he served five months in prison for accepting a payoff for labor peace from the president of Youngstown Cartage.

In earlier years, investigators for the McClellan Committee charged that McMaster had accepted 55 head of registered black Angus cattle from a trucking company and had made $56,000 in sideline trucking deals between 1953 and 1957.

McMaster told the Free Press he didn't check out the criminal records of the men he hired for his task force because "we can't in labor condemn somebody that's got a police record, unless they're a rapist or something like that."

The organizers received salaries, expenses, and air travel, telephone, American Express, Hertz and Standard Oil credit cards.

McMaster said he had to fire one organizer when he learned that the man had bought a gun on his credit card.

The strategy of the organizing campaign was fairly uniform, based mostly on promises and threats which grew in proportion to the company's size and its inclination to resist the Teamsters.

Typically, a group of organizers would arrive without notice and demand that an employer sign a Teamster contract. Sometimes, they brought cards signed by drivers saying they wanted to be Teamsters.

If the owner refused, he was put on strike. If his own drivers refused to strike, the organizers—who served as a floating picket squad—would man the picket lines themselves.

The Teamsters would then contact the trucking company's customers and ask them to cut off business from the company on strike so their own business could continue uninterrupted.

A few small trucking companies with only one major customer capitulated rapidly. Others, more diversified, endured long strikes.

Sometimes only threats flew. More often, it was everything from rocks to dynamite.

Here's what happened at a number of the companies the McMaster task force tried to organize:

During a nine-month strike at Willis Shaw Frozen Express, a giant frozen food carrier based in Elm Springs, Ark., and operating in 48 states, trucks were shot at, windshields and tires were cut, sand and pellets were put in fuel tanks, and a driver's eye was injured by an object hurled through the windshield.

The main telephone cable running into Elm Springs was chopped in half, temporarily cutting off the company and the entire town.

Outraged, some employes and drivers fought back. When elections were finally conducted by the National Labor Relations Board, NLRB Chairman Edward B. Miller wrote that he felt the voting was "held in an atmosphere of confusion, acts of violence and threats of violence such as to render impossible a rational, uncoerced choice by the employes."

The drivers voted against the union. The mechanics, a much smaller group, voted for it. Teamster negotiators for the mechanics met briefly with management, then—without explanation—dropped everything and left.

A tiny Ohio company with only eight drivers—which declined to allow publication of its name—agreed to pay for a sweetheart contract after a two-week strike in which tires were slashed, fuel tanks were fouled, and threats flew.

One organizer told a driver he knew where his eight-year-old child went to school. Then the organizer lit his own cigaret with a blowtorch. The driver signed a union card.

The owner said—and kept documents to prove—he paid Dininger $2,500 to negotiate a Teamster contract, then paid Dininger $200 a month for 10 months to serve as a labor consultant.

The contract Dininger negotiated with McMaster's top assistant, Michael Boano of Youngstown, O., provided for pension payments about $10 a week cheaper per employe than the national contract. The owner, who said he had been promised a sweetheart contract, estimated he would save more than $12,000 in pension payments during the three-year life of the contract.

Eck Miller Transportation, of Owensboro, Ky., with 120 drivers, was struck by the task force in June, 1973, and within a week, drivers and organizers were shooting at each other.

Eck Miller claimed in court that 26 separate incidents of violence occurred in two weeks, and that at least 50 drivers or their families received threatening telephone calls.

On July 15, someone called the Owensboro newspaper to warn that "somethings's gonna happen at Eck Miller," and at 1:26 a.m., the fire department found one truck in flames—firebombed—and a second truck bashed in.

Paul Jeffries, then president at Eck Miller, said he got "four or five" calls from Dininger but did not deal with him, eventually getting rid of the Teamsters by agreeing to drop his lawsuits against them if they let him alone.

Jeffries recalled that Dininger had told him "there was an easier way to do things. He said he'd heard I had problems."

Jeffries said he couldn't recall whether Dininger had mentioned money, but "I got the distinct impression that's what was involved. Whether he actually said it . . . I don't remember. Maybe he just said something in the right hands could work miracles."

Anderson Trucking, a St. Cloud, Minn., firm with 178 drivers, was approached by the task force in 1973. Anderson said he paid Dininger to deliver labor peace——and the Teamster task force pulled out and let him alone.

Portage Transfer, a small firm that operates out of a Hiram, Ohio, farmhouse, was shut down for four months by what its attorney called "tactics of an era thought dead."

One driver was approached by three goons who told him the names of his children and the names of their schools. Then one organizer said: "Don't haul any more freight, huh?" The driver quit the company.

During the strike, Portage received a call from Dininger, and company officials said he offered to negotiate a sweetheart contract. Portage refused and later won an NLRB decision declaring that its drivers were independent subcontractors—not employes—and therefore not eligible for union membership.

Compared to other setbacks at the hands of the NLRB, Portage was a peanut-sized loss for the McMaster organizers. They also lost NLRB decisions covering 400 drivers at Ace Doran Hauling and Rigging, Cincinnati, O.; 400 drivers at George Transfer, Baltimore, Md.; and 650 drivers at Eagle Motor Lines, Birmingham, Ala.

W. C. McQuaide Inc. Freight Lines of Johnstown, Pa., with 165 drivers, had a long history of Teamster organizing efforts when McMaster's organizers tackled the company in April, 1973.

It was a heavy-handed approach—three drivers who said they didn't want to become Teamsters and refused to sign organizing cards found steel pipes driven through their truck radiators. But the organizers didn't stay long. As unexpectedly as they arrived, they left.

Nearly a year later, in March, 1974, Leland R. McQuaide, president of the company, said Dininger called to inquire if McQuaide wanted to get the Teamsters off his back. McQuaide said yes.

He did not know that the task force had been disbanded a month earlier. Two former task force members, Jack Robison and Titus McCue, were still working in Pennsylvania as Teamster organizers.

Dininger offered to meet McQuaide at the Pittsburgh airport, and McQuaide asked for time to talk with his attorney. Dininger called back a week later, McQuaide said, and offered to guarantee labor peace with the Teamsters if McQuaide would sign a contract with him.

McQuaide said Dininger told him this would cost McQuaide $3,000 a month—indefinitely. Later, on several occasions, Dininger said this fee was negotiable.

McQuaide said he told Dininger, "I'm not interested in paying blackmail," and Dininger answered that he was offering a contract, not blackmail.

McQuaide, who was also worried about being organized by Teamsters Local 110 in Johnstown, hemmed and hawed, demanding to know what Dininger thought he could do about keeping the local away.

McQuaide said Dininger answered: "I'm telling you they won't be in. I can guarantee it."

McQuaide said he refused to deal and immediately afterwards received a call from ex-task force member Robinson, who said he had collected enough cards to represent McQuaide's drivers.

McQuaide responded he thought Local 110 was getting ready for another try anyway—and days later, the local struck. Truck windshields were smashed, office windows were shot out, sugar and sawdust were put into fuel tanks, a truck was set on fire, and 357 tires were flattened.

On July 30, McQuaide's warehouse was bombed. Nine days later, a hangar containing McQuaide's private airplane was bombed. The damage reached nearly $5 million, and both bombings are under investigation by the FBI and a Pittsburgh federal grand jury.

Eventually, the Teamsters agreed to drop their campaign if McQuaide would drop criminal charges he had filed against former task force organizer Titus McCue in the beating of a McQuaide driver.

Once again, a long and expensive organizing effort failed to produce anything but violence.

McMaster, who kept in daily touch with his organizers, said he was aware of the violence and blamed much of it on the employers, company thugs, or drunken, overeager strikers. The rest "puzzled me very much," he said, and "I reprimanded people for allowing this to happen."

"This shooting match down here at Eck Miller did not help our organization," McMaster said. "I had to answer some questions on that I couldn't answer. That did not help. We do not need bad publicity."

McMaster denied any effort to work in concert with Dininger, noting that his organizing campaigns were widely publicized and it would have been easy for Dininger to learn of strikes on his own.

"We did hard work," McMaster insisted, and "there was no skullduggery going on."

Dininger explained that he would simply "hear reports, and when I did, I'd make a telephone call."

Dininger said he told companies, "I thought I could do something for them—workwise. I'd like to represent them, to have their business."

Just how Dininger did this is revealed in the transcripts of calls Dininger placed to a small Michigan company besieged by McMaster's organizers.

A company representative taped his telephone conversations with Dininger and the Teamsters.

The company was Noble Graham Transport, Inc., a small; family-run company in Michigan's Upper Peninsula. The task force had the company on strike, and Dininger's first call was on Jan. 29, 1974, two weeks after the Teamsters petitioned for an NLRB election for the company's 35 drivers.

Dininger introduced himself as a labor consultant, warned that the going could get rough for the Grahams, and offered to get the Teamsters to withdraw their election petition and leave the company alone permanently.

For this service, Dininger wanted a contract in which the company agreed to pay him between $20,000 and $25,000 over a period of five years. He wanted to meet at the Drake Hotel in Chicago to discuss it.

Dininger's call was followed the next day by a call from McMaster's assistant, Boano.

"Who the hell is Dick Dininger?" the company spokesman demanded in that first conversation.

"The labor consultant," replied Boano.

"He claims to have some interest in this matter and would like to have," said the company man.

"Well, he represents quite a few of the carriers," Boano responded. "He is a pretty understanding gentleman."

Later in the conversation, Boano asked, "What did that other gentleman propose?"

"Which one?"

"The one you mentioned," said Boano.

"Dininger?"

"Yeah."

"Well, he wanted to meet with us and talk in Chicago, and we don't think we're going to be able to get down there because of our own time schedule. He had some specific ideas relative to the withdrawal of the (election) petition, and we are a bit reluctant to follow that course."

"He's not specific on the phone," the company man continued, "and we don't think we can clear ourselves out of here to get with him. So I don't know that that's going to go anywhere."

"Uh-huh," Boano answered. "Well, I do know he's reliable, and he can usually substantiate his claims. I have had quite a few dealings with him—he represents companies."

The following day, Dininger called again and attempted to arrange a meeting in Chicago. The company representative declined.

"Well, I think you're making a mistake," Dininger said. "Let me explain it a little why I think so. I just figured up the health and welfare and pension alone for the next five years is $431,000, and that's not counting what might be negotiated two years from now, you know."

"Yeah, yeah," the company man answered.

"And, ah, that's a little bit of money right there in itself. So if you care to pursue it any farther, why that's up to you."

Noble Graham went ahead with the election, and its drivers voted against joining the Teamsters.

Dininger said he saw nothing wrong in a Teamster business agent's recommending a labor consultant, as Bano did at Noble Graham.

"Even when I was a business agent, I'd recommend someone to get himself a labor consultant . . . it's hard to deal with someone who doesn't know what he's talking about."

Dininger, a retired business agent from Teamster Local 135 in Indianapolis, who describes himself as being in the insurance business, said he still solicits business at trucking companies because he knows how to word lease agreements with owner-operators in such a way that a company can keep the union out. But he was unwilling to name any company at which he currently serves in such a role.

FIRMS INVOLVED IN TEAMSTER DRIVE

Here are the trucking companies the Teamsters tried to organize—or reported, rightly or wrongly, they did organize—during the McMaster campaign:

Alabama: Eagle Motor Lines, Birmingham.

Arkansas: Willis Shaw Frozen Express, Elm Springs.

Illinois: Alexander Trucking, Peoria; B. V.

G. Transport, Granite City; Brunton Storage & Van, Granite City; Fargo Motor Express, East St. Louis; Frate Service Inc., East Peoria;

Hinkle Transfer, Eureka; Honeg Trucking, Eureka; Illinois Motor Express, Chicago; Island Cartage, Chicago; Jackson & Graff, Mendota; LeVores Trucking, Jerseyville; Lily Trucking, Princeton; Melvin Sales, Streator; MidNite Express, Streator; Midwest Emery, Streator; Modern Transportation, Streator; P & G Trucking, East St. Louis; Parks Transportation, East St. Louis; Paul Johnson, Inc., Waterman; Peorgia-Chicago Express, Peru; Pre-Fab Transit, Farmer City; G. H. Sandburg, McNabb;

Star Delivery, Canton; Swing Transport, Peoria; Unzicker Trucking, El Paso; Zellmer, Truck Lines, Granville.

Indiana: Borin Transport, Ft. Wayne.

Kentucky: E. B. Lowman, Ashland; Eck Miller Transportation, Owensboro.

Maryland: George Transfer, Baltimore.

Michigan: Noble Graham, Brimley; Smeester Brothers, Iron Mountain.

Minnesota: Anderson Trucking, St. Cloud; Indianhead Truck Lines, St. Paul; E. L. Murphy, St. Paul; Skyline Express, Duluth.

Nebraska: Iowa Beef Packers, Omaha.

Ohio: Ace Doran Hauling & Rigging, Cincinnati; Acme Cartage, Portsmouth; Arrow Transfer, Perrysburg; Besl Transfer, Cincinnati; Brown Motor Lines, Youngstown; J. C. Cauth, Bridgeport; Drasic Trucking, Steubenville; Eclipse, St. Clairsville; Erskine Trucking, Youngstown; Fitzsimmons Steel, Youngstown; Humes Transfer, Steubenville; Metal Transport, Youngstown; Ohio Truck Service, Bridgeport; Pony Trucking, Steubenville; Portage Transfer, Hiram; R. W. Tinney, Portsmouth; Rhinehart Transfer, Portsmouth.

Pennsylvania: A. C. E. Freight, Inc., Sharon; BaumanTrucking, Saxonburg; Carroll Transportation, Pittsburgh; Dennis R. Corbett, Petrolla; Daly Express, New Kensington; Don Martin, Sarver; John Ellison Butler; Freeport Transfer, Sarver; Harchelroad Trucking, Pittsburgh; Kirk Trucking, Monroeville; Kreitz Motor Express, Wyomissing; McCormick-Dray, Avis; McQualde Trucking, Johnstown; New Castle Trucking, Beaver Falls; Bill Roenick, Sarver; Schreiber Transport, Pittsburgh; Wayne Sell, Sarver.

West Virginia: Tom's Express, Weirton; Transport Motor Express, Wheeling.

CRIME AND LAW ENFORCEMENT

Mr. HUMPHREY. Mr. President, the fear of crime, particularly violent crime, has appeared at the forefront of every public opinion survey of the social concerns of the American people. Only double-digit inflation, compounded by rising recession and unemployment, has even been a close, serious competitor to the people's concern over crime.

In early 1973 a Gallup poll showed that one out of every five Americans had been victimized by some type of crime between December of 1971 and December of 1972 and that in the center cities, the figures was one in three persons.

All respondents to the survey listed crime as the worst problem in their community and 51 percent said there was more crime in their community than there had been a year earlier. Only 10 percent thought that crime had diminished.

The fear of crime corrodes trust in government at every level; it destroys the tolerance that we have for each other; and it breaks down respect for law—all of which are vital to a healthy democracy. Crime is a pervasive national concern.

And it is a concern that is justified by the facts. The Uniform Crime Reports issued by the FBI for 1974 tell us that 19 serious crimes were committed each minute that year. A violent crime—murder, forcible rape, robbery, or assault to kill—occurred every 33 seconds. There was a murder every 26 minutes, a robbery every 71 seconds, a burglary every 10 seconds, and a motor vehicle theft every 32 seconds.

But crime is by no means limited to the street crimes. White-collar crime costs American taxpayers $40 billion a year, and organized crime continues to threaten the fabric of our society.

It is no secret that our criminal justice system has failed or been found wanting in almost every stage of the crime control process—whether it is in efforts to deter crime, or in detection and apprehension, in court proceedings, or in rehabilitation and corrections.

There are no easy solutions. There is no magic formula that will eradicate crime and delinquency. No single segment of our society—no single institution—can cure this disease singlehandedly.

We must recognize crime as the complex social and economic problem it is, and we must be prepared to replace what have been piecemeal, fractured efforts with a coordinated approach which involves not only the Congress and State legislatures, but the courts, corrections and social agencies, local and State law enforcement agencies and, perhaps most importantly, individual citizens who care about making their cities and towns safe. It is going to require working together, trying out new approaches. We must be willing to dare and to pioneer in an effort to make progress.

Mr. President, I want to discuss some of the steps I believe we need to take to reduce crime and meet the goals set out in the Constitution—the establishment of justice and the assurance of domestic tranquility.

The Founders saw no conflict between these ideals. In fact, they recognized that they are interdependent in a democratic system. Domestic tranquility generally exists in a totalitarian system, but it often is at the expense of justice. By the same token, an effort to establish justice without regard to tranquility and civil peace is doomed to failure, because in the final analysis there can be no justice when "justice" for the few rains down the injustice of intimidation, fear, and unrest on the many. Indeed, the fear and the reality of crime constitute a serious injustice to many of our people.

My remarks will be but an outline, but they incorporate many of the steps I believe we must take to foster civil peace and tranquility.

STATE AND LOCAL LAW ENFORCEMENT

First, we must be committed to making improvements in the criminal justice system within the establishment framework.

This must begin with local law enforcement agencies, where the burden of law enforcement is greatest. Police and sheriff's offices must have the financial resources necessary to strengthen the tools they now have to investigate crimes and apprehend criminals.

Increased reporting of crimes, while essential to a real reduction in the incidence of crime, has brought additional burdens to local law enforcement efforts. Additional personnel will be required both to maintain persistent investigations and to insure that there are sufficient numbers of officers on patrol, to answer emergency calls, to work with the residents of the community, and simply, to be a "presence" in the neighborhood, thereby detering some crimes.

Law enforcement officials must have the staff, equipment, and communications resources necessary to answer calls promptly and maintain criminal investigations until the suspect is apprehended and brought to justice. We must continue to upgrade the quality of our law enforcement personnel by raising employment criteria and improving compensation of police officers. We must provide, through appropriate legislative action, adequate disability protection and death benefits for the families of officers who are killed in the line of duty. One hundred and thirty-two law enforcement officers were feloniously killed in 1974.

The Congress has sought to make funds available for law enforcement activities through bloc grants from the Law Enforcement Assistance Administration. It is no secret that the LEAA has come under a good deal of fire. Reforms are needed, and I am confident that they will be made. But the funds and the expertise which have been made available through Federal support must be maintained if crime is to be reduced.

But we know that money alone will not solve the problem. Almost $15 billion was spent for criminal justice activities in fiscal year 1974—15 percent more than the previous year.

Yet the number of crimes committed nationally in 1974—the most recent figures which are available—rose 17.6 percent over 1973. And criminals know that they still have a very good chance of getting away with crime. In 1974, 21 percent of the "index" crimes—murder, forcible rape, robbery, aggravated assault, burglary, larceny-theft, and motor vehicle theft—were cleared. This means that in slightly more than one in five cases were law enforcement agencies able to identify the offender, gather enough evidence to bring charges, and take the suspect into custody. Somewhat more encouraging were the higher clearance figures for crimes against persons. Eighty percent of murder offenses were cleared, 51 percent of forcible rapes, and 63 percent of aggravated assaults.

We must guarantee that the resources are available to improve these figures, and an up-front commitment of funds will be required.

We must have a new emphasis on rural crime. No longer can we assume that crime is restricted to inner cities or suburbs. It has been estimated that crime in rural areas has increased some 21 percent, as compared to a 20 percent rise in suburban areas and 13 percent in larger cities.

Farmers and small businessmen in rural areas and small communities have found that they can no longer assume that they are insulated against crime. This problem is exacerbated by the fact that it is more difficult to patrol these areas adequately. We must look to the need for additional efforts to prevent rural crime and to apprehend those who victimize the people of rural America.

Efforts initiated by Congress with enactment of the Juvenile Justice and Delinquency Prevention Act must be stepped up. We must insist that the administration provide the support necessary to implement the provisions of this legislation, which was intended to provide Federal leadership and coordination of the resources necessary to develop and implement programs for the prevention and treatment of juvenile delinquency at the State and local level. There is no question that we must look for new approaches to the problem of juvenile crime.

It has been estimated that the number of juveniles arrested for serious and violent crimes increased 1,600 percent between 1952 and 1972. In its report on this legislation the Senate Judiciary Committee indicated that youths under the age of 18 are responsible for 51 percent of the total arrests for property crimes, 23 percent for violent crimes, and 45 percent for all serious crime. Between 1960 and 1970, the committee indicated, total juvenile arrests under 18 increased almost seven times faster than adult arrests.

The rates of recidivism for juvenile offenders are incredibly high—estimated to range from 60 to 75 percent. The FBI reported that 74 percent of the offenders under 20 years of age released in 1965 were arrested again by the end of 1968.

This is an area in which special research and innovative programs are required. There must be a more adequate answer to juvenile crime than simply the approach of middle age, and it is imperative that we find it.

The issue of what, if any, controls should be placed on firearm ownership has been a central issue in debates concerning law enforcement.

These discussions center, most appropriately, around handguns—specifically the so-called Saturday Night Special. Small, easily concealable guns are most often associated with violent street crime and the assault or murder of police officers. More than half of the reported homicides in 1974, 11,000, were committed with a handgun. Almost half of the reported robberies, and one-fourth of the aggravated assaults involved a gun. The safety of our schoolchildren has been threatened because many are taking handguns to school. Thirty murders were committed in 1 year in Los Angeles schools, and some 211 handguns were confiscated. This is appalling.

A poll released last year revealed that a substantial majority of the American people, 67 percent nationwide, favor registration of handguns.

The issue of gun control should not be confused by those who would misrepresent the issue. The problem is the handgun—the small, easily concealable gun which is used by criminals.

I am a sportsman. I enjoy hunting. I have not, and I would not, support efforts to prevent citizens from using guns which are used for skeet, trap, or sports competition or hunting. But it has been determined by the Bureau of Alcohol, Tobacco and Firearms that stolen and easily concealable handguns are most preferred by criminals.

The Gun Control Act of 1968 prohibited the importation of Saturday Night Specials. But because of a loophole in the law, the parts for these weapons have been imported and assembled in this country. Legislation which has been under consideration in the Congress would ban the domestic manufacture, sale, or distribution of Saturday Night Specials. President Ford has expressed support for this proposal, as have many others, and I would support such a proposal.

In addition, there is strong support for a provision which would institute a mandatory sentence for the commission of a felony in which a firearm is present.

These and other steps have been proposed, and they deserve the careful consideration of the Congress.

THE COURTS

Our courts and sentencing procedures must be thoroughly examined.

One of the most serious obstacles to the administration of justice continues to be the tangle in our court system. Expanding court dockets and inadequate budgets have brought about congestion with which the courts simply cannot cope. The real chances of serving a prison sentence for the commission of a felony are reduced by this serious situation.

It has been reported that of 730,000 adult felony arrests in New York over the past decade, 31 percent were indicted. Only 33 percent of those indicted were convicted. Of those convicted, only 38 percent were sentenced to jail.

The promise of swift and certain punishment is the surest deterrent to crime, and without expansion and modernization of our courts, this will not be a reality.

The result of this situation is that those charged with crimes end up playing a waiting game, with a good chance of never going to jail. Plea bargaining has become common, and arbitrary sentencing procedures reduce the likelihood that commission of a certain crime will bring a certain punishment.

I believe we must seriously consider the imposition of minimum mandatory sentences for certain crimes. It has been proposed that minimum sentences be imposed, for example, for the commission of a felony in which a firearm is present, for murder and other serious crimes against the person, for trafficking in heroin, and other serious offenses. We must also carefully explore mandatory sentences for crime repeaters.

The crimes for which mandatory sentencing would apply differ, but this is an idea that must be thoroughly explored if we are to make punishment swift and sure.

Another major component of our crime-fighting program should be increased emphasis on crime research. Despite efforts in this area, we still know very little about the causes of crime. What leads a youngster to embark on a criminal career? How can we prevent a young person from choosing a life of crime? Can rehabilitation be made to work? These questions and others can be answered with concentrated research efforts, just as we have found answers about the causes of many diseases. We must make a commitment to see that this is undertaken in an organized fashion.

Finally, we must involve the courts, law enforcement officials, social agencies and private organization in stepped-up efforts to prevent the institutionalization of some who find themselves in the criminal justice system, but who could be helped far better with professional assistance than by a prison sentence.

We should make efforts to keep those charged with minor crimes, some first offenders, and especially young people out of prisons, wherever possible. Pretrial diversion in a community-based corrections approach has been initiated in many areas, and we must pursue study of this approach as one way to avoid institutionalization and stigma which often comes with relatively minor offenses. Many of our prisons are institutions of higher education in crime. Where the interests both of society and the offender can be served by avoiding a jail sentence, then we should make efforts to see that this is the case.

CORRECTIONS—CRIME AND UNEMPLOYMENT

We must reinforce efforts, both within the traditional criminal justice system and outside the system to improve corrections programs. Sadly, it is commonly acknowledged that most of the programs we now have are, at best, inadequate.

Proof of the failure of our efforts to rehabilitate convicted felons lies in the rate of repeated crime. The Federal Bureau of Prisons did a study in which it traced Federal prisoners who were released in 1970. In 1972, 32 percent of them were back in prison. By 1974—4 years after their release—43 percent were back, having been convicted of committing new crimes.

A similar study was done on prisoners released in Connecticut in 1962. It revealed that 10 years later 68 percent were back in prison.

A study of the department of corrections in my own State of Minnesota of 1,000 persons parolled in 1971 and 1972 showed that 2 years later 28 percent had been reconvicted of a felony. An additional 12 percent were convicted of a misdemeanor or violated parole.

These studies show that we could reduce crime significantly by keeping those who are parolled from prison from committing new crimes. I am convinced that if we could make every offender a one-time offender, we could reduce the crime rate by an incredible percentage.

We cannot keep every offender locked up for life. Even if we had enough space in our jails, the crimes committed by most offenders do not warrant life imprisonment.

It is a fact that there are some persons who are hardened criminals who are committed to a life of crime. These people and those who are psychotic, those who are dangerous to themselves and to society must be isolated from the community and given appropriate treatment.

But I am convinced that the vast majority of those who commit crimes can be helped. Rehabilitation is the answer to reducing the recidivism rate. I believe we can reduce the repeat rate of crime and prevent a great deal of first-time criminal behavior by addressing the human and social factors which contribute to crime.

This is the job which falls to our corrections system, but it is no secret that prison rehabilitation programs are lacking in most respects.

In many cases, the job-training programs in prisons only train people for jobs that do not exist or for jobs they are prevented from filling, or for jobs that simply do not pay what it costs a person to live.

And when an inmate is released, we give him $50 or $100 and a suit of clothes at the prison gate as he leaves.

Prisons are criticized for not rehabilitating prisoners, and no doubt a good deal of the criticism is warranted. But how can we realistically expect prisons alone to overcome years of inadequate education, bad neighborhoods, disintegrating families, economic turmoil, and generally negative conditioning which can lead to a life of crime? We cannot, as long as we force prisons to operate under the current restraints in funding, staffing, training and counseling.

I have reached the conclusion—after months of looking at this problem as chairman of the Joint Economic Committee of the Congress—that the availability of jobs has a direct bearing both on the rate of criminal activity and on our chances of rehabilitating prisoners so that they may reenter society and pursue a crime-free life.

Our prison populations have been rising, and the sharpest increases followed the sharp downturn in the economy.

The State of Michigan was the first to record increases in prison population, and it is no coincidence, in my view, that this was the first State to be hardest hit by drastic unemployment. The same has been shown in a number of major population centers around the country.

For those who have served in prison, a psychologically supportive system is necessary to rehabilitation. I believe that a decent job is essential if we are to prevent those released from prison from committing new crimes.

An additional study done in Minnesota indicates that the employment patterns of prisoners before they are incarcerated can help to predict criminal activity after release.

This study determined that of those who were employed for 18 months or more of the 2-year period before they went to prison, 18 percent failed parole and went back to prison. Of those who were employed 6 months or less in this 2-year period, 35 percent—almost twice as many—failed parole and committed new crimes. Studies show that most parole failures occur with 1 year after release. The first 3 to 6 months is the most critical period.

Most parolees have very little chance of finding a job that can support even the bare necessities of life. Even if we could overcome the anxiety many of our citizens feel about hiring ex-inmates, the American Bar Association estimates that more than 350 job categories involving more than 7 million jobs are forbidden to ex-offenders because of State or local licensing restrictions. Ex-offenders in many areas are denied licenses to become barbers, accountants, beauticians, lawyers, and on down the list.

About half of the State, county, and city jurisdictions have recognized problems in civil service rules and practice for hiring ex-offenders and are moving to do something about it. But many restrictions remain.

I believe in work. I believe that having a contribution to make is central to the well-being of anyone in a society. And it is critical to one who has lived outside the law.

The famous philosopher, John Stuart Mill, understood this challenge when he said:

> Let a person have nothing to do for his country, and he will have no love for it.

A person without a job does not feel a part of our society. Despite intensive law enforcement efforts, only when we guarantee that every American has an opportunity to contribute can we be certain that he or she will abide by the social contract that binds us as a Nation.

In the last analysis, our Nation will not be a lawful society until all citizens believe that it is a just society and that its laws are worthy of obedience.

REALISTIC CONGRESSIONAL ACTION NEEDED ON FORESTRY PRACTICES

Mr. RANDOLPH. Mr. President, the Senate will soon be voting on a bill which, hopefully, will curb some of the major abuses prevalent in the management of National Forest lands throughout the Nation.

A district court decision in Elkins, W. Va., popularly known as the Monongahela Decision, was upheld by the Fourth Circuit Court of Appeals in Richmond. It found the U.S. Forest Service in violation of the Organic Act of 1897. Subsequent to these decisions I developed a bill to establish sound and responsible forest management. On February 4, I introduced S. 2926 designed to accomplish this goal and to end the controversy on this subject which has continued for 15 years.

Senator Hubert Humphrey also introduced S. 3091. The Committees on Agriculture and Forestry, and Interior and Insular Affairs jointly held 3 days of hearings in which numerous witnesses presented testimony.

Senator Talmadge, chairman, and Senator Dole, ranking Republican member, of the Agriculture and Forestry Committee invited me to participate in the markup of S. 3091. I appreciated the invitation and was present for the 4-day session.

Several of the concerns addressed in S. 2926 were adopted by the committees. As reported, I believe S. 3091 is more responsive legislation. Other issues must be considered if the bill the Senate passes is to appropriately govern the activities of the U.S. Forest Service. I will, therefore, present amendments to the bill to assure proper multiple-use management of our forest resources.

Last Saturday I had the privilege of addressing the State Convention of the West Virginia Division, Izaak Walton League of America. I reported on the pending legislation and the prospects for further improvements.

On Sunday, this conservation group passed the following resolution:

Consideration of Management for National Lands of the United States of America

It is the position of the West Virginia Division of the Izaak Walton League of America that any consideration of the management of the public lands of the United States of America as it pertains to the lands administered by the United States Forest Service must include the provisions as submitted by U.S. Senator Jennings Randolph, whose bill, S. 2926, after months and years of research, must be more seriously considered by the Congress of the United States.

The West Virginia Division believes that the measure under consideration by the Congress of the United States, specifically the Humphrey bill, S. 3091, voids the multiple-use concept, favors special interests, and takes away from the American people their treasured right to other uses of these National Forest lands:

Therefore, the West Virginia Division urges the full support of the Randolph amendments to S. 3091.

I am gratified by this support.

A recent study by Lloyd C. Irland, Assistant Professor of Forest Economics, Yale School of Forestry and Environmental Studies addresses the economic impact of my legislature proposals.

I ask unanimous consent that Professor Irland's analysis be printed in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

May 25, 1976.

Fact Sheet—Economic Effects of the Randolph-Brown Bills (S. 2926; H.R. 11894): Wood Prices, Housing, and Jobs*

The Randolph-Brown bills (S. 2926; H.R. 11894), The National Timber Reform Act, are among a number of attempts to give more specific content to the general directive of the Multiple-Use-Sustained Yield Act of 1960. Much of the debate surrounding the bill has dealt with the impact that its regulations on cutting might have on the level of National Forest timber cut, and the resulting impact on wood prices, housing costs, and jobs. Opponents of the Randolph-Brown bill have made widely quoted claims that the price of single-unit houses "could go up at least $2,500," and that there would be massive layoffs in timber-related employment.[1] The effect of the timber reform bill on the allowable cut is very much in dispute; and consequently, estimates of resulting effects on prices and employment can only be stated with great uncertainty.

In order to reduce environmentally damaging timber practices, the Randolph-Brown bill would impose certain limitations on cutting and require that the national allowable cut be derived from a forest-by-forest analysis of what can be produced from the individual forest resource bases on a sustained yield basis (a bottom-up resource-based approach rather than a top-down

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Footnotes at end of article.

national production quota approach). Hypothetical estimates based on 50 to 75 percent reductions in timber cut from National Forest lands have been common in the debate. Some foresters, however, have estimated that the effect on the national timber cut will be much less than 50 to 75 percent, and would perhaps be negligible.

This fact sheet summarizes existing information on these questions and tries to develop estimates of the maximum possible price effects of passage of pending timber legislation. Space prevents full discussion of other long-run implications.

BACKGROUND

The National Forests are an important contributor to the nation's supply of wood products. They account for about 19% of the nation's commercial forest land. They contain the nation's last major reserves of large old-growth timber, accounting for about 50 percent of the total volume of softwood sawtimber. Their contribution to the annual timber harvest is much smaller, however. National Forests supply ¼th of the nation's harvest of softwood sawtimber, and less than 1–20th of the hardwood harvest.

National Forests are most important to timber supply—and to local timber-dependent economies—in the Rocky Mountain States, in eastern Washington and Oregon, and in parts of California. They are least important in New England, the South, and the Midwest. The Douglas fir region (Oregon and Washington west of the Cascades, and northwest coastal California) is an intermediate case, with large acreages of privately owned forest land. Forest conditions, of course, differ widely among these areas. For these reasons, the impact of Randolph-Brown restrictions will differ from region to region.

This fact sheet does not address the question of how extensive the timber harvest reductions will be as a result of passage of legislation currently under debate. Published information to date is insufficient to permit an unbiased outside estimate. This fact sheet will instead rely on published studies dealing with effects of harvest changes ranging from about 3 percent to more than 50 percent.

APPRAISING THE PRICE IMPACTS OF REDUCTIONS IN NATIONAL FOREST TIMBER HARVEST

There are many difficulties in assessing the impact of changes in National Forest timber harvests on the market prices of wood products, which cannot be discussed in this fact sheet. Basically, most studies examine price effects of increases in harvest, and were made when price levels and relationships were different from those prevailing today. Though they must be used with caution, there are three studies that address the issue.

Recent statistical analyses

A recent unpublished paper reviews results of several complex computer studies of the relation between Forest Service harvest and wood product prices.[2] Results showed that an increase of roughly one-fourth in the Forest Service harvest would produce a decrease of 4 percent to 7 percent in the lumber and plywood price index in 1980, and that the difference between prices under a constant-cut versus an increased-cut scenario diminishes over time. This result applies in reverse to a decrease in harvest.

Roadless area review and evaluation

The Forest Service Roadless Area Review and Evaluation estimated that the withdrawal of 274 study areas containing 300 million board feet of allowable cut could raise wood product prices by one to five percent.[3] This represents roughly a 2.5 percent harvest reduction.

President's advisory panel on timber and the environment

The President's Advisory Panel on Timber and the Environment (PAPTE) estimated that a Forest Service harvest increase of 8.2 billion board feet would reduce the deflated price index of softwood sawtimber by the late 70's from 117.5 to 107, or by 8.5 percent. An important feature of this analysis is that it explicitly examined interactions between federal cut, private cut, and product imports.[4] The report showed that an 8.2 billion board foot increase would lead to a net increase of only 4.5 billion board feet in timber supply, due to offsetting declines in imports and in private timber harvests.

These results can be assumed to apply roughly to the reverse situation—a decrease in National Forest cut. Accordingly a National Forest softwood timber harvest reduction of as much as 50 percent—about 6.0 billion board feet—would result in a net decrease of about 3.0 billion board feet in timber supply. The price impact would be somewhat less than an increase of 8.5 percent.

Delivered and mill prices

Most studies use FOB mill prices, since data are readily available. These prices overstate the relative effect of timber supply changes on the consumer, since the consumer pays delivered prices, which include transport and wholesaling costs. For example, in spring 1976, prices of fir 2 x 4s ranged from $185.00/Mbf in Seattle to $270 in Cincinnati.[5] Taking $160/M as a representative FOB price for this period, transportation and wholesaling were $15.00 for Seattle buyers, and $110.00 for Cincinnati buyers.

A 10% increase in FOB prices ($16.00) then translates into a 6 percent increase in delivered price for a Cincinnati builder.

Summary

Studies by competent professionals, using the best available data, show that the effects on lumber prices of even quite substantial increases in National Forest timber harvests are relatively small. These results can be used to approximate the effects of declines in cut as well. They show that even the most major reductions in the National Forest cut contemplated would be expected to have less than a 10 percent effect on product prices, due to the compensating short-run effects of changes in private timber harvest and in imports. Considering delivered prices the percentage impact on the consumer is even somewhat less than this.

IMPACT OF CHANGING WOOD PRICES ON HOUSING COSTS

Considerable attention has been given to the effect of higher wood product prices on housing costs. This section will summarize available data.[6] The most extreme case reviewed above raised prices by 8 percent. For purposes of illustration, though, we will assume a 10 percent increase in delivered wood product prices, even though the studies reviewed above suggest that the impact will be less than this. This means that we are overestimating the likely impact in this illustration.

Wood used in housing

The following estimates are relevant:

In 1969, the average house contained $4,580 worth of wood products, including furniture.[7] At that time, the average price of new homes sold was somewhat above $23,000.

In 1970, the average one-and-two family dwelling built contained about 17,000 board feet equivalent of lumber and wood.[8]

In the recovery from the recent housing recession, single family houses are showing the strongest gains, but sales are bet for "basic" or no-frill houses of smaller floor area than the 1970 average. No up-to-date data on current wood use have been published which take account of this trend.

Despite trends toward smaller floor area in lower-cost units, the average price of new single-family houses being built today is nearly $40,000.00.

Because of the importance of land, mortgage interest, maintenance, utilities, and tax expenses, material cost is a very small fraction of the consumers monthly housing outlay.

Using the above information, consider a hypothetical example of the impact of wood prices on the cost of building a new single family unit, remembering that the data are not strictly comparable for this purpose.

Accepting the estimate of $4,580 per house in wood products, and allowing for a 50 percent rise in wood products prices since 1969, yields a figure of $6,900 worth of wood products in a house. Using a 10 percent rise in delivered wood products prices yields an increase in housing costs of $690.00. A figure of $2,500 per house has been widely cited as the impact of Randolph-Brown provisions. To reach this figure, delivered prices would have to rise by 36 percent. No responsible analysis suggests that this is likely. (Also, this figure referred to implementation of the 1897 Organic Act, a more rigid set of constraints than those embodied in legislation now under consideration).

Applying the Forest Service estimate of 17,000 board feet equivalent of wood products per house, and using an average delivered price, representing Midwest conditions, of $350/M gives a total of about $6,000 per house of wood products in construction alone. This estimate yields a result similar to the above calculation.

Using the $40,000 average home price, and a 10% ratio of wood cost to the cost of a house plus lot results in an even lower estimate.

Looking at monthly occupancy cost, the worst case example of a 10% rise in wood prices would raise the monthly occupancy cost (total monthly shelter cost, including mortgage payments, property taxes, utilities, and maintenance) of the average new home by 0.5%, or about $2.20 per month.[8a]

Summary

Data given by PAPTE and by the Forest Service show that, for the average new home being built today, a worst case estimate involving a 10% increase in delivered lumber prices means a rise in cost of a house (including furniture) of less than $700.00. This is a significant sum, but is much smaller than some estimates that have received wide publicity. It would be two percent of the initial purchase price of an average new home. In relation to monthly occupancy costs, the increase is less than one percent.

Wood prices and the poor

It is often argued that higher wood prices will disproportionately injure the poor. This argument does not recognize the following facts:

Even if wood products were given away free, other costs and constraints would prevent society from constructing enough housing for the poor.

Poor families are predominantly renters, not homebuyers. Higher wood prices alone will not bar them from buying homes. Higher prices will affect the poor indirectly, however, by contributing to higher housing prices in the overall market, and by raising repair and rehabilitation costs.

Housing purchased or rented by poor families will probably be multi-unit or rehabilitated units, which use significantly less wood than single-family units.

The disproportionate impact on the poor, therefore, is easily exaggerated.

Footnotes at end of article.

TIMBER HARVEST REDUCTIONS AND EMPLOYMENT

The relation between National Forests timber harvests and employment in local timber-dependent economies has been widely studied.[9] In broad outline, results of this literature are as follows:

Dependence on timber for an economic base is extremely high in some Western states. In Roseburg, Oregon, for example, the local economy was 98% timber-dependent in 1971. In Idaho and Montana, lumbering alone provided 43% and 41% of the manufacturing employment in the mid-sixties.

Many areas which are heavily timber-dependent are also heavily dependent on public timber sales for log supply.

Tourism is also important in many of these areas, but is a poor replacement for forest-based manufacturing jobs due to seasonality, low wages, and high expenditure leakages.

The extent to which employment declines in response to reduced public timber harvests depends on the level of productivity in the industry, the extent to which nearby replacement timber can be obtained at competitive prices from private land or other public land, and the degree to which affected communities rely on timber processing for their economic base.

To the extent that harvest declines result from legislative direction under Randolph-Brown or similar bills, a number of steps can easily be taken to reduce or eliminate the adverse effect on employment:

1. Harvest declines can be phased in over a period of years to allow orderly readjustment to alternative sources of timber.

2. Increased sales can be made from the unregulated portion of the growing stock (salvage material, etc.), and increased volume can be obtained from thinnings, timber stand improvement, and other cultural operations.

Summary

Declines in public timber harvests can potentially affect the economies of timber-dependent communities, especially in the West. There are a number of measures available, however, which can reduce or eliminate any such impacts. In legislation to raise management standards, proper drafting should provide for measures to minimize any impacts on local economies.[10]

SUMMARY

In summary, several points must be emphasized. This review is based on published studies by authorities in this field. It necessarily relies on data from different sources, all of which may not be strictly comparable. Occasional ambiguities in the sources make interpretation difficult. Some of the statistical models employed by the researchers cited may not in fact be capable of accurate predictions of effects resulting from timber supply movements that are far outside past experience. Finally, this review takes a national focus. Impacts will differ in importance in different timber-producing regions of the country.

This review does not presuppose any specific level of harvest reduction that may result from legislative directives. It intentionally overestimates the likely effects, by assuming a 10% shortrun price increase, even though this is a larger increase than any study predicts for decreases in cut of 50% or more. The price changes are relatively small, because of offsetting effects of imports and private timber cutting. This is perhaps the most important single point to be made: the impact on prices must consider the net change in wood supply, after compensating adjustments in the market, not just the gross change in National Forests harvest.

Data based on a new home of average size—$40,000 in 1976—show that a worst case 10% rise in wood product prices would raise its cost by $700, or about 2%. When total shelter costs are considered, the increase from such a price risk would be less than 1%. When converted into monthly occupancy cost, under an average mortgage, the change is about $2.20. This remains a significant sum—$700 each on 1.5 million units is about one billion dollars. However, this amount is a small proportion of annual expenditures on new structures. The point is only to show that some of the estimates currently being cited are wild overexaggerations.[11]

It is difficult to identify, at the national level, how large the reductions in timber harvest might be that would result from legislation on the Randolph-Brown model. It is clear, however, at the local level that National Forests harvest reductions can have important impacts on the economic base of communities that are dependent on wood products and which also depend heavily on National Forests timber. Where such cases occur, a number of steps can be taken to eliminate the impact, by phasing the cut reductions in slowly, and by offering increased volume from the unregulated harvest or from intermediate cuttings.

SAWTIMBER HARVEST FROM DIFFERENT OWNERSHIPS. SOFTWOODS AND HARDWOODS, 1970 (INCLUDES NON-GROWING STOCK TREES)

[In billion board feet]

Ownership	Softwoods	Hardwoods	Total
National forest	12.5	0.4	12.9
Other public	4.2	.5	4.7
Forest industry	16.4	1.8	18.2
Farm and miscellaneous private	13.8	9.7	23.5
U.S. total	49.9	12.3	59.2

Source: U.S. Forest Service "The Nation's Renewable Resources—An Assessment," 1975, p. 261.

FOOTNOTES

*By Lloyd C. Irland, Assistant Professor of Forest Economics, Yale School of Forestry and Environment Studies—New Haven, Connecticut.

This fact sheet is based on published information. Conclusions are based on the judgment and experience of the writer and do not represent the views of Yale University or any other institution.

[1] Congressman Jerry Litton (D-Mo.), News Release, House Committee on Agriculture, March 26, 1976.

[2] Adams, Haynes, and Darr, "Price Effects of Changes in National Forests Timber Flows.", unpublished paper, United States Forest Service—Pacific Northwest Forest and Range Experiment Station, 1976.

[3] United States Forest Service; *Roadless and Undeveloped Areas, Final Environmental Impact Study*, (1973), p. 91.

[4] Report, *President's Advisory Panel on Timber and the Environment*, Washington, D.C., GPO, 1973.

The analysis showed the following relations between different sources of softwood timber supply:

	National forest harvest (billion board feet)		
Source	At 1970 level	Accelerated rate	Difference
Imports	7.5	6.3	−1.2
Forest industry	15.5	14.4	−1.1
Other private	18.3	16.8	−1.5
Other public	4.8	4.9	+.1
National forest	13.9	22.1	+8.2
Total	60.0	64.5	+4.5

On the PAPTE analysis—then, compensating reductions in private timber harvest and in imports reduce the impact of an increased National Forest cut on the total quantity of timber reaching the market. The *net* effect is roughly half the size of the gross change in National Forest cut. Source: *PAPTE*, p. 71.

[5] *Engineering News Record* quotations of delivered prices.

[6] See Irland, Forest Products and the National Housing Goals, *Forest Products Journal*, February 1974, and references cited therein.

[7] *President's Advisory Report on Timber*, p. 72.

[8] United States Forest Service, *Outlook*, 1973, p. 158–9. By Product:

Lumber—10,840 Bd. Ft.

Plywood—5,385 Sq. Ft. ⅜" basis.

Building Board—1,570 Sq. Ft. ½" basis.

[8a] Based on following assumptions:

Assume an increase in wood cost of 10%. Since wood on the average accounts for about 5% of monthly occupancy cost, (Irland, 1974), the increase in monthly occupancy cost would be 10% times 5% or one half of one percent.

Consider a $40,000 house (including lot), financed by a 9% mortgage with 25% down. The monthly payment would be $241.00. Debt service is usually about 55% of monthly occupancy cost for single family units. Monthly occupancy cost (total shelter cost, including mortgage payments, property taxes, utilities, and maintenance) is then about $440. One half of one percent of this sum is $2.20 per month, or $26.00 per year.

[9] C. Shcallau, et al, Economic impact projections for alternative levels of timber production in the Douglas-fir region, *Ann. Reg. Sci.* III:96 (1969); Wall, *Employment . . . in the Douglas-fir Region* 1970–2000, United States Forest Service, Pacific Northwest Forest and Range Experiment Station. Res. note PNW–211 (1973); Converg, Unit planning and local economic impacts, Duke U. School of Forestry, Tech. Paper No. 1 (1973); Fight and Darr, *Douglas County*, Oregon . . . United States Forest Service Pacific Northwest Forest and Range Experiment Station, Res. Paper PNW–179 (1974); Dickerman and Butzer, Potential of timber management to affect regional growth and stability, *J. For.*, 73; 268 (1975).

[10] Another local impact is on local timber revenue payments. The local governments in timber-dependent areas are often highly dependent on shared revenues (25% fund) from National Forest timber sale and other receipts. They naturally resist declines in National Forest timber sales. In addition, privately held old growth timber is an important part of the property tax base in some areas. Cutbacks in public timber harvests will lead to accelerated liquidation of privately owned old growth, thus reducing the County tax base more rapidly than would have been the case if public harvest remained stable. Ways can easily be found to mitigate or eliminate any such impacts that may result from legislation being considered here.

[11] Higher wood prices would have economic impacts beyond the effect on housing costs. They would, *ceteris paribus*, tend to promote more efficient utilization and recycling of wood products, promote more intensive forest management, reduce exports, and stimulate imports. On current knowledge, none of these effects are readily quantifiable, and some are probably quite small for the amount of price change being considered here.

THOMAS J. HOUSER

Mr. PERCY. Mr. President, I am pleased that the Senate yesterday confirmed the nomination of Thomas J. Houser, of Illinois, to be Director of the Office of Telecommunications Policy. He is an excellent choice for this important job.

I have known him for a decade and a half and can speak with considerable personal knowledge of his experience and qualifications. I wish to state with enthusiasm that Tom Houser is a distinguished and experienced public servant, whose leadership ability and background in the comunications field will serve him well in the position for which he has been confirmed.

Mr. Houser has had a distinguished legal career and has served Government in several capacities, including Deputy Director of the Peace Corps; FCC Commissioner; and member of the FCC's Advisory Council on Cable Television. Since the Office of Telecommunications Policy is the executive agency responsible for overall supervision of national communications matters, his tenure with the FCC on two occasions is of particular significance.

There is another aspect to be considered as well. During a time when public opinion about "Washington" is low and citizen feelings about waste, inefficiency, and incompetence are running high, it is more important than ever for us to choose with great care the appointed top officials responsible for working with important national issues and areas of increasing public concern. It is in this respect that Tom Houser will be able to draw upon his many fine personal qualities, not only to perform his professional assignments, but also to play a part in restoring confidence in Government. In order to come to Washington, he leaves a recently completed home and a position with one of Chicago's most prestigious law firms. He is a decent, hard-working man who is an expert at bringing together people of opposing viewpoints. He is a man of integrity open-minded and fair. In sum he will bring to this position attributes that merit confidence and respect—and he will get the job done.

Mr President, I know all of us can look forward to working with Tom Houser in achieving a reasonable and workable national communications policy of which we can be proud.

PANAMA CANAL: CATALYST FOR RESTORATION OF NATIONAL WILL

Mr. HARRY F. BYRD, JR. Mr. President, in the current struggle for world power there are five crucial maritime trade routes. These five trade routes are:

1. The Strait of Gibraltor, the security of which is endangered by events in nearby Portugal;
2. The Suez Canal—Red Sea route to the Indian Ocean, which threatens to be effectively controlled by Soviet power;
3. The Strait of Malacca, which is within the range of the power of potential adversaries;
4. The passage around the Cape of Good Hope, which is now threatened by the Soviet-Cuban invasion of Angola and events in Rhodesia; and
5. The Panama Canal.

The problems of the Panama Canal were the subjects for discussion on May 27, 1976, at a seminar in the National Lawyers Club, Washington, D.C., on the "U.S.-Panama Negotiations for a New Canal Treaty." The meeting was sponsored by the Inter-American Bar Foundation of which Charles R. Norbert is president, the Fletcher School of Law and Diplomacy, the Federal Bar Association's Council on International Law and Council on the Younger Lawyer; and the Inter-American Bar Relations Committee of the Bar Association of the District of Columbia.

The principal speakers were William S. Barnes of the Fletcher School of Law and Diplomacy; David H. Ward, former special U.S. representative for the current Panama Treaty negotiations; Capt. Franz O. Willenbucher, an experienced naval officer, lawyer, and long-time student of Panama Canal legal and treaty matters; and Dean Camilo Octavio Perez of the Law School of the University of Panama.

The highlight of the program was a carefully prepared and extensively documented address by Captain Willenbucher that challenged the main assertions and assumptions of the other speakers.

Mr. President, I think the address by Mr. Willenbucher should be of interest to Members of the Congress, officials in the executive branch, and the public at large.

I request unanimous consent for the statement to be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PANAMA CANAL: CATALYST FOR RESTORATION OF NATIONAL WILL

(By Franz O. Willenbucher, J. D., captain, U.S. Navy, retired)

The major elements for the establishment and implementation of a sound United States policy, concerning the maintenance, operation, sanitation and defense of the U.S. Canal Zone and Canal, situated in the Isthmus of Panama are: (a) Continued undiluted sovereign control of the Zone by the United States, and (b) the major modernization of the existing Canal through the completion of the temporarily suspended Third Locks Project, adapted to include a Pacific summit level terminal lake. All other matters, however important, are relatively secondary in character.

In order promptly to initiate this compelling policy, the present ill-advised negotiations with Panama for a "new" Panama Canal Treaty should be brought to a close, in as amicable a manner as possible, recognizing the colossal blunders which have thus far been committed by both the United States and Panama. At the same time, Panama should be brought to understand that the modernization program should be completed at the earliest possible time and that it (a) needs no new treaty, the existing treaty rights of the United States being fully adequate to complete the program, and (b) will bring to Panama massive economic benefits, since the cost of the modernization program will be upward of $1.5 billion, much of which will, of course, be spent in Panama.

The Canal must be kept under the sovereign control of the United States: (1) Because it is not only vital to the security of our people and the people of the whole Western hemisphere; but, because its continued operation, exclusively by the United States, is essential to its survival as a free and independent nation; and (2) to fulfill our global treaty-based obligation under the Hay-Pauncefote Treaty of 1901 to operate the Canal in the interest of world shipping, without discrimination at reasonable rates, in accordance with the terms of the Constantinople Convention for the Suez Canal.

The Canal cannot be successfully operated by a small technologically underdeveloped country, nor by one with inadequate financial competence, like Panama. Nor can the Canal be operated succesfully in partnership with any other nation. Such an arrangement would prove in practice to be impossible and perhaps even disastrous. The Canal must be kept in operation by only one fully competent country, and that is the United States, unless the Canal were to fall into the hands of Soviet Russia which has been its design from the beginning of its existence.

The overriding question is whether the Caribbean-Gulf of Mexico sea area is to be reestablished and maintained as a vital United States national defense asset, or whether it is to become in its totality a Red-based area further to facilitate an invasion into the United States via its soft underbelly between Texas and Florida.

President Ford, less than nine years ago, on April 8, 1967, while he was House Minority Leader, wrote a letter to Dr. Donald Marquand Dozer, Republican Central Committee of Santa Barbara County, California, in which he said:

"We must protect our own national interests in the Canal Zone and throughout the world. I have expressed publicly my concern about the communist threat to the canal under lessened American authority.

"The Congress cannot ignore its responsibility to the American people as it examines and evaluates the decisions of the President in this matter."

Three months later, on July 7, 1967, House Minority Leader Ford, after reading parts of a new proposed Panama Canal Defense Treaty which had been negotiated by the Johnson Administration, obtained by the Chicago Tribune, while it was still under secrecy wraps, declared that the American people would be "shocked" at its surrender terms. The Tribune, on the next day, July 8, 1967, published the story on its first page, under a glaring headline: "Canal Pact Shocking: Rep. Ford," and subtitled: "Strengthens Red Threat, Leader Says." It quoted Minority Leader Ford as having said that 'with Cuba under the control of the Soviet Union via Castro and increased communist subversion in Latin America, a communist threat to the Canal is a real danger." The situation with respect to communist infiltration into the Caribbean-Gulf of Mexico area is far worse today than it was at that time.

Senator Strom Thurmond (R-S.C.), to whom the Chicago Tribune furnished copies of the Johnson Administration treaties, read them to a shocked Senate. The Tribune quoted Senator Thurmond in its July 8, 1967 article as follows:

"The Communists first announced their intention to overthrow United States control of the canal as early as 1917. They have never lost sight of that goal. After last month's mid-East crisis, the Soviets repeated their demand that all strategic waterways be put under 'international' control. Yet that same crisis, and the shutdown of the Suez Canal by Egypt demonstrates how important it is to freedom that the Panama Canal remain in strong and responsible United States hands."

The Tribune article then reported as follows:

"Thurmond said The Tribune's revelations raise some key questions about the treaties. Among the questions that must be asked, he said, are the following:

1. Do the new treaties provide for undiluted control and operation of the canal by American authorities? 2. Do the new treaties protect the investment of 4.9 billion dollars made by United States taxpayers between 1904 and 1966? 3. Do the new treaties put American and free world interests ahead of passing consideration of Panamanian politics? 4. Do the new treaties provide for a de-

fense agreement which would provide protection equal to that the United States now enjoys?

"Thurmond said the Johnson administration has not yet presented the slightest case demonstrating the need for new treaties. He said he would use the text revealed by The Tribune to fight the treaties until they are provided to members of the Senate shortly before the ratification debate.

" 'These treaties justly ought to go down in history as the Johnson treaties,' said Thurmond. 'President Johnson initiated them, and is responsible for their contents. If they are approved by the Senate, a profound change will come over the operation of the canal.

" 'The President may well be judged in future generations by the soundness and workability of a new and untested concept—the concept of whether the canal can still serve United States interests if it no longer is operated under the direct control of our nation.' "

The furor caused by the publication of the treaties by the Chicago Tribune and their exposure by Senator Thurmond was so great that President Johnson did not submit them to the Senate for consideration for ratification, and they were rejected by the government of dictator Omar Torrijos in 1970, notwithstanding that they were lavishly beneficial to Panama in their terms of surrender by the United States.

Notwithstanding the debacle of the Johnson Administration's attempt to negotiate new Panama Canal treaties, President Nixon reestablished negotiations with Panama during 1971; and nothing much in the way of progress took place until 1973, when Ellsworth Bunker was appointed U.S. ambassador and chief negotiator. Thereafter, on February 7, 1974, Secretary of State Kissinger initiated the joint statement with Juan Antonio Tack, Minister of Foreign Affairs of the Republic of Panama in Panama City, covering eight principles to serve to guide the negotiators in the effort to conclude proposed new treaties.

President Ford took office on August 9, 1974. In an article in the Washington Post on May 19, 1976, titled: Panama: Ford Gave Pledge," it is stated in the first paragraph as follows: "The day Gerald Ford was sworn in as President, he assured Panama's Gen. Omar Torrijos in writing that the treaty talks would continue under the 1974 guidelines that call for the eventual transfer of the Panama Canal to Panama and elimination of a permanent U.S. interest in it, according to a member of the Panamanian negotiating team (Carlos A. Lopez-Guevara). The Panamanian official said the assurance was contained in a letter to Torrijos delivered by Ambassador Ellsworth Bunker, head of the U.S. negotiators." Ambassador Bunker, on April 7, 1976, during hearings before the Panama Canal Subcommittee of the Committee on Merchant Marine and Fisheries, House of Representatives, testified that President Ford had on several occasions in writing specifically directed the State Department on the conduct of the current treaty negotiations with Panama.

These intensive activities by President Ford in furthering the negotiations on new treaties with Panama raise serious questions, when compared to his vehemently expressed opposition to the Johnson negotiated proposed treaties, especially in view of the greatly increased communist activities in the whole Caribbean area.

Opponents of the current treaty negotiations, since they involve surrender to Panama of the people's sovereignty over the Canal Zone and Canal, are convinced that the present negotiations should be terminated, and that the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere.

Thus, from its very inception, the Ford Administration has been fully committed to an unauthorized and abject surrender of the sovereign rights of the American people over the Canal Zone.

Under our system, sovereignty resides in the people; not in the President, nor in the Congress, to be negotiated away without their consent.

Several national polls indicate that more than 80% of our people oppose surrender of U.S. sovereignty over the Canal Zone. 38 Senators and 164 members of the House have co-sponsored resolutions against surrender, and the number in both Houses is somewhat greater, especially in the House where substantially more than a majority oppose surrender.

Ambassador Bunker, in his address to the World Affairs Council, Los Angeles, California, on Dec. 2, 1975, said: "No effort to improve our policy concerning the Canal can succeed without full understanding and support of the Congress and the American people." Even had no political controversy concerning surrender to Panama taken place, the State Department's hope to persuade a majority of our people to support its proposed surrender plan would have failed; now the number of opponents has grown considerably and their opposition has solidified, until it is now evident that no amount of persuasion could result in support of the State Department's blueprint of surrender.

The Ford Administration's blueprint for surrender was exposed on October 6, 1975 by Rep. Daniel Flood, one of the nation's foremost authorities on canal matters, when he placed in the Congressional Record for all to read the exact texts of three "Conceptional" treaties negotiated in Panama by U.S. Ambassador Ellsworth Bunker with representatives of the Marxist government of Panamanian dictator, Omar Torrijos. The same three proposed treaty drafts were placed in the Congressional Record in the Senate by Senator Helms (R-N.C.).

Not one word as to these startling disclosures appeared in the news media. Had even one large newspaper or one radio-television network given this disclosure the coverage to which it was entitled, the result would have shocked the American people in the same manner and to the same degree as did the exposure of the Johnson Administration's proposed surrender treaties by the Chicago Tribune in 1967.

Not only is President Ford's determination to "give-away" this valuable United States strategically essential national defense asset ill-advised, dangerous and unjustified; but, under Secretary of State Kissinger's insistence last fall, through the National Security Council, the President silenced the Joint Chiefs of Staff from expressing any opposition to the Administration's plans to the Congress, and thus to the American people.

To further its surrender plans, our State Department would have us believe that the Canal Zone is really Panamanian property; that the U.S. pressured Panama into giving us the Canal Zone in 1903; and that the U.S. is exploiting Panamanians, robbing them of Canal operating profits that are rightfully theirs.

The truth is that the United States never has been, and certainly is not now, a squatter occupying the Canal Zone. Instead, it is the Canal Zone's lawful owner, with full sovereign rights, power and authority over the Canal Zone and the Canal, established in three treaties with Panama, the 1903 treaty and its revisions in the treaties of 1936–39 and 1955, and twice, in 1907 and 1972, so recognized by the United States Supreme Court.

These sovereign powers were first properly acquired in the 1903 treaty from Panama—a treaty urged upon the United States by those who led Panama to her independence from Colombia, for the very purpose of establishing the Canal in their country, rather than to have it go through Nicaragua, then seriously under consideration in the United States Congress.

Sovereignty is supreme and independent power as opposed to dependent and conditional power. In order to make the tremendous investment required to build the Panama Canal, the United States had to have authority to do what was necessary and to insure the security of its investment. It received sovereign powers from Panama by treaty, paying Panama and paying all individual owners for the land and property acquired in the Zone. It received these sovereign powers in perpetuity. Nothing of Panamanian ownership was left within the Zone.

This is a United States Canal, not a Panamanian canal. The United States has operated it not as a trustee for Panama, but as a trustee for the world commerce served by the Canal, although Panama is by far the greatest single beneficiary.

Through the years, the United States has sought to maintain good relations with our Panama neighbors. We have, through treaties, increased dollar payments to Panama, have returned outlying land and easements, considered by the United States no longer required for the defense of the Canal, and, in mistaken gestures of friendship, we have authorized the flying of the flag of Panama alongside the United States flag in the Canal Zone.

Panama received in 1974, directly or indirectly, from the United States as the result of Canal operations, more than $236 million, an annually increasing amount. It received $342 million in foreign aid from the United States for the years 1947 through 1974. All of this, resulting solely from the Canal presence, gave to Panama with its population of about 1.63 million people, about the size of Detroit, the highest per capita income of any nation in Central America and one of the highest in Latin America.

Within the past decade, with the intensification of Marxist revolutionary activity throughout Latin America, the Government of Panama has mounted a campaign to have the United States give up its sovereignty in the Canal Zone. In January, 1964, costly rioting in Panama was accompanied by Red-led mob attacks on the Canal Zone. Canal service was not interrupted because United States forces in the Zone were able to repel the attacks.

Some high United States officials have argued that the United States can give up its sovereign powers and return the Canal Zone to Panamanian jurisdiction, keeping by treaty only the right to operate and defend the Canal. They ignore history and the realities of world power.

If the United States were to give up sovereignty and depend upon a treaty to support its presence in the Isthmus of Panama, it would merely have the same type of insecure status which Britain had before it was evicted from the Suez Canal. Were we to surrender our sovereign power over the Canal Zone, the Soviet Union would be glad to negotiate a new treaty with Panama to provide for the operation and defense of the Canal, under Soviet control. And who, except the sovereign has a right to decide how this territory will be defended?

The Canal Zone is the United States Canal Zone, bought and paid for by the United States The proposition that a sovereign who alienates his territory has a "right" to take it back is legal nonsense.

In London, on BBC, March 1, on the Buckley "Firing Line" program, while being interviewed by very distinguished British journalists, including Malcolm Muggeridge, Aleksandr Solzhenitsyn said:

"There was a time at the beginning of the Fifties, when nuclear threat hung over the world, but the attitude of the West was like granite and the West did not yield. Today this nuclear threat still hangs over both sides, but the West has chosen the wrong path. You can be taken simply with bare hands. Why on earth, then, should one have nuclear war? If you have raised your hand and are giving in, why have nuclear war? They (Soviet Russia) will take you, simply like that, without nuclear war."

Writing in Le Monde, May 31, 1975, Solzhenitsyn said:

"The victorious Western nations have transformed themselves into vanquished nations, having ceded more countries and peoples than have ever been ceded in any surrender in any war in human history. That is why it is not speaking metaphorically to say: The Third World War has already taken place and has ended in defeat. . . . Two or three decades of peaceful coexistence (or detente I might add) as glorious as the last ones and the very concept of the West will vanish from the face of the earth."

On the opening day of the present session of Congress, Assistant Senate Majority Leader, Robert Byrd said: "Everywhere I look America is in retreat." It certainly is!

The reality is that the United States must continue to operate and defend the Canal and that sovereignty in the Canal Zone is essential to the performance of that task. Panama's sovereignty is untrammeled in its own jurisdiction, just as that of all other countries. When it casts covetous eyes on the United States Canal Zone, we must have leaders with the courage and vision to reply to demands for weakening our sovereign control over the Zone territory with always a resounding "NO!"

The strongest substantive reasons support the necessity to terminate the present negotiations and to substitute for them the completion of the modernization program in the best interests of all concerned. Such action will also serve as the catalyst for a return of competent national leadership, and the restoration of the national will, so needed for the future security of our country.

DO CONSUMER CREDIT REGULATIONS PROTECT THE CONSUMER?

Mr. GARN. Mr. President, many in this body have decried regulatory overkill. One area where there is an overabundance of regulation is in consumer credit.

Critics of much of the consumer credit regulation feel that many consumers have been disadvantaged rather than helped by this recent proliferation of Federal rules.

For example, Robert B. Norris, general counsel of the National Consumer Finance Association, pointed out in an article appearing in the May 28 issue of the American Banker that burdensome credit regulations have caused creditors to limit the availability of credit disadvantaging the marginal consumer.

Philosophically, regulation of consumer credit is designed to improve the bargaining position of the consumer to make it equal with the position of the seller, but it does not always work out that way. Legislation is too often based upon a few isolated situations which frequently do not reflect what is really happening in the marketplace. This places burdens upon creditors to prevent nonexisting situations. Lenders adjust their activity to restrict credit. Thus we see large and small retailers abandoning their own credit plans and going to bank credit cards. This limits the sources of credit available to the consumer.

A good example of such regulations may be seen in the Federal Trade Commission's rule abolishing the holder in due course doctrine. Mr. Norris feels that the FTC rule was not predicated upon realities, but on the notions of individuals bent upon imposing their perception of how the marketplace should operate.

The nonelected bureaucrats at the Federal Trade Commission nullified norms of commercial behavior that have been conscientiously authorized by State legislatures across the country. It cannot be said that these norms of commercial behavior are inconsistent with public policy or the moral and ethical standards of the communities which have specifically adopted them.

For example, the rule overrides provisions of uniform statutes such as the Uniform Commercial Code which had been the product of long and painful studies and of intensified public scrutiny and debate.

Unfortunately, for the consumer this rule may have the effect of limiting the availability of credit.

Because of the timeliness of this article, I request unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSUMER CREDIT REGULATIONS DESIGNED TO IMPROVE CONSUMERS POSITION

(By Robert B. Norris)

I recently happened to watch on television the CBS program, "60 Minutes," a substantial part of which was devoted to governmental regulations, and in particular, the regulations imposed upon a small midwestern town of about 200 families by the Environmental Protection Agency, directing that small town to construct within the next year or so a sewer system.

It seems that in that particular town, the residents of which could hardly be regarded as affluent, a septic tank system had been used for years. However, EPA investigators reported that this system was causing pollution in a nearby river. Now, no one favors pollution, but the cost of constructing the required sewage system and hooking it up to the limited number of homes far exceeded the total market value of the real estate within the corporate limit of the town.

This particular segment of the program was preceded by three short 10 to 15 second news clips of campaign speeches by President Ford, Governor Carter and Senator Jackson, all of whom were depicted as denouncing the proliferation of government regulations and red tape, and in particular, the enormous cost of compliance with regulations issued by various governmental agencies. Thus, it appears that it is politically advantageous to denounce the massive expansion of governmental control by regulations. Yet for some reason the proliferation continues.

On March 4, Senator Javits of New York caused to have printed in the Congressional Record a recent article from the New York Times Magazine entitled "Legal Pollution" by Thomas Ehrlich, and currently president of the Legal Services Corporation. Although the points and suggestions made in that article are somewhat broad, they do seem to apply to the expanding Federal regulation of consumer credit and provide some insight for the reasons for the proliferation of regulation. He wrote:

"More and more legal pollution is ologging the everyday affairs of all of us. Thickening layers of legalism seem to surround our lives. We have far too many laws; we rely too heavily on law as an instrument of social change; we depend too much on courts, legislatures and administrative agencies to resolve our woes. The statistics are staggering. From 1960 to 1974, the country's population increased by about 17%, but the number of Federal court cases rose by about 60%, from 90,000 to 143,000 and the number in state courts was many times higher. Courts have been steadily spreading their mandates in areas previously viewed as private preserves. Judges are called upon to grapple with problems far beyond their abilities, let alone their expertise. If courts are called upon to pass on every issue of social policy, they will not be able to handle matters for which they are uniquely designed. Legislatures can be an even more serious source of legal pollution than the courts. The motives behind . . . legislation (are frequently) impeccable. But sloppy thinking and careless drafting may (produce) a mess. Passing laws and regulations cannot solve most of society's problems. Yet the basic cause of legal pollution is not too many lawyers but too much law. Much of the problem is rooted in the public expectation that adjudication is the answer to every dispute and that a statute or regulation is the solution to every unmet need.

"Legal pollution is largely a result of political processes that put a premium on rhetoric, and of legislatures and agencies that pass laws and rules without adequate regard for problems of implementation."

In acknowledging the fact that it is "easier to identify the symptoms of legal pollution than to suggest cures," Dean Ehrlich did advance one approach which he referred to as "a legal impact statement" as a prerequisite to any proposed new legislation or administrative regulation. The statement would examine the legal costs involved in implementing the proposal. The purpose would not be to discourage desirable change but to insure that the full costs of the proposal in terms of potential legal pollution are considered."

Philosophically, regulation of consumer credit is designed, among other things, to improve the bargaining position of the consumer so as to make the position between the consumer and seller-creditor as equal as possible. Bringing about this equality, theoretically, will enhance competition and increased competition among those offering goods and services will result in a reduction of costs which will, of course, benefit the consumer.

It follows that this increased ocmpetition is essential to the vitality of the free enterprise system. The problem with much of the legislation and regulation affecting consumer credit, however is that it is based on a few isolated situations which frequently do not reflect in a meaningful and accurate manner what is really happening in the market place.

Thus, in order to cure a few alleged isolated abuses, the leigslation and regulation, in fact frequently impose undue burdens on creditors to prevent what is essentially a non-existent situation.

These additional costs to operations squeeze the profit margin and invariably result in higher costs. With specific reference to the consumer credit industry, I believe that it is well established that when additional regulations are imposed on this industry, lenders simply adjust their activities by limiting the class of borrowers or by increasing the price tag or by a combination of these two measures. It is becoming increasingly apparent that retailers, especially the smaller and medium-sized retailers, have abandoned their own credit plans for bank cards because of the substantial increase in the cost of doing business as well as the exposure to liability resulting from such consumer protection measures as Truth in Lending, Fair Credit Billing and Equal Credit Opportunity. The anticompetitive effect of the concentration is obvious.

One of the best examples of which I am aware of regulation gone wild was the FTC's recent announcement of the investigation of the indoor and outdoor plant industry with an eye toward the ultimate promulgation of a Trade Regulation Rule which would require sellers of such plants to put labels on them setting out certain information which the Commission believes consumers need to know. In his dissent, from the instituiton of this investigation, former Commissioner Mayo J. Thompson stated:

"A majority of this Commission has today approved a broad investigation of the country's plant industry, an inquiry designed to determine whether we should promulgate a Trade Regulation Rule requiring that all plants sold in the country henceforth carry a label disclosing the identity, toxicity and "care" directions appropriate to each such member of the plant family. Believing as I do that a decorating of the nation's plant life with a set of bureaucratically order "care" tags will have about as much usefulness to the American public as a pair of socks on a rooster. I cannot join in this decision and must therefore respectfully dissent."

Although no figures were or are available as to how much this investigation would cost the Commission, Mr. Thompson concluded that the cost of this program, if implemented, would be substantial and result in little or no benefit to the public at large.

For all intents and purposes the Federal regulation of consumer credit commenced with enactment of the Truth in Lending Act in 1968, and from 1969 on, all creditors have been painfully aware of the expanding federal regulation. Ironically, the consumer finance industry has always been the most extensively regulated industry among financial institutions at the state level. As a matter of fact, many authoritative individuals believe that our industry has had an easier time achieving compliance because of its long experience of stiff regulation at the state level.

I am convinced, however, that the original authors of the Truth in Lending Act had absolutely no idea of the problems which would be created by passage of that Act. Essentially the goals of the Act were to bring about a uniform method of disclosure of credit terms so that the consumer could be able to compare more readily credit terms applicable to him. Simplicity was the key.

However, once the Federal Reserve Board promulgated Regulation Z to implement the Truth in Lending Act, complexity, hypertechnicality, and detail were substituted for simplicity. Although I am certain that many of the goals of Truth in Lending have been achieved, no one could have anticipated the amount of litigation from the veritable chaos of technical language of the Act and especially Regulation Z. There are many who have good reason to believe that the obvious intent of Congress to set standards to achieve meaningful Truth in Lending has been subverted.

With respect to consumer protection legislation, Congress next enacted the Fair Credit Reporting Act. This was the first comprehensive Act designed to regulate the personal information market which can be defined as "an area of the private sector of the economy within which financial, public record, and reputational information about identifiable individals is gathered and disseminated on a regular basis for purposes of commerciality related decision-making."

However, unlike the rest of the so-called consumer protection legislation, the Fair Credit Reporting Act is self-enforcing and no governmental agency was given the authority to write rules or regulations to implement its provisions. As recently as Thursday, May 6, members of the Senate Banking Committee during the mark-up of Committee Print No. 2 of S. 1840, Amendments to the Fair Credit Reporting Act voiced their strong opposition to a section of that bill authorizing the Federal Trade Commission to issue regulations to implement the Act.

Subsequently, Congress enacted the Fair Credit Billling Act which was designed ostensibly to improve the machinery by which consumers would be able to question and have billing errors corrected. Anyone in this room who has questioned a bill and received an inadequate response from a computer understands how this piece of legislation got into the books. Again, the motives behind the Fair Credit Billing Act were laudable. The Federal Reserve Board was required to issue regulations to implement the Act, and last September it promulgated an amendment to Regulation Z to implement the provisions under the Fair Credit Billing Act.

Those regulations cover some 59 typewritten pages and anyone who is familiar with them, I believe, would agree that they are complex and detailed almost to the point of subverting the original purpose of the Act itself.

Next came the Equal Credit Opportunity Act which was designed to prohibit discrimination in credit transactions on the basis of sex and marital status. Once again, the Federal Reserve Board was required to issue implementing regulations. Although I am satisfied that the Board and its staff attempted to accommodate both consumers and creditors, these regulations are indeed highly technical and complex. A virtual avalanche of explanation has resulted.

Common to all of this legislation and regulation are provisions for civil penalties. This has resulted in a tremendous amount of litigation under Truth in Lending. Most individuals familiar with the consumer credit industry are convinced that in time, litigation under Fair Credit Billing and Equal Credit Opportunity will be substantial, notwithstanding the fact that most creditors are striving to comply in every respect and that when violations are detected, they are hypertechnical in nature and unintentional in design.

I have briefly discussed some of Federal legislation and regulation of the consumer credit industry. Most significant to that discussion is the fact that this regulation emanated directly from Congress. The legislative process, although not altogether perfect, affords those affected with an opportunity to express themselves at hearings. Invariably, when legislation of this type emerges from the Halls of Congress, it reflects compromise inherent, in the legislative process.

I now intend to discuss in the time remaining a somewhat novel development in the Federal regulation of consumer credit. I do not like to sound like an alarmist but I must confess to you that I am indeed alarmed by the activities of the Federal Trade Commission, especially since passage of Magnuson-Moss. I am concerned that the form of regulation imposed by the Commission will not be predicated upon the realities of the situation, either societal or economic, but rather upon the notions of individuals bent on imposing their perception of how the marketplace should operate.

The regulation of the industry by the FTC will be accomplished essentially by rule-making. Perhaps we should pause for a moment and briefly review the history of the awesome power to promulgate an industry-wide trade regulation rule having the effect of an Act of Congress. Through rule-making, the Commissioner has the potential power to regulate virtually every aspect of the consumer credit industry. Although the Federal Trade Commission Act was enacted in 1914, it was not until the late 60's and early 70's that the Commission seriously maintained that Congress had delegated to the Commission the statutory authority to promulgate industry-wide-trade regulation rules having the effect of legislation.

Each time such rules were proposed, Congress stepped in and specifically authorized that authority to each specific industry leaving the delegation of that authority unquestioned. However, with the now famous Octane Rating case, the Commission sought to assert this power by judicial fiat. It succeeded, because although the United States District Court for the District of Columbia had held that Congress had not delegated such statutory authority to issue trade regulation rules, the United States Court of Appeals for the District of Columbia reversed the District Court and held that in fact, the 1914 Act had conferred upon the Commission such authority. With the denial of a Writ of Certiorari by the Supreme Court, the judicial affirmation of this authority was complete. These events placed those who were and are concerned about the awesome power vested in five non-elected Commissioners to regulate virtually every sector of the private economy in a dilemma, because at the same time this litigation was moving through the Courts, proponents of a strong statutory grant of rule-making were actively pursuing this course in the Halls of Congress. Thus, when faced with the judicial affirmation of this power, the FTC watchers in Washington moved to somehow build into the FTC's rulemaking powers certain procedural and substantive protections including a right of cross examination, the right to judicial review and so forth. Thus, although the rule-making provision of the Magnuson-Moss Act did not appear to be a particularly attractive alternative, it nevertheless was better than the unfettered power the Commission obtained by virtue of the decision in the Octane Rating case.

It would appear the Commission instends to expand its jurisdiction to every corner of the marketplace, even to the extent of abolishing in a single sweeping stroke, long standing state laws and practice in the consumer credit field. In a staff report to the Commission, it was asserted that validly issued trade regulation rules are a part of the supreme law of the land and that state law will be pre-empted by such rules whenever a situation of repugnancy exists between those rules and the laws and regulations of a state, even though state law may advance legitimate state purposes.

If that statement sends a chill through you, the FTC staff also asserted in more positive language "that the Commission has the clear power to strike down state law in the process of regulating unfair trade practices. It need only state clearly its intention to occupy a field to the exclusion of state interference and all state law in that field will fall to the extent that the subject matter is reachable under the Commission's jurisdiction."

If any one provision of Magnuson-Moss affords any consolation whatsoever, it is the fact that the consumer finance industry and other financial institutions subject to the jurisdiction of the FTC have gained a valuable ally in the banking industry. By virtue of a compromise worked out on the floor of the Senate on the very day Magnuson-Moss was enacted by the Senate, the Federal

Trade Commission secured indirect jurisdiction over banks. During the deliberations which culminated in the enactment of Magnuson-Moss, it was urged that the exemption from the jurisdiction of the FTC granted banks should be repealed. It became increasingly clear to the members of the House and Senate Commerce Committees that to continue unabated the exemption granted banks would constitute discrimination and create an anti-competitive situation among competitors inasmuch as one set of regulations issued by the FTC would apply to all financial institutions except banks—notwithstanding that all these competitors operate in much the same way in connection with consumer credit transactions and consumer protection regulations.

As the Senate bill emerged from the Commerce Committee, the exemption granted banks, which was part of the original 1914 Act, was removed. When this became apparent to the banking industry steps to reverse this turn of events were undertaken. The Senate Banking Committee led the fight and what emerged was a compromise which essentially provides that the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit Insurance Corp. will establish within each of its agencies their own separate division of consumer affairs to receive and take appropriate action upon complaints with respect to alleged unfair or deceptive practices by banks.

Magnuson-Moss also provides that when the Federal Trade Commission issues a trade regulation rule applicable to financial institutions, the Federal Reserve Board is required to issue within 60 days of the promulgation of the Federal Trade Commission's rule, a "substantially similar" rule prohibiting banks from engaging in those activities proscribed by the FTC's rule unless the Board finds that such acts or practices of banks are not unfair or deceptive or implementation of similar regulations with respect to banks would seriously conflict with monetary and payment systems and the Board publishes such findings in the Federal Register.

At this point, I would like to call your attention to a most interesting problem pertaining to Magnuson-Moss and its application to the banking community. As you are aware, the Trade Commission issued a final rule on Holder in Due Course on November 14, 1975. This final rule, however, was promulgated under pre-Magnuson-Moss rulemaking procedures. Magnuson-Moss also provides that when a rulemaking proceeding is "substantially completed and presumably a record made to support the rule, Magnuson-Moss procedures need not be followed.

However, on the very same day that the final rule on Holder in Due Course was issued, the Commission issued a proposed amendment to that final rule, in a sense, piggybacking upon the final rule a proposed amendment which would extend the rule's coverage to both sellers and leaders, generically referring to all as creditors.

Clearly this involved the banking community. Because the banks were not subject to the jurisdiction of the FTC and are only now subject to the jurisdiction of the FTC indirectly, the banks, in the pre-Magnuson-Moss proceedings pertaining to Holder in Due Course, which commenced in 1971 and ran through November 1975, never took a particularly active role in those proceedings.

Thus, it could be argued that the banks were denied an effective opportunity to participate in the development of the final rule, and have only since participated in the proceedings on the proposed amendment to that rule.

Since it is impossible to separate out the proposed amendment to the rule from the final rule itself, the banking community is now confronted with a final rule with which it had little or no opportunity to comment upon.

At the risk of stating the obvious, I believe it would be appropriate to reassert that the Federal Trade Commission has traditionally functioned as investigator, prosecutor, judge and enforcer, but all in the adjudication framework culminating in a cease and desist order. However, with the holding by the Circuit Court of Appeals for the District of Columbia in the Octane Rating case and the denial of review by the Supreme Court of the case coupled with the passage of the Magnuson-Moss Act, the Commission now functions through its five non-elected officials as a legislative body with virtually unprecedented authority over the entire private sector of the economy even to the extent of possibly having the authority to strike down state statutes and state constitutional provisions as well as Acts of Congress itself.

Section 5 of the FTC Act as amended authorizes the Commission to issue rules which define and proscribe acts and practices which it concludes are unfair or deceptive to consumers. Essentially, under this authority the Commission may prohibit three different types of alleged illegal acts or practices in or affecting commerce: (1) Acts or practices that constitute "unfair methods in competition." Anti-competitive commercial practices, the original target of the FTC Act and a significant focus of Federal regulatory efforts, since 1890, have received much attention in the Commission's administrative proceeding and in judicial review of the Commission's determinations.

The core of the concept of unfair methods of competition continues to remain conduct that is within the specific prohibitions of the anti-trust laws. The touchstone of this activity are acts or practices in restraint of trade. (2) Acts or practices that are "deceptive."

Deceptive acts or practices may have an adverse effect on competition, and to that extent have a direct bearing on unfair methods of competition. Such acts or practices possess certain characteristics that identify and speak for themselves. The common law has recognized deceit and misrepresentation as unacceptable conduct in commercial dealings. Public policy is unambiguously and unanimously opposed to deception. Much of the Commission's attention over the last three decades has been directed toward defining and eliminating "deceptive practices." Its premise has been that the free flow of accurate consumer information is necessary for the efficient operation of the market—a premise with which few would argue. For example, to misrepresent the characteristics of a particular product is a deception which should be enjoined. Under this broad, but workable and comprehensible standard, the Commission has increased access to accurate marketplace information and has therefore substantially benefitted consumers. (3) Acts or practices which are merely "unfair." Insofar as "unfair" acts or practices are concerned, there is no fixed standard, especially when viewed in light of the vast body of statutory case law interpreting the anti-trust laws and by the general public disapproval and rejection of commercial deception. There is clearly no clarity or unanimity of opinion regarding practices which the Commission may challenge on the sole basis that they are "unfair." Unfair to whom and by what standard? The concept has neither the self-defining properties by which "deceptive" acts or practices are commonly recognized, nor the rich history of litigated decisions by which the principles of anti-trust law have been developed and particularized. What seems unfair to one man may very reasonably appear to be a constructive and equitable balancing of conflicting needs of public policy to another. With respect to the unfair standards, until recently, the Commission has stressed the importance of public policy as established by statuory and common law.

It has further acknowledged the significance of certain moral and ethical standards and whether or not the challenged activities caused injury to consumers or competitors or other businessmen. But with respect to the proposed trade regulation rule on credit practices, the Commission now proposes to nullify norms of commercial behavior that have been consciously authorized by the states and municipalities across the country. Surely it cannot be said that these norms of commercial behavior are inconsistent with public policy or the moral and ethical standards of the communities which have specifically adopted them.

This proposed rule would override provisions of uniform statutes such as the Uniform Commercial Code which, as all of you know, are the product of long and painful studies and of intensive public scrutiny and debate even before they reached the several legislators.

There are, moreover, provisions of the Code and other statutes that the Commission would override, that Congress, the very source of the Commission's power, has enacted in its capacity as the legislature for the District of Columbia. In these circumstances, the Commission's proposed Trade Regulation Rule on credit practices assumes on its part, a degree of wisdom and sensitivity to what is "fair" and "unfair" that rises above its sources and evinces, at the very least, supreme self-confidence.

The Commission also claims that certain sanctioned practices are "oppressive" or "unscrupulous," or cause "substantial injury to consumers." But it seems far-fetched to me to accept that the Commission may act on such findings under its very general delegation of authority that particular commercial practices, specifically sanctioned by state law in a field that has been largely left to state regulation, are generically unfair because in some manifestations they may be perceived by the staff and the members of the Commission as oppressive, unscrupulous or injurious.

Much of what I have previously said pertaining to unfair standards and its application to the proposed Trade Regulation Rule on credit practices raises several fundamental questions which I believe should concern all of us. Did Congress in Magnuson-Moss delegate to the Commission the statutory authority to issue industrywide Trade Regulation Rules which would in effect override and strike down long standing state laws? As a corollary to that question, did Congress really intend such a delegation of such authority? And perhaps even more fundamental is whether this exercise of rule-making authority especially as the Commission perceives its new role, prudent and consonant with the principles of government embraced by the Constitution?

These are the questions which, I am convinced, must ultimately be resolved by the Judiciary, and probably by the Supreme Court. In the meantime, however, if the Commission extends itself too far into areas traditionally reserved to the States, Congress itself may act to curb this expansion of authority.

THE POTENTIAL OF SOLAR ENERGY

Mr. PERCY. Mr. President, I want to bring to the attention of my colleagues a recent editorial from the Washington Post entitled "Letting the Sunshine In."

The article supports the recent large congressional authorizations and appropriations for solar energy research, development, and demonstration. These authorizations and appropriations are much greater than the administration requested. In approving Congress leadership in this area, the article makes a number of key points.

First, the article emphasizes that solar heating and cooling are no longer elusive dreams. The obstacle to further development is only a lack of commercialization efforts. The article states:

> The immediate limitation is not inadequate technology but rather inadequate industrial infrastructure. The manufacturers need the capability not only to make the equipment on a large scale but to distribute, install, and service it as well. Some of the new money for ERDA will go into attempts to pull the new solar industry rapidly through that phase of growth.

Second, the editorial sees solar energy as providing both an opportunity to lessen our dependency on imported oil and also an opportunity to "reduce the need for massive and rapid expansion of nuclear generation."

Third, although the article endorses solar energy as a facet of national energy policy, it warns against undue optimism. The editorial states:

> The promise of solar power does not remove the prospect for higher energy prices ahead, or the need for much more serious conservation.

Finally, the article points out that continued price controls on oil and gas retard the development of solar energy:

> The longer Congress holds the prices of oil and gas artificially low, the less need most Americans will see for installing solar heaters in their houses.

Mr. President, I welcome the arrival of solar technology as a step toward an economy and a society fueled by renewable energy sources. To help familiarize residents of my home State with the potential of this new source of energy, I am making plans to hold a workshop on solar energy in Illinois later this year. It will, I hope, be the first of a series of workshops on various energy sources.

I ask unanimous consent that the editorial entitled "Letting the Sunshine In," which appeared in the Washington Post on June 26, 1976, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LETTING THE SUNSHINE IN

The most appealing new source of energy is the oldest source of all: sunshine. Congress is now in the process of forcing the administration to speed up dramatically the development of solar heat and power. Of all the collisions between Congress and the White House over energy policy, this one is among the most useful. For here Congress is on exactly the right track.

The President's budget asked a rather modest $160 million for the Federal Energy Research and Development Administration's solar work over the coming fiscal year. The House Science Committee recommended authorizing $227 million. Instead of paring it down, the House voted—in a resolution with 80 sponsors—to increase it by another $116 million. Congress sometimes votes huge authorizations merely as an expression of good will and best wishes, with no intention of actually providing the money. But in this case the House last week voted to appropriate $309 million. The Senate seems to be moving in the same direction. And all of this is happening despite the tight control Congress has put on spending this year.

What can the country expect to get for this surge of new money for solar development? Solar technologies fall into two broad categories—those that heat and cool buildings and those that generate electricity. They are proceeding at quite different rates.

Heating and cooling by sun power is already here. There are probably more than a thousand buildings of various sorts and sizes, throughout the country, that are using it to one degree or another. The availability of equipment is increasing rapidly; a recent federal survey counted 130 companies that are manufacturing it. The immediate limitation is not inadequate technology but rather inadequate industrial infrastructure. The manufacturers need the capability not only to make the equipment on a large scale but to distribute, install and service it as well. Some of the new money for ERDA will go into attempts to pull the new solar industry rapidly through that phase of growth.

Solar generation of electric power is further off than home heating and cooling. By most estimates, commercial power generation by the sun will become a possibility some time in the 1990s. Here a great deal of engineering research still needs to be done. But, once again, there is good reason to shorten the time that normal commercial development would require. Solar heating and cooling systems help the country meet an immediate danger—steadily rising imports of oil from countries that continually threaten to use the oil weapon again. Solar electricity, in a longer future, can reduce the need for massive and rapid expansion of nuclear generation. The congressional votes on the solar energy appropriation are one of the more constructive manifestations of this country's concern about the next generation of plutonium breeder reactors.

But there is a certain danger that Congress will get carried away with the rosy glow of a world bathed in nothing but sunshine. Some congressmen already seem to think that they are buying an easy substitute for a national energy policy. It's not quite that easy. The promise of solar power does not remove the prospect for higher energy prices ahead, or the need for much more serious conservation. On the contrary, the longer Congress holds the prices of oil and gas artificially low, the less need most Americans will see for installing solar heaters in their houses. As for conservation, it is still this country's most accessible and safest energy resource. Even the most optimistic prospects for solar energy over the next decade represent only a fraction of the energy to be saved by a cautious and moderate attempt at conservation.

A PROFILE ON SENATOR MANSFIELD

Mr. HARRY F. BYRD, JR. Mr. President, the Christian Science Monitor of June 10, 1976, published an excellent profile on the able and splendid majority leader of the Senate. Its caption tells the story: "Mansfield: A Low-Key Rock of Integrity."

I ask unanimous consent to have printed in the RECORD the article by Louise Sweeney.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANSFIELD: A LOW-KEY ROCK OF INTEGRITY

(By Louise Sweeney)

WASHINGTON.—When Mike Mansfield closes the double mahogany doors of the Senate Majority Leader's office for the last time, it will be with a soft click and not a slam. That's the style of the quiet man from Montana who is retiring after 34 years in Congress.

To give an idea of how quietly he treads the corridors of power, there is this story, which Republican Sen. Charles McC. Mathias of Maryland tells: It's about how Mr. Mansfield stirred some bipartisan political cream into a breakfast with the President:

Senator Mathias tells it reluctantly, grinning, "I don't suppose it hurts to say this today. . . . When I was running for re-election in '74, as a good Democrat, Mike couldn't do anything that would be overtly helpful to me. . . ." But Senator Mansfield did help.

When Gerald Ford was brand-new as President, the Majority Leader invited the President to the Mansfield home for an intimate breakfast, just the President, Mansfield, a Democratic Senator—and Mathias.

A DIFFICULT SITUATION

"It was a kind of rapproachment between the Majority Leader of the Senate and the new President who had arrived on the scene under very difficult conditions," Senator Mathias remembers.

"Obviously when the President arrives at Mansfield's house, that is covered by the press. And what more eloquent way can Mike have of getting a message across, than inviting you to come on that very special occasion to his house, and yet one which was perfectly proper, no one could object to it."

Michael Joseph Mansfield has been one of the two most powerful men in Congress for a decade and a half, but he feels about power as he felt about fresh peaches in his youth: he doesn't like the taste of it. Too much fuzz.

"I've never felt I was powerful or I had power. I always felt I was one of 100 members and that I was as good as the next one, but no worse. And the power that came to this job I diffused through others, through committees."

It is said of Mike Mansfield that "when he succeeded Lyndon Johnson, everybody in the Senate grew an inch." He says simply of LBJ and himself: "He was vigorous and I was retiring; he was an extrovert, I was an introvert." Those who applauded LBJ as the consummate ringmaster, flicking the whip often, have criticized Mr. Mansfield for not leading forcefully enough. A Washington Post editorial criticizes his "liberality that has involved a kind of abdication" of strong leadership.

SINCE FDR'S DAY

But no one questions the integrity, honesty, or fairness of this Washington landmark. Interviewing Mike Mansfield is like interviewing a mountain. Mount Mansfield is just there, a tall, looming, craggy presence, casting his shadow over Washington ever since FDR's day. The familiar face is spare, high-cheek-boned, lined, so quiet it is almost expressionless. Until you notice the glints of wit and emotion, like flashes of mica in a rock.

There is a glint now in the gray-blue eyes as he's asked about President Ford's decision not to use the word "detente" any more. "Oh, yes we are! It's a good word. It's in the dictionary and you can't abolish a word with a wave of the hand as Canute tried to abolish the tide with a wave of his spear or trident. The word's there. The meaning is clear."

Senator Mansfield, a prime mover and shaper on the Senate Foreign Relations Committee, was considered a neo-isolationist at one point. He says the word isolationism is still there, too, "but the idea has become outmoded . . . we're not veering back toward isolationism, if for no other reason than the fact that it is impossible to be isolationist in the world in which we live. . . .

"There's hardly a place in the world where you don't know within an hour any event that's happened there . . . we *have* to live with one another. . . ."

SELF-RELIANCE LEARNED EARLY

But Mike Mansfield himself has always had the self-reliance of a loner. He grew up like an orphan after his widowed, Irish immigrant father, a New York hotel porter, shipped him off to Great Falls, Montana, to live with an aunt. But young Mansfield ran away from home at 14, joined the Navy, went back later to Butte as a mucker (shoveler) mining copper until he met a teacher named Maureen Hayes. He had only gone through the eighth grade, she refused to marry him unless he got himself an education. He took on high school and college simultaneously; she taught him, cashed in her life insurance to put him through Montana State University. He got his BA, then MA there, went on to teach Far Eastern history at MSU before his 10-year term in the House.

His heroes are Montana State Sen. Tom Walsh, Western artist Charlie Russell, whose frontier scenes hang in his anteroom, and JFK. "My heroine? My wife."

In windy Washington, he's known as a terse man with a word, who answers many questions with a "yup" or "nope," a technique that once resulted in "Meet the Press" reporters—who had prepared 27 questions—asking 80. This man who sounds a little like Mr. Moody from Fred Allen's program says. "I can't stand extended talk. I think you can say what you want in a sparse, brief manner and the meaning is clear."

Here's his almost voluminous assessment of presidents he's known: "Roosevelt was the most effective . . .Truman the most courageous, Eisenhower for his two terms the best because he was a man of his times and presented a father image. Kennedy would have been a great president in my opinion, but tragedy cut it short. Johnson, the best president on domestic policy. On foreign policy, the Dominican Republic and Southeast Asia were tragedies. Nixon will be remembered for two things: opening the door to China and the Watergate affair. Ford: a more open White House, a candid president, very conservative, consistent in that respect, and really a difficult man for the Democrats to beat, so we can't take him lightly."

UP TO THE PEOPLE

He is asked whether he hopes for any resolution for the current impasse in government, with a President of one faith and a Congress of another. "No, because it will be up to the people to decide, and when they elect a president of one party and a majority of the other party in Congress they are expressing a desire that there should be a lack of conformity, that it shouldn't be a 'yessir' Congress, that independence is something to be valued. . . . And I wouldn't want a Congress which would automatically come to heel because it had a president of the same party."

In his 24 years as a senator, Mike Mansfield says "The thing I'm sorry about is the war in Southeast Asia. Tragedy. Costly in men and treasure. Costly in prestige. Utterly unnecessary. A war for which we'll be paying well into the next century."

What is he most proud of? He ticks off four things in his quick, telegraph style: first, obtaining the vote for 18 year olds: second, the part he played in initiating the Watergate investigation; third, the part he played in initiating the Senate intelligence inquiry (and the fact that there have been no leaks); fourth the "evolution, unpublicized, in the conduct of the Senate."

He explains: "All senators are equal in my opinion . . . there are no superstar senators, there are no second-rate senators, no senators who should spend months or years saying nothing, while their elders speak out on any and all subjects. There is no club in the Senate any more. . . ."

Senate Minority Leader Hugh Scott (R) of Pennsylvania praises Senator Mansfield for that—for opening up the club. He tells of how Mr. Mansfield has opened doors formerly shut to all but the oldest, most powerful members, "Sharing the panache," Senator Scott calls it. "He's infinitely patient and terribly fair," says the Republican leader who transacts business with him all day long.

Like the college professor he once was, Senator Mansfield maintains a Mr. Chips sort of concern for the new boys. "There are people with potentials, people like Gary Hart, John Glenn, Bumpers, that entire class. Others ahead of 'em."

Sen. Frank Church (D) of Idaho says, "He was always a person I could turn to when I needed advice. . . . He personifies honor in the politics of our land—and in the profession which conspicuously lacks humility, Mike Mansfield is a truly humble man."

"Left, you always turn left in my office," he says, as he leads the way, with a soft lope, past the crystal chandeliers and marble fireplaces. He sits talking in a long buff-colored room about politics—and about poached eggs. Sometimes fixes them for his wife for breakfast. Admits he likes to read history and mysteries (Ross Macdonald, Dashiell Hammett), likes to watch movies "at Jack Valenti's Place," collects "Far Eastern memorabilia," listens to jazz, George Feyer, Enoch Light, Roger Williams.

A LITTLE FISHING

His wife, who sums him up as "kind, tolerant, a loving person," says he sings Edith Piaf and Cole Porter songs around the house. He says that when he quits he's going to do a little fishing in mountain streams.

From where he sits, is he optimistic or pessimistic about the future of the country which some suggest is in its decline and fall?

"Oh, as far as my country is concerned, I'm always optimistic. I become depressed once in a while, did during the war in Southeast Asia. But that's a feeling I can't afford to harbor too long. The country is still young, got lots of room, hopefully the purgatory which we've gone through in Watergate and Vietnam, Southeast Asia, will make us better people, a better nation. . , .

"Even though the government is criticized because of the crises we've passed through, there is a recognition that while democracy is the most desirable of all governments, it operates on a most delicate balance. I think out of all this is coming a better understanding, a greater appreciation, greater hope and confidence in the future."

And how does he want to be remembered? Long pause. Then, soft as a cat's paw: "As a man who did his best."

INDEPENDENCE DAY 1976

Mr. MATHIAS. Mr. President, "Proclaim liberty throughout all the land unto the inhabitants thereof; . . . for it is the jubilee."

This glorious injunction from the Book of Leviticus (25:10) is inscribed on the Liberty Bell in Philadelphia and will be read as part of the first lesson during the Fourth of July service at the Washington National Cathedral. Then will follow Isaiah's joyous paean (35:1) which begins:

Let the wilderness and the thirsty land be
glad,
Let the desert rejoice and burst into flower,
Let it flower with fields of asphodel,
Let it rejoice and shout for joy.

The honor of reading these beautiful words on this momentous occasion has come to me. I undertake it as a "solemn act of devotion to God Almighty" to commemorate, as John Adams bid succeeding generations of Americans, our national day of deliverance.

Since the world began, there has been no people more blessed than we. This Bicentennial Year, which has summoned us to reflect upon our past, has quickened us to the richness of our heritage. It has brought us to the very threshold of our third century as a nation primed with the knowledge of our greatness and attuned to its responsibilities.

Now let us give to the future the vigor and imagination it demands of us. Let us:

. . . enter Zion with shouts of triumph,
Crowned with everlasting gladness . . .
And suffering and weariness shall flee away.
(Isaiah 35:1)

FEDERAL BUDGET CONTROL: FISCAL YEAR 1976 RECORD

Mr. MUSKIE. Mr. President, the Congressional Budget Act of 1974 instituted an historic new mechanism for congressional control of the Federal budget. The fundamental purpose of this landmark bill was to provide Congress with a means to both design and carry out a coherent fiscal policy consistent with the Nation's broad economic objectives.

We now have solid evidence that the new budget process is capable of achieving its fundamental goal. For the fiscal year just ended, Congress designed a comprehensive budget plan—to end the recession without triggering a new round of inflation. More importantly, we carried the plan to realization. In so doing Congress exercised a degree of fiscal discipline which in my experience in the Senate is unprecedented.

While the final figures will not become available until late July, the current estimates of the Congressional Budget Office provide a good picture of the likely fiscal year 1976 outcome.

Total Federal outlays during fiscal year 1976 are currently estimated at $372.5 billion. The outlay ceiling adopted in the second concurrent resolution was $374.9 billion.

Total new budget authority, the other measure of Federal spending, is currently estimated at $406.7 billion. The second concurrent resolution ceiling was $408 billion.

With revenues estimated at $301.1 billion, the projected fiscal year 1976 deficit is $71.4 billion. The second concurrent resolution figure was $74.1 billion.

Federal budget control: Fiscal year 1976 record

[Billions]

Second concurrent resolution:	
New budget authority	$408.0
Outlays	374.9
Revenues	300.8
Deficit	74.1
Current estimates:	
New budget authority	406.7
Outlays	372.5
Revenues	301.1
Deficit	71.4

There is some indication that when the final figures become available, the deficit will be even lower than now estimated—possibly around $70 billion or less. It appears likely that both revenues and outlays may be somewhat lower than our current estimates, and that the shortfall in outlays may be somewhat greater than the shortfall in revenues. Hence the possibility of a lower deficit figure.

There is equally strong evidence that Congress achieved the underlying economic goals of its fiscal year 1976 budget.

The fiscal policy strategy set forth in last year's budget resolutions was designed to reduce the Nation's unemployment rate to 7 percent and its inflation rate to 5 percent by the end of the current calendar year. Both these targets now appear to be within reach. Last month the jobless rate stood at 7.3 percent. Consumer prices meanwhile have experienced an annual increase during the past 6 months of 4.6 percent.

It should be remembered as we review these figures that the fiscal and economic policies adopted by Congress last session were substantially different than those initially proposed by the administration.

The President's budget for fiscal year 1976 proposed a $16 billion tax reduction. Congress enacted a tax cut of some $23 billion, much of which was continued through this calendar year. Congress also rejected administration proposals for raising $35 billion in energy taxes and for decontrolling oil and gas prices. Had Congress not rejected these proposals, inflation would still be near the double-digit range and unemployment would not be far behind.

I would like to add that Congress ability to develop and carry through a conscious, and apparently successful, fiscal policy during the past year would have clearly been impossible under the fragmented legislative practices of the past.

The success we mark today would also have been impossible without the demonstrated cooperation of the various committees. While attention in recent months has tended to focus quite rightly on the areas of policy and procedural conflict, these cases have been the exception not the rule. The new budget process has worked because Congress has overwhelmingly supported it.

I believe this is a good sign for Congress—and the country.

TAX CUT EXTENSION

Mr. MUSKIE. Mr. President, I have three points to make in support of extending the general individual tax credit through fiscal year 1977.

One, the economy recovery demands that a substantial increase in withholding rates, or even the threat of such an increase, be avoided;

Two, the progressive nature of our personal income tax will soon restore the revenue lost through the tax reductions initiated in early 1975; therefore, the Congress is not likely to ever have to raise the current withholding rates;

Three, the Budget Committee and the Congress must have a realistic estimate of revenues before we begin work on the second concurrent resolution for fiscal 1977.

I will elaborate very briefly on each of these points.

The economic recovery is proceeding in an orderly fashion. The economy has grown substantially since the passage of the tax cut last spring. It has grown at a moderate enough pace to have permitted inflation to subside. The recovery must continue.

Termination of the tax credit would mean the end of the largest part of the tax cut for most families. The $1.8 billion estimate refers to the value of the tax credit is only 3 months. The credit is worth $9.5 billion over a full year or $180 for most families. A tax increase of this size must be avoided while unemployment remains high.

Some Senators have argued that we cannot be sure that the tax cuts should be extended. They suggested that the recovery appears stronger than expected when Congress passed its first concurrent resolution. But close examination of the most recent economic forecasts for 1977 shows that they are very close to the forecast used in preparing the first concurrent resolution.

I am submitting a table for the record that compares the first concurrent resolution forecast to those of the Wharton School, Chase, and Data Resources, Inc., the three most widely used commercial forecasts. The first concurrent resolution forecast of an average unemployment rate of approximately 6.5 percent for 1977 is identical to the average of the three commercial forecasts. Less than 3 weeks ago, Alan Greenspan, Chairman of the President's Council of Economic Advisors said, "The acceleration is clearly slowing down."

For the recovery to continue, withholding rates must not increase at a $10 billion rate next summer. It is important that consumers know now that Congress has not planned for this increase in the coming fiscal year.

If consumers are to be able to make long-term commitments—to buy houses or cars—they must be confident that their paychecks will not be reduced by higher taxes in the future. If we tell them now that the tax cut will expire shortly, they will refrain from committing their future paychecks to purchases of this kind. But we need these long-term commitments if the recovery is to continue.

Business is making its investment plans now. They too need to know that the recovery in consumer spending will not be interrupted. The part-year extension in the finance committee bill signals a termination—and that signal is not part of a sound economic policy.

My second point concerns the ability of our progressive tax system to provide large revenue increases without increases in tax rates.

Some Senators may wonder if a tax increase ultimately will be needed to slow down the economy when the recovery is complete—in effect, to turn off the stimulus that was provided by last year's tax cut. This fails to take account of the fact that taxes are always increasing as an automatic byproduct of our progressive income tax system. As incomes rise for any reason, the percentage of income that is taxed increases. This automatic tax increase will completely offset the tax decrease by the end of fiscal 1977. Revenues in fiscal 1977 are expected to be $61 billion more than in any previous year despite last year's tax reduction. It is this automatic effect that has allowed Congress to reduce taxes four times in the last 13 years without an increase, except for the temporary Vietnam surcharge.

I am submitting a table for the record that shows that the tax burden is already high by historic standards. It is estimated that in 1977, personal income taxes will rise to 9.4 percent of the gross national product, substantially higher than the 8.7 percent average of the last 15 years. And this computation assumes the tax cut will be extended for the full year. Many economists believe that the next major change in tax rates should be a further reduction rather than a repeal of last year's reduction.

My final point concerns the job that will face the Budget Committee when the Congress returns after the Republican convention. At that time, the Budget Committee will begin work on the second concurrent resolution. The conference report on the resolution must be passed by the Congress by September 15.

The second resolution is binding. Any subsequent legislation that calls for a reduction in revenues or an increase in spending beyond the levels set in the second concurrent resolution is subject to a point of order. Such legislation can be blocked until a third concurrent resolution is passed. Therefore, the Budget Committee and the Senate will have to be very realistic about the legislative assumptions we use. Otherwise we will not have a budget we can live with.

Most of us know that the credit will be extended through the fiscal year. That is surely the assumption we will use in September. Let us face the facts now and extend the tax cut.

The tables follow:

TABLE 1.—FORECAST COMPARISON

	GNP	Real GNP	Percentage of unemployment
Data Resources Inc. (DRI)	1895	1343	6.3
Wharton	1888	1330	6.39
Chase	1877	1325	6.8
Average	1887	1333	6.5
FCR	1885	1338	6.5
Percentage difference FCR vs. average	−0.1	+0.5	Same

TABLE 2.—TAX BURDEN
(Calendar years)
[In percent]

	Average 1961–75	Projected [1] 1976	Projected [1] 1977
Revenue/GNP	19.2	19.7	20.4
Personal income taxes/personal income	10.9	10.7	11.5
Personal income taxes/GNP	8.7	8.8	9.4

[1] DRI.

THE UNITED NATIONS

Mr. PERCY. Mr. President, on June 17, 1976, our very able Assistant Secretary of State for International Organization Affairs, Mr. Samuel W. Lewis, made an excellent address entitled "Changes and Choices at the United Nations" to the

General Federation of Women's Clubs in Philadelphia. So that my colleagues will have the opportunity to study his remarks, I ask unanimous consent that Mr. Lewis' speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

CHANGES AND CHOICES AT THE UNITED NATIONS

No people understand better than the American people the need to respond creatively to the demands of rapid change. And no people have been more successful than the American people at finding practical solutions to the conflicts which change inevitably creates.

Our own history is characterized by dramatic transformation. We have grown from a small to an immense country. We developed from an agricultural society to an industrial giant. We changed from a country of homogenous racial origins to a multi-racial society of rich and diverse composition. And we have evolved from a country preoccupied with its own concerns to a nation burdened with the responsibilities of world leadership.

Beyond our borders, the world itself changes with extraordinary rapidity. We are all familiar with the revolutions of our century—in technology, in global communications, in the conflict of ideologies, in the creation of mass destruction weapons, and in the explosion of population growth. These have produced fears, hopes, ferment and struggle—arousing new expectations in places where for centuries there was only mute suffering.

All of these changes, good and bad, inevitably create conflict. And conflict requires that we make choices. This is inescapable. If we try to avoid making choices, that is in itself a choice.

The pace of change throughout the world is nowhere more vividly exposed than at the United Nations. And because the breadth of the UN's work is so central to many of our nation's purposes, I think it is vital that all of us assess realistically the choices—and their consequences—that confront us in the UN today.

This afternoon, then, I want to discuss with you what I believe to be the most important changes with which we must cope and the practical choices which follow from them. Our decisions can shape the world system for the rest of this century and well into the next. And our future security and prosperity are both at stake.

THE CHANGES CONFRONTING US

Among the great changes of the last three decades, I would like to focus on three which I believe are especially important:

First, the significance of a UN membership expanded roughly three times, from some 50 to nearly 150 sovereign nations.

Second, the change in the role and influence of the United States.

Third, the changes in the problems with which the world community must cope, especially at the UN.

When the UN was founded over 30 years ago, most of its original 51 members shared Western traditions of government and practiced traditional forms of diplomacy. Our main preoccupation in the early years was to contain threats from the Soviet Union and its allies. We did well in this task; most of the world, most members of the UN, were solidly with us.

In the 1960's dozens of new countries emerged from colonialism. We welcomed the newly independent states—indeed we were foremost among the major powers in pressing for a rapid end to colonial empires. We did so because the right of peoples to rule themselves is one of our bedrock beliefs, enshrined 200 years ago by Jefferson's pen here at Philadelphia. We cannot forget our own first premise. The principle of self-rule transcends the inconvenience and conflict which we and other governments have to endure as new states scramble over unfamiliar terrain on the road toward their rightful place in the family of nations.

But the consequences for the UN have been profound. Originally, the UN's problems were those of its founding members—predominantly Western countries. Originally, we practiced diplomacy there in the traditional mode, even allowing for an occasional outburst as when a Soviet leader once employed a shoe noisily on his table to capture the world's attention.

Today the UN is preoccupied with issues important to both new and older states—problems of economic links between the developing and industrial worlds, or the process of completing the liquidation of colonialism and racial discrimination in Southern Africa. Today, UN debates feature a rough and tumble style of diplomacy, practiced by many representatives of the newer states which have no quiet, genteel diplomatic tradition.

These changes have good and bad aspects. It is good that most of the world is now represented in the UN, and that the world body has begun to tackle global problems of far-reaching importance to the world's peoples, problems such as food production, population growth, threats to the global environment, or the ownership of resources found in the world's oceans. But it is bad when international institutions are misused, when impatience and passion lead to confrontation, abusive rhetoric and illustry tests of strength.

While the UN has been changing, so also have the past 30 years seen fundamental alterations in the role and influence of the United States. When the UN was founded, many former power centers of the world had been devastated. United States influence and power were overwhelming. Everybody needed our help—desperately. And we gave generously of our immense wealth. This situation of almost total U.S. preponderance was, of course, reflected at the UN.

As we all know, the situation has changed dramatically. Europe and Japan, with our assistance, have made brilliant recoveries. The economic and military strength of the Soviet Union and its allies have increased greatly. The People's Republic of China is now a major actor on the world scene. And many of the 100 new countries have become significant participants in the world economy.

This does not mean that we have become in any sense a second-rate nation. We are still the world's strongest country—militarily and economically. The Commonwealth of Pennsylvania alone has a greater production of goods and services than nine-tenths of the world's nations. And more important, America and American ideals are still a source of hope for much of the world. Our creativity and our ability to find innovative solutions to new challenges are greatly admired. But others are also important now and play vital roles along with us. This change is reflected in the UN. Indeed, it would be strange if it were not.

And at the very time when our own relative power to control events has lessened, we find ourselves confronted by new problems of enormous complexity—problems which even raise questions about mankind's ability to survive into the 21st Century.

Now, we must work out how four billion human beings can better share the resources of our planet in a way that promotes global economic growth and produces more economic justice for millions who have been living at the margin of existence. Now, we must devise means to preserve our environment for future generations while harnessing and adapting technology for economic development rather than destruction. And, of course, some of the age-old problems remain as vital, as demanding, as ever—the need to contain local conflict, to resolve disputes, and to avoid world war.

THE CHOICES OPEN TO US

Changes of such vast magnitude inevitably demand choices. I would like to define them by asking three fundamental questions, all of which have particular relevance to our role in the UN:

First, are we prepared to be realistic in confronting the world's problems and in recognizing our own strengths and limits?

Second, are we prepared to commit our energies to cooperative endeavors within the framework of existing world institutions?

And third, are we prepared to bring to bear our special blend of idealism and practicality?

These are big questions. They are well worth our honest examination. For our answers to them will essentially decide whether we play a leading, constructive role in solving world problems, or whether others increasingly take actions without our participation which may *or may not* be in our interest.

First, can we deal realistically with our problems? This is the most fundamental choice we may ever make. For unless we look honestly at things, none of the other choices we make are likely to do us any good. We all know this in our professional lives. One cannot manage any enterprise effectively and achieve satisfactory results unless decisions are based upon an honest appraisal of one's own capabilities—and an understanding of the interests of others.

But it has perhaps been harder for Americans to keep in mind the inescapable need for realism in the sphere of international relations. We have until recently been spared the defeats and frustrations that others in the world have had to suffer. Our country has never been laid waste by foreign war. Our people have experienced two centuries of economic growth. We have enjoyed personal freedoms about which many other societies have only dreamed.

Thus we often feel privileged—a little apart from the troubles of the rest of the world. But now our only realistic option is to accept the reality that our problems are interwoven with those of others. This is so for many reasons:

Because local wars, as in the Middle East, can easily escalate to world wars.

Because global conflict today can destroy the entire planet in a nuclear holocaust.

Because our economic prosperity depends on cooperation with other countries, rich and poor.

Because we need the raw materials and the markets of many others to continue to grow ourselves. To maintain our modern industry, for example, we need to import not only much of our energy requirements, but we are now also dependent on foreign sources for essential mineral needs, including more than half the nickel, zinc, and tungsten and more than three-fourths of the bauxite, manganese, cobalt and tin we consume.

And finally, our nation's destiny is linked with that of others because we could not long survive as a free and creative society if we were surrounded by a world of hostility and hatred.

These are the facts of interdependence. And our only realistic course is not to deny them but to accept them. For otherwise we would be choosing isolation, stagnation—and the undermining of our confidence, our values, and even our freedoms.

To choose realistic options in international affairs also means that we must accept and understand the limits of our own capabilities. This is not easy for Americans. Our prestige and comparative wealth were so great after the Second World War that it seemed we could get our way on almost any issue by urging enough friendly and grateful countries to support our position. And we seemed to have virtually unlimited resources to throw at every problem. Now, however, we must learn to work in a more complex environment, knowing that we no longer have overwhelming weight.

We must also face the fact that for the foreseeable future the poor nations, impatient to improve their lot, will continue to resent the great inequalities existing under a world system which they did not create. And many will blame the rich countries who in their eyes were the creators of this system and are its main beneficiaries.

But let us not forget: the poor countries are trying to do something with which we Americans deeply sympathize—to improve the quality of life for their peoples. And they are struggling against nearly overwhelming odds. We should recognize that these nations vary enormously in their history, in their geography, in their cultural backgrounds. It is inevitable that many will not choose paths to nation-building that are the same as ours. Indeed, they cannot do so.

We, however, have nothing to fear from diversity. Just as it is sacred to us that diversity may flourish within our own country, so also must we accept and support diversity in the rest of the world.

Our tasks in the new world environment will not be easy. When we want others to do something in our interest, we will have to show them that it is also in their interest. We will have to take the time and effort to explain our proposals patiently, because others will not automatically assume that we know what's best for them, or that our interests coincide. And we will need to show genuine concern for the problems of other nations, since they cannot be forced to take a sympathetic view of our problems merely because we demand it. Reciprocity is indispensable.

But these concepts should be very familiar to Americans. We have been extremely successful in business enterprise—as successful as any people in history. It is the most fundamental element of realism that if you want to make a deal and have it stick, it has to be in the genuine interest of both parties.

Our second major choice is this: are we willing to use our great energies and capabilities to work at solving vital world problems through the institutions which we took the lead in establishing? This is not simply a rhetorical question. We all know that the UN in recent years has been the scene of increasing confrontation. Many therefore have questioned whether it remains in our interest to stay in the UN or at least in some of its bodies, like the General Assembly, where confrontation has sometimes been acute. And many also ask whether we should reduce the level of our support by withholding financial contributions.

Let us examine our choices objectively. Is it a practical option to turn our back on the UN? Could we start over again to fashion a new organization which would serve our interests more effectively, which would avoid the contention and acrimony we find offensive?

The answer is no.

When the UN was founded after the Second World War we established a comprehensive, fair, and balanced structure. It was based on fundamental principles in which we believe. But since we no longer possess the overwhelming influence in the world state system that we could deploy in 1945, we could not conceivably hope to create today a UN structure as sound or as balanced as the present one.

Moreover, other nations do not want to start all over again. Some might say that the newer nations are happy with the present system because a new majority of small countries now can control what goes on at the UN.

There is some truth to this—but not much. The majority of small countries does not control everything that goes on at the UN. In fact, they complain bitterly about the undue influence of the great powers—and in any Charter revision would seek to reduce it. We retain a veto in the UN's most sensitive and important body, the Security Council, which can take binding decisions on issues of peace and security. And actions in a great many other UN bodies are largely taken by consensus. In the 1975 General Assembly, for example, nearly two-thirds of all decisions were adopted in this manner.

This means that we have often been able to negotiate satisfactory outcomes with the new majority. The examples of traumatic confrontation are very much in the minority even though their reverberations sometimes drown out reports on the good work done throughout the UN system.

But it is true that there can be, and there have been, serious abuses of procedure at the United Nations, particularly in some of the larger bodies like the General Assembly. And there have been some egregious distortions of truth and applications of a double standard of morality. But these offenses will not be solved or removed by running away from the scene of action.

If we should turn our back on the UN, the consequences would be the following:

The organization would struggle on without us and there would undoubtedly be more, not less, irresponsibility. World problems would be dealt with in a more ineffectual way than they are now—and less in accord with U.S. interests.

In time the world organization would probably collapse. It could not long survive the absence of the world's strongest and economically most advanced country.

Let there be no doubt about this fundamental point: if there ceased to be a United Nations, we would very shortly find it essential to create a new world organization. For all of us, rich and poor, large and small, would feel the need of a global institution to deal with inescapable global problems.

Although we cannot abandon the UN or realistically hope to negotiate a new, more satisfactory UN Charter, we can work strenuously to improve the effectiveness and fairness of the present system. This is the course that we are pursuing, and we believe it is a choice which warrants the support of the American people.

Let me list a few of the steps we are taking to enhance our prospects for successful diplomacy in the UN arena:

First, we are engaged in a new intensive effort to work with other governments on UN problems throughout the year. Our purpose is to exchange views—to persuade, not to coerce.

Second, we have begun to speak out more forcefully in UN forums to defend our interests and our country against unwarranted attacks.

Third, we are making clear to others that we expect the same standards of responsibility and mutual respect in multilateral affairs which normally prevail in bilateral diplomatic relations. If a government chooses to work unremittingly against us, for example, on behalf of some abstract notion of bloc solidarity, it will know that this can have a cost in our bilateral relations.

Fourth, we are participating energetically in a new effort at the UN to restructure the organization's economic work and to improve its procedures, including greater use of consensus.

Fifth, and most important, we are taking the initiative in seeking cooperative, practical solutions to the problems of economic interdependence which affect both rich and poor countries alike.

We believe that many nations, though not all, will eventually join us in seeking practical results rather than expending their energies in sterile polemics. Indeed, that was their response to Secretary Kissinger's comprehensive proposals at the historic Seventh Special Session of the UN last September. At that Session, American initiatives provided the basis for a broad, concrete program, adopted by consensus, to promote world economic cooperation. We cannot hope to eliminate all political conflict from economic forums. But to the extent that we offer positive alternatives to the developing nations, their incentive to fall back on political confrontation can be lessened.

The last major element of choice I want to discuss today is this: Can we bring the unique American blend of idealism and practicality to bear in dealing with world problems? The UN was founded upon the highest ideals. After the calamitous suffering of the Second World War, people everywhere hoped that the new organization would forever spare mankind from the scourge of war. We wanted the UN to ensure universal cooperation and justice.

After thirty years of world turmoil we know that our hopes were premature. But this does not mean that the choice before us now is whether or not to abandon these hopes in disgust. The great truths and aspirations embodied in the UN Charter remain valid world goals.

Our real choice is whether we can accept that in an imperfect and frustrating world we must persevere in seeking gradual gains. The accumulated burdens of centuries of misery and injustice throughout the world cannot be wiped out in a few decades.

We all know from experience that lasting progress can be made only gradually to bring reality into accord with aspiration. The struggle in our own country to achieve racial equality continues a century after we fought our civil war over this principle.

Many parallels exist with our participation in world affairs. The Charter of the UN, like our Declaration of Independence and our Constitution, expresses ideals in which we deeply believe—that the strong should not subjugate the weak, that there should be justice for all. We should sustain the same blend of idealism and patient realism in the world and in the UN that we have applied to advance justice within our own country.

This is not an abstract point. The challenge to blend idealism and realism is before us in many specific projects at the UN. If we are prepared to make realistic choices, if we are prepared to throw ourselves into the practical work of the UN, we can advance goals of the highest moral importance. Let me provide a few concrete illustrations:

Working for peace, for the avoidance or halting of conflict, must be our paramount concern. The UN, and especially the Security Council, can help to prevent or stop conflicts that bear the seeds of world war. The Council did so in 1973 when it placed peacekeeping forces between Arab and Israeli armies. In our nuclear age, it is clear that the avoidance of world conflict—which in minutes could destroy the civilization of millennia—is a vital condition for building a world of justice.

The UN can advance the search for equitable economic relations between rich and poor societies. Practical measures of international cooperation can be hammered out, and many UN agencies can help developing countries build more self-sufficient economies. Our country is contributing its vast experience and technological know-how. It should be a source of deep satisfaction to Americans that our efforts through the UN help make possible a life of more hope and decency for many whose faces we in this room shall never see.

An urgent task requiring the practical skills mobilized by the UN's Food and Agriculture Organization is to help other countries increase their production of food. Here the moral dimension is obvious. No world system can be tolerable if millions of persons periodically die of famine or cannot achieve their full human potential as a result of malnutrition.

In the field of health, UN agency also works at the boundary between practicality and morality. The World Health Organization applies modern science to combat one of the globe's most tenacious enemies—contagious disease. It is a moral imperative that Americans support the struggle to lift from mankind's shoulders the burdens of debilitating and crippling disease.

The UN is sponsoring the most complex global negotiation ever attempted over the future use of more than two-thirds of our planet. The Law of the Sea Conference—now in its 4th year—is dealing directly with urgent issues of practicality and equity. The welfare and livelihood of millions will be affected by the details of arrangements worked out regarding fishing, mining, energy extraction, pollution, scientific research, and many other areas. But the solutions must be accepted as fair and just by all participants if they are to be enduring. The alternative is chaos and strife.

The UN Charter and the Universal Declaration of Human Rights set high standards for the world's governments in the field of human rights—goals with which Americans especially can identify. We are disappointed at the slowness of progress, the difficulty in achieving acceptance of solid measures to protect fundamental human rights. But the UN provides an opportunity to raise our voice in behalf of goals we know to be indestructible.

And I would note one final area in which the UN has recently taken the lead. In the establishment of an International Women's Year, the UN has now begun to marshal forces to realize the full rights and potential of half the world's people. Moral considerations are paramount. But there is also a practical necessity. To achieve its great promise, our civilization must use to the fullest the capabilities of women—their creativity, their strength, and their compassion.

These are only a few illustrations of how moral goals and practical tasks intersect. Let us recognize that the UN provides a unique opportunity to pursue goals in a uniquely American way—idealism combined with practicality.

* * * * *

MADAM PRESIDENT: I have spoken bluntly today about choices confrontnig the United States. It seems to me that it is especially important in our country—one of the world's greatest democracies—that we discuss realistically what we are up against in the world, and what our opportunities are. For it is the essence of our democratic process that our citizens participate in the making of choices.

But our right and our ability to make choices must also impose responsibilities. We have a duty to look at the facts squarely. We have a duty to assess the long-range as well as the immediate consequences of our choices. And we have a duty to be true to our traditions.

One of our strongest traditions has been dedication to the pursuit of great moral goals in a practical way. I feel privileged to have discussed this theme in this 200th anniversary year, before a group of Americans from all over the country—meeting here in Philadelphia, the birthplace of our nation.

When our forebears here in this city signed the Declaration of Independence and the Constitution, they gave life to exalted and ennobling concepts. They proclaimed our conviction that men and women can arrange their affairs in ways that protect the deepest aspirations of all people—the search for a life of dignity and justice.

That also is what the United Nations is all about. It was conceived to realize mankind's most enduring dreams—to supplant intimidation and subjugation with persuasion and accommodation—to dissipate fear, misery, injustice and to put in their place self-fulfillment and respect for human rights.

If we are to be realistic, and we must be, we will admit to ourselves that the UN is far from perfect. Indeed, it has a great many imperfections, as do all large political institutions.

But if we are realistic, we will also understand that the UN with all its imperfections represents our best framework—the *only* worldwide framework—for building a safer, more equitable, more humane world. We must strengthen and improve the UN. We cannot afford to weaken or abandon it.

I have faith, as an American celebrating our 200th anniversary along with other Americans, that our country will make the right choices, the responsible choices, about our participation in the only world organization. And when we do so, we will know that we are advancing on a global scale those same ideals which were proclaimed here in this city two centuries ago.

Let me close with the words of Thomas Jefferson who declared "I believe that morality, compassion, generosity, are innate elements of the human constitution . . . that justice is the fundamental law of society . . . I hope and firmly believe that the whole world will, sooner or later, feel benefit from the issue of our assertion of the rights of man . . ."

PUBLIC PARTICIPATION IN GOVERNMENT PROCEEDINGS ACT OF 1976

Mr. RIBICOFF. Mr. President, today, S. 2715, the Public Participation in Government Proceedings Act of 1976 will be placed on the legislative calendar.

This bill was originally referred jointly to the Committees on the Judiciary and Government Operations. On May 13, the Committee on the Judiciary reported this bill to the floor and the Government Operations Committee asked to be discharged from further consideration of the bill in order to comply with the requirements of the Senate's new budget process. On May 19, by unanimous consent, the bill was rereferred to the Committee on Government Operations for a period not to exceed 30 days which period was extended to 45 days.

While the unusually heavy press of Senate business has made it impossible for the committee to formally mark up the bill in executive session, we did hold hearings and I had an opportunity to carefully consider its provision.

S. 2715 would authorize Federal agencies to reimburse citizens and groups for the costs of participating in administrative proceedings when they made a "substantial contribution" to a full and fair determination of the issues and when their economic stake in the proceedings is not sufficiently great to provide the incentive for their participation. In addition, the bill permits Federal courts to reimburse citizens who successfully sue to compel an agency to comply with the laws it is charged with administering when the lawsuit vindicates an important public interest.

There is no longer any doubt about the enormous value of public involvement in agency proceedings. Over the past 8 years, there have been 26 separate hearings in the Congress on the need for increased public participation. And the collective record of these hearings clearly documents the need for this legislation.

Day after day agencies confront the difficult task of balancing many diverse interests. Often, they act in areas relying on an abundance of detailed and highly technical information. No decisionmaker, no matter how honest and competent, can be expected to take full and accurate account of interests when their views are not presented in an effective manner.

The agencies act in a quasi-judicial capacity and the roles of judge and advocate are simply incompatible. As long as regulatory decisionmaking relies heavily on the adversary process, as is traditional in our system, it is essential that all relevant points of view are effectively represented.

To be sure, there are other obstacles to full participation by citizens in agency proceeding. But in my judgment, the problem of funding remains paramount. The inability of citizen groups to pay the expenses of participating in agency proceedings has contributed to an enormous imbalance of advocacy before the Federal agencies. S. 2715 would be an important step in correcting this imbalance, leading to fairer, more reasoned decisions in the public interest.

This bill employs a mechanism to improve public participation which has been adopted in several contexts at the State and Federal levels. The Regional Rail Reorganization Act of 1973 created an Office of Public Counsel with the power to retain outside counsel to represent communities threatened with loss of rail service. The Senate adopted a provision similar to S. 2715 in the Energy Reorganization Act of 1974. The Magnuson-Moss FTC Improvements Act of 1973 authorized the FTC to provide compensation to citizens and citizen groups for participation in rulemaking proceedings. Opinions of the Federal courts and the Comptroller General of the United States have recognized the utility of this approach as well.

The Committee on Government Operations has a direct and strong interest in the subject matter of this bill. Providing support for citizen involvement in our agencies proceedings is an integral element of strengthening the institutions of government. It is a matter which our special study on regulatory reform is addressing. It is consistent with and complementary to the institutional advocacy of consumer interest in government proceedings that would be afforded by the Agency for Consumer Advocacy which our Committee developed and which has passed both houses of Congress. The Government Operations Committee has had and continues to have a great interest in the concepts embodied in S. 2715.

Mr. President, I would like to commend Senator KENNEDY for his longstanding commitment to increased public participation and the fine work of his

Administrative Practices Subcommittee in working out the provisions of this bill. The bill as reported out of the Judiciary Committee is carefully drafted, and while certain floor amendments might be desirable, I would oppose any effort to alter its basic structure.

The aim of S. 2715 is to provide a means for important points of view which lack substantial financial backing to get a fair hearing in the councils of Government. I believe that S. 2715 is a realistic means of pursuing that important goal.

OFFICE ACCOUNT

Mr. DOLE. Mr. President, near the end of last year, we terminated our 1974 campaign committee and transferred the balance of the campaign funds into an office account which is used to help our office meet the requests and expectations of Kansas constituents.

Funds from the account are utilized on a nonpartisan basis to help meet expenses incurred by my Senate office operation. All expenditures are in accordance with Senate Rule 42. Records on the account are kept by Dean Crawford, a CPA in Lawrence, Kans.

In accordance with the reporting requirements of Senate Rule 42, I would ask that the semiannual balance sheet statement on this account be printed in the RECORD following my remarks. Additional information on the operation of the account or specific entries is available upon request.

There being no objection, the balance sheet was ordered to be printed in the RECORD, as follows:

1975 INCOME	
Contributions	$1.00
Transfer from Kansans for Senator Dole	1,800.00
	1,801.00
1975 DISBURSEMENTS	
Postage	1,700.00
Accounting	52.50
	1,752.50
Balance December 31, 1975	48.50
1976 INCOME	
Contributions	1,650.00
Transfer from Kansans for Senator Dole	5,036.34
Total Income	6,734.84
1976 DISBURSEMENTS	
Office printing, engraving, labels, etc.	936.53
Postage	329.20
Transportation	3,912.67
Lodging	312.48
Accounting	135.00
	5,625.88
Balance June 30, 1976	1,108.96

THE BICENTENNIAL

Mr. MUSKIE. Mr. President, as we begin the weekend of the Bicentennial, I would like to share some thoughts on the importance of this occasion.

For this is a time for reflection and self-scrutiny, as well as celebration.

In fact, we would betray our revolutionary predecessors if we did not ask ourselves the question that they posed to themselves as they embarked upon history's greatest political adventure: What is the substance of a nation?

Is a nation its geography? Surely not. We profess this America to be the same in continuity as that original America. Yet this engulfs a continent and islands lying far beyond the continent. The first America was the eastern strip of a wilderness unplowed and unexplored.

Is a nation its policies? No; our own experience tells us it is not that. In the 200 years of our age, Congresses, Governors and Presidents have conceived and pursued a myriad of policies both internal and international.

A few were works of genius. Some were the rankest sort of folly. All but a few are forgotten now.

Nor is a nation the sum of its leaders, its wealth, its poets, its generals, its commerce. Wealth, like Presidents, poets and soldiers, has a certain mortality attached to it. We are not to be defined by either men or moments—all of them pass on to some other place. America, as we profess it, endures.

The substance of a nation, from decade to decade, century to century, is made of two, inseparable parts. The first is the endless flow of its people, arising in the morning of each generation, pursuing until that evening which claims us all, leaving their imprints as new generations, new claimants to the national being.

The second part of a nation's substance is its intention toward its people—how it presumes to attend to their prosperity or despair, how it encourages them in their improvements and protects them from all real perils, including the peril of their own natures' darker impulse.

This combination—people and their government—is the true substance of a nation. Each era judges government in the light of how it deals with people—whether government is careless of the human condition around it or whether, overly inspired by doctrine, it smothers the generation it governs with outdated notions and practices.

And history, looking back, will ask this: How did those governments or administrations deal with their people's prosperity or despair? How did they attend to improvement and protection?

This, more than blood spilled and victories won by such sacrifice, more than wealth or glories that dim with time, is how a nation is judged. This is its substance.

We are not only celebrants this year, heirs to a great idea in its Bicentennial. We are also engaged in the appointed business of that idea—the election of a new President, Congress, Governors, councilmen and other officials of the Nation, its States, cities, counties, and towns.

Just as the Bicentennial symbolizes the history that ultimately will judge us, so the elections this year will—or should—bear the judgment of this era on the intent and quality of government.

It could be a harsh judgment. We could select those candidates who scorn our mature instinct for understanding the complexity of our times—who postulate lethal simplicities and the politics of discord.

Always, in the longer runs of election times, we seem to be spared that. We seem to have been spared it this time.

But that does not mean that we can suspend the great questioning that has characterized our history. We have lived through more than a decade of turbulence, of questions raised and still not answered.

What, in the end, was the civil rights movement all about? The antiwar movement? The meaning of those otherwise pacific citizens who marched for nature's just environment against the injustice of growth that was heedless of the soil in which it grew?

All of these movements and causes—be they for clean rivers or the due rights of women, the angry followers of George Wallace or those who protest big government—all of them speak to one, common theme.

The institutions of our national life have grown immense. They have grown remote from the individual lives whose sum is the national life. Business, big labor and above all, immense, intractable and inaccessible government stand apart from the citizenry of America—like monuments in some forbidden park, visible only through its locked iron gates.

In countless ways and movements, uprisings and appeals, the Americans, in our time, have celebrated that ancient scenario in which the people gather in the town square and cry upward at the windows of the council chamber where decisions are taken and made. "We are what it is all about." They say, "Don't forget us."

Those councils which heed the cry and consider it wisely will survive and remake that harmony with the governed without which good government is impossible. Those who ignore the cry achieve—and deserve—the ignominy of history. Such councils are not of durable life.

Today, in ways that are not entirely clear, Government has grown remote from the very people it governs. A terrible war was fought to no useful or explicable end. Unbridled expansion corrodes and threatens the American landscape. Corruption—not an American invention and certainly not unique to America—is now an American trademark in Government and commerce.

What has this dark growth in our national development to do with the people whose governance should be the genesis of all genius and resources at the command of government? To use an expression of our British parent, it has damn-all to do with the American people.

It is the problem.

Rights forged at the hearth of our origins or won in the long skirmishes of our history are still, by design or circumstance, withheld from millions of contemporary Americans.

A fundamental premise with which we started—that it is a sham to provide people with a charter guaranteeing their happiness but not the means of achieving it—remains unfulfilled.

Just as Jefferson warned that slavery was a firebell in the night, so poverty and the cruelty that it inflicts and breeds, is the firebell in this, particular American evening.

We profess to believe, still, that all men are created equal. Yet we do not sufficiently help insure equality in the creation of generations now being born or yet to come.

We insist still that governments derive their just powers from the consent of the governed. Yet so wearisome, repetitive and insensitive are our politics that some chapters of our government derive from the consent of only that minority which cares or is persuaded to vote.

I stand here today not to argue for this policy or that, not to speak only to our familiar inflictions of injustice, poverty, and the economic imbalance that ignore our future.

I do not espouse big government or small government, expulsion of rascals nor the raising up of new, secular political heroes.

Today it is sufficient to see the basic problem—that remoteness which has so widened between government and those it governs.

A harmony between the two is possible. We are not grown so complex or ancient that a retracing to the logic of true democracy is beyond us. The remixing of our substance—people and policies designed to fit the needs and aspirations of people—is not beyond us.

Whatever President we choose, whichever party we elevate in the Congress, this must be the first task if, at its bicentennial, America is to accomplish itself. We must banish the remoteness that chills the air between government and the people whose consent gives it life.

If we fail to hear the Americans as they speak to their leaders in 10,000 tones from angry cry to beseeching whisper, then we who make government our craft shall deserve the ignominy earned by those councils that are heedless of the citizenry in the square below.

If we succeed, then everything else is possible. For we shall have restored that harmony which was intended at our beginning.

DANIEL GEARHART

Mr. **MATHIAS**. Mr. President, a captured mercenary in Angola, Daniel Gearhart, of Kensington, Md., this week was sentenced to die before a firing squad. I have sent cables to the President of Angola and the chairman of the International Red Cross, in an effort to have Mr. Gearhart's sentence commuted for compassionate reasons set forth in the messages. I shall keep the Senate informed of responses that I receive and of further developments in this matter. Meanwhile, I ask unanimous consent that the cables that I sent this week be printed in the RECORD.

There being no objection, the cables were ordered to be printed in the RECORD, as follows:

JUNE 29, 1976.

DR. ROGER GALLOPIN,
Chairman, International Red Cross, 1207 7th Avenue de la Paix, Geneva, Switzerland 1202:

Respectfully urge you to expend every effort to persuade Angola Government to commute death sentences on mercenaries. Daniel Gearhart of Maryland has wife and four children whose future depends on success of your attempts.

CHARLES MCC. MATHIAS, JR.

PRESIDENT NETO,
People's Republic of Angola,
Luanda, Angola.

DEAR PRESIDENT NETO: Americans can understand Angola's feeling because we still resent, after two centuries, the employment of mercenaries against us in our revolution. But, we also remember that some of these same men were released after the war and lived peaceably among us. Their descendants are still with us.

Daniel Gearhart of Kensington, Maryland, was a mercenary only a short time in Angola. I urge that you grant him the same opportunity for rehabilitation by commuting his death sentence.

Compassion extended to his wife and four children will be widely recognized throughout America.

Respectfully,
CHARLES MCC. MATHIAS, JR.,
U.S. Senator from Maryland, U.S.A.

MENTAL HARM IS CLEARLY DEFINED IN GENOCIDE CONVENTION

Mr. **PROXMIRE**. Mr. President, one argument often raised against ratification of the Genocide Convention is the purported vagueness of the phrase "serious mental harm." While the Foreign Relations Committee reported that it had no particular problem with the meaning of these words, it recommended that the words "mental harm" be construed to mean "permanent impairment of mental faculties."

This redefinition acts to refute charges made by critics who suggest that a liberal construction of the language of the convention would enable hostile foreign nations to invent supposed examples of American foreign involvement which somehow caused mental harm to a national group. It is clear that criticism of this sort is unfounded. Such liberal construction of the conventions wording constitutes an abuse of its provisions, intent, and purposes.

With the committees interpretation, foreign powers could not correctly charge a violation of the Genocide Convention, because of alleged harassment of minority groups. The language of the convention also makes it clear that the term genocide is applicable only when there is evidence of intent:

> In the present convention genocide means any of the following acts committed with intent to destroy, in whole or in part, a national ethnical, racial or religious group.

Here again, mental harm would not support propaganda charges of discrimination against minority groups, because mental harm becomes an element of genocide only when done with this wide-reaching intent.

The Genocide Convention is meant to prohibit the tragic act of genocide. It does not attempt to deal with internal and political problems of any one nation. These fears should not stand in our way of ratifying this important document.

SPECIAL COMMITTEE ON AGING MINORITY REPORT

Mr. **FONG**. Mr. President, this year's annual report of the Special Committee on Aging—with minority views by Senators HANSEN, BROOKE, PERCY, STAFFORD, BEALL, DOMENICI, BROCK, BARTLETT, and myself—will, I am advised, be released next week. The report, prepared pursuant to Senate Resolution 62, 94th Congress, was filed June 26 and ordered printed as report No. 94–998.

As the committee's ranking minority member, I recommended that every Member of the Senate give careful consideration to both the majority and minority statements in the report and to the valuable information contained in them and the appendices. The latter review programs operated by various agencies in the Federal Government for older persons. Recognition is given to progress during the period covered by the report, the 15 months through March 1976, and to unresolved problems which deserve attention by both the public and private sectors of our society.

The minority views give special attention to five topics of importance to older Americans:

First. Inflation—the most serious problem facing retirees despite progress during the past 15 months which has seen the rate of inflation cut in half.

Second. Continuing deficits in the social security trust funds—a problem which should receive first legislative priority from Congress.

Third. Fraud and abuse in medicaid programs—an area to which the Subcommittee on Long-Term Care has given intensive attention revealing totally unacceptable practices in both fiscal practices and levels of care provided to the elderly.

Fourth. The growing Older Americans Act network—offering improved levels of services during the 2 years since its inception.

Fifth. Long-range challenges in an aging society—calling for new retirement patterns and other policy changes necessary to life-satisfaction to older Americans as we approach the 21st century.

CHALLENGES IN AGING ARE BIG, COMPLEX

Challenges in developing a national policy on aging responsive to needs of the Republic's third century, as emphasized in previous minority reports, are massive and complex.

Achievement of our goal to accord older Americans full social and economic status offering dignity, honor, and unlimited opportunity for personal fulfillment calls for action both to produce and to reflect changed attitudes by the people as a whole. One such necessary action is elimination of negative bias relating to age, race, sex, and other personal denominators of prejudice, all of which, in varying degrees create difficulties for older persons.

There must be recognition that America's 23 million persons over 65 have an endless variety of personal needs and abilities: Economic, physical, social, mental, and spiritual—no less than do small children, teenagers, young adults, and those of middle age. Above all there must be new awareness of the fact that the vast majority of older Americans have desire and capacities for full life participation. They have interests, skills, talents, and appetities—an undiminished zest for living. They deserve fullness of opportunity.

There are many unmet needs in income, housing, job opportunities, health care, nutrition, recreation, education, and transportation to which the power of this Nation's resources, in and out of Government, should be directed—always to the purpose of ending the patterns of rejection or discrimination which too often characterize society's attitude toward older persons.

The past year has seen forward steps for older Americans on a number of fronts if not all. Gains have been made in average income levels, in housing, and in the developing network of service activities.

INFLATION—STILL PUBLIC ENEMY NO. 1

Although inflation remains as the most universal and serious problem facing older Americans, progress made in bringing the inflation rate down is the most important gain during the 15 months covered by the report.

In December 1974, the Consumer Price Index was 12.2 percent higher than in December 1973. In March 1976, the Consumer Price Index was 6.1 percent above the level in March 1975. The rate of inflation thus was cut in half.

This shift from an accelerating to a decelerating inflation rate is encouraging, as are indications that further progress may be made concurrent with a generally improving economy. The Nation still has a long way to go, however, in this crucial battle.

Every minority report of the Senate Special Committee on Aging has recognized the special injury suffered by older Americans as a result of rising costs of living. This inflation has been produced at least in good measure, by excessive spending, extravagance, and waste by the Federal Government.

We reiterate our view that inflation is older America's No. 1 public enemy, and that this enemy can only be brought under control through a congressional commitment to sound and reasonable priorities for Federal spending programs and an end to deficit spending as a persistent governmental habit.

The business world may be able to accommodate itself to inflation at a fairly stable 6-percent annual rate. The same cannot be said for older Americans. For them, as well as others on fixed incomes, it is essential that efforts by the executive branch to hold down unnecessary spending and waste be continued. They must be reinforced by a strong sense of fiscal responsibility in Congress.

Influence of Government on the rate of inflation goes beyond the impact of budget deficits and beyond higher taxes which show up in increased costs of producing goods and services. Influence of Government is manifested also by the manner in which such spending is carried out—even for the most commendable and worthwhile programs and projects. There is need for greater efficiency in administration.

There is also growing concern throughout our society about excessive costs to individuals, business firms, and nonprofit organizations produced by the mass of regulations imposed on them. These costs inevitably are passed on to the consumer.

Unquestionably the regulative responsibilities of the Federal Government are proper and necessary. It too often appears, however, that the demands by the Government on private producers and distributors of goods and services impose unjustifiable burdens and costs. It has been estimated that the expense of compliance with regulations adds as much as $60 billion a year to the costs of American business. This is reflected in higher prices it must charge.

It is obvious that nothing Government can do will be of greater help to all older Americans than to pursue vigorous policies aimed at bringing inflation down to manageable levels.

FIRST CONGRESSIONAL PRIORITY SHOULD BE SOLVING SOCIAL SECURITY'S FINANCIAL PROBLEMS

This year's minority views reiterate the belief of a year ago that the first specific legislative priority by Congress on behalf of older Americans should be action to solve the financial problems faced by social security's OASDI—old-age, survivors, and disability insurance—program—the Nation's primary source of retirement income.

Continued delay in meeting both the immediate and the long-term deficits of OASDI can only serve to undermine further the confidence of the American people, already shaken, in the social security system.

The seriousness of the OASDI financing problems has been discussed widely in the press, it has been a concern of the social security trust fund trustees, and it has been recognized by the President in his messages to the Congress, and in proposals he has offered for correction of the deficits.

During 1975, expenditures exceeded income by $1.5 billion. According to latest estimates by the Social Security Administration, deficits of outgo over income for OASDI operations during 1976 will be $4.3 billion.

If no corrective action is taken, there is a strong probability that deficits will continue to grow in future years until the OASDI trust funds are exhausted early in the next decade.

In his February 9 message to the Congress on older Americans, the President has responded to the need by enumerating five changes in OASDI which he believes to be necessary, and on which he has or will submit specific proposals. There should be no delay in careful attention to them by the Congress.

One of the changes on which there appears to be little or no disagreement, and which was discussed in last year's report of this committee, is the "decoupling" of OASDI cost-of-living benefit increases for those already retired and prospective benefit levels for those still in the work force.

This would provide for retention of the current cost-of-living adjustment for retirees, but for elimination of this procedure as applied to the benefit formula used for those still in the work force, limiting the initial benefit formula increases to an index based on average increases in wages.

We are informed that adoption of this proposal could reduce current OASDI deficit prospects by as much as 50 percent. This elimination of "doubled" increases for those still in the work force would be fair to all participants in the system.

While the other proposals by the President are more controversial, they also deserve prompt consideration. They include: A social security tax rate increase of 0.3 percent for employers and employees in 1977, and of 0.9 percent for self-employed persons; phasing out social security benefits for full time students aged 18 to 22 over a 4-year period; changing the retirement test so that it will be based only on annual income, and eliminating retroactive payment of actuarially reduced benefits when this would require a permanent reduction in the beneficiary's future monthly benefits.

These proposals should receive careful review along with a study of alternative methods of improving OASDI financing which might be superior to them.

Despite the seriousness of immediate OASDI deficit problems, long-term projections of the system's operations show even greater problems in social security financing. The even more sizable deficits predicted by experts for OASDI during the next 50 to 75 years and beyond, unless changes are made, are primarily due to new predictions regarding three major factors:

First. Inflation and wage level expectations;

Second. Anticipated continued early retirement trends; and

Third. Predictions that the percentage of the elderly in the population will rise substantially, due to low birth rates which will result in reduced total population growth.

How large the dollar shortages in OASDI will be, depends on the relative accuracy of the differing assumptions made by various experts on the one hand, as to probable rate of inflation and wage level increases, and, on the other, what will be future trends in retirement patterns and the birth rate.

The general range of estimates, however, indicates that unless corrective action is taken, the deficit in terms of present dollars will be somewhere between $1.5 and $2.7 trillion over the next 75 years.

We share the view that Congress will meet its responsibility to see that obligated payments of social security benefits will be made. We do not share the view that there is a lot of time for developing appropriate lines of action.

The individual citizen tries to plan ahead for his own future, such plans often looking 40 to 50 years into the future. By the same token, we believe it is the responsibility of Government and national leaders also to look far into the future. In the larger time framework in which a nation must live, this means 75 to 100 years, not just 5 or 10. This is the principle on which the whole social security system was based and which has been followed in the past. It must not be abandoned now.

No matter how we obtain money necessary to solving both immediate and long-term financing problems, the fact remains that the money must be raised somehow.

The Nation must also give serious and

early thought to a review of current retirement patterns. This should relate to effects of continued trends both in OASDI's ability to continue as a program acceptable to the employees who pay the taxes on which it depends and on how current practices affect the lives of individual older Americans.

This becomes critically important with the prospect that, unless new approaches are developed, within 40 years the number of workers supporting each OASDI beneficiary will fall from more than three workers for one beneficiary to less than two for one.

If the past several years have offered any lesson to the Nation, it should be that the social security system is not only our most immense domestic business operation, but that the elements which enter into its success or failure are extremely complex.

Both the current OASDI financial shortages and the administrative problems with the supplemental security income program, SSI, underscore the dangers in the way various programs under the Social Security Act have been approached in the past. We need a mechanism, totally independent of the bureaucracy which administers social security, to provide us with the kinds of information and overview that will give highest possible reliability to the decisions made in the future by the Congress and the executive branch.

One way of implementing this would be through enactment of Senate Joint Resolution 5, a joint resolution to establish a National Social Security Commission, introduced early in this Congress by me with cosponsorship by Senators FANNIN, TOWER, THURMOND, BROCK, DOMENICI, and HANSEN.

MEDICAID FRAUD AND ABUSE

An area of concern to which the Committee on Aging has directed concentrated effort during the past year has been the continuing investigation by the Subcommittee on Long-Term Care into fraud under the medicaid programs.

This inquiry, stepped up last year through the temporary addition of special investigators to the subcommittee staff, has been directed at dollar fraud and at the mistreatment and personal abuse of patients for whom institutions were being paid to provide decent care.

A summary of the subcommittee's findings and various legislative proposals for congressional consideration are to be found in chapter V of the committee report.

The Subcommittee on Long-Term Care deserves our full support in the work it has been doing and is doing on behalf of those older persons least able to care for themselves.

A GROWING SERVICES NETWORK

A continuing plus in efforts to improve quality of life for older persons has been the strengthening of a national services network through the imaginative leadership of Dr. Arthur Flemming as Commissioner on Aging, and the dedicated commitment of professionals in aging at State and local levels.

While fully operative for only 2 years, this national network on aging, composed of 56 State agencies on aging, 489 area agencies on aging, and 733 title VII nutrition projects, has already begun to have an important impact on the lives of older persons. This has been achieved through improved coordination of existing services in such areas as health, manpower, education, and transportation. State and area agencies on aging operating under title III of the Older Americans Act have initiated new services, and strengthened existing services by tapping public and private resources other than those provided under that act and not specifically earmarked for the elderly, and directing them toward serving older persons.

The title VII nutrition program for the elderly now provides approximately 300,000 meals a day, 5 days a week at more than 4,900 local sites throughout the country.

The interagency efforts of the Administration on Aging have helped the national network on aging to bring available resources to bear to serve the elderly.

An agreement between AOA and the Department of Transportation led to DOT's release of $20.8 million for capital assistance in the provision of transportation services to the elderly and handicapped.

More than 27,000 older volunteers supported through ACTION program participate in title III and VII programs under an AOA/ACTION agreement.

AOA and the Community Services Administration formally entered into an agreement designed to help meet the energy-related needs of older persons. It has been estimated that more than half the homes winterized through CSA's winterization programs belong to older persons.

THE LONG-RANGE CHALLENGE FOR FLEXIBILITY

Concurrent with positive action to help older Americans on all fronts today, there is need for serious review of the ultimate direction our society is going in responses, negative, and positive, to the problems and their implications for the years ahead.

Essential in any long-range assessment are answers to two questions:

First. What will be the challenges for individuals and the Nation in an "aging" society? What social and economic changes will be required as the average age of our population and the percentage of older persons rise substantially?

Second. In meeting the new challenges to our society, how can and should responsibility and opportunity be divided among Government, private organizations, and individuals?

The financial problem which faces the social security system in the period 25 or 30 years in the future, is one manifestation of the need for policy reevaluation generated by the combination of lower birth rates and longer life expectancy which is expected to produce a new mix of young and old in America during the early part of the 21st century.

Vital as this social security financing problem is, it is only the aspect of the impact of lengthening life which may see normal life expectancy of 85 to 90 years as further progress is made in medicine and average American standards of living. The whole role in society of persons past 65 may very well require updating to assure that individuals shall have maximum purpose and meaning throughout increasingly long lives.

Even as we continue our support for special Federal programs on behalf of the elderly, we recognize that there is a serious risk that the American public will assume that increased governmental expenditures are solving the problem of older persons, and that efforts to assure dignity, honor, and independence in later years can just be left to Government. This is simply not so.

FREEDOM OF CHOICE ESSENTIAL

To the extent that there is interference with the rights of older Americans, as in fact there is solely because of age, it involves imposition on them of a second-class citizenship which is unacceptable today and will be intolerable in the future.

One of the most serious obstacles to first-class citizenship by older Americans is to be found in the prevalent practice in both public and private enterprise of forced retirement from employment solely on the basis of chronological age. A companion to it is the age discrimination in new employment. To the extent that either of these practices disregards the desires and the abilities of the individual, they represent a violation of what should be our national position on aging.

In saying this, we are neither expressing opposition to voluntary retirement by individuals, which quite properly is elected by many persons, nor are we ignoring the problems faced by employers, including those related to insurance and pension plans. We recognize that problems involved are complex and require imaginative leadership of the highest order. We recognize, too, that the solution to this problem is largely outside of the legislative field.

Essential as a new attitude by employers is, there are some areas in which the need for greater flexibility in retirement practices and employment policies can be helped through congressional action, including legislative prohibition of age discrimination. Most important in the legislative field is action on elements in public programs which discourage employment during later years.

One improvement, which we have long advocated, would be major liberalization or total elimination of the earnings test. Another would be through provision of more equitable increases in benefit levels for those who choose to defer retirement after 65.

The latter approach, which has been discussed at length in previous minority reports, is to be found in a bill, introduced by me, to provide a 6⅔-percent increment in OASDI retirement benefits for each year retirement is deferred after age 65. This bill, S. 829, is cosponsored by every Republican member of this committee and by a number of other Senators, including the committee chairman and the chairman of the Subcommittee on Employment and Retirement Income.

Employment is not the only area, of course, in which age discrimination interferes with full citizenship rights of older Americans. Housing is another. Discrimination sometimes even extends to limitation on volunteer leadership roles. None of these, or others which could be named, is acceptable.

Granting of credit has long been denied to the elderly because of age alone. The new Equal Credit Opportunity Act will help. As a practical matter, however, the success of this effort requires a change in attitudes by lending institutions and other providers of credit.

It is evident that above all else in the field of aging, there is a need for development of new attitudes toward aging and older persons—attitudes which recognize that the 19th century stereotypes of older persons are not valid today; attitudes which recognize that older Americans have a zest for living, a level of appetites, and the right to their full satisfaction comparable to that of their younger counterparts; attitudes which fully recognize the rights of older persons to freedom of choice as first-class American citizens.

LANDMARK CLEAN AIR DECISION BY SUPREME COURT

Mr. MUSKIE. Mr. President, on Friday, June 25, the Supreme Court decided an extremely important case under the Clean Air Act, Union Electric Co. against EPA. Five and one-half years after enactment, the Supreme Court has ruled decisively that the act means what it says—that the health of the American people is to be protected without regard to feasibility. In correctly describing the purpose and mechanism of the act the Court went on to add:

> These requirements are of a technology-forcing character; *Train* v. *NRDC*, 421 U.S. at 91, and are expressly designed to force regulated sources to develop pollution control devices that might at the time appear to be economically or technologically infeasible.

The Court recognized three opportunities under the act to consider economic and technological factors, not regarding the question of whether the health standards are to be achieved, but rather regarding the choices available to each State in its adoption of a comprehensive strategy to achieve the air quality standards. This is an important distinction. It allows considerable latitude to the States in formulating plans and programs relating to their futures. Justice Marshall described this process remarkably well:

> Perhaps the most important forum for consideration of claims of economic and technological feasibility is before the State agency formulating the implementation plan. So long as the national standards are met, the State may select whatever mix of control devices it desires, *Train* v. *NRDC*, 421 U.S. at 79 and industries with particular economic or technological problems may seek special treatment in the plan itself.

The Court also put to rest the notion that the Clean Air Act in any way preempted or limited State authority to establish whatever requirements a State chooses as long as Federal minimums are met:

> Beyond that, if a State makes the legislative determination that it desires a particular air quality by a certain date and that it is willing to force technology to attain it—or lose a certain industry if attainment is not possible—such a determination is fully consistent with the structure and purpose of the Amendments, and § 110(a) (2) (B) provides no basis for the EPA Administrator to object to the determination on the ground of infeasibility. (*Train* v. *NRDC*, 421 U.S. at 79)
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> In sum, we have concluded that claims of economic or technological infeasibility may not be considered by the Administrator in evaluating a State requirement that primary ambient air quality standards be met in the mandatory three years. And, since we further conclude that the States may submit implementation plans more stringent than Federal law requires and that the Administrator must approve such plans if they meet the minimum requirements of § 110(a) (2), it follows that the language of § 110(a) (2) (A) provides no basis for the Administrator ever to reject a state implementation plan on the ground that it is economically or technologically infeasible.

The Court's opinion is clear and concise. It should lead to renewed efforts to get on with the job of compliance with the act. There should be no new efforts to avoid, to delay, to confront. The law of the land was clear when Congress acted in 1970. The Court has reaffirmed it in precise terms:

> Technology forcing is a concept somewhat new to our national experience and it necessarily entails certain risks. But Congress considered those risks in passing the 1970 Amendments and decided that the dangers posed by uncontrolled air pollution made them worth taking. Petitioner's theory would render that considered legislative judgment a nullity, and that is a result we refuse to reach.

Mr. President, I ask unanimous consent that the opinion of the Court be printed in the RECORD.

There being no objection, the Court opinion was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United States, No. 74–1542]

Union Electric Co., Petitioner, versus Environmental Protection Agency et al.

On Writ of Certiorari to the United States Court of Appeals for the Eighth Circuit.

[June 25, 1976]

MR. JUSTICE MARSHALL delivered the opinion of the Court.

After the Administrator of the Environmental Protection Agency (EPA) approves a state implementation plan under the Clean Air Act, the plan may be challenged in a court of appeals within 30 days, or after 30 days have run if newly discovered or available information justifies subsequent review. We must decide whether the operator of a regulated emission source, in a petition for review of an EPA-approved state plan filed after the original 30-day appeal period, can raise the claim that it is economically or technologically infeasible to comply with the plan.

I

We have addressed the history and provisions of the Clean Air Act Amendments of 1970, Pub. L. 91–604, 84 Stat. 1676, in detail in *Train* v. *National Resources Defense Council* (*NRDC*), 421 U.S. 60 (1975), and will not repeat that discussion here. Suffice it to say that the Amendments reflect congressional dissatisfaction with the progress of existing air pollution programs and a determination to "tak[e] a stick to the States," *id.*, at 64, in order to guarantee the prompt attainment and maintenance of specified air quality standards. The heart of the Amendments is the requirement that each State formulate, subject to EPA approval, an implementation plan designed to achieve national primary ambient air quality standards—those necessary to protect the public health—"as expeditiously as practicable but . . . in no case later than three years from the date of approval of such plan." § 110(a) (2) (A) of the Clean Air Act, as added, 84 Stat. 1680, 42 U.S.C. § 1857c–5 (a) (2) (A). The plan must also provide for the attainment of national secondary ambient air quality standards—those necessary to protect the public welfare—within a "reasonable time." *Ibid.* Each State is given wide discretion in formulating its plan, and the Act provides that the Administrator "shall approve" the proposed plan if it has been adopted after public notice and hearing and if it meets eight specified criteria. § 110(a) (2).[1]

On April 30, 1971, the Administrator promulgated national primary and secondary standards for six air pollutants he found to have an adverse effect on the public health and welfare. 40 CFR pt. 50 (1975). See § 108 (a) of the Act, as added, 84 Stat. 1678, 42 U.S.C. § 1857c–3(a). Included among them was sulfur dioxide, at issue here. 40 CFR §§ 50.4–50.5 (1975). After the promulgation of the national standards, the State of Missouri formulated its implementation plan and submitted it for approval. Since sulfur dioxide levels exceeded national primary standards in only one of the State's five air quality regions—the Metropolitan St. Louis Interstate region, 40 CFR § 52.1321—the Missouri plan concentrated on a control strategy and regulations to lower emissions in that area. The plan's emission limitations were effective at once, but the State retained authority to grant variances to particular sources that could not immediately comply.[2] § 203.110, Rev. Stat. Mo. (1969). The Administrator approved the plan on May 31, 1972. See 40 CFR § 52.1320 *et seq.*

Petitioner is an electric utility company servicing the St. Louis metropolitan area, large portions of Missouri, and parts of Illinois and Iowa. Its three coal-fired generating plants in the metropolitan St. Louis area are subject to the sulfur dioxide restrictions in the Missouri implementation plan. Petitioner did not seek review of the Administrator's approval of the plan within 30 days, as it was entitled to do under § 307(b) (1) of the Act, as added, 84 Stat. 1708, 42 U.S.C. § 1857h–5(b) (1), but rather applied to the appropriate state and county agencies for variances from the emission limitations affecting its three plants. Petitioner received one-year variances, which could be extended upon reapplication. The variances on two of petitioner's three plants had expired and petitioner was applying for extensions when, on May 31, 1974, the Administrator notified petitioner that sulfur dioxide emissions from its plants violated the emission limitations contained in the Missouri plan.[3] See 40 Fed. Reg. 3566 (1975). Shortly thereafter petitioner filed a petition in the Court of Appeals for the Eighth Circuit for review of the Administrator's 1972 approval of the Missouri implementation plan.

Section 307(b) (1) allows petitions for review to be filed in an appropriate court of appeals more than 30 days after the Administrator's approval of an implementation plan only if the petition is "based solely on grounds arising after such 30th day." Petitioner claimed to meet this requirement by asserting, *inter alia*, that various economic and technological difficulties had arisen more than 30 days after the Administrator's approval and that these difficulties made com-

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Footnotes at end of article.

pliance with the emission limitations impossible.[4] The Court of Appeals ordered briefing on the question of its subject-matter jurisdiction to hear the case and, after argument, granted the motions of the EPA and intervenor-respondents, the Attorney General of Missouri and the Missouri Air Conservation Commission, to dismiss the petition for review for lack of jurisdiction.

The Court held that "only matters which, if known to the Administrator at the time of his action [in approving a state implementation plan], would justify setting aside that action are properly reviewable after the initial 30 day review period." 515 F. 2d 206, 216 (1975). Since, in the Court's view, claims of economic and technological infeasibility could not properly provide a basis for the Administrator's rejecting a plan, such claims could not serve—at any time—as the basis for a court's overturning an approved plan. Accordingly, insofar as petitioner's claim of newly discovered or available information was grounded on an assertion of economic and technological infeasibility, the court held itself to be without jurisdiction to consider the petition for review, and so dismissed the petition. In so holding the Court of Appeals considered and rejected the contrary or partially contrary holdings of three other circuits. *Buckeye Power, Inc.* v. *EPA*, 481 F. 2d 162, 168–169 (CA6 1973) (but see *id.*, at 173); *Appalachian Power Co.* v. *EPA*, 477 F. 2d 495, 505–507 (CA4 1973); *Duquesne Light Co.* v. *EPA*, 481 F. 2d 1 (CA3 1973); *Getty Oil Co.* v. *Ruckelshaus*, 467 F. 2d 349 (CA3 1972), cert. denied, 409 U.S. 1125 (1973). See also *St. Joe Minerals Corp.* v. *EPA*, 508 F. 2d 743, 746–749 (CA3 1974), vacated and remanded,—U.S.— (1976); *Duquesne Light Co.* v. *EPA*, 522 F. 2d 1186 (CA3 1975), petition for cert. pending. No. 75–736. On the other hand, the Eighth Circuit found support for its position in the decisions of several other circuits. *South Terminal Corp.* v. *EPA*, 504 F. 2d 646, 675–676 (CA1 1974); *Texas* v. *EPA*, 499 F. 2d 289, 317 (CA5 1974); *Natural Resources Defense Council, Inc.* v. *EPA*, 507 F. 2d 905, 914 (CA9 1974). See also *Indiana & Michigan Electric Co.* v. *EPA*, 509 F. 2d 839, 843–845 (CA7 1975). Cf. *Buckeye Power, Inc.* v. *EPA*, 525 F. 2d 80 (CA6 1975). We granted certiorari to resolve the conflict among the circuits, 423 U.S. 821 (1975), and we now affirm.

II

A

We reject at the outset petitioner's suggestion that a claim of economic or technological infeasibility may be considered upon a petition for review based on new information and filed more than 30 days after approval of an implementation plan even if such a claim could not be considered by the Administrator in approving a plan or by a court in reviewing a plan challenged within the original 30-day appeal period. In pertinent part § 307(b) (1) provides:

> "A petition for review of the Administrator's action in approving or promulgating any implementation plan under section 110 . . . may be filed only in the United States Court of Appeals for the appropriate circuit. Any such petition shall be filed within 30 days from the date of such promulgation or approval, or after such date if such petition is based solely on grounds arising after such 30th day."

Regardless of when a petition for review is filed under § 307(b) (1), the court is limited to reviewing "the Administrator's action in approving . . . [the] implementation plan . . . ." Accordingly, if new "grounds" are alleged, they must be such that, had they been known at the time the plan was presented to the Administrator for approval, it would have been an abuse of discretion for the Administrator to approve the plan. To hold otherwise would be to transfer a substantial responsibility in administering the Clean Air Act from the Administrator and the state agencies to the federal courts.

B

Since a reviewing court—regardless of when the petition for review is filed—may consider claims of economic and technological infeasibility only if the Administrator may consider such claims in approving or rejecting a state implementation plan, we must address ourselves to the scope of the Administrator's responsibility. The Administrator's position is that he has no power whatsoever to reject a state implementation plan on the ground that it is economically or technologically infeasible, and we have previously accorded great deference to the Administrator's construction of the Clean Air Act. See *Train* v. *NRDC*, 421 U. S., at 75. After surveying the relevant provisions of the Clean Air Act Amendments of 1970 and their legislative history, we agree that Congress intended claims of economic and technological feasibility to be wholly foreign to the Administrator's consideration of a state implementation plan.

As we have previously recognized, the 1970 Amendments to the Clean Air Act were a drastic remedy to what was perceived as a serious and otherwise uncheckable problem of air pollution. The Amendments place the primary responsibility for formulating pollution control strategies on the States, but nonetheless subject to the States to strict minimum compliance requirements. These requirements are of a "technology-forcing character," *Train* v. *NRDC*, 421 U. S., at 91 and are expressly designed to force regulated sources to develop pollution control devices that might at the time appear to be economically or technologically infeasible.

This approach is apparent on the face of § 110(a) (2). The provision sets out eight criteria that an implementation plan must satisfy, and provides that if these criteria are met and if the plan was adopted after reasonable notice and hearing, the Administrator "shall approve" the proposed state plan. The mandatory "shall" makes it quite clear that the Administrator is not to be concerned with factors other than those specified, *Train* v. *NRDC*, 421 U.S., at 71 n. 11, 79, and none of the eight factors appears to permit consideration of technological or economic infeasibility.[5] Nonetheless, if a basis is to be found for allowing the Administrator to consider such claims, it must be among the eight criteria, and so it is here that the argument is focused.

It is suggested that consideration of claims of technological and economic infeasibility is required by the first criterion—that the primary air quality standards be met "as expenditiously as practicable but . . . in no case later than three years . . ." and that the secondary air quality standards be met within a "reasonable time." § 110(a) (2) (A). The argument is that what is "practicable" or "reasonable" cannot be determined without assessing whether what is proposed is possible. This argument does not survive analysis.

Section 110(a) (2) (A)'s three-year deadline for achieving primary air quality standards is central to the Amendments' regulatory scheme and, as both the language and the legislative history of the requirement make clear, it leaves no room for claims or technological or economic infeasibility. The 1970 congressional debate on the Amendments centered on whether technology forcing was necessary and desirable in framing and attaining air quality standards sufficient to protect the public health, standards later termed primary standards. The House version of the Amendments was quite moderate in approach, requiring only that health-related standards be met "within a reasonable time." H.R. 17255, 91st Cong., 2d Sess., § 108(c) (1) (C) (i) (1970). The Senate bill, on the other hand, flatly required that, possible or not, health-related standards be met "within three years." S. 4358, 91st Cong., 2d Sess., § 111(a) (2) (A) (1970).

The Senate's stiff requirement was intended to foreclose the claims of emission sources that it would be economically or technologically infeasible for them to achieve emission limitations sufficient to protect the public health within the specified time. As Senator Muskie, manager of the Senate bill, explained to his chamber:

> "The first responsibility of Congress is not the making of technological or economic judgments—or even to be limited by what is or appears to be technologically or economically feasible. Our responsibility is to establish what the public interest requires to protect the health of persons. This may mean that people and industries will be asked to do what seems to be impossible at the present time." 116 Cong. Rec. 32901–32902 (1970).

See also *id.*, at 32919 (remarks of Sen. Cooper); 33115 (remarks of Sen. Prouty). This position reflected that of the Senate committee:

> "In the Committee discussions, considerable concern was expressed regarding the use of the concept of technical feasibility as the basis of ambient air standards. The Committee determined that 1) the health of the people is more important than the question of whether the early achievement of ambient air quality standards protective of health is technically feasible; and 2) the growth of pollution load in many areas even with application of available technology, would still be deleterious to public health.
>
> "Therefore, the Committee determined that existing sources of pollutants either should meet the standard of the law or be closed down . . . ." S. Rep. No. 1196, 91st Cong., 2d Sess., 2–3 (1970).

The Conference Committee and, ultimately, the entire Congress accepted the Senate's three-year mandate for the achievement of primary air quality standards, and the clear impact of that decision is that the Administrator must approve a plan that attains the primary standards in three years even if attainment does not appear feasible. In rejecting the House's standard of reasonableness, however, the conferees strengthened the Senate standard. The Conference Committee made clear that the States could not malinger until the deadline approached. Rather, the primary standards must be met in less than three years if possible; they must be met "as expeditiously as practicable." § 110(a) (2) (A). Whatever room there is for considering claims of infeasibility in the attainment of primary standards must lie in this phrase, which is, of course, relevant only in evaluating those implementation plans that attempt to achieve the primary standard in less than three years.

It is argued that when such a state plan proceeds more rapidly than economics and the available technology appear to allow, the plan must be rejected as not "practicable." Whether this is a correct reading of § 110(a) (2) (A) depends on how that section's "as expeditiously as practicable" phrase is characterized. The Administration's position is that § 110(a) (2) (A) sets only a minimum standard that the States may exceed in their discretion, so that he has no power to reject an infeasible state plan that surpasses the minimum federal requirements—a plan that reflects a state decision to engage in technology forcing on its own and that proceeds more expeditiously than is practicable. On the other hand, petitioner and its *amici* argue that § 110(a) (2) (A) sets a mandatory standard that the States must meet precisely, and conclude that the Administrator may reject a plan for being too strict as well as for being too lax. Since the arguments supporting this theory are also made to show

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Footnotes at end of article.

that the Administrator must reject a state plan that achieves more than the secondary air quality standards require, we defer consideration of this question in order to outline the development and content of the secondary standards provision of § 110(a) (2) (A).

Secondary air quality standards, those necessary to protect the public welfare, were subject to far less legislative debate than the primary standards. The House version of the Amendments treated welfare-related standards together with health-related standards, and required both to be met "within a reasonable time." H.R. 17255, 91st Cong., 2d Sess., §§ 107(e) (1), 108(c) (1) (C) (i) (1970). The Senate bill, on the other hand, treated health- and welfare-related standards separately and did not require that welfare-related standards be met in any particular time at all, S. 4358, 91st Cong., 2d Sess., §§ 110(a) (3), 110(b), 111(a) (2) (A) (1970), although the Committee Report expressed the desire that they be met "as rapidly as possible." S. Rep. No. 91–1196, 91st Cong., 2d Sess., 11 (1970). The final Amendments also separated welfare-related standards from health-related standards, labelled them secondary air quality standards, and adopted the House's requirement that they be met within a "reasonable time." §§ 109(b), 110(a) (2) (A). Thus, technology forcing is not expressly required in achieving standards to protect the public welfare.[6]

It does not necessarily follow, however, that the Administrator may consider claims of impossibility in assessing a state plan for achieving secondary standards. As with plans designed to achieve primary standards in less than three years, the scope of the Administrator's power to reject a plan depends on whether the State itself may decide to engage in technology forcing and adopt a plan more stringent than federal law demands.[7]

Amici Appalachian Power Co. et al. argue that the Amendments do not give such broad power to the States. They claim that the States are precluded from submitting implementation plans more stringent than federal law demands by § 110(a) (2)'s second criterion—that the plan contain such control devices "as may be necessary" to achieve the primary and secondary air quality standards. § 110(a) (2) (B).[8] The contention is that an overly restrictive plan is not "necessary" for attainment of the national standards and so must be rejected by the Administrator.[9]

Amici's principal support for this theory lies in the fact that while the House and Senate versions of § 110(a) (2) both expressly provided that the States could submit for the Administrator's approval plans that were stricter than the national standards required, see H.R. 17255, 91st Cong., 2d Sess., § 108(c) (1970); S. 4358, 91st Cong., 2d Sess., § 111(a) (1) (1970), the section as enacted contains no such express language. *Amici* argue that the Conference Committee must have decided to require state implementation plans simply—and precisely—to meet the national standards. *Amici*'s argument proves too much. A Conference Committee lacks power to make substantive changes on matters about which both Houses agree. 2 U.S.C. § 190c(a) (Senate Conference Reports); Rule XXVIII(3), Rules of the House of Representatives and § 546, Jefferson's Manual, H. Doc. No. 384, 92d Cong., 2d Sess., 526, 270–271. *National Independent Coal Operator's Assn.* v. *Kleppe*, —— U.S. ——, —— n. 10 (1976). Here the Conference Report expressly notes that both the Senate and House bills would allow States to submit plans more stringent than the national standards demand, and offers no suggestion that the Conference bill intended to change that result, even if it could. H.R. Rep. No. 91–1783, 91st Cong., 2d Sess., 45 (1970). And while the final language of § 110 (a) (2) (B) may be less explicit than the versions originally approved by the House and the Senate, the most natural reading of the "as may be necessary" phrase in context is simply that the Administrator must assure that the minimal, or "necessary," requirements are met, not that he detect and reject any state plan more demanding than federal law requires.[10]

This reading is further supported by practical considerations. Section 116 of the Clean Air Act, as added, 84 Stat. 1689, 42 U.S.C. § 1875d–1, provides that the States may adopt emission standards stricter than the national standards.[11] *Amici* argue that such standards must be adopted and enforced independently of the EPA-approved state implementation plan. This construction of §§ 110 and 116, however, would not only require the Administrator to expend considerable time and energy determining whether a state plan was precisely tailored to meet the federal standards,[12] but would simultaneously require States desiring stricter standards to enact and enforce two sets of emission standards, one federally approved plan and one stricter state plan. We find no basis in the Amendments for visiting such wasteful burdens upon the States and the Administrator, and so we reject *amici's* argument.

We read the "as may be necessary" requirement of § 110(a) (2) (B) to demand only that the implementation plan submitted by the State meet the "minimum conditions" of the Amendments.[13] *Train* v. *NRDC*, 421 U.S., at 71 n. 11. Beyond that, if a State makes the legislative determination that it desires a particular air quality by a certain date and that it is willing to force technology to attain it—or lose a certain industry if attainment is not possible—such a determination is fully consistent with the structure and purpose of the Amendments, and § 110 (a) (2) (B) provides no basis for the EPA Administrator to object to the determination on the ground of infeasibility.[14] See *Train* v. *NRDC*, 421 U.S., at 79.

In sum, we have concluded that claims of economic or technological infeasibility may not be considered by the Administrator in evaluating a state requirement that primary ambient air quality standards be met in the mandatory three years. And, since we further conclude that the States may submit implementation plans more stringent than federal law requires and that the Administrator must approve such plans if they meet the minimum requirements of § 110(a) (2), it follows that the language of § 110(a) (2) (A) provides no basis for the Administrator ever to reject a state implementation plan on the ground that it is economically or technologically infeasible. Accordingly, a court of appeals reviewing an approved plan under § 307(b) (1) cannot set it aside on those grounds, no matter when they are raised.

III

Our conclusion is bolstered by recognition that the Amendments do allow claims of technological and economic infeasibility to be raised in situations where consideration of such claims will not substantially interfere with the primary congressional purpose of prompt attainment of the national air quality standards. Thus, we do not hold that claims of infeasibility are never of relevance in the formulation of an implementation plan or that sources unable to comply with emission limitations must inevitably be shut down.

Perhaps the most important forum for consideration of claims of economic and technological infeasibility is before the state agency formulating the implementation plan. So long as the national standards are met, the State may select whatever mix of control devices it desires, *Train* v. *NRDC*, 421 U.S., at 79, and industries with particular economic or technological problems may seek special treatment in the plan itself. Cf. 40 CFR § § 51.2 (b), (d) (1975); S. Rep. No. 91–1196, 91st Cong., 2d Sess., 36 (1970). Moreover, if the industry is not exempted from, or accommodated by, the original plan, it may obtain a variance, as petitioner did in this case; and the variance, if granted after notice and a hearing, may be submitted to the EPA as a revision of the plan.[15] § 110(a) (3) (A), as amended, 88 Stat. 256. Lastly, an industry denied an exemption from the implementation plan, or denied a subsequent variance, may be able to take its claims of economic or technological infeasibility to the state courts. See, *e.g.*, § 203.130 Rev. Stat. Mo. (1969); Ann. Cal. Code, Health & Safety § 39506 (1966); 71 Pa. Stat. § 1710.41 (1962).[16]

While the State has virtually absolute power in allocating emission limitations so long as the national standards are met, if the state plan cannot meet the national standards, the EPA is implicated in any postponement procedure. There are two ways that a State can secure relief from the EPA for individual emission sources, or classes of sources, that cannot meet the national standards. First, if the Governor of the State so requests at the time the original implementation plan is submitted, and if the State provides reasonable interim controls, the Administrator may allow a two-year extension of the three-year deadline for attainment of primary air quality standards if he finds, *inter alia*, that it is technologically infeasible for the source to comply. § 110(e).[17] Second, again upon application of the Governor of the State, the Administrator may allow a one-year postponement of any compliance date in an implementation plan if he finds, *inter alia*, that compliance is technologically infeasible and that "the continued operation of [the emission source] is essential to national security or to the public health or welfare . . . ." § 110(f). See *Train* v. *NRDC*, 421 U.S., at 81.

Even if the State does not intervene on behalf of an emission source, technological and economic factors may be considered in at least one other circumstance. When a source is found to be in violation of the state implementation plan, the Administrator may, after a conference with the operator, issue a compliance order rather than seek civil or criminal enforcement. Such an order must specify a "reasonable" time for compliance with the relevant standard, taking into account the seriousness of the violation and "any good faith efforts to comply with applicable requirements." § 113(a) (4) of the Clean Air Act, as added, 84 Stat. 1686, 42 U.S.C. § 1857c–8(a) (4). Claims of technological or economic infeasibility, the Administrator agrees, are relevant to fashioning an appropriate compliance order under § 113(a) (4). Brief for Respondent 36 n. 34.[18]

In short, the Amendments offer ample opportunity for consideration of claims of technological and economic infeasibility. Always, however, care is taken that consideration of such claims will not interfere substantially with the primary goal of prompt attainment of the national standards. Allowing such claims to be raised by appealing the Administrator's approval of an implementation plan, as petitioner suggests, would frustrate congressional intent. It would permit a proposed plan to be struck down as infeasible before it is given a chance to work, even though Congress clearly contemplated that some plans would be infeasible when proposed. And it would permit the Administrator or a federal court to reject a State's legislative choices in regulating air pollution, even though Congress plainly left with the States, so long as the national standards were met, the power to determine which sources would be burdened by regulation and to what extent. Tech-

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Footnotes at end of article.

nology forcing is a concept somewhat new to our national experience and it necessarily entails certain risks. But Congress considered those risks in passing the 1970 Amendments and decided that the dangers posed by uncontrolled air pollution made them worth taking. Petitioner's theory would render that considered legislative judgment a nullity, and that is a result we refuse to reach.[19]

Affirmed.

FOOTNOTES

[1] Section 110(a) (2), 42 U.S.C. § 1875c–5(a) (2) provides in full:

"The Administrator shall, within four months after the date required for submission of a plan under paragraph (1), approve or disapprove such plan or each portion thereof. The Administrator shall approve such plan, or any portion thereof, if he determines that it was adopted after reasonable notice and hearing and that—

"(A) (i) in the case of a plan implementing a national primary ambient air quality standard, it provides for the attainment of such primary standard as expeditiously as practicable but (subject to subsection (e)) in no case later than three years from the date of approval of such plan (or any revision thereof to take account of a revised primary standard); and (ii) in the case of a plan implementing a national secondary ambient air quality standard, it specifies a reasonable time at which such secondary standard will be attained;

"(B) it includes emission limitations, schedules, and timetables for compliance with such limitations, and such other measures as may be necessary to insure attainment and maintenance of such primary or secondary standard, including, but not limited to, land-use and transportation controls;

"(C) it includes provision for establishment and operation of appropriate devices, methods, systems, and procedures necessary to (i) monitor, compile, and analyze data on ambient air quality and, (ii) upon request, make such data available to the Administrator;

"(D) it includes a procedure, meeting the requirements of paragraph (4), for review (prior to construction or modification) of the location of new sources to which a standard of performance will apply;

"(E) it contains adequate provisions for intergovernmental cooperation, including measures necessary to insure that emissions of air pollutants from sources located in any air quality control region will not interfere with the attainment or maintenance of such primary or secondary standard in any portion of such region outside of such State or in any other air quality control region;

"(F) it provides (i) necessary assurances that the State will have adequate personnel, funding, and authority to carry out such implementation plan, (ii) requirmeents for installation of equipment by owners or operators of stationary sources to monitor emissions from such sources, (iii) for periodic reports on the nature and amounts of such emissions; (iv) that such reports shall be correlated by the State agency with any emission limitations or standards established pursuant to this Act, which reports shall be available at reasonable times for public inspection, and (v) for authority comparable to that in section 303, and adequate contingency plans to implement such authority;

"(G) it provides, to the extent necessary and practicable, for periodic inspection and testing of motor vehicles to enforce compliance with applicable emission standards; and

"(H) it provides for revision, after public hearings, of such plan (i) from time to time as may be necessary to take account of revisions of such national primary or secondary ambient air quality standard or the availability of improved or more expeditious methods of achieving such primary or secondary standard; or (ii) whenever the Administrator finds on the basis of information available to him that the plan is substantially inadequate to achieve the national ambient air quality primary or secondary standard which it implements."

[2] The plan was designed to attain primary and secondary air quality standards in the Metropolitan St. Louis Interstate region by July 1975. See 40 CFR § 52.1332.

[3] The notice included all three plants, even though the variance on one of them had not yet expired, because the one variance still in effect had not been submitted to EPA as a plan revision under § 110(a) (3) (A), as amended, 88 Stat. 256, 42 U. S. C. § 1857c–5 (a) (3) (A), and therefore was not part of the applicable implementation plan. See n. 15, *infra*.

[4] Petitioner also claimed that the presence of sulfur dioxide in the ambient air should no longer be regarded as a health hazard and that compliance with the Missouri implementation plan was not necessary for attainment of national primary or secondary air quality standards. The Court of Appeals found that these claims were not sufficient to establish jurisdiction under § 307(b) (1).

The Court held that the challenge to the validity of regulating sulfur dioxide was not properly before it because the alleged new information had not previously been presented to the Administrator for action, a procedure the Court held was necessary for the exercise of its jurisdiction. 515 F. 2d 206, 220. See also *Oljato Chapter* v. *Train*, ——— U. S. App. D. C. ———, 515 F. 2d 654 (1975). In any case, the Court held, the challenge was to a national air quality standard and as such could be brought only in the Court of Appeals for the District of Columbia Circuit under § 307(b) (1). 515 F. 2d, at 220. While petitioner sought certiorari on this ruling, our grant of the writ was limited to the question whether claims of economic or technical infeasibility could be raised in a challenge to a state implementation plan. 423 U. S. 821 (1975).

The Court of Appeals also found that no claim was stated by petitioner's assertion that the Missouri standards exceeded those necessary for compliance with the national standards because, the Court held, the States are free to adopt stricter standards than the national standards under § 116 of the Clean Air Act, as amended, 84 Stat. 1689 and 88 Stat. 259, 42 U. S. C. § 1857d–1 (Supp. 1975). 515 F. 2d, at 220. While certiorari was not sought on this question, it has been briefed for us and we find it necessary to resolve it in deciding this case. See pp. 14–17, *infra*.

[5] See n. 1, *supra*. Comparison of the eight criteria of § 110(a) (2) with other provisions of the Amendments bolsters this conclusion. Where Congress intended the Administrator to be concerned about economic and technological infeasibility, it expressly so provided. Thus, §§ 110(e), 110(f), 111(a) (1), 202 (a), 211(c) (2) (A), and 231(b) of the Amendments all expressly permit consideration, *e.g.*, "of the requisite technology, giving appropriate consideration to the cost of compliance." § 231(b), as added, 84 Stat. 1703, 42 U. S. C. § 1857f–9(b). See also 42 U. S. C. §§ 1857c–5(e), 1857–5(f), 1857c–6(a) (1), 1857f–1(a), 1857f–6c(c) (2) (A). Section 110 (a) (2) contains no such language.

[6] The Administrator appears to take this position in his guidelines for attaining secondary standards. See 40 CFR § 51.13(b) (1975).

[7] A different question would be presented if the Administrator drafted the plan himself pursuant to § 110(c). Cf. *District of Columbia* v. *Train*. —— U.S. App. D. C. ——, 521 F. 2d 971 (1975); *South Terminal Corp.* v. *EPA*, 504 F. 2d 646 (CA1 1974). Whether claims of economic or technical infeasibility must be considered by the Administrator in drafting an implementation plan is a question we do not reach.

[8] See n. 1, *supra*.

[9] *Amici* not only argue that the Administrator must reject state plans that attempt to attain the primary standards more rapidly than "practicable" or the secondary standards in less than a "reasonable time," but also that he must reject state implementation plans that call for more quantitative emission controls than those necessary to meet the national primary and secondary standards. This argument adds nothing to deciding whether claims of economic or technological infeasibility can be raised. If quantitatively stiffer standards are barred, all plans containing them must be rejected, whether infeasible or not. In any case, as we make clear below the States may adopt such more rigorous emission standards, and the Administrator must approve plans containing them if the minimum federal requirements are satisfied.

[10] Subsequent legislation confirms that this was Congress' original intent. In response to the fuel shortages of late 1973, Congress enacted the Energy Supply and Environmental Coordination Act of 1974, Pub. L. 93–319, 88 Stat. 246. The Act allows the Administrator to review state implementation plans and notify the States if their restrictions on fuel-burning stationary sources may be relaxed without interfering with timely attainment and maintenance of national air quality standards. The decision whether to relax restrictions, however, is left to the States. The Act shows congressional awareness and approval of the fact that federally approved implementation plans may be stricter than necessary for attainment of national standards.

[11] Section 116, 42 U.S.C. § 1857f–6a, provides:

"Except as otherwise provided in sections 209, 211 (c) (4), and 233 (preempting certain State regulation of moving sources) nothing in this Act shall preclude or deny the right of any State or political subdivision thereof to adopt or enforce (1) any standard or limitation respecting emissions of air pollutants or (2) any requirement respecting control or abatement of air pollution; except that if an emission standard or limitation is in effect under an applicable implementation plan or under section 111 or 112, such State or political subdivision may not adopt or enforce any emission standard or limitation which is less stringent than the standard or limitation under such plan or section."

[12] This burden would be particularly onerous in view of the facts that Congress gave the Administrator only four months in which to evaluate each plan submitted, § 110(a) (2), and that all state plans are submitted at approximately the same time. § 110(a) (1).

[13] Economic and technological factors may be relevant in determining whether the minimum conditions are met. Thus, the Administrator may consider whether it is economically or technologically possible for the state plan to proceed more rapidly than it does. If he determines that it is, he may reject the plan as not moving "as expeditiously as practicable" in achieving primary standards or as failing to attain secondary standards within a "reasonble time."

[14] In a literal sense, of course, no plan is infeasible since offending sources always have the option of shutting down if they cannot otherwise comply with the standard of the law. Thus, there is no need for the Administrator to reject an economically or technologically "infeasible" state plan on the ground that anticipated noncompliance will cause the State to fall short of the national standards. Sources objecing to such a state scheme must seek their relief from the State.

[15] A variance approved as a revision of a plan under § 110(a) (3) (A) will be honored by the EPA as part of an applicable imple-

mentation plan, § 110(d), a matter of no little import to those granted variances. See n. 3, *supra*.

[16] Of course, the Amendments do not *require* the States to formulate their implementation plans with deference to claims of technological or economic infeasibility, to grant variances on those or any other grounds, or to provide judicial review of such actions. Consistent with Congress' recognition of the primary role of the States in controlling air pollution, the Amendments leave all such decisions to the States, which have typically responded in the manner described in the text. Cf. 40 CFR §§ 51.2(b), (d) (1975).

[17] Section 110(e) itself convincingly demonstrates that the statutory scheme did not contemplate the Administrator's rejecting state implementation plans as infeasible. There would be little purpose in providing noncomplying sources with § 110(e)'s limited mechanism for postponing infeasible plans—dependent upon the cooperation of the State—if the sources had the option of going to court instead and freeing themselves entirely of the plan by having it struck down as infeasible.

[18] If he chooses not to seek a compliance order, or if an order is issued and violated, the Administrator may institute a civil enforcement proceeding. § 113(b). Additionally, violators of an implementation plan are subject to criminal penalties under § 113(c) and citizen enforcement suits under § 304, as added, 84 Stat. 1706, 42 U.S.C. § 1857h-2. Some courts have suggested that in criminal or civil enforcement proceedings the violator may in certain circumstances raise a defense of economic or technological infeasibility. See *Buckeye Power, Inc.* v. *EPA*, 481 F.2d 162, 173 (CA6 1973); *Indiana & Michigan Electric Co.* v. *EPA*, 509 F.2d 839, 847 (CA7 1975). We do not address this question here.

[19] Petitioner has briefed its contention that the Due Process Clause of the Fifth Amendment demands that at some time it be afforded the opportunity to raise before a court claims of economic and technological impossibility. This claim was neither presented to, nor considered by, the Court of Appeals, and we declined to grant certiorari on the question. 423 U.S. 821 (1975). In any case, we could not resolve petitioner's claim here, for there has been no showing that a § 307(b)(1) appeal would be the only opportunity for petitioner to raise before a court its claims of economic and technological impossibility.

[Supreme Court of the United States, No. 74–1542]

UNION ELECTRIC CO., PETITIONER, VERSUS ENVIRONMENTAL PROTECTION AGENCY ET AL.

On Writ of Certiorari to the United States Court of Appeals for the Eighth Circuit.

[June 25, 1976]

MR. JUSTICE POWELL, with whom THE CHIEF JUSTICE joins, concurring.

I join the opinion of the Court because the statutory scheme and the legislative history, thoroughly described in the Court's opinion, demonstrate irrefutably that Congress did not intend to permit the Administrator of the Environmental Protection Agency to reject a proposed state implementation plan on the grounds of economic or technological infeasibility. Congress adopted this position despite its apparent awareness that in some cases existing sources that cannot meet the standard of the law must be closed down.[1]

The desire to impose strong incentives on industry to encourage the rapid development and adoption of pollution control devices is understandable. But it is difficult to believe that Congress would adhere to its absolute position if faced with the potentially devastating consequences to the public that this case vividly demonstrates.

Petitioner is an electric utility supplying power demands in the St. Louis Metropolitan area, a large part of Missouri, and parts of Illinois and Iowa. It alleges that it cannot continue to operate if forced to comply with the sulfur dioxide restrictions contained in the Missouri implementation plan approved by the Administrator. Specifically, petitioner alleges that: Since the Administrator's approval of the plan, low-sulfur coal has become too scarce and expensive to obtain; reliable and satisfactory sulfur dioxide removal equipment that would enable it to comply with the plan's requirements simply has not been devised; the installation of the unsatisfactory equipment that is available would cost over $500 million, a sum impossible to obtain by bonds that are contingent on approval by regulatory bodies and public acceptance; and, even if the financing could be obtained, the carrying, operating and maintenance costs of over $120 million a year would be prohibitive.[2] Petitioner further alleges that recent evidence has disclosed that sulfur dioxide in the ambient air is not the hazard to public health that it was once thought to be, and that compliance with the sulfur regulation in the Missouri plan is not necessary to the attainment of national primary and secondary ambient air standards in the St. Louis area.

At the risk of civil and criminal penalties enforceable by both the State and Federal Governments, as well as possible citizens' suits, 42 U.S.C. §§ 1857c-8, 1857h-2, petitioner is being required either to embark upon the task of installing allegedly unreliable and prohibitively expensive equipment or to shut down. Yet the present Act permits neither the Administrator, in approving the state plan, nor the courts, in reviewing that approval under § 307 of the Act, 42 U.S.C. § 1857h-5, even to consider petitioner's allegations of infeasibility.

Environmental concerns, long neglected, merit high priority, and Congress properly has made protection of the public health its paramount consideration. See S. Rep. No. 91–1196, pp. 2–3 (1970). But the shutdown of an urban area's electrical service could have an even more serious impact on the health of the public than that created by a decline in ambient air quality. The result apparently required by this legislation in its present form could sacrifice the well-being of a large metropolitan area through the imposition of inflexible demands that may be technologically impossilbe to meet and indeed may no longer even be necessary to the attainment of the goal of clean air.

I believe that Congress, if fully aware of this draconian possibility, would strike a different balance.

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[1] The record is clear beyond question that at least the sponsors and floor leaders of the Clean Air Act intended that industries unable to comply with approved state implementation plans, whether because of economic or technological infeasibility, would be "closed down." This is explicit in the Senate Report. S. Rept. No. 91–1196, p. 3 (1970). It is repeated quite candidly in the statements of various members of the Senate and is described in detail in the Government's brief in this case. Brief for the United States, at 20–32. Indeed, remarkable as it may seem, it is clear from the legislative history that even total technological infeasibility is "irrelevant." See *id.*, 16, 18–23.

What this means in this case, if the allegations of Union Electric Company prove to be correct, is that—in the interest of public health—the utility will be ordered to discontinue electric service to the public. As one cannot believe this would be allowed, I suppose that the State or Federal Government would find some basis for continuing to operate the company's facilities to serve the public despite noncompliance. But no such contingency program or authority therefor is found in the statute, and we must decide the case on the record before us.

[2] The burden of these extraordinary capital and operating costs, even if the technological infeasibility problems could be solved, would fall necessarily on the consumers of electric power.

A VIETNAMESE REFUGEE APPLAUDS AMERICA ON ITS 200TH BIRTHDAY

Mr. FANNIN. Mr. President, in an article recently published in the Tempe, Ariz., Daily News, a Vietnamese couple residing in Tempe has expressed deep admiration for our country's achievements in the short span of 200 years. When our Bicentennial anniversary was explained to them Mrs. Nga Cao and her husband Minh spoke movingly of their appreciation of the freedom offered them here in America after their flight from Communist rule.

I think it would be appropriate on our Nation's Bicentennial birthday to share their remarks with my colleagues. I ask unanimous consent the article be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

A VIETNAMESE REFUGEE APPLAUDS AMERICA ON ITS 200TH BIRTHDAY

(By Barbara Murphy)

The Bicentennial didn't mean much to the Caos before yesterday.

They didn't know what it was.

When it was explained that the United States would be celebrating its 200th anniversary Sunday, Mrs. Cao smiled.

"You mean United States is only 200 years old?" she said. "My country is 4,000 years old," she said, referring to her native Vietnam.

"Look at what you have done in 200 years," she said. "This is a large country, with peace. It is modern.

"My country is 4,000 years old and we are still very small, we still have war and little convenience."

Nga Cao, 27, and her husband, Minh, 30, have been in the United States for 13 months. They were married in Vietnam 10 days before leaving that country.

"It was very sad," Cao said. "We had to leave. We could not live with or stay with the Communists."

Cao was working for U.S. construction and his wife worked for the U.S. government in the transportation motor pool in Vietnam. She put their names and the names of their families on the list of Vietnamese to leave the country, but their families did not want to go.

"Our parents advised us to leave so we wouldn't catch trouble from the new government." Minh Cao said.

The Caos live in a modest apartment in Tempe. They are sponsored by the first United Methodist Church. They plan on becoming citizens of the United States, but they have not been here long enough.

The Caos are happy to be in this country, despite some adjustments.

Nga Cao is afraid of the cold, but Arizona weather is better than she bargained for. "In my country it is humid, but here it is real hot! I burn my hand when I touch a car."

Although they both knew English before coming here, the language was a problem. "I could not speak or understand when I came," Cao said. He went to school to learn English better.

The biggest adjustment here has been

the job situation. "In Vietnam it is very easy to make your own business," Mrs. Cao said. "It is very easy to build life."

Cao has been able to find only part-time work since he has been here. He has held up to three jobs at one time. He is currently working at Fry's Food Store.

Mrs. Cao has been a babysitter, a gas attendant until her health prevented it, and has worked in a factory.

Cao was a parking lot attendant and does lawn work. "We are young. We can work," Mrs. Cao said.

There are other differences between the two countries that the Caos like.

They like the convenience. "When we need something, we look and it's high there," Mrs. Cao said, referring to shopping centers.

They are impressed with this country's welfare program, although they have never been on it. "The people here are protected and cared for by the people. It is a secure life," Cao said. They like the peace.

The Caos lived in Gia-Dinh in Vietnam, a suburb of Saigon. Until the very end when the Communists took over the Country, Saigon was protected from the war.

Mrs. Cao never saw any bombing, never saw a Communist. But both she and her husband were affected by the war. They each lost a brother in the fighting.

Cao was in the army for five years and was wounded twice.

"The war was terrible," Mrs. Cao said. "Sons had to go away. People had to stay far apart. The Communists destroyed everything."

The Caos have some contact with their families back home, and say they are doing fine.

Although they miss their families, the Caos are glad they came to the United States. They plan to stay as long as this country will have them.

Contrasting life in the two countries, Mrs. Cao summed up what life here means to them in her definition of the word freedom: "It means wonderful!"

ESTABLISHING A NATIONAL FOOD COMMISSION

Mr. HUMPHREY. Mr. President, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices recently held hearings concerning the establishment of a Food Marketing Commission. The need for a Food Commission is well justified by the fact that consumer food prices have increased by 28 percent over the last 3 years while net income to our farmers has gone down by 25 percent over the last 2 years. Not since the depression years have farm prices reached such a low point in terms of their purchasing power.

Robert G. Lewis, national secretary of the Farmers Union, stated his approval of and support for establishing a Food Commission; adding that "The food system needs to be examined in more fundamental and searching ways." Mr. Lewis went on to list three recommendations for the Food Commission. The first, pertaining to low farm prices, recommends that the Commission be instructed to analyze and report on the levels of farm prices, to determine what prices are equitable and at what price level is there sufficient incentive for the farmer to produce.

He also suggested that the Commission examine and evaluate food manufacturers as to product design, advertising, and packaging, from the standpoint of economic efficiency in delivering human nutrition from the farmer to the consumer. And finally Mr. Lewis recommended that the Commission obtain impartial judgment from medical and nutritional authorities as to the merits of nutrition and health claims.

The need for a Commission to study and gather information on food production, marketing, transportation and utilization is one important aspect of the proposed study. It is also expected that the Commission, by thoroughly investigating the entire food system, will be able to identify and provide recommendations on ways to increase the efficiency of the total system.

Kenneth D. Naden, president of the National Council of Farmer Cooperatives, expressed support for a comprehensive study to identify the elements responsible for unreasonable prices. He further suggested that the report duplicate the 1966 Food Commission study where once the Commission had completed its report, it was removed from the Federal payroll.

In conclusion, the thrust of the Proposed Food Commission is to develop a more efficient and effective food system which brings to all of our people an ample, safe and nutritious diet.

Mr. President, I ask unanimous consent that the statements by Kenneth D. Naden, president of the National Council of Farmers Cooperatives; Robert G. Lewis, national secretary of the Farmers Union; and my own statement be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement of Senator Hubert H. Humphrey

The hearings regarding the establishment of a National Commission on Food Costs and Pricing offer an important opportunity to evaluate and appraise the entire food marketing industry from farmer to consumer.

This process will provide an opportunity to examine some of the charges and countercharges regarding rising food prices and declining income for our producers.

The challenge is more accurately focused on the fact that consumer food prices have increased by 28 percent over the last three years while net income to our farmers has gone down by 25 percent over the last two years.

I am reminded of the recent Wall Street Journal cartoon which had a man and woman looking at selections of rib steak and brisket saying "If you are not making any money, the packer isn't making any money and the rancher isn't making any money, then the cows must have a bundle stashed away."

We had earlier established a similar food commission in the early 1960's to do an in depth study of the food industry. However, much has happened since that time, and we need to be fully cognizant of the major shifts that have taken place in the world food supply situation.

A major issue to be resolved is what should be the size of the commission and what kinds of people are to be represented on it. In my view, this is not an insurmountable problem, and we should provide for Congress to play a major role in this effort.

I would especially hope that this commission would arrange to hold field hearings at various places throughout the nation in order to develop not only sound data but a firm appreciation of the problems of the entire food industry. We will also need to be vitally concerned that a well-balanced and capable staff is selected in order to carry out the mandate of the commission.

In looking at the duties of the commission, I would hope that the commission would interpret this responsibility in as broad a fashion as possible. Not only is there a need to gather information on food production, marketing, transportation and utilization, but we need to look in depth at the process and understand how the system works. I am aware that some of our witnesses are at best lukewarm over the establishment of this commission. While it is true that other federal agencies have been looking at some of these issues, I believe that this is a unique opportunity to look at the entire food system in order to find ways of developing a more efficient system. We need to understand and assess the impact of new requirements and new regulations. In many cases we have objections to such regulations, and we know that there is a cost involved. However, we often do not have an accurate notion of the cost of such new rules and regulations.

Such regulations often play a major role in helping discourage efficiency and keep small businesses from competing on a par with their larger competitors.

In my view, this should be the thrust or the marching orders of the food commission: how can we develop a more efficient and effective food system which brings to all of our people an ample, safe and nutritious diet.

This search should lead us to recommendations for future legislation in the area of agriculture, nutrition and food marketing, to name a few. I have been extremely interested in the development of a food policy, and the results of the commission effort should provide additional information which would feed into the development of a sound food and agricultural policy.

In my view, the opportunity and the potential results from this commission far exceed the benefits which can be derived through efforts by individual agencies to examine particular issues or develop additional information with regard to the food marketing or production system.

The issue has also been raised as to whether a follow-up of some kind should be provided for after the commission has completed its work. I would recommend that the work of this commission be looked on as a very special effort and not one to be put on a continuing basis. I would hope that the commission would develop recommendations in this area.

I am both pleased and impressed at the breadth of representation included in these hearings. I am hopeful that we can develop a sound bill based on the knowledge and understanding of these participants.

Statement of Robert G. Lewis, National Secretary of the Farmer Union

ESTABLISHING A FOOD MARKETING COMMISSION

Mr. Chairman, I am pleased to have the opportunity to record the Farmers Union's support of the purposes of S. 3004 and S. 3045, to establish a Food Marketing Commission, and to urge that such legislation be enacted.

The "Duties of the Commission" as set forth in Sec. 5 of S. 3004 and Sec. 4 of S. 3045 are similar to those undertaken by the National Commission on Food Marketing in 1966. It would be instructive and beneficial to have an up-to-date study and report of the matters specified therein for the Commission's attention.

However, we believe that the performance of the food system needs to be examined in a more fundamental and searching way, in three important respects, than is contemplated by these bills as presently drafted.

I. Farm prices are "too low"

The Farmers Union contends that farm prices are too low to be fair to farmers. Prices received by farmers averaged only 73 percent of parity last month. The purchasing power that the farmer received for his products has been below parity since 1952. It has declined almost constantly and steadily for a quarter-century. Farm prices during the present Administration reached the lowest point in purchasing power of any time in history except for the deepest depression years of 1931, 1932, and 1933 and remain near that level today.

We believe farm prices are too low by two other measures also—by the measure of the consumers' interest in adequate supplies of food at reasonable cost, and the nation's interest in foreign exchange earnings from agricultural exports.

We would welcome a conscientious, searching and objective examination of our contention that farm prices, at present levels, are too low and too unstable to be fair to farmers, and too low and too unstable to insure adequate and secure supplies of food for the human population.

Therefore, we recommend that the Commission be instructed to analyze and report on the levels of farm prices that would be required—

(1) to provide farmers with returns on their labor, investment, management, and risk that would be equal to the returns to comparable factors of production in other industries; and

(2) to provide sufficient incentives and adequate means for farmers to produce enough food to meet the needs of our own people, plus our appropriate share, in relation to our share of the world's natural resources and production capabilities, of a world demand for food at the level that would be sufficient to furnish a nutritionally adequate diet for the world's human population.

II. Product design and merchandising practices

While farmers generally feel that farm prices are unfairly low, most consumers contend that retail food prices are too high. Both farmers and consumers receive a lot of sympathy for their respective views. Indeed, we have found consumers to be predominantly sympathetic to family farmers, and we know that our members are generally sympathetic to consumers.

It is what goes on between the farm gate and the consumer's kitchen that is usually perceived as the problem.

The first thought that pops into most people's minds is that someone between the farmers and consumers must be making too much profit.

That may be true. We ought to do what we can to insure competition, and by other means try to prevent excessive profiteering by "the middlemen" at the expense of farmers or consumers or both. This, in a nutshell, is the main concern that these bills would direct the Commission to examine.

"Profits" not real solution

But I have observed over the past two or three decades that both profits and wages in the food processing and marketing industries have been only about "normal"—and if anything, have tended to average lower than in other sectors of our economy. In my opinion, we will have to look deeper into what is going on between the farm and the consumer's kitchen than middlemen's profits before we can find a meaningful solution to the problems either of farmers or consumers.

According to data submitted by the U.S. Department of Agriculture to the House of last June, all "corporate profits" in the entire marketing bill for foods originating on American farms in 1974, accounted for only six cents of the consumer's food dollar. Even if that were to be reduced by one-third or half, or eliminated completely, it would not suffice to solve either the farmers' or the consumers' problems.

So I think, in our search for a solution, we ought to quit confining our attention to the profits of the middlemen. We need to begin taking a good, hard look at what the middlemen call their costs.

We ought to quit assuming that the way the food business is being run is basically right—except for a possibility that the people running it may be making too much profit.

The public needs to take a hard, searching, critical look at the social efficiency of the ways the middlemen are running their business. In short, what do the middlemen get for us for the money they spend—and then collect back from us in the prices they charge for food? Do they get for us our money's worth?

For instance, take the breakfast food industry. I went shopping at the Giant Supermarket a few months ago. There I found the Quaker Oats company charging $110.40 per bushel for wheat!

Puffed Wheat—nothing but wheat and air, for $110.40 a bushel. Farmers averaged only $3.43 per bushel for wheat last month.

And there I found General Mills asking $75.04 a bushel for corn! Cocoa Puffs—made of cornmeal, sugar, corn syrup, cocoa, salt, etc. Farmers averaged only $2.61 per bushel for corn last month.

I don't think it makes much difference whether Quaker Oats and General Mills make 100 percent profit, or 50 percent profit, or 1 percent profit, or go broke on their puffs.

Charging consumers $110.40 per bushel for wheat and $75.04 per bushel for corn represents a monumentally inefficient performance for the consumer, whether they make money on it or not.

If Quaker Oats and General Mills can not figure out how to deliver human nutrition from the farmers' gate to the supermarket shelf more economically than that, they ought to be ashamed of themselves. And the National Commission on Food Marketing ought to demonstrate and publicize their shame to all the world.

According, we recommend that the Commission be directed in the legislation to examine, analyze, and evaluate the decisions that are made for use by the food manufacturers as to product design, packaging, and advertising, from the standpoint of economic efficiency in delivering human nutrition from the farmers' gate to the consumer's table.

III. Providing information to consumers about nutrition

If there is any social justification for advertising and sales promotion, it would have to be on grounds that it provides useful information to consumers. Surely it can't be supposed that we might forget to eat, and therefore starve, if the hucksters didn't spend their billions to peddle their tortured wares.

But the advertising of the breakfast food industry to little pre-school children characterizes the lack of social responsibility in most advertising of food. The same applies also to most advertising of patent medicines and health care items.

My own mother, and my wife in her turn, sternly ruled out too many sweets from the diets of their small children.

But mothers are being more and more effectively subverted these days, by clever and lavishly-expensive TV advertising programs that are aimed over their heads right into the center of their nurseries pushing such extravagantly uneconomical junk foods as "Cocoa Puffs" and "Cap'n Crunch" into the moppets.

Whether aimed at tots or adults, most food and medicine advertising seeks artfully to achieve the infantilization of consumption behavior—you gotta have a sweet or pop a pill, right away, for every little appetite or ache or pain—and it's gotta be the fastest pill at that!

The Congress has authorized huge "tax expenditures" to subsidize this kind of "nutritional information" by allowing the costs to be deducted from the manufacturers' taxable incomes. That makes this huge expenditure of resources—and the results therefrom—a direct responsibility of the Congress.

Consumers themselves pay the rest of it. It's the public that pays for every bit of it. On top of that, much of this advertising is carried over the airwaves by the broadcast media, on the airwaves that belong to the public, and whose control is vested in the Congress. The quality of the "nutritional information"—and of the health care information and advice that is thus purveyed to the people—is ultimately the responsibility of the Congress.

The present Caspar Milquetoast regulation of advertising of food and health care items goes no further than to mildly restrain the hucksters from passing our information that would be downright destructive and dangerous. The public is entitled to the most unbiased, objective, and scientifically-sound information and guidance that money can buy—of a quality such as we expect to get from an ethical medical doctor or nutritional scientist.

We recommend accordingly that the Congress meet its responsibility for oversight of this thoroughly-dubious tax-subsidized system of providing information about nutrition to consumers, by directing that the Commission examine, analyze, and evaluate both the merits of the nutritional information that is thus conveyed to the public, and the economic efficiency with which it is delivered.

Specifically, the Commission should be directed to obtain a responsible judgment by impartial and scientifically-qualified medical and nutritional authorities as to the merits of the health and nutritional claims that are so widely exploited by manufacturers of synthetic food products which compete with meats, milk, dairy products, and eggs. This is a public health issue that is too important, both economically and to public welfare, to be left to hucksters who have obvious and flagrant conflicts of interest in the matter.

And furthermore, the Commission should be directed to consider whether the public could get better nutritional information for its money if part of the tax expenditures which are now being used to underwrite such advertising were to be used instead to finance responsible and professionally-qualified health and nutrition information and education for the public.

Mr. Chairman, we believe that if the Commission were to be empowered and directed to undertake an objective examination of these three fundamental problems, in addition to those that are specified in the bills before the Commitee, its work would make an original and valuable contribution to public understanding and ultimately to public policy.

STATEMENT OF KENNETH D. NADEN, PRESIDENT, NATIONAL COUNCIL OF FARMER COOPERATIVES IN SUPPORT OF S. 3004 AND IN OPPOSITION TO S. 3045

I am Kenneth D. Naden, President of the National Council of Farmers Cooperatives. The National Council is an association whose members are farmer-owned and farmer-controlled cooperative associations engaged in the marketing of practically every type of agricultural commodity, and furnishing of major types of supplies and credit to their members and patrons. Approximately 4,500 farmer cooperatives serving more than 3.5 million farmer memberships are represented in this organization.

The National Council supports the concept of a food marketing study such as that proposed by S. 3004, to reassess the efficiency and competitiveness of the various elements of our food marketing system. Such a study would be in the public interest and would undoubtedly show that American consumers are well served by our food industry.

We oppose, however, the proposals of S.

3045 to require annual studies by the Federal Trade Commission, the Department of Justice and the Department of Agriculture. Such reports would require unnecessarily burdensome and costly data collection by all segments of the food industry. The Department of Justice has already testified, in opposing a similar House bill, H.R. 9182, that it considers its function to be primarly judicial rather than that of a research agency. Furthermore, the Federal Trade Commission has clearly demonstrated its shortcomings in food economic research issues in recent studies such as the September, 1975, report on cooperatives and marketing orders. In that report RTC failed to recognize the factors necessary to monopolize or "unduly enhance" prices in any sector of the food industry—namely, domination of the entire industry, or, control over a brand for which the consuming public will accept no substitute. The FTC study showed an alarming lack of comprehension as to the economic role of cooperatives and marketing orders and how they work in the public interest, as well as that of farmers.

Furthermore, FTC, in recent investigations in the dairy and citrus industries, has made superficial judgments on competitiveness based on share of market held rather than on the ability to pass along costs to consumers or to enhance prices unduly for any reason.

Charges of "undue enhancement" of citrus prices are clearly unrealistic. For instance, a six-ounce can of frozen orange concentrate sold at retail for 20.5¢ in December, 1971, and was virtually the same at 20.8¢ in December, 1974. The price then rose slightly to 22.5¢ per can in December, 1975. This makes an 8.7¢ increase in four years, a time when farm production costs and processing, transportation and distribution costs rose by a much greater amount. A six-ounce glass of orange juice costs the housewife 5.6¢ today, compared to 5.1¢ in 1971. Comparable data is available for fresh citrus. In view of these facts, why should FTC want to waste taxpayers' money looking for a culprit for high food prices in the citrus industry? The fact of the matter is that full farm output policy and increased production in the citrus industry have resulted in serious financial difficulties for farmers and a windfall for consumers.

Recent FTC criticism of the cranberry industry is similarly misguided. The Commission has concentrated on symptoms of market power rather than on the fundamental price-determining factors. This is illustrated by price figures from Ocean Spray Cranberries, Inc., one of the firms mentioned in the FTC staff report of September 30, 1975 as having excessive market power.

I paid 39c per pound for fresh cranberries at a local supermarket on October 4, 1975, which is about the same price as I have paid each year for the past five years when the new crop arrived on the market. The records show that the actual wholesale price which Ocean Spray charged wholesale and retail distributors for a 24-pkg. case (1 lb. packages) of fresh cranberries over the past five years was: 1971—$4.50; 1972—$4.75; 1973—$5.10; 1974—$5.50; and 1975—$5.50. These increases in wholesale prices weren't sufficient even to cover increased packaging and marketing costs. However, during the same five-year period, general farm production costs rose about 50%, so the net return to farmers has declined. On the basis of actual performance for both farmers and consumers, the FTC criticism of dominant position and allegations about excessive market power turns out to be an empty charge.

The Commission has demonstrated that, against all logic, it wishes to continue to concentrate its studies of competitiveness in the economically weakest sector of the food industry—the farm marketing sector. In a letter of December 31 to the chairman of this Committee and five other Congressional committees, former FTC Chairman Engman requested special funds to investigate two areas—marketing orders for farm products and farm marketing cooperatives.

We are greatly concerned, too, with prospects of Justice Department involvement in food price investigations. In June, 1973, the Assistant Attorney General, Antitrust Division, testified before a subcommittee of the House Judiciary Committee in connection with such an investigation. That testimony was a clear demonstration of the simplistic and biased approach to competition and farm product markets taken by some key personnel of Justice who work in this area. It showed a lack of understanding of how the prices for farm products are adversely affected by the full output policies of farmers and by the inequality in bargaining power that exists in farm product markets between farmers and their product buyers when they operate on a one-for-one basis.

The Assistant Attorney General's statement showed that he and his staff clearly failed to comprehend the vital difference between competitive pricing of farm products and the administered pricing by oligopolies in some other marketing areas. There is a fundamental difference between agricultural marketing and general business marketing. In agricultural marketing there is not complete control over the amount of goods produced. Some concentration is necessary to provide for orderly marketing of crops of uncontrollable size, and this insures meaningful competition in the interest of consumers. In general business marketing we frequently find sufficient concentration, along with supply control, to give the ability to pass along costs to consumers.

The Assistant Attorney General implied that farmers' marketing cooperatives are somehow responsible for high food prices. No evidence was provided to substantiate this charge. The two-year study by an earlier National Commission on Food Marketing came to exectly the opposite conclusion—that of all the centers of market power in the entire food complex, farm production and farm cooperative marketing activities were the most competitive and therefore least able to exercise monopolistic pricing.

These recent experiences with FTC and the Justice Department help to explain why we strongly oppose S. 3045 or any proposal to establish investigations of the food marketing industry which would be dominated by either or both of these groups.

However, we are not opposed to a study of the food industry which draws upon any federal agency experience or talent, if such an investigation is clearly under the control of an able and impartial commission, such as that proposed by S. 3004. We agree that current food market structure and competitiveness is worthy of re-study as a follow-up to the work of the 1964–66 National Commission on Food Marketing.

Consumers have a legitimate concern about food prices just as farmers have a concern about their farm production and processing costs in an inflation-fired economy. If there are elements responsible for unreasonably high prices for food, they should be identified. [We support S. 3004 to establish a National Commission on Food Costs, Pricing and Marketing to reassure the public that our food marketing system is operating competitively and efficiently.]

We want to re-emphasize our concern that both FTC and Justice have already devoted an inordinate share of their funds and staff to investigating alleged pricing abuses in the food industry. In the spring of 1975, for instance, the FTC requested extensive information from 50 farmers' marketing cooperatives. The request was so broad that 81 pages of index were required even to record all the material that one farmer cooperative supplied in compliance with this request. Then, on September 30, 1975, the FTC released its staff report which was highly critical of farmer cooperatives and which showed that, amazingly, the FTC staff had not examined the materials supplied by the cooperatives. Yet S. 3045 would encourage the agency to go after even more data.

A 17-page FTC subpoena requesting detailed business records for a ten-year period has presented a staggering blow to a Northeast dairy cooperative recently. That cooperative is now required to spend approximately 46,500 man-hours at 42 different locations in five states, collecting approximately 29,200 documents requested. At $10 per hour—a reasonable estimate—it will cost this already financially troubled cooperative nearly a half million dollars just to get the data together for FTC. And that does not include legal fees.

When Justice and the FTC bring their big guns to bear on small business operations, such businesses cannot endure to fight for long. Farmer cooperatives, unlike larger, for-profit corporations that can hire an untold number of attorneys to represent them and may even outspend the total budget of the Antitrust Division of the Department of Justice in order to defend themselves, do not have the resources in the form of reserves which can be used to finance such fights. By the principle of operations at cost, all the returns to the cooperative above those necessary to operate are returned to farmers. Hence additional expenditures of this sort come directly out of farmers' pockets.

It should be apparent, from looking at the intensive competition between farm products and the inability of farmers to control the price of their product, that these agencies are aiming at the wrong target. In seeking a culprit for rising food prices, they seem to forget the terrific bargain which food really represents in terms of consumers' disposable income.

An additional and we believe grave reason why Justice and FTC should not be charged with doing studies or market analysis of the food industry was expressed in a letter from Mr. Thomas E. Kauper, Assistant Attorney General, Antitrust Division of Justice, to Honorable Peter W. Rodino, Jr., Chairman, Committee on Judiciary, in response to a request for the Department of Justice views on H.R. 9182, which is similar to S. 3045 in its annual reporting requirements. H.R. 9182 and S. 3045 would require FTC, Justice and the Department of Agriculture to make annual reports to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry.

Justice in its letter recommending against enactment of H.R. 9182 stated, in part:

"First, we question whether there is reason to believe that the food industry, as contrasted with all other industries in this country, is uniquely characterized by the kinds of deficiencies which the bill recites. . . ."

Since sections 7(a) and 7(b) of S. 3045 are substantially identical to sections 4(a) and 4(b) of H.R. 9182, we think the Justice Department's comments are relevant. Their opposition was stated as follows:

"Section 4(a) of the bill would require the Department to submit to the Congress and to publish in the Federal Register 'a report on its policy planning, budget allotments, investigations, complaints, indictments, litigation, and other actions with respect to the enforcement of the antitrust laws in the various sectors of the food instry.' To some extent this information is already regularly compiled. We publish semiannually a report of all antitrust cases instituted and terminated and that report would, of course, include cases involving the food industry. It has not been our practice and we do not think we should be required to disclose the details of investigations if those investigations have not led to litigation. The Antitrust Division conducts many investigations each year which are closed without action. We doubt that it would serve any useful purpose to disclose the identity and the persons and firms that were investigated.

"Section 4(b) of the bill requires the Commission and the Department jointly to submit to the Congress each year 'an index of the state of competition in the food industry.' The index 'shall include an account of major segments of the food industry by commodity as well as by line of business, indicating market structure and performance and trends ... and possible monopoly overcharges.' We are not certain exactly what the legislation would require since the phrase 'index of the state of competition' has no generally accepted meaning that I am aware of. *However, compilation of the volume of data apparently contemplated by the legislation would be an enormous undertaking as the food industry contains thousands of firms and many different product markets, and local and regional geographic markets. For a report on the food industry meaningfully to disclose the state of competition, we would have to undertake to collect data in all these product and geographical markets.* Detection of 'possible monopoly overcharges,' assuming the phrase were precisely defined, would be extremely difficult, as our experience in trying to prove damages in antitrust cases shows. *We question whether it is feasible to prepare the kind of report which this legislation contemplates—that is, a report which can accurately measure the degree of competition that exists in the many segments of the food industry. Moreover, we doubt that this would be the wisest use of Antitrust Division resources which, as noted above, are directed primarily towards detecting and prosecuting specific violations of law.*" (Emphasis supplied.)

One last point regarding S. 3045. This bill authorizes the U.S. Department of Agriculture to share responsiblity for analysis of competition and market structure in the food industry with the Federal Trade Commission and the Department of Justice. This does not satisfy farmers that a balanced market structure would be presented. The viewpoint on farm product pricing and reason is that FTC has shown itself to be indifferent or arrogant to the views of Department of Agriculture authorities that have many years of experience in direct operations of marketing order and cooperative business activities.

On December 17, the Secretary of Agriculture sent then-Chairman Engman of the FTC a 16-page single-spaced appraisal of the FTC staff study on cooperatives of September 30. That appraisal was highly critical of the report, calling it "misdirected" and "erroneous" in several parts. In addition, he forwarded a list of 31 specific statements from the FTC staff study, illustrating factual errors, misinterpretations and distortions of the situation. No changes were made in the final report from that of the draft, pertaining to any of the 31 statements challenged. On December 31, Mr. Engman transmitted this distorted statement to the Chairman of this Committee and several others, recommending legislation which he felt the study justified. This is not a sound and valid basis for recommending legislation.

In conclusion, Mr. Chairman, we again restate our position: We welcome and recommend an updating of the study done by the National Commission on Food Marketing in the 60's. We believe that Commission did a fine public service in its study and report. It had bipartisan support and represented both houses of Congress, as well as the general public. The staff collected the data, made its report, and got off the federal payroll. We think this is the way Congress should direct an important study to be done again, and not rely upon the biased atitude and the weak economic analysis of farm marketing operations which has been shown to prevail in the Justice Department and the Federal Trade Commission.

We thank you for the opportunity to present this statement.

MISSILES TO ARABIA

Mr. EAGLETON. Mr. President, one of the reforms Senator HUMPHREY has instituted in the military sales program is a system whereby Congress is given advance notification of an intent to sell arms to a foreign nation. This important innovation, which hopefully will soon be a legal requirement, allows Congress a chance to make known its views without taking a more definitive veto action.

In accordance with this procedure, the administration has informally advised Senator HUMPHREY's Subcommittee on Foreign Assistance of a possible sale of 1,900 additional Sidewinder missiles to Saudi Arabia. This sale is troubling when considering Saudi Arabia's limited capacity to use what will be a total of 2,400 of these missiles.

In light of the possibility that Saudi Arabia might intend to stockpile these weapons for use by other Arab countries, I feel that Members of Congress must carefully scrutinize this proposed sale. It seems clear that over-zealous salemen are suggesting that we provide many more of these missiles than can possibly be used by Saudi Arabia's Air Force.

Mr. President, the New York Times raised these same questions in an excellent editorial. I ask unanimous consent that this editorial, entitled "Missiles to Arabia," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 30, 1976]

MISSILES TO ARABIA

American military sales abroad, fueling arms sales in the third world, have soared from about $1 billion in 1970 to more than $10 billion in each of the past three years. This shameful development has seen the United States become a major supplier to both sides in both Mideast military rivalries—between Arabs and Israelis and between Iran and the Arab states bordering the Persian Gulf.

The plan to sell civilian versions of the C–130 military transport plans to Syria and Iraq is the latest such deal to come to light. But, far more outrageous is the current Pentagon proposal to approve the sale of 1,900 more Sidewinder air-to-air missiles to Saudi Arabia, a five-fold increase.

Ostensibly, Saudi Arabia "needs" the missiles to equip the American F–5 fighter aircraft that defend the country against neighboring Iraq, which has been armed by the Soviet Union. But it is an open secret that Riyadh's chief concern is the growing military power of Iran—which has been sold many billions of dollars of American arms, including advanced equipment just entering United States forces.

Saudi Arabia has 50 F–5's now and will only have 110 by the end of 1978 when Sidewinder delivery is to begin. An F–5 can only carry two Sidewinders. Even counting many reloads, it is difficult to conceive of a legitimate Saudi need for 2,400 Sidewinders. Riyadh already has purchased through commercial channels—bypassing Congressional review—16 Hawk ground-to-air missile batteries, ten of which now are in place manned by United States civilians employed by the American manufacturer.

That is one reason why a review by the Arms Control and Disarmament Agency, which now is required by law, has held that the Sidewider sale is excessive for Saudi defense. There is concern in Congress that a missile stockpile of that size could only be designed for transfer to the Arab states in the event of another war with Israel. The Pentagon rejects that thesis on the basis of Saudi performance during past Mideast wars. But it is not necessary to adjudicate that issue to challenge the size of the proposed Sidewinder sale.

The Sidewinder deal, as a government-to-government transaction, can be disapproved by a majority vote in both houses of Congress. This has proved to be a difficult procedure, rarely attempted, but it should be invoked in this case unless the number of missiles is sharply reduced. And Congressional oversight clearly must be strengthened.

President Ford recently vetoed legislation that would have improved the procedures for Congressional review in cases of this kind, extending them to commercial sales, which have been rising rapidly as a result of a Pentagon-supported effort to avoid existing Congressional oversight. But the compromise legislation now voted by both houses retains this and other improvements. Prompt signature by the President should bring into being the kind of Executive-Legislative sharing of responsibility for arms sales policy that long has been needed.

THE PLIGHT OF THE RURAL POST OFFICE

Mr. STENNIS. Mr. President, on June 30, 1976, the U.S. Postal Service announced what I call a moratorium on the closing or conversion of small rural post offices. I was very pleased to learn of this decision because I totally oppose the closing of some 12,000 small rural post offices.

I fully understand that the decision to halt additional closing was done to await final action by both Houses of Congress on the Postal Reorganization Act amendments. I remain undecided about how I will vote on this bill when it comes before the Senate, but my opposition to closing rural post offices is unchanged.

We must always remember that the Postal Service is just what the name implies—a service. This service is to be available to all the people, not just the ones in cities. Quite often the post offices in these small areas serve as community centers and provide much more than receiving and delivering the mails. In many cases, the existence of the post office is the only legal identity the communities have. The small post offices help preserve a way of life in America that is worth far more than some arbitrary cost figure.

As I have on previous occasions pointed out, the large deficit expected by the Postal Service is far greater than the amount of money that would allegedly be saved by closing some 12,000 small rural post offices. I believe that the real cost saving areas of the Postal Services can be found in the massive operations of the large cities.

While it would be highly desirable to have the Postal Service operate on a break-even basis, we must not lose sight of the fact that many Federal agencies exist to provide service to the people without any intention of recovering their costs through fees.

I urge my fellow Senators and other congressional Members to do what we can to prevent any wholesale closing of small post offices. I personally shall continue to strongly and actively resist any such proposals.

NUTRITION EDUCATION IN THE ST. PAUL SCHOOLS

Mr. HUMPHREY. Mr. President, I recently received a letter from Mr. Gary Park, assistant to the superintendent for legislative affairs of the St. Paul public schools, outlining the goals and accomplishments of the Daytons Bluff nutrition education project.

With the help of a USDA grant, the St. Paul schools have opened a model nutrition education center and have completed a number of nutrition education workshops. These workshops were planned to help the elementary school teacher develop interest in all aspects of food and the importance of good nutrition.

The children in grades K–3 participated in food identification, the tasting of unfamiliar foods, and the planning of balanced meals. Children in grades 4–6 conducted tests for carbohydrates, protein, fats, minerals, and vitamins, and they carried out an animal feeding demonstration in the classroom which enabled students to observe the importance of a balanced diet.

At the secondary level, nutrition education was emphasized through science classes and food intake was related to physical activity. All of the programs reported very positive student reactions.

Programs such as the one at Daytons Bluff will contribute greatly to the development of improved habits, attitudes, nutritional information and ultimately better health on the part of our children. I would like to compliment the St. Paul schools on the success of this program and encourage the development of similar programs throughout the country. It was with this kind of program in mind that I introduced my nutrition education bill, S. 3449.

Mr. President, I ask unanimous consent that the attached summary of the program and the May 1976 Update article, "Nutritionist Seek Direction on How To Teach a Child 'You Are What You Eat'," by Virginia Huck, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NUTRITION EDUCATION IN SAINT PAUL SCHOOLS

For several years now, the Saint Paul School District has highlighted the importance of nutrition education by including it in the curriculum of prekindergarten through adult education programs. The PTSA was most influential in supporting the initial efforts. To date, over 300 (approximately one-third) of all elementary teachers in the district have been enrolled in in-service courses in preparation for teaching comprehensive integrated nutrition units. The workshops were based on the Dairy Council's Big Idea program.

The elementary teacher can make a significant contribution to the development of attitudes, habits, and understandings that will lead to desirable food practices. If classroom teachers are to have a feeling of assurance in teaching nutrition, they must acquire some knowledge of the subject. Teachers also need to know how to teach nutrition—how one can interest children in nutrition; what are the approaches at the different ages, and where one can turn for reliable assistance. The workshops were planned with these needs in mind.

Nutrition education begins with the identification of food. Activities at the primary level are focused on introducing students to actual (unfamiliar) food items and allowing them to see, touch and smell these foods. An unfamiliar food, usually a fruit or vegetable, is placed into a "mystery box", which is nothing more than a sock stretched over a large oatmeal box. The student reaches into the box and describes and identifies the food without seeing it. As the "mystery box" is being passed from one anxious hand to another, the student is asked, "What do you notice? Is it soft or hard? Is it rough or smooth? What is its shape? How big is it? Can you smell it?" After describing and identifying the food without seeing it, the students then have a chance to see and taste the mystery foods.

Experiences that give children the opportunity to investigate different textures, consistencies, and flavors, help them identify and enjoy a greater variety of foods. The primary grades are the place for tasting parties and identification games. Children's beliefs about food and their attitudes toward food can be influenced early in their school career by the climate of the classroom and the example of the teachers.

Teachers have modified negative attitudes of children toward particular foods by creating a spirit of adventure in the classroom and by providing opportunities for children to taste unfamiliar or previously rejected foods. Often, children will taste foods when their classmates taste them, but would reject the same foods at home. It is simply that children desire to conform to the peer group or to copy what a particular friend is doing.

After students can identify and name a wide variety of foods, they are introduced to the Four Food Groups. A "grocery bag" learning opportunity gives class members a chance to name food items and the Food Group to which they belong. A colorful tablecloth, divided into fourths and labeled with the name of each of the food groups, is used. Each student takes a turn at identifying and placing food from the grocery bag in the appropriate food group. The class decides whether they agree or disagree with their classmate's choice.

An activity called "Let's Make a Meal" gives the student an opportunity to select a well balanced meal when given an assortment of foods. First, the class plans a balanced breakfast, lunch and dinner. Then the class is divided into three groups, each with the assignment of choosing food pictures to place on paper plates. Students take turns telling the group why they like the meal. The class evaluates to see if the choices include foods from each food group.

A study of the concept that man's environment influences his food choices is a natural for a combined nutrition and intercultural education learning opportunity. Students analyze meal patterns of families from other cultures and compare them with their own. For example, primary classes may prepare tostadas, a Mexican sandwich of a tortilla layered with refried beans, shredded lettuce and tomato, topped with grated cheese. The tostadas are served with champurrado, a hot chocolate milk drink with a sprinkling of cinnamon and grated chocolate. The students taste, compare, and contrast a Mexican lunch of a tostada and champurrado with a familiar American lunch of hamburger with lettuce and tomato and a glass of milk. The students explain how the meals are alike, how they are different and if both meals include foods from the Four Food Groups.

Through a series of different experiences over a long period of time, and on a planned basis, students are given an opportunity to gain an understanding of the importance of nutrition. Students in grades four through six learn that nutrition makes a difference in how they feel, look and grow. Children in the intermediate grades learn first hand about the presence of nutrients in various foods by conducting tests for carbohydrates, protein, fats, minerals and Vitamin C.

By conducting an animal feeding demonstration in the classroom, students are able to observe differences in the appearance and performance of two rats—one fed a well-balanced diet and one fed a diet lacking foods in the Milk Group. At the end of the experiment, students demonstrate the importance of a diet by comparing and contrasting experimental data for test animals. Students will then begin to conclude that they, too, need a balanced diet.

An introduction to consumer education and career exploration begins at the primary level through field trips to local Supermarkets. This "behind the scenes" approach to nutrition information has the added advantage of presenting nutrition in a social situation. Using the supermarket as a classroom also utilizes available community resources for presenting nutrition information.

Because the school lunch presents a balanced meal, day after day, with various combinations of foods, we have, within the school environment, the opportunity for providing experiences that will enhance the classroom program. We encourage student tours of the school service facilities with the cafeteria manager explaining the equipment and operation necessary to the production of the school lunch. Classes are asked to submit favorite menus for production in the school lunch. The school lunch can also provide an opportunity to demonstrate that eating is part of social interaction by participation in pleasant eating situations. Teachers often eat lunch with their students or have students invite their parents or a guest for lunch at school.

In March, 1975, the Saint Paul Schools received funding from USDA for the development of a nutrition center at the elementary school level. The principal objective of this project is to integrate school lunch into the nutrition education program. The procedure selected was to develop a model Nutrition Center to which students, parents, and educators come for action learning experience related to nutrition education and child nutrition programs.

The Nutritional Learning Center Program consists of six components:

1. In-depth action learning experiences for elementary school age children where the emphasis is on planning and preparation of meals using the guidelines established for USDA child nutrition programs.

2. A nutrition resource lending center providing parents, educators and food service personnel with a wide range of current nutrition materials.

3. Expanded in-service training programs for teachers and school food service personnel utilizing the Nutrition Center. Videotaped lessons dealing with various aspects of nutrition, including concepts presented at the Nutrition Center and use of current nutrition education methods and materials, are available at the resource center. All of these learning experiences are planned to assist teachers in incorporating nutrition education experiences into the ongoing science, social studies and health curriculum areas.

4. Parents are encouraged to volunteer at the Center, as well as participate in parent/child classes at the Center. Use of the resources center by parents will be encouraged.

5. Involvement of teenage students as assistants in the Nutrition Learning Center will provide secondary school students who are studying child development nutrition with additional learning experiences. They will develop nutrition activities and materials as well as assist with the presentation of nutrition activities for elementary school age children.

6. Coordination of the Nutrition Center with existing community agencies and programs concerned with child nutrition.

We've found that as more and more teachers begin to include nutrition experience in the classroom, they seek out a resource, someone to emphasize and reinforce classroom nutrition discussions. Most often, this is the school nurse or dental hygienist. We worked with the Dental Hygienists in developing lessons that emphasize nutrition and good dental health. The lessons, with their focus on snacks, has reached more than 2600 second graders.

Many students from colleges and hospitals in the Twin Cities—St. Catherine's, the University of Minnesota and St. Paul Ramsey Hospital, participate in community nutrition field experiences in the Saint Paul Public Schools. Objectives of the experiences are:

1. To acquaint students with classroom techniques in nutrition education.

2. To help students become familiar with resource materials and instructional aids applicable at various grade levels.

3. To provide students experience in design and execution of classroom presentations in nutrition education.

4. To provide additional resource persons for the public school students.

"Eat It Up," a TV program for K–3 students, is designed to increase recognition and promote acceptance of fruit and vegetables, grains and cereals. It includes five 20-minute productions, teaching guides and supplementary student activity sheets. "Eat It Up" was designed as a result of a St. Paul School dietary study which showed that students had a low preference for those foods they could not identify. The television shows and related teaching materials demonstrate growing and cooking projects for school and home involvement.

The topics are:

1. "Super Stuff for Super Stars"—The Minnesota Twins show that food equals energy.

2. Who Made it Before We Ate it?"—What is food, who needs food, where food comes from.

3. "Roots, Stems and Seeds for Wee Needs"—Parts of plants help us grow.

4. "One, Two, Threezy Cookin's Easy"—A variety of cereal and grain foods can be fun.

5. "Let's Make A Meal"—Different families enjoy different foods.

The programs helped students to identify many different kinds of foods and to accept the practice of eating a variety of foods. Approximately 37,000 K–3 students throughout Minnesota watched the shows and used the supplementary teaching materials in their classrooms. Teachers reported that the students sang the songs, looked forward to the follow up activities and tried recipes at home. Because of the many requests received, the "Eat It Up" series will be rebroadcast in March 1976.

As we challenge elementary students by providing nutrition learning experiences earlier in the school environment, there is a critical need for a re-evaluation of existing curriculum approaches at the secondary level. There is a need for articulation of programs K–12, as well as a need for a clear definition of objectives by discipline to avoid overlap.

At the secondary level, we are emphasizing nutrition information in science classes culminating with nutritional biochemistry and/or ecological environmental approach. Social Studies classes are focusing on global implications of the world food situation. Health teachers are including nutrition as part of comprehensive health education and with regard to balance between food intake and physical activity. Co-ed Home Economics classes emphasize career education and consumerism. We are in the process of developing a foods and nutrition emphasis utilizing alternative future strategies and techniques to help students explore concepts as well as predict, anticipate, and analyze possible futures and their implications for the individual and family.

An interdisciplinary weight control project is being piloted this fall. The project will focus on underlying emotional causes and on behavioral habits that need to be realigned in the treatment of obesity. We are focusing on a comprehensive approach to weight control, combining individual consultation, group process, and mutual help. CAI, behavior modification, value clarification, adaptive physical education, and food preparation and consumption, are some of the concepts and techniques being used.

For the past 2 years, Saint Paul Schools and the FSN Dept. of the University of Minnesota have cooperated in a comprehensive study of food habits and nutrient intakes of teenagers. The objectives of the study were:

1. To determine the personal and social factors related to food choices and eating behavior.

2. To use the findings of the study to create and initiate innovative programs of nutrition intervention to bring about behavior changes in food selection practices. A nutrition unit was developed that was taught to nine different groups of approximately 30 ninth grade students as part of their health class. 15 class hours were spent on three objectives. Emphasis was on value clarification by students in each of the three areas:

1. Appraisal of personal food intake in regard to proper amounts and adequacy for age, sex, and physical needs.

2. Evaluation of food intake of others in regard to proper amounts and adequacy for sex, age, and physical needs.

3. Assessment of current nutrition information. Experiential learning was stressed throughout the three week unit. There was a minimum of direct lecture/note taking, rather, there were numerous varied learning activities in which there was a high level student participation.

Teaching the first objective, Appraisal of our Food Intake, was accomplished utilizing CAI.

The most relevant way to teach and understand the importance of a balanced diet is to actually analyze an individual's food intake, a task requiring hours of tedious calculations. A computer assisted learning package allows the student to supply personal characteristics and facts about his diet. Then, with the aid of the research data stored in the computer, the student interacts with the computer and receives immediate analysis and nutrition information.

Twenty-three secondary home economics teachers were introduced to a computerized food intake analysis program via an inservice workshop. All but one teacher indicated that this was their first experience using the computer. All of the teachers reported that the workshop was their first exposure to computer assisted instruction in home economics. Seven schools utilized the food intake analysis program. Teachers reported student reaction to be "very positive", "very impressed", and "willing participation."

We have given you an overview of the new or emergent efforts in nutrition education in the Saint Paul Schools. Nutrition education is, of course, an integral part of the on-going Home Economics curriculum and is in evidence in courses specifically designed for foods and nutrition, and in courses related to child development. If you should wish further information about any of the components of our nutrition education program, please write Ms. Susan Barker, Nutrition Helping Teacher, Saint Paul Public Schools, 360 Colborne, St. Paul, Minn. 55102 or telephone at (612) 298–4188.

[From Update, May 1976]

NUTRITIONISTS SEEK DIRECTION ON HOW TO TEACH A CHILD "YOU ARE WHAT YOU EAT"

(By Virginia Huck)

How to get children to realize that "they are what they eat" has been a challenge to parents and teachers for generations. The problem has been approached in a multitude of ways with varying degrees of success. Textbooks of yesteryear used "scare" techniques, showing readers what happens to children whose diets are deficient—bowlegged children with rickets, fat stomached ones with Kwashiorkor. These negative approaches may have worried children, but did not always achieve desired results.

In the United States today, the majority of children do not suffer from lack of food—which is what often caused rickets and other diseases—but rather, an improper balance of foods, so the challenge is still with us. Parents and teachers must still educate children to make intelligent choices of food.

Current thinking among many nutritionists is that not only the children, but their parents, teachers, and community should be involved in any program to teach wise eating habits.

During the past year, the St. Paul school system has been conducting an experiment in nutrition education using this "total" approach. The experiment was conducted by St. Paul Public schools at Daytons Bluff Elementary School using funds from a U.S. Department of Agriculture grant awarded to the Child Nutrition Education section of the state Department of Education, the first WSDA grant to Minnesota for nutrition education, and one of 10 granted nationally.

Barbara Kalina, nutritionist in the child nutrition section, division of school management services, SDE, coordinated the project at the state level. She assisted in proposal preparation to USDA, and is coordinating the dissemination of materials evolving from the experimental project which would be useful to other districts, such as curriculum materials and guidelines.

Co-directors of the project at the administrative level for St. Paul schools were Kathleen Stuart, supervisor, home economics, and Virginia Ball, food service director.

On-site director was Rebecca Sauser Christopherson, nutritionist with the St. Paul pubic schools. Working with her were elementary teacher Barbara Timm, food service aides and other assistants. Daytons Bluff principal Donald Lackner was exceptionally cooperative and supportive of the entire project.

Major goals of the project were:

To increase consumption of foods rich in iron, calcium, Vitamins A and C;

To increase participation in the school lunch and breakfast programs and;

To increase understanding of these programs;

To help parents plan menus which will meet nutrient needs of all family members, making use of the school lunch and breakfast programs in the process.

The application for USDA funds came after St. Paul schools had found through studies that there was low consumption of certain foods served at school meals and an insufficient intake of iron, calcium, Vitamins A and C by the children. Studies had also shown that many foods children said they didn't like were foods they had never tasted or could not identify. Their preferences reflected parents' and friends' likes and dislikes also.

The proposal to USDA, through the State Department of Education, according to Ball, was to develop a model Nutrition Center where all concerned with children's health could come for hands-on learning experiences related to nutrition and child nutrition programs.

With the USDA grant of $69,641 this model Nutrition Center was established at Daytons Bluff Elementary (pre-school-6).

The idea behind the research was to determine whether such a nutrition center could have any influence (for the better) on food habits and behavior of children, particularly in regard to the school lunch and breakfast programs.

With a year's research behind them now, the Nutrition Center staff thinks they have some answers to this question.

The experiment was set up to involve all of Daytons Bluff's 800 children. The school was divided into two groups, an experimental and a control group. The experimental group participated in learning experiences in the Nutrition Center after pre-testing of both groups. After post-testing the groups, the control group had the opportunity to participate in Nutrition Center activities. Every class in the school spent five days in the Nutrition Center along with classroom teachers who were supportive observers.

Pre-surveys were designed to find out what the children knew or didn't know about certain foods—what they liked and disliked, and what they did or didn't recognize. A post-survey was conducted at the end of the experimental group participation and results compared.

Specifically the surveys examined the following areas: the children's attitudes toward the school breakfast and lunch program; the 24-hour food intake pattern of students; food identification and familiarity; plate waste in the cafeteria.

The pre-survey showed that some children at Daytons Bluff could not identify such foods as apricots, asparagus, beets, lima beans—all items which are served at some time on the school meal program. For example, children confused apricots with peaches and lima beans with green beans.

Christopherson's staff found that there was a high correlation between not liking a food and not being able to identify it. Children said they didn't like what they didn't know about.

Results of the pre-survey convinced the staff of the Nutrition Center that action experiences with primary children should concentrate on food identification. So these students, as they participated in the project, were exposed to a wide variety of foods. When these children were postsurveyed, there was indication that they were familiar with a greater variety of foods than the pre-survey showed, and consequently were eating more of the fruits and vegetables served them at the school lunch.

Christopherson cautioned that true success or failure of the food identification project could only be judged by what the children did in the future as far as eating habits were concerned.

Children found the action learning experiences to be of the great interest to them. Some of these were:

Cooking their own lunches each day each of their five days in the Center.

Making posters showing balanced diets and favored foods;

Reading, writing and creating recipes;

Studying foods of other cultures (Italian, Oriental, Swedish, for example, and regional American foods;

Learning through experiments about the chemistry of food.

(For example, experiments were designed so children could determine the fat, protein, starch, and mineral content of food).

Engrossed in such varied activities, the children forgot they were learning basic skills and that in effect, they were studying art, reading, writing, mathematics, music, science, social studies, and intercultural studies.

Another popular activity was the visiting of St. Paul's food preparation center at Harding High School.

"Every child (in groups of 30) had a chance to tour the food services department at Harding, where 1650 St. Paul public school meals are prepared daily, including those for Dayton Bluff Elementary," explained Christopherson. They saw how food is handled in volume, how menus are planned, the equipment needed, and watched the people cooking. We talked about careers in food. The tour ended with orange juice for a treat."

One of the interesting by-products of the experiment was that the children who were in the experimental group during the first half of the year passed on the knowledge they had gained to friends and relatives in the control group.

"So in a way," commented Barbara Timm, it was difficult to keep a true control group—most of the kids in the school heard about everything that went on in the experimental group and learned right along with them—which was fine with the staff, as participation in the Nutrition Center reinforced what they had already heard."

One goal of this team approach experiment was not reached to the satisfaction of those working on it—parents and food service personnel were not involved to the extent the researchers had originally hoped for.

"Further research in this area needs to be done," agreed Ball and Christopherson. Ball explained, "We are hoping for funding for another year so we can do more with the education of the parents in nutrition, and also to work more with our food service personnel. We want to continue student participation as a motive and instructional resource to involve parents and food service personnel to a greater degree. "We have gone this far—the K-6 and teaching inservice; the curriculum is written and guidelines are established, and trends noted so we would like to finish this facet of the research."

Ball commented that with this project, as with many others, it was the children who had answers to many of the problems.

Charles L. Matthews, director, child nutrition section, SDE said "This project illustrates that the Child Nutrition Programs, classrooms and home can successfully join together in the delivery of a total nutrition education program. Together, teachers, parents, and school food service personnel helped students learn that daily food habits have a direct effect on their health."

ANNOUNCEMENT OF POSITION ON VOTES

Mr. PELL. Mr. President, on Tuesday evening, June 29, 1976, I was necessarily absent from the Senate because of long-standing commitments involving my participation in the Bicentennial Tall Ships observances in the State of Rhode Island.

I wish to announce my position on the several votes that occurred in the Senate that evening:

On record vote No. 359, I would have voted "yea."

On record vote No. 360, I would have voted "nay."

On record vote No. 361, I would have voted "nay."

On record vote No. 362, I would have voted "yea."

On record vote No. 363, I would have voted "yea."

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENSON. Mr. President, on Thursday, July 1, 1976, I was necessarily absent from the Senate when several votes occurried on the tax bill.

I wish to announce my position on the following votes:

On record vote 378, I would have voted "nay."

On record vote 379, I would have voted "yea."

On record vote 380, I would have voted "yea."

On record vote 381, I would have voted "yea."

EXPORT ADMINISTRATION POLICY

Mr. GARN. Mr. President, there is on the calendar, S. 3084, a bill reported on May 25, 1976, by the Committee on Banking, Housing and Urban Affairs, which extends the Export Administration Act of 1969, and makes other changes in export administration policy.

This legislation represents, in part, an attempt to streamline the decision-making process in export licensing approval. At the same time, it is hoped, the process will be improved in its efficiency and better able to protect the vital national interests of the United States, while allowing for a more free and unrestricted trade.

In March of this year, while the International Finance Subcommittee of the Banking Committee was considering S. 3084, my administrative assistant, Mr. Jeff Bingham, made a trip to the Soviet Union to attend a West German Machine Tool Trade Show in Moscow. The trip was sponsored by the National Machine Tool Builders Association. Their purpose was to enable someone from the legislative branch to gain first-hand information about the level of technology of the equipment being sold to the Soviet Union by West German machine tool builders. In his report, Mr. Bingham outlines some of the issues that are critical to an evaluation of our export administration policies. He provides observations from his own experiences and draws upon some external sources for information to augment his own observations.

While I do not necessarily accept all of the specific conclusions which Mr. Bingham reaches, I do believe that he has raised in this report some very real and valid questions which must be addressed in a review of our export policy in this country.

Such a review is called for in section 104 of S. 3084. I believe that Mr. Bingham's report points out the importance of that review, and I commend it to my colleagues for their study, and ask unanimous consent that it be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Memorandum

To Senator Jake Garn.
From Jeff M. Bingham, Administrative Assistant.
Date June 9, 1976.
Subject April Visit to Moscow and West German Machine Tool Trade Show.

The attached paper is intended to serve as a formal report based on my trip to the Soviet Union earlier this year. I have already provided you with a verbal report of my activities. We have already utilized some of the information that I obtained in staff discussions, and it has been used as the basis for some of the actions we have already taken in consideration of S. 3084, the "Export Administration Amendments of 1976."

In this paper I have supplemented my personal observations with external documentation and sources in order to emphasize some key points. Consequently, instead of simply reciting a diary of activities at the show, I have taken a specific conclusion and made use of my observations at the show to support it.

Report on West German Machine Tool Show—Moscow, U.S.S.R.

In early March, I was invited by the National Machine Tool Builders Association, to accompany two of N.M.T.B.A.'s executives to Moscow to attend a show at Sokolniki Park, Moscow, U.S.S.R., conducted by the West German machine tool industry. It was explained to me that it is the opinion of the machine tool builders that the West Germans are marketing highly sophisticated numerically-controlled machine tools to the Soviet Union of the type that is restricted for export to socialist countries by the U.S. Government. Their argument is that the export restrictions agreed upon by the countries participating in the COCOM organization—all NATO signatories, except Iceland, plus Japan—are subject to interpretation by the respective governments, and that West Germany is applying a more liberal interpretation than the United States. The result is that this sophisticated equipment is being supplied to the Soviet Union and other socialist countries by the West Germans, and the U.S. companies which can produce comparable equipment are frozen out of competition by the inability to obtain export licenses. They hoped to verify the availability of West German high technology by attending the show and assessing the sophistication of equipment being shown.

A series of questions are relevant to this aspect of the present export administration and licensing policies of the U.S. Government:

1. Is it, in fact, the case that participants in the COCOM licensing restriction agreements are variously interpreting the standards established by consensus among those participants?

2. Does this interpretation lead to the marketing of restricted equipment and the transfer of sophisticated technology to the communist countries which aids those countries materially in advancing their own productive capabilities vis-a-vis those of the Western world and, specifically, the United States?

3. Is the liberal interpretation given by West Germany, for instance, on the restrictions of sale of numerically-controlled machine tools in fact a violation of the spirit of the COCOM agreements? If so, how can such a violation be reconciled, in view of the non-treaty status of the COCOM agreements?

4. Is it possible that the United States export licensing apparatus is more restrictive than is reasonable, and that the equipment and technology being marketed by our COCOM partners does not, in fact, represent a threat to the national interests of the United States?

These are not easy questions to answer, partly because the actual criteria and standards used in developing the COCOM restricted lists are not available in any formal descriptive material. Only lists of restricted items are published, and those are not on a timely basis. Much of the information that U.S. industry uses to obtain guidance about export licensing restrictions emanating from COCOM comes from a British publication, which apparently has more timely access to COCOM working papers.

The questions are also difficult because there is no single, clear definition of what level of technology represents a threat to the western world if made available to the communist world. There is no clear picture of what level of technological sophistication the Soviet Union, for example, has already developed domestically, or already has the capability to develop without further assistance from western technology and industry.

Finally, there is still not a clear definition of the current licensing review procedures within the U.S. Government, which determine whether or not a requested export is allowed. Some of the changes made in S. 3084 by the International Finance Subcommittee address themselves to this issue and should improve the clarity of the licensing procedure if enacted into law, but the present situation remains unclear.

My trip to Moscow did not provide me with the answers to these questions, nor, of course, was it expected to. But I believe that some of the observations I made there, coupled with information I have learned since returning, can provide some help in beginning to answer some of those questions.

GENERAL IMPRESSIONS

The West German Machine Tool Show was a very extensive and impressive demonstration of the Germans' technological advancement in the machine tool industry, and there were very highly sophisticated equipment and control devices in evidence at the show. Mr. Ed Leoffler, Technical Director for the National Machine Tool Builders Association, accompanied me on the trip, and has reported his technical analysis of the equipment we saw. A copy of his report is attached to this report. As we visited the various demonstration booths of the companies participating in the show, I was impressed with what appeared to me as a layman to be very sophisticated equipment in many of them. Mr. Loeffler explained to me at each booth the type of equipment being shown, its various applications, the extent to which our own machine tool industry has the capability to produce similar equipment, and whether or not the most sophisticated machinery appeared to be of a sufficiently high level to warrant careful review under the COCOM restrictions.

There were several four- and five-axis machines with CNC control devices that Mr. Loeffler felt might be violations of COCOM, at least as interpreted by the United States. Among those devices that were of a highly sophisticated nature was the Siemens Sinumerik 550–C control device. Mr. Loeffler makes the following comments concerning this company:

"In the Siemens booth they displayed their Sinumerik control system, models 520–CE, 520–K, and 550–CE. The official show catalog (page B119) indicates that Siemens were advertising their CNC (Computer Numerical Control) control at the show; . . . Exhibit A, . . . is a reproduction of the catalog page in the original Russian with an English translation also given. This indicates that the 550–C control is definitely CNC, confirming information printed as long ago as February 24, 1975. . . . One model 550–C control was displayed at Sokolniki on a Decker machining center." (Page 3, Ed Loeffler Report)

Mr. Loeffler refers in his report to 19 other machines and control devices at the show that were of a highly sophisticated nature.

We have not received confirmation as to which of the machines on display at the show actually remained in the Soviet Union, but it was the opinion of the N.M.T.B.A. officials that the assumption could be made that virtually every item shown was either sold prior, during or subsequent to the show. That general assumption was shared by the personnel in the U.S. Commercial offices in our briefing sessions with them during the week. A key question in this connection would be to determine whether or not it is the policy of the West German Government to issue an exhibit license only for equipment that cannot be sold to the Soviet Union under terms of the COCOM agreements. I have not been able to determine if this is the case, but I would seriously question whether a piece of high technology equipment that was prohibited from being sold to the Soviet Union would be allowed to be sent into a trade show in Moscow. I am also unaware of any exceptions granted under COCOM procedure for items included in this show.

In the absence of specific documentation of sales and delivery of equipment of a restricted nature, I obviously cannot report as a factual matter that such equipment and its accompanying technology is being made available to the Soviet Union. I do believe, however, that the weight of presumption is strong and that, at the very least, a case could be made that U.S. firms are not able to compete in the same market with the same level of sophistication of equipment as the West Germans had at this show.

During the week long visit in Moscow, we attended several briefings with U.S. Trade officials, and met with the President of Stanko Imports, the primary importer of non-automotive machine tools. We also had several informal discussions with the German officials at the trade show. I formed some impressions of the attitudes of these people during the course of those meetings, which I think are instructive.

The Germans were very serious about their show. It was very comprehensive, and extremely well managed. Their participants were active and very eager to show their equipment off, and they succeeded in an impressive way. Mr. Loeffler's report provides some indication of the size and extent of the show.

The Russians, in turn, demonstrated a keen interest in the equipment at the show. It was well attended during the three days we spent at Sokolniki Park, and there was a great deal of very animated discussion between the booth operators and the visitors to the Show, especially where the most sophisticated equipment was being demonstrated. It was very clear that the show was not there for Moscow residents to come and see the fancy machines and get balloons and popcorn. The visitors were there on business and took it very seriously.

Mr. I. M. Maslov, the head of Stanko Imports, and host of the show, was very enthused about the range of machinery brought to the show. He made very sure to impress upon us the competitive advantage the Germans had over the U.S. by bringing their highly sophisticated machinery. In a discussion about a proposed American Machine Tool Show in 1978, he simply said that the Americans should bring machinery as good as or better than the Germans, or don't bother. Obviously, it is to his advantage, and that of the Soviet Union, for the Germans and the Americans—and the Japanese, for that matter—to compete with each other to see who can make the best product available to the willing Soviet purchasers. For a man representing a system that disavows the virtue of competition, Mr. Maslov clearly understood its uses.

The U.S. trade officials with whom we met were very impressed with the show. In their experience, it was one of the bigger and most impressive they had seen. They were keenly interested in Mr. Loeffler's technical assessment of the machinery being demonstrated, and spent a good deal of time at the show themselves. Their general attitude was one of encouraging expanded trade in this area by U.S. companies and agreed with N.M.T.B.A. that the present licensing procedure is awkward and sometimes overly restrictive of trade. One issue they expressed concern over was the fragmented nature of the decision-making process on licensure. This subject was the subject of considerable discussion during the hearings on S. 3084 on March 22nd and 23rd and much of the action subsequently taken in Committee on the bill was directed at clarifying this situation.

The conclusion I would draw from these impressions was that there is a clear concensus of opinion that the U.S. is not competing at the same level with the Germans in the machine tool export market. There are several explanations for this, but the most recurrent theme is that, as the N.M.T.B.A. has argued, our history is unable to compete primarily due to the trade restrictions imposed by our own government. This theme is repeated in a number of external sources I have read and was stated frequently in the Senate hearings on S. 3084. In a study done in July, 1975, by W. J. S., Incorporated, a Washington, D.C., firm specializing in marketing services and representation to socialist countries, the following comments are made:

"Unilateral U.S. export controls of N/C contouring machine tools have generally been more restrictive than the multilateral COCOM controls which most Western European countries utilize with a maximum degree of liberal interpretation. In the late 1960's, the Soviets attempted to turn to U.S. machine tool suppliers but were cut off when export licenses were not granted. In 1970–71, an N.M.T.B.A. and Commerce Department joint effort was undertaken to review the U.S. export regulations. Following the study many of the controls on M.F.E. were lifted; Western European countries, however, are still able to export more sophisticated M.F.E. equipment than U.S. companies, in some areas.

"Significant previous license denials which have since been approved include Gleason gear-making machinery, Cross transfer lines, DeVlieg machining centers, Ex-Cell-0 lathes and all N/C machines with two axles simultaneous contouring.

"Continuing problem areas are computer-based numerical controls and three or more simultaneous axis machines."

("U.S. Potential For Metalworking and Finishing Equipment [M.F.E.] In The U.S.S.R.," W. J. S., Incorporated, Washington, D.C., July, 1975, pp. 19–20)

Central to this issue, I believe, is the matter of weighing national security interests against the desirability of a free and unrestricted international trade, since it is in terms of the national interest that the trade restrictions are imposed.

That issue is, itself, too large and complex an issue for me to attempt to resolve here. It is enough if this report assists in focusing attention on that issue by citing specific experience of the consequences of those trade restrictions. In addressing the issue, there is one further observation I want to make that I believe is relevant.

It is essential that there be a much more discriminate assessment of the level of technological sophistication that plays a role in the national security of the United States. Clearly, a full appreciation of the status of the technological development of the United States industrial complex vis-a-vis the other industrial nations in the western world and the industrial nations of the eastern bloc will enable more precise and reasonable restrictions to be developed and applied to export license applications. If a technology is already available in a communist country, or is readily available through a third country, I can see no justification for continued restriction against U.S. firms competing for the contracts to market that technology to a communist country, especially when the nation's balance of payments deficit is continuing and the need for capital expansion of our own technology-producing industry is increasing.

In a report issued on June 3, 1976, the General Accounting Office assessed the productivity of our manufacturing technology in this country, entitled "Manufacturing Technology—A Changing Challenge to Improved Productivity". In its report, the G.A.O. reviews the development of computer-numerically-controlled manufacturing technology such as that utilized by the machine tool industry, and made a comparison of the U.S. position relative to foreign nations in the development of this technology and in the marketing of this technology in the international market place. The report indicates that the United States is losing its advantage in manufacturing productivity over the other industrial countries of the world. It cites numerous statistical comparisons to illustrate this relative decline, and concludes that much of the reason for the decline stems from a combination of a lack of international trade in the area, and a failure to improve our domestic development of this technology through research and development.

In the language of the report, "technological innovation in the civilian industrial sector is at a critical point and . . . America's once unchallenged scientific and technological superiority has deteriorated." The report further relates findings that "technological innovation and industrial know-how have become recognized as the major determinant of international competitiveness." In the case of the machine tool industry, the Report cites a study completed in February, 1976, which states, "In summary, the statistical evidence shows that the United States has lost its leadership as the Number One producer of machine tools to foreign nations." Chapter 5 of the GAO Report is attached to this report.

There may be those who would take issue with the conclusions of the G.A.O. Report, or the studies it cites, but the point that I think is worth making is that it is possible that our export restrictions on many of our machine tool developments may be based on an invalid assumption. It is a basic assumption of those restrictions that the United States maintains its superiority in this area of technology by restricting the exportation of that technology.

What this G.A.O report suggests to me is that we are, in fact, already losing that superiority as a result of an unhealthy condition within our domestic industry. This condition is caused, in part, at least, by the trade restrictions within which the industry is unable to achieve an adequate sustained capital growth to enable intensive research and development to lead to an increasingly superior product.

In this setting, it is critically important that the technological assessment that I mentioned earlier be conducted so that relative levels of proficiency can be established. Against that background, trade restrictions could be restructured which would achieve a balance between an adequate capital expansion of our own industry and an acceptable level of technology transfer in the international market place.

Attachment A

Report on West German Machine Tool Show in Moscow

(By E. J. Loeffler)

The West German machine tool industry conducted a show of their products from 30 March to 8 April, 1976 at Sokolniki Park, Moscow, U.S.S.R. Jeff M. Bingham (Administrative Assistant to Senator Jake Garn), J.A. Connor (International Trade Director, NMTBA), and E. J. Loeffler (Technical Director, NMTBA) attended this show on March 30–31 and April 1. The general objective was to observe the types of machine tools and controls exhibited by the Germans for sale to the Russians.

Approximately 170 exhibitors had stands in the show. It was estimated that $43 million worth of equipment was shown in four halls covering over 10,000 sq. meters. Reports received after the show indicate that over $20 million worth of machines were sold during the course of the show. Harold Sherbarth (General Kommissariat, Rheindeutscher Maschinenfabrik) told us that approximately 500 machines of all types were on display.

In addition to the machine tools many accessories and allied products were also displayed. These included hydraulic equipment, electrical equipment, electronic equipment, cutting tools, dies, plotting tables, measuring equipment, digital readouts, programmed controls, and numerical controls.

While visiting the show, we attempted to obtain literature on the various products of prime interest. This proved difficult, as the literature was not freely displayed and had to be requested from the booth attendants. In addition, most of the literature was printed in Russian. Obtaining information some German materials and some multilanguage brochures. The multilanguage materials were in the minority, however, as most of the information had been translated and prined in Russian. Obtaining information was difficult as we were immediately recognized as Americans in most places and the booth personnel were reticent about talking with us. The language difficulty also was a large problem as few of the Russians with whom we met could speak English, although many of the Germans could. Russian-German interpreters, hired locally, were in evidence in each booth.

Our efforts were concentrated on the more sophisticated types of equipment, especially that which was numerically controlled. Most of the time was spent observing the NC machine tools which use contouring controls or might employ more than two axes of motion.

Regarding numerical control, the Siemens company dominated the show. They had over 20 control units throughout the show; other companies represented with controls on machines were AEG-Telefunken, Bosch, and General Electric, as well as a few machine builders who made their own control.

In the Siemens booth they displayed their Sinumerik control system, models 520 CE, 520 K, and 550 CE. The official show catalog (page B119) indicates that Siemens were advertising their CNC (Computer Numerical Control) control at the show; see Exhibit A, which is a reproduction of the catalog page in the original Russian with an English translation also given. This indicates that the 550 C control is definitely CNC, confirming information printed as long ago as February 24, 1975, in American Metal Market/Metalworking News (Exhibit B). One model 550 C control was displayed at Sokolniki on a Deckel machining center.

We were told that the 550 CE controls were modifications of the 550 that could be shipped to Russia without COCOM approval. It is not known what modifications were made to the control to allow its export to the bloc countries. However, a Siemens brochure (obtained at the Siemens booth and printed in Russian) indicates that the 550 CE is a CNC control. An excerpt from the brochure is attached (Exhibit C) with a translation of two pertinent paragraphs.

The following machine tool companies had equipment of most interest to us:

Frederick Deckel showed a Model S500 machining center; this is a four-axis machine with two shuttle fixtures. It employed a Siemens 550 C control.

Droop & Rein displayed a four-spindle vertical mill with a Siemens 550 C control.

Gildemeister displayed a lathe with a Siemens 520 K control. This had a belt-type changer and had two toolholders on one slide. Also shown was a M. Muller/Gildemeister lathe which was a larger version of the other and used a Siemens 520 K control.

Hegenscheidt showed two NC machines, a chucking lathe with a GE 550 control and a second lathe with a Siemens 520 K control.

Hessapp showed a vertical turret lathe with a single square turret; the machine was controlled by a Siemens 520 K unit.

Heyligenstaedt showed a large, vertical tracer-mill, a programmed-control lathe, and a slant bed NC lathe with a 12 station end turret and a Siemens 520 K control. They also showed a chucking lathe with two spindles and two hex turrets on the same cross slide. This unit used a GE 550 control.

Huller, displaying their Hille/Henschel line, showed a four-axes machining center with a Siemens 550 CE control.

Index-Werke showed a lathe with a Siemens 520 K control. In their catalog, available at the show in the Russian language, Index also showed a model of an automatic turning machine and stated that AEG, Bosch, GE, Siemens or other controls (to order) could be used with the machine.

Kolb showed a vertical mill with a Siemens 550 CE control.

Maho displayed a model MH 2000 boring and milling machine with a tool changer. This machine was capable of five axes of motion, three axes for linear motions, one axis for table rotation, and one axis for tilt of the fixture. The unit employed a Siemens 550 CE control. Another machine in the booth was equipped with a control built by Maho.

Pfauter had a gear hobbing machine with a PA 300 NC control.

Pittler showed a shaft lathe with a Siemens 520 K control.

Schaudt had an external grinder with a Siemens control which had no model number.

Steinel had a machining center with a 550 CE control.

Trumph showed an NC punch press with Bosch NC 873 controls.

Behrens also showed an NC punch press, but no information was noted on the control.

Many forms of programming control were used on various machines throughout the exhibit. Several numerically controlled plotting tables were shown also.

Liebherr showed two robots in their booth. While they had limited motions, they were numerically controlled. One control was a Data General Nova 2 and the other was a BBC Axmeric.

Digital readouts were noted on many machines. Heidenhain showed various forms of digital readouts, as well as all forms of encoding devices. These devices had a resolution of .001 mm or greater.

(Note.—The Russian language sections of exhibits A and C are not included in the Record. Only the English translations are reproduced.)

EXHIBITS

Feed drives: Direct current Servomotors (excited by permanent magnet or by auxiliary source) with a SIEMATIK S 31 control.

SINUMERIK 550 C–CNC—System of numerical discontinuous rectangular circuit and path program control of horizontal boring machines and machining centers.*

PRODUCTION PROGRAM INCLUDES

Machinery and equipment for electron beam, plasma, laser welding.

Industrial furnaces.

Machines for thermal heating and hardening.

Machines for induction heating and hardening.

Electric switching apparatus and controls.

Copy attachments.

Machine lamps.

Electric and electronic components.

Couplings.

Electronic and Numerical Controls.

Electric Motors and Generators.

Cooling pumps.

Speed governors.

Brakes.

Exhibit 3

Siemens Mounting Market Push for Sinumerik 550–C Control

(By Roy Koch)

Erlangen, West Germany.—Siemens is going all out to push its new Sinumerik 550–C control which features a computer numerical control (CNC) system and has already delivered 50 of the units to West German machine tool producers.

Juergen Gehrels, machine tools spokesman said, "We will be showing the 550–C in Paris at the European Machine Tool Show (EMO) in June, by which time we should have some of the units delivered to end users." So far the 550–C has been sold to machine tool manufacturers Burkhardt & Weber KG, Reutlingen; Deckel AG, Munich; Mueller GmbH, Ludwigsburg; and Kolb, Cologne. They are installing the unit in various formats on new machine tools.

Although the new control is not yet available on the United States market, Siemens will be demonstrating it on German, French and Italian machine tools at EMO and is marketing it in Europe at prices ranging from about $26,000 to $43,000. "The price is, of course, dependent on the individual requirements in terms of program editing capability, sub-programming, and so forth," said Gehrels. "We have no U.S. price as yet, but the sales and service organization is already there, and we should be able to start selling this fall or the first of next year at the latest." Current delivery time runs between three and four months and Gehrels estimates that it will be the same for the American market.

The Siemens Sinumerik 550–C is a CNC straight-cut and continuous path control for modern boring machines, drilling machines, milling machines and machine centers which can be used in up to four axes, two at a time. Input and output resolution is one micron and feed rates can be set up to 10 meters a minute with traverse up to 15 meters a minute.

The CNC system has a capacity of 99 electronically adjusted tool compensations and can store programmable sub-routines tailored to workpiece and machine. These sub-routines, together with incremental data programming, full-circle programming, direct feed rate programming (4-digit word) and automatic cutter-radius-path compensation simplifies programming.

The 550–C is particularly flexible in that complete machining programs can be corrected on the machine by feeding corrections into a store on the machine which automatically fits them into the un-optimized program read in from the punched tape.

The Sinumerik 550–C has a continuous check on the measuring circuit, the measuring system and the leads to the measuring transducer by means of a closed-loop register separate from the control logic Drives, temepratures and voltages are similarly monitored so that, for instance, a monitoring device will interrupt the sequence before the machine is damaged or the workpiece ruined if the drives execute movements for which no command has been issued.

The logic section of the 550–C has been designed to improve reliability consisting of from 12 to 18 printed circuit boards of standard double Europa format. This format will be retained in models sold on the American market, the company said.

The Sinumerik 550–C is designed to enable it to be adapted to further development both on the machine and on the control side so that the user can take advantage of new developments.

Increase in power accompanied by lowering of the prices for computer devices has for several years served as the basis for employment of the first numerical control system (CNC—computer numerical control). Until recently the chief sphere of application of computer numerical control was represented by processes in which the potential of small computers could be used the most economically in processing a large amount of data involving a large number of calculations. The use of small computers was also justified in machines having a small and moderate number of elements in the production series and ones for which particularly complex technological requirements were set.

The field of application of standard technology, such as turning, drilling, and milling, was limited by the inexpensive control equipment. When the PR310S computer was developed it became possible to employ the potential of computer numerical control by means of the Sinumerik 550 CE in the medium speed range of drilling and milling machines as well.

Attachment B

(Report to the Congress by the Comptroller General of the United States)

Manufacturing Technology—A Changing Challenge to Improved Productivity

(Note.—Footnotes not printed in the Record.)

With new technology, the United States can increase the productivity of industries that produce goods in small lots. Many foreign industrial nations have ways of diffusing technological advances throughout their manufacturing bases. We can learn from these foreign efforts to enhance manufacturing productivity.

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* Since the original translation was from German to Russian and the above was retranslated in the U.S. from the Russian into English, the final translation may be different than if translated directly from German into English. The statement probably would read "System of straight cut and continuous path control of horizontal boring machines and machining centers".

The United States needs to make manufacturing productivity a national priority to remain internationally competitive and to maintain strong industries.

CHAPTER 5: U.S. POSITION RELATIVE TO FOREIGN NATIONS

As shown in chapter 2, our overall output per employed person is higher than any other nation. Although this is also true of manufacturing, we have already indicated in table 1 that the U.S. average increase in productivity has been the lowest in the Western world and Japan.

If these higher rates of growth in manufacturing productivity in the foreign countries are sustained and, as shown in chapter 2, there is no way of determining that they will not, then the absolute advantage of the United States would disappear.

But, why should we be concerned about such a possibility? If Americans are employed and enjoying a standard of living satisfactory to Americans, what does it matter, except for a matter of national pride, that other countries may surpass the United States in manufacturing productivity?

We believe the answer lies in the consequences of not maintaining this advantage with today's growing economic interdependence of nations. The ability to maintain the satisfactory standard of living we have achieved depends greatly on our ability to compete with foreign manufacturers in the world markets, as well as in the U.S. domestic market. Relative productivity and the costs of the output of manufacturing determine this competitive position. In spite of the fact that in terms of best practice, the industrial nations are now relatively equal, there is no apparent reason why American manufacturing technology should fall behind if we properly recognize and adjust to the changing world conditions confronting us.

Another and related consequence involves the potential in foreign countries for directed efforts to improve productivity in selected manufactures. For example, the Japanese system provides for selective product development and productivity improvements in specific sectors.

A Department of Commerce study states that:

"When all * * * factors have been weighed, however, there is still a missing element in explaining Japan's performance, and it is the element with which this study is primarily concerned and which is of primary concern to the American business community. It is the special and unique way in which the Japanese government has guided the economy's development and the interaction of government and enterprise which is the peculiar hall-mark of the Japanese economy. Japan's economic destiny has not been left to the free play of market forces. The government has undertaken from the beginning of Japan's modernization and industrialization to identify objectives and priorities for the Japanese economy. The government has also sought to facilitate the achievement of these goals. It has, in any case, tried to assure that the private sector does not lack the wherewithal for this purpose.

"Yet, put all this together and one does not come out with a totally planned economy of the Russian type—far from it. The essential characteristic of the Japanese government-business relationship is that the business community and the various government departments have been in close communication with each other from the days of the Meiji Restoration. The result is a style of industrial development which has allowed Japanese business considerable initiative and independence even when subject to administrative guidance facilitated by a variety of government aids and incentives. The acceptance, to a greater or less degree, by Japanese businessmen of the government's goals and priorities is based on two all important factors:

"A reluctance on the part of both business and government to unilaterally adopt policies or undertake major moves in the high priority sectors of the economy without consulting each other;

"A propensity, which all Japanese share, for a consensual approach to harmonizing differences that may exist within as well as between each group.

"These cultural traits are the essence in explaining how 'Japan, Incorporated' works. For, as one authority points out, only a limited legal basis exists for the government's involvement with the private sector. The 'administrative guidance' which takes place is no less compelling than law. There are a number of such intangibles, both subtle and complex, in the interaction of government and business in Japan. Together with the extensive apparatus which has been constructed to facilitate this interaction they have produced a government-business relationship unique to Japan."

The direction of Japanese research and development efforts in recent years to the machine tool and machinery industries and to development and use of industrial robots are good examples of selective development, which are not matched by comparable efforts in the public or private sectors in the United States.

Although the Japanese Government-industry-labor relationship is unique to Japan, similarly exceptional arrangements exist in other countries. In Germany, for instance, there is an unformalized but nevertheless structured institutional relationship which enables the German Government to pour millions of dollars into computer aided design and computer aided manufacturing research with considerable emphasis on computers, machine tools, and other manufacturing machinery.

Indicators of relative change in manufacturing base

We are now entering an era in which a strong national economy and competitiveness in world markets will be key ingredients to the future U.S. socioeconomic system. Not that those ingredients have not been important in the past; indeed, they have contributed greatly to our way of life. But there is general agreement that for the next 10 to 20 years the United States will face the need to import more raw materials at higher unit costs. Oil is one example, but there are others. To pay for these increasing, higher cost imports, the United States will have to export more of its products at a time when the other industrial countries are facing exactly the same problems. In other words, the industrialized countries will be competing both for the available raw materials and the international markets in which to sell their manufactured products. Our foreign competitors' economies are much more attuned to foreign market competition than the United States since they have traditionally relied on exports to a greater extent than the United States and since they have created effective national mechanisms for productivity improvement to either recover from World War II and/or to bridge the gap between their own and U.S. levels of productivity and standards of living.

This means that both mature and emerging industrial nations must rely on their manufacturing base for their economic leverage in the international marketplace and to gain the quality of life they are seeking. However, as shown in chapter 1, there are indicators that our manufacturing base has some problems. These indicators are discussed in more detail below.

Productivity

The most obvious indicator of the problems in our manufacturing base is our national productivity. Throughout the industrial world this is an accepted means of measuring how efficiently resources are converted into useful output products. It is usually defined in the manufacturing environment as the relationship between output (products manufactured) and input (resources consumed in the manufacturing process). For comparative purposes output per man-hour of input is commonly used. There are other important inputs, such as capital, materials, energy, and technology, which could be used as a basis for measurement. However, for international comparison, historical figures are more available for man-hours than any of the other inputs; consequently, when we speak of productivity in this study, it will be output per man-hour of input.

As we have indicated in table 1, manufacturing productivity has increased at a dramatically higher rate in other industrial nations.

During the period 1960–73, U.S. productivity increased at an average annual rate of 3.3 percent. This increase is considerably less than the 5.7 and 5.8 percent average annual increases registered by the European Economic Community and West Germany during that same period, and less than one-third of the 10.7 percent average annual increase that Japan achieved.

In terms of total manufacturing output, the U.S. average annual growth rate is closer to that achieved by the other nations as shown in table 6. It can be seen, however, that the United States achieved its increase in output with a 1.5 percent average annual growth in man-hours, whereas the European Economic Community and West Germany experienced average annual decreases in man-hours and Japan's substantial increase in output was achieved with a man-hour increase only slightly greater than that of the United States.

TABLE 6.—*Average annual percent change in output, man-hours, and output per man-hour in manufacturing, 1960 to 1973 (note* [1]*)*

	Average 1960–73
Output:	
United States	4.9
European Economic Community	5.4
West Germany	5.6
Japan	12.6
Man-hours:	
United States	1.5
European Economic Community	−.3
West Germany	−.2
Japan	1.8
Output per man-hours:	
United States	3.3
European Economic Community	5.7
West Germany	5.8
Japan	10.7

Source: U.S. Department of Labor.

[1] Any differences between these numbers and those in table 1 are due to rounding and data source.

With few exceptions our industrial competitors have maintained stability in the growth of the labor force by controlling or restricting the flow of imported labor. However, this has led to actual labor shortages and therefore an increasing emphasis on improving the productivity of the existing labor force.

Some of these nations, however, do not have the magnitude of unemployment or labor displacement problems the United States faces. The United States has an immigration policy which is not tied into labor needs. Increased immigration, legal and illegal, coupled with our increasing population growth has resulted in a larger total labor force. Although the result has been expanded gross output. Our rate of growth may actually have been inhibited.*

Therefore, the U.S. productivity problem may be more difficult than those of our principal competitors. We must increase our capital expenditures for expansion and technology to improve our international competition while providing jobs for a labor market expanding more rapidly than that of our competitors.

International trade

The prime market for U.S.-manufactured products has always been our own domestic market and as a result, relatively little attention has been given to export markets. Even in 1974 we exported only about 7 percent of our GNP, and this export activity was concentrated in a small percentage of our firms. Our domestic market has been of sufficient size to foster economies of scale in manufacturing. In contrast, other industrial nations such as Japan and Germany have depended more on the world markets than the United States. (Nevertheless, mass consumption domestic markets are the cornerstone of the Japanese and German economies.)

It would appear that with our rich national resources and the size of our domestic market we have not, in the past 30 or so years, been seriously concerned about balancing our imports with exports. The imports we required were readily available and inexpensive and were easily balanced with the overflow of manufactured goods that made up our exports. From about 1893 to 1971, we enjoyed a positive trade balance; i.e., exports exceeded imports. However, competition among advanced nations in the sale of their internationally traded products, especially high-technology products, has increased in recent years. It appears that this will become even more intense in the years ahead.

In 1971 our trade balance turned unfavorable. An analysis of our trade experience shows that for more than 10 years, agricultural products and a segment of our high-technology exports (i.e., aircraft, computers, communication equipment, and nonelectrical machinery) have been the principal highly competitive export components on the international scene. Low-technology exports such as textiles, paper products, furniture, glass, etc., have long been confronted with keen competition from other industrial nations and have been running a trade deficit. During this period our total share of the world-manufactured goods market has been decreasing.

There are some areas of high technology that are showing signs of difficulty. For example, U.S. exports from 1968 to 1973 for machinery and transport equipment declined, as a percentage of world trade, by over 21 percent, even though actual exports did increase during this period. Table 7 gives details.

TABLE 7.—U.S. SHARE OF WORLD EXPORTS MACHINERY AND TRANSPORT EQUIPMENT 1968-73

	1968	1969	1970	1971	1972	1973	Percent change 1968-73
World trade (billions of dollars)	47.9	56.4	66.0	75.3	89.5	118.6	+147.6
U.S. exports (dollars)	14.5	16.5	18.0	19.6	21.7	28.1	+93.2
Percent of total world market	30.3	29.2	27.3	26.0	24.3	23.7	−21.8

Source: U.S. Department of Commerce.

This situation may be partially the result of vast U.S. investment of capital and transfer of its technology to foreign countries. Although it is difficult to assess technology transfer as a factor, the common method of measuring it is receipts for royalties and licensing fees, and when used with caution this can indicate the direction we are going.

During the 1960s royalties and licensing fees received by the United States for technology rose in terms of current dollars from $650 million to $1,879 million, while payments for technology remained relatively low, $66 million to $192 million.

Japan has been able to retain a large degree of control over technology imports by monitoring those imports and by bringing Japanese companies together to jointly exploit the available benefits. This resulted in limiting foreign investments to minority ownership. (The policy has changed under the recent liberalization agreements.) Through planning and industrial policy, Japan has encouraged technology in desired growth industries. Most of this technology has been concentrated in the fields of electrical and nonelectrical machinery, metalworking equipment, and chemicals.

The amount of fees Japan paid the United States annualy rose from $54 million to $209 million during the 1960s. This has been estimated to be 50 to 60 percent of their total importation of technology. Japan has been able to use this acquired base of industrial know-how as a springboard for its own research and development.

Facilities obsolescence

Over 17 percent of U.S. business facilities and equipment are reported to be 20 years old or older. Moreover, in 1974 U.S. manufacturers reported that from a technological point of view, over 14 percent of their plant and equipment was outmoded, compared to 12 percent 2 years previous. This is illustrated in table 8.

In another study, Nake Kamrany states:

"Capital goods used by U.S. manufacturing suffers from old age and obsolescence. One estimate indicates that 80 percent of the machine tools in the U.S. are at least 30 years old; another states that 64 percent are 10 years old or older. F. J. Trecker calculates that 2,200,000 standard machines have been installed over 40 or more years.* It is estimated that the replacement cost of the existing old and obsolete equipment will amount to around $100 billion. The above conditions have culminated in production processes that are underutilized and inefficient, which require long production-cycle times and long working of production time."

TABLE 8.—CONDITION OF MANUFACTURING PLANT AND EQUIPMENT

	Percent outmoded		Percent increase or decrease (−)
	December 1972	December 1974	
All manufacturing	12	14	17
Durable goods	12	16	33
Miscellaneous transportation equipment	44	57	30
Iron and steel	15	20	33
Nonferrous metals	8	18	125
Machinery	15	18	20
Autos, trucks and parts	6	17	183
Aerospace	9	17	89
Instruments	5	15	200
Stone, clay, and glass	17	13	−24
Fabricated metals	14	10	−29
Electrical machinery	12	9	−25
Nondurable goods	12	13	8
Rubber	13	21	62
Food and beverages	14	17	21
Paper and pulp	18	14	−22
Textiles	20	13	−35
Chemicals	14	10	−29
Petroleum	8	9	13

Source: McGraw Hill Publications Co.

Our findings are consistent with these reports of aging machine tools in the United States. The establishments we surveyed reported that an average of 21 percent of their machine tools were over 20 years old and 52 percent were over 10 years old. Indications are that the outlook for improvement of this picture is not bright as sources of money for equipment replacement become more scarce. (See app. I.)

Capital expenditures

One indicator of the dynamics of growth of a manufacturing base is the capital expenditures being put into industry to foster expansion and modernization. One method of analyzing the changes in capital expenditures is the amount spent a year for each worker. We found that from 1967 to 1973, in constant 1967 dollars, the amount spent per worker declined by almost 15 percent or from $258 to $220 in the United States. During the same time, West Germany increased from $298 to $693 or about 133 percent and Japan went from $191 to $324 or an increase of about 70 percent.

A recent study by the Treasury Department showing capital investment as a percent of real national output** also confirms that the United States is behind most other industrialized countries. This is illustrated in table 9.

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*Analysis of labor force composition changes and their impact on productivity is much more complicated than we have presented. However, differences in immigration policies is one of the principal factors to be considered when analyzing the labor impact. Japan for instance imports very little foreign labor as do Sweden and Norway. Germany does import labor but under very controlled conditions.

* Francis J. Trecker, "Industry Advisory Council Subcommittee on Industrial Mobilization," (New York), a January 11, 1971. Also, see U.S. Department of Commerce, *U.S. Industrial Outlook*, 1972.

**This is defined as nonresidential investments, including nondefense Government outlays on machinery and equipment in private investments. This concept was used to conform with Organization for Economic Cooperation and Development (OECD) figures.

TABLE 9.—*Average annual investment as percent of real national output 1960–73 (except as noted) (1973 estimated)*

Country:	*Percent*
Japan	29.0
West Germany	20.0
11 OECD Countries (1960–1972)	19.4
France	18.2
Canada (1961–1973)	17.4
United Kingdom (1961–1973)	15.2
Italy	14.4
United States	13.6

The treasury study concluded that the falling share of U.S. resources allocated to investment has limited job opportunities.

Increased capital expenditures to update our facilities and apply advanced technology to improve productivity would assist in providing the needed edge in international competition. This would create the potential for industrial expansion and the subsequent creation of new jobs, not only in manufacturing but also in all phases of a growing economy, including the service sector.

There are many reasons for the inability or unwillingness of U.S. industry to increase its investments. Although prices have increased in recent years, so have the costs of manufacturing. Manpower, material and energy costs, including oil import costs, were up in 1974 over 1973. Depreciation rates and other tax policies also have an influence over the willingness of industry to invest the funds necessary to maintain a health rate of capital expenditures during such a period of strain.

Although factors other than capital investment contribute to productivity improvement and growth, capital is basic to modernization and expansion of a growing economy.

Science and technology

As Denison and others have pointed out, advances in knowledge are prime factors in productivity improvements. Research is a key element in advancing knowledge. Denison analyzed the question of whether the European countries have been doing more than the United States to obtain growth by promoting advances of knowledge.

He found that the United States spends more on total research than Japan or all of the European countries combined. The expenditures are also larger in relation to population, employment, and GNP.

He said he was unable, however, to quantify with sufficient precision the relative contributions of research to productivity.

Research in different countries is directed to different objectives, and we were unable to find conclusive comparisons between the amounts of research and its results on productivity in manufacturing in different countries.

We observed that foreign governments direct more intensive and well-organized efforts to research for industry generally than does the United States and have been doing so for a longer period of time.

There is also some instructive material from other researchers which is useful in forming judgments.

The following tables from Hough's study which we updated show U.S. expenditures for applied research are heavily oriented toward specific objectives.

Table 10 shows the objective direction of applied research to agriculture, health, defense, space, and energy.

Tables 11 and 12 show that although substantial amounts of applied research go to engineering, the bulk of such funds go to defense, space, agriculture, and energy.

TABLE 10.—FEDERAL OBLIGATIONS IN APPLIED RESEARCH

[In millions of dollars]

Fiscal year	Department of Agriculture	Department of Health, Education, and Welfare	Department of Defense	National Aeronautics and Space Administration	Atomic Energy Commission [1]	Others	Total
1956	68	57	404	29	42	46	646
1957	76	104	361	31	44	46	662
1958	81	133	378	41	59	52	744
1959	87	165	386	95	83	71	886
1960	87	214	693	166	95	75	1,331
1961	97	291	1,000	263	53	92	1,796
1962	101	384	1,107	398	55	121	2,166
1963	104	416	1,374	558	62	137	2,652
1964	114	497	1,431	653	71	132	2,898
1965	128	559	1,488	762	76	151	3,164
1966	134	640	1,587	799	90	182	3,431
1967	137	710	1,307	775	90	251	3,269
1968	140	750	1,313	701	120	280	3,304
1969	145	803	1,135	618	132	318	3,151
1970	156	741	1,310	773	146	430	3,555
1971	174	905	1,351	817	152	543	3,941
1972	200	1,003	1,493	712	149	589	4,146
1973	211	1,001	1,497	610	150	611	4,080
1974	219	1,290	1,516	776	232	675	4,708
1975 [2]	245	1,368	1,522	867	321	818	5,141
1976 [2]	268	1,245	1,727	1,004	421	886	5,551

[1] Beginning in 1974 these figures are for the Energy Research and Development Administration.
[2] Estimate.

Source: National Science Foundation, "Federal Funds for Research, Development and Other Scientific Activities," fiscal years 1974, 1975, and 1976.

TABLE 11.—SELECTED FEDERAL AGENCY OBLIGATIONS FOR APPLIED RESEARCH, FISCAL YEAR 1974

[In thousands of dollars]

	Total	Life sciences	Psychology	Physical	Environmental	Math	Engineering	Social	Other
All agencies, total	4,707,700	1,545,915	93,288	385,499	428,413	78,080	1,813,920	218,340	144,245
USDA:									
Agricultural research services	107,878	65,903		22,747	802	164	17,196	1,066	
Cooperative research service	55,441	38,096		2,772	347		1,926	12,326	
Forest Service	41,582	23,283		2,561	3,893	1,045	6,352	4,448	
Miscellaneous health services	158,331	96,220	35,407	8,540		1,165	3,065	11,282	2,368
NIH	1,008,199	903,956	5,195	10,528		15,796	11,383	8,593	52,748
DOD	1,516,273	108,144	33,672	152,067	69,604	53,241	1,047,095	6,666	45,784
NBS	26,508			15,268		1,113	10,127		
Patent Office	247						247		
NASA	775,637	9,896	5,924	11,105	258,035	1,501	487,269	540	1,367
ERDA	232,254	75,731		118,550	14,320		23,653		

Source: National Science Foundation, "Federal Funds for Research, Development and Other Scientific Activities," fiscal years 1974, 1975, and 1976.

TABLE 12.—SELECTED FEDERAL AGENCY OBLIGATIONS FOR APPLIED RESEARCH IN ENGINEERING IN FISCAL YEAR 1974

[In thousands of dollars]

	Aeronaut	Astronaut	Chemical	Civil	Electric	Mechanic	Metallurgy and materials	Other
Federal total ($1,813,920)	578,504	180,177	65,472	106,100	206,012	90,638	166,850	420,167
USDA:								
Agricultural Research Service			2,452	2,085	43	590		12,026
Cooperative Research Service								1,900
Forest Service			274	1,611	186	1,011		3,270
Miscellaneous health services			1,441		122	490		1,012
NIH								11,383
DOD	333,758	77,219	36,527	34,990	167,019	66,980	68,475	262,127
NBS				1,749	1,634	377	901	5,466
NASA	240,765	102,495	220	742	19,452	4,078	63,725	55,792
ERDA			7,537		920	1,363	13,333	500

Source: National Science Foundation, "Federal Funds for Research, Development and Other Scientific Activities," fiscal years 1974, 1975, and 1976.

Terutoma Ozawa analyzed comparative research and development between Japan and its competitors. He refers to a report by the Organization for Economic Cooperation and Development (OECD). Table 13, taken from his study, shows comparative research and development efforts for 1963 to 1964.

This table shows that the United States led all countries in percentage of GNP devoted to research and development. The table also shows the percentage of research and development in the business sector and the percentage supplied by company funds. Note the large percentages supplied by company funds and the large numbers of personnel engaged in research and development. This, considered in the light of the earlier tables showing the emphasis of Government-supported applied research and development in the United States, indicates (although certainly not conclusively) that the bulk of the effort, manpower and money, in Germany and Japan are directed to developments in and for private industry generally, whereas the bulk of the U.S. effort is directed toward specific national objectives other than manufacturing generally.

Ozawa makes the point that 64.3 percent of Japan's research and development funds came from the private sector—a ratio second only to that of Belgium, which was in marked contrast to the United States where research and development efforts were heavily devoted to defense, space, and nuclear fields. He concluded that compared to the United States, Japan had a comparative advantage in orienting research and development efforts more strongly to industrial and consumer markets, thereby improving its commercial competitiveness both at home and abroad.

While acknowledging that U.S. military and aerospace research and development did spin off some available technical knowledge for commercial applications, Ozawa observed that this emphasis might have strained the civilian sector by increasing the demand for scarce research and development resources. He cited an Eli Ginzberg observation:

"It would only be a slight exaggeration to say that the civilian sector is being 'starved' for research funds, and even more importantly, for research personnel, who are overwhelmingly attracted to the more exciting work on the frontiers of defense and space."

TABLE 13.—INDICATORS OF R. & D. EFFORTS IN INDUSTRIALIZED OECD MEMBER COUNTRIES IN 1963–64

Country	Year	GERD[1] (millions) of United States dollars	GERD per capita United States dollars	GERD/GNP at market prices (percent)	QSAE[2] engaged in R. & D. (full-time equivalents)		R. & D. performed in the business sector (percent)	Company funds (percent)
					Number	Per 10,000 of population		
Japan	1964	1,060	10.9	1.4	197,225	20.3	64.6	64.3
United States	1963–64	21,075	110.5	3.4	696,500	35.8	66.4	32.0
France	1964	1,650	34.1	1.9	95,574	19.7	49.5	33.1
Germany	1964	1,436	24.6	1.4	105,010	18.0	65.9	67.5
Italy	1963	291	5.7	0.6	30,280	6.0	62.6	61.5
United Kingdom	1964–65	2,160	39.8	2.3	159,538	29.4	67.3	40.3
Austria	1963	23	3.2	0.3	3,220	4.5	63.5	53.8
Belgium	1963	137	14.7	1.0	15,600	16.8	69.0	64.4
Canada	1963	425	22.5	1.1	23,850	12.6	41.3	33.5
Netherlands	1964	330	27.2	1.9	31,310	25.8	65.5	51.4
Norway	1963	42	11.5	0.7	3,820	10.4	51.7	37.0
Sweden	1964	257	33.5	1.5	16,530	21.6	65.6	47.7

[1] Gross national expenditures on research and development.

[2] Qualified scientists and engineers.

Source: OECD, "Gaps in Technology: Analytical Report" (Paris: 1970).

Our discussions with university and business engineers confirm that funds and students and graduates have been attracted away from the types of engineering education and occupations useful in general manufacturing.

Since it is well established that Japanese industry was built by acquiring foreign industrial technology, primarily American, it is reasonable to ask why the Japanese have spent so much and are constantly increasing expenditures on industrial research and development. Ozawa makes several observations on this issue. He points out that, in most instances, Western firms simply accorded the rights to use their techniques and equipment while supplying only minimum know-how. Moreover, Japanese often purchase newly developed techniques even in their rudimentary stages. In these circumstances, it was necessary for the Japanese to work out the details in adapting these techniques to profitable uses. He cities a Japanese Science and Technology Agency "1969 White Paper on Science and Technology" to the effect that approximately 62 percent of imported technology during the period 1950 to 1968 was still in rudimentary stages of development and required further adoptive research and development. Ozawa believes that Japan has caught up with the West in many areas of industrial technology. He states that early in the 1960s the Japanese realized that they could no longer depend on Western sources for further technological development and began to invest heavily in their own unique research and development facilities and activities. They are now reaching the stage of being a technological leader rather than a borrower.

Robert Gilpin addressed the general question of technology, economic growth, and international competitiveness in a study prepared for the Subcommittee on Economic Growth, Joint Economic Committee. The thrust of Gilpin's study is that technological innovation in the civilian industrial sector of our economy is at a critical point and that America's once unchallenged scientific and technological superiority has deteriorated.

He cites various scholarly studies and authorities to demonstrate (1) that the foremost input to economic growth is the advancement and utilization of knowledge and (2) that technological innovation and industrial know-how have become recognized as the major determinant of international competitiveness. He states:

"In particular, a high wage economy such as that of the United States in a world where new knowledge and technological innovations rapidly diffuse to lower-wage economics, must be able to innovate and adopt new technologies with equal rapidity. American firms must in fact run faster and faster merely to stand still."

Gilpin demonstrates through a series of tables and charts, as did Ozawa, that although the United States invests heavily in research and development relative to its principal foreign competitors, the United States trails Japan, West Germany, and certain other countries with respect to civilian industrial research and development. He uses, among others, the following graph (chart 4) prepared by OECD to show comparative government expenditures by objective for 1963 and 1971. The chart shows the emphasis on the civilan sector by our foreign competitors.

Gilpin reaches a number of conclusions and proposes a national strategy for science and technology. Gilpin emphasizes certain emerging weaknesses which can adversely affect America's technological position and international competitiveness, and he stresses the importance of technological innovation if we are to grow economically, compete internationally, and meet our social needs.

GAO observations

As indicated earlier in this report, GAO staff visited manufacturing firms and discussed computer-integrated manufacturing with members of Government, the academic community, and associations and institutes both in the United States and abroad. Our observations here relate to our evaluations of the relative competitive position of the United States.

We made no attempt to make direct comparisons or identify subtle differences in technology between the United States and its foreign competitors. We also were unable to determine the extent of the diffusion of computer-integrated manufacturing throughout the various industrial bases. Our observations were, therefore, directed to the best practice and to the mechanisms for diffusion in the various countries. We discuss the diffusion mechanisms in chapter 6.

We are aware of no statistics from which to make comparisons of computer-aided factory management systems and design systems of various countries. In terms of the soft factory management applications, such as computer-aided production planning and controls over work in process, it is our judgment that the U.S. continues to lead. We saw or learned of big and small U.S. firms with well-developed systems and big and small U.S. firms with relatively primitive systems. And the same was true in foreign countries. However, the larger or more sophisticated U.S. firms appeared to have more advanced (and usually proprietary) systems than their foreign counterparts. A distinction, however, was the apparent dedication of foreign firms and institutions to the development and diffusion of low-cost systems to medium- and small-sized firms. As indicated by our industry analysis (see app. I) diffusion seems to be one of the weaker areas in U.S. technology application.

In the area of computer-aided design, it is our impression that the United States is substantially ahead of the other countries. On the other hand, the technological know-how appeared about equal. Here again, however, we saw substantial foreign government-supported developments designed to aid the medium and small firms.

It is easier to physically observe the hard areas or the machinery and machine tools and systems in use. These systems—the tools that make tools and other products—are at the core of manufacturing technology. In addition, there are statistics available from which to make some judgments.

In general, the United States has in place more of the advanced machining systems than other countries. However, from our discussions with experts who have visited Japan, there are more of the integrated machining centers, operating at a high degree of effectiveness and sophistication, in Japan than in the United States. We are unable to directly confirm this since we have not visited Japan. The U.S. aerospace industry has more of the most sophisticated direct numerical control systems—that is various machining centers operated under a hierarchial computer control—than any other industry we have seen or been advised of.

A number of American firms are operating systems of machining centers interconnected by materials-handling equipment, all under computer control. However, the most advanced factory of this type we have seen was a medium-sized firm (6 to 8 thousand employees) in West Germany. This firm has been so effective as to eliminate its only effective international competition—an American firm—for the types of products it produces.

Another advanced installation is in a factory constructed in East Germany for the manufacture of machine parts. Figure 9 is a picture of the principle operating elements of this factory.

The information in table 14 concerning machine tools is indicative of the comparative situation.

TABLE 14.—MACHINE TOOL PRODUCTION

	Numerically controlled		Percent numerically controlled		Total machine tool production		
	1973	1974	1973	1974	1973	1974	Change (percent)
United States	2,865	4,054	0.93	1.21	306,570	334,108	8.9
Japan	2,765	3,046	1.16	1.58	239,343	192,806	−19.4
West Germany	992	1,367	.46	.66	214,331	206,745	−3.5
U.S.S.R	3,788	4,405	1.45	1.61	260,500	272,900	4.8

Note: Data is from these sources:
United States.—National Machine Tool Builders Association (NMTBA).
Japan—NMTBA and Japan Machine Tool Trade Association.
Germany—German American Chamber of Commerce and the German Association of Machine Tool Industries.
U.S.S.R.—Official U.S.S.R. statistics.

Between 1973 and 1974 numerically controlled machine tool production increased for all countries while total machine tool production in Germany and Japan decreased. The ratio of U.S. NC production against total machine tool production increased 30.1 percent whereas the ratio in Japan, Germany, and U.S.S.R. increased 36.2 percent, 43.5 percent, and 11.0 percent, respectively. This would indicate that from any vantage point these major industrial nations are starting to emphasize numerically controlled machine tool production.

Unfortunately, reliable data is not available to indicate either the type of the NC production (i.e., stand alone NC, CNC, DNC, or CIM) or the amount for domestic versus foreign consumption. In the case of Japan we have unconfirmed information from reliable sources that about 12 percent of these machine tools are CNC, versus 1 to 2 percent in the United States.

We have not attempted to obtain a qualitative comparison of the machine tool production of the various countries. Such information as we have indicates that quality in the Western industrialized world, Japan, and East Germany is high, whereas the quality and sophistication of U.S.S.R. production is suspect.

The technology now in place is one consideration, but the outlook for the future is another. The foreign government's approach is to focus on the development of their computer industries and machine tool industries. The American technological lead in computers is strong, and the American computer industry is strong and should remain highly competitive. Whether foreign government efforts to take computer preeminence from American firms will be successful is speculative. However, both the Japanese and German governments are pouring substantial sums into domestic computer development. The Boston Consulting Group in a study prepared for the Department of Commerce reported Japanese Government funding of $33 million to develop a particular phase of Japanese computer technology. A German program, called the Second Data Processing Program, is a 5-year effort funded at about $760 million to improve all aspects of data processing.

In the machine tool area, the challenge seems more formidable. The American machine tool industry is highly fragmented, and the largest firm is not considered large by American standards. Therefore, the potential for any large-scale research and development is limited. It has not been practicable for us to develop the specifics of the foreign government support of its machinery industries. But our observations and discussions and research indicate that governmental efforts are substantial. The performance of the Japanese tool industry since 1970 in developing NC capacity is dramatic evidence of the success of the coordinated efforts of government, industry, and labor in Japan.

In his doctoral dissertion analyzing the American Machine Tool Industry completed in February of 1976 Clifford Fawcett states:

"In summary, the statistical evidence shows that the United States has lost its leadership as the No. 1 producer of machine tools to foreign nations. Further, the increasing level of high technology imports, essentially representing U.S. technology returning home to roost with foreign labels, provides further proof that these nations are not only surpassing the U.S. in world markets but are endeavoring to capture the U.S. domestic machine tool market as well."

Fawcett concluded that:

"The survival and growth of the machine tool industry and other manufacturing industries in the U.S. * * * are vitally dependent on national leadership, governmental seed money, and joint action of government, industry, and universities to develop and implement far-reaching national programs to promote advanced technologies and increase industrial productivity."

THE 1976 DEMOCRATIC PLATFORM: A CONTRACT WITH THE PEOPLE

Mr. HUMPHREY. Mr. President, we stand at a historic crossroad in American history. Many of our citizens have lost confidence in both public and private institutions. They do not believe things work anymore—that business provides them quality products at reasonable prices; and that their Government is competent to manage public affairs. They believe that Government is run for the privileged few and not for them. They do not believe that their leaders tell the truth.

Our party—the party of Roosevelt, Truman, Stevenson, Kennedy, and Johnson—has always had leadership that stood for change and progress. Today, more than ever, the forces for change confront us—our economy is buffeted in an interdependent world, our ecomonic performance moves up and down like a roller coaster, our young people are seeking new opportunities to be productive, and new business and technological change are presented to us each day.

It is only our leadership and governing institutions that are not changing, or changing too slowly to keep pace with events. We have lost our way and are mired down in the status quo.

The proposed 1976 Democratic platform that has been prepared by the Democratic Platform Committee which will be considered by the full party at our July convention, is a progressive and responsible effort to face up to the problems this Nation faces. The proposed platform rejects the status quo, reaffirming our commitment to change and progress of the kind that will serve our people's needs.

To meet our people's needs, the platform stresses that we must once again make government work for our people. The first chapter of the platform stresses the need to modernize economic policy so that we can achieve our goals of full employment, balanced growth and stable prices. Chapter II, "Government Reform and Business Accountability," goes even further and pledges the Democratic Party to the fulfillment of four fundamental citizen rights of governance: the right to competent government; the right to responsive government; the right to integrity in government; and the right to fair dealing by government.

But the reform of government is only a means for achieving more fundamental national objectives, such as full employment, price stability, health and education programs to meet the human needs of our citizens, preservation of our natural resources and environment, the revitalization of our cities and the initiation of a new American foreign policy that provides real security for our people and encourages peace throughout the world.

Mr. President, the proposed Democratic platform articulates creative and responsible policies for achieving each of these objectives.

To meet their commitment to full employment, the Democrats pledge themselves to make every responsible effort to reduce adult unemployment to 3 percent within 4 years. This ambitious goal can be achieved by marshaling all our employment policies to that end, with particular emphasis on reducing unemployment in chronically depressed areas and among particular groups in the labor force, such as youth.

The Democratic Party also pledges to reduce inflation by stabilizing economic growth, increasing productivity, reducing interest rates, and improving the ability of our economy to respond to change. In addition, the party will establish policies to restrain price increases in those sectors of the economy where price competition does not exist, and to investigate price, profit, wage and interest rate increases that seriously threaten national price stability.

The full employment, price stability and growth achievements that will be forthcoming from the Democratic Party will halt the ever-growing deficits of Republican policies—which have totaled $242 billion—and provide the revenues to responsibly finance democratic initiatives.

Central to these initiatives will be meeting essential human needs for health, education, and welfare, with special emphasis given to our older citizens and veterans. Such policies are outlined in chapter III, "Government and Human Needs." Here the party makes a commitment to a comprehensive national health insurance system with universal coverage. Policies for fundamental reform in welfare are also presented, including the substitution of work for welfare where that is possible.

Chapter IV, "States, Counties and Cities," reviews the essentials in the development of a national urban policy. Central to the success of such a policy is full employment, price stability, welfare reform, antirecession aid, equalization of education expenditures as means for reducing the final burden of our States, counties, and cities. The party platform also supports the rebuilding of our cities through improved housing, the reduction of crime, and improved transportation.

While emphasizing economic growth and full employment, the platform also recognizes the need to protect our environment and conserve our limited resources. The following are among the priorities emphasized in chapter V: accelerated efforts to expand supplies of renewable sources of energy, the development of a comprehensive food and fiber policy that will maximize agricultural production under stable economic conditions; and the protection of the environment in a way that complements and strengthens full employment.

Finally, chapter VI of the proposed platform articulates a new American foreign policy, supported by economic strength here at home, which is arrived at openly, and emphasizing the use of our military strength to support peace and human rights across the globe.

The platform is also noteworthy because it was put together in an open democratic process, which included four regional hearings and 4 days of hearings in Washington, D.C. That process drew upon the best minds in America and listened to every point of view. That process also united the party behind the key principles we support for improving America.

I encourage my colleagues and the public to carefully read the proposed democratic platform. It is a carefully considered promise of what we believe we can do to meet the challenges we face. The platform, once approved by the party, should be viewed as a contract with the people for the future.

Mr. President, I ask unanimous consent that the proposed National Democratic Platform 1976 be printed in the RECORD.

There being no objection, the platform was ordered to be printed in the RECORD, as follows:

THE NATIONAL DEMOCRATIC PLATFORM 1976

"To me, party platforms are contracts with the people, and I always looked upon them as agreements that had to be carried out."—Harry S. Truman, 1948.

PREAMBLE

We meet to adopt a Democratic platform, and to nominate Democratic candidates for President and Vice President of the United States, almost 200 years from the day that our revolutionary founders declared this country's independence from the British crown.

The founder of the Democratic Party—Thomas Jefferson of Virginia—set forth the reasons for this separation and expressed the basic tenets of democratic government: *That all persons are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these rights, Governments are instituted among people, deriving their just powers from the consent of the governed.*

These truths may still be self-evident, but they have been tragically abused by our national government during the past eight years.

Two Republican Administrations have both misused and mismanaged the powers of national government, obstructing the pursuit of economic and social opportunity, causing needless hardship and despair among millions of our fellow citizens.

Two Republican Administrations have betrayed the people's trust and have created suspicion and distrust of government through illegal and unconstitutional actions.

We acknowledge that no political party, nor any President or Vice President, possesses answers to all of the problems that face us as a nation, but neither do we concede that every human problem is beyond our control. We recognize further that the present distrust of government cannot be transformed easily into confidence.

It is within our power to recapture, in the governing of this nation, the basic tenets of fairness, equality, opportunity and rule of law that motivated our revolutionary founders.

We do pledge a government that has as its guiding concern, the needs and aspirations of all the people, rather than the perquisites and special privilege of the few.

We do pledge a government that listens, that is truthful, and that is not afraid to admit its mistakes.

We do pledge a government that will be committed to a fairer distribution of wealth, income and power.

We do pledge a government in which the new Democratic President will work closely with the leaders of the Congress on a regular, systematic basis so that the people can see the results of unity.

We do pledge a government in which the Democratic members in both houses of Congress will seek a unity of purpose on the principles of the party.

Now, as we enter our 200th year as a Nation, we as a party, with a sense of our own limitations, but also with a sense of our obligations, pledge a reaffirmation of this nation's founding principles.

In this platform of the Democratic Party, we present a clear alternative to the failures of preceding administrations and a projection of the common future to which we aspire: a world at peace; a just society of equals; a society without violence; a society of consonance with its natural environment, affording freedom to the individual and the opportunity to develop to the fullest human potential.

I. FULL EMPLOYMENT, PRICE STABILITY AND BALANCED GROWTH

The Democratic Party's concern for human dignity and freedom has been directed at increasing the economic opportunities for all our citizens and reducing the economic deprivation and inequities that have stained the record of American democracy.

Today, millions of people are unemployed. Unemployment represents mental anxiety, fear of harassment over unpaid bills, idle hours, loss of self-esteem, strained family relationships, deprivation of children and youth, alcoholism, drug abuse and crime. A job is a key measure of a person's place in society—whether as a full-fledged participant or on the outside. Jobs are the solution to poverty, hunger and other basic needs of workers and their families. Jobs enable a person to translate legal rights of equality into reality.

Our industrial capacity is also wastefully underutilized. There are houses to build, urban centers to rebuild, roads and railroads to construct and repair, rivers to clean, and new sources of energy to develop. Something is wrong when there is work to be done, and the people who are willing to do it are without jobs. What we have lacked is leadership.

Republican mismanagement

During the past 25 years, the American economy has suffered five major recessions, all under Republican Administrations. During the past eight years, we have had two costly recessions with continuing unprecedented peacetime inflation. "Stagflation" has become a new word in our language just as it has become a product of Republican economic policy. Never before have we had soaring inflation in the midst of a major recession.

Stagnation, waste and human suffering are the legacy left to the American people by Republican economic policies. During the past five years, U.S. economic growth has averaged only 1½ percent per year compared with an historical average of about 4 percent. Because of this shortfall, the nation has lost some $500 billion in the production of goods and services, and, if Republican rule continues, we can expect to lose another $600–$800 billion by 1980.

Ten million people are unemployed right now, and twenty to thirty million were jobless at some time in each of the last two years. For major groups in the labor force—minorities, women, youth, older workers, farm, factory and construction workers—unemployment has been, and remains, at depression levels.

The rising cost of food, clothing, housing, energy and health care has eroded the income of the average American family, and has pushed persons on fixed incomes to the brink of economic disaster. Since 1970, the annual rate of inflation has averaged more than 6 percent and is projected by the Ford Administration to continue at an unprecedented peacetime rate of 6 to 7 percent until 1978.

The depressed production and high unemployment rates of the Nixon-Ford Administrations have produced federal deficits totalling $242 billion. Those who should be working and paying taxes are collecting unemployment compensation or other welfare payments in order to survive. For every one percent increase in the unemployment rate—for every one million Americans out of work—we all pay $3 billion more in unemployment compensation and $2 billion in welfare and related costs, and lose $14 billion in taxes. In fiscal 1976, $76 billion was lost to the federal government through increased recession-related expenditures and lost revenues. In addition, state and local governments lost $27 billion in revenues. A return to full employment will eliminate such deficits. With prudent management of existing programs, full employment revenues will permit the financing of national Democratic initiatives.

For millions of Americans, the Republican Party has substituted welfare for work. Huge sums will be spent on food stamps and medical care for families of the unemployed. Social insurance costs are greatly increased. This year alone the federal government will spend nearly $20 billion on unemployment compensation. In contrast, spending on job development is only $2½ billion. The goal of the new Democratic administration will be to turn unemployment checks into pay checks.

What Democrats can achieve

In contrast to the record of Republican mismanagement, the most recent eight years of Democratic leadership, under John F. Kennedy and Lyndon B. Johnson, produced economic growth that was virtually uninterrupted. The unemployment rate dropped from 6.7 percent in 1961 to 3.6 percent in 1968, and most segments of the population benefited. Inflation increased at an average annual rate of only 2 percent, and the purchasing power of the average family steadily increased. In 1960, about 40 million people were living in poverty Over the next eight years, 14½ million people moved out of poverty because of training opportunities, increased jobs and higher incomes. Since 1968, the number of persons living in poverty has remained virtually unchanged.

We have met the goals of full employment with stable prices in the past and can do it again. The Democratic Party is committed to the right of all adult Americans willing, able and seeking work to have opportunities for useful jobs at living wages. To make that commitment meaningful, we pledge ourselves to the support of legislation that will make every responsible effort to reduce adult unemployment to 3 percent within 4 years.

Modernizing economic policy

To meet our goals we must set annual targets for employment, production and price stability; the Federal Reserve must be made a full partner in national economic decisions and become responsive to the economic goals of Congress and the President; credit must be generally available at reasonable interest rates; tax, spending and credit policies must be carefully coordinated with our economic goals, and coordinated within the framework of national economic planning.

Of special importance is the need for national economic planning capability. This planning capability should provide roles for Congress and the Executive as equal partners in the process and provide for full participation by the private sector, and state and local government. Government must plan ahead just like any business, and this type of planning can be implemented without the creation of a new bureaucracy but rather through the well-defined use of existing bodies and techniques. If we do not plan, but continue to react to crisis after crisis, our economic performance will be further eroded.

Full employment policies

Institutional reforms and the use of conventional tax, spending and credit policies must be accompanied by a broad range of carefully-targeted employment programs that will reduce unemployment in the private sector, and in regions, states and groups that have special employment problems.

The lack of formal coordination among federal, state and local governments is a major obstacle to full employment. The absence of economic policy coordination is particularly visible during times of high unemployment. Recessions reduce tax revenues, and increase unemployment-related expenditures for state and local governments. To maintain balanced budgets or reduce budget deficits these governments are forced to increase taxes and cut services—actions that directly undermine federal efforts to stimulate the economy.

Consistent and coherent economic policy requires federal anti-recession grant programs to state and local governments, accompanied by public employment, public works projects and direct stimulus to the private sector. In each case, the programs should be phased in automatically when unemployment rises and phased out as it declines.

Even during periods of normal economic growth there are communities and regions of the country—particularly central cities and rural areas—that do not fully participate in national economic prosperity. The Democratic Party has supported national economic policies which have consciously sought to aid regions in the nation which have been afflicted with poverty, or newer regions which have needed resources for development. These policies were soundly conceived and have been successful. Today, we have different areas and regions in economic decline and once again face a problem of balanced economic growth. To restore balance, national economic policy should be designed to target federal resources in areas of greatest need. To make low interest loans to businesses and state and local governments for the purpose of encouraging private sector investment in chronically depressed areas, we endorse consideration of programs such as a domestic development bank or federally insured taxable state and local bonds, with adequate funding, proper management and public disclosure.

Special problems faced by young people, especially minorities, entering the labor force persist regardless of the state of the economy. To meet the needs of youth, we should consolidate existing youth employment programs; improve training, apprenticeship, internship and job-counseling programs at the high school and college levels; and permit youth participation in public employment projects.

There are people who will be especially difficult to employ. Special means for training and locating jobs for these people in the private sector, and, to the extent required, in public employment, should be established. Every effort should be made to create jobs in the private sector. Clearly, useful public jobs are far superior to welfare and unemployment payments. The federal government has the responsibility to ensure that all Americans able, willing and seeking work are provided opportunities for useful jobs.

Equal employment opportunity

We must be absolutely certain that no person is excluded from the fullest opportunity for economic and social participation in our society on the basis of sex, age, color, religion or national origin. Minority unemployment has historically been at least double the aggregate unemployment rate, with incomes at two-thirds the national average. Special emphasis must be placed on closing this gap.

Accordingly, we reaffirm this Party's commitment to full and vigorous enforcement of all equal opportunities laws and affirmative action. The principal agencies charged with anti-discrimination enforcement in jobs—the Equal Employment Opportunity Commission, the Department of Labor, and the Justice Department—are locked into such overlapping and uncoordinated strategies that a greatly improved government-wide system for the delivery of equal job and promotion opportunities must be developed and adequate funding committed to that end. New remedies to provide equal opportunities need exploration.

Anti-inflation policies

The economic and social costs of inflation have been enormous. Inflation is a tax that erodes the income of our workers, distorts business investment decisions, and redistributes income in favor of the rich. Americans on fixed incomes, such as the elderly, are often pushed into poverty by this cruel tax.

The Ford Administration and its economic advisors have been consistently wrong about the sources and cures of the inflation that has plagued our nation and our people. Fighting inflation by curtailing production and increasing unemployment has done nothing to restrain it. With the current high level of unemployment and low level of capacity utilization, we can increase production and employment without rekindling inflation.

A comprehensive anti-inflation policy must be established to assure relative price stability. Such a program should emphasize increased production and productivity and should take other measures to enhance the stability and flexibility of our economy.

The see-saw progress of our economy over the past eight years has disrupted economic growth. Much of the instability has been created by stop-and-go monetary policies. High interest rates and the recurring underutilization of our manufacturing plant and equipment have retarded new investment. The high cost of credit has stifled small business and virtually halted the housing industry. Unemployment in the construction industry has been raised to depression levels and home ownership has been priced beyond the reach of the majority of our people.

Stable economic growth with moderate interest rates will not only place downward pressure on prices through greater efficiency and productivity, but will reduce the prospects for future shortages of supply by increasing the production of essential goods and services and by providing a more predictable environment for business investment.

The government must also work to improve the ability of our economy to respond to change. Competition in the private sector, a re-examination, reform and consolidation of the existing regulatory structure, and promotion of a freer but fair system of international trade will aid in achieving that goal.

At times, direct government involvement in wage and price decisions may be required to ensure price stability. But we do not believe that such involvement requires a comprehensive system of mandatory controls at this time. It will require that business and labor must meet fair standards of wage and price change. A strong domestic council on price and wage stability should be established with particular attention to restraining price increases in those sectors of our economy where prices are "administered" and where price competition does not exist.

The federal government should hold public hearings, investigate and publish facts on price, profit, wage and interest rate increases that seriously threaten national price stability. Such investigations and proper planning can focus public opinion and awareness on the direction of price, profit, wage and interest rate decisions.

Finally, tax policy should be used if necessary to maintain the real income of workers as was done with the 1975 tax cut.

Economic justice

The Democratic Party has a long history of opposition to the undue concentration of wealth and economic power. It is estimated that about three-quarters of the country's total wealth is owned by one-fifth of the people. The rest of our population struggles to make ends meet in the face of rising prices and taxes.

Anti-trust enforcement

The next Democratic Administration will commit itself to move vigorously against anti-competitive concentration of power within the business sector. This can be accomplished in part by strengthening the anti-trust laws and insuring adequate commitment and resources for the enforcement of these laws. But we must go beyond this negative remedy to a positive policy for encouraging the development of small business, including the family farm.

Small businesses

A healthy and growing small business community is a prerequisite for increasing competition and a thriving national economy. While most people would accept this view, the federal government has in the past impeded the growth of small business.

To alleviate the unfavorable conditions for small business, we must make every effort to assure the availability of loans to small business, including direct government loans at reasonable interest rates, particularly to those in greatest need, such as minority-owned businesses. For example, efforts should be made to strengthen minority business programs, and increase minority opportunities for business ownership. We support similar programs and opportunities for women. Federal contract and procurement opportunities in such areas as housing, transportation and energy should support efforts to increase the volume of minority and small business involvement. Regulatory agencies and the regulated small business must work together to see that federal regulations are met, without applying a stranglehold on the small firm or farm and with less paperwork and red tape.

Tax Reform

Economic justice will also require a firm commitment to tax reform at all levels. In recent years there has been a shift in the tax burden from the rich to the working people of this country. The Internal Revenue Code offers massive tax welfare to the wealthiest income groups in the population and only higher taxes for the average citizen. In 1973 there were 622 people with adjusted income of $100,000 or more who still managed to pay no tax. Most families pay between 20 and 25 percent of their incomes in taxes.

We have had endless talk about the need for tax reform and fairness in our federal tax system. It is now time for action.

We pledge the Democratic Party to a complete overhaul of the present tax system, which will review all special tax provisions to ensure that they are justified and distributed equitably among our citizens. A responsible Democratic tax reform program could save over $5 billion in the first year with larger savings in the future.

We will strengthen the internal revenue tax code so that high income citizens pay a reasonable tax on all economic income.

We will reduce the use of unjustified tax shelters in such areas as oil and gas, tax-loss farming, real estate, and movies.

We will eliminate unnecessary and ineffective tax provisions to business and substituting effective incentives to encourage small business and capital formation in all businesses. Our commitment to full employment and sustained purchasing power will also provide a strong incentive for capital formation.

We will end abuses in the tax treatment of income from foreign sources; such as special tax treatment and incentives for multinational corporations that drain jobs and capital from the American economy.

We will overhaul federal estate and gift taxes to provide an effective and equitable structure to promote tax justice and alleviate some of the legitimate problems faced by farmers, small business men and women and others who would otherwise be forced to liquidate assets in order to pay the tax.

We will seek and eliminate provisions that encourage uneconomic corporate mergers and acquisitions.

We will eliminate tax inequities that adversely affect individuals on the basis of sex or marital status.

We will curb expense account deductions.

And we will protect the rights of all taxpayers against oppressive procedures, harassment and invasions of privacy by the Internal Revenue Service.

At present, many federal government tax and expenditure programs have a profound but unintended and undesirable impact on jobs and on where people and business locate. Tax policies and other indirect subsidies have promoted deterioration of cities and regions. These policies should be reversed.

There are other areas of taxation where change is also needed. The Ford Administration's unwise and unfair proposal to raise the regressive social security tax gives new urgency to the Democratic Party's goal of redistributing the burden of the social security tax by raising the wage base for earnings subject to the tax with effective exemptions and deductions to ease the impact on low income workers and two-earner families. Further revision in the Social Security program will be required so that women are treated as individuals.

The Democratic Party should make a reappraisal of the appropriate sources of federal revenues. The historical distribution of the tax burden between corporations and individuals, and among the various types of federal taxes, has changed dramatically in recent years. For example, the corporate tax share of federal revenue has declined from 30 percent in 1954 to 14 percent in 1975.

Labor standards and rights

The purpose a fair labor standards legislation has been the maintenance of the minimum standards necessary for the health, efficiency and general well-being of workers. Recent inflation has eroded the real value of the current minimum wage. This rapid devaluation of basic income for working people makes a periodic review of the level of the minimum wage essential. Such a review should insure that the minimum wage rate at least keep pace with the increase in the cost of living.

Raising the pay standard for overtime work, additional hiring of part-time persons, and flexible work schedules will increase the independence of workers and create additional job opportunities, especially for women. We also support the principle of equal pay for comparable work.

We are committed to full implementation and enforcement of the Equal Credit Opportunity Act.

Over a generation ago this nation established a labor policy whose purpose is to encourage the practice and procedure of collective bargaining and the right of workers to organize to obtain this goal. The Democratic Party is committed to extending the benefit of the policy to all workers and to removing the barriers to its administration. We support the right of public employees and agricultural workers to organize and bargain collectively. We urge the adoption of appropriate federal legislation to ensure this goal.

We will seek to amend the Fair Labor Standards Act to speed up redress of grievances of workers asserting their legal rights.

We will seek to enforce and, where necessary, to amend the National Labor Relations Act to eliminate delays and inequities and to provide for more effective remedies and administration.

We will support the full right of construction workers to picket a job site peacefully.

We will seek repeal of Section 14(b) of the Taft-Hartley Act which allows states to legislate the anti-union open shop.

We will maintain strong support for the process of voluntary arbitration, and we will enact minimum federal standards for workers compensation laws and for eligibility, benefit amounts, benefit duration and other essential features of the unemployment insurance program. Unemployment insurance should cover all wage and salary workers.

The Occupational Safety and Health Act of 1970 should cover all employees and be enforced as intended when the law was enacted. Early and periodic review of its provisions should be made to insure that they are reasonable and workable.

The Democratic Party will also seek to enact a comprehensive mine safety law, utilizing the most effective and independent enforcement by the federal government and support special legislation providing adequate compensation to coal miners and their dependents who have suffered disablement or death as a result of the black lung disease.

We believe these policies will put America back to work, bring balanced growth to our economy and give all Americans an opportunity to share in the expanding prosperity that will come from a new Democratic administration.

II. GOVERNMENT REFORM AND BUSINESS ACCOUNTABILITY

The current Republican Administration did not invent inept government, but it has saddled the country with ineffective government; captive government, subservient to the special pleading of private economic interests; insensitive government, trampling over the rights of average citizens; and remote government, secretive and unresponsive.

Democrats believe that the cure for these ills is not the abandonment of governmental responsibility for addressing national problems, but the restoration of legitimate popular control over the organs and activities of government.

There must be an ever-increasing accountability of government to the people. The Democratic Party is pledged to the fulfillment of four fundamental citizen rights of governance: the right to competent government; the right to responsive government; the right to integrity in government; the right to fair dealing by government.

The right to competent government

The Democratic Party is committed to the adoption of reforms such as zero-based budgeting, mandatory reorganization timetables, and sunset laws which do not jeopardize the implementation of basic human and political rights. These reforms are designed to terminate or merge existing agencies and programs, or to renew them only after assuring elimination of duplication, overlap, and conflicting programs and authorities, and the matching of funding levels to public needs. In addition, we seek flexibility to reflect changing public needs, the use of alternatives to regulation and the elimination of special interest favoritism and bias.

To assure that government remains responsive to the people's elected representatives, the Democratic Party supports stepped-up Congressional agency oversight and program evaluation, including full implementation of the Congressional budget process; an expanded, more forceful role for the General Accounting Office in performing legislative audits for Congress; and restraint by the President in exercising executive privilege designed to withhold necessary information from Congress.

The right to responsive government

To begin to restore the shaken faith of Americans that the government in Washington is *their* government—responsive to their needs and desires, not the special interests of wealth, entrenched political influence, or bureacratic self-interest—government decision-making must be opened up to citizen advocacy and participation.

Governmental decision-making behind closed doors is the natural enemy of the people. The Democratic Party is committed to openness throughout government: at regulatory commissions, advisory committee meetings and at hearings. Public calendars of scheduled meetings between regulators and the regulated, and freedom of information policies, should be designed to facilitate rather than frustrate citizen access to documents and information.

All persons and citizen groups must be given standing to challenge illegal or unconstitutional government action in court and to compel appropriate action. Where a court or an agency finds evidence of government malfeasance or neglect those who brought forward such evidence should be compensated for their reasonable expenses in doing so.

Democrats have long sought—against fierce Republican and big business opposition—the creation and maintenance of an independent consumer agency with the staff and power to intervene in regulatory matters on behalf of the consuming and using public Many states have already demonstrated that such independent public or consumer advocates can win important victories for the public interest in proceedings before state regulatory agencies and courts.

This nation's Civil Service numbers countless strong and effective public servants. It was the resistance of earnest and steadfast federal workers that stemmed the Nixon-Ford efforts to undermine the integrity of the Civil Service. The reorganization of government which we envision will protect the job rights of civil servants and permit them to more effectively serve the public.

The Democratic Party is committed to the review and overhaul of Civil Service laws to assure: insulation from political cronyism, accountability for nonfeasance as well as malfeasance, protection for the public servant who speaks out to identify corruption or failure, performance standards and incentives to reward efficiency and innovation and nondiscrimination and affirmative action in the recruitment, hiring and promotion of civil service employees.

The right to integrity in government

The Democratic Party is pledged to the concept of full public disclosure by major public officials and urges appropriate legislation to effectuate this policy.

We support divestiture of all financial holdings which directly conflict with official responsibilities and the development of uniform standards, review procedures and sanctions to identify and eliminate potential conflicts of interest.

Tough, competent regulatory commissioners with proven commitment to the public interest are urgently needed.

We will seek restrictions on "revolving door" careerism—the shuttling back and forth of officials between jobs in regulatory or procurement agencies and in regulated industries and government contractors.

All diplomats, federal judges and other major officials should be selected on a basis of qualifications. At all levels of government services, we will recruit, appoint and promote women and minorities.

We support legislation to ensure that the activities of lobbyists be more thoroughly revealed both within the Congress and the Executive agencies.

The Democratic Party has led the fight to take the presidency off the auction block by championing the public financing of presidential elections. The public has responded with enthusiastic use of the $1 income tax checkoff. Similar steps must now be taken for Congressional candidates. We call for legislative action to provide for partial public financing on a matching basis of the Congressional elections, and the exploration of further reforms to insure the integrity of the electoral process.

The right to fair dealing by government

A citizen has the right to expect fair treatment from government. Democrats are determined to find a means to make that right a reality.

An Office of Citizen Advocacy should be established as part of the executive branch, independent of any agency, with full access to agency records and with both the power and the responsibility to investigate complaints.

Freedom of information requirements must be interpreted in keeping with the right of the individual to be free from anonymous accusation or slander. Each citizen has the right to know and to review any information directly concerning him or her held by the government for any purpose whatsoever under the Freedom of Information Act and the Privacy Act of 1974, other than those exceptions set out in the Freedom of Information Act. Such information should be forthcoming promptly, without harassment and at minimal cost to the citizen.

Appropriate remedies must be found for citizens who suffer hardship as the result of abuse of investigative or prosecutorial powers.

Business accountability

The Democratic Party believes that competition is preferable to regulation and that government has a responsibility to seek the removal of unreasonable restraints and barriers to competition, to restore and, where necessary, to stimulate the operation of market forces. Unnecessary regulations should be eliminated or revised, and the burden of excessive paperwork and red tape imposed on citizens and businesses should be removed.

The Democratic Party encourages innovation and efficiency in the private sector.

The Democratic Party also believes that strengthening consumer sovereignty—the ability of consumers to exercise free choice, to demand satisfaction, and to obtain direct redress of grievances—is similarly preferable to the present indirect government protection of consumers. However, government must not shirk its responsibility to impose and rigorously enforce regulation where necessary to ensure health, safety and fairness. We reiterate our support for unflinching antitrust enforcement, and for the selection of an Attorney General free of political obligation and committed to rigorous antitrust prosecution.

We shall encourage consumer groups to establish and operate consumer cooperatives that will enable consumers to provide themselves marketplace alternatives and to provide a competitive spur to profit-oriented enterprises.

We support responsible cost saving in the delivery of professional services including the use of low-cost paraprofessionals, efficient group practice and federal standards for state no-fault insurance programs.

We reiterate our support for full funding of neighborhood legal services for the poor.

The Democratic Party is also committed to strengthening the knowledge and bargaining power of consumers through government-supported systems for developing objective product performance standards; advertising and labeling requirements for the disclosure of essential consumer information; and efficient and low-cost redress of consumer complaints including strengthened small claims courts, informal dispute settlement mechanisms, and consumer class actions.

The Democratic Party is committed to making the U.S. Postal Service function properly as an essential public service.

We reaffirm the historic Democratic commitment to assure the wholesomeness of consumer products such as food, chemicals, drugs and cosmetics, and the safety of automobiles, toys and appliances. Regulations demanding safe performance can be developed in a way that minimizes their own costs and actually stimulates product innovation beneficial to consumers.

III. GOVERNMENT AND HUMAN NEEDS

The American people are demanding that their national government act more efficiently and effectively in those areas of urgent human needs such as welfare reform, health care and education.

However, beyond these strong national initiatives, state and local governments must be given an increased, permanent role in administering social programs. The federal government's role should be the constructive one of establishiing standards and goals with increased state and local participation. There is a need for a new blueprint for the public sector, one which identifies and responds to national problems, and recognizes the proper point of administration for both new and existing programs. In shifting administrative responsibility, such programs must meet minimum federal standards.

Government must concentrate, not scatter, its resources. It should not divide our people by inadequate and demeaning programs. The initiatives we propose do not require larger bureaucracy. They do require committed government.

The Democratic Party realizes that accomplishing our goals in the areas of human needs will require time and resources. Additional resources will become available as we implement our full-employment policies. Federal revenues also grow over time. After full-employment has been achieved, $20 billion of increased revenue will be generated by a fully operating economy each year. The program detailed in the areas of human needs cannot be accomplished immediately but an orderly beginning can be made and the effort expanded as additional resources become available.

Health care

In 1975, national health expenditures averaged $547 per person—an almost 40 percent increase in four years. Inflation and recession have combined to erode the effectiveness of the Medicare and Medicaid programs.

An increasingly high proportion of health costs have been shifted back to the elderly. An increasing Republican emphasis on retricting eligibility and services is emasculating basic medical care for older citizens who cannot meet the rising costs of good health.

We need a comprehensive national health insurance system with universal and mandatory coverage. Such a national health insurance system should be financed by a combination of employer-employee shared payroll taxes and general tax revenues. Consideration should be given to developing a means of support for national health insurance that taxes all forms of economic income. We must achieve all that is practical while we strive for what is ideal, taking intelligent steps to make adequate health services a right for all our people. As resources permit, this system should not discriminate against the mentally ill.

Maximum personal interrelationships between patients and their physicians should be preserved. We should experiment with new forms of health care delivery to mold a national health policy that will meet our needs in a fiscally responsible manner.

We must shift our emphasis in both private and pubilc health care away from hospitalization and acute-care services to preventive medicine and the early detection of the major cripplers and killers of the American people. We further support increased federal aid to government laboratories as well as private institutions to seek the cure to heart disease, cancer, sickle cell anemia, paralysis from spinal cord injury, drug addiction and other such inflictions.

National health insurance must also bring about a more responsive consumer-oriented system of health care delivery. Incentives must be used to increase the number of primary health care providers, and shift emphasis away from limited-application, technology-intensive programs. By reducing the barriers to primary preventive care, we can lower the need for costly hospitalization. Communities must be encouraged to avoid duplication of expensive technologies and meet the genuine needs of their populations. The development of community health centers must be resumed. We must develop new health careers, and promote a better distribution of health care professionals, including the more efficient use of paramedics. All levels of government should concern themselves with increasing the number of doctors and paramedical personnel in the field of primary health care.

A further need is the comprehensive treatment of mental illness, including the development of Community Mental Health Centers that provide comprehensive social services not only to alleviate, but to prevent mental stresses resulting from social isolation and economic dislocation. Of particular importance is improved access to the health care system by underserved population groups.

We must have national health insurance with strong built-in cost and quality controls. Rates for institutional care and physicians' services should be set in advance, prospectively. Alternative approaches to health care delivery, based on prepayment financing, should be encouraged and developed.

Americans are currently spending $133 billion for health care—8.3% of our Gross National Product. A return to full employment and the maintenance thereafter of stable economic growth will permit the orderly and progressive development of a comprehensive national health insurance program which is federally financed. Savings will result from the removal of inefficiency and waste in the current multiple public and private insurance programs and the structural integration of the delivery system to eliminate duplication and waste. The cost of such a program need not exceed the share of the GNP this nation currently expends on health care; but the resulting improvement of health service would represent a major improvement in the quality of life enjoyed by Americans at all economic levels.

Welfare reform

Fundamental welfare reform is necessary. The problems with our current chaotic and inequitable system of public assistance are notorious. Existing welfare programs encourage family instability. They have few meaningful work incentives. They do little or nothing for the working poor on substandard incomes. The patchwork of federal, state and local programs encourages unfair variations in benefit levels among the states, and benefits in many states are well below the standards for even lowest-income budgets.

Of the current programs, only Food Stamps give universal coverage to all Americans in financial need. Cash assistance, housing aid and health care subsidies divide recipients into arbitrary categories. People with real needs who do not fit existing categories are ignored altogether.

The current complexity of the welfare structure requires armies of bureaucrats at all levels of government. Food Stamps, Aid to Families with Dependent Children, and Medicaid are burdened by unbelievably complex regulations, statutes and court orders. Both the recipients of these benefits, and the citizen who pays for them, suffer as a result. The fact that our current system is administered and funded at different levels of government makes it difficult to take initiatives to improve the status of the poor.

We should move toward replacement of our existing inadequate and wasteful system with a simplified system of income maintenance, substantially financed by the federal government, which includes a requirement that those able to work be provided with appropriate available jobs or job training opportunities. Those persons who are physically able to work (other than mothers with dependent children) should be required to accept appropriate available jobs or job training. This maintenance system should embody certain basic principles. First and most important, it should provide an income floor both for the working poor and the poor not in the labor market. It must treat stable and broken families equally. It must incorporate a simple schedule of work incentives that guarantees equitable levels of assistance to the working poor. This reform may require an initial additional investment, but it offers the prospect of stabilization of welfare costs over the long run, and the assurance that the objectives of this expenditure will be accomplished.

As an interim step, and as a means of providing immediate federal fiscal relief to state and local governments, local governments should no longer be required to bear the burden of welfare costs. Further, there should be a phased reduction in the states' share of welfare costs.

Civil and political rights

To achieve a just and healthy society and enhance respect and trust in our institutions, we must insure that all citizens are treated equally before the law and given the opportunity, regardless of race, color, sex religion, age, language or national origin, to participate fully in the economic, social and political processes and to vindicate their legal and constitutional rights.

In reaffirmation of this principle, an historic commitment of the Democratic Party, we pledge vigorous federal programs and policies of compensatory opportunity to remedy for many Americans the generations of injustice and deprivation and full funding of programs to secure the implementation and enforcement of civil rights.

We seek ratification of the Equal Rights Amendment, to insure that sex discrimination in all its forms will be ended, implementation of Title IX, and elimination of discrimination against women in all federal programs.

We support the right of all Americans to vote for President no matter where they live; vigorous enforcement of voting rights legislation to assure the constitutional rights of minority and language-minority citizens; the passage of legislation providing for registration by mail in federal elections to erase existing barriers to voter participation; and full home rule for the District of Columbia, including authority over its budget and local revenues, elimination of federal restrictions in matters which are purely local and voting representation in the Congress, and the declaration of the birthday of the great civil rights leader, Martin Luther King, Jr., as a national holiday.

We pledge effective and vigorous action to protect citizens' privacy from bureaucratic and technological intrusions, such as wiretapping and bugging without judicial scrutiny and supervision; and a full and complete pardon for those who are in legal or financial jeopardy because of their peaceful opposition to the Vietnam War, with deserters to be considered on a case-by-case basis.

We fully recognize the religious and ethical nature of the concerns which many Americans have on the subject of abortion. We feel, however, that it is undesirable to attempt to amend the U.S. Constitution to overturn the Supreme Court decision in this area.

The Democratic Party reaffirms and strengthens its legal and moral trust responsibilities to the American Indian. We believe it is honorable to obey and implement our treaty obligations to the first Americans. In discharging our duty, we shall exert all and necessary assistance to afford the American Indians the protection of their land, their water and their civil rights.

Federal laws relating to American Indians and the functions and purposes of the Bureau of Indian Affairs should be reexamined.

We support a provision in the immigration laws to facilitate acquisition of citizenship by Resident Aliens.

We are committed to Puerto Rico's right to enjoy full self-determination and a relationship that can evolve in ways that will most benefit U.S. citizens in Puerto Rico. The Democratic Party respects and supports the present desire of the people of Puerto Rico to freely associate in permanent union with the United States, as an autonomous commonwealth or as a State.

Education

The goal of our educational policy is to provide our citizens with the knowledge and skills they need to live sucessfully. In pursuing this goal, we will seek adequate funding, implementation and enforcement of requirements in the education programs already approved by Congress.

We should strengthen federal support of existing programs that stress improvement of reading and math skills. Title I of the Elementary and Secondary Education Act must reach those it is intended to benefit to effectively increase these primary skills. "Break-throughs" in compensatory education require a concentration of resources on each individual child and a mix of home and school activities that is not possible with the underfunded Republican programs. Compensatory education is realistic only when there is a stable sequence of funding that allows proper planning and continuity of programs, an impossibility under Republican veto and impoundment politics.

We should also work to expand federal support areas of educational need that have not yet been addressed sufficiently by the public schools—education of the handicapped, bilingual education and vocational education, and early childhood education. We propose federally financed, family centered developmental and educational child care programs—operated by the public schools or other local organizations, including both private and community—and that they be available to all who need and desire them. We support efforts to provide for the basic nutritional needs of students.

We recognize the right of all citizens to education, pursuant to Title VI of the Civil Rights Act of 1964, and the need in affected communities for bilingual and bicultural educational programs. We call for compliance with civil rights requirements in hiring and promotion in school systems.

For the disadvantaged child, equal opportunity requires concentrated spending. And for all children, we must guarantee that jurisdictions of differing financial capacity can spend equal amounts on education. These goals do not conflict but complement each other.

The principle that a child's education should depend on the property wealth of his or her school jurisdiction has been discredited in the last few years. With increased federal funds, it is possible to enhance educational opportunity by eliminating spending disparities within state borders. State-based equalizations, even state takeover of education costs, to relieve the over-burdened property taxpayer and to avoid the inequities in the existing finance system, should be encouraged.

The essential purpose of school desegregation is to give all children the same educational opportunities. We will continue to support that goal. The Supreme Court decision of 1954 and the aftermath were based on the recognition that separate educational facilities are inherently unequal. It is clearly our responsibility as a party and as citizens to support the principles of our Constitution.

The Democratic Party pledges its concerted help through special consultation, matching funds, incentive grants and other mechanisms to communities which seek education, integrated both in terms of race and economic class, through equitable, reasonable and constitutional arrangements. Mandatory transportation of students beyond their neighbodhoods for the purpose of desegregation remains a judicial tool of last resort for the purpose of achieving school desegregation. The Democratic Party will be an active ally of those communities which seek to enhance the quality as well as the integration of educational opportunities. We encourage a variety of other measures, including the redrawing of attendance lines, pairing of schools, use of the "magnet school" concept, strong fair housing enforcement, and other techniques for the achievement of racial and economic integration.

The Party reaffirms its support of public school education. The Party also renews its commitment to the support of a constitutionally acceptable method of providing tax aid for the education of all pupils in non-segregated schools in order to insure parental freedom in choosing the best education for their children. Specifically, the Party will continue to advocate constitutionally permissible federal education legislation which provides for the equitable participation in federal programs of all low and moderate income pupils attending all the Nation's schools.

The Party commits itself to support of adult education and training which will provide skills upgrading.

In higher education, our Party is strongly committed to extending postsecondary opportunities for students from low and middle income families, including older students and students who can attend only part-time. The Basic Educational Opportunity Grants should be funded at the full payment schedule, and campus-based programs of aid must be supported to provide a reasonable choice of institutions as well as access. With a coordinated and reliable system of grants, loans and work study, we can relieve the crisis in costs that could shut all but the affluent out of our colleges and universities.

The federal government and the states must develop strategies to support institutions of higher education from both public and private sources. The federal government should directly provide cost of education payments to all higher education institutions, including predominantly black colleges, to help cover per-student costs, which far exceed those covered by tution and fees.

Finally, government must systematically support basic and applied research in the liberal arts, the sciences, education and the professions—without political interference or bureaucratic restraint. The federal investment in graduate education should be sustained and selectively increased to meet the need for highly trained individuals. Trainee-ships and fellowships should be provided to attract the most talented students, especially among minority groups and women.

Libraries should receive continuous and guaranteed support and the presently impounded funds for nationwide library planning and development should be released immediately.

Social services

The Nixon-Ford Administration would limit eligibility for federally-subsidized social services to the very poor. Social services can make significant changes in the lives of the non-poor, as well. The problems of alcoholism, drug abuse, mental retardation, child abuse or neglect, and mental illness arise at every income level, and quality day-care has become increasingly urgent for low and middle income families. Federal grants to the states should support a broad community-based program of social services to low and middle income families, to assure that these programs reach their intended populations.

The states are now being required to take over an increasing share of existing social service programs. In 1972, the ceiling for federal social service grants was frozen at $2.5 billion, and subsequent inflation of 28 percent has reduced the effective federal aid to existing programs. While there must certainly be a ceiling on such grants, it should be raised to compensate for inflation and to encourage states and localities to expand social services to low and moderate income families.

Disabled citizens

We support greater recognition of the problems of the disabled and legislation assuring that all people with disabilities have reasonable access to all public accommodations and facilities. The Democratic Party supports affirmative action goals for employment of the disabled.

Older citizens

The Democratic Party has always emphasized that adequate income and health care for senior citizens are basic federal government responsibilities. The recent failure of government to reduce unemployment and alleviate the impact of the rising costs of food, housing and energy have placed a heavy burden on those who live on fixed and limited incomes, especially the elderly. Our other platform proposals in these areas are designed to help achieve an adequate income level for the elderly.

We will not permit an erosion of social security benefits, and while our ultimate goal is a health security system ensuring comprehensive and quality care for all Americans, health costs paid by senior citizens under the present system must be reduced.

We believe that Medicare should be made available to Americans abroad who are eligible for Social Security.

Democrats strongly support employment programs and the liberalization of the allowable earnings limitation under Social Security for older Americans who wish to continue working and living as productive citizens. We will put an end to delay in implementation of nutrition programs for the elderly and give high priority to a transportation policy for senior citizens under the Older Americans Act. We pledge to enforce vigorously health and safety standards for nursing homes, and seek alternatives which allow senior citizens where possible to remain in their own homes.

Veterans

America's veterans have been rhetorically praised by the Nixon-Ford Administration at the same time that they have been denied adequate medical, education, pension and employment benefits.

Vietnam veterans have borne the brunt of unemployment and economic mismanagement at home. As late as December 1975, the unemployment rate for Vietnam veterans was over 10 percent. Younger Vietnam veterans (ages 20–24) have had unemployment rates almost twice the rate of similarly-aged non-veterans. Job training, placement, and information and counseling programs for veterans are inadequate.

The Veterans Administration health care program requires adequate funding and improved management and health care delivery in order to provide high quality service and effectively meet the changing needs of the patient population.

The next Democratic administration must act to rescue pensioner veterans below the poverty line. Thirty percent of the veterans and 50 percent of the widows receiving pensions have total incomes below the poverty line. Cost of living increases should be automatic in the Veterans' pension and disability system.

Educational assistance should be expanded two years for those veterans already enrolled and drawing benefits in VA-approved educational and training programs.

The arts and humanities

We recognize the essential role played by the arts and humanities in the development of America. Our nation cannot afford to be materially rich and spiritually poor. We endorse a strong role for the federal government in reinforcing the vitality and improving the economic strength of the nation's artists and arts institutions, while recognizing that artists must be absolutely free of any government control. We would support the growth and development of the National Endowments for the Arts and Humanities through adequate funding, the development of special anti-recession employment programs for artists, copyright reforms to protect the rights of authors, artists and performers, and revision of the tax laws that unfairly penalize artists. We further pledge our support for the concept and adequate financing of public broadcasting.

IV. STATES, COUNTIES AND CITIES

More than eight years ago, the Kerner Commission on Civil Disorders concluded that the disorders of the 1960s were caused by the deteriorating conditions of life in our urban centers—abject poverty, widespread unemployment, uninhabitable housing, declining services, rampant crime and disintegrating families. Many of these same problems plagued rural America as well. Little has been done by the Republican Administrations to deal with these fundamental challenges to our society. This policy of neglect gives the lie to the current Administration's rhetorical commitment to state and local governments.

By tolerating high unemployment, by vetoing programs for the poor, the old, and the ill, by abandoning the veterans and the young, and by withholding necessary funds for the decaying cities, the Nixon-Ford years have been years of retrogression in the nation's efforts to meet the needs of our cities. By abdicating responsibility for meeting these needs at the national level, the current administration has placed impossible burdens on fiscally hard-pressed state and local governments. In turn, local governments have been forced to rely excessively on the steadily diminishing and regressive property tax—which was originally designed to cover property related services and was never intended to support the services now required in many of our cities and towns.

Federal policies and programs have inadvertently exacerbated the urban crisis. Within the framework of a new partnership of federal, state and local governments, and the private sector, the Democratic Party is pledged to the development of America's first national urban policy. Central to the success of that policy are the Democratic Party's commitments to full employment, incentives for urban and rural economic development, welfare reform, adequate health care, equalization to education expenditures, energy conservation and environmental quality. If progress were made in these areas, much of the inappropriately placed fiscal burden would be removed, and local governments could better fulfill their appropriate responsibilities.

To assist further in relieving both the fiscal and service delivery problems of states and local governments, the Democratic Party reaffirms its support for general revenue sharing as a base for the fiscal health of all levels of government, acknowledging that the civil rights and citizens' participation provisions must be strengthened. We further believe that there must be an increase in the annual funding to compensate for the erosion of inflation. We believe the distribution formula should be adjusted to reflect better community and state needs, poverty levels, and tax effort.

Finally, to alleviate the financial burden placed on our cities by the combination of inflation and recession, the Democratic Party restates its support for an emergency anti-recession aid to states and cities particularly hard hit by recession.

Housing and community development

In the past eight Republican years, housing has become a necessity priced as a luxury. Housing prices have nearly doubled in the past six years and housing starts have dropped by almost one-quarter. The effect is that over three-fourths of American families cannot afford to buy an average-priced home. The basic national goal of providing decent housing and available shelter has been sacrificed to misguided tax, spending and credit policies which were supposed to achieve price stability but have failed to meet that goal. As a result, we do not have decent housing or price stability. The vision of the Housing Act of 1968, the result of three decades of enlightened Democratic housing policy, has been lost. The Democratic Party reasserts those goals, and pledges to achieve them.

The Democratic Party believes it is time for a housing and urban development policy which recognizes the needed and difficulties of both the buying and renting public and the housing industry. We support a revitalized housing program which will be able to meet the public's need for housing at reasonable cost and the industry's need for relief from years of stagnation and now-chronic unemployment.

We support direct federal subsidies and low interest loans to encourage the construction of low and moderate income housing. Such subsidies shall not result in unreasonable profit for builders, developers or credit institutions.

We support the expansion of the highly successful programs of direct federal subsidies to provide housing for the elderly.

We call for greatly increased emphasis on the rehabilitation of existing housing to rebuild our neighborhoods—a priority which is undercut by the current pattern of federal housing money which includes actual prohibitions to the use of funds for rehabilitation.

We encourage public and private commitments to the preservation and renovation of our country's historic landmarks so that they can continue as a vital part of our commercial and residential architectural heritage.

We will work to assure that credit institutions make greater efforts to direct mortgage money into the financing of private housing.

We will take all necessary steps to prohibit the practice of red-lining by private financial institutions, the FHA, and the secondary mortgage market which have had the effect of depriving certain areas of the necessary mortgage funds which they need to upgrade themselves. We will further encourage an increase in loans and subsidies for housing and rehabilitation, especially in poverty stricken areas.

We support greater flexibility in the use of community development block grants at the local level.

The current Housing and Community Development Act should be reformed and restructured so that its allocation, monitoring, and citizen participation features better address the needs of local communities, major cities and underdeveloped rural areas.

The revitalization of our cities must proceed with an understanding that housing, jobs and related community facilities are all critical to a successful program. The Democratic Party will create the necessary incentives to insure that private and public jobs are available to meet the employment needs of these communities and pledges a more careful planning process for the location of the federal government's own employment-creating facilities.

The Democratic Party proposes a revitalization of the Federal Housing Administration as a potent institution to stabilize new construction and existing housing markets. To this end, the Agency's policies must be simplified, its operating practices and insurance rate structures modernized and the sense of public service which was the hallmark of the FHA for so many years must be restored. In addition, we propose automatic triggering of direct production subsidies and a steady flow of mortgage funds during periods when housing starts fall below acceptable levels.

Women, the elderly, single persons and minorities are still excluded from exercising their right to select shelter in the areas of their choice, and many "high-risk" communities are systematically denied access to the capital they require. The Democratic Party pledges itself to the aggressive enforcement of the Fair Housing Act; to the promotion and enforcement of equal opportunity in housing; and to the pursuit of new regulatory and incentive policies aimed at providing minority groups and women with equal access to mortgage credit.

In addition to direct attacks upon such known violations of the law, a comprehensive approach to these problems must include policies aimed at the underlying causes of unequal credit allocations. The Democratic Party pledges itself to aggressive policies designed to assure lenders that their commitments will be backed by government resources, so that investment risks will be shared by the public and private sectors.

The special needs of older cities

The Democratic Party recognizes that a number of major, older cities—including the nation's largest city—have been forced to undertake even greater social responsibilities, which have resulted in unprecedented fiscal crises. There is a national interest in helping such cities in their present travail, and a new Democratic President and the Congress shall undertake a massive effort to do so.

Law enforcement and law observance

The total crime bill in the United States has been estimated at $90 billion a year, almost as much as the cost of our national defense. But over and above the economic impact, the raging and unchecked growth of crime seriously impairs the confidence of many of our citizens in their ability to walk on safe streets, to live securely in peaceful and happy homes, and to work safely in their places of business. Fear mounts along with the crime rate. Homes are made into fortresses. In large sections of every major city, people are afraid to go out at night. Outside big cities, the crime rate is growing even faster, so that suburbs, small towns and rural areas are no longer secure havens.

Defaulting on their "law and order" promises, the Republicans in the last eight years have let the rising tide of crime soil the highest levels of government, allowed the crime rate to skyrocket and failed to reform the criminal justice system. Recognizing that law enforcement is essentially a local responsibility, we declare that control of crime is an urgent national priority and pledge the efforts of the Democratic Party to insure that the Federal Government act effectively to reverse these trends and to be an effective partner to the cities and states in a well-coordinated war on crime.

We must restore confidence in the criminal justice system by insuring that detection, conviction and punishment of lawbreakers is swift and sure; that the criminal justice system is just and efficient; that jobs, decent housing and educational opportunities provide a real alternative to crime to those who suffer enforced poverty and injustice. We pledge equally vigorous prosecution and punishment for corporate crime, consumer fraud and deception; programs to combat child abuse and crimes against the elderly; criminal laws that reflect national needs; application of the law with a balanced and fair hand; a judiciary that renders equal justice for all; criminal sentences that provide punishment that actually punishes and rehabilitation that actually rehabilitates; and a correctional system emphasizing effective job training, educational and post-release programs. Only such measures will restore the faith of the citizens in our criminal justice system.

Toward these ends, we support a major reform of the criminal justice system, but we oppose any legislative effort to introduce repressive and anti-civil libertarian measures in the guise of reform of the criminal code.

The Law Enforcement Assistance Administration has not done its job adequately. Federal funding for crime-fighting must be wholly revamped to more efficiently assist local and state governments in strengthening their law enforcement and criminal justice systems, rather than spend money on the purchase of expensive equipment, much of it useless.

Citizen confidence in law enforcement can be enhanced through increased citizen participation, by informing citizens of police and prosecutor policies, assuring that police departments reflect a cross-section of the communities they serve, establishing neighborhood forums to settle simple disputes, restoring the grand jury to fair and vigorous independence, establishing adequate victim compensation programs, and reaffirming our respect for the individual's right to privacy.

Coordinated action is necessary to end the vicious cycle of drug addiction and crime. We must break up organized crime syndicates dealing in drugs, take necessary action to get drug pushers off the streets, provide drug users with effective rehabilitation programs, including medical assistance, ensure that all young people are aware of the costs of a life of drug dependency, and use worldwide efforts to stop international production and trafficking in illicit drugs.

A Democratic Congress in 1974 passed the Juvenile Justice and Delinquency Prevention Act to come to grips with the fact that juveniles account for almost half of the serious crimes in the United States, and to remedy the fact that federal programs thus far have not met the crisis of juvenile delinquency. We pledge funding and implementation of this Act, which has been ignored by the Republican Administration.

Handguns simplify and intensify violent crime. Ways must be found to curtail the availability of these weapons. The Democratic Party must provide the leadership for a coordinated federal and state effort to strengthen the presently inadequate controls over the manufacture, assembly, distribution and possession of handguns and to ban Saturday night specials.

Furthermore, since people and not guns commit crimes, we support mandatory minimum sentencing for individuals convicted of committing a felony with a gun.

The Democratic Party, however, affirms the right of sportsmen to possess guns for purely hunting and target-shooting purposes.

The full implementation of these policies will not in themselves stop lawlessness. To insure professionally trained and equitably rewarded police forces, law enforcement officers must be properly recruited and trained, and provided with decent wages, working conditions, support staff, and federal death benefits for those killed in line of duty.

Effective police forces cannot operate without just and speedy court systems. We must reform bail and pre-trial detention procedures. We must assure speedy trials and ease court congestion by increasing the number of judges, prosecutors and public defenders. We must improve and streamline courthouse management procedures, require criminal justice records to be accurate and responsible, and establish fair and more uniform sentencing for crimes.

Courts should give priority to crimes which are serious enough to deserve imprisonment. Law enforcement should emphasize the prosecution of crimes against persons and property as a higher priority than victimless crimes. Current rape laws need to be amended to abolish archaic evidence rules that discriminate against rape victims.

We pledge that the Democratic Party will not tolerate abuses of governmental processes and unconstitutional action by the government itself. Recognizing the value of legitimate intelligence efforts to combat espionage and major crime, we call for new legislation to ensure that these efforts will no longer be used as an excuse for abuses such as bugging, wiretaps, mail opening and disruption aimed at lawful political and private activities.

The Attorney General in the next Democratic Administration will be an independent, non-political official of the highest integrity. If lawlessness is found at any level, in any branch, immediate and decisive action will be taken to root it out. To that end, we will establish the machinery for appointing an independent Special Prosecutor whenever needed.

As a party, as a nation, we must commit ourselves to the elimination of injustice wherever it plagues our government, our people and our future.

Transportation

An effective national transportation policy must be grounded in an understanding of all transportation systems and their consequences for costs, reliability, safety, environmental quality and energy savings. Without public transportation, the rights of all citizens to jobs and social services cannot be met.

To that end, we will work to expand substantially the discretion available to states and cities in the use of federal transportation money, for either operating expenses or capital programs on the modes of transportation which they choose. A greater share of Highway Trust Fund money should also be available on a flexible basis.

We will change further the current restrictive limits on the use of mass transit funds by urban and rural localities so that greater amounts can be used as operating subsidies; we emphatically oppose the Republican Administration's efforts to reduce federal operating subsidies.

We are committed to dealing with the transportation needs of rural America by upgrading secondary roads and bridges and by completion of the original plan of 1956 for the interstate highway system where it benefits rural Americans. Among other benefits, these measures would help overcome the problems of getting products to market, and services to isolated persons in need.

We will take whatever action is necessary to reorganize and revitalize our nation's railroads.

We are also committed to the support of healthy trucking and bus, inland waterway and air transport systems.

A program of national rail and road rehabilitation and improved mass transit would not only mean better transportation for our people, but it would also put thousands of unemployed construction workers back to work and make them productive tax-paying citizens once again.

Further, it would move toward the Democratic Party's goal of assuring balanced transportation services for all areas of the nation—urban and rural. Such a policy is intended to reorganize both pressing urban needs and the sorry state of rural public transportation.

Rural development

The problems of rural America are closely linked to those of our cities. Rural poor and the rural elderly suffer under the same economic pressures and have at least as many social needs as their counterparts in the cities. The absence of rural jobs and rural vitality and the continuing demise of the family farm have prompted a migration to our cities which is beyond the capacity of the cities to absorb. Over 20 million Americans moved to urban areas between 1940 and 1960 alone. We pledge to develop programs to make the family farm economically healthy again so as to be attractive to young people.

To that end, the Democratic Party pledges to strengthen the economy and thereby create jobs in our great agricultural and rural areas by the full implementation and funding of the Rural Development Act of 1972 and by the adoption of an agricultural policy which recognizes that our capacity to produce food and fiber is one of our greatest assets.

While it is bad enough to be poor, or old, or alone in the city, it is worse in the country. We are therefore committed to overcome the problems of rural as well as urban isolation and poverty by insuring the existence of adequate health facilities, critically-needed community facilities such as water supply and sewage disposal systems, decent housing, adequate educational opportunity and needed transportation throughout rural America.

As discussed in the transportation section, we believe that transportation dollars should be available in a manner to permit their flexible use. In rural areas this means they could be used for such needs as secondary road improvement, taxi systems, buses, or other systems to overcome the problems of widely dispersed populations, and to assure access of citizens to essential services.

Two thousand family farms are lost per week. To help assure that family farms stay in the family where they belong, we will push increases in relevant estate tax exemptions. This increased exemption, when coupled with programs to increase generally the vitality of rural America, should mean that the demise of the family farm can be reversed.

We will seek adequate levels of insured and guaranteed loans for electrification and telephone facilities.

Only such a coordinated program can make rural America again attractive and vigorous, as it needs to be if we are to deal with the challenges facing the nation as a whole.

Administration of Federal aid

Federal aid programs impose jurisdictional and administrative complications which substantially diminish the good accomplished by the federal expenditure of about $50 billion annually on state and local governments. An uncoordinated policy regarding eligibility requirements, audit guidelines, accounting procedures and the like characterizes the over 800 categorical aid programs and threaten to bog down the more broadly conceived flexible block grant programs. The Democratic Party is committed to cutting through this chaos and simplifying the grant process for both recipient governments and program administrators.

The Democratic Party also reaffirms the role of state and general purpose local governments, as the principle governments, in the orderly administration of federal aid and revenue sharing programs.

V. NATURAL RESOURCES AND ENVIRONMENTAL QUALITY

Energy

Almost three years have passed since the oil embargo. Yet, by any measure, the nation's energy lifeline is in far greater peril today. America is running out of energy—natural gas, gasoline, and oil.

The economy is already being stifled. The resulting threat of unemployment and diminished production is already present.

If America, as we know it, is to survive, we must move quickly to develop renewable sources of energy.

The Democratic Party will strive to replace the rapidly diminishing supply of petroleum and natural gas with solar, geothermal, wind, tide and other forms of energy, and we recommend that the federal government promptly expend whatever funds are required to develop new systems of energy.

We have grown increasingly dependent on imported oil. Domestic production, despite massive price increases, continues to decline. Energy stockpiles, while authorized, are yet to be created. We have no agreements with any producing nations for security of supply. Efforts to develop alternative energy sources have moved forward slowly. Production of our most available and plentiful alternative—coal—is not increasing. Energy conservation is still a slogan, instead of a program.

Republican energy policy has failed because it is based on illusions; the illusion of a free market in energy that does not exist, the illusion that ever-increasing energy prices will not harm the economy, and the illusion of an energy program based on unobtainable independence.

The time has come to deal with the realities of the energy crisis, not its illusions. The realities are that rising energy prices, falling domestic supply, increasing demand, and the threat to national security of growing imports, have not been contained by the private sector.

The Democratic energy platform begins with a recognition that the federal government has an important role to play in insuring the nation's energy future, and that it must be given the tools it needs to protect the economy and the nation's consumers from arbitrary and excessive energy price increases and help the nation embark on a massive domestic energy program focusing on conservation, coal conversion, exploration and development of new technologies to insure an adequate short-term and long-term supply of energy for the nation's needs. A nation advanced enough and wealthy enough to send a man to the moon must dedicate itself to developing alternate sources of energy.

Energy pricing

Enactment of the Energy Policy and Conservation Act of 1975 established oil ceiling prices at levels sufficient to maximize domestic production but still below OPEC equivalents. The Act was a direct result of the Democratic Congress' commitment to the principle that beyond certain levels, increasing energy prices simply produces high-cost energy—without producing any additional energy supplies.

This oil-pricing lesson should also be applied to natural gas. Those now pressing to turn natural gas price regulation over to OPEC, while arguing the rhetoric of so-called deregulation, must not prevail. The pricing of new natural gas is in need of reform. We should narrow the gap between oil and natural gas prices with new natural gas ceiling prices that maximize production and investment while protecting the economy and the consumer. Any reforms in the pricing of new natural gas should not be at the cost of severe economic dislocations that would accelerate inflation and increase unemployment.

An examination must be made of advertising cost policies of utilities and the imposition of these costs on the consumer. Advertising costs used to influence public policy ought to be borne by stockholders of the utility companies and not by the consumers.

Domestic supply and demand

The most promising neglected domestic option for helping balance our energy budget is energy conservation. But major investments in conservation are still not being made.

The Democratic Party will support legislation to establish national building performance standards on a regional basis designed to improve energy efficiency. We will provide new incentives for aiding individual homeowners, particularly average income families and the poor in undertaking conservation investments. We will support the reform of utility rate structures and regulatory rules to encourage conservation and ease the utility rate burden on residential users, farmers and other consumers who can least afford it; make more efficient use of electrical generating capacity; and we will aggressively pursue implementation of automobile efficiency standards and appliance labeling programs already established by Democratic initiative in the Energy Policy and Conservation Act.

Coal currently comprises 80 percent of the nation's energy resources, but produces only 16 percent of the nation's energy. The Democratic Party believes that the United States' coal production can and must be increased without endangering the health and safety of miners, diminishing the land and water resources necessary for increased food production, and sacrificing the personal and property rights of farmers, ranchers and Indian tribes.

We must encourage the production of the highest quality coal, closest to consuming markets, in order to insure that investments in energy production reinforce the economics of energy producing and consuming regions. Improved rail transportation systems will make coal available where it is actually needed, and will insure a rail transport network required for a healthy industrial and agricultural economy.

We support an active federal role in the research and development of clean burning and commercially competitive coal burning systems and technologies, and we encourage the conversion to coal of industrial users of natural gas and imported oil. Air quality standards that make possible the burning of coal without danger to the public health or degradation of the nation's clear air must be developed and implemented.

The Democratic Party wants to put an end to the economic depression, loss of life and environmental destruction that has long accompanied irresponsible coal development in Appalachia. Strip mining legislation designed to protect and restore the environment, while ending the uncertainty over the rules governing future coal mining, must be enacted.

The huge reserves of oil, gas and coal on federal territory, including the outer continental shelf, belong to all the people. The Republicans have pursued leasing policies which give the public treasury the least benefit and the energy industry the most benefit from these public resources. Consistent with environmentally sound practices, new leasing procedures must be adopted to correct these policies, as well as insure the timely development of existing leases.

Major federal initiatives, including major governmental participation in early high-risk development projects, are required if we are to harness renewable resources like solar, wind, geothermal, the oceans, and other new technologies such as fusion, fuel cells and the conversion of solid waste and starches into energy. The Ford Administration has failed to provide those initiatives, and, in the process, has denied American workers important new opportunities for employment in the building and servicing of emerging new energy industries.

U.S. dependence on nuclear power should be kept to the minimum necessary to meet our needs. We should apply stronger safety standards as we regulate its use. And we must be honest with our people concerning its problems and dangers as well as its benefits.

An increasing share of the nuclear research dollar must be invested in finding better solutions to the problems of nuclear waste disposal, reactor safety and nuclear safeguards—both domestically and internationally.

Competition in the Domestic Petroleum Industry

Legislation must be enacted to insure energy administrators and legislators access to information they need for making the kind of informed decisions that future energy policy will require. We believe full disclosure of data on reserves, supplies and costs of production should be mandated by law.

It is increasingly clear that there is no free, competitive market for crude oil in the United States. Instead, through their control of the nation's oil pipelines, refineries and marketing, the major oil producers have the capability of controlling the field and often the downstream price of almost all oil.

When competition inadequate to insure free markets and maximum benefit to American consumers exists, we support effective restrictions on the right of major companies to own all phases of the oil industry.

We also support the legal prohibition against corporate ownership of competing types of energy, such as oil and coal. We believe such "horizontal" concentration of economic power to be dangerous both to the national interest and to the functioning of the competitive system.

Improved Energy Planning

Establishment of a more orderly system for setting energy goals and developing programs for reaching those goals should be undertaken. The current proliferation of energy jurisdictions among many executive agencies underscores the need for a more coordinated system. Such a system should be undertaken, and provide for centralization of overall energy planning in a specific executive agency and an assessment of the capital needs for all priority programs to increase production and conservation of energy.

Mineral Resources

As with energy resources, many essential mineral resources may soon be inadequate to meet our growing needs unless we plan more wisely than we have with respect to energy. The Democratic Party pledges to undertake a long-range assessment of supply of our mineral reserves as well as the demand for them.

Agriculture

As a nation, we are blessed with rich resources of land, water and climate. When the supporting technology has been used to preserve and promote the family ownership and operation of farms and ranches, the people have been well served.

America's farm families have demonstrated their ability and eagerness to produce food in sufficient quantity to feed their fellow citizens and share with hungry people around the world as well. Yet this national asset has been neither prudently developed nor intelligently used.

The eight-year record of the Nixon-Ford Administration is a record of lost opportunities, failure to meet the challenges of agricultural statesmanship, and favoritism to the special pleading of giant corporate agricultural interests.

Republican misrule in agriculture has caused wide fluctuations in prices to producers, inflated food prices to consumers, unconscionable profiteering on food by business, unscrupulous shipping practices by grain traders, and the mishandling of our abundance in export markets. Republican agricultural policy has spelled high food prices, unstable farm income, windfalls for commodity speculators and multinational corporations, and confrontations between farmer and consumer.

Foremost attention must be directed to the establishment of a national food and fiber policy which will be fair to both producer and consumer, and be based on the family farm agricultural system which has served the nation and the world so well for so long.

Maximum agricultural production will be the most effective means of achieving an adequate food and fiber supply and reasonable price stability to American consumers. Without parity income assurance to farmers, full production cannot be achieved in an uncertain economy. We must assure parity returns to farmers based on costs of production plus a reasonable profit.

We must continue and intensify efforts to expand agriculture's long-term markets abroad, but at the same time we must prevent irresponsible and inflationary sales from the American granary to foreign purchasers. Aggressive but stable and consistent export policy must be our goal. The production of food and fiber in America must be used as part of a constructive foreign policy based on long-term benefits at home and abroad, but not at the expense of the farmers.

Producers shall be encouraged to produce at full capacity within the limits of good conservation practices, including the use of recycled materials, if possible and desirable to restore natural soil fertility. Any surplus production needed to protect the people of the world from famine shall be stored on the farm in such a manner as to isolate it from the market place.

Excess production beyond the needs of the people for food shall be converted to industrial purposes.

Farmers as individual producers must deal constantly with organized suppliers and marketers, and compete with non-farm conglomerates. To assist them in bargaining for the tools of production, and to strengthen the institution of the family farm, the Democratic Party will: support the Capper-Volstead Act in its present form; curb the influence of non-farm conglomerates which, through the elimination of competition in the marketplace, pose a threat to farmers; support the farmer cooperatives and bargaining associates; scrutinize and remedy any illegal concentrations and price manipulations of farm equipment and supply industries; revitalize basic credit programs for farmers; provide adequate credit tailored to the needs of young farmers; assure access for farmers and rural residents to energy, transportation, electricity and telephone services; reinstate sound, locally administered soil conservation programs; eliminate tax shelter farming; and overhaul federal estate and gift taxes to alleviate some of the legal problems faced by farm families who would otherwise be forced to liquidate their assets to pay the tax.

Long overdue are programs of assistance to farm workers in housing, employment, health, social services and education.

To protect the health of our citizens the government shall insure that all agricultural imports must meet the same quality standards as those imposed on agricultural products produced in the United States and that only quality American agricultural products be exported.

Fisheries

America's fisheries must be protected and enhanced as a renewable resource through ecologically sound conservation practices and meaningful international agreements and compacts between individual states.

Environmental quality

The Democratic Party's strong commitment to environmental quality is based on its conviction that environmental protection is not simply an aesthetic goal, but is necessary to achieve a more just society. Cleaning up air and water supplies and controlling the proliferation of dangerous chemicals is a necessary part of a succssful national health program. Protecting the worker from workplace hazards is a key element of our full employment program. Occupational disease and death must not be the price of a weekly wage.

The Democratic Party, through the Congress, has recognized the need for basic environmental security, and has authored a comprehensive program to achieve this objective. In eight years, the efforts to implement that program have been thwarted by an Administration committed only to unfounded allegations that economic growth and environmental protection are incompatible.

Quite to the contrary, the Democratic Party believes that a concern for the environment need not and must not stand in the way of a much-needed policy of high economic growth.

Moreover, environmental protection creates jobs. Environmental legislation enacted since 1970 already has produced more than one million jobs, and we pledge to continue to work for additional laws to protect, restore and preserve the environment while providing still more jobs.

Today, permanently harmful chemicals are dispersed, and irrecoverable land is rendered worthless. If we are to avoid repeated environmental crises, we must now renew our efforts to restore both environmental quality and economic growth.

Those who would use the environment must assume the burden of demonstrating that it will not be abused. For too long this burden has been on government agencies, representing the public, to assess and hopefully correct the damage that has already been done.

Our irreplaceable natural and aesthetic resources must be managed to ensure abundance for future generations. Strong land and ocean use planning is an essential element of such management. The artifacts of the desert, the national forests, the wilderness areas, the endangered species, the coastal beaches and barrier dunes and other precious resources are in danger. They cannot be restored. They must be protected.

Economic inequities created by subsidies for virgin materials to the disadvantage of recycled materials must be eliminated. Depletion allowances and unequal freight rates serve to discourage the growing numbers of businesses engaged in recycling efforts.

Environmental research and development within the public sector should be increased substantially. For the immediate future, we must learn how to correct the damage we have already done, but more importantly, we need research on how to build a society in which renewable and non-renewable resources are used wisely and efficiently.

Federal environmental anti-pollution requirement programs should be as uniform as possible to eliminate economic discrimination. A vigorous program with national minimum environmental standards fully implemented, recognized basic regional differences, will ensure that states and workers are not penalized by pursuing environmental programs.

The technological community should be encouraged to produce better pollution-control equipment, and more importantly, to produce technology which produces less pollution.

VI. INTERNATIONAL RELATIONS

The next Democratic Administration must and will initiate a new American foreign policy.

Eight years of Nixon-Ford diplomacy have left our nation isolated abroad and divided at home. Policies have been developed and applied secretly and arbitrarily by the executive department from the time of secret bombing in Cambodia to recent covert assistance in Angola. They have been policies that relied on ad hoc, unilateral maneuvering, and on a balance-of-power diplomacy suited better to the last century than to this one. They have disdained traditional American principles which once earned the respect of other peoples while inspiring our own. Instead of efforts to foster freedom and justice in the world, the Republican Administration has built a sorry record of disregard for human rights, manipulative interference in the internal affairs of other nations, and, frequently, a greater concern for our relations with totalitarian adversaries than with our democratic allies. And its efforts to preserve, rather than reform, the international status quo betray a self-fulfilling pessimism that contradicts a traditional American belief in the possibility of human progress.

Defense policy and spending for military forces must be consistent with meeting the real security needs of the American people. We recognize that the security of our nation depends first and foremost on the internal strength of American society—economic, social and political. We also recognize that serious international threats to our security, such as shortages of food and raw materials, are not solely military in nature and cannot be met by military force or the threat of force. The Republican Administration has, through mismanagement and misguided policies, undermined the security of our nation by neglecting human needs at home while, for the first time in our nation's history, increasing military spending after a war. Billions of dollars have been diverted into wasteful, extravagant and, in some instances, destabilizing military programs. Our country can—and under a Democratic Administration it will—work vigorously for the adoption of policies of full employment and economic growth which will enable us to meet both the justified domestic needs of our citizens and our needs for an adequate national defense.

A Democratic Administration will work to create a foreign policy that does justice to the strength and decency of the American people through adherence to these fundamental principles and priorities:

We will act on the premise that candor in policymaking, with all its liabilities, is preferable to deceit. The Congress will be involved in the major international decisions of our government, and our foreign policies will be openly and consistently presented to the American people. For even if diplomatic tactics and national security information must sometimes remain secret, there can be no excuse for formulating and executing basic policy without public understanding and support.

Our policy must be based on our nation's commitment to the ideal of individual freedom and justice. Experience has taught us not to rely solely on military strength or economic power, as necessary as they are, in pursuit of our international objectives. We must rely too on the moral strength of our democratic values—the greatest inspiration to our friends and the attribute most feared by our enemies. We will ensure that human needs are not sacrificed to military spending, while maintaining the military forces we require for our security.

We will strengthen our ties to the other great democracies, working together to resolve common economic and social problems as well as to keep our defenses strong.

We will restore the Democratic tradition of friendship and support to Third World nations.

We must also seek areas of cooperation with our traditional adversaries. There is no other option, for human survival itself is at stake. But pursuit of detente will require maintenance of a strong American military deterrent, hard bargaining for our own interest, recognition of continuing competition, and a refusal to oversell the immediate benefits of such a policy to the American public.

We will reaffirm the fundamental American commitment to human rights across the globe. America must work for a release of all political prisoners—men and women who are in jail simply because they have opposed peacefully the policies of their governments or have aided others who have—in all countries. America must take a firm stand to support and implement existing U.S. law to bring about liberalization of emigration policy in countries which limit or prohibit free emigration. America must be resolute in its support of the right of workers to organize and of trade unions to act freely and independently, and in its support of freedom of the press. America must continue to stand as a bulwark in support of human liberty in all countries. A return to the politics of principle requires a reaffirmation of human freedom throughout the world.

The challenge of interdependence

The International Economy

Eight years of mismanagement of the American economy have contributed to global recession and inflation. The most important contribution a Democratic Administration will make to the returning health of the world economy will be to restore the health of our own economy, with all that means to international economic stability and progress.

We are committed to trade policies that can benefit a full employment economy—through creation of new jobs for American workers, new markets for American farmers and businesses, and lower prices and a wider choice of goods for American consumers. Orderly reductions in trade barriers should be negotiated on a reciprocal basis that does not allow other nations to deny us access to their markets while enjoying access to ours. These measures must be accompanied by improved programs to ease dislocations and to relieve the hardship of American workers affected by foreign competition.

The Democratic Party will also seek to promote higher labor standards in those nations where productivity far outstrips wage rates, harming American workers through unfair exploitation of foreign labor, and encouraging American capital to pursue low wage opportunities that damage our own economy and weaken the dollar.

We will exert leadership in international efforts to strengthen the world economic system. The Ford Administration philosophy of reliance on the international "market economy" is insufficient in a world where some governments and multinational corporations are active in managing and influencing market forces.

We pledge constant efforts to keep world monetary systems functioning properly in order to provide a reasonably stable economic environment for business and to prevent the importation of inflation. We will support reform of the international monetary system to strengthen institutional means of coordinating national economic policies, especially with our European and Japanese allies, thus facilitating efforts by our government and others to achieve full employment.

The Democratic Party is committed to a strong and competitive merchant fleet, built in the United States and manned by American seamen, as an instrument of international relations and national security. In order to revitalize our merchant fleet, the party pledges itself to a higher level of coordination of maritime policy, reaffirmation of the objectives of the Merchant Marine Acts of 1936 and 1970, and the development of a national cargo policy which assures the U.S. fleet a fair participation in all U.S. trade.

A Democratic Administration will vigorously pursue international negotiations to insure that the multinational activities of corporations, whether American or foreign, be made more responsible to the international community. We will give priority attention to the establishment of an international code of conduct for multinational corporations and host countries.

We will encourage multinational corporations—before they relocate production across international boundaries—to make sufficient advance arrangements for the workers whose jobs will be affected.

We will eliminate bribery and other corrupt practices.

We will prevent these corporations from interfering in the political systems of the countries in which they operate.

If such a code cannot be negotiated or proves to be unenforceable, our country should reserve the right to take unilateral action directed toward each of these problems, specifically including the outlawing of bribes and other improper payments to government officials of other nations.

In pursuit of open and fair international economic relationships, we will seek mechanisms, including legislation, to ensure that foreign governments cannot introduce third party boycotts or racial and religious discrimination into the conduct of American foreign commerce.

Energy

The United States must be a leader in promoting cooperation among the industrialized countries in developing alternative energy sources and reducing energy consumption, thus reducing our dependence on imports from the Middle East and restraining high energy prices. Under a Democratic Administration, the United States also will support international efforts to develop the vast energy potential of the developing countries.

We will also actively seek to limit the dangers inherent in the international development of atomic energy and in the proliferation of nuclear weapons. Steps to be given high priority will include: revitalization of the Nonproliferation Treaty, expansion of the International Atomic Energy Agency and other international safeguards and monitoring of national facilities, cooperation against potential terrorism involving nuclear weapons, agreement by suppliers not to transfer enrichment or reprocessing facilities, international assurance of supply of nuclear fuel only to countries cooperating with strict nonproliferation measures, subsidization of multinational nuclear facilities, and gradual conversion to international control of nonweapons fissionable material.

The Developing World

We have a historic opportunity in the next decade to improve the extent and quality of cooperation between the rich and poor countries. The potential benefits to our nation of a policy of constructive cooperation with the developing world would be considerable: uninterrupted access at reasonable cost to raw materials and to basic commodities; lower rates of global inflation; improved world markets for our goods; and a more benign atmosphere for international negotiation in general. Above all, the prospects for the maintenance of peace will be vastly brighter in a world in which fewer and fewer people suffer the pangs of hunger and the yoke of economic oppression.

We support efforts to stabilize and increase export earnings of developing countries through our participation in reasonable commodity arrangements. We support strengthening of global financing mechanisms and trade liberalization efforts. We will assist in promoting greater developing country capital markets.

Because our country provides food and fiber to all the world, the American farmer is heavily dependent on world markets. These markets must be developed in a way that prevents the wild gyrations of food prices and the periodic shortages that have been common under recent Republican Administrations. We pledge significant financial support to the International Fund for Agricultural Development; more effective food aid through further revision of the U.S. Food for Peace program; significant contributions to a multination world food reserve system, with appropriate safeguards for American farmers; and continuing efforts to promote American food exports.

The proliferation in arms, both conventional and nuclear, is a principal potential source of conflict in the developing as well as the industrialized world. The United States should limit significantly conventional arms sales and reduce military aid to developing countries, should include conventional arms transfers on the arms control agenda, and should require country-by-country justification for U.S. arms transfers, whether by sales or aid. Such sales or aid must be justified in terms of foreign policy benefits to the United States and not simply because of their economic value to American weapons producers.

A primary object of American aid, both military and economic, is first of all to enhance the condition of freedom in the world. The United States should not provide aid to any government—anywhere in the world—which uses secret police, detention without charges, and torture to enforce its powers. Exceptions to this policy should be rare, and the aid provided should be limited to that which is absolutely necessary. The United States should be open and unashamed in its exercise of diplomatic efforts to encourage the observance of human rights in countries which receive American aid.

Current world population growth is a threat to the long-range well-being of mankind. We pledge to support effective, voluntary family planning around the world, as well as at home, and to recognize officially the link between social and economic development and the willingness of the individual to limit family size.

To be true to the traditional concern of Americans for the disadvantaged and the oppressed, our aid programs should focus on alleviating poverty and on support of the quest for human liberty and dignity. We will work to see that the United States does its fair share in international development assistance efforts, including participation in the fifth replenishment of the World Bank's International Development Association. We will implement a foreign assistance policy which emphasizes utilization of multilateral and regional development institutions; and one that includes a review of aid programs, country by country, to reinforce those projects whose financial benefits go to the people most in need and which are consistent with overall United States foreign policy goals.

The World Environment

Decay of the environment knows no national boundary. A government committed to protect our environment at home must also seek international cooperation in defending the global environment.

Working through and supporting such organizations as the United Nations Environmental Program, we will join other governments in more effective efforts to preserve the quality and resources of the oceans; to preserve endangered species of fish and wildlife; to reverse the encroachment of the deserts, the erosion of the world's agricultural lands, and the accelerating destruction of its forests; to limit pollution of the atmosphere; and to control alterations of the global climate.

Criminal Justice Rights of Americans Abroad

We will protect the rights and interests of Americans charged with crimes or jailed in foreign countries by vigorously exerting all appropriate efforts to guarantee humane treatment and due process and to secure extradition to the United States where appropriate.

International Drug Traffic

We call for the use of diplomatic efforts to stop international production and trafficking in illicit drugs including the possible cut-off of foreign aid to noncooperating countries.

Defense Policy

The size and structure of our military forces must be carefully related to the demands of our foreign policies in this new era. These should be based on a careful assessment of what will be needed in the long-run to deter our potential adversaries; to fight successfully, if necessary, conventional wars in areas in which our national security is threatened; and to reassure our allies and friends—notaby in Western Europe, Japan and the Near East. To this end, our strategic nuclear forces must provide a strong and credible deterrent to nuclear attack and nuclear blackmail. Our conventional forces must be strong enough to deter aggression in areas whose security is vital to our own. In a manner consistent with these objectives, we should seek those disarmament and arms control agreements which will contribute to mutual reductions in both nuclear and conventional arms.

The hallmarks of the Nixon-Ford Administration's defense policy, however, have been stagnation and vulnerability.

By its reluctance to make changes in those features of our armed forces which were designed to deal with the problems of the past, the Administration has not only squandered defense dollars, but also neglected making improvements which are needed to increase our forces' fighting effectiveness and their capability to deter future aggression.

By its undue emphasis on the overall size of the defense budget as the primary measure of both our national resolve and the proficiency of our armed forces, the Administration has forgotten that we are seeking not to outspend, but to be able to deter and, if necessary, outfight our potential adversaries. While we must spend whatever is legitimately needed for defense, cutbacks on duplication and waste are both feasible and essential. Barring any major change in the international situation, with the proper management, with the proper kind of investment of defense dollars, and with the proper choice of military programs, we believe we can reduce present defense spending by about $5 billion to $7 billion. We must be tough-minded about the development of new weapons systems which add only marginal military value. The size of our defense budget should not be dictated by bureaucratic imperatives or the needs of defense contractors but by our assessment of international realities. In order to provide for comprehensive review of the B–1 test and evaluation program, no decision regarding B–1 production should be made prior to February 1977.

The Pentagon has one of the federal government's most overgrown bureaucracies. The Department of Defense can be operated more effectively and efficiently and its budget reduced, without in any way compromising our defense posture. Our armed forces have many more admirals and generals today than during World War II, when our fighting force was much larger than now. We can reduce the ratio of officers to men and of support forces to combat troops.

Misdirected efforts such as the construction of pork-barrel projects under the jurisdiction of the Defense Department can be terminated. Exotic arms systems which serve no defense or foreign policy purpose should not be initiated.

By ignoring opportunities to use our advanced technology innovatively to obtain maximum effectiveness in weapons and minimize complexity and cost, the Republican Administration has failed to reverse the trend toward increasingly intricate and expensive weapons systems. Thus, it has helped to put our forces—particularly the Navy—on the dangerous path of becoming both smaller in numbers and more vulnerable.

A new approach is needed. Our strategic nuclear forces should be structured to ensure their ability to survive nuclear attack, thereby assuring deterrence of nuclear war. Successful nuclear deterrence is the single most important task of our armed forces. We should, however, avoid becoming diverted into making expenditures which have only symbolic or prestige value or which themselves contribute to nuclear instability.

The United States Navy must remain the foremost fleet in the world. Our naval forces should be improved to stress survivability and our modern technology should be used in new ways to keep the essential sea lanes open. Concretely, we should put more stress on new sensors and armaments, and give priority to a navy consisting of a greater number of smaller and less vulnerable vessels.

Our land forces should be structured to fight effectively in support of our political and military commitments. To this end, modern, well-equipped and highly mobile land forces are more important than large numbers of sparsely-equipped infantry divisions.

Our tactical air forces should be designed to establish air superiority quickly in the event of hostilities, and to support our land and naval forces.

We can and will make significant economies in the overhead and support structure of our military forces.

The defense procurement system should be reformed to require, wherever possible and consistent with efforts to encourage full participation by small and minority businesses, advertised competitive bids and other improvements in procurement procedure so as to encourage full and fair competition among potential contractors and to cut the current waste in defense procurement. A more equitable formula should be considered for distribution of defense contracts and other federal procurement on a state or regional basis.

The United States and other nations share a common interest in reducing military expenditures and transferring the savings into activities which raise living standards. In order to smooth the path for such changes, the Executive Branch and the Congress should encourage long-range planning by defense-dependent communities and managements of defense firms and unions. This process should take place within the context of the Democratic Party's commitment to planned full employment.

Our civilian and military intelligence agencies should be structured to provide timely and accurate information and analysis of foreign affairs and military matters. Covert action must be used only in the most compelling cases where the national security of the U.S. is vitally involved; assassination must be prohibited. There should be full and thorough Congressional oversight of our intelligence agencies. The constitutional rights of American citizens can and must be fully protected, and intelligence abuses corrected, without endangering the confidentiality of properly classified intelligence or compromising the fundamental intelligence mission.

U.S.-U.S.S.R. Relations

The United States and the Soviet Union are the only powers who, by rivalry or miscalculation, could bring general nuclear war upon our civilization. A principal goal must be the continued reduction of tension with the U.S.S.R. This can, however, only be accomplished by fidelity to our principles and interests and through business-like negotiations about specific issues, not by the bad bargains, dramatic posturing, and the stress on general declarations that have characterized the Nixon-Ford Administration's détente policy.

Soviet actions continue to pose severe threats to peace and stability in many parts of the world and to undermine support in the West for fruitful negotiations toward mutually beneficial agreements. The U.S.S.R. has undertaken a major military buildup over the last several years in its navy, in its strategic forces, and in its land forces stationed in Eastern Europe and Asia. It has sought one-sided advantages in negotiations, and has exerted political and military pressure in such areas as the Near East and Africa, not hesitating to dispatch to Angola its own advisors as well as the expeditionary forces of its clients.

The continued U.S.S.R. military dominance of many Eastern European countries remains a source of oppression for the peoples of those nations, an oppression we do not accept and to which were are morally opposed. Any attempt by the Soviet Union similarly to dominate other parts of Europe—such as Yugoslavia—would be an action posing a grave threat to peace. Eastern Europe will not truly be an area of stability until these countries regain their independence and become part of a large European framework.

Our task is to establish U.S.-U.S.S.R. relations on a stable basis, avoiding excesses of both hope and fear. Patience, a clear sense of our own priorities, and a willingness to negotiate specific firm agreements in areas of mutual interest can return balance to relations between the United States and the Soviet Union.

In the field of nuclear disarmament and arms control, we should work toward: limitations on the international spread of fissionable materials and nuclear weapons; specific strategic arms limitation agreements which will increase the stability of the strategic balance and reduce the risk of nuclear war, emphasizing mutual reductions and limitations on future weapons deployment which most threaten the strategic balance because their characteristics indicate a potential first-strike use; a comprehensive ban on nuclear tests; mutual reduction with the Soviet Union and others, under assured safeguards, of our nuclear arsenals, leading ultimately to the elimination of such arsenals; mutual restrictions with the Soviet Union and others on sales or other transfers of arms to developing countries; and conventional arms agreements and mutual and balanced force reductions in Europe.

However, in the area of strategic arms limitations, the U.S. should accept only such agreements that would not overall limit the U.S. to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union.

In the long-run, further development of more extensive economic relations between the United States and the Soviet Union may bring significant benefit to both societies. The U.S.S.R. has sought, however, through unfair trade practices to dominate such strategic fields as merchant shipping. Rather than effectively resisting such efforts, the Nixon-Ford Administration has looked favorably on such steps as subsidizing U.S.-U.S.S.R. trade by giving the Soviet Union concessionary credits, promoting trade increases because of a short-run hope of using trade to modify political behavior, and even placing major United States energy investments in pawn to Soviet Union policy. Where bilateral trade arrangements with the U.S.S.R. are to our economic advantage, we should pursue them, but our watch-words would be tough bargaining and concrete economic, political or other benefits for the United States. We should also press the Soviet Union to take a greater share of responsibility in multilateral solutions to such problems as creating adequate world grain reserves.

Our stance on the issue of human rights and political liberties in the Soviet Union is important to American self-respect and our moral standing in the world. We should continually remind the Soviet Union, by word and conduct, of its commitments in Helsinki to the free flow of people and ideas and of how offensive we and other free peoples finds its violations of the Universal Declaration of Human Rights. As part of our programs of official, technical, trade, cultural and other exchanges with the U.S.S.R., we should press its leaders to open their society to a genuine interchange of people and ideas.

We must avoid assuming that the whole of American-Soviet relations is greater than the sum of its parts, that any agreement is superior to none, or that we can negotiate effectively as supplicants. We must realize that our firmness can help build respect for us and improve the long-run opportunities for mutually-beneficial concrete agreements. We must beware of the notion that Soviet-American relations are a seamless web in which concessions in one area will bring us benefits in others. By the same token, we must husband our resources to concentrate on what is most important to us. Détente must be military as well as political.

More fundamentally, we must recognize that the general character of our foreign policies will not and must not be set by our direct relationship with the Soviet Union. Our allies and friends must come first. Nor can the pursuit of our interests elsewhere in the world be dominated by concern for Soviet views. For example, American policy toward China should continue to be based on a desire for a steady improvement and broadening of relations, whatever the tenor and direction of Chinese-Soviet relations.

Above all, we must be open, honest, mature and patient with ourselves and with our allies. We must recognize that, in the long-run, an effective policy toward the Soviet Union can only be grounded on honest discussion, and on a national and, to some extent, an international consensus. Our own institutions, especially the Congress, must be consulted and must help formulate our policy. The governments of our allies and friends must be made partners in our undertakings. Haste and secret bilateral executive arrangements in our dealings with the U.S.S.R. can only promote a mood of uncertainty and suspicion which undermines the public support essential to effective and stable international relations.

America in the world community

Many of the critical foreign policy issues we face require global approaches, but an effective international role for the United States also demands effective working with the special interests of specific foreign nations and regions. The touchstone of our policy must be our own interests, which in turn means that we should not seek or expect to control events everywhere. Indeed, intelligent pursuit of our objectives demands a realization that even where our interests are great and our involvement essential, we do not act alone, but in a world setting where others have interests and objectives as well.

We cannot give expression to our national values without continuing to play a strong role in the affairs of the United Nations and its agencies. Firm and positive advocacy of our positions is essential.

We should make a major effort at reforming and restructuring the U.N. systems. The intensity of interrelated problems is rapidly increasing, and it is likely that in the future, the issues of war and peace will be more a function of economic and social problems than of the military security problems that have dominated international relations since 1945.

The heat of debate at the General Assembly should not obscure the value of our supporting United Nations involvement in keeping the peace and in the increasingly complex technical and social problems—such as pollution, health, economic development and population growth—that challenge the world community. But we must let the world know that anti-American polemics is no substitute for sound policy and that the United Nations is weakened by harsh rhetoric from other countries or by blasphemous resolutions such as the one equating Zionism and racism.

A Democratic Administration should seek a fair and comprehensive Law-of-the-Sea Treaty that will balance the interests of the developed and less developed countries.

Europe

The nations of Western Europe, together with Japan, are among our closest allies. Except for our closest neighbors in this hemisphere, it is in these regions where our interests are most strongly linked with those of other nations. At the same time, the growing economic and political strength of Europe and Japan creates areas of conflict and tension in a relationship both sides must keep close and healthy.

On the great economic issues—trade, energy, employment, international finance, resources—we must work with the Europeans, the Japanese and other nations to serve our long-run mutual interests in stability and growth, and in the development of poorer nations.

The military security of Europe is fundamental to our own. To that end, NATO remains a vital commitment. We should retain in Europe a U.S. contribution to NATO forces so that they are sufficient to deter or defeat attack without premature resort to nuclear weapons. This does not exclude moderate reductions in manpower levels made possible by more efficiency, and it affirmatively requires a thorough reform and overhaul of NATO forces, plans and deployments. We encourage our European allies to increase their share of the contributions to NATO defense, both in terms of troops and hardware. By mutual agreement or through modernization, the thousands of tactical nuclear weapons in Europe should be reduced, saving money and manpower and increasing our own and international security.

Europe, like the rest of the world, faces substantial political change. We cannot control that process. However, we can publicly make known our preference for developments consistent with our interests and principles. In particular, we should encourage the most rapid possible growth of stable democratic institutions in Spain, and a continuation on the path of democracy of Portugal and Greece, opposing authoritarian takeover from either left or right. We can make clear our sense of the risks and dangers of Communist participation in Western European governments, while being equally clear that we will work on a broad range of non-military matters with any legally-constituted government that is prepared to do the same with us. We similarly must reaffirm our support for the continued growth and cohesion of the institutions of the European community.

The voice of the United States should be heard in Northern Ireland against violence and terror, against the discrimination, repression and deprivation which brought about that civil strife, and for the efforts of the parties toward a peaceful resolution of the future of Northern Ireland. Pertinent alliances such as NATO and international organizations such as the United Nations should be fully apprised of the interests of the United States with respect to the status of Ireland in the international community of nations.

We must do all that is possible, consistent with our interest in a strong NATO in Southern Europe and stability in the Eastern Mediterranean, to encourage a fair settlement of the Cyprus issue, which continues to extract human costs.

Middle East

We shall continue to seek a just and lasting peace in the Middle East. The cornerstone of our policy is a firm commitment to the independence and security of the State of Israel. This special relationship does not prejudice improved relations with other nations in the region. Real peace in the Middle East will permit Israel and her Arab neighbors to turn their energies to internal development, and will eliminate the threat of world conflict spreading from tensions there.

The Middle East conflict is complex, and a realistic, pragmatic approach is essential. Our policy must be based on firm adherence to these fundamental principles of Middle East policy:

We will continue our consistent support of Israel, including sufficient military and economic assistance to maintain Israel's deterrent strength in the region, and the maintenance of U.S. military forces in the Mediterranean adequate to deter military intervention by the Soviet Union.

We steadfastly oppose any move to isolate Israel in the international arena or suspend it from the United Nations or its constituent organizations.

We will avoid efforts to impose on the region an externally devised formula for settlement, and will provide support for initiatives toward settlement, based on direct face-to-face negotiation between the parties and normalization of relations and a full peace within secure and defensible boundaries.

We vigorously support the free passage of shipping in the Middle East—especially in the Suez Canal.

We recognize that the solution to the problems of Arab and Jewish refugees must be among the factors taken into account in the course of continued progress toward peace. Such problems cannot be solved, however, by recognition of terrorist groups which refuse to acknowledge their adversary's right to exist, or groups which have no legitimate claim to represent the people for whom they purport to be speaking.

We support initiation of government enforcement action to insure that stated U.S. policy—in opposition to boycotts against friendly countries—is fully and vigorously implemented.

We recognize and support the established status of Jerusalem as the capital of Israel, with free access to all its holy places provided to all faiths. As a symbol of this stand, the U.S. Embassy should be moved from Tel Aviv to Jerusalem.

Asia

We remain a Pacific power with important stakes and objectives in the region, but the Vietnam War has taught us the folly of becoming militarily involved where our vital interests were not at stake.

Friendship and cooperation with Japan are the cornerstone of our Asian interests and policy. Our commitment to the security of Japan is central to our own, and it is an essential condition to a constructive, peaceful role for the nation in the future of Asia. In our economic dealings with Japan, we must make clear our insistence on mutuality of benefits and opportunities, while focusing on ways to expand our trade, avoiding economic shocks and resultant retaliation on either side. We must avoid the "shocks" to Japan which have resulted from Republican foreign policy.

We reaffirm our commitment to the security of the Republic of Korea, both in itself and as a key to the security of Japan. However, on a prudent and carefully planned basis, we can redeploy, and gradually phase out, the U.S. ground forces, and can withdraw the nuclear weapons now stationed in Korea without endangering that support, as long as our tactical air and naval forces in the region remain strong. Our continued resolve in the area should not be misunderstood. However, we deplore the denial of human rights in the Republic of Korea, just as we deplore the brutal and aggressive acts of the regime in North Korea.

We have learned, at a tragically high price, certain lessons regarding Southeast Asia. We should not seek to control the political future of that region. Rather, we should encourage and welcome peaceful relations with the nations of that area. In conjunction with the fullest possible accounting of our citizens still listed as missing in action, we should move toward normalized relations with Vietnam.

No foreign policy that reflects traditional American humanitarian concerns can be indifferent to the plight of the peoples of the Asian subcontinent.

The recent improvement in relations with China, which has received bipartisan support, is a welcome recognition that there are few areas in which our vital interests clash with those of China. Our relations with China should continue to develop on peaceful lines, including early movement toward normalizing diplomatic relations in the context of a peaceful resolution of the future of Taiwan.

The Americas

We recognize the fundamental importance of close relations and the easing of economic tension with our Canadian and Mexican neighbors.

In the last eight years, our relations with Latin America have deteriorated amid high-level indifference, increased military domination of Latin American governments, and revelations of extensive American interference in the internal politics of Chile and other nations. The principles of the Good Neighbor Policy and the Alliance for Progress, under which we are committed to working with the nations of the Americas as equals, remain valid today but seem to have been forgotten by the present Administration.

The U.S. should adopt policies on trade, aid and investment that include commodity agreements and an appropriate system of trade preferences.

We must make clear our revulsion at the systematic violations of basic human rights that have occurred under some Latin American military regimes.

We pledge support for a new Panama Canal treaty, which insures the interests of the United States in that waterway, recognizes the principles already agreed upon, takes into account the interests of the Canal work force, and which will have wide hemispheric support.

Relations with Cuba can be normalized if Cuba refrains from interference in the internal affairs of other nations, and releases those U.S. citizens currently detained in Cuban prisons and labor camps for purely political reasons.

Africa

Eight years of indifference, accompanied by increasing cooperation with racist regimes, have left our influence and prestige in Africa at an historical low. We must adopt policies that recognize the intrinsic importance of Africa and its development to the United States, and the inevitability of majority rule on that continent.

The first task is to formulate a rational African policy in terms of enlightened U.S.-African priorities, not as a corollary of U.S.-Soviet policy. Angola demonstrated that we must have sound relations with Black Africa and disassociate our policies from those of South Africa to achieve the desired African response to Soviet expansionism in Africa. Our policy must foster high-level U.S.-Africa communications and establish a sound basis for dealing when crises arise.

The next Democratic Administration will work aggressively to involve black Americans in foreign policy positions, at home and abroad, and in decisions affecting African interests.

To promote African economic development, the U.S. should undertake increased bilateral and multilateral assistance; continue Congressional initiatives in food assistance and food production, with special aid to the Sahel and implementation of the Sahel Development Plan; and carry forward our commitment to negotiate with developing countries on key trade and economic issues such as commodity arrangements and trade preferences.

Our policy must be reformulated towards unequivocal and concrete support of majority rule in Southern Africa, recognizing that our true interests lie in peaceful progress toward a free South Africa for all South Africans, black and white. As part of our commitment to the development of a free and democratic South Africa, we should support the position of African nations in denying recognition to "homelands" given pseudoindependence by the South African government under its current policy of "separate development."

The Republican Administration's relaxation of the arms embargo against South Africa must be ended, and the embargo tightened to prevent transfers of military significance, particularly of nuclear material. The U.S. government should not engage in any activity regarding Namibia that would recognize or support the illegal South African administration, including granting tax credits to U.S. companies doing business in Namibia and paying taxes to South Africa. Moreover, the U.S. government should deny tax advantages to all corporations doing business in South Africa and Rhodesia who support or participate in apartheid practices and policies.

The U.S. government should fully enforce the U.N.-ordered Rhodesia sanctions, seek universal compliance with such measures, and repeal the Byrd Amendment.

Efforts should be made to normalize relations with Angola.

A MINORITY REPORT

Amend Chapter II, page 14, paragraph 2 by adding:

We support the revision of the Hatch Act so as to extend to federal workers the same political rights enjoyed by other Americans as a birthright, while still protecting the Civil Service from political abuse.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, the Subcommittees on Health and Administrative Practice and Procedure desire to hold a hearing on Monday, July 19, 1976, from 10:30 a.m. to 1 p.m. That, I think, would fall within the purview of recognition of the joint leaders, a morning hour, plus the fact that we will not come in until 12 o'clock that day.

Therefore, I ask unanimous consent at this time that those subcommittees be allowed to meet until 1 p.m.; and that on Tuesday, the same subcommittees be allowed to meet from 9 a.m. until noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY ACT AMENDMENT

Mr. MANSFIELD. Mr. President, I move that the Chair lay before the Senate a message from the House on H.R. 14484.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 14484) to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for 1 year the eligibility of supplementary security income recipients for food stamps, and to extend for 1 year the period during which payments may be made to States for child support collection services under part D of title IV of such act.

Mr. MANSFIELD. Mr. President, I move that the Senate recede from its amendments to the House bill.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

STATE OF CALIFORNIA FOOD STAMP BENEFITS

Mr. MANSFIELD. Mr. President, I regret that the House is forcing us to accept their action in order to protect needy aged, blind, and disabled persons from a loss of eligibility for food stamps. However, I want to serve notice that I intend to offer the Senate amendments again at the earliest appropriate time because I think the House will see their merit.

It is particularly unfortunate that the House did not see fit to take the desires of the State of California into account in connection with the supplemental security income program. In order that the matter may be put before them as soon as they return, I shall ask the Senate to approve a bill identical to that portion of the Senate amendment dealing with the SSI problem in the State of California.

Mr. President, I submit a bill and ask unanimous consent that it be considered as having been read twice and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3656) to authorize the State of California to elect not to implement the Food Stamp Program for beneficiaries of supplemental security income but to provide instead for a higher level of State supplementary benefits.

Mr. MANSFIELD. Mr. President, this amendment would permit the State of California to provide additional cash benefits rather than food stamps to its needy aged, blind, and disabled persons.

It is identical to section 2(b) of the Senate amendment that was rejected by the House.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice, and, without objection, the Senate will proceed to its immediate consideration.

Mr. CRANSTON. Mr. President, I am delighted with the action of the Senate in taking up and sending to the House this original bill, S. 3656, incorporating the provisions of section 2(b) of H.R. 14484 the urgent social security amendments bill. This bill will enable the State of California to proceed with the agreement reached between Governor Brown and the leaders of the legislature to continue the food stamp cash-out as supplementation to the State SSI payment.

Mr. President, I regret very much that the House was unable to accept the Senate amendments on H.R. 14484 and that we will thus not be able to send the California food stamp/SSI cash-out legislation to the President as part of that bill. That time factor would have been very important.

But I hope that the action taken today by the distinguished majority leader on behalf of the distinguished chairman of the Committee on Finance (Mr. LONG) will demonstrate to the other body our resolve to persist in this matter, and let the elected State representatives and the people of California work their will on this issue involving State funds.

I want particularly to thank my two esteemed colleagues for their cooperation with me in expediting this matter this morning. I also want to thank the assistant minority leader (Mr. GRIFFIN) for his courtesy in facilitating this legislation. Finally, again, I express my very deep appreciation to Michael Stern, the staff director of the Finance Committee, for his always excellent advice and assistance.

Mr. President, since the Committee on Ways and Means has already reported a virtually identical bill to the one we have just passed, I am very hopeful that the other body will resolve its difficulties and proceed immediately when the Congress reconvenes to accept this legislation and send it to the President.

The bill (S. 3656) was considered, ordered to a third reading, read the third time, and passed, as follows:

S. 3656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, Section 8 of Public Law 93–233 is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following subsection:

"(d) Upon the request of the State of California, the Secretary shall find, for purposes of the provisions specified in subsection (c) of this section, that the level of such State's supplementary payments of the type described in section 1616(a) of the Social Security Act, has been specifically increased for any month so as to include the bonus value of food stamps if—

"(1) the State law, as in effect for such month specifically provides for increases in such payments on account of general increases in the level of benefits payable under title XVI of the Social Security Act in a manner designed to assure that, whenever a general increase in the level of benefits payable under such title XVI becomes effective for any month after June 1976, the amount of the State supplementary payment payable, for each month with respect to which such general increase is effective, to any individual and to any individual with an eligible spouse, will be increased by such amount as is necessary to assure that the aggregate of—

"(A) the amount payable for such month to such individual, or to such individual with an eligible spouse, under such title XVI, and

"(B) the amount payable for such month to such individual, or to such individual with an eligible spouse, under the State's supplementary payments program,

will exceed, by an amount which is not less than the monthly amount of such general increase, the aggregate of the amounts which would otherwise have been payable, to such individual (or to such individual with an eligible spouse), under such title XVI and under the State's supplementary payments program for such month under the State law as in effect on June 1, 1976, and

"(2) such month is (A) the month of July 1976, or (B) a month thereafter which is in a period of consecutive months the first of which is July 1976 and each of which is a month with respect to which the conditions of paragraph (1) are met.

As used in this section, the term 'general increase in the level of benefits payable under title XVI of the Social Security Act' means an increase in benefits payable under such title XVI by reason of the operation of section 1617 of such Act. For purposes of this subsection, the general increase in the level of benefits payable under such title XVI which became effective for the month of July 1976 shall be deemed to have provided an increase of $3.00 per month in the case of an individual without an eligible spouse, and $4.50 per month in the case of an individual with an eligible spouse.".

SEC. 2. The provision of section 8 of Public Law 93–233 which, under section 1 of this Act, is redesignated as subsection (f), is amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (e)".

COMPENDIUM OF PAPERS ON FEDERAL TAX REFORM

Mr. KENNEDY. Mr. President, prior to the time the Senate began consideration of the pending tax bill, H.R. 10612, a group of Senators requested Dr. Joseph A. Pechman of the Brookings Institution and Prof. Stanley J. Surrey of Harvard Law School to coordinate a series of papers by tax experts and economists analyzing the major tax reform issues in the bill.

The results of their efforts have been made available to all Senators in a compilation entitled "Compendium of Papers on Federal Tax Reform." We have been pleased with the responses we have received, indicating that the compendium has proved to be a valuable resource in the tax reform debate thus far.

In addition there has been widespread interest in the compendium by those in and out of Government who are concerned with the issues of tax reform.

Since the Senate will not complete action on H.R. 10612 for several more weeks, I feel it will be useful to have the compendium reproduced in full in the RECORD. In this way, Senators and their staffs will have access to it in a convenient form, and it will be widely available to many others who are interested in the tax bill while action on it is still pending.

Mr. President, I ask unanimous consent that the compendium may be printed in the RECORD.

There being no objection the material was ordered to be printed in the RECORD, as follows:

COMPENDIUM OF PAPERS ON FEDERAL TAX REFORM

U.S. SENATE,
April 29, 1976.

DR. JOSEPH A. PECHMAN,
Brookings Institution,
Washington, D.C.
Prof. STANLEY S. SURREY,
Harvard Law School,
Cambridge, Mass.

DEAR DR. PECHMAN AND PROFESSOR SURREY: In light of the many complex issues of economic and tax policy involved in the forthcoming deliberations by the Senate on H.R. 10612, the omnibus tax reform bill, we are writing to express our appreciation to both of you for your assistance in offering to develop analyses of the numerous major substantive and policy issues likely to require decisions by the Senate in the debate on the bill.

Pursuant to our discussions, our hope is that you will be able to sponsor a collection of papers on these issues by distinguished economists and tax experts. We believe that such a compendium will be helpful to all the members of the Senate as we prepare to act on legislation that may be the most important measure before Congress in 1976 and that has such far-reaching implications for the efficiency and equity of our tax laws, for the wise allocation of federal resources, and for the overall health of our national economy.

We appreciate your interest and cooperation in this endeavor and we look forward to your assistance.

Sincerely,

EDWARD M. KENNEDY, FLOYD K. HASKELL, WILLIAM PROXMIRE, ERNEST F. HOLLINGS, WILLIAM D. HATHAWAY, ALAN CRANSTON, HUBERT H. HUMPHREY, DALE BUMPERS, HENRY M. JACKSON, EDMUND S. MUSKIE, FRANK CHURCH.

INTRODUCTION

At the request of a group of Senators, we undertook to organize a compendium of papers on the principal issues to be considered in the debate on tax reform in the U.S. Senate. The purpose of the papers is to formulate in an orderly and usable fashion arguments and data concerning the major tax reform proposals now pending before Congress.

Accordingly, we asked a group of distinguished economists and tax lawyers—both practicing and academic—to present the issues in the tax reform debate in readable, yet informative, short papers. We were gratified at the enthusiastic response of these very busy individuals. We believe the results of their efforts can have a beneficial effect in insuring a meaningful debate on the issues presented by various tax reform proposals.

The contents of the compendium were dictated by the tax proposals presently at the forefront of Congressional interest and by the decision of Congress in the first concurrent budget resolution to achieve a $2 billion reduction in tax expenditures. The compendium does not, therefore, purport to be either a systematic or an all-inclusive discussion of an "ideal" tax reform package. Instead, the papers discuss particular proposals for tax change and evaluate them in terms of their contribution to—or detraction from—tax fairness and budget efficiency.

Primarily, the proposals discussed are those that were considered in the House-passed Tax Reform Act of 1975 (H.R. 10612), and the suggested changes that have been proposed by various Senators. It was not possible to consider actions of the Senate Finance Committee on the bill, because of the limited time available. However, the reader should be able to evaluate the Finance Committee amendments by comparing them to the recommendations in the compendium papers.

We have grouped the papers into three broad categories. The first group contains papers analyzing the general economic effects of tax reform. The second group contains papers analyzing proposals that should be approved by the Senate to achieve greater tax equity. The third group contains papers discussing those proposals that should be rejected by the Senate because they move in the opposite direction from tax reform.

We are pleased to present this compendium of papers on tax reform, not only to the Senators who requested its compilation, but also to the entire Congress and the American public. We hope it will contribute to achieving the goal of a fairer tax system for the United States.

JOSEPH A. PECHMAN.
WASHINGTON, D.C.
STANLEY S. SURREY.
CAMBRIDGE, MASS.
June 7, 1976.

ACKNOWLEDGMENTS

We wish to express our appreciation to the following persons for participating in the compliation of this Compendium. Their contributions of time, energy and expertise were invaluable.

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Professor David Westfall, Harvard Law School.

Henry G. Zapruder, Cohen & Uretz, Washington, D.C.

ECONOMIC EFFECTS OF TAX REFORM

Tax reform and the economy

A major impediment to tax reform has always been the fallacious argument that the elimination of loopholes in the tax law would reduce employment, investment, or exports and would, therefore, hurt the economy. This year is no exception. Even though it is universally acknowledged that the tax structure is urgently in need of repair, beneficiaries of the tax preferences—who strongly resist revision at any time—are now arguing that the "feedback effect" of tax reform would retard economic recovery. Loophole closing is self-defeating—according to this argument—and must be resisted in the interest of protecting jobs for workers as well as profits for business.

The Jobs Argument

The feedback argument cannot be used to justify every single loophole in the tax law. It is a wrong argument because it assumes that the federal government will not adopt the overall fiscal and monetary policies needed to keep the economic recovery moving. If taxes are raised and nothing else is done, unemployment will increase and investment will decline, but there is no reason to assume that nothing else will be done. Offsetting tax reductions or expenditure increases can maintain the growth of total demand in the economy and insure that closing of tax loopholes will not cost jobs.

For a reason not explained by opponents of tax reform, the additional tax receipts that would be obtained through tax reform are presumed to be sterilized and the government is expected to sit idly by as the fiscal noose is tightened. This was never a realistic possibility, and it is impossible under present congressional budget procedures.

This year, Congress has already adopted the first concurrent budget resolution which provides for levels of expenditures and tax receipts that are consistent with continued growth of the economy at satisfactory rates through fiscal year 1977. The revenue figure in this budget resolution envisages a $17.3 billion tax reduction in overall individual and corporate tax liabilities. The revenue figure also assumes through reduction in net tax expenditures that tax reform will raise tax collections by $2 billion of tax reform is rejected, the deficit will be higher by that amount and the fiscal stimulus to the economy will be increased. It may be that more fiscal stimulus would be desirable in the presently foreseeable circumstances. But opponents of tax reform have not been conspicuous in their support of a larger deficit, nor have they explained why the larger deficit should be generated by saving money for those who enjoy tax preferences. If jobs creation is the goal, individual income tax cuts across the board are superior to the continuation of the special business tax preferences involved in the above $2 billion figure, because the individual income tax cuts would be translated into additional spending with shorter time lags and less leakage into savings. Thus, equity and good economics would be better served by allocating the $2 billion to those who are already paying their fair share of taxes. Essentially this is what the budget resolution does.

Nor is there any reason why tax reform should be limited to the $2 billion envisaged in the budget resolution. The papers in this compendium suggest tax revisions that, in the aggregate, could raise tax receipts by some $6 billion in a full year. But clearly, rather than just raising taxes, the additional $4 billion would be available for increasing urgently needed expenditures for tax reduction, or for a combination of both. In this way, the proposed deficit would remain the same and fiscal stimulus would also be unchanged. The economy would, in fact, be better off because the economic distortions created by the loopholes would have been removed.

EXPORTS AND BALANCE OF PAYMENTS

Somewhat the same fallacious arguments as "feedback effects" are used to justify the tax preferences that are intended to promote exports and improve the balance of trade and payments. Repeal of the $1.5 billion DISC provision, it is said, would force our exporters to raise their prices, weaken their competitive position, lower their sales, and force them to cut employment. Again, this argument is valid only if the value of the dollar remained unchanged as a result of the reduction in exports.

The argument that tax subsidies help the balance of payments assumes that we are still living in a world of fixed exchange rates. In such a world, tax or other subsidies for exports—if tolerated by other countries—help to maintain or raise the value of the dollar. With the exchange rate fixed and the dollar overvalued (as it was before 1971), it might have been worthwhile to spend $1.25 to get a dollar's worth of foreign exchange.

However, since 1971, there has been a great change in the international monetary system. The dollar was devaluated in December, 1971, and again in February, 1973. Since March 1973, the dollar and most other strong currencies have been allowed to "float," i.e., exchange rates are set by the supply and demand for the various currencies and not by an arbitrary decision of each government. Imbalances in the U.S. external accounts are now adjusted by changes in the exchange rates of the dollar with other currencies, not by large currency flows under the previous system of fixed exchange rates. As a result, the U.S. no longer has a chronic balance of payments problem. In fact, the Commerce Department is not publishing the surplus or deficit figure for the balance of payments, because it has no economic meaning.

Thus, in today's world, there is no reason to spend more than a dollar to get a dollar's worth of foreign exchange. If a tax subsidy helps to lower export prices—a strong assumption to begin with—the increased receipts from abroad will strengthen the dollar and increase its price in terms of other currencies. This will make U.S. exports of goods and services more expensive, reduce the competitiveness of our exporters, and reduce the prices of our imports. The exchange rate of the dollar will decline to its old level, and the effect of the subsidy will be nullified.

It follows that export tax subsidies do not have a lasting effect on employment. It may be that industries that are the direct beneficiaries of the subsidies will wind up with larger output and more employment. But, since total exports will be the same after the exchange rates have adjusted themselves, exports in other industries will decline and this will force them to reduce output and employment. The net effect will be small, but the result will be that the U.S. will be producing less in its more productive industries and more in its less productive industries. The tax subsidy is thus converted into lower productivity and a lower standard of living for the nation as a whole, rather than increased exports and higher employment.

Investment

Tax shelters and other business tax concessions are defended as essential to promote investment. Each and every industry or activity that benefits from a tax preference tells Congress that the repeal of the preference will have dire consequences on employment and investment in industry or activity. Again, the argument would have some merit if the tax expenditures were to be repealed without any offsetting direct expenditure or tax changes. In practice, the funds would be used for other purposes—either through direct expenditures or tax reductions—and there is no reason why total employment or investment should be affected.

Thus, narrow tax incentives for investment do little to increase total investment. Instead, they direct scarce capital from efficient uses to less efficient uses. Furthermore, tax shelter deals in real estate, oil, cattle, etc. involve substantial costs paid to middlemen (i.e., brokers, financial operators and lawyers) who spend their time making shelter arrangements rather than in more productive activities. To the extent that tax revision will help allocate capital and managerial ability to more efficient uses, the nation gets the same benefit as if it were increasing its total investment. In this particular instance, however, it achieves the benefits of more investment without sacrificing any current consumption.

The problem of the so-called "capital shortage" has also been used to justify the present inefficient tax shelters and other investment incentives. The fear of a capital shortage when industry was operating at low levels of capital utilization has already been shown to be misplaced. The federal deficit, which was supposed to be crowding out private investment, has helped to increase employment and incomes. As the recovery proceeds, it will be necessary to reduce the deficit, so that there will be more room for private investment. But this is a problem for the future, not for the next year or so.

If our economic policies are successful, we will have to face the question of whether there will be enough investment to produce the goods and services needed to reach full employment. That problem would not be handled very efficiently either by keeping present tax loopholes or creating new ones. The appropriate policy is to move toward a surplus in the federal budget and pursue as easy a monetary policy as possible so as to hold down interest rates. Investment would be allocated in accordance with the dictates of the market, rather than in the much less efficient manner dictated by the present tax laws.

Conclusion

Every single tax preference cannot be defended as if it is crucial to the continuation of the current economic recovery and to the maintenance of a high rate of economic growth when full employment is reached. The fallacy in this argument is that it is only a partial analysis. It assumes that the increased taxes on the tax sheltered industries will not be offset by other fiscal changes. In fact, closing loopholes and reducing tax rates on the general taxpayer (or increasing federal expenditures) would offset any depressing effect of the tax revision, and also help to increase the efficiency of resource use for the country as a whole.

Contrary to the protests of all the special interest groups, tax reform will be good for the economy, for employment, for investment, and for foreign trade. It will also help to simplify the tax laws and greatly improve the morale of the average taxpayer who has been forced to pay his share of taxes, and more, while others have been able to live lavishly in the tax-sheltered world.

THE "JOBS, INVESTMENT, AND THE BALANCE OF PAYMENTS" DEFENSE AGAINST TAX REFORM PROPOSALS

Jobs

The current rage among defenders of tax preferences and against almost any tax reform proposal is "feedback" effects. The argument made under this defense is that elimination of any business-oriented tax preference will reduce employment and the Gross National Product. Tax reform is thus self-defeating, or so the argument goes. *But.*

If you increase taxes and *do nothing else,* unemployment will of course increase and investment will decline. There is no reason, however, to assume that nothing else is done.

Offsetting tax reductions or expenditure increases can maintain total demand in the economy and insure that the ending of tax preference does not cost jobs.

If jobs creation is the goal, individual tax cuts across the board are superior to business tax cuts because the individual cuts are translated into additional spending with shorter time lags and less leakage into savings.

Business tax preferences, such as DISC, which inefficiently direct resources cannot be justified by their employment creating effects.

One should beware of proposals to feed the birds by first feeding the horses. Such proposals are usually tilted towards the horses.

Investment

Business tax preferences, such as tax shelters, are defended on the ground that their elimination would reduce investment. *But:*

Narrow tax incentives for investment do little to increase total investment. Instead, they direct scarce capital into inefficient uses.

Tax shelter deals in real estate, oil, cattle, etc. involve the obvious leakages of "middlemen" costs (i.e., the costs of brokers, financial operators, lawyers).

To the extent that existing capital stock can be used more efficiently, we achieve much the same result from such more efficient use as we would from additional investment. It is not even necessary to give up current consumption to get this beneficial result.

The problem of getting an economy to full employment should be separated from the problem of what can be done to tilt the output mix of a fully employed economy towards investment instead of consumption.

The combination of tight fiscal policy (tax increases or government expenditure decreases) and loose monetary policy to hold down interest rates can be more effective at increasing investment than tax incentives directed at investment or savings.

Exports, Balance of Trade, and Balance of Payments

Proponents of business tax preferences often assume that we are still living in a world of fixed exchange rates. Subsidies for exports are justified as necessary to defend the value of the dollar:

If exchange rates are fixed and the dollar overvalued, one may want to spend $1.25 to get a dollar's worth of foreign exchange.

In such a world, subsidies for exports or duties on imports can be justified on the ground that they are necessary to defend the dollar.

However, since 1971 the international monetary system has been overhauled. The dollar was devalued in December 1971 and again in February 1973. Since March 1973 flexibility in exchange rates has been relied upon to adjust any imbalance in our external accounts. The U.S. no longer has a chronic balance of payments problem. The Commerce Department in fact is no longer publishing the balance of payments statistic.

In today's world there is no reason to spend more than a dollar to get a dollar's worth of foreign exchange.

Subsidies for exports are inherently less beneficial to the American economy than general tax incentives because a major portion of the benefits of those subsidies must go to foreign consumers.

Subsidies which increase exports will induce an appreciation of the dollar relative to other currencies. This appreciation will increase imports and reduce the growth of exports. The impact on the balance of trade (exports less imports) is clearly less than the impact on exports alone.

Appreciation of the dollar induced by export subsidies will also affect the capital account. With flexibility in exchange rates, there is no reason to believe that export subsidies have any impact on the overall balance of payments (that is, on both the trade and capital accounts taken together).

TAX REFORM PROPOSALS THAT SHOULD BE ADOPTED

The tax shelter abuse—an overview

In 1967, 155 individual taxpayers with adjusted gross incomes above $200,000 paid no federal income tax.

This state of affairs was forcefully described to the Joint Economic Committee of the Congress by then Secretary of the Treasury Joseph W. Barr in his now famous "taxpayer revolt" address. The Secretary accurately attributed the situation to "certain provisions of our tax laws (which) unfairly lighten the burdens" that accepted notions of tax equity and ability to pay properly place upon the well-to-do. Reactive to the abuse inherent in provisions of the law which permit the wealthy to shelter much or all income, Congress passed the Tax Reform Act of 1969.

In 1974, 244 individual taxpayers reporting income above $200,000 paid no federal income tax. In the same year 3,273 individual taxpayers reporting income of $50,000 or more paid no federal income tax. Many thousands of other wealthy taxpayers paid only a small fraction of the tax their high incomes ought to have attracted.

As these figures demonstrate, the Tax Reform Act of 1969 clearly did not reduce wealthy taxpayer resort to tax shelter devices. To the contrary, through advertisement and public syndication, tax shelter investments—in real estate, farm operations, oil and gas, equipment leasing, motion pictures and much more—have greatly proliferated.

Elements of a Tax Shelter. A tax shelter, at its simplest, is an investment that succeeds in generating a mismatching of income and deductions. The income arrives later, if it arrives at all. The deductions arrive first through a number of special provisions accelerating the taking of the deductions for tax purposes. These accelerated deductions can be set off against the wealthy taxpayer's "real" income from profitable investments, business or professional activity, and thereby reduce or eliminate the substantial current tax liability that such real income otherwise would bear.

A number of considerations, taken together, determine the attractiveness of a tax shelter investment:

First, the taxpayer's effective income tax rate. To a 70% bracket taxpayer a dollar of shelter deduction is worth 70 cents. To a 19% bracket laborer it is worth 19 cents. The laborer has neither the capital nor the incentive to invest in a tax shelter. The high bracket taxpayer has both.

Second, the number of dollars of prompt deduction that each dollar of investment will yield. If a high bracket taxpayer invests a dollar of his own money to gain an immediate dollar of deduction, there is an obvious tax advantage: realistically the government has invested 70 cents and the taxpayer only 30 cents. And if without personal risk the taxpayer may borrow and invest an additional $4, the attractiveness of the shelter is greatly multiplied. For the 70% bracket taxpayer, $1 of his own investment has produced $5 of immediate deduction, a tax saving of $3.50 and thus, an immediate cash profit of $2.50.

Third, the period of deferral between current deduction and future income. Today's $5.00 of deduction for $1.00 invested would lose part of it glow if equivalent income had to be reported next year. But the glow is restored if income may be deferred seven years or ten years or longer as in many tax shelters.

Fourth, the possibility that offsetting future income may be converted to something better. A seven year deferral of ordinary income is attractive. But if seven years hence the income will also be accorded capital gain rather than fully taxable status, the tax shelter program is more attractive. And if offsetting taxable income need never be accounted for at any future time, the arrangement is vastly more attractive.

Fifth, and finally, and too often of least importance to the wealthy taxpayer, is the shelter investment likely to produce a reasonable economic yield apart from tax savings?

Distortion. Virtually all wealthy individuals and their tax shelter partnerships use the cash method of accounting. For the cash method taxpayer the selected shelter investment will offer one or a number of sizable tax accelerated deductions. Intangible drilling expenses in oil and gas. Prepaid cattle feed or rosebush planting in farm operations. Service partnership expenditures or income forecast depreciation in motion pictures. Accelebrated depreciation and prepaid interest in a variety of shelter plans. In each case, the tax accelerated deductions come first, the income later if ever.

Leverage. The greater the leverage—the use of borrowed money—the greater the potential tax advantage in a shelter investment. If a 70% taxpayer invest $10,000 of his own money and $90,000 borrowed on a 30-year life double declining balance depreciation property, within three years he will have recouped through tax savings substantially more than his $10,000 investment. If the taxpayer had instead invested on the same leveraged basis in a successful oil drilling syndicate, and intangible drilling expenses absorb 80% of invested funds, his initial year tax saving would be more than five times the taxpayer's $10,000 out-of-pocket commitment. And this is so even though, as is so often the case today, the $90,000 loan is "nonrecourse" and the taxpayer has no personal liability or risk whatsoever.

Conversion. Tax shelter benefit is the product of a distortion in reporting under the cash method of accounting: deductions are tax accelerated, income is deferred. In many shelter investments the important income event is a later sale or other disposition of the property. Generally, this disposition gain reflects nothing more than the accelerated tax deductions that the wealthy taxpayer, in earlier years, applied against ordinary income. Nonetheless, under many shelter schemes part or all of the disposition gain is favorably taxed at long-term capital gain rates. And if before disposition day the taxpayer dies, thereby affording to his estate a new basis in the shelter property equal to date of death value, all income tax liability may be avoided.

Syndication. Using limited partnership syndications, tax shelters have gone public. But for these investments the public is the rich and the very rich.

Central to most limited partnership shelter programs is the nonrecourse loan. Under present tax law the leverage of nonrecourse debt multiplies deductions and allows the augmented deductions to flow through to the wealthy limited partners, to be offset by them against "real" income. The tax saving reward to the investor is great. Because the investor is a liimted partner not personally liable for the debts of and claims against the partnership, his risk is not great.

But the wealthy investor is not the only beneficiary, and often is not the principal beneficiary, of tax shelter syndication. A dollar invested in the limited partnership is not a dollar invested by the limited partnership. Promoters, brokers, lawyers, accountants, printers and others share first and handsomely.

Economic Utility. Tax shelters generally are not the product of deliberate legislative design. Many shelter devices reflect early legislative or administrative decisions that were not carefully thought through or had certain limited industry benefits in mind. But later ingenious tax and investment advisors pulled together a number of—to the Congress—apparently disparate tax provisions and created the current tax shelter decries to be sold to wealthy investors. Then, once created, these tax shelters are defended as if they were designed by Congress to meet national needs.

Whatever their genesis, there is today a virtually unanimous perception that tax shelters have gotten out of hand.

Tax shelters cost the Treasury literally billions of dollars each year in lost revenue.

The loss in revenue is not adequately balanced by investment for public benefit. The tax shelters are massively inefficient. Wealthy investors benefit through extraordinarily large tax savings. Promoters and those who service their promotions benefit through sizable fees, siphoning off as much as 40% of the investors' contribution. The public benefits least. Indeed, all too often substantial shelter programs work economic injury, for example by over supplying investment and thereby artificially inflating the price of farm land.

A highly leveraged tax shelter syndicate that does not earn a significant economic return nonetheless may produce a sizable profit for its wealthy investors. The profit derives from large tax savings. Because business considerations are secondary, tax shelter partnerships need not—and, as experience in public housing construction has proved, often do not—operate with rigor and efficiency. Legitimate business, which must turn an economic profit to survive, cannot fairly compete with an enterprise that looks to turn only a "tax profit."

Protecting the Self Assessment System. Compelling as are these economic considerations, none is more important than the urgent need to protect our self-assessment system of taxation.

Under present law a wealthy person, through tax shelter investment, may elect to pay little or no federal tax. The less affluent taxpayer is not afforded that sort of election. To reduce his tax burden, the less affluent taxpayer in filling out his tax return must resolve even small doubts against the revenue. And, in the absence of legitimate doubt, he may simply cheat.

When an aggrieved taxpayer decides to revolt because he hears about these tax shelters for the wealthy, he does not storm the office of the District Director. He adjusts his tax burden by assessing himself less. And in this process the tax system starts to break down.

The Direction of Reform. Every American who is above the poverty level, no matter how wealthy he or she may be, should bear a fair share of the tax burden. In 1969, when minimum tax provisions first were enacted, this was the Congressional objective. It was not achieved.

The Tax Shelter Abuse Can be Ended. There are no drafting or technical obstacles to ending these tax shelter abuses. There are many ways to that goal. The important point is that Congress should act and act now, and not be distracted by a variety of shifting arguments set up by the defenders of the tax shelter system, with a different argument being raised as each prior argument is knocked down. The House Tax Reform Bill chose one path to end tax shelter abuses. That path is workable, and with a few modifications would accomplish the needed objective.

The achievement of ending tax shelter abuses is thus within our grasp:

1. In all tax shelter limited partnerships, limit the investor's tax deductions to his actual financial risk. Nonrecourse debt of the partnership (which under present law adds to the limited partner's basis and thereby validates a flow through to the limited partner of excess deductions) is in no sense the equivalent of risk capital, and the difference should be reflected in appropriately different tax consequences.

2. To eliminate the distortion and mismatching of deductions and income inherent in the cash method of accounting, and recognizing that the justification of the cash method lies in the desire to simplify reporting by small or unsophisticated taxpayers, every publicly held limited partnership should be required to use the accrual method of accounting.

3. The essential benefit to the high bracket taxpayer investing in a tax shelter, and particularly in a highly leveraged shelter, lies in his ability to apply the shelter's artificial book loss against "real" income from other sources. To limit this untoward benefit, the LAL concept of the House Bill, appropriately modified and strengthened, should be adopted. Under a perfected LAL approach individuals engaged directly in the activity involved in the tax shelter—be it real estate, oil, farming, or so on—and investors from other fields who desire to invest in that activity will obtain the same treatment and there will be no discrimination between them. Both remain able to obtain tax benefits directly provided for that activity—neither will be able to shelter income from outside that activity.

4. To limit appropriately the conversion effect of tax shelter investment in real property, the depreciation recapture rules applicable to realty should be strengthened.

5. To backstop these provisions and assure that every taxpayer economically well-off will pay a respectable portion of tax, the minimum tax provisions should be strengthened.

Real estate tax shelters

What Is A Tax Shelter?

A tax shelter may be described as an enterprise in which a significant portion of the return sought by investors will arise from reductions of income taxes on their income from sources other than the investment in the tax shelter—doctors' or lawyers' fees, investors' dividends and interest and executives' salaries. These tax reductions occur because the tax shelter project produces losses for tax purposes which are available to the participant to offset other income. While it is appropriate under the tax system for losses from one source to be netted against income from other sources so that a taxpayer pays tax only on his overall net income, the losses produced by a tax shelter are not real losses. Tax shelters are based on those provisions of the Internal Revenue Code and Regulations which permit artificial deductions.

Since our income tax system is based on ability to pay as measured by income, a loss or deduction which reduces taxable income is artificial to the extent that it has had no corresponding effect on taxpayer capacity. If a taxpayer has not lost anything, if his wealth has not been decreased, then the allowance of a deduction against taxable income is artificial.

The real estate tax shelter is based primarily on two provisions of the tax law which allow artificial deductions—deductions for items which do not affect the investors wealth or his real income. The first allows a current deduction for interest and taxes incurred during construction and the second allows accelerated methods of depreciation on real estate.

These deductions, coupled with traditional methods of real estate financing permit an investor to reduce his income as a result of investing in a real estate tax shelter—frequently by an amount in excess of his investment—where little or no loss in value of the investment has occurred or even where the project is producing real economic and accounting profits.

Why Is the Deduction of Construction Interest and Taxes an Artificial Deduction?

In a typical rental real estate venture the mortgage may represent 75% to 85% of the total cost of the project to the investor. Included in this cost is land, cost of construction (hard costs) and interest and taxes incurred during construction (soft costs). Soft costs are usually in range of 10–15% of the total project costs. To use rough figures, if the mortgage is 80% of total project costs, the investor is investing 20%. If soft costs are 12% of the total, then 60% of the investors total investment is immediately deductible because of these items. If the amount of investment is $50,000 and the taxpayer's marginal tax bracket is 70%, the result of this provision is to allow him a $30,000 tax deduction and a $21,000 tax saving as a result of making an investment. It is clear that his $50,000 investment in the project has not diminished in value from what he paid for it—the doors haven't opened yet. This construction interest is viewed by the investor as a part of the cost of the project to be recovered by rents over the life of the project. It is included in the cost of the project by financing institutions in determining the amount of the loan to be made. It should therefore properly be added to the cost of the project for tax purposes to be recovered by depreciation deductions, just as the hard costs are recovered.

There is no question that these items are deductible. The question is when. Since they are a cost incurred to produce rents, they should be deducted against those rents—over the life of the project.

It has been suggested that interest should be deductible as incurred because it does not add to the value of the project and, therefore, the amount of the investment attribute to interest has diminished the investor's net worth. The comparison is made with an investor in real estate who does not borrow and therefore does not incur these costs. The first project, it is said, cannot be worth more than the second simply because the investor in the first has borrowed and incurred the additional costs attendant on such borrowing. This argument ignores the fact that the non-financed project has a value in excess of its cost because the investor, by using his own funds, has forgone the current earnings on those funds and will expect to recover this forgone income over the life of the project in increased rents. If an investor earns 10% on his funds and devotes $1,000,000 to building a project without financing, thereby forgoing $150,000 in inteerst during the course of construction and before the project produces revenue, will expect the project to earn not only 10% on his investment during operations but also an additional amount equal to the present value of the $150,000 interest income forgone during construction. He will not, therefore, make the investment unless his building, when completed, will be worth the same amount as the cost of the financed building, including the construction interest expense.

It is true that if construction interest is not currently deductible there will be a tax advantage to the non-borrower. This arises because the non-borrower does not realize current income by reason of the increase in value of the project resulting from the income forgone on his investment during the construction period. However, the fact that our tax system does not tax imputed income has never been viewed as grounds to allow current deductions to one actually incurring a like cost. Because we do not tax a bricklayer for the value he may add to his own property through his personal labors is not precedent for allowing wages paid to a bricklayer for building a property to be deducted currently, and because we do not tax the imputed interest on funds employed to carry an asset during construction does not require that interest paid to others be deducted currently.

Construction interest is as much a cost of building a building as bricks and mortar. The allowance of a current deduction for tax purposes is artificial.

Why is Accelerated Depreciation Artificial?

It is clear that the cash return from the excess of rents over operating expenses of investment real estate does not represent income to an investor. Some portion of this cash flow represents the return of the investment. Since a building will eventually be worthless, its cost must be recovered over its useful life. Depreciation deductions are the accounting method employed to provide for this cost recovery. For accounting purposes depreciation for real estate is generally calculated by the straight line method which means that the cost of the real estate less its salvage value is apportioned equally over its useful life. If a building cost $100,000 and has a useful life of 20 years, the depreciation deductions taken would be $5,000 a year. For income tax purposes, however, new real estate, and certain used residential real estate may be depreciated at accelerated rates. For new residential real estate the rate is 200% of the straight line rate. For new non-residential real estate it is 150% of the straight line rate and for certain used residential properties it is 125%. These higher rates are applied to the remaining undepreciated basis of the property. In the case of the example above, where the straight line rate is 5% the 200% declining balance rate would be 10%, but this rate would be applied to the undepreciated balance. The deduction allowed in this first year would therefore be $10,000 rather than $5,000. For the second year it would be $9,000 (10% of $100,000 less $10,000 depreciation previously taken) and so forth.

The depreciation deductions should represent the decline in value of the asset due to the passage of time. To the extent the depreciation deduction is greater than this amount it is an artificial deduction since it has the result of treating a portion of income as a return of capital. The effect is similar to permitting the holder of a mortgage to treat portions of his interest income as payments of principal and therefore not taxable. This results in the investor being undertaxed in the early years of his investment and overtaxed in the later years. The ability to defer to later years taxes properly due earlier amounts to an interest free loan by the government to the taxpayer. Since the life of real estate is very long the deferral is very long and the value of the interest free use of money for a long period is very great.

What Is Proper Depreciation?

There is considerable confusion as to what constitutes proper depreciation. If we take our example of a building costing $100,000 with a 20 year useful life and no salvage value and assume that the building is leased for its entire life, 20 years, at a rent of $15,000 a year, some would assert that the owner of the building is enjoying a 10% return on his investment and that straight line depreciation is proper so that out of each $15,000 rent payment received $5,000 represents depreciation, or a return of capital each year and $10,000 represents earnings. It is then asserted that in a building without such a fixed lease covering its entire life the cash proceeds will decline as the building gets older and, therefore, accelerated depreciation is proper since it will match larger depreciation deductions with the larger cash flow in the early years.

It is clear that the basic premise for this argument is wrong. The return is 10% only for the first year. Of the $15,000 received during that year, under the example given, $5,000 of cash is depreciation which goes to reduce the original investment. Therefore, in the second year the return is $10,000 on an investment of $95,000 or 10.5%. After 12 years, for example, $60,000 of depreciation has already been taken leaving an investment in the property of $40,000 on which the taxpayer still has a return of $10,000 giving a rate of return of 25% on his remaining investment. Therefore, using straight line depreciation creates steadily increasing rates of return because it fails to account for the fact that depreciation is a recovery of capital investment and, therefore, the dollar income return should decrease as the net investment decreases. The proper result should be the same as one finds in the allocation of payments between principal and income made on a level payment mortgage. The following table illustrates that the constant rate of return in the example is not 10% but 13.9% and shows a proper allocation of each payment between interest and investment reduction or amortization.

Year	Balance of principal at beginning of year	Income (13.9 percent of principal balance)	Investment return
1	$100,000	$13,900	$100
2	98,900	13,747	1,253
3	97,647	13,573	1,427
4	96,220	13,375	1,625
5	94,595	13,149	1,851
6	92,744	12,891	2,109
7	90,635	12,598	2,402
8	88,233	12,264	2,736
9	85,497	11,884	3,116
10	82,381	11,451	3,549
11	78,832	10,958	4,042
12	74,790	10,396	4,604
13	70,186	9,756	5,244
14	64,942	9,027	5,973
15	58,969	8,197	6,803
16	52,166	7,251	7,749
17	44,417	6,174	8,826
18	35,591	4,947	10,053
19	25,538	3,550	11,450
20	14,088	1,958	13,042
Balance	1,046		

The proof of the accuracy of this table lies in the fact that if the cash payments stay constant and the expected rate of return stays constant the leasehold interest may be sold at the end of the twelfth year for $70,186. $70,186 is the amount of money a buyer would pay for the remaining term of the leasehold in order to give him a 13.9% return and repay his investment over the remaining eight years. But if straight line depreciation were used there would be a gain of $30,186 at this point which is not a gain at all.

If we assume that net rental income will remain constant over the life of the property, sinking fund depreciation is, appropriate. Therefore, since the assumption frequently made that straight line depreciation is accurate for a level rent situation is in error, it does not follow, as is sometimes suggested, that if rents are projected to decline over the life of the asset accelerated depreciation is appropriate.

This analysis leads to the conclusion that straight line depreciation is proper on the assumption that returns decline over the entire life of the building at a uniform rate. Empirical studies which have been done on the actual decline in rents on apartment houses and office buildings have demonstrated that rents do not, in fact, decline as quickly as straight line depreciation would assume and therefore, in virtually all cases straight line depreciation is overly generous. Needless to say, the accelerated portion of depreciation is completely artificial.

The distorting effect on an investor's return of artificial depreciation allowances is greatly exacerbated by the facts that most real estate investments are highly leveraged, that is, a substantial portion of the cost of a building is furnished by lenders rather than equity investors and that the amount of depreciation in a building is all available to the owner of the equity regardless of financing. For example, if, in the above example, the entire cost of the building were furnished by the investor the extra $5,000 depreciation attributable to the use of the 200% declining balance method would save $2,500 in taxes to a 50% taxpayer. This would increase the investor's return in the first year by 2.5%. If, however, we assume that $90,000 of the cost of the project were supplied by a lender and $10,000 by the investor, then the additional $5,000 of depreciation in the first year would result in the same $2,500 tax savings, but on an investment of only $10,000. This is a 25% increase in the first year's rate of return. To carry this example a step further, if we assume that $90,000 is furnished by a mortgage lender at 10% interest for a 20 year term the level annual payments over the term will be about $10,500. For the first year, this payment is made up of $9,000 interest and $1,500 loan repayment. If the net rent is $15,000, the amount of cash remaining after debt service will be $4,500 ($15,000 rent less $10,500 debt service). With straight line depreciation, taxable income will be $1,000 even though $4,500 cash is retained by the investor. In effect, $3,500 is treated as a return on the $10,000 investment in the first year although, as an economic matter, the value of the investment has declined by only $600 ($1,100 investment return from above table less $500 amortization of loan). The proper amount of income is $3,900 ($4,500 cash received less $600 decline in value of investment). In a few years the investor will have aggregate capital recoveries *in excess* of his investment in the property. Clearly, we are undertaxing income in this situation.

Where accelerated depreciation is used the distortions are magnified greatly. If depreciation is $10,000 in the first year the investor will realize a *loss* for tax purposes of $4,000 ($15,000 net rent less $9,000 interest less $10,000 depreciation) even though, as above, he has received $4,500 in cash and realized real income of $3,900. His return in the first year, therefore, is $4,500 tax free cash plus $2,000 savings of tax on other income as a result of the tax loss (assuming a tax 50%) or a total *after tax* return of $6,500. The investor will have fully recovered his investment in less than two years although the investment actually declined very little in value—about $1,000.

In many rental real estate projects the major portion of the return offered to investors is in the form of tax savings. Even though the project may generate very little cash from operations the investor realizes substantial returns on his investment because of the savings of taxes he would otherwise have had to pay on his other income. Notwithstanding that these tax savings may have to be returned at some future time the projected rates of return from the deferral of tax are very substantial. Futhermore, in many cases the full tax savings are not returned because the income, when realized in the figure, is taxes at capital gain rates.

Syndication

The developer of the project may keep the tax benefits himself, and in some cases he does. However, for the tax losses to have value they must be utilized as deductions against otherwise taxable income; and one in the business of developing real estate soon finds that he has all of the tax shelter he can use. Therefore, he must sell the tax benefits. To do this he must bring into play other provisions of the Internal Revenue Code and create an elaborate structure, the purpose of which is simply to allow the developer to realize the development fee which the tax law gives him.

The tax benefits cannot be sold without the sale of interests in the project. However, the project frequently is simply a legal vehicle to carry the tax losses.

The structure normally used in selling these losses is a limited partnership. A parnership must be used in order for the investors to be able to offset the project's losses against their other income and the investors usually want limited liability. A limited partnership requires that there be a general partner; and the developer normally serves this function by retaining a small interest in the project. Normally, a partner can only take aggregate losses to the extent that he has some risk of actually sustaining those losses. His losses, generally, are therefore limited to his cash investment and his share of partnership liabilities. Generally a limited partner does not receive any basis for ordinary liabilities of the partnership because only the general partner is liable on such liabilities. However, another technical provision is brought into play to complete this structure. Income tax regulations permit all partners to increase their basis by their proportionate interest in any liabilities as to which no partner is liable. In most multifamily and commercial real estate developments, the mortgages are without personal liability on anyone; and therefore, each limited partner may include in his basis his interest in those mortgages even though he can never be called on to pay them.

There is attached, as an Appendix, an illustration of a real estate syndication involving an F.H.A. Section 236 project together with an explanation of the presentation of the transaction to investors and the calculation of his projected investment return.

Is This Good Housing Policy?

These provisions of the tax law granting tax reductions to investors in real estate constitute a government expenditure program, implemented through the tax system, to aid real estate development. This program "spends" federal revenues to aid all kinds of real estate—office buildings and shopping centers as well as housing, both luxury and low income. One may well question whether, considering our national priorities, any federal revenues should be spent to subsidize office buildings, shopping centers and luxury apartments. Housing for those with low and moderate incomes may be a different matter. Here government assistance may be needed. The question that must be faced, however, is whether the existing system of tax expenditures and syndication is the best we can do to aid the production of needed housing.

The only role of the investor in this kind of a project is to provide the money to pay the developer a fee for developing the project. In order to accomplish this, the developer is required, in most cases, to employ brokers, accountants, attorneys, and others, who all must be paid in order for the developer to get his fee from the investors. It is the government, through the tax system, that provides the funds to compensate all of these people as well as the investors. Clearly, the costs and fees incurred by the developer in marketing his venture are costs that should not be incurred and, therefore, represent wasted resources as far as the government housing program is concerned. Moreover, the cost to the government of providing the investor his return is excessive. The tax benefits tend to be priced in the marketplace for a 50% bracket taxpayer. Therefore, to the extent they are utilized by taxpayers in higher tax brackets, the government's additional revenue loss produces no benefits to anyone. It is simply a gratuitous forgiveness of taxes to a very high income individual.

There is another consequence of using this system of tax incentives to build housing that is perhaps even more undesirable than its high cost. The amount of tax benefit in a given project has nothing to do with the degree of risk undertaken by the developer nor with the priority of the need for the particular project. However, the developer knows that the fee he can get from the investors depends on the rate of return they require. The riskier the project, the higher the rate of return required by the investors and, therefore, the lower the fee realized by the builder. Therefore, the builder gets the largest fee, which the government is paying for, by undertaking the least risky development. Riskier developments should have a higher national priority. It is because of high risks that the private sector has not fulfilled certain housing needs, and the federal government's input should first take care of these areas where the private sector does the least—by definition, those which the investment community views as the riskiest. The result of the present system is a substantial distortion of national housing priorities.

If these tax provisions have any purpose, it is to encourage equity investment in housing development, and only on this basis is there any justification for the substantial tax subsidies offered to equity investors. However, the aggregate amount of tax subsidy available in any given project is fixed and unrelated to the amount of equity. Therefore, the smaller the equity in a given project, the greater the yield since the same dollar return on a smaller investment produces a greater yield. A system, therefore, which can find its only justification in raising equity has the effect of giving incentives to keeping the equity as small as possible.

Is This Good Tax Policy?

Not only do the current tax rules governing real estate produce poor housing policy, they substantially distort the distribution of the income tax burden.

The income tax system is based on the principle that the greater a taxpayer's income, the greater proportion of that income he will pay in taxes because each successive dollar of marginal income has a greater ability to pay tax. In a real estate venture, that principle is completely reversed. That is, the higher the tax bracket of the investor, the greater will be his income after taxes. This is because the benefits are available by way of deduction against other income. Each dollar deducted by a 50% bracket taxpayer is worth 50 cents in after-tax benefits, while each dollar deducted by a 70% bracket taxpayer is worth 70 cents in after-tax benefits. Exhibit D of the Appendix indicates an overall after-tax rate of return for a 50% bracket taxpayer of 20.2% of his investment over a twenty-two-year period and of 27½% for a 60% tax bracket. It would be higher still for a 70% bracket taxpayer. The availability of investments of this kind operate to remove a substantial amount of progressivity in the upper levels of the income tax.

There are numerous cases of real estate developers and investors with very substantial cash incomes who pay little or no income taxes because of depreciation "losses" which are available to offset cash income both from the real estate projects themselves and from other sources. Even if the tax system efficiently implemented national housing policy, there would be a substantial question as to whether the tax distortions were worth it. Any government incentives available under the tax system can be duplicated by an expenditure program. It is imposible to defend a system which substantially excuses from tax some of our wealthiest individuals.

Proposals for Reform-LAL

While there is much to be said for the direct elimination of these artificial deductions from tax law the tax reform bill passed by the House of Representatives adopted an approach which, while leaving these deductions intact, restricted the most obvious abuses stemming from their use. This was accomplished by the provision known as LAL) Limitation on Artificial Losses). Under this approach, which is applied to the artificial deductions involved in various tax shelters, a taxpayer may not reduce his income from unrelated sources by reason of the artificial deductions arising in a tax shelter although he may use such deduction against the income generated by the shelter itself. As to real estate, artificial deductions include interests and taxes during construction and the accelerated portion of depreciation. To the extent that losses from a real estate investment are attributable to these items, the deductions are disallowed currently and carried in a deferred deduction account. These deferred items can be applied against related income when it is realized. The House bill permits all real estate to be aggregated for purposes of applying LAL, that is, artificial losses from one real estate project may be used to offset income from other real estate, although a provision to require the application of LAL on a property-by property basis was narrowly defeated on the House floor. The result of the Houe bill provision is to permit the income from real estate to be free of tax but does not permit the doctor, lawyer, executive or other investor—or real estate developer—to reduce their incomes from non-real estate sources by reason of this investment.

Current proposals for tax reform adopted the LAL approach because it eliminates most of the abuses in this area. However, it is recommended that LAL as applied to real estate be strengthened by a series of amendments designed to curb some abuses which would still remain under the House bill. Thus, the proposal, narrowly defeated on the House floor, to apply LAL on a property-by-property basis be added to the House bill; that LAL apply to corporations, which are now exempt from its application under the House bill, and that the provision of the House bill improperly permitting a double benefit for long term capital gains from real estate where there is a deferred deduction account be eliminated. Under this last provision a taxpayer may deduct LAL deferred deductions against the full amount of long term capital gains from real estate even though only one half of such capital gains are includable in income. It would also be appriate to strengthen the recapture provisions of present law as respects real estate depreciation, so that the excessive ordinary income deduction produced by artificial depreciation is not converted later into capital gain, taxed at lower rates, if the property is sold.

The House bill provides that as to certain tax shelters an investor's aggregate losses may not exceed the amount he is at risk. For example, if an investor invests $10,000 in a tax shelter then his aggregate losses may not exceed $10,000 if he has no further liability either to the partnership or to creditors. Under the House bill this limitation is applied only to motion picture shelters and certain farm and oil shelters. A comparable approach should be applied to real estate tax shelters. Under this proposal limited partners would be able to take tax deductions only to the extent that their own funds are invested or committed to the partnership.

Because these proposals may have a temporary dislocative effect on housing for low income people, in general these changes should not go into effect for subsidized housing until 1981 as long as the commitments have been incurred by the end of 1979. As part of this proposal the Congress should require the Congressional Budget office in cooperation with the Joint Committee on Internal Revenue Taxation and the Senate and House Committees on Banking and Housing, and HUD to submit to Congress by June 30, 1977, alternative methods of providing federal assistance to low income housing which do not distort the tax system.

The argument has been made that implementation of the provisions of the House bill pertaining to real estate will result in a decline in construction activity of $300,-

000,000 a year and a loss of 24,000 jobs. The solution to problems of the construction industry lies not in wasteful and inequitable tax subsidies to that industry, but rather in a strong economy with full employment. It must be remembered that these tax proposals are made as part of an overall tax program providing a total of 2 billion dollars of tax reductions primarily to low and middle income taxpayers. The stimulative effect of these tax cuts coupled with reasonable monetary policy will overwhelm any effect on real estate that may be caused by the tax reform proposals taken alone. As to possible lost jobs in real estate from any tax reform proposals, it must be remembered that monetary policy plays a far larger role in this area. Recent tightening of money by the Federal Reserve will mean much more than 24,000 jobs in the real estate industry alone. Obviously swings in monetary policy are far more crucial as to real estate jobs than these tax reform proposals. Also, as stated above, overall fiscal policy is likewise far more important. A 1% decrease in unemployment means almost one million more jobs. People employed are customers for housing and for business in general and business can respond to these increased demands with reasonable rates of return to investors without government subsidies and tax distortions.

It is only as to the low income group that housing subsidies may be required. If they are required they should be rationally thought out, they should provide the most benefit for each dollar spent and certainly should not result in some of our walthiest citizens being exempt from federal taxes. Rational housing policy does not require irrational tax policy. We can do better.

Appendix

An Illustrative Section 236 Project

One way to illustrate the role of the tax system in a real estate development is to set forth an example of a typical Section 236 apartment project. Since the assumptions of such an example include limited return and sale of the property at $1 above remaining mortgage balance, the tax incentive may be isolated and studied. However, similar tax incentives exist in all new residential housing and to a lesser extent in all developed real estate. A Section 236 project is simply used as an example of a broader problem.

The tables which follow* are based on the following facts:

(1) The investors purchase limited partnership interests in XYZ Estates Company, a limited partnership, which will develop and own a 500-unit Section 236 garden-type apartment project.

(2) The total contributions by all of the limited partners will be $1,400,000.

(3) The limited partners as a group will acquire a right to 95% of the cash flow, profits, and losses from the operation of the project. The general partner, who is the builder-developer, will retain a 5% interest. However, upon a refinancing sale, or liquidation of that property, the proceeds will be distributed to the limited partners in an amount equal to their cash investment less any prior cash distributions, and the balance will be distributed 50% to the limited partners and 50% to the general partner.

(4) The limited partnership interests will be sold in units of $50,000 which will be paid into the partnership in three equal installments: $16,667 on admission; $16,667 on June 1, 1971; and $16,666 on June 1, 1972, or upon completion of construction, if that is later.

(5) There will be a construction mortgage insured by FHA of $8,905,000 at 8½% interest plus a fee of 2% of the mortgage ($178,100).

(6) There will be a permanent mortgage insured by FHA of $8,905,000 at 8½% interest plus a fee of 1½%. The permanent mortgage will have a term of forty years.

(7) There will be no personal liability on the mortgage loan by either the general or limited partners.

(8) Accelerated depreciation will be taken at a rate twice the straight-line rate.

(9) The project will be sold twenty years after completion for a price of $1 above the remaining mortgage balance.

(10) Under Section 236 of the National Housing Act a forty-year mortgage loan is made available to an approved project sponsored by a "limited dividend" entity, such as this partnership, up to 90% of the estimated replacement cost of the project as determined under FHA regulations. Included in the estimated replacement cost of the property is an amount known as a "builders and sponsors profit and risk allowance" which is equal, in general, to 10% of the project cost other than land. Therefore, a mortgage of approximately 98% of actual cost is permitted if the 10% allowance does not represent a cash investment by the developer. In this project, the FHA mortgage is $8,905,000; and therefore, the replacement cost on which the mortgage is based is assumed to be $9,894,000. This is less than the total cash available to the partnership of $10,305,000 ($8,905,000 mortgage plus $1,400,000 capital contributions by the limited partners). Therefore, the builder's actual fee may be somewhat greater than that contemplated by FHA. That is permissible.

(11) The maximum annual cash distribution permitted to be paid out of the project is 6% of the excess of FHA certified cost over the mortgage, but not less than .6666% of the insured mortgage. Based on a mortgage of $8,905,000, the maximum allowed cash distribution will be $59,360 annually of which $56,390, or 95% will be distributed to the limited partners.

Exhibit A shows the total projected income and expenses of the partnership for a period of twenty-two years.

Exhibit B is a projection of cash receipts and disbursements for the same period.

Exhibit C is is a projection of income and cash distributions for a $50,000 partnership interest.

Exhibit D shows the computation of the projected rate of return for each partnership unit for investors in a 50% tax bracket and in a 60% tax bracket.

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* The tables are from 1 Surrey, Warren, McDaniel, & Ault, Federal Income Taxation, Cases and Materials 433–436 (The Foundation Press 1972), and are reprinted by permission.

EXHIBIT A

XYZ ESTATES CO. (A LIMITED PARTNERSHIP), PROJECTION OF INCOME AND EXPENSE

Year	Year	Rental income[1]	Government subsidy[2]	Income on replacement fund[3]	Total income	Operating expenses	Depreciation	Interest	Mortgage insurance[4]	Total expenses	Taxable income (loss)	Cumulative taxable income (loss)
1	1970	10,350			10,350	317,458	9,723	133,808	7,871	468,860	(458,510)	(458,510)
2	1971	621,000	232,283		853,283	379,629	507,004	678,374	39,905	1,604,912	(751,629)	(1,210,139)
3	1972	795,752	557,453		1,353,205	428,185	561,101	756,354	44,491	1,790,131	(436,926)	(1,647,065)
4	1973	795,752	557,322	1,435	1,354,509	428,185	537,608	754,065	44,357	1,764,215	(409,706)	(2,056,771)
5	1974	795,752	557,169	3,421	1,356,342	428,185	514,116	751,473	44,204	1,737,978	(381,636)	(2,438,407)
6	1975	795,752	557,004	5,506	1,358,262	428,185	493,623	748,653	44,039	1,714,500	(356,238)	(2,794,645)
7	1976	795,752	556,823	6,179	1,358,754	428,185	470,130	745,583	43,858	1,687,756	(329,002)	(3,123,647)
8	1977	795,752	556,626	8,406	1,360,784	428,185	446,637	742,242	43,661	1,660,725	(299,941)	(3,423,588)
9	1978	795,752	556,412	10,744	1,362,908	428,185	423,144	738,605	43,447	1,633,381	(270,473)	(3,694,061)
10	1979	795,752	556,180	13,200	1,365,132	428,185	426,651	734,647	43,215	1,632,678	(267,566)	(3,961,627)
11	1980	795,752	555,926	2,115	1,353,791	428,185	403,063	730,339	42,961	1,604,548	(250,757)	(4,212,384)
12	1981	795,752	555,650	4,133	1,355,535	428,185	379,053	725,650	42,685	1,575,573	(220,038)	(4,432,422)
13	1982	795,752	555,350	6,255	1,357,357	428,185	361,521	720,546	42,385	1,552,637	(195,280)	(4,627,702)
14	1983	795,752	555,024	8,484	1,359,260	428,185	344,175	714,992	42,059	1,529,411	(170,151)	(4,797,853)
15	1984	795,752	554,668	10,827	1,361,247	428,185	329,828	708,947	41,703	1,508,663	(147,416)	(4,945,269)
16	1985	795,752	554,281	11,770	1,361,803	428,185	309,481	702,367	41,316	1,481,349	(119,546)	(5,064,815)
17	1986	795,752	553,860	14,278	1,363,890	428,185	292,135	695,206	40,895	1,456,421	(92,531)	(5,157,346)
18	1987	795,752	553,401	16,914	1,366,067	428,185	274,788	687,412	40,436	1,430,821	(64,754)	(5,222,100)
19	1988	795,752	552,902	19,684	1,368,338	428,185	257,441	678,929	39,937	1,404,492	(36,154)	(5,258,254)
20	1989	795,752	552,359	22,593	1,370,704	428,185	213,094	669,696	39,394	1,350,369	20,335	(5,237,919)
21	1990	795,752	551,768	25,650	1,373,170	428,185	195,683	659,647	38,803	1,322,318	50,852	(5,187,067)
22	1991 (7 mos.)	464,189	321,571	28,861	814,621	249,775	203,887	379,803	22,342	755,807	58,814	(5,128,251)

[1] Basic annual rent:

per FHA form No. 2264	$828,908
4% vacancy factor	33,156
Net rental income	795,752

[2] Subsidy by Government is computed as the difference between the payments necessary to amortize an 8½ percent mortgage including mortgage insurance and payments necessary to amortize a 1 percent mortgage.

[3] FHA Regulations require monthly deposits of $3,149 in an escrow account as funding for future property replacements. Income is computed on the assumption that the escrow funds will be invested to yield 4 percent compounded semiannually.

[4] Mortgage insurance premium is payable at .05 percent on the outstanding mortgage.

EXHIBIT B

XYZ ESTATES CO. (A LIMITED PARTNERSHIP) PROJECTION OF NORMAL CASH RECEIPTS AND DISBURSEMENTS (FROM NORMAL OPERATIONS) (COMMENCING FROM COMPLETION OF CONSTRUCTION)

Year	Cash receipts		Cash disbursements						Cash flow available for distribution [3]
	Rental income [1]	Government subsidy [1]	Operating expenses [1]	Interest [1]	Mortgage insurance [1]	Mortgage amortization	Replacement fund deposits [2]	Payment of capital improvements or liabilities	
1971	476, 100	232, 283	226, 256	428, 643	25, 214			3, 536	24, 734
1972	795, 752	557, 453	428, 185	756, 354	44, 491	20, 416	28, 340	16, 058	59, 361
1973	795, 752	557, 322	428, 185	754, 065	44, 357	29, 319	37, 787		59, 361
1974	795, 752	557, 169	428, 185	751, 473	44, 204	31, 911	37, 787		59, 361
1975	795, 752	557, 004	428, 185	748, 653	44, 039	34, 731	37, 787		59, 361
1976	795, 752	556, 823	428, 185	745, 583	43, 858	37, 801	37, 787		59, 361
1977	795, 752	556, 626	428, 185	742, 242	43, 661	41, 142	37, 787		59, 361
1978	795, 752	556, 412	428, 185	738, 605	43, 447	44, 779	37, 787		59, 361
1979	795, 752	556, 180	428, 185	734, 647	43, 215	48, 737	37, 787		59, 361
1980	795, 752	555, 926	428, 185	730, 339	42, 961	53, 045	37, 787		59, 361
1981	795, 752	555, 650	428, 185	725, 650	42, 685	57, 734	37, 787		59, 361
1982	795, 752	555, 350	428, 185	720, 546	42, 385	62, 838	37, 787		59, 361
1983	795, 752	555, 024	428, 185	714, 992	42, 059	68, 392	37, 787		59, 361
1984	795, 752	554, 668	428, 185	708, 947	41, 703	74, 437	37, 787		59, 361
1985	795, 752	554, 281	428, 185	702, 367	41, 316	81, 017	37, 787		59, 361
1986	795, 752	553, 860	428, 185	695, 206	40, 895	88, 178	37, 787		59, 361
1987	795, 752	553, 401	428, 185	687, 412	40, 436	95, 972	37, 787		59, 361
1988	795, 752	552, 902	428, 185	678, 929	39, 937	104, 455	37, 787		59, 361
1989	795, 752	552, 359	428, 185	669, 696	39, 394	113, 688	37, 787		59, 361
1990	795, 752	551, 768	428, 185	659, 647	38, 083	123, 737	37, 788		59, 361
1991 (7 mo)	464, 189	321, 571	249, 775	379, 803	22, 342	77, 171	22, 042		34, 627

[1] See exhibit A. Figures for 1971 differ from those for 1971 in Exhibit A because construction is assumed to be completed in 1971 and limited partners are entitled to cash distributions only after completion of construction.

[2] See exhibit A, note 3.

[3] According to FHA regulations, the amount of cash which may be distributed annually to the owner computed on the actual equity will not be less than 6 percent of 11.11 percent of the final FHA approved mortgage (6 percent x 11.11 percent x $8,905,000 (estimated) = $59,361). Such distributions are projected to commence at final endorsement of the mortgage (estimated at Aug. 1, 1971).

EXHIBIT C

XYZ ESTATES CO. (A LIMITED PARTNERSHIP) PROJECTION OF INCOME AND CASH DISTRIBUTIONS FOR A $50,000 CLASS A LIMITED PARTNERSHIP INTEREST (BASED ON A TOTAL CLASS A INVESTMENT OF $1,400,000) [1]

Year	Taxable income (loss) [2]	Cash distribution	Date of investment on or before	Contribution	After-tax cash benefit—50% tax bracket				After-tax cash benefit—60% tax benefit			
					Tax savings or (tax payment)	Cash distribution	Total	Cumulative	Tax savings or (tax payment)	Distribution	Total	Cumulative
1—1970	(15, 556)		6/1/70	16, 667	7, 778		7, 778	7, 778	9, 344		9, 334	9, 334
2—1971	(25, 502)	839	6/1/71	16, 667	12, 751	839	13, 540	21, 368	15, 301	839	16, 140	25, 474
3—1972	(14, 824)	2, 014	6/1/72	16, 666	7, 412	2, 014	9, 426	30, 794	8, 896	2, 014	10, 908	36, 382
4—1973	(13, 901)	2, 014			6, 951	2, 014	8, 963	39, 759	8, 341	2, 014	10, 355	46, 737
5—1974	(12, 948)	2, 014			6, 474	2, 014	8, 458	48, 247	7, 769	2, 014	9, 783	56, 520
6—1975	(12, 087)	2, 014			6, 044	2, 014	8, 058	56, 305	7, 252	2, 014	9, 266	65, 786
7—1976	(11, 163)	2, 014			5, 582	2, 014	7, 596	63, 901	6, 698	2, 014	8, 712	74, 498
8—1977	(10, 177)	2, 014			5, 089	2, 014	7, 103	71, 004	6, 106	2, 014	8, 120	82, 618
9—1978	(9, 177)	2, 014			4, 589	2, 014	6, 403	77, 607	5, 506	2, 014	7, 520	90, 138
10—1979	(9, 078)	2, 014			4, 539	2, 014	6, 553	84, 160	5, 447	2, 014	7, 461	97, 599
11—1980	(8, 508)	2, 014			4, 254	2, 014	6, 268	90, 428	5, 105	2, 014	7, 119	104, 718
12—1981	(7, 466)	2, 014			3, 733	2, 014	5, 747	96, 175	4, 480	2, 014	6, 494	111, 212
13—1982	(6, 676)	2, 014			3, 313	2, 014	5, 327	101, 502	3, 975	2, 014	5, 989	112, 201
14—1983	(5, 773)	2, 014			2, 887	2, 014	4, 901	106, 403	3, 464	2, 014	5, 478	122, 679
15—1984	(5, 002)	2, 014			2, 501	2, 014	4, 515	110, 918	3, 001	2, 014	5, 015	127, 694
16—1985	(4, 056)	2, 014			2, 028	2, 014	4, 042	114, 960	2, 434	2, 014	4, 448	132, 142
17	(3, 139)	2, 014			1, 570	2, 014	3, 584	111, 544	1, 883	2, 014	3, 897	136, 039
18—1987	(2, 197)	2, 014			1, 899	2, 014	3, 113	121, 657	1, 318	2, 014	3, 332	139, 371
19—1988	(1, 227)	2, 014			(614)	2, 014	2, 628	124, 285	736	2, 014	2, 750	142, 121
20—1989	690	2, 014			(145)	2, 014	1, 669	125, 954	(414)	2, 014	1, 600	143, 721
21—1990	1, 725	2, 014			(863)	2, 014	1, 151	127, 105	(1, 035)	2, 014	929	144, 799
22—1991 (7 mos.)	1, 994	1, 175			(908)	1, 175	127	127, 282	(1, 197)	1, 175	221	144, 678
Total	(173, 497)	40, 280										1, 460, 751

[1] The limited partners are entitled to 95 percent of the income, losses and cash flow from normal operations of the partnership from 1970 up to a date 20 years after final endorsement (estimated at July 31, 1991).

[2] Construction period expenses that are immediately deductible, such as interest and taxes are reflected in the figures for 1970 and 1971. See supra, p. 409

EXHIBIT D

XYZ ESTATES CO. (A LIMITED PARTNERSHIP)

[Projected rate of return per unit of limited partnership interest]

	Year	50 percent tax bracket taxpayer						60 percent tax bracket taxpayer					
		After tax cash benefit [1]	Income at 20.2 percent of unrecovered investment [2]	Income at 5 percent net of taxes on sinking fund	Return of capital	Capital contribution	Net investment end of year	After tax cash benefit [1]	Income at 27.5 percent of unrecovered investment	Income at 5 percent net of taxes on sinking fund	Return of capital	Capital contribution	Net investment end of year
1	1970	7, 778	1, 964		5, 814	16, 667	10, 853	9, 334	2, 674		6, 660	16, 667	10, 007
2	1971	13, 590	4, 156		9, 414	16, 667	18, 086	16, 140	5, 426		10, 714	16, 667	15, 960
3	1972	9, 426	5, 617		3, 809	16, 666	30, 943	10, 908	7, 063		3, 845	16, 666	28, 781
4	1973	8, 965	6, 250		2, 715		28, 228	10, 355	7, 915		2, 440		26, 341
5	1974	8, 488	5, 702		2, 786		25, 442	9, 783	7, 244		2, 539		23, 802
6	1975	8, 058	5, 139		2, 919		22, 523	9, 266	6, 546		2, 720		21, 082
7	1976	7, 596	4, 550		3, 046		19, 477	8, 712	5, 797		2, 915		18, 167
8	1977	7, 103	3, 934		3, 169		16, 308	8, 120	4, 996		3, 124		15, 043
9	1978	6, 603	3, 294		3, 309		12, 999	7, 520	4, 137		3, 383		11, 660
10	1979	6, 553	2, 626		3, 927		9, 072	7, 461	3, 206		4, 255		7, 405

	Year	50 percent tax bracket taxpayer: After tax cash benefit[1]	Income at 20.2 percent of unrecovered investment[2]	Income at 5 percent net of taxes on sinking fund	Return of capital	Capital contribution	Net investment end of year	60 percent tax bracket taxpayer: After tax cash benefit[1]	Income at 27.5 percent of unrecovered investment[2]	Income at 5 percent net of taxes on sinking fund	Return of capital	Capital contribution	Net investment end of year
11	1980	6,268	1,833		4,435		4,637	7,119	2,036		5,083		2,322
12	1981	5,747	937		4,637		(173)	6,494	639		2,322		(3,533)
13	1982	5,327		9			(5,509)	5,989		177			(9,699)
14	1983	4,901		275			(10,685)	5,478		485			(15,662)
15	1984	4,515		534			(15,734)	5,015		783			(21,460)
16	1985	4,042		787			(20,563)	4,448		1,073			(26,981)
17	1986	3,584		1,028			(25,175)	3,897		1,349			(32,227)
18	1987	3,113		1,258			(29,546)	3,332		1,611			(37,170)
19	1988	2,628		1,477			(33,651)	2,750		1,859			(41,779)
20	1989	1,669		1,682			(37,002)	1,600		2,089			(45,468)
21	1990	1,151		1,850			(40,003)	979		2,273			(48,720)
22	[3]1991	177		1,167			(41,347)	(22)		1,420			(50,118)
							278						836
Total							(41,069)						(49,282)

[1] See exhibit C.

[2] The annual rate of return on investment was calculated assuming that a limited partner would sell his partnership interest in year 22 for $1 and that some of the cash benefits in year 12 and all of the cash benefits in years 13 to 22 will be set aside to pay the Federal capital gains tax which would result from the sale. The calculation assumes that the funds set aside for this purpose will earn 5 percent (after tax) annually. The cash benefits during years 1 to 11 and a portion of year 12 have been presented annually as yielding income on the outstanding investment and the balance as a return of capital.

[3] 7 mo rounding.

[4] On the assumption that the partnership interest is sold for $1 in year 22 the capital gains tax tax is computed as follows:

Net tax losses	173,997
Cash distributions	40,280
Proceeds of sale	1
Subtotal	214,278
Cost of investment	50,000
Capital gain	164,278
Capital gains tax—50 percent tax bracket (25 percent)	41,070
Proceeds of sale	(1)
Cash required to pay capital gains tax resulting from sale	41,069
Capital gains tax—60 percent tax bracket (30 percent)	49,283
Proceeds of sale	1
Cash required to pay capital gains tax resulting from sale	49,282

Description of Tax Benefits

Exhibits A and B show that the income and expense for tax purposes and the cash receipts and disbursements differ greatly in any given year. For example, in 1973, which is the fourth year from commencement of the project and the first full year of normal operations, the partnership is projected to produce a tax loss of $409,706 (Exhibit A) while producing a cash flow available for distribution of $59,361 (Exhibit B). A comparison of the cash-flow and tax return information for that year is set forth below:

	Cash flow	Tax return
Rental income	$795,752	$795,742
HUD subsidy	557,322	557,322
Income on replacement fund		1,435
Total income	1,353,074	1,354,509
Operating expenses	428,185	428,185
Interest	754,065	754,065
Mortgage insurance	44,357	44,357
Mortgage amortization	29,319	
Replacement fund deposit	37,787	
Depreciation		537,608
Total expenses	1,293,713	1,764,215
Cash flow	59,361	
Taxable income		409,706

The principal reason for the disparity between cash flow and taxable income is that for tax return purposes, a deduction for depreciation of $537,608 is allowable, which does not represent any cash outflow. On the other hand, there is a cash outflow, not currently deductible for tax purposes, of about $68,000 representing a mortgage amortization and additions to the reserve for replacement of capital assets. The excess of depreciation over these non-deductible cash expenditures accounts for the difference between the cash flow and the tax loss.

The tax loss may be used by taxpayers to offset income from other sources. Therefore, taxpayers in the 50% income tax bracket investing in our hypothetical project will find themselves saving taxes of almost $205,000 in the year 1973. The difference between cash flow and tax loss will diminish each year because the amount of depreciation under a declining-balance method decreases each year, and the interest component of the mortgage payment also decreases with a corresponding increase in the nondeductible amortization component.

Exhibit D is a calculation of the projected rate of return for a taxpayer in the 50% tax bracket and for one in the 60% tax bracket. This rate of return calculation takes into account the cash flow available for distribution, the tax savings which will be realized each year because of the tax loss produced by the project, as well as the fact that tax will have to be paid on the eventual disposition of the property in the twenty-second year. The table proceeds on the assumption that the property will be disposed of when indicated for $1 over the amount of the mortgage. Even though no cash will be realized at that time, there will be a gain for income tax purposes because depreciation deductions will have reduced the basis of the property below the amount of the mortgage. This gain will be taxable as a capital gain. The exhibit indicates that for a 50% bracket taxpayer, the rate of return on his investment, after taxes, and after providing for the tax payment due on disposition will be 20.2%; and for a 60% bracket taxpayer it will be 27.5%.

The developer of this Section 236 project has developed two assets—an apartment project which produces a limited cash return and a stream of tax benefits. It is clear that of the two, the tax benefits are the far more valuable asset to the investor. Since the total return to a 50% tax bracket taxpayer is 20.2% under this example and since the cash flow is limited to 6% which, absent tax advantages, would be worth only 3% after taxes, the tax benefits provide 17.2% out of the 20.2% return; over 85% of the return to the investor is attributable to the Internal Revenue Code and less than 15% to the Housing Act.

TAX SHELTER FARMING

Part I: The need for reform

"Tax shelter" farming is based on the present tax rules that farmers (who include everyone engaged in the business of farming—from individuals through publicly syndicated limited partnerships to giant corporations) are permitted to deduct as current business expenses expenditures which, under normal tax accounting rules applicable to most other businesses, would be required to be capitalized and recovered later either through depreciation deductions over time or as part of the cost of inventory or assets upon their sale. These accelerated current deductions so obtained are timed in such a manner as to generate "tax losses" from the farming business which are then utilized to offset (i.e. "shelter") income from other sources. The manner in which farming tax shelters operate can best be described through the use of specific illustrations.

Cattle Feeding

Farmers are permitted to deduct the costs, such as feed, veterinary care, and the like, of raising beef cattle to slaughter weight. In tax shelter operations, the investor typically purchases his feeder cattle late enough in the year so that the expenses of feeding them to slaughter weight are normally incurred in the year of purchase while the income from their sale is realized in the following year, thereby generating a loss in the first year.

Since feeder cattle are sold in the ordinary course of business, they would be treated as inventory in any other business and the costs of feeding them would not be deductible currently but would instead be treated as inventory costs to be recovered upon sale of the inventory as "cost of goods sold." However, under existing Treasury regulations, farmers are not required to keep inventories but are permitted instead to deduct such costs as incurred—the so-called "farmer cash method" of tax accounting.

As is apparent, the basic tax advantage in cattle feeding is one of deferral—the shelter obtained from the first year's losses results in ordinary income in the second year when the cattle are sold. However, if the investor keeps rolling over his investment every year, he can shelter, in turn, the income from the sale of the cattle and thereby continue to defer the tax he saved in the first year as long as he chooses.[1]

In one variation of the foregoing, the investor purchases his cattle at the end of the year and then purchases the feed for them in advance ("prepaid feed"). This enables the investor to wait to the last minute to determine his income for the year and decide on the amount of shelter he wants. As is the case with the deduction of prepaid interest, the Internal Revenue Service is challenging prepaid feed deductions in court, but the issue of their deductibility has not yet been authoritatively resolved.

Investors often purchase their feeder cattle with non-recourse loans. While such loans are not as significant from a tax standpoint as in other tax shelters, because in cattle feeding the costs of cattle purchased are neither deductible nor depreciable, still the use of non-recourse loans means that little of the investor's own money is at risk. Also, to the extent that an investor purchases deductible items such as feed with non-recourse loans, he can obtain deductions in excess of the amount of his own funds invested in the business and thereby increase the amount of his tax savings.

While cattle feeding is the most common form of syndicated tax shelter involving a year-to-year deferral of tax liability, any farming operation in which the costs of producing an agricultural product are incurred in a year prior to sale of the product can achieve the same tax benefits. Thus, the raising of hogs or chickens for slaughter or the growing of annual crops, such as grain or vegetables, can if timed properly result in exactly the same type of tax shelter benefits as cattle feeding.

Cattle Breeding

In cattle breeding operations, "tax shelter farmers" can, if successful, obtain even greater benefits than in cattle feeding. Not only are the costs of raising calves to mature animals deductible currently but the costs of animals purchased for breeding purposes are deductible as depreciation over the estimated breeding life of the animal. Since breeding operations typically are planned to result in the early years in sales only of culls (cattle not useful for breeding either because of poor quality or age or, in the case of bull calves, because they are not needed for the herd), an investor will normally generate losses for many years which can be used to shelter other income. Then, once the herd has increased both in quantity and, hopefully, in quality, the herd is sold en masse and, in the case of cattle held for breeding purposes for at least two years, capital gains treatment can be claimed for the proceeds of sale. While there is recapture as ordinary income of all depreciation deductions claimed on purchased cattle which are subsequently sold, there is no recapture of the other costs of raising cattle which have been currently deducted. Thus an investor in cattle breeding can obtain not only deferral benefits—through offsetting current breeding "tax losses" against non-farm income—but also, in effect, conversion of ordinary income into capital gain.[2]

Similar tax benefits are also obtainable in any breeding operation where the objective is to build up a high-quality stock of animals over a long time; for example, horses, hogs, dairy cattle and virtually any other animal where upgrdaing quality through breeding is the principal object.

Pre-productive expenses of groves, etc.

Another area of farming in which special tax accounting rules produce a tax shelter is that of the planting and development of various types of trees, bushes or vines which are grown for the production of such foods as grapes, walnuts, avocados and the like. Under normal tax accounting rules, which in 1969 and 1970 were made applicable to citrus and almond groves, respectively, the costs of planting and cultivating to maturity trees, bushes or vines for the production of food would be required to be capitalized and recovered through depreciation over their productive life. Under the farmer cash method of accounting, however, those costs can be deducted currently resulting in substantial "tax losses" in the early years of such an operation which can be used to shelter other income. Then, if the property is subsequently sold, the proceeds of sale (except to the extent they represent unharvested crops) are treated as capital gains with no recapture of amounts previously deducted as expenses.[3]

Economic Effects

Although the tax rules governing farming may, in the early days of the federal income tax, have initially been justified on the ground that most farmers were small operators who were not versed in the basic rules of accounting and who therefore needed a simplified set of tax accounting rules which permitted them to use not only the cash method but to deduct otherwise capital expenditures, those days are no longer with us. There is now general agreement among economists that the special tax accounting rules for tax shelter farmers, in today's farm economy, are largely a set of disguised federal subsidies for agriculture which, like other tax expenditures, operate to benefit the high income individuals utilizing these tax shelters.

In addition to subsidizing generously a variety of "Wall Street cowboys", there is also substantial evidence that farming tax shelters disrupt this country's agriculture generally by (1) accentuating the boom and bust phenomenon in some areas, such as cattle feeding and wine production, by encouraging overproduction and consequent price declines for farmers generally and (2) driving up the price of farm land and other farm assets because of over-investment in farming by high income individuals who are not primarily dependent on farming for their livelihood. Indeed, it is noteworthy (and probably unprecedented) that, at the 1975 hearings on tax reform held by the House Ways and Means Committee, several organizations representing full-time farmers appeared *in support of* proposed limitations on farming tax shelters. In short, there is simply no necessity to encourage investment in agriculture by rich individuals and large corporations through the continuation of tax subsidies created by outmoded and inequitable tax accounting rules.

The House Bill and LAL

The House Tax Reform Bill contains provisions to curtail the farm tax shelter abuses by cutting back on some of the more flagrant departures from normal tax accounting rules in the area of farming. The House Bill establishes a limitation on artificial losses ("LAL") which would, in the case of farming, limit the deductibility of "accelerated deductions"—which are defined as (1) preproductive period expenses attributable to crops, animals, trees or any other property having a crop or yield,[4] (2) prepaid feed, seed, fertilizer and similar farm supply expenses, and (3) accelerated depreciation on productive livestock or other property having a crop or yield—to an annual amount equal to net related income from farming (farm income minus farm expenses other than the foregoing accelerated deductions). LAL would apply to a taxpayer's farming activities in the aggregate, except that LAL would apply separately for each interest in a farming syndicate.

However, LAL would not apply to the first $20,000 of losses (subject to a dollar-for-dollar phaseout of allowable losses as they increased from $20,000 to $40,000), and hence would not affect the average farmer. LAL would be applicable to individuals, estates, trusts, partnerships and corporations unless they were utilizing the accrual method of tax accounting and were capitalizing preproductive expenses. To the extent LAL applies to limit the allowability of deductions, such deductions are carried over and may be used against subsequent farm income including capital gains which are thereby converted, in effect, into ordinary income.

If enacted, LAL would curtail farm tax shelter abuses since it would:

(1) Largely eliminate the utility of prepaid farm supply deductions, such as feed and seed, for non-professional farmers;

(2) Cut back substantially on the amount of losses that could be utilized against non-farm income by livestock breeders; and

(3) Virtually eliminate the special tax advantages from growing trees, bushes and vines for production of food.

Cattle feeding and similar activities would not be affected by LAL if prepaid expense deductions were not utilized. In the case of livestock breeding, LAL would not apply to taxpayers not participating in farming syndicates (i.e. partnerships in which either 50% of the members are limited partners or the partnership interests were sold in registered public offerings) nor to investors in farming syndicates who did not generate more than $20,000 of accelerated deductions from farming a year.[5] In the case of preproductive expenses for trees, vines, etc., a taxpayer could still take up to $20,000 per year in losses and, in the case of deductions required to be deferred, would get to recover deferred preproductive expenses through deduction from subsequent farm income, in many cases more rapidly than if such expenses had been capitalized and depreciated.

In addition to LAL, the House bill also eliminates the use of non-recourse loans to generate farm losses in excess of the taxpayer's investment and requires corporations engaged in farming (other than "family corporations" and subchapter S corporations) to switch to an accrual method of tax accounting utilizing inventories. The latter provision would be in lieu of LAL and would essentially eliminate the special farming tax breaks for those corporations to which it applied.

Conclusion

The Senate should adopt the House Bill provisions to curtail the abuses of tax shelter farm operations. These provisions on the other hand will not adversely affect the bonafide farmer not engaged in tax shelter activities. Accordingly, enactment of the LAL provisions is a needed reform.

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[1] If the investor makes money in cattle feeding, he simply has to reinvest his profits annually in deductible costs in order to shelter the profits as well as continuing his original deferral. If he loses money, of course, then the value of the deferral is eliminated to the extent of the loss.

[2] There is a provision of the Internal Revenue Code, section 1251, which seeks to limit the capital gain possibilities in farming by requiring persons with farm losses in excess of $25,000 per year and non-farm adjusted gross income in excess of $50,000 a year to establish an "excess deductions account" which, upon sale of farm assets, serves to recapture at ordinary income rates amounts previously deducted in excess of $25,000 a year. The provision is complex, the loss not affected is large ($25,000 a year) and there are various exceptions (e.g. recapture terminates at death, etc.).

[3] Section 1251, discussed above, limits to some extent the capital gains possibilities here also.

[4] Various gains and livestock other than poultry are excluded from the provision except in the cases of "farming syndicates".

[5] The actual allowable farm losses could be substantially greater because interest and taxes incurred in farm operations are not treated as accelerated deductions.

TAX SHELTER FARMING

Part II: The economic issues

Background

The term "tax shelter" is used to describe an investment which produces tax losses which are used to shelter income otherwise subject to taxes. In agriculture, there are two shelter investment goals, to defer the payment of taxes and/or convert ordinary income into capital gains.

Farm tax rules which form the basis for tax shelter investments in agriculture have three sources: (1) a 1915 administrative decision permitting farmers a choice between cash and accrual accounting for reporting income for tax purposes, (2) a 1919 Treasury Regulation allowing farmers to write off expenditures, normally capitalized in other businesses, incurred in the development of orchards and ranches, and (3) legislative action in 1951 extending capital gains treatment to livestock held for draft, breeding or dairy purposes (livestock held for sporting purposes was added in 1969).

These income tax provisions can be utilized by anyone with farm income with users falling into three categories: (1) ordinary farmers who depend upon agricultural earnings as their major source of income, (2) non-farm investors who are motivated primarily by income tax considerations, and (3) investors for whom the tax shelter feature is attractive but not the primary incentive. It is the abuse of farm tax provisions by high income investors in the second group which has attracted publicity and the call for legislative action.

Much of the concern over tax avoidance in agriculture by high income non-farm investors relates to maintaining taxpayer confidence in our voluntary self-assessed system of income taxation. Other aspects of the problem include the loss of tax revenue to the Treasury and the economic impact of the tax provisions on the agricultural industry. This paper will briefly summarize data on the loss of tax revenue and discuss some of the economic impacts of tax shelter investments in agriculture.

The Budget Committees have published estimates of the revenue loss of tax expenditure provisions. Tax expenditures related to tax shelter investments in agriculture fall into two categories, expensing of certain capital gain treatment of certain income. The estimated total tax subsidy to agriculture from these two items is $1.015 billion for fiscal year 1976. Estimates of the distribution of this tax subsidy by adjusted gross income class indicate that less than ⅓ and probably less than ⅕ of the total goes to non-farm investors motivated primarily by income tax considerations. Most of the benefits go to ordinary farmers and investors for whom tax shelter considerations are not the primary incentive. Thus, the major concern over tax expenditures for agriculture relates to maintaining taxpayer confidence and to the economic impact on agriculture.

Some economic issues

It must be emphasized that the federal income tax is *not* neutral with regard to investment decisions in agriculture. Income tax provisions can and do influence the legal-organizational structure of agriculture, conservation and land development, output and prices of specific crops, farm incomes, land prices, mechanization, management practices, and input utilization. It is generally agreed that income tax policy as it applies to agriculture has developed piecemeal with little visible attempt to coordinate it with national agricultural policy. This is unfortunate given the possible impact of tax law changes on agricultural investment. Thus, it is extremely important that the goals of tax policy as related to agriculture and the goals of agricultural policy be spelled out in sufficient detail so that the policies are consistent and coordinated.

Major economic issues associated with tax shelter investments in agriculture and the federal income tax provisions giving rise to those investments generally include:

1. Agriculture's capital requirements.
2. Prices of inputs, especially land.
3. Equity considerations and the structure of agriculture.
4. Stability of production and prices.
5. Product prices and consumer welfare.
6. Problems associated with syndication.

The need for capital

Modern agriculture requires large amounts of capital. The Farm Credit System estimated, for example, that total farm debt was $90.3 billion at the beginning of 1976 while total assets were approximately $564 billion. Farm real estate accounted for almost 74% of total assets.

Income tax provisions have attracted non-farm equity capital to the agricultural sector. While bankers and others frequently assert that agriculture would have significant problems attracting "sufficient" capital without tax incentives, no analytical support for this view has been presented. The key point is one's definition of sufficient capital. Low returns to many agricultural enterprises are evidence of overinvestment in the sector. Ordinary farmers exist on low or nonexistent returns on their investment and labor while the Treasury provides the after-tax returns to non-farm investors who put their money into projects budgeted to just break-even before taxes.

Income tax incentives, whether in livestock, tree and vine crops or other activities, increase investment, and ultimately production, over the level which would exist without incentives. Increased investment and production have several economic implications.

Input Prices

Increased investment in crop and livestock enterprises increases the demand for major inputs including land, labor, capital, management services, nursery stock, feed and feeder cattle. The price impact on inputs is related to the amount of the input required and its elasticity of supply. This of course varies by crop and by area.

There is evidence of increased prices for several important inputs. Since the supply of land is fixed, its price has definitely increased as a result of tax incentives. The impact has been most obvious for land suitable for specialty crops requiring micro-climates and particular soil types. Included here is land suitable for avocados and premium varietal wine grapes. When cattle feeding syndicates were popular the traditional late fall decrease in feeder cattle prices changed to an increase as feed-lots attempted to fill their pens at the end of the tax year. Nurseries supplying trees and vines undoubtedly benefited from increased prices and sales volume. It is worth noting that nursery interests have been involved in some of the large public tax shelter offerings to non-farm investors. Since there is a large supply relative to increased requirements due to tax incentives, there has been little measurable increases in prices for labor, capital, services or feed.

Equity and Structure

The income tax incentive is an open-ended subsidy program with the largest subsidy going to the taxpayer with the highest taxable income, whether from farming or other sources. It is doubtful that a government expenditure program based on national agricultural policy would distribute payments in the same pattern as now exists for tax subsidies. There is no evidence of a shortage of fruit, nut or vine crops in the U.S. Despite this, tax incentives exist for all fruit, nut, and vine crops with the exception of citrus and almonds.

The growth minded farmer can plan and operate in such a way as to achieve financial objectives while using tax dollars to carry the load. A dairy farmer who raises extra heifers can expand his herd without paying for inventory accumulation. Other tax deferral strategies such as prepayment for production items, utilization of the investment tax credit and purchase and development of land is encouraged by current tax provisions. The ultimate impact must be larger and fewer farms.

Tax incentives provide a paradox. While they appear to help the small producer (who often receives a very small subsidy) the expansion in output and lower prices quite likely leaves him in a worse position than would be the case in the absence of tax incentives. Any advantage to larger farms will certainly encourage further increases in the average farm size and continued decreases in the number of farms with the accompanying transfer of population to urban areas.

Farmers have tended to have rather strongly held values concerning personal freedom, farming as a way of life, and the family farm. Many of the operating characteristics of tax shelter investments are directly opposed to these values. These characteristics include increased contract production, absentee ownership, and increased control by farm management companies.

Instability

The existence of cycles of production and prices for cattle and hogs is well-known. Similar cycles of longer duration are also evident in tree and vine crops. These cycles stem from (1) producers basing production decisions on recent and current prices and (2) a time lag between the production decision and forthcoming production. Income tax incentives tend to accentuate the cycle since investment occurs at a higher than normal rate and because promoters not familiar with the industry tend to ignore the problem of overexpansion until it is too late.

Theoretical economic models demonstrate positive benefits from stabilization of supply if the source of price variation is random shifts in supply. Most benefits accrue to producers. Operating characteristics of tax shelter investments, however, tend to increase price instability due to shifts in supply. Non-farm investors helped to overexpand feedlot capacity and bid up feeder cattle prices with a resulting increase in the beef cow herd. Increased feed prices in 1974 and feeding losses resulted in wholesale flight of non-farm investors from the industry and numerous bankrupt feedlots. Rapid plantings of citrus and almonds in the late 1960's with a real (and continuing) threat of severe overproduction led to the citrus and almond provisions requiring capitalization of development costs. This terminated their tax shelter advantages and helped to slow planting. California wine grape producers, peach producers, olive producers and others were not as fortunate. Severe overplanting has occurred and the prospect for overproduction and disastrously low prices is very real. Early forecasts are that some 30% or more of this year's cling peach crop will be wasted because of the surplus situation. Despite real and potential surpluses, tax incentives continue to be available for planting these crops and others.

Product Prices

Product prices are important at both the farm and consumer level. While producers receive a tax incentive for establishing orchards and vineyards or expanding their livestock herd, increased production of a product with inelastic demand results in a decrease in total income. Producers' total after-tax income, including incentives, may be lower than it would have been without incentives. Even if the producer group benefits in total, individual producers (those not expanding, with smaller, and older plantings) may suffer.

Increased availability of food at lower prices benefits consumers. In fact, if any group in total has benefited, it is consumers. There is little evidence, however, on the amount of benefit compared to the cost in foregone tax revenue. In addition, there is no evidence that the efficiency of the tax incentive is greater than other incentives which could achieve the same result.

Syndication Problems

There are numerous examples of syndicated tax shelter offerings which have benefited neither agriculture nor the participating non-farm investors. They have, however, provided a handsome return to those involved in packaging, promoting and selling the offering. The promoters readily admit, and it is usually spelled out in the offering brochure, that the investments are suitable only for taxpayers in the top marginal brackets. This is because most are budgeted as break-even investments without the tax incentives.

The structure of benefits and the motives of participants are a significant factor in tax shelter syndication problems. Those who profit from organizing and selling an offering strive to make the offering as attractive as possible. If there are attractive prices for a perennial crop for two or three years it can be packaged for several years. The promoters will use these prices to derive cash flow and after-tax budgets. Because of delays between planting and production of four to ten years, depending on the crop, the plantings have no immediate impact on crop prices and won't for several years. The offerings continue even though industry experts express concern over the large nonbearing acreage and potential oversupply. This process is well-documented in the California wine grape industry. It wasn't until prices began to decrease substantially as a result of early plantings and investors began to discover that the investments were going to offer real losses in addition to tax losses that the offerings stopped. Given present grape production-price prospects it appears that a number of syndications will be forced to liquidate. The actions of syndicate promoters, as described above, increase the instability of agricultural supply and aggravate the production-price cycles mentioned earlier.

The economics of current tax reform proposals

Given the preceding discussion of economic aspects of tax shelter investments, one can reach qualitative conclusions concerning the possible impact of current tax reform proposals. Proposals of interest include:

1. For limited partnerships:

Tax deductions limited to actual investment at risk.

Require accrual accounting for publicly held limited partnerships.

2. For corporations:

Accrual accounting for farm corporations.

3. For all taxpayers:

Limitations on artificial losses (LAL).

Given the above proposals, limited-partnership tax shelter syndications in agriculture would be effectively curbed. The economic impact would be small. One would hardly notice their absence. The economic impact of requiring accrual accounting for farm corporations would likewise be small. This provision appears to be directed more against the corporate form of organization in agriculture than against income tax expenditures. It would involve some problems of implementation such as the adjustments to income as a result of inventories but these can be handled through such things as section 481 adjustments. The additional record keeping requirements would not be excessive for a farm corporation.

The limitation on artificial tax losses would discourage new tax shelter investments but would have little impact on existing investments or continuing "ordinary" farmers.

TAX SHELTER FARMING

Part III: Application of the accrual method of accounting to farming conducted by publicly held limited partnerships and to corporations

The Problem

As is discussed in more detail in the paper entitled "Tax Shelter Farming, Part I", taxpayers engaged in the business of farming are permitted by applicable Treasury Regulations to utilize a special method of accounting—the so-called "farmer cash method"—which permits them to deduct currently as business expenses, expenditures which, under the normal tax accounting rules applicable to other businesses, would be required to be capitalized and recovered later either through depreciation deductions or as part of the cost of inventory or productive assets upon their sale.

The historical genesis of the farmer cash method of accounting, which dates back to the early days of the federal income tax, was to permit a simplified method of tax accounting for the benefit of a class of business persons—farmers—who were perceived as too unskilled or too poor to be able to keep their business accounts on the accrual method using inventories. Whatever the accuracy of this perception sixty years ago, it is a fact that at the present time hundreds of millions of dollars of farm income is generated by large corporations and publicly held limited partnerships which have access to, and routinely utilize, the most sophisticated and costly professional assistance in the preparation and maintenance of the accounts recording their operations.

In the case of such business organizations, permitting them to utilize the simplified cash method amounts to nothing but a disguised form of agricultural subsidy—a subsidy which, moreover, benefits the well-to-do substantially more than the prototypical low to middle-income family farmer for whom the rules were devised in the first place. The use of this cash method is an integral part of the farm tax shelter structure and thus contributes to the serious tax escapes which that shelter permits. Furthermore, as a result of the tremendous tax incentives for high-income individuals and corporations to invest in agriculture, the family farmer finds himself competing at a disadvantage with entities whose investment in their competing business is largely financed with what are in effect interest-free unsecured loans from the Treasury. Under such circumstances, it is hardly surprising that statistics demonstrate that farming is rapidly ceasing to be a family business (as it has been historically in this country) and instead is becoming a large-scale, capital-intensive commercial enterprise controlled substantially by large corporations and multi-million dollar syndications involving wealthy professionals, business executives, sports figures and entertainers.

The House Bill Provision

The House Tax Reform Bill approaches this problem from two different directions. In the case of corporations, section 204 of the House Bill straightforwardly required all corporations engaged in farming, except Subchapter S corporations and "family corporations"[6] to commence utilizing the accrual method and inventories and to capitalize preproductive period expenditures, as required of businesses generally. The Bill granted such corporations a 10-year period over which to spread the resulting adjustments.

In the case of publicly held limited partnerships engaged in farming, the House Bill relied on the general LAL provisions described in "Tax Shelter Farming, Part I." In addition, farm corporations not required to switch to the accrual method would be subject to LAL.

The House Bill provision is a needed measure to reach the tax escape and tax abuses in the farming area. Certainly from the standpoint of the departures from normal tax accounting rules represented by the present availability of the farmer cash method of accounting, there is no reason—as a matter of tax policy, economics, equity among similarly situated taxpayers, administrative convenience or avoidance of unnecessary complexity in the tax law—why corporations and publicly held limited partnerships should not be treated similarly and both required to use the tax accounting rules prescribed for all other businesses. Also, there is no reason to differentiate among these normal tax accounting rules, selecting some and not other rules to be applicable to these large scale farming enterprises. All these rules, whether they relate to the accrual method, the use of inventories, or the capitalization of preproductive period expenditures, should be made fully applicable whatever the particular type of farm activity involved—crops, vineyards, livestock, etc.

The plain fact is that sophisticated business enterprises conducted in corporate or publicly held limited partnership form should be required to utilize the accrual method, inventories, and capitalization of expenditures in farming just as they must do in manufacturing, mining or merchandising. The House Bill provisions are an appropriate step in the right direction to require accrual accounting by large farm operations. However, the House Bill should be modified to require accrual accounting by all farm corporations or publicly held limited partnerships with farm sales in excess of $100,000 per year.

The oil and gas tax shelter

The Element of the Tax Shelter

Present tax rules provide the necessary elements for the oil and gas tax shelter. The element of *deferral* is provided by the right granted under section 263(c) of the Internal Revenue Code to deduct currently intangible drilling and development costs incurred in connection with the drilling of the oil and gas well. Under ordinary tax accounting rules, these intangible drilling and development costs should be capitalized and recovered over the productive life of the well. The element of *shelter* of non-oil income results from the fact that ordinarily production will not take place in the year in which the intangible drilling and development costs are incurred, hence these deductions are offset against income other than that to be derived from the well. The *capital gain* element is involved because upon sale of the property there is no recapture of the previously deducted intangible costs. *Leverage* is available in the form of nonrecourse loans for the bulk of the intangible costs. An additional tax benefit for the tax shelter investor is then provided in the form percentage depletion, which converts into an exemtion the deferral obtained through the deduction if intangible drilling and development costs.

How the Tax Shelter Works

Assume that a tax shelter syndicater proposes to expend $1 million to drill a well. The intangible drilling and development expenses comprise 90% of this amount. Therefore, present rules grant a $900,000 deduction in the year in which the well is drilled. If we assume the investor group is in the

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[6] A family corporation was defined as one in which at least two-thirds of both the voting stock and the total outstanding stock are owned by members of a single family, including brothers and sisters, spouses, ancestors and lineal descendants. In certain circumstances, a corporation owned by two families would qualify.

70% tax bracket, this produces a tax savings of $630,000 in year 1, and the investors have remaining a net after-tax investment in the well of $370,000. Assume that the well is successful and in year 2 generates $150,000 of gross income and $100,000 of net income. The percentage depletion allowance in year 2 will be $33,000 (22% of $150,000), taxable income will be $67,000 ($100,000 minus $33,000), and the investors in the aggregate will incur a tax liability of $46,900 (70% of $67,000). They will, however, have received in the second year $53,100 in cash (consisting of $20,100 in after-tax income and $33,000 in tax-free income from the percentage depletion allowance). In the third year, the well is sold for $900,000. Assuming that the cost basis is $100,000, the investors will have capital gain of $800,000, on which they will pay $280,000 in tax (35% of $800,000), leaving net receipts from the sale of $620,000.

What are the combined results of this transaction? The investors have received $673,100 of after-tax cash from income and the sale of the property, from which they subtract their after-tax investment of $370,000, leaving a net after-tax cash profit of $303,100. In fact, of course, the profit is even greater because the above computation do not take into account the factor of timing; i.e., the benefits of the deduction are available in year 1, but the taxes incurred are not paid until years 2 and 3.

The following table illustrates the above transaction in simplified form:

Year 1:	
Investment	$1,000,000
Deductible intangibles	900,000
Tax benefit	630,000
Investors net after-tax investment	370,000
Year 2:	
Net income	$100,000
Percentage depletion	33,000
Taxable income	67,000
Tax	46,900
Net cash	53,100
Year 3:	
After-tax cash from year 2 income and sale proceeds	$673,100
Net after-tax investment	370,000
Net after-tax profit	303,100

A major advantage of the oil tax shelter over other shelters is the existence of the percentage depletion allowance. Absent percentage depletion, the intangible drilling expense deduction would operate like accelerated depreciation—in effect as an interest free loan in year 1, which would be repaid over the productive life of the well. But percentage depletion changes this result. The percentage depletion allowance is unrelated to basis and therefore reduces the investor's income from the well each year even though basis has long since been exhausted. In effect, then, the existence of percentage depletion insures that the investor will never have to repay the taxes saved by deduction of the intangible expenses if he holds the well for its productive life. The "loan" is thus converted to an outright grant. If the investor sells prior to the exhaustion of the well, capital gain treatment insures that only a part of the taxes saved by the intangibles deduction will have to be repaid.

While the above example is a hypothetical one, data developed by the staff of the Joint Committee on Internal Revenue Taxation reveal that it accurately reflects the real world of oil tax shelters. For example, consider case 25 set forth in "Tax Shelter Investments: Analysis of 37 Individual Income Tax Returns, 24 Partnerships and 3 Small Business Corporation Returns" (Sept. 3, 1975). An investor—a business executive—in a tax shelter drilling fund had total economic income of $182,000. On this income, he paid federal income tax of $1,000—an effective rate of 0.5%. Case 26 in the study revealed that two investors were able to shelter $390,000 and $344,000 of income so effectively through a tax shelter drilling fund that they paid effective rates of income tax of only 2.8% and 9.6% respectively.

Leveraging the Tax Shelter

In the above example, we have assumed that the investors put in the full $1 million from their own funds. But under current tax laws this is not necessary in order to obtain the benefits of the tax shelter. Suppose that the investor group borrowed $700,000 out of the $1 million necessary to drill the well. In such a case, they would in effect, have been able to secure $900,000 in deductions by putting up only $300,000 of their own money. This advantage is heightened if the investors borrow on a nonrecourse basis, i.e., the lender looks only to the well for security and not to the personal liability of the investors. Current tax rules permit the investor group to deduct in full the intangible drilling and development costs even though they personally have no liability to repay the loan that generated the funds to make the expenditures for intangible drilling and development costs.

Syndication of the Tax Shelter

The syndicated tax shelter limited partnership is the vehicle by which oil drilling companies sell the tax benefits to high-bracket individuals who can fully utilize the deduction for intangible drilling and development costs in the first year and who will pay cash to the developer for the package of tax benefits. A limited partnership is formed and interests therein sold to investors. The limited partnership agreement will call for a fee to be paid to the drilling company for its services in connection with drilling the well, the fee to be derived from the syndication proceeds. The drilling company thus obtains its fee for drilling the well in the form of immediate cash. This cash consists of the present value of the tax benefits derived from the intangible drilling and development expense deduction, percentage depletion, and ultimate sale at capital gain rates.

From the standpoint of the investors, of course, the limited partnership investment is very attractive. By putting up $300,000 they secure $900,000 in immediate deductions against other income. If they are all in the 70% bracket, this means that they have received a $630,000 tax benefit from the federal government which, assuming production, they can either retain entirely by holding onto the asset or repay to the extent of only one-half if they sell the property. Even as to the amount repayable, the will have the interest-free use of those funds until such time as the sale is made.

Waste of Federal Funds in Tax Shelter Deals

Presumably the objective of the tax provision that allows immediate deduction of intangibles with no requirement that those intangibles be recaptured upon sale of the property is to encourage exploration and drilling for new oil reserves. But a considerable portion of the federal contribution to the drilling of the oil well does not go to drilling at all. It is siphoned off by the syndication process itself. Only a part is used for the actual cost of drilling for oil.

Assume that a drilling company obtains a $100,000 nonrecourse loan, which is sufficient to pay the costs of actual drilling, but not provide the driller any fee. It syndicates the tax benefits from the project for $100,000, of which $15,000 goes to pay for the costs of syndication, and $85,000 for the driller's fee. Assuming 70% marginal tax brackets for the investor group, the Treasury check on this transaction totals $129,500 (70% × $185,000). It is apparent that in this transaction a commercial lender was willing to give the driller a $100,000 loan for the cost of drilling the well. The driller has indicated by his actions that it is willing to do this for an $85,000 fee. It obtains this fee by selling some of the tax benefits. Where has the other $44,500 of the Treasury check gone? Part of it, $15,000, went to those in the syndication process—a group whose presence in the transaction was totally unnecessary to the actual drilling. The other $29,500 stayed with the investor group—in effect it constituted a commission paid by the federal government for delivering the driller's check. Thus one-third of the Treasury check was wasted, going to persons whose presence produced no more drilling and no more oil than would have been the case had the Treasury paid the driller his $85,000 fee directly.

The House bill

Section 101 of the House bill contains a provision to impose a "limitation on artificial losses (LAL)." This provision is intended to deal with the ability to deduct artificial "losses" generated by a tax shelter investment against other income. In general, LAL provides that special accelerated deductions can only be used to offset income generated by the tax shelter investment itself. Thus, if a tax shelter investor's "artificial deductions" in the first year of his investment exceed the "net related income" generated by the investment, he will not be permitted to deduct the artificial deduction against other income. Instead, the deductions must be placed in a deferred deductions account. These deferred deductions can be deducted in subsequent years when the investment actually produces income. LAL is thus designed to prevent special deductions granted for a particular type of investment from being used to reduce income taxes on totally unrelated income.

As applied to oil and gas tax shelter operations, the House-passed version of LAL is—with some strengthening—an effective approach to the abuses involved. The deduction for intangible drilling and development costs is treated as an "artificial" deduction. Thus, these costs would be permitted to be deducted only from an investor's "net related income," i.e., the income from an oil and gas well. Thus, the ability of investors to use the deduction to shelter non-oil income from tax would be ended. And quite properly, LAL is applied on a well-by-well basis so that intangible deductions from one well cannot be used to offset the income generated by another well.

But there are important defects in the House bill. Although the LAL provisions in the House-passed bill cover the deduction for intangible drilling and development expenses, the provision does not apply to "exploratory" wells. This exception from the LAL oil and gas rules virtually emasculates the provision. According to the most recent data available from the Securities and Exchange Commission, some ⅔ of the offerings in tax shelter drilling funds filed with the SEC are for exploratory wells. Thus, the House-passed version covers only a small portion of the tax shelter oil and gas drilling funds. It is essential that LAL apply to intangible drilling and development expenses attributable to exploratory wells (and to wells drilled to inject water or other substances to stimulate or increase the production of oil or gas from other wells).

In addition, LAL must apply to corporations involved in oil and gas tax shelters as well as individuals.

EFFECTS OF LAL ON OIL DRILLING

It has been argued that the application of LAL to oil and gas operations prevents outsiders from investing in oil and gas. This is nonsense. LAL permits an individual to invest in a tax-exempt oil well, just as he can invest in a tax-exempt bond. That is, LAL permits the intangible deductions attributable to a well to shelter completely the income from that well. If the accelerated deduction is $900,000 and the well produces income of $900,000, no tax will ever be paid on the $900,000. Thus, LAL lets an individual continue to own a tax-exempt oil well; he just can't have both a tax-exempt oil well and a tax exempt dental practice.

The above example also illustrates that LAL will have no adverse impact on a full-time driller whose principal business activity is drilling for oil and gas. He will still get the government subsidy through the intangibles deduction; but the government is no longer paying a "commission" to doctors, dentists, investment bankers and the like to deliver the driller's tax subsidy check to him.

Thus, LAL represents an appropriate response to the abuse of the oil and gas tax shelters.

THE EQUIPMENT LEASING TAX SHELTER

The problem

The equipment leasing tax shelter, as it is widely used today, is the economic equivalent of a negative income tax for commercial enterprises. The financing lease mechanism effectively provides refundable tax credits and depreciation benefits for companies which, for a variety of reasons, have little or no current income tax liabilities. Like most tax shelters, equipment leasing shelters involve the manipulation of the tax provisions of existing law in a manner that was neither approved nor intended by Congress.

Equipment Leasing Tax Shelter—The Key Tax Attributes. The equipment leasing shelter depends on either or both of two fundamental provisions of existing law: the investment tax credit and the accelerated depreciation methods, particularly as the benefits from those depreciation methods are amplified by the ADR system.

In general terms, the investment tax credit represents a government-funded rebate of 10% of the cost of new equipment purchased by a business. The rebate is paid in the form of a direct, dollar-for-dollar reduction in the purchaser's tax liability due with respect to income earned in the year the equipment is placed in service.

The depreciation provisions of present law are the functional equivalent of a substantial, government-funded and interest-free loan to the equipment purchaser. In any income tax system, the cost of equipment with a limited economic life used in producing income must be reflected against that income to arrive at a company's taxable earnings. By using the ADR system to understate the true, or economic, useful life of an asset and accelerated depreciation methods to further front-load depreciation deductions, the equipment purchaser charges a substantial portion of the cost of the new equipment, for tax purposes, to the income produced in the years immediately following the purchase. The result is to dramatically understate the company's taxable income during this initial period.

Significantly, these depreciation provisions are only used for tax purposes—they are not used in reporting to shareholders the company's income during these same years. For financial statement purposes, depreciation deductions are based on methods of greater economic accuracy. In recognition of the fact that inflated tax deductions in the early years will be offset by smaller deductions in the latter years of the equipment's life, the higher book-income reported to shareholders in the early years is reconciled with the understated tax payments made in those years by setting up a deferred tax liability on the company's report to its shareholders. Thus, the equipment purchaser recognizes that the benefits derived from accelerated depreciation are the functional equivalent of an interest-free loan from the Treasury, and, under modern accounting practices, it is reflected just that way by the company in reporting its income to shareholders.

Who Benefits from the Tax Shelter? These tax benefits—the 10% rebate or investment credit and the interest-free Treasury loan or accelerated depreciation—represent extremely significant financial factors in a company's decision to purchase a new asset. In this respect, they function, as Congress intended, as an important incentive to new capital investment. However, because these are tax incentives, they operate only for businesses with sufficient taxable income. Companies experiencing temporary losses, companies in start-up situations, non-profit enterprises, companies with substantial forms of other tax deductions, and others having little or no current tax liabilities, are unable to obtain the rebate and interest-free loan directly from the Treasury. This, then, is the genesis of the financial leasing tax shelter.

The Equipment Leasing Shelter—How it Works. A typical tax lease situation involves the following elements:

Mfg. Co., a company with little or no current taxable income, needs a new item of equipment. The equipment has an ADR life of 9 years, projected economic life of 18 to 20 years and costs $1 million. Conventional first mortgage financing for 80% of the cost is available for a fifteen-year term at approximately 9.5% interest.

Fin. Co., a financial institution with substantial taxable income, is requested to provide the remaining financing. Although Fin. Co. could loan Mfg. Co. the remaining $200,000 of the cost on a second mortgage basis, it would charge a higher interest rate and probably insist on less than a 15-year term. Moreover, in view of Mfg. Co.'s tax situation, if it purchased the equipment, it could not currently obtain the full cash benefits of the investment credit and accelerated depreciation. However, Fin. Co., as a financial institution, commonly finances businesses by purchasing their receivables at a discount and is in a position to discount the investment credit rebate inherent in the transaction. Similarly, Fin. Co. is itself constantly borrowing funds to relend by issuing commercial paper or certificates of deposit and is willing to pay Mfg. Co. for the right to obtain the interest-free Treasury loan that is available to equipment purchasers entitled to use accelerated depreciation and the ADR system.

Accordingly, the typical leveraged lease transaction is arranged. Fin. Co., either alone or with several institutional partners, buys the equipment before delivery and leases it to Mfg. Co. for a 15-year term. The conventional first mortgage loan, secured exclusively by the equipment and Mfg. Co.'s promise to make lease payments, provides 80% of the cost. The remaining 20% is provided by Fin. Co. In setting the lease terms, Fin. Co. recognizes that annual lease payments must be sufficient to retire the conventional debt at 9% and also Fin. Co.'s investment. In this respect Fin. Co. takes into account the fact that the investment credit will reduce its nominal investment of $200,000 to only $100,000 when it computes its tax liability for the year. It also places a value on the funds it will derive as an interest-free Treasury loan. The result is that, by discounting these tax benefits, Fin. Co. is able to quote a lease rate of under 6.5% (i.e., annual lease payments analyzed as if they represented repayment of the $1 million loan with interest at 6.5% over 15 years).

In sum, even though our current tax law does not provide refundable tax benefits for companies without current tax liabilities, the financing lease permits enterprises to sell such benefits at a discount to companies that can use them, thus achieving the functional equivalent of a negative income tax for commercial enterprises.

Equipment Leasing—Tax Reform Issues. The overriding issue for Congressional consideration is whether refundable tax benefits for companies with little or no current taxable income are appropriate. If Congress concludes that government-funded incentives in the form of rebates and interest-free Treasury loans should be confined to equipment purchasers with current tax liabilities, then the equipment leasing tax shelter must be eliminated. Conversely, if Congress concludes that refundable benefits are desirable, it must then determine whether such a program is most efficiently and equitably accomplished by direct refunds or the current system of indirect refunds.

The Need To Eliminate the Equipment Leasing Tax Shelter in the Individual Income Tax

Individual high bracket taxpayers are engaged in equipment leasing, usually through limited partnership vehicles. In general, most of these transactions involve equipment that for one reason or another (i.e., lease to a charity, foreign use, railroad rolling stock, etc.) does not qualify for the investment credit since an individual that has not manufactured the equipment may only obtain the investment credit if the lease term is less than 50% of the life of the equipment and meets certain other requirements. However, individual taxpayers are able to derive significant advantage from the depreciation benefits.

Under any tax system, including one that permits refundable benefits through leasing, it seems clear that individual taxpayers should be prevented from buying tax benefits.

On purely equitable grounds, any tax law which not only permits but rewards our wealthiest individuals for engaging in transactions designed to reduce their tax liability cannot be tolerated. Moreover, a number of features of our individual income tax operate to distort the cost of the tax incentives involved in the case of individual tax shelter transactions. Since our graduated tax reaches a marginal rate of 70% for individuals in contrast to the 48% rate applicable to most incorporated businesses, the Treasury loan provided by the depreciation system is often significantly increased, even though the ultimate equipment user is a corporation. In addition, as a consequence of our graduated rates, individuals can and do plan their tax shelter investments so that they will be in lower tax brackets during the later years when the shelter produces taxable income. Thus, a portion of the Treasury's "loan" may not be repaid. Indeed, if the individual fails to survive through the lease term, a significant part, if not all, of this tax debt will be forgiven.

In sum, even if Congress should conclude that the equipment leasing shelter is an appropriate alternative to directly refundable tax incentives, it seems evident that a tax code change, such as the proposed limitation on artificial losses (LAL), is necessary to end the unjustifiable manipulation of tax incentives by high-bracket individuals.

The Equipment Leasing Tax Shelter as Used by Financial Institutions: Issues and Problems

As indicated, the financing lease is fundamentally a machanism whereby tax benefits for equipment purchases that are normally extended only to companies with taxable income are effectively converted to refundable benefits. Whether this is an appropriate component of our tax law is a more difficult question.

It seems clear that the investment credit and accelerated depreciation-ADR benefits are unrelated to determining net income as an economic matter. The presence of these items in our tax code can only be justified as an incentive to capital investment. However, viewed as an investment incentive, it is difficult to see why the government funds involved should not be offered to all companies making new capital investments, irrespective of whether they happen to have current taxable income. On this basis, the real question would appeal to be whether an indirect form of refundable subsidy machanism, such as the equipment leasing shelter, has any advantages in allocating government incentive payments over a direct government payment system.

It is clear that equipment leasing transactions reduce tax revenues from financial institutions. On the other hand, since most corporate enterprises pay tax at the same marginal rate, the overall Treasury expenditure is presumably the same as would be involved in a direct refundable incentive system. To be sure, a portion of the aggregate incentive payment is retained by the financial institutions as their "fee" for discounting the tax benefits, thus reducing the incentive effect of the payment to the ultimate user of the equipment. On the other hand, it is arguable that the institutions perform an important allocation function in our economy. A financial lessor discounting tax benefits through a lease arrangement takes a significant credit risk. If the lessee is unable to make lease payments and the asset is not otherwise leasable, all or most of the tax incentives may have to be paid back to the Treasury. In contrast, a system of refundable tax benefits would presumably require the Treasury to bear the risk of an unsound investment to the extent of the benefits provided. Whether the discount taken by financial lessor is a rational quid pro quo for the credit function it performs is, of course, not readily answerable. However, it is perhaps interesting to note that the IRS leasing guidelines distort the market forces involved in a manner that increases the potential profitability of the equipment lease to the financial institution at the expense of the equipment user.

Perhaps the greatest difficulty with equipment leasing as an alternative to a more direct form of incentive is that it remains tied to the tax system. This in turn could mean that financial institutions with significant losses from normal transactions may be less able to discount tax incentives in recessionary periods when those incentives are most needed from the standpoint of their impact on the economy. In addition, the same financial institutions involved in leasing also tend to be significant customers in the market for other forms of tax-oriented investments such as municipal bonds. Hence, if their leasing activities increase they have less funds available to purchase municipal bonds.

Conclusion

There seems no justification for permitting syndicates of wealthy individuals to escape their tax liabilities through leasing transactions.

The tax-oriented equipment leasing by financial institutions must be considered as part of the overall debate with respect to refundable tax incentives. In this context, the financial institutions engaged in leasing may perform a significant function in allocating government incentive payments among alternative capital projects. On the other hand, more efficient and equitable methods of encouraging capital investment by non-taxpaying entities may be available as, for example, an investment credit that is refundable to the user of the property. In any event, Congressional revision of the tax provisions involved seems essential in order to insure that government-funded incentives are used in the manner Congress intends.

THE MOTION PICTURE TAX SHELTER

The problem

One of the newest and most glamorous forms of tax shelters is the motion picture syndication. This tax windfall, which has attracted millions of tax shelter dollars in the past few years, represents the classic case of a combination of tax provisions which have been utilized by high income persons to obtain tax deductions which those separate provisions were never designed for. By combining the advantages of the limited partnership, extraordinarily high leverage, and rapid amortization or depreciation, a "loophole" of major proportions has been created.

Aside from the glamour of owning a motion picture, investors seem to be lured to the motion picture sydication on claims of highly leveraged, highly deductible investment dollars. While many of the oil drilling funds proclaim that 100% of the investment is deductible, the movie syndications are not nearly so bashful. Frequently the investor in a limited partnership owning or producing a motion picture is offered deductions totaling from 400% to 600% of the investment over the first two or three years, and with the investment credit now applicable by law to movies, it seems as if there is almost no way for the investor to lose even if the picture is a financial disaster. In fact, the tax law has so distorted this industry that most investors in motion pictures are actually better off if the picture loses money!

In essence, the tax objective of the motion picture syndication is to benefit from either the expensing or rapid amortization of the film production costs, most of which are funded through non-recourse loans. This amortization, together with other expenses, is expected to produce "tax losses" far in excess of the investor's cash investment. The structure is not much different in concept from the typical real estate syndication with two important exceptions. While the costs of the typical office or apartment building are capitalized and written off over a thirty to forty year period, the bulk of the cost of a motion picture is typically amortized over a two or three year period. Furthermore, while the 7% investment credit specifically does not apply to buildings and their structural components, the investment credit now applies to motion pictures and television films with the advent of the Revenue Act of 1971.

The motion picture syndication usually revolves around one of two plans: 1) a limited partnership purchases the film from the producer, typically using only a cash down payment of about 10% and "non-recourse financing" of the remaining 90%. The investor is typically able to amortize just about the entire cost of the film over a three-year period, so that for every $10,000 invested the investor obtains a tax deduction of about $40,000. The investor would also obtain his share of the investment tax credit. 2) In the second type of motion picture syndication, a so-called "production service company" is set up by the promoters for the investors. Supposedly this production company—usually a limited partnership—provides the services of the actors, directors, cameramen, etc., to make the film. However, usually this partnership merely acts as a conduit by signing contracts, receiving money from the lender or motion picture studio, and paying for the services of the actor, director, and other production personnel. The partnership again obtains only a small part of its funds from the investors and the major share of its funds from non-recourse loans. The partnership then takes the position that it is providing services to the film's producers and currently deducts all salaries and expenditures it pays out as ordinary expenses, resulting in a current deduction of between five and six times the tax shelter investment. The so-called "production service company" is typically a one-shot single purpose entity, with no prior history of film activity, whose sole purpose is to provide funds for the movie maker and tax shelter for the investors.

The motion picture tax shelter thus depends on a combination of three tax devices for its success: 1) the non-recourse loan which enables the investors to claim amortization deductions on the entire cost of the film even though they put up, and are legally liable, only for as little as 10% of the cost; 2) the ability to write off for tax purposes through amortization 85% to 100% of this cost over as short a period as three years; and 3) the investment tax credit on virtually the entire cost of the film.

Two examples out of many may be used to illustrate the remarkable tax results which the motion picture tax shelter offers. In one offering an investor was asked to put up cash of $17,500 and was offered tax losses of as much as $75,000 over the first three years (the exact amount of the losses depending, of course, on how the film performed at the box office). In addition, the investor was to receive an investment credit of about $4,000. A taxpayer in a 50% tax bracket would thus save about $42,000 in actual taxes for his $17,500 investment—an "automatic" tax profit of almost 250% of his investment at the U.S. Treasury's cost and almost unrelated to whether or not the picture was a financially successful one. In a second example, in a $32,000 investment, tax losses of up to $149,000 were projected plus an investment credit of $10,500. Again, a taxpayer in a 50% bracket could make a "profit" through actual cash tax gains of more than 250%. These are figures from actual offerings of motion picture tax shelter deals and are by no means the most extreme examples of this type of shelter. And while some of these tax benefits might be recaptured in future years, these actual deals do illustrate the extent to which taxpayers in general are supporting motion pictures, including the production of pornographic and "horror" films, through tax shelters.

It is also astonishing to note the incredible distortion which these tax laws have produced in the motion picture industry. It would not be unusual for the buyer of a film looking for a tax shelter to ask the seller to raise his price so that the buyer can obtain greater tax losses through a larger amortization base. Furthermore, the buyer frequently hopes that the film grosses only a limited amount, since if there is too much income the investor will have income to report but will see no cash since the cash will go to pay off the non-resource loan. Thus, our tax laws have managed to give an "automatic" profit to high income individuals, to reward financially poor and unsound investments, and to cause prices to be artificially inflated.

The Needed Reform

Two proposals would curb these tax abuses and restore equality and rationality into our tax system in this area. The first proposal would be to limit the investor's deductions to the amount of capital he has invested or committed in the picture. The theory of amortization or depreciation is to write off the capital cost of an asset as it reduces in value, but in these cases since the investor is almost never required to put up more than 10% or 20% of the cost of a film, why should he be entitled to depreciate 100% of it? This is particularly true with regard to the financing of motion picture films where the value of the property is very speculative and in which the so-called lender can be viewed as merely a joint venturer. This view seems appropriate since it is the lender, representing the major share of the price of the film, that has a much greater risk than the investor. Furthermore, there is evidence to the effect that the prices of film properties are artificially inflated in order to maximize the tax deductions. Placing a limit on the amount of depreciation or amortization or other losses to the "at risk" captial would avoid these distortions, would put the tax law more in line with the actual economics of the motion picture business, and would eliminate a tax shelter that was totally unintended by the framers of our tax law.

The second proposal is to apply the limitation on Artificial losses ("LAL") to motion pictures. High income persons are utilizing the huge "tax losses" produced by these motion picture tax shelters to offset their income from other sources. LAL would place a limit on these "tax losses" so that only motion picture related income could be reduced by motion picture related losses. Limiting such excess "tax losses" to the amount of income from films would put an end to the U.S. Treasury's financing of motion pictures and would return the production of motion pictures to those in the industry who know how to make and finance films.

It is interesting that in all of the discussions regarding tax reform of motion picture investments virtually no one has tried to argue that these incredible tax benefits are fair or equitable. Instead, about the only argument that is heard as to why such tax reform is not desirable is that it will cost the motion picture industry jobs and profits. But this defense is not supportable.

First, with all of the urgent priorities which this country has—such as housing, food, energy and defense—we must ask whether we want to artificially allocate such significant tax benefits to the making of movies, especially when these tax benefits go to the very highest income individuals. Second, if the motion picture industry is in need of additional capital, this capital should be raised from the public through the traditional free market sale of stocks, bonds or other financing, rather than raising capital by utilizing an unintended quirk in the tax laws. Third, if Congress sees fit to spend additional resources for the creation of more jobs, does it make sense that these resources should be used in part for the making of horror films and other "R" and "X" rated movies, as well as major motion picture. In this respect, I should note that since the motion picture tax shelter has in many cases become more attractive tax-wise than even real estate, oil and the like, cash is being artificially diverted from investments in these industries to movies.

Conclusion

The examples above illustrate the gross inequities that would be perpetuated if these types of motion picture tax shelters are permitted to continue. The Congress has the opportunity to correct these abuses and to end the Treasury's writing a tax check of $42,000 to a millionaire who has invested $17,000 in perhaps an "X" or "R" rated film. The Congress should end this unintended and costly tax shelter.

THE MINIMUM TAX

Present Law

Currently a minimum tax is imposed on the preference income of wealthy individuals and corporations. The minimum tax rate is 10% applied to specific items of tax preference income in excess of $30,000 plus regular taxes paid. Thus, if an individual has $100,000 of preference income and pays $20,000 in regular taxes, he will incur a minimum tax of $5,000 ($100,000 minus $30,000 minus $20,000=$50,000X10%).

The items of tax preference that are subject to minimum tax include:

1. The excluded one-half of capital gains;
2. The excess of percentage over cost depletion;
3. The bargain element of stock options;
4. The excess of accelerated over straight-line depreciation on real estate;
5. The excess of accelerated over straight-line amortization for railroad rolling stock.

The Problem

According to the most recent IRS data, 244 individuals in 1974 [7] paid no federal income tax at all—regular or minimum—even though each had adjusted gross income in excess of $200,000. Even more critically, 3.273 individuals with adjusted gross incomes in excess of $50,000 paid no federal income tax.

The following table shows the distribution of these wealthy non-taxpayers by adjusted gross income class:

Table I

AGI class:	Number of individuals
$50,000–$100,000	2,400
$100,000–$200,000	653
$200,000–$500,000	186
$500,000–$1,000,000	29
$1,000,000 or more	5
Total	3,273

Thus, despite the enactment of the minimum tax in 1969, still in 1974, over 3,000 wealthy persons could avoid making any contribution to the U.S. Government. This is intolerable in a democratic society.

There are several ways to measure the ineffectiveness of the minimum tax as it is presently constituted. The following table shows the minimum tax paid in 1972 by the over-$50,000 AGI taxpayer groups and the effective rate of the minimum tax when measured against AGI.

TABLE II

[Dollar amounts in millions]

AGI class (thousands)	AGI	Minimum tax	Effective rate (percent)[1]
$50 to $100	$31,877	$25	0.07
$100 to $200	11,951	36	.03
$200 to $500	5,391	47	.09
$500 to $1,000	1,783	27	1.5
$1,000 or more	2,289	52	2.3

[1] Minimum tax paid by class as percent of AGI reported by class.

Another measure of the inadequacy of the present minimum tax is revealed by the data concerning the extent of the preference income. In 1972, a total of almost $8 billion in tax preferences was reported, but only $216 million in minimum taxes were paid on this preference income. This translates into an overall effective rate of tax on the preference income of only 2.7%. The 0.7% highest income persons in the country—those with over $50,000 AGI—took advantage of $6.8 billion of the $8 billion in tax preference income, or 85% of the total.

The minimum tax as presently constituted is not applicable to many individuals who have substantial tax preference income. In 1972, of the 125,582 returns showing tax preference income, 98,964—or 79%—paid no minimum tax at all. These non-minimum taxpayers accounted for $3 billion out of the total $8 billion in tax preference income. Thus, 37.5% of the total tax preference income reported in 1972 fell totally outside the minimum tax.

These data are reflected in the very low effective minimum tax rate paid in 1972 on preference income even by those who actually did incur a minimum tax liability. The following table shows that, although the minimum tax rate is nominally 10%, it effectively was only about 4% of preference income for those who did pay some minimum tax.

TABLE III

[Dollar amounts in millions]

AGI	Number of returns with tax preference	Amount of tax preference	Amount of minimum tax	Effective rate (percent)
$50 to $100	41,021	$625	$25	4.0
$100 to $200	23,573	833	36	4.3
$200 to $500	10,331	1,088	47	4.3
$500 to $1,000	1,930	656	27	4.1
$1,000 or more	844	1,167	52	4.3

The Source of the Problem

The reasons for the ineffectiveness of the minimum tax are four fold:

1. The minimum tax rate of 10% is not high enough.
2. The $30,000 exemption is excessive.
3. The deduction for regular taxes paid and the carryover of such regular taxes are inconsistent with the basic nature of the minimum tax.
4. Certain items of tax preference are not included in the tax base.

The House Bill

The House bill dealt to some extent with each of these sources of weakness in the minimum tax. H.R. 10612 would amend the Minimum tax as it applies to individuals by raising the rate to 14%; reducing the exemption to $20,000 (and phasing it out at $40,000 of preference income); repealing the deduction for regular taxes paid (and the carryover); and adding as new items of tax preferences the intangible drilling and development costs deduction (to the extent the deduction exceeds the properly capitalizable amount), and itemized personal deductions to the extent they exceed 70% of an individual's adjusted gross income.

The House bill did not make corresponding changes in the minimum tax as it applies to corporations.

Proposals for Reform

The Senate should strengthen the present minimum tax (and the House bill) in the following respects:

1. The minimum tax rate should be increased to 15%, both for individuals and corporations.
2. The $30,000 exemption should be reduced to $5,000 and phased out dollar-for-dollar as preference income exceeds that amount (thus disappearing at $10,000 of prefence income). No exemption should be allowed for corporations.
3. The deduction for regular taxes paid (and the carryover thereof) should be repealed.
4. The minimum tax base should be expanded to include (a) itemized personal deductions to the extent such amounts exceed 70% and AGI, and (b) all accelerated deductions to the extent permitted to be claimed as deductions under the LAL proposal.

These proposals will insure that the minimum tax fulfills its intended function.

THE MAXIMUM TAX

Present Law

In 1969, Congress introduced a new "maximum tax on earned income." Under Section 1348 of the Code the maximum marginal tax rate applicable to an individual's earned income cannot exceed 50%. The Committee reports stated that this preferential rate was being introduced to "reduce the pressure for the use of tax loopholes," notably tax shelter activities, by reducing "the incentive to engage in otherwise unprofitable operations and reduce the time and effort devoted to 'tax planning' at the expense of pursuing normal business operations."

Unfortunately, the maximum tax has totally failed to impede the growth of tax shelters. Its only function has been to impair the equity of the individual income tax by providing a means of massive tax escape by a privilege—and very wealthy—few.

Impact on Tax Shelters

The evidence available indicates that the maximum tax has had the effect of increasing, rather than decreasing, the wastage of federal revenue involved in tax shelter operations. Tax shelter brochures advertise a rate of return from their tax benefits attractive enough to induce investment by a doctor or dentist whose income is taxed at the special 50% rate. But this means that an additional tax windfall is now produced for the

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[7] Final data for 1974 reportedly will show 244 individuals although preliminary data in Table I shows only 220.

70% bracket investor because the rate of return provided by the tax shelter is greater than is required to make the investment attractive to him. Thus, the 50% marginal tax rate has only resulted in a restructuring of tax shelter investment packages and increased their inefficient use of Federal funds. It has not had any appreciable effect on eliminating them. This restructuring has thus actually increased the revenue loss to the Federal Government from tax shelters rather than decreasing it.

Impact on Tax Equity

The benefits of the maximum tax are utilized only by the highest income individuals in the United States. In 1972 the preferential 50% maximum tax benefitted 88,000 taxpayers with adjusted gross income in excess of $50,000. In effect, a $270 million government subsidy was granted to encourage these wealthy few not to engage in tax shelter transactions. They constituted less than 1% of the taxpayers in the country. Over 90% of the benefits went to those with earnings over $100,000—42,000 individuals. The inequitable distribution of this federal tax expenditure is illustrated in the following table:

DISTRIBUTION OF BENEFITS OF MAXIMUM TAX—1972

Adjusted gross income	Total number of returns in AGI class	Number of returns claiming maxtax	Total tax savings due to maxtax for AGI class (millions)	Average individual tax savings from maxtax
Under $50,000	76, 533, 982	0	0	0
$50,000 under $100,000	483, 677	46, 000	$23. 2	$510
$100,000 under $200,000	91, 707	35, 000	103. 7	2, 925
$200,000 under $500,000	19, 233	6, 000	87. 9	14, 088
$500,000 or more	3, 696	1, 000	55. 8	78, 468

Source: Internal Revenue Service, Statistics of Income—Individual Income Tax Returns 1972, at 145.

The maximum tax thus provides no benefit at all to about 99.9% of American taxpayers. But the 46,000 individuals with adjusted gross incomes between $50,000 and $100,000 received in 1972 an average benefit from the maximum tax of $510. The benefits rapidly rise for wealthier taxpayers. Thus, individuals with adjusted gross incomes in excess of $500,000 who claimed the maximum tax were provided an average subsidy of $78,468. The maximum tax is a very expensive way to try to divert wealthy individuals from engaging in tax shelter operations.

The inequity created by the maximum tax represents a growing problem. The revenue loss will total $665 million for fiscal year 1977 and $1.205 billion by 1981. Assuming the same distribution of benefits as in 1972, this would represent a $130 million tax subsidy in 1977 to those handful of wealthy individuals with incomes in excess of $500,000.

It is argued that a marginal tax rate in excess of 50% decreases incentives for work by corporate executives, lawyers, doctors, dentists, movie stars, professional athletes and other high-salaried individuals. Economic studies have never been able to find convincing evidence that marginal rates over 50% have a deterrent effect on work effort by such persons. Indeed, for many years, the top marginal rate for earned income in the United States was 91% and no adverse impact on productivity of high income individuals was discernible. Some also assert that it is not "fair" to impose a marginal rate higher than 50%. This is simply an argument for tax relief for high income individuals. If $665 million is to be granted in tax relief, low and middle income individuals have a higher priority for relief from their unfair tax burdens than do the wealthiest individuals in the country. The top marginal tax brackets can be reduced to 50% after the tax system has been made "fair" for low and middle income wage earners by reducing their present excessive tax burden.

The maximum tax should be repealed. Under no circumstances should it be extended to unearned income as suggested by some.

ELIMINATION OF TAX DEFERRAL FOR UNITED STATES MULTINATIONAL CORPORATIONS

Part I: The problem and the solution

Present Law

Under present law, the United States imposes its income tax upon the worldwide income of its citizens, residents, and corporations organized under the laws of the United States. Foreign corporations owned by United States persons are, however, generally taxed by the United States only when earnings are remitted as a dividend to a shareholder in the United States. This privilege of not paying current United States tax on foreign income is commonly known as "deferral." Deferral of tax is like an interest-free loan of cash from the government. If deferral is continued over a sufficiently long period, it is tantamount to exemption from tax.

There are some exceptions to the deferral privilege. Subpart F of the Code, enacted in 1962 treats as a constructive distribution subject to current tax the income from tax haven activities conducted by controlled foreign corporations. Tax haven activities are generally those in which a base company siphons income from a related company into a jurisdiction which imposes little or no tax on that income. Subpart F was enacted as a compromise measure. The Kennedy Administration had proposed general elimination of deferral, but the Congress was then willing only to remove deferral in cases where there was considered to be aggravated abuse of the privilege.

The 1962 Act has not been effective in curbing tax havens. Major exceptions to the coverage of Subpart F have allowed tax haven operations of American multinational corporations to continue to flourish. In 1975, the Senate therefore voted for elimination of deferral. As a consequence, the Tax Adjustment Act of 1975, again as a compromise, strengthened Subpart F coverage to curtail more tax haven activities. However, it is likely that even as amended, Subpart F is not adequate to its purpose. But even more importantly, this prior approach of curtailing abuses does not deal with the basic problem of deferral of current taxation for United States multinational corporations.

The Adverse Consequences of Tax Deferral

The principal problem with the continuation of deferral for foreign income is that the tax law thereby provides an incentive for foreign investment as opposed to domestic investment. Under deferral, the tax law basically encourages a significant outflow of capital from the United States. There is also a disincentive for American multinational corporations to repatriate the earnings of their foreign operations. Less than half of current earnings which have already been subjected to high foreign taxes are generally repatriated. The bulk of foreign earnings, and particularly those subject to low foreign rates, is kept overseas to avoid the incidence of United States tax that would result if dividends were remitted to the United States. Moreover, new funds are often invested abroad because they will result in earnings that are free from tax or subject to tax rates significantly below the effective United States corporate rate of 48%. In short, the tax incentives provided under deferral for foreign investment are prejudicial to investment within the United States and thus disadvantage the United States economy.

The tax laws should be revised so that foreign earnings are treated no better than domestic earnings, with the consequence that investment decisions by American multinational corporations can be arrived at neutrally. While some have argued that foreign investment is less desirable than domestic investment from the standpoint of the United States, the proposal outlined below does not reflect a judgment that foreign investment should be penalized but only that it should not be favored.

Proposal for Elimination of Tax Deferral

It is proposed that the present tax deferral accorded to controlled foreign corporation should be eliminated. The technical provisions of such repeal can readily be drafted and there are no basic technical problems that have not been previously discussed and explored.

Effects of Elimination of Tax Deferral

The most important effect of the elimination of tax deferral would be to remove the incentive for foreign investment over domestic investment, thereby leading to an increase in such domestic investment and consequent growth in the United States economy.

Secondly, the elimination would increase revenues substantially. The amount of revenue increase is difficult to estimate both because of the inadequacy of statistical data with respect to foreign income and the difficulty in projecting the changes in behavior that would come about from a neutral tax law in this area. However, it seems likely that the annual revenue increase could be anywhere from $350 million to perhaps twice that amount.

Finally, there would be a general improvement in equity and fairness in the tax law which would contribute to tax reform generally. For example, proponents of the DISC provisions justify that incentive in part by arguing it is necessary to provide tax benefits for exports to counter the benefits that deferral provides for foreign investment. The correct approach is to repeal DISC as well as deferral.

Principal Issues

The proposal to eliminate deferral has been under almost constant debate since 1961, when first proposed by President Kennedy. The principal issues that have evolved in this debate are briefly described below with a summary of the major arguments on both sides.

A. Economic Effects.—The proponents of the present tax deferral generally claim that foreign investment is not undertaken as an alternative to domestic investment and that the tax laws do not provide an incentive for foreign investment. The proponents generally also argue that foreign investment increases business and jobs in the United States by stimulating exports and that overall the foreign earnings that are ultimately repatriated to the United States represent an important contribution to the American economy.

One issue here is the question of burden of proof in the economic arguments. The proponents of deferral argue that the law should not be changed unless a conclusive determination can be made of the economic gains to be derived therefrom. However, it would seem sounder to require those who wish to retain a tax privilege to demonstrate its efficacy, and from this standpoint, the proponents of deferral are still after fifteen years of study unable to provide such justification.

Relatedly, proponents of deferral argue that the revenue increase is too small to justify such a major change. Yet, if revenue increase is truly so small, why are multinational corporations so concerned to preserve such a minimal benefit? The answer must surely be that the stakes are large and the burden is therefore on those who receive the benefits to provide the justification for them. Moreover, if continuation of tax deferral is the justification for DISC, then the revenue loss from deferral really includes the $1.5 billion lost through DISC.

B. Ability of United States Firms To Compete With Foreign First.—The proponents of deferral generally argue that they will be at a disadvantage vis-a-vis their foreign competitors if they have to bear a current United States tax rate on their foreign income while such competitors need only pay the lower rates generally applicable in the host country. The proponents point out that no other capital exporting nation taxes currently their corporations on foreign income and that in many cases such countries provide tax incentives for foreign income.

The answer to this is, first, that the competitive position of an American multinational company is based on many factors of which tax is only one. American companies by virtue of their size, advanced technology, and financial strength will generally not be severely affected by the proposed repeal of deferral. In this connection, it should be pointed out that most foreign countries have direct capital and currency controls which often preclude foreign investment in the first instance and that generally burden foreign business activities by their nationals.

Secondly, whatever other countries do, it is not necessarily in the United States' interest to encourage foreign investment over domestic investment as a general matter. The United States has no interest in deterring foreign investment, but its own domestic economy and employment situation must be its primary interest. Other countries where foreign activities bear a different relationship to the national economy may have different situations and their tax laws may reflect the interests of their own countries. Thus, it is essentially illogical for United States firms to argue that they must necessarily have the same tax regimes as foreign firms.

C. Feasibility—United States multinational companies often argue that it is not feasible to eliminate deferral and that such elimination will cause tremendous accounting and practical problems.

This argument is completely disingenuous. Publicly held American companies for financial purposes already account currently for foreign earnings, and accounting rules prescribe how the earnings of foreign subsidiaries are to be included with those of the U.S. parent company in reporting total worldwide earnings of a U.S. multinational company to its shareholders. The elimination of deferral is thus entirely feasible and the mechanics are both practical and fair.

In this regard, it should be stressed that it is the present Subpart F tax haven approach which is the more complex and impractical approach. None of the alternatives to repeal of deferral, such as the further strengthening of Subpart F nor the so-called "50% deferral" proposal, have the potential for simplifying and rationalizing the treatment of foreign income overall.

D. Retaliation By Foreign Governments—Proponents of deferral often argue that if the United States attempts to tax foreign income currently, foreign governments will increase their taxes on such income and thereby defeat the imposition of any residual United States tax. The effect will be, they argue, that United States firms will pay higher foreign tax rates which will produce a burden to them with no benefit to the United States Treasury.

The United States has tax treaties and other commercial treaties with most of the major countries of the world. The treaties would prevent discriminatory taxation of the kind contemplated. The United States also would have other means available to prevent any such unjust retaliation.

E. Fairness—The ultimate issue that often emerges is whether it is fair to subject American multinational corporations to higher current taxes on their foreign operations than are imposed by the host foreign governments. The proponents of deferral argue that United States tax rules may not fairly be applied to their foreign activities.

The answer to this argument is simply that American taxpayers deriving equal amounts of income should be subject to equal amounts of tax whatever the source of that income. The tax laws should recognize an exception to equal treatment of Americans only when such an exception can clearly be justified on grounds of efficiency or necessity. Multinational corporations are among the wealthiest and strongest institutions in America and should pay their fair share of the costs of government. The proponents of the present tax deferral have failed to demonstrate why they are entitled to pay lower taxes than other Americans and accordingly it is appropriate and fair to eliminate the tax deferral privilege.

ELIMINATION OF TAX DEFERRAL FOR UNITED STATES MULTINATIONAL CORPORATIONS

Part II: The domestic employment effects of tax deferral for U.S. multinational corporations

In recent years, proposals to alter the present tax treatment of foreign income earned by U.S. multinational corporations (MNC's) have been a regular and prominent part of tax reform discussions.[1] Although the need for tax reform in this area has been urged on a number of grounds, particular attention has been drawn to the impact of suggested changes on the U.S. labor market, perhaps because of the relatively high recent levels of domestic unemployment.

In the current round of public discussion, debate has focused on elimination of tax deferral on this type of income. Labor interests have claimed that the present tax deferral has encouraged U.S. firms to shift production overseas, at the expense of U.S. production and U.S. jobs.[2] MNC spokesmen have disputed this claim, arguing instead that foreign investment may even stimulate additional U.S. jobs through positive feedback effects on the U.S. economy.[3] Before any judgment can be made about the merits of either argument, it is necessary to examine the present tax treatment of foreign MNC incomes and to spell out more precisely the logic of how tax changes are likely to affect the U.S. labor market.

Present Tax Treatment

Under present U.S. tax law, the income from foreign operations of U.S. MNC's is regarded as a proper subject of U.S. taxation. Since this income is also subject to foreign taxation, the potential tax burden would be substantial were it not for two important provisions in U.S. tax law. First, U.S. income tax paid on foreign income earned by U.S. MNC's is subject to the foreign tax credit. The credit provides that U.S. MNC's may reduce their U.S. tax liability by the amount of any foreign income taxes levied on repatriated earnings of overseas subsidiaries or on total earnings of foreign branches. The availability of this foreign tax credit means in practice that the major part of total tax payments accrue to the foreign host country and that U.S. tax collections are correspondingly reduced. In addition, since the total credit cannot exceed the U.S. tax itself, an effective upper limit is placed on the tax rate to which this income is exposed; the total rate cannot exceed the larger of the two (i.e., U.S., and foreign) rates.

The second, and more important provision for purposes of this analysis, is that the U.S. tax on unrepatriated income of overseas subsidiaries can be deferred. Unrepatriated income is still subject to current taxation in the foreign jurisdiction, but U.S. tax is not collected until these earnings are returned to the U.S. Since payment of the U.S. tax liability may be deferred indefinitely without penalty, the MNC has access, in effect, to an interest free loan of open-ended duration at the expense of the U.S. government.

Analysis of the effect on domestic employment of eliminating this tax deferral provision may be conveniently organized around two related questions: (1) Will elimination of the deferral alter the effective rate of taxation faced by the foreign subsidiaries of U.S. MNC's, and (2) if so, what is likely to be the net effect of such a tax rate change on levels of U.S. output and employment? The first of these questions may be answered quite easily, while the second requires a slightly more detailed analysis.

The Effect of Elimination of Tax Deferral on Tax Rates Facing U.S. MNC's

In order to answer the question of how the elimination of tax deferral will affect the total effective tax rate on foreign earnings, the following illustration under the present deferral can be considered. Suppose that a U.S. subsidiary is located in a foreign country with a 40% corporate tax rate and has pre-tax earnings of $100. If the U.S. tax rate is assumed to be 50%, the subsidiary makes a tax payment of $40 to the host country and acquires a potential tax liability of $10 ($50–$40 tax credit) to the U.S. government. The U.S. tax liability need not be settled, however, until the $60 of after-foreign-tax profits is repatriated. If the subsidiary delays repatriation of the $60, it is free in the meantime to generate additional revenue by reinvesting the postponed $10 tax payment. From the example it should be apparent that the present tax deferral *can* be used to lower the total effective rate of taxation of foreign income whenever the U.S. tax rate exceeds the foreign tax rate.

Available evidence indicates that U.S. MNC's *do* in fact use the deferral privilege, together with judicious selection of the local tax site and appropriate manipulation of subsidiary versus branch status, to reduce their effective total tax rate considerably. Dr. Hufbauer has calculated that in 1972 U.S. tax collections on foreign MNC income could have been increased by more than 30% if the privilege of tax deferral had been eliminated.[4] Since U.S. tax collections were roughly 5% of corporate pretax foreign earnings in 1972, this would amount to an increase of between one and two percent in the total tax rate on this income. Viewed another way, the average after-tax foreign earnings of U.S. MNC's would have been nearly 4% lower without the deferral.[5] While this may seem at first glance to be only a modest tax savings, it should be pointed out that a small change in tax liability can imply a substantial change in the rate of return on invested capital in a heavily leveraged firm. In fact, the real benefit to MNC's of the tax deferral privilege may be measured by their vigorous opposition to its removal.

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[1] A useful reference for background is D. R. Tillinghast, *United States Income Taxation of Foreign Source Income: A Survey of Provisions and Problems*, New York University Twenty-ninth Annual Institute of Federal Taxation, 1971. See also: J. R. Pechman, *Federal Tax Policy*, Norton, New York, 1971; L. B. Krause and K. W. Dam, *Federal Tax Treatment of Foreign Income*, Washington, D.C., The Brookings Institution, 1964; and P. B. Musgrave, *United States Taxation of Foreign Investment Income: Issues and Arguments*, Cambridge, Mass., Harvard Law School, 1969.

[2] See, for example, Nat Goldfinger, "A Labor View of Foreign Investment and Trade Issues," in U.S. President's Commission on International Trade and World Investment, *United States International Economic Policy in an Interdependent World*, Paper I.

[3] See, for example, R. Stobaugh, "How Investment Abroad Creates Jobs at Home," *Harvard Business Review*, vol. 50, Sept.-Oct., 1972.

[4] G. Hufbauer, "A Guide to Law and Policy," in *U.S. Taxation of American Business Abroad*, American Enterprise Institute Washington, D.C., 1975.

The Effect of Lower Foreign Tax Rates on Domestic Employment

If the present tax deferral lowers the effective tax rate on overseas earnings, how will employment demand in the U.S. be altered by the elimination of deferral? To answer this question properly it is necessary to compare current employment demand with that which would obtain with the elimination of the deferral preference given to foreign investment.

The MNC may be viewed as a firm that can produce goods in two locations (at home and/or abroad), and sell them in two markets. Production and sales decisions for each site are undertaken jointly so as to maximize total after-tax profits.[6] In this simplified framework it may be demonstrated that a policy such as the present tax deferral constitutes a clear incentive for the MNC to transfer domestic production activities to overseas sites.

In general, the profit maximizing MNC will distribute scarce capital funds and production activities between home and foreign sites in such a way that the after-tax return on the last dollar invested in each site is the same. If tax rates differ between the two sites, this criterion produces a higher level of investment and employment in the low tax site and a lower level in the high tax site than would obtain if tax rates were the same in both sites.[7] Because the deferral produces an effectively lower tax rate in the foreign production site, there is thus a strong presumption that it gives rise to a net reduction in the domestic demand for labor.

Elimination of the tax deferral would be to the distinct advantage of U.S. labor, at least in the short run. Retention of tax deferral could be defended only if it were believed that (1) the domestic distribution of income would be too heavily weighted in favor of labor without the deferral or (2) that the higher level of foreign investment that occurs now because of deferral will somehow produce greater absolute returns in the long run for both capital *and* labor, in spite of a decline in labor's relative income share.

Distributional Considerations

In view of the degree of skewness presently observed in the U.S. distribution of income, many observers would question whether distributional considerations can be regarded seriously as a rationale for the tax deferral enjoyed by MNC's. Moreover, it has been demonstrated in a recent study that, quite apart from tax deferral considerations, the general effect of expanded foreign subsidiary operations appears to be a substantial negative impact on employment and incomes in the United States.[8] This study estimated that, as a result of direct foreign investments that took place in 1970 alone, employment demands in manufacturing were reduced by the amounts indicated in Table 1.

TABLE 1.—MANUFACTURING EMPLOYMENT EFFECT OF 1970 DIRECT FOREIGN INVESTMENT[1]

Industry	DFI (thousands)	Total employment impact (jobs lost)
Food products	$266, 879	6, 835
Paper and allied products	320, 929	7, 231
Chemicals and allied products	882, 445	14, 944
Rubber and miscellaneous plastic products (finished)	123, 594	5, 062
Primary and fabricated metals	336, 535	8, 854
Machinery (except electrical)	1, 242, 846	46, 905
Electrical machinery, equipment and supplies	359, 044	17, 620
Transportation equipment	782, 366	2, 710
Other manufacturing	365, 534	4, 439
Total manufacturing	4, 680, 172	114, 600

[1] Source: R. Frank and R. Freeman, "The Impact of United States Direct Foreign Investment on Domestic Unemployment."

Other researchers who have studied the distributional effects of foreign investment have reached conclusions essentially similar to this study.[9]

Additional Macroeconomic Considerations

The argument to this point has been relatively narrow in focus, since it has looked only at the short-run impact of present tax deferral on employment in U.S. MNC's. Before drawing any final conclusions, however, it is important to inquire whether there might be any additional, more general effects that could counteract the short-run tendencies.

One set of issues can be dealt with quickly. It has been suggested that foreign investment might generate various spillover effects—for instance, extra white-collar employment in U.S. MNC home offices, additional export of products complementary to those produced in MNC foreign subsidiaries, or more U.S. exports due to increased foreign incomes—all of which offset to a degree the principal job loss effect of tax deferral and increase aggregate U.S. income.[10] Information on these indirect aspects is extremely uncertain, but most investigators feel that those are almost sure to be of second-order importance.

The point has also been made that foreign investment may work to the long-run benefit of U.S. labor, since the returns from profitable foreign investment could be shared by both domestic business and labor interests alike. There are several reasons to be wary of this line of reasoning. First, as respects the present tax deferral, the force of any such domestic income effect is certainly undercut by the fact that the deferral by its very nature discourages repatriation of foreign earnings. Income effects are, at best, postponed. Second, even if U.S. incomes are raised on a net basis (and that is by no means certain) international trade theory indicates that this extra income would be distributed very heavily in favor of capital, and the result may even be an *absolute* decrease in labor incomes. Unless one is quite confident that an offsetting redistribution will be accomplished through fiscal measures and that appropriate aggregate demand policies will be undertaken to relieve slack labor markets, it appears that labor stands to lose even in the long run.

Finally, it has been argued that under the current system of relatively flexible exchange rates, U.S. foreign investment can stimulate U.S. employment indirectly through its effect on the foreign exchange price of the dollar.[11] Stated most simply, it is claimed that the capital outflow associated with direct foreign investment will put downward pressure on the exchange rate and thereby encourage additional U.S. exports. Even if a "backdoor mercantilism" effect of this sort does occur, since the mechanism is a rather indirect one, it seems quite unlikely that it would outweigh the more direct impacts discussed earlier.[12]

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[5] Dr. Hufbauer indicates these estimates recognize foreign corporate losses as a potential offset and do not take into account responses by firms to an altered system of taxation. The effect would also vary considerably across industries and foreign country sites.

[6] It has been argued that, because multinational firms tend to follow objectives other than simple profit maximization, differential rates of net taxation are not likely to affect their behavior in any significant way. It is true that, for the typical MNC, tax rates are but one of many factors that influence investment and production decisions; for example, in the short-run the effect of small changes in relative cost conditions may be swamped by a strategy of rapid growth or constant market share. Nevertheless, it is premature to abandon the profit maximization model for MNC investment decisions considered over a slightly longer time horizon. Recent evidence on this point seems to indicate that investment flows do appear to respond to long-term differences in rates of return. (See, for example, S.Y. Kwack, "A Model of U.S. Direct Investment Abroad; A Neoclassical Approach," *Western Economic Journal*, vol. 10, no. 4, Dec., 1972.) Although other findings on this point are in conflict, evidence in support of alternative theories is even less persuasive. (For more details, see the papers collected in F. Machlup, *et al.*, eds., *International Mobility and Movement of Capital*, NBER, New York, 1972.) And a number of prominent researchers in the area have concluded that there is a strong presumption in favor of profit maximization as the appropriate behavioral assumption for most MNC's. (See, for exampel, W. Schmidt, "U.S. Capital Export Policy: Backdoor Mercantilism," in American Enterprise Institute (*op. cit.*) and citations therein.)

[7] This result may appear at first glance to conflict with the standard proposition in the theory of the firm which holds that profits taxes, because they do not affect marginal costs, will in most instances have no long run impact on production decisions. This proposition does not apply, however, when firms are faced with the task of apportioning scarce resources between *two* alternative production sites with different profits tax rates.

[8] R. Frank and R. Freeman, *The Impact of United States Direct Foreign Investment on Domestic Unemployment*, study prepared for U.S. Departments of State, Labor, and Treasury, June 1975. This study estimates for several recent years the number of jobs that could have been retained in the U.S. had foreign investment been prohibited. To a considerable extent the job loss associated with foreign investment depends on the degree of substitution between production in foreign subsidiaries and production at home; this substitution effect depends in turn on such factors as demand conditions, cost condition in each site, taxes, tariffs, and transport charges. Based on a model of firm behavior, it was estimated that the average home/foreign substitution effect to be in the range of 20% to 30%—that is, for every 100 jobs in overseas subsidiaries, between 20 and 30 jobs could have been retained had the same output been produced in the U.S. Since the intermediate product demanded from the U.S. by overseas affiliates is rather small (less than 5% of affiliate output for the period of study), the job loss implied by the home/foreign substitution effect greatly outweighed any positive job effect from related indirect stimulation of exports.

[9] For example, see P. Musgrave, *Direct Investment Abroad and the Multinationals: Effects on the United States Economy*, report prepared for the Subcommittee on Multinational Corporations of the U.S. Senate Foreign Relations Committee, Washington, August, 1975.

[10] An excellent discussion of these and other aspects of direct foreign investment can be found in T. Horst, "American Exports and Foreign Direct Investments," Harvard Institute of Economic Research, Discussion Paper No. 362, May 1974.

[11] See, for example, W. Schmidt, (op. cit.).

[12] In evaluating this foreign exchange argument one should keep in mind the fact that foreign investment is an ongoing process. To gauge the effect of foreign investment on the foreign exchange market, it is necessary to compare new investment flows with current return income flow from past foreign investments. In recent years the latter has outweighed the former, indicating that the net effect on foreign exchange may actually have been in the *reverse* direction.

Concluding Remarks

The general question whether multinationals should receive more or less favored tax treatment than they do at present can be considered in the end as a question that requires society's judgment about the present distribution of income between capital and labor. But on the particular question of whether the present tax deferral provision should be eliminated, however, even policy makers who favor income redistribution toward capital will recognize that there are alternative tax measures that achieve this objective without continuing the present deferral incentive for multinationals to withhold the repatriation of scarce capital funds needed at home. Policymakers are thus in a position to render an informed judgment on elimination of tax deferral, irrespective of their stance on the issues implicit in the broader distributional question whether tax policy should be more or less favorable to multinationals. Viewed in this light, the elimination of tax deferral is clearly a needed tax reform.

ELIMINATION OF TAX DEFERRAL FOR UNITED STATES MULTINATIONAL CORPORATIONS

Part III: Competitiveness of U.S. corporations

The Case Against Tax Deferral

As a general rule, the United States taxes the global income of its corporations and not just the income derived from their domestic business. Although a multinational can claim a U.S. foreign tax credit for income taxes paid to foreign countries, it cannot in general escape income taxation by investing abroad rather than in the United States. However, the deferral of U.S. taxes on the income of foreign subsidiaries owned by U.S. multinationals is an exception to this general rule. While domestic income is taxed as it is earned, such foreign income escapes its U.S. tax liability until the American parent corporation votes itself a dividend from the foreign subsidiary. Because a significant fraction of the income of foreign subsidiaries is reinvested overseas and never repatriated, such income permanently escapes U.S. taxation. Since many foreign governments tax corporate income at lower rates than the United States does, deferral creates an implicit tax advantage to investing abroad. Whether one's concern is for the avoidance of U.S. taxes, the export of U.S. jobs, the growth of U.S. investment or the U.S. balance of payments, deferral is not in the national interest. It should be repealed.

No one ever tries to justify deferral as tax charity for the needy. By any reckoning the multinationals are the largest, fastest-growing, most profitable and most sophisticated corporations domiciled in the United States. 80%–90% of all foreign manufacturing subsidiaries, for example, are controlled by *Fortune's* 500 largest industrial corporations. IBM, Eastman Kodak, Polaroid and Dupont head the list of U.S. foreign investors. If ability to pay is the basis of an income tax, these investors hardly deserve treatment as favorable and generous as tax deferral.

The Lack of Validity in the "Competitiveness" Defense for Tax Deferral

Because the charity defense has so little appeal, the multinationals argue that deferral is necessary to make them competitive in world markets. Locally-owned competitors in foreign markets pay only the income tax imposed by the foreign government. Foreign-based multinationals, such as German and Japanese manufacturers, are granted a deferral, if not an exemption, by their home countries. If the United States terminates its grant of tax deferral, the multinationals argue they will be at a competitive disadvantage in world markets and foreign companies will grow to dominate American producers abroad.

This argument may have considerable emotional appeal, but does not stand up well under scrutiny. Quite apart from the substance of the argument, the multinationals have greatly exaggerated the importance of deferral to their current success. Because the taxation of foreign investment income is such a complex issue, the exaggerations and distortions can be easily buried under the avalanche of technical details. Usually the focus is on extreme cases such as the accelerated depreciation allowance in Great Britain or the tax holidays in less-developed countries. The hypothetical examples of the competitive consequences of eliminating deferral are often based on unlikely assumptions—uncharacteristically low foreign income tax rates or low dividend payout ratios. More importantly, the significance of the averaging of foreign tax rates permitted under the overall method of computing the foreign tax credit is overlooked despite its obvious ability to mitigate the impact of eliminating deferral. One simply cannot take the multinationals' claims regarding competitive disadvantages at face value.

But these are somewhat technical points. Their importance is secondary. The real issue is whether the present tax deferral promotes the types of competitiveness useful to the United States and does so in the way intended by the Congress. Tax deferral may be a plus in the eyes of the president of a multinational corporation—what tax preference is not—but is it really good for the United States? Although the multinationals are quick to equate their foreign competitive position with the well-being of the U.S. economy generally, a clear and obvious distinction can be drawn between the two. The very essence of a multinational firm is its foreign operations. It is possible to promote the global success of these corporations and yet do little to encourage their domestic production, investment and employment. And, indeed, this is exactly what tax deferral does. To benefit from tax deferral, a U.S. corporation cannot invest at home. It must invest abroad. Tax deferral creates an implicit tax incentive to build plants and create jobs overseas rather than in the United States. If Congress is concerned about the competitiveness of U.S. production and wants to use tax dollars to promote that end, there are many more effective and equitable measures, such as the investment tax credit.

The perverse impact of tax deferral was recognized in the New Economic Policy launched on August 15, 1971. But rather than eliminating tax deferral, the Treasury persuaded Congress to legislate Domestic International Sales Corporations—DISC's. The deferral of U.S. taxes on foreign-source income was matched with a deferral for export income. But two expensive wrongs do not make a right here any more than elsewhere. DISC has been far more costly than Congress ever imagined it would.

Tax deferral, it must be remembered, in no way benefits domestic U.S. firms who must compete with foreign imports. It is easy to forget that "foreign competition in world markets" includes import competition right here in the United States.

U.S. domestic manufacturers of textiles, footware, metal fasteners, or electronic components, for example, may have no overseas operations and yet face fierce competition from foreign producers or U.S. owned foreign subsidiaries. But unless these domestic manufacturers are willing to move their production overseas, they derive no tax reduction from tax deferral. The primary problem with tax deferral, then, is that it reduces taxes in proportion to a U.S. corporation's foreign investment. Tax deferral creates a tax incentive to invest abroad—with all the drawbacks earlier described for the U.S. economy—by denying tax reduction to those who do not go abroad. If corporate taxes are to be cut, surely there are more attractive and equitable measures than tax deferral.

Finally, tax deferral has the unfortunate side-effect of rewarding U.S. tax avoidance. A U.S. multinational has a variety of ways of shifting income from one national affiliate to another: it can raise or lower the prices on inter-corporate exports; it has flexibility in choosing formulas for allocating head-office, R & D and other joint expenses; it can fund foreign expansion with debt rather than equity. Because foreign affiliates may pay lower taxes than the U.S. parent, global taxes are reduced when taxable income is shifted overseas. The U.S. Internal Revenue Service limits the scope of this type of tax avoidance by applying the "arm's length" standard to transfer prices and denying the benefits of tax deferral to "base-company" (i.e., tax haven) income, but these standards are ambiguous. Enforcement is cumbersome. As long as deferral rewards U.S. tax avoidance, the Internal Revenue Service will be fighting an uphill battle.

Conclusion

Deferral creates an implicit tax advantage for foreign investment not enjoyed by domestic investment. Its only beneficiaries, by definition, are the multinational firms. These corporations defend deferral as necessary to maintain their competitive position in world markets. The real issue is whether promoting this type of competitiveness serves the U.S. national interest. Deferral helps U.S.-based multinationals, but in proportion to their foreign operations, not their domestic investment. DISC, an exceedingly costly tax expenditure, was created to offset the perverse impact of tax deferral on U.S. exports. But neither tax deferral nor DISC helps domestic U.S. firms facing stiff competition from foreign imports. If Congress wants to use income tax dollars to promote competitiveness, programs like the investment tax credit are far more effective and equitable than DISC or tax deferral.

REPEAL OF DISC

Part One: Proposal for reform

DISC should be repealed for tax years beginning after June 30, 1976. One-tenth (or one-twentieth) of the income previously deferred by DISCs should be subject to tax for each of the next 10 years (or 20 years).

REVENUE GAIN

[In billions of dollars]

Fiscal year	Repeal of DISC	Taxation of DISC income previously deferred (10-yr recapture)	Total
1977	1.4	0.5	1.9
1978	1.5	.5	2.0
1979	1.5	.5	2.0
1980	1.6	.5	2.1
1981	1.7	.5	2.2

Arguments Advanced for DISC Are Incorrect

Is there a need for an export subsidy?

No. DISC was designed for a world with fixed exchange rates where the U.S. had a chronic balance of payments problem. Such a world no longer exists. If we didn't have DISC, no rational government policy would support its adoption *because:*

A tax incentive for exports is inherently less beneficial to the American economy than a general tax incentive because a major portion of the benefits must go to foreign consumers.

Export subsidies reduce the price of exports relative to the price of goods produced for the domestic market. What national policy is served by taxing more heavily production for domestic markets than production for foreign markets?

Does DISC increase exports?

There is considerable uncertainty as to just what impact DISC has had on exports.

Treasury has estimated that DISC increased exports in 1973 by $4.6 billion. *But:*

Treasury admits that this export estimate "must be viewed with extreme caution. Other statistical methods might produce different estimates."[1]

Treasury also admits that "no allowance has been made for the effect of flexible exchange rates." Any increase in exports induced by DISC would tend to reduce the supply of dollars abroad and thus tend to raise the price of the dollar. In turn this appreciation of the dollar on world money markets induced by DISC would increase imports and reduce the growth of exports. The impact of DISC on net exports (exports less imports) is clearly less than the impact on exports alone.

The Treasury estimate of the export effect is biased upward. By ignoring product categories where the export growth rate of non DISCs was greater than that of DISCs, the Treasury could only conclude that DISC has had a positive effect on exports.

Professors Horst and Pugel estimated that DISC increased exports by $2.1 billion in 1974, and the Congressional Research Service estimated that the increase in 1973 was between zero and $1.4 billion:

In terms of estimating method and crucial assumptions, the Horst and Pugel estimate is the most reasonable one.

Again, it must be remembered that *increases in exports are not increases in net exports or an improvement in the overall balance of trade.*

The U.S. business community is not unanimous in its view that DISC has increased exports:

President Lee Morgan of Caterpillar Tractor in testimony before Congress indicated that although DISC reduced the taxes of his company by $9 million in 1974, "I am not really sure that we did anything extra in order to generate additional exports . . . not much has happened, at least at our company, to earn the tax deferral that has come from DISC."[2]

Even assuming the Treasury estimate—$4.6 billion—of the export increase attributable to DISC is correct, the increase is so minor compared to export totals that it is ridiculous to continue the $1.5 revenue loss incurred in DISC:

Total exports in 1973 were $71 billion. The increase attributable to DISC—somewhere in the range of $2 billion if an average of estimates is taken or even $4.6 billion under the Treasury estimate—is obviously very, very minor in the total picture.

The total increase in exports from 1971 to 1973 was $28 billion, from $43 billion to $71 billion. Again, it is clear that DISC does not play an important role in our export trade increase.

Does DISC increase jobs?

Yes and no. If DISC increases exports, it then increases jobs in the export sector. But:

Additional jobs in the export sector are not necessarily additional jobs in the economy as a whole.

Organized labor is firmly opposed to the DISC subsidy. Labor does not view the repeal of DISC as a threat to American jobs.

To the extent that DISC stimulated additional imports, additional jobs in the export sector would only have offset the loss of jobs in the import competing sectors:

Jobs in the auto-steel, and shoe industries may have been lost due to DISC stimulated imports.

DISC could lose more jobs than it creates if imports are more labor intensive than exports.

Repeal of DISC would have about the same impact on exports and jobs as a 2 percent appreciation of the dollar on world money markets:

Last year alone the dollar appreciated 12 to 15 percent, and at the same time U.S. exports increased over the previous year. There was no loss of jobs in the export sector.

At most repeal of DISC would reduce the rate of increase in jobs in the export sector. Even this should be offset by more rapid growth of jobs in import competing sectors—autos, steel, and shoes.

Almost any tax reduction will create additional jobs assuming there is unemployment:

If jobs creation is the goal, alternative tax policies would have a greater impact than DISC per dollar of revenue loss.

Narrow tax subsidies, such as DISC, which inefficiently direct resources cannot be justified by their employment creating effects.

The Treasury DISC report itself is dubious about attributing an employment effect to the DISC legislation. The report states:

First, the employment impact of Federal tax policies is best examined in terms of the overall budget rather than in terms of specific tax measures. The employment effect of individual tax reductions may be offset and even reversed by other tax changes, by expenditure decisions, and by the inflationary repercussions of a larger Federal deficit.

Secondly, there are many possible tax measures that, when analyzed in isolation, would appear to increase the number of jobs . . . A complete evaluation of the employment effect of DISC would need to take into account the revenue costs and job impact of possible alternative tax changes.[3]

Are export profits too low?

No. DISCs and their parent companies earned 17.3 percent on their export sales. This is more than double the 8.4 percent profit margin for manufacturing and distributing similar goods in the domestic economy.[4]

If exports are so profitable, no tax subsidy is needed.

Because of artificial rules for allocating profit, DISC is a greater tax benefit than Congress originally intended.

DISC companies apparently are not allocating sufficient indirect costs, such as overhead expenses, research and development expenses, and interest, to the production of goods for the export market.

The marginal cost rules permitted when a DISC is establishing or maintaining a market also contribute to inflated DISC profits.

Does DISC help capital formation?

No. The Administration has defended DISC on the grounds that repeal would increase the tax burden on capital. *But:*

There are considerably better ways of reducing the tax burden on capital.

DISC by favoring investment in export industries reduces the efficiency with which the existing stock of capital is used.

Is DISC justifiable as offset to U.S. tax incentives to invest abroad?

No. The DISC legislation was justified in part in 1971 as necessary to offset U.S. tax incentives to invest abroad. *But:*

The Tax Reduction Act of 1975 by tightening the tax haven rules reduced the incentive for U.S. firms to go abroad.

Tax deferral of earnings of foreign subsidiaries, the major U.S. tax incentive to go abroad, could be ended if Congress wants to insure that U.S. companies are treated the same whether they invest here or abroad.

DISC which costs $1.4 billion is an expensive offset to tax deferral of foreign earnings which costs $400 million.

Is DISC needed as an offset to U.S. tariffs?

The latest Administration argument for DISC-the arguments keep changing as each prior argument is demolished—is that our tariff system indirectly depresses the level of U.S. exports and penalizes domestic industries which produce export goods, so that an export subsidy is needed to offset this distortion. *But:*

While the Administration recognizes that import tariffs have an impact on export industries, the Administration never seems to recognize that export subsidies have an impact on imports.

If import tariffs have an undesirable impact on exports, repeal or reduction of the tariffs is the simple way to correct the distortion.

Is DISC needed to counter foreign border tax adjustments?

No. Another new Administration argument for DISC is that it serves in a limited way as a border tax adjustment for our corporate income tax. *But:*

The traditional view in international tax affairs is that border tax adjustments are inappropriate for direct taxes. The Administration has not made the case that this traditional view is wrong.

In a world in which flexibility in exchange rates is mainly relied upon to correct external disequilibrium, border tax adjustments are considerably less important than they are in a world with fixed exchange rates.

Is DISC needed as an offset to foreign export subsidies?

No. DISC was also justified in 1971 as necesasry to offset foreign export subsidies. *But:*

If foreigners are willing to subsidize goods which they produce to sell to us, we should be thankful that they want to transfer a portion of their national income to us.

Increasing exports at the cost of distorting the allocation of our economic resources defeats the purpose of foreign trade and reduces our productivity.

Is it too soon to change?

No. The final argument used by defenders of DISC is that it is too early to change the law. DISC was intended as a long term benefit and to change the law now would be to go back on its commitment to business. *But:*

It has been almost five years since Congress passed DISC. The international monetary system has been overhauled. The U.S. no longer has a chronic balance of payments problem.

DISC has been subject to extensive analysis. The Senate Finance Committee, the Senate Budget Committee, and the House Ways and Means Committee have held extensive hearings. The House Budget Committee has issued a report.

There is a strong case for repeal of DISC and the time to do it is now.

What is wrong with DISC?

DISC is a windfall.

DISC tax benefit have been largely a windfall to companies which have established DISCs.

Devaluation of the dollar in December 1971 and February 1973 and the floating of exchange rates since March 1973 and poor harvests in the Soviet Union account for most of the increase in exports.

Cost overrun of DISC is substantial.

When originally enacted in 1971, it was estimated that DISC would cost $100 million in 1972 and $170 million in 1973. Actual costs were $350 million in 1972 and $720 million in 1973.

DISC has cost almost four times as much as originally estimated.

It is now estimated that DISC will cost $1.4 billion in 1977, and the cost will increase to $1.7 billion in 1981.

Large companies get most of DISC tax benefits.

Of the 4,162 DISCs, the 23 with gross receipts of $250 million or more accounted for

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[1] 1974 DISC Report, p. 31.

[2] Committee on Ways and Means, *Tax Reform*, part 3, 94:1, p. 1950.

[3] 1974 DISC Report, p. 33.

[4] 1974 DISC Report, p. 7.

39 percent of the DISC net income.[5] 59 DISCs accounted for 52 percent of DISC net income. These DISCs are owned by the largest corporations, with assets of $250 million or more:

DISC has primarily benefited large companies. Yet the Administration would have us believe that DISC is needed to encourage small companies to export.

DISC is harmful to the U.S. position under GATT.

Our foreign competitors contend that DISC is an export subsidy which violates GATT.

The U.S. defense of DISC may unnecessarily delay progress at the current round of GATT negotiations.

The opposition of foreign countries to DISC may spring from the fear foreign tax officials have that unless DISC is repealed they will have to offer similar tax subsidies.

It has been argued that DISC should be bargained away in the current international trade negotiations in exchange for other countries agreeing to reduce their tax subsidies for exports. *But:*

Given the high cost of DISC in terms of tax revenues and inefficiencies and the slow progress in the GATT negotiations, we cannot afford to delay the repeal of DISC.

As a "bargaining chip" DISC may be worth very little.

One wonders whether the U.S. tax law can be bargained away by the Special Trade Representative or whether it is the province of Congress to change the tax law.

Incremental DISC not a desirable alternative to repeal

DISC could be converted into an incremental tax subsidy. For example, under the House-passed version of the Tax Reform Act, DISC benefits would only be available to the extent that a company increases its exports over 75 percent of average exports during a three-year base period. *But:*

Compared with repeal, any base period would necessarily lead to inequities. Companies which in the absence of DISC would have declining or slowly growing exports would be penalized relative to companies which would have rapidly growing exports.

The complex DISC statute would be made even more complex. Special rules for mergers and other acquisitions would be required.

An incremental DISC would further limit DISC benefits to the very largest companies which can afford high-priced tax counsel.

The incremental approach should be rejected. DISC should be repealed.

Conclusion

DISC stands out as the most wasteful, inefficient, and inequitable tax subsidy. It is a costly giveaway whose number one position in waste of revenue in terms of national priorities is matched only by the preserve of the most concentrated and carefully orchestrated lobbying campaign mounted in recent years in support of a tax subsidy. The reason for this lobbying campaign is obvious—DISC dollars are a splendid bonanza which companies with DISCs can obtain without any effort and therefore do not want to give up. But the overall national interest in reducing wasteful spending and useless tax subsidies should prevail over this massive lobbying campaign. DISC should be repealed.

REPEAL OF DISC

Part II: Economic effects

Present Law

The Domestic International Sales Corporation (DISC) provisions generally provide that certain domestic corporations which sell United States produced products abroad shall be treated essentially as if they were foreign corporations. The effect of this treatment is to accord DISCs deferral on their current income. Deferral of tax is like an interest-free loan of cash from the government. If deferral is continued over a sufficiently long period, it is tantamount to exemption from tax.

The amount of the deferral is generally limited to one-half of the profits attributed to the DISC. However, in order to make the DISC as attractive as possible, special artificial pricing and costing rules are provided which permit allocation of profits attributable to the manufacture of products to be treated as if they were profits attributable to the export sale of such products. The consequence is that deferral is generally achievable on far more than one-half of the export profits of a company. For example, if, as is often the case, the artificial pricing allows the true export profit to be doubled, the 50% deferral in reality represents deferral for 100% of true export profits.

The DISC provisions also contain a number of other special provisions which in general allow the creation of paper companies without economic substance. In general, a DISC is no more than a requirement that books be kept which permit the computation of a cash subsidy paid through the tax system on certain profits labelled export profits.

The DISC provisions were enacted in 1971 for the purpose of providing an incentive to exports. Because of the difficulties of determining which exports deserved to be subsidized, the DISC benefits were extended to all exports and were thus a general subsidy to one form of business activity by multinational corporations. While from time to time efforts have been made to devise more refined concepts for the DISC, such as to limit it to incremental exports or to cases where it clearly provides a stimulus, there is no practical way to achieve this. Thus, the simple question raised by DISC is whether export activity should be subsidized through the tax system.

In proposing the DISC legislation, the Nixon Administration strongly emphasized the need for a United States tax subsidy of exports to counteract the subsidies of other countries and to compensate for international economic and financial conditions which discriminated against United States exports. The other principal argument for the DISC related to the tax incentives provided by deferral for direct foreign investment by United States companies. The argument was that only by providing a comparable incentive for exports could American multinational companies be induced to export abroad as opposed to investing abroad.

The original economic calculations offered by the Nixon Administration were that the DISC would cost $350 million in 1972 and $720 million in 1973. It is now estimated that the DISC costs about $1.5 billion a year and that the revenue loss will increase to closer to $2 billion in the near future.

The vast bulk of the subsidy goes to the largest American multinational corporations. Thus, 23 corporations—.7 percent of the total—account for 39 percent of the total net income of all DISCs; 59 corporations—1.7 percent of the total—account for 52 percent of the total net income of all DISCs. These are among the largest U.S. corporations, with asset size over $250 million.

The economic effects of DISC

The economic effects of DISC have been the subject of much study and sharp dispute among economists. We should be clear, however, that there is no controversy about the costs of DISC. Everyone agrees it presently costs about $1.5 billion a year in lost revenues and this cost will increase over the next several years to approximately $2 billion. The controversy concerns only the alleged benefits from DISC which would compensate for these significant revenue costs. The Treasury has recently estimated that the DISC has increased exports by about $4.6 billion for the year 1974. Other economists estimate that any increment in exports attributable to DISC is very small and perhaps is nonexistent.

In fact, any fair-minded reading of the economic evidence makes it highly conjectural that the benefits of DISC can be determined with any reasonable accuracy. The DISC subsidy is only one of a number of factors that influence the level of United States exports. The demand for American goods abroad is a function of overall international economic and financial conditions which in recent years have become much more favorable to American exports than at the time the DISC was enacted in 1971.

The DISC would be a doubtful incentive even if the estimates of its proponents as to its benefits were to be taken at face value. It is not clear that an additional $4.6 billion of exports is worth a cost of $1.5 billion in lost revenues plus the other deleterious aspects of DISC. Moreover, it is clearly not a justifiable incentive when the benefits of DISC are so difficult to demonstrate and so controversial. Tax incentives of this magnitude must be clearly justified by their proponents. After some five years in the Internal Revenue Code, this cannot be done and the DISC should be repealed outright.

In fact, the whole discussion of the effect of DISC on our exports would be ridiculous if were not taken so seriously by its defenders. Even assuming the generous Treasury estimate of $4.6 billion increase in exports attributable to DISC is correct, this figure is almost insignificant when placed alongside our total exports of $71 billion. Thus the claim for an important role for DISC is without any basis—which underscores the enormous waste involved in the DISC revenue loss.

Inequitable aspects of DISC provision

The DISC represents the most inequitable set of provisions enacted into the Internal Revenue Code since its codification in 1954. Some of the most basic principles of federal income taxation are violated by the DISC. For example, nowhere else in the Internal Revenue Code is a paper organization permitted to be treated as if it were a real one with economic substance. Nowhere else in the Internal Revenue Code is the requirement ignored that inter-company pricing and other dealings between related entities be done on an arms-length basis. The DISC is no more than a utilization of the tax system to make a direct expenditure to the businesses that export, mainly our largest and strongest companies.

The DISC has seriously undermined fair enforcement of the Internal Revenue Code. The Internal Revenue Service has correctly understood that the DISC is an artificial mechanism and has failed to adequately police the activities of DISCs. Thus, in addition to the legally prescribed benefits, the DISC has been a vehicle for undermining the integrity of the system and has provided the kind of preference which has been exploited beyond even its proponents' expectations.

The artificiality of the DISC has caused a general feeling that tax reform cannot be achieved and has provided support for resisting reform efforts in the foreign area generally. The correct way to balance the incentives provided for foreign investment would have been to eliminate deferral for foreign corporations owned by Americans. This is still the correct approach today and the repeal of DISC should be coupled with the repeal of deferral, thereby increasing United States revenues by $2 billion or more annually. With these two basic aspects of the foreign tax area revised, the foreign tax area will require only moderate improvement in the foreign tax credit mechanism and other changes of a minor nature to bring this area into a posture consistent with modern international economic and business conditions.

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[5] 1974 DISC Report, p. 25.

Principal issues

The propriety of the DISC provisions has been under constant debate since its initial proposal by President Nixon. The principal issues involved in this debate are briefly described below, with a summary of the major arguments on both sides.

A. *Necessity For An Export Subsidy*—The proponents of DISC generally claim that the United States must provide an export subsidy because other countries do that for their exporters. But in the first place, it is not generally true that other major countries provide export subsidies. Secondly, DISC has been considered to be a violation of GATT by many other governments and its legality is currently the subject of controversy. Further, with the changes in the international financial world since 1971 DISC is no longer needed. Thus, there are now flexible exchange rates which have greatly helped the competitive position of American companies seeking to export. Thus, whatever the case might have been in 1971 for an export subsidy, it has largely disappeared in the past five years and there is no longer a justification for the DISC.

B. *Economic Effects*—The proponents of DISC generally argue that the DISC, by focusing the attention of American businessmen on exports through the provision of a tax incentive, stimulates additional exports. Despite this claim by proponents, there has hardly been a company that has been willing to make this statement in a public hearing much less provide real evidentiary backing for the argument that DISC itself really increased the company's exports! In fact, at least one major company executive representing a number of major companies admitted in public hearings that his company while obtaining substantial DISC tax benefits was doing nothing additional in the export field. It is not enough for a company to say that its exports have increased since 1971. Total U.S. exports increased from $43 billion to $71 billion from 1971 to 1973. Yet, the Treasury at best claims only $4.6 billion is due to DISC. But the companies supporting DISC all cite their total increases in exports as evidence of the need for DISC. It is clear, however, that they are simply providing data on the increase in their export activities—but *not* on DISC.

It is admittedly difficult to determine the economic effects of DISC. It may well be that there has been some incremental increase in exports, although the evidence for such increase could be expected to be more apparent if it really were the case. An important point, however, is that the cost of DISC is tremendous—$1.5 billion annually—and a much greater expansion in exports and a much clearer demonstration for the need to expand exports would be required to justify a subsidy of this magnitude. For in truth, even if the proponents of DISC are correct, most exports will take place whether or not there is DISC and DISC represents no more than a windfall profit to most exporters.

C. *Ability of United States Firms To Compete With Foreign Exporters*—At the time DISC was enacted in 1971, the Nixon Administration strongly relied on the point that under current international economic conditions American companies were discriminated against and could not effectively compete with foreign exporters. The basic reason was that the United States dollar was overvalued and other governments were not willing to assist the United States in bringing the international financial system into better balance. Since 1971, there have been several devaluations of the dollar and flexible exchange rates are now invoked. Thus there is no longer this kind of need for a compensatory subsidy.

D. *Need To Compensate For Other Governments' Tax Subsidies*—Proponents of DISC often argue that other countries subsidize their exports and that the United States therefore must do the same. There is no real evidence that this is so. It is true that many other countries do have tax systems that provide for a rebate on exports. However, in comparing the totality of the tax burden on American companies and companies in other countries, it is not the case that American companies pay a higher rate of overall taxes on their export business activities than firms in foreign countries. There is certainly no evidence of any large direct subsidies such as DISC being present in major foreign countries. It is for this reason that many foreign governments have protested DISC as being illegal under the GATT provisions.

E. *Fairness*—Proponents of DISC have never made any argument that DISC is an equitable provision, that it represents sound tax policy, or that it is fair to subsidize one limited segment of American business. They have defended against the obvious—which is that DISC is unfair, unprincipled, and inequitable—by asserting an alleged necessity for DISC or alleged beneficial effects. But in fact the proponents of DISC have not carried their burden of persuasion and it would be fair and proper to repeal DISC as promptly as possible.

In this connection, it can be pointed out that American businessmen have privately recognized from the time DISC was first enacted that it would likely be repealed in the near future. Thus, American businessmen have never relied on DISC to undertake major investments or substantial commitments and many might be happy to have the controversy over DISC finally ended. While companies do not want to appear publicly to oppose something the government is presumably doing for their benefit, it is hard to see how fairminded American businessmen can regard the DISC as sound tax policy.

The Congress should completely eliminate DISC and end once and for all this incongruous and costly tax provision that has no place in a modern tax system.

OIL AND GAS OPERATIONS

Part I: Complete repeal of percentage depletion

The Present Situation

Despite the drastic reduction of percentage depletion for gas and oil in 1974 the tax law still contains percentage depletion allowances that reduce revenues by $1.6 billion a year. About $1.0 billion of this is allowed for oil and gas and about $600 million for other minerals. The $1.0 billion for oil and gas is scheduled to be phased down over the next 10 years to about $400 million.

The short run revenue gain from complete repeal is $1.6 billion, the long term gain is $1.0 billion.

The percentage depletion allowance should be removed completely from the tax law. There should be transition relief, however, for those minerals that have not enjoyed particularly rapid price increases in the last few years. (At least oil, gas, coal and iron ore have enjoyed good prices and are not in need of transition relief.)

Part of the evidence that percentage depletion is not a rational part of the raw materials policy of the United States is that the government does not even publish detailed statistics on how much we "spend" on minerals other than oil and gas. The last gesture toward an estimate was provided for the year 1962 and that left much to be desired. Our own crude estimate of the breakdown of the non-oil and gas allowance is as follows:

	Million
Coal	$150
Clay	25
Limestone	25
Phosphate rock	15
Gravel, sand and other stone	20
Sulfur	20
Copper ore	90
Iron ore	60
Uranium	15
Other metal ores	60
Other	120
Total	600

Reasons for repeal

Percentage depletion is a completely irrational way for government to provide economic incentives. It provides that various percentages of the gross income from mining will be free of tax. The tax-free income bears no relation to the cost of developing the mineral property (and in fact most of the development costs are written off separately). The tax-free allowance, however, may not exceed 50% of the net income from the mineral property.

This deduction for percentage depletion provides an incentive for firms to waste resources and it does this by giving the most generous allowances to the most successful firms.

The problem of waste

Percentage depletion is not only allowed with respect to income from extracting raw materials, it is now allowed for improvements by manufacture. It is very generous for a producer who uses up a valuable raw material. It provides negligible benefits for a producer who starts with cheap raw materials and upgrades them by extensive manufacturing. It provides no benefits for the firm that recycles used materials.

From an environmental standpoint this is unwise. Since our supplies of raw materials are limited, we should be delighted with industrial processes that use the cheap stuff. This generates jobs in manufacturing and saves the valuable materials for the future. Instead of economizing on our limited supplies of raw materials, our present tax policy encourages waste.

These waste effects are widespread. The tax saving from percentage depletion, by encouraging greater output from our limited supplies of natural resources, pushes down the price. This lower price makes it less likely that users of the mineral product will economize. The cheaper the price of coal, the less it is profitable to spend money on more efficient boilers. The cheaper the price of virgin aluminum, the less profitable it is to recycle used vans.

Who benefits?

The one circumstance that prevents percentage depletion from being an unmitigated generator of waste of resources is that much of it simply serves to increase the income of rich firms with little impact on output.

As a result of the limitation to 50% of the net income from mining, the maximum percentage depletion deduction is enjoyed by the owners of the richest deposits, the deposits that would be worked even without a special tax incentive. Thus, a substantial part of the benefit accrues to landowners.

No small part of the benefit accrues to tax lawyers and accountants. There are over 100 minerals listed in the Internal Revenue Code and whenever the mineral is processed by the same firm that does the extraction there is a fertile field for arguments with the Internal Revenue Service agents about how much of the value is attributable to mining and how much to manufacture.

Finally the device of using a special deduction as the means of encouraging mineral production means that the revenue costs to the government will depend on the taxable bracket of the investor. This creates incentives for complex tax planning and is involved in the scandals of low effective tax rates on rich taxpayers.

The special problem of oil and gas

In 1974 the House passed a complete repeal of percentage depletion for oil and gas.

This was modified in the Senate by the retention of percentage depletion for producers of 2,000 barrels of oil a day. The exception was narrowed in the conference. This is not justifiable as a small business policy nor as an output incentive. New oil brings in a very attractive price compared to what it was four years ago, and this price windfall accrues to producers of crude, not to refiners or distributors. We would like to see more independent business in the petroleum industry, but the crude producing end of the business is the one area where there is no need for special incentives. These are the producers who are reaping windfall profits.

Continuance of the percentage depletion deduction for them is completely unjustified.

OIL AND GAS OPERATIONS

Part II: Capitalization of intangible drilling costs

Present Law

Under the present law, most of the costs incurred in drilling oil and gas wells ("intangible drilling costs") may be deducted in full in the year in which they are incurred.[1] In contrast, the cost of constructing buildings or other capital assets must be capitalized and can be recovered only through depreciation over what may be extended periods of years. In effect, the ability to deduct immediately the cost of intangibles constitutes a subsidy by the federal government for drilling oil wells—a subsidy that will reach $2.3 billion by fiscal 1981.

The Problem

The current deduction for intangible drilling costs enables corporations engaged in drilling for oil and gas to pay federal income taxes at far lower effective rates than those of other corporations. In addition, wealthy investors in oil and gas tax shelter operations untilize the deductions against non-oil and gas high-bracket investment income in years before the wells have started to produce income.

Proposed Solution

The special preferential treatment for intangible drilling costs should be eliminated by requiring full capitalization of such costs when incurred and their rateable recovery over the estimated life of the well through cost depletion. Under this approach, intangible drilling costs would be recovered in the same manner as the capital costs of buildings, machinery and equipment, and other capital assets and would be matched against the income they produce.

In the event the intangible drilling costs did not result in the creation of a producing well, but rather resulted in a "dry hole," they would still be deductible as a current loss as in the case of any investment where no income-producing asset is created.

In the case of development wells, where "dry holes" are not frequently encountered, most intangible drilling costs would be required to be capitalized under this proposal. In the case of more risky exploratory wells, only those intangible drilling costs which resulted in producing wells would be required to be capitalized; the balance could be deducted as current losses.

Arguments Advanced Against Capitalization are Incorrect

In terms of tax policy, there are no strong arguments against the proposal to require capitalization of intangible drilling costs. They are capital costs and should be recovered ratably over time under basic tax principles applied throughout the Code. Indeed, oil companies do capitalize these costs on the financial reports they provide to their shareholders and their lenders.

Opponents of the proposal therefore base their arguments on the high risk of oil and gas investment, a perceived current need for increased domestic drilling, problems with reliance on oil imports, and defense considerations.

As far as the risks to the investor are concerned, it is important to remember that the proposal still permits the deduction of all dry hole costs and only requires capitalization where a viable well is produced. The remaining arguments all relate to the question of increased domestic production and reduced reliance on imports. The intangible drilling cost deduction is a wasteful and inefficient mechanism to meet this problem as it favors only one of the types of domestic production of energy.

It the U.S. wants lower oil imports, the proper approach is to tax or quota imports (or to use the governmental purchase mechanism). This would lead to increased oil prices and would produce incentives for all competitive energy production in the United States, including secondary and tertiary recovery of oil and gas, development of oil shale and development of coal gassification facilities. Moreover, it would lead to a more economical use of energy by both business and consumers.

The tax subsidy in the intangible drilling cost deduction involves a substantial waste of federal funds. It is given for drilling development wells as well as exploratory wells. Development wells will be drilled without any subsidy since they are being sunk in areas of proven oil deposits. And about 80% of these wells are successful. Thus, there is little risk involved and no additional incentive is required. In the case of exploratory wells, the extremely high prices for "new" oil are more than adeqaute to provide the needed incentive and reward for such drilling.

OIL AND GAS OPERATIONS

Part III: Recapture of deductions for intangible drilling costs as ordinary income

Present law

Under the present law, the deductions for intangible drilling costs are offset against ordinary income on a current basis. Moreover, even if the proposal to capitalize intangible drilling costs is adopted, the deductions will still be offset against ordinary income over the life of the well. However, if the oil or gas well is sold, the entire gain is taxed at the more favorable capital gains rates.

The problem

Under the present law, a party drilling a producing well is always in a position to convert ordinary income to capital gain through sale of the well. The purchaser of the well can then recover his cost against his ordinary income through cost depletion allowances. In the case of depreciable machinery and equipment, the Congress has enacted a specific provision to prevent this type of conversion of ordinary income deductions into capital gains. Thus, section 1245 treats gain from the sale of machinery and equipment as ordinary income to the extent of prior depreciation claimed on the items sold.

Proposed solution

An oil or gas well is analogous to an item of machinery, and the intangible drilling costs deducted with respect to the well are analogous to the depreciation deductions claimed with respect to the machinery. As in the case of machinery, if an oil or gas well is sold at a gain, the gain should be taxed as ordinary income to the extent of prior deductions for intangible drilling costs. This proposal should apply only to intangible drilling costs incurred after the enactment of the proposal and would not "recapture" costs previously incurred.

Arguments advanced against recapture are incorrect

Opponents of recapture argue that it will primarily affect independent producers and not the large oil companies, because it is the former that more often sell developed oil and gas properties. It is argued that, by affecting the smaller producers, the proposal will discourage exploratory drilling because it will become more difficult for the small producers to borrow funds or to sell holdings in order to raise funds for further drilling.

But this argument does not withstand scrutiny. Only the amount deducted against ordinary income will be recaptured; the increase in value over and above prior intangible deductions will still be entitled to capital gain treatment. In the cases of individuals and partnerships, income averaging will prevent the recaptured income attributable to sales from being taxed at excessively high bracket rates due to "bunching." Moreover, solid oil and gas properties will still be saleable and the market structure will adjust to the new tax treatment. More importantly, no one has advanced an argument that demonstrates why intangible drilling costs should be given more favorable treatment than depreciation insofar as recapture is concerned.

Taxing capital gains at the time of a transfer at death or by gift

Present Law

Existing law does not impose a capital gains tax on the appreciation in value of property that is transferred at death or by gift during one's lifetime. This is to be contrasted with the usual rule, which imposes income tax at ordinary rates on wealth accumulated from most types of income producing activities (salaries, dividends, interest, business profits) and a capital gains tax on gains realized from the sale of investment assets during life. Gains transferred at death not only escape an immediate income tax at that time but are forever exempt from income taxation. This is because the heirs or beneficiaries take as their "basis" or tax cost for the property its fair market value at the date of death, a feature of the tax law called "step-up of basis." Thus, the heirs are subject to income tax on a taxable sale or exchange of the property only with respect to appreciation accruing after their ownership commences.

Accrued capital losses are also unrecognized if they are not realized before death. If a man dies owning assets that have fallen in value since the time he acquired them, the losses are not available to offset other income.

Defects of Present Failure to Tax Capital Gains at Death

There are three principal adverse effects of present law:

1. Inequity. The forgiveness of an income tax obligation on appreciation in property transferred at death results in a serious inequality in income tax treatment among taxpayers. Persons who derive their income from currently taxable sources are subjected generally to an income tax on an annual basis under a progressive rate structure. Wealth available for transfer at death can be accumulated only from after-tax income. On the other hand, those who accumulate wealth from appreciation in investment assets may transfer such assets at death completely free of any income tax. This results in serious discrimination and inequality. The benefit of this tax escape at death is enjoyed almost entirely by those in the top brackets, since the ownership of investment assets is heavily concentrated in those brackets.

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[1] The costs of equipment used in drilling, which normally aggregate about 20 to 25 percent of the total costs, must be capitalized and recovered through depreciation. However, in tax shelter oil drilling programs, arrangements are made to allocate the full intangible deductions to high bracket individuals who can get the most tax benefits from them, and the depreciable costs are assigned to others.

2. Lock-In Effect. The ability to avoid completely the imposition of any income tax on the appreciation in capital assets by holding them until death instead of selling them during life tends to immobilize or "lock in" capital. Why should a person, particularly older individuals, sell assets and incur a tax during life when retention until death will permanently avoid the tax? The present non-taxation at death disrupts the flow and availability of capital and encourages the retention of uneconomic investments.

3. Revenue Loss. The failure to impose an income tax at death also results in a significant loss of revenue. It is estimated that approximately $15 billion a year of gain passes free of tax under the present system. At a time of increasing budgetary strain, this continuing tax exemption deprives the government of needed revenues.

Invalidity of Objections to Taxation of Capital Gains at Death

Although a number of objections are raised to proposals to tax appreciation in assets transferred at death, these objections will not stand up under scrutiny and do not excuse the distortions and inequities the present system produces.

1. Estate Tax Effect. It is argued that since all assets are subject to estate tax at death, including the value of asset appreciation, no serious tax avoidance results from failing to subject such appreciation to an income tax However, the estate tax as well as the income tax are imposed on wealth derived from other sources. The estate tax is not a substitute for, but an addition to, the income tax. It is patently unfair to subject one class of gains to both taxes and then to carve out an exemption from income tax for another class of gains.

2. Realization. It is argued that because only realized gains are subject to income tax it would be improper to tax gains transferred at death. However, the ability to confer an economic benefit on another by directing the transfer of property to him is a sufficient realization to justify the imposition of tax. The fact that the property may thereafter decline in value provides no reason for postponing the tax. Subsequent fluctuations in value properly belong to and should be accountable by the heirs.

3. Inflation. Attributing much of the increase in the value of capital assets to inflation, some persons suggest that levying an income tax on appreciated assets transferred at death is improper since there has been no "real" increase in value. But to the extent inflation is a factor in asset appreciation, it is likewise involved in the investment gain on lifetime sales of assets subject to income tax. Thus the aspect of inflation really raises an unrelated aspect. The real issue is that gain on asset appreciation in general, other than asset appreciation transferred at death, is subject to tax. The continued exemption of one form of gain cannot be justified by challenging the basis on which all other forms of gain are taxed.

4. Illiquidity. A particular estate may encounter difficulty in satisfying the current demand for payment of estate tax due to the illiquid character of the assets which comprise the estate. It is argued that this problem would be intensified if estates are to be subjected to income tax on appreciation in assets transferred at death. However, deferred payout arrangements, in addition to those of present law dealing with the estate tax, can be devised to ameliorate any meaningful liquidity problems.

5. Administrative Problems. Some argue it is improper to change existing law since it would add new burdens to estate administration. For example, critics of change point to the necessity to value assets and to the difficulties which may be encountered in determining the decedent's tax basis for assets that he has held for many years. There is no merit to these arguments. First, valuation of assets is already required for estate tax purposes, and no additional valuations would be required. Second, most executors will have no difficulty determining the decedent's basis in the transferred property, either from the decedent's own records or from third-party sources. In any event, it would be bizarre to exempt such a huge amount of gains from tax—$15 billion a year—solely on grounds of inadequate record-keeping.

Inadequacy of Carryover of Basis Proposal

Several remedies have been suggested to correct present law. One proposal, called "carryover of basis," would extend the same tax treatment to property transferred at death that is now afforded to property transferred by gift. No gain would be taxed or loss allowed at the time of a transfer; however, the property would retain the same basis in the hands of the heir that it had in the hands of the decedent. Only later when it finally was sold would a gain or loss be recognized.

Carryover of basis, however, would remove none of the immediate advantages that now favor the heirs of decedents whose wealth includes unrealizead gains. All it would do is make it possible that one day a large accrued tax liability would have to be paid. In the meantime the heir would benefit from the full value of the property. The heir could draw income from the property; the heir could procure loans by pledging it as collateral. Eventually accounts with the government would have to be settled—but perhaps not for many years. Within a single family, property might pass from parent to child to grandchild—a large block of stock in a major corporation, for example, a thriving business, or valuable piece of real estate—and no income tax would have to be paid on its increase in value.

Carryover of basis would be somewhat less beneficial to heirs than the present step-up of basis, because it would only postpone the tax, not cancel it. But a lengthy postponement of tax payment is practically equivalent to full tax exemption. Hence whenever the tax was much delayed under a carryover of basis approach the change in law would have accomplished very little.

If the basis in property were carried over, the tax to be paid at the time of a sale would be determined in part by the then seller's other taxable income. This is a purely arbitrary way of fixing the tax rate. The rate ought to reflect the circumstances of the person who owned the property when the gain was earned. Under current gift tax law, for example, a high-bracket taxpayer may convey property with a low basis to his child, whose income is lower, who promptly sells the property and pays a smaller tax upon the gain than would have been imposed if the gain had instead been taxed to the parent.

The lock-in effect of current law would be eased only partly—or perhaps not eased at all—by a switch to carryover of basis. Many older investors are no doubt locked into their present assets by the prospect of a step-up of basis in their estates; a switch to carryover of basis would lessen the lock-in effect on them. But it would intensify the same effect among their heirs, by threatening the heirs with a sizable tax whenever they decide to sell the assets. It is impossible to say which effect would predominate and therefore whether the current impediments to the mobility of capital would be appreciably reduced.

Inadequacy of Additional Estate Tax Proposal

Recently some have agreed that a decedent's gains ought to be subject to income tax, but have proposed that the tax should be levied at a flat rate of 14% rather than at the decedent's own rate, no matter how large or small his other income had been. The tax, called an "additional estate tax," would not be allowed as a deduction from the decedent's gross estate for purposes of computing the federal estate tax.

This proposal likewise is inadequate. An additional estate tax with these features would be too crude a device to improve the tax system. It must be understood that, contrary to what the Ford Administration alleges, proposals to tax capital gains at death are not motivated by a feeling that transfers at death are now taxed too lightly. They reflect a concern that total tax burdens —income tax plus estate tax—on accumulations of wealth are graduated capriciously. Accordingly the remedy is not to simply place an arbitrary tax on gains at death. The remedy is to amend the tax rules in order that income tax should not be affected by a person's decision to realize a gain now or wait until death. Tax neutrality of this kind can only be achieved by taxing gains at death in the same way they would have been taxed if the decedent had realized them earlier.

Supporters of an additional estate tax allege that it would be unfair to allow executors to deduct the tax from the decedent's gross estate for purposes of computing the federal estate tax. They argue that doing so would make the estate tax regressive. In this they are completely mistaken. Whatever form the tax on gains at death takes, it should be allowed as a deduction from the decedent's gross estate.

The argument against a deduction runs as follows: The assets of decedents, including appreciated assets, are now subject to federal estate tax rates of up to 77%. Suppose that the appreciation in value of assets of two decedents, one of whom was wealthier than the other, is subject to income tax rates of 25% and that the tax that is paid may be deducted from each decedent's gross estate. Then the net increase in tax on the gain of the wealthier decedent, whose top estate tax rate is say 77%, is only 5.75%. If the top estate tax rate of the other decedent is just 32%, the net increase in tax on his gain is 17%. It is said that this is a perverse way of graduating tax increases and that the increase in tax burdens should at least be proportional.

The proper reply is to point out the irrelevance of making comparisons between decedents whose total wealth is quite different. The case for an income tax on gains at death has nothing directly to do with the distribution of tax burdens among taxpayers of various wealth. The aim of the income tax or gains at death is to correct inequitable differences in income tax burdens between persons who are similar in all respects but one—the fraction of their gains that they realize during their lives. Disallowing a deduction would no doubt increase the tax on gains at death, but would create a new inequity by favoring the person who had realized gains before death and penalizing the one who had not.

It must be remembered that in effect all income tax paid during life is necessarily a deduction from the gross estate since the funds represented by the income tax payments are no longer a part of the decedent's assets. But no one has ever suggested that this obvious and fundamental relationship between the income tax and the estate tax should be altered and the deduction of all income taxes paid during life be denied. Indeed, the income tax due on all salaries, dividends, etc. received by a decedent in the year of his death is deductible from the gross estate, and no one is suggesting that this be changed. The deduction of the income tax on gains transferred at death is likewise appropriate.

THE INCOME TAXATION OF GAINS AT DEATH IS THE PROPER SOLUTION

The fairest and most effective method of correcting present law is to impose a tax on appreciation in value whenever property is transferred at death or by gift. The amount of the taxable gain should be equal to the difference between the market value of the property at the time of the transfer and the decedent's basis. Losses in value should be computed in the same way and used to offset gains.

It would be possible to administer the tax on gains at death at a minimum of inconvenience. The period after a person's death, when his estate is being settled, is a convenient time for arranging accounts. It will never be easier afterward to gather a decedent's records and establish his basis in each piece of property. The market value of the property will have to be determined for estate tax purposes anyway. The executor is usually obliged to dispose of some property to pay the estate tax.

If capital gains were taxed at death, the lock-in effect of current law would be greatly reduced. Older investors would have much less reason to cling to their appreciated assets. The mobility of capital would be increased, at the same time as taxes were being distributed more fairly.

The proper tax rate to apply to gain at death is the rate at which such gain would have been taxed if received by the decedent during the last year of his life. To prevent inclusion of a large gain in the decedent's last tax year, the gain could be averaged over several years prior to death. Since 1970, capital gains have been subject to the general averaging provisions of the income tax, and this averaging or a longer special period would suffice.

In the same fashion, whenever losses at death exceeded gains at death, the excess should be carried back to offset the decedent's previously taxed income. A refund of tax should be made to the estate.

The income tax that is paid on the decedent's gains should be deducted from the value of his estate before his assets are subject to estate tax. Such income tax—like the income tax due on other income received by the decedent—is a debt of the estate and properly deductible. As stated earlier, the estates of other decedents who realized their gains during their lives are diminished by the amount of the income taxes they paid on those gains. It is proper therefore to extend the same treatment to the estates of decedents whose gains are taxed upon their death.

If gains at death are taxed, gains should also be taxed when transferred by gift. Otherwise property owners will be encouraged to make gifts of their appreciated assets before they die in order to escape a tax on the gains. Currently many wealthholders prefer to hold property until death to obtain the tax-free step-up of basis. If the law is changed and this tax-free step-up of basis is eliminated, the gift-giving loophole would be exploited more often. Hence, it is also necessary to tax the gain on assets transferred by gift.

Conclusion

Probably the single most serious escape from income tax—and one enjoyed most fully by the wealthiest individuals—is the failure of the present income tax to reach the appreciation in assets transferred at death. There is—and this is really recognized by most observers—no valid reason to perpetuate this obvious defect in the tax system. The proper course is to enact the long overdue proposal to subject to income tax the gains transferred at death.

Limitation on interest deduction for individuals

Present Law

A taxpayer may borrow because his assets are inadequate to purchase the consumer goods he presently desires. Others borrow to provide funds for investment. At present, unlike most other expenditures, interest is deductible even if the taxpayer does not have a profit-seeking motive. There is no limit on the deduction for personal interest. The 1969 Tax Reform Act placed a ceiling on the deduction of "investment" interest, as opposed to personal interest on the one hand and interest incurred in connection with a trade or business on the other. The limit under this ceiling, however, is so high that it affects very few taxpayers. Moreover, one-half of investment interest is still deductible without limitation.

The Problem

There are two separate questions here. Why should there be a limit on investment interest which after all is incurred for the purpose of producing income? Secondly, what justification is there for a deduction for personal interest? If such justification exists, is it consistent with placing a limit on the amount deductible?

Investment Interest

It is reasonable to borrow for the purpose of investment if one expects the income on the investment to be greater than the cost of borrowing. If it is, the interest offsets the investment income and only the excess is taxed. No change is proposed in this result. There are two reasons, however, why the investment income may be less than the cost of borrowing.

One, the investment may turn out to be less profitable than expected and there is an actual loss. Second, the gain on the investment may be in the form of unrealized appreciation which will be taxed, if at all, only when the investment is sold.

The latter situation is most obvious in the case of an investment in vacant real estate. If the taxpayer borrows to make this investment, he will be paying interest on the mortgage, as well as real estate taxes, annually. Why would one undertake these costs when he knows no current income will be coming in? The answer, of course, is the expectation that the property will appreciate in value. Further, unless the tax law is to produce the profit, for the investment to make sense the total appreciation anticipated over the period of ownership will have to exceed the expected total annual expense for interest and taxes.

In this situation, there is an improper matching of income and related expenses. The income, in the form of appreciation in value, is not taxed until the asset is sold, while the expenses are currently deducted. Further, the gain on the sale is taxed at capital gain rates. But, since the current deductible expenses may be offset against the ordinary income of the taxpayer from other sources, such as salary or dividends, there is a conversion of ordinary income deduction benefits into capital gain. The deduction for investment interest thus creates two classic tax advantages—deferral and conversion of ordinary income deductions into capital gain income.

Section 163(d) of the Code, as added by the Tax Reform Act of 1969, was intended to deal with the conversion problem only. Since in general one-half of the income in the form of long-term capital gain is taxed, conversion of ordinary deductions into capital gain is intended to be prevented by that section through allowing a deduction for only one-half of the related expenses. For example, assume a taxpayer borrows $1000 to invest in the stock market at an interest rate of 10%. At the end of one year, the stock is sold for $1200 producing an economic profit of $100, that is, $200 appreciation less $100 interest expense. The goal of the special tax treatment of capital gain would seem to be satisfied if taxable income equalled one-half of the economic profit or $50. However, if the interest is deductible in full, there would be no taxable income on the transaction. The gain on the sale of stock would be $200, of which only one-half would be taxed or $100. This would be offset by the interest expense of $100. The proper result is reached under section 163(d) by allowing a deduction for only one-half the interest or $50; resulting in $50 of taxable income.

Section 163(d), however, is an incomplete solution to this problem because it allows a deduction for interest up to the amount of net investment income and for $25,000 of interest in *excess* of net investment income. At an interest rate of 10%, the section therefore has no impact on debt of one-quarter of a million dollars, even assuming no investment income at all. Moreover, this provision has no real impact on the deferral advantage because one-half of the interest expense in excess of the sum of net investment income and $25,000 is deductible without limit.

Personal Interest

The deduction for personal interest may be justified in part because of the presumed difficulty of determining the purpose of a particular loan. There is certainly no difficulty, however, in determining that a loan is for personal purposes when the amount of debt exceeds the value of income producing assets owned by the taxpayer. Moreover, section 163(d) already requires a distinction to to be made between personal and investment interest. There can also be a feeling that it is sound policy to help individuals finance certain consumption expenditures by allowing a deduction for the cost of interest. However, this desire to give aid certainly cannot extend to the huge amount of interest expense incurred by some high-income individuals.

House Bill Proposal

The House Bill (§ 206) limits the deduction for personal interest to $12,000 per year. There is no carryover and the limit is not affected by investment income or capital gain realized. At 10% interest, the taxpayer can have an outstanding loan of $120,000 without being affected by this provision. It is clear this provision will not affect the typical middle income taxpayer with one home and an ordinary amount of consumer debt. There is clearly no justification for Government aid to personal living expenses which would be financed by loans of larger amounts.

Investment interest would be deductible under the House bill to the extent of the sum of net income from investments, including net capital gain on the disposition of property held for investment. To the extent that capital gain is the basis for a deduction of interest, the gain would be converted into ordinary income. A further deduction would be permitted to the extent that the deduction for personal interest were less than $12,000. As under present law, the amount of disallowed investment interest will be carried over and treated as paid in succeeding taxable years until deductible.

Unless one wants the Government to consciously subsidize borrowing for the purpose of investment, it is clearly reasonable to match the deduction for interest expense against the related income. The only argument therefore against the House bill proposal would be that the interest expense in excess of investment income could represent a real loss because in fact the investment may not be appreciating. There are at least three answers to this assertion.

1. Interest would be allowable to the extent of any investment income and not just income from the asset purchased with borrowed funds. This can significantly reduce the impact of the proposal in case that asset is not appreciating in value. Moreover, it makes it reasonable to look at the taxpayer's entire portfolio to determine if there is unrealized appreciation corresponding to disallowed interest.

2. The allowance, in any event, of $12,000 of interest expense annually is a substantial cushion.

3. The treatment of interest is similar to the treatment of realized losses on capital assets. Since the taxpayer has a choice of whether to recognize gains or not, deduction of such losses in excess of gains is limited to $1,000 annually. This result is adverse to those taxpayers who in fact do not have gains but is a necessary part of a tax system which taxes gains only when realized. Otherwise, taxpayers whose assets have on the whole appreciated in value will be able to understate their income even more substantially than at present. The House proposal on interest is a mere continuation of the same policy.

Transitional relief

Taxpayers who incurred large indebtedness in reliance upon the continued deductibility of interest need not be adversely affected by the proposed change in rules. The House bill did not affect indebtedness incurred before September 11, 1975 attributable to a specific item of property and for a specified term.

Conclusion

The limitation in the House Bill in the deduction for interest expense of individuals is a proper approach to prevent tax escape and abuse of the deduction for interest. It is an important step in preventing well-to-do individuals from escaping their appropriate tax liability.

Extension of the six-months holding period for capital gain treatment

Present Law. Under present law, gain resulting from the sale of assets held for more than six months (long-term capital gain) generally is subject to a tax substantially less than gain from the sale of assets held for less than six months (short-term capital gain). Net long-term capital gain of individuals is taxed at one-half of the rates applicable to ordinary income (or, at the election of the taxpayer, 25 percent on the first $50,000 of net long-term capital gain). Net long-term capital gain of corporations is taxed at the lower of 30 percent or the regular corporate rate. Short-term capital gain is taxable as ordinary income.

The preferential treatment for long-term capital gain is generally defended on two major bases. The preferential rate is necessary in order to ameliorate the effects of "bunching"—including in one taxable year appreciation built up over a long period of time. The preferential rate is designed to benefit gains on assets held for investment only, and not assets held for speculative profit.

H.R. 10612. The House bill would amend section 1222 of the Code to extend the period during which assets must be held in order to qualify for long-term capital gain treatment from six months to one year.

The Proposal for a One-Year Holding Period is a Needed Change. The extension of the holding period from six months to one year is necessary in order to limit long-term capital gain treatment to those situations that are consistent with the objectives of providing the preferential capital gain rate.

The "bunching" problem can only occur where gain is attributable to appreciation over a period of time in excess of one year. Thus, the extension of the holding period from six months to one year would restrict long-term capital gain treatment only to cases where "bunching" can occur.

With regard to the distinction between "speculation" and "investment," studies in the past have indicated that there is a substantial concentration of sales of capital assets shortly after expiration of the present six-month holding period.[1] These studies would suggest that the assets so sold were more likely to have been acquired for short-term speculation (rather than long-term investment), but with the sale postponed in order to qualify for long-term capital gain treatment. With a one-year holding period these areas would not be so postponed and the gain would properly be treated as short-term gain in line with the speculative nature of the transaction. Moreover, although no clear-cut line can be drawn between investment and speculation, it can be said that the concept of investment is generally associated with a commitment of capital to a venture for a sufficient period of time necessary to allow the capital to be put to work in the venture. Under this concept, one year would seem to represent the minimum period of time consistent with that concept.

Argument Against Proposal and Response. It has been argued that an extension of the holding period from six months to one year would discourage capital investments. This argument, however, assumes that investments held from seven to twelve months constitute "capital investments." It does not address itself to the appropriate criteria for distinguishing capital investment from speculation discussed above.

The asset depreciation range deduction compared with a modified investment tax credit

A tax subsidy can be defined as any provision in the tax law that reduces the tax liability of some taxpayers below that of other taxpayers who are equally well-off. Corporate and personal income taxes are levied on profits, which is the agreed upon measure of well-offness. For a variety of reasons including the stimulation of investment. Congress has provided a number of tax subsidies to investment of which perhaps the most widely known are: Accelerated Depreciation, The Investment Tax Credit, and the Asset Depreciation Range System. All investment subsidies including these three encourage firms to substitute capital for labor and raw materials by reducing the effective price of investment to a business. The tax credit, for example, refunds a portion of the purchase price by lowering that year's taxes, provided the firm owes taxes. As illustrated below the Asset Depreciation Range system reduces the effective price of capital by allowing firms to postpone tax payments.

While all the investment tax subsidies lower the effective price of investment, particular provisions or features of each subsidy give rise to differential effects both on the allocation of resources between industries and types of investment and on tax liabilities of different types of business.

The Asset Depreciation Range System (ADR) is one of the worst types of subsidies because *for no valid reasons* taxes are most reduced for, and resources reallocated to, those industries that already use a larger proportion of equipment in their production process, those firms and industries whose actual useful lives exceed the minimum allowed in the system by the greatest amount, and those firms and industries who are least willing to replace quickly outmoded equipment.

The ADR system is also unfair in that it gives no reward to those firms who make no profit and the largest reduction in taxes to those in the highest tax bracket.

It is possible to replace ADR with another investment subsidy such as the modified Investment Tax Credit described below which dollar for dollar is more stimulative to investment but does not have the objectionable features of ADR.

Defects of the Asset Depreciation Range System

The Asset Depreciation Range System (ADR) establishes a set of useful lives that firms can utilize in calculating the depreciation deduction on their tax return. To understand the problems with ADR, it is best to consider the slightly broader issue of depreciation.

Depreciation, which can be defined as the loss in value of an asset in a particular time period, occurs for many reasons. For example, many machines such as drills suffer wear and tear or loss in precision when in use and will generate less revenue (unless there are repairs, which are a deductible expense). For other assets, such as structures, productive capacity declines merely because of the passage of time. Even if an asset maintains its physical capacity, its value can decline with age because of obsolescence as newer, more efficient machines are invented or customers shift their purchases to other products.

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As this example illustrates, subsidies will be conferred if taxpayers can claim a useful life shorter than the true life. On the other hand the taxpayer makes an interest free loan to the government if tax lives exceed actual lives. For a long period the useful lives allowed for tax purposes were those in *Bulletin F*, but many people felt that these lives were too long. In 1962, therefore, a Treasury study resulted in a new policy on depreciation charges and economic lives.

First, a set of generally shorter guidelines lives were issued. Second, the so-called "Reserve Ratio Test" was instituted to determine if the lives taxpayers were claiming—whether equal to the guidelines or not—were consistent with the actual lives.

Since the ADR plan is centered around the guideline lives in *Revenue Procedure 62–21*, it is important to consider how those guidelines were set. The Treasury exhaustively analyzed data from more than 1,000 companies on lives of different types of assets. In addition, data were gathered from tax returns, interviews with spokesmen for various industries, and from foreign countries. For each of various *broad* classes of assets, the Treasury generally selected the lives used by firms at about 30th percentile (after ranking firms in order of those with the shortest to those with the longest useful lives). Even lower percentiles were chosen when there were foreseeable changes in technology that would further shorten lives through obsolescence. That the guideline lives were shorter than those used by most firms.

The term "guideline" was used because there was and is reason to expect that actual lives of assets would still differ from one firm to another. After all the Treasury only specified estimates for broad asset and industry groups within which there are important differences in types of equipment and their utilization rates. Therefore the 1962 reform also instituted a test to determine if the useful lives claimed for tax purposes by a firm corresponded to the actual lives. This so-called "Reserve Ratio Test" was based on the relationship between the original purchase price of all of a taxpayer's assets with a given tax life and their accumulated depreciation. A study by the Treasury indicated that even with very irregular patterns of growth, investment, and retirement, the Reserve Ratio Test would never indicate non-correspondence when a firm was actually using the tax lives claimed, but would nearly always indicate non-correspondence when actual lives exceeded lives claimed on tax returns.[1] The Reserve Ratio Test was also flexible enough to allow for shorter lives when a taxpayer had reason to believe that historical conditions had changed.

The ADR system made two important changes in the 1962 procedure. First, the Reserve Ratio Test was eliminated and, second, firms were allowed to choose any tax life in the range of plus and minus 20% of the 1962 guideline lives, which as shown above were set to be shorter than average. A 20% reduction in lives may not seem important, but as shown in Table 1 a reduction by this percentage amounts to a 2% decrease in the price of the asset with an actual life of 10 years. More importantly, the actual lives could greatly exceed the tax lives for many firms because of the different replacement policies of firms and because the Treasury only established lives for broad industry and asset groups within which there can be substantial variation. Thus, it is quite possible for some firms under ADR to use a tax life that is only ¼ of the actual life.

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[1] H. Rep. No. 91–413, 91st Congress, 1st Session, 149–51 (1969).

[1] See Richard Pollock, "Tax Depreciation and the Need for the Reserve Ratio Test," Policy Research Number Two, Department of the Treasury, 1968.

The ADR system is more generous to some categories of investment or firms than others. Those firms and capital goods whose actual lives exceed the guideline lives by the largest amount receive the largest subsidy rate. There is no obvious rationale for such differential tax advantages.

The ADR system also gives a greater advantage to those firms in an industry which follow the most conservative replacement policy. For example, assume that two firms produce the same output, but that because of poor management one firm retains equipment too long while the other has an actual life that equals the tax life. Under the ADR system the inefficient firm is rewarded for imposing higher costs on the economy by having its tax burden lightened while the firm whose actual lives correspond to tax lives receives no subsidy. Because the differential in the after tax profits are reduced, the inefficiently managed firm will be under less pressure to modernize. In other words, *ADR contains less incentive for modernization.*

The ADR system reduces taxable income. The value of the reduction depends upon the taxpayer's marginal tax rate. ADR gives no benefit to businesses who owe no taxes and greatest benefits to those in the highest tax bracket. While it is possible to carry forward losses as an adjustment against profits in the future, there are numerous groups of taxpayers who can expect to pay zero taxes for long periods of time or forever. These groups include nonprofit organzations, public schools, and new busnesses who have to build a clientele. The investments these groups make create jobs and increase productivity. There seems to be no reason to discriminate against these groups.

Finally ADR shares with most existing tax subsidies the serious defect that the subsidy is conferred on all investments including those a business would have made without the subsidy. Any subsidy will yield more investment per dollar of subsidy to the extent the subsidy extends to investment above some normal level.

Proposal to Substitute for ADR and Improved Investment Credit

Assuming Congress wishes to give a subsidy to investment, the subsidy should be designed along the following lines. First, let us assume the object of the subsidy is to stimulate investment and not to reduce taxes surreptitiously. Then the subsidy should be the same for all investors, whether or not the investor pays taxes or regardless of its tax bracket. Second, to achieve maximum cost effectiveness the subsidy should aim to encourage investments that would not have been made in the absence of the subsidy. Third, the subsidy should not be designed to retard the modernization of American industry.

A refundable investment tax credit would far better accomplish these goals than the ADR system. Such a credit would return the same dollar amount to all investors regardless of tax bracket. This program also would not give extra benefits to firms who replace equipment too slowly. Finally the credit can be designed to encourage investments over and above those normally made by increasing the credit for incremental investment above the average investment during the last 3 years of the activity. Such a credit would have a much greater stimulative impact and would eliminate much of the problem of paying people subsidies to do what they would have done anyway.

The elimination of ADR and the substitution of such a modified Investment Tax Credit would greatly increase the effectiveness and fairness of the tax system. The use of guideline lives would be continued, with authority in the Treasury to insure that the guideline lives correspond to actual business experience.

The investment credit and motion pictures

The Problem

The investment credit was originally enacted in the Revenue Act of 1962 primarily to encourage the expansion and modernization of American industries' plant and equipment. The general goal of the credit was to place American industry on a more modern and competitive footing for the long range. To accomplish this purpose the credit was defined to include only property which was essentially to be used for manufacturing and production. The investment credit has never been intended as a general boost or incentive to the overall economy; for example, the investment credit provisions have always excluded buildings and their structural components.

Even though it seems clear that the investment tax credit was not intended to encompass the production of motion picture and television films, the industry thought it saw an opening in the actual wording of the statute. The definition of eligible property for the investment credit includes "tangible personal property." Normally, unlike for example a printing press, machine tools, or an airplane, a film is not thought of as "tangible property" even though it is reduced to a common film negative which one can touch. Furthermore, it is obvious that films play no part in the manufacture or production of property, unlike the types of assets just mentioned. Nevertheless, certain motion picture producers took the position that films were eligible for the investment credit, resting their primary argument on the fact that the end product of a motion picture or television film can be physically touched in the form of a film negative, and was technically, therefore, "tangible personal property." Without really focusing on the general policy intent of Congress in enacting the statute, one particular court decision has resulted in the taxpayer's being allowed to claim the investment credit for motion pictures.

Subsequently in the Revenue Act of 1971, the Senate Finance Committee took a highly unusual approach to this question. Instead of amending the law, the Committee merely expressed the view that it felt the credit ought to apply to motion pictures and so stated in the Senate Finance Committee report. Thus, this matter was never presented to the full Congress. Furthermore, the Committee took such action even though litigation was then, and still is, pending on the interpretation of "tangible property" as it applies to films.

Films Should Not be Eligible for the Investment Credit

It is clearly inappropriate for the investment credit to be applied to motion picture and television films. Films are more in the nature of the producer's inventory; that is, the films are the end product and are held by the studios or other producers for rental or for sale. Applying the investment credit to them is akin to applying the investment credit to the inventory of other businesses (such as the automobile production of an auto manufacturer), and no one has ever advocated such an application.

Furthermore, it is clear that films do not fall even remotely within the original purpose of Congress to grant an incentive for the expansion and modernization of our industries' plant and equipment. To grant the investment credit to films means singling out a particular industry for huge tax benefits which are unavailable to others similarly situated. For example, on a high budget motion picture costing, for example, $15 million, the investment credit is worth as much as $1.5 million to the studio or to the high income individuals who may be participating in a motion picture tax shelter. Authors, painters, sculptors, and other persons in the arts are clearly not eligible for the investment credit and to apply the credit solely to motion pictures favors that industry.

Also, the credit has been taken advantage of by numerous high income, tax shelter oriented investors. In many motion picture tax shelter syndications, a significant inducement to the high tax bracket investors is their ability to reduce the cost of their investment by frequently 30% to 40% through utilization of the investment credit as applicable to motion pictures.

An additional reason why the investment credit is singularly inapplicable to motion pictures is because of the highly leveraged basis on which motion pictures are produced or financed. A high bracket individual can normally borrow eight or nine times the amount of his film investment, and since the investment credit is based on the entire cost of the property (and not just the investor's equity), the credit represents a very substantial portion of the investor's actual equity. For example, if the investor puts up $100,000 and borrows $900,000 on a non-recourse basis, the motion picture may be eligible for an investment credit of as much as $100,000. In other words, in this example, it is the United States Treasury which has made the full investment and it is the high income individual whose net, after-tax investment is zero. This is to say nothing of the huge additional amortization deductions which the investor gets in addition to the investment credit.

To correct these abuses and to get the investment credit back to the purposes for which it was originally enacted, motion picture and television films should not be allowed the investment credit.

Deductions for the cost of attending conventions, conferences, etc., outside the United States

The Problem of Tax-Subsidized Vacations

Many taxpayers follow a regular practice of planning their vacation trips abroad under the guise of attendance at tax deductible conventions, conferences, medical seminars and the like which are held in foreign countries or on cruise ships. It is essential to enact a reasonable solution which permits truly business connected expenditures to be deducted, but to eliminate the deductibility of those expenses which are most likely to be disguised personal recreation.

How Tax-Subsidized Vacations Are Taken

Under present law traveling expenses paid or incurred to attend a foreign convention or meeting are deductible if they constitute ordinary and necessary expenses in carrying on a trade or business.[1] Sec. 162(a)(2) does disallow amounts for meals and lodgings while in a status of travel away from home if they are "lavish or extravagant under the circumstances," but that criterion has, and was intended to have, no significant effect. In addition under Sec. 274(c) allocation requirements are imposed upon combined business and vacation trips which are in excess of one week and as to which the non-business activity is more than 25% of the total time away from home.

Under the existing rules a convention which is primarily a vacation is, of course, not deductible. The administrative obstacles to establishment, however, that the taxpayer's motivation was other than business are usually insuperable, since conventions are planned with an eye to tax audits and enough business activities are scheduled at the convention resort to maintain the business gloss.

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[1] Internal Revenue Code of 1954, Sec. 162 (a).

Some Examples of Tax Deductible Vacations

The advertising and promotion of conventions has been heavily accented to the idea of the tax deductible vacation. For example, a recent bulletin of the Orange County Medical Association advertising a convention on sport medicine in Hawaii stated:

"Symposium sessions will be scheduled to allow plenty of time for you to explore . . . and to enjoy at your leisure . . . fabulous Hawaii. . . .

You might want to try your luck at deep sea fishing for marlin, mahimahi, tuna, wahoo and a profusion of other game fish . . . and some of the most glorious loafing and sun bathing known to man . . .

You will be issued a certificate of attendance . . . for you (or your accountant's) reference . . ."

Or the bulletin of the World Business Council, Inc., which sponsored a convention trip to Tokyo, Hong Kong and Singapore to attend two short morning sessions daily on subjects such as:

"An Intellectual Pot Pourri of Oriental Culture: The People of Asia, Their Origins, Beliefs, Arts and Crafts."

Or the advertisement of Medical Convocations International headlining "Tax Deduct a Glorious Vacation in the Sun:

"MCI Proudly Presents its Tax Deductible December Vacations, Your Choice of Jamaica or Acapulco."

Why The IRS Can't Put An End To These Abuses

The Internal Revenue Service has ruled that convention expenses are deductible if the agenda of the convention is so related to the taxpayer's profession as to show that the attendance benefited or advanced the interests of his trade or business.[2]

The Internal Revenue Service has instructed its agents to scrutinize deductions for conventions and cruises which appear to be vacations in disguise, but if, for example, the taxpayer actually attends a medical lecture daily on the cruise ship or at the foreign resort, his deduction for travel and attendance is allowable.[3]

The allowance of deductions for convention trips to Europe, Asia, Caribbean resorts and other similar foreign vacation areas, in situations where there is no particular necessity to hold the convention in the foreign site selected, has undermined the integrity of the income tax. There is a widespread popular impression that many high bracket taxpayers are abusing the system to obtain exotic tax subsidized vacations at the expense of the revenue. Such popular opinions are well founded as is indicated by the promotional activities and advertising of cruise trips and convention planners.

What The House Bill Provision Would Do

Sec. 602 of H.R. 10612 approaches the problem as follows:

1. Deductions are limited to not more than two foreign conventions per year. A foreign convention is a convention held outside the United States, its possessions and the Trust Territory of the Pacific.

2. The deductible transportation cost is limited to coach or economy air fare for travel to and from any foreign convention and if fewer than one-half of the total days of the trip are devoted to business related activities, the allowable deductible transportation expenses must be prorated in the proportion which the business days of the trip bear to the total days of the trip.

3. A deduction for a full day of subsistence expenses—lodging, meals and local transportation—is allowed only if the convention schedules at least six hours of business activities during such day and the individual attends at least two-thirds of them. Time spent at social functions at the convention is not taken into account as a time of business activity. In any event, the amount deductible as subsistence expense is limited to the dollar per diem rate for the site of the convention which has been established for United States civil servants.

What Is Wrong With The House Bill

The House Bill fails to solve the problem. In the most significant area of travel expense it does not apply until the taxpayer takes his third "tax deductible vacation" in a year. To permit two "tax deductible vacations" per year would still be regarded by most Americans as an abuse of the income tax system.

At the same time in the case of those taxpayers who are deeply involved in international affairs and whose activities require them to attend numerous international meetings which must be held in foreign countries, the House Bill denies deductibility of a genuine necessary business expense.

The express limitation in the House Bill of an allowance for subsistence expenses only if a 66⅔% attendance record is maintained implies that transportation expenses are deductible without any attendance requirement. Thus the taxpayer who wishes to obtain the deductibility of the major portion of his expenditures, that is, transportation, for a trip abroad need not ever adhere to the more rigorous attendance standards required to obtain the deduction for subsistence expenses which are economically less significant.

The Correct Solution To The Problem

The problem of abuse of tax deductible foreign vacations should be solved by amending the House Bill to disallow the deduction for any convention held outside of the United States unless, taking into account certain factors, it is more reasonable than not to hold the meeting outside of the United States. In no event would a deduction be allowed for cruises. It would be more reasonable than not to hold the meeting outside the United States, for example, if

(1) the organization has a substantial number of foreign members and the site of the convention is reasonable in light of the number of such foreign members and their geographical dispersion; or

(2) the purposes of the organization are uniquely served by a meeting in a foreign country, such as a meeting dealing with international economic or business matters requiring study in coordination with foreign persons, to whom accessibility would be expedited by holding the meeting abroad.

The proposal is based upon a tentative decision of the House Ways and Means Committee in 1974.

How The Proposal Would Solve The Problem

The proposal would permit the continued deductibility of the expenses of attending a convention which because of the nature of the subject matter of the convention, or because of the composition of the membership of the organization holding the convention, has a legitimate necessity for being held abroad. But it would not allow a deduction for a convention which has no particular compelling reason to be held outside of the United States. In order to protect the legitimacy of the income tax system, it is not too much to require those conventions which could as well be held in the United States as on cruise ships or foreign resorts to be held in the United States, if tax deductions are to be allowed for the expenses of attending them. This is particularly true since a substantial proportion of time spent at conventions is usually involved with recreational activities and business education of a general or background nature which gives rise to inferences that the purpose of the convention is more than incidentally personal recreation.

Since the tax deductible foreign vacation has been an area of flagrant tax abuse and since no legitimate interest of American business will be jeopardized by a requirement for deductibility that the convention be held in the United States where there is no specific compelling reason to hold it abroad, the maintenance of the integrity of the tax system should be given paramount consideration by enacting the proposal as stated above.

Objections Made to the Proposal Are Without Merit

An examination of the following objections which have been made to the proposal indicates that the objections are without substance.

1. *Objection:* Curtailing tax deductible foreign vacations will hurt economies of foreign resort areas.

Answer: The purpose of the tax law is not to subsidize wealthy American taxpayers to enjoy half-price vacations in foreign resorts. If it is an objective of Congress to assist the economies of foreign resort areas, it could do so as part of the foreign aid bill.

2. *Objection:* Curtailing the deductibility of foreign travel will adversely affect United States business engaged in transportation to and from the United States and in the operation of hotels abroad.

Answer: Again the indirect subsidization of American owned carriers and resort operations through susidizing wealthy American taxpayers to enjoy tax deductible vacations is hardly a basis for granting tax benefits. It is doubtful that the maintenance of United States carriers and United States owned foreign operations depends upon United States conventioneers deducting their foreign travel. It is even more doubtful that Americans would want to spend their tax dollars to subsidize those operations by paying wealthy doctors, lawyers and businessmen to "live it up" in Europe and the Caribbean.

3. *Objection:* It is difficult to determine whether it is more reasonable than not to hold a convention abroad.

Answer: In the case where the organization has many foreign members or the subject matter is uniquely related to international business there will be no difficulty in establishing the reasonableness. In any case it will certainly be less difficult to establish the reasonableness or lack of reasonableness in holding a convention outside the United States than it is today to audit on a return by return basis the legitimacy of each individual's deduction and his business purpose in attending a convention abroad.

4. *Objection:* The proposed limitation on deductibility of expenses is a restriction on freedom of travel.

Answer: Quite obviously the proposal does not restrict anyone from traveling abroad. There is, however, no constitutional right to have one's personal vacation subsidized at the expense of other taxpayers.

5. *Objection:* The abuse cases can be handled under present law.

Answer: The extensive advertising of tax deductible vacations indicates that the abuse problem cannot be handled under present law. In any event this is a situation where it is important to curb the appearance of abuse, where no legitimate business interest is sacrificed. If there is no particular reason why the convention cannot be held in the United States, the business purpose of the meeting will be served no matter where it is held. In such case the integrity of the income tax will be preserved by avoiding the appearance of tax subsidized international vacations. Some of the witnesses who testified before the House Ways and Means Committee indicated that the subject matter of the convention was what was important in attracting attendance, not the location.[4] If that is so, the same subject matter at a convention held within the United States will attract the same attendance and it is not necessary to encourage attendance by a meeting abroad.

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[2] Rev. Rul. 63-266, 1963-2 C.B. 88.

[3] Internal Revenue Service Technical Information Release No. 1275, February 14, 1974.

[4] Statement of James P. Low hearings before House Committee on Ways and Means, 94th Cong. 1st Sess., Part 2, p. 1610.

6. *Objection:* The expense of attending conventions in the United States, for some persons, is as much as attendance at some conventions abroad.

Answer: Of course it costs more for a resident of California to fly to a convention in Florida than it does for a resident of New Jersey to fly to Bermuda. The rules of the income tax, however, have to be decided to cover the widest number of cases and to be fair in their general application, even though individual situations can be assumed which are less than fair. Generally speaking, United States business is conducted throughout the United States and it is difficult to draw a line which would say that it is an abuse in holding a convention in a particular location in the United States. This does not mean that we should subsidize conventions in foreign resort areas, where there is no good reason for holding them there. Contrary to most conventions of American groups held abroad, in most United States conventions involving a national organization there is at least some legitimate reason for holding the convention in almost any portion of the United States. In those cases where there is a legitimate reason for holding the convention abroad, it would still be permitted.

7. *Objection:* The imposition of restrictions on conventions held abroad will lead to retaliation by foriegn countries which will deny deductions for conventions of foreigners held in the United States.

Answer: The integrity of our income tax system cannot be made to turn on what other countries may or may not do. In any event it appears that many foreign countries already are quite stringent in requiring legitimate reason to permit a deduction for their taxpayers in attending conventions outside of their countries.

TAX PROPOSALS THAT SHOULD BE REJECTED

Elimination of United States withholding tax on foreign portfolio investment

The proposal to eliminate the United States withholding tax on foreign portfolio investments is a costly, ineffective and inequitable measure apparently intended to "remedy" a problem which may not in fact exist. The arguments advanced to support the proposal may be summarized as follows: The United States faces an enormous domestic capital shortage. To remedy this capital shortage we need to attract foreign investments. The elimination of the withholding tax on foreign portfolio investment would accomplish this objective. But these arguments are faulty in all of their premises and overlook a number of important points.

Capital Shortage? In the first place, the economic evidence with respect to the alleged "capital shortage" which United States business is said to be experiencing is at best inconclusive. The uncertainty of the economic data is certainly not sufficient to justify as major a change in the United States tax policy as the elimination of the withholding tax on foreign portfolio investment, which tax has been a part of the federal tax system since its inception.

Alternative Measures. Even on the assumption that there does exist a meaningful shortage of investment capital, there are a number of other measures which would be much more effective in increasing that capital supply then the unwise elimination of the withholding tax. For example, the present tax preferences which are given to United States businesses in connection with foreign investment could be eliminated or reduced if it was thought necessary to encourage further domestic investment. Alternatively, domestic investment could be made more attractive to United States business by increasing the investment tax credit on an incremental basis.

Lack of Effectiveness. Just how would the proposal to eliminate the withholding tax increase foreign investment in the United States? The assumption behind the proposal is that the reduction in the withholding tax would increase the return to foreign investors and thus investment in the United States would be more attractive and would be increased. On closer examination, however, this argument is not persuasive. With respect to petro dollars, the foreign governments which currently hold the vast bulk of the petro dollar revenue are not subject to United States income tax on their investments in any event. Thus the elimination of the withholding tax would be of no additional incentive to them. For most foreign private investors, their own countries already provide their citizens or residents with relief from the United States withholding tax either through the foreign tax credit mechanism or by exempting the income from foreign tax if it is subject to tax in the United States. Thus, for those investors, to eliminate the withholding tax would only result in a revenue loss to the United States which would go directly to foreign governments rather than benefiting the foreign investors or increasing their rate of return.

The Wrong Investors Benefit. Who then would be given an incentive to increased investment in the United States if the withholding tax were eliminated. There are basically two classes of investors who would be benefiting. The first is comprised of international tax avoiders who are not paying tax in their own country and for whom the elimination of the United States withholding tax would increase their rate of return. But is this the type of investment that we wish to attract to the United States? Is it the policy of the United States to become the world leader in encouraging international tax avoidance? The second class of investors would be taxpayers in those developing countries which do not have adequately developed mechanisms for the relief of international double taxation. But here again should it be United States foreign tax policy to attract investment *from* developing countries?

Cost of Proposal. The benefits of the elimination of the withholding tax in terms of increased investment in the United States are illusory. What are the costs of the proposal? In the first place, the elimination of the withholding tax would result in a substantial revenue loss, estimated at some $1.9 billion over the next five years. This revenue loss would not benefit foreign investors or encourage them to further their investment in the United States but would as shown above in effect largely go directly to foreign governments. It represents a kind of international revenue sharing in disguise.

Inconsistent with International Tax Principles. The proposal is also inconsistent with firmly established international tax principles. One of the basic principles of international tax law clearly allows a country to impose a tax on income arising from activities within its jurisdiction or from investments in its corporations. There is no reason for the United States unilaterally to give up this clearly recognized international right to tax income whose source is in the United States. If the United States takes the lead in eliminating such source jurisdiction taxation on portfolio investment income, this could lead to a "tax holiday" competition between capital importing countries to the detriment of all. One lesson which we seemed to have learned in the domestic context is that "tax wars" between competing municipal or state jurisdictions only result in a loss to all concerned. The same principle is equally applicable in the international tax area.

Loss of Treaty Bargaining Power. In addition, if the United States were to unilaterally eliminate its withholding tax it would be giving up an important bargaining "chip" in the negotiation of international tax treaties. The United States has negotiated over 40 conventions for the avoidance of international double taxation in which it has reduced or eliminated its withholding tax on dividends and interest flowing to investors resident in the other treaty country. But in all these cases the United States has received substantial tax benefits for its citizens in exchange for relinquishing its withholding tax. Why should the United States unilaterally give up this right with no *quid pro quo* from the foreign countries involved?

International Tax Abuse Likely. As a further difficulty, the freeing of dividends and interest from withholding tax would give rise to a number of possibilities for international tax abuse. One can predict with certainty the formation of tax haven foreign corporations to invest in United States securities and avoiding all United States and foreign taxes.

Unfair to United States Taxpayers. Finally, and perhaps most important, the elimination of the withholding tax on foreigners would be at the expense of United States citizen-taxpayers. In 1966, Congress was concerned with obtaining a proper balance between the taxes paid by our citizens on their United States income and those paid by foreigners on the same income arising here. In response to that problem Congress enacted the Foreign Investors Tax Act, which, consistent with international tax principles, generally taxed foreigners on their business income at the same rates as United States citizens and taxed them on their investment income at a flat 30% rate. Thus the Act recognized that while foreign investors should not be taxed at full progressive rates on United States source investment income, those investors should make some contribution to the United States as part of the price for taking advantage of investment opportunities here. To unilaterally eliminate this revenue by dropping the withholding tax on investment income and to shift the burden of the revenue loss to United States taxpayers would be inconsistent with the basic requirements of tax equity between United States investors and foreign investors.

No Justification for Exemption of Interest From Withholding. The difficulties and inequities outlined above apply equally to the exemption from United States withholding tax on dividends or interest. The fact that the foreign investment has been made in debt obligations rather than in equities should have no bearing on whether or not the investment income is subject to United States withholding tax. Whatever the administrative and historical reasons for the exemption of interest on bank deposits, there is no justification for any extension of this exemption to debt obligations held by foreigners generally.

Conclusion. In summary, the proposal for the elimination of the withholding tax on foreign investment would not achieve the result sought and would bring with it substantial direct and indirect costs in terms of international tax policy and United States tax equity. The United States need not enact a "tax gimmick" to attract foreign investment. Recent studies have shown that foreign portfolio investment in the United States is increasing at an enormous rate. It was 28% higher in 1975 than in 1974. This expression of foreign investor confidence in the United States is fully justified. But it comes about because of the fundamental attractiveness of investment in the United States. It does not need the artificial inducement of the elimination of the United States withholding tax.

Exemption of U.S. business operations in Puerto Rico: The need for a study rather than additional tax benefits

Need for a Study

For approximately 55 years, United States corporations have been able to operate in Puerto Rico free of the United States Federal income tax.[1] The provision of the tax law according to U.S. corporations this benefit, presently found in section 931 of the Internal Revenue Code, was added to the law in 1921 for limited purposes relating to the promotion of U.S. foreign trade. The exemption available for Puerto Rican business profits was infrequently used until 1947 when Puerto Rico enacted a companion tax provision under its independent tax laws granting U.S. companies operating in Puerto Rico what is commonly referred to as a "tax holiday."[2] This complete freedom from all income taxes, combined with additional financial incentives, has played a role in attracting U.S. industry to Puerto Rico on a large scale. The corporations receiving this U.S. tax exemption under present section 931 are known as "possessions corporations."

Under present Section 931 of the Internal Revenue Code a United States corporation conducting an active trade or business in Puerto Rico (or certain United States possessions) will not be subject to United States tax on its income. This exemption goes will beyond traditional concepts of deferral, now under such close scrutiny. Not only are the profits of this select group of U.S. corporations free from United States (and Puerto Rican) income taxes as earned, but these tax-free funds can ultimately be repatriated to the U.S. parent company free of tax. Significant amounts of income earned outside Puerto Rico and the possessions can also be sheltered under this provision. And in the start-up years in which the corporation generates losses, rather than income, these losses may be utilized by a United States parent company against its other income to further reduced United States tax liability.

In March, 1974, the Governor of Puerto Rico appointed a committee of prestigious economists and business analysts, chaired by Professor James Tobin, Sterling Professor of Economics, Yale University, to study the financial and economic prospects of the Island. The Tobin Committee issued its report to the Governor on December 11, 1975.[3] That Report, in a thorough, scholarly analysis, was highly critical of the present tax structure and made specific recommendations for change. In brief, the Report suggested the present tax laws are structured in a manner which provides *disincentives* to expansion of existing facilities and that there is a trend toward investment by capital intensive industries, rather than the much needed labor intensive industiries. In addition, the Tobin Report reveals rising wage costs and decreasing productivity of labor in Puerto Rico and suggests that Puerto Rico cannot, over the long haul, rely on present industry for a solution to economic problems. One could conclude from the Tobin Report that the artificial incentives created by present tax law to locate manufacturing operations in Puerto Rico, whether or not beneficial in the short term, may be detrimental to Puerto Rico in the long term. These conclusions, some explicit in the Report and some interpolated from the Report, together with a questionable cost-benefit relationship even in the short-term should be carefully considered by Congress in reviewing the U.S. tax laws as they apply to Puerto Rico.

A serious question exists as to whether the costs to the United States in revenue lost under the present exemption—estimated at $285 million in fiscal 1977[4]—are justified in terms of the benefit derived.

Regrettably, Congress has not to date appeared to give serious consideration to the basic tax policy applicable to U.S. business operations in Puerto Rico. Rather, in section 1051 of H.R. 10612, now pending before the Senate, a new Section 936 would be added to the Internal Revenue Code, replacing the present basic Section 931 (as it now applies to possessions corporations), considerably increasing the tax benefits avialable to U.S. corporations in some ways and attempting, although not clearly succeeding, to remedy some of the specific aspects within the basic framework which exists today. The provision is highly complex, ill-conceived and particularly untimely. In light of the factors brought to light by the Tobin Report, it is submitted that the Senate should drop any change in this area from the pending bill and instead institute a thorough study of the possessions corporations provisions as regards Puerto Rico with a view toward whatever future action is called for by such a study.

The House Committee Report did instruct the Treasury Department to review the operations of the basic treatment of U.S. corporations operating in Puerto Rico in order to apprise the Congress of the effects of the present treatment. However, the first report is not due until 18 months after the close of calendar year 1976, or July 1978. But the proposed House increase in the present tax benefits would go into effect in 1976. The Congress should reverse the order of these two events. That is, Congress should require submission of a Treasury Report on the effect of the present tax treatment of U.S. corporations operating in Puerto Rico, and any proposed changes, before any revision is made. The House Bill should be amended to require a Treasury Report to Congress not later than July 1, 1977 on the effect of the present treatment and on the estimated effect of the House-proposed changes, or other changes (such as analyzing the effect of such changes on 1975 transactions as if they had been in effect in that year). Action on the House changes should await such an overall study.

Expenditures for Puerto Rico and the Possessions Corporations

Puerto Rico recently revised its tax holiday laws to allow U.S. possessions corporations to operate in Puerto Rico free from taxation for periods of up to 30 years, depending upon the location of the operation within Puerto Rico. This tax holiday extends not only to freedom from income taxes, but, in addition, property taxes, municipal taxes and license fees. In addition to this very complete tax holiday, various loans, grants and other subsidies are offered by the Puerto Rican Government, including the initial payment of the full cost of recruiting, testing and training workers if three hundred or more Puerto Ricans are employed, a rebate of up to 25% of labor costs for the first two years of operation, cash grants for start-up costs, subsidies for factory rent and electricity, etc. In addition, the Government will actually construct a factory or plant for the "taxpayer" and rent or sell it to him on a long term basis.

The combined costs to the Federal and Puerto Rican Governments of the package of incentives to encourage U.S. investment in Puerto Rico is substantial. The tax expenditure under Section 931 alone is estimated to be $285 million in fiscal 1977, most of this expenditure being attributable to Puerto Rico. These costs, of course, are only a part of the total amount of expenditures for the benefit of Puerto Rico. Net unilateral transfers from the Federal government in 1974 constituted 31.8% of the total external resources flow for Puerto Rico.[5] In fiscal 1975, $121.5 million in U.S. excise taxes on Puerto Rico activities were transferred to Puerto Rico under "covering over" provisions of the Internal Revenue Code. In addition, Puerto Rico received $464.5 million in federal grants and $606 million was paid to residents of Puerto Rico in food stamps and income maintenance programs. A suit is now pending, brought by the Puerto Rican Government against Secretary of the Treasury Simon, alleging that, in addition to the other taxes "covered over" to Puerto Rico, gasoline taxes should also be "covered over" at an approximate cost of $350 million.[6] These are just a few examples of Federal expenditures for the benefit of Puerto Rico.

Profile of U.S. Investment in Puerto Rico

While the absolute dollar amount of U.S. direct investment in Puerto Rico is over $5 billion, over half of this amount is estimated to be in financial assets rather than in plant and equipment and comparable assets. The Tobin Report, citing this factor, goes on to state.

"[E]ven when direct investment does represent real physical investment, it does not necessarily imply an increase in Puerto Rico welfare. Although investment by subsidiaries of Mainland firms does provide new output and employment, it also entails new subsidjes and real infrastructure investment by the Puerto Rican Government and the greater remission of profit to the Mainland. The net benefit to Puerto Rico is not automatically positive; it must be carefully estimated case by case. No doubt past external investment on the whole was an important contributor to Puerto Rico's growth. But this history does not, we feel, justify for the future uncritical approval of tax exemptions and subsidies for every new Mainland investment. Caution and calculation are especially warranted for capital-intensive enterprises where profit-shifting, rather than real and durable cost advantages of Puerto Rican location, is the powerful motivation of the Mainland company.[7]"

U.S. investment in Puerto Rico is dominated by the U.S. multinationals, including 150 of the nation's 1,000 largest corporations. Among those most heavily invested in Puerto Rico are: General Electric (26 plants), Westinghouse (24 plants), GTE Sylvania (16), Kaiser-Roth (13), Eli Lilly (6), Union Carbide (4), Squibb (4), Warner-Lambert (8). While U.S. investment, as noted, is approximately $5 billion, it is estimated that as much as half this amount is kept in liquid form, to ease ultimate tax-free repatriation. In some cases, the liquid or financial assets side of a U.S. company's Puerto Rican investment is as high as 80% of total assets. Rates of return for these companies ranged from 15–20% over the last 15 years. However, the rate of return on liquid assets is much lower, meaning rates of return on non-liquid assets generally range from 35–60%. This can be, in significant part, attributed to liberal tax rules in terms of allowing the tax free transfer to Puerto Rico of valuable tangible and intangible assets, a benefit carefully denied in the context of U.S. controlled foreign corporations,[8] and relaxed rules with regard to acceptable pricing policies on sales from the Puerto Rican manufacturing entity to its Mainland affiliate.[9]

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[1] Sec. 262 of the Revenue Act of 1921. The present tax exemption also applies to U.S. corporations operating in Guam, Wake Island, American Samoa, and the Canal Zone.

[2] Puerto Rico Industrial Incentive Act of 1963 (Act 57, Laws of 1963).

[3] *Report to the Governor, The Committee to Study Puerto Rico's Finances*, December 11, 1975 (cited herein as "Tobin Report").

[4] *Tax Expenditures, Compendium of Background Material on Individual Provisions*, Committee on the Budget, United States Senate, March 17, 1976, p. 155.

[5] Tobin Report, p. 39.

[6] Treasury Department Views on S. 2998, April 26, 1976.

[7] Tobin Report, p. 44.

An examination of the high proportion of portfolio investments in the balance sheet of a typical possessions corporation leaves one with the impression that section 931 serves more effectively as a Federal tax expenditure to subsidize privately-owned off-shore mutual funds than to subsidize U.S. investment in Puerto Rican industry.

The House Bill—Still More Generosity to U.S. Multinationals

Section 1051 of H.R. 10612 relating to possessions corporations is perhaps the ideal model to demonstrate the wide gap between Congressional rhetoric and Congressional action. In the past three years, the focus of discussion in Congress in the area of tax policy has been on three concepts—a tax expenditure analysis of proposed legislation, reforms of the tax code to eliminate some of the abuses of the current law, and simplification of the tax code. On all three scores, section 1051 is ill-conceived.

The House Bill contains a newly proposed Section 936 to replace the present provisions of section 931. While retaining the present foundation of exemption, one of the main functions of this new provision is to provide substantially increased benefits to U.S. corporations with businesses in Puerto Rico. The present system of no United States tax and no Puerto Rican tax (under Puerto Rico law) on operations in Puerto Rico remains—so that those operations are free of income tax. But in addition, unlimited freedom in repatriating the earnings from Puerto Rico is granted. The result will be to turn Puerto Rican operations into even better income tax-free money-making machines for our largest drug, electrical and other major companies.

At present, the exemption is granted if the income of a possessions corporation is 80% from possessions sources and 50% from active business operations. The practice of these corporations is to retain their earnings until the end of the "tax holiday" given by Puerto Rico, and then liquidate the U.S. possessions corporation into its U.S. parent. This liquidation can be done tax-free. However, if the earnings before such liquidation are distributed as a dividend to the U.S. parent, a U.S. tax is due.

Puerto Rican operations are so profitable under the present double exemption, making them completely tax-free, that many companies have large amounts of liquid assets invested in Puerto Rican and other possession bank C.D.'s, bonds and the like. They are thus in possible danger of not meeting the 50% active business test. At this stage the House Bill proposal comes along to rescue them from the problems of their tax-free profitability. The new proposed Section 936 permits the exempt possessions corporation at any time to distribute its earnings as a tax-free dividend to its U.S. parent. Hence, the tax-free profits made in Puerto Rico can come to the parent tax-free at any time. The Bill really cuts at the premise of the basic exemption to encourage investment in Puerto Rico, since it really encourages repatriation rather than investment in new activities in Puerto Rico.

In anticipation of the enactment of Section 936 many possessions corporations are placing as much as possible of their earnings in a liquid state so as to cash in on the benefit of immediate tax-free distribution if section 936 is enacted. Many are motivated by a widespread belief that any enacted section 936 will not last very long, but would be repealed when Congress woke up to its real effects. They want therefore, to be ready to take advantage of the new section 936 gift while they can. In fact, lurking beneath the desire to cash in on a new section 936 is the worry that when its generous benefits combined with the exemption benefits of section 931 become fully known and the financial reports of the beneficiaries of this money making machine are scrutinized—really for the first time—the whole scheme will crash down. They thus are hoping they can obtain section 936 without Congress looking into the Pandora's Box that contains the section 931 exemption. For that Pandora's Box would disclose the tax windfalls that U.S. multinationals are obtaining under even the present tax ememption.

This is no minor technical matter to be cursorily considered. Indeed, the sums involved in the investment portfolios of these possessions corporations amount to around $3 billion.

Section 936 if enacted would increase the tempo of the present section 931 money-making machine. Start a Puerto Rican activity, increase its profits by pushing transfer-pricing and other allocation rules to the limit so that a larger share of the combined profits of the U.S. parent and the possession corporation are labelled "Made in Puerto Rico," and then yank those profits out of Puerto Rico for use in the U.S. or anywhere in the world—all tax free. It almost comes down to laundering your profits in Puerto Rico so as to wash away all income tax.

The House Bill—Still More Complexity

Another aspect of the proposed Section 936 is, a technical matter, to replace the present exemption mechanism of Section 931 with a tax credit mechanism allowing purported U.S. tax to be fully offset by a hypothetical U.S. tax. The result of all this technicality is still full exemption under a new name. There is really no basic need for all this new technicality. Thus, the new tax credit concept seems totally unnecessary and tremendously complex. To quote from the March 9, 1976 report of the Section of Taxation of the American Bar Association on H.R. 10612:

> "We believe, however, that the proposed creation of a new tax credit for hypothetical taxes paid is unduly complicated, that it will not work effectively in accomplishing the objective of recapture of tax benefits obtained from possessions losses and that it would have numerous unintended effects that could not be solved without additional complexities."

This highly critical commentary from a professional organization not given to tax reformist approaches speaks for itself.

The defenders of the new section 936 point to aspects which they say will restrict some of the present benefits. But the attempted corrective effects of the proposal may be more illusory than real. One of these supposed corrective measures is attempts to restrict the beneficial tax treatment to income from sources within the possession in which the possessions corporation is operating. However, nothing in the proposal precludes the possessions corporation from forming its own foreign subsidiary and investing its profits in that foreign subsidiary or investing in an existing affiliated foreign subsidiary, thereby indefinitely deferring taxation of income derived by the foreign subsidiary until repatriation (provided the foreign subsidiary can live within the controlled foreign corporation rules).

The proposal also attempts to deal with another aspect within Section 931 which has been subject to much criticism. This relates to the present ability of possessions corporations to file consolidated returns in years in which the possessions corporation has losses thereby offsetting these losses against U.S. taxable income while continuing to have the benefit of exemption from tax when profits are derived in other years. The proposal would require a potential possessions corporation to elect to be treated as such. This election would be binding for the year of the election and nine subsequent years. The election procedure is directed to losses incurred only after the possessions corporation has qualified under proposed section 936. Since a corporation will not normally elect section 936 treatment until the traditional start-up loss period is over and the corporation is generating a profit for tax purposes, the election procedure will be of very limited effect. With respect to the more frequent and substantial abuse, relating to start-up losses, the Bill relies on the general foreign loss recapture rules contained in section 1032 of the Bill. But since section 1032 applies only where there is an overall foreign loss, its effectiveness in curtailing abuses in the possessions area may be questioned.*

One does not have to delve very deeply into the section 936 proposal to be aware of the complexities referred to in the ABA Report. The proposal contains a multitude of new rules and concepts. A key element in the proposal is the determination of taxable income attributable to qualifying activities and investments, thus further magnifying the controversy regarding proper allocation of deductions and the source of income problems. The proposal, in addition, creates the new concept of "qualified possessions source income." Foreign taxes paid by a possessions corporation must be traced to determine whether they are attributable to the qualifying income. A variety of rules are added to interrelate the new tax credit provision to other areas of the tax law such as the minimum tax, the accumulated earnings tax, the personal holding company tax, provisions on war loss recoveries and recoveries of foreign expropriation losses, the DISC provisions, the section 904 limitation on the foreign tax credit, etc. In addition, the inclusion of possessions profits in gross and taxable income will further complicate other provisions of the Code such as carry-over computations and various provisions incorporating tests based on either gross or taxable income.

One is at a loss to understand why the Ways and Means Committee felt compelled to introduce this new credit concept to deal with the proposals before them with regard to possessions corporations. Certainly, this was not necessary in terms of the election procedure. Nor would it appear that the credit approach was necessary in order to limit the tax benefits accorded possessions corporations to income derived from within the possessions. Prior proposals had been introduced dealing with these problems without changing the basic exemption approach.

Conclusion

No study by the Congress has been made of the present complete tax exemption given to possessions corporations operating in Puerto Rico. The House Committee Report, recognizing this absence of information and sensing that the present tax exemption has meant large windfall profits to major U.S. multinational concerns that have been shielded up to now from public view, ordered such a study—for July 1978. It then, incongruously and inconsistently, proceeded to enlarge the generosity of the present exemption and by making its mechanism far more flexible thereby increased the money-making machine represented by a tax-free U.S. corporation activity in Puerto Rico. Without cutting down that generosity, it also proceeded to increase the complexity of the provisions, to an extent that professional groups were stirred to denounce its new technical structure.

All this was in the face of the recognized need for a study. Perhaps the House was motivated by the thought it was at the same time correcting some of the problems under the present provision and introducing restrictions. Indeed, it even puts a $10 million revenue gain on all these efforts. Yet, it is a safe conclusion that the revenue gain is not there and the sought-for corrections are minimal. Otherwise, why are the U.S. corporations now operating in Puerto Rico so anxious that the House proposal be enacted? Their enthusiasm for the proposal hardly recommends it as a reform measure, which it has been so described to the tax committees. Rather, that enthusiasm simply underscores a generosity blanketed over by technical language.

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[8] Section 367, Internal Revenue Code (1954) ("IRC")

[9] Revenue Procedure 63-10, 1963-1 C.B. 490; Rev. Proc. 68-22, 1968-1 C.B. 819.

*The bill generously defers application of these rules to possessions corporations until 1981.

The only sensible course is to proceed with the needed study first so Congress can really learn what is going on in this area. There is a vast sum involved in this matter, for the investment portfolios of these possessions corporations may lie in the magnitude of $3 billion. That fact alone would warrant caution and not haste. There is no sense in a timetable of revision first and facts later. Instead, the approach should be facts first and then whatever revision is required in the light of those facts. The House legislative proposal should be rejected and its call for a study accepted.

DEDUCTION OF CAPITAL LOSSES AGAINST ORDINARY INCOME

Present Law. Capital losses of individuals are deductible in full against capital gains. The excess, if any, of such capital losses over capital gains may be deducted up to $1,000 of ordinary income each year on the basis of a $1.00 deduction for each $2.00 of loss. Capital losses in excess of the limitation may be carried over to future years indefinitely. For example, an individual taxpayer with $4,000 in capital losses may deduct $1,000 from ordinary income and carry $2,000 of capital losses over to future years.

The provision allowing capital losses to be deducted against ordinary income to the extent of $1,000 was introduced into the tax law in 1942. Prior to the Revenue Act of 1942, capital losses were deductible without limit against a taxpayer's ordinary income. The Revenue Act of 1942 limited the deduction for capital losses to the amount of realized capital gains. An exception, however, was made to deduct capital losses against ordinary income to the limited extent of $1,000 "in order to prevent hardship in the case of taxpayers (other than corporations) having small income and sporadic losses * * *".[*]

H.R. 10612. The House would increase the amount of ordinary income against which capital losses may be deducted from $1,000 to $2,000 in 1976, $3,000 in 1977 and $4,000 in 1978 and future years. As under present law, capital losses are deductible against ordinary income on the basis of $1.00 for each $2.00 of losses with an unlimited carryforward.

The Proposed Increase in the Deduction of Capital Losses is Undesirable. The asserted purpose of the proposal is to provide some relief to smaller income taxpayers. However, the present provisions are more than adequate for most smaller income taxpayers. For example, under present law, a $4,000 capital loss is fully deductible on the $2.00 for $1.00 basis in two years. Under the House Bill, after the transition period, $16,000 of capital losses would be deductible on a $2.00 for $1.00 basis over a two-year period. Taxpayers with smaller incomes are not likely to be in a position to engage in capital transactions generating losses of $16,000 every two years. Present law would thus appear more than adequate to provide relief for smaller income taxpayers.

Argument in Response to Proponents of House Bill. The House Committee Report states that the $1,000 limitation of present law was introduced in 1942 and should be adjusted upward to reflect inflation. But in 1969 the limitation was in substance already doubled. In 1942 only $1,000 in capital losses could be utilized against ordinary income. Under present law (since 1969) up to $2,000 of capital losses can be utilized in determining the deduction against ordinary income. Although, under the 1969 legislation, $2,000 in capital losses results in a deduction of $1,000 against ordinary income, this treatment was introduced to coordinate the tax treatment of capital losses with capital gains—a policy consideration unrelated to the limitation on the amount of capital losses which a taxpayer may currently utilize.

There is thus no reason now again to increase the capital loss allowance.

THE ELECTRIC POWER FACILITY CONSTRUCTION INCENTIVE ACT

In the face of Congressional moves to reform the Federal tax system, the Administration has proposed a new set of tax preferences to help the electric utility business. The Administration plan is contained in the proposed Electric Power Facility Construction Incentive Act of 1974 (EPFCI), which was also included in President Ford's proposals for tax cuts and spending restraints of October 6, 1975.

EPFCI is bad legislation. It represents a use of the tax law to short-cut market responses. Further, as with other tax incentives, it will be of most help to the particular companies and particular investors least in need of help. It deals with a temporary problem which can be met directly and properly by the regulatory process for electric companies.

This analysis first describes the problems besetting the investor owned electric companies. It then contrasts the economic market response to these problems with the Administration's bill. The final section indicates the general structure of an appropriate policy position for the Congress.

The Problems Faced by Investor Owned Electric Power Companies

Since 1970 investor owned electric power companies have encountered an extraordinary combination of cost increases. Central, of course, has been the increase in prices of energy materials triggered by the world price of oil. This has spilled over into higher prices for coal and natural gas.

There was more. In these early years of the 1970's the air pollution controls were going into effect. This meant that electric companies had to make new investments in stack gas cleaning equipment and buy more expensive low sulfur coal. In this period many electric companies were making new investments in nuclear generation of electricity and this has proved to be significantly more expensive than the early estimates.

In the early 1970's the United States economy was going through a remarkable rate of inflation. This inflation generated a whole new set of cost problems for electric companies. Construction costs have risen more than other costs, and interest rates have been remarkably high. Electric companies that depend heavily on financing by new stock issues were badly hurt by the decline in stock market prices in 1973–4.

From the standpoint of electric companies the crowning blow to this series of cost increases was a series of difficulties with the State Utility Commissions—a condition which Professor Jerome Hass of Cornell has called "regulatory paralysis."[*] In the face of falling electricity costs in the 1950's and 1960's the process of regulatory lag was commonly an advantage to the electric companies. When costs were rising quickly, the slowness of the regulatory commissions in holding price hearings and allowing higher prices meant considerable losses or at least less than the statutory "reasonable rate of return."

In the face of generally rising consumer prices there were clearly strong political protests against higher electric prices. The evidence that regulation was holding electric prices abnormally low was that electric company shares fell in price by 50% from 1971 to 1974 while industrial share prices were falling about 30%. Then, as the regulatory process got on top of the cost increases, the share prices for electric utilities recovered more than the general market in 1975.

The Administration Plan. During 1975 the Labor Management Committee of the Department of Labor endorsed a tax relief program for electric utilities that had been developed by the Administration. This plan—EPFCI—was later transmitted to the Congress by President Ford.

The proposal is complex. Title V tells the State Public Utility Commissions to do their business in a way that allows more return to private companies and higher utility prices. The first four Titles provide specific tax reliefs to electric power companies. The connection between these very different measures in that for a company to enjoy the tax reliefs of Titles I, II and III, the more generous regulatory procedure of Title V must be followed and the tax reliefs must be retained by the companies, not passed through to consumers.

Title I would permanently increase the investment credit for public utilities to 12%. This will cost $100 million in the short run and $400 million in the long run.

Title III permits tax depreciation deductions for construction work in progress. This will have a short run cost of $300 million, rising to $1.2–$1.4 billion in the early 1980's. (Title II is trivial).

The regulatory feature of Title V requires that for these tax benefits of Titles I and III to apply, construction work in progress must be included in the rate base. By itself the regulatory rule provided by Title V would increase company revenues by about $2 billion (by increasing utility prices) and hence increase income tax liabilities by $1 billion. The package, by allowing other tax reliefs, would thus permit net tax savings of $1–2 billion a year over the next 10 years.

If public utility commissions moved forthrightly to increase utility prices so as to increase company profits by $2 billion after tax, this would require gross income increases of $4 billion (since profits are taxed at the margin at 48%). By providing special tax reductions—and hence a $2 billion subsidy—the proposal makes possible an increase in utility prices enough to increase gross revenues by only $2 billion and after tax profits by $2 billion.

In the absence of legislation it is highly likely that the regulatory process will allow investor owned electric companies sufficiently high prices to cover costs and provide a reasonable rate of return. This they are required by law to do. The thrust of EPFCI is to give up $2 billion of Treasury revenues in order to hold down the size of required increases in electric prices.

Title IV of the bill is outside of the regulatory process. It would reduce taxes on shareholders who reinvest dividends from electric company shares in more electric company stock. A more accurate description is that it is a subsidy for investing in privately owned electric companies. The subsidy is an interest free loan which is restricted to people who already own electric company shares and the loan is 70% of the dividend for the wealthiest investors and zero for the poorest investors. The inequitable upside-down aspect of this tax subsidy clearly underscores its undesirability as a device to increase investment in electric companies. The proposal becomes simply a windfall to upper-bracket investors.

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[*] H. Rep. No. 2333, 77th Congress, 2nd Session 94 (1942)

[*] Testimony of Jerome Hass before Tax Expenditure Subcommittee of the U.S. House Budget Committee, February 24, 1976, p. 4.

Conclusion. This is bad legislation. The apparent intention is to hold down electricity prices. As justification it will presumably be argued that higher electricity prices will be harsh on poor people. Lower prices will, however, be enjoyed by well-off people as well as poor people and the well-off people use more electricity.

If we are concerned about the low income of poor people it is obviously more efficient to increase directly the income of poor people, e.g., by refundable income tax credits.

A low price for electricity simply assures more consumption which aggravates the basic energy crisis.

Clearly the regulatory process for electric companies can be improved. There should, for example, be further efforts to require pricing that is closer to marginal cost.

The proposed legislation does nothing but provide Federal money to make it easier for State Commissions to hold down electric prices.

Title IV of the bill is furthermore a scandalous subsidy to wealthy investors.

The appropriate posture for the Congress is to do what it can to facilitate a more efficient price regulation process. Within that framework it should accept whatever prices are required to cover costs. Quite separately it should deal with the income problem of families whose incomes are too low.

TAX INCENTIVES FOR EMPLOYEE STOCK OWNERSHIP PLANS (ESOPS)

Problem in General

The Tax Reduction Act of 1975 granted an extra 1% investment credit if the employer contributes such extra mount to a trust for the benefit of employees and the trust is invested in voting common stock of the employer. In effect, the federal government purchases stock of the employer and makes a gift of it to the participating employees.

Employer stock is also a permissible investment for so-called "qualified" pension and profit sharing plans which receive favorable tax treatment under section 401 of the Internal Revenue Code. While ownership of employer stock by retirement trusts was restricted to some extent by the Employee Retirment Income Security Act of 1974 (ERISA), Congress made an effort in that Act to encourage the formation of ESOP's by exempting such arrangements from the limits on ownership of employer stock.

The 1% investment credit provision may well provide a source of capital for private investment but so may any other tax reduction. Obviously, in evaluating this program, one must consider alternative federal expenditures, or if expenditures are not decreased, the effect of the increased deficit or the effect of the extra tax burden imposed on others to finance this expenditure.

The more important question is, can ESOP's, aside from the allocation of government funds, provide a source of new capital and an incentive to greater productivity through encouraging employee ownership of business? There seems to be a substantial doubt whether ESOP's can significantly further these worthwhile goals (See e.g., Statements of Neil A. Wassner, Partner, Main Lafrentz & Co., and Robert N. Flint, Vice President & Comptroller AT&T, presented to Joint Economic Committee, December 11 and 12, 1975).

On the other hand, an ESOP is clearly inconsistent with the aims expressed through Federal regulation of private retirement programs. The risk to an employee's future security if his retirement fund is invested entirely in his employer is unacceptable. Financial failure of the employer becomes a double-edged sword—the job and retirement income are lost in one swoop.

Further, if an ESOP is utilized to redeem stock from the principal shareholder of the employer corporation and the transaction is treated as a sale taxable at capital gain rates, there is a blatant avoidance of the policy that cash withdrawals from a corporation which do not affect an individual's ownership or control should be taxed as a dividend.

Lack of Permanency of Employee Ownership

It is not clear whether the economic benefit claimed to result from establishment of ESOP's depends to any extent upon the permanency of the ownership interest acquired by employees and their descendants. If it does, it is well to point out that the employee's interest in the business is almost certain to terminate upon retirement or other separation from service. In some cases, the employee will never obtain ownership of employer stock, but rather will receive a cash distribution based upon the value of the stock at the time of his retirement.

In other situations where the tax law requires a distribution in stock, the employer will go as far as permitted to make certain that the stock will be redeemed as soon as possible. Thus, the employee will be given the right to sell the stock to the employer or the ESOP. While it may not be possible to force the employee to exercise this right, circumstances may make it the only viable choice.

As a result in many circumstances, the ESOP will not enable the employer to permanently conserve cash by paying compensation in stock. The stock distribution will be only temporary, to be replaced upon retirement with cash of equivalent value.

Nature of Employees' Interest

The provisions of the Tax Reduction Act of 1975, which grant an extra 1% investment credit, specifically require investment in common stock which the employee will have an opportunity to vote. If ownership of an interest which is extremely sensitive to changes in the value of the business and some say in the overall direction of that business is important to the aims of an ESOP, it should be noted that the tax benefits of a qualified plan may well be available even for an investment in non-voting preferred stock, and there is certainly no requirement that the vote, if it exists, be passed through to the beneficiaries of the trust.

ESOP Conflicts with the Policy Underlying ERISA and Qualified Plans

The tax benefits of qualified retirement plans are avalable only if the employer currently contributes to the plan. ERISA significantly strengthened this funding requirement and extended it to some non-qualified plans. Further, ERISA is replete with provisions designed to insure that the assets of the plan will not be dissipated. The reason is to protect the employee against the risk of financial failure of the employer which exists under an unfunded arrangement.

It is clear that "employer" stock ownership by "qualified" retirement plans is inconsistent with Congressional insistence that such plans be *funded* and prudently invested. Stock ownership in the employer is even less protection to the employee than the creditor status of an unfunded plan because the employee as stockholder is subordinated to creditors. If the company fails, the employee not only loses his job, but also his nest egg for retirement. Moreover, as noted above, if the employer remains in business, the expectation will be that the employer will redeem the employee's stock at the time of retirement. However, since the employer gets a tax deduction at the time of the contribution and not when the stock is redeemed, redemption of stock, distributed by a qualified plan, requires greater earnings during the employee's retirement years than an equal deductible deferred compensation payment. If "retirement security" requires funding, surely that funding should not be in the stock of the employer.

Use of an ESOP by the Principal Shareholder To Save Tax

It has been suggested that ESOP's can be used as a vehicle to redeem a portion of the stock of the principal shareholder. Since as described above, the employee ownership is generally transitory, the shareholders is not really selling to the employees. Rather, the ultimate result is a sale by the shareholder to the employer corporation with the ESOP acting as a conduit. If such a sale were made directly to the corporation, the tax impact would often be ordinary income for the full amount of the corporate distribution. It is hoped by tax planners, however, that the sale to the ESOP will limit taxable income to the appreciation on the redeemed shares, which income would be taxed at the reduced rates applicable to capital gains. If this maneuver succeeds, it could result in a considerable loss of tax revenue. This subsidy to major shareholders of closely held corporations should be weighed against the supposed economic benefit of the ESOP.

Conclusion

ESOP's represent an ineffective and inequitable method of encouraging employee stock ownership. The Federal Government should not provide artificial inducements to a particular type of employee investment. The question of whether it is desirable for employees to own stock in their own employer can and should be left to collective bargaining.

THE TAX CREDIT FOR HOME INSULATION

The proposal for a tax credit for insulation of a home may appear attractive at first glance, but on analysis it turns out to be seriously defective.[1] The proposal is:

(1) Inefficient, because to save one barrel of oil—worth about $12—will cost the Treasury $42.35.

(2) Inequitable, because the well-off homeowner will get far greater benefits than a lower-income homeowner.

(3) Complex, because the tax return and the audit process will be further complicated, and

(4) Expensive, because the Treasury will lose nearly $288 million per year as a result of the credit, with no corresponding public benefit.

The House-passed conservation and conversion bill (H.R. 6860) provided for an individual income tax credit for home insulation equal to 30% of insulation expenditures up to $500. Thus, the maximum credit is $150. The Senate Finance Committee tentatively decided in 1975 to provide a similar credit, but under the Finance Committee proposal the credit would have been refundable, and the maximum amount of expenditures would not have been reduced on account of expenditures by a prior owner. In contrast, the House bill provided a nonrefundable credit and the $500 maximum would have been reduced by prior owners' insulation expenditures.

The idea of an insulation tax credit was born out of the energy crisis and concern for energy conservation. Conservation is important, of course, but so are other considerations, such as the need to keep the federal deficit under control. Fiscal responsibility demands that we ask whether the insulation tax credit is the best means of encouraging energy conservation. The insulation tax credit must be examined like any other tax expenditure to see whether it is an equitable, efficient way to save oil and other fuels.

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[1] The legislative history of the insulation credit confirms this point. A majority of the Ways and Means Committee voted in favor of the credit in Committee, but after additional time for serious reflection, a majority of the Committee opposed the credit on the floor of the House.

The Insulation Credit is Inefficient. The insulation credit is premised on the belief that people will buy more insulation if the federal government makes it cheaper by granting a tax credit of 30% to purchasers. How much more insulation will be purchased depends on what economists call the elasticity of demand.[2] Usually, when the elasticity of demand is unknown, as is the case here, economists feel that it is safest to presume that the elasticity of demand is −1.0. This means that a 30% decrease in prices will result in a 30% increase in purchases. In order to be generous, however, the Treasury in analyzing this credit has presumed an elasticity of demand of −2.0, i.e., a 30% reduction in cost will result in a 60% increase in insulation. Even with this generous presumption, the 30% credit will only save 6.38 million barrels of oil per year. See Table A.[3] U.S. oil consumption is running about 20 million barrels per day, so a 6.38 million yearly barrel saving is very small indeed—an eight hour supply of oil at a cost of almost $300 mililon.

The Treasury Department has shown that the Federal Energy Agency incorrectly estimated that a 15% credit for home insulation would result in a 95 thousand barrels per day equivalent reduction in home-heating fuel consumption. The FEA attributes to the credit all of the fuel conservation caused by all the insulation installed while the credit is in effect. The FEA does not attempt to figure out how much additional insulation will be installed as a result of the credit, and how much fuel this additional insulation will conserve. The FEA analysis makes about as much sense as saying that a depositor caused his bank to make a million dollar loan because he put a $500 deposit into the bank. The FEA also based its estimate on the total possible production of insulation, rather than on the likely amount of purchases. But total possible production does not necessarily equal total output, let alone total sales.

Under the Treasury's assumptions about elasticity of demand for insulation, the revenue loss is $288 million per year. Simple division shows that every barrel of oil saved by the insulation tax credit will cost the Treasury $42.35. This "price" would make even OPEC blush. The federal government could buy and distribute free almost four times as much oil through direct expenditures as it will save through as insulation credit.

The insulation credit is also inefficient because it rewards those who would install insulation anyway. To encourage more people to use insulation, the credit pays for 30% of the new purchasers' costs. But it does the same for homeowners who would have installed insulation even if there was no credit. In their case, the 30% credit is simply wasted. It is impossible to measure with precision how many people fall in this category, but the increased price for oil has sharply increased the incentive to install insulation, so the group of individuals who already plan to install insulation is bound to be large.

The Insulation Credit is Inequitable. Although tax credits are generally more equitable than deductions,[4] many homeowners who are not well off are not going to be able to spend $500 on insulation. Even if they know they would get $150 back from the federal government, they are still out of pocket $350. As a result, only those able to afford the full $500 of insulation expenses will get full advantage of the credit. Lower income homeowners will get few benefits, even if the credit is refundable. Thus, those who most need help to insulate their homes will get the least aid—and those who don't need aid will get the most generous benefits.

What has just been said assumes that the worst inequities of the insulation credit will be removed by making it refundable. If not refundable, those homeowners below income tax exemption levels would receive no benefit from a credit against tax, since there would be no tax against which to apply the credit. But there is no assurance that Congress will adopt a credit with a refundable feature. Even though the Senate might in fact pass a refundable insulation tax credit, it is likely that the refundable aspects of the credit will be dropped in the Conference, because of objections from the House Conferees. That would make the credit an even more unfair piece of legislation.

The Insulation Credit is Complex. Besides being inefficient and inequitable, the tax credit for insulation will add more complexity to the individual income tax return and to the audit process. The Commissioner of the Internal Revenue Service apologized to taxpayers for sending them such a complicated tax return form this year. If this insulation credit provision is adopted, the tax return will become even more complex.

In addition, many taxpayers will be unaware of this provision prior to getting their return form. As a result, they will not keep the necessary records that the IRS will demand for substantiating credit claims. If the credit is reduced because of insulation expenditures by the prior owner of the house, the record keeping process will be even more difficult. Since the credit saves little oil, the added complexity is not worth the pain it will inflict on taxpayers and the added audit costs to the IRS.

Conclusion. The Senate should reject any proposal for a home insulation credit. Increased oil prices have already made clear to consumers that they should start insulating their houses. If they can save money on their fuel bill by insulating their homes, the market mechanism provides a strong incentive to insulate. In fact, it has been estimated that average home insulation costs are recovered in about three years, through the resulting reduction in heating and cooling costs, by those who install their own insulation.[5] There is, therefore, no need for government subsidies in the form of tax expenditures.

The credit is grossly inefficient. It will cost the federal government $42.35 in tax revenue to save one barrel of oil worth about $12.00. Even OPEC oil is a better buy than this credit. In addition, the insulation credit is inequitable because it is more likely to be used to its full extent by the well-off homeowner than by those who really need help to insulate their homes. The credit will also make it more difficult to administer the revenue laws.

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[2] If elasticity of demand is high, a small decrease in prices will result in a large increase in purchases. If the elasticity of demand is low, a large change in prices will have little effect on purchases.

[3] "Plausible Estimates of the Home Insulation Credit Revenue Cost and Implicit Conservation Savings," Office of Tax Analysis, U.S. Department of the Treasury, April 30, 1975.

[4] Deductions, because they are subtracted from adjusted gross income, are worth more to those in the top brackets than to those in lower brackets. A $100 deduction is worth $70 to a person in the highest tax bracket, while it is worthless to a person who uses the standard deduction, as do most lower income individuals. A tax credit of 30%, on the other hand, is worth the same amount to all taxpayers no matter what tax bracket they are in, but only as long as they do pay taxes. Hence, those homeowners whose income is below exemption levels would not benefit even from a tax credit. However, if the tax credit is refundable, it will also help those who are too poor to pay taxes. Thus on equity grounds, a refundable tax credit is more equitable than the House's non-refundable credit. Both are to be preferred to a tax deduction. But even if a credit approach is used, the proposal remains grossly inefficient.

[5] "Analysis of Energy Supply, Conservation, and Conversion House Bill (H.R. 6860) and Possible Alternatives: Business Use Tax, Tax Treatment of Railroads, Home Insulation, etc." Prepared for the use of the Committee on Finance by the Staff of the Joint Committee on Internal Revenue Taxation, July 22, 1975, p. 7.

TABLE A.—ESTIMATED ANNUAL HOME INSULATION ACTIONS, COSTS AND INCREMENTAL THERMAL SAVINGS[1]

	Base for revenue estimate			Incremental conservation		
	Number of units	Price per unit	Total (million)	Number of units	Btu/year per unit (million)	Total Btu/year (trillion)
Ceiling insulation[2]	650,000	$200	$130	250,000	35.0	9
Storm doors[3]	2,500,000	75	188	960,000	1.0	1
Storm windows[3]	15,000,000	30	450	5,770,000	2.2	13
Clock thermostats[4]	1,000,000	70	70	400,000	15.0	6
Caulking and weather-stripping[4]	2,000,000	$50	$100	770,000	10.0	8
Other[5]	220,000	100	22	85,000		
Total			960			-37

[1] The elasticity of demand for retrofit materials is −2, i.e., a 30-percent reduction in cost (the size of the credit, without allowance for non-taxable homeowners and the delay in credit recoupment) will result in a 60-percent increase in thermal retrofits.

[2] The ceiling insulation base-level activity rate (in absence of credit) is 400,000 homes per year (this is consistent with the FEA estimate of 1974 activity, and with pre-1974 industry estimates, given the sharp increase in fuel prices).

[3] The base level stormdoor and window installation activity is taken to be twice the number of homes which insulate ceilings.

[4] The clock thermostat and weatherstripping base levels are as conjectured by FEA.

[5] The "other" insulation activity level is the same as for ceilings.

Note: Maximum annual credit: 0.30×$960,000,000 equals $288,000,000 (note: This ignores possibility that the cost to taxpayer may exceed $500.). Estimated annual oil equivalent savings: 37 trillion Btu over 5,800,000 Btu/bbl or 17,500 bbls/day equals 6.38 million bbls/yr.

The solar energy tax credit for homeowners

The proposal for a solar energy tax credit for homeowners is inadvisable on many grounds. It is:

(1) *Ineffective*—The technological problems blocking solar energy development cannot be solved by tax credits for purchasers of home equipment.

(2) *Inefficient*—Solar energy heating is much more expensive than alternative sources of energy.

(3) *Inequitable*—The well-off individual will gain the greatest benefits from the credit.

(4) *Complex*—Tax returns, and the audit process, will be further complicated by the credit.

(5) *Expensive*—The credit will cost as much as $30 million per year by 1980, and could become a fiscal time bomb thereafter.

Background. The House-passed Energy Conservation and Conversion Bill (H.R. 6860) provides a credit against income tax liability to individuals who install solar energy equipment in their homes. The credit is allowable for 25% of the first $8,000 of solar energy equipment expenditures, up to a maximum allowable credit of $2,000. The Finance Committee tentatively decided in 1975 to provide a refundable income tax credit for solar energy equipment amounting to 40% of the first $1,000 of expenditures, plus 25% of the next $6,400, for a maximum credit of $2,000.

The Solar Energy Credit is Ineffective. Solar energy today is not an economical source of energy in most parts of the United States. The technological problems involved in recovering solar energy at reasonable cost have not been solved. If the government is to get involved in the effort to develop solar energy, it should do so through direct appropriations that can be focused on a search for answers to the technological problems that now block utilization of solar energy.

Granting tax credits for the installation of home solar energy equipment is not an effective way to spur a research and development effort under government auspices. Most of the benefit of the credit will be wasted on individuals who are fortunate enough to live in areas where the sun shines on a large number of days each year, and who already find the use of solar energy to be practical. They will get a government tax subsidy for doing what they would have done anyway. Meanwhile, the research and development programs that are needed to make solar energy practical in the rest of the U.S. will not be undertaken, or will not be adequately funded.

The way to develop solar energy is to concentrate on the technical problems that actually block its use. The proposed tax credit is ineffective because it fails to do so.

The Solar Energy Credit is Inefficient. Use of solar energy is a worthy goal, but it should be pursued in an efficient manner. Prior to the invention of small electric motors and the incandescent bulb, it would have made little sense to grant government incentives to encourage people to put electricity into their homes. The same is true today of solar energy.

The Treasury Department has examined the cost effectiveness of various heating systems and has found solar energy to be *the least efficient*.[1] See Table A. Among other things, solar energy requires installation of an alternative heating system for use as a backup, when the sun does not shine.

For a homeowner in a 20% marginal tax bracket, the total costs over a 20 year period of heating an average home are shown by the Treasury study to be $12,907 with a solar system, vs. $3,659 for oil and $2,582 for gas. Thus, the solar system is three-and-one-half to five times as expensive as alternative systems. Since the benefits for each system are comparable, one can say that the solar system is one-fifth as cost-effective as gas heat and less than 30% as cost effective as oil heat.

Assuming a solar system with an electric baseboard backup system, a 20% marginal tax bracket homeowner would need a 69% credit to make solar heat competitive with oil, and a 77% credit to make it competitive with gas. If a credit were allowed only on the solar system (and not on the backup as well), the corresponding number jumps to 83% for a 20% bracket taxpayer considering gas heat as an alternative. The need for such absurdly high tax credits shows clearly the costly, inefficient character of a solar heating system. There is no justification for federal tax subsidies for costly, inefficient systems.

The Solar Energy Credit is Inequitable. To take full advantage of the proposed solar energy credit, a homeowner must spend at least $8,000 under the House bill. It is true that a taxpayer with sufficient tax is eligible to get $2,000 of this cost back from the government, but who except the well-off homeowner can generally afford to spend so much money for solar equipment? The credit clearly becomes a subsidy to the well-off homeowner who would be likely to install the equipment even without the credit. The benefit of the credit will be confined to a small group of homeowners in the upper brackets, and hence will be distinctly upside-down government assistance.

The Solar Energy Credit is Complex. Taxpayers are having more difficulties every year filling out the tax return form, and the IRS is having greater difficulty auditing returns. Enactment of the solar energy credit will require yet another line on the tax return, even if the credit is claimed by only a few individuals, causing confusion for most taxpayers. Tax returns need to be simplified, not made more complex.

The Solar Energy Credit is Expensive. The Staff of the Joint Committee on Internal Revenue Taxation estimates that the revenue loss from the House-passed solar energy credit will be small (under $5 million) in the first three years. The cost will be minor because the credit will be almost totally ineffective.

But, by 1980, the revenue cost is expected to climb to $30 million a year due to more people buying solar energy equipment as the technical problems of solar energy are solved. From that point forward, the revenue losses from the solar energy credit could become very large. Thus, the credit fails to spur energy research now, when we face difficult technological problems. Instead, it constitutes a fiscal time bomb, set to go off as soon as those problems are solved and government help is no longer needed.[2]

Conclusion. The solar energy credit wastes government funds by failing to concentrate on the problems that demand a solution if the sun is ever to become a practical source of energy. The credit is inefficient, because it spurs a form of heating which is currently much more expensive than any other heating system. The credit is inequitable because it will benefit only homeowners who can afford to buy solar energy equipment.

If energy conservation and development measures are needed, they should be funded through direct appropriations. As the Manhattan Project and the Apollo Program demonstrate, projects funded through direct appropriations show results, and outlays are cut when the project has achieved its objective. In contrast, programs funded through the tax system go on and on, and there is never any review of the results, or any end to the costs. The proposed credit for solar energy equipment should be rejected.

TABLE A.—NECESSARY GROSS RETURN TO HOMEOWNER FROM INVESTMENT IN A HOME HEATING PLANT

[For 1,850 ft^2 house over 20-year period]

Homeowner's marginal tax bracket	Type of heating system	Present law
20 percent	Solar	$12, 907
	Electric furnace	5. 440
	Electric resistance	4, 968
	Oil	3, 659
	Gas	2, 582
50 percent	Solar	12, 068
	Electric furnace	5, 363
	Electric resistance	4, 906
	Oil	3, 546
	Gas	2, 525

Source: Office of the Secretary of the Treasury, Office of Tax Analysis, Apr. 7, 1976.

INCREASING THE ESTATE TAX EXEMPTION

The case for not increasing the present $60,000 estate tax exemption is easily stated. The exemption already removes almost 93% of the population from payment of any estate tax. To increase the exemption is to give tax relief to the wealthiest 7% of the families in this country at the same time that the President is asking the poor to pay more social security taxes.

Increasing the exemption to $200,000, as some have proposed, would cut off almost half the revenues from the tax and would mean that less than 1% of decedents would be subject to it. Before World War II, estate and gift taxes produced 7% of federal revenues. By fiscal 1975, this already had been allowed to fall below 2%, or less than $5 billion, and there is no reason to allow the yield from these taxes to fall further.

The estate tax is an ideal source of federal revenue because it combines reliance on ability to pay with the least possible interference with taxpayers' incentives to work and invest. It allows the taxpayer to enjoy his wealth in any way he chooses while he lives and only comes into play when he can enjoy it no more.

If the estate tax bears too heavily on particular estates because of the kinds of assets they include or because of the persons to whom they will pass, the appropriate way to deal with the problem is to tailor relief to the cases in which it is needed. An increase in the exemption is a blunt instrument to deal with particular problems because it gives relief to all estates, without regard to size or the character of the assets and without regard to the needs of the beneficiaries for support from the decendent's wealth.

A. Substituting a credit for the exemption

It is sometimes suggested that a credit be substituted for the exemption. This would mean that instead of taking the exemption off the highest bracket applicable to a given estate, it would be taken off the bottom brackets by giving each estate a credit for the tax produced by such bottom brackets. For example, an estate of $120,000 is taxed on $60,000 today and the tax is $9,500 (before deducting any credit for state death taxes). It would be desirable to substitute a credit of $9,500 for the present $60,000 exemption in order to limit the benefit for large estates. An estate in the top 77% bracket saves $46,200 from the exemption and would save only $9,500 if a credit were substituted in place of the exemption.

The following discussion is equally applicable to proposals to substitute a credit for the present exemption if such credit is larger than the tax on $60,000.

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[1] "Solar Heating," Office of Tax Analysis, U.S. Department of the Treasury, April 8, 1976.

[2] Technically, of course, the credit was scheduled in the House Bill to expire in 1981. However, Congress has regularly renewed similar credits, despite expiration dates. The problem is that any tax benefit creates a constituency automatically, which then fights to prevent the termination of the tax benefit. There is no reason to think that a solar energy credit would be any different.

B. Arguments made for increasing the exemption (or credit)

In the current discussion of the estate tax, the major reasons usually given for increasing the exemption are:

1. To reflect the inflation that has occurred since the $60,000 figure was set in 1942;
2. To relieve the burden on estates which include farms or small businesses which otherwise may have to be sold to pay the tax;
3. To reduce the tax for small or "moderate" estates;
4. To free executors of small estates from the necessity of preparing estate tax returns and undergoing audits by the IRS.

None of these arguments justifies an increase in the exemption.

1. Inflation

Secretary Simon testified before the House Ways and Means Committee on March 22, 1976, that adjusting the $60,000 exemption for inflation since 1942 would require that it be increased to $210,000. The Secretary doubtless is accurate with respect to the change in the purchasing power of money during this period. But it does not follow that a corresponding change in the exemption is called for.

There was no magic about the $60,000 figure when it was adopted as part of the Revenue Act of 1942 and no reason to believe it received any extended consideration by Congress. A committee report notes cryptically that prior law provided a $40,000 exemption plus an additional $40,000 exemption for life insurance, for both of which a single exemption of $60,000 was substituted.

Even if it is assumed that $60,000 was right in 1942, it doesn't follow that it would be right today after adjustment for inflation. Thus, the adoption of the marital deduction in 1948 already has provided a doubling of the amount a married taxpayer may leave his spouse free of estate tax. Moreover, since proposed changes in the marital deduction would free nearly every spouse from estate tax, the size of the exemption can only affect other family members, generally adult children. The size of the exemption should therefore turn on the desired coverage of the estate tax. There is no reason to reduce that coverage below today's level.

2. Farms and Small Businesses

A large part of the pressure for an increase in the estate tax exemption is from owners of farms and small businesses who fear that the tax will lead to forced sales of these assets. But an increase in the exemption is a wasteful and ineffective way to deal with any specialized problems created by these assets. If the problem is avoiding forced sales because of lack of liquid assets to pay the tax, the appropriate solution is not an increase in the exemption, which benefits liquid estates as well as those which are not, but rather more liberal provisions for deferred payment of the tax.

If the problem is limiting the value of farm land for estate tax purposes so as not to force its conversion into other uses, one preferable solution has already been suggested based on the transfer of development rights to the Secretary of Agriculture or to a state or local government or charitable organization. After such a transfer, development of the land for commercial or residential purposes would not be permissible and it would be valued for estate tax purposes without considering such potential uses. Any owner who wished to develop the land after development rights had been granted would have to reacquire such rights by paying the amount of estate tax foregone by the government, with interest. This approach would limit estate tax relief for farms to those which are kept out of commercial or residential development, and would continue such relief only so long as development did not occur. It would be far less costly than an increase in the exemption, which applies to all estates, whether or not they include any farm land.

The alleged problems of closely-held businesses under the estate tax have been greatly exaggerated in the pressures to increase the exemption. The estates involving closely-held businesses are able to handle the estate tax in a variety of ways: 1) Installment payment of estate tax; 2) The use of section 303 to redeem stock and thus take funds from the corporation to pay the estate tax; 3) The owners of most closely-held businesses carry insurance to provide liquidity for estate tax purposes—there is no shortage of insurance salesmen to point out the advantages of this coverage; 4) Many closely-held businesses recapitalize to provide two classes of stock—the voting stock is preferred stock and owned by the older family members and most of the value inherent in business escapes estate tax altogether by being transferred by way of gift to the children of the non-voting common stock.

3. Small or moderate estates

It is sometimes said that the exemption should be increased in order to reduce the burden on small or moderate sized estates. In view of the fact that only 7% of the population leaves any taxable estate at all, it is difficult to justify classifying any of such estates as small or moderate.

Another version of the same argument focuses not on the size of the estate, but rather on the family responsibilities of the decedent. It is said that a father who leaves a widow with young children to support cannot make adequate provision for them without incurring an estate tax. But the most effective way to give relief in this situation is to increase the maximum marital deduction, for example, to $100,000 plus one-half the adjusted gross estate, and to provide additional relief for estates whose beneficiaries include minor children of the decedent. Such selective relief is far more appropriate and far less expensive in lost revenues than giving all estates a higher exemption.

4. Freeing Executors of Small Estates from Filing Requirements and Audits

Preparation of the present estate tax return (Form 706) is admittedly a time-consuming task for the executor of a $60,000 estate. But reducing that burden does not require an increase in the exemption. The IRS has developed simplified income tax returns for wage earners whose income is from relatively few sources and it would be possible to develop a short-form estate tax return to ease the filing requirements in uncomplicated estates. Again, an increase in the exemption is an expensive way to accomplish the desired result.

SENATE LEGISLATIVE ACTIVITY—JANUARY 19 THROUGH JULY 2

Mr. MANSFIELD. Mr. President, before adjourning for the Nation's Bicentennial celebration and for the Democratic National Convention, let us look at the Senate's record this year.

No one need look beyond the weariness in this Chamber to comprehend the long hours we have been putting in on the Senate floor this year. In the last month we have been meeting very early and recessing very late—often 13- to 15-hour days. This, may I say, has left very little time for other senatorial responsibilities, not to mention personal commitments to our families.

A statistical comparison of Senate activity during the last 5 years at this point in the year graphically gives some indication how much the Senate has accomplished this year. We have been in session almost a hundred hours more than last year, passed over a hundred more bills, enacted almost three times as many public laws and tallied over a hundred more rollcall votes. Bulk is not necessarily the measure of quality, but it does indicate the pressures and the demands which have poured in on us throughout these months.

In the month of June alone, the Senate has wrestled with two major issues of infinite complexity—tax reform and antitrust laws revision. We have passed eight of the 1977 appropriations bills, repassed the earlier vetoed military aid and foreign sales bill and passed a lobbyist registration bill, and the public works employment conference report, to name only a few.

Speaking for the leadership, I would like to take this opportunity to thank all Members of the Senate—and Senate personnel as well—for their participation in the important work of the Senate, especially during the often difficult and frustrating sessions of the last month. No doubt, we will all profit from a change of scene during the next 2 weeks. Many of us will be concentrating on Senate responsibilities of a more political nature during this time, after the Bicentennial Fourth of July. May we return on the 19th refreshed and ready for the heavy legislative schedule which will await us.

Mr. President, I ask unanimous consent that the 5-year comparison of Senate activity and a report and index prepared by Beth Shotwell, the chief clerk, and other staff of the Senate Democratic Policy Committee summarizing the 1976 legislative record be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

5-YEAR SENATE ACTIVITY (AS OF JULY 4 RECESS)

	1972	1973	1974	1975	1976
Days	102	95	88	94	98
Hours	600:35	501:25	539:45	556:19	633:35
Total measures	365	319	340	314	445
Public laws	96	48	75	41	129
Record votes	251	259	271	258	384
Treaties	8	5	3	1	10
Senate average attendance (percent)	81.12	87.29	86.72	89.14	85.09
Late sessions (after 8 p.m)	7	5	1	8	15
Early sessions (before 10 p.m.)	25	8	11	20	33
Saturday sessions	0	3	0	2	1

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Lebanon (S. Res. 448).

Lincoln Statue (H.J. Res. 406, P.L. 94–208).

Olympic Games (S. Res. 413).

Palm Oil Production Loans (S. Res. 444).

Peace Corps Authorization (H.R. 12226, P.L. 94–281).

Soviet-U.S. Relations (S. Res. 406).

Spanish Friendship Treaty (S. 3557).

State Department Authorization (S. 3168).

Treaties:

Convention on Objects Launched into Outer Space (Ex. G, 94th–2d).

Extradition Treaty with Spain (Ex. B, 94th–2d).

Extradition Treaty with the United Kingdom and Northern Ireland (Ex. A, 94th–2d).

Inter-American Women's Rights Convention (Ex. D, 81st–1st).

Radio Regulations Revision (Ex. G, 94th–1st).

Telecommunications Convention (Ex. J, 93d–2d).

Telegraph and Telephone Regulations (Ex. E, 93d–2d).

Treaty of Friendship and Cooperation with Spain (Ex. E, 94th–2d).

Treaty with Switzerland on Criminal Matters (Ex. F, 94th–2d).

Women's Political Rights Convention (Ex. J, 88th–1st).

U.S. International Trade Commission (S. 3420).

U.S. Winter Olympic Team (S. Res. 386).

U.S.I.A. Authorization (H.R. 11598, P.L. 94–272).

Wilma Rudolph Film (H.R. 6949, P.L. 94–218).

1980 Winter Olympic Games (S. 2184).

MEMORIALS, TRIBUTES AND MEDALS

Bernardo de Galvez Statue (S. 3031 P.L. 94–287).

Bicentennial Reflections (S. Res. 485).

Charles Carroll Medals (H.R. 3427, P.L. 94–257).

Clarence M. Mitchell, Jr. (S. Res. 353).

Commercial Aviation 50th Anniversary (S. Res. 381).

Congressional Country Club (S. Con. Res. 119).

International Astronautical Federation (S. Res. 412).

J. Allen Frear Building (S. 999).

Jerry L. Pettis Memorial Veterans' Hospital (H.R. 4034, P.L. 94–246).

John Witherspoon Statue (S. 1996).

Library of Congress Thomas Jefferson Building (S. 2920, P.L. 94–264).

Lincoln Memorial (S. 64).

Norris Cotton Building (S. 3589).

101st Airborne Memorial (S. 1847, P.L. 94–211).

Ozark-Jeta Taylor Lock and Dam (S. 3063).

Terry Schrunk Plaza (S. 1971).

Torbert H. MacDonald, Death of (S. Res. 452).

William A. Barrett, Death of (S. Res. 433).

William O. Douglas (S. 2742).

Wright Patman, Death of (S. Res. 402).

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Boundary Waters Canoe Area (S. 1526).

Chickasaw National Recreation Area (H.R. 4979, P.L. 94–235).

Cibola National Forest (S. 1872).

Eugene O'Neill National Historic Site (S. 2398).

Fire Island National Seashore (S. 867).

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Gruber Wagon Works (S. 1497).

Klondike Gold Rush National Historical Park (S. 98, P.L. 94–323).

Land and Water Conservation Fund—National Historic Preservation—Oil Shale Revenues (S. 327).

Land and Water Resource Conservation (S. 2081).

National Parks Mining Regulations (S. 2371).

National Resource Lands Management (S. 507).

National Wildlife System Administration (H.R. 5512, P.L. 94–223).

Ninety Six and Star Fort National Historic Site (S. 2642).

Rangelands Management (S. 2555).

Reclamation Projects Authorization (S. 151, P.L. 94–228).

Recreation Permits (S. 2125).

River Basin Authorizations (H.R. 12545, P.L. 94–).

River Basin Monetary Authorizations (S. 3432).

Saline Water Authorization (H.R. 11559, P.L. 94–316).

Santa Monica Recreation Area (S. 1640).

Valley Forge National Historical Park (H.R. 5621, P.L. 94–).

Wetlands Loan Extension (H.R. 5608, P.L. 94–215).

Wilderness Areas:

Alpine Lakes Wilderness (H.R. 7792, P.L. 94–).

Badlands National Monument (S. 1068).

Bristol Cliffs Wilderness (S. 2308, P.L. 94–268).

Eagles Nest Wilderness (S. 268, P.L. 94–).

Shenandoah National Park (S. 885).

Wilderness Areas Studies:

Kaiser Roadless Area (S. 75).

NOMINATIONS (ACTION BY ROLL CALL VOTE)

George S. Brown to be Chairman of Joint Chiefs of Staff.

George Bush to be Director of Central Intelligence.

S. John Byington to be Commissioner on Consumer Product Safety Commission.

George Henry Kuper to be Executive Director of the National Center for Productivity and Quality of Working Life.

David M. Lilly to be Member of Board of Governors of Federal Reserve System.

William L. Springer to be Member of the Federal Election Commission.

Willie J. Usery to be Secretary of Labor.

PROCLAMATIONS

Bald Eagle Days (S. Res. 347).

Beta Sigma Phi Week (S.J. Res. 76).

Bicentennial Day of Prayer (S.J. Res. 179).

Bicentennial Highway Safety Year (H.J. Res. 726, P.L. 94–322).

Employ the Older Worker Week (S.J. Res. 35, P.L. 94–275).

Fair Housing Month (S. Con. Res. 112).

Family Week (S.J. Res. 101, P.L. 94–270).

Fourth of July Holiday (S.J. Res. 151).

Horse Week (S.J. Res. 182).

Independence Day (S.J. Res. 150).

Knights of Columbus Day (S.J. Res. 183).

Small Business Week (S.J. Res. 163).

Tennis Week (S.J. Res. 172).

Thomas Jefferson Day (H.J. Res. 670, P.L. 94–263).

World Habitat Day (S. Res. 398).

SENATE

Cloture Rule (S. Res. 268).

Commission on the Operations of the Senate (S. Res. 410) (S. Res. 423).

Oklahoma Senate Contest.

Old Senate Chamber (S. Res. 446).

Pension Fund Tax Returns (S. Res. 483).

Select Committee on Committees (S. Res. 109) (S. Res. 456).

Changes affecting eligibility

Select Committee on Intelligence (S. Res. 400).

Select Committee on Intelligence Activities (S. Res. 377) (S. Res. 414) (S. Res. 435).

Select Committee on Small Business (S. Res. 104).

Watergate Reform Legislation (S. Res. 437).

TRANSPORTATION-COMMUNICATIONS

Airport and Airway Development (H.R. 9771, PL. 94–).

Alaska Highway (S. 2071).

Boat Safety Programs (H.R. 5630, P.L. 94–).

Common Carriers Tariff Procedures (S. 2054).

ConRail Acquisition of Bankrupt Rail Property (H.R. 12490, P.L. 94–253).

ConRail Stock (S.J. Res. 184, P.L. 94–248).

Educational Broadcasting Facilities (H.R. 9630, P.L. 94–309).

Federal-Aid Highway Authorization (H.R. 8235, P.L. 94–280).

Federal Communications Commission Forfeiture Authority (S. 2343).

Hazardous Materials Transportation (S. 2991).

Independent and National Transportation Safety Boards (S. 2661).

Maritime Authorization (H.R. 11481).

Motor Vehicle Safety (H.R. 9291, P.L. 94–).

Rail Negotiations (S. Con. Res. 97).

Railroad Revitalization (S. 2718, P.L. 94–210).

Railroad Safety (H.R. 11804, P.L. 94–).

Shipbuilding Contracts (H.R. 11504).

Translator Broadcast Operations (S. 2847).

VETERANS

American Battle Monuments Commission Travel Expenses (H.R. 8507, 94–256).

Veterans' Information (H.R. 10268, P.L. 94–321).

Veterans' Housing Loans (S. 2529, P.L. 94–324).

Veterans' Insurance (S. 1911).

SENATE LEGISLATIVE ACTIVITY

(94th Congress, 2d Session)

(By Senate Democratic Policy Committee)

Days in session	98
Hours in session	633:35
Total measures passed	445
Private laws	25
Public laws	129
Treaties	10
Confirmations	28,069
Record votes	384
Vetoes	5

Symbols: (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration—* numbers indicate vote occurred 1st session of 94th Congress (1975).

AGRICULTURE

African/Brazilian honeybee control.—Amends the Act of 1922 which prohibits the importation of the Apis species of honeybee to prevent the introduction and spread of foreign diseases and parasites harmful to domestic honeybees; prohibits the importation of honeybees in all of their life stages (from germ plasm to adult) except under certain specified conditions; permits the importation of honeybee semen only from countries which are determined to be free of undesirable species or subspecies of honeybees and which have adequate precautions in operation to prevent the importation of such undesirable honeybees and their semen; and authorizes the Secretary of Agriculture to cooperate with State governments, organizations, individuals, and the governments of Mexico, Canada and the Central American countries to eradicate and control the spread of undesirable species of honeybees, including all forms of the African (or Brazilian) honeybee. S. 18—Public Law 94–319, approved June 25, 1976. (VV)

Agriculture Department employees' dependents orientation.—Authorizes the Secretary of Agriculture to use appropriated funds for the orientation and language training of dependents of officers and employees of the United States Department of Agriculture who have foreign assignments. S. 3052—Passed Senate March 16, 1976; Passed House amended June 7, 1976. (VV)

Agricultural census.—Amends section 142, title 13, U.S.C. to change the reference years and the years for taking the census of agriculture to coincide with the economic census of manufacturing, mining, and industry which is taken every 5 years and refers to the years the last numericals of which are "2" and "7" in order to provide comparable data for evaluating the Nation's economic and agricultural status and to avoid the heavy workload in the Bureau of the Census when the agricultural census is taken in the same year as the decennial census; changes the definition of the term "farm" for census purposes to include only places which produce at least $1,000 worth of agricultural goods a year instead of, as at present, any place which produces agricultural goods selling for at least $250 in a year or a place measuring at least 10 acres and producing at least $50 in agricultural goods; and postpones until June 30, 1976, the effective date of the change in the term "farm" to give Congress an opportunity to study the possible effects of the change bfeore it becomes effective. H.R. 7824—Public Law 94–229, approved March 15, 1976. (VV)

Agricultural loans for losses due to toxic chemical contamination.—Requires the Secretary of Agriculture to make loans to bona fide farmers and ranchers who suffer losses on or after January 1, 1973, through no fault of their own due to toxic chemical contamination of their agricultural commodities or livestock; limits the amount of any loan to an individual agricultural producer to $100,000, the cost of replacing the condemned livestock or products, or the noncompensated share of the condemned products or livestock; places a 7-year maximum term on the loan at a rate of interest reflecting the cost of money to the Government; and authorizes the Secretary to grant a grace period for principal payments and the majority of interest for up to 3-years if individual circumstances warrant. S. 2578—Passed Senate March 10, 1976. (VV)

Agricultural pest control.—Broadens and strengthens the authority of the Secretary of Agriculture to control and eradicate agricultural pests by (1) permitting the Secretary to carry out eradication and control programs with respect to plant pests not now covered by the Organic Act of 1944 including spider mites, slugs, and snails; (2) extending the Secretary's authority to cooperate with foreign governments including governments of the Western Hemisphere, Canada, Mexico, Central America, Colombia, the Bahama Islands, the Greater Antilles, the Lesser Antilles, and international organizations and associations in carrying out eradication and control programs; (3) making discretionary the Secretary's authority to provide phytosanitary inspection and certification service for domestic plants and plant products for export, and extending such authority to inspection and certification of any plants or plant products offered for export or transiting the United States; (4) repealing provisions of the Act of October 6, 1917, for cooperation with Mexico and adjacent States in the extermination of pink bollworm infestations near the U.S. border which authority is now contained in the Organic Act; and (5) clarifying the Secretary's authority to cooperate with certain Western Hemisphere countries, the Bahama Islands, the Greater Antilles, the Lesser Antilles and international organizations and associations with respect to animal disease control and the carriers of animal diseases. S. 1617—Public Law 94–221, approved March 15, 1976. (VV)

Beef research and information.—Authorizes the Secretary of Agriculture to issue a national order providing for the establishment of a Beef Board consisting of not more than 68 members, and alternatives who are to be appointed by the Secretary from qualified nominees representing cattle producers from each beef-producing area; provides that the Beef Board is to develop, subject to the Secretary's approval, a program of research, producer and consumer information, and promotion designed to strengthen the cattle and beef industry in the domestic and foreign market which is to be financed from assessments paid by cattle producers;

Requires approval by referendum among cattle producers before the national order may become effective; requires that approval be by two-thirds of the majority of the registered producers voting and that it least 50 percent of those registered must vote;

Authorizes the Secretary to terminate or suspend the order if he finds it does not effectuate the purposes of the bill or to hold a referendum at any time, and provides that a referendum shall be held if requested by 10 percent or more of the number of producers voting in the referendum approving the order;

Provides for funding of the program through an assessment system where each buyer of cattle would collect an assessment from the producer-seller based on the value of the cattle involved, and pass it on to the next buyer, with the slaughterer required to remit the assessment to the Beef Board; sets the maximum amount which may be assessed at 0.5 percent of the value; exempts cattle produced and slaughtered for home consumption;

Provides that producers not favoring the program may obtain a refund of the assessment if requested not more than 60 days after the end of the month in which the sale or slaughter of the cattle occurred and provides that the Beef Board make a refund within 60 days; authorizes a civil penalty of $1,000 for persons willfully failing or refusing to collect any assessments required of them or otherwise willfully violating provisions of the order;

Requires the Beef Board to submit to the Secretary for approval all plans and projects as well as a budget; and requires that copies of the budget be submitted to the House and Senate Committees on Agriculture. H.R. 7656—Public Law 94–294, approved May 28, 1976. (*539,175)

Commodity Credit Corporation.—Repeals the authority of the Commodity Credit Corporation to finance cotton research and promotion programs of Cotton, Inc., and authorized a referendum among producers to finance such research and promotion programs H.R. 10930—Public Law 94– , approved 1976. (VV)

Farmer elected committeeman system.—Expresses Senate support for the participation of farmers in the programs of the Department of Agriculture through the farmer elected community committeeman; urges the Secretary of Agriculture to take the actions necessary to provide for increased involvement of farmers in the policy and decision-making operations of the Department of Agriculture; and requests the Secretary to discontinue any actions designed to eliminate or reduce the community committeeman program administered by the Stabilization and Conservation Service of the Department of Agriculture. S. Res. 272—Senate agreed to February 5, 1976. (VV)

Food stamp program.—Makes changes in the food stamp program relating to eligibility to participate, the benefits available, administration of the program, and the penalties applicable to violations, as follows:

Changes affecting eligibility

(1) Eliminates the present system of allowing varying, itemized deductions from gross income in determining household income for purposes of the food stamp program and replaces it with a standard deduction of $100 a month for the 50 States and the District of Columbia and of $60 a month for Puerto Rico, the Virgin Islands and Guam, and provides an additional standard deduction of $25 a month in the case of a household with one or more members 60 years of age or older, or any household with earned income of $150 a month or more;

(2) Defines "gross income" as including (but not limited to) all money payments (including payments made pursuant to the Domestic Volunteer Services Act of 1973) and payments in kind, excluding: (a) medical costs payments; (b) earned income of a child under 18; (c) payments received under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; (d) infrequent or irregular income not exceeding $30 during any 3 month period; (e) all loans, scholarships, fellowships, grants, and veterans' educational benefits, except those deferred to the extent that they are not used for tuition and mandatory fees; (f) housing vendor payments to landlords; (g) payments under the supplemental food program for women, infants, and children (WIC); (h) payments in kind from government benefit programs, including, but not limited to, school lunch, medicare, and elderly feeding programs, and any payments in kind which cannot be reasonably and properly computed; (i) the cost of producing self-employed income; (j) Federal, State, and local income tax refunds, Federal income tax credits, and retroactive payments under the Social Security Act provided that these amounts shall be included under household resources for eligibility purposes; and (k) income specifically excluded by other Federal laws;

(3) Bases eligibility on income received during the 30 days prior to application;

(4) Provides for semi-annual adjustment of the standard deduction and of the income poverty guidelines according to changes in the Consumer Price Index, with the first adjustments effective July 1, 1977;

(5) Freezes existing assets eligibility standards (presently set by regulation) until 60 days after a report on asset holding has been submitted to Congress;

(6) Eliminates present automatic eligibility for persons eligible for welfare programs and requires them to apply and demonstrate eligibility just as nonwelfare persons;

(7) Excludes from eligibility college students who are or can legally be claimed as tax exemptions by families which are themselves not eligible for food stamps;

(8) Excludes from eligibility those who terminate employment voluntarily, unless previously eligible; strengthens work registration requirements for persons under 60 years of age; requires a person with a child age 12 or over (instead of age 18 or over) to meet the work registration and acceptance requirements for eligibility; and makes other changes;

Changes affecting benefits

Changes the purchase-price requirement from the present varying rate based on household size and income using basis-of-issuance tables established in 1971 to a uniform price rate of 25 percent of net income as determined under the Food Stamp Act; defines a "nutritionally adequate diet" as one that is based on the thrift food plan developed in 1975 by the Department of Agriculture and provides that the cost of such diet shall be the basis for uniform coupon allotments; provides that the minimum benefit for single-person and two-person households shall be $10 per month; and allows a household to file for lost benefits due to administrative error not later than 3 months after learning of the error, and limits the cash payment for lost benefits to bonus value of its allotment for a 3-month period;

Changes affecting administration

Requires States to certify applicants and issue authorization to purchase cards within 30 days of receiving the application; gives each State the option, instead of the present requirement which would have become effective beginning October 1, 1976, to decide whether to establish a system where a household may elect to have its purchase price charge for the coupons withheld from its public assistance check; allows all food stamp recipients who are housebound, feeble, physically handicapped, or otherwise disabled, as well as all those over age 60, to use food stamps for meals-on-wheels with stamps; authorizes a pilot project on elimination of the purchase price requirements; provides that a household may be disqualified for fraudulent participation but must be found guilty in a court or by a State welfare agency, after a proper hearing; and makes other changes;

Changes affecting penalties for violations

Establishes criminal penalties for food stamp vendors who fraudulently mishandle receipts; requires timely and verified reports of receipts and deposits by vendors; reduces the maximum penalty for certain misdemeanor violations from $5,000 to $1,000 so as to permit such misdemeanors to be prosecuted before magistrates under the Federal Magistrates Act; and makes other changes. S. 3136—Passed Senate April 8, 1976. (138)

Food stamp vendors.—States that receipts from the sale of food stamps are Federal funds and that any vendor using such funds for his own benefit shall be punished by a fine of not more than $10,000, or a sum equal to the amount involved, which ever is greater, or imprisonment for up to 10 years, or both; requires timely, verified reports of receipts and deposits by vendors to state agencies responsible for the administration of the program and to the Department of Agriculture; and directs the Secretary of Agriculture to establish procedures to monitor the inventories of food stamps held by vendors and to provide standards to safeguard them against misuse by vendors. S. 2852—Public Law 94– , approved 1976. (139)

Grain inspection.—Amends the United States Grain Standards Act to require that (1) all grain inspections at export elevators and major inland terminal elevators be made by employees of the Federal Grain Inspection Agency established by this bill within the Department of Agriculture to administer the program; (2) all grain transferred into or out of export elevators be officially weighed by Federal employees; (3) grain may be officially weighed at major inland terminal elevators either by Federal employees or by State employees under Federal supervision; and (4) large companies engaged in merchandising grain in foreign commerce must be registered with the Agency; strengthens the civil and criminal penalties available under the Act to enforce honest and accurate grain inspection and weighing; and provides for the recovery of most of the costs of the program through fees for program services. H.R. 12572—Passed House April 12, 1976; Passed Senate amended April 26, 1976; In conference. (153)

Horse protection.—Amends the Horse Protection Act of 1970 (Public Law 91–54) in order to stop the practice of altering the gait of horses by injury ("soring") to assure that the horse has a distinctive high-stepping gait; expands the definition of the term "soring" to include limb deficiencies produced by improper diets or psychological conditions; prohibits the movement of "sore" horses in commerce, the showing of horses with "unsound" limbs, and the sale at a public auction or the showing of horses that have been sored or are wearing devices banned by the Secretary of Agriculture because they are usually used to make a horse sore or unsound; requires the management of horse shows and auctions to keep records subject to inspection by agents of the Department of Agriculture; imposes penalties for civil and criminal violations of the Act; grants the Secretary of Agriculture the necessary authority to enforce the Act including the authority to disqualify from entry into shows for 1 year, any person convicted for a violation of the Act and stipulates that second offenses may be disqualified for up to 3 years, and to detain a horse for 24 hours to examine it for soring or to take evidence; and authorizes therefor $500,000 per year. S. 811—Public Law 94– , approved 1976. (VV)

Livestock producers and packers.—Amends the Packers and Stockyards Act of 1921, as amended, to assure livestock producers that they will receive payment for the animals they send to packing plants as follows: (1) requires any packer with average annual purchases of over $500,000 to be bonded and to hold all livestock, meats, receivables, and proceeds therefrom in trust until all producers who sold livestock to the packer on a cash basis have been paid; (2) includes wholesale brokers, dealers, and distributors marketing meats, meat food products or livestock products under regulation as packers under title II, except where the Secretary of Agriculture determines it is not necessary; includes under the jurisdiction of the Secretary all transactions of packers who operate in commerce; (3) gives the Secretary authority to order packers to cease and desist from operating while insolvent except under prescribed conditions; (4) gives the Secretary specific authority to request the Attorney General to seek a temporary injunction or restraining order in Federal district court, pending administrative action, to prevent irreparable injury to producers or members of the industry which would result if persons subject to the Act were permitted to operate while insolvent or otherwise in violation of the Act; (5) authorizes the filing in court of a private cause of action seeking damages against any person subject to the Act which arise out of a violation or of an order of the Secretary relating to purchase, sale, or handling, of livestock; (6) requires packers, market agencies, and dealers purchasing livestock to deliver to the seller or his agent at the point of transfer of possession of the animals the full amount of the purchase price before the close of the next business day unless otherwise agreed in writing; and (7) provides that the packer bonding and prompt payment provisions would preempt State laws. H.R. 8410—Passed House May 6, 1976; Passed Senate amended June 17, 1976. (VV)

Milk price supports.—Establishes the support price for milk at 85 percent of the parity price effective on the date of enactment and ending on March 31, 1978. S.J. Res. 121—Vetoed January 30, 1976. Senate sustained veto February 4, 1976. (27)

Peanut allotments.—Authorizes the Secretary of Agriculture, for 1976 and subsequent years, to permit the transfer of all or part of the peanut acreage allotments for any farm located in an area having suffered a natural disaster which would prevent the planting of peanuts on a timely basis to another farm engaged in the production of peanuts. S. 1545—Public Law 94-247, approved March 25, 1976. (VV)

Potash supplies.—Expresses as the sense of the Senate that: the Department of State should express concern to the Canadian Government and the Government of the Province of Saskatchewan that supplies of the critical plant nutrient, potash, not be disrupted, the Department of State should determine the exact objectives and likely conclusions of the proposed takeover of the potash industry by the Government of the Province of Saskatchewan; and the Department of Agriculture should develop contingency plans to assure an adequate supply of potash for American agriculture in the event that supplies from Saskatchewan should be temporarily or permanently disrupted. S. Res. 403—Senate agreed to March 17, 1976. (VV)

Resource conservation and development loans.—Amends the Bankhead-Jones Farm Tenant Act, as amended, to increase from $250,000 to $500,000 the amount of any loan which may be made for a research conservation and development project under the act without prior approval by the House and Senate Agriculture Committees; and redefines the term "aquaculture" to mean the culture or husbandry or aquatic animals or plants for scientific purposes or for creating or augmenting publicly owned and regulated stocks of fish in streams or rivers, in order to make certain types of fish aquaculture and hatchery fisheries eligible for loans under the act. S. 2485—Passed Senate May 25, 1976. (VV)

Rice production.—Contains provisions effective for the 1976 and 1977 crops of rice; suspends marketing quotas and authorizes unrestricted planting of rice; establishes a national acreage allotment of 1.8 million acres, which is to be used only for determining program benefit recipients and amounts.

Establishes a price of $8 per hundredweight for the 1976 crop, adjusted to reflect changes in the index of prices paid by farmers for production items, interest, taxes and wage rates beginning on the date of enactment and ending July 31, 1976; provides that the established price for the 1977 crop would be the 1976 price, adjusted for changes in the index during the previous 12-month period, and that such established prices for both crops may be further adjusted for changes in yields;

Provides a 1976 loan rate of $6 per hundredweight, adjusted as in the case of the established price, and for a 1977 loan rate adjusted to reflect any change in the established price;

Authorizes payments if the 5-month average market price received by producers falls short of the established price (if the market price is higher than the established price, no payments are made);

Authorizes disaster payments, limited to $55,000 per person, under certain conditions; authorizes sales, leases, and transfers of allotments and a rice research program; and contains other provisions. H.R. 8529—Public Law 94-214, approved February 16, 1976. (23)

Tobacco allotments.—Permits the lease and transfer of all types of flue cured tobacco farm acreage allotments or marketing quotas across county lines in any State where a majority of the producers of flue-cured tobacco, voting in referendum, approve; and excludes North Carolina from the provisions of the bill. S. 700—Passed Senate January 26, 1976. (VV)

Watershed projects.—Amends the Watershed Protection and Flood Prevention Act, as amended, to increase from $5 million to $10 million the limitation on any single loan or advancement for watershed works of improvement. S. 2484—Passed Senate April 13, 1976. (VV)

Whey utilization.—States the sense of the Senate that the Secretary of Agriculture should assess the current oversupply of whey (a fluid, having a high food value, that separates from the curd when milk is coagulated for cheese making) resulting from increased cheese production and advise the Committee on Agriculture and Forestry of his findings and that the Department of Agriculture should institute a whey research program in order that whey may be more efficiently utilized for the benefit of producers and consumers. S. Res. 439—Senate agreed to June 16, 1976. (VV)

Wool Act payments.—Authorizes the Secretary of Agriculture to amend retroactively the regulations governing the computation of price support payments under the National Wool Act of 1954 for the marketing years 1969 through 1972 to permit making Wool Act payments to certain farmers and ranchers who failed to receive the full proceeds from their sale of wool because of defaults in payments by their marketing agency; and provides that the computation be based on the lesser of (a) the net sales proceeds based on the price the farmer or rancher would have received had there been no default of payment or (b) the fair market value of the wool at the time of sale. S. 532—Public Law 94-312, approved June 21, 1976. (VV)

APPROPRIATIONS

Fiscal 1976 and transition period:

Continuing.—Extends the continuing resolution (Public Law 94-159) which expires on March 31, 1976, until September 30, 1976, to provide obligational authority for programs funded under the foreign assistance and District of Columbia Appropriations Acts which have not yet been enacted; extends authority for certain programs for the Department of Health, Education, and Welfare and the Corporation for Public Broadcasting; and includes $175,000 for the National Commission on Water Quality to complete its final report. H.J. Res. 857—Public Law 94-254, approved March 31, 1976. (VV)

Defense.—Appropriates $90,721,789,000 for fiscal year 1976 and $21,849,816,000 for the transition period July 1–September 30, 1976, for the military functions of the Department of Defense including pay operations and maintenance, procurement, research and development, intelligence functions, and funds for the Central Intelligence Agency; prohibits the use of funds under this Act for any activities involving Angola other than intelligence gathering and contains other provisions. H.R. 9861—Public Law 94-212, approved February 9, 1976, (*505, *602)

District of Columbia.—Appropriates for the District of Columbia for fiscal year 1976 $424,636,700 in Federal funds and $1,159,849,200 in District of Columbia funds and for the transition period July 1–September 30, 1976, $67,559,600 in Federal funds and $248,130,200 in District of Columbia funds; continues the restriction on the maximum number of positions that may be filled during any month; includes funds for METRO, Bicentennial services (police and public safety services), the Forest Haven facility for the mentally retarded (with a requirement that the city report on these funds separately), pay raises for general schedule and wage-board employees which went into effect in October 1975, and the estimated cost of pay raises for police officers, firefighters and teachers; prohibits funds to pay electric rates for street lighting in excess of 2 cents per kilowatt hour for current consumed; and contains other provisions. H.R. 13965—Public Law 94-333, approved June 30, 1976. (VV)

Foreign Aid.—Appropriates $5,179,890,909 in new budget (obligational) authority for Foreign Assistance Act activities, foreign military credit sales, foreign assistance and other programs and for activities of the Export-Import Bank for fiscal year 1976 and $404,775,000 for these activities for the transition period; prohibits assistance to North or South Vietnam, Cambodia, or Laos; and contains other provisions. H.R. 12203—Public Law 94-330, approved June 30, 1976. (90)

Labor-HEW.—Appropriates $36,073,748,318 for fiscal year 1976 and $8,953,070,000 for the transition period July 1–September 30, 1976, for the Departments of Labor, and Health, Education, and Welfare (HEW), and related agencies; includes programs for comprehensive manpower assistance and public service employment, occupational health and safety (OSHA), maternal and child health, emergency medical services, Public Health Service hospitals, National Institutes of Health (NIH) research, alcohol, drug abuse, and mental health programs, public assistance, human development, and community services programs;

Increases funds for OSHA to provide 333 additional compliance officers; directs the Department of Labor to take the following actions in the area of occupational safety and health: (1) upgrade the skills of OSHA inspectors through intensive retraining, (2) review and simplify existing OSHA standards and eliminate standards which do not deal with workplace conditions that are clearly hazardous to the health or safety of workers or are more properly under the jurisdiction of state departments of public health; (3) redirect enforcement programs to place increased emphasis on problems related to worker health; (4) redirect inspection efforts away from industries with good worker health and safety records so as to permit increased inspection in industries with the greatest health and safety problems; and (5) develop fine-free on-site consultation programs to advise employers of the application of OSHA standards in their workplace; requires the Secretary of Labor to report to the Senate and House Appropriations Committees 30 days prior to the first day of a scheduled hearings what actions have been taken to comply with these directives; and

Prohibits the use of funds contained in the Act to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home and which offers the courses of study pursued by the student in order to comply with title VI of the Civil Rights Act of 1964. H.R. 8069—Vetoed December 19, 1975. House overrode veto January 27, 1976; Senate overrode veto January 28, 1976. Became Public Law 94-206, without approval January 28, 1976. (*423, 15)

Supplemental.—Appropriates $2,242,384,000 in emergency supplemental appropriations for fiscal year 1976 to the Department of Labor ($522,420,000 for summer youth jobs, $1.2 billion for public service employment, and $55.9 million for part time jobs for low-income older persons); HEW ($135,064,000 for a nationwide influenza immunization program to prevent an expected swine flu epidemic, and $23 million for Summer Youth Recreation and Transportation and the National Youth Sports Programs); and includes $300 million to liquidate obligations made under the Environmental Protection Agency's waste treatment construction program. H.J. Res. 890—Public Law 94-266, approved April 15, 1976. (142)

Makes supplemental appropriations of $9,393,791,970 in new budget authority for fiscal year 1976 and $2,647,057,180 for the transition period July 1–September 30, 1976; contains funds for the emergency school aid program (ESAP), areas facing difficulties as a result of desegregating schools such as in Boston and Louisville, drug abuse community programs, international agriculture development programs, military procurement, child nutrition and food stamp programs, cost-of-living increases, public assistance payments, veterans benefits, liquidation of obligations for the Federal-Aid Highway Program, elderly and handicapped housing loans, basic education grants, Corporation for Public Broadcasting, Regional Rail Service, National Commission on the Observance of International Women's Year, disaster relief for victims of recent earthquakes in Italy, and Corporation for Public Broadcasting; bars the use of funds under this or previous acts to continue the study of the effect of marihuana on human sexual response at Southern Illinois University and for the People's Bicentennial Commission; and contains other provisions. H.R. 13172—Public Law 94–303, approved June 1, 1976. (173)

Supplemental legislative.—Appropriates $33 million for fiscal year 1976 to complete the construction of the Library of Congress James Madison Memorial Building; retitles the Senate position of Procurement Officer, Auditor, and Deputy Sergeant at Arms to Deputy Sergeant at Arms and Doorkeeper; and increases the maximum salary which the Sergeant at Arms and Doorkeeper may fix for the position from $35,298 to $39,909 with the provision that such authority does not supersede any order of the President pro tempore of the Senate authorizing a higher salary or an adjustment under section 4 of the Federal Pay Comparability Act of 1970. H.J. Res. 811—Public Law 94–226, approved March 9, 1976. (VV)

Supplemental railroad.—Makes supplemental appropriations of $587 million for fiscal year 1976, $4.25 million for the transition period July 1–September 30, 1976, $995.3 million for fiscal year 1977, and $176 million for fiscal year 1978 to implement the reorganization of the bankrupt Penn Central Railroad and 6 other railroads servicing a 17-State region in the northeastern and midwestern portion of the Nation. H.J. Res. 801—Public Law 94–252, approved March 30, 1976. (50)

Fiscal 1977:

Agriculture.—Appropriates $12,581,998,000 for fiscal year 1977 for the Department of Agriculture and related agencies including funds for the agricultural research, extension, price-support and administrative programs; rural development and assistance; Farmers Home Administration; agricultural conservation program; water bank program; forestry incentives program; water and sewer grant program; rural housing for domestic farm labor; mutual and self-help housing grants; rural community fire protection grants; Soil Conservation Services' soil and water conservation programs; domestic food programs; international food programs; Food and Drug Administration; and Commodity Futures Trading Commission. H.R. 14237—Public Law 94– , approved 1976. (323)

HUD.—Appropriates $42,998,200,000 for the Department of Housing and Urban Development and sundry independent agencies. H.R. 14233—Passed House June 22, 1976; Passed Senate amended June 26, 1976; Senate requested conference June 26, 1976. (349)

Interior.—Appropriates $5,589,180,000 for the Department of the Interior and related agencies for fiscal year 1977. H.R. 14231—Passed House June 25, 1976; Passed Senate amended June 26, 1976; Conference report filed. (347)

Labor—HEW.—Appropriates $57,157,638,575 for the Departments of Labor and Health, Education, and Welfare; includes funds for Action (domestic programs), the Community Services Administration, Corporation for Public Broadcasting, Federal Mediation and Conciliation Service, National Commission on Libraries and Information Sciences, National Labor Relations Board, Occupational Safety and Health Review Commission, Railroad Retirement Board, and the Soldiers' and Airmen's Homes; prohibits the issuance of citations for first instance violations of the Occupational Safety and Health Act (OSHA), and exempts from the act farming operations employing a daily average of 5 or fewer employees, but no more than 12 on any one day. H.R. 14232—Passed House June 24, 1976; Passes Senate amended June 30, 1976; Senate requested conference June 30, 1976. (368)

Military construction.—Appropriates $3,323,989,000 for military construction for the Department of Defense and respective military departments for fiscal year 1977. H.R. 14235—Public Law 92– , approved 1976. (346)

Public works—ERDA.—Appropriates $9,703,556,500 for fiscal year 1977 for public works for water and power development and energy research including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions, and $300 million for investigations related to the Teton Dam structure failure. H.R. 14236—Public Law 94– , approved 1976. (321)

State-Justice-Commerce.—Appropriates for $6,680,312,453 for the Departments of State, Justice, and Commerce the Judiciary and related agencies for fiscal year 1977. H.R. 14239—Public law 94– , approved 1976. (329)

Transportation.—Appropriates $5,410,739,357 for the Department of Transportation and related agencies for fiscal year 1977; includes in this appropriation the following: $1,666,000,000 for the operations and activities of the FAA; $200 million for facilities and equipment of the FAA; $818,580,000 for the operating expenses of the Coast Guard; $53 million over the budget for acquisition for the implementation of the Fishery Conservation and Management Act of 1976; $101.2 million for the nationwide rail service assistance programs authorized by the Railroad Revitalization and Regulatory Reform Act of 1976; $603.7 million for capital improvements; $70 million for the redeemable preference share program authorized in Public Law 94–210 for providing assistance to railroads, plus authority for DOT to initiate the $1 billion loan guarantee program authorized in the Act; $400 million as in the budget request for projects susbtituted for interstate system projects plus another $175 million in contract atuhority for this program; provides for obligations of not to exceed $7.2 billion for Federal-Aid Highways and Highway Safety Construction Programs, with the emergency relief, special urban high density and special bridge replacement programs being excluded from this limitation; limits the highway-related safety grants obligations for NGTSA and FHWA to $150 million, including $30 million over the budget for highest payoff programs as determined by the states; limits the commitments from the Urban Mass Transportation Fund to $2,083,000,000 for fiscal year 1977; rejects the proposed general provision limiting to 50% the use of mass transit formula grants for operating expenses; and limits obligations for the airport development aid program to $510 million for fiscal year 1977 plus language allowing the carryover of the unused portion of last year's ceiling plus $15 million liquidating cash appropriation for airport planning grants. H.R. 14234. P/H June 28, 1976. P/S amended July 1, 1976. In conference. (382)

Treasury.—Postal Service.—Appropriates $8,313,119,000 for the Department of the Treasury, the Post Service, Executive Office of the President, and certain independent agencies for fiscal year 1977. H.R. 14261—Public Law 94– , approved 1976. (327)

ATOMIC ENERGY

Nuclear Regulatory Commission.—Authorizes $274,300,000 for the Nuclear Regulatory Commission for fiscal year 1976; permits the obligation of funds received by the Commission for the cooperative nuclear safety research programs only to the extent provided in appropriation acts; and permits the retention and use of funds received by the Commission under appropriations acts for the cooperative nuclear research programs during fiscal year 1976. S. 3107—Public Law 94–291, approved May 22, 1976. (VV)

BUDGET

Deferrals—1976:

Army Corps of Engineers.—Disapproves the proposed deferral of $700,000 contained in the Public Works Appropriations Act of 1976 (Public Law 94–180) for the United States Army Corps of Engineers to plan and design hopper dredges which was recommended by the President in his message of January 23, 1976. S. Res. 408—Senate agreed to April 14, 1976. (VV)

Indian health facilities.—Disapproves the proposed deferral of $14,908,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for Indian Health Facilities which was recommended by the President in his messages of July 26, 1975, and January 23, 1976. S. Res. 366—Senate agreed to March 9, 1976. (VV)

Indian public school construction.—Disapproves the proposed deferral of $10,881,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for construction grants to public schools in Indian reservation areas which was recommended by the President in his message of February 6, 1976. S. Res. 388—Senate agreed to March 9, 1976. (VV)

Young Conservation Corps.—Disapproves the proposed deferral of $23,680,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for the Youth Conservation Corps which was recommended by the President in his message of February 6, 1976. (VV) S. Res. 385—Senate agreed to March 9, 1976. (VV)

Rescissions—1976:

Consumer Product Safety, Interior, Park Service, Selective Service, and State.—Rescinds $75,831,000 of the $83,506,000 recommended by the President in his message of January 23, 1976, as follows: $2,656,000 for salaries and expenses of the Consumer Product Safety Commission; $1,775,000 for salaries and expenses of the Selective Service System; $4.9 million for the Department of Interior Bureau of Land Management, public lands development roads and trails; $58,500,000 for road construction of the National Park Service; and $8 million for road construction of the National Park Service; and $8 million for educational and cultural exchange activities of the Department of State. H.R. 11665—Public Law 94–249, approved March 25, 1976. (VV)

Resolutions—1976:

First Budget Resolution.—Sets the level for total budget outlays for fiscal year 1976 at $413.3 billion, for total new budget authority at $454.2 billion, for the deficit at $50.8 billion, for Federal revenues at $362.5 billion and recommends a decrease in the aggregate levels of Federal revenues of $15.3 billion; and for the public debt at $713.1 billion with an increase in the temporary statutory limit on the public debt of $65.9 billion;

Sets the total levels for outlays for the major functional categories in the budget at $413.3 billion as compared to the President's budget recommendation, as revised in the spring update of March 25, 1976, for outlays of $395.2 billion, as follows (figures are in billions of dollars):

National defense: $100.8 as compared to $101.1;

International affairs: $6.6 as compared to $6.9;

General science, space, and technology: $4.5 as compared to $4.5;

Natural resources, environment, and energy: $15.7 as compared to $13.8;

Agriculture: $2.0 as compared to $1.9;

Commerce and transportation: $17.7 as compared to $16.4;

Community and regional development: $7.8 as compared to $5.7;

Education, training, employment, and social services: $23.0 as compared to $17.6;

Health: $37.9 as compared to $35.5;

Income security: $139.3 as compared to $136.5 (adjusted to exclude earned income tax credit);

Veterans benefits and services: $19.5 as compared to $17.2;

Law enforcement and justice: $3.5 as compared to $3.4;

General government: $3.5 as compared to $3.6;

Revenue sharing and general purpose fiscal assistance: $7.35 as compared to $7.4;

Interest: $40.4 as compared to $41.3;

Allowances: $1.15 as compared to $1.5; and Undistributed offsetting receipts; a minus $17.4 as compared with a minus $18.4.

Sets for the transition quarter beginning on July 1, 1976, levels of $86.0 billion for Federal revenues, $96.3 billion for total budget outlays, $16.2 billion for the deficit and $647.2 billion for the public debt with an increase in the amount of the temporary debt limit of $20.2 billion. S. Con. Res. 109—Action completed in both Houses (148, 175)

CONGRESS

Congressional tax liability.—Amends title 4, U.S.C., to make it clear that Members of Congress may not, for the purposes of State income tax laws, including those of the District of Columbia, be treated as residents of any State other than the State from which they were elected; and provides equal treatment for delegates from the District of Columbia, Guam and the Virgin Islands and the Resident Commissioner from Puerto Rico. S. 2447—Passed Senate February 18, 1976. (VV)

Declaration of Independence.—Reaffirms the commitment of the Congress to the principles of the Declaration of Independence by Members of Congress assembled in Philadelphia on July 2, 1776, resulting in the formation of the enduring Democracy that is the United States of America. H. Con. Res. 672—House and Senate agreed to July 1, 1976. (VV)

Inaugural committee.—Authorizes a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House respectively, to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect on January 20, 1977. S. Con. Res. 90—Action completed by both Houses. (VV)

Joint Committee on the Bicentennial.—Amends S. Con. Res. 44 which established the Joint Committee on Arrangements for Commemoration of the Bicentennial to grant the Committee the power to enter into contracts for food, restroom, first aid, and informational facilities and to accept for transmittal to the Treasury whatever profits might be derived from such arrangements. S. Con. Res. 103—Action completed by both Houses. (VV) 1976. (VV)

Lobbying disclosure.—Replaces the present lobbying law with a comprehensive new statute that specifies what organizations must register as a lobbyist and what information they must publicly disclose;

Definition of a lobbyist.—Provides that an organization with paid officers, paid directors, or paid employees can become a lobbyist in one of three ways: (1) retaining a law firm or similar organization or individual to lobby for it in Congress for which work $250 or more is paid per quarter; (2) directly engaging on its own behalf in 12 or more oral lobbying communications with Congress during a quarter; or (3) spending $5,000 or more in direct expenses in a quarter on lobbying solicitation campaigns urging others to get in touch with Congress on a particular issue; excludes direct oral communications with a Senator or Congressman representing the district where the organization has its principal place of business unless the controlled local affiliates make 12 or more in-person contacts with Congress but requires the parent organization to report on the extent of lobbying of its affiliates;

Registration.—Requires lobbyists to register with the Comptroller General once a year giving basic information about the identity and nature of the organization, the identity of the individuals who will actually be paid for lobbying and the issues on which they will work; requires disclosure of contributing organizations if they provide 1 percent of the organization's total budget; requires disclosure of an individual contributor if the contribution is $1,000 and constitutes 5 percent of the budget;

Reporting.—Requires lobbyists to file a report for each 3 month period in which their activities exceed the minimum threshold levels established in the definitions of a lobbyist; provides that the quarterly reports will identify the issues on which the organization lobbied and the identity of those who did the lobbying; requires disclosure by lobbyist organizations of expenditures on each issue lobbied by their retained representatives; a general estimate of the total amount spent if they have done their own lobbying; the solicitation of their members or local affiliates to lobby in behalf of a particular issue and how such activities were carried out if costing $5,000 or more; requires reporting of gifts worth more than $10 if all such gifts exceed an aggregate of $150;

Administration and Enforcement.—Places the administrative responsibility for implementing the law in the General Accounting Office; provides GAO with rule-making authority and investigative powers subject to the procedural safeguards of the Administrative Procedure Act; authorizes the Comptroller General, in consultation with the Attorney General, to issue advisory opinions; provides for civil fines and criminal penalties for violations of the law; places responsibility for litigation in Federal court for enforcement in the Department of Justice; and contains other provisions. S. 2477—Passed Senate June 15, 1976. (288)

Magna Carta delegation.—Provides for a delegation of 25 Members of Congress consisting of the Speaker of the House, 12 members appointed by the Speaker, and 12 members appointed by the President of the Senate (upon the recommendation of the Majority and Minority Leaders) to go to the United Kingdom, at the invitation of the two Houses of Parliament, to accept a 1-year loan of an original copy of the Magna Carta for display in the Rotunda of the Capitol in connection with the Bicentennial. S. Con. Res. 98—Action completed by both Houses. (VV)

Professional societies fellowship programs.—Expresses the appreciation of the Congress to the following scientific and engineering societies for their Congressional Science and Engineering Fellowship Programs: The American Association for the Advancement of Science, The American Physical Society, The Institute of Electrical and Electronic Engineers, The American Society of Mechanical Engineers; The American Psychological Association, The American Institute of Aeronautics and Astronautics, The Optical Society of America, and The Federation of American Societies for Experimental Biology; gives special thanks to The American Association for the Advancement of Science and its role in coordinating the fellowship programs of the various societies; and encourages the scientific and engineering communities to continue to expand this public service activity. S. Con. Res. 100—Action completed by both Houses. (VV)

United States Capitol documents.—Authorizes the Architect of the Capitol, with the approval of the Joint Committee on the Library, to display in the U.S. Capitol building during the Bicentennial year, the historical drawings which resulted from the architectural competition held in 1793 for the design of the Capitol building and authorizes the Architect, under the direction of the Joint Committee on the Library, to enter into such arrangements as necessary to assure the protection of the drawings while they are under his supervision. S. 3475—Public Law 94-327, approved June 30, 1976. (VV)

CONSUMER AFFAIRS

Consumer Food Act.—Requires food processors to develop, implement, and maintain adequate safety assurance procedures, and empowers the Secretary of Health, Education, and Welfare to develop and enforce safety assurance standards for procedures and systems that fail to provide adequate protection against unreasonable risks of adulteration; seeks to upgrade the Nation's feed safety and sanitation programs by requiring food recall coding, by providing a national registration program for food processors, and by extending the Food and Drug Administration's inspection authority to include records maintained by food processors; and requires food manufacturers to provide complete, and in some cases quantitative, food ingredient information, open dating information, and information regarding the nutritional value of food products. S. 641—Passed Senate March 18, 1976 (86)

Consumer leasing.—Amends the Truth in Lending Act to make the provisions of the Act applicable to leases of consumer durables (such as automobiles and household goods) with a total contractual obligation not exceeding $25,000, to protect consumers against inadequate and misleading leasing information, to limit ultimate liability in connection with the leasing of such property, and to provide consumers with more meaningful information about the component and aggregate costs so that they can make better informed choices between leases, and between leases and credit sales. H.R. 8835—Public Law 94-240, approved March 23, 1976. (VV)

Consumer product safety.—Authorizes $51 million for fiscal year 1976, $14 million for the transition period July 1–September 30, 1976, $60 million for fiscal year 1977, and $68 million for fiscal year 1978 to implement the Consumer Product Safety Act; contains provisions concerning the jurisdiction of the Consumer Product Safety Commission which: (1) eliminates pesticides from the Commission's jurisdiction under the Poison Prevention Packaging Act of 1970 as being duplicative of the Environmental Protection Agency's authority under the Federal Environmental Pesticide Control Act of 1972 to enforce pesticide-related packaging standards for the purpose of child protection ; (2) provides that the Commission has no jurisdiction to regulate tobacco or tobacco products as being a "hazardous substance" under the Federal Hazardous Substances Act; (3) provides that the Commission, under the Hazardous Substances Act, may not regulate ammunition as a "hazardous substance" but may continue to establish and enforce cautionary labeling requirements relative to storage in a household, and may continue to regulate fireworks as a "hazardous substance"; requires the Commission to submit to the Senate and House Commerce Committees proposed safety rules and prohibits the Commission from adopting such a rule for 30 days; requires Commission approval prior to the submission of requests for appropriations by the Chairman; prohibits review or approval by any officer or entity within the Executive Office of the President of any employee or official other than a Commissioner; requires, in order to facilitate the identification of potential product hazards, that a product liability insurer or an independent testing laboratory which discovers a substantial product hazard in the course of its business must report that finding to its insured or its client and inform him of his obligations, if any, under the law; enlarges the enforcement authority of the Commission; provides a uniform Federal preemption clause for the Federal Hazardous Substances Act, the Flammable Fabrics Act and the Consumer Product Safety Act which provides that if the Commission has standards or regulations in effect for a product, State or local requirements must conform to the Federal standard unless the State requirement does not cause the product to be in violation of the Federal standard and provides a significantly higher degree of protection without unduly burdening the manufacture or distribution of products in interstate commerce; authorizes the Commission to seek a preliminary injunction to restrain distribution of a consumer product which the Commission has reason to believe presents a substantial product hazard; amends the Federal Tort Claims Act to allow a suit against the Consumer Product Safety Commission for a claim based upon a misrepresentation, deceit or discretionary abuse; gives courts the discretion to award attorney's fees to persons involved in obtaining judicial review under the Consumer Product Safety Act; and contains other provisions. S. 644—Public Law 94–284, approved May 11, 1976. (*297)

Equal credit opportunity.—Amends title VII of the Consumer Credit Protection Act to expand the prohibitions against discrimination in credit transactions to include age, race, color, religion, national origin, receipt of public assistance benefits, and exercise of rights under the Act; provides that a rejected credit applicant may, upon request, obtain a statement giving the specific reasons credit was refused; creates a Consumer Advisory Council in the Federal Reserve Board to advise and consult with the Board concerning its supervisory functions under the Act and phases the existing Truth in Lending Advisory Committee into the Council; clarifies the relationship of this Act to existing or future State law dealing with credit discrimination, while generally allowing the State law to remain in effect if it is not inconsistent with this Act; strengthens the enforcement mechanisms in present law by continuing the present limits on punitive damages of $10,000 for individual actions and $100,000 for class actions and raising the ceiling for class action recoveries of civil penalties from the present formula of the lesser of $100,000 or 1 percent to the lesser of $500,000 or 1 percent of the creditor's net worth; and empowers the U.S. Attorney General to bring enforcement actions, either on referral from other agencies or on his own initiative, where there are patterns or practices in violation of this Act. H.R. 6516—Public Law 94–239, approved March 23, 1976. (VV)

Gold labeling.—Amends the National Gold and Silver Stamping Act of 1906 to provide that the actual fineness of gold or gold alloy (which is (1) used in any article made in whole or in part of gold or any of its alloys, (2) offered for sale, imported, exported, transported, mailed, or otherwise distributed in interstate or foreign commerce, or (3) sold by any manufacturer or importer more than 5 years after the date of enactment of this section) shall not be less than approximately 1/14th carat (presently ½ carat) of the indicated number of carats for articles made of gold or gold alloy and approximately 1/7th carat (presently 1 carat) of the indicated number of carats for articles with solder or gold alloy of inferior fineness which are used to unite the parts of the article. S. 3095—Passed Senate May 13, 1976. (VV)

Motor vehicle information and cost savings—Amends the Motor Vehicles Information and Cost Savings Act to authorize additional appropriations to implement the following titles of the bill for fiscal year 1976, the transition period July 1–September 30, 1976, and fiscal years 1977 and 1978, respectively, as follows: Title I, which requires the Secretary of Transportation to promulgate bumper standards applicable to all passenger motor vehicles: $125,000, $75,000, $130,000 and $395,000; Title II, which provides for an automobile consumer information program: $1,875,000, $500,000, $3,385,000 and $3,375,000; Title III, which provides for diagnostic inspection demonstration projects: $5 million, $500,000, $7,500,000 and $4,400,000; and Title IV, which sets odometer requirements: $450,000, $100,000, $650,000 and $562,000; redefines the special order vehicle diagnostic inspection demonstration project under title III to assure that the project will be designed for use by States for high volume inspection facilities to evaluate conditions of parts, components and repairs required to comply with State and Federal safety, noise and emission standards and to assist the owner in achieving the optimum fuel and maintenance economy; provides the Secretary with additional authority to enforce the odometer antitampering provisions and imposes a civil penalty of not to exceed $1,000 for each violation up to a maximum of $100,000 for a related series of violations and criminal penalties of not more than $50,000 and/or 1 year in prison. S. 1518—Public Law 94– , approved 1976. (VV)

CRIME—JUDICIARY

Antitrust amendments.—In title I, contains a declaration of policy;

In title II, antitrust civil process and Clayton Act amendments, amends the Antitrust Civil Process Act of 1962 to expand the investigative authority of the Department of Justice; authorizes the Department to issue compulsory process (called a civil investigative demand or "CID"), which is presently limited to obtaining only documentary evidence from nonnatural persons (e.g. corporations), to obtain relevant evidence from natural persons and from third party individuals or businesses not the subject of an antitrust investigation, and to take oral testimony and written interrogatories; expands the definition of the term "antitrust investigation" to include investigations into activities preparatory to a merger, acquisition, or similar transactions; provides that documentary material obtained by a CID shall be returned (except for copies) upon the completion of the antitrust investigation or case; exempts information secured by a CID from a demand for public disclosure under the Freedom of Information Act; authorizes the Attorney General after completion of a civil or criminal proceeding arising out of any grand jury proceeding which does not result in bringing a civil or criminal action, to permit the Federal Trade Commission to inspect and copy documentary material and transcripts of the grand jury proceeding, and also authorizes a private plaintiff bringing a civil action to inspect and copy grand jury documents and transcripts produced by the defendant or its officers after completion of a criminal proceeding which the defendant has plead guilty or nolo contendere and which concern the subject matter of the plaintiff's civil action, without either having, as at present, to make a showing to the district court of a particularized need which outweighs the policy of grand jury secrecy;

In title III, miscellaneous amendments, amends section 7 of the Clayton Act, which provides that no corporation engaged "in commerce" shall acquire part or all of another corporation where the effect of the acquisition may substantially lessen competition or tend to create a monopoly, to expand the coverage of section 7 to "where the activities of either corporation are in or affect commerce"; states the sense of Congress that in civil proceedings where a party refuses to furnish information on the ground that a foreign law prohibits compliance, that the court should consider utilizing all sanctions available under rule 37(b) of the Federal Rules of Civil Procedure; requires award of cost of suit, including reasonable attorneys' fees, to prevailing plaintiffs in private actions for injunctive relief under section 16 of the Clayton Act;

In title IV, parens patriae amendments, authorizes a State to bring civil antitrust actions for treble damages in behalf of natural persons within, the State in cases of per se violations, including price-fixing agreements to limit production, to divide up markets, to allocate customers, to engage in group boycotts, and other similar offenses, and fraudulent procurement or enforcement of a patent; authorizes the proving by the State of damage to consumers in the aggregate by statistical or sampling methods in cases of price-fixing and fraudulent procurement or enforcement of a patent; authorizes the State to retain private attorneys to bring suit but prohibits payment of such attorneys on a contingent fee basis when the contingent fee is based on a percentage of the damages awarded; provides for notice of the suit to be made by the State attorney general by publication or by such further notice as the district court may direct to prevent manifest injustice; permits any person who has a claim to exclude from adjudication the portion of the claim attributable to him and provides that unless a person so "opts-out" that any final action in the suit will be res judicata as to his claim; authorizes, in addition to the assessment of damages, the award to the State of such other relief as the court determines and the cost of suit, including a reasonable attorney's fee and other expenses of the litigation; authorizes the court in its discretion to award reasonable attorneys' fees to a prevailing defendant upon a finding that the State attorney general acted in bad faith, vexatiously, wantonly, or for oppressive reasons; provides for the distribution of damages in accordance with State law or in such manner as the court may authorize, including an order directing the defendant to sell the item concerned at a reduced price as measured by the amount of the damages awarded which are unclaimed, or by depositing unclaimed damages in the State treasury for the general benefit of the public; provides for allocation to the United States from the damages recovered in regard to federally funded programs, as for example, Medicare, the portion of the overcharges or other monetary damages, untrebled, that it sustained or funded; contains provisions to assure that defendants are not subjected to duplicative liability; provides that cases may not be dismissed or compromised without the approval of the court; requires the United States Attorney General to give notice to State attorneys' general when the United States has brought an antitrust suit and the U.S. Attorney General believes that any State may be entitled to bring a parens patriae damage suit on substantially the same grounds as the suit by the United States; provides for consolidation and transfer of actions by the judicial panel on multi-district litigation: provides that the title shall apply to any cause of action accruing subsequent to the date of enactment of this title; and provides that this title shall be applicable in a State until that State provides by law for its nonapplicability;

In title V, premerger notification and stay amendments, requires a 30-day advance notification to the Federal Trade Commission (FTC) and the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice prior to consummation of mergers and acquisitions for office space, and regulated industry and bank mergers; authorizes the FTC or the Department of Justice to extend the 30-day waiting period for an additional waiting period; provides that the notification shall be filed in such form as the FTC, with the concurrence of the Assistant Attorney General, shall prescribe by regulation; authorizes the FTC, with the concurrence of the Attorney General, to make further exemptions from the notification requirement by regulation, and to promulgate rules for the administration of this section; provides that if a proceeding is instituted by the FTC or an action is filed by the Department of Justice, and either files a motion for a preliminary injunction against consummation of such acquisition or merger, that the district court shall set the earliest practicable time for a hearing on the motion, which shall take precedence over all matters except older matters of the same character and trials pursuant to 18 U.S.C. 3161, and shall be in every way expedited; provides that failure of the FTC or the Assistant Attorney General to object to an acquisition within the waiting period does not bar later action; provides a civil penalty or not more than $10,000 for failure to comply with this section; and

In title VI, Antitrust Review and Revisions Commission, establishes a Commission to study the applications and consequences of the antitrust law and to report to the President and the Congress any revisions it deems advisable. H.R. 8532—Passed House March 18, 1976: Passed Senate amended June 10, 1976. (276)

Bankruptcy referees salary.—Amends the procedure for fixing the salaries of bankruptcy referees and implements the Congressional Salary Adjustment Act (Public Laws 90-206 and 94-82); restores to Congress the sole authority to fix salaries of full-time bankruptcy referees which are set at $36,000 per year subject to adjustment pursuant to Public Laws 90-206 and 94-82; sets the maximum salary of a part-time bankruptcy referee at $18,400 subject to adjustment of the Judicial Conference; and provides that a retired referee may be called upon by a referee of a court of bankruptcy, and if willing, performs the duties of a bankruptcy referee within the jurisdiction of the court at the same compensation as the assigned referee serving the territory to which the retired referee is assigned. H.R. 6184—Public Law 94-217, approved February 27, 1976. (VV)

Copyright revision.—Makes a general revision of the copyright law including: a lengthening of the period of a copyright from 56 years (28 years plus an allowed renewal of 28 years) to the lifetime of the author plus 50 years; the establishment of a Copyright Royalty Tribunal in the Library of Congress, which would set royalty rates, to be reviewed and changed every 10 years, for the use under a system of compulsory licenses of copyrighted works by cable television systems, public broadcasting stations, and certain jukebox owners; a requirement that jukebox owners, presently exempt from royalty payment requirements, must pay a royalty of $8 annually per machine; provisions permitting libraries to reproduce or distribute not more than one copy of a copyrighted work, which must include a notice of the copyright; and contains other provisions. S. 22—Passed Senate February 19, 1976. (40)

District court judgeships.—Provides for the creation of 45 additional district court judgeships in 40 judicial districts located in 28 States and Puerto Rico so as to enable the district courts to handle more efficiently and expeditiously the increased volume of cases brought before them; reallocates the 7 judgeships authorized for the 3 judicial districts in the State of Oklahoma to provide a more equitable workload; converts the temporary judgeship in the middle district of Pennsylvania to a permanent judgeship; and contains other provisions. S. 287—Passed Senate April 1, 1976. (113)

Drug Enforcement Administration agents.—Authorizes the Permanent Subcommittee on Investigations, at the discretion of its chairman, to provide the Drug Enforcement Administration with any information in its possession relevant to alleged illegal activities of certain agents of the Drug Enforcement Administration. S. Res. 391—Senate agreed to February 17, 1976. (VV)

Eugene Victor Debs.—Restores posthumously full rights of citizenship to Eugene Victor Debs, retroactive to April 12, 1919, the date on which he began serving his sentence in Federal prison for violating the wartime espionage law after making his famous anti-war speech in Canton, Ohio, on June 16, 1918, protesting World War I. S.J. Res. 127—Passed Senate June 30, 1976. (VV)

Federal Rules of Criminal Procedure.—Delays the effective date of the amendments to Rules 6(e), 23, 24, 40.1, and 41(c)(2) of the Rules of Criminal Procedure until August 1, 1977, or earlier if approved by Congress and delays the rules and forms governing habeas corpus cases under section 2254 and proceedings under section 2255 of title 28, U.S.C. until the sine die adjournment of the 94th Congress or earlier if approved by Congress, all of which were proposed by the Supreme Court and transmitted to the Congress on or about April 26, 1976; and provides that those amendments not specifically mentioned will become effective August 1, 1976. H.R. 12899—Public Law 94- , approved 1976. (VV)

Judicial review of agency actions.—Removes three technical barriers to consideration on the merits of a citizen's complaint against the Federal Government, its agencies or employees by (1) amending section 702, title 5, U.S.C., to eliminate the defense of sovereign immunity in Federal court actions for specific relief claiming unlawful action by a Federal agency, officer, or employee; (2) amending section 1331(a), title 28, U.S.C., to eliminate the required minimum $10,000 jurisdictional amount-in-controversy in a narrow category of Federal question cases brought in U.S. district courts; and (3) amends section 1391(e), title 28, U.S.C., to remedy certain technical problems in the law concerning the naming of the United States, its agencies, or employees as parties defendant in actions challenging Federal administrative action. S. 800—Passed Senate July 1, 1977. (VV)

Judicial survivors' annuities.—Reforms and updates the Judicial Survivors' Annuity Program (28, U.S.C.) to provide benefits for surviving spouses and children of all Federal Justices and judges who elect to join that program which are similar to the benefits received by survivors of Members of Congress; places the benefits program in an actuarially sound fiscal condition; provides more liberal eligibility standards and reasonable increases in existing annuity amounts; and establishes a method for providing future periodic increases in annuity amounts without endangering the fiscal integrity of the program. S. 12—Passed Senate June 22, 1976. (VV)

Lotteries.—Amends titles 18 and 39, U.S.C., to make the present exemption which permits a newspaper published in a State with a State-conducted lottery to contain lottery information concerning that State's lottery, also apply to a newspaper published in an adjacent State in order to permit it to carry such lottery information provided the adjacent State also had a State-conducted lottery thus providing an exemption for newspapers with the same scope as that now applied to radio and television stations. H.R. 1607—Passed House June 16, 1975; Passed Senate February 4, 1976. Note: (A motion made on February 5, 1976, to reconsider the vote by which the Senate passed the bill is still pending.) (VV)

Mississippi judicial district.—Amends title 28, U.S.C., to authorize an additional place in Corinth for holding court in the Eastern Division of the Northern Judicial District of Mississippi. S. 2412—Passed Senate May 11, 1976. (VV)

North Dakota judcial districts.—Amends title 28, U.S.C., to transfer Bottineau, McHenry, Pierce, Sheridan, and Wells Counties from the Southeastern and Northeastern Judicial District of North Dakota to the Northwestern Judicial District of North Dakota in order to reduce the average distance which litigants, attorneys, and jurors in these counties must travel to the nearest place of holding court. S. 2887—Passed Senate May 11, 1976. (VV)

Parole reorganization.—Reorganizes the Federal parole structure by abolishing the present U.S. Board of Parole and replacing it with a 9-member U.S. Parole Commission as an independent agency attached to the Department of Justice (one to serve as Chairman, three to serve as members of a National Appeals Board, and five to serve in the five regions around the country); provides that the Commissioners shall be appointed by the President with the advice and consent of the Senate for 6-year terms except that no one may serve more than 12 years; provides for panels of hearing examiners, operating under guidelines adopted by the full Commission, to conduct parole hearings and recommend decisions subject to review by regional commissioners and the National Appeals Board before becoming final; provides an internal process by which the Attorney General or the offender may trigger a review by the National Appeals Board of any decision made by a regional commissioner; gives the Chairman the necessary administrative powers to keep the decision-making machinery of the Parole Commission operating on a timely basis; provides a procedure to insure better opportunities for decision-making and fairness in parole interviews; requires that the revocation process whereby a parolee is returned to prison for violating the conditions of his parole not based on a new criminal conviction must contain certain procedural safeguards set forth by the Supreme Court in Morrissey v. Brewer, 408 U.S. 471 (1972) and Gagnon v. Scarpelli, 411 U.S. 778 (1973), and in the case of a parolee charged with a new criminal conviction, the parole revocation process must satisfy the probable cause requirement set forth in U.S. v. Tucker, F. 2d 77 (Fifth Cir. 1975); provides a process of appeal where conditions were imposed on a parole or release has been modified or denied or parole revoked with review of decisions upon written request; and provides that an offender who has demonstrated by his conduct that he has rehabilitated himself could be discharged from supervision by the Parole Commission. H.R. 5727—Public Law 94-233, approved March 15, 1976. (VV)

Patent laws revision.—Provides for the general revision of the United States patent system including: duties and procedures of a generally administrative nature imposed on or carried out by the Patent and Trademark Office; substantive and procedural provisions regarding the obtaining of patents; rights of a patent holder and their enforcement; and implementation of the Patent Cooperation Treaty. S. 2255—Passed Senate February 26, 1976. (VV)

Territorial judges cost-of-living adjustment.—Amends section 373, title 28, U.S.C., to grant to eligible judges the same cost-of-living adjustments in their retirement compensation as is given to annuitants under the civil service retirement fund as provided and computed in section 8340 (b) title 5, U.S.C.; limits the total amount payable by any cost-of-living adjustment to 95 percent of the salary payable to a U.S. district court judge in regular active service; and excludes any life-tenure district court judge who retired by resigning the office in which event he receives the salary he was receiving at the time of his resignation for the remainder of his life. S. 14—Passed Senate February 4, 1976. (VV).

U.S. magistrates jurisdiction.—Amends

section 636(b), title 28, U.S.C., to clarify and further define the additional duties which may be assigned to a U.S. Magistrate in the discretion of a judge of the district court including the power to hear and determine certain pretrial motions and to hear and recommend disposition motions; provides that the order or recommendation of a magistrate is subject to final review by a judge of the court; and provides that a magistrate may be assigned any other duty not inconsistent with the Constitution and laws of the United States to enable the district courts to continue innovative experimentations in the use of the magistrate. S. 1283—Passed Senate Febrary 5, 1976. (VV)

U.S. magistrates salary.—Amends title 28, U.S.C., to provide that full-time U.S. Magistrates shall receive the same salary as full-time referees in bankruptcy and adjusts the salary of part-time magistrates to up to one-half of the amount received by full-time magistrates instead of the fixed amount of $15,000 contained in present law, thus giving the Judicial Conference of the United States, which sets the salary of magistrates, the authority necessary to fix the salary of full-time magistrates at $36,000 per year, the current statutory maximum for referees in bankruptcy. S. 2923—Passed Senate February 5, 1976. (VV)

DEFENSE

Armed Services per diem allowance.—Amends section 404(d) of title 37, U.S.C., to increase the maximum rate of the per diem allowance for uniformed services personnel traveling on official business from $25 to $35 and from $40 to $50 for travel to "high cost" areas under "unusal circumstances". H.R. 8089—Public Law 94–296, approved May 29, 1976. (VV)

Assistant Commandant of the Marine Corps.—Authorizes the Assistant Commandant of the Marine Corps to have the permanent grade of General, at the discretion of the President, with the advice and consent of the Senate, without regard to the overall strength of the Marine Corps instead of, as provided in present law, if the overall strength of the Marine Corps exceeds 200,000; and provides that the Secretary of Defense rather than the service Secretary must determine the disability retirement of general officers and medical officers. S. 2117—Public Law 94–225, approved March 4, 1976. (VV)

Carbonyl chloride.—Grants the Secretary of Defense authority to sell, within the United States, all stocks of the chemical labeled carbonyl chloride (also named phosgene) or any of its commercial derivatives procured by the Department of Defense for use as a chemical warfare agent notwithstanding the provisions of section 409 of Public Law 91–121, as amended, or section 506 of Public Law 91–441 which prohibit disposal of a chemical warfare agent before it has been detoxified (unless immediate disposal is clearly necessary, in an emergency, to safeguard human life) or transport of a chemical to or from any military installation in the United States unless the Secretary determines that it is in the interest of national security. H.R. 9570—Public Law 94–251, approved March 29, 1976. (VV)

Coast Guard authorization.—Authorizes $284,869,000 for the Coast Guard for fiscal year 1977 for the procurement of vessels, aircraft, and the construction of shore and offshore establishments, for a year-end strength of 38,918 Coast Guard active duty personnel, and for the average military student load; includes additional expenditure authorization and personnel for enforcement of the 200 nautical mile U.S. fishery management jurisdiction which was extended under the Fishery Conservation and Management Act of 1976 (Public Law 94–265); contains increased funding for Coast Guard ice breaking capability on the Great Lakes in anticipation of a year-round navigation season; prohibits the use of funds for procurement of any aircraft having a gross take off weight in excess of 18,000 pounds or not meeting current Federal regulations with respect to noise control established by the Administrator of the Federal Aviation Administration for such aircraft; authorizes the Coast Guard to establish guidelines for permits issued in Alaska for specific vessels which transport cargo in remote areas, including bulk fuel, that are not in compliance with the Coast Guard regulations; and contains other provisions. H.R. 11670—Passed House April 5, 1976; Passed Senate amended June 16, 1976; In conference. (VV)

Coast Guard overseas leasing authority.—Authorizes the Secretary of Transportation, when the Coast Guard is not operating as a service of the Navy, to lease for military purposes structures and their associated real property located in a foreign country. S. 3050—Passed Senate June 25, 1976.

Defense production—voluntary agreements.—Amends the Defense Production Act, as amended (Public Law 94–153), to make the provisions relating to voluntary agreements developed in support of the national defense effort of the International Agreement on an International Energy Program effective 120 days after the effective date of the Act (November 30, 1975) in order to afford certain agencies adequate time to prepare voluntary agreements which conform to the new provisions. H.J. Res. 784—Public Law 94–220, approved February 27, 1976. (VV)

Department of Defense employees oath authority.—Amends section 303, title 5, U.S.C., to authorize civilian employees of the Department of Defense to administer oaths to witnesses while conducting official investigations. H.R. 508—Public Law 94–213, approved February 13, 1976. (VV)

Household goods shipments.—Empowers the Federal Maritime Commission to investigate and suspend non-compensatory rates submitted by movers to the Department of Defense when those rates are submitted under a traffic allocation system such as the "Okinawa Trial" which denies the opportunity for other movers to bid for the traffic within a period of time. S. 2023—Passed Senate March 29, 1976. (VV)

Military construction authorization.—Authorizes $3,323,989,000 for fiscal year 1977 to provide construction and other related authority for the military departments and the Office of the Secretary of Defense, within and outside the United States, and authority for the construction of facilities for the Reserve components; directs the Department of Defense to examine all non-appropriated fund construction and to report to the Armed Service Committees not later than February 1, 1977, on the desirability of authorizing all construction in the annual authorization bill regardless of the funding source; includes funds for the NATO infrastructure program, the Naval nuclear weapons storage site upgrade program, the aeropropulsion systems test facility at the Arnold Engineering Development Center near Tullahoma, Tennessee, and the Trident weapon system; requires the Department of Defense to report to the Armed Services Committees of the Senate and House on a semiannual basis for the next 2 years specified information on each of the 2 sites for the nuclear weapons storage programs; establishes a base realignment schedule, which is retroactive to January 1, 1976, providing that no action may be taken prior to October 1, 1981, to (1) close any military installation, (2) reduce the authorized level of civilian personnel at any military installation by more than 1,000 or 50 percent of the authorized personnel level as of March 1, 1976, or the end of the fiscal year preceding the year the reduction occurs, or (3) construct, convert or rehabilitate any other military installation because of relocating personnel as a result of base closings or reductions, unless the Secretary notifies Congress (1) of the intended base closing or reduction of personnel; (2) a period of 9 months expires following the date on which the notice was given, during which the department concerned has identified the full range of environmental impacts, as required by the National Environmental Policy Act; (3) the Secretary submits to the Armed Services Committees his final decision with respect to the closing or personnel reduction, together with a detailed justification for his decision, and the estimated fiscal, economic, budgetary, environmental, strategic, and operational consequences; and (4) a period of at least 90 days expires following the date on which the justification has been submitted to the committees; provides that these provisions will not apply to any closure or reduction which the President certifies to Congress must be implemented for reasons of military emergency or national security; and contains other provisions. H.R. 12384—Public Law 94– , approved 1976. (183)

Military procurement authorization.—Authorizes a total of $32.5 billion for fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces; includes $1.049 million for the B–1 bomber program (the strategic bomber replacement for the B–52); $791.5 million for one Trident submarine, $1.315 billion for four nuclear powered attack submarines (SSN–688 class), and $1.18 billion for 8 FFG–7 guided missile frigates; authorizes $317 million for the procurement of 60 Minuteman III missiles with MK 12A reentry systems in order to maintain a production line pending significant progress in the strategic arms limitations talks (SALT); $109.6 million to continue research and development for the AWACS (airborne radar warning airplane) program; $384.6 million for procurement of six AWACS planes; and $42 million for advance procurement funding toward six more AWACS in fiscal year 1978;

Authorizes an active duty military end strength of 2,092,000, a reserve military average strength of 884,900, and a civilian end strength of 1,031,000; makes clear that whatever action is taken, eliminating the 1 percent "kicker" or otherwise modifying the retired pay formula, authority will be available to apply the change to military and CIA retirees, as well as civil service retirees; permits the President to allocate up to 25 percent of the regular cost-of-living raise in basic pay into the quarters allowance for military personnel; limits the payment for unused leave for military personnel to 60 days and eliminates payment of quarters and subsistence in such payments; phase out the appropriated subsidy for payment of commissary personnel and other operating costs over a 3-year period; repeal authority for administrative duty pay for Reserve component commanders; and extend for 1 year current authority for physician bonus pay. H.R. 12438—Passed House April 9, 1976; Passed Senate amended May 26, 1976; Senate agreed to conference report July 1, 1976. (200,374)

Nuclear trained Naval officers pay bonus.—Amends title 37, U.S.C., to provide special pay in the form of accession and retention bonuses for nuclear-qualified officers to attract and retain a sufficient number of high-quality officers to supervise the Navy's nuclear attack and ballistic-missile submarines and the expanding nuclear surface fleet. H.R. 10451—Public Law 94– , approved 1976. (VV)

Reservists active duty.—Authorizes the President, if he determines it is necessary to augment active forces for operational missions, to authorize the Secretaries of Defense or Transportation (in the case of the Coast Guard) to order the involuntary active duty of a maximum of 50,000 Selected Reservists for a limited 90-day period, without a declaration of war or national emergency; prohibits the call-up of reservists to perform functions relating to insurrection or enforcement of State laws or to assist Federal or State Government in time of disaster, accident, or catastrophe; excludes members called up from computation of active duty strength and grade structure; requires the President to submit to the Speaker of the House and the President of the Senate a written report stating the circumstances necessitating the call up of reservists and the anticipated use of them; provides that the service of all units so called up may be terminated by order of the President or by passage of a concurrent resolution by the Congress; reaffirms that nothing contained in this Act shall be construed as amending or limiting the application of the provisions of the war powers resolution; and entitles any reserve member ordered to active duty to the same reemployment rights and benefits currently provided reservists ordered to initial active duty for training for 3 months or more. S. 2115—Public Law 94-286, approved May 14, 1976. (VV)

DISTRICT OF COLUMBIA

Financial reporting and control system.—Provides for a financial systems analysis, design, and implementation for the Government of the District of Columbia to insure that the District's financial statements accurately reflect its financial condition and in order that an independent audit can be conducted with meaningful results. H.R. 11009—Passed House May 24, 1976; Passed Senate amended July 1, 1976; Senate requested conference July 1, 1976. (VV)

Medical and dental manpower.—Extends for 1 year, through fiscal year 1977, title III of the District of Columbia Medical and Dental Manpower Act of 1970, as amended which provides Federal grant assistance to Georgetown University Schools of Medicine and Dentistry and the George Washington University School of Medicine with such grants limited to the minimum amounts necessary but not to exceed $5,000 per enrolled medical student or $3,000 per enrolled dental student. H.R. 12132—Public Law 94-308, approved June 4, 1976. (VV)

Metro transit police.—Gives Congressional consent to amendments adopted by the Commonwealth of Virginia and the State of Maryland and favored by the District of Columbia Government by amending the Washington Metropolitan Area Transit Regulation Compact (which is the interstate compact agency for construction and operation of the METRO rapid transit system and operation of the METRO bus system) to authorize the Washington Metropoitan Area Transit Authority to establish and maintain a regular METRO Transit Police Force having jurisdiction over all METRO property and powers which are the same as those of law enforcement officers of the signatory jurisdictions; authorizes the Transit Authority to issue rules and regulations for safe and effective transit facility operations; designates the Superior Court of the District of Columbia as the court of competent jurisdiction in the District for prosecution of violations against Transit Authority rules and regulations; clarifies the authority of the D.C. Council to enact amendments to the Compact agreement; and reserves the right of Congress to amend, alter, or repeal this Act. H.R. 8719—Public Law 94-306, approved June 4, 1976. (VV)

Southeastern University.—Insures the continued eligibility of Southeastern University for the benefits of the several acts providing for aid to higher education; amends its Charter to make possible the continued operation of the University as a nonprofit, tax-exempt educational institution under the provisions of section 501(c)(3) of the Internal Revenue Code; and makes provisions of Federal law relating to the audit of accounts of private corporations apply to the University. S. 611—Public Law 94-350, approved March 29, 1976. (VV)

ECONOMY—FINANCE

Bankruptcy of major municipalities.—Amends Chapter IX of the Bankruptcy Act to change the procedure by which the debts of political subdivisions and public agencies and instrumentalities are adjusted to enable a city to continue to function in an orderly manner while an adjustment or extension of its debts is negotiated with its creditors; provides that a legislature, or a governmental officer or organization empowered by State law is authorized to file a petition stating its eligibility to file, its inability to pay its debts as they mature, and its desire to effect a plan of composition or extension of its debts; provides that an entity is not eligible for relief unless (1) it has successfully negotiated a plan of adjustment of its debts with creditors holding at least a majority in amount of the claims of each class which are claims affected by that plan, (2) it has negotiated in good faith with its creditors and has failed to obtain, with respect to a plan of adjustment with its debts, the agreement of creditors holding at least a majority in amount of the claims of each class which are claims affected by that plan, (3) such negotiation is impracticable, or (4) it has a reasonable fear that a creditor may attempt to obtain a preference; provides that the filing of the petition would operate as a stay of the commencement or continuation of any court or other proceeding against the debtor; provides that while the city is negotiating with its creditors so as to work out a suitable plan, the city would remain under the management of whatever form of government is provided by State law; authorizes the city to issue certificates of indebtedness to supplement available funds on a short-term basis for essential governmental services; and requires that a final proposed plan be approved by more than 50 percent of all creditors and by creditors holding two thirds of the amount. H.R. 10264—Public Law 94-260, approved April 8, 1976. (*575)

Child day care staffing standards.—Delays the date for State compliance with Federal child care staffing standards from February 1, 1976, to July 1, 1976; increases Federal funding for social services programs by $62.5 million in fiscal year 1976 and $62.5 million for the transition quarter which is to be used only for child care expenditures and would be allocated on an 80 percent matching basis; reserves 20 percent of the additional Federal funding for allocation to States having particular funding problems related to complying with Federal child care standards; authorizes a tax credit for employing welfare recipients in child care; permits, on a temporary basis until September 30, 1976, the waiver of child care standards if the children receiving federally funded care represent no more than 20 percent of the total number of children served, or in the case of a center, no more than 5 such children, provided that it is not feasible to place the children in a facility which does meet the Federal requirements; modifies, also temporarily until September 30, 1976, the limitation on the number of children who may be cared for in a family day care home by not counting the family day care mothers own children if they are under age 6; and makes permanent certain social services provisions related to addicts and alcoholics. H.R. 9803—Vetoed April 6, 1976. House overrode veto May 4, 1976; Senate sustained veto May 5, 1976. (20, 92, 165)

Amends title XX of the Social Security Act to give States complete flexibility to determine what income or other eligibility conditions they wish to establish for participation in social services programs and how those conditions are to be enforced; extends the suspension of Federal staffing standards for child care for pre-school children retroactively from February 1, 1976, until October 1, 1977; provides $375 million in additional child care Federal funding to October 1, 1977; and provides incentives for the employment of welfare recipients in child care jobs. H.R. 12455—Passed House March 16, 1976; Passed Senate amended May 20, 1976; House receded and concurred in Senate amendments with a substitute amendment July 1, 1976. (188)

Duty suspensions:

Manganese ore—Welfare employment tax credit extension.—Continues for an additional 3 years the existing suspension of duties on manganese ore (including ferruginous ore) and related products; extends until September 1, 1976 the tax credit for employment of Federal welfare recipients. H.R. 12033.—Passed House May 17, 1976; Passed Senate amended July 1, 1976. (VV)

Library of Congress trust funds.—Increases the amount of interest paid on the trust funds deposited with the United States Treasury by the Library of Congress Trust Fund Board to a rate which is the higher of the rate of 4 percent per annum or .25 percent less than a rate to be determined by the Secretary of the Treasury based on the current average market yield on the outstanding long-term marketable obligations of the United States having the longest periods of maturity adjusted to the nearest ⅛th of 1 percent. S. 2619—Public Law 94-289, approved May 22, 1976. (VV)

Increases the amount of interest paid on the Library of Congress Trust Fund deposited with the United States Treasury under the Act of August 20, 1912 (Bequest of Gertrude M. Hubbard, a perpetual trust, for the purpose of adding to the Gardiner Greene Hubbard collection of engravings), to a rate which is the higher of the rate of 4 percent per annum or .25 percent less than a rate to be determined by the Secretary of the Treasury based on the current average market yield on the outstanding long-term marketable obligations of the United States having the longest periods adjusted to the nearest ⅛th of 1 percent, with such interest, as income, subject to disbursement for the purposes authorized and provided in the bequest. S. 2620—Public Law 94-290, approved May 22, 1976. (VV)

Medicare extension amendments.—Makes the following changes in the medicare law that take effect July 1, 1976, in order to avoid certain adverse effects on medicare beneficiaries and health care providers: (1) extends to October 1, 1977, the reimbursement method for the services of physicians in teaching hospitals which was mandated in the 1972 amendments in order to give Congress additional time to study the report of the National Academy of Sciences and develop appropriate legislation regarding such reimbursement; (2) eliminates the possibility of a rollback below fiscal year 1975 levels of "prevailing charge" (used in determining medicare reimbursement for physicians' services); and (3) continues the practice, which the medicare program has followed since its inception, of updating "customary" and "prevailing" charges (used in determining physician reimbursement) each year as of July 1. H.R. 13501—Public Law 94- , approved 1976. (VV)

New York City retirement systems.—Allows five New York City pension funds to participate in the plan worked out in November of 1975 between the city and its municipal employee unions and pension funds to purchase city notes without bringing to bear certain provisions of the Internal Revenue Code which affect the tax status of beneficiaries of such pension funds; provides that the Secretary of the Treasury may disapprove any amendment which the banks' Municipal Assistance Corporation may make to the Agreement if he feels it is not consistent with the purpose of this bill; and requires that reports on the financial condition of the funds be submitted to the Treasury and the Ways and Means and Finance Committees of the House and Senate respectively. H.R. 11700—Public Law 94-236, approved March 19, 1976. (VV)

Pension plans tax-free rollover.—Provides for a tax-free rollover treatment to an employee who receives a payment on account of a termination of his employer's retirement plan or a complete discontinuance of contributions under such a plan, and in certain situations involving sales of subsidiaries and divisions of corporations; requires, generally, that the payment be reinvested by the employee in a qualified plan or individual retirement account within 60 days; and makes these provisions applicable to payments received on or after July 4, 1974. H.R. 12725—Public Law 94-267, approved April 15, 1976. (VV)

Public debt limit increase.—Increases the temporary debt limit by $32 billion for a total temporary and permanent debt limit of $627 billion until June 30, 1976. H.R. 11893—Public Law 94-232, approved March 15, 1976. (VV)

Increases the temporary debt limit by $9 billion for the period from the date of enactment through September 30, 1976, $55 billion for the period October 1, 1976, through March 31, 1977, and $73 billion for the period April 1, 1977, through September 30, 1977, making a total temporary and permanent debt limit of $636 billion, $682 billion and $700 billion, respectively, for these periods. H.R. 14114—Public Law 94-334, approved June 30, 1976. (VV)

Public Works—Economic Development (EDA) Authorization.—Authorizes $3.4 billion for programs under the Public Works and Economic Development Act for 3 years to September 30, 1979; provides for continuation of titles III, IV, V, and IX programs at present 1976 authorization levels; increases authorization for title I (Public Works grants) from the present $250 million authorization to $450 million and title II (Business Development Loans and guaranties) from the present level of $75 million annually to $125 million; provides that up to 20% of the first $250 million appropriated and up to 35% of appropriations over $250 million of Title I grants shall be available to eligible urban areas of 50,000 or more; directs EDA to provide assistance on a priority basis to central cities in metropolitan areas of high unemployment or low family income; authorizes the President to convene a White House Conference on balanced national growth and economic development; permits 100% grants for public works impact projects for community development corporations; and contains other provisions. S. 2228. Passed Senate July 2, 1976. (384)

SSI benefits.—Amends title XVI of the Social Security Act to permanently extend the Interim Assistance Reimbursement Program which was enacted in 1974 to reimburse states for interim assistance payments made to individuals awaiting final determination on their applications for benefits from the supplemental security income program (SSI) for the aged, blind, and disabled; extends until July 1, 1977, or until modifications of the law affecting food stamp eligibility are enacted, whichever occurs first, the provisions of section 8 of Public Law 93-233 under which SSI recipients are entitled to purchase food stamps except in those states where the Federal government is contributing an equivalent amount through the states' "hold harmless" payments under section 401 of Public Law 92-603 which established the SSI program; and continues for 1 year, through June 30, 1977, Federal matching for state Child Support Program for non-welfare recipients. H.R. 14484—Public Law 94- , approval 1976. (VV)

State taxation of depositories.—Extends from January 1, 1976, to September 12, 1976, the moratorium on interest taxation of depositories to allow Congress a full year to consider the recommendations of the Advisory Commission on Intergovernmental Relations whose report was not submitted to the Congress until September 12, 1975; adds Connecticut, Rhode Island, Maine and Vermont to the list of States allowed NOW accounts; amends the Truth in Lending Act to provide that discounts offered by merchandisers for cash purchasers would not, for truth in lending disclosure purposes, constitute interest or a finance charge under the State usury or time-price differential laws; places a 3-year limit on the ban against surcharges to give Congress an opportunity to review the matter during that time; and authorizes the Federal Reserve Board to delegate to its Staff, the authority to issue interpretations or approvals that would have binding effect in subsequent litigation over violations of the Truth in Lending Act. S. 2672—Public Law 94-222, approved February 27, 1976. (VV)

Tax withholding rate extension—SSI eligibility—Life insurance distribution.—Extends present tax withholding rates until September 1, 1976; provides that SSI (Supplemental Security Income) recipients who have to leave their households and reside in another household because of a disaster such as the Teton Dam failure shall continue to receive full benefits without reduction and excludes from countable income disaster relief assistance; allows, effective with taxable years ending after December 31, 1957, a life insurance company to disregard a distribution during the last month of its taxable year, determined to have been made out of the policyholders surplus account, if such distribution is returned to the company not later than the due date for filing its income tax return for that year. H.R. 10051—Public Law 94-331, approved June 30, 1976. (VV)

Teton Dam failure.—Authorizes the Secretary of the Interior to provide compensation for the deaths, personal injuries, and losses to property, including irrigation works, which resulted from the failure on June 5, 1976, of the Teton Dam of the Lower Teton Division of the Teton Basin Federal reclamation project which was authorized to be constructed by the Act of September 7, 1964 (78 Stat. 925); authorizes a compensation program within the Department of the Interior to consider and settle such damage claims without regard to the proximate cause of the dam's failure; requires claimants to file claims in writing, within 2 years, and in the case of a dead person, by a duly authorized legal representative; authorizes compensation to farmers who made investments in distribution works and other capital improvements in the anticipation of irrigation water supplies from the Teton reservoir; includes authority for the Secretary to make advance or partial payments before final settlement to any claimant where necessary to prevent substantial hardship; requires the Secretary to prepare and publish final regulations and information about this program and waives the period for notice and comment otherwise required under the Administrative Procedures Act; requires an annual report to Congress on the claims not settled along with the reasons therefor and on settled claims; contains provisions, where settlement cannot be reached, governing appeals or other courses of action open to claimants; limits attorney or agent fees to 10 percent of any award and imposes a $10,000 fine for violations; and authorizes such sums as necessary to carry out the program. S. 3542—Passed Senate June 17, 1976. (VV)

EDUCATION

Allen J. Ellender Fellowships.—Extends for 4 years, through fiscal year 1980, the Allen J. Ellender Fellowship Program authorized by Public Law 92-506 which provides fellowships to disadvantaged secondary school children; increases the authorization therefor from $500,000 annually to $750,000 for fiscal years 1977 and 1978, and $1 million for fiscal years 1979 and 1980; eliminates the present limitation on the number of fellowships to be awarded annually to accommodate the increased funding; amends that section of the Program which sets forth requirements for the program to ensure that students and teachers from rural communities and small towns, as well as teachers from urban areas, will be adequately represented among the fellowship recipients. H.J. Res. 491—Public Law 94-277, approved April 21, 1976. (VV)

Indochinese refugees educational assistance.—Authorizes $125.5 million to reimburse (on a 100 percent basis the first year and a 50 percent basis the second year) local educational agencies for costs incurred in educating Indochina refugee children through a basic cost of education grant plus a $300 per refugee child payment for supplementary assistance; and amends the Adult Education Act to direct the Commissioner to operate a program of grants to State and local governments for adult education programs for refugees with such funds to be appropriated from existing authorizations. S. 2145—Passed Senate October 29, 1975; Passed House amended January 19, 1976; Conference report filed. (VV)

Student loan program.—Extends through September 30, 1976, the authority of the Commissioner of Education to insure new student loans and the provisions of the Emergency Insured Student Loan Act of 1969; makes it clear that the extension is only for a 3-month period and that the provisions of section 414 of the General Education Act, relating to contingent extension of education laws, do not apply; provides that the transition quarter and fiscal year 1977 shall be treated as a single fiscal year for purposes of reallocating College Work-Study funds; and clarifies the intent of the Privacy Act so institutions of higher education who serve as payment agents for the Basic Educational Opportunity Grant Program are not considered subject to the provisions of that Act relating to contractors maintaining a system of records to accomplish a function of the Commissioner. S.J. Res. 203—Public Law 94-328, approved June 30, 1976. (VV)

ELECTIONS

Federal Election Commission—Campaign financing.—Amends the Federal Election Campaign Act to provide for a Federal Election Commission composed of the Secretary of the Senate and the Clerk of the House of Representatives, as ex officio and non-voting members, and six members appointed by the President by and with the advice and consent of the Senate, to replace the present Commission, which is composed of the Secretary of the Senate and the Clerk of the House of Representatives, as ex officio and non-voting members, and six members, two appointed by the President pro tempore of the Senate, two by the Speaker of the House of Representatives, and two by the President, in order to meet the constitutional objections stated by the Supreme Court in Buckley v. Valeo, decided January 30, 1976, to the delegation of the administration and enforcement of the Act, which constitute executive branch functions, to officers appointed by the legislative branch instead of by the President as required under the Appointments Clause of the Constitution;

Provides that not more than three appointed members of the Commission may be of the same political party; sets terms of six years for the members, except that of the members first appointed, two are to be appointed for terms ending April 30, 1977, two for terms ending April 30, 1979, and two for terms ending April 30, 1981, and provides that none of the two shall be affiliated with the same political party;

Gives the Commission jurisdiction for civil enforcement of the Act and of the provisions of the Internal Revenue Code regarding public financing of Presidential campaigns; requires the affirmative vote of four members of the Commission to establish guidelines, initiate civil actions, render advisory opinions, make regulations, conduct investigations, or report apparent violations of law;

Makes various reporting and definitional changes, which include a requirement that (1) in any year when a candidate is not on the ballot for election the candidate and his authorized committees must file a report for any quarter in which contributions or expenditures aggregate more than $10,000; (2) records be kept by political committees only on contributions in excess of $50, instead of in excess of $10 and (3) corporations, labor organizations and other membership organizations need only report expenditures over $2,000 per election for communications to stockholders or members advocating the election or defeat of candidates; permits corporations and labor organizations to make two written solicitations per year from stockholders, executive and administrative personnel, and from employees respectively;

Restructures the penalty provisions of the law to provide criminal penalties for substantial violations and civil penalties and disclosure for less substantial violations, as well as protection for persons who enter into and adhere to conciliation agreements with the Commission;

Retains the present $1,000 per candidate per election limit on contributions by a "person" (defined as an individual, partnership, committee, association, corporation, labor organization and any other organization, which includes a non-qualified political committee) and now adds a limit on contributions by a "person" to political committees of national parties which are not the authorized political committees of any candidate at a yearly aggregate of $20,000 and at a yearly aggregate of $5,000 to any other political committee; retains the present $5,000 limit per candidate per election on contributions by a qualified multi-candidate political committee to a candidate and his authorized political committees, and now adds a limit on contributions by a multi-candidate political committee (1) to any political party committee which is not the authorized committee of any candidate at a yearly aggregate of $15,000 and (2) to any other political committee at a yearly aggregate of $5,000; contains a new provision which permits the Republican and Democratic Senatorial Campaign Committees and the national committee of a political party to contribute up to $17,500 to a candidate for nomination or for election to the U.S. Senate; treats as a single political committee all committees established by a single person or group of persons, and provides that these limits do not apply to transfers between national, State, District or local political committees, or to joint fundraising efforts; retains the present yearly aggregate limit on an individual's contributions at $25,000;

Requires that any printed or broadcast communication which expressly advocates the election or defeat of a clearly identified candidate and which is disseminated to the public must contain a notice that it is authorized by a candidate or it is not authorized by a candidate;

Prohibits a Presidential candidate who accepts public financing from spending more than $50,000 from his own personal funds or the funds of his immediate family in connection with his campaign (including funds spent in behalf of the Vice-Presidential nominee); provides for the termination of public financing for Presidential candidates who lack demonstrable support;

Amends the provisions pertaining to Congressional review or rules or regulations proposed by the Commission;

Changes the limits on honoraria which may be accepted by Federal officials from $1,000 to $2,000 (excluding amounts accepted for actual travel and subsistence expenses for self, a spouse, or an aide) for any speech, appearance, or article, and the total limit from $15,000 to $25,000; and contains other provisions. S. 3065—Public Law 94-283, approved May 11, 1976. (96,164)

Political campaigning.—Condemns the conduct of certain people toward Governor George Wallace of Alabama and Senator Henry Jackson of Washington while campaigning in Wisconsin; states that such conduct, wherever it should occur, is un-American, undemocratic, and violates the principles of free speech and fair play; and declares that any loyal and patriotic citizen has the right to seek the office of President and present his or her views to the American people without fear of harassment or of bodily harm. S. Res. 419—Senate agreed to March 31, 1976. (VV)

EMPLOYMENT

Public works employment.—Authorizes the Secretary of Commerce to make grants to State and local governments for the total cost of construction, renovation, repair or other improvement of public works projects, to make supplemental grants for the purpose of increasing the Federal contribution to 100 percent of the cost of public works projects authorized by any other Federal law where the Federal assistance is available and construction has not started, and to make grants for all or any portion of the State or of the local share cost of any public works project authorized by any State or local law where construction has not yet started;

Assures that at least ½ of 1 percent but not more than 10 percent of funds appropriated will be granted within any one State and groups, Guam, the Virgin Islands and American Samoa together for this purpose; requires the Secretary, as long as the national unemployment rate is 6½ percent or more, to give priority to applications from areas in excess of the national rate and thereafter to give priority to areas in excess of 6½ percent but less than the national unemployment rate; requires that 70 percent of the funds must be used for the first priority category; authorizes up to $2.5 billion to carry out this title for the period ending September 30, 1977;

Authorizes, in title II, funds for financial assistance to State and local governments for each of 5 succeeding calendar quarters (beginning April 1, 1976) of $125 million when the national seasonally adjusted unemployment rate reaches 6 percent plus an additional $62.5 million for each one-half percentage point over 6 percent which on an annual basis means $500 million would be authorized when the national rate reaches 6 percent and an additional $250 million would be authorized for each percentage point that the rate rises over 6 percent; authorizes assistance from these amounts to States and local governments based upon their unemployment rate and level of tax revenue, as measures of recessionary impact and the level of services provided;

Amends, in title III, section 201(c) of the Public Works and Development Act of 1965 to increase the authorization for fiscal year 1976 from $75 million to $200 million, and authorizes under this section payment during the calendar year ending December 31, 1976, of interest supplements sufficient to reduce the interest up to 4 percentage points on loans guaranteed by the Secretary in order to aid firms needing financial assistance to continue current operations;

Authorizes the Secretary to designate as a redevelopment area cities of 50,000 or more and to make grants to cities with approved development programs; authorizes $50 million for fiscal year 1976 and $50 million for the transition period for this purpose;

Authorizes $500 million for fiscal year 1976 and makes the funds available for obligation until September 30, 1976, for supplementing existing programs; authorizes $1,417,968,050 for the fiscal year ending September 30, 1977, for grants for the construction of publicly-owned wastewater treatment works pursuant to title II of the Federal Water Pollution Control Act; and contains other provisions. H.R. 5247—Vetoed February 13, 1976. House overrode veto February 19, 1976; Senate sustained veto February 19, 1976. (*348,41)

Public works jobs.—Amends the Public Works and Economic Development Act of 1965 to provide for anti-recessionary public works authorizations; authorizes direct grants to State and local governments for construction, renovation and repairs of public works projects, including projects authorized by other acts and grants for architectural design, engineering, and related planning expenses, of 100 percent of the cost of the project if it is shown that on-site labor can begin within 90 days of the project approval; authorizes supplemental grants for the purpose of increasing the Federal contribution to 100 percent of project cost on any federally assisted public works projects authorized by any other Federal law when the Federal financial assistance is immediately available and construction has not been started; also, authorizes grants of projects authorized by State or local law, where the matching share is immediately available and construction has not yet started; assures that at least ½ of 1 percent but not more than 12½ percent will be granted within any one State, and that Guam, the Virgin Islands and American Samoa together will not receive less than ½ of 1 percent; provides that as long as the national unemployment rate is 6½ percent, priority must be given to applications from areas in excess of the national rate and that 70 percent of the funds appropriated must be used for this priority category;

Authorizes for each of 5 succeeding calendar quarters (beginning with the quarter beginning on July 1, 1976) $125 million for financial assistance to States when the national seasonally adjusted unemployment rate reaches 6 percent plus an additional $62.5 million for each one-half percentage point over 6 percent, with the total amount authorized not to exceed $1,250 billion; further provides that no funds would be authorized for any calendar quarter during which the national unemployment rate averaged under 6 percent or for any quarter in which the last month's unemployment rate was below 6 percent; provides that the Secretary of the Treasury shall reserve one-third of the authorized funds for distribution to State governments and two-thirds for distribution to local governments; provides that allocations to each State government be made according to a formula using that State's excess unemployment rate and its revenue sharing entitlement for Entitlement Period VI (July 1, 1975, to June 30, 1976); defines excess unemployment as the State's unemployment rate during the most recent calendar quarter minus 4.5 percent; provides that allocations to local governments would be made according to the same formula; provides that grants under this program should be used for the maintenance of basic services ordinarily provided by the State and local governments; and

Authorizes $700 million for fiscal year 1977 for grants for the construction of publicly owned wastewater treatment works pursuant to title II of the Federal Water Pollution Control Act. S. 3201—Public Law 94– , approved 1976. (150,296)

ENERGY

Alaskan gas transportation.—Establishes a procedure for expediting a decision on construction of facilities to transport natural gas from the North Slope of Alaska to tht lower 48 States; directs the Federal Power Commission to consider reasonable alternatives for the transportation of Alaska natural gas to consumers, and to transmit a recommendation for a system, if any, to the President by March 1, 1977; provides that the President is to review the recommendation and transmit his own decision to Congress by July 1, 1977; permits an additional 90 days for transmittal if he selects a system for which no required final environmental impact statement has been prepared; provides that the President's decision would become final upon enactment of a joint resolution of approval within 60 days of transmittal by the President, and provides that if the joint resolution is not so enacted the President may propose a new decision within 30 days which becomes final under the same procedures; restricts judicial review of a certificate and other approvals required through the construction phase to the point of initial commercial operation of the system to claims alleging the invalidity of this Act, and claims alleging that an action will deny rights under the Constitution or that an action is beyond the scope of authority conferred by this act; limits the time for bringing of these claims to 60 days from the date of the joint resolution or of the action challenged; provides that such claims shall be filed in the U.S. Court of Appeals for the District of Columbia within the time limit, and that appeal may be taken only by filing a petition for certiorari with the U.S. Supreme Court within 15 days of the Court of Appeals' decisions; provides for the establishment of a process for resolving interagency disputes and appealing agency decision during construction of the transportation system; prohibits discrimination on the grounds of sex, race, creed, color, national origin, in activities under this act; and contains other provisions. S. 3521—Passed Senate July 1, 1976 (VV)

Automotive research and development.—Authorizes the Administrator of the Energy Research and Development Administration (ERDA) to make contracts and grants for, and support through obligation guarantees, research and development leading to production prototypes of advanced automobiles within 4 years from the date of enactment; requires that priority be given to the development of advanced propulsion systems for automobiles; limits development of a prototype automobile by providing that production may not begin unless ERDA finds that private industry has not utilized the ERDA developed technology and so advises the relevant Committees of Congress. H.R. 13655—Passed House June 3, 1976; Passed Senate amended June 14, 1976; In conference. (283)

Coal leasing.—makes basic changes in the Mineral Leasing Act of 1920 governing leasing of Federally owned coal which constitutes almost 50 percent of the recoverable coal reserves in the United States; provides that leases may be issued only by competitive bidding and that at least 50 percent of all lands leased within any year be on the basis of a deferred bonus bidding system;

Requires the preparation of land use plans where the United States owns both the surface and subsurface prior to sale of leases, and provides that, in cases where the Federal interest in nominal a State or local land use plan or a land use analysis prepared by the Secretary would be required;

Eliminates prospecting permits and preference right leases to prospectors and replaces this with a system of non-exclusive exploratory licenses; eliminates collective prospecting contracts in favor of the concept of a logical mining unit; provides that a coal lease for a logical mining unit which is not producing in commercial quantities at the end of 10 years shall be terminated: provides that coal leases shall be for a term of 20 years, and may be readjusted every 10 instead of 20 years, dependent upon diligent production; permits the Secretary to waive the requirement for a period not to exceed 15 years and accept in lieu thereof an advanced royalty; provides for a comprehensive Federal exploration program for lands to be offered for leasing;

Increases from 37½ to 50 percent the share of lease revenues to the State in which the lease is located; specifies that 12½ percent shall be used for planning, construction and maintenance of public facilities, and provision of public services with priority to be given to those areas suffering impact problems as a result of energy development and provides that 12½ percent of the revenues accumulating under the Geothermal Stream Act are to be available to the States for the same purpose; and contains other provisions. S. 391—Public Law 94– , approved 1976. (*364)

Coastal zone management.—Amends the Coastal Zone Management Act to assist States facing Outer Continental Shelf (OCS) oil and gas development or other energy-related developments and facilities affecting the coastal zone; provides assistance in the form of grants or loans to coastal States from a new coastal energy facility impact fund, which is to be available to States receiving or anticipating impacts in their coastal zones from the exploration, development, and production of energy resources; authorizes a total of $800 million for loans, guarantees, backup grants, special grants for prevention or amelioration of unavoidable losses of environmental and recreational resources; provides for formula grants relating to needs resulting directly from new or expanded outer continental shelf energy activity, and authorizes a total of $400 million over 8 years for such grants; requires as a condition of eligibility for assistance that the State must participate in a coastal zone management program; contains provisions to clarify that Federal leases must be consistent with approved coastal zone management programs of the affected States; raises the Federal share for coastal zone management funding from 66⅔ percent to 80 percent; and contains other provisions. S. 586—Public Law 94– , approved 1976. Note: (Impact fund provisions are also contained in S. 521, Outer Continental Shelf Management, which passed the Senate July 30, 1975.) (*291)

Electric and hybrid vehicle research.—Authorizes $160 million over 5 years for a Federal program administered by the Energy Research and Development Administration for electric vehicle research, development, and demonstration for the purpose of conducting research on electric vehicle batteries, overall vehicle design, and demonstrating their commercial feasibility; authorizes a major research and development program within ERDA primarily focused on advanced battery development and improvements in vehicle design; authorizes a three-step demonstration of electric and hybrid vehicles providing for (1) the development of baseline data as to existing electric and hybrid vehicle technology, (2) the production or leasing of electric and hybrid vehicles utilizing presently available technology, and (3) a similar program for the production or leasing of advanced electric and hybrid vehicles; requires a study and report to Congress of regenerative braking systems on electric and other automobiles in order to recover energy; and contains provisions to protect and enhance the participation of small businesses concerned with electric vehicle research. H.R. 880—Passed House September 5, 1975; Passed Senate amended June 4, 1976; House requested conference June 16, 1976. (281)

Energy conservation in buildings.—In title I, authorizes the Federal Energy Administration to make grants to States for financing residential insulation improvements for low-income persons; provides an authorization of $55 million annually for fiscal years 1976, 1977, and 1978, with the funds to be used chiefly for purchasing insulation materials to be instilled in dwelling units occupied by persons with incomes not exceeding 50 percent of the median income for the area; includes among insulation materials items which improve the thermal efficiency of a dwelling and caulking and weather stripping but excludes all mechanical equipment costing more than $50 per dwelling unit; provides that the program shall utilize, insofar as possible, the services of volunteers and persons employed under other Federal, State and local programs such as manpower program trainees and public service employees;

In title II directs the Secretary of Housing and Urban Development to establish energy conservation standards for new residential and commercial buildings and to facilitate State and local adoption and implementation of such standards within a reasonable period of time; provides that the Secretary shall develop minimum performance standards for such structures in consultation with the Federal Energy Administration, the National Bureau of Standards, and the General Services Administration, and publish them within a period of 36 months after the date of enactment; provides that the standards shall become effective after an additional period, not exceeding 18 months, for a review and adoption by State and local governments; defines a minimum performance standard as a standard which establishes an energy efficiency goal for a particular type of building, under varying conditions, such as climate, without specifying the means to reach that goal; allows an additional 6 months for promulgation of the standard, if needed; allows a period of 12 months for States and localities to adopt standards in thier building codes that meet or exceed Federal standards; prohibits, effective one year after promulgation of the Federal standards Federal loan and grant assistance and the extension of credit by Federally supervised financial institutions for new residential and commercial construction in areas which do not adopt equivalent or stricter standards; authorizes the Secretary to make grants not to exceed $5 million in fiscal year 1976 to assist States in meeting the costs of developing performance standards and certification procedures for implementing them; and contains other provisions. H.R. 8650—Passed House September 8, 1975; Passed Senate amended March 9, 1976; In conference. *Note:* (Comparable provisions are contained in H.R. 12169, Federal Energy Administration, which is in conference.) (54)

ERDA authorization.—Authorizes $7,086,217,000 for the Energy Research and Development Administration for fiscal year 1977 for fusion power research and development, fuel cycle research and development, fission power reactor development, environmental research and safety, high energy physics, basic energy sciences, nuclear materials security and safeguards, naval reactor development, space nuclear systems, nuclear explosives applications, uranium enrichment, advanced isotope separation technology, and various other programs. H.R. 13350—Passed House May 20, 1976; Passed Senate amended June 25, 1976. (345)

ERDA supplemental authorization.—Authorizes to the Energy Research and Development Administration supplemental appropriations of $34 million for fiscal year 1976 and $23 million for the transition period July 1–September 30, 1976, in budget authority and $26.5 million and $17.5 million in budget outlays for the respective periods to provide a balanced nuclear weapons research, development, and testing program, a capability to verify the peaceful nuclear explosive agreement now being negotiated with the Soviet Union as part of the Threshold Test Ban Treaty and to purchase, at reduced cost, a computer now being leased for the Lawrence Livermore Laboratory. S. 3108—Public Law 94–269, approved April 16, 1976. (VV)

Federal Energy Administration.—Authorizes $224,557,000 to extend the life of the Federal Energy Administration (FEA) from June 30, 1976, until September 30, 1977; makes certain changes to improve the operating procedures of FEA; provides penalties for any violation of FEA regulations relative to information-gathering; requires the Energy Resources Council to coordinate reports now prepared by FEA and the Energy Research and Development Administration concerning the national energy outlook and the national research, development and demonstration plan; requires the President, through the Energy Research Council, to undertake a study and provide recommendations by December 31, 1976, with respect to the reorganization and centralization of the Federal Government's responsibilities for energy and related natural resource responsibilities; requires the Energy Resources Council to prepare an annual report on national energy conservation activities; provides for the disposition of FEA's current function upon termination of the Act; strengthens the efforts to reform existing electric utility rate structures and assist the States in providing consumer input before State regulatory commissions, and requires FEA to perform an analysis of the degree to which a Btu tax might contribute to a more effective implementation of national policy objectives, including the expected impact on the economy and employment; exempts stripper oil wells producing a daily average maximum of 10 barrels from price and allocation controls; exempts from price controls incremental crude oil produced by enhanced recovery methods initiated after February 1, 1976; establishes programs for energy conservation standards for new buildings; authorizes loan guarantees to eligible borrowers in order to advance energy conservation; establishes an Office of Energy Information and Analysis; authorizes $3 million to encourage utilization and wiedspread commercialization of existing solar technologies; extends eligibility for loan guarantees to include not only new underground production but also expansion of existing mines or reopening of closed mines; and contains other provisions. H.R. 12169—Passed House June 1, 1976; Passed Senate June 16, 1976; In conference. (295)

Federal Energy Administration Extension.—Extends for 30 days, from June 30, 1976, to July 30, 1976, the expiration date of the Federal Energy Administration. S. 3625—Public Law 94–332, approved June 30, 1976. (VV)

Helium conservation.—States the sense of the Senate that the President should direct the Secretary of the Interior to make prompt arrangements to conserve the helium, which is now being extracted by private companies in the process of upgrading natural gas prior to distribution and then vented into the atmosphere, in accordance with ERDA's conclusions that: large quantities of helium will be required for energy-related applications such a fusion reactors, superconducting magnetic energy storage, and superconducting power transmission; known existing helium reserves will be essentially exhausted at about the time that large helium demand will commence and increase; the U.S. will be dependent in part on foreign source fields and helium extracted from the atmosphere; and the cost of helium extracted from the atmosphere is far greater than that extracted from natural gas. S. Res. 253—Senate agreed to May 13, 1976. (VV)

International Petroleum Exposition.—Authorizes the President to invite the several States and foreign nations to participate in the International Petroleum Exposition at Tulsa, Oklahoma, from May 16 through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products. S.J. Res. 59—Public Law 94–227, approved March 11, 1976. (VV)

Interstate Oil and Gas Company.—Extends until December 31, 1978, the consent of Congress to the Interstate Compact to Conserve Oil and Gas consisting of 30 oil and gas producing states and 6 associate member States whose purpose is to conserve oil and gas by prevention of physical waste thereof from any cause, and calls for a special report from the Attorney General on the activities of advisory committees used in connection with activities related to the purposes of the Compact to see if they are consistent with the antitrust laws. S.J. Res. 126—Passed Senate May 3, 1976. (VV)

Natural gas pipeline safety.—Amends the Natural Gas Pipeline Safety Act of 1968 to authorize an additional total of $24.5 million to implement the Natural Gas Pipeline Safety Act through fiscal 1978 and to make certain improvements to protect the public from hazards associated with natural gas pipelines; authorizes, from the total, $11.5 million for State grant-in aid programs; defines the term "intrastate pipeline transportation" as that not subject to the jurisdiction of the Federal Power Commission under this Act and includes within the definition those pipeline facilities which transport gas from an interstate pipeline to a direct sales customer purchasing gas for its own consumption; provides that the Secretary may establish standards relating to emergency plans and procedures; requires the Technical Pipeline Safety Standards Committee to meet at least twice yearly; revises the State certification process to allow certification of State agency even though it may not have adopted each Federal safety standard established within 120 days of the date of certification; requires States which are certified under this act, to encourage and promote programs designed to prevent natural gas pipelines and subsurface utility equipment from being damanged as a result of excavation; increases the amount of Federal contribution to State efforts to enforce Federal natural gas pipeline safety standards by authorizing the Secretary to make available to the States 100 percent (but not to exceed $60,000 for each State) of the cost of up to 3 full-time inspectors under certain conditions; continues the existing authority of the Secretary of Transportation to pay up to 50 percent of the cost of personnel, equipment, and activities with respect to interstate transmission lines; makes clear that the Department of Transportation's pipeline safety standards are the only Federal pipeline safety standards that an interstate pipeline operator is required to meet; provides that the Federal Power Commission may not attach any condition to the issuance of a certificate of public convenience and necessity, or to the exercise of rights granted under such standards for pipeline facilities or for the transportation of gas, other than the standards prescribed by the Secretary of Transportation; requires the Secretary to include in his annual report to the President and Congress a full compilation of natural gas pipeline leaks occurring during that year; requires each person engaged in the transportation of natural gas to conduct a program to educate the public on the hazards associated with gas leaks and on the importance of reporting gas odors and leaks to the pipeline owner; authorizes the Secretary to develop materials suitable for use in such a consumer education program; and authorizes under specified conditions citizens' civil actions for mandatory or prohibitive injunctive relief, including interim equitable relief, against any person who is alleged to be in violation of the act. S. 2041—Passed Senate May 28, 1976. (VV)

Naval petroleum reserves production.—Transfers, effective June 1, 1977, jursidiction of Naval Petroleum Reserve No. 4 in Alaska from the Secretary of the Navy to the Secretary of Interior and redesignates it the "National Petroleum Reserve in Alaska"; provides for continued petroleum exploration of this reserve but prohibits development and production until authorized by Congress;

Amends chapter 64, title 10, United States Code, to provide for the full exploration and development of the naval petroleum reserves and to permit limited production of Naval Petroleum Reserves No. 1—Elk Hills in California, No. 2—Buena Vista in California, and No. 3—Teapot Dome in Wyoming, within 90 days of enactment, under the authority of the Secretary of the Navy; defines "national defense" for the purposes of permitting such production in terms broad enough to permit production to offset a situation such as the Arab embargo of 1973; provides that production will not exceed the maximum efficient rate determined in accordance with sound oilfield engineering practices for a period of 6 years with provision for 3 year extensions thereafter; authorizes the President at his discretion to direct that all or any part of oil produced from the naval petroleum reserves be placed in a strategic reserve or be exchanged for petroleum of equal value to be so stored; waives, for the period of production, the requirement that the Secretary consult with the Congress on every contract; retains the requirement that the sale of oil be by competitive bidding for periods of not more than 1 year; prohibits the sale of more than 20 percent of the estimated Federal share of petroleum produced from Elk Hills to any buyer in a single year; requires that pipelines and facilities at this reserve be capable of handling 350,000 barrels of oil a day not later than 3 years after enactment; establishes a special account in the Treasury to offset outlay requirements for continued exploration and development, construction and filling of a strategic reserve and for operations in the Alaska reserve; requires that pipelines operate as common carriers; and contains other provisions. H.R. 49—Public Law 94–258, approved April 5, 1976. (*342)

North Slope oil distribution.—Expresses the sense of the Senate that the President should exercise the authority vested in him by law to carry out the intent and purpose of section 410 of Public Law 94–153, the Alaska Pipeline Act, by allocating an equitable share of North Slope and other crude oil resources and petroleum products to the Northern Tier region of the United States. S. Res. 460—Senate agreed to June 29, 1976. (VV)

ENVIRONMENT

Blackbird control.—Waives certain provisions of the National Environmental Policy Act of 1969, the Federal Environmental Pesticide Control Act and other provisions of law to permit the Secretary of the Interior, to treat with chemicals registered for bird control purposes, "blackbird roosts" in Kentucky and Tennessee determined through normal survey practices of the Department of the Interior to contain in excess of 500,000 birds and upon prior certification by the Governor of the respective State that the roost is a hazard to human health unless the Secretary determines that treatment of a particular roost would pose a hazard to human health, safety, or property. H.R. 11510—Public Law 94–207, approved February 4, 1976. (VV)

Clean air research authorization.—Amends the Clean Air Act to extend through fiscal year 1977 the authorizations for the research, development, and demonstration programs of the Environmental Protection Agency carried on under the air pollution program and authorizes therefor $148,194,700. S. 3438—Passed Senate June 11, 1976. (VV)

Council on Environmental Quality.—Authorizes $3 million for each of fiscal years 1977 and 1978 for the operations of the Council on Environmental Quality. H.R. 11619—Public Law 94–298, approved May 29, 1976. (VV)

Earthquake hazard reduction program.—Amends the National Science Foundation Act of 1950 to establish a national earthquake hazard reduction program, under the direction of the President, to reduce and minimize the risks to life and property from future earthquakes in the United States; includes the following four elements in the program: (1) research and implementation of findings in tectonics, seismology, and geology under the supervision of the Geological Survey; (2) research in engineering, education, planning, and the social sciences under the supervision of the National Science Foundation; (3) effective information dissemination and education activities; and (4) assistance to the States (under the Disaster Relief Act of 1974) to make the results of research available; establishes a national advisory committees to assist the President on the progress, implementation and coordination of the program; requires the President to submit an annual report to the Congress describing and evaluating progress achieved in reducing earthquake hazards and including any recommendations for legislative or other action; and authorizes therefor $40 million for fiscal year 1977; $50 million for 1978, and $60 million for 1979. S. 1174—Passed Senate May 24, 1976. (VV)

Endangered species.—Amends the Endangered Species Act of 1973 to extend and increase authorizations for the Departments of Interior and Commerce, who jointly administer the act, as follows: Department of the Interior—from $10 million per fiscal year to $1.8 million for the transition period July 1–September 30, 1976, and a combined total of $25 million for fiscal years 1977 and 1978; and Department of Commerce—from $2 million per fiscal year to $500,000 for the transition period July 1–September 30, 1976, and a combined total of $5 million for the fiscal years 1977 and 1978. S. 3122—Public Law 94–325, approved June 30, 1976. (VV)

Environmental research authorization.—Provides a separate authorization for fiscal year 1976 and the transition period July 1–September 30, 1976, with respect to the research programs of the Environmental Protection Agency (EPA) under the Noise Control Act ($2.11 million and $527,505), Federal Insecticide, Fungicide, and Rodenticide Act ($14,047,000 and $3,511,970), Public Health Service Act—Section 301 ($2,115,000 and $528,750), Safe Drinking Water Act ($12,789,200 and $3,197,300), Clean Air Act ($148,194,700 and $37,048,675), Solid Waste Disposal Act ($13,534,300 and $3,383,575), and Federal Water Pollution Control Act Amendments of 1972 ($148.7 million for fiscal year 1976 only) in order to conform the environmental research authorizations to committee jurisdictional responsibility in the House of Representatives and to synchronize their expiration; limits to 10 percent the amount of funds that may be transferred to or from particular categories; specifies that no appropriation may be made to EPA for environmental research, development, or demonstration after September 30, 1976, unless previously authorized by Congress; directs the Administrator to submit to Congress a 5-year plan for environmental research, with such plan revised yearly; and requires that whenever funds are appropriated in any fiscal year above the President's budget request for fiscal year 1977, the first $3 million of any excess for EPA shall be used to assure the adequacy, reliability and quality of the testing of chemicals and the first $25.280 million of any excess for the Federal Drug Administration shall be used to maintain and assure the preclinical and clinical adequacy, reliability, and quality of the testing of drugs, food additives, devices, and cosmetics. H.R. 7108—Passed House July 10, 1975; Passed Senate amended April 13, 1976; House requested conference April 30, 1976. (VV)

Noise control.—Extends for 2 years, through fiscal year 1977, the monetary authorizations under the Noise Control Act of 1972 and authorizes therefor $24,290,000 for fiscal year 1976, $6,072,500 for the transition period July 1–September 30, 1976, and $26,719,000 for fiscal year 1977. H.R. 5272—Public Law 94–301, approved May 31, 1976. (VV)

Noise control research.—Amends the Noise Control Act to extend through fiscal year 1977 the research, development and demonstration programs of the Environmental Protection Agency carried on under the Noise Control program and authorizes therefor $2.5 million. S. 3436—Passed Senate May 18, 1976. (VV)

Scrimshaw art preservation.—Permits the Secretary of Commerce, who administers the Endangered Species Act with respect to whales, to grant exemptions for a limited period of time (3 years) for the sale of finished scrimshaw (etched designs and carvings from whale bone) products in interstate commerce to allow scrimshaw artists to dispose of their present inventories and to adapt their art to a new medium; includes additional authority for issuing exemptions for legally held sperm whale oil and its derivatives to allow those who held this oil on December 31, 1972, including the General Services Administration, to dispose of it: and clarifies the relationship of this act to violations committed prior to its enactment. S. 229—Public Law 94– , approved 1976. (VV)

Sea Grant program.—Extends the national sea grant program for 3 years, through fiscal year 1979, and authorizes therefor a total of $78 million each for fiscal years 1977, 1978 and 1979 plus $7.05 million to fund provisions in title II for the fiscal transition period which had not been authorized under previous authority;

In title I, defines the duties of the Director of the program and clarifies the relationship and coordination necessary between the sea grant program, the National Oceanic and Atmospheric Administration (NOAA), and other elements within NOAA; provides for payments for the services of research vessels and other ocean facilities which directly support specific sea grant sponsored activities; establishes a Sea Grant Review Panel of outside experts to advise the Director of the program on applications for grants, contracts, and sea grant college and regional consortium designation; authorizes and encourages public and private institutions and other entities to form a sea grant regional consortia; creates a sea grant fellowship program to provide Federal grants to institutions of higher education for undergraduate and graduate students in fields related to ocean and coastal resource understanding, utilization and conservation;

In title II, establishes an Office of Marine Resources, Science, and Technology headed by an associate administrator of NOAA to serve as a coordinating and planning mechanism for the sea grant program and other related activities with NOAA; defines the responsibilities of the new Office and of the Associate Administrator; sets forth "national principles" to guide marine resources, science and technology efforts; provides for the preparation and submission to Congress, within 1 year of enactment, of a 6-year plan for research, development and implementation in marine resources, science, and technology; provides for Federal financial assistance for marine research and development projects which are responsive to national need; creates a distinguished Research Award to recognize superior achievements; authorizes the Administrator of NOAA to provide grant or contract assistance to foreign nations to support programs of marine science and technology and to encourage international sharing and exchange information; and contains other provisions. H.R. 13035—Passed House May 3, 1976; Passed Senate amended June 14, 1976; House requested conference June 29, 1976. (VV)

Solid waste disposal.—Appropriates $35 million for fiscal year 1977, $260 million for fiscal year 1978, and $275 million for fiscal year 1979 for solid waste disposal and utilization programs. S. 2150—Passed Senate June 29, 1976. (366)

Toxic substances control.—Directs the Environmental Protection Agency (EPA) to require testing of chemical substance or mixture if its commercial use might present "an unreasonable risk" of injury to health or environment and if there were insufficient data to judge the effects upon health and the environment or if its use would cause wide exposure to humans and the environment and there were insufficient data available;

Establishes a Federal advisory committee of 8 members with testing expertise to develop a priority list of chemicals for testing and gives EPA 12 months after a substance is listed to begin either rulemaking proceedings to require testing or to publish its reasons for not acting;

Requires manufacturers of new chemical substances to give notification to EPA 90 days in advance of first manufacture and to supply test data along with that notification if required by EPA; provides that this requirement does not apply to research chemicals unless EPA specifically includes any such chemical;

Requires manufacturers and processors of chemical substances to maintain certain records and reports to enable the Administrator to determine if unreasonable risks exist as well as health and safety studies conducted which the Administrator is authorized to require submission of;

Authorizes EPA to take immediate action—such as seizure and condemnation—against chemicals that posed an "imminent hazard" to human health and the environment; and provides civil and criminal fines for violations of the act;

Exempts from the law pesticides, tobacco or tobacco products, nuclear materials, firearms and ammunition, and food, drugs, cosmetics and medical devices;

Prohibits discriminations against employees for participating in enforcement of the law and authorizes the Labor Department to hold hearings on alleged violations;

Authorizes citizens to bring suits to enjoin certain violations and to require the Administrator of EPA to perform his mandatory duties; and contains other provisions. S. 3149—Passed Senate March 26, 1976. (103)

Water pollution control.—Extends from June 30, 1975, to September 30, 1976, certain monetary authorizations under the Water Pollution Control Act, as amended, to provide the necessary authorization for funds appropriated under the Continuing Resolution (Public Law 94–41) and the HUD appropriation bill (Public Law 94–116). S. 2710—Passed Senate December 1, 1975: Passed House amended June 3, 1976. (VV)

Amends the Federal Water Pollution Control Act to extend through fiscal year 1977 the authorizations for the research, development and demonstration programs of the Environmental Protection Agency carried on under the water pollution program and authorizes therefor $217 million. S. 3437—Passed Senate June 11, 1976. (VV)

Water resources planning.—Increases from $1.5 million to $2 million the authorization for expenses of the Water Resources Council in administering the Water Resources Planning Act, and adds the Territory of Guam for eligibility to receive water planning grants under Title III of the act. H.R. 11876—Public Law 94-285, approved May 12, 1976. (VV)

Water quality report.—Amends the Federal Water Pollution Control Act to increase from $17 million to $17.25 million the authorization for the National Study Commission to complete its report on water quality. H.R. 12193—Public Law 94-238, approved March 23, 1976. (VV)

Weather modification.—Authorizes $1 million to the Secretary of Commerce to develop a comprehensive and coordinated national policy on weather modification and a recommended national weather modification research and development program, taking into account the international impact of such a program, and to submit a report of his findings and recommendations to the President and Congress within 1 year of enactment. S. 3383—Passed Senate May 21, 1976. (VV)

FISHERIES AND MARINE LIFE

Fisheries development (outer Pacific Ocean).—Extends for 3 years, through fiscal year 1979, the Central, Western, and South Pacific Fisheries Development Act which assists in the development of tuna and other latent fishery resources of the outer Pacific Ocean; requires the Secretary of Commerce to submit an annual report to the President and Congress on the progress of the program; and authorizes therefor a total of $3 million for the 3-year period. H.R. 13380—Public Law 94- , approved 1976. (VV)

Fisheries management—200-mile limit.—Establishes, in title I, effective March 1, 1977, a fisheries conservation zone contiguous to the U.S. territorial sea and extending for 200 nautical miles from the U.S. coasts; provides exclusive fishery management jurisdiction to the U.S. within this zone over all fish (except highly migratory species) and beyond this zone, over anadromous species of fish (e.g. salmon) that spawn in U.S. rivers and streams and migrate to ocean waters, and over U.S. Continental Shelf fishery resources; declares Congressional intent that this legislation support and encourage continued U.S. efforts to obtain an internationally acceptable treaty which provides for effective fishery conservation and management; and grants the Secretary of Commerce authority to conform regulations issued pursuant to this Act to the fishery management jurisdiction provisions of an international fishery agreement that may result from any U.N. Conference of the Law of the Sea once that agreement has been ratified by the U.S.;

Authorizes, in title II, foreign fishing for species and resources under the exclusive fishery management authority of the United States pursuant to (1) an international fishery agreement which is in effect as of the date of enactment of this legislation pending renegotiation (in the case of a treaty) of expiration (in any other case) and (2) a "governing international fishery agreement"; states the sense of the Congress that a governing international fishery agreement between the U.S. and a foreign nation shall contain specified provisions essential to the conservation and management of fishery resources and shall not become effective until it has been submitted to and received by Congress; sets the total allowable level of foreign fishing with respect to any fishery under exclusive U.S. jurisdiction at that portion of the optimum yield which will not be harvested by U.S. vessels; prohibits a foreign fishing vessel from fishing within the U.S. fishery conservation zone after February 28, 1977, unless it has, on board the vessel, a valid permit issued by the Secretary of Commerce through the Secretary of State; authorizes the Secretary of the Treasury to embargo seafood from nations which the Secretary of State certifies bars U.S. fishing vessels from its waters, subjects them to conditions and restrictions unrelated to fishery conservation and management, or seizes U.S. fishing vessels in violation of or without authorization under agreement;

Establishes, in title III, a national fishery management program for the conservation and management of fishery resources subject to exclusive U.S. jurisdiction which would establish national standards for fishery management; establishes eight Regional Management Fishery Councils which are empowered to recommend management plans and regulations to the Secretary of Commerce who is authorized to regulate fisheries within the expanded U.S. jurisdiction to prevent overfishing, rebuild overfished stocks, and insure conservation; contains provisions on prohibited acts, civil penalties, criminal offenses, civil forfeiture, and enforcement;

Amends, in title IV, the Fishermen's Protective Act, the Marine Mammal Protection Act of 1972, and the Atlantic Tunas Convention Act of 1975; repeals the Acts of May 20, 1964 (Bartlett Act) and October 14, 1966; and authorizes $5 million for fiscal year 1976, $5 million for the transition period July 1, September 30, 1976, $25 million for fiscal year 1977; and 30 million for fiscal year 1978 to the Secretary of Commerce to carry out the provisions of the Act. H.R. 200—Public Law 94-265, approved April 13, 1976. (14)

Fisheries research and development programs.—Amends the Commercial Fisheries Research and Development Act of 1964 to enable the Trust Territory of the Pacific Islands to receive Federal matching funds for approved research and development projects intended for the development of the Nation's commercial fisheries. S. 1414—Passed Senate May 21, 1976. (VV)

Killer whales.—Amends the Maine Mammal Protection Act of 1972, as amended, to prohibit the Secretary of Commerce from issuing any permit for the taking of any marine mammal of the orcinus orca species (or killer whale) except for scientific research purposes which shall be conducted without removing the mammal from the water or endangering its health or welfare. S. 3130—Passed Senate March 29, 1976. (VV)

Marine protection and sanctuaries.—Amends the Marine Protection, Research and Sanctuaries Act of 1972 to extend the authorizations under titles I, II, and III of the act for 1 year, through fiscal year 1977, as follows: Title I—ocean dumping permit program, $4.8 mililon; Title II—research program on the effects of ocean dumping on the marine environment, $5.6 million; and Title III—marine sanctuaries, $500,000; and requires a separate annual report from the U.S. Army Corps of Engineers and the Coast Guard on their administration of provisions under the act. S. 3147—Public Law 94-326, approved June 30, 1976. (VV)

GENERAL GOVERNMENT

Action authorization.—Amends the Domestic Volunteer Service Act of 1973 to extend for 2 years, through fiscal year 1978, the operation of certain programs of the ACTION Agency including VISTA, University Year for Action, the Youth Challenge program, the National Student Volunteer program and certain special volunteer programs; authorizes the Director to include in agreements with VISTA sponsors a requirement that the sponsor assume a share of the direct costs of supporting VISTA volunteers through a program of grants whereby up to 20 percent of the funds appropriated for VISTA may be used for a cost sharing arrangement of this type; provides that a foster grandparent can continue to serve a child under his care beyond the child's 21st year; modifies the formula of funding for the Service Learning Programs; and clarifies the authority of the Director to undertake and support volunteer service programs including the recruitment and training of volunteers. H.R. 12216—Public Law 94-293, approved May 27, 1976. (VV)

Animal welfare.—Brings interstate carriers, intermediate handlers and terminal facilities under the regulation of the Animal Welfare Act; requires that they adhere to standards promulgated by the Secretary of Agriculture with respect to the transportation in commerce of all animals protected by the act, including standards for containers, feed, water, rest, ventilation, temperature, and handling; requires dealers, exhibitors, auction sale operators, and Federal, State and local agencies to obtain a veterinarian's certificate before delivering any dog, cat, or other animal designated by the Secretary for transportation in commerce; prohibits the transportation of dogs, cats and other animals at less than the minimum age established by the Secretary; prohibits C.O.D. transportation of animals unless the shipper guarantees payment of roundtrip fare and any out-of-pocket expenses of the carrier or intermediate handlers and carriers and authorizes the Secretary to impose upon such handlers and carriers a civil penalty of up to $1,000 for each violation of the standards for humane care; revises the present penalty provisions and provides a uniform civil penalty of up to $1,000 for violations by any person regulated under the statute; adds a new section which makes it a crime punishable by a $5,000 fine and/or of 1 year's imprisonment to sponsor knowingly, participate in, or use the mails to promote fights between live dogs or other mammals, except man; prohibits, with limited exception, such activities in connection with fights between gamefowl and other live birds; and authorizes $400,000 per year to enforce this section. S. 1941—Public Law 94-279, approved April 22, 1976. (121)

Bicentennial Flag display.—Authorizes the Secretary of the Interior, subject to the approval of the Architect of the Capitol, to erect and maintain flag poles on the Capitol Grounds adjacent to the Union Station Plaza to fly the flags of the 50 States of the United States and its territories and possessions; and authorizes the Architect to enter into agreement with the District of Columbia government to permit certain changes to improve the flow of traffic in and around the Union Station Plaza. S. 3161—Public Law 94-320, approved June 25, 1976. (VV)

Bicentennial Operation Sail.—Directs the Secretary of the Army, acting through the Chief of Engineers, to dredge New York Harbor in the vicinity of the South Street Seaport Museum, Manhattan, to an authorized depth of 18 feet for the purpose of providing adequate docking depth for ships of Operation Sail (a Bicentennial tribute consisting of approximately 200 large sailing ships which will assemble in New York Harbor over the 4th of July and are scheduled to be reviewed by Queen Elizabeth II of England and President Ford), and authorizes the use of funds presently available for operation and maintenance of navigation in New York Harbor and surrounding waters to carry out the work which is estimated to cost $100,000. S.J. Res. 201—Public Law 94-318, approved June 25, 1976. (VV)

Civil Rights Commission.—Raises the limitation on appropriations for the United

States Commission on Civil Rights from $7 million to $7,893,000 for fiscal year 1976, $1,933,000 for the transition period July 1–September 30, 1976, and $9,540,000 for fiscal year 1977, and allows the Commission to give "cost of living" and other increases in employee benefits to its staff above the stated budget limitation in the same manner as other Federal executive agencies now do pursuant to law. H.R. 8957—Public Law 94–292, approved May 27, 1976. (VV)

Commission on New Technological Uses of Copyrighted Works.—Extends the authorization for the National Commission on New Technological Uses of Copyrighted Works to be coextensive with the life of the Commission which was established pursuant to Public Law 93–573 (1) to study and make recommendations to the Congress concerning the use of copyrighted works in automatic systems capable of storing, processing, retrieving, and transferring information, and by various forms of machine reproduction, not including reproduction by instructors for use in face-to-face teaching activities; and (2) the creation of new works by the application or intervention of automatic systems or machine reproduction. S. 3187—Public Law 94–314, approved June 21, 1976. (VV)

Commodity Futures Trading Commission.—Amends the Commodity Futures Trading Commission Act of 1974 to: delete the requirement that the appointment of the executive director of the Commission be subject to confirmation by the Senate; enable the Commission to grant immunity to witnesses; and make certain technical changes in the Commodity Exchange Act. S. 3051—Passed Senate May 25, 1976. (VV)

Community services.—Amends the Community Services Act of 1974 (Head Start, Economic Opportunity and Community Partnership Act of 1974) to make certain technical and conforming amendments, and adds a new section providing that funds appropriated in any fiscal year which are not obligated shall remain available for obligation during the following fiscal year. H.R. 12188—Public Law 94– , approved 1976. (VV)

Daylight saving time.—Temporarily supersedes certain provisions of the Uniform Time Act of 1966 and places the nation on daylight savings time for 7 months, from the second Sunday in March to the second Sunday in October for a period of two years, instead of the present 6 month period beginning the last Sunday in April and ending the last Sunday of October; continues the present authority of States to exempt themselves from periods of advanced time by State law; directs the Federal Communications Commission to minimize the impact of the time change on daytime broadcasters; and directs the Department of Transportation to study the effects of the extended advanced time periods for the next 2 years. S. 2931—Passed Senate February 25, 1976. (47)

Federal assistance programs information.—Increases the availability of information about Federal assistance programs to intended beneficiaries by creating a Federal Program Information Center, within the General Services Administration, to identify all Federal domestic assistance programs and provide information about these programs to the general public; requires the Center to (1) establish and maintain a data base containing comprehensive information on all Federal domestic assistance programs; (2) develop and maintain a computerized information system to provide for the widespread availability of information contained in the data base by computer terminal facilities; and (3) publish a catalog of Federal domestic assistance programs, with supplements, containing information from the data base, a detailed index, and any other information considered helpful, which is to be made available to the public at cost; and authorizes therefor $700,000, $800,000, $900,000, and $1 million for fiscal years 1977, 1978, 1979 and 1980 respectively. S. 3281—Passed Senate June 11, 1976. (VV)

Federal Trade Commission authorizations.—Increases the authorization for the Federal Trade Commission (FTC) not to exceed the following amounts: $54 million for fiscal year 1976, $13.5 million for the transition period July 1–September 30, 1976, $70 million for fiscal year 1977, and $85 million for fiscal year 1978 of which not to exceed $25 million, $6.25 million, $35 million and $45 million for the above fiscal years shall be for the purposes of maintaining competition; authorizes the FTC to appoint 25 attorneys, economists, special experts and outside counsels for the FTC's responsibilities with regard to maintaining competition; requires the simultaneous transmission of budgetary and legislative recommendations to the President or the Office of Management and Budget and the Congress; limits appeals of Commission orders to the court of appeals for the circuit within which the resident resides or maintains its principal place of business in order to prevent "forum shopping" on appeals of Commission orders; expands the Commission's jurisdiction authorized by the Clayton Act from "in commerce" to "in or affecting commerce"; makes orders of the Commission effective 60 days after their issuance subject to a stay issued by the Commission or the appropriate court of appeals, or the Supreme Court when an applicable petition for certiorari is pending; improves the Commission's ability to obtain information by compulsory process by imposing penalties for failure to reply in a timely manner with the Commission's processes and by providing statutory amendments reflecting current decisional law on the issue of ripeness or suits to enjoin enforcement of the Commission's compulsory processes; requires that the Commission grant or deny petitions for issuance, amendment, or repeal of rules within 120 days after the date the petition is received by the Commission; creates a 3-year program of assistance and grants to States to improve their antitrust capabilities and authorizes therefor not to exceed $10 million for each of fiscal years 1976, 1977, and 1978 and $2.5 million for the transition period; makes technical amendments to the Wool Products Labeling Act and the Fur Products Labeling Act; and amends the Textile Fiber Products Identification Act to continue the exemption of outer coverings of furniture, mattresses, and box springs from the provisions of the Act but permits the FTC to require care labeling with respect to outer coverings of furniture. S. 2935—Passed Senate March 18, 1976. (VV)

Increases the authorization for the Federal Trade Commission for fiscal year 1976 from $46 million to $47,091,000, and extends until July 5, 1978, the filing date for certain reports required under the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act. H.R. 12527—Public Law 94–299, approved May 29, 1976. (VV)

Fire prevention and control.—Authorizes additional appropriations of $3.75 million for the fiscal year transition period July 1–September 30, 1976, $15 million for fiscal year 1977 and $20 million for fiscal year 1978 to implement the Federal Fire Prevention and Control Act of 1974 except for that section relating to reimbursement for costs of firefighting on Federal property; and authorizes $1,275,000 for the transition period, $5.5 million for fiscal year 1977 and $6 million for fiscal year 1978 for activities of the Fire Research Center of the National Bureau of Standards. S. 2862—Passed Senate May 19, 1976. (VV)

Authorizes $3.75 million for the fiscal year transition period July 1–September 30, 1976, $15 million for fiscal year 1977 and $20 million for fiscal year 1978 to implement the Federal Fire Prevention and Control Act of 1974 except for that section relating to reimbursement for costs of firefighting on Federal property; authorizes $1,275,000 for the transition period, $5.5 million for fiscal year 1977 and $6 million for fiscal year 1978 for activities of the Fire Research Center of the National Bureau of Standards; and prohibits the Secretary from making a commitment to obligate funds for the construction of any facility of the Fire Academy until he has submitted construction plans to the Chairmen of the Committee on Science and Technology of the House and the Committee on Commerce of the Senate and the Congress does not, within 60 calendar days of submission, adopt a concurrent resolution disapproving obligation of such funds. H.R. 12567—Public Law 94– , approved 1976. (VV)

Fiscal year adjustment.—Amends existing law to change the dates of various provisions of law which require the submission of reports and other actions based on the present fiscal year system to conform to the new fiscal year dates of October 1–September 30 pursuant to the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344). S. 2445—Public Law 94–273, approved April 21, 1976. (VV)

Fiscal year transition.—Amends existing law to insure the continuation of Federal programs and activities, based by statute on the present fiscal year, through the fiscal transition period of July 1–September 30, 1976. S. 2444—Public Law 94–274, approved April 21, 1976. (VV)

Flag display.—Codifies in an official code for the use and guidance of civilians and civilian organizations the proper method of using and displaying the flag of the United States including provisions which specify the display of an all-weather flag 24 hours a day; the position of the flag when displayed in churches or other than being flown from a staff (such as on automobiles or suspended in buildings); when, and who may order, a flag flown at half-staff; the use of a flag patch or pen by members of the military, policemen, firemen or members of patriotic organizations; and the conduct for salute of the flag; and reiterates existing authority whereby the President may alter, repeal, or add rules pertaining to the custom of displaying the flag whenever he deems appropriate. S.J. Res. 49—Public Law 94– , approved 1976. (VV)

Library of Congress James Madison Memorial Building.—Amends the Act of October 19, 1965, as amended, to provide an additional authorization of $33 million for completion of the Library of Congress James Madison Memorial Building thus making a total authorization of $123 million. H.R. 11645—Public Law 94–219, approved February 27, 1976. (VV)

Mariana Islands.—Approves the text of the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" providing for the creation of a Commonwealth of the Northern Marianas under U.S. sovereignty, local self-government including the adoption of a local constitution by the residents of the Northern Mariana Islands, granting of citizenship or national status to the residents of the Commonwealth, and the extension of the provisions of the U.S. Constitution, treaties, and statutes with some limitation to the Commonwealth. H.J. Res. 549—Public Law 94–241, approved March 24, 1976. (44)

NASA authorization.—Authorizes $3,695,170,000 for fiscal year 1977 to the National Aeronautics and Space Administration of which $2,761,425,000 is for research and development, $120,290,000 is for construction of facilities and $813,455,000 is for research and program management; includes funding for: continued development of the Space Shuttle; a solar maximum mission to measure solar activity during the peak period of maximum solar activity 1979–1980; development of the thematic mapper used for earth surveys; a magnetic mapping satellite to be used for the location of mineral resources; construction of a new transonic wind tunnel designed to support national aeronautical research and development needs; the initiation of an aircraft energy technology development project to provide the technology base for a 50 percent improvement in fuel economy in commercial transports; support of ongoing flight projects in space science and applications; and continuation of a series of research tasks in aeronautical and space research designed to provide a base for future undertakings, the construction of and/or modifications and upgrading of facilities to support these programs, and a highly technical staff to conduct research and manage these multidisciplinary activities; and contains other provisions. H.R. 12453—Public Law 94-302, approved June 4, 1976. (VV)

National Foundation on the Arts and Humanities.—Extends the National Foundation on the Arts and Humanities Act of 1965 and authorizes therefor a total of $250 million for fiscal year 1977, $300 million for fiscal year 1978, and such sums as necessary for fiscal years 1979 and 1980; amends the act to provide for specific funding for the State Humanities program in accordance with the funding levels applicable to the State Arts program; provides for more State involvement in the Humanities program and gives them several options to enable them to carry out programs appropriate to their individual needs; gives added support to museums in funding areas which are of particular importance; contains an Arts Challenge Program whereby the Federal government will match $1 for $3 in non-Federal funds in order to improve long-range planning and development of arts organizations; authorizes the National Endowment for the Arts to develop demonstration programs in arts education; provides for the establishment of a Humanities Challenge Program with attention focused on the goals and priorities relevant to the period between the present and the 200th anniversary of the Constitution of the United States in 1989; provides for a Bicentennial Photography and Film Project to produce a comprehensive survey of the United States and to be carried out primarily by the States themselves; makes the appointment by the President of the members of the National Council on the Arts and the National Council on the Humanities subject to the advice and consent of the Senate; and applies the same fair labor practices applicable to the Art program to the activities of the Humanities Endowment where appropriate. H.R. 12838—Passed House April 26, 1976; Passed Senate amended May 20, 1976; In conference. (VV)

National Portrait Gallery.—Amends the National Portrait Gallery Act of 1962 to redefine the term "portraiture" to permit the National Portrait Gallery to acquire photographs and other portrayals of individuals in addition to "painted or sculpted likenesses". S. 1657—Public Law 94-209, approved February 5, 1976. (VV)

National Science Foundation Authorization.—Authorizes $826.4 million to the National Science Foundation for fiscal year 1977 plus an additional $6 million in foreign currencies which the Treasury Department determines to be in excess to the normal requirements of the United States. H.R. 12566—Passed House March 25, 1976; Passed Senate May 27, 1976; In conference. (VV)

National Study Commission on Records and Documents of Federal Officials.—Extends for 1 year, until March 31, 1977, the life and reporting date of the National Study Commission on Records and Documents of Federal Officials which is charged with studying problems relative to the control, disposition and preservation of records and documents of Federal officials; authorizes the Chief of Justice of the United States to appoint a member of the Federal judiciary to serve on the Commission instead of a justice of the Supreme Court as is now provided; and corrects a reference to a provision in the law relating to payment of travel expenses for official travel by Commission members. S. 3060—Public Law 94-261, approved April 11, 1976. (VV)

National Security Council.—Amends the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council. S. 2350—Vetoed December 31, 1975. Senate overrode veto January 22, 1976. (1)

Presidential recordings and materials.—Disapproves certain regulations proposed by the Administrator of General Services on October 15, 1975, under section 104 of the Presidential Recordings and Materials Preservation Act which involve: the composition of the Presidential Materials Review Board, responsible for the final archival decisions regarding the disposition of the Nixon tapes and other materials; the adequacy of the provisions giving notice to affected individuals prior to the opening of these files to the public; the procedures to be followed by the Administrator in considering petitions to protect certain legal or constitutional rights by limiting access to specified materials; the procedures for allowing reproduction of the tapes; and two provisions relating to the restriction of materials which are personal in nature or which would result in a defamation of character. S. Res. 428—Senate agreed to disapproval resolution April 8, 1976. (VV)

Privacy protection study commission: Increases from $1.5 million to $2 million the authorization for the Privacy Protection Study Commission established under Public Law 93-579 to conduct a comprehensive study and submit its recommendations to the President and Congress on the adequacy of procedures now in force in the Government and private sector to protect personal information about individuals, and removes the $750,000 fiscal year limitation on expenditures to permit the Commission to obligate its funds at a rate necessary to initiate research studies and hold hearings. S. 3435—Passed Senate May 19, 1976. (VV)

Regulatory reform: Provides for regulatory reform with respect to the independent regulatory agencies which are subject to the jurisdiction and oversight responsibility of the Commerce Committee (the Interstate Commerce Commission (ICC), Federal Trade Commission (FTC), Federal Power Commission (FPC), Federal Communications Commission (FCC), Civil Aeronautics Board (CAB), Federal Maritime Commission (FMC), and Consumer Product Safety Commission (CPSC)) by (1) directing each agency to review and recodify systematically all of the rules and regulations which it has promulgated and which are still in effect and to prepare and submit to the Congress proposed modernization, revision, and codification of all statutes and other lawful authorities administered or applied by it; and (2) applying to each agency provisions which have been previously enacted into law with respect to one or more of the agencies and found to be useful and practicable including timely consideration of petitions, Congressional access to information, representation in civil actions, protection of officers, avoidance of conflict of interest, and accountability. S. 3308—Passed Senate May 19, 1976. (VV)

Science policy.—Establishes a framework for the formulation of national policy and priorities for science and technology; establishes an Office of Science, Engineering, and Technology Policy in the Executive Office of the President to be headed by a Director with up to four Associate Directors, appointed by the President with the advice and consent of the Senate; directs the Office to prepare and update annually a 5-year forecast of Federal investment in science and technology including the allocation of Federal funds among the major expenditure areas and an estimate of options for various levels of Federal investment and to furnish the list of options to the Office of Management and Budget for use in developing budget recommendations to the President; establishes an Intergovernmental Science, Engineering, and Technology Advisory Panel to advise the Director in establishing priorities for addressing civilian problems at State, regional, and local levels which science and technology can help solve;

Provides that the Director of the Office shall, in addition to his other duties, serve as a member of the Domestic Council and shall, at the request of the National Security Council, advise the Council on such matters concerning science and technology as relate to national security; Creates a 2-year President's Committee on Science and Technology of 9 to 15 members (including the Director of the Office) all of whom shall be appointed by the President, to conduct a comprehensive survey of Federal science and technology, and to submit to the President an interim report after 1 year and a final report after 2 years of its findings; permits the President to extend the life of the Committee if he determines that it is advantageous for the Committee to continue in being;

Redesignates the Federal Council for Science and Technology (established pursuant to Executive order 10807 issued May 13, 1959, as amended by Executive Order 11381 issued November 8, 1967) as the Federal Coordinating Council for Science, Engineering, and Technology, and gives it the statutory authority to coordinate Federal plans and programs in science and technology; designates the Director of the Office as Chairman of the Committee; and

Authorizes therefor $2.5 million for fiscal year 1976 and the transition period July 1-September 30, 1976, and $4 million for fiscal year 1977. H.R. 10230—Public Law 94-282, approved May 11, 1976. (VV)

Small business amendments.—Provides for the President to undertake a comprehensive review of all Federal disaster loan authorities and to submit a report of his recommendations, including possible consolidation of Federal disaster loan authorities, to the Congress not later than December 1, 1976; increases the funds available for the lease guarantee program from $10 million to $25 million and establishes a separate program to allow small businesses to finance the leasing of pollution control equipment through the sale of tax-exempt industrial revenue bonds; increases the amount which regular small business investment companies (SBIC's) may borrow from the government from 200 to 300 percent of private capital and increases the amount "venture capital" SBIC's may borrow from the government from 300 to 400 percent of private capital; extends these leverage increases to Minority Enterprise Small Business Investment Companies with a maximum leverage ceiling of $35 million; increases an SBIC's ability to guarantee a small business' minority obligations from 90 percent to 100 percent of the total obligation; authorizes limited partnerships with a corporate general partner to be licensed by SBA as small business investment companies; permits banks to own 100 percent of SBIC's voting common stock; permits SBA to make loans to State and local development companies for the acquisition of existing plant facilities and increases the maturity on such acquisitions and construction loans from 15 to 20 years plus such additional time as is necessary for construction; increases the maximum amount of economic opportunity loans from $50,000 to $100,000 per borrower and requires an equitable distribution of such loans between urban and rural areas; increases the maximum amount of financial assistance to State or local development companies from $350,000 to $500,000; increases the maximum amount of regular SBA business loans from $350,000 to $500,000 per borrower; authorizes an additional $21.5 million for the Surety Bond Guarantee Fund; directs the Chief Counsel for Advocacy of the Small Business Administration to make a comprehensive study of Small Business in America and submit a report to the President and Congress within 1 year of enactment; authorizes therefor $1 million; and establishes a uniform interest rate on SBA's share of any disaster loan except loans covering physical damage and economic injury caused by a natural disaster and product disasters which shall be made at a rate of interest not exceeding the rate of interest in effect at the time of the disaster. S. 2498—Public Law 94-305, approved June 4, 1976. (*589)

Smithsonian Institution—National Museum.—Authorizes $1 million annually for fiscal years 1978 through 1980 to the Smithsonian Institution for carrying out the purposes of the National Museum Act of 1966 through which the Smithsonian assists museums with specific reference to the continuing study of museum problems and opportunities, training in museum practices, preparation of museum publications, research in museum techniques, and cooperation with agencies of the government concerned with museums. S. 2945—Public Law 94— , approved 1976. (VV)

Spanish Americans, data on.—Directs the Department of Labor, in cooperation with the Department of Commerce, to develop methods of improving and expanding the collection, analysis, and publication of unemployment figures for Spanish-origin Americans; directs the Departments of Commerce, Labor, HEW, and Agriculture to collect and regularly publish data pertaining to the socio-economic conditions of Spanish Americans; requires the Director of the Office of Management and Budget, in cooperation with the Secretary of Commerce and the heads of other data-gathering Federal agencies, to develop a Government-wide program for the collection of data on Spanish Americans; directs the Department of Commerce, in cooperation with the appropriate State and local agencies and various population study groups, to determine what steps are necessary in the development of creditable estimates of undercounts of Spanish Americans in future censuses; requires the Secretary of Commerce to ensure that in the taking of future censuses and other data-collection activities, there will be provided Spanish-language questionnaires and bilingual enumerators; and directs the Department of Commerce to implement a program for the employment of Spanish Americans within the Bureau of the Census and to report to Congress within 1 year of enactment on the progress of the program. H.J. Res. 92—Public Law 94-311, approved June 15, 1976. (VV)

Trust Territory of the Pacific.—Provides the following authorizations for the continuance of civil government for the Trust Territory of the Pacific Islands: $80 million for fiscal years 1976 and 1977; $15.1 million for the transition period July 1–September 30, 1976, plus such amounts authorized but not appropriated in fiscal year 1975; $1.8 million for human development projects in the Marshall Islands; $8 million for the construction of facilities for a 4-year college to serve the Micronesian community but provides that no appropriation may be made until the President has made a study concerning the educational needs and concepts of such a college and transmitted the study to the House and Senate Interior Committees which will have 90 calendar days to review the study; and the continuation of an authorization up to but not exceeding $10 million to offset reductions in or the termination of Federal grant-in-aid programs; and provides for the extension to Guam of those laws of the United States made applicable to the Northern Marianna Islands by the provisions of Public Law 94-241, except for the provision extending certain social security act programs. H.R. 12122—Public Law 94-255, approved April 1, 1976. (VV)

Virgin Islands unemployment loans.—Increases from $5 million to $15 million the maximum amount that may be loaned to the Virgin Islands Unemployment fund; makes funds appropriated under this authority available for loans until September 30, 1977; and extends from January 1, 1978, to January 1, 1979, the date for repayment of such loans. H.R. 13069—Public Law 94- , approved 1976. (VV)

White House Conference on Handicapped.—Extends from 2 to 3 years the period during which the President is authorized to call a White House Conference on Handicapped Individuals pursuant to Public Law 93-516. S.J. Res. 154—Public Law 94-224, approved February 27, 1976. (VV)

GOVERNMENT EMPLOYEES

Federal employees withholding.—Amends title 5, U.S.C. to redefine the term "city" to mean any unit of general local government which (1) is classified as a municipality by the Bureau of the Census, or (2) is a town or township which, in the determination of the Secretary of the Treasury, meets certain specified criteria, in order to qualify for statutory provisions relating to the withholding of city income or employment taxes from Federal employees.

Federal mine safety inspectors protection.—Amends section 1114, title 18, U.S.C., to place Federal mine safety inspectors under those provisions which protect Federal officials from interference with the performance of their official duties. S. 3070—Passed Senate May 19, 1976. (VV)

*Hatch Act revisions.—Amends present law to permit active participation by Federal employees in political processes at all levels of government, effective January 1, 1977; retains existing prohibitions on political contributions and other political activities for employees of the Internal Revenue Service, the Central Intelligence Agency, and the Justice Department except for (1) employees in nonsensitive positions, (2) employees in sensitive positions when the agency head determines that their political activity would not adversely affect public confidence and Congress does not disapprove within 30 days, and (3) Presidential appointees who determine national policies; contains provisions to protect employees from influence or coercion regarding political support and financial contributions; prohibits political activity on duty, in Federal buildings, or in uniform; establishes an independent Board on Political Activities of Federal Employees to adjudicate promptly alleged violations of the Act; mandates a 30 day suspension of any employee convicted of violating the prohibitions against use of official information or authority; provides that an employee may campaign for public elective office during his spare time or by utilizing accrued annual leave; exempts certain White House personnel from the prohibition against political activities while on duty, on government property, or in uniform but states that this exemption is not an authorization for such activity; and contains other provisions. H.R. 8617—Vetoed April 12, 1976. House sustained April 29, 1976. (69,109)

Health benefits for survivor annuitants.—Amends title 5, U.S.C., to restore health benefits coverage for any recipient of a civil service survivor annuity whose coverage under the health benefits program was terminated because of remarriage but whose annuity has subsequently been restored under the provisions of Public Law 89-504 (which permitted survivors who remarried after age 60 to retain their annuity and health benefits, and restored annuity benefits to survivors, upon termination of a remarriage, whose annuities ceased because of remarriage prior to age 60). H.R. 11439—Public Law 94- , approved 1976. (VV)

Secret Service Director's salary.—Amends sections 5315 and 5316, title 5, U.S.C., to place the Director and the Deputy Director of the Secret Service in levels IV and V of the executive schedule of pay, respectively. S. 3028—Passed Senate February 26, 1976. (VV)

HEALTH

Alcohol abuse, prevention and treatment.—Extends for 3 years, through fiscal year 1979, and increases the authorizations for programs administered by the Secretary of Health, Education, and Welfare through the National Institute of Alcohol Abuse and Alcoholism with particular emphasis on: increased Federal assistance for States adopting the basic provisions of the Uniform Alcoholism and Intoxication Treatment Act, expanded and improved alcoholism research programs, and the provision of services to currently underserved populations. S. 3184—Public Law 94- , approved 1976. (VV)

Biomedical and behavioral research.—Amends the Public Health Service Act to reestablish the present National Commission for the Protection of Human subjects of Biomedical and Behavioral Research as an 11 member Presidential Commission (with provision that the members of the present Commission who are serving when this Act becomes law shall continue to serve on the new Commission until the President makes his appointments) and directs the Commission to assume all powers, functions and duties of the current commission to analyze the ethical, social, and legal implications of all biomedical and behavioral research involving human subjects. S. 2515—Passed Senate May 21, 1976. (VV)

Clinical laboratories improvement.—Extends and expands the existing program of mandatory licensure contained in the Clinical Laboratories Improvement Act of 1967 to all laboratories (except those under the jurisdiction of Federal agencies other than the Department of Health, Education, and Welfare) soliciting and accepting specimens for laboratory analysis;

Authorizes the Secretary of Health, Education, and Welfare to license those laboratories meeting quality assurance standards, to promulgate standards and regulations to assure the quality, accuracy, and precision of laboratory testing, and to delegate his licensure authority to States implementing laboratory quality assurance programs at least equal to the Federal program, and to take necessary actions against laboratories not meeting the quality assurance standards;

Authorizes the Secretary to establish an Office of Clinical Laboratories, the purpose of which would be to establish a uniform regulatory program for all laboratories subject to Federal jurisdiction, and to establish an advisory council to advise, consult with, and make recommendations to the Office of Clinical Laboratories concerning the development of quality assurance standards and the implementation of such standards;

Provides for exemption of physicians' office laboratories under certain conditions where physicians file an affidavit with the Secretary, including but not limited to a description of the qualifications of nonphysician laboratory personnel, the quality and type of tests conducted, and the score of proficiency testing examinations taken by such personnel.

Permits the Secretary to waive from the personnel standards laboratories located in rural hospitals with fewer than 100 beds and develop specific job-related proficiency tests for personnel in rural hospital laboratories;

Allows the Secretary to utilize the services of private, nonprofit entities for the provision of inspection and proficiency testing services;

Authorizes $15 million annually to permit the Secretary to provide technical and financial assistance to States to establish or administer laboratory quality assurance programs;

Authorizes the inspection of laboratories; authorizes the Secretary to seek revocation of a laboratory's license where it is found that the laboratory has engaged in kickbacks, bribes, or false, fictitious, or fraudulent billing practices, and directs the Secretary to make an annual report to Congress on the relationship between costs and prices of laboratory services; and

Prohibits discrimination by any licensed laboratory against any employee who has become involved in any activity concerning allegations that the laboratory is in violation of this section; and contains other provisions. S. 1737—Passed Senate April 29, 1976. (159)

Communicable disease control—Consumer health education.—Revises and extends for 3 years expiring authority for prevention and control of communicable and other diseases, venereal disease, diseases borne by rodents, and lead poisoning prevention programs; provides legislative authority and authorizations for research and for community programs in health information and promotion and health care education; and establishes an Office of Consumer Health Education and Promotion within HEW to promote these programs. S. 1466—Public Law 94–317, approved June 23, 1976. (VV)

Drug Abuse Office and treatment.—Continues the current authorization of $45 million through fiscal year 1979 for drug abuse prevention and treatment programs; increases from $100 million to $200 million the figure used to determine the minimum formula grant to any State (currently $66,-666, which would increase to $133,333 if there is no change in the ratio of actual to authorized appropriations); recognizes narcotic addiction and drug abuse as a serious, long-term problem requiring continuous effort; authorizes a scaled-down Office of Drug Abuse Policy in the Office of the President, to be headed by a director appointed with the advice and consent of the Senate, which will replace the Special Action Office for Drug Abuse Prevention; authorizes the Director to make recommendations to the President with respect to policies for, objectives of, and establishment of priorities for Federal drug abuse functions and make recommendations for the coordination of the performance of such functions by Federal Departments and agencies; authorizes $2 million annually to support the activities of the Office; transfers from the Special Action Office to the National Institute on Drug Abuse responsibility for the encouragement of certain research and development at a yearly authorization of $7 million through fiscal year 1978, and adds "less addictive" replacements for opium and its derivitives to the list of priority areas for research; extends the National Advisory Council for Drug Abuse until January 1, 1976; bars hospitals receiving Federal funds from discrimination in admissions and treatment of drug dependent persons and directs the Administrator of Veterans' Affairs to prescribe such regulations for veterans health care facilities; requires States to provide reasonable assurances that programs have proposed performances standards to measure their own effectiveness; and contains other provisions. S. 2017—Public Law 94–237, approved March 19, 1976. (VV)

Emergency medical services.—Extends the authorizations for those programs authorized under title XII of the Public Health Service Act, "Emergency Medical Services (EMS) Systems" and section 776, "Training in Emergency Medical Service"; adds a new part B to title XII authorizing $14 million in grants for the establishment, operation, and improvement of programs to demonstrate the treatment and rehabilitation of burn victims, and to conduct research and provide training in such treatment and rehabilitation; authorizes therefore $5.083 million for the transition period July 1–September 30, 1976, $68 million, $90 million and $96 million for fiscal years 1977, 1978 and 1979 respectively;

Adds provisions earmarking minimum and maximum funds for grants for planning, initial establishment and operation, and expansion and improvement of an EMS system; eliminates the current earmarks for fiscal year 1976 and substitutes maximum limitations for such grants;

Extends the authority to make planning grants or contracts and first-year grants for the establishment and operation of an EMS system through fiscal 1978;

Establishes new stipulations with respect to local matching and procedures for applications for initial establishment and operation and expansion and improvement grants for an EMS system to insure local support for the entity after Federal support has been terminated; establishes a schedule whereby an increasing proportion of the non-Federal share of a grant for development of a system will be cash and made available directly to the regional entity administering the system; excepts the cash match in cases of extreme financial distress, as determined by the Secretary of HEW;

Authorizes a second planning grant to assist entities and States to meet the new application requirements for a section 1203 (establishing and initial operation) or 1204 (expansion and improvement) grant;

Clarifies, expands, and makes more specific certain of the 15 requirements of a comprehensive EMS system; requires that the communication system have the capability to communicate, under certain circumstances, with individuals having auditory and other sensory handicaps, and in the language of predominant population groups in the area; requires that the system be coordinated with systems established under the Highway Safety Act, and the Law Enforcement Assistance legislation; requires coordination of transportation equipment with equipment provided under the Highway Safety Act; deletes the requirement for independent evaluation of an EMS system, and substitutes a requirement that a system must provide the capacity for review and evaluation;

Specifies a maximum period of 5 years of grant support for the development of an EMS system, not including a second planning grant;

Specifies that the administrative unit through which the Secretary is required to administer the EMS systems program shall be a unit specializing in emergency medical services; provides that not more than 7 percent of the funds (but not to exceed $3 million) appropriated yearly to support the EMS system shall be set aside to support the administrative unit as well as the Interagency Committee on Emergency Committee on Medical Services;

Specifies that the responsibilities of the Interagency Committee on Emergency Medical Services shall include the development and publication of a comprehensive plan for coordination of federally supported EMS-related activities;

Requires that a uniform funding cycle be established to facilitate application for EMS systems and training grants and that funding priorities and emphasis be coordinated between the programs; earmarks funds for the education and training of physicians in emergency medicine; makes hospitals and EMS entities eligible for EMS grants if the entity is affiliated with an educational institution for conduct of the training programs (except training emergency medical technicians);

Requires projects to submit reports to the Secretary and the Interagency Committee on Emergency Medical Services on the results of the programs supported by initial establishment and operation or expansion and improvement grants;

Clarifies that research contracts may be made with public, as well as private, nonprofit entities with emphasis in the research program placed on methods to improve delivery of emergency medical services;

Excepts certain grants from the prohibition against awarding grants for any project which would be eligible to receive EMS grant funds: permits the Secretary to waive the requirement that an applicant for support for a training project must apply and fail to receive grant support under all other appropriate training authorities of the Act;

Permits HEW to vest title to equipment purchased with tract funds under EMS demonstration programs prior to enactment of the Emergency Medical Services Systems Act of 1973 (Public Law 93–154) in the seven systems supported under that program;

Directs the Secretary to conduct studies to identify the categories of patients which should be included in a uniform reporting system in order to evaluate the effectiveness of EMS systems and burn programs in reducing death and disability;

Extends the expiration date of the National Commission on Arthritis until December 31, 1976; and makes other technical and conforming changes. S. 2558—Passed Senate June 10, 1976. (VV)

Health Manpower Training: Strengthens and enlarges the National Health Service Corps (NHSC) to help meet the problem of geographic maldistribution of physicians; revises the regulations for designation of health manpower shortage areas so that more regions, especially urban areas, may be so designated; provides that Corps personnel will be assigned to shortage areas with the greatest needs; establishes small loans to assist communities to which Corps personnel will be assigned; provides that communities which can afford to do so will reimburse the Federal government for its costs in providing health personnel; also, makes health and other public facilities such as hospitals and prisons, eligible for assignment of Corps personnel; provides NHSC scholarships to full-time students who agree to participate in the scholarship program for a minimum of two years and agrees to serve in the Corps for a period equal to one year for each year for which the scholarship is received;

Includes a continuation and modification of the program of capitation grants for schools of medicine, osteopathy, and dentistry, and provides $1,800 for each full-time student for 1978, $1,900 for 1979, and $2,000 for 1980; sets a national target and 25 percent of all first-year students apply for NHSC scholarships; requires that if the goal is not met, a capitation requirement that 30 percent of first-year places be reserved for students who have agreed to accept NHSC scholarships; sets a goal of 35 percent for the third year of the program;

Provides, in regard to physicians specialties, for a phase-up to 50 percent of new physicians to enter the primary care specialties (family practices, general internal medicine, general pediatrics, and obstetrics and gynecology), and requires that if this national goal is not met that each medical school must allocate primary care residencies among its total affiliated positions as a condition for receiving Federal capitation grants;

Requires each school receiving capitation-grants to set-aside places for residencies in primary care at 42 percent of the residencies in 1977, 47 percent in 1978, and 35 percent in 1979;

Establishes in the Public Health Service a National Council on Postgraduate Physiican Training to make a study of matters relating to postgraduate training and make recommendations within two years;

Revises the requirements for physician eligibility for exchange visitors visas; requires the establishment of a health professions personnel data base; establishes a program of federally insured loans by private lending institutions to students in health professions schools to support students with exceptional needs; authorizes support for graduate programs in health administration; extends and expands Federal support for schools of public health and their students; continues support for schools of veterinary medicine, optometry, podiatry, and pharmacy; contains provisions to direct federal funds toward the problems encountered by allied health employees in the continuing phase-down and closure of mental health and mental retardation institutions and relocation of patients in community-based facilities; authorizes funds to establish and operate Occupational Health Training and Education Centers; continues and expands the area health education centers program; revises and continues the program to support the startup of new schools which train health professionals; revises the program providing assistance for the construction of teaching facilities authorizes special project grants for humanistic medicine, primary care and psychiatry, biomedical education and other projects and contains other provisions.

H.R. 5546—Passed House July 11, 1975; Passed Senate amended July 1, 1976. (374)

Health maintenance organizations.—Amends the Health Maintenance Organization Act of 1973, the Social Security Act, and the Public Health Service Act to provide the following reforms:

Legal and Technical.—Restructures the Individual Practice Association (IPA) to permit it to be a Health Maintenance Organization (HMO) by eliminating the requirement for an IPA to be a separate legal entity; amends the Social Security Act to coordinate the definition of an HMO in the HMO Act with that in the Medicare Act;

Administrative.—Requires the Secretary of HEW to administer the HMO program through a single identifiable administrative unit; provides that non-profit HMO's may obtain Federal loan guarantees for planning and development as well as Federal loans to meet the cost of initial operation for a five year period;

Competitive Position.—Waives the community rating requirement for the first 36 months after qualification for existing HMO's with assurances to the Secretary that health services payments will be under a community rating system after such period; requires HMO's to openly enroll individuals without respect to preexisting illness or medical condition in a number equal to at least four percent of the net increase in membership during the preceding calendar year only after 5 years in operation or when membership has reached 50,000; provides for an HMO to offer supplemental services at its option in its benefits package, and, in addition, makes preventive dental services a supplemental health benefit; and enhances the marketing of HMO programs by requiring that the offer of membership be first made to lawful collective bargaining representatives and that such offer be made only in HMO service areas where at least 25 employees reside. H.R. 9019—Passed House November 7, 1975; Passed Senate amended June 14, 1976; In conference. (280)

Heart, Lung, and Blood Research.—Extends for 2 years the authority of the Department of Health, Education and Welfare to conduct research, experiments and demonstration programs regarding heart, lung, blood and blood vessel diseases; changes the name of the National Heart Lung Institute to the National Heart, Lung and Blood Institute and provides explicit authority for the Institute to conduct programs with respect to the use of blood products and the management of blood resources; amends existing law to authorize the development of 30 centers for research, training, and demonstrations (10 centers for heart diseases, 10 centers for lung diseases; and 10 centers for blood, blood vessel diseases, research in the blood products, and research in the management of blood resources); requires the National Heart, Lung and Blood Advisory Council to submit a report by November 30 each year to the Secretary for simultaneous transmittal to the President and Congress on the progress of the National Heart Blood Vessel, Lung and Blood Disease Program during the preceding fiscal year with the transition period July 1–September 30, 1976, to be considered as a fiscal year for such reporting purposes; and authorizes $10 million for fiscal year 1976 and $30 million for fiscal year 1977 for prevention and control programs, and $339 million for fiscal year 1976 and $373 million for fiscal year 1977 for the national heart, blood vessel, lung and blood diseases and blood resources program;

Extends for 2 years, through fiscal year 1977, the authority of the Secretary of HEW to provide awards to individuals and institutions for biomedical and behavioral research training and authorizes therefor $165 million for fiscal year 1976 and $185 million for fiscal year 1977; changes the manner in which interest accrues on National Research Service Awards to make interest on the award computed from the time and United States becomes entitled to recover all or part of the award;

Requires that the President's Panel on Biomedical Research and the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research each conduct studies on the implications or disclosure to the public of information contained in the NIH research grants or contracts;

Expands the Director of NIH's authority to conduct research into genetic diseases including but not limited to sickle cell anemia, Cooley's anemia, Tay-Sachs disease, cystic fibrosis, dysautonomia, hemophilia, retinitis pigmentosa, Huntington's chorea, and muscular dystrophy; and authorizes the Secretary to award grants and contracts for research projects with respect to such diseases;

Contains provisions relating to regulation of vitamin and mineral products under the Federal Food, Drug and Cosmetic Act;

Amends the National Arthritis Act to clarify the definition of arthritis and to raise the authorizations under the act;

Extends the expiration date of the National Diabetes Commission (Public Law 93–354) to September 30, 1976;

Amends the Public Health Service Act to add ambulatory surgical services as a supplemental health service which could be offered by migrant health and community health centers; permits the Indian Health Service to utilize non-profit recruitment agencies to assist in obtaining personnel for the Public Health Service;

Prohibits consideration of political affiliation in making appointments to advisory committees established to assist the Secretary in implementing the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, and the Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970;

Equates active service of commissioned officers of the Public Health Service with active military service in the Armed Forces for the purposes of all rights, privileges, immunities, and benefits provided under the Soldiers' and Sailors' Civil Relief Act of 1940;

Authorizes the Secretary to make awards to outstanding scientists who agree to serve as visiting scientists at institutions of postsecondary education which have significant enrollments of disadvantaged students with the amount of the award commensurate with the salary or remuneration which the individual had received from the institution with which he has, or had, a permanent or immediately prior affiliation; and

Extends the authorizations for physician shortage area scholarships at $3.5 million for fiscal year 1975 and $2 million for fiscal year 1976, and for health professions student loans, at $60 million for fiscal year 1976. H.R. 7988—Public Law 94–273, approved April 22, 1976. (* 578)

Helen Keller Center.—Amends the Rehabilitation Act of 1973 to provide that the center for deaf-blind youth and adults established by the Act shall be known as the "Helen Keller National Center for Deaf-Blind Youths and Adults". H.R. 12018—Public Law 94–288, approved May 21, 1976. (VV)

Lead-based paint poisoning prevention.—Authorizes $91.5 million for 3 years for programs under the Lead-Based Paint Poisoning Prevention Act (Public Law 91–695) designed to: (1) provide assistance for protecting against the lead-based paint poisoning hazard in homes where cases of childhood lead-based paint poisoning have been actually identified; (2) authorize the Department of Health, Education and Welfare to safeguard against the application of lead-based paints to any cooking, drinking or eating utensil; (3) authorize the Department of Housing and Urban Development to restrict the application of lead-based paint in residential structures constructed or rehabilitated by the Federal government, or with Federal assistance; (4) authorize the Consumer Product Safety Commission to prohibit the application of lead-based paints to any toy or furniture article; and (5) limit the amount of lead contained in residential interior paints to no more than .06 percent, unless a majority of the members of the Consumer Product Safety Commission agrees to another level, not to exceed one half of one percent lead by weight, within 6 months of enactment of the bill. S. 1664—Passed Senate February 19, 1976. (42)

Medical device safety.—Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices;

Classifies all medical devices intended for human use into one of the following three categories based on the extent of regulation necessary to assure safety and effectiveness: Class I—General Controls, consisting of devices for which sufficient data is available to assure their safety and effectiveness or for which insufficient information exists to determine that the controls are sufficient but are not used in supporting or sustaining life or preventing impairment of health and which do not present an unreasonable risk of illness or injury; Class II—Performance Standards, consisting of devices for which Class I controls are insufficient and it is determined that insufficient information is available to establish a performance standard to assure their safety and effectiveness; and Class III—Premarket approval consisting of devices which cannot be classified as a Class I or II device because of insufficient data to assure their safety and effectiveness and which are used in supporting or sustaining human life, in preventing impairment of human health, or present an unreasonable risk of illness or injury;

Requires the Secretary to establish panels of experts to evaluate the safety and effectiveness of devices, with members having adequately diversified expertise in such fields as clinical and administrative medicine, engineering, biological and physical sciences, and other related professions; provides for the appointment to each panel of 2 nonvoting members representing consumer interests and the manufacturer of the device; requires the panels to submit their recommendations with respect to the classification of devices to the Secretary who shall have such recommendations published in the Federal Register for public comment, and following review of such comments, classify the device;

Requires classification panels to submit recommendations to the Secretary respecting the classification of all "old" devices (those introduced into interstate commerce prior to the date of enactment) and places all "new" devices (those introduced into interstate commerce after the date of enactment) into Class III until they have been reclassified by the Secretary; requires that all old devices implanted into the human body or used in supporting or sustaining life be classified into class III unless there is sufficient data available to assure the safety and effectiveness of the device;

Contains provisions to assure that those who offer to develop performance standards are qualified and that a conflict of interest is not involved and provides for disclosure of information regarding the individual or group who is chosen to promulgate the standards;

Provides that a published notice requiring premarket approval of a Class III device contain an opportunity to request a change in the classification of the device which must be submitted within 15 days and acted upon within 60 days of the publication; authorizes administrative review of decisions by the Secretary with respect to premarket approval or scientific review, and product development protocols; requires that patients be notified of risks or hazards presented by devices; exempts custom devices from applicable requirements respecting performance standards and scientific review or premarket approval under specified conditions; authorizes the Secretary to limit the sale or distribution of devices under specified circumstances; contains transitional provisions designed to place articles which would be devices under the new definition of "device" but which are presently being regulated as new drugs into comparable regulatory status as devices; authorizes the export of devices which did not comply with the requirements relating to performance standards or to scientific review if the Secretary determines that such export is in the interest of public health and safety and had the approval of the country to which it is intended for export; and contains other provisions. S. 510—Public Law 94–295, approved May 28, 1976. (*139)

Rehabilitation Act extension.—Extends the authorizations for vocational rehabilitation services, research and training, grants for construction of rehabilitation facilities, vocational training for handicapped individuals, the National Center for deaf-blind youths and adults, and other programs under the Rehabilitation Act until September 30, 1977, with an additional 1-year extension if Congress fails to act on legislation extending the authorizations for programs under the Act by April 15, 1977. H.R. 11405—Public Law 94–230, approved March 15, 1976. (VV)

HOUSING

Housing—Flood insurance.—Permits homeowners interest subsidies under Section 235 of the National Housing Act to be extended to owners of two modular mobile homes; increases the mortgage limits eligible for insurance under Section 235 from $21,600 to $25,000 and from $25,200 to $29,200 in any geographical area where the Secretary of Housing and Urban Development (HUD) finds that cost levels so require, and from $25,200 and $28,800 to $29,200 and $33,400 respectively for a dwelling for a family with five or more persons; extends the expiration date for this program from June 30, 1976, to June 30, 1977; transfers all insurance obligations under the section 221 housing programs for moderate income and displaced families Below-Market-Interest-Rate program from the General Insurance Fund to the Special Risk Insurance Fund;

Amends Section 244 co-insurance program to (1) clarify the authority of the Secretary to co-insure mortgages on a basis which might require the "top" assumption of loss by the mortgagee with subsequent loss shared on a percentage or other basis with the Federal Government, (2) make the 20 percent limitation on co-insurance of mortgages or loans inapplicable where the lender is a "public housing agency", (3) authorize the Secretary to co-insure mortgages on projects which are under construction in those cases where public housing agencies are lenders, and (4) provide that the term "public housing agency" for the purpose of section 244 has the same meaning as it does in section 3(6) of the Housing Act of 1937;

Provides that assistance payments made with respect to a dwelling under the Housing Act of 1937 shall not be considered as income or as a resource for the purposes of determining eligibility under the Social Security Act or any Federal law; authorizes the section 8 subsidy housing program enacted under the Housing and Community Development Act of 1974, under which HUD pays the housing owner the difference between the tenant contribution and the approved rent a maximum of 20 years to be made available to units in rural areas financed under the Farmers Home Administration section 515 rural rental program for the full period of the FmHA mortgage, which is generally 40 years;

Authorizes Federal savings and loan associations to invest in the share capital and capital of the Inter-American Savings and Loan Bank;

Provides that in the event of a short-fall in funding for the community development program in fiscal year 1977 that the shortfall in hold-harmless funds shall be distributed equitably among all urban counties and all large metropolitan cities in order to minimize the total loss to any single jurisdiction and establishes a set-aside for discretionary balances to insure small cities access to the program;

Amends the National Flood Insurance Act to correct certain inequities resulting from the general statutory prohibition against federally supervised conventional mortgage lending in identified flood hazard areas of communities not participating in the national flood protection and insurance program, which requires compliance with HUD land use and construction standards as a prerequisite for obtaining federally subsidized flood insurance as follows: (1) extends to non-participating communities the existing exception which permits conventional mortgage loans to be made for the purchase of existing, previously occupied residential dwellings, and broadens the exception to include the purchase of existing small business properties and to permit present owners of residential dwellings to extend, renew or increase the financing on their homes; (2) authorizes the making of conventional loans to finance improvements to existing residential structures up to an aggregate of $10,000 per dwelling; (3) permits the making of conventional loans to finance improvements or additions to an existing farm for non-residential agricultural purposes; and (4) eliminates the existing prohibition on Federal disaster assistance to non-participating communities which suffer disasters not involving flooding;

Amends the Securities and Exchange Act to clarify the authority of State or political subdivisions to tax stock transfers; and contains other provisions. H.R. 9852—Passed House October 20, 1975; Passed Senate amended January 23, 1976; Senate requested conference January 3, 1976. Note: (Provisions of this bill are contained in S. 3295, Housing Programs, which passed the Senate on April 27, 1976.) (VV)

Housing programs.—Continues and expands section 8 housing assistance for low and moderate-income people with increased emphasis on new housing construction areas; revises the framework governing the Department of Housing and Urban Development's use of funds for new construction under section 8 and conventional public housing, the two major assistance programs for low-income families, which include the earmarking of funds for new construction under section 8 and an increase in the funds authorized and earmarked for construction of public housing; increases the estimated $1 billion in funds available as of September 30, 1976, for housing assistance annual contributions contracts by $696 million in October 1, 1976, which is to be used as follows: for section 8 housing assistance for low- and moderate-income people—$265 million for new construction and $171 million for existing unit assistance; for conventional public housing—$200 million for new construction, and provides that the estimated available funds shall be used for new construction or substantial rehabilitation for other than section 8 housing in the same ratio as is provided in the authorization; increases the level of operating subsidies for conventional public housing to $576 million in fiscal year 1977;

Increases the earmarked funds to be set aside to assist in financing low income housing for families who are members of Indian tribes by $17.5 million on July 1, 1976;

Increases funding for the section 202 direct loan program to nonprofit sponsors of housing for the elderly and handicapped by $2.5 billion (with no expiration date placed on the authorization) to an aggregate of $3.3 billion and amends the program's interest rate formula to tie it to the average rate on all outstanding Treasury obligations, which under current market conditions would bring the rate paid by the sponsor down from about 9 percent to approximately 7½ percent; extends the section 235 homeownership assistance subsidy program for lower income families until September 30, 1977, and adds $200 million in contract authority for this program to the current outstanding authority of $264 million; adds a new section 247 rental assistance payments program for lower income families in FHA-insured multifamily projects in or faced with foreclosure, and authorizes $154 million for this program for fiscal year 1977; extends the section 312 housing rehabilitation loan program until September 30, 1977, increases the authorization for fiscal year 1977 by $150 million, and requires an interest rate above 3 percent for higher income borrowers based on the Treasury's long-term borrowing rate plus administrative costs; extends the authorization for the section 701 comprehensive planning program for planning assistance to communities until September 30, 1977, and authorizes $100 million for fiscal year 1977; and extends the section 810 urban homesteading program through fiscal year 1978 at an authorization level of $5 million for each of fiscal years 1977 and 1978;

Extends the following programs until September 30, 1977, without new authorizations: Section 236 rental housing assistance, the Emergency Homeowners' Relief Act (a stand-by program for homeowners faced with foreclosure because of economic conditions), the Emergency Home Purchase Assistance Act which provides assistance to the housing market during periods of credit shortages by subsidizing interest rates, and the section 245 experimental financing program under which FHA insures loans which use flexible amortization plans corresponding to variations in family income;

Authorizes the FHA to make section 241

supplemental loans to hospitals for additions and improvements; amends the section 244 FHA loan coinsurance provisions to authorize exceptions regarding coinsurance terms applicable to public housing; broadens the section 518 compensation program for defects in housing purchased with FHA insured mortgages;

Incorporates the provisions of H.R. 9852 concerning housing, mobile home loans, and flood insurance which passed the Senate by voice vote on January 23, 1976, and includes the following provisions: permits homeowners interest subsidies under section 234 of the National Housing Act to be extended to owners of two-modular mobile homes; increases the mortgage limits eligible for insurance under section 235; provides that assistance payments made with respect to a dwelling under the Housing Act of 1937 shall not be considered as income or as a resource in determining eligibility under the Social Security Act or any Federal law; provides that in the event of a short-fall in hold-harmless funds shall be distributed equitably among all urban counties and all large metropolitan cities in order to minimize that total loss to any single jurisdiction and establish a set-aside for discretionary balances to insure small cities access to the program; extends the time for area survey under the national flood insurance program until September 30, 1977, and amends the program to correct certain inequities resulting from the general statutory prohibition against federally supervised conventional mortgage lending in identified flood hazard areas of communities not participating in the national flood protection and insurance program; and contains other provisions. S. 3295—Passed Senate April 27, 1976; Passed House amended May 26, 1976; House agreed to conference report June 30, 1976. (155)

INDIANS

Indian claims commission.—Authorizes $1.65 million for fiscal year 1977 to the Indian Claims Commission; extends the life of the Commission until September 30, 1980, to enable it to adjudicate the 155 claims which are presently pending; provides that if the Commission feels a pending case can be handled more expeditiously by the Court of Claims, the Commission shall certify the case to the Court subject to its approval; provides that any case still pending on September 30, 1980; shall be transferred to the Court of Claims for final adjudication; prohibits the Commission from conducting any hearings or initiating any proceeding during the last 9 months of its existence to allow the Commission 5½ months to complete final action on a claim prior to its expiration date, except that hearings or proceedings leading to a compromise settlement of a claim will be permitted; and requires the Commission to submit a semi-annual report to Congress on the progress and status of all remaining cases along with a projected completion date for each case. S. 2981—Passed Senate April 9, 1976. (VV)

Indian crimes.—Amends the Indian Major Crimes Act (title 18, U.S.C.) to add the crime of kidnapping to the specified major crimes triable in Federal courts when committed by an Indian in Indian country and provides that such offenses shall be tried in the same courts and in the same manner as other persons committing such offenses within the exclusive jurisdiction of the United States thus insuring Indian defendents equal treatment under applicable provisions of law. S. 2129—Public Law 94–297, approved May 29, 1976. (VV)

Palms and Cabazon Mission Indians.—Directs the Secretary of the Interior to convey the beneficial interest in 240 acres of land held in trust jointly by the Cabazon and Twenty-nine Palms Bands of Mission Indians, to the Twenty-nine Palms Bands of Mission Indians, and to distribute from the tribal fund of the Cabazon Band to the Twenty-nine Palms Bands the sum of $2,825 plus interest collected as payment for a storm channel right-of-way. H.R. 1465—Public Law 94–271, approved April 21, 1976. (VV)

Pueblo Indians, New Mexico.—Repeals a 1926 statute which subjects Pueblo tribal lands to condemnation pursuant to State law. S. 217—Passed Senate May 21, 1975; Passed House amended February 2, 1976; In conference. (VV)

Zuni Indians, New Mexico.—Directs the Secretary of the Interior to acquire through purchase, trade or otherwise, the 618.41 acres in New Mexico upon which the Zuni Salt Lake is located and hold such land in trust for the Zuni Indian Tribe confers jurisdiction upon the Court of Claims to hear and determine an aboriginal land claim of ownership to over 5.2 million acres in New Mexico and Arizona that the Zuni tribe failed to file in the Indian Claims Commission under the Act of August 13, 1946; and authorizes the Zuni Tribe to purchase and exchange lands in New Mexico and Arizona notwithstanding the restrictions in the Act of May 25, 1918, which expressly prohibits further expansion of Indian Reservations in those States. S. 877—Passed Senate June 26, 1976.

INTERNATIONAL

Asian Development Fund.—Amends the Asian Development Bank Act by adding a new section authorizing the United States Governor of the Bank to agree to contribute $50 million to the Asian Development Fund replenishment approved by the Bank in December 1975, and authorizes therefor $50 million. S. 3103—Passed Senate May 6, 1976. (VV)

Brussels Conference.—Expresses the solidarity of the American people with the efforts to enlarge human freedom by the participants in the Second Brussels Conference on Soviet Jewry to be held February 17 to 19, 1976. S. Con. Res. 93—Senate agreed to February 5, 1976; House agreed to February 10, 1976. (VV)

Canal Zone.—Grants the President or his delegate the authority to regulate the purchase, possession, consumption, use and transportation of alcoholic beverages by minors in the Canal Zone, and imposes penalties for violations of regulations issued pursuant to this authority. H.R. 8471—Public Law 94- , approved 1976. (VV)

Commission on Security and Cooperation in Europe.—Establishes a Commission on Security and Cooperation in Europe to monitor the acts of the signatories which reflect compliance with, or violation of the articles of the Final Act of the Conference on Security and Cooperation in Europe with particular regard to the provisions relating to cooperation in humanitarian fields and to monitor and encourage the development of programs to expand East-West economic cooperation and cultural interchange; provides that the Commission shall consist of 15 members (6 from the House of Representatives, 6 from the Senate and 3 appointed by the President from the Departments of State, Defense and Commerce) with the Chairman appointed by the Speaker of the House; gives the Commission the authority to carry out its mandate including the power of subpena; requires the President to submit a semiannual report to assist the Commission in carrying out its duties which includes a detailed survey of actions of the signatories of the Final Act reflecting compliance with or violation of the provisions of the Act and a description of the planned programs and activities of the appropriate agencies of the Executive branch relating to East-West cooperation and to promoting a greater interchange of ideas and people between East and West; directs the Commission to report to Congress on a periodic basis and to provide information to Members as requested; and authorizes therefor $350,000 for each fiscal year to remain available until expended. S. 3107—Public Law 94–304, approved June 3, 1976. (VV)

Discriminatory trade practices of EEC.—States the sense of the Congress that the President seek immediate elimination of the discriminatory trade regulations approved by the Council of the European Economic Community (EEC) which require a surety deposit and certification system on all imported vegetable protein products thus directly affecting U.S. export of soybeans and violating certain provisions placing no duty on soybeans; and directs the President, in the event that the Community fails to eliminate these regulations, to obtain full compensation for such actions under Article XXIII of the General Agreement on Tariffs and Trade. S Con. Res. 108—Senate agreed to March 31, 1976. (VV)

Foreign investment in the United States.—Authorizes the President or his designee to set up a regular and comprehensive data collection program to obtain current and continuing information from business enterprises on a wide variety of international investment issues and to publish such data on a regular and periodic basis; directs the Secretary of Commerce to conduct "benchmark surveys" of foreign direct investment in the United States and of American direct investments abroad at least once every 10 years; requires the Secretary of the Treasury to conduct a survey of foreign portfolio investment in the United States at least once every 10 years and to provide periodic benchmarks to measure such investments; grants the President and the Secretaries broad authority to determine the subject areas on which statistical information is to be gathered and for which studies may be prepared; authorizes the President, his designee, or the Secretaries to compel designated persons to keep pertinent records and to report relevant information to the agencies administering the information-collection programs; and prohibits the public disclosure of any information gathered under this act in such a way as to identify the company or individual making the report. S. 2839—Passed Senate May 19, 1976. (VV)

Foreign military assistance and arms export control.—Authorizes appropriations for security assistance and related programs of $3,166,900,000 for fiscal year 1976 and $790 million for the transition period July 1–September 30, 1976, as follows:

Authorizes for grant military assistance (MAP) for fiscal year 1976 $196,700,000 to which is added $28.3 million in recoupment and reimbursements making a total of $225 million; allocates this amount as follows: $31 million to Greece; $13 million to Indonesia, $50 million to Jordan, $55 million to Thailand, $31 million to Turkey, $6 million to Ethiopia, and $6 million to unspecified countries;

Authorizes $1,766,200,000 for fiscal year 1976 for security supporting assistance programs of which not less than the following amounts will be available to the following countries: Israel, $730 million; Egypt, $705 million; Greece, $65 million; and as intended by the committee of conference, Jordan, $72.5 million; Syria, $80 million; Bahrain, $600 million; Malta, $9.5 million; Portugal, $52.5 million; United Nations Force in Cyprus, $9.6 million; Zaire, $18.9 million; and for Operating Expenses, $22.6 million;

Authorizes $1.039 billion for fiscal year 1976 for Foreign Military Sales Credits (FMS) financing; sets a ceiling of $2,374,700,000 on the aggregate total of FMS credits or participation in credits and of the principal amounts of loans guaranteed during fiscal year 1976; provides, with respect to the long-term repayments mandated for FMS financing provided to Israel that repayment shall be in not less than 20 years following a grace period of 10 years on repayment of principal;

Authorizes $50 million for the Middle East Special Requirements Fund for fiscal year 1976 and earmarks $12 million of this for use as a U.S. contribution toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East;

Makes the transition period authorizations on the same basis as the fiscal year 1976 authorizations;

Terminates authority to furnish grant military assistance (MAP) after September 30, 1977 (with the provision that the authority shall remain available until September 30, 1980, to carry out obligations incurred before September 30, 1977), unless Congress subsequently specifically authorizes assistance to a country; exempts the authority relating to stockpiling of defense articles for foreign countries from this termination requirement; restricts use of the President's emergency authority to draw on Department of Defense stocks and services for military assistance purposes to unforeseen emergencies requiring immediate action vital to U.S. security interests; reduces the authority from $150 million to $67.5 million in any fiscal year, and requires current reporting to Congress on the use of such authority; permits new stockpiles or additions to existing stockpiles of not to exceed $75 million in fiscal year 1976 and not to exceed $18,750,000 during the transition quarter; prohibits locating future stockpiles outside U.S. military bases except for stockpiles located in NATO countries; stipulates that stockpiled defense articles transferred to a foreign country may not be considered "excess" for valuation purposes; and requires the reporting to Congress of each new stockpile or of an addition to an existing stockpile having a value in excess of $10 million;

Places a ceiling of 34 on military assistance advisory groups and missions (MAAG's) effective September 30, 1976; authorizes $27 million for international military education and training and provides that such programs must be justified in the annual presentation to the Congress;

States the sense of Congress that the President should seek to initiate multilateral discussions for the purpose of reducing the international trade in arms and lessening the dangers of regional conflict; requires the President to conduct a comprehensive study of U.S. arms sales policies to determine whether such policies should be changed and to report to the Congress within one year; sets an annual ceiling of $9 billion on arms which are sold under the Foreign Military Sales Act or which are licensed or approved for export in connection with commercial sales for the use of a foreign country or international organization; permits the President to waive the ceiling on aggregate arms sales, on a case-by-case basis without declaring that an emergency exists if he determines that national security interests so require; provides criminal penalties for any person who attempts to avoid the ceiling by exporting without a license or approval as required; provides that the existing requirement in the Foreign Assistance Act that recipient counries must agree in advance not to transfer U.S.-supplied defense articles to a third country without prior U.S. consent shall also apply to related training and other defense services; prohibits third country arms transfers of $25 million or more unless the President certifies the transfers to the Congress and Congress does not disapprove within 30 calendar days or unless the President states an emergency exists which requires the transfer in the security interest of the United States;

Requires that all sales of "major defense equipment" in excess of $25 million must be handled on a government-to-government basis, except to NATO countries, to whom sales above that limit can continue to be made through commercial channels; requires the President to submit to Congress, for possible rejection by concurrent resolution within 30 calendar days, proposed government sales of "major defense equipment" of $7 million or more, all proposed government sales of any defense articles or services of $25 million or more and, regarding commercial sales, all proposed export licenses pursuant to commercial sales of "major defense equipment" of $7 million or more (except for those to NATO countries), with provision for waiver of the 30 calendar day waiting period if the President certifies that an emergency exists which requires the sale or the issuance of the license in the national security interest; contains provisions concerning the cancellation or suspension of licenses and contracts for arms sale if the national interest so requires;

Provides for the termination, within 90 days of continuous session, by Congress of security assistance to a country upon receiving a report from the Secretary of State that the government of a country is engaging in a consistent pattern of gross violations of internationally recognized human rights; provides for termination of assistance, sales, credits or guarantees and cancellation of export licenses, unless required by national security, to governments discriminating against U.S. nationals or persons; prohibits assistance to countries which aid, abet, or grant sanctuary to international terrorists unless required by national security;

Prohibits assistance of any kind to Angola, except for humanitarian purposes, unless specifically authorized by subsequent legislation; permits cash sales, credits and guarantees of defense articles and services to Turkey as long as Turkey observe the ceasefire on Syprus, does not increase its military forces or civilian population on Cyprus, and does not transfer to Cyprus any additional U.S. supplied arms; prohibits military assistance and sales credits to Chile; expresses the sense of Congress in support of negotiations to limit military deployments in the Indian Ocean; eases certain restrictions on nonstrategic trade with Vietnam which are to be reimposed after 180 days unless the President certifies to Congress that the Vietnamese have accounted for a substantial number of POW's and MIA's and returned the bodies of a substantial number of dead; prohibits U.S. personnel from participating in direct police arrest actions in a foreign country in connection with narcotic control; and contains other provisions. S. 2662—Vetoed May 7, 1976, (36,157)

Foreign military assistance and arms export control.—Authorizes $3,191,900,000 in security supporting assistance for fiscal year 1976 and $2,973,500,000 for fiscal year 1977;

In regard to the Grant Military Assistance Program (MAP), requires a phaseout of the general foreign military grant assistance program by October 1, 1977, except for programs subsequently authorized on a country-by-country basis; provides that U.S. military missions and similar groups abroad are to be terminated by October 1, 1977, unless continuation of a specific mission is subsequently authorized by law; restricts the President's authority to draw on Department of Defense stocks for military assistance purposes to require a finding that such assistance is "vital" to U.S. security; strengthens provisions of law on terminating grant military assistance and prohibiting credits or guarantees to or for any country which violates the provisions of military aid or sales agreements; establishes an anti-discrimination policy applicable to the military grant aid and government sales programs and to export licenses, which provides for termination of assistance to a country whose policies prevent any U.S. national from participating in the furnishing of defense articles or services on the basis of race, religion, national origin, or sex; requires a report to the Congress from the President upon the request of the Senate Foreign Relations Committee or the House International Relations Committee recommending appropriate action; provides that the transaction shall be suspended if the President does not make the report within 60 days unless and until the report is received, and provides that Congress may, upon receipt of the report, terminate or restrict the transaction by joint resolution; creates an Office of Coordinator of Human Rights with responsibility also for humanitarian affairs, within the Department of State, with whose assistance the Secretary of State is to transmit a report to the Congress on the human rights practices of each proposed recipient of military assistance, and provides that the Congress may by joint resolution at any time after receipt of the report terminate or restrict assistance to a country engaging in a consistent pattern of gross violations of human rights; and prohibits further military or related assistance to Angola except pursuant to specific authorization by law;

In regard to Government Military Sales and Commercial Exports of Arms, places policy emphasis on public disclosure of arms sales matters and on bringing about restraint in the international trade in arms; revises and combines statutory requirements for controls over commercial and government-by-government military exports in the new Arms Export Control Act so that all military export matters are controlled under one statute; requires that all sales of major defense equipment items totaling $25,000,000 or more must be made through government-to-government channels, except sales to members of NATO; revises and expands reporting procedures for military sales and exports, and requires that, in addition to proposals totaling $25 million or more, all proposals to sell major defense equipment of $7 million or more on a government-to-government basis must be reported in advance to the Congress; requires reports on all agreements to pay agents' fees, and data concerning fees actually paid, in connection with military sales abroad (government and commercial);

Other provisions prohibit U.S. personnel from engaging in direct police arrest actions in foreign countries in connection with narcotics control efforts; prohibit military grant assistance, sales (including cash sales), credits, guarantees, and deliveries of such assistance, and supporting assistance to or for Chile; amend the Foreign Assistance Act to permit the sale of defense articles to Turkey during fiscal year 1977 under the Foreign Military Sales Act, place a ceiling of $125 million on such sales for fiscal year 1977, and limit financing through credits or guarantees under the act to the items sold within that ceiling; place a $27.5 million limit on economic assistance to Chile which may be increased by $27.5 million if the President certifies that Chile is not engaged in gross violations of human rights; express the sense of the Congress in support of negotiations to limit military deployments in the Indian Ocean area; express the sense of the Congress deploring armed strife in Lebanon and requesting that the President use his good offices to seek an end to the civil conflict; modify restrictions in existing law relating to stockpiles intended or earmarked for use by foreign countries; place a ceiling on stockpiles in foreign countries of $93,750,000 for the 1976 transition quarter and $125 million for fiscal year 1977; prohibit security assistance, and most economic assistance to countries that deliver or receive nuclear reprocessing or related equipment unless they have agreed to multilateral safeguards, with the provision that the President may, by Executive Order, permit deliveries to a country if he finds that termination of assistance would have a serious adverse effect on U.S. interest and certifies that he has received reliable assurance that the country will not acquire or develop nuclear weapons or assist other nations to do so, and so report to Congress; provide that Congress may terminate or restrict assistance to the country in question by a joint resolution introduced within 30 days of the President's transmittal to Congress; earmark $27.5 million each for security supporting assistance to the African countries of Zaire and Zambia, and specify that these funds may not be used for military, guerrilla, or paramilitary activities in either country or any other country; require a report from the President within 60 days of his receiving information of illegal or improper payments by a U.S. corporation to officials of a foreign country receiving international security assistance or of extortion attempts by officials of a foreign country in return for allowing a U.S. citizen or corporation to conduct business in that country, with his recommendation on whether security assistance should be continued; and contains other provisions. H.R. 13680—Public Law 94-329, approved June 30, 1976. (279)

Guatemala relief authorization.—Amends the Foreign Assistance Act of 1961 to authorize $25 million for fiscal year 1976 (which shall remain available until expended) for relief and rehabilitation assistance to the people of Guatemala who were victims of the earthquakes which occurred in February of 1976; limits to $4 million the amount which may be used for rebuilding the Puerto Barrios Highway and encourages the use of seismic-resistant materials in the rebuilding of housing; requires that such assistance be subject to the policy and general authority of section 491 of the Foreign Assistance Act of 1961 which provides a consolidated body of legislation on disaster relief and assistance; authorizes the transfer of funds only to reimburse appropriation accounts from which initial relief funds were drawn; directs that to the maximum extent practicable assistance is to be distributed through United States voluntary relief agencies and other international relief and development organizations; and requires the President to submit to the Congress a report 60 days after enactment and quarterly thereafter on the programming and obligation of funds provided under this act. S. 3056—Public Law 94-276, approved April 21, 1976. (VV)

Guatemala earthquake.—States the sense of the Senate that the executive branch be urged to develop, in cooperation with governmental and private donors, programs to assist the people of Guatemala in their efforts to relieve the suffering caused by the recent earthquake and to rehabilitate their nation from the damage inflicted; and extends deepest sympathy to the President and the people of Guatemala in their hour of suffering and distress. S. Res. 390—Senate agreed to February 17, 1976. (VV)

Inter-American Development Bank—African Development Bank.—Authorizes $2.25 billion as the U.S. share of a replenishment of the funds of the Inter-American Development Bank (IDB) to be paid out in installments over a 3 and 4 year period; authorizes the U.S. Governor of the Bank to vote in favor of (1) resolutions increasing the authorized capital stock of the Bank to $5.303 billion and the resources of the Fund for Special Operations to $1.045 billion (includes therefor authorizations of $1.650 billion and $600 million respectively as the U.S. subscription for these increases) and admitting nonregional countries (10 European plus Japan and Israel) and the Bahamas and Guyana to membership in the Bank; and (2) amendments to the Agreement Establishing the Bank which provide for the creation of a new class of stock designated as Inter-Regional Capital Stock and for Bank lending to the Caribbean Development Bank; instructs the U.S. Executive Director of the Bank to propose a resolution providing for the development utilization of intermediate technologies as major facets of the Bank's development strategy and to report progress of the resolution to Congress;

Amends the Foreign Assistance and Related Programs Appropriations Act, 1975 (Public Law 94-11) to delete that portion of Title III, Investment in Inter-American Development Bank, which earmarks specific amounts of the appropriated U.S. contribution to the Fund for Special Operations;

Authorizes $25 million for U.S. participation in the African Development Fund (AFDF) to be paid in three annual installments of $9 million (1976), $8 million (1977) and $8 million (1978); instructs the Executive Director representing the U.S. in the AFDF to vote against loans to countries involved in unsatisfactory expropriations disputes with the United States;

Instructs the Executive Directors representing the U.S. in the IDB and AFDF to oppose loans to countries engaging in a consistent pattern of gross violations of human rights unless they directly benefit needy people or providing refuge to individuals committing acts of terrorism such as aircraft hijacking; and

States the sense of the Congress that the President should furnish assistance to foreign countries and international organizations for the investigation and planning for the control of swine influenza. H.R. 9721—Public Law 94-302, approved May 31, 1976. (VV)

Italian-United States relations.—Expresses the sense of the Congress about current political and economic developments in Italy, expresses the deepest concern and sympathy about such events, and makes clear the determination of the United States to be of maximum assistance to its Italian friend and ally. H. Con. Res. 651—House agreed to June 9, 1976; Senate agreed to amended June 11, 1976. (271)

James Smithson bequest.—Expresses appreciation and gratitude to Her Majesty, Queen Elizabeth II, upon the occasion of her visit to the United States, for the bequest of James Smithson (a British subject, scholar and scientist), which enabled the U.S. to establish the Smithsonian Institution in Washington, D.C., and directs the Secretary of the Senate to give a copy of this resolution to the Secretary of the Smithsonian Institution for presentation to Her Majesty, Queen Elizabeth II. S. J. Res. 196—Public Law 94- , approved 1976. (VV)

Laotian refugees.—Amends the Indochina Migration and Refugee Assistance Act of 1975 (Public Law 94-23) to make Laotian refugees eligible for the same types of assistance as are now authorized for Vietnamese and Cambodian refugees. S. 2760—Public Law 94-313, approved June 21, 1976. (VV)

Lebanon.—States the sense of the Senate that the President declare the willingness of the United States to participate in multilateral assistance programs to help in the reconstruction of the badly damaged national infrastructure of Lebanon in order to speed a return to normal economic conditions of prosperity there and urges the President to request the Secretary General of the United Nations to renew his appeal for a cease-fire in Lebanon. S. Res. 448—Senate agreed to June 10, 1976. (VV)

Lincoln statue.—Authorizes the President to accept, on behalf of the United States, a statue of Abraham Lincoln from its owners, Leon and Ruth Gildesgame, of Mount Kisco, New York, for presentation to Israel, H.J. Res. 406—Public Law 94-208, approved February 4, 1976. (VV)

Olympic Games.—Express the sense of the Senate that Radio Free Europe be granted the same privileges granted to other news organizations covering the Olympic games. S. Res. 413—Senate agreed to July 2, 1976. (383)

Palm oil production loans.—States as the sense of the Senate that the International Bank for Reconstruction and Development should direct its loan activities in underdeveloped countries to the production of food and fiber needed internally to prevent starvation and to upgrade the diets of all their citizens and cease further encouragement of palm oil production for export so long as the United States remains the only entirely open major import market for palm oil. S. Res. 444—Senate agreed to May 11, 1976. (VV)

Peace Corps authorization.—Authorizes $81 million to finance the operation of the Peace Corps for fiscal year 1977 including additional funds for increases in salary, retirement, or other employee benefits that may be authorized in fiscal year 1977 and $10.1 million for payment of Peace Corps volunteer's readjustment allowance which was increased from $75 to $125 a month under Public Law 94-130. H.R. 12226—Public Law 94-281, approved May 7, 1976. (VV)

Soviet-United States relations.—States the sense of the Senate that U.S. relations with the Soviet Union are a central aspect of U.S. foreign policy and that difficulties existing in that relationship should be sorted out notwithstanding the differences which separate the two governments; states that the basic premise of the U.S. approach to this relationship is that the U.S. must remain unchallengeably strong militarily to insure our security and that of our allies; states that beyond this determination, that our national security policy should be to seek through negotiations to reduce, moderate, and stabilize the military competitions between the two governments by supporting: (1) balanced strategic arms limitation through Congressionally-approved agreements containing verifiable stipulations; (2) demonstration of mutual restraint and commitment to peace; (3) expanded relations through prudent initiatives; and (4) action in consultation with our allies; states that future treaties shall not limit the U.S. to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union; calls for a joint effort by the two governments to bring about the immediate withdrawal by Cuba of all forces from Africa; states that the American objective is to achieve individual freedom and peace in the world and that although cooperation between the U.S. and the Soviet Union may be limited it is the American purpose to enlarge that sphere of cooperation;

States the sense of the Congress (1) that there has been no change in the longstanding U.S. policy on the nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania and (2) that it will continue to be the policy of the U.S. not to recognize their annexation. S. Res. 406—Senate agreed to May 5, 1976. (168)

Spanish friendship treaty.—Authorizes a total of $36 million for fiscal year 1977 to implement the provisions of the Treaty of Friendship and Cooperation between the United States and Spain (Ex. E, 94th-2d); includes $15 million for grant military assistance, $7 million for security supporting assistance to support scientific and technical programs and expanded educational and cultural cooperation programs, $2 million for international military education and training, and $12 million for foreign military sales credits to guarantee a $120 million loan for military purchases; provides that the $50 million authorized for an aircraft control and warning system (Article VI of supplementary agreement No. 7) shall be financed from Department of Defense appropriations; provides for the transfer and financing of certain naval vessels and aircraft for Spain (Article X of supplementary agreement No. 7); specifies that such assistance programs be carried out in accordance with applicable legislation (i.e. the Foreign Assistance Act, the Foreign Military Sales Act, and the Congressional Budget Act of 1974); and makes the provisions of this act effective upon the date the treaty enters into force. S. 3557—Passed Senate June 18, 1976. (VV)

State Department authorization.—Authorizes $1,376,285,453 for fiscal year 1977 for the operations of the State Department (including the Office of Foreign Buildings), the United States Information Agency and the Board for International Broadcasting which makes grants to Radio Free Europe and Radio Liberty;

Extends to State Department medical personnel malpractice protection similar to that now available to employees of the Public Health Service and the Veterans' Administration; removes the existing prohibition against the State Department's development of a new Travel Document and Issuance System;

Places into law the principles governing broadcasts which are in the charter of the Voice of America;

Raises the ceiling from $30,000 to $50,000 on annual expeditures by each of two U.S. parliamentary delegations to the Canada-U.S. and Mexico-U.S. Interparliamentary Groups; authorize $1,500 per year for representational purposes from the budget of the International Joint Commission, U.S. and Canada, to the extent provided in appropriations bills; provides that commissioners of the I.J.C. shall hereafter be appointed subject to the advice and consent of the Senate; authorizes Federal employees to participate in certain educational and cultural exchange programs financed by foreign governments; authorizes U.S. membership on a more permanent footing in four organizations: the International Cotton Advisory Committee, the International Lead and Zinc Study group, the International Rubber Study Group, and the International Seed Testing Association;

Authorizes the Secretary of State to use appropriated funds to compensate alien annuitants for losses resulting from changes in exchange rates;

Amends the Mutual Security Act of 1954 to require that each consolidated report on foreign currency expenditures, which are already submitted to Congress pursuant to the Act, be published in the Congressional Record within 10 legislative days of submission;

Contains provisions regarding the Canal Zone and participation by State Department employees in negotiations if any discrimination against U.S. citizens is involved;

Directs the OMB to report to Congress concerning the use of the reserve fund established by the bill to buffer the operations of Radio Free Europe/Radio Liberty against foreign exchange fluctuations; authorizes the domestic distribution of 7 specified USIA films and one USIA exhibit in conjunction with the American Bicentennial; contains certain technical amendments to the Japan-U.S. Friendship Act;

Authorizes a $10,000 ex gratia payment to Lady Catherine Helen Shaw, wife of the late Australian Ambassador, in compensation for injuries suffered when Lady Shaw was assaulted in Washington, D.C.; provides for GAO audit of expenditures on gifts to foreign nationals involving funds from the "Emergencies in the Diplomatic and Consular Service" account;

Adds a new title to the Foreign Service Act to equate Foreign Service retirement benefits to civil service retirement benefits; states the sense of Congress that a greater number of U.S. ambassadorial positions should be occupied by career personnel in the Foreign Service; requires the Secretary of State to transmit to Congress a comprehensive plan for improvement of the State USIA personnel system within 180 days; and requires the President to transmit to Congress a report on projected U.S. needs for international broadcast facilities and ways in which existing facilities can be put to more efficient use. S. 3168—Public Law 94– , approved 1976. (105)

Treaties:

Convention on Registration of Objects Launched Into Outer Space.—Provides the international community with a central, public, and current registry of objects launched into outer space through the establishment of national registries maintained by the individual State and a central Register maintained by the Secretary-General of the United Nations; requires Convention launching States to register with the Secretary-General, specified information about objects which they launch into the earth orbit or beyond in order to insure the completeness and uniformity of data submitted; provides for full and open access to the information of the central Register; and contains other provisions. Ex. G. 94th-2d—Resolution of ratification agreed to June 21, 1976. (306)

Extradition treaty with Spain.—Modifies the Extradition Treaty with Spain (Ex. N, 91st-2d) to increase from 30 to 45 days the period of time during which a person may be provisionally arrested and detained pending presentation, through diplomatic channels, of documents in support of an extradition request. Ex. B, 94th-2d—Resolution of ratification agreed to June 21, 1976. (304)

Extradition Treaty with the United Kingdom and Northern Ireland.—Provides for the extradition of fugitives charged with any of 29 specified offenses including those relating to narcotics and other dangerous drugs, aircraft hijacking, and any offense for which the laws of both parties provide for over 1 year of detention or which constitute a felony; includes territories under the sovereignty of the United Kingdom with the proviso that the application of the Treaty to any such territory may be terminated upon 6 months' written notice; authorizes extradition under certain conditions for conspiracy to commit any of the specified offenses; permits refusal of extradition unless assurances are received that the death penalty will not be imposed for an offense not punishable by death in the country from which extradition is requested, and lists other reasons for refusing extradition such as when the offense (1) has been barred by lapse of time, (2) is of a political nature, or (3) is specified as being non-extraditable; defers extradition until a trial or sentence already underway in the requested nation has been terminated; provides a 45 day period of time during which a person may be provisionally arrested and detained pending presentation of documents in support of an extradition request; permits the United States to obtain extradition of a person for an offense to which the treaty relates when U.S. Federal jurisdiction is based upon interstate transport or transportation or the use of the mails or of interstate facilities; allows a request for extradition from a British Territory to be made directly to the Governor or other competent authority of that Territory who may himself decide to accede or refer the matter to the United Kingdom; terminates the Extradition Treaty of December 22, 1931, between the U.S. and the United Kingdom; and contains other provisions similar in form and content to extradition treaties recently concluded by the United States. Ex. A, 94th-2d—Resolution of ratification agreed to June 21, 1976. (305)

Inter-American Women's Rights Convention.—Provides that the right to vote and to be elected to a national office shall not be denied or abridged by reason of sex. Ex. D, 81st-1st—Resolution of ratification agreed to January 22, 1976. (2)

Radio Regulations Revision.—Updates the Radio Regulations to take account of present technology and deals with such items as the reallocation of frequency channels for radiotelephone or for narrow-band direct printed telegraphy and fascimilies (maps), for intraship radio communications and the like, plus power limitations for such channels; contains a U.S. reservation in the final protocol concerning one of the revision's frequency allocation plans, which was felt to be incompatible with the official and public correspondences needs of the United States; and contains other provisions. Ex. G, 94th-1st—Resolution of ratification agreed to January 22, 1976. (6)

Telecommunications Convention.—Abrogates and replaces the International Telecommunications Convention of 1965; generally follows the provisions of the 1956 Montreaux Convention, but includes a considerable number of minor improvements and a few major modifications; contains an agreement recognizing the International Telecommunications Union as a United Nations specialized agency; makes major changes in the organization of the International Telecommunication Union and the functions of its subordinate agencies; increases the Administrative Council's membership from 29 to 36 seats with the understanding that there be no provision for rotation of members; continues the membership at five of the International Frequency Registration Board; deletes from the new Convention the territories of Portugal, Spain, the United Kingdom, France, and the United States as members of the Union; and changes the financial contribution of the United States from 11½ percent of the total contribution to 7 percent. Ex. J, 93d-2d—Resolution of ratification agreed to January 22, 1976. (4)

Telegraph and telephone regulations.—Simplifies and completely revises versions of the 1958 Telegraph and Telephone Regulations to make it easier for the international business system guided by the Regulations to keep pace with rapidly advancing telecommunications technology; provides the same substantive framework for continued international traffic in both telegraph and telephone service which requires that (1) sufficient international systems be maintained, (2) specified services be provided to users, (3) certain operating procedures be followed, and (4) determination of rates and charges and the accounting of the collection of same follow standardized practices; prohibits rebates on rates set by the general official tariff list and grants the right to terminal and transit telegraph offices to stop certain private telegrams, subject to reference to appropriate authorities, but not safety-of-life service of government telegrams; adds 2 reservations on the final protocol which make it clear that telegraph and telephone service on the North American continent to generally considered to fall within the scope of domestic service and is not governed by these regulations in order to insure that aeronautical service, which is primary a private communications service, and operational communications of the airline industry are exempt; contains 2 Appendicies on Payment of Balance of Accounts for converting currencies for the balances of international telecommunications accounts together with an escape clause which provides that the prescribed settlement procedures need not be observed should there be a "radical change in the international monetary system". Ex. E, 93d-2d—Resolution of ratification agreed to January 22, 1976. (5)

Treaty of Friendship and Cooperation with Spain.—Expands and upgrades U.S.-Spanish relations and provides a new institutional framework for such relationships; establishes a U.S.-Spanish Council, under the joint chairmanship of the U.S. Secretary of State and the Spanish Foreign Minister, to meet semi-annually; integrates military cooperation into the Council structure; calls for the the development of closer economic ties; takes into account the readiness of the Export-Import Bank to commit credits and guarantees of approximately $450 million to Spanish companies; provides for a broad program of scientific and technical cooperation for peaceful purposes and provides $23 million in U.S. grants therefor; provides for a continuation and expansion of educational and cultural cooperation; contemplates a $12 million U.S. grant to support this program;

Assist Spain in developing a role which will contribute actively to the defense of the North Atlantic Treaty Organization; provides for a Combined Planning and Coordination Staff, with no command functions, setting forth a carefully drawn mandate and geographic area of common concern; grants the U.S. the right to use and maintain for military purposes those facilities in or connected with Spanish military installations which it has heretofor enjoyed except that the number of KC–135 tankers will be reduced to a maximum of 5 and nuclear submarines will be withdrawn from spain by July 1, 1979: contains provisions regarding the storage of U.S. nuclear devices on Spanish soil; includes agreements on U.S. military strength levels authorized in Spain and confirms U.S. military overflight rights and rights to use facilities in Spain for military aircraft transiting to third countries; states that the U.S. would provide repayment guarantee under the Foreign Military Sales program for loans of $600 million which includes a $75 million grant in defense articles, a $10 million grant in military training, and a U.S. Air Force contribution on a cost-of-sharing basis of up to $50 million for the aircraft control and warning network used by the Air Force in Spain; provides for the transfer of 5 naval vessels and 42 F4E aircraft to Spain on terms which benefit that country; includes assurances to Spain on settlement of damage claims resulting from nuclear incidents involving a U.S. nuclear powered warship reactor pursuant to Public Law 93–513 (Nuclear Accidents and Indemnity); and makes provision for the possible transfer to Spain of petroleum storage and pipeline facilities presently used by U.S. forces;

Includes agreements and notes dealing with U.S. and Spanish roles in administrative and military matters, criminal jurisdiction and claims, labor issues, customs and fiscal questions and logistical matters in the base areas; and

Adds a declaration expressing hope that this Treaty will support Spain's progress toward free institutions and participation in the institutions of Western European political and economic cooperation, full cooperation with NATO, and becoming a party to the Treaty on the Non-Proliferation of Nuclear Weapons or placing its nuclear facilities under safeguards administered by the International Atomic Energy Agency; states that any extension to the initial 5-year period of the treaty shall require the advice and consent of the Senate; and makes clear that funding of treaty commitments for foreign assistance and military sales must go through the regular foreign assistance authorization and appropriation legislation. Ex. E, 94th–2d—Resolution of ratification agreed to June 21, 1976. (309)

Treaty with Switzerland on criminal matters.—Provides broad assistance between the United States and Switzerland in connection with investigations or court proceedings (involving 35 specified offenses) including locating witnesses, obtaining statements and testimony of witnesses, production and authentication of business records, and service of judicial or administrative documents as well as special assistance where organized crime is involved; states that except in limited cases, this Treaty does not apply to the extradition or arrest of accused or convicted persons, execution of criminal judgements, political offenses, violation of laws relating to military obligations, military laws, tax and customs laws, and violation of securities laws; and states that tax fraud, which is not a crime in Switzerland, is governed exclusively by the Convention of May 24, 1951, and therefor excluded from this Treaty except in certain organized crime situations. Ex. F, 94th–2d—Resolution of ratification agreed to June 21, 1976. (307)

Women's Political Rights Convention.—Provides that women shall be entitled to vote in all elections on equal terms with men, without any discrimination; that women shall be eligible for election to all publicly elected bodies, established by national law, on equal terms with men, without any discrimination; and that women shall be entitled to hold public office and to exercise all public functions, established by national law, on equal terms with men, without any discrimination. Ex. J. 88th–1st—Resolution of ratification agreed to January 22, 1976. (3)

United States International Trade Commission.—Authorizes $11,789,000 for fiscal year 1977 and $12,036,000 for fiscal year 1978 (plus such additional amounts as may be needed for statutory pay and employee benefit increases) for the operations of the United States International Trade Commission. S. 3420—Passed Senate May 17, 1976. (VV)

United States Winter Olympic Team.—Expresses pride in and gratitude for the conduct and achievement of the athletes, coaches, trainers and Committee members of the 1976 United States Winter Olympic Team for their excellent performance at the XII Winter Olympic Games. S. Res. 386—Senate agreed to February 16, 1976. (VV)

United States Information Agency (U.S.I.A.) authorization.—Authorizes $266,777,000 for fiscal year 1976 and $71,900,000 for the transition period July 1–September 30, 1976, to the United States Information Agency which conducts cultural informational programs. H.R. 11598—Public Law 94-272, approved April 21, 1976. (VV)

Wilma Rudolph Film.—Authorizes the United States Information Agency to make available to Cappy Productions, Inc., of New York City, a master copy of the film "Wilma Rudolph Olympic Champion" in order that portions of the film may be used in a television program entitled "Women Gold Medal Winners", which will be used to promote the 1976 Olympic Games. H.R. 6949—Public Law 94-218, approved February 27, 1976. (VV)

1980 winter Olympic games.—Provides Federal financial assistance to the Lake Placid 1980 Winter Olympic Games, Incorporated (or to any other appropriate public authority) to aid in the planning, design, or construction of facilities to be used in connection with the XIII Winter Olympic Games by authorizing the Secertary of Commerce to (1) make direct grants, not to exceed $28 million, to finance permanent, unique sports facilities without the need for State matching funds, and (2) make additional grants, without limitation to cover up to 50 percent of any increases in construction costs over those projected as of January 1, 1976 directs the Secretary to use other existing Federal assistance programs to the maximum extent possible; makes the assistance program under title I of the Public Works and Economic Development Act of 1965 more readily available to finance other facilities and services for the Games; and excludes any assistance obtained under the Public Works Act by the Lake Placid Olympic Games from the limitation that not more than 15 percent of the funds under that Act be spent in any one State and from the requirement for a non-Federal matching share. S. 2184—Passed Senate June 10, 1976; Passed House amended June 11, 1976; Senate requested conference June 29, 1976. (VV)

MEMORIALS, TRIBUTES, AND MEDALS

Bernardo de Galvez statue.—Authorizes the Secretary of the Interior to accept a statue of Bernardo de Galvez, the Spanish Governor of Colonial Louisiana during the Revolution, as a gift from the Spanish Government to the United States for the Bicentennial. S. 3031—Public Law 94–287, approved May 21, 1976. (VV)

Bicentennial reflections.—Calls on all Americans to engage in reflection and prayers of thanksgiving and guidance of July 2, 1976, and throughout the Bicentennial weekend of July 3d and 4th.

S. Res. 485.—Senate agreed to July 1, 1976. (VV)

Charles Carroll medals.—Directs the Secretary of the Treasury to strike and furnish to the Baltimore Museum of Art, Baltimore, Maryland, not more than 50,000 national medals commemorating the 200th anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton, Maryland. H.R. 3427—Public Law 94–257, approved April 1, 1976. (VV)

Clarence M. Mitchell, Jr.,—Honors Clarence M. Mitchell, Jr., for his contributions to the establishment of justice and equality in America by his service as Director of the Washington Bureau of the NAACP, Legislative Chairman of the Leadership Conference on Civil Rights, and various government posts, and expresses gratitude for his efforts to improve the quality of life for all Americans. S. Res. 353—Senate agreed to January 26, 1976. (VV)

Commercial aviation's 50th anniversary.—Provides recognition for the 50th anniversary of American commercial aviation. S. Res. 381—Senate agreed to March 31, 1976. (VV)

Congressional Country Club.—Congratulates the Congressional Country Club upon being selected to host the 58th PGA championship and, in so doing, compliments the Congressional Country Club on being such a renowned and respected championship golf course. S. Con. Res. 119—Senate agreed to May 27, 1976. (VV)

International Astronautical Federation.—Recognizes the importance of the 27th Congress of the International Astronautical Federation (which is a federation of societies devoted to fostering the exploration of space through space science and the development of space technology and law) to be held in Anaheim, California, from October 10 through October 16, 1976; commends the Federation and its affiliated organizations for selecting the United States as the location for its Congress in recognition of the Bicentennial; and commends the U.S. host organizations for sponsoring the Congress. S. Res. 412—Senate agreed to March 24, 1976. (VV)

J. Allen Frear Building.—Designates the Federal office building located in Dover, Delaware, as the "J. Allen Frear Building". S. 999—Passed Senate June 14, 1976. (VV)

Jerry L. Pettis Memorial Veterans' Hospital.—Designates the Veterans' Administration hospital in Loma Linda, California, as the "Jerry L. Pettis Memorial Veterans' Hospital". H.R. 4034—Public Law 94–246, approved March 25, 1976. (VV)

John Witherspoon Statue.—Authorizes the Secretary of the Interior to permit the relocation of the John Witherspoon statue (located on government property at Connecticut Avenue and "N" Street, N.W., Washington, D.C.) to the National Presbyterian Center and conveys title to the statue to the National Presbyterian Church. S. 1996—Passed Senate May 4, 1976. (VV)

Library of Congress Thomas Jefferson Building.—Renames the building known as the Library of Congress Annex as the Library of Congress Thomas Jefferson Building. S.

2920—Public Law 94-264, approved April 13, 1976. (VV)

Lincoln Memorial.—Authorizes the Secretary of the Interior to inscribe the names of Alaska and Hawaii on the walls of the Lincoln Memorial in a manner and style consistent with the names of the other 48 States and upon approval of the design and plans for the inscription by the National Capitol Planning Commission, the Commission of Fine Arts, and the Advisory Council on Historic Preservation; and authorizes therefor such sums as necessary. S. 64—Passed Senate April 6, 1976. (VV)

Norris Cotton Building.—Designates the Federal office building in Manchester, New Hampshire, as the "Norris Cotton Building" S. 3589—Passed Senate June 25, 1976. (VV)

101st Airborne Memorial.—Authorizes the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia in honor of the "Screaming Eagles" of the 101st Airborne Division, United States Army, and requires approval of the Mayor if the selected site is under his jurisdiction. S. 1847—Public Law 94-211, approved February 6, 1976. (VV)

Ozark-Jeta Taylor Lock and Dam.—Renames the Ozark Lock and Dam on the Arkansas River, Arkansas, as the "Ozark-Jeta Taylor Lock and Dam". S. 3063—Passed Senate June 10, 1976. (VV)

Terry Schrunk Plaza.—Designates the plaza adjacent to the new Federal building at 1120 Southwest Third Street in Portland, Oregon, as the "Terry Schrunk Plaza". S. 1971—Passed Senate June 10, 1976. (VV)

Tobert H. MacDonald, death of.—Expresses the sorrow of the Senate over the death of Representative Torbert H. Macdonald, of Massachusetts. S. Res. 452—Senate agreed to May 24. 1976. (VV)

William A. Barrett, death of.—Expresses the sorrow of the Senate over the death of Representative William A. Barrett, of Pennsylvania. S. Res. 433—Senate agreed to April 14, 1976. (VV)

William O. Douglas.—Dedicates the Chesapeake and Ohio Canal National Historical Park in the District of Columbia and Maryland to Justice William O. Douglas and requires that the words "Dedicated to Justice William O. Douglas" be prominently displayed on all existing and future signs bearing the name Chesapeake and Ohio Canal National Historical Park. S. 2742—Passed Senate February 4, 1976. (VV)

Wright Patman, death of.—Expresses the sorrow of the Senate upon the death of Congressman Wright Patman, of Texas. S. Res. 402—Senate agreed to March 9, 1976. (VV)

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Boundary Waters Canoe Area.—Authorizes additional funds of not to exceed $4.5 million, making a total authorization of $9 million, for the acquisition of lands in the Boundary Water Canoe System within the Superior National Forest in northeastern Minnesota. S. 1526—Passed Senate April 27, 1976. (VV)

Chickasaw National Recreation Area.—Establishes the Chickasaw National Recreation Area in southern Oklahoma consisting of the Platt National Park and the Arbuckle reservoir, plus certain connecting lands, to protect mineral springs and other natural features and to provide increased outdoor recreation opportunities. H.R. 4979—Public Law 94-235, approved March 17, 1976. (VV)

Cibola National Forest.—Extends the boundary of the Cibola National Forest in New Mexico to include four additional areas containing a total of 26,422 acres. S. 1872—Passed Senate June 2, 1976. (VV)

Eugene O'Neill National Historic Site.—Authorizes the Secretary of the Interior to accept the donation of, or purchase with donated funds, Tao House in Contra Costa, California, which was the home of Eugene O'Neill from 1937 to 1944 and to designate it as the Eugene O'Neill National Historic Site; provides that the site shall be administered under the basic management provisions of the 1916 Organic Act of the Park Service and the 1935 Historic Sites Act as a center for the performing arts; authorizes the Secretary to enter into cooperative agreements with the Eugene O'Neill Foundation for theatrical productions (similar to those by which Wolf Trap Farm operates) with congressional oversight of any such agreement; and authorizes such sums as necessary which is estimated at between $200,000 to $400,000 per year for operations and maintenance. S. 2398—Passed Senate May 13, 1976 (VV)

Fire Island National Seashore.—Amends the Act establishing the Fire Island National Seashore to increase the authorization for land acquisition relating to the Seashore from $16 million to $18 million. S. 867—Passed Senate April 7, 1976. (VV)

George W. Norris National Historic Site.—Authorizes the Secretary of the Interior to acquire by donation or purchase with donated funds the home of Senator George William Norris (who, among other achievements, authored the 20th amendment to the Constitution which deals with Presidential and Congressional terms and the sessions of Congress, and the legislation which established the Rural Electrification Administration) in the State of Nebraska and to establish it as the "George W. Norris Home National Historic Site". S. 3476—Passed Senate May 21, 1976. (VV)

Gruber Wagon Works.—Modifies the Blue Marsh Lake project to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to relocate and restore intact the historic structure and associated improvements known as the Gruber Wagon Works in Berks Country, Pennsylvania which was built in 1882; provides, upon completion of relocation and restoration, that title to the Wagon Works shall be transferred to Berks County upon condition that the county agree to maintain the property in perpetuity as a public museum at no cost to the Federal Government; and authorizes therefor $520,000 which will be in addition to the $590,000 in authority under the Reservoir Salvage Act of 1960, as amended, which limits cost for salvage of historical resources affected by any one project to 1 percent of the total project cost. S. 1497—Passed Senate April 28, 1976. (VV)

Klondike Gold Rush National Historic Park.—Authorizes the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park, an area of approximately 13,271 acres consisting of the following four units: Pioneer Square in Seattle, Washington, and the Skagway in Chilkoot Trails, and White Pass units in Alaska; and permits the Secretary to grant additional rights-of-way and related benefits through the White Pass Unit for pipeline and railroad purposes and to grant the State, a road right-of-way across the Chilkoot Trail Unit to link the towns of Skagway and Haines, S. 98– Public Law 94-323, approved June 30, 1976. (VV)

Land and water conservation fund—national historic preservation—oil shale revenue.—Amends the Land and Water Conservation Fund Act to increase from $300 million to $1 billion the minimum annual level of the Fund; raises from 7 to 10 percent the maximum percentage of allocated grant funds to which a State is entitled in any one year; changes the formula for land acquisition grant monies from 50–50 to 70–30; requires States to submit their Statewide plans to the areawide clearing house created under the Intergovernmental Cooperation Act for comment; provides that not to exceed 25 percent of a State's annual allocation shall be available for sheltered facilities; requires States to account for funds received on a project-by-project basis; clarifies the extent to which Land and Water Funds can be used to acquire land for endangered species or wildlife refuges;

Amends the National Historic Preservation Act of 1966 to change the formula for matching grants for planning, nationally significant properties, demonstration projects, and meeting houses from 50–50 to 70–30; repeals the 50 percent limit on planning; establishes a National Historic Preservation Fund and authorizes therefor $150 million per year over a 5-year period to carry out the purposes of the Act;

Provides for Senate confirmation of future appointees to the office of: Director of the Bureau of Land Management, Director of the National Park Service, Director of the Bureau of Outdoor Recreation, Commissioner of Reclamation and Governor of American Samoa; and

Amends section 35 of the Mineral Leasing Act of 1920 to permit each State to use its share of oil shale revenues for planning, construction, and maintenance of public facilities and provisions of public services. S. 327—Passed Senate October 29, 1975; Passed House amended May 5, 1976; In Conference. (VV)

Land and water resource conservation.—Establishes a mechanism for making long-range policy to encourage the wise and orderly development of the Nation's soil and water resources by requiring that (1) the Secretary of Agriculture prepare an appraisal of the Nation's land, water, and related resources by December 31, 1977, and update it by December 31, 1979, and each fifth year thereafter; (2) the Secretary develop a National Land and Water Conservation Program which will set forth the direction for future soil and water conservation efforts on non-Federal land by December 31, 1977, and update it by December 31, 1979, and each fifth year thereafter; (3) the appraisal report and the program, together with a detailed statement of policy intended to be used in framing budget requests for Soil Conservation Service activities, be submitted to Congress on the first day Congress convenes in 1978, 1980, and at each 5-year interval thereafter; (4) that programs established by law be carried out in accordance with the statement of policy unless either House of Congress within 60 days of receipt of the appraisal report, program, or statement of policy, adopts a disapproval resolution; (5) beginning with fiscal budget for 1979, requests sent by the President to Congress governing soil conservation service activities express the extent to which the programs and policies projected under the budget meet the statement of policy approved by the Congress; and (6) the Secretary submit to Congress, beginning with fiscal year 1979, an annual report evaluating the programs effectiveness. S. 2081—Passed Senate May 25, 1976. (VV)

National parks mining regulations.—Repeals the laws permitting mineral development under the Mining Law of 1872 in the 6 areas of the National Park System where such mining is presently permitted: Crater Lake and the Mount McKinley National Parks; Death Valley, Glacier Bay and Organ Pipe Cactus National Monuments; and Coronado National Memorial; provides express and broad authority for management by the Secretary of the Interior of mineral development on patented and unpatented mining claims within all areas of the National Park System; and imposes a 4-year moratorium on further surface disturbance within Death Valley and Organ Pipe Cactus National Monuments and Mount McKinley National Park in order to give the Secretary of the Interior an opportunity to determine the validity of existing mining claims and Congress an opportunity to decide whether to acquire any valid mineral rights in order to prevent further damage to these areas. S. 2371—Passed Senate February 4, 1976. (25)

National resource lands management.—Provides the first comprehensive, statutory statement of purposes, goals, and authority for the use and management of about 448 million acres of federally-owned lands administered by the Secretary of the Interior through the Bureau of Land Management, which constitutes the largest system of Federal lands and comprises 20 percent of America's land base and 60 percent of all federally owned property;

Requires that the national resource lands be managed in accordance with the principles of multiple use and sustained yield and defines those principles; establishes the policy that, except where disposal is consistent with the purposes and conditions of the Act, the national resource lands will be retained in Federal ownership; includes, among other policies set by the Act, a fair return to the United States for the use of the national resource lands, full public participation, including hearings and the use of advisory boards, in decisionmaking concerning those lands, and coordination of the decisionmaking with State and local land use planning;

Repeals a number of the 3,000 public land laws which are either obsolete or conflict with the provisions of the Act; and contains other provisions. S. 507—Passed Senate February 25, 1976. (49)

National Wildlife System Administration.—Amends the National Wildlife Refuge System Administration Act of 1966 to provide that all areas included in the System as of January 1, 1975, shall continue to be a part of the System and cannot be transferred or otherwise disposed of except by an Act of Congress; or in the case of lands acquired with duck stamp receipts, without the approval of the Migratory Bird Conservation Commission; and requires the Secretary of the Interior to administer the areas through the U.S. Fish and Wildlife System. H.R. 5512—Public Law 94–223, approved February 27, 1976. (VV)

Ninety Six and Star Fort National Historic Site.—Authorizes the Secretary of the Interior to establish the Ninety Six and Star Fort National Historical Park in Greenwood, South Carolina, a 1,115 acre site consisting of the site of the village Old Ninety Six, the Star Fort with its Revolutionary War earthworks, and other historical and archeological remains associated with frontier life in South Carolina; provides that the site shall be administered as a part of the National Park system; and authorizes therefor $320,000 for land acquisition and $2,463,000 for development of facilities. S. 2642—Passed Senate May 13, 1976; Passed House amended June 8, 1976; Senate agreed to House amendment with an amendment June 30, 1976. (VV)

Rangelands management.—Directs the Secretary of the Interior to establish a $895.5 million, 30-year range rehabilitation and protection program to halt deterioration and improve the quality of the rangelands on public lands administered by the Bureau of Land Management (BLM) in the Department of the Interior; requires that this rangeland thereafter be administered to insure full productive capacity consistent with the multiple use, sustained yield concept of land management; and authorizes $10 million for fiscal year 1977, with additional increases of $5 million per year for each fiscal year 1978 through 1980, and $500,000 each fiscal year thereafter through fiscal year 2006, which would be in addition to funds presently appropriated to the BLM for livestock management, soil and water, and wildlife. S. 2555—Passed Senate May 3, 1976. (162)

Reclamation projects authorization.—Authorizes the Secretary of the Interior to construct, operate, and maintain (1) the Polecat Bench irrigation project of the Shoshone extension unit of the Pick-Sloan Missouri Basin program in northwest Wyoming, and (2) the Pollock-Herreld irrigation project in South Dakota; provides authority for the Secretary to modify the spillway of the existing Dickenson Dam in North Dakota to increase conservation storage and authorizes the construction of a new spillway to assure the safety of the dam from floods; and reauthorizes the existing McKay Dam in Oregon to increase the capacity of the spillway for safety purposes and to include flood control, fish and wildlife, and recreation as project functions. S. 151—Public Law 94–228, approved March 11, 1976. (VV)

Recreation permits.—Provides for uniform and objective policies and procedures to be employed by the Forest Service in issuing and administering permits for ski area and other commercial outdoor recreation facilities and services on national forest lands for the purpose of providing a modern permit authority to supplement and, in some cases, replace the increasingly inadequate, old statutory base upon which the agency is presently dependent for permitting purposes. S. 2125.—Passed Senate July 2, 1976. (VV)

River basin authorization.—Authorizes an additional $602 million for prosecution of projects in the following comprehensive river basin plans for flood control and navigation which are under the jurisdiction of the Secretary of the Army; Alabama-Coosa River Basin, $6 million; Arkanasas River Basin, $6 million; Brazos River Basin, $19 million; Columbia River Basin, $39 million; Mississippi River and tributaries, $220 million; Missouri River Basin, $85 million; North Branch, Susquehanna River Basin, $72 million; Ohio River Basin, $23 million; Red River Waterway project, $60 million; San Joaquin River Basin, $46 million; Santa Ana River Basin, $2 million; South Platte River Basin, $22 million; and Upper Mississippi River Basin, $2 million. H.R. 12545—Public Law 94– , approved 1976. (VV)

River basin monetary authorizations.—Authorizes a $9 million increase in the monetary authorization for the North Branch Susquehanna and the South Platte river basin projects in order to avoid a delay in ongoing construction. S. 3432—Passed Senate May 18, 1976. (VV)

Saline water authorization.—Authorizes a total of $7,540,000 for fiscal year 1977 for the Office of Water Research and Technology to carry out the purpose of the Saline Water Conversion Act of 1971, as amended, with certain items having expected spend out patterns of up to 3 years as follows: $2 million for water resources research with an expected 3-year spend out pattern of 40 percent, 40 percent, and 20 percent; $4 million for technology development with an expected 2-year spend out pattern of 60 percent and 40 percent; $700,000 for test facility operation and maintenance and $840,000 for administration and coordination both of which are expected to be spent in the year authorized; provides the Secretary with latitude to adjust research and development items by not more than 10 percent with an increase in an item accompanied by a like decrease in another item within the same category; and applies, by reference, the provisions of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 relative to the waiver of U.S. rights to inventions and patents arising out of federally funded water research and development projects and section 10 of the act relative to the application of all appropriate antitrust laws. H.R. 11559—Public Law 94–316, approved June 22, 1976. (VV)

Santa Monica Recreation Area.—Provides for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California; creates a Federal land use planning Commission composed of members chosen by the State and local governmental subdivisions with jurisdiction over the area to ensure that local governments, which will have the ultimate responsibility for implementing a land use plan will have, in fact, drawn the plan; requires that the Commission develop a comprehensive land use plan which will achieve certain stated objectives of preservation, resource protection, and access; requires that the plan inventory and classify lands within the area, indicate the permissible uses for such lands, specify the land use controls to insure such uses and prevent nonconforming uses, and identify the unit of Federal, State, or local government responsible for implementing the plan; provides for approval of the plan by the Secretary of the Interior to guarantee that the plan will meet the objectives in the legislation, that the identified units of Federal, State, or local government have the necessary authority to implement the plan and are willing to do so, and that there has been full public participation in the development of the plan; authorizes Federal grants in the total amount of $50 million for the acquisition of land and/or interest in land to assist State and local governments in implementing the plan; and assures California landowners affected by this bill due process through the State of California Federal circuit court system. S. 1640—Passed Senate February 6, 1976. (VV)

Valley Forge National Historical Park.—Authorizes the Secretary of the Interior to accept the donation of the 2,250 acre Valley Forge State Park, to acquire adjoining parcels and inholdings for a total park acreage not to exceed 2,800, and to establish and administer the Valley Forge National Historical Park. H.R. 5621—Public Law 94– , approved 1976. (VV)

Wetlands loan extension.—Extends from June 30, 1976, until September 30, 1983, the period during which the Department of the Interior can acquire wetlands for migratory waterfowl and increases therefor the authorization under the Wetlands Loan Act of 1961 from $105 million to $200 million; delays from July 1, 1976, until October 1, 1983, the date when repayment for advance loans from duck stamp receipts would begin; and changes the name of the "Migratory Hunting Stamp" to the "Migratory Bird and Conservation Stamp". H.R. 5608—Public Law 94–215, approved February 17, 1976. (VV)

Wilderness area:

Alpine Lakes Wilderness.—Designates approximately 392,000 acres in the Central Cascade Mountains in the State of Washington as the Alpine Lakes Wilderness with a management unit of approximately 527,000 acres under the direction of the U.S. Forest Service; requires the Forest Service to prepare and implement a multiple use plan for the Federal lands in the unit; and authorizes $57 million for land acquisition and $500,000 for preparation of the multiple use plan. H.R. 7792—Public Law 94– , approved 1976. (VV)

Badlands National Monument.—Designates approximately 64,250 acres in the Badlands National Monument, South Dakota, as wilderness under the provisions of the Wilderness Act of 1964. S. 1069—Passed Senate May 25, 1976. (VV)

Bristol Cliffs Wilderness.—Modifies the boundaries of the Bristol Cliffs Wilderness Area, located in the Green Mountain National Forest, Vermont, by eliminating all privately owned lands and approximately 720 acres of noncontiguous National Forest lands thus reducing the size of the area from 6,500 acres to 3,775 acres. S. 2308—Public Law 94–268, approved April 16, 1976. (VV)

Eagles Nest Wilderness.—Designates a 133,910 acre area in the Arapaho and White River National Forests, Colorado as the Eagles Nest Wilderness. S. 268—Public Law 94– , approved 1976. (VV)

Shenandoah National Park.—Designates 79,019 acres in the Shenandoah National Park, Virginia, as wilderness under the provisions of the Wilderness Act of 1964. S. 895—Passed Senate April 7, 1976. (VV)

Wilderness area studies:

Kaiser roadless area.—Directs the Secretary of Agriculture to review an approximate 28,000 acre area in the Sierra National Forest, California, known as the Kaiser Roadless Area, for possible inclusion in the National Wilderness Preservation System, and to report his findings to the President within 2 years from the date of enactment. S. 75—Passed Senate April 8, 1976. (VV)

NOMINATIONS

(Action by rollcall vote)

Gen. George S. Brown, U.S.A.F., for reappointment as Chairman of the Joint Chiefs of Staff.—Nomination confirmed July 1, 1976. (376)

George Bush, of Texas, to be Director of Central Intelligence.—Nomination confirmed January 27, 1976. (10)

S. John Byington, of Virginia, to be a Commissioner on the Consumer Product Safety Commission.—Nomination rejected May 24, 1976; Reconsidered and confirmed May 26, 1976. (190, 196)

George Henry Kuper, of the District of Columbia, to be Executive Director of the National Center for Productivity and Quality of Working Life.—Nomination confirmed May 28, 1976. (208)

David M. Lilly, of Minnesota, to be a member of Board of Governors of Federal Reserve System.—Nomination confirmed May 28, 1976. (207)

William L. Springer, of Illinois, to be member of the Federal Election Commission.—Nomination confirmed May 21, 1976. (189)

Willie J. Usery, of Georgia, to be Secretary of Labor.—Nomination confirmed February 4, 1976. (26)

PROCLAMATIONS

Bald Eagle Days.—States the sense of the Senate that the people of the United States observe the weekend beginning January 30, 1976, which is designated as "Bald Eagle Days", to recognize the national symbol of the United States. S. Res. 347—Senate agreed to January 21, 1976. (VV)

Beta Sigma Phi Week.—Designates the seven day period beginning on April 30 of each year as "National Beta Sigma Phi Week". S.J. Res. 76—Passed Senate March 31, 1976. (VV)

Bicentennial Day of Prayer.—Designates July 2, 1976, as a "National Day of Prayer of Thanksgiving and Guidance". S.J. Res. 179—Passed Senate June 16, 1976. (VV)

Bicentennial Highway Safety Year.—Designates the 12-month period beginning with the calendar month after the date of enactment of this Act as "National Bicentennial Highway Safety Year" and specifies an area of activity each month which offers the prospect of achieving substantial reductions in highway accidents, injuries, and fatalities as follows: January—Safety Education; February—Safer Bridges; March—Pedestrian and Bicycle Safety; April—Pavement Marking and Delineation; May—Highway Hazard Removal; June—Safety Belts and Child Restraints; July—Safer Driving; August—Roadside Obstacle Elimination; September—Save our Children; October—Signs and Signals; November—Railroad Crossing Protection; and December—Alcohol and Problem Drinkers. H.J. Res. 726—Public Law 94-322, approved June 30, 1976. (VV)

Employ the Older Worker Week.—Designates the week beginning March 13, 1977, as "National Employ the Older Worker Week". S.J. Res. 35—Public Law 94-275, approved April 21, 1976. (VV)

Fair Housing Month.—States that the Congress recognizes the month of April 1976 as "Fair Housing Month" and rededicates itself to the promulgation and practice of the letter and spirit of the Fair Housing Law throughout the month of April and thereafter S. Con. Res. 112—Senate agreed to April 27, 1976. (VV)

Family Week.—Designates the week beginning on November 21, 1976, as "National Family Week". S.J. Res. 101—Public Law 94-270, approved April 19, 1976. (VV)

Fourth of July Holiday.—Designates July 2, 1976, as an official holiday to create a 4-day holiday for the Bicentennial. S.J. Res. 151—Passed Senate March 31, 1976. (VV)

Horse Week.—Designates the period of May 9, 1976, through May 15, 1976, as "National Horse Week". S.J. Res. 182—Passed Senate May 6, 1976. (VV)

Independence Day.—Designates July 4, of each year as "Independence Day". S.J. Res. 150—Passed Senate May 6, 1976. (VV)

Knights of Columbus:—Designates March 29, 1976, as "National Knights of Columbus Day". S.J. Res. 183—Passed Senate March 18, 1976. (VV)

Small Business Week.—Designates the week beginning May 9, 1976, as "National Small Business Week". S.J. Res. 163—Passed Senate May 6, 1976. (VV)

Tennis Week.—Designates the fourth week in June as "National Tennis Week". S.J. Res. 172—Passed Senate March 31, 1976. (VV)

Thomas Jefferson Day.—Designates April 13, 1976, as "Thomas Jefferson Day". H.J. Res. 670—Public Law 94-163, approved April 13, 1976. (VV)

World Habitat Day.—Designates February 29, 1976, as "World Habitat Day". S. Res. 398—Senate agreed to February 25, 1976. (VV)

SENATE

Cloture rule.—Provides that, except by unanimous consent, no amendments shall be proposed after the cloture vote unless they have been submitted in writing to the Journal Clerk prior to the end of the vote. S. Res. 268—Senate agreed to April 6, 1976. (VV)

Commission on the operation of the Senate.—Authorizes the Secretary of the Senate to advance sums to the Chairman of the Commission on the Operation of the Senate for expenses of the Commission not involving personal services. S. Res. 410—Senate agreed to March 23, 1976. (VV)

Extends from September 30, 1976, to December 31, 1976, the date for the Commission to submit its final report. S. Res. 423—Senate agreed to April 6, 1976. (VV)

Oklahoma Senate Contest.—Senate tabling of S. Res. 356, relating to a determination of the contested 1974 Oklahoma Senate election involving Senator Henry Bellmon and former Representative Ed Edmondson. Subsequently the Senate agreed to a motion to seat Senator Bellmon unconditionally.

Old Senate Chamber.—Provides that on June 16, 1976, the Senate shall recess at 4:00 p.m. and immediately reassembled in legislative session for ceremonies in the Old Senate Chamber (used by the Senate from 1810 to 1859) for the dedication and reopening of the chamber in honor of the Bicentennial; provides that the taking of photographs or recording of the proceedings of the legislative session shall be done in accordance with procedures established by the Commission on Art and Antiquities of the Senate; and invites the Vice-President to address the Senate on this occasion. S. Res. 446—Senate agreed to May 13, 1976. (VV)

Pension fund tax returns.—Authorizes the Committee on Labor and Public Welfare (deemed a select Committee of the Senate for purposes of sections 6103(d) and 6104(a)(2) of the Internal Revenue Code) to inspect and receive tax returns and tax related matters, on the Central States, Southeast and Southwest Areas Pension Fund, which the committee demonstrates, to the satisfaction of the Secretary of the Treasury, contains or may contain information directly relating to its study and oversight proceedings. S. Res. 483—Senate agreed to June 30, 1976. (VV)

Select Committee on Committees.—Establishes a temporary select committee of the Senate to conduct a study of the Senate committee system composed of 12 Members of the Senate (6 from the Majority party and 6 from the Minority party) appointed by the President of the Senate upon the recommendation of the majority and minority leaders; directs the Committee to conduct a thorough study of the Senate committee system including structure, jurisdiction, number and optimum size of committees, number of subcommittees, committee rules and procedures, media coverage of meetings, staffing, and other facilities and to make recommendations which promote optimum utilization of a Senator's time, optimum effectiveness of committees in the creation and oversight of Federal programs, clear procedures for the referral of legislation falling within the jurisdiction of two or more committees, and workable methods for the regular review and revision of committee jurisdictions; requires the Committee to submit a final report of its findings by February 28, 1977, with authorization to submit such interim and supplemental reports as it deems appropriate and authorizes therefor $275,000 of which not to exceed $30,000 shall be for the procurement of the services of individual consultants or organizations. S. Res. 109—Senate agreed to March 31, 1976. (VV)

Amends S. Res. 109 to provide that for purposes of paragraph 6(a) of rule XXV of the Standing Rules of the Senate (relative to the number of committees on which a Senator may serve), service of a Senator as a member of the select committee shall not be taken into account, and excepts the voucher requirement for the disbursement of salaries of employees paid at an annual rate. S. Res. 456—Senate agreed to June 3, 1976. (VV)

Select Committee on Intelligence.—Establishes a permanent Select Committee on Intelligence to oversee and make continuing studies of U.S. intelligence activities; provides that its members be selected by the Majority and Minority leaders with 2 Senators each from the membership of the Committees on Appropriations, Armed Services, Foreign Relations, and the Judiciary and 7 others from the Senate at large (4 selected by the Majority Leader and 3 by the Minority Leader); provides that the chairman shall be chosen by the Majority members and that service on the select committee shall not be counted against a member's service on any other committee and may be in addition to other assignments; provides that the Majority and Minority Leaders shall be non-voting ex officio members of the committee; limits service on the committee to 8 years (not including 1976 service) on a rotating basis so that approximately ⅓ of the membership will be new by the 97th Congress and each successive Congress;

Provides the Committee exclusive legislative authority over the Central Intelligence Agency and shared budgetary and oversight authority with the standing committee, formerly responsible—the Armed Services Committee for the Defense Intelligence Agency, National Security Agency and other military intelligence units, the Foreign Relations Committee for State Department intelligence activities, and the Judiciary Committee for the Federal Bureau of Investigation; provides for concurrent sequential referral of legislation and authorizations with an automatic discharge if the second committee does not act within 30 days;

Provides that the committee notify the President if it votes to disclose classified information submitted by the Executive Branch; provides for release of such information unless the President notifies the Committee within 5 days of his objection; provides that if the committee still wishes to release the data it may, by majority vote, report the matter to the full Senate for a decision within 9 days on whether or not to disclose all or any part of the information or to refer it back to the committee for its decision; and

States the sense of the Senate that the heads of intelligence agencies or departments keep the Committee informed of intelligence activities and report immediately all intelligence activities which violate the constitutional rights of any person, law, executive order or agency regulation. S. Res. 400—Senate agreed to May 19, 1976. (181)

Select Committee on Intelligence Activities.—Amends S. Res. 21 to extend to March 15, 1976, the date for the temporary Select Committee to submit a final report of the results of the investigation and study conducted by it with respect to intelligence activities; provides that the committee shall cease to exist on May 31, 1976; and authorizes an additional $300,000 for the 3-month period, March 1, to May 31, 1976, of which not to exceed $10,000 shall be for the procurement of consultants. S. Res. 377—Senate agreed to March 1, 1976. (VV)

Amends S. Res. 377 to increase the authorization for the 3-month period March 1, to May 31, 1976, from $300,000 to $350,000 of which not to exceed $15,000 shall be for the procurement of consultants. S. Res. 414—Senate agreed to March 31, 1976. (VV)

Amends S. Res. 377 as amended, to increase the authorization for the 3-month period March 1, to May 31, 1976, from $450,000 to $515,000. S. Res. 435—Senate agreed to May 3, 1976. (VV)

Select Committee on Small Business.—Amends S. Res. 58 (81st Congress) to give legislative jurisdiction over all proposed legislation primarily relating to the Small Business Administration to the Select Committee on Small Business, which was originally created on February 20, 1950, without legislative authority and is composed of 17 members appointed in the same manner and at the same time as the chairman and members of the standing committees of the Senate. S. Res. 104—Senate adopted April 29, 1976. (158)

Watergate reform legislation.—States the sense of the Senate that the Senate should make every effort to reach, by July 2, 1976, a final passage vote on watergate reform, tax reform, and intelligence oversight legislation. S. Res. 437—Senate agreed to May 4, 1976. (163)

TRANSPORTATION-COMMUNICATIONS

Airport and airways development.—Amends the Airport and Airway Development Act of 1970 to authorize the Secretary of Transportation to make airport development grants at air carrier airports of $435 million for fiscal year 1976, $440 million for 1977, $465 million for 1978, $495 million for 1979 and $525 million for 1980; authorizes for airport development grants at general aviation airports $65 million for fiscal year 1976, $70 million for fiscal year 1977, $75 million for fiscal year 1978, $80 million for fiscal year 1979, and $85 million for fiscal year 1980; provides not less than $312,500,000 for fiscal year 1976, including the transition quarter, and not less than $250 million per fiscal year for fiscal years 1977 through 1980 for the purpose of acquiring, establishing, and improving air navigation facilities, and authorizes not to exceed $250 million for fiscal year 1977, $275 million for fiscal year 1978, $300 million for fiscal year 1979, and $325 million for fiscal year 1980 for air navigation services and facilities under international agreement, for acquiring, establishing and maintaining air navigation facilities and $50 million annually for research, development and demonstration projects with specific reference to research on a fog dispersal system;

Makes a technical amendment to extend the obligational authority for airport development grants from June 30, 1980, to September 30, 1980, and eliminates the overall obligational limitation;

Expands the definitions of various terms in the act including (1) "airport development" to permit grants to be made for snow removal and noise suppression equipment, construction of physical barriers and landscaping to diminish noise, and the purchase of land to insure its use for purposes compatible with noise levels at airports, and (2) "master planning" to permit funds to be used to plan for potential use and development of land surrounding an actual or potential airport site;

Requires the Secretary of Transportation, in consultation with the Civil Aeronautics Board, to prepare and publish a revised national airport system plan by January 1, 1978, which includes a projection of airport development over the next 10 years;

Provides for annual apportionments of funds to sponsors of air carrier airports (except commuter service airports) based on the number of annual passenger enplanements at the airport; provides that a carrier airport (1) which is serviced by aircraft heavier than 12,500 pounds or (2) which was served by such aircraft on or after September 30, 1968, shall not receive less than $187,000 or more than $12,500,000 for fiscal year 1976 and the transition quarter or less than $150,000 or more than $10 million per fiscal year thereafter through 1980; provides that a carrier airport which has not been served since September 29, 1968, by aircraft weighing 12,500 pounds or more shall not receive less than $62,500 or more than $12,500,000 for fiscal year 1976 and the transition quarter, or less than $50,000 or more than $10 million per fiscal year thereafter through 1980; provides that amounts designated for carrier airports that are not apportioned under this formula are to be distributed in the discretion of the Secretary, and that $18,750,000 for fiscal year 1976 and the transition quarter, and $15 million per fiscal year 1976 and the transition quarter, and $15 million per fiscal year thereafter through 1980 are to be distributed to commuter service airports;

Provides that the Federal share of airport development projects shall be 90 percent in the case of carrier airports which enplane less than one-fourth of 1 percent of all passengers at carrier airports for fiscal year 1976 through 1978, and 80 percent for fiscal years 1979 and 1980, and at all other airports, 75 percent; provides for a 50 percent Federal share for terminal development; and contains other provisions. H.R. 9771—Public Law 94- , approved 1976. (101)

Alaska Highway.—Authorizes $70 million in addition to sums otherwise made available to Alaska under title 23, U.S.C., and section 7(b) of the Federal-Aid Highway Act of 1966 for repair of highways in the State which are facing substantial deterioration because of construction of the Trans-Alaska pipeline, and directs the Secretary of Transportation to report to Congress by January 1, 1977, the feasibility of Alaska repaying, out of future mineral revenues it receives, any sums paid to the State pursuant to appropriations authorized by this Act. S. 2071—Passed Senate January 26, 1976. (VV)

Boat safety programs.—Amends the Federal Boat Safety Act of 1971 to increase and extend the authorization assistance for State boating safety programs for fiscal years 1977 and 1978 from $7.5 million annually to $10 million; authorizes the Secretary of Transportation to expend not to exceed 1¼ percent of the total funds appropriated annually for audit expenses; and continues the 33⅓ percent limitation on the Federal share of the annual cost of a State's boating program. H.R. 5630—Public Law 94- , approved 1976. (VV)

Common carrier tariff proceedings.—Extends to 90 days the period of time required for notification of a change in a common carrier tariff and extends to 5 months the period during which the Federal Communications Commission may suspend the effectiveness of new or revised tariff schedules. S. 2054—Passed Senate May 27, 1976. (VV)

ConRail acquisition of bankrupt rail property.—Provides that pursuant to the final system plan formulated by the United States Railway Association (USRA) to restructure the midwest and northeast railroad system, the transfer of the rail properties of 11 insolvent railroads along with their subsidiaries and affiliates to ConRail shall not result in the recognition of gain or loss to the transferor companies and that the shareholders and security holders of the transferors will not recognize gain or loss on exchanging their existing interest for ConRail stock and USRA certificates of value; provides that the basis of the assets transferred to ConRail is to be the same for ConRail as the transferor; provides that no net operating losses are to be transferred from the transferors to ConRail; and contains a provision that net operating losses eligible for carry over to years after the date of the transfer are to be kept alive for tax purposes beyond their normal expiration date, but only for use by the transferor against any future income arising from awards of the courts (and the redemption of certificates of value) with respect to the transfer of their rail assests to ConRail. H.R. 12490—Public Law 94-253, approved March 31, 1976. (VV)

ConRail stock.—Amends the Regional Rail Reorganization Act of 1973, as amended, to change language describing the process of making adjustments to reflect stock splits, stock combinations, reclassifications and similar transactions that might occur after the time of the distribution of the securities pursuant to the provisions of the Act; sets the initial authorized number of series B preferred stock at 35 million; and provides that the Corporation may issue initially, for the purpose of the required deposit, such numbers of series B preferred and common stock as the Association shall certify to the Special Court including any modifications in the numbers of shares as may be ordered by the Special Court. S.J. Res. 184—Public Law 94-248, approved March 25, 1976. (VV)

Educational broadcasting facilities.—Extends and perfects the matching grant program for construction of noncommercial educational radio and television broadcasting facilities and authorizes therefor $7.5 million for the transition period July 1–September 30, 1976, and $30 million for fiscal year 1977; and establishes a telecommunications demonstration program administered by HEW to promote the development of nonbroadcast telecommunications facilities for the transmission, distribution, and delivery of health, education and public or social service information whereby the Secretary of HEW is authorized, upon application, to make grants and enter into contracts with public and private nonprofit agencies, organizations and institutions to carry out this purpose and authorizes therefor $250,000 for the transition period July 1–September 30, 1976, and $1 million for fiscal year 1977. H.R. 9630—Public Law 94-309, approved June 5, 1976. (VV)

Federal-aid highway authorization.—Authorizes appropriations for the interstate system of $3.625 billion for each of fiscal years 1980 through 1990; provides authorizations out of the Highway Trust Fund for fiscal years 1977 and 1978, for various highway programs, including authorizations of $1.35 billion for each of these years for the Federal-aid primary system in rural areas, the extensions of the system in urban areas, and the priority primary routes, and $800 million for each of these years for the Federal-aid urban system; amends the Interstate transfer provision to allow funding of highway projects on the Federal-aid primary, secondary or urban systems in lieu of a nonessential Interstate link and to provide that the nationwide aggregate costs of substitute projects shall not exceed the nationwide aggregate costs of withdrawn routes, with the costs to be adjusted to the date of enactment of this act; requires States to spend 30 percent of their interstate funds during fiscal years 1978 and 1979 for the completion of intercity projects that would close essential gaps in the system; provides for increased transferability of funds between categories of highways; expands the carpool program to make it permanent and to include van pools, the purchase of vehicles, and carpooling opportunities for the elderly and handicapped within the program; authorizes a traffic control signalization program for demonstration of new technology, and a demonstration project for use in urban mass transportation of the Automated Guideway Transit system now in operation at the Dallas/Fort Worth Regional Airport; changes the apportionment for the primary system to a formula weighted two/thirds to the existing primary formula and one/third to the ratio of population in all urban areas, which reflects the change in the Federal-aid primary system to include urban extensions;

Contains authorizations for fiscal years 1977 and 1978 for programs carried out by the National Traffic Highway Safety Administration and by the Federal Highway Administration; prohibits the requiring of a State to adopt or enforce a motorcycle law requiring motorcycle operators or passengers 18 years of age or older to wear a safety helmet; and contains other provisions. H.R. 8235—Public Law 94–280, approved May 5, 1976. (*585)

Federal Communications Commission Forfeiture Authority.—Amends the Communications Act of 1934, as amended, to unify and simplify the forfeiture provisions; enlarges the scope of forfeiture liability to cover other persons subject to the Act such as cable television systems, users of experimental or medical equipment emitting electromagnetic radiation, persons operating without a valid radio station or operator's license, and some communications equipment manufacturers; extends the limitations period within which notices of liability must be issued as follows: for persons not previously subject to forfeiture liability—1 year; for nonbroadcast licensees—from 90 days to 1 year; and for broadcast licensees—from 1 year to 1 year or the current license terms, whichever is longer but not to exceed 3 years; raises the maximum forfeiture that could be imposed for a single violation to $2,000, for multiple violations in any single notice (in the case of a broadcast licensee, broadcast permittee, common carrier, or community antenna television system) to $20,000, and for any other person to $5,000; authorizes the Commission to mitigate or remit common carrier forfeitures in the same way as it now can for other persons; and permits the Commission to use the traditional procedure for imposing a forfeiture or to hold an adjudicatory hearing under section 554 of the Administrative Procedure Act. S. 2343—Passed Senate June 11, 1976. (VV)

Hazardous materials transportation.—Amends the Hazardous Materials Transportation Act to authorize $7 million for each of fiscal years 1977 and 1978 to implement the programs relating to the transportation of hazardous materials; strikes the word "extremely" from the requirement that shippers, carriers, and manfacturers of containers for "extremely" hazardous materials must register with the Department of Transportation; and clarifies the provision that the Secretary's authority to grant exemptions to manufacturers of hazardous materials extends to manufacturers of hazardous materials containers as well as to shippers and carriers. S. 2991—Passed Senate May 19, 1976. (VV)

Independent safety boards.—Authorizes additional appropriations of $3.8 million for the transition period July 1–September 30, 1976, $14.5 million for fiscal year 1977 and $15.7 million for fiscal year 1978 to implement the Independent Safety Board Act of 1974; authorizes the Board to issue an order prohibiting the premature disclosure of confidential information it obtains about an aircraft accident investigation conducted by a foreign state in accordance with Annex 13 issued under the Chicago Convention (61 Stat 1180), when the foreign state requests withholding of that information; sets forth guidelines which the Board should consider prior to issuing such an order and requires publication in the Federal Register of its intent to withhold information; provides for the public disclosure of the information after a period of 2 years or sooner if the foreign state has published a report thereon, has treated the information as not confidential or has notified the Board that it has no objection to such disclosure; contains provisions concerning judicial proceedings with respect to public disclosure; and specifies that this act shall not be construed as authority to withhold information from Congress or restrict the power of the Board to use or refer to any information in connection with safety recommendations. S. 2661—Passed Senate July 1, 1976 (VV)

Maritime authorization.—Authorizes a total of $488,641,000 for fiscal year 1977 for the following five categories of programs of the Maritime Administration: (1) ship operating-differential subsidies—$403,721,000; (2) research and development—$22,500,000; (3) reserve fleet—$4,560,000; (4) maritime training at the Merchant Marine Academy at Kings Point, New York—$13,260,000; and (5) financial assistance to State marine schools—$4,600,000; contains no new funding for vessel construction because funds appropriated for construction-differential subsidies remain unspent and continue to be available for fiscal year 1977 requirements; includes funds to permit an additional $300 payment per student for uniforms, books and subsistence allowance for periods of training abroad ship; and authorizes additional supplemental amounts to pay for any increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs of public utilities, food service and other expenses of the Merchant Marine Academy. H.R. 11481—Passed House March 11, 1976; Passed Senate amended June 15, 1976; House requested conference June 28, 1976. (VV)

Motor vehicle safety.—Amends the National Traffic and Motor Vehicle Safety Act of 1966 to authorize additional appropriations not to exceed $13 million for fiscal year 1977 and $60 million for fiscal year 1978, and directs the Secretary of Transportation to conduct a study and report to Congress, within 6 months of enactment, on actions that can be taken to reduce the liklihood of school bus accidents. H.R. 9291—Public Law 94– , approved 1976. (VV)

Rail negotiations.—Expresses the sense of the Congress that the public interest requires that the Chessie and Southern Railway Systems and the Railway Labor Organizations should resume negotiations forthwith with the assistance of the Secretaries of Labor and Transportation and exercise unusual diligence to resolve their differences to assure the acquisition and rehabilitation of properties currently owned by bankrupt railroads in the Midwest and Northeast Region pursuant to the final system plan developed by the Consolidated Rail Corporation (ConRail). S. Con. Res. 97—Senate adopted March 4, 1976; House adopted March 9, 1976. (VV)

Railroad revitalization. — Provides the means to rehabilitate and restore the financial stability of the railway system of the United States; in title II, amends part I of the Interstate Commerce Act to provide for an extensive overhaul of railroad rate regulation by the Interstate Commerce Commission (ICC), which includes the establishment of new standards for determining whether a railroad rate is just and reasonable and the modification of the power of the Commission to suspend proposed railroad rates which are alleged to be unlawful; in title III, contains provisions to reform and improve the process by which the ICC regulates the railroad system; in title IV, contains provisions designed to expedite and rationalize Commission action on applications for mergers and consolidations of rail services;

In title V, establishes in the Treasury a Railroad Rehabilitation and Improvement Fund to be administered by the Secretary of Transportation for the purpose of providing the capital necessary for rehabilitation and improvement of railroads, including ConRail; directs the Secretary to issue and sell Fund anticipation notes to the Secretary of the Treasury who is to buy the notes to the extent of appropriated funds; provides that the proceeds are to be used by the Secretary of Transportation to purchase "redeemable preference shares" issued by railroads whose applications for financing are approved by the Secretary; authorizes $600 million for the Fund through September 30, 1978;

In title VI, provides for the implementation of the Final System Plan for the Northeast/Midwest Regional rail system; authorizes the United States Railway Association to purchase up to $2.1 billion of ConRail securities unless the Association's Finance Committee (composed of the Secretaries of Transportation and the Treasury and the Chairman of the Association) makes an affirmative finding that ConRail has not fulfilled a commitment to the Association, has failed to obtain the overall operating and financial results projected in the Final System Plan, or cannot achieve the results without requiring Federal assistance substantially in excess of that authorized by this act; provides that an affirmative finding by the Committee to cut off funds for ConRail will become effective after 30 calendar days of continuous session of Congress unless either House passes a resolution of disapproval; authorizes $230 million for preconveyance loans by the Association to ConRail to purchase material, supplies and services in anticipation of its operation;

In title VII, provides for the implementation of the Northeast Corridor project for establishment of high speed intercity rail passenger service in the heavily populated eastern seaboard, which includes the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia; provides that the project is to be funded by the Secretary of Transportation in order to achieve within 5 years the establishment of regularly scheduled intercity service operating on at least a 3 hour and 40 minute schedule between Boston and New York City and a 2 hour and 40 minute schedule between New York City and Washington; authorizes $1.75 billion to meet this goal; sets as other goals the improvement of service on routes from the Northeast Corridor main line, improvement of stations, rail commuter service, rail freight service, and passenger radio telephone service; directs the Secretary to report to Congress in 2 years on the results of the project and on the practicability of establishing passenger service between Boston and New York City on at least a 3 hour schedule;

In title VIII, clarifies the ICC's authority over railroad abandonments and discontinuances; establishes a local rail service assistance program on a nationwide basis and authorizes $360 million for this purpose over a 5-year period; makes several changes in the local rail service assistance program for the northeast/midwest region originally provided in the Regional Rail Reorganization Act of 1973; contains various miscellaneous provisions in title IX, including the requirement of a study by the Secretary of the American Rail System and an analysis of Federal rail assistance; and contains other provisions. S. 2718—Public Law 94–210, approved February 5, 1976. (*552,*609,16)

Railroad safety.—Amends the Federal Railroad Safety Act of 1970 to authorize additional appropriations of not to exceed $35 million for fiscal year 1977 to implement the act including the State grant-in-aid program of which $18 million is for the Office of Safety, including salaries and expenses for 500 safety inspectors, 45 signal and train control inspectors, and 110 clerical positions; $3,500,000 is for the Federal Railroad Administration for salaries and expenses for the safety program; and $10 million is for research and development activities; and provides that the aggregate of the amounts obligated and expended for research and development during fiscal year 1977 shall not exceed the aggregate of the amounts expended for rail inspection and for the investigation and enforcement of railroad safety rules, regulations, orders and standards. H.R. 11804—Public Law 94– , approved 1976. (VV)

Shipbuilding contracts.—Amends section 502(a) of the Merchant Marine Act, 1936, as amended, to extend from June 30, 1976, to June 30, 1979, the authority of the Secretary of Commerce to award subsidies for the construction of vessels with respect to which the price has been established by negotiating between the prospective ship purchaser and the shipyard; provides that the same ceiling on the subsidy rate shall apply to negotiated shipbuilding contracts as to contracts awarded as a result of competitive bidding; and eliminates various references to the Commission of American Shipbuilding and to annual guideline rates which are no longer operative. S. 3171—Passed Senate June 30, 1976. (VV)

Translator broadcast operations.—Amends section 318 of the Communications Act of 1934, as amended, to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programming, and to authorize frequency modulation (FM) radio translator stations to operate unattended in the same manner as is now permitted for television broadcast translator stations. S. 2847—Passed Senate May 27, 1976; Passed House amended June 21, 1976. (VV)

Veterans

American Battle Monuments Commission travel expenses.—Authorizes members of the American Battle Monuments Commission (which was established after World War I to provide plans and cost estimates for suitable memorials to commemorate the services of the American Armed Forces on foreign soil), when traveling outside the continental United States, variable per diem rates identical to those authorized for members of the uniformed services in special status, and makes a technical amendment consistent with the changes made by the Travel Expense Amendments for Government employees (Public Law 94–22) concerning travel by members of the Commission within the continental United States. H.R. 8507—Public Law 94–256, approved April 1, 1976. (VV)

Veterans' housing loans.—Amends chapter 17, title 38, U.S.C., to extend eligibility for housing benefits to veterans whose service in the Armed Forces was exclusively following the official termination of World War II and before the Korean conflict (July 25, 1947, to June 27, 1950); increases the maximum loan available through the Veterans' Administration direct home loan program from $21,000 to $33,000 and the maximum amount for a direct home loan in "excess cost" areas from $25,000 to $33,000 thereby providing a single standard throughout the United States; makes the V.A.'s loan guaranty and direct home loan programs ongoing permanent programs; increases the maximum mobile home loan guaranty for the purchase of mobile homes from 30 to 50 percent; makes technical amendments to the housing chapter to correct grammatical errors and to remove unnecessary reference and preempts under certain conditions, State constitutional usury provisions which limit interest rates chargeable on FHA and VA mortgages by a certain class of lenders but which do not impose such rate limits on mortgages made by another class of lenders. S. 2529—Public Law 94–324, approved June 30, 1976. (VV)

Veterans' information.—Amends title 38, U.S.C., to authorize the Veterans' Administration to release the names and addresses of patients who are receiving or have received treatment in VA health care facilities (1) to any nonprofit entity if the release is directly connected with the conduct of programs and the utilization of benefits under title 38, U.S.C., or (2) to any criminal or civil law enforcement agency charged under applicable law with the protection of the public health or safety, if a qualified representative of the agency has made a written request that names or addresses be provided for a purpose authorized by law; and imposes fines and criminal liability for the knowing use or release of names and addresses under unauthorized conditions. H.R. 10268—Public Law 94–321, approved June 29, 1976. (VV)

Veterans' insurance.—Amends title 38, U.S.C., to permit any Veteran insured under Servicemen's Group Life Insurance (SGLI) the right to convert to an individual policy of commercial life insurance including a term policy; permits Veterans insured under Veterans' Group Life Insurance when exercising their conversion privilege the right to choose an individual commercial policy of term insurance (convertible at a time specified in the policy to a permanent plan of insurance) or a whole life policy; extends for 1 year after enactment the period during which veterans extended retroactive eligibility by Public Law 93–289 for Veterans' Group Life Insurance may apply for such policies; and makes technical amendments to chapter 19, title 38, U.S.C., to clarify language, restructure sections and eliminate unnecessary gender references. S. 1911—Public Law 94– , approved 1976. (VV)

ADJOURNMENT UNTIL MONDAY, JULY 19, 1976

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the House Concurrent Resolution 669, that the Senate stand in adjournment until the hour of 12 noon, July 19, 1976.

The motion was agreed to; and at 11:01 a.m. the Senate adjourned until Monday, July 19, 1976, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 2, 1976:

Department of Commerce

John W. Eden, of Pennsylvania, to be an Assistant Secretary of Commerce, vice Wilmer D. Mizell, Sr., resigned.

National Science Foundation

Eloise E. Clark, of the District of Columbia, to be an Assistant Director of the National Science Foundation, vice Louis Levin, resigned.

In the Air Force

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of Chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Major to lieutenant colonel

Aaron, George B., [redacted].
Adams, Richard J., [redacted].
Adams, Thomas R., [redacted].
Agar, James R., [redacted].
Agnello, Anthony M., [redacted].
Ahlborn, John F., [redacted].
Akerlund, Edward T., [redacted].
Akers, Ronald L., [redacted].
Albertson, Robert L., [redacted].
Albrecht, Ronald L., [redacted].
Alexander, Jimmie M., [redacted].
Alkire, Melvin G., [redacted].
Amend, Dale N., [redacted].
Anaclerio, Michael, [redacted].
Anderson, Alan H., [redacted].
Anderson, Floyd R., [redacted].
Anderson, Jack E., [redacted].
Anderson, John S., [redacted].
Anderson, Philip J., [redacted].
Andrews, John F., [redacted].
Anelli, John W., [redacted].
Anessi, Thomas J., [redacted].
Angell, Jerry W., [redacted].
Arbuthnot, Alfred H., [redacted].
Archie, Charles E., [redacted].
Arias, Roger F. A., [redacted].
Armstrong, Frederic C., [redacted].
Ashley, Donald L., [redacted].
Atkinson, Corinne G., [redacted].
Autery, Clarence R., [redacted].
Baca, Manuel J. Jr., [redacted].
Bache, Ronald H., [redacted].
Baker, Duane A., [redacted].
Bale, William F., [redacted].
Balent, John D., [redacted].
Ball, James P., [redacted].
Balo, Ronald L., [redacted].
Banaszak, Jerome J., [redacted].
Banholzer, Alfred E., II, [redacted].
Banner, Hastings W., [redacted].
Bannon, Paul W., [redacted].
Barbay, Lawrence, [redacted].
Barrel, Richard C., [redacted].
Barckhoff, Richard L., [redacted].
Barger, James S., [redacted].
Barikmo, Norman M., [redacted].
Barlow, Robert C., [redacted].
Barnes, John C., [redacted].
Barnes, William A., [redacted].
Barrett, Archie D., [redacted].
Barrett, John C., [redacted].
Barrett, Russell W., [redacted].
Barry, Daniel P., [redacted].
Bartholomew, Charles W., [redacted].
Bartholomew, Frank C., [redacted].
Bartlett, Henry C., Jr., [redacted].
Bartlett, Ronald A., [redacted].
Basel, Gene I., [redacted].
Bass, Stanley A., [redacted].
Bates, David B., [redacted].
Bates, John A., [redacted].
Bates, Neil G., [redacted].
Bathke, Robert K., [redacted].
Batts, James S., [redacted].
Baumann, Paul K., [redacted].
Baumann, Walter G., [redacted].
Bavousett, Conrad L., [redacted].
Bays, Brooks G., [redacted].
Beale, Robert E., [redacted].
Beard, John R., [redacted].
Beers, Alva E., [redacted].
Belcher, Ronald H., [redacted].
Bell, William D., [redacted].
Belt, Robert K., Jr., [redacted].
Bennett, Richard L., [redacted].
Bennett, William T., Jr., [redacted].
Berno, David P., [redacted].
Bernert, George W., [redacted].
Berry, Stanley D., [redacted].
Berthold, Hubert M., [redacted].
Bice, Don L. F., [redacted].
Bigelow, Daniel J., [redacted].
Bingham, Jack F., [redacted].
Bishop, Erastus N., [redacted].
Bishop, Ronald J. B., Jr., [redacted].
Bishop, Warren E., [redacted].
Bithell, Wayne, [redacted].

Bitner, Ludie W., [redacted].
Blanch, Claude C., [redacted].
Blankenship, Jesse L., [redacted].
Blaylock, Bobby G., [redacted].
Blevins, Edward A., [redacted].
Blinn, Donald F., [redacted].
Blom, Roger L., [redacted].
Blood, Robert E., [redacted].
Bloom, James M., [redacted].
Boatwright, Charles A., [redacted].
Bodington, Mountford E., [redacted].
Bond, Parker I., [redacted].
Bond, Ronald A., [redacted].
Bonner, William T., Jr., [redacted].
Bonnette, John C., [redacted].
Boone, Daniel W., [redacted].
Boucher, Raymond E., [redacted].
Bourgedis, Gerald F., [redacted].
Bowen, Philip K., [redacted].
Bowie, Donald A., [redacted].
Bowles, Neil H., [redacted].
Boyd, John T., [redacted].
Bozeman, Gerald E., [redacted].
Bradbury, John N., [redacted].
Braden, Courtland R., [redacted].
Bradley, Edgar A., [redacted].
Bradley, Martin G., [redacted].
Bradley, Mitchell H., [redacted].
Bradley, Olin H., [redacted].
Brammer, John E., II, [redacted].
Branan, Carl K., [redacted].
Branby, Harlan E., [redacted].
Branch, Leonard J., [redacted].
Branham, Ruel K., [redacted].
Brant, Raymond F., [redacted].
Braun, Cecil O., [redacted].
Brauner, Henry P., [redacted].
Brazelton, Douglas W., [redacted].
Breaud, Alfred A., Jr., [redacted].
Breacher, James D., [redacted].
Breedlove, Wiliam O., III, [redacted].
Brestel, Max C., [redacted].
Bright, Mahrlon R., [redacted].
Brininstool, Edward P., [redacted].
Britos, Peter J., [redacted].
Broske, Bernard J., [redacted].
Broussard, Ray E., [redacted].
Brown, Clarence E., Jr., [redacted].
Brown, James T., Jr., [redacted].
Brown, Richard A., [redacted].
Brown, Robert M., [redacted].
Brown, Troy M., [redacted].
Bruno, Donald J., [redacted].
Bucciarelli, Marco A., [redacted].
Buchanan, Frank A., [redacted].
Buckland, Frank P., Jr., [redacted].
Buddi, John F., Jr., [redacted].
Budzowski, Benjamin, M., [redacted].
Bugge, John E., [redacted].
Buglewicz, Francis J., Jr., [redacted].
Bumgarner, Robert R., [redacted].
Bunten, Laurie A., [redacted].
Buoni, Frederick R., [redacted].
Burdick, Martin M., [redacted].
Burer, Arthur W., [redacted].
Burger, Jack T., [redacted].
Burnthorne, Bryan R., [redacted].
Busbee, John H., [redacted].
Bush, Clarence H., Jr., [redacted].
Bush, Kenneth, [redacted].
Bustle, Lawrence E., Jr., [redacted].
Butkewicz, Peter J., [redacted].
Butler, Gregory J., [redacted].
Butschek, Robert J., [redacted].
Bylinski, Joseph J., [redacted].
Byrd, William C., [redacted].
Byrus, Robert L., [redacted].
Cadieux, Ronald A., [redacted].
Caley, Don C., [redacted].
Callis, David M., [redacted].
Campbell, Bart C., [redacted].
Campbell, Edward F., [redacted].
Campbell, Ralph N., [redacted].
Cannon, Daniel P., [redacted].
Cannon, John W., [redacted].
Cantrell, Edwin B., III, [redacted].
Carleton, Joseph M., Jr., [redacted].
Carlson, Milo L., [redacted].
Carlton, James E., [redacted].
Carroll, Gary K., [redacted].
Carroll, Harvey C., Jr., [redacted].
Carskadden, Thomas H., [redacted].
Carson, Harold E., Jr., [redacted].
Carter, Donald M., [redacted].
Carter, William T., [redacted].
Caruso, David, [redacted].
Cassidy, Philip E., [redacted].
Castleberry, Allan R., [redacted].
Catalfamo, Philip J., [redacted].
Cattee, Eugene P., [redacted].
Centofanti, Jospeh J., [redacted].
Chadwick, Peter D., [redacted].
Chambers, Jerry L., [redacted].
Chambers, William R., [redacted].
Chaney, Clyde, [redacted].
Chansler, William A., [redacted].
Chapin, Charles T., [redacted].
Charles, Cecil M., [redacted].
Chase, Arthur L., [redacted].
Chase, Franklin L., [redacted].
Chase, Paul N., [redacted].
Chason, Lloyd R. [redacted].
Chavez, Gabriel V., [redacted].
Ching, Norman Y. S., [redacted].
Chiorino, Silvio B., [redacted].
Christensen, Richard W., [redacted].
Christman, Donald O., [redacted].
Christy, Frank J., [redacted].
Church, Larry D., [redacted].
Ciambrone, Thomas W., [redacted].
Clair, Carl F., [redacted].
Clark, Charles R., [redacted].
Clark, Don A., [redacted].
Clark, Gaylord W., [redacted].
Clark, Milton M., [redacted].
Clark, Phillip D., [redacted].
Clark, Robert N., [redacted].
Clark, Thomas S., Jr., [redacted].
Clark, William R., [redacted].
Clarke, David K., [redacted].
Clarke, Herbert F., [redacted].
Clarke, William D., III, [redacted].
Clay, Wayne J., [redacted].
Claymore, Paul T., [redacted].
Cleary, Patrick J., [redacted].
Clements, Douglas M., [redacted].
Coats, George S., [redacted].
Cochrane, John H., [redacted].
Cockrell, Allen A., [redacted].
Coffey, Robert T., [redacted].
Coldwater, Robert E., [redacted].
Cole, Alan R., [redacted].
Collipi, Thomas C., [redacted].
Comeaux, Paul C., [redacted].
Cone, Ronald L., [redacted].
Connett, David C., [redacted].
Connolly, Keith B., [redacted].
Connolly, Michael F., [redacted].
Conover, Charles B., [redacted].
Cook, George E., [redacted].
Cool, Gary D., [redacted].
Cooley, Robert B., [redacted].
Coolidge, John K., [redacted].
Cooney, Joseph E., [redacted].
Cooper, Leroy D., [redacted].
Cooper, Sheldon H., [redacted].
Copley, James E., [redacted].
Corder, Charles V., Jr., [redacted].
Corley, Parris L., [redacted].
Cormier, Johnny E., [redacted].
Costas, William T., [redacted].
Costello, Raymond P., [redacted].
Costin, James L., [redacted].
Cothran, Thurman, D,. Jr., [redacted].
Coursen, Franklin H., [redacted].
Couture, Donald J., [redacted].
Couture, Marcel A., [redacted].
Cowles, John H., [redacted].
Cox, Billy W., [redacted].
Cox, Hugh L., III, [redacted].
Cox, James W., [redacted].
Coyle, Harold S., Jr., [redacted].
Craft, Richard L., [redacted].
Craig, James T., Jr., [redacted].
Crawford, Gerald P., [redacted].
Crist, Robert B., [redacted].
Critchley, Harry R., Jr., [redacted].
Crook, Richardson H., [redacted].
Cross, Charles A., [redacted].
Crumroy, Otto F., Jr., [redacted].
Cudahy, George F., [redacted].
Cunningham, William F., Jr., [redacted].
Curtis, Alan M., [redacted].
Cushenberry, Anthony S., [redacted].
Custer, Gomer C., [redacted].
Cutler, Harold G., [redacted].
Dabbs, Travis D., [redacted].
Dabrowski, Charles T., [redacted].
Daly, Gerald J., [redacted].
Daniels, Preston J., [redacted].
Darcey, Edward H., [redacted].
Davenport, Ronald L., [redacted].
Davey, Thomas J., Jr., [redacted].
Davidson, Alfred H., III, [redacted].
Davis, David L., [redacted].
Davis, Donald H., [redacted].
Davis, Duane M., [redacted].
Davis, Eddie R., [redacted].
Davis, Jon L., [redacted].
Davis, Robert E., [redacted].
Davis, Samuel J., III, [redacted].
Daye, Jerry G., [redacted].
Dayton, Thomas E., [redacted].
Deal, Kenneth L., [redacted].
Deans, William R., [redacted].
Deardorf, Eldon N., [redacted].
Deas, Robert S., [redacted].
Debolt, James G., [redacted].
Deering, Philip A., [redacted].
Deken, George T., [redacted].
Dekeyser, Bernard R., [redacted].
Demchuk, Sergi L., [redacted].
Denard, James M., Jr., [redacted].
Denham, John H., [redacted].
Dennehey, Joseph J., Jr., [redacted].
Dennis, Joseph K., [redacted].
Denton, Murray B., [redacted].
Depoorter, Win E., [redacted].
Derrick, Elbert D., Jr., [redacted].
Desmond, William B., Jr., [redacted].
Devoe, Frederic A., Jr., [redacted].
Dickens, Milford L., [redacted].
Dickensheets, Richard E., [redacted].
Dickinson, Arthur L., Jr., [redacted].
Dillun, Harley L., Jr., [redacted].
Dolana, William G., Jr., [redacted].
Donald, Henry L., [redacted].
Donaldson, Charles A., [redacted].
Donley, Jack E., [redacted].
Dooley, Thomas J., [redacted].
Dorazio, Silvio I., [redacted].
Douglas, McCleary A., [redacted].
Dowell, Michael I., [redacted].
Driscoll, Bruce H., [redacted].
Duboise, Donald E., [redacted].
Ducote, Richard J., [redacted].
Duke, Thomas A., [redacted].
Dundervill, Robert F., Jr., [redacted].
Dunham, Norbert D., [redacted].
Dunn, Alden D., [redacted].
Dupont, Joseph H., Jr., [redacted].
Durivage, Henry J., [redacted].
Dwyer, Gerald T., [redacted].
Eassa, Donald A., [redacted].
East, Roger W., [redacted].
Ebert, Hugh D., Jr., [redacted].
Edmundson, Johnny H., [redacted].
Edstrom, John K., [redacted].
Edwards, John R., [redacted].
Edwards, Richard D., [redacted].
Edwards, Roger S., [redacted].
Eibach, William J., [redacted].
Einsel, Willis E., [redacted].
Eldridge, George E., [redacted].
Eller, James M., [redacted].
Ellis, George J., Jr., [redacted].
Elsby, C. N., [redacted].
Emory, James W., [redacted].
Engebretson, Roger W., [redacted].
Engel, Carl R., [redacted].
English, Delmar L., [redacted].
Ennever, Robert O., Jr., [redacted].
Ensslin, Kenneth C., [redacted].
Epifani, Louis R., [redacted].
Erhart, Robert J., [redacted].
Erickson, Donald E., [redacted].
Essmeier, Charles T., [redacted].
Eustace, Jerold L., [redacted].
Evans, Asa L., Jr., [redacted].
Evgenides, Constantine N., [redacted].
Ewald, Clarence J., [redacted].
Fabyanic, Thomas A., [redacted].

Fake, Mary L., [redacted].
Falconieri, Louis, [redacted].
Fanelli, William B., [redacted].
Farris, Jack K., [redacted].
Farthing, Fred G., Jr., [redacted].
Faseler, Marion C., [redacted].
Federici, Fred J., Jr., [redacted].
Fenstermacher, Gene, [redacted].
Fessler, George R., Jr., [redacted].
Field, Lawrence H., [redacted].
Field, Robert W., [redacted].
Fink, Barry N., [redacted].
Finuf, Edward V., [redacted].
Fischer, Lowell W., [redacted].
Fischer, Sherril H., [redacted].
Fiscus, John E., [redacted].
Fitzgerald, Byron S., [redacted].
Flanagan, Joseph J., [redacted].
Fleckenstein, John F., [redacted].
Fleet, Ronald P., [redacted].
Fleitz, Richard A., [redacted].
Fleming, Leon P., [redacted].
Flora, Earl L., [redacted].
Flowers, Kenneth H., [redacted].
Fluhr, James F., [redacted].
Ford, Joseph S., II, [redacted].
Forrest, John G., Jr., [redacted].
Forsyth, Milton D., Jr., [redacted].
Fosse, James M., [redacted].
Foster, Harl R., [redacted].
Foster, Royal E., Jr., [redacted].
Fraker, Donald D., [redacted].
France, John B., [redacted].
Franco, Joseph M., Jr., [redacted].
Franklin, Maury A., [redacted].
Frazier, Lester G., [redacted].
Freathy, Frederick C., Jr., [redacted].
Fred, Richard E., [redacted].
Fredeen, Lowell A., [redacted].
Freed, Darryl W., [redacted].
Freeman, Dan W., [redacted].
Freeman, David E., [redacted].
Frick, Glenn E., [redacted].
Friesel, Clarence E., [redacted].
Friesen, Don D., [redacted].
Frische, Norbert W., [redacted].
Fruehauf, Benjamin F., Jr. [redacted].
Fujimoto, Leslie I., [redacted].
Funkhauser, John L., [redacted].
Gadd, Robert F., III, [redacted].
Galbraith, Buren G., [redacted].
Gamble, Wayne W., [redacted].
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Long, Steven W., Jr., [redacted].
Lopina, Robert F., [redacted].
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Lowry, Stanley M., [redacted].
Loy, Ronald L., [redacted].
Lucas, Ray E., [redacted].
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Magner, Arthur, L., [redacted].
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Offill, Phillip W., [redacted].
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Reichert, Albert C., [redacted].
Reid, Robert D., [redacted].
Reigel, Donald E., [redacted].
Reiman, Roy H., [redacted].
Rentner, Paul E., [redacted].
Reyna, Jose G., [redacted].
Rhodes, Jimmy P., [redacted].
Richard, Robert B., Jr., [redacted].
Richards, Jerry W., [redacted].
Richards, William L., [redacted].
Riddle, Owen W., [redacted].
Ridolfi, Richard R., [redacted].
Rieke, Don M., [redacted].
Riggs, Denton J., [redacted].
Riley, Leonard W., III, [redacted].
Ringler, William C., [redacted].
Ritchey, John W., [redacted].
Roberts, Dan A., [redacted].
Roberts, Joe H., [redacted].
Roberts Philip T., [redacted].
Robinson, Kenneth D., [redacted].
Roche, James T., [redacted].
Rochelle Herbert R., [redacted].
Rockel, Robert H., [redacted].
Roder, John R., [redacted].
Rodke, Phillip M., [redacted].
Rodriguez, Rubert, [redacted].
Roehm, Richard R., Jr., [redacted].
Rogers, Craven C., Jr., [redacted].
Rogers, Joe N., [redacted].
Rohde, Roy F., [redacted].
Roland, Carl J., [redacted].
Roland, Ronald J., [redacted].
Rosenberg, Robert A., [redacted].
Rothman, Max, [redacted].
Rothwell, Roger D., [redacted].
Rounsaville, Glo L., [redacted].
Rowland, Donald D., [redacted].
Rowlands, Bruce H., [redacted].
Roysdon, Douglas A., [redacted].
Ruark Robert W., [redacted].
Ruby, Carl C., Jr., [redacted].
Runge, Norman H., [redacted].
Ruple, Marion T., Jr., [redacted].
Rush, Thomas A., [redacted].
Russ, Robert M., [redacted].
Russell, James F., [redacted].
Ryan, Glen A., [redacted].
Sahm, Menno J., [redacted].
Samborsky, Joseph M., [redacted].
Samson, Dale D., [redacted].
Samson, Walter R., [redacted].
Sandelin, Thomas E., [redacted].
Sanders, James B., Jr., [redacted].
Sanders, Walter H., [redacted].
Sands, Earl E., [redacted].
Santee, Russell F., [redacted].
Sargent, Gordon S., [redacted].
Savelle, Clarence J., [redacted].
Saylor, Arthur W., [redacted].
Scarbrough, Rober O., [redacted].
Scarff, James P., Jr., [redacted].
Schafer, James R., [redacted].
Schafer, John V., Jr., [redacted].
Schesser, William F., [redacted].
Schmidt, Francis J., [redacted].
Schmucker, Franz, [redacted].
Schneider, Stanley P., [redacted].
Scholz, Joachim E., [redacted].
Schuessler, Patricia A., [redacted].
Schultz, Sterling E., [redacted].
Schumaker, Karl H., [redacted].
Schurr, Roger D., [redacted].
Schwalm C. Rickard, [redacted].
Schwartzman, Larry, [redacted].
Schwehm, Paul J., [redacted].
Scow, Roger D., [redacted].
Scrivano, Peter J., [redacted].
Scronce, Nicholas F., [redacted].
Seats, John H., [redacted].
Sedano, John M., [redacted].
Seech, John R., [redacted].
Segrest, Claude H., Jr., [redacted].
Seh, Robert H., Jr., [redacted].
Seifert, William K., [redacted].
Seigal, John W., [redacted].
Seinwill, Ronald W., [redacted].
Sentman, Lyle A., [redacted].
Setnicky, John E., [redacted].
Severance, Donald M., Jr., [redacted].
Shackelford, Billy F., [redacted].
Shannon, Donald H., [redacted].
Sharp, James C., [redacted].
Shaw, Russell E., [redacted].
Sheats, Benton E., [redacted].
Sheely, William C., Jr., [redacted].
Shelton, Richard L., [redacted].
Shelton, Thomas E., [redacted].
Sherman, Vincent J., [redacted].
Shipley, Dale F., [redacted].
Shockey, Samuel H., Jr., [redacted].
Shoemaker, Rollin R., [redacted].
Showalter, Larry A., [redacted].
Shrum, Claude R., [redacted].
Shuttleworth, Jack M., [redacted].
Siburg, William E., Jr., [redacted].
Sickenberger, William L., [redacted].
Siderius, Jerome D., [redacted].
Silver, Edward D., [redacted].
Simmons, Ross W., [redacted].
Simmons, William P., [redacted].
Simons, Richard W., [redacted].
Simpson, Ora L., Jr., [redacted].
Sims, Hiram L., [redacted].
Sinclair, Vivienne C., [redacted].
Sinclair, Waymon L., [redacted].
Sinnott, Gilbert J., III [redacted].
Sisson, Lyle A., Jr., [redacted].
Skinner, Eleanor I., [redacted].
Slaney, John H., [redacted].
Slatcher, James R., [redacted].
Slauson, William J., [redacted].
Sloan, Harold J., [redacted].
Smart, David E., [redacted].
Smathers, Edwin D., Jr., [redacted].
Smiley, Kenneth S., Jr., [redacted].
Smith, Carl D., [redacted].
Smith, Clarence R., [redacted].
Smith, Colin A., [redacted].
Smith, David L., Jr., [redacted].
Smith, Earle K., Jr., [redacted].
Smith, Frederic H., III, [redacted].
Smith, Harold C., [redacted].

Smith, Horace D., [redacted].
Smith, Howard H., [redacted].
Smith, James E., [redacted].
Smith, Philip E., [redacted].
Smith, Richard W., [redacted].
Smith, Samuel F., III, [redacted].
Smith, William A., [redacted].
Smith, William K., [redacted].
Smyser, Craig H., [redacted].
Snide, Thomas W., [redacted].
Snow, William M., Jr., [redacted].
Snyder, Donald, [redacted].
Soderberg, Adolph D., [redacted].
Solana, Frank J., [redacted].
Solberg, Harold A., [redacted].
Soltesz, James F., [redacted].
Songer, Hubert D., Jr., [redacted].
Sparks, Billy R., [redacted].
Sparks, William L., [redacted].
Spearman, Jack L., [redacted].
Spence, George D., [redacted].
Spencer, James E., [redacted].
Spotswood, David T., [redacted].
Spriggs, Duane G., [redacted].
Stallings, William T., [redacted].
Stamm, James D., [redacted].
Stammer, John Howard N., [redacted].
Staten, James D., [redacted].
StClair, Gilbert K., [redacted].
Steinkamp, Henry W., Jr., [redacted].
Stemler, Rodger L., [redacted].
Stephens, Glen, [redacted].
Stephenson, David R., [redacted].
Stephenson, Ralph W., [redacted].
Sterrett, Charles R., [redacted].
Stevenson, Richard A., [redacted].
Steves, John R., Jr., [redacted].
Stewart, Ellis C., Jr., [redacted].
Stewart, George R., [redacted].
Stewart, Glen F., [redacted].
Stewart, John J., [redacted].
Stewart, Tom E., Jr., [redacted].
Stigers, William D., [redacted].
Stockton, Douglas W., [redacted].
Stone, Joseph L., Jr., [redacted].
Stoner, Richard L., [redacted].
Stoob, John C., [redacted].
Stowell, Dibrell C., [redacted].
Strange, John E., Jr., [redacted].
Stratford, John J., Jr., [redacted].
Strickland, Reginald E., [redacted].
Stringer, Harvie L., [redacted].
Strome, Richard H., [redacted].
Stuart, Floyd R., [redacted].
Stuck, John G., Jr., [redacted].
Stuckey, Savery G., [redacted].
Stuntz, Jose E., [redacted].
Suiter, William P., [redacted].
Sullivan, Hiram R., [redacted].
Sullivan, Robert L., [redacted].
Sullivan, Robert T., [redacted].
Sullivan, William J., Jr., [redacted].
Summers, Charles M., [redacted].
Surovic, Arthur F., [redacted].
Surovik, John H., Jr., [redacted].
Survil, Edward J., [redacted].
Sutton, Glenn H., [redacted].
Swanson, Ralph J., [redacted].
Swanson, Robert G., [redacted].
Swendner, William J., [redacted].
Swihura, Edward J., [redacted].
Swofford, Donald D., [redacted].
Taddeo, John J., [redacted].
Tannen, Peter D., [redacted].
Tarvin, Albert L., [redacted].
Tatum, Walter F., Jr., [redacted].
Taylor, Alvin, Jr., [redacted].
Taylor, Henry I., [redacted].
Taylor, John R., [redacted].
Taylor, Kenneth G., [redacted].
Taylor, Thomas J., [redacted].
Tedeschi, James R., [redacted].
Tefft, Howard E., [redacted].
Telford, Joe W., [redacted].
Terrell, Joseph E., [redacted].
Terry, Jack E., [redacted].
Thomas, David H., II., [redacted].
Thomas, George J., Jr., [redacted].
Thomas, John K., [redacted].
Thomas, Kenneth W., [redacted].
Thomas, Lawrence E., [redacted].
Thompson, Andrew C., Jr., [redacted].
Thompson, George E., [redacted].
Thompson, Gerald G., [redacted].
Thompson, Harry C., [redacted].
Thompson, James D., [redacted].
Thompson, James M., [redacted].
Thompson, Leslie B., [redacted].
Thompson, Thomas B., [redacted].
Thornal, Leroy W., [redacted].
Thornhill, John R., [redacted].
Thurston, John R., [redacted].
Tice, Robert K., [redacted].
Tieber, Julius A., III, [redacted].
Tillman, Frederick J., [redacted].
Tillman, John B., [redacted].
Timothy, Thomas E., [redacted].
Tokash, Frederick E., [redacted].
Tolley, Charles P., [redacted].
Toner, Richard J., [redacted].
Treece, James A., [redacted].
Trimble, Clifford J., [redacted].
Trimpert, Michael J., [redacted].
Tringali, Charles J., [redacted].
Trombley, Donald E., [redacted].
Tucker, David L., [redacted].
Turley, Mack C., [redacted].
Turner, Alexander P., Jr., [redacted].
Turner, Gene C., [redacted].
Tuso, Joseph F., [redacted].
Twells, Ronald G., [redacted].
Uhl, Donald P., [redacted].
Underwood, Rufus, D., Jr., [redacted].
Uno, Peter K., [redacted].
Vallerie, Eugene M., III, [redacted].
Vanarsdale, Doyle, L., [redacted].
Vanbrunt, Ralph S., [redacted].
Vance, Wilson R., [redacted].
Vaughn, Frank S., Jr., [redacted].
Vaught, Wilma I., [redacted].
Vinson, Billy J., [redacted].
Vives, Peter, Jr., [redacted].
Vonhake, Richard W., [redacted].
Voyiaziakis, Stanley, [redacted].
Vulkoff, R. C., [redacted].
Waddell, Dewey W., [redacted].
Waggener, James S. Jr., [redacted].
Wagner, Edward M., [redacted].
Waite, Leland K., [redacted].
Waite, Merrill J., [redacted].
Wakefield, Donald R., [redacted].
Walcott, Gordon M., [redacted].
Walker, Gerald D., [redacted].
Walker, Phillip J., [redacted].
Walker, Thomas E., [redacted].
Walker, William O., [redacted].
Wallace, Kenneth H., [redacted].
Wallace, Roy G., [redacted].
Waller, Benjamin E., III, [redacted].
Walpole, Bernard L., [redacted].
Walters, Ralph D., [redacted].
Walton, Gary K., [redacted].
Wampler, James P., [redacted].
Wanamaker, James E., [redacted].
Ward, Bobby L., [redacted].
Warner, Robert E., Jr., [redacted].
Warnick, Charles P., [redacted].
Washam, Billy M., [redacted].
Watcher, Pete, [redacted].
Webb, John A., [redacted].
Webb, William B., [redacted].
Weber, Theodore W., [redacted].
Weed, Marvin J., [redacted].
Weihl, Clinton G., [redacted].
Weisbrodt, James M., [redacted].
Weissmueller, Courtney E., [redacted].
Welch, Robert F., [redacted].
Wells, Frederick L., [redacted].
Wendland, James L., [redacted].
Wepfer, Gordon G., [redacted].
Werling, David C., [redacted].
Westbrook, George W., [redacted].
Westmoreland, Barney Jr., [redacted].
Weston, Walter F., [redacted].
Westwood, Edward C., [redacted].
Wetzl, Ralph F., [redacted].
Wheeler, Charles E., [redacted].
Whitaker, William A., [redacted].
White, Donald D., [redacted].
White, Edward B., [redacted].
White, Herbert V., [redacted].
White, Joseph Jr., [redacted].
White, Richard T., [redacted].
Whitfield, Allen P., [redacted].
Whiting, Edwin K., [redacted].
Wicker, Charles E., [redacted].
Widicus, Frederick G., [redacted].
Wiedmaier, Marcel A., [redacted].
Wiesenauer, Robert F., [redacted].
Wiggins, Frank S., [redacted].
Wigglesworth, Richard G., [redacted].
Wilcox, Robert E., [redacted].
Wiley, Thomas S., [redacted].
Wilks, Carlton O., [redacted].
Williams, Allen J., [redacted].
Williams, Alma L., [redacted].
Williams, Bruce, [redacted].
Williams, Donald E., [redacted].
Williams, Evans C., [redacted].
Williams, Gordon E., [redacted].
Williams, John C., [redacted].
Williams, Morgan G., [redacted].
Williams, Robert R., [redacted].
Williamson, Roger C., [redacted].
Willming, Edward A., [redacted].
Willson, Richard D., [redacted].
Wilson, George R., [redacted].
Winograd, Sanford M., [redacted].
Witt, George C., Jr., [redacted].
Witte, Duane M., [redacted].
Witzel, James E., [redacted].
Wodarzak, George P., Jr., [redacted].
Wofford, Travis, [redacted].
Wolfe, James L., [redacted].
Wolfe, Lynn R., [redacted].
Wolinsky, Ivan L., [redacted].
Wood, Fred D., Jr., [redacted].
Wood, Harry F., Jr., [redacted].
Wood, Larry S., [redacted].
Woodward, Eldon D., [redacted].
Wooten, John F., Jr., [redacted].
Worch, Peter R., [redacted].
Worley, John N., [redacted].
Wright, William E., [redacted].
Wucher, Jerome M., [redacted].
Wyse, David L., [redacted].
Yackiel, Thomas F., [redacted].
Yaryan, John S., Jr., [redacted].
Yingling, William A., [redacted].
Yochum, Henry M., II, [redacted].
Yohe, Robert S., [redacted].
Yoshizawa, Tadashi, [redacted].
Young, Reid G., [redacted].
Zahn, Harry F., III, [redacted].
Zeberlein, James W., [redacted].
Ziernicki, Robert S., [redacted].
Zimmer, James W., [redacted].
Zirkle, William S., [redacted].
Zock, Richard, [redacted].

CHAPLAIN CORPS

Arrendell, Cammid O., [redacted].
Brucato, Robert A., [redacted].
Bubb, Wilbur W., [redacted].
Bumpus, John C., [redacted].
Collins, John A., [redacted].
Dangelo, Salvatore J., [redacted].
Downing, Don, [redacted].
Fairless, Mark W., [redacted].
Flattery, John J., [redacted].
Johnson, Carrol L., [redacted].
Jones, Douglas O., [redacted].
Jordan, James D., [redacted].
Kelley, Benjamin F., [redacted].
Labinger, Marvin L., [redacted].
McCausland, Joseph E., [redacted].
Millian, Ronald A., [redacted].
Nelson, Waldemar H., [redacted].
Parker, James P., [redacted].
Payne S. Jack, [redacted].
Rice, Jerry L., [redacted].
Rushe, George M., [redacted].
Steege, Mark W., [redacted].
Ullrich, Donald W., [redacted].
Wantz, Earl B., [redacted].

DENTAL CORPS

Bailey, Ronald W., [redacted].
Barton, Ralph T., [redacted].
Bourne, William F., [redacted].
Brown, Velpo B., [redacted].

Bryk, Clarence C., [redacted].
Clark, Lawrence L., [redacted].
Cowan, Robert D., [redacted].
Coyne, Arthur B., [redacted].
Davis, Fredric C., [redacted].
Dertien, Donald C., [redacted].
Durkin, William J., Jr., [redacted].
Farnie, John E., [redacted].
Fliss, Sheldon D., [redacted].
Francis, Michael R., [redacted].
Gault, Clovis G., [redacted].
Green, Larry E., [redacted].
Hale, Robert H., [redacted].
Hersho, Robert M., [redacted].
Holmes, Philip J., [redacted].
Jerman, Albert C., [redacted].
Kunberger, George L., [redacted].
Lindner, Marshall W., [redacted].
Long, William H., [redacted].
Masi, Victor A., [redacted].
Mauthe, Donald J., [redacted].
McDaniel, Raymond K., [redacted].
McClees, James K., [redacted].
Morley, Ronald B., [redacted].
Neurock, Isadore, [redacted].
Noderer, William H., [redacted].
Park, Paul R., [redacted].
Plotzke, Anthony E., [redacted].
Pullen, Wayne G., [redacted].
Rosen, Ronald, [redacted].
Savers, Norman C., Jr., [redacted].
Schultheis, William J., Jr. [redacted].
Skaer, Wilbur C., Jr., [redacted].
Smith, Howard F., [redacted].
Streeter, Arthur H., [redacted].
Williams, Earl O., [redacted].
Windeler, Alfred S., Jr., [redacted].

JUDGE ADVOCATE

Acker, William L., Jr., [redacted].
Austin, James T., [redacted].
Beckham, Donald D., [redacted].
Bloss, Stephen R., [redacted].
Bowlden, Max S., [redacted].
Casari, Guido J., Jr., [redacted].
Dunham, Robert A., [redacted].
Farina, Anthony F., [redacted].
Finder, Jack L., [redacted].
Foray, John, [redacted].
Fowler, Charles W., [redacted].
Franco, John J., Jr., [redacted].
Herman, Alan I., [redacted].
Hodgson, Earl E., Jr., [redacted].
Johnson, James A., [redacted].
Johnson, James W., [redacted].
Joyce, William J., [redacted].
Markham, Jerrold E., [redacted].
Michalski, Jan K., [redacted].
Mog, Willis L., [redacted].
Morehouse, David C., [redacted].
Morrison, Billie E., [redacted].
Newhouse, Peter D., [redacted].
Orser, David, [redacted].
Palmer, Garrett W., [redacted].
Powell, Clarence E., [redacted].
Riner, James W., [redacted].
Sanders, Stark O., Jr. [redacted].
Squires, Edward A., [redacted].
Williams, Cecil W., [redacted].
Williams, Thomas N., [redacted].
Wirin, William B., [redacted].

MEDICAL CORPS

Corker, Frank T., [redacted].
Cryan, David M., [redacted].
Fettus, George H., [redacted].
Gonzalez, Joe V., [redacted].
Harada, William S., [redacted].
Harris, Robert E., [redacted].
Holt, Robert S., [redacted].
Ivey, David M., [redacted].
Kirschner, Leonard J., [redacted].
Kramer, Edward F., Jr., [redacted].
Lewis, Sidney T., [redacted].
Maloney, Thomas R., [redacted].
Manaker, Philip A., [redacted].
Mayes, George R., [redacted].
McNaughton, Grant B., [redacted].
Moser, Royce, Jr., [redacted].
Obriant, Charles R., [redacted].
Orr, Edwin R., III, [redacted].
Price, Terrill E., Jr., [redacted].
Rayman, Russell B., [redacted].
Rieffel, Clement N., Jr., [redacted].
Rodgin, David W., [redacted].
Rodriguezlopez, Ensor, [redacted].
Schaller, Laird F., [redacted].
Shacklett, David E., [redacted].
Shaklan, Barry N., [redacted].
Sherman, Howard H., [redacted].
Slarve, Richard N., [redacted].
Sobiesk, Emory J., [redacted].
Stinebiser, James H., [redacted].
Triebwasser, John H., [redacted].
Victor, Martin I., [redacted].
Vonhazmburg, Rumulus S., [redacted].
Watson, Clarence F., Jr., [redacted].
White, John W., Jr., [redacted].

NURSE CORPS

Bergeron, James E., [redacted].
Candella, Josephine M., [redacted].
Condon, Charles R., [redacted].
Connolly, Janet M., [redacted].
Cotter, Elizabeth, [redacted].
Crown, Mary F. G., [redacted].
Dame Margaret A., [redacted].
Deptula, Geraldine B., [redacted].
Ellis, Helen V., [redacted].
Francescotto, Paula, [redacted].
Gengler, Rita E., [redacted].
Gotsch, Geneva, [redacted].
Hale, Diann A., [redacted].
Hansen, William P., [redacted].
Hargrave, David R., [redacted].
Hastings, Lois E., [redacted].
Joyce, Claire S., [redacted].
Kallinick, Dolores M., [redacted].
Kuhl, Shirley A., [redacted].
Lane, Joy A., [redacted].
McKay, Winifred L., [redacted].
Modrak, Donna M., [redacted].
Nelson, Ethel A., [redacted].
Oakes, Rosa, [redacted].
Pearce, Warren T., [redacted].
Perry, Allan J., [redacted].
Ronaghan, James T., [redacted].
Ross, Betsy L., [redacted].
Smith, Mary B., [redacted].
Spores, Kathleen D., [redacted].
Sutcliffe, Delia A., [redacted].
Tegen, Gerald C., [redacted].
Todd, John L., [redacted].
Wilson, Eleanor M., [redacted].
Youtzy, Cynthia R., [redacted].

MEDICAL SERVICE CORPS

Batiste, Harold E., Jr., [redacted].
Briggs, Edward, [redacted].
Brown, Dewey F., [redacted].
Burton, Donald E., [redacted].
Cox, Willis D., [redacted].
Coyne, Enda R., [redacted].
Fresques, Frank J., [redacted].
Gregory, Joseph B., [redacted].
Hill, Robert D., [redacted].
Jacquin, John H., [redacted].
Jobe, George W., [redacted].
Johnson, Glenn E., [redacted].
Katz, Stewart H., [redacted].
Middleton, Richard V., [redacted].
Nestor, Aloysius F., [redacted].
Parker, Lester B., [redacted].
Perri, Frank J., [redacted].
Poole, Nathan E., [redacted].
Redman, Ronald A., [redacted].
Rowney, Stanley V., [redacted].
Smith, Thomas L., [redacted].
Suiter, Robert W., [redacted].
Tamse, Jacob G., Jr., [redacted].
Watson, John R., [redacted].
Yeomans, Richard C., [redacted].

VETERINARY CORPS

Barker, Russell B., [redacted].
Erickson, Howard H., [redacted].
Flentge, Robert L., [redacted].
Jackson, Wesley E., [redacted].
Lynn, Marvin, [redacted].
Rhoads, Dallas W., [redacted].
Schwichtenberg, Alan E., [redacted].
Vanriper, Donald C., [redacted].
Wood, David H., [redacted].

BIOMEDICAL SCIENCE

Black, Gerald N., [redacted].
Braatz, James H., [redacted].
Briggs, Thomas H., Jr., [redacted].
Coyne, Robert V., [redacted].
Endicott, James E., [redacted].
Farrell, Hugh R., [redacted].
Gasaway, Donald C., [redacted].
Greene, Omar V., Jr., [redacted].
Harkleroad, Lionel E., [redacted].
Johnston, Lloyd W., [redacted].
Kilton, Roger M., [redacted].
Kuchta, John C., Jr., [redacted].
Lahood, George A., [redacted].
Mockler, Nedd D., [redacted].
Newman, Harold L., [redacted].
Nikolewski, Robert F., [redacted].
Silva, Donald G., [redacted].
Sparks, George P., [redacted].
Stansell, Marion J., [redacted].
Suggs, Harry J., [redacted].
Targove, Betram D., [redacted].
Wilder, Nelson E., [redacted].

The following Air Force officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force:

To be captain

Petersen, David L., [redacted].

The following Air Force Officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, Title 10, United States Code, with a view to designation under the provisions of section 8067, Title 10, United States Code, to perform the duty indicated, with date of rank to be determined by the Secretary of the Air Force:

To be captain (Judge Advocate)

Driscoll, David J., [redacted].

The following-named officer for promotion in the United States Air Force, under the appropriate provisions of chapter 839, Title 10, United States Code, as amended.

LINE OF THE AIR FORCE

Major to lieutenatnt colonel

Parsley, Derrel C., [redacted].

IN THE NAVY

The following-named Air Force cadets to be permanent ensigns in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Robert W. Bush
*John M. Christianson
*Don A. Frasier, Jr.
*Clifford M. Haug
*John E. Hope
*Barry V. K. Muhlenberg
*Daniel R. Murphy, Jr.

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Harry J. Osborne
William F. Stanbridge

The following-named officer to be appointed a permanent lieutenant in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Robert A. Engler, DC, USNR

The following-named Chief Warrant Officer to be appointed a permanent Chief Warrant Officer, W–3, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

*CWO3 William T. Oneal, USN(T), electronics technician (surface).

The following-named Chief Warrant Officers to be appointed permanent Chief Warrant Officers, W–2, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

*CWO2 David H. Hornaman, USN(T), electronics technician (submarine).

*CWO2 Leon B. Stoddard, USN(T), engineering technician(surface).

The following-named enlisted candidates to be appointed Chief Warrant Officers, W-2, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

*Lawrence Ervin—aviation maintenance technician.

*Richard C. Taylor—aviation operations technician.

*Ronald E. Wainscott—aviation electronics technician.

*Alexander D. Johnson—ship's clerk.

*Appointment sent out Ad Interim (during the recess of the Senate).

*Robert A. Koetz, ship's clerk.

*Paul C. Murphy, ship's clerk.

*Phil Y. Parker, ship's clerk.

*Wyvil M. Sartain, ship's clerk.

*Gary L. Schmollinger, ship's clerk.

*Stephen L. Snyder, ship's clerk.

*John S. Sobczak, ship's clerk.

*Manuel P. Supnet, ship's clerk.

*Martin L. Tubbs, ship's clerk.

*John A. Apodaca, ordnance technician (surface).

*Carl E. Asher, Jr. ordnance technician (surface).

*Chase E. F. Cordell, ordnance technician (surface).

*William E. Fashbaugh, ordnance technician (surface).

*Benjamin F. Gray, ordnance technician (surface).

*James B. Hart, ordnance technician (surface).

*John H. Janney, ordnance technician (surface).

*Leslie G. Johnson, Jr., ordnance technician (surface).

Lawrence W. Kight, ordnance technician (surface).

*Joseph J. McGlade, Jr., ordnance technician (surface).

*Carl J. Michel, Jr., ordnance technician (surface).

*Robert E. Moesch, Jr., ordnance technician (surface).

*Edward C. Olsen, III, ordnance technician (surface).

*Jack R. Warden, ordnance technician (surface).

*James W. Babb, operations technician (surface).

*Stanley C. S. Bollinger (operations technician) surface.

*James A. Conrad, operations technician (surface).

*Joe L. Foster, operations technician (surface).

*Robert W. Evans, operations technician (surface).

*Robert C. Gililland, operations technician (surface).

*Dennis R. Goldstein, operations technician (surface).

*Jack M. Hale, operations technician (surface).

*Robert L. Huisenga, operations technician (surface).

*John W. Kohler, operations technician (surface).

*Richard V. Laros, Jr., operations technician (surface).

*Charles E. Lomax, operations technician (surface).

*William D. Mayson, operations technician (surface).

*Thomas C. Murphy, operations technician (surface).

*Rex M. Reed, operations technician (surface).

*Dolphus C. Rector, operations technician (surface).

*James A. Roy, operations technician (surface).

*James H. Todd, operations technician (surface).

*Patrick J. Carroll, explosive ordnance disposal technician.

*Robert A. Daley, explosive ordnance disposal technician.

*Donald L. Tatterson, explosive ordnance disposal technician.

*Donald R. Tomlin, explosive ordnance disposal technician.

*William T. Weesner, photographer.

*L. Bernard Moran, photographer.

*Frederic C. Miller, intelligence technician.

*Erroll W. McMahan, intelligence technician.

*Rolando E. Guzman, food service warrant (supply corps).

*John Sano, food service warrant (supply corps).

*Warren G. Wilson, boatswain (submarine).

*Elton R. Beavers, boatswain (surface).

*William J. Dorn, boatswain (surface).

*William A. Grow, boatswain (surface).

*Robert J. Harris, boatswain (surface).

*Herbert H. Hepworth, boatswain (surface).

*Emil E. Moravec, Jr., Boatswain (surface).

*Robert D. Smith, Boatswain (surface).

*William P. Stamm, Boatswain (surface).

*A. J. Wilson, Boatswain (surface).

The following-named Chief Warrant Officers to be appointed Lieutenants (junior grade) in the U.S. Navy, for temporary service, for limited duty in the classification indicated, subject to the qualifications therefor as provided by law:

*CWO2 David H. Hornaman, USN(T), Electronics (surface).

*CWO3 William T. Oneal, USN(T), Electronics (surface).

*CWO2 Leon B. Stoddard, USN(T), Engineering/repair (surface).

The following-named Navy enlisted candidates to be appointed Ensigns in the U.S. Navy, for temporary service, for limited duty in the classifications indicated, subject to the qualifications therefor as provided by law:

*James R. Morin, Deck (surface).

*Richard T. Stevenson, Deck (surface).

*Leroy S. Benz, Electronics (surface).

*Daniel R. Lucero, Electronics (surface).

*Frederick G. Makowski, Electronics (surface).

*Robert W. Fail, Engineering/repair (surface).

*William F. Hamann, Engineering/repair (surface).

*Phillip A. Turner, Engineering/repair (surface).

*David G. Wade, Engineering/repair (surface).

*Samuel C. Combs, Aviation Ordnance.

*Richard H. Graves, Aviation Ordnance.

*William C. Gerhart, Cryptology.

*Dale R. Oakes, Cryptology.

*Bertrum W. Wendell, Jr., Photography.

*David L. Armstrong, Ordnance (surface).

*Everett C. Magnusson, Ordnance (surface).

*Paul K. Fischer, Jr., Operations (surface).

*Rodney G. Lund, Operations (surface).

*James L. Moriarity, Operations (surface).

*Michael R. Scott, Operations (surface).

*Ralph K. Hagan, Aviation Maintenance.

*Paul W. Rough, Jr., Aviation Maintenance.

*Salvador A. Aragon, Jr., Avionics.

*William R. Crosby, Avionics.

*Maurice J. Gallagher, Avionics.

*Larry O. Sparks, Avionics.

*Thomas B. Gargus, Administration.

*Larry E. Holbrook, Administration.

*Lewis M. Kirk, Administration.

*Frederick J. Major, Jr., Administration.

*James E. O'Briant, Administration.

*Wardell C. Wright, Sr., Administration.

*Jeffrey P. Jens, Nuclear Power (submarine).

*Charles G. Males, Jr., Nuclear Power (submarine).

*Robert T. Mayberry, Nuclear Power (submarine).

*Charles E. Setterlund, Nuclear Power (submarine).

The following-named officer to be appointed a temporary Captain in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Capt. Janet R. Hutcheson, MC USNR.

The following-named officer to be appointed a temporary Commander in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Cdr. Nelson T. Crowell, DC, USN.

The following-named officer to be appointed a temporary Captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Capt. Robert W. Cantrell, MC, USN.

The following-named officers to be appointed temporary Commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Cdr. Melvin Q. Antonio, MC, USN.
Cdr. Harrie R. Clyde, MC, USN.
Cdr, Ronald W. Lewis, MC, USN.
Cdr. Kenneth M. McDonald, MC, USN.
Cdr. Donald E. Rodgers, MC, USN.
Cdr. Hugh J. Talton, MC, USN.

The following-named officer to be appointed a temporary Commander in the Reserve in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Cdr. Walter W. Kesler, USN.

LCDR Charles H. Dennis II, for temporary promotion to the grade of Commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States under the provisions of title 10, United States Code, sections 3284 and 3305.

ARMY PROMOTION LIST

To be Colonel

Bludworth, Donald C., [redacted]

CHAPLAIN CORPS

To be Colonel

Powers, Charles F., [redacted]

MEDICAL SERVICE CORPS

To be Colonel

Miner, Lewis C., [redacted]

DENTAL CORPS

To be Colonel

Nichols, Wharton A., [redacted]

The following-named officers, for promotion in the Army of the United States, under the provisions of title 10, United States Code, section 3447:

ARMY PROMOTION LIST

To be Lieutenant Colonel

Barker, Robert L., [redacted].
Cumming, Richard E., [redacted].
Del Favero, Robert V., [redacted].
Devitt, John M., [redacted].
Edwards, Robert R., [redacted].
Hardy, Teddy J., Sr., [redacted].
Hug, Jack P., [redacted].
Landry, Larry J., [redacted].
Martin, William S., [redacted].
McColl, Archibald M., [redacted].
McInnes, Thomas J., [redacted].
Medlen, Jay D., [redacted].
Sinkler, Paul F., [redacted].
Smith, William H., [redacted].
Sterling, Robert L., [redacted].
Thompson, Billy F., [redacted].
Williams, Rodney L., [redacted].
Wolf, Thomas R., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be Lieutenant Colonel

Iacoboni, Frances A., [redacted].

MEDICAL SERVICE CORPS

To be Lieutenant Colonel

Newton, James F., [redacted].

MEDICAL CORPS

To be Lieutenant Colonel

Pezua, Carlos D., [redacted].
Wells, David W., [redacted].

The following-named officers for promotion in the Regular Army of the United States under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be Major

Arnette, Ben S., Jr., [redacted].
Landis, Harry L., [redacted].
Rankin, Thomas C. Jr., [redacted].
Richardson, Quentin W., [redacted].

CHAPLAIN CORPS

To be Major

McCormick, Joseph D., [redacted].

ARMY PROMOTION LIST

To be Captain

Aaronson, David B., [redacted].
Abbenante, Thomas L., [redacted].
Adam, Donald W., [redacted].
Adams, John W., [redacted].
Adams, Roy H., [redacted].
Adams, William V., [redacted].
Addy, William M., [redacted].
Ahern, James P., [redacted].
Ahern, Michael F., [redacted].
Alberg, Walter S., [redacted].
Albright, Earl R., [redacted].
Alden, Arthur J., [redacted].
Aldridge, George W., [redacted].
Alexander, Billie J., [redacted].
Alexander, Maurice, [redacted].
Allaman, Everett D., [redacted].
Allbach, Douglas M., [redacted].
Allbee, David C., [redacted].
Allen, John E., [redacted].
Allen, Richard B., [redacted].
Allenbaugh, Richard, [redacted].
Allin, George R., III, [redacted].
Allred, Kenneth L., [redacted].
Alphin, Arthur B., [redacted].
Alvarez, Jose M., [redacted].
Ambrose, Walter J., [redacted].
Amigh, John R., [redacted].
Ancker, Clinton J., [redacted].
Anderson, Delos W., [redacted].
Anderson, Larry D., [redacted].
Anderson, Lee C., [redacted].
Anderson, Mark E., [redacted].
Anderson, Ray C., [redacted].
Anderson, Richard T., [redacted].
Anderson, Robert J., [redacted].
Anderson, Vernon L., [redacted].
Anderson, William F., [redacted].
Andrews, Francis L., [redacted].
Angerman, William C., [redacted].
Ankley, William J., [redacted].
Anthony, David J., [redacted].
Anton, William T., [redacted].
Appling, Alvin R., [redacted].
Arbuckle, Joseph W., [redacted].
Armeli, Thomas F., [redacted].
Arment, Raymond F., [redacted].
Armitage, Robert J., [redacted].
Armour, Raymond L., [redacted].
Armstrong, James T., [redacted].
Armstrong, Richard, [redacted].
Armstrong, William, [redacted].
Arrol, Lawrence G., [redacted].
Aslanian, Roy C., [redacted].
Atwood, David M., [redacted].
Austin, James J., Jr., [redacted].
Austin, Joe N., [redacted].
Aylor, Cortez C., [redacted].
Babcock, Robert T., [redacted].
Bachta, James M., [redacted].
Backman, Rodney J., [redacted].
Bagby, Daniel W., [redacted].
Bailey, Palmer K., [redacted].
Bailey, Robert B., [redacted].
Bailey, Steven S., [redacted].
Bailey, Tommy F., [redacted].
Baird, Barry W., [redacted].
Baisch, Richard C., [redacted].
Baker, Donald C., [redacted].
Baker, Wilson Jr., [redacted].
Balkus, William G., [redacted].
Ball, Calvin E., [redacted].
Ballotti, John F., [redacted].
Balmer, Mearl E. Jr., [redacted].
Baltimore, Perry F., [redacted].
Bankirer, Harold, [redacted].
Barbour, Mark Q., [redacted].
Bardill, Edward A., [redacted].
Baribeau, Stephen R., [redacted].
Barker, Jefferson H., [redacted].
Barnes, John J., [redacted].
Barnes, Richard H., [redacted].
Barnett, Robert W., [redacted].
Barth, Wayne M., [redacted].
Bartholomees, James, [redacted].
Basham, Owen D., [redacted].
Bass, Selman L., [redacted].
Bast, Albert J., [redacted].
Basye, Richard E., [redacted].
Batcheller, James, [redacted].
Bateman, Charles A., [redacted].
Bates, Barry D., [redacted].
Batizy, Botond G., [redacted].
Bator, Robert E., [redacted].
Bauman, Robert A., [redacted].
Baxter, William S., [redacted].
Beahm, Richard S., [redacted].
Beasley, John H., [redacted].
Beasley, William E., [redacted].
Beauchamp, James W., [redacted].
Beaulieu, Bruce O., [redacted].
Beaver, Charles S., [redacted].
Beavin, John D., [redacted].
Beck, James R., [redacted].
Becker, Kenneth S., [redacted].
Becker, Ronald D., [redacted].
Bee, David W., [redacted].
Beer, John M., [redacted].
Beeson, Charles S., [redacted].
Begley, Edward P., [redacted].
Bell, David M., [redacted].
Bellino, Vincent C., [redacted].
Bellotty, James J., [redacted].
Bennett, Edwin T., [redacted].
Bennett, John R., [redacted].
Bennett, Thomas C., [redacted].
Bennett, William C., [redacted].
Berchak, Henry L., [redacted].
Berdy, Andrew R., [redacted].
Bergstrom, Albion A., [redacted].
Bernath, Clifford H., [redacted].
Berriman, Howard J., [redacted].
Berry, Frederick S., [redacted].
Besse, Charles A., Jr., [redacted].
Beto, Mark D., [redacted].
Beverly, James T., Jr., [redacted].
Beziat, Robert L., [redacted].
Bickel, John W., [redacted].
Bickford, Stephen M., [redacted].
Biddle, John M., [redacted].
Bien, Harvey D., [redacted].
Bifano, Robert J., [redacted].
Bird, James R., [redacted].
Biscan, Kenneth T., [redacted].
Biser, Kenneth M., [redacted].
Bishop, Eugene H., [redacted].
Bishop, Michael H., [redacted].
Bishop, William G., [redacted].
Bisol, Gene L., [redacted].
Bisulca, Paul J., [redacted].
Blackburn, Norman G., [redacted].
Blakeslee, Don B., [redacted].
Blische, Charles L., [redacted].
Blount, Jerry L., [redacted].
Boccolucci, Daniel, [redacted].
Boehman, Robert J., [redacted].
Boeset, Hugh A., [redacted].
Boggs, Ronald H., [redacted].
Bohlen, Paul N., [redacted].
Boles, Michael A., [redacted].
Boles, John K., III, [redacted].
Bolles, Christopher, [redacted].
Bond, William L., [redacted].
Booth, Bernard M., [redacted].
Booth, Lance E., [redacted].
Bootz, Robert J., [redacted].
Boram, Jerry D., [redacted].
Boschma, James H., [redacted].
Bosley, James M., [redacted].
Bossi, Harry D., [redacted].
Boston, James D., [redacted].
Boswell, Joseph R., [redacted].
Boucher, David W., [redacted].
Bowen, David R., [redacted].
Bowen, James D., Jr., [redacted].
Bowers, William T., [redacted].
Bowie, Joseph A., [redacted].
Bowra, Kenneth R., [redacted].
Boyce, Tommy J., [redacted].
Boyd, David G., [redacted].
Boyle, Vincent A., [redacted].
Boyles, Thomas J., [redacted].
Bozeman, Danny, [redacted].
Bradford, David W., [redacted].
Bradford, Richard N., [redacted].
Brand, Robert C., [redacted].
Brandtner, Thomas A., [redacted].
Brawley, Michael J., [redacted].
Bray, Robert M., [redacted].
Brennan, John E., [redacted].
Brennan, Richard S., [redacted].
Brenner, John C., Jr., [redacted].
Brenner, Philip J., [redacted].
Brenner, Thomas E., [redacted].
Bridges, Gary J., [redacted].
Brigadier, John D., [redacted].
Brink, James E., [redacted].
Brito, John S., [redacted].
Brocious, Albert P., [redacted].
Brock, Terrence A., [redacted].
Broderick, Clifton, [redacted].
Brokenburr, Jesse L., [redacted].
Brooks, Jerry R., [redacted].
Brotnov, Bruce A., [redacted].
Broussard, Glenn J., [redacted].
Brower, David L., [redacted].
Brower, Robert K., [redacted].
Brown, David L., [redacted].
Brown, Douglas M., [redacted].
Brown, John M., [redacted].
Brown, John M., [redacted].
Brown, Larry T., [redacted].
Brown, Robert W., [redacted].
Brown, Thomas C., Jr., [redacted].
Brown, Thomas E., Jr., [redacted].
Brown, William D., [redacted].
Browne, John W., [redacted].
Brubaker, David L., [redacted].
Bruce, William A., [redacted].
Bryan, James D., [redacted].
Bryant, George T., [redacted].
Bryant, James K., [redacted].
Bryant, John M., [redacted].
Bryant, Joseph A., [redacted].
Bryant, Robert V., [redacted].
Bryson, Brian D., [redacted].
Buckley, Edward T., [redacted].
Buechele, Leroy J., [redacted].
Buehler, Richard T., [redacted].
Bulisco, Gerald L., [redacted].
Bullington, Terry W., [redacted].
Bungard, Albert G., [redacted].
Burns, James W., [redacted].
Burns, Julian H., Jr., [redacted].
Burton, Richard E., [redacted].
Busack, James A., [redacted].
Bush, James D., [redacted].
Byrd, Jerome W., [redacted].
Cahill, Terence L., [redacted].
Cain, Thomas J., [redacted].
Cajigal, George L., [redacted].
Calhoon, Christopher, [redacted].
Calhoun, Charles B., [redacted].
Call, Gordon H., [redacted].
Callaghan, William, [redacted].
Calnan, Michael B., [redacted].
Calway, James R., [redacted].
Campbell, Brian C., [redacted].
Campbell, Gary A., [redacted].
Campbell, Gordon, [redacted].
Campbell, Joel W., [redacted].
Candido, Robert H., [redacted].
Candler, David M., [redacted].
Cannaday, Gerald D., [redacted].
Cantrell, David L., [redacted].
Cantwell, Edward B., [redacted].
Caprio, John A., [redacted].
Captain, George J., [redacted].
Cardwell, Barry E., [redacted].
Carlson, Edwin T., [redacted].
Carlson, John W., [redacted].
Carlson, Randall A., [redacted].

Carlstedt, Paul H., [redacted].
Carmichael, Paul D., [redacted].
Carmichael, William, [redacted].
Carr, David M., [redacted].
Carr, John J., [redacted].
Carr, Lawrence R., [redacted].
Carrese, Francis P., [redacted].
Carroll, Danford F., [redacted].
Carson, Frank L., [redacted].
Carson, John C., [redacted].
Cartagena, Luis A., [redacted].
Carter, Jack W., [redacted].
Carter, James H., [redacted].
Carter, John P., II, [redacted].
Carter, Roland W., [redacted].
Cataldo, Gary R., [redacted].
Causey, William M., [redacted].
Cavin, Dennis D., [redacted].
Cenname, Alfred J., [redacted].
Cereghino, Larry M., [redacted].
Chalaire, Kenneth C., [redacted].
Charest, Geoffrey B., [redacted].
Chopin, Theodore G., [redacted].
Christ, Stephen, [redacted].
Chubinski, Adam G., [redacted].
Church, Michael V., [redacted].
Churchill, Ralph B., [redacted].
Ciccolella, Robert, [redacted].
Cilley, Donald O., [redacted].
Clark, James E., [redacted].
Clark, Lawrence R., [redacted].
Clark, Robert T., [redacted].
Clifton, James L., [redacted].
Cline, Dennis C., [redacted].
Cloney, Leroy V., [redacted].
Cloninger, James M., [redacted].
Clouser, Clarence R., [redacted].
Clow, Kenneth H., [redacted].
Clymer, Robert L., [redacted].
Coakwell, McConnel, [redacted].
Coates, Byron C., [redacted].
Cobb, Henry C., [redacted].
Cochran, Ronald R., [redacted].
Cochrane, Dennis C., [redacted].
Cofer, Charles R., [redacted].
Cofer, Duane D., [redacted].
Cogbill, John V., [redacted].
Coker, John W., [redacted].
Colacicco, John H., [redacted].
Colby, William H., [redacted].
Cole, Byron J., [redacted].
Coleman, Jack R., [redacted].
Coleman, Richard W., [redacted].
Coleman, Wayne A., [redacted].
Colkett, David S., [redacted].
Collins, Joseph J., [redacted].
Conard, Frederick W., [redacted].
Cone, Anthony O., [redacted].
Conn, Joseph N., [redacted].
Connelly, Donald B., [redacted].
Connor, Michael D., [redacted].
Conrad, Stephen C., [redacted].
Conte, Robert D., [redacted].
Cook, Charles B., [redacted].
Cook, Stephen K., [redacted].
Cook, William J., [redacted].
Cooper, William E., [redacted].
Cordel, Peter J., [redacted].
Corfman, James E., [redacted].
Corker, Harold T., [redacted].
Corneil, Terry C., [redacted].
Cornwell, Mark E., [redacted].
Correia, James R., [redacted].
Cortese, David W., [redacted].
Costantino, Nicholas, [redacted].
Costello, Thomas M., [redacted].
Coughlin, Robert J., [redacted].
Coulman, Michael A., [redacted].
Coulter, Herbert W., [redacted].
Coupe, Arthur H., [redacted].
Cousar, Robert J., [redacted].
Cowen, Randolph C., [redacted].
Cox, James A., [redacted].
Cox, James R., [redacted].
Cox, Randall L., [redacted].
Cox, Roger C., [redacted].
Coy, William A., [redacted].
Craig, Jay A., [redacted].
Crampton, Richard W., [redacted].
Crawford, Brian E., [redacted].
Crawford, Douglas M., [redacted].
Crawford, Hunt D., [redacted].
Crawford, James W., [redacted].
Crea, Dominick A., [redacted].
Cripps, Dennis L., [redacted].
Crockarell, Barney, [redacted].
Crockett, Justin D., [redacted].
Crosbie, Philip A., [redacted].
Crosby, Gordon E., [redacted].
Crouch, Sammy E., [redacted].
Crow, Charles L., [redacted].
Crumling, Harry W., [redacted].
Crump, Howard M., [redacted].
Cunningham, Brian J., [redacted].
Cunningham, Walter, [redacted].
Curasi, Richard M., [redacted].
Currey, Jason E., [redacted].
Curry, Harry A., [redacted].
Curtin, Lawrence M., [redacted].
Curtis, Phillip L., [redacted].
Daley, David L., [redacted].
Dallmann, Paul H., [redacted].
Dandridge, Wayne L., [redacted].
Darnley, James H., [redacted].
Davenport, Clifford, [redacted].
Daves, Charles D., [redacted].
Davis, Brian C., [redacted].
Davis, Donald E., [redacted].
Davis, Edmund L., [redacted].
Davis, Eugene J., [redacted].
Davis, Lawrence R., [redacted].
Davis, Paul R., [redacted].
Davis, Richard S., [redacted].
Davis, William A., [redacted].
Dawson, David D., [redacted].
Dawson, Michael T., [redacted].
Day, William S., [redacted].
Dayton, Keith W., [redacted].
Decker, John H., [redacted].
Decort, Donald P., [redacted].
Delacruz, Rolando, [redacted].
Delagarza, Agapito, [redacted].
Delaney, Richard P., [redacted].
Deline, Donald A., [redacted].
Delong, Robert F., [redacted].
Delossantos, Arthur, [redacted].
Demby, Joe H., [redacted].
Demshur, Paul S., [redacted].
Denbeste, Edwin J., [redacted].
Dent, James H., [redacted].
Depew, Richard L., [redacted].
Desannoy, David A., [redacted].
Dethlefsen, Clayton, [redacted].
DeVault, Lee, [redacted].
Devenney, Dennis P., [redacted].
Devera, Emmanuel V., [redacted].
Devine, Frank E., [redacted].
Devine, John F., [redacted].
Devito, Thomas P., [redacted].
Devlin, Daniel D., [redacted].
Dewhurst, Roland W., [redacted].
Dials, Thomas A., [redacted].
Dickenson, Charles, [redacted].
Dickerson, Michael, [redacted].
Didonato, Louis M., [redacted].
Diekema, Larry A., [redacted].
Dimmery, Hugh M., [redacted].
Dinsmore, David R., [redacted].
Ditoro, Peter, Jr., [redacted].
Dix, Drew D., [redacted].
Dixon, Paul J., [redacted].
Dixon, Thomas W., [redacted].
Doan, Steven B., [redacted].
Dobiac, John J., [redacted].
Dodge, Richard L., [redacted].
Dolan, Michael J., [redacted].
Dominy, Matthew, [redacted].
Donald, James E., [redacted].
Donnellon, John S [redacted].
Dore, William A., [redacted].
Dorr, Kevin L., [redacted].
Dorrick, John B., [redacted].
Dougherty, Joseph M., [redacted].
Downs, Michael D., [redacted].
Drackett, Gary F., [redacted].
Drewien, John R., [redacted].
Drinkwater, John P., [redacted].
Driscoll, Robert F., [redacted].
Dudley, Robert M., [redacted].
Duet, Louis J., Jr., [redacted].
Duke, Michael I., [redacted].
Duncan, James W., [redacted].
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Dunegan, Michael W., [redacted].
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Durso, Anthony, [redacted].
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Endres, Kenneth, [redacted].
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Fontenot, Bristow I., [redacted].
Forbes, John M., [redacted].
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Kwist, Dana F., [redacted].
Labrecque, Norman W., [redacted].
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Lahnstein, Joseph S., [redacted].
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Moore, Lynn D., [redacted].
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Morgan, Roderick H., [redacted].
Morley, Thomas V., [redacted].
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Morrison, Reginald, [redacted].
Morrow, Furman R., [redacted].
Moss, Gerald B., [redacted].
Moul, Dale A., [redacted].
Mowery, James L., [redacted].
Mozoski, Paul A., [redacted].
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Paige, James E., [redacted].
Palbus, Michael E., [redacted].
Paluska, Aloys J., [redacted].
Pankey, Laney M., [redacted].
Pantier, Robert E., [redacted].
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Parks, Edward A., [redacted].
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Rollins, Harry W. Jr., [redacted].
Rollison, Ronald R., [redacted].
Romano, Frank III, [redacted].
Rose, Alexander J., [redacted].
Rose, Leslie A., [redacted].
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Runge, Jerry D., [redacted].
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Saari, Gerald O., [redacted].
Sabia, Giacomo R., [redacted].
Sage, Marshall L., [redacted].
Sakuma, Steven M., [redacted].
Saltness, Gerald D., [redacted].
Samples, Jerry W., [redacted].
Sanchez, Desi J., [redacted].
Sanders, Charles W., [redacted].
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Santiago, Juan G., [redacted].
Satterwhite, Larry, [redacted].
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Saunders, James L., [redacted].
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Savitske, George J., [redacted].
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Selby, Edwin D., [redacted].
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Selge, Paul E., [redacted].
Selman, Joseph R., [redacted].
Senter, John T., III, [redacted].
Severance, Paul M., [redacted].
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Shadid, Theodore M., [redacted].
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Sherrer, Frederick, [redacted].
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Shiflett, James E., [redacted].
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Shoemaker, Mark R., [redacted].
Short, Augden W., [redacted].
Shuffler, Jerry W., [redacted].
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Slaughter, Willard, [redacted].
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Spain, Robert F., [redacted].
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Spears, Ronald E., [redacted].
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Speed, Jonathan, [redacted].
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Springer, Dwight S., [redacted].
Squires, William H., [redacted].
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Strand, Richard N., [redacted].
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Strom, Stephen H., [redacted].
Stronach, James A., [redacted].
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Studer, Eugene A., [redacted].
Sugai, Howard T., [redacted].
Sullivan, Michael L., [redacted].
Sultan, Steven A., [redacted].
Sumner, Lester F., [redacted].
Supak, Darrell J., [redacted].
Swahn, John F., [redacted].
Swartz, Douglas G., [redacted].
Swartzlander, David, [redacted].
Sweeney, John J., [redacted].
Sweet, Erick W., [redacted].
Swindell, Thomas A., [redacted].
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Tam, Gilbert K., [redacted].
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Tio, Alberto W., [redacted].
Todd, Loren L., [redacted].
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Underhill, Carl J., [redacted].
Underwood, Timothy, [redacted].
Uyesugi, Daniel F., [redacted].
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Vanairsdale, Michael, [redacted].
Van Cleave, Ronald M., [redacted].
Vanderwood, Peter C., [redacted].
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Van School, Robert, [redacted].

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Woodruff, William A., [redacted].
Woodson, Edward R., [redacted].
Wootten, Bradley Q., [redacted].
Workman, Kenneth F., [redacted].
Worrell, Homer W., [redacted].
Woyansky, John G., [redacted].
Wren, Kenneth A., [redacted].
Wyatt, Jake W., [redacted].
Wyse, Edward J., [redacted].
Ylinen, Frank A., [redacted].
Yost, Dennis E., [redacted].
Young, Richard C., [redacted].
Young, Robert F., [redacted].
Young, Robert M., [redacted].
Young, Robert S., [redacted].
Young, Terry J., [redacted].
Zeeb, William R., [redacted].
Zelenka, Ernest K., [redacted].
Zetti, James H., [redacted].
Zilian, Frederick J., [redacted].
Zimon, Henry A., [redacted].
Ziomek, Daniel D., [redacted].
Zoeller, Jack C., [redacted].
Zolidis, Michael J., [redacted].
Zupan, Terry M., [redacted].
Zychowski, Ronald M., [redacted].

CHAPLAIN CORPS

To be captain

Wake, Henry E., [redacted].

WOMEN'S ARMY CORPS

To be captain

Baker, Linda B., [redacted].
Chambers, Bonnie L., [redacted].
Clark, Elizabeth G., [redacted].
Cook, Dolores M., [redacted].
Frey, Karen L., [redacted].
Johnson, Anne T., [redacted].
Kupsick, Sharron D., [redacted].
Laski, Karen M., [redacted].
Lathouwers, Janice, [redacted].
McMullen, Patrica L., [redacted].
Miller, Kathleen M., [redacted].
Morgan, Mary E., [redacted].
Murray, Margaret A., [redacted].
Norman, Linda L., [redacted].
Otis, Elizabeth F., [redacted].
Phillips, Ruth A., [redacted].
Pruski, Betty J., [redacted].
Reid, Pamela S., [redacted].
Richter, Sandra L., [redacted].
Rowland, Glennie M., [redacted].
Rusin, Jo B., [redacted].
Thomas, Florence K., [redacted].
Young, Anna M., [redacted].

DENTAL CORPS

To be captain

Augsburger, Robert, [redacted].
Childress, Robert L., [redacted].
Collins, Robert C., [redacted].
Dale, Robert A., [redacted].
Dunn, Larry M., [redacted].
Hurt, Duane F., [redacted].
Klinger, Brent J., [redacted].
Law, Douglas B., [redacted].
Liley, Charles H., [redacted].
Mayer, Randell P., [redacted].
Miller, Kenneth H., [redacted].
Milligan, David H., [redacted].
Murphy, Terrell L., [redacted].
Nedock, Frank W., [redacted].
Newton, William G., [redacted].
O'Neill, Larry J., [redacted].
Petersen, Robert G., [redacted].
Plack, William F., [redacted].
Quarantillo, Frederick, [redacted].
Rathofer, Steven A., [redacted].
Riddell, Todd R., [redacted].
Rion, John M., [redacted].
Shire, Lawrence H., [redacted].
Strange, Gary E., [redacted].
Zweig, John E., [redacted].

MEDICAL CORPS

To be captain

Bain, Michael W., [redacted].
Barber, Frank A., [redacted].
Berg, Allan W., [redacted].
Boslego, John W., [redacted].
Clapper, John F., [redacted].
Coohran, Henry S., [redacted].
Coleman, Fred H., [redacted].
Dunnington, Glenn W., [redacted].
Fairchild, William, [redacted].
Frank, Charles G., [redacted].
Freeman, Stephen R., [redacted].
Grishkin, Brent A., [redacted].
Jarchow, Robert C., [redacted].
Kenevan, Robert J., [redacted].
Kiesling, Victor J., [redacted].
Lam, David M., [redacted].
Larson, Steven A., [redacted].
Lough, Frederick C., [redacted].
Maguire, Michael D., [redacted].
Maxcey, Bob R., [redacted].
Nickles, Dehn J., [redacted].
Shumski, Edward J., [redacted].
Sikes, Randall A., [redacted].
Simon, Fred A., [redacted].
Tenholder, Michael, [redacted].
Vordermark, Jonatha, [redacted].
Weisman, Leonard E., [redacted].
Young, Robert N., [redacted].

MEDICAL SERVICE CORPS

To be captain

Abshier, John D., [redacted].
Aldridge, Ronald G., [redacted].
Armondo, Angelo A., [redacted].
Arthur, Bradley K., [redacted].
Augsburger, Russell, [redacted].
Barth, Francis A., [redacted].
Baumann, Ronald C., [redacted].
Bennett, Gary L., [redacted].
Bentham, Jack E., [redacted].
Bicad, Jesse A., [redacted].
Booth, Van R., [redacted].
Boujai, Carlton J., [redacted].
Brannon, Leslie R., [redacted].
Briggs, Ronald S., [redacted].
Brown, David L., [redacted].
Brown, Frederick W., [redacted].
Bruss, Donald J., [redacted].
Burden, Raymond T., [redacted].
Butcher, David G., [redacted].
Cadwallader, Ralph, [redacted].
Carty, Robert E., [redacted].
Cherry, Edmond B., [redacted].
Coffey, Daniel P., [redacted].
Coley, Herbert A., [redacted].
Coonley, Lewis S., [redacted].
Cramblet, Peter B., [redacted].
Crissey, James E., [redacted].
Crissey, William F., [redacted].
Davenport, Charles, [redacted].
Davis, Jerry D., [redacted].
Davis, Keith L., [redacted].
Day, Charles E., [redacted].
Doleac, Philbert C., [redacted].
Duggan, Dennis, [redacted].
Farace, Patrick J., [redacted].
Frame, Robert V., [redacted].
Gall, Roger L., [redacted].
Gandy, Charles L., [redacted].
Gardner, Joseph E., [redacted].

Goeringer, Fred, [redacted].
Gore, Bernard L. J., [redacted].
Habeger, Harold E., [redacted].
Hales, Robert E., [redacted].
Hazelrigs, James A., [redacted].
Hernandez, Samuel I., [redacted].
Hester, Ellsworth G., [redacted].
Hill, James R., [redacted].
Hiller, Frank W., [redacted].
Hilliard, John C., [redacted].
Hudson, Meredith C., [redacted].
Hussey, Robert T., [redacted].
Isom, Lamont W., [redacted].
Jackson, Duane L., [redacted].
Jackson, Randall H., [redacted].
Jackson, Steve G., [redacted].
James, John V., [redacted].
Jarrett, Richard B., [redacted].
Jeansonne, James P., [redacted].
Jewell, John S., [redacted].
Kerrigan, John R., [redacted].
Kruzich, David J., [redacted].
LeGrave, Larry M., [redacted].
Lake, Douglas A., II, [redacted].
Langer, Joe J., [redacted].
Larson, James C., [redacted].
Ledford, Kenneth Jr., [redacted].
Leduc, James W., [redacted].
Leininger, John J., [redacted].
Leisher, Kenneth W., [redacted].
Lewis, Craig R., [redacted].
Liebmann, Robert E., [redacted].
Livingston, Allen S., [redacted].
Love, James E., Jr., [redacted].
Maertens, Kenneth R., [redacted].
Marino, John J., [redacted].
Marsh, William D., [redacted].
Maxwell, Clarence E., [redacted].
McLean, William E., [redacted].
McMurphy, William C., [redacted].
Miller, Donald H., [redacted].
Morris, John G., [redacted].
Moser, Richard P., [redacted].
Muldoon, Terrance A., [redacted].
Naehr, Lawrence S., [redacted].
Nelson, Theodore J., [redacted].
Newman, Robert A., [redacted].
Nicholas, Bertram A., [redacted].
Norris, Jimmy A., [redacted].
Norvell, Charles D., [redacted].
Oaks, Stanley C., [redacted].
O'Brien, John C., Jr., [redacted].
Ortiz, Rafael A., [redacted].
Paavola, Fred G., [redacted].
Park, William D., [redacted].
Peach, Michael J., [redacted].
Phillips, Charles C., [redacted].
Pinkson, Reuben G., [redacted].
Poirier, Richard R., [redacted].
Pugel, Larry J., [redacted].
Ray, James E., [redacted].
Ray, Reginald D., [redacted].
Rickard, Roy S., [redacted].
Roberts, Lyman W., [redacted].
Robinson, Samuel H., [redacted].
Romines, Robert B., [redacted].
Ryan, John B., [redacted].
Salter, Cecil S., [redacted].
Sewell, Benjamin C., [redacted].
Shafer, Keith O., [redacted].
Seidor, Christopher, [redacted].
Simmons, Charles W., [redacted].
Sittingdown, Quinncy, [redacted].
Smith, Robert F., [redacted].
Story, Dennis C., [redacted].
Taylor, James W., [redacted].
Thoreson, Robert J., [redacted].
Thornton, Dale E., [redacted].
Threet, Allan R., [redacted].
Tribble, Curtis, [redacted].
Vinci, James D., [redacted].
Walker, Johnny M., [redacted].
Wells, Walter L., [redacted].
West, Richard A., [redacted].
Wilde, Burt W., [redacted].
Wilkinson, Gene C., [redacted].
Witte, Carlton R., [redacted].
Worth, David D., [redacted].
Woziak, Arthur, [redacted].
Wright, David V., [redacted].
Wyatt, Bruce H., [redacted].
Zielmanski, Kenneth, [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be captain

Anderson, John E., [redacted].
Bresnahan, Richard, [redacted].
Bruns, Robert D., [redacted].
Gudger, Trina D., [redacted].
Guinn, Elena W., [redacted].
Haynes, Gladys R., [redacted].
Kamp, Harvey P., [redacted].
Kehrer, James E., [redacted].
Kirchner, Gerard C., [redacted].
Lynch, Richard F., [redacted].
McCall, Gregory, [redacted].
Needham, Suzanne L., [redacted].
Nowak, Mary A., [redacted].
O'Donnell, Dennis M., [redacted].
Palmer, Allen C., [redacted].
Parker, Sarah H., [redacted].
Rose, Robert W., [redacted].
Sargent, Patty S., [redacted].
Schreck, Richard C., [redacted].
Selle, Grace A., [redacted].
Shaffer, Joseph G., [redacted].

VETERINARY CORPS

To be captain

Alexander, Leslie L., [redacted].
Barrows, Paul L., [redacted].
Byrum, James W., [redacted].
Fournier, Raymond M., [redacted].
Franz, David R., [redacted].
Hess, Jeffrey L., [redacted].
Kelch, William J., [redacted].
Liebenberg, Stanley, [redacted].
Lively, Lafon C., [redacted].
Smith, Thomas M., [redacted].
Swinger, Gary L., [redacted].

ARMY NURSE CORPS

To be captain

Aitcheson, Annette, [redacted].
Allen, William P., [redacted].
Amendolair, Darlene, [redacted].
Anders, Robert L., [redacted].
Anderson, Thomas L., [redacted].
Bailey, Mary A., [redacted].
Bassett, Sally A., [redacted].
Bell, Deborah A., [redacted].
Bishoff, Linda F., [redacted].
Bovard, Donna M., [redacted].
Braddy, Paula K., [redacted].
Burch, Joy B., [redacted].
Carroll, Brenda J., [redacted].
Cox, Everett F., [redacted].
Daake, Dean R., [redacted].
Deane, Lawrence J., [redacted].
Deen, Carol J., [redacted].
Deucher, Kathleen A., [redacted].
DeWeese, Paul M., [redacted].
Dolenar, Daniel J., [redacted].
Driggers, Margaret, [redacted].
Ebert, Linda G., [redacted].
Finch, Thelma I., [redacted].
Ford, Joshua C., [redacted].
Gardner, Jane, [redacted].
Garner, William B., [redacted].
Gibbons, Karen F., [redacted].
Gisel, Susan J., [redacted].
Graski, Susan L., [redacted].
Greenlee, Beverly A., [redacted].
Gumbert, Georgiana, [redacted].
Guttman, Linda, [redacted].
Hales, Priscilla W., [redacted].
Hall, John T., [redacted].
Holden, Doris F., [redacted].
Kaminski, Karen L., [redacted].
Kiefer, Linda L., [redacted].
Kirkham, Carol J., [redacted].
Kozma, Marie G., [redacted].
Lander, Walter E., [redacted].
Ledonne, Joseph A., [redacted].
Level, Dennis F., [redacted].
Linker, Lynda A., [redacted].
Lopezrosario, Julio, [redacted].
Lynn, Alice K., [redacted].
Mader, Roy M., [redacted].
Marsh, Frances L., [redacted].
McLeod, Sandra K., [redacted].
Miller, Dwayne E., [redacted].
Miller, Kathleen B., [redacted].
Moen, Cynthia S., [redacted].
Moleski, Carol M., [redacted].
Moran, Margaret L., [redacted].
Mullins, Maureen, [redacted].
Muskovin, Marie L., [redacted].
Nancy, Anne M., [redacted].
Ott, Ellen A., [redacted].
Parreco, Janet A., [redacted].
Polner, David T., [redacted].
Potter, Joseph C., [redacted].
Pulliam, Virginia L., [redacted].
Ramsey, Barbara J., [redacted].
Rehm, Adele L., [redacted].
Rieker, Dennis D., [redacted].
Roberts, Linda S., [redacted].
Robinson, Rosemary, [redacted].
Scheidt, Kathryn B., [redacted].
Schodt, Dana P., [redacted].
Schoolcraft, Martha, [redacted].
Smith, April L., [redacted].
Smith, Barbara J., [redacted].
Smith, Cynthia D., [redacted].
Smith, Pamela A., [redacted].
Stalbaum, Harriett, [redacted].
Stepanik, Gerald V., [redacted].
Stewart, Patricia L., [redacted].
Stewart, Randall T., [redacted].
Summers, Thomas M., [redacted].
Sundin, Robert K., [redacted].
Sylvester, Donna C., [redacted].
Tarnosky, Marilyn R., [redacted].
Vihinen, Ruthanne, [redacted].
Violet, Gwenda J., [redacted].
Wagner, Jeannine M., [redacted].
Ward, Gwendolyn K., [redacted].
Waters, Susan W., [redacted].
Wiegand, Joyce L., [redacted].
Wika, Judith C., [redacted].
Zuelke, Lorene E., [redacted].
Zweig, Margaret J., [redacted].

ARMY PROMOTION LIST

To be first lieutenant

Perrich, Robert A., [redacted].

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be Major

Abate, Claude W., [redacted].
Abolins, Ints, [redacted].
Abrams, Creighton W., [redacted].
Adamick, Donald H., [redacted].
Adams, Donald L. Jr., [redacted].
Adams, John, [redacted].
Adams, John A., [redacted].
Adams, Joseph F., [redacted].
Adams, Thomas L., [redacted].
Adams, William R., [redacted].
Addison, Charles B., [redacted].
Adlesperger, Ray D., [redacted].
Ahrens, Alfred J., [redacted].
Akridge, Jimmie H., [redacted].
Alden, William M., [redacted].
Alderson, Kenneth M., [redacted].
Alexander, Franklin, [redacted].
Allen, Cornelius A., [redacted].
Allen, Glenn R., [redacted].
Allen, Harold F., [redacted].
Allen, Michael B., [redacted].
Allen, William A., IV, [redacted].
Allison, William F., [redacted].
Allred, James R., [redacted].
Amato, James D., [redacted].
Anderson, Jerome R., [redacted].
Anderson, Calvin M., [redacted].
Anderson, Edwin P., [redacted].
Anderson, Francis E., [redacted].
Anderson, Lawrence, [redacted].
Anderson, Randall J., [redacted].
Anderson, Robert L., [redacted].
Andre, David J., [redacted].
Andrean, Charles M., [redacted].
Andree, Martin E., [redacted].

Andrews, Darlington, [redacted].
Andrews, Eugene S., [redacted].
Andrews, James H., [redacted].
Andrews, John W., [redacted].
Andrews, Roger L., [redacted].
Andrews, William R., [redacted].
Angle, Thomas L., [redacted].
Applebaum, Lawrence, [redacted].
Arbogast, Gordon W., [redacted].
Archambault, Emile, [redacted].
Armstrong, David B., [redacted].
Armstrong, Lester F., [redacted].
Asbury, David L., [redacted].
Atkinson, Thomas J., [redacted].
Aune, Lawrence E., [redacted].
Babb, Lawrence R., [redacted].
Bacas, Harry J., [redacted].
Bacon, Gordon D., [redacted].
Badgley, Eddie D., [redacted].
Bahm, John F., Jr., [redacted].
Bailey, Glenn A., [redacted].
Baker, Alfred W., [redacted].
Baker, John W., [redacted].
Baker, Robert F., [redacted].
Baker, Robert G., [redacted].
Baker, Tracy, II, [redacted].
Baker, Wardell G., [redacted].
Ball, Elwyn J., [redacted].
Ballantyne, Nathaniel, [redacted].
Barber, Duane D., [redacted].
Barkman, Ralph A., [redacted].
Barrington, Jerald, [redacted].
Barron, Max R., [redacted].
Barron, Nicholas, [redacted].
Barron, Robert C., [redacted].
Barron,William M., [redacted].
Barry, David A., [redacted].
Barry, Michael J., [redacted].
Barta, Donald F., [redacted].
Bartlett, Leroy, III, [redacted].
Bashore, John F., [redacted].
Bassett, Sterling P., [redacted].
Bates, Thomas J., [redacted].
Battey, Bruce T., [redacted].
Baughman, Harold D., [redacted].
Baumann, Bruce W., [redacted].
Baumgarten, John R., [redacted].
Bays, Lee L., [redacted].
Beach, Karl L., [redacted].
Beal, Richard H., [redacted].
Beall, Raymond F., [redacted].
Bean, Roger K., [redacted].
Beasley, Louis J., [redacted].
Beatty, Norman E., [redacted].
Beauchamp, Ramar K., [redacted].
Beauford, Richard E., [redacted].
Becker, Edward G., [redacted].
Becker, James W., [redacted].
Beckett, George T., [redacted].
Beddingfield, Robert, [redacted].
Beeman, Joseph R., [redacted].
Beerthuis, Mark A., [redacted].
Belcher, Bill G., [redacted].
Belenski, Alexander, [redacted].
Belitz, Charles L., [redacted].
Bell, Charles L., [redacted].
Bell, David A., [redacted].
Bell, Edward F., [redacted].
Bell, Jerry L., [redacted].
Benavides, Gustavo, [redacted].
Benning, Robert M., [redacted].
Benware, Marshall G., [redacted].
Berg, Earl E., [redacted].
Besselieu, William, [redacted].
Best, Billy B., [redacted].
Best, Thomas W., [redacted].
Bialkowski, John R., [redacted].
Bickerdike, Edwin V., [redacted].
Biddinger, Dennis C., [redacted].
Bidorini, Edward K., [redacted].
Bidwell, Robert L., [redacted].
Biegler, Duane R., [redacted].
Biggs, Henry D., [redacted].
Billy, Ronald J., [redacted].
Binns, Harvey L., [redacted].
Bird, Victor R., [redacted].
Bisio, Carl A., [redacted].
Bither, Rodney D., [redacted].
Black, Jerry L., [redacted].
Black, Wendell W., [redacted].
Blackgrove, Joseph, [redacted].
Blackwell, James R., [redacted].
Blahnik, David F., [redacted].
Blair, William J., [redacted].
Blalock, Darrell N., [redacted].
Blase, James W., [redacted].
Blaylock, James R., [redacted].
Blouin, James O., [redacted].
Bluhm, Raymond K., [redacted].
Bobbitt, John F., [redacted].
Bock, James W., [redacted].
Boesch, Carl R., [redacted].
Boettcher, Wolfgang, [redacted].
Boice, William M., [redacted].
Bolen, William S., [redacted].
Bolling, George H., [redacted].
Bolt, William J., [redacted].
Bombel, George A., [redacted].
Borden, Donald F., [redacted].
Born, Howard P., [redacted].
Bosma, Phillip H., [redacted].
Boterweg, Conrad, II, [redacted].
Boudreaux, John S., [redacted].
Boukalis, Peter C., [redacted].
Bouldin, James R., [redacted].
Bouley, Eugene E., [redacted].
Bouton, David A., [redacted].
Bowen, Harold L., [redacted].
Bowring, Louis T., [redacted].
Boyce, Harry L., [redacted].
Boyd, Wayne C., [redacted].
Boyett, Warren G., [redacted].
Bradford, James C., [redacted].
Bradford, John D., [redacted].
Bradshaw, James D., [redacted].
Brainerd, Ardell T., [redacted].
Brake, Perry F., [redacted].
Brandenburg, Andrew, [redacted].
Brandon, Ramey J., [redacted].
Branson, Robert V., [redacted].
Branstuder, Phillip, [redacted].
Brant, Arthur S., [redacted].
Brauch, Gilbert M., [redacted].
Brendle, Thomas M., [redacted].
Bresser, Richard C., [redacted].
Brett, Thomas H., [redacted].
Brewer, Charles R., [redacted].
Brierly, William F., [redacted].
Briggs, Donald T., [redacted].
Briggs, Joseph, [redacted].
Bristol, Donald F., [redacted].
Broadie, Samuel F., [redacted].
Brodie, Craig E., [redacted].
Brokovich, Michael, [redacted].
Brominski, Emil J., [redacted].
Brooks, Billy T., [redacted].
Brooks, Joseph H., [redacted].
Brookshire, Robert, [redacted].
Broussard, Allen, [redacted].
Brown, David R., [redacted].
Brown, Edward M., [redacted].
Brown, Elwyn L., [redacted].
Brown, Harvey E., [redacted].
Brown, James F., [redacted].
Brown, James L., [redacted].
Brown, James R., [redacted].
Brown, Jerry H., [redacted].
Brown, Kenneth N., [redacted].
Brown, Kent O., [redacted].
Brown, Martin A., [redacted].
Brown, Oren R., Jr., [redacted].
Brown, Robert E., [redacted].
Brown, Robert L., [redacted].
Brown, William C., [redacted].
Brown, William R., [redacted].
Bruce, Robert, [redacted].
Brumfield, Wetzel D., [redacted].
Brunson, Jackie L., [redacted].
Bryan, Edward R., [redacted].
Bryan, Hardy W., [redacted].
Bryant, Thomas, [redacted].
Bryce, Ronald H., [redacted].
Brynildsen, Gordon, [redacted].
Bryson, Edward B., [redacted].
Buchly, Howard L., [redacted].
Buffardi, Louis N., [redacted].
Bujakowski, Thomas, [redacted].
Bulger, Dennis B., [redacted].
Burdett, John C., [redacted].
Burelli, Robert C., [redacted].
Burge, Marvin E., [redacted].
Burns, Frank L., [redacted].
Burroughs, Bruce G., [redacted].
Butcher, Richard D., [redacted].
Butler, Arthur H., [redacted].
Butler, Dennis F., [redacted].
Butts, Melvin A., [redacted].
Byard, Johnny R., [redacted].
Byerley, Byron E., [redacted].
Byrkit, Richard D., [redacted].
Byrnes, James B., [redacted].
Cadigan, Peter Y., [redacted].
Caldwell, Marion L., [redacted].
Campbell, Jerry C., [redacted].
Campbell, William H., [redacted].
Canavan, Thomas J., [redacted].
Cannan, Patrick F., [redacted].
Capps, Larry R., [redacted].
Carey, Roland, [redacted].
Carey, Spencer V., [redacted].
Carey, William R., [redacted].
Cargile, Eugene D., [redacted].
Carlin, James J., [redacted].
Carlisle, Richard D., [redacted].
Carlock, William C., [redacted].
Carlson, Albert E., [redacted].
Carlton, Charles A., [redacted].
Carmichael, Harry S., [redacted].
Carney, Thomas P., [redacted].
Carothers, Joe D., [redacted].
Carr, Peter H., [redacted].
Carroll, Bartlett J., [redacted].
Carroll, Dennis J., [redacted].
Carroll, John J., [redacted].
Carter, John L., [redacted].
Cartland, John C., Jr., [redacted].
Caver, Troy V., [redacted].
Cawley, Thomas J., [redacted].
Caylor, Eugene H., [redacted].
Chadbourne, Willam, [redacted].
Chambers, Howard L., [redacted].
Chambers, James E., [redacted].
Channon, James B., [redacted].
Chapa, Jose A., [redacted].
Chapman, Alan A., [redacted].
Charlesworth, Russell, [redacted].
Chase, Jack S., [redacted].
Chase, Michael T., [redacted].
Chatfield, James M., [redacted].
Cheal, Arnold E., [redacted].
Chenault, Michael S., [redacted].
Cheshire, George T., [redacted].
Childers, Charles K., [redacted].
Chinen, Paul Y., [redacted].
Chippi, Michael J., [redacted].
Choate, Jeffery J., [redacted].
Chole, Hilbert H., [redacted].
Christensen, Allen, [redacted].
Christensen, Christ, [redacted].
Christensen, Marth, [redacted].
Christenson, Robert, [redacted].
Christian, Stephen, [redacted].
Church, Douglas R., [redacted].
Cizmadia, Joseph, [redacted].
Clark, George D., [redacted].
Clark, Ralph C., [redacted].
Clay, Michael A., [redacted].
Clayton, Robert O., [redacted].
Cleveland, Russell, [redacted].
Clezie, Leonard, [redacted].
Cobb, Tyrus W., [redacted].
Coe, Gary Q., [redacted].
Coke, Alfred M., [redacted].
Colavita, Henry J., [redacted].
Cole, David L., [redacted].
Cole, Richard B., [redacted].
Cole, Robert A., [redacted].
Coleman, John L., [redacted].
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Leide, John A., [redacted].
Leideritz, James D., [redacted].
Leigh, Fredric H., [redacted].
Leister, Ancil D., [redacted].
Lemieux, Robert E., [redacted].
Leonard, George R., [redacted].
Lewis, Allen L., [redacted].
Lewis, Daniel K., [redacted].
Lewis, Edgar C., Jr., [redacted].
Lewis, Joe A., [redacted].
Lewsen, Robert F., [redacted].
Liberti, Joseph C., [redacted].
Liles, Robert D., [redacted].
Lillard, Larry D., [redacted].
Lind, Gary C., [redacted].
Lindsay, Larry A., [redacted].
Lindsay, Robert S., [redacted].
Linnen, James R., [redacted].
Lipka, Gerald, [redacted].
Lippincott, William, [redacted].
Little, Douglas W., [redacted].
Little, John H., [redacted].
Little, William W., [redacted].
Lively, Charles W., [redacted].
Lloyd, James W., [redacted].
Locker, William J., [redacted].
London, Leroy, Jr., [redacted].
Long, George L., [redacted].
Long, George M., [redacted].
Long, James B., [redacted].
Long, Wendell L., [redacted].
Lord, Fred E., [redacted].
Loupe, Sylvain M., [redacted].
Lovejoy, William C., [redacted].
Lovgren, Paul W., [redacted].
Lucas, Kenneth W., [redacted].
Lucas, Paul A., [redacted].
Lucy, Daniel H., [redacted].
Lujan, Armando, [redacted].
Lundberg, Maynard J., [redacted].
Lupardus, Carl R., [redacted].
Lutz, Ward A., [redacted].
Lutz, William G., [redacted].
Lyles, Robert E., [redacted].
Lynch, Harold D., [redacted].
Lynn, Larry D., [redacted].
Lyon, Kenneth S., [redacted].
Mabry, Joseph M., [redacted].
MacDonald, Howard M., [redacted].
Mace, James E., [redacted].
Machina, Mark H., [redacted].
Mack, John S., [redacted].
MacLellan, Norman A., [redacted].
Madden, Charles E., [redacted].
Maddry, Ted R., [redacted].
Mahalik, Paul D., [redacted].
Mailki, Donald B., [redacted].
Maimbomrg, Eddie L., [redacted].
Major, James S., [redacted].
Mallard, Richard L., [redacted].
Mallion, Richard J., [redacted].
Malone, Richard F., [redacted].
Maloney, John W., [redacted].
Mamos, Matthew G., [redacted].
Mandeville, Craig H., [redacted].
Mann, Carl A., [redacted].
Mann, Richard G., [redacted].
Mann, Robert E., [redacted].
Manning, Robert, Jr., [redacted].
Manning, Roger D., [redacted].
Mannschreck, Dannen, [redacted].
Mansi, Leo J., [redacted].
Marchand, Gary J., [redacted].
Marchi, John D., [redacted].
Marcinkowski, Garret, [redacted].
Margolius, Benjamin, [redacted].
Mari, Louis A., [redacted].
Marlow, Willard E., [redacted].
Marshall, Edgar A., [redacted].
Marshall, Gail W., [redacted].
Marty, Fred F., [redacted].
Mason, Lloyd D., [redacted].
Mason, William B., [redacted].
Mathewes, Paul H., [redacted].
Matson, Donald F., [redacted].
Matteson, Richard J., [redacted].
McBride, Hugh M., [redacted].
McBroom, Billy W., [redacted].
McCaffrey, John C., [redacted].
McCarron, James P., [redacted].
McCarver, James M., [redacted].
McCaskill, Horace J., [redacted].
McClain, Charles W., [redacted].
McCoid, Frederick E., [redacted].
McCollum, Tommie L., [redacted].
McCormack, Michael, [redacted].
McCormick, Donald R., [redacted].
McCoy, James B., [redacted].
McCurdey, Newton F., [redacted].
McCurry, William E., [redacted].
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McDaniel, Quannah L., [redacted].
McDaniel, Richard A., [redacted].
McDermott, Richard, [redacted].
McDevitt, Coleman J., [redacted].
McDonald, Daniel W., [redacted].
McDonald, Ted A., [redacted].
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McFarlane, Thomas C., [redacted].
McGarity, Robert L., [redacted].
McGrath, Thomas R., [redacted].
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McGurk, Francis W., [redacted].
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McKee, David L., [redacted].
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McLaughlin, Robert, [redacted].
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McNeill, Robert H., [redacted].
McQuaid, John J., [redacted].
McRee, Marshall R., [redacted].
McWilliams, James B., [redacted].
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Meade, David C., [redacted].
Meador, James E., [redacted].
Means, Dale F., [redacted].

Measels, David A., [redacted].

Mebane, Eddie B., [redacted].

Medley, Larry J., [redacted].

Meek, Donald L., [redacted].

Meier, Arthur C., [redacted].

Melander, Harold W., [redacted].

Meoni, Neil W., [redacted].

Meredith, Richard L., [redacted].

Merrill, Robert K., [redacted].

Merritt, Gordon L., [redacted].

Mertz, Wade M. Jr., [redacted].

Metelko, James E., [redacted].

Metzger, Robert S., [redacted].

Meyers, Frederick F., [redacted].

Milam, Michael M., [redacted].

Miles, Milton E., [redacted].

Miller, Bruce F., [redacted].

Miller, Freddy L., [redacted].

Miller, George M., [redacted].

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Millerlile, William, [redacted].

Millican, Charles W., [redacted].

Mills, Clarence R., [redacted].

Mills, Francis E., [redacted].

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Mills, Walter L., [redacted].

Minetree, James L., [redacted].

Mitchell, John M., [redacted].

Mitchell, Kenneth M., [redacted].

Mitchell, Ralph M., [redacted].

Mix, David J., [redacted].

Mock, Phillip W., [redacted].

Moe, Thelmer A., [redacted].

Moeller, William E., [redacted].

Moerbe, Ronald H., [redacted].

Monroe, Dennis G., [redacted].

Montes, Juan A., [redacted].

Moon, John K., [redacted].

Mooney, David J., [redacted].

Mooradian, Moorad, [redacted].

Moore, Alan L., [redacted].

Moore, Jimmy R., [redacted].

Moore, Julius B., [redacted].

Moore, Walter B., [redacted].

Moore, William F., [redacted].

Mootz, Eugene D., [redacted].

Mordeaux, Corry, [redacted].

Moreau, James G., [redacted].

Morgan, Creed R., [redacted].

Morgan, Paul F., [redacted].

Morgart, James W., [redacted].

Morkovsky, Paul E., [redacted].

Morris, Bruce A., [redacted].

Morris, Charles T., [redacted].

Morris, Henry, [redacted].

Morris, John F., [redacted].

Morrison, Carlos S., [redacted].

Morse, Michael M., [redacted].

Moscrip, John, Jr., [redacted].

Moses, George L., [redacted].

Mosier, Douglas K., [redacted].

Mountz, Robert E., [redacted].

Muldoon, James J., [redacted].

Mullen, George M., [redacted].

Mullen, William A., [redacted].

Muller, Richard H., [redacted].

Mundt, David L., [redacted].

Murdoch, Robert V., [redacted].

Murdock, Don H., [redacted].

Murphy, Charles R., [redacted].

Murphy, Errol L., [redacted].

Murphy, Haspard R., [redacted].

Murphy, William J., [redacted].

Murray, Warren E., [redacted].

Murray, William K., [redacted].

Myers, Douglas V., [redacted].

Myers, Duane H., [redacted].

Myers, Jesse W., [redacted].

Myers, Ralph E., [redacted].

Naab, Richard M., [redacted].

Najjar, Alphonse L., [redacted].

Nall, William N., [redacted].

Naughton, John F., [redacted].

Necessary, Kenneth, [redacted].

Neiman, Kenneth G., [redacted].

Nelson, Harold M., [redacted].

Nelson, Harold W., [redacted].

Neubert, Gunter H., [redacted].

Neuwien, Reginald A., [redacted].

New, Eugene R., [redacted].

Newell, Thomas K., [redacted].

Newman, Jerrol M., [redacted].

Nibert, Lewis, [redacted].

Nichols, Brent H., [redacted].

Nix, Virgil L., [redacted].

Nixon, Howard T., [redacted].

Nixon, Robert A., [redacted].

Norman, James F., [redacted].

Norman, Neal E., [redacted].

Norris, Ronald A., [redacted].

Norton, William J. I, [redacted].

Novembre, Peter J., [redacted].

Noyes, James L., [redacted].

O'Brien, Lewis B., [redacted].

O'Connor, Dennis L., [redacted].

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O'Connor, John M., [redacted].

O'Donnell, John R., [redacted].

O'Grady, John E., [redacted].

O'Hagan, Patrick J., [redacted].

Ohta, Thomas K., [redacted].

O'Keefe, Thomas C., [redacted].

O'Laughlin, Michael, [redacted].

Olds, William K., [redacted].

Olmstead, James L., [redacted].

Olsen, Alexander K., [redacted].

Olsen, Gary A., [redacted].

Olson, John W., [redacted].

Olson, Richard V., [redacted].

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O'Malley, Thomas E., [redacted].

O'Neal, Samuel K., [redacted].

O'Neil, James W., [redacted].

O'Neill, Peter G., [redacted].

Oppenheim, James P., [redacted].

O'Reilly, John W., [redacted].

Orsini, Donald A., [redacted].

Osborn, Robert J., [redacted].

Osborne, Gerald C., [redacted].

Osborne, John S., [redacted].

Ostovich, Rudolph I., [redacted].

O'Sullivan, Kenneth, [redacted].

Otis, Malcolm D., [redacted].

O'Toole, Robert H., [redacted].

Owen, Charles S., [redacted].

Owen, Felix E., [redacted].

Owen, John F., [redacted].

Owen, William J., [redacted].

Paccerelli, George, [redacted].

Page, Richard R., [redacted].

Pahland, Richard C., [redacted].

Painter, Dan H., [redacted].

Palladino, George F., [redacted].

Palmer, Robert C., [redacted].

Parish, James H., [redacted].

Parish, James R., [redacted].

Parker, Charles M., [redacted].

Parker, John E., [redacted].

Parks, Robert R., [redacted].

Parrish, David H., [redacted].

Parrish, John C., [redacted].

Parsons, John D., [redacted].

Paterson, Theodore, [redacted].

Patin, Jude W., [redacted].

Patten, Rodney L., [redacted].

Patterson, Gordon W., [redacted].

Patterson, Jerry R., [redacted].

Patterson, Wallace, [redacted].

Pattison, William C., [redacted].

Pederson, James D., [redacted].

Pedigo, William E., [redacted].

Pelletier, Armand M., [redacted].

Pendleton, Richard, [redacted].

Pennell, William H., [redacted].

Pennywell, Johnson, [redacted].

Perrenot, Frederick, [redacted].

Perry, Daniel R., [redacted].

Perry, Richard, [redacted].

Perry, Ronald J., [redacted].

Perry, Stephen O., [redacted].

Peters, Frederick J., [redacted].

Petersen, William T., [redacted].

Peterson, Robert H., [redacted].

Pettit, Roland L., [redacted].

Peyton, Mark T., Jr., [redacted].

Phelps, Harvey A., [redacted].

Pheneger, Michael, [redacted].

Phillips, David M., [redacted].

Phillips, Frederick, [redacted].

Piersall, Grady C., [redacted].

Pierson, James T., [redacted].

Pierson, John C., [redacted].

Pierson, Rex F., [redacted].

Pignato, John C., [redacted].

Pilgrim, George E., [redacted].

Pilgrim, Mark T., [redacted].

Piper, Billy J., [redacted].

Pirkle, John E., [redacted].

Plocek, George N., [redacted].

Plomgren, Chester A., [redacted].

Poff, Gary L., [redacted].

Pogorzelski, Jerome, [redacted].

Poh, Gerald V., [redacted].

Poindexter, Alonzo, [redacted].

Pokras, Richard M., [redacted].

Pollard, James C., [redacted].

Pollard, Royce E., [redacted].

Polonis, Lawrence L., [redacted].

Pond, Herbert D., [redacted].

Ponder, Ralph C., [redacted].

Ponzillo, Mark, Jr., [redacted].

Pope, Danny E., [redacted].

Pope, Derwin B., [redacted].

Pope, Joe T., [redacted].

Pope, Thomas I., [redacted].

Porch, David B., [redacted].

Porter, James W., [redacted].

Potter, Clofton A., [redacted].

Powe, Marc B., [redacted].

Power, John R., [redacted].

Power, Jimmy E., [redacted].

Prather, Dan E., [redacted].

Prather, Thomas L., [redacted].

Pratt, William C., [redacted].

Pray, David E., [redacted].

Price, David H., [redacted].

Prim, David F., [redacted].

Pritchett, Charles, [redacted].

Privette, William G., [redacted].

Pruitt, Ronald O., [redacted].

Prusinovski, Louis, [redacted].

Pulver, William C., [redacted].

Putman, Gerald H., [redacted].

Quast, John G., [redacted].

Quigley, George, [redacted].

Quinlan, Michael M., [redacted].

Quinn, Robert J., [redacted].

Quintrell, Wallace, [redacted].

Ragsdale, Jack D., [redacted].

Raley, Thomas S., [redacted].

Ramage, Gary F., [redacted].

Ranallo, James, Jr., [redacted].

Ratcliff, Owen L., Jr., [redacted].

Read, Donald B., [redacted].

Redd, Fred E., III, [redacted].

Reed, Arthur W., [redacted].

Reed, Burwin P., [redacted].

Reed, George B., [redacted].

Reid, John F., [redacted].

Reid, Tilden R., [redacted].

Reid, Wilbur R., [redacted].

Reilly, Iain, [redacted].

Reilly, William F., [redacted].

Reinholtz, Richard, [redacted].

Remick, Lawrence E., [redacted].

Renaud, Kenneth L., [redacted].

Resch, Robert E., [redacted].

Reynolds, Harvey J., [redacted].

Reynolds, James E., [redacted].

Reynolds, Mack D., [redacted].

Rhame, Thomas G., [redacted].

Rice, Lewis A., [redacted].

Rice, Myron K., [redacted].

Richardson, Hezekia, [redacted].

Richardson, Obrene, [redacted].
Riddle, John E., [redacted].
Ridick, John V., [redacted].
Riley, Patrick E., [redacted].
Rimbey, Charles F., [redacted].
Ringle, Elmer C., [redacted].
Ritchie, Richard H., [redacted].
Rives, Charles M., [redacted].
Robbins, John R., [redacted].
Roberson, Carlton F., [redacted].
Roberson, Hugh B., [redacted].
Robert, Emile A., [redacted].
Roberts, James F., [redacted].
Roberts, James T., [redacted].
Roberts, Richard H., [redacted].
Roberts, William F., [redacted].
Robertson, Jarrett, [redacted].
Robinson, Dwight K., [redacted].
Robinson, Richard S., [redacted].
Robinson, William A., [redacted].
Roche, John J., [redacted].
Rochon, Everette C., [redacted].
Rockwell, Richard F., [redacted].
Rodriguez, Arturo, [redacted].
Rogers, Douglas H., [redacted].
Rogers, Mark W., [redacted].
Rogers, Richard L., [redacted].
Rohn, Gordon F., [redacted].
Root, David K., [redacted].
Rosen, Herbert R., [redacted].
Rosensteel, Grant L., [redacted].
Rosenthal, Sidney D., [redacted].
Ross, Joseph A., [redacted].
Ross, Raymond R., [redacted].
Ross, William R., [redacted].
Rothlisberger, Charles, [redacted].
Rourke, John E., [redacted].
Rowe, Gerald H., [redacted].
Royer, Aaron M., [redacted].
Rudd, Johnny R., [redacted].
Rush, Wayne A., [redacted].
Russ, Sam W., [redacted].
Russell, David E., [redacted].
Rust, David H., [redacted].
Rutherford, Jerry R., [redacted].
Sabin, Charles B., [redacted].
Saffron, Joseph P., [redacted].
Sagerser, Roy P., [redacted].
Sallee, David K., [redacted].
Salley, Hammon M., [redacted].
Samas, Frank R., [redacted].
Samuels, Seymour, II, [redacted].
Sans, John A., [redacted].
Sarakaitis, Joseph, [redacted].
Sarantakes, John E., [redacted].
Sarratt, Robert R., [redacted].
Sasaki, Raymond N., [redacted].
Sasser, Linwood L., [redacted].
Sausser, Robert G., [redacted].
Saxton, Michael L., [redacted].
Scallan, Joseph H., [redacted].
Scannell, Michael J., [redacted].
Schaible, Dennis J., [redacted].
Schaller, Robert H., [redacted].
Scharf, Paul A., [redacted].
Scharf, Richard D., [redacted].
Scharpf, Francis R., [redacted].
Schaum, Fred W., [redacted].
Scheidig, Robert E., [redacted].
Schenker, Frederick, [redacted].
Schiek, Robert A., [redacted].
Schmidt, Charles L., [redacted].
Schmidt, Werner G., [redacted].
Schneider, Michael, [redacted].
Schneider, William, [redacted].
Schofield, Dale W., [redacted].
Schrader, Stanley A., [redacted].
Schram, Robert E., [redacted].
Schucker, David R., [redacted].
Schuetze, Irving P., [redacted].
Scooler, Albert G., [redacted].
Scott, Eugene F., [redacted].
Scott, William A., [redacted].
Seaborn, Donald J., [redacted].
Sellers, Kervin R., [redacted].
Semrau, Buddy L., [redacted].
Senecal, Jan L., [redacted].
Seremeth, Andrew J., [redacted].
Shaler, Michael D., [redacted].
Shaw, Charles L., [redacted].
Shaw, Dallas A., [redacted].
Shaw, Delbert W., [redacted].
Shea, George D., [redacted].
Shearer, Robert L., [redacted].
Sheffield, Roger V., [redacted].
Sheffield, Ronald L., [redacted].
Sheffield, Sherwood, [redacted].
Shellabarger, Dan G., [redacted].
Shelton, Henry H., [redacted].
Shepherd, James G., [redacted].
Sherburne, John R., [redacted].
Shields, John E., [redacted].
Shine, Alexander P., [redacted].
Shippey, William H., [redacted].
Shirey, Wilbur C., [redacted].
Shirley, Bobby G., [redacted].
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Short, Albert V., [redacted].
Shuler, Brigham S., [redacted].
Shumway, Walter A., [redacted].
Siegfried, Richard, [redacted].
Siekman, Raymond D., [redacted].
Sielinski, Peter E., [redacted].
Sikora, Thomas F., [redacted].
Silberstein, Kenneth, [redacted].
Silvasy, Stephen, Jr., [redacted].
Silvey, William J., [redacted].
Simino, Joseph R., [redacted].
Simoneaux, Joseph A., [redacted].
Simonetta, Russell, [redacted].
Simpson, Daniel H., [redacted].
Simpson, Patrick J., [redacted].
Sirois, George A., [redacted].
Sivells, James B., [redacted].
Skender, Louis E., [redacted].
Slakie, Ronald J., [redacted].
Slapkunas, Raymond, [redacted].
Slife, Richard D., [redacted].
Sloan, Murrell L., [redacted].
Sloane, Robert L., [redacted].
Slominski, Michael, [redacted].
Smart, Neil A., [redacted].
Smelcer, Charles, [redacted].
Smeltzer, Paul N., [redacted].
Smith, Bruce E., [redacted].
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Smith, Harold B., [redacted].
Smith, Hubert G., [redacted].
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Smith, Kenneth V., [redacted].
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Smullen, Frederick, [redacted].
Sneed, Bryant S., [redacted].
Snelgrove, Larris M., [redacted].
Snider, Thomas H., [redacted].
Snipes, Grover E., [redacted].
Snook, Larry, [redacted].
Snover, Raife E., [redacted].
Snyder, L. B., II, [redacted].
Solenberger, Thomas, [redacted].
Sollinger, Jerry M., [redacted].
Southard, Ralph C., [redacted].
Spagnoli, Joseph B., [redacted].
Speltz, Karl W., [redacted].
Spirek, Dennis G., [redacted].
Sprague, Michael D., [redacted].
Stack, Robert C., [redacted].
Stamant, Philemon A., [redacted].
Stamey, Victor E., [redacted].
Stanton, James W., [redacted].
Steadman, Kenneth A., [redacted].
Steed, Emil E., [redacted].
Steele, Robert M., [redacted].
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Steimer, Robert E., [redacted].
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Stephenson, Hartwell, [redacted].
Sterrett, John D., [redacted].
Stetzinger, John E., [redacted].
Stevens, Pat M., IV, [redacted].
Stewart, George D., [redacted].
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Stibbe, Manfred H., [redacted].
Stiglich, Gerald F., [redacted].
Stiner, Tommy C., [redacted].
Stober, Robert L., [redacted].
Stock, Lawrence W., [redacted].
Stokes, Oliver C., [redacted].
Straub, Delbert M., [redacted].
Stretch, Donald F., [redacted].
Strickland, David S., [redacted].
Strom, Roger C., [redacted].
Stryker, James W., [redacted].
Stuart, Larry E., [redacted].
Stubbs, Richard C., [redacted].
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Sturbois, Louis J., [redacted].
Sturdivant, Robert, [redacted].
Sturges, Scott L., [redacted].
Stutz, Darvel C., [redacted].
Sulivan, Gerald R., [redacted].
Sullivan, John E., [redacted].
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Sullivan, Roger J., [redacted].
Summerford, Wheeler, [redacted].
Summers, Michael H., [redacted].
Supinski, Richard E., [redacted].
Surette, Warren J., [redacted].
Sutcliffe, Edwin H., [redacted].
Sutton, Melvin J., [redacted].
Swanson, Gary D., [redacted].
Swedlund, Jerry G., [redacted].
Swisher, Arthur H., [redacted].
Sydes, Thomas A., [redacted].
Szymanowicz, Philip, [redacted].
Taillie, Dennis K., [redacted].
Takata, Alvin M., [redacted].
Talbott, Charlie Y., [redacted].
Tallman, Harold S., [redacted].
Talmadge, Roger S., [redacted].
Tames, Robert G., [redacted].
Tapscott, Donald A., [redacted].
Tate, Christopher J., [redacted].
Taylor, Archie B., [redacted].
Taylor, Donald R., [redacted].
Taylor, Edwin L., [redacted].
Taylor, John R., [redacted].
Taylor, Kenneth D., [redacted].
Taylor, Morris M., [redacted].
Taylor, Robert B., [redacted].
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Taylor, Warren P., [redacted].
Templeton, Allen E., [redacted].
Terry, Elbridge W., [redacted].
Terry, Millard D., [redacted].
Tezak, Edward G., [redacted].
Thacker, James H., [redacted].
Thomas, James M., [redacted].
Thomas, Joseph J., [redacted].
Thomas, Robert M., [redacted].
Thomas, Steven A., [redacted].
Thompson, Fred B., [redacted].
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Tilelli, John H. Jr., [redacted].
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Tomlin, James E., [redacted].
Tracy, David S., [redacted].
Tracz, William J., [redacted].
Tragakis, Christopher, [redacted].
Traino, Joseph A., [redacted].
Trainor, Francis E., [redacted].
Trapnell, Franklin, [redacted].
Troth, Robert S., [redacted].
Trotter, Kenneth E., [redacted].
Trussell, James B., [redacted].
Tryon, Michael A., [redacted].
Tucker, James E., [redacted].
Turbok, James M., [redacted].

Turcotte, Gerald, VI, [redacted].
Turcotte, Paul J., [redacted].
Turecek, Jack L., [redacted].
Turner, Charles E., [redacted].
Turner, Russell W., [redacted].
Turner, Vance L., [redacted].
Turpin, William C., [redacted].
Twombly, Richard F., [redacted].
Tysdal, Thomas P., [redacted].
Ulveling, Max G., [redacted].
Ungerer, David C., [redacted].
Valentine, Kit J [redacted].
Vanbroekhoven, Richard, [redacted].
Vande Hei, Richard, [redacted].
Vanderploog, Paul J., [redacted].
Vanloon, Weston O., [redacted].
Vanorden, James T., [redacted].
Vanzant, John H., [redacted].
Varnell, Allan K., [redacted].
Vasey, Michael C., [redacted].
Vaughan, Robert P., [redacted]
Vaughn, Robert K., [redacted].
Veen, Robert A., [redacted].
Verrier, Thomas L., [redacted].
Vick, Prentice R., [redacted].
Viduya, Robert C., [redacted].
Viles, Ronald J., [redacted].
Vlasak, Walter R., [redacted].
Vogel, Robert A., [redacted].
Volk, Paul J., [redacted].
Vollrath, Frederick, [redacted].
Wagner, Jerry T., [redacted].
Wahlbom, David M., [redacted].
Walbom, Philip C., [redacted].
Walgren, William E., [redacted].
Walker, Gerald S., [redacted].
Walker, Herbert A., [redacted].
Walker, John J., [redacted].
Walker, John S., [redacted].
Walkley, Lester D., [redacted].
Wall, Kenneth D., [redacted].
Wallace, Roy V., [redacted].
Wallace, Terrence M., [redacted].
Wallace, Thomas L., [redacted].
Waller, Benjamin F., [redacted].
Waller, John S., [redacted].
Walsh, Richard R., [redacted].
Walsh, Robert E., [redacted].
Walther, John R., [redacted].
Walts, Charles O., [redacted].
Ward, Houston E., [redacted].
Ward, James A., [redacted].
Ward, Joel H., [redacted].
Ward, Richard F., [redacted].
Ware, Robert P., [redacted].
Warman, Cletis M., [redacted].
Warner, Lawrence E., [redacted].
Wascom, Charles L., [redacted].
Wasielewski, Joseph, [redacted].
Watson, Jerry L., [redacted].
Watson, Raymon L., [redacted].
Watts, William J., [redacted].
Wauford, Raymond J., [redacted].
Way, Darwin M., [redacted].
Weaver, John W., [redacted].
Webb, James T., [redacted].
Weber, Gary L., [redacted].
Webster, Lynn C., [redacted].
Weeks, Thomas L., [redacted].
Weems, Kelly G., [redacted].
Wiegand, Robert W., [redacted].
Weinberg, Paul, [redacted].
Weirich, Danford N., [redacted].
Weiss, Robert M., [redacted].
Weisz, Paul J., [redacted].
Wells, James V., [redacted].
Wells, Robert D., [redacted].
Wells, William L., [redacted].
Wenners, Edward B., [redacted].
Werner, Steven M., [redacted].
Wessling, Richard B., [redacted].
West, Kenneth M., [redacted].
Westbrook, James P., [redacted].
Weyrauch, Paul T., [redacted].
Wheelan, John D., [redacted].
Wheeler, James E., [redacted].
Wheeler, John B., [redacted].
Whelan, Robert E., [redacted].
Whipple, William B., [redacted].
Whitaker, Chester J., [redacted].
Whitcomb, Richard G., [redacted].
White, Eddie J., [redacted].
White, Ernest K., [redacted].
White, Lowell L., [redacted].
White, William C., [redacted].
Whitehead, Charles, [redacted].
Whitehead, Robert W., [redacted].
Whitehouse, Elray P., [redacted].
Whiteside, Leonard, [redacted].
Whitlock, Gary B., [redacted].
Whitmer, Dennis K., [redacted].
Whittington, Robert, [redacted].
Whitworth, William, [redacted].
Wiker, Charles M., [redacted].
Wilde, Gary D., [redacted].
Wilder, John D., [redacted].
Wilkinson, Robert H., [redacted].
Willard, William B., [redacted].
Williams, Arthur E., [redacted].
Williams, George M., [redacted].
Williams, Gerald P., [redacted].
Williams, Lee W., [redacted].
Williams, Robert G., [redacted].
Williams, Terrell R., [redacted].
Williams, William J., [redacted].
Williamson, Walter, [redacted].
Willis, Milford R., [redacted].
Willman, Landon P., [redacted].
Wills, Edward L., [redacted].
Willson, Daniel A., [redacted].
Wilson, John W., [redacted].
Wilson, Thomas A., [redacted].
Winarski, Stanley T., [redacted].
Windsor, Thomas C., [redacted].
Winters, Robert F., [redacted].
Wissinger, Allen R., [redacted].
Witt, William W., [redacted].
Wolfkill, Harry H., [redacted].
Womble, Columbus M., [redacted].
Wood, Calvin S., [redacted].
Wood, Robert H., [redacted].
Wood, Shelton E., [redacted].
Woodard, Larry H., [redacted].
Woodhan, Gary E., [redacted].
Woods, Luther L., [redacted].
Woods, Sanderson A., [redacted].
Woodward, James K., [redacted].
Woronchuk, Ivan, [redacted].
Wren, Charles C., [redacted].
Wright, Johnny F., [redacted].
Wright, Raymond P., [redacted].
Wright, Walter C., [redacted].
Wright, Wayne W., [redacted].
Wroblewski, Frank B., [redacted].
Wyatt, Bobby J., [redacted].
Wyatt, Robert L., [redacted].
Wykle, Kenneth R., [redacted].
Wylie, Edgar L., [redacted].
Wyllie, William J., [redacted].
Xenakis, John J. [redacted].
Yamashita, Ted K., [redacted].
Yanagihara, Galen H., [redacted].
Yando, Arthur N., [redacted].
Yates, Carl W., [redacted].
Yates, Walter H. Jr., [redacted].
Yazinski, Edward C., [redacted].
Yearout, Paul H., [redacted].
Yedinak, Steven M., [redacted].
Young, Alvin D., [redacted].
Young, Edward M., [redacted].
Young, Frank R., [redacted].
Young, James V., [redacted].
Young, Robert S., [redacted].
Youngblade, Walter, [redacted].
Zelley, Robert A., [redacted].
Zeltner, Richard L., [redacted].
Zepke, John R., [redacted].
Zikmund, Robert L., [redacted].
Zugel, Raymond J., [redacted].

CHAPLAIN CORPS

To be Major

Behlendorf, Jack R., [redacted].
Bowker, Gary A., [redacted].
Clanton, Charles T., [redacted].
Clements, Kenneth B., [redacted].
Covington, Robert R., [redacted].
Deal, Thomas L., [redacted].
Dombrowski, Robert, [redacted].
Endress, James R., [redacted].
Foley, Gerald J., [redacted].
Groen, Douglas J., [redacted].
Guenther, Raymond J., [redacted].
Hilliard, Henry C., [redacted].
Hunt, Henry L., [redacted].
Johnson, Howard W., [redacted].
Johnson, James D., [redacted].
Kelly, Colin P., [redacted].
Kirk, Marion R., [redacted].
Konynenbelt, Marvin, [redacted].
Kuehne, Wayne E., [redacted].
Lacey, Floyd E., [redacted].
McKinney, James H., [redacted].
Nass, Bernard F., [redacted].
Nebergall, Allen V., [redacted].
Newby, Claude D., [redacted].
Norton, Thomas H., [redacted].
Peterson, David P., [redacted].
Peterson, William F., [redacted].
Roland, Clarence H., [redacted].
Rosheim, Waldron A., [redacted].
Schaffer, Harvey L., [redacted].
Shea, Donald W., [redacted].
Southwell, Robert E., [redacted].
Windmiller, Bernard, [redacted].
Wolcott, Charles H., [redacted].

WOMEN'S ARMY CORPS

To be Major

Baetcke, Dorothy A., [redacted].
Emmons, Mary A., [redacted].
Hery, Teata R., [redacted].
Russell, Nancy A., [redacted].
Swan, Leanora M., [redacted].
Whelan, Patricia A., [redacted].
Willis, Mary C., [redacted].
Zimmerman, Mary L., [redacted].

DENTAL CORPS

To be Major

Bell, Lester J., [redacted].
Bodner, John J., II, [redacted].
Boron, Robert S., [redacted].
Burston, William A., [redacted].
Chretien, James R., [redacted].
Cruse, William P., [redacted].
Farne, John F., [redacted].
Fowler, William H., [redacted].
Frey, William E., [redacted].
Gay, William D., [redacted].
Gustinic, David J., [redacted].
Hake, Terry H., [redacted].
Hanley, Joseph B., [redacted].
Herrmann, John W., [redacted].
Jones, Donald A., [redacted].
Lucidi, Richard N., [redacted].
Mader, Carson L., [redacted].
McCartney, John W., [redacted].
McKeever, Peter J., [redacted].
Mullinax, Ellis T., [redacted].
Murphy, Patrick W., [redacted].
Nelson, James M., [redacted].
Nespeca, John A., [redacted].
Nurnberg, Richard A., [redacted].
Payne, Thomas F., [redacted].
Seng, George F., [redacted].
Shimer, Tommy W., [redacted].
Simes, Thomas A., [redacted].
Stonge, Roland J., [redacted].
Tressler, Lloyd E., [redacted].
Vincent, Jack W., [redacted].

MEDICAL CORPS

To be Major

Ahmann, Thomas M., [redacted].
Barnes, Cary M., [redacted].
Bode, Donald D., [redacted].
Bowman, Robert P., [redacted].
Burger, Leslie M., [redacted].
Buscemi, Jon H., [redacted].
Carns, Edwin H., [redacted].
Christensen, Richard, [redacted].
Dewey, George C., [redacted].
Foote, William C., [redacted].
Freeland, Alan E., [redacted].
Gough, David C., [redacted].
Grabhorn, Larry L., [redacted].
Hall, Roger V., [redacted].
Hamlin, Elvin R., [redacted].
Hightshue, David C., [redacted].
James, James J., [redacted].
Keeler, David A., [redacted].
Keeney, Glenward T., [redacted].
Kingry, Roy L., Jr., [redacted].
Kreutzmann, Robert, [redacted].
Lawrence, Frank M., [redacted].
Lentino, Jorge A., [redacted].

MacDonald, Richard, [redacted].
Modarelli, Robert O., [redacted].
Parry, William H., [redacted].
Penney, Larry L., [redacted].
Pierson, Dean L., [redacted].
Provost, John M., [redacted].
Ricks, Robert E., [redacted].
Sanders, Harold L., [redacted].
Sanders, Joe M., [redacted].
Segal, Herbert E., [redacted].
Shaw, Robert W., [redacted].
Shegog, James H., [redacted].
Silsby, Harry D., [redacted].
Starke, William R., [redacted].
Steele, Russell W., [redacted].
Thomas, Harry M., [redacted].
Whitmore, Paul V., [redacted].
Wiese, George M., [redacted].
Wight, Dennis A., [redacted].
Williams, Curtis S., [redacted].

MEDICAL SERVICE CORPS

To be Major

Anderson, Carl J., [redacted].
Andrew, Franklin H., [redacted].
Augsburger, Wilson, [redacted].
Ballard, Clark T., [redacted].
Barbour, Martin W., [redacted].
Barrett, Richard A., [redacted].
Barron, Garrett W., [redacted].
Bell, George T., [redacted].
Besterman, Gerald, [redacted].
Boe, Gerard P., [redacted].
Bradford, Jackie E., [redacted].
Brown, Carl D., [redacted].
Burt, Joe M., [redacted].
Butler, Eulous S., [redacted].
Cammarata, Frank A., [redacted].
Carroll, William F., [redacted].
Colvin, John D., [redacted].
Copeland, Keith E., [redacted].
Courtenay, David G., [redacted].
Covington, William, [redacted].
Cunningham, Clyde R., [redacted].
Damian, Kenneth J., [redacted].
Danielski, Linn J., [redacted].
David, James R., [redacted].
Day, Doel D., [redacted].
Deck, Howard R., [redacted].
Durey, Richard A., [redacted].
Eason, Lloyd J., [redacted].
Elliott, Robert F., [redacted].
Engelkirk, Paul G., [redacted].
Erskine, John F., [redacted].
Fadhl, Robert J., [redacted].
Fahey, Thomas E., [redacted].
Feldman, Arnold, [redacted].
Finkelstein, Eugene, [redacted].
Fleming, Jerry M., [redacted].
Flory, Alan J., [redacted].
Foster, George H., [redacted].
Gatens, Paul D., [redacted].
Gayagas, Edwin J., [redacted].
Gensler, Jay D., [redacted].
Gill, Joseph E., [redacted].
Gilman, Wayne A., [redacted].
Giove, Francis L., [redacted].
Gmelich, James R., [redacted].
Gorlup, Franklin J., [redacted].
Greenwood, Robert J., [redacted].
Gregg, Jerry L., [redacted].
Grosshans, John H., [redacted].
Hacker, Helmut F., [redacted].
Harechmak, John R., [redacted].
Harrington, Jack O., [redacted].
Hassell, William B., [redacted].
Helton, Jimmy D., [redacted].
Hoefer, Rufus S., [redacted].
Holway, William K., [redacted].
Hunsaker, Ronald T., [redacted].
Hutcherson, James D., [redacted].
Intermill, Ronald W., [redacted].
Italiano, Angelo J., [redacted].
Jones, Douglas E., [redacted].
Jones, Lewis M., [redacted].
Jungck, Robert R., [redacted].
Katsuyoshi, Charles, [redacted].
Kitchin, David J., [redacted].
Kusumoto, Howard H., [redacted].
Laaken, B. Richard, [redacted].
Lacy, Nelson C., [redacted].
Ladestro, Ralph [redacted].
Laible, James P., [redacted].
Libby, Glidden N., [redacted].
MacIntyre, John A., [redacted].
Mahoney, James V., [redacted].
Malebranche, Reginald, [redacted].
Maykuth, Paul B., [redacted].
McCauley, Charles L., [redacted].
Merrill, Jerry E., [redacted].
Meuth, Michael L., [redacted].
Meyer, Gregory C., [redacted].
Miketinac, Bruce T., [redacted].
Miller, Gerald G., [redacted].
Mobley, Gordon S., [redacted].
Modderman, Melvin E., [redacted].
Momiyama, Augustine, [redacted].
Moore, George R., [redacted].
Moore, Thomas J., [redacted].
Moore, William E., [redacted].
Morrison, John B., [redacted].
Morrissey, Blaise M., [redacted].
Mumma, Patrick J., [redacted].
Myles, Donald A., [redacted].
Nason, Jesse N., [redacted].
Newborn, James L., [redacted].
Newton, James F., [redacted].
Ohashi, David K., [redacted].
Oppenneer, Keith D., [redacted].
Parker, Robert L., [redacted].
Payne, Newel O., [redacted].
Pinson, Robert H., [redacted].
Preston, Edward J., [redacted].
Reinert, John F., [redacted].
Rexrode, Robert W., [redacted].
Rians, Charles W., [redacted].
Ribotto, Joe W., [redacted].
Rose, Walter C., [redacted].
Rosenblum, Victor S., [redacted].
Saccaro, Anthony, Jr., [redacted].
Schlenker, Austin C., [redacted].
Schnakenberg, David, [redacted].
Schorzman, Mark H., [redacted].
Selby, Jack L., [redacted].
Severson, Richard W., [redacted].
Shoup, Kenneth J., [redacted].
Simpson, Gordon T., [redacted].
Smalling, Oliver H., [redacted].
Spille, Robert M., [redacted].
Suit, Larry R., [redacted].
Sylvester, Ernest J., [redacted].
Tower, Gerald E., [redacted].
Trick, George J., [redacted].
Vorpahl, Kenneth W., [redacted].
Walsh, James A., [redacted].
Warner, Lyle W., [redacted].
Weis, John R., [redacted].
White, Joseph S., [redacted].
Wichelt, Roger H., [redacted].
Wiley, Roger W., [redacted].
Williams, David G., [redacted].
Williams, Jewel L., [redacted].
Wilson, Joe H., [redacted].
Wilson, William L., [redacted].
Wimsett, Jimmie B., [redacted].
Woodcome, Andrew H., [redacted].
Woods, Lawrence R., [redacted].
Yamanouchi, Kenneth, [redacted].
Yoder, William G., [redacted].
Yohman, Joseph F., [redacted].
Young, Timothy R., [redacted].
Zucker, Michael D., [redacted].

ARMY MEDICAL CORPS

To be Major

Arnold, Thelma S., [redacted].
Baker, Margaret J., [redacted].
Davis, Benjamin S., [redacted].
Fox, Brian K., [redacted].
Gilbert, Bobby L., [redacted].
Hawkes, Harold W., [redacted].
Henry, Ralph E., [redacted].
Klavins, Ruta, [redacted].
Mack, Margaret M., [redacted].
Moore, John W., [redacted].
Richard, Ida, [redacted].
Roberts, James E., [redacted].
Sundstrom, Carl, [redacted].
Touchard, Maryjo, [redacted].
Vandervort, Judith, [redacted].

VETERINARY CORPS

To be Major

Alm, Philip F., [redacted].
Beattie, Robert J., [redacted].
Carter, James C., [redacted].
Clark, Jon R., [redacted].
Cole, William C., [redacted].
Denniston, Joseph C., [redacted].
Harrington, Donald, [redacted].
Johnson, Howard C., [redacted].
Lollini, Lance O., [redacted].
Lumpkin, William L., [redacted].
Lupton, Harold W., [redacted].
McLeod, Charles G., [redacted].
Mellick, Paul W., [redacted].
Moe, James B., [redacted].
Montgomery, Charles, [redacted].
Montrey, Richard D., [redacted].
Oldham, Larry S., [redacted].
Reardon, Michael J., [redacted].
Stephen, Edward L., [redacted].
Trucksa, Robert C., [redacted].
Warren, Dorman M., [redacted].

ARMY NURSE CORPS

To be Major

Bartelt, David F., [redacted].
Brasel, James B., [redacted].
Cameron, Karyn S., [redacted].
Cannon, Kathleen M., [redacted].
Carson, Amelia J., [redacted].
Cohen, Marsha H., [redacted].
Dougherty, Thomas J., [redacted].
Dunphy, William J., [redacted].
Flechaagosto, Maria, [redacted].
Fletcher, Ella L., [redacted].
Foree, Betty M., [redacted].
Frank, Rita M., [redacted].
Freeman, William E., [redacted].
Gordon, Jacqueline, [redacted].
Gray, Helen V., [redacted].
Johnson, Joyce G., [redacted].
Knight, Sylvia S., [redacted].
Kuntz, Mary K., [redacted].
Larrabee, Marvin L., [redacted].
Lobody, Mary E., [redacted].
Massimino, Joseph J., [redacted].
McDowell, Boyce N., [redacted].
Montgomery, Raymond, [redacted].
Riveradiaz, Victor, [redacted].
Roberts, Marvin B., [redacted].
Sanders, Bobbye J., [redacted].
Schneider, Harold P., [redacted].
Selman, Charles J., [redacted].
Snell, Joan, [redacted].
Steinike, Mary L., [redacted].
Sterling, Faith E., [redacted].
Stevens, Lila C., [redacted].
Strieper, Gerard E., [redacted].
Voisine, Marcia J., [redacted].
Wardrope, Donald A., [redacted].
Washington, Lawrence, [redacted].
Wise, Mary J., [redacted].

CONFIRMATIONS

Executive nominations confirmed by the Senate July 12, 1976:

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

John W. Snow, of the District of Columbia, to be Administrator of the National Highway Traffic Safety Administration.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

J. Blaine Anderson, of Idaho, to be U.S. circuit judge for the ninth circuit.

J. Waldo Ackerman, of Illinois, to be U.S. district judge for the southern district of Illinois.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Andrew B. Anderson, Jr., 225-26-6387FR (major general, Regular Air Force), U.S. Air Force.

EXTENSIONS OF REMARKS

THE PROBLEM OF UNEMPLOYMENT

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. MAGUIRE. Mr. Speaker, the problem of unemployment has many facets. It is as complex as it is serious. It will not yield to single, simple solutions.

Our colleague, Stanley Lundine of New York, has broadened the debate and proposed a unque blend of policy tools to stimulate labor, management, and government efforts to enhance both the quantity and the quality of job opportunities. A bill he recently introduced, H.R. 14269, draws from his experience in reversing an economic decline in Jamestown, N.Y. As mayor of Jamestown he worked closely with business and labor leadership on practical approaches to combat economic stagnation and unemployment—with remarkable success.

Congressman Lundine's proposals, which I commend to my colleagues, were highlighted in a recent Washington Post column by Hobart Rowen, which I am including for the Record:

Rescue Attempts for the Full Employment Bill

(By Hobart Rowen)

The Humphrey-Hawkins "full employment" bill, at least as it is now written, appears to be dead for this year. A last-minute rescue operation, managed by Sen. William Proxmire (D-Wis.) and Rep. Brock Adams (D-Wash), is under way.

But unless Proxmire, Adams and others do something more than cosmetic to the Humphrey-Hawkins proposal, it's not likely to pass. If it should, it would be vetoed by President Ford.

And as for next year, if Jimmy Carter winds up in the White House, the approach to full employment legislation might be totally different.

Significantly, although the Democratic platform committee endorsed many key sections of the Humphrey-Hawkins bill (without naming it) it refused to go along with "employer of last resort" provisions that have brought widespread criticism from liberals and conservatives alike.

It's hard for me to oppose the Humphrey-Hawkins bill, because I believe not only that full employment is a proper goal for society, but that solving persistent high unemployment in a generally affluent economy is our biggest domestic problem.

But as Carolyn Shaw Bell, professor of economics as Wellesley College (and incidentally, one of Carter's advisers) puts it, setting out a goal of 3 per cent unemployment in four years not only raises hopes unjustifiably, but "puts people on the spot as being in favor of unemployment if they don't support (the Humphrey-Hawkins bill)."

No one can accuse Bell, or Charles Schultze of the Brookings Instituton, or Sar Levitan of George Washington University, or Charles C. Holt of the Urban Institute, or Melville Ulmer of the University of Maryland of being soft on the jobs issue.

Yet, they all find the Humphrey-Hawkins bill, if valid in its goals, deficient in its approach. Ulmer points out, for example, that the legislation doesn't deal with two main problems that can generate severe inflation.

First is the monopoly power of big business and big labor that enables them to raise prices and wages, in good times and recession alike.

To deal with this phenomenon, especially as the government would proceed to pump up the economy under the Humphrey-Hawkins bill, there could be only one answer, as Ulmer suggests: stand-by, mandatory wage-price controls.

Second, in an expanding economy, a shortage of men and women for skilled and professional jobs quickly develops, while there are never enough jobs for all the unskilled and semi-skilled workers who want them, except in super-inflationary booms. It is this last group for whom public payroll jobs are logical. But costly public employment programs, says Ulmer, would unleash a flood of inflationary spending in private business markets.

Ulmer wants a tax increase to finance the net higher cost of public employment on a large scale. That, as he says, would be a "bitter pill," and may not be politically feasible. But the Humphrey-Hawkins bill simply does not address the inflationary impact of the actions that it would set in motion.

The enormous difficulties of the Humphrey-Hawkins proposal as now drafted have led many people in and out of Congress to think of more limited, but perhaps more sharply targeted approaches to the unemployment situation.

About a month ago, I noted in these columns a proposal by Prof. Robert Z. Aliber for the government to "auction off" some of the money that would otherwise be used for unemployment compensation to subsidize jobs in the private sector.

In the past few weeks, variations of this idea have been catching on in Congress.

For example, Rep. Stanley N. Lundine (D-N.Y.), the former mayor of Jamestown, N.Y. (where he ran a labor-management committee operation credited with reversing the economic decline in that area) has an intriguing idea to get specific "demonstration" programs under way as a trial run for the more ambitious Humphrey-Hawkins bill.

Lundine has introduced H.R. 14269, which not only lets states direct unemployment funds to employers who add jobs, but stresses labor-management committee formation and stimulation of new investment techniques.

Lundine, a freshman, notes that even if Humphrey-Hawkins fails to pass this year, the budget likely will carry $50 million "start-up" money, which could easily finance his less ambitious "demonstration" program.

"Too often," Lundine said in an interview, "we go plunging into programs without finding out all the implicatons." That makes sense. But in striving for the practical, Congress shouldn't give up the commitment to the full employment idea that the Humphrey-Hawkins bill has properly stressed. The goal must be kept without raising expectations that can't be fulfilled.

BYRD AMENDMENT MUST BE REPEALED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. RANGEL. Mr. Speaker, in recent weeks we have seen some encouraging, if not wholly consistent, policy initiatives with regard to Africa. Secretary Kissinger's trips to meet with African leaders and President Ford's expression of commitment to majority rule at least bespeak a more open minded approach to the problems of the newly emerging nations and of our relationship with them.

Unfortunately, ever since the new line was adopted by U.S. strategists, our policy has followed a zig-zag course which appears to be as much a consequence of political considerations within the strife-ridden Republican Party as of attention to some of the sound policy dictums which the administration's own rhetoric ostensibly recognizes.

Last week the United States vetoed the application by Angola for entrance into the United Nations. The following editorial, from WCBS Radio in New York City, points to another discrepancy between administration words and actions. Despite a United Nation's embargo imposed long ago, the United States, as a result of the 1971 Byrd amendment, continues to import chromium from Rhodesia, a nation in which the vast majority remains oppressed by an intransigent few. We can hardly expect our democratic pronouncements to inspire confidence as long as our official stance reflects support of an unpopular regime. The repeal of this amendment is thus long overdue.

I ask my colleagues to give close consideration to the sensible words below:

Rhodesia

For many years now, United States policy in Africa has been about as enlightened and fathomable as Africa's designation as "The Dark Continent". But the pattern of sympathy and support for white-minority governments may at last be changing, as signalled by Secretary of State Kissinger's recent foray there.

The United States—Kissinger boldy proclaimed—would hereafter stand "unequivocally" behind the drive for black-majority rule in the nations of southern Africa. And he pledged that his words would be matched by our deeds.

The "deed" most Africa leaders would most like to see would be the speedy repeal of the 1971 Byrd Amendment which allows the United States to circumvent the United Nations' embargo of Rhodesia by importing chromium from that country.

As THE NEW YORK TIMES noted recently, "Repeal this year will probably depend on whether President Ford in the coming weeks speaks out forcefully to sway Republicans in Congress. How the President acts may depend on how badly he feels he needs the election-year support of Conservatives (who) generally oppose repeal . . . because, they say, it would make the United States too dependent on the Soviet Union for chrome."

Well, Russia isn't the only exporter of chromium. In fact, nearly 75-percent of the world's reserve is in South Africa, a nation in which the United States has a billion-dollar industrial stake and an interest in helping achieve a peaceful solution of racial problems. Add the fact that chromium is recyclable as well as replaceable by plastics—and the prospect of future underseas mining.

So far, President Ford has been quiet as a churchmouse. WCBS has checked—there are

13 repeal bills languishing in Congress, but no hearings on any of them have been scheduled and there are no plans to report any of them out of committee for vote.

WCBS likes what Senator Jacob Javits—a Republican—had to say on the matter, telling Secretary Kissinger to urge President Ford "to stick to his guns on Africa and not be distracted by political winds. Some things are more important than being elected President of the United States," said Javits, "and this policy is one of them."

So, speak up Mister President. Let your words and deeds reflect the moral—rather than the political—right.

And that's our view. We welcome yours. Write: WCBS Radio, New York, 10019.

NEW YORK COALITION AGAINST S. 1

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Ms. ABZUG. Mr. Speaker, I rise to bring to the attention of my colleagues a matter of vital importance. The New York Coalition Against S. 1 plans to lobby the Democratic National Convention for a commitment that the defeat of S. 1 will be an issue of the 1976 campaign. The New York Coalition Against S. 1 has asked me to seek the support of my colleagues for their resolution. I commend them for their leadership in stopping S. 1.

I have been speaking out against the repressive nature of S. 1 since it was first introduced. It represents a grave threat to our basic individual rights and civil liberties. A codification of the Federal criminal law is certainly necessary but revisions cannot be made at the expense of the rights of the American people.

In this Bicentennial year, we are commemorating our American democratic tradition. We must instruct the Democratic Party to take part in the Bicentennial and use this opportunity to truly reaffirm the principles of our Nation and the Bill of Rights. The New York Coalition Against S. 1 has drafted a good resolution and I urge you to show your support for it. I take this opportunity to insert the resolution into the RECORD:

S. 1 STATEMENT FROM MEMBERS OF CONGRESS TO DEMOCRATIC NATIONAL CONVENTION

Whereas, there is before the United States Senate, in the Judiciary Committee, Senate Bill One (S. 1), which purports to recodify the United States Criminal Code, but contains numerous provisions which are repressive and dangerous to the basic constitutional rights of all citizens of the country, and

Whereas S. 1 contains many broad and vague provisions concerning government secrecy, accountability of government officials, restrictions on the right to strike or peacefully demonstrate, limitations on freedom of speech, return to capital punishment, and harsh sentencing statutes, and

Whereas attempts by several Senators to amend S. 1 only deal with the most publicized parts of the bill and do nothing to cure its pervasive repressive intent, which is concealed in hundreds of provisions, and

Whereas S. 1 is only the most visible and publicized component of a broad-based move to diminish the Bill of Rights incorporating executive orders, Supreme Court decisions, and many other pieces of legislation, and

Whereas, the Democratic Party prides itself on placing the rights of people ahead of the rights of government,

Therefore, Be it Resolved by the signers of this statement, members of the Congress, addressing the delegates and alternates to the Democratic National Convention and all others running for office on the Democratic ticket in the forthcoming election, that we:

(1) Call upon our candidates for President and Vice-President to raise the issues symbolized by S. 1 in the upcoming campaign,

(2) Urge our candidate for President to promise to veto S. 1 if it is passed in any form after he is elected.

(3) Pledge for ourselves and urge all members of Congress and all candidates for Congress to oppose S. 1 in the Congress and work for its defeat.

DOING SOMETHING ABOUT AIRCRAFT NOISE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. GOLDWATER. Mr. Speaker, just recently the chief pilot of Northwest Airlines, Jerry Fredrickson, reminded Northwest pilots in a memo to pay careful attention to noise abatement procedures. As our colleagues are no doubt aware, Northwest has made noise control an integral part of its operation.

I understand from data supplied, not only by Northwest, but from the Boeing Co. and McDonnell-Douglas, that the procedures developed by Northwest for reduced noise, result in fuel conservation annually in excess of $3 million. In addition, we have reliable information that flight safety is enhanced through the use of their noise control procedures.

As a pilot and one long interested in the provision of safe, economic, and environmentally acceptable air transportation, I commend Jerry Fredrickson's memo on aircraft noise reduction to the attention of my colleagues as follows:

[Flight Standards Bulletin No. 7-76]

NORTHWEST AIRLINES, INC.,
May 11, 1976.

To: All Flight Crews.
From: Director—Flying Operations.
Subject: Noise Abatement.

One of the most serious and acute problems facing the Airline and aircraft industry today is noise pollution. It is a year around problem. It is so serious airport proprietors are now defendants in hundreds of millions of dollars worth of lawsuits which threaten to place them under intolerable financial burdens. The building of new airports, the expansion and modernization of existing airports, have been slowed and in some instances completely halted because of environmental concerns on the part of our citizens. Many of these improvements are needed for the efficient operation of our National Air Transportation system. The growth of the entire aviation industry is being impaired and impeded as a result. Curfews are being imposed. Other drastic measures are being processed to alleviate the problem.

Now you can say, many people settled near an airport *after* it was in operation, the manufacturers should build quieter airplanes, our public officials should exercise land use controls to insure that land exposed to high noise levels around airports is put into compatible use. The airlines should buy new and quieter airplanes, etc. On and on it goes. There may be some validity to all of the above statements because no one foresaw the rapid growth of the industry with the advent of the jet airplane. It is agreed that no one group has the authority or funds to solve the whole problem. This also has validity. There is little that you as a pilot can do about land use, the building and sale of new aircraft, the building or modernization of airports. There are hopeful signs, however, that these problems will be solved.

In the mean time there is an elegant and meaningful answer to part of the problem. *You* are the key contributor. We are talking about Northwest Airlines "Quiet EPR" noise abatement takeoff procedure. It has been clearly demonstrated that the procedure produces a significant reduction in noise levels. Our use of reduced flap for landing is also effective in lowering approach noise levels.

The summer season is approaching. Windows will be opened, patios used, conversations carried on out of doors. The purpose of this bulletin is to emphasize again the importance of following our takeoff and landing procedures. The benefits are many; they are:

Reduced noise levels.
Reduced time of exposure to noise.
Fuel is saved.
Engine wear and tear is decreased.

Our early clean up increases safety margins when exposed to turbulence and wind shear.

Your meticulous adherence to procedures will be appreciated by literally millions of people living in the vicinity of our airports. So let's continue to do it right, proper rotation, a precise V_2+10 climb to 1000′ above field elevation, then clean up and set "Quiet EPR" very carefully to the nearest one hundredth of an EPR. The re-application of thrust should be accomplished slowly and smoothly.

Last summer the Minnesota Pollution Control Agency set up and operated an extensive noise monitoring system around the Minneapolis/St. Paul International Airport. Noise measurements demonstrated lower peak noise levels and significant reduction in the time of exposure for our procedure as compared to the ATA/FAA procedure used by others. The agency will be monitoring aircraft noise again this summer and on a more extensive basis. The same system will be used to monitor noise at Seattle/Tacoma Airport. These two airports are among the most severely noise impacted areas in our nation. In addition recordings will be made south of the SEA/TAC airport at a distance of 3 and 5.2 Nautical miles from brake release. A Seattle firm under contract to NASA will accomplish the monitoring.

Noise calculations and actual airplane noise tests indicate additional relief from noise can be provided by climbing at "Quiet EPR" to 4000 feet above field elevation. The monitoring that will be done at Minneapolis/St. Paul this summer will enable us to make an accurate determination of the results under various conditions in daily operations.

Therefore:

All 727 flights departing the MSP/STP airport during the months of June–July–August shall use "Quiet EPR" to 4000 feet above field elevations.

727 flights departing other airports and all 707, DC10 and 747 departures should continue to use normal NWA "Quiet EPR" to 3000 feet above field elevation.

A FIF will be issued and kept in the 727 section of the Seattlie and Minneapolis FIF Book for the months stated. This will serve as a reminder of the procedural change.

We have discussed the change with Mr. Les Case, Mpls/St. Paul Tower Chief and he has agreed to the change and will so advise tower and ATC personnel.

In his remarks to the '76 Inter-Noise Conference held in Washington, D.C., April 5, 1976, the Honorable Russel E. Train, Administrator, U.S. Environmental Protection Agency had this to say, "It has been clearly demonstrated by Northwest Airlines and its pilots, that we can employ, at the Nations airports, quieter takeoff and landing procedures than those which are used by most airlines."

On May 18, 1976, Northwest Airlines will be the recipient of an Award given by the Acoustical Society of America. The Society recognizes Northwest for commendable public concern, initiative, perserverance and the skill it has demonstrated in developing and practicing its unique noise reducing takeoff procedure. June 10, 1976, N.O.I.S.E. (National Organization to Insure a Sound Controlled Environment) will present Northwest Airlines its annual award at their annual meeting and Noise Symposium to be held in New York.

An airline's procedures are only effective if its pilots adhere to them. It is obvious from the above that you do! It is a pleasure and a privilege to say, "Well done!"

J. T. Fredrickson,
Director—Flying Operations.

ON THE POSTAL RATE COMMISSION

HON. DAVID N. HENDERSON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. HENDERSON. Mr. Speaker, yesterday the Postal Rate Commission issued its recommended decision in the pending postal rate case. I want to say a few words concerning that recommendation, not as to its merits, which are for others to determine in accordance with the Postal Reorganization Act, but in regard to the expedition with which the Commission has acted this year.

The complaint most frequently heard about the postal ratemaking process has been the length of time for the Commission to hear a case and make a recommendation. The first two rate cases took nearly 2 years each to decide. This lengthy hearing process undoubtedly contributed to the unrest in Congress regarding postal ratemaking, and helped lead some critics to advocate the abolition of the Commission. The criticism, in my opinion, has not been entirely justified. Any lawyer reasonably familiar with administrative law knows that the Administrative Procedure Act requires judicious and time consuming adjudication. To expect any regulatory commission—particularly a brand new regulatory commission—to act quickly is to expect more than is reasonable or fair.

In this case, however, the Commission under the dedicated and conscientious leadership of its chairman, Clyde DuPont, has come as close to a procedural miracle as any agency could.

When Chairman DuPont announced the time table for the current rate case last year, I doubt that anyone—perhaps including Chairman DuPont—believed that the timetable could be met; but it has. Ten months ago, Chairman DuPont said the case would be decided in 10 months, and he was right. I am sure that he, his staff, and the other participants in the case have had more than their share of very hard work this year.

To Chairman DuPont, his fellow Commissioners, the Commission's staff, officers of the Postal Service, and the mail users and advocates who participated, all of whom cooperated to a maximum degree, I extend congratulations for a job well done. Perhaps now that this case is completed, the Commission can relax a little and find some time in August to go to the beach and enjoy themselves. If Chairman DuPont needs a bit of legislative history to get a well deserved vacation, he may cite this page in the Congressional Record in support of an August recess.

$20 MILLION AID GRANT PASSAGE

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. WON PAT. Mr. Speaker, on behalf of the American people of Guam I wish to express our heartfelt gratitude to all of my colleagues in the House for their prompt consideration and approval of an amendment I offered June 25 to the Interior Appropriations bill to provide $20 million in immediate aid to the Government of Guam to compensate for revenue losses due to the recent supertyphoon which struck the island.

As was pointed out at that time, sustained winds of 135 to 190 miles an hour caused damage estimated to exceed $400 million during a 4-hour period. Fortunately, only one fatality was attributable to the typhoon, but all aspects of life on the island were totally disrupted. All public utilities were interrupted and are not expected to be fully restored for several months. More than 5,000 homes were destroyed.

The natural calamity also presented the Government of Guam with financial disaster. In addition to the costs of protecting order and property and repairing extensive damage to sewerage, water system, power system and telephone system, these publicly owned utilities would not provide normal revenues for months. Additionally, private property damage is estimated to cost the local government many millions in reduced tax income.

We of Guam are extremely grateful for the understanding and compassion demonstrated for us when we are facing the monumental task of restoring our island. I would like to express our deep appreciation in particular to Representatives Phillip Burton, chairman of the Subcommittee on Territorial and Insular Affairs; Sidney Yates, chairman of the Interior Appropriations; Joe Skubitz, ranking minority member of the Interior and Insular Affairs; Joseph McDade, ranking minority member of the Subcommittee on Interior Appropriations; Don Clausen, ranking minority member of the Subcommittee on Territorial and Insular Affairs; Robert Lagomarsino, member of the Subcommittee on Territorial and Insular Affairs and Harold (Bizz) T. Johnson, ranking member of the Interior and Insular Affairs Committee who worked in support of my amendment.

Mr. Speaker, it is at moments such as this that I am particularly proud to be a Member of this esteemed body and to know you have many friends ready and willing to help when you are in real need.

Thank you.

NOT YOURS TO GIVE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. PAUL. Mr. Speaker, one of the great threats to human freedom today is the use of political force for the purpose of wealth redistribution. Day after day, governments at every level, from the smallest town to the Federal Government, are asked by various constituents to pass special-interest legislation which would favor their group at the expense of other taxpayers. Governments around the world seem unable to say no to such requests, and the result has been the creation of massive bureaucracies to administer multi-billion-dollar programs. Every dollar spent must be taken from someone else.

I would like to call to the attention of my colleagues an incident in the life of one of the most famous Members in the history of the House of Representatives, Davy Crockett of Tennessee, a man who also played an important role in the history of my own State, Texas. His arguments against the principle of wealth redistribution deserve a wide hearing. The incident is recorded in "The Life of Colonel David Crockett," compiled by Edward S. Ellis and published in 1884. The reprint was published by the Foundation for Economic Education, Irvington-on-Hudson, N.Y.:

Not Yours To Give

One day in the House of Representatives, a bill was taken up appropriating money for the benefit of a widow of a distinguished naval officer. Several beautiful speeches had been made in its support. The Speaker was just about to put the question when Crockett arose:

"Mr. Speaker—I have as much respect for the memory of the deceased, and as much sympathy for the sufferings of the living, if suffering there be, as any man in this House, but we must not permit our respect for the dead or our sympathy for a part of the living to lead us into an act of injustice to the balance of the living. I will not go into an argument to prove that Congress has no power to appropriate this money as an act of charity. Every member upon this floor knows it. We have the right, as individuals, to give away as much of our own money as we please in charity; but as members of Congress we have no right so to appropriate a dollar of the public money. Some eloquent appeals have been made to us upon the ground that it is a debt due the deceased. Mr. Speaker, the deceased lived long after the close of the war; he was in office to the day of his death, and I have never heard that the government was in arrears to him.

"Every man in this House knows it is not a debt. We cannot, without the grossest corruption, appropriate this money as the payment of a debt. We have not the semblance of authority to appropriate it as a charity. Mr. Speaker, I have said we have the right to give as much money of our own as we please. I am the poorest man on this floor. I cannot vote for this bill, but I will give one week's pay to the object, and if every member of Congress will do the same, it will amount to more than the bill asks."

He took his seat. Nobody replied. The bill was put upon its passage, and, instead of passing unanimously, as was generally supposed, and as, no doubt, it would, but for that speech, it received but few votes, and, of course, was lost.

Later, when asked by a friend why he had opposed the appropriation, Crockett gave this explanation:

"Several years ago I was one evening standing on the steps of the Capitol with some other members of Congress, when our attention was attracted by a great light over in Georgetown. It was evidently a large fire. We jumped into a hack and drove over as fast as we could. In spite of all that could be done, many houses were burned and many families made houseless, and, besides, some of them had lost all but the clothes they had on. The weather was very cold, and when I saw so many women and children suffering, I felt that something ought to be done for them. The next morning a bill was introduced appropriating $20,000 for their relief. We put aside all other business and rushed it through as soon as it could be done.

"The next summer, when it began to be time to think about the election, I concluded I would take a scout around among the boys of my district. I had no opposition there, but, as the election was some time off, I did not know what might turn up. When riding one day in a part of my district in which I was more of a stranger than any other, I saw a man in a field plowing and coming toward the road. I gauged my gait so that we should meet as he came to the fence. As he came up, I spoke to the man. He replied politely, but, as I thought, rather coldly.

"I began: 'Well, friend, I am one of those unfortunate beings called candidates, and—'

" 'Yes, I know you; you are Colonel Crockett, I have seen you once before, and voted for you the last time you were elected. I suppose you are out electioneering now, but you had better not waste your time or mine. I shall not vote for you again.'

"This was a sockdolager . . . I begged him to tell me what was the matter.

" 'Well, Colonel, it is hardly worth-while to waste time or words upon it. I do not see how it can be mended, but you gave a vote last winter which shows that either you have not capacity to understand the Constitution, or that you are wanting in the honesty and firmness to be guided by it. In either case you are not the man to represent me. But I beg your pardon for expressing it in that way. I did not intend to avail myself of the privilege of the constituent to speak plainly to a candidate for the purpose of insulting or wounding you. I intend by it only to say that your understanding of the Constitution is very different from mine; and I will say to you what, but for my rudeness, I should not have said, that I believe you to be honest. . . . But an understanding of the Constitution different from mine I cannot overlook, because the Constitution, to be worth anything, must be held sacred, and rigidly observed in all its provisions. The man who wields power and misinterprets it is the more dangerous the more honest he is.'

" 'I admit the truth of all you say, but there must be some mistake about it, for I do not remember that I gave any vote last winter upon any constitutional question.'

" 'No, Colonel, there's no mistake. Though I live here in the backwoods and seldom go from home, I take the papers from Washington and read very carefully all the proceedings of Congress. My papers say that last winter you voted for a bill to appropriate $20,000 to some sufferers by a fire in Georgetown. Is that true?'

" 'Well, my friend; I may as well own up. You have got me there. But certainly nobody will complain that a great and rich country like ours should give the insignificant sum of $20,000 to relieve its suffering women and children, particularly with a full and overflowing Treasury, and I am sure, if you had been there, you would have done just as I did.'

" 'It is not the amount, Colonel, that I complain of; it is the principle. In the first place, the government ought to have in the Treasury no more than enough for its legitimate purposes. But that has nothing to do with the question. The power of collecting and disbursing money at pleasure is the most dangerous power that can be intrusted to man, particularly under our system of collecting revenue by a tariff, which reaches every man in the country, no matter how poor he may be, and the poorer he is the more he pays in proportion to his means. What is worse, it presses upon him without his knowledge where the weight centers, for these is not a man in the United States who can ever guess how much he pays to the government. So you see, that while you are contributing to relieve one, you are drawing it from thousands who are even worse off than he. If you had the right to give anything, the amount was simply a matter of discretion with you, and you had as much right to give $20,000,000 as $20,000. If you have the right to give to one, you have the right to give to all; and, as the Constitution neither defines charity nor stipulates the amount, you are at liberty to give to any and everything which you may believe, or profess to believe, is a charity, and to any amount you may think proper. You will very easily perceive what a wide door this would open for fraud and corruption and favoritism, on the one hand, and for robbing the people on the other. No Colonel, Congress has no right to give charity. Individual members may give as much of their own money as they please, but they have no right to touch a dollar of the public money for that purpose. If twice as many houses had been burned in this county as in Georgetown, neither you nor any other member of Congress would have thought of appropriating a dollar for our relief. There are about two hundred and forty members of Congress. If they had shown their sympathy for the sufferers by contributing each one week's pay, it would have made over $13,000. There are plenty of wealthy men in and around Washington who could have given $20,000 without depriving themselves of even a luxury of life. The congressmen chose to keep their own money, which, if reports be true, some of them spend not very creditably; and the people about Washington, no doubt, applauded you for relieving them from the necessity of giving by giving what was not yours to give. The people have delegated to Congress, by the Constitution, the power to do certain things. To do these, it is authorized to collect and pay moneys, and for nothing else. Everything beyond this is usurpation, and a violation of the Constitution.

" 'So you see, Colonel, you have violated the Constitution in what I consider a vital point. It is a precedent fraught with danger to the country, for when Congress once begins to stretch its power beyond the limits of the Constitution, there is no limit to it, and no security for the people. I have no doubt you acted honestly, but that does not make it any better, except as far as you are personally concerned, and you see that I cannot vote for you.'

"I tell you I felt streaked. I saw if I should have opposition, and this man should go to talking, he would set others to talking, and in that district I was a gone fawn-skin. I could not answer him, and the fact is, I was so fully convinced that he was right, I did not want to. But I must satisfy him, and I said to him:

" 'Well, my friend, you hit the nail upon the head when you said I had not sense enough to understand the Constitution. I intended to be guided by it, and thought I had studied it fully. I have heard many speeches in Congress about the powers of Congress, but what you have said here at your plow has got more hard, sound sense in it than all the fine speeches I ever heard. If I had ever taken the view of it that you have, I would have put my head into the fire before I would have given that vote; and if you will forgive me and vote for me again, if I ever vote for another unconstitutional law I wish I may be shot.'

"He laughingly replied: 'Yes, Colonel, you have sworn to that once before, but I will trust you again upon one condition. You say that you are convinced that your vote was wrong. Your acknowledgment of it will do more good than beating you for it. If, as you go around the district, you will tell people about this vote, and that you are satisfied it was wrong, I will not only vote for you, but will do what I can to keep down opposition, and, perhaps, I may exert some little influence in that way.'

" 'If I don't,' said I, 'I wish I may be shot; and to convince you that I am in earnest in what I say I will come back this way in a week or ten days, and if you will get up a gathering of the people, I will make a speech to them. Get up a barbecue, and I will pay for it.'

" 'No, Colonel, we are not rich people in this section, but we have plenty of provisions to contribute for a barbecue, and some to spare for those who have none. The push of crops will be over in a few days, and we can then afford a day for a barbecue. This is Thursday; I will see to getting it up on Saturday week. Come to my house on Friday, and we will go together, and I promise you a very respectable crowd to see and hear you.'

" 'Well, I will be here. But one thing more before I say good-by. I must know your name.'

" 'My name is Bunce.'

" 'Not Horatio Bunce?'

" 'Yes.'

" 'Well, Mr. Bunce, I never saw you before, though you say you have seen me, but I know you very well. I am glad I have met you, and very proud that I may hope to have you for my friend.'

"It is one of the luckiest hits of my life that I met him. He mingled but little with the public, but was widely known for his remarkable intelligence and incorruptible integrity, and for a heart brimful and running over with kindness and benevolence, which showed themselves not only in words but in acts. He was the oracle of the whole country around him, and his fame had extended far beyond the circle of his immediate acquaintance. Though I had never met him before, I had heard much of him, and but for this meeting it is very likely I should have had opposition, and had been beaten. One thing is very certain, no man could now stand up in that district under such a vote.

"At the appointed time I was at his house, having told our conversation to every crowd I had met, and to every man I stayed all night with, and I found that it gave the people an interest and a confidence in me stronger than I had ever seen manifested before.

"Though I was considerably fatigued when I reached his house, and, under ordinary circumstances, should have gone early to bed, I kept him up until midnight, talking about the principles and affairs of government, and got more real, true knowledge of them than I had got all my life before.

"I have known and seen much of him since, for I respect him—no, that is not the word—I reverence and love him more than any living man, and I go to see him two or three times every year; and I will tell you, sir, if every one who professes to be a Christian lived and acted and enjoyed it as he does, the religion of Christ would take the world by storm.

"But to return to my story. The next morning we went to the barbecue, and, to my surprise, found about a thousand men there. I met a good many whom I had not known before, and they and my friend introduced me around until I had got pretty well acquainted—at least, they all knew me.

"In due time notice was given that I would speak to them. They gathered up around a stand that had been erected. I opened my speech by saying:

" 'Fellow-citizens—I present myself before you today feeling like a new man. My eyes have lately been opened to truths which ignorance or prejudice, or both, had heretofore hidden from my view. I feel that I can today offer you the ability to render you more valuable service than I have ever been able to render before. I am here today more for the purpose of acknowledging my error than to seek your votes. That I should make this acknowledgement is due to myself as well as to you. Whether you will vote for me is a matter for your consideration only.'

"I went on to tell them about the fire and my vote for the appropriation and then told them why I was satisfied it was wrong. I closed by saying:

" 'And now, fellow-citizens, it remains only for me to tell you that most of the speech you have listened to with so much interest was simply a repetition of the arguments by which your neighbor, Mr. Bunce, convinced me of my error.

" 'It is the best speech I ever made in my life, but he is entitled to the credit for it. And now I hope he is satisfied with his convert and that he will get up here and tell you so.'

"He came upon the stand and said:

" 'Fellow-citizens—It affords me great pleasure to comply with the request of Colonel Crockett. I have always considered him a thoroughly honest man, and I am satisfied that he will faithfully perform all that he has promised you today.'

"He went down, and there went up from that crowd such a shout for Davy Crockett as his name never called forth before.

"I am not much given to tears, but I was taken up with a choking then and felt some big drops rolling down my cheeks. And I tell you now that the remembrance of those few words spoken by such a man, and the honest, hearty shout they produced, is worth more to me than all the honors I have received and all the reputation I have ever made, or ever shall make, as a member of Congress.

"Now, sir," concluded Crockett, "you know why I made that speech yesterday.

"There is one thing now to which I will call your attention. You remember that I proposed to give a week's pay. There are in that House many very wealthy men—men who would think nothing of spending a week's pay, or a dozen of them, for a dinner or a wine party when they have something to accomplish by it. Some of those same men made beautiful speeches upon the great debt of gratitude which the country owed the deceased—a debt which could not be paid by money—and the insignificance and worthlessness of money, particularly so insignificant a sum as $10,000, when weighed against the honor of the nation. Yet not one of them responded to my position. Money with them is nothing but trash when it is to come out of the people. But it is the one great thing for which most of them are striving, and many of them sacrifice honor, integrity, and justice to obtain it."

HOLLYWOOD-NORTH PARK IMPROVEMENT ASSOCIATION SPONSORS BICENTENNIAL CELEBRATION

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. ANNUNZIO. Mr. Speaker, I wish to call the attention of my colleagues to the Bicentennial celebration sponsored by the Hollywood-North Park Improvement Association on June 27 in Chicago, held in the 11th District I am honored to represent.

This outstanding organization has put forth great efforts to make our Northwest Side Chicago community a better place to live, and I congratulate the members and the officers of the association on their splendid record of accomplishment, and send them my greetings as they continue their celebration of the 200th anniversary of the independence of our Nation.

The names of the officers of the Hollywood-North Park Improvement Association follow, along with the association's news release regarding the Bicentennial program:

HOLLYWOOD-NORTH PARK IMPROVEMENT ASSOCIATION

President: Sheldon Brown, 5905 N. Jersey Ave. (59) 463-3799.

Treasurer: Abraham Horwitz, 3441 W. Bryn Mawr (59) 583-5453.

Recording Secretary: Michael Schack, 5536 N. St. Louis (25) 539-2933.

Block Organization: Joe West, 5657 N. Central Park (59) 588-5439.

Corresponding Secretary: Caroline M. Thiel, 5927 N. Jersey Ave (59) 463-6808.

Vice Presidents: Joe West, Dr. Carl Barasch, Arthur Levinson, and Ronald Ziccardi.

Assistant Corresponding Secretary: Evelyn Singer.

Membership Chairman: Ronald Ziccardi, 5627 N. Central Park, 539-3527.

OUR BICENTENNIAL PROGRAM, SUNDAY, JUNE 27, 1976, 1 P.M. AT HOLLYWOOD PARK, LOCATED AT PETERSON AT JERSEY AVENUE

Come one—Come all—Join us in celebrating our Country's Bicentennial Birthday. This affair is sponsored by this Association for the Community with the cooperation of Jackie Friedman Supervisor of Hollywood Park, Chicago, Park District. Taking an active role in the Festivities will be Aldermen's Anthony Laurino, Solomon Gutstein and Committeeman John Geocaris.

(NOTE.—In case of inclement weather the Celebration will be held at The Municipal Tuberculosis Sanitarium (Auditorium). Located at Pulaski and Bryn Mawr Avenue.)

PROGRAM—1 P.M.

The 85th Division USAR Band will parade North on Jersey Ave. from Bryn Mawr to Hollywood Park were the colors will be Posted. Followed by our National Anthem and the Pledge of Allegiance to our country's flag. Invocation will be given by Rabbi Sholom Stern of Cong. Shaare Tikvah.

1:15 p.m.—Welcome by Sheldon Brown (President).

1:20 p.m.—Concert by the 85th Division USAR Band under the direction of Master Sergeant Don Noren.

2 p.m.—The Chicago Chapter of Sweet Adelines, and All Barber Shop Chorus will perform, featuring the Unicords and the Fireside Quartets.

2:45 p.m.—Introduction of distinguished guest. (Remarks).

3 p.m.—Benediction—Rev. William Stickley, Albany Park Lutheran Church.

3:05 p.m.—"Children Activities" sponsored by Aldermen Anthony Laurino and Solomon Gutstein.

BICENTENNIAL COMMITTEE—JERRY CANNON CONSULTANT

Max Goldstein and Arthur Levinson, cochairman; James Bellucci, Jackie Friedman, Mary Marubio, Tanya Paullin, Carole Rafter, Jules Roth and Virginia West.

OSHA AND THE FARMER

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. HARKIN. Mr. Speaker, the House has recently passed an amendment which exempts all farmers with 10 or fewer employees from rules and regulations promulgated by the Occupational Safety and Health Administration—OSHA. I supported that amendment and voted for it. It is about time that we sent a message in loud and clear terms that cannot be misunderstood to OSHA telling them to either "shape up or we're going to cut your purse strings."

OSHA was created December 29, 1970, and my reading of the RECORD indicates that Congress wanted to create a branch of the Department of Labor to improve the safety and health of the work places in our country.

Well, what started out to be a laudable program has turned into a nightmare, and what started out to be a small branch of the Department of Labor has turned into a monster. Rather than attempting to address itself to the safety and health problems faced by workers in our major industrial plants, where the dangers are the greatest, OSHA has instead centered its attention on small businesses that cannot afford to—or are afraid to—strike at the tentacles of this monster.

Now OSHA, after terrorizing small businesses throughout the country, has turned its attention on yet another segment of our economy. Now OSHA is trying to take after farmers.

There was a story carried in the Washington Post on June 18, 1976, which announced that OSHA had made a startling discovery: That wet manure is slippery.

I am certain that every farmer in Iowa is just absolutely amazed to learn that little pearl of wisdom from OSHA.

I suppose the next step is for OSHA to issue a regulation stating that "no fresh manure will be allowed to fall upon the ground or the barn floor." The reason for this, of course, in OSHA's view, would be to prevent serious accidents from happening by slipping on wet manure.

I know that most of you feel this is laughable and that I am probably going too far in saying that OSHA would issue such a regulation. However, let me give you another pearl of wisdom from this OSHA pamphlet:

> The best way to stop an accident is to prevent it.

Now I ask you, have you ever heard a more profound statement? That probably took a couple of dozen bureaucrats at least a year to figure out.

And here is another treasured tidbit from the midget-minded OSHA:

> When floors are wet and slippery from manure, you could have a bad fall.

Now, according to the logic of OSHA, or should I say the illogic of OSHA, their reasoning would be as follows:

1. Wet manure is slippery;
2. You can have a bad fall by slipping on wet manure;
3. A bad fall is an accident;
4. The best way to stop an accident is to prevent it;
5. Therefore, the way to prevent wet manure on the floor is to issue a regulation preventing wet manure from falling on the floor.

And do you know who they would get to write that regulation? They would hire the mayor of that small town in Florida who recently issued an order that all horses using the streets of his little town had to be wearing diapers.

I am sure he would be more than willing to write a regulation for OSHA stating that all cattle in feedlots and all hogs in confined feeding operations must henceforth wear diapers.

Then they would order all farmers to have an adequate supply of baby powder on hand to take care of the diaper rash.

You know, I wish that this whole thing was really a joke, because if it were really a joke then we could all laugh without crying.

As if that were not enough, here is another proposal by OSHA:

> OSHA proposes that any farm must have "one toilet facility . . . provided each forty (40) employees or *fraction thereof* (emphasis added)."

Further on in this regulation, we read:

> Toilet facilities shall be located within a five-minute walk of each employee's place of work in the field.

Now I ask you, how far is 5 minutes walking? My answer is that the distance that one could cover in 5 minutes would depend upon the person's age and the urge to go.

However, just to get some idea, let us say that an average person could cover one-fourth of a mile in 5 minutes.

Now, a mile section of tilled soil is not all that unusual in Iowa.

That would mean then that one every square mile in Iowa, a farmer would be required to construct a minimum of 16 toilets. And I am certain that in order to conform to health regulations, these toilets would have to be enclosed and certainly would have to be of the flush type.

However, I have been informed that OSHA is saying that small farmers can arrange for a private business to provide a portable toilet and washstand on a moving vehicle that could be moved around a field.

Evidently OSHA is hell-bent to make "porta-johns" the country's biggest business.

But really, what is so outrageous about this whole situation is the cost involved. It is my understanding that the cost of the research done to reach these nutty proposals cost around $119,000. Well, now I have a great suggestion for saving money here: The next time OSHA wants to find out something like how slippery wet manure is, I know of a few farmers who would be more than willing to give them good information for at least half that amount of money.

Well, now I understand that we have a new head of OSHA. His name is Mr. Morton Corn. I suppose that these new regulations are the first in a series of "Corny" regulations.

I now find out that this highly specialized and complicated research on manure was performed at Purdue University.

Say, is not that the place where Earl Butz came from before he was Secretary of Agriculture?

Hmmmm. That is very interesting.

THE FEDERAL GOVERNMENT'S INCURSION INTO HIGHER EDUCATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. MAZZOLI. Mr. Speaker, Federal regulations have become a pervasive and an encumbering factor in the lives of all American people.

In a recent article, Dr. Willis Weatherford, president of Berea College in Kentucky, expounded upon this problem as it relates to our Nation's public and private colleges and universities.

Dr. Weatherford fears, and I think with some justification, that the continued growth of Federal involvement with American universities is inherently threatening to those ostensibly autonomous institutions.

Many of our private colleges and universities are finding it difficult to make a go of it in these troubled economic times. Increasingly, they must turn to the Government for additional funding.

I believe it essential that our centers of higher learning maintain as great a degree of independence from Federal control as is possible.

Dr. Weatherford makes some provocative and thoughtful observations on this topic. Although I am not in full agreement with his conclusions, I think he offers valuable insights into the condition of higher education today:

MEMORANDUM ON GOVERNMENT CONTROL OF PRIVATE HIGHER EDUCATION

Proposition No. 1: The formation of the minds of the coming generation is one of the most crucial tasks undertaken by our society. If our society is to remain free, the institutions which undertake this task must remain free. For the institution, freedom includes the freedom to be different, to be self-motivated, to be true to its own heritage, to be controlled from within and not from without. Freedom of individual institutions leads to diversity among institutions, whereas centralized control means uniformity, monotony, mediocrity, and ultimately the loss of freedom. Diversity and competition in producing automobiles may be desirable, but freedom and diversity of institutions in educating young minds is absolutely crucial to continuance of a democratic society.

Proposition No. 2: The freedom and diversity within higher education are dependent to considerable extent upon the freedom and diversity within the independent sector. The 750 independent colleges and universities, most of them liberal arts undergraduate institutions but a few of them great private universities, have been the major contributors to diversity in higher education because they have been free of governmental control. They have been free to choose a special clientele and free to serve special purposes. Their freedom and their example have helped to maintain freedom even for those universities which are supported by the taxpayers. If the freedom of private institutions to control their own destiny is eroded by the federal government, then this example of freedom will be taken away from the public institutions and from our society. If diversity is fettered and prevented from growing, monotony and uniformity are the inevitable result.

Proposition No. 3: Over the past few years, the federal government has taken giant strides to fetter the freedom of private colleges and universities to control their own destinies. It has increasingly substituted the dead hand of regulation for independent motivation for service. It has stifled a missionary zeal to provide more than simply a technical education in those few institutions where that zeal still exists and is in the process of forcing these independent institutions to become routinized, legalized, and homogenized into educational factories, much like what has already happened in some large state universities.

The Congress is doing this largely from the very best of motives. For the most part, the objectives and ideals are good. But the means taken to achieve the end has contaminated the result. The basic objective has been equality of treatment of individual citizens, be they of racial minorities, of sex minorities, or of the handicapped and disabled. The righteousness of the goal has obscured the insidious character of the means chosen to attain the goal. The means of federal regulation and particularly the power to control the federal purse removes control from the local college on many crucial issues and transfers it to Washington. If the federal government makes a mistake in its regulation, all 3,000 colleges make the same mistake. There is not one that remains outside the net to give an example of an institution which took a better route. The nation is deprived of diversity, is deprived of individual initiative of going another direction. We are all forced to make the same mistake together.

Uniformity in education is in itself an evil, even when it is uniformity for a good purpose. It is good to have equal opportunity available to all citizens. It does not necessarily follow that every single institution in the country needs to provide equal opportunity to every kind and variety of persons. There is still an urgent need for special purpose institutions or institutions with special missions, but federal regulations are getting to the place where they make them impossible. Uniformity is bad even when it is uniformity for a good end.

American society has thrived on diversity. Our anti-trust laws have required competition in order to get equity, fairness, and diversity in business. The government is now inadvertently putting down that diversity and the initiative which generated it. And this is a tragedy for our society.

Proposition No. 4: No one in Washington understands how seriously the freedom of private colleges is being stifled by government regulation. Congress passed a five-line law on discrimination against the mentally and physically handicapped which has turned into a seven-page regulation. Congressmen and senators had no way of knowing or controlling the interpretation of their statute by the bureaucratic establishment. The regulations for different statutes are drawn up by persons in a variety of bureaus, and one does not know what the other is doing. This is apparent since regulations for one statute are at variance with and contradict regulations for another statute. No one in Washington understands the full impact. This is understood only by the institution at the grassroots that feels itself being regulated by a number of uncoordinated federal agencies and is in the process losing its maneuverability and its freedom of decision making.

No agency in the federal government has been assigned the task of assessing the impact of all the federal regulations on colleges and universities. These regulations emanate from dozens of bureaus under more than thirty laws, but no one agency has been asked to monitor the effect on the college being regulated. Congress has not made this assignment, and neither has the executive branch. Colleges and universities provide crucial services, but no government agency is asking whether these important public services are being hurt, strangled, or priced out of operation. No agency knows or is assessing the overall impact of governmental regulation. This is a very serious oversight and should be remedied.

It behooves friends of education and boards of trustees to arouse the people of America, to arouse Congress, and to arouse the administration to the vast and harmful effects which are taking place. A single piece of legislation may be good in and of itself, but the collective effect of so many regulations coming so rapidly is to deprive institutions of freedom and ultimately deprive students of freedom of choice. Freedom of choice for the student is being lost, since all institutions are being forced into a single mold.

Proposition No. 5: It is the total pattern of a regulation which is debilitating rather than this or that particular objectionable regulation. In pointing out specific examples of legislation which is robbing independent colleges of their decision-making capacity, it should be understood that these are examples and a sympton of what is happening in our society. The loss of freedom comes not from a single objectionable regulation but from the all-pervading web of regulations. The following are simply some examples of what I believe to be unwarranted intrusions by federal government power by over-regulation of private higher education.

CIVIL RIGHTS

Item 1. The Civil Rights Act denies a non-church-related college the right to select its staff members for qualities of Christian character. If a college cannot employ its staff to represent the qualities of life it hopes to inculcate in its students, it has no capacity to carry out its purpose. The federal government by this act would regulate the purpose to which a private college can commit itself. This is an unwarranted intrusion into the life and purpose of the independent institution.

TITLE IX

Item 2. Title IX regulations require that pregnancy and abortion for students and staff members be treated as simple disabilities. This is true whether or not the pregnancy occurs within the state of marriage or outside of marriage. Here, the government tries to force a private institution to treat childbirth as a simple biological fact, devoid of moral implications and outside the context of the Christian family. It denies the institution the right to exercise its judgment in personnel matters of seeking and retaining staff members who exercise Christian virtues as role models for students.

Item 3. The regulations would deny the institution the right of asking the marital status of prospective employees. This denies the institution access to personal information which it deems relevant to achieving its purposes. This is merely one sort of personal information which the college needs in order to judge the applicant. There are many other types of information needed in addition to simple evidence of the technical competence to teach the course which the faculty member may be asked to teach. This technical and narrow view of employment would force the college in the last analysis to become simply an educational factory and to drop its concern for character building and good citizenship, a process which has already been lost at many of our great educational factories and state universities.

Item 4. Men and women are different in interests and ability in athletics. To force even intramural teams to be bi-sexual in all cases may simply prevent many students from participating in them, and the small gain for equality would be greatly offset by a lesser intramural participation for the total student body. While this question is not one of moral import, it shows the unnecessary cost of a good idea of equity if that idea is taken to ridiculous extremes.

BUCKLEY AMENDMENT

Item 5. By denying the college a right to inform parents concerning the progress or difficulties encountered by a son or daughter, the law drives a wedge between students and their parents and between the parents and the college. Colleges generally wish to establish a close relationship with parents, but the federal law prevents it, thereby interfering with the educational objectives of the institution.

Item 6. By requiring current letters of recommendation to be open to the individual in question, the law has undermined the usefulness of any recommendations for any purpose. The baby has been thrown out with the bath.

DISCRIMINATION AGAINST THE MENTALLY AND PHYSICALLY HANDICAPPED

Item 7. Granted that it is probably good to educate the mentally and physically handicapped along with normal students in a natural setting, it is highly questionable as social policy to require all 3,000 colleges equally to do this for the small number of students involved. The social cost is tremendous, whereas the same end could be reached just as effectively by asking, say, three public colleges in each state to become so equipped. Here, the end involved is excellent; but the mechanism chosen to obtain the result is in error.

Item 8. The regulations are presently in draft form, but the implication is that probably colleges will be required not to discriminate against drug addicts or alcoholics. Then there is the possibility that they will be asked not to discriminate against homosexuals. All three of these requirements, if finally written into the regulations, would invade the right of the college to determine its own program and its own emphases. It would turn the college away from its educational task and make it into a residence, a hospital, or a counseling center rather than an educational institution. It would be forced to abandon part of its moral purpose.

BRIG. GEN. ERNEST R. REID

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. MURTHA. Mr. Speaker, it has come to my attention that my good friend, Brig. Gen. Ernest R. Reid, Jr., is concluding a long and distinguished career in the U.S. Marine Corps today.

Ernie did such a great job in the legislative office and he made a legion of friends for himself and for the Marine Corps during his years here.

Following change of command ceremonies at Twentynine Palms Marine Corps Base today, I understand that General Reid will hang up his sword.

I just want to take this opportunity to pay my respects to this outstanding patriot, to commend him for his service, and to wish him every happiness in his retirement years.

QUESTIONNAIRE

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. BROYHILL. Mr. Speaker, earlier this year, I distributed a public opinion poll in the district I represent. The results of this questionnaire are of great assistance to me as I seek to represent the views and interests of my constituents.

This year, over 12,000 persons responded to 11 questions which dealt with important foreign and domestic issues such as the future of the Panama Canal and alternative ways to insure the financial solvency of the social security system. In addition, I also sent questionnaires to a number of high schools in the district, so that I might secure a significant sampling of the views of graduating high school seniors. It is interesting to note the difference of opinion between the high school students and the general adult population.

The question which generated the strongest response dealt with the subject of continued American ownership and control of the Panama Canal. Over 95 percent of the general population and 88 percent of the student responses favored the United States retaining control of the canal and the Canal Zone. I have introduced legislation in support of continued U.S. sovereignty and jurisdiction over the Canal Zone and believe the response of my constituents points out the need for this legislation.

There was also a near unanimity of opinion among my constituents—students as well as adults—in their belief that Federal judges should be appointed for a term of years rather than for life. I have introduced legislation to amend the Constitution to provide that Federal judges be reappointed and reconfirmed by the Senate every 8 years. I believe this to be a responsible and logical approach to solving the problem of judicial accountability, which is of great concern to the American public.

In response to a question regarding postcard voter registration, 80 percent of adults agreed that individuals should be required to register in person before appropriate election officials to be eligible to vote, while 52 percent of the high school students opposed postcard voter registration.

Responding to a question about a national health insurance program, only 35 percent of the adults favored a national health insurance plan financed by higher payroll taxes. Differing sharply with the adult population, the students showed support for such a plan.

Questions 6 and 10 dealt with overseas intelligence operations and the CIA. Over 92 percent of the general population and 80 percent of the students polled favored continued American intelligence operations overseas. The students narrowly favored public disclosure of intelligence operations and expenditures, while the adult respondents opposed full disclosure by roughly 3 to 1.

A resounding "no" was registered by my constituents in response to a question on whether the Federal Government should provide jobs to anyone who wants to work but cannot find employment. The students were almost equally divided on this issue. I believe this response from my constituents is especially significant in light of the efforts currently in the Congress on behalf of the contraversial Humphrey-Hawkins bill.

The adult respondents this year registered overwhelming opposition to the Federal Government legalizing the use of marihuana. The student respondents opposed marihuana legalization also, although by a much more narrow margin.

An issue which is increasingly before the public is whether or not public employees, such as teachers, firemen, and policemen, should have the right to strike. It is interesting to note that students solidly favored the right of public employees to strike, while the adults opposed strikes which could endanger the public welfare by a 4 to 1 margin.

Although students favored legislation requiring handgun owners to register their firearms, almost 60 percent of the adult population opposed firearms registration. It is clear that there is disagreement among all age groups as to the best way to reduce the disturbing increase in gun-related crimes. I have sponsored legislation which would require mandatory prison terms for anyone convicted of using a firearm in the commission of a felony, because I believe the best deterrent to criminal use of firearms is swift and sure punishment.

The final question dealt with the future funding of the social security program. About one-half of those responding believe that the social security fund should be replenished on a "pay-as-you-go" basis by increased social security payroll taxes. One-fourth of those responding favored funding social security benefits from general tax increases, and another quarter favored a simple reduction in benefits. Responses to this question were almost identical between students and adults.

It is obvious from the questionnaire results that the taxpayers are interested in and concerned with key issues before the Congress. Their responses will prove invaluable to me as I study legislative proposals relating to these various issues. I am grateful to each and every respondent for taking the time to be actively involved in the process of our representative form of government.

The results of the poll are as follows:

QUESTIONNAIRE

RESPONSES BY ADULTS

(Question and answers in percentages)

1. Do you believe that public employees such as firemen, policemen, and teachers should have the right to strike?

Yes, 19.84. No, 80.15.

2. Would you favor legislation legalizing the use of marijuana?

Yes, 14.98. No, 85.01.

3. Do you favor the United States retaining continued ownership and control over the Panama Canal Zone?

Yes. 95.32. No. 4.67.

4. Do you favor legislation requiring handgun owners to register their handguns with the Federal government?

Yes, 40.89. No. 59.10.

5. Should the Federal government provide jobs for anyone who wants to work and cannot find employment, even if to do so would mean a larger Federal deficit and higher income taxes?

Yes, 21.07. No. 78.92.

6. Should the U.S. maintain intelligence operations in foreign countries?

Yes, 92.44. No, 7.55.

7. Do you favor a national health insurance program for catastrophic illnesses to be financed by higher Federal payroll taxes?

Yes, 34.79. No, 65.20.

8. Do you believe that an individual should be allowed to register to vote by mail instead of registering in person before the registrar?

Yes, 20.07. No, 79.92.

9. Do you believe that Federal judges should be appointed for a term of years rather than for life?

Yes, 93.87. No, 6.12.

10. Do you feel that the activities and expenditures of the CIA should be made public?

Yes, 25.42. No, 74.57.

11. Social Security authorities have testified to the Congress that by 1980 there will not be enough money left in the Social Security trust fund to continue benefits at the current level. In view of this, which of the following actions would you favor? Check one.

A. The S. S. fund should be replenished on a pay-as-you-go basis by increased Social Security payroll taxes.

Yes. 49.76.

B. The S.S. fund should be replenished from general tax revenues, even if it means a larger Federal deficit or higher income taxes.

Yes, 24.59.

C. Present levels of benefits should be cut.

Yes, 25.64.

STUDENT RESPONSES

1. Do you believe that public employees such as teachers, firemen and policemen should have the right to strike?

Yes, 75.9. No, 24.1.

2. Would you favor legislation legalizing the use of marijuana?

Yes, 43.6. No, 55.4.

3. Do you favor the United States retaining continued ownership and control of the Panama Canal Zone?

Yes, 88.0. No, 12.0.

4. Do you favor legislation requiring handgun owners to register their handguns with the Federal government?

Yes, 76.5. No, 23.5.

5. Should the Federal government provide jobs for anyone who wants to work and cannot find employment, even if to do so would mean a larger Federal deficit or higher income taxes?

Yes, 51.8. No, 48.2.

6. Should the U.S. maintain intelligence operations in foreign countries?

Yes, 79.8. No, 20.2.

7. Do you favor a national health insurance program for catastrophic illnesses to be financed by higher Federal payroll taxes?

Yes, 58.2. No, 41.8.

8. Do you believe that an individual should be allowed to register to vote by mail instead of registering in person before the registrar?

Yes, 47.6. No, 52.4.

9. Do you believe that Federal judges should be apppointed for a term of years rather than for life?

Yes, 81.2. No, 18.8.

10. Do you feel that the expenditures and activities of the CIA should be made public?

Yes, 52.8. No, 47.2.

11. Social Security authorities have testified to the Congress that by 1980 there will not be enough money left in the Social Security trust fund to continue benefits at the current level. In view of this, which of the following actions would you favor? Check one.

A. The SS fund should be replenished on a pay-as-you-go basis by increased Social Security payroll taxes.

Yes, 49.2.

B. The SS fund should be replenished from general tax revenues even if it means a larger federal deficit or higher income taxes.

Yes, 35.9.

C. Present levels of benefits should be cut.

Yes, 21.9.

WOMEN STRIKE FOR PEACE: TESTIMONY ON PROPOSED WIRETAP LEGISLATION

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Ms. ABZUG. Mr. Speaker, H.R. 12750 and S. 3197, which would establish certain procedures for "foreign intelligence" wiretapping, are presently under consideration in committee both here and in the other body.

Women Strike for Peace has submitted an excellent statement on this legislation to the Subcommittee on Intelligence and the Rights of Americans of the new Senate Intelligence Committee. I think the statement is worth the attention of all my colleagues, and accordingly insert its text at this point:

STATEMENT BY WOMEN STRIKE FOR PEACE TO THE SUBCOMMITTEE ON INTELLIGENCE AND THE RIGHTS OF AMERICANS OF THE SENATE SELECT COMMITTEE ON INTELLIGENCE, JUNE 29, 1976

Women Strike for Peace is firm in its opposition to the Foreign Intelligence Surveillance Act of 1976. S. 3197 would, for the first time in American history, authorize wiretaps on aliens and some Americans solely for the purpose of gaining information about undefined and unspecified "clandestine intelligence activities". We deplore the existing administration's practice of placing foreign intelligence wiretaps without warrants. However, we are greatly concerned about the warranting procedure embodied in S. 3197 would legitimize an executive practice of questionable legality and desirability—wiretaps unrelated to crime. It also places the Congress and the Judiciary in support of this surveillance.

We are concerned that acceptance of a warranting procedure for electronic surveillance unrelated to crime establishes an alarming precedent. This legislation may be followed by legislation seeking a warrant procedure for mail openings and "surreptitious entries" unrelated to crime. The result may be to legitimize all of the techniques illegally employed in the past.

Women Strike for Peace, a women's movement dedicated to the achievement of world peace through general and complete disarmament, strongly believe in establishing people to people communication around the world including the communist countries. S. 3197 would inhibit Americans from making such peaceful contacts.

How tragically ironic; while the nation celebrates 200 years of democratic rights, the Congress prepares legislation to deprive American citizens of these rights.

REFORM TAX BILL?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. STARK. Mr. Speaker, for the benefit of my colleagues who have not been able to witness the Ways and Means Committee mark-up of our estate and gift tax "reform" bill, I would like to use the following example to show them what this so-called reform really comes down to:

Assume that a decedent has a gross estate of $648,000, that debts and expenses are $100,000, that enough property is left to the decedent's spouse to obtain the maximum marital deduction. The estate consists of stock and savings of $20,000; personal property—equipment, livestock, and so forth—of $138,000; and farm land which has a fair market value of $490,000 and a farm value of $267,500.

Estate:	
1,600 acres grassland @ $275/acre	$440,000
100 acres farmland @ $500/acre	50,000
House and contents	30,000
Car	5,000
Machinery	35,000
200 cows @ $300/head	60,000
6 bulls @ $500/head	3,000
Stocks and securities	10,000
Savings	10,000
Feed and grain inventory	5,000
Total gross estate	648,000
Present law:	
Total gross estate	648,000
Debts and expenses	100,000
Adjusted estate	548,000
Marital deduction	−274,000
	274,000
Specific exemption	60,000
Taxable estate	214,000
Present tax	54,900
Bill with proposed use value (Use-value computation):	
Gross cash rent, 1,600 acres grassland $12/acre × 1,600	19,200
Gross cash rent, 100 acres farmland $40/acre × 100	4,000
Total gross rental	23,200
Tax on 1,600 acres—$1/acre	−1,600
Tax on 100 acres—$2/acre	200
Total net rental	21,400
21,400 ÷ .08 (5 yr. estimated average of all new Federal Land Bank Loans equals the use-value of land	267,500
New value of total gross estate	$425,500
Debts and expenses	100,000
Adjusted estate	325,000
Marital deduction	250,000
Taxable estate	75,500
Proposed tax	9,970
Less unified credit	29,800
Tax	0

This example was prepared to document the plight of the "poor family farmer" who inherits a farm estate, and then must pay the estate tax on it, in this case, of $54,900.

Note, first of all, that this "poor farmer" has just inherited an estate valued at $648,000. In my district, this farmer would hardly be considered "poor," just based on the farm value alone! But that irony aside, let us examine this example a little more closely.

This farm estate has a net rental potential of $21,400. Under the committee print as it now stands, estate taxes can be deferred by the heirs for 5 years after inheritance. After the 5 years have passed, the taxes can be paid over a 10-year period at a rate of 4 percent on the first $1 million of farm property.

But look at all the other income potential on this estate. First, the stocks, securities and savings of $20,000, held for 5 years at market rates of return should produce income of several thousand dollars.

The house on the estate has a rental potential of at least $200 per month. And 200 of the grassland acres could be sold for enough to pay the entire tax and leave 1,400 acres to farm.

By the time you add up all this easily earned income, and measure it against the 5-year deferral of estate taxes, followed by 10-year payments at 4 percent, you find that this heir has absolutely no trouble paying his estate tax liability.

If this is the "poor family farmer," who has a half million dollar estate, who so desperately needs tax relief, my colleagues should think of the kind of tax relief the really poor person in this country needs a gift of $54,900 to rich families, when we have to cut back on aid to children, elderly, and disabled?

INVESTMENT IN SPACE RESEARCH PAYING OFF

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. TEAGUE. Mr. Speaker, in a recent article in the Newport News, Va., the Times-Herald, well-known writer and commentator, Paul Harvey, again addresses the issue of this country's investment in space research and its potential return.

Unfortunately, the planned landing on Mars by the Viking spacecraft will not take place on July 4, 1976, but at a later date.

I found this article very interesting and commend it to my colleagues:

INVESTMENT IN SPACE RESEARCH PAYING OFF

(By Paul Harvey)

Our investment in space research is about to pay us back—again.

Our nation's biggest Fourth of July demonstration will occur 35 million miles from home.

By remote control, you and I are going to "visit" Mars.

From two Viking spacecraft, we'll open the door to the planet most like our own and see if anybody's home.

Mankind has waited at least 3,000 years for this; now we need wait only a few more weeks.

Since the invention of the telescope in the 1600's, earthmen have scanned the skies avidly, eagerly, some with a passion.

Our fascination with other worlds is more than curiosity—it derives from two very basic human urges: The same reassurance that we get from crossing paths with another human in the world's lonely places we seek among the wanderers of the universe. And, as with the explorers who first spanned our own planet, there's the dream of resources or the hope for a fountain of perpetual youth.

Also, as with those who pioneered our new lands, subconsciously we seek some place to run to.

H. G. Wells enhanced our excitement about Mars in 1898 when he used our smattering of scientific knowledge to write a pseudoscience classic, "The War of the Worlds."

In 1938, Orson Welles had Americans fleeing into the streets in panic with his radio adaptation of H. G. Wells' Martian invasion.

In 1971, our Mariner Nine spacecraft went into orbit around Mars, and, for a year, took close-up photographs. From a composite of those photographs, we now have a detailed map of the entire planet.

From this map showing the volcanoes and canyons, there is general agreement that Mars is a "live" planet, not a "dead" one.

That is to say there are forces moving under the crust; there is internal heat, and there is—or has been—flowing water on the surface.

Mars is geologically alive.

Where there is water there may be biological life.

Although there is no free oxygen on Mars, most scientists think that life formed on Earth when there was no free oxygen here, either.

Nevertheless, on the Fourth of July this year, the speculation will be supplanted by material evidence. When Vikings One and Two make their expected soft landings on the Martian surface, they will analyze the soil, test the water, photograph the surface, measure temperatures, study the atmosphere, sense any ground-quakes—and so on.

For most of us, it is difficult to relate this billion-dollar investment, whatever it proves, to our everyday life. Yet, we have harvested from our space program so far, if I may be allowed the expression, astronomically beneficial fallout.

Either way, unlike our nation's extravagances overseas, in this mission we stand to lose only a few pounds of tin, and the money paid to the makers and movers of these Vikings continues forever to orbit through our own economy.

TAX REFORM

HON. STANLEY LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. LUNDINE. Mr. Speaker, I wish to express strong support of H.R. 10051, which the Congress approved yesterday. H.R. 10051 extends until September 1, 1976, the lower income tax withholding rates of the 1975 Tax Reduction Act. By passing this bill we gain time to consider meaningful tax reform legislation.

Without the 2-month extension, individual income taxes would have increased an average of 8 to 10 percent on July 1. The increase would have been greater for low-income people.

Late last year the House passed a tax reform measure which may fall short of the sweeping reform of taxes which the American people want and expect, but it was a significant first step. It simplified the Internal Revenue Code, eliminated some of the worst tax shelters, and strengthened the minimum tax.

The Congressional Budget Resolution is based on the assumption that reforms in the tax structure will increase revenues by $2 billion. But now the House-passed tax reform bill is being riddled with new loopholes by the other body and may yield only an additional $300 million. Many of the same people who loudly claim adherence to fiscal responsibility are actually undermining our efforts to eliminate tax shelters.

The anti-reform blitz going on in the other body will seriously damage the national objective of economic stability and destroy what little faith the American people still have in their legislators. The present tax system operates to the disadvantage of 85 percent of the American taxpaying public—those with adjusted gross incomes of less than $20,000. They get fewer breaks and pay more taxes than a privileged few. The so-called reform bill now being constructed by the other body includes new giveaways of more than $400 million for the major oil companies, shipowners and grain companies.

We should not let a crisis atmosphere push us into granting more tax privileges. It is hard to believe that year after year major tax bills come up on the eve of recesses purely by accident. The simple extension approved this week should allow Congress sufficient time to work out the genuine reform measure which the American people in all equity must have.

SOARING HEALTH COSTS STRAP DENVER FAMILY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mrs. SCHROEDER. Mr. Speaker, we are all aware of the soaring costs of health care.

Congressional Budget Office Director Alice Rivlin estimated that health outlays will rise more than 100 percent over the next 5 years, increasing by $31 billion, in the absence of controls. However, consumers will not be the chief beneficiaries from this increased spending. The CBO estimated that "80 percent of the anticipated increases will result from higher medical costs, not service or utilization increases."

According to the White House Wage and Price Stability Council's report issued in April, inflation in the medical field almost doubled that of other services. The cost of the average hospital stay is up from $311 in 1965 to $1,017 in 1975—a span of just 10 years.

The President's Council found that the present structure of the health industry is incapable of changing this upward cost spiral for two reasons. First, unaffected by competition or the need to cut costs, doctors and hospitals control economic decisionmaking. Second, consumers are less aware of these rising costs because they are cushioned by health insurance and Government subsidies which pay 40 percent of the Nation's health bills.

The Wage and Price Council reported that half of these increases come from traditional business costs, while the other half result from the more expensive type of care being used, as well as higher malpractice premiums and the cost of extra tests used as defensive measures to ward off malpractice suits.

An article from the Denver Post indicated the effect an extended illness can have on low income working people—and the fact that there is little assistance for them from county, State, or Federal sources.

The facts are that Americans are now spending 10 percent of their income for health care. In 1975 per capita health costs rose to $547, or $2,188 per family of four. Even affluent families can be devastated by a catastrophic illness.

While costs for extensive hospitalization strap everyone, I think we also should help those who cannot afford even basic health care. We need a mandatory national health insurance program, which provides comprehensive benefits with effective cost controls.

The article follows:

DOORS CLOSED TO DYING MOTHER: AID DENIED FOR CANCER BURDEN

(By Chris Whitbeck)

Mabel Laster, a 43-year-old Englewood mother of four, is dying of cancer.

Struck down more than a year ago when the family wasn't covered by any medical insurance, and now faced with more than $18,000 in mounting medical bills, she and her husband, Jerry, have unsuccessfully sought medical assistance from county, state and federal agencies for more than a year.

The applications repeatedly were denied on the grounds that she isn't medically disabled, and that her husband makes too much money.

Her husband takes home about $500 per month from his $5.50-per-hour job as a plumber's helper to support the family of six.

Of that amount, $225 goes to rent their very modest Englewood home, which they selected in order to be near a special school for a moderately retarded daughter who requires special education.

Another $80 per month goes to pay for the family car. And until January, $80 per month went to the U.S. District Court toward debts settled by court action.

As for Mrs. Laster's medical condition, over the past 15 months she has had three major operations, including a radical mastectomy. She has had radiation therapy on her ovaries, and she is now on chemotherapy.

Last week when she suddenly grew very ill and began hemorrhaging internally, her doctor gave her very little hope of living much longer.

"With three cancer operations—and she still has it—I don't see how they can say she's not disabled," said Laster.

"I can't understand why—when a person can't afford it, and a sickness isn't going to get any better—I can't understand why they can't come out with anything better than this."

Last August, under the pressure of the steadily mounting medical bills and dunning letters, Mrs. Laster took a job with the Salvation Army. "I didn't tell them I had cancer," she said. "I stood there for a month and a half—to help pay the doctor."

And last fall, in desperation, Laster tried to follow the example of a Florida man he heard of—and filed for a divorce in the hope that it would ensure Medicaid for his dying wife.

But, about two months later, he withdrew the divorce action. The Lasters explained at their home last week that they couldn't bear the idea of the divorce, which would have meant Laster leaving his wife and breaking up the family.

Laster said he recently went to a lawyer to see about declaring bankruptcy, but was told he would have to pay $600 he doesn't have. "I don't see how," he said, "when you want to declare bankruptcy because you don't have any money, they can ask for $600."

Last week, with one collection agency threatening suit for the medical bills, another began garnisheeing Laster's wages.

Finally, in desperation, Laster said he told his wife that "maybe I better just go down there and ask my boss to fire me."

"Still, that's not right," said Mrs. Laster, who confided that her greatest fear now is that his nerves will give out. "He's a man, you know. It would drag him down something awful. A man likes to provide for his family. It's already getting him down."

"It's just such a darn shame, when something like this happens, you lose everything you've got. I've always worked all my life. It's just such a darn shame," said Laster.

"I can't understand it. They help everybody else. They help hippies. They help kids getting a good education in college. I'm not knocking a good education. But I worked hard all my life."

"I was always independent," agreed Mrs. Laster. "I worked before we married. I always tried to help myself. We weren't rich, but we were living. We just could never afford insurance."

"It's terrible. All my years, we were good, I took foster children in my home. I'm not regretting it, but I helped people. . . . We were never as bad off as the way we are now. I'm not asking for much. All I want is for them to help with the medical bills."

The Lasters' problems began a year ago February when Mrs. Laster was found to have a malignant growth in her breast. At the time, Laster said he wasn't carrying health insurance—because his job didn't offer partially paid health insurance, and "I couldn't afford $70 per month because I had all the other bills. I just was going along hoping no one would get sick," he said.

While his wife was in the hospital, he said he applied to the county department of social services and to the federal Social Security Administration for medical assistance.

And on a brief visit home between her second and third operations last March, Mrs. Laster said a county worker came out and filled out forms and assured her they would get help. "She said, 'don't worry, honey, we're going to help you.' So I went back to the hospital with no worry."

But a few weeks later they received word they had been denied all assistance. The state Department of Social Services found them ineligible for state aid on the grounds that "medical and social data submitted does not support the fact that you will be disabled for 12 months longer, nor will your disability result in death."

John Jones, director of the division of income maintenance for the state Department of Social Services explained last week that determination was made "on the basis of the medical information supplied by her doctor."

He agreed, however, that the conclusion might need to be re-examined now in light of subsequent developments.

The Social Security Administration also notified the Lasters last spring that their assistance was denied.

A technician in the Englewood Social Security office explained last week that disability insurance wasn't available because Mrs. Laster hadn't worked enough in the past 10 years.

She said Supplemental Security Income (SSI) funds, designed to aid the needy disabled, weren't available because Laster makes too much gross income.

She explained that for a family of six to be eligible, the gross income can't exceed $581.60 per month, regardless of other debts and expenses.

Last fall, when Laster resorted to divorce and Mrs. Laster found she once again had a malignancy, she said she went to the two agencies for help again.

She said she asked a Social Security official if divorce was necessary. "He didn't recommend it exactly," she said, "He just agreed that if we did, we might get help."

"I said it was impossible," she said, "Who would take care of the children?"

Once again, she said, she was assured by the county technician that help would be available. That, she said, was about two months ago. "I kept calling and calling, and they kept saying she wasn't in. And finally they told me she quit, and that I would have to fill out more papers."

Meanwhile, Social Security informed the Lasters they were again denied SSI.

And contacted by the Post last week, Robinson said the Lasters' new application to the state, though approved for temporary state aid of $155 per month, was again denied for Medicaid assistance since SSI was denied. He noted the state's decision indicated it doesn't expect Mrs. Lasters' illness to exceed six months.

However, Jones said Friday that as a result of inquiries by The Denver Post, he will ask the county to resubmit that application to the state agency because, he said as of Friday, his agency has obtained a brand new and "more liberal clarification" of Medicaid rules from Washington, D.C., that will permit, for the first time, people like Mabel Laster to receive Medicaid without SSI.

"I think the problem" said Robinson, "was a misunderstanding of the total facts of the case with all the entities involved in determining eligibility. This is the problem when you have three entities (federal, state and county) dealing with the approval of an application."

"Cases like this," agreed Jones, "cause us to sit back and say there's something wrong here."

"I wouldn't ask for help if I didn't need it," said Mrs. Laster. "I wish I didn't have to ask. Maybe it will help others who are just dummies like me who don't know where to go. Maybe they will start some kind of foundation for sick people who aren't wise, who don't know where to go."

Delores Whitlock, a friend of the Lasters' who contacted the office of Sen. Gary Hart, D-Colo., seeking aid for the Lasters, remarked that Mabel Laster's case "is a perfect example of the need" for the proposed federal legislation for catastrophic health insurance for all Americans.

MORE MISSILES FOR SAUDI ARABIA?

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ROSENTHAL. Mr. Speaker, over the past few years, the United States has succeeded in transforming Saudi Arabia into the arsenal of the Middle East. U.S. military sales to Saudi Arabia in the present fiscal year are running over $6 billion, including commercial and government-to-government transactions.

Among weapons sold just this year are: 150 M60 tanks, $118 million; 1,000-plus armored personnel carriers, $124 million; Vulcan antiaircraft cannon, $41 million; 1,000 Maverick TV-guided air-to-ground missiles, $47 million; over 4,000 Dragon antitank missiles, $26 million; a naval expansion project at Jubail and Jiddah, $1.2 billion; and further expansion of the Royal Saudi Air Force F–5 jet fighter program, $1.8 billion. Just last week, Raytheon Corp. revealed the private sale of a $1.4-billion expansion of the Saudi's Hawk missile system—thus entirely bypassing any congressional scrutiny.

On top of these massive sales, the Department of Defense is reportedly preparing to offer 2,000 Sidewinder heat-seeking air-to-air missiles to Saudi Arabia. This highly sophisticated missile guides itself into the tailpipe of enemy aircraft and automatically detonates.

By the time these missiles would be delivered in 1978, the Saudis could utilize less than 250 at any one time. Already the Saudi Air Force reportedly possesses 300 Sidewinders. The sale of an additional 2,000 missiles is an invitation to the Saudis to transfer the surplus weapons to their Arab allies should another Middle East war erupt.

Mr. Speaker, I recognize that Saudi Arabia does have legitimate defense needs which we, as its friend, should help meet. Unfortunately, the proposed sale is out of all proportion to Saudi requirements. Instead of a few hundred additional missiles, the Saudis are requesting more than they could possibly use themselves. The U.S. Arms Control and Disarmament Agency has concluded that 2,000 Sidewinders are vastly excessive given Saudi needs and military strength.

A New York Times editorial of June 30 opposes the sale as too large and too dangerous given the current Middle East situation. I concur and urge the administration to reduce the sales offer substantially before submitting it to the Congress. The editorial follows:

MISSILES TO ARABIA

American military sales abroad, fueling arms sales in the third world, have soared from about $1 billion in 1970 to more than $10 billion in each of the past three years. This shameful development has seen the United States become a major supplier to both sides in both Mideast military rivalries—between Arabs and Israelis and between Iran and the Arab states bordering the Persian Gulf.

The plan to sell civilian versions of the C–130 military transport plane to Syria and Iraq is the latest such deal to come to light. But, far more outrageous is the current Pentagon proposal to approve the sale of 1,900 more Sidewinder air-to-air missiles to Saudi Arabia, a five-fold increase.

Ostensibly, Saudi Arabia "needs" the missiles to equip the American F–5 fighter aircraft that defend the country against neighboring Iraq, which has been armed by the Soviet Union. But it is an open secret that Riyadh's chief concern is the growing military power of Iran—which has been sold many billions of dollars of American arms, including advanced equipment just entering United States forces.

Saudi Arabia has 50 F–5's, Rwanda will only have 110 by the end of 1978 when Sidewinder delivery is to begin. An F–5 can only carry two Sidewinders. Even counting many reloads, it is difficult to conceive of a legitimate Saudi need for 2,400 Sidewinders. Riyadh already has purchased through commercial channels—bypassing Congressional review—16 Hawk ground-to-air missile batteries, ten of which now are in place manned by United States civilians employed by the American manufacturer.

That is one reason why a review by the Arms Control and Disarmament Agency, which now is required by law, has held that the Sidewinder sale is excessive for Saudi defense. There is concern in Congress that a missile stockpile of that size could only be designed for transfer to the Arab states in the event of another war with Israel. The Pentagon rejects that thesis on the basis of Saudi performance during past Midwest wars. But it is not necessary to adjudicate that issue to challenge the size of the proposed Sidewinder sale.

The Sidewinder deal, as a government-to-government transaction, can be disapproved by a majority vote in both houses of Congress. This has proved to be a difficult procedure, rarely attempted, but it should be invoked in this case unless the number of missiles is sharply reduced. And Congressional review in cases of this kind, extending them to commercial sales, which have been rising rapidly as a result of a Pentagon-supported effort to avoid existing Congressional oversight. But the compromise legislation now voted by both houses retains this and other imrovements. Prompt signature by the President should bring into being the kind of Executive-Legislative sharing of responsibility for arms sales policy that long has been needed.

A BICENTENNIAL SONG

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. KASTEN. Mr. Speaker, music is an important part of our cultural heritage—often expressing the optimism and dynamism of our Nation. I would like to share with my colleagues the lyrics of a song written by Elmer E. Kuenzie, of Oconomowoc, Wis., composed especially for our Bicentennial:

BUILD FOR THE U.S.A.

(Words and music by Elmer E. Kuenzie)

It's up to us to show our loyalty
It's up to us to build for security
It's up to us to show our honesty
And fight for Democracy.

Stout hearted men of today
Live for our country and pray
Trust in God and don't be afraid
Stand together man to man.

We have a leader that's true,
To build for the red, white, and blue;
Make your heart say I'm for the U.S.A.
And build, build, build.

STATEMENTS OF SUPPORT FOR THE HAWKINS-HUMPHREY FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1976

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. CONYERS. Mr. Speaker, in the past few weeks I have received a great many letters from eminent economists and social scientists throughout the Nation in support of the Hawkins-Humphrey Full Employment and Balanced Growth Act. I wish to share with my colleagues a sample of these letters from a diverse group of scholars and public servants: Dr. Solomon Barkin, professor of economics at the University of Massachusetts; Mr. Peter B. Edelman, director of the New York State Division of Youth; Dr. S. M. Miller, chairman of the Department of Sociology at Boston University; and Dr. George Wald, the Nobel laureate and world-renowned biologist at Harvard University. They all agree that although no single piece of legislation can even pretend to deal exhaustively with a problem as complex as full employment and price stability, H.R. 50/S. 50 is the most promising legislative framework available for coping with both chronic unemployment and inflation. The criticism that has been voiced by some leading economists regarding possible inflationary effects of the legislation has already been appropriately resolved through a set of strong anti-inflation provisions, and with this accomplished it is my fervent hope that the House will proceed with dispatch to approve the bill, enabling this Nation to chart a new economic direction that will safeguard the livelihood and dignity of all Americans.

Mr. JOHN CONYERS, Jr.,
Rayburn House Office Building,
Washington, D.C.

MY DEAR MR. CONYERS: Enclosed you will find a supporting statement with a few signatures. It is difficult to amass people after the end of the academic year.

I wish you the best of results. The bill is a worthy successor to the efforts in the late forties for full employment proposal and then the Mahoney Bill, the Area Development and Economic Development Acts.

I want to commend you for the inclusion of the sections in the matter of anti-inflation of policies to deal with bottlenecks (supply of goods services, labor and capital in tight markets) and urge that provision be made for government initiatives to create new supply sources such as occurred in the aluminum industry under President Truman. Section 204 is particularly useful. It must, however, be tied in more specifically with the Economic Development legislation. Unfortunately the ARA and the EDA never served their functions in part because they looked upon it as long rolling programs. Nothing compared to the accomplishments of the TVA area development was recorded in these areas, in no small part because of the dominant trend to privatism and reorganization. A great need exists for aid for the study and stimulation of declining industries.

The proposed legislation must be supplemented by a more precise definition and delineation of the ways of coordinating these economic measures with the sundry other policy systems reaching the individual such as manpower, social welfare, and rehabilitation. The great failing in the past of many of these measures is that the inspiration and ideas were not coupled with adequate understanding of the problems of impementation, administration and delivery. Hopefully, this deficiency will not be permitted in the development of the legislation and thinking on this bill.

I support your legislation as a declaration of purpose and goals and recognition that the original blueprint for action will undergo considerable development. It is too much to ask at this stage that the details would be matured. It is unfortunate that the economic defense of the legislation is so inadequate so as not to stimulate wider support and debate in the economic profession. As those of us in the profession who endorse this legislation know only too well, the greatest number, particularly the young, have been reared in neoclassical or radical traditions which are fundamentally opposed and unfriendly to the basic approach on which the legislation is built. The "old liberalism" on which political measures of this nature relied is practically absent on the campus. The econometric techniques are serving existing institutional arrangements and its practitioners are reluctant to consider the profound changes required to effect the goals stated herein. Older Keynesian views are restricted to a narrow consideration of general indirect instruments like fiscal and monetary policies and quite oblivious to the structural problems.

Ultimately to be effective the implementation of such legislation calls for the reorientation of the economic profession. One of the major responsibilities therefore for the supporters is to encourage this reeducation. This is a relatively new responsibility, and one which is overlooked. But necessary if we are to win a greater support of the profession for its passage; overcome antipathy and skepticism, which is widely reported, and to assure its sympathetic adequate administration, this course is required. Unfortunately, I have seen little of the literature which even tackles this job.

I wish you well in your efforts.

Very truly yours,

SOLOMON BARKIN,
Professor of Economics, University of Massachusetts at Amherst.

Hon. JOHN CONYERS, Jr.,
U.S. Congressman,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CONYERS: Thank you very much for your letter of May 28 regarding the Full Employment and Balanced Growth Act.

I strongly support the legislation, and congratulate you on your leadership, along with Senator Humphrey and Congressman Hawkins in this area.

Full employment is a vital goal in giving every American the chance to participate fully in the life of our nation. All of us who were involved in supporting efforts to achieve full employment are fully aware that the Full Employment and Balanced Growth Act is only one part of what needs to be done. Clearly, the fiscal, monetary, and tax policies of the country are involved as well. Job creation by itself will not bring full employment. However, even the most intelligent and effective macro-economic policies will leave many people, particularly, members of minority groups and young people, behind, and subject to excessive unemployment. That is where legislation like the Full Employment and Balanced Growth Act comes into the picture. It is not a panacea, but rather one critical element in the effort to achieve full employment. As such, I support it strongly and unreservedly.

As Director of the agency charged, in America's second largest State, with providing programs for young people who get into trouble with the law, I support the Full Employment and Balanced Growth Act for another set of reasons. Clearly, a major reason why young people get involved in juvenile delinquency is because of problems at home, and, equally clearly, one major source of such problems is in the lack of employment and economic opportunity for the parents in the home. When there is no money coming in, especially when there is no job to provide a pay check in the sense of dignity and identity that goes with it, the family would be in trouble, and the trouble may well manifest itself in harm to the youngsters in the family which may in turn bring delinquency. Just as important, when a young person is coming to the age of making a decision whether to stay in school or leave, the fact that he or she has no prospect of a job is related very clearly to the potentiality for crime and delinquency. Thus, there is no one item more fundamental to the prevention of crime and delinquency than the provision of jobs to families and to young people themselves.

I welcome your soliciting my views on this issue, and I wish you every success in your legislative effort on this vitally important matter.

Sincerely,

PETER B. EDELMAN,
Director, New York State Executive Department/Division of Youth.

Congressman JOHN CONYERS, Jr.,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. CONYERS: I would like to have the following statement appear in the Congressional Record regarding the Hawkins-Humphrey Full Employment and Balanced Growth Act:

Full employment would not solve all of the problems. But many problems cannot be solved without full employment.

The Full Employment and Balanced Growth Act will not solve all the problems of large scale unemployment but it would pressure the U.S.A. to work on the problem.

Sharing the burden of change is essential to America's well being. Unemployment is largely a result of governmental policies against inflation. The costs of such a policy particularly fall on minorities, women, and youth. The vulnerable pay for others.

This nation has become absorbed with the possibility of work-shy malingers receiving public benefits. But without the possibilities of employment, non-work becomes unavoidable.

To change the texture of America—the suffering of the unemployed and underemployed; the meanness and hatred which excludes those who are castigated as wantonly seeking the dole—requires the possibility of employment for all who want to work.

Other nations succeeded in accomplishing this goal. The pursuit of full employment would be an emulation worthy of the United States.

S. M. MILLER,
Chairman, Department of Sociology, Boston University.

Congressman JOHN CONYERS, Jr.,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR JOHN: "When business or most politicians talk to the general public they do not talk profits but jobs. One would think that business were wholly devoted to providing jobs. The businessmen say so, many politicians do, and some of our anti-work labor leaders say so, too. To the workers their jobs mean life itself: food, clothing, shelter, rent. Nothing is as helpless as an urban worker without a job.

"No violence can compare with denying any human being the chance to make a living. Yet our government regularly tells us that in our country 4 per cent unemployment is 'normal.' It keeps the labor market fluid for 'free enterprise.' With a labor force of 80 million, that means more than 3 million jobless Americans. In this bicentennial year, unemployment is at about 8 per cent; that means about 6.5 million unemployed Americans. Their families bring the tally to about 25–30 million.

"Two hundred years of the American Dream are thwarted without full employment."

Sincerely,

George Wald,
Higgins Professor of Biology, Nobel Laureate, Harvard University.

BURUNDI, RWANDA CELEBRATE INDEPENDENCE

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mrs. COLLINS of Illinois. Mr. Speaker, tomorrow, July 1, marks the independence anniversaries of the two African countries of Burundi and Rwanda. Although the tumultuous events in the recent history of these two small nations have been destabilizing, it is certainly hoped that both will enjoy a more peaceful evolution toward national unity and prosperity.

Both countries are small with economies based primarily on agriculture. They have limited commodity exports, insufficient budgeting receipts, and some reliance on foreign assistance. Both are landlocked lying in Africa's central highlands. Rwanda's largest customer continues to be the United States which took over 63 percent of exports in 1973 and probably similar amounts in 1974 and 1975 through coffee, tea, and pyrethrum purchases. It also has an investment guarantee agreement with the United States. That country's major imports include primarily textiles, foodstuffs, and machinery. The administration is to be commended on its expressed desire to improve relations with the Republic of Burundi and to continue the already existing relationship with Rwanda. A small bilateral aid program exists with the latter in addition to a modest cultural exchange program.

Burundi pursues a policy of nonalinement which attempts to maintain a balanced relationship with a variety of states. Presently, the United States is attempting to encourage educational and private contacts with Burundi to help support projects by the United Nations and other international groups. Development assistance and food aid should also be extended to Burundi as well as to Rwanda in a serious effort to develop a much broader and more positive Africa policy.

TRIBUTE ON THE RETIREMENT OF BRIG. GEN. ERNEST R. REID, USMC

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. WHITE. Mr. Speaker, I would like to include in the Record the biography of a dedicated Marine who retires from the service of his country today after 33 years of active duty involving exceptional performance in combat and as a prisoner of war. As you can see his record has been outstanding. He is also a fine human being beloved by those who served with him. We wish him the best in his retirement.

The article follows:

Brig. Gen. Ernest R. Reid, Jr., USMC

Brigadier General Ernest R. Reid, Jr., Commanding General, Force Troops, Pacific/Commanding General, Marine Corps Base, Twentynine Palms, Calif., retired from active duty on July 1, 1976.

General Reid was born July 20, 1925 in Dallas, Texas, and graduated from Irving (Texas) High School in 1942. (He received his B.B.A. degree in Accounting from the University of Hawaii in June 1962, his M.A. degree in Business Administration from George Washington University in 1969). He enlisted in the Marine Corps Reserve in July 1943, and was commissioned a second lieutenant via the V–12 Program, August 1, 1945.

He embarked for Tsingtao, China, in August 1945, where he joined the 6th Pioneer Battalion, 6th Marine Division, and later, served with the 3d Marine Brigade, Fleet Marine Force. Returning to the United States in July 1946, he was assigned to the 2d 155mm Howitzer Battalion, USMCR, Dallas, Texas. He was released from active duty January 1, 1947. He was promoted to first lieutenant in the Organized Marine Corps Reserve on August 1, 1948.

Recalled to active duty in August 1950, he joined the First Marines, 1st Marine Division, in Korea. On November 29, 1950, while serving as the Assistant S–3 Officer, he was wounded and captured. From November 1950 until August 1953, he was a Prisoner of War. He was promoted to captain in June 1952.

General Reid returned to the United States in October 1953, and was assigned as the Executive Officer, Marine Barracks, McAlester, Okla. He integrated into the regular Marine Corps in May 1954.

Transferred to the 1st Marine Division, Camp Pendleton, Calif., in August 1955, General Reid served with the 11th Marines as a battery commander and battalion operations officer until July 1958, when he was ordered to Marine Corps Air Station, Kaneohe Bay, Hawaii. He was promoted to major in September 1956. From September 1961 until June 1962, he attended the University of Hawaii as a member of the Student College Degree Program.

He was assigned as Executive Officer, 1st Battalion, 12th Marines, 3d Marine Division, on Okinawa from July 1962 to February 1963, when he was reassigned as Commanding Officer. He was promoted to lieutenant colonel in July 1963. The following September he was transferred to the Marine Barracks, Washington, D.C., as Deputy Director, Marine Corps Institute. He attended the Armed Forces Staff College, Norfolk, Va., from August 1966 to January 1967.

General Reid was assigned as Head, Program Section, Office of the Deputy Chief of Staff (Research, Development and Studies), Headquarters Marine Corps, from February 1967 to July 1968, when he was promoted to colonel and attended the Industrial College of the Armed Forces.

He was ordered to Okinawa in September 1969, and served as Assistant Chief of Staff, G–3, 9th Marine Amphibious Brigade. When the Brigade was disestablished, he was reassigned to the 3d Marine Division, also on Okinawa, and served as Assistant Chief of Staff, G–3.

In March 1970, he assumed duties as Commanding Officer, 11th Marines, 1st Marine Division, in Vietnam. He returned to the United States in October 1970, and was assigned to the Development Center, Marine Corps Development and Education Command, Quantico, Va., as a project officer.

He was reassigned as Assistant Head and Head of the Military Personnel Procurement Branch, Headquarters Marine Corps, in January 1971. Following his advancement to brigadier general August 26, 1971, he became Legislative Assistant to the Commandant of the Marine Corps. He remained in that position until July 1975, when he assumed his current assignment.

A complete list of his medals and decorations include the Legion of Merit with Combat "V" and one gold star in lieu of a second award, the Bronze Star Medal, the Navy Commendation Ribbon with one gold star in lieu of a second award, the Purple Heart Medal, the Presidential Unit Citation with one bronze star in lieu of a second award, the Good Conduct Medal, the Organized Marine Corps Reserve Medal, the China Service Medal, the American Campaign Medal, the Asiatic-Pacific Campaign Medal, the World War II Victory Medal, the National Defense Service Medal with one bronze star, the Korean Service Medal with three bronze stars, the Vietnamese Service Medal with three bronze stars, the Vietnamese Navy Distinguished Service Order 2nd Class, the Vietnamese Cross of Gallantry with silver star, the Vietnamese Armed Forces Honor Medal First Class, the Korean Presidential Unit Citation (two awards), the Meritorious Unit Citation Civil Actions Color, the United Nations Service Medal, and the Republic of Vietnam Campaign Medal.

Brigadier General Reid and his wife, the former Mary L. Palmer of Irving, Texas, have two sons, Rodney Earl and Richard Philip.

TOMMY DAVIS

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. BEARD of Rhode Island. Mr. Speaker, to all of us who use the gymnasium, the untimely and tragic death of Tommy Davis comes as a shock. Although I have been a member of this body only since January 1975, my devotion to physical fitness enabled me to get to know Tommy Davis very well. He was a wonderful gentleman, always helpful, always cheerful, always ready with reminiscences about great fights of the century. He had an encyclopedic knowledge of the boxing game and as a former boxer myself, I loved talking with Tommy and appreciated his help and good cheer every day.

I know the Members of the House join

me in expressing deep regret at the passing of this wonderful person and I extend my condolences to the family of Tommy Davis out of friendship and admiration for a remarkable fellow. He will be sadly missed by his friend, Congressman EDWARD P. BEARD and by every Member of this House who knew him.

MISS KATHRYN BRANDEBERRY, A MODERN-DAY PIONEER

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. CARNEY. Mr. Speaker, while reading the June issue of Our Living History, a publication about the life and times of Newton Falls, Ohio, I came across an interesting article about Miss Kathryn Brandeberry.

This remarkable woman lives in the same house that her parents moved into on March 5, 1890. Miss Brandeberry has chosen to live as did her ancestors, in that her house does not have the conveniences of electricity, running water, or a modern-day heating system.

Kathryn is rightfully proud of the fact that her ancestors can be traced back to the years before the Revolutionary War. A distant Grandfather Burns was reputed to have owned and farmed a section of the land now occupied by the White House. Another relative was childhood playmate of George Washington. In addition, members of the Brandeberry family are known to have been among the earliest settlers in the area now known as Toledo, Ohio. Their cabin was the site of the first election held in the new territory and it also served as a temporary home for any orphaned girl.

Kathryn Brandeberry is truly an exceptional woman. Her deep contentment with life supplies her with the seemingly tireless energy she applies to the burdens of her austere daily living.

Mr. Speaker, for the consideration of my colleagues in the Congress, I am introducing an article about Miss Kathryn Brandeberry in the RECORD at this time.

The article follows:

PORTRAIT OF A PIONEER

(By Betty Davis)

The moment I stepped into her home, I felt I had been transported back in time; back into the home of one of our early pioneers. Standing there to greet me was a colorful character from an early volume of American folklore.

Feeling very welcome in a home that has been left almost totally unchanged in over a hundred years, I met Kathryn Brandeberry. Dressed in a plain, long black dress, her dark hair now salt and peppered, she is a woman of great simplicity. Her eyes reflected deep humility as she spoke with a passion and pleasure for living that no word painting can convey. Her intensely exciting manner was often displayed by a hearty slap of her hands against her lap. Possibly it is her deep contentment with life that supplies her with the seemingly tireless energy she applies to the burdens of her austere daily living.

Kathryn is rightfully proud of her heritage. Her ancestors can be traced back to the years before the Revolutionary War. A distant Grandfather Burns was reputed to have owned and farmed a section of the land now occupied by the White House. Another distant relative was a childhood playmate of George Washington.

Her unbounded pride in her family is evident in the accounts and stories she so vividly recalls. Her love and devotion are also very apparent. Her mother, Lydia Kistler, was born here and was the daughter of Samuel and Cathryn Feister Kistler, who owned and operated Kistler Mill on the East River. She joyfully recalls her Grandfather Kistler as a big burly gentleman with a full bushy white beard, noting in his youth that it was fiery red.

Kathryn's mother often told stories of her childhood here in the 1860's. One of her happiest memories was the many good times she had when she ventured up the road to the Medley farm to visit. One of these visits with the Medley girls is still evidenced by their names etched on the windows of the old house. The girls accomplished this by taking turns writing on the glass with an engagement ring one of them was wearing.

Kathryn's ancestors decided to move West only after their farmlands had been all but destroyed by the Revolutionary War. Members of the Brandeberry family are known to have been among the earliest settlers in the area now known as Toledo, Ohio. Their cabin was the site of the first election held in the new territory and it also served as a temporary home for any orphaned girl until she reached the age of sixteen, at which time she would either marry or leave to "work out."

The Feisters, Kathryn's maternal great-grandparents, arrived here in 1831. Settling on Selkirk-Bush Road, they were among our earliest homesteaders. Margaret Feister's recollections were often the source for stories told time and time again by each generation that followed. One of these stories was always a source of special pleasure to everyone who heard it. With much the same eagerness her grandmother must have had, Kathryn excitedly shared the story with me.

"Grandmother and Grandfather had a simple cabin where they happily raised 14 children. Surrounded by wilderness, they were virtually isolated from their neighbors. As every pioneer family, they welcomed company as a happy change from the demanding routines of homestead life. One morning shortly after daybreak, a stranger appeared accompanied by five little girls. He stopped only long enough to say he was leaving them and would be back at nightfall to fetch them and then quietly retreated into the woods. Even though this made a total of ten youngens for her to tend, Grandmother was overjoyed.

"Along about noon, she swung the huge pot of mush from the fireplace. A portion was set out on the table for each child along with a pewter spoon and a huge crock of milk. Standing around the table, each child took a turn at dipping the spoon of his hot mush into the crock of fresh milk, then after slowly swallowing the tasty meal, passed on the spoon to the next child.

"Meanwhile Grandmother had hurried out of the house to a nearby field which Grandfather was clearing for corn. Happily she told him of the five little girls. He responded to her good news by saying he'd be in by nightfall.

"Running, playing, laughing and singing with the little girls made the day pass quickly. Toward evening Grandmother scraped the ashes from the fireplace and fetched from the cupboard a big jar of prized popcorn seeds. She dropped the small kernals onto the still hot bricks, then stood back and watched the litle girls' delight in catching the corn as it popped into the air.

"Soon after nightfall, the visitors' father returned and Grandfather told him how to reach his destination and aided him in blazing a trail to the south of the farm where the family later settled. As silently as they had come, they disappeared leaving behind the happy memories of five little girls—and a story that would be lovingly told time and time again."

Kathryn was the second child born to John and Lydia Brandeberry. Her parents moved into the home which she still occupies March 5, 1890. It is in this same house she spent her childhood and recalls the happiness she shared there with her parents, two brothers Beryl and John and two half-sisters.

Taking a curious pleasure in reliving her youth, she grouped back into her mind to catch and share a few of those sweet memories. Among those recollections are two special ladies, Becky Miller and May Bailey. She remembers telling her mother how frightened she was of Becky. After her mother made her realize it was Becky's extreme old age which was causing the needless fears, she grew very fond of her. Becky lived to be 104. May Bailey was a very dear friend to Kathryn and her mother, a constant source of love and friendship to them both.

After graduating from high school, Kathryn was determined to attend college but knew her family would provide for her brothers' advanced education, but not hers. It was then considered unnecessary for a girl to continue her education beyond normal schooling. The Scotch blood she inherited from her maternal grandmother was often evident in her life, but never as strong as it proved to be in her struggle to attend Mount Union College. Toward the end of her last quarter, Kathryn's money began to grow short so she decided to check into a teaching position in Deerfield which her brother John had mentioned.

She landed the job and suddenly found herself faced with having to leave her home and family for the first time. There was no train scheduled that could deliver her on time for her classes, so she had to find someplace to stay in Deerfield. A hack driver directed her to the home of an old pioneer couple for assistance in finding a place to stay.

After a thorough investigation into Kathryn's ancestory and several hours of interrogation, she was welcomed into their home. During her stay with John Shively and his wife Lois, Kathryn proved herself remarkably fitted for teaching. Physically strong and always putting her "best" into her duties she feels her influence over the "scholars" was profound.

Family ties being close, Kathryn soon returned to Newton Falls, her home, family and a new teaching position. She recalls her pupils here with love and a deep satisfaction in the wisdom of mutual love and trust they shared.

Kathryn's life has been spent giving unselfishly of herself and her love to her family. After her father's early death, she remained devoted to her mother and brothers. Her father was always quick to lend his prized carriage for use in any funeral, so he was first to be given the honor of having a motor funeral, the hearse having been brought in from Warren.

This quaint and simply lady who had welcomed me to her home possesses an unquenchable flame of the pioneer spirit. I probably talked too much and stayed too long, but I went away refreshed and stimulated.

Peace and happiness seem to be her heritage, leaving her completely content with life—guided and sustained by her deep faith that "God has always taken care of me."

JOHN K. KENNEDY ASSASSINATION

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. HARRIS. Mr. Speaker, on April 30, 1975, I joined with my colleague from Virginia (Mr. Downing) in cosponsoring House Resolution 432 to create a select committee for the purpose of conducting "a complete and thorough investigation and study of the circumstances surrounding the death of John F. Kennedy." One-fourth of the Members of the House have since sponsored or cosponsored similar resolutions.

Recent disclosures have made the need for this investigation all the more apparent.

Since the publication of the Warren Commission's report, Americans have been plagued with doubts. Polls indicate that the vast majority of the public does not believe that Oswald acted alone—the people do not accept the conclusions reached by the Warren Commission. Questions have been raised about Lee Harvey Oswald's background, the single bullet theory, the capabilities of the supposed murder weapon, Jack Ruby's associations with the Federal Bureau of Investigation and organized crime, alleged discrepancy between the testimony and evidence given to the Warren Commission and its published conclusions, and reports that the FBI and the CIA failed to fully cooperate with the Commission. With so many questions—and so few answers—no wonder the public doubts the validity of the Warren Commission's report.

The report by the Senate Intelligence Committee points out the need for the thorough investigation the select committee would be instructed to conduct by House Resolution 432. According to the Senate Intelligence Committee, at least two important leads that could have implicated additional persons in the assassination were never pursued. Reportedly, an unidentified passenger boarded a Cuban Airlines flight from Mexico City to Cuba at 10:30 p.m., on December 1, 1963, 9 days after the murder in Dallas. The CIA noted at the time that the flight was delayed for 5 hours in order to pick up this stranger, who did not go through Mexican customs and who rode in the cockpit of the airliner. No follow-up was made by the CIA, according to the Senate committee. Second, a Cuban-American who crossed from Texas to Mexico on November 23, 1963, the day after the murder, and went on to Cuba, reportedly returned to the United States in March 1964. An informant described this individual as "involved in the assassination." Again, neither the CIA nor the FBI followed up, according to the Senate committee.

Although the CIA advised the Warren Commission that it had no evidence of conspiracy or foreign involvement, the CIA was involved in schemes against Castro. In September, 2 months before the assassination, an interagency Cuban Coordinating Committee met at the State Department and agreed unanimously that "there was a strong likelihood that Castro would retaliate in some way against the rash of covert activity in Cuba." Further, on the day that President Kennedy was assassinated, a CIA caseworker met with a secret Cuban agent, code named Amlash, to discuss assassination plans against Castro—plans that had been "in the work" for some time. Some individuals now believe that this individual was a double agent.

Unfortunately, the CIA merely advised the Warren Commission that there was no evidence of foregn involvement in the Kennedy murder. Why did not the CIA follow up on leads that implicated several additional individuals? Why did not the CIA tell the full story to the Warren Commission?

Deputy Attorney General Katzenbach sent a memo on November 26, 1973, to the White House saying:

> The public must be satisfied that Oswald was the assassin; that he did not have confederates who are still at large; and that the evidence was such that he would have been convicted at trial.

Today, the public is not satisfied that Oswald did not have confederates. The evidence is not convincing.

I would like to call my colleagues' attention to the remarks made by Congressman Downing to the Virginia Commonwealth's Attorneys Association on August 8, 1975. Those remarks are printed on page 7064 of the March 18, 1976, Congressional Record. In his discussion, Mr. Downing delineates the case that a prosecuting attorney could have made against Oswald had he not been murdered. Mr. Downing then points out what a defense attorney would have going for him in the case. It would certainly not be a very tight case for the prosecution.

On March 31, 1976, the Rules Committee voted to postpone consideration of House Resolution 432. I understand that the committee members had decided to wait and see what additional information would be uncovered in the course of the Senate intelligence investigation before they decided whether to allow the House to vote on establishing a select committee in the House.

The report by the Senate Intelligence Committee casts further doubts upon the validity of the Warren Commission's findings. That report strengthens the case for a complete and thorough investigation conducted by a House Select Committee with full subpena power. With this investigation, once and for all, we will get to the bottom of this tragic assassination.

There is no reason to fear a full, honest, and open investigation. The public wants to know the truth.

The investigation ought to be conducted now. I respectfully urge the Rules Committee to consider and report out House Resolution 432, the resolution I introduced with Congressman Downing. I am sending today the following letter to Chairman Madden of the House Rules Committee:

> Hon. Ray J. Madden,
> *Chairman, Committee on Rules*
> *The House of Representatives*
>
> Dear Mr. Madden: Evidence uncovered in the course of the investigation conducted by the Senate Intelligence Committee has cast further doubts upon the validity of the findings of the Warren Commission's investigation into the assassination of President John F. Kennedy. The public insists upon knowing the truth, which can be ascertained only by a thorough investigation conducted by a select committee of the House having full subpena power.
>
> I therefore urge the Rules Committee to allow the Members of the House to vote on H. Res. 432, which will create a select committee for the purpose of conducting a complete and thorough investigation and study of the circumstances surrounding the death of John F. Kennedy.
>
> Sincerely yours,
> Herbert E. Harris II,
> *Member of Congress.*

INTRODUCTION OF THE COMMITTEE PRINT: SENIOR TRANSPORTATION: TICKET TO DIGNITY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BOB WILSON. Mr. Speaker, as ranking minority member of the House Select Committee on Aging and the Subcommittee on Federal, State, and Community Services, I am very pleased and proud to join with the chairman of this subcommittee, Sparky Matsunaga, to offer for your use the committee print covering the transportation problems faced by our elderly population.

We on the subcommittee hope that you will feel as we do, that this is a very realistic and usable report.

The finished product of this report has been accomplished through the joint effort of both the majority and minority members and staffs, working closely together. Thus insuring a report with logical and workable recommendations, which will have an effective impact on the transportation needs the elderly citizens have been faced with for some time.

The report does not advocate excessive new programs or mass increases in appropriations, but brings into focus the problems besetting the present fragmented systems, design problems, the multiplicity of Federal programs, and the lack of program coordination. The recommendations made could alleviate some of these transportation dilemmas.

Contents of this report have been adequately substantiated by hearings held both here and in the field. We were also very fortunate to have the expertise and input from an excellent consultant, Mr. Joe Revis, knowledgeable in this very technical area.

The printing of this report is by no means the end of our work in this area, but really only the beginning. We definitely plan to follow these recommendations through to their implementation.

I hope you will find this a meaningful and useful document.

ANTIBUSING BILL

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. McCOLLISTER. Mr. Speaker, I am today joining as a cosponsor in the administration's antibusing bill, the School Desegregation Standards and Assistance Act of 1976.

There are probably very few people in this country today who do not understand the necessity and the wisdom of desegregating public education along the lines laid out in the Supreme Court's famous decision in Brown against Board of Education. Destruction of the dual system enforced the moral and constitutional requirements that the law be colorblind. Anything less than total elimination of any vestiges of "separate but equal" schools is, to me, totally abhorrent and reprehensible.

Still, we must all recognize that the courts have extended their intervention in school desegregation much further than the Congress expected. The courts have imposed burdensome forced busing plans to desegregate the schools in communities where racial imbalance in the public schools follows a racially imbalanced residential pattern.

I think the courts have gone too far. To make it clear that forced busing is an unacceptable policy, I favor an amendment to the Constitution. Since the Democrat caucus has directed that no such legislation be brought before the House, I have joined in seeking a legislative remedy. This bill will direct the courts to narrow their court orders and aim them at the true problem.

The courts have issued many forced busing orders. More are certainly in the works. But a discussion on the wisdom of busing as a public policy does not imply any resistance to carrying out the legal orders of the courts. We must all give our total support to the full enforcement of the law. And these court orders are the law.

But in the same vein, the Congress is the elected policymaking branch of the Government. If constitutional rights need protection, it is our duty to protect them, not meekly defer to the courts. I, for one, am unconvinced that the courts are protecting the rights of everyone in the community when they order forced busing. To the social engineers and, apparently, to the courts, our schoolchildren are mere statistics with certain demographic characteristics. I think we have lost track of the human element. We need to ask ourselves: Is the policy of forced busing improving the quality of education for our children of all races? If so, is the educational benefit worth the added cost? If not, what alternatives to forced busing might be employed to boost the quality of education for every child?

It can be argued that we have no really reliable evidence of the educational effect of forced busing. The studies we do have, however, suggest that the impact may even be negative. Many communities, of course, have managed to avoid the confrontation and violence that has marred some forced busing plans. Even where all goes smoothly, though, the schoolchildren still are asked to spend more time being transported and the extra-curricular experiences they can participate in are often cut short by the need to catch the bus home.

I am convinced that further studies will show the basic wisdom of our original plan—neighborhood schools. The forced busing route to desegregation has become such an emotional issue because of the importance placed on education in most American families. Right now there is growing concern about the adequacy of our schools, about the ability of the schools to educate our children. At such a time, it seems most inadvisable to me to continue to pursue a course which discourages parental involvement in education and undermines the accountability of educators to the parents of the children they teach. We should be encouraging such involvement and accountability, not the reverse.

It is my personal feeling that most of the intentional segregation in our Nation's public schools has been eliminated already. But whatever remaining intentional segregation remains must be corrected. Where intentional segregation exists, we should revise a corrective policy which accomplishes the need to eliminate it with minimum disruption, cost and interference in the educational process. The seemingly automatic insistence by the courts on busing as the only acceptable remedy has prevented the profitable exploration of alternative means which would more fully meet our other concerns.

I think it is important to maximize community control over the schools and get the courts out of the education business as quickly as possible. Not only do judges lack specific expertise to act as school administrators, but their direction of the schools short-circuits the regular channels of community control so important in assuring quality in education.

I commend President Ford's reasonable, thoughtful, and careful approach to this explosive issue. The country would be well, served if the Democrat caucus would reverse its "hold" on consideration of antibusing measures and examined this bill and other legislative proposals to curb the abuses of forced busing. If ever there was an issue where the people want Congress to act, busing is that issue.

NACHI KATSUURA VISITS MONTEREY PARK—SISTER CITIES

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. DANIELSON. Mr. Speaker, a unique Bicentennial celebration will take place in my congressional district this weekend when approximately 150 residents of the city of Nachi Katsuura in Japan will be hosted by their sister city, Monterey Park, Calif.

A number of events have been planned during the 5-day visit and the residents of Monterey Park will be opening their homes and their hearts during our 200th anniversary, to visitors from across the Pacific Ocean.

I want to compliment the presidents of the respective Sister City Associations—Mr. Yukio K. Kitagawa of Monterey Park and Mr. Ryoei Nikko of Nachi Katsuura—for the effort they have put forth in bringing this visit to fruition.

Mayor George W. Westphaln of Monterey Park, the members of the Monterey Park Sister City Association, and all the residents of Monterey Park are to be commended for their cooperation and friendship in hosting Mayor Tadashi Yamagata of Nachi Katsuura and this large delegation of Japanese citizens. This is truly a fine example of people-to-people efforts to bring about world understanding and friendship in the spirit of freedom and democracy that is a feature of our Bicentennial celebration.

BENNETT C. WHITLOCK, JR.

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. SPENCE. Mr. Speaker, it is a pleasure to announce that a fellow South Carolinian and a close personal friend of mine, Mr. Bennett C. Whitlock, Jr., today assumes the office of president of the American Trucking Associations. As many of us who have worked with ATA know, it is one of the most democratic and progressive of the trade organizations. Thus, I am especially pleased that a fellow South Carolinian, and a man who is highly regarded as a spokesman for the transportation industry, moved into this position of leadership.

From the time that Bennett Whitlock and I attended the University of South Carolina together, we have remained close friends. Bennett began his career with ATA 25 years ago this summer, and throughout that time, he has held a number of positions of increasing responsibility, culminating with his appointment to the office which he will take over today.

Bennett Whitlock has always been candid and forthcoming in his dealings with Congress, and I know that in his new position he will continue his effective representation of the transportation industry. At this time of critical reappraisal by the Congress and by the administration of our Nation's transportation needs, we are especially fortunate to have a man of Bennett Whitlock's caliber, playing a leading role.

Mr. Speaker, Bennett will do a fine job of bringing to our attention the views and opinions of the Nation's motor carriers and the more than 9 million men and women that they employ. I know that my colleagues join me in expressing to him our congratulations and best wishes as he undertakes these new responsibilities.

THE BALTIC STATES MUST BE REMEMBERED

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. RUSSO. Mr. Speaker, 35 years ago this month two deplorable acts took place in the annals of human history. I am speaking of the Soviet Union's forcible occupation of the Baltic States, and subsequent deportation of some 100,000 of her people to Siberian slave-labor camps.

This week—July 11–17—is traditionally marked in this country as "Captive Nations Week" by Lithuanian-Americans, who take this opportunity to reaffirm hope for those countrymen who are still held captive. In America's Bicentennial year, I feel that it is particularly important for us to pause and appropriately assess our own stance as regards these brave people who have lost their independence to a contemporary empire.

Right now, détente and increased trade with Russia are much-debated issues. However, we must not lose sight of the lessons of the past in forming America's current foreign policy.

How can we forget the suffering undergone by those 100,000 Estonians, Latvians, and Lithuanians, as they were transported to Siberia and other forsaken parts of Russia?

Let me recount the history of these Baltic peoples a bit. In an effort to consolidate Soviet control and reduce anti-Soviet agitation, thousands of members of the Baltic States were shipped to distant areas of Russia in 1941. They were transported in freight cars where water, food, and breathing space were far too inadequate. Many of the sick, the weak, and the young died on the long journey from the Baltic States to Siberia. Those who survived were sent to northern Russia and to western and eastern Siberia. There they were used for slave-labor, and many perished in the mines and forests, or were annihilated by the cold, starvation, and diseases because they were without proper medical attention.

Unfortunately, deplorable acts continue to this day. For upwards of 36 years, the Baltic peoples have felt the iron grip of Russian domination. The Soviets have tried to strip them of their cultural and religious identity. So, too, have the Soviets tried to engineer a kind of Communist brainwashing, through the Russian educational system. To date, 10 percent of the Baltic population has been either killed or deported by the Soviets. The whole of the tragedy was poignantly summarized by the brave Lithuanian seaman Simas Kudirka who tried to defect from his Communist rulers in November 1970. Kudirka was refused admission to this country, and was told by American immigration officials to return to his own country. "Russia," young Kudirka was quoted as saying in disgust. "That is not my own country."

Kudirka's loyalty to his native Lithuania is typical of the fierce patriotic sentiments harbored by Lithuanians, Estonians, and Latvians forced to live in Russia today. It is a tribute to the United States that we have never recognized the annexation of these three small but courageous Baltic nations, since Stalin forcibly seized them in 1945. We must never recognize deplorable acts of this kind, as long as the people of the United States continue to hold the values of freedom and liberty in the position of priority that they do.

But this action is not enough. Our sympathy and admiration for the Baltic peoples is not enough. On June 3, the President signed into law the establishment of a commission that will monitor the application of human rights in repressed nations agreed to under the Final Act of Helsinki. This includes opportunities for personal correspondence with relatives outside the country, provides for the reuniting of families, and lifts restrictions on native religious and cultural practices. The President's law, I think, will go far in winning bedrock human liberties for the Baltic peoples.

Let the Soviet Union, then, honor its agreements toward assuring the Baltic people's freedoms that were made in the Helsinki Final Act; let Communist raised barriers separating the captive nations from their European cultural heritage be dropped; and finally, let us affirm that the captive Baltic States of East-Central Europe, like us, have an inalienable right to self-determination and national sovereignty.

BEDFORD COURIER OF MONROE COUNTY, MICH., WINS AWARDS FOR SERIES OF EDITORIALS

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ESCH. Mr. Speaker, the Monroe County Bicentennial Commission has named the week of July 18 as "Bedford Courier Week," in honor of the newspaper of that name and its editor, Richard F. Daggett. For 3 successive years, Mr. Daggett's newspaper has won the George Washington Honor Award from the Freedom's Foundation of Valley Forge for the series of editorials which Mr. Daggett authors. Resolutions are also being prepared by the Michigan State Legislature and the Monroe County and City authorities honoring Mr. Daggett and the Courier.

I believe we should take special note of this outstanding example of leading citizenship and good journalism. Community newspapers are often not honored in the same way as the mass national media, yet it is important for us to realize that the smaller papers make an important contribution. They are of great weight in helping the communities of the Nation maintain their values and remember their principles. Their editorials are just as wise as any in the mass-circulation media and often offer a better and more realistic perspective on life.

I am sure that there are many papers within the country which make a contribution similar to Mr. Daggett's. I hope that their work will continue to have a great influence.

LESSONS FROM THE PRIMARIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. HAMILTON. Mr. Speaker, I include my Washington Report entitled "Lessons From the Primaries":

LESSONS FROM THE PRIMARIES

The Presidential primaries for 1976 are over, and it is appropriate to wonder whether this costly, complicated and exhausting system is the best way to choose Presidential candidates.

From February 24 to June 8 of this year 25 million Americans voted in 30 primaries and chose about 75 percent of the Democratic and Republican delegates to the nominating conventions. The total cost to candidates and taxpayers of this process was about $65 million. For the Democrats the process selected, for all practical purposes, their candidate. For the Republicans it could not produce a clear-cut winner.

The first thing to be said about the primary system is that despite its faults, it works reasonably well. It screens out less serious candidates, gives national exposure to the contenders, tests the candidates on the issues and challenges their physical stamina, organizational ability and their ability to explain and sell their views. It has allowed Governor Reagan, an outsider with no power base, to challenge an incumbent President and a one-term Georgia Governor, out of office and outside the Democratic party establishment hierarchy, to win against the field.

The primaries have given all of us a sharper focus on the candidates and the issues and they have given us—at least those of us willing to vote—a chance to size up the candidates and make a choice. The primaries have also given the candidates, as each of them has emphasized, an intensive learning experience about what is on the minds of the American people.

Over the years the primary system has produced fine Presidential candidates in both parties for the nation's top political positions. The primaries have also encouraged broad popular participation in the choice of Presidential nominees and have lessened the control previously held by political bosses over the nominating process.

Nevertheless, there is much discussion that the current primary system needs to be changed. It is too long, too frantic, too disjointed, too complicated and too costly. Furthermore, it places too much strain on the candidates. For instance, those candidates who wish to appeal to a national electorate must crisscross the country daily. Also, the rules that govern the primaries are so arcane and so numerous as to defy comprehension. This year thirty primary states, each with a different set of rules, compounded the confusion. In short, as one Senator has observed, common sense demands at the very least a move toward uniform rules and a curtailment of what many have came to see as "a Barnum and Bailey traveling sideshow" that leaves the candidates "tired and broke, and the public bored or bewilwered and—far too often—disgusted."

For some time I have not been entirely satisfied with the exhausting and illogical way we nominate a President and I have been looking at alternatives. At the extremes among the alternatives is to either hold a national primary throughout the country on a single day or abolish all primaries in favor of a return to the caucus and state convention system. The first of these alternatives favors the well-known and well-financed candidates and creates the danger that a factional candidate might win in a crowded field of candidates. The second alternative can easily mean a return to control by party bosses.

Some form of regional primaries with states in one region holding their balloting on the same day seems to me to have merit and I hope the Congress will take a hard look at it. A system of perhaps six regional primaries, instead of fifteen as in 1976, would cut down on expensive travel, incite sharper focus on the discussion of regional issues and better promote public interest. Besides being an orderly way of staging Presidential primaries, such a regional system would save some money and energy, lessen spectator fatigue and diminish the chance of exaggerated attention to minor results.

A regional primary system would still retain as its cornerstone the national nominating convention since it would permit a blending of states with Presidential primaries and states using a convention system to elect their national convention delegates. It would not require any state to hold a primary but if a state chose to hold one, it would have to be held on the date assigned to that state's region. A state would also retain the right to determine the rules of its own primary. Such a system of regional primaries would eliminate the disproportionate advantage a few states now hold in the nominating process by reasons of their primaries being held very early or very late in the process and it would compress the entire primary period into a shorter time frame.

The present Presidential primary system was not ordained in heaven and surely we are capable of learning from recent events its shortcomings. The primary season may be over, but it is my hope that interest in the Congress has not waned in making the system more orderly and rational.

JULY 4, 1976

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1976

Mr. HORTON. Mr. Speaker, as July 4th approaches, every American will be renewing their dedication to the ideals which inspired our country's founding. My constituent, Mr. Larry Farsace, has written an eloquent salute to our freedom which I would like to share with my colleagues.

Mr. Farsace is a native Rochesterian whose poetry and fiction have won international recognition. His honors include membership in the Rochester Poetry Society and a post on the editorial and advisory board of The International Who's Who in Poetry. In 1968, President Ferdinand Marcos of the Philippines presented Mr. Farsace and his wife, Duverne, a medal for their work on New York Poetry Day.

Mr. Farsace's Bicentennial poem follows:

JULY 4, 1976

The flame of freedom burns again,
Two hundred years of age;
Whose dream was this in Eden's glow,
Whose dream for man—what sage?

Suffice to say it burns again:
Man's last best hope for earth,
200 years ago today,
Conceived in starry birth;

And still continuing, in spite
Of cynics who would dim
Its brilliant life-inspiring glow,
A death that would be grim.

Why even contemplate such fate?
Let's tend the flaming light,
Insure that it will last through time,
And burn forever bright.

HONORARY CITIZENSHIP FOR VALENTYN MOROZ

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mrs. FENWICK. Mr. Speaker, today Congressmen KOCH and DODD and I are introducing, with 66 other Members of the House a resolution which authorizes the President to declare Valentyn Moroz on honorary U.S. citizen.

Our action on behalf of Mr. Moroz, a renowned Ukrainian historian, is prompted by his recent renunciation of his Soviet citizenship. The Washington Star of June 15 carried an interview with Raisa Moroz, Valentyn's wife, who was interviewed by telephone in Ivano-Frankivsk, Ukrainian, S.S.R. Mrs. Moroz had visited her husband on June 7 and carried this news back from the Serbsky Instiute of Forensic Psychiatry. During the course of the Star interview, Mrs. Moroz said of her husband:

> He asked me to say that he renounces his Soviet citizenship because of this most recent and all earlier measures taken against him—the government attitude toward him and the treatment he has received. It has all been so inhuman, and now this—placing him, a healthy person, in a psychiatric hospital. He renounces his USSR citizenship and asks the U.S. Congress for political asylum. He asked me to tell this, inasmuch as he does not have the opportunity to do it right now. This is what he asked me to pass on.

It is our feeling that introduction of this resolution will be a means of conveying to Soviet officials our continuing concern for Mr. Moroz and our hope that he will be accorded a measure of safety by this action. We have expressed our interest on countless occasions in the past, in an effort to allow Mr. Moroz to accept a teaching invitation that has been repeatedly offered him by Harvard University. Our requests to Soviet authorities have gone unanswered, but there is reason to believe that our actions have not gone unheeded.

Dissidents and refuseniks told me and other Members of the congressional delegation that visited the U.S.S.R. last August that the Soviet Government is sensitive to public opinion and that political prisoners such as Mr. Moroz receive more humane treatment, because of these outpourings of concern. Mrs. Moroz confirmed this view in answer to a Star question on June 15:

> My opinion is that it should have a positive effect. I think that if it had not been for public opinion, he would have simply died during his five-month hunger strike in 1974 to protest prison conditions. They would have simply written him off, saying let him starve himself. As it was, they did, after all, force-feed him. Doctors did watch and examine him somewhat. In any case, they didn't let him die. Now, I have appealed to the World Psychiatric Association, to various countries, to Ukrainians in Canada and the United States and to the U.S. Congress.

We have now had word that Mr. Moroz was recently released from the Serbsky Institute after the initial congressional concern for his transfer to that psychiatric hospital. He has been transferred to the Butyrskaya Prison near Moscow, where I understand he awaits yet another transfer to a labor camp. According to his sentence meted out in 1970, after 3 years in a labor camp, he will still face 5 years in "internal exile." Mr. Speaker, those of us that are cosponsoring this measure feel that this harsh sentence should be commuted and that Mr. Moroz should be allowed to accept the professorship which Harvard University has offered him.

IS IT REFORM OR SHELL GAME? EDITORIAL ASKS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. COUGHLIN. Mr. Speaker, in light of today's debate on the Democrat-sponsored "Congressional reform package," the following editorial from today's Philadelphia Inquirer is extremely pertinent. In fact, this article succinctly captures the very essence of these reforms: Sanctimoniousness and hypocrisy.

I, myself, during floor debate on the resolutions, termed them a coverup and a hoax. No matter which words are used, the substance is basically the same—a fraud on the American taxpayers.

Having long fought for congressional reform and accountability, as well as openness in Government, I am pleased that the Inquirer has been able to see through the Democrats' charade. The editorial strikes at the crux of the matter—just as so many of my fellow Republicans have done today in voicing their objections to the resolutions—and I commend this article to all my colleagues for their consideration:

HOUSE REFORM—OR SHELL GAME?

> The House Rules Committee is scheduled to meet today to talk about the rush of payroll and expense account reform proposals which have broken out like prairie fires since Elizabeth Ray started telling on Wayne Hays. There is clear danger that the committee may succumb to the same failings which have marred much of the post-Hays scandalizing: sanctimoniousness and hyprocrisy.
>
> The rules and accounting procedures for expense accounting by members of the House

are just as turgidly complicated as Mr. Hays and a good many other members of Congress have wanted them to be. Many of the reform proposals which are bouncing around in one form or another, and still are pouring in, are constructive and well-intentioned. A number of others have every appearance of legislative shell-games.

It has taken generations to evolve the system under which Mr. Hays and others have put their friends, kin and playmates on government payrolls with no expectation of getting any work done for the taxpayers—and to develop systems of accounting, or not accounting, for office, travel and other expenses. Almost all aspects of that suffered from the fact that Mr. Hays himself, as chairman of the House Administration Committee, since 1971 had control over benefits that was almost totally insulated from votes by the House.

Now the main reform package conceived swiftly by a Democratic task force and hammered out in the Administration Committee itself contains a number of earnestly debatable propositions, especially including one which would, in the name of efficient accountability, pool some seven present categories of expenses.

Monday in the Administration Committee, four Democrats joined the eight Republicans, for a squeaker of 12 to 10, to recommend stripping their own committee of the power to change benefits without a floor vote. That is a minimal step toward public accountability—but the whole matter demands floor debate and the consideration of floor amendments.

The Rules Committee, in its meeting today, has the option of voting a "closed rule"—which would prohibit floor amendments. If it does so, it will make it clear to all that the shell game is in full play.

UNITED CHURCH OF CHRIST EXPOSES ROLE OF MOBIL OIL IN RHODESIA

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. YOUNG of Georgia. Mr. Speaker, in November of 1965, Rhodesian whites under the leadership of Ian Smith declared a unilateral declaration of independence from Britain. Smith and other whites, who constituted only 5 percent of the total population, gained complete control of the colony's economy and administration by denying the black majority their right—full political participation in Rhodesia's future.

Immediately, the United Nations Security Council imposed mandatory sanctions, mostly economic, against Rhodesia. Since 1971, the U.N. sanctions have been violated by our Government, despite our initial support, primarily through application of the Byrd amendment.

Now the United Church of Christ through its Washington-based Center for Social Action has provided a documented case of further violation of the U.N. sanctions. Mobil Oil through its South African subsidiary regularly violated these sanctions by funneling oil to the white minority regime in Rhodesia, a factor which certainly helped to sustain Ian Smith's Front Party beyond its probable fall.

I hope that each of my colleagues will read the statement of Rev. Larold K. Schulz, who courageously gathered the necessary materials to expose another case of U.S. corporate circumvention of international sanctions. A full report published by the United Church of Christ will soon be made available to the public.

THE OIL CONSPIRACY

Statement of Rev. Larold K. Schulz

(NOTE.—Documents and diagrams referred not printed in RECORD.)

My name is Larold K. Schulz. I am an ordained minister of the United Church of Christ and am currently the Executive Director of the Center for Social Action of the United Church of Christ.

The Center for Social Action was established by the Ninth General Synod of the United Church of Christ to serve "as a focal point for Christian social action . . . [to] call the United Church of Christ to a ministry for justice and peace, and suggest strategies for dealing with [these issues] in faithfulness to the gospel". The policies and programs of the Center are based on positions adopted by the General Synod. Its staff is trained in political, economic, international, organizational, and theological concerns. The Center takes seriously the requirements of the gospel and its challenge to "preach good news to the poor, release the captives, give sight to the blind, and to set at liberty those who are oppressed".

The United Church of Christ and its predecessor denomination has been involved in Southern Africa for over a century. We have built and sponsored schools and hospitals and have spoken out against colonialism and racism. Based on resolutions passed by the General Synod, in support of the liberation movements, the Center for Social Action has worked to expose United States collaboration with a racist and colonialist forces in Southern Africa, has participated in corporate campaigns directed against corporations involved in Southern Africa, and the Center for Social Action has focused particularly in Rhodesian sanctions. The Center for Social Action's exposure of the illegal sanctions breaking activities of the Air Rhodesia office in New York culminated in the closing down of that office. The Center for Social Action conducted a nationwide campaign against travel agents who were promoting American tourism to Rhodesia.

In early April of this year, I received an overseas telephone call from a person representing an organization named OKHELA. I was told that OKHELA is an underground organization of white South Africans who support the African National Congress of South Africa (A.N.C.). The caller informed me that OKHELA had obtained some very sensitive information on how Rhodesia obtains its oil requirements. I was told that this information suggested that the South African and Rhodesian subsidiaries of the Mobil Corporation have played a role in arranging the supply of oil products to Rhodesia seemingly in contravention of the United Nations sanctions regulations. This information had apparently been obtained from strategically placed informants who worked in South Africa and Rhodesia and was supported by copies of some crucial documents—mostly secret and confidential reports and letters from within Mobil's South African and Rhodesian subsidiaries. OK HELA indicated that they were approaching the Center for Social Action because they were aware of the research and work that the Center has done on Rhodesian sanctions, and I was asked if we would be interested in developing and releasing the material publicly. Around mid-May I received a package by mail from OKHELA. This contained some twenty of the supposedly Mobil documents plus a detailed memo from OK HELA summarizing the results of its research on how oil gets to Rhodesia. Also included was a brief statement about OKHELA, which reads as follows:

"OKHELA is a clandestine organization of white South African patriots, who, as militants, are engaged in providing invisible support to the National Liberation struggle, headed by the African National Congress of South Africa (ANC). This commitment to the ANC's fight against fascist apartheid, settler colonialism and imperialism includes armed struggle.

"The material provided here was gathered by OKHELA during a period of intensive and secret research, with infiltration and intelligence work lasting over a year. The work took place in South Africa, Rhodesia, Mozambique, Britain, the Netherlands and the United States. This is a continuation of an OKHELA program of carrying out clandestine operations both inside and outside South Africa to expose the nature of Western capitalist collaboration with racist minority regimes in Southern Africa."

It was immediately apparent to me that the material provided by OKHELA was very sensitive. Governmental and business interests within South Africa, Rhodesia and indeed the United States itself, might be much happier if this material remained unpublished. It was equally obvious to me after studying the documents, that they should be published. I consulted attorneys with regard to the documents and obtained other counsel in regard to the material. Today, at this press conference, we are making available the first advance copies of this report. Several thousand further copies of the report are being printed, and they should be available within a week.

In November 1965, Rhodesian whites led by Ian Smith carried out a unilateral declaration of independence, known as U.D.I. Whites made up only 5 percent of Rhodesia's population, yet they controlled the nation's economy and administration, and they deny the black majority their fundamental human rights.

Accordingly, not a single nation has given full diplomatic recognition to the Smith regime, and the United Nations Security Council has imposed mandatory economic sanctions against Rhodesia. These regulations have been incorporated into the legal statutes of almost all U.N. member nations, including the United States. As a result, it subsequently become illegal for American companies to provide Rhodesia with any goods except certain humanitarian requirements.

Following the imposition of sanctions regulations, a British naval blockade of the port of Beira in Mozambique prevented supplies of crude oil from reaching the one pipeline which could carry it to Rhodesia. Rhodesia's one refinery has therefore stood dormant since 1966. This has meant that Rhodesia has had to import all oil products, from gasoline to asphalt, that are obtained from crude oil.

The biggest mystery surrounding the Rhodesian economy for the last ten years has been how the Smith regime has successfully evaded sanctions regulations, and imported all its requirements of a whole range of oil products. The Center for Social Action, in its report published here today, is now able to reveal how this operation appears to have been carried out.

Five multinational oil companies have subsidiaries registered in Rhodesia. They are Mobil, Caltex, Shell, British Petroleum and the French company, Total. Before U.D.I. they obtained most of their supplies from Rhodesia's oil refinery. When this refinery closed down after U.D.I., they were forced to look elsewhere. The only way of obtaining oil products which could begin to be economic, was to import them from South Africa—where the very same oil companies had subsidiaries and, in most cases, refineries.

Better-informed observers of the Rhodesian scene have usually assumed that the oil companies in Rhodesia did indeed obtain their requirements from South Africa; but they had no way of proving this or of discovering who it was in South Africa that provided the oil products. When queried on this point, the parent companies were unable or unwilling to provide clarification. Mr. Rawleigh Warner, Chairman of Mobil Corporation, said last November (in a letter shown on page 34 of our report) that after U.D.I., "the Rhodesian Government subjected all petroleum companies operating within the country to a stringent set of controls which required them to secure all of their product requirements solely from a government agency." Unfortunately, he did not name the agency, nor did he explain how this agency obtained the oil products which it then passed on to the oil companies within Rhodesia.

It is at this point that the information and documents provided by OKHELA, provide clues to the process. According to OKHELA's well-placed sources, the Rhodesian government agency referred to above, is named GENTA, and it masquerades as a private company. Few Rhodesians know of its existence, let alone its role. As Mr. Warner has said, it does indeed sell to the oil companies in Rhodesia their requirements of fuel products, although it leaves the companies to make their own arrangements for importing non-fuel oil products such as solvents, greases, etc.

What has not been revealed before it that having apparently been told after U.D.I. that they must buy their fuel products from GENTA, the oil companies in Rhodesia were then asked to set up procedures whereby GENTA could import the fuel from the sister oil companies in South Africa.

It seems from the documents, that shortly after U.D.I. Genta asked Mobil (Rhodesia) to make arrangements whereby Mobil (South Africa) would sell to Genta most or all of Rhodesia's requirements of gasoline, diesel fuel, and Avtur (aviation turbine fuel). Genta would then resell these fuel imports to all the oil companies in Rhodesia—including Mobil (Rhodesia). Other oil companies were asked to provide other fuel products.

That may seem complicated; but it is only the beginning of the story. It appears that because of sanctions regulations, an elaborate scheme was then devised to make it look as if Mobil (South Africa) was not involved in any trade with Rhodesia. The physical transportation of oil products to Rhodesia from the Mobil refinery in South Africa posed no real problem, since unmarked railway cars were used. The problem lay in the paperwork, because nowhere in Mobil (South Africa)'s accounts department could there be a copy of an invoice billing a Rhodesian company.

Apparently, the scheme that was eventually used consisted of creating what Mobil has called a "paper-chase". This paper-chase was a system whereby sales and payments would be passed through various South African companies which acted as intermediaries. Thus Mobil (South Africa) could sell oil products to a South African company, knowing that they would be passed on to other companies, which would eventually sell them to the required recipient in Rhodesia—usually Genta. If ever Mobil (South Africa) were asked whether they provided oil products for Rhodesia, they could evade the question by stating that they sold only to companies in South Africa, and that they did not know what these companies did with the oil.

Even if a sharp investigator managed to discover that certain Mobil products had found their way to Rhodesia, Mobil was safe—so long as nobody could prove that there was intention on the part of Mobil for the products to reach Rhodesia. To quote one of Mobil's own documents, if intent to supply Rhodesia could be proved, Mobil (South Africa's) parent company in the U.S.A. might under certain circumstances "be subject to penalties under U.S. law".

It seems that for this reason, the paper-chase was set up in great secrecy. Very few people had knowledge of all the details, or had access to the few highly-incriminating Mobil documents in which the overall scheme was described.

Some of the documents obtained from OKHELA are secret Mobil reports and letters which deal with the paper-chase. For example: Document No. 1 in our report (pages 14 and 15) is a letter from the Operations Manager of Genta to the Managing Director of Mobil (Rhodesia). Apparently every four months, Genta sends a letter like this asking Mobil (Rhodesia) to arrange the importation to Rhodesia of specified quantities of certain fuel products, to come from the Mobil refinery in South Africa. The term "your associates" refers to Mobil (South Africa).

The diagram 2 (page 9) is a short-hand way of representing a highly complex sequence of sales and resales. The scheme seems to involve the use of a considerable number of intermediaries, many of which are non-existent companies or are fronts for other companies. In connection with this paper-chase it is worth quoting from one or two of the other Mobil documents. In Document No. 16 (pages 35 to 38 in the report), the then head of product procurement in Mobil (Rhodesia) explains to his colleague in Mobil (South Africa):

"The important feature of this plan is that the original billings by MOSA [Mobil (South Africa)] to the two or three organizations in the top line and the subsequent rebilling by those organization to the second line and ultimately the third rebillings by the second line to the third line are, to all intents and purposes, meaningless and are merely our false trail being laid. . . .

"You might consider that the procedure that we have adopted is unduly complicated and unnecessary, but as was conveyed to you when you were here, it is the wish of George's people [a reference to Genta, whose Chairman is George Atmore]that we involve and complicate this matter to a far greater degree than pertains at present in the hope that it will discourage an investigation".

An internal Mobil (Rhodesia) report, shown in Document No. 17 (pages 39 to 44) says in part:

"When orders for lubricants and solvents are placed on our south African associates [i.e. Mobil (South Africa)], a carefully planned paper-chase is used to disguise the final destinations of these products. This is necessary in order to make sure that there is no link between MOSA [Mobil (South Africa)] and MOSR's [Mobil (Rhodesia)'s] supplies. . . ."

And now a very revealing statement:

"This paper-chase which costs very little to adminster, is done primarily to hide the fact that MOSA is in fact supplying MOSR with product in contravention of U.S. Sanctions regulations. . . ."

Documents Nos. 7 and 8 are invoices which seem to have been used for the solvents paper-chase. Document No. 7 is a rail advice note, for a consignment of 36,746 litres of Pegasol—3040, sold by Mobil (South Africa) to Plascon Evans No. 3 Account on August 7, 1973; the price is 1,260 Rands and the invoice number is 134977. The address of Plascon Evans No. 3 Account is P.O. Box 422, Durban, which is also the address of the attorneys Mooney Ford and Partners who also seem to operate the Semco No. 3 Account used in the lubricants paper-chase. On receipt of this rail advice note, a Minerals Exploration invoice was made out giving not only similar details concerning the commodity, quantity and price, but also giving the same date and invoice number. Document No. 8 is a copy of this invoice.

In addition to what I have already described, we have other types of documentation such as: data on Rhodesian gasoline consumption, which has been a Rhodesian state secret, as well as a breakdown of profit and sales figures for Mobil (Rhodesia) and Mobil (South Africa).

There is also information in the report about various Mobil executives who are American citizens and who were or are involved in Mobil (South Africa). For example, Everett S. Checket is an American citizen. He is a member of the board of directors of Mobil (South Africa). He is also Executive Vice President (second only to the President) of the International Division of Mobil Corporation, which owns Mobil (South Africa). One of the countries he is responsible for within the Mobil empire is South Africa. William Beck, who is the Chairman of Mobil (South Africa), has to report to the board of Mobil (South Africa). This board is elected by the shareholders—and in this case, since it is a wholly-owned subsidiary, there is only one shareholder—namely, Mobil Corporation. Checket has been appointed by Mobil (U.S.A.) as shareholders' representative. So that, in effect, Checket can nominate the whole board. It is in this sense that William Beck reports to Checket.

As we make these documents public, I am aware that this is a crucial time in Southern Africa. Thousands of Africans in deep frustration are in open revolt in South Africa. Already over a hundred have been shot and murdered by the police and over a thousand hospitalized with injuries. New police swoops have led to more arrests and imprisonments.

Meanwhile, in two days time, our Secretary of State, Kissinger and Prime Minister Vorster, are to meet in Germany to discuss what they can "do" about Rhodesia's future. How ironic that the world's two most blatent sanctions breaking countries meet to discuss sanctions and Rhodesia.

With this in mind the Center for Social Action calls on the United States Government to carefully examine the case we present today and investigate to what extent Mobil Corporation has violated our sanctions regulations.

We urge that Kissinger bring pressure to bear on South Africa to comply with United Nations sanctions and to stop providing Rhodesia with its oil requirements.

We call upon top Mobil management to make public all pertinent facts regarding this case and to immediately cease any practices that syphon oil to Rhodesia.

As a church agency committed to the Christian ideals of justice and liberation, we plead that at the very least, these initial steps be taken.

DOVIE SWEET'S CLOSING CAREER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. STOKES. Mr. Speaker, I have on many occasions brought the achievements of different Clevelanders to the attention of my colleagues in this House. It is a special treat for me to bring to your attention and to the attention of my colleagues, the retirement of Mrs. Dovie Sweet from the Cleveland Board of Education School System. Mrs. Sweet retires from an active teaching position in the Cleveland public schools after 26 years in the field.

Mr. Speaker, I have known this dedicated and highly qualified woman for many years. While she has been an outstanding teacher, she has also dedicated many years to civic, social, and political activities in our community. Mrs. Sweet has been one of the NAACP's most active and ardent supporters.

Mr. Speaker, those of us who know Dovie Sweet cannot imagine her complete retirement. She will probably be even more involved in her community now that she is not restricted to her teaching activities in the schools.

Mr. Speaker, I submit for the RECORD a recent article which appeared in the Cleveland Call and Post regarding Mrs. Dovie Sweet and I call to the attention of my colleagues her beautiful poem entitled: "My Closing Career."

Mr. Speaker, I am sure that you and all of my colleagues in the U.S. House of Representatives join with me in congratulating Mrs. Sweet for a job well done.

DOVIE SWEET RETIRES FROM 26-YEAR TEACHING CAREER

After 26 years of teaching with the Cleveland Board of Education School System, Dovie D. Sweet announced her retirement from the field of teaching at the monthly faculty meeting of Harvey Rice Elementary School, E. 115th & Buckeye, on May 12.

With no regrets, Mrs. Sweet stated she had paid her dues and done her work. She said she would miss her children at school but felt confident that someone younger would replace her and give the students the love, patience, and understanding they need.

Many of Mrs. Sweet's fellow teachers were tearful as they congratulated her and extended regrets over the school's loss.

Alfred Aiello, principal of Harvey Rice Elementary School, commented that he envied her but added that she deserved a break from many years of tireless and sometimes thankless service.

Aiello remarked that Mrs. Sweet was still youthful and had much to give.

In keeping with her involved and concerned nature, Mrs. Sweet plans to notify by personal letters the parents of her students, who do not as yet know of her retirement.

Dovie states that she is leaving the field of teaching but not the field of education. "I'll be some place getting education over in a different way," she says.

Dovie Sweet wrote the following poem, "My Closing Career" to sum up her sentiments about the career she chose at age six.

MY CLOSING CAREER

(By Dovie D. Sweet)

I've come to my conclusion
In the field of education
I hope that I have made it felt
Throughout the entire nation.

By training adults, boys and girls
To read, write and count
To find out things for themselves
And I am sure it mounts.

I said when I was six years old
Just what I wanted to be
That was my first day in school
And the teaching rubbed off on me.

I wanted to train boys and girls
To spell, and read, and write
To count and play together
Being sure there were no fights.

I said to Mamma when I went home
I want to be a teacher
I want to help the boys and girls
Who all would be our future
My mother said, just study hard
Do what the teacher says
Regardless of the other crowd
Get A's at the end of the day.

I put forth every effort
To do my very best in school
I studied all the books I had
I obeyed all the rules

And Now the time has come for me
To lay my life's work down
I feel that I should make a place
For some of our young.

THE ROCK IS COMING BACK

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. RUSSO. Mr. Speaker, as Members of the House are aware, the Rock Island and Pacific Railroad has fallen on financially hard times. One of the most important shippers of goods in the Midwest for over 100 years, the "Rock" filed for reorganization under section 77 of the bankruptcy statutes on March 17, 1975. This fateful day had been preceded by 10 years of losses totaling over $129 million. The recent national economic recession further aggravated the perilous condition of the railroad.

Immediately after the bankruptcy filing, Mr. William M. Gibbons of Chicago, was appointed as sole trustee of the railroad. Together with the new president of the line, Mr. John W. Ingram, a vigorous effort was launched to save the Rock Island line. Under their leadership management levels of the road have been reliable efficient railroad service has been stressed. As an economy move, the management levels of the roads have been reduced by 33 percent, transportation expenses were cut by 12 percent, derailment expenditures were trimmed by 41 percent, and employee safety improved significantly. Additionally, extensive track maintenance and reconstruction work has begun in Arkansas and Iowa. Projected expenditures on rail maintenance programs for 1976 will be even more extensive.

Trustee certificates, guaranteed by the Federal Government, will permit the railroad to revitalize and maintain the Rock's north-south line from Chicago to Houston. The State of Illinois has applied to allow Amtrak to take over the Rock Island's intercity lines and the Urban Mass Transit Administration has approved the application of the Regional Transportation Authority in Chicago for funding to replace the Rock Island's commuter locomotive and remaining single deck passenger coaches.

This strong cooperative effort among Rock Island management, employees, and Government has contributed to the renewed hope for the eventual revival of the railroad. Recent financial statements indicate that the massive losses are over and the gradual shift from customer fear to customer confidence is over. Bright days are ahead for the Rock Island. The recently issued trustee's report speaks optimistically of the Rock's future. At this point, Mr. Speaker, I include in the RECORD the cover letters in the report from Trustee Gibbons and President John Ingram testifying to these hopes:

As trustee of the property of the Chicago, Rock Island and Pacific Railroad in reorganization under Section 77 of the Bankruptcy Act, I have submitted a report of the 1975 operations of the Rock Island and of my first year of trusteeship to the U.S. District Court of Northern Illinois. This report, revised in part, is being distributed to bondholders, shareholders, employees and others with an interest in the railroad who request it.

I was appointed as trustee on March 28, 1975, by order of the Honorable Frank J. McGarr, judge of the U.S. District Court, and subsequently my appointment was confirmed by the Interstate Commerce Commission.

With the Court's approval, in late April, 1975, I retained John W. Ingram as president and chief executive officer together with his staff to assist me in operating the Rock Island.

Thus began a demanding year as the complex problems involving the operations, property and finances of the Rock Island continued in a crisis that lasted much of early 1975. The management, the commercial dimensions, the staffing and the properties of the railroad were examined critically. Shippers, employees, public officials, union officers, industry experts and financial experts gave specific and helpful opinions as to its viability, value, and potential reorganizability. The loyalty and efforts of managers and employees were reassuring.

Results, to date, have been gratifying. The economic decline of 1975 appears to be easing; the Rock Island increasingly displays not only the ability to survive, but also the potential to prevail; shipper and public interests in the railroad's 13-state territory are zeroing in on what they perceive as the measured role of a revitalized Rock Island, and other railroads are expressing specific interests in segments of the Rock Island. Additionally, the granting of government guarantees for the Trustee's Certificates authorized by the Court promises to create a new and more realistic public participation in the revival of the Rock Island—a prospect increasingly accepted as being greatly in the interest of the thousands of industries, organizations and communities it serves.

The financial statements and general report that follow this letter summarize the status of the Rock Island in most of the areas having a bearing on ultimate reorganization, but some general observations are appropriate:

The reorganizability of the Rock Island cannot be assessed from the viewpoint of one set of interests. In previous railroad reorganization proceedings, the question was usually how, not whether reorganization was possible. Because in the Rock Island's case, the question as to the survival of the system, rather than simply a rearrangement of its capital structure, has been raised. This reorganization must accomplish a complex reordering of many competing groups' interests. Necessary work preliminary to a judgment about the possibility of reorganization is progressing at satisfactory rates, considering the volume and difficulty of the work.

The Court exercises constant vigilance over the operation by the trustee so as to avoid possible erosion of the secured creditors' interests and to enhance the possibility of successful reorganization. Such ongoing Court evaluation is in the interests of both creditors and the public. As of April, 1975, Judge McGarr has ordered the continued operation and has stated that there is a possibility of successful reorganization in view of the Trustee's arrest of the Rock Island's slide into financial oblivion.

The next six months will be important in establishing the territorial demand that exists for a reorganized Rock Island. Trends of the past can hardly be used as a basis for conclusions as to the viability of the company, especially those of 1975. Revenues, traffic and costs were distorted to an extent that judgment as to their applicability under general economic conditions is difficult. As a general recovery allows the company's present managerial strategy to be assessed under more normal economic and regional realities, the Court, the public, and those having an interest in the estate can expect a more factual basis to emerge for appraising alternative plans of reorganization. The first quarter of 1976 resulted in a $5,233,281 loss, which is 72% under the $18,300,000 loss incurred in the first quarter of 1975. March showed a profit of $612,297 on a fully-accrued basis.

To the Court, the public, the Rock Island's bondholders, shareholders, creditors and employees, I pledge continued effort for a prompt and efficient reorganization.

William M. Gibbons,
Trustee of the Property of the Chicago, Rock Island and Pacific Railroad Company.

President's Letter

The decision to file for reorganization under Section 77 of the bankruptcy laws was made March 17, 1975.

The action by the Rock Island's board of directors was taken at what was surely a low point in the railroad's long history. The railroad had exhausted all possible sources of credit, public and private. Suppliers were asking cash in advance for diesel fuel. Increased wage costs, fuel and material costs aggregating about 17% faced the railroad. It was also obvious, to even the most determined optimist on the Rock Island, that the merger agreement with the Union Pacific was not going to help the company. Its calamitous position, in fact, had made the merger undesirable to its erstwhile partner. The directors, as they made the decision to seek the protection of the court, were looking at an expected $200,000 in cash on March 17.

While prior management cannot be held solely responsible for the ills that have befallen Rock Island this past decade or so, it is evident that corporate strategy did tend to lock the railroad into its disastrous course. By presenting owners, the Interstate Commerce Commission and the public with an oversimplified view of Rock Island's basic problems, and by overselling the public, employees and government on the magic of merger as a cure for what ailed the Rock Island, unrealistic expectations were created that eventually made prudent and realistic management of the Rock Island almost impossible.

In March of 1975, as the nation's economy fell out of bed, it was too late to change course. The directors filed for the protection of the court, and issued an embargo warning shippers to keep tonnage away from the Rock Island because a final and sudden shutdown could occur. Thousands of cars were diverted from the Rock Island.

In the days immediately following the filing, the prospects for this historic property, its thousands of communities and shippers, and its thousands of loyal employees, were bleak, indeed.

Yet, exactly a year later, despite the worst year since 1938 in Rock Island's carloadings, the railroad has weathered the storm:

The Rock Island, without any outside capital, ended 1975 with $16.6 million in working capital, not the negative $31.7 million being predicted in March, 1975.

The railroad undertook a managerial restructuring that led to expenses being reduced more than $75 million on an annualized basis.

Rock Island's cars and locomotives were the focus of attention in 1975. By early 1976, it is the view of management that car and power capacity on the Rock Island has been stabilized. Programs designed to eliminate within a reasonable time the heavy bad order problem which has built up over the past decade are already underway or planned.

Rock Island's fixed plant is being upgraded from Iowa to Oklahoma, Arkansas and Kansas. Depending upon the programs planned for use of the funds anticipated from trustee certificates, Rock Island should rehabilitate between 400 and 650 miles of its 5,160 miles of main line track in 1976.

Perhaps as important as anything else, Rock Island's employees are rising to the challenge they were given when the industry's conventional analysis gave the Rock only a few more months of life after bankruptcy. Employees, union leaders and managers are determined to make the Rock survive.

There are other plusses in the Rock Island's present, but one obvious plus at Rock Island is our trustee. He accepted his assignment not as a sinecure, but as a full-time, and frequently a seven-day, working job. The progress made at Rock Island this past year (and in the first quarter of 1976) could hardly have been made without his patient, helpful overview as the railroad fought to right itself in 1975.

How long will it take to revive Rock Island is a subtly different question than how long will it take to reorganize the Rock Island.

The Rock Island is in its second year under the Section 77 jurisdiction of the United States District Court. It has come a long way from the shock and dismay of March 17, 1975. We have made progress. We are also aware that predicting the future is only a part of the task of managing. The important part of managing is inventing the future, as mushrooming government and accelerating technology create more and more variables. We are dedicated not only to saving a railroad, but to building one, as well.

I deeply appreciate the dedication and hard work of the railroad's men and women. Without their help, the hard work of our trustee, and the help of the railroad's unions, shippers and territory, there would be no Rock Island today.

John W. Ingram,
President.

DAM SAFETY VITAL

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BOLAND. Mr. Speaker, the recent Teton Dam disaster underlines the need for regular safety inspections of all Federal dams. Continuing inspection and evaluation of dams and related water projects cannot completely insure against future dam breaks, but it can serve as a warning to the people living near the dam and the dam's operators.

It is evident that the 1972 Dam Inspection Act, Public Law 92-367, has not been enforced. A combination of foot-dragging by the administration and disinterest on the part of Congress has resulted in lax enforcement of the provisions of the Dam Inspection Act. It is unfortunate that it has taken a tragedy to bring this situation to light.

Mr. Speaker, nearly all of the thousands of dams in the United States are safe and in no danger of breaking, however, all should be inspected to find minor defects before they create large disasters like the Teton Dam break.

At this point, I insert a recent, very well-written editorial from the Washington Star:

Downstream From the Dams

Hindsight won't bring back the dead or relieve the suffering but it seems obvious that the Teton Dam that broke a few days ago should not have been built.

There was plenty of warning of the danger of building the dam, the main purpose of which apparently was to irrigate some potato farms. In human life—perhaps even in dollars—it would have been cheaper to relocate the farmers than to spend $43 million damming the Snake River to water their crops.

In the early stages of construction, four U.S. Geological Survey geologists warned the Bureau of Reclamation, which built the dam, that it was being built in an area of seismic instability. According to a University of Montana professor of geology, who worked with the government geologists, the Department of Interior responded to the warning by telling the geologists that "they were being paid to map geology and not to meddle in the construction of dams."

Warnings also were issued during a court suit filed by environmental groups to block construction of the dam. The groups argued that the dam was being built on a fault zone. A former Bureau of Reclamation geologist testified that the dam would be dangerous. The court allowed construction to proceed.

Perhaps the real fault in the Teton disaster lies with Congress in its original authorization of the project in 1964. Federal pork barrel projects tend to get less scrutiny than they ought to. Congress has a special obligation to take a close look at projects with such potential for disaster as dams.

Ironically, when Congress passed the federal Dam Safety Act in 1972, in response to two disastrous dam breaks, it exempted dams operated by the Bureau of Reclamation. The Bureau argued that it has its own safety inspection programs. If the handling of the Teton project is the Bureau's idea of complying with safety standards, maybe Congress should take another look at the exemption.

The Dam Safety Act apparently hasn't had much effect even in the non-federal area. The Army Corps of Engineers was supposed to have inspected the thousands of dams around the country and sent a report to Congress by July 1, 1974. So far, it has compiled a list of the dams but hasn't inspected any of them.

There are an estimated 28,000 dams and impoundments in the United States. The federal government owes the people living downstream from them something more than a false sense of security.

CAPTIVE NATIONS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ROGERS. Mr. Speaker, once again we are reminded of those captive nations, Estonia, Latvia, and Lithuania, who have lived under Soviet domination since the time of World War II. The Florida Chapters of the Lithuanian

American Community of the United States of America have called upon me and the Congress to urge that the United States oppose the forcible annexation of territory by the Soviet Union and support the freedom and the independence of the people of Estonia, Latvia, and Lithuania.

Earlier this summer, members of this organization met in Pompano Beach, Fla. to draw attention to this issue, soon to be taken up by the Commission on Security and Cooperation in Europe.

The Lithuanian American Community of the United States of America adopted a resolution following that meeting explaining the position of these Baltic communities who have suffered for so long. I ask Mr. Speaker, that a portion of that statement be included in the Record at this point:

> The meaning of, and the reason for this meeting is primarily to remind our government and the public that what happpened to Lithuania and the other captive nations are not isolated instances of international injustice. The Free World has been engaged in a mortal struggle with the human rights suppressors since the international plotters suppressed the freedom of the Russian Nation in November 1917. The stakes in this struggle are great for every man hostile to tyranny.
>
> We declare that Communism is not a new social trend striving to bring better life for mankind, but that it is a guise behind which greedy people hide, attempting to deprive Man of the liberties for which he fought for centuries.
>
> We protest the killing and deportation of hundreds of thousands of Lithuanians, as well as the imprisonment of millions of innocent persons in the concentration camps of Russia, Cuba and other Communist countries.
>
> In this year of Presidential elections, we strongly appeal to all men and women, who are striving to be elected to high offices, to pledge their determination to work and fight for the preservation of freedom in the world.
>
> We call upon the leaders of the Free World to take a strong stand against all tyrants, we ask them to defend Man's most precious gift given to us by God—our individual freedom—and to realize that the loss of freedom anywhere in the world, be it the amber shores of the Baltic Sea, or the countries of the Baltic Sea, or the countries of the Black Continent, would be a defeat to all free men, for Freedom is indivisible.

AMERICAN CONSERVATIVE UNION RELEASES STUDY ON PEOPLES BICENTENNIAL COMMISSION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. SYMMS. Mr. Speaker, the American Conservative Union Education and Research Institute today released a major study of the Peoples Bicentennial Commission, a leftist group that has been trying to use the American Bicentennial as a pretext for Marxist criticism and revamping of the American economic system.

The study, authored by researcher and internal security specialist, Max Friedman, reveals the dominant Marxist influences on the original ideas for the creation of a "Peoples Bicentennial Commission," including those of the Johnny Appleseed Movement, the New American Movement—NAM, and the Vietnam Veterans Against the War, with special notice being given to the influence of John A. Rossen, a former Communist Party U.S.A. organizer, and Jeremy Rifkin, a New Left activist.

The study also reveals the "sanitization" process by which Rifkin took hard-cored Marxist-orientated theories and programs and made them more palatable to the public. In one instance, the following quote from Rifkin's major piece, "Bicentennial," published in the NAM newspaper in November–December 1971, was omitted from a more general audience article, "The Red, White, and Blue Left," in the socialist-oriented the Progressive of November 1971:

> A genuine understanding of revolutionary ideals, is what links Thomas Paine, Sam Adams, and Benjamin Rush, and the American people, with Lenin, Mao, Che, and the struggles of all oppressed people in the world. Not until the masses of Americans begin to re-identify with these principles and develop their own revolutionary struggle will they be able to form a real bond of fraternalism and solidarity with the struggles of all oppressed peoples.

This pattern of "sanitization" characterizes much of the PBC's public relations efforts in an attempt to gain an auro of "legitimacy" from the general American public and news media, the study asserts.

The ACU–ERI study also reveals for the first time, some of the financing that has helped the PBC remain financially viable while other leftist groups have gone under, as well as many of its tactics and strategies.

The study also documents the PBC's approval of the Communist conquest of Indochina and its attendant enslavement of some 20 million people, while professing commitment of the American Revolution of freedom in 1776.

THE IMPORTANCE OF TRAPPING AND THE U.S. FUR INDUSTRY TO OUR NATIONAL ECONOMY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. YOUNG of Alaska. Mr. Speaker, on June 22, 1976, I joined with several speakers in a discussion of trapping and wildlife management and the importance of the U.S. fur industry to our national economy. Our discussion took place before the Republican National Platform Committee at the Statler-Hilton Hotel here in Washington, D.C.

Today, I would like to share the views of two of the gentlemen who joined me in representing true conservation interests before the platform committee.

I feel that their statements will emphasize to my colleagues the basic self-interest of their industry in the continued welfare of the fur-bearing animals which make up their basic raw materials. They will explain the need for rational controlled harvesting of the wild animal crop. They will clear up many myths and inaccuracies promoted by those who would seek to prevent the killing of any wild animals.

Additionally, the trapping of fur-bearing animals will be seen as a necessary function both to control over-population and disease, and as a provider of raw material for a $650 million industry that employs many thousands of U.S. workers.

Accordingly, the comments of Mr. John S. Gottschalk, executive vice president of the International Association of Game, Fish and Conservation Commissioners; and of Mr. Abe Feinglass, international vice president of the Amalgamated Meat Cutters and Butcher Workmen of North America, director of the Fur and Leather Department of the AFL–CIO, follow:

Statement of John S. Gottschalk

The International Association of Game, Fish and Conservation Commissioners is a voluntary organization of state and federal fish and wildlife conservation agencies in the United States, Canada, and Mexico. Its purposes are to coordinate programs of its members, promote cooperation, and advance the cause of professional administration of fish and wildlife resource management in North America. We are most appreciative of this opportunity to appear before you.

Fish and wildlife resources, as never before in our history, are caught in the growing pressure caused by the material needs of our growing population on the one hand and the desire of a constantly increasing number of our people to participate in healthy outdoor recreation.

The habitat base for many forms of wildlife is shrinking before the onslaught of the bulldozer and the plow as we provide jobs, homes and food for more and more people. Urban sprawl, creation of new industrial complexes, and ever more intensive agriculture steadily removes much land that has provided food and shelter for wildlife.

Competition for fish and wildlife continues to grow. As an example, this year in Wyoming the demand for elk hunting permits exceeded the number available by 340 percent. The U.S. Fish and Wildlife Service reports that at least one out of every five people in America now buys a license to hunt or fish. Considering that many people are not required to purchase a license, at least 25 percent of our people attempt to enjoy these outdoor activities.

In addition, there is a growing segment of our population enjoying and appreciating wildlife by observation only. Many of these people would prohibit all hunting, fishing and trapping of wildlife on the grounds that these activities are inhumane, unnecessary in today's world, and are essentially immoral.

These activities stimulate a tremendous amount of business annually. Hunters, anglers, and nature enthusiasts alone put well over $8 billion into circulation. Our commercial fisheries produce at least $2 billion, and process another $2.5 billion worth of fish. The value of the furs produced, processed, and sold is more than $600 million.

It has been demonstrated with many game species that given reasonable opportunity, with adequate funds and manpower, today's professionals can guarantee the perpetuation on a sustained yield basis of all the principal game and fur bearing species of wildlife. Renewable resources under proper stewardship can continue to produce annual yields indefinitely. The key elements are preservation and restoration of habitat and the annual take must be controlled to insure an adequate carry-over of a breeding population.

On this basis of sustained, rational use of our fish and wildlife resource, we can continue to enjoy and profit from our great outdoor heritage.

In view of the very large number of people who are concerned with conservation of fish and wildlife in the United States, the Association urges the Platform Committee to recognize the need for greater support for conservation programs at the federal level.

STATEMENT OF ABE FEINGLASS

My name is Abe Feinglass. I am International Vice President of the Amalgamated Meat Cutters and Butchers Workmen of North America, *AFL–CIO*, and director of the Fur and Leather Department.

Our union represents 550,000 members in the United States and Canada. Of these, 30,000 belong to the fur union.

I speak for these people, members of an industry which is acknowledged to produce the finest fur garments in the world.

Before pursuing this discussion, let us agree on a very basic truth and it is this. No industry, individual furrier or fur worker can be more interested in the conservation of animal life than ours. A plentiful supply of fur-bearing animals is essential to the continued life and growth of the fur industry. So, let us put aside those who would make our industry appear as the enemy of conservation; it is not.

In New York City alone, workers in the industry—union and non-union—presently enjoy a payroll in excess of $100 million.

There are 5,000 retired people who have earned pension rights through the years, plus major medical and life insurance, free drugs, Blue Cross/Blue Shield and other health services.

Furthermore, I am proud of the fact that our industry has been working hard in the international area to have other countries observe the same endangered species laws that we observe.

Let me point out to you that the United States fur industry is the only group which has contributed funds to the Canadian Humane Association's research to help develop a more humane trap.

Despite the protestations of the do-gooder groups who wrap themselves in a blanket of self-righteousness, they have contributed nothing to the animal world they pretend they support.

In the last decade, ours was a one-fur industry—mink. But in the past few years, long-haired furs have gained in popularity and have achieved a fashionable status. Most of these long-haired animals must be trapped. It is trapping which helps to control our animal population. Failure to trap would result in overpopulation and disease.

Let me quote from Dr. Richard Van Gelder's book, "Animals and Man," in which he says: "One of the most remarkable things about all life on earth is that it is so productive. All living things are able to produce far more offspring than necessary to replace the parents."

To us, it is simple logic that we must protect the very materials with which we work. We are in the fortunate position of dealing with a renewable resources.

We urge this committee to include in its platform a conservation plank which will protect this industry and the animal life with which we deal.

SPEEDY TRIAL EXPERIMENT SET

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. COTTER. Mr. Speaker, I would like to bring the following article from the Hartford Courant to the attention of my colleagues. It concerns an experiment in speedy trials in the District of Connecticut U.S. Courts.

The article follows:

SPEEDY TRIAL EXPERIMENT SET

(By Andrew Kreig)

Beginning July 1, federal criminal trials in Connecticut must begin within 60 days of arraignment, according to a far-reaching experiment in "speedy trials" announced Wednesday.

Chief U.S. District Court Judge T. Emmet Clarie, who chaired a group that devised the plan, said he knows of no other federal district that plans to implement so soon the new methods Congress ordered to take effect three years from now.

Connecticut's experiences with "speedy trials" are expected to be studied by other districts in the 2nd circuit who are delaying implementation of the plan. The 2nd circuit includes New York, Vermont and Connecticut.

The 1974 law passed by Congress to insure defendants get speedy trials may end up hurting their defense, said Clarie and U.S. Public Defender Andrew B. Bowman.

U.S. Atty. Peter C. Dorsey said the new law probably will require more staff for their offices.

Clarie said "Probably the greatest trouble we may run into is forcing defendants to go to a trial "before they're ready."

Judges can only order delays for "good cause," Clarie said.

Dorsey said prosecutors will have to be ready to take a case to trial almost immediately after arrests.

Defense lawyers must make discovery and other pretrial motions within 28 days of arraignment under the new procedures. Arraignments must occur within 10 days of the filing of charges.

Bowman said the quick trials will create a harder situation for the defense than for the prosecution.

The prosecution can switch attorneys in case of a time conflict easier than defense lawyers, who must develop a personal relationship with the defendant, he said.

Bowman, appointed to his job this spring, is seeking two additional public defenders to supplement his present staff of two. He said the increase is required because of the new law.

Dorsey, whose request for an additional prosecutor for this year wasn't approved by Congress, said he has requested three new prosecutors and a para-legal administrator.

He now has 11 assistants. He said they probably wouldn't be able to conduct long-range investigations under the pressures of the new law because their caseloads already are full.

He said his staff presently is able to keep up with the court's demands because only four district judges generally hear cases.

However, another judge may be appointed next year when U.S. District Court Judge M. Joseph Blumenfeld assumes senior status.

Clarie said the new rules were adopted early to give the state an opportunity to study their effects.

However, the new rules will not take on the congressionally-ordered penalties for violation until July 1, 1979.

At that time, if the prosecution fails to bring a defendant to trial on time, the charge must be dismissed.

Also, if the defense feels it isn't prepared for a trial, but can't prove this to the judge, the trial will begin anyway.

Bowman said that although the intent of Congress was laudable in helping defendants obtain their constitutional right to a speedy trial, "speed is not always consistent with justice."

He said he hopes Congress hasn't created "a railroad train that no one can handle."

VOTERS MUST WEIGH PAST, NOT PROMISES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. TEAGUE. Mr. Speaker, my good friend and one of Texas' outstanding newspapermen, Ray Zauber, of Oak Cliff, Tex., is the author of a noteworthy editorial which appeared in the Oak Cliff Tribune on June 24, 1976.

Mr. Speaker, I recommend the following editorial to my colleagues to be included among their reading material during this time when we are observing our Nation's Bicentennial:

VOTERS MUST WEIGH PAST, NOT PROMISES

One of the remarkable paradoxes of government is the attempt by many leading political pedagogues to convince us that change is inevitable as man progresses.

On the other hand we hear equally cogent arguments that old values and traditional beliefs have been a benchmark of strength in the American democracy.

For instance, the United States Constitution remains a remarkably apt guideline for federal government because it has weathered the changes of time and still remains so pertinent in the Bicentennial year.

Most of the major aberrations on the Constitution have been the result of eager justices anxious to amend law rather than interpret it.

Only 14 actual changes in the old document have been made by amendment since the Bill of Rights was attached to the original and some of these were rather technical.

However, there have been some incredible judicial interpretations of what the Founding Fathers had in mind. The Interstate Commerce clause which provides federal jurisdiction over almost any issue which transcends state lines was a major breakdown.

The Warren Court turned to a Swedish sociologist named Gunnar Myrdal for the rationale which overturned the dual school system. While there were long overdue adjustments needed in treating all races equally under the law, the pendulum apparently overswung. And Myrdal in the years following revised many of his earlier opinions.

The Constitution proscribes, in the most specific language, that all matters not delegated to the federal government be left to the several individual states.

The justices have made mockery of this provision, time after time ignoring this tenth and last Amendment in the Bill of Rights. However, the blame must be partially shouldered by the legislators and administrators of the various states for abrogating responsibilities in favor of national jurisdiction.

The paradox continues as during this era of great permissiveness with demand for additional rights. Much of our liberty and freedom has eroded in the guise of big brotherism. Our lawmakers, our executives and our courts have been trying to protect us from ourselves. Frankly, they are too often carried away by specious reasoning.

Huge bureaucracies, filled with nameless and faceless administrators, spout streams of idealism and zealousness which frequently subvert the intentions of laws and orders which they are obligated to interpret. These guidelines carry the full force of law. Yet, most bureaucrats are unelected and unresponsible to anyone.

Another manifestation of our times are the sex scandals. Visibly shaken are the 81 freshmen Congressmen who as a group have been all-too-willing partisans of the tax-and-spend crowd.

They have issued a clarion call for more control of congressional allowances, admitting all the while they are afraid for their jobs in November.

The anti-Washington mood is a phenomenon which Scratchpad feels has strong justification. However, we are urging that we don't throw away babies with the bathwater.

There are some statesmen in Congress, some men who have exercised economic, fiscal, moral and philosophical strength in surge of a great liberal tide.

The voters must carefully assess candidates this fall and elect officeholders on the basis of past performance rather than ephemeral promises. Pie in the sky has failed.

That's the only way we, the voters, can turn the country around.

A TRIBUTE TO OUR NATION'S 200TH ANNIVERSARY BY GEORGE WILL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. KEMP. Mr. Speaker, in a few days our Nation will celebrate the 200th anniversary of the proclamation of the Declaration of Independence, the greatest and most powerful single statement of freedom to have come down through the ages. Freedom secured by the Jeffersonian idea that the only purpose of government was to secure our inalienable rights given to us by God.

The year 1776 was a challenging year in which to have lived, not just for those of high station but also for the common man. Mankind was on the threshold of a leap into a practical and philosophical progress unparalleled in its history, a rise in material growth and expansion of freedom never seen before.

Three things of monumental importance happened in that year, and it was no coincidence that it was the year of our Declaration of Independence, the year of Adam Smith's "The Wealth of Nations"—the greatest single statement of economic freedom and means of assuring economic growth, and the year of James Watt's first successful use of the steam engine, the benchmark from which most measure the true beginning of the industrial age and our material progress. Those three events were not accidental, nor were they unrelated.

These three things in combination gave rise to the America we know today. Just look at the difference between 1776 and 1976. Compare the living standard today with then. Men and women were working 12 to 18 hours a day and 6 or more days a week. Child labor was the norm; as a matter of fact, children had to work for families to survive. Horses and oxen were plowing the fields and pulling wagons and carts. Electrical power consisted of Benjamin Franklin pondering over the effects of his kite in an electrical storm. The internal combustion engine was a hundred years away from even being invented. Machines were in their infancy. Sail and flowing water were the means of waterborne commerce. No running water in homes. It was a hard life by today's standards even for the wealthiest and the average per capita income was virtually the same as it was in the year 1 A.D.

We know what we have today by contrast. Prosperity has reached a level never known in the world's history. Worker's real wages have reached a level unprecedented in any economy. We produce in 1 hour the wheat it took them 1 week to produce. We travel in 5 hours the distance across America it took them 2 full seasons to travel. Instead of a campaign to open the Appalachians, we have walked on the Moon. Of all the figures one can recite, the most revealing is this: One-half of all the goods produced in the past 10,000 years, from the beginning of man's quantifiable economic history in about 8,000 B.C., have been produced in the United States in the past 200 years.

We are not, of course, solely a material oriented people. But our spiritual dimensions could never have expanded to the extent they have if we had not first assured this material growth. Men do not turn naturally to the writing of poetry, to the arts, or even toward advances in science, health, education, when they are hungry or unsheltered. Material progress is a precondition to much, if not most, of what we associate with nonsecular spiritual advances.

I think far too often the focus of history is on the great and the would be great, instead of the common people, the work force which makes this progress possible. For every Daniel Boone who blazed a new path through a wilderness, there were thousands who followed him and whose settling of the territory made it a part of our Nation. The examples are endless, and while the credits of history ought to give recognition to great individual achievements, we must not overlook those whose everyday, more ordinary strivings also helped build this Nation. It is to them too that we owe the survival of the American dream.

This morning's newspaper carried a very interesting and most relevant commentary by George F. Will, a columnist whose observations are having increasing impact in this town, one whose perception of what matters and what does not matter is refreshing. Mr. Will concentrates his July Fourth weekend commentary on this point: the role of the common man. And I think this is well worth the attention of every Member of the House and Senate. The commentary follows:

THE WAY WE WERE, THE WAY WE ARE

(By George F. Will)

Having been through the wringers of circumstance for 200 years—revolutionary, civil and world wars; depressions and recessions; television game shows and all the rest—the Republic is pausing to toss watermelon seeds at Aunt Min, singe the dog's whiskers with sparklers, and perform other rites of passage. Huzzah!

Tis the season to look up at the flag, but also down at the good American earth. The theme of our national epic is Hawthorne's theme (in Seven Gables): "Life is made up of marble and mud." Our Federal City is rich in sparkling marble, but few Americans today can even imagine the sheer muddiness of the American experience.

More than the mud of Valley Forge or Guadalcanal I mean the routine mud of common experience, the mud of sod huts hunkered down across the undulating Nebraska prairie. In the United States even more than in most nations the achievements that stun the imagination were not performed by politicians, or generals with shiny boots, but by plain people with mud on their boots—the sort of people who walked to Oregon behind creaking wagons.

Today we are a nation which in the midst of the severe recent recession still managed to spend millions on "pet rocks." And today we are spending hundreds of millions on citizen band radios for the joy of talking to total strangers in a jargon unsuited for communicating thoughts unrelated to driving.

In such a fatted nation, where football telecasts are interrupted by commercials inciting suburban home owners to buy power saws for trimming the family elm, few can have the faintest idea of what it meant to settle in the middle of a Minnesota forest because the wagon axle had splintered. Or to face the task of clearing a farm, one ax stroke and one stump at a time.

Say what you will about Locke and Montesquieu, our national wagon got rolling because Americans came to believe (as it says in Huckleberry Finn) that "all kings is mostly rapscallions." That thought came easily to a man who had just broken his plow on a Connecticut rock, and who would rather buy a new one than to pay a penny to a distant monarch.

We have come a long way from sod huts and muddy boots, to an economy that produces billions of dollars worth of deodorants. And we may be learning what Mark Twain meant: "Soap and education are not as sudden as a massacre, but they are more deadly in the long run." The easing of the physical strain of American existence has proceeded apace with a general loosening of some social restraints.

Gracious! As recently as 1944 the library of the U.S. Naval Academy would not issue the novel "Forever Amber" to anyone of the rank midshipman or lower. American hedonism has come a long way, fast. And there are persons who think America's recent history is summed up by a Thurber cartoon that shows a woman perched on the arm of a sofa, talking animatedly to a circle of enthralled men. Behind her, a disgruntled woman says to another: "She built up her personality, but she's undermined her character."

Many thoughtful persons today think the Republic has more personality and less character than is healthy, that it is afflicted with a weakness—a form of decadence, really—that may be the fatal flaw of developed free nations. The theory is as follows.

The material success of capitalism—to which we owe the marble in our lives—has been made possible by habits of discipline that were reinforced by hardships of life in the Connecticut and Minnesota and Oregon trail mud. But abundance subverts such habits. And the dynamic of our abundance produces—indeed requires—a constant increase in consumption, and in appetites. This dynamic generates a culture of self-indulgence. Such a culture is incompatible with self-government, which is, after all, about governing the self. That is why one stanza of "America the Beautiful" is a kind of prayer: "Confirm thy soul in self-control. . . ."

So there is tension between the economic dynamic that inflames appetites and the need for discipline—political as well as economic—in a free society. Some persons say this is the "cultural contradiction" of capitalism. Others call it the "cultural consequence" of capitalism.

On the eve of its third century, the Republic's most pressing task is to demonstrate that political habits of restraint and moderation are compatible with an economic and cultural ambience that celebrates instant gratification of immoderate appetites. It is a national triumph of sorts that this problem of abundance confronts the descendants of the generations that walked through the mud to Oregon.

U.S. CANAL ZONE AND PANAMA CANAL: VFW POSITION REGARDING PROSURRENDER PROPAGANDA

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. MURPHY of New York. Mr. Speaker, in the State Department's current campaign for surrender to Panama of U.S. sovereign rights, power and authority over the U.S.-owned Canal Zone territory and the Panama Canal, there has been a massive amount of misinformation disseminated. It has been misleading, to say the least, and in many cases has taken on an aura of what appears to be an "inevitability" that Panama must regain the canal.

Nothing could be further from reality. There is, quite simply, no reason whatsoever for the United States to relinquish control of this most important waterway in the Western World. The details surrounding my unequivocal support of maintaining U.S. possession of the canal have been spelled out many times, in many ways, here on the House floor. Support has come for this position from many quarters—and quite frankly, the support has been so broad and so intense that it mystifies me how the vocal minority who wish to give away the Panama Canal can maintain any faith in a position so shot full of holes.

The national organization of the Veterans of Foreign Wars has made a study of the various slogans and points of view used in defense of the Kissinger-Tack "agreement in principle" made in 1974 to "give away" this property of the American people, so invaluable to the defense and economic well-being not only of the United States but of much of the Western World. The responses to each of those points has been detailed in a nationally distributed letter authored by Col. F. P. Jones, director of national security and foreign affairs for the National Veterans of Foreign Wars. Colonel Jones' responses to those who would negate an impressive body of evidence that the United States over the past 73 years has established an undeniable right to the canal and the Canal Zone, express a refreshing degree of candor and clarity in viewing the propaganda ploys now being widely quoted in the media of many nations. The VFW responses effectively dispell much of the fog of confusion that surround the issue, and to make Colonel Jones' remarks available to my colleagues, to the American public, and particularly to the agencies engaged in publicizing the question of the Panama Canal, I wrote his letter as part of my remarks.

In addition, I would like to include a collection of quotes compiled by the Americanism Educational League on the Panama Canal issue. I believe each of the quotes speaks for itself.

The material follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., June 1976.

THE V.F.W. AND THE CANAL

The current ploy of much of the "prestige media" on the Canal question is, feigning more disdain than anger, to dismiss all who have stood in steadfast opposition to the proposed "giveaway" (an accurate term, "sellout" would imply the Panamanians are seeking to buy our $7 billion Canal; they are not) as jingoistic non-readers of history who are carelessly calling for war.

Nothing could be farther from the truth.

Long before the Canal and the Canal Zone turned into a 1976 Presidential political issue, your V.F.W. sought to inform the American public of the true nature of the issues involved.

There follows arguments advanced by the "giveaway apologists" and the relevant V.F.W. response.

(1) Giveaway apologists: How can anyone in 1976 argue for a policy of "colonialism?"

V.F.W. response: Colonialism is, definitively, an exploitative arrangement wherein a natural resource; ie, cotton, rice, tin, etc., is farmed, harvested, or mined by an oppressed people for processing, manufacturing, packaging and sale of the finished product abroad.

Panama "oppressed?" Not only no, but hell no! Panama (a) has the highest per capita income of any of the seven countries of Central America and stands 4th (of 20 nations) in all of Latin America; (b) is dependent on the Canal and the Zone for 30% of her foreign currency earnings while 13% of her gross national product arises from the same source.

Panamanian per capita wealth is about twice that of Colombia who, until 1903, was the country of which pre-1903 Panama was a province.

Panama "oppressed?" Tell that to Bangladesh!

(2) Giveaway apologists. What is needed is a modern arrangement to replace a treaty (Hay-Bunau Varilla) now 73 years old.

V.F.W. response. Modernity, like beauty, tests in the eye of the beholder. Britain has occupied the "Rock of Gibraltar" since the 1713 Treaty of Utrecht which ended the War of the Spanish Succession. (Sensible people are thankful the British have been on the "Rock" for the past 263 years.) Unlike the Canal, Gibraltar has not played any significant role in Spanish economic growth. Like the Panamanians, the Spanish are unhappy about the status quo. Unlike our State Department, the British Foreign Office has kept a lid on the situation (to the benefit of us all) for 263 years, not 73.

Perhaps we should ask the British Foreign Office to conduct a "crash course" on negotiation for U.S. State Department negotiators.

(3) Giveaway apologists. But the Hay-Bunau Varilla Treaty of 1903 gives the U.S. all rights, powers, and authority "as if it (the U.S.) were the sovereign of the territory." The words "as if" indicate that it is Panama, and not the U.S., which holds either "titular" or "residual" sovereignty.

V.F.W. response. Those who so happily produce the "as if" clause conveniently forget to add what follows in this "in perpetuity" treaty; i.e.: "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

No, the bulk of scholarship on the sovereignty issue supports the V.F.W. view. A family of treaties (a) with "New Granada" in 1846; (b) with Britain in 1902; and, (c) with Colombia in 1914, all undergrid and extend the sovereign pre-eminence of the U.S. as clearly recognized in the 1903 treaty with Panama; a treaty, incidentally, deliberately ratified after the signing by the Panamanian Senate.

(4) Giveaway apologists. But Secretary of State John Hay advised President Theodore Roosevelt that the 1903 Treaty was advantageous to the United States and disadvantageous to Panama.

V.F.W. response. Is there some natural order that mandates that most or all of the treaties entered into by the U.S. must be disadvantageous to America; the Paris Accords of 1973 bringing "peace" to Southeast Asia came readily to mind.

Hay's view notwithstanding, as earlier indicated, the 1903 Treaty has been a success story for all concerned, most specifically including Panama.

(5) Giveaway apologists. OK, but how would you like to see America divided in two by the Mississippi River as the Canal divides Panama?

V.F.W. response. Unlike the example of the Mississippi, the construction of the Canal and the birth and continued existence of a Panama, independent from Colombia, are inextricably linked. So while the U.S. Canal and the U.S. Zone, given human nature, may never be objects of popular admiration in Panama, nonetheless, the clear linkage between the U.S. presence and their national existence is there and, we suspect, most Panamanians understand this unalterable fact of their nationhood.

(6) Giveaway apologists. Who wants to fight another "Vietnam" over the Canal?

V.F.W. response. No non-institutionalized person ever wants (a) any war, or, (b) most especially a Vietnam-type encounter in which we win the battle, but not the victory.

The war-like language about the Canal and the Zone arises from occasional flights of oratory by General Torrijos ("we will walk the Ho Chi Minh Trail. It is long and exerts a heavy toll in blood."), from various Panamanian student groups, from supportive revolutionary rhetoric from Castro, and, most disturbingly, by U.S. officials who, I would judge, believed that even an allusion to our defeat in Vietnam would suffice to unnerve the American people in their natural desire to retain our preeminence in the Canal. This latter tactic has backfired badly and, if anything, has produced an opposite effect.

The real question is: apart from the 1964 student disorders, we've had 73 years of peace, stability and progress in the Canal. Can this record be sustained or improved upon by the transparent "partnership" with Panama bumper sticker being advocated by the State Department? Remember, once America is meeting her responsibility as a matter of Panamanian sufferance and not unequivocal U.S. rights, we can be asked to pull out overnight.

(7) Giveaway apologists. But the Canal is especially vulnerable to sabotage.

V.F.W. response. It always has been, but it has only been in the last two years that this long standing vulnerability has been pointed out to us, often by our own negotiators. Again, how would the pullout of the U.S. garrison enhance the security of the Canal from any group or faction seeking to make some irrational Third World "point" by blowing a lock or draining Gatun Lake?

If the Panamanian Government's reply is that they are unable to control their own citizens' actions in the face of a continued U.S. presence in the Canal, the question then looms: how reliable a "partner" would the Government of Panama be in any "partnership" with the U.S. in confronting any non-Panamanian; i.e., Cuban pressure?

(8) Giveaway apologists. But the Canal

and the Canal Zone are Panama's most important "natural resource."

V.F.W. response. The Canal is not a "natural" resource. It was built over a 10-year period by the Corps of Engineers. It is a quintessentially "artificial" or man-made enterprise. Secondly, the weight of history, law, and logic demonstrates that it is "ours" not "theirs." Next question.

(8) Giveaway apologists. But whatever the merits of the case might have been in the past, aren't we "painted into a corner" by the February, 1974 "Statement of Principles" agreed to by Secretary Kissinger and Foreign Minister Tack?

V.F.W. response. When you're "painted into a corner," you have two basic choices: (a) keep on painting; or, (b) use whatever turpentine is on hand to "unpaint" and get out.

In 1967, Panama rejected an initial draft of a new treaty. Our State Department can well use this earlier Panamanian rebuff as a valid precedent for re-examining the validity of the 1974 "Statement of Principles."

A V.F.W. letter was sent to the Secretary of State one month before the February, 1974 "Statement of Principles" was signed. It was unanswered, and, we suspect, unheeded. The letter, as valid today as in 1974, follows:

JANUARY 14, 1974.

Hon. HENRY A. KISSINGER,
The Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Since the transit of the S. S. "Ancon" through the Panama Canal on August 25, 1914, the United States has operated this waterway to the clear advantage of the international shipping community.

This record of professional competence and international responsibility has been most impressive. Since 1914 we have witnessed more than 460,000 undisturbed transits with foreign flags and foreign tonnage accounting for more than 90% of the total in both categories.

Contrast this record of accountability with, for one example, the recent actions of many oil-producing states.

Would it be in anyone's real interest to expose the strategically vital Panama Canal to terroristic acts and irresponsible stewardship?

News reports indicate that Ambassador Ellsworth Bunker and Panamanian Foreign Minister Tack have agreed upon a formula which would turn over the Canal and its adjoining Zone to Panama.

On behalf of more than 1.8 million of your fellow Americans in the Veterans of Foreign Wars of the United States, I must register with you my total opposition to the apparent drift of our policy towards a pointless accommodation with the bitterly anti-American and irresponsible government in power in Panama.

I urge upon you the strengthening of the American negotiating position specifically to include the following three points:

(a) U.S. control and defense of the Panama Canal are non-negotiable;

(b) tensions relating to the administration of the Canal Zone be resolved on the spot without disturbing present treaty arrangements; and

(c) U.S. citizens and employees in the Canal Zone continue to meet their responsibilities under U.S. sovereignty.

If ever there is an unbroken record of international responsibility fully and fairly met, it is the 60-year American stewardship of the Panama Canal. We have nothing to apologize for and a great deal to be proud of.

Panama has real problems in the areas of health, poverty, and malnutrition. It is to these real life problems their government should be turning and not to the contrived "problem" of the Canal and the Canal Zone.

Respectfully yours,
RAY R. SODEN,
Commander-in-Chief,
(1973-74).

(9) Giveaway apologists. Have you ever seen the stark contrast between the "manicured" lawns of the U.S. Canal Zone and the poverty and squalor of Panama over the fence.

V.F.W. response. Yes. A ridiculous bit of imagery insulting to both the Zonians and the Panamanians, who are placed in the nonsensical position of favoring litter and uncut grass.

The Canal Zone is not Grosse Point, Beverly Hills, Tuxedo Park or Chevy Chase. It is—and it should be—a typical American community adjusted for life in the tropics.

(Statistics on Panama's relatively high economic situation were furnished earlier.) Related to the foregoing:

The best way to assure Americans in the Zone have a spokesman is to have the Canal Zone send a delegate to the U.S. Congress as does Guam, Puerto Rico, the Virgin Islands, and the District of Columbia.

(10) Giveaway apologists. But the U.S. pays an annual "rent" to Panama. Doesn't this mean that Panama owns the Canal?

V.F.W. response. It is not "rent" for land or the Canal (we bought the land twice, once from Panama and secondly from the individual land owners). It is an annuity paid to Panama (as it was earlier to Colombia) for displacing the old trans-Isthmian railroad. Not even the U.S. government is so soft in the head that it pays "rent" on land that it owns twice over.

(11) Giveaway apologists. What is the matter with the stated Administration goals on this issue; ie, "to assure that the Canal is operational, secure, efficient and open, on a non-discriminatory basis to world shipping."

V.F.W. response. The "goal," cited above, is a precisely accurate description of the present arrangement. In short, why negotiate for a "goal" that has already been achieved.

(12) Giveaway apologists. But we are, as the State Department informs us, operating the Canal and the Zone "while the level of Panamanian assent steadily declines."

V.F.W. response. While true, this can only be rectified not by "romancing" the Panamanians so that visions of "sugar plums" dance in their heads, but by pointing out that the absence of a high "level of American assent" to any giveaway has sharply cut back on the latitude previously enjoyed by our negotiators.

(13) Giveaway apologists. Then what you are saying is break off the negotiations and thereby incur the wrath of all of Latin America, bring an abuse of America in the UN, and incur, perhaps, the public opposition of even our NATO allies.

V.F.W. response. If we roll over dead when we're clearly right, we will have surrendered, in advance, all our influence on other and more ambiguous international disagreements.

To sum up:

Three or four (of 20) Latin American countries, not, of course, including Panama, enjoy a significant degree of democratic freedoms. Democratic or authoritarian, many need the Canal operation even more than we do. I have neither seen nor heard of any hard intelligence that even suggests an international army drawn from Latin American states would either march on the Canal or seek to infiltrate the Zone in an international Vietnam-type operation. (Cuba, of course, having tasted a "revolutionary victory" in Angola is a separate matter.)

As for NATO, as the Arab-Israeli "Yom Kippur War of 1973" so clearly underscored, the allies do not have concerted policies apart from the defense of the NATO treaty area. I would expect a resolute U.S. stand on the Canal would gain the understanding and support of our major European friends.

As to the UN, we are in a classic "no win" posture with the General Assembly and its Third World cum communist majority. Former Ambassador "Pat" Moynihan's perception that many Third World countries in wanting to rip off the wealth of others are really calling for "duly sanctioned looting." His view has relevance here.

(14) Giveaway apologists. What then, does the V.F.W. propose?

V.F.W. response. (a) Revised guidance to our negotiators which would immediately disabuse their Panamanian counterparts of any major territorial, defense, control or operational aspirations; ie, America is not running the Canal on Panamanian sufferance.

(b) Generosity and imagination on real life human grievances (ranging from parking places to job opportunities) where a long term U.S. administration may have needlessly chafed Panamanian citizens; and,

(c) A major modernization packet to ready the Canal for ships now too large for passage and other measures all of which would combine to give a major boost to Panama's diversifying economy.

To conclude:

(a) In 1967, House Majority Leader Ford stated that attempts to give the Canal away were "shocking" and that "the Communist threat to the Canal is in real danger." In 1976, President Ford stated "we will never yield defense and operational rights."

We certainly agree with these sentiments and urge they be transmitted *verbatim* to our negotiators.

(b) An opinion Research poll indicates that Americans favor, by 76–16%, continued U.S. sovereignty over the Canal and the adjacent Zone. Should the Canal continue as a prime issue during the 1976 general election, the election process itself could provide the functional equivalent of a popular mandate on this issue.

(The V.F.W. is confident on how *that* vote would turn out.)

Change is an imperative when a given *status quo* is unworkable.

Change *does not* equal progress when current arrangements not only do a job, but do it superbly.

The Panamanians want very badly to have *their* way and far too many in the State Department see it *their* way; ie, reciting "Panamanian Perceptions" *ad nauseam*.

Let Panama's negotiators pursue "Panamanian Perceptions."

Our people can, should, and must be brought unapologetically to defend a 73-year record America and the entire non-communist world have unarguably benefitted from.

V.F.W. give up on the canal? Don't hold your breath!

Cordially in comradeship,
F. P. JONES,
Col., USA (Ret.), Director, National Security and Foreign Affairs.

[From the Americanism Educational League, Buena Park, Calif.]

FROM PEOPLE WHO KNOW ABOUT PANAMA

(EDITOR'S NOTE: For some time the U.S. State Department has been conducting secret negotiations with the government of Panamanian dictator Omar Torrijos, leading toward cession to Panama of the U.S.-owned Canal and Canal Zone. Many Americans, of all ideological persuasions, are becoming increasingly concerned. Here we present the well-documented views of some knowledgeable people.)

The fact that General Torrijos has headed the Panamanian Government for some 8 years, following the military coup in 1968, only underlines by basic point—that his iron rule by dictatorial fiat is increasing the solidity of the Communist influence in the Caribbean.—Congressman John M. Murphy, Dem., New York State.

I don't want to see the Russians, through Castro, through Torrijos, influencing the canal. We simply cannot accept a risk of losing use of the canal.—Admiral Thomas Moorer, USN (Ret.), Former Chairman, Joint Chiefs of Staff.

For reasons of geography, language, and tradition, communist Cuba has been assigned the job of leading Panama down the road to Communism.—Herminio Portell Vila, Latin American Editor, American Security Council.

The Panama Canal under the domination of the Leftist-Marxist government in Panama would be, of course, a great coup for the Russians who would then control the world's most important waterway.—William Loeb, Publisher, Union Leader, Manchester, N.H.

I do not believe the U.S. can bow to the threats of blackmail, in the hope that giving away U.S. sovereignty over the Canal would remove tension and a source of friction.—Senator Harry F. Byrd, Jr., Ind., Virginia.

The charge that the U.S. cannot defend the Panama Canal against a brigade of Panama National Guardsmen, plus a handful of guerrillas and mercenaries, is not worthy of serious consideration.—Ira C. Eaker, Lt. Gen., USAF (Ret.).

The State Department, always timidly concerned about intangible "world opinion," would have us believe left-wing Panamanian claims that we took advantage of their country when we took title to the Canal Zone in perpetuity and built the Canal.—Congressman Gene Snyder, Republican, Ky.

Airplane carriers can't go through the canal, but subs can. In the event of war, if the canal were controlled by Panama, it is possible Panama would close the canal to our traffic.—Maj. Gen. W. E. Potter, Former Governor Panama Canal Zone.

While it would please the Soviets, it is unthinkable that any U.S. President and the Congress will surrender our sovereignty over the Panama Canal and Canal Zone under the fallacious premise that they are not defendable.—Vice Admiral T.G.W. Settle, USN (Ret.)

The crucial Panama Canal issue is not United States sovereignty over the Canal Zone; it is the U.S.-Panamanian continuation of the present ownership and operation for the benefit of the U.S., Panama and all other countries versus the U.S.S.R. domination; and this is an issue that cannot be ignored.—Senator John L. McClellan, Dem., Arkansas.

Certainly, we ought to learn from experience at the Suez Canal that following the withdrawal of British troops from the Canal Zone there it did not take Egypt long to nationalize and expropriate that key waterway, with enormous harmful consequences, including two prolonged closures.—Congressman Daniel J. Flood, Democrat, Pa.

It is really incredible that Secretary of State Kissinger should approve a surrender of the Panama Canal, especially at a time when the U.S. is the target of economic warfare by the oil-producing nations. The Panamanians, once in control of the canal, undoubtedly would take a leaf from the Arabs' book and deny American ships access to the canal unless further political concessions were made.—Anthony Harrigan, U.S. Industrial Council.

By all rights, legal and moral, we are entitled to keep control over the Panama Canal. If we do not do so, we could be setting the stage for a national and international tragedy.—Congressman Philip M. Crane, Rep., Illinois.

The Canal Zone does not share the history of Portuguese, French or British mercantile colonialism in Africa. It is not a Nigeria or a Chad. The Panama Canal is a sensitive trust—one which the U.S. has never sought to exploit for its own exclusive advantage.—Lt. Gen. Victory H. Krulak, USMS (Ret.) President, Copley News Service.

The Canal cannot be successfully operated by a small techologically underdeveloped country, nor by one with inadequate financial competence, like Panama. Nor can the Canal be operated successfully in partnership with any other nation. Such an arrangement would prove in practice to be impossible and perhaps even disastrous.—Franz O. Willenbucher, J.D., Capt., USN (Retd.).

When you speak of Panama, please bear in mind that there is presently no responsible constitutional government with which a treaty can properly be made. To relinquish any part of the Canal or its control to such irresponsible authority would jeopardize our own national security and provide a disservice to the good people of Panama who have been our friends for so many years.—Herbert D. Vogel, Brig. Gen., USA (Ret.) Former Deputy Governor of the Canal Zone.

REGARDING THE MOTION TO DISCHARGE THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE FROM FURTHER CONSIDERATION OF HOUSE RESOLUTION 1302

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. RUSSO. Mr. Speaker, I want to discuss my support for the motion to discharge the House Committee on Interstate and Foreign Commerce from additional consideration of House Resolution 1302.

One of my concerns as I approached this question were the seeming contradictions and discrepancies that appeared in some of the data the Federal Energy Administration submitted in support of middle distillate decontrol. Let me cite just two examples.

First, there were indications that FEA had not taken into consideration their own predictions of increasing natural gas curtailments when they made their assumption regarding the supply, demand and price of middle distillates. A decline in the availability of natural gas would have a serious, significant impact on the supply, and thus the price of middle distillate fuel products.

Second, it appears that FEA computed their supply, demand and price calculations by drawing upon the weather conditions that characterized the winter of 1975. But winter weather in 1975 was exceptionally mild.

The number of "degree days," an accepted measure in the determination of heating requirements, were 8.9 percent below normal in 1975. They were 6.8 percent under the level of "degree days" recorded during the warm winter of 1974. The winter of 1975, then, may not have been the widest choice available in attempting to project future levels of demand.

It was my hope that a full and open debate of these, as well as related questions, would have eliminated my concerns. For there is no doubt that severe marketplace distortions have resulted as a consequence of FEA's 3-year-old allocation and price controls.

Many independent retail dealers in my district have contacted me, describing the considerable economic hardship they have experienced by being locked in to their 1973 wholesalers or refiners. They want only the opportunity to compete in the open marketplace, to freely select their suppliers. I want them to have this opportunity.

With this action taken by the House today, both price and allocation controls come to an end. While I remain skeptical about the claims that the potential impact on product prices will be minimal, I do welcome the termination of the allocation controls.

HUMAN RIGHTS IN INDIA

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Ms. ABZUG. Mr. Speaker, we have recently observed the first anniversary of the enactment of emergency laws in India which dismantled the democratic institutions of the Indian people. I would like to bring to the attention of my colleagues the testimony of one of the most knowledgeable American observers of India, Mr. Homer Jack, Secretary General of the World Conference on Religion and Peace and Acting Chairperson of the Ad Hoc Committee for Human Rights in India. Mr. Jack testified on June 23, 1976, before the Subcommittee on International Organizations of the International Relations Committee.

Homer Jack has visited India a dozen times, first in 1955. He has held discussions with Indian Prime Ministers, Presidents, and political figures both in the Government and the opposition. His most recent visit was in December 1975, and January 1976, after the emergency was declared. In addition, he has edited two volumes on Mohandas Gandhi's teachings, "The Wit and Wisdom of Gandhi" and "The Gandhi Reader."

The text of Homer Jack's remarks, which has been edited slightly, follows:

TESTIMONY BY HOMER JACK

During this brief oral testimony on human rights in India, I would like to attempt to answer five questions. First, to what degree have human rights in India—called fundamental rights in the Indian Constitution—eroded since the Emergency was declared on June 26—one year ago Saturday? Second, to what extent has the Emergency been necessary or desirable to bring about social and economic reforms? Third, how should the U.S. Government react to the erosion of human rights in India today? Fourth, if the U.S. Government decides to react negatively, will such action make any difference in the policies of India, especially concerning human rights? Fifth and last, why should the U.S. and the world be concerned about the erosion of civil and political rights in a society which has yet to attain most elemental social and economic rights?

First, let me describe in very brief terms the erosion of human rights in India today.

The declaration of the Emergency by the President of India on June 26, 1975 was preceded by events of several years. The most recent date is June 16—when the Government of India extended for one year its right to hold political prisoners without trial or formal charges. The Emergency Decree itself was all very legal. However, the Emergency cannot be separated from Mrs. Indira Gandhi's own emergency, her conviction on June 12, 1975 of two chages under the Indian election laws. There are some parallels between the predicament of Richard Nixon and Indira Gandhi. Both were involved with minor infringements of the law which symbolized their far greater misunderstanding of the essence of their respective political traditions. Both Nixon and Gandhi sadly identified—almost using the same accents—their personal future with that of their nation. However, Mrs. Gandhi was a far better politician in her ability to survive; or, perceived in another manner, the American people were far more jealous of their prerogatives and far less able to be manipulated than the Indian people.

A week after the Emergency was declared, on July 1, 1975, Mrs. Gandhi promulgated her 20-point economic program. The Emergency, and its aftermath, is a complex political phenomena for India and it cannot be regarded in simplistic terms. Some of its effects, including that of the 20-point program, were positive. I can only list some of the positive aspects here: more discipline, less corruption including fewer economic offenses, less inflation, and lower prices. I would warn, however, that the discipline is external, not internal, that corruption continues but may be more expensive, and that what economic indices are rising are the result of many factors, including good weather, and thus it is difficult to determine how much is due to the Emergency.

I turn now to the legal erosion of fundamental rights. On the problem of political prisoners, I make a conservative estimate of at least 50,000. One should not be conservative, however, in reflecting evidences of torture. . . .

Let me turn now to the second question, this asked specifically by the Chairman of this Subcommittee in a letter inviting me to this hearing: to what extent has the Emergency been necessary or desirable in terms of bringing about social and economic reforms? Mrs. Gandhi was in power for almost ten years before the Emergency was declared. After the 1971 war with Pakistan, and especially from 1972 onward, she had the good will of the Indian people and of much of the world. She possessed large political majorities. Yet the inertia and the corruption of the ruling Congress Party, under the undisputed leadership of Mrs. Gandhi, led to the all-party movement of J. P. Narayan and others in 1974 and 1975 to get India moving. Whatever prevented Mrs. Gandhi's leadership in social and economic reform was not due to any great interference with existing Government programs on the part of the Indian people through the use or abuse of their civil liberties. Her leadership was weak; the corruption was great.

While Mrs. Gandhi and her Government have leaned on any excuse to explain the Emergency, they have most often perhaps used the rationale of needing stability. They argue that the country was falling apart and such Draconian measures as the Emergency were needed to keep India together. India was falling apart, admittedly, but not because of opposition to any social and economic reforms initiated by Mrs. Gandhi and her party. It was falling apart because few significant social programs were in operation.

My own opinion is that the Emergency so far has only marginally aided social and economic reform. Few of the 20 economic and social programs are new, but they are being more carefully implemented, both by the Central Government and the States—and today the Congress Party controls all the States. But few feel that, because of the Emergency, there is a new spirit, a new dynamism in India today. At least there was none when I visited New Delhi and Bombay in January. What is desperately needed in India is the spirit which Gandhi provided for the freedom movement and the program which Nehru provided for the early, heady years of freedom. They provided both spirit and program. But these are both lacking—even with the Emergency in effect.

Some Indians, and some visitors to India, will exude a the-trains-now-run-on-time attitude. We heard that before, on another continent in another generation. The admitted recent infusion of discipline in India should not be confused with a more dynamic society. There is none in India today.

Third, how should the U.S. Government react to the erosion of human rights in India today? . . .

There are some Americans who genuinely believe that we, as an American people and Government, should do nothing about what is happening in India today. What India does is her business and none of our business. This is a claim both of isolationists and the new, liberal neo-isolationists. After U.S. intervention of various kinds in Vietnam and Chile, we should learn—however belatedly—that we have enough to do here at home and should not judge other countries, let alone try to change their ways of governance! I would submit that this is not the lesson of Vietnam or Chile. We Americans must be concerned about what is happening in the world around us. We Americans, officially and unofficially, must make political judgments and speak out. How we act, officially or unofficially, beyond rhetoric—that is another problem. Thus I would first insist that we Americans have a right and a duty to react to problems anywhere in this shrinking world, doubly so perhaps in the field of human rights.

Thus I believe that the U.S. should, initially, at least speak out in world forums against the loss of civil liberties in India. I am glad that the U.S. has begun to find its voice, and conscience, beginning once again to condemn its friends, its allies, its adversaries, any nation in the world community which is flaunting the standards enshrined in the Universal Declaration of Human Rights. We speak out—the President, the Secretary of State, the Congress—and there is no more appropriate time to do so than in our own bicentennial year! Speaking out constitutes pressure of world public opinion and the effect of this even on the most tyrannical of regimes should not be discounted. And Mrs. Gandhi's is by no means the most tyrannical today!

What should the U.S. do, about growing Indian totalitarianism, at the U.N. in the context of the protection of human rights—and thus on a multilateral level? The U.S. has recently criticized, and rightly so, the U.N. system for giving selective attention to human rights. . . . Perhaps the U.N. can be more universal in its action on violations of human rights if it added more countries to its list—including India.

There are at least two routes to publicize violations of human rights in the U.N. system. One is by resolution in the General Assembly or the Economic and Social Council, or its subsidiary bodies. Another is by action on communications which reveal a consistent pattern of gross violations of human rights. The latter is a much slower and more complicated procedure conducted in secrecy (and one which so far has not resulted in any public condemnation by the U.N.). I would recommend that the U.S. not mount a vendetta at the U.N. against India, but sound out other States about the possibility of proposing a General Assembly resolution condemning violations of human rights in India. Given the configuration of political forces in the U.N. today, such an initiative would stand no chance of success, but serious diplomatic efforts toward this end would be useful—back in New Delhi!

As for using the procedures of the Economic and Social Council, at least two nongovernmental organizations—the International League for Human Rights (formerly the International League for the Rights of Man) and Indians for Democracy—have submitted within the past month two long, documented communications on torture and other violations of human rights in India. Since an independent American expert is a member of the working group of the Sub-Commission on Prevention of Discrimination and Protection of Minorities—the first level of the long screening process—I would encourage this U.S. expert (although not a governmental representative, he is in fact a foreign service officer) to look at the evidence carefully.

Another level which the U.S. can use with many nations is military aid. However, we do not now grant or sell conventional arms to India. There is no evidence that India now or in the near future will want such arms and, in any case, there is no reason for us to resume such grants or sales. (Indeed, we should reduce much more drastically such grants and sales of conventional arms to all nations than the recent ceilings allowed in the new military aid legislation. We could begin by cutting off all arms to Pakistan!) If we were granting or selling conventional arms to India, I would hope such grants or aid would be terminated in conformity to the new legislation—which is in the final stages of passage or has just been passed, and hopefully will not again be vetoed. This refers to governments found to engage in a "consistent pattern of gross violations of internationally recognized human rights."

. . . One type of quasi-military aid being given or sold by the U.S. to India is nuclear expertise, machinery, and fuels, including uranium and heavy water. Given India's decision in 1973 to go nuclear—whatever India's own description of her nuclear pregnancy—I think all U.S. nuclear aid of whatever sort to India should cease, as Canada rightly if belatedly ceased her nuclear aid to India some weeks ago. The U.S. Nuclear Regulatory Commission is currently deciding whether to permit export of 40,000 pounds of uranium to India. This should be denied, for reasons of arresting nuclear proliferation, which is crucial to human survival as arresting totalitarian proliferation.

What other concrete levers are available to U.S. policy makers? The most obvious is food aid. We Americans are now shipping many millions of dollars and tons of food grains to India, even though at the moment the grain harvest in India is abundant. Under Public Law 480, the U.S. is shipping to India food grains as follows: under Title I, $119 million through long-term, low-interest loans during fiscal year 1976 and $61 million in 1977, while under Title II, $92 million in gifts during 1976 and $21 million in 1977. There will undoubtedly be periods in the near future when we must again ship even much larger amounts of food to India. We should do so—willingly, eagerly—whatever the state of human rights in India. Food should never be used as a political weapon—against any regime, against any people, including our own American poor!

What about economic aid to India? In March, it was announced here in Washington that the Ford Administration was breaking off the embryonic negotiations with India for bilateral economic aid because Mrs. Gandhi sharply criticized some things American. At the time I sent a letter of protest to Secretary Henry Kissinger and received a reply from Adolph Dubs of the Bureau of Near Eastern and South Asian Affairs. He denied that talks were "broken off," but said that they were merely postponed; he also denied that "to defer talks on economic aid" is a "policy of 'economic reprisal'." He did write, however, that "recent unfounded remarks by high Indian Government leaders which were critical of the U.S. have perplexed us and led us to conclude that caution is necessary regarding the pursuit of some programs which require that mutual trust and confidence exist between us before they can be carried out successfully." This finely-wrought sentence confirmed widespread fears that the U.S. apparently operates on pique—hurt pride—but I would hope that pique would not be decisive in American policy formulation, either in the Administration or here in Congress. I would hope that this Administration would, in earnest, begin again to negotiate broad economic and social aid to the Indian people, as much through multilateral agencies as possible, but also some bilateral aid in the near future. (I understand that $62 million in economic aid is in the 1977 economic budget earmarked for India if negotiations can begin and are successful.) India is one of the most severely affected nations, especially because of the fuel and monetary crises of the 1970's. India needs and deserves all the economic aid she can find anywhere in the first and second worlds.

What is, however, the relationship of economic aid to the violation of human rights? This is a more difficult area, ethically, since cutting off economic aid often affects, not only the ruling Party and its leaders, but the common people. The International Development and Food Assistance Act of 1975, adopted by Congress last December, does assert that no development assistance should be provided to governments which have a "consistent pattern of gross violations of internationally recognized human rights" unless such assistance "will directly benefit the needy people in such country." This is, of course, a big exception, and hard to determine. I would not be adverse to cutting of automatically economic aid—but not food aid—to those countries which maintain a consistent pattern of gross violations of human rights. I would make one important exception: those nations on the official U.N. lists of least-developed or most seriously-affected States. India is on the second.

I myself would welcome the enforcement of the human rights section of the Development and Food Assistance Act on the more relatively affluent nations which are notorious violators of human rights norms. We should additionally eliminate any favorable terms of trade, let alone aid, not only to Chile and the Republic of South Africa, but to such nations which violate human rights as the Soviet Union and the Republic of Korea. If there is not legislation on the books to make this possible, let new laws be written.

In the meantime, U.S. economic aid to India should be increased, both bilaterally and especially mulitlaterally, and through the International Monetary Fund and other fiscal forms far beyond the traditional concepts of developmental assistance. The Indian people need such aid, however much this may unfortunately bolster the political party in power which is violating human rights.

Finally, there are general positive levers the U.S. can pull which might impinge on the internal direction India may take. These involve other aspects of American foreign policy. To the degree that we can loosen our alliance with Pakistan, to the degree that we can abandon our effort to build a military base on Diego Garcia, to the degree that we can include Delhi as one of the six or seven world capitals with which we must always confer, to that degree we can exert positive influence which can make democracy more possible in India.

Now let me turn to my fourth question. If the U.S. Government speaks out generally against violations of human rights in India, if the U.S. tries to use the U.N. system to underline the Indian situation, if the U.S. continues not to give India conventional arms and refuses to give any nuclear aid whatsoever, but resumes economic aid—will these actions, some countervailing to be sure, make any difference to the policies of India?

There are those who argue that the U.S. does not have leverage with its allies, let alone with States such as India. With India having a close relation with the Soviet Union today, and with Mrs. Gandhi having been especially critical of the U.S. in recent years, is it conceivable that the U.S. could have any leverage with India?

The case against the U.S. having any influence with India is easy to make. The U.S. tilted against India not only during the 1971 war (which resulted in the independence of Bangladesh) but almost since the independence of India in 1947. . . . A second reason why the U.S. might not have much leverage with India today is the work—alleged or real—of the American C.I.A. For months Mrs. Gandhi herself implied that the C.I.A. somehow was responsible for many of the ills besetting India. Of late she has abandoned the C.I.A. theme, but in March she told a rally in Calcutta: "Let me, as Prime Minister, tell the foreign powers that we will not tolerate interference on our internal affairs. The more they interfere in our internal affairs, the more rigid and determined we will be in dealing with them."

Yet if a case can be made that the U.S. does not have much influence on India today, the opposite case also demands a hearing. I am one who does believe that American public opinion and official U.S. policy can make a difference in Delhi. There is a legacy of goodwill toward America which selectively can be called upon. Some months ago Mrs. Gandhi went out of her way to praise the U.S. as "a dynamic nation of dynamic people constantly giving birth to new ideas." One positive memory certainly of Indira Gandhi, but also of the people of India, is that the U.S. for so many years has sent huge amounts of food grains to India. Whatever the motivation of this food aid—and it was no doubt mixed—we did help feed millions of starving Indians over almost three decades. This will be remembered in the long run, if often it is forgotten in the short run and even if most peoples are not automatically grateful for such help. A second positive element is that the American experience was one of the ideological bases for the independence of India. While higher education in England was a decisive personal experience for both Gandhi and Nehru, such American examples as Henry Thoreau, Abraham Lincoln, Woodrow Wilson, and Franklin Roosevelt greatly inspired the fathers of India—Gandhi and Nehru—and the literate Indian people generally. This legacy of America will also not be forgotten over the long run, if sometimes it is not instantly remembered.

Whatever America can do about the violation of human rights in India—will it make a difference? I can only conclude that whatever America and other nations can do will at least not be counterproductive. And it just might lead to a lessening of the violations of human rights in India today.

Finally, why should the U.S., but also the world community, be concerned about human rights in India today? The struggle for priority between social and economic rights and civil and political rights is age-old, and has been hotly debated centuries before these instruments were fashioned by the U.N. system. Liberty versus justice are ancient themes of ethics and politics. There are no final answers, only continuing insights. My own conclusion, more firm today than in the recent past, is that both kinds of rights are essential in achieving even a minimum existence on our own planet, or any section thereof. Not either/or, but both. Civil and political rights are not a luxury in the Third World, even when people go hungry, for policy formulation to prevent continued starvation depends upon a consideration of the widest possible choice of alternatives and that requires the exercise of civil and political rights. One remains suspicious of those leaders who cherish civil rights, but do not give people enough to eat—as some present leaders of our own country! But also one remains suspicious of those leaders who say they are trying to find enough for their people to eat, but cannot allow their people freedom and postpone elections.

There is one unique reason for the continuance of democracy, especially in India. That is that India needs democracy to keep together. Rajni Kothari in the January 1976 issue of "Seminar," published in New Delhi, perceptively asserted that any prolongation of the Emergency "will push the country on a dangerous course which will only lead to its demise as a nation, as a policy, and perhaps even as a civilization. The 'democratic experiment' along which the nationalist leadership embarked—and indeed took long strides—is the only viable system for a country so large, so diverse, and with such a long history of strife and disunity." Democracy can constitute cement to make a strong economic and social society. . . .

A final reason why Americans should be concerned about human rights in India today is the effect this overt concern may have on members of the Opposition who are trying to relight the flame of freedom. It is important that their morale may be considered and enhanced. If it is right to sustain the spirit of freedom fighters in the remaining colonial lands—and much of the U.N system is committed to do this—it is also right to sustain the spirit of those fighting for freedom in independent nations which are totalitarian. If the U.N. is buoying the spirit of those fighting for the freedom of Zimbabwe and Namibia, the U.S. and someday the U.N. should hold high the spirit of a Sarkharov in the Soviet Union, a Kim Chi Ha in East Asia, or a J.P. Narayan in South Asia. Perhaps morale-building is a proper function of non-governmental organizations more than governments. But we know that editorials critical of the Indian Government, news stories of demonstrations in front of Indian consulates and other evidences of overseas criticism of the erosion of human rights in India are eagerly awaited by members of the Opposition who pass such evidences from person to person. I can attest to this practice among the Opposition in India today. This, then, is an additional reason for world and American concern.

In conclusion, let me acknowledge that some Americans who know India better than I do arrive at a position on human rights in India today—and what should be done about them—far different than my own. However, an increasing number of Americans whose lives in one way or another have been touched by India are rising about their loyalty to India, or acting out of this loyalty, and are publicly opposing the violation of human rights in India today.

Since the Vietnam War concluded, many Americans have slipped into the pattern of not feeling deeply about issues. True believers are a vanishing species. This is good in that it eliminates sloganeering, irrationality, and stubbornness. It also encourages pragmatism, accomplishment, and realism. Yet something is missing if advocacy and conviction disappear. I feel deeply about the loss of liberty in India today. I wish more Americans felt similarly. When they do, I hope this concern will increasingly be reflected in U.S. policy.

NO OIL DIVESTITURE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. COLLINS of Texas. Mr. Speaker, since the Petroleum Industry Competition Act of 1976 has been voted out of committee in the Senate, it is appropriate to answer some of the allegations of those who support divestiture of oil companies. The divestiture movement is based on emotionalism and is unsubstantiated by the facts.

The rationale for breaking up the oil industry is that it is monopolistic and anti-competitive. But, in fact, the Senate Anti-Trust and Monopoly Subcommittee has been holding hearings on the subject for the past 10 years without finding a basis for drafting this type of legislation. Vertical divestiture would reduce oil companies to one of the following activities: exploration/production, transportation, or refining/marketing.

Statistics demonstrate that the oil industry is not among the most highly concentrated industries in the United States. According to the Ford Foundation Energy Project,

> Monopoly begins to be felt when the four largest firms account for more than 50 percent of the industry's output.

The record reveals some surprising results. The four largest oil companies control 33 percent of the U.S. refinery output. Crude oil production is even less concentrated, with 30 producers accounting for 65 percent of the production. Meanwhile, the four largest office machine companies control 86 percent of the typewriter production; the four top greeting card makers produce 67 percent of the greeting card output; the four leading light bulb makers control 91 percent of the production of electric lamps; the top four in the auto industry account for 91 percent of the market; the top four in aluminum 96 percent, and the top four in copper 75 percent.

There is considerable competition in the petroleum industry. There are more than 40,000 oil companies in the United States. Ten thousand are engaged in exploration and production, and the largest accounts for less than 8 percent of the crude oil output in the country. There are 131 refining companies with 270 refineries; the largest refiner controls under 9 percent of the total refining capacity. There are 200,000 service stations in the United States. The largest single share of the market is 8.2 percent. Furthermore, the participation of smaller competitors in all areas is growing. The small, independent refiners increased their share in the gasoline market from 19 percent to 30 percent in the period 1965–75. Independent marketers increased their share from 18 percent to 30 percent in that same period.

The oil companies do not rank high on profits as compared to the other 500 largest companies in the United States. Exxon, for example, while ranking first in assets and second in sales, is 74th in total returns to investors. During the years 1965–74, the average return on stockholder equity for the petroleum industry as a whole was 13.4 percent, only barely higher than the total U.S. manufacturing average of 13 percent.

Freedom of entry also exists in the oil industry. Thirteen new refiners and nine small refiners have built or increased capacity exceeding 50,000 barrels per day since 1951. The number of companies acquiring offshore leases has more than doubled since 1954.

There are very good reasons for vertical integration in complex industries. Basically, there is no better way to produce so efficiently at such a low cost. Integration exists in many areas, such as transportation, communications, or food processing. Vertical integration has kept our petroleum products among the cheapest in the world.

Oil exploration requires a tremendous amount of risk capital. Only large companies command the necessary financial base for these activities. It is estimated that after divestiture, profits would have to be at least 20 percent higher to maintain a level of risk inducement equal to the present. Consumer prices would rise at least $1 billion a year by virtue of the risk effect alone. The Alaska pipeline, a $5 to $7 billion venture, would have remained a dream. Shell Oil has invested $6.6 million in solar energy research that is yet to see a marketable result. Such investments would no longer be possible.

The potential cost must be measured in other terms. Job losses would number in the millions. Our worsening position vis-a-vis foreign oil companies and OEPC would make us increasingly dependent on foreign energy sources.

This divestiture bill is a tragic mistake. The petroleum industry must be recognized as America's greatest asset in the struggle for energy independence on which our entire economic well-being depends.

OCCUPATIONAL HEALTH HAZARDS—A NATIONAL CRISIS

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, Richard T. Cooper and Paul E. Steiger of the Los Angeles Times Washington staff have conducted a 3-month review of the occupational health problems in our country. Recently their series of articles have appeared in the Los Angeles Times. In the article that follows they state:

> The battle to deal with the problem is in jeopardy because of bureaucratic red tape, public apathy, political sniping and claims that reform would be too costly.

I hope my colleagues will not only take the time to reflect on this statement but also the immediacy of the situation they have brought to our attention.

The first in their series of articles follows:

OCCUPATIONAL HEALTH HAZARDS—A NATIONAL CRISIS

(By Richard T. Cooper and Paul E. Steiger)

WASHINGTON.—In bygone days, coal miners took caged canaries underground with them because the tiny birds were far more sensitive than men to the deadly, invisible "white damp," carbon monoxide gas. By collapsing—and sometimes dying—the canaries warned of danger that would otherwise have crept up undetected.

Today, in factories and mills, and even in beauty parlors, dentists' offices and auto repair shops, hundreds of thousands of American workers have themselves become canaries—for their fellow workers and for society as a whole. By falling sick and then dying, they are signaling the fact that a major crisis has struck the nation as stealthily as poison gas in a coal mine.

The source of the danger is a little understood but rapidly growing array of occupational health hazards, many of them toxic chemicals routinely used by industry, that kill an estimated 100,000 workers every year, cause at least 390,000 new cases of job-related disease annually and pose an increasing threat to the entire spectrum of U.S. society and the environment.

As documented in a three-month investigation by a team of Times reporters, the occupational health crisis and its implications for the larger society are only dimly perceived by the public, yet specialists regard them as perhaps the most serious medical challenge facing the United States in the remainder of this century. And the battle to deal with the problem is in jeopardy because of bureaucratic red tape, public apathy, political sniping and claims that reform would be too costly.

At the Occupational Safety and Health Administration and the National Institute of Occupational Safety and Health, the two federal agencies most directly responsible for dealing with the problem, officials are struggling with inadequate budgets, scattered and ill-equipped staffs and lack of expertise. Labor leaders have lobbied for a larger commitment, and there has been significant response among some business executives. But overall the problem is growing faster than are the efforts to contain it.

Occupational health hazards have existed from earliest times, of course. One of the cruel ironies of the present situation is that toxic substances identified more than 100 years ago still inflict widespread disability and death. What has caused the problem to mushroom in the last three decades, however, is the technological explosion of new chemicals, new industrial processes and new products.

This flowering of technology, responsible for much that is good and desirable in modern life, unfortunately has set a deluge of carcinogens, systemic poisons, lung-destroying dusts, brain-damaging metals and other hazardous substances cascading down upon the nation's workers in unprecedented volume and variety.

Clearly, one reason for the apparent public indifference to job-related health probems is that many of the worst ones, lung cancer and heart disease, for example normally take 15 to 20 years to develop and often have not been associated with the work place. More immediate problems tend to be perceived as isolated incidents—50 or so workers afflicted by Kepone pesticide poisoning in Hopewell, Va., a dozen or so poisoned by lead at a Visalia auto battery plant.

The problem is pervasive, not scattered, however. And if workers, like the miners' canaries, are the first to exhibit its symptoms because they are exposed to the hazards first and most intensively, the toxic substances originating in the nation's mills and factories are showing insidious capacity to seep out into the community at large.

Says Joseph K. Wagoner, director of field studies and clinical investigations for the institute, "The tendency to separate health hazards found in the work place from, general environmental problems is a deadly division. This is a continuum, not isolated events." And, Wagoner says of the government's effort to cope, "The problem is so vast that we have been reacting in a crisis environment for the past two or three years."

For a glimpse of the problem's scope, consider the following:

As many as 90% of all cancer cases are believed to be environmentally induced, according to an analysis by the National Cancer Institute. Of these, scientists estimate, at least 10% resulted in about 30,000 deaths a year, stemming chiefly from occupational carcinogens. In fully half of all cancer deaths, occupational factors are believed to have contributed to the disease.

Heart disease is the greatest single killer of Americans. It is conservatively estimated that 5% of such deaths, or 37,000 a year, result from occupational causes.

In a general health study of 908 persons performed by the University of Washington, 31% of all the diseases and other "medical conditions" found were judged to be occupational in origin. In an additional 10% of the problems, job-related factors appeared to have played some role.

Significantly, however, only 2% or 3% of all the medical conditions had been reported by employers, a fact suggesting that available data vastly understate the extent of job-related health problems.

Evidence from a number of fields indicates that white-collar, professional and service workers are often in as much danger as employees in steel mills, chemical plants and other forms of heavy industry.

Dentists' chronic exposure to X rays, mercury and anesthetics contributes to their abnormally high rates of leukemia, Hodgkin's disease and suicide. Female operating room personnel, with similar exposures, have unusually large numbers of miscarriages and babies with congenital birth defects. Beauticians are extraordinarily susceptible to cardiac problems, lung cancer and respiratory diseases generally.

Chemicals and other substances and equipment used in the work place are not the only dangers. The unique stresses, lifestyles and patterns associated with particular occupations also can be factors. For instance, statistics reveal that office administrators are more likely to suffer coronary heart disease than many other types of white-collar workers, such as scientists and engineers. As with other hazards, the causes and cures for these occupational health problems are imperfectly understood.

An estimated 500,000 living workers have been significantly exposed to asbestos. Of these, 100,000 are expected to die from lung cancer, 35,000 more from a rare cancer of the lining of the lungs and stomach called mesothelioma, and another 35,000 will die from asbestosis, also an affliction of the lungs.

Recently, evidence has been found in a study for the Environmental Protection Agency that employees in office buildings constructed before the 1973 ban on use of asbestos as a structural fire retardant are being exposed to the mineral. Apparently the asbestos coating on steel girders in such buildings has begun to flake away, and microscopic fibers are being carried to unsuspecting workers through the ventilation systems. It is not yet known how serious this threat may be.

Health hazards are particularly acute in some industries and job classifications. Rubber workers are 1.7 times as likely to die of stomach cancer as members of the general population, 1.6 times as likely to succumb to lymphatic malignancies, according to a joint study by the rubber workers' union and industry. Workers in steel mill coke ovens are 7.5 times as likely to die of kidney cancer as workers assigned elsewhere in the same mills and 10 times as likely to die of lung cancer.

In three Ohio towns where the carcinogen vinyl chloride was manufactured, the Ohio Department of Health has reported abnormally high incidences of birth defects, particularly affecting the central nervous system, among newborn babies, and an unexpectedly high level of tumors of the central nervous system in adult men.

Studies of two Montana towns, Butte and Anaconda, where copper is mined and smelted, found unusually high rates of lung cancer in both men and women.

Experts agree that no accurate measurements of the overall problem exist. The U.S. Public Health Service uses indirect statistical techniques to form its estimates of the annual toll of job-related deaths and diseases. Owing to insufficient knowledge of the biochemistry involved, inadequate monitoring of workers, and the often years-long delay between exposure to a carcinogen and the onset of the disease, these numbers may be just the tip of the iceberg.

The catalogue of hazardous substances, with their sometimes equally dangerous permutations, combinations and interactions, seems endless: benzenes, phenols, cadmium, nickel, gold, lead, asbestos, vinyl chloride, coke oven gases, creosote, textile lint, X rays, silica, carbon tetrachloride, tar, beryllium, bischloromethyl ether, chloromethyl methyl ether, polychlorinated biphenols, pesticides, paraffin, beta naphthylamine . . . .

The government has thus far established links between about 12,000 substances and particular serious health problems—a huge number but probably just a small fraction of the hazards still undetected among the scores of natural elements and the 500,000 chemical compounds now in use by American industry, which sythesizes about 3,000 new chemicals each year. With virtually no outside control and scant knowledge of what the full consequences may ultimately be, this cornucopia of materials is mixed, modified, boiled, baked, burned, sprayed and vaporized in a rush of technical ingenuity that never stands still.

On an April morning this year, at an hour when the sun was bright but the air retained a sharp edge, half a dozen employes of a small plastics plant near Slatersville, R.I., crowded into an aging Pontiac and drove to the seacoast town of Groton, Conn. A team of occupational health specialists from New York was to examine almost 1,000 workers there, and the Rhode Islanders were to be tested as well.

Somehow, they arrived several hours before the special clinic, set up in the gymnasium of Groton's trim new civic center, was to open. As they waited, the six grumbled about the delay, joked sardonically about the general malevolence of things and discussed their jobs. It seemed clear there had been ample reason to invite them.

Service Color, Inc., where they worked, is a small plant that takes raw plastics compounds, cooks them up with pigments, flame retardants, and fillers, then converts the resulting material to pigmented pellets that are sold to fabricators of colored plastic products. Turning out about 1 million pounds a month, Service Color's 18 employes handled compounds of lead oxide, lead chromate, mercury-cadmium, lead-cadmium, and toxic, organic dyes.

Medical problems had cropped up, and several had been hospitalized. There was apprehension mixed with the bravado and dark humor in the six who had come to Groton. "Everything . . . we handle kills you," one of them laughed. "It says so right on the cartons."

As they were unloaded and mixed, the powdery chemicals would fill the air, silting over everything and sometimes turning their skin bright colors, the men said. A photograph taken about that time by a safety administration inspector showed a worker who had just crawled out of an enormous vat he had cleaned with an air hose. An Occupational Safety and Health Administration inspector pointed out that a face mask issued by the company was so oversized that its bottom hung several inches below the worker's chin, nullifying its effectiveness even if it had not been the wrong type. The man's hair showed white, but his face and arms were a violent orange.

"Ventilation?" one of the workers at Groton said. "One place we got ventilation—four windows. And if you breathe real hard, you can blow the dust out."

During their examinations, the workers were checked for lead poisoning by a machine called a hematofluorometer, which subjects a tiny sample of blood to a powerful quartz light and instantly flashes a lead exposure value on a display screen. Readings up to 50 are considered acceptable, but at 60 to 70 there is concern. The Service Color workers registered such values as 101, 107 and 370, according to technicians.

Depending on extent of exposure, lead poisoning can produce brain damage, respiratory failure, anemia, tremors, paralysis, kidney problems, loss of teeth, depression, feelings of hostility and chronic unhappiness. The dangers and conditions in the plant led workers and their union, the United Rubber Workers, to protest. A team of safety administration inspectors swooped down.

Today, according to plant manager John Busco, some new duct work, dust collectors, and other ventilating equipment are being installed at Service Color. Also, workers are being instructed to wash themselves before eating or smoking and to take other precautions of that sort. "Not much is involved," Busco said.

What has the safety administration done? Busco has heard nothing, he says. Some citations are said to be wandering somewhere in the clogged arteries of this administration bureaucracy, but two months after the inspection nothing has been done.

"The joke is," one Service Color employe had said in Groton, "They give you a good pension but you don't live to collect it."

There is a quandary workers often face, and Morton Corn, the industrial hygienist who now heads the occupational safety agency, sees it clearly: where health is concerned, what seems a gross hazard may be harmless, and what looks lovely may be lethal.

He recalls a clean, air-conditioned factory in the South; "people thought it was like working in a hotel," yet a chemical undetectable by human senses poisoned 73 of the 300 employes. At the same time, in certain kinds of dehydrating plants, Corn says, "I've walked through dust that I left footprints in, but it won't harm anyone.

"When the worker takes a job he thinks, 'Gee, somebody must have thought about this thing. It must be safe. I'm being asked to work here.' He's seen a lot of dust in his life. How is he to know whether this is the dust that will kill him?"

When people are sick, most turn without question to their family doctors, yet the typical family physician knows little about a worker—as employes of Life Science Products Co. in Hopewell, Va., discovered last year.

After only a few weeks of working in the plant, set up two years ago in a converted gas station, many began to suffer dizzy spells, poor vision, tremors. One man later recalled that when he stopped off for a beer after work, friends had to help him hold the glass. Inevitably, workers went to their doctors.

Could it be something at the plant, some asked? Probably not, the physicians said. More likely it was overwork or nervousness. Or perhaps too many of those beers on the way home. So, worrying about mortgage payments and child support payments and just getting by, they returned to work.

One man who could not stop trembling eventually went to see a young specialist in cardiology and internal medicine, a recent emigre from Taiwan named Yi-nan Chou. Chou asked what it was they made in that converted gas station. "Kepone," the man said. Kepone. Chou looked it up in a handbook of poisons.

A chlorinated hydrocarbon related to DDT, combining hexachlorocyclopentadiene and sulfur trioxide, potent in controlling ants, roaches and banana pests. Chou took samples of the man's blood and urine and sent them to the federal Center for Disease Control in Atlanta for analysis. Some days later Virginia health authorities arrived in Hopewell and began unraveling a major industrial scandal.

The result: Life Science Co. was shut down, 13 workers were hospitalized and about 40 others were found to have high levels of the pesticide in their blood. Federal indictments were returned against the company, its owners and Allied Chemical Co., which had been involved in the creation of Life Science, but no way found to cleanse workers' blood of the Kepone, which has been linked to blood cancer in laboratory animals.

"The guys who have no voices," Sheldon Samuels of the AFL-CIO calls them, and there is a special horror to their anonymous plight. In isolated shops and businesses too small for company doctors and union hygienists, seldom visited even by safety administration inspectors, they are sometimes victims only of ignorance, but sometimes they are also undone by the tricks of their assorted trades.

Commercial fishermen mending their tar-soaked nets sometimes hold the darning needle momentarily in their mouths to free both hands; they contract lip cancer in extraordinary numbers. Auto mechanics often clean off brake drums with a deft blast from an air hose, thereby sending asbestos fibers winging toward their own lungs. House painters and shoe repairmen work with benzene solvents, unaware of the bladder and bone marrow malignancies those chemicals inflict on their trades.

"Who is telling them?" Samuels asks. "Who is doing something for them?"

Even safely behind his desk in his office, there is something gingerly about the way Robert L. Harris sits in a chair, an apprehensive stiffness as if the last egg of a rare and dying bird has been entrusted to his lap.

Harris' unease is understandable. An industrial hygienist at the University of North Carolina in Chapel Hill, he is the director of an unusual occupational health research program sponsored jointly by the United Rubber Workers and the seven giants of the U.S. rubber industry. Established during negotiations on the industry's 1970 master labor contract, Harris' group and a similar unit at Harvard together receive more than $1 million a year in corporate funds to probe the industry's operations and study the health of its workers.

The North Carolina group is a promising model of what could be done in other basic industries. Like similar units in government and other private institutions, it is working to protect workers now and also to overcome the critical shortage of basic research data. The problem is that almost all these units are extremely fragile, lacking permanent foundations.

In Harris' case, the unit is precariously balanced between two sponsors whose interests often conflict.

The researchers cannot function without cooperation from the companies, yet their findings often support the union's contention that more needs to be done to protect workers. The situation is especially touchy now: health hazards have become an issue in the rubber industry's long and bitter strike.

Thus far, Harris and his associates say, there has been no lack of cooperation, no restricting of their plans, no attempts to alter or suppress research findings. Still, an administrator is understandably nervous.

As a long-range goal with enormous potential, the unit is trying to devise a comprehensive, computer-based system for continual recording and analysis of the materials and processes used in each rubber plant, as well as the work and health histories of all employees. Since chemicals, processes, and employe work assignments change constantly, a system such as this would vastly simplify the needle-in-a-haystack task of pinpointing occupational health problems and their specific causes.

The system might even detect incipient problems, raising warning flags long before workers begin to sicken and die.

Such a capability and its fruits are years away. Meanwhile, the team has proved its worth in more immediate ways: it has done pioneering work in identifying job classifications where death and serious disease are high. And in one case, it quietly headed off what might years later have become a well-publicized disaster.

A major rubber company had begun using a manufacturing process previously abandoned by another company because of pulmonary damage to workers involved; the company believed it had eliminated the problem. Tests by the North Carolina group showed "reversible" pulmonary changes in workers after initial exposure to the new process, with the likelihood that the damage would prove permanent with continued exposure. The process was abandoned for the second time.

What is to be done?

Experts argue over details, but there is widespread agreement that progress must involve these elements:

More money for scientific and technical research to pinpoint problems and devise solutions.

Development of governmental health and safety regulations that place the burden of protecting workers squarely, and equally, on all employers.

Designing an enforcement strategy that increases voluntary compliance and gives the safety agency's limited inspection force a deterrent impact comparable to that of the Internal Revenue Service.

The budding alliance between labor and environmentalists should be nurtured to assure integrated government policies; unions must maintain, or in some cases increase, their insistence that workers' health is not to be traded off for additional pennies an hour. Corporations that are trying to improve should be encouraged while those that now profit by avoiding health-related expenditures must be brought to heel.

"If you can't afford to provide a safe, healthy working place, then you shouldn't be in business. You don't have that right," a veteran safety administration health specialist declared recently. "A businessman rents a worker's time, not his safety and health."

It is important to remember, however, that requiring companies to meet unnecessarily stringent health standards will raise costs and prices, possibly eliminating some jobs. Also, forcing employers to buy needlessly elaborate control systems for one hazard will mean less money available to deal with other dangerous substances.

Can government, labor, and management ever have enough solid information to make all the necessary decisions with perfect wisdom? No. Decisions cannot be avoided—ignoring them amounts to a decision to let disease and premature death continue—but they will have to be made with imperfect knowledge, experts agree.

The safety administration, for example, established worker exposure limits for 14 major carcinogens even though it does not know precisely where the dangerous exposure level begins; to get that information would have required the rounding up of 3 million laboratory animals for testing—an impossibly costly and protracted experiment that might have been useless anyway because of the difficulties in assembling "megamouse" populations that are genetically comparable enough to yield valid results.

The struggle against occupational disease, those involved agree, will be controversial, messy and long.

It was afternoon now, and the sun had warmed the air. Irving J. Selikoff, founder of the pioneering occupational health research center at New York's Mt. Sinai Hospital, watched outside the entrance to Groton's town hall as scores of shipyard workers filed in to be tested by his mobile team of physicians and technicians for asbestos cancer and other damage.

Selikoff knew in advance that some of these men, exposed for years to lead and asbestos dust in the holds of submarines they were working on, would exhibit the telltale signs of disease—abnormal blood, diminished lung capacity traced out by a stylus as they huffed and puffed into an automated spirometer, grainy patches like wisps of cloud on the chest X rays developed in a trailer behind the building.

"We can help these people," he said quietly. "If they have asbestosis, we can't change that, but if we know they have it we can do things to allow them to live a normally full life span. If they have lung cancers and we find them early enough, some can be saved. Of course, if they have mesothelioma . . . There is no treatment for mesothelioma now."

A large, cheerful man with white hair, Selikoff turned to watch the men again. "Look at them," he said. "They are the solid citizens of our country. Electricians, carpenters—trained, capable people of the sort who built our country. We have to help them, and others like them."

RIGHT TO LIFE: THE CHURCH'S CONCERN FOR PREGNANT WOMEN

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. OBERSTAR. Mr. Speaker, one of the highlights of the National Right to Life Committee's very successful and productive annual convention in Boston, Mass., June 25-26, was a simulated congressional hearing on alternatives to abortion and supportive services for pregnant women. It was my privilege and honor to chair that hearing.

Those of us who hold the view that

unborn human life has rights which must be protected even to the extent of amending the U.S. Constitution also believe it is vitally important to provide realistic, readily accessible alternatives to abortion, including medical, social, and other services to pregnant women.

That goal was the subject of the simulated congressional hearing, coordinated by Marjory Meckenburg of Minnesota who did an excellent job of selecting the witnesses. The papers presented were of as fine a quality as I have seen in any actual congressional hearing. They were thoughtfully prepared, carefully researched, and delivered with deep sincerity of conviction and commitment.

I believe that because of their high quality and the important information they offer, these papers ought to be available to all Members of Congress, and I am using the forum of the CONGRESSIONAL RECORD to do so.

The president of the National Right to Life Committee is Dr. Mildred Jefferson of Boston, a gifted surgeon, and a tireless, dedicated, inspiring leader of the national movement to protect unborn life.

The following paper on "The Church's Concern for Pregnant Women," was presented by Eugene Linse, Ph. D., of Minnesota. Dr. Linse is professor and chairman of the Division of Social Science, Concordia College, St. Paul. He is past administrator of Housing Concerns of the Board of Social Ministry, executive secretary of the Mission Study Commission, and chairman of the Commission on Social Concerns of the Lutheran Church-Missouri Synod. He is current president of the National Federation, Citizens for Educational Freedom.

The paper by Dr. Linse follows:

STATEMENT OF DR. EUGENE W. LINSE, JR.

My name is Eugene Linse. I am chairman of the Division of Social Science at Concordia College, St. Paul, Minnesota. I am also chairman of the Committee on Social Concerns of The Lutheran Church-Missouri Synod.

While I cannot speak for other churches, I can point out some points of emphasis found in my church, The Lutheran Church-Missouri Synod, a conservative denomination in Protestantism.

We ask our pastors to teach and our children to learn during their confirmation days certain principles gathered together in one of our confessional works, the Small Catechism. One of the subdivisions of that work is entitled the "Table of Duties." It has an old, but very interesting sub-title, "Certain Passages of Scripture for Various Holy Orders and Estates Whereby These Are Severally to be Admonished of Their Office and Duty."

Now, I know that that sounds very quaint in this age with its emphasis on the individual, his definition of rights, and privileges. Yet, this section offers without comment a number of sections of the Bible that speak of some immediate and recurring social problems. For example, it speaks of civil government and the relation of citizens to their government, of husbands, wives, parents and children, servants and laborers, the young in general, to widows, and concludes with a section titled, "To all in Common." In that final summary it says, "Thou shalt love thy neighbor as thyself." Herein are comprehended all the commandments. Then it adds, "And persevere in prayer for all men."

The reference to husbands may well be worth noting. It states,

"Likewise, ye husbands, dwell with them (wives) according to knowledge, giving honor unto the wife, as unto the weaker vessel, and as being heirs together of the grace of life, that your prayers be not hindered." (1 Peter 3: 7)

Now I realize that the topic today concerns itself with pregnant women and the concern that the church is to show for them. To me, however, the fundamental principles of human relationship take precedence over references to a particular state or condition of any human being. The principles of regard for life, the intrinsic worth of every human being, including the unborn, mutual affection and regard between husbands and wives, these are the foundation blocks on which civilization builds, essential to its continuance, legitimate and worthwhile goals for which we need to strive. And, I fear, that for all our rhetoric, we fail far more often than we succeed.

Yet our failures do not allow us to renounce our goals; only to redouble and intensify our efforts in behalf of that which is worthwhile.

Let me return briefly to the theme before us, the concern for pregnant women. I note especially in the Lutheran orders of worship some special prayers—for a woman after childbirth, for parents of a stillborn child, and the "churching" of women. All are beautiful. But note especially this last one:

"Gracious God, we praise Thee for the mercy which Thou hast shown this mother and her child, and we humbly beseech Thee to keep them always in Thy fatherly care. Hear, O Lord, the supplications of the mother, and compass her with Thy favor as with a shield. Grant that the child may be brought up to love and fear Thee, to Thine honor and to the joy of all true believers."

However, you may feel that this does not come to the heart of the matter. Let me respond that I admit that the church has not done enough. It never does. But that is not to say that it has done nothing. Let me comment briefly on the annual report of Lutheran Social Services of Minnesota, an all-Lutheran agency that has reached out to a long line of needful and troubled persons, that works with an annual budget of almost $4,000,000, working through sixteen service units, backed up by a supportive staff of 300 persons, generally known for high levels of competence. During the past year it placed 435 children for adoption; it has provided staff to assist with foster care homes; it works closely with more than 400 unwed mothers, aiding in the placing of children and in the education of those parents who retained their children, placing about 40% of the babies. Of interest may well be the work with alleged fathers. This is only part of the picture. It encompasses so much more—the Lutheran homes for retarded children—Friendship House for emotionally disturbed and pregnant girls, services for adult retarded persons, refugee resettlement involving primarily at this time people from Korea and Vietnam, special care services for teen-age delinquents referred by the County, services for the elderly.

I am not talking about something new. This agency is the outgrowth in recent years of 110 years of meaningful corporate witness through compassionate service. In its own words, this agency asserts its purpose: "The warmth and compassion that the continuing parade of hurting and lonely people experience in and through Lutheran Social Service is a reflection of Christ's love."

Through the local churches of the three major Lutheran bodies in Minnesota these services are funded and effected, to be sure with help from the community as well. It is into this pattern of concern that the regard and concern for pregnant women, particularly those who need assistance beyond that which their individual homes can provide, that help and support flows. This organization, Lutheran Social Service, sees itself as nourished by congregational compassion and stewardship, serving people in behalf of the congregation, seeking its destiny in the faith and life of the Church.

Admittedly, it is not enough. Yet it is a model of what can be done, something not to be dismissed and overlooked, but rather to be enlarged and supported. There are similar organizations in other states, in other denominations, where they receive support and encouragement from a knowledgeable constituency, they are a mighty force, enlisted in serving troubled and hurting people. Rather than more critics, what these agencies really need is more support if they are to serve all those who could benefit from their concern and competence. For they are the arms of the church, responding as best they can to pain and suffering, anguish and woe wherever it is found.

JACK BROOKS HONORED BY IAC/ADP

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ROSE. Mr. Speaker, our distinguished colleague from Texas, the Honorable JACK BROOKS, was recently honored by the Government's computer users as their Man-of-the-Year.

At its annual meeting on June 15, the Interagency Committee on Automatic Data Processing—IAC/ADP—cited Representative BROOKS "in recognition of his vision and foresight in sponsoring the basic legislation providing for the economic and efficient utilization of automated information systems by Federal Departments and agencies."

The IAC/ADP was formed 20 years ago to identify and develop more effective approaches to Government-wide ADP problems, to assist agencies which are planning or engaged in ADP operations, and to permit optimum exchange of experience, skills and facilities among Government agencies. It has now grown to an organization representing more than 200 members in some 60 Government agencies.

This week, Chairman BROOKS continued his fight for Government computer efficiency as he presided over hearings on review of administration of Public Law 89-306—procurement of ADP resources by the Federal Government—conducted by the Subcommittee on Legislation and National Security of the Committee on Government Operations.

Mr. Speaker, I am sure our colleagues would like to join in congratulating JACK BROOKS for this singular honor. At this point in the RECORD, I would like to include the remarks of Israel Feldman, outgoing president of IAC/ADP, who made the presentation:

We at IAC/ADP are greatly honored that our guest of honor has accepted the "IAC/ADP Man-of-the-Year Award."

Congressman Jack Brooks is well known as the father of Public Law 89-306, more commonly known as the "Brooks Bill," which "provides (sic) for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies."

I am sure that most of our audience has now committed the Law virtually to memory. However, Congressman Brooks' contribution and impact go beyond this pioneering single act. Let me cite a few examples:

1. For 20 years, during 1955–1974, Congressman Brooks chaired the House Subcommittee on Government Activities—known as the "Brooks Efficiency Subcommittee." Documented savings of hundreds of millions of tax dollars have been attributed to the activities of the Brooks Subcommittee. Most of Congress' oversight hearings on ADP were initiated by this subcommittee.

2. In 1971, he was elected Chairman of the Joint Committee on Congressional Operations—where he initiated major studies on the application of modern information technology in Federal and State governments.

3. In 1975, he was elected Chairman of the House Government Operations Committee.

4. Since 1955, Congressman Brooks has provided sustained and continued leadership in promoting the efficient operation and utilization of ADP equipment throughout the Federal government.

5. He sponsored the creation of the Federal Telecommunications Service and has actively supported the efficient use of telecommunication in government.

6. In 1969, Congressman Brooks initiated hearings to promote the effective and efficient use of computers in the Congress itself. In his opening remarks he stated:

"Use of computers in Congress will bring increased efficiency and effectiveness to all its operations—and give the American people better services and more responsive Government."

The Brooks Bill is the only legislation enacted to control the use of ADP in government. It intends to fill three vital management needs.

Better management information.

Optimum utilization of ADP equipment.

Economic acquisition of government ADP equipment.

During the first 10 years since the enactment of the Brooks Bill, approximately $2.5 billions dollars have been saved. The Bill defines the respective roles to be played by the Office of Management and Budget, National Bureau of Standards, and General Services Administration in management of ADP resources. We will hear more about these roles from our panel speakers.

The large audience in attendance today, by professionals from both government and industry, is a true demonstration of our esteem and respect for the 25 years of leadership that Congressman Brooks provided.

We have just recognized excellence in a technical area by a member of the Executive Branch. At this time, I am privileged and honored to present the "IAC/ADP Man-of-the-Year Award" to an acknowledged leader, pioneer and visionary—in the Legislative Branch—Congressman Jack Brooks.

EDWARD O. VETTER—COMMERCE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. COLLINS of Texas. Mr. Speaker, We are proud to see Edward O. Vetter joining the Commerce Department as Under Secretary. This was an excellent selection by Secretary of Commerce Elliot Richardson.

Ed Vetter understands business and how to make big business operate successfully. Most of his long and sucessful business experience was with Texas Instruments Co. in Dallas. He has served in many management capacities including managing the industrial instrumentation division, managing the materials and controls corporate subsidiary, serving as the vice president of corporate development, being the group vice president for the science services, chemical materials, metallurgical materials and the Texas Instruments Supply Co.

He then served as president of the Geophysical Service, Inc. His last assignment was as executive vice president and chief financial officer of Texas Instruments. Texas Instruments is recognized as one of the best-managed companies in the world. It is famous for the development of transistors, printed circuits and other electronic breakthroughs. In the community, Texas Instruments has a reputation for moving everything forward within a 5-year cycle. Texas Instruments never waits for any idea to get old, as they always come up with new creativity.

Ed Vetter is president of the MIT Alumni Association. He is also serving on its committee for sponsored research and nuclear engineering. He is a member of the corporation and executive committee of MIT.

In the Dallas community Ed Vetter has been a leader in all civic activities, and was noted for his active leadership of the National Affairs Committee of the Dallas Chamber of Commerce.

In Texas Ed Vetter gained a reputation as a dynamic man of achievement. It is great to welcome him to Washington as a key member of Elliot Richardson's team in the Commerce Department.

TRIBUTE TO COL. THOMAS C. HUNTER, ARMY CORPS OF ENGINEERS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. MURPHY of New York. Mr. Speaker, I wish to take this public opportunity to commend the U.S. Army Corps of Engineers under the command of Col. Thomas C. Hunter for their highly competent, efficient, and effective handling of the recent dredging of New York Harbor.

The Government bureaucracy can at times be distressing in terms of accomplishing a necessary goal within a very limited period of time. This was not one of those occasions.

After the House and Senate passed the resolution, the President, with considerable urging due to the time limitations, signed the legislation authorizing the Corps of Engineers to dredge the waters of New York Harbor, and in particular around the South Street Seaport Museum, to accommodate some of the world's most magnificent sailing vessels during Operation Sail over the July Fourth weekend.

The President's signature on the resolution on June 25 left the engineers with only a maximum of 9 days to accomplish the task. They met the challenge admirably: The job was done at 9:15 p.m., June 29—less than 4 days' time.

The Corps of Engineers has the responsibility to maintain the New York Harbor and surrounding waters for navigational purposes. They have displayed that they possess a high degree of professionalism and have capability and expertise, in doing the job so expertly in so short a time. They have also shown their dedication to a tradition stated so well in the motto of the Corps of Engineers: "Let Us Try."

FEDERAL INVOLVEMENT IN OCCUPATIONAL HEALTH

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, the last two articles in the Richard T. Cooper and Paul E. Steiger Los Angeles Times series discuss the problems of Federal agencies responsible for job safety and health.

Their remarks are especially important in light of the recent activities in the House and Senate on the Labor-HEW appropriations proposals.

The last two articles in the series follow:

TEAM STALKS BAFFLING QUARRY—FEDERAL SLEUTHS HUNT HEALTH HAZARDS

(By Paul E. Steiger and Richard T. Cooper)

WASHINGTON.—Joseph Wagoner never wears a deerstalker cap and he lives in Cincinnati, not on Baker Street. Ronald Young seldom whips out a magnifying glass at crucial moments. And neither, regrettably, finds much occasion to murmur, "Elementary, my dear Watson."

Yet Wagoner and Young are medical and scientific descendants of Sherlock Holmes, federal sleuths who hunt for quarry as baffling and deadly as any sought by the fictional English detective. Investigators for the National Institute of Occupational Safety and Health, they are part of a key element in the nation's embryonic fight against death and disease in the work place.

Wagoner, a Harvard-trained epidemiologist with more than 10 years' experience in cancer research, heads NIOSH's industrywide studies branch; Young is a member of his staff. An assortment of physicians, industrial hygienists, biochemists, chemical engineers and other professionals, the unit is responsible for investigating occupational health emergencies and ferreting out the particular chemical or other substance responsible.

Often, NIOSH investigators, whose findings are used by the Occupational Safety and Health Administration as a basis for establishing and enforcing limits on workers' exposure to dangerous substances, begin their quests with little more than a handful of death certificates and a list of suspects as long as their arms.

In the world of Holmes and Watson, mysteries dissolved before the brilliant gaze of the detective and, by the last page of the good doctor's narrative, everything was tidily wrapped up. Occasionally, things work that way in the world of occupational health. When it was discovered two years ago, for example, that certain plastics workers were dying of a rare liver cancer, scientists had a limited list of suspects and it did not take long to establish vinyl chloride as the killer.

More often, the search takes months or years: mountains of data are gathered and examined, leads blossom and wilt, mysteries remain unsolved, even though thousands of workers may remain in jeopardy.

The nature of the investigations, and the maddening difficulty of the puzzles, is illustrated by a pending case that Dr. Watson might have called "The Frustrating Affair of the Poison Tires."

It began with a series of telephone calls. Maurice Johnson, director of environmental health for the B.F. Goodrich Co., notified NIOSH on March 23 that four workers in the company's synthetic rubber plant at Port Neches, Tex., had died of leukemia. Washington immediately passed the news to Wagoner.

Wagoner did not have to be told what was already obvious to Johnson: the number of deaths, seemingly small, was too large to have occurred by chance, given the relatively small size of the plant population and what is known about the statistical frequency of the disease.

Within hours, Wagoner had tracked down the plant manager at a Beaumont airport and told him to get ready for a visit by a strike force of federal investigators.

As Wagoner's team began to sift the mass of undigested data that exists on occupational cancer, concern grew. The Goodrich plant was one of several synthetic rubber facilities built in that east Texas area by the federal government during World War II and later sold to private industry. A check with a second plant in this group, now operated by Uniroyal, also disclosed a suspiciously high incidence of leukemia.

Consulting the National Cancer Institute's map of leukemia incidence among white males in the United States, investigators noted that the Port Neches area was depicted in livid red, the color designating peak death rates.

Then the NIOSH team found a newly published study by scientists at the University of North Carolina showing that in one synthetic rubber plant they had examined, workers were three to six times as likely to die of leukemia and related cancers as other classifications of workers elsewhere in the rubber industry.

With that ominous background material in hand, the NIOSH team descended on the Port Neches plant.

The team sought a history of the plant's operations, with a list of every chemical ever used in its production processes. Photographs of the operation were taken and all personnel records were microfilmed so that NIOSH could assemble a list of all past and present workers.

A long, arduous task then began: searching death certificate files, motor vehicle license records and other public files in Texas and Louisiana to find out who was living where and who had died of what. By comparing these data on workers with information on the company's operational history, the team hoped to expose a pattern showing an association between leukemia cases and specific job assignments.

The search for the offending chemical might then be narrowed to substances to which workers in the particular job category had been exposed.

Given the way chemicals are sometimes benign under one set of circumstances but toxic under different circumstances, or in combination with different substances, the task was enormous. But early in the chase NIOSH seemed to get a break.

From the beginning the team had wondered about benzene, a petroleum-based solvent closely associated with leukemia. It was nowhere to be seen on the list of chemicals that plant managers said had been used, but as they probed deeper the investigators made a discovery: the plant's supply of styrene, a major ingredient in synthetic rubber, contained impurities of as much as 1,000 parts per million of benzene and 7,000 parts per million of ethyl benzene.

The elation of the government sleuths was short-lived. Tests of the air at the Port Neches plant indicated that almost none of the styrene, or the benzene compounds it contained in microscopic amounts, was escaping into the air. If it was not in the air for workers to breathe, benzene was not a likely suspect.

Young, a member of the team, sighed with frustration. "There does not seem to be any rhyme or reason to these leukemia deaths," he said.

The search was resumed, and it continues. Records are examined more closely, chemicals are studied, scientific literature is searched for new evidence that a non-unsuspected chemical—or a chemical hidden as a contaminant inside one of the listed compounds—could be the culprit.

Perhaps tomorrow, perhaps next month the mystery will be solved.

Wins Acceptance Grudgingly—Health Agency Fights an Uphill Battle

(By Paul E. Steiger and Richard T. Cooper)

Washington.—At Rotary Club luncheons and country club bars, in trade group speeches and letters to Congress, businessmen like to describe the latest adventure with those time-wasting, rulebook-waving, profit-killing bureaucrats from the Occupational Safety and Health Administration.

There's the case, for example, of the West Texas sheet metal shop forced to post OSHA notices in both Spanish and English even though its lone Mexican-American worker could read only English. And the Denver tire maker who obediently added waist-high guard rails to a rolling press, then found they caused his workers severe back pains.

In the five years since Congress created it to guard the safety and health of American workers, OSHA has been denounced not just by businessmen but by conservative economists and such political figures as President Ford, former California Gov. Ronald Reagan and Sen. Edmund S. Muskie (D-Me.).

As James D. McKevitt of the National Federation of Independent Business puts it, corporate executives tend to "come out of their offices like biting sows" whenever OSHA is mentioned.

But is this picture fair? Is the agency in fact an intolerable and unnecessary intrusion into private enterprise?

A three-month Times investigation has found that, far from subjecting U.S. business to a blitzkreig of interference, OSHA has moved slowly, falteringly, often inadequately to meet the growing threat posed by modern industrial technology to workers and the larger society. What is significant about OSHA is not what it has done wrong but what it has not done at all.

Underfunded, ill-staffed, poorly led for most of its history, a neglected stepchild with more enemies than friends, it has made only the barest beginning on its task. As even some of the agency's fiercest critics now agree, the pressing question is not how to curb OSHA but how to make it effective.

Today, occupational accidents take the lives of at least 13,000 workers a year, inflict injuries that, measured merely in economic terms, cost more than 25 million workdays lost annually, and sow the seeds of such long-term health problems as heart disease, brain damage and cancer. And research increasingly suggests that the health hazards, at least, do not stop at the plant gate but seep out to touch families, neighborhoods, the towns and country around.

Moreover, the carnage has been taking an ominous turn for the worse. The occupational injury rate climbed from 12 time-loss injuries per million man-hours worked in 1960 to 15.2 such injuries in 1970, a rise of 27%. Since 1971, when the government installed a new statistical reporting system, injury rates have not improved and may even have gotten worse.

Comparable data do not exist for occupational health problems, but most analysts believe these rates also have been rising as a result of the proliferation of new industrial and agricultural chemicals.

Against dangers of this magnitude, the shield erected by OSHA thus far offers all the protection of a thatched roof against a hydrogen bomb.

The agency's total budget, at $116 million, is smaller than the $135 million proposed for the President's swine flu vaccination program alone. OSHA's inspection force is a relatively small 1,265 compared with its responsibility to monitor most of the nation's 5 million employers.

Where inspections have occurred, penalties often have been nonexistent or so small they have little deterrent effect.

Badgered from all sides and unsure of its support inside the Government, OSHA also has often lacked the strength to overcome business resistance to the expensive abatement programs needed where some major hazards exist.

Significantly, officials of the U.S. Chamber of Commerce, the National Assn. of Manufacturers, and even the National Federation of Independent Business, which represents the small businessmen who remain OSHA's most implacable foes, now acknowledge that much of the past criticism of the agency is no longer relevant. Also, there is general agreement among these groups that OSHA should be improved, not eliminated.

"Many corporations have faced up to their occupational health and safety obligations for the first time" as a result of the act (creating OSHA), G. John Tysse of NAM said.

Surveys show 80% of all businesses have changed their operations in some way as a result of OSHA—at an aggregate cost of $4 billion to $9 billion per year in a $1.5-trillion-a-year economy.

Most telling of all, perhaps, has been the evolution of views at the White House. Early this year, as part of a general attack on the concept of government regulation as an answer to social problems President Ford publicly sympathized with those he said "would like to throw OSHA into the ocean." A special task force was created to seek ways of abolishing or replacing the agency. Recently, after an exhaustive search, the task force gave up.

"We have discarded the idea that OSHA is expendable," said Paul MacAvoy, a top Ford economic adviser who headed the task force.

It is cumbersome and inefficient for government to draft and enforce detailed health and safety procedures across the whole spectrum of U.S. business, he said in a recent interview, but there is no visible alternative.

It is not feasible to rely entirely on the voluntary good intentions of business or the variable attitudes of state and local governments, MacAvoy has concluded. "There are activities in society that have to be regulated," he said, convinced OSHA can be streamlined but not eliminated.

Some of that streamlining has already begun. After a dismal childhood, OSHA seems finally to have an administrator who knows what needs to be done and, within the budgetary and other limits imposed on him, has set about doing it.

Morton Corn, a 42-year-old industrial hygiene specialist from the University of Pittsburgh, has begun weeding out unnecessary rules, giving OSHA inspectors some badly needed training, focusing manpower on the most serious problems and increasing emphasis on long-neglected health hazards. He also is beefing up OSHA's ability to handle emergencies and has pledged to accelerate the once-paralyzed system for setting industrial health and safety standards.

The Occupational Safety and Health Act of 1970 is one of the most sweeping pieces of social legislation in U.S. history.

Each employer is charged with a general duty to provide "employment and a place of employment which are free from recognized hazards that are causing or are likely to cause serious physical harm to his employes." Also, employers must obey a variety of specific regulations on chemical exposures, safety equipment and operating procedures that affect workers' well-being.

A part of the Labor Department, OSHA operates much like other governmental regulatory agencies.

Rules and standards are adopted after public hearings have been held and scientific advice received from the National Institute of Occupational Safety and Health. Enforcement is handled by compliance officers who inspect work places unannounced, sometimes on their own initiative and sometimes in response to workers' complaints.

Violations of OSHA rules may result in fines or citations, subject to appeal to an independent national Safety and Health Review Commission, or to the courts.

In 23 states and territories, including California, the 1970 act is implemented by state agencies operating under federal supervision. Such state plans must be at least as rigorous as the federal program and Washington shares the costs 50–50. While California's plan is considered strong, the number of state plans is dwindling, since they add to a state's financial burden. Organized labor has been campaigning for an all-federal OSHA.

Five years ago, as he signed the Occupational Safety and Health Act into law, President Richard M. Nixon praised it as "one of the most important pieces of legislation . . . ever passed by the Congress."

The bill, Nixon said, represented "the American system at its best: Democrats, Republicans, the House, the Senate, the White House, business, labor, all cooperating in a common goal—the saving of lives, the avoiding of injuries, making the place of work for 55 million Americans safer and more pleasant."

Unfortunately, the words were not matched by deeds. A meager ration of money and manpower were assigned to accomplish the new act's sweeping objectives.

Nixon named as OSHA administrator, George C. Guenther, a former hosiery executive who had served in the Pennsylvania government for two years before joining Nixon's Labor Department as a political appointee in 1969.

Head of a bureaucratic backwater then known as the Bureau of Labor Standards, Guenther had been responsible for administering several old, largely toothless federal safety laws. Now a potent new law was being put into his hands, but he showed little inclination to use it vigorously. In fact, there is evidence he was willing to hold back on OSHA enforcement to help Nixon win friends and political contributions in the business community.

In a confidential memo on June 14, 1972, Guenther promised to supply Nixon's campaign committee with details of OSHA's hiring plans so political operatives could suggest candidates for available slots. In addition, declaring "the great potential of OSHA as a sales point for fund-raising and general support by employers" had not been fully realized, Guenther asked for suggestions "on how to promote the advantages of four more years of properly managed OSHA for use in the campaign."

Guenther's memo, which surfaced during Watergate, convinced organized labor and others that the Nixon administration, despite the President's original words, actually wanted to sabotage OSHA. The result was a combative suspicion that still lingers.

Beyond Guenther's political dabbling, insiders and outsiders agree that overall management of the agency was less than ideal in the early years. Letters from businessmen, union officials, even congressmen went unanswered for weeks, sometimes months—hardly a way to win friends or promote understanding.

In the crucial office responsible for drafting the rules that business must follow, almost half the 80 staffers were supervisors of one sort or another, according to James Waldo, a recently departed OSHA official.

With so many chiefs and so few followers, work that should have been done was not done, Waldo contended. "There was no system for how a standard was supposed to move through the office, it passed all belief," he said recently.

Aside from preventing this frustration, an alert standards office might have saved OSHA from its greatest single blunder thus far, the wholesale adoption of so-called consensus standards.

The censensus standards were a collection of voluntary health and safety guidelines formulated over the years by business groups.

During the congressional debate on OSHA, industry lobbyists cited these standards as models of what the private section was already doing, and as evidence that no tough federal law was needed.

Congress passed the law and, hoping to please both labor and business by getting the agency off to a fast start without controversy, it authorized OSHA to adopt any of the consensus standards without the normal hearing and review procedure. Assuming, as Congress had, that business would not object to rules its own lobbyists had been praising, OSHA dutifully incorporated the consensus standards into its rulebook.

Standards easy to ignore when voluntary now had the force of law, and to make an embarrassing problem worse, OSHA officials found they could not expunge these nuisance rules without spending a year or more on hearings and related procedures. Meanwhile, the unnecessary, or ill-explained, standards remained in force, seldom cited by inspectors but still useful as propaganda for people interested in discrediting the entire OSHA system.

The performance of OSHA Administrator Corn in the last seven months has stirred enthusiasm inside the agency, as well as among business and labor leaders.

"He's like a breath of fresh air," an OSHA official in Pennsylvania volunteered recently. Labor leaders are similarly encouraged, and the National Federation of Independent Business' McKevitt said, "They're opening doors, inviting us in now. These guys have got their heads screwed on right."

Corn's efforts, thus far so cramped for money and manpower that they are significant chiefly as symbols, have been concentrated in two areas: increasing the agency's professional capability and dispelling the resentment and suspicion that has hampered OSHA from the beginning.

In the first area, Corn has doubled the manpower of OSHA's laboratory and plans to double it again, to 100 scientists and technicians by the end of 1977. An engineering group also is being planned as further backup for inspectors in the field.

Corn is trying to redress the balance between health and safety specialists in the compliance force, hiring hygienists where possible and launching a program to train 250 more from scratch. The goal: 1,000 health specialists making inspections by late 1977 to match the 1,000 safety experts now in the field.

At the same time, efforts are being made to give the safety inspectors at least a smattering of knowledge about health hazards so they can, in effect, increase the agency's peripheral vision.

A course in "comportment" will seek to teach all OSHA inspectors how to conduct themselves professionally under stressful circumstances, such as encounters with suspicious or hostile plant managers. Interestingly enough, however, a survey in his areas by Rep. Edward W. Pattison (D-N.Y.), a sometime OSHA critic, found that as a group, employers who had been inspected have a more favorable opinion of the agency than do employers who have not, and that in more than 95% of the cases, inspectors conducted themselves in accordance with proper OSHA procedures.

To reassure organized labor, which has criticized OSHA as severely for its inadequacies as business has for its aggravations, Corn has promised to act before the November election on certain long-pending and controversial health and safety standards. He also has revived the agency's National Advisory Council, where labor has a strong voice, and has acknowledged labor's charge that OSHA has focused on trivia while neglecting serious hazards.

At the same time, Corn has expressed sympathy with the business community's fears about possibly exorbitant costs of rapid compliance with some strict health or safety standards; he has suggested he wants the rules written for maximum worker protection but will be patient while industries phase themselves into compliance.

Equally important, Corn has supported efforts to have the government offer consultative services for businessmen, especially those in firms too small to afford their own safety and health specialists. Corn has insisted, however, that he would not permit consultation to become a substitute for tough enforcement, as union leaders have feared it might.

Desirable, even obvious as these steps may seem, they are no more than a beginning. OSHA today is very close to where it was five years, 65,000 deaths, 350 million injuries and countless illnesses ago.

JOLIET BUILDS ON PAST FOR FUTURE

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. O'BRIEN. Mr. Speaker, this Sunday the United States of America will be 200 years old. Americans all over this country will be celebrating the anniversary of this unique event, each playing his or her part in the national experience.

Unlike the centennial celebration, though, no single city will serve as the host for one exhibition. No, this time every city, town, and hamlet is getting into the act so that all citizens, not to mention foreign guests, can participate. How they will celebrate is a question with as many answers as there are people, I suppose. According to the Bicentennial Administration, there are plans for everything from a simple burst of fireworks to a space trip to Mars. And this is as it should be. The Bicentennial is a reaffirmation of our national heritage, our national goals, and people should be planning their activities with this theme in mind.

That is what has happened in my hometown of Joliet. There the people will mark the Bicentennial with the dedication of a new park, a park with roots in the past, yet aimed at improving the quality of life in our city for the future.

The Bicentennial Park is situated along the banks of the Des Plaines River at the original site of Joliet's first community. It was at this point, near the present Bluff Street, the Joliet's first settler, Charles Reed, landed. The Indian Trail he found evolved into the main street filled with shops and homes as the town mushroomed.

The area had deteriorated considerably by the 1960's when the Department of Housing and Urban Development entered the picture. Buying up much of the area, HUD financed low-income housing and a senior citizen residence through an urban renewal program, leaving only a small plot of open space along the waterway.

Proposals came and were forgotten until about 3 years ago. With the Bicentennial approaching, our local newspaper, the Joliet Herald-News, ran a survey to determine what city residents themselves wanted as a project. The overwhelming response came back: a park. The Bluff Street property, with its historical value and location on the waterfront, made it a logical choice.

Headed by Mrs. William Limacher, the Will-Joliet Bicentennial Committee set about working on ways to acquire the land from HUD and develop a multipurpose park on the site. They had their work cut out for them and negotiations dragged out over several months.

The turning point came in June of 1973 when Billie Limacher, John Whyte, then Mayor Maurice Berlinsky, and City Councilman Kenneth Pritz came to Washington. They met in my office with HUD officials, and Senators PERCY and STEVENSON. It was at that meeting that HUD fiinally endorsed the park project in principle and began work on the legalities of transferring the park property to the city. The climax came 3 months later when HUD signed over the land to Joliet.

Throughout it all, the committee, the park corporation, and a host of paid and volunteer workers poured their time and energies into the project. Thanks to fundraising chairman Louis Fish, people also poured their money into it.

The plans call for a year-round theater, a bandshell and natural amphitheater complex, and a lighted memorial fountain in honor of all Will County veterans who have served their country since 1776. When completed, the new park will truly be of, by, and for the people of Joliet and Will County. The people asked for it, they have worked for it, they are paying for it, and hopefully, they will enjoy it for generations to come.

The open green patch will enhance downtown Joliet and help revitalize it. The combination of low-cost entertainment and the park location near senior citizen and public housing will guarantee audiences. Furthermore, local theater groups will at last have a place to perform, where now they have none. Just having the park along the waterfront will no doubt be an added incentive to upgrade the water quality so that once again it can be used for recreation. The park will also serve an historical purpose by preserving an important landmark in our city's past and paying tribute to her heroes.

Overall, I believe the park fully embodies the Bicentennial motto, "A past to remember, a future to mold." I for one am proud to have had a part in this project and I look forward to taking part in the dedication this Sunday. But the credit for this project unquestionably belongs to all the wonderful people in Joliet who have worked so hard to make this park a reality, despite all adversity.

TRIBUTE TO GEORGE CACCAVALE—A MAN OF PEACE FELLED BY A WORLD OF VIOLENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BIAGGI. Mr. Speaker, on Tuesday, June 29, I endured one of the saddest moments of my life when I attended the funeral of one of my dearest and most beloved friends, George Caccavale. He died on the morning of Saturday June 26 at the age of 33, the victim of a ruthless and senseless murder.

George was a detective with the New York City Transit Police, and extended his law enforcement work into the private sector as a security officer in an effort to make his economic life more fullfilling. While serving in this capacity, George was delivering the daily cash needed by the business he protected early on the morning of Friday, June 25. He was ambushed by two bandits who ruthlessly mowed him down, pumping several gun blasts into his chest and leg, inflicting mortal wounds. He was rushed to a local hospital where valiant efforts were made to save his life. More than 100 pints of blood were donated, mostly by his fellow transit policemen, who came to the cause of their brother as is traditional throughout all police departments. These and other genuine and touching outpourings of human generosity extended to George Caccavale proved to be in vain as he succumbed to his wounds early on Saturday morning, June 26.

George's funeral was assisted by an honor guard comprised of his fellow transit police under the leadership of their able chief, Sanford Garelik, as well as other police contingents. The funeral was attended by police officers from adjoining counties and States, top officials from the New York City administration including John de Roos, senior executive officer of the New York Transit Authority, as well as George's many friends.

As I witnessed this tragic event, I paused to ponder exactly what it is about our society which breeds and permits such senseless acts of violence to occur. The kind of violence which could snuff out the life of a man while still in his prime. The kind of violence which ended the life of a man who loved and gave of himself to his fellow man during his entire life. The kind of violence which makes a proud wife and happy mother suddenly a grieving widow.

There may be no long and eloquent testimonials paid to the life of George Caccavale. The beauty of this man is best appreciated by those of us who were fortunate enough to have known him. He was a feeling soul, constantly giving of himself for others, always ready with a helping hand. His life was a testimonial to what this Nation and its people are all about. His was a life of commitment to ideals. George valued the very basics of life—love of family, love of friends, love of God, love of country. It can be said tragically that he gave more to life than he had an opportunity to receive.

George had pride in his work. He spent one-third of his young life as a member of the New York City Transit Police, achieving the rank of detective. By anyone's standards George Caccavale was an outstanding and dedicated policeman. As a former law enforcement officer, I have another special feeling about George's death.

It is a feeling of apprehension for all the men and women who represent authority as members of our law enforcement units. They are becoming the visible targets for the depraved elements in our society who can only speak the cowardly language of violence and bloodshed. Violent acts against figures of authority such as George Caccavale, and all law enforcement personnel who are doing their duties, are deplorable. A nation which does not adequately protect those it vests with the responsibility of enforcing its laws may ultimately be defenseless against the lawbreaking elements within it.

In times such as this when a great personal loss has been sustained, one is somehow left groping for answers, searching for reasons, hoping that our faith in our fellow man and in our God can be strong enough for us to endure. My thoughts and feelings remain with Nancy, his beloved wife and my very dear friend.

Nancy, who helped make George's life so meaningful and worthwhile now finds her own life made empty by his death. To his two young children, Carmine age 9, and 3-week-old Carla, I offer the hope that their lives will be modeled after the fine example left by their father. Young Carmine was so very proud of his father's work in the Transit Police. This was poignantly shown at George's funeral when Carmine wore his father's badge while bravely assisting his mother through the sombrous ordeal.

There was an additional element of tragic irony associated with George's death. On the very morning he died, George was to have been an usher in the wedding of my eldest daughter, Jacqueline. My family's association with George had been long and rewarding. He was like a son to me and a brother to my children. Despite the happiness of that day, all of us felt very empty and sad.

All of us who knew George Caccavale take some consolation from the fact that although his life was short, it was rich with love and feeling for his fellow man. We take solace knowing that we, his friends, are better people, having had his loyal friendship over the years. But it is extremely difficult for us to reconcile the senseless nature of George's death. Death is always a mystery, but it is especially perplexing when it is unexpected and comes to a man who had so much to live for. One of the beatitudes of Christ I consider to be appropriate, and it represents my fervent hope for George: "Blessed are the peacemakers for they shall be called the children of God."

CARRIE CHAPMAN CATT

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. HARKIN. Mr. Speaker, in the June issue of the Iowa Voter, published by the League of Women Voters of Iowa, appeared the following story about Carrie Chapman Catt. Carrie Chapman Catt, as I am sure we all know, was the founder of the League of Women Voters. However, there were many other items in this article which enlightened me about Ms. Catt and the position of the State of Iowa in the movement to gain equality for women.

After reading the second paragraph of the following story about the background of Iowa in the women's suffrage movement, it is then easy to understand that Iowa was one of the first States to ratify the equal rights amendment. I can also testify from my own background and involvement in Iowa affairs that Iowa women have been in the forefront of the fight to gain equal rights for women.

Iowa women are active in nearly every occupation and profession, and Iowa women have made their marks not only in the State of Iowa but nationally as well. I am truly proud of the role of Iowa women of the past, and equally proud of the role that Iowa women have today in making Iowa such a great State. My only wish is that the equal rights amendment be adopted and made a part of the Constitution within the next year.

Mr. Speaker, I insert this article into the Record.

Carrie Chapman Catt

(By Mary E. Palmer)

Carrie Chapman Catt was born Carrie Lane in Ripon, Wisconsin, on January 9, 1859. Her parents moved to northern Iowa when she was quite young. She graduated from Iowa State College of Agriculture in 1880, with a B.S. In quick succession, she was high school principal and superintendent of schools in Mason City, where she married journalist Leo Chapman in 1885. With him, she was editor of the Mason City, "Republican." At his death, the next year, she left Iowa and pursued journalism in California. In 1890, she married engineer George William Catt; returning to Iowa, she immediately began her work as lecturer and organizer for woman suffrage, founding the Iowa Woman Suffrage Association.

In her book, written with Nettie Rogers Shuler in 1923, Woman Suffrage and Politics, Mrs. Catt gives some Iowa background. Iowa, in passing woman suffrage, went through 50 years of delaying tactics, "buffeted about in the fight of the wets and drys for political control of Iowa." "It was in this state that the term 'stand pat', afterwards adopted nationally, was inaugurated."

"Iowa claimed the first woman dentist (1863) in the country, and also the first woman to be admitted to the bar (1871). Many women ministers . . . Granges, each being founded upon the principle of equality of sexes, was (sic) a centre of woman saffrage education among farmers . . . The first woman county superintendent of schools was elected in 1869. . . . Iowa was first to make women eligible for Recorder of Deeds, and the Legislature made women eligible to most State Boards and commissions. The Republican party of Iowa claimed to be the first to introduce the innovation of women campaign speakers."

In 1892, Mrs. Catt began working with the National American Woman Suffrage Association, and served as its President, following Susan B. Anthony, from 1900–1904 and again from 1915–1920. From 1904–1923, she was also president of the International Woman Suffrage Alliance. It was she who devised the "Winning Plan"—which was the first organization by precincts, and which worked on both state and national levels and within both political parties.

Eleanor Flexner, in Century of Struggle, says of Mrs. Catt that she was "a woman with tremendous potentialities as an organizer . . . It is no over-statement to say that Carrie Chapman Catt stands beside Miss Anthony and Mrs. Stanton in stature."

Catt instituted for the Suffrage organization "definite plans of work for local groups; state headquarters; study courses in, of all things, political science and economics; a manual of organization; a consistent membership system (something no one had ever bothered about); and soundly based national association finance (a goal not to be achieved for 20 years)." All these are hallmarks of the League of Women Voters of today.

Mrs. Catt founded the League of Women Voters in 1920, shortly before the Woman Suffrage Amendment was proclaimed on August 26, in order to educate those who were now enfranchised. (She also served as chairman of the National Committee on Cause and Cure of War, from 1925–1932).

In writing about her struggles for woman suffrage, she said.

"Twenty-six other countries gave the vote to their women while America delayed. Why? . . . control of public sentiment, the deflecting and the thwarting of public sentiment, through the trading and the trickery, the buying and the selling of American politics." and further,

"That evidence (the information in her book) tends to make clear, too, how slowly men as a whole retreated from the 'divine right of men to rule over women' idea, and how slowly women rose to assume their equal right with men to rule over both." Fifty-five years later, do we hear echoes from that past?

There are certain parallels between the efforts to gain ratification, in the final, crucial states, for Women Suffrage, and the current drive for ratification for ERA. Tricks, trade-offs, last minute reversals by supporters and opponents are familiar. Opponents then included women of means and social position, big business and Southern Democrats. Proponents then were using education, petitions, and lobbying to gain their goals.

We pay tribute to Iowan Carrie Chapman Catt for her leadership. We have women as deeply involved. Will we have to wait so long?

DEDICATION OF A MONUMENT TO PETER FRANCISCO

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. RODINO. Mr. Speaker, last Sunday, June 27, the Americans of Portuguese heritage who reside in my congressional district dedicated a monument to Peter Francisco, one of the giants of the American Revolution.

Peter Francisco was abandoned as a young boy in America in 1765. He grew to be a man of unusual height, strength, and bravery—and when war with England began, he enlisted in the Continental Army. His feats of arms and courage endeared him to his comrades, including General Washington who offered Francisco a commission. But Peter Francisco declined, claiming that because he could not read and write he was not qualified.

In one engagement, Guilford Courthouse in North Carolina, Peter Francisco was credited with killing 11 English soldiers. In this battle he received a severe wound, one of six he would suffer in the service of his country.

Mr. Speaker, Sunday's dedication ceremony was a moving one. It was organized by the Peter Francisco Memorial Committee of Newark and it completed a 10-year project to which many Americans of Portuguese heritage in the Ironbound section of Newark contributed their work and money. Funds for the project were raised by two Newark organizations, the Portuguese-American Scholarship Foundation and the Congress of Portuguese-Speaking People.

Unveiling the 12-foot obelisk was John W. Francisco of Ravena, N.Y., the great grandson of Peter Francisco. Also on the reviewing stand were Vasco Jardin, chairman of the Portuguese-American Scholarship Foundation and president of the Peter Francisco Memorial Committee and Manuel Rosa and Mario Teixeira of Newark.

I was privileged to be a participant in this important ceremony and I insert my remarks to be included in the appendix of the Record:

Dedication of a Monument to Peter Francisco

I am honored to be a part of this impressive ceremony, and greatly pleased that one of our most deserving American patriots is to be commemorated forever in this park dedicated 10 years ago by people of Portuguese ancestry.

Peter Francisco was blessed with great courage, strength and stature, so much so that he was called Washington's "one man regiment." But the qualities that have made him a truly heroic figure in our history—were his love of liberty, his willingness to sacrifice and suffer and labor in the cause of freedom.

This beautiful monument stands not just for Peter Francisco, the Portuguese youth who was abandoned on a Virginia dock—it stands for those countless men and women everywhere who, like Peter Francisco, placed everything they owned—even their lives—on the altar of freedom.

This monument symbolizes even more significantly, one other great truth that is essential to an understanding of America. It is that this nation, whether in 1776 or 1976, is what people with a dream, an unshakable belief in their own destiny, have made it. People from every land on earth, of every race and nationality and religion and culture, have given the best that was in them to build a society and a country which are unique in the annals of man.

So when we speak of America, we are speaking of this wonderful diversity that has brought about unity; we are speaking of sacrifice that has brought about opportunity.

Peter Francisco personified what Thomas Paine meant when in the first year of our republic he wrote: "Those who expect to reap the blessings of freedom must . . . undergo the fatigue of supporting it."

Peter Francisco underwent that fatigue, to guarantee this nation the blessings of freedom. And we, today, can serve his memory by pledging to do the same.

Like him we must have a passionate love of freedom, we must serve our country and its ideals with integrity and honesty and with devotion. Like him we must bear the burdens of our struggle bravely and proudly. In this way we can help realize its goodness and greatness.

For whatever our separate heritages—Spanish, Portuguese, Irish, Italian, Jewish, Polish, German—we are, like Peter Francisco, Americans—and we have a special obligation and duty that none of us can ignore.

You know in 200 years we in America have proved that free men and women can make self-government work. The great task before us now is to prove that free men and women can make self-government endure.

But it is the character of our people that will enable us to meet this test. And it is their unique sense of humanity, brotherhood and fairness that will keep alive the great principles of liberty, justice and equality which Peter Francisco and so many other Americans fought to protect and preserve.

Just the other day, my friend Mrs. Rodrigues, the Vice President of the Committee that made this monument possible said: "I've traveled outside the United States, and whenever I come back and they tell me at the airport, 'welcome home,' I tell them, 'You better believe it. There's no place like America."

And then Mrs. Rodrigues said: "I just hope we appreciate it."

I'll tell you, it is because of people like Mrs. Rodigues that we do appreciate America in this bicentennial year. It is because of people like all of you and the man to whom this monument is dedicated that America is good and strong, that our precious freedoms are safe and secure.

And today, those immortal words, "We the people . . ." that begin the Declaration of Independence, ring out as true as they did two centuries ago, proclaiming that we are one, united in our conviction that all people should be free, to enjoy life, liberty and the pursuit of happiness.

ST. CROIX HEYLIGER FAMILY'S DESCENDANT IMPORTANT PART OF OUR AMERICAN HERITAGE

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. DE LUGO. Mr. Speaker, on the eve of America's Bicentennial, an historic document written by the descendant of a locally prominent St. Croix family to the American Continental Congress has been discovered by a Virgin Islands historian.

In this 1776 letter to the Continental Congress, John Heyliger, a wealthy planter on St. Croix and a leading merchant with important commercial ties with North America, expressed the same strong support for the independence of the newly born nation as his descendants and indeed all our citizens of the U.S. Virgin Islands are doing 200 years later.

We Virgin Islanders will celebrate the Bicentennial this weekend with a renewed sense of pride and dedication to the ideals which have made these United States the epitome of democratic freedom throughout the world. The significance of Heyliger's correspondence to our Founding Fathers reemphasizes the important role the Virgin Islands played in the early development of our country. We who are proud to be part of the United States of America today are also honored to claim the unusual distinction of having contributed to the American Revolutionary cause even while the flag of Denmark flew over our islands. We humbly boast that one of our forefathers penned such prophetic words of encouragement and support to the future American nation.

With your permission, I am inserting into the RECORD a press release relative to the Heyliger letter from the Virgin Islands Resources Foundation. The publication of his letter will mark the completion of one phase of the foundation's Caribbean Bicentennial program. With a sense of history I am honored to share this document with my colleagues as another part of our American heritage.

The press release follows:

ISLAND RESOURCES FOUNDATION: PRESS RELEASE

An invaluable historical document of hemispheric signifiance has been discovered on the eve of the American Bicentennial by a Virgin Islands historian. The document, written as a letter by John Heyliger of the locally prominent Cruzan family to the American Continental Congress in September of 1776, is an outstanding example of West Indian zeal and enthusiasm for the American revolutionary cause.

In the opinion of historian George F. Tyson, Jr. of the Island Resources Foundation, who has been studying and collecting manuscript materials in American, European, and West Indian archives for nearly a decade, the recently discovered Heyliger letter represents one of the strongest West Indian expressions of support for the American cause uncovered to date.

In his September 1776 letter to the Continental Congress, Heyliger expresses his "Zeal and Ardor . . . for the glorious Cause of Liberty and Justice in which you are embarked," and sends the Americans his "ardent Wishes for your Prosperity and Success in your present laudable Struggle against Tyranny and Oppression, and that your happy Country . . . may be in all future Ages, an Asylum and Sanctuary for the Sons of Want and Oppression of all Nations."

At the time Heyliger was penning these prophetic words concerning the future American nation, he was head of a prominent Cruzan family which had come to the Danish West Indies from St. Eustatius. He was perhaps the richest planter in St. Croix, as well as a leading merchant with considerable commercial connections in North America. Decendents of the Heyliger Family continue to reside in the former Danish, now American, Virgin Islands two hundred years after the letter written by their freedom loving ancestor was sent to the Continental Congress.

In announcing the discovery of the Heyliger letter, Island Resources Foundation historian George Tyson further stated that this letter would soon be published by the Foundation in commemoration of the American Bicentennial and as a part of a Foundation effort to reproduce documents from the eighteenth century which authenticate Virgin Islands involvement in the events of the American Revolutionary era.

Publication of the documents booklet will mark completion of another phase of the Foundation's larger Caribbean Bicentennial Program. To date, this regional effort has been supported by the American Revolution Bicentennial Administration, the National Historical Publications and Records Commission, the Virgin Islands Bicentennial Commission, the National Trust for Historic Preservation, among others.

Release of the documents publication, including the Heyliger letter, will be announced at a later date. For further information, interested individuals may contact the Foundation at its Red Hook, St. Thomas headquarters.

AIRPORT AND AIRWAY DEVELOPMENT ACT AMENDMENTS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. YOUNG of Alaska. Mr. Speaker, I would like to state for the record my staunch support of the conference report to H.R. 9771, the Airport and Airway Development Act Amendments of 1976.

While I recognize the importance of this bill to the Nation as a whole, I would like to point out its absolute crucial importance to the State of Alaska. Because of its size, climate, and geography, Alaska is unique among the 50 States in its dependence on the aviation industry. Alaska has more planes per capita than any State in the Union. Indeed, the small private plane has become over the years the "taxi" of Alaska.

Additionally, planes of all shapes and sizes are sometimes the only contact with the outside world for many of Alaska's remote towns and villages. In the winter months, when shipping becomes impossible for most parts of the State, it is the air industry and the people who make it work which provide Alaska with the necessary supplies to keep going. In short, the aviation industry is not only historically and traditionally important to the 49th State—it is one of the most critical and important lifelines to Alaska's well-being.

For this reason, airport construction and improvements are an absolute necessity to my State and its people.

The conference report on H.R. 9771 seeks to provide adequate funding for these airports in the form of construction and development grants and through the enplanement formula which will provide improvement funding for all airports, regardless of their size.

Alaska stands to benefit greatly from this bill, and that's as it should be. For without the necessary funding authorized in this report, the improvements which keep Alaska's small village airports operational year round would be impossible.

This authorization bill provides up to $3.3 million in needed airport construction and development funds for Alaska.

It also authorizes up to $18 million, based on a much improved enplanement formula, to be distributed over a period of time to each of Alaska's airports. From the large international airports at Anchorage and Fairbanks to the small village airports from Akhiok to Zachar Bay.

Few measures will do as much for the well-being of Alaska as this one. For this reason, I thank my colleagues for their overwhelming support of the conference report to H.R. 9771.

ANNOUNCEMENT OF HEARINGS ON EQUAL OPPORTUNITY IN RURAL HOUSING PROGRAMS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. EDWARDS of California. Mr. Speaker, I wish to announce that the Subcommittee on Civil and Constitutional Rights of the Committee on the Judiciary will hold 3 days of public hearings on civil rights enforcement in the rural housing programs of the Farmers Home Administration—FmHA. The scheduled hearing days are July 20, 22, and 23.

The subcommittee has recently become aware of allegations that certain FmHA-financed housing projects are being operated on a racially segregated basis. Those allegations further assert that the predominantly black-occupied units are maintained far below the standards of the white-occupied units.

In view of these most disturbing and serious charges, the subcommittee is convening these hearings to investigate the adequacy of the Department of Agriculture's fair housing enforcement program. FmHA is an agency within the Department of Agriculture.

The subcommittee's hearings will also seek explanations as to why minorities fall far short of receiving FmHA housing grants and loans in proportion to their need. Although minorities occupy almost 30 percent of the rural substandard housing in this country, in fiscal year 1975, they received only 10 percent of the FmHA housing loan dollars.

The hearings, which will include testimony from representatives of the Department of Agriculture, Florida Rural Legal Services, the Rural Housing Alliance, and the Housing Assistance Council will commence on each day at 9:30 a.m. Hearing room locations will be announced at a later time.

DEATH SQUADS IN ARGENTINA GO UNCHECKED

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. DRINAN. Mr. Speaker, I wish to draw to the attention of my colleagues the deteriorating situation in Argentina. In recent months, right-wing "death squads" have been murdering and terrorizing supposed leftists, particularly refugees from the right-wing governments of Chile and Uruguay, with increasing impunity. The Argentine Government appears to be either unwilling or unable to prevent these well-armed and well-organized "death squads" from carrying out their escalating campaign of terror.

A graphic example of the activities of the death squads occurred on June 12, when the terrorists kidnapped 25 refugees—23 from Chile and one each from Paraguay and Uruguay—held them for 24 hours, tortured them, and threatened them with death unless they left Argentina. These threats did not lack credibility; since the coup d'etat which installed Argentina's present military government on March 24, scores of individuals have been murdered in the most brutal fashion by the right-wing death squads.

The Argentine Government appears to be more intent on suppressing news reports of the kidnappings and assassinations than on stopping the crimes themselves. Recent directives to the press have resulted in a total news blackout on the activities of the terrorists.

The International Security Assistance and Arms Export Control Act of 1976, as reported by the House-Senate Conference Committee, amends the Foreign Assistance Act of 1961 to establish in the Department of State a Coordinator for Human Rights and Humanitarian Affairs to provide the Secretary and the President with information on violations of individual rights in nations which receive miltary assistance from the United States. The act also empowers Congress, by joint resolution, to limit or terminate military assistance to any nation whose government engages in a consistent pattern of gross violations of fundamental human rights. I trust that both the Administration and the Congress will communicate to the Argentine Government our Nation's deep concern over the denial of the basic rights of people living in Argentina and our determination to reexamine military assistance if the situation does not improve.

Pending such action, I strongly support House Congressional Resolution 656, of which I am a cosponsor. This resolution, introduced by Mr. KOCH of New York, and Mr. FRASER of Minnesota, expresses the sense of Congress that the Attorney General, in accordance with American law and humanitarian tradition, should parole into the United States those South American refugees in Argentina who are in danger of losing their lives because of the political beliefs.

I append two accounts of the deteriorating situation in Argentina; the first is a description of the recent activities of the right-wing death squads which appeared in the New York Times on June 13; the second is an article by Robert Cox from the May 6 edition of the Washington Post describing the official censorship of all information concerning the death squads:

ARGENTINES FREE 25 LATIN EXILES—REFUGEES SEIZED IN RAID ON HOTEL TELL OF TORTURE

BUENOS AIRES, ARGENTINA.—All 25 refugees from right-wing Latin American regimes who were abducted yesterday from two hotels were released today, United Nations officials said. Some had broken ribs and all had bruises.

The refugees, 23 Chileans and one each from Paraguay and Uruguay, said they had been tortured by their unidentified captors and given 48 hours to leave the country.

It was originally reported that 26 persons were seized.

This was the latest incident in a series of abductions and murders of foreigners seeking asylum here.

The refugees were taken from hotels yesterday morning. They said they were blindfolded and had no idea where they had been kept during their 24 hours of captivity.

They were dropped off from trucks around the city at about 4 A.M. and left to find their way home. Some were unable to walk because of their injuries.

PROMISE OF INVESTIGATION

A statement by a spokesman for the United Nations High Commissioner for Refugees said the Argentine Government had assured the office that the action was not "an irregular operation of any sort by the armed forces, police and security agencies." It said the government promised to investigate.

A wave of deep anxiety spread through the refugee community because of the continuing persecution of refugees.

The Jornal do Brasil, a Rio de Janiero newspaper, called for the United Nations to find a way to stop such incidents.

"Learning the political identity of the kidnapers is of little importance; it is enough to define them as a band of murderers," the paper said.

"We're desperate. Our situation is very difficult and very dangerous," said a Uruguayan woman who would identify herself only as Maria, one of an estimated 25,000 Latin American refugees in Argentina.

She was in one of two specially rented hotels that were raided early yesterday by about 30 armed men. She said they shouted "Police, police," rousing tenants from their beds and demanding that they get dressed within one minute.

The raiders, who showed no credentials, roughed up some refugees, smashed belongings and furniture, stole money and documents and then led away the refugees, the woman said.

Maria and other witnesses said the abductors acted unhurriedly, apparently unconcerned that there was a police station only a half-block from one of the hotels.

LINKED TO POLICEMEN

They used the same kind of automobiles, Ford Falcons, employed by mysterious right-wing death squads that have killed scores of Argentines and foreign political exiles in recent months. Law-enforcement agencies here also use the Falcons, and some officials have said privately that policemen may be involved.

Just two days earlier, gunmen driving Falcons broke into a refugee office and stole lists of names and addresses for perhaps as many as 8,000 refugees.

The military government, which deposed President Isabel Martinez Perón on March 4, has promised to prevent such terrorism, but it still continues at a brisk pace. Among the murder victims were former President Juan Jose Torres of Bolivia and two former members of the Uruguayan parliament.

After the theft of the refugee records, the Government issued a statement saying some foreigners without proper refugee status were endangering national security in Argentina. It asked other nations to open their doors to them.

Seventeen refugees who were picked up earlier by police officers were deported to Venezuela on Thursday. Authorities said they were a threat to public order.

Censor's Hand Hides Violence in Argentina

(By Robert Cox)

Buenos Aires.—A little more than a month after the military coup that overthrew President Isabel Peron, a stifling blanket of censorship has descended upon Argentina.

Allied with an official policy of silence over major issues, it has had the effect of masking from the people—and perhaps even from the government—the grim reality of the problems that the country faces.

Since April 22, the media have been prohibited from reporting, mentioning or commenting on political violence unless the events published are issued by the government or security services.

The ban was imposed after reporters had noted what they feared was an unofficial coverup of the discovery of the bodies of victims of politically motivated murder squads. Police sources reported the finding of 23 bodies that bore the hallmarks of brutal assassinations. Some of the bodies, the sources said, had been burned to make identification difficult and some bore indications that they had been tortured.

There were no reports in the Argentine press of these grisly findings—commonplace in Argentina where political violence is currently claiming an average of five lives a day. Editors had been warned that they could publish only reports issued by official spokesmen.

The discovery of four more bodies in a Buenos Aires suburb on April 20 was reported by firemen. That news was published, but it was the last such report to appear in the Argentine press.

The official ban that followed was reported by several newspapers, including La Prensa, whose readers were told in a front-page box that because of the government stricture, the paper would carry no more reports of this nature. Since then, the Argentine press has only carried official reports on terrorist incidents.

Information about incidents that have been witnessed by large numbers of people, like the daylight slaying late last month of two guerrilla suspects in central Buenos Aires has been released to the press only after considerable delay. Many clashes between terrorists and security forces, as well as the finding of bodies and reports of suspected kidnapings have not been reported at all.

Before the military took over, most Argentine newspapers looked upon the rising tide of political violence as a major issue. Some published weekly lists of the victims in an attempt to arouse the nation's conscience and force the government to take more vigorous action. Newspapers viewed with particular concern the apparent immunity of rightist terrorists, who invariably masqueraded as police in carrying out brutal mass murders of suspected leftists.

Heriberto Kahn of La Opinion, who led a crusade to uncover the persons behind a sinister organization of "death squads" called the Argentine Anticommunist Alliance, raised the issue again after the coup. Before the coup he ignored several threats on his life, but now he appears to have been silenced by the censorship.

The press secretariat, recently renamed the public information secretariat, was unhappy when the ban on publishing news about political violence was revealed to the public.

The objective seems to be to give Argentines the impression that violence has abated, but several newspapers insisted on a written communique, instead of a telephoned verbal instruction, and then printed it.

It read: "It is forbidden to report, comment or make reference to subjects related to subversive incidents, the appearance of bodies and the deaths of subversive elements and/or members of the security forces unless these are announced by a responsible official source."

A second paragraph, apparently an afterthought, stated: "This includes kidnappings and disappearances."

The secretariat is run by navy officers who insist that the measure is not censorship but "security." A spokesman said the country is at war and that the government has every right to take measures to prevent guerrillas from using the media for propaganda purposes.

To the military, the ban is simply a tactic of war, but weeks before it was imposed the Argentine press was already chafing under restrictions. A leading journalist complained that the press is subject to "prior censorship self-censorship and post-censorship."

He said that reporters had been told that it would be a good idea if their copy could be checked beforehand by the press secretariat, which has also issued instructions to the media to ask for specific authorization if in doubt as to whether any item transgresses a 16-point guide on principles governing the press issued after meetings with news executives.

Then, he claimed, reporters were subject to "self-censorship," with editors spiking copy simply because they "felt" it might offend the government.

After this comes the analysis of the contents of all newspapers by intelligence officers. Offending passages—sometimes even the use of specific words—are then pointed out to those responsible. Five provincial newspapers have been temporarily suspended for periods of up to a week for transgressions.

The result has been to leave newspapers with very little news—and piles of unsold copies on the news stands. Official information on delicate issues—like the number of political prisoners, the conditions under which they are being held, and the health of Mrs. Peron, who is under custody in a lakeside mansion in a southern mountain resort—is nonexistent.

The impression that newsmen receive from the military is that if the political prisoners, Mrs. Peron and political violence are not mentioned, people will forget about them, and these and other matters will dissolve with time.

The major objective of the armed forces appears to be to "re-educate" Argentina, and the press seems to be first in line.

TIMELY MESSAGE

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. HUBBARD. Mr. Speaker, on Sunday, May 2, 1976, I had the privilege of hearing a tremendous message delivered by Dr. Wayne Dehoney, pastor of Walnut Street Baptist Church, Louisville, Ky., in the morning worship service of that church. Dr. Dehoney is a former president of the Southern Baptist Convention.

In speaking to the congregation of that historic downtown church following Dr. Dehoney's message, I indicated that because his message was timely, an inspiration to me, and one which I wanted to share with my colleagues in the House of Representatives, I would include it in the near future in the Congressional Record.

I am including a portion of that message as follows:

> Someone brought me a pamphlet entitled, "Inflation Survival Letter," which predicted that inevitable chaos, confusion, crime and disorder are bound to come upon us in the next few years. The letter gave the following advice as to how to prepare for this chaos: (1) Money will become absolutely worthless; buy gold. (2) Gather up at least a year's supply of food. (3) Buy property in some isolated area and build yourself a retreat. (4) Equip yourself with the arms you need.
>
> A group of scientists, headed by Dr. Reid Bryson of the University of Wisconsin, were commissioned by the government to study the world situation. A summary of the report: We face economic and political upheaval almost beyond comprehension in the next few years. The chaos, politically, will be unbelievable. The greatest threat would not be external invasion, but internal disruption by terrorists.
>
> ### GUIDELINES
>
> First of all, man will survive. God made man in His own image for Himself for a purposeful end and God is moving humanity toward that purposeful end. It is God's purpose to allow man the opportunity to redeem himself, to be brought into sonship with God and eternal life with Him. God's purpose in history will be fulfilled. That is first.
>
> Second, this does not say that all shall be well. We find cycles in history, as we find cycles in our own human lives, as the events and circumstances of life change.
>
> Third, while man will survive, this does not necessarily mean America will survive, or any nation will survive, or political system, or economic system.
>
> Fourth, in the uncertainty of tomorrow, the issue is not really physical survival. Physical survival, in itself, is not the end of life. The measure of life is not whether I can survive physically; but, in my survival, I have something worth living for—some quality, some character, some principle, some spiritual value, something that makes survival meaningful and worthwhile.
>
> We have found in Jesus Christ a thesis for survival that makes life eternally significant. We can face the future unafraid if we have this faith. It is our responsibility to share this glorious life that is in Christ.

A LESSON IN HISTORY

Where are we as a nation as we observe our 200th anniversary? Are we still ascending? Are we declining?

Look at Judges 2:1–15. Israel had been brought out of Egypt. God delivered them, and in this process he gave them an identity, a national purpose. Across the Jordan River they found themselves established as a great nation.

Is there any parallel with us today? Out of the bondages of Europe they came to find religious freedom. Out of the economic tyranny of that system, they came to this land of promise. And here they established a nation built on God, these people that called themselves the Americans.

Written in our very Constitution and Bill of Rights, and in the speeches and the acts of the founders of this nation, was this deep religious conviction that we belong to God—that God has a purpose, that God has established us, that God brought us here. We can say, as the Children of Israel did, God brought us out of bondage; God brought us to this place.

Then comes a second cycle. Israel is now established and Joshua let the people go, every man unto his own inheritance to possess the land. It was a period of individualism, of freedom and liberty.

Is there any parallel? Of course, we won this land and then came economic prosperity. We have built in this freedom the greatest nation the world has ever seen.

In the third phase, Joshua died and also all of that generation. There arose another generation after them, which knew not the Lord, nor yet the works which he had done in Israel.

Note the third phase. As the generation that had built and established the nation died, there came a generation that knew not the Lord, a spiritually illiterate generation.

Does that strike a parallel? Today, we are a spiritually illiterate generation, a generation that knows not the purpose of God in history.

THE CONSEQUENCES

What happened as a spiritually illiterate generation came up that knew not the Lord?

First of all, the spiritual illiteracy of that generation robbed the nation of its leadership. Why?

What is the basic drive of the human being? It's egocentric life—me, myself, what I want, what is mine for myself.

Now, what is leadership? Leadership is saying: I give myself, I pour out myself in the political field, for the humanitarian cause because something has changed the nature inside me.

The lack of this motivation is revealed in the word non-involvement. It is the ultimate end of the egocentric life unchanged by Christ. No one wants to get involved in anything.

Do we face that today? Where are the great statesmen? Where are the self-effacing persons who say: "I am out for the cause of freedom, for the cause of liberty, for the cause of rightness. I will sacrifice everything I have for the cause of building great institutions that stabilize society." Where are they today? A spiritually illiterate generation cannot produce them because there is no spiritual motivation for it.

The second thing that happened was they followed after other gods. An idol is anything that consumes the first place in your life. It could be your business, your home, recreation, sex or whatever says this is what I am living for.

Today, we have the gods of materialism and sex.

The third thing that happened was the pagan culture conquered Israel. If we follow after the false gods, then those false gods will get us and possess us. They don't belong to us, we will belong to them.

What are the alternatives or results of that, socially and politically?

Socially, it is crime and chaos. If things are the end in life, then people don't count. A man does not count; an individual does not count; a life does not count.

And the political end of this? It is either of two directions, communism or military dictatorship. Communism says man is just a thing. He is to be used. There is no God—no spiritual values of life. A military dictatorship, to control society, again says man is just a thing to be used, expendable on the front. Put him in the military and kill him, as many as need be to maintain our position.

This world today is rapidly going toward military dictatorships—ruthless, cruel, harsh—or going toward communism in the other direction. What is going on in Angola? In Africa? In Western Europe? In Italy? Someone has said it looks like democracy itself is an endangered species.

This is the logical end of a spiritually illiterate generation that knows not the principle and truths and spiritual foundations that gave us what we have.

THE HOPE AND CURE

How do we come out of this?

The word of God, the Bible, tells us how we ought to live, how we are to relate to people.

Survival itself is at stake, as to how well we get involved, everyone of us, in teaching, learning, studying the word of God.

The church must teach the word of God. We must teach everybody in this generation—not just your children and mine—but this whole society today. If this is where we are headed, we must somehow reverse this generation that knows not God. We have got to make them know about God, and to accept Jesus as Saviour. The word of God, the Bible, tells you how you ought to live, what you ought to do, what are the guidelines for daily living, how we are to relate to people. The church must say, "We are teaching the word of God."

Now, I believe by the grace of God He has given us the means that we might turn this nation around. On its 200th anniversary something great can happen, and we can see America not going downhill, but going upward to even greater heights as a people.

TERRORIST SUPPORTERS CHEER PALESTINE LIBERATION ORGANIZATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. McDONALD. Mr. Speaker, in a continuing campaign to create a militant support apparatus in the streets of the United States for the Palestine Liberation Organization—PLO—a transnationally active terrorist group backed by the Soviet Union and its satellites, while more sophisticated support campaigns are implemented elsewhere, some 250 PLO supporters marched and rallied in New York City on June 13, 1976, protesting the salute to Israel parade.

The PLO's street supporters were a miscellaneous collection representing a score of proterrorist revolutionary and fanatic groups active in the United States who came together in an umbrella group, the Palestine Action Coalition, headed by Sheila Ryan, an old Weatherman SDS associate, friend of "resolutionary Cuba," and propagandist for the PLO. Material on her career and new organization, the Palestine Solidarity Committee, have appeared previously in my reports of May 4, 1976, pages 12526–28 and May 25, 1976, pages 15460–61. Ms. Ryan's Palestine Solidarity Committee and the Palestine Action Coalition share the same post office box mailing address, P.O. Box 1757, Manhattanville, Station, New York, N.Y. 10027.

The PLO support coalition includes:

Arab Student Club of Columbia University.

Black Panther Party (East Coast).

El Comite-MINIP, a Puerto Rican revolutionary group.

Eritreans for Liberation in North America, a support group for the guerrilla Eritrean Popular Liberation Front.

Friends of Haiti, a chapter of the Liberation Support Movement. *The Guardian*.

International Indian Treaty Council of the American Indian Movement.

Irish Republican Clubs of the USA and Canada, North American arm of the Moscow-supported Marxist-Leninist Official IRA.

Liberation Support Movement, active in Canada and the U.S. in support of African and Caribbean terrorist movements.

Palestine Information Committee; Palestine Red Crescent Society; and Palestine Women's Union, all fronts for the PLO active within the U.S.

Palestine Solidarity Committee, Ryan's own project.

Prairie Fire Organizing Committee, avowed arm of the Weather Underground.

Puerto Rican Socialist Party, a Castroite communist party which supports, if not directs, the FALN terrorists.

Socialist Workers Party, the principal Trotskyist Communist party in the U.S., the U.S. section of the Fourth International which continues to support terrorism in foreign countries and which contains members which advocate the immediate implementation of Terror tactics here.

Union of Democratic Filipinos (Katipunan ng mga Demokratikong Pilipino), U.S. supporters of the Maoist New People's Army guerrillas in the Philippines.

Yemeni Emigre Club.

War Tax Resistance, an offshoot of the militant revolutionary pacifist organization, the War Resisters League.

Venceremos Brigade, a project of the Cuban Directoria General de Intelligencia, Castro's KGB subsidiary.

Young Socialist Alliance, the Socialist Workers Party youth group.

Partido Communista Dominicana, the Dominican Communist Party active among citizens of the Dominican Republic in the New York area as well as in its own country. The PCD, is the Soviet bloc's officially recognized communist organization in the Dominican Republic. The PCD adopted Castroite politics and tactics nearly ten years ago, and in the U.S. its members work closely with the Puerto Rican Socialist Party, the Venceremos Brigade and other Castroite groups.

It is interesting to note that among the most frenetically busy members of the July 4 Coalition executive board in organizing demonstrations against the Bicentennial is Chiqui Vicioso. The PSP-dominated July 4 Coalition lists Vicioso's affiliations as United Methodist Office at the United Nations and Dominican Republic Task Force. However, the J4C and PSP organizers are also aware that Vicioso is a New York City area Dominican Communist Party activist and represents PCD interests on the J4C board.

The PLO's counterdemonstrators assembled shortly after 11 a.m. at the Exxon Building at Sixth Avenue and 50th Street. After the rally was opened, Sheila Ryan gave greetings to "the spy for Representative LARRY McDONALD in the audience." Actually, since the PLO and its creatures are of great interest, I had several friends with her group. This report is based upon their several accounts of the events.

Ms. Ryan paraphrased the coalition's call for the rally, denouncing the Salute to Israel Parade as "a salute to racism," because the Soviet and Third World-dominated United Nations "has condemned Zionism, which is the basis of the Israeli state, as a form of racism." The pro-Israel parade was termed "a salute to repression," on the grounds that "Israeli soldiers are murdering Palestinians demonstrating against occupation and discrimination in the West Bank and Galilee."

There is no question that there are legitimate demands of the Palestinians that have not been met by the Israeli Government. A solution to the Middle East problem must include some form of recognition of the rights and needs of the people of Palestine.

The terrorist PLO with its logistical support from the Communist dictatorship and its use of terrorism against innocent civilians actually hinders the work to solve the Palestinian problem.

Said Ryan:

> If there is a transnational terrorism, it's the people in Washington who send napalm and guns to be used against the Palestinian people.

Ryan maintained silence as to the Arab governments who kept the Palestinian refugees cooped up in camps during the 1950's and 1960's, who fed them with hatred and propaganda and used them as political pawns and weapons, nor did she mention the Soviet Union whose KGB in the late 1960's found that even uncontrolled terrorism, disruption, and violence can be useful to its programs of subversion of the Middle East.

One of the speakers, identified only as Marion, spoke on behalf of the Jewish contingent in Ryan's "Salute to the PLO" counterdemonstration. Obviously ashamed to be seen in such company, she was reluctant to use her full name. My friend in the Jewish contingent identified her as Marion Feinberg.

Taking refuge in strict Marxist-Leninist theory, in this case "proletarian internationalism," she pushed a wide variety of issues into one great big Marxist "ball of wax," by denouncing Zionism for having "alined the Jewish people with the imperialists and the world's most reactionary, racist, and anti-Semitic forces—Vorster of South Africa, the Phalange in Lebanon, Nixon and his cohorts, the Chilean juntas."

Other rally participants included the aging Stalinoid songstress Barbara Dane, who sang; a speech in Spanish by a representative of the militant Community Coalition To Save Hostos College; and a representative of the Arab Student Club at Columbia University, who addressed the crowd in Arabic.

From the Exxon Building, the Palestine Action Coalition marched to the South African Airlines offices, thence to the World Zionist Organization on Park Avenue, and ended with a brief rally at Hunter College, closed as a result of a New York State and City economy measure. The terrorist support contingent then dispersed to the subways, to the streets, and to coffee shops and restaurants to go over the day's successes and plan further actions.

PASSPORT CHANGE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

ONE MAN BLOCKS PASSPORT CHANGE

(By Lucia Mouat)

Every familiar-looking passport that Americans carry abroad bears a personal touch—the picture inside is affixed by hand with glue pots and electric irons.

Quaint and old-fashioned? Maybe . . . But the U.S. Passport Office here thinks it is an efficiency nightmare, along with the special machines still used to stamp names, addresses, and other data.

The Passport Office wants to streamline the whole procedure, laminate the photo inside the cover to prevent tampering, reduce the size of the passport for convenience, and do away with the stamping machines (not being made anymore) in favor of high-speed computers which work three times faster . . . and, passport officials say, would save U.S. taxpayers $1.3 million a year.

But Rep. Wayne L. Hays (D) of Ohio does not agree. There is much speculation in Washington as to exactly why—but he has succeeded in cutting off the funds needed for the changes for at least a year in a move still causing controversy here.

The Passport Office, headed by peppery Frances Knight, plans to make some changes in January anyway: a bicentennial issue with navy blue vinyl cover, bicentennial seal, and silver rather than the usual gold lettering. But this special passport has no connection with the new proposal, officially called the Travel Document and Issuance System (TDIS), says Miss Knight.

TDIS has "100 percent no dissents except for Hays" in Congress, claims Miss Knight. It has the public support of the State Department, the Office of Management and Budget (OMB), the passport expert panel of the International Aviation Organization (ICAO), and the U.S. Senate which recently granted a $1 million request for funds.

But when the State Department authorization bill for TDIS arrived at the House last summer, Representative Hays, as chairman of the House subcommittee on international operations, tacked on an amendment which plainly states that the bill includes no funds for development or implementation of any new passport system.

"We can't even buy a hammer if it's for improvement," says Miss Knight.

Congressman Hays, who expects to hold hearings on TDIS next spring, has said he is not against cutting costs or increasing efficiency but wants to know more about the project. He is said to have raised the question of whether the U.S. might have to pay for machines around the globe which would read the passports. (No, says the passport office.)

The Ohio Representative has also raised questions about an invasion of privacy, according to an aide, and is concerned that TDIS might lead to a national identity card.

"I don't think he's basically sold on the idea that change is needed," says an aide.

Some observers, however, attribute the snag to a long-standing feud between Miss Knight and Mr. Hays.

Although the Passport Office briefed the House Appropriations Committee, it never had the opportunity to state its case before the Hays subcommittee.

Miss Knight insists it was not for lack of trying.

However, an aide to Mr. Hays says: "We didn't ask them to testify and they didn't ask us to [let them] testify." Why? "As much as anything it was lack of time."

Miss Knight says she considers chances for rescue this year very slim, but she has no intention of surrender.

NEW YORK YANKEE MANAGERS—A WINNING TRADITION RECALLED IN BOOK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BIAGGI. Mr. Speaker, I am pleased to bring to the attention of my colleagues the release of a new book on the New York Yankees entitled "Managing To Win." The book was written by my good friend, Ed Hurley a veteran writer for the New York Daily News.

The book focuses on the six men who have managed the Yankees to an extraordinary 29 American League penants and 20 world championships, a record of excellence still unrivaled in modern professional sports history. The book highlights the individuals who made up these Yankee teams and discusses perhaps the three best Yankee teams of the 20th century; the 1927 team with Babe Ruth and Lou Gehrig, the 1941 team with "Joltin" Joe DiMaggio and the 1961 teams with Mickey Mantle and Roger Maris. The book concludes that it is difficult for any one team to be named the best Yankee team. Suffice it to say that the Yankees provided their fans with countless thrills, and have established a tradition of excellence which is both distinct and unique.

The book also shows that a team no matter how good its individual members are is only as good as the leadership and direction it is provided with by their manager. It can be said without any hesitation that the New York Yankees have enjoyed the highest caliber of managers throughout their history.

The release of this book comes at a very appropriate time. It is an old baseball fact that the team which is in first place on July 4 will likely go on to win the pennant. I am proud to report to my colleagues that the New York Yankees will be very comfortably perched atop the American League's Eastern Division on July 4 as they have been for almost the entire 1976 season. It is very likely that the 1976 Yankees under the dynamic leadership of Billy Martin will capture the Eastern Division flag for the first time since 1964.

While the 1976 Yankee team may be different than earlier Yankee teams, it does have the same desire to win. They hope in 1976 to begin a new tradition of championship baseball in the new Yankee Stadium. All Yankee fans wish the team the best of luck in their pursuit of the world championship.

The author of this book, Ed Hurley in addition to being an outstanding news reporter for the New York Daily News is also the author of the award winning book, "The Last Poor Man."

Mr. Speaker, I would like to insert the introduction and foreword of this informative and entertaining book. "Managing To Win" is a fitting tribute to the special pride and joy of the Bronx and all New Yorkers, the New York Yankees.

The material follows:

Managing To Win

FOREWORD

The heroes of *Managing To Win* are different personalities but still similar. Four besides Martin managed in the majors prior to assuming dugout leadership at Yankee Stadium. Two of the four came to New York with pennants already flying in their personal trophy cases. One had tasted world series triumph elsewhere.

Martin is unique as he brings with him two American League divisional titles, earned in different cities. He was later fired in both towns. A member of *Managing To Win* was fired after winning the pennant—the Yankees' last—in his only season as skipper.

Four of the six successful Yankee managers won pennants in their first year in New York. Three added world series triumphs. One who didn't is the fellow who received his walking papers.

One of these men won pennants in both major leagues. It was a unique feat for 41 years. Then the manager fired for not winning his world series, duplicated the dual league triumph—and lost that world series, again in seven games.

Five *Managing To Win* heroes went on to manage elsewhere in the big leagues after their duty at Yankee Stadium. Two became general managers, one for the Yankees. One served two separate tours in the Yankee dugout.

These men were still of course individuals. One, for example, was internationally loved for his colorful command or warmhearted disregard for the English language. He was the only man to wear the uniforms of all four major league teams that have represented the New York area in this century.

It is true Yankee managers usually enjoyed the luxury of qualified personnel and generous owners who willingly spent money to obtain even more talented employees. Other managers at Boston, Detroit and Chicago—over the years—enjoyed similar ingredients. They didn't win very often.

Yankee managers didn't win either at the beginning and we'll examine that opening phase of the franchise. Seven of the 21 men who have managed this team, however, are in the Hall of Fame. A statistic hardly challenged by another big league franchise in any sport.

The men of *Managing To Win* did put it all together, on and off the field, as the team established a litany of records, unparalleled in modern sports history.

These leaders had talent in their dugout. They also possessed personal talent. The talent of *Managing To Win*.

INTRODUCTION

Managing To Win is as current as today's sports' pages. But it wasn't really planned that way.

First of all the successful New York Yankee managers of this report truly deserve a bow from all sports' fans. Their achievements stand on merit.

The recent headlines gathered by several members of *Managing To Win* have extended well beyond the sports pages. The firing of Larry Berra by the New York Mets made national television. Casey Stengel's final appearance at a Shea Stadium Oldtimers' Day became a magazine article.

And poor Ralph Houk's long losing string at Detroit had millions of non-baseball fans rooting for "at least one Tiger win."

Then the firing of Bill Virdon at still another Shea Stadium Oldtimers' Day because he failed to qualify for a chapter in *Managing To Win*. That story made page one headlines all over the country as Billy Martin became the new Yankee manager.

Managing To Win takes us through these events as well as almost three-quarters of a century of New York Yankee excitement. *Managing To Win* charts history but remains as timely as keeping boxscore for today's game at new Yankee Stadium.

FROM SEA TO SEA

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. WALSH. Mr. Speaker, two centuries ago, the United States of America consisted of but 13 courageous Colonies, linked by the common interest of freedom along the eastern seaboard.

Today, the great States number 50. They reach from the Atlantic to the Pacific—from the rocky coasts of Maine to the sandy shores of the Hawaiian Islands.

Mr. James S. Edson of Skaneateles, N.Y., in the 33d Congressional District has authored a poem which describes the characteristics of the 50 States and defines the integrity of the United States of America:

These United States

The Idaho potato; Missouri's "Compromise,"
Utah's "Land of Honey"; Colorado's rise.
Louisiana's bayous and festive Mardi Gras,
Pennsylvania's brotherly love is like a shining star.
Rich land to farm and settle, in these United States,
A history of freedom that made a free land Great.
Massachusetts has its Capes; Connecticut its coast,
New York State has ripened grapes and Niagara to boast.
Virginia's George and Jefferson; Kentucky has its Boones.
Ohio's got a spaceman, Glenn; and Texas, its tycoons.
The state of Maine, its sailing ships; the Carolinas, pines.
Vermonters all are blessed with quips; West Virginians, mines.
The Kansas wheat is oceans wide; and Iowa has hogs,
Wyoming has its rodeo ride; and California, smogs.
Wisconsin rivals any state for dairying and brews;
In Oklahoma oil rigs rate; Nevada's win or lose.
Tennessee and Alabama who were foes in civil wars,
Supply our modern arsenal and head us to the stars.
Washington and Oregon are rich with timberland.
New Mexico and Arizona host a canyon grand
Florida, with fruits and flowers, blossoms forth all year;
Chemicals are Delaware's; Dakotas tout their steers.
Georgia, Minnesota, New Hampshire, Jersey, too,
Have focused education on the problems that are new.
From Illinois to Mississippi, farms and factory
Produce for us a measure of wealth for all the world to see.
Montana, Indiana, Rhode Island, Maryland,
Arkansas, Nebraska, and Michigan are grand.
Alaska salmon surely add a tasty Arctic treat;
Annexing blue Hawaii made the Fifty States complete.
From South to North, from West to East, a country wide and free
That promises the best and least, a dream of things to be.

MAJOR MILITARY INSTALLATIONS ARE VITAL TO COMMUNITIES

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. COHEN. Mr. Speaker, earlier this year many communities throughout the United States were notified that a military installation in their area had been proposed for closure or major reduction.

In the State of Maine, for example, we learned that the Air Force plans an 83-percent reduction of personnel at Loring Air Force Base in Limestone. This action, if implemented, would have a severe effect on northern Maine, an agricultural area which already has an unemployment rate in excess of 12 percent. Even more devastating, however, will be the ripple effect this sudden cutback will have on local businesses which have sprung up in the area during the past 30 years, specifically because of Loring. Preliminary studies by the State indicate implementation of the proposed reduction will cost the State over 6,000 jobs and $120 million in gross State products. Other statistics are equally as impressive: Loring is the largest community in northern Maine, 10th largest in the State, and one of the State's largest employers.

Maine and other similarly affected communities are painfully aware that major military installations are clearly and inescapably important economic forces, particularly where these facilities are located in isolated, rural areas.

The July 1976 issue of the New Englander, New England's business magazine, contains an article by Oscar Nelder outlining Loring's situation. The article highlights many of the issues and problems associated with major base realinements and I commend it to the attention of my colleagues:

Defense Drops a Bomb on Northern Maine

(By Oscar Nelder)

(Proposed cutback at Loring AFB, threatening more than 3,200 jobs, spells disaster for local economy. Citizens gear up for battle with Pentagon during public hearings.)

Perhaps you can't fight city hall, but there are approximately 86,000 Aroostook County citizens in northern Maine who are giving it a real try. City Hall in this instance is the gigantic U.S. Defense Dept. which is proposing to reduce the number of military and civilian positions at Loring Air Force Base in Limestone, Me.

Last March it was announced that the Air Force is recommending the reduction of the force at Loring by 83%. This means that of the 3,328 military personnel of the 42nd Strategic Bomber Wing, 2,750 would leave; and of the 656 civilian jobs, there would be 465 cut from the military payroll.

In an official news release on March 11, it was stated that "The Dept. of the Air Force continually reviews its activities to identify opportunities for reducing nonessential overhead, support personnel, and costs. In considering ways of reducing this excess, Kincheloe AFB, Michigan, and Loring AFB, Maine, have been nominated for substantial reduction or closure."

"CANDIDATE" FOR CLOSING

Air Force spokesmen, at a press conference, were careful to point out that Loring was merely a "candidate for reduction." According to the release, "No detailed study of the technical, operational, economic, or other factors involved is undertaken until after interested members of Congress, the local communities, and other affected parties are informed of the candidate action so that they may contribute to the study effort."

The Air Force release explained in long-winded militaryese: "Basis for the proposed action: The imperative need to manage the resources of the Air Force with less while maintaining the deterrent value of the Strategic Air Command has led to a critical review of all base operating functions, activities, and installations. The Congress has also been mindful of the possibilities of further economies and the Senate Appropriations Committee has recommended that these economies be taken in support areas, not combat units, as a result of our review and the ongoing modernization program of transferring KC-135s (air refueling tankers) to the Air Reserve Forces initiated in 1974.

"It is proposed that Loring be substantially reduced or closed, and reductions/closures require the redistribution of B–52s and KC–135s currently assigned to those bases to meet operational requirements. The redistribution action takes advantage of existing facility capacities at the various installations affected and permits the Air Force to minimize capital investments for construction."

FAR-REACHING IMPACT

The announcement came as a shock to the citizens of Aroostook County. William Anderson, mayor of Caribou, which is next door to Limestone and Loring, said at the press conference, "This is earthshaking; it's just terrible. This will have a terrific impact on the area."

As people of the area began to weigh the prospect of the base cutback, they began to realize the far-reaching effect it could have. Aroostook is basically an agricultural area and the town of Limestone is a small, typical, northern Maine farming community. The rolling countryside beyond the town limits are dotted with potato farms. Like most Aroostook towns, Limestone depends strongly on the current price of Maine potatoes. Long potato storage houses flank the Bangor & Aroostook Railroad tracks on the east side of town.

The roar of jet engines on the runways at Loring several miles away can be heard in Limestone as the huge tankers and bombers land and take off at all hours of the day or night. Having lived with the planes for more than 20 years, most residents "tune out" the sound.

Limestone's dependence on the Dept. of Defense dates back to March, 1946, when it was decided to build one of the Strategic Air Command's largest bomber bases within the township. Construction was carried out from 1946 to 1953 and although it originally was known at Limestone Air Force Base, in October, 1954, the complex was renamed for Major Charles J. Loring, Jr., of Portland who was killed in Korea in 1952.

CITY SPRINGS UP

The construction of a giant SAC base in the middle of Aroostook potato fields and woodlands resulted in a city of more than 10,000 persons springing up seemingly overnight. Along with the flight-line facilities such as hangars, runways, control tower and alert buildings, 1,425 Wherry housing units, 206 appropriated units, and 191 Capehart units were built. There are also guest quarters, enlisted dormitories, a 75-bed hospital, two chapels, commissary, credit union, post office, branch bank, base exchange, nursery, non-commissioned Officers Club, Officers Club, two elementary schools, base gym, swimming pool, theater, golf course, library, bowling alley, wood shop, hobby shop, base headquarters buildings, wing headquarters, and other units.

While a base the size of Loring in a large metropolitan area might blend in with the community and become swallowed up, this is far from the case in a sparsely settled area such as Aroostook County. And rather than sit idly by and let Loring be reduced or closed, the citizens of Limestone, Caribou, Presque Isle, Fort Fairfield, and other communities in the immediate area banded together and formed a Save Loring Committee. Funds have been raised, leaders appointed, and the committee retained the services of the Social Science Research Institute at the University of Maine, Orono, to compile an impact report.

CITIZENS PREPARE FOR BATTLE

According to Paul Haines, of Limestone, chairman of the committee, legal, economic, and military experts will assist in analyzing the "rationale offered by the Pentagon." The committee has also retained the services of O'Connor & Hannon, a Washington, D.C. law firm, and Beliveau & Beliveau, Augusta attorneys, to assure that all federal laws, Dept. of Defense directives and Air Force regulations are fully complied with. In addition, a Washington consulting firm has been hired to review the military and strategic arguments advanced by the Pentagon for the proposed curtailment, says Haines.

Congressmen William S. Cohen, of Bangor, has charged that the Air Force has not yet explained the basis for its plans to cut back at Loring nor has it explained the criteria it uses in such decisions. In an exchange with with Defense Secretary Donald Rumsfeld in April, Cohen said the Pentagon should supply Congress with such information at the time cutbacks are announced so that Congress would be able to exercise greater oversight.

Rumsfeld replied that, "Congress is up to its elbows" in base and post office closings. "I wish they would spend as much time on studying major weapons systems and foreign policy questions."

SIZING ECONOMIC IMPACT

Subsequently, on May 10, the Social Science Research Institute at the University of Maine released a report entitled "Loring AFB Impact Study: Economic and Social Costs." The report cites Loring's key economic role: "The Loring Air Force Base in Limestone, whatever its military or strategic mission, very definitely interacts with the local economy and over a period of time, has become integrated, in varying degrees, with the local economy and other economies in the surrounding area. The longer the period of time that base remains in operation, the greater is the degree of economic integration. Such a process necessarily implies mutual interdependence between the base and the local economies."

The report states that in 1975 $3.1-million in construction projects were completed by contractors located within a 50-mile radius of the base. Several million dollars were spent locally by the military to purchase supplies and services. And base employees purchased $3.7-million in the automotive area, including 136 motorcycles, 142 trucks and 875 cars.

In addition, the report states, $2.3-million was spent off-base for major household appliances, furniture, and other items; $400,000 was spent for recreational equipment; $2.5 million for food, entertainment, and miscellaneous purchases. Elsewhere, $100,000 was contributed to local churches and charities, and $50,000 was given to the United Fund and related campaigns.

"REALLY HURT" BUSINESS

How do some of the area's business people feel? Haze McDougal, owner of the Tamarack Restaurant on Main Street in Limestone, will be hit hard by the proposed cutback. "All my business is base related. The military personnel come here to eat. It will really hurt," he says.

Marvin Tarbox owns the 22-unit Loring Motel on the Access Highway, Rte. 89 from Caribou to Loring and Limestone, a trailer park behind the motel, and a Pizza Hut across the highway. Tarbox, who is a native of Limestone and who spent three years in the Air Force stationed at Loring, says "The base closing will hurt business, but I'm going to hang on until the last minute. If I were married with a family," he adds, "I don't know how I would manage."

Both Limestone and Loring are just a short distance from the Maine-New Brunswick border, and many of the base people travel into Canada for shopping and meals. Mrs. Hubert St. Thomas, of York's Dining Room at Perth-Andover, New Brunswick, says that their business "will be missed very much."

During a congressional hearing at Limestone High School on May 10, Caribou City Manager Terry St. Peter noted, "The mere fact that it has been announced that Loring is a proposed candidate for reduction has sent tremors throughout the community, and has already caused an economic disturbance. The unemployment figures for March 12.7%," he said. This is a time when Caribou is renovating sections of its business district, tearing down some older buildings, and replacing them with new, modern stores and offices, including two bank buildings. (The Loring Federal Credit union recently moved into one of the new facilities.)

LOSE PURCHASING POWER

Thomas A. McGillicuddy, district director for the Small Business Admistration, said at the hearing, "Aroostook has experienced an alarmingly high out-migration for many years. But since 1970, the SBA has made, or guaranteed, a total of $19,378,210 in loans to Aroostook businesses.

"Currently, we are servicing 126 loans in the county with an outstanding balance of $7,803,481. The future of many businesses throughout Aroostook is dependent upon Loring's purchasing power. Many businsses will fail if the proposed Loring reduction takes effect," he added.

The Limestone school system, which inincludes a $3.5-million junior/senior high school complex and a student enrollment of 2,015, would suffer tremendously, according to Superintendent Daniel Boothby. The enrollment would drop to 1,028; the school budget would be cut from $2,036,846 to $900,000; the members of the school staff would drop from 175 to 83, and the number of buildings used would drop from four to two, and possibly one.

"Our curriculum would return to a skeleton college preparatory orientation," Boothby said. "Quality educational opportunities that are presently available to all our students would no longer exist. In short, we'd be in trouble."

GOES BEYOND FUNDING

Col. Russell S. Morton, Loring Base Commander, making a surprise appearance at the hearing, told Senator Hathaway that it was his understanding that Loring would remain open if the funds were available. The next day, Col. Dave Schillerston, chief of the Support Forces Branch of the Air Force Public Information Div. at the Pentagon, said "We would want to proceed with the action we announced. Money alone would not change our plans to cut back."

Aroostook businessmen and community leaders are critical of the 83% cutback. As one Presque Isle professional man noted, "I would rather see them (the Defense Dept.) close the base than cut back 83%. Then we could do something with it."

The thinking is that if Loring were closed completely, then new industry and new uses for the base could be found, similar to what was done for Presque Isle Air Force Base in 1962, and for Dow Air Force Base at Bangor.

James A. Barresi, executive director of the Northern Maine Regional Planning Commission at Caribou, said during the congressional hearing, "It is our belief that the closing would have a crippling effect that would be deeper in depth than anyone could believe. The redevelopment of Presque Isle Air Force Base is often touted as a harbinger of what would happen at Loring. We disagree for a number of reasons.

HIT BY ECONOMY AND SIZE

"First," Barresi said, "the national economy at the time of the Presque Isle redevelopment was in a position of tremendous growth, which it is not today. Maine did not have a corporate income tax, and property taxes were lower.

"The Presque Isle installation was of a size that a single community could absorb and pay for the proper upkeep with local taxes until such time that the facility could be marketed properly," he continued. "Loring is so large that there is grave doubt in our minds that any single community could take over the facility, mothball for an extended period of time those facilities that could be quickly marketed and maintain sewer, water, and electric services without massive state and federal aid."

Larry Clark, executive director for Skyway Industrial Park, the former Presque Isle base, warns, "We must be careful comparing Loring with Presque Isle. Presque Isle has a total acreage of 1,890, while Loring comprises a total of approximately 10,000 acres."

NOT LIKE PRESQUE ISLE

"In 1962, Presque Isle was able to buy the 450 acre complex from the General Service Administration at scrap value—for $56,000. No longer can the GSA dispose of property at such prices. Now they have to sell it at appraised value. Anything that cannot be used by the public has to be disposed of in this way."

There are now more than 50 businesses, industries, and various organizations occupying the former base facilities at Presque Isle. Approximately 1,500 jobs at Skyway Industrial Park account for a payroll of $10-million dollars compared with a $2.5-million payroll when the Air Force occupied the base.

Loring officials maintain that no date has been set for the decision. However, an unofficial source revealed that a decision is expected in September.

Meanwhile the Save Loring Committee gathers facts for presentation to the Air Force during those critical public hearings.

NUCLEAR PROLIFERATION

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. du PONT. Mr. Speaker, nuclear exports are not equally dangerous in their proliferation potential. While nuclear reactors can be effectively safeguarded against the diversion of weapons-grade material from peaceful uses to the manufacture of a bomb, no similarly effective safeguards currently exist for reprocessing facilities. Reprocessing, which separates plutonium from the other byproducts of spent fuel, enables a country to have continuously on hand weapons-grade material that may be inserted into a completed bomb within a matter of days.

Although the United States does not, at present, export reprocessing facilities, it has not clearly formulated a policy on reprocessing. U.S. efforts to make other nations aware of its concern over the spread of reprocessing and the ensuing heightened proliferation potential have been half-hearted and lackluster. When the West Germans were negotiating the sale of a reprocessing facility to Brazil, the United States undertook no serious effort to discourage this sale.

Recently, the Nuclear Regulatory Commission, with only Commissioner Victor Gilinsky dissenting, approved the licensing of a U.S. reactor to Spain with no requirement that only U.S. fuel be burned in this reactor. Since U.S. controls over spent fuel apply only to U.S.-supplied fuel, Spain may avoid U.S. safeguards by fueling its American reactor with non-U.S.-supplied fuel.

In Spain and elsewhere, countries may obtain bombs-worth plutonium through reprocessing non-U.S. fuel which had been burned in American reactors. Unfortunately, the State Department made no diplomatic approaches to Spain to attempt to close this major loophole.

It is time for Congress to clarify the fuzzy U.S. nuclear export policy. In an effort to stimulate thought in this direction, I would like to place in the Record an excellent Wall Street Journal editorial which appeared in the June 25 Review and Outlook column:

A Serious Nuclear Debate

Now that California voters have so resoundingly defeated Proposition 15, it should be clear to anyone that scare talk and pictures of mushroom clouds won't stampede the public into abolishing nuclear power. So perhaps the stage is set for a serious debate over the hazards of atomic energy, which after all isn't a child's plaything.

In the California debate, critics of nuclear power tended to raise such issues as the possibility of a nuclear power plant melting itself into the earth's core, the bad effects of inhaling plutonium, and the problem of water leaks in salt mines where nuclear wastes might be stored. The embattled industry, reciprocally, now tends to paint anyone who raised any question as an extremist. Almost overlooked in all this has been the true hazard of nuclear materials: Nations can make them into bombs to throw at each other.

The increasing use of nuclear power throughout the world increases this risk, for the waste products from reactors contain plutonium that can be used in weapons. By 1980 about 30 different nations will have accumulated enough nuclear waste to provide plutonium for useable weapons. If this potential is widely exploited, it seemed to us inevitable that the dangers of nuclear war will increase. While nuclear power is needed to meet energy requirements, and while it's futile to think in terms of stopping technology, it's sensible to erect what barriers we can to the spread of nuclear weapons.

A good opportunity for a significant barrier does exist. There is admittedly no way to keep nations from building nuclear weapons if they are determined to do so, but it certainly is possible to raise the level of determination required. In particular, it is still no easy task to reprocess the spent fuel, that is, to separate the plutonium from other nuclear byproducts. But erecting a meaningful barrier against the military use of reprocessing is likely to require hard decisions on its commercial use as well.

Since plutonium separated from nuclear wastes can be used as further fuel in power reactors, reprocessing has long been considered a conceptual part of the commercial "fuel cycle." In fact, it has so far remained mostly a concept, with little actual commercial reprocessing. And because of military implications, U.S. law has prohibited the export of reprocessing technology.

The French and Germans have recently started to market reprocessing plants, however, by contracting respectively with Pakistan and Brazil. Since neither of the latter nations has even signed the nuclear nonproliferation treaty, the U.S. has issued some complaints. But the complaints have been a bit half-hearted, and the French and Germans have brushed them off as attempts to protect American technological advantages. Congress has been trying to deal with the problem by writing foreign aid bills with punitive measures toward exporters and importers of the technology.

But in fact our allies are not likely to take American protests seriously as long as commercial reprocessing is contemplated here. It happens that the Nuclear Regulatory Commission has undertaken a full-scale review of the use of reprocessed plutonium in American reactors, and promises a decision early in 1977. But especially since the commission majority rejected pleas for tighter plutonium controls in a recent reactor sale to Spain, it is far from clear its review of domestic reprocessing will weigh the international proliferation implications.

An odd coalition of international do-gooders and nuclear salesmen is pushing the notion of international inspection to handle the plutonium problem. But a recent study for the Arms Control Agency by Albert Wohlstetter, the long-time defense analyst at the University of Chicago, makes clear that for plutonium storage mere inspection would be a farce. Once separated and stored, the plutonium could be inserted in a bomb in a matter of days, or even hours.

The irony of all this is that reprocessing could be foregone, or at least postponed for many years, without sacrificing anything much. The attempts at commercial reprocessing have so far been notable chiefly as money sponges. Estimates of economic potential vary, but some of the best show the cost of reprocessing about equal to the commercial value of the recovered plutonium. It seems that by the 1990s reprocessed plutonium could provide less than 15% of nuclear fuels and less than 2% of total energy requirements. Without reprocessing such needs could probably be met merely by higher prices for uranium, which have only a marginal effect on the price of energy.

So at the very least, the plutonium reprocessing issue is not some kind of cause, but a real decision with real alternatives, a matter for serious debate. It looks in fact as if a long deferral of commercial reprocessing would cost little domestically, and internationally would provide the essential underpinning for a serious diplomatic campaign *against* international trade in potential nuclear weapons plants.

TESTIMONY OF DR. MICHAEL HALBERSTAM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. SYMMS. Mr. Speaker, it was my pleasure this past week to appear before the Subcommittee on Health and the Environment accompanied by Dr. Michael Halberstam. The topic of discussion was the FDA—and problems caused by our current drug regulations as well as possible future problems of new legislation. Dr. Halberstam's testimony was quite timely and I present it for the readership of the RECORD:

TESTIMONY OF DR. MICHAEL HALBERSTAM BEFORE THE SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT, JUNE 23, 1976

My name is Michael Halberstam. I am in the private practice of internal medicine and cardiology in Washington, D.C. I am an assistant professor of clinical medicine at George Washington University, and a member of the Institute of Medicine of the National Academy of Sciences. I am a senior editor of Modern Medicine magazine and also teach medical students and serve on various hospital and medical school committees.

My job, however, is to take care of patients. I do this daily, in my office and at the hospitals where I have privileges.

I emphasize that patient care is my job because, understandably, much of the testimony you gentlemen hear on medical and pharmaceutical matters comes from non-physicians or from physicians who are not engaged in taking care of sick people. Clinicians—practicing physicians—are not often asked to testify because, in a sense, the only thing we are "experts" on is the day-to-day care of patients, and we do not have the resources—the computers, the graduate students etc.—to write up our experiences in a way to make us the kind of expert who becomes an authority on medical care.

There are two dangers in this situation. First, although Clemenceau was correct when he said that war was too important to be left to the generals, he never implied that they should be totally excluded from its conduct. So it is with medicine—although medicine may be too important to be left to practicing physicians, it clearly requires their participation. Bills passed and theories spun without their advice will surely fail.

Secondly, the practicing physician is one of the last truly independent professionals left in this country. We really have a minimum of institutional ties and vested interests. Receiving payments from hundreds of different patients, we do not have to worry seriously about what any single supervisor will do, or what a change in medical school policy will do, or how a change in hospital politics will affect us. We are, as a group, secure in knowing that our profession is carried within the insides of our heads and that we will always be able to make a good living. Physicians may grumble, sometimes with reason, but if things get too bad we can change hospitals within our own areas, learn different diagnostic and surgical techniques, move to different cities, or even emigrate. While the disadvantages of this individualistic, professional, semi-entrepreneurial status have been stressed by some critics of medicine, it does give us great freedom to speak our minds. I would add that when I speak of individual physicians, I am not speaking of the AMA. I am a member of the AMA and I think it does a fairly good job of representing the diversity of American physicians, but an AMA spokesman is still that—an AMA spokesman. He or she speaks for decisions taken by the AMA's House of Delegates and Board. You must realize that the decisions of that House are not binding upon individual physicians—indeed, are often of little interest to them.

This preamble has been necessary because the species of which I am an example rarely gets a chance to talk to you gentlemen. We represent no one. We belong to no one. I was not sent by an organization to speak to you. Bluntly, no matter what happens to pending legislation, my colleagues and I will be okay. Our jobs aren't at stake. Our incomes won't be affected. To the extent that we perceive pharmaceutical companies as helping us care for patients, we support them. To the extent that we see them trying to mislead us, we are cynical about them. We are, I suggest, about as genuinely "disinterested" as any group of people who work daily in the field can be. Speaking officially only for myself but expressing, I believe, the views of most American clinicians, family practitioners, specialists and super sub-specialists alike, I support the deletion of the "efficacy clause".

Being against efficacy is like being against motherhood, but even motherhood is being re-examined these days. One of the great traditions of medicine is the physician's constant obligation to re-examine what he or she is doing, to re-test certain "accepted" beliefs—does insulin really help prevent the complications of diabetes, are coronary care units always helpful, are mass X-ray programs to detect tuberculosis truly useful? As physicians we know that we must abandon—sometimes reluctantly—scientific "fact" that was drilled into us in medical school and residency. New facts come along. The test of a fact in medicine is not how nice the theory is, but how it stands up.

It is my conclusion that the "efficacy clause" has done more harm to the American patient than good. Had I been in the testifying business back in 1961–62, I might have testified in favor of it. It has a good rationale. It has a good purpose. Good rationales and good intentions are not enough. While it may have done some good, I am convinced that it has been counterproductive. American consumers have been denied valuable, revolutionary new drugs because of FDA's inability to prove, or to decide upon, safety and efficacy. The drug lag is not a myth—its existence has been conceded by Senator Kennedy and Commissioner Schmidt, as well as by such distinguished pharmacologists as Drs. Lasagna, Wardell, Freis, and Gifford.

There are many proposals to reform the FDA so as to speed up its approval of new drugs and give American consumers the benefits of new medicines which are—increasingly, I'm afraid—developed overseas. The Congress has been told that if FDA appropriations are increased, that if FDA's scientific prestige is enhanced, that if outside consultants are employed more rationally, effective drugs will again be available in a reasonable amount of time. I am not an expert on the legislative and administrative history of the FDA, but I am quite sure these proposals have been made time and time again over the years, and the appropriations have been increased, all with little effect. When will we learn that FDA will never become a glamorous scientific agency, attracting top-flight biochemists and pharmacologists?

Rather than asking FDA to do more and more things, giving it more and more money, and seeing it fall further and further behind in its ability to carry out its mandate, we should, I am now convinced, try to make that mandate more appropriate.

The FDA is the logical agency to determine safety of drugs. I am not always happy about how this determination is arrived at, and I am convinced that reform can be achieved, but there is no substitute for the FDA in this field.

In asking the FDA to determine "efficacy" of new drugs, we have given it a mandate beyond its capability. Both efficacy and safety are in a constant state of re-evaluation. FDA's initial approval on both these grounds does not mean that the medical-scientific community blindly rushes forth with a new medication, never re-examining the drug's value, never checking its safety. On the contrary, as Dr. Wardell has pointed out, post-marketing surveillance both for safety and efficacy is built into our system of scientific medicine and needs to be bolstered by changes in federal regulations. However, there is a fundamental difference between safety and efficacy so far as the individual consumer is concerned. There is often no appeal from an unsafe drug. When damage is done from lack of safety, it may be permanent or catastrophic. Efficacy is essentially a different matter. If a drug is ineffective in a particular patient, the individual physician and patient are usually well aware of it.

Contrary to what the Congress has been told so many times in the past, today's scientifically trained physicians, who now average four years of specialty training after graduation from medical school, are not captives of the drug companies or unfeeling louts. For humanitarian reasons and out of simple self-interest, they want their patients to get better. They want effective medicines. They are aware, as Dr. Wardell has pointed out, that there is a difference between proving efficacy in a population group, and demonstrating it for a single patient. Clearly, some medications which a panel of experts deem "ineffective" can be spectacularly helpful in individuals. To deny this is akin to denying that a man who develops a rash after getting a penicillin shot is not reacting to the penicillin, since the vast majority of patients who get penicillin develop no rash or fever. To deny that some population groups might react more favorably to certain medications, that some individuals might do well on one tranquilizer but not another, is to fly in the face of our increasing knowledge of enzyme induction systems, drug turnover times, and metabolic inactivation rates.

I would like the FDA—or a somebody—to prove the efficacy of all drugs on the market for all patients. I simply don't believe it can be done. I think the effort to do so has damaged the FDA and the American consumer. It is time for the Congress to do what scientists and physicians do all the time—although, I concede, often reluctantly. That is, to admit that a certain promising research approach or medication has turned out to be a blind alley. I think the "efficacy clause", well-intentioned as it is, has done more harm than good, and that it should be removed.

FIRST CONGRESSIONAL DISTRICT OF KENTUCKY ANSWERS "20 QUESTIONS"

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. HUBBARD. Mr. Speaker, last December, I tallied the results of a questionnaire dealing with 20 critical questions, sent out to the people of the First Congressional District of Kentucky. The answers to these questions provide the touchstones for numerous foreign and domestic policies. I would like to share the results of my questionnaire with my House colleagues so that the views of the people I am privileged to represent will be heard in the Halls of Congress.

Should it become necessary to sharply reduce automobile gasoline consumption, the greatest number of my constituents would prefer the adoption of a gasoline rationing plan. Nearly 21 percent of First District citizens would support a system allocating 480 gallons to consumers, with an option to purchase additional gasoline at a higher price reflecting a 50-cent per gallon tax. Only 15 percent or fewer of First District citizens would favor higher gasoline prices, higher gasoline taxes, or gasoline lines on a first-come, first-served basis respectively. More than half of my constituents would favor the imposition of a stiff excise tax on automobiles which cannot achieve an 18-mile-per-gallon target for highway use.

In late December, less than a third of the residents of the First District believed that our economy was recovering from the economic slump. In contrast, more than half felt that the economy was still in the grips of recession.

Our Federal income tax structure can be utilized to achieve important domestic goals. Nearly half of my constituents feel that an income tax incentive should be available to encourage the installation of solar heating and cooling systems in homes and businesses. Almost as many persons would like to see the Federal Tax Code encourage the recycling of containers. Approximately one-fourth of my constituents are in favor of retaining the current deductions for contributions to charitable organizations and churches. A third believe it important for the Federal tax structure to provide incentives for the purchase of a taxpayer's new principle place of residence. One person in six would like to see Federal tax deductions for political contributions retained.

It is interesting to note that 47.9 percent of First District residents are opposed to a U.S. foreign policy leading toward a formal recognition of the Cuban Government, while only 35 percent would favor such a policy.

Nearly twice as many of my constituents felt that the Apollo-Soyuz joint space effort was not a worthwhile effort than those who felt it was a justifiable expenditure of Federal tax dollars.

The restoration of capital punishment is favored in my District by an 8-to-1 majority.

Fifty-three percent of the voters in the First Congressional District are opposed to the establishment of a national health insurance program financed through payroll deductions. Only 35 percent would favor the establishment of such a system. However, 57.5 percent of my constituents favor yearly cost-of-living increases for social security benefit recipients, although such increases would translate into increased social security withholdings.

My people have made it very plain to me that they recognize the importance of our foreign and domestic intelligence agencies, and that they would vigorously oppose unreasonable restrictions upon the operations of the CIA and the FBI. Still, my constituents support stricter controls upon the operations of these agencies by a 2-to-1 majority.

Seventy percent of the respondents to my questionnaire are opposed to legislation requiring the mandatory registration of firearms. Only 25 percent of the respondents would favor such legislation.

To solve our Nation's economic problems, a narrow majority of my constituents would favor lower Federal spending and increased taxes to reduce the Federal budget deficit; wage, price and profit controls; and expanded public service jobs programs. Business tax cuts to encourage investment were opposed by 49.8 to 50.1 percent.

Abortion has always been an extremely sensitive issue in my district. Surprisingly, more than half of the respondents to my questionnaire support the current Supreme Court decision on abortion or a more liberal abortion standard in which abortion is left entirely to each woman's conscience. On the other hand, 34.6 percent of the respondents believe that the U.S. Constitution should be amended to prohibit abortion except in instances where a mother's life is in danger.

The people of the First District opposed the granting of Federal financing assistance to New York City by a margin of 68.3 to 21.5 percent.

The issue of court-ordered busing drew the strongest response from my constituents. Busing in Louisville and Jefferson County has torn apart communities and families. It is not surprising that 93.1 percent of my constituents are opposed to court-ordered busing while only 4.2 percent favor busing as a means to achieve racial integration.

ANOTHER RECORD YEAR FOR TEACHER STRIKES SEEN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ASHBROOK. Mr. Speaker, the National Education Association's annual convention winds up today in Miami, and if the prediction of its executive director, Terry Herndon, turns out to be correct, the 203 teacher strikes in 1975–76 will be matched, if not exceeded, in the upcoming school year. As reported in the Chicago Tribune of June 30, by its education editor, Casey Banas, Mr. Herndon stated:

> As long as there is absolutely no alternative but to strike, there will be increasing numbers of strikes.

The increasing problem of strikes by public service employees—those who are paid by public tax dollars to serve the public—will add a further burden on State and local resources, not to mention the lost student-hours and the effect overall on the goal of quality education. The term "quality education" is heard time and time again in relation to the busing controversy. Lost time due to teacher strikes certainly affects adversely quality education in areas where such strikes occur.

I insert at this point in the RECORD the above-mentioned item by Casey Banas appearing in the Chicago Tribune of June 30:

ANOTHER RECORD YEAR FOR TEACHER STRIKES SEEN

(By Casey Banas)

MIAMI BEACH.—The record number of 203 teachers strikes during the 1975–76 school year will be matched if not exceeded in the upcoming school year, a top official of the National Education Association predicted Tuesday.

"As long as there is absolutely no alternative but to strike, there will be increasing numbers of strikes," Terry Herndon, NEA executive director, said. He spoke at a press conference at the annual convention of the 1.8-million-member teacher organization in Miami Beach.

In many instances, Herndon said, teachers groups have no choice but to accept school board contract offers or go to jail. He said school boards are being backed by "repressive actions" of courts in ordering jail terms and fines for teachers who refuse to obey injunctions to go back to the classroom.

Herndon called for passage by Congress of a federal collective bargaining bill requiring school boards to bargain with teachers, establishing unfair labor practices and penalties for violations, and setting up machinery to resolve impasses during negotiations.

Only 30 states have any legislation providing for collective bargaining for school employes, and even fewer have laws acceptable to the NEA, he said.

"The outrageously high fines and mass jailings of striking teachers serves as a lesson in the lack of democracy and equity for teachers as compared to most other employes in this country," Herndon said.

With him at the press conference was Sherry Moody, a Shelton, Conn., teacher who was jailed last fall for violating a back-to-work court order issued during a strike.

Miss Moody said she and three other women teachers were handcuffed, driven at 75 mile-an-hour speed at night in a car without lights by a sheriff to a women's penitentiary to avoid the press, and placed overnight in solitary confinement.

The teachers were told they would stay in jail until the walkout was called off, and the next day their colleagues voted to return to their classrooms.

Other states have laws that discourage strikes with the threat of revoking the certification of any teacher participating in a walkout.

RIGHT TO LIFE—THE DELAWARE ADOLESCENT PROGRAM

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. OBERSTAR. Mr. Speaker, one of the highlights of the National Right to Life Committee's very successful and productive annual convention in Boston, Mass., June 25–26, was a simulated congressional hearing on alternatives to abortion and supportive services for pregnant women. It was my privilege and honor to chair that hearing.

Those of us who hold the view that unborn human life has rights which must be protected even to the extent of amending the U.S. Constitution also believe it is vitally important to provide realistic, readily accessible alternatives to abortion, including medical, social, and other services to pregnant women.

That goal was the subject of the simulated congressional hearing, coordinated by Marjory Mecklenburg of Minnesota who did an excellent job of selecting the witnesses. The papers presented were of as fine a quality as I have seen in any actual congressional hearing. They were thoughtfully prepared, carefully researched and delivered with deep sincerity of conviction and commitment.

I believe that because of their high quality and the important information they offer, these papers ought to be available to all Members of Congress, and I am using the forum of the RECORD to do so.

The president of the National Right to Life Committee is Dr. Mildred Jefferson of Boston, a gifted surgeon, and a tireless, dedicated, inspiring leader of the national movement to protect unborn life.

The following paper on "The Delaware Adolescent Program" was presented by Lulu Mae Nix of Delaware. She is State administrative director, Delaware Adolescent Program, Inc.; director, Professional Consultants, Inc.—in area of teenage pregnancy; educator and researcher.

THE DELAWARE ADOLESCENT PROGRAM, INC.—A SLIDE PRESENTATION, JUNE 26, 1976

I have been asked to give a brief description of the Delaware Adolescent Program, Inc., which, from here on, I shall refer to as DAPI. You are already aware of the growing problem of school-age pregnant girls all over the country, and the implications which this phenomenon presents to society. I thought I might describe how one state is handling this problem by showing you slides of our program and briefly describing the services we provide.

There are a few unique and significant things about the DAPI program which I want to point out.

Slide 1: First. Delaware is the only state in which operates a statewide comprehensive program for school-age pregnant girls.

Second. It is one of the few states which operates a comprehensive program, with virtually all services needed by pregnant school girls and their children assembled under one roof.

Third. Delaware is also the only state whose state legislature supports the program with financial appropriations.

Slide 2: There is one comprehensive program in each county for girls who have made the decision to carry their babies to term. It is a day time program and girls are bussed to the centers from all parts of each county.

Slide 3: I have been the State Administrative Director of the program since its beginning in 1969. I am responsible for the development, administration and supervision of all the DAPI centers in the state of Delaware. I am also responsible for offering DAPI services to girls who desire to remain in their own schools while pregnant.

Slide 4: The program is one of the few in the country that is operated by an independent Board of Directors. The Board is incorporated and has non-profit status. Dr. Marjorie McKusick, whom you see here, was chairman of the Board for six years. For those of you who have known her, she passed from this life this past Monday morning.

Slide 5: Each center is headed by a supervisor who carries out the day to day operation of the center. Mr. Hill serves as Supervisor of the New Castle Center and as my Administrative Assistant.

Slide 6: There are four components of the program. The first is education. Certified teachers are provided by the Department of Public Instruction and local school districts.

Slide 7: When the girls enter the program, they continue on with the educational program that they were taking in their own schools.

Slide 8: A teacher-coordinator is responsible for coordinating each girl's education program at DAPI with the education program she would have been following in her own school. In other words, we get a projection from the regular school of what the girl should cover at DAPI so that she will be up to date in her subjects when she returns to regular school.

Slide 9: In addition to the regular teachers, many volunteers from the various colleges and universities, as well as from the community, assist us.

Slide 10: Instruction is individualized for maximum development of the student.

Slide 11: In addition to academic and vocational instruction, the girls are taught a variety of subjects to meet their very special needs.

Slide 12: Among these are sex education and family living, family planning and various types of contraceptives.

Slide 13: Classes are also taught in preparation for the world of work, how to find a job and keep it, how to prepare for the job interview and what is expected after the job is secured.

Slide 14: With federal vocational education funds, a consumer and homemaker education program was established. The girls are taught how to be well groomed at all times, care of the face and body, proper care of the hair, and wardrobe planning.

Slide 15: Sewing classes are held on a regular basis with each girl taught how to make a layette for her baby

Slide 16: Girls also learn to make clothing for themselves, both "before" and "after" clothes.

Slide 17: Through a federally funded lunch program, each girl is served a hot meal at midday and breakfast in the morning. In this way, we are assured that the girls receive at least one nutritious meal during the course of the day.

Slide 18: We also teach nutrition, meal planning, selection of best foods for the most reasonable price, budgeting.

Slide 19: Since many of the girls become head of their households, we teach them to prepare and serve nutritious meals.

Slide 20: The second major area is the medical component which is also operated at the center.

Slide 21: A registered nurse coordinates the medical program and assists the girls with daily medical questions as well as assisting the doctors in the clinics.

Slide 22: An Obstetrical clinic is held once a week at the center. Three obstetricians provide prenatal and postpartum care. Contraceptives are also offered to each girl before she is released by the obstetrician.

Slide 23: Residents from the Medical Center assist the obstetricians at the prenatal clinics.

Slide 24: The obstetricians who have followed the girls through their prenatal period deliver the baby at the hospital or supervise the delivery.

Slide 25: Public health nurses teach classes weekly on preparation for labor and delivery, take the girls to see the Labor and Delivery Rooms prior to childbirth so they will be more relaxed when they arrive at the hospital. They also make home visits.

Slide 26: A Well Baby Clinic is also operated on site at DAPI.

Slide 27: DAPI's pediatrician sees each baby in the hospital after delivery, gives instruction and will follow the baby for five years.

Slide 28: The third component is an Infant Day Care Program, which is also housed on site. At the largest center, 45 babies can be cared for at one time. A Nurse Coordinates the Day Care Program.

Slide 29: Young mothers may enroll their babies in the nursery as early as one week of age so they can begin attending classes again at DAPI.

Slide 30: The young mothers are taught how to care for their babies, including such things as feeding, bathing, recognizing illnesses.

Slide 40: Infant stimulation and child growth and development are taught on a formal basis in the classroom. The mothers then receive practical training in the nursery.

Slide 41: Young mothers may leave their babies with us even after they return to regular school. We can care for their children until they are 3½ years of age.

Slide 42: Each baby is given a developmental assessment test periodically by a consulting team from Temple University. Each mother is then taught what to expect and how to best help her baby in the developmental process.

Slide 43: Because the day care nursery is on site, and the young mothers are there also in classes, the young mothers are able to spend time with their babies during the day.

Slide 44: The nurse and pediatrician can also show the young mother how to handle specific problems which may arise.

Slide 45: Infant stimulation methods and development sequences are also taught in the classrooms with both the young mothers and babies present.

Slide 46: The mothers of the children shown in the next few slides have returned to their own schools but continue to utilize DAPI's nursery.

Slide 47: Same.

Slide 48: The fourth component of DAPI is the Social Service program. Each girl is assigned to a social service worker who provides individual counseling to the girls, the fathers and the families of both. Each girl is followed-up for one year after she leaves DAPI.

Slide 49: Group counseling is also held to discuss special areas of concern such as the legal rights of the father, and the grandparents, how to get support for the baby, how the birth certificate should be signed in order to protect the mother and baby, and other special problems confronting both the young mother and father.

Slide 50: Social service workers interact with all parts of the service as they seek to help find solutions to the multitude of problems faced by these girls and families.

Slide 51: A young fathers program has been effective in providing counseling and supportive services to the young fathers. The following slides show the cost and effectiveness of the program.

Slide 52: In 1975, it was estimated that, if the girls served by DAPI had dropped out of school the taxpayer would pay $864,000. If we add to this hospital costs for premature babies, and repeat pregnancies, the cost to taxpayers would be one million dollars. DAPI's cost was $320,000.

Slide 53: A follow-up study was made to determine what happened to the DAPI girls who went through the program in 1969. In 1968, 90% of pregnant school girls went on welfare. Another program showed 61% of the girls entering the welfare system. Only 20% of the DAPI girls went on welfare.

Slide 54: A similar finding appeared in school dropout rates. In 1968, 90% of the pregnant girls dropped out of school. A comparative program showed 49% dropped out while only 21% of the DAPI girls dropped out over a five year period.

Slide 55: The rate of prematurity was reduced from 21% to 12% in the DAPI group.

Slide 56: A significant finding appeared in rate of repeat pregnancies. In 1968, the rate of repeat pregnancies among school-age mothers was 90%. A comparative program reported 73% of their girls had repeat pregnancies, while only 16% of the DAPI girls had repeated their pregnancies during the five year study period.

I have just completed writing a doctoral dissertation on the long-term effects of the DAPI program after a five year period. I compared these results to a control group of girls who had not had any program experience. I hope to have this published and available soon.

In addition, because of the many requests for assistance which I receive from people all over the country, I have established a consulting firm to help states in the development of comprehensive service programs. Brochures are available at the exhibit booths.

THOUGHTS ON THE BICENTENNIAL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ANDERSON of California. Mr. Speaker, as we adjourn today to celebrate the Bicentennial celebration of our Nation's birth, it is only fitting that we say a few short words about the meaning of this event.

America is unique. We are young as nations go, and yet at the same time we are the world's oldest continuously practicing participatory democracy. That form of government, coupled with the resourcefulness of the American people, has made this Nation great in a relatively short period of time. It has also made our form of patriotism different from that of other countries.

The United States of America was not founded out of a feeling of nationalistic fervor, since historically we are made of individuals of many nationalities. Instead, this Nation stands for principles which our Founding Fathers felt were universal values inherent in human rights: Freedom, liberty, justice, equality, and the ability of every individual to choose their own path in life.

These are abstract concepts, and personal faith and belief in them must be constantly renewed. They are not simply embodied in a flag, important as that may be. Instead, they are embodied by the institutions we have founded to uphold them. The administrative, legislative, and judicial branches of our Government—and their equivalents in State and local governments—are monuments to the values we as Americans have always treasured and held dear. They will retain that quality as long as they continue to uphold the qualities our ancestors fought so well to defend.

This Sunday—July 4, 1976—our Bicentennial celebration will reach a crescendo. As we observe this great occasion with family and friends, much of the festivities will undoubtedly deal with the great moments in history America has experienced during its 200 years of existence.

At the same time, we should not forget the future. Our Nation has accomplished much in 200 years, becoming the greatest and most powerful nation on Earth. Our development as a Nation, and as a people, will not end now.

We must continue to grow and develop, using the knowledge we have gained to become wise. The future will hold many great challenges that will test not only us, but generations to come. It also holds great rewards, and the experiences of the past will help us face them successfully. We are a strong and powerful Nation, but we must learn more about the use of that power, not only to our benefit but to the benefit of all mankind.

One hundred years from now, a new generation of Americans will stand where we are today and celebrate the Tricentennial. Let us continue to lay the foundation for that day, so that our descendants will be able to celebrate a heritage that will truly be one of pride. We can do no less for them, than those who came before have done for us.

BICENTENNIAL OBSERVANCE

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. MITCHELL of New York. Mr. Speaker, as we approach the magic hour when the Nation will observe its 200th birthday, I think it most appropriate that final action be initiated to make it possible for that grandest and most enduring of government documents—the Constitution of the United States—to be made available for display to the millions of people who annually visit this great Capitol building.

I am today introducing legislation which would authorize the procurement and display in an appropriate location in the Capitol of a bronze facsimile of the original document of the Constitution of the United States which is deposited with the National Archives. Of course, the original should remain in the Archives but that does not mean we should deny the millions who visit this building the opportunity to be exposed to the words and form of a document which not only has withstood the test of time but seems to be more magnificient and stronger as the years pass.

I have been in touch with the Architect of the Capitol to advise him of my plan to sponsor this proposal and I am pleased to report a most favorable response was received. In his letter to me the Architect, George M. White, concluded:

> Please be assured of my wholehearted support in what I consider to be your worthy goal of giving our Capitol visitors the opportunity to view the document upon which the deliberations of the Congress are founded.

As you might suspect, a great deal of study has gone into the development of this proposal. My original plan called for introducing the measure at the beginning of this Bicentennial observance but upon reflection I thought it better to reserve the moment of introduction to that point in our deliberations closest to the actual hour of celebration of our 200th birthday.

I am confident we all agree that the Constitution of the United States is something special. So are the American people. Let us make it possible by our support of this resolution for the people to have greater exposure to the Constitution. I urge all of you to join with me in promoting the prompt advancement of what I am sure you will all agree is a most worthy proposal.

TERRORISM—AN UNACCEPTABLE METHOD OF POLITICAL WARFARE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. McDONALD. Mr. Speaker, I have studied with interest the recently published writings on terrorism by members of the academic community. It is interesting to note that with all of the writing done on this subject there has been no concise definition of terrorism offered by anyone.

I would like to contribute to the discussion by offering the following definition:

> Terrorism: A violent attack on a noncombatant segment of the community, for the purpose of intimidation to achieve a political or military objective.

Governments tend to equate unconventional warfare with terrorism. The terrorists themselves prefer the term "urban guerrilla warfare" to terrorism.

Unconventional or guerrilla warfare targeted against an enemy army is a legitimate form of modern war. On the other hand violent attacks on the civilian population, whether by regular or irregular armed units, is not a legitimate form of warfare.

In World War II both the Nazi and Communist armies took civilian hostages and in some cases murdered them to intimidate the rest of the population. This was terrorism. Irregular anti-Nazi partisan units that targeted only the enemy army were not involved in terrorism. The same holds true for the Baltic and Ukrainian forces that fought both the Nazi and Soviet Armies.

A Vietcong attack on an American military unit in Vietnam was legitimate warfare. However, the Vietcong attacks on villages where the victims were civilian leaders and teachers were terrorism. The torture and beheading of non-Communist intellectual leaders in Vietnam by the Communists had as its purpose the intimidation of the civilian population.

While terrorism has a long and bloody history, the modern totalitarians have used it on the widest possible scale. The Communists have introduced a new form of terrorism—transnational terrorism. This is the use of a terrorist group to do the work of another terrorist group. For example, the use by the Soviet supported Palestine Liberation Organization of the Japanese Red Army to commit the atrocity at Lod Airport. The PLO was also able to use the East German sponsored Baader-Meinhof gang in West Germany to help prepare the massacre of the Israeli athletes at the Munich Olympics.

In our own country the Castro supported Weather Underground has cooperated in terrorist actions with the Puerto Rican terrorist FALN, another Castroite group.

In Latin America Trotskyite and Castroite terrorists have coordinated their activities, and have crossed borders to carry out terrorist acts on one another's behalf.

Civilized nations have the duty to protect noncombatants from the horrors of war. Even when legitimate military operations inadvertently result in civilian deaths, there is a responsibility to minimize the effects on civilians. The modern terrorists supported by the Communist Governments of the Soviet Union, Red China, Cuba, and North Korea have violated every civilized concept in their violent attacks on noncombatants.

CALIFORNIA'S POSITION ON H.R. 12112—THE SYNTHETIC FUEL LOAN GUARANTEE PROGRAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BROWN of California. Mr. Speaker, now that the several committees which have an interest in H.R. 12112, the loan guarantee program for synthetic fuel research, development and demonstration, have completed action on this bill, it is time to consider if we should enact such legislation.

The State of California, as represented by three of its agencies most directly involved with matters concerning energy and the environment, is firmly and fully behind this proposal. In fact, the California State Legislature has legislation pending before it which would accomplish, on a smaller scale, what H.R. 12112 hopes to do on a national scale.

I would like to share the correspondence that I have received from the California Air Resources Board, the California Public Utilities Commission, and the California Energy Resources Conservation and Development Commission with my colleagues at this time by inserting this material in the CONGRESSIONAL RECORD.

The material follows:

ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION,
Sacramento, Calif., June 22, 1976.

Hon. GEORGE E. BROWN, Jr.,
U.S. House of Representatives,
Rayburn Building,
Washington, D.C.

DEAR CONGRESSMAN BROWN: The attached resolution supporting H.R. 12112 has been adopted by the California Energy Commission. I am transmitting it to you for your consideration.

The Energy Commission's position is that H.R. 12112 should be supported and that the final markup of the bill should include guarantees for high Btu synthetic gas projects as well as assistance for solar, geothermal and energy conservation projects. Support for the high-Btu synthetic gas project is particularly important inasmuch as gas from this source would help alleviate California's serious natural gas shortage.

If the Commission can provide further information on this or any other energy issue, please do not hesitate to contact us.

Sincerely,

Attachment.

RICHARD L. MAULLIN,
Chairman.

CALIFORNIA STATE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION RESOLUTION

Whereas, the Legislature mandated in Public Resources Code Section 25400 that, "The Commission shall encourage the balanced use of all sources of energy to meet the State's needs and shall seek to avoid possible undesirable consequences of reliance on a single source of energy.";

Whereas, the Energy Resources Conservation and Development Commission held hearings on the potential impact of declining natural gas supplies on public health and safety in Southern California and heard substantial testimony on the adverse effects on air quality of switching from natural gas to other fossil fuels; and,

Whereas, such effects on air quality in already critical air basins would endanger public health and safety; and,

Whereas, substitution of oil for natural gas would perpetuate and further increase reliance on insecure supplies of foreign oil and associated burdens on the nation's balance of payments; and,

Whereas, availability of synthetic fuels would mitigate the need for increased reliance on fuel oil and dependence on foreign sources of energy; and,

Whereas, a federal loan guarantee program would remove important barriers to development of synthetic gas and other alternative energy sources; and,

Whereas, Congressional Bill H.R. 12112 would provide such guarantees for demonstration facilities: (a) for conversion of domestic coal, oil shale, biomass and other domestic resources into synthetic fuels; (b) for production of energy from renewable and geothermal sources, and (c) for energy efficient industrial equipment and facilities;

Therefore be it resolved: That the State Energy Resources Conservation and Development Commission urge the California Congressional Delegation to support H.R. 12112 as reported by the house committee on Science and Technology.

PUBLIC UTILITIES COMMISSION,
STATE OF CALIFORNIA,
San Francisco, Calif., June 8, 1976.

Hon. GEORGE E. BROWN, Jr.,
Member of U.S. Congress,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BROWN: As you are aware, the State of California faces a serious and imminent natural gas supply crisis. Even if projected new supplies from Alaska and Indonesia come on line with a minimum of delay, the possibility of an end to Canadian exports (which represent 45% of Northern California's gas supply) in conjunction with curtailments in "lower 48" deliveries poses a danger to meeting basic residential and commercial needs in the early 1980's.

We are convinced that the development of a prototype commercial scale coal gasification facility is imperative if we are to properly explore this promising long-run source of additional gas supply. In particular the proposed Wesco coal gasification project, which would provide significant quantities of synthetic pipeline gas to California consumers, requires a loan guarantee to obtain necessary financing. Although we recognize the level of concern about the use of loan guarantees to promote technological advances, we feel that high Btu coal gasification meets the essential criteria for such a substantial level of government involvement. We are faced with the shortage of a fuel that is crucial to the economy, makes optimal use of existing transmission, distribution and end-use infrastructure, and has highly desirable clean burning properties. Although the technology for making pipeline gas from coal has proven successful in prototype, there are inevitable cost and construction time uncertainties associated with commercial-size scale-up. Large scale investment is required in a highly regulated industry and in a time of competition for limited capital. Therefore, commercialization will require government assistance to obtain the necessary financing.

For these reasons, the California Public Utilities Commission has passed the attached resolution urging the California Congressional delegation to support HR 12112, which would provide loan guarantees necessary to the development of a synthetic natural gas industry.

Very truly yours,

DAVID W. HOLMES,
President,
WILLIAM SYMONS, Jr.,
VERNON L. STURGEON,
LEONARD ROSS,
ROBERT BATINOVICH,
Commissioners.

Attachment.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA RESOLUTION

Whereas, natural gas is the predominant residential and commercial fuel in California and conversion to alternative fuels would require costly replacement of existing capital stock; and

Whereas, there exists a large, well-developed gas infrastructure in the State which will minimize the transportation and distribution as well as end-use costs of new supply; and

Whereas, gas is the cleanest burning fossil fuel with the highest system use efficiency; and

Whereas, the substitution of other fossil fuels for gas as a boiler or home heating fuel would result in substantial increases in air pollution in critical air basins, resulting in significant negative impacts on public health and welfare; and

Whereas, supplies of natural gas in the lower 48 states are likely to continue to decline, while projected development and distribution of Alaska gas cannot meet all of California's or the nation's requirements and is certain to be very costly; and

Whereas, synthetic gas made from coal potentially represents a substantial new source of this clean gaseous fuel; and

Whereas, successful demonstration has occurred of the manufacture of synthetic high Btu gas via the Lurgi process on a semicommercial scale in Westfield, Scotland and on a pilot scale with several other processes. Nevertheless, there are inevitable cost and construction time uncertainties associated with full commercial scale-up of such facilities; and

Whereas, because of the above uncertainties, the large scale of the required investment, the regulation of the industry, and current competition for limited capital, financial institutions have indicated that they require government guarantee of their investment in the first large scale commercial synthetic gas facilities; and

Whereas, HR 12112 provides for such loan guarantees for commercial demonstration facilities for making high Btu gas from coal; now therefore,

Be it resolved: that we, the undersigned, strongly urge the California Congressional delegation to support HR 12112 as a necessary condition for the development of a synthetic natural gas industry that can generate an additional supply of this desirable and scarce fuel.

State of California,
Air Resources Board,
Sacramento, Calif., June 28, 1976.

Hon. George E. Brown, Jr.,
House of Representatives,
Washington, D.C.

Dear Mr. Brown: This letter is to express the support of the California Air Resources Board for the passage of legislation authorizing Federal loan guarantees for the construction of the first full-scale plants to produce synthetic natural gas from coal.

California has a desperate need to augment its dwindling supplies of natural gas. The use of even so-called "low sulfur" fuel oil as a substitute for natural gas will result in very serious damage to public health and economic disruption.

The development of synthetic natural gas from coal is one step that would help in alleviating our shortage of natural gas. The process proposed has been used on a smaller scale successfully for long periods of time.

The problem facing our gas utilities and others interested in this process is that they cannot attract the large amounts of capital needed for these plants by offering astronomical rates of return that may be available on other projects. Since the ratepayers must ultimately bear the cost of the project, including return on capital, investor's return will be limited to reasonable values. Because of this limitation it appears to be necessary to offer some form of adequate loan guarantee to attract the needed private capital. Once the initial plants have been built and successfully operated for a substantial period of time, further loan guarantees should not be necessary to assure an adequate flow of capital for these projects.

I hope you will join with other members of the California Delegation and others in need of clean fuels to see that legislation embodying loan guarantees for the projects to produce synthetic natural gas from coal passes this session.

Sincerely yours,
Tom Quinn, *Chairman.*

FINANCIAL STATEMENT OF CONGRESSMAN AND MRS. GEORGE M. O'BRIEN

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. O'BRIEN. Mr. Speaker, in addition to the information which I provided to the Clerk of the House under rule XLIV, I include the following financial statement:

Financial Statement of Congressman and Mrs. George M. O'Brien

A. Tax information:	
Congressional salary*	$42, 850
Adjusted gross income including salary, law practice, interest and dividends	71, 031
Federal income taxes	18,090
State income taxes	1, 778
B. Unsecured indebtedness	-------
C. Securities—value June 25, 1976:	
American Precision Industries (150 shares)	750
Burlington Industries (132 shares)	2, 993
First National Bank of Joliet (1,194 shares)	59, 700
Illinois Securities Co. (350 shares)	17, 500
Keystone Fund (128 shares)	384

* Includes $350 received in additional salary as result of Congressional pay raise effective October 1, 1975. but refunded to the U.S. Treasury.

D. Other business entities with service as manager, director, or partner: Partner in law firm of O'Brien, Garrison, Berard, and Kusta, Joliet, Ill.

E. Reimbursement for expenditures (other than from U.S. Government) exceeding $1,000: Republican National Congressional Committee contribution made for public relations expenses (1975) : $3,000.

F. Other financial reports: Report of financial interests filed with Clerk of the House pursuant to rule XLIV for the House of Representatives for each year in Congress.

LEGISLATION BENEFITING HISPANICS IN THE 94TH CONGRESS

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ROYBAL. Mr. Speaker, it has been my pleasure to know Representative Herman Badillo since he first came to Congress in 1970. Since that time we have worked together on many projects to improve the lives of Hispanic Americans. Because of his deep commitment to his own Puerto Rican community and to every Latino and disadvantaged group in this country, Representative Badillo has worked diligently and effectively to help remove the barriers facing these Americans in their effort to seek full participation in our society.

Representative Badillo has a monthly column in TEMAS magazine, a Spanish-language journal that serves the Hispanic community in New York. His article from the August issue lucidly outlines the main legislative issues affecting Hispanics that have been dealt with during the 94th Congress. I commend it to my colleagues so they can note that although progress has been made, there is still a way to go before Hispanic Americans enjoy the full benefits of citizenship. The article follows:

Legislation Benefiting Hispanics

Now that the 94th Congress is drawing to a close, it seems like a good time to review the very important gains the Hispanic community has made through the legislative process. Although I find myself frustrated at how slowly real progress is made, I have found that, as a Hispanic member my leadership has been important in pushing through some of the legislation our community needs if we are to continue making progress in our fight for equality in this country.

Perhaps the most significant gain that we have made in the past two years is the expansion and extension of the Voting Rights Act. As you probably remember, it was my amendments to that legislation last year that expanded its coverage to the Hispanic communities of Bronx, Manhattan and Brooklyn, as well as Florida and the Southwest. One of the provisions requires that all voting materials and voter registration materials must be bi-lingual in all countries where the Hispanic population is at least 5%.

Another important advance was the recent resolution signed by President Ford in June which will improve the collection of statistics relating to Hispanic Americans. The bill, which was promoted by Rep. Ed Roybal of California and myself, will insure that Hispanic population counts and labor statistics are accurate. What this means is that Hispanic communities will begin to receive their fair share of Federal funds, most of which are distributed on the basis of population. It also means that more Hispanics will soon be serving in legislatures and in the Congress, because districts are apportioned on the basis of population. Our communities have been seriously undercounted up until now, and we have suffered because of that. The law also requires an affirmative action program to hire more Hispanics for the Bureau of the Census, and requires bilingual questionnaires for the 1980 census.

In the area of appropriations, we have made some real gains in our attempts to increase funds for bilingual education. This year the House of Representatives appropriated $115 million for bilingual education. That is $18 million more than last year. The concept of bilingual education is beginning to gain broad acceptance, and the battle has moved from acknowledging the problem, which was a struggle in the first place, to making sure that the necessary funds are allocated to make the program really reach the numbers of children in our community who should be taking advantage of it.

As you know, I am a member of the Judiciary Committee in the House. I chose that committee specifically because it has jurisdiction over civil rights, Constitutional amendments, immigration and naturalization judicial proceedings, and Federal prisons, areas that are of particular concern to the Hispanic community, and where I thought I could do the most good for all Hispanics. I am the only Hispanic on the committee, which requires that its members be attorneys, and I have played a major role in promoting hearings and legislation that will benefit Hispanics.

I led the fight in the Judiciary Committee to kill the so-called "illegal alien" bill. This bill would force employers to act as immigration officials, and to penalize them for hiring illegal aliens. The U.S. Commission on Civil Rights backed me up when I stated that the way the law was written it would promote discrimination against Hispanics because employers would avoid hiring all Hispanics, fearing they were illegal aliens. This is a bad concept, and a bad bill, and does not address the problem it is supposed to solve. I have discussed this very serious problem with the State Department, and there is agreement that another approach must be used in solving it. The U.S. Catholic Conference has been an excellent ally in this battle to save our community from further job discrimination. Although the bill passed the Committee, there is little chance that it will come to the floor of the House for a vote during this session.

My Subcommittee on Courts, Civil Liberties and the Administration of Justice, at my urging, has held hearings reviewing the hiring practices of the Department of Justice which employs 52,000 people, and has a terrible record for hiring Hispanics. There has been only minimal improvement in the minority hiring statistics of that department, which is particularly shocking as they have jurisdiction over the enforcement of the Civil Rights Act. I intend to hold these hearings each year until Hispanic employees in the Justice Department are equal in percentage to our percentage in the population.

We have also held hearings on housing discrimination, which focused on the inability of minorities and women to have access to live where they wish because of discrimination. Out of these hearings, I am hopeful will come legislation to mandate enforcement of the already existing law, which prohibits the kinds of discrimination that are still taking place.

We have also held hearings on the civil rights aspects of the General Revenue Sharing program, which is supposed to give money only to those programs in compliance with the Civil Rights laws. But compliance has been weak, and the hearings served as evidence that there is a great need to enlarge the civil rights compliance department of the Office of Revenue Sharing. They will be hiring additional staff to monitor compliance with this program by virtually every City and State in the country.

There is much left to be done. I will continue to do my share on the Judiciary Committee, and on the floor of the House, to insure that our community gets its fair share of Federal jobs and Federal program funds. But I cannot do it alone, and I need the help of every person who cares about his own future and the future of the Hispanic American community. I urge you to get involved, and it's simple, and very important, to do so. It's very easy to write a letter to your representative in Congress, and urge him to support legislation that will help our community. We must all work together to provide for ourselves and for the generations to come.

AHLSTROM BROTHERS UNDERSCORE BICENTENNIAL SPIRITUAL HERITAGE IN CROSS-COUNTRY RUN

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. McCLORY. Mr. Speaker, earlier today the Reverend Tony Ahlstrom, a constituent of mine, and his brother, Joel, both graduates of Trinity College in Deerfield, Ill., presented President Ford with a Bible and copies of the Declaration of Independence which they had carried as they ran across the country.

The Ahlstrom brothers began their coast-to-coast run on April 25, 1976. Running an average of about 50 miles on most days, they covered the over 3,000 miles to Washington, D.C. in 2 months and 6 days—completing their run today.

Mr. Speaker, the Ahlstroms took as their inspiration for this remarkable journey a phrase from the Mayflower Compact when the first Pilgrim settlers dedicated this new land "to the glorie of God and advancements of the Christian faith." Tony and Joel Ahlstrom sought to remind the American people of the moral principles upon which this land was established.

During their Bicentennial run from San Francisco, the Ahlstroms participated in town meetings in various communities and shared their ideals and commitments with thousands of citizens. They also emphasized the vital role the Bible played in the development of America.

As the Reverend Ahlstrom told the President in the Oval Office today, the Bible long was the source book in almost every pulpit and the textbook in almost every classroom. For generations, it was the standard for living and learning and faith.

In concluding the Declaration of Independence, Jefferson wrote:

> And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor.

Another significant aspect of this cross-country run was the emphasis on a renewed endorsement of the Declaration of Independence. People were ininvited to sign their names to copies of the Declaration, emblazoned with "I Still Believe" along the side, and send them to the Freedoms Foundation at Valley Forge, Pa.

Mr. Speaker, the Bicentennial presents each of us with a special opportunity to declare our personal faith in God and to rededicate ourselves to the principles laid down by the Founding Fathers.

The Ahlstroms' Bicentennial run was sponsored by the Plymouth Foundation, the American Bible Society, the Freedoms Foundation, Youth for Christ, Montgomery Ward, Wyler Foods, St. Regis Paper, and Adidas Shoes.

At today's White House meeting, the Reverend Tony Ahlstrom was accompanied by his wife, Judy, and Joel Ahlstrom by his wife, Kristi. My wife, Doris, and my grandson, Michael Etienne, also were present and privileged to hear the President speak movingly about his personal reliance on spiritual values.

THREE CRITIQUES OF THE DINGELL-BROYHILL AMENDMENT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. WAXMAN. Mr. Speaker, over the past several weeks, I have solicited comments from outside parties on the various automobile emissions proposals which will shortly be debated by the House.

I firmly believe there is no compelling reason—based on technological feasibility, fuel economy, cost to the consumer, or impact on air quality—why the House should accept the Commerce Committee's proposed 3-year freeze of the current Federal automobile emissions standards, or accede to the industry's demands for even more extensive delays in meeting the full statutory standards.

The documents I am inserting below provide a thorough refutation of the arguments against the Waxman-Maguire amendment which have been aired by Representatives DINGELL and BROYHILL. These materials show, first, that meeting the statutory standards in the near future is essential to the protection of public health over the next generation; second, that this can be accomplished while dramatically improving fuel economy; and third, that the benefits derived from meeting the statutory standards are more than worth the costs incurred in achieving them.

I urge my colleagues to carefully weigh these analyses as they reach a judgment on the issues before us:

MEMORANDUM

To Hon. Henry A. Waxman.
From Dr. Stephen G. Miller, Avram Company.
Re Impact of the Dingell-Broyhill Auto Emissions Amendments.

The Dingell amendment is predicated on arguments that standards tighter than those he proposed would (i) waste energy; (ii) produce negligible air quality benefits; (iii) increase consumer costs; and (iv) impose an industry-wide technological straitjacket. These arguments are old, having been used frequently by the auto industry in their dealings with EPA, their media advertising, and their Congressional lobbying for many years. Therefore, a close look at the Dingell arguments is in order.

(I) FUEL ECONOMY

Predictions of dire fuel economy consequences have been reiterated by the auto industry for years. For example, a Chrysler publication titled "Let's Have Clean Air—But Let's Not Throw Money Away" predicted as much as a 30% fuel penalty to meet the 1978 (at that time 1976) statutory standard. Actual test data has not borne out these predictions. The 1976 model year vehicles have the best sales-weighted fleet fuel economy since 1957.[1] These fuel economy results constitute a better than 25% improvement over the 1973–1974 model year vehicles, despite achieving significantly lower emissions for hydrocarbons (HC) and carbon monoxide (CO). The NAS conference report on motor vehicle emissions (NAS, June 5, 1975) has stated that the 1978 statutory emission standards "could and should be achieved while improving fuel economy. A significant improvement can be achieved by changes that are independent of emissions." A partial listing of the designated improvements includes: (i) reduction in vehicle weight; (ii) use of radial tires; (iii) reduction in the ratio of engine power to vehicle weight; (iv) use of better aerodynamic design to reduce drag.

Volvo has very recently certified a vehicle to be commercially available for 1977 model year in California. The vehicle met the 1978 emission standards with a 10% fuel economy increase over the comparable 1976 Volvo. Once again, the fallacy of industry predictions has been demonstrated. It must be emphasized that predictions are only as good as their ultimate validity. The actual facts should be allowed to speak for themselves.

(II) CONSUMER COST CONSIDERATIONS

The cost of emission controls is another area where predictions have been frequently attempted and have usually been proven wrong. The auto industry supplied data to the Office of Science and Technology in 1971 stating that meeting the 1978 (at that time 1976) statutory standard would cost $500 over 1971 costs. The actual average cost of all emission controls up until the 1976 model year has been $178 per car. This is the official Bureau of Labor Statistics figure. The Dingell cost predictions compute aggregate figures including both first cost and operating cost. The latter values utilize "predictions" about fuel economy loss, which were discussed in the preceding section. This assumed fuel economy penalty makes up the lion's share of the Dingell cost values. The EPA-DOT-FEA report of April 6, 1976, has predicted that the 1978 statutory standards could be achieved with an additional $120 per car incremental cost, using a three-way catalyst. Similar values could be expected for a dual catalyst system. This value should be compared to the cost of existing vehicle options such as a vinyl roof ($108). In addition, it should be noted that the vehicle cost figure includes a 35% manufacturer and dealer profit markup. The cost of attaining the statutory standards would be about $1.2 billion/year assuming a $120 per vehicle incremental cost. The Maguire/Waxman standards would lead to about $7 billion total investment between 1977 and 1985 using this value. This total is *six times less* than the $41 billion put forward by Dingell.

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[1] "Fuel Economy Trends," *Automotive Engineering* 3:12 (Dec. 1975), p. 29.

Once again turning to reality, the Volvo achieved the 1977 statutory standards with an approximate $20 to $50 incremental cost over its 1976 California sticker price. Taking these cost figures, and not even considering the *increased* fuel economy for the Volvo, a value of $1 to $3 billion becomes the total 1977–1985 compliance cost (2 to 6% of the Dingell value) for the Maguire/Waxman standards.

(III) EMPLOYMENT

While no "predictions" have been made concerning the impact of the auto emission standards on sales and subsequently on employment, the following empirical facts must be kept in their proper perspective.

Item: The auto industry had its finest sales year in 1973, the year the automakers first used EGR systems to meet a first-time-in-existence NO_x standard. Furthermore, 1973 was the second worst fuel economy year for the industry and the worst vehicle performance year in recent history.

Item: 1975 was one of the worst sales years in history, even though fuel economy was up 20% from the prior year, and lost performance had been regained because catalyst introduction had allowed engines to once again be optimally tuned.

Sales in the auto industry have much more to do with the general state of the economy than they do with the small incremental costs imposed by emission controls. It should also be noted that total emission control costs currently amount to only about 3% of vehicle prices, a value of less than one-half the current annual inflation rate.

(IV) AIR QUALITY IMPACTS

The Dingell paper states that NO_x emissions per car have already been reduced by 40%. That value is more like 12 to 23%, depending upon which pre-NO_x controlled model year is being considered. Before considering the adequacy of the current air quality standard for NO_2, it should be noted that the EPA Air Quality, Noise, and Health Report (revised February 17, 1976) makes the following predictions:

(a) The percentage of areas in U.S. exceeding the current annual average (0.05 ppm) standard for NO_2 in the year 2000 will be 33 with the Dingell 2.0 gm/mile emission standard and 19 with a 0.4 gm/mile standard.

(b) The cumulative (1980–2000) number of excess days of restricted activity from lower respiratory disease in children is 46 million at a 2.0 standard and 34 million at a .4 standard, a difference of 12 million restricted activity days.

(c) The cumulative (1980–2000) number of excess attacks of lower respiratory disease in children is 17 million at the Dingell 2.0 standard and 12 million at the .4 standard. That is a difference of 5 million excess attack days.

Those predictions are based upon health effects arising only from violations of the current air quality standards for NO_2. The validity of that standard is open to some considerable doubt. For the sake of comparison, the current Japanese NO_2 standard is .02 ppm for a 24-hour maximum average (as compared to the U.S. annual average of .05 ppm). The values cited above in the EPA report consider increased lower respiratory disease in children as the only effect of NO_x pollution. However, studies have indicated that NO_2 may play a role in causation and aggravation of emphysema, bronchitis, asthma, kidney disease, and arteriosclerosis. Furthermore, increasing evidence has linked NO_2 to cancer through the mechanism of atmospheric or in vivo formation of the potent carcinogens, nitrosamines.

Finally, it has been frequently noted that the annual NO_2 average does not consider the deleterious effects of short-term peak NO_2 levels. A very recent French study[2] has shown that asthmatics given a 1-hour exposure to .1 ppm NO_2 levels had significantly increased responses to asthma-causing agents relative to a NO_2-free environment. Some peak hour NO_2 levels monitored by EPA for various U.S. cities is shown below.[3] The list is only partial and it is seen that every city listed exceeds the .1 ppm value cited above. Furthermore, while stationary and mobile sources contribute somewhat equally to annual NO_2 levels, the peak hour NO_2 levels are dominated by mobile source emissions.

(V) NEED FOR STANDARDS (OR COSTS AND BENEFITS)

From the preceding discussion, it should be obvious that performing cost/benefit analyses is fraught with pitfalls both in determining actual costs and assessing benefits. The most complete study performed to date has been the study done by the NAS for the Senate Public Works Committee. They determined a favorable benefit/cost ratio for the statutory standards. A more recent study performed by S. Fred Singer of the University of Virginia, and cited by Mr. Dingell in his report, came to an opposite conclusion. Dr. Joel Horowitz of the EPA Office of Policy Analysis critiqued the Singer document in a memo to Roger Strelow, EPA Assistant Administrator for Air and Waste Management. The Horowitz memo stated: "As is usual with work involving Larry Goldmuntz, most of Singer's conclusions are wrong." The memo's conclusions followed: "Singer's preoccupation with marginal analysis is pointless: existing benefits are too imprecise to support a marginal analysis. Singer's benefits calculation is simply nonsense. His cost estimates are mostly wrong, the only possible exception being the costs of changing catalysts.... Singer's only addition to what we already know is confusion."

TABLE 1.—*Peak 1-hour readings for some U.S. cities for NO_2*

City	Peak 1-hour reading (ppm)
Chicago (1974)	.80
Louisville, Ky. (1974)	.60
Baltimore, Md. (1974)	.15
Boston (1974)	.16
Springfield, Mass. (1974)	.28
Phoenix (1973)	.33
Denver (1974)	.42
Washington, D.C. (1973)	.22
Atlanta (1974)	.25
San Jose (1974)	.29
Salt Lake City (1973)	.45
Cincinnati (1973)	.23
Philadelphia (1973)	.65
Pittsburgh (1972)	.18
Detroit (1974)	.16
St. Louis (1974)	.22
Newark (1973)	.35
New York City (1973)	.40

MAY 10, 1976.

Mr. BRUCE WOLPE,
Legislative Assistant, care of Honorable Henry Waxman, Congress of the United States, House of Representatives, Washington, D.C.

DEAR BRUCE: Per your letter request of April 27, 1976 we have reviewed the material distributed by Congressman Dingell concerning the effect of various automobile emissions standards on fuel economy and air quality. We found the appendices attached to the report from FEA Administrator Zarb to constitute a fairly reasonable assessment of the way various emission requirements could affect fuel economy and health but the text of the report and Mr. Dingell's press release don't reflect the tone of the analysis on which they are based. As for Mr. Dingell's attempt to tie emission standards to new car sales, the attached article should place the relationship in proper perspective.

In the health effects area, the summaries are in terms of the number of Air Quality Control Regions (AQCR's) projected to exceed the ambient air quality standards for the various emission standard schedules under consideration. Both the more stringent schedule proposed by Mr. Waxman and the lenient schedule proposed by Mr. Dingell are shown to result in 31 regions failing to meet the standards by 1990. This type of conclusion ignores the very real health damage occurring because of the higher exposures the citizenry will experience under schedules which are less stringent. No credit is given for being closer to the standards with Mr. Waxman's proposed schedule and this may mislead the reader into believing the benefits of Mr. Waxman's schedule are somehow not tangible. More adverse health affects occur as the air quality standards are exceeded by greater amounts and this is pointed out in Section 2 of the report transmitted by Mr. Zarb. The emission standard schedule which is closest to Mr. Waxman's is estimated to result in 2,000 fewer cases of heart and lung disease aggravation in elderly patients, 300,000 fewer cases of eye irritation, and 200,000 fewer headaches between 1980 and 1990.

Concerning the fuel economy effect of various emission standard schedules, a fundamental assumption has been made that the full effect of any emission-related factors which tend to reduce economy will be experienced. Given the fuel economy standards that Congress has passed this may not be the case. While good fuel economy is a selling feature, a cursory review of the sales charts shows that other factors (e.g. styling, size, etc.) are, in general, more important to the average new car buyer. It is likely that the auto makers will continue to concentrate on the features that really sell cars and work on fuel economy to the extent they must to be competitive and to meet the fuel economy standards. This means that, even if more stringent emission standards *tend* to adversely affect fuel economy, the fuel economy of the average car will remain the same because the manufacturer will have to apply more effort in the economy area to meet the standard.

Even assuming the full effect of emission-related factors which adversely affect fuel economy will be felt, the conclusions drawn in the report from Mr. Zarb and the press release by Mr. Dingell are overly pessimistic. The conclusions reached seem to assume failure of promising emission control approaches which are well on their way to successful certification for the California market in model year 1977. As stated in the appendix, "Thus, the successful development of the above mentioned technologies could significantly minimize, if not eliminate, the emission control impact, at least down to the emission control level .4/3.4/1.0."

As is clearly pointed out in the appendices to the Zarb report a fuel *penalty* could be expected to occur with the *Dingell schedule* in later years compared to the schedule recomended by Mr. Waxman, yet this penalty was not considered in arriving at conclusions. As stated in appendix D, ". . . the initial drop in fuel economy and improvement in later years that commonly occurs when emission standard levels are changed has not been included." Delaying stringent emission standards also delays the progress in optimizing fuel economy at low emission levels. It is also worth noting that there is no evidence to support Mr. Dingell's contention that the more stringent standards will increase maintenance costs. California cars, for example, require no more maintenance than equivalent 49-state cars.

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[2] Orehek et al., The Journal of Clinical Investigation, 57:301 (February 1976).

[3] See Table 1.

In summary, it appears as though the air quality benefit of the emission standard schedule recommended by Congressman Waxman has been underestimated in the analysis submitted by Mr. Zarb and the fuel penalty (if any) associated with more stringent standards than those recommended by Congressman Dingell have been somewhat overstated. From California's viewpoint, a relaxation of emission standards along the lines of those recommended by Congressman Dingell would probably jeopardize our efforts to meet air quality standards since a relaxed Clean Air Act will surely result in less research and development efforts in the automotive emission control area. California will find it harder to require increasingly cleaner cars ahead of the schedule in effect nationally. The more than ten million inhabitants of our South Coast Air Basin are in one of the AQCR's that won't meet the air quality standards under any proposed auto emission standard schedules. Even though we may not meet the air quality standards under either schedule, Congressman Waxman's proposal will help us reduce the suffering and deteriorated quality of life associated with air pollution in California.

We hope these comments are useful, and look forward to continuing to work together closely as the vote approaches.

Sincerely,

LAWRENCE H. HAAS,
Senior Legislative Representative.

APRIL 14, 1976.

Representative JOHN DINGELL,
Rayburn House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE DINGELL: In House Interstate and Foreign Commerce Committee meetings on Clean Air Act legislation, you unsuccessfully introduced two amendments to relax the statutory automobile emissions standards. The first amendment would have frozen the present standards for five years while the second would have frozen the standards for three years at the relaxed 1977 levels followed by two years at the present California levels. Both these amendments would adversely affect public health by exposing millions of additional people to harmful air pollution levels above the ambient air qual'ty standards. Although your stated purpose for introducing these amendments was to improve auto fuel economy, the actual consequence could have only been to aid the misguided auto industry in its declared war against needed public health regulation.

A new Federal Interagency Report, "Analysis of Some Effects of Several Specified Alternative Automobile Emission Control Schedules," prepared by the Department of Transportation, Environmental Protection Agency and Federal Energy Administration on April 8, 1976, discredits the stated justification for your health impairing emission relaxation amendments. According to even the worst case analysis in this report, the mandatory fuel economy standard of 20.0 MPG by 1980 can be met under the most stringent emission standards analyzed without any advances in emission control technology and without any shift to smaller cars. Under the more likely case of the auto manufacturers making improvements in present emission control systems, the 1980 mileage standard will be bettered by 12 to 15% (2.4 to 2.9 MPG) while meeting the more stringent emission standards opposed by you and the auto industry. A market shift to smaller cars could easily raise even this high average fuel economy by an additional 1 to 2 MPG.[1]

Under the improved technology case and even without a shift to smaller cars, the interagency analysis shows no significant fuel economy gains accompanying an emission relaxation through the 1984 model year. In fact there is no fuel economy difference in either 1983 or 1984 between the most stringent set of standards analyzed (Senate Public Works Committee, Representative Rogers' and Representative Brodhead's proposal) and even a freeze at present levels. In 1985 when the ultimate fuel economy goal of 26.0 to 27.5 MPG[2] is imposed, the interagency report shows this standard is far exceeded by the 29.7 MPG average under the Senate Public Works Committee and the range met by the 26.7 MPG average achieved under either the Rogers or Brodhead proposal. According to the Interagency Report, the average fuel economy would go to 31.2 MPG while meeting 1.0 g/m oxides of nitrogen under the Senate amendment if the manufacturers would put diesels in 20% of their cars by 1985. The manufacturers could also meet 0.4 g/m oxides of nitrogen under both the Rogers and Brodhead amendments in 1985 with 20% of their production as diesels and get an average fleet fuel economy of 28.8 MPG or above the maximum fuel economy goal of 27.5 MPG.

The April 8 Interagency Report demonstrates the adverse health effects from an emission freeze in summary form. For example, one of the adverse health effects from a freeze on oxide of nitrogen emissions at present levels would be 3.65 million additional attacks of lower respiratory disease in children between 1980 and 1990 over what would occur under the Rogers amendment. If the nitrogen oxides standard were frozen at 2.0 g/m rather than at present levels, there would still be an additional 1.2 million days of restricted activity in children from lower respiratory disease as compared again to the Rogers proposal. The oxidants pro jection shows an additional 1.5 million cases of eye irritation for a continued freeze of hydrocarbons standards at present levels as compared to the Senate Public Works proposal.

Although the Interagency Report does not compare its cost estimates with the benefits of reducing auto emissions, the National Academy of Sciences has already found "that the benefits, expressed in monetary terms, that could reasonably be expected to accrue from implementing the Federal statutory emission control standards for automobile [sic] are commensurate with the expected costs."[3] The Academy estimated that these benefits ranged from 2.5 to 10 billion dollars annually. Since the Interagency Report significantly lowers the cost of emission controls as reported by the Academy, the cost-benefit ratio of meeting the statutory standards is improved.

In view of the Interagency Report, you should abandon your announced plans to seek further relaxation of the emission standards. In acting on this request, it is well to recall that the National Academy of Sciences also estimated that auto air pollution causes as many as 4,000 deaths and 4 million illness-restricted days each year.

Sincerely,

RALPH NADER.

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[1] According to a Federal Energy Administration contract report, "Gasoline Consumption Model", (July 22, 1975), the market for subcompacts will grow by 20% from 1975 to 1985.

[2] Under section 502 of the Energy Policy and Conservation Act of 1975, the 1985 standard is 27.5 MPG which can be lowered to 26.0 MPG through Department of Transportation rulemaking.

[3] "Air Quality and Automobile Emission Control", September 1974.

STATUS REPORT ON LEGISLATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. OTTINGER. Mr. Speaker, periodically I enter into the RECORD a status report on legislation I have sponsored. Following is such a report covering all legislation I have authored or sponsored between August 1, 1975 and May 31, 1976:

STATUS REPORT ON OTTINGER SPONSORED LEGISLATION

AGRICULTURE

H.R. 9891 (Burke of Mass.). Secretary of Agriculture shall distribute seeds and plants in home gardens.

H.R. 10438 (Brown). Meat inspected and approved shall be produced only from livestock slaughtered by humane methods.

H.R. 10776 (Richmond). Establish Department of Agriculture task force to develop new beef-grading standards; post same in retail stores and educate consumers on them.

H.R. 11281 (Pressler). Reduction of soil blowing; control of snow deposition and conservation of moisture; protection of crops, orchards, livestock; provision of food and cover for wildlife; conservation of energy; increase natural beauty of landscape.

H.R. 12335 (Koch). Reform Food Stamp Program.

H.R. 12637 (Peyser). To restrict changes in slaughter standards for cattle and create a different and non-deceptive grade of beef.

H.R. 12652 (Moakley). To establish a Bureau of Agricultural statistics.

ARTS AND HUMANITIES

H.R. 10669 (Benitez). Federal assistance to Puerto Rico for youth center in honor of Roberto Clemente.

H.R. 12894 (Richmond). Provision in paying Federal income tax for financial contributions for advancement of arts and humanities.

H.R. 13850 (Nix). Provide for issuance of a commemorative postage stamp in honor of Dr. Martin Luther King, Jr.

H.J. Res. 701 (Ottinger). Honorary U.S. citizenship for Christopher Columbus.

H.J. Res. 959 (Badillo). To pay tribute to the contributions of Hispanics, and to establish an office of Hispanic Affairs in various Executive agencies.

H. Con. Res. 513 (Edwards of Calif). Compiling materials commemorating services of Justice William O. Douglas. (March 25, Final day of Committee Consideration and Markup Session, Committee on House Administration.)

CIVIL LIBERTIES

H.R. 9452 (Spellman). To prevent discrimination in housing based on marital status.

H.R. 10002 (Anderson of Calif.). To permit Members of Congress to receive information from Federal agencies on individuals.

H.R. 10135 (Ford of Michigan). Authorize disclosure to Members of Congress information on individuals for casework.

H.R. 10389 (Ottinger). Prohibit discrimination on basis of affectional or sexual preference.

H.R. 10820 (Burke of Calif.). Establishment of multi-purpose service programs for displaced homemakers.

CIVIL SERVICE

H.R. 9440 (Fascell). Pay comparability adjustments shall apply to all Executive branch employees on the same date.

H.R. 10490 (Harris). Eliminate President's authority to submit to Congress alternative comparability pay plans for Federal employees.

COMMERCE AND INDUSTRY

H.R. 9670 (Ottinger). Provide for Daylight Savings Time from last Sunday in February to first Sunday in November. (June 9, Final day of hearings in Commerce Subcommittee on Transportation and Commerce.)

H.R. 10119 (Mezvinsky). F.T.C., Department of Justice, Department of Agriculture shall report annually to Congress on antitrust enforcement, market structure and state of competence in the food industry.

H.R. 10633 (La Falce). Reasonable assurance of repayment of prospective loans be made on a case-by-case basis; clarification of eligibility of small business homebuilding firms for assistance. (March 18, First day of hearings in Commerce Subcommittee on Small Business Administration and Small Business Insurance Corporation.)

H.R. 10872 (Mikva). Correction of inequities in franchise practices, protection of franchisors and franchisees from unfair practices; provision to consumers of benefits accruing from competitive and open market.

H.R. 11044 (Solarz). S.E.C. regulation of issuance and trading of munipical bonds and similar securities.

H.R. 11110 (Harrington). Prohibit certain corporate management interlocking relationships.

H.R. 11464 (Koch). Strengthen antiboycott provisions of Export Administration Act; enhance investor disclosure provisions of Securities Exchange Act.

H.R. 11605 (Ottinger). Suspend rate of duty on mattress blanks of rubber latex for three years. (March 8, acted upon by Trade Subcommittee; pending before Ways and Means.)

H.R. 12098 (Moakley). Ban manufacture, sale, distribution and importation of electric weapons until determinations made by Consumer Product Safety Commission.

H.R. 12589 (Fenwick). Amend Bankruptcy Act to provide a priority for certain debts to consumers.

H.R. 13025 (Koch). Proof of liability insurance for automobiles entered into U.S. for personal use by non-residents and foreign government personnel.

H.R. 13180 (McCollister). Payments to sales representatives terminated without justification; provide for scope of contracts between sales representatives and principals.

H.R. 13181 (Ottinger). Amend Internal Revenue Code of 1954 with respect to the treatment of certain domestic corporation dividends as foreign oil-related income.

H.R. 13565 (Murphy of N.Y.). To authorize States to acquire certain rail properties from Consolidated Rail Corporation.

H.R. 13581 (Studds). Provide lower rate of duty for certain fish netting and fish nets.

H.R. 13667 (Ottinger). To provide financial assistance for replacement quarters to persons whose small businesses are displaced by Federal and Federally assisted programs.

H.R. 13668 (Ottinger). To extend disaster loans to small businesses in areas declared impacted disasters.

H.R. 13669 (Ottinger). To increase maximum S.B.A. share on a business loan from $350,000 to $500,000.

H.R. 13670 (Ottinger). To provide that a small business concern shall include a nonprofit organization providing economic benefit or valuable service to its members.

H.R. 13671 (Ottinger). To make loans available for small businesses in the petroleum and petrochemical industries and to protect such businesses.

H.R. 13796 (Symms). To provide that drugs will be regulated solely to assure their safety.

H. Con. Res. 545 (Brown of Calif.). Increase Federal efforts to prove viability of sailing ships.

CONGRESSIONAL AND FEDERAL REFORM

H.R. 9201 (Carr). Prohibit individual from holding simultaneously positions of Secretary of State and Assistant to the President for National Security Affairs.

H.R. 9608 (de Lugo). Establish a constitution for the Virgin Islands.

H.R. 10004 (Aspin). U.S. Postal Service to provide postal lock boxes for certain persons residing in rural areas.

H.R. 10092 (Bedell). Committee reports shall contain statements of report and record-keeping requirements imposed on private business resulting from enactment of proposed legislation.

H.R. 10672 (Cornell). Public financing of primary and general elections for Senators and Representatives.

H.R. 10683 (Ottinger). Provide for open meetings of Government agencies.

H.R. 11279 (Mikva). Reform appointment process by which commissioners of Federal regulatory agencies are selected by establishing a bipartisan nominating board to recommend persons to the President.

H.R. 11654 (Ottinger). Prohibit expenditures for intelligence gathering by clergymen.

H.R. 11773 (Green). Members of Federal Election Commission shall be appointed by the President with advice and consent of Senate.

H.R. 11786 (Stanton). Establish position of Special Assistant to the President for National Security Affairs.

H.R. 11971 (Brademas). Regional primaries system for nomination as candidate for President.

H.R. 12065 (Roush). Prohibition of deprivation of employment or other benefit for political contribution.

H.R. 12074 (Bell). Pay adjustments for Members of Congress may take effect no earlier than beginning of next Congress.

H.R. 12161 (Ottinger). Regional primaries system.

H.R. 12743 (Ottinger). To amend Impoundment Control Act to provide that either House of Congress may by resolution disapprove any rescission or reservation of funds proposed by the President without waiting for expiration of 45-day period.

H.R. 12769 (Mosher). To deny Members of Congress any increase in pay unless such increase is to take effect not earlier than first day of next Congress.

H.R. 13769 (Biester). To create a joint committee on intelligence operations with jurisdiction over intelligence matters; to impose conditions on expenditure of funds by or for C.I.A. for non-intelligence gathering operations.

CRIME, CRIMINALS, COURTS AND LEGAL SERVICES

H.R. 10303 (Koch). Payment by U.S. of attorneys' fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction.

H.R. 11297 (Heinz). Amendment of U.S. Code respecting fines and imprisonment of conspirators against the U.S. or its agencies.

H.R. 11298 (Heinz). Establish a National Commission on Victimless Crimes.

H.R. 11852 (Scheuer). State attention to special problems of crimes against the elderly.

H.R. 11966 (Wolff). To regulate the sale and taxation of certain electric weapons.

H.R. 12685 (Holtzman). To permit fair and effective prosecution for rape.

H.R. 12768 (Moakley). To revise U.S. Code to provide for the punishment of sexual assaults.

H.R. 13318 (Moakley). Amend Crime Control and Safe Streets Act of 1968 to emphasize crime prevention as a major purpose; each comprehensive State plan to include a program for crime prevention against elderly.

H.R. 13902 (Spellman). To amend the Civil Rights Act of 1968 with respect to the awarding of attorneys' fees and the authority of H.U.D. to initiate a civil action to enforce the act's provisions.

H.R. 14015 (Tsongas). To establish certain guidelines for sentencing and to establish a U.S. Commission on sentencing.

DISTRICT OF COLUMBIA

H.R. 10614 (Fauntroy). Extend for one year the D.C. Medical and Dental Manpower Act of 1970.

EDUCATION

H.R. 9195 (Biaggi). Provide for a National Student Financial Assistance Data Bank.

H.R. 11164 (Litton). Establish a Department of Education.

H.R. 11842 (Biaggi). Assistance to school districts in security plans to reduce crime against children, employees and facilities; reporting of crimes committed in schools.

H.R. 11991 (Peyser). Emergency financial assistance to local education agencies to maintain quality level elementary and secondary education services.

H.R. 13126 (Maguire). Reduced-interest loans to students in institutions of higher learning; income-contingent repayment.

H.R. 13146 (Gude). Commissioner of Education to make payments of interest for eligible students within 30 days of receiving proper vouchers.

EMPLOYMENT AND LABOR

H.R. 9909 (Biaggi). Stabilize labor-management relations in the construction industry.

H.R. 11260 (DuPont). Establish commission for improving methods of collecting and analyzing national employment and unemployment information.

H.R. 12437 (Perkins). Provide financial assistance to Opportunities Industrialization Centers.

H.R. 12889 (Ottinger). Authorize temporary rental assistance to the temporarily unemployed or underemployed.

H.R. 13162 (Whalen). States may elect to use area triggers for purposes of emergency unemployment compensation benefits.

H.R. 13274 (Fascell). Financial assistance by Secretary of Labor to small businseses for establishing new jobs for unemployed.

H.R. 13295 (Abzug). Comprehensive program of employment services and opportunities for middle-aged and older Americans.

H.R. 13900 (Koch). To amend the Vocational Rehabilitation Act of 1973.

H.R. 13959 (Tsongas). To establish an office of Youth Employment in the Department of Labor to administer youth programs.

ENERGY

H.R. 9621 (Gude). Establish in Small Business Administration a low interest loan program to assist homeowners and builders in purchasing and installing solar heating (or combined solar heating and cooling) equipment.

H.R. 9671 (Ottinger). Buildings financed with Federal funds to use measures for conserving energy and solar energy systems. (October 30, final day of hearings in Public Works and Transportation Subcommittee on Public Building and Grounds.)

H.R. 10824 (Drinan). Federal Energy Administration to preserve fees collected under oil import fee program and eventually distribute to the consumers.

H.R. 11091 (Thornton). Establish Energy Extension Service in ERDA to develop energy conservation opportunities and programs encouraging consumers of energy to participate. (May 5, forwarded by Science and Technology Subcommittee on Energy, Research, Development and Demonstration, amended, to full Committee.)

H.R. 11767 (Allen). Reform residential electric utility rates. (April 9, Final day of hearings in Commerce Subcommittee on Energy and Power.)

H.R. 11880 (Ottinger). Moratorium on construction permits for new nuclear fission plants until study by Congress of safety and environmental hazards.

H.R. 12032 (St Germain). Public hearings shall be held prior to Federal Power Commission granting rate increases for interstate sale of electricity. (April 9, final day of hearings in Commerce Subcommittee on Energy and Power.)

H.R. 12091 (Fraser). No pipeline company may transport oil if it has interest in such oil.

H.R. 12159 (Mottl). Reorganization of Federal government to provide opportunity for small business concerns and individuals to participate in energy industries.

H.R. 12398 (Staggers). To minimize use of energy.

H.R. 12461 (Dingell). To reform utility rate regulation and to strengthen State electric utility regulatory agencies. (April 9, Final day of hearings in Commerce Subcommittee on Energy and Power.)

H.R. 12513 (Moakley). Prohibit construction which interferes with sunlight necessary for solar heating and cooling equipment.

H.R. 12950 (Dingell). Protection of franchised distributors and retailers of motor fuel; prevention of deterioration of competition in gasoline retailing; to encourage conservation through disclosure of octane rating of automotive gasoline. (May 10, Final day of hearings in Commerce Subcommittee on Energy and Power.)

H.R. 13001 (Ottinger). Direct, low-interest loan program to assist small business concerns in the development of solar heating and cooling equipment for residential structures.

H.R. 13371 (Moakley). Provide tax credit and deduction for residential solar energy equipment.

H.R. 13449 (Staggers). Provide for authorizations of appropriations to F.E.A. and to extend their duration.

H.R. 13676 (Thornton). To establish in ERDA an energy extension service for State plans for energy conservation. (May 10, hearings held prior to Introduction; ordered to be reported.)

ENVIRONMENT

H.R. 9218 (Fraser). Protect individuals against conduct creating serious potential environmental health hazards.

H.R. 9438 (Drinan). Encourage research, development and implementation of energy and resource recovery from solid waste.

H.R. 9838 (Forsythe). Provide for conservation and management of fisheries.

H.R. 10402 (Hayes of Indiana). Establishment of a coordinated national program relating to climate; annual report of the program to Congress.

H.R. 10586 (Anderson of Calif.). To discourage use of painful devices in trapping of animals and birds. (November 17, first day of hearings in Merchant Marine and Fisheries Subcommittee on Fisheries and Wildlife Conservation.)

H.R. 10601 (Meeds). Creation of a Young Adult Conservation Corps to complement Youth Conservation Corps.

H.R. 10900 (Edgar). Additions to the Tinicum National Environmental Center. (May 12, First day of Committee consideration and mark-up session, Committee on Merchant Marine and Fisheries.)

H.R. 11576 (Eckhardt). Testing and necessary restrictions on certain chemical substances and mixtures to regulate commerce and protect health and the environment.

H.R. 12028 (Ottinger). Establish regime governing liabilities and compensation for damages and cleanup costs caused by oil pollution.

H.R. 12236 (Whitehurst). Comprehensive study of wolf for purpose of conservation.

H.R. 12355 (Brown of Calif.). Sound forest management practices.

H.R. 1204 (Teague). To authorize appropriations for environmental research, development and demonstration.

H.R. 14027 (Mineta). To direct F.A.A. to promulgate noise standards for certain aircraft in order to improve the human environment; provide payments required to meet the standards.

H.J. Res. 840 (Whitehurst). Immediate moratorium on killing of eastern timber wolf.

FOREIGN AFFAIRS

H.R. 10236 (Bingham). Repeal embargo on U.S. trade with North and South Vietnam.

H.R. 12255 (Scheuer). Make War Powers Resolution applicable for agents or employees of U.S. engaged in hostilities or advising foreign military forces in foreign countries.

H.R. 12333 (Mrs. Fenwick). Establish commission on Security Cooperation in Europe.

H.R. 13910 (Corman). To amend Internal Revenue Code to deny certain benefits to taxpayers who participate in or cooperate with the boycott of Israel.

H. Res. 677 (O'Neill). Disapproving efforts to expel Israel from U.N.

H. Res. 812 (O'Neill). Condemning U.N. Third Committee resolution equating Zionism with racism.

H. Res. 843 (Solarz). Supporting people of Portugal.

H. Res. 888 (Ryan). Committee on Appropriations and on International Relations to study relationship between U.S. and U.N. and report recommendations within three months.

H. Res. 988 (Bonker). Further aid to Angola be withheld until approved by Congress.

H. Res. 1195 (Gude. To support new U.S. policy toward Africa.

H. Con. Res. 552 (Scheuer). Supporting Brussels Conference on Soviet Jewry.

H. Con. Res. 503 (Fraser). U.S. to increase assistance among world's poorest people up to 1% of U.S. Gross National Product; every person has right to nutritionally adequate diet.

H. Con. Res. 414 (Zablocki). International Treaty banning lethal chemical weapons.

H. Con. Res. 568 (Ottinger). Disapproving sale of certain defense articles to Saudi Arabia. (March 1, Final day of hearings in International Relations Subcommittee on International and Military Affairs.)

H. Con. Res. 617 (Buchanan). To urge Soviet Union to release Georgi Vins and permit religious believers within its borders freedom of worship.

GOVERNMENT OPERATIONS

H.R. 9310 (Blanchard). Require full congressional review of each Federal program every two years.

H.R. 9664 (Hannaford). Government forms shall be discontinued or revised every five years; new or revised forms shall be used only when necessary.

H.R. 9766 (Ottinger). Abolish U.S. Postal Service, repeal Postal Reorganization Act; reenact former provisions of Title 39, U.S. Code.

H.R. 11179 (Litton). The President shall transmit to Congress a copy of each Presidential proclamation and Executive Order.

H.R. 11935 (Blanchard). Elimination of inactive and overlapping Federal programs; authorizations of new budget authority every 4 years; procedure for zero-base review and evaluation of programs every 4 years.

H.R. 11978 (Goldwater). To establish an independent Federal Aviation Agency.

H.R. 12058 (O'Neill). Provide for disposal of surplus real property to status and their political subdivisions, agencies, and instrumentalities for economic development.

H.R. 12123 (Wirth). Limited public financing of congressional election campaigns.

H.R. 12150 (Litton). Local governments to be reimbursed for cost of security services when President or Vice President visit.

H.R. 12994 (Jenrette). Require U.S. Postal Service to make certain considerations prior to closing of 3rd and 4th Class post offices.

H.R. 13032 (Ottinger). Establish Office of Public Participation in Federal Power Commission to facilitate increased participation in proceedings through reimbursement of partcipation costs.

H.R. 13437 (Kastenmeier). To regulate manner in which U.S. Postal Service may close post offices serving rural areas, small communities and town.

H.R. 13812 (Gude). To require payment of interest by Federal agencies on overdue contract payments.

H.R. 13825 (Ottinger). To provide that any constituent receiving a questionnaire from a Member of Congress may return it under the Frank.

H.R. 13846 (Mottl). Permit payment of interest on demand deposits which consist of public funds of the U.S. or of political subdivisions.

H.R. 13892 (Keys). Require U.S. Postal Service to evaluate and examine specific criteria whenever considering closing a Post Office; to provide for a public hearing.

H. Res. 742 (Downing of Virginia). Creation of Select Committee to investigate circumstances of J.F.K.'s death.

H. Res. 960 (Pressler). Individuals attending or teaching at vocational schools be eligible to serve as congressional interns in the House of Representatives.

H. Res. 1010 (Pattison of N.Y.). Creation of Select Committee on Fiscal Problems of cities.

H. Con. Res. 468 (Gonzalez). Authorizing Federal Reserve System to assist N.Y. City in its financial problems.

HEALTH

H.R. 9255 (Ottinger). Construction and operation of burn facilities. H.R. 12664 in lieu: (May 5, Reported out of Commerce Committee; place on Calendar.)

H.R. 10707 (Lehman). Buildings constructed for use by U.S. Postal Service shall be designed and constructed in a manner making them accessible to the physically handicapped.

H.R. 11109 (Gude). Notice and hearing shall be provided before the effective date of any reduction in health services.

H.R. 11328 (Florio). Establishment of mental health advocacy services by States which receive assistance under Community Mental Health Centers Act.

H.R. 11785 (Rooney). To improve tertiary eye centers and examine eye care to the public; study implementing a system of tertiary eye centers throughout the U.S.

H.R. 11996 (Udall). Allow individuals who were administered a drug as part of an experiment to bring action for damages against U.S.

H.R. 12021 (Carter). Establish National Diabetes Advisory Board and take other actions to insure implementation of long range plan to combat diabetes.

H.R. 12269 (Ottinger). To amend Social Security Act to include hearing aids and dentures among items for which payment may be made under supplementary medical insurance program.

H.R. 13483 (Holtzman). To authorize payment under supplementary medical insurance program for certain diagnostic tests and examination for breast cancer.

H.R. 13610 (Duncan of Tenn.). To include nutritional counseling as a home health service.

H.R. 13634 (Cohen). Provide income tax incentives for modifications of certain facilities and vehicles to remove architectural and transportation barriers to handicapped and elderly.

H.R. 13796 (Symms). Permit sale of safe drugs properly labelled with respect to efficiency.

H.R. 13918 (Matsunaga). Amend Social Security Act to provide for inclusion of services of licensed (registered) nurses under medicare and medicaid.

H. Con. Res. 386 (Abdnor). Encourage removal of architectural barriers to access of handicapped persons in public facilities.

HOLIDAYS

H. Res. 1168 (Abzug). Expressing support for Solidarity Sunday. (April 30, Passed House by voice vote.)

H.J. Res. 826 (Steelman). Authorizing President to proclaim National Respiratory Therapy Week on November 7, 1976.

H.J. Res. 838 (Brademas). Designation of 2nd Calendar Week in March 1976 as National Employ the Older Worker Week.

H.J. Res. 895 (Solarz). Designate April 15 as Holocaust Remembrance Day.

H.J. Res. 878 (Rosenthal). Designate April 8 as National Food Day.

H.J. Res. 909 (Fish). Designate April 25, 1976 Hudson River Day.

H.J. Res. 918 (Rogers). Authorizing and requesting President to issue proclamation designating first week of May Clean Air Week.

H.J. Res. 930 (Winn). To designate 7 days, commencing April 30 of each year National Beta Sigma Phi Week.

HOUSING

H.R. 10372 (Badillo). Pilot homestead programs whereby publicly owned structures will be made available to tenant cooperatives for use in providing low and moderate income housing.

H.R. 10633 (La Falce). Reasonable assurance of repayment of prospective loans be made on a case-by-case basis; clarification of eligibility of small business homebuilding firms for assistance. (March 18, First day of hearings in Small Business Subcommittee on SBA and SBIC.)

H.R. 10775 (Ottinger). Temporary assistance for rental payments to temporarily unemployed or underemployed.

H.R. 12947 (Heinz). Authorize H.U.D. Secretary to make grants to local agencies for converting closed school buildings to efficient, alternate uses.

H.R. 12978 (St Germain). Increase authority for long-term direct loans to non-profit sponsors for construction of housing for the elderly and handicapped.

H.R. 13598 (Stokes). To authorize expenditures by Secretary of H.U.D. for repair of certain dwellings

IMMIGRATION

H.R. 11012 (Fish). Provide for refusal of nonimmigrant visas.

NATIONAL BUDGET

H.R. 10855 (Crane). Preparation and publication of annual consolidated financial statements by U.S.

H.R. 11358 (Drinan). Non rescission of budget authority by the President unless Congress passes a bill incorporating such authority.

H.R. 12743 (Ottinger). Either House may by resolution disapprove any rescission or reservation of funds proposed by President without waiting the 45-day period.

H.R. 13622 (Ottinger). All department budget requests made to OMB be submitted to Congress, along with President's budget; OMB officials to testify before appropriate Committees on President's budget and on departmental requests.

NATIONAL DEFENSE

H.R. 11338 (Simon). Arms control impact reports on transfers of nuclear materials or technology to foreign contries to be prepared by Director of Arms Control and Disarmament Agency.

H.J. Res. 618 (Bingham). Renounce strategy of a first strike with nuclear weapons. (March 16. First day of hearings in International Relations Subcommittee on International Security and Scientific Affairs.)

NATIONAL ECONOMY

H.R. 10928 (Baucus). Require budget surplus whenever unemployment drops below 4½%.

H.R. 11503 (Sullivan). Establish Emergency Financial Assistance Corporation.

H.R. 13782 (Miller of Calif.). To minimize impact on consumers of inflation and economic depression by narrowing price spread between costs to producer and consumer through specialized credit sources and technical assistance for self-help, not for profit co-ops.

PUBLIC LANDS

H.R. 9222 (Harris). Preservation of historic properties relating to battles of Manassas in Manassas National Battlefield Park, Va. (February 20, Final day of hearings in Interior and Insular Affairs Subcommittee on National Parks and Recreation.)

H.R. 9937 (Seiberling) Prohibition of incompatible activities in National Park System.

H.R. 11143 (Lloyd of Calif.) Possible inclusion in National Wilderness Preservation System of lands in Angeles and San Bernardino National Forests, Calif.

H.R. 11226 (Ottinger). Dedication of C. and O. Canal National Historical Park to Justice William O. Douglas.

H.R. 11456 (Fithian). Provide for expansion of Indiana Dunes National Lakeshore.

H.R. 11875 (Gude). To establish Potomac National River in Maryland, Virginia, West Virginia and Washington, D.C.

H.R. 12497 (Drinan). To establish the Frederick Law Olmsted home and office in Brookline, Mass. as a national historic site. (April 26, Final day of hearings in Interior Subcommittee on National Parks and Recreation.)

H.J. Res. 667 Authorize Secretary of Interior to accept St. Paul's Church, Eastchester. (April 26, Final day of hearings in Interior Subcommittee on National Parks and Recreation.)

H.J. Res. 962 (Howe). Authorize the placement of the American Legion's Freedom Bell in the District of Columbia.

H. Con. Res. 486 (Fish). Recognize the Washington Rochambeau National Historic Route.

PUBLIC WORKS AND TRANSPORTATION

H.R. 9575 (Rinaldo). Increase from 80% to 90% amount of Federal grant made for mass transportation projects.

H.R. 12087 (Fisher). Prohibit civil supersonic aircraft from using Dulles or Washington National Airports.

H.R. 12170 (Stanton) Prohibit civil supersonic aircraft not meeting noise standards.

H.R. 12283 (DuPont). Terminate authorization of Tocks Island Reservoir Project.

H.R. 12793 (Fenwick). Increase efficiency and competition in motor carrier industry by allowing easier entry and greater price flexibility, and by removing excessive regulation.

H.R. 13098 (Fenwick). Terminate authorization for Tocks Reservoir Project as part of Delaware River Basin project.

H.R. 13123 (Jones of Ala.). Authorize a local public works capital development and investment program.

H. Res. 1057 (Scheuer). Investigation of decision permitting Concorde to land at J.F.K. and Dulles.

SCIENCE AND TECHNOLOGY

H.R. 10230 (Teague). Establish a science and technology policy for the U.S.; provide for scientific and technological advice and assistance to the President; improve Federal effort in scientific research and information handling. (May 11, Became law: P.L. 94–282.)

H.R. 12453 (Teague). Authorize appropriations to NASA. (June 4, Became law: P.L. 94–307.)

H.R. 12567 (Teague). Authorize appropriations for Federal Fire Prevention and Control Act of 1901 for Fiscal Years 1977 and 1978. (March 24, Passed House by voice vote; referred to Senate Committee on Commerce.)

H.R. 13655 (Brown of Calif.). To establish a 5 year R&D program leading to advanced automobile propulsion systems. (June 3, Passed House amended; referred to Senate Committee on Commerce.)

SOCIAL WELFARE

H.R. 9280 (Rosenthal). Elimination of means tests for provision of services to groups of low-income individuals aged 60 or over; limitation of frequency of recertifications of eligibility for such services.

H.R. 9581 (Seiberling). Expedite replacement of undelivered benefit checks; require decisions on claims be made within specific periods; prompt payment of benefits on approved claims.

H.R. 9587 (Vander Veen). Expedite Federal payments to States under Aid to Families with Dependent Children, Medicaid, and social services programs.

H.R. 9652 (Abzug). Increase Federal matching rate to States under programs of aid to needy families with children and medical assistance.

H.R. 9732 (Jones of Okla.). Impose staffing standards for day care centers with ratios of one adult to each child under 6 weeks old and one adult for each 8 children between 6 weeks and 3 years old.

H.R. 9821 (Vander Veen). Eliminate prohibition against aid to families with dependent children where an unemployed father receives unemployment compensation.

H.R. 10157 (Young of Fla.). Freeze the inpatient hospital deductible under the Medicare program at its 1975 level.

H.R. 10737 (Nolan). Developmentally disabled children shall continue as adults to receive services under foster grandparent program.

H.R. 10787 (Solarz). Federally assisted recipients of aid to higher education to provide senior citizens with access on a space available basis to already scheduled courses and programs.

H.R. 10803 (Koch). Supportive day treatment and in-home services for children under child-welfare services program.

H.R. 11862 (Bedell). Increase to $28,500 over a 3 year period the ceiling on the earnings counted for social security and tax purposes.

H.R. 11970. (Biaggi). Promote services to assure opportunity for adoption of all eligible children.

H.R. 12014 (Corman). Give States greater authority and flexibility in determining eligibility for federally supported social services. (March 8, final day of hearings in Ways and Means Subcommittee on Public Assistance.)

H.R. 12086 (Fish). Provision of additional 26 weeks of benefits under emergency unemployment compensation program.

H.R. 12105 (Richmond). Prohibiting new rules and regulations in Food Stamp Act from taking effect until Congress enacts such legislation.

H.R. 12730 (Corman). To amend Social Security Act to authorize payment under the Medicaid program to chiropractors.

H.R. 12837 (Abzug). Coverage for homemakers under old-age, survivors, and disability insurance program.

H.R. 13062 (Allen) Prohibit reduction in monthly old-age benefits ue to outside earnings.

H.R. 13620 (Moakley) To provide entitlement of disabled widows and widowers to unreduced insurance benefits without regard to age.

H.R. 13648 (Ottinger) Any fully insured individual may qualify for disability benefits if he has 40 quarters of coverage, regardless of when quarters were earned.

H. Res. 787 (Fauntroy) Inclusion of optometric services in medical assistance programs.

TAXES

H.R. 9256 (Ottinger). To equalize the deductibility between business and non-profit institutions.

H.R. 9541 (Wolff). Allow income tax deduction for expense of traveling to and from work by means of mass transportation.

H.R. 9639 (Richmond). Exempt non-profit volunteer firefighting or rescue organizations from Federal excise taxes on gasoline, diesel fuel.

H.R. 10609 (Vanik). Deny deductions for advertising or promotion expenses by electric and gas public utilities.

H.R. 10656 (Long of Md.). Payment of interest at 5% on excess amounts withheld from wages.

H.R. 10682 (Novak). Emergency tax relief to political subdivisions who are creditors of railroads.

H.R. 10960 (Vanik). Safeguard taxpayer rights; restrict authority for inspection of Federal tax returns and disclosure thereof; authority of Comptroller General to oversee administration of internal revenue laws.

H.R. 11068 (Harris). Allow deduction to renters for portion of real property taxes paid or accrued by landlord.

H.R. 11236 (Carr). Deny business deduction for amounts paid or incurred for lobbying.

H.R. 11853 (Scheuer). Provide tax credit for housing senior citizens.

H.R. 12042 (Baldus of Wisconsin). Revises and improve Internal Revenue Code in estate and gift taxes.

H.R. 12152 (McKinney). Allow exclusion from gross income the gain from sale of residence.

H.R. 12386 (Kemp). Include independent owner-operator truckers as an exempted class.

H.R. 13127 (Maguire). Non-refundable tax credit to individuals over 65 for property taxes or for certain portion of rent.

H.R. 13234 (Koch). To disallow the business expense tax deduction for the difference between first class and coach class air and rail fares.

H.R. 13580 (Studds) To clarify the tax status of certain independent fishermen.

VETERANS

H.R. 9567 (Mollahan). No veteran may be denied treatment at any medical facility solely because care is available at Veterans' Administration medical facilities.

H.R. 10860 (Dodd). Recognition of representatives of the Polish Legion of American Veterans as claims agents for V. A. claims.

H.R. (Dodd.) Identical to H.R. 10860.

H.R. 11823 (Fraser). Remove time limit for completion of veterans' programs of education. (May 21, Final day of hearings in Veterans' Affairs Subcommittee on Education and Training.)

H.R. 11924 (D'Amours). Extend delimiting period for completing programs of education for veterans. (May 21, Final day of hearings in Veterans' Affairs Subcommittee on Education and Training.)

H.R. 13022 (Drinan). Survivors of a totally and permanently disabled veteran automatically entitled to dependency and indemnity compensation.

H.R. 13108 (Spellman). Extend specially adapted housing benefits to certain disabled veterans.

H.R. 13365 (Brinkley). To incorporate Gold Star Wives of America.

H.R. 13600 (Stokes). To authorize expenditures by Administrator of Veterans' Affairs for repair of certain dwellings.

H. Res. 891 (Wolff). Establish Vietnam Veteran Congressional Intern Program in House of Representatives.

PERSONAL EXPLANATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mrs. SCHROEDER. Mr. Speaker, on the afternoon of June 15, 1976, I was absent from the House floor during the consideration of H.R. 14239, the State, Justice, Commerce, and Judiciary appropriations bill. Had I been present I would have voted as follows;

Rollcall No. 410, "nay."
Rollcall No. 411, "nay."
Rollcall No. 412, "nay."

DR. PAYNE RETIRES

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. DON H. CLAUSEN. Mr. Speaker, it has often been claimed that the greatness of America can be attributed to our philosophy of education and our public school system. And the success of our public school system is due to the dedication of our teachers and administrators.

I was recently privileged to attend the retirement ceremony of a man who has devoted his life to the training of others. A very close and admired friend, Dr. J. Win Payne retired yesterday as superintendent of the Napa Valley Unified School District in Napa, Calif. He had gained nationwide recognition and respect for his dedication to excellence in education. I think my colleagues will be interested in his observations at his retirement dinner; in the very appropriate invocation given by Rev. Erwin E. Bollinger, pastor of the First Presbyterian Church of Napa; and the account of the retirement ceremony which appeared in the Napa Register and reflects the high esteem in which Dr. Payne is held by the community:

DR. PAYNE'S RETIREMENT DINNER, NAPA ELKS LODGE

Invocation by Rev. Bollinger: O God, we thank you tonight for "the man", and for his lovely jewel, one Ruby. . . .

Thank you for allowing us to tell them what we think of them, like educatees talking to an educator. . . .

Thanks too for dedicated teachers, non-caloric food, and a lovely valley in which to live. . . .

In the Master's Name, Amen.

REMARKS BY DR. J. WIN PAYNE

Toastmaster Tom, Phil, Bolly, members of my family, Congressman Clausen, Senator Dunlap, members of the Board of Education, members of the School staff, retired school staff members, and friends one and all. How pleased and grateful Ruby and I are that you are here on this occasion. If I seem a bit emotional, please forgive me, because I really am. Now that all of you have heard more than you really need or want to hear about J. Win Payne's past and present, I won't dwell on that.

There are four people in this group tonight, besides family members, who knew the Paynes prior to our coming to Napa. One of these is Dr. Edgar Morphet, retired professor U. C. at Berkeley. I met Dr. Morphet during an educational conference in Dallas, Texas in 1959. Out of that meeting came my opportunity to do my Doctorate work at Berkeley back in 1960–63 which contributed to and resulted in my being here tonight. Two others are Louis and Helen Corporan. Louis was Education Director at the First Christian Church in Ponca City, Okla. where Ruby and I were active church members and I claim some responsibility for him now being Pastor of the First Christian Church in Concord. The other is Ken Oberholster now living in Danville. Ken is also a past president of AASA and former Superintendent of Schools in Denver, Colorado.

Some of the speakers have cast the role of a Superintendent of Schools in various lights. Someone asked recently "How does it feel to be a Superintendent in California these days?" The response was "Just like being a lone fire hydrant in a dog pound." Another Superintendent I heard recently died and went to Hell. It took him seven days to discover that he had changed locations. With negotiations becoming a necessity by law come July 1, a Superintendent's powers will be even more limited. He will say:

"I am not allowed to run the train
  or see how fast it will go;
I am not allowed to run off steam
  or make the whistle blow.
I cannot exercise full control
  or even ring the bell,
But let the darned thing jump the track
  and see who catches hell!"

George Clark, Ken Oberholster, and Harry McPherson know as well as I do that one of the characteristics a Superintendent must possess if he is to survive, is the ability to keep his cool. Somehow you just can't help getting *mad* on occasions.

One of my favorite stories has to do with a salesman on his way to make the most important business call of his career. He was on an overnight train trip. The train's destination was Chicago but the salesman's appointment was in Gary, Indiana. He decided to retire early so he could get up and get off the train as scheduled. He called the Porter and said, "Sam, I am a sound sleeper and when anyone tries to awaken me, I put up a struggle. I curse, I fight, but in spite of that, I have the most important engagement of my life and I have to get off of this train in Gary. I am counting on you and here is a $20 bill for your inconvenience. With that the salesman went to bed. The next morning he awoke, looked out the window and realized that the train was pulling into the station in Chicago and he knew he had missed his important engagement in Gary. He jumped up, pulled on his clothes and not finding the Porter he zeroed in on the Conductor. He told what happened, demanded the Porter be fired, and said he was going to the President of the company. The Conductor found Sam and told him of the incident. He ended his lecture by saying, "Sam you will probably be fired. I never saw a man so mad in my life as that salesman was." Sam replied Boss, if you think that man was mad, you should have seen the man I put off the train in Gary!!"

Many difficult and controversial issues challenge public education today—school curriculum, discipline, attendance, frills, affirmative action, Title IX, negotiations, inflation, taxes, school finance—these and other major issues confront school board members, Superintendents, their staff, and the American people. Public education is being challenged on every hand. The challenge to education—is the challenge of our way of life. It appears to be an economic and cultural challenge. Actually, it is a very important issue challenging our basic beliefs. The great truth is that the broader the base of wealth, the more wealth there is; the greater the opportunity for each, the more achievement is possible for all. To infringe upon the rights of any one person is to compromise the rights of all.

America's spirit stands poised on the launching pad at Cape Kennedy straining to thrust itself further into outer space. It rides a jet stream around the world and cruises under the ice cap above the Bering Sea. It surges in the great business and industrial plants, both large and small scattered across the land. America's spirit lies in the holds of its merchant marine, carrying gifts of wheat to India, arms and supplies to Israel, and commercial goods to distant ports. It resides between the covers of more than 10,000 new books annually. It stands on the street corner with nothing to do.

America's spirit also waits in the classrooms of this country among the children who are young and eager and full of wonder. Their names are Silanowitz and Sherwood, Cohen and Campbell, Olivetti and Olson, McNamara and Ming. They come from every kind of home; from high rise apartments complete with canopy and doorman, from farms, from basement flats and bungalows, from suburban ranch style homes, from coldwater tenements, and from public housing. They travel to school on foot, in buses, in private cars, and on bicycles. Their interests range from nuclear physics to music, including every possibility in between. Their goals are equally varied. Their abilities also. They are persons, individuals. They feel as well as think.

They doubt as well as believe. They wonder as well as hope. No perspective on education can be complete until we look at their faces, hear their voices, and watch them develop grade by grade in school. When one of them moves on, another takes his place in an endless procession. They are today's great challenge. They represent the dignity, rights, and worth of individuals. Their tomorrow is our transcending moral choice today.

It has been my privilege to be in the midst of this exciting enterprise for 43 years. The last eleven of those have been most rewarding here in Napa. Our accomplishments have been gratifying.

We are indebted to a large number of community leaders who assisted in campaigns to carry our school program needs to the public. Most of these, I am pleased to say, are here tonight.

I want to take this opportunity to express my deepest gratitude and appreciation to the many lay and professional people who have assisted me along the way—my wife and the other members of my family, my secretaries, the directors, building administrators, teachers, classified employees, members of the Board, members of the PTA and other parent organizations, citizen committee members, students, my hunting friends, my golfing friends, our neighbors, our church friends, citizens of Napa, the radio, the press—all of you have been great. You and many other friends and co-workers through the years have made it all worthwhile.

Our plans are to stay in Napa. With a daughter and her husband in Stockton, a daughter and her husband in Sacramento, and a son, his wife and our grandson in Petaluma, how could the location be better, plus the fact—our friends of eleven years are here and nearby.

After a long 4th of July weekend, I will have a new Boss and a new title. School Enterprises—David Payne owner, and my title—consultant. Ruby and I plan to find time for some travel, farm our ½ acre, and visit with our friends and neighbors. I also hope to improve my golf score, just as my main golf opponent Vin Brenner is moving to Nevada, sharpen my shooting eye (watch it you Stornetta gang), and my fishing technique. However, neither Ruby nor I intend to drop our many community interests.

In closing, I want to say a special Thank You to the planning committee members and program participants who worked so many hours organizing and implementing this retirement dinner party. And thanks again all of you for honoring us by being here.

[From the Napa (Calif.) Register, June 7, 1976]

RETIREMENT PARTY FOR DR. PAYNE HELD; ENDS LONG SCHOOL CAREER

Dr. J. Win Payne, who retires June 30 after 11 years as superintendent of the Napa Valley Unified School District, was feted Saturday with a retirement party at the Napa Elks Lodge.

Some 230 school administrators and educators, past and present board of education members and friends gathered to honor the retiring superintendent and his wife, Ruby Bell.

Among them Superior Court Judge Thomas Kongsgaard, who served as master of ceremonies, State Senator John F. Dunlap and Congressman Don Clausen.

Payne, who announced his retirement in November, became superintendent July 1, 1965, when the Napa Valley Unified School District was officially formed.

He came to Napa from Ponca City, Okla., where he had been superintendent of schools since 1946. He was president of the 30,000-member American Association of School Administrators when the newly-formed NVUSD hired him as its first superintendent.

Dunlap presented a joint Senate-Assembly resolution noting Payne's educational contributions to the community. "When I first ran for the State Assembly back in 1966, it was Dr. Payne that I talked to concerning the problems of school financing," Dunlap said.

Clausen presented Payne a Congressional certificate and flag that had flown over the nation's capitol. It also will be flown over district administrative offices and Napa and Vintage high schools before being given to the retiring superintendent.

Napa County Counsel Stephen Hackett presented a scrapbook to Dr. Payne and Board of Education President Philip A. Green presented a plaque of appreciation.

Presentations to the retiring superintendent also were made by board members Becky Bledsoe and John J. Mikolajcik and to Mrs. Payne by board member Dorothy F. Barboza.

The program also included music by the Peace and Joy Bellringers, directed by Henry Aschbrenner, principal of St. John's Lutheran School. Music also was provided by lyric soprano Thelma Brown, accompanied by Muriel Matheson.

Payne was born in Moore, Okla., and began his career in education in 1932, when he became high school principal, coach and mathematics and science instructor in Paoli, Okla.

When he retires June 30, Payne will have completed 43 years as an active member of the education profession, including 30 years as a school superintendent.

He will have signed diplomas for and congratulated more than 20,000 graduating high school seniors.

The Paynes are parents of three children—a son, David, who owns a school furniture supply firm in Petaluma; a daughter, Mrs. Vicki Pierscinski, who teaches kindergarten in Oak Grove and a second daughter, Mrs. Becky Senderov, who teaches kindergarten at a private school in Stockton.

They also have one granchild.

The Paynes will remain in Napa following the June 30 retirement date. Payne said he plans to assist in his son's school supply firm, work on his golf game and travel.

MISSED VOTES

HON. PIERRE S. (PETE) du PONT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. DU PONT. Mr. Speaker, Tuesday I was absent on business in Delaware and missed several recorded votes in the House. Had I been present, I would have voted in the following manner:

Rollcall No. 473—"aye."
Rollcall No. 474—"aye."
Rollcall No. 475—"aye."
Rollcall No. 476—"no."
Rollcall No. 477—"aye."
Rollcall No. 478—"no."
Rollcall No. 479—"no."
Rollcall No. 480—"no."
Rollcall No. 481—"aye."
Rollcall No. 482—"aye."

OBJECTIONABLE PROVISION OF H.R. 14234

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. VANDER VEEN. Mr. Speaker, last Monday I voted against H.R. 14234, the bill appropriating nearly $5 billion for the Transportation Department and related agencies. In general, this was a sound bill, and one that I would normally support. However, I voted against the bill because it contained one objectionable provision which I felt was important enough to justify casting a "no" vote on the bill. I am afraid that this provision may set an unfortunate precedent for future spending bills, although I hope it does not.

I object to the bill because it removes the obligation limitation of $7.2 billion for the Federal highway program. I think all of us recognize the benefits the highway program has had for our Nation and its economy. There is no question that the trust fund has resulted in an excellent highway system.

However, it seems to me that the $7.2 billion ceiling that was originally recommended was an entirely reasonable one. It would allow disbursements from the trust fund to proceed in an orderly manner, and insure a proper coodination of Federal and State efforts in highway transportation and safety.

Most importantly, removing the obligation ceiling would result in a level of expenditures considerably above the ceiling recommended in the budget resolution. The ceiling was adopted by the Budget Committee after extensive testimony and deliberation. Without this limit, outlays for highways could amount to several billion dollars above the budget resolution level. True, the size of the deficit would not be increased. But overall Federal outlays would be forced above the level we originally accepted in the first budget resolution.

Mr. Speaker, I strongly support the Budget Act and the procedures it establishes. It represents a revolution in spending and budget practices because it allows us to adopt a proper fiscal policy and careful budget priorities. Used properly, it will enable Congress to act on the budget in a rational manner. That is why I said some time ago that I would vote against bills that result in spending levels above the budget resolution. That is why I voted against the bill. This year is going to provide a severe test for the new budget procedures. I think we should make extra efforts to assure the integrity of the process, and to prevent it from becoming just window dressing with no real regulating effects. We must protect our control over the budget. This vote reaffirms my own resolve to support the budget process, and I intend to vote against future bills that do not comply with the budget ceilings.

OIL COMPANIES NOW EXPLOIT DEALERS POLITICALLY

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mrs. SPELLMAN. Mr. Speaker, I would like to call to the attention of my colleagues a very illuminating editorial written by Mr. Vic Rasheed, executive director of the Greater Washington/Maryland Service Station Association. In this piece, Mr. Rasheed highlights the dilemma of the small service station operator, who must often walk a political tightrope in order to avoid being exploited by the large oil companies. This article appeared in a recent issue of "The Nozzle," the official publication of the Greater Washington/Maryand Service Station Association.

The article follows:

Oil Companies Now Exploit Dealers Politically

(By Vic Rasheed)

There was a time when a service station dealer only had to take care of his customers' automobiles with good service and product to achieve a good living and a reasonable security.

Today that same dealer has become a political pawn in the oil industry poker-game where the stakes are higher than anywhere in the whole wide world.

The dealer today who does not become politically conscious may be unwittingly exploited and used by the same oil-company political strategists who may also be plotting his eventual demise and elimination from this industry.

Recently Amoco, an oil-company which makes a big play of its good relations with its dealers, took some 60 of its dealers to the House subcommittee hearing on the federal Dealer-Day-In-Court bill, (HR 13000) to oppose it.

Amoco's Ken Curtis told chairman John Dingell, that Amoco's dealers did not need or want the bill which would among other things, place a two year moratorium on direct-operations by oil companies. Curtis didn't mention the thousands of Amoco dealers who stayed home. The dealers whose transportation and accommodation in Washington was paid for by the company, each filed a similar statement in opposition to the bill.

Chairman John Dingell however may not have accepted the ploy at face-value. He told Curtis, "We are going to pass this dealer-day-in-court legislation in one way or another."

Amoco has also scored points with its dealers by turning over to them its new gas & go conversions. However if the Maryland divorcement law is finally overturned in September and the last barrier to company-operation removed, there may be a complete about-face in Amoco's policy.

Exxon which played the leading role in challenging Maryland's divorcement law to bar company retail operations, has also embarked on an all-out, vigorous campaign to lobby its dealers into supporting its cause, against efforts to impose divestiture legislation on the big oil companies.

Exxon whose marketing vice-president Duval Dickey, never saw fit to answer our letter on this delicate matter, unashamedly blanketed its dealers with anti-divestiture propaganda at its recent annual dealer-seminars at the Greenbriar resort in West Virginia.

Professional actors and actresses were brought in to push this theme (to music yet). In a way the companies are educating their dealers. Dealers, contrary to some oil company beliefs, are not so stupid that they cannot see through all of this. Our local Service Station Dealers Political Action Committee, formed only this year to push our own candidates for office, will become deeply involved in the political guidance of our dealers. The strength of the dealers lays in political education and political unity. With today's withering support for the oil companies, a determined political initiative by dealers in this direction could put them on top of the heap. It may be the only way left to go.

CHANGING PATTERNS OF WORK IN AMERICA

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Ms. ABZUG. Mr. Speaker, for several years I have urged the adoption of flexible scheduling for employees of the Federal Government, my colleague from California, Representative YVONNE BURKE has also had a longstanding interest in alternative work patterns, yet at times it seemed that the importance of such programs was not generally acknowledged. The hearings before Senator GAYLORD NELSON's Labor and Public Welfare Subcommittee demonstrated that many organizations are familiar with various methods of, "work humanization." The following article from the April 14, 1976 edition of the Los Angeles Times relates the experiences of several of the witnesses who appeared at these hearings:

In Search of a Rewarding Working Day

(By Marlene Cimons)

WASHINGTON.—Sidney Harmon chairman of the board and chief executive officer of Harmon International Industries, calls it "work humanization."

It is, quite simply, a program to improve the quality of working life, a series of measures initiated by Harmon and his colleagues in their Los Angeles and Bolivar, Tenn., plants to give employes a sense of dignity and self-worth within their jobs and let them know that people at the higher levels of the corporate structure are willing to listen to them. It is an approach he intends to expand eventually throughout the Harmon operation.

Some might consider it an unrealistic, impractical goal for a company with 4,000 employes in 13 manufacturing plants in the United States, England, Scotland and Germany. But Harmon, pleased with the success of the first two experiments, does not think so.

"I have found that a work improvement program has a dramatic effect on people," Harmon said. "They change as individuals and their transactions with others develop a totally new quality—one of confidence, trust and willingness to explore. The process seems to dilute and, at best, to dispel fundamental anxieties, prejudices and cynicism."

TESTIFIED AT HEARINGS

Harmon was one of about a dozen witnesses who testified last week on the subject of "Changing Patterns of Work in America" during hearings held by Sen. Gaylord Nelson (D-Wis.), chairman of the subcommittee on employment, poverty and migratory labor of the Senate committee on labor and public welfare. Scott Ginsburg, a staff member of the subcommittee, said they were the first of a planned series of hearings exploring changes that have taken place in both the public and private sector, programs such as those described by Harmon, as well as other experiments using flexible hours, job sharing and part-time job schedules.

"We want to review all the programs designed to improve the quality of work life," Ginsburg said. "We do not have any legislation in mind right now, but we are looking at these programs with the idea of developing legislation that would encourage this kind of thing from both the federal government and private industry."

TAILORED TO EMPLOYE NEEDS

The largest division of Harmon Industries is the James B. Lansing Sound Co. in Los Angeles, which manufactures high fidelity equipment, approximately 75% of the corporation's total business. "We began our program there about three years ago," Harmon said.

Each "work humanization" program is tailored to the specific needs and characteristics of the employes and the surrounding community, he said. "For example, Los Angeles is an area with a substantial population of Mexican-Americans, people for whom the English language is sometimes a difficulty," he said. "In our Los Angeles plants, every booklet and every document is printed twice—in both English and Spanish."

The JBL company's six plants, employing about 1,200 persons, are spread throughout the Glendale area. "One of the immediate problems with this kind of growth and separation is an understandable feeling of alienation," he said. "The operation is so fractionalized that employes would normally have no opportunity to connect themselves to the end product of their work. They make one part and then watch it get shipped away on a truck."

Harmon Industries is attempting to solve the problem several ways. One—which has also worked successfully in the Bolivar, Tenn., project—has been a system of work rotation, so that employes do not work on the same part day after day.

"Also we run regular visitations between plants so that people can see what happens to the product they worked on," Harmon said. "We also hold outdoor luncheons for employes where characters like me appear to tell them what's going on in the rest of the company." Long before there was an established program, Harmon said, the company was involved in "work humanization." For example, he said, "we would open up the plant on Sunday and invite the families to come in and let them see what the old man, or sister, or brother was doing. This sharing, this understanding, we found, was of great consequence at home. To see the worker's sense of pride, of craftsmanship, had a powerful impact on the family. We did that as early as four or five years ago and we weren't calling it work humanization then—or anything else."

TENNESSEE PROGRAM

The more advanced "work humanization" program of Harmon Industries was established several years before the Los Angeles experiment in the company's automotive division in Bolivar, Tenn., where automobile mirrors are made. "We chose to make our major effort in Bolivar because working conditions were by far the worst in any of our facilities, because Bolivar was a small, rural southern town in which many of the people employed by us had never worked in industry before and because the plant was organized by a major national union in a 'right-to-work' state," he said.

Union and management formed an ad hoc committee to plan the program and deal with the workers' major complaints. Among the innovations was a work rotation plan, a company newspaper printed and distributed by employees and an in-company school so that workers could use "idle time"—when their work was finished ahead of schedule—to study such subjects as sewing, typing, music, Bible studies, painting and accounting. There is even a class on how the business actually functions.

Several months after the program began, Harmon attended a meeting of members of the night shift of the plant's polish and buff department.

"One man told me that he now regards himself as a craftsman and that he will not permit a product to pass him that is not right," Harmon said. "A white man said of a black man, 'I worked next to this fellow for six months and didn't even know his name. Today we are partners.' "

MINING FIRM EXPERIMENTS

Harmon is not the only industry figure to establish such a project. Warren Hinks, president of Rushton Mining of Johnstown, Pa., is another person well known, along with Harmon, for encouraging changes in the work place.

"In 1973, we were approached with the proposition that we might undertake a quality-of-work experiment," Hinks told the subcommittee. "The experiment involved granting miners autonomy over their working lives. The crew assumes complete responsibility for productivity and supervision. There is a foreman, but he has been relieved of his responsibility to impose his will to get work done. He is, instead, a trainer and adviser. We've given him a larger planning role in taking over the duties formerly held by his superiors. The total spirit of our plan is friendly persuasion."

All workers in the mine attend classes in mining systems and safety. "They've all learned the requirements imposed by federal and state laws," Hinks said. "They are trained in knowing what to do to make the mine a safe and productive place.

"The older attitudes used to be that workers were recalcitrant, unintelligent and really not willing participants in work other than to earn money," Hinks said. "Well, if we take those attitudes and reflect them, that's what we're going to get. The worker will reflect what the management feels about him. If we show we have confidence and trust in him and believe he can make a competent contribution to the work system, that's what we will get."

Both Harmon and Hinks said that although their companies have experienced increased growth and profits since the changes were implemented, the programs were not created with this in mind.

"One must begin with the conviction that there are deeper satisfactions, greater rewards than simply making a buck out of the running of a business if a work-improvement program is to succeed," Harmon said.

A second phase of the hearings examined the use of flexible work hours, such as variable starting and quitting times, as well as "job-sharing," an attempt to create more part-time job opportunities. These are ideas already popular in Europe and beginning to catch on within the federal government and in private industry.

(Legislation, incidentally, sponsored by Sen. John V. Tunney (D-Calif.) and Rep. Yvonne Brathwaite Burke (D-Los Angeles), to create thousands of part-time job opportunities in the federal civil service, has been approved by the Senate and is awaiting action by the House.)

Representatives from the Nestle Co. of White Plains, N.Y., Northwestern Mutual Life Insurance Co. of Milwaukee and the Control Data Corp. of Minneapolis all spoke of the experiences with what has become known as "flexitime."

"We've had flexible hours as a way of life for two and one-half years and they are great," said Milford E. Jacobson, vice president of personnel for Northwestern Mutual Life Insurance Co. "Almost none of the administrative or operational problems we anticipated have developed."

There were a few, he said, but they were considered minor.

"For example, we had inadequate phone coverage after 3:30 p.m. (because many people began work earlier and left earlier), some apprehension over lack of supervision during certain work hours, some interdepartmental services slowed down and scheduling meetings was difficult," he said. "I think it requires a little rearrangement of attitudes. For example, someone will answer the phone after 3:30 p.m. in the work area, but it may not be the familiar voice we are used to hearing. Or perhaps we can schedule meetings earlier in the day. We need to be willing to alter some of the inflexible habits that we've gotten comfortable with."

BIG ADVANTAGES

On the other hand, he said, the advantages have been tremendous.

"Jackie no longer sits at her desk reading a paperback from 7 a.m. to 8 a.m. because her husband drops her off on his way to work (Jackie now starts her day at 7 a.m. and leaves one hour earlier," he said.

"It's helped make recruitment of new employes easier and our employes get a lift by talking about it to their friends," he said. "It's leveled out that 8 a.m. and 4 p.m. congestion around our building and spreads out the traffic flow on city expressways and downtown streets. Incoming mail is opened earlier, read, distributed and acted upon earlier in the day. It provides an extra hour of telephone service to both east and west coasts. It's a boost to our affirmative action efforts—a boon to the working mother."

He smiled. "And it's given a good boost to involvement in our company physical fitness program," he said. "People can work out their schedules easier and now have few valid excuses for avoiding exercise."

Wisconsin State Representative Midge Miller, who also testified, put it another way.

"Let us suppose that our group were to suggest a method for decreasing early deaths from heart attacks and other tension-related illnesses in middle-aged men," she said. "Suppose this plan would also make education more relevant and help young people continue their education without an accumulation of debt. Suppose it would give young children more time with both parents, help women find more satisfaction in their lives and enable them to support themselves when necessary. Suppose this plan would help elderly and disabled persons enjoy life more, make further contributions to society and provide themselves a better standard of living without damaging their health. There is no doubt that liberals and conservatives alike would respond."

She paused. "Well, we can develop such a plan if we can find the means for breaking certain rigid work patterns developed during the industrial revolution," she said. "We have learned how to produce. It is now time for a fresh look at the needs of employes, employers and society to find ways of humanizing our work options."

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago, on July 5, 1776, the Continental Congress recommended to the colonies of Virginia, North Carolina, and South Carolina that they raise troops to help defend the colony of Georgia. Congress also directed that four ships be built at the expense of the United States, but for the defense of Georgia and under its direction. Moreover, if Georgia erected two forts, one at Savannah and the other at Sunbury, Congress directed that two companies of artillery, consisting of 50 men each, be raised to garrison those forts.

The above actions were taken following the report of a congressional committee which had been appointed to consider the military situation in Georgia.

BICENTENNIAL POINT OF VIEW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. DERWINSKI. Mr. Speaker, as we approach the great Fourth of July weekend celebrating the Bicentennial of our country, I am most impressed by the grassroots spirit manifested in the Bicentennial. A good example of this spirit is the commentary and poem written by my constituent, Dorothy Thilk of Bellwood, Ill., published on June 23 by the Star-Sentinel Newspaper serving south suburban Cook County, Ill. I am proud to place it in the RECORD:

BICENTENNIAL POINT OF VIEW

I love my country. I love birthdays. I love anniversaries. I love celebrations. So when my country planned to celebrate the 200th anniversary of the birth of its independence, I had to somehow do my part. So I sat myself down . . .

I thought of the pioneers, their hardships, their ruggedness, their determination, their faith in the future of this great country. I thought of the contrasts we enjoy—the mountains, the lowlands; the verdant fields, the barren land; the skycraper cities, the rural towns; the affluent, the indigent; the geniuses, the retarded; the opportunities, the frustrations. I thought of the wealth we have in our natural resources, our temperate climate, the unique natural beauties of the land, our freedoms, our faith. Many songs refer to God's goodness and mercies. One of the best known to us today is "God Bless America". Our coins bear the inscription, "In God We Trust." In our pledge of allegiance we state, "one nation, under God . . ." We thank God for this legacy.

It is true, today headlines scream of corruption, violence and hatred, but underneath it all is the real heartbeat of America—the people of character and integrity who trust in God and are concerned for others, who desire an education and are willing to work and do whatever they can to make this an even greater country in which to live. Neath it all is the real heartbeat of America—

I'm so proud of my American heritage that I'd like to share my bicentennial thoughts with you—

TRIBUTE

T o the red and white stripes, the field of blue,
O ur pledge of allegiance we give to you.

T hroughout the last two hundred years
H istory records our stately peers
E arnestly laboring to resolve our fears.

U nited, indivisible we stand,
S anctioning justice for every man
A nd faithful trusting God's command.

B eautiful the prairies, the rolling hills,
I mpressive the lakes, the forest, the rills,
C ourageous our forefathers who fought for peace
E ver pressing on—they could not cease!
N othing seemed too hard a task;
T heir right to freedom was all they asked.
E ncouraged, they set the plans in motion
N ow practiced in states from ocean to ocean.
N earest and dearest to every one
I s their freedom to worship, to speak, to plan.
A merica is truly the home of free—
L ord, continue to guide our destiny!

—DOROTHY THILK BELLWOOD.

THE MEANING OF THE BICENTENNIAL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. HYDE. Mr. Speaker, the Education and Research Institute of the American Conservative Union have just released a study on the Peoples Bicentennial Commission. I would like to share with my colleagues their press release describing this valuable publication. The release follows:

WASHINGTON, D.C., July 2, 1976.—The ACU Education and Research Institute today released a major study of the Peoples Bicentennial Commission, a leftist group that has been trying to use the American Bicentennial as a pretext for Marxist criticism and revamping of the American economic system.

The study, authored by researcher and internal security specialist Max Friedman, reveals the dominant Marxist influences on the original ideas for the creation of a "Peoples Bicentennial Commission", including those of the Johnny Appleseed Movement, the New American Movement (NAM), and the Vietnam Veterans Against the War, with special notice being given to the influence of John A. Rossen, a former Communist Party USA organizer, and Jeremy Rifkin, a New Left activist.

The study also reveals the "sanitization" process by which Rifkin took hard-core Marxist-oriented theories and programs and made them more palatable to the public. In one instance, the following quote from Rifkin's major piece, "Bicentennial," published in the NAM newspaper in November-December 1971, was omitted from a more general audience article, "The Red, White, and Blue LEFT" in the socialist-oriented *The Progressive* of November 1971:

"A genuine understanding of revolutionary ideals, is what links Thomas Paine, Sam Adams, and Benjamin Rush, and the American people, with Lenin, Mao, Che, and the struggles of all oppressed people in the world. Not until the masses of Americans begin to re-identify with these principles and develop their own revolutionary struggle will they be able to form a real bond of fraternalism and solidarity with the struggles of all oppressed peoples."

This pattern of "sanitization" characterizes much of the PBC's public relations efforts in an attempt to gain an aura of "legitimacy" from the general American public and news media, the study asserts.

The ACU-ERI study also reveals for the first time, some of the financing that has helped the PBC remain financially viable while other leftist groups have gone under, as well as many of its tactics and strategies.

The study also documents the PBC's approval of the Communist conquest of Indochina and its attendant enslavement of some 20 million people, while professing commitment of the American Revolution of freedom in 1776.

THOMAS JEFFERSON ON FISCAL RESPONSIBILITY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. WOLFF. Mr. Speaker, I recently had the honor of addressing the Queens Chamber of Commerce on a matter of great interest and concern to us all—the status of our national economy.

This is an area which has commanded a great deal of attention for the last several years, but it is a comfort to know that neither a faulty national economy nor fiscal responsibility are purely contemporary issues. These are matters which have continuously confronted our Nation and its leaders, and I believe that we must seriously begin to address these concerns by demonstrating Federal fiscal responsibility to the people of this country. If the Federal Government can commence curbing nonessential spending, perhaps we can set the trend for greater control of our fiscal resources.

It is quite fitting in this Bicentennial Year, that we look to the founders of our Nation for guidance, for they, too, had words of advice on fiscal responsibility. A quotation by Thomas Jefferson was recently cited to me by Richard L. Geist, of the Queens Chamber of Commerce, and I would like to take this time to share it with my colleagues:

I am not among those who fear the people. They, and not the rich, are our dependence for continued freedom. And to preserve their independence, we must not let our rulers load us with perpetual debt. We must make our election between *economy and liberty*, or *profusion and servitude*. If we run into such debts, as that we must be taxed in our meat and in our drink, in our necessities and our comforts, in our labors and our amusements, for our callings and our creeds, as the people of England are, our people, like them, must come to labor sixteen hours in the twenty-hour, give the earnings of fifteen of these to the government for their debts and daily expenses; and the sixteenth, being insufficient to afford us bread, we must live, as they now do, on oatmeal and potatoes; have no time to think, no means of calling the mismanagers to account; but be glad to obtain subsistence, by hiring ourselves to rivet their chains on the necks of our fellow-sufferers. Our landholders, too, like theirs, retaining indeed the title and stewardship of estates called theirs, but held really in trust for the treasury, must wander, like theirs, in foreign countries, and be contented with penury, obscurity, exile, and the glory of the nation. This example reads to us the salutary lesson, that private fortunes are destroyed by public as well as private extravagance. And this is the tendency of all human governments. A departure from principle in one instance becomes a precedent for a second; that second for a third; and so on, till the bulk of the society is reduced to mere automatons of misery, to have no sensibilities left but for sin and suffering. Then begins, indeed, the *bellum omnium in omnia*, (the war of all against all), which some philosophers observing to be so general in this world, have mistaken it for the natural, instead of the abusive state of man. And the forehorse of this frightful team is public debt. Taxation follows that, and in its train wretchedness and oppression.

I sincerely hope that as we now enter our tricentennial, we will begin to heed these wise words of Jefferson, and move toward greater responsibility in our fiscal matters.

ADDITIONAL NOTES ON MEXICO

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. McDONALD. Mr. Speaker, it appears that the recent revelation that President Luis Echeverria of Mexico has acquired control of at least 35 Mexican newspapers caused the President considerable discomfort. Some interesting reaction has followed.

At the same time, a statistical summary demonstrating the extent of land seizures in just one Mexican State has come to hand, and it is worth our consideration. In just 8 municipios—counties—of the State of Sinaloa, as of about 1 month ago, 486 farms had been taken over, a total of 17,439 hectares—the average farm size being about 35 hectares, or less than 90 acres.

The following comments by publisher Alfredo Farrugia Reed demonstrate several points. "Welcome to the free enterprise sector" is his ironic greeting to President Echeverria, whose mysterious acquisition of a chain of at least 35 Mexican newspapers is something of a scandal, now that it has been revealed. Note that the New York Times has been denounced in the same terms as certain Members of Congress, and for the same offense; it is invariably part of an "anti-Mexican" campaign to publish facts which cause inconvenience to the present President.

Note, also, that the possibility of Soviet meddling with a view to picking up another Cuba and creating huge problems for the United States is not unheard of in Mexico, however much our State Department would like us to find it unthinkable:

EL DIARIO, GUADALAJARA,
June 24, 1976.

Welcome, President Echeverria, to the Free Enterprise Sector!

Throughout the country has run the story, not officially confirmed, that the President has acquired the Garcia Valseca newspaper chain, together with another important Mexico City daily. This story was printed in the United States in the New York Times and had certain minor repercussions in Mexico. These consisted of some dailies, belonging to friends or sympathizers of the government, publishing editorials protesting the "slanderous" version; they attributed it to the "little subversive campaign" which, according to them, was developed abroad against Mexico and in particular against the Chief Executive.

In reality, the "little campaigns" against our country occur with a certain periodicity, responding to the most diverse interests among which international communism figures in first place. This interest wishes to destabilize the Mexican government . . . to create chaos . . . to install a species of quisling government in Mexico. Its proposition—however illusory it seems—is to make Mexico a second Cuba . . . and to create an enormous problem for the United States on its southern boundary.

BICENTENNIAL PRAYER FOR PEACE

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BROWN of Michigan. Mr. Speaker, 65 years ago, at the University of Michigan, the Women's Suffrage Movement added to its ranks an individual named Rebecca Shelley, now a constituent of mine, from Battle Creek, Mich. Today, this remarkable woman, at the age of 89, is still fighting for both women's rights and universal peace.

Among this great lady's many achievements is the International Women's Year Citation which she received this year for her lifelong efforts in the cause of world peace.

Ms. Shelley has composed a poem which she calls a "Bicentennial Prayer for Peace." Because of her dedicated efforts on behalf of women's rights as well as her devotion to American ideals, I am today introducing a resolution to designate Rebecca Shelley's poem as the Nation's Bicentennial prayer for peace.

Her poem follows:

"HUMANITY ABOVE ALL NATIONS," OUR BICENTENNIAL PRAYER FOR PEACE

(By Rebecca Shelley)

God save our nation's Bicentennial!
God save us righteous, strong and free.
God guide through waves of fiery death-bombs,
To safety zone Humanity.
Humanity above all nations,
To save Earth-life in jeopardy.

Oh World! The clock of Time is running,
To where no time of grace is found,
In civilization's poison ashes,
In seeping shelters underground!
Humanity above all nations,
Assigned a dead Memorial Mound.

America free-born a Nation,
A long ago July Fourth Day!
The death-bomb rules thy Bicentennial,
Unless ye work, sing, vote and pray,
Humanity above all nations,
The Nuclear Age survival way.

My country! Aye my heart's beloved!
Thy bombs and crimes of war despite!
Oh God! Repay the Vietnam Vengeance,
To turn our Ship of State aright.
Humanity above all nations,
Our crimes of war in peace requite.

Oh Motherland! Oh Guardian Angel!
Who raised the Torch to light thy birth!
And shod thy feet with winged sandals,
To reach thy continental girth!
Humanity above all nations,
To reach the goal of Peace on Earth!

God save our Nation's Bicentennial!
Godspeed the saving news release:
America outlaws the bomber,
And joins the March of War Surcease,
Humanity Above All Nations,
Our Bicentennial Prayer for Peace.

ROBERT BERGENHEIM'S COMMENCEMENT ADDRESS TO THE GRADUATING CLASS OF SUFFOLK UNIVERSITY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. MOAKLEY. Mr. Speaker, I would like to insert into the RECORD of the U.S. House of Representatives, the recent address delivered to members of the graduating class of Suffolk University, Boston, Mass., by Mr. Robert Bergenheim, publisher of the Boston Herald American.

Mr. Bergenheim, a long-established and respected journalist in Boston, encourages the graduating seniors of Suffolk University to question and to challenge institutions and prevailing policies as they grow older.

Bob Bergenheim maintains, and I concur in his opinion, that one can challenge and question society without selling out, without becoming bitter and disillusioned. Even though the most powerful institutions of our society—the Government, the media, the church, the courts—may support a position or adopt a program, all Americans should exercise their right to judge, objectively and individually, the "rightness" of that position or program.

He states that the foolishness of Vietnam and the lies of Watergate would not have been exposed if Americans had not questioned and challenged the official statements of the U.S. Government which disclaimed knowledge of actions which we now know to have occurred.

Mr. Bergenheim goes on to say that individuals should question the effectiveness and future of the busing programs currently in force in the city of Boston. He advances the theory that existed with Vietnam and Watergate—institutions and bureaucracies, faceless in name, ordering the citizenry to accept laws and judgments which do not appear to serve the public good and which certainly do not enjoy the support of those the laws were intended to serve.

Mr. Bergenheim, a man who has had a unique opportunity to witness and record the unfolding of the Boston busing crisis, urges these young graduates of Suffolk University to use their own judgment and their own consciences to question policies which are obviously not serving, or being supported, by the people of Boston.

Please find the text of Mr. Bergenheim's address as follows:

SUFFOLK UNIVERSITY COMMENCEMENT SPEECH

Today is your commencement.

By definition, it is a time to begin.

But you began a long time ago.

You are graduating today, and we can assume that you have laid a firm foundation for the beginning of a professional career. So, in a very real sense you will be entering a new phase of your life.

I'm sure you already realize it is a highly competitive world. Some of you already have jobs waiting. Others are still looking.

To a large degree, however, most of you will be moving from the academic to the real, or from theory to practice.

It is natural that many of your new employers or associates will ridicule your professional virginity. They will put down your theories and your ideals.

Somehow, they will try to convince you that cynicism is the badge of experience.

To a degree, they are right. What kind of skepticism, however, depends on you. And, not only on the job, but in society and your role in it.

Busing is only a small part of the problem, but it is taking the brunt of abuse from those who favor the old neighborhood schools. It is a rallying point for opponents of Federal Court intervention. But we cannot get rid of the buses or the judges without working programs which will prove neither of them is any longer necessary. Tremendous strides have been made in Boston's Public Schools in the last several years, but they are overshadowed by the busing issue.

And this brings it all back to you and to me. If the voters do not insist on a better Public School system, it will not come about. It will not be long before you may have children ready for elementary school. Unless you intend to leave Massachusetts, you will be right in the middle of one more catastrophe created by your elders, but inherited by you and allowed to continue. Even if you do leave Greater Boston, you might well have the same problem wherever you settle. To the best of my knowledge, no city, town, state or country has accepted the Golden Rule as a way of life.

But today is your day. We are all here to honor you. You have made it. You are now part of the elite. Less than 10% of our population has a college degree. This doesn't necessarily make you any smarter than the other 90%. It only means that you are more fortunate. Undoubtedly, somebody helped you along the way.

What do you want out of life? What did you get out of Suffolk? How much will you compromise in order to get along? What are you willing to fight for? These are not idle questions. They are well worth dwelling on in the privacy of your own mind.

Students of any generation are noted for their idealism; for their rigidity; for lofty goals which other generations ignore or forget.

Will you go along with the establishment just to get ahead? How practical will you get to please the boss? Will you be too busy trying to get ahead to bother about the other guy?

These questions are no easier for you than they are for me. Life is a constant compromise, but it need not be hypocritical. We all change. We mature. We understand. We forgive. We help.

But, we don't have to sell out.

I want to suggest to you today that you don't sell out. That you have an obligation, not only to yourself and to your family, but to our society and to our way of life. As you start out professionally, you still have an obligation to the world around you.

If you were indignant over Vietnam and Watergate, for example, you should stay indignant.

Don't get so involved with your own little world that you say, "The hell with the rest of them. I'm going to get mine."

It won't work. At least, it shouldn't. But, again, it all comes back to you. What do you really want out of life?

Naturally, you will have to bear down on your new job. Many of you will assume family responsibilities which will eat up a lot of your time and energy. You are also entitled to some fun and relaxation. But there is a satisfaction in meeting broader commitments. In paying our dues. In fighting for the common good.

Too many of us do not realize this until it is too late, and we seldom learn from our past mistakes. We gloss them over; defend our actions or inaction.

Take Vietnam, for example. What did we learn? The minority of Americans who opposed this action from the beginning were ridiculed, maligned and punished. It was an illegal, immoral and stupid war, but how many of us took a stand against it? Especially of my generation? Too many of us accepted the political propaganda and lies while we attended to our personal needs.

Watergate was so unbelievable that only a handful of newspaper reporters stuck with it. Now, we can all go to the movies and applaud a couple of guys who fought the power structure and won. Now that it is all over, we, as a nation, want to punish those who got caught. That way, our own conscience will be clear and we can go back to doing our own thing.

But, if you think that Vietnam and Watergate were bad, there is another tragedy at our doorstep. It is our inept approach to an equal public education for all races. This has not only affected your generation, but it will influence the lives of your children and your grandchildren.

Like a nation of sheep, we were herded together in support of Vietnam. Now, we are herding our children together, shoving them into little yellow buses, because we think we can give them a better education on the other side of town.

In the name of equality, in certain key schools, we have lowered the standards instead of raising them. Instead of diluting differences of race, we have emphasized them. Instead of bringing ethnic and racial groups closer together, we have started a civil war. Instead of strengthening neighborhoods, we are destroying them.

Court-ordered busing, or forced busing, whatever you want to call it, was considered a tool to racially integrate our public schools. Instead, it has become a weapon tearing us apart.

Close to $30 million are being spent each year in Boston on buses and police in a vain attempt to artificially bring equal education to all our children.

Have any of you ever been to Charlestown, for example? Have you seen the schools in this all-white neighborhood? They are outdated, worn out and dilapidated. Who in his right mind would want to go there, even if he lived across the street? Then we add insult to injury and tote the poor black kids over there and say:

"This is it. Whether you like it or not, get in that yellow bus and the cops will take you to school. It may be a dump, but it's equal."

At the same time, we say to the Charlestown mothers:

"Fair is fair. Now we are going to bus your kids into the black neighborhoods to equalize our education system."

And to all parents, we say:

"Obey the law, and with a little bit of luck, your child will get home alive."

There is a parallel in Boston which we might look at for a moment. I am referring to Boston's Combat Zone. The city fathers found that they were embarrassed by the amount of smut, pornography and strip joints which were sprinkled throughout the city. So, what did they do? They created the Combat Zone. There, anything goes. Dump it all around Washington and LaGrange Streets. Keep the rest of the city pure.

The only trouble is that it doesn't work. It slowly, but surely oozes out and there are today pockets, or little combat zones, just as we have little City Halls.

The theory is, however, that Mr. Clean can take his pleasure in the Combat Zone. He can get drunk, watch a filthy show, have sex with a teenager, or whatever, and then head for home in the suburbs and respectability.

Now we have found that we can use our Boston schools as a combat zone. Shuffle the kids around, but keep them in the city. Don't contaminate the suburbs. Contain these kids. Let them fight. And, above all, let's be patriotic and law abiding. An equal education is what the Constitution says.

What is equal about downgrading a whole generation of children in our cities, while those who can afford to move to the suburbs, look the other way?

Professor James S. Coleman of the University of Chicago was the architect of court-ordered busing. In 1966 he did a study for the U.S. Office of Education. The report stated that children from disadvantaged backgrounds performed somewhat better when they attended schools with children from more affluent homes.

Now, he has testified before the U.S. Senate Judiciary Committee that the whole program is a mess. He never envisioned black cities and white suburbs.

Whether or not he envisioned it, that is what is happening. Not all because of forced busing, but that certainly has speeded up the process.

In the last five years, the number of whites in the Boston Public Schools has dropped from 62,000 to 36,000. 53% of the students in Boston's schools this year are non-white, although the city as a whole is still 75% white.

In ten of the largest cities in the U.S., the percentages of white students in the last twenty years have changed as follows:

Baltimore, from 58% to 27%.
Chicago, from 70% to 37%.
Philadelphia, from 61% to 33%.
Milwaukee, from 97% to 60%.
Washington, from 36% to 3%.
Houston, from 77% to 37%.
Dallas, from 84% to 41%.
New York City, from 72% to 32%.
Los Angeles, from 76% to 40%.
Detroit, from 71% to 22%.

What is it going to take to wake us all up? How much longer can the citizens of Massachusetts look the other way, while Boston goes down the drain? What do the people of Greater Boston think is going to happen to them when Boston becomes a city of a few rich and a majority on welfare . . . mostly black? When Boston hasn't any middle class to speak of . . . when there aren't enough whites in any school to classify it as being balanced?

Federal Judge W. Arthur Garrity did not want to take over running the Boston Public School system. He was forced into a vacuum of social and public leadership. For decades, there wasn't a voice in Boston raised above a whisper to give minority children a decent education. And that is only part of it. The minorities could live in squalor and nobody cared. And they were effectively barred by both labor and management from getting a decent job.

What kind of a human being is it who says today: "Leave the minorities in the Combat Zone to fight it out with the poor whites who can't escape either."

We on the Herald American have advised our readers to stay calm—obey the law of the land—avoid violence.

It is the only sane advice anyone can give. We told our readers to look to the courts for salvation; look to better schools; look for better leadership; look to the judges.

They look, and who do they see?

Disillusionment, with success the exception, rather than the rule.

When violence breaks out, another committee is formed; another study is made; the police are blamed for not keeping order.

It is Vietnam all over again.

Busing was seen as a panacea. But, of course, it is not. The problem is immense and complicated. Busing is only one tool, but it has become a symbol which causes fury among the races.

"I'm against forced busing, but . . . . " has become a phrase which infuriates many blacks.

They aren't in love with it either, but without this trump card, they see themselves back where they were ten years ago when blacks got the short end of the stick in education, just as they did in everything else.

Busing has got to go. It is counterproductive. But, we just can't cancel the busing contracts and go back to where we were. There must be action which guarantees minorities in this city equal rights to a decent education.

How do we get there? If all the committees formed in this city would address themselves to this question and stop wringing their hands in pious despair, we would find the answer.

Now that increased taxes are involved, perhaps we can look for some tangible results. It is a sad commentary, but most of the progress in this country has been tied in with the profit and loss concept, rather than in helping mankind.

Now, busing is embroiled in the Presidential election. Some complain about that, but election time seems to be the only time that politicians give a damn about what is happening to the voters.

Let us hope that elected officials at some level start to assume the responsibilities of their office.

As I said earlier, Judge Garrity would not be running the Boston Public School system today if the elected School Committees, City Councils and Mayors for the last fifty years in Boston had done their jobs.

But, damning the past is not going to help us today or tomorrow. And remember, **if it took us this many years to get into this condition, it will be many years before** it is corrected.

If we start now, perhaps there will be a semblance of a decent, equal education for your children when that day comes.

So far, however, those in Greater Boston have been able to contain this forced busing problem in the city. Here, in our equal education combat zone, we battle it out while the more affluent suburbs ignore it. In the meantime, everyone who can afford to, moves or pulls his children out of the Boston Public School system.

Despite this loss in students, however, the costs keep going up. The cost per high school student in Boston today is $2,300.

When I suggested recently to some black leaders that the entire Boston metropolitan area had to take part in the public education of all students, they responded:

"Are you kidding? We can't get anywhere with the whites in the city, and now you want us to take on the whole state?"

Another suggestion was that the blacks need representation on the Boston School Committee. Realistically, this is not going to happen, as long as five School Committee persons are elected at-large. But, if they were elected from districts, there would be some minority representation on the Committee. Such a bill should be passed by the State Legislature.

This would be one step in the right direction, but it is not enough. Judge Garrity has already taken steps to get more minority representation in the school system. He has ordered that teachers and administrators be hired on a one-black-for-one-white basis until the percentage of black professionals in the school system equals the percentage of black students. But, this will take time.

Jobs in the Boston School Department have hung on a patronage system for far too many years. In addition, there are white-controlled unions at all levels, and our Civil Service system guarantees the status quo for generations.

Another avenue also addressed by the U.S. District Court is to allow parents to have more say in the operation of the neighborhood schools. Judge Garrity has set up biracial parent councils and has included parents in screening committees which help select principals and headmasters. This parental participation could be expanded to all aspects of school life. To guarantee decent buildings and books, for example, parents could work closely with School Committee members elected from their district.

Also, with close to $30 million each year now going to buses and police, there should be a way that this money can go into new schools, with priorities being given to the minority areas.

On another level, a system should be established whereby parents have some say in which schools their children attend on a voluntary basis. The magnet school concept could be combined with a network of regional schools like those already existing in parts of the State.

Remember the G.I. Bill which came into existence after World War II? Many of you have shared in it. The same type of program could be adopted in Greater Boston. It has been referred to as a voucher system.

Here is where the suburban schools would become involved. For example, if 50 qualified Boston students elected to go to Newton, the City of Boston would pay to Newton so much per pupil. This helps Newton meet its financial commitments. It also helps Boston, which now spends many times more for buses and police. At the same time, it is entirely possible that some students in Newton might elect to go to one of the successful magnet schools in Boston. They may wish to go to Madison High to study music, to English High for art, or to Copley Square High which offers experimental, rather than traditional styles of teaching.

These proposals for district representation of the School Committee, a quota system for hiring minorities, priorities for more schools in minority neighborhoods, a G.I. Bill-type of enrollment in Boston and its surrounding communities are proposed for one purpose only—to indicate that there are many ways to equalize a good education without relying so heavily on forced busing.

Beginning today, however, most of you will be on your own. You must make a living, and you are entitled to what you earn. But, don't be like sheep. Don't believe everything you hear or everything you read. At the same time, don't ignore everything you hear or everything you read. Don't leave it up to someone else. Think for yourself and act on your convictions.

To paraphrase a former President:

"If you don't, you won't have anyone to kick around anymore except yourself and possibly your children."

BUDGET PRIORITIES NEED REASSESSMENT

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. RODINO. Mr. Speaker, I have long been concerned about the need to reassess our budget priorities, and in particular to eliminate unnecessary defense spending and to channel more funds into programs directed toward solving our many urgent domestic problems. On April 29, when the fiscal year 1977 budget resolution was before the House, I voted for the amendment proposed by Representative HOLTZMAN to reduce defense outlays by $2.5 billion and to redistribute this amount for spending on welfare, the Small Business Administration, increased mass transit construction, job opportunity and older Americans programs, student assistance, medical research, and law enforcement and justice programs. In this connection, it was of great interest to me to learn that on April 8 the Board of Chosen Freeholders of Essex County, N.J., unanimously adopted a resolution urging that the Federal military budget be reduced by 15 percent and that two-thirds of the money so diverted be earmarked for programs to restore the core areas of our cities. For the consideration of my colleagues, I include the text of the board's resolution No. 33988 in the RECORD at this point:

RESOLUTION NO. 33988

Whereas, the present national budget total for military expenditures is $101* Billion; and

Whereas, it is entirely possible that it could be increased to $120** Billion before the budget is adopted and put into effect; and

Whereas, $21.2 Billion of this amount is earmarked * * * to provide 244 B-1 bombers which when broken down amounts to $84 million per plane; and

Whereas, expenditures of this kind are hardly warranted in these times when our cities are subject to drastic reductions in personnel and federal dollars assistance; now, therefore, be it

Resolved, that the federal military budget be reduced by 15% and that ⅔ of the money so diverted be earmarked for programs to restore the core areas of our cities.

Passed unanimously at the April 8, 1976 regular meeting of the Board.

PRESIDENT FORD SALUTES JULY 1, 1976, INTERNATIONAL FREE ENTERPRISE DAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. KEMP. Mr. Speaker, today has been designated "International Free Enterprise Day." The President has sent to John G. Hutchens, president of the U.S. Industrial Council at its headquarters in Nashville, Tenn., the following telegram which I believe merits the attention and thoughtful consideration of all Members of the House. A message, I heartily endorse and applaud:

"International Free Enterprise Day" gives me a welcome opportunity to greet and commend the members of the United States Industrial Council.

The future vitality of our society depends on our continued success in responding to the competitive market pressures inherent in our American economic system. Your efforts to strengthen and promote free enterprise are steps in the right direction. On this occasion I want to ask your support for administration policies that seek to reduce unnecessary Government regulation while encouraging sound and responsible financial measures that permit individuals to reap the rewards of their initiative, skill and hard work.

The coinciding celebration of our National Bicentennial adds to the significance of "International Free Enterprise Day" and gives all Americans a chance to take pride in the heritage of liberty that has made our striking economic progress possible.

GERALD R. FORD.

Mr. Speaker, the President is absolutely correct when he points out the indivisibility between political and economic freedom. Ultimately our political freedoms are inextricably bound up in the defense of the consumer directed free market competitive economy.

A VOLUNTARY CITIZENS BAND EMERGENCY NETWORK URGED

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. FUQUA. Mr. Speaker, in the past few years, the citizens band radio has grown tremendously in popularity. While the mention of CB radios usually brings to mind their popular means of spotting and avoiding speeding violations, the CBers ability to communicate safety information during emergency situations is very beneficial.

Many Members of the House are CBers and as a CBer myself I am certain that like me, they have heard many accidents and other emergencies or road hazards reported on CB channels.

Properly organized, each CBer can, in fact, become an extension of the arm of the law and contribute greatly in providing emergency aid for victims of highway accidents.

However, as very aptly pointed out in a recent editorial in the Tallahassee Democrat, I strongly question the wisdom of providing unavailable Federal moneys for this excellent program when it most likely could operate very successfully on the available enthusiasm of volunteer CBers.

The article follows:

VOLUNTARY CITIZENS BAND EMERGENCY NETWORK URGED

The current CB radio fad may be harnessed to provide emergency aid for victims of highway accidents. The federal government is encouraging citizens band radio operators to participate in a nationwide emergency network. But there is bad mixed with good.

The highway safety network results from concern that many people injured in highway accidents die needlessly or are permanently disabled because they do not receive prompt and proper emergency care.

The plan calls for states to coordinate local governments in dispatching emergency personnel and equipment to crash sites. There already is a name for it; National Emergency Aid Radio (NEAR).

With the help of the CB fans, the goal is for 100 percent coverage, 24 hours a day.

If it were done entirely on a voluntary basis, the program would be praiseworthy. But the federal bureaucrats have plans for subsidies which could turn a good program into another boondoggle

For instance, the Transportation Department's National Highway Traffic Safety Administration plans to underwrite the cost of planning and organizing the network on a state and local basis. It intends to pay for such things as base stations and antennas. And federal officials say Uncle Sam will finance the purchase and installation of CB radios in vehicles used by government agencies. We can just see the agencies flocking to get that "tree" money from Washington so they can put more CB radios in their vehicles.

The project takes on even greater spending proportion with plans for federal spending to provide training, administration and education of the public.

It is easy to see where a potentially beneficial program may go sour. The Traffic Safety Administration ought to rethink the whole thing and keep it strictly voluntary.

We believe the CB radio enthusiasts will be only too willing to participate. It would add an element of excitement and service to personal enjoyment.

What will destroy the enthusiasm of CB operators quicker than anything else is the knowledge that federal money is being poured into the program to provide expensive equipment for public employes who may (or may not) be taking part.

We believe the taxpayers would like to see a voluntary emergency program established which makes use of already established emergency units. Somehow the federal bureaucrats seem unable to think in any terms other than increased spending.

RIVER HISTORIAN APPLAUDS LOCK AND DAM SYSTEM

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. GRASSLEY. Mr. Speaker, there has been much controversy recently about lock and dam No. 26 located at Alton, Ill. This lock is of critical importance to the free flow of commerce up and down the Mississippi River. One of the foremost authorities on this whole question is my good friend, Bill Petersen. The following article, which appeared in the St. Louis Post-Dispatch, is an excellent assessment of the situation and I commend it to my colleagues:

RIVER HISTORIAN APPLAUDS LOCK AND DAM SYSTEM

William J. Petersen, superintendent emeritus of the State Historical Society of Iowa, is an expert on the Mississippi River in all of its ramifications. He was born in Dubuque in 1901, the son of a steamboat man, and grew up with the river as his playground. Petersen later wrote his doctoral dissertation at the University of Iowa on the subject, Steamboating on the Upper Mississippi.

Petersen spoke to a U.S. Engineers meeting at Dubuque in April, 1974, giving a comprehensive report on the many positive effects of the lock and dam system that he has noted through the years.

"The completion of the 26 locks and dams provided the impetus for a tremendous growth in commercial river traffic. During World War II, and in the years that followed, tonnage accelerated at a phenomenal rate, reaching 25,000,000 tons in the Rock Island District in 1972, or 100 times the tonnage carried in the 1930's," Petersen reported.

"The building of the locks and dams during the 1930's was met with considerable vocal and written opposition by those ecologists and environmentalists who forecast the doom of fish and wild game along the entire Upper Mississippi," he said. "The following incidents may be of value in illustrating the varied nature of this opposition.

"In 1945 the Upper Mississippi Water Use Council asked (me) to serve as historian on a trip they were to make from Minneapolis to Cairo abroad the Penniman. The Water Use Council had been invited by Colonel Malcolm Elliott to join him and the United States Army Engineers on an inspection and public relations cruise. The Council urged Colonel Elliott to include me as official Mississippi River historian to point out interesting and significant historic sites. Upon boarding the Penniman, Colonel Elliott appointed me as daily chronicler of the trip.

"The purpose of this eight-day trip down the Mississippi was to find out what the public needed and wanted and what objections, if any, they might have to any proposed river improvements. Delegations from various Mississippi River communities were to be brought aboard; a meeting was held over which Colonel Elliott presided. In addition to channel and flood control, one of the major accomplishments of this trip was to agree on the location of marinas at various towns along the way, marinas that were nonexistent in my youth, but that today are used by tens of thousands of boating enthusiasts and their guests.

"It was at McGregor that an episode occurred that I have never forgotten and have retold many times. A resident of McGregor complained that the Lockmaster at Guttenberg should be cautioned not to let the water out of the dam so fast as it was frightening the fish and had ruined fishing in the McGregor area. A resident from Prairie du Chien nudged my arm and whispered: 'Of all the stupid, idiotic statements! Why, just last year the leading authority on bass fishing in the United States visited our city and declared that he had never found a spot in North America that could equal the bass fishing he had enjoyed around Prairie du Chien.'

"Catching bass in the Mississippi would have been a fairly uncommon thing in my youth. I remember well old John Studer, a commercial fisherman at Dubuque, who lived only two blocks from the Petersen home, and whose daily catch consisted largely of carp and buffalo. I carried the Dubuque Telegraph-Herald to the Studer home between 1911 and 1916 and consequently arrived at their house each day about the time he was cleaning his catch of carp and buffalo, with a few catfish, gar, and pickerel thrown in. Had John Studer lived, he would have marvelled at the amazing variety of game fish caught in the Mississippi following the creation of the 9-foot channel.

"Not long after the amazing McGregor criticism aboard the Penniman, an even more reliable source came to the support of my Prairie du Chien informant by testifying to the presence of bass and other game fish in the Upper Mississippi. I was visiting with Ding Darling, the noted Pulitzer Prize winning cartoonist of the Des Moines Register, who had been an outspoken critic of the lock and dam system because he, too, was convinced of the possible ruining of the environment. Ding was a member of the State Historical Society of Iowa and quite familiar with my books and articles, his favorite book being 'Iowa: The Rivers of Her Valleys'. Ding was also aware of my interest in furthering waterways traffic on the Upper Mississippi. Accordingly, it was with no little surprise that Ding should declare: 'You know, Bill, I was very much opposed to the creation of the 9-foot channel on the Upper Mississippi because of its possible harmful effect on fish and wild game and the natural environment. Since 1940 I've certainly changed my mind on the 9-foot channel as it has become apparent to all of us that the gains and improvements of the environment have been many. We have even found that where tens of thousands of fish used to die as numerous sloughs dried up, our finny friends now thrive in a more stable water not subject to such wide deviations in the stages of the river.'

"Lending support to Ding and my unknown Prairie du Chien fellow-passenger aboard the Penniman in 1945 are the frequent invitations I received from President Eugene Garbee of Upper Iowa College to go trout fishing with him in Northeastern Iowa. An avid fisherman, President Garbee told me on several occasions that nowhere else could one catch more trout than he did in the streams emptying into the Mississippi in Northeastern Iowa. Never a fisherman, and seemingly always too busy writing and promoting Iowa history, I unfortunately never became a disciple of Izaak Walton. But I am thoroughly aware of the wonderful work of the Iowa Conservation Commission in stocking the streams along the Upper Mississippi with a variety of game fish far surpassing those in existence in pioneer days.

"It must be abundantly clear that I am, primarily interested in maintaining the Upper Mississippi as a highway of commerce. The transportation of coal, oil, and fertilizer upstream, and the movement of grain downstream (to mention a few), are vitally important to the people of the entire Upper Mississippi Valley.

"On four occasions I have been on towboats that have been held up for ten to twelve hours while waiting our turn to get through Lock 26 at Alton. This meant a half dozen tows were waiting above and below Lock 26 at the time we arrived. It does not take much figuring to estimate the loss to each towboat delayed for this length of time. Even more important, if one remembers the energy crisis—coal, oil, fertilizer, grain—one can really see that anywhere from three to six million tons of the above commodities might have reached their destination had the delays at Lock 26 been minimal—as they very well should be. The alleviation of the energy crisis through the arrival of coal, oil, and fertilizer and the emptying of grain elevators along the Mississippi are urgently needed for a healthy Iowa and Upper Mississippi Valley economy.

"A few months ago I learned to my disgust that certain environmentalists in the St. Louis area were condemning the enlargement of Lock 26, declaring among other things, that it would destroy the sacred habitat of the bald eagle. The same arguments were advanced against the 9-foot channel during the 1930's. But lo, there are probably ten, twenty, and possibly 50 times as many bald eagles wintering along the Mississippi at Dubuque, Bellevue, Clinton, Davenport, Keokuk, and points in between. It was the turbulent open water below the locks and dams that has provided the noble bald eagle with food throughout the winter months.

"Not to be overlooked is a recent decision of a Wisconsin judge, acting on similar advice by environmentalists, that restrains the St. Paul District Engineers from doing any channel work between Guttenberg and the Twin Cities. The matter of the disposition of sands and spoils was condemned. It must not be redeposited in the river but should be emptied, no doubt, into railroad cars and perhaps carried many miles away. This could become so costly as to virtually eliminate Congressional appropriations and destroy waterways transportation on the Upper Mississippi, an objective long desired by the railroads which would gain untold billions at the expense of the American taxpayer. I firmly believe that the situation in the 1970's is comparable to that of the 1930's, when the 9-foot channel was being created, and that the environmentalists, either sincere or motivated by the enemies of waterways transportation, will find themselves just as wrong as did Ding Darling.

"Looking back over a period of seventy years, years in which I have been intimately associated with the Upper Mississippi in all its varied moods, I cannot help expressing my sincere gratitude to the Army Engineers for the sound work they have done on waterways, flood control, the improvement of the habitat of fish and wild game, the establishment of marinas and safe harbors, and their cooperation with other agencies in the preservation of our environment.

"This feeling was ably expressed in 1964. Thus, a quarter of a century after the completion of the locks and dams, the Fish and

Wildlife Service of the United States Department of Interior declared: 'Today, the Upper Mississippi Refuge includes some 194,000 acres among the wooded islands, waters, and marshes extending 284 miles southward along the river bottoms from Wabasha, Minnesota, to Rock Island, Illinois. This great river refuge demonstrates man's ability to preserve scenic, recreation, and wildlife resources amidst the needs of modern civilizations.

"May it always continue to be so!"

In 1974 prices, the estimated cost of Locks and Dam No. 26 was $425 million. As fully disclosed in the Corps report, additional items in the system already authorized by the Congress totaled approximately $1 billion. The results of these investments is hardly a ripoff since the alternative is to move the same kinds of commodities by an alternative mode which would result in higher prices to consumers (for example, one utility company estimated, that without the waterway, electrical rates to their customers would increase 19%). Similarly, midwestern farmers would have reduced income because of higher transportation costs on grains which they sell and fertilizers which they import.

The five principal commodities that make up roughly 80 per cent of the commercial traffic on the Upper Mississippi River are petroleum and petroleum products; grain and grain products; bituminous coal and lignite, sand, gravel and crushed rock; and iron and steel products.

NEW JERSEY FREEHOLDERS SUPPORT "OPERATION TRANSFER"

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mrs. MEYNER. Mr. Speaker, there has been a considerable groundswell of support in New Jersey and throughout the Nation for the concept of "Operation Transfer" embodied in the Holtzman-Conyers amendment to the first concurrent budget resolution. I am pleased to endorse this program. I believe that it reflects the kind of budgetary priorities that Congress should be implementing.

Recently, the Board of Freeholders of Essex County, N.J. adopted a resolution unanimously which endorses a reordered Federal budget. I am pleased to insert this resolution into the RECORD at this point:

RESOLUTION NO. 33988 OF THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF ESSEX, N.J.

Whereas, the present national budget total for military expenditures is $101 billion; and

Whereas, it is entirely possible that it could be increased to $120 billion before the budget is adopted and put into effect; and

Whereas, $21.2 billion of this amount is earmarked to provide 244 B–1 bombers which when broken down amounts to $84 million per plane; and

Whereas, expenditures of this kind are hardly warranted in these times when our cities are subject to drastic reductions in personnel and federal dollars assistance; now, therefore, be it

Resolved, that the federal military budget be reduced by 15 percent and that two-thirds of the money so diverted be earmarked for programs to restore the core areas of our cities.

Passed unanimously at the April 8, 1976 regular meeting of the Board.

COUNTING THE DAYS

HON. EDWARD MEZVINSKY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. MEZVINSKY. Mr. Speaker, I would like to call my colleagues' attention to the plight of eight Korean children who have been approved for adoption in the United States. Their natural parents live in a leper colony and, wishing a better life for their children, have given them up for adoption. It is their hope that the new parents will be able to raise them free of the stigma that would follow them if they remained in Korea. The House has passed legislation which would allow these eight to immigrate to the United States and identical bills are presently pending in the Senate. This is a poignant story and hopefully these children and their parents—both natural and adoptive—will soon be relieved of their agony of waiting and uncertainty. The following article from the New York Times of June 29, 1976, clearly and succinctly presents this unfortunate situation.

LEPERS AND CHILDREN COUNT THE DAYS

(By Andrew H. Malcolm)

ANYANG, SOUTH KOREA.—It has been three years now since Mrs. Chin Wu Bum, a leper, first decided to allow her daughters to be adopted by an American family.

"Time does not heal things for us lepers," said Mrs. Chin. "I wish they could go soon. Every day hurts a little more."

Even though the children themselves are healthy, they face a lifetime of misery and discrimination in South Korea because of their parents' disease. So, three years ago, a Korean priest and a Dobbs Ferry, N.Y. woman joined in Operation Outreach, believed to be the first of its kind, to let eight children of lepers start new lives as full members of American families. Six of the youngsters will go to New York State and two to Washington, D.C. Others may follow.

But because the children are technically not orphans and the regular immigration quota is filled, their immigration procedure requires special United States legislation.

The four bills covering the eight children have been languishing in Congress where despite House approval they still face a wait before the Senate votes. No opposition is expected.

And while they wait for the papers to be shuffled in a distant city whose name they do not know, the parents care for their growing children in St. Lazarus Village, a private leper community near here, knowing that some time, some day a cable will arrive and their children will depart forever.

"The longer it takes, the harder it gets," said Cho Te Chung, whose two oldest daughters, Mi Kyong, 3 years old, and Hi Kyong, 5, are to become Joanna and Cecilia Marchese in Mahopac, N.Y.

"Once we decide to separate," the father said, "it should be fast. We can't have the idea hanging on our heads all the time."

The Rev. Lee Kyong-Jai, who runs St. Lazarus, 25 miles south of Seoul, fears that a Senate rejection or a much longer delay would simply reinforce the age-old Korean discrimination against this country estimated 80,000 lepers.

Although leprosy is ranked as the least contagious of communicable diseases and although there is no evidence that the disease is inherited, even healthy relatives of lepers cannot find jobs, adequate housing or attend schools with other youngsters.

Only a very small percentage of the population is susceptible to the leprosy bacillus—and then only after prolonged intimate exposure—but tradition, fear and ignorance prompt Koreans to shun those with the disease. They are called mundungi.

Father Lee's idea is to let the healthy children escape such a life sentence. "The little ones should be free to fly away," he says.

And he hopes that the American example in receiving the children will, in turn, help weaken the discrimination here and in many other lands.

It was a painful decision for the parents. "It is just one more kind of pain that comes with leprosy," Mr. Cho said, "but we must accept the sacrifice for their future."

"We are not normal and we know it," Mrs. Chin said, "but our children are guiltless. Why should we cling to them just for ourselves?"

The children, who range in age from 3 to 15, do not yet realize the full ramifications of the move. Confronted by a visitor from her future homeland, one shy young girl hid behind her father and clutched his wooden leg.

Seven-year-old Chin Suk, who is to be adopted by Arlene Roemer in Washington, D.C., has told her father that she will become a doctor in the United States and return here to cure him. Mr. Chin smiles. Leprosy is not curable, although in most cases here medicines ahve arrested its destruction.

None of the parents expect their children to return.

"Perhaps the American families will send us one or two pictures a year," Mr. Cho said. "That would be nice."

For now, life goes on as usual in St. Lazarus Village, a tiny, tidy community tucked amongst some hillside pines where the group's motto is: "Sooner or Later the Seeds of Our Love Will Grow."

The 430 residents, some of them stooped and housebound, go slowly about their household chores in the modern huts built with donations from many countries.

The 150 children attend a special school where the lessons include the revelation that not every child grows up to become a deformed adult with stumps for hands, a misshapen face, disclosed skin or empty eyes.

Regularly, the less obvious lepers take orders from the others and go to a nearby town to shop.

Sometimes Father Lee translates a new letter from the United States. Bernice Gottlieb, the Dobbs Ferry, N.Y., woman who runs Operation Outreach, sends support checks when possible.

And the American households all write, including the John W. Datz family of Centerport, L.I., and the Peter Elliotts from Huntingon Station, L.I.

The letters speak of love and anxiety and eagerness to meet, as well as plans to redecorate rooms for the Korean children for "that wonderful day" when they arrive.

"We tell the children," Mr. Cho said, "that they are going to a nice place and everything will be happiness there for them."

As he spoke, a tear rolled down his wife's cheek.

"Being a man," he added, "I am tough so, of course, nothing bothers me. But it is hard on my wife."

Nearby, Mr. Chin cleared his throat.

"If the girls stayed," he said, drawing lines in the dust with the toe of his shoe, "and they grew up and had boyfriends and they found that the girls' parents were lepers, then our daughters would forever. have hearts stamped with pain. The future for them here is bleak. They must go. Me and my wife would like our misery to end with this generation."

RUNNING TO MONTREAL

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ROBINSON. Mr. Speaker, I take these moments to invite the attention of the House to a unique Bicentennial event which will commence in front of the White House at 8 a.m. on Saturday, July 3, 1976.

The project consists of a run from that point to Independence Hall in Philadelphia, from which point on the next morning, July 4, a team of runners will carry greetings to the U.S. Olympic team in Montreal, Canada—the message received at the White House, presented to the runners on behalf of the President, and others from the Governors of the States.

This Bicentennial event was conceived by Tom Lough of Port Republic, Va., whom I am proud to claim as a constituent. He is a high school teacher, a graduate of the U.S. Military Academy and a competitor for the United States in the modern pentathlon at the Olympic games in Mexico City in 1968.

I am sure my colleagues of the House join in wishing Tom and his fellow runners fair skies and a fast track as they set off for Montreal.

I include at this point a summary of the project, as follows:

The Bicentennial Olympic Project is an activity designed to link the Bicentennial celebration in the United States with the Olympic Games in Montreal, Canada in a meaningful way. This is the concept of the project:

Messages to the United States Olympic Team from the governors of the 50 states and the mayor of the District of Columbia will be assembled and presented July 3 to a group of runners in Washington, D.C. The runners will carry the messages to Independence Hall in Philadelphia where they will be transferred to another group of runners in a special ceremony July 4. These runners will carry the messages to Montreal where they will deliver them to the assembled United States Olympic Team prior to the opening ceremonies of the Olympic Games. Thus, members of our Olympic Team will receive greetings from their respective governors, and through them, from the entire nation.

The project has been approved and is officially recognized by the American Revolution Bicentennial Administration. The United States Olympic Committee has stated they will receive the delivery of the messages with appropriate protocol and ceremony. The project is sponsored by the United States Modern Pentathlon and Biathlon Association.

The Modern Pentathlon is an Olympic sport in the summer games, consisting of horseback riding, fencing, pistol shooting, swimming, and cross-country running. The Biathlon is a sport in the winter Olympics, consisting of cross-country skiing, and rifle shooting.

The route of the runners will be as follows:

Washington, D.C., to Philadelphia, PA—US Route 1.

Philadelphia, PA to Montreal, Can.—Route 532 to Washington's Crossing, Route 202/I-287 past Morristown, NJ, to Haverstraw, NY. North on Route 9/9W/9N, past West Point, Saratoga, Fort Ticonderoga, to Champlain, NY. Into Canada on I-15, across Victoria Bridge into Montreal.

A special highlight of the project will be July 4, when the messages will be taken by swimmer across the Delaware River where George Washington crossed with his troops December 1776 prior to the Battle of Trenton.

This project is non-profit and within the tax-exempt status of the US Modern Pentathlon and Biathlon Association. Contributions are being sought from all 50 states to cover the $4,000 budget in an attempt to get participation from the entire nation, which the project represents. Contributions are deductible for income tax purposes and may be sent to Bicentennial Olympic Project, Box 160, Port Republic, VA 24471.

Personnel:

RUNNERS

Washington to Philadelphia—selected athletes from the national training centers of modern pentathlon and biathlon, under the charge of Army Captain Lyle Nelson.

Philadelphia to Montreal—Zane Branson of Moneta, Virginia. Chuck Hunter of Santa Clara, California. Lyle Nelson of Boise, Idaho (member of 1976 US Olympic Team in Biathlon at Innsbruck). Tom Lough of Port Republic, Virginia (member of 1968 US Olympic Team in Modern Pentathlon at Mexico City). Project Coordinator.

ADMINISTRATIVE

Posy Lough of Port Republic, Virginia—clerk, secretary.

Patta Steele, Shenandoah, Virginia—press relations.

NATIONAL FOOD SERVICE EMPLOYEES WEEK

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. MIKVA. Mr. Speaker, since World War II, the food service industry has been one of the most rapidly growing of all American businesses. One of the reasons for this is that an unprecedented number of Americans have made dining out a regular practice. There are more restaurants open for business in this country than ever before. In fact, commercial eating places now generate nearly $30 billion in volume a year.

Another factor adding to the growth of the food industry has been the rise, over the last 30 years, in the number of health and educational institutions which daily provide meals for millions of Americans. Last year alone, the volume generated by institutional food service reached nearly $20 billion.

The human effort required to run this $65 billion industry, which feeds so many Americans, is provided by the Nation's 4 million food service employees. More than any single factor, it is their daily efforts that have helped the food service industry double its volume over the past decade.

In order to recognize this contribution to the food service industry, and to the Nation's well-being, I am introducing today a resolution designating a National Food Service Employees Week. Such a gesture would be a most fitting note of appreciation to these 4 million working Americans.

OWENS-ILLINOIS PROMOTES GLASS RECYCLING

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. ASHLEY. Mr. Speaker, Owens-Illinois is the world's largest glass container manufacturer and is headquartered in Toledo, Ohio, which I represent in the Congress. The company has announced a 50-percent immediate increase from $20 a ton to $30 a ton in the floor price it pays for glass bottles purchased from the public for recycling. I commend Owens-Illinois for taking this action and hope that it will result in increasing the company's purchases of reclaimed glass by the announced goal of 100 percent. This effort will both conserve materials and save money.

The text of the company announcement is as follows:

Used glass bottles and jars are now worth more than ever.

The increase which we have announced makes many glass containers more valuable—on a unit basis—than any other packaging material. The price boost goes into effect immediately and applies to any quantity of clean, uncontaminated, color-sorted glass containers.

Bill B. Jones, O-I vice president and general manager of the company's Glass Container Division, said the 50-percent increase is being instituted "because of the value of the glass to us, as we want to purchase substantial additional amounts at all of our plants."

Bottles brought to O-I are crushed and added to sand, soda ash, and limestone for melting and forming into new glass containers. Reclaimed glass has been used for centuries to make the raw batch materials melt in the furnace at lower temperatures, thus conserving fuel and extending furnace life.

"Glass recycling is an important way to conserve and stretch energy since glass can be recycled with less energy than that required for new raw materials," Mr. Jones said.

"We estimate we could use substantially more reclaimed glass if it were available, compared with the 15 to 20 percent of cullet generally used today in glass container manufacturing.

"Our immediate goal is to increase our purchases of reclaimed glass by 100 percent," Mr. Jones said.

"We will redeem any and every bottle brought to our plants, regardless of size, shape, or the products they once carried. The only requirements are that the containers be empty, reasonably clean, free of metal, and separated by color—clear, brown, or green."

O-I operates a nationwide network of 20 collection centers at its glass container plants across the United States. Since launching the nation's first public bottle buy-back program in 1968—which grew into an industry-wide effort to recycle glass in 1970—O-I has purchased more than 388,000 tons of waste glass from the public. That's more than 1.5 billion bottles—enough to fill more than 15,500 railroad freight cars. In return for the glass, the public has received nearly $8 million.

Today, hundreds of thousands of Americans are reclaiming glass containers for recycling—and each year the number grows.

"Fundamentally," Mr. Jones said, "glass

container recycling is growing for one very important reason: the inherent value of the material.

"Although glass containers are a small portion of solid waste and litter, they are one of the most valuable components—in terms of redemption value—found in municipal refuse. In fact, many glass containers are worth more—on a direct container-for-container comparison—than any other packaging material, including aluminum.

"We believe that the recycling of resources, such as glass, is genuinely responsive to the public interest and in harmony with America's pre-eminently efficient food and beverage distribution system," Mr. Jones said.

SHAWN K. AIKEN, ESSAY WINNER

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. NOLAN. Mr. Speaker, as we celebrate the birth of our Nation's independence, it is important for all Americans to recognize that the Bicentennial has dual significance. It has inspired us to become more aware of our Nation's past, but more importantly, it has reemphasized the principles and goals at the very foundation of our democratic system. This spring when I requested high school students in Minnesota's Sixth District to tell me how they would view their jobs if they were Members of Congress, these young people wrote about those worthy goals and emphasized keeping those principles at the forefront as Congress seeks to meet the challenges ahead.

I would like to share with my colleagues the text of the winning essay, writen by Shawn K. Aiken, a high school senior from Marshall, Minn.:

The situation in Washington of late is not unlike the time a man went to three doctors for his headache. One said the man had a tumor, one said he needed his tonsils removed, and the third said his shoes were too tight. Similarly, it seems everyone on Capitol Hill views our nation's problems a bit differently, having concomitantly diverse solutions. With 535 doctors offering diagnoses and prognoses, each a bit different than the previous, it is no small wonder that Dr. Gerald Ford and those on Capitol Hill seem unable to come to grips with such critical issues as energy, taxes and the budget.

Central to this inability to deal with issues of import is the problem a venerable political analyst once pointed out: "The trouble is there are to many Democratic and too many Republican Senators and not enough United States Senators." Recognizing that it would be impossible for any modern-day Paul Bunyan to break up the log-jam strangling Washington, it seems more realistic to begin at the personal level.

A very strong effort to foster bipartisan cooperation should be the primary goal of all Congressmen. It seems clear that only through this renewed effort toward cooperation can the Congress remedy the growing cynicism among Americans. Recent public opinion polls leave no doubt in most political observers' minds that our leaders are no longer trusted as they once were; that the faith placed in them seems to be shrinking.

To further encourage the growth of this new trust, existing ties with constituents have to be strengthened and new ones established. While that may sound very noble, it means nothing if one's constituents do not have a truly open line of communication with one, or one becomes inaccessible to all but an influential few. Mindful of that, all Congressional telephone numbers in Washington should be well publicized. Moreover, plebiscites should run in local newspapers to get a sounding on salient issues of the day.

While one of the primary issues before Congress must be energy, the issue has been obscured by political quibbling and infighting. It has been four years since the renewal of the Mideast War and the Arab oil boycott, but this country still has no firm national energy policy. Bipartisan cooperation could play a key role in resolving this issue.

Congress must seriously consider a restructuring of America's economic policymaking process. As Chairman of the Federal Reserve Board, Mr. Arthur Burns wields entirely too much power in determining America's domestic economic objectives. Certainly this is an important dimension of their lives over which Americans deserve much greater control.

It is conceivable that Congress and Dr. Ford could be faced with a massive malpractice suit in the very near future. While incidents like the Cuban Missile Crisis and the *Mayaguez* have been rallying points around which Americans tend to cohere, it is the duty of each Congressman to provide the leadership so necessary in 1976.

KITTY TAYLOR

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. RODINO. Mr. Speaker, Katherine V. Taylor of Newark has devoted most of her life to serving the elderly, the ill and the orphaned of her community and, indeed, the entire Nation.

She has served on Presidential, gubernatorial and mayoral commissions, she is deputy director of the Golden Age project of the Newark Senior Citizens Commission and director of Senior Citizens Affairs for the city's United Community Corp.

In addition to this community service, she has brought the problems of the elderly to public attention through radio and television programs, and through her writing. She has been a creative participant in church and civic affairs, and she has given tirelessly to insure equality and opportunity for all Americans.

On June 6, the friends of Kitty Taylor paid tribute to this remarkable woman with a testimonial dinner at the Robert Treat Hotel in Newark. As it was said, the event was intended to give Kitty Taylor a portion of that which she has given us.

Mr. Speaker, I join with the many friends and admirers of Kitty Taylor to extend to her my best wishes and respect. Kitty Taylor is truly a humanitarian woman whose work has been dedicated to improving the lives of others.

HOW ONE BIG FIRM FOUGHT HEALTH PERILS

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, the second article done in a series by Richard T. Cooper and Paul E. Steiger, Los Angeles Times staff writers, relates the efforts of Dow Chemical Co. to protect their workers and surrounding environment.

Doubtless, all of us would hope that at some point all chemical operations would develop and implement a similar concern for workers and consumers.

The article follows:

HOW ONE BIG FIRM FOUGHT HEALTH PERILS—DOW CHEMICAL WAS PIONEER IN RESEARCH ON INDUSTRIAL DISEASE

(By Richard T. Cooper and Paul E. Steiger)

MIDLAND, MICH.—For the 35,000 citizens of this flat, faceless, miles-from-anywhere town lost in a sea of scrub trees and plowed fields, life begins and ends with one master, a giant corporation with an alchemist's passion for turning base materials to gold. Earth, air, water, the daily bread on the table, all lie under the corporate hand.

Winter and summer, clouds of steam rise from five square miles of pipes, tanks and kettles in which Dow Chemical Co. produces chlorine, caustic soda, carbolic acid, bug and weed killers, industrial solvents—a witch's brew of toxic substances that makes the radioactive fuel in most nuclear plants seem tame as lemonade.

Almost every paycheck comes directly or indirectly from Dow. Even the lawns have corporate roots: when heribicdal vapors got loose a few years ago and killed much of the grass in Midland, Dow paid for reseeding.

Voiceless and vulnerable as other company towns, Midland enjoys a critical difference: while many companies seemed oblivious to the dangers inherent in their operations, Dow pioneered in occupational health research and reform here and elsewhere long before labor unions, government leaders or the public seemed to care much about such things.

As a result, federal officials and even some competitors agree, Dow today points the way that all corporations must follow if workers and the larger society are to live safely with the golden goose of technology.

In its efforts to protect its workers and its environmental neighbors against both instant health hazards and the carcinogenic time bombs that explode with increasing regularity across the nation, Dow has developed a large assortment of weapons:

Proposed new products and manufacturing processes must undergo progressively more rigorous testing in Dow's sophisticated toxicological labs; workers are offered regular medical examinations; individual exposures to chemicals are monitored and recorded; detailed files are kept to enable researchers to correlate health data and workers' exposure histories, and Dow trains hard-to-get industrial hygienists in its plants.

At the same time, Dow researchers conduct epidemiological and mortality studies of workers to monitor the effectiveness of health programs and to search for unsuspected problems. Manufacturing operations are modified to meet health standards. And Dow, a major supplier of industrial chemicals, has even begun intervening actively in the way customers use its products.

What all this has meant, simply enough, is lives saved and crippling illnesses avoided.

In the early 1950s, for example, Dow scientists spotted potential health hazards in a compound called chloromethyl methyl ether, an important ingredient in the dawning age of plastics; they insisted that production facilities be designed to limit workers' exposure to one part per million.

Some other producers, first unaware of and then apparently indifferent to the danger, let exposures to chloromethyl methyl ether and related chemicals soar. Dozens of workers in those plants now are known to have died from exposure-related lung cancer.

Similarly, Dow toxicologists vetoed plans to produce an unusually effective anti-barnacle coating for ships because the arsenic-based compound, highly poisonous, could contaminate harbors. And Dow recently withheld caustic soda from a New England customer until huge shields and other safety equipment had been installed to protect the customer's workers.

To be sure, other companies have made important occupational health efforts. And no one, including Dow, suggests that the company has always done everything necessary or desirable as soon as possible. Workers at Dow plants have died and been injured in fires, accidents and explosions. Recently a group of workers was exposed to the carcinogen vinyl chloride when 2,000 gallons of the substance were accidentally spilled. Further, some of Dow's operating executives are more resistant than others to recommendations for steps that would increase employe protection.

Also, Dow has been among the most outspoken opponents of the proposed Toxic Substances Act, which would require premarket testing of chemicals. The company denounces the bill as costly, wasteful and unnecessary interference with business.

Nonetheless, there is widespread agreement—even among some who still cannot forgive Dow for its role in napalm production during the Vietnam war—that the company has done more than others to promote its workers' occupational health and done it sooner than other major industrial corporations, and thus has avoided many of the problems afflicting U.S. workers generally.

Equally important to the growing debate over the economic feasibility of occupational health reform, Dow's record indicates that large firms, at least, should be able to make substantial improvements without reducing profits or lessening their competitive position, as long as top management insists that concern be built into operations from the ground up.

Consider vinyl chloride, perhaps the best known of recent occupational health nightmares. For many producers, it is a costly and appalling monument to heedlessness. For Dow, it illustrates the economic and social benefits of what the company has tried to do.

Discovered in Germany in the 1930s and developed by U.S. firms in the 1950s, vinyl chloride today is the word's second most common plastic compound, produced in the United States alone at the rate of 5 billion pounds a year. The ubiquitous substance is found in phonograph records, meat-wrapping film, auto interiors, water pipe, floor tile, electrical insulation and hundreds of other products.

Vinyl chloride, a gas until it is converted to a solid through a process known as polymerization, has also been used as an aerosol propellant for cosmetics, paints and pesticides.

In producing this bonanza, thousands of workers were exposed to vinyl chloride gas, often in concentrations of hundreds or thousands of parts per million and often for periods of several years. Some employes were regularly sent down into processing kettles for maintenance work and occasionally inhaled so much vinyl chloride that they experienced euphoric highs or were anesthetized.

Scattered hints and warnings of medical trouble cropped up, including evidence that vinyl chloride caused workers' bones to dissolve inside their fingers, but most producers pushed ahead with little regard for all that might be happening to their employees. Until 1974.

In January of that year, B. F. Goodrich Co. made the jolting announcement that vinyl chloride had been linked to a rare and fatal form of cancer, angiosarcoma of the liver, among exposed workers. Almost overnight a classic battle developed among manufacturers, labor unions, health professionals and the federal government.

Unions demanded total protection for workers. Producers argued that such reforms would be ruinously expensive, force plant closings and cost thousands of jobs. Occupational health specialists saw vinyl chloride as the tip of an iceberg. Finally, the Occupational Safety and Health Administration imposed a one part-per-million exposure limit for workers.

That standard, if strictly enforced, will probably protect future workers, but as Dr. Irving J. Selikoff, a pominent environmental health specialist at New York's Mt. Sinai Medical School, said a few months after the Goodrich announcement: "For vinyl chloride, in a large sense, we are already too late."

Thus far, 49 workers around the world are known to have died from angiosarcoma. Given the average 20-year time lag between the first exposure and death in this type of cancer, the toll among workers already exposed is expected to keep rising for years to come, no matter what is done now.

As had others, Dow steadily increased its involvement with vinyl chloride in the 1940s and 1950s, becoming a manufacturer of polymers and also a leading supplier of vinyl chloride gas to other processors.

But in keeping with general company policy of minimizing employe exposure to all chemicals, Dow's operations seem to have been tighter than most. More important, Dow's toxicological lab began a series of inhalation studies with rats, rabbits and guinea pigs in the late 1950s.

By today's standards, the tests were relatively unsophisticated, but they were soon to make a critical difference.

Groups of animals were exposed to various concentrations of vinyl chloride gas seven hours a day, five days a week for periods of six months—a rough approximation of a worker's potential exposure. Then the animals were killed, along with unexposed control animals, so that pathologists could make tissue comparisons.

What researchers found was evidence of liver cell changes in the vinyl chloride-exposed tissue that were so subtle they would have gone unnoticed except in direct comparison with cells from unexposed animals.

Dow toxicologist Theodore R. Torkelson, who was in charge of the studies, said there were "reversible fatty changes, evidence of stress, about the lowest level of injury you can have."

What Torkelson and his colleagues did not know then was that they were at the threshold of discovering the angiosarcoma link to vinyl chloride almost 15 years before the B. F. Goodrich announcement.

If Dow scientists had kept some of the exposed animals alive a little longer—now standard practice in such studies—instead of sacrificing them immediately after exposure stopped, Torkelson is convinced the tumors would have been found.

"I've kicked myself many times that I did not take 20 of those rats and let them sit for six months," Torkelson said recently.

Be that as it may, Dow published its results in 1960, including data indicating liver cell damage was detectable at 100 parts per million exposure levels but not at 50 ppm. The company urged the entire plastics industry to adopt a 50-ppm exposure limit voluntarily.

Other scientists dismissed the cell changes Dow had found as insignificant. Other companies rejected the proposal for cutting exposures, some even criticizing Dow as alarmist. Dow, however, set in motion an internal program that cut exposures below 50 ppm for most of its own workers within a few months, then worked on the handful of difficult and more costly situations over a period of years.

The result: Dow's cleanup cost it less than $3 million, company officials say, spread comfortably over an extended period. And when the Occupational Safety and Health Administration imposed its 1-ppm limit last year Dow met it without the expensive upheaval that its competitors had to endure. Most important, thus far no cases of angiosarcoma have been reported among Dow's vinyl chloride workers.

Just why Dow in particular developed the system that so far has kept it out of the worst of the occupational health minefields is not fully clear. Part of the answer may be that Dow began as a family firm concentrated in Midland so that top executives had a strong sense of personal identification with Dow's activities and were not isolated from lower-level subordinates or production workers.

Regardless of precisely why it developed, one thing seems clear about Dow's system: instead of being spawned in crisis and imposed on reluctant production managers by remote corporate officials, it has been woven gradually into the fabric of the company's operations over many years—and the evolutionary process has contributed substantially to the system's present effectiveness.

By including the occupational and environmental health experts in decisions on design, marketing and production at early stages, Dow officials say they minimize friction, avoid errors, reduce the need for costly retrofitting of equipment and raise efficiency—all concrete business benefits that increase the enthusiasm of operating executives for cooperating with the occupational health specialists.

Most company officials trace the beginnings of this system, and of Dow's exceptional concern for workers' health, to a set of puzzling accidents in the early 1930s.

Within a period of a few weeks, two men were found dead at the Midland plant. The first death was initially attributed to heart failure, but, when the second worker died, officials began looking for another explanation.

They found one. The second worker—and, it is now believed, the first man as well—had cleaned his skin in a company locker room with a colorless liquid he mistook for alcohol. The liquid was phenol, a chemical used in making hospital antiseptics, explosives, plastics and some dyes.

"If you spill enough phenol on you to make a patch about like so," said top Dow scientist V. K. Rowe, describing a 12-inch circle on his thigh, "you can wash it right off, and all you'll have is a little skin burn. Or you can leave it on there for 20 minutes and you'll be dead."

Dow officials had known all along that phenol was dangerous, but they had not known how dangerous. Nor had they trained workers to recognize the compound and deal with it effectively if they had contact with it.

The phenol incident struck a worrisome chord in the mind of Willard Dow, then the company's president.

His scientists were conjuring up new compounds every day. How many more might turn out to be sudden killers? Dow, son of the company's founder, did not much like the idea of finding out only after his workers had died or been disabled. He put a young, freshly hired biochemist to work testing for potential hazards.

From that impromptu beginning the company has developed a program that aspires to protect not only Dow workers and Dow customers but also the customers' workers and the customers' customers from the risks inherent in the more than 8,000 separate chemical combinations the company sells or uses. What started with one man at one lab bench now involves hundreds of people and as much as $20 million a year.

With all its attention to toxic substances and the health of its workers, Dow Chemical Co. has scarcely suffered financially. Over the last 20 years its annual sales have increased more than tenfold, to $4.9 billion, while profits have increased by nearly 16 times, to $616 million.

FLAMMABLE MATTRESSES A THREAT TO SAFETY

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. DODD. Mr. Speaker, I would like to bring to my colleagues' attention serious questions which have been raised recently about the safety of mattresses upon which many people sleep in many public health and penal institutions throughout this country.

Indeed, based on an excellent, five-part series by a highly respected newspaper in my district, the Norwich, Conn., Bulletin, it appears that the existing Federal safety standards regarding the flammability of such mattresses are inadequate to prevent death or serious injury.

In its series, the Bulletin outlines a problem which should concern all of us. A strong case is made that the Federal Government should closely review existing mattress flammability standards as soon as possible to see if they need revision.

Made of a plastic-type substance known as "polyurethane," these mattresses apparently burn rapidly and emit poisonous gases when ignited by an open flame, according to the Bulletin's investigation. The newspaper reports that several deaths in penal institutions already have been linked to fires involving these types of mattresses.

The newspaper's series states that these mattresses are considered fire retardant when new, yet the chemical used to make them fire resistant apparently dissipates within 6 months to a year, thus removing this quality from the product.

According to the Bulletin, the present mattress flammability tests and standards administered by the Federal Consumer Product Safety Commission do not appear to take into account the dissipation over time of the fire resistant chemical, the combustibility of polyurethane from an open flame, and not just from a contained heat source such as a cigarette, and the special threats these conditions pose to those living in confined, institutional situations.

Mr. Speaker, I believe it is the Federal Government's responsibility to insure the safety of such products, and I think that the appropriate agencies should move quickly to fulfill this responsibility. An adequate flammability standard should be enacted in an effort to minimize the possibility of further death or serious injury from these mattresses.

I am pleased to say that my distinguished colleague from Connecticut's Fourth Congressional District, Hon. STEWART B. MCKINNEY, shares my great concerns about this potentially grave problem, and we will be working together toward a solution.

In view of these apparent deficiencies with Federal safety standards, and in light of the other questions raised about polyurethane mattress safety, we will be formally asking the Consumer Product Safety Commission to reevaluate its mattress flammability testing procedures and standards with the goal of upgrading them to insure the safety for all who use such mattresses.

As the Bulletin series shows, Connecticut and some other States have moved decisively to deal with this problem. However, it appears the problem goes beyond the borders of these States, and we will do our best to keep all our colleagues in the House informed as to any progress in resolving it.

At a future point in time, we will be inserting into the CONGRESSIONAL RECORD the first three parts of the Bulletin's mattress flammability series, since they chronicle this problem comprehensively and since space limits prevent inclusion of the entire series.

I would add only that the Bulletin in general, and specifically the three staff members who produced this series, managing editor John C. Peterson, and reporters Denis Morin and Thomas C. Oat, should be commended for their public service and enterprise in researching and writing about this problem.

Their contribution to journalism and the public welfare should not go unnoticed.

PERSONAL EXPLANATION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. STARK. Mr. Speaker, on rollcall No. 479, final passage of the foreign assistance appropriations bill, I am recorded as not voting.

I did attempt to vote on this bill, but apparently—much to my surprise—the computer did not acknowledge my efforts. At any rate, I would like the RECORD to show that I supported passage of the foreign assistance appropriations bill, which contains much-needed funds for Israel, and I would have voted "yes."

THE LABYRINTH: HOW TO APPLY TO LEAVE RUSSIA FOR ISRAEL

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Ms. ABZUG. Mr. Speaker, many of our colleagues in both the House and the Senate have raised their voices in opposition to the emigration policies of the Soviet Union and on behalf of various individuals who have been denied their right to live in the land of their choice. The Union of Councils for Soviet Jews and the Student Struggle for Soviet Jewry have compiled a detailed analysis of the bureaucratic maze that potential emigrants must navigate before they may leave the country. I would like to share this material with my colleagues at this time:

THE LABYRINTH—HOW TO APPLY TO LEAVE RUSSIA FOR ISRAEL

Six leading Soviet Jewish activists—Vladimir Slepak, Prof. Alexander Lerner, Dina Beilina, Anatoly Sharansky, Edward Trifonov and Prof. Vitaly Rubin—have detailed for the first time from the viewpoint of Russian Jews the agonizing process of applying for an exist visa to Israel.)

1. Submitting the Exit Application

To officially apply to leave one must submit the local OVIR (emigration department) the following documents—

(a) an invitation from relatives in Israel

(b) a declaration of your wish to leave

(c) a "characteristika" (character reference) from your place of work

(d) permission from the parents of an applicant

(e) permission from a former wife or husband

(f) a certificate from your place of residence

(g) copies of certificates of birth, marriage, divorce, death of relatives, and educational diplomas

(h) a biography.

(a) The invitation. Because of extremely "unreliable" postal and phone connections with abroad, especially Israel, it is difficult to ask for the invitation from relatives. For the same reason, it is difficult to receive the invitation once sent. The struggle to receive an invitation lasts from one month to a year. You may have to try 5–7 times.

Cases are known where the invitation was delivered to the place of work or an official organization instead of to the applicant. If there are mistakes the correction can be made only by the Dutch Embassy, where only those people who already have an invitation are let in. It is very difficult for a person who lives in the provinces to find someone who can go into the Embassy. The invitations corrected in the Embassy can be taken away by Soviet personnel at the exit.

(b) The emigration declaration is written on a special form. The OVIRs of Odessa and Kishinev have often refused to give the forms, saying there are none available. Similar information comes from other cities.

(c) The character reference from the place of work or study. This character reference must point out the personal and job qualifications of the applicant. It is signed by the director of the enterprise, the secretary of the union and the secretary of the Party (even for people who are not Party members). The character reference points out that it is given "in connection with departure to Israel". From the beginning of

1976, in some places OVIR requires from the applicant a certificate from the place of work with the same signatures but without the character references. In this certificate one's job is noted and "the absence of any financial claims against the applicant is confirmed". The word "Israel" is not required in the certificate but the required word "OVIR" substitutes it so completely that the wish to leave becomes known at one's place of work.

It is very difficult to get a character reference or a certificate from one's place of work, since there are no regulations determining how an enterprise must give such a document. An enterprise asks OVIR to make inquiries about the document. After 1–5 months of persuasion and complaints to the higher Party and official Soviet bodies or to ministries it is possible to get the character reference.

In exchange for the character reference or certificate, the enterprise often requires the applicant to leave the job "voluntarily" to get rid of an employee without noise. If it is impossible to get rid of the applicant this way (the applicant refuses to leave his job), then numerous repressions descend on him, as public condemnations at general meetings, threats, or dismissals from his union. Thus, Ludmilla Fishman from Saratov was threatened that her two children would be taken away and she be sent for "treatment" in a mental hospital. Maria Braginskaya from Dnepropetrovsk was dismissed with a "wolf certificate"—it was written in her work record that "she was fired for her desire to leave for Israel". Braginskaya, a teacher, could not find work for a long time, and she is now delivering telegrams. She was refused an exit visa.

In the universities, getting a character reference results in dismissal. The deputy of the administrative section of the Central Committee of the Communist Party Albert Ivanov said that those who wish to leave "would not be allowed to study at the universities". Dismissal is accompanied by meetings of students at which the applicant is called "a traitor to the motherland", "an immoral person" and so on. After dismissal from the university, a young man is drafted into the army: students are exempt from conscription. Very often people who are drafted are those who have asked for an invitation but never submitted an application to leave. The military registration office learns about the desire to leave in mysterious ways. Ivanov stated that he would "conscript those who submitted applications to leave".

High school students also require a character reference or certificate from school. The process of getting this is a hard test for children; it is often accompanied by obstruction by teachers and pupils. For example, in the case of the daughter of V. Dukelskaya of Moscow, classmates read from texts denouncing her as "a traitor to the nation". The son of Victor Kogan of Saratov was persecuted both by the students and teachers.

Will the situation change now with the introduction of a certificate rather than a character reference? Only time will tell. Its unusual form and context, however, give little hope for the better. It is clear that an applicant's wish to leave will still be known and the necessity of declaring "the absence of financial claims" against the applicant means his immediate dismissal. The enterprise cannot keep an employee whom they no longer trust with instruments, tools and items of value.

(d) The parents' permission. Parents who remain in the USSR must declare if they have a financial or moral claim to their son or daughter. This document is attested to by a seal and signature of the office of the parents' place of residence or work, letting these organizations know that a member of their family is going to Israel. In some cities as Vilnius or Kiev, his document can only be attested to in the place of work, and this process is more complicated. A notary, who in other cases can attest to signatures on a document, cannot do so in documents relating to departure for Israel. His signature would be considered invalid by OVIR.

The parents of an applicant face a very hard choice—deny permission or face harassment and repression if they do. In the case of a bad relationship with one's children (e.g., the father of Mikhail Plam of Moscow never saw his son from the day of his birth), the parents do not want to be repressed and refuse to sign. Loving parents often do not give permission for departure as they understand that their separation from their children and grandchildren will be permanent. Those who leave are involuntarily stripped of their Soviet citizenship and their relatives are seldom permitted to travel abroad as tourists, especially Jews. [ed. note: in the closed society of the USSR tourism abroad is a rare and prized privilege.] We know of a few cases of parents applying to visit their children in Israel; they are usually refused. One (or many) of the reasons why applicants cannot leave is because they cannot get signatures from their parents. In this situation you cannot go to court to force the signatures because it is a voluntary one. You cannot appeal your parents' decision in the administrative bodies either. If parents ask OVIR for advice they are usually told "do not write anything" (as in the case of Leonid Shtilman's wife, in Kiev). They are also advised the same way in places of work (as the parents of Boris Chernobilsky, in Moscow).

Unscrupulous parents use this opportunity to make financial claims against their children. The size of such claims can be unlimited and often results in direct extortion. The courts will not intervene in such cases.

(e) *Permission of a forrmer wife or husband* If an applicant has underage children who remain in the USSR, then permission of the parent who stays with the children is required. This document must also be attested to in the place or residence or work of the remaining parents.

If because of his worries about the future of the child (when entering college, for example, one's documents will point out that the mother or father lives in Israel) or for other reasons the remaining parent refuses to give permission, it is impossible to go to court to get the permission. Financial claims by the remaining parent (this means for the child until his majority) are not limited, either. If the parent who leaves agrees to pay alimony according to his wages or according to his wages to the moment of departure, and the remaining parent requires a very large sum, there is no organization that will help solve this problem.

If the exiting parent seeks to take his child with him, then the remaining parent—even if never having been involved with the child's upbringing—must give permission. There was a case in Bobruisk where permission was required from a parent whose parental rights had been taken away from him by the court shortly before the mother decided to leave for Israel with the child. The father, imprisoned for severe crimes, was returned his parental rights and allowed to decide the fate of the child.

(f) The rest of the documents. There is usually no difficulty here. However, there are many cases where, as a humiliation for the applicant, OVIR requires documents about parents' death when the parents died in places of mass liquidation of Jews during World War II, or when the parents disappeared at this time without a trace, and OVIR made these documents a tool of harrassment.

Documents submitted to OVIR are accepted by an ordinary inspector. The applicant receives no receipt for his documents. One usually awaits an answer for 2–3 months, but there are cases when one waits 10–15 months, though under Soviet law a decision must be made within a month of submission of documents.

2. If Exit Permission is Received; Departure.

In case of a positive decision, an ordinary OVIR inspector informs the applicant orally. Not more than a month is given to leave, but during this time the applicant must submit to OVIR additional documents, get a visa and pack and send baggage through customs. Usually it is very difficult to do everything in time.

(a) The additional documents required are the passport, military card, work record, trade union card, certificate of absence of any financial claims by the housing office about the condition of the apartment which is left, and the receipt for payment of 770 rubles for "renunciation of citizenship" and "official registration of the visa".

An applicant can spend about two weeks getting a work record from his place of employment, since regulations state that a person who leaves his job can be held back for two weeks to "finish the work".

3–4 days are necessary to obtain copies of the work record and other documents, since you are allowed to take from the USSR only specially registered copies of documents but not original certificates of education or qualifications or the work record. The certificate from the housing office is given to you only after you pay for future repairs of the apartment you leave. People who live in cooperative housing face additional obstacles: the money they paid for the apartment can be returned by regulation only after 3 months after it is occupied by new tenants. Usually these applicants have no other money to pay for the visas since their major savings were invested in the co-ops.

The time period of one's dismissal, the official registration of the copies of the documents, the arrangements necessary with the housing office, exceed the period of time allowed by OVIR. It is possible to arrange everything during this period of time only after humiliating visits to and persuasions of the relevant officials. There are no laws pertaining to this question. Sometimes complaints to OVIR or Party or administrative bodies help.

(b) Getting the visa. The exit visa is a necessary document for the exchange of money, getting tickets, obtaining special "international" certificates of marriage, birth and death of relatives, and finally for sending baggage. Those who live in the provinces spend their time going to Moscow, as the exchange of money and registration of transit to Austria is arranged only in Moscow. To accomplish this—if everything is all right (e.g., customs agrees to accept things to the end of the expiration of the exit visa)—one to two weeks more are necessary.

For each member of the family 90 rubles may be exchanged. Savings may not be transferred abroad. Pension is paid for 6 months before leaving, but not when the emigrant reaches the West. Personal property which may be taken abroad is limited by the usual USSR customs rules and unwritten regulations that apply to those leaving for Israel. It is impossible to take abroad valuable things. The whole "wealth" of those who leave is in household items. Only for those who leave for permanent residence in capitalist countries is there a rule that new items may not exceed 250 rubles in cost and more expensive items as radios must have belonged to an individual for over a year (this must be proved with documents). For furniture, no matter its price, an applicant must have had it over a year, even a 3 ruble kitchen chair.

At the border towns of Brest and Chop through which people go (except those from Moscow, Leningrad and Kiev), Soviet customs officials confiscate those things they do not allow to be taken abroad, though by law these items should be returned to the person who is exiting so he can leave it in the USSR.

Each adult can take abroad only one wedding ring of gold and one piece of jewelry, the price of which may not be more than 250 rubles. A woman can take abroad only one pair of gold earrings worth no more than 250 rubles. Each adult in a family may take 200 grams of silver items.

The total amount of expenses connected with departure is on the average about 1500 rubles per adult in a family, the equivalent of an average yearly wage. These expenses include: 770 rubles for exit visa and the "renunciation" of citizenship, about 200 rubles for fare to Vienna, 90 rubles allowed to exchange for dollars, up to 100 rubles for repair of an apartment and the trip to Moscow, and the rest for shipping baggage to Vienna and Israel.

It must be pointed out that receiving permission or even an exit visa does not give any assurance of a successful departure. There are cases of cancellation of OVIR's decision at each step, even during getting on the plane or train. Aba Stolyar of Moscow was taken from the plane; Lev Israilov of Leningrad had his visa taken away by strangers near the Dutch Embassy in Moscow. Instead of granting him a new visa, OVIR told him he was "refused because of regime considerations".

3. Refusals and the Chance to Appeal

An applicant is given a refusal by an ordinary OVIR official and only orally. They usually say, "you are refused. You may regather your documents and resubmit your application to leave in a year". When asked the reason for refusal, they answer: a competent commission decided the question of exit; they know the reason for refusal. Or, "Your departure is inexpedient" or "not in the interests of the state" or "you know the reason yourself".

The applicant cannot appeal to this unknown, anonymous commission. All his complaints to the administrative organizations return to OVIR. The applicant does not participate in the decision about his fate. There are cases where the refusal is the result of bad relations with officials in his enterprise or the result of private quarrels. V. Bakul, director of the Institute of Superhard Materials, told Leonid Multakh of Kiev, "I shall make you and your whole family rot here". Kiev OVIR refused Multakh a visa on the grounds of "V. Bakul's request".

The courts do not accept complaints about this and it is impossible to appeal the decision of this anonymous commission through the courts. In despair, the applicants appeal to international organizations and join demonstrations. After KGB warnings comes prison. Lev. Roitburd tried to meet with American Senators and tell them about the situation in Odessa. He was arrested at the airport in Odessa and sentenced to 2 years in the labor camps for "resistance to the authorities". Dr. Mark Nashpitz and Boris Tsitlonak were sentenced to 5 years' each of internal exile following a protest demonstration which they joined which was broken up by the KGB after a half minute. Considering the time after application for exit, 4½ years, they are punished for almost 10 years.

The list of repressions against exit applicants or those who try to struggle against baseless refusals is very large, as:

For attempts to speak with relatives and friends abroad phones are disconnected.

Correspondence is detained and controlled.

Dismissal from work and expulsion from universities.

Persons are followed and forbidden free movement within the country, as trips to Moscow for applicants for trips to the provinces to find out the situation in small towns. In such cases people are often taken from the train.

Conscription or callup for additional training. Here, the term of refusal increases because of "secrecy".

Individuals are interrogated for studying Hebrew, which is officially forbidden, and questioned and threatened with trial in connection with the issuance of a journal in Russian on Jewish culture and traditions.

People are kept under house arrest or jailed during the visits of famous politicians to bar meetings.

Often people dressed in civilian clothes beat Jews. The attackers are very well informed about their victims.

Children are persecuted in school.

Court cases and repressions are threatened and occasionally carried out. Lydia Nisanova of Derbent was warned that if she did not take back her documents from OVIR she would be arrested. On the basis of a completely fabricated case she was sentenced to 1½ years in the labor camp. Unfortunately there are many similar cases.

CAMPAIGN TO LEGITIMIZE THE PLO TERRORISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. McDONALD. Mr. Speaker, a multilevel campaign is being implemented in this country to direct U.S. foreign policy to a position of support for the Soviet-backed, transnationally active terrorist group, the Palestine Liberation Organization—PLO.

At the lowest level, the PLO itself, with assistance from the Cubans, is building a coalition of revolutionary street activists to create a disruptive presence in our larger cities and generate initial publicity in the left press. These activists are in many cases already members of terrorist support groups and may provide the PLO with recruits to assist in the logistics of a PLO terrorist action here or to perform some "solidarity bombings" as PLO proxies.

At the top, the campaign commenced with a call from the Institute for Policy Studies—IPS—for secret meetings between influential Americans, including national legislators, PLO representatives, IPS members, pro-PLO Israelis, and others.

The Institute for Policy Studies plan for meetings with the PLO was initiated by IPS's two codirectors, Richard Barnet and Marcus Raskin, and IPS staffer Saul Landau, a Castroite revolutionary who serves Havana as a propagandist and organizer.

The IPS plan called for the secret meetings to be set up by Samuel Rubin, one of the institute's principal financial angels and long a source of funding for Old Left and New Left projects. Samuel Rubin and his son-in-law, attorney Peter Weiss, are the two main financial stars in the IPS galaxy and a brief review of their activities is necessary to add perspective.

Samuel Rubin, the retired former chairman of the board of Faberge, has used his perfume fortune to fund many old and new left projects through his Samuel Rubin Foundation, 9 East 64th Street, New York, N.Y. 10021. In the late 1940's, Samuel Rubin served as chairman of the New Council of American Business, a Communist Party, U.S.A.—CPUSA—front which escaped public investigation. Samuel Rubin's son, Reed Rubin, serves as the foundations treasurer. Reliable old left sources report he is named for John Reed, the American Communist publicist for the Bolsheviks who is buried in the Kremlin.

Secretary of the Rubin Foundation is Cora Rubin Weiss, Samuel's daughter. Cora Weiss has been active for over a decade in organizing support for Soviet-backed Marxist-Leninist national liberation movements such as the Vietcong and Khmer Rouge terrorists.

Cora Weiss has been a quiet source for cash funding for a number of key antiwar groups and projects in support of the Indochinese Marxist-Leninist terrorists. She has served as a leader of Women Strike for Peace, a group thoroughly penetrated by the CPUSA and which acts in concert with the Soviet Union's World Peace Council apparat; of the CPUSA-dominated new Mobilization Committee and its successor, the People's Coalition for Peace and Justice; of Clergy and Laity Concerned; of the Coalition for a New Foreign Policy, which in accordance with the calls of the World Peace Council is trying to stop U.S. development and production of new weapons to defend America from Soviet advanced weapons technology; and with Friendshipment, a project of reparations to the Vietnamese Communists of which Mrs. Weiss was a main organizer.

Currently, Cora Weiss has been serving the terrorist support groups of the July 4 Coalition—J4C—as an organizer and executive board member and assisting in gaining demonstration permits for the Philadelphia counter-Bicentennial march.

Cora Rubin Weiss' husband, patent attorney Peter Weiss, serves as vice president of his father-in-law's foundation. Peter Weiss was born in Austria on December 8, 1925, and was admitted to the bar in 1953. Weiss is a member of the National Lawyers Guild, the principal legal support group for revolutionary terrorists in the United States; and is a leading volunteer staff attorney with the Center for Constitutional Rights—CCR—an NLG offshoot.

CCR attorneys William Kunstler, Ramsey Clark, Bill Schaap, Margie Ratner, and Peter Weiss applied to join the defense team for the Baader-Meinhof terrorists now on trial in Stuttgart, West Germany. A young radical attorney on the Baader-Meinhof defense team participated in the kidnaping of the OPEC oil ministers from Vienna to Algeria last December, led by Ilyich Ramirez Sanchez, alias "Carlos the Jackel." The Baader-Meinhof gang provided the logistical backup for the Palestine Liberation Organization's Black September slaughter of Israeli athletes at the Munich Olympics.

Peter Weiss served for 10 years, till 1973, as president of the American Committee on Africa, the principal U.S. support group for Soviet-backed African terrorists; and remains the ACOA counsel. Weiss is also representing the Southern Africa Committee, a related coalition of revolutionary supporters of African terrorists which recently discovered from a Freedom of Information Act suit that it was the subject of an FBI investigation. Weiss has been chairman of the Institute for Policy Studies board of trustees since 1970.

The IPS campaign is designed to create personal relationships between the Americans and the PLO representatives and to develop alternatives to foreign policy and spur on behind the scenes negotiations for a Middle East settlement giving the Palestine *Liberation* Organization major concessions, particularly control of any West Bank areas after an Israeli withdrawal.

The Institute for Policy Studies, through its leading activist organizer, Arthur Waskow, author of the Mayday disruptions of Washington, D.C., in 1971, and Paul Jacobs of the Transnational Institute, also participated in an advertisement which appeared in the New York Times on April 4, 1976.

The advertisement was sponsored by a coalition, Middle East Peace Now—NEPN—operating from the 11th floor at 777 United Nations Plaza, New York, N.Y. 10017, and from P.O. Box 271, Nyack, N.Y. 10960, a post office box used by the Fellowship of Reconciliation—FOR.

Among the small group of sponsoring organizations was the Committee for a Just Peace in the Middle East—CJPME. This group is run by Alex Kolkin, chairman of the Communist Party, U.S.A.—CPUSA—National Jewish Commission. The present function of that commission is to pressure the few Jewish members left in the CPUSA to defend Soviet anti-Semitism and oppose the State of Israel in support of Soviet foreign policy objectives.

Visits by my friends to the offices of the Committee for a Just Peace in the Middle East for literature and information revealed stacks of Communist Party literature, primarily reprints of speeches by the aging Stalinist warhorse, Hyman Lumer, who heads the CPUSA Educational Commission. Lumer has been an outstanding "Stakhanovite" in defending Soviet anti-Semitism and slave labor camps. Lumer was an individual signer of the MEPN and along with such identified CPUSA members as Anne Braden, Esther Cooper Jackson, Paul Jacobs, now a fellow of OPS's Transnational Institute; Sylvia Kushner, George Murphy of the Afro-American newspapers, Pauline Rosen, Jack Spiegel, Jessica Smith Abt, and Louise Berman, identified 30 years ago by the FBI as a Soviet intelligence contact.

The advertisement, which attempts to promote the PLO's gang of armed thugs as the equivalent of a freely elected sovereign state, was signed by the following mixture of Judas goats and sheep:

INDIVIDUAL SPONSORS

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Rosa Julstrom, Edward Kaplan; Abraham & Ida Kaufman; William Keeney; R. Scott Kennedy, Mideast Mobile Education Project; Roy Kepler, WRL; Sid Kivanoski; John Kliever, M.D., Americans for Middle East Neutrality; Fay Knopp; Rabbi Douglas Krantz; Ruth & Israel Kushner, CJP; Rabbi Lawrence Kushner; Sylvia Kushner, Chicago Peace Council; Dr. & Mrs. Donald Lehman; Rev. Bernard Lee, Southern Christian Leadership Conference; Sid Lens; Betty Sue Lentz; Harold Leventhal; Henrietta Levine; Dr. E. James Leiberman; Yvonne Logan; Ross Lomanitz; Dr. Hyman Lumer; Bradford Lyttle; Scott Mackey; David McReynolds, WRL; Joy Marks; Paul Mayer; Irving Messik; Lorna S. Milgram; Rev. David J. Miller; Eleanor & Joe Miller, SANE; Lois Miller, UMC; Neal Mills; Reynolds Moody, Lt. Col. U.S.M.C. (Ret.); Arthur Moore, New World Outlook; Mr. & Mrs. Ward Morehouse; Joseph Mulligan, S. J.; George Murphy, Afro-American Newspapers; Frances Neely, Friends Committee on National Legislation (FCNL); Marian Henriquez Neudel, Chutzpah; Roberta Neuman; Craig Newby; Mildred Scott Olmsted, WILPF; Peter Orlovsky; Eleanor Gorham Otterness; Grace Paley; Marjorie & Victor Paschkis; Jack Patterson, AFSC; Jim Peck; Sid Peck; Elizabeth Pendleton; Marquita Platov; Irma Prior, WILPF; Fred Ptashne; Edward Ramberg; Robert Randall, Jr.; Lois Lee Rathbun; Rosalie Reichman, AFSC, Edna Roberts; Rabbi Michael Robinson; Pauline Rosen; Gertrude Rosenblum; William S. Samuel III; Prof. Ronald & Marguerite Santoni; Anne Schafer; Rev. Christoph & Kathryn Schmauch, World Fellowship; Marilyn Scholze; Howard Schomer, United Church of Christ; Henry Schwarzchild, ACLU; Rabbi Gerald Serotta, CCNY Hillel; Judy Sikora; Ruth & Philip Sillman; Hugh Smythe; Allan Solomonow; Jack Spiegel; Dorothy Steffens, WILPF; Lucy Steinitz, Response; Helene Stolker, JPF; I. F. Stone; Prof. Curwen Stoddart; Marilyn & Stephen Suffet; Rachel & Kenneth Tilsen, Native American Solidarity Committee; Harry Tobman, CJP; Louis Untermeyer; Edith Villastrigo, Womens Strike for Peace; Maurice Visscher; William Walker; A. Dudley Ward; Arthur Waskow; E. McKinnan White; Rev. Edward Wicklein; Herman Will, UMC; May E. Wilson; Louise Wilson; Raymond Wilson, FCNL; Matilda Saxton Winn, UMC; Rabbi Arnold Jacob Wolf, Yale Hillel; Beverly Woodward; Gordon Zahn; Vinton Ziegler; Jessica Smith Abt, New World Review; Baltimore Meeting of Friends; Robert Barnai, Amnesty International; Louise Berman; Rev. Wilson Boots; Brent S. Hall; Ethel Sanjines; Wendy Schwartz, WRL; Jean Wagner; Janice & Gerard Vanderhaar; Thomas C. Cornell.

Coordinator: partial listing.

*Organizations given for identification only.

RIGHT TO LIFE—NUTRITION AND EDUCATION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. OBERSTAR. Mr. Speaker, one of the highlights of the National Right to Life Committee's very successful and productive Annual Convention in Boston, Mass., June 25–26, was a simulated congressional hearing on alternatives to abortion and supportive services for pregnant women. It was my privilege and honor to chair that hearing.

Those of us who hold the view that unborn human life has rights which must be protected even to the extent of amending the U.S. Constitution also believe it is vitally important to provide realistic, readily-accessible alternatives to abortion, including medical, social and other services to pregnant women.

That goal was the subject of the simulated Congressional hearing, coordinated by Majority Mecklenburg of Minnesota who did an excellent job of selecting the witnesses. The papers presented were of as fine a quality as I have seen in any actual congressional hearing. They were thoughtfully prepared, carefully researched and delivered with deep sincerity of conviction and commitment.

I believe that because of their high quality and the important information they offer, these papers ought to be available to all Members of Congress, and I am using the forum of the CONGRESSIONAL RECORD to do so.

The President of the National Right to Life Committee is Dr. Mildred Jefferson of Boston, a gifted surgeon, and a tireless, dedicated, inspiring leader of the national movement to protect unborn life.

The following paper on "Nutrition and Education" was presented by Mrs. Pat Zenner of Minnesota, charter member, March of Dimes National Council of Chapter Volunteers; Minnesota March of Dimes State Volunteer Advisor; former teacher; member American Citizens Concerned for Life and Minnesota Citizens Concerned for Life:

Simulated Congressional Hearing on Supportive Services for Pregnant Women National Right to Life Convention, Boston, Mass., June 26, 1976

My name is Pat Zenner. I am a charter member of the March of Dimes National Council of Chapter Volunteers, the Volunteer Advisor for the great state of Minnesota, a former teacher and presently member of MCCL and ACCL.

I am not only very pleased to have been invited here today to share the views of the National Foundation-March of Dimes with this distinguished committee and all whose primary concern is the protection of life, but I look upon this opportunity to participate in this National Right to Life Convention as a privilege, and indeed, a most serious responsibility. Those who know me, also know my deep personal commitment to our mission—the protection of the unborn and newborn. And those who know and truly understand the March of Dimes as a major motivating force for all that is good in terms of protecting life, also recognize that this organization is equally committed to this most important mission. Surely there can be no greater mission in life than the protection of that life.

We in the March of Dimes believe that every child conceived has the right to be given the best possible chance to achieve its full potential as a whole, healthy human being—able to live a life of purpose and dignity. And we state here today, that it is imperative that every pregnancy be protected from the hazards that can and do affect the unborn in their first and most important environment—their mother's womb; from the healthy, well nourished mother with a potentially safe delivery, to the woman or adolescent girl who is at risk because of age, health history or socioeconomic disadvantage. Yes, the needs are many—complex by their very nature, but they are not impossible to meet if we utilize our knowledge, skills and efforts to focus on the very heart of the problem—alleviating, if not eliminating, the hazards themselves that threaten the health and well being of our unborn.

The object of our concern since 1958 has been America's unborn and newborn infants. . . . far too many of whom were coming into this world damaged, defective or dying needlessly. The March of Dimes embarked upon a broad new effort focusing on perinatal health care. We became firmly convinced that reproductive loss in this country—some 1,500,000 unborn and newborn babies every year—can be substantially lowered if proper heath needs of the mother and infant are met. "Perinatal", which means "in and around the time of birth", has various definitions, but the more we considered the variety of factors determining the outcome of pregnancy, the more inadequate these definitions seemed. So, the March of Dimes looks upon perinatal health as a continuum, embracing all stages of human development, at all ages, constituting an endless cycle stretching across generations. And so, the beginning is conception and that has become the philosophical fulcrum around which the policies and programs of the National Foundation-March of Dimes revolve. More specifically, we choose the moment when life begins as the focal point for our broadest, most far reaching plans.

The March of Dimes reaches out in many directions in its efforts to provide supportive services for the pregnant woman and her unborn or newborn child and we respectfully request your consideration for the following health areas.

Better facilities for the intensive care of the high-risk mother, her unborn child and critically ill newborn. At present, we support 67 medical services grants in 27 states, and 15 programs of perinatal services related to protection of the pregnant woman and her child before and after birth.

Adequate research to protect the unborn: At present we support 48 basic and clinical research projects at 39 medical centers in 22 states—18 of the projects have potential application to saving the mortally endangered fetus by prenatal prevention or diagnostic testing directed toward the protection of the unborn and subsequent life saving treatment in utero.

Encourage educational programs for perinatal health professionals to upgrade their skills in this vital health field. Currently we finance 9 grants in as many states to support training of nurse mid-wives, nurse clinicians and allied health personnel promoting care of the unborn and newborn.

Strong support to reorganization of obstetrical and neonatal care along more efficient lines—prime objective being to speed identification of the high-risk mother so optimal care can be provided to assure optimal outcome of each pregnancy.

Educate the public, especially our rising generation of future parents, to the importance of guarding their own health for the sake of their children—to reach and teach what the effects of poor nutrition, venereal disease, drugs, alcohol and smoking might have on an unborn child—to try to create a climate of care and concern among our young parents-to-be and develop an awareness of the miracle of life. At present, we support 18 public health education projects in schools, hospitals and health agencies to inform prospective parents how they can protect the unborn through sound personal health and nutrition habits.

In addition:

MOD furnishes volunteer assistance and education materials for health departments for community vaccination programs aimed at preventing rubella and RH blood disease in unborn babies.

We co-sponsor a nationwide birth defects monitoring program through which over 1 million births per year are monitored for early detection and investigation of unusual changes in the incidence of birth defects.

We present expert testimony before Congressional committees and engage in other educational activities in behalf of legislation for publicly funded programs of maternal and newborn health and nutrition such as the WIC program and the National School-age Mother and Child Health Act 1975.

Provide supportive services in terms of funding, educational materials and volunteers to the fine organizations who offer understanding, counseling and support to the troubled pregnant women, centers for the pregnant teenage girls who need help in all areas of preparation for the care of the life they are about to bring into the world and handicapped children and their families who so desperately need to know that "someone cares."

Question. Re: nutrition and its relationship to the unborn child . . . (statistics) curriculum guide for health education . . . nutrition.

I must admit, Mr. Chairman, that prior to my volunteer work with the March of Dimes, statistics per se were of little interest to me, let alone meaningful. But when statistics represent a human life, a life damaged or perhaps no life at all, they come alive for me Statistics show that low birthweight is the underlying cause of half the infant deaths in the U.S. It is unmistakably as serious a cause of death as the gravest birth defects. The U.S. has a shamefully high infant death rate—higher than 17 other nations, because, at least in part, we have a larger proportion of low birthweight babies. Nearly 8% of our newborns weigh 5½ pounds or less and birth defects are 3 times as common in these infants as heavier babies. We do know that *maternal malnutrition* often is associated with slow fetal growth which in turn leads to other developmental problems for the unborn such as mental retardation, learning disabilities, etc. . . . The National Foundation has launched a massive attack on maternal malnutrition because we recognize that proper nutrition is a major environmental factor influencing the outcome of pregnancy. About a quarter of a million low weight babies are born each year in America. An underweight baby runs a greater risk of birth injury, breathing difficulties and damage to its physical and mental development. It has been estimated that more than a million American infants and young children either have suffered stunting of their brains or are at risk of it because of malnutrition. When malnourished *pregnant women* are included in the estimates, one million unborn babies are added to the total at risk of brain damage. It is also estimated that of the more than 50,000 infants who die each year, 35,000 are of low birthweight. Teen age girls have a special need for a balanced diet for they are still growing into womanhood. By endangering their health now, teens may face needless problems when they become mothers. The March of Dimes is vitally interested in good nutrition as a means of preventing birth defects and improving the outcome of pregnancy We make available, at little or no cost, a wealth of excellent health education materials and audio visuals to teachers, public health educators, clubs and organizations and laypeople committed to this aspect of health education.

In an effort to reach and teach more young people about nutrition as a responsibility, a way of life directly related to the health and well being of future generations, the Curriculum Development Center of the Catholic University of America, under a grant from the March of Dimes, has recently completed a "Curriculum Guide for Health Education: Nutrition", in cooperation with the National Catholic Educational Association and USCC Department of Education. March of Dimes chapters all across the country are assisting in the implementation of this much needed health education teaching tool. Designed for Grades 7 through 12 and available to both parochial and public schools, the 5 modules, "Introduction", "Nutrition", "Consumer Education", "Community Resources" and "The Handicapped" can form the basis for a lifelong responsibility for personal growth. The National Foundation views health education as a continuum of life for attitudes and habits (like inherited strengths and weaknesses) are often passed on from generation to generation.

Question. Re: recently initiated study to determine the effects of induced abortion on subsequent pregnancies.

Thank you, Mr. Chairman. I welcome the opportunity to clarify the intent and purpose of this study.

As part of the National Foundation's continuing efforts to protect our unborn generations from any and all factors which might affect their health and well-being, we have recently initiated a comprehensive study which will attempt to determine the effects of induced abortion on subsequent reproductive function and pregnancy outcome. Under a $100,000 grant for this year a 7 member research team from the Harvard Medical School and School of Public Health, will study some 25,000 pregnancies to learn whether induced abortion increases the risk of later infertility, abnormal pregnancy, miscarriage, premature delivery, or birth of a dead or malformed baby.

The Institute of Medicine of the National Academy of Sciences found that previous foreign studies provided suggestive but inconclusive evidence of the possible effects of induced abortion on subsequent reproductive function. The Academy states that weaknesses and inconsistencies in variables (factors) such as maternal age, state of health, reasons for seeking an abortion, history of child-bearing and miscarriage, abortion methods used and specific abnormalities involved in later pregnancies makes those studies inadequate. This scientific study will expose to major scrutiny for the first time in the U.S. this major concern: the effects of induced abortion on subsequent pregnancies. During the five-year period required to gather and examine data, the March of Dimes hopes to keep the American people aware of the potential hazards being studied. Surely this is health education of the highest order. Over the years the March of Dimes has been consistent and persistent in its efforts to protect and enhance life, in spite of the risks and obstacles involved—to do any less than our best would be contrary to our very reason for being.

SUMMATION

Mr. Chairman and fellow committee members, the March of Dimes recognizes that government cannot do everything—and we pledge our full cooperation in all health areas that serve to protect the unborn and newborn within the limits of our structure and function as a voluntary health agency. Let us expand and strengthen existing programs and initiate new legislation when and where necessary for there is no time to waste when statistics speak for themselves in terms of human life. If we truly accept this most basic of all human responsibilities, then individually and collectively, we must work diligently to make each tomorrow better than yesterday—we must strive for unity for therein lies our strength. I'm sure you agree that protection of the unborn and newborn deserves "top priority" for they represent the future—indeed they are the future.

I am truly grateful for your time, attention and consideration, and once again, may I say, I feel privileged to have been invited to participate in this convention on behalf of myself and the National Foundation-March of Dimes.

ADMINISTRATIVE REFORMS OF THE HOUSE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. AMBRO. Mr. Speaker, this morning, the House of Representatives took a long-overdue and sorely needed step to effect major reforms in the administration of this legislative body. With the passage of House Resolution 1372 and House Resolution 1368 we have taken two important steps on the long road back to the restoration of the integrity and respect of this House. There could not have been a more fitting tribute that we could make to the celebration of the Nation's Bicentennial.

By approving House Resolution 1372, we have rescinded the House Administration Committee's ill-conceived authority to expand, change the character of, or create new categories of allowances for Members of the House without a direct vote on the House floor with the exception of cost-of-living adjustments under the authority of the Federal Pay Comparability Act of 1971, and some other minor technical changes. While I opposed the giving of independent authority of even cost-of-living increases to the Administration Committee, this legislation was brought to us under a closed rule which precluded amendments, and I felt that the numerous good points that it contained outweighed this one weak spot, and I, therefore joined with my colleagues to vote "aye."

House Resolution 1368 has even greater potential impact in that it establishes a Commission on Administrative Review composed of 15 members appointed by the Speaker as follows: First, 8 Members of the House, 5 from the majority party and 3 from the minority party; second, 7 individuals from the general public. This Commission is charged with the responsibility of making a complete and exhaustive study of the House with respect to administrative, accounting, and purchasing procedures; office equipment and communication facilities; recordkeeping; emoluments and allowances. In its work, the Commission will seek the advice of both the General Accounting Office and the business community. The Commission will report its findings and recommendations no later than December 31, 1977.

These two actions, when combined with new rules adopted by the Administration Committee itself abolishing the postage stamp allowance, eliminating cashouts, reducing the mileage reimbursement rate, requiring that disbursements be documented and certified by vouchers, and reducing the telecommunications allowance under certain circumstances, begin to chart a positive path in the direction of making the House more accountable to the public. I do oppose one new procedure adopted by the Administration Committee and that is the consolidation of allowances. At a time when we should be increasing public awareness and scrutiny, I do not feel that we should be cloaking our office financial activities in the shadow of a single consolidated allowance. It is my hope that the Administration Committee, or perhaps this entire House will reverse this unfortunate action.

Mr. Speaker, several weeks ago members of the New Members—Freshmen—Caucus—of which I was then chairman—made public a series of reforms that we felt would enhance the operation of the House of Representatives and increase its responsiveness as the people's branch of Government. While some of these proposals have subsequently been adopted by the Administration Committee—such as the elimination of "cashouts," the vouchering of all expenditures, abolition of postage stamp allowance, and so forth and by the entire House—such as the appointment of a Commission on Administrative Review, and the rescission of the House Administration Committee's authority to adjust allowances—I am personally disappointed that several others have not been considered, much less acted upon favorably. I am specifically thinking of the establishment of a mandatory employee grievance procedure, elimination of a whole host of unnecessary privileges and perquisites that accrued to Members of Congress over the past 200 years such as proliferation of limousines, first-class airline travel, subsidized gift shops, cafeteria, and barber shops, to name a few. While the specific reference to each of these might sound frivolous, and indeed silly, I think that they are symbolic and symptomatic of the splendid sense of isolation with which generations of Congressmen have surrounded themselves.

Finally, I regret that the House Administration Committee has chosen to add a separate funding category for computer services instead of continuing the present option of alternating computer services with a certain portion of the clerk-hire allowance.

While the 82 new Members of this House are not blessed with any special prescience or righteousness, the very fact of our newness does give us a different, and perhaps clearer, perspective on some of the problems faced by the Congress, in general, and the House of Representatives, in particular. Congress has grown fat and inbred and has become a large bureaucracy with all of the faults, interia, and stodginess that bureaucracies exhibit. We are fond of chiding and deploring the executive branch because its entrenched bureaucracy has shown itself to be inflexible, insensitive, and self-perpetuating. Indeed, many of us have introduced so-called "sunset" and "zero-based budgeting" bills aimed at cutting through the bureaucratic structures of the executive branch to its operational heart and making crucial determinations as to the efficacy of many of its functions and agencies. I am afraid that the procedures and administration of these Houses of Congress have become similarly stilted and unyielding, and ripe and ready for sweeping change. The members of this freshman class were key participants in a shakeup of the seniority system early in the 94th Congress, and we have been in the forefront of these reforms. It is my hope that the climate of the House will remain hospitable to even greater reformation in the 95th Congress so that this spirit of change will not be stillborn.

COAL TRANSPORTATION SLURRY VERSUS RAIL

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BAUCUS. Mr. Speaker, I would like to applaud yesterday's decision by the House Interior Committee to table H.R. 1863, the coal slurry pipeline bill. That bill, if enacted would have bestowed to private developers the power to take other people's lands for the purpose of building a coal slurry pipeline more than 1,000 miles long. I would like to identify today for the benefit of my colleagues certain important points on both sides of the slurry controversy:

COAL TRANSPORTATION: SLURRY VERSUS RAIL

BACKGROUND

U.S. coal production totaled 601 million net tons in 1974 an increase of 1.6% or 9.26 million net tons over 1973. Production during the first half of 1975 increased at an even faster rate—up 3.1% or 9.88 million net tons over the first half of 1974. Although production has been increasing, domestic consumption actually dropped 1.0% from 1973 to 1974 and has only increased slightly during the first quarter of 1975. Thus the increased production in 1974 mostly left the country as exports. which rose by 13.3% or 7.06 million metric tons.

Of the coal produced in 1973, railroads transported about 67.1% from the mines, barges carried 11.6%, trucks moved 9.7%, .7% was used at the mine and 10.9% was used at the time and 10.9% was moved by conveyor belt or truck to mine-mouth generating plants.

The 390 million tons of coal that the railroads hauled in 1974 produced their single largest source of revenue—$1.83 billion or 11.2% of gross freight revenues. The 4.55 million carloads of coal transported compared with less than 2 million carloads of metallic ores, the next largest commodity.

The railroad tariff in 1974 accounted for about 23% of the delivered cost of coal shipped. (Mine value of coal shipped by rail was $6.0 billion in 1974).

Projections by the National Coal Association and studies made for the FEA and DOT indicate that coal production could double to between 1.2 and 1.5 billion tons a year by 1985. This dramatic increase will have serious implications for the transportation industry as the various transportation modes compete for a share of the market. The nation's beleagered railroad network sees coal as their future salvation in light of generally declining railroad traffic in other commodities. This hope has been somewhat dimmed by the prospect of a new competitor in the coal transportation market—the coal slurry pipeline. The remainder of this statement will focus on the advent of the slurry pipeline, compare the economic and environmental impact of slurry and rail transportation and make recommendations as to the position which best voices the concerns of Montanans.

THE ISSUE

The most recent evidence of the slurry-railroad struggle over coal shipment is the proposal by Energy Transportation Systems Inc. (ETSI) to build a 1,030-mile coal slurry pipeline from Gillette, Wyoming to Pine Bluff, Arkansas. Both Bechtel Corp. of San Francisco, one of the nation's largest construction and engineering firms, and Lehman Brothers, one of Wall Street's largest investment houses, own a 40% share of ETSI. The remaining 20% is owned by Kansas Nebraska Natural Gas Co. of Phillipsburg, Kansas.

The proposed pipeline would have a 38-inch diameter with a capacity of approximately 25 million tons of coal per year. Arkansas Power and Light Co., a subsidiary of Middle South Utilities Inc. is the principal planned purchaser of the coal.

Unfortunately for ETSI, their proposed pipeline right-of-way crosses beneath the tracks of nine railroads at 48 points. Of these nine railroads, only Missouri Pacific has granted the necessary permits. The remaining railroads have refused permits to prevent the slurry competition.

To overcome this opposition, ETSI is seeking governmental help. H.R. 1863, sponsored by Congressman Jones of Oklahoma, seeks to extend the rights-of-way provisions for oil and natural gas over Federal lands to coal pipelines under the Mineral Leasing Act of 1920. It also authorizes the use of eminent domain for coal pipelines contingent upon receipt of a Certificate of Public Convenience and Necessity from the Department of the Interior. The granting of eminent domain will enable ETSI to get the necessary right-of-way over the private lands held by the recalcitrant railroads. The act also subjects all pipelines constructed to regulation by the ICC.

UNFAIR COMPETITION

Congress almost certainly has the power to grant the right of eminent domain to slurry pipelines. Natural gas pipelines were granted eminent domain in the 1947 amendment of the Natural Gas Act; oil pipelines received the right during World War II under the war powers of the Cole Act; and hydroelectric projects are licensed to use the power by the FPC.

The railroads, which have the right of eminent domain, are required by law to be common carriers. This means that they must make their services available to anyone willing to pay their tariff. The ETSI pipeline will have no such obligations. The proposed slurry pipeline is contracted to carry 25 million tons of coal a year for 30 years to Middle South Utilities. The pipeline will have no excess capacity to accommodate additional customers. Thus the pipeline is essentially servicing the needs of a single coal company and a single utility company.

The granting to ETSI of a public power such as eminent domain for a private good is a bad legislative precedent. It also unfairly discriminates against the railroads which must service all customers regardless of profitability while freeing slurry pipelines to handle the large volume, lucrative routes. Railroads are thus placed at a competitive disadvantage in that they must charge higher tariffs on all their lines to compensate for marginal common carrier operations.

To insure fair competition among competing transportation modes and to justify the granting of a public privilege, slurry pipelines should be required to have access capacity to accommodate additional customers. Yet the transfer of the flow of slurry to another destination would force an idling of the Middle South plant and thus drastically alter the economics of the project.

ECONOMIC COMPARISON

There have been three major studies comparing the relative economics of shipping coal by slurry pipeline and railroad—Bechtel's *The Energy Supply Planning Model; The Coal Future*, developed at the Center for Advanced Computation (CAC) at the University of Illinois; and *The Research Analysis of Factors Affecting the Transportation of Coal by Rail and Slurry Pipelines*, by the Hudson Institute. The first two studies both financed by NSF grants, reached conflicting conclusions as to the cost of railroad transportation. The last study, financed by Burlington Northern, concluded that pipelines cannot consistently transport coal more cheaply than unit trains.

The Bechtel study was based on a computer model which projected that the proposed Wyoming-Arkansas pipeline could transport coal more cheaply than can railroads. The validity of this study is being questioned in light of Bechtel's 40% ownership of ETSI. A Senate Interior Subcommittee, chaired by Senator Abourezk, is investigating the possible conflict of interest.

Professor Rieber, who headed the CAC study, suggests that the Bechtel model may produce inaccurate predictions due to the use of tariffs (prices charged) instead of actual economic costs in determining the cost of unit train coal transportation. Rieber also challenges the accuracy of the Black Mesa pipeline data upon which slurry pipeline costs were derived:

"Although we all use Black Mesa based estimates, can it be argued that these are understated with the mine or facility covering part of the tab?"

Until the accuracy of the Bechtel cost assumptions have been validated by an impartial research group, the conclusions reached are, at best, suspect in any economic analysis.

The CAC study appears more credible than Bechtel's. Its three authors, Michael Rieber, Shao Lee Soo, and James Stukel, have had extensive experience with pipeline technology. Significantly, two of the three authors admitted before the study that they believed it would be more economical to transfer coal by pipeline than by rail.

The CAC study concluded that the economic cost of transporting coal by railroad between Wyoming and Arkansas was $3.62 per ton. This figure was based on the cost of upgrading the existing 1,100 miles of track to a "like new" condition with new rails and ties. This upgrading would enable the unit trains to move at 50 mph when hauling coal and 60 mph when returning empty.

This cost is approximately half of the projected $7.22 per ton cost of shipping coal by slurry pipeline. CAC's cost figure for slurry pipeline compares closely to the $7.50 per ton generated by ETSI's own study.

If the CAC results are accurate, why is it that Middle South Utilities is prepared to sign a 30-year contract to receive their coal via a slurry pipeline? Basically, the reason is that the CAC study bases its results on the most efficient use of railroad technology. Unfortunately such efficiency is not prevalent in today's railroad industry, but there is evidence that the railroads are improving their operations to meet the future demand for coal. The unit train model (i.e., 100 cars per train) upon which the cost estimates were based currently accounts for only 35% of all coal shipped by rail, although coal tonnage moved by unit train increased by 26.3% between 1971–73.

While the study projects loaded trains moving at 50 mph on properly upgraded rails, rail bed and ties, the existing average speed of coal trains is only 21.7 mph due to the dilapidated condition of our nation's railroad system. Further, the study assumes that the train crew will receive one day's pay for one day of work. This would not be the case under existing labor contracts which pay on a miles run basis or an assumed 12.5 mph for a minimum of 8 hours. Under today's contract, a crew doing the projected 400 miles per day would receive five days of pay.

Finally, the observed descrepancy between CAC's estimate of $3.64 per ton and the current tariff of over $7 can be partially attributed to railroad monopolies:

"When comparing the model's costs with a total railroad unit train route, where several mines in an area are served by the unit trains of a particular company to several destinations in an area, the model costs are much lower because of efficient train use and lower predicted road maintenance per ton mile. This may occur because often one railroad company is the only access to the mine or power plant, i.e., a monopoly rent is charged."

The Hudson Study provides a more objective view of the issue. Though many cost analyses of projected revenues for slurry pipelines have been theorized by its advocates, the lack of hard evidence to substantiate their claims that pipelines are more cost efficient than railroads casts dubious shadows over their figures. The uncertainties associated with the pipeline lead one to believe that we do not know which system is superior on a straight performance basis. Their proposals therefore may be overly optimistic because they are speculating with hypothetical data.

The railroads on the other hand, have more at stake and will probably make more reasonable cost analysis projections. There is security in relying on the known railroad operation instead of speculating on the performance of the pipeline.

Given the current situation, the introduction of competition into the railroad's coal market is perhaps the strongest argument in favor of the slurry pipeline. That coal pipelines do encourage competition and force lower railroad tariffs is documented in the case of the successful operation of a slurry pipeline in eastern Ohio beginning in 1957. By 1963, the five railroads hauling coal in the area had cut their tariffs by nearly a third in order to underprice the pipeline and force its abandonment.

Factors other than purely economic costs must be included in weighing the economic merits of the two modes of transportation. The material costs for upgrading the railroad are less than half that for a new pipeline. Building the slurry pipeline between Wyoming and Arkansas will require 1.1 million tons of scarce steel. Only 580,000 tons of steel are needed for the corresponding new rails and rolling stock.

Railroads are more energy efficient than pipelines. The diesel fuel expended by locomotive hauling coal is only 2% of the coal's energy content. This compares with 3% in the case of coal pipelines.

Railroads are more labor intensive than slurry pipelines. The movement of 25 million tons per year of coal from Wyoming to Arkansas by rail would generate 1,800 continuing jobs as opposed to the 245 produced by a slurry pipeline. In addition, the initial labor for rail upgrading totals 9,000 man-years compared to 7,500 man-years for construction of the pipeline. Employment for rail upgrading can be long term steady employment requiring a variety of skilled labor; employment generated by a pipeline is short term and not as variable. Given our nation's current high unemployment rate and Congressional efforts to sponsor productive work projects, it would seem counter productive to encourage labor-saving pipeline technology.

Another major asset of railroad transportation is its multi-functional nature and flexibility. A slurry pipeline is designed to move a constant amount of a single commodity from one point of origin to a unique receiver. For economic operation, the flow rate must be kept near the optimum. No such restrictions govern rail shipment of coal. A single double track between Wyoming and Arkansas can economically ship anywhere from zero to 85 million tons of coal annually. Thus railroads can adjust to variations in coal mine output and utility requirements. The railroad track network and the ease of building track spurs enable the railroads to serve geographically scattered mines and utilities.

Finally, railroads can carry more commodities than just coal. The upgraded track between Wyoming and Arkansas can be used for improved grain and livestock service and even shipment of war material for national defense. This potential for mixed freight takes on increased economic importance in light of the low BTU qualities (8,000 BTU/lb.) of western coal. Western coal is currently in demand because its low sulfur characteristics (less than 1% by weight) enable it to meet environmental standards while high BTU (12,000 BTU/lb.), high sulfur (up to 5%) Illinois coal cannot. If desulfurization technology makes high BTU eastern coal competitive, we may find ourselves with an empty slurry pipeline and a deteriorated western rail system. However, if the decision is made to ship coal by the western railroad system, and subsequently demand for western coal declines, the track could still be used to move other products.

Even if slurry transportation of coal is more economical than rail, the savings would be lost in the form of higher transportation costs for products still moved by rail. From this perspective, the approval of a slurry pipeline would work at cross purposes with Congressional efforts to improve the rail system. The $1.83 billion in revenues received by railroads last year for shipping coal enabled solvent systems to invest in much needed rail maintenance and perhaps prevented the collapse of the more marginal railroads. Penn Central, for example, derived 12% of its revenues from coal in 1974. (25) Had slurry pipelines shipped this coal, the revenues lost by Penn Central would have to have been compensated by increased government subsidies. Congressional hope for the economic viability of the proposed Conrail system is based on expected revenues from coal hauled to Northeast utilities. (26) What desperately needed private capital the railroads have received has been due to investor confidence in increased coal revenues.

Burlington Northern (BN) is the railroad most adversely affected by the proposed Wyoming-Arkansas pipeline. In addition to coal, BN ships western grain, lumber and foodstuffs. BN is planning to handle the projected increase in coal traffic with a $990 million program—half for fixed plant improvements and the rest to purchase 900 new locomotives and 3,250 coal cars. A slurry pipeline would cause BN to lose $150 million per year in revenues. This loss threatens both BN's proposed expansion program and its ability to finance the maintenance of existing track. This would have negative implications for the quality of service provided to Montana farmers.

ENVIRONMENTAL COMPARISON

The major environmental drawback to rail transportation of coal is the noise and disruption produced by movements of large numbers of unit trains through rural communities. The number of 100-car unit trains required to haul the projected 25 million tons per year capacity of the slurry pipeline is about 2,500. Thus, without the slurry pipeline, an additional 14 one-mile-long trains a day will rumble through the towns on the major rail line from Wyoming to Arkansas. The slurry pipeline, which would run silently underground, creates no such traffic problems.

But a slurry pipeline would create other environmental hazards not encountered with rail travel. The first of these is the possibility of a breakdown in the system, such as a pumping station failure. Should such a failure occur, there would be a need to dump the paste-like slurry from all previous segments into dump ponds in order to prevent deposition and plugging of the pipeline. To accommodate the 855,000 ton hold-up capacity of the pipeline, the dump ponds would have to have a capacity of 3,660,000 cubic feet or the equivalent of seven football fields ten feet deep. Each pumping station would also need access to a 1.9 million gallon water reservoir in order to flush the segments of the pipeline during the dumping of the slurry. Thus the pipeline would require water rights at each of the pumping stations along the length of the pipe in addition to the massive dumping ponds.

At the only operating slurry pipeline, the Black Mesa, no outages have occurred since its completion in 1971 although power failures, plugging during tests and plugging worries at railroad crossings or by other sources of vibration have been experienced.

The most serious environmental shortcoming of the slurry pipeline is its use of 15,000 acre feet per year of scarce western water resources. This water is to be drawn from the Madison Formation north of Lusk, Wyoming. The Madison is a huge underground reservoir which extends from Wyoming into Montana, North and South Dakota, portions of Nebraska, north to Canada and south to Colorado and Utah.

ETSI claims that the groundwater to be used "would be limited to the immediate area of the well field and that no beneficial users of Madison water would be adversely affected." ETSI notes "official estimates" that the Madison contains one billion acre feet of water and is recharged at the rate of 150,000 acre feet per year. Further, ETSI claims that the deep well water they are developing is not economical for agricultural use—costing $400 acre foot versus $10 for Wyoming irrigation water.

Other hydrological studies have cast doubt on these figures. Studies by Dr. Perry Rahn of the South Dakota School of Mines and Technology showed that most of the ground water for the pipeline will be derived from South Dakota. The cone of depression from the pumping was calculated to spread as far east as Hot Springs, S.D., and will produce a loss in pressure in the Madison at Edgemont, S.D., 25 miles west of Hot Springs, of about 600 feet. This means that wells in the Madison which now have a static level at the ground surface will have a static level 600 feet below the ground surface after 45 years. Publications by the Wyoming State Engineer's Office also indicate that ETSI water is not localized to the well area. Their information shows that water entering the Madison from the Big Horn and Black Hills moves into the Powder River Basin and then feeds the shallower areas of Wyoming.

Uncertainty as to the recharge rate for the Madison has been expressed by the Department of Interior's Water For Energy Management Team:

"No estimate of the annual rate of recharge to the aquifers is currently available; however, it is a reasonable certainty that the withdrawal of 20,000 acre feet of ground water for an individual site would be greatly in excess of local annual recharge and would reflect extensive local groundwater mining."

ETSI's claim as to the impracticality of the water for agricultural or municipal use is not borne out by the facts. Madison water for the most part is highly mineralized and quite deep (up to 16,000 feet below the surface). The Powder River Basin, where the slurry water is to be derived, is one of the few areas where the Madison water is both shallow (3,000 feet below the surface) and pure enough to be classified as "good" stock water (under 1,000 parts per million dissolved solids). In Weston County, Wyoming, the cities of Newcastle, Upton and Osage use Madison water for municipal purposes. In 1973, about 7,000 acre feet of groundwater were withdrawn in Weston county for stock, domestic, irrigation and industrial uses.

Thus it can be concluded that the Madison water used by the slurry pipeline is water that could be used in Montana for agriculture and industry. To put the 15,000 acre feet in perspective, Montanans currently use 4,810,000 acre feet per year of surface water and 47,000 acre feet per year of groundwater.

MONTANA AND COAL SLURRY

Reviewing the economic and environmental data from a Montana perspective, it can be concluded that the proposed slurry pipeline may not be in our state's best interests. The Wyoming-Arkansas pipeline would reduce Burlington Northern's revenues. This loss could hinder BN from upgrading its rail system, force BN to charge higher tariffs and perhaps result in service cutbacks—all of which would be injurious to Montana's farmers and ranchers.

The pipeline will use 15,000 acre feet per year of water that could otherwise be used by small communities in eastern Montana which currently have an inadequate water supply. This quantity of water could also be used with greater benefit to Montanans by in-state, coal-fired electric powerplants (15,000 acre feet per year requirement) or synthetic natural gas plants (10,000 acre feet per year) which would help alleviate Montana's projected energy shortfall.

Construction of the pipeline will accelerate all the bad effects of strip mining without allowing adequate time to study reclamation techniques.

Since the pipeline terminal will be in Wyoming, Montana will derive no direct economic benefit from its construction. In fact, the pipeline's damage to BN might actually result in increased Montana unemployment due to a reduction in railroad jobs.

The vast numbers of unknown consequences of coal slurry pipelines lead me to oppose passage of this legislation at this time. Based on the information I have supplied today, it would appear that too many potentially irreversible outcomes may result from the development of coal slurry lines. Moreover, I am more confident that the railroads—a transportation mode with which we are familiar and one on which improvements would provide broader public benefits—can transport the necessary coal we need to satisfy our energy demands. In short, enhancement of the railroad industry is in the best environmental, economic and social interests of our country and my state of Montana.

Therefore, I praise the Committee's wisdom in tabling this bill, but warn my colleagues that the powerful pipeline lobby may try to revive this legislation. I hope my colleagues will keep my thoughts in mind should this happen.

VIRGINIA CITIZENS CONSUMER COUNCIL WINS MAJOR VICTORY FOR CONSUMERS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. HARRIS. Mr. Speaker, on behalf of the American consumer I would like to thank the Virginia Citizens Consumer Council for taking the initiative and fighting State restrictions that prohibit pharmacists from advertising drug prices. According to the Federal Trade Commission, the May 24, 1967, Supreme Court decision invalidating these restrictions will result in savings of $300 million in lower drug prices.

The decision resulted from a suit, brought in 1973, by the VCCC, Virginia AFL-CIO, and then VCCC President Lynn B. Jordan. The plaintiffs charged that the advertising ban kept consumers from getting comparative price information that was needed in order to choose a pharmacy wisely. A survey of prescription drug prices conducted in northern Virginia and Richmond indicated that drug prices varied widely for no apparent cause, except that the consumers had no comparative price information.

The ruling, based largely on the need of the individual consumer and society to receive produce and price information said:

> Advertising, however tasteless and excessive it sometimes may seem, is none the less dissemination of information as to who is producing and selling what product, for what reason, and at what price. So long as we preserve a predominantly free enterprise economy, the allocation of our resources in large measures will be made through numerous private economic decisions. It is a matter of public interest that those decisions, in the aggregate, be intelligent and well informed. To this end, the free flow of economic information is indispensible.

All too often, consumer groups have been maligned because of their activities against regulatory and corporate abuse. This case in particular points out that the Virginia Citizens Consumer Council and other consumer organizations are truly interested in making our economic system work effectively and efficiently. Indeed, this landmark Supreme Court interpretation of the first amendment's guarantee of free speech is a major victory for the consumer and the free market.

I would like to share with my colleagues an editorial commending this action that appeared in the June 3 Fairfax Journal:

CONSUMER VICTORY

The U.S. Supreme Court's ruling that Virginia may not prohibit stores from advertising prescription drug prices is good news for local consumers. The long range result will surely be lower prices for everyone.

The decision also represents a hard-earned victory for citizen activists who have worked diligently for years to wipe out an unfair law which limits normal price competition.

Spearheading the successful effort was Lynn Jordan of Springfield. She was the plaintiff in a suit challenging the law, along with the Virginia Citizens Consumer Council and the Virginia AFL-CIO. The suit was filed in 1973 and slowly worked its way through the court system.

Was the long battle worth it? "Absolutely," says Ms. Jordan, who was president of VCCC at the time the suit was filed. "This decision makes it possible for drug outlets to let the public know what they are charging, so customers can easily find out where to get the best buys."

Ms. Jordan noted that there is considerable variance in drug prices. For example, in April, she checked prices on Emycin, an antibiotic produced by the Upjohn Company. At one chain store, the cost for 350 milligrams (60 tablets) was $10.98. At a second store, the tab was $10.47. A third store charged $12.17, and a fourth quoted a price of only $6.95.

"With open advertising of drug prices possible," she declared, "retailers will have more incentive to demand the best possible price from the manufacturers."

The dramatic victory for Ms. Jordan and the VCCC points up the continuing, though often unpublicized, work of local consumer advocates.

We read a lot about Ralph Nader and his highpowered, highly promoted operations. But thousands of people in the VCCC and similar organizations are working just as hard and just as effectively to ensure that all of us get a fair shake in the marketplace.

IS PUERTO RICO A COLONY?

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. DELLUMS. Mr. Speaker, the joint resolution I have introduced today, pledging the Congress of the United States to recognize and accept without reservation the inalienable right of the people of Puerto Rico to self-determination and independence, is in many ways the most serious test of the sincerity of our adherence as a Nation to the principles of the American Revolution we claim to celebrate this Bicentennial Year.

There is a deep affirmative duty, in my mind, that we in Congress face to live up to the principles of our Declaration of Independence and our Constitution, and concede the right of colonial peoples to self-determination and independence.

This Government has an immense amount of power it uses all around the world, and naturally it is often asked in the name of what principle it uses this power and why it takes upon itself the right of coercing other people. For a long time the answer has been, "national self-determination." We have interfered in the internal affairs of many countries, and our excuse was to keep anyone else from interfering. Yet while we talk like that and try to get other people to believe us, at the same time they can plainly see that when it comes to a real sacrifice and real inconvenience on our part, we do not live up to these principles. The reason for this is Puerto Rico, a colony that we simply have refused to let have its freedom. I can think of nothing more effective toward increasing our prestige in the world than to make a really unexpected gesture of devotion to our principles by doing something that is not easy, something that will not bring us immediate advantage in trade terms or in terms of a vote in the United Nations, but that will show to the world that there is one great power that really believes what it says and that the United States is concerned more for principle than power. This country amazed the world two centuries ago by joining together in a courageous act of principle: I am asking my colleagues to join me in surprising the world again today.

IS PUERTO RICO A COLONY?

The United States acquired Puerto Rico by military invasion and conquest. When the United States entered the Spanish-American War in 1898, Puerto Rico had just won almost complete independence from Spain through the Autonomic Charter. In that year, the United States invaded Puerto Rico. In December, the Treaty of Paris was signed, and Spain ceded Puerto Rico, Cuba, and the Philippine Islands to the United States as booty of war. The United States set up a military government on the island. Despite all the new laws passed by the U.S. Congress since that date, Puerto Rico today lacks even the basic powers granted to it by Spain in 1897, including the right to establish its own currency, to set tariffs on imports—even from Spain—to enter into commercial treaties, and to establish its own postal system.

In 1917, the Jones Act, or the Law of Federal Relations between Puerto Rico and the United States, was passed. It unilaterally abolished Puerto Rican citizenship and imposed U.S. citizenship on the Puerto Rican people, even though their only popularly elected governing body, the House of Delegates, had passed a resolution firmly opposing U.S. citizenship for Puerto Rico.

The classical colony is one where the people of the land have neither the power to make laws that govern them, nor the power to revoke them. The Jones Act made the Puerto Rican people subject to the laws of the United States, stipulating that unless otherwise stated, the statutory laws of the United States * * * shall have the same force and effect in Puerto Rico as in the United States."

Today, the Puerto Rican Legislature may pass laws only in the areas expressly transferred to it by Public Law 600, a 1951 amendment to the Jones Act. The U.S. Supreme Court can revoke decisions of the Puerto Rican Supreme Court if it is determined that they countervene the Constitution or a law of the United States.

Despite the subsequent changes in the form of local government for Puerto Rico, the United States still controls these fundamental areas of Puerto Rican life: Citizenship, foreign relations, foreign commerce, immigration and emigration, currency, defense, the postal service, labor relations, transportation and communication. A 1965 report by the School of Public Administration of the University of Puerto Rico showed that there are 12 Federal agencies with 53 subdivisions and 12 regulative Federal agencies operating on the island, all to administer U.S. Federal laws.

Puerto Rico is still a classical colony of the United States.

This colonial control has direct and pervasive effects in the most important areas of national life: Monetary currency, defense policy, and economic production. Because the government has no control over its own currency, the material basis of independence does not exist. Puerto Rico is condemned to suffer the effects of economic policies taken without consultation and without considering the effect on the Puerto Rican people.

In defense Puerto Rico is assumed to have no direct interests of its own. It serves only our interests, and in return has to tolerate the presence of a huge, repressive, and dangerous Military Establishment.

In considering the framework of commercial relations between the two countries, all the basic decisions are made by agencies of the U.S. Government. We are so used to this situation that we do not see that this implies the most flagrant neglect of the interests of one of the parties, namely Puerto Rico.

None of these areas of U.S. prerogative—citizenship, currency, defense, and market—constitute "common agreements." The concept "common" implies an agreement between equals, and such agreement takes place when it is in the mutual interest of both parties. Puerto Rico is in no way an equal, sovereign nation, freely entering into a relationship with the United States. Far from being in the interest of both parties, these "common agreements" are clearly in the political, economic and military interest of the U.S.A., and are a severe abridgement of the welfare and freedom of the Puerto Rican people.

Some have argued that the present Commonwealth government, which "delegated" these vital areas of defense, currency, citizenship, market, and foreign relations to the United States, was agreed to by the Puerto Rican people by referendum, and that the majority of the Puerto Rican people do not support independence.

We do not want to debate what particular "status" the Puerto Rican people support for their country. That is their choice. It is not the issue for us. For this Government, and in particular, this Congress, what is at issue is the fact that no people can carry out their right to exercise self-determination regarding their political future unless and until they are a free and sovereign nation first. That is, Puerto Rico must be independent first, in order then to be able freely to choose what its relations with other countries, peoples, and governments should be.

This is why the famous "Magna Carta of Decolonization," United Nations Resolution 1514 (XV), passed by the U.N. General Assembly, December 14, 1960, and signed by the United States, states:

> Immediate steps shall be taken in trust, non-self-governing territories or all other territories which have not yet attained independence, to transfer all powers to the peoples of those territories, without any conditions or reservations, in accordance with their freely expressed will and desire, without any distinction as to race, creed or color, in order to enable them to enjoy complete independence and freedom—

As well as saying—

> All peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

The referendum held in 1952 offered the people of Puerto Rico only two alternatives; To keep the old arrangement, or to approve the new Constitution of the Free Associated States. The election was run by the administration in power. It was held while the island was occupied by U.S. troops, in a period when the pro-independence forces had been violently repressed. Finally, the U.S. Congress never committed itself to being bound by the results of the referendum. For all of these reasons, this referendum is not valid under international law.

With the exception of the fact that "independence" was included as an alternative, these same criteria apply to the plebiscite held on the island in 1967. In addition to these conditions invalidating the plebiscite, it was not supervised by the United Nations, and it was conducted by the defenders of the status quo, who had a great deal of influence over the mass media and complete control over the repressive apparatus. More than 60,000 native U.S. citizens and naturalized foreigners were allowed to vote, and the election was held under the eye of the CIA and the FBI present on the island.

The commonwealth form of government did not make Puerto Rico self-governing. As we have shown, the fundamental areas of Puerto Rican life are still controlled and regulated by the U.S. legislative, judiciary, and executive structures.

The fact is that U.S. colonial involvement on the island represents a clear and present threat, restraint and coercive force preventing the Puerto Rican people from exercising their right to self-determination.

The Puerto Rican people are denied the right to vote for the President of the United States or for voting representatives in either House of Congress, yet are subject to all the laws passed by the Congress, unless Congress otherwise rules, and their local laws can be unilaterally abrogated or changed by Congress.

The facts are overwhelmingly clear. Puerto Rico has been from the day of its military seizure from Spain until today in every essential aspect a classic colony of the United States.

Our duty is clear. There is no constitutional power in the Government to hold a colonial people in a subordinate status.

It has become abundantly clear that any further continuation of the inferior, essentially colonial status of Puerto Rico, in whatever camouflaged terms those who benefit from the colonial status devise, violates the affirmative duty of the Congress, under our own Constitution, to concede the right of colonial peoples to self-determination and independence in violation of sweeping promises made in the midst of the Spanish-American War, disclaiming any intention to exercise sovereignty over colonies "liberated" from Spain, fashioned a form of governmental control over the Puerto Rican people designed to keep them in a permanent inferior status. This sprang from economic needs and was justified by the opinion of many powerful members of Congress, who openly declared that Puerto Ricans were an "inferior" race of people unable to govern themselves or to participate equally with the people of the United States.

The debates in the Congress during the early years in which the nonequal subordinate role was permanently fashioned reveal over and again the underlying racist assumptions that the Puerto Rican people were inferior, unable to govern themselves.

There is only one way to eradicate these realities and symbols of colonial subjugation which offend the most elementary and sacred principles of Republican government. That is to affirm in simple and direct terms the mandate our own fundamental law presses upon us—to recognize the right of the Puerto Rican people to self-determination and independence. Only in an atmosphere of freedom and independence can the Puerto Rican people exercise their free sovereign will to determine their own future. Every student of international law knows that there is nothing which prevents a people from deciding either to remain independent or to associate with another nation in common accord, once they are freely exercising their will in an atmosphere of national sovereignty and independence. These ultimate questions are for the people of Puerto Rico to decide. The pressing, immediate and fundamental duty which faces the Congress of the United States, is to affirm the right of the Puerto Rican people to self-determination and independence and to take the necessary steps to implement this affirmation of independence. The Constitution and the spirit of our institutions demand that we affirm this national commitment to self-determination and independence.

The needs of today, as well as the commitments of the past, require no less of Members of this House in this Bicentennial Year.

H.J. Res. 1010

Whereas the people of the United States in the Declaration of Independence of 1776 made a commitment to the principle that all colonial peoples have the inalienable right to self-determination and the right to assume their place as free and independent states among the nations of the world, and whereas the Constitution of the United States mandates that the status of inferiority for any peoples presently under the control of the United States be forthwith abolished: now therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That All powers and authority presently exercised by the three branches of the Government of the United States, legislative, judicial and executive, and all its agencies and instrumentalities, including the Armed Forces of the United States, over the territory of Puerto Rico, are hereby relinquished and transferred unconditionally and without reservations to the people of Puerto Rico, in order to allow them to fully exercise their inalienable right to self-determination and independence, in accordance with their freely expressed will and desire.

In order to implement the purposes of this Resolution, the Congress urges the people of Puerto Rico to freely convene a constituent assembly with full proportional representation for all the people of Puerto Rico in order to organize the body politic of the Puerto Rican people and fully exercise their inalienable right to determine their own future.

SOME ATLANTA YOUNGSTERS ON THE MOVE

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. YOUNG of Georgia. Mr. Speaker, the Russian language students at Booker T. Washington High School in Atlanta, Ga., pulled off a big one this year. Beginning last September, the 18 members of Ms. Billie Gaine's advanced Russian class labored with bake sales, raffles, and similar "small change" projects to raise $5,900 in half-scholarships for the class to participate in a trip to the Soviet Union. By March 8 the group had only netted a little over $500. Foundations and organizations were not responding to letters from Ms. Gaines. Then finally, there was a ray of light—a gift of $2,700 from a donor in New York. The rest of the funds came pouring in—through the efforts of the remarkable teacher, Billie Gaines, and her hard-working students. Then on April 8, the 18 black students of Russian language and culture began their 9-day study tour of Leningrad and Moscow. The joy of Billie Gaines and her students is infectious. An article about the project from the Atlanta Constitution, written by editor Hal Gulliver, follows:

Some Atlanta Youngsters on the Move

There are some exciting things happening in Atlanta public schools these days.

On Thursday, a group of 18 students from Booker T. Washington High School left for a nine-day study-tour of the Soviet Union. Saturday, tomorrow, a group of 8th graders from O'Keefe Middle School leaves for Paris with their French teacher. Both trips are splendid opportunities for the young people, needless to say.

This is the second year such a group made this trip from O'Keefe, and last year's came back with exciting tales of adventure which inspired a new interest in taking French in at least some 7th and 8th graders.

The Washington High School students, all Russian students, represent the culmination of a 16-year-old Russian studies program, the most ambitious project yet undertaken by the school and the pupils in the program. Mrs. Billie D. Gaines, the Russian instructor at Washington, wrote about it and said, "The joy which I write to share with you is not simply that an entire class, regardless of economic means, will be able to have this exciting experience. My joy is that citizens from every racial, social, and economic segment of the Atlanta community have made this dream come true."

The pupils at Washington started last fall trying to earn money for the project.

"The students began enthusiastically with the advent of the football season, supplying cupcakes, cookies and every other kind of baked delight after school. In today's spirit of equality, boys baked as well as girls. In yesterday's spirit as old as the first offspring, mothers baked when homework and band practice left no time for cooking. The bake sales spread to the West End Mall community service booth; the paper sales became too numerous to count. There were other projects. . . The young Russian students, although they were not eligible to go, baked and collected with equal zeal."

By late January, the pupils had raised more than $500. This was far short of the nearly $12,000 needed, and the Washington students had planned to ask people in the Atlanta community for financial support but first wanted to show they were willing themselves to raise as much money as they could. Their projects continued and at the same time they began to approach local business and civic leaders for help.

"And how Atlanta responded!" writes Mrs. Gaines, listing a long cheerful group of people who willingly helped.

"With the gifts of encouragement, financial support and materials for our slide presentations, the citizens of Atlanta have shown their pride in students who have lived up to the city's standards of academic excellence and personal decency. These students, in turn, are presenting a gift to Atlanta. By their very presence in the Soviet Union, they will demonstrate more eloquently than the slides they show or the Russian they speak, the true quality and spirit of Atlanta's people—her greatest wealth—who in one hundred twelve short years have transformed this city into the American city of the future," said Mrs. Gaines.

It is worth saying again. There are some exciting things happening in Atlanta public schools these days.

TERROR BOMBINGS INCREASE AS BICENTENNIAL APPROACHES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. McDONALD. Mr. Speaker, as I had feared, there has been an escalation of terrorist bombing in the past few weeks. Four bombings linked to the Castroite Puerto Rico terrorists have taken place in New York this week. Other bombings have recently taken place in Chicago, also linked to the Puerto Rican terrorists.

In a "solidarity bombing" at 1:20 a.m. this morning, a large bomb was detonated at the residence of the South African consul general in San Francisco, Calif. The blast was heard for 1½ miles and damage was noted for 7 city blocks. The material used was probably Tovex, a form of "plastic" explosive. Because the bomb was not a "directional" device, little structural damage occurred.

A call was made to a television cameraman, George Laing, who works for Channel 5 in San Francisco, by a person representing the Lucio Cabanes Unit of the New World Liberation Front—NWLF. Lucio Cabanes was a Mexican guerrilla terrorist killed by troops in 1974. The cameraman was told by the phone caller that he was chosen to receive the NWLF message because the terrorists admired his objectivity in previous reporting.

The terrorist said that the NWLF unit had set the bomb because of the "1,000 people massacred in Soweto in South Africa" and in solidarity with convicted murderer Garry Tyler, imprisoned in Angola.

No written communique has to date been received, but the NWLF's public representative, ex-convict Jack Rodgers, will no doubt produce a communique from the bombers in the near future.

This is an example of transnational terrorism—the use by one terrorist group of a foreign terrorist group to commit its atrocities. The South African terrorist organization, African National Congress, which is controlled by the Communist Party of South Africa, was the beneficiary of the NWLF terror attack. In turn, the South African Communist Party and the African National Congress are controlled and directed by the Soviet Union, from whom they also receive material support.

The NWLF is believed to have connections with Cuban-trained saboteurs and to be affiliated with the Weather Underground Organization through the WUO's liaison man with another terrorist group, Jeff Jones, who was reported by one member of an NWLF cadre recently arrested to be working with them.

It is one problem to prevent terrorists from entering the United States to commit their actions. It is an even greater problem when indigenous terrorists act as proxies for foreign terrorist organizations. In light of the record of the past weeks, I am apprehensive for our Bicentennial weekend.

URGENT NEED: CURBING POLICE STATE TACTICS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. GONZALEZ. Mr. Speaker, on the eve of the celebration of the 200th birday of our country, I was shocked to read in the Jack Anderson and Les Whitten column this morning of some extralegal and illegal Government harassment of these two journalists, as cited by U.S. Senator Frank Church, Democrat, Idaho.

That part of the Anderson and Whitten column which deals with this matter is, as follows my remarks.

I can think of nothing more urgent that we, as the elected representatives of the people, should do than to take steps to insure that these police state tactics employed by the Nixon administration do not happen again in respect to Anderson and Whitten, or to any other American.

The article follows:

Nixon vs. Press

The hostilities between the press and Richard M. Nixon during his White House years produced some extralegal and illegal government harassment. Now Sen. Frank Church (D-Idaho), citing our own case, has called upon the Justice Department to investigate whether "any violation of federal law" occurred.

Here are a few of the allegations, which Church has called to the attention of Attorney General Edward H. Levi:

The Central Intelligence Agency illegally assigned 20 agents to keep us under surveillance. They allegedly took photographs of people entering our offices and planted a microphone in the office ceiling.

White House plumbers G. Gordon Liddy and E. Howard Hunt sought poison from the CIA to slip into our drinks or to apply to our car's steering wheels. The plumbers also directed an intensive investigation of us.

The FBI arrested Les Whitten and obtained a list of our long-distance telephone calls from the phone company. No charges were brought against Whitten, and U.S. District Court Judge John J. Sirica ordered the FBI to destroy the long-distance telephone records.

W. Donald Stewart, the Pentagon security chief during the Nixon years, has stated that the military conducted at least 11 investigations of us. One suspected source, Gene Smith, was hauled before a grand jury but nothing came of it.

The Justice Department cooperated with International Telephone and Telegraph Corp. in investigating us. ITT hired the detective firm, Intertel, which worked with the Justice Department in an attempt to discredit us.

PEOPLES BICENTENNIAL COMMISSION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. DERWINSKI. Mr. Speaker, since Members will soon be heading home for the 4th of July commemoration, I believe we must be concerned with the deliberate attempts to misinterpret the Bicentennial by a group called the Peoples Bicentennial Commission which has been very effectively described by the press as an extremely leftist group motivated by Marxist philosophy. One organization that has very effectively combatted it is the American Conservative Union's Education and Research Institute. I insert in the RECORD at this point a release on a major study they have made of the Peoples Bicentennial Commission:

ACU-ERI RELEASES STUDY ON PEOPLES BICENTENNIAL COMMISSION

Washington, D.C., July 2, 1976: The ACU Education and Research Institute today released a major study of the Peoples Bicentennial Commission, a leftist group that has been trying to use the American Bicentennial as a pretext for Marxist criticism and revamping of the American economic system.

The study, authored by researcher and internal security specialist Max Friedman, reveals the dominant Marxist influences on the original ideas for the creation of a "Peoples Bicentennial Commission", including those of the Johnny Appleseed Movement, the New American Movement (NAM), and the Vietnam Veterans Against the War, with special notice being given to the influence of John A. Rossen, a former Communist Party USA organizer, and Jeremy Rifkin, a New Left activist.

The study also reveals the "sanitization" process by which Rifkin took hard-cored Marxist-orientated theories and programs and made them more palatable to the public. In one instance, the following quote from Rifkin's major piece, "Bicentennial," published in the *NAM* newspaper in November-December 1971, was omitted from a more general audience article, "The Red, White, and Blue LEFT" in the socialist-orientated The Progressive of November 1971:

"A genuine understanding of revolutionary ideals, is what links Thomas Paine, Sam Adams, and Benjamin Rush, and the American people, with Lenin, Mao, Che, and the struggles of all oppressed people in the world. Not until the masses of Americans begin to re-identify with these principles and develop their own revolutionary struggle will they be able to form a real bond of fraternalism and solidarity with the struggles of all oppressed peoples."

This pattern of "sanitization" characterizes much of the PBC's public relations efforts in an attempt to gain an aura of "legitimacy" from the general American public and news media, the study asserts.

The ACU-ERI study also reveals for the first time, some of the financing that has helped the PBC remain financially viable while other leftist groups have gone under, as well as many of its tactics and strategies.

The study also documents the PBC's approval of the Communist conquest of Indochina and its attendant enslavement of some 20 million people, while professing commitment of American Revolution of freedom in 1776.

ROLE OF WOMEN IN GOVERNMENT

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. MAGUIRE. Mr. Speaker, recent revelations and allegations about the misuse of staff allowances by certain Members of the Congress have damaged the reputations of the guilty and innocent alike. Perhaps the largest group of unjustly maligned individuals are the thousands of dedicated and responsible female employees without whom this Government would not function.

This period of self-evaluation is certainly an appropriate time for us to examine carefully and thoroughly the problems faced by women seeking to serve the Government on an equal basis with men.

Institution of a Congressional Employee Rights Agreement as proposed by Congresspersons SCHROEDER and ROSE would be an important step forward. In addition, I would like to submit for the attention of my colleagues the following letter to the editor from the Washington Post of July 18, 1976, regarding the role of women in Government:

THE REAL DAMAGE OF THE HAYS/RAY SCANDAL

The real victims of the Hays/Ray scandal may be neither Wayne Hays nor Elizabeth Ray, but the people who type, file, answer the phones and aspire for more.

I'm one of hundreds of women who work on Capitol Hill. We earn our salaries in an honest way, and we're angry. We've been fighting for equal pay and position for years. Sure, some women have to cope with the advances of degenerate old men—but those cases are few and far between.

I started out in politics about ten years ago. My first job on the Hill was as a clerk. Later I became a receptionist. Whatever the title—and it was never a grand one—I found myself not only typing, filing and answering the phone, but also scheduling my boss, researching legislation, and running the office.

The men I worked alongside didn't start out quite the same way. They slipped right into such top jobs as legislative or administrative aides with nice fat salaries. I was not the only woman doing the work while men held the titles and earned the big money. It is a common enough pattern that has pervaded much of our nation, but which seems to have been overly represented in the male dominated world of Capitol Hill.

In 10 years of coping with the Hill system I've learned that the real problem isn't the repulsive advances of decadent congressmen. It's the pervasive sexism which is so rampant in the halls of Congress.

Unlike many women who gave up and quit this place, I've been able to move up in the world—I'm now an administrative assistant. I earn my pay and, finally, I've got the title to go with the work I do. So you can imagine my growing horror in watching the direction the Hays/Ray story took in recent days.

The scandal has created an image of Capitol Hill women which misses the mark and is far from reality. For every woman who can't type, file or answer the phone, there are a dozen women who will never be permitted to advance from the receptionist's desk to the research or managerial responsibilities usually reserved for men.

The disgrace is not what lecherous congressmen do for kicks, but that the women of Capitol Hill will now have to exert even more professionalism to break through this new veil of innuendoes, generalizations, and implications. We've been branded. And it's a major setback not only for us but for the taxpayers who have been deprived of the full talents of bright, competent women who are willing to do an honest day's work.

ANN M. ROWAN.

WASHINGTON.

THE BICENTENNIAL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. RANGEL. Mr. Speaker, as we begin in earnest to celebrate our Bicentennial, I would just like to remind my colleagues that despite the progress that America has made over the past 200 years, the basic ideals that our Founding Fathers fought so vigorously to obtain have not always rung true for many within our Nation. For many Americans, the principles of freedom and equality are still no more than rhetoric, and until they become a reality, the work of the American Revolution is not complete.

I believe that the Bicentennial presents an occasion for hope. Hope that the principles of the Constitution and the Declaration of Independence can become a reality for all Americans. Hope that there can be liberty, justice, and equality in our courts, in our economic system and in our communities. Hope for the poor, the elderly, the minorities and the handicapped that for them, too, the American dream can be fulfilled.

But it will take more than hope to accomplish our goals. We will need dedication, sacrifice, cooperation, hard work and a sense of purpose if we are to succeed.

The Revolution that began in 1776 is unfinished. Our task is to fulfill the great dream our forefathers envisioned for us. Their ideals are our goals; their legacy is our model; the spirit of their struggle is our inspiration.

This Nation does have a long record of achievements over the past 200 years, but we cannot afford to spend our Bicentennial Year by patting ourselves on the back. Too much remains to be done, and too much is at stake.

We may not live to see the day when our dreams will be fulfilled, but we should at least be able to say that we were a part of bringing that day closer. This, my colleagues is what the Bicentennial is about.

THE BICENTENNIAL IN BAYSIDE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. WOLFF. Mr. Speaker, on this date, 200 years ago, the Continental Congress voted to sever its ties with England and to form the United States of America. With this anniversary in mind, I feel it is most appropriate to share the following remarks, made during Bayside, N.Y., Bicentennial observance this past May 15, by Nicholas G. Garaufis, chairman of the Bayside Coordinating Committee for the American Bicentennial:

> The lowering of the Grand Union Flag, the last flag under British rule in the American colonies, and the raising of the first Old Glory signifies the changing of a sovereign from British royalty to the new sovereign, we, the people.
>
> Today we honor our Nation and ourselves by participating in the observance of America's revolutionary beginning. The Bayside Coordinating Committee for the American Bicentennial thanks all of our community's civic, business, political and other organizations for participating in this once-in-a-lifetime event.
>
> The observance of the Bicentennial consists of three facets, Heritage—the knowledge of our history as a nation, Festival—the pleasure of participating in a birthday party, and Horizons—looking to the next century of growth and progress.
>
> We are aware of our rich past, especially in New York, the starting point for our ancestors on arrival in a new land to join the melting pot. And Bayside too is a melting pot, a polyglot of religious, racial and social groups living in harmony.
>
> On July 4th we turn the corner of our third century and should look to the future for the key to our national health and happiness. In doing so, it is wise to recall that our patriotism must be constantly renewed and refreshed. We are all sons and daughters of the American Revolutionary experience and live in a mature nation; the meaning of patriotism for us was explained by a modern American patriot as follows:
>
> "What do we mean by patriotism in the context of our times? A patriotism that puts country ahead of self; a patriotism which is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime. There are words that are easy to utter, but this is a mighty assignment. For it is often easier to fight for principles than to live up to them.
>
> When an American says that he loves his country, he means not only that he loves the New England hills, the prairies glistening in the sun, the wide and rising plains, the great mountains and the sea. He means that he loves an inner air, an inner light in which freedom lives and in which a man can draw the breath of self respect."
>
> These words of the late Adlai Stevenson are the salutation to a new century of struggle, trial and, we pray, success. We face that effort with pride, hope, and an abiding love for this great and good land we call our home.

As a final note, I would like to commend Mr. Garaufis and the rest of Bayside's Bicentennial Committee for the outstanding job they did in planning their community's Bicentennial observance and thus making it a memorable occasion for all involved. It was a pleasure for me to participate in this observance.

RIGHT TO LIFE—ADOPTION: MYTHS AND REALITIES

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. OBERSTAR. Mr. Speaker, one of the highlights of the National Right to Life Committee's very successful and productive annual convention in Boston, Mass., June 25–26, was a simulated congressional hearing on alternatives to abortion and supportive services for pregnant women. It was my privilege and honor to chair that hearing.

Those of us who hold the view that unborn human life has rights which must be protected even to the extent of amending the U.S. Constitution also believe it is vitally important to provide realistic, readily-accessible alternatives to abortion, including medical, social, and other services to pregnant women.

That goal was the subject of the simulated congressional hearing, coordinated by Marjory Mecklenburg of Minnesota who did an excellent job of selecting the witnesses. The papers presented were of as fine a quality as I have seen in any actual congressional hearing. They were thoughtfully prepared, carefully researched, and delivered with deep sincerity of conviction and commitment.

I believe that because of their high quality and the important information they offer, these papers ought to be available to all Members of Congress, and I am using the forum of the CONGRESSIONAL RECORD to do so.

The president of the National Right to Life Committee is Dr. Mildred Jefferson of Boston, a gifted surgeon, and a tireless, dedicated, inspiring leader of the national movement to protect unborn life.

The following paper on "Adoption: Myths and Realities," was presented by Mrs. Marcy Cavanagh Snead of Illinois, founder and chairman of the Board of Prospective and Adoptive Parents of America, PAPA; general editor and author, "Human Life: Our Legacy and Our Challenge," and "Who Will Speak for Life?"; vice president, Illinois Right to Life Committee.

The information follows:

ADOPTION: MYTHS AND REALITIES

(By Marcy Cavanagh Sneed)

> If we are to offer the sanctuary which adoption most surely provides, to the troubled girl or woman experiencing a problem pregnancy and contemplating abortion as a solution to maintaining, after birth, an unwanted child; to longing childless couples; and, lastly, to those children who are now so desperately wanted by would be adoptive families: then we had better begin to clean up our act.
>
> To promise to attempt to cover the gamut of all the problematical areas involved in today's adoption scene in the alloted eight minutes would mislead you and sadly disserve those whom we are pledged to serve: the seekers—the distressed pregnant, the threatened unborn, the homeless young and the questing infertile. Eight hours would barely scratch the surface. But we can, at least, introduce you to the rabbit-warren of some of the legalities, pressures, emotions, interracial and religious deterrant biases and plain garden-variety economics which dictate the way in which a very small, but growing percentage of Americans pursue their daily lives. Hopefully, through your interested cooperation, we may be able to hasten some very necessary reforms.
>
> I began with legalities since I am firmly convinced that legislative reform, begun at the Congressional level and suggested for study and incorporation by the fifty legislatures would prove to be the most resourceful approach toward the eventual agreement of all state statutes dealing with adoption and lead to the eradication of prohibitive laws governing interstate adoption proceedings and most importantly provide for the imposition of stiff penalties, at law, upon anyone involved in the scandalous traffic in 'black' and 'grey market' children.
>
> With white healthy infants in meager supply—attributable to abortion, widespread use of contraceptives and a decade of changing mores—young affluent, but despairing couples (some of whom have been on adoption agency lists for as many as six to eight years, and almost none under two years), with checkbooks in hand are now scurrying down every accessible avenue to a marketplace rife for profiteering among unscrupulous doctors and lawyers.
>
> A New York Times article recently flatly stated that adopting a baby in that city would cost as high as $25,000. In Chicago, the figures have topped the $11,000 mark with no end in sight. Needless to say, such costs would place adoptable children out of the reach of the average prospective adoptive couples. A Connecticut adoption official has reported a proferred $5,000 bribe to legalize a private adoption which had cost $25,000 in Colorado.
>
> Surprisingly, these facts and figures do no derive from the so-called black market, which is the sale or trade of a baby by its' natural mother. Rather, they are examples culled from hundreds of like cases within the legal area known as the "grey market."
>
> In very many private adoption proceedings, the lawyer (often in concert with a doctor-partner) has been guilty of padding expenses to his own advantage and of advising his clients to consent to perjury, under-the-table transactions, illegal fee-gouging and inflated memoranda of expenses needed for the mother's allowable maintenance.
>
> Lynn McTaggart,a reporter for the Chicago Tribune-New York News Syndicate, described for the Subcommittee on Children and Youth of Senator Walter F. Mondale (D-Minn.) what happened when she posed as an unwed mother. "When I went to adoption agencies, they said I could not qualify for welfare. I was not indigent: I was just an upper-middle class girl who was knocked up in New York."
>
> By contrast, when she went to see a private attorney, "he said all my expenses would be taken care of and not to worry about it. He gave me money for tuition. He gave me rent money. He gave me money for food and a promise of money for clothing and hospital expenses."
>
> It must be emphasized here that the vast bulk of attorneys handling private adoptions disdain these practices. However, they like their conferees are not professionally schooled in home study and suitability evaluations and are therefore in no way qualified to determine the future of these young lives.
>
> Overly stringent adoption agency investigations into the private lives of the adoptive couple (and this type of investigation occurs only too frequently) have led many away from agency adoption and into the private sector. The psychological wringer too often imposed by the greater-than-godlike figure

and requirements of the agency representative exacts its emotional toll in most cases. I cannot enumerate the parents I have met who seem to spend their lives apologizing to the child and to society for not being the "real" parents. And these people we are presently discussing are the successful adoptive couples. What of those who reside in the limbo of the rejected since from their viewpoint, neither God nor man has found them to be acceptable parental material?

Thus, the hegira, from all points of the spectrum, to private adoption, even though these parents must live with the knowledge that, statistically, the risk is greater in private adoption than in conventional adoption procedures, that the birth-mother or father may one day discover and challenge the bread-mother and father and demand, and perhaps realize, the return of the child.

"Our new daughter is six months old, her name is Anna Grace, and I'd love to show some baby pictures here but don't dare. At this point I don't even dare say where we got her, from what agency, state or country, for fear of attracting the natural mother's attention. Fear is endemic to adoption where we live. Under the laws and practices of New York State, a natural mother can reclaim her child from its adoptive parents any time until the adoption becomes final, which takes a minimum of six months and sometimes much longer. This is what Olga Scarpetta sought to do with her baby Lenore, and this is why Nick and Joan DeMartino, with whom the child has been placed for adoption had to flee with her to Florida. Adoption is a lottery, and we've drawn the grandest of grand prizes. To win and then lose would be intolerable."

Which leads us to another example of the schizophrenic legal decisions currently being handed down. According to the Stanley Decision of the United States Supreme Court, the unwed father of a child offered in adoption may contest the adoption and claim the child even after a finalized adoption procedure and having proven suitability, if his consent to the adoption was not obtained. Conversely, the Supreme Court of the State of California ruled that a husband and/or father's rights do not extend to the protection of his unborn child's right to life when the wife and/or mother's desire is to abort. Presently, the Missouri law providing for espousal consent in the case of a threatened abortion is undergoing judicial scrutiny on constitutional grounds, as is Illinois House Bill 1851, which is similar to the Missouri legislation.

Additionally, in some states adoptive parents must declare a practising religious background and eleven states, including New York, demand "religious matching" when practicable.

The restrictions imposing a seal of secrecy on adoption records have, with good reason, recently came under open attack.

It began with a routine office visit. My wife Jody complained of dizziness, and our physician urged her to come in for an examination. Two days later she was hospitalized and tests were taken. The diagnosis: fibromuscular hyperplasia of the internal carotid arteries.

The carotid arteries carry blood directly to the brain from the heart. Any interference can result in instant death or a crippling stroke. In my wife's case there was a blockage at the base of the brain. Within two weeks she was to undergo surgery to save her life. But first the doctor wanted facts about her family's medical history.

Had either of her parents had a stroke? Were they living? If not, at what age did they die? But Jody was adopted. We didn't know.

And so began a search for Jody's natural mother and father. Besides seeking answers for the doctors there were Jody's questions to satisfy as well. Over the years she had asked the same one: "Who am I . . .?"

We knew she had been born in a small town in Indiana. Beyond that, nothing. I contacted the court that handles adoptions in Jody's birthplace. The judge was sympathetic. Did I have any clues?

I could give him only my wife's name and those of her adoptive parents. That might not do, he said. After all, my wife is 49 years old; we were reaching back across nearly half a century to a time when births, even deaths went unrecorded. But the judge said he'd try. Call tomorrow, he said, but when I did, the news was disappointing.

"I'm sorry", he said, "we've been unable to locate the records."

"Judge, I said, "please would you mind trying one more time?"

When I called again on Monday he had uncovered a lead: my wife's last name, Cunningham.

The following day I flew to Indiana.

The judge was in his chambers when I arrived the next morning, a big friendly man in his 60s with blue eyes and white hair and a kindness that was almost immediately evident.

In his chambers he began making phone calls. First to the local newspaper. We had already learned that the doctor who'd delivered Jody was dead as well as the attorney who'd handled the adoption. All we still had was the last name: Cunningham—and in this town there were no Cunninghams.

While the judge called the city health department and then another number, I began thumbing through the notes I'd brought. Among them was Jody's birth certificate. Although it named her adopted parents, there was a number at the bottom.

When the judge finished his call, I said "Do you suppose the people in records could trace this?" He took the piece of paper and placed another call. Ten minutes later he looked at me across his desk. "They've got a first name on her mother," he said. "It's Mary, a Mary Cunningham. She's from a little town about 40 miles from here. They can't make out the father's name. The records are badly faded and they've been microfilmed."

Today, Jody is alive and well. Her biological mother was located and she experienced the additional joy of locating a brother, nieces and nephews. a whole hitherto unknown family. This is not always the case and unreported medical and identity tragedies are not uncommon, whether it is or is not merely idle curiosity which prompts adopted children to seek their origins is not the question here and is insignificant in light of the extremely real identity crises and other deep emotional and physical disabilities which the mandatory seal upon adoption records makes difficult, and at times, virtually impossible to successfully treat. Within the same milieu, the intensity of bitterness engendered by the prevention, to mature adults, of access to their own personal histories can only be compared with the very active fear of eventual rejection by these so-loved young, once they have found their answers, experienced by the adoptive parents.

"Our daughter is an amnesiac. Part of her past is permanently beyond recall. Her birth records are sealed by law, preventing her from finding out who her natural parents are. There was a time when all this secrecy seemed a perfectly logical thing, a necessary thing to protect the sanctity of the nuclear family. Even today Dr. Spock says: "The good agency stands like an impenetrable wall between the two sets of parents." But what of the child, left there in no man's land? Many people today suffer from vague, incurable identity problems. Why should an adoptive child have to suffer from a specific and curable one? I don't know if it's wise for adopted children to search out their natural parents when they grow up, and I confess to a fugitive fear or two that we might lose our daughter if she did. But she isn't a chattel. She isn't ours to hang on to or lose. She's hers."

The push to forbid future interracial adoptions grows more intense as the critics, not without some basis, become more vocal. They point to the damaging effect hostile community attitudes can have on the child's future, the enormous rise in the number of black, adoptive parents, the cultural bewilderment and identity crises to be endured by both child and parent and the lack of intelligent, informed counselling presently available, as deterring factors to successful adoptions.

In transracial adoption's behalf, however, the obvious benefit is the bright promise of eventual improved understanding and cooperation among the races.

Our ambitions for the world's waiting must be as effulgent as that beckoning promise and with the help of God, and one another, we will prevail.

RESOLUTION OF THE STATES OF FRIESLAND OF MARCH 1782

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. VANDER VEEN. Mr. Speaker, yesterday His Excellency, A. R. Tammenoms Bakker, Ambassador of the Netherlands, presented the Congress with a copy of the resolution of the States of Friesland of March 1782. The resolution led to the United Provinces of the Netherlands recognizing the United States as an independent nation.

The United Provinces of the Netherlands was the second nation to recognize our independence. The action came at a time when the Netherlands was marking its own bicentennial of independence from "taxation without representation."

I was pleased and honored to take part in the ceremonies marking the presentation by Ambassador Bakker to our colleague, the Honorable Lindy Boggs, on behalf of Congress. This gift is a fitting tribute to the longstanding, close ties between our Nation and the Netherlands. The presentation had a special personal significance for me, as my ancestors came to this country from the Netherlands. In addition, my congressional district has one of the largest concentrations of persons of Dutch ancestry in the United States.

The Ambassador's remarks chronicle the origins of the friendship and affinity that have characterized relations between our two countries. I am pleased to insert his statement at this point in the Record:

Royal Netherlands Embassy,
Washington, D.C.

A few days from now the United States of America will celebrate the 200th anniversary of the Declaration of Independence. Today we need not dwell on the profound and far reaching consequences of this event for mankind and the global constellation. It is appropriate, however, to recall the strong emotions which the actions of the Founding Fathers aroused in Europe and nowhere more so than in what was then called the United Provinces of the Netherlands.

The news of the American rebellion and of the subsequent Declaration of Independence reached the people of the United Provinces of the Netherlands in a period which could be considered as the Bicentennial of their own national independence.

Thus, it reminded them of the fact that their rebellion also had stemmed largely from indignation over the violation of the principle: "no taxation without representation".

It came naturally to the people of the Netherlands to sympathize with a cause with which they were so familiar. The first American agents in the Netherlands, Charles Dumas, Silas Deane and in particular John Adams, reported to Congress that in large sectors of the population they encountered strong echos of the ideals of the American Revolution. These feelings inspired large numbers of Dutchmen to advocate an open support of the American cause.

Moved by this spontaneous sympathy, and I must admit also by certain mercantile considerations, the United Provinces proceeded to contribute substantially to the needs of the young republic in the New World.

Ultimately this support given to the American cause was to drag the Netherlands into a fourth and costly war with England. In view of the risk of such a war many members of the States General of the United Provinces—a body comparable to the Senate of the United States Congress but with, at that time, an even more decisive say in the country's foreign affairs—were at first hesitant to give in to the urgings of John Adams to recognize American Independence officially.

However, on the 26th of February 1782, the States of the Province of Friesland, after considering the now famous memorandum of John Adams, by a historic resolution recommended to the States General of the United Provinces to admit John Adams as Minister of the Congress of North America. It was the sign many delegations of other provincial assemblies had been waiting for. Within a month the powerful provincial assembly of Holland and West-Friesland followed suit and on April 19, 1782, "Their High Mightinesses" of the States General of the United Provinces acceded to the Frisian initiative and, I quote, "resolved that John Adams shall be admitted and acknowledged in the quality of Envoy of the United States of North America to Their High Mightinesses as he is admitted and acknowledged by the present".

Thus the Netherlands officially recognized the United States as an independent state, becoming the second nation to do so.

Within a few months the second objective of Adams was achieved, the conclusion of a Treaty of Commerce and Friendship. A lengthy series of treaties was to follow, each of them bringing our peoples closer together.

In commemoration of the decisive stand taken by the States of the Province of Friesland the Queen's Commissioner and the Provincial States of Friesland have decided to present to the Congress of the United States a replica of the historic Resolution of which I have spoken. On behalf of the Queen's Commissioner and the States of the Province of Friesland I have the honor to present to you, Mrs. Chairman, this Frisian contribution to the celebration of the Bicentennial of the American Revolution. I should like to express the hope that it may find a place in the Capitol where it will remind the members of Congress of the true affinity and faithful friendship which from the very beginning have characterized the relations between our two nations.

PERSONAL ANNOUNCEMENT

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mrs. SPELLMAN. Mr. Speaker, because I was at the White House at the request of the President for the presentation of the International Women's Year Commission report, "To Form a More Perfect Union," I was not present here in the House and was unable to register my vote on several motions.

Had I been present, I would have voted "yea" on final passage of House Resolution 1368, to establish a Commission on Administrative Review in the House of Representatives. My vote in opposition to recommittal of this measure was a clear signal that I would have voted for final passage.

Also, I would have voted "yea" on House Resolution 1372, to limit the authority of the Committee on House Administration to fix and adjust allowances; and "nay" on the motion to recommit that resolution.

Finally, I would have voted "yea" on the conference report for H.R. 14235, the military construction appropriations for fiscal year 1977, as was signaled by my previous support for this measure.

TRIBUTE TO R. S. "RON" SMITH

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. WAXMAN. Mr. Speaker, it is my pleasure to announce to the Members of this body, that on June 29, 1976, the Burbank Studios, Toluca Lake Rotary Club, and others from the community in Los Angeles, gave a surprise reception in honor of the promotion of Ron Smith to the main office of Bank of America in Van Nuys. Ron Smith has long been in the forefront of many community activities through his past service as president of the Toluca Lake Rotary Club, and as former director of the Toluca Lake Chamber of Commerce.

Ron has been equally devoted in the business world through his 38-year history with the Bank of America. He began his association with the bank as a messenger at the age of 18, and has steadily risen within the organization. Ron was promoted in 1950 to the rank of officer, to assistant vice president in 1959, and to vice president in 1964. He will now assume the post of vice president and manager of Bank of America's Van Nuys main office. Ron moves to this post from the Toluca Lake office.

Ron was born in Illinois, but moved West to attend Belmont High School in Los Angeles and Oregon State University. He is also a graduate of the Pacific Coast Banking School at the University of Washington as well as American Institute of Banking.

I am delighted to join with others in the community in saluting Ron on this occasion. He has accepted the challenge to improve the quality of community life, and in that service has distinguished himself as a leader. I would like to offer my warmest regards and congratulations to Ron, his wife, and his children.

BALDUS INTRODUCES SMALL BUSINESS AND FAMILY ENTERPRISE ACT

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. BALDUS. Mr. Speaker, I am introducing today a bill called the Small Business and Family Enterprise Act. The purpose of the bill is to create a definition in the law called "family enterprise," to insure that a fair share of Small Business Administration loans are made available to family-run businesses, and to life from the backs of these small operations some of the paperwork burdens that plague them.

There is no question of the vital role that small business plays in our economy. The 25th annual report of the Senate Select Committee on Small Business begins:

> Satistically, 97.4 percent of the number of business community falls into the small business category. Smaller firms account for more than half of the employment in the country and over one-third of the Gross National Product. It has been shown, on many occasions, that the overall performance of the economy constitutes the most pervasive influence on the fortunes of small business. It can be said that "As goes the economy, so goes small business." This generality is reflected in the very concrete circumstances of success, profitability or failure of individual firms. Smaller enterprises possess less of all types of resources. They are more sensitive to economic adversity, and when the economy runs into trouble their very survival is at stake in a tragic number of circumstance.

But there is a further breakdown that can and should be made. Of these businesses, there is a group of them that operate on the mainstreets of our small, rural towns, and are the backbone of rural America. These small, single proprietorships, small corporations, and small-scale partnerships account for a large amount of gross sales in the retail sector. They are uniquely unable to hire accountants and lawyers to handle their records and inventory, and consequently have problems in applying for loans. Their larger, urban counterparts—the medium-size business—have a slight advantage in their ability to hire accountants or lawyers to help with paperwork of all kinds. This includes forms that need to be filed with the Government, as well as forms to be completed for loan processing.

The definition of family enterprise contained in this bill was arrived at with great difficulty and may seem at first glance to be somewhat arbitrary. The problem in defining one sector of business over another is that it is difficult to determine exactly at what point a business ceases to be small, and instead has become somewhat closer to medium-sized. These definitional problems are discussed in the Senate Select Committee's 25th annual report on page 13:

> 4. Definitional problems.
>
> The Statutory definition of small business if broadly defined in Section 3 of the Small Business Act. The definition stresses four elements:

a. A small business concern is independently owned and operated.

b. A small business concern is not diminant in its field of operation.

c. The Administrator (of the SBA), in making a detailed definition, may use different indices of size, such as number of employees and dollar volume of business.

d. Where the number of employees is used as an index of size, the maximum number of employees which a small concern may have under the definition must vary from industry to industry to the extent necessary to reflect the different characteristics of such industries.

The foregoing suggests that the kind of information needed *to classify businesses* for administrative action might include legal form of organization, amount of output (capable of being expressed in a common denominator), number of employees, and, last but not least, domonancy in its field of operation. It should be apparent that no single attribute can be applied to categorize an individual business firm as being small. Under the Small Business Act, and for the purposes of the many programs provided in that legislation, within wide latitude, the choice is left to the discretion of the Administrator of the Small Business Administration.

Pursuant to these statutory requirements, the Administrator of the Small Business Administration has promulgated nearly 1,500 small business definitions, according to the various industrial classifications of the Bureau of the Census.

Unfortunately, this maze of definitions has failed to protect the very small businesses that tend to be family run, or are run in the form of limited partnerships or corporations. It is these smaller enterprises that need protection from Government regulations and need assurances that they will have an even chance at obtaining their far share of SBA loans, despite their lack of resources in the form of lawyers and accountants to deal with the SBA.

This bill defines a family enterprise as follows:

It is evident that the bill uses the number of employees and gross income criteria, just as the Small Business Act does. The difference is that the definition in this bill does not differentiate by industry. The bill adopts the following definition:

"(b) For the purposes of this Act, the term 'family enterprise' means any sole proprietorship, partnership, or corporation which—

"(1) (A) in the case of a corporation, does not—

"(i) have more than 10 shareholders,

"(ii) have as a partner any person who is not an individual, and

"(iii) have more than one class of stock;

"(B) in the case of a partnership, does not—

"(i) have more than 10 partners, and

"(ii) have as a partner any person who is not an individual;

"(2) employs at any one time not more than the equivalent of 10 full-time employees; and

"(3) has an average annual gross income of not more than $100,000 for the immediately preceding three-year period."

Ten employees is used as the cutoff, based on Bureau of the Census information available for retail sales businesses in the country; the $100,000 cutoff is based on similar information. According to the Bureau of the Census, and according to the Small Business Administration, there are about 2,000,000 retail businesses in the country. Approximately half of them do $100,000 or less in business per year—1972 Bureau of the Census figures. Nearly 1,400,000 employ 10–14 employees. Hence, for the retail business industry, it can be estimated that about half again do business with 10 employees or less.

It is my hope that the bill's effect will be to provide small family enterprise with its fair share of Small Business loans; that it will lift paperwork requirements for small businessmen with its passage, and be used as a legal hook to exempt them in the future from needless paperwork burdens.

I have included a copy of the bill with these remarks:

H.R. 14640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress hereby finds and declares that Family Enterprises—

(1) constitute a major portion of the businesses in the United States;

(2) do not receive benefits from Federal programs in proportion to their importance to the economy of the United States; and

(3) are regulated to the extent that Federal reporting and recordkeeping requirements have become unnecessarily burdensome to such enterprises. (b) It is the policy of this Act to—

(1) recognize the importance of Family Enterprises by establishing a definition of such enterprises in Federal law;

(2) increase the benefits to such enterprises from the Federal Government by requiring that 50 percent of the aggregate dollar amount of business loans under the Small Business Act is reserved for such enterprises; and

(3) exempt such enterprises from certain burdensome reporting and recordkeeping requirements.

Sec. 2. Section 3 of the Small Business Act (15 U.S.C. 632 is amended by striking out "Sec. 3." and inserting in lieu thereof "Sec. 3. (a)", and by adding at the end thereof the following new subsection:

"(b) For the purposes of this Act, the term 'family enterprise' means any sole proprietorship, partnership, or corporation which—

"(1) (A) in the case of a corporation, does not—

"(i) have more than 10 shareholders,

"(ii) have as a shareholder any person who is not an individual, and

"(iii) have more than one class of stock;

"(B) in the case of a partnership, does not—

"(i) have more than 10 partners, and

"(ii) have as a partner any person who is not an individual;

"(2) employs at any one time not more than the equivalent of 10 full-time employees; and

"(3) has an average annual gross income of not more than $100,000 for the immediately preceding three-year period."

SEC. 3. Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end thereof the following new paragraph:

"(9) Not less than 50 percent of the aggregate dollar amount of direct loans made under this subsection shall be made to family enterprises."

SEC. 4. (a) Chapter 35 of title 44, United States Code, is amended by adding at the end thereof the following new section:

"§ 3513. Relief for family-operated enterprises.

"The Director of the Office of Management and Budget, with respect to Federal agencies other than independent Federal regulatory agencies, and the Comptroller General of the United States, with respect to independent Federal regulatory agencies, shall promulgate such rules and regulations as may be necessary to reduce the burden on family-operated enterprises (as defined in section 3(b) of the Small Business Act) of furnishing information to the Government."

(b) The analysis of chapter 35 of title 44, United States Code, is amended by adding after the item relating to section 3511 the following new items:

"3512. Information for independent regulatory agencies.

"3513. Relief for family-operated enterprises."

SEC. 5. (a) The Secretary of the Treasury or his delegate shall, with respect to family enterprises—

(1) simplify Internal Revenue Service forms related to employees' pension, profit-sharing, and other funded deferred compensation plans (including forms 2950, 4848, Schedule A of Form 4848, 4849, 990–P, and Schedule A of Form 990–P);

(2) discontinue use of the Employers Federal Tax Return (Form 941) on a quarterly basis and allow such enterprises to file social security information on the annual Wage and Tax Statement (Form W–2); and

(3) discontinue use of the Quarterly Federal Excise Tax Return (Form 720) on a quarterly basis and allow such enterprises to file excise tax information on an annual basis.

(b) For purposes of this section, the term "family enterprises" shall have the same meaning given such term by section 3(b) of the Small Business Act.

DEDICATION OF PLAINVIEW YOUNG ISRAEL SYNAGOGUE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. AMBRO. Mr. Speaker, on Sunday, July 11, 1976, the Young Israel of Plainview will dedicate a new house of worship. This is the fruition of the hopes and the dreams, the planning and the plain hard work of all of the congregants for the past 5 years. During that time, in addition to addressing the spiritual and religious needs of its members, the Young Israel of Plainvew has distinguished itself by deep involvement and participation in and broad range of social and civic activities of the community.

In this, our Bicentennial Year, it is altogether fitting that a new synagogue building, reflecting the contribution of its members to their neighborhood and the Nation at large be dedicated. The United States of America is a great country because its social fabric has been woven from many disparate—sometimes conflicting—different textured threads, prominent among which is the Young Israel movement.

Mr. Speaker, it gives me great pleasure to call my colleagues' attention to this auspicious occasion and to wish Mr. Arthur Ritholtz, the president of the congregation, and all of the other officers and members a very hearty mazeltov.

RIGHT TO LIFE—TEENAGE MOTHERS: MEDICAL CONCERNS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. OBERSTAR. Mr. Speaker, one of the highlights of the National Right to Life Committee's very successful and productive annual convention in Boston, Mass., June 25–26, was a simulated congressional hearing on alternatives to abortion and supportive services for pregnant women. It was my privilege and honor to chair that hearing.

Those of us who hold the view that unborn human life has rights which must be protected even to the extent of amending the U.S. Constitution also believe it is vitally important to provide realistic, readily accessible alternatives to abortion, including medical, social, and other services to pregnant women.

That goal was the subject of the simulated congressional hearing, coordinated by Marjory Mecklenburg of Minnesota who did an excellent job of selecting the witnesses. The papers presented were of as fine a quality as I have seen in any actual congressional hearing. They were thoughtfully prepared, carefully researched, and delivered with deep sincerity of conviction and commitment.

I believe that because of their high quality and the important information they offer, these papers ought to be available to all Members of Congress, and I am using the forum of the CONGRESSIONAL RECORD to do so.

The president of the National Right to Life Committee is Dr. Mildred Jefferson of Boston, a gifted surgeon and a tireless, dedicated, inspiring leader of the national movement to protect unborn life.

The following paper on "Teenage Mothers: Medical Concerns" was presented by Laura Edwards, M.D., of Minnesota. She is an obstetrician-gynecologist; medical director, St. Paul Maternal and Infant Care Project; assistant professor, University of Minnesota Medical School; full-time staff member, St. Paul-Ramsey Hospital; member, Board of World Mission, Baptist General Conference, and former missionary.

The material follows:

A COMPREHENSIVE PROGRAM FOR TEENAGE MOTHERS, ST. PAUL, MINN.

(Presented by Laura Edwards, M.D., project director, Maternal-Infant Care Project, June 26, 1976

INTRODUCTION

Experience in the Department of Obstetrics and Gynecology at St. Paul-Ramsey Hospital has convinced us that health care delivery to teenagers presents many unique challenges. Last year (1975), in the St. Paul Maternal and Infant Care Project located in the hospital, 42% of all delivered patients were 18 or younger. Of these 15% had already had at least one previous pregnancy, 76% were unmarried at the time of delivery, and 98% kept their babies.

The high risk status of adolescents is well documented. Increased risks of obstetrical problems include toxemia, anemia, infection and Cesarean section. Additionally, poor pregnancy outcome with increased rates of prematurity and low-birthweight infants have been the concern of many workers with adolescents.

In an attempt to address these problems, in 1973, after two years of planning and preparation, a comprehensive clinic and day care project physically located in a Junior/Senior High School in St. Paul was begun. Goals of this project were to improve the physical, social and emotional well-being of student parents and their children by providing high quality, comprehensive health care in a school setting and thereby reduce absenteeism and drop-out rates. Additional goals included increasing the parenting skills of student parents as well as providing educational and vocational experience in this area for all students so as to better prepare them for responsible adulthood.

To reach these goals, the clinic focused on three components; health care, health education and day care.

HEALTH COMPONENT

The clinic was initially located in poor physical facilities in the basement of the school. After 9 months it was moved to an attractive renovated classroom, which is carpeted and decorated in bright colors.

The clinic team consists of a family planning nurse clinician who is the leader of the clinic team, a clinic attendant and a social worker. A physician, along with a pediatric nurse associate, maternity nurse clinician and nutritionist spend part time in the school. Services of a dental hygienist, and health educator and counseling in various areas of home economics is also available. The team offers services every morning five days a week. Students may come to the clinic at any time for family planning counseling, education and referral, V.D. testing and treatment, pregnancy testing, Pap smears, immunizations and personal counseling and referral.

The students' class schedules and the daily listing of school attenders are available to the clinic. Therefore, follow up for missed appointments or abnormal laboratory tests is facilitated. Students can be reached in classes. Specific appointment times are given. Students are seen promptly so that the time away from classes is minimized.

The use of the clinic has increased tremendously, since its inception. In 1975–1976 46% of all female students and 64% of all 12th grade girls used the clinic. There were 2,681 staff encounters at 1,627 patient visits during the 1974–1975 school year.

The expansion of services to include immunizations, weight reduction and physical fitness classes and athletic physicals contributed to a more positive attitude by faculty members towards the clinic. Many patients are now referred to the clinic by school social workers, counselors, teachers and coaches. Last year half of the prenatal patients were referred by the school nurse.

Prenatal patients

Acceptance of the school clinic by pregnant students increased steadily. Thirty-five percent of the pregnant girls used the clinic during the first full school year. Over 92 percent of the pregnant students received their prenatal care at the clinic this year.

Over 95 per cent of the patients began prenatal care by 16 weeks gestation. None had less than 6 prenatal visits and over 85 per cent had more than 10 prenatal visits. Almost half of these patients had risk scores of 7 or more on our scoring system documenting their high risk status.

In addition to regular medical prenatal visits, all pregnant girls were seen at least once a week at the group prenatal classes. Some were seen literally on a daily basis. One current prenatal patient became extremely depressed when she was thrown out of her home by her mother. She would not eat and failed to gain weight. The clinic team decided to make daily contact and arranged for her to eat breakfast with the staff. She is now in the last weeks of her pregnancy and back on the expected weight curve.

Initial nutritional assessment of the prenatal patients showed that 95% were deficient in one or more major nutrients, with 43% having diets deficient in all major nutrients. 81% had protein-poor diets, 29% were anemic. Only one prenatal patient had an adequate diet. Resources for food were inadequate for financial reasons for all.

Although most authors have found significantly higher preeclampsia rates in young adolescent patients (some as high as 35 per cent), our preeclampsia rate was less than 10%. Other programs for young mothers which combined health and education services have likewise demonstrated low rates of toxemia.

Many have found that teenage pregnancies result in more premature and low birth weight infants as well as increased perinatal loss. Zackler demonstrated that prematurity rates were reduced by one-third and perinatal death rates by one-half when teenage patients received adequate prenatal care. In our series the prematurity rate was under 5 per cent and there were no low birth weight infants or perinatal deaths despite the fact that nearly half of the patients were high risk. This might be partly attributable to the fact that none of our patients had fewer than 6 prenatal visits. Only one infant was born prematurely when a student developed severe toxemia requiring delivery at 36 weeks. This 16-year-old had a severely alcoholic mother and was concerned in the last weeks of her pregnancy with problems at home including total responsibility for her younger siblings, with arranging for and getting her mother, who was late into a pregnancy, to the hospital clinic for prenatal care.

There have been no low birth weight infants and no perinatal deaths in the program patients to date.

Special services

Special services provided to sexually active students include gonorrhea and pregnancy testing and Pap smears. 14 per cent of the tests for gonorrhea were positive. All patients were treated and all have had follow up negative tests. All of the 15% of patients with abnormal Pap smears have had follow up. One patient with a class IV Pap smear was subsequently found to have early cervical cancer requiring surgery. One hundred and five pregnancy tests have been carried out at the clinic. Requests by students for pregnancy and V.D. testing provides opportunity for offering contraceptive services which include education on an individual basis and referral for services. To date 1,018 such services have been provided.

A family planning session for students who desire contraception provides the sexually active adolescent with education and counseling services that will enable her to choose a method of contraception, that will benefit her physical and emotional health. Students wishing contraceptive services are referred to the adolescent contraceptive Thursday evening clinic at St. Paul-Ramsey Hospital. This is staffed by the high school clinic personnel so that the students see familiar faces.

The clinic nurse clinician keeps a log of all students on contraception and contacts them at least once a month, to discuss any problems related to contraceptive use.

EDUCATIONAL COMPONENT

The educational component consists of four series of classes, all team taught. The prenatal series aims to increase the adolescent patient's understanding and knowledge of the maternity cycle in order to have a positive birth experience and enhance their ability to mother her child. The series developed into 13 weekly group discussions. In addition to covering the routine prenatal topics such as nutrition and preparation for childbirth, sessions dealing with the problems of adolescent parents were added. A class on anticipatory newborn care is taught by the Pediatric Nurse Associate using one of the babies at the day care center to demonstrate newborn behavior and care. This is followed by a session dealing with parent-baby interaction, fears and concerns about becoming parents and attitudes about childrearing.

A new mothers' support group with classes for girls with babies under 6 months of age was begun last fall. The series aims to provide the student parent with information, guidance and support which will enable her to maintain a continuity of self and enter into a nurturing relationship with her infant. Sessions deal with mothering skills and feelings toward their infants. Originally planned for six sessions, these classes were extended to 8 session, many lasting 2 hours instead of the designated one hour. Those students who lost Health or Physical Education Credits while pregnant could make these up by attending the classes.

Students have responded positively to the group discussion approach. They have been anxious to talk about their fears and concerns about becoming parents.

The final part of the health education program is the 7th grade health communication series of six sessions. Its goals are to promote in the early adolescent an awareness of the concept of health and its implications for future life and an understanding of preventative health care, and how to use the present health care system. Throughout the educational part of the project, the serious responsibilities of sexuality and parenting are emphasized.

DAY CARE COMPONENT

The day care component of the Project is an early education program located in the church across the street from the hospital and half a block from the school. Its primary objective is to allow the adolescent parents to complete high school and at the same time, learn good parenting skills by working with their babies in the center.

The mothers must be registered students and must participate in a child development class for which they receive one social studies credit.

This course includes traditional child development concepts but also deals extensively with the mothers' feelings of self worth and ability. Stages of growth and development, along with corresponding information about stimulation are presented through the day care educational program at the time that the students are actually ready to make use of it. Additional topics include family relationships, parenting roles, appropriate use of the health care system, minor illness, dental care, budgeting, discipline and child abuse and neglect, and job goals.

The day care center is also a learning site for the students of the course in exploring childhood, who visit the center four times weekly.

Evaluation of the day care component shows that student parents are demonstrating better parenting skills. Illnesses are being recognized earlier. This year there were no hospitalizations of children who attended the day care center consistently. 100% of the day care infants were up to date on their immunizations and had received all screening tests appropriate for their age.

There have been no incidences of abuse by day care mothers. The day care director and her staff feel that the mothers are using less physical discipline and turning to more acceptable methods taught at the center.

40 students have used the center to date. Seven of the 10 current users graduated this year.

CONCLUSION

Three years is a short time to evaluate this project. Although all of the original goals have not been met, there are some encouraging developments. Prior to the implementation of the project, 45 per cent of the project high school students dropped out after delivery. In the three years that the clinic has been in operation 90.4 per cent of the Project delivered students have remained in school postpartum. None of these have had a repeat pregnancy. There have been 3 repeat pregnancies, all after the students either moved and dropped out, dropped out or graduated. You can understand my thrill at receiving an invitation and being present at the graduation of a girl who had delivered in January. She had been the despair of her teachers because of almost constant absenteeism and was reported to be on the streets. She achieved 3 A's and 2 B's her last quarter and was accepted for nurses training at Vocational Technical Institute.

There also seems to be indication of some decline in the fertility rate of the project high school students. Whereas 7.9 per cent of the total junior and senior high female population were pregnant in the first year, this dropped to 4.6 per cent last year and is 3.5 per cent this year.

An example of students' acceptance of the clinic team is shown in a thank you letter received after school closed this year from a young patient who wrote "You are the best, and the most understanding friends anyone could have."

We are pleased that the total health, education and day care project has been included in the plans for a new magnet high school to be built at a different location. In anticipation of this, the project was invited to start prenatal and health clinics in January, 1976, in a make-shift classroom setting two half days a week at another high school. The early response in the second school has been very encouraging with eight prenatal patients enrolled for prenatal care and attending the series of prenatal classes. A health class for obese students has been started and will be expanded to provide interdisciplinary approach to weight control through behavior modification, physical education activities and improvement in self esteem strategies. Construction of the new school is expected to begin later this year. The child care center in the new school will be used for students in child growth and development classes as well as providing care for students' children.

Additionally, the team has been invited to provide services on a part time basis in another high school, using the already existing child development center as a base two afternoons a week. Last week the principal of a third high school gave enthusiastic support to the possibility of a similar program in his school. Each of these three schools have had two or three times as many pregnant students this past year as our original project school. Expansion of the Maternal and Infant Care Project services to these new high schools will only be possible if additional funds become available.

We feel that the measurable results to date as well as the positive response of the students themselves, justify the continuation of this project within the school system. We are convinced that this mechanism provides the best hope of reducing the incidence of the "unwed mother syndrome" by interrupting the vicious cycle of out of wedlock pregnancy, incomplete education, alienation from friends, family and society and repeat pregnancy all of which may not only predetermine the futures of these young patients but also the future of their offspring. We know that the project has offered hope to many young patients and their children and therefore represents a positive investment in the future of our society.

NATIONAL SCHOOL BOARDS ASSOCIATION'S VIEWS OF FEDERAL AID TO EDUCATION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1; 1976

Mr. GOODLING. Mr. Speaker, I am happy to include in the RECORD the adopted policy of the National School Boards Association, so my colleagues can read what this body considers the important issues facing local school districts:

STATEMENT OF NATIONAL SCHOOL BOARDS ASSOCIATION

As the 1976 election draws closer, local school board members, in preparing for election themselves, find that among the national issues voters are truly concerned by the scope of federal bureaucracy and inefficient spending. Since education is the most emotionally charged as well as the most expensive public service, some of that voter concern has found its way into the federal aid to education programs. At the same time, there are a number of educational needs which invite expanded federal involvement. Accordingly, we appreciate this opportunity to present what we believe is a realistic agenda of what the federal government can and ought to achieve in education over the next four years—as well as some of our concerns regarding past efforts.

Simply stated, the local school board action agenda is outlined below:

I. Financial Assistance—

A. Increase aid for existing programs of special need (e.g., ESEA Title I, Education for All Handicapped Children Act, Bilingual Education Act, and Vocational Education Act).

B. Establish a general aid program on top of special needs—to ultimately fund one-third the cost of education.

II. Limit federal restrictions placed on local school governance—

A. Confine regulatory operations of the Office of Education and the Office for Civil Rights to meeting legislative objectives—and not to substitute for school management. Require that HEW compensate local school districts for the cost of maintaining records and providing data to the federal level.

B. Correct federal legislation in order to improve state/local coordination, and eliminate procedures that unnecessarily encourage state bureaucracy and the associated problems of red-tape and local grantsmanship in the redistribution of federal funds to local school districts.

III. Participation in Economic Programs—

A. Provide local school districts fair participation in future jobs programs, revenue sharing programs, etc.

B. Give consideration to the fiscal problems and tax capacity of local school districts to fund federally mandated programs (e.g., unemployment compensation).

C. Increase local school district participation in energy programs including allocation provisions, construction grants, etc.

IV. Oppose Labor Legislation which raise taxpayer costs to unaffordable levels or which usurp the local school district governance role—

A. Federal Collective Bargaining for school employees.

B. Civil Service grants to assist public employee organizations in the techniques of negotiations.

C. Aspects of pension reform, unemployment compensation.

V. Develop Federal Role in Major New Areas of Need—

A. Pre-school education.

B. Expanded community use of facilities—including career education.

C. Crime/Violence/School Discipline.

D. Consumer Education.

FINANCIAL ASSISTANCE

Currently, federal assistance for elementary and secondary education is in the nature of categorical aid. That is, federal funds are targeted to special children (e.g. disadvantaged, handicapped, and bilingual) or special curriculum needs (e.g., vocational education and library materials). Overall, the major elementary and secondary programs received about $4.2 billion in FY 1973 and $4.5 billion in FY 1976. This 7% increase over three years is a sharp retrenchment in the federal priority both in terms of the 30% range of inflation during that time as well as the 40% increase in total federal spending authority.

The effect of this retrenchment is typified by ESEA Title I, which provides about $2 billion per annum for improving the education of disadvantaged children. Because federal funding has failed to keep pace with the cost of services, the number of children participating in the program shrank from 6.7 million to 5.5 million during the period FY 1973–1976. This contraction of federal commitment cannot be justified especially in light of the excellent audit evaluations given to the program. Nor can it be justified in either human or fiscal terms since the program is such an obvious means for reducing the future problems of today's 9 million poverty based children.

Likewise, recent figures show that 50% of the nation's handicapped children receive an inadequate education, and another 12% are not able to attend school at all. For the most part, the unmet needs of these children can be attributed to the inability of state and local governments to pay for the high costs associated with special education. Last year Congress passed, with Presidential signature, a law requiring states to provide a free appropriate education for each handicapped child. Recognizing the financing problem, this law authorizes a federal expenditure of up to $3.1 billion per anum by 1982. For FY 1977, we anticipate appropriations of about $300 million. In short, the federal government has recognized the need, it has placed very difficult requirements on state and local units, but the entire thrust will dissolve unless there is national financial leadership. At this stage of anticipation, the failure to move on this priority would be a cruel hoax on America's 7million handicapped children and their families.

With respect to the general financial needs of local school districts, millions of students are receiving a less than comparable—and perhaps inadequate—education by the mere geographic happenstance of residing in a property poor community or a poor state. Further, while much is said of declining enrollments, population shifts among school districts are being experienced throughout the nation. Moreover, diversity of student interest and job market needs require that universal basic education be augmented by greater individual oriented instruction. Especially for students seeking meaningful alternatives to higher education, we are at a time when a much broader, sophisticated, and expensive education is required than what current dollars can buy.

While federal programs encourage states to equalize expenditures within their borders, only federal aid can equalize among states. Additionally, as evidenced by General Revenue Sharing expenditures in other areas, it is the federal revenue collecting structure which is best suited to support any major new advances in the nation's education priority.

Accordingly, in addition to fulfilling special categorical needs, there should be a federal program of general aid to absorb one-third of the cost of educating our public school children. Obviously current federal budget restraints would not permit an immediate expenditure of this magnitude. Nevertheless, long range plans should include general aid as a priority item with beginning steps toward that end to start now.

LIMIT FEDERAL RESTRICTIONS PLACED ON LOCAL GOVERNANCE

School administrators, classroom teachers, and parents are increasingly perturbed that Department of Health, Education and Welfare bureaucrats are using broad legislative and judicial mandates to impose very specific program requirements and educational philosophies on the community level. For example, the U.S. Supreme Court ruled in *Lau* v. *Nichols* that the Civil Rights Act requires that a responsive education be given to non-English speaking children. While that case very specifically left the method of instruction to local school officials, the Office for Civil Rights has been requiring particular curriculum offerings which some school systems cannot afford or which parents do not want. In these cases, the school systems are faced with a total curtailment of *all* federal funds for noncompliance with OCR's curriculum philosophy.

Unfortunately, the above is merely one illustration among many which demonstrate that the Office for Civil Rights and the Office of Education have assumed regulatory roles which run deeper than the legislative or judicial authority of their mandate. Related to HEW's over-regulation is the separate issue of federal data collection requirements. Again, the point is made best by example. About one year ago, OCR required school officials to maintain a report for each student disciplinary action. While the laudatory objective sought was to ferret out racial discrimination in student discipline, this requirement promised to achieve little at high cost. Thousands of school districts do not even have significant minority group representation in their enrollments. More importantly, it was not clear what OCR was going to do with the information. For example, was it going to make Chicago prove racial neutrality in each of its 29,000 annual suspensions? How much would it cost to do so?

Recently, OCR required that San Diego conduct a survey under a new data collection format—within the last two weeks of this school year. Obviously San Diego had not budgeted the $100,000 necessary to conduct the study. Other "pilot projects" were preliminarily estimated to cost Philadelphia $2 million and Los Angeles $5 million. In mandating the surveys, the federal government does not reimburse the school system for taking funds away from student services.

Therefore, in order to protect community-based decision making, to prevent the arbitrary cut-off of funds (which invariably hurt the children that HEW is seeking to benefit), and to reduce data collection costs, we recommend the following legislation:

(a) Require that all HEW rules and regulations be accompanied by a statement showing how the rule or regulation is necessary to implement the legislative goal.

(b) Require that all HEW rules and regulations be accompanied by a statement setting forth the estimated local cost of implementation.

(c) Require that HEW compensate local school districts for the cost of maintaining records and providing data to federal officials.

In addition to inappropriate instances of direct involvement, the federal level has similarly erred by encouraging the establishment of state bureaucracy. Many of the federal aid programs allot money to the states for redistribution to local school districts. In performing this "coordinating" role, the state level has been relatively free to determine how much, when, and under what conditions a local school district can receive funding. But the potential benefits of this coordination are outweighed by several factors. State discretionary funding increases administrative costs; and at times it rewards local grantsmanship and politicking at the state level. Further, it creates budgetary uncertainty within school districts as to each year's funding level. A recent GAO audit of the Vocational Education Act is a case in point. Over one-fourth of the $400 million state grant funding was spent on state level administration.

It is our view that with a little less "coordination" these funds would have been better spent in the classroom. Meanwhile, the largest, most efficient, and most successful federal programs, i.e., ESEA Title I and Impact Aid, are based on a strict per pupil allocation to each local school district. Most of the funding under the new handicapped program will flow in that manner. We are urging that other large programs be funded on a local formula basis so as to avoid the unnecessary arbitrariness and bureaucratic wastes that can be associated with them.

In summary, it makes little difference to local school boards or the constituencies which they represent whether their bureaucratic frustrations are state based or federally based. In either instance, the potential benefits of "upper" governmental control can be outweighed by policy decisions which are made in the absence of a full understanding or sensitivity to the local situation. In light of the foregoing examples, we would urge that the design of federal aid to education programs be recast within that context.

PARTICIPATION IN ECONOMIC PROGRAMS

Local school districts expend approximately $60 billion per annum, and employ over 3 and ½ million full-time personnel. Compared to other governmental units, usually they maintain the most building space, operate the largest mass transit systems, and process the greatest volume of food. In many instances the local school district is the biggest business in the community and typically is the largest local and state budgetary line item.

The point is that public education plays a measurable role in local and national economics. Accordingly, federal programs which are directed toward economic recovery and stability should take local school districts into account. Yet, major economic programs for the public sector, such as CETA and General Revenue Sharing, have not directly provided for local school districts. Similarly, in dealing with the economics of energy, education should be more favorably treated in terms of construction grants, mass transit assistance, and fuel allocations.

But within the context of the economy, local school boards are also concerned that some federal programs can mandate enormous increases in state and local taxation. For example, the House of Representatives is currently considering an unemployment compensation proposal which would increase costs to state and local units. Estimates vary, but at the time of the next general election (i.e., 1980), the proposal could cost the taxpayers an additional $1 billion per annum. Therefore, the broader question presented is not whether the objective sought by these particular amendments is good or bad, but rather in light of the full federal agenda (e.g., pension reform, education of the handicapped) and other economic pressures whether the total financial impact on state and local units is beyond their taxing capacity. Increasingly, taxpayers are becoming aware that federal overspending is reflected in mandatory state and local spending—in addition to direct federal expenditures. Along side of this issue, NSBA urges greater intergovernmental planning among the three levels of government—including the participation of local school boards.

Oppose Labor Legislation which raise taxpayer costs to unaffordable levels or which usurp the local school board governance role—

Local school boards are generally supportive of increased compensation for their employees as well as professional consultation in decision making. However, any federal legislation in the area of labor/management relations must be placed within the following context:

(1) Is the proposed activity an appropriate role for the federal government?

(2) Is the legislation affordable and consistent with taxpayer priorities?

(3) Does the legislation separate the elected school board member from his constituency on policy questions?

It is our position that a federal collective bargaining law for public employees fails on all three grounds. Without delving into the serious constitutional issues presented by such legislation, a few policy concerns should be identified. Federalization of collective bargaining would result in the centralization and uniformity of school management. As part of that process, community based decision-making would become subordinated to a nationally based structure with its own set of educational values and priorities. Currently, the major labor organizations support placing collective bargaining in public education under the National Labor Relations Board. Among the proposals suggested, that approach carries the additional objection to the extent that school board operations would be unduly influenced by unsuitable happenings and precedents in the private sector.

National legislation permitting school employees to strike or to seek binding arbitration is particularly distressing to the school board view of representative government. Unlike the private sector in which these powers work to redistribute shareholder profits, in education they operate to reverse taxpayer representation at the local school board level. In addition to large budget items such as wages, voters are entitled to be represented by local officials on matters of educational policy. But if policy issues such as class size are subject to bargaining, how can school boards represent and be accountable to the voters?

In conclusion, we do not believe that members of Congress would favor that their decisions over the priorities, policies, and the tax levels of their constituencies should be shifted to their employees, third party arbitration, or the forces of a strike. Therefore, it is our view that is far too presumptuous for the federal level to authorize the creation of mechanisms which force that result upon state and local government.

With respect to other labor legislation, while school board members may have concerns, they are not categorically opposed to unemployment compensation, pension reform, safety regulations etc. Rather, the main issues on these items are the appropriateness of the proposed federal involvement and the cost of implementation. Especially with many local governments groping for fiscal stability, any new tax burdens must be weighed against the complexities of solving those financial problems.

MAJOR NEW AREAS OF NEED

Public schools to be effective must relate to the changing character of both its students and the world for which they are being prepared. Children are bombarded by media communications, the choices brought by rising affluence, and greater flexibility in moral standards. They are less influenced by family—especially with the increase of working mothers; and they have a more complex world to be trained for—both as consumers and workers.

As a result, there are major new areas of need that should be addressed on a national basis. For example, we find that mothers at all economic levels want to return to the work force although their children are of pre-school age, NSBA would support legislation which would make federal funding available to local school districts seeking to operate programs for children in the 3–5 year range.

On the other side of the age scale, school facilities should also be made available for adult use—both in the area of leisure-time and career education. With respect to the latter, a greater effort needs to be made in the study and implementation of programs which prepare adults for several transitions between job training and work.

Particularly in recent years, there has been rising nation-wide concern over the prevalence of poor student discipline, drug and alcohol abuse, violence, and crime within the schools. These problems and what they portend for the adult future of the students involved is too wide spread to turn our backs on them or on our continuing support for public education. Accordingly, we are urging a national effort for the study and funding of a broad range of solutions including preventive instruction, adequate counselling services, building security, interagency rehabilitation programs, etc.

Recently, figures were released showing that a significant percentage of high school graduates are not competent to deal with the routine complexities of today's modern society. A major reason is that, although students are oriented toward career preparation, they may not receive instruction in family budgeting, credit purchasing, sales contracts, basic landlord/tenant concepts, etc. Although public schools recognize the need for consumer education, relatively few have the immediate capability to train students as consumers. Accordingly, NSBA urges that increased national attention be given to this area.

CONCLUSION

Overall the time has come in education to reshape federal programs consistent with the kinds of services which each governmental level performs best. The federal role should be one of leadership through financial assistance in areas of special need and general support. However, the era of federal overregulation and state bureaucracy should be closed so that federal programs can be realistically fused with local decisionmaking. The federal government should approach with great caution labor legislation which either undermines local representative government or which is beyond the tolerance of local taxing authorities. The fast pace of change in our society demands that national attention be given to such areas as preschool education, career education, consumerism, student discipline and related problems.

With the proper federal involvement we are optimistic that public education over the next four years will make rewarding strides forward.

THURGOOD MARSHALL: A LEADER IN THE FIGHT FOR JUSTICE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1976

Mr. RANGEL. Mr. Speaker, I am honored to bring to the attention of my colleagues the birthday, on July 2, of one of America's foremost black personages, Supreme Court Justice Thurgood Marshall. In an era when many minority advances have been obtained via the judicial branch, Marshall has been among the premiere spokesman for civil rights. Long before men like Martin Luther King came into the public spotlight, Marshall was arguing cases before the Supreme Court which opened the way for the massive changes of the 1950's and 1960's.

His career as an advocate in court reached its zenith with the 1954 Brown against Board of Education case in which the "separate but equal" doctrine was finally overturned. Since the historic decision, Marshall has risen to be Solicitor General of the United States under President Johnson, and in 1967, to the U.S. Supreme Court, becoming its first black member in our history.

It is valuable in honoring this man, to look back to all that his efforts have accomplished and, at the same time, to look forward to the future in hopes of realizing yet more of the civil liberties to which Justice Marshall has dedicated a lifetime. It is the only way for us to go as we enter our third century as a nation.

THE UNITED STATES AND ZAIRE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. BONKER. Mr. Speaker, it is fashionable these days for Congressmen to call for being "consulted" by the administration on matters of foreign policy rather than simply being "informed." Yet even consultation may not be adequate. After all, it does not necessarily assure Congressmen enough objective information—and analysis—that their decisions can be entirely informed and independent.

Let me cite the all too typical example of our consideration in the House International Relations Committee, several months ago, of the administration's fiscal year 1976 request for FMS credit to Zaire. This particular request happened to be a sudden and severalfold increase over last year's level. In the context of Angola, this naturally raised eyebrows. Yet the administration's official justification of it—submitted last November as part of the congressional presentation documents—amounted only to a superficial two paragraphs to the effect that the program for Zaire was necessary because it was necessary. There was no mention of widespread reports that some of our money might be finding its way, however indirectly, into the service of the FNLA, with whom President Mobutu of Zaire had by tradition, and especially of late, a close relationship.

In any case, one would have thought the administration had the burden of proof to justify aid to Zaire on its own merits. After all, President Mobutu is a notorious spendthrift, an autocrat, and not least an undependable friend. He would not seem to be promoting our Nation's highest ideals of freedom and dignity. Yet at the same time that President Ford was denying Federal aid to New York City, he was recommending a bailout of a much more insolvent, irresponsible, and unstrategic Zaire. I wrote to Secretary Kissinger for a more elaborate justification than we had yet received. Only after a month did I get a reply signed by the Assistant Secretary for Congressional Relations—and I am given to understand actually prepared entirely at the desk level. It was not very detailed, and it shed little more light.

My point is not that we should not be supporting President Mobutu, but that Congress simply did not have the information and balanced judgments to make an educated decision about it.

To see better what is involved by way of this example, I think it is worth going into some detail.

There may be legitimate reasons for supporting President Mobutu's regime. As distasteful as some of us may find it, and others that our Government is subsidizing, the fact is that for good or ill the United States has over the years become entangled in a web of relationships. A precipitous renunciation of these might just cause chaos. Even liberals can agree that Zaire is relatively better off now than was the Congo on its immediate post-independence period. Nevertheless, the market economy has disintegrated since the Belgian days, copper prices have plummeted, inflation runs annually at over 30 percent, and the Government swings from one eccentric economic policy to another.

Regrettably, President Mobutu has systematically ridden the military, from which leadership tends to be drawn, of anyone with vision of a sense of social justice who might challenge him. Though one would not want our country to be seen endorsing that, and might prefer neutrality, a sudden withdrawal of aid would be interpreted as a very negative action and lose whatever good comes of our relationship without a guarantee of anything better. Zaire could be plunged into chaos, provoking outside interventions and yet another Angolanization. Rebels, after all, are said to be operating in the eastern regions, and possibly in Kisangani province; Congo-Brazzaville is said to be receiving stepped-up Soviet supplies; the MPLA is alleged to be itching to subvert Mobutu, and leftover Kataganese secessionists to help.

Maybe these are legitimate threats and justifications for our program of arms sales—and maybe not. But I have consulted distinguished experts outside the Government, and they are not so sure. It is not clear, for example, how strong the rebels are, or frankly whether they are to be feared as much as Mobutu; whether the MPLA or Congo-Brazzaville is any more threatening to Zaire than Zaire is to them; whether more arms would sooner promote a balance of power or an arms race in the region, a question that is of course classic in these cases; whether Mobutu would not simply use our weapons for more internal repressions or military adventurism—such as an invasion of oil-rich Cabinda he has been said for some time to be fantasizing—whether our transaction would somehow end up only lining pockets; and whether, above all, our arms are not meant as replenishment for Zaire's own aid already transferred or "loaned" or otherwise used on Angola. These questions are still all up in the air, and yet Zaire is but one obscure entry in the total program for security assistance.

Mr. Speaker, I want to call attention to an article from this morning's Washington Post that, frankly, has offered me substantially more information and perspective on Zaire than anything I have received from the administration.

The article follows:

U.S. PROPS UP A BELEAGUERED MOBUTU

(By Jonathan C. Randal)

KINSHASA.—One winter morning a European resident of Kinshasa awoke to find his Zairean cook jumping up and down with joy.

"The president is through—there's been a coup d'etat," the servant exulted, "Finally we will have enough to eat."

The servant proved wrong. The shots he heard and took for a revolution in fact were fired by troops searching for common criminals who had escaped from a Kinshasa prison.

But his reaction within the privacy of his employer's house—and the average citizen's indifference in public—typified a mood.

More than 10 years after he seized power—much to the relief of his fellow-citizens, who were sickened by the former Belgian Congo's first years of almost-constant civil war—President Mobutu Sese Seko is an increasingly lonely and discredited figure.

His strongest card is his lingering reputation as the man who ended the chaos of those early years of independence.

A common attitude is that summed up by a disenchanted, if resigned, taxi driver who said: "We might as well keep him because the next man almost certainly won't be any better."

That, too, seems a view shared by the Ford administration, which appears to shore up an old ally who recently returned to the fold after disastrous radical economic measures apparently inspired by official trips to North Korea and China.

Mobutu's failing popularity is a function of the normal attrition of power coupled with a major political and military setback—his disastrous intervention in Angola—and the economic mess born of neglect, falling copper prices and wasteful prestige expenditures.

In a speech in May, Mobutu went a long way toward confessing to the country's gradual, but unmistakable decline since independence in 1960.

"Let's make an effort to get away from the mentality that we used to have during the colonial period," he exhorted his fellow-citizens. "We are an independent people. Forget about the golden days that you used to have during the Belgian presence here."

Zaireans cannot be blamed for indulging in nostalgic selective memory. Once the most prosperous colony in black Africa, the country has now gone back to subsistence economy in many regions.

Mobutu completed the effect of natural neglect by forcing out the Greek, Portuguese and Pakistani traders who kept the bush marketing and distribution system functioning.

Farmers no longer can get their produce to market over washed-out roads and are no longer able to buy textiles, kerosene, and other staples. Farmers have either stopped planting for want of incentives or have taken to smuggling their produce abroad. Coffee, tea, gold and diamonds are among Zaire's riches that now show up as exports for neighboring countries.

The telephone service in Kinshasa has become so precarious that the government's inner circle communicates with each other by walkie-talkie, the ultimate status symbol. Private firms' shortwave radios have replaced the telephone, telegram and telex as the only sure communication systems in a country as large as the United States east of the Mississippi.

Mobutu has taken to blaming others for his troubles. The civil service has undoubtedly undergone a steady erosion. "In what other country in the world have you seen the whole population in business," he complained. "Some work for the government and still run a shop and don't pay taxes."

"Everybody is saying prices have gone up. What is Mobutu doing? The roads are in bad shape. What's Mobutu doing? Not enough buses in town? Don't look at Mobutu because Mobutu is working 24 hours a day," he said.

So difficult has it become for average Zaireans to make ends meet—inflation is running well over 30 per cent annually and Mobutu himself admits that 90 per cent of imported goods never get outside the capital—that they are no longer satisfied with confessions, catalogues of shortcomings and exhortations promising instant change.

"Everyone wants to buy a Mercedes overnight," he lamented.

"If you want to steal, steal a little in a nice way," he instructed his listeners. "But if you steal too much to become rich overnight, you'll soon be caught."

Mobutu, known as "the President-founder" of the country's only political party, or more simply as "The Guide," has yet to include these quotations in his Mao-like thoughts published in the government-controlled press.

But there is an acute awareness in Zaire that Mobutu has surrounded himself with men from northwestern Equator Province who are involved in many of the juiciest, if questionable, government-run offices and projects.

South African goods—especially foodstuffs—are regularly flown in aboard airplanes belonging to a Zaire state trading company. No Zaire official seems embarrassed by such overt trading with a country Zaire criticizes for its apartheid policy or by the fact that identical fruit and vegetables not so many years ago were available in ample supply from the Zaire's own Kivu area.

Diplomats are convinced that South Africa purposely offers Zaire cheap credit and advantageous exchange rates—no small asset for a recently devalued currency.

With the Benguela Railroad across Angola still out of order and the Mozambique line cut, Zaire now ships much of its copper exports through Rhodesia to South African ports.

Mobutu often complains about his fate, but he has no intention of quitting. "I've been in the front lines for 16 years and that's where I enjoy being," he confided in a recent interview.

Now that the United States shows signs of helping him out, he seems in better spirits, especially since Zaire's massive government and government-guaranteed foreign debt was recently rolled over by Western creditor nations.

The United States seems determined to place its faith in Mobutu's 55,000-man army, just as it did in the last decade. That army proved unable to end the rebellion in the 1960s without help from white mercenaries and Belgain paratroopers transported in U.S. Air Force planes.

And in the Angola showdown the Zaire army abandoned massive amounts of arms, ammunition and other material in its headlong flight from the battlefield.

The apparent U.S. government calculation is that a contented army will help keep Mobutu in power until Zaire experiences better days.

THE RIGHT-TO-FOOD RESOLUTION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. DRINAN. Mr. Speaker, last week the Subcommittee on International Resources, Food and Energy held 3 days of hearings on House Concurrent Resolution 393, the right to food resolution. Because of the extreme importance of these hearings, I would like to share with my colleagues a joint press release by Dr. Eugene Carson Blake, president of Bread for the World, Bishop James S. Rausch, General Secretary of the National Conference of Catholic Bishops and the U.S. Catholic Conference, and Rabbi Marc Tannenbaum, National Director of Interreligious Affairs, American Jewish Committee. In addition, I am submitting the testimony I gave on June 24:

TESTIMONY OF CONGRESSMAN ROBERT F. DRINAN, BEFORE THE SUBCOMMITTEE ON INTERNATIONAL RESOURCES, FOOD AND ENERGY, HOUSE INTERNATIONAL RELATIONS COMMITTEE

Mr. Chairman, Thank you for giving me this opportunity to testify before the Subcommittee on International Resources, Food and Energy in support of House Concurrent Resolution 393, the Right to Food Resolution. As a member of Congress, a co-sponsor of H. Con. Res. 393, and a member of the Board of Directors of Bread for the World, I have a deep and growing concern over the prospects of adequately coping with the world hunger situation during the remainder of this century.

The Right to Food Resolution constitutes a foundation for a national policy recognizing the right of all persons to food and a nutritionally adequate diet. This resolution is an expression of Congress' concern over the deplorable conditions existing in this country and throughout the world with respect to hunger and starvation. Most importantly, this resolution is a sincere and realistic effort to promote the expansion of the United States' contribution to coping with world hunger.

The Department of Agriculture and various organizations have opposed this resolution on the grounds that it is irresponsible and threatens our own economic well-being. A look at the available statistics on hunger and starvation, however, belies that contention.

Last year, the United Nations Food and Agriculture Organization estimated that 15,000 people die of malnutrition daily; over 460 million people alive today have permanent physical impairments directly attributable to malnutrition. These shocking figures are an unfortunate commentary on this country's inadequate efforts to alleviate hunger and malnutrition throughout the world.

In recent years, we have been adversely affected by numerous factors contributing to world hunger. World food production and food reserves have been diminished by adverse weather conditions in many nations, especially in those poorer nations which cannot bear the increased burden of poor harvests and depleted reserves.

To further compound environmental problems, population growth in the poorer nations continues to mount at uncontrollable rates. A circular pattern is created as families bear more children in an attempt to counteract the debilitating effects of malnutrition on their ability to produce food, namely, high rates of infant mortality and death during the early years of adulthood. These additional family members, of course, must be nourished by additional food.

In light of these circumstances, we need desperately to begin formulating broad, long-term plans for solving the problem of world hunger and starvation. What we have failed to confront in the past, and what we continue to overlook, is the extreme sense of urgency with which these problems must be attacked. The most outstanding example of this lack of responsiveness is the current status of action resulting from the 1974 World Food Conference resolution. That resolution promised the development of a well-coordinated program for organizing a world food reserve system. But to this date, efforts to establish the "Global Information and Early Warning System" have been virtually nonexistent.

It is not that the United States lacks the technology or the resources needed to accomplish great things in the area of world hunger. Quite frankly, all we lack is the courage and the willingness to sacrifice. We are faced with a situation which demands the transcendence of political and military objectives; a situation which demands that we place humanitarian concerns above all else. Unless we act, millions will continue to starve. That fact should inspire us to make the type of long-term commitment embodied in H. Con. Res. 393. We should be courageous enough to act swiftly upon that commitment.

I can think of no other nation as capable of rising to such a challenge. The United States, as the wealthiest nation in the world and its greatest food producer, has a moral responsibility to do all that we can to stop starvation. It is unconscionable that in 1975 we gave less than one-quarter of 1% of our Gross National Product in total foreign assistance. The time has come for a vast reordering of our priorities to reflect our awareness of the suffering of untold millions of human beings throughout the world and our determination to alleviate that suffering.

The Right to Food Resolution before the Subcommittee is merely an expression of opinion by the Congress; its enactment will not in itself prevent a simple person from starving. Yet as an indication of our resolve and determination to confront this universal problem, it is an important first step. I urge the Subcommittee to act favorably and promptly upon H. Con. Res. 393.

JOINT STATEMENT

(By Dr. Eugene Carson Blake, President of Bread for the World and Former General Secretary of the World Council of Churches; Bishop James S. Rausch, General Secretary of the National Conference of Catholic Bishops and the U.S. Catholic Conference; represented by Fr. J. Bryan Hehir, Associate Secretary, Office of International Justice and Peace, U.S. Catholic Conference; Rabbi Marc Tannenbaum, National Director of Interreligious Affairs, American Jewish Committee)

We are here for two purposes: (1) to express alarm at official foot-dragging by the Administration on the crucial issue of world hunger; and (2) to appeal to the Congress for passage of a resolution, now being considered in public hearings, that would acknowledge the right of every person to a nutritionally adequate diet.

We do not for a moment overlook the responsibility that other nations have regarding world hunger. At the same time we recognize that the United States is in a uniquely favorable position to help mobilize a truly global effort against hunger.

Last week in Rome, at a meeting of the World Food Council, it was reported that unless nations make much more comprehensive common efforts, the world is headed for a global food disaster by 1985. The World Food Council has called attention to the fact that food and fertilizer aid to the poorest countries has lagged behind goals, that the world has yet to agree on a global system of food reserves, and that food production in the developing countries is increasing more slowly than it did during the 1960's.

In the light of this and similar assessments we are dismayed that spokesmen for the Department of Agriculture have argued against the right-to-food resolution on the grounds that "current efforts directed at fighting hunger and malnutrition are sufficient at this time." The Administration's position not only ignores reality, but it contradicts its own position presented at the 1974 World Food Conference by Secretary of State Kissinger, when he said, "We regard our good fortune and strength in the field of food as a global trust. . . . The United States will make every effort to match its capacity to the magnitude of the challenge."

We are doing no such thing.

It is disheartening, therefore, that even the State Department, through Assistant Secretary McClosky, has filed with Congress a statement that says, "the Executive Branch questions both the desirability and the feasibility of establishing a world-wide right-to-food as a cornerstone of U.S. policy."

The right-to-food resolution is not asking for a chicken in every pot or a dessert on every table. It asks only for enough to live on—a nutritionally adequate diet—for everyone. And it asks that this right become a fundamental point of reference in the formation of U.S. policy. Nothing less will do.

The resolution is not a proposal for massive food handouts. Rather it recognizes the responsibility we have, in cooperation with other nations, of enabling hungry people to produce more food and to work their way out of hunger.

We stand with our colleagues, including the leaders of virtually every major religious denomination, who recently appealed to Congress to support the right-to-food resolution. They said, "Substantial gains against hunger will not be quick or easy or cheap. But they are not beyond reach. They will require exceptional efforts on the part of rich and poor nations alike. And they will exact some sacrifice from all of us. The alternative, however, is a broken world that we do not want our children to inherit."

The right of people to a nutritionally adequate diet is not ours to give or take away. It derives from the right to life itself. The Declaration of Independence identifies the right to life as an unalienable human right coming from God, who has created all persons as equals. Without the food to sustain life, that right is made meaningless.

In the Bible we read the admonition: You shalt not stand idly by while the blood of your brothers cries out to you from the earth. The fact that literally millions of our brothers and sisters are suffering from hunger in quiet obscurity and dying too soon cries out to us. To turn a deaf ear is not only to abondon them. It is also to let our moral sensibilities become callous and to encourage a process of dehumanization that destroys the bedrock of civilization.

We intend to ask the House Subcommittee on International Resources, Food and Energy to recommend this resolution for quick and favorable action.

PETITION OF THE PEOPLE OF THE MARSHALL ISLANDS TO THE 43D SESSION OF THE UNITED NATIONS TRUSTEESHIP COUNCIL

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mrs. MINK. Mr. Speaker, I wish to speak about a matter of concern to me. That is the manner in which the United

States will bring to a conclusion its obligations as trustee for the peoples of the Marshall and Caroline Islands.

Over the past several years I have repeatedly voiced my belief that attention to self-determination should be the basic principle underlying the formulation of American policy. It was for that reason I supported the efforts of America's chief negotiator, Ambassador F. Haydn Williams, Personal Representative of the President to Micronesian Status Negotiations to find a solution to the Mariana Islands Separatist Movement's proposals to separate the Northern Mariana Islands from the remainder of the island groups of the Trust Territory of the Pacific Islands. That solution turned out to be the creation of the Commonwealth of the Northern Mariana Islands as an unincorporated territory of the United States. I gave my support to approval by the House of Representatives of the covenant with the people of the Northern Marianas because that covenant clearly had their wholehearted support.

It now seems to me that the United States must be prepared to deal fairly and equitably with similar separatist movements in other island groups of the trust territory. The statement on June 30, 1976, by Tony A. deBrum to the United Nations Trusteeship Council on behalf of the people of the Marshall Islands, which I submit for the record, is the latest in a long series of developments in the Marshall Islands and elsewhere in the trust territory which cause concern. The announced U.S. policy for dealing with the remaining island groups, apart from the Marianas, is to support the creation of a "unified Micronesia," to be freely associated with the United States, with internal self-government while its defense and foreign affairs are handled by the United States. The United States would expect to continue to use this new state for American military purposes.

Quite frankly, I must say that expressions such as that of the people of the Marshall Islands, made at the United Nations yesterday, cause me to believe the Congress should examine with care the ongoing progress of negotiations with the people of the remaining islands of the trust territory. We already know, for example, that the existence of separatist movements among them is not confined to the Marianas and the Marshalls. In fact, representatives of Palau have appeared at the United Nations also to seek separation of their islands from the trust territory and separate negotiations with the United States regarding their future political status.

When I supported the Northern Marianas covenant last year, some of my constituents questioned my position. They expressed their fears that the Northern Marianas covenant was not in the best interests of the people of those islands and that the United States had sought to carve out the Marianas from the trust territory as part of a "divide and rule" strategy. My own support for the Marianas Covenant was based on my firm commitment to the principle of self-determination as the basis of any American policy.

The Marshall Islands Political Status Commission which petitioned the United Nations was authorized to seek separate negotiations with the United States, leading to separation for the Marshalls and ultimate independence for the Marshalls, by adoption by the Nitijela, the Marshall Islands legislature, of a resolution authorizing that step. The Nitijela adopted that resolution by a vote of 15 to 4, with 5 abstaining, on April 6, 1976. Since that time two of the four Nitijela members who voted against the resolution have signed petitions supporting it. Based on the April 6, 1976, Nitijela resolution and a long series of expressions of popular will which preceded it in the Marshalls, there is every reason to believe the Marshalls movement toward separation and independence is just as broadly based as was the separatist movement in the Marianas several years ago.

The people of the Marshalls have been good friends of the United States since World War II. Because many of their young people go on to college in my State of Hawaii, I have come to know many of them well. And I have previously visited the Marshalls and met with them in their own islands to learn of their particular problems.

They have borne the brunt of American strategic use of the trust territory. They have been caused at least some hardship by our use of their lands and waters. But from my close acquaintance with them over many years, I see no basis to believe they will not remain close friends with us or that they would not continue to make their lands and waters available for our strategic needs, assuming payment of fair compensation by our Government to them, even if they should become an independent nation, with full sovereignty over their lands and waters.

I am informed that Ambassador Williams intends to conclude negotiation of a Draft Compact of Free Association, based on the assumption the people of the island groups of the trust territory will adopt the proposed federated states of Micronesia constitution prepared at Saipan last year, with the expectation the Draft Compact of Free Association will be submitted to the congress of Micronesia at its special session at Ponape, commencing July 19, the further expectation the congress of Micronesia will approve the draft compact and submit it to the voters of the trust territory in November 1976.

I must express my concern about what seems to me unreasonable haste in concluding these negotiations. I understand there is not full representation of the Marshalls on the new commission on future status and transition. Furthermore, we see all of this taking place amid the outright opposition of the commissions on future political status of both the Marshalls and Palau being expressed at the United Nations this week.

Under the terms of the Draft Compact of Free Association, the lands of strategic importance appear to be the Marshalls and Palau, and not the central Carolines, whose leaders are the primary supporters of the Draft Compact of Free Association. Thus the course Ambassador Williams and his staff are pursuing gives every appearance of an attempt to impose a new political order on the very people whose long-term support of such arrangements may be most important to the United States from a strategic point of view.

It seems only logical to me that if it is the lands and waters of the Marshalls and Palau which are most important to the United States for strategic or military use, we should take the greatest care in seeing that our proposals have the support of the peoples of those island groups and their leaders. The simultaneous appearance of both groups at the United Nations to protest the present course of action causes me to doubt whether we are paying sufficient attention to securing support of the peoples of the Marshalls or Palau for the proposals we make. I must also say I have grave reservations regarding that provision of the Draft Compact of Free Association under which the peoples of the Marshalls and Palau could find themselves bound by its terms even though a majority of them might vote against it in a plebiscite.

I believe the prudent course of action for the United States at this point would be to hold meetings with the political status commissions of the Marshalls and Palau and work with them toward resolution of their concerns.

CONCERNED SENIOR CITIZENS

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. GREEN. Mr. Speaker, last week I invited the Members of the Pennsylvania Delegation to meet with a group of leaders from senior citizen organizations in our State. At that meeting we began what I hope will be a continuing dialogue on the needs and concerns of older Americans in our home State.

Participating in the meeting were Mr. Charles B. Killinger, chairman of Senior Citizen Advocate, president of the Erie County Senior Citizens Council, Inc., and treasurer of the Governor's Western Region Advisory Council to the Governor; Mr. Charles Carter, chairman of the Governor's Central Region Advisory Council to the Governor; Mr. Steve Wiszanski, former United Steel Workers organizer, and a member of the board of directors, P.A.O.P., Mrs. Annie Nixon, a social worker from Pittsburgh, and Mr. Michael Tyson, president of Action Alliance.

This group of concerned senior citizens provided us with a great deal of information on how Federal programs impact on older Americans in the areas of health care, rural transportation, income security, housing, and the title XX "means test." They expressed to us a need for change in many of the policies of the Federal Government.

Mr. Speaker, it is a terrible thing that many of our Nation's elderly are without hope, isolated, and helpless. We can and must change our Federal laws like those requiring a "means test" or requiring the loss of a substantial portion of SSI benefits if an elderly person moves in with younger relatives, or requiring the reduction in social security benefits when a senior citizen gets a job.

Mr. Speaker, I am inserting into the Record at this point Mr. Killinger's opening statement, as well as some of the most important resolutions adopted at the 1976 Pennsylvania Conference on Aging, held on April 4–7 at Hershey, Pa. I urge my colleagues to look closely at this material, and I look forward to receiving their comments on the concerns voiced in these resolutions:

Statement of the Resolutions Committee Representing the Pennsylvania Conference on Aging

(By Charles B. Killinger, Chairman)

Today, we present to you the concerns, desires, beliefs and, even, the anger of the older citizens of the Commonwealth of Pennsylvania on Agenda for Older Pennsylvanians. The resolutions which you have received represent the considered thoughts and deliberations of over two thousand leaders of the senior citizens movement in Pennsylvania in regional and state-wide Conferences on Aging over the past two years.

We were elected by the delegates of the 1976 Pennsylvania Conference on Aging to bring these demands to you for action and for re-action.

These thirty-nine resolutions cover almost every aspect of private and governmental response to the needs and rights of older citizens of our state. They are not perfect. They do not have the precision of the reports in the *Congressional Record*. We do not have the vast staff of the General Assembly or the U. S. Congress. But, for all of that, we know what we want. Our perception of our need is true. Our desire for response is strong. Our commitment to action, political action, to have these resolutions translated into law is deep and we will express that commitment through our votes and our continued presence in the halls of the Congress.

We would hope to see the following response from you on all of the resolutions, but especially those priority items which we will discuss today.

1. Your attention.
2. Your written comments on these resolutions to the Chairman of this Committee.
3. Your assistance in developing hearings of the appropriate committees of the Congress on our priorities.
4. Your sponsorship of appropriate legislation to accomplish our resolutions.
5. Your assistance in developing data related to our resolutions such as a breakdown of rural and urban Federal Mass Transit Assistance Funds as they affect the elderly.
6. A continuing relationship as we attempt to implement this agenda for Older Pennsylvanians.

Today, we wish to emphasize the following topics: Health care; income; transportation; title XX and the "means test"; housing.

We wish to also emphasize that we represent every region of the Commonwealth and both rural and urban areas. We are concerned with the special needs of our rural communities and the rural senior citizens who get so little assistance in housing, transportation, employment and health services.

Ladies and Gentlemen, for us this session is an experiment. It should have happened twenty years ago. We want to see how we can best work with our delegation in the Congress to meet our needs. We want your help. But the important thing is that we are here and we will be reporting back to our groups and associates on what happens here today and in the near future.

HEALTH

Whereas, the provision of health care and health maintenance services for older persons at a reasonable cost is a requirement of any just society;

Whereas, while Medicare and Medicaid have provided some critical health care resources for older persons, there are still enormous gaps in the health services available for average older persons and these gaps include a long-term care system in Pennsylvania, prescription drugs, podiatry services, eyeglasses, dental work, home-health care services, and many others;

Whereas, there is a problem of older people getting to medical facilities because of health reasons or lack of transportation;

Whereas, a variety of investigations have shown that many health care institutions for the elderly such as Kane Hospital in Allegheny County are not providing first-class health care;

Therefore, be it resolved that:

1. Congress enact National Health Insurance for the aged and disabled at this session of Congress.
2. The Conference endorses the Governor's Comprehensive Health Care Bill (SB10/HB583) especially in the proposed establishment of primary health care centers to initiate home-care services for the elderly. The State Department of Health should adopt aging as a high priority service area under this legislation.
3. A separate qualified representative of the aged and a separate qualified representative of the disadvantaged be mandatory on all local and regional health advisory councils and boards.
4. Medical Assistance benefits in Pennsylvania be extended to open eligibility to all senior citizens in Pennsylvania based on age rather than a means test.
5. Medicare be amended to provide for such coverage as prescription drugs, podiatry care, eyeglasses, and dental and denture services, at a reduced rate or at cost.
6. Senior citizens and disabled persons be entitled to low-cost drug programs and that the Pennsylvania Legislature enact HB 473 which amends PL 63, Section 490–5, to permit pharmacists to substitute generic equivalents for brand-name drugs.
7. The Pennsylvania Department of Health, in cooperation with the Area Agencies on Aging and Multi-Service and Neighborhood Senior Centers, expand multiple health screening and early disease detection programs to insure that such services are available to all senior citizens.
8. Rural areas in the 67 counties be provided with mobile health care units so that primary health care is available to all.
9. The state provide technical assistance and expanded staff support to enable rural counties to implement integrated health services supported by multiple funding streams.
10. Legislation be passed at the state and Federal levels to require that patients under Medicare or Medicaid benefit from a utilization review which will require a plan for the patient to receive community or out-patient services after discharge from the hospital.
11. The state government upgrade its efforts to assure quality of care in such institutions as Kane Hospital.
12. The state government assure that overcrowding, inadequate staffing, inadequate supplies, inadequate staff salaries, and political favoritism in health institutions for the elderly be rooted out.
13. Congress enact legislation mandating that the Medicaid program provide reasonable payment to long-term, intermediate and residential care facilities.

TRANSPORTATION

Whereas, the transportation needs of the elderly are acute throughout the Commonwealth, especially in non-urban and rural areas;

Whereas, while the Pennsylvania Free Transit program is useful, it is restricted in terms of hours, routing, and location;

Whereas, mass transit planning financed under the Federal Urban Mass Transit Act and administered by PennDOT has historically neglected the special needs of the elderly and the handicapped;

Whereas, the Commonwealth recently suspended its Rural Transportation Program in the face of the needs of the elderly;

Therefore, be it resolved that:

1. The needs of the elderly should become a high priority in planning mass transit by PennDOT, the U.S. Department of Transportation, and local transportation authorities.
2. The local routing of buses should be reviewed to assure that the special transportation needs of the elderly for shopping, health care, visiting, churchgoing, and other activities be accommodated on a par with general work trips and general shopping patterns.
3. The Rural Transportation Program of the Department of Agriculture should be immediately reinstated and expanded to all rural and other communities not having adequate transit services.
4. The state immediately initiate a program of contracts with transportation agencies to assure quick action in emergency situations.
5. The Commonwealth promote and encourage more coordination and/or integration of various public and social service transportation agencies and develop a statewide transportation program for the general public by utilizing the resources of such social service programs.
6. The present law allocating lottery funds for public senior citizen transportation be amended to provide for allocations to rural areas not now serviced by fixed route transit systems.

INCOME

Whereas, despite some improvement over the old system of Old Age Assistance, the current federal and state payment levels for Supplemental Security Income are inadequate;

Whereas, the low payment levels for SSI in this state do not foster independent living and dignity;

Whereas, the current limitations of $2,640 in earnings under the Social Security Act inhibits the ability of older citizens to seek employment opportunities and thus utilize their talents and energies;

Whereas, Federal food stamp regulations and limitations unduly restrict elderly persons from participating in that program;

Therefore, be it resolved that:

1. The Pennsylvania supplement to the Supplemental Security Income payments be sufficiently increased to provide for a decent and independent lifestyle for recipients and that such SSI increase be made effective July 1, 1976.
2. The Federal SSI payment level be increased to at least the poverty income level as established by the Federal government.
3. The cash assets limit of $1,500 for SSI be increased to reflect price increases since 1972 when Title XVI was enacted.
4. The value limitations on residential property allowable under Title XVI be removed.
5. Federal regulations be amended to permit Medicaid and SSI to persons aged 60 to 65 in mental institutions.
6. Increases in SSA payment levels should not negatively impact SSI beneficiaries' eligibility for other income maintenance or social service programs and that existing eligibility levels be increased for food stamps.
7. The earnings exemptions for retired or disabled Social Security beneficiaries be increased to $4,000 and that the Office for the Aging and the Governor support Federal legislation mandating such an increase.
8. Earnings from public-service employment should be qualified as stipends rather than income for Social Security purposes.
9. President Ford's proposals to increase the rate of Social Security payroll taxes, to phase out Social Security benefits for surviving or dependent children age 18 to 21 who are attending school, and to change the present earnings exclusion from $2,760 to $230 monthly, be opposed.
10. Social Security benefits be proportion-

ately higher for persons with coverage extending more than ten years.

11. Social Security Trust funds not be viewed as the sole financing system for Social Security benefits.

HOUSING

Whereas, housing for the elderly should be recognized as a living arrangement involving the total needs of the occupant and goes far beyond the bricks and mortar of construction;

Whereas, the housing needs of older persons have not been adequately addressed by the Federal and state governments;

Whereas, senior citizens should be assisted to remain in their own homes where possible;

Whereas, the present system of supporting education principally by local property taxes puts an undue and unfair burden on the 70% of the state's elderly who own their own homes;

Whereas, it is essential that the consumers of housing for the elderly be involved with all aspects of the planning, construction, and management of such housing;

Therefore, be it resolved that:

1. Housing for the elderly be made a major priority at the Federal, state, and local government levels.

2. A specialized unit for elderly housing be created in the Department of Community Affairs and that this unit maintain a regularized liaison with the Office for the Aging in all aspects of its operations.

3. The Governor's Office maintain a public information service on housing programs and opportunities throughout the state and that Area Agencies on Aging be provided with sufficient training to allow for the provision of housing assistance and public information campaigns at the local level.

4. The Governor and the General Assembly support the continued operation of the Pennsylvania Housing Finance Agency, together with a greater concentration on housing for lower income elderly.

5. The Pennsylvania Legislature enact rent control legislation.

6. The State government encourage and support the creation and activities of more non-profit and church-related housing development organizations and such groups should make rehabilitation of existing housing for the elderly a high priority.

7. Attention be given to small neighborhoods, housing complexes, or pilot projects which involve the rehabilitation of existing units that are available in desirable neighborhoods.

8. Congress support the construction of additional single and multiple low-cost housing units, particularly under Section 202 and Section 8 and rural rehabilitation programs administered under the Farmers Home Administration.

9. Minority elderly be given preferential treatment as eligible tenants and in the administration of Section 8 Housing Subsidies and that any political consideration in the selection of tenants for public or subsidized housing be abolished together with unrealistic income limits.

10. In order to fully implement Farmers Home Administration programs, additional FHA field offices be opened and sufficient funding provided to insure full program implementation and ready access to the rural population. It is suggested that an agreement be drawn up with CETA to enable sufficient manpower in local field offices.

11. The sliding scale of interest rates on Farmers Home Administration loans be extended to incorporate a graduated interest rate scale on loans to persons with incomes between $7,000 and $12,000 annually.

12. Alternate housing arrangements for the elderly be explored, including the use of under-utilized college dormitories.

13. All housing for the elderly include sufficient social services, community activities space, transportation resources, and adequate protection against crime.

14. Local housing authorities maintain a certain proportion of existing units to house emergency cases placed by local service agencies.

15. In order to insure fire safety for the residents of government funded housing projects, regulations be issued limiting the height of senior citizens housing to the proportions of fire-fighting equipment.

MEANS TEST—TITLE XX

Whereas, social services under Title XX should be provided to all older persons;

Whereas, it is wrong to segregate older persons in terms of income;

Whereas, the social services needed by older persons are related to social needs more than economic levels;

Whereas, social services funded under Title XX should be provided with dignity, with no red tape, in coordination with Older Americans Act activities and in an efficient manner;

Therefore, be it resolved that:

1. The means test for senior center services, including transportation and related services be abolished and that support be given to the Green Bill, HR 11385, which abolishes the means test for older persons receiving senior center and related services.

2. Any forms used by the Commonwealth of Pennsylvania in administering Title XX and other senior services be uniform and simplified. The Pennsylvania Department of Public Welfare adopt as the application form the draft revision of PW 654 as made part of this resolution and that this revised form remain in the possession of the provider agency subject to a Federal audit.

3. Some provision be made to include persons 55-59 who were served by other Federal and state service funds in the recent past but who, due to age, do not qualify for the 80% of the median income eligibility level established for Title XX services to older persons.

4. Older persons politically support these objectives with their representatives in the Congress and in the General Assembly.

5. The Conference's positions against the means test be presented and adopted as part of the party platforms of both the Republican and Democratic Parties.

SENIOR POWER AND ADVOCACY

Whereas, the best advocates for senior citizens are older persons themselves;

Whereas, enough studies have been made and duplicated describing and documenting the needs of the elderly;

Whereas, senior power and advocacy by and in behalf of the elderly is a part of the political process of the communities, the Commonwealth, and the Nation;

Whereas, the advocacy by and in behalf of the elderly must be an informed advocacy utilizing data, information, and inspiration on such complex subjects as housing, taxes, health care, etc.

Therefore, be it resolved that:

1. Older citizens commit themselves to a program of Senior Power activities including individual actions such as letter writing and individual contact with agencies and political leaders.

2. Any program of advocacy include a political element and involve specific goals of voter registration and political follow-through.

3. Older persons coordinate their individual actions and community level actions and join in demonstrations of support of legislation at the city, county, and state levels.

4. Such advocacy and initiatives of Senior Power include precise data and background on the bills and actions supported by older persons and be pursued as an essential part of the efforts of other groups and communities to deal with inequalities and injustices affecting the citizens of this state.

DISTRIBUTION OF RESOLUTIONS

Be it resolved that:

1. Copies of all resolutions be sent to the Governor and to the proper legislative committees, both on the State and Federal levels, and that copies also be made available to all local officials and governing bodies on request.

2. Every year before the conference begins, as the first order of business, that the resolutions that were adopted at the prior year's conference be read and reported to the body-at-large, so that they would know what has happened to the resolutions that were adopted and proposed.

WHERE THE JOBS ARE NOT—AND WHY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. CONABLE. Mr. Speaker, in light of the continuing controversy over the Humphrey-Hawkins bill, I would like to draw the attention of my colleagues to the recent experience of my State of New York in losing jobs—and why.

The president of the Chamber of Commerce of the United States, Richard L. Lesher, has applied the "logic" of the Humphrey-Hawkins bill to the situation in New York State and come up with a devastating picture of what is likely to happen if this legislation receives approval.

I commend this article to the attention of my colleagues and insert Dick Lesher's remarks into the RECORD at this point:

WHERE THE JOBS AREN'T—AND WHY

WASHINGTON.—Over the last two years, New York State lost more private sector jobs than the other 49 states together, according to a recent Teamsters Union survey.

If we apply to this situation the logic of the Humphrey-Hawkins bill—which would "cure" the national unemployment problem by providing government jobs—then the solution to New York's problem seems obvious: Let the state hire the jobless.

But wait a minute. New York already has the highest percentage of state and local government employees in the nation: 62 per 1,000 population, versus the national average of 54 per 1,000.

These public employees, who in many categories are the highest paid in the country, are costly to support. Also costly are the multitude of expensive "free" services they administer.

Consequently, the combination of state and local taxes in New York is higher, per capita, than any other state's. And New York State taxes high incomes more heavily than any other state.

For these and other reasons, businesses have been leaving New York at an accelerating rate. With them, of course, go the jobs. A study by an international plant-location consulting firm, the Fantus Company, quoted in the Amherst (N.Y.) Bee rates New York State as having the worst business climate in the U.S.

What accounts for this distinction, aside from the crushing taxes? Two New York scholars who looked into the problem—Bernard Lee Weinstein and George Keller—concluded that it is "a new attitude that many New Yorkers, particularly some highly educated, affluent ones in New York City, have developed over several generations of prosperity. . . . It's a post-industrial attitude, an almost 18th century aristocratic sense that business, making money, trade, salesmanship, and economic expansion are unseemly if not contaminating."

These are the people, according to Weinstein and Keller, who want "to redistribute other people's wealth, rather than to create wealth of their own."

On the other hand, the authors say, "the business and financial communities in New York have lost a great deal of their political influence, have increasingly been neglected and more highly taxed, and have often been held up to public ridicule."

As a result of this climate, employers and "a number of New York's most enterprising, hard-working young persons" are being lost "to other states and other regions, where people are less affluent, still struggling, and more appreciative of business acumen. . . . To be sure, the quality of cultural life and social justice in these poorer regions is often lower, but so is the unemployment, the malaise, and the sense that things are coming apart."

Once established, the cycle feeds on itself. As the businesses and the young depart, they leave New York with more than its share of the aged and the poor—the beneficiaries and the victims of a social welfare policy that is quite literally bankrupt.

To be sure, there are things to be said in New York's favor, and Weinstein and Keller say them: Parts of the state are quite healthy economically; the state and New York City are suffering, to an extent, from national and regional trends not entirely of their own making; many widespread beliefs about the city and state—such as an unusually high crime rate and excessive labor problems in the private sector—are simply not true.

The authors are not trying to vilify New York. Rather, they want its citizens to face reality, understand its problems, and begin to take advantage of its many remaining resources. It is in that spirit—and in hopes that people in other parts of the country can learn from New York's difficulties—that I repeat some of their comments, taken from an article in Search, the quarterly of the State University of New York.

Will New York correct its mistakes and become more like the rest of the country? Or will the rest of the country make the same mistakes, and become more like New York? For a clue to the answers, keep an eye on the progress of the Humphrey-Hawkins bill.

"WINGS OF THE MORNING"—THE STORY OF MARYLAND'S FOUNDING

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. BAUMAN. Mr. Speaker, I have the honor to represent the "Mother County" of Maryland, St. Mary's County, which is located to the south of Washington, D.C. It was here that the first permanent settlement of English colonists was started in 1632 by the Calvert family. St. Mary's County is rich in colonial history and is also an area of great recreation value. Its famous stuffed hams, crab cakes, and oysters are legend not only in the area but well beyond.

On June 26, 1976, I had the great honor of attending the premier showing of Kermit Hunter's "Wings of Morning," an outdoor drama produced in cooperation with the St. Mary's County Commissioners, the Bicentennial Commission and the St. Mary's City Commission. As the guest of David Davis, who is in charge of the entire production, I thoroughly enjoyed this reenactment of the early history of Maryland. For those living in the Washington area who would enjoy visiting this historic county, the production of "Wings of the Morning" is presented Wednesday through Sunday nights at 8:30 p.m. through August 22, 1976.

St. Mary's County is a pleasant hour's drive away from Washington, and I invite all Members of Congress and their staffs to enjoy this historical production.

At this point I include an article from the Washington Post of June 20, 1976, written by Richard L. Coe:

REVISED "WINGS"

(By Richard L. Coe)

ST. MARY'S CITY, Md.—This lovely, remote first capital of Maryland reopens its second season of "Wings of the Morning" with new incidents, action and production details added to Kermit Hunter's outdoor drama.

One sits in almost the exact spot where the Calverts landed from the Ark and the Dove in 1634, where the St. Mary's River joins the Potomac and where the friendly Piscataways welcome a band which include Margaret Brent, who took her stand for women's rights 128 years before Abigail Adams took up the matter with her husband, John. Also in the Calvert party was Mathias da Sousa, a black, who became a member of the colony's General Assembly in 1641.

This character, ably voiced by Denzel Washington Jr., has now become narrator for the play in director David Davis's new version. Other strands include the conversion of the Indian chief, The Tayac, by Father Andrew White, jealousy of the breakaway colony at nearby Kent Island, and the persistence of Margaret Brent to assert her rights as property owner and voter.

Mathias da Sousa, as both participant and narrator, replaces the earlier version's use of letters between the London Calvert and his Maryland brother as link for the scattered events. This is done at some sacrifice of Margaret Brent's confrontation scene with the council, now less conclusive and hinting of her departure for Virginia. As Mary Carter Roberts observes in her valuable program note, "there is pitifully small amount to know" of Margaret Brent, so dramatic license almost amounts here to dramatic restraint. But the added incidents, especially the fights led by scrappy Capt. Richard Ingalls make for a far livelier script and production.

Physically, too, the production is immensely richer, more characters, elaborate dress, if too stately staging, for the Charles I colonization scene, necessarily performed in daylight. The playing areas on both sides of the stage are adroitly used and the landing party's arrival from the river is effective and will be more so with increased performing.

As a faculty member of Fordham University, Lincoln Center, director Davis has recruited more assured leads than those of previous "Wings." Frank Georgianna, as Leonard Calvert, and Debra Monk as Margaret, are strong leads and besides Washington's da Sousa I admired Garry Ingalls, the Capt. Ingalls, whose vocal and fighting skills are impressive.

This year's performances at St. Mary's City, 60 miles from the District in southern Maryland, will be on Wednesday through Sunday nights at 8:30, through Aug. 22. There are few spots so close to Washington that seem so remote, the reconstructed State House, St. Mary's College and Trinity Church constitute a poor man's Williamsburg and the locals of the fishing-farming community are both unhurried and amiable.

"Wings of the Morning" had its brief introduction the summer of '74 in a ballfield of Great Mills school. Last summer it went up several notches by moving to its proper setting. This year's version, in size, scope and assurance, is a big step ahead for the collaboration of county and city commissioners' investment under producer Edwin C. Atkins. Marylanders should take pride in this salute to their state's early, lasting freedoms.

THE EMERGENCY EDUCATION REVENUE ACT

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. OTTINGER. Mr. Speaker, last week hearings were held by the Subcommittee on Elementary, Secondary, and Vocational Education on a bill I have cosponsored with Congressman PEYSER to provide emergency assistance to local school districts that are unable to maintain basic educational services because of local fiscal problems and the general downturn in the economy.

This bill, known as the Emergency Education Revenue Act, could provide badly needed assistance to many urban areas of the country, including several jurisdictions in my own State of New York.

I insert into the RECORD the testimony that I have submitted in conjunction with these hearings. It is my hope that the subcommittee and the full Education and Labor Committee will work quickly to bring this bill to the floor of the House:

THE EMERGENCY EDUCATION REVENUE ACT

(By RICHARD L. OTTINGER)

Mr. Chairman, I am pleased to have the opportunity to submit these remarks in conjunction with hearings you are holding on the Emergency Education Revenue Act.

As you know, I am a co-sponsor of H.R. 11991, the bill introduced by Congressman Peyser to add a new Title X to the Elementary and Secondary Education Act. This proposal would authorize grants to local education agencies that have been forced due to circumstances beyond their control to reduce the expenditure of funds for essential elementary and secondary education services. The timing of this bill is most appropriate, since the recent downturn in our economy has drastically affected the ability of local jurisdictions to raise the revenue necessary to maintain the many types of community service which they traditionally provide.

In my own State of New York the outstanding example of this is the case of New York City, which has experienced a severe fiscal crisis that remains unresolved. I understand that as a result of financial pressures, the City has been forced to cut school staffing by 22½ percent and increase the average class size by fifteen children. New York City is, unfortunately, only one of several U.S. cities facing such problems. The City of Yonkers, New York, for example, which is partially located within my own Congressional District, is struggling to maintain vital community services despite totally inadequate revenues.

Though I dislike bringing up what I know is an unpleasant subject before those of my colleagues who were involved in the 1974 dispute over the adoption of a new formula for the distribution of Title I funds, I feel compelled to remind you that this formula has further contributed to the inability of local education agencies in New York and other urban areas to continue vital education services.

As an example of what has happened under the adoption of the Orshansky formula, I might point out that the Mount Vernon, New York school district was short some $600,000 for Fiscal 1976, for maintaining existing program commitments. The result of this was the complete elimination of their preschool program and the subsequent firing of teacher aides and supportive staff such as psychologists, social workers and speech clinicians. The number of children served by these personnel and programs was reduced by one-third. This year the district expects to lose an additional $129,000, plus some $25,000 under Part C. The City of Mount Vernon includes what we sometimes refer to as one of the "poverty pockets" of Westchester County—otherwise one of the most affluent counties in the nation. Approximately 30 percent of the children enrolled in the Mount Vernon public schools come from disadvantaged backgrounds. Not only has this loss of funds meant the elimination of programs that offer these youngsters the opportunity to catch up with their peers, it has also caused a further loss of jobs for those who were employed in these programs through the schools. Undoubtedly some of these people have been forced to resort to welfare, which places a further drain on our economy in general.

I have already mentioned Yonkers, New York as a city with enormous fiscal problems. In Fiscal 1976 the Yonkers public schools lost close to $400,000 in funding under the Orshansky formula. This resulted in the elimination of the entire elementary level remedial reading program. This year Yonkers expects to lose another $210,000, and this cut will mean elimination of all remedial tutoring in math and reading at the secondary level. Almost one quarter of the enrollment in the Yonkers public schools are children from disadvantaged circumstances. This City, which has no resources of its own to make up for the loss of Federal funds, will be forced to turn these youngsters out into the job market with insufficient preparation. The long range effect will be a loss of productivity and a further drain on the economy.

I would not want to make it appear that the Emergency Education Revenue Act is strictly a New York bill. Many urban areas throughout the country lost substantial Federal funds through the 93rd Congress's formula revisions for Title I, ESEA. I note that the representative of the Council of Great City Schools, Mr. Sam Husk, has estimated that if this bill is passed, many other cities, among them Chicago, St. Louis, Atlanta, New Orleans and Seattle, would qualify for immediate aid in addition to New York.

The question of urban needs vs. rural needs that was so much a part of the argument under the recent ESEA amendments produced an unfortunate situation in the Congress where we witnessed a virtual war over which type of community is more needy or deserving of Federal aid. I believe the more appropriate question, and the issue which is more effectively addressed by H.R. 11991, is how we provide *adequate* assistance to insure that the educational needs of all children are met.

Studies conducted by the National Center for Education Statistics show that in 1974 only about eight percent of the cost of public education on a national basis was financed out of Federal resources. States bore 36 percent of the cost of instruction and local sources accounted for 46 percent of funding. I think the Federal commitment to public education should be much stronger. I realize that this bill and these hearings will not be able to resolve the larger controversy over education funding, but I think it is important that we at least establish that more of the costs of education should be shifted from regressive property and sales taxes and on to the more progressive federal income tax. In our 200 years of history as a nation we have still not achieved the goal of providing a basic education for all Americans, and I submit that at least a part of the blame for this failure is the lack of a strong enough Federal role in financing our schools.

Mr. Chairman, I fear that the situation of local governments attempting to finance community services is not going to improve substantially in the very near future. Not only have many school districts been forced to reduce education spending because of the national recession and local economic problems, the prospects for improvement at the local level are not very encouraging. As our birth rate stabilizes and we have increasing numbers of senior citizens and childless persons protesting high property taxes to pay for public education, the role of the Federal Government in this area will have to grow.

I believe that the Emergency Education Revenue Act is a step in the right direction. It would aid those communities that are unable, despite their utmost efforts, to raise sufficient revenue to support essential elementary and secondary education services. Its passage would start us on the road to acceptance of the responsibility to insure a quality education for all Americans. I sincerely believe that we should have no higher goal than to make the opportunity for a complete education available to the entire population, regardless of personal economic circumstances or local financial conditions.

I appreciate this opportunity to share my views on H.R. 11991 and hope the Subcommittee will work quickly to make this additional aid available.

IN MEMORY OF JOHNNY MERCER

HON. ROBERT H. MICHEL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. MICHEL. Mr. Speaker, one of the most important of American art forms is the popular song. From Stephen Foster to Burt Bacharach, Americans have been drawn together by the music and lyrics of her songwriters.

And of all of them, few deserve to be ranked above Johnny Mercer, the gentleman from Savannah, Ga., who died last week in California at the age of 66.

He had an ability to turn a phrase and find a rhyme—by hook or crook—that made his lyrics something magical. Some were light, uplifting and just plain fun. The skill of a master of light verse is evident in his "Glowworm":

Shine, little glowworm, turn the key on
You are equipped with tail-light neon.
You've got a cute vest-pocket master,
Which you can make both slow or faster.

Other Mercer lyrics evoked the finest in romantic sentiment. Who cannot picture himself as partner to that dream-maker and heart-breaker, "Moon River":

Two drifters, off to see the world; there's
    such a lot of world to see
We're after the same rainbow'd end,
    'round the bend,
My huckleberry friend,
Moon River, and me.

Sentimental or humorous, Mercer's songs were, like the title of one of them "Too Marvelous for Words," at least any but Mercer's themselves.

And what of the man behind the talent? The popular and respected local radio personality Frank Harden, who, like Mercer, hails from Savannah, recalls a local legend about Mercer.

It seems Mercer's father was an attorney and real estate agent for many years in Savannah, operating in the great small town tradition of informality. He had a roll top desk, crammed with miscellaneous scraps of paper, and an additional supply of papers randomly distributed among the various pockets of his various clothes. A great many of the scraps of paper were unpaid bills, but nobody, no doubt including the senior Mercer knew for sure which had been paid and which not.

When the old man died, his son sifted through the mess, sorted out the bills and paid them all. I think the story gives something of the measure of the man, and reveals an integrity worthy of emulation by all.

He is gone now, and there will be no more Mercer masterpieces. But we should thank Heaven for the dozens we have. I believe they will delight and enrapture people for generations to come. Having left us them, Johnny Mercer has left us a marvelous legacy.

The Washington Star published a laudatory editorial on Johnny Mercer upon his death, and I now insert it in the RECORD:

JOHNNY MERCER

For those of a certain age, the lyrics and melodies of Johnny Mercer are deeply imbedded (though anyone under the age of, say, 40, caught singing *I'm an Old Cowhand* probably would be subjected to a lethal dose of peer giggling). In more than 750 published songs during his long career, Mr. Mercer demonstrated a delightful range of idiom—from down-home to an evocative sophistication.

It really is extraordinary to think of the popular songs from the 1930s through the early 1960s that are likely to endure and to realize how many of them were, in whole or in part, a product of Mr. Mercer's talent: *Blues in the Night, That Old Black Magic, Autumn Leaves, Dream, Too Marvelous for Words, Tangerine,* and *One for My Baby* among them. And, of course, the ebullient *Ac-cen-tchu-ate the Positive.* Cole Porter said he wished he had written Mr. Mercer's hit *Laura.*

In 1946, Mr. Mercer, who died in California the other day at 66, won the first of four Academy Awards for *Atchison, Topeka and the Santa Fe*—his other winners were, *Cool, Cool, Cool of the Evening, Moon River,* and *Days of Wine and Roses.*

The list of those with whom Mr. Mercer as lyricist collaborated over the years includes many of the best-known American composers of the last half century: Jerome Kern, Hoagy Carmichael, Harold Arlen, Henry Mancini, Gordon Jenkins, Jimmy Van Husen and Michael Legrand. He also was a featured vocalist with Paul Whiteman's orchestra after *Lazy Bones* enhanced his reputation, and later sang also on Benny Goodman's radio show in the late 1930s and early 1940s. Mr. Mercer's voice was less memorable than his lyrics, but it was not unpleasing—high-pitched, easily rhythmic and redolent with his Georgia accent.

We are aware, of course, that there is a musicological opinion that allows only slight legitimacy to the realm of "popular" music. No doubt that judgment can be sustained on aesthetic and technical grounds. And surely a fair number of Mr. Mercer's songs were forgettable; too cornball, too saccharine. But, as we noted earlier, a fair representation has earned the high merit of any art—longevity. *Autumn Leaves,* in collaboration with Duke Ellington, for example, will survive the musical fashions of a good few decades to come.

Finally, what can be said of Johnny Mercer is that his songs have given great pleasure to a diversity of people. Those of us who grew up singing and humming and whistling Mercer tunes have nice memories.

THE JOBS ISSUE IS STILL BEFORE THE CONGRESS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. KEMP. Mr. Speaker, the old-fashioned welfare-type make-work approach to jobs is a disaster. It does not respond to what people want or the country needs, and that is why the Humphrey-Hawkins bill is fading away. It is the wrong approach to a crucial issue, and the people have sensed that.

As the Denver Post put it in a recent editorial, "What we need is a comprehensive economic development aimed at putting some excitement and creativity back in the whole economy. Citizens then might be inspired to feel that they finally were being shown some real objectives."

The Denver Post calls for a reversal of the leadership in Congress which "for the past couple of decades has trended away from the idea of building creativity in capitalism—as a way of creating more jobs." Instead, Congress has relied on the Government handout approach which cannot provide the satisfying, challenging, career-type jobs that the American people want and deserve.

The 130 Members of Congress who are cosponsors of the Jobs Creation Act are responding to the jobs issue from the standpoint of building creativity in capitalism. I applaud the Denver Post for editorial leadership on this issue, and I am inserting their editorial in the Record at this time:

The Jobs Issue

"It is hard to keep pace with the dichotomy that filters through the public press on many issues.

"Here's a tantalizing example:

"In its newest issue (June 21) Time Magazine reports that the attempt by old-fashioned Democrats like Sens. Hubert Humphrey and Henry Jackson to make an issue of 'jobs' is a bust.

"'Whatever made him think that work was such a big deal?' a Pennsylvania labor member was reported as asking as he listened to a Jackson speech.

"Time goes on to say that Humphrey's big campaign pledge of 'full employment' (no matter what the inflationary cost) was similarly falling on deaf ears.

"Ah, but wait. . .

"A few days earlier Dr. Richard Freeman, professor of economics at Harvard, got national publicity for a countering view.

"The demand for jobs among over-educated young Americans is so great that profound social unrest is in the offing, says Freeman. He even suggests that if politicians (Humphrey and Jackson please note) exploit these frustrated young job seekers:

"'. . . the result would be . . . a radicalized youth movement which would make the anti-war movement of the 1960s look like a Sunday school picnic.'

"It's fascinating to compare the two views. They aren't necessarily in conflict, of course. The Humphrey-Jackson appeal is being made to the lunch-bucket worker who, as the politician envisions him, isn't highly motivated toward a career as the college grad.

"And what Freeman says about 'over-educated' young Americans seems valid, too. Having to take a lunch-bucket type job, when he's trained as a psychologist, is bitterly galling to the job-seeking grad.

"Probably the real problem is that the politicians don't get down to real issues. The old labor-union theories come out as heavy-handed insults by the time the politicians get through with them. The appeal tends to be aimed at slobs.

"In both cases the political common denominator fails. The leadership in Congress for the past couple decades has trended away from the idea of building creativity in capitalism—as a way of creating more jobs. When a liberal Democrat talks 'jobs' he usually means welfare-type make-work programs. Such jobs are, indeed, no 'big-deal.'

"But how about supportive career-type jobs which spur challenge and satisfaction?

"Thousands of technically trained young Americans would benefit if Congress stimulated the domestic oil industry instead of applied crippling restrictions.

"Colleges would benefit if capitalistic enterprise were spurred by federal policies to retain its leadership in the world economy. Instead, the goal in Washington is to curb U.S. influence abroad.

"All of this retrenchment backs up into other professions and trades which discover that job erosion of all kinds reduces customers for their services and products.

"Probably Hubert Humphrey and Henry Jackson are not wrong in talking about 'jobs, jobs, jobs'—to use Time's phrase. But they are talking on such a short-term basis that the result is to insult the American intelligence.

"What we need is a comprehensive economic development aimed at putting some excitement and creativity back in the whole economy. Citizens then might be inspired to feel that they finally were being shown some real objectives.

"In any case, we'd be interested in hearing what Dr. Freeman says we should do as a solution. At this point in time he's got a far better grasp on things than the politicians."

ANGOLA AND THE MERCENARY ISSUE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. BONKER. Mr. Speaker, one of the significant unresolved controversies of our misguided involvement in Angola is whether we supported the efforts of mercenaries, even subsequent to the adoption of the Tunney amendment in January of this year. This is disturbing both because of the traditional stigma attached to such methods of war, and because of the implication that the administration might have thus attempted to skirt the view of the American public and the expressed will of the Congress.

Over the past several months, I have made numerous inquiries of the highest American officials, and yet it is still impossible, on the basis of the responses I have received, to say with any confidence that we were not involved—though this would seem to be the impression the Government has tried to convey.

In light of the celebrated revelations about two-faced executive conduct during Vietnam, Watergate, and, as recently explored by the intelligence investigations, perhaps much of the postwar period, it is difficult these days not to be skeptical of official replies that admit of any conceivable loopholes. Naturally, denials of covert operations, of their very nature, are especially suspect. This is a hard dilemma, whether or not to believe our highest officials, because one wants neither to be gullible nor paranoid, especially when it comes to matters that touch our national security.

I think the time has come for Congress to convene an objective inquiry and try its best to put the facts on the table and then sort out their meaning and implications for public policy. Representative Lee Hamilton, chairman of the House International Relations Committee's Subcommittee on Investigations, on which I serve, has agreed to my request to conduct early hearings on this subject.

My own tenative opinion is that most Americans—and Congressmen—still do not begin to comprehend the extensive and sophisticated nature of our Government's covert operations. Our involvement in Angola probably would make an excellent case study. For example, it has been argued, as hinted at in the analysis I wish to insert by Robin Wright, of the Washington Post, that the three Americans put on trial recently in Luanda are much less likely to have been connected with the CIA than, say, those French mercenaries who fought effectively from December to March and then were experienced enough to know how to escape capture. I am afraid that these three just sentenced were more likely just disaffected and neglected Vietnam veterans, suffering both pecuniary and psychological needs, than members of some sinister conspiracy. I imagine the CIA would sooner recruit its mercenaries indirectly through Europe or Zaire than in the want ads of American newspapers. Indeed, one hears that DOD—which apparently still maintains within the JEC hierarchy an Office of Special Operations which used to have the reputation of a mini-CIA—keeps coded in its voluminous lists of draft eligibles potential mercenary recruits, such as those who have done time with Special Forces. It would surely be interesting—and arguably not jeopardizing of our national security—to get a precise accounting of CIA expenditures in Angola.

The point is that last January, Congress voting to end aid to Angola may well have been an illusion, even if the administration technically obeyed the Tunney amendment and suspended aid beyond that which the Congress had already unwittingly authorized. That is to say, there may have remained in the pipeline a substantial amount of unexpended money which could have been frozen on administration command, but which instead was used, contrary to the clear aims of Congress, to prosecute the war much further—and which, who knows, may still be underwriting the sporadic UNITA resistance today.

Mr. Speaker, I want to bring together in the Record for the information of my colleagues some of my statements and correspondence since the beginning of the year. Perhaps this will help to illuminate the frustration which has culminated in my request for a congressional inquiry.

First. On February 4, I wrote to the President asking for a categorical assurance that our aid to Angola had ended and that we are not in any way involved in the matter of mercenaries; and at the same time I submitted a more elaborate statement in the CONGRESSIONAL RECORD;

Second. On February 23, Mr. Friedersdorf replied on behalf of the President, hedging on the use of pipeline aid and the possibility that countries like Zaire were using American assistance in behalf of Angolan factions;

Third. On May 28, I wrote Representative HAMILTON as to some still troubling questions and requesting consideration of hearings, and I included a copy of section 959, paragraph (a) of title 18 of the United States Code, being the operative language of current neutrality law;

Fourth. On June 7, Representative HAMILTON, in my behalf, dispatched inquiries to Director Bush, Attorney-General Levi, and Secretary Kissinger;

Fifth. On June 9, Director Bush replied; and on June 16, Assistant Attorney-General Thornburg replied.

Mr. Speaker, we are now aiming for hearings at the end of July or in the early part of August. It is important that we know whether Americans were enlisted or recruited for service in Angola contrary to our laws; whether the Tunney amendment really ended our involvement in the Angolan conflict; whether our Government was in any way involved in recruiting, training, funding, or deploying Americans or any other nationals as mercenaries; whether we are, or should be, offering the three Americans in Luanda assistance in their tragic plight. These are lingering and troubling questions which one way or the other should be resolved.

The letters and articles follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 4, 1976.

Hon. GERALD R. FORD,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing in my capacity as author of a House Resolution, introduced last week with over 200 co-sponsors, advising the President to "refrain from providing assistance of any kind, directly or indirectly, for military or paramilitary operations in Angola unless and until such assistance is specifically approved by Congress."

After all the effort and fanfare in passing the Tunney Amendment, it seemed apparent that overwhelming majorities in both chambers hoped they had settled the matter of our covert involvement in Angola. Technically, however, the amendment was narrowly drawn, and it has been speculated that there are many ways around it—in addition to what we have been told is merely a nominal amount remaining in the pipeline. Recent press reports only feed the speculation that the Administration may be continuing to provide substantial covert aid, and, in particular, that it may be involved in some way in the very controversial matter of mercenaries.

Attached is a statement identifying some Congressional concerns. Among others, one important concern is that the United States may be using third parties to effect its objectives in Angola. It has been suggested, for example, that we may have requested other countries to transfer, loan, or otherwise use American security assistance or other aid in the service of factions fighting in Angola, or to expend their own money, equipment, or forces, possibly with some understanding that they will be reimbursed.

Because of considerable public confusion and apprehension, I know many of us would appreciate your flat and categorical assurance that the United Sttes is no longer aiding any faction in Angola, in any way, directly or indirectly. If there is still money in the pipeline, we would appreciate knowing how much and, above all, whether any further aid, exclusive of that in the pipeline, is being extended, promised or encouraged. Finally, we would appreciate knowing whether the United States is in any way involved in the matter of mercenaries.

Sincerely,

DON BONKER,
Member of Congress.

Enclosures.

TUNNEY AMENDMENT

Mr. BONKER. Mr. Speaker, after all the effort and fanfare in passing the Tunney amendment, it seemed apparent that overwhelming majorities in both Chambers hoped they had settled the matter of our covert involvement in Angola. Technically, the amendment had only the effect of deleting $28 million earmarked for Angola that was incorporated in the fiscal year 1976 DOD appropriations. But Senator MCCLELLAN promised in public floor debate that, in his capacity as chairman of the Appropriations Committee, he would not permit any reprogramming of other DOD funds without first consulting the full Senate. Moreover, it was widely assumed that the administration would consider itself instructed by the lopsided vote not to continue or undertake any other covert aid.

Unfortunately, there are persistent press reports that FNLA and UNITA are still being supplied with substantial outside money, and, in particular, that they are being helped to recruit mercenaries. On Monday, Ron Nessen, speaking for the President, and John Trattner, speaking for the State Department, responded to these allegations in such a hedged manner as to seem evasive. In addition, DOD Secretary Rumsfeld on Sunday and Assistant Secretary Ellsworth yesterday made the intriguingly emphatic point that they could account only for Defense Department money. Possibly it is a common practice to answer questions narrowly, not for purposes of evasion, but simply to avoid embarrassing retractions someday of something one honestly did not know to be in error. Nevertheless, it is only natural that such indefinite statements have given rise to considerable speculation that American money is still having an effect in Angola. And it becomes increasingly plausible when Secretary Kissinger continues to scold Congress for its vote on the Tunney amendment, as he did again yesterday in San Francisco.

Among myriad possibilities that the intricacies of Presidential spending power allow, it has been suggested that the United States may be encouraging African countries—such as Ethiopia, Tunisia, Morocco, the Ivory Coast, and the Cameroons—to chip in aid to Angola, possibly with leftover American security assistance or promises of more; that Public Law 480 food may be resold for cash or used to feed Angolan troops or Zairean troops fighting in Angola; that Export-Import Bank credits, Commodity Credit Corporation credits, and the emergency security-supporting assistance Secretary Kissinger has requested on the basis of continuing resolution may not be used purely for domestic purposes in Zaire; that money left in the Angola pipeline may be exchanged in black markets for even more; that we many have reciprocal arrangements with NATO countries for the lending of money for covert purposes; that there may be transfers between accounts or the use of unobligated previous appropriations.

Above all, it is speculated that American security assistance to Zaire may either be itself ending up in Angola or having the effect of freeing up Zaire's own resources for diversion. On this score, I wrote a month ago to Secretary Kissinger asking: "Do you have any information that Zaire is channeling any American security assistance to Angola, or that it is using any of our security assistance to replenish military resources of its own that have been diverted to Angola?"

Yesterday I received a reply from Assistant Secretary McCloskey. He wrote:

> Equipment purchased by Zaire under FMS credits, like that provided earlier under MAP, may not be transferred to any third country without prior US Government approval. We have not been asked to approve any such transfer and we have no evidence that any such transfer has occurred. We have reminded the Government of Zaire of this restriction in discussions of the current FMS program.

In reading this closely, and consulting with the Government Accounting Office, legislative counsel, and the State Department itself, it becomes evident that the reply does not address my entire question, but only the narrow aspect of transfers. That is, it does not treat the matter of "loans" of equipment and money, nor Zaire's own use, say, of American C–130's—as have been sighted in Angola—in the service of the FNLA. Furthermore, there remains the possibility that our aid is facilitating the diversion of Zaire's own resources.

In any case, when the State Department says it has no evidence of a transfer, one would be remiss to forget the administration's reluctance to admit, or even look for, evidence of Turkey's aggressive use of American-supplied arms on Cyprus in the summer of 1974.

Additionally, there is good circumstantial indication that the new request for military sales to Zaire has an eye to Angola. It is a sudden and several-fold increase, corresponding to the general escalation of the war. Also, as one example, 12 armored personnel carriers were reported lost in the battle of Caxito over the summer, and it is exactly 12 that are being requested now, conceivably as a replenishment.

I am not in a position to level any accusations regarding the administration's actions or intent. I hope the speculation I have mentioned is entirely unfounded.

Nevertheless, it might be noted that in his recent book "Presidential Spending Power," Louis Fisher of the Congressional Reference Service cites several contemporary examples of an administration misleading Congress about military aid. Hearings by the Symington subcommittee in 1969 and 1970 revealed that the United States had offered sizable subsidies to the Philippines and Korea for aiding us in Vietnam, though it was made to appear that they did so independently; the Senate Committee on the Judiciary determined in 1972 that AID funds had been used to supply Loas military and paramilitary forces with food and medical care and other items; the Joint Economic Committee in 1971 concluded that nearly $700 million in food for peace funds had been channeled into military assistance programs during the previous 6 years and $1.6 billion since 1954; and Senateor CASE, a member of both the Appropriations and the Foreign Relations Committees, had to rely on an article in the Christian Science Monitor to learn that the administration had agreed to finance Thai troops in Laos.

Mr. Speaker, last week I introduced a resolution advising the President to refrain from covert aid to Angola. The resolution had over 200 cosponsors. I have no doubt that if put to a vote it would be carried by an easy majority of the House.

I do not enjoy "meddling" in foregin policy. I believe that generally the President should be accorded considerable flexibility. But in this case, the Tunney amendment and my resolution have expressed an unusually clear and strong sentiment on an important issue. It now falls upon the President to state for the record whether he intends to heed this sentiment.

Because there is substantial public confusion, I therefore call upon the President to give Congress flat and categorical assurance that the United States is no longer aiding any faction in Angola, in any way, directly or indirectly.

Relevant transcripts of the press conferences of Messrs. Nessen and Trattner follow, as does a news article from the February 2, Washington Post:

[From the *Washington Post*, Feb. 2, 1976]

THE $20 MILLION FOR MERCENARIES REPORTED

(By Mary Russell)

Secretary of Defense Donald Rumsfeld yesterday refused to deny British reports that more than $20 million, mainly from the Central Intelligence Agency, is to be spent on mercenaries for Angola.

Two British newspapers said recruiting of British mercenaries to join factions fighting the Soviet-backed Popular Movement for the Liberation of Angola (MPLA) was being financed with American money.

"There has been what was once a covert activity on the part of the United States involving some funds to provide assistance to an element in the Angola conflict," said Rumsfeld, appearing on "Face the Nation" (CBS, WTOP). When pressed on whether $20 million was being used to train British mercenaries, Rumsfeld said he "wouldn't go into details."

The British Sunday Telegraph quoted diplomatic sources in Zaire as saying that $200,000 in U.S. money for the Western-backed National Front for the Liberation of Angola (FNLA) has been sent to London for use in recruiting mercenaries. The paper said at least 300 Britons were joining the FNLA.

It added the CIA, had allocated $49.2 million in arms, other supplies and cash to the FNLA and the National Union for the Total Independence of Angola (UNITA) and that more authorized money was in the pipeline.

The Ford administration has admitted spending about $33 million in Angola. Recently Congress defeated an attempt to send $28 million more through the Defense appropriation bill.

Another British paper, the Observer, quoted a spokesman for Security Advisory Services as saying the recruiting of British mercenaries was being financed with American money. The SAS, which is doing the recruiting, received $564,000 in the past three weeks, the spokesman was quoted.

The Observer said the SAS spokesman claimed the group's contact was a liaison officer in the American embassy in London. An embassy spokesman denied it.

Rumsfeld said that the Soviet Union and Cuba have put $3 billion into Africa to gain bases, ports, other facilities and governments favorable to them. "Our interest is served if it's a continent with governments of their (Africans') preference rather than of the Soviets preference."

Rumsfeld said further cuts in the defense budget could create an unstable world and a "lack or sufficiency" for the United States vis-a-vis the Soviet Union. If Strategic Arms Limitation Talks (SALT) fail, Rumsfeld said he might have to go back to Congress to seek supplement to the proposed $112 billion defense budget. He also said no Soviet violations of SALT agreements already in effect have been a threat to U.S. security.

PRESS CONFERENCE

(Press Conference of Ron Nessen, Press Secretary to the President, February 2, 1976, excerpted; with emphasis supplied:)

Peter Lisagor of the Chicago Daily News: Ron, can you tell us whether the United States did, as the British report, supply $20 million dollars of CIA funds for the recruiting of mercenaries for Angola?

Nessen: The United States is not giving any money to Britain to recruit mercenaries for Angola.

Lisagor. Did it?

Nessen: No.

Lisagor: That doesn't seem to square with what the Secretary of Defense said on television yesterday.

Nessen: I did not hear him say anything on that subject, Peter.

Lisagor: He was asked about it, and he didn't deny it. He evaded it. He certainly didn't flatly say no money was going. In fact, he inferred, if I heard him correctly, that there has been money sent in the past.

Nessen: To whom?

Lisagor: To other countries.

Nessen: The question was, "Have we given 20 million dollars to Britain to recruit mercenaries?" and I am saying the United States has, not, and is not, giving any money to Great Britain to hire mercenaries.

Lisagor: To any other countries to hire mercenaries in Great Britain?

Nessen: We have said before—and it is still absolutely true—the United States is not, and no agency connected with the government is recruiting or hiring or training American mercenaries.

We have also said limited amounts of money are being given to some countries which share our goals in Angola. We are not actually able to determine how every last cent of it is spent.

PRESS CONFERENCE

(Press Conference of John Trattner, spokesman for the State Department, February 2, 1976, excerpted with emphasis supplied:)

Questioner: Mr. Trattner, on another subject, there was a flurry of reports over the weekend that American money was being used to hire mercenaries outside the United States for use in Angola. I wondered if you had anything more to say on that subject.

Trattner: Are you talking about reports that such recruitment is supposedly going on in Britain?

Q: What I am asking is, whether there is any comment from the State Department on reports of American money being used to hire mercenaries.

T. The United States government is not involved in the purported program of mercenary recruitment.

Q. Does that include financing?

T: No U.S. government funds directly or indirectly to recruit, hire, train, or deploy.

Q: There is no loophole I have to look for there? It is not a matter of appropriated funds, or full consultation with Congress, no American dollars, no government money is being used for recruitment?

T: I would say you can relax on that.

THE WHITE HOUSE,
Washington, February 23, 1976.

Hon. DON BONKER,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN BONKER: The President has asked me to reply to your letter of February 4 regarding United States assistance to groups in Angola.

No funds have been expended to provide covert assistance beyond the funds originally authorized prior to the Senate vote of December 19. We have not initiated any further covert programs, nor would we initiate any without the explicit approval of the Congress.

With regard to mercenaries, no United States funds have been authorized or to our knowledge used for either direct or indirect recruitment, training or deployment of American mercenaries in Angola. Furthermore, the United States has not supported in any way the recruitment or use of mercenaries from the United Kingdom, an allegation which has received recent notoriety.

The actions of other countries with respect to the situation in Angola involve their own foreign policy interests and are not dependent upon the United States. Please be assured the Administration continues to comply with the relevant legislative constraints for the provision of American security assistance to foreign nations.

As you know, the covert assistance authorized prior to the December 19 vote has been reported, as required by law, to the appropriate committees of the Congress, including the House Committee on International Relations.

I hope this information is responsive to your request.

Sincerely,

MAX L. FRIEDERSDORF,
Assistant to the President.

MAY 28, 1976.

Hon. LEE HAMILTON,
Chairman, Subcommittee on Investigations, House International Relations Committee, 2170 Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to urge you, as Chairman of the Subcommittee on Investigations, to consider hearings on the matter of possible American involvement in supporting mercenaries in Angola subsequent to Congressional action cutting off covert aid last January. There is serious question as to whether in some way the Administration attempted to circumvent expressed Congressional will in order to sustain certain factions in the fighting, and as to the credibility of its denials. Wednesday night, I had the opportunity, as part of a television panel convened on the subject, to hear from two American citizens identified to have engaged in the business of Angolan mercenaries. (The discussion, a special edition of the regular show "Crossfire," will be aired this Sunday at 6:30 P.M. on WMAL, channel 7.) They clearly implied the possibility of CIA connections.

Early last February, amid persistent press reports that American money was still finding its way to Angola and amid evasive Administration denials, I wrote to the President requesting a categorical statement as to whether we might still be involved in supporting efforts, including mercenaries. The reply that arrived three weeks later from Max Friedersdorf was not particularly reassuring.

Furthermore, whatever our official involvement, the fact remains that Americans were recruited to serve in Angola and, indeed, that at least three are currently imprisoned and scheduled to stand public trial on June 8 in Luanda.

To me, all this raises troubling questions which warrant official investigation.

Was there a violation of our neutrality law in the enlistment of mercenaries? If so, why did the Justice Department not move to prevent open recruiting, and why has it not since moved to prosecute admitted mercenaries and recruiters?

After Congress passed the Tunney Amendment, and particularly after the President signed the DOD bill which incorporated it, did our government continue to aid or in any way support, directly or indirectly, factions in Angola?

Do the Americans set to stand trial in Angola have any connection with the Central Intelligence Agency or in any other way the United States government?

Are we or should we be offering these

Americans legal, diplomatic, or other assistance?

I think answers to these concerns are important not only to understand our particular policy toward Angola but more broadly to understand the nature of the Presidential execution of foreign policy.

Attached are some pertinent materials; and I will be happy to suggest witnesses.

Sincerely,

DON BONKER,
Member of Congress.

Enclosures.

JUNE 7, 1976.

Mr. GEORGE H. BUSH,
Director, Central Intelligence Agency, Washington, D.C.

DEAR MR. BUSH: Congressman Don Bonker, a Member of the Subcommittee, has brought to my attention allegations of possible American involvement in supporting mercenaries in Angola subsequent to Congressional actions cutting off covert aid to that country in January 1976. It is my understanding that three Americans, who were reportedly recruited here to serve there, are expected to stand trial in early June in Angola.

I would like to know whether the Americans set to stand trial in Angola have or had any connections with the Central Intelligence Agency.

I appreciate your early attention to this matter.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigations.

JUNE 7, 1976.

Hon. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Congressman Don Bonker, a Member of the Subcommittee, has brought to my attention allegations of possible American involvement in supporting mercenaries in Angola subsequent to Congressional actions cutting off covert aid to that country in January 1976. It is my understanding that three Americans, who were reportedly recruited here to serve there, are expected to stand trial in early June in Angola.

I would like to know (1) if, after the Congress passed the Tunney amendment, and particularly after the President signed the Department of Defense bill which incorporated it, the United States continued to aid or in any way support, directly or indirectly, any factions in Angola or Angolan factions in other countries, (2) if the Americans set to stand trial in Angola have or had any connections with any agency of the United States government, and (3) what support, legal or diplomatic, and what other assistance, if any, we are offering these Americans standing trial in Angola.

I appreciate your early attention to this matter.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Special
Subcommittee on Investigations.

JUNE 7, 1976.

Hon. EDWARD H. LEVI,
Attorney General, Department of Justice
Washington, D.C.

DEAR MR. LEVI: Congressman Don Bonker, a Member of the Subcommittee, has brought to my attention allegations of possible American involvement in supporting mercenaries in Angola subsequent to Congressional actions cutting off covert aid to that country in January 1976. It is my understanding that three Americans who were reportedly recruited here to serve there are expected to stand trial in early June in Angola.

I would like to know (1) if there is a violation of our neutrality laws in the enlistment of mercenaries by a United States group in this situation, (2) whether the Justice Department moved to prevent open recruiting for such activities, and (3) whether it is your intention to prosecute admitted mercenaries and their recruiters?

I appreciate your early attention to this matter.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigations.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., 9 June 1976.

Hon. LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigations, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR LEE: This is in response to your letter of June 7, 1976 with respect to three Americans about to stand trial in Angola. It is our understanding that the three persons being reported as American citizens are Daniel Gearhart, Gary Acker, and Gustavo Marcello Grillo. It is also our understanding that Mr. Grillo is actually a resident alien rather than a U.S. citizen.

We have reviewed Agency files and I am advised that there is no record that these individuals now have or ever had any connection with the Central Intelligence Agency.

Sincerely,

GEORGE BUSH,
Director.

DEPARTMENT OF JUSTICE,
Washington, D.C., June 16, 1976.

Hon. LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigations, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your recent letter to the Attorney General requesting information concerning the alleged recruitment of Americans to serve as mercenaries in Angola. You ask if the enlistment of mercenaries by a United States group is a violation of the neutrality laws; whether this Department moved to prevent open recruiting for such activities; and whether we intend to prosecute admitted mercenaries and their recruiters.

In reply to your first question, 18 U.S.C. § 959 prohibits the enlistment or recruitment within the United States of any person for service in the armed forces of a foreign country.

In response to your second question, where there have been allegations of recruitment within the United States, the Federal Bureau of Investigation has been under continuing instructions from this Division to conduct an appropriate investigation into each such allegation.

In regard to your final question, our investigations in these matters are continuing, and in those instances where sufficient evidence is developed to establish a violation of a federal statute, we will take appropriate action. I might point out that, in general, it is not unlawful for a person to leave the United States with the intent to enlist abroad in a foreign military service.

For your additional information, I am enclosing a copy of the statement of Acting Deputy Assistant Attorney General Robert L. Keuch before the Subcommittee on International Resources, Food and Energy of the House Committee on Foreign Affairs on March 10, 1976 on the subject of mercenary recruitment for Angola.

Sincerely,

RICHARD L. THORNBURGH,
Assistant Attorney General.

Enclosure.

JAMES SMITHSON AND HARFORD COUNTY, MD.

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. BAUMAN. Mr. Speaker, I was pleased to join in support of the recent House passage of Senate Joint Resolution 196 which provided for the expression to Her Majesty Queen Elizabeth II of the appreciation of the people of the United States for the bequest of James Smithson to the United States. I doubt that the many Americans who come to Washington, D.C., realize that the Smithsonian Institution is in fact the direct result of a bequest by an English citizen named Smithson who was born in 1765 and died in 1829.

James Smithson studied at Pembroke College in Oxford and graduated in 1786 at the age of 17. Records of that time describe him as "the best chemist and mineralogist of his year." Mr. Smithson apparently had a very strong scientific mind and devoted himself to skillful chemical analysis of a great many substances. In 1787 he was admitted to Britain's Royal Society, and throughout his lifetime pursued scientific interests in England and on the European continent.

Mr. Smithson willed his entire estate to his heirs and if none survived then to the United States to found an institution bearing the Smithson name and as he put it, to "be dedicated to the increase and diffusion of knowledge."

In 1846, Congress under the leadership of former President John Quincy Adams, who then served in the House, approved legislation establishing the Smithsonian Institution. From that came the present great museum complex we know.

It is with particular pride that I supported this resolution honoring James Smithson because his descendants in America live in my congressional district in Harford County, Md. Mrs. Sara Wright of Street, Md., and William N. Wright of Whiteford are descendants of the James Smithson family. Their great grandfather was Daniel Smithson who owned the land on which William N. Wright now lives near the Pennsylvania border. Mr. Daniel Smithson who died in 1796 and other members of the Smithson family are buried in a family cemetery on the old family homestead in Harford County, Md.

It is well for us to remember our many ties to our mother country in this Bicentennial Year when we are celebrating our independence. Even though we have broken the political bonds that bound us to Great Britain, ties such as those of the Smithson family, and James Smithson's bequest are a very strong link amongst English speaking people.

REFLECTIONS ON THE 4TH OF JULY—1776-1976

HON. JAIME BENITEZ

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. BENITEZ. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

REFLECTIONS ON THE 4TH OF JULY—1776-1976

(By Jaime Benitez) [1]

For everything, its season and for every activity under Heaven, its time. For men and women of good will throughout the world, today is a time to remember, to rejoice and to hope. For 200 years ago, here in Philadelphia, 56 representatives met in Congress assembled and under the leadership of Thomas Jefferson, Benjamin Franklin and John Adams, pledged their lives, their fortunes and their sacred honor to the creation of the United States of America.

The Declaration of Independence of the thirteen colonies was an impossible dream which, like other impossible dreams, became a turning point in man's unending quest for a nobler life. That declaration marked the beginning of democracy in the modern world; proclaimed the subordination of political authority to the rights of man; validated the moral obligation to revolt against oppression and set new aspirations for civilized society.

"We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed, that whenever any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or to abolish it."

These are and will continue to be magical words, destined to kindle the flame of excellence in the hearts and in the minds of men.

The second great American Testament, which added new potentials to the art of the impossible, was the Constitution. Under the guiding principle of Federalism, which provided new levels of coherence and elasticity in the structures of government, unity and diversity were both advanced. Federalism was destined to become the key to new dimensions of freedom, not only for the United States, but for asymmetric communities throughout the world coming together in the 20th Century under the pressing requirement of human interdependence.

The preeminence of the Bill of Rights over local and the central authorities, the separation of functions among the branches of government, the adjudication of conflicting claims through the judiciary, have facilitated continuity and change. The concept of divided sovereignty with shared responsibilities under a rule of law, with ultimate reference to the people requires workable Constitutional norms, high quality leadership and an alert electorate.

With the success of the American Revolution and of the Constitution, with the fairytale story of progress and opportunities, with all frontiers open and all outsiders welcome, the United States became the Mecca of immigrants, the New Atlantis realized, Utopia found and come true.

These two Testaments of American history have become, not only a program for excellence but also a human reality, this is to say an imperfect, insufficient approximation, subject to improvement and to deterioration as well. The uncertainties and failings inherent in every human endeavour have accompanied the great unfinished adventure which is the United States. As if to highlight this basic infirmity it came to pass four score and seven years after 1776 that the United States was "engaged in a great civil war testing whether that nation, or any other nation so conceived and so dedicated can long endure." That conflict was followed by a period of great expansions and by other conflicts followed in turn by greater achievements and problems, to this day.

The Gettysburg Address and the Second Inaugural are inscribed side by side in the Lincoln Memorial as the third Testament to American greatness. "With malice towards none, with charity for all, . . . this Nation, under God shall have a new birth of freedom". So let it be as we scan the future in the threshold of a new century.

Are there any other great documents of commensurate spiritual strength to fortify this country in the perennial struggle for human survival and improvement? Perhaps the identification of the four great freedoms by Franklin D. Roosevelt, freedom of religion, freedom of speech, freedom of fear and freedom from want; perhaps the inaugural speech of John F. Kennedy, a voice truncated in flight, perhaps as yet unnoticed words throughout the land waiting for history to make them significant. It is the future that seals the meaning of the present and the past. As we look before and after and pine for what is not, it is not difficult to identify unfulfilled promises and unrealized expectations in this illustrious history of 200 years. The test of human equality in the first new nation is yet to prevail. In the poem of Langston Hughes "Let America be America again, the land that never has been and yet must be".

As the elected representative of Puerto Rico to the United States I am disappointed by the fact that the Compact of Permanent Union between Puerto Rico and the United States improving Commonwealth status and expressing the wishes of the people of Puerto Rico as recorded in the plebiscite of 1967, has not been acted upon as yet either by the President or by the Congress of the United States. That inaction is both unjustified and harmful. I had anticipated that by today we in Puerto Rico would have been in a position to congratulate ourselves and our fellow citizens in the mainland in such an achievement.

Yet, in the perspective of history, neither myself nor anyone aiming to be fair can fail to acknowledge the overwhelming record of notable achievements calling for a positive outlook in spite of many failures.

So, as a Puerto Rican, as an American citizen, and as a believer in the essential brotherhood of man, I keep faith with the future as I say Happy Birthday United States of America. May all of us and our posterity grow to fulfill the commitments and the hopes enshrined in the Declaration of Independence, the Constitution of the United States and the Gettysburg Address.

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[1] Address delivered during the Puerto Rican Panorama Program, broadcasted on July 4, 1975 at 10:00 A.M. over WPVI-TV station in Philadelphia.

STUDENTS ACT TO PROTECT RARE CACTUS

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. HELSTOSKI. Mr. Speaker, I wish to call to the attention of my colleagues the following article which describes the endeavors of four "conservation-minded" fifth graders in my congressional district. Concerned over a vanishing species of cactus, these students organized an effort to petition their Government for action. I hope that my colleagues will join me in commending these young people for their enthusiasm and participation.

The article follows:

PRICKLY PROBLEM OF CACTUS TURNS ON UNION CITY PUPILS

(By Tim Healy)

Can a small band of 10-year-olds from Union City save countless species of rare cactus in faraway American desert lands from grazing cattle, housing developers, "cactus rustlers," or dune buggy drivers?

When four fifth grade students from St. Augustine's school read last month that cactus plants in the southwest are being uprooted daily and put in danger of possible extinction, they decided to come to the aid of the prickly plants.

With their teacher's encouragement and a little help from City Hall, the students have mounted a petition drive calling for federal regulations to "preserve and protect one of nature's most beautiful creations."

Mark Adams, one of the four youngsters interested in keeping the cactus alive, explained Friday that he and his classmates collected nearly 100 signatures last week by circulating the petition in school, around their neighborhoods, and outside St. Augustine's after Sunday morning services.

"We're going to spread the petition around for as long as we can," he said, adding that the students are not sure how many signatures they expect to gather.

ARTICLE SPARKED DRIVE

The students read an article about cactus in a biweekly science magazine they receive. The science essay explained that housing, farm, and ranch development in semi-desert areas, as well as strip mining and the use of dune buggies, have all led to the destruction of "enormous numbers" of cacti in recent years.

Once a species of cactus becomes rare, the article continued, plant collectors concentrate on finding the few remaining samples, further endangering the already scarce variety.

While the Union City students are growing up more than 1,000 miles from the Southwest deserts where cactus grows, Joan Reilly, the group's only female member, does not think it unusual that they are worried about the nettled plant.

"Some of us have cactus plants in our home," she said, "and we have a couple of cacti in the classroom." She pointed out that many desert animals and insects rely on cactus plants for food, water, and shelter.

The desert areas where an estimated 1,600 species of cactus are believed to have originated "are still part of the United States." Mark Adams added, "and we want to preserve the country's natural beauty."

Henry Smith, temporarily sidelined from the petition drive late last week by a tonsillectomy, and Octavio Barreto, the group's senior member at 11 years of age, complete the squad of four cactus petitioners.

Rose Rovelli, their fifth grade teacher, described the four youngsters as "enthusiastic and eager," adding that it is "encouraging to see students involved with conservation projects like this instead of with something destructive."

After reading the cactus article, the four students went to Mayor William V. Musto for help with their drive. He agreed to have petition blanks printed and to help the youngsters forward the signatures to the local Congressional delegation and to President Ford.

Tina Yandolino, the mayor's secretary, and

Bob Menendez, a mayoral aide, were assigned to help the four students circulate the petition forms.

Musto said he was both surprised and pleased when the four students visited his office. "Here were these little kids," he said, "working so hard to make grownups aware of this cactus problem. It's a novel thing they're doing."

DISTANCE IS SHRINKING

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. DAN DANIEL. Mr. Speaker, on June 2, the Blackstone Lions Club of Blackstone, Va., presented its 25th annual Citizenship Award to Col. Henry S. Sachers, post commander at Fort Pickett, Va.

The ceremony was a community affair in which special honor was not only paid to Colonel Sachers but recognition was given to the value of Fort Pickett to that area.

Blackstone lies within the congressional district which I have the honor of representing and I know of no place in America where the citizens are more conscious of our defense needs and more appreciative of the role which the peacetime military officers and men play in defense of this country.

Because of the significance of this occasion to those who participated and because of the larger meaning apparent in the remarks made, I would like to include, for the reading of the Members of the House, an editorial from the Blackstone Courier Record of June 10, 1976, and the text of the addresses made on that occasion by Maj. Gen. Dean Van Lydegraf, commander of Fort Lee, Va., and Edward J. Moon Kosjer of Norfolk, director of the Lions International. I feel that these remarks are quite significant.

The articles follow:

DISTANCE IS SHRINKING

The new Concorde aircraft have reduced the time it takes to fly from Europe to America by four hours. This noisy and expensive breakthrough will gradually extend to flights in this country and distances will be shrunk until the saying that it is a small world will really be true. Here at home the other evening the Blackstone Lions Club proved that it is not nearly as far from Blackstone to Fort Pickett as it once was. The two miles distance on the map between the two communities today is only a short step, not because of any miracle of transportation but because of the miracle of cooperation.

The Lions Club is to be commended for its wisdom in selecting Col. Henry S. Sachers for its annual Outstanding Citizenship and Service Award. This is the first time anyone outside of the Blackstone community has been chosen for the Lions award and it demonstrates that Pickett isn't considered another community, but part of this one and Blackstone part of Pickett. There are no fences between the communities, no barriers to full cooperation which is being enjoyed.

It is fitting that Col. Sachers received the coveted award. He is a mild-mannered individual who attempts to remain out of the lime light. He is content to do his job as Post Commander without a lot of fanfare. He is easy to talk with and quick to get things done, lending the post's cooperation to worthwhile projects. The fact that he cared to return for a second tour of duty at Pickett and because he has said he would like to retire and live in this area has further endeared him to area residents.

It should be pointed out that cooperation between Pickett and Blackstone is nothing new. It has been developing over a period of many years, especially since the end of World War II. Previous post commanders and previous town officials have nursed along the feeling of closeness and cooperation until it has blossomed out into something which is bearing fruit in both "yards" and which both "families" are enjoying.

The present attitude of this community toward Fort Pickett and the military is reflected in a letter from a reserve sergeant who recently trained at Pickett. A copy of that letter is printed in the Forum today because it shows that this spirit of friendliness exists not only on the level of commanding officers and town officials, but throughout both communities. Blackstone area residents have been made to feel welcome at Pickett and Pickett residents are made to feel welcome here. It wasn't always that way.

While the Lions Award went to Col. Sachers he was the first to say that many others were responsible to some degree for his selection. The fact that he first singled out his charming mother for recognition further endeared him in the hearts of local residents. He also cited the military and civilian personnel on the post and the Reserve and National Guard forces which train at Pickett. He graciously shared the recognition with others. And that's the kind of man Col. Henry Sachers is. And that's the reason the Lions rightfully selected him for their high honor. When it comes to shrinking distances men like Henry Sachers have the super jets beat by several lengths.

REMARKS OF THE COMMANDING GENERAL OF FORT LEE

Major General Dean Van Lydegraf said "this is a historic occasion, I am proud to be here with you Lions, you lovely ladies, the Town Council, Mayor, Town Manager, Board of Supervisors, General McCaddin, General Vaughan, and friends: This is a special occasion for the Blackstone Lions' Club. This is the evening when you announce the choice you have made as your community's "outstanding citizen of 1976." This is also "ladies' night," it would be abundantly evident from the turnout this evening of so many charming members of the fair sex.

On this special occasion, I consider it a special privilege to be with you. I have been asked to speak on "The Army's Part in Our Nation's Formation." To use the expression so popular these days—"I'm glad you asked!" Yes, I am happy for the opportunity—in this our Nation's Bicentennial year—to talk about the Army's role in shaping our country.

"Bunker Hill"—"Valley Forge"—"Yorktown" are names familiar to all of us since our school days. These were early contributions our Army made to our Nation, and the outcome of these events had a great deal to do with the destiny of America. But there is so much more to the story—and tonight I intend to tell you some things that are not widely known, although they ought to be.

I want to talk not only about how the Army made possible the survival of our fledgling republic 200 years ago—I want to discuss some of the important contributions the Army has made to our society—to the growth and development of our Nation over the years. These advances—through technology—are going on right now, and will unquestionably continue into the future.

But let us start at the beginning—the American Revolution. On June 14, 1775, the Second Continental Congress at Philadelphia resolved—and I quote "That six companies of expert riflemen be immediately raised in Pennsylvania, two in Maryland, and two in Virginia . . ." End quote. At the time it authorized these ten companies of soldiers, Congress also federalized the units that had been active in New England—units that had fought at Lexington and Concord.

Thus the Army was founded—older than the country itself. Named the American Continental Army, it was later to be called the United States Army. Congress designated George Washington as Commander-in-Chief of the Regular Army and the volunteer Militia.

The Revolution is a chapter in our history written in blood, toil, sacrifice, raw courage, and—above all—perseverance. Our forefathers persevered under hardships that are almost unimaginable to us today.

The Continental soldier was poorly uniformed. Those first volunteers appeared in a strange array of semi-uniforms, hunting outfits, and homespun clothes. Furthermore, their food rations were never adequate. And as time went on, the lack of food and clothing became—at various periods—an incredibly difficult problem.

Albigence Waldo, a Connecticut surgeon, wrote about the diet at Valley Forge:

"What have you for our Dinners, Boys? 'Nothing but Fire Cake and Water, Sir.' At night . . . What is your Supper, Lads? 'Fire Cake and Water, Sir.' What have you for Breakfast? 'Fire Cake and Water, Sir.' "

He ended his comment with this: "The Lord send that our Commissary of Purchases may live on Fire Cake and Water."

In order to make this somewhat less than toothsome concoction, the soldier first mixed his ration of flour with water to make a paste. This he spread on a flat stone, placing it upright near the fire. After cooking, the fire cake was charred on the outside and doughy next to the stone. The cake was then peeled from the stone and eaten.

This is hardly a recipe I would recommend to you ladies here this evening.

Another soldier, Joseph Martin, who endured the Valley Forge nightmare, wrote:

"The army was now not only starved but naked; the greatest part were not only shirtless and barefoot, but destitute of all other clothing, especially blankets. I procured a small piece of raw cowhide and made myself a pair of moccasons, which (while they lasted) kept my feet from the frozen ground . . . the hard edges so galled my ancles that it was with much difficulty and pain that I could wear them . . . but the only alternative I had was to go barefoot, as hundreds of my companions had to, till they might be tracked by their blood upon the rough frozen ground."

The fighting that was to preserve our newly formed Nation lasted for six years—the first three in the northern part of the colonies, and the other three in the southern half. The war was fought all along the coast from New England to Georgia, and inland to the Appalachian Mountains and the Great Lakes. The Army suffered bitter defeats—but scored victories, too.

General Washington—with French assistance—was finally able to pin Cornwallis against the sea at Yorktown—here in Virginia—in 1781. The British general's surrender marked the virtual close of the American Revolution, although the peace treaty was not signed until two years later.

I suspect it may be of interest to you ladies to know that women played a significant part in helping their men to win the war.

All of us have heard of Betsy Ross, and Mollie Pitcher, for they are the most famous female names to come out of the Revolution. But there were lesser known heroines who had the names Emily Geiger, Margaret Corbin and Deborah Samson.

Emily Geiger was called to duty when she was asked to deliver an important message from General Greene to General Sumter. Enroute on horseback to the Sumter camp, she was captured. Since she had read and memorized the message she was to deliver, she ate the paper on which it was written before her captors had time to search her. When they found her empty-handed, they let her go—and she verbally delivered the message at her destination.

Margaret Corbin was with her husband when he was killed during heavy fighting at Fort Washington. She carried on in her husband's place of duty and continued an assault on the British. She, like Mollie Pitcher, was honored and received a half-pay pension for life.

Deborah Samson was a school teacher in Massachusetts who enlisted under the name of her brother, Robert Shurtleff. She remained disguised as a man and assumed male responsibilities and duties. It was not until she was wounded in action that her true identity was discovered. General Washington gave her a discharge and a pension.

In concluding these comments about Revolutionary War women, I will tell you a story—with an amusing twist—about Nancy Hart, of Georgia, a true southern heroine. It is said that she was six feet tall and cross-eyed. Nevertheless, she was a crack shot, and the Indians had named her "War Woman." When she was compelled to feed a band of Loyalists in her home, she set about to get them drunk, and when she had succeeded in doing this she took away their firearms. Then, she held them at gunpoint until help arrived. As the story goes, none of her prisoners was willing to make a move because—since Nancy was cross-eyed—the men weren't sure which of them she was looking at.

In the years following the Revolution, the Army did much of the exploration, surveying, and mapping that was necessary for the Nation to expand. Perhaps the most famous Army explorers were Captain Meriwether Lewis and Lieutenant William Clark, whose mission was to explore the unknown territory west of the Mississippi River.

Lewis and Clark organized an expedition party that set out from St. Louis in May 1804. The expedition extended over a period of more than two years and four months. The party blazed trails up the Missouri River to its headwaters—across the Rocky Mountains—and on to the Pacific Ocean, and back. From this extraordinary feat came the first detailed information about the geography, climate, and natural resources of this vast area.

Others were to follow and blaze new trails—Pike, Bonneville, Fremont. Such Army officers explored, surveyed, and mapped the territory over which the covered wagons—and later the railroads—moved across the Great Plains and beyond.

As the Nation grew, it was the Corps of Army Engineers who built lighthouses that protected our coasts, and laid out many of the first roads. They helped build our railroads, too—including the great transcontinental rail line that spanned the country.

In 1824, they were given the responsibility for navigation on all of the Nation's inland waterways and all of its harbors. Today, this responsibility includes the full range of the water resources of the Nation. The Army Engineers' flood control projects protect major cities and provide hydroelectric power, municipal and industrial water, and many other benefits. In the lower Mississippi Valley flood control project alone, thirty million acres of mud flats and willow swamps that flooded every spring have been converted into protected and flourishing farmlands, towns, and industrial centers.

Construction of the Panama Canal—one of the world's most important waterways—was supervised by the Army Engineers. The construction was made possible by an Army Medical Corps officer, Major Walter Reed, whose work led to the eradication of Yellow Fever, which had previously accounted for a heavy loss of construction workers.

Many years later, it was another Army doctor who combatted another potential killer—influenza. In 1944, Dr. Jonas Salk—who subsequently worked so successfully with polio—developed influenza vaccines.

The use of liquid chlorine to keep water free of harmful bacteria was developed by an Army major. The use of the X-ray as a diagnostic tool was developed by the Army. Army doctors wrote the first texts on psychiatry, and aviation medicine, and compiled the first American pharmacopoeia.

A typhoid vaccine developed at the Army Medical School has greatly reduced the loss of life due to typhoid epidemics. The vaccine in use today for German measles is a spin-off of Army interest in respiratory ailments. The Army Burn Center at Brooke Medical Center is the acknowledged national center for burn research.

The story of the Army's contribution to the well-being of Americans doesn't stop there. It seems practically endless. Just to mention, briefly, some of the other achievements: Low profile tires—developed by the Army Ordnance Corps to improve traction—were adopted by U. S. car manufacturers. Army scientists have invented a way to change waste paper into food and other useful products, using a process that won't contaminate the air at the same time. Law enforcement agencies have adopted a plastic material, developed through Army research, to facilitate the recording of fingerprints.

When did you last use an aerosol container—a pressurized can of air freshener, or hair spray, perhaps? I'll bet you used a spray can—of one sort or another—at some time today. And you probably didn't know that the Army developed the aerosol can in World War II. Even the shoes we are all wearing tonight owe their left foot and right foot design to the Army. During the Civil War, the Quartermaster General started issuing boots to fit left and right feet, for the first time. The Nation's footwear industry has never been the same since.

Today, every housewife who uses convenience foods benefits from the Army's efforts to keep military feeding in step with a ready, mobile military force. The advantage of convenience foods is that they cost less to transport, less to store, and require no skilled cooks. For example, sixteen cans of green beans, when freeze-dried and compressed, can be packed into one can and rehydrated to original volume.

Our Army exists for the sole purpose of serving the American people. I hope I have given you some insights at to what the Army has accomplished over the years—its part in molding our Nation—its contributions in making life better for all of us.

Today's soldier is a new breed. He is better trained, possesses new skills and more effective weapons than his predecessors. But in gallantry, and in his unswerving resolution to serve to the best of his ability, he is the same as he has always been. His heritage is one not only of defending but of building our Nation to new heights of greatness.

Edward J. "Moon" Kosjer, Lions' International Director

Distinguished guests, General Van Lydegraf, General McCaddin, General Vaughan, Colonel Sachers, Lions, ladies, and guests: In the May issue of the Lion, the magazine of our International organization, the President of Lions International, Henry J. Aslan, called on Lions Clubs to make awards and cite outstanding Citizens, I will be able to tell him when I again meet with him that the Blackstone Lions Club, located here in the Heartland of Wonderful Southside Virginia, has for 27 years been doing just this. In this 27 years the Club has presented 25 awards. One year the recepient died and the Club the next year on the 100th Anniversary of the ending of the War between the States, placed a shaft at Saylers Creek Battlefield, where the forces of Lee and Grant met in final conflict just hours before the surrender at Appomattox. This shaft with its Lions Emblem stands as a reminder that W. R. Turner, historian and author, of Blackstone, spent a lifetime working, lobbying, and speaking to get the necessary legislation passed to have the Battlefield made into a State park memorial to the gallant men of the South and North that fell in this great battle. He also was responsible for the marking of the route of Lee's retreat from Petersburg to Appomattox, the deathbed of the Confederacy.

On one other year the award was omitted so the Blackstone Chamber of Commerce could honor one of our loyal members, no member of the club is eligible for this award as Blackstone Lions sponsor the award. Those who have received it, three women and twenty two men, are the finest citizens a community could ever have. This explanation is necessary because this evening we have with us people out of this area. The person who receives this award has made an outstanding contribution to Blackstone and the area. This person has "torn down the fence."

Our outstanding Citizen was born January 16, 1926 in Richmond, Virginia, he attended Jefferson High School in Roanoke, where he graduated in 1943. He attended Roanoke College, the United States Military Academy, West Point, New York; and graduated in the class of 1950. He received his BS Degree from Virginia Polytechnic Institute, Blacksburg, Virginia 1962–1964 as a part time student.

He is one of a threesome, born one of triplets to his mother, Mrs. G. E. (Wilhemina Sachers). He has one brother, a Minister, one sister, wife of one of Virginia's outstanding Judges.

Our Citizen is a bachelor and his Mother lives with him. Now, so we can bring out of hiding the other two of this three-some, let us present the giveaway as to who our honor Citizen is. We are fortunate to have with us his brother, Calvin S. Sachers, Charlottesville, Episcopal Minister and his family, his sister, Ruth Sachers Ballou and her husband, Judge Ernest W. Ballou and family of Roanoke.

Our Citizen has been a great neighbor on two occasions. He was Commanding Officer of Fort Pickett 1971–74, he then left and was Det. Senior Advisor, Thailand 1974–75. 1975 Chief Site Evaluator Reserve Affairs, Fort Eustis, Virginia. 1975–76 again Commander at Fort Pickett, Virginia.

During the two tours here at Fort Pickett, Col. Sachers has established a rapport that continued and enhanced the wonderful relations between the Town of Blackstone and Fort Pickett. Blackstone has long demonstrated that it is a town where a man in the Uniform of his country is important, there is not now, nor has there ever been an unpleasant confrontation.

Col. Henry Sachers completely took down the fences. When not in use the military post furnishes, hunting, fishing and recreation. The beautiful NCO Club is a meeting place for Chamber of Commerce and Lions district gatherings. The staff and personel under Col. Sachers command, are citizens and soldiers to be proud of.

Who is Henry Sachers? His Mother says he was appointed by Senator Claude Swanson to West Point when brother Calvin failed the eye test.

In his career Col. Sachers has these awards and decorations: Silver Star; Legion of Merit; Bronze Star; amongst other meritorious service medals.

This list we have just read will give some insight into the man we honor. Let's probe further:

EDUCATION, MILITARY

1951: Infantry Officers' Basic Course, Ft. Benning, Georgia.

1955–56: Infantry Officers' advance Course, Ft. Benning, Ga.

1958: Command General Staff College, Ft. Leavenworth, Ka.

1959: Indian Defense Service Staff College, Wellington, Niligris, South India, Graduated 1959.

1964–65: Defense Language Institute, Monterey, Calif. (Thai)

1974: Defense Language Institute, Monterey, Calif. (Thai refresher)

And now where has he been in this great military career?

MILITARY ASSIGNMENTS

1950–51: Plat. Ldr. 82nd ABN Div. Ft. Bragg, N.C.

1951–53: Korean War, 187 ABN Regt. Cmbt. Team

1953–55: 3rd Inf. Regt, Fort Myer, Va., Company Cmdr. & Staff

1959–60: Exchange Tour British Army, South Wales Borders Company Cmdr. and Brig. Opns. Off.

1961–64: Asst. PMS, VPI, Blacksburg, Virginia.

1965–66: Det. CO & Sr. Advisor, Det II, Korat, Thailand

1966–70: Sr. Advisor, 2nd ARVN Div. Corps, South Vietnam

1970–71: Staff Officer, ODSCOPS, HQ, United States Army, Europe

Now for our final surprise of this presentation; Julian Hardy located a man who was Henry Sachers roommate at West Point, and who would know more about our principal subject. Let's let him tell us—Col. James C. Barnes, Jr. and his lovely wife Bobbie are with us this evening and he says: The fact is, I haven't seen much of Hank over the years although we are very good friends. He is an infantry officer and I am an artillery officer and thus we have been at different stations throughout most of our service. But based on our close association at the Military Academy, and his outstanding reputation as an Army officer, I can say unequivocally, that this fellow is an exemplary Christian gentleman who I have always been proud to call my friend. At West Point, Hank was perhaps the most popular cadet in the class of 1950. He had a hell of a time with the books but managed to slug it out by sheer grit and determination. He was an outstanding athlete (Lacross), taught Sunday School at the Post chapel every Sunday and consistently scored the highest marks in leadership and military aptitude. The real story of Hank Sachers lies in his personal integrity and character. Throughout the period I have known him I can't remember a single occasion when he did not have a positive attitude about his superiors, the people he worked with or the men he commanded. He is a totally unselfish person, fully dedicated to the welfare of his people, the Army and to the Nation. In short, he is simply a Super Guy! And that's why Col. Henry Sachers is asked to come forward now and receive this well deserved Citizenship and Service Award.

THE PROCEEDINGS OF THE CONTINENTAL CONGRESS THE DAY IT ADOPTED THE DECLARATION OF INDEPENDENCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. KEMP. Mr. Speaker, it is a great honor to be serving in the Congress during this period in which we both observe the 200th anniversary of the proclamation of our Declaration of Independence and continue to face challenging issues effecting the Nation's future.

I had an occasion earlier this year to read the proceedings of the Continental Congress during its consideration of the Declaration, and I was particularly moved by how these men of divergent backgrounds and interest moved as if by an unseen hand toward the right decision.

The Apostle Paul said there are those times in which there is a "gathering of eagles," a time when the bravest come forth to assure the success of a great venture. The miracle at Philadelphia was indeed such a moment. And, I think we do the signers and ourselves a disservice if we do not realize the profundity of their pledge:

> And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes and our Sacred Honor.

They were doing exactly that. If their efforts had failed, most would have been hung, the others imprisoned. Their properties and estates would have been confiscated. And, although not in the eyes of history, certainly in the eyes of many of their countrymen, their honor would have been destroyed.

America's greatness in no small part arose from the spirit which their individual and joint courage fostered. We will always be indebted to them, their courage, their vision. Our pledge on this 200th anniversary must be to preserve what they gave us. No less is acceptable.

At this point in today's proceedings, I include the text of the Journal of the Proceedings of the Continental Congress for the day on which the Declaration was adopted:

THURSDAY, JULY 4, 1776

Resolved, That an application be made to the committee of safety of Pennsylvania for a supply of flints for the troops at New York; and that the colony of Maryland and Delaware be requested to embody their militia for the flying camp, with all expedition, and to march them, without delay, to the city of Philadelphia.

JOURNALS OF CONGRESS

Agreeable to the order of the day, the Congress resolved itself into a committee of the whole, to take into their farther consideration, the declaration—and, after some time—the president resumed the chair. Mr. [Benjamin] Harrison reported, that the committee of the whole Congress have agreed to a Declaration, which he delivered in.

The Declaration being again read, was agreed to as follows:

The unanimous Declaration of the Thirteen United States of America

When, in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume, among the Powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these, are Life, Liberty, and the pursuit of Happiness. That, to secure these rights, Governments are instituted among Men, deriving their just Powers from the consent of the governed. That, whenever any form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such Principles, and organizing its Powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and, accordingly, all experience hath shewn, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But, when a long train of abuses and usurpations, pursuing invariably the same Object, evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future Security. Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government. The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States. To prove this, let Facts be submitted to a candid world.

He has refused his Assent to Laws the most wholesome and necessary for the public good.

He has forbidden his Governors to pass Laws of immediate and pressing importance, unless suspended in their operation till his Assent should be obtained; and when so suspended, he has utterly neglected to attend to them.

He has refused to pass other Laws for the accommodation of large districts of People, unless those People would relinquish the right of Representation in the legislature; a right inestimable to them and formidable to tyrants only.

He has called together legislative bodies at places unusual, uncomfortable, and distant from the depository of their Public Records, for the sole Purpose of fatiguing them into compliance with his measures.

He has dissolved Representative Houses repeatedly, for opposing, with manly firmness, his invasions on the rights of the People.

Resolved, That the Board of War be empowered to employ such a number of persons, as they shall find necessary, to manufacture flints for the continent; and, for this purpose, to apply to the respective assemblies, conventions and councils, or committees of safety of the United American States, or committees of Inspection of the counties and towns thereunto belonging, for the names and places of abode of persons skilled in the manufactory aforesaid, and of the places, in their respective states, where the best flint stones are to be obtained, with samples of the same.[4]

Resolved, That an order for 27/=3 54/90ths dollars, be drawn on the treasurers, in favour of the express, who brought despatches from Trenton.

Resolved, That Dr. [Benjamin] Franklin, Mr. [John] Adams and Mr. [Thomas] Jefferson, be a committee, to bring in a device for a seal for the United States of America.

Resolved, That the Secret Committee be instructed to sell 25 lb. of powder to John Garrison, of North Carolina.

Adjourned to 9 o'Clock to Morrow.

DECLARATION OF PRINCIPLE

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. DEL CLAWSON. Mr. Speaker, the beginning of our Bicentennial Year, July 5, 1975, was heralded by a group of my constituents in the 33d District of California, the board of directors of the Whittier Area Chamber of Commerce, with a declaration of principle which I believe it appropriate to bring to the attention of my colleagues as we begin today a recess in anticipation of celebrating the 200th anniversary of our national Declaration of Independence. The text of the declaration of the Whittier Area Chamber is included at this point in the RECORD together with the list of those who signed it.

DECLARATION

On this 4th day of July in the year 1975, the beginning of the 200th year of the United States of America, the Whittier-Area Chamber of Commerce of Whittier, California, United States of America, does hereby make the following Declaration:

Whereas, it is almost universally acknowledged that inflation constitutes a continuing threat to the economic system designed by our forefathers, and

Whereas, it is widely accepted that the primary cause of inflation is the continual budget deficits of our federal government which are compounded by the growth and interest charges on those deficits, and

Whereas, borrowing by the federal government competes with the monetary needs of the private sector of our economy, causing money shortages and driving up interest rates; in fact, denying many the opportunity to borrow at acceptable rates, and

Whereas, the members of the Whittier-Area Chamber of Commerce are business people and consumers who understand our economic system, who recognize the necessity for fiscal responsibility and who realize that the unchecked cancerous growth of our federal deficits will result in the inevitable breakdown of our system at some presently undetermined but finite time, and

Whereas, the majority of our elected officials in both the Executive and Legislative branches of our federal government have paid lip service to fiscal responsibility, but in fact have failed in any positive way to provide controls to reverse the dangerous direction in which we are headed, and

Whereas, it becomes incumbent upon the business people of this great country to create an awareness of the need for statutory control over all branches of government at all levels, and to urge that these controls be made as an amendment to our great Constitution to further define the original intent of that magnificent document.

Now therefore, the Whittier-Area Chamber of Commerce, by order of its Board of Directors hereby declares its intent to work unceasingly to bring about the vitally needed controls peacefully and lawfully in all ways available to it within the limits of its resources, both financial and through the volunteer support of its members. This declaration to be presented to the President of the United States of America and to each of the legislators presently elected to the Senate and the House of Representatives of the United States, with the presentations to be made by the Honorable Del Clawson, Member of Congress, the 33rd District of the State of California.

And further, that the Chamber of Commerce of the United States and the California Chamber of Commerce be notified of this declaration.

And further, that by means of the news media and other practicable methods this declaration be broadcast across the land to gather support for the necessary action.

This declaration is made by action of the Board of Directors of the Whittier-Area Chamber of Commerce on this the 4th day of July, 1975, and is attested by their signatures affixed hereon.

K. E. Higbee, H. A. Beisswenger, Jack M. Loggins, Sherrill O. Neece, Howard J. Dauer, R. D. Misamore, Gerald J. Conlin, Don B. Vaupel, Melville C. Rich, Louise Martin, M. G. Garman, Gerald W. Hathaway, William B. Murray, Derk Van Oort, Donald G. Ehr, W. A. Ellis.

EX-IM DECISION COMMENDED

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. BONKER. Mr. Speaker, it is refreshing to note that the Export-Import Bank on June 17 decided against approving a $450 million guarantee of financing for a strategic coal gasification plant in South Africa. This follows its disapproval earlier in the year of an application for the same project in the way of $225 million in guarantee and $225 million in direct loan, as well as its change of heart in just the last month on a preliminary commitment for a $250 million guarantee of financing for two nuclear reactors and fuel contracted by the South African Electricity Supply Commission. The Washington Office on Africa estimates that, as of March 31, Ex-Im's exposure in South Africa, at $265 million, was already 12 times as great as the level of financing only 6 years ago. Yet this would have more than tripled by going ahead with financing of the reactors and the latest proposal for the coal gasification plant.

Now that Secretary Kissinger has at last turned some of his energies to negotiating the Rhodesian problem—and, at least as indicated at Lusaka, in general to putting American policy in Africa on a more positive footing—it would seem a bit defeating to plunge into such a greater quasi-official economic involvement in South Africa. It would also seem somewhat revolting after recent events in Soweto. The Export-Import Bank is to be commended for showing restraint, and many of my fellow Congressmen for encouraging it.

HOUSE OF REPRESENTATIVES—*Monday, July 19, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Behold, God is my salvation; I will trust and not be afraid; for the Lord God is my strength and my song.—Isaiah 12: 2.

Eternal God, our Father, who hast taught us that in returning and rest we shall be saved; in quietness and in confidence shall be our strength; by the might of Thy spirit lift us into Thy presence where we may be still and know that Thou art God.

Grant us Thy blessing as we mourn the passing of Lewis Deschler who served this House of Representatives with honor and distinction as Parliamentarian for 46 years. We thank Thee for him, for his devotion to this House, and for his loyalty to our country.

Comfort his family, we pray Thee, with Thy sustaining strength and give them faith and hope and love as they live through these days.

"He cannot be where God is not,
On any sea or shore;
What'er betides, Thy love abides,
Our God, forevermore."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

The Clerk called the bill (H.R. 11149) to amend section 2 of the act entitled "An act to incorporate the National Society of the Daughters of the American Revolution."

There being no objection, the Clerk read the bill as follows:

H.R. 11149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to incorporate the National Society of the Daughters of the American Revolution" approved February 20, 1896, as amended, is amended to read as follows:

"SEC. 2. The society is authorized to acquire by purchase, gift, devise, or bequest and to hold, convey, or otherwise dispose of such property, real or personal, as may be convenient or necessary for its lawful purposes, and may adopt a constitution and make bylaws not inconsistent with law, and may adopt a seal. Said society shall have its headquarters or principal office at Washington, in the District of Columbia.".

SEC. 2. Add a new section to said Act to be numbered section 4 and to read as follows:

"SEC. 4. The society and its subordinate divisions shall have the sole and exclusive right to use the name 'National Society of the Daughters of the American Revolution'. The society shall have the exclusive and sole right to use, or to allow or refuse the use of, such emblems, seals, and badges as have heretofore been adopted or used by the National Society of the Daughters of the American Revolution.".

Mr. DANIELSON. Mr. Speaker, the bill amends the second section of the charter of the Daughters of the American Revolution to remove a $10,000,000 limit on real and personal property it owns.

The bill adds a new section 4 to its

charter granting it exclusive use of the name of the society and of its emblems.

The limit fixed in the charter in 1951 on the value of DAR property does not reflect current land values. The value of historical documents, artifacts, and other personal property has increased. The provisions in the bill provide for a practical solution to this situation. I would also note that the Congress made the same sort of amendment last year in the National Federation of Women's Clubs Charter.

Section 2 adds language found in a number of charters in title 36, United States Code, giving the organization the exclusive right to the use of its name and emblems. Previously, the DAR held a design patent on its emblems and the design patent had been periodically renewed by Congress. This was last done in 1960. In 1975 the Department of Commerce suggested in a report to the Committee on the Judiciary that the law be amended to provide for exclusive right to use the organization's emblems and is provided in this bill rather than by a legislative extension of the design patent.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY WITHHOLDING TAXES IN THE CASE OF CERTAIN FEDERAL EMPLOYEES

The Clerk called the bill (H.R. 13297) to amend title 5, United States Code, to provide for the application of city withholding taxes to Federal employees who are residents of such city.

Mr. SCHULZE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. This concludes the call of the eligible bills on the Consent Calendar.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 2, 1976.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on July 1, 1976, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed the bill H.R. 10930, An Act to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture;

That the Senate receded from its amendments to the bill H.R. 14484, An Act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, and for other purposes;

That the Senate agreed to the Report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 14235, An Act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, July 1, 1976, he did on Tuesday, July 6, 1976, sign the following enrolled bills:

H.R. 1404. An act to authorize the Secretary of the Interior to convey certain lands in Madera County, Calif., to Mrs. Lucille Jones, and for other purposes;

H.R. 4829. An act for the relief of Leah Maureen Anderson;

H.R. 5666. An act for the relief of Won, Hyo-Yun.

H.R. 10572. An act to amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments.

H.R. 10930. An act to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture.

H.R. 13069. An act to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands.

H.R. 13501. An act to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act.

H.R. 14235. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes.

H.R. 14484. An act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for 1 year the eligibility of supplemental security income recipients for food stamps, and to extend for 1 year the period during which payments may be made to States for child support collection services under part D of title IV of such act; and

S. 1518. An act to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to require the establishment of a special motor vehicle diagnostic inspection demonstration project, to provide additional authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes.

TRIBUTE TO THE LATE LEWIS DESCHLER, FORMER PARLIAMENTARIAN

(Mr. ALBERT asked and was given permission to address the House for 1 minute.)

Mr. ALBERT. Mr. Speaker, I am sure that all Members are grateful to our Chaplain for the kind words he said about our former and late Parliamentarian Lewis Deschler. I do not believe that anybody has worked closer with Lewis Deschler, since John McCormack retired, than I have.

I have worked closely with him ever since I became the Democratic whip of the House in 1955. Never in my lifetime have I ever known a man who had greater judgment. He knew his parliamentary law well. He knew his procedures. He knew this House; but above everything else, he had an instinct for how a legislative body should operate such as I believe nobody who has ever served in the House of Representatives has possessed.

He was a big man in every respect. He was a great man. He was a gentle, kind man, unassuming, always objecting to anyone saying anything complimentary about him. His modesty was merely one of the signs of his greatness.

He had just published a new book of Rules of Procedure which will probably be the greatest book in this field ever written. It will probably take the place of the long-used texts in this field in time, because it is a masterpiece. If some Members have not read it, I suggest they do so.

I counted Lew Deschler as friend. I have great affection and respect for our present Parliamentarian, but in my own mind, Lew Deschler is the greatest nonmember official that the House of Representatives has had in many, many decades, if not ever before.

Mr. Speaker, I yield to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I thank the distinguished Speaker and I join with him in expressing my sympathy to Mrs. Deschler and my sorrow at the passing of Lew Deschler.

Lew was a great friend. He was not only a skilled parliamentarian, but also he was a man who could be trusted and was trusted by both sides of the aisle. He understood the House of Representatives as well as any man could and he knew that this great body stayed together mainly because of mutual trust.

He also knew that, of course, the rules of the House were promulgated and existed so that the majority might finally exercise its will, but that the minority could also be heard. He dedicated his life to that proposition.

The advice he gave not only to the Speaker, but to the minority from time to time as to how we could best put forth whatever points we had to make were invaluable and were part of the reason that we not only trusted him, but had great respect and admiration for him.

The work which the Speaker has mentioned, I think, will undoubtedly become one of the masterpieces, one of the milestones of parliamentary procedure throughout the world. It is timely.

Mr. Speaker, it seems that maybe the Almighty was planning Lew's career, his life, if you will, so that He might have his services available wherever He wanted them in this great cosmos, but only after Lew had finished his work that he needed to have done on this Earth.

We will miss him. All of us will miss him; but I think that all of us, too, can be grateful for the opportunity we have had to know him, because he was in every way a great and good man.

Mr. ALBERT. Mr. Speaker, I thank the distinguished minority leader.

Mr. McFALL. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the distinguished majority whip.

Mr. McFALL. Mr. Speaker, I join in expressing my profound sorrow at the passing of our friend, Lou Deschler. He was a great parliamentarian, but he was not only a great parliamentarian but a friend of all of us personally and a friend of the House of Representatives because he believed in the House, I suppose, more than any man I have ever met here.

He believed in the greatness of the House of Representatives. Every ruling, every action that he took in his many years in this House was toward that end, toward the development of the greatness of the House of Representatives to make it a more representative, a more functional, a fairer, a more honest forum for the development of the law of the United States.

With that in mind, his every action was to promote that purpose. I know that we will miss him, but he has left a legacy to all the parliamentarians that we have, to the laws that we have, to the books that we have, that will have a profound effect upon everything we do for many, many years to come.

Mr. Speaker, I express my sympathy to his family, and my sorrow and shock at our loss of his friendship and service in this last week when all of us were gone and were not here to express our sorrow.

Mr. ALBERT. I thank the gentleman.

Mr. Speaker, in closing may I say that I attended the memorial service for Lew last Friday afternoon. I met his son for the first time, but I have known Lew, his wife Virginia, his daughter Joan for about 25 years. We have visited one another in our homes. We were not only business and working associates; we were friends, and close friends.

I extend to his beloved wife, his wonderful children, and his two grandchildren—who are outstanding students—the deepest sympathy of myself and of my wife Mary.

Mr. NATCHER. Mr. Speaker, I was sorry to hear of the death of our friend, Lewis Deschler, who to me was the greatest parliamentarian in the world.

It has been my pleasure and honor to preside over the Committee of the Whole during general debate on a number of bills since I have been a Member of Congress. In a great many instances a number of these bills were quite controversial and I always felt much better during technical points of order and difficult rulings when my friend, Lew Deschler, was standing there just to my right ready to assist in every instance when called upon by the Chairman of the Committee of the Whole. As you know, Mr. Speaker, Lew Deschler was the confidant and adviser of nine Speakers of the House and at all times fairly and impartially carried out his duties as Parliamentarian. The record that he established as Parliamentarian of the House of Representatives was known throughout this country and abroad and it was generally conceded that he was the greatest Parliamentarian ever to serve in the House of Representatives.

I never presided over the Committee of the Whole when I did not have the full cooperation and assistance of the Parliamentarian. He was a dedicated man and he loved the House of Representatives. By virtue of my association with Lew Deschler, I learned how to preside over the House of Representatives and especially, Mr. Speaker, I learned the importance of knowing the rules of the House and a great many precedents which are used from time to time in presiding over the Committee of the Whole. Lew Deschler always stressed the importance of knowing the rules of the House and he believed in abiding by the procedures that had been established down through the years. "Deschler's Procedure," which as you know Mr. Speaker, is a summary of the modern precedents and practices of the U.S. House of Representatives beginning with the 86th Congress and extending through the 93d Congress. Public Law 510, 91st Congress, provided for a periodic preparation by the House Parliamentarian of condensed and simplified versions of House precedents and as our friend, Lew Deschler stated in the preface of "Deschler's Procedure" the theory that a government of laws is preferable to a government of men made it necessary that the House of Representatives recognize the importance of following its precedents.

Further, you will remember, Mr. Speaker, Mr. Deschler pointed out that as early as 1942 recognition was given in the House to the value of precedents by Chairman George W. Hopkins, of Virginia, in the course of a ruling made in the Committee of the Whole. Mr. Deschler pointed out that Mr. Hopkins had said that he felt constrained to follow precedents until they were reversed, especially when settled by a solemn decision of the House. Precedents, as pointed out by Lewis Deschler, might be viewed as the common law so to speak of the House with much the same force and binding effect. "Deschler's Procedure" is an excellent compilation of the procedures of the House and stands out as a distinct milestone in the career and life of Lewis Deschler.

Parliamentarians throughout this country and abroad recognize Lewis Deschler as one of the great parliamentarians of all time. I always found him to be instinctively warmhearted, generous, understanding, sympathetic, and considerate. He was well-fitted for the position that he held for many years and he had the moral and intellectual qualities necessary for such a position. At all times the new Members of the House upon advising with the Parliamentarian always found him to be understanding and helpful.

Lewis Deschler was endowed with an excellent mind, a sympathetic heart of rugged integrity, deep humility, and personal modesty. You did not know him very long until you learned that he possessed strength of character that marked him as an outstanding American and one who could become very impatient with pretense and sham. Mr. Speaker, he was a fine gentleman in every sense of the word and a man who had the respect of every Member of Congress along with all of the officials and employees of the House. Our country is stronger today because of his immense contributions and he will be missed not only by the members of his family, but by every Member of the House of Representatives who had the pleasure and honor of working with him and knowing him while he served as Parliamentarian of the greatest legislative body in the world.

Mr. Speaker, we will all miss him and we salute his memory. The United States will be forever blessed by his legacy. May he rest in peace and may the good Lord comfort his loved ones.

Mr. ZABLOCKI. Mr. Speaker, it was with deep sadness that I learned of the recent illness and death of Mr. Lewis Deschler, former Parliamentarian of the House of Representatives.

As Parliamentarian of the House for 46 years, Mr. Deschler's invaluable service has aided the legislative process in countless ways. A knowledge of parliamentary rules and a unique comprehension of traditions and precedents enabled Lewis Deschler to authoritatively rule on points of order and enhance the progress of legislatiton.

Lewis Deschler offered continuity to our system. As I am sure my colleagues will agree, without Lewis Deschler's parliamentary expertise, his familiarity with informational resources and his responsible disposition, the House of Representatives could not have funtioned as smoothly as it has over the last four decades.

Lewis Deschler was most certainly a self-made man. He began working as a timekeeper in the House in 1925. At the time of his retirement he was the country's leading expert in parliamentary procedure. Lewis Deschler was not satisfied with just doing a good job. He strove to do the best job possible, and in my opinion, he succeeded. His career stands as evidence of that fact.

Mr. Speaker, Lewis Deschler's accomplishments are well known: He expedited the inclusion of Hawaii and Alaska in the Union; he expedited FDR's "New Deal" legislation to the floor of the House; and he was involved in setting the date for the repeal of prohibition. There are countless other occasions when Lewis' talents and abilities were relied on to insure the orderly and efficient operation of the House of Representatives.

Lewis Deschler worked with and was respected not only by the nine Speakers of the House, but by the rank and file Members irregardless of political affiliation. His determinations were generally unanimously accepted.

Mr. Speaker, since I came to the House in 1949, Mr. Deschler gave me advice and counsel which has been invaluable over the years. We all look forward to the final version of his book which compiles the House precedents and will certainly be a living mememto to Mr. Lewis Deschler.

Mr. Speaker, Lewis Deschler was an

outstanding leader, an expert in his field and a great man. He will long be remembered.

My wife joins me in extending our deepest sympathies to Lewis' wife, Virginia, the children, and his many friends.

Mr. FORSYTHE. Mr. Speaker, on Monday, July 12, the House of Representatives lost a most respected servant, Mr. Lewis Deschler, the former House Parliamentarian.

For 46 years Mr. Deschler served competently and, most importantly, fairly as the House Parliamentarian. He gave advice freely and without prejudice to all who approached him, regardless of their party labels. I remember that as a freshman Member in the minority party here in the House of Representatives, Mr. Deschler was very helpful to me.

Mr. Deschler, in his 46 years as House Parliamentarian, came to symbolize the traditions and customs of the House of Representatives. His ability to master parliamentary procedures was an important part in maintaining the continuity and stability necessary in the House of Representatives.

His loss will be felt by all who knew him and worked with him in the House Chambers. I know that my colleagues will join with me in expressing our sympathies to the Deschler family.

Mr. RANGEL. Mr. Speaker, it was with heartfelt grief that I read last week of the passing away of a man who devoted his life to this Chamber, Mr. Lewis Deschler. Mr. Deschler served admirably in the post of House Parliamentarian for 46 years, maintaining a low profile while in fact assembling a degree of influence unprecedented in the history of this House. The man whom the famous Speaker, Mr. Rayburn called the greatest Parliamentarian the House ever had, is with us no longer; but the memory of him will live long in the minds of those who were privileged to know of his concern for this body and the grace and skill which he brought to his position. We will all miss him.

GENERAL LEAVE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable Lew Deschler.

The SPEAKER pro tempore (Mr. SISK). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SELECT COMMITTEE PROPOSED TO PROMOTE TRUE SPIRIT OF THE OLYMPIC GAMES

(Mr. O'HARA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'HARA. Mr. Speaker, the original concept of the Olympic games was that of athletes getting together and competing in a friendly manner to determine individual excellence in chosen fields of athletic endeavor. It has saddened me to see the way in which nationalistic feelings and national rivalries have interfered with that original concept of the Olympic games. I think it is urgently necessary to get the Olympics back to the original concept.

Mr. Speaker, I am today introducing a resolution calling for the creation of a select committee which will study and recommend ways in which the United States can promote a return to the true spirit of the Olympic games.

AMENDMENT TO THE ANTIHIJACKING ACT OF 1974

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, this past week in California we had a new and terrible situation develop with the hijacking of a bus and the kidnaping of 26 children which, fortunately, ended with the children and the busdriver involved all being safely returned to their homes.

However, I think it could very well trigger a kind of response around this country from extremist groups who would look with approval on this kind of action. For that reason, I am offering an amendment to the Antihijacking Act of 1974 that would extend the same protection that we have offered to aircraft and passengers traveling on aircraft to use the authority of the U.S. Government in these situations in other words to cover common carriers, such as schoolbuses, camp buses and other buses of this nature.

I think that we must take this action to afford this protection to our young children and to let other people know that if they move in this way they will face the full strength and power of the U.S. Government.

MR. ED RAY COMMENDED FOR RARE ACT OF COURAGE AND RESOURCEFULNESS

(Mr. KETCHUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KETCHUM. Mr. Speaker, I wish to take a few moments today to commend a rare act of courage and resourcefulness that may well have averted a tragic fate for 26 young Californians. I refer, of course, to Mr. Ed Ray, the busdriver from Chowchilla who engineered the escape of his young passengers from a makeshift tomb where they had been imprisoned by unknown kidnapers.

Mr. Ray certainly does not bill himself as a hero, but believes he simply did what he had to do. This modest claim does not do justice to his brave efforts. First, Mr. Ray managed to keep 26 children, ranging in age from 14 to 5, calm and orderly under circumstances which must have been terrifying to them. This alone is no small achievement. Then he kept his own head to devise an escape from a buried van, clawing his way to freedom with a broken piece of board, and bringing all the children out with him.

While we do not know what would have happened if Ed Ray had been less courageous, I think it safe to assume all 26 children would not be safe in their homes today. Mr. Ray exemplifies those traits of grace under pressure that ordinary Americans have shown so often in times of crisis. In his concern for others, in his clear thinking, he typifies the best of the American people. I know my colleagues join me in commending Ed Ray and in adding our thanks for a job superlatively done.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Speaker, I would like to add my voice in commenting upon the courageous action of this good man from California. He has shown how citizens can respond in moments of great pressure, and we can all be very proud of him.

Mr. KETCHUM. Mr. Speaker, I thank the gentlewoman for her remarks.

PERMISSION FOR SUBCOMMITTEE ON WATER AND POWER RESOURCES OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT TODAY DURING GENERAL DEBATE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Water and Power Resources of the Committee on Interior and Insular Affairs be permitted to sit during general debate this afternoon in order to conduct a hearing.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 2, 1976.

Hon. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 4:50 p.m. on Friday, July 2, 1976, and said to contain H.R. 12384, "An Act to authorize certain construction at military installations and for other purposes," and a veto message by the President thereon.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1977—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-546)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.R. 12384, a bill "To authorize certain construction at military installations and for other purposes."

I regret that I must take this action because the bill is generally acceptable, providing a comprehensive construction program for fiscal year 1977 keyed to recognized military requirements. One provision, however, is highly objectionable, thus precluding my approval of the measure.

Section 612 of the bill would prohibit certain base closures or the reduction of civilian personnel at certain military installations unless the proposed action is *reported to* Congress and a period of nine months elapses during which time the military department concerned would be required to identify the full range of environmental impacts of the proposed action, as required by the National Environmental Policy Act (NEPA). Subsequently, the final decision to close or significantly reduce an installation covered under the bill would have to be reported to the Armed Services Committees of the Congress together with a detailed justification for such decision. No action could be taken to implement the decision until the expiration of at least ninety days following submission of the detailed justification to the appropriate committees. The bill provides a limited Presidential waiver of the requirements of section 612 for reasons of military emergency or national security.

This provision is also unacceptable from the standpoint of sound Government policy. It would substitute an arbitrary time limit and set of requirements for the current procedures whereby base closures and reductions are effected, procedures which include compliance with NEPA and adequately take into account all other relevant considerations, and afford extensive opportunity for public and congressional involvement. By imposing unnecessary delays in base closures and reductions, the bill's requirements would generate a budgetary drain on the defense dollar which should be used to strengthen our military capabilities.

Moreover, section 612 raises serious questions by its attempt to limit my powers over military bases. The President must be able, if the need arises, to change or reduce the mission at any military installation if and when that becomes necessary.

The Department of Defense has undertaken over 2,700 actions to reduce, realign, and close military installations and activities since 1969. These actions have enabled us to sustain the combat capability of our armed forces while reducing annual Defense costs by more than $4 billion. For realignment proposals already announced for study, section 612 could increase fiscal year 1978 budgetary requirements for defense by $150 million and require retention, at least through fiscal year 1977, of approximately 11,300 military and civilian personnel positions not needed for essential base activities.

The nation's taxpayers rightly expect the most defense possible for their tax dollars. I am certain Congress does not intend unnecessary or arbitrary increases in the tax burden of the American people. Numerous congressional reports on national defense demonstrate the desire by the Congress to trim unnecessary defense spending and personnel. I cannot approve legislation that would result in waste and inefficiency at the expense of meeting our essential military requirements.

GERALD R. FORD.

THE WHITE HOUSE, *July 2, 1976*.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

Mr. ICHORD. Mr. Speaker, in connection with the veto message on the military construction bill just read, I ask unanimous consent that further consideration of the veto message on the bill H.R. 12384 be postponed until Thursday, July 22, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 7, 1976.

Hon. CARL ALBERT,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 4:00 p.m. on Wednesday, July 7, 1976, and said to contain H.R. 12567, "An Act to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and the Act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes," and a veto message by the President thereon.

With kind regards. I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FEDERAL FIRE PREVENTION AND CONTROL ACT OF 1974 APPROPRIATIONS AUTHORIZATION—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–547)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning, without my approval, H.R. 12567, a bill "to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and the Act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes."

I am disapproving H.R. 12567 because it contains a provision that would seriously obstruct the exercise of the President's constitutional responsibilities over Executive branch operations. Section 2 of the enrolled bill provides that Congress may, by concurrent resolution, "veto" a plan to commit funds for construction of the National Academy for Fire Prevention and Control. This provision extends to the Congress the power to prohibit specific transactions authorized by law, without changing the law and without following the constitutional process such a change would require. Moreover, it involves the Congress directly in the performance of Executive functions in disregard of the fundamental principle of separation of powers.

Provisions of this type have been appearing in an increasing number of bills which this Congress has passed or is considering. Most are intended to enhance the power of the Congress over the detailed execution of the laws at the expense of the President's authority. I have consistently opposed legislation containing these provisions, and will continue to oppose actions that constitute a legislative encroachment on the Executive branch.

I urge the Congress to reconsider H.R. 12567 and to pass a bill I can accept so that it will be possible for the National Fire Prevention and Control Administration to proceed with its important work.

GERALD R. FORD.

THE WHITE HOUSE, *July 7, 1976*.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that the bill H.R. 12567 and the President's veto message thereon be referred to the Committee on Science and Technology.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 6, 1976.

Hon. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:38 A.M. on Tuesday, July 6, 1976, and said to contain the Seventeenth message from the President under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

TWO NEW DEFERRALS AND 27 SUPPLEMENTARY DEFERRALS UNDER IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–548)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment

Control Act of 1974, I herewith report two new deferrals totaling $4.6 million in budget authority. In addition, I am transmitting 27 supplementary deferrals that have a net effect of decreasing the total amount of deferred funds previously transmitted by $1,462.5 million.

The two new deferrals are routine actions and involve $135,938 for the Special foreign currency program of the Department of Labor and $4.4 million for the National Commission for the Observance of International Women's Year. Eighteen of the supplementary reports extend deferrals into the transition quarter while the remaining nine reflect increases to the amounts originally reported.

The details of the revised and new deferrals are contained in the attached reports.

Gerald R. Ford.

The White House, *July 6, 1976.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C., *July 2, 1976.*

Hon. Carl Albert,
The Speaker,
House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:05 a.m. on Friday, July 2, 1976, and said to contain a message from the President wherein he transmits the 8th annual report on the administration of the Natural Gas Pipeline Safety Act of 1968.

With kind regards, I am,

Sincerely,

Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

EIGHTH ANNUAL REPORT ON ADMINISTRATION OF NATURAL GAS PIPELINE SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I herewith transmit the Eighth Annual Report on the administration of the Natural Gas Pipeline Safety Act of 1968. This report has been prepared in accordance with section 14 of the Act, and covers the period January 1, 1975 through December 31, 1975.

Gerald R. Ford.

The White House, *July 2, 1976.*

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 5546. An act to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes;

H.R. 11504. An act to amend section 502(a) of the Merchant Marine Act of 1936; and

H.R. 12033. An act to continue until the close of June 30, 1979, the existing suspension of duties on manganese ore (including ferruginous ore) and related products.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14232) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Magnuson, Mr. Stennis, Mr. Robert C. Byrd, Mr. Proxmire, Mr. Montoya, Mr. Hollings, Mr. Eagleton, Mr. Bayh, Mr. Chiles, Mr. McClellan, Mr. Brooke, Mr. Case, Mr. Fong, Mr. Stevens, Mr. Schweiker, and Mr. Young to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 800. An act to amend chapter 7, title 5, United States Code, with respect to procedure for judicial review of certain administrative agency action, and for other purposes;

S. 2125. An act to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, and for other purposes;

S. 2228. An act to amend the Public Works and Economic Development Act of 1965, as amended, to extend the authorizations for a 3-year period;

S. 2661. An act to amend the Independent Safety Board Act of 1974 to authorize additional appropriations, and for other purposes;

S. 3521. An act to expedite a decision on the delivery of Alaska natural gas to U.S. markets, and for other purposes; and

S. 3656. An act to authorize the State of California to elect not to implement the food stamp program for beneficiaries of supplemental security income but to provide instead for a higher level of State supplementary benefits.

APPOINTMENT OF CONFEREES ON H.R. 14234, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION ACT, 1977

Mr. McFALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14234) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1977, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. McFall, Yates, Steed, Koch, Alexander, Duncan of Oregon, Mahon, Conte, Edwards of Alabama, and Cederberg.

APPOINTMENT OF CONFEREES ON H.R. 11009, PROVIDING FOR INDEPENDENT AUDIT OF FINANCIAL CONDITION OF DISTRICT OF COLUMBIA

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11009) to provide for an independent audit of the financial condition of the government of the District of Columbia, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and appoints the following conferees: Messrs. Diggs, Fauntroy, Rees, Mazzoli, Mann, Harris, Dan Daniel, Gude, Whalen, and McKinney.

CALL OF THE HOUSE

Mr. YATES. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 507]

Abzug
Anderson, Ill.
Andrews, N.C.
Badillo
Bedell
Bell
Bergland
Boland
Bolling
Burton, John
Butler
Chisholm
Collins, Ill.
Conlan
Conyers
Cornell
Cotter
Dellums
Derwinski
du Pont
Edwards, Calif.
Esch
Eshleman
Evans, Ind.
Findley
Ford, Mich.
Fountain
Gonzalez
Goodling
Green
Harkin
Harrington
Harsha
Hébert
Heinz
Helstoski
Hinshaw
Howe
Hubbard
Jarman
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Koch
Landrum
Leggett
Litton
Lott
Lujan
McDonald
Martin
Metcalfe
Mikva
Mills
Mink
Moorhead, Calif.
Myers, Ind.
Nowak
O'Hara
O'Neill
Ottinger
Pepper
Pressler
Randall
Rangel
Riegle
Rosenthal
Ruppe
Scheuer
Schneebeli
Shipley
Shuster
Solarz
Stanton, James V.
Steelman
Steiger, Ariz.
Symington
Thornton
Tsongas
Udall
Vander Jagt
Wolff
Young, Alaska
Young, Ga.

The SPEAKER. On this rollcall 347 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING 5-MINUTE RULE TODAY AND FOR THE BALANCE OF THE WEEK

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to sit during proceedings under the 5-minute rule today and for the balance of the week.

The SPEAKER. Is there objection to

the request of the gentleman from Georgia?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER**. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

AMENDING CERTAIN LAWS AFFECTING COAST GUARD PERSONNEL

Mrs. **SULLIVAN**. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12939) to amend certain laws affecting personnel of the Coast Guard, and for other purposes.

The Clerk read as follows:

H.R. 12939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 14, United States Code, is amended as follows:

(1) In section 1 by striking in the second sentence the words "Treasury Department" and inserting in lieu thereof the words "Department of Transportation".

(2) In section 3 by striking in the first sentence—

(a) the word "executive" and inserting in lieu thereof the words "Executive"; and

(b) the words "Treasury Department" and inserting in lieu thereof the words "Department of Transportation".

(3) In section 81 by striking in clause (3)(c) the words "Agency" and inserting in lieu thereof the word "Administration".

(4) In section 82 by striking in the first sentence the word "Agency" in both places where it appears and inserting in lieu thereof the word "Administration".

(5) In item (section) 82 in the analysis of chapter 5 and in the catchline of the section by striking the word "Agency" and inserting in lieu thereof the word "Administration".

(6) Section 87 is repealed.

(7) Item (section) 87 in the analysis of chapter 5 and the catchline of the section are repealed.

(8) In section 90 by striking in subsection (b) the word "Agency" wherever it appears and inserting in lieu thereof the word "Administration".

(9) In section 93 by striking in subsection (n) the words "covered into" and inserting in lieu thereof the words "deposited in".

(10) In section 144—

(a) by striking in subsection (a) the words "of the Treasury"; and

(b) by striking in subsection (c) the words "Chief of Ordnance" and inserting in lieu thereof the words "Secretary of the Army".

(11) In section 145—

(a) by striking in subsection (a) the words "of the Treasury"; and

(b) by striking in subsection (c)—

(i) in the first sentence the words "Treasury Department" and inserting in lieu thereof the words "Department of Transportation"; and

"(ii) in the second sentence the words "the Treasury" and inserting in lieu thereof the word "Transportation".

(12) In item (section) 146 in the analysis of chapter 7 and in the catchline of the section by striking the words "Post Office Department" and inserting in lieu thereof the words "United States Postal Service".

(13) In section 147—

(a) by striking the words "Weather Bureau" between the words "the" and "of" and inserting in lieu thereof the words "National Oceanic and Atmospheric Administration"; and

(b) by striking the words "Chief of the Weather Bureau" wherever they appear and inserting in lieu thereof the words "Administrator, National Oceanic and Atmospheric Administration".

(14) In section 186 by striking in subsection (a) the third sentence in its entirety and inserting in lieu thereof the following "Leaves of absence and hours of work for civilian faculty members shall be governed by regulations promulgated by the Secretary, without regard to the provisions of title 5.".

(15) In section 188 by striking in the last sentence the word "rank" between the words "the" and "in" and inserting in lieu thereof the word "grade".

(16) In section 193—

(a) by striking in the fourth sentence the word "Chairman" and inserting in lieu thereof the word "chairman"; and

(b) by striking the last sentence in its entirety and inserting in lieu thereof the following "Each member of the Committee shall be reimbursed from Coast Guard appropriations in conformity with the provisions of chapter 57 of title 5.".

(17) By adding after section 256 the following new catchline and section:

"§ 256a. Promotion year; defined

"For the purposes of this chapter, 'promotion year' means the period which commences on July 1 of each year and ends on June 30 of the following year.".

(18) By inserting in the analysis of chapter 11 following item (section) 256, the following new item (section):

"256a. Promotion year; defined.".

(19) In section 257—

(a) by striking in subsection (a) the word "fiscal" and inserting in lieu thereof the word "promotion"; and

(b) in subsection (d)—

(i) by inserting the word "and" following the semicolon in clause (1);

(ii) by striking the word "; and" at the end of clause (2) and inserting in lieu thereof a period; and

(iii) by striking clause (3).

(20) In section 273 by striking in subsection (b) the figures "16" and inserting in lieu thereof the figures "3331".

(21) In section 282 by striking in clause (1) the word "fiscal" and inserting in lieu thereof the word "promotion".

(22) In section 283 by striking in clause (1) of subsection (a) the word "fiscal" and inserting in lieu thereof the word "promotion".

(23) In section 284 by striking in clause (1) of subsection (a) the word "fiscal" and inserting in lieu thereof the word "promotion".

(24) In section 285 by striking in clause (1) the word "fiscal" and inserting in lieu thereof the word "promotion".

(25) In section 288 by striking in the first sentence of subsection (a) the word "fiscal" and inserting in lieu thereof the word "promotion".

(26) In section 289—

(a) by striking in subsection (a) the word "fiscal" wherever it appears and inserting in lieu thereof the word "promotion"; and

(b) by striking in subsection (g) the word "fiscal" and inserting in lieu thereof the word "promotion".

(27) In section 290—

(a) by striking in the last sentence of subsection (a) the word "fiscal" and inserting in lieu thereof the word "promotion";

(b) by striking in subsection (c) the word "fiscal" and inserting in lieu thereof the word "promotion";

(c) by striking in subsection (f) the word "fiscal" and inserting in lieu thereof the word "promotion"; and

(d) by striking in subsection (g) the word "fiscal" wherever it appears and inserting in lieu thereof the word "promotion".

(28) In section 373 by striking in subsection (a) the figures "6023(b)" and inserting in lieu thereof the figures "2003".

(29) In section 461 by striking the words "of the Treasury".

(30) In section 475—

(a) by striking in subsection (a) the phrase "of the Department in which the Coast Guard is operating" wherever it appears; and

(b) by striking in subsection (f) the phrase "of the Department in which the Coast Guard is operating", and the phrase "commencing April 1, 1973,".

(31) In section 500 by striking in subsection (a) the words "of the Treasury".

(32) In section 511 by striking the phrase "head of the department in which the Coast Guard is operating" and inserting in lieu thereof the word "Secretary".

(33) In section 631—

(a) by striking the words "of the Treasury" wherever they appear; and

(b) by striking the phrase "of the Coast Guard" between the words "Commandant" and "any".

(34) In section 647—

(a) by striking preceding the first sentence the subsection designation "(a)";

(b) by striking the words "of the Treasury" wherever they appear;

(c) by striking in the third sentence the words "covered into" and inserting in lieu thereof the words "deposited in"; and

(d) by striking in the last sentence the word "title" and inserting in lieu thereof the word "section".

(35) In section 650 by striking in subsection (b) the words "Bureau of the Budget" and inserting in lieu thereof the words "Office of Management and Budget".

(36) In section 651 by striking the word "January" and inserting in lieu thereof the word "April".

(37) In section 655 by striking the words "United States".

(38) In section 829 by striking the word "Title" and inserting in lieu thereof the word "title".

The **SPEAKER**. Is a second demanded?

Mr. **SNYDER**. Mr. Speaker, I demand a second.

The **SPEAKER**. Without objection, a second will be considered as ordered.

There was no objection.

Mrs. **SULLIVAN**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the passage of H.R. 12939, a noncontroversial, routine change in title 14, to enable the Coast Guard to continue in its officer personnel management procedures, and to reflect other changes made necessary by changes in other laws.

The report filed by the committee explains the need for the changes which are completely noncontroversial and which were supported unanimously by the committee.

Mr. Speaker, I yield such time as he may consume to the gentleman from New

York (Mr. BIAGGI), the chairman of the Subcommittee on Coast Guard and Navigation.

Mr. BIAGGI. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I rise to recommend the passage by the House of the bill, H.R. 12939.

Its basic purpose is simple. Under existing law, Coast Guard officer personnel actions involving promotions, retirements, and annual changes of assignment, function on an annual basis running from July 1 to June 30. It is at this time each year that the newly commissioned ensigns, having graduated from the Coast Guard Academy, are ready for beginning their new careers. At the same time that they report aboard their various units, other officers are being reassigned to fill vacancies which are created through annual retirements of officers completing their Coast Guard careers. It is at this time that officers generally begin a new year of service. It is at this time that reassignments are most convenient for the families of the individuals involved because of necessary travel, the moving into new homes, and the changes of schools for dependents, can best be effected. In other words, it is the most convenient and feasible time for personnel changes.

The system as presently operated has proved completely workable and satisfactory. However, the recent change which will shift the budget year from July 1 to October 1, has introduced a complication. Even though these personnel management procedures have no direct dependence upon the change of the fiscal year, because up until now they happened to coincide with fiscal year dates, the present provisions of title 14 repeatedly refer to "fiscal year" in establishing dates of eligibility for promotion, actions of promotion boards, and retirements. Unless the language of title 14 is changed the present workable system will become relatively unworkable, and promotion actions will necessarily be compressed into a 3-month period, a result which will be administratively impossible to handle without hardship to the Coast Guard and to the officers concerned.

The solution is simple. This bill merely divorces the fiscal year change from the present efficient personnel procedures. It deletes reference to the fiscal year and creates a new "promotion year" which will begin on July 1, and continue to June 30. This change will enable the present officer personnel management procedures to continue. Such a change is entirely justified, and the bill should be enacted.

There are two other substantive changes in the bill, neither of which is controversial. The first would delete a statutory constraint which specifically designates the exact colors and numbering of aids to navigation. Because of advances in technology, it is entirely possible that in future years, it may prove desirable to go to other colors in the buoyage system which could promote safety in marine operations. Any such changes would, of course, occur only after careful consideration of all factors and without, in any way, damaging the necessary uniformity in the system.

The second change involves an elimination of a bar to promotion for certain officers. Under present promotion procedures, all officers are selected by promotion boards, in competition with other officers of the same relative years of service, as the best qualified in a particular promotion group and designated eligible to fill expected vacancies in the next grade. If 100 officers are considered and only 70 vacancies will be available, the 70 best qualified officers are selected for promotion and the remaining 30 remain in grade for consideration by the next annual promotion board.

It should be noted that these 30, while not "the best qualified" still may be entirely qualified for promotion in an objective sense. Should one of those officers also fail of selection under the same procedure the following year, he is forced to retire, if eligible, or to be discharged from the service with separation pay, in order that the promotion flow may continue in an orderly fashion. In this situation, one protective feature is included for those officers not yet eligible for retirement after having completed 20 years of service. For those who have completed 18 years of service, they are permitted to remain on active service until completion of the required 20 years, but present laws bar their further consideration for promotion during that period.

H.R. 12939 would remove that bar and would enable them again to be considered for promotion. This change, it is believed, is not only equitable for the officers concerned, but would also serve as an incentive to them to maintain or improve their performance with a possibility of promotion resulting from their demonstrated improved capabilities.

All other changes in the bill are of a technical nature to amend title 14, to reflect changes in law relating to such things as changes of names in other agencies and personnel referred to in the title.

I recommend the enactment of the bill.

Mr. SNYDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of a motion to suspend the rules on H.R. 12939, a bill which makes a number of technical changes in laws that relate to Coast Guard personnel. This is a noncontroversial measure that was reported out of both subcommittee and full committee unanimously. It is a technical bill designed to avoid unintended disruptions in the Coast Guard officer personnel management system which would have, without this bill, resulted from a shift in the fiscal year brought about by the enactment of the Congressional Budget Act of 1974.

Under the existing officer promotion and retirement system most changes are keyed to the date of June 30 which was also the termination of the old fiscal year. As it turns out June 30 is a convenient date for promotions and retirements since it is an advantageous time to move families while their children are out of school. In addition, the June 30 date relates to the influx of new ensigns coming from the Coast Guard Academy. Causing personnel shifts to occur in October, the end of the new fiscal year, might cause a delay in the commissioning of these officers. This bill would allow the Coast Guard to maintain their present personnel cycle, which has been found to be workable, by the creation of a promotion year which would run from July 1 to June 30.

The bill also contains two other noncontroversial amendments one of which would remove an unnecessary constraint on promotion opportunities for certain commanders. The other noncontroversial amendment would be the repeal of statutory requirements on the coloring of aids to navigation. Existing law limits the coloration of aids to navigation to black and red and black and white. The repeal of this statute enacted in 1850 would allow the Coast Guard to use new technology and new colors that are more visable. There are numerous other editorial changes in the title to reflect recent enactments which indirectly impact the language of title 14.

The administration requested enactment of this bill and no controversial issues were raised during the hearings. It is a housekeeping bill which will assist the Coast Guard's administrative activities and I urge my colleagues to vote to suspend the rules.

Mr. RUPPE. Mr. Speaker, I rise in support of H.R. 12939. This bill would make a number of technical changes in the laws affecting personnel of the Coast Guard. The most important changes are caused by that provision of the Congressional Budget Act of 1974 which redefined the fiscal year. The new definition, effective October 1, 1976, provides that the fiscal year begins on October 1 extends to September 30 of the following year.

Numerous provisions of the Coast Guard personnel laws are affected by the new definition of the fiscal year because these laws use the term "fiscal year" in prescribing when certain personnel actions occur. For example, "June 30 of the fiscal year" has long been the established date for discharges and retirements of commissioned officers. The Coast Guard testified that it has found that the June 30 date functions well for both the agency and the individual. The agency has indicated that this date should be retained as the day for retirements and discharges. The new definition of fiscal year, however, would have the effect of changing the retirement or discharge date in many instances.

To avoid this result, H.R. 12939 substitutes the term "promotion year" for the term "fiscal year" now contained in the laws affecting Coast Guard personnel. The new term is defined identically to the present fiscal year's definition. Thus, the amendment will enable the agency to continue its present personnel policies.

H.R. 12939 would make two additional noncontroversial amendments to existing law. First, the provision that officers twice passed over for selection to the next higher grade are no longer eligible for consideration for promotion would be eliminated. This provision primarily affects lieutenant commanders. Second, the provision that prescribes the colors for buoys would be eliminated. This change just reflects technological advances in optics.

Accordingly, I urge my colleagues to support enactment of H.R. 12939.

Mr. SNYDER. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

The SPEAKER. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill (H.R. 12939).

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this vote will be postponed.

GENERAL LEAVE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that all Members who wish to do so may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 12939.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

EXEMPTING STEAMBOAT "DELTA QUEEN" FROM CERTAIN VESSEL LAWS

Mrs. SULLIVAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13326) to extend until November 1, 1983, the existing exemption of the steamboat *Delta Queen* from certain vessel laws.

The Clerk read as follows:

H.R. 13326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the primary purpose of the amendment made by section 2 of this Act is to assure the continuity of operation of the overnight riverboat, the steamboat Delta Queen, by extending her existing exemption from the safety at sea laws. In order to assure the preservation of this historic and traditional piece of American folklore and life, such amendment will provide for the continued operation of the present steamboat Delta Queen.

SEC. 2. The penultimate sentence of section 5(b) of the Act of May 27, 1936 (49 Stat. 1384, 46 U.S.C. 469(b)), as amended, is amended by striking out "November 1, 1978," and inserting in lieu thereof "November 1, 1983,".

The SPEAKER. Is a second demanded?

Mr. McCLOSKEY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentlewoman from Missouri (Mrs. SULLIVAN) will be recognized for 20 minutes.

Mrs. SULLIVAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to urge my colleagues to support H.R. 13326. This bill would extend until November 1, 1983, the existing exemption of the steamboat *Delta Queen* from certain vessel laws. It is certainly no secret that I have long championed the continued operation of this grand old lady of the inland river system which makes port calls in some 17 States so that many thousands of Americans every year may enjoy the beauty of our Nation's waterways and spend their vacations on this fabulous replica of the storied past.

As we all know, the *Delta Queen* is a paddlewheel riverboat and at the present time the only overnight passenger vessel left on our river system.

I ask the Members of this distinguished body, not to obliterate our history but to preserve it. It would not behoove us to eliminate this last vestige of the overnight riverboat, a reminder of a perhaps more placid and serene chapter in our past. Let us participate in and ratify this Bicentennial celebration of our Nation's 200th anniversary by preserving our heritage and continuing the *Delta Queen* in operation. After all, isn't this perfectly consistent with the gathering of the wonderful "tall ships" from all over the world in the major ports of the U.S. east coast in honor of our Bicentennial?

It is utterly unthinkable that the existence of the "tall ships" should be terminated, or that they should not sail. During all the acclaim and adulation for the "tall ships" over the past several months, I have not heard any complaint that they are also constructed of wood and do not meet the safety of life at sea requirements. Obviously, the arguments for the preservation of the *Delta Queen* are exactly the same as the reasons for the preservation of the marvelous "tall ships."

Under legislation enacted in the 89th Congress—Public Law 89–777—certain standards relating to the safe operation of deep-draft cruise vessels were enacted into law. The Delta Queen Steamboat Co., the owners and operators of the *Delta Queen*, decided to attempt to construct a new vessel which would meet the requirements of Public Law 89–777, and thus continue its operations. An extension of time was enacted by the Congress in 1968—Public Law 90–435—allowing the *Delta Queen* to continue operating until November 1970. Additional time extensions were granted by the Congress in 1970 and 1973, while the company overcame insurmountable obstacles in constructing a new vessel, the *Mississippi Queen*, and modernize the old *Delta Queen*. The *Mississippi Queen* is scheduled to commence operations sometime this summer.

H.R. 13326 would grant the *Delta Queen* 5-year reprieve from the shipbreakers so that the American people will continue to have an opportunity to know and cherish this historic riverboat.

As I mentioned before, and I think it is well known, I have long been a proponent of exempting the *Delta Queen* from safety at sea laws and continuing her in operation. The *Delta Queen* should have the 5-year exemption mandated by H.R. 13326 for the following reasons which I believe to be reasonable and logical.

First, she should be allowed to continue to ply the inland rivers of the United States because of her great historic and cultural value. The *Delta Queen* has been designated an historic monument by the National Register of Historic Sites. At a time when change is the rule and not the exception, there should be kept intact marks of the old America which are a part of our history, tradition, and culture.

Another reason for preserving this romantic link with our past, and perhaps the really basic reason, is the undeniable fact that the people of the Nation want it. Few other subjects in the past years have brought forth a stream of letters and the outpouring of emotion as has this particular matter.

The first thrust of the safety at sea laws of 1966 was the passenger trade out of the major ocean ports of the United States and cruise trade to the Caribbean and other seaward locations. The owners of this vessel have had their vessels plying the inland waters of this great country for 50 years without one loss of life due to an accident or an unsafe condition. The *Delta Queen* is not a vessel engaged in international carriage of trade, nor does she encounter the stresses, strains, and dangers of a vessel on the high seas. The nature of her commerce and the many special precautions taken by her owners make the *Delta Queen* safe for operation on the rivers.

On the basis of the record and the testimony at the hearings, your committee is convinced that the vessel operates as safely in all the circumstances as can be expected. The owners have fireproofed the wooden portions of the vessel and have installed fire prevention sprinkler systems. Moreover, they have thoroughly modernized all the electrical, alarm, and communications systems and have virtually rebuilt the vessel in very many aspects to make it as reasonably safe as possible. In addition, these inland passenger vessels are never far from any shore, presently meet certain Coast Guard safety standards, and are frequently operated in water no deeper than the middle of the ship.

The new vessel, the *Mississippi Queen*, will be the world's largest and finest. She will cost over $20 million, be steam powered with a stern paddlewheel of traditional design, and she will have the old-time glamour and charm that *Delta Queen* passengers enjoy so much.

While the new vessel will have many traditional steamboat features, she will be constructed entirely of noncombustible materials, and the hull and outfitting will comply with the latest Coast Guard regulations. However, the financial success of the new boat will depend upon the continued operation of the *Delta Queen*. Without the ongoing organization to promote and sell river passenger travel, the success of the new vessel would be in doubt.

Mr. Speaker, the granting of the 5-year exemption provided by H.R. 13326 will insure that the American public will continue to have an opportunity to know and cherish this historic riverboat that is so much a part of our cultural heritage. The voluntary and required renovations to the *Delta Queen* in the last years will insure that the vessel, its passengers, and the public interest will be adequately protected.

H.R. 13326 was unanimously reported by the Merchant Marine and Fisheries Committee on June 29, 1976, and I strongly urge the House to support this legislation so that the *Delta Queen* may have an additional 5-year extension from laws that should not have been applied to her in the first place.

Mr. Speaker, my remarks have been brief, as there are Members on both sides of the aisle who wish to speak in support of H.R. 13326. I am confident that the Congress can only resolve to let America continue to have this part of her cultural heritage and romance of the past and this grand old lady of the rivers will continue to operate as have the marvelous "tall ships."

I urge all my colleagues to vote in support of H.R. 13326.

Mr. DODD. Mr. Speaker, will the gentlewoman yield?

Mrs. SULLIVAN. I would be glad to yield to the gentleman from Connecticut.

Mr. DODD. Mr. Speaker, I thank the gentlewoman from Missouri for yielding.

I just want to make the observation that as a Member of this body from the State of Connecticut, I was a student at the University of Louisville School of Law and had the opportunity to travel on the *Delta Queen*. The gentlewoman is absolutely correct, this wooden hulled paddle wheeler is one of the great historical monuments in this country. I strongly support this legislation to extend the life of this river boat.

I hope that other Members will have the added privilege of either traveling on the *Delta Queen* or seeing this fine, old paddle wheeler if they are in the heartland of the country.

Mr. Speaker, again I congratulate the gentlewoman and her committee for bringing us this piece of legislation.

Mrs. SULLLIVAN. Mr. Speaker, I thank the gentleman.

Mr. McCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to speak in support of H.R. 13326, a bill granting a 5-year exemption from Coast Guard fire safety regulations for the riverboat *Delta Queen*.

The *Delta Queen* is an old California institution, and one of the few actual relics of the last century which can still be enjoyed today. My father used to travel regularly on the *Delta Queen* in its overnight shuttle between San Francisco and Sacramento and only recently my 83-year-old mother took a trip of several weeks on the *Delta Queen* up the Mississippi from New Orleans to Kentucky, visiting 17 other other States bordering on the Mississippi and Ohio Rivers. I know she would be one of the first of the thousands who would write to Congress if we did not extend the *Delta Queen's* exemption to allow her to remain in service.

I want to mention, however, the Coast Guard safety inspectors testified against this bill, and although I think our people should be allowed to risk the hazards of this grand old riverboat, I think the Coast Guard was correct in their statement that the *Delta Queen* "presents an unacceptable risk in regard to fire safety," and that this fact should be made known to those who wish to share an experience rich in history.

In order to properly notify the public of the risks involved, I would hope and expect that the Coast Guard will require the owners of the *Delta Queen* to print on their advertising material and tickets the warning that she has received a special exemption from the Coast Guard fire safety regulations. I also expect that the Coast Guard will require the owners of the vessel to post a similar statement conspicuously on the vessel to warn passengers of the risk which will then allow them to be alert for potential danger.

I am glad to recognize that the operators of the *Delta Queen* have long recognized the dangers involved and have taken many precautions, short of rebuilding the entire vessel, to reduce the possibility of a fire. Their efforts to date have been successful—there has not been a single fatality due to fire in all her years of operation.

On this basis, I am glad to urge the passage of this legislation to allow the continued operation of the *Delta Queen* for another 5 years.

Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, I rise in support of H.R. 13326, a bill continuing the exemption from the Coast Guard fire safety regulations for the Riverboat *Delta Queen*. The *Delta Queen* is an important part of our riverboat heritage. She has been safely operating on the Mississippi and Ohio Rivers as well as the Sacramento River since her construction in 1926. She has been bringing tourists and revenue to the 17 States along the river systems of Mid-America and has contributed to the employment situation in those areas.

This exemption is necessary because much of her structure is made of wood and not in compliance with the 1966 Coast Guard Fire Safety Regulations which require that passenger vessels of greater than 50 gross tons carrying overnight passengers be built of steel. While I recognize the increased safety factor of an all steel vessel, the flawless safety record of the *Delta Queen* and the admissions by the Coast Guard inspectors that they would not be afraid to ride on the *Delta Queen* seems to be ample justification for the continuation of this exemption.

This exemption is also necessary to allow the *Belle of Louisville* to continue to race and beat the *Delta Queen* in the Annual Derby Week Race held in Louisville, Ky. It has been rumored that in some previous years the *Delta Queen* used one of her recent improvements—a bow thruster—to defeat the *Belle*. We hope to place an observer aboard her next year to insure that both riverboats will be equally matched.

In conclusion, because of the historical and economic significance, as well as the unblemished safety record of the *Delta Queen*, I urge my colleagues to join me in supporting this bill.

Mr. McCLOSKEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Speaker, the *Delta Queen* is a living memorial to the romantic days gone by when paddlewheel steamboats plied our great rivers, filled with the cargo and populace of an expanding nation. This grand old lady of the rivers celebrates her 50th birthday in the year of the Bicentennial, and she received a most fitting gift from the Administrator of the American Revolution Bicentennial Administration—certification as ongoing Bicentennial experience.

The survival of the *Delta Queen* hangs in the balance today. To continue on her wayfaring path down the various waterways, the *Delta Queen* requires the passage of H.R. 13326 to continue her exemption from certain provisions of the 1966 Safety at Sea Act.

I would like to take this opportunity to acknowledge the great debt we who treasure the *Delta Queen* owe to the gentlelady from Missouri, Mrs. SULLIVAN, a member and later chairman of the Committee on Merchant Marine and Fisheries, has spared no effort to insure the continued survival of the riverboat. She began her fight for the life of the *Queen* in 1966, obtaining a 2-year grace period after passage of the Safety at Sea Act which would have forced the retirement of the *Delta Queen*. In 1968 she rallied supporters in a well-published effort which convinced Congress to grant an exemption from the Safety at Sea Act to the *Delta Queen*. She repeated her vigorous campaign to successfully obtain extensions of the exemption in 1970 and 1973. H.R. 13326 will further extend this exemption, scheduled to expire in 1978, until November 1, 1983.

Since 1966, the Delta Queen Steamboat Co. has made numerous major improvements in the riverboat to make it as safe as possible.

The American people enthusiastically support the *Delta Queen*, clambering aboard at a rate of thousands per year. The steamboat has ports of call in 17 States where she takes on passengers eager to spend their vacations experiencing the beauty of our Nation's waterways.

The steamboat is a historic monument according to the Department of the Interior which has placed the boat on the National Register of Historic Places. The *Delta Queen* richly deserves to be preserved as a priceless reminder of a unique era in the history of our Nation.

Mr. RUPPE. Mr. Speaker, I rise in support of H.R. 13326, a bill to exempt the *Delta Queen* from certain Coast Guard fire safety regulations. The *Delta Queen* requires this exemption because she does not meet the Coast Guard standards for construction of vessels of greater than 100 gross tons which have overnight accommodations for 50 or more passengers. This bill will continue the exemption which the *Delta Queen* has enjoyed since 1966.

This historic paddle wheeler was built in 1926, is 285 feet long, and is equipped to carry 192 overnight passengers. Although the *Delta Queen's* hull is built of steel, a major portion of the vessel superstructure is constructed of wood, a combustible material, which is inconsistent with Coast Guard regulations.

In spite of her combustible construction, the safety record of the *Delta Queen* has been excellent. There has never been a single passenger life lost as a result of fire aboard the vessel. This record has been the result of frequent inspections by the Coast Guard and diligent efforts by the owners to keep her in a safe condition.

The *Delta Queen* generates direct employment for over 175 people and brings tourists and revenues to the 17 States along the Mississippi which she visits. In light of those facts, the *Delta Queen's* excellent safety record, the close Coast Guard oversight, and the historical significance of the vessel, I support this legislation and urge my colleagues to join me.

Mr. DOWNING of Virginia. Mr. Speaker, I rise in support of the measure to exempt the *Delta Queen* from the safety at sea laws until November 1, 1983. In doing so, I ask the Members of this distinguished body not to obliterate history by dictate. At a time when we are celebrating our Nation's 200th Anniversary, we should not eliminate this vestige of the riverboat in frontier America.

The *Delta Queen* is in the tradition of a type of riverboat packet. The packet was a critical means of transportation and an important vehicle of expansion for our frontier. In the middle 19th century, such vessels carried cargo and passengers between the developing inland ports of our country. Their reign was relatively short-lived, for the advent of the railroad and the construction of bridges over the major waterways of the country eliminated the packet's advantages. Although transportation via our inland waterways is today an economical means of moving cargo, it seems certain that the special set of circumstances which gave rise to the charm and ambience and romantic atmosphere of the riverboat packet will never occur again. I submit that history involves the significant events and factors which shape our history. I further submit that the riverboat packet was an important factor in the growth of our Nation and its role ought not to be denied.

The *Delta Queen* was constructed to be, and is today, as near like the original riverboat packet as is possible, while still incorporatng modern safety features and some modern conveniences. The superstructure of the vessel consists of wood—teak, mahogany, ironwood, and other woods, thus rendering the vessel unable to meet the Coast Guard requirements as promulgated pursuant to Public Law 89-777. Obviously, there is no way that the requirement that the superstructure be made of fire-retardant material can be satisfied, except through the reconstruction of the *Delta Queen*. This is not possible, but the owners of the *Delta Queen* have done everything possible to make the vessel safe in every respect.

It may be difficult to measure the value of historical items, but we can say this of the *Delta Queen*: in 1970 it was placed on the National Register of Historical Places by the Department of the Interior—surely this indicates its historic value to the United States and our citizens.

In addition to the historical interest in this vessel, there is also a certain commercial or employment aspect to be cited. The owners of the *Delta Queen* are building a new passenger vessel in Jeffersonville, Ind. This new vessel will meet all the safety requirements which are now public law, will be luxurious and convenient, but will still have the charm and decor of the old riverboat. Even with Government assistance, it has taken some years for the owners to finance the new vessel, called the *Mississippi Queen*. However, the financial success of the new boat will depend upon the continued operation of the *Delta Queen*. Without the ongoing organization to promote and sell river passenger travel, the success of the new vessel would be in doubt.

We have authorized millions for cultural examinations and historical renovations in our Nation—here we can pass legislation which will be to our cultural interest, and not cost the taxpayer a cent.

We have in recent years passed legislation which will protect against the extinction of various kinds of animals and plants. Why can we not preserve this vessel?

Let us remember the lessons of history. People will not look forward to posterity who never look backward to their ancestors. Let us preserve the *Delta Queen*.

Let us make an exception for this exceptional vessel, and pass H.R. 13326.

Mr. McCLOSKEY. Mr. Speaker, I have no further requests for time.

Mrs. SULLIVAN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. BRADEMAS). The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 13326.

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

SALE OF SS "UNITED STATES" FOR USE AS A FLOATING HOTEL

Mrs. SULLIVAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13218) to permit the steamship *United States* to be used as a floating hotel, and for other purposes.

The Clerk read as follows:

H.R. 13218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 2 of Public Law 92-296 (86 Stat. 140) is amended by striking out the period at the end thereof and inserting the following: "or for use as a floating hotel in or on the navigable waters of the United States. Whenever the conditions set forth in section 902, the Merchant Marine Act of 1936, exist, the vessel may be requisitioned or purchased by the United States and just compensation for title or use, as the case may be, shall be paid in accordance with section 902 of the Merchant Marine Act, as amended (46 U.S.C. 1242).".

The SPEAKER pro tempore. Is a second demanded?

Mr. McCLOSKEY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Missouri (Mrs. SULLIVAN) and the gentleman from California (Mr. McCLOSKEY) will be recognized for 20 minutes each.

Mrs. SULLIVAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 13218, a bill to permit the Secretary of Commerce to sell the SS *United States* for use as a floating hotel in or on the navigable waters of the United States.

As you know, when Congress authorized the sale of several other U.S. passenger ships to foreign registry in 1972, the SS *United States* was specifically excluded from that legislation because of its special defense features and troop transport capability. The Secretary of Commerce was authorized to requisition the vessel for layup in the National Defense Reserve Fleet or for operation under the U.S. flag. The vessel has been in layup at Norfolk, Va. since 1972 at an annual cost to the taxpayers of approximately $62,000. On several occasions since that date, the Maritime Administration has tried to sell the vessel for operation as a U.S.-flag passenger ship, but no responsive bid has ever been received.

H.R. 13218 would not preclude persons interested in operating the vessel from acquiring it if they submit the most responsive bid. This bill would merely provide another alternative use and allow persons interested in using the vessel as a floating hotel in or on the navigable waters of the United States to also be eligible to have their bids considered by the Maritime Administration.

In the event of a national emergency, the ship could be requisitioned by the Government and the Maritime Administration intends to require that future owners maintain the vessel in a state of defense readiness.

This legislation was supported by both the Department of Commerce and the Department of Defense, and was unanimously reported from committee by voice vote. I urge its immediate passage by the House and, at this time, would like to defer to the distinguished chairman of the Merchant Marine Subcommittee, the gentleman from Virginia, for a more detailed explanation of the bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING of Virginia. I thank the gentlewoman for yielding.

Mr. SPEAKER. I join the distinguished chairman of the Committee on Merchant Marine and Fisheries, the gentlewoman from Missouri, in strong support of H.R. 13218, a bill to permit the SS *United States* to be used as a floating hotel in or on the navigable waters of the United States.

As you know, under existing law, the SS *United States* may only be sold for operation under the U.S.-flag. We all recognize that this would be the best utilization of the vessel. However, because of the uncertainty surrounding the economic soundness of such operation, I think this legislation is desirable because it would expand the pool of potential bidders.

When the Maritime Administration attempted to sell this vessel on three previous occasions, no qualified bidders were found for the vessel for operational use. This does not mean that parties interested in operating the vessel under the U.S. flag would in any way be precluded from having their bids considered in the future by the Maritime Administration. This bill would merely expand the pool of potential bidders by making persons who wish to use the vessel as a floating hotel in or on the navigable waters of the United States also eligible to submit bids. In hearings before the Merchant Marine Subcommittee, the Maritime Administration testified that this would appear to be a viable alternative use of the vessel.

As the gentlewoman from Missouri has already pointed out, the SS *United States* was specifically excluded from legislation which the Congress passed in 1972 to authorize the sale of several of our other passenger ships to foreign registry because of its special defense features and troop transport capability. It is my understanding that if this legislation is passed and the vessel is sold for use as a floating hotel in on the navigable waters of the United States, the Maritime Administration will require that the vessel be kept in a state of readiness as a condition of sale and will require that future owners leave the vessel's navigational equipment, machinery, and distinctive character as a vessel entirely intact so as to preserve its defense utilization should it be necessary to requisition the ship in the event of a national emergency.

This vessel could be disposed of for a hotel, scrap, or any other purpose at the expiration of its statutory life in June 1977. This legislation is required only to permit prospective owners to acquire the ship before that date.

I believe that the purpose of this legislation is sound and reasonable and I urge its immediate passage by the House.

Mr. McCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 13218. This bill will allow the Maritime Administration to offer the SS *United States* for sale for use as a floating hotel as well as for active service.

At the present time, the SS *United States* is laid up in Norfolk, Va. She has been in that status since her purchase by MARAD in 1972 for $12.1 million, a mere fraction of her original $80 million construction cost. MARAD has had her up for sale since that time but has been unable to find a buyer because of several restrictions which have been placed on her sale.

When built in 1951, the Government paid $45 million in construction subsidies, much of which went into her national defense features. Although never used as such, she is capable of rapid conversion into a high-speed troop transport capable of delivering 14,000 troops to Europe in 3½ days. Because of this significant national defense potential and because of the heavy Federal participation in her construction, any sale of the SS *United States* has been subject to the condition that she be operated under the U.S. flag and manned by a U.S. crew.

This condition has prevented her sale because she demonstrated her unprofitability when operating under the U.S. flag with a U.S. crew from 1954 until 1969. During that period, she was unable to operate in the black, in spite of nearly $134 million in Federal operating subsidies.

This unprofitable situation was caused in part by the high cost of labor to run a labor-intensive passenger vessel. Rapidly increasing wages combined with few, if any, labor force reductions first eliminated profits from her operations, then gradually pushed her further and further into the red until even with subsidies her continued operation could not be justified.

It is difficult to try and cut back the labor force on a passenger vessel. One of the traditional hallmarks of a passenger vessel is passenger service. This service requires manpower. However, during our hearings it was volunteered by a labor representative that the work force on the SS *United States* could be cut back by 50 percent if that meant that she would be put back into active service. That statement raises the question of whether or not she could be put into a profitable operation with a reduced crew and whether or not the manning standards previously required were higher than necessary.

This bill will not foreclose the desirable possibility of putting her back into operation with a reduced crew. If the unions are willing to reduce their manning standards and if that would result in a profitable operation, we may see the SS *United States* back in operation as an active passenger vessel.

However, while those possibilities are being explored, we should allow the Maritime Administration to broaden its search to find an acceptable buyer for the SS *United States*. We have an interest in seeing that the Government receives the best price for her and by expanding the number of potential purchasers, we will accomplish that goal. We also have an interest in seeing that the SS *United States* is kept in a status which would allow her requisition and use by the Government in a time of national emergency. This bill will accomplish both of these goals. Therefore, I urge my colleagues to join me in supporting this measure.

Mr. RUPPE. Mr. Speaker, I rise in support of H.R. 13218. This bill would authorize the Secretary of Commerce to sell the SS *United States* for use as a floating hotel. The Secretary under existing law may only sell or charter the vessel to a qualified operator for operation under the American flag. Thus, the effect of this legislation would be to broaden the potential market for the sale of the SS *United States* and to increase the likelihood that she will be put to a beneficial use rather than be scrapped when her statutory life expires next year.

The SS *United States*, the former queen of the world's passenger liners, who still holds the blue ribbon for the fastest crossing of the Atlantic by a passenger vessel, was completed in 1952 at a total construction cost of $75 million, of which the Government paid $40 million in construction-differential subsidy and national defense features. The vessel was operated in regular transatlantic service for 17 years with occasional cruises in her later years. Notwithstanding the fact that the SS *United States* was the fastest vessel ever employed in the point-to-point passenger trade, she lost money in practically ever year of her operation in spite of Federal operating-differential subsidies totaling approximately $134 million. She was quite simply a victim of jet aircraft transportation.

In 1972, the Congress in an effort to alleviate the financial drain on the owners of the SS *United States*, namely, United States Lines, Inc., enacted Public Law 92-296. This law directed the Secretary of Commerce to purchase the vessel at her depreciated cost from her owner for laying up in the National Defense Reserve Fleet and operation for the account of any Federal agency, and/or for sale or charter to a qualified operator for operation under U.S. flag. The Maritime Administration, an agency of the Department of Commerce, purchased the SS *United States* for $12.1 million—a fraction of her original cost in 1952, and has been expending approximately $62,000 per year in layup costs.

Since enactment of Public Law 92-296, the Maritime Administration has been attempting to sell the SS *United States* for operation under the U.S. flag. However, none of the bidders have come forward to meet the Government requirement that a cash tender of 10 percent of the purchase price be made at the time of the bid.

This bill would add a floating hotel to the number of uses to which a successful bidder may put the vessel. This should increase the number of prospective purchasers. It should be stressed, however, that enactment of this legislation would not result in the relinquishment of complete Government control over the SS *United States*. Her value as a national defense asset—namely, her capability of transporting 14,000 troops at a speed in excess of 40 knots—will not be lost. In response to a Department of Defense request, the Maritime Administration will be instructed to impose as a condition of any sale of the ship that her navigation and propulsion gear be kept intact. This will insure that an important part of our Nation's sealift capability will remain intact in the event of a national emergency.

Accordingly, enactment of this bill would increase the pool of potential purchasers of the SS *United States,* and at the same time effectively insure her availability in case of a national emergency. I urge my colleagues to join me in supporting this legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 13218.

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

DEBT COLLECTION PRACTICES ACT

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13720) to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end thereof the following new title:

"TITLE VIII—DEBT COLLECTION PRACTICES

"Sec.
"801. Short title.
"802. Definitions.
"803. Acquisition of location information.
"804. Communication in connection with debt collection.
"805. Harassment or intimidation.
"806. False or misleading representation.
"807. Unfair practices.
"808. Validation of debts.
"809. Multiple creditors.
"810. Legal actions by debt collectors.
"811. Civil liability.
"812. Criminal liability.
"813. Administrative enforcement.
"814. Reports to Congress by the Commission and Attorney General.
"815. Relation to State laws.
"816. Exemption for State regulation.
"817. Effective date.

"§ 801. Short title

"This title may be cited as the 'Debt Collection Practices Act'.

"§ 802. Definitions

"(a) The definitions set forth in this section are applicable for purposes of this title.

"(b) The term 'Commission' means the Federal Trade Commission.

"(c) The term 'consumer' means any individual obligated or allegedly obligated to repay any debt.

"(d) The term 'creditor' means any person who offers or extends credit creating a debt or to whom a debt is owed.

"(e) The term 'debt' means any obligation arising out of a transaction in which credit is offered or extended to an individual, and the money, property, or services which are the subject of the transaction are primarily for personal, family, or household purposes.

"(f) The term 'debt collector' means any person who engages in any business the principal purpose of which is the collection of any debt, or any person who directly or indirectly collects or attempts to collect a debt owed or due or asserted to be owed or due another. The term includes a person who furnishes or attempts to furnish forms or a written demand service represented to be a collection technique, device, or systems to be used to collect debts, if the form contains the name of a person other than the creditor in a manner indicating that a request or demand for payment is being made by a person other than the creditor even though the form directs the consumer to make payments directly to the creditor rather than to the other person whose name appears on the form. The term does not include any officer or employee of the United States or any State to the extent that collecting or attempting to collect and debt is in the performance of his official duties.

"(g) The term 'location information' means, with respect to any individual, his place of abode, his telephone number at such place, and his place of employment.

"(h) The term 'State' means any State, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision of any of the foregoing.

"(i) The term 'communication' means conveying information directly or indirectly to any person through any medium, except that with respect to section 804(a)(3), the term 'communication' means actual contact with the consumer which includes a brief statement in any manner of the present intentions of the consumer with respect to the repayment of the debt.

"§ 803. Acquisition of location information

"(a) No debt collector may, in connection with the collection of any debt, communicate other than by telephone, mail, or telegram with any person for purposes of acquiring location information about any consumer.

"(b) Any debt collector communicating with any person for the purpose of acquiring location information about any consumer shall—

"(1) identify himself and, if expressly requested, his employer;

"(2) not state that such consumer owes any debt;

"(3) not communicate with such person more than once unless expressly requested to do so by such person, except for one additional communication to reconfirm location information;

"(4) not communicate by post card or similar device;

"(5) not use any language or symbol, other than the debt collector's address, on any envelope when using the mail or telegrams, except a debt collector may use his company name provided that such name does not indicate that the company is in the debt collection business;

"(6) not use any language or symbol in the contents of mail or telegrams that indicates that the communication relates to the collection of a debt, other than the identification of the person as a debt collector; and

"(7) not communicate with any person pursuant to this section, once the debt collector knows the consumer is represented by an attorney.

"§ 804. Communication in connection with debt collection

"(a) COMMUNICATION WITH THE CONSUMER OR HIS SPOUSE GENERALLY.—No debt collector may initiate communications with a consumer or his spouse in connection with the collection of any debt without the prior consent of the consumer or the express permission of a court of competent jurisdiction—

"(1) before 8 antemeridian or after 9 postmeridian or at any unusual time or time known to be inconvenient to the consumer or his spouse;

"(2) after the initial communication, if the debt collector knows the consumer is represented by an attorney, unless such attorney is unjustifiably nonresponsive to communication from such debt collector; or

"(3) after the initial communication, more than two times during any seven-calendar-day period.

"(b) COMMUNICATION WITH THE CONSUMER OR HIS SPOUSE AT THE PLACE OF EMPLOYMENT.—Without the prior consent of the consumer or the express permission of a court of competent jurisdiction—

"(1) no debt collector may communicate with a consumer or his spouse in connection with the collection of any debt at the place of employment of the consumer or his spouse more than one time; or

"(2) if the debt of a consumer is in the amount of $100 or more, such debt is at least sixty days overdue, and if the consumer has not furnished the creditor or the debt collector with a telephone number where the consumer can be reached during the consumer's nonworking hours, after 8 antemeridian and before 9 postmeridian, no debt collector may communicate with a consumer or his spouse in connection with the collection of any debt more than twice in every thirty-day period at the place of employment of the consumer or his spouse.

"(c) COMMUNICATION WITH THIRD PARTIES.—Except as provided by section 803, no debt collector may communicate with any person other than the consumer or his spouse, parent (if the consumer is a minor), guardian, executor, administrator or attorney in connection with the collection of any debt without the prior consent of the consumer or the express permission of a court of competent jurisdiction, except—

"(1) any employer of the consumer after a court of competent jurisdiction enters a final judgment establishing the consumer's obligation to repay all or any portion of the debt; or

"(2) any consumer reporting agency, as permitted under the Fair Credit Reporting Act.

"(d) CEASING COMMUNICATION.—When a consumer absolutely refuses to pay or even discuss an account a debt collector shall cease further direct collection efforts with the exception of advising the consumer that the collector's further efforts are being terminated and that there is a possibility of an attorney invoking the creditor's remedies locally available.

"(e) PLEADINGS AND PROOF.—In any action brought by a consumer against a debt collector under this section, it shall be the duty of the consumer to plead both the existence of a communication from the debt collector and the lack of consent of the consumer thereto, and to make a prima facie showing that the communication took place and that there was no such consent. A prima facie showing that consent was not obtained may consist of testimony by the consumer. Upon such a prima facie showing, the burden of going forward shall be with the debt collector.

"§ 805. Harassment or intimidation

"No debt collector may harass or intimidate or threaten or attempt to harass or intimidate any person in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

"(1) The use of violence or other criminal means to harm the physical person, reputation, or property of any person.

"(2) The use of abusive or profane language.

"(3) The publication of a list of consumers who allegedly refuse to pay debts.

"(4) The advertisement for sale of any debt to coerce payment of the debt.

"(5) Any communication to acquire location information about a consumer if the debt collector has such information or does not reasonably believe that such person has access to such information.

"(6) The making of harassing or threatening phone calls or visits to the home or place of employment of a consumer or his spouse or calling any person repeatedly or constantly.

"§ 806. False or misleading representation

"No debt collector may make or threaten or attempt to make any false or misleading representation to any person in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

"(1) Any false representation indicating that the debt collector is acting for or on behalf of the United States or any State, including the use of any badge, uniform, or any facsimile thereof of any law enforcement agency.

(2) The false representation of—

"(A) the character, amount, or legal status of any debt; or

"(B) any services rendered or compensation which may be received by any debt collector for the collection of a debt.

"(3) The false representation that any individual is an attorney.

"(4) The false representation that nonpayment of any debt will result in the arrest or imprisonment of any consumer or the seizure, garnishment, attachment, or sale of any property or wages of any person.

"(5) The threat to take any action that cannot legally be taken or that is not intended to be taken.

"(6) The false representation that a sale, referral, or other transfer of any interest in a debt shall cause the consumer to—

"(A) lose any defense to payment of the debt; or

"(B) become subject to any practice prohibited by this title.

"(7) The false representation that the consumer committed any crime or other conduct in order to disgrace the consumer.

"(8) The false statement to any person (including any consumer reporting agency) that a consumer is willfully refusing to pay a debt.

"(9) The false representation that any writing (including any seal, insignia, or envelope) is authorized, issued, or approved by any court or agency of the United States or any State.

"(10) The use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer.

"(11) The false representation that any person is seeking information in connection with a survey.

"(12) The false representation that any person has a prepaid package for the consumer.

"(13) The false representation that a sum of money or valuable gift will be sent to the addressee if the requested information is presented.

"(14) The false representation that accounts have been turned over to innocent purchasers for value.

"(15) The false representation that any debt has been turned over to an attorney.

"(16) The false representation that documents are legal process forms.

"§ 807. Unfair practices

"No debt collector may engage in the following practices with respect to any person in connection with the collection of any debt:

"(1) The collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) by a debt collector unless such amount is expressly authorized by the agreement creating the debt and is legally chargeable to the consumer, or unless such amount is expressly authorized by a court of competent jurisdiction.

"(2) The acceptance by a debt collector from a consumer of any check or any other negotiable instrument that is postdated, unless such consumer is notified in writing of the debt collector's intent to deposit such check or such instrument at least three business days in advance of the deposit of such check or such instrument.

"(3) The solicitation by a debt collector for the purpose of threatening criminal action of any check or any other negotiable instrument that is postdated.

"(4) The deposit by a debt collector of any postdated check or other postdated negotiable instrument prior to the date on such check or such instrument.

"(5) The use or causing to be used in a debt collector's behalf in connection with the collection of any debt, of any forms, letters, questionnaires, other printed or written material, or other forms of communication which do not clearly and conspicuously disclose that such are used for the purpose of collecting or attempting to collect a debt or to obtain or attempt to obtain information concerning a consumer.

"(6) The placement in the hands of others for use in connection with the collection of any debt, of any forms, letters, or questionnaires or other printed or written material which do not clearly and conspicuously reveal thereon that such are used for the purpose of collectiong or attempting to collect a debt or to obtain information concerning a consumer.

"(7) The selling of any debt collection related form to any person who is not defined as a debt collector under section 802 of this title.

"§ 808. Validation of debts

"Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall send the consumer a written notice containing the following information:

"(1) The amount of the debt.

"(2) The name and address of the creditor to whom the debt was originally owed as it appeared in the original sales contract or bill of sale and the name of the creditor to whom the debt is currently owed.

"(3) A statement that unless the consumer, within thirty days, disputes the validity of the debt, the debt will be assumed as valid by the debt collector.

"(4) If the consumer notifies the debt collector in writing within the thirty-day period that the debt is disputed, the debt collector shall cease collection of the debt until such debt collector obtains certification of the validity of the debt from the creditor and a copy of such certification is mailed to the consumer by the debt collector.

"§ 809. Multiple creditors

"If any consumer owes debts to more than one creditor and makes any single payment to any debt collector with respect to such debts, such debt collector shall not apply such payment to any debt disputed by such consumer.

"§ 810. Legal actions by debt collectors

"(a) A debt collector shall not bring any action on a debt against any consumer—

"(1) in the case of any action to enforce an interest in real property securing the consumer's obligation, in a court that does not have jurisdiction in the judicial district or similar appropriate legal entity in which such real property is located; or

"(2) in the case of any action not described in paragraph (1), in a court that does not have jurisdiction in the judicial district or similar appropriate entity—

"(A) in which such consumer signed the contract sued upon; or

"(B) in which the consumer resides at the commencement of the action.

"(b) A debt collector shall not cause process in any action on a debt to be served on a consumer unless such process is served—

"(1) by an officer or employee of the United States or any State in the course of the official duties of such officer or employee;

"(2) by an individual appointed or approved by the appropriate court for that purpose; or

"(3) by an individual authorized to serve process under the State law in which process is to be served.

"(c) A debt collector shall not utilize, in connection with the collection of any debt, any officer or employee of the United States or any State whose duties include the service of legal papers, except in the course of such duties.

"§ 811. Civil liability

"(a) Except as otherwise provided by this section, any debt collector who fails to comply with any provision of this title with respect to any person is liable to such person in an amount equal to the sum of—

"(1) any actual damage sustained by such person as a result of such failure;

"(2) (A) in the case of any action by any individual, an amount not less than $100 nor greater than $1,000; or

"(B) in the case of a class action, such amount as the court may allow, except that (i) as to each member of the class no minimum recovery shall be applicable, and (ii) the total recovery in such action shall not be more than the lesser of $500,000 or 1 per centum of the net worth of the debt collector; and

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

"(b) In determining the amount of award in any class action under subsection (a) (2) (B), the court shall consider, among other relevant factors, the frequency and persistence of failures of compliance by the debt collector, the resources of the debt collector, the number of persons adversely affected, and the extent to which the debt collector's failure of compliance was intentional.

"(c) A debt collector may not be held liable in any action brought under this title if the debt collector shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

"(d) An action to enforce any liability created by this title may be brought in any appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction, within two years from the date on which the liability arises.

"(e) No provision of this section or section 812 imposing any liability shall apply to any act done or omitted in good faith in conformity with any interpretation thereof by the Commission, notwithstanding that after such act or omission has occurred, such interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(f) A consumer may not take any action to offset any amount for which a debt collector is potentially liable to such consumer under subsection (a) (2) against any amount allegedly owing to such debt collector by such consumer, unless the amount of the debt collector's liability to such consumer has been determined by judgment of a court of competent jurisdiction in an action to which such consumer was a party.

"§ 812. Criminal liability

"Whoever willfully and knowingly—

"(1) gives false or inaccurate information or fails to provide information which he is required to disclose by this title; or

"(2) otherwise fails to comply with any provision of this title;

shall be fined not more than $5,000 or imprisoned not more than one year, or both.

"§ 813. Administrative enforcement

"Compliance with this title shall be enforced by the Commission. For the purpose of the exercise by the Commission of its functions and powers under the Federal Trade Commission Act, a violation of this title shall be deemed a violation of that Act. All of the functions and powers of the Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

"§ 814. Reports to Congress by the Commission and Attorney General

"Not later than twelve calendar months after the effective date of this title and at one year intervals thereafter, the Commission and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Commission and the Attorney General, respectively, deem necessary or appropriate. In addition, each report of the Commission shall include its assessment of the extent to which compliance with this title is being achieved, and a summary of the enforcement actions taken by the Commission under section 813 of this title.

"§ 815. Relation to State laws

"This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to debt collecting practices, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this section, a State law is not inconsistent with this title if the protection such law affords any consumer is greater than the protection provided by this title.

"§ 816. Exemption for State regulation

"The Commission shall by regulation exempt from the requirements of this title any class of debt collection practices within any State if the Commission determines that under the law of that State that class of debt collection practices is subject to requirements substantially similar to those imposed by this title, and that there is adequate provision for enforcement.

"§ 817. Effective date

"This title takes effect upon the expiration of six months after the date of its enactment, and section 808 shall apply only with respect to debts for which the initial attempt to collect occurs after such effective date.".

The SPEAKER pro tempore. Is a second demanded?

Mr. WYLIE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. WYLIE) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate this opportunity to explain the contents and purpose of H.R. 13720, the Debt Collection Practices Act. This legislation will prohibit debt collectors from harassing or intimidating anyone as well as from making false or misleading representations. Reasonable restrictions are placed on communication with a consumer at work, away from work, and with third parties such as a consumer's employer.

The House Banking, Currency and Housing Committee reported this legislation out by a strong margin of 21 to 3 and its Subcommittee on Consumer Affairs reported out this legislation unanimously.

NEED FOR DEBT COLLECTION LEGISLATION

This legislation will have a profound effect on consumers throughout this country. Last year alone, $3 billion in debts were turned over to professional debt collectors. For far too long debt collectors have been collecting money from consumers by use of harassment, abuse, and deceptive tactics.

Frequently consumers are sent phony legal documents, are harassed by threats of contact with their employer or false threats of legal action. They are harassed by phone at home and at work. If these tactics do not work, threats of bodily harm or death are sometimes made.

It is not just the individual who owes a valid debt who receives this outrageous treatment, others such as a person contacted through mistaken identity or through mistaken facts, and his friends, relatives and neighbors—all are subject to the tactics of the disreputable debt collector.

This bill is needed because at present there is no effective regulation of debt collectors, there are no uniform standards of conduct and no uniform penalties. States laws do not and cannot regulate interstate debt collection practices. Thirteen States have no debt collection laws at all and altogether 25 States—with a population of over 80 million—have either no law or very few prohibited practices in their laws. Of the States that do have debt collection laws, only a small number have significant prohibited practices and afford consumers a private right of remedy.

At the present time there is no Federal debt collection law per se. The Federal laws that can be construed to relate to debt collection practices have not been successful in stopping debt collection abuse. In the debt collection area, the the legislation and just 2 weeks ago the "Guides Against Debt Collection Deception" which are not legally enforceable.

The goal of this legislation is to stop debt collectors from using abusive tactics. In essence, what this means is that every individual, whether or not he owes a debt, has the right to be treated in a reasonable and civil manner at all times. I have made the point many times that this bill is not designed to allow consumers to stop paying valid debts. Treating individuals in a reasonable and civil manner will not allow consumers to avoid payment of valid debts.

I have worked hard with members of the debt collection industry to insure that this bill is fair. While this legislation will protect consumers, it will not put any unnecessary or unfair burdens on reputable debt collectors. For instance, there are no recordkeeping requirements in the bill, and no licensing requirements.

SUBCOMMITTEE MEMBERS' CONTRIBUTIONS

Mr. Speaker, a great deal of the credit for this legislation goes to the members of the Consumer Affairs Subcommittee who worked long and hard to bring this bill to the floor. The members of the Subcommittee are: LEONOR K. SULLIVAN, GLADYS NOON SPELLMAN, HENRY B. GONZALEZ, WALTER E. FAUNTROY, STEPHEN L. NEAL, FERNAND J. ST GERMAIN, CHALMERS P. WYLIE, MILLICENT FENWICK, and CHARLES GRASSLEY.

I want to pay special tribute to the ranking minority member, the gentleman from Ohio (Mr. WYLIE), for the cooperation and hard work he has put forth on this bill. He has offered a number of excellent amendments to the bill during the markup session and as always he has made my job as chairman a much easier one. I also want to pay special tribute to the gentlelady from New Jersey (Mrs. FENWICK) and the gentlelady from Maryland (Mrs. SPELLMAN) who were among the guiding forces in bringing this legislation before the House. Mrs. FENWICK was one of the first to suggest the introduction of the legislation and during the hearings we constantly called upon her expertise as the former Consumer Affairs Director for the State of New Jersey. I remember the very first meeting of the subcommittee when Mrs. FENWICK stressed the need for a bill such as we are dealing with here today. At that time it was only in the idea stage. But, today that idea has progressed to a piece of legislation in which every member of the House can take pride.

DEBT COLLECTION INDUSTRY SUPPORT FOR BILL

Some Members may have been concerned that representatives of the debt collection industry are unhappy with this bill. I think much of that unhappiness stems from some debt collectors who are operating outside of their own trade associations. Both of the major debt collection trade associations are supporting the legislation and just 2 weeks ago the American Collectors Association, at its annual meeting, adopted a resolution not only supporting the legislation but disavowing the attempts by any collectors to defeat or amend the legislation. I am including a copy of that resolution in my remarks so there can be no doubt as to the position of the debt collection industry:

RESOLUTION OF AMERICAN COLLECTORS ASSOCIATION, INC.

Be it resolved: That ACA take no further action in the House of Representatives on H.R. 13720 and continue to pursue attempts to amend the undesirable features of the bill in the Senate;

That ACA go on record as endorsing the bill in the Senate, subject to certain amendments;

That the determination and approval as to the wording of the amendment lie with the National Legislative Council and with the approval of the Executive Committee;

That any other collection agency spokesmen regarding the bill are without the sanction of ACA, and that as such, ACA be permitted to publicly disavow efforts which would defeat the legislation.

Recently I received a letter from a consumer who owed a debt of $325. When a collection agency contacted him, he agreed to a repayment plan and repaid the full amount. When the consumer requested a verification of his payment, he received a letter verifying the payment, but claiming the full balance included an additional $99.13. He was told this was "interest." Interest for what and to whom is not clear, nor is it clear why this amount was never mentioned before. Apparently, this consumer's good faith conduct in repaying the debt is being met by an attempt to make him pay an additional $99.13 he does not seem to owe.

CONTENTS OF LEGISLATION

This bill prohibits debt collectors from adding on costs to a debt that the consumer does not legally owe.

Also, the bill specifically prohibits, among other things, making harassing or threatening telephone calls or visits to a consumer, publishing "deadbeat" lists, impersonating an attorney or a law enforcement officer, threatening to take any action that cannot legally be taken or that is not intended to be taken, falsely threatening that failure to repay a debt will result in the arrest or imprisonment of any consumer and misusing postdated checks.

To protect consumers and related third parties from harassment the bill regulates skiptracing activities used by debt collectors to locate consumers.

The provisions on communication in connection with the collection of a debt are some of the most important in this legislation. Communication, especially those by telephone, frequently are used to harass or intimidate a consumer.

Consequently, these provisions place reasonable control on a debt collector's communication with a consumer at work, away from work, and with third parties such as his employer.

Communication with a consumer at work or with his employer, may work a tremendous hardship for a consumer because such calls can embarrass a consumer and can result in his losing a deserved promotion or result in costing him his job. Such calls should only be made with great care. However, I want to make it clear that the bill does permit some communication with a consumer at work and it does not prohibit all communication with a consumer's employer.

The Federal Trade Commission will be responsible for enforcement of this legislation. The bill provides for stiff penalties consistent with those in the Consumer Credit Protection Act.

EFFECT ON CREDIT

Opponents of this legislation assert that prohibiting harsh debt collection tactics will mean less debts collected and this will increase the cost of consumer credit. Debt collectors claim only a small minority of their industry engage in the prohibited, unethical practices. If this is true, the bill should have little or no effect on the amount of bad debts collected.

However, if the result is less bad debts collected because abusive tactics cannot be used, the response should be to grant credit more carefully in the first place, not to permit abusive tactics. Credit grantors have to share the responsibility for the large amount of uncollectable debts when they grant credit carelessly to people who are not creditworthy.

LEGISLATION CONSISTENT WITH FIRST AMENDMENT

I believe that the provisions of H.R. 13720 are constitutionally sound. The point has been raised that a recent Supreme Court case, *Virginia Pharmacy Bd.* v. *Va. Consumer Council* No. 74–895 (U.S., May 24, 1976) which held that "commercial speech" is not unprotected by the first amendment, might call into question several of the provisions of the Debt Collection Practices Act. For several reasons, I believe this case presents no problems for us in our consideration of this bill. This case invalidated a Virginia statute which prohibited licensed pharmacists from advertising the prices of prescription drugs. However, the Court pointed out that—

> Some form of commercial speech regulation are surely permissible. (Slip opinion at 22.)

In explaining permissible regulation the Court expressly noted that restrictions on the time, place, and manner of advertising are permissible, "provided that they are justified without reference to the content of the regulated speech, that they serve a significant governmental interest, and that in doing so they leave open ample alternative channels for communication of the information." Slip opinion at 22–23.

This bill's relevant provisions meet this test. The sections on regulation of the acquisition of location information and on restrictions on communications in connection with debt collection would impose restrictions on the time and manner of communications by debt collectors, but would not prohibit them totally. The restrictions are justifiable based on the prevention of harm to consumers. The restrictions will serve the significant governmental interest in protecting the public welfare by protecting citizens from harassment and invasion of privacy.

Finally, the restrictions leave open several alternative channels for communication. For example, under the location information section a debt collector can, subject to certain conditions, locate a consumer by telephone, mail or telegram; and under the communication section there is no limit on mail or telegrams sent to a consumer at his home.

Similarly, the provisions of the bill which impose outright prohibitions on harassment and intimidation and on false and misleading representations are consistent with the Court's opinion. For example, the Court noted that threats of retaliation by an employer in a labor dispute are not within the protection of the first amendment. Slip opinion at 14, note 17. The Court saw no obstacle to a State's dealing effectively with the problem of commercial speech that is false, deceptive, or misleading. Slip opinion at 22–23.

Therefore, I feel this legislation is consistent with the permissible regulation of commercial speech.

SCOPE OF LEGISLATION

There are two areas of controversy with respect to this bill. First, whether the bill's coverage should be extended to cover credit grantors collecting their own debts.

Legislation almost invariably involves some form of classification whereby the statute affects some persons, and not others. Independent debt collectors represent a separate industry from creditors. Debt collectors' primary business is the collection of debts. Unlike creditors, they do not offer to sell any product or service to consumers. Debt collectors do not really compete with creditors because creditors first attempt to collect their own 30-day overdue accounts while debt collectors usually work on accounts that are at least 60 to 90 days overdue. Accounts are generally turned over to collection agencies only after a creditor has tried and been ineffective in collecting on his own. Therefore, these accounts are likely to be difficult to collect and may create an attempt to use harsh collection tactics.

Also, a company whose primary business is not debt collection will be concerned with maintaining the good will of consumers and therefore is less likely to chance angering consumers by employing harassing collection techniques. Creditors, unlike debt collectors, are usually larger, therefore, if a Federal agency like the Federal Trade Commission takes action against a major creditor, it usually has a deterrent effect throughout the industry. This is not the case with the debt collection industry.

COMMUNICATIONS

The second area of controversy is contacting a consumer or his employer. The bill's controls on communication are quite reasonable and strike a fair balance between the debt collector's need to contact and the consumer's right to privacy and right to be free from harassment. Contact with the consumer away from work, is limited only to two actual contacts a week in which the consumer states his present intentions as to repayment. In other words, a phone message or letter would not count toward the limit. Also, this limit does not include communication at work.

At work, where contact can have more serious consequences, contact is limited to one call if the debt is below $100. However, collection industry representatives have informed me that the average referred debt is $100 and the bill permits two communications each month at work if the debt is $100 or more, and meets two other conditions.

The twice a month limit on work contact for the average debt is certainly fair since under the section on locating a consumer, a debt collector can find the current home address and phone number of a consumer. Then he can communicate at home with the consumer by phone, mail, or telegram.

In permitting contact at work, one cannot ignore that such contact may have many harmful results for the consumer being contacted. Many employees are not allowed to get any calls at work. The calls can cause a consumer to be denied a promotion or lose his job. Also, the calls can result in the consumer's coworkers and employer learning that the consumer owes an unpaid debt whether or not the debt is valid. Consequently, calls at work should only be made when absolutely necessary, not on an automatic basis. The communication section now provides for reasonable contact at work.

Debt collectors would like to be able to call a consumer's employer all the time. The bill permits contacting an employer with the prior consent of the consumer, by express court permission, or after a final judgment.

Yet, it is simply not an employer's responsibility to collect debts for debt collectors. The subcommittee has yet to receive one letter from an employer requesting that debt collectors be able to contact them. However, we have received many letters from employers requesting that debt collectors not contact them. There is no basis for contacting the consumer's employer prior to final judgment, unless the consumer gives prior consent or a court expressly permits it. If a consumer wants his employer's help, such as a debt counseling service, he can arrange for it himself.

If a consumer loses his job, he is in a worse, not better, position to pay the debt. Employer calls may intimidate a consumer into paying a debt he does not even owe. Prior to final judgment, the damage an employer contact could do to a consumer far outweighs any benefit from such a call. The bill's present restrictions on communication allow reasonable opportunity for contact with the consumer.

CONSUMER LETTERS

I would like to have the excerpts from the following letters I have received made a part of the Record. These vivid examples of the harsh practices used by some debt collectors reflect the need for this legislation.

A mother wrote in indignant at the treatment her son received from a debt collector. Her letter reads in part:

> One day, someone said they were collecting a bill for my husband's cremation. I thought my friends had taken care of that, so I told them I would inquire. In the six years that had past, my friends had moved and it took a while to get in touch with only one. I did not know that the one who wanted to collect was a bill collecting agent and *not* the funeral home. He called the following week and when my son asked his name and number, he said he was not giving it again to any dumb kid and my son had better give him my office number—OR ELSE. My son refused and hung up. Needless to say he was frightened, but even more so, because just that week a little girl in . . . had been kidnapped and tied to a tree and left to die. My son (then eleven) was hysterical by the time I came home.
>
> I still had the man's name and number from before, so I called and told him that he knew I was trying to contact my friends: what kind of pervert would frighten a child just for $250. He said, "If it takes scaring a kid to get his money, that's what he'll do." I told him I would not continue to try to find out if my friends paid the bill and, if he wanted to take me to court, I would love to tell a judge how he behaved and file a countersuit against him.

The next letter excerpt is from a woman after she received the following collection notice:

> The above named creditor claims a just indebtedness from you in the above amount. The account is long past due and payment has been duly demanded. No payment or arrangement has been made.
>
> We insist that you pay the full amount of this claim to your creditor at his business office no later than October 14, 1975.
>
> We trust that your creditor will not be compelled to take more *extreme measures* in order to collect the full amount of this claim.
>
> However, in the event such further measures do become necessary in order to collect the above amount, you may be subject to additional expenses and other proceedings, including sheriffs' fees, wage and other garnishments, *execution*, and a sheriff's sale. (emphasis added by consumer)

This letter excerpt was in response to the above collection notice:

> Dear Sir: I recently read an article where you are going after the "butcher" collection agencies. I am enclosing a letter I received from a company several weeks *after* I had already paid the bill. I am unemployed and I get this nonsense. What gets me is the part in the letter I have circled (underlined), does this mean they were going to kill me if I didn't pay?

Following is an excerpt from a complaint filed by a woman harassed by a debt collector:

> Mr. . . . from the . . . (collection agency) has called 3 or 4 times a day. Mrs . . .'s daughter has a head problem and is supposed to avoid stress. Mr. . . . called them a liar, said Mrs. . . . belongs in a nut house, called her son a queer and said he was coming over and cut his . . . out. Mr. . . . called her a nosey old bitch, told her son they were running a whore house and his Mother was a whore. Mr. . . . spoke to her husband and called him a . . . wanted to know where they live and said he was going to come out and wipe the ground with them.

One letter reads:

> Dear Mr. Annunzio: I read your article about unscrupulous bill collectors in the Sunday (paper), September 28.
>
> Here is something we were intimidated into believing. This notice about the sale of our house was sent to us and in our terror we believed it until later we found out the lot number was not even ours as proved by a copy of our grant deed enclosed.
>
> Please do all you can to stop these storm troopers in the name of justice.

A consumer received a "Moneygram"—a document made to look like a telegram—with regard to an alleged doctor bill, yet all her doctor bills were covered by Medi(state). The "Moneygram" reads:

> The next step in our collection procedure will depend on your response to this message. Investigation of your job, auto and other property being made. Urgent you contact me regarding payment immediately.

The following letter is from the accounting secretary of a health foundation,

> I read with much interest the article in the September 28, 1975 issue of (the newspaper) about unscrupulous bill collectors.
>
> I work in the accounting department of a medical clinic which cares primarily for minority and financially indigent patients. One of my tasks is to process bills for payment from grant funds for this latter group of people. These payments would go to providers of medical care outside of our own clinic when our doctors had referred them.
>
> Enclosed is a copy of a collection notice one of our patients received for a bill that is our responsibility for payment. However, according to our records the bill is paid.
>
> I was much interested in the form of the collection notice. It has an official-looking gold foil seal and of course, as you can see, the form has the appearance of an official document, such as a subpoena or a judgment.
>
> I am not personally acquainted with the gentleman who received this notice. He is Spanish-speaking, and through a translator he appeared to be frightened of the consequences of this "document."
>
> I feel that this type of collection form is unethical. I would be interested in your comments.

LEGISLATION: PROTECTS CONSUMERS, FAIR TO REPUTABLE DEBT COLLECTORS

The practices illustrated by the above letters are unethical and must be stopped. This legislation should stop debt collectors from using unethical practices and establish a standard of conduct for debt collectors.

Passage of the Debt Collection Practices Act is important if consumers throughout this country are to be protected from the mental anguish and intimidation that are the consequences of abusive debt collection practices.

The subcommittee has worked long and hard to insure that this bill protects consumers, and remains fair to reputable debt collectors. I believe the Debt Collection Practices Act accomplishes these two priorities. I strongly urge you to vote for this important consumer protection legislation.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding.

I think this is an interesting concept that the Federal Government should intrude itself into yet another area of private activity. I heard a great deal of comment in the New York convention of the gentleman's party about the intrusion of Washington into individuals' lives and how this was to be halted.

I have read with interest on page 3 of the bill the definition of a debt collector. I see it is defined as anyone "who engages in any business the principal purpose of which is the collection of any debt."

Second, it includes any person "who directly or indirectly collects or attempts to collect a debt owed or due or asserted to be owed or due another."

The report is not too clear on this point. Would this include attorneys, the largest part of whose professional activities would be the collection of debts?

Mr. ANNUNZIO. Mr. Speaker, I say to the gentleman from Maryland, this does not include attorneys.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield further, what if an attorney's full practice was the collection of debts?

Mr. ANNUNZIO. If the attorney's full practice is in the business of collecting debts, this would not include him, because he is not a debt collector under the definition of the bill.

Mr. BAUMAN. Has the gentleman read the language on page 3?

Mr. ANNUNZIO. I have read the language.

Mr. BAUMAN. It says any person who engages in debt collection; it does not say attorneys are exempted. It says any person who engages.

Mr. ANNUNZIO. My definition of an attorney is a man who has a license to practice law.

Mr. BAUMAN. I agree with the gentleman, but many attorneys do engage in that practice and the largest part of their practice is collecting debts. It seems to me that the Federal Government, under the gentleman's bill, will be regulating the practice of law.

Mr. ANNUNZIO. On page 4 it says that the term "debt collector" does not include any person who does not directly or indirectly collect debts owed to another and whose primary business is extending credit, such as banks, retailers, credit unions, finance companies or attorneys at law collecting debts as attorneys on behalf of clients and in the name of such clients.

Mr. BAUMAN. That wishful language is on page 4 in the report not in the bill. Can the gentleman show in the bill where that is written, because I do not find it.

In other words, there is no such exemption, and the bill is going to include attorneys.

Mr. ANNUNZIO. I think the report speaks for itself.

Mr. BAUMAN. I thank the gentleman.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Speaker, does this bill include a debt that was contracted solely within a State and would be collected solely within a State and that does not deal with interstate commerce, above and beyond the exempted language?

Mr. ANNUNZIO. That is absolutely correct.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 13720, the Debt Collection Practices Act, is a bill designed to protect consumers obligated to repay debts, mistakenly believed to be obligated to pay debts, or consumers involved in credit transactions to be protected against harassment by unethical debt collectors, and also to protect honest debt collectors from competition by unethical debt collectors.

One of the most significant provisions of this bill, and I would like to call this especially to the attention of the Members, is the one which says that this bill, insofar as establishing standards of conduct, is complete and that the Federal Trade Commission, the supervisory agency, has only such power as we grant it under this bill and that is to enforce its supervision; but it does not have any rulemaking power in this regard.

Specifically, the bill makes it quite clear that the FTC is not granted any additional rulemaking power by this bill.

I think this is significant from a legislative standpoint. If there is any doubt as to congressional intent, the FTC must come back to the Congress for guidance. That is significant, because frequently Congress will pass a bill which will become onerous on some small business as a result of the rulemaking process; a result which Congress never intended will be put into effect.

I would like to have the attention of the distinguished chairman of the subcommittee, so that we might make a legislative history on the House floor as to what we intend in this legislation, if there be doubt.

I would ask the gentleman from Illinois (Mr. ANNUNZIO) this question; Is there any doubt in the gentleman's mind that the Federal Trade Commission would not be granted any additional rulemaking power if this bill becomes law? Is there any doubt as to congressional intent that the FTC would have enforcement authority only and would not require additional rulemaking power? And, if there is a question of congressional intent, the FTC must come back to Congress for guidance, which would take the form of new legislation, of course.

Mr. ANNUNZIO. I want to say to the gentleman from Ohio that he is absolutely correct in his statement.

Mr. WYLIE. I thank the gentleman for confirming that.

Now, 38 States already have laws similar to this bill today. I might add that Ohio is not one of them. So the bill is of particular importance to Ohioans. But, a legitimate question might be asked that if the States are already acting, why do we need this bill today? Why should the Federal Government become involved?

Well, we have found that the most flagrant abuses have been in interstate commerce such as the mail order record clubs, the magazine, and book clubs. These have caused most of the problems. A young person alledgedly representing himself as working his way though college signs up an unsuspecting housewife for a magazine subscription. This is an actual example with which I have personal knowledge. When the bill comes for the magazines, she finds that she has signed up for 5 years worth of magazines, with installment payments adding up to much more than the magazine stand cost would be for the magazines.

The husband becomes irate and says, "I won't pay it." The next thing he knows, he is contacted by a debt collection agency for payment of the whole bill. It seems that there was a cognovit note provision on the form the housewife signed.

This bill will not stop stupidity or what might be more appropriately termed acts of generosity of this type, but it does create a general rule of conduct prohibiting a debt collector from harassing or intimidating any person in the collection of a debt.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Speaker, the gentleman is speaking of interstate commerce, which of course would be very appropriate jurisdiction of this Congress, but as I understand from a previous question I asked, this bill also encompasses the transactions solely within a State, which is not in interstate commerce. This is a suspension of the rules and, therefore, we cannot amend to confine the bill strictly to interstate commerce. Am I correct on that?

Mr. WYLIE. The statement of the gentleman from Illinois was accurate a little while ago, but on page 19 we have a provision which says:

> This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to debt collecting practices, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this section, a State law is not inconsistent with this title if the protection such law affords any consumer is greater than the protection provided by this title.

So, State laws would apply in most cases.

Mr. WHITE. But the gentleman spoke of some 36 States having laws, and 14 other States do not have laws, so as to debts within their limitations, they would be affected by this bill.

Mr. WYLIE. This is true. Ohio is one of those States. I mentioned the fact that Ohio does not have a debt collection practices act.

Mr. WHITE. But is it not the desire generally of the people of this country to stop the encroachment of the Federal Government into matters strictly confined to State boundaries, rather than becoming a National Government?

Mr. WYLIE. I think that is true generally, but I would say that in this area the type of activity that is involved is usually an interstate type of practice. I would say that there are State laws which would apply and which could be enforced as to fraud or misrepresentation.

Mr. WHITE. The intent of the bill probably is good, except as it applies solely within a State. I would like very much for this bill to come up not on the suspension calendar so that we could amend it to confine it to interstate situations.

Mr. WYLIE. I understand what the gentleman is saying, but we have been working on this bill now for almost a year, and it is a finely tuned bill. I am afraid that if it comes out under a rule, there will be so many amendments that the bill will become a bad bill and we will not accomplish what we want to.

I think a vote to open the bill up for amendments must be interpreted as an attempt to defeat the bill.

Mr. WHITE. Is there any justification for the approach for a breach of the basic principle, that is the question, really.

Mr. WYLIE. I do not think that is the question, really. I do not think that we are talking about taking away States rights, if that is what the gentleman is referring to.

This is a bill on which we have worked with representatives of the trade associations. They have agreed with the bill now in its present form, and they have agreed to support it. I do not understand how this is a question of States rights.

I am well aware of what the gentleman is saying. We do not want the law to unnecessarily apply to a State like Ohio, except that if a debt collection practice is bad for interstate commerce it should be a prohibited activity in intrastate commerce.

The activities which are prohibited in this bill are activities which I think the gentleman will agree, if he has read the bill, should be prohibited, whether it is intrastate commerce or interstate commerce.

Mr. WHITE. Yes, I condemn it. But I do not know that we should ask the Congress to try to cure every particular ailment within the State. There are some matters that should be left up to the States to cure.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I thank the gentleman for yielding.

Mr. Speaker, I want to assure my good friend, the gentleman from Texas (Mr. WHITE), that after 1 year of studying this problem, the abuses were so horrendous that there was no other course the committee or subcommittee could take. We are talking about a $3 billion industry which gets 50 percent of what they collect. We are talking about $1 billion a year that is collected, or over $500 million. Witnesses before our committee described the threats. The association itself approves the bill.

We are not trying to interfere with the States. The States have been so weak they came to us and asked us to do something for them. We tried to comply with the requests of the several commissions of the several States which appeared before our subcommittee on behalf of the legislation.

Mr. WHITE. If the gentleman will yield further, they may have asked in regard to interstate matters, but I am sure as to their intrastate commerce they are capable in their own State legislatures to pass legislation on the abuse the gentleman describes.

Mr. WYLIE. Honest debt collectors have come to us and said they would like to be protected against competition from unethical collectors. They think standards should be applied uniformly in all States. The standards prescribed in this bill are not standards that they cannot otherwise comply with. For example, it prohibits the use of violence or profane language. It prohibits the publication of deadbeat lists. It prohibits making harassing telephone calls at the person's home or place of employment. These are the kinds of activities that ethical debt collectors do not engage in, in the first place, and that is why they have said they support the bill.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Virginia.

Mr. HARRIS. I thank the gentleman for yielding.

Mr. Speaker, I could not agree more with most of the gentleman's comments. I like the gentleman have had experience with clients and friends who have had the experience with the book salesman and the record club, and that sort of thing, where the practices are, indeed, very questionable. It seems to me they should be prohibited. But does not the gentleman still exclude those very operations from its application? It seems to me that those practices that are most rampant in the country by organizations selling books and organizations selling records, and what have you, would be excluded by the specific provision in the bill.

Mr. WYLIE. It does exclude the in-house collector, that is true. The bill excludes in-house collection activity. It does not apply to business credit, in other words. It is only after a debt is turned over to an independent collection agency that the bill would come into play.

Mr. HARRIS. If the gentleman will yield further, I do not understand why it is all right for one of these record clubs or book clubs to harass an individual but it is wrong for them to turn it over to some one else to do the same thing. Why does the gentleman make this kind of differentiation?

Mr. WYLIE. I agree that maybe the distinction should not be made, and that was one of the points I attempted to make throughout the hearings. The provisions of this bill do not apply to a bank, a financial institution, department stores, a record club or any business that attempts to collect its own debt.

Provisions of the bill only apply to about 1 percent of the debts collected in the country, and maybe that will have to be extended a little later on. Right now we need to take this initial step, it seems to me, before we go the whole route. I do not believe, we could pass a bill such as the one the gentleman describes, one that would apply to every in-house debt collection practice.

Mr. HARRIS. I would like to know why not.

Mrs. FENWICK. Mr Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I am going to speak to this, because there is a good reason for this practice. The reason the debt-collection agency is more apt and willing and ready to sue under these practices which the gentleman referred to than is the selling company is quite clear.

The selling company, whether it is a record company or any of these other companies, turns the matter over to the debt collector because it does not want to be in the position of harassing customers and getting a name for so doing. Here is where the distinction comes in. They say, "Regretfully, we have turned your account over to such-and-such an agency, since you have not paid."

Why do we have that? I served for over a year as State director of the division of consumer affairs. We never got troubled letters from consumers dealing with Sears and Bamberger's and Macy's and all the other big companies, or even with the record companies. Why? Because they do not want to get that name. They do not want to be tagged with that reputation.

Mr. Speaker, I would really like to speak on this bill, if I may. Perhaps I should not take the gentleman's time right now, but there is a good reason for that practice.

Mr. WYLIE. Mr. Speaker, I would be glad to yield time to the gentlewoman a little later on.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. Mr. Speaker, first, let me make an observation.

The reason why I think we should pass this bill on the floor today under suspension of the rules is because of the debate that has just taken place here. We have gone through this issue for over a year on these very same questions, and we have tried to use our best judgment to this bill on what can be accomplished.

This is a responsible bill, and it is one which I think can be passed and signed into law. I think if it is brought out under a rule—and we do have a rule already—and it is subject to amendment, we will get a bill that is worse, depending on one's viewpoint, of course. This bill could be opened up to all kinds of rules and regulations by the Federal Trade Commission for example.

Mr. Speaker, before I close, I want to commend the gentleman from Illinois (Mr. ANNUNZIO) for his hard work, his patience, and his persistence on this bill. It has been over a year in the making now, and although I did not appear as a cosponsor of the original bill because I thought it went too far, I believe we do have a reasonable bill here, one that can be defended and one on which the trade associations have agreed to be of assistance.

I also wish to thank the gentleman for his complimentary remarks about my own work in this regard. We have, indeed, worked together on this matter. As I say, this bill outlines circumstances under which a debt collector may communicate with a consumer at home or at his place of employment and with a consumer's spouse.

This will not encourage the deadbeat. We do not want to encourage the deadbeat, but at the same time there is a limit beyond which a debt collector should not be allowed to go.

Mr. Speaker, I repeat again that I think we have finely tuned the bill to take into account all of those considerations. I respectfully urge my colleagues to support the bill here on the floor today, and I do recommend its passage.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I know that the Lord's Prayer tells us to forgive our debtors, but the premise of this bill is not that people should be allowed to go about without paying their just debts; is it?

Mr. WYLIE. It does not say that people should go out and avoid paying their just debts, the gentleman is correct.

Mr. BAUMAN. Mr. Speaker, I am sure that the gentleman knows there are people in this country who advocate that persons who accrue debts avoid payment on a systematic basis. Some would disrupt the free enterprise system by abusing credit and using credit as a means toward social ends.

Mr. WYLIE. I wish to assure the gentleman that I am not one of those persons.

Mr. BAUMAN. I know the gentleman is not. The gentleman has a distinguished record, both Federal and otherwise, I am sure.

Mr. WYLIE. That is right. I agree with the gentleman's position to the extent that he says we should not encourage people to go out and become deadbeats or avoid payment of their debts, because that throws the cost of those debts onto other people who do pay their debts and who are honest people.

I started out with the philosophy a year ago, that we do not need a bill or any legislation in this regard. However, I have since learned of several instances of people who were harassed, not by ethical people, but by people who were unethical debt collectors, through the mail, through telephone calls, through calls at home, places of employment and so forth.

Therefore, I determined in my own mind that we should establish some sort of standard of conduct which would be prescribed with respect to the activities of debt collectors. If the ethical debt collectors are already complying with those standards anyhow, which most are, it would not affect them all that much. However, certain book clubs, and record clubs have been particularly abusive in this regard. They operate through the mails, in interstate commerce and cannot be reached by many State agencies.

I received a complaint from a man just this morning, who called my office and said that he was glad to see we have this bill before the House today. His wife had received several harassing phone calls threatening bodily harm. That is prohibited activity under this bill.

It turned out to be a question of mistaken identity.

This bill also says that the debt collector had better be absolutely certain that the person owes the debt before he goes out and tries to collect it.

Mr. BAUMAN. If the gentleman will yield further, I think the gentleman from Ohio (Mr. WYLIE) would agree that we cannot remove all the painful circumstances of life now in existence in this Nation. If we attempted to, we would be passing legislation to prevent harassing phone calls to Congressmen in the night. I get them. I am sure that other Members do, too.

It just seems to me that we have before us a sort of debt collection OSHA bill, with many pages of regulations written into it about what can and cannot be done by one who seeks to collect a just debt.

Why should we prescribe at what time of day a telephone call can be made in the United States? That is absurd.

Mr. WYLIE. To answer the gentleman from Maryland (Mr. BAUMAN), we do not want harassing calls to be made at 3 or 4 o'clock in the morning; do we?

However, the reason this is not an OSHA bill—and perhaps the gentleman from Maryland did not hear my statement just before—is that this bill specifically makes clear that the FTC does not have any rulemaking authority.

Mr. BAUMAN. How would it be enforced, then?

Mr. WYLIE. I think this sets a precedent which we ought to set forth in every bill. If there is any doubt about it, we ought to say that this is what Congress intended, and this is all we intended.

We ought to say to them, "If you think there is some doubt as to what we intended, you will have to come back before Congress and we will spell it out for you in future legislation."

Mr. BAUMAN. If the gentleman will yield further, in section 813 on page 18, it says that the Federal Trade Commission shall enforce this bill.

How can the FTC do that except by sending forth a swarm of agents to eat out the substance of the land? This is a Federal program and the heavy hand of the Federal Government will be used to enforce it, Do we not ever learn?

Mr. WYLIE. There is also a burden of proof provision in the bill, which is my amendment. The burden of proof is on the person complaining to the Federal Trade Commission that a debt collector has not used proper tactics or practices which we permit in this bill. I think that is a significant provision. Enforcement does not necessarily contemplate another rule or regulation. I urge passage of the bill.

Mr. ANNUNZIO. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. REUSS).

I want to extend to him my deep appreciation for his help, assistance, and cooperation as well as guidance with respect to this legislation.

Mr. REUSS. Mr. Speaker, I congratulate Mr. ANNUNZIO, the chairman of the Subcommittee on Consumer Affairs, for his fine work on the Debt Collection Practices Act. Mr. ANNUNZIO and the other members of his subcommittee have dedicated a great deal of time and effort to this legislation. The subcommittee members have listened to consumers, industry representatives, and public officials. They have studied the debt collection problem. With this knowledge, they have produced a carefully drafted bill that successfully meets the problem of protecting consumers from harsh and deceptive tactics, while not causing hardship to reputable debt collectors.

The subcommittee has also avoided the bureaucracy inherent in requiring licensing or registratión. Nor does the bill authorize the enforcing agency to write implementation regulations for each section. All too often, such regulations have resulted in complex, confusing regulations that neither those regulated nor those protected can understand.

I strongly support the Debt Collection Practices Act. There is an urgent need for this legislation because some debt collectors abuse consumers with harassment, intimidation, and threats. Sometimes the debts are not even bona fide.

Valid debts do go unpaid, resulting in the need for debt collectors. Yet, debt collectors can and should pursue their livelihood in an ethical manner. They can and should treat all consumers fairly and reasonably.

The subcommittee's 5 days of extensive hearings demonstrated the need for this legislation because of frequent abuses by unethical debt collectors, the interstate aspects of debt collection, and the unsatisfactory nature of current Federal and State legislation to stop such abuses.

This legislation responds to the need for debt collection regulation in a reasonable and appropriate manner. I urge you to join me in voting for the Debt Collection Practices Act.

Mr. Speaker, a moment ago I heard my friend, the gentleman from Virginia (Mr. HARRIS), raise a question whether legislation should be on the books, not only with respect to the so-called independent debt collector, which this bill is aimed at, but with respect to in-house collection agencies.

I would say to the gentleman that while I am not entirely familiar with that problem, it is a different problem. No doubt, the subcommittee will turn its attention to that later on; and if the gentleman from Virginia can be of assistance to them on that, I know they would welcome his assistance.

Today, however, we have before us the area of the independent debt collector, which is able to be delineated and which contains special problems. I think the bill handles those problems in an effective way.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I would be glad to yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Speaker, I appreciate the assurances of the gentleman from Wisconsin, but my whole experience has been that it has been the record club and the book club and the magazine salesman group that use these practices more often than anyone else, yet this bill specifically excludes them. I cannot imagine delineating these kind of practices and saying that we are just going to cover the independent collection agencies, that they be prohibited from using those practices and to put an exclusion in that it is all right for these other outfits to use these practices.

It seems to me the examples given by the gentleman from Ohio (Mr. WYLIE) have been specifically those examples that the committee has taken care to exclude from the application of the bill. I just wondered why.

Mr. REUSS. Mr. Speaker, I believe that the gentleman from Virginia has had his answer given by the gentleman from Ohio (Mr. WYLIE) and by the gentlewoman from New Jersey (Mrs. FENWICK).

Let me just say that I hope the gentleman from Virginia can support the bill before us today, as I am sure he can, even in spite of his perfectionist attitude, which I admire. I agree that there are other problems connected with the in-house issue which also ought to be the subject of legislation. I know that the gentleman from Virginia will help the committee in the future when they turn their attention to that.

Mr. HARRIS. Mr. Speaker, if the gentleman from Wisconsin will yield still further.

The answer of the gentleman from Ohio (Mr. WYLIE), I thought, to my question, was that the reason these other organizations were not covered was that we could not pass the bill. Is that the reason why they are not covered in this bill?

Mr. REUSS. Mr. Speaker, I would state to the gentleman from Virginia (Mr. HARRIS) that I was more impressed by the reasons given by the gentlewoman from New Jersey (Mrs. FENWICK) that they really are apples and oranges, and that one of the reasons why the independent debt collector has acquired the poor reputation which he or she has in certain areas is because they are looked to as exemplars of these bad tactics, and the reputable companies dump their cases for bad tactics on them. I do not purport to be privy to the deliberations of the subcommittee on this point. The thing that I am stating to the gentleman from Virginia is simply that this is a good bill. If it is not broad enough do not let that interfere today with support of the bill before us.

Mr. ANNUNZIO. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER pro tempore. The Chair will state that the gentleman from Illinois has 6 minutes remaining.

Mr. ANNUNZIO. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. Fenwick), a member of the subcommittee.

Mrs. FENWICK. Mr. Speaker, I thank my colleague, the gentleman from Illinois (Mr. Annunzio) for yielding me this time.

Mr. Speaker, I would like to speak very earnestly to this bill and say that it is not only a *consumer bill*, but it is also a small business bill.

Just by extraordinary coincidence, Mr. Speaker, I received a telephone call from a small businessman whose firm is being harassed by an out-of-State collection agency on collection of a bill from one of the major oil companies. I might add that there is some dispute over the bill. The major oil company is not doing this itself, and I do not think that this major oil company would wish to be associated with the kind of things that are going on.

For the enlightenment of the gentleman from Virginia (Mr. Harris) let me state some of the things that have happened in this instance.

This small businessman is a reputable businessman. He has been in business for a long time. It is not a large establishment; he has very few employees.

This gentleman has been verbally abused by the collector. The collector has impersonated customers. The debt collector has threatened his secretary if she did not put his calls through.

If that is not enough, this debt collector has even pursued this businessman at his home, after working hours. He has called before 8 in the morning and has telephoned late in the evening. When this small businessman and his wife were entertaining friends, this collector called 12 different times. He has asked to speak to the children of the house. He has used pseudonyms and has posed as a customer. He has threatened the businessman's wife that he would place a lien on their home. He called one of the neighbors, without revealing his true identity and said he had to inform the businessman about an emergency and was unable to reach him.

Mr. Speaker, these are the kinds of things and the kind of competition that decent and reputable collection agencies are up against.

If we do not do something, the entire market is going to be left to people who are prepared to do this, because people who do not even owe the money in desperation sometimes pay.

Mr. HARRIS. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I only have 4 minutes.

Mr. HARRIS. I know, but the gentlewoman has referred to me, and I thought she would yield.

Mrs. FENWICK. I wanted the gentleman to listen; I did not want to yield to him.

Mr. HARRIS. Is the gentlewoman sure she would not like to let me make just one little comment?

Mrs. FENWICK. I yield to the gentleman.

Mr. HARRIS. I thank the gentlewoman very much.

Mrs. FENWICK. Do not thank me; just speak.

Mr. HARRIS. I wondered why the gentlewoman thought it was wrong for a little old collection agency to conduct such a practice, but it was right for Exxon to do it.

Mrs. FENWICK. It is not right for anybody. The point I am making is I am trying to answer the gentleman's previous question. Reputable companies will not use these practices. The do not want to be involved, and they hand it over to somebody who will do it. I can assure the gentleman of this because of my own experience for over 15 months when I sat trying to protect people from this kind of thing—consumers and small businesses. By whom were they harassed? Not by the companies from which they bought, but by the debt collection agencies to which these accounts had been turned over. Many across State lines. There was nothing I could do in New Jersey to protect them. They would call from out of State, from neighboring States, and from further away.

We have a real problem here, and we have been wrestling with it long before I ever came to Congress. When we turn over reports like this to reputable debt collection agencies, they are more shocked than we are. They are more shocked. They cannot believe this because they conduct their business in an honorable way. They cannot believe that these things go on.

We had one case where a man was self-employed. His wife had refused to pay a certain debt she did not owe. The debt collection agency said he would complain to the man's employer. She said he was self-employed. They went after his best customer. He was a lawyer, and they went after his client and said he was unreliable financially.

This is the kind of thing the people of this Nation are up against. Some of them are far less equipped than is the wife of a lawyer to cope with these tactics. Some of them are humble people without the savvy or the know-how. How they happened to turn to their Division of Consumer Affairs was always to me somewhat of a miracle.

We cannot allow these practices to continue. We are encouraging the worst element in a very sound, good business association. What we will do if we pass this kind of legislation is to make it possible for the good businesses to stay in business. I am not interested in having the consumers of this Nation pay for deadbeats. That is what happens when we do not collect just debts. The vast majority of the consumers have to pay for them because in the long run they pay for everything anyway. But this is an absolutely necessary piece of legislation, I do assure my colleagues as one who is not overeager to pass new legislation.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Speaker, H.R. 13720 represents a conscientious effort on the part of the distinguished chairman of the Subcommittee on Consumer Affairs (Mr. Annunzio) and the distinguished ranking minority member (Mr. Wylie) to develop a bill that would deal fairly with abuses in the debt collection industry. Nevertheless, and despite my particular concern with abuses by debt collectors who use the telephone or the mails to operate beyond the reach of the laws of the States of target debtors, it is necessary for me to oppose this legislation, for the following reasons:

First. H.R. 13720 is very narrow in its scope—it does not apply to businesses which collect their own debts, which account for about 99 percent of debt collection activity. This means that those businesses which conduct their debt collection "in house," or which choose to establish such operations, can engage in all of the prohibited abuses with impunity, at least as far as this Federal legislation is concerned.

Second. There is reason to believe that the effect of this bill may be to increase the incentive for those who habitually abuse credit to resort to frivolous suits for "false or misleading representations" as a means to avoid paying their debts. These actions increase the cost of doing business and, in turn, result in increased costs to those consumers who pay their bills on time. Another unfortunate but probably inevitable result is tightened screening, so that those poor people who need credit most will find it more difficult to obtain it.

It may surprise my colleagues to learn that there are available on the market manuals which instruct debtors on how to use techniques which can only be characterized as abusive to avoid paying their debts. In addition to instructions on how to "fold, spindle, and mutilate," and on how to use the mails to delay, such books instruct their readers that by using the procedures provided under the Fair Credit Billing Act it is possible to tie the creditor up for as long as 90 days and impose substantial additional costs on him. These costs, of course are ultimately borne by those consumers who pay on time.

To give the authors of debt avoidance manuals their due, however, it should be observed that the Federal Government itself has contributed significantly to the decline of the "pay as you go" ethic. One of the manuals contains the following quote, which should give us all pause:

> Slow payment . . . is neither immoral nor illegal. You can be sued for it, but you can't be put in jail. It has the seal of approval of American commerce (in practice, if not in pronouncement) and of the United States government itself, which, since 1933, has been spending money it didn't have and calling the technique *deficit spending*. (Money paid out for social security in the 1930's, for example, came from money that the Social Security Administration didn't expect to receive until the 1950's.)
>
> Of course, since people can't get away with as much as governments can, you may fear that you won't be able to get away with deficit spending for as long as the government has. You may fear that long-term deficit spending will catch up with you in the long run, just as it's now starting to catch up with the government. But one or two years of stalling is hardly the long run. Besides, as John Maynard Keynes, the father of deficit spending, wrote: "In the long run,

we shall be dead."—*Your Check Is In the Mail*, Goldman, Franklin, and Pepper, p. 11.

Mrs. SPELLMAN. Mr. Speaker, I rise in strong support of H.R. 13720, the Debt Collection Practices Act, which amends the Consumer Credit Protection Act to prohibit abusive practices by professional debt collectors. I am pleased to be a cosponsor of this pro consumer legislation which is the Federal Government's first attempt to curb the harassment and intimidation which appears to be characteristic of a significant segment of the debt collection industry.

I believe this legislation has been carefully constructed in a manner designed not to restrict or penalize the ethical debt collector. Instead, its purpose is to protect consumers from fraudulent practices by regulating the debt collection industry, an industry which has gone wholly unregulated to date, despite the large volume of business which they handle.

Last year alone $3 billion in debts were turned over to professional debt collectors. Yet, over 40 million Americans are totally unprotected against debt collection abuses. In fact, 13 States do not even have debt collection regulations and another 12 States have laws so weak or unenforceable that blatant abuses can and do occur on a daily basis. Despite an estimated 5,000 debt collectors spread across the Nation only 37 States and the District of Columbia have any collection regulation on their books at the present time.

The Debt Collection Practices Act is a product of long, arduous hours of work by the Consumer Affairs Subcommittee of the Banking, Currency and Housing Committee, and I extend my congratulations to Chairman ANNUNZIO and the subcommittee staff for their exemplary achievement. During the course of these hearings the subcommittee received testimony from a wide range of witnesses, including a former debt collector, representatives of small and large collection companies, consumer groups, consumer victims, enforcement officials, and others. As a member of the Consumer Affairs Subcommittee, I believe the 5 days of public hearings which we held and the excellent testimony which we received showed overwhelming evidence of abusive tactics which appear to be typical of much of the debt collection industry.

In fact, according to these hearings, as stated on the committee report, frequently consumers are sent phony legal documents, they are often harassed by phone at home and at work, attorneys and policemen are sometimes impersonated and threats of bodily harm or death have been reported on occasions.

Another major area of concern which this legislation addresses is the problem of interstate regulation of the debt collection industry. Current State laws do not and cannot regulate interstate debt collection practices and existing Federal regulations have been found to be wholly ineffective in correcting abuses. This legislation recognizes these problems and proposes strict enforcement of new and explicit regulations which are designed to protect the consumer.

The Debt Collection Practices Act will prohibit professional debt collectors from harassing or intimidating any person in connection with the collection of a debt and from making false and misleading representations. H.R. 13720 also puts controls on communications with a consumer or his spouse or third parties including controls on abusive practices used to locate the home address, home phone number, and place of work of a consumer. The legislation further prohibits the use of abusive or profane language, violence or criminal intimidation, false representation, and more.

Administrative enforcement of these regulations is provided by the Federal Trade Commission and the civil and criminal penalties are consistent with those already in the Consumer Credit Protection Act. In accordance with section 814, annual reports shall be made to Congress by the Commission and the Attorney General concerning the administration of the functions of this legislation.

I urge my colleagues to join me in supporting this vital legislation which is needed to protect millions of American consumers.

Mr. FRENZEL. Mr. Speaker. I rise in opposition to the motion to suspend the rules and pass H.R. 13720, the Debt Collection Practices Act. My opposition is based on the suspensing procedure rather than the substantive merits of the bill.

Mr. Speaker, this is not a bill which should be considered under suspension of the rules. Suspending the rules to pass a bill is a practice which should be reserved for noncontroversial measures. I believe that the committee made a mistake in guaging the House's enthusiasm to debate this legislation. The Speaker, in approving this request, made a similar mistake.

There is some serious opposition to this bill. It probably is not a majority, but I believe this opposition should be allowed to present its case and offer amendments to this bill. This will not be permitted under the suspension of rules.

I realize that both consumer groups and the debt collection industry have had considerable input in the drafting of this legislation, and that the committee has labored long and hard in the drafting process. I commend the committee for its efforts. However, as in most compromises, not every one is satisfied.

When Federal legislation is concerned, both sides should be allowed to present their cases both in committee and the Whole House. The committee has had its say in the bill before us. The opposition can only present amendments. But under the suspension of rules, this possibility is precluded.

The opposition to this bill centers on four major points. First, it prohibits collectors from contacting third parties in connection with the collection of a debt. Second, it prohibits more than two contacts with debtor's at their place of employment during any 30-day period. Third, it provides that a collector must cease any efforts to collect a debt if a debtor merely asks him or her to do so. Finally, the bill requires the usual additional paperwork made necessary by our burgeoning governmental bureaucracy.

Perhaps the majority of Congress does not favor amending these provisions. If so, the amendments should be defeated. But at least there should have been the opportunity to offer them, to discuss them, and to vote on them.

I hope my colleagues will join me in opposing the motion to suspend the rules and pass H.R. 13720.

Mr. GRASSLEY. Mr. Speaker, I voted in favor of bringing H.R. 13720 to the floor because debt collection practices and the need to curb unethical operators is a subject worthy of much debate. Reluctantly, however, I today am not persuaded that such legislation, at least as currently written, would have any positive effects. H.R. 13720 is defective for three major reasons. First, it is so restrictive that even the honest, conscientious debt collector is going to have a great deal of difficulty in doing his job. The end result of preventing honest collectors from doing their jobs is higher prices for consumers, because the consumer must pay more for the goods he or she purchases to cover the loss caused by those who do not pay their bills. Second, the bill as written does not cover the vast bulk of collections which are undertaken by major retailers through their own collection departments. These collectors far outnumber the independent agencies that collect, which means that this legislation could not hope to touch a large number of abusers. Finally, 38 States have some form of debt collection law on the books. The States have shown a sincere effort to curb debt collection abuses and there thus seems little justification for the Federal Government to get into the act.

Mr. SEIBERLING. Mr. Speaker, after reading the text of H.R. 13720, I find myself in a dilemma. The goal of the bill, which is to establish safeguards to protect consumers against harassment by unscrupulous debt collectors, is a praiseworthy one which I have no difficulty in supporting. However, the bill is not limited to regulating the use of interstate comumnications by debt collectors. On the contrary, as I read the bill, it would prohibit any debt collector from using any means of communication other than interstate methods. In other words, it would prohibit any debt collector from personally calling on a debtor at his home or place of work.

In my view, the bill as written, is unconstitutional, for the reason that the Federal Government has no power to regulate local debt collecting practices not involving the use of any instrumentality of interstate commerce. If Congress cannot regulate such practices, it cannot prohibit them either.

Since the bill is plainly unconstitutional, I will therefore vote against it.

Mr. DOWNEY of New York. Mr. Speaker, I want to express my enthusiastic support of H.R. 13720, which will amend the Consumer Credit Protection Act in order to prohibit abusive practices by debt collectors. It is clear that the Consumer Credit Protection Act of 1968 does not successfully regulate these interstate practices. Some debt collectors continue to abuse consumers through various forms of harassment and deception. Often consumers are sent phony legal documents, and are harassed by telephone both at home and at work. Attorneys and policemen are often impersonated, and if these tactics do not work, threats of bodily harm or death are sometimes made.

Although the lives of many consumers throughout this country are severely affected by these unethical practices, there is currently no effective regulation of debt collectors. No uniform standards or penalties exist for wrongdoing. In addition, State laws do not and cannot regulate interstate debt collection practices.

Thus, this bill (H.R. 13720), establishes the following safeguards to protect consumers:

First. Restrictions on debt collectors' acquisition of location information.

Second. Time limit on communications made with a consumer regarding a debt.

Third. Controls on debt collectors' communications at consumers' place of work.

Fourth. Prior consent or court permission needed for communications with third party.

Fifth. Prohibition of harassment or intimidation of consumer.

Sixth. Prohibition of false or misleading representation by debt collector.

Seventh. Prohibition of unfair practices—that is, collection of a debt which is not expressly authorized by the agreement creating the debt.

Eighth. Provisions for validation of debts.

Ninth. Civil liability of debt collector.

Tenth. Criminal liability for violation of the bills provisions.

It is obvious that frequent incidences of consumer abuse and inadequate Federal or State regulation over debt collection practices make this legislation necessary immediately. Therefore, I ask my colleagues to join in support of this important bill.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill H.R. 13720, as amended.

The question was taken; and the Speaker pro tempore being in doubt, the committee divided, and there were—yeas 38, nays 22.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 12939; H.R. 13326; H.R. 13218; and H.R. 13720.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

AMENDING CERTAIN LAWS AFFECTING COAST GUARD PERSONNEL

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12939.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 12939, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 375, nays 1, not voting 56, as follows:

[Roll No. 508]

YEAS—375

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—1

Mottl

NOT VOTING—56

Anderson, Ill.
Bell
Bolling
Collins, Ill.
Conlan
Conyers
Cotter
Derwinski
Duncan, Oreg.
du Pont
Esch
Eshleman
Evans, Ind.
Ford, Mich.
Fountain
Goodling
Green
Hall, Tex.
Harkin
Harrington
Harsha
Heinz
Helstoski
Hinshaw
Howe
Hubbard
Jarman
Johnson, Colo.
Jones, Tenn.
Koch
Landrum
Leggett
Litton
Lujan
McDonald
Metcalfe
Michel
Moorhead, Calif.
Ottinger
Pepper
Pressler
Rangel
Riegle
Risenhoover
Schneebeli
Shipley
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Symington
Thornton
Vander Jagt
Wolff
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Cotter with Mr. Anderson of Illinois.
Mr. Fountain with Mr. Heinz.
Mr. Green with Mr. Pressler.
Mr. Pepper with Mr. Young of Alaska.
Mr. Symington with Mr. Bell.
Mr. Wolff with Mr. Johnson of Colorado.
Mr. Young of Georgia with Mr. Harsha.
Mr. McDonald with Mr. du Pont.
Mr. Koch with Mrs. Collins of Illinois.
Mr. Jones of Tennessee with Mr. Eshleman.
Mr. Helstoski with Mr. Vander Jagt.
Mr. Harrington with Mr. Esch.
Mr. Duncan of Oregon with Mr. Jarman.

Mr. Ford of Michigan with Mr. Derwinski.
Mr. Harkin with Mr. Lujan.
Mr. Litton with Mr. Conlan.
Mr. Hubbard with Mr. Goodling.
Mr. Rangel with Mr. Landrum.
Mr. Shipley with Mr. Moorhead of California.
Mr. Thornton with Mr. Schneebeli.
Mr. Risenhoover with Mr. Steiger of Arizona.
Mr. Riegle with Mr. Stephens.
Mr. Conyers with Mr. Leggett.
Mr. Evans of Indiana with Mr. James V. Stanton.
Mr. Metcalfe with Mr. Howe.
Mr. Ottinger with Mr. Hall of Texas.

Mr. MADDEN and Mr. BLANCHARD changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

EXEMPTING STEAMBOAT "DELTA QUEEN" FROM CERTAIN VESSEL LAWS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 13326.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 13326, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 367, nays 9, not voting 56, as follows:

[Roll No. 509]

YEAS—367

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krueger
LaFalce
Lagomarsino
Latta
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—9

Conte
Drinan
Fish
Gibbons
Hungate
Krebs
Mottl
Vigorito
Wydler

NOT VOTING—56

Anderson, Ill.
Bell
Bolling
Collins, Ill.
Conlan
Conyers
Cotter
Derwinski
Duncan, Oreg.
du Pont
Esch
Eshleman
Evans, Ind.
Ford, Mich.
Fountain
Goodling
Green
Harkin
Harrington
Harsha
Heinz
Helstoski
Hinshaw
Howe
Hubbard
Jarman
Johnson, Colo.
Jones, Tenn.
Koch
Landrum
Leggett
Litton
Lujan
McDonald
Metcalfe
Moorhead, Calif.
Ottinger
Pepper
Perkins
Pressler
Rangel
Rhodes
Riegle
Risenhoover
Schneebeli
Shipley
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Symington
Thornton
Vander Jagt
Wolff
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Cotter with Mr. James V. Stanton.
Mr. Rangel with Mr. Riegle.
Mr. Jones of Tennessee with Mr. Symington.
Mr. McDonald with Mr. Green.
Mr. Fountain with Mr. Leggett.
Mr. Pepper with Mr. Bell.
Mr. Wolff with Mr. Eshleman.
Mr. Young of Georgia with Mr. Stephens.
Mr. Risenhoover with Mr. Jarman.
Mr. Duncan of Oregon with Mr. Lujan.
Mr. Evans of Indiana with Mr. Derwinski.
Mr. Harkin with Mr. Moorhead of California.
Mr. Helstoski with Mrs. Collins of Illinois.
Mr. Harrington with Mr. Anderson of Illinois.
Mr. Koch with Mr. du Pont.
Mr. Metcalfe with Mr. Esch.
Mr. Ottinger with Mr. Heinz.
Mr. Shipley with Mr. Harsha.
Mr. Thornton with Mr. Conlan.
Mr. Conyers with Mr. Perkins.
Mr. Litton with Mr. Goodling.
Mr. Howe with Mr. Pressler.
Mr. Hubbard with Mr. Landrum.
Mr. Ford of Michigan with Mr. Schneebeli.
Mr. Vander Jagt with Mr. Steelman.
Mr. Young of Alaska with Mr. Steiger of Arizona.

Mr. McCLOSKEY changed his vote from "nay" to "yea."

Mr. FISH changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SALE OF SS "UNITED STATES" FOR USE AS A FLOATING HOTEL

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 13218.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 13218, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 370, nays 6, not voting 56, as follows:

[Roll No. 510]

YEAS—370

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus

Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley

Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva

Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark

Steed
Steiger, Wis.
Stokes
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Traxler
Treen

Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Wiggins

Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—6

Ashbrook
Latta

Myers, Pa.
Satterfield

Stratton
Wydler

NOT VOTING—56

Anderson, Ill.
Bell
Bolling
Collins, Ill.
Conlan
Conyers
Cotter
Derwinski
du Pont
Esch
Eshleman
Evans, Ind.
Ford, Mich.
Fountain
Goodling
Green
Harkin
Harrington
Harsha
Heinz

Helstoski
Hinshaw
Howe
Hubbard
Jarman
Johnson, Colo.
Jones, Tenn.
Koch
Landrum
Leggett
Litton
Lujan
McCollister
McDonald
Metcalfe
Moorhead, Calif.
Ottinger
Pepper
Pressler

Rangel
Riegle
Risenhoover
Schneebeli
Shipley
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Symington
Thornton
Vander Jagt
Waxman
Whitten
Wolff
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Cotter with Mr. James V. Stanton.

Mr. Rangel with Mr. Riegle.

Mr. Jones of Tennessee with Mr. Symington.

Mr. McDonald with Mr. Green.

Mr. Fountain with Mr. Leggett.

Mr. Pepper with Mr. Bell.

Mr. Wolff with Mr. Eshleman.

Mr. Young of Georgia with Mr. Stephens.

Mr. Risenhoover with Mr. Jarman.

Mr. McCollister with Mr. Lujan.

Mr. Evans of Indiana with Mr. Derwinski.

Mr. Harkin with Mr. Moorhead of California.

Mr. Helstoski with Mrs. Collins of Illinois.

Mr. Harrington with Mr. Anderson of Illinois.

Mr. Koch with Mr. du Pont.

Mr. Metcalfe with Mr. Esch.

Mr. Ottinger with Mr. Heinz.

Mr. Shipley with Mr. Harsha.

Mr. Thornton with Mr. Conlan.

Mr. Conyers with Mr. Waxman.

Mr. Litton with Mr. Goodling.

Mr. Howe with Mr. Pressler.

Mr. Hubbard with Mr. Landrum.

Mr. Ford of Michigan with Mr. Schneebeli.

Mr. Vander Jagt with Mr. Steelman.

Mr. Young of Alaska with Mr. Steiger of Arizona.

Mr. Whitten with Mr. du Pont.

Mr. ROUSSELOT changed his vote from "nay" to "yea."

Mr. ASHBROOK changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DEBT COLLECTION PRACTICES ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 13720, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill H.R. 13720, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 201, nays 175, not voting 56, as follows:

[Roll No. 511]

YEAS—201

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Annunzio
Aspin
Badillo
Beard, R.I.
Biaggi
Biester
Bingham
Blanchard
Boland
Brademas
Brodhead
Brooks
Broomfield
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Cederberg
Chisholm
Clay
Cleveland
Cohen
Conable
Conte
Corman
Coughlin
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evins, Tenn.
Fary
Fenwick
Findley
Fish
Fisher
Flood
Florio
Ford, Tenn.

Forsythe
Fraser
Gaydos
Gilman
Gonzalez
Gradison
Gude
Guyer
Hall, Ill.
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hicks
Hillis
Holland
Holtzman
Horton
Howard
Hungate
Hyde
Jacobs
Jeffords
Johnson, Calif.
Johnson, Pa.
Jordan
Kastenmeier
Keys
Kindness
Krebs
LaFalce
Latta
Lehman
Lent
Long, Md.
Lundine
McCloskey
McCormack
McDade
McFall
McKinney
Madden
Madigan
Maguire
Mazzoli
Meeds
Melcher
Meyner
Michel
Mikva
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Nedzi
Nix

Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Perkins
Pettis
Peyser
Pike
Price
Pritchard
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Simon
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Thompson
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Wampler
Wilson, Bob
Wilson, C. H.
Wirth
Wright
Wydler
Wylie
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—175

Abdnor
Allen
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland

Bevill
Blouin
Boggs
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Butler
Byron
Carter
Chappell

Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Cornell
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
English
Erlenborn

Fithian
Flowers
Flynt
Foley
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Ginn
Goldwater
Grassley
Hagedorn
Haley
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Hébert
Hefner
Henderson
Hightower
Holt
Hughes
Hutchinson
Ichord
Jenrette
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Krueger
Lagomarsino
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
McClory
McCollister
McEwen
McHugh
McKay
Mahon
Mann
Martin
Mathis
Matsunaga
Mezvinsky
Milford
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Murtha
Myers, Pa.
Natcher
Neal
Nichols
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Pickle
Poage
Preyer
Quie
Quillen
Roberts
Robinson
Rogers
Rose
Roush
Rousselot
Runnels
Ruppe
Santini
Satterfield
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Steed
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Ullman
Waggonner
Walsh
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Tex.
Winn
Young, Fla.

NOT VOTING—56

Anderson, Ill.
Bell
Bolling
Collins, Ill.
Conlan
Conyers
Cotter
Derwinski
du Pont
Esch
Eshleman
Evans, Ind.
Fascell
Ford, Mich.
Fountain
Goodling
Green
Harkin
Harrington
Harsha
Heinz
Helstoski
Hinshaw
Howe
Hubbard
Jarman
Johnson, Colo.
Jones, Tenn.
Karth
Koch
Landrum
Leggett
Litton
Lujan
McDonald
Metcalfe
Moorhead, Calif.
Ottinger
Pepper
Pressler
Rangel
Riegle
Risenhoover
Schneebeli
Shipley
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Symington
Thornton
Vander Jagt
Waxman
Wolff
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Pepper and Mr. Ford of Michigan for, with Mr. McDonald against.

Mr. Helstoski and Mr. Rangel for, with Mr. Fascell against.

Mr. Symington and Mr. Wolff for, with Mr. Fountain against.

Mr. Metcalfe and Mr. Leggett for, with Mr. Jones of Tennessee against.

Mr. Harrington and Mr. Conyers for, with Mr. Eshleman against.

Mrs. Collins of Illinois and Mr. Waxman for, with Mr. Lujan against.

Mr. Ottinger and Mr. James V. Stanton for, with Mr. Moorhead of California against.

Mr. Koch and Mr. Riegle for, with Mr. Young of Alaska against.

Mr. Young of Georgia and Mr. Karth for, with Mr. Landrum against.

Until further notice:

Mr. Cotter with Mr. Bell.

Mr. Shipley with Mr. Conlan.

Mr. Green with Mr. du Pont.

Mr. Harkin with Mr. Esch.

Mr. Thornton with Mr. Goodling.

Mr. Risenhoover with Mr. Anderson of Illinois.

Mr. Hubbard with Mr. Harsha.

Mr. Litton with Mr. Derwinski.

Mr. Evans of Indiana with Mr. Heinz.

Mr. Howe with Mr. Pressler.

Mr. Stephens with Mr. Steelman.

Mr. Vander Jagt with Mr. Steiger of Arizona.

Messrs. ASHLEY, JENRETTE, ULLMAN, MEZVINSKY, RUPPE, BERGLAND, CORNELL, MILLER of California, and HANLEY changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

AMENDING THE MERCHANT MARINE ACT, 1936

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11504) to amend section 502(a) of the Merchant Marine Act, 1936, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the "Negotiated Shipbuilding Contracting Act of 1976".

SEC. 2. Section 502(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1152(a)) is amended in the third sentence thereof—

(1) by striking out "June 30, 1976" and inserting in lieu thereof "June 30, 1979";

(2) by striking out "(i) the negotiated" and all that follows through "per centum in fiscal 1976;"; and

(3) by redesignating "(ii)", "(iii)", and "(iv)" as "(1)", "(2)", and "(3)".

SEC. 3. Section 502(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1152(b)) is amended by amending the fifth, sixth, seventh, and eighth sentences thereof to read as follows: "The construction differential approved and paid by the Secretary shall not exceed 50 per centum of the cost of constructing, reconstructing, or reconditioning the vessel (excluding the cost of national defense features). If the Secretary finds that the construction differential exceeds, in any case, the foregoing percentage of such cost, the Secretary may negotiate with any bidder (whether or not such person is the lowest bidder) and may contract with such bidder (notwithstanding the first sentence of section 505) for the construction, reconstruction, or reconditioning of the vessel involved in a domestic shipyard at a cost which will reduce the construction differential to such percentage or less.".

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

A motion to reconsider was laid on the table.

AUTHORIZING AND DIRECTING CLERK TO MAKE CORRECTION IN ENROLLMENT OF H.R. 11504

Mrs. SULLIVAN. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 678) to amend section 502(a) of the Merchant Marine Act, 1936, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 678

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill (H.R. 11504) to amend section 502(a) of the Merchant Marine Act, 1936, is authorized and directed to make the following correction: strike out "502(a)" in the title of the bill and insert in lieu thereof "502".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1975

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1259 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1259

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10210) to require States to extend unemployment compensation coverage to certain previously uncovered workers; to increase the amount of the wages subject to the Federal unemployment tax; to increase the rate of such tax; and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. No amendments to titles I through III of said bill shall be in order, including any amendment in the nature of a substitute modifying titles I through III, in the Committee of the Whole except the following: amendments recommended by the Committee on Ways and Means; amendments printed on page H5309 of the Congressional Record of June 3, 1976, by Representative Ullman, which amendments shall be considered en bloc; amendments printed on page H5309 of the Congressional Record of June 3, 1976, by Representative Ketchum, which amendments shall be considered en bloc; an amendment printed on page H5309 of the Congressional Record of June 3, 1976, by Representative Pickle; an amendment adding section 314 to title III printed on pages H5307 to H5308 of the Congressional Record of June 3, 1976, by Representative Corman; and an amendment printed on page H5309 of the Congressional Record of June 3, 1976, by Representative Sisk; and said amendments shall not be subject to amendment except for amendments offered by direction of the Committee on Ways and Means and pro forma amendments. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to my colleague, the gentleman from

California (Mr. Del Clawson), and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1259 is a modified open rule providing 2 hours of general debate on H.R. 10210, the unemployment compensation amendments bill.

Mr. Speaker, this is the second rule which has been granted to H.R. 10210. The first rule, House Resolution 1183, was defeated on May 17, 1976, by a vote of 125 to 219. House Resolution 1259 differs in two major respects from House Resolution 1183. First, while House Resolution 1183 was a closed rule, House Resolution 1259 provides that five specific amendments, which have been published in the Congressional Record of June 3, 1976, may be offered. Those amendments may be amended only by amendments offered by direction of the Committee on Ways and Means. Members may secure additional time to debate the amendments by offering pro forma amendments. No other amendments to titles I through III of the bill would be in order unless they are amendments offered by direction of the Committee on Ways and Means. Title IV of the bill, which establishes the National Commission on Unemployment Compensation, is open to any germane amendment. Second, while House Resolution 1183 did not provide for the offering of a motion to recommit with instructions, House Resolution 1259 specifically makes that motion in order.

Mr. Speaker, H.R. 10210 is designed to provide coverage under permanent Federal-State unemployment compensation law for substantially all of the Nation's wage and salary earners, restore solvency to the unemployment compensation program, modify the "trigger mechanism" in the extended benefits program, and establish a National Study Commission to undertake a comprehensive examination of the present unemployment compensation program and recommend further improvements.

Mr. Speaker, this is important legislation. The provisions of the previous rule have been modified to grant the House an adequate opportunity to work its will on this bill. Mr. Speaker, I urge the adoption of House Resolution 1259 to permit the House to proceed to the consideration of H.R. 10210.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Texas.

Mr. KAZEN. Why is it that the Rules Committee did not give us an open rule on this bill? For all practical purposes, it is still a closed rule, because only specific amendments can be offered.

Mr. SISK. Let me say that I have great respect—as my colleague from Texas knows I do—for him, but I thoroughly disagree with him.

Mr. KAZEN. Disagree with what, because I asked the gentlemen to tell me why? I want to know why. The Rules Committee did not give us an open rule.

Mr. SISK. For all basic purposes, we have got an open rule.

Mr. KAZEN. Can I offer any amendment I want to offer to the bill which is germane?

Mr. SISK. No.

Mr. KAZEN. Therefore, I do not have an open rule.

Mr. SISK. The gentleman can offer any amendment he wants to which is germane to title IV.

Mr. KAZEN. I thank the gentleman for his answer.

Mr. SISK. On titles I, II and III, amendments will be limited to those amendments which are made in order, some five of them. Very frankly, this is as far as the Ways and Means Committee was willing to go. Let me say to my colleague from Texas, for whom I have great respect, that the committee initially wanted a completely closed rule, and believe you me, we came down here with one. The House turned it down. We have substantially modified it.

Of course, again it is up to the will of the House as to whether we want to do something in this area or not.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Speaker, I think the gentleman said in his explanation that there would be only five amendments permissible to the first part of the bill.

Mr. SISK. That is my understanding. There is, basically, made in order five amendments which have already been printed in the Congressional Record.

Mr. GONZALEZ. If the gentleman will yield further, can the gentleman briefly tell us what the 5 amendments are, or who the sponsors are?

Does that include the amendment to be offered by the gentleman from Texas (Mr. Pickle)?

Mr. SISK. Yes, it does.

Mr. Speaker, let me outline those amendments specifically which will be made in order.

No. 1 is the Ullman amendment to section 111, requiring coverage of agricultural workers of employers with four or more workers in 20 weeks or who paid $10,000 in quarterly wages, rather than four workers in 20 weeks or $5,000 in quarterly wages. That is number 1.

No. 2 is the Ketchum amendment. That is an amendment to be offered by the gentleman from California (Mr. Ketchum), to strike section 115 that requires coverage of State and local government employees and employees of nonprofit schools.

No. 3, an amendment to be offered by the gentleman from Texas (Mr. Pickle) to section 211 raising the taxable wage base to $6,000, rather than $8,000.

No. 4 is the Corman amendment to title III, adding section 314, requiring States to pay a weekly benefit amount equal to 50 percent of the claimant's average weekly wage, up to the State maximum. The State maximum must be equal to at least 66⅔ of the statewide average weekly wage in covered employment.

No. 5 is the so-called Sisk amendment, that is, this particular Member, prohibiting payment of benefits to illegal aliens and/or to professional athletes under contract.

Those are the five amendments that will be in order in titles I, II and III.

Title IV, of course, will be open to germane amendments.

Mr. GONZALEZ. I thank the gentleman.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, I would like to ask the gentleman a question, because I heard him say something that sounded rather strange to me. I think his exact words were that, with the rule before us, this is about as far as the Committee on Ways and Means was willing to go.

Have we arrived at the place where the Committee on Ways and Means supersedes the Committee on Rules? I am not being facetious.

Mr. SISK. Mr. Speaker, will the gentleman speak into the microphone? I am not hearing the gentleman.

Mr. ASHBROOK. This is not meant to be facetious, because I have the highest respect for the gentleman, but I was highly astounded when he made the statement. That is why I wonder whether the rules are such that the Committee on Ways and Means supersedes the Committee on Rules. What I wanted to ask the gentleman was, in response to his statement that that was about as far as the Committee on Ways and Means was willing to go. That was the exact statement the gentleman made when referring to the rule that he currently is ably handling before the House. I am not being facetious. I really wonder if we do have a situation where the Committee on Ways and Means does in fact dictate to the rest of the Members of the House what kind of ground rules we will have on bills from their committee that come before the House. I think that is a very serious question to inform the Members about.

Mr. SISK. Mr. Speaker, let me say that I have great respect for my colleague, the gentleman from Ohio (Mr. Ashbrook). I appreciate the opportunity to comment.

Let me point out one thing first, and I am sure my colleague will agree with this because I know from time to time through the years he himself has been before the Committee on Rules.

Mr. ASHBROOK. Never to oppose a rule, however.

Mr. SISK. I am not saying for what purpose the gentleman was there.

Mr. Speaker, I simply say that I think the gentleman recognizes the Committee on Rules attempts to work with all the legislative committees of the House. The Committee on Rules has not during the 16 years I have been on the committee, attempted to dictate per se to any other committees. In cases where committees come in and make specific requests, where we can the committee goes along and abides by the request coming from the legislative committee as to the length of time and as to the type of rule.

There are times when the Committee on Rules, because of concerns by the leadership and because of other reasons, does not necessarily go exactly in line with what the committee has requested, but to the extent that we can, we do accede to its request. That is all this Member proposed to indicate here.

Initially the Committee on Ways and Means asked for a closed rule. That was granted, as my colleague knows, and it was brought to the floor here and turned down by a very substantial margin, as is the right of the House to do. The committee came back, and after a good deal of discussion by and between the members of the Committee on Ways and Means and the Committee on Rules, this modification was proposed. It is a substantial modification, compared to the initial position of the Committee on Ways and Means, and the Committee on Rules went along with it.

Mr. Speaker, I recognize that we still could have come out with something substantially different, but it was felt, I believe, as a matter of judgment by the Committee on Rules, that this was a reasonable request and that is the reason we have the rule before us in this fashion.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for his explanation. I think that is a reasonable response, but I cannot help but wonder what would have happened if we had a closed rule.

The gentleman clearly indicated that the Committee on Ways and Means would have almost withdrawn the bill if they did not get a rule along the lines the gentleman is suggesting. I do not mean to question the gentleman's intentions, but I do say that when the gentleman says this is as far as they could go, I cannot help but think about legislation that is brought to us under that type of rule.

Mr. SISK. Mr. Speaker, I think my colleague understands that I do not wish to put the gentleman from Oregon (Mr. ULLMAN) or any other member of the Committee on Ways and Means on the spot. I know there have been times in the past when, frankly, a committee took the position, either rightly or wrongly—and I think each Member has to deal with these matters under his own conscience—that if they could not bring a bill to the floor under a certain kind of rule, they would not bring the bill to the floor at all. I do not say that the statement was made in this instance, and I did not mean to intimate that.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman, and I wish to say I think he has done a fine job in handling the entire situation.

Mr. SISK. Mr. Speaker, I thank the gentleman, and I reserve the balance of my time.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, our distinguished colleague from California has properly noted that House Resolution 1259 provides for the consideration of H.R. 10210, Unemployment Compensation Amendments of 1975, under a modified closed rule granting 2 hours of equally divided general debate. No amendments to titles I through III shall be in order, including any amendment in the nature of a substitute modifying titles I through III except committee amendments and certain amendments which the committee was specifically requested to make in order, as printed in the RECORD of June 3, 1976. Such amendments will not be subject to amendment except those offered by direction of the Ways and Means Committee and pro forma amendments. Title IV will be open to amendment. One motion to recommit with or without instructions is further granted.

Specifically, H.R. 10210 extends unemployment compensation coverage to certain previously uncovered workers, increases the amount of wages subject to the Federal unemployment tax while increasing the rate of tax and also provides a longer duration of benefits through a modified trigger mechanism.

Of the 80 million wage and salary workers in this country, approximately 68 million are covered under existing unemployment compensation programs. The remaining balance of this number is comprised of State and local government employees, agricultural employees, and domestic workers.

Under provisions of H.R. 10210, unemployment compensation benefits would be extended to about 9.5 million of the 12 million jobs not presently covered. The total cost for these extensions has been estimated at $1,350,000,000 in fiscal year 1978. This will result in substantial additional costs to State and local governments to insure their employees under the program.

In order to extend unemployment benefits and restore solvency to the presently depleted unemployment compensation trust funds, employers will bear the burden through an increase in the taxable wage base from $4,200 to $8,000 for both Federal and State unemployment compensation taxes. Additionally, the net Federal unemployment compensation tax rate will be raised from 0.5 to 0.7 percent. The effect will be to increase annual taxes by about $20 per worker.

A serious problem created by this legislation is the financial burden paced on employers. Small businesses, in particular, will be hard hit. Unless a more equitable way to replenish the deflated trust funds is found, the Congress may be contributing to the already staggering unemployment rate by forcing some employers out of business.

The Committee on Ways and Means has stated that the imposition of an $8,000 wage base will cost employers more than $6 billion in unemployment taxes annually. Representatives BURLESON, WAGGONNER, and PICKLE observed in dissenting views that—

> This increase, which might have been spent on new plant production and other job-producing capital investments, will be funneled into unemployment taxes.

Representative KETCHUM further warned in accompanying minority views that—

> Another unpleasant side effect of this legislation could well be another round of inflation as businesses, which are able, increase consumer prices to offset the escalating costs of unemployment taxes.

H.R. 10210 will also provide extended benefits when there is a seasonally adjusted national insured unemployment rate of 4.5 percent based on the most recent 13-week period or when the seasonally adjusted State insured unemployment rate is 4 percent based on the most recent 13-week period.

Finally, this legislation will establish a National Commission on Unemployment Compensation to further study and evaluate unemployment compensation programs; assess the long-range needs of the programs; develop alternatives, and recommend changes in the programs.

Mr. Speaker, under previous consideration, on May 17, 1976, the House defeated the rule for H.R. 10210 by a record vote of 125 yeas to 219 nays. While the committee has proposed amendments to make the legislation more palatable and acceptable, the changes are not yet in the bill, and, in my opinion, are not of a magnitude sufficient to warrant support. Therefore, Mr. Speaker—I urge my colleagues to once again reject the rule and the Unemployment Compensation Amendments of 1975 it makes in order.

Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I thank the gentleman from California (Mr. DEL CLAWSON) for yielding this time to me.

I will not use this time, Mr. Speaker, to speak on the merits or demerits of the bill before us except to say that this is not an unemployment insurance bill; it is a welfare bill, and there is no other way in which to describe it.

However, Mr. Speaker, I would like to talk about the rule for just a moment. During the initial debate on the rule, a question was asked as to whether this rule was indeed a closed rule. The answer was, No, it was sort of open.

Make no mistake about it, this is a closed rule, period. There are five amendments, and five amendments only, authorized.

Mr. Speaker, when the resolution came to the floor before and when this House, in its wisdom, defeated it, the resolution did call for an absolutely, totally closed rule, with a motion to recommit but no instructions. The House, as I said, in its infinite wisdom, turned that resolution down.

We went back to the Committee on Ways and Means with the resolution, and it was reported out of that committee, authorizing the five amendments described in the resolution.

When the gentleman from Texas (Mr. PICKLE) and I raised the question about the rule on this floor, we indicated that we felt it should be an open rule but that if it could not be a totally open rule, at least it should be open for the two amendments that the gentleman from Texas (Mr. PICKLE) and I were fighting for: the Pickle amendment, which would raise the taxable wage base from $4,200 to $6,000, and my amendment, that I will offer myself, which will make voluntary the coverage of municipal employees.

That is all we were asking for.

We went back to committee and now, of course, we come back with Federal benefits standards, which was defeated not once but twice in the Committee on Ways and Means, and now we will have a bill in which the gentleman from California (Mr. CORMAN) may offer the amendment for Federal benefits standards.

Mr. Speaker, I repeat that this is not

an unemployment insurance bill, it is a welfare bill, purely and simply, and it should be classified as just that.

I intend to vote against this rule because, No. 1, we did not do what we said we were going to do when we went back to committee, and, No. 2, I believe in an open rule so that this House and all of its Members may have an opportunity to offer amendments to the bill to improve it in any way they see fit.

This Congress opened its doors as a reform Congress, talking about openness and government in the sunshine. Well, if this is government in the sunshine, and the public buys it, the voters are fooled again.

Mr. DEL CLAWSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Speaker, for my part it is exceedingly difficult to quite understand how we get in the position in which we find ourselves. The House clearly spoke the last time this bill was on the floor. It turned down the request of the Committee on Ways and Means that had been granted by the Committee on Rules for a closed rule, overwhelmingly.

The reasons that were used to turn down that rule were two-fold: First, because there was no motion to recommit with instructions permitted, and second, because we were not going to allow a vote on the Pickle amendment and the Ketchum amendment.

The Committee on Ways and Means has recommended and the Committee on Rules has adopted, what seems to me an eminently fair procedure. The House has a chance to work its will on the issues of substance, that is, to vote on the limitation of Government employee coverage question, the wage base question, the Federal benefits standard question, the amendment offered by the chairman of the Committee on Ways and Means on agricultural workers and the amendment offered by the gentleman from California (Mr. SISK) and an open rule of title IV on the National Commission on Unemployment Compensation.

In addition, the minority is protected in its right to offer a motion to recommit with instructions.

I cannot justify, and I cannot see a basis in which this House this afternoon can justify turning down the rule on this bill. To do so I think clearly means that the bill will not come before the House and we will continue to see the unemployment compensation system go into deficit and we will continue to see the inability of that system to sustain itself called into question. I think this would be a serious public policy mistake. I hope it does not happen.

I hope the rule is adopted.

Mr. DEL CLAWSON. Mr. Speaker, I have no further requests for time and I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I think the debate that has been going on here is indicative of the great concern that Members of this House have regarding the pending bill. There is no point in rehashing the history of the rule when it went down by over 100 votes here some 30 days or more ago.

The argument made at that time was a request by the gentleman from California (Mr. KETCHUM) and me that we be allowed to offer two amendments. We were not given that permission in the rules because it was a totally closed rule. We were not given the right to offer it even as a motion to recommit because of the rule. We were simply requesting a vote on at least two of those propositions, and neither were made available, and the House I think correctly said no in a resounding manner.

Now, when the rule went back to the Committee on Ways and Means with a request for a different approach—and it was approved by the Committee on Rules—they have enlarged this rule. They did not give us an open rule, but they picked out five amendments. One of those amendments will be on Federal standards which was not in the bill, which failed on two specific votes in committee. Yet we are being given the right to vote on it just as if the committee had worked its will. That is not true of the amendment on the wage base. That is not true with respect to the amendment on public employees.

The amendment that I will offer is one which affects the wage base. For the Members' information, their employers—and, incidentally, they should remember that the employers pay the entire bill—are taxed on the basis of wages of $4,200 a year. The pending bill provides that they will be taxed on the basis of $8,000 a year. I think that is too high a jump. That is a 90-percent increase, by far and away the largest increase that the unemployment program has ever had before. I do not think it is a good time to saddle the employers with that steep an increase on the wage base.

I recognize, as the gentleman from Wisconsin (Mr. STEIGER) said, that we do need to put money in the trust fund, both State and Federal. They need to be made solid. But I think that if we went from $4,200 to $6,000 at a 0.7-percent rate, that would accomplish what we seek to do. The bill would make it $8,000 at a 0.7-percent rate, and it is going to be costing the employers almost twice as much in that one segment of the cost factor; that is, the wage base.

The SPEAKER. The time of the gentleman has expired.

Mr. SISK. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. PICKLE. It is estimated that if the wage base is, indeed, increased to $8,000 at 0.7 rate this would cost the employers in excess of $5 billion a year. Perhaps $5 plus billion would be a more accurate figure. The amendment on the public employees would cost approximately $1.8 billion.

The gentleman from California asks that that public employees be covered on a voluntary basis. If a city or a county or a school or a water district wants to say their employees are covered mandatorily by this act the present bill would do that. But the cities and counties would also choose to be an employer. In the past, we have always found that is a better approach to do this voluntarily because we do not like the prospect of having one agency of the Federal Government saying to a State that they must mandatorily handle it this way.

I personally think a voluntary approach would be better so we do have those two amendments to be voted on. But the Rules Committee also enlarged it to bring in the Federal benefit standards as well as an agricultural amendment and an alien amendment.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, the gentleman is going on the assumption that the House turned down the rule simply on the plea the gentleman and the gentleman from California made. Has it occurred to the gentleman from Texas that the House wanted a completely open rule and that is the reason they defeated the rule?

Mr. PICKLE. I thought of that, but if the gentleman will read the debate he will see those were the only two amendments discussed primarily. But I also recognize that several Members voted against the rule because they wanted an open rule. One can argue the advantages of an open and a closed rule. I would contend that these trust funds do need money and this unemployment compensation is the best safety valve we have got and the trust funds must be made solvent again.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker being in doubt, the House divided, and there were—yeas 71, nays 57.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 246, nays 131, not voting 55, as follows:

[Roll No. 512]

YEAS—246

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Cederberg
Chisholm
Clay
Cleveland
Cohen
Conable
Conte
Corman
Cornell
Coughlin
D'Amours
Daniels, N.J.
Danielson
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Findley
Fish
Fisher

Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Fraser
Frenzel
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Gude
Hall, Ill.
Hamilton
Hanley
Hannaford
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hicks
Hillis
Holland
Holtzman
Horton
Howard
Hughes
Jeffords
Johnson, Calif.
Johnson, Colo.
Jordan
Kastenmeier
Keys
Krebs
Krueger
LaFalce
Lehman
Levitas
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
Lundine
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pike
Preyer
Price
Quie
Railsback
Rees
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Thompson
Thone
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Weaver
Whalen
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wylie
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—131

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Fenwick
Flynt
Frey
Fuqua
Ginn
Goldwater
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Hansen
Hefner
Henderson
Hightower
Holt
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jenrette
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Lloyd, Tenn.
Lott
McClory
McCollister
Mahon
Martin
Mathis
Milford
Miller, Ohio
Montgomery
Moore
Myers, Ind.
Myers, Pa.
Passman
Paul
Pettis
Pickle
Poage
Pritchard
Quillen
Randall
Regula
Risenhoover
Roberts
Robinson
Roncalio
Rose
Rousselot
Runnels
Satterfield
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Steed
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Treen
Van Deerlin
Waggonner
White
Whitehurst
Whitten
Wiggins
Winn
Wright
Wydler
Young, Fla.

NOT VOTING—55

Anderson, Ill.
Bell
Bolling
Collins, Ill.
Conlan
Conyers
Cotter
Derwinski
du Pont
Esch
Eshleman
Evans, Ind.
Ford, Mich.
Fountain
Goodling
Green
Harkin
Harrington
Harsha
Hays, Ohio
Hébert
Heinz
Helstoski
Hinshaw
Howe
Hubbard
Jarman
Jones, Ala.
Jones, Tenn.
Karth
Koch
Landrum
Leggett
Litton
McDonald
Metcalfe
Moorhead, Calif.
Ottinger
Pepper
Pressler
Rangel
Riegle
Schneebeli
Shipley
Stanton, James V.
Steelman
Steiger, Ariz.
Symington
Teague
Thornton
Vander Jagt
Waxman
Wolff
Young, Alaska
Young, Ga.

The Clerk announced the following pairs.

On this vote:

Mr. Cotter for, with Mr. Jones of Tennessee against.

Mr. Rangel for, with Mr. Landrum against.

Mr. Pepper for, with Mr. Hébert against.

Mr. Hays of Ohio for, with Mr. McDonald against.

Mr. Koch for, with Mr. Teague against.

Mr. Waxman for, with Mr. Fountain against.

Mr. Helstoski for, with Mr. Shipley against.

Mr. Vander Jagt for, with Mr. Moorhead of California against.

Mr. Anderson of Illinois for, with Mr. Derwinski against.

Until further notice:

Mrs. Collins of Illinois with Mr. Riegle.

Mr. Leggett with Mr. Symington.

Mr. Conyers with Mr. Green.

Mr. Evans of Indiana with Mr. Karth.

Mr. Ford of Michigan with Mr. Jones of Alabama.

Mr. Harkin with Mr. Bell.

Mr. Harrington with Mr. Goodling.

Mr. Hubbard with Mr. Conlan.

Mr. Litton with Mr. Esch.

Mr. Metcalfe with Mr. James V. Stanton.

Mr. Ottinger with Mr. du Pont.

Mr. Thornton with Mr. Eshleman.

Mr. Pressler with Mr. Heinz.

Mr. Young of Alaska with Mr. Schneebeli.

Mr. Howe with Mr. Steiger of Arizona.

Mr. Young of Georgia with Mr. Wolff.

Mr. HUNGATE and Mr. TAYLOR of North Carolina changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. CORMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10210) to require States to extend unemployment compensation coverage to certain previously uncovered workers; to increase the amount of the wages subject to the Federal unemployment tax; to increase the rate of such tax; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. CORMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10210, with Mr. YATES in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. CORMAN) will be recognized for 1 hour, and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 1 hour.

The Chair recognizes the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today the House begins consideration of H.R. 10210, the Unemployment Compensation Amendments of 1975. This legislation contains the most important improvements in the Federal-State unemployment insurance program since the 1970 Unemployment Compensation Amendments. I urge the Members to consider carefully the provisions of this bill as they are explained by Mr. STEIGER, the ranking minority member of the Unemployment Compensation Subcommittee, and others of us on the Ways and Means Committee who were involved in the development of this critically needed legislation.

The Federal-State Unemployment Insurance System was 40 years old last year. It was enacted during the Great Depression of the 1930's, a part of the Social Security Act of 1935. Its primary economic purpose is to help stabilize the economy by maintaining purchasing power during periods of economic recession. The main social objective of the program is to provide unemployed workers sufficient income to meet nondeferrable expenses during periods of temporary unemployment.

Unemployment insurance is not a welfare program. Eligibility is not based on income need. It is a program for temporarily unemployed workers. Eligbility is based on an individual's past work experience and his or her ability and willingness to seek and accept work.

Unemployment insurance is a Federal-State program. Within general Federal guildelines, the States are responsible for administering the benefit payments, work requirements and employment service components of the program.

Under current permanent law, most States provide a maximum of 26 weeks of regular Unemployment Compensation benefits, which are financed by employer-paid State Unemployment Compensation taxes. When the unemployment rate in a State or the Nation goes above normal levels, an additional maximum of 13 weeks of benefits can be paid under the permanent extended benefits program enacted in 1970. This program is financed 50 percent out of State and 50 percent from Federal employer-paid Unemployment Compensation taxes. For the past 17 months, additional benefits have been provided under the temporary Federal supplemental benefits program which is scheduled to expire in March of next year.

Unemployment insurance has proven to be one of our most successful and important economic and social programs. The necessity and basic soundness of the unemployment insurance system have been sharply demonstrated in recent months. The permanent programs, supplemented by temporary measures, have made it possible for millions of individuals and families to sustain themselves during the recent months of high unemployment. Unemployment compensation has been a major force in preventing the recent recession from reaching the disastrous proportions of the Great Depression of the 1930's. It is fortunate that we had such a system in place.

We have depended heavily upon unemployment compensation to pull us through the recent period of high unemployment. A few rather startling statistics indicate the tremendous financial and administrative strain this has placed on the unemployment insurance system:

Unemployment compensation expenditures have increased from $4.2 billion in 1973 and $5.2 billion in 1974 to $18 billion in 1976.

Unemployment compensation expenditures during the 4 years 1974, 1975, 1976, and 1977 will amount to about 45 percent of all expenditures under the unemployment compensation program since it was enacted in 1935.

About 26 percent of the workers covered by unemployment insurance—or 1 out of every 4 workers—has been unemployed and collected unemployment insurance benefits at some point during the past 2 years.

Prior to 1972, only three States had ever depleted their unemployment insurance trust funds and been forced to borrow from the Federal Unemployment Insurance Fund. At the present time, 21 States have depleted their trust funds, and several more will be forced to borrow in order to continue paying unemployment insurance benefits by the end of this year. Estimated outstanding Federal loans to State unemployment insurance trust funds—if current financing provisions are maintained—will amount to $6.2 billion in fiscal year 1977, $8.4 billion in fiscal year 1980, increasing to $14 billion in 1985.

The Federal unemployment insurance trust funds are depleted and borrowing from Federal general revenues, including the fund that loans money to States. It is estimated that under current financing provisions, the Federal unemployment insurance trust fund will be $8.5 billion in the red by fiscal year 1977, increasing to $10 billion in fiscal year 1980, and $13 billion in fiscal year 1984.

During the past 18 months, no government program has been more important to American workers and their families, and the general economy of this Nation, than unemployment compensation. And, no program has been under greater financial and administrative pressure. Our dependence on this program has taken its toll, and we must now take the actions contained in H.R. 10210 in order to preserve and make needed improvements in the unemployment insurance system.

The Unemployment Compensation Subcommittee completed work on H.R. 10210 in October 1975. It was approved without change by the full Ways and Means Committee in December. Delays created by tax legislation and other emergency bills prevented the Rules Committee from scheduling House action before the end of the last session.

We hoped that the House and Senate were going to be able to act on the bill early this year so the coverage and revenue provisions could take effect in 1977. However, under the new budget procedures, legislation like H.R. 10210 was subject to a point of order on the House floor until after the House had approved the first concurrent resolution on the budget for fiscal year 1977.

Because of the delay in House action, a committee-approved amendment will be offered that moves the effective dates in H.R. 10210 forward 1 year. The cost revenue estimates that we will be using throughout the discussion of the bill are based on the changes in effective dates made by this committee amendment.

Let me now summarize the objectives of H.R. 10210 and review by title the major provisions of the bill. The bill is designed to achieve the following objectives:

First. Provide coverage under the permanent Federal-State unemployment compensation law for substantially all wage and salary earners, and thereby provide more equal treatment of the Nation's workers and eliminate the need for the temporary special unemployment assistance program;

Second. Restore solvency in the unemployment compensation program at the State and Federal levels by increasing revenues in a manner that distributes fairly the impact of additional employer-paid taxes;

Third. Modify the "trigger mechanism" in the extended benefits program; and

Fourth. Establish a National Study Commission that will undertake a thorough and comprehensive examination of the present unemployment compensation program and make recommendations for further improvements.

TITLE I—COVERAGE PROVISIONS

In order to provide more equal treatment of the Nation's wage and salary workers under the permanent law, and eliminate the need to provide unemployment protection for uncovered workers on a temporary and emergency basis, title I makes the following changes in coverage:

Coverage is extended to agricultural workers of employers with four or more workers in 20 weeks or who paid $5,000 in quarterly wages for agricultural services. This covers 7 percent of farmers and 61 percent of workers.

Coverage is extended to domestic workers of employers who paid $600 or more in any calendar quarter for domestic services.

Coverage is extended to State and local government employees with the following exceptions: Elected officials or officials appointed for a specific term or on a part-time basis; members of a legislative body or the judiciary; members of the State National Guard or Air National Guard; emergency employees hired in case of disaster; and inmates of custodial or penal institutions.

These coverage provisions will extend permanent unemployment compensation protection to about 8.9 million of the 10 million jobs not presently covered: 7.7 million local government, 0.6 million State government, 0.3 million farm jobs, and 0.3 million domestic jobs. The Department of Labor estimates that the coverage provisions in H.R. 10210 will increase unemployment compensation expenditures by approximately $340 million in fiscal 1978 and $760 million in fiscal 1979.

The bill prohibits payment of unemployment compensation benefits during the summer, and other vacation periods, to permanently employed teachers and other professional school employees. For 2 years after coverage becomes effective, it allows States to deny benefits during vacation periods to employed nonprofessional school workers. During this 2-year period, we will monitor the experience of the States in order to determine if this option should be continued.

The reimbursement financing option for State and local governments contained in existing law will continue under H.R. 10210. This means that the States can allow State agencies and local government jurisdictions to finance unemployment compensation benefits either by paying the State unemployment compensation tax, the same as private employers, or by reimbursing the State fund—on a retroactive basis—for benefits paid to their employees.

TITLE II—FINANCING PROVISIONS

In order to restore fiscal solvency at the State and Federal levels as soon as possible and distribute equitably the needed increases in employer payroll taxes, H.R. 10210 makes the following changes in the existing law:

The taxable wage base is increased from $4,200 to $8,000 for both Federal and State employer-paid unemployment compensation taxes.

The net Federal unemployment compensation tax rate is increased from 0.5 to 0.7 percent. It is reduced to 0.5 percent 5 years after enactment, or the year after all advances to the Federal extended unemployment compensation account have been repaid, whichever occurs first.

The Department of Labor estimates that the increased tax base and net Federal tax rate will raise an additional $400 million in Federal unemployment compensation revenues in fiscal 1977 and $1.8 billion in fiscal 1978. These additional funds should produce a positive balance in the Federal unemployment compensation trust funds by 1985. How much additional revenue the higher tax base will produce at the State level depends largely on the rate structure established in each State. Assuming an average tax rate in the States of 2.7 percent, the $8,000 base would increase State unemployment compensation revenues by about $3.7 billion in fiscal 1978 and $3.3 billion in fiscal 1979. This would allow States to repay all Federal loans by 1981.

H.R. 10210 eliminates private employer financing of administrative and extended benefit costs attributable to State and local government employees. Federal administrative grants to States and the Federal share of extended benefits are financed out of revenues raised by the Federal unemployment compensation payroll tax—presently five-tenths percent on first $4,200 of wages—imposed on all private employers. State and local governments—including those that currently pay unemployment compensation benefits to their employees—do not pay this Federal tax, and will not be required to do so under this bill. Under current law, private employers pay the tax that finances administration costs and extended benefit expenditures for their employees and public sector employees. Provisions in title III makes State and local governments liable for all unemployment compensation costs attributable to their employees.

TITLE III—BENEFIT PROVISIONS

There are two important changes contained in title III:

The 120 percent factor in the State trigger under the permanent extended benefits program is eliminated. Since enactment in 1970, Congress has legislated on seven different occasions to waive temporarily this part of the State trigger for extended benefits. Under H.R. 10210, extended benefits will be payable in a State when the national insured unemployment rate is 4.5 percent or the seasonally adjusted State insured unemployment rate is 4 percent.

Another provision in title III prohibits disqualification for unemployment compensation benefits solely on the basis of pregnancy.

TITLE IV—NATIONAL STUDY COMMISSION

H.R. 10210 does not address all the problems or issues that have been raised with respect to unemployment compensation. Title IV of the bill establishes a National Study Commission for the purpose of examining the unemployment compensation program and its relationship to other income programs. The Commission will review the changes contained in this bill and evaluate other changes that have been proposed.

H.R. 10210 is the product of several months of work by the Unemployment Compensation Subcommittee of Ways and Means. It reflects a cooperative effort on the part of the majority and minority members of the subcommittee, and the Department of Labor, to develop sound, fair, and feasible changes that address critical problems requiring immediate attention.

As I have already said, the unemployment insurance system is important to the American worker and the national economy. It was very fortunate that we had such a program in place when high unemployment hit in late 1974 and early 1975. Now we must take the steps that will not only preserve, but strengthen, the unemployment insurance system. For these purposes I urge you to support H.R. 10210.

EXPLANATION OF AMENDEMENTS

Along with the committee amendment dealing with effective dates, the following amendments to titles I, II, and III will be in order under the rule approved by the House:

(1) MR. ULLMAN'S AMENDMENT LIMITING AGRICULTURAL COVERAGE

The amendment would extend coverage to farmworkers of employers with four workers in 20 weeks or who paid $10,000 in quarterly wages; rather than four workers in 20 weeks or $5,000 in quarterly wages as in H.R. 10210. DOL estimates that changing the quarterly wage criterion from $5,000 to $10,000 would extend unemployment compensation coverage to 6 percent, rather than 7 percent, of the Nation's farmowners; and 59 percent, rather than 61 percent, of the Nation's farmworkers. It would further limit farm coverage to large farm operations and exclude small farms that only use workers during certain periods of the year. Under the amendment, 60,700 farmowners and 683,200 farmworkers would be covered.

(2) MR. KETCHUM'S AMENDMENT ELIMINATING COVERAGE OF STATE AND LOCAL GOVERNMENT EMPLOYEES

The amendment would strike the provisions in H.R. 10210 that require States to extend unemployment compensation protection to all State and local government employees and employees of nonprofit schools. This would eliminate 7.7 million local government jobs and 0.6 million State government jobs from the coverage requirements of H.R. 10210. This amounts to 93 percent of the new coverage achieved under the bill: 8.3 million of the 8.9 million newly covered jobs. These workers would continue to have limited coverage under the temporary special unemployment assistance program until it expires December 31, 1976.

(3) MR. PICKLE'S AMENDMENT REDUCING THE TAX BASE INCREASE

This amendment would raise the taxable wage base for both Federal and State, employer-paid unemployment compensation taxes from the present $4,200 to $6,000. As approved by Ways and Means, H.R. 10210 raises the tax base to $8,000. The Pickle amendment would reduce the estimated amount of new Federal unemployment compensation revenues raised by the bill from $1.8 billion to $1.2 billion in fiscal 1978, and from $1.9 billion to $1.3 billion in fiscal 1979. It would reduce the amount of new State unemployment compensation revenues from $3.7 billion to $1.7 billion in fiscal 1978, and from $3.3 to $2.1 billion in fiscal 1979. According to DOL estimates, neither the Federal unemployment compensation trust funds nor most of the States that have depleted their unemployment compensation funds would be able to achieve solvency if the wage base increase is limited to $6,000 as proposed in this amendment.

(4) MR. CORMAN'S AMENDMENT ESTABLISHING A FEDERAL BENEFIT REQUIREMENT

This amendment would require States to pay a weekly benefit amount equal to 50 percent of a qualified claimant's average weekly wage, up to the State maximum. The State maximum must be equal to at least two-thirds of the statewide weekly wage in covered employment. For example, if the average weekly wage in a State is $150, under this amendment the maximum weekly benefit in that State would have to be at least $100—two-thirds of $150. Most States already purport to pay claimants 50 percent of their normal wage. However, in 1974 approximately 40 percent of all claimants nationwide were prevented from receiving 50 percent of their normal wage because of low State maximum payments. The principle effect of this amendment would be to require most States to increase their maximum payments, thereby increasing the number of unemployment compensation claimants who do receive 50 percent of their normal pay. The amendment would assure that 80 percent of the Nation's workers—or most low and middle income workers—would be entitled to a weekly benefit equal to half their normal pay should they become unemployed. Nationwide, the amendment would increase unemployment compensation costs by about $800 million in fiscal 1978 and $1 billion in fiscal 1979.

(5) MR. SISK'S AMENDMENT PROHIBITING UNEMPLOYMENT COMPENSATION BENEFITS TO ILLEGAL ALIENS AND PROFESSIONAL ATHLETES

This amendment prohibits the payment of unemployment compensation benefits to illegal aliens and to professional athletes during off-season periods if the athlete is expected to be employed during the forthcoming season. Illegal aliens should not be receiving benefits under existing law, and there are no available figures on the number of professional athletes who collect unemployment compensation during the off-season of their sport. Consequently, it is not possible to estimate the impact of this amendment.

I include the following:

FUTA ESTIMATED COSTS, REVENUES, AND BALANCES UNDER CURRENT LAW

FEDERAL—CURRENT LAW

[In billions of dollars]

	Cost	Revenue	Cumulative balance
Fiscal year:			
Transition quarter			−6.6
1977	3.5	[1] 1.6	−8.5
1978	2.5	1.5	−9.5
1979	1.8	1.5	−9.8
1980	1.9	1.5	−10.2
1981	1.9	1.6	−10.5
1982	2.1	1.6	−11.0
1983	2.2	1.6	−11.6
1984	2.4	1.6	−12.4
1985	2.5	1.6	−13.3

[1] 1977 budget estimate.

Note: Tax rate and base remain at 0.5 percent and $4,200, respectively.

FUTA ESTIMATED COSTS, REVENUES, AND BALANCES UNDER H.R. 10210

FEDERAL—H.R. 10210

[In billions of dollars]

	Cost	Revenue	Cumulative balance
Fiscal year:			
Transition quarter			−6.6
1977	3.5	2.0	−8.1
1978	2.5	3.3	−7.3
1979	1.9	3.4	−5.8
1980	1.9	3.5	−4.2
1981	2.0	3.6	−2.6
1982	2.2	3.8	−1.0
1983	2.3	2.7	−.6
1984	2.4	2.8	−.2
1985	2.6	2.8	0

NOTES

Impact of benefit standard is less than $50,000,000 per year.

Taxable wage base of $4,200 through 1977, increasing to $8,000 in 1978.

Tax rate increases from 0.5 to 0.7 percent in 1977, decreasing back to 0.5 percent in 1983.

FUTA ESTIMATED COSTS, REVENUES, AND BALANCES UNDER H.R. 10210

FEDERAL—$6,000 BASE

[In billions of dollars]

	Cost	Revenue	Cumulative balance
Fiscal year:			
Transition quarter			−6.6
1977	3.5	2.0	−8.1
1978	2.5	2.7	−7.9
1979	1.9	2.8	−7.0
1980	1.9	2.9	−6.0
1981	2.0	3.0	−5.0
1982	2.2	3.0	−4.2
1983	2.3	2.2	−4.3
1984	2.4	2.3	−4.4
1985	2.6	2.3	−4.7

NOTES

The impact of benefit standards is less than $50,000,000 per year.

Taxable wage base of $4,200 through 1977, increasing to $6,000 in 1978.

Tax rate increases from 0.5 to 0.7 percent in 1977, decreasing back to 0.5 percent in 1983.

STATE ESTIMATED COSTS, REVENUES, AND BALANCES UNDER CURRENT LAW

STATE/CURRENT LAW

[In billions of dollars]

	Cost	Revenue	Cumulative balance[1]	Loans excluding State reserves
Fiscal year:				
Transition quarter			−0.2	−3.4
1977	11.8	9.0	−3.0	−6.2
1978	11.1	9.2	−4.9	−8.1
1979	9.5	9.3	−5.1	−8.3
1980	8.6	8.5	−5.2	−8.4
1981	9.2	8.8	−5.6	−8.8
1982	10.1	10.0	−5.7	−8.9
1983	11.0	10.2	−6.5	−9.7
1984	12.0	10.4	−8.1	−11.3
1985	13.0	10.5	−10.6	−13.8

[1] Balance in State reserves minus loans to States.

NOTES

Taxable wage base if $4,200 throughout the entire period.

Assumes average State tax rate of 2.7 percent from 1977 through 1985.

STATE ESTIMATED COSTS, REVENUES, AND BALANCES UNDER H.R. 10210

STATE H.R. 10210

[In billions of dollars]

	Cost	Revenue	Cumulative balance[1]	Loans excluding State reserves
Fiscal year:				
Transition quarter			−0.2	−3.4
1977	11.8	9.0	−3.0	−6.2
1978	11.4	12.9	−1.5	−4.7
1979	10.1	12.6	+1.0	−2.2
1980	9.2	11.2	+3.0	−.2
1981	9.9	10.1	+3.2	0
1982	10.8	10.4	+2.8	
1983	11.7	10.7	+1.8	
1984	12.7	11.9	+1.0	
1985	13.9	13.1	+.2	

[1] Balance in State reserves minus loans to States.

NOTES

Excludes benefit standard.

Taxable wage base of $4,200 through 1977, increasing to $8,000 in 1978.

Assumes an average variable State tax rate reflecting effects of experience rating not to exceed 2.7 percent.

STATE ESTIMATED COSTS, REVENUES, AND BALANCES UNDER H.R. 10210

STATE/$6000 BASE

[In billions of dollars]

	Cost	Revenue	Cumulative balance[1]	Loans excluding State reserves
Fiscal year:				
Transition quarter			−0.2	−3.4
1977	11.8	9.0	−3.0	−6.2
1978	11.4	10.9	−3.5	−6.7
1979	10.1	11.4	−2.2	−5.4
1980	9.2	11.0	−.4	−3.6
1981	9.9	10.3	0	−3.2
1982	10.8	10.4	−.4	−3.6
1983	11.7	11.0	−1.1	−4.3
1984	12.7	11.9	−1.9	−5.1
1985	13.9	12.8	−3.0	−6.2

[1] Balance in State reserves minus loans to States.

NOTES

Excludes benefit standard.

Taxable wage base of $4,200 through 1977, increasing to $6,000 in 1978.

Assumes an average variable State tax rate reflecting effects of experience rating not to exceed 2.7 percent.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield myself 10 minutes.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I rise in support of H.R. 10210, the unemployment compensation amendments. This bill represents a serious effort to correct some of the major defects of our unemployment system which became painfully apparent to millions of workers during our recent economic crisis. It is imperative that we bring into the permanent unemployment compensation the 12 million workers who are not now covered.

While this bill fails to include all these workers it does extend coverage to approximately 9 million workers, including 8 million employees; 0.7 million farm workers and 0.4 million domestic employees who are currently excluded.

There is no justification for leaving coverage of State and local employees by the unemployment compensation system up to the individual State. I oppose all attempts to strike this provision from the bill. While I recognize that this program will be costly, particularly in my own State of New York, I also recognize that the thousands of city workers laid off in the recent fiscal crisis and who may be laid off in future years are entitled to some compensation for their loss of earnings. There is no rationale for providing this protection for workers in the private sector, and not for workers in the public sector. In New York, for example, State workers are covered but city workers are not. This is not at all unusual. Only eight States provide mandatory coverage for all public workers.

Unemployment insurance provides security to the worker and his family and is the major source of financial assistance for jobless workers. It is time to end the second-class treatment of public employees and begin to provide them with the same benefits as workers in the private sector.

While it is difficult to ask our States to bear this additional financial burden at a time when there is little revenue to spare and services are being cut back, it is even more difficult to ask our city workers and their families to bear this financial burden alone when they have lost their job and only source of income.

We cannot turn our backs on these 8.3 million workers; therefore I oppose any amendment which would eliminate these workers from mandatory coverage.

I want to commend the committee for including section 312 which prohibits States from delaying or terminating benefits solely on the basis of pregnancy. This exclusion, which has been challenged by court action in several States, has placed an additional burden on women seeking to collect benefits.

The decision when to terminate one's employment because of pregnancy is an individual one to be decided by the woman and her doctor. So long as a woman is available for work she is entitled to collect unemployment compensation.

While I am pleased that at least domestic workers have been included in the unemployment program, I am disappointed that a $600 earnings requirement from a single employer is necessary for eligibility. This will permit 0.4 million domestic workers to be covered by the program. However, the remaining 1 million are still excluded. Over 95 percent of these household workers are women earning wages at the lowest end of the pay scale and many have families to support. I want to point out that of the remaining 3 million workers excluded from coverage by this bill, one-third will be domestic workers.

The social and economic justification underlying unemployment compensation for private and Federal workers is equally applicable to workers employed by the States and local governments as well as farmworkers and domestic workers. I urge my colleagues to support this legislation.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in opposition to H.R. 10210, unemployment compensation amendments.

While it is true that corrections are needed in our unemployment compensation laws because of the effects of the recession, the bill before us today is another case of congressional overkill. H.R. 10210 would expand Federal jurisdiction over the States and would greatly increase the burdens of small business without coming to grips with our unemployment problems.

As reported by the committee, H.R. 10210 envisions a repayment schedule to replenish depleted unemployment compensation trust funds that will result in an $8 billion per year burden on a business community just coming out of a recession. If enacted, this will further slow economic recovery at a cost of thousands of jobs. The more responsible course would be to stretch out the repayment period to reflect actual economic conditions.

In addition, this bill continues a trigger formula for extended unemployment benefits which discriminates against those States successful in maintaining low levels of unemployment. California, for example, could receive 20 percent of all payments despite the fact that it accounts for only about 10 percent of the Nation's employment.

Most objectionable, however, is the extension of coverage contained in H.R. 10210. For the first time, seasonal farm workers, at a cost of $150 million in fiscal year 1978 alone, will be included under the unemployment compensation program. The problem here is determining what constitutes unemployenmt for seasonal workers. Uncorrected abuses of unemployment compensation over the years in other industries indicate that we have no intention of profiting by past mistakes.

Nor was the Constitution sufficiently considered when this bill was drafted. Federal legislation requiring coverage of individual State employees ignores the constitutional prohibition against Federal intrusion in the rights of States to conduct their own affairs.

In other words, today's bill would follow the discredited tradition of solving our problems by throwing money at them. I believe it is time for us to face up to our responsibilities and search for more workable solutions. If only a portion of the money H.R. 10210 will cost were used to stimulate jobs in the private sector, much of the need for unemployment compensation could be eliminated. We could then turn our energies toward programs specifically geared to reducing unemployment—instead of turning the unemployment compensation program into still another income maintenance program.

Mr. STEIGER of Wisconsin. Mr. Chairman, I rise to support enactment of H.R. 10210, the Unemployment Compensation Amendments of 1975. It would achieve many worthy objectives and ought to be considered favorably.

This bill enjoys a checkered past. It was reported by Ways and Means last December, but floor consideration had to await approval of the first concurrent budget resolution which was considered in May.

The bill then came to the floor on May 17 but under a proposed closed rule. That rule was defeated. And all the while the system's deficit has grown.

It all reminds me of the case of the car carrying four people. It hits a telephone pole—at the time of the accident each of the four says he was in the back seat asleep.

We need this bill; we need it now if we are to stave off financial collapse of this vital system. It is and has been the Nation's frontline defense against the hardship of recession.

The point of financial disaster has long past. Only 28 States now have solvent unemployment compensation accounts. We are on the brink of financial collapse.

To meet this situation we must act, so among the most important provisions of the bill, and the most controversial, are those that increase the unemployment compensation taxable wage base and tax rate. Under present law employers are taxed on the basis of their payrolls at a rate of 3.2 percent of the first $4,200 in wages. Employers receive a credit of 2.7 percent against their Federal tax for participating in approved State unemployment compensation programs. Thus each employer pays a five-tenths percent net Federal tax. Each employers' State tax rate depends on his or her unemployment experience rating.

Funds generated by unemployment compensation taxes are used solely to finance the unemployment compensation system. They were sufficient for that purpose at their present levels until 1972 when high unemployment rates depleted unemployment compensation accounts in several States and forced them to borrow to continue operation. At the present time 22 jurisdictions are in the red and reliable estimates indicate that unless additional revenues are produced, another 10 jurisdictions will have insolvent unemployment funds by the end of the year. Over $3 billion of Federal funds have already been advanced to the States to allow them to meet their obligations.

In order to bring the program back to a sound fiscal basis, this bill would increase the taxable wage base from $4,200 to $8,000 effective January 1, 1978. The bill would also increase the net Federal tax rate from 0.5 percent to 0.7 percent until 1983 or until all advances to the Federal Extended Unemployment Compensation Account have been repaid. The rate would then be lowered back to 0.5 percent.

Projections based on the increased taxes which this measure will generate indicate that the Federal system will be solvent in 1985.

Unless we act the financial structure of the system will continue to decay. Under present law, at the Federal level during fiscal year 1978 we will take in $1.5 billion; we will pay out $2.5 billion. At the State level we will take in $9.2 billion; we will pay out $11.1 billion, for a combined fiscal 1978 deficit of nearly $3 billion.

So you see we need these proposed financing changes desperately.

The rule under which we are considering this bill makes five amendments in order along with committee amendments. They are:

An amendment by Mr. Ullman to limit, or reduce, the provisions in the bill relative to the coverage of farm workers;

An amendment by Mr. Ketchum to strike the bill's provisions extending coverage to employees of State and local governments;

An amendment by Mr. Pickle to reduce the taxable wage base, set at $8,000 in the bill, to $6,000;

An amendment by Mr. Sisk to deny benefits to professional athletes and aliens illegally in the United States; and

An amendment by Mr. Corman to impose on each of the States a minimum Federal benefit standard.

The costs of this last amendment would be nearly a billion dollars in fiscal year 1978. This proposal was defeated in the Unemployment Compensation Subcommittee; it was defeated in the full Committee on Ways and Means, and it should be defeated here today.

This bill should be passed, as reported by the Committee on Ways and Means with only the committee amendment relative to the bill's effective dates.

In addition to the bill's financial provisions the bill would achieve many other worthwhile objectives. Let me list the bill's major coverage and benefit provisions and then describe each of them briefly. The bill would:

Expand the program's coverage;

Modify the present trigger provisions in the extended benefit program;

Establish a national study commission;

Allow the Virgin Islands to become a part of the Federal-State unemployment compensation system;

Prohibit disqualification from unemployment compensation benefits solely on the basis of pregnancy;

Modify the appellate rights of Federal employees regarding agency determinations of the cause of separation from work; and

Provide reimbursement for unemployment compensation benefits paid to CETA employees.

By expanding coverage of the permanent Federal-State unemployment compensation system we would protect 8.9 million workers not now covered under any permanent program.

Specifically, the bill would extend coverage to:

Agricultural workers of farm employers with four or more workers in 20 weeks or who paid wages of $5,000 or more in any calendar quarter;

Domestic workers of employers who pay $600 or more in any calendar quarter;

Employees of State and local governments; and

Employees of nonprofit educational institutions.

These are important features of the bill. Presently, these workers are covered under the special unemployment assistance program, scheduled to expire December 31, 1976. The bill would cover the vast majority of these people under the permanent program effective with SUA's expiration.

Because the trigger system in present law which relates to the extended benefits program has proven to be unworkable, the bill would make significant changes in this area. Under present law an unemployment compensation claimant may be entitled to benefits for weeks of unemployment 27 through 39 if the extended benefits program is triggered on.

The present law provides that the extended benefits program will be triggered on when the national insured unemployment rate reaches 4.5 percent seasonally adjusted. The insured unemployment rate, or IUR, is generally about 2 percent lower than the total unemployment rate.

The bill would not change the national trigger rate. However, the trigger would be based on the most recent 13-week period rather than the present requirement of each of 3 consecutive months. The State trigger which applies without regard to the national indicator would be changed to an IUR of 4 percent—seasonally adjusted—based on the most recent 13-week period, rather than the present dual requirement that the rate be 4 percent—not seasonally adjusted—and 120 percent of the rate for the corresponding periods in the 2 preceding years.

The bill provides that Federal payments to the States for their administrative expenses would not include administrative costs attributable to State and local government employees. Further, the bill revises the definition of "sharable benefits" under the Federal-State extended benefits program to eliminate any sharing of payments by the Federal Government based upon services performed by workers in State and local governments.

These provisions will eliminate private employer support for administrative and sharable cost benefits attributable to public employees. Federal grants to the States and the Federal share of benefits paid under the extended benefits program are financed out of revenues raised by the Federal unemployment tax.

State and local governments, including those that currently provide unemployment compensation protection for their employees, do not pay this tax and will not be required to do so under this bill. Therefore, Federal administrative grants and the Federal share of extended benefits attributable to their employees will not be financed out of these tax revenues generated only from private employers.

Recognizing the need for further study, the bill would create a 13-member National Study Commission on Unemployment Compensation. The Commission would be directed to study and evaluate the present unemployment compensation programs in order to assess its long-range needs, to develop alternatives, and to recommend changes.

The Commission would be required to report back to the Congress on January 1, 1979.

The bill would also allow the Virgin Islands to become part of the permanent Federal-State unemployment compensation program. The Virgin Islands already has an unemployment compensation system in place and has asked to be allowed to join the present Federal-State system.

In an effort to eliminate a discriminatory practice directed against women, the bill prohibits the States from denying benefits solely on the basis of pregnancy. This does not mean that all pregnant unemployed women will automatically receive unemployment compensation benefits. It simply means that pregnant women will no longer be denied benefits solely on the basis of their pregnancy.

If a pregnant woman is available for work, able to work, and cannot find a job, she ought be treated no differently than any other unemployed individual available for work. That is what the provision in the bill seeks to accomplish.

The bill also provides for reimbursement from Federal general revenues for unemployment compensation benefits paid on the basis of work in jobs funded under the Comprehensive Employment and Training Act of 1973.

Present law requires that the same unemployment compensation protection afforded other employees apply equally to CETA employees in corresponding jobs. The costs of benefits paid these employees are financed from CETA grants, thereby reducing the amount of grants available for CETA activities. Thus unemployment compensation benefits paid to public service employees working with prime sponsors or nonprofit subgrantee organizations will be funded with Federal general revenues.

Mr. Chairman, this is a good bill. It results from great efforts on the part of our subcommittee chairman, Mr. CORMAN, and my colleagues on the Unemployment Compensation Subcommittee and the full Committee on Ways and Means. It makes signifiant improvements in the present unemployment compensation system and takes steps to return the system to a fiscally sound basis.

Mr. Chairman, I urge adoption of H.R. 10210.

Mr. CORMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, first, I commend the chairman of the subcommittee and the ranking minority member and all the members of that subcommittee for their dedicated effort in tackling the very difficult and controversial area.

They have come up with a bill that certainly does pose some controversial questions, but they have realistically faced up to a tough issue. They have faced it with considerable courage. The decisions that they have made are in most part decisions that are of major and far-reaching significance in carrying on this important program. Therefore, I commend this bill to the members of the committee and to the Members of the House.

H.R. 10210 makes important and badly needed changes in the coverage and financing provisions of the Federal unemployment compensation law.

It represents several months of work by the Unemployment Compensation Subcommittee. It is a compromise bill that has the support of the administration and minority and majority members of the subcommittee.

It contains changes that are needed if we are to preserve the present Federal-State financial and administrative structure of the unemployment compensation program.

It also provides for more equal treatment of the Nation's wage and salary workers with respect to unemployment compensation protection.

The bill raises additional unemployment compensation revenues with the objective of restoring solvency to the unemployment compensation system at the State and Federal level.

The unprecedented, multi-billion-dollar unemployment compensation deficits at the State and Federal level present the greatest threat the unemployment compensation system has faced in its 40-year history. Prior to 1972, only three States had ever depleted their unemployment compensation funds and been forced to borrow from the Federal Government. Presently, 22 States are broke and have borrowed over $3 billion in Federal funds in order to continue paying State unemployment compensation benefits. Furthermore, the Federal unemployment compensation funds are depleted and heavily in debt to the general fund.

The financing provisions in the bill do not raise more unemployment compensation revenues than is absolutely necessary. The tax increases were carefully designed to raise enough new money to restore the unemployment compensation program at the State and Federal level to a solvent and self-supporting status within a reasonable period of time. The Federal tax rate increase contained in the bill will be automatically reduced back to its present level in 1983, or earlier, if the Federal trust funds become solvent before that time. Each State can adjust its tax rate schedule to raise as much money as it needs to finance the State program.

The tax base increase should allow States to adjust their tax rates so as to achieve a more equal distribution of State unemployment compensation taxes among high- and low-wage-paying industries.

A number of States, including Oregon, have already raised their unemployment compensation tax base in order to prevent the State fund from going broke, or to prevent borrowing additional Federal funds.

At the present time, the employers in States that have raised their taxes are somewhat disadvantaged because they are paying higher unemployment compensation taxes than employers in States that have decided to borrow Federal money rather than make the necessary increases in their State taxes to remain solvent.

By raising the tax base in all States to $8,000, H.R. 10210 will equalize the tax burden on employers among the different States.

By expanding coverage under the permanent unemployment compensation law to farmworkers, domestic workers, and State and local government employees, H.R. 10210 will reduce the inequities that currently exist with respect to the treatment of workers who do the same kind of work but for different types of employers.

For example, at the present time, security, maintenance and food service personnel working in private industry, for the Federal Government, or for a State hospital or college are required by Federal law to have unemployment compensation protection; 28 States, including Oregon, at their option, have extended unemployment compensation protection to these same workers in all State agencies. Eight States, including Oregon, at their option, have extended unemployment compensation protection to the workers employed in local government agencies.

In 24 States, however, a security guard, cafeteria worker, secretary or grounds keeper working for a State agency, other than a State university or hospital, is not protected under the permanent unemployment compensation program. In 44 States, these workers do not have unemployment compensation protection under permanent law if they work for a city, county, or local school board.

The coverage provisions in H.R. 10210 would eliminate this inequity. It will provide workers, who do the same kind of work, the same protection under the unemployment compensation program, regardless of their employer.

The coverage provisions in the bill would also eliminate the need for the temporary special unemployment assistance—SUA—program that has been providing limited unemployment compensation benefits to workers not covered under the permanent law. This program expires December 31, 1976.

SUA has created significant administrative problems in the States. It has also created substantial inequities between those States that have extended coverage to groups of workers not required to be covered by Federal law and those who have not. For example, all local Government workers in Oregon are covered by State law. Benefits received by these workers are paid for by State and local agencies in the State. In most other States, however, local government employees are not covered under State law and have been able to collect benefits under SUA, which are financed out of Federal general revenues.

No program has been more vital to the American workers or the general economy during the recent period of high unemployment than the Federal-State Unemployment Compensation System.

It is a basically sound, successful and necessary program. It has been a major factor in preventing the recent recession from reaching the disastrous proportions of the great depression.

We have depended heavily on the unemployment compensation system during recent months. The unprecedented levels of unemployment have placed tremendous administrative and financial strain on the program. The temporary special unemployment assistance for workers not covered under permanent law has added to the administrative problems created by the heavy unemployment.

We must now enact the changes contained in H.R. 10210 in order to eliminate unnecessary administrative problems, eliminate existing inequities among workers and States, and restore solvency to the unemployment compensation system as soon as possible.

The provisions in the bill extend unemployment compensation coverage to farm workers of employers with four or more workers in 20 weeks or who paid $5,000 in quarterly wages for agricultural services. The amendment simply changes the quarterly wage criterion from $5,000 to $10,000. It makes no other changes in the provisions pertaining to farm worker coverage.

The Department of Labor estimates that the effect of the amendment nationwide will be to extend unemployment compensation coverage to 6 percent, rather than 7 percent, of the farmowners; and to 59 percent, rather than 61 percent, of the farmworkers. Approximately 60,700 farmowners and 683,200 farmworkers will be covered under the amendment. This compares to 69,000 farmowners and 710,100 farmworkers that would be covered under the provisions in the bill.

The principle effect of the amendment would be to limit farm coverage to large farm operations and generally exclude the small farms that only use workers during certain periods of the year.

This will reduce the economic impact on small, family-operated farms of covering farmworkers;

It will avoid some of the administrative problems we have experienced under the social security program where coverage has been extended to small farm operations;

It will provide us with some actual experience and information regarding the economic effect of extending unemployment compensation coverage to agricultural employment, its impact on migrant farm labor, and the administrative problems involved in extending unemployment compensation to farms. This information will be most pertinent to any future considerations of expanding coverage to small farm operations.

It is consistent with past experience of the unemployment compensation program to begin with the larger employers when coverage of a new type of employment is initiated.

Mr. STEIGER of Wisconsin. Mr. Chairman, I am pleased to yield 7 minutes to the distinguished gentleman from California (Mr. Ketchum), a very hardworking expert in his field.

Mr. KETCHUM. Mr. Chairman, I will not use anywhere near 7 minutes in the discussion of this bill, because I see before me this giant audience, out of our 435 Members, whom are vitally interested in this most important piece of legislation. I am sure that their absence here would indicate that they have minutely examined the contents of this bill. Otherwise, of course, they would be here to discover what is in it and what is not.

Mr. Chairman, I indicated in my arguments against the rule that what this bill really does is to change a program that we have always called unemployment insurance and makes it into a welfare bill. There is no other way to explain it.

We have been told that if we pass this bill, we will save anywhere—and the estimates vary—I think the President's estimate was $2 billion. It may be as high as $4 billion. That is probably true as far as the Federal Government is concerned, because this will reduce the burdens of SUA and FSB, and place it squarely on the backs of America's already overburdened employers.

The employers, of course, have no recourse except to do that which they must do to recover additional expenses, and that is to increase prices. So, I truly believe that what we will see as the result of the passage of this bill, if indeed it is passed and if it is signed into law by the President, is another round of inflation, which is totally unnecessary.

We have extended and extended benefits. We extended time periods, as indeed perhaps we should have during those periods of extremely high unemployment. I think the Federal Government does indeed have a responsibility in times such as those, and if we approach those times again, I am sure that will ensue, but to tell the American public that this bill is going to save the Federal Government x number of dollars by simply strapping that load on every employer, large and small, is really telling an untruth.

I will offer an amendment to this bill relative to municipal and county employees. The bill mandates that they must be covered, but it does give the municipalities an option either to cover or to pay for those who have been placed on unemployment. In my view, mandating that coverage simply is a subterfuge for raising or putting more money into the fund. There are very, very few times when any municipality fires anyone. There are very few times, usually predicated in very short budget periods, when municipal employment is reduced. We have seen some in New York; we have seen some in San Francisco, where budgetary accommodations insisted that employment be reduced, and in those cases, if those municipalities choose to voluntarily cover their employees, there is nothing in the world that says that they cannot. All that the amendment that I will offer will do is to retain that provision in the law, which is already there, and say that this coverage shall be voluntary.

I shall support the amendment to be offered by the gentleman from Texas (Mr. Pickle) to raise the taxable wage base, because it does indeed need to be changed, from $4,200 to $6,000. I shall not support raising the taxable wage base from $4,200 to $8,000.

I might point out that in my own State of California—and perhaps I am being a bit parochial there—the employers in the State of California concerned about their dwindling reserves, and chose to tax themselves additionally this year and raise the unemployment compensation payments by $600 million. Load this one on those employers, and as I indicated, I believe that we will have another round of inflation.

There is really not much point in pursuing further my arguments on this bill. I will reserve that time until tomorrow, when we get into the amending process. But, I would be remiss if I did not say that I am really disappointed, as I was when we discussed the tax bill where we spent in the Ways and Means Committee some 6 months putting together the bill, and then we looked about the House and we found those individuals who had been arguing about the tax bill for 6 months in committee, and nobody else. Either our membership is better informed than I really believe they are about a complex piece of legislation, or they do not really give a damn.

Mr. CORMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Chairman, when the Ways and Means Subcommittee on Unemployment Compensation first held hearings last year on various legislation to affect the unemployed in this country, the jobless rate hovered near the 10-percent mark. Fortunately, during the intervening months that astronomical rate has declined, little by little, to a 7.5-percent level for June. So, the situation has improved steadily although the more than 7 million still unemployed probably would not attest to that.

Some might speculate that with an unemployment rate at nearly 10 percent, social chaos might be occurring. But this has not been the case, thanks, partly, to the unemployment compensation system.

Naturally the general recession that much of this Nation has suffered during the last couple of years has hit the State employment trust funds hard. In fact, at latest count, 22 States have gone bankrupt and had to borrow from the Federal employment trust fund. The Federal fund, because of the demands of the States, and because of the extended benefits and the Federal supplemental benefits which have been paid out of it, has also gone into the red.

The sponsors of this bill, H.R. 10210, proposes to make the fund solvent by raising the taxable wage base from its present level of $4,200 to $8,000, effective January 1, 1978. At the same time, the bill would raise the effective Federal tax rate from its current 0.5 percent to 0.7 percent, beginning January 1, 1977.

Before I delve into the question of the wage base more deeply, a short explanation is called for.

The permanent unemployment compensation program, which we are dealing with today, provides for 26 weeks of payments to beneficiaries and 13 additional weeks—extended benefits—when certain unemployment levels are reached, or triggered.

The joint Federal-State unemployment system was established in 1935 as a part of the original social security law. There are two olive branches which the Federal Government holds out to the States so that they would establish an unemployment system. First, the Federal Government give all private employers a 90-percent credit against the 3.2-percent Federal payroll tax—for a net Federal tax of 0.5 percent—and second, the Federal Government makes grants to the States to administer the program. Naturally, all States established their own unemployment systems. How is the unemployment program financed? It is totally financed by employees with the exception of three States which allow employee contributitons. Every employer pays two taxes, one to the Federal trust account and one to the State account. The employer pays $21 per employee on the Federal tax—$4,200 times 0.5 percent equals $21. The amount an employer pays in each State varies because of the various rates and bases in the States, but the average State rate is 2.7 percent and the average tax per employee is about $130 to $135. So, for each employee, an employer now pays about $155 in taxes to support the unemployment compensation program.

The sponsors of this bill would increase this amount to $8,000, which represents a 90-percent increase. This would mean that employers would pay a Federal tax per employee of $56—$8,000 times 0.7 percent equals $56—and approximately $212 for State employee taxes for a total of $272, compared to $156 now.

The proposal to increase the base to $8,000 is too steep a jump to make at one time. I take the position that we must make the trust funds solvent. We have the responsibility to act in good faith in order to retain this as an insurance program and not turn it into a general assistance program. So, it is proper that we do raise the base and the rate.

But the question facing us today, is how much do we raise the base? My colleagues, I appeal to your good commonsense. You know and I know that the large manufacturers and corporations will gnash their teeth and pull their hair about this increase that the Congress is putting on them with an $8,000 base. But eventually, this cost will be added to that automobile or that dishwasher and at the end of the line, the consumer will pay for it. My eloquent colleague from Minnesota, Mr. FRENZEL, has often stressed this point in our committee deliberations. But I also ask what happens to the Mom and Pop grocers, who have three teenagers helping them run their bastions of entrepreneurship? They have no high-paid certified public accountants—CPA—or Wall Street tax lawyers to consult and help them defray their costs. What will happen to the small farmer who has employees only during the growing seasons but will now be covered by this bill? Will the farmer be able to bear the new costs for unemployment taxes? In many instances, the result will be that these people will have to close their small businesses. Not only will we see this but I predict that others, whom we cannot count, will be discouraged from going into business. Additionally, businesses will gain no productivity from this added-on cost and many will be deferred from adding employees or plant expansion. The net result will be less new jobs and probably more layoffs.

So, I ask for your support for a more moderate course by voting for the Pickle amendment calling for a $6,000 base. The amendment is not a negative approach. I am not attempting to sabotage the unemployment compensation system. In fact, I have been a longtime active supporter of it, and once served as a member of the Texas Employment Commission. The goals of the program are laudable and it has served the Nation well for its 41-year existence. During the recession, it has been a source of genuine aid and probably has been a steadying influence when our jobless rate teetering near the 10-percent mark.

But the program has taken some disturbing turns in the last few years and has, in some ways, moved away from its original purpose and aims. Over the years there has been a good relationship between the States and the Federal administrators and between employers and employees.

If we keep increasing the tax on business, I fear that the cooperation may fade. I ask you to keep in mind that employers are facing several taxes increase in the not too distant future for social security and perhaps, national health insurance.

Here again these costs will come, at least partially, from the payroll tax.

Mr. Chairman, may I summarize by saying to the Members that I think a $6,000 increase is sufficient to do the job that we want to accomplish. When the administration first offered this bill a year ago, they asked for a $6,000 base at the 0.65 percent rate. This was the administration's recommendation. The committee has now raised that figure of $6,000 up to $8,000 and increased the effective Federal tax rate to 0.7 percent.

When the added tax will make the funds solvent is in doubt. We must keep in mind that it is a double-slug proposition. Under the bill we would raise the base to $8,000 and increase the rate by 0.2 from 0.5 to 0.7 percent. That is going to cost the employers over $5 billion in the next 2 years.

Now the question is: Do we need that much? The administration said originally that at $6,000 and at 0.65 percent we would have plenty of money by 1985 to pay for the whole program. But now my amendment increases the rate from 0.65 to 0.7 percent and the Department of Labor says that by 1985 the trust fund will still be broke. Well, it cannot work both ways. That is ridiculous. That is inconsistency at its worst.

The Labor Department forecast of total wages from the period 1975–85 has decreased very greatly from its estimates of last October. In fact, DOL has removed more than $1.7 trillion in wages in its current estimate. If the economy is going to be that bad over the next decade we might as well pack up and quit!

Mr. Chairman, I will not impose on the Committee much further, but I do think there are serious questions about this bill. I suppose that overall the total cost on the employer would be in excess of $7 billion.

I really believe this is going to cause some people to go out of business. In my own State about one-fourth of the businesses that do go bankrupt say that they simply cannot pay all the taxes that are expected of them from the Federal Government.

If we are going to raise the social security tax, which is inevitable, and if we do pass a national health insurance program next year, then we should think of those future costs before we slap this one on the employers.

We should raise the base to $6,000 now and look at it 2 or 3 years from now, at which time we can take whatever action is needed.

Let us not take this precipitate action against the employers in one fell swoop.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield 7 minutes to the gentleman from Minnesota (Mr. FRENZEL), a very distinguished, very able, and very articulate gentleman, for the purposes of closing this debate.

Mr. FRENZEL. Mr. Chairman, I rise in strong support of H.R. 10210, the Unemployment Compensation Amendments of 1975. As one of the members of the Unemployment Compensation Subcommittee and a cosponsor of this bill, I believe it represents a positive step toward making the Federal-State unemployment compensation system more equitable, effective, and fiscally sound.

This bill makes several very significant and long overdue changes in the permanent unemployment compensation system. At the same time, the Ways and Means Committee wisely rejected changing the unemployment compensation system to include a Federal benefit standard.

One of the most important changes contained in H.R. 10210 is the increase in the taxable wage base and the net Federal tax rate. Twenty-one States to date have totally depleted their unemployment compensation trust funds and have been forced to borrow over $3 billion from the Federal Government. It is projected that without a change in the present law, the State unemployment accounts will be over $16.5 billion in the red by the end of fiscal year 1977.

In addition, the Federal unemployment account is presently in a serious deficit condition and will be over $6.5 billion in debt by the end of this next fiscal year. We must now assume the responsibility for paying our bills for past benefits and for returning these funds to solvency as soon as possible.

Although the drastic increase in the taxable wage base contained in H.R. 10210 is distasteful, I beleive it is the most effective way to return the Federal and State unemployment accounts to solvency within 5 years and to improve the distribution of the financial burden of the unemployment tax system. Among the various financing proposals considered by the subcommittee, this one seemed to be the best alternative because it causes the least disruption in the very important experience rating system and reallocates the tax burden to low- and high-wage employers on a more equitable basis. Therefore, I strongly urge my colleagues to support this change in the unemployment compensation system's financial structure.

A second very significant provision of H.R. 10210 is the extension of coverage under the permanent Federal-State unemployment compensation system to about 9.5 million previously uncovered workers, including agricultural workers, certain domestic workers, and State and local government employees. These workers are currently provided with very limited unemployment benefits under the temporary special unemployment assistance program—SUA—or, in certain cases, under State laws.

SUA was created in 1974 as a temporary unemployment compensation program, due to expire at the end of this year. SUA benefits have been funded from general revenues. It is time for these workers to be assured adequate coverage under the permanent unemployment compensation system, which is funded by employer taxes rather than by Uncle Sam. H.R. 10210 will accomplish this objective, and provide a basis for elimination of special, temporary, or emergency programs.

H.R. 10210, however, falls short in certain areas. I was generally dissatisfied with the subcommittee's decision to leave the triggering mechanism for extended unemployment compensation benefits essentially unchanged. H.R. 10210 retains the 4.5-percent seasonally adjusted insured unemployment rate as the national trigger, and slightly modifies the State trigger to a 4 percent seasonally adjusted insured unemployment rate. When either trigger is met, extended benefits, which are funded on a 50/50 basis from State and Federal funds, are provided for benefits weeks 27 to 39. The trigger mechanism has proven to be very unsatisfactory in the past because some States end up being perpetual benefit recipients while others are petpetual donors. I would have preferred to raise both the national and State triggers, and am hopeful that we will be able to improve, if not totally eliminate, the benefit triggers in the future. What we need at this point is a more careful study of the trigger concept in order to develop more acceptable and effective alternatives.

Along this line, it should be noted that since the unemployment compensation system was established over 40 years ago, there has never been a comprehensive study made of the unemployment compensation system. H.R. 10210 would establish a 13-member National Commission on Unemployment Compensation to specifically conduct such a study. The commission will undertake a thorough examination and evaluation of the present unemployment compensation system in addition to addressing specific problem areas, such as the triggering mechanism for extended benefits, eligibility requirements and their enforcement, current abuses of the system, and the relationship of the unemployment compensation program to other income maintenance and manpower programs. The final report of the commission's findings and recommendations will be presented to Congress and to the President by January 1, 1978. This report should provide essential data and valuable information for future efforts to improve the unemployment compensation system.

Finally, Mr. Chairman, I would like to applaud the Ways and Means Committee for resisting the temptation to include a Federal benefit standard in H.R. 10210. The inclusion of such a standard would have been the first step toward federalizing unemployment compensation, and would have wrecked havoc with the entire system. In addition to significantly increasing benefit costs, this provision would have violated the important principle that governments closer to home understand the problems and possible solutions better than the Federal bureaucracy. We do far better to leave benefit standards, along with all the other unemployment compensation standards, in the hands of the States.

Let me conclude by saying that there are still many aspects of the unemployment compensation system which need improvement. H.R. 10210 is only a beginning, but it is a very positive one. Therefore, I again stress the urgency of prompt, decisive action on this bill in order to restore the fiscal integrity of the unemployment compensation system, to provide greater equity in the distribution of the financial burden, and to continue to insure adequate coverage for America's unemployed workers.

I strongly urge my colleagues to vote in favor of H.R. 10210.

Mr. Chairman, I hope we will not get any ideas about saving money by voting for a lower tax base or by voting against the bill because there is no way by which we can save any money. The programs are in place, and we are simply talking about whether we are going to finance them by a tax on employers, as was originally contemplated when this legislation was first passed 40 years ago, or whether we should lay the cost back on the general taxpayers, which, in my judgment, reduces the program to that of a general welfare program and removes the incentive and experience feature which most of the people who have worked in this field consider to be one of the strengths of the system.

Mr. Chairman, although this increase in taxable wage base is distasteful, I think it is the only effective way we have to return the Federal-State unemployment account to solvency in 5 years.

Several of the speakers who have appeared before us are supporting a change from the bill's $8,000 tax base to one of only $6,000. I wish we could go ahead and make it $6,000. However, the Department of Labor tells us that their best estimates show that we cannot come out solvent at $6,000; and, in fact, we cannot erase the deficit by using the $6,000 wage base. Also, Mr. Chairman, that is assuming, I think, a relatively optimistic level of employment or of economic activity and relatively optimistic low levels of unemployment for the future.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Texas.

Mr. PICKLE. As I understand it, the Department of Labor, in referring to the $6,000 base at the 0.65 rate, said that the fund would be solvent by 1985, and this statement was within the past year.

Mr. FRENZEL. Mr. Chairman, I would say to the gentleman from Texas that his amendment simply reduces the base from $8,000 to $6,000 and, as we know, the bill provides for a 0.7 rate, reverting back to a 0.5, and, under the bill, as amended, if the gentleman's amendment passes, we can never get out of a deficit situation.

Mr. PICKLE. Mr. Chairman, if the gentleman will yield further, actually at the $6,000 base and at the 0.7 rate, we would be raising more money than the Department of Labor and the administration had recommended originally when this bill was introduced. They make the argument, because they have changed their original projection of last fall which said total wages would grow about 12 percent over the next 10 years—1975–85—radically to state now that they forecast a growth of only 49 percent in total wages in the next decade. The Labor Department wipes out $1.7 trillion in wages total from its first prediction. They did that in order to say that we have got to raise more money. But I defy anyone to give me a good, fair figure from anybody to say exactly what the exact base and rate should be.

Mr. FRENZEL. I thank the gentleman

from Texas for his contribution. I agree with the gentleman that none of us can foresee the future. Nevertheless, on the best estimates that we have by the people on whom we rely to make those estimates, the proposed amendment of the gentleman from Texas will leave us in a deficit indefinitely, but the bill, as proposed, will bring us out in the early 1980's and take us into a positive cash position.

Even that, I submit, is dangerous because between now and 1983 or 1985, we could have several swings in the economic cycle. My goodness, trying to pay for this would be extremely difficult, we are going to the ultimate limit of our risktaking ability by only asking that the fund be made solvent in the early 1980's.

Mr. Chairman, one of the previous speakers referred to this tax as a burden on the backs of the employers, and indeed it is. It is a severe burden for employers, it is something that I do not like, and I did not like it when I was an employer. Unfortunately, however, the alternative is to lay the program on the backs of the individual taxpayers of this country because that is how we are financing the system at this time. All of our temporary and possibly emergency programs are being carried by the Federal taxpayers and, worse, we are now asking that this program be financed through borrowings.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEIGER of Wisconsin. Mr. Chairman, given the vigor of debate, I would be delighted to yield 5 additional minutes to the distinguished gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the distinguished gentleman from Wisconsin for yielding me the additional time, and, since I do have additional time now, I will yield to my distinguished colleague, the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I thank my friend the gentleman from Minnesota (Mr. FRENZEL) for yielding to me. I would simply ask this question: You say the employer should pay this and perhaps the gentleman is right except those are the ones that pay for SUA and the FSB. Would it not be more fair in that even to knock out the FSB and SUA?

Mr. FRENZEL. No question about it. I agree with the gentleman 100 percent. That is the reason I am supporting this bill so strongly. I believe that only when we bring the finances of the current unemployment compensation system into balance, or provide the mechanism by which it can come into balance, then the SUA and FSB should be abandoned. We should restore control of the unemployment compensation system to the wisdom of the individual agencies of the States, where it belongs—although we should reserve the right to intervene, of course, in times of economic adversity, such as those that this country has just now been through.

But, at any rate, to resume, Mr. Chairman, I was talking about borrowing to finance the unemployment compensation program, and that is far more inflationary than placing a tax back on the employer. There is nothing more inflationary than deficit financing and that is what we have been doing with this program for over a year. We have a deficit now of $9.3 billion—and I will not take the time, because I am not smart enough to try to figure out the interest on $9.3 billion in a year, but it is significant.

Mr. Chairman, the next point I want to make is that a previous speaker talked about municipal employers incurring unemployment. If that is the case, Mr. Chairman, we do not have any problem with this bill because the municipal employers will incur no costs if they incur no unemployment, and they do not pay part wage schedules and will not have to pay part wage schedules under this bill, they must simply reimburse the trust fund for the actual unemployment costs incurred. So if there is little risk of unemployment, there is little risk of extra cost and, therefore, this amendment that appears in the bill should not be troublesome.

Mr. Chairman, to conclude, this is an unpleasant thing to have to lay an extra tax on employers. I do not like it. But when I consider the alternative which is in fact to turn our program into an ongoing Federal program, and a welfare program at that, it seems to me preferable to return to the original system which was to let the States run their own programs under an experience rating system. We will get there quicker by passing this bill than by accepting any of the amendments, or by voting it down.

Mr. Chairman, I urge support of the bill, and I yield back the remainder of my time.

Mr. CORMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will not take much time. I note, as did my colleague, the gentleman from California, that there does not seem to be a wave of interest in this bill. My audience is even smaller than his, but perhaps the Members will read the RECORD.

I want to give my explanation of this bill in contrast to that of the gentleman from California. First of all, he contends that it is a welfare bill. Of course, that is precisely what we are trying to prevent. Special unemployment assistance—SUA—is a welfare program. If the amendment of the gentleman from California (Mr. KETCHUM) should carry, there is no question but that in times of high unemployment we will have an SUA program, because the Nation will not stand by and see public employees lose their jobs and go without sustaining income. We will put them on a federally financed program like SUA as we did this time. That does not make any sense.

All wage-earning employees, whether they work for public or private employers, ought to be covered by unemployment compensation. Many States have seen the wisdom of that and have covered all their State and local government employees. The gentleman from California contends that he is going to somehow make it all voluntary. That is the present law, and that is what the States and counties who do not cover their employees would like to continue, because they know when times are hard the Federal Government will put their fired employees on welfare, paid for out of Federal funds.

Presently the public employees do not have to pay the cost of administration or half the costs of extended benefits because that is paid by the employer tax on private employers.

The gentleman from California implied that somehow this bill was going to increase the private employer's obligation for public employees. The truth of the matter is it will decrease private employer subsidy of public employees.

There is some talk about subterfuge, of covering public entities in order to put additional money in the U.C. trust fund. The gentleman knows that the States may authorize their public employers to pay only the cost of unemployment benefits paid to their employees on a retroactive basis, and there will be no increase in the fund if the States use that option—and I assume they all will.

The gentleman from Texas urges us to vote for a $6,000 wage base and says that somehow that is going to be of benefit to small businesses. First of all, under the present law States are going to have to start paying back the money that they borrowed after 2 years. Either we will pass emergency legislation to extend that time, or the present law will go into effect and there will be a substantial increase in the tax rate for all private employers in those States which borrowed money and cannot pay it back. If we keep a $6,000 wage base, it means that the States will be forced to pay a very high tax rate, which will make it much harder on those small employers whose average wage base is generally lower than the large employers.

I would hope we would keep the $8,000 wage base in the bill. It will make it possible for the States to respond to their obligations without increasing unreasonably their own tax rate, and it would be possible for the Federal Government to get back in the black within another 7 or 8 years.

As to public employees, do we think that it is somehow easier for a policeman or fireman or teacher who loses his job to go without funds than it is for a waiter in a restaurant or a man on the assembly line? Remember, unemployed workers in private employment get half or nearly half of their lost wages replaced until they can find another job. Can we legitimately say to the policeman who protects our streets and our lives or to the fireman who risks his life every time he goes out on a call that they are not entitled to the same kind of protection that we offer all kinds of private employees? That is not fair to some of the people who contribute most to our well being.

As has been pointed out a number of times, the administration supports this bill. The Ford administration also had legislation introduced containing a Federal minimum benefits standard. The details of that will be discussed I am sure at some length tomorrow.

I would like to thank the members of the subcommittee and especially the gentleman from Wisconsin (Mr.

Steiger) and the gentleman from Minnesota (Mr. Frenzel) for working so hard to put this bill together. I hope we will have a good attendance tomorrow. I hope the Members will pay close attention so that we may send a reasonable bill to the Senate and that they might act on it before the conclusion of this Congress.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from California (Mr. Ketchum).

Mr. KETCHUM. Mr. Chairman, apparently I was not able to get the attention of the gentleman in either the small group, or in the committee, or in this larger group, but I said relative to the municipal employees that the options existed. I made no reference to the fact that there was no option.

Mr. CORMAN. I am still confused. I cannot understand why the gentleman believes that covering public employees will increase UC trust fund, where they will not be required to pay into the trust fund.

Mr. KETCHUM. I am sure the gentleman is well aware of the fact that is what it will do.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Chairman, the gentleman just mentioned that he was in favor of this bill and he said that the administration favors it. One of the amendments to be voted on tomorrow is not in this bill. It is a Federal benefits standard. I do not know whether it is accurate to say that the administration is for the Federal benefits standards. It will be interesting to see how far we can push them into the corner before they will make a good strong statement. Perhaps they will favor it because previous administrations have voted for it. But I would not want for the gentleman just to slide that item in so easily. I want those Members who might read the Record to know that the Federal benefits standard is one of the most difficult questions we have to settle tomorrow.

I would remind the gentleman, as I think he knows, that if we establish a Federal benefit standard, we will say an employee will be able to draw from 50 percent to 66⅔ percent of his State's average wage. We will, by law, establish a Federal standard which says that rate must be paid by every State.

Once we do that, an attempt to pass a Federal benefit standard for disqualifications and a Federal benefit standard for the duration will follow. We will literally destroy the particular Federal-State relationship we have enjoyed for 41 years.

The gentleman may not agree with that, but in my opinion, that is the net effect of it. I think the debate should show that the amendment up and cost the employers of the country nearly $2 billion.

Does the gentleman have the figure?

Mr. CORMAN. I do not have it off the top of my head.

Mr. PICKLE. But whatever it is, it is a considerable amount and it will go up and up. I think that the Members should be on notice that this Federal benefits standard will be on the floor tomorrow and it was not passed by the committee or in the subcommittee.

Mr. CORMAN. I thank the gentleman for his contribution. I would remind the gentleman of this.

It was in the bill introduced by the gentleman from Wisconsin at the request of the administration.

Now, the gentleman may know better than I do what that means as to whether the President supports it or not, but I am willing to take him at the word of his Secretary of Labor on the cost of the Federal benefit standard. It would be $820 million for fiscal year 1978, $1,015 million for fiscal year 1979, $910 million in 1980, $1,010 million in 1981, and $1,011 million in 1982.

Mr. PICKLE. I assume those are Department of Labor figures.

Mr. CORMAN. Yes, sir.

Mr. PICKLE. I think it would be interesting to see what other experts would estimate this cost to be; but it is astronomical, in whatever amount.

Mr. CORMAN. Yes. The question is how many people in the country ought to get at least half of their salary when they lose their jobs.

Now, remember, nobody gets more than half, that is, there is no Federal requirement that they get more than half. The dilemma is that some States have very low payment standards and, therefore, very low tax rates, which gives them a competitive advantage over other States. The gentleman may be familiar with one of them; they advertise that their unemployment compensation rates are low.

Mr. PICKLE. That is right, and I think in those cases they authorize it so.

Mr. CORMAN. That is right. Many States already pay the benefit that would be required under the amendment, and the amendment will be debated tomorrow. So that the House will not get the idea that that amendment did not have support in Ways and Means, let me point out that the gentleman's amendment limiting the wage base increase to $6,000 was defeated 23 to 12 in committee. The Federal benefit standard was defeated by a vote of 18 to 17. I hope the Members will review the record of today and will give careful thought to what we ought to do.

Let me state that the desire of the committee is, first of all, to make this a financially sound insurance system that covers all the workers of this land who live on a salary. The expanded coverage will prepare us for the next recession, so that we do not have to pass emergency measures appropriating billions of dollars at a time when we are already in economic trouble. Its purpose is to broaden coverage when we hope we are moving into a period of relative employment stability so that all the people will have the protection of unemployment compensation should they need it. The second major objective is to update the unemployment compensation tax system so that we can get back in the black within a reasonable period of time, and make the system self-supporting once again at the State and Federal level.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I have one more request for time.

Mr. Chairman, I want to clarify one issue for the Record. There were two votes on the benefit standard in the Ways and Means Committee. One was the 50-percent-two-thirds proposal, which, if I recall correctly, was rejected by a 15 to 21 vote.

The other proposal was for a 50-percent and 60-percent standard.

Mr. CORMAN. That is correct.

Mr. STEIGER of Wisconsin. That second proposal, the lower one, was defeated 18 to 17. There is a very big difference in the two proposals, I think the gentleman would have to agree.

I think that just for the purpose of clarification the record should reflect that there were the two votes in the Committee on Ways and Means.

Mr. CORMAN. I appreciate the gentleman from Wisconsin refreshing my memory and I am glad the gentleman corrected the record.

Mr. Chairman, I reserve the balance of my time.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Texas (Mr. Archer).

Mr. ARCHER. Mr. Chairman, I rise in opposition to H.R. 10210 and cite to the members of this Committee that this bill will be the major piece of legislation to be considered in this Congress in its adverse impact on small business.

I want to alert all the Members as to the deleterious effect it will have on small business across this Nation.

I would like to refer to a letter that I received recently from the National Federation of Independent Business.

The letter states:

National Federation of
Independent Business,
Washington, D.C., June 22, 1976.

Hon. Bill Archer,
U.S. House of Representatives,
Washington, D.C.

Dear Bill: It is my understanding that the House will soon be considering H.R. 10210, a bill that will make major changes in the nation's present unemployment compensation system. An overwhelming majority of NFIB's 460,000 member firms oppose the changes proposed in this legislation.

Last month in Mandate 395 we polled our membership on several major sections of H.R. 10210. The results were: 94 percent against extending unemployment benefits to additional uncovered workers; 97 percent against increasing the taxable wage base to $8,000 and the tax rate to 3.4 percent; and 95 percent against a federally set minimum payment.

These results represent the most lopsided mandate for or against a particular piece of legislation given by our membership in the last several years.

The changes proposed in H.R. 10210 would add significantly to the already heavy burden placed on small, independent business by government. Because of this we strongly urge you to support small business' opposition to this legislation.

Sincerely,
James D. "Mike" McKevitt.

So, when the Members vote on this bill, if it is voted on as written, and should it be amended to include Federal benefit standards, a vote for the bill will be a major vote against the small businessman in all parts of this Nation.

I strongly urge the defeat of this legislation.

Mr. CORMAN. Mr. Chairman, I yield myself 1 minute.

I suggest that if one wants to destroy the small businessman, we should leave the law in its present form, because under existing law most of the States in this country are going to have to start repaying very soon the Federal money they have borrowed. This is going to result in very substantially increased State U.C. tax rates, and some heavy Federal tax penalties if the State cannot repay its Federal debts within the time allowed. This type of a situation could be much worse for the small business community in a State than the changes proposed in H.R. 10210.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, is it not true that a great percentage of small business employers are paying a greater rate as against their actual payroll than large businesses with higher salaries? Does not this bill in general hit the large business paying higher wages a good deal harder than the small businessman who is not terribly affected by it?

Mr. CORMAN. The gentleman is exactly right.

Mr. FRENZEL. I thank the gentleman.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, regarding the question of the high-wage employer versus the low-wage employer, I think that the pertinent figure is how much is paid in total wages.

Mr. BIAGGI. Mr. Chairman, I rise to fully support the amendment offered by the distinguished gentleman from California (Mr. SISK), which would prohibit illegal aliens from receiving unemployment compensation benefits. Passage of this amendment is essential if we are to put an end to the abuses in the unemployment benefit system which have allowed illegal aliens to collect millions of dollars in benefits at the expense of the American taxpayers.

This amendment would leave responsibility for enforcement to the States. I would like to offer for the consideration of my colleagues a copy of a letter I received more than 1 year ago from Mr. Harold Kasper, director of the unemployment insurance division of the State of New York. Mr. Kasper was responding to a letter I wrote inquiring about illegal aliens and unemployment in the State of New York. His response shows that New York State has one of the more effective laws on the books relative to eligibility for unemployment benefits. The State employment service will only recommend a person for unemployment insurance if they have seen specific proof of citizenship. If such proof is not shown—then a special form is sent to all unemployment offices across the State—alerting them to the fact that a given individual does not qualify for unemployment benefits. I now insert the full text of Mr. Kasper's letter and relevant materials. I think the example of New York should be followed by other States once this amendment is passed:

STATE OF NEW YORK,
DEPARTMENT OF LABOR,
Albany, N.Y., June 24, 1975.

Re Your letter of June 17, 1975.

Hon. MARIO BIAGGI,
Member of Congress, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN BIAGGI: It is the policy of the Unemployment Insurance Division to refer all unemployment insurance claimants to the New York State Employment Service in accordance with the provisions of Section 596.2 of the Unemployment Insurance Law. The Employment Service, as part of its application-taking process, records the citizenship status of applicants and examines the documentary proof of legal right to work or permanent residence for those applicants who are not United States citizens.

If it is determined that the applicant is a non-immigrant alien who is not authorized to work in the United States, the Employment Service notifies the Unemployment Insurance Division of the disqualifying information on a form entitled, "Information on Possible Disqualifying Conditions." Any such claimant would be held ineligible for unemployment compensation payments.

Copies of Employment Service or Unemployment Insurance Division procedural items dealing with "illegal" aliens are attached for your information. Your attention is called to item II 4165 which lists the acceptable types of proof of right to work which are issued to aliens by the United States Immigration and Naturalization Service.

When anyone is turned down, there is no need to inform other officers in the nation because, in practically every case, entitlement to benefits would be in New York State alone based on his earnings in the state. We do have a control which would prevent payment of benefits should such a claimant, declared ineligible in one office of the state, attempt to file a claim in another office of the state.

Thank you for writing and giving me this opportunity to comment.

Sincerely yours,

HAROLD KASPER.

SELECTION, REFERRAL AND VERIFICATION

REFERRAL OF ALIENS NOT AUTHORIZED TO WORK

The Employment Service must not refer to employment or training those aliens not legally authorized to work in the United States. Generally any person not a citizen of the United States is an alien.

To accept employment in the United States, an alien must be an immigrant (admitted for permanent residence), a nonimmigrant alien admitted for one of several reasons but specifically permitted to work, or a parolee (aliens not otherwise admissible who are sometimes paroled into the United States at the discretion of the Government). It should be noted that *a nonimmigrant alien* specifically admitted for employment must remain in the occupation for which he was admitted and cannot legally accept other employment.

To be eligible for enrollment in a federally financed training program an alien must be a permanent resident of the United States, or its possessions in the Virgin Islands, Guam, Puerto Rico, and trust territories of the Pacific Islands. Cubans paroled into the United States subsequent to January 1, 1959, are to be considered permanent residents and are permitted to work.

To ensure that only aliens legally entitled to accept employment or enroll in training are referred, *application-taking procedures status and the posting of documentary* proof of legal right to work or permanent residence for those applicants who are not U.S. citizens. In order to determine citizenship status, applicants will be asked the following questions:

1. Are you a citizen of the United States? (Accept a "yes" without question or request for proof.)

2. If not a citizen, are you a permanent resident alien; that is have you immigrant status? (Request verification by Alien Registration Receipt Card Form I–151 or Form AR–3a.)

3. If you are not a citizen of the United States or a permanent resident alien, are you an alien permitted to work in the United States by the Immigration and Naturalization Service? (Request verification by Arrival-Departure Record, Form I–94.)

Citizenship status will be recorded in the appropriate section of the application card. When posting legal right to work, the documentation should be identified; for example, I–151. Local office staff should accept any person's word that he is a citizen and not ask for proof of citizenship. If an applicant states that he is not a citizen, then he must show proof of right to work or permanent residence, and the documentation shown must be posted to all application forms, including partial applications. With few exceptions, all aliens legally admitted to the United States are issued some document at time of entry which identifies their status.

Acceptable proof of right to work or permanent residence is generally one of the following:

Form AR–3a—(Alien Registration Receipt Card).

Form I–151—(Alien Registration Receipt Card).

Form I–94—(Arrival-Departure Record) (Parole Edition)—will be stamped "Employment Authorized" if the alien is permitted to work.

If an alien does not have proof with him that he is legally entitled to accept employment in the United States, an application may be completed, but it should be noted that the legal right to work must be verified before referral. The applicant should be advised that he cannot be referred to a job until he presents proof. Local office personnel should not attempt to answer or resolve any technical questions relating to alien status. The applicant should be referred to the nearest office of the Immigration and Naturalization Service (See II 4166).

Admittedly, prohibiting illegal aliens from receiving unemployment benefits is only one answer to an overall problem which is growing in magnitude every day. We must also contend with the fact that more than 3 million illegal aliens are today employed in this Nation in jobs which belong to and are desperately sought by American workers. I and others have introduced legislation which will deal with this problem by imposing sanctions against employers of illegal aliens. The major bill in this area, H.R. 8713, has been pending before the House Rules Committee since September of 1975. The need for action on this legislation or preferably my bill, H.R. 5987, which makes it an immediate Federal crime to hire illegal aliens is urgent.

I congratulate Mr. SISK on his amendment and urge its passage today. The Supreme Court recently ruled it to be within a State's power to pass laws banning the employment of illegal aliens. What we are attempting to do here today is entirely consistent with the Court's thinking and should be acted on expeditiously by all the States in the Union for the economic protection of its citizens.

Mr. RIEGLE. Mr. Chairman, the passage and enactment of H.R. 10210, the Unemployment Compensation Amendments, is one step toward an improved unemployment insurance program. As a result of these amendments, many people who are not covered by unemployment insurance would gain coverage, but much more needs to be done if the Government is going to help economically depressed States like Michigan.

During the worst years of the 1973–75 recession, the unemployment compensation program was crucial to stabilizing the recession and helping compensate millions of unemployed for part of their income loss. I am convinced that without the economic stimulus of an unemployment compensation program, this past recession would have been a full depression on the scale of the 1930's.

We are constantly reminded that the unemployment insurance system was never designed to handle a nationwide unemployment rate of 9 percent, or almost 10 million unemployed. Unemployment of this magnitude has not been experienced since the Great Depression. Michigan of all the States had the most severe unemployment in the Nation during 1975—an average of 12.5 percent, or 490,000 people unemployed who were willing and able to work.

As a result of this economic setback, 21 States have had to borrow a total of $3.1 billion from the Federal Government to continue their unemployment compensation programs. As of June 15, the State of Michigan has been forced to borrow $571 million. If these loans are not repaid soon, the Federal Government under the present system will fully collect its money by an automatic increase in the Federal tax on businesses in these States.

H.R. 10210 would attempt to deal with this problem by increasing the taxable wage base for unemployment insurance from $4,200 to $8,000. But even with this change, Michigan would still owe hundreds of millions of dollars to the Federal Government for years to come—and Michigan businesses would be forced to pay increased Federal taxes. These taxes would obviously discourage business expansion in the State, and we would soon see a vicious cycle of economic decline, job decline, and tax decline, furthering the recessionary forces already at work.

As I urged in my April 1975 testimony before the House Subcommittee on Unemployment Compensation, we must move toward establishing a system of Federal reinsurance supported by general Treasury funds. Such a system would provide Federal financing whenever the Nation unemployment rate exceeds certain levels and when a State's benefit/expenditure pattern is excessively high. It is grossly unfair and economically unwise for our country's UI system to penalize a State because it has experienced severe economic difficulties—particularly when those difficulties were caused by national economic policies.

I am convinced that the $100 million deficits currently being incurred by a considerable number of States will eventually have to be forgiven—paid off with general revenues. These States will never adequately recover unless these obligations are shared by the Federal Government.

But the ultimate and most practical solution to the problems of our country's UI system must be the adoption of a full employment policy. Over the last few years, America's true economic strength has been crippled by national economic policies designed to shut down a large portion of our economy, and throw millions of people out of work. This policy of planned recession has gravely damaged our country—and among other effects, strained our UI system to the breaking point.

We must reverse this gross economic mismanagement, and develop new strategies that will insure that there will be a job for every American who is able to work. We can move in this direction by supporting monetary policies that keep interest rates at a reasonable level, by stimulating private sector jobs, and by attacking head-on the problem of structural unemployment with job-training programs. Instead of spending $19 billion annually on inadequate unemployment benefits, we could use our resources to put our people back to work. Unemployment compensation could then assume its proper place as a way of tiding people over between jobs.

I believe that balanced economic growth and sustained financial stability is our overwhelming strategic imperative at the national level. A new spirit of cooperation between the Federal Government and States could begin with a more comprehensive and fair reform of our UI system. But this spirit of cooperation must be supplemented by a full employment policy that avoids pitting worker against worker in the struggle for jobs.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield back the balance of my time.

Mr. CORMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. There being no further requests for time, the Chair wishes to state that pursuant to the rule, no amendments to titles I through III of said bill shall be in order, including any amendment in the nature of a substitute modifying titles I through III, in the Committee of the Whole except the following: amendments recommended by the Committee on Ways and Means; amendments printed on page 16593 of the Congressional Record of June 3, 1976, by Representative Ullman, which amendments shall be considered en bloc; amendments printed on page 16593 of the Congressional Record of June 3, 1976, by Representative Ketchum, which amendments shall be considered en bloc; an amendment printed on page 16593 of the Congressional Record of June 3, 1976, by Representative Pickle; an amendment adding section 314 to title III printed on page 16592 of the Congressional Record of June 3, 1976, by Representative Corman; and an amendment printed on page 16593 of the Congressional Record of June 3, 1976, by Representative Sisk; and said amendments shall not be subject to amendment except for amendments offered by direction of the Committee on Ways and Means and pro forma amendments.

The Clerk will now read the bill by title.

The Clerk read as follows:

H.R. 10210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Unemployment Compensation Amendments of 1975".

Mr. CORMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFall) having assumed the chair, Mr. Yates, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10210) to require States to extend unemployment compensation coverage to certain previously uncovered workers; to increase the amount of the wages subject to the Federal unemployment tax; to increase the rate of such tax; and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarkes on H.R. 10210, and that I may be permitted to include tables in my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON AGRICULTURE

The SPEAKER pro tempore (Mr. McFall) laid before the House the following communication from the chairman of the Committee on Agriculture, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations.

Washington, D.C.,
July 1, 1976.

Hon. Carl Albert,
Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on June 30, 1976, considered and, by a voice vote, unanimously approved the following work plans for watershed projects, which were referred to the Committee by Executive Communication:

City of Browning, Montana.
Jordan Creek, Indiana.
Manatachie, Bogue Fala, and Bogue Eucuba Creeks, Mississippi.
Mission Hill, South Dakota.
Oak Orchard Creek, New York.
Ozan Creeks, Arkansas.
Pollard Creek, Texas.

Pott-Sem-Turkey, Oklahoma.
Rogue River, Michigan.
Sandy Creek, Texas.
Upper New River, South Carolina.

The attached are Committee resolutions with respect to these projects.

With best regards.

Sincerely,

THOMAS S. FOLEY,
Chairman.

SUBCOMMITTEE ON SOCIAL SECURITY WILL CONTINUE PUBLIC HEARINGS ON SOCIAL SECURITY FINANCING ON FRIDAY, JULY 23, 1976, AND MONDAY, JULY 26, 1976

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to take this time to announce that the Subcommittee on Social Security of the Committee on Ways and Means will continue public hearings on Friday, July 23 and Monday, July 26, 1976, beginning at 10 a.m. in room H–208 of the Capitol, on "decoupling," a proposal to reduce the long-term deficit in the social security program. A press release announcing these hearings was sent out just prior to the recess and today is the first opportunity I have had to place this notice in the CONGRESSIONAL RECORD. The text of the press release follows:

CHAIRMAN JAMES A. BURKE, DEMOCRAT OF MASSACHUSETTS, SUBCOMMITTEE ON SOCIAL SECURITY, COMMITTEE ON WAYS AND MEANS, ANNOUNCES PUBLIC HEARINGS ON FRIDAY, JULY 23, 1976 AND MONDAY, JULY 26, 1976 ON LONG-RANGE FINANCING-"DECOUPLING" PROPOSALS

The Honorable James A. Burke (D. Mass.), Chairman of the Subcommittee on Social Security, House Committee on Ways and Means, announced today that the Subcommittee on Social Security will continue its hearings on social security financing on Friday, July 23, and Monday, July 26, 1976 in order to receive testimony from the general public. The Subcommittee's hearings will focus on the Administration's bill and other proposals to modify the automatic cost-of-living benefit increase provisions of the Social Security Act so as to make them less sensitive to future changes in wages and living costs, and to reduce the long-range deficit of the social security system.

These proposals, sometimes referred to as "decoupling" bills, would limit the application of future automatic cost-of-living benefit increases to beneficiaries on the social security rolls at the time any such benefit increase is first payable and establish a new benefit formula for people coming on the rolls in the future. The Subcommittee received testimony from the Secretary of Health, Education, and Welfare and the Commissioner of Social Security on the Administration's bill (H.R. 14430) on June 18th.

The hearings will begin at 10:00 A.M. on each day and be held in Room H–208 of the Capitol. The limited time available to the Committee in which to conduct these hearings requires that all interested persons and organizations designate one spokesman to represent them where they have a common interest. Any individual or organization desiring to do so may file a written statement for the Committee's consideration and for inclusion in the printed record of the hearing instead of appearing in person.

The cutoff date for requests to be heard is the close of business Friday, July 16, 1976. The requests should be addressed to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, U.S. House of Representatives, Room 1102 Longworth House Office Building, Washington, D.C. 20515 telephone: (202) 225–3625, indicating (1) the name of the witness, address, telephone number and organization the witness is representing; (2) if the person with whom contact should be made with regard to the appearance is not the witness himself, the name, address, and telephone number of this person; and (3) the general position of the organization with respect to this legislation.

Notification to those requesting to be heard will be made at the first opportunity after the cutoff date, probably by telephone, as to the scheduled date for the appearance and providing the witness with other mechanical details relating to the appearance.

It is requested that persons scheduled to appear submit 35 copies of their prepared statement to Room 1102 Longworth House Office Building at least 24 hours in advance of the appearance.

Persons submitting a written statement in lieu of a personal appearance should submit at least three copies of their statement by the close of business Monday, July 26, 1976. If those making personal appearances wish copies of their statement distributed to the press and public additional copies may be furnished for this purpose. If those filing for the record want copies of their statement distributed to the Members of the Subcommittee, the press and public, additional copies may be submitted for this purpose if delivered in time for distribution up until Friday morning, July 23. All statements, whether for a personal appearance or for the record of this hearing, should be delivered or mailed to the Committee on Ways and Means, Room 1102 Longworth House Office Building, Washington, D.C. 20515.

DEMOCRATIC PARTY LOOKS FORWARD TO COMING PRESIDENTIAL CAMPAIGN

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous material.)

Mr. BRADEMAS. Mr. Speaker, I take this moment only to say that if there are so many smiles on the majority side of the aisle today, it is because all of us who are proud to call ourselves Democrats came away from New York City confident that we have outstanding nominees for the Presidency and the Vice-Presidency of the United States in Gov. Jimmy Carter and Senator WALTER MONDALE.

We look forward with ill-disguised enthusiasm to the campaign that lies ahead. For we believe that the extraordinary qualities of leadership which won the Presidential nomination for Jimmy Carter will also win him the approval of the American people on November 2, 1976.

That Governor Carter chose as his running mate so distinguished and able a person as Senator MONDALE also speaks eloquently for Jimmy Carter's judgment. WALTER MONDALE will make an outstanding Vice President of the United States.

Mr. Speaker, I think it is clear that not for many years has the Democratic Party been so united, and I am confident that November will bring not only the election of a Democratic President and Vice President but of a Democratic House of Representatives and Senate as well.

The year 1977 and those that follow will thus be characterized by a White House and a Congress able to work constructively with each other on the difficult problems that face our country at home and abroad.

So Mr. Speaker, the Democratic National Convention of 1976—and Jimmy Carter's remarkable achievement in winning the Presidential nomination—mark an historic point in the long years of service of the Democratic Party to the Nation.

I feel sure that, whoever may be chosen by our Republican friends at their convention in Kansas City next month, we Democrats, led by Jimmy Carter and WALTER MONDALE, will win—and so, too, which is far more important, will the American people.

Mr. Speaker, I insert at this point in the RECORD an excellent editorial, "The Democratic Ticket," from the New York Times of July 18, 1976:

THE DEMOCRATIC TICKET

With the nomination of Governor Jimmy Carter of Georgia and Senator Walter F. Mondale of Minnesota, the Democratic Party is now entering the 1976 election campaign full of hope, overflowing with unity and confident in its appeal to the widest possible segment of the American public.

The Carter-Mondale ticket, endorsed virtually by acclamation at the National Convention in Madison Square Garden last week, is surely the strongest that could have been devised; and it presents a formidable challenge to the Republicans, whether the nominee they select at Kansas City next month is named Gerald Ford or Ronald Reagan—or both.

The amazing feat of Jimmy Carter in achieving the Presidential nomination after starting from relative obscurity as a "new breed" of Southern governor a mere 19 months ago—toppling the stalwarts of his party from right to left and elbowing out those who also tried to occupy the center—will go down as an extraordinary accomplishment in the annals of American politics.

An ironic twist was added by Mr. Carter's appointment as his running mate—after probably the most searching examination of this sort in American history—of the one incipient candidate who had dropped out of the Presidential race before he had even begun it because he had decided that he didn't have a chance to win. Nevertheless, Senator Mondale was an excellent choice both because he is one of the most respected members of Congress and also because, despite Mr. Carter's disingenuous intimations to the contrary, he does add great strength to the ticket precisely where Governor Carter needs it most: among the old-fashioned liberals who form an important part of the Democratic Party's core support on the Pacific Coast, in the northern Middle West and in the Northeast.

Aside from his obvious qualities of steely determination, acute intelligence and supreme self-confidence, Governor Carter to considerable degree owes his convention victory to his uncanny ability to gain the confidence of voters on both sides of almost any issue. He thus seized and held the Broad Middle of the Democratic spectrum. But he was perceived up to the time of his nomination as personally leaning to the moderately conservative side, especially in comparison to almost all of his serious contenders in the primaries.

But the Democratic platform, carefully tailored in sufficiently generailzed phrases to meet Mr. Carter's requirements, is nevertheless a basically liberal document. The nominee's brilliant choice of Mr. Mondale, and the terms of both acceptance speeches, strongly suggest that the campaign will be waged along the traditional lines of the Democratic Party going all the way back to the New Freedom of Woodrow Wilson and the New Deal of Franklin D. Roosevelt.

Characteristically, Jimmy Carter hedged a little in both directions in his rather unusual acceptance speech Thursday night. While he—and Senator Mondale even more so—stressed unity of party and country, at the same time he struck a surprisingly harsh note of divisiveness with his populist and somewhat demagogic fulminations against that vague and ill-defined "elite" at whose hands "too many have had to suffer"—that "elite" who "never go without food or clothing," who send their children to "exclusive private schools," who "never had to account for mistakes," etc. etc.

While he called, in the most honored liberal tradition, for "a complete overhaul of our income tax system," a "nationwide comprehensive health program" and other long-needed reforms, he did not fail to stress "the value to our nation of a strong system of free enterprise," "competition [as] better than regulation" and "minimal intrusions of government in our free economic system"—all points as American as apple pie and designed to assuage any fears among conservatives that the party might have swung too far to the left, which it hasn't.

It seems, in fact, to be centering in on its usual mildly liberal course, in opposition to the past Republican record and expected Republican program. But the Democrats in the election year 1976 are Democrats with a difference— far removed from the turmoil that wracked (and nearly wrecked) the party in 1972 and 1968. The Democratic Party today is under the leadership of a remarkable political strategist who, after having gained his victory through the politics of consensus, many now be expected to pursue his and his party's goals with "quiet strength," and with principle and purpose.

KARL BAKKE, CHAIRMAN OF FEDERAL MARITIME COMMISSION, ANNOUNCES SIGNING OF MEMORANDUM AGREEMENT WITH SOVIET UNION

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, a few minutes ago, Chairman Karl Bakke, of the Federal Maritime Commission, announced the signing of a memorandum agreement with the Soviet Union, which may mean a significant breakthrough in our continuing effort to achieve a stable and peaceful environment for commercial maritime competition in the major U.S. trade routes in the Pacific and North Atlantic.

The agreement commits the Soviets to increase their ocean cargo rates on these routes to a level not lower than the lowest rates for similar cargo carried by independent—not necessarily conference—carriers, and also to seek membership on equitable terms and conditions in the existing ocean steamship conferences in the two major U.S. trade routes.

Chairman Bakke returns today to continue negotiations with the Soviet Ministry of Merchant Marine and major Soviet carriers, but I think both he and the Soviets deserve our congratulations at this point for this significant step toward a more stable condition for improving international commerce, trade and, hopefully, peace.

The agreement also would seem to preclude the need for passage of H.R. 14564, the so-called third-flag bill to protect U.S. ocean carriers from discriminatory rate-cutting practices by foreign nations.

While we must retain a careful vigilance to insure that conference rates are not used as a disguise for unreasonable price fixing, this new agreement seems to represent a significant step toward preservation of free enterprise competition, as well as a fair balance between the growing commercial fleets of the United States and U.S.S.R.

The memorandum agreement reads as follows:

MEMORANDUM AGREEMENT

Having discussed fully and freely matters of mutual interest concerning the liner trades of the Soviet Union and the United States, and

Having agreed upon the importance of a viable liner conference system in maintaining stability in those trades, and

With due regard to the legitimate economic interests of carriers, shippers and consumers that are served by liner conferences in the United States ocean trades, and

With due regard to the long-term benefits to commercial relationships between the Soviet Union and the United States that can be realized from stability of ocean cargo rates in those trades,

The parties hereto have mutually agreed to utilize the good offices of their respective agencies to achieve the following:

1. All ocean cargo rates contained in tariffs of Soviet carriers now engaged as independents in the liner trades of the United States shall, as promptly as it is feasible, be adjusted to a level no less than that of the lowest rate in use for the same commodity of any other independent carriers in those trades,

2. Thereafter, prompt action shall be taken, as necessary, to maintain the foregoing relationship between ocean cargo rates of Soviet carriers engaged as independents in the liner trades of the United States and the ocean cargo rates for the same commodity contained in the tariffs of other independent carriers in those trades,

3. Discussions shall promptly be resumed concerning equitable terms and conditions for conference membership of Soviet carriers in the North Atlantic liner trades of the United States, with particular attention to the principle of temporary rate differentials for Soviet carriers in those trades based upon differences in the services offered by Soviet carriers and by other carriers in those trades, such rate differentials to be (a) reasonably related to the degree of differences in such services, and (b) to be promptly eliminated as the services in question reach a reasonable degree of comparability, and

4. Discussions shall promptly be initiated concerning equitable terms and conditions for conference membership of Soviet carriers in the inbound and outbound conferences serving Pacific liner trades of the United States in which the Soviet carriers are not now conference members, with particular attention to the principle of temporary rate differentials for Soviet carriers as set forth in paragraph 3 above.

The parties hereto have also mutually agreed that henceforth there must be closer working relationships between their respective agencies concerning exchange of factual information and policy questions, and that the necessary steps shall be promptly undertaken.

CLARIFICATION OF MUTUAL AND DEFENSE TREATY WITH REPUBLIC OF CHINA IS NEEDED

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, a series of events in the past several months have properly raised grave concerns about America's continued support for our allies in the Republic of China. Rather than any explicit changes in policy being announced by the State Department we have only had a series of incidents that seem to indicate a lack of American resolve to continue our support of the Republic of China.

Just this past December a majority of the Members of the House of Representatives supported a resolution that stated that while we engaged in the normalization of relations with the People's Republic of China we could do nothing to compromise the freedom of the people in the Republic of China. Nonetheless, we have continued to scale down our military forces in Taiwan. Similarly in some recent hearings before a subcommittee of the International Relations Committee, Congressman WOLFF indicated that a movement was afoot in the Kissinger State Department to break relations with the Republic of China.

Quite clearly the United States must not continue to make unilateral concessions under the name of the normalization of relations with People's Republic of China. To continue to move in a direction that appears to abandon the Republic of China courts disaster not only for our loyal allies in Taiwan, but our whole strategic and economic posture in East Asia. In order to quiet the rush of rumors we need some concrete clarification from the White House that our Mutual and Defense Treaty with the Republic of China will remain intact, that we will continue to stand by our allies.

NEW YORK'S FILING PROCEDURES FOR CANDIDATES SEEN AS UNDEMOCRATIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PEYSER) is recognized for 30 minutes.

Mr. PEYSER. Mr. Speaker, I take the floor at this time to address the Members of the House, and due to the lateness of the hour, I will be brief. I do it because I have just successfully concluded going through what I view to be probably one of the most undemocratice procedures that we could provide in the efforts of trying to give to an individual who chooses to run for public office the opportunity to obtain the necessary designation from the public and from the people in his party to appear on the ballot.

This is a matter that pertains to my experience, and I am speaking specifically of my own State of New York. I do not know what the laws of other States may be regarding the filing of petitions or any other type of filing for someone other than as an individual designated by his party to get on the ballot.

It is my belief that our whole democratic program and our whole democratic concept are built around the involvement of the qualified public and its wish to participate in Government. I believe that we should lay down certain ground rules that are basic and reasonable and then have those complied with so that the individual may participate in the elective process. I am suggesting at this time that in my own State the Republican and Democratic Parties have designed a method through the legislature that is probably one of the most complex, unreasonable, undemocratic procedures that I have ever observed. Having, as I say, just successfully concluded it, I can speak with some authority on this matter. Let me briefly tell my colleagues what has to be done in order for any individual running, in this particular case, for the U.S. Senate to get on the ballot.

I believe that a person running as a Republican or a Democrat should have to get a number of signatures, and in my own State the figure happens to be established at 20,000 signatures from members of a candidate's own party. I think that is perfectly reasonable in order to show a broadbased support and to show a willingness to undertake a major job in getting 20,000 signatures from his party. I think this is a reasonable request.

But that is just the beginning. When a person signs a petition in the State of New York, that person is asked his name and address. He is asked to sign his name and address. I think that is obviously very reasonable.

Then the next question is: "What is your election district?"

Well, I can tell the Members from my experience that there is not one person in 20 or perhaps 50 who has the slightest idea what his election district is.

Then if he knows what his election district is, the next question is: "What is your assembly district?"

Well, I can assure the Members that nobody has the slightest idea of what his assembly district is.

Finally, the question is asked: "What town or city do you live in?" That is a little more reasonable. If one lives in a city, I would expect he would know, even though it is quite surprising that there are some who live in villages who do not know what town they are in. Nevertheless, that is the starting point.

Now, when individuals do not have that information, it then becomes the task of the candidate to acquire local registration lists from all over the State to find out what election districts these particular addresses are located in.

We are talking about 20,000 signatures, so it becomes a monumental task and a highly expensive task because one must purchase these various lists in order to get them to find out where these people who have signed the petition actually live as far as the election and assembly districts are concerned. Therefore, it becomes practically backbreaking to do this kind of job.

Mr. Speaker, if that were all, frankly, that would be too much, but that is not all, because there is a statement called the "Statement of Witness."

The statement of witness, of course, means that if one is a Republican, he must have a Republican witness—this is reasonable—and if one is a Democrat, he would have a Democrat witness it, equally reasonable.

However, the statement of witness of anybody who wants to carry a candidate's petition means that not only does he have to know all of the above things that we have mentioned, the assembly district and the election district, but he also has to know when he last registered and when he last voted.

I assume that that is not too hard, but when people registered last—and maybe everybody remembers when he actually went there and registered—presents a problem. Some people may have registered 5 years ago, but they do not know whether it was 1971 or 1973.

Frankly, Mr. Speaker, I do not know what it has to do, in the least bit, with whether a person is qualified or not as long as he is registered; but that is a requirement.

Further, Mr. Speaker, if a person carrying one's petition has moved within the last year or two, he then not only has to know the assembly and election district of where he is now, but he must know where it was when he formerly lived in some place and when he voted in that particular city or county. Consequently, we end up with an extremely difficult form that is obviously laid out to stop anybody from challenging the organization, be it Republican or Democrat. To me, that is not in keeping with our whole democratic philosophy.

To top that off, if the individual is tenacious enough and has enough money and is willing to put the time in to get all this information, we then come to the putting together of all of this that the regulations require.

First, we must segregate each of these petitions into the congressional district into which they fall, and then we must line up those sheets by whatever county has the greatest number of sheets.

Within that book where one may have a congressional district with four or five counties, he has to go through it and set it forth so that the county with the majority of names on each sheet will be together, and he has to set all this information forth on what they call a cover sheet, which calls for the number of signatures contained in the entire petition, the numbers contained in this particular volume, the starting number of the volume, the final numbers of the volume, all the counties in order that are necessary in that volume, and then what congressional districts are represented.

Therefore, when one finally works his way through this—and incidentally, this is just for 1 volume; one may have 50 volumes of the petitions before he is finished—we then have what is known as a tally sheet. The tally sheet is a highly complex form that says, as an example, that if one has, say, 11 names on a 20-line petition sheet that are from the 23d Congressional District, they fell into the majority because there are only 20 lines; therefore, that gets filed in the 23d District volume, but the other names that are on that signature sheet fall into a different category.

Let us assume that we have somebody on that sheet from the 24th Congressional District. We then have to take that name and enter it on a tally sheet and show the volume number it is in plus the sheet number, because each sheet must be numbered consecutively, and we also must show the line number on that particular sheet where that name appears.

This is not impossible to do. We have just done it, but the time and the complexity of it are such that there is an opportunity for error. For instance, if, by any chance, one puts down a wrong sheet number, the Board of Elections has the right to rule that name out by simply saying that name is not a valid name and that it has the wrong sheet number on it, even though the name is right there.

It just seems to me that we in the Congress—and I hope in the next session of the Congress as well—ought to give some consideration to this particular procedure. I say this because we have established voting rights, and a guarantee of the rights of voters. We have dealt with things like literacy tests and many other things, but we have not dealt with so very basic a thing as how a candidate who wants to run for public office can run unless he has the blessings of the organized party.

It seems to me that this is certainly not what the Founding Fathers of this country had in mind. Certainly it was not their idea to make it impossible or nearly impossible for qualified candidates who want to undertake that responsibility, to have the opportunity to do so.

As far as I am concerned, Mr. Speaker, the more participation in Government the better it is. The more people who want to get involved in Government, the better it is. The more people who are willing to stand up and be counted, the better.

It is my hope, Mr. Speaker, that we can begin to address this subject in a better manner.

Mr. PATTISON of New York. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from New York.

Mr. PATTISON of New York. Mr. Speaker, I just wanted to say that I happened to be here tonight because I have to adjourn the House, but I am delighted to have been here to listen to the gentleman's discourse. I wish to say that, although I share all of the gentleman's concerns about this ridiculous process that we have in the State of New York—and I expect that it is not too much different from a lot of the other States—I realize that the gentleman will not be in this body next year under any circumstances, but, if the gentleman happens to get into the other body, and I wish him luck in that regard, I would be happy to join with the gentleman in working out some sort of legislation that would, perhaps, make some sort of sense out of this kind of situation which makes it impossible for good people who do not have the support of their particular party, to run for office, and which keeps good people out of Government, and causes dissatisfaction with the whole process. It is a situation that does not do this country any good at all, especially in our basic political system.

Mr. PEYSER. I thank the gentleman very much for his comments.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I am happy to yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I am in complete agreement with what the gentleman from New York (Mr. PEYSER) has just said and with the complaints that are being put in the RECORD today. I think that certainly not only this kind of request or requirement, in order to run for public office, in addition to what we have done insofar as campaign disclosure situations where, actually, the bookkeeping is much more stringent and requires a lot more effort even than the Internal Revenue Service requires, is making it very, very difficult for people to involve themselves in public office and very, very difficult for people to run who would be excellent candidates in either political party. Indeed, it is making it even far more difficult to get people involved in our Government in any fashion because it actually scares them away insofar as the requirements are concerned as well as the penalties involved.

I think it is high time we establish some kind of new procedures at the State and local levels, as well as at the Federal level so as to simplify the process of running for public office, raising contributions, and those types of things so that we can, in fact, encourage people to get involved and not chase them out.

Mr. PEYSER. Mr. Speaker, I thank the gentleman from Idaho for his comments.

Mr. Speaker, at this point I include in the RECORD the material I previously referred to.

1976—REPUBLICAN PARTY DESIGNATING PETITION—1976

Name of Candidate: Peter Peyser.

Public Office: United States Senator, State of New York.

Place of Residence: West Sunnyside Lane, Irvington, New York 10533.

TALLYSHEET OF VARIOUS CONGRESSIONAL DISTRICTS

This petition contains —— signatures from the —— Congressional District.

——of the signatures are contained in Volume ——.

Other signatures for the —— Congressional District are in the following volumes, sheets, and lines.

(Volume, sheet, line.)

(NOTE.—Blanks provided for information.)

1976—REPUBLICAN PARTY DESIGNATING PETITION—1976

Name of Candidate: Peter Peyser.

Public Office: United States Senator, State of New York.

Place of Residence: West Sunnyside Lane, Irvington, New York 10533.

Volume ——.

Total number of pages comprising:

The petition -------.

Total number of signatures contained in the petition -------.

Total number of pages contained in this volume -------.

Total number of signatures contained in this volume -------.

Number of first page contained in this volume -------.

Number of last page contained in this volume -------.

This volume contains signatures from the ——— congressional district and from the following counties, or part thereof.

(NOTE.—Blanks provided for information.)

1976—REPUBLICAN PARTY DESIGNATING PETITION—1976

To the Board of Elections of the State of New York: I, the undersigned, do hereby state that I am a duly enrolled voter of the Republican Party, that my place of residence is truly stated opposite my signature hereto, and I do hereby designate and I intend to support the following named person as candidate for the nomination of such party for public office to be voted for at the primary election to be held on the 14th day of September, 1976.

Name of Candidate: Peter Peyster.

Public Office: United States Senator, State of New York.

Place of Residence: West Sunnyside Lane, Irvington, New York 10533.

I do hereby appoint:

Ms. Constance E. Cook, Coy Glen Road, Ithaca, New York 14850.

Mr. Daniel F. Gagliardi, 2 Lounsbury Road, Croton-on-Hudson, New York 10520.

Mr. Herman S. Geist, 20 Long Pond Road, Armonk, New York 10504.

Mr. Thomas Y. Hobart, Jr., 157 Bassett Road, East Amherst, New York 14221.

Mr. Emanuel Kafka, 727 Bruce Drive, East Meadow, New York 11554.

Mr. John P. Lomenzo, 8 Dorchester Drive, Glenhead, Long Island, New York 11545.

Mr. Owen F. Peagler, 29 Shaw Place, Hartsdale, New York 10530.

All of whom are enrolled voters of the Republican Party, as a Committee to Fill Vacancies in accordance with the provisions of the Election Law.

In witness whereof, I have hereunto set my hand the day and year placed opposite my signature.

(NOTE.—Spaces provided for following information: Date, name of signer, residence, election district, assembly district, town or city (fill in County if in City of New York).)

STATEMENT OF WITNESS

I, (Name of Witness) state: I am a duly qualified voter of the State of New York and am an enrolled voter of the Republican Party. I now reside at (residence address, also post office address if not identical) which is in the (fill in number) election district of the (fill in number) Assembly District, in the Town or City of ——— in the County of ———. I was last registered for the general election in the year ——— from (fill in prior residence address, also post office address if not identical) in the County of ———. The said residence was then in the (fill in number) Assembly District, in the Town or City of ———.

Each of the individuals whose names are subscribed to this petition sheet containing (fill in number) signatures, subscribed the same in my presence and identified himself to be the individual who signed this sheet.

I understand that this statement will be accepted for all purposes as the equivalent of an affidavit and, if it contains a material false statement, shall subject me to the same penalties as if I had been duly sworn.

Date ———, 1976.

(Signature of Witness).

Sheet No. ———.

INSTRUCTIONS FOR WITNESSES AND SIGNERS

For Witness:

1. The witness (person obtaining signatures) must be an enrolled Republican residing in New York State. If you are not, please give this petition to a Republican friend and ask him or her to circulate it.

2. You, the witness, may not sign the body of the petition. You must fill in and sign the witness statement. However, you may sign the body of a petition circulated by someone else.

3. Petitions cannot be signed by anyone before June 15.

4. Petition signers must fill in their signatures, addresses and the date in their own handwriting. (Please write as clearly as possible.) You, the witness, may fill in their election districts and/or assembly districts if they do not know them. You can obtain this information by calling your county Board of Elections or Town Clerk.

5. Do not fill in the sheet number.

6. Petitions are valid even if you have not obtained signatures for all of the spaces provided. Please mail your petitions, properly witnessed, not later than July 1 to: Peyser for Senate, Box 1976, Irvington, N.Y. 10533.

For Petition Signers:

1. Must be enrolled Republicans residing in New York State.

2. Must sign in ink.

3. Must sign their own names in full as they appear on the enrollment register. Examples: John J. Brown—not J. Brown; Mary Jones—not Mrs. David Jones; Peter Smith—not Dr. or Rev. Peter Smith.

4. Must not use ditto marks ('') on petition.

ADDITIONAL LEGISLATIVE PROGRAM

(Mr. McFALL asked and was given permission to address the House for 1 minute.)

Mr. McFALL. Mr. Speaker, I take this time to announce that we are adding to the schedule tomorrow several bills to be called up under suspension and one conference report.

The schedule for tomorrow is as follows:

We will have the Private Calendar.

We will then, under suspensions, take up five bills—and I might add that votes on suspensions will be postponed until the end of all suspensions.

H.R. 14311, Panama Canal Company accounting standards.

H.R. 13961, Communications Act amendments.

H.R. 14291, Lieutenant Governor for Samoa.

H.R. 12224, tax treatment of grantor of certain options, and

S. 2447, congressional tax liability.

The conference report will be on H.R. 14231, Interior appropriations for fiscal year 1977.

We will then return to H.R. 10210, unemployment compensation amendments, votes on amendments and the bill.

Then if there is time we will return to H.R. 6218, the Outer Continental Shelf Act amendments.

Mr. HANSEN. Mr. Speaker, would the distinguished majority whip yield?

Mr. McFALL. I will be delighted to yield to the gentleman from Idaho.

Mr. HANSEN. We have a rather ambitious schedule tomorrow. If everything stays according to the time proposal, would the gentleman have any idea what time the House may adjourn tomorrow evening?

Mr. McFALL. Looking at the program, it would depend mostly on how long the rather controversial H.R. 10210 will take us. I have no way to anticipate how long that might take. There are six suspensions with the votes that everyone asks for, and that will probably take us several hours. The Interior appropriations bill probably should not take too much time, but the unemployment compensation amendments on which we did the general debate today appear to be somewhat controversial, and I would not be able to predict at this time how long it might take us.

Mr. HANSEN. Would new business, for instance, H.R. 6218, begin after 5 o'clock?

Would we take up any new business after 5 o'clock?

Mr. McFALL. I cannot answer the gentleman. I would have to defer to the Speaker, and he is not here at this moment. I do not think so, but I do not have a definite answer for the gentleman.

Mr. HANSEN. I thank the gentleman.

THE EFFECT OF THE SCHOOL LUNCH PROGRAM ON THE FORMATION OF YOUNG CHARACTERS

The SPEAKER pro tempore (Mr. MONTGOMERY). *Under* a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 10 minutes.

Mr. MILLER of Ohio. Mr. Speaker, the school lunch and other child nutrition programs have caused a good deal of controversy and discussion in recent years as the Congress has expanded and amended the program. As their cost has increased, serious questions have arisen as to how these programs should be administratively structured, the level of the Federal subsidy and eligibility requirements. We would like to share the following letter from a constituent, a teacher in the elementary school system in southeastern Ohio, who makes some highly interesting observations about the local school lunch program and its affect on the formation of young characters.

CLARENCE E. MILLER,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: I am writing this letter in regard to the "free lunch" program for lower income families in the public school system.

I am a primary school teacher in this county. In my classroom I have 15 second year students and 14 third year students. None of the second year students receive free lunches, but half of the third year students do. This group of third year students are generally slow achievers, but not necessarily because they do not have the ability, but because the desire is just not there.

After having this group in my room for seven months, I have made some observations that are very disheartening. I have observed the behavior of these children in regard to their school work and school responsibilities. For the most part they are not really concerned about achieving. The small rules of the classroom are disregarded more by these children than any of the others, and if it is pointed out to them they are not the least bit concerned that they have "broken" a rule.

In my entire classroom, these mostly are the children who buy "extras" such as ice cream, potato chips, etc., at lunch (without bothering to eat the school lunch provided for them); one of these boys had a quarter for every basketball game at school plus at least that much or more for concessions; one of these girls took a day off from school to have her hair cut and styled at a beauty salon. How is it fair for working parents to be paying for this type of treatment for other children, when they cannot afford it for their own?

Why can't these families, and children, be made to feel that they "earn" what is provided to them by the government? The children could perform small tasks which would make them feel that they had earned their lunch. Attitudes and behavior are formed in the home. In homes where everything is "given" to the family, things are not valued, because they have not been "earned." This life style is carried into the public school system and elsewhere. We need to start instilling in our youth these values, and especially the ones that come from these homes, because they get no training elsewhere. So where would be a better place than the public school system? Why not let them feel that they earn what they get. Then, through this practice, they may see a different way of life than what they've grown up with and strive to do better.

THE UNITED STATES AND THE ETHIOPIAN CIVIL WAR—A NEW APPROACH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, in recent weeks, public attention has focused on the rapidly developing situation in southern Africa. Following trips to Africa by the Secretary of State and other high administration officials, new policy initiatives with regard to Namibia, South Africa, Rhodesia, Kenya, Zaire and the Sahel have been announced. In light of all this attention to United States policy in Africa, one is struck by the administration's silence on the current situation in Ethiopia, which has very serious implications for the United States.

On the potentally volatile Horn of Africa, a longstanding ally is engaged in a civil war aimed at supressing the secession of its Red Sea province of Eritrea. American military equipment, which had been supplied to Ethiopia for defense against Soviet-armed Somalia, has been diverted for use in this civil war and threatens to embroil the United States. U.S. arms are currently serving to escalate the level of violence and reduce any incentive of the Ethiopian Government to negotiate a settlement. The use of American equipment by the central government against the rebels has already had the effect of identifying the United States with the repressive policies of the central government.

I became interested in the Ethiopian-Eritrea problem because one of my constituents, James Harrell, was kidnaped a year ago and held captive by Eritrean guerrillas. His parents shortly asked for my help in getting their son released.

In the course of my numerous meetings with State Department personnel, it occurred to me that James Harrell's imprisonment could well be the result of an unwise U.S. foreign policy, and an unwillingness on the part of the State Department to do anything very effective to secure my constituent's release.

Accordingly, on December 12, 1975, I wrote Secretary of State Kissinger, questioning our foreign policy approach to Ethiopia, particularly our arms aid to one side of the civil war. I asked for a change in policy for the benefit of our country and my constituent both. My December 12, 1975, letter follows:

HON. HENRY A. KISSINGER,
Secretary,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I write to express to you personally my concern about this country's policies toward Ethiopia, particularly with respect to the support which we are providing for the Ethiopian government's repressive policies in Eritrea.

As you know, one of my constituents, James Harrell, was kidnapped last July from the Kagnew Naval Communications Unit in Asmara, Eritrea, and he is among four Americans now being held hostage by Eritrean Liberation Front (ELF) and Popular Liberation Front (PLF) forces. I have been in close communication with State Department and Defense Department officials, to urge that they use every resource to obtain the safe release of the captives.

The information which I have received from Administration sources is discouraging and insubstantial. To date, there is not the slightest sign of progess.

State Department officials have told me that the Administration is firmly opposed to any negotiations with the Eritrean rebel leaders, and I am aware of the reasons given for that policy. But the no-negotiation-with-terrorists policy should not lead us to a position where the United States refuses to take actions, justified on their own merits, simply because they are also actions demanded by rebel leaders.

I have examined our policies in Ethiopia, and I believe that two of the ELF and PLF demands—prompt closing of the Kagnew base and the termination of U.S. military support for Ethiopia—are justified on their own merits, and should be given active consideration by the Administration.

At a November 14, 1975, meeting in my office, at which Acting Assistant Secretary of State Edward W. Mulcahy spoke for you, I was advised that the Kagnew Communications Unit is merely a back-up facility, the loss of which would cause only a very minor reduction in U.S. military communications capabilities in that region. I was also told that the Kagnew functions are mainly for contingency purposes, and that they will in any case be considerably reduced by the need, forced on us by rebel operations, to locate transmitting and receiving facilities at a single site. Yet I was told that, for strictly technological reasons, it will not be possible to close the Kagnew base until 1978, which is, by no mere coincidence, the year in which our lease agreement expires.

At the same meeting, I was advised that the United States plans to increase the number of American technical personnel at the Kagnew Communications Unit from 35 to nearly 50 men. Such an increase will certainly aggravate the situation there, and expose additional Americans to grave danger. ELF and PLF spokesmen have repeatedly stated their intention to continue the harassment and kidnapping of American personnel from that insecure base. We should be reducing the number of our men there, not increasing it.

To say the least, I am not impressed by the tactical judgment of the U.S. force commander at Kagnew. The outpost from which Mr. Harrell was kidnapped last July appears to have had no security: we didn't want Ethiopian forces guarding the outpost. The July kidnapping did nothing to change the commander's estimate of the military situation, and no guard was posted. As a result, a second kidnapping in September resulted in the loss of two more Americans. Since September, the U.S. commander has apparently discarded the notion that the best security is no security, and has brought in some 100 Ethiopian military guards!

I am also alarmed by the Administration's continuing provision of military support to the Ethiopian central government, including recent sales requests. It is on the public record that, on October 30, 1975, the President asked Congress for a continuation of our security assistance program to Ethiopia, including $12.5 million in grants and $10 million in credits for the current fiscal year. In view of rebel demands that the United States end its military support for the central government, the new military assistance places the lives of the American hostages in grave jeopardy. Along with the other aid we have provided since 1953—including arms, ammunition, jets, helicopters, and training—the new aid certainly supports the contention that the United States has taken sides in a civil war.

As you know, at the June 1, 1970, hearings before the Senate Subcommittee on United States Security Agreements and Commitments Abroad, then-Assistant Secretary of State George Bader, under questioning by Senator Fulbright, agreed to the statement that the United States was "supplying bombs and ammunition which are being used by the military forces of Ethiopia against an internal insurgency".

The Kagnew base, and the provision of U.S. military aid, have always been related. On March 22, 1953, the United States and Ethiopia signed bilateral agreements providing for the leasing of the base and for the provision of U.S. military support to the central government of Ethiopia. At the same time, the central government was torpedoing the 1952 United Nations settlement which had provided that the former Italian colony would be "an autonomous unit federated with Ethiopia" and possessing "legislative, executive, and judicial powers in the field of domestic affairs." Ethiopia undermined that settlement by jailing labor leaders and journalists, supressing political parties, and preventing free elections. Yet in 1960—as revealed by the 1970 Senate hearings—the United States and Ethiopia made secret agreements in which the United States pledged to continue military and economic aid to the central government, while reaffirming its "continuing interest in the security of Ethiopia and its oppositon to any activities threatening the territorial integrity of Ethiopia". The U.N. settlement itself was abrogated by Ethiopia in 1962, and Eritrea became an Ethiopian province.

Current press dispatches and other reports indicate that Ethiopia is now pursuing a course of extreme brutality in Eritrea, through the assassination of civilians, the destruction of villages, the closing of food distribution centers, and—as confirmed by the Consulate General in Asmara—the use of crop-burning to deny food to Eritreans.

The historical, legal, and moral arguments for Eritrean autonomy are strong. But the arguments for American non-intervention are even stronger. I find no compelling American national interest which justifies our present course of aiding the Ethiopian regime in its suppression of Eritrea, particularly when American lives are and will be at stake.

In light of the facts that the United States has no national security reasons for completing the arms sale and other military assistance, and that the Kagnew base is of marginal importance and likely to be closed within the next two years, I urge you to oppose these sales and assistance and to hasten the phase-out of the Kagnew base. These actions would serve United States interests and end the dangerous and provocative exposure of Americans to the forces involved in a civil conflict.

I am certainly aware of the reports of Soviet installations and aid in neighboring Somalia. Those installations appear to be for the support of the Soviet Indian Ocean fleet. The aid is not a demonstrated threat against Ethiopia; if such a threat materializes, it will be proper to consider whether the arms we have already given to Ethiopia are sufficient to contain it. Moreover, the developing nations which have been aided by the Soviets have not been notable for their gratitude to their patrons. China, of course, is the classic example. Indonesia, heavily aided by the Soviets, expelled them. In Africa, we have Egypt, which summarily expelled Soviet military forces and advisors; Ghana, where Soviet influence evaporated after the overthrow of Nkrumah; Mali, where the Russians were expelled after the coup against President Keita; Guinea, where the Soviets moved in after the French, but where the use of their bases has been restricted and where American commercial interests are increasingly welcomed; Mozambique, where, despite heavy aid to the independence movement, Soviets request for ports have been rejected and where the Soviets have been publicly rebuked for their meddling; Uganda, where despite assistance to Amin, the Soviets are subject to his hostile whims; and Nigeria, where Soviet support for the central government's suppression of the Biafran movement has brought them nothing. In short, we are dealing with new countries which place high value on their independence and which do not want to become client states to the major powers.

I believe our country is on a perilous course in Ethiopia. I hope that you will personally give the recommendations in this letter your most serious consideration. May I hear from you?

Sincerely,

HENRY S. REUSS,
Member of Congress.

On January 6, 1976 the State Department replied to my letter, turning me down, stating that the State Department had decided to continue military assistance to the Ethiopian Government. The January 6 letter follows:

JANUARY 6, 1976.

Hon. HENRY S. REUSS,
House of Representatives,
Washington, D.C.

DEAR MR. REUSS: The Secretary has asked me to thank you for giving us by letter of December 12 your ideas regarding our relations with Ethiopia. The United States faces many difficult choices in its relations with Africa and it is useful to have the considered views of members of Congress when examining the various alternatives.

As you are aware, our relations with Ethiopia are among our longest and deepest in Africa going back to the end of World War II. In the early 1960's Ethiopia began to play a leading role as spokesman for the aspirations of a newly-awakened Africa. In recognition of Ethiopia's special role in African affairs, other African states readily agreed to the establishment of the headquarters of the Organization of African Unity at Addis Ababa.

In recent years the strategic location of Ethiopia, close to the Middle East oil supplies and the Indian Ocean oil routes, has become increasingly important. Protracted instability in this second most populous country in black Africa could have adverse repercussions not only for the Horn of Africa but for a much broader area. Our military relationship with Ethiopia is aimed at maintaining a military balance and peace in this sensitive area. For this reason we decided, after careful deliberation, to continue military assistance to the Ethiopian Government. Our long-standing military assistance relationship has made the U.S. virtually the sole source of military equipment for Ethiopia, and we do not believe that peace in the Horn of Africa would be served if we were totally unresponsive to Ethiopian requests for military equipment.

Moreover, the black African states do not want to see the disintegration of Ethiopia. It has always been one of their most respected principles that the territorial integrity of members of the Organization of African Unity be respected and not changed by force of arms. Many of the African states would be very critical of us if we were to withdraw our support from the Ethiopian Government at this critical time. Some African states have, in fact, already expressed to us in confidence their deep concern for the present situation.

Recognizing, however, that the dispute between the Ethiopian Government and the Eritrean insurgents cannot be settled by military means, we have made clear to the Provisional Military Government our strong hope that the two sides in the Eritrean conflict would soon enter into negotiations in order to achieve a peaceful end to the dispute. President Nimeiri of Sudan has extended his good offices to both sides in the conflict, offering to mediate a peaceful solution. While his efforts have not yet met with any reported success, because the positions of the two sides remain far apart, the peacekeeping effort is still extant. We have consistently encouraged the Sudanese in their efforts to mediate.

While advancing technology has permitted us gradually to phase down significantly the extent of our naval communications facility at Asmara, it has not yet been considered feasible to close it down entirely. This is a matter, however, to which both the State Department and the Defense Department are giving continuing attention.

You are well aware that terrorism and diminished security are worldwide phenomena, and that in the troubled atmosphere of Asmara where determined insurgents are operating, even the most careful security arrangements cannot guarantee absolute protection. Every effort, however, is being made to achieve the maximum security protection of Americans attached to our communications facility at Asmara. This includes a physical consolidation of the facility's operations, the moving of all American civilian employees to quarters where they can be better protected and an increase of security arrangements by the Ethiopian authorities.

Please be assured that the Department of State is taking all appropriate steps to secure the release of James Harrell and the other Americans being held by the insurgents. These steps are directed toward assuring ourselves of the well-being of the detainees and toward persuading the insurgents to release the men unconditionally on humanitarian grounds. You may be sure that this matter is receiving priority attention by all concerned officers of our government.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

With 6 months gone, and my constituent's release nowhere in sight, I tried a number of new approaches. One of them was a letter I wrote on January 27, 1976, to Osman Saleh Sabbe, a representative of the Eritrean Popular Liberation Front in Damascus, Syria, asking for Harrell's release. My letter to Osman Saleh Sabbe follows:

MR. OSMAN SALEH SABBE,
Popular Liberation Front for Eritrea,
Damascus, Syria.

DEAR MR. OSMAN: One of my constituents is James Harrell, a civilian who was kidnapped by PLF forces last July and who is now being held captive in Eritrea. I have been in close communication with Mr. Harrell's parents, as well as with Len Campbell, father of Steven Campbell, who was kidnapped at the same time. I am enclosing a copy of the December 16, 1975 letter I received from Mr. and Mrs. Harrell.

These men were civilians performing mechanical and technical jobs. They were complete strangers to world politics, and they had no role whatever in the planning or execution of policy.

It is ironic that, by an accident of fate, these two men were taken. From their families I have learned that both had developed an affection for the Eritrean people and a belief in Eritrean independence. Indeed, both married women of the area, one of whom is an Eritrean.

I have examined my country's policies in Ethiopia, and I am highly critical of them. I believe that there are strong historical, legal, and moral arguments for Eritrean independence, and I am particularly outraged by the press reports I have seen about the Ethiopian government's use of American equipment for repression of the independence movements.

I have urged my views upon Secretary of State Henry Kissinger, and I have suggested that the Kagnew Communications Unit be closed and that American military assistance to Ethiopia be terminated. I have also been expressing that point of view to my colleagues in the U.S. Congress, particularly those who have committee responsibilities in the fields of international relations and military affairs.

Frankly, however, I find considerable resistance among Members of Congress, and it arises from the very fact that American citizens are being held captive. The senseless punishment which has been visited on them and on their families creates resentment and a reluctance to consider any change in U.S. policies as long as these men are being held hostage. From my own experience, I know the hardships which Mr. and Mrs. Harrell have faced. They have worked hard all their lives. They are now getting on in years, and they may never see their son again.

For reasons relating to U.S. National interests, I am going to continue to do everything that I can to change U.S. policies in Ethiopia. But I think that the time has come for a humanitarian and generous action on the part of Eritrean leaders to free the U.S. captives. That action would focus world attention much more favorably on your cause, and it would certainly help me and others who feel as I do in our efforts to terminate misguided policies of military aid to Ethiopia, and to make sure that a fair share of food aid reaches Eritrea.

Sincerely,

HENRY S. REUSS,
Member of Congress.

Osman Saleh Sabbe replied to my letter on February 19, 1976:

Mr. HENRY S. REUSS,
Member of Congress,
Congress of the United States,
Washington, D.C.

DEAR HENRY: I have just received today your letter dated January 27, 1976 concerned with the detention of two Americans, Mr. Harrell and Mr. Steven Campbell.

I agree with you in the innocence of these two men who have nothing to do with politics, but unfortunately involved merely for happening to be in Eritrea where war is going on between the Ethiopian occupation forces and the Eritrean Liberation Forces with all the vices of the war. In kidnapping the two Americans and others, our fighters were intending to react against American involvement which exhibits itself daily in the arms the Ethiopians are using to destroy Eritrean lives and properties indiscriminately. However, we disagree with them and we do not consider kidnapping innocent people who have not been involved directly against our people as a correct action. The history of our revolution has a clean record as far as its abiding by laws and regulations of war is concerned. In fact, it has been described by some journalists who visited Eritrea as a classical war with no kidnapping or hijacking.

You may be pleased to know that I have just received today a message from our military command inside Eritrea in which they assured me that they are going to release the two Americans soon and they will hand them over to the Sudanese Government. They have already released this week an Italian and two Chinese from Taiwan and handed them over to the Sudanese Authority. So please get assured of this fact and convey it to their parents who are no doubt worried about the fate of their sons.

We have no malice towards the great American people and have no objection in American presence in our country so far as they are there as friends and not as enemies.

My colleagues and I have been very much pleased with the efforts you made to present our just case before the attention of other American congressmen and also before the Secretary of State Dr. Henry Kissinger. Thank you for this attitude which serves the cause of justice and peace in this area. Our people are longing to live in peace with our big neighbour the Ethiopians once they quit their aggression and accept independent Eritrea. The question of facilities in the Eritrean ports (Massawa and Assab) can be settled by bilateral or international agreement.

Hoping to keep contact with each other, I send my friendly grettings for you and for the families of Harrell and Steven.

Yours sincerely,

OSMAN SALEH SABBE,
Spokesman of ELF/PLF.

Osman Saleh Sabbe's conciliatory reply led to further negotiations, and James Harrell was released on May 3, 1976. He has since rejoined his parents in Milwaukee, who are understandably overjoyed.

Having, as a result of my efforts on behalf of my constituent James Harrell, learned something of Ethiopian-Eritrean affairs, I recommend appropriate changes in U.S. foreign policy.

As a first step toward extricating the United States and thereby creating conditions conducive to negotiations, I urge the administration to end its role as arms supplier to the central government, and to use its influence in establishing an international arms embargo against both sides in the conflict. An American initiative along these lines would be consistent with our long-standing interest in stability in that region, and it is required because of the key role U.S. military aid has been playing in this civil war.

The roots of the present conflict in Eritrea go back at least a century. In the 1880's, the Italians began to occupy portions of Ethiopia's coastline, which, during the previous two centuries, had been controlled by the Ottoman Empire. By 1890, the Italians had penetrated about 150 miles inland, establishing their colonial capital at Asmara, 7,500 feet above the Red Sea. Further expansion was halted, however, when Emperior Memelik's Ethiopian Army annihilated an Italian invasion force at Adowa in 1896. But for the next four decades the Italians retained their coastal enclave, naming it "Eritrea" after the Latin term for the Red Sea, and they used it in 1935 as the staging base for Mussolini's conquest of the Ethiopian Empire.

Long before the Italian occupation, Muslim neighbors were the traditional enemies of the Ethiopian monarchy. Since the fifth century A.D., all Ethiopian emperors have professed the Coptic Christian faith and, in war after war, they have defended their empire against would-be Islamic conquerors. Much of the fighting has occurred near the northern coast in what is now Eritrea—a territory that has changed hands more than a dozen times in the last 12 centuries. Not surprisingly, about half of Eritrea's population of slightly less than 2 million today professes Islam, and the remaining half is Christian.

Most Eritreans, who are physically more Semitic than African, speak Tigrinya, a language derived from the ancient language of northern Abyssinia—with some Arabic borrowings—and not closely related to the traditional language of the Ahamara, who have dominated the central Ethiopian Government under the emperors.

During the Italian occupation, Eritrea developed and fluorished in contrast to the rest of Ethiopia, as modern systems of agriculture, industry, and administration were introduced. The schools built by the Italians produced a class of intelligentsia long before a similar class developed in Ethiopia. Eritrea thus had prospered economically and, although comprising only 8 percent of the population of the Empire, Eritreans have contributed a disproportionate number of businessmen, technicians, and engineers, and possess a literacy rate of three to four times the national average. This legacy of the Italian occupation served to reinforce the religious, ethnic, and culutral distinctions between Eritreans and Ethiopia and to sustain the nation of a separate Eritrean identity for the nearly 1 million Eritrean Muslims who have felt excluded from the mainstream of the militantly Christian Ethiopian culture and political system. The development of political parties and democratic institutions, which were permitted during the postwar British administration of Eritrea, created a political tradition which also served to distinguish Eritreans from Ethiopia.

In 1941, the British occupied the territory after having defeated the Italian forces at Keren, near the Sudan border. From 1941 to 1952, Eritrea remained under British military administration while the United Nations debated the future status of Italy's ex-colonies.

The United Nations solution for the Eritrean problem was the Four-Power Commission of Investigation composed of France, Britain, the United States and the Soviet Union. Regrettably, the Commission was unable to reach a unanimous consensus on the future of Eritrea. Instead, it advanced four alternative proposals: First, full independence for Eritrea; second, union with Ethiopia; third, partition of Eritrea, with the Christian highlands to go to Ethiopia and the Muslim lowlands to Sudan; and fourth, a U.N. trusteeship. The decision was left to the United Nations General Assembly, which on December 2, 1950, adopted a resolution sponsored by the United States and 13 other countries recommending that Eritrea shall constitute an autonomous unit federated with Ethiopia. In this respect, Eritrea was treated in a different manner than the other Italian colonies. Libya and Somalia, which also came under the auspices of the United Nations after the war, were subsequently granted independence. A likely reason for the different manner in which Eritrea was handled can be found in the wording of the U.N. resolution which took cognizance of Ethiopia's special interest in Eritrea.

The U.N. federation scheme was an uneasy compromise, giving Eritrea local autonomy and its own political institutions while at the same time assuring Ethiopia secure access to the sea and full control over the defense, foreign affairs, currency, and port administration of the maritime territory. Three main Eritrean political parties, organized during the British occupation, contested for parliamentary power in Eritrea's elected assembly and federation government headed by a chief executive. Political parties, however, were not permitted to exist in Ethiopia's 13 Provinces to the south, which continued to be governed by the Emperor in the traditional fashion.

Differences soon developed between the Emperor's viceroys in Asmara and the federation government, and, during the 1950's, complaints were voiced concerning violations of local autonomy, the use of tax funds for Imperial rather than local interests, and suppression of criticism of the Addis government. Muslim and Christian Eritreans resented the imposition of Amharic as the official language and the elimination of Tigrinya. Moreover, Eritreans resented the influx of Amhara officials and the imposition of the Royal Ethiopian administration which imposed restrictions on political activities and the press.

In 1962, the Eritrean Assembly voted to end the federation experiment and to accept full integration into the Ethiopian Empire. This incorporation was carried out against a strong Eritrean opposition which charged that the Assembly vote had been induced by bribery and coercion and, in any case, was illegal since it unilaterally altered a decision of the United Nations in the establishment of Eritrea's autonomous status. The United Nations, however, took no action against the Ethiopian annexation of Eritrea.

It was in this atmosphere that young dissidents moved into the field to form the Eritrean Liberation Front—ELF—in 1961 with the goal of resisting annexation and organizing the fight for independence. The ELF was—and remains—a predominantly, but not exclusively, Muslim movement. Subsequently, in 1965, a new movement—the Popular Liberation Forces—PLF—broke away from the ELF over ideological differences. PLF membership is less heavily dominated by Muslims, and the organization is smaller than the ELF. It appears to espouse a Marxist ideology. Until 1975, when the two movements agreed to cooperate in a common aim, the ELF and PLF remained at loggerheads and on occasions fought each other.

The two groups, whose main source of support is from the Arab countries, have maintained foreign offices in Damascus, Tunis, and Beirut. Estimates of the number of guerrillas under arms range from 10,000 to 25,000. Their weapons from the Arab countries, smuggled into the territory from the Sudan, are believed to be fairly sophisticated though of limited quantity.

The weapons are reported to include Soviet-made rocket launchers and AK–47 rifles. Syria is one of the major supporters of the ELF, and the Syrian military academy reportedly has provided military training for its officers. Libya provides money, but apparently not weapons. In 1974, Kuwait decided to give $30,000 a year to the ELF. Iraq, Southern Yemen, and Saudi Arabia are the other supporters of the ELF. The Arabs see the ELF struggle as a predominately nationalist and Muslim movement whose military success would give them control of the Red Sea coastline.

The ELF and PLF reportedly have now merged their field forces and, in September 1975, began the official political merger of their organizations. They have set up committees for foreign, political, and social affairs, as well as a 12-member coordinating committee to oversee their work. In the field, the apparently well-disciplined, if inadequately equipped, troops use the flexibility and mobility which small guerrilla operations provide, as well as ambush, kidnaping, and harassment techniques, to demoralize the better armed Ethiopian Army and keep it confined to Asmara and a few other population centers.

The Eritrean claim to independence is in conflict with the inviolability of Ethiopian unity, as declared by the current ruling military government in Addis Ababa, which sees the struggle as a crucial test of Ethiopia's national integrity. The central government contends that historically, religiously, and ethnically, Eritrea is an integral part of Ethiopia, and it feels that the Eritrean crisis is a result of Italy's dismemberment of the Empire in the 1890's. It rejects the ELF claim of the right to self-determination and considers national self-determination to be collective in that no ethnic group in Ethiopia can assert a right to secede.

In addition to the territory's strategic coastline, Eritrea possesses considerable but unexploited mineral resources, including potassium, oil, iron, gold, copper, zinc, salt, and lead. About one-third of Ethiopia's industrial activity is located in Eritrea. The only oil refinery in Ethiopia is in Eritrea, and a large proportion of Ethiopia's exports pass through the ports of Assab and Massawa. Accordingly, the Ethiopian Government is convinced that the loss of Eritrea would be an economic disaster, leaving Ethiopia landlocked with access only via the French Territory of Afars and Issas port of Djibouti, whose reliability is open to question after the prospective French withdrawal later this year. The loss of Eritrea, it is felt, would also encourage other ethnic groups, such as the Galla and Somalis, to make similar moves. In addition, the government's determination to hold on to Eritrea is influenced by the way it sees the political and strategic significance of the Red Sea area. With the reopening of the Suez Canal in 1975, the Eritrean ports have become of even greater economic and commercial significance to Ethiopia. The concept of an independent Eritrea would change the entire Red Sea region into one of Arab predominance and thus would become a recurring historical nightmare for Ethiopia.

Eritrean insurgency began in late 1962 and has carried on sporadically since that time, until 1975. During initial years, the guerrillas relied on ambushes, train hijackings, and bombings of strategic communications and power stations. Some of their most spectacular acts occurred outside Eritrea as, beginning in 1969, the ELF carried out a number of hijackings and bomb attacks against Ethiopian Air Lines passenger planes in transit to foreign countries. The central government continued to downplay the significance of the guerrilla activities and attributed most of the violence to non-political "shifta"—the traditional bandits found in Eritrea.

In 1974, when the military gradually took control of Ethiopia following a coup against Emperor Hailie Selassie, there seemed to be a good chance that a political settlement could be reached for the Eritrean problem. An Eritrean, General Michael Andom, became Prime Minister of Ethiopia, and his government appeared disposed to take steps to ease Eritrean grievances. However, Andom who reportedly had gained the confidence of the Eritrean people, was killed by members of the Dergue, and therefore what opportunity for improved relations existing at that time was lost.

The other side of the picture is that Ethiopia has changed drastically since the military takeover in 1974. Under the Emperor's long rule the country was Western- and American-oriented. Under the present government, it has been critical of so-called "imperialists" and "reactionaries" and voiced admiration for Cuba, China, North Vietnam and other Communist countries.

Close relations with the United States are now regarded as a minimal importance, and within Ethiopia authoritarian edicts have rapidly eroded civil liberties and what few democratic institutions had arisen.

The current government is headed by a mysterious ruling military council or "Dergue"—an Amharic word for committee. Estimates of the number of Dergue members range from 40 to 70, and its actual operation is highly secret. According to some reports, effective power is now concentrated in the hands of a 12-man executive committee that is dominated by three officers—Major Mengistu Mariam, Lt. Col. Atnafu Abate, and Gen.

Teferi Bante, who is regarded as a figurehead.

When the coup against Emperor Haile Selassie began in 1974, most Ethiopians welcomed the promise for social and political reform which it represented. Observers agreed that reform of the corrupt, quasi-feudal political system which had flourished under the Emperor and which had been largely indifferent to the severe poverty of the country was long overdue. The coverup of the 1973 famine, in which it has been reported that as many as 100,000 peasants died, was the final catalyst which generated the coup. Recent press accounts however, describe Ethiopia today as being torn by social and economic chaos and governed by an increasingly repressive military regime that is facing growing opposition from the middle class, trade unions, and students, many of which had formerly been backers of the military.

In 1975, the world was shocked by the mass executions of more than 60 prominent Ethiopians who had served in the former government, as well as several members of the Dergue itself. Just last week an additional series of executions was reported. Recently, the Dergue has embarked on a program aimed at a radical transformation of Ethiopian society by breaking the power of the old feudal landowning classes as well as the middle class. In its first 6 months, the ruling council has nationalized all land and abolished landlord-tenant relationships. While the land reform has been somewhat successful in the southern part of the country, it has been viewed with hostility in the north, where most land units are owned by families vehemently opposed to the communal farms planned by the Dergue. About 100 rural leaders reportedly have been executed for opposing the land reform, while the poor planning which accompanied nationalization has made it difficult for the peasants to make proper use of the land relegated to them. The resultant economic chaos has created severe inflation, food shortages, and widespread urban unemployment. It also has been reported that the military government has imprisoned or exiled most of its qualified civil servants, and in another step, the Dergue has confiscated without compensation all urban land, thereby leaving each family with possession of only its own home and further alienating the middle class. The Dergue has also come into open conflict with the student and labor movements, both of which had been close allies in the overthrow of the Emperor. The universities, high schools, and labor union headquarters have been closed. The press is rigidly censored.

Finally, there have been reports of sporadic minor revolts and the formation of liberation groups in Tigre, Bagemder, and Gojjam provinces, in addition to the larger Eritrean revolt. These rebellions have been led by traditional chiefs and landowners who feel threatened by the economic pronouncements of the military government and its disregard for the traditional arrangements by which the late Emperor kept a tenuous peace among the various ethnic, linquistic, and religious groups.

Thus, within a year of its coming to power, the Dergue had instituted a repressive system of internal government that is opposed not only by the old feudal aristocracy, landowners, and nationalized businessmen but also by the usually progressive forces such as labor unions, students, and teachers who, over the years, had prepared the ground for the revolution against the Emperor.

The current situation in Eritrea creates a serious policy dilemma for the United States. Ethiopia has occupied a special place in U.S. relations with Africa for many years. As an historic land and as one of the two independent black African nations prior to World War II, Ethiopia has been of particular interest to the U.S. Government and to black Americans. Diplomatic relations between the two countries was established in 1903, and American respect for Ethiopia increased when Emperor Haile Selassie appeared dramatically before the League of Nations in 1936 to protest the Italian invasion of his country. The Emporer was one of the first and most eloquent advocates of collective security. After World War II, as a gesture of gratitude for the support which the United States had given to Ethiopia's struggle for freedom the Emporer provided a plot of land adjacent to a royal palace for the U.S. Embassy.

Official relations became somewhat closer in 1952, when the possibility of American use of a particularly desirable communications site at Asmara was proposed. Earlier, in response to the North Korean invasion of South Korea in 1950 and stemming from the Emperor's consciousness of collective security responsibilities, Ethiopia provided troops for the United Nations operation, and Ethiopian soldiers fought alongside U.S. forces in one of the most significant contributions from any Afro-Asian country.

The close cooperation between the two countries was further signaled on May 22, 1953, when two agreements were signed between the United States and Ethiopia. One permitted the use by the United States until 1978 of the communications facilities at Kagnew Station in Asmara. The second governed the provision of grant military assistance and training to Ethiopian forces.

Pursuant to this military assistance agreement with Ethiopia, the Ethiopian Army and Air Force have been equipped and trained almost entirely along American lines. From 1946 to 1974, U.S. military loans and grants have amounted to more than $220 million. During fiscal year 1974, the United States supplied $11.3 million in grant military assistance and $11 million in military purchase credits. In fiscal year 1975, the figures were $11.3 million in grant aid and $25 million in credits. The Ethiopians also purchased additional U.S. military equipment for cash in 1975 and 1976. The United States has supplied economic assistance amounting to over $350 million over the years—thus making Ethiopia the largest U.S. aid recipient in Africa.

Washington's justification for supplying military assistance to Ethiopia has been to maintain a military balance with neighboring and occasionally hostile Somalia, whose military hardware and training have been supplied by the Soviet Union. This American-supplied equipment is now being used in Eritrea.

Following the death of General Andom, the Ethiopian military launched a major offensive against the Eritrean dissedents. Committing half of its 40,000-man army to that territory, the government managed to repulse an ELF attack on Asmara and to hold the port cities, together with some small population centers. Government forces still have access to the major roads, but traffic can only move in convoys and even then is subject to frequent ambush. The Eritrean rebels are reported to control the entire countryside, and they have been successful in effectively tying down two Ethiopian divisions. The brutal warfare waged by the Ethiopian military since 1975 has reportedly had the effect of alienating most Eritreans in favor of the ELF, and traditional Eritrean Christian reticence toward the rebel movement has reportedly vanished. In recent months, Eritrean Christians have been reported as numerous as Muslins among rebel recruits.

According to press accounts, the military has taken to massive retaliation against the civilian population, and there are reports of wholesale razing and burning of villages from which insurgents were suspected of having given aid or shelter to rebels. American-built planes reportedly have been used to bomb Eritrean villages and food crops in indiscriminate reprisals. During this 1975 offensive, most foreign nationals were evacuated from Asmara, and American personnel at Kagnew Station were scaled down to a staff of 40. Some reports indicate that nearly 400,000 Eritreans have become refugees, many having crossed the border into Sudan. Reports of central government interference with food and medical relief operations for the refugees last year have led to charges by the Eritreans that the Dergue was employing measures verging on genocide.

More recently, in May 1976, in an effort to break the stalemated military situation, the Dergue launched a major offensive against the Eritrean rebels, using tens of thousands of peasant "volunteers" armed with obsolete equipment left over from World War II. It was reported that some 30,000 to 40,000 peasants had been moved to the Eritrean frontier, urged on by a promise of land grants and a call for support for a Christian holy war against Muslim Eritreans. While one reason put forth for the human wave offensive was to bolster the low morale of the Ethiopian army in Eritrea, the Dergue also wanted to free the army to face a potential threat from Somalia. The central government is determined to prevent a Somalia move of taking over the French Territory of Afars and Issas after the scheduled French withdrawal, because of Ethiopia's dependency on the port of Djibouti as an outlet to the sea. In addition, there have been reports of skirmishes along the Somali Ethiopian border, where Somalia has long-standing irridentist claims.

The peasant march into Eritrea was abruptly postponed in mid-June, reportedly as a result of logistical problems and some successful Eritrean attacks on the force. According to news reports, however, the principal reason for the postponement was because of United States and Sudanese pressure on the Ethiopian Government. If these reports are accurate, I believe such pressure represents a first step in the right direction toward a more constructive approach that the United States should be pursuing with respect to the Eritrean issue.

At the time of the postponement of the peasant march, the military sent officials to South Yemen and the Sudan to convey Ethiopia's intention of seeking a peaceful solution to the Eritrean problem and of suspending military action while new peace efforts were underway. It thus appears that the war has reached an important juncture. It offers the United States the opportunity to launch a new policy.

The military regime has announced a nine-point peace initiative, including an offer of talks, a partial amnesty for people imprisoned as a result of the fighting, and an offer of some form of regional autonomy for Eritrea. While there has been no official ELF response to this offer, some news reports indicate that certain Arab nations have responded favorably to the Ethiopian peace initiative. In addition, Sudan's President Jaafer Nimeri has put forth a plan for negotiations which includes a cease-fire, release of all political prisoners, and no further preconditions.

The ELF has insisted publicly that acceptance of independence is a precondition to negotiations although they have stated that Ethiopian access to the Red Sea ports would be assured. Officials of the PLF reportedly are more intransigent and have demanded as a precondition for talks with the Ethiopian Government the evacuation of all Ethiopian Armed Forces and full recognition of Eritrean independence.

Admittedly, both sides appear far apart at this point. Yet the United States, which has consistently urged a peaceful settlement of the Eritrean dispute, could take two very constructive steps at this time in order to encourage negotiations.

First, the United States must make clear to the central Government that further shipments of U.S. arms, which Ethiopia clearly wants for defense against Somalia, would be embargoed in the absence of a cease-fire and negotiations.

Second, the United States should support the peace efforts of the Sudan and any other Arab Government, while at the same time making clear to all Arab supporters of the ELF that the United States would take seriously their failure to withhold arms and to exert whatever influence they have on the ELF to encourage the latter to begin negotiations.

Under the changed atmosphere of an arms embargo, both sides might well feel the necessity to consider serious negotiations. And while on the surface any political resolution of the Eritrean problem appears difficult, the elements of a solution are present.

The Eritreans, although their forces have grown stronger, have been unable to defeat the Ethiopian Army over the past 15 years. At best they can probably produce a long stalemate while the military still maintains the capacity to inflict heavy civilian damage. For its part, the front must know, and we must help them understand, that there is a difference between its announced minimum and maximum claims, and that it will have to recognize the security requirement of any Ethiopian government to conduct its commerce through secure ports.

With respect to the Arab supporters of the ELF, while control of the Red Sea may appear interesting or desirable, it is still a marginal interest to them, while they must recognize that it is a vital interest to Ethiopia. Given the major Arab concern for problems closer to home, and the general African opposition to dismemberment of an African state, the Arab states would probably be receptive to a negotiated settlement which would provide some assurances to Ethiopia. The Arab States could probably be prevailed upon to limit their military aid while negotiations are pursued.

For Ethiopia, beset by massive economic and political problems and the threat of war with Somalia, the continuing war in Ethiopia is a prescription for disaster. Most analysts believe that Ethiopia is in a no-win situation militarily and the country could collapse as a result of the economic and political drain its total victory approach demands. A settlement which would assure it access to ports would free its resources and allow it to deal with its serious internal problems. A more politically stable Ethiopia which could emerge following a settlement of the Eritrean problem would probably also be better able to defend its interests against Somalia. The United States must make it clear that this course of action is in the best long-term interests of Ethiopia, and must indicate a willingness to aid in a post-war reconstruction of that country.

Such an American initiative toward a negotiated settlement is also clearly in the best interests of the United States. Ethiopia, with its proximity to Middle Eastern oil supplies and the Indian Ocean routes, has strategic values. Protracted instability in this second most populous black African nation could have adverse repercussions beyond its borders. Continuation of the war threatens to involve other outside nations, and continued use of American equipment against the rebels could lead to the creation of violently anti-American Eritrea.

Over the years, the Eritreans have maintained a very friendly attitude toward Americans despite the provocative use of U.S. equipment against them. Until recently, the ELF had avoided attacks on Americans at Kagnew, and the release this spring of the American hostages is an additional sign of good will. We must not let an irresponsible Ethiopian policy turn Eritrea against us.

Certainly there is no guarantee that any U.S. initiative along these lines will succeed, but there are grounds for some optimism, in that the current suspension of major military offensives offers the possibility for fruitful negotiations. Given the pivotal role of U.S. equipment in this dispute and the importance of Ethiopia to U.S. interests, the United States has a clear responsibility to use its influence to create the best possible conditions for a negotiated settlement. The administration could well launch its most constructive new Africa policy in Ethiopia.

THE BICENTENNIAL SALUTE TO THE CAPTIVE NATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, fittingly between our July 4 celebration and the July 18–24 Captive Nations Week, a Bicentennial salute to the captive nations was given on July 11 at the Statue of Liberty in New York. Thousands assembled to hear Lt. Gov. Mary Anne Krupsak of New York, Senator JAMES L. BUCKLEY, Mayors Abe Beame of New York and Richard J. Daley of Chicago, Representatives EDWARD I. KOCH and MARIO BIAGGI, and addresses of AFL–CIO President George Meany and others. The significance of this event goes beyond the 18th observance of Captive Nations Week and will be reflected in our forthcoming national discussion and debate.

As pointed out strongly in this salute, America must reestablish its foreign policy on basic principles of freedom, national independence, and human rights. "Peace through strength" is not America; "Peace and freedom through strength" is America. On this and the Bicentennial significance of the captive nations, I commend the analysis given by Dr. Lev E. Dobriansky of Georgetown University, who authored the Captive Nations Week Resolution and whose organization, the National Captive Nations Committee joined with the AFL–CIO to support the Bicentennial salute to the captive nations:

THE BICENTENNIAL SALUTE TO THE CAPTIVE NATIONS

(By Lev E. Dobriansky)

On July 4th we celebrated our 200th Birthday of National Independence. One week later, on July 11th, American leaders assembled at the Statue of Liberty in New York harbor to offer a bicentennial salute of hope and determination to the captive nations who have lost their independence to communist totalitarianism and Soviet Russian and Red Chinese imperio-colonialism. The meaning of the two events will reverberate in our national thinking for the rest of this year and beyond, and hopefully will dissolve the present confusion, contradictions and cosmetics in our current leadership.

Clearly indicative of the confusion in our national leadership is the deletion of the nomer "detente" and yet the announced retention of the type of self-defeating policy the term characterized. Substituting for detente the new, nominal designation, "a policy of peace through strength," is tantamount to declaring the absence of any comprehensive, well-defined and realistic foreign policy. One that is firmly grounded in values, principles and the sustaining traditions of our nation; that is conceptually and precisely geared to the dominant historical forces of Eurasia, where the prime and only real threat to our national security exists; one that holistically views the total assault of our chief Soviet Russian enemy; and certainly one that infuses purpose, mission, vision and courage into the consciousness of our people. It is no wonder that the very personification of detente, Secretary of State Kissinger, has been retained, for with the same type of policy we can expect the same medley of so-called pragmatic makeshifts, accommodating compromises, and cosmetic diplomacy that have only served to devaluate these indispensable criteria of a realistic policy and to guarantee the further erosion of our guiding power in the world. As the writer emphasized a year ago, "Apart from the blunderous Moscow Agreement of '72 and grave shortcomings in understanding the U.S.S.R., the debacle in Southeast Asia in itself is sufficient cause for the removal of the Secretary of State and his motion diplomacy."

Each Captive Nations Week Observance has proven to be an excellent national forum for a constructive reexamination of our foreign policy, and the 18th observance, this July 18–24, should be no exception. As a matter of fact, it promises to be a fitting continuation of the '75 Captive Nations Week forum, highlighting the confusion and contradictions in our national leadership, the blatant defects of the deleted detente policy, now called "peace through strength," and the practical alternatives to the perilous course we have been pursuing. Examples of the prevailing confusion abound. For one, regarding Helsinki and the President's Captive Nations Week proclamation last year, one writer, Fred Barnes, accurately observed, "Ironically, Ford recently proclaimed the third week in July as 'Captive Nations Week, 1975.' Though the proclamation made no specific mention of East European nations, they are the ones at whom the annual observance is aimed."

To this day millions of Americans are virtually convinced that the Kissinger policy has written off the captive nations to permanent Soviet Russian domination. The Sonnenfeldt doctrine revealed this year has served to confirm this conviction.

Another, even more fundamental, example of confusion is seen in another top aide to Kissinger (Winston Lord) interpreting the USSR as a nation/state while Vice President Rockefeller imputes an imperial structure to what is actually an empire/state. For the former, the USSR and the U.S. "have competing national interests," and as director of the policy planning staff in the Department of State, he doubtlessly must wield considerable influence with such misconceptions. How deficient and backward Kissinger's department is with regard to basic fundamentals is further revealed in a current publication of the department which under the caption of "Relations With the Soviet Union" states that, "for the first time in history, two nations have the capacity to destroy mankind," i.e. the USSR and the U.S. With such ruling misconcepts on the USSR, Moscow need scarcely fear any imaginative and winning diplomacy on our part.

In "just telling it like it is," Vice President Rockefeller has added to our national leadership confusion with some fundamental truths that have consistently been embodied in the Captive Nations Week Resolution but have been buried by the policy of deleted detente. During his goodwill tour to West Germany, he frankly stated, "The era of old world imperialism has gone, and yet we find ourselves faced with a new and far more complex form of imperialism, a mixture of Czarism and Marxism with colonial appendages." Actually, there is nothing new about traditional Russian imperialism, whether Czarist or Marxist, and its projections into Asia, the Mideast and the New World have able precedents in the past. The span of the Czarist Russian Empire roughly coincided with that of the USSR today, but the Soviet Russian Empire includes not only the USSR but areas beyond, in Central Europe, Asia and the Caribbean.

The important aspect about the Rockefeller statement is that basically it supports the method and content of genetical captive nations analysis, and distinguishes itself from the gross misconceptions shared by Kissinger and his aides. The paramount significance of this is that the former allows for a new ethnographic dimension in our foreign policy whereas the latter conceptually precludes it and falsely makes out of the empire-state of the USSR a nation/state, which is one of the many illusions in the policy of deleted detente. This point on a new ethnographic dimension cannot be too strongly emphasized because it is the foundation of an alternative policy to that pursued now. Also, it entered into the vital discussion on undeleted detente in the period of the '75 Captive Nations Week and will undoubtedly be discussed further in the period ahead.

THE FIRST EPISODE IN THE DEMISE OF DETENTE

As the printed record unmistakably shows, the period of the '75 Captive Nations Week was veritably the first episode in the demise of the Kissinger brand of detente. The '76 Week should appropriately occasion the second episode. To this day it remains a mystery as to how much of our media overlooked, no less understood, the interrelated events of the '75 Week. In tune with deleted detente the President's proclamation of the Week was ambiguous and weak, and surely without accident in timing. On Monday, American astronauts and Russian cosmonauts shook hands in an orbital detente. But on the following day Solzhenitsyn addressed Congressional legislators on oppressed peoples and the shortcomings of detente, while the White House implicitly admitted its blunder in not inviting the Russian writer on the inept advice of the Secretary of State, who by now took to a grassroot defense of his policy. In the course of all this, speeches in Congress observed the continuing reality of the captive nations, proclamations by Governors and Mayors emphasized all the captive nations, particularly those in the USSR, and assemblies here and abroad precipitated a mounting criticism of detente. Significantly, on Friday of the Week and much to the surprise of most analysts the official announcement was made of the forthcoming Helsinki Conference on Security and Cooperation in Europe.

The cumulative effect of these successive events was clearly witnessed in the over-spill of debate, colloquy and discussion the following week. The interrelated nature of the events was perceived by many legislators and observers. For example, with reference to the Week and the SSCE, Congresswoman Holt of Maryland pointed out, "While seemingly unconnected, these two events have a strong inner affinity. In a fast-moving, cynical world this point can be lost all too easily." Or, to take the analyst James Burnham who sees history "providing transparent symbols," he observed: "Take, in addition to the Solzhenitsyn display, an eloquent feature of the Apollo-Soyuz linkup: its date. It somehow happened that the week selected for this 'historic event,' as all official comment hailed it, was the same as that designated by an act of our legislature as 'Captive Nations Week': a yearly reiteration—so it was conceived to be—of our dismay at the subjection of the nations of Eastern Europe to Moscow's tyranny . . ." He added further, "The juxtaposition could not have been more exquisite." The outstanding fact is that since 1959, when the Captive Nations Week Resolution was passed by Congress, Moscow has used every possible strategem to overshadow the Week, including negro liberation, the Moscow-New York flight run, the 1965 Suslov barrage in Vilnius, Lithuania, ratifying the Consular Convention, signing the non-proliferation pact and the like—all more or less timed with the Week. Regrettably, our people don't believe in history's transparent symbols.

So overwhelming was this cumulative effect of the '75 Week that the President in an unprecedented move summoned leaders concerned with Eastern Europe to a meeting in the White House to explain his reasons for participating in the Helsinki conference. In his statement the President explicitly declared, "It is the policy of the United States, and it has been my policy ever since I entered public life, to support the aspirations for freedom and national independence of the peoples of Eastern Europe—with whom we have close ties of culture and blood—by every proper and peaceful means." This was addressed to many of those present who view the captive nations in the USSR, such as Ukraine, Lithuania, Byelorussia, Armenia, Georgia and others, as being of basic, critical importance to our foreign policy. It is significant to note that, in sharp contrast, the President's Captive Nations Week proclamation issued before this first episode spoke only in meaningless generality about "rededication to the aspirations of all peoples for self-determination and liberty." When the Sonnenfeldt doctrine on "organic relationship" flared up this spring, the President issued a Milwaukee statement to some ethnic leaders in the area, rejecting the notion of organic relationship, though not Sonnenfeldt himself and his boss Kissinger, and even more strongly affirming the pre-Helsinki point above.

What is the importance of this development for the '76 Week and a realistic alternative to the substance of deleted detente? Namely, on the basis of the President's pre-Helsinki meeting and the confirming Milwaukee statement, Americans are looking forward to a Presidential proclamation of the '76 Week that will honestly translate the Congressional resolution upon which Public Law 86–90 is predicated, and to which his own Vice President has recently given part expression to, and that will convey with equal, pointed force the essence of the two mentioned statements. Not only would this clear up much of the existing confusion in our national leadership, but it would also clearly certify to the credibility of the President's own declarations to ethnic leaders and others in the country. More, in truth the proclamation should realistically—or as the Vice President says, "just telling it like it is"—specify for the continued benefit of our citizenry and its memory the now long list of captive nations under communist domination.

THE UNFORGETTABLE LIST

One of the contributing factors to our mental block regarding the primary, empire nature of the USSR is the general unfamiliarity of our people, including notably those in the national leadership, with the long list of captive nations which commenced with the first thrusts of Soviet Russian imperialism at the close of World War I. Some know the record and the genetical analysis underlying it, but find it too disturbing to remember. Others mistakenly believe that differences between the totalitarian communist regimes alter the captive nation status of the peoples involved. The power center in the so-called communist world is without sensible question the USSR, and this would not have been possible without the earliest victims of Soviet Russian imperio-colonialism shown on this list.

As the historical record well shows, Moscow's systematic exploitation of non-Russian resources in the USSR has enabled it to expand its empire far beyond the dreams of the old Czars. Since World War II its expanded empire has provided for an even more intensified exploitation of non-Russian resources both within and without the Soviet Union for a global expansionism felt by way of threat and influence on every continent of the world. Despite Kissinger's typically belated warnings to Moscow's forays in the Free

World, the dynamics of Soviet Russian imperialism, as in part indicated by the list of its victims, will surely not be arrested by empty verbal threats or even our own type of sabre-rattling.

Considering present trends and the confused character and defects of our foreign policy, it would be worth your while to study this unforgettable list carefully, for it is inevitable by sheer historical process that more entities will be added in our time:

The Captive Nations—Who's Next?

Country, people, and year of Communist domination:

Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkestan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats, Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975
Laos	1975

Who's next? Angola? Thailand? Republic of China? South Korea? Rhodesia? So. Africa?

To the tune of an historical domino effect, the extension of this list within the short span of scarcely 60 years is phenomenal in itself. With perspective and sober reasoning, it would seem that by now a full understanding and analytic grasp of its mainsprings have been achieved in our national leadership. But as the few, selected examples cited earlier indicate, this is far from being the case. There is little appreciative knowledge of the very foundation of this captive cumulation, namely the numerous non-Russian nations within the USSR, and, as a consequence, no thought and attention are devoted to it in our active policy. Yet it is in this direction that a realistic alternative exists to our present self-defeating course of being confronted by one crisis situation after another on our side of the fifty yard line and deluding ourselves that this is the course of world peace.

Angola is the latest example of the endless-crisis course. Developments there are rapidly qualifying this highly resourceful and strategic area as another legitimate addition to the captive nations list. Employing traditional Russian techniques, Moscow has been at work in Angola for about ten years and with its Cuban proxy seized the opportunity to plant its power and influence in the region. Despite the promised and misleading withdrawal of Cuban troops, Angola stands to become the "Cuba of Africa," a base for all types of warfare in southern Africa. By all estimates, it could easily have been saved with foresight and preparations long before the two branches of our government began blaming each other for this critical loss. It should not be overlooked that our rapprochement movement toward Cuba did not deter Havana from playing its role for Moscow. The South African Minister of Foreign Affairs, Dr. Hilgard Muller, accurately interpreted this latest success of Soviet Russian global play in these words: "The Angolan crisis was a struggle of both white and black Africans against Russian and Cuban imperialists. . . . If the people of Angola elected a Marxist or Communist government, it was their right. It was, however, a totally different matter if a foreign power intervened with force." Again, the typically belated Kissinger tour to Africa and his idealized expressions will add only further fuel for Moscow's political warfare operations in the area, directed in time at South Africa itself.

Throughout the Far East an overhanging apprehension exists as to our national will to resist communist imperialism and our sense of morality to meet commitments. Evincing the same apprehension, CENTO members meeting in London were recently assured by the Secretary of State that ""The United States will stand by its friends." Our friends and some of our best allies in South Korea, the Republic of China, Thailand, the Philippines and elsewhere are not so sure. They all recognize that our defeat in Southeast Asia was a political and not a military one, and they rightly wonder whether more political blunders will be committed. Critical to this question of general confidence in the entire region is our future relationship with Taiwan. Aside from the strategic values of the Republic of China to our national interest and in spite of all the pro and con arguments bearing on "further normalizing our relations with Peking," the basic truth is that a severance of diplomatic relations with Taipei would be a prime and dishonorable example of how not to stand by one of our most loyal friends.

At a time when Free World confidence in our leadership and word is at a low ebb, there is every reason to reinforce it by plainly upholding principle and our close bond with the Republic of China. An unprincipled and imprudent severance in diplomatic relations with it would only deepen this lack of full confidence. Literally to sacrifice Taiwan in order to appease Peiping's arbitrary demand would not only not normalize our relations with a basically unstable regime but also abnormalize our relations with every friend in Asia. Such a rupture in diplomatic ties would mean a psychological blow to the free Chinese with damaging reverberations not only on the island but also throughout Asia, including the forces of anti-communism on mainland China. Proponents for the recognition of Peiping have yet to offer a sound case rebutting these fundamental considerations. Contrary to prevailing myth, it was not former President Nixon or Dr. Kissinger who opened the way for our relations with Peiping but rather the Red Chinese themselves. Efforts along these lines were known in the intelligence community in the summer of 1968. Plainly, in view of this and if the Peiping regime dreads so deeply the threat of Soviet Russian imperalism, to which it constantly refers as "social imperialism," these constitute additional, substantial reasons for us not to accede to its arbitrary demand. In the case of one divided nation we blundered badly, and three once-free entities joined the list of captive nations. Similar blunders on the basis of speculation and political miscalculation concerning the divided Chinese nation will result in the extension of the list.

SOUTH AFRICA: WHERE ARE YOU GOING?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, a concerned constituent of mine in the 13th Congressional District of Michigan recently sent me an article which he felt should be shared with every Member of Congress. It is a timely article, written by the world renowned novelist Alan Paton, on the situation in South Africa, where institutionalized racism, in the form of apartheid, still fluorishes.

My constituent, Mr. Frank Coleman, felt it was an article that "dares to tell it like it is." In accordance with his request, and because I feel the material is of special value to my colleagues, I would like to include in the Record this article, which appeared in the June 24, 1976, Detroit Free Press:

South Africans in Crisis: Immoral System to Blame

(By Alan Paton)

Johannesburg.—South Africa: Where are you going? This question is not original. It was first used, if I remember rightly, by Prof. B. B. Keet of the Stellenbosch Seminary, more than 20 years ago.

The flood of racial legislation of the new National Party government appalled him, and he wrote it down.

The laws were to him a denial of the Christian religion, which he took seriously. This did not make him popular, but he did not write for popularity. He wrote for justice and righteousness, and he wrote for us too, us, all the people of South Africa.

I am not writing for all the people of South Africa. I am writing for its white people. White people cannot write for black people any more. Yet in a way, I too am writing for us all.

What do we, the white people of South Africa, after that week of desolation, do first?

The first thing we do is to repent of our wickedness, of our arrogance, of our complacency, of our blindness.

There has been much evil in Soweto. The killing of Dr. Melville Edelstein, friend and servant of Soweto, was evil, the killing of Hector Peterson, 13-year-old schoolboy, was evil. The burning of schools, creches (nurseries), clinics, shops, universities was evil. The hatred, for whatever the cause, was evil.

And behind all this evil stand we, the white people of South Africa. The tsotsis (thugs) are evil, but we made them. They are the outcasts of our affluent society. And unless we can understand our guilt, we shall never understand anything at all.

The compulsory teaching through the medium of Africans (the language of the white descendants of Dutch settlers) is the immediate cause. But the deeper cause is the whole pattern of discriminatory laws.

Who are the agitators? They are the discriminatory laws.

Who are the polarizing forces? They are the discriminatory laws.

It is fantastic that a minister should accuse anonymous polarizing forces. They are not anonymous, they can all be given names.

They are the Group Areas Act, the separate universities, the Mixed Marriages Act, the abolition of parliamentary representation for African and colored people and a dozen other laws.

That there are human agitators as well, no one can doubt. But their weapons are the discriminatory laws, the laws of apartheid.

Do you think that our immutable doctrine of the separation of the races has brought peace and concord to South Africa?

Do you as Christians believe that the poor should pay for the poor, that you should spend between 400 and 500 rands a year on the education of each white child, and between 30 and 40 rands on each black child?

Do you as Christians believe that white industry should be maintained at the cost of the integrity of black family life?

Do you believe that your separate universities have encouraged the growth of wholesome national identities, co-operating gladly with others in a multinational country?

Do you believe that you can move away from racial discrimination until you repeal discriminatory laws?

There are other questions, but these are enough.

The blame does not lie wholly with the Nationalist government. It lies with us all. The English-speaking people are also responsible.

But the greater portion of the blame, and the greater portion of the responsibility, lies with the National Party. They have the power. They are the ones who have exalted law and order above justice. And by law and order they mean that kind of law and order that keeps them in power.

I am not going to suggest what our rulers should do now. They are intelligent enough to know, even if they are at the moment psychologically incapacitated. I shall ask one question instead.

Right Honorable the Prime Minister, a great responsibility lies on you. But if you regard yourself as first and last an Afrikaner, you will not save our country. You will not even save Afrikanerdom.

You must be able to transcend your racial origins in a time of crisis, such as this undoubtedly is. Instead of declaring that you are determined to maintain law and order, could you not assure us that you are determined to find out—without pre-judgment—why law and order have broken down, and to put the wrong things right?

After repentance comes amendment of life.

QUINCY COMMEMORATES THE BICENTENNIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, Americans throughout this country celebrated our Nation's Bicentennial in many different places and in many different ways. Yet everywhere there was a sense of exuberance and joy, as we both honored the Nation's founders and looked eagerly ahead to our future.

I spent the July Fourth holiday with my friends in Massachusetts 11th Congressional District. While the many events I attended all joined together to form a truly memorable weekend, I would like to share one event, in particular, with my colleagues.

On Sunday evening, July Fourth, I joined with over 400 of my Quincy neighbors for a Bicentennial ecumenical service. Held on the steps of the Church of Presidents in Quincy, the day marked the Bicentennial and the 150th anniversary of the death of President John Adams, who is buried beneath the portico of the church. The service was sponsored by Quincy Heritage and the Quincy Clerical Association and was conducted by city leaders and clergymen representing the many denominations of the city.

The service was both a solemn and joyous occasion, following the advice of John Adams who wrote:

> This day of July, 1776, will be the most memorable epoch in the history of America. I am apt to believe that it will be celebrated by succeeding generations as the great anniversary festival. It ought to be commemorated as the day of deliverance, by solemn acts of devotion to God Almighty. It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires and illuminations, from one end of this continent to the other, from this time forward forevermore.

It was indeed an evening I will long remember.

A brief history of religion in the city of Quincy appeared in the program book for the Bicentennial ecumenical service. Mr. Speaker, I would like to share this history with you, along with the Patriot Ledger newspaper article detailing the events of the day:

Religion in Quincy

The religious history of Quincy has been a record of peace and tolerance since the controversy which accompanied the early settlement here. For almost a century a single church served the needs of the community. That church, now the First Parish Church, Unitarian, still lives. Its present and fourth house of worship, dedicated November 12, 1828, is a national shrine; for here lie the mortal remains of Quincy's two famous sons, Presidents of the United States, John Adams and John Quincy Adams, and their wives, Abigail (Smith) Adams and Louisa Catherine (Johnson) Adams.

As early as 1689, there was in Old Braintree a little body of Church of England communicants. The Reverend John Hancock noted in his Century Sermons of 1739: "The Church of England in this place, within the compass of forty years, have had several missionaries from the society in London for propagating the Gospel, besides occasional preaching, but they soon returned." In 1727, the Church of England established what is now Christ Church, in a location on School Street adjacent to the old Episcopal Cemetery, not far from the site of its present house of worship. Christ Church is the oldest Episcopal parish in Massachusetts, and; with the exception of Trinity Church in Newport, Rhode Island, is the oldest in all New England.

One hundred and five years later, in 1832, another church was organized in Quincy, the Evangelical, now Bethany Congregational Church. Its first house of worship, dedicated August 20, 1834, stood at the corner of the present Revere Road and Hancock Street. The present edifice of the Bethany Congregational Church is located at the junction of Coddington and Spear Streets, Quincy Center.

The opening of the granite quarries brought many Catholics to West Quincy. In 1826, Father Pendergast called at the Adams Old House upon the President of the United States to inquire concerning the Catholics of Quincy. President Adams through John Kirk (an Irishman in his employ for many years) spread the news that "the Priest had come." Confessions were heard that night. Early the following morning the first Mass in Quincy was celebrated in the so called "Long House," which then stood near the brook on Adams Street at the junction of the present Furnace Brook Parkway. (Quincy Monitor, May 1886.)

For almost forty years the Catholics of Quincy were obliged to walk to Boston on Sunday to hear Mass, unless a Missionary priest visited the town. During the years of 1839 to 1842, occasional Masses were celebrated in the old West District schoolhouse by Father T. Fitzsimmons of South Boston.

The first Catholic parish in Quincy, Saint Mary's in West Quincy, the Mother Church of the South Shore, consecrated by the Right Reverend Bishop Fenwick, September 18, 1842, included the towns of Milton, Braintree, Randolph, Stoughton, Weymouth, Hingham, Cohasset, Scituate, Abington, and along the South Shore to Plymouth.

The first Jewish people in Quincy settled in South Quincy in 1888. Soon they banded together and founded a small Synagogue on Water Street. In 1903, Ahavath Achim (Brotherly Love) Synagogue was dedicated.

As immigrants came to Quincy to work in the granite industry and later in the shipyard, they brought with them the liturgies of their forebears. Thus were founded the Evangelical and Lutheran churches of the Swedish and Finnish people, and two Presbyterian congregations which retained the traditions of the Free and Established churches of Scotland.

When Quincy grew rapidly in the early part of this century, Roman Catholic and Protestant churches multiplied. Seven Congregational churches and nine Roman Catholic parishes found themselves side by side with Baptists, Methodists, the Salvation Army, a second Episcopal church, and other religious groups.

The founding of Eastern Nazarene College brought not only the church associated with the college, but two smaller congregations in Germantown and South Quincy.

Synagogues also increased to three in number.

Founded in 1961, St. Catherine's Greek Orthodox Church in Wollaston serves Eastern Orthodox constituents in a large area south of Boston.

The Islamic Center of New England, located on South Street, was founded in 1964 by members of the Moslem community, many of whom had come to the South Shore area at the turn of the century from Lebanon, Syria and other Near Eastern lands. As its name implies, the Center brings together people from the Greater Boston area—and beyond.

The "establishment" of some of the early churches, which gave them a special relationship to town and state government, was ended in Massachusetts in 1824. Since then, all religious groups have shared alike the blessing and encouragement of government through tax exemption and the free opportunity to propagate their faith. In turn, these "families of faith" have nurtured young and old in the moral basis for a cooperative society, and have provided most of the leadership for the founding and support of private and public institutions serving the poor, the ill and the aged. Friendly attitudes and a unity of social ideals have marked their cooperation with each other.

Uniting in the South Shore Council of Churches and in the Quincy Clerical Association, the churches and their leaders have engaged in ecumenical activities which have brought people together to share their varied insights and religious experience.

Today, two hundred years after the founding of America, the religious groups in Quincy continue to open their doors to the inquiring and aspiring, the needy and lonely, and to all who would join with their neighbors in making this "nation under God" a mighty force for good in His hands.

Four Hundred at Ecumenical Service in Church of Presidents

Quincy.—About 400 persons attended an ecumenical service at the Church of the Presidents Sunday marking the bicentennial and the 150th anniversary of the death of President John Adams.

Mayor Joseph J. LaRaia opened the service reading from a letter John Adams wrote to his wife, saying, "This day of July 1776, . . . ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires, and illuminations, from one end of this continent to the other, from this time forward forevermore."

Congressman James A. Burke read a message from President Gerald Ford, in remembrance of the 150th anniversary of the death of John Adams.

A wreath, given by the city was placed on the tomb of John Adams under the portico of the church, by Mayor LaRaia and Rev. Keith Munson, pastor of the church.

Clergymen representing many denominations in the city, including Rabbi David J. Jacobs, of Temple Beth El; Rev. William R. Heinrich, pastor of First Church of Squantum; Dr. Mazammil Si-diqi of the Imam Islamic Center of New England; Rev. Cornelius J. Heery, pastor of Sacred Heart Church, North Quincy, Rev. John Banks, pastor of Bethany Congregational Church; and Rev. Kallisto Samaras, pastor of St. Catherine's Greek Orthodox Church, Wollaston, participated.

A choir, directed by Gale Harrison, and composed of people from various congregations, sang religious and patriotic hymns.

REPORT ON EARNED INCOME CREDIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, In March 1975 the Tax Reduction Act established the earned income credit, a valuable tax benefit for millions of low-income taxpayers. Under the law, anyone who had adjusted gross income less than $8,000, was head of household, and claimed a dependent, was eligible to claim a credit of up to $400.

This credit was available not only as a credit against taxes, but, in cases where no taxes were owed, as a refund or bonus. In a very real way, the earned income credit is a "negative income tax" experiment which, if successful, could form a basis for a major revision and simplification of the Nation's welfare mess. If the earned income credit can successfully provide funds on a graduated basis to the working poor, it could eventually be expanded to eliminate billions of dollars in welfare administrative costs, duplicative welfare programs, and areas of potential fraud and erroneous payments inherent in present programs.

If, on the other hand, the IRS is unable to administer adequately the earned income credit and if low-income individuals are unable to understand the program or are unaware of its availability, then we will have to reconsider the eventual feasibility of negative income tax programs as a replacement for our current chaotic quiltwork of degrading welfare programs.

Therefore, it is very important to know how successful the IRS and other Government agencies were in making known the earned income credit.

To obtain the credit, the individuals have to file a tax return. The Internal Revenue Service estimated that at least 3 million taxpayers who fell below the withholding tax scale and were not required to file tax returns were eligible for the earned income credit in 1976. Moreover, a countless number of other low-income taxpayers who have been entitled to tax refunds in past years regularly have not filed tax returns. As we approached the 1976 tax filing season, I became concerned that many low-income nonfiling taxpayers would fail to claim this credit, and thereby lose up to $400 of this "work bonus" from the Government.

We are faced with a similar problem this year. The earned income credit has been retained in the Tax Reform Act as passed by the House and as reported by the Senate Finance Committee and currently pending before the Senate. It is my hope that this year, through a combined effort of the Internal Revenue Service, Federal and State agencies, community organizations and the Congress, we can develop a truly effective publicity program to reach the millions of taxpayers who might be eligible for the credit.

Last November, the Oversight Subcommittee, of which I am chairman, reviewed the IRS publicity materials that had been prepared to date to alert taxpayers about the earned income credit. I was dismayed to discover that IRS had planned few, if any, promotional materials that were aimed directly at low-income taxpayers. Other Federal and State agencies who do regularly provide services and benefits to indigent families were expecting the IRS to publicize and administer the credit, and had initiated no publicity programs. The Government had created an important, unique tax benefit but had failed to inform taxpayers about its existence.

On November 20, 1975, we scheduled the first of a series of meetings on publicity of the earned income credit. Our goal was to provide input to IRS to enable them to develop an effective outreach program. Participants were representatives from interested community organizations who already had experience in working with low-income individuals and families and who overwhelmingly supported the need for a special publicity effort to reach the target population. The following list of recommendations for publicity were proposed and submitted to the IRS for consideration:

First. News releases, stuffers, fliers and publicity materials should be made available in Spanish and possibly other languages;

Second. Stuffers, fliers and other publicity items, whenever possible, should be very simply worded and uncluttered in appearance. Organizations and service groups who were working with low-income individuals in communities could be helpful in drafting appropriate language;

Third. Volunteer agencies and organizations should be approached for their support and assistance in distributing publicity materials and disseminating information;

Fourth. It was recommended that there be established in each district office, regional office, and/or service center a specialist in earned income credit whose function would be publicized and to whom all questions and problems with earned income credit could be referred;

Fifth. IRS should publicize the earned income credit in publications that were regularly used by organizations which worked with low-income families;

Sixth. IRS could notify and enlist the aid of 501(c)(3) organizations which were organized for charitable purposes;

Seventh. In direct mailings to target groups, the IRS letterhead should be omitted from all stuffers and other mailings, as well as from envelopes containing these mailings, so as not to alarm those taxpayers who were already in some degree frightened by taxes and tax collectors;

Eighth. There should be a warning against unscrupulous tax preparers who could, unknown to the taxpayer, charge a percentage of a large refund;

Ninth. It was essential that the Commissioner's office formulate a policy before the advent of the filing season outlining the manner in which IRS proposed to handle those taxpayers who had been entitled to tax refunds in past years but who had failed to file tax returns. Low-income taxpayers needed to be reassured that they could claim the earned income credit without prosecution; and

Tenth. Finally, it was proposed that there be included with benefit payments that were mailed out by Federal agencies an informational stuffer explaining the earned income credit.

Several of these proposals were self-evident and could be implemented easily; others were innovative and unique. On December 11, 1975, we again invited the IRS to come before the subcommittee, this time to describe what kind of projects and programs had been planned as a result of our earlier meeting.

In the 3 weeks that had lapsed since that meeting, IRS had developed publication 884, entitled the "Earned Income Credit Kit," which provided information on the credit to enable interested groups and organizations to assist in the publicity campaign. The publication included promotional materials—a one-page detachable and reproducible flier, a short informational stuffer that organizations could insert into their own mailings, copies of sample press releases and radio/television spots and a copy of a poster that could be obtained free of charge from the IRS. In addition, the kit contained a sample earned income credit lesson with practice exercises, designed for staffs of social service organizations who assist low-income taxpayers in preparation of tax returns.

The "Earned Income Credit Kit" was a fine effort by the IRS in responding promptly and efficiently to an immediate problem. The Commissioner's attention to the matter demonstrated a concern for low-income taxpayers, as well as a sincere attempt to implement many of the proposals generated by the public and the Congress. We in turn assisted the IRS in distribution of publicity materials by contacting hundreds of community and public service organizations, Federal agencies, and congressional offices to enlist their assistance with publicity of the credit. Although this eleventh-hour mass publicity effort managed to reach millions of low-income taxpayers to alert them about the existence of the earned income credit, it is my hope that we can learn from last year's experience and attempt to jointly develop an even more far-reaching publicity program this year.

At the meeting of December 11, we also invited representatives from Federal agencies which administer Aid to Families With Dependent Children—AFDC—

food stamp, medicaid, veterans, supplemental security income—SSI—and social security benefits. We theorized that these agencies, who are in the business of providing services to low-income individuals and families, already had access to, and were working with, a substantial segment of the target population which the earned income credit was designed to assist. At that meeting, these large Federal agencies pledged their support and assistance in publicizing the earned income credit; more specifically, the Departments of HEW, Agriculture, and Labor promised to include an informational "stuffer" in regular benefit mailings of AFDC, food stamp, and unemployment security checks.

I am pleased to report that, by the end of the 1976 filing season, the IRS had distributed 1,517,000 "stuffer" notices to HEW for use in AFDC payments, 3,808,000 notices for use in food stamp mailings, and 6,776,000 notices for inclusion in unemployment security checks. In addition, the Federal agencies which were contacted were helpful in displaying IRS earned income credit posters, distributing the kits to State and local offices, and providing information about the credit in in-house publications. Problems remained: agencies complained about unexplainable delays in receiving orders of IRS publicity materials, and Oversight Subcommittee staff discovered communication breakdowns between Federal and State agency offices. However, the agencies are to be congratulated in rallying enthusiasm and assistance for this most worthwhile project. With earlier and more thorough planning, I hope that we can expect a better system for disseminating IRS publicity materials as well as continued agency cooperation.

We have received data from the Internal Revenue Service which indicates that as of May 28, 1976, a total of 5,533,032 earned income credits, totaling $1,128,953,512.31 and averaging $204, had been issued. This represents 7 percent of the 77,067,000 returns processed as of that date. However, in the President's 1977 budget, a total of $1,500 million was estimated for payment of the earned income credit—this breaks down into two components: The earned income credit was estimated to reduce taxes owed because of this credit by $300 million, and to increase payments in excess of tax liabilities otherwise owed by $1,200 million. Furthermore, as of May 29, 1976, the IRS reported that it had received returns from 346,691 new filers—defined as those who had no tax liability and would not have filed but for the earned income credit—although 3 million new filers had been projected.

Based on this data, my fear is that despite our efforts last winter, we have failed to alert millions of low-income taxpayers about the availability of the credit and the need to file a tax return to qualify for it. This fear has been partially substantiated by IRS's experience with "CP-32 EIC Notices." These notices were sent by the IRS Service Centers to taxpayers who appeared to qualify for an earned income credit but had not claimed it on their return, in order to request certain information which did not appear on the face of the return but was necessary to determine EIC eligibility. The IRS computed the earned income credit for the taxpayer on the basis of this information. The IRS initiated this procedure to insure that all filing taxpayers who qualified for the earned income credit did in fact receive it.

Data available at the end of May 1976 reveals that as of that date, 2,276,000 or 3 percent of the returns processed appeared eligible for the earned income credit and were sent CP-32 notices. As of May 28, a total of 1,185 million earned income credits had been issued as a result of information contained in the CP-32 notices; these credits, representing 21 percent of the 5,533 million earned income credits issued by the end of May 1976 were not originally claimed on the tax returns filed by the taxpayers. If 21 percent of the taxpayers that filed tax returns were not aware of the existence of the credit, we can assume that as many, if not more, taxpayers who did not file tax returns were likewise eligible. It is clear that we must make a concerted effort to provide better and more far-reaching publicity to contact this forgotten group.

It also seems appropriate to raise the issue of government costs incurred in processing CP-32 notices. The most recent data available indicates that of the 2.2 million CP-32's sent to taxpayers by the end of May, the IRS was receiving a response rate of 64 percent, or 1,493,000. Of this amount, 1.2 million CP-32's have been accepted and processed. At the end of January, the IRS reported that it was costing $3.67 to make an earned income credit adjustment. Later it was able to reduce this enormous cost to $0.70 by developing computer program refinements as the tax season progressed. It is now estimated that, to date, the total CP-32 project cost is $988,729, computed as follows: An average of 21 cents for each of 2.2 million CP-32 computer notices generated and mailed, or $433,288, plus an average of 36 cents for each of 1.5 million CP-32 responses processed by IRS, or 545,411.

It is my hope and belief that this $1 million administrative expense can be substantially reduced with more effective publicity. It seems evident that if taxpayers are notified about the availability of the credit and claim the credit directly on their tax returns, then most of the CP-32 costs can be eliminated.

This year, we are again faced with a formidable task—to develop an outreach program that will make the earned income credit available to millions of low-income taxpayers who have earned it. It is essential that we begin early to contact public service groups and governmental agencies to draw on their experience and expertise in working with the target population. The Oversight Subcommittee has recently mailed a questionnaire to State welfare administrators and to a sample of community organizations to gather information concerning the administration of the earned income credit during the 1976 filing season. I hope that this feedback will allow us to make significant improvements and to correct past mistakes.

The Oversight Subcommittee has scheduled a hearing on July 28, 1976, at 1 p.m. in B-316 of the Rayburn House Office Building with representatives from the Internal Revenue Service, other Federal agencies and public service organizations. Our objective will be to begin to develop an effective multiagency outreach effort for notifying taxpayers about the availability of the earned income credit during the 1977 filing season. All those interested in this important project are most welcome to attend.

MEXICO, ZIONISM, AND THE FREE PRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, many Americans and others throughout the world were shocked and dismayed last year when Mexico voted in favor of a United Nations resolution equating Zionism with racism. Inside Mexico, one of the strongest voices raised in opposition to the vote was that of the newspaper Excelsior.

As the result of this and other antigovernment positions, Excelsior has been the subject of government-inspired harassment and sabotage that has brought the paper to its knees and destroyed its status as a major independent voice. A day or so ago, I received a most moving letter from Armando Vargas, announcing his resignation as chief correspondent of Excelsior, explaining his reasons, and enclosing various newsclippings about the fall of Excelsior.

The actions of the Mexican Government in this case, like its actions in the related case of the U.N. resolution on Zionism, deserve the condemnation of free people everywhere and bode ill for Mexico's future as a democracy.

I include at this point Señor Vargas' letter and the attachments thereto:

EXCELSIOR,
Washington, D.C., July 13, 1976.

Hon. BELLA S. ABZUG,
House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR MS. ABZUG: This letter has the purpose of informing you that as of this date I have resigned from my position as Chief Correspondent of Mexico's daily newspaper, *Excelsior*. The attached clippings speak for themselves.

On July 8, 1976, the freedom of the press as well as the dignity and integrity of hundreds of professional journalists suffered a devastating blow when the strongest, most prominent, and most influential newspaper of the country was stabbed in the back by the Government of Mexico.

The liberal editors, who for the last eight years have been trying to expand both the freedom of information and of opinion, were betrayed by a minority of conservative workers who succeeded in manipulating a number of the workers on the production staff. This minority, encouraged and supported by the Government of Mexico, the official political party of Mexico, and with the undeniable blessing of the President of Mexico, were only the perpetrators of a crime which implies enormous and terrible consequences for the Mexican social and political systems.

The eminent poet, Octavio Paz, who until that ill-fated day was the editor of *Plural*, the monthly literary magazine published by *Excelsior,* told me—"The transformation of *Excelsior* into a loudspeaker for the applause and eulogies to the powerful is a signal that the authoritarian shadow of darkness, already covering most of our Latin America, is advancing upon Mexico."

I was in Mexico from Wednesday, July 8, through Sunday, July 11. I lived through those tragic events. I remained with my colleagues and friends, witnessing the murder of a newspaper which up until then had been a proud example of what a free journalistic institution should be.

I refuse to be used as a legitimizer of this crime against freedom. I have a family. I am in a foreign country. I have no fortune. But dignity, integrity, and solidarity are concepts in which I believe as strongly as I despise their perversions.

Today I proudly join the ranks of the millions of unemployed, along with hundreds of my dear colleagues—editors, reporters, foreign correspondents, columnists, and photographers—who live and abide by the same principles and values which are cherished by any person who truly believes in freedom and democracy.

Sincerely,

ARMANDO A. VARGAS.

[From the Washington Post, July 14, 1976]

THE MAN WHO KILLED EXCELSIOR

President Luis Echeverria Alvarez of Mexico has chosen a strange way to call attention to his final months in power. He has just managed to liquidate his country's one important independent center of political criticism, the newspaper Excelsior. According to reports from Mexico City, he is personally behind the crude economic pressures and the nasty strongarm tactics which resulted in the ouster of Excelsior's editor, Julio Scherer, and some 200 of his leading staffers. About the only major question still in dispute in this episode is whether President Echeverria acted out of hostility to the newspaper's tangy criticism of some, not all, of his policies, or whether he acted—equally squalidly—to advance his new financial interest in a competing newspaper group.

This is not just another Third World situation in which a tinpot dictator seeks to close out alternative institutions and ideas. For Mexico is no ordinary Third World state. It is a country which, for all its economic disparities, has sustained a sophisticated "Western" intellectual and political life. The plain proof lies in the publication of a newspaper like Excelsior—the old Excelsior—and in the stability of a system which allows for the orderly rotation of political power. At the top, at least, Mexico has benefitted enormously in terms of political dialogue and self-image alike, from cultivating this tradition: It has been a valuable substitute for a two-party system. Mexico has only one party and it has been a source of cultural vitality. In the past, Mr. Echeverria himself has contributed importantly to it. As he prepares to step down, does he really want to be remembered as the man who killed Ecelsior?

[From the New York Times, July 13, 1976]

MEXICO'S NEW PRESIDENT

José López Portillo has, as expected, been elected overwhelmingly as the new President of Mexico to succeed Luis Echeverría Alvarez next Dec. 1. It would miss the point to emphasize the obvious: Mr. López Portillo was the only official candidate and his triumph was a foregone conclusion.

More important, in Mexico's unique circumstances, is the fact that he spent many months campaigning throughout the country, selling himself as though he had immediate opposition and seeking to get a feeling for the nation's problems as seen from the grass roots. One result of his intensive effort may have been his success in reversing the hitherto rising trend of abstention from voting, which had previously suggested a growing alienation of the citizenry from Mexico's ruling Institutional Revolutionary Party.

Mexico's basic long-term problem, with which Mr. López Portillo will have to struggle, is the population explosion. Here is a classic case of a nation whose death rate has been reduced sharply by modern advances in public health and medicine while its birth rate continues extraordinarily high. The result is a rate of natural increase sufficient to double the population every 20 to 25 years.

The corollary of that rapid population growth is a nation that has an extraordinarily large percentage of children and adolescents, as well as increasing numbers of young people coming of age annually and requiring jobs whose availability cannot be increased as rapidly as the growth in population. The result is a huge rate of unemployment and grinding poverty in much of the nation's rural areas as well as in the extensive and rapidly increasing urban slums.

In these conditions the surprise is not that there have been signs of political dissidence, as in the student explosion of 1968, but that the ruling party has been able to retain as much stability as it has.

President Echeverría rode the stormy waves of Mexican political life the past few years by appropriating as his own the symbols of radicalism, loudly proclaiming his devotion to the third world and his advocacy of a basic redistribution of the world's wealth between the haves and the have-nots.

Useful as this political rhetoric may have been to him, its negative result was to scare off potential foreign investors as well as to frighten Mexican entrepreneurs. Yet large-scale and rapidly increasing capital investment is badly needed if Mexico is to have the jobs, the housing, the public utilities and the other essentials required to give its growing population even a minimally satisfactory standard of living.

The challenge facing Mr. López Portillo when he takes over the presidency is to exhibit the political skill essential to contain the nation's internal tensions, while making possible the more rapid economic development required to meet the Mexican people's material needs.

. . . LOSES A FREE PRESS

President Echeverría's term has only a few more months to go; but his Government has just taken a fateful step whose consequences could be felt long after he is out of office. That step is the silencing of the most important independent journalistic voice of Mexico, the newspaper Excelsior. The paper itself continues to appear; but all that made it fresh, interesting and valuable in a democratic society has vanished to be replaced by conformist attitudes that would never have had a chance in the previous, genuine Excelsior.

The manner in which this journalistic coup d'état was carried out is particularly disturbing. For months a propaganda campaign was directed against Excelsior. Government-tolerated—and almost certainly Government-encouraged—squatters were permitted to seize a large and valuable tract of land the newspaper owned. Then, almost immediately after the presidential election, a well-financed rebellion was organized within the paper's staff to create a situation in which the editors risked armed conflict if they sought to carry out their normal duties.

The editors bowed to the threat of force and quit their employment. The bully boys of Lenin in 1917 or of Hitler in 1933 could not have done a more efficient job of enslaving a once proud and free newspaper. But this act of totalitarian suppression discredits those who now boast of Mexico's stability and democracy; while it presents a moral challenge of the first magnitude to President Echeverría's elected successor.

[From the Washington Post, July 11, 1976]

COUP AT MEXICAN PAPER SMOTHERS PROMINENT VOICE OF DISSENT

(By Marlise Simons)

MEXICO CITY, July 10.—The dramatic conservative palace in Mexico's leading independent newspaper, Excelsior, has stunned the country's political and intellectual circles since it has, in effect, smothered Mexico's main critical forum.

The surprise is all the greater since there is overwhelming evidence that the reform-minded government of President Luis Echeverria itself engineered the removal of Excelsior's liberal editor and his senior assistants.

The move came only four days after Mexico's voters approved Jose Lopez Portillo as their new president in an uncontested election July 4. Lopez Portillo, Echeverria's hand-picked successor, takes office Dec. 1.

Over the past five years, Echeverria has frequently encouraged "constructive criticism" by the press and just last week he noted that greater freedom of expression was one of his administration's main accomplishments.

Only Excelsior and its three magazines, however, took full advantage of the relaxation of traditional controls and constantly sought to extend the boundaries of press freedom.

Not only did its younger reporters delve into previously ignored social problems, but its editorial writers and independent columnists also began criticizing the government's economic policies often with a directness unknown here for more than five decades.

Under the leadership of the now-deposed editor, Julio Scherer, 50, the newspaper gained a reputation as one of the most prestigious publications in Latin America as it attracted the country's leading intellectuals to write on its pages and even poet Octavio Paz to edit its literary magazine.

Its daring liberal view of domestic affairs and its frequent anti-Americanism also angered local and foreign businessmen and bankers to the point that they organized an advertising boycott against the newspaper in 1972. Among supporters of the boycott, which was abandoned as unsuccessful in changing Excelsior's policies after four months, were such U.S. companies as General Motors and Sears Roebuck.

For most of the past five years, Excelsior's Christian Democrat policies concurred with the government's own rhetoric on the abuses of over-concentrated wealth and the need for drastic social change.

On many issues considered taboo, however, Excelsior also attacked the government, noting for example that it had repressed independent union activity, that it was unwisely sustaining an over-valued currency and that it had failed to produce a much-promised report explaining the violent deaths of 30 students in June 1971.

Last fall, the administration became angered by Excelsior's criticism of its handling of foreign policy, particularly on the issues of Spain's execution of several Basque terrorists, which the administration condemned, and of Mexico's support for a U.N. resolution equating Zionism with racism. The resignation of Foreign Minister Emilio Rabasa last December was directly related by observers to Excelsior's attack.

Since then, a broad propaganda offensive has been launched against Excelsior in the country's media, with growing evidence of government involvement in the campaign. One official was even quoted as complaining that "we gave you press freedom and now look what you do."

At first, Excelsior did not recognize the attacks as the first skirmishes of a battle for its editorial independence. Even after a 215-acre property owned by the newspaper was invaded by a group led by a government politican June 10, Excelsior withheld an open denunciation of the campaign for fear of exacerbating the situation on the eve of the general elections.

Then, a small group of conservative reporters, led by the editor of Excelsior's afternoon edition, Regino Diaz Redondo, began agitating among printers and arguing that Scherer and his group were threatening the survival of the newspaper.

This week, when it became known privately that Diaz Redondo was coordinating his campaign with senior officials of the Interior Ministry and that he had ample funds with which to assure cooperative members' votes, Excelsior executives finally realized that the government was fully determined to oust Scherer and his group.

The night before the decisive meeting of the paper's members on Thursday, the right-wing group took over the presses and forcibly prevented publication of a full-page advertisement signed by 50 leading intellectuals giving their support to Scherer and denouncing the campaign against freedom of expression.

After the dissidents held their minority assembly and voted the suspension of the editor and six other senior staff members, more than 200 reporters and photographers joined Scherer in walking out rather than face a violent battle for physical control of the editor's office. The rebels, so the management said, had brought in outside aid for the takeover.

Excelsior executives are linking the government's efforts to weaken the paper's political strength to the formation of a massive new newspaper group three months ago. At that time the daily El Sol was bought from the government and the El Universal group was bought from its previous owners. Industry sources maintain that one of the principal shareholders of the new group—known as the Mexican Editorial Organization—is President Echeverria.

[From the New York Times, July 11, 1976]

MEXICAN EDITORS ARE DEPOSED

The editor and senior staff members of Excelsior, Mexico's most liberal and independent newspaper, have been abruptly removed by conservative employees, possibly with tacit Government support. The editors fled the paper's offices rather than risk a confrontation with the other group, some of whom were said to be armed.

Under the deposed editor, Julio Scherer Garcia, Excelsior had pursued an editorial policy urging social reforms at home and a more independent policy abroad. That was generally in line with the policies of the outgoing Mexican President, Luis Echeverria Alvarez, but in recent months the paper and the Government have been in conflict over such matters as Mexico's support for a United Nations resolution equating Zionism with racism.

Most analysts suggested that it was to curb this independence that last week's action was taken. But others linked the action to the growth of a newspaper group, the Mexican Editorial Organization, which is partly owned by Mr. Echeverria and close aides. The weakening of Excelsior would presumably improve the competitive position of the new press empire's 37 papers.

[From the New York Times, July 10, 1976]

PAPER IN MEXICO ENDS LIBERAL TONE—CONSERVATIVE VIEW APPEARS FOLLOWING EDITOR'S OUSTER

(By Allen Riding)

Mexico City, July 9.—Excelsior, the independent newspaper that was seized yesterday by its conservative employees, appeared today with its traditionally liberal view of Mexican affairs replaced by a conservative outlook.

The conservative dissidents, who last night ousted the editor of the newspaper cooperative, Julio Scherer Garcia, and some 200 of his top staff, were apparently encouraged and assisted in their move by the Government of President Luis Echevarria Alvarez.

In a long editorial today, the new leaders of Excelsior said they would continue to inform the people of Mexico "with truth and independence." They added that "the decision taken by the editorial policies we should adopt."

Nevertheless, the ousting of Mr. Scherer and his liberal associates is equivalent to the silencing of independent opinion in Mexico since Excelsior offered the only forum for serious analysis of the country's problems and for criticism of the Government's performance.

It is now expected that none of the intellectuals and political commentators who have written regularly in Excelsior over the past eight years will be published by the conservatists.

Ociavio Paz, the poet, has resigned as editor of Excelsior's literary monthly. Plural, in protest of Mr. Scherer's removal.

The columnists who wrote on today's editorial page were either unknown or using pseudonyms, but all reflected a more conservative position. One writer called for a truce between Excelsior and the huge television empire, Televisa, that had joined the campaign against the former editor.

NO CLEAR EXPLANATION

The dramatic events of yesterday afternoon, when Mr. Scherer and his aides abandoned the Excelsior building for fear of a violent confrontation with the rebels, came as a shock to many Mexicans. They seemed unaware of the seriousness of the six-month propaganda campaign against Excelsior in newspapers and on radio and television.

Many Government officials expressed dismay at the silencing of the newspaper's liberal editors, saying that Excelsior was the only daily that brought life and interest to Mexican journalism. Most newspapers here are run by conservative families that use their publications to promote their business interests. They are therefore careful to avoid clashes with the Government.

The reasons behind the ousting of Mr. Scherer are still not entirely clear, although evidence of the Government's involvement appears to be overwhelming.

In Mexico, a propaganda campaign of the kind directed against Excelsior generally takes place only with the approval of the Government.

The campaign was accompanied by the occupation of property owned by Excelsior by a group of squatters led by Humberto Serrano, a recently elected member of Parliament representing the governing Institutional Revolutionary Party. He said the occupation would end only on Mr. Scherer's removal.

In addition, the Attorney General, Pedro Ojeda Paullada, was quoted as having said that he could order the eviction of the occupiers only on what turned out to be the day after the rebellion at Excelsior.

POLICE FAIL TO ARRIVE

During yesterday's events, when the dissidents decided to take the editor's office by force and a gun-battle was feared, Mr. Scherer called for police protection. After one hour, the police protection had not arrived and the editor was forced to leave the building.

President Echeverria, who is due to hand over power to former Finance Minister Jose Lopez Portillo on Dec. 1, has frequently stated that one of the principal achievements of his Government has been to strengthen freedom of expression.

However some Mexican analysts who formerly wrote for Excelsior have suggested that Mr. Echeverria simply became irritated with Excelsior's frequent questioning and criticism of his Administration's economic and foreign policies. They also felt that, by encouraging a change in Excelsior's editorial policy, he might be forestalling further attacks on his performance after he leaves office.

But other Mexican analysts believe yesterday's events are linked to the recent acquisition of a 37-member newspaper chain by a new group which includes Mr. Echeverria among its principal shareholders.

These analysts said that the newspaper group, which is called the Mexican Editorial Organization, and includes the Mexico City dailies El Sol and El Universal, will provide Mr. Echeverria with his principal power base after December.

By weakening Excelsior both politically and economically—its current circulation of 170,000 per day is expected to drop sharply in coming weeks—industry sources believe the new group should assume a relatively greater role in Mexican politics.

[From the Washington Post, July 10, 1976]

MEXICAN EDITORS DRIVEN OUT

Mexico City.—A mutiny in Mexico's leading, independent newspaper appeared to have succeeded yesterday as liberal editors and managers were ousted and conservative rebels produced their own version of Excelsior.

The conservative leader of the rebellion, now acting editor, Regino Diaz Redondo, said the newspaper would remain independent, and critical "for the benefit of the country, but in a human and elegant way."

The editor, Julio Scherer Garcia, and top staff of the newspaper abandoned the Excelsior building Thursday night in face of strong threats of violence provoked by the rebels. Staff members have accused the government of supporting the takeover in order to silence its criticism.

The editors said that even if they had stayed in the building, the paralysis of the presses by the rebels would have made their work impossible.

Excelsior is a cooperative and the ousted majority called for a new assembly July 21. But the Diaz Redondo group said it will refuse to participate, claiming the take over was supported by two thirds of the membership.

UNWISE VETO

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 10 minutes.

Mr. **O'NEILL**. Mr. Speaker, recently the President saw fit to veto the widely acclaimed $3.95 billion public works employment bill. With good reason, newspapers all across the Nation have editorialized in favor of a veto override. Particularly persuasive is an editorial which appeared in the July 8 edition of the New York Times. I commend it to my colleagues:

UNWISE VETO

Though urged by Republican mayors around the country to sign it, President Ford has vetoed the $3.95 billion public works employment bill and denounced it as an effort by the Democratic majority in Congress to enact "empty promises and give-away programs." The bill would lead, Mr. Ford asserts, to "larger deficits, higher taxes, higher inflation and, ultimately, higher unemployment."

This is a heavy load of denunciation to be laid on this legislation aimed at creating more jobs, when the unemployment rate has gone back up to 7.5 percent, with more than seven million Americans out of work. The bill is not a massive boondoggle; it represents less than 1 percent of the total Federal budget and less than one-fourth of one percent of anticipated gross national product in 1977.

Mr. Ford says the bill's scaled-down size from the $6 billion public works jobs bill he vetoed in February is irrelevant, contending that "bad policy is bad whether the inflation price tag is $4 billion or $6 billion."

Obviously—indeed, simplistically—any appropriation can be denounced as inflationary, including the $101 billion defense outlay (an $8 billion increase over fiscal 1976) that the President has proposed for the current fiscal year. The real question, however, is whether the budget as a whole, in terms of outlays, taxes and deficit, is inflationary—or insufficiently stimulative—and whether particular outlays represent a constructive use of the public's money.

Congress has not acted irresponsibly on the budget as a whole or on this particular public works employment bill. The proposed $4 billion public works bill falls within the Congressional budget resolution of $413 billion for fiscal 1977. That spending total, given anticipated revenues of $363 billion, would result in a $50 billion budget deficit. This is a more realistic budget than President Ford has proposed and would bring down unemployment sooner without worsening inflation.

The President wants to limit outlays to $394 billion—a figure that would involve real slashes in virtually every social program, while only defense and energy outlays would rise. Such a budget ceiling would in fact be deflationary or depressive; Mr. Ford has sought to ward off that danger by proposing a further $10 billion tax cut. He still recommends a $43 billion budget deficit, with higher Social Security and unemployment taxes making up some of the difference.

The President has thus sought to further his right-wing philosophy—and his campaign not only against the Democrats but against Governor Reagan—by this unwise veto.

The $4 billion public works bill would help the hard-pressed cities. It would create jobs for the unemployed; even if the President were right and Congress wrong in predicting that the bill would create only 160,000 rather than 300,000 jobs, these would help absorb many laid-off construction workers, and the counter-cyclical revenue-sharing to cities and states would save the threatened jobs of many policemen, firemen and other municipal workers. The bill would also provide needed funds for facilities to prevent water pollution.

The targeting of public expenditures to help the cities, the construction industry and the unemployed makes sense during this period of slow recovery from the serious 1973-75 recession. Congress ought to pass the public works jobs bill over the President's veto.

MAKING PUBLIC NAMES OF PURCHASERS OF GOLD HELD BY INTERNATIONAL MONETARY FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Paul) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, last week I sent a letter to Secretary of the Treasury William Simon asking him to make public the names of the purchasers of gold held by the International Monetary Fund. The text of that letter is printed below.

The first gold auction was held on June 2 and the second on July 14 of this year. At each auction 780,000 ounces of gold were sold to buyers whose identities have been scrupulously concealed by the International Monetary Fund. Now, information has reached my office that would indicate that some of the purchasers of the gold are central banks, which are legally barred from making such purchases. But the blackout on the names of the purchasers prohibits any investigation of these allegations. Only the insiders of the IMF know who purchased the gold, and they are not telling.

As a Governor of the International Monetary Fund, Secretary Simon is privy to the information on the identity of the gold purchasers. I certainly hope that he will make known the list of the gold purchasers in the near future. If there is no illegality involved I see no reason why the names of the purchasers should not be released at the earliest possible moment. The letter follows:

House of Representatives,
Washington, D.C., July 12, 1976.

Secretary William E. Simon,
Department of the Treasury,
Washington, D.C.

Dear Mr. Secretary: When the International Monetary Fund Trust Fund offered 780,000 ounces of gold for sale on June 2, it was decided that the identity of the purchasers of the gold would be kept secret.

Recently, however, disturbing news reports have reached my office that certain central banks—which are legally barred from purchasing the I.M.F. gold—did actually purchase some gold in the June 2 auction. In most cases, the purchases were laundered, according to the information I have received, but the transactions could still be traced.

Before I make my list public I would like you to clarify this matter. I would appreciate it very much if you, as a Governor of the International Monetary Fund, could send me a complete list of the gold purchasers as soon as possible. The possibility that there was some illegal trading done cannot be investigated unless the names of the purchasers are made public. When transactions of this magnitude occur involving public funds, it is essential that the public be aware of the identity of the parties to the transactions.

Sincerely,

Ron Paul,
Member of Congress.

MARIO GALLUZZO: ONE PROUD AMERICAN

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, appreciation is often dulled by familiarity. We often fail to see the wonders around us because we see them too often and take them for granted. It is only when they are brought to our attention through undulled eyes that we pause to think, to consider.

The eyes of Mario Galluzzo are not dull. The eyes of Mario Galluzzo have never been dull. They are as bright today as they were 53 years ago in his native Tuscany when he ran away to sea at the age of 11.

I mention Mr. Galluzzo today because in this Bicentennial Year, his eyes can help the rest of us see the wonders around us.

Mario Galluzzo is the proprietor of a fine restaurant in Syracuse, N.Y. His unabashed patriotism and enthusiasm are as infectious and as stirring and natural as the feelings of neighborliness which were evident in our national birthday celebration 2 weeks ago.

Let me mention briefly some background of this citizen who symbolizes so well the spirit of America in 1976.

At an early age, Mario learned quickly that running away to sea was not all romantic. He worked for years on a transatlantic steamship, 17 hours a day for $10 per month.

On his first trip to New York, a shipmate said to him, "Mario, this is the greatest country in the world!" "I'll never forget that moment steaming into New York Harbor," says Mario today.

In 1931 he met his future wife Ann on board ship and decided immediately to leave the ship and marry her, settling in her home town of Buffalo, N.Y.

His first job in America was as a bus boy in Lorenzo's Buffalo Restaurant. The hardwork and training of the cruise ship resulted in rapid promotion to waiter, maitre d' and finally general manager. When Lorenzo's opened in Syracuse, Mario was sent to be the manager. Ten years ago Mario's own "Piccolo Bistro" opened to the public and is today a thriving restaurant.

On June 27 of this year, Mario Galluzzo held an open house for many public officials and office holders in his area to express his thanks to America for all it had done for him.

Last week, Mr. Speaker, this Nation marked its 200th birthday with a kind of openeyed sincerity and plain gratitude which cut through layers of sophistication to surprise us all.

That has always been Mario Galluzzo's attitude. Since coming here in the mid-thirties, there has been a patriotic glow in Mario's heart which has survived all the slick cynicism of recent years. It is a simple trust in the system as Mario refers to the Constitution and its implementation in our Federal and State governments. A trust based on 40 years of working within the system and seeing it, at first hand, protect the rights of a young immigrant allowing him to grasp the opportunity which the system had promised.

That is what Mario has seen. And it is through his eyes that we are able to see beneath the superficiality and negativism surrounding us, to the essentials of our heritage—maximum individual freedom and the right to make the most of it—with hard work and faith in the system, we can see what Mario sees.

EAST SYRACUSE BANDSMEN SERENADE WASHINGTON

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record, and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, amid the flow and fury of activities at the Capital during this busy Bicentennial Year many events take place without fanfare and wide attention. One of the most noticed visitations to our side of the Capital, however, is the shiny brass and waving flags which mark the arrival of a band from one or another city or village somewhere across America.

Some come from nearby towns and have had the experience of a visit to the splendor of Washington many times. For some—probably many more young people—this is their first trip to their Nation's Capital; their first thrill at the sights which many here take for granted much of the time. For some this may well be the only time they will ever be able to come to the seat of their national Government, to see its institutions and the work they do, to admire the grandeur of the marble and glass buildings which house the agencies and arms of government which touch the lives of every citizen.

It is likewise our brief opportunity to share the exuberance of youth as the excitement of adventuresome travel blends with the awe of our Capital's beauty. It is our pleasure, too, to hear the polished performances which many days and weeks of rehearsal have shaped into a memorable concert for Washington's residents and visitors.

Mr. Speaker, it is just such an occasion and experience which we had the pleasure to recognize when the East Syracuse Middle School Fife and Drum Corps came to Washington for 2 wonderful days in May.

As with so many groups of young bandmen, the story behind their trip would make even the most callous heart twinge with admiration at the resolution and determination of the fundraising efforts and arrangements that had to be made for such an event.

Led by the corps director, Jim De Luca, who has been for some time the guiding force behind the projects associated with the band, the 110 young people who comprise the corps decided they wanted to come to Washington to take part in the Bicentennial. They knew that such a wish could only be fulfilled if they made it come true and their own hard work, and they did.

A candy cane sale, spaghetti supper, and personal donations from many parents and public-spirited citizens raised much of the money needed to pay the passage of the band and its instruments and chaperones to Washington.

The enthusiasm and determination of the bandsmen was infectious. Once the plan became widely known in East Syracuse, the community responded with an open heart. The American Legion, the Lions Club, the Rotary Club, the Knights of Columbus, the Kiwanis Club—all pitched in to help make this trip possible. In all, over $6,000 was raised through gifts and work projects to allow those sixth, seventh, and eighth graders to play in Washington.

But the story is not just that of the trip here. It is the story of providing activity for young people on a year round basis. An activity which is wholesome and educational and character building. For the creative child who can express himself or herself through music and through group activity is on the way to realizing a well-rounded personal development. For each student who involves him- or herself in such a program the rewards of personal satisfaction and group activity are life-long remembrances. For many young people such an activity, over and above the opportunity to travel, is a turning point in their lives.

The East Syracuse Fife and Drum Corps has graduated almost 450 bandsmen in its brief existence. There is no real way to tell who and how the experiences of being a part of that band made a better and more secure individual. But, like the band in the hit Broadway play and smash movie, the Music Man, the fife and drum corps from East Syracuse follows the lure of Prof. Harold Hill's magic call to musical excellence and personal fulfillment.

As I noted earlier, Mr. Speaker, the story behind the presence of these bandsmen often goes unnoticed by those who see and hear them. What to many here in Washington is a kaleidoscope of sound and color, for those who are a part of the pageantry is the single most exciting event of their young lives.

It is a proudful moment when the teachers and parents of these youngsters, those who had the concern and determination to see that the corps did get to make this trip, when these adults who wished them well and safe journey gathered back at the school parking lot to pick up the bandsmen. They could not help but notice the added maturity and wiser gleam in the eyes of youngsters back from a supreme adventure. The look of children who are really growing up.

Thank you for this time, Mr. Speaker, to share with our colleagues some observations about this great musical group. I wish them continued good luck in all their future plans as fife and drum corps members and as the future generation of leaders for our country.

DR. MANOLO REYES WELCOMES NEW CITIZENS AT JULY 4TH CEREMONY IN MIAMI BEACH

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, 1 year ago, on July 4, 1975, Dr. Manolo Reyes, a refugee of Castro's Communist Cuba and an outspoken newscaster at WTVJ-TV, Miami, Fla., attained his American citizenship. Dr. Reyes is a staunch defender of American ideals and principles and a vigorous critic of the Castro regime. His expert knowledge on affairs within Cuba have led me to invite him to testify on several occasions before the Subcommittee on International Political and Military Affairs on Soviet military activities in Cuba.

On the occasion of our Nation's Bicentennial celebration, more than 7,000 individuals were sworn in as new Americans in naturalization ceremonies held at the Miami Beach Convention Hall. The occasion also marked Dr. Reyes' first anniversary as a citizen and he gave a most moving and inspiring speech to the assembly. I call Dr. Reyes' remarks to the attention of our colleagues and feel certain that they will be as moved as I was when I heard it.

THANK YOU AMERICA

(By Dr. Manolo Reyes)

One year ago . . . after being sworn in as a new citizen of the United States . . . I came to this podium and delivered the Acceptance Speech for all those who—like me—were beginning a new road toward the fulfillment of our ideals.—Today I welcome YOU to a new life. A new life that has been possible for all of you because in a day like today . . . 200 years ago . . . a group of idealists faced an impossible dream at that time: To forge a new Nation! . . . But a firm will always wins when it is put to serve a true cause. Today that impossible dream is a reality, basically in all and each one of you.—You are going to be part . . . an essential part . . . of this country, leader of the world, starting today when you are making history! And you can do it—thanks to those who . . . through the years—since the arrival of the Pilgrims . . . came from all parts of the globe settling here to begin a new life.

Many of you who are going to be sworn in today . . . know what it is to have your own country—and lose it.—Many of you know what it is to have freedom and become enslaved. . . . God and the American people have given you today a new opportunity.—I am sure that in many of you, there is a big fervor in your heart . . . flames in your soul like it was felt by the forefathers of this country in 1776, in their quest for freedom.

Look back and see how many lives, sorrow and suffering has been invested in this nation . . . so today you can officialy become citizens of the United States.

Let us be worthy of their sacrifices!

Let us hope that the generations that are not yet born, and for which we are working now . . . in fifty or a hundred years . . . will be as proud as we are today from those that 200 years ago . . . forged ahead . . . an impossible dream!

Let us be the new blood of America!

Let us work . . . all together . . . to maintain and defend our heritage of freedom . . . in this nation . . . and throughout the world!

And to America . . . watching today this historical renewal and rebirth . . . our blessings . . . our prayers . . . our everlasting efforts . . . and from the bottom of our hearts—OUR THANKS!

EXPLANATION OF RULE ON H.R. 8911

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ULLMAN. Mr. Speaker, I take this occasion to advise my Democratic colleagues that the Committee on Ways and Means has requested a hearing before the Committee on Rules for a modified open rule on H.R. 8911, a bill to amend title XVI of the Social Security Act to make needed improvements in the program of supplemental security income benefits.

Under the rule which will be requested, amendments would have to be germane, and would have to be printed in the CONGRESSIONAL RECORD at least 48 hours prior to the time the bill is scheduled to be considered on the floor of the House. For example, if the bill should be scheduled for consideration on a Tuesday, all amendments would have to be placed in the Record not later than the preceding Friday night. It will be further requested that the rule provide for 2 hours of general debate, to be equally divided, and for the usual motion to recommit.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. Vander Jagt (at the request of Mr. Rhodes), for today, on account of illness.

Mr. Fountain (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Helstoski (at the request of Mr. O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hansen) and to revise and extend their remarks and include extraneous matter:)

Mr. Derwinski, for 5 minutes, today.

Mr. Peyser, for 30 minutes, today.

Mr. Miller of Ohio, for 10 minutes, today.

Mr. Paul, for 5 minutes, today.

(The following Members (at the request of Mr. Pattison of New York) to revise and extend their remarks and to include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Reuss, for 30 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Ms. Abzug, for 15 minutes, today.

Mr. O'Neill, for 10 minutes, today.

Ms. Holtzman, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Hansen) and to include extraneous matter:)

Mr. Forsythe.

Mr. McKinney.

Mr. Young of Florida in five instances.

Mr. Rinaldo in two instances.

Mr. Conable.

Mr. Ketchum.

Mr. Conte.

Mr. Derwinski in seven instances.

Mr. Gilman.

Mr. Heinz.

Mr. Whitehurst.

Mr. Abdnor.

Mr. Rhodes.

Mr. Miller of Ohio in three instances.

(The following Members (at the request of Mr. Pattison of New York) and to include extraneous matter:)

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Sisk.

Mrs. Lloyd of Tennessee in five instances.

Mr. Brown of California in 10 instances.

Mr. John L. Burton in two instances.

Mr. Krueger.

Mr. Edwards of California in two instances.

Mr. Carney.

Mr. de la Garza in 10 instances.

Mr. Rosenthal in 10 instances.

Mr. Danielson in five instances.

Mr. Byron.

Mr. Mottl.

Mr. Burke of Massachusetts.

Mr. Simon.

Mr. Miller of California.

Mr. Downey of New York.

Mrs. Chisholm.

Mr. Roberts.

Mrs. Schroeder.

Mr. Green in 10 instances.

Ms. Abzug in five instances.

Mr. Bingham in 10 instances.

Mr. Yatron.

Mr. Waxman in two instances.

Mr. Vanik.

Mr. Rangel in two instances.

Mr. Matsunaga.

Mr. Aspin in 10 instances.

Mr. Hawkins.

Mr. Vander Veen.

Mr. Fisher in 10 instances.

Mr. O'Neill.

Mr. Rostenkowski.

Mr. Charles Wilson of Texas in five instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 800. An act to amend chapter 7, title 5, United States Code, with respect to procedure for judicial review of certain administrative agency action, and for other purposes; to the Committee on the Judiciary.

S. 2125. An act to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1404. An act to authorize the Secretary of the Interior to convey certain lands in Madera County, Calif., to Mrs. Lucille Jones, and for other purposes;

H.R. 4829. An act for the relief of Leah Maureen Anderson;

H.R. 5666. An act for the relief of Won, Hyo-Yun;

H.R. 10572. An act to amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments;

H.R. 10930. An act to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture;

H.R. 13069. An act to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands;

H.R. 13501. An act to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act;

H.R. 14235. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes; and

H.R. 14484. An act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for one year the eligibility of supplemental security income recipients for food stamps, and to extend for one year the period during which payments may be made to States for child support collection services under part D of title IV of such act.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1518. An act to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to require the establishment of a special motor vehicle diagnostic inspection demonstration project, to provide additional authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following title:

On July 2, 1976:

H.R. 10451. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes;

H.R. 12438. An act to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve of each component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

H.R. 13899. An act to delay the effective date of certain proposed amendments to the Federal Rules of Criminal Procedure and certain other rules promulgated by the U.S. Supreme Court;

H.R. 14239. An act making appropriations for the Department of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes; and

H.R. 14261. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 20, 1977, and for other purposes.

On July 6, 1976:

H.R. 1404. An act to authorize the Secretary of the Interior to convey certain lands in Madera County, Calif., to Mrs. Lucille Jones, and for other purposes;

H.R. 4829. An act for the relief of Leah Maureen Anderson;

H.R. 5666. An act for the relief of Won, Hyo-Yun;

H.R. 10672. An act to amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments;

H.R. 10930. An act to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture;

H.R. 13069. An act to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands;

H.R. 13501. An act to extend or remove certain time limitations and make other administrative improvements in the medicare programs under title XVIII of the Social Security Act;

H.R. 14235. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes; and

H.R. 14484. An act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for one year the eligibility of supplemental security incomes recipients for food stamps, and to extend for one year the period for child support collection services under part D of title IV of such Act.

ADJOURNMENT

Mr. PATTISON of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 20, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3591. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles and services to Kenya (transmittal No. 76-56), pursuant to section 36 (b) of the Arms Export Control Act, to the Committee on International Relations.

3592. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Iran (transmittal No. 76-59), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3593. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense services to Iran (transmittal No. 76-60), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3594. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under section 614(a) of the Foreign Assistance Act of 1961, as amended, to waive the restriction of section 620(m) of the act as it applies to security assistance to Spain for fiscal year 1976, pursuant to section 652 of the act (H. Doc. No. 94-549); to the Committee on International Relations and ordered to be printed.

3595. A letter from the President of the United States, transmitting proposed substitute language to correct constitutional and practical problems contained in S. 495, the Watergate Reorganization and Reform Act of 1976, currently pending before the Senate (H. Doc. No 94-550); jointly, to the Committees on the Judiciary, Rules, and Standards of Office Conduct and ordered to be printed.

3596. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 309 of the Consolidated Farm and Rural Development Act to remove the dollar limitation imposed on the amount of unsold loans which may be held in the Agricultural Credit Insurance Fund at any one time; to the Committee on Agriculture.

3597. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of July 1, 1976, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 94-551); to the Committee on Appropriations and ordered to be printed.

3598. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a supplemental summary of the fiscal year 1977 budget, pursuant to section 201 of the Budget and Accounting Act of 1921, as amended [31 U.S.C. 11(b)] (H. Doc. No. 94-552); to the Committee on Appropriations and ordered to be printed.

3599. A letter from the Secretary of Defense, transmitting reports of 10 violations of the Anti-Deficiency Act, pursuant to section 3679(i) (2) of the Revised Statutes; to the Committee on Appropirations.

3600. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report covering the third quarter for fiscal year 1976 on the disposal of surplus military supplies, equipment, material, and the production of lumber and timber products, pursuant to section 712 of Public Law 94-212; to the Committee on Appropriations.

3601. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 5 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking, Currency and Housing.

3602. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to repeal the requirements that the amount of U.S. notes outstanding at any time remain fixed; to the Committee on Banking, Currency and Housing.

3603. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council act No. 1-137, to provide a period of 20 days in which to eliminate deficiencies in vehicles rejected at inspection by the Department of Transportation, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

3604. A letter from the District of Columbia Auditors, transmitting a report on the publication of the D.C. Register, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

3605. A letter from the Assistant Secretary of Agriculture, transmitting the final reports on the evaluation of the special supplemental food program for women, infants, and children, required by section 17(e) of the Child Nutrition Act of 1966, as amended; to the Committee on Education and Labor.

3606. A letter from the Assistant Secretary of Agriculture, transmitting the fifth annual report of the National Advisory Council on Child Nutrition, pursuant to 84 Stat. 213; to the Committee on Education and Labor.

3607. A letter from the Secretary of Labor, transmitting the second annual report on the Department of Labor's administration of the black lung program under section 415 (part B) and part C, title IV of the Federal Coal Mine Health and Safety Act of 1969, as amended, pursuant to section 426(b) of the act; to the Committee on Education and Labor.

3608. A letter from the National Director, Federal Mediation and Conciliation Service, transmitting the annual report of the Service for fiscal year 1974, pursuant to section 202(c) of the Labor Management Relations Act, 1947 [29 U.S.C. 172(c)]; to the Committee on Education and Labor.

3609. A letter from the Director, National Commission for Manpower Policy, transmitting the eighth special report of the Commission, entitled "The Quest for a National Manpower Policy Framework"; to the Committee on Education and Labor.

3610. A letter from the Acting Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed final regulations for Domestic Mining and Mineral and Mineral Fuel Conservation Fellowships, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3611. A letter from the Acting Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed final regulations for special community service and continuing education projects—fiscal year 1976 funding priorities, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3612. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations contained in the 1975 annual report of the National Advisory Council on the Education of Disadvantaged Children, dated March 31, 1975, and actions taken thereon, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3613. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed change in the system of records of the Department, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3614. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed change in the Department of the Army's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3615. A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of September 5, 1962, to authorize the acquisition of land for the Edison National Historic Site in the State of New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

3616. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 249, *The Choctaw Nation, Plaintiff*, v. *The United States of America, Defendant*, pursuant to 60 Stat. 1055, 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

3617. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 76–18, waiving the regional ceiling on foreign military assistance for African countries for fiscal year 1976, pursuant to section 33(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

3618. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

3619. A letter from the Chairman, Development Coordination Committee, transmitting the 1976 annual report of the committee on U.S. actions affecting the development of low-income countries and on the impact of those undertakings upon the national income, employment, wages, and working conditions in the United States, pursuant to section 640B of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

3620. A letter from the Administrator, Federal Energy Administration, transmitting a report on market shares of distillate fuel oil and residual fuel oil in 1975 by refiner-marketers and independent marketers, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

3621. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares of retail gasoline marketers during February and March 1976, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973, to the Committee on Interstate and Foreign Commerce.

3622. A letter from the President, Communications Satellite Corporation, transmitting the corporation's 13th annual report, pursuant to section 404(b) of the Communications Satellite Act of 1962; to the Committee on Interstate and Foreign Commerce.

3623. A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 215, title 18, United States Code, receipt of commissions or gifts for procuring loans, to expand the institutions covered; to encompass indirect payments to bank officials; to make violation of the section a felony; and to specifically include offerors and givers of the proscribed payments; and for other purposes; to the Committee on the Judiciary.

3624. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third- and sixth-preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

3625. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act [8 U.S.C. 1182(d)(6)]; to the Committee on the Judiciary.

partment of Justice, transmitting copies of orders suspending deportation under the au-

3626. A letter from the Commissioner, Immigration and Naturalization Service, De- thority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act [8 U.S. 1254(c)]; to the Committee on the Judiciary.

3627. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, as amended, together with a list of the persons involved, pursuant to section 244(c) of the act [8 U.S.C. 1254(c)]; to the Committee on the Judiciary.

3628. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens under the authority contained in section 13(b) of the act of September 11, 1957, pursuant to section 13(c) of the act [8 U.S.C. 1255b(c)] to the Committee on the Judiciary.

3629. A letter from the executive director, Reserve Officers Association of the United States, transmitting a report of the audit of the association for the year ended March 31, 1976, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

3630. A letter from the Secretary of Commerce, transmitting the annual report of the Maritime Administration for fiscal year 1975; to the Committee on Merchant Marine and Fisheries.

3631. A letter from the Secretary of Transportation, transmitting the second annual report on administrative adjudication of traffic infractions, pursuant to section 222 of the Highway Safety Act of 1973; to the Committee on Public Works and Transportation.

3632. A letter from the Secretary of Transportation, transmitting the second annual report on the driver education evaluation program, pursuant to section 226(a) of Public Law 93–87; to the Committee on Public Works and Transportation.

3633. A letter from the Assistant Secretary of the Treasury (Enforcement, Operations, and Tariff Affairs), transmitting a determination waiving the imposition of countervailing duties on imports of cheese from Norway for a temporary period not to extend beyond January 3, 1979, pursuant to section 303(e) of the Tariff Act of 1930, as amended (88 Stat. 2051) (H. Doc. No. 94–553); to the Committee on Ways and Means and ordered to be printed.

3634. A letter from the Assistant Secretary of the Treasury (Enforcement, Operation, and Tariff Affairs), transmitting a determination waiving the imposition of countervailing duties on imports of cheese from Finland for a temporary period not to extend beyond January 3, 1979, pursuant to section 303(e) of the Tariff Act of 1930, as amended (88 Stat. 2051) (H. Doc. No. 90–554); to the Committee on Ways and Means and ordered to be printed.

3635. A letter from the Assistant Secretary of the Treasury (Enforcement, Operations, and Tariff Affairs), transmitting a determination waiving the imposition of countervailing duties on imports of cheese from Sweden for a temporary period not to extend beyond January 3, 1979, pursuant to section 303(e) of the Tariff Act of 1930, as amended (88 Stat. 2051) (H. Doc. No. 94–555); to the Committee on Ways and Means and ordered to be printed.

3636. A letter from the Secretary of the Interior, transmitting a report on extending to onshore Federal energy leases the prohibition which now exists on joint bidding for Outer Continental Shelf oil and gas leases, pursuant to section 105(e) of Public Law 94–163; jointly, to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs.

3637. A letter from the Secretary of Health, Education, and Welfare, transmitting his annual report on public advisory committees operating under the Social Security Act, pursuant to section 1114(f) of the act; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

3638. A letter from the Chairman, Commission on Federal Paperwork, transmitting an interim report on paperwork involved in the occupational safety and health program; jointly, to the Committees on Government Operations, and Education and Labor.

RECEIVED FROM THE COMPTROLLER GENERAL

3639. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescission of budget authority for the Office of Drug Abuse Policy contained in the message from the President dated July 1, 1976 (H. Doc. No. 94–452), pursuant to section 1014(b) of Public Law 94–344 (H. Doc. No. 94–556); to the Committee on Appropriations and ordered to be printed.

3640. A letter from the Comptroller General of the United States, transmitting notice of his intention to bring civil action to require the release of funds for the Health Services Administration's home health service projects which were proposed to be rescinded, on which Congress did not complete action during the statutory 45 days of continuous session which expired on March 19, 1976, and which have not been released by the Department of Health, Education, and Welfare, pursuant to section 1016 of Public Law 93–344 (H. Doc. No. 94–557); to the Committee on Appropriations and ordered to be printed.

3641. A letter from the Comptroller General of the United States, transmitting notice of his intention to bring civil action to require the release of funds for the operating subsidies program under section 212 of the Housing and Community Development Act of 1974, the de facto rescission of which he reported to Congress (H. Doc. No. 94–466), on which Congress did not complete action during the statutory 45 days of continuous session which expired on June 16, 1976, and which have not been released by the Department of Housing and Urban Development, pursuant to section 1016 of Public Law 93–344 (H. Doc. No. 94–558); to the Committee on Appropriations and ordered to be printed.

3642. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during June 1976, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

3643. A letter from the Comptroller General of the United States, transmitting a report on the potential for further cutbacks in Department of Defense top-management headquarters; jointly, to the Committees on Government Operations, and Armed Services.

3644. A letter from the Comptroller General of the United States, transmitting a report on the need for the Department of the Interior to develop a national nonfuel mineral policy; jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

3645. A letter from the Comptroller General of the United States, transmitting a report on Federal control over new drug testing; jointly to the Committees on Government Operations, and Interstate and Foreign Commerce.

3646. A letter from the Comptroller General of the United States, transmitting a report on the emergency medical services system program; jointly to the Committees on Government Operations and Interstate and Foreign Commerce.

3647. A letter from the Comptroller General of the United States, transmitting a report on the economies available through consolidating or collecting Government land-based high-frequency communications facilities; jointly, to the Committees on Government

Operations, Interstate and Foreign Commerce, and Armed Services.

3648. A letter from the Comptroller General of the United States, transmitting a report on actions that can be taken to help improve the Nation's uranium picture; jointly, to the Committees on Government Operations, and the Joint Committee on Atomic Energy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, report of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on July 2, 1976 the following report was filed July 8, 1976*]

Mr. RODINO: Committee on the Judiciary. H.R. 9182. A bill to require the Federal Trade Commission, the Department of Justice, and the Department of Agriculture, to compile information and annually report to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry, and for other purposes, with amendment (Rept. No. 94–1338). Referred to the Committee on the Whole House on the State of the Union.

[*Pursuant to the order of the House on June 29, 1976, the following reports were filed on July 13, 1976.*]

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 13218. A bill to permit the SS *United States* to be used as a floating hotel, and for other purposes; (Rept. No. 94–1339). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 13326. A bill to extend until November 1, 1983, the existing exemption of the steamboat *Delta Queen* from certain vessel laws; (Rept. No. 94–1340). Referred to the House Calendar.

[*Pursuant to the order of the House on June 29, 1976, the following report was filed on July 14, 1976.*]

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 14311. A bill establishing certain accounting standards relating to the Panama Canal Company; with an amendment (Rept. No. 94–1342). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on July 1, 1976, the following report was filed on July 14, 1976.*]

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 14032. A bill to regulate commerce and protect health and the environment by requiring testing and necessary restrictions on certain chemical substances and mixtures, and for other purposes; with an amendment (Rept. No. 94–1341). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on July 2, 1976, the following report was filed on July 15, 1976.*]

Mr. SEIBERLING: Committee on the Judiciary. H.R. 13489. A bill to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations, and for other purposes; with an amendment (Rept. No. 94–1343). Referred to the Committee of the Whole House on the State of the Union.

[*Filed July 19, 1976*]

Mr. RODINO: Committee on the Judiciary. Supplemental report on H.R. 9182 with amendment (Rept. No. 94–1338, Pt. II). Referred to the Committee on the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 1142. A bill to amend the Internal Revenue Code of 1954 to provide for a distribution deduction for certain cemetery perpetual care fund trusts (Rept. No. 94–1344). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 7929. A bill relating to the deduction of interest on certain corporate indebtedness to acquire stock or assets of another corporation; with an amendment (Rept. No. 94–1345). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 3605. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); with an amendment (Rept. No. 94–1346). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Joint Committee on Atomic Energy. Report on Development, Use, and Control of Nuclear Energy for the Common Defense and Security and for Peaceful Purposes (Rept. No. 94–1347). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 13676. A bill to establish in the Energy Research and Development Administration an Energy Extension Service to oversee the development and administration of State plans for the development, demonstration, and analysis of energy conservation opportunities, and the development of programs to encourage the acceptance and adoption of energy conservation opportunities by energy consumers (Rept. No. 94–1348). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself, Mr. Badillo, Mr. Carter, Mr. Davis, Mr. Fary, Mr. Gaydos, Mr. Grassley, Mr. Hammerschmidt, Mr. McFall, Mr. Madden, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Murphy of Illinois, Mr. Nolan, Mr. Nix, Mr. Rinaldo, Mr. Rodino, and Mr. J. William Stanton):

H.R. 14703. A bill to increase for a 5-year period the duty on certain hand tools, and for other purposes; to the Committee on Ways and Means.

By Mr. ARCHER (for himself, Mr. Burgener, Mr. Frenzel, Mr. Ketchum, Mr. McCollister, and Mr. Moorhead of California):

H.R. 14704. A bill to amend the Third Supplemental Appropriations Act, 1957, to provide that unexpended funds subject to disbursement by the Clerk of the House of Representatives shall be returned to the Treasury of the United States 4 months after the close of the fiscal year for which such funds are appropriated; to the Committee on Appropriations.

By Mr. ARCHER (for himself, Mr. Bevill, Mr. Burgener, Mr. Cleveland, Mr. Conte, Mr. Dan Daniel, Mr. Dickinson, Mr. Edgar, Mr. Grassley, Mr. Hyde, Mr. Kemp, Mr. Ketchum, Mr. Lott, Mr. Moorhead of California, Mr. Roe, Mr. Steiger of Arizona, Mr. Treen, and Mr. Zeferetti):

H.R. 14705. A bill to amend title 5, United States Code, to exclude individuals who are not citizens of the United States from appointment in the competitive service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ASHLEY:

H.R. 14706. A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations with respect to certain electronic equipment that is susceptible to radiofrequency energy interference; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPIN:

H.R. 14707. A bill to amend the Federal Power Act to provide for the reform of electric utility regulation by the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Massachusetts (for himself and Mr. Conte):

H.R. 14708. A bill to amend the Social Security Act to authorize international agreements with respect to social security benefits; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON (by request):

H.R. 14709. A bill to amend the Age Discrimination in Employment Act of 1967 to change the age limitation, and for other purposes; to the Committee on Education and Labor.

By Mr. PHILLIP BURTON:

H.R. 14710. A bill to amend title XX of the Social Security Act to provide for annual cost-of-living increases in the existing dollar limitation on the amount of Federal funds available for social services programs thereunder; to the Committee on Ways and Means.

H.R. 14711. A bill to amend title XX of the Social Security Act to provide that Federal funds for social services programs which are available for allotment but not used in any fiscal year shall be reallotted to States whose regular allotments of funds for such programs are insufficient to meet their needs; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 14712. A bill to authorize the Secretary of the Interior to assist in the preservation of the Fort Toulouse National Historic Landmark and Taskigi Indian Mound in the State of Alabama, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EVANS of Colorado:

H.R. 14713. A bill to direct the Secretary of the Interior to amend the legal description of certain land conveyed by the United States in a land patent; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY (for himself, Mr. Bowen, Mr. Breckinridge, Mr. Flood, Mr. Gaydos, Mr. Hagedorn, Mr. Hungate, Mr. Melcher, Mr. Railsback, Mr. Shipley, and Mrs. Sullivan):

H.R. 14714. A bill to authorize the construction of a lock and dam project on the Mississippi River near Alton, Ill., to revoke authority for 12-foot channel studies on the upper Mississippi River and its tributaries, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FLORIO:

H.R. 14715. A bill to amend section 901(a) of the Education Amendments of 1972 to provide that such section shall not apply to events in which participation is limited to parents of either sex and their children of either sex; to the Committee on Education and Labor.

By Mr. HAMILTON:

H.R. 14716. A bill to establish a series of six regional Presidential primaries at which the public may express its preference for the nomination of an individual for election to the office of President of the United States; to the Committee on House Administration.

By Mr. JONES of Oklahoma:

H.R. 14717. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to allow a participant in a qualified employee savings plan to use the nonforfeitable benefit accrued in such plan as security for a loan from a bank or insured credit union; jointly to the Committees on Education and Labor and Ways and Means.

By Ms. KEYS:

H.R. 14718. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON (for himself and Mr. Fascell):

H.R. 14719. A bill to amend the Internal Revenue Code of 1954 to require the establishment of formal procedures and criteria for the selection of individual income tax returns for audit, to inform individuals of the reasons why their returns were selected for audit, and for other purposes; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 14720. A bill to modify the project for flood protection on the North Branch of the Susquehanna River, N.Y., and Pa., to authorize and direct the Secretary of the Army to relocate the village of Nelson, Pa.; to the Committee on Public Works and Transportation.

By Mr. MATSUNAGA (for himself and Mr. Gilman):

H.R. 14721. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. MILLER of California (for himself, Mr. Anderson of California, Ms. Abzug, Mr. Bedell, Mr. Bingham, Mr. Phillip Burton, Mr. Carney, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Drinan, Mr. Edgar, Mr. Harrington, Mr. Helstoski, Ms. Keys, Mr. Koch, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Ottinger, Mr. Peyser, Mr. Riegle, Mr. Scheuer, Mr. Stark, Mr. Weaver, and Mr. Zeferetti):

H.R. 14722. A bill to amend the Older American Act of 1965 to provide a national meals-on-wheels program for the elderly, and for other purposes; to the Committee on Education and Labor.

By Mr. MOAKLEY:

H.R. 14723. A bill to amend title 18 of the United States Code to provide for the mandatory imprisonment of persons convicted of certain offenses relating to stolen automobiles; to the Committee on the Judiciary.

By Mr. MYERS of Indiana:

H.R. 14724. A bill to amend title 18, United States Code, to prohibit the transportation of stolen hogs and the sale or receipts of such hogs; to the Committee on the Judiciary.

By Mr. PEYSER:

H.R. 14725. A bill to amend the Antihijacking Act of 1974 to extend the protections afforded by that act to common carriers of passengers for hire, and for other purposes; jointly to the Committees on Public Works and Transportation, and Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 14726. A bill to amend the Act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37 United States Code; and, sections 8501(1)(B) and 8521(1) of title 5, United States Code; jointly to the Committees on Armed Services, Merchant Marine and Fisheries, and Ways and Means.

By Mr. QUIE (by request):

H.R. 14727. A bill to amend and extend the program authorized by the Child Abuse Prevention and Treatment Act; to the Committee on Education and Labor.

By Mr. SIKES:

H.R. 14728. A bill to direct the Secretary of the Interior to convey certain real property of the United States to the city of Niceville, Fla., for use as a cemetery; to the Committee on Armed Services.

By Mr. SLACK:

H.R. 14729. A bill to amend the Federal Crop Insurance Act to extend crop insurance coverage under such act to all areas of the United States and to all agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. SIKES:

H.R. 14730. A bill to authorize the Secretary of the Army to place beach quality sand dredged as part of a navigation project on the adjacent beaches; to the Committee on Public Works and Transportation.

By Mrs. SULLIVAN (for herself, Mr. Leggett, Mr. Forsythe, Mr. Dingell, Mr. Anderson of California, Mr. de la Garza, Mr. Breaux, and Mr. Studds):

H.R. 14731. A bill to amend the Marine Mammal Protection Act of 1972 to extend the authorization of appropriations for the continuation of administration and implementation; to the Committee on Merchant Marine and Fisheries.

By Mr. SIMON:

H.R. 14732. A bill to authorize and direct the Secretary of Agriculture to study the Shawnee Hills in the State of Illinois for possible designation as a national recreation area; to the Committee on Interior and Insular Affairs.

By Mrs. SPELLMAN (for herself, Mr. Badillo, Mr. Downey of New York, Mr. Gude, Mr. Harkin, Ms. Heckler of Massachusetts, Mr. La Falce, Mr. Maguire, Mr. McHugh, Mr. McKinney, Mr. Mikva, Mr. Patterson of California, Mr. Rodino, Mr. Rose, Mr. Stark, Mr. Waxman, and Mr. Wirth):

H.R. 14733. A bill to amend the Public Health Service Act to provide health care services for pregnant adolescents before and after childbirth; to the Committee on Interstate and Foreign Commerce.

By Mr. BRODHEAD:

H.J. Res. 1022. A resolution providing for the designation of the week beginning October 3, 1976, and ending October 9, 1976, as "National Gifted Children Week"; to the Committee on Post Office and Civil Service.

By Mr. ROBINSON:

H.J. Res. 1023. A resolution to designate January 13, 1977 as "Religious Freedom Day"; to the Committee on Post Office and Civil Service.

By Mr. WHALEN (for himself, Mr. Carney, Mrs. Chisholm, Mr. Cleveland, Mr. Cornell, Mr. du Pont, Mr. Gaydos, Mr. Helstoski, Mrs. Meyner, Mr. Murphy of Illinois, Mr. Murphy of New York, Mr. Scheuer, Mr. Sisk, Mr. Stark, Mr. Stratton, Mr. Traxler, Mr. Waxman, and Mr. Young of Florida):

H. Con. Res. 679. A resolution expressing the sense of the Congress in favor of eliminating the reduction in other Federal benefits which results when cost-of-living increases in social security benefits occur; to the Committee on Ways and Means.

By Mr. ARCHER (for himself, Mr. Brown of Ohio, Mr. Burgener, Mr. Frenzel, Mr. Ketchum, Mr. McCollister, and Mr. Moorhead of California):

H. Res. 1404. A resolution to provide that expenditures from the contingent fund of the House of Representatives may be made only upon approval by the House of Representatives; to the Committee on House Administration.

By Mr. ARCHER (for himself, Mr. Brown of Ohio, Mr. Burgener, Mr. Frenzel, Mr. Ketchum, Mr. McCollister, Mr. Mann, Mr. Moorhead of California, Mr. Rinaldo, and Mr. Traxler):

H. Res. 1405. A resolution to provide that information provided to Members of the House of Representatives by the Clerk of the House of Representatives relating to certain expenses incurred by such Members shall be available for public inspection; to the Committee on House Administration.

By Mr. ARCHER (for himself, Mr. Burgener, Mr. Frenzel, Mr. Mann, Mr. McCollister, and Mr. Moorhead of California):

H. Res. 1406. A resolution to provide that unexpended balances of the stationery allowances of Members of the House of Representatives shall be transferred to the contingent fund of the House of Representatives at the close of each Congress; to the Committee on House Administration.

By Mr. RINALDO:

H. Res. 1407. A resolution expressing the sense of the House of Representatives that Israel be commended for its rescue operation in Uganda; to the Committee on International Relations.

By Mr. SISK (for himself and Mr. Horton):

H. Res. 1408. A resolution to provide for the further expenses of the investigations and studies to be conducted by the Select Committee on Professional Sports; to the Committee on House Administration.

By Mrs. SPELLMAN:

H. Res. 1409. A resolution relative to committee hearings on the Nation's future telecommunication policy; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

417. By the SPEAKER: A memorial of the House of Representatives of the State of Iowa, relative to Federal soil conservation funds; to the Committee on Agriculture.

418. Also, a memorial of the Legislature of the State of Michigan, relative to restoring the Congressional Medal of Honor to Doctor Mary Edwards Walker; to the Committee on Armed Services.

419. Also, a memorial of the Senate of the State of New York, relative to creation of a national commission to study the presidential nominating process; to the Committee on House Administration.

420. Also, a memorial of the Senate of the State of New York, relative to a national regional presidential primary system; to the Committee on House Administration.

421. Also, a memorial of the Senate of the State of New York, relative to creation of a northeast regional presidential primary; to the Committee on House Administration.

422. Also, a memorial of the Legislature of the State of California, relative to mining in the Los Padres National Forest; to the Committee on Interior and Insular Affairs.

423. Also, a memorial of the Legislature of the State of Arizona, relative to U.S. relations with the Republic of China; to the Committee on International Relations.

424. Also, a memorial of the Legislature of the State of California, relative to holding an international exposition at Ontario, Calif., in 1981; to the Committee on International Relations.

425. Also, a memorial of the Legislature of the State of California, relative to a presidential pardon for Iva Toguri d'Aqino; to the Committee on the Judiciary.

426. Also, a memorial of the Legislature of the State of Arizona, relative to postal service at Jerome, Ariz.; to the Committee on Post Office and Civil Service.

427. Also, a memorial of the Legislature of the State of Michigan, relative to amending section 404 of the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

428. Also, a memorial of the Senate of the State of New York, relative to the tariff treatment of certain imported clothing; to the Committee on Ways and Means.

429. Also, a memorial of the Legislature of the territory of Virgin Islands, relative to the Tax Reduction Act of 1975 and the Revenue Adjustment Act of 1975; to the Committee on Ways and Means.

430. Also, a memorial of the House of Representatives of the State of Florida, relative to condominium and cooperative housing laws; jointly, to the Committees on Banking, Currency and Housing, and the Judiciary.

431. Also, a memorial of the Legislature of the State of California, relative to whales; to the Committee on International Relations, and Ways and Means.

432. Also, a memorial of the Legislature of the State of California, relative to simplification of eligibility for welfare; jointly, to the Committees on Ways and Means, and Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 14734. A bill for the relief of Hea Chu Lobeck; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 14735. A bill for the relief of Luz A Ruiz de Vargas; to the Committee on the Judiciary.

H.R. 14736. A bill for the relief of Raul Domingo Santiago; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 14737. A bill for the relief of Mrs. Arlene S. Miller; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

510. By the SPEAKER: Petition of members of the Campus Federal Credit Union, Baton Rouge, La., relative to amending the Federal Credit Union Act; to the Committee on Banking, Currency and Housing.

511. Also, petition of Halliburton Services Employees' Federal Credit Union, Duncan, Okla., relative to amending the Federal Union Act; to the Committee on Banking, Currency and Housing.

512. Also, petition of the Fourth Northern Mariana Islands Legislature, Susupe, Saipan, Mariana Islands, Trust Territory of the Pacific Islands, relative to commemorative ceremonies of the signing of the Northern Marianas Covenant from April 21 and 22, 1976; to the Committee on Interior and Insular Affairs.

513. Also, petition of Fort Wadsworth Committee for a "Living National Park Memorial", Little Neck, N.Y., relative to establishing Fort Wadsworth as a Living National Park Memorial; to the Committee on Interior and Insular Affairs.

514. Also, petition of Gina Graham, Kentfield, Calif., and others, relative to South Africa; to the Committee on International Relations.

515. Also, petition of the Fourth Northern Mariana Islands Legislature, Susupe, Saipan, Mariana Islands, Trust Territory of the Pacific Islands, relative to amending the Immigration and Naturalization Act of the United States; to the Committee on the Judiciary.

516. Also, petition of Annemarie Renger, President, German Bundestag, Bonn, Germany, relative to commemorating U.S. independence; to the Committee on Post Office and Civil Service.

517. Also, petition of the National League of Families of American Prisoners and Missing in Southeast Asia, Washington, D.C., relative to extending the House Select Committee on Missing Persons in Southeast Asia; to the Committee on Rules.

518. Also, petition of the Armenian National Committee, Chicago Chapter, Bellwood, Ill., relative to censuring Congressmen Wayne Hays and Herbert Burke; to the Committee on Standards of Official Conduct.

519. Also, petition of the New Jersey Federation of Women's Clubs, Runnemede, N.J., relative to unemployment compensation; to the Committee on Ways and Means.

520. Also, petition of the Central Conference of American Rabbis, New York, N.Y., relative to health care and unemployment legislation; jointly, to the Committee on Ways and Means, Education and Labor, and Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6218

By Mr. BELL:

On page 79, lines 3 through 11, strike all of subsection (g).

H.R. 10210

By Mr. BURLISON of Missouri:

Page 39, insert after line 24 the following:

(5) examination of (A) the problems of claimant fraud and abuse in the unemployment compensation programs and (B) the adequacy of present statutory requirements and administrative procedures designed to protect the programs against such fraud and abuse;

Page 39, line 25, strike out "(5)" and insert in lieu thereof "(6)".

Page 40, line 3, strike out "(6)" and insert in lieu thereof "(7)".

Page 4, line 7, strike out "(7)" and insert in lieu thereof "(8)".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of July 2, 1976, page 22157.

HOUSE BILLS

H.R. 14261. June 8, 1976. Appropriates for fiscal year 1977 specified sums for the Department of the Treasury, the United States Postal Service, the Executive Office of the President, and specified independent agencies. Prohibits the use of appropriated funds to influence legislation before Congress.

H.R. 14262. June 8, 1976. Makes appropriations for the Department of Defense for fiscal year 1977.

H.R. 14263. June 9, 1976. Ways and Means. Amends the program of Grants to States for Services of the Social Security Act to require an increase in the amount of the fund from which payments are made to the States pursuant to such program each time benefit amounts are increased under the Old-Age, Survivors, and Disability Insurance Program because of increases in the cost-of-living.

H.R. 14264. June 9, 1976. Ways and Means. Amends the program of Grants to States for Services of the Social Security Act to allot funds not used by some of the States to States which have a need for additional funds for social services.

H.R. 14265. June 9, 1976. Veterans' Affairs. Provides for the payment of pensions to certain veterans of World War I and their surviving spouses.

H.R. 14266. June 9, 1976. Public Works and Transportation. Modifies the project for Mobile Harbor in Alabama in accordance with the recommendations of the Corps of Engineers.

H.R. 14267. June 9, 1976. Veterans' Affairs. Requires the Administrator of Veterans' Affairs, if he withdraws approval of course or institutions of education, to notify affected veterans in advance and to restore specified benefits to such veterans.

H.R. 14268. June 9, 1976. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to establish a catastrophic health insurance benefits program under which residents of the United States shall receive benefits in case of catastrophic illness. Replaces the Medicaid program with a medical assistance plan for low-income people. Establishes a system of Federal certification of basic health insurance provided by private insurance carriers which meets certain specifications. Requires the Secretary of Health, Education, and Welfare to offer basic Federal health insurance to individuals residing in States in which no private health insurance program has received Federal certification.

H.R. 14269. June 9, 1976. Education and Labor. Directs the President, through the Secretary of Labor, to carry out a program of demonstration projects designed to increase economic productivity and expand employment opportunities. Establishes an Advisory Committee on Human Resources and Employment Opportunities to furnish advice and assistance in the administration of the demonstration projects program.

H.R. 14270. June 9, 1976. Education and Labor. Establishes a congressional scholarship program in order to provide five qualifying students in each congressional district with a stipend to attend an institution of higher education or a private vocational training institute.

H.R. 14271. June 9, 1976. Armed Services. States that if any individual dies, disappears, or is seriously injured under circumstances which require an investigation pursuant to regulations prescribed by the Secretary of the Navy, such investigation shall be conducted by the Judge Advocate General of the Navy in accordance with specified regulations.

H.R. 14272. June 9, 1976. Ways and Means. Amends the Tariff Act of 1930 to require that when any imported article, the container of which is required to be marked under such Act, is removed from the container and offered for sale in a new package, such new package shall be marked to indicate the country of origin. Directs the seizure and forfeiture of articles offered for sale in violation of this Act. Makes such requirements inapplicable to cases in which the Secretary of the Treasury finds that compliance would necessitate substantial changes in customary trade practices.

H.R. 14273. June 9, 1976. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to require that benefits under such program be paid for that portion of the month of a beneficiary's death during which the beneficiary was alive.

H.R. 14274. June 9, 1976. Government Operations. Provides that in the administration of any Federal assistance program under which such assistance is made available with reference to whether the geographic location of a recipient is within or outside a standard metropolitan statistical area, the head of the agency carrying out such program may modify the geographic boundaries of such area in order to specify the portions of such area which are or are not essentially metropolitan.

H.R. 14275. June 9, 1976. Government Operations. Amends the Budget and Accounting Act, 1921, to require that all departmental budget requests made to the Office of Management and Budget with respect to any fiscal year be submitted to the Congress along with the President's budget for such year. Requires officials requested by the appropriate committees of the Congress to testify before such committees on the President's budget and on such departmental budget requests.

H.R. 14276. June 9, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14277. June 9, 1976. Post Office and Civil Service. Requires that personnel actions with respect to Federal competitive service employees be taken without regard to any recommendation by any elected official, political official, or other individual or by any organization. Prohibits individuals and organizations from making recommendations with respect to civil service personnel actions and prohibits employees from soliciting any such statements. Excepts from such prohibitions statements requested or required by the agency involved and statements related solely to character.

H.R. 14278. June 9, 1976. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the marriage of a disabled individual receiving child's insurance benefits shall not operate to terminate his or her entitlement to such benefits if the marriage is to a civil service retirement or survivor annuitant.

H.R. 14279. June 9, 1976. Ways and Means. Amends the Supplemental Security Income program of the Social Security Act to increase the guaranteed annual income under such Act, to exclude certain assets and forms of income from consideration in the determination of eligibility and benefit amounts under such program, and to require the establishment of an outreach program to inform all individuals who may become eligible for such benefits of the availability of such benefits and the steps to be taken in obtaining them.

H.R. 14280. June 9, 1976. Rules. Establishes a Joint Committee on Intelligence Operations to conduct continuing oversight of, and to exercise exclusive legislative jurisdiction over, the foreign intelligence activities of the United States.

H.R. 14281. June 9, 1976. Veterans' Affairs. Provides that decisions of the Administrator of Veterans' Affairs on questions of law and fact under any law administered by the Veterans' Administration shall be subject to judicial review.

Repeals the authority of the Administrator to pay fees to agents or attorneys in allowed claims for monetary benefits.

H.R. 14282. June 9, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14283. June 9, 1976. Veterans' Affairs. Extends the delimiting period in the case of any eligible veteran who is pursuing, during his or her tenth year of eligibility, a program of education.

H.R. 14284. June 9, 1976. Judiciary. Prohibits any United States entity or representative from obtaining copies of, or access to, information contained in the financial records, toll records, or credit records of any customer of a financial institution, communication common carrier, credit card issuer, or consumer reporting agency. Lifts such prohibition if the records are described with sufficient particularity, the customer has authorized disclosure is obtained in response to administrative subpoena, search warrant, or judicial subpoena.

Restricts the use of mail covers and the interception of wire and oral communications for purposes of supervisory observing or service observing by communication common carriers and others.

H.R. 14285. June 9, 1976. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 14286. June 9, 1976. Ways and Means. Allows a limited tax credit, under the Internal Revenue Code, in an amount equal to 50 percent of the amount which would otherwise be allowed as a charitable contributions deduction.

H.R. 14287. June 9, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14288. June 9, 1976. Education and Labor. Establishes a nonprofit corporation to be known as the National Student Loan Bank to extend loans to students at eligible institutions. Authorizes the Bank to issue and have outstanding obligations and authorizes the Secretary of the Treasury to guarantee such obligations. Authorizes the Secretary to reimburse the bank for the nonpayment of loans issued under this Act.

H.R. 14289. June 9, 1976. Interstate and Foreign Commerce. Provides for additional regulation of drug labeling and drug-related recordkeeping under the Federal Food, Drug, and Cosmetic Act.

H.R. 14290. June 10, 1976. Science and Technology; Public Works and Transportation. Directs the Administrator of the Energy Research and Development Administration to establish a program of research, development, and demonstration in order to promote utilization of energy conservation technologies in residential, commercial, and industrial buildings.

Directs the Administrator of General Services to establish standards to promote energy efficiency in the construction and renovation of Federal buildings.

H.R. 14291. June 10, 1976. Interior and Insular Affairs. Requires the appointment of an election commissioner in American Samoa to conduct a plebiscite on the issue of whether there should be a popular election for Governor and Lieutenant Governor of that country.

Provides that a gubernatorial election be held within one year of such plebiscite if there is a majority of affirmative responses.

H.R. 14292. June 10, 1976. Interior and Insular Affairs. Requires the appointment of an election commissioner in American Samoa to conduct a plebiscite on the issue of whether there should be a popular election for Governor and Lieutenant Governor of that country.

Provides that a gubernatorial election be held within one year of such plebiscite if there is a majority of affirmative responses.

H.R. 14293. June 10, 1976. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to initiate and carry out a program for the treatment of Vietnam era veterans and their dependents who are experiencing psychological readjustment problems as a result of military service or as a result of problems evolving from readjustment from such service.

H.R. 14294. June 10, 1976. Agriculture. Prohibits the importation of honey into the United States unless such honey meets minimum standards of sanitation comparable to those for domestically produced honey. Provides for the inspection of imported honey. Requires that the labeling of imported honey specify the country of origin and that any food product made in whole or in part of any imported honey be labeled as "imported" or "imported in part," as the case may be.

H.R. 14295. June 10, 1976. Judiciary. Amends the Bankruptcy Act to include among debts which have priority specified debts to consumers of deposits of money made in connection with the purchase of goods or services for personal or household use not delivered on the date of bankruptcy.

H.R. 14296. June 10, 1976. Judiciary. Establishes specified mandatory prison sentences for using or carrying a firearm in the commission of a violent crime.

H.R. 14297. June 10, 1976. Ways and Means. Amends the Tariff Schedules of the United States to increase for a five-year period the customs duty on specified hand tools.

H.R. 14298. June 10, 1976. Veterans' Affairs. Increases the amount of various veterans pensions and disability allowances. Makes permanent certain prior increases in veterans pensions and allowances.

H.R. 14299. June 10, 1976. Veterans' Affairs. Provides for increases in the rates of disability compensation paid by the Veterans' Administration to disabled eligible veterans. Increases the rates of dependency and indemnity compensation for the survivors of disabled veterans.

Directs the Administrator of Veterans' Affairs to conduct a study of the relationship between amputations and cardiovascular disorders.

H.R. 14300. June 10, 1976. Agriculture. Amends the Federal Crop Insurance Act to extend crop insurance coverage under such Act to all areas of the United States and to all agricultural commodities.

Repeals the present ceiling on the amount authorized to be appropriated annually to the Federal Crop Insurance Corporation.

H.R. 14301. June 10, 1976. Public Works and Transportation. Modifies the project for water quality control in the Arkansas-Red River Basin in Kansas, Oklahoma, and Texas, to authorize the Secretray of the Army, acting through the Chief of Engineers, to initiate construction of remaining project features designed to reduce natural salt pollution within the Wichita River Basin.

H.R. 14302. June 10, 1976. Public Works and Transportation. Authorizes the Chief of Engineers to initiate construction of the project for water quality control in the Arkansas-Red River Basin in Kansas, Oklahoma, and Texas.

H.R. 14303. June 10, 1976. Public Works and Transportation. Modifies the project for water quality control in the Arkansas-Red River Basin in Kansas, Oklahoma, and Texas, to authorize the Secretary of the Army, acting through the Chief of Engineers, to initiate construction of natural salt pollution control features of the project.

H.R. 14304. June 10, 1976. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to exempt from specified provisions of the Act, interstate trunk lines owned by a telephone company serving subscribers in a single State.

H.R. 14305. June 10, 1976. Science and Technology. Establishes the position of Assistant Administrator for Solar and Geothermal Energy and Conservation within the Energy Research and Development Administration.

Directs the Assistant Administrator to implement energy conservation programs development programs designed to meet the following goals: (1) ten percent of all energy used in the United States from solar and geothermal sources within ten years; and (2) 20 percent by year 2000.

Directs the Assistant Administrator to implement energy conservation programs designed to achieve a ten percent reduction in national energy consumption by 1985.

H.R. 14306. June 10, 1976. Interstate and Foreign Commerce; Interior and Insular Affairs; Public Works and Transportation. Directs the Secretary of the Interior and the Federal Power Commission to issue appropriate permits and authorizations for United States participation in the construction of the Alaskan natural gas pipeline system through Canada.

Suspends administrative procedures requirements with respect to obtaining rights-of-way for such pipeline. Exempts requirements of the Mineral Leasing Act of 1920 concerning environmental protection, technical and financial capacity, public hearings, and licensing of applicants.

Imposes limitations on judicial review of administrative actions taken pursuant to this Act, including challenges based on the National Environmental Policy Act of 1969.

H.R. 14307. June 10, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14308. June 10, 1976. Judiciary. Grants, under the Immigration and Nationality Act, an immigrant visa to any alien who was a resident of the Friuli region of Italy on or about May 16, 1976, and whose residence or place of business was destroyed in the earthquake that occurred on May 6, 1976, or whose family member (whom such alien financially supported) was killed or seriously injured by such earthquake. Grants an immigrant visa to an alien spouse, child, or parent of such Italian national if such relative is not in the United States and resides with such Italian national.

H.R. 14309. June 10, 1976. Interstate and Foreign Commerce; Ways and Means. Entitles women and children to have payment made for specified maternal and child health care services. Establishes within the Department of Health, Education, and Welfare a Maternal and Child Health Care Board. Establishes an Advisory National Maternal and Child Health Care Council.

Creates in the United States Treasury a Maternal and Child Health Care Trust Fund. Amends the Internal Revenue Code of 1954 to impose maternal and child health care taxes on employers, employees, and self-employed individuals. Appropriates the revenue from such taxes to such Fund.

H.R. 14310. June 10, 1976. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to conduct a study of nonstructural alternatives to the Trinity River project in Texas.

H.R. 14311. June 10, 1976. Merchant Marine and Fisheries. Amends the Canal Zone Code to provide a method for computing interest due on funds invested in the Panama Canal Company by the United States. Provides that no depreciation shall be allowed on the investment of the United States for specified items.

H.R. 14312. June 10, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 14313. June 10, 1976. Ways and Means. Amends the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving Old-Age, Survivors, and Disability Insurance benefits.

H.R. 14314. June 10, 1976. Veterans' Affairs. Extends the delimiting period in the case of any eligible veteran who is pursuing, during his or her tenth year of eligibility, a program of education.

H.R. 14315. June 10, 1976. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on articles assembled abroad with components produced in the United States.

H.R. 14316. June 20, 1976. Public Works and Transportation. Directs the Administrator of the Federal Aviation Administration to promulgate noise standards for certain civil subsonic turbojet powered aircraft. Authorizes the Administrator to provide grants to operators of noncomplying aircraft to retrofit or replace such aircraft.

H.R. 14317. June 10, 1976. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 to require persons intending to file certain tender offers to disclose to the Securities and Exchange Commission such information and documents as the Commission may require.

H.R. 14318. June 10, 1976. International Relations; Banking, Currency and Housing. Creates a Committee on Foreign Investment in the United States to monitor the impact of foreign investment in the United States, and to coordinate the implementation of United States policy on such investment. Directs the Committee to provide guidance on arrangements with foreign governments and enterprises for advance consultation on prospective major investments in the United States.

H.R. 14319. June 10, 1976. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish standards for the licensing and regulation of clinical laboratories and to require such licensing.

H.R. 14320. June 10, 1976. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require that any person who administers a drug to an individual who subsequently suffers an adverse reaction to such drug, and who has reason to believe such drug is adulterated, shall report such facts to the Secretary of Health, Education, and Welfare and shall retain all quantities of the drug in the control of such person.

H.R. 14321. June 10, 1976. House Administration. Establishes within the Information Systems of the Congress an office to compile and disseminate information relating to pending legislative proposals. Directs the Committee on House Administration to establish and administer such system.

H.R. 14322. June 10, 1976. District of Columbia. Amends the District of Columbia Police and Firemen's Salary Act to establish a separate salary schedule for the officers and members of the United States Park Police. Stipulates that the compensation of such personnel shall be adjusted in accordance with Federal civil service pay comparability provisions.

Directs the Secretary of the Interior to establish a United States Park Police Retirement and Relief Board to carry out the responsibilities of the Mayor of the District of Columbia with respect to retirement and disability determinations regarding Park Police personnel.

H.R. 14323. June 11, 1976. Public Works and Transportation. Authorizes the Secretary of the Army to construct the Pembina River dam and reservoir project in North Dakota.

H.R. 14324. June 11, 1976. Agriculture. Directs the Secretary of Agriculture to formulate five-year goals in specified areas of rural developmnet and to include in an annual report to Congress the progress made or anticipated in meeting such goals.

Requires the appointment of a new Assistant Secretary of Agriculture for Rural Development within 60 days if a vacancy should occur in such position.

H.R. 14325. June 11, 1976. Ways and Means. Limits, for purposes of the Internal Revenue Code, the maximum liability of a partner in a partnership which is a small business investment company.

H.R. 14326. June 11, 1976. Post Office and Civil Service. Repeals provisions specifying restrictions on, and requirements for, the carriage of letters. Eliminates criminal penalties for such carriage.

H.R. 14327. June 11, 1976. Rules. Terminates certain authorizations of budget authority, and limits the number of years authorized for new budget authority.

Requires quadrennial review of all Federal programs by the Congressional committee with legislative jurisdiction over such projects.

H.R. 14328. June 11, 1976. Judiciary. Directs the Secretary of the Interior to investigate claims by persons sustaining damages as a result of the collapse of the Teton Dam on the Teton River, Idaho, and to determine the amount which will reasonably satisfy each such claim.

Permits each claimant to elect to receive either (1) 100 percent of the amount determined by the Secretary in full satisfaction of all claims against the United States arising from the dam collapse, (2) 80 percent of the amount determined by the Secretary in partial satisfaction of such claims. Conditions payments under this Act on the assignment of claims against third parties to the United States.

H.R. 14329. June 11, 1976. Interior and Insular Affairs. Directs the Secretary of the Interior to develop and maintain a comprehensive inventory of all lands administered by the Secretary through the Bureau of Land Management on which there is, or which are suitable for, domestic livestock grazing.

Directs the Secretary to develop and implement a rehabilitation and protection program with respect to such rangelands.

H.R. 14330. June 11, 1976. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to revise the economic regulation of air transportation. Creates an additional operating authority for all-cargo and overseas charter air transportation. Revises the ratemaking authority of the Civil Aeronautics Board. Allows air carriers to terminate service between any two points upon notice to the Board. Prohibits the Postmaster General from requiring air carriers to provide additional schedules for mail transportation.

H.R. 14331. June 11, 1976. Science and Technology. Establishes an Energy Extension Service in the Energy Research and Development Administration to assist in the development of energy conserving practices.

Establishes criteria for the development of State energy conservation implementation plans. Directs the Administrator of Energy Research and Development to develop energy conservation plans for Federal programs.

H.R. 14332. June 11, 1976. Post Office and Civil Service. Requires the United States Postal Service to hold a public hearing prior to closing any post office.

Lists factors which the Postal Service must consider and evaluate in making a determination with respect to any such closing.

H.R. 14333. June 11, 1976. Interstate and Foreign Commerce; Judiciary; Banking, Currency and Housing; Ways and Means. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 to impose minimum penalties for specified opiate-related offenses. Amends the Federal Rules of Criminal procedure to require a hearing to determine whether a term of imprisonment and parole eligibility is mandatory for an opiate-related offense.

Establishes considerations for judicial officers setting conditions for release of any person charged with an opiate-related offense. Makes proceeds of such offenses subject to forfeiture to the United States.

Requires persons exporting or importing monetary instruments in amounts exceeding $5,000 to file a report of such transport.

H.R. 14334. June 11, 1976. District of Columbia. Amends provisions of the District of Columbia Code relating to pretrial detention of criminal defendants on probation, parole, or mandatory release pending completion of sentence. Limits the application of such provisions to persons charged with specified crimes. Extends the maximum permissable detention pending notification to appropriate State or Federal officials. Sets standards for detaining such defendants until trial.

Permits institution of pretrial detention hearings in the District of Columbia by a judicial officer on such officer's own initiative.

H.R. 14335. June 11, 1976. Ways and Means. Amends the Internal Revenue Code to provide a single unified rate schedule for estate and gift taxes. Repeals the estate and gift tax exemptions. Substitutes for such exemptions a credit against estate and gift taxes. Provides an additional credit against the estate tax for certain farms and closely held businesses passing to a qualified heir. Increases the estate and gift tax marital deduction. Imposes a tax on the unrealized appreciation of property transferred by a decedent. Allows the executor of an estate which includes real farm property to value the property as a farm, rather than at its fair market value basis on its best use.

H.R. 14336. June 11, 1976. Interior and Insular Affairs. Authorizes the Architect of the Capitol to perform such work as may be necessary to prevent further deterioration of historically significant sections of the Congressional Cemetery.

Directs the Secretary of the Interior to conduct a study for the purpose of formulating proposals for the renovation and maintenance of such areas by the United States.

H.R. 14337. June 11, 1976. Interior and Insular Affairs. Authorizes the Architect of the Capitol to perform such work as may be necessary to prevent further deterioration of historically significant sections of the Congressional Cemetery.

Directs the Secretary of the Interior to conduct a study for the purpose of formulating proposals for the renovation and maintenance of such areas by the United States.

H.R. 14338. June 11, 1976. Public Works and Transportation. Directs the Secretary of the Army, acting through the Chief of Engineers, to construct the flood control project on the Santa Ana River in California.

H.R. 14339. June 11, 1976. Ways and Means. Amends the Tariff Schedules of the United States to admit certain netting belts used in the growing and harvesting of mushrooms free of customs duty.

H.R. 14340. June 11, 1976. Interstate and Foreign Commerce; International Relations; Ways and Means. Amends the Securities Exchange Act of 1934 to require disclosure to the Securities and Exchange Commission of certain contributions, payments, and gifts to foreign government or nongovernment employees, or foreign political contributions. Imposes penalties for failure to disclose such information.

Amends the Internal Revenue Code to make such contributions, payments, or gifts nondeductible for tax purposes.

Creates a cause of action for a shareholder or competitor damaged by such contributions, payments, or gifts.

Encourages the President to seek the establishment of international standards for government procurement and sales.

H.R. 14341. June 11, 1976. Armed Services. Makes it unlawful for any individual or entity to solicit or enroll any member of the Armed Forces in any labor organization or for any member of the Armed Forces to join, or encourage others to join, any labor organization. Sets forth penalties for violations of this Act.

H.R. 14342. June 11, 1976. Armed Services. Makes it unlawful for any individual or entity to solicit or enroll any member of the Armed Forces in any labor organization or for any member of the Armed Forces to join, or encourage others to join, any labor organization. Sets forth penalties for violations of this Act.

H.R. 14343. June 11, 1976. Interstate and Foreign Commerce; Judiciary; Banking, Currency and Housing; Ways and Means. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 to impose minimum penalties for specified opiate-related offenses. Amends the Federal Rules of Criminal Procedure to require a hearing to determine whether a term of imprisonment and parole eligibility is mandatory for an opiate-related offense.

Establishes considerations for judicial officers setting conditions for release of any person charged with an opiate-related offense. Makes proceeds of such offenses subject to forfeiture to the United States.

Requires persons exporting or importing monetary instruments in amounts exceeding $5,000 to file a report of such transport.

H.R. 14344. June 11, 1976. Agriculture. Amends the Consolidated Farm and Rural Development Act with respect to maximum loan amounts and interest rates for specified loans available under such Act. Provides for Congressional authorization of program levels under such Act.

H.R. 14345. June 11, 1976. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs, in providing therapeutic and rehabilitation activities, to provide for the participation of patients and members in Veterans' Administration health facilities in the assemblage of poppies or other similar projects carried out at such facilities, which are sponsored by a national veterans service organization or its auxiliary.

H.R. 14346. June 11, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States arising from teaching at the Overseas Dependents Schools of the Department of Defense.

H.R. 14347. June 11, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 14348. June 14, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14349. June 14, 1976. Interstate and Foreign Commerce. Authorizes and directs the Secretary of Health, Education, and Welfare, acting pursuant to the Public Health Service Act, to make grants to designated State agencies to meet part of the costs involved in planning, establishing, maintaining, coordinating, and evaluating programs for comprehensive services for school-age girls, their infants and children.

Specifies the requirements for State plans to qualify for Federal aid under this Act.

H.R. 14350. June 14, 1976. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require that the label of drug containers, as dispensed to the patient, bear the established or trade name, the quantity, and the strength of the drug dispensed.

H.R. 14351. June 14, 1976. Judiciary. Stipulates that the refusal of non-profit blood banks and of hospitals and physicians to obtain blood and blood plasma from other blood banks shall not be deemed to be acts in restraint of trade under the antitrust laws of the United States.

H.R. 14352. June 14, 1976. Ways and Means. Amends the Internal Revenue Code to provide that amounts received under certain Federal and State health education scholarship and loan programs shall be excluded from gross income.

H.R. 14353. June 14, 1976. Judiciary. Grants life-time tenure to judges of the district courts for the Virgin Islands, Guam, and the Canal Zone, during good behavior.

H.R. 14354. June 14, 1976. Armed Services. Provides for the establishment of regional review boards and panels to review discharges from the armed services under less than honorable conditions, including "general" discharges. Specifies certain mitigating and extenuating factors which such boards and panels are to consider. Authorizes the issuance of honorable discharges (limited) to individuals, discharged under less than honorable conditions, whose post-service behavior has been exemplary. Sets forth the procedures which the boards and panels are required to follow regarding applications for review.

H.R. 14355. June 14, 1976. Public Works and Transportation. Amends the Federal Water Pollution Control Act to include methods for protection of natural aquifiers within the definition of "treatment works" for which construction grants may be made under such Act.

H.R. 14356. June 14, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14357. June 14, 1976. Post Office and Civil Service. Repeals the provisions of Public Law 94-82 authorizing increases in the salaries of Members of Congress.

H.R. 14358. June 14, 1976. Ways and Means. Denies DISC benefits and foreign tax credit benefits, under the Internal Revenue Code, to any taxpayer, or a member of a controlled group which includes the taxpayer, who is determined by the Secretary of the Treasury to have made an illegal bribe, kickback, or other unlawful payment to an official, employee, or agent of a foreign government, with regard to the income produced by or the income, war profits, or excess profits taxes paid on such foreign bribe-produced income.

Requires taxpayers with foreign bribe-produced income to report to the Secretary of the Treasury the amount of such income.

H.R. 14359. June 14, 1976. Education and Labor. Authorizes the creation of a special Opportunities Industrialization Centers job training and job creation program in order to provide jobs to unemployed Americans.

Directs the Secretary of Labor to enter into contracts with Opportunities Industrialization Centers to provide comprehensive employment services for unemployed persons in depressed urban and rural areas.

Sets forth conditions governing the provision of Federal financial assistance and authorizes appropriations to fund the program for the next 4 fiscal years.

H.R. 14360. June 14, 1976. Public Works and Transportation. Amends the John F. Kennedy Center Act to authorize the appropriation of funds for the repair and reconstruction of the John F. Kennedy Center for the Performing Arts. Directs the Trustees of the John F. Kennedy Center to appoint a comptroller as disbursing officer for all funds appropriated pursuant to this Act.

H.R. 14361. June 14, 1976. Banking, Currency and Housing. Establishes a National Commission on Neighborhoods to consist of Congressional and Presidential appointees. States the duties of such Commission, including studying the factors necessary to neighborhood survival and revitalization and making recommendations for modification of existing laws and policies.

H.R. 14362. June 14, 1976. Veterans' Affairs. Increases from 10 to 12 years the delimiting period after which no educational assistance shall be afforded eligible veterans.

H.R. 14363. June 14, 1976. Interior and Insular Affairs. Prohibits mining or related operations from discharging amphibole asbestos fibers except on land and in accordance with regulations promulgated by the Secretary of the Interior.

H.R. 14364. June 14, 1976. Interior and Insular Affairs. Stipulates that mining companies or related operations which have discharged amphiboles asbestos fibers into Lake Superior shall be required to pay for the cost of removing such fibers from water used for human consumption, under regulations promulgated by the Secretary of the Interior.

H.R. 14365. June 14, 1976. Education and Labor. Makes Federal financial assistance available, under the Emergency School Aid Act, for programs and projects for: (1) the construction of "magnet" and "neutral site" schools, and education parks; (2) the pairing of schools and programs with colleges and universities and with leading businesses; and (3) education programs to improve the quality of education in inner city schools and the general use of "education magnetism."

H.R. 14366. June 14, 1976. Veterans' Affairs. Names a Veterans' Administration hospital.

H.R. 14367. June 14, 1976. Judiciary. Entitles all persons sustaining damage as a result of the collapse of the Teton Dam on the Teton River, Idaho, to receive full compensation from the United States as determined by the Secretary of the Interior or his designee in accordance with the laws of the State of Idaho.

Stipulates that acceptance of any award made under this act shall constitute a complete release of all claims of the claimant arising from the dam collapse.

Directs the Secretary to enter into agreements with the owners of irrigation facilities damaged by the dam collapse to finance the repair or reconstruction of such facilities.

H.R. 14368. June 14, 1976. Judiciary. Directs the Secretary of the Air Force to pay a specified sum in compensation for a certain demotion which prevented such individual from serving a full career in the Air Force.

H.R. 14369. June 15, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the medicare program for specified services performed by chiropractors, including X-rays, and physical examination, and related routine laboratory tests.

H.R. 14370. June 15, 1976. Ways and Means. Amends the Social Security Act by including the services of optometrists under the medicare supplementary medical insurance program.

H.R. 14371. June 15, 1976. Ways and Means. Denies the benefits of the foreign tax credit, under the Internal Revenue Code, to a taxpayer who is determined by the Secretary of the Treasury to have participated in or cooperated with the boycott of Israel, with respect to income, war profits, or excess profits taxes paid or accrued to any country which requires such cooperation as a condition of doing business with that country. Permits such taxes to be treated as a deduction.

Denies the tax deferral on undistributed income earned in the boycotting country to a shareholder of a controlled foreign corporation or of a Domestic International Sales Corporation which the Secretary has determined to have participated in the boycott of Israel.

H.R. 14372. June 15, 1976. Ways and Means. Amends the Social Security Act to extend the coverage for dental services under the medicare program to include any services performed by a properly licensed dentist and to authorize payment under such program for all inpatient hospital service furnished in connection with dental procedures requiring hospitalization.

H.R. 14373. June 15, 1976. Ways and Means. Creates a national system of health insurance. Establishes a Health Security Board in the Department of Health, Education, and Welfare to administer such health insurance program.

Repeals the medicare provisions of the Social Security Act and all health benefit plans for employees of the Federal Government.

H.R. 14374. June 15, 1976. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 14375. June 15, 1976. International Relations; Interstate and Foreign Commerce. Amends the Export Administration Act to make it the policy of the United States to oppose restrictive trade practices or boycotts imposed by foreign countries against any domestic concern of the United States.

Amends the Securities Exchange Act of 1934 by imposing additional disclosure requirements on any investor who proposes to acquire more than 5 percent of the equity securities of any United States Company.

H.R. 14376. June 15, 1976. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to exclude those payments made by a State or municipal employees on account of sickness or accident disability from the income of such employees in the calculation of the social security tax owed by the State to the U.S. Treasury on such income.

H.R. 14377. June 15, 1976. Banking, Currency and Housing. Directs the Administrator of the Energy Research and Development Administration to assist communities in developing solar energy community utility programs. Establishes a revolving fund for continued financing of such program.

H.R. 14378. June 15, 1976. Ways and Means. Allows an individual to take a tax credit, under the Internal Revenue Code, for a percentage of the qualified solar heating and cooling equipment expenditures incurred with respect to the taxpayer's principal residence. Allows a tax credit for the portion of the qualified State or local real property taxes attributable to such solar heating and cooling expenditures.

Authorizes an individual to take a tax deduction for a part of the acquisition costs of any qualified solar heating and cooling equipment for any residence.

H.R. 14379. June 15, 1976. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on (1) articles assembled abroad with components produced in the United States, and (2) certain metal articles manufactured in the United States and exported for further processing.

H.R. 14380. June 15, 1976. Ways and Means. Amends the Internal Revenue Code to eliminate the requirement that amounts set aside by a private foundation for a specific project receive the approval of the Internal Revenue Service in order to be treated as qualifying distributions by the foundation making the set-aside.

H.R. 14381. June 15, 1976. Post Office and Civil Service. Terminates the authority of any Federal agency to require any person, State, or local government to provide such agency information for statistical purposes 5 years after such authority was given to such agency or 5 years after the enactment of this act, whichever is later.

Requires that any bill or resolution reported by a committee of either House of Congress which confers authority to require such information from persons, States, or local governments be accompanied by a statement describing the information sought and the costs to be incurred in processing such information by such agency or by such respondents.

H.R. 14382. June 15, 1976. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations from 3 to 4 years. Revises the conditions for approval of applications for licensing or license renewal.

H.R. 14383. June 15, 1976. Interior and Insular Affairs. Limits the reservation of a right of use and occupancy by owners of improved property whose land is acquired by the United States after the enactment of this Act as part of the Big Thicket National Preserve, Texas, to those individuals who used the property as a year-round place of abode during the year preceding its acquisition by the United States.

H.R. 14384. June 15, 1976. Agriculture. Authorizes the Secretary of Agriculture to reimburse livestock producers or to otherwise pay for the transportation costs they incur for the shipment of hay into counties severely affected by drought, flood, or other natural disaster for their livestock herds. Authorizes the Secretary to designate emergency areas if he determines that as a result of such disaster the hay crop for that county is not more than 50 percent of the estimated crop.

H.R. 14385. June 15, 1976. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to authorize the Secretary of the Interior to issue certificates of public convenience and necessity to aid in construction of certain pipelines. Allows certified pipeline carriers to exercise the power of eminent domain in the United States district courts to acquire rights-of-way for coal pipelines.

H.R. 14386.—June 15, 1976. Judiciary. Authorizes the Attorney General and the President to admit certain refugees to the United States. Permits such refugees to become permanent residents of the United States upon approval of the Immigration and Naturalization Service two years after admission.

H.R. 14387. June 15, 1976. Rules. Establishes the Citizens' Oversight Panel to accept sworn complaints alleging violations of standards of ethics by a Member, officer, or employee of the House of Representatives. Empowers the panel to direct the Committee on Standards of Official Conduct of the House of Representatives to undertake a study of such allegations.

H.R. 14388. June 15, 1976. Education and Labor. Amends the Fair Labor Standards Act of 1938 to require that the operation of a schoolbus be treated under that Act as oppressive child labor for employees under the age of 18.

H.R. 14389. June 15, 1976. Public Works and Transportation. Directs the Secretary of the Army, acting through the Chief of Engineers, to develop a plan for shoreline protection and beach erosion control along Lake Ontario.

H.R. 14390. June 15, 1976. Post Office and Civil Service. Repeals provisions making automatic percentage pay adjustments based upon General Schedule pay adjustments in the salaries of: (1) Executive Schedule officials; (2) the Vice President; (3) Members of Congress; (4) Supreme Court justices; (5) circuit court and district court judges; (6) Court of Claims, Court of Customs and Patent Appeals, and Customs Court judges; (7) Court of Claims commissioners; and (8) bankruptcy referees.

H.R. 14391. June 15, 1976. Agriculture. Establishes the Federal Farm Assistance Corporation within the Department of Agriculture and authorizes the Corporation to negotiate for, and purchase, farmland or farm units which may come on the market.

Allows lease of such farm units to eligible applicants and directs the Corporation's Board of Directors to approve the sale to the lessee of such farm units upon a determination that the lessee can successfully manage and operate such farm unit.

H.R. 14392. June 15, 1976. Judiciary. Grants, under the Immigration and Nationality Act, to Chilean nationals, their parents, spouses, and children, status as permanent residents of the United States if such Chileans are being persecuted or are attempting to avoid persecution in Chile on account of their political opinions.

H.R. 14393. June 15, 1976. Ways and Means. Amends the Internal Revenue Code to allow a limited tax credit for qualified investments by the taxpayer in development property in economically depressed regions certified by the Secretary of Commerce.

H.R. 14394. June 16, 1976. Interstate and Foreign Commerce. Amends the Federal Administration Act of 1974 to extend the expiration date of such Act to September 30, 1976.

H.R. 14395. June 16, 1976. Veterans' Affairs. Provides for hospital and out-patient care for veterans and members of the Armed Forces suffering from alcoholism and alcohol abuse.

Sets presumptions related to disability for veterans interned as prisoners of war.

Provides for preventive health care services for disabled veterans.

H.R. 14396. June 16, 1976. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to public and nonprofit private entities which are engaged in the development of new schools of veterinary medicine to assist in such development.

H.R. 14397. June 16, 1976. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to public and nonprofit private entities which are engaged in the development of new schools of veterinary medicine to assist in such development.

H.R. 14398. June 16, 1976. Interstate and Foreign Commerce. Prescribes minimum national standards for utility rate structures in order to alleviate burdens imposed on low-income consumers. Establishes requirements for full evidentiary hearings on proposed rate increases, with adequate representation of consumer interests.

Establishes an Electric Utility Ratemaking Assistance Office within the Federal Energy Administration to provide assistance with respect to ratemaking procedures.

Amends the Federal Power Act to require utilities to comply with standards designed to assure a reliable supply of electric energy.

Authorizes appropriations for grants to State regulatory authorities. Establishes procedures for planning and coordination in the siting of bulk power facilities.

H.R. 14399. June 16, 1976. Judiciary; District of Columbia. Grants judicial officers the power to deny pretrial release to persons charged with the commission of violent crimes if there is reason to believe that such persons would flee or pose a danger to others or the community.

SENATE—*Monday, July 19, 1976*

The Senate met at 12 noon and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, who has watched over us from generation to generation, we thank Thee for the lives, the skills, and the accomplishments of the Founding Fathers. For their vision of the New Republic and their daring in establishing it we give Thee thanks. Make us in our age to be what they were in their age. Help us to do for our time what they did in their time. Endow us with their virtues of simplicity, frugality, and industry. Make us to be a people who do justly, who love mercy, and who walk humbly with their God.

Grant now to the President and to the Congress grace and wisdom to concert their best efforts for the Nation and the advancement of Thy Kingdom on Earth.

In Thy Holy Name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 19, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees; and the withdrawal of the nominations of Marion J. Callister, of Idaho, to be U.S. attorney for the district of Idaho, and D. C. Burnham, of Pennsylvania, to be a Governor of the U.S. Postal Service.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILLS AND JOINT RESOLUTIONS

A message from the President of the United States announced that he has approved and signed the following bills and joint resolutions:

On July 1, 1976:

S. 2847. An act to amend section 318 of the Communications Act of 1934, as amended, to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programming, and to authorize frequency modulation (FM) radio translator stations to operate unattended in the same manner as is now permitted for television broadcast translator stations.

S. 2945. An act to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act.

On July 5, 1976:

S.J. Res. 196. Joint resolution providing for the expression to Her Majesty, Queen Elizabeth II, of the appreciation of the people of the United States for the bequest of James Smithson to the United States, enabling the establishment of the Smithsonian Institution.

S. 2853. An act to amend the Food Stamp Act of 1964 to insure a proper level of accountability on the part of food stamp vendors.

On July 7, 1976:

S.J. Res. 49. Joint resolution to amend the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America".

On July 12, 1976:

S. 229. An act to amend the Endangered Species Act of 1973 in order to permit the disposal of certain endangered species products and parts lawfully held within the United States on the effective date of such Act.

S. 268. An act to designate the Eagles Nest Wilderness, Arapaho and White River National Forests, in the State of Colorado.

S. 3168. An act to authorize fiscal year 1977 appropriations for the Department of State, the United States Information Agency, and the Board for International Broadcasting, and for other purposes.

On July 13, 1976:

S. 811. An act to revise and extend the Horse Protection Act of 1970.

On July 14, 1976:

S. 1518. An act to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to require the establishment of a special motor vehicle diagnostic inspection demonstration project, to provide additional authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes.

MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of July 2, 1976, a message from the President of the United States submitting the nomination of Vice Adm. Robert C. Gooding, U.S. Navy, for appointment to the grade of vice admiral on the retired list, was received on July 2, 1976, during the adjournment of the Senate.

The nomination was referred today to the Committee on Armed Services.

DEFERRALS IN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT

The Acting President pro tempore laid before the Senate the following message from the President of the United States received on July 6, 1976, during the adjournment, which was referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Agriculture and Forestry, Commerce, Armed Services, Labor and Public Welfare, Interior and Insular Affairs, Finance, and the District of Columbia:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals totaling $4.6 million in budget authority. In addition, I am transmitting 27 supplementary deferrals that have a net effect of decreasing the total amount of deferred funds previously transmitted by $1,462.5 million.

The two new deferrals are routine actions and involve $135,938 for the Special foreign currency program of the Department of Labor and $4.4 million for the National Commission for the Observance of International Women's Year. Eighteen of the supplementary reports extend deferrals into the transition quarter while the remaining nine reflect increases to the amounts originally reported.

The details of the revised and new deferrals are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *July 6, 1976.*

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

S. 391—FEDERAL COAL LEASING AMENDMENTS ACT—VETO MESSAGE OF THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States announcing his disapproval of S. 391, the Federal Coal Leasing Amendments Act, which was received on July 3, 1976, during the adjournment:

To the Senate of the United States:

I am returning to the Congress today without my approval S. 391, the Federal Coal Leasing Amendments Act of 1975.

This bill addresses two essential issues: the form of Federal assistance for communities affected by development of Federally-owned minerals, and the way that Federal procedures for the leasing of coal should be modernized.

On the first of these issues, I am in total agreement with the Congress that the Federal Government should provide assistance, and I concur in the form of assistance adopted by the Congress in S. 391. Specifically, I pledge my support for increasing the State share of Federal leasing revenues from 37½ percent to 50 percent.

Last January I proposed to the Congress the Federal Energy Impact Assistance Act to meet the same assistance problem, but in a different way. My proposal called for a program of grants, loans and loan guarantees for communities in both coastal and inland States affected by development of Federal energy resources such as gas, oil and coal.

The Congress has agreed with me that impact assistance in the form I proposed should be provided for coastal States, and I hope to be able to sign appropriate legislation in the near future.

However, in the case of States affected by S. 391—most of which are inland, the Congress by overwhelming majority has voted to expand the more traditional sharing of Federal leasing revenues, raising the State share of those revenues by one third. If S. 391 were limited to that provision, I would sign it.

Unfortunately, however, S. 391 is also littered with many other provisions which would insert so many rigidities, complications, and burdensome regulations into Federal leasing procedures that it would inhibit coal production on Federal lands, probably raise prices for consumers, and ultimately delay our achievement of energy independence.

I object in particular to the way that S. 391 restricts the flexibility of the Secretary of the Interior in setting the terms of individual leases so that a variety of conditions—physical, environmental and economic—can be taken into account. S. 391 would require a minimum royalty of 12½ percent, more than is necessary in all cases. S. 391 would also defer bonus payments—payments by the lessee to the Government usually made at the front end of the lease—on 50 percent of the acreage, an unnecessarily stringent provision. This bill would also require production within 10 years, with no additional flexibility. Furthermore it would require approval of operating and reclamation plans within three years of lease issuance. While such terms may be appropriate in many lease transactions—or perhaps most of them—such rigid requirements will nevertheless serve to setback efforts to accelerate coal production.

Other provisions of S. 391 will unduly delay the development of our coal reserves by setting up new administrative roadblocks. In particular, S. 391 requires detailed antitrust review of all leases, no matter how small; it requires four sets of public hearings where one or two would suffice; and it authorizes States to delay the process where National forests—a Federal responsibility—are concerned.

Still other provisions of the bill are simply unnecessary. For instance, one provision requires comprehensive Federal exploration of coal resources. This provision is not needed because the Secretary of the Interior already has—and is prepared to exercise—the authority to require prospective bidders to furnish the Department with all of their exploration data so that the Secretary, in dealing with them, will do so knowing as much about the coal resources covered as the prospective lessees.

For all of these reasons, I believe that S. 391 would have an adverse impact on our domestic coal production. On the other hand, I agree with the sponsors of this legislation that there are sound reasons for providing in Federal law—not simply in Federal regulations—a new Federal coal policy that will assure a fair and effective mechanism for future leasing.

Accordingly, I ask the Congress to work with me in developing legislation that would meet the objections I have outlined and would also increase the State share of Federal leasing revenues.

GERALD R. FORD.

THE WHITE HOUSE, *July 3, 1976.*

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the veto message of the President on S. 391, the Federal Coal Leasing Amendments Act, be referred to the Committee on Interior and Insular Affairs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

S. 3201—PUBLIC WORKS EMPLOYMENT ACT—VETO MESSAGE OF THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States announcing his disapproval of S. 3201, the Public Works Employment Act of 1976, which was received on July 6, 1976, during the adjournment:

To the Senate of the United States:

I am today returning without my approval, S. 3201, the Public Works Employment Act of 1976.

This bill would require $3.95 billion in Federal spending above and beyond what is necessary. It sends a clear signal to the American people that four months before a national election, the Congress is enacting empty promises and giveaway programs. I will not take the country down that path. Time and time again, we have found where it leads: to larger deficits, higher taxes, higher inflation and ultimately higher unemployment.

We must stand firm. I know the temptation, but I urge Members of Congress to reconsider their positions and join with me now in keeping our economy on the road to healthy, sustained growth.

It was almost five months ago that the Senate sustained my veto of a similar bill, H.R. 5247, and the reasons compelling that veto are equally persuasive now with respect to S. 3201. Bad policy is bad whether the inflation price tag is $4 billion or $6 billion.

Proponents of S. 3201 argue that it is urgently needed to provide new jobs. I yield to no one in concern over the effects of unemployment and in the desire that there be enough jobs for every American who is seeking work. To emphasize the point, let me remind the Congress that the economic policies of this Administration are designed to create 2-2.5 million jobs in 1976 and an additional 2 million jobs in 1977. By contrast, Administration economists estimate that this bill, S. 3201, will create at most 160,000 jobs over the coming years—less than 5% of what my own policies will accomplish. Moreover, the jobs created by S. 3201 would reduce national unemployment by less than one-tenth of one percent in any year. The actual projection is that the effect would be .06 percent, at a cost of $4 billion. Thus, the heart of the debate over this bill is not over who cares the most—we all care a great deal—but over the best way to reach our goal.

When I vetoed H.R. 5247 last February, I pointed out that it was unwise to stimulate even further an economy which was showing signs of a strong and steady recovery. Since that time the record speaks for itself. The present 7.5 percent unemployment rate is a full one percent lower than the average unemployment rate of 8.5 percent last year. More importantly, almost three and a half million more Americans now have jobs than was the case in March of last year. We have accomplished this while at the same time reducing inflation which plunged the country into the severe recession of 1975.

S. 3201 would authorize almost $4 billion in additional Federal spending—$2 billion for public works, $1.25 billion for countercyclical aid to state and local governments, and $700 million for EPA waste water treatment grants.

Beyond the intolerable addition to the budget, S. 3201 has several serious deficiencies. First, relatively few new jobs would be created. The bill's sponsors estimate that S. 3201 would create 325,000 new jobs but, as pointed out above, our estimates indicate that at most some 160,000 work-years of employment would be created—and that would be over a period of several years. The peak impact would come in late 1977 or 1978 and would add no more than 50,000 to 60,000 new jobs in any year.

Second, S. 3201 would create few new jobs in the immediate future. With peak impact on jobs in late 1977 or early 1978, this legislation would add further stimulus to the economy at precisely the wrong time: when the economy is already far into the recovery.

Third, the cost of producing jobs under this bill would be intolerably high, probably in excess of $25,000 per job.

Fourth, this bill would be inflationary since it would increase Federal spending and consequently the budget deficit by as much as $1.5 billion in 1977 alone. It would increase demands on the economy and on the borrowing needs of the government when those demands are least desirable. Basic to job creation in the private sector is reducing the ever increasing demands of the Federal government for funds. Federal government borrowing to support deficit spending reduces the amount of money available for productive investment at a time when many experts are predicting that we face a shortage of private capital in the future. Less private investment means fewer jobs and less production per worker. Paradoxically, a bill designed as a job creation measure may, in the long run, place just the opposite pressures on the economy.

I recognize there is merit in the argument that some areas of the country are suffering from exceptionally high rates of unemployment and that the Federal government should provide assistance. My budgets for fiscal years 1976 and 1977 do, in fact, seek to provide such assistance.

Beyond my own budget recommendations, I believe that in addressing the immediate needs of some of our cities hardest hit by the recession, another measure before the Congress, H.R. 11860 sponsored by Congressman GARRY BROWN and S. 2986 sponsored by Senator BOB GRIFFIN provides far more reasonable and constructive approach than the bill I am vetoing.

H.R. 11860 would target funds on those areas with the highest unemployment so that they may undertake high priority activities at a fraction of the cost of S. 3201. The funds would be distributed exclusively under an impartial formula as opposed to the pork barrel approach represented by the public works portions of the bill I am returning today. Moreover, H.R. 11860 builds upon the successful Community Development Block Grant program. That program is in place and working well, thus permitting H.R. 11860 to be administered without the creation of a new bureaucracy. I would be glad to accept this legislation should the Congress formally act upon it as an alternative to S. 3201.

The best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation. This is the core of my economic policy, and I believe that the steady improvements in the economy over the last half year on both the unemployment and inflation fronts bear witness to its essential wisdom. I intend to continue this basic approach because it is working.

My proposed economic policies are expected to produce lasting, productive jobs, not temporary jobs paid for by the American taxpayer.

This is a policy of balance, realism, and common sense. It is a sound policy which provides long term benefits and does not promise more than it can deliver.

My program includes:

—Large and permanent tax reductions that will leave more money where it can do the most good: in the hands of the American people;

—Incentives for the construction of new plants and equipment in areas of high unemployment;

—More than $21 billion in outlays in the fiscal year beginning October 1 for important public works such as energy facilities, waste water treatment plants, roads, and veterans' hospitals representing a 17-percent increase over the previous fiscal year.

—And a five and three quarter year package of general revenue sharing funds for State and local governments.

I ask Congress to act quickly on my tax and budget proposals, which I believe will provide the jobs for the unemployed that we all want.

GERALD R. FORD.

THE WHITE HOUSE, *July 6, 1967*.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the veto message on S. 3201, the Public Works Employment Act be held at the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of proceedings of Friday, July 2, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SCHEDULE FOR WEEK OF JULY 19, 1976

Mr. MANSFIELD. Mr. President, for the information of the Senate, insofar as the leadership can determine at this time, the legislative schedule for this week will be as follows:

Today, July 19, H.R. 366, Calendar Order No. 774, the safety officers' benefits; S. 3370, Calendar Order No. 803, the surety bond guarantee; and S. 495, Calendar Order No. 897, the Watergate reform bill, with opening statements today.

ORDER FOR CONVENING AT 9 A.M.

Mr. President, I ask unanimous consent that for the remainder of the week the Senate convene at 9 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD subsequently said: Mr. President, just to make it plain, when the Senate granted permission for the Senate to convene at 9 a.m. for the remainder of the week, that meant tomorrow, Wednesday, Thursday, Friday, and possibly Saturday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. On tomorrow at 9 a.m., or shortly afterward, we will return to the Watergate reform bill, to be followed at 1:30 p.m. by the tax reform bill. At 2 p.m. there will be a vote on the Muskie amendment. At 2:15 p.m. the housing conference report will be taken up. A vote on the housing conference report will occur at the hour of 3:15 p.m., approximately, and at 3:30 p.m. we will return to the tax reform bill.

On Wednesday at 9 a.m., after the leaders have been recognized and all special orders adhered to, the Watergate reform bill will again be the pending business. At 1 p.m. the Senate will turn to the consideration of the Presidential veto of the public works employment bill.

REQUEST FOR VOTE TO OCCUR ON S. 3201 AT 2 P.M., WEDNESDAY, JULY 21

Mr. President, I ask unanimous consent that the vote on the override of the Presidential veto of the public works employment bill occur at the hour of 2 p.m. on Wednesday next.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, I think that would be all right, but I would suggest to the majority leader that we should provide for some debate in advance of the vote.

Mr. MANSFIELD. Yes.

Mr. GRIFFIN. The chairman of the committee, the distinguished Senator from West Virginia (Mr. RANDOLPH), is present. Does he know if Wednesday will be an appropriate day?

Mr. MANSFIELD. I am able to answer the question, because the debate will begin at 1 p.m. The time would be equally divided and the vote would occur at 2 p.m.

Mr. GRIFFIN. I have not had any opportunity to talk to Senator BAKER or anyone, about this.

Mr. MANSFIELD. This has been discussed with the chairman of the committee, and I believe it has been discussed with the members.

Mr. GRIFFIN. I think it would be all right.

I wonder if perhaps the Senator might renew this request a bit later in the day.

Mr. MANSFIELD. Surely.

Mr. GRIFFIN. I think it would be fine. I wish to check with Senator BAKER and others, if I could.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. MANSFIELD. I withdraw the request.

If agreement is reached to vote on the override at 2 p.m., then it would be the intention of the joint leadership to return to the consideration of the tax reform bill at 2:15 p.m. approximately.

On Thursday, July 22, after the leaders have been recognized and special orders have been granted, the Senate will then turn to the consideration of S. 3219, Calendar Order No. 685, the Clean Air Act, and at approximately 2 p.m. return to the consideration of the tax reform bill.

On Friday, July 23, after the leaders have been recognized and special orders adhered to, after 9 a.m. the Senate will then turn to the consideration of S. 2212, Calendar No. 804, the LEAA extension. Following its disposal, at approximately 12 noon, if things go according to Hoyle, the Senate will then return to the consideration of the Clean Air Act and around the hour of 2 p.m. to the tax reform bill.

That is the best that the joint leadership can indicate to the Senate as to what the schedule will be for the rest of this week.

Mr. GRIFFIN. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. GRIFFIN. I commend him for giving this notice to the Senate of the intention of the leadership. To some extent this schedule is governed by consent agreements but in most cases, as I understand, it would not be, and it would take the cooperation of the Senate to meet the schedule.

We hope that it can be met.

I assume that, in keeping with announcements made earlier by the majority leader, we would not expect committees to be meeting on legislative business with the Senate convening at 9 a.m. If there is some unusual hearing, there would be special consideration given to that.

Mr. MANSFIELD. On that basis, yes.

Mr. GRIFFIN. Mr. President, I yield back any remaining time on this side.

THE PRESIDENT'S VETO OF THE PUBLIC WORKS EMPLOYMENT ACT OF 1976

Mr. RANDOLPH. Mr. President, on July 5 the President vetoed S. 3201, the Public Works Employment Act of 1976. This action was unfortunate and it was based on faulty reasoning. As with his veto of a similar measure late last year, the President seems not to fully grasp the seriousness of the economic situation in this country. He does not understand what a sound, well planned public works program can contribute to restoring health to our shaky economy.

The President's attitude is reflected in his statement at the time of the veto. He said:

> Congress is moving full speed down the road to bigger and bigger give-away programs.

It is necessary only to look at history to know that public works programs have been valuable tools in the past in stimulating economic activity.

On Wednesday of this week the Senate will, I believe, vote to override the President's veto. I am confident that the Members of this body will demonstrate their concern for the condition of the economy and their determination to aid in eliminating the lingering effects of recession.

Early this year, we failed by the narrow margin of three votes to override the veto of the previous measure. Since that time, we have worked to develop another bill that achieves the creation of new employment and at the same time accommodates the viewpoint of the President. The conference report on this measure was adopted 70 to 26 by the Senate and 328 to 83 by the House of Representatives. I consider it to be well-reasoned and workable legislation that will have beneficial results, and I hope that Senators will confirm this assessment. This decision, Mr. President, will be an obligation that Members of the Senate will face after careful consideration.

I have read with approval the Washington Post editorial of July 11 on "The Jobs Bill." My colleagues, having been away from Washington, D.C., at that time, may wish to evaluate the arguments presented for overriding the President's veto.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE JOBS BILL

President Ford is a nice man, but he's got a terrible sense of timing. Last week he vetoed the jobs bill, an effort by the Democrats to create jobs by pouring $3.95 billion into good works, mainly construction. Just four days earlier the Labor Department had announced that the unemployment rate had risen from 7.3 per cent in May to 7.5 per cent in June, a disquieting reversal of a slow but steady decline. Two days before that, the fiscal year had ended with both federal spending and the budget deficit substantially lower than the administration had expected.

Why did Mr. Ford veto the bill? As he explained it, he was trying to save the country from another great surge of reckless congressional spending and inflation. ". . . Congress is moving full speed down the road to bigger and bigger give-away programs," he said in the fervent statement published by the White House. The interesting thing is, of course, that nothing remotely like that is going on.

The Democratic majority in Congress has been proceeding with extreme caution on every matter that involves money. The new congressional budget procedure has turned out so far to be an unexpectedly powerful deterrent to the occasional spendthrift impulses of the committees. Last fall Congress voted not to let the deficit exceed $74 billion, and until recently both Congress and the administration expected it to come out just under that number. But for reasons that no one has yet quite explained, spending in the final weeks of the fiscal year was a good deal lower than anticipated. It now appears that, when all the accounts are totalled, the actual deficit may turn out to be as low as $68 billion. No wild rush of congressional spending is building up. Quite the contrary.

There is a faintly comic paradox here. The present consensus on federal fiscal policy—which means taxing and spending—is a good deal closer than either the President or Congress really likes to admit. The President understands perfectly well that the present huge deficit is mainly the effect of the recession, and any premature attempt to cut that deficit threatens to pitch the national economy back into even deeper stagnation. Nobody wants to be responsible for that. On the other hand, most of the Democrats in Congress have perceived that a great wave of new spending will lead to inflation, which in turn will lead to higher unemployment. Circumstances have pressed the debaters embarrassingly close together. The surprising thing is not that they are arguing about spending, but rather that the amounts in this argument are—in comparison with the federal budget—remarkably small.

A jobs bill authorizing $3.95 billion is just about the right size to keep the quarrel percolating through the coming election campaign season. The amount is large enough to command attention, but it is not big enough to make a serious difference in a federal budget that will be, after all, at least 100 times bigger. The $3.95 billion is less, as it turns out, than the margin of error in the forecasts of this year's deficit.

The bill would devote most of this money to public works. It is quite true that public works appropriations are on the whole a rather inefficient way to pull down the unemployment rate. But it is better than nothing and, at a time when the unemployment rate in the construction industry is 17 per cent, it is absurd to call this modest program inflationary. Some of this money would go into waste water treatment plants; they can easily be justified on their own terms, quite aside from any contribution that their construction might make to the jobs market. The most valuable part of this bill would provide a modest increase in federal aid to state and local governments, in response to the recession. It is recognition that high unemployment brings greater demands on local public services, at a time when receipts from sales taxes decline. The veto has brought down on Mr. Ford the anger of a long list of mayors and governors, not all of them Democrats. To them, the veto is further evidence of Mr. Ford's failure to comprehend the fierce pressures on the big cities.

This bill hardly constitutes a sweeping solution to the present confusion of American economic policy, or a fundamental remedy to the prospect of continued high unemployment. At even the most generous estimate—which is to say, the Democrats'—it will reduce the unemployment rate by perhaps three-tenths of one percentage point. But if Congress can create two or three hundred thousand jobs quicky, with little penalty in inflation, the opportunity is not one to be missed. There appear to be enough votes, in both houses of Congress, to override the veto. When Congress reconvenes next week, that piece of business deserves to have the first priority.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements therein limited to 5 minutes each.

Is there morning business to be transacted at this time?

Mr. GRIFFIN and Mr. BEALL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I ask unanimous consent to be permitted to reclaim the time allotted to the leadership on this side.

The ACTING PRESIDENT pro temport. Without objection, it is so ordered.

Mr. GRIFFIN. I yield to the Senator from Maryland.

Mr. BEALL. I thank the distinguished Senator from Michigan.

WELFARE REFORM AND TAX REDUCTION ACT OF 1976

Mr. BEALL. Mr. President, today marks for me the culmination of much hard work and deliberation over the past 6 months. It has long been my belief that our Government can function with greater efficiency without increasing the burdens of its taxpaying citizens. I believe this to be true for all areas of Government involvement—and that by instituting changes through regulatory reform, budget reform, tax reform, and welfare reform, we in Congress can best address the longrun needs of the Nation. Indeed, the wastes and inefficiencies imposed by a $400 billion Government must be redressed before Congress can responsibly consider new programs and new initiatives. The people of this Nation demand it, and the continued vitality of a competitive economy requires it.

So, today, it is in the spirit of that belief that I introduce the Welfare Reform and Tax Reduction Act of 1976. This legislation would effectively dismantle the existing maze of welfare programs and replace it with a family allowance system that would help families and individuals in a more equitable and compassionate way, but reducing incentives for families to break apart and encouraging able-bodied recipients to accept employment. In doing so, Congress will restore fiscal integrity to a system which in the last 15 years has produced an administrative nightmare, sapping both the will of its intended beneficiaries and the ability of the welfare system to responsibly meet its objective of eliminating poverty. For unless we reverse the current direction of welfare policy, the Nation will move dangerously close toward establishing a "welfare class," one which captures its beneficiaries for years and generations.

When I publicly announced earlier this month my intention to introduce welfare reform legislation, I released a report which examined carefully the existing welfare system and outlined the provisions of the family allowance system. What that study found confirmed many of the worst fears about the effects of welfare bureaucracy. It revealed that over the past 40 years welfare policy has reflected a piecemeal approach in formulating a public assistance system. While most programs began with laudable intentions, the jerry-built nature of the system as a whole has generated effects that run counter to the objectives which public assistance should embody and which were spelled out in the Social Security Act of 1935.

To begin with, this system has built into it inequities under which a fatherless family in Mississippi receives only one-eighth the cash assistance which a comparable family in New York receives. These regional inequities result from the cost sharing provisions of the major welfare programs. In AFDC for example, a family residing in a State which offers a low level of assistance is further penalized by the fact that the Federal Government matches according to the State contribution. Thus, the Federal Government contributes about $50 monthly to AFDC households in Mississippi while at the same time allocating $250 to a similar family in New York. I do not believe that the Government should continue to pursue policies which favor rich over poor, and North over South.

Additional inequities persist because Federal and State governments do not coordinate their efforts. When Congress enacted aid to families with dependent children in 1935, it did so with the intention of providing for dependent children in families lacking a breadwinner. As the program expanded and benefits became more generous, the program fulfilled its original goal, but with an unanticipated side effect—it encouraged destitute families with no other alternatives to break apart in order to qualify for AFDC assistance. General assistance, the State programs offering assistance to childless households, never did catch up. As a result, by 1976 the financial reward for family separation had grown to $4,000 in Maryland, and even more in States offering higher benefits. Unless we take affirmative action to reverse this direction, Congress and the administration must bear the responsibility for increasing family discord among our poor and the problems for future generations which this implies.

Perhaps most disconcerting, though, is the fact that the welfare system over the years has increasingly shackled its recipient population into financial dependency. In the past, welfare policy has tried to insure that no one program imposed excessive work disincentives. But as eligibility widened for programs such as food stamps, AFDC, child nutrition, and medicaid, an additional dollar in earnings frequently meant a reduction in benefits under several programs, and that in the aggregate implied that for potentially low-wage family heads it was frequently more profitable not to accept employment. In my own State of Maryland, where benefits and consequently work disincentives are lower than the national average, for most families on public assistance, there is little or no financial reward for working. In some cases, disposable income would actually fall if a recipient accepted employment.

At the extreme, a family of five living on public assistance would suffer a net reduction in disposable income of $1,400 if the husband accepted full-time employment at the minimum wage. This to me represents a shameful and unconscionable waste of our human resources. Public assistance should reinforce the work ethic, not discourage it.

Finally, this Nation's welfare system personifies the inefficiencies associated with big and wasteful Government. During the upcoming fiscal year, AFDC, food stamps, and supplemental security income will require almost $3 billion just for administration, representing 11 percent of all funding for those programs. On a local level, that translates into reams of paperwork and redtape which swamp social workers and prevents them from offering the real and tangible assistance they are trained to provide. At a visit I made in February to a local welfare center in Baltimore, I was told that an initial applicant for public assistance must fill out 37 forms, some as long as 12 pages, and that another 51 forms lay in waiting for any other contingencies which may arise. All in all, an unjustified waste—and the American taxpayers are the ones who must pay its upkeep.

These then are the problems. Conscionable Government demands a solution, and I believe that one must be sought before massive new initiatives are undertaken.

Thus, I introduce today the Welfare Reform and Tax Reduction Act of 1976, legislation which would fundamentally change the way our public assistance system operates. Very briefly, the bill would eliminate AFDC, food stamps, supplemental security income, and future commitments under sections 8 and 235 low income housing. In its place, a consolidated system of family allowances would provide benefits to low income families and individuals. Under this system, a typical family of four with no other source of income would receive $3,600 a year in Federal assistance. The aged, blind, and disabled would receive higher levels of assistance. States, freed from commitments to programs earmarked for elimination, would have the option of supplementing Federal benefits.

This legislation embodies important new directions for future welfare policy. First, it would eliminate existing inequities under which Federal assistance favors north over south and which discourage family stability.

Second, it would take the initial step toward reducing the financial barriers that discourage public assistance recipients from seeking employment. Benefits would be reduced by fifty percent of earnings, rather than by the dollar-for-dollar offset which frequently applies today.

Third, the family assistance system would eliminate the complicated web of administrative entanglements which 40 years of uncoordinated policy has erected. Today, America spends, or perhaps more appropriate, wastes close to $3 billion annually on administration of its three largest welfare programs: Aid to families with dependent children, supplemental security income, and food stamps. That is $3 billion which does not go toward financially strapped social services, higher benefits for the needy, or tax reductions for low and middle income families. And that to me represents a needless waste of our valuable resources. The Welfare Reform and Tax Reduction Act would address this inefficiency, reducing administrative waste by $2 to $3 billion annually in 5 years and simultaneously clamping down on error and fraud.

Finally, and most important, the family allowance system would unlock the chains which now bind the welfare population into generations of economic stagnation and social indignity. By providing financial incentives for welfare recipients to seek jobs and for the working poor to continue working, we will devote our best efforts to assisting the 24 million persons still living in poverty.

Mr. President, I ask unanimous consent that a summary of the study prepared in my office and the measure I have introduced today be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Welfare Reform and Tax Reduction Act of 1976".

TITLE I—FAMILY ALLOWANCE DEDUCTION, STANDARD ALLOWANCE, FAMILY ALLOWANCE CREDIT, AND OTHER TAX PROVISIONS

SEC. 101. TECHNICAL AND CONFORMING CHANGES.

The Secretary of the Treasury or his delegate shall, as soon as practicable but not later than 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such code the changes in the substantive provisions of law made by this title.

SEC. 102. FAMILY ALLOWANCE DEDUCTION IN LIEU OF PERSONAL EXEMPTION.

(a) IN GENERAL.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deduction for personal exemptions) is amended to read as follows:

"SEC. 151. FAMILY ALLOWANCE DEDUCTION.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction in computing taxable income an amount equal to 2 times the amount of exemptions provided by this section.

"(b) TAXPAYER AND ADDITIONAL EXEMPTION.—An exemption of $1,000 for the taxpayer and an additional exemption of $1,000 for the spouse of the taxpayer if a joint return is made by the taxpayer and if the spouse is not a dependent of another taxpayer, or if there is no spouse or a joint return is not made, an additional exemption of $1,000 for any one dependent (as defined in section 152) of the taxpayer.

"(c) ADDITIONAL EXEMPTION FOR DEPENDENT.—An additional exemption of $400 for each dependent (as defined in section 152) other than a dependent for whom an exemption is claimed under subsection (b)—

"(1) whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $1,000,

"(2) who has not made a joint return with his spouse under section 6013 for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins,

"(3) who is not a dependent of another individual, and

"(4) who has not claimed a deduction for himself under subsection (b) for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

"(d) ADDITIONAL EXEMPTION FOR INDIVIDUALS AGED 65 OR MORE.—An additional exemption of $600 for—

"(1) the taxpayer if he has attained the age of 65 before the close of the taxable year,

"(2) the spouse of the taxpayer if the spouse has attained the age of 65 before the close of the taxable year and qualifies as an exemption under subsection (b) for the taxable year, and

"(3) for each dependent who has attained the age of 65 before the close of the taxable year and who qualifies as an exemption under subsection (b) or (c) for the taxable year.

"(e) ADDITIONAL EXEMPTION FOR BLINDNESS OF INDIVIDUAL.—An additional exemption of $600 for—

"(1) the taxpayer if he is blind as of the close of the taxable year,

"(2) the spouse of the taxpayer if the spouse is blind as of the close of the taxable year and qualifies for an exemption under subsection (b) for the taxable year, and

"(3) for each dependent who is blind as of the close of the taxable year and who qualifies as an exemption under subsection (b) or (c) for the taxable year.

For purposes of this subsection, an individual is blind only if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

"(f) ADDITIONAL EXEMPTION FOR DISABLED INDIVIDUAL.—An additional exemption of $400 for—

"(1) the taxpayer if he is permanently and totally disabled as of the close of the taxable year,

"(2) the spouse of the taxpayer if the spouse is permanently and totally disabled and qualifies for an exemption under subsection (b) for the taxable year, and

"(3) for each dependent who is permanently and totally disabled as of the close of the taxable year and who qualifies as an exemption under subsection (b) or (c) for the taxable year.

For purposes of this subsection, an individual is permanently and totally disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual shall not be considered to be permanently and totally disabled unless he furnishes proof of the existence thereof in such form and manner, and at such times, as the Secretary may require.

"(g) SPECIAL RULE FOR MARRIED COUPLES FILING SEPARATE RETURN.—

"(1) ONLY ONE SPOUSE TO CLAIM EXEMPTION.—Except as provided in paragraph (2), in the case of every married individual who does not make a joint return with his spouse under section 6013, only that individual shall be allowed to claim any exemption under this section.

"(2) Spouse may claim.—The spouse of an individual described in paragraph (1) may claim one exemption for himself under subsection (b) and exemptions for himself under subsections (d), (e), or (f) if he is an individual described therein."

(b) Conforming Amendment.—The table of sections for part V of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 151 and inserting in lieu thereof the following:

"Sec. 151. Family Allowance Deduction.".

Sec. 103. Standard Allowance.

(a) In General.—Section 141 of the Internal Revenue Code of 1954 (relating to standard deduction) is amended by striking out subsection (c), and by inserting after subsection (b) the following:

"(c) Standard Allowance.—The standard allowance is $200 for each exemption allowed an individual under section 151 (a), (b), or (c)".

(b) Conforming Amendment.—Section 141 (a) of such Code is amended by striking out "the low income allowance" and inserting in lieu thereof "the standard allowance".

Sec. 104. Family Allowance Credit.

(a) Family Allowance Credit.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44 the following new section:

"Sec. 44A. Family Allowance Credits.

"(a) Allowance of Credits.—

"(1) In general.—There should be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the family allowance credits provided by subsection (b) reduced (but not below zero) by 50 percent of the amount of the total income (as determined under subsection (v)).

"(2) Special rule for taxable year 1977 through 1981.—Notwithstanding the provision of paragraph (1)—

"(A) the term '55 percent' shall be substituted for the term '50 percent' in such paragraph for taxable years beginning in calendar year 1977,

"(B) the term '54 percent' shall be substituted for the term '50 percent' in such paragraph for taxable years beginning in calendar year 1978,

"(C) the term '53 percent' shall be substituted for the term '50 percent' in such paragraph for taxable years beginning in calendar year 1979,

"(D) the term '52 percent' shall be substituted for the term '50 percent' in such paragraph for taxable years beginning in calendar year 1980, and

"(E) the term '51 percent' shall be substituted for the term '50 percent' in such paragraph for taxable years beginning in calendar year 1981.

"(b) Family Allowance Credit.—Family allowance credits allowed are—

"(1) $1,000 for the taxpayer,

"(2) $1,000 for the spouse or dependent of the taxpayer if the spouse or dependent qualifies as an exemption under section 151 (b) for the taxable year,

"(3) $600 for each exemption of the taxpayer who qualifies as an exemption under section 151(c) of the taxable year,

"(4) $600 for each individual who qualifies as an exemption under section 151 (d), (e), or (f) for the taxable year, and

"(5) $400 if the taxpayer is allowed an exemption under section 151(f) for the taxable year,

"(c) Total Income.—

"(1) In general.—For purposes of this section, the term 'total income' means the sum of the adjusted gross income (within the meaning of section 62) of each individual for whom a credit is claimed under this section reduced by any amount deducted and withheld from wages of such individuals under subtitle C (relating to employment taxes), and increased by so much of the following items attributable to such individuals as is not otherwise included in adjusted gross income:

"(A) all amounts received as an annuity, pension, or any retirement benefit;

"(B) so much of the sum of all prizes and awards received as each year exceeds $250;

"(C) so much of the proceeds from life insurance contracts as exceeded $1,500 with respect to any one insured individuals;

"(D) so much of the sum of all gifts as each year exceeds $250, except there shall not be included any gift from any of such individuals;

"(E) so much of the sum of the fair market value of all property inherited from any individual as exceeds $1,000, except there shall not be included the value of real property if used as the primary residence of such individuals, nor shall there be included the value of any property inherited from a spouse;

"(F) all support and alimony payments;

"(G) interest on any tax-exempt government obligation;

"(H) damages, insurance, payments, workmen's compensation payments, or other payments, made—

"(i) for medical expenses,

"(ii) for loss of wages or income, or

"(iii) for physical, mental, or other personal injuries or sickness,

which do not constitute reimbursement for medical expenses paid;

"(I) the rental value of parsonages;

"(J) combat pay and mustering-out payments to any member of the Armed Forces of the United States;

"(K) dividends, other than insurance policy dividends applied by the insured to reduce insurance premiums;

"(L) meals and lodging supplied by an employer if and to the extent supplied at less than fair market value, without regard to whether supplied for the convenience of the employer;

"(M) any allowance for quarters or subsistence, or gratuity pay, paid to any member of the Armed Forces of the United States;

"(N) so much of the current or accumulated income of a trust or estate which could, within the discretion of any person with a nonadverse interest, be paid to an individual as beneficiary of such trust or estate as exceeds $3,000, except there shall not be included any amount in fact paid to any person other than such individual nor any amount previously included in adjusted gross income by reason of this subparagraph;

"(O) the entire gain from the sale or exchange of any capital asset;

"(P) unemployment compensation, without regard to the source thereof;

"(Q) strike benefits from any union or other agency or organization;

"(R) cash benefits pursuant to title II of the Social Security Act;

"(S) cash benefits under the Railroad Retirement Act of 1935, 1937, or 1974;

"(T) cash benefits (including readjustment benefits) under laws administered by the Veterans' Administration;

"(U) income from foreign sources;

"(V) loans from the Commodity Credit Corporation;

"(W) imputed income from capital as determined in accordance with paragraph (2);

"(X) overpayments of the tax imposed on such individuals;

"(Y) the amount of the reduction of such individuals' rental or mortgage costs under any public housing subsidy program; and

"(Z) cash benefits under the Coal Mine Health and Safety Act.

No amount of income or property given by any public agency or private charitble organization, if given on the basis of need, shall be considered a gift referred to in subparagraph (D) or a support payment referred to in subparagraph (F).

"(2) Income imputed from assets.—

"(A) In general.—The amount included in offset income under paragraph (1)(W) shall be an amount equal to the annual imputed income with respect to the total value of capital (appraised in accordance with subparagraph (C)) owned or controlled by such individuals computed in accordance with the following table, reduced by the amount (if any) of actual offset income with respect to such capital which is received by such individuals:

"If the total appraised value of capital owned or controlled by such individuals is:	The annual income to be imputed with respect to such capital shall be:
Less than $10,000	0.
At least $10,000 but less than $20,000	$100.
At least $20,000 but less than $30,000	$200.
At least $30,000 but less than $40,000	$300.
At least $40,000 but less than $50,000	$800.
At least $50,000 but less than $60,000	$1,300.
At least $60,000 but less than $70,000	$1,800.
At least $70,000	$2,800, plus 10% of value of capital in excess of $70,000.

"(B) Capital owned or controlled by such individuals.—For purposes of this subsection, the capital owned or controlled by any such individual shall be all of the real or personal property owned or controlled by such individual (whether tangible or intangible) wherever situated, to the extent of such individual's interest therein.

"(C) Appraisal of capital.—The appraisal of capital shall be made at such time as the Secretary or his delegate prescribes by regulations, on the basis of all capital owned or controlled at such time.

"(D) Valuation.—

"(i) Measure of value.—Under regulations prescribed by the Secretary or his delegate, the value of capital for purposes of this subsection shall be its fair market value. In the case where fair market value is not readily ascertainable, methods shall be prescribed for approximating the value. The value of capital shall be determined without regard to any mortgage, security interest, or any indebtedness with respect to such capital.

"(ii) Capital held jointly.—In the case of capital held jointly, whether or not partitionable, such capital shall be treated for purposes of this paragraph as if owned or controlled in separate proportional shares.

"(d) Limitation.—

"(1) Credit denied in case of certain tax-

PAYER.—No credit shall be allowed under subsection (b) with respect to any taxpayer who—

"(A) is not at least 18 years of age, unless he is married, or has actual primary custody of a dependent child, or

"(B) is admitted to any mental retardation, mental health, or medical facility or any nursing home or custodial care facility either for an indefinite period, or for a specified period in excess of 3 months.

"(2) CREDIT DENIED IN CASE OF CERTAIN INDIVIDUALS AND DEPENDENTS.—No credit shall be allowed under subsection (b) with respect to any taxpayer, spouse, or dependent—

"(A) who does not have a permanent residence for the taxable year within the United States, and resides continuously during such taxable year within the United States,

"(B) who is confined to any penal or correctional instituiton during such taxable year, or

"(C) for whom an allowance under this section has been taken by another taxpayer for the taxable year.

"(3) CREDIT DENIED IN CASE OF CERTAIN DEPENDENT.—No credit shall be allowed under subsection (b) with respect to any dependent—

"(A) who has claimed a credit under subsection (b) for himself for the taxable year beginning in the calendar year in which the taxable year of taxpayer begins, or

"(B) is admitted to any mental retardation, mental health, or medical facility or any nursing home or custodial care facility, either for an indefinite period, or for a specified period in excess of 3 months.

"(4) CREDIT DENIED FOR FAILURE OF UNEMPLOYED INDIVIDUAL TO REGISTER WITH PUBLIC EMPLOYMENT OFFICES.—No credit shall be allowed under subsection (b) with respect to any taxpayer for any period for which the taxpayer (or the individual, other than the taxpayer, who, under regulations of the Secretary, is the 'head of family' of the family of which the taxpayer is a member) is unemployed and is not currently registered with the public employment offices in the State in which he resides, unless, during such period the taxpayer (or such individual) is—

"(A) a person whose presence in the home is required because of illness or incapacity of another member of the household,

"(B) the only adult member of the household who is available to meet (and capable of meeting) the child care needs of a child who is a member of the household, or

"(C) ill, incapacitated, or of advanced age.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.

"(f) CROSS REFERENCES.—

"(1) For disallowance of credit to estates and trusts, see section 642(a).

"(2) For prepayment of estimated credits as allowances for basic living expenses, see section 6429.".

(b) REFUND OF EXCESS CREDIT AVAILABLE OTHER THAN IN CERTAIN CASES.—Section 6401 (b) of such Code (relating to excessive credits treated as overpayments) is amended—

(1) by inserting "44A (relating to family allowance credits)," before "and 667(b)"; and

(2) by striking out "and 43" and inserting in lieu thereof "43, and 44A".

(c) ASSESSMENT AUTHORITY.—Section 6201 (a)(4) of such Code (relating to assessment authority) is amended—

(A) by striking out "39 or 54." in the caption of such section and inserting in lieu thereof "39, 43, or 44A.", and

(B) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof a comma and "section 43 (relating to earned income), or section 44A (relating to family allowance credits),".

(d) PREPAYMENT OF ESTIMATED PERSONAL CREDITS TO RECIPIENTS AS ALLOWANCES FOR BASIC LIVING EXPENSES.—

(1) IN GENERAL.—Subchapter B of chapter 65 of subtitle F of such Code (relating to rules of special application for credits and refunds) is amended by adding at the end thereof the following new section:

"SEC. 6429. FAMILY ALLOWANCE CREDITS TREATED AS ALLOWANCES FOR BASIC LIVING EXPENSES.

"(a) GENERAL RULE.—An individual entitled to receive a credit under section 44A may elect to receive payment in accordance with subsection (b) with respect to estimated personal credits allowable under such section.

"(b) PAYMENT OF AMOUNTS.—

"(1) TIME AND METHOD OF PAYMENT.—Payment under this section to any individual shall be made as provided in subtitle I.

"(2) AMOUNT OF PAYMENT.—Payment under this section shall, with respect to each allowance period, be equal to one-twelfth (or one-twenty-fourth in the case of a semimonthly allowance payment under section 9901(a)(2)) of the amount of the personal credits the individual reasonably anticipates, based upon the facts and circumstances at the time of election, to be entitled to under section 44A with respect to the taxable year during which such allowance period occurs. Under regulations prescribed by the Secretary or his delegate, such individual shall report, and the Secretary or his delegate shall make appropriate adjustments in future payments under this section for, changes in facts and circumstances which bear on entitlement to, or the amount of, personal credits under section 44A.

"(c) EFFECT OF PAYMENT.—In the case of an individual who has elected to receive payment under this section, the sum of the personal credits which such individual (but for this subsection) would be entitled to under section 44A shall be reduced by the amount paid to such individual under this section.

(e) CREDIT NOT ALLOWED FOR ESTATES AND TRUSTS.—Section 642(a) (relating to special rules for credits and deductions) is amended by adding at the end thereof the following new subsection:

"(H) FAMILY ALLOWANCE.—An estate or trust shall not be allowed the credit against tax for family allowance under section 44A.".

(f) CONFORMING AMENDMENTS.—

(1) The table of sections for part IV of subchapter A of chapter 1 of such Code is amended by adding after the item relating to section 44 the following new item:

"Sec. 44A. Family allowance credits.".

(2) The table of sections for subchapter B of chapter 65 of subtitle F of such Code is amended by adding at the end thereof the following new item:

"Sec. 6429. Family allowance credits treated as allowances for basic living expenses.".

SEC. 105. ADMINISTRATION AND PAYMENT OF CREDIT.

(a) IN GENERAL.—The Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subtitle:

"SUBTITLE I—ADMINISTRATION AND PAYMENT OF FAMILY ALLOWANCE CREDITS

"Chapter 98. Allowance; definitions; filing
"Chapter 99. Payment

"Chapter 98. Allowance; definitions; filing
"Sec. 9801. Payment of credit as allowance for basic living expenses.
"Sec. 9802. Definitions and special rules.
"Sec. 9803. Filing for allowances; returns, records, and information.

"SEC. 9801. PAYMENT OF CREDIT AS ALLOWANCE FOR BASIC LIVING EXPENSES.

"Subject to the provisions of this subtitle, an individual may elect, in lieu of a refund of credit under section 6401(b), to receive the credit allowable under section 44A as an allowance for basic living expenses in an amount determined under section 6429(b)(2) for each allowance period. Such election shall, except with the consent of the Secretary, be irrevocable for the taxable year in which made.

"SEC. 9802. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subtitle—

"(1) ALLOWANCE PERIOD.—The term 'allowance period' means any calendar month for which application is made for an allowance under this subtitle.

"(2) BASE PERIOD.—The term 'base period' means the calendar month immediately preceding an allowance period.

"(3) STATE.—The term 'State' includes the District of Columbia.

"(4) DEPENDENT.—The term 'dependent' has the meaning given such term by section 151(c).

"(b) SPECIAL RULES.—For purposes of this subtitle—

"(1) QUALIFICATION AS DEPENDENT.—Any determination of whether an individual is a dependent shall be on the basis of the allowance period (or each allowance period) for which an allowance is sought, rather than on the basis of any other period. For purposes of any such determination, all amounts received by an individual under this subtitle shall be considered to be income of such individual although computed, in part, on the basis of any other individual for whom a credit is claimed.

"(2) MARITAL STATUS.—

"(A) PERIOD FOR DETERMINATION.—Any determination of whether an individual is married shall be as of the beginning of any allowance period in question.

"(B) CERTAIN INDIVIDUALS NOT CONSIDERED MARRIED.—Any individual—

"(i) who is legally separated from his spouse under a decree of divorce or a decree or agreement of separate maintenance; or

"(ii) who files a statement that such individual's spouse has been continuously absent from such individual's household for the 4-week period preceding the week during which such statement is filed, and that there is no reasonable expectation such spouse will return;

shall not be considered as married.

"(C) CERTAIN INDIVIDUALS CONSIDERED MARRIED.—Any individual—

"(1) who shares a household with an individual who, but for this subparagraph, would not be considered his spouse, and

"(2) who, with such individual has custody of a child born of such couple;

shall be considered married.

"SEC. 9803. FILING FOR ALLOWANCES; RETURNS, RECORDS, AND INFORMATION.

"(a) APPLICATION FOR ALLOWANCE.—Application for any allowance by any individual who elects to have the provisions of this subtitle apply for any taxable year shall for each allowance period be made in such manner as the Secretary or his delegate shall by regulation prescribe. Such application shall be filed not later than 14 days after the first day of the allowance period with respect to which application is made.

"(b) CONTENT OF APPLICATION.—Each application made under this section shall contain—

"(1) such information for determining eligibility for the allowance as the Secretary or delegate shall by regulation prescribe;

"(2) an information return reporting total income received during the base period, and such related information as shall be prescribed by such regulations;

"(3) the social security account number issued to the individual for purposes of section 205 (c)(2)(A) of the Social Security Act;

"(4) a list of the names of each individual over 18 but less than 65 years of age for whom a credit was claimed under section 44A who is not permanently and totally disabled or who is not required to care for any child under 6 years of ago (only 1 individual may be exempted from such list for having to provide such care), and the work qualifications of each such individual listed; and

"(5) such other information with respect to such period, or any preceding period, as may be required under such regulations.

"(c) Returns, Records, and Information.—Each individual who has received an allowance during his taxable year shall file in accordance with section 6012 or 6013 (without regard to the amount of income during such year) a return with respect to the income taxes imposed under subtitle A, together with a supplemental return regarding income received by individuals for whom a credit was claimed under section 44A and to whom such allowance was paid. Such returns shall contain such additional information as may be required for the recomputation of allowances under section 9902, and shall be filed within the time indicated in section 6072 for filing income tax returns. Each individual who is receiving or has received any such allowance shall keep such records, make such other returns, and furnish such information with respect to such allowance as the Secretary or his delegate shall prescribe by regulation.

"Chapter 99. Payment.

"Sec. 9901. Payment of allowances.

"Sec. 9902. Regulations; overpayment or underpayment.

"Sec. 9903. Administration agreements with States; failure to enter into an agreement.

"Sec. 9904. Annual reports; authorization for appropriations.

"Sec. 9901. Payment of Allowances.

"(a) Time of Payment.—

"(1) In general.—Allowances provided under this subtitle shall be paid before the end of each allowance period for which application has been properly made.

"(2) Semimonthly payment.—If the individual making application elects (at such time and in such manner as the Secretary or his delegate shall by regulation prescribe) to a semimonthly payment of allowance, one-half of such allowance shall be paid in accordance with paragraph (1) and one-half shall be paid before the 15th day thereafter.

"(b) Form of Payment.—

"(1) In general.—Allowances under this subtitle shall be paid to the individual who made application under section 9802 except that if the Secretary or his delegate deems it appropriate, such payment may be made to any other person (including an appropriate public or private agency) who is interested or concerned with the welfare of such individual.

"(2) Payment in case of married individual.—

"(A) In general.—In the case of any married individual, payment of any allowance provided under this subtitle shall, subject to the exception set forth in paragraph (1), be made jointly to such individual and the spouse of such individual, if a credit under section 44A is claimed for such spouse by such individual.

"(B) Voluntary allocation of allowance.—An individual and his spouse for whom credit is claimed under section 44A, if entitled to an allowance under this subtitle may, subject to the exception set forth in paragraph (1), jointly elect (under regulations prescribed by the Secretary or his delegate) to each receive separate partial payment of such allowance in such proportion as they shall designate under such election. A separate election may be made by any married individual whose spouse has been continuously absent from the household for the four-week period preceding the week during which such election is made.

"Sec. 9902. Administration; Overpayment or Underpayment.

"(a) In General.—For purposes of administering this subtitle, the Secretary or his delegate shall prescribe such regulations as he finds necessary to carry out the purposes of this subtitle, and shall establish administrative procedures under such regulations based upon, and to the extent he deems appropriate, integrated with, the procedures existing for the administration of this title.

"(b) Overpayment or Underpayment of Allowance.—Whenever the Secretary or his delegate finds that more or less than the correct amount of allowance has been paid with respect to any individual, proper adjustment or recovery shall, subject to the succeeding provisions of this subsection, be made by appropriate adjustments in future payments to such individual, by recovery from or payment to such individual (or recovery from the estate of any such member), or by adjustment of the amount of the credit allowed under section 44A as provided by section 6429 (c). The Secretary or his delegate shall make such provision as he finds appropriate in the case of payment of more than the correct amount of allowance with a view to avoiding penalizing any individual who was without fault in connection with the overpayment, if adjustment or recovery on account of such overpayment in such case would defeat the purposes of this subtitle, or would impede efficient or effective administration of this subtitle. No reduction in any allowance payment of an individual made for the purpose of collecting an overpayment of any preceding allowance may exceed one-fourth of the sum of—

"(1) the amount of such payment, and

"(2) the total income of such individual with respect to which such credit was determined.

"(c) Hearings and Review.—

"(1) In general.—The Secretary or his delegate shall provide reasonable notice and opportunity for a hearing to any individual who is or claims to be an individual eligible for receipt of an allowance under this subtitle and is in disagreement with any determination under this title with respect to eligibility of or receipt by such individual of such an allowance, or the amount of such allowance, if the individual requests a hearing on the matter in disagreement within thirty days after notice of such determination is received.

"(2) Time of determination.—A determination on the basis of such hearing shall be made within 90 days after the individual requests the hearing provided in paragraph (1).

"(3) Review.—The final determination of the Secretary or his delegate after a hearing under paragraph (1) shall be subject to judicial review to the same extent as a decision of the Secretary of Health, Education, and Welfare may be reviewed under section 205 (g) of the Social Security Act; except that the determination of the Secretary or his delegate after such hearing as to any fact shall be final and conclusive and not subject to review by any court.

"Sec. 9903. Administration Agreements With States; Failure to Enter Into an Agreement.

"(a) Agreements.—The Secretary or his delegate shall, whenever possible, enter into an agreement with the chief executive of a State or an agency of the State designated by the chief executive. Such agreement shall provide—

"(1) that the State will administer the allowance program under this subtitle including the preparation and distribution of applications, compilation and unification of all data, and the computation and recomputation of an allowance;

"(2) that the Federal Government will reimburse the State for the costs of such administration, if the Secretary or his delegate finds that the State has complied with such agreement, as follows—

"(A) 50 percent of such costs in 1977,

"(B) 45 percent of such costs in 1978,

"(C) 40 percent of such costs in 1979,

"(D) 35 percent of such costs in 1980,

"(E) 30 percent of such costs in 1981, and

"(F) 25 percent of such costs thereafter; and

"(3) such other provisions as the Secretary or his delegate finds advisable.

"(b) Failure to Enter Into An Agreement.—In order for any State to be eligible for payments pursuant to title XX of the Social Security Act with respect to expenditures after December 31, 1976, such State must have in effect an agreement with the Secretary or his delegate under subsection (a).

"Sec. 9904. Annual Reports; Authorization For Appropriations.

"(a) Annual Report.—The Secretary shall prepare and transmit to the Congress an annual report on the operation and administration of this subtitle which shall include his evaluations thereof and such recommendations for additional legislation as he may deem appropriate.

"(b) Authorization of Appropriations.—

"(1) In general.—There are authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this subtitle.

"(2) Research into improved administration.—There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, with respect to any fiscal year for research into improved administration of this subtitle, and for program evaluation and collection of data and statistics related to such administration, an amount not to exceed one-tenth of 1 percent of the amount determined by the Secretary to have been paid as allowances during the preceding fiscal year.".

(b) Conforming Amendment.—

(1) The table of subtitles for the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"Subtitle I—Administration and Payment of Family Allowance Credits

"Chapter 98. Allowance; definitions; filing.

"Chapter 99. Payment.".

(2) The table of chapters and parts of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"Subtitle I—Administration and Payment of Family Allowance Credits

"Chapter 98—Allowance; definitions; 'filing .... 9801.

"Chapter 99—Payments .... 9901.

Sec. 106. Child Care Expenses.

Section 62 of the Internal Revenue Code of 1954 (relating to definition of adjusted gross income) is amended by adding at the end thereof the following new paragraph:

"(13) Child care expenses.—The deduction allowed by section 214.".

Sec. 107. Study.

The Joint Economic Committee shall conduct each year a study and investigation with respect to the amount of any reduction of administrative costs resulting from the provisions of this title. The Joint Economic Committee shall make a report of its study and investigation to the Congress prior to

September 1 of each year in order that the Congress may implement reduction in taxes equal to the amount of such reduction.

SEC. 108. REPEAL OF WIN CREDIT.

(a) REPEAL.—Section 40 of the Internal Revenue Code of 1954 (relating to credit for expenses of work incentive program) is repealed.

(b) CONFORMING AMENDMENT.—The table of sections for part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 40.

SEC. 109. CREDIT NOT TO BE CONSIDERED INCOME.

For purposes of determining eligibility for benefits under the National School Lunch Act, the Child Nutrition Act of 1966, or title XIX of the Social Security Act, any refund of any credit by reason of this title shall not be considered income.

SEC. 110. EFFECTIVE DATE.

The amendments made by this title apply to taxable years beginning after December 31, 1976.

TITLE II—MISCELLANEOUS, GENERAL, AND CONFORMING PROVISIONS

SEC. 201. ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS AND TRANSITIONAL PROVISIONS.

The Secretary of Health, Education, and Welfare, the Secretary of Agriculture, and the Secretary of Labor shall, as soon as practicable after the date of the enactment of this Act but in any event not later than 90 days after the date of enactment of this Act, submit to the appropriate standing committees of the Senate and of the House of Representatives a draft of any technical and conforming changes in any Act or other laws, over which such Secretary has administrative responsibility, which may be necessary to reflect the changes in substantive provisions of law made by this title, including any special provisions which may be necessary to assure an orderly transition from existing programs to the new or modified programs established by this title.

SEC. 202. FOOD STAMP ACT AND LAWS RELATING TO COMMODITY DISTRIBUTION.

(a) FOOD STAMP ACT REPEAL.—The Food Stamp Act of 1964 is repealed effective with the close of December 31, 1976.

(b) LIMITATION ON COMMODITY DISTRIBUTION PROGRAMS.—Notwithstanding any other provision of law, on and after January 1, 1977, Federal funds shall not be available to defray so much of the costs incurred in the carrying out of any commodities or food distribution program, enacted prior to such date, as is attributable to the provision of commodities to any individual or family, residing within the United States, if eligibility of such individual or family for such commodities is based (wholly or in part) on the income or resources of such individual or family.

SEC. 203. AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM.

(a) IN GENERAL.—

(1) REPEAL OF PROVISIONS.—Effective with the close of December 31, 1976, so much of title IV of the Social Security Act as precedes part D thereof is hereby repealed.

(2) SAVINGS PROVISIONS.—The repeal made by paragraph (1), insofar as it relates to part A of title IV of the Social Security Act, shall not be applicable in the case of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(b) CONFORMING AMENDMENTS.—Part D of title IV of the Social Security Act is amended as follows:

(1) Section 453(c)(3) is amended by striking out "(other than a child receiving aid under part A of this title)".

(2) Section 454 is amended—

(A) by striking out "with respect to whom an assignment under section 402(a)(26) of this title is effective" in paragraph (4)(A) and inserting in lieu thereof "with respect to whose family there is payable a family assistance allowance under subtitle I of the Internal Revenue Code of 1954";

(B) by striking out "with respect to whom such assignment is effective" in paragraph (4)(B) and inserting in lieu thereof "with respect to whose family there is payable such an allowance";

(C) by striking out "with respect to whom an assignment under section 402(a)(26) is effective" in paragraph (5) and inserting in lieu thereof "with respect to whose family there is payable a family assistance allowance under subtitle I of the Internal Revenue Code of 1954"; and

(D) by striking out "ineligible for assistance under the State plan approved under part A" in paragraph (5) and inserting in lieu thereof "ineligible for such an allowance".

(3) Section 456 is amended—

(A) by striking out "The support rights assigned to the State under section 402(a)(26)" in subsection (a) and inserting in lieu thereof "Any right which a member of a family with respect to which a family assistance allowance is payable under subtitle I of the Internal Revenue Code of 1954 may have to support from any other person"; and

(B) by striking out "assigned to a State under section 402(a)(26)" in subsection (b) and inserting in lieu thereof "constituting an obligation owed to a State under subsection (a)".

(4) Section 458(a) is amended by striking out "the support rights assigned under section 402(a)(26)" and inserting in lieu thereof "a support obligation owed under section 456(a)".

SEC. 204. TERMINATION OF PROGRAM OF SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED.

Effective with the close of December 31, 1976, title XVI of the Social Security Act (relating to program of supplemental security income for the aged, blind, and disabled) is repealed.

SEC. 205. EMERGENCY ASSISTANCE FOR NEEDY FAMILIES WITH CHILDREN.

(a) IN GENERAL.—The Social Security Act is amended by adding at the end thereof the following new title:

"TITLE XXI—EMERGENCY ASSISTANCE FOR NEEDY FAMILIES WITH CHILDREN

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 2101. For the purpose of enabling each State to provide emergency assistance to needy families with children, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this part. The sums available under this section shall be used for making payments to States which have submitted, and have had approved by the Secretary, State plans for emergency assistance to needy families with children.

"STATE PLANS FOR EMERGENCY ASSISTANCE FOR NEEDY FAMILIES WITH CHILDREN

"SEC. 2102. (a) A State plan for emergency assistance for needy families with children must—

"(1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

"(2) provide for financial participation by the State;

"(3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan;

"(4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for emergency assistance is denied or is not acted upon with reasonable promptness;

"(5) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

"(6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide that the State agency shall, in determining need, take into consideration all income and resources of the members of any family claiming emergency assistance for needy families with children;

"(8) provide safeguards which restrict the use of disclosure of information concerning applicants or recipients to purposes directly connected with (A) the administration of the plan of the State approved under this title, the plan or program of the State under part D of title IV, or under title XIX, or XX, (B) any investigation, prosecution, or criminal or civil proceeding, conducted in connection with the administration of any such plan or program, and (C) the administration of any other Federal or federally assigned program which provides assistance, in cash or in kind, or services, directly to individuals on the basis of need; and the safeguards so provided shall prohibit disclosure, to any committee or a legislative body, of any information which identifies by name or address any such applicant or recipient;

"(9) provide that all individuals wishing to make application for emergency assistance for needy families with children shall have opportunity to do so, and that such assistance shall be furnished with reasonable promptness to all eligible families;

"(10) provide for prompt notice (including the transmittal of all relevant information) to the State child support collection agency (established pursuant to part D of this title) of emergency assistance with respect to a child who has been deserted or abandoned by a parent (including a child born out of wedlock without regard to whether the paternity of such child has been established);

"(11) provide that where the State agency has reason to believe that the home in which a child receiving emergency assistance resides is unsuitable for the child because of the neglect, abuse, or exploitation of such child it shall bring such condition to the attention of the appropriate court or law enforcement agencies in the State, providing such data with respect to the situation it may have; and

"(12) provide (A) that, as a condition of eligibility under the plan, each applicant for or recipient of emergency assistance shall furnish to the State agency his social security account number (or numbers, if he has more than one such number), and (B) that such State agency shall utilize such account numbers, in addition to any other means of identification it may determine to employ in the administration of such plan.

"(b) The Secretary shall approve any

plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes as a condition of eligibility for emergency assistance for needy families with children a residence requirement which denies emergency assistance to any otherwise eligible family which is physically present in the State.

"PAYMENTS TO STATES

"SEC. 2103. (a) From the sums appropriated therefor, the Secretary shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing January 1, 1977—

"(1) an amount equal to 50 per centum of the total amount expended under the State plan during such quarter as emergency assistance to needy families with children, plus

"(2) an amount equal to 50 per centum of the sums expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.

"(b)(1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter, such estimates to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigation as the Secretary may find necessary.

"(2) The Secretary shall then pay to the State, in such installments as he may determine, the amounts so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

"(3) The pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered during any quarter by the State or any political subdivision thereof with respect to emergency assistance furnished under the State plan shall be considered to be an overpayment to be adjusted under this subsection.

"(4) Upon the making of an estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed to be obligated.

"OPERATION OF STATE PLANS

"SEC. 2104. In the case of any State plan for emergency assistance for needy families with children which has been approved by the Secretary, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

"(1) that the plan has been so changed as to impose any residence requirement prohibited by section 2102(b), or that in the administration of the plan any such prohibited by section 2102(b), or that in the knowledge of such State agency, in a substantial number of cases; or

"(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 2102(a) to be included in the plan;

the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure) until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

"DEFINITIONS

"SEC. 2105. When used in this title—

"(a) The term 'State' includes only one of the fifty States or the District of Columbia.

"(b)(1) The term 'emergency assistance to needy families with children' means any of the following, furnished for a period not in excess of 30 days in any 12-month period, in the case of a needy child under the age of 21, who is (or, within such period as may be specified by the Secretary, has been) living with any of the relatives specified in subsection (c) in a place of residence maintained by one or more of such relatives as his or their own home, but only where such child is without available resources, the payments, care, or services involved are necessary to avoid destitution of such child or to provide living arrangements in a home for such child, and such destitution or need for living arrangements did not arise because such child or relative refused without good cause to accept employment or training for employment—

"(A) money payments, payments in kind, or such other payments as the State agency may specify with respect to, or medical care or any other type of remedial care recognized under State law on behalf of such child or any other member of the household in which he is living, and

"(B) such services as may be specified by the Secretary.

"(2) Emergency assistance as authorized under paragraph (1) may be provided under the conditions specified in such paragraph to migrant workers with families in the State or in such part or parts thereof as the State shall designate.

"(c) The term 'relative', when employed in subsection (b)(1) with reference to any child, means one of the following relatives of such child: father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece, who maintains a place of residence (alone or with others) as his or their own home.".

SEC. 206. FOOD STAMP PROGRAM FOR PUERTO RICO, GUAM, AND THE VIRGIN ISLANDS.

(a) The Secretary of Health, Education, and Welfare shall establish, and with the assent and cooperation of the governments affected, place in operation on January 1, 1977 (or as soon thereafter as possible) in Puerto Rico, Guam, and the Virgin Islands, a food stamp program designed to assume a diet meeting minimum standards for needy households located therein. Such program shall be patterned after, and to the maximum extent feasible utilize the same criteria for determining eligibility for and extent of assistance to needy households as that employed in, the Food Stamp Act of 1964, as in effect on the date of enactment of this Act.

(b) There are hereby authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section. Of the funds available for carrying out the food stamp program, established by the Food Stamp Act of 1964, in Puerto Rico, Guam, and the Virgin Islands for the fiscal year ending September 30, 1977, **any amounts remaining unobligated as of the** close of December 31, 1976, shall be made **available for the carrying out for the program**, authorized under subsection (a), for the period beginning January 1, 1977, and ending September 30, 1977.

SEC. 207. MANDATORY STATE SUPPLEMENTATION FOR FORMER AFDC RECIPIENTS AND FORMER SSI RECIPIENTS.

(a) IN GENERAL.—The Social Security Act is amended by adding after title XXI thereof (as added by section 205 of this Act) the following new title:

"TITLE XXII—MANDATORY STATE SUPPLEMENTATION FOR CERTAIN FAMILIES WITH DEPENDENT CHILDREN AND CERTAIN AGED, BLIND, OR DISABLED INDIVIDUALS

"MANDATORY STATE SUPPLEMENTATION AGREEMENTS

"SEC. 2201. In order for any State to be eligible for payments pursuant to title XX, with respect to expenditures for any quarter beginning after December 1976 and prior to January 1, 1980, such State must have in effect an agreement with the Secretary whereby the State will provide to—

"(1) families with dependent children under part A of this Act (as in effect immediately prior to January 1, 1977) who would otherwise suffer a reduction in family income by reason of the enactment of this Act, and

"(2) aged, blind, or disabled individuals receiving (and were lawfully entitled to) benefits under the supplemental security income program established by title XVI of this Act for the month of December 1976, who would otherwise suffer a reduction in family income by reason of the enactment of this Act,

supplementary payments in the amounts needed (as prescribed under regulations of the Secretary) to maintain their total family income (for any month)—

"(3) in the case of a month which commences after December 31, 1976 and prior to January 1, 1978, at a level equal to 95 per centum of the level at which it would be (for such month) if the programs repealed by this Act had continued in effect as they were in effect for the month of December 1976,

"(4) in the case of a month which commences after December 31, 1977 and prior to January 1, 1979, at a level equal to 90 per centum of the level at which it would be (for such month) if the programs repealed by this Act had continued in effect as they were in effect for the month of December 1976, and

"(5) in the case of a month which commences after December 31, 1978 and prior to January 1, 1980, at a level equal to 85 per centum of the level at which it would be (for such month) if the programs repealed by this Act had continued in effect as they were in effect for the month of December 1976.

"COMPLIANCE WITH AGREEMENT

"SEC. 2202. In the case of any State having in effect an agreement under section 2201, if the Secretary, after reasonable notice and opportunity to the State, finds that the State is not substantially carrying out its obligations under the agreement, the Secretary shall notify the State that further payments will not be made to the State under title XX until the Secretary is satisfied that there is no longer a failure of the State substantially to carry out its obligations under such agreement.".

"SEC. 208. TERMINATION OF CERTAIN HOUSING SUBSIDY PROGRAMS.

After December 31, 1976, the Secretary of Housing and Urban Development shall not enter into any contract to make annual contributions under section 8 of the United States Housing Act of 1937 or to make assistance payments under section 235 of the National Housing Act except pursuant to a commitment issued on or before such date.

"SEC. 209. EXTENSION OF UNEMPLOYMENT COMPENSATION COVERAGE TO CERTAIN AGRICULTURAL WORKERS AND CERTAIN DOMESTIC WORKERS.

(a) Coverage of Certain Agricultural Employment.

(1) NONCASH REMUNERATION.—Section 3306 (b) of the Internal Revenue Code of 1954 (defining wages) is amended by striking out "or" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(11) remuneration for agricultural labor paid in any medium other than cash.".

(2) COVERAGE OF AGRICULTURAL LABOR.—Paragraph (1) of section 3306(c) of such Code (defining employment) is amended to read as follows:

"(1) agricultural labor (as defined in subsection (k)) unless—

"(A) such labor is performed for a person who—

"(i) during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of $10,000 or more to individuals employed in agricultural labor (not taking into account labor performed before January 1, 1979, by an alien referred to in subparagraph (B)), or

"(ii) on each of some 20 days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor (not taking into account labor performed before January 1, 1979, by an alien referred to in subparagraph (B)) for some portion of the day (whether or not at the same moment of time) 4 or more individuals; and

"(B) such labor is not agricultural labor performed before January 1, 1979, by an individual who is an alien admitted to the United States to perform agricultural labor pursuant to sections 214 (c) and 101 (a) (5) (H) of the Immigration and Nationality Act;".

(3) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

(b) Treatment of Certain Farmworkers.

(1) GENERAL RULE.—Section 3306 of the Internal Revenue Code of 1954 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(o) SPECIAL RULE IN CASE OF CERTAIN AGRICULTURAL WORKERS.—

"(1) CREW LEADERS WHO ARE REGISTERED OR PROVIDE SPECIALIZED AGRICULTURAL LABOR.—For purposes of this chapter, any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other person shall be treated as an employee of such crew leader—

"(A) if—

"(i) such crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or

"(ii) substantially all the members of such crew operate or maintain tractors, mechanized harvesting or crop-dusting equipment, or any other mechanized equipment, which is provided by such crew leader; and

"(B) if such individual is not an employee of such other person within the meaning of subsection (i).

"(2) OTHER CREW LEADERS.—For purposes of this chapter, in the case of any individual who is furnished by a crew leader to perform agricultural labor for any other person and who is not treated as an employee of such crew leader under paragraph (1)—

"(A) such other person and not the crew leader shall be treated as the employer of such individual; and

"(B) such other person shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader (either on his behalf or on behalf of such other person) for the agricultural labor performed for such other person.

"(3) CREW LEADER.—For purposes of this subsection, the term 'crew leader' means an individual who—

"(A) furnishes individuals to perform agricultural labor for any other person,

"(B) pays (either on his behalf or on behalf of such other person) the individuals so furnished by him for the agricultural labor performed by them, and

"(C) has not entered into a written agreement with such other person under which such individual is designated as an employee of such other person.".

(2) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

(c) Coverage of Domestic Service.

(1) GENERAL RULE.—Paragraph (2) of section 3306(c) of the Internal Revenue Code of 1954 (defining employment) is amended to read as follows:

"(2) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority unless performed for a person who paid cash remuneration of $600 or more to individuals employed in such domestic service in any calendar quarter in the calendar year or the preceding calendar year;".

(2) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

(d) Definition of Employer.

(1) GENERAL RULE.—Subsection (a) of section 3306 of the Internal Revenue Code of 1954 (defining employer) is amended to read as follows:

"(a) EMPLOYER.—For purposes of this chapter—

"(1) IN GENERAL.—The term 'employer' means, with respect to any calendar year, any person who—

"(A) during any calendar quarter in the calendar year or the preceding calendar year paid wages of $1,500 or more, or

"(B) on each of some 20 days during the calendar year or during the preceding calendar year, each day being in a different calendar week, employed at least one individual in employment for some portion of the day.

For purposes of this paragraph, there shall not be taken into account any wages paid to, or employment of, an employee performing domestic services referred to in paragraph (3).

"(2) AGRICULTURAL LABOR.—In the case of agricultural labor, the term 'employer' means, with respect to any calendar year, any person who—

"(A) during any calendar quarter in the calendar year or the preceding calendar year paid wages of $5,000 or more for agricultural labor, or

"(B) on each of some 20 days during the calendar year or during the preceding calendar year, each day being in a different calendar week, employed at least 4 individuals in employment in agricultural labor for some portion of the day.

"(3) DOMESTIC SERVICE.—In the case of domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, the term 'employer' means, with respect to any calendar year, any person who during any calendar quarter in the calendar year or the preceding calendar year paid wages in cash of $600 or more for such service.

"(4) SPECIAL RULE.—A person treated as an employer under paragraph (3) shall not be treated as an employer with respect to wages paid for any service other than domestic service referred to in paragraph (3) unless such person is treated as an employer under paragraph (1) or (2) with respect to such other service."

(2) TECHNICAL AMENDMENT.—Subsection (a) of section 6157 of such Code (relating to payment of Federal unemployment tax on quarterly or other time period basis) is amended to read as follows:

"(a) GENERAL RULE.—Every person who for the calendar year is an employer (as defined in section 3306(a)) shall—

"(1) if the person is such an employer for the preceding calendar year (determined by only taking into account wages paid and employment during such preceding calander year), compute the tax imposed by section 3301 for each of the first 3 calendar quarters in the calendar year on wages paid for services with respect to which the person is such an employer for such preceding calendar year (as so determined), and

"(2) if the person is not such an employer for the preceding calendar year with respect to any services (as so determined), compute the tax imposed by section 3301 on wages paid for services with respect to which the person is not such an employer for the preceding calendar year (as so determined)—

"(A) for the period beginning with the first day of the calendar year and ending with the last day of the calendar quarter (excluding the last calendar quarter) in which such person becomes such an employer with respect to such services, and

"(B) for the third calendar quarter of such year, if the period specified in subparagraph (A) includes only the first two calendar quarters of the calendar year.

The tax for any calendar quarter or other period shall be computed as provided in subsection (b) and the tax as so computed shall, except as otherwise provided in subsections (c) and (d), be paid in such manner and at such time as may be provided in regulations prescribed by the Secretary or his delegate.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

A SUMMARY ANALYSIS OF EXISTING AND PROPOSED INCOME MAINTENANCE SYSTEMS

FOREWORD

Forty years ago America emerged on a new frontier with the realization that as society expanded and became more complex, it had an obligation to assist its people in times of need. As simple as that concept sounds today, when the Social Security Act was passed in 1935, it seemed to many a dramatic departure from the individualistic mold in which America had been cast. Western Europe had taken the step some fifty years earlier. Bismarck's Germany proceeded with a social security system in 1889. Two decades later England adopted a universal old age pension, conditioned solely upon age.

But the United States was different. It

labored under neither the patriarchal traditions of Germany nor the collectivist and egalitarian ways of England. Its rich cultural mix of Irish, Italians, Slavs, Chinese, and Northern Europeans brought diversity. The waves of immigation during the second half of the nineteenth century and the period 1910–1915 injected a unique spirit of accomplishment, one which placed in high regard the values of a work ethic and sense of self-accomplishment.

Fundamental beliefs do not change easily. Workman's compensation had found its way into most states by 1930. And while the arguments against its passage were frequently emotional and bitter, the idea of compensating a worker for job-related injury or disability did not conflict strongly with the emphasis on individualistic self-accomplishment. The Social Security Act of 1935, with its provisions establishing social security, unemployment compensation, and Aid to Families with Dependent Children, posed new and challenging questions, however. Could the Federal Government involve itself in the financial security of the aged, the unemployed, and dependent children lacking adequate support without endangering the foundation of the American work ethic?

Time has provided the answer to that question. In the forty years since passage of the Social Security Act, the social security system has assured the financial security of millions of aged, blind, and disabled on a self-financing basis. The program will expend $83 billion during the upcoming year, one-fifth of the entire federal budget, at an administration expense that comprises less than 2 percent of total expenditures. All in all, a truly remarkable accomplishment.

While the social security system has continued to operate essentially along the lines its original architects had in mind, the major income transfer programs have undergone radical reforms. Initially, the Social Security Act contained only the provision granting assistance to dependent children in financial need. Since then, it has expanded to include provisions for social services, medical assistance for the poor, and public assistance for the needy aged, blind, and disabled.

The two decades following World War II witnessed rapid and sustained economic growth, as real GNP rose from $478 billion in 1946 to $926 billion in 1965. Simultaneously, income transfers grew steadily, and even increased as a percent of gross national product, so that by 1965, expenditures on human resources (other than social security benefits) amounted to 2.6 percent of GNP. Major new policy initiatives during those twenty years included an amendment to the Social Security Act in 1950 which provided medical assistance to public assistance recipients. Title XIX in 1965 replaced the 1950 amendment with Medicaid. The Food Stamp Program began in 1961 and was expanded by legislation in 1964.

So it was that during the fifties and early sixties public assistance grew steadily and cautiously. Progressive legislation sought to provide assistance to those residing on the economic fringe of industrialized America, while still striving not to offend the individualistic sensibilities of traditional America.

Even the Johnsonian years which contributed so mightily to the shape and focus of our present social welfare policy adhered to the tenets rooted in traditional American culture. The "Great Society" promised to eliminate the undercurrent of poverty which Michael Harrington had described in *The Other America* by elevating it into domestic affluence. Training programs like the Job Corps were designed to provide training and opportunity in an effort to help those outside the economic mainstream back in. Expenditures on cash and in-kind assistance programs expanded almost overnight in an attempt to short-circuit the "vicious cycle of poverty." Between 1965 and 1970, spending on human resources (other than social security) climbed from 2.6 percent to 4.3 percent of GNP. In many cases, policy directives made during those years created open-ended entitlements as well as open-ended eligibility, and as a result, welfare rolls have continued to expand, showing little sensitivity to economic activity.

A decade's devotion to the War Against Poverty has paid off. In 1966, 28.2 million persons lived in poverty. By 1974, despite a severe recession, the number of persons in poverty had fallen by 3.4 million. Taking into account population growth, the percent of population in poverty has dropped from 14.7 percent to 11.6 percent.

For all its efforts, this Nation has a right to be proud of these accomplishments. But it also has a right to be disappointed with the costly and inefficient mechanism which now guides our welfare policy. The expansion of programs such as AFDC and the establishment of new programs like Food Stamps, Medicaid, and Supplemental Security Income during the past fifteen years has led to undesirable social and economic consequences that few would have predicted in 1960. Fully 11 to 12 percent of our welfare expenditures now go to administration, money that otherwise could be used to improve social services, including job training, or else to reduce the inflated tax burdens of low and middle income households. Instead, the Federal Government has intensified its mistakes of the past, creating a sea of red tape that is unconscionable both to taxpayers and the recipients it was originally designed to assist.

More importantly, in achieving a long-term goal of integrating our poor and underprivileged back into society's mainstream, welfare policy must pursue the social and demographic effects consonant with that objective, namely, the reinforcement of a traditional work ethic and an emphasis on the family as a permanent and responsible unit. As this report finds, the existing maze of welfare programs, when taken in aggregate, accomplishes none of these goals. Rather, it attaches financial disincentives to employment, to family unity, and to responsible family planning. As an example, a husband, wife, and three children residing in Maryland and living solely on public assistance would lose over $1400 in net discretionary income if the husband were to obtain full-time employment at the minimum wage. Even at the median wage that family would face an implicit tax rate of 93 percent, with the husband being paid only twenty-three cents more an hour than he and his family would receive through public assistance. Moreover, the welfare system offers a bonus of up to $4000 for families to separate and over $2000 for mothers to have additional children. These amounts represent the financial configuration of the welfare system in Maryland, a State which offers a relatively low level of assistance. For States which maintain higher benefit schedules, the financial incentives for family separation, unemployment, and having additional children looms even larger.

Four months ago. I visited Dunbar Social Services Center in Baltimore and spoke with the caseworkers about the problems and frustrations they have encountered in managing Food Stamps, AFDC, WIN, and other programs. Their concerns related to the growing mass of paperwork and documentation which accompany each application. Conflicting requirements from the Department of Health, Education, and Welfare, Department of Labor, and Department of Agriculture necessitate that an applicant fill out thirty-eight forms initially. The social workers at the Dunbar Center also expressed concern about the equity of the whole process—that sometimes a family must separate in order to receive adequate assistance, and that sometimes households must go without adequate nutrition because they cannot afford the food stamp purchase requirement.

At the time of my visit I made a promise—that I would return to Washington and do what I could to remedy the situation responsibly. As a result, on July 19, 1976, I introduced into the Senate the Welfare Reform and Tax Reduction Act of 1976, legislation that would fundamentally restructure and reform our welfare system. By consolidating many of the unwieldy programs and integrating them into the tax system, the net effect will be to reduce sharply the inequities by decreasing benefit-to-earnings tradeoffs and eliminating the undesirable social incentives for family separation. In the long run we can expect significant reductions in administrative expense, savings that will go toward augmenting needed social services and reducing the tax burden on low and middle income families.

It is my hope that through this legislation America can restore fiscal responsibility and vitality into its efforts to assist the disadvantaged.

J. GLENN BEALL, Jr.

Washington, D.C.

A SUMMARY OF PUBLIC ASSISTANCE TODAY

The first of two sections contained in a 131 page report issued by Senator J. Glenn Beall, Jr. on July 6 examined the existing welfare system, for both Maryland and the Nation. Very briefly, it revealed that:

1. Close to twenty-nine million Americans or 13.6 percent of the U.S. population received public assistance during 1974, either in cash or in-kind benefits.

2. Combined federal expenditure for Food Stamps, AFDC, SSI, and Sections 8 and 235 low income housing was $16.6 billion in FY 1975 and is projected to increase to $26.0 billion by FY 1978.

3. The existing system of public assistance, particularly AFDC, distributes benefits inequitably. In Maryland, an AFDC family of four could earn up to $391 a month before it would lose all benefits, whereas a household of identical composition not previously on welfare would have to earn less than $242 to qualify for assistance.

4. Administrative burdens associated with the existing system impose increasing costs upon Maryland taxpayers. For Federal/State cost sharing assistance programs (not including Medicaid, General Assistance, Child Care, etc.) the average taxpaying household in Maryland will pay $42.14 for welfare administration alone in FY 1977.

5. Even in Maryland, a State which operates public assistance with far greater efficiency than most States, workload standards which measure caseworker efficiency have declined significantly in the past four years. In one case, food stamp reconsiderations, efficiency has fallen 17 percent since 1974.

6. The total federal, state, local administrative expenditures for AFDC, SSI, food stamps, and housing assistance will approach $3 billion in FY 1977.

7. For many low income households in Maryland, the benefit-to-earnings tradeoff approaches or exceeds unity, implying that it is frequently more profitable for a head of household to refuse employment. In the case of a husband, wife, and three children not covered by unemployment insurance, full-time employment for the husband at the minimum wage of $2.30 per hour would

reduce discretionary income by $1433 from that available if he remained unemployed.

8. The financial gain in Maryland for unemployed households to have an additional child ranges from $444 to $2002.

9. The financial incentives for two-adult unemployed families to break-up is in some cases as high as $3756. For five of the eight household types surveyed, the financial gain exceeded $1000.

10. Given that the public assistance system discourages work effort (and the examples for Maryland do typify the nationwide situation, as revealed in a 1974 study by the Joint Economic Committee), then it might be expected that the number of public assistance recipients (or cases) would show a ratchet effect—that is, during a recession they would expand in response to diminished job opportunities, while during recovery, welfare rolls would not reduce to their former levels since many of those receiving public assistance would recognize the implicit costs inherent in finding a low wage job. Indeed, this appears to be the case.

A SUMMARY OF THE WELFARE REFORM AND TAX REDUCTION ACT OF 1976

The second of two sections contained in the Beall report detailed the provisions of the Family Allowance System contained in the Welfare Reform and Tax Reduction Act of 1976. As introduced by Senator J. Glenn Beall, Jr., that legislation would extensively restructure the public assistance system by implementing the following reforms:

1. The bill would replace AFDC, food stamps, SSI, and low income housing, with the comprehensive yet uncomplicated Family Allowance System integrated into the tax system and designed to assist low income households on the basis of family situation and income. Basic family allowances would replace exemptions and all households (including both taxpayers and recipients) would compute the basic family allowance as outlined below:

Taxpayer	$1, 000
Spouse or first dependent	1, 000
Additional family members	400
Additional allowance for elderly	600
Additional allowance for blindness	600
Additional allowance for disability	600

For taxpayers, a deduction would be allowed for two times the value of the basic family allowances. Additionally a $200 refundable credit would be allowed as an alternative to itemized or standard deductions. As before, a deduction would be allowed for two times the value of this credit. Thus, the total family allowance (equal to the basic family allowance and the sum of refundable credits) for a family of four would equal $3600. The corresponding break-even point (i.e., the income level which marks the separation between positive tax liabilities and family allowance benefits) would be $7200.

2. By incorporating a benefit-to-earnings tradeoff of 50 percent applicable toward the family allowance, the system will substantially reduce work disincentives which characterize the present structure.

3. A more equitable benefit distribution will eliminate the financial incentives for families to split apart or for low income mothers to have additional children.

4. Consolidating public assistance will shift the distribution of benefits among the poor. Some individuals and families not now qualifying for assistance would receive benefits. Other families, particularly those receiving AFDC benefits, would face a small reduction. In Maryland, a state which offers a relatively low level of benefits, most recipients will receive a higher level of benefits than under the present system.

5. Similarly, there would be an interstate redistribution of benefits, due primarily to variable AFDC payments. Thus, recipients in New York and California would likely lose some benefits, depending on the amount of state supplementation, while recipients in southern states, and even Maryland, would pick up additional benefits. To minimize this interregional redistribution and smooth the transition, the proposal would require states to maintain public assistance expenditures at 95, 90 and 85 percent of these pre-enactment benefit levels for the first three years of the program. This will not impose an undue burden on States currently paying higher benefits since these States will have large amounts of their own funds released from participation in Federal/State welfare programs, primarily AFDC. Moreover, by assisting individuals and those previously excluded because of categorical restrictions, the Federal Government will in large part relieve States of the financial burdens of General Assistance.

6. Total benefit expenditures under the Family Allowance System grow in line with the current services budget for FY 1977, with an approximate 12 percent growth over FY 1976.

7. As the program begins to function after implementation, administrative costs will gradually decline from 11 and 12 percent of total expenditures. Larger programs operated in an uncomplicated fashion sustain far lower administrative costs. As an example, social security for the aged sustains only a 1.5 percent administrative cost. Even if the Family Allowance System operated with an administrative burden of 3–6 percent, administrative savings would range between $2–$3 billion annually in five years. The Joint Economic Committee has the responsibility of reporting to Congress annually for the first five years on the administrative cost reductions over current policy, and preparing alternative paths by which Congress might implement tax reductions equal to the amount of administrative savings.

8. A work registration requirement would mandate that all able-bodied recipients between the ages of 17 and 60, not needed to care for children or dependent adults, register for employment and accept any job which becomes available.

9. Finally, the legislation assumes expiration of the temporary unemployment compensation programs (Federal Supplemental Benefits extending coverage from 40 to 65 weeks, and Special Unemployment Assistance which covers previously unprotected workers), and proposes the extension of permanent coverage to certain farm and domestic workers.

PRIVILEGE OF THE FLOOR

Mr. MANSFIELD. Mr. President, at the request of Senator Moss, I ask unanimous consent that Craig Peterson have the privilege of the floor during the consideration of H.R. 366, providing benefits to survivors of public safety officers, and S. 2212, the LEAA extension bill.

The PRESIDING OFFICER (Mr. PROXMIRE). Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 2212 AND S. 3370

Mr. BUMPERS. Mr. President, I ask unanimous consent that during consideration of and vote on the LEAA extension bill, S. 2212, and the surety bond guarantee bill, S. 3370, Bob Brown of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE L AND M, 94TH CONGRESS, SECOND SESSION—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the multilateral Convention Abolishing the Requirement of Legalislation for Foreign Public Documents, adopted on October 26, 1960 (Ex. L, 94th Cong., 2d sess.), and a protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, which protocol was signed at Washington on May 7, 1976 (Ex. M, 94th Cong., 2d sess.), both transmitted to the Senate today by the President of the United States.

I also ask unanimous consent that the two treaties with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER (Mr. PROXMIRE). Without objection, it is so ordered.

(The messages of the President are as follows:)

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit a certified copy of the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents adopted at the Ninth Session of the Hague Conference on Private International Law on October 26, 1960. The Convention, which was opened for signature on October 5, 1961, is presently in force in twenty countries.

This is the third convention in the field of international civil procedure produced by the Hague Conference on Private International Law to be sent to the Senate. It complements the Conventions on the Service Abroad of Judicial and Extrajudicial Documents in Civil and Commercial Matters and on the Taking of Evidence Abroad in Civil and Commercial Matters which are already in force for the United States to assist litigants and their lawyers in civil proceedings abroad.

The provisions of the Convention contain short and simple rules which will reduce costs and delays for litigants in international cases. The provisions would eliminate unnecessary authentication of documents without affecting the integrity of such documents. They would also free judges and other officials, who presently certify signatures, from the time-consuming and unnecessary administrative process presently required.

The Convention has been thoroughly studied by the bench and bar of the United States. Its ratification is supported by the Judicial Conference of the United States, by the American Bar Association, and by other bar associations at the state and local level.

I recommend that the Senate of the United States promptly give its advice and consent to the ratification of this Convention.

Gerald R. Ford.

The White House, July *19, 1976*.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington on February 9, 1957, which Protocol was signed at Washington on May 7, 1976, on behalf of the Governments of Canada, Japan, the Union of Soviet Socialist Republics, and the United States of America.

The provisions of the Protocol were initially formulated by the North Pacific Fur Seal Conference held at Washington from December 1 through December 12, 1975.

I transmit also, for the information of the Senate, the report by the Department of State with respect to the Protocol.

This Protocol is significant because it permits the continuation in force, with minor modifications, of the only international agreement affording protection to the fur seals of the North Pacific. I recommend that the Senate give favorable consideration to this Protocol at an early date because all the States party to the Interim Convention must ratify the Protocol prior to October 14, 1976 to prevent the lapse of the Interim Convention.

Gerald R. Ford.

The White House, *July 19, 1976*.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

ENROLLED BILLS SIGNED

Under authority of the order of July 2, 1976, a message from the House of Representatives was received stating that the Speaker had signed the following enrolled bills:

S. 1518. An act to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to require the establishment of a special motor vehicle diagnotics inspection demonstration project, to provide additional authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes.

H.R. 1404. An act to authorize the Secretary of the Interior to convey certain lands in Madera County, Calif., to Mrs. Lucille Jones, and for other purposes.

H.R. 4829. An act for the relief of Leah Maureen Anderson.

H.R. 5666. An act for the relief of Won, Hyo-Yun.

H.R. 10572. An act to amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments.

H.R. 10930. An act to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture.

H.R. 13069. An act to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands.

H.R. 13501. An act to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act.

H.R. 14235. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes.

H.R. 14484. An act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for 1 year the eligibility of supplemental security income recipients for food stamps, and to extend for 1 year the period during which payments may be made to States for child support collection services under part D of title IV of such Act.

The enrolled bills were signed by the Vice President on July 6, 1976.

MESSAGE FROM THE HOUSE

At 4:25 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 11504) to amend section 502(a) of the Merchant Marine Act, 1936.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 14234) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1977, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. McFall, Mr. Yates, Mr. Steed, Mr. Koch, Mr. Alexander, Mr. Duncan of Oregon, Mr. Mahon, Mr. Conte, Mr. Edwards of Alabama, and Mr. Cederberg were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 11009) to provide for an independent audit of the financial condition of the government of the District of Columbia; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Diggs, Mr. Fauntroy, Mr. Rees, Mr. Mazzoli, Mr. Mann, Mr. Harris, Mr. Dan Daniel, Mr. Gude, Mr. Whalen, and Mr. McKinney were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

Proposed Amendments to Budget Request for the Legislative Branch—(S. Doc. No. 94–231)

A letter from the President of the United States submitting proposed amendments to the request for appropriations for the fiscal year 1977 in the amount of $3,522,780 for the legislative branch (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

Proposed Amendment to S. 495

A letter from the President of the United States transmitting a proposed amendment in the nature of a substitute for S. 495 (with accompanying papers); ordered to lie on the table.

Report of the National Advisory Council on Child Nutrition

A letter from the Assistant Secretary of Agriculture and chairman of the National Advisory Council on Child Nutrition transmitting, pursuant to law, the annual report of the National Advisory Council on Child Nutrition (with an accompanying report); to the Committee on Agriculture and Forestry.

Proposed Legislation by the Department of Agriculture

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act (with accompanying papers); to the Committee on Agriculture and Forestry.

Report of the Department of Agriculture

A letter from the Assistant Secretary of Agriculture transmitting, pursuant to law, the detailed medical evaluation final report, resultant of a contract with the University of North Carolina at Chapel Hill (with an accompanying report); to the Committee on Agriculture and Forestry.

Report of the Maritime Administration

A letter from the Secretary of Commerce transmitting, pursuant to law, the annual report of the Maritime Administration during the fiscal year 1975 (with an accompanying report); to the Committee on Commerce.

Report of the Communications Satellite Corporation

A letter from the president of the Communications Satellite Corporation transmitting, pursuant to law, a report on the operations of the Corporation (with an accompanying report); to the Committee on Commerce.

Proposed Act of the Council of the District of Columbia

A letter from the chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of a proposed act adopted by the Council (with accompanying papers); to the Committee on the District of Columbia.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

Determinations on the Imports of Cheese by the Department of the Treasury

Three letters from the Assistant Secretary of the Treasury transmitting, pursuant to law, copies of determinations by the Department of the Treasury relating to the importation of cheese (with accompanying papers); to the Committee on Finance.

Recommendation of the Commission on Federal Paperwork

A letter from Hon. Frank Horton, chairman of the Commission on Federal Paperwork, transmitting, pursuant to law, a report with recommendations entitled "Occupational Safety and Health" (with an accompanying report); to the Committee on Government Operations.

Report of the Commission on Federal Paperwork

A letter from Hon. Frank Horton, chairman of the Commission on Federal Paperwork, transmitting, pursuant to law, a report with recommendations entitled "Occupational Safety and Health" (with an accompanying report); to the Committee on Government Operations.

Clarification of Report of the Comptroller General

A letter from the Comptroller General transmitting a copy of a letter to Senator McClure relating to a report on the National Science Foundation (with accompanying papers); to the Committee on Government Operations.

Reports of the Comptroller General

Four letters from the Comptroller General transmitting reports entitled as follows: "Highlights of a Report on Staffing and Organization of Top-Management Headquarters in the Department of Defense"; Federal Control of New Drug Testing Is Not Adequately Protecting Human Test Subjects and the Public"; "Certain Actions That Can Be Taken To Help Improve This Nation's Uranium Picture"; and "Economies Available Through Consolidating or Collocating Government Land-Based, High Frequency Communications Facilities" (with accompanying reports); to the Committee on Government Operations.

Reports of the Administrator of Federal Energy

Two letters from the Administrator of Federal Energy each transmitting a report, first, one relating to market share information based on sales of distillate fuel oil and residual fuel oil in 1975 by refiner-marketers and independent marketers; and second, monitoring changes in market shares of the statutory categories of retail gasoline marketers (with accompanying reports); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Department of the Interior

A letter from the Acting Secretary of the Interior transmitting a draft of proposed legislation to authorize acquisition of land for the Edison National Historic Site in the State of New Jersey (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Department of the Interior

A letter from the Secretary of the Interior transmitting, pursuant to law, a report on the desirability and feasibility of protecting and preserving the Great Dismal Swamp and Dismal Swamp Canal in the States of Virginia and North Carolina (with an accompanying report); to the Committee on Interior and Insular Affairs.

Approval of REA Insured Loans

Four letters from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, reports on the approval of REA-insured loans for certain generation and transmission facilities (with accompanying papers); to the Committee on Appropriations.

Report of the Indian Claims Commission

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, a report on the final determination of the Commission relating to the Choctaw Nation versus United States in Docket No. 249 (with accompanying papers); to the Committee on Appropriations.

Report of the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report of receipts and disbursements pertaining to the disposal of surplus military supplies for the third quarter of fiscal year 1976 (with an accompanying report); to the Committee on Appropriations.

Report of the District of Columbia Auditor

A letter from the District of Columbia Auditor transmitting, pursuant to law, a report entitled "Publication of D.C. Register" (with an accompanying report); to the Committee on the District of Columbia.

Report of the Secretary of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting, purusant to law, a report on the committees advising and consulting with him under the Social Security Act (with an accompanying report); to the Committee on Finance.

International Agreements Othfr Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

Report of the Development Coordination Committee

A letter from the chairman of the Development Coordination Committee transmitting, pursuant to law, a report relating to U.S. actions affecting the development of low-income countries (with an accompanying report); to the Committee on Foreign Relations.

Report of the Office of Management and Budget

A letter from the Director of the Office of Management and Budget transmitting, pursuant to law, a report entitled "Mid-Session Review of the 1977 Budget" (with an accompanying report); to the Committee on Government Operations.

Reports of the Comptroller General

A letter from the Comproller General transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of June 1976 (with accompanying papers); to the Committee on Government Operations.

A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Progress, But Problems in Developing Emergency Medical Services Systems" (with an accompanying report); to the Committee on Government Operations.

Reports and Orders of the Immigration and Naturalization Service

A letter from the Commissioner of the Immigration and Naturalization Service.

Reports and Orders of the Immigration and Naturalization Service

Four letters from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of reports concerning visa petitions and orders entered suspending deportation together with a list of the persons involved (with accompanying papers); to the Committee on the Judiciary.

Report of the Energy Research and Development Administration

A letter from the Administrator of the Energy Research and Development Administration transmitting, pursuant to law, Volume 2 of a report entitled "A National Plan for Energy Research, Development, and Demonstration: Creating Energy Choices for the Future" (with an accompanying report); jointly, by unanimous consent, to the Committee on Interior and Insular Affairs and the Joint Committee on Atomic Energy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication from the Administrator of ERDA, relative to volume 2 of "A National Plan for Energy Research, Development, and Demonstration: Creating Energy Choices for the Future," be referred jointly to the Committee on Interior and Insular Affairs and the Joint Committee on Atomic Energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Report of the Secretary of Commerce

A letter from the Secretary of Commerce transmitting, pursuant to law, a report on Export Administration covering the second and third quarters of 1975 (with an accompanying report); jointly, by unanimous consent, to the Committee on Government Operations and the Committee on Banking, Housing and Urban Affairs.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication from the Secretary of Commerce relative to the semiannual report on the Export Administration be referred jointly to the Committee on Government Operations and the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

House Concurrent Resolution No. 117 adopted by the Legislature of the State of Iowa; to the Committee on Agriculture and Forestry:

House Concurrent Resolution 117

(By Scheelhaase, Hinkhouse, Husak and Spradling)

Whereas, the American farmer, through consistent and diligent effort, has increased the productivity of American agriculture; and

Whereas, the products of the American farm are a significant factor in providing food to the population of the world; and

Whereas, farmers face the continuous problems of soil erosion; and

Whereas, farmers are now facing the withholding or reduction of federal soil conservation funds; and

Whereas, the loss or reduction of federal soil conservation funds can only result in erosion of rich farm soil, decrease in yields from farmland, hardship for American farmers, and eventual repercussions throughout the entire American economy; Now therefore, be it

Resolved by the House of Representatives, the Senate concurring, That we respectfully urge the President of the United States, officials of the administration, and the Congress of the United States, in their respective roles, to resist the withholding or reduction of federal soil conservation funds. We further urge that such proposals in the future be given the closest scrutiny in light of their potential adverse effects upon American farmers, American consumers, and the economy in general; and

Be it further resolved, That copies of this Resolution be forwarded to the President of the United States, all members of the Iowa Congressional delegation, the President of the United States Senate, the Speaker of the United States House of Representatives, and the Secretary of the United States Department of Agriculture.

We, Dale M. Cochran, Speaker of the House and David L. Wray, Chief Clerk of the House, hereby certify that the above and foregoing Resolution was adopted by the House of Representatives of the Sixty-sixth General Assembly, Second Regular Session.

Assembly Joint Resolution No. 39 adopted by the Legislature of the State of California; to the Committee on Commerce:

RESOLUTION CHAPTER—

Assembly Joint Resolution No. 39—Relative to whales.

LEGISLATIVE COUNSEL'S DIGEST

AJR 39, Wornum. Whales.

The measure would, among other things, memorialize the President and Congress of the United States to support a proposal for a 10-year moratorium on the taking of whales, to present such proposal to the International Whaling Commission, and to support congressional resolutions which would grant the President further powers to embargo products of countries engaged in commercial whaling.

Whereas, The State of California is a coastal state whose residents are dependent upon and concerned about the inhabitants of the oceans; and

Whereas, Whales, creatures of grand design and grander dimensions, are gentle ocean inhabitants whose numbers have dwindled due to the carnage by man; and

Whereas, Whales have been dramatically overexploited by commercial whalers to the point where many species are threatened with extinction; and

Whereas, These massive mammals, possibly second in intelligence only to man, are doomed because in the words of the famed French oceanographer, Jacques Cousteau, ". . . we are coldly, efficiently and economically killing them off"; and

Whereas, The time has come to halt the senseless and economically questionable slaughter of this splendid mammal whose passing would represent a stain on the honor of all mankind; and

Whereas, The California gray whale, which has been protected by international agreement since 1946 and which annually migrates along the coastal waters of the State of California, may again become a target of the whaling industry in defiance of international and scientific opinion; and

Whereas, The Legislature of the State of California recognizes the plight of all whales and in particular the danger to California gray whales, which were recently designated by the Legislature of the State of California as the California State Marine Mammal; and

Whereas, Legislation has been introduced in the Congress of the United States which would broaden the embargo powers of the President of the United States to enable him to embargo all products of countries engaged in commercial whaling; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of California respectfully memorializes the President and the Congress of the United States to.

1. Actively support the passage of a 10-year moratorium on the taking of all whales which would be proposed to the International Whaling Commission by the United States.

2. Actively oppose any proposals made to the International Whaling Commission to assign a kill quota to the gray whale.

3. Support congressional resolutions which broaden the President's embargo powers to cover all fish and fish products produced by countries engaging in commercial whaling; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the International Whaling Commission.

Resolution No. 4225 adopted by the House of Representatives of the State of Florida; to the Committee on Commerce:

RESOLUTION No. 4225

A resolution urging federal action to end certain leases relating to condominiums and cooperatives.

Whereas, over 800,000 Florida citizens reside in condominiums, and

Whereas, these residents have unknowingly entered into longer than lifetime agreements which will, unless voided, result in loss of their homes, and

Whereas, the courts of Florida may be unable to remedy this problem and the Legislature may be unable to provide an adequate remedy to correct abuses in existing agreements, and

Whereas, the Federal Trade Commission has jurisdiction to enforce the Sherman Antitrust Act, which is violated by many of these agreements, and

Whereas, the Congress of the United States has funded the Federal Trade Commission to begin further investigations which would or could lead to prosecution of violations of the antitrust laws, and

Whereas, it appears obvious that the only adequate relief available for our citizens is action on the federal level, Now, therefore, be it

Resolved by the House of Representatives of the State of Florida:

That the Federal Trade Commission is urged to extend an immediate order without delay, calling for the absolute end to all recreation, land, or similar leases, which were entered into as a mandatory condition of ownership as part of a sale of a condominium or cooperative, as void and unenforceable: that these persons who perpetuated these leases on the public be subject to any and all provisions of the antitrust laws of the United States; that the Federal Trade Commission be given sufficient latitude to file charges; and that the Attorney General authorize prosecution. Be it further

Resolved, That copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Florida delegation to the United States Congress, the Department of Housing and Urban Development and the Federal Trade Commission.

Senate Resolution No. 85 adopted by the Senate of the State of New York; to the Committee on Finance:

SENATE RESOLUTION No. 85

Senate Resolution of the State of New York memorializing Congress to repeal Item 807, Schedule 8, Part I, Subpart B of the U.S. Tariff Schedule

Whereas, Item 807, Schedule 8, Part I, Subpart B of the U.S. Tariff Schedule gives special preferential treatment to imported clothing items that are first styled and cut in the United States and then assembled outside our country in low-wage nations; and

Whereas, These finished articles are then imported into our country with only a fractional duty paid representing the value added; and

Whereas, These clothing items, in most cases, sell at the same price as their American made counterparts, even though they are produced at extremely lower costs; and

Whereas, The unfair competitive aspects of Item 807 have caused and are causing the loss of tens of thousands of garment worker jobs in New York City and New York State which have been the traditional entry level of employment for people coming to our urban centers from rural areas with limited skills and education; and

Whereas, This existing section of the Tariff Law has not only caused widespread unemployment but also has created a serious condition of underemployment in the garment industry and because of limited work has led to the loss of such important workers' benefits such as vesting rights, holiday and vacation pay; and

Whereas, The current basic and critical need of the economy of New York State and New York City is to preserve and expand employment in the garment industry; now, therefore, be it

Resolved, That the Senate of the State of New York hereby memorialize the Congress of the United States to adopt appropriate legislation to repeal Item 807, Schedule 8, Part I, Subpart B of the U.S. Tariff Schedule; and be it further

Resolved, That suitably engrossed copies of this resolution be transmitted to the President of the United States, the Speaker of the House of Representatives, the President of the Senate Pro Tempore of the United States, and each member of Congress from the State of New York.

Senate Concurrent Memorial 1001, adopted by the Legislature of the State of Arizona; to the Committee on Foreign Relations:

SENATE CONCURRENT MEMORIAL 1001

A concurrent memorial urging the President and Congress of the United States to maintain close relations with the Republic of China

To the President and Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, the great free nation of the Republic of China has been a continuous and faithful ally of the United States, supplying both moral and economic support to the benefit of both nations; and

Whereas, the Republic of China has made every effort to develop a free enterprise-based democratic form of government on the Island of Taiwan; and

Whereas, the cultural interchange between the Republic of China and the United States has benefitted both nations; and

Whereas, the Republic of China, during the many years since its founding, has pledged its human and economic resources to the defense of free people everywhere; and

Whereas, the Republic of China remains steadfast in its friendship toward the United States.

Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

1. That the President and Congress of the United States make every effort to develop better social and economic relations with the Republic of China.

2. That the President and Congress of the United States do not in any way detract from our relations with the Republic of China and not concentrate any major efforts on development of any temporary and precarious relations with the communists of Red China.

3. That the Honorable Wesley Bolin, Secretary of State of the State of Arizona, transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each member of the Arizona Congressional delegation.

Resolution No. 788 adopted by the Legislature of the Virgin Islands; to the Committee on Interior and Insular Affairs:

RESOLUTION NO. 788—BILL NO. 7092

REGULAR SESSION 1976

To Express the Support of the Legislature for an Act of Congress Which Would Supply a Grant to the Virgin Islands Equal to Losses Sustained by the Virgin Islands Treasury Due to the Tax Reduction Act of 1975 and the Revenue Adjustment Act of 1975

Whereas on February 18, 1975, the Tax Reduction Act of 1975 was signed into law (P.L. 94–12, 89 Stat. 26) and on December 23, 1975, the Revenue Adjustment Act of 1975 was signed into law (94–164, 89 Stat. 970), both of which Congressional Acts provided for substantial rebates and reductions on income taxes paid into the Treasury of the United States and, in the case of the Virgin Islands, into the Treasury of the Virgin Islands; and

Whereas the combined effective dates of these two Congressional Acts are from January 1, 1975 to June 30, 1976, during which time period the loss of revenue to the Treasury of the Virgin Islands has been estimated at $12,519,154; and

Whereas the Government of the Virgin Islands is currently faced with the prospect of severe budgetary curtailments, including personnel layoffs and termination or curtailment of vital services and essential public projects; and

Whereas it is the sense of the Legislature that the enactment of Congressional legislation granting to the Government of the Virgin Islands the amount which has been lost to it from unanticipated Federal tax rebates and reductions is an equitable and satisfactory partial solution to the budgetary problems facing these islands; Now, Therefore, be it

Resolved by the Legislature of the Virgin Islands:

Section 1. That the Legislature hereby expresses its firm support for the enactment of legislation by the Congress of the United States which would grant to the Treasury of the Virgin Islands the sum of $12,519,154, which sum represents an informed best estimate of the amount which will have been lost to the Government of the Virgin Islands by virtue of tax rebates and tax reductions mandated by the Tax Reduction Act of 1975 (P.L. 94–12, 89 Stat. 26) and the Revenue Adjustment Act of 1975 (P.L. 94–164, 89 Stat. 970), and urges the introduction and expeditious passage and approval of such legislation.

Section 2. That copies of this Resolution, immediately upon its passage, be forwarded to the President of the United States Senate, the Speaker of the United States House of Representatives, the respective Chairmen of the House and Senate Standing Committees on Interior and Insular Affairs, the Virgin Islands Delegate to the United States House of Representatives and the President of the United States, Washington, D.C.

Thus passed by the Legislature of the Virgin Islands on June 10, 1976.

Assembly Joint Resolution No. 77 adopted by the Legislature of the State of California; to the Committee on the Judiciary:

RESOLUTION CHAPTER —

Assembly Joint Resolution No. 77—Relative to Iva Toguri d'Aquino.

Whereas, Iva Toguri d'Aquino, a California born, reared, and educated woman, was stranded in Japan at the onset of World War II while making an emergency humanitarian visit to a sick aunt; and

Whereas, It was brought out in her 1949 trial in San Francisco that, because of her steadfast refusal to renounce her American citizenship in wartime Japan, she was harassed unmercifully by the Japanese police, and denied food rations, causing her severe physical sufferings; and

Whereas, Witnesses and affidavits presented at her trial pointed out that she was outspokenly pro-American throughout the war years in Japan, continuously maintaining, despite much personal danger, that the United States would win the war; and

Whereas, Many testified that she was threatened and ordered to broadcast over Radio Tokyo by the Japanese military government; and

Whereas, Allied prisoners of war Major Charles Cousens of Australia and United States Army Captain Wallace Ince, both forced to work at Radio Tokyo, testified that they assured her that she could help the American war efforts by conducting a popular American music program and by watering down anti-American propaganda; and

Whereas, She spent her own meager funds to purchase food, medicine, and tobacco, and risked her own life and safety to aid the sick and the weak at the Bunka prisoner-of-war camp in Tokyo; and

Whereas, The term "Tokyo Rose" was coined by American soldiers and applied to any and all female broadcasters heard on Japanese radio stations; and

Whereas, Iva Toguri d'Aquino was one of 14 English-speaking women announcers employed by Radio Tokyo, but only she was arrested, investigated and tried, and convicted; and

Whereas, Major Cousens and Captain Ince both testified in the 1949 trial that they wrote all the scripts for Iva Torguri d'Aquino's "Zero Hour" programs; and

Whereas, United States military propaganda monitors were unable to locate any propaganda or demoralizing statements in her program; and

Whereas, United States Army Alaskan Defense Command, in the spring of 1944, issued a memorandum instructing staff officers to urge their men to listen to her broadcasts because they were free of propaganda; and

Whereas, After a year of extensive investigation on the scene by the legal staff of General of the Army Douglas MacArthur and the Federal Bureau of Investigation, the United States Department of Justice concluded that there was no cause and released her in October 1946; and

Whereas, The public outcry against her returning to the United States was ignited by the hostile radio and press in a period when public temper was still inflamed against Japan, and Japanese-Americans often became targets; and

Whereas, She was convicted solely on the testimonies by two prosecution witnesses who had renounced their American citizenships; and

Whereas, She spent eight and one-half years of her life in prison, paid $10,000 in fines, and suffered untold humiliations and harassments for over 30 years; and

Whereas, Although she has lost her rights as an American, she has remained a proud and loyal American in spite of her ordeal; and

Whereas, President Ford in his recent proclamation terminating Executive Order 9066, which sent more than 112,000 Japanese-Americans into detention camps during World War II, stated that there must be "an honest reckoning of our national mistakes as well as our national achievements"; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, that the members believe that Iva Toguri d'Aquino may have been unjustly accused, tried, and convicted for treason as a mythical "Tokyo Rose"; and be it further

Resolved, That the Legislature of the State of California respectfully memorializes the President of the United States to consider favorably her petition for pardon; and be it further

Resolved, That Iva Toguri d'Aquino be given a full and unconditional presidential pardon to redeem her name and to restore her cherished American citizenship; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

A resolution adopted by the Legislature of the State of Michigan; to the Committee on the Judiciary:

SPECIAL RESOLUTION

Let it be known, that a respectful request is hereby submitted to the Congress of the United States to propose to the people an amendment to the Constitution of the United States for the purpose of eliminating violence in broadcasting, as provided by Article V of the Constitution to add to the Constitution an article providing that:

ARTICLE

Sec. 1. The right to freedom of speech conferred by this constitution does not include the right to broadcast, exhibit, or display to or for the public or at a facility open to the public a visual reproduction or representation, in the form of moving pictures, films, television, or other visual media depicting action or movement, of the actual or simulated act of physical assault or violence to a human being, by any means, which depicts the infliction or intended infliction of a physical injury to a human being in a manner not intended to be medically or physiologically rehabilitative.

Sec. 2. The visual reproductions or representations described in this article are prohibited, except that this article shall not prohibit an objective and accurate visual reproduction or representation of an actual or simulated event of a newsworthy or educational character depicting the infliction or intended infliction of physical injury to a human being, if the event is broadcast, exhibited, or displayed for the purpose of reporting, educating, or informing of the happening of the event and if the visual reproduction or representation is consistent with the spirit of this article.

Sec. 3. The Congress shall have power to enforce this article by appropriate legislation.

Senate Joint Memorial 1002 adopted by the Legislature of the State of Arizona; to the Committee on Post Office and Civil Service:

SENATE JOINT MEMORIAL 1002

A joint memorial requesting the President, Congress and the Postmaster General to conduct a complete investigation of the proposed postal service downgrade for Jerome, Arizona

To the President, the Congress and the Postmaster General of the United States of America:

Your memorialist respectfully represents:

Whereas, the town of Jerome, Arizona, has been selected by the United States Postal Service to have its postal service downgraded; and

Whereas, Jerome has been entered in the National Register of Historic Places as an historic district possessing "a significant concentration, linkage, or continuity of sites, buildings, structures, or objects which are united by past events or aesthetically by plan or physical development"; and

Whereas, the designation of Jerome as an historical district at the national level indicates that Jerome contributed an important role to the course of national history as compared with sites or districts important in terms of state or local history; and

Whereas, the social value of the district is apparent in that Jerome's cultural resources, if properly investigated and interpreted, can be applied as important public educational and recreational resources; and

Whereas, such significance as a cultural resource warrants Jerome's protection through the National Historic Preservation Act of 1966; and

Whereas, the Preservation Act provides for review of any federal action, activity or program which may potentially affect any site listed on the National Register; and

Whereas, the National Historic District of Jerome has doubled its population since 1970 and now has almost one million annual visitors; and

Whereas, Jerome has achieved its projected population four years ahead of schedule and its growth is advancing above the projected rate; and

Whereas, the Jerome Post Office is situated in a quaint antique structure owned by the Jerome Historical Society and utilizes brass boxes, a notable roll top desk, a unique pendulum wall clock and varied other antique equipment and is in and of itself a significant tourist attraction; and

Whereas, a rural route postal service would be expensive and inconvenient; and

Whereas, the people of Jerome feel that because of its special status, an agency of the federal government should not be able to deprive them of operating the antique post office; and

Whereas, an on-site objective evaluation of the matter by higher level postal service personnel may well result in concurrence with the local appraisal.

Wherefore your memorialist, the Legislature of the State of Arizona, prays:

1. That a complete impartial investigation of the proposed postal service downgrade for Jerome, Arizona be conducted prior to any action leading to such downgrade.

2. That the Secretary of State of the State of Arizona transmit copies of this memorial to the President of the United States, the Postmaster General of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.

Senate Resolutions 82, 83, and 84 adopted by the Senate of the State of New York; to the Committee on Rules and Administration:

SENATE RESOLUTION NO. 82

Senate Resolution of the State of New York memorializing the States in the Northeast Region to set their Presidential Primary date to the second Tuesday in March, and Congress to create a National Commission to study the presidential nominating system and recommend appropriate means to create a national system of Regional Presidential Primaries

Whereas, The present system of presidential primaries is one devoid of apparent design; and

Whereas, The number and location of such primaries demands on inordinate amount of time and the expenditure of vast sums of money; and

Whereas, The entire scheme of selection of nominees for the office of president ought to be restructured allowing for a limited number of regional primaries; and

Whereas, While individual action on the part of our sister-states is a salutary step which ought to be encouraged meaningful change can best be accomplished by a nationally-directed program; and

Whereas, The Senate is desirous of helping to implement a rational approach to the scheduling of presidential primaries; now, therefore, be it

Resolved, That the Senate of the State of New York hereby memorializes our sister-states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Pennsylvania, Rhode Island and Vermont to set their Presidential Primary date to the second Tuesday in March, and to join New York in memorializing the Congress to implement legislation to create a National Commission to study the presidential nominating system and make recommendations as to establishing a national system of regional primaries; and

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SENATE RESOLUTION NO. 83

Senate Resolution of the State of New York memorializing the Congress of the United States to revise by legislation the present system of presidential primary elections by instituting a National Regional Presidential Primary System

Whereas, With the completion of the final presidential primaries of 1976 in the states of California, Ohio and New Jersey the nation enjoys a temporary respite from the weekly barrage of presidential primaries which commenced in mid-February in the state of New Hampshire; and

Whereas, It is the well-reasoned belief of the Senate speaking on behalf of the citizenry of New York State that the system of presidential primaries as they have been conducted this year and in past presidential election years is not only financially burdening to the nation's taxpayers but also contributive to a growing sense of confusion shared by the electorate in their conscientious search to choose a candidate most qualified to serve as President of the United States; and

Whereas, The present system of presidential primaries has made it virtually impossible for all but the extremely wealthy to enter the weekly cross-country forays into state primary elections, thereby forcing candidates dependent on federal funding and their own moderate resources to select state primaries where their chances for success at the polls appear to warrant making the run; and

Whereas, It would seem to be in the best interests of the nation's voters that a National Regional Presidential Primary System, if it were to be adopted by Congress and implemented by the states, would go far to eradicate the ills and misconceptions that exist under the present system of presidential primaries; and

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Whereas, It would seem to be in the best interests of the nation's voters that a National Regional Presidential Primary System, if it were to be adopted by Congress and implemented by the states, would go far to eradicate the ills and misconceptions that exist under the present system of presidential primaries; and

Whereas, The Senate of the State of New York, while demurring to the wisdom of Congress, proposes that such a National Regional Presidential Primary System could be divided into six regional elections to be held in six national regions, such as in the Northeast, Southeast, Midwest, Southwest, Northwest and the Pacific. Such regions would be composed of states within such regions which enjoy, as nearly as possible, a community of interests on questions of national, international and statewide interests; and

Whereas, Primary elections would be held in each of the states within such region on the same day and according to the applicable provisions of each state's election law and such regional elections would be conducted at uniform intervals of two or three weeks; now, therefore, be it

Resolved, That the Congress of the United States be and is hereby with all due respect, memorialized to undertake a study designed to formulate legislation implementing a National Regional Presidential Primary System; and be it further'

Resolved, That copies of this resolution, suitably engrossed, be transmitted to the President and Vice-President of the United States, the Secretary of the Senate and the Clerk of the House of Representatives of the United States and to each member of the Congress of the United States from the State of New York.

SENATE RESOLUTION NO. 84

Senate Resolution of the State of New York memorializing Congress to create a National Commission to study all relevant data and make recommendations regarding a Presidential Nominating System based on a Regional Concept

Whereas, The existing system of presidential primaries, which in fact is not one system but rather numerous different systems with differing and often conflicting rules, has proven to be costly, confusing and inconclusive; and

Whereas, The present system minimizes the impact that any single state, and particularly a populous state such as New York, has on the final result, while accenting those primaries that come early in the year, permits candidates to pick and choose those primary battles where they hope to do well; and

Whereas, Staggering sums of money are expended in what amounts to a separate campaign in each primary, with an end result of leaving the majority of voters either baffled or bored; and

Whereas, New York and other states in the northeast have a distinct community of interest, geographically, historically and economically. Other sections of the nation have similar regional communities of interest; and

Whereas, Bringing order out of the present chaos in the method by which presidential candidates are chosen can best be accomplished by adopting a regional approach well in advance of the 1980 elections; now, therefore, be it

Resolved, That the Senate of the State of New York hereby memorializes Congress to create a National Commission to study all aspects of the presidential nominating process and to make recommendations regarding a Presidential Nominating System based on a Regional Concept; and be it further

Resolved, That copies of this resolution be transmitted to the President Pro Tem of the United States Senate, the Speaker of the House of Representatives, and to each member of Congress from the State of New York.

Senate Joint Resolution No. 32 adopted by the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

SENATE JOINT RESOLUTION NO. 32

Senate Joint Resolution No. 32—Relative to mining in the Los Padres National Forest.

Whereas, A phosphate strip or open-pit mine operation under federal lease is proposed to be located in the Los Padres National Forest in Ventura County about 25 miles north of the City of Ventura, near the City of Ojai, which would cause serious and irreparable harm to the environment; and

Whereas, The proposed mining operation would be located adjacent to State Highway Route 33, a proposed state scenic highway which would provide the only access to the mine site, but such highway is a two-lane mountain road not designed for intensive use; and

Whereas, it is anticipated that the proposed mining operation would be conducted for at least 50 years, would use a million gallons of water per day, and would emit more sulfur dioxide into the air than all other existing sources in Ventura County combined; and

Whereas, The environmental impact statement submitted by United States Gypsum was prepared under the direction of Dr. Beatrice Willard, who was subsequently appointed by President Nixon to the National Council on Environmental Quality, the very council that must ultimately rule on the sufficiency of the environmental impact statement in question; and

Whereas, To allow such a strip or open-pit mining operation to be conducted on federal lands in this area would be inconsistent with the National Environmental Policy Act of 1969; now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress (1) that the environmental impact statement now under consideration for such project be considered a draft only, and not a final environmental impact statement; (2) that new public hearings be held by the Department of the Interior on a revised environmental impact statement, with testimony requested from the public, elected and appointed legislative representatives, and concerned federal, state, and local agencies; (3) that such public hearing be conducted in the local area to allow all interested parties the opportunity to testify; and (4) that the President and the Congress of the United States take all steps necessary to prevent strip mining or open-pit mining in that area of the Los Padres National Forest situated in Ventura County approximately 25 miles north of the City of Ventura, near the City of Ojai; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, the Secretary of the Interior, the Speaker of the House of Representatives, and to each Senator and representative from California in the Congress of the United States.

Senate Joint Resolution No. 41 adopted by the Legislature of the State of California; to the Committee on Finance:

RESOLUTION CHAPTER—

Senate Joint Resolution No. 41—Relative to the simplification of eligibility for welfare.

Whereas, State administration of the Aid to Families with Dependent Children Program and the Medi-Cal Act is required to conform to federal standards administered by the Department of Health, Education, and Welfare, while state administration of the Food Stamp Program is required to conform to federal standards administered by the Department of Agriculture; and

Whereas, Each of such programs has separate eligibility requirements, different methods of computing net income, and each requires a different set of forms to determine eligibility and the amount of assistance, that are complex, confusing and, in some cases, contradictory; and

Whereas, Generally applicants may be eligible for two or more programs or may thansfer from one program to another; in either situation, eligibility for the same applicant must be determined separately using different regulations and different forms for each program; now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States, the Department of Health, Education and Welfare, and the Department of Agriculture to make such changes in the law and regulations as are necessary to simplify the eligibility procedure for the programs mentioned in this resolutiton so that eligibility for all such programs can be measured by the same eligibility criteria and so that only one eligibility form need be used; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Department of Health, Education and Welfare, the Department of Agriculture, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

Senate Joint Resolution No. 43 adopted by the Legislature of the State of California; to the Committee on Foreign Relations;

RESOLUTION CHAPTER —

Senate Joint Resolution No. 43—Relative to supporting an international exposition to be held at the Ontario Motor Speedway, Ontario, California.

Whereas, The presentation of an international exposition in 1981 in the State of California would bring many tourists to the state, create new jobs, and provide the citizens of California with the unique opportunity to attend an international exposition within the State of California; and

Whereas, An international exposition would benefit many citizens in many sections of the state; and

Whereas, The Counties of Los Angeles and San Bernardino and the Cities of Los Angeles and Ontario have indicated their support for presenting an international exposition at the Ontario Motor Speedway in Ontario, California; and

Whereas, The State of California and all of the counties and cities in proximity to the Ontario Motor Speedway should join and work together to bring an international exposition to California; and

Whereas, Many steps have been taken by the EXPO 81 nonprofit board to bring an international exposition to the City of Ontario, California; now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California endorses the proposal and supports all efforts to hold an international exposition in 1981 at the Ontario Motor Speedway, Ontario, California, and respectfully memorializes the President and the Congress of the United States to take any necessary action to implement the holding of such an exposition; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

Senate Joint Resolution No. 48 adopted by the Legislature of the State of California; to the Committee on Appropriations:

RESOLUTION CHAPTER —

Senate Joint Resolution No. 48—Relative to forest fire prevention.

Whereas, Congressional appropriations for forest fire prevention and suppression under Section 2 of the Clarke-McNary Act have been a vital factor in the protection of forest and water resources in the United States for 50 years; and

Whereas, Such appropriations recognize the facts that the public uses and benefits from all forest lands and that the federal government should assist in their protection; and

Whereas, The level of protection afforded adjacent and intermingled state and federal lands depends directly upon the effectiveness of protection provided by the state; and

Whereas, This mutual interdependence and reinforcement capability is vital to the protection of forest resources in the western states, and the federal government should do all in its power to assure such capability; and

Whereas, Congressional appropriations are a significant part of each state's fire control budget and are essential to each state for the proper and effective maintenance of its fire protection program at current levels; and

Whereas, The President's budget for the 1976–77 fiscal year proposes to reduce appropriations under the Clarke-McNary Act from $22.6 million to $11.7 million, and there are proposals to eliminate such appropriations entirely in the 1977–78 fiscal year; now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to undertake all acts necessary to restore funding of forest fire prevention and suppression programs under the Clarke-McNary Act to their prior levels and to retain such programs and financial assistance in the future; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

Senate Joint Resolution No. 44 adopted by the Legislature of the State of California; to the Committee on Cemmerce:

Resolution Chapter —

Senate Joint Resolution No. 44—Relative to Amtrak.

Whereas, America's railroads are vital to the economy and the travel needs of the nation; and

Whereas, The continuing problems of fuel shortages and environmental pollution dictate that alternatives to the automobile must be developed and maintained; and

Whereas, Amtrak has provided California and the entire nation with a viable alternative to the automobile; and

Whereas, It is necessary for Amtrak to at least maintain its present level of service in order to continue its efforts to increase railway ridership; and

Whereas, California has provided for three million dollars ($3,000,000) for 1976-77 to 1978-79 fiscal years to be matched with federal funds for the expansion of Amtrak services; and

Whereas, The proposed Amtrak budget for fiscal year 1976–77 does not provide for expansion of Amtrak services, nor for the rise in the cost of present services due to inflation; and

Whereas, The current proposed budget may impede expansion of Amtrak services within California and may even result in a cutback of such services; now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to provide Amtrak with a fiscal year 1976–77 budget sufficient for the maintenance of present services, extension of intercity passenger rail services, and the upgrading of other commuter rail services; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

A resolution adopted by the American Federation of Musicians endorsing the National Health Security bill (H.R. 21 and S. 3); to the Committee on Finance.

A resolution adopted by the New Jersey State Federation of Women's Clubs relating to unemployment compensation abuses; to the Committee on Finance.

A declaration and proclamation adopted by the Christian Conservation Church, Louisvilla, Illinois; to the Committee on Government Operations.

A resolution adopted by the Council of the City of Birmingham, Alabama, relating to the bicentennial; to the Committee on the Judiciary.

A petition from a citizen of Juneau, Alaska, seeking a redress of grievances; to the Committee on the Judiciary.

Resolutions adopted by the Tennessee Hearing Aid Society relating to rules on hearing aid devices by the Department of Health, Education, and Welfare; to the Committee on Labor and Public Welfare.

A letter from the Byelorussian Congress Committee of America relating to the bicentennial; ordered to lie on the table.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

The following reports of committees were submitted during the adjournment of the Senate, under authority of the order of July 2, 1976:

On July 2, 1976, by Mr. Proxmire, from the Committee on Banking, Housing and Urban Affairs:

S. 3664. An original bill to amend the Securities Exchange Act of 1934 to require issuers of securities registered pursuant to sec. 12 of such act to maintain accurate records, to prohibit certain bribes, and for other purposes (Rept. No. 94–1031).

On July 15, 1976, by Mr. Haskell, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1026. A bill to designate certain lands in the Chassanowitzka National Wildlife Refuge, Citrus County, Florida, as wilderness (Rept. No. 94–1032).

On July 15, 1976, by Mr. Johnston, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 9460. An act to provide for the establishment of a constitution for the Virgin Islands (Rept. No. 94–1033).

H.R. 9491. An act to provide for the establishment of a constitution for Guam (Rept. No. 94–1034).

On July 15, 1976, by Mr. Kennedy, from the Committee on the Judiciary, with amendments:

S. 3197. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information (Rept. No. 94–1035).

On July 15, 1976, by Mr. Humphrey, from the Committee on Agriculture and Forestry, without amendment:

S. Res. 487. An original resolution relating to the negotiation of voluntary restraints on palm oil imports into the United States (Rept. No. 94–1036).

REPORT OF THE SPECIAL SUBCOMMITTEE ON CRIMINAL LAWS AND PROCEDURES—REPT. NO. 94–1037

Mr. McCLELLAN submitted a report from the Committee on the Judiciary on the activities of the Special Subcommittee on Criminal Laws and Procedures, 94th Congress, 1st session, pursuant to Senate Resolution 72, which was ordered to be printed.

"SEPARATION OF POWERS"—REPORT OF THE COMMITTEE ON THE JUDICIARY— REPORT NO. 94–1038

Mr. ABOUREZK submitted a report entitled "Separation of Powers—Annual Report," prepared by the Subcommittee on Separation of Powers of the Committee on the Judiciary, pursuant to Senate Resolution 255, section 16, 93d Congress, 2d session, which was ordered to be printed.

FEDERAL NARCOTICS ENFORCEMENT—REPORT NO 94–1039

Mr. NUNN submitted a report entitled "Federal Narcotics Enforcement," prepared by the Permanent Subcommittee on Investigations of the Committee on Government Operations, which was ordered to be printed.

Mr. NUNN. Mr. President, on behalf of the Senate Committee on Government Operations, I submit an interim report of its permanent Subcommittee on Investigations entitled, "Federal Narcotics Enforcement." This report covers the first phase of the subcommittee's inquiry into Federal narcotics enforcement with primary emphasis on the Nation's lead drug agency—the Drug Enforcement Administration—DEA.

Public hearings were held on June 9, 10, 11, 17, 18, 19 and 20, and July 8, 10, 11, 14 and 15, 1975. Executive sessions were held January 27 and 31, and June 2, 1975. There were 57 exhibits received in connection with the testimony of 22 witnesses.

I wish to express my gratitude to Senator Henry M. Jackson, subcommittee chairman, Senator Charles H. Percy, the ranking minority member of the subcommittee, and other Senators who participated in this inquiry for their cooperation and attention to this important national issue. In addition, special mention should be made of the work of both majority and minority staffs in compiling this report.

The report generally criticizes DEA for its failure to effectively combat the upsurge in the availability of heroin narcotics in the United States. However, I am impressed with the commitment of Attorney General Edward Levi and Drug Enforcement Administrator Peter Bensinger in striving to correct many of the problems they inherited at DEA.

Congress must also take a major role in this effort. Accordingly, I am announcing that the subcommittee has scheduled hearings later this month to search for methods to improve the Federal narcotics enforcement effort.

Our hearings will pull together, for the first time, the differing views of the various agencies and entities involved—Justice, DEA, the FBI, Customs, Treasury, State and local authorities and others—and attempt to come up with alternative approaches to a problem which so affects the health and welfare of our citizens.

"Federal Narcotics Enforcement" is an interim report on the subcommittee's continuing investigation into the Nation's drug enforcement program.

In this so-called war on drugs the DEA has failed to marshal some of the most effective crime fighters we have—the FBI. For all intents and purposes the FBI has stepped aside.

Meanwhile, the DEA and the Customs Service, which also has major responsibilities in this area, declared war on each other—not on the big time, international narcotics smugglers and dealers.

Instead, the DEA adopted a "body count" approach to the war on drugs whereby the number of arrests is more important than the person arrested and his role in narcotics trafficking. As a result, low level street dealers are being arrested while the big time traffickers who are responsible for bringing heroin into this country remain in business.

The subcommittee report concludes

that a misplaced emphasis on low level dealers, a complex and often conflicting drug enforcement structure and major personnel integrity problems have resulted in DEA's inability to stem the tide of narcotics flowing into the United States.

The subcommittee found that:

First. The use of Federal drug agents to investigate and arrest dealers and addicts at the street level should be restricted to cooperation and coordination with State and local authorities. Federal drug enforcement personnel should concentrate on conspiracy cases against high level narcotics traffickers in an attempt to reduce the amount of narcotics brought into the United States.

Second. DEA internal personnel integrity problems have resulted from an overemphasis on street level buy-bust techniques with the attendant dangers of corruption, as well as the lack of an independent, fully staffed internal investigative unit.

Third. The current division of responsibility between DEA and the Customs Service and the lack of cooperation between the two agencies is producing less than satisfactory results and should be reexamined. Currently, the DEA serves as the principal foreign and domestic drug enforcement arm while the Customs Service, which previously had certain responsibilities for foreign intelligence and authority to pursue suspects after they crossed the border, is restricted to border operations.

Fourth. Former DEA Administrator John Bartels mishandled an integrity investigation of Vincent L. Promuto, director of the DEA Office of Public Affairs.

Fifth. High level DEA personnel should not be covered by civil service rules and regulations so that DEA can be given greater flexibility in dealing with internal integrity problems.

I ask unanimous consent that the findings and conclusions of the report be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

IX. FINDINGS AND CONCLUSIONS

INTRODUCTION

"The trend is now for a worsening situation in heroin abuse * * *. The epidemic is continuing. It has never ended."

—ROBERT L. DUPONT,
Director of the National Institute on Drug Abuse.

The number of drug addicts continues to increase at a rapid rate, brown heroin from Mexico continues to come into this country in massive amounts and drug abuse continues to spread into rural and suburban areas. We have passed the point where drug abuse is a problem peculiar to certain areas or particular groups of people.

It is a national problem and a national tragedy.

The central issue which Congress must examine is the effectiveness of Federal efforts in fighting this drug epidemic. These efforts must include rehabilitation of drug addicts, international cooperation for the suppression of crops from which drugs are derived, drug education programs, especially for our youth, and Federal narcotics law enforcement.

Each of these activities plays an essential role in the fight against drug abuse.

The subcommittee has chosen initially to place its primary emphasis on Federal narcotics law enforcement. Is our enforcement system working? Is the methodology used in fighting offenders of drug laws helping to stem the flow of drugs? How can we improve the Federal enforcement effort and have it truly complement the activities of State and local authorities?

Our starting point has been an examination of the Drug Enforcement Administration (DEA). Established not by an act of Congress but by an executive reorganization in 1973, DEA suffered through a difficult first 2½ years. It was a period when the agency was torn by internal strife, mismanagement, and personnel integrity problems, and a period when heroin and other illicit drugs became more available on the streets of America than ever before. The Nation's drug abuse dilemma worsened.

It serves no purpose to blame DEA for the entire American drug abuse problem. Drug abuse will not be brought under control by law enforcement alone. However, DEA's track record has not been good. Although DEA has presented statistics to demonstrate considerable numbers of arrests of violators and seizures of illicit drugs, the ability of higher echelon dealers and financiers to bring illicit drugs into the United States has not been effectively deterred.

Since July 1, 1973, DEA has had the responsibility of improving this Nation's drug enforcement effort. DEA has failed to do so. Vested with broad authority to conduct both foreign and domestic enforcement operations, DEA cannot blame its failures on too little time or on inadequate performance or lack of cooperation by other agencies such as the FBI, the U.S. Customs Service, and the Department of State. For nearly 3 years DEA has been this Nation's "lead agency" in drug enforcement and for nearly 3 years the Nation's illicit drug traffic has grown. Congress has no assurance that DEA's performance will improve next year or the year after that. The subcommittee applauds the efforts of the President's Domestic Council and of Attorney General Edward H. Levi to improve Federal drug enforcement—efforts, regrettably, that were initiated only after the subcommittee's inquiry began. Nevertheless, problems still remain.

To properly assess the nature and scope of those problems, the subcommittee investigation centered on three major areas: (1) methodology used by DEA in its law enforcement efforts, (2) the makeup and interaction of Federal agencies with responsibilities in narcotics enforcement, and (3) personal integrity problems.

A REVIEW OF PAST METHODOLOGY USED BY DEA

DEA's failure to adequately deal with the Federal drug problem focuses attention on the methodology it has chosen to apply. Its approach has been to put drug agents on the street to maximize arrests and work their way up the chain from the user and low level pusher to the major dealers. This approach has subjected some undercover agents to the temptations of corruption.

DEA inherited most of the shortcomings of previous Federal internal drug enforcement operations. Agents continued to perceive their own performance and the opportunity for career advancement in terms of the number of arrests made, deemphasizing the more significant conspiracy cases which could prove successful in immobilizing major traffickers and their syndicates.

In turn, too many DEA men took excessive pride in their own street-wise past wherein agents lived and dressed as if they were themselves drug dealers. There is no question that DEA agents must risk their lives constantly as long as they rely upon undercover work and the buying of narcotics and information as their principal tools in investigations. The subcommittee asks, however: Should undercover work and "buy-bust techniques" deployed in an indiscriminate manner be the primary way Federal narcotics investigations are carried out?

DEA has relied upon undercover work to an inordinate degree. The risks in this indiscriminate use of undercover agents outweigh hoped-for advantages. The danger of the agent is great. Conversely, the results have proven to be minimal. Major traffickers do not sell narcotics; they have other people to do that. The notion that it is possible to reach the highest rungs of the drug traffic by buying at a low level and advancing progressively to the highest stages is questionable.

All too often the result of having Federal agents on the street was to place them in competition with State and local police. The subcommittee recognizes that the Federal Government has a responsibility to provide State and local police with assistance, both financial and technical; to provide training in law enforcement techniques; and, most important, to provide current and pertinent intelligence information on matters of mutual interest. However, in law enforcement, and especially in narcotics law enforcement, there must be a delineation of duties among various levels of government to assure that maximum effective total government effort.

THE STRUCTURE AND OPERATIONS OF FEDERAL NARCOTICS ENFORCEMENT INSTITUTIONS

The methodology which has prevailed—penetration of drug traffic at a low level in hopes of working up to higher echelon violators—has dictated the structure and operations of the Federal institutions with major responsibilities for internal narcotics enforcement.

Part of the Government's failure to control the drug traffic stemmed from a misconception of the nature of this traffic and the Government's own capability to deal with it. Government officials responsible for Federal enforcement strategy and operations have failed to clearly distinguish between internal, interstate enforcement which deals with the legal and illegal manufacture, and distribution of drugs, and the border enforcement mechanism which should deal with the entire crime of smuggling. Further, these same officials did not adequately define the type of foreign operations which can effectively control the flow of illicit drugs into this Nation.

Executive branch officials designed a Federal strategy based on the premise that drug laws could be best enforced by one agency and that one agency could effectively conduct these distinct and separate enforcement functions. The agency created for this purpose was the Drug Enforcement Administration, an organization whose methodology was shaped by persons committed to the internal, interstate enforcement mechanism. Thus, the one-agency concept prevailed.

Forgotten in this one-agency strategy was unalterable facts about the nature of the illicit drug traffic. The narcotics syndicates in the United States cannot begin to distribute heroin, cocaine, marijuana, and other drugs until they first smuggle the contraband across the Nation's borders. Moreover, it is in the act of smuggling—from foreign sources, across U.S. borders, to the first point in the internal distribution networks—where narcotics are in their largest quantity and in their purest form. Once narcotics are safely stashed at their principal points of distribution in the United States, they are diluted and cut many times over by operatives of progressively declining consequence in the underworld. By the time the narcotics reach the hands of street pushers, the substance is in its smallest quantity and its least pure form. And the street pushers, often users themselves, have only the most obtuse link with the big narcotics syndicates whose drugs they are selling. More often than not, street level pushers could not identify a major trafficker if they wanted to.

This chain was conceptually dramatized by staff testimony dealing with the so-called "A-B-C line," showing the flow of narcotics from foreign sources to major distributors in the United States.

Point A was described as the place on foreign soil from which narcotics are shipped into the United States. Point A also personified the individual or syndicate with sufficient resources to assemble a quantity of 75 to 95 percent pure narcotics to justify the cost and risk involved in initiating a profitable smuggling effort.

Point B represented any site on the United States borders across which narcotics could be smuggled, or any site in the interior of the United States which could be the destination of private or commercial aircraft carrying smuggled narcotics. Narcotics entering this country are in their purest form and largest quantity at point B.

Point C was described as the first point of internal distribution of the narcotics in the United States. Point C also personified the principal buyer or syndicate and the primary distributors of the smuggled narcotics.

The highest level violators, both foreign and domestic, operate along the A-B-C line and smugglers must travel the A-B-C line in order to bring their contraband narcotics into the United States. At points A, B and C—from the staging area to the United States border, to the primary distribution site in the United States—the narcotics remain in their purest form and are found in their largest quantity. However, once the narcotics have been safely stashed at point C—the site where internal distribution begins—movement of the drugs is downward as they are cut or diluted and sold and resold many times over until finally they reach the streets where they are purchased by users.

Point D may be described as the lowest level in the narcotics distribution network and represents the pusher who sells to the user. At Point D—at the street level—the narcotics are in their smallest quantity and their least pure quality.

The silent, conspiratorial and subterranean nature of the narcotics traffic dictates that the drugs are most vulnerable to detection by law enforcement in the United States, at least initially, at points B or D. Law enforcement then has a choice as to whether to commit the bulk of its resources at point B or D to apprehend narcotics violators.

Prior to Reorganization Plan No. 2, the United States Customs Service exercised authority at points A, B and C. Reorganization Plan No. 2 of 1973, however, took from Customs its prior authority to develop pertinent foreign intelligence at point A and also prevented it from exercising its prior authority to pursue criminal cases from point B to point C. Thus, the reogranization plan forced a break in the jurisdictional authority in the A-B-C line. Neither Customs nor DEA was given the authority to move without interruption along the A-B-C line, to pursue the shipment of illicit narcotics from its foreign source to its primary American distributor.

Reorganization Plan No. 2, which left Customs merely at point B, made it difficult for Customs to do its job in interdicting the narcotics flow. Losing both its foreign intelligence capability and its capability of "hot pursuit" of violators after they crossed the border, severely reduced Customs' chances of apprehending violators. The lack of cooperation between Customs and DEA in exchanging relevant information—no matter who was at fault—did not improve the situation.

The subcommittee does not wish to promote the image and reputation of the Customs Service to the neglect of the Justice Department or DEA. However, Federal agencies have certain defined duties. These defined duties flow to each agency from constitutional and statutory authorizations. Customs' primary enforcement function is to protect the Nation's borders and ports of entry against smuggling. Recognizing that narcotics trafficking is, first of all, an act of smuggling, the subcommittee feels it is necessary to examine the role of the Customs Service in pursuing the crime of smuggling narcotics from start to finsh. Reorganization Plan No. 2 of 1973 gave to the Department of Justice the job of collecting the foreign intelligence necessary to prevent smuggling; it restricted Customs to inspection and interdiction at the border and it returned to the Justice Department the responsibility of continuing investigations once contraband drugs were discovered.

The realities of the narcotics traffic, coupled with the great demand for illicit narcotics in the United States, make it virtually impossible for even the most vigilant and effective broader enforcement mechanism to keep all smuggled drugs out of this Nation. More contraband narcotics will get through the border and points of entry than will be seized. Even with the most stringent safeguards, smuggled drugs will find their way to major narcotics distributors and then be transported and distributed interstate. These facts make it necessary to have a strong and well-focused internal enforcement mechanism.

PERSONNEL INTEGRITY PROBLEMS

The methodology which has prevailed—attacking the narcotics offenders at the street level—has also led to many of the integrity problems studied in our past hearings.

Personnel integrity problems, which have plagued Federal drug enforcement for many years, resulted in large part from the indiscriminate and inadequately supervised use of undercover agents and the inability or unwillingness of top management to identify and resolve these problems over the years. The temptation for corrupt practices is considerable when the agent has access to large amounts of cash and must operate in an illegal and corruptive atmosphere.

The Drug Enforcement Administration inherited many personnel integrity-related problems from predecessor agencies, the Bureau of Narcotics and Dangerous Drugs (BNDD) and the Federal Bureau of Narcotics (FBN). Those problems included many instances of serious unresolved allegations lodged against senior officers, incomplete integrity investigations, improperly closed integrity cases and an inspection and internal security office which suffered from inadequate staffing and general lack of vigilance in the face of the dangers of corruption in narcotics enforcement.

In addition, top management at DEA, as well as at the predecessor agencies, has also been at a disadvantage in dealing with personnel integrity problems because Federal narcotics enforcement personnel, unlike FBI agents, for example, work under the rules and regulations of the Civil Service Commission. Adverse actions under Civil Service require stringent elements of proof in the transfer of suspected employees. Because of this DEA has not been able to exercise the degree of discipline and management flexibility which the FBI enjoys.

Similarily, the civil service issue underscores a striking incongruity which now exists at the Justice Department. This incongruity is seen in the fact that the Justice Department has two major law enforcement agencies—DEA and FBI—which operate under sharply differing personnel policies. DEA personnel are within Civil Service while FBI agents are not. A perceptive analysis of this incongruity at Justice was given by former Deputy Attorney General Laurence H. Silberman, who recommended legislative action to take DEA out of civil service. Now Ambassador to Yugoslavia, Silberman testified:

> I think this committee . . . could do something that would be of enormous help for DEA and for the Justice Department, and that is to pass legislation to take civil service away from DEA and give them the same personnel status as the FBI
>
> If you do that, you will end up with a much better DEA, which will be much less susceptible to corruption.
>
> As you dug into this investigation, I think this committee has become aware that the protections which Civil Service gives employees, while very valuable, are probably inappropriate in an organization engaged in direct law enforcement. You need a higher degree of discipline and you need a higher degree of flexibility of management.
>
> The Bureau has been virtually incorruptible. I don't mean to suggest that there hasn't been corruption cases. I investigated some of them myself: Nobody is perfect. But one of the strengths of the Bureau since J. Edgar Hoover took control back in the twenties is that there has been a relative absence of corruption. That is true only because of its unique personnel status, not only leadership, plus the personnel status.
>
> If this committee were to recommend Congress legislate to get it passed, which would put DEA under the same personnel status, I think you would do a great service to the country (pp. 755, 756).

In its investigation and hearings regarding management and integrity problems at DEA, the subcommittee examined an instance in which a senior DEA official went to the Department of Justice to request that the Department investigate certain actions and policies of DEA. The senior DEA official was Andrew C. Tartaglino, Acting Deputy Administrator. He was joined in his decision to request this investigation by George B. Brosan, the Acting Chief Inspector.

In light of what he felt were serious problems at DEA—serious enough, in fact, to undermine DEA's ability to function effectively—Tartaglino concluded that decisive action by the Justice Department was necessary to insure that needed reforms were implemented at DEA. Tartaglino, therefore, went outside DEA to Glen Pommerening, Assistant Attorney General for Administration, on November 13, 1974. Pommerening directed Tartaglino to write a memorandum to him citing the management and integrity problems at DEA which would be brought to the attention of the Deputy Attorney General, Laurence H. Silberman.

In compliance with Pommerening's direction, Tartaglino wrote a brief summary memorandum dated November 14, 1974, which was presented to Silberman. In the memorandum, Tartaglino alleged that a variety of management problems existed at DEA. Among the problems, Tartaglino said, were violations of civil service rules, instances of senior DEA officials being promoted while serious allegations of integrity violations remained unresolved against them and one case in which Administrator John Bartels had allegedly impeded an integrity investigation regarding the DEA Director of the Office of Public Affairs, Vincent L. Promuto. The most significant aspect of Tartaglino's memorandum was his finding that, due to the many management and integrity problems he felt existed at DEA, a Department of Justice investigation of DEA was called for. Tartaglino requested that such an investigation be begun immediately by the Justice Department.

Upon receiving the memorandum, Silberman personally referred it to Henry Petersen, the Chief of the Justice Department's Criminal Division. Petersen returned the memorandum to Silberman advising him that the Criminal Division had not conducted the investigation because no one in the Criminal Division—including Petersen and his senior aides—wished to investigate charges against John Bartels. Bartels was a friend and former professional colleague of Criminal Division personnel and, therefore, Silberman was informed it would have been inappropriate to go ahead with an investigation that concerned a former professional colleague due to the fact that the prosecutors themselves held strong feelings in favor of Bartels.

The entire Criminal Division was permitted to disqualify itself from responsibility to investigate Tartaglino's allegations regarding DEA. But Silberman did testify that if evidence indicating criminal conduct was developed, the Criminal Division would be required to investigate those charges. Silberman then brought in agents from the Federal Bureau of Investigation. There was no written authorization for this action; nor were the agents given written instruction as to what and how to investigate. The agents were to report directly to Silberman although they did receive some guidance and investigative technique from Harold Bassett, Assistant Director for Inspection at the FBI. The agents did not conduct the investigation in keeping with normal FBI procedures. This unusual approach only created additional questions which would never have arisen had this cause been handled through normal investigation channels.

This subcommittee continued its own investigation of allegations of mismanagement and impropriety at DEA and, subsequently, under Attorney General Levi, in March of 1975, the Justice Department reopened the investigation of those serious allegations. In reopening the investigation. Attorney General Levi assigned a team of three Federal prosecutors headed by Michael DeFeo.

On May 30, 1975, Attorney General Levi fired John Bartels and significant personnel changes were instituted at the highest levels of DEA. Included in these changes was a complete reshaping of the Office of Inspection coupled with an apparent determination to resolve longstanding allegations of corrupt and irregular conduct.

CONCLUSIONS

I. The methodology used primarily in internal Federal narcotics enforcement efforts in the past, with its particular emphasis on indiscriminate undercover techniques and "buy-bust" tactics has not produced satisfactory results and must be revamped.

The subcommittee feels that there should be a severe restriction on the use of Federal drug agents on the streets in pursuit of low-level drug dealers and addicts. The primary responsibility for drug enforcement at the State and local levels should reside in the appropriate law enforcement offices of the State and local governments.

Never again should Federal drug law enforcement become highly visible at the local level in pursuit of low-level dealers and addicts. It is unnecessary and inappropriate for Federal agents to concentrate on low-level dealers. Federal personnel should be attacking the drug problem at a much higher level. They should not encroach upon the States' responsibilities to conduct their own police functions.

This subcommittee believes that undercover work, coupled with "buy-bust techniques," should not be ruled out altogether as investigative tools but should never be used in an indiscriminate manner and should most definitely not become entrenched within the Federal agency charged with drug enforcement.

A more traditional investigative technique would be far more successful and more in keeping with the purposes of Federal operations. This would place heavy emphasis on conspiracy cases in which high-level narcotics traffickers are targeted. The subcommittee feels that the major Federal internal efforts should be geared to the immobilization of major narcotics traffickers and financiers and the control of the flow of narcotics into the United States.

II. Federal agencies, as presently structured, may not be capable of effectively concentrating resources on high-level violations and disrupting the flow of narcotics into this country.

The subcommittee finds that a principal Federal enforcement role must be in seeking to disrupt the continuum of the crime of smuggling. It is in this continuum where the major narcotics traffickers and financiers are their most vulnerable to detection, disruption, and arrest. Therefore, the U.S. Customs Service must be able in its drug investigations, just as it is able in all other smuggling investigations, to have intelligence from both the foreign source and the primary destination of the contraband in the United States. As the situation now exists, a Justice Department entity, DEA, is both the principal foreign and domestic drug enforcement mechanism and the U.S. Customs Service operates only at the border. There has been a lack of cooperation between the two agencies. This system is less than satisfactory and is producing less than satisfactory results.

Reorganization Plan No. 2 of 1973, which created DEA, caused a break in the jurisdictional authority of this Government to combat drug smuggling. Therefore, in future hearings, this subcommittee will analyze the nature of the break in jurisdictional authority of the Government to combat drug smuggling and attempt to determine what, if any, remedial action should be taken.

The subcommittee concludes that there is a strong need for an effective Federal border enforcement mechanism as well as an effective Federal internal, interstate mechanism.

III. Personnel integrity problems have resulted from the dominance of undercover strategy as well as the lack of an independent, fully staffed internal investigative unit.

The indiscriminate and inadequately supervised use of undercover agents brings with it the danger of corrupt practices. To combat such practices there must be an independent, fully-staffed internal investigative unit.

The subcommittee finds that DEA's inspection and internal security program needed reform and that DEA management under Administrator Bartels did not properly handle integrity problems. Under the direction of Attorney General Levi, former Acting Administrator Henry S. Dogin, and the present Administrator, Peter Bensinger, DEA has been taking steps to improve the handling of integrity problems within the agency.

Locating a particular corruption problem is only one facet of the problem; dealing with it is another. This is because DEA, unlike its sister organization, the FBI, is bound by civil service rules which restrict flexibility in dealing with integrity problems.

It is the finding of the subcommittee that DEA personnel shoula not be covered by civil service rules and regulations.

Both former Deputy Attorney General Silberman and former DEA Administrator Bartels have endorsed this conclusion. The subcommittee believes a fair method of disengaging DEA or any successor organization from civil service would be to give personnel a 1-year grace period during which they could seek other Federal employment covered by civil service with their rights intact. In turn, should personnel choose to remain in place, they would, after the 1-year period, lose all rights and protections previously provided them under civil service. Accordingly, the internal drug law enforcement entity would pattern its personnel policies after those of the FBI.

With regard to the Promuto integrity case, the subcommittee finds that, as Administrator, John Bartels erred in at least four actions. First, Bartels inserted so-called special adviser Thomas E. Durkin, Jr., of Newark, New Jersey, into the operational aspect of the Promuto inquiry by having Durkin interrogate Promuto and file reports without the knowledge or participation of the DEA Office of Inspection. Second, Bartels inserted Robert Richardson, Associate Counsel, and John Lund, Assistant Administrator for Enforcement, into the chain of command in the Promuto case. This action which, coupled with the operational presence of Thomas Durkin, served to erect an insurmountable obstacle in the way of a professional and procedurally sound inquiry by the Office of Inspection. Third, Bartels ordered that Vincent Promuto be prematurely interrogated not orally but in the form of a written questionnaire, unsworn and not fully completed by Promuto. And, fourth, Bartels ordered the highly questionable tactic of obtaining a "hypothetical" opinion from a civil service attorney and used this "hypothetical" opinion to support the contention that an adverse action against Promuto was neither warranted nor could be sustained in any event. However, based upon the information made available to it, the Subcommittee is unable to conclude that Mr. Bartels' actions in this investigation constituted criminal misconduct.

Finally, the subcommittee understands the dilemma of top officials of the Criminal Division who were faced with the prospect of investigating charges against John Bartels, a former colleague and a Department of Justice official. While the Subcommittee finds, based upon the information made available to it, that former Deputy Attorney General Silberman did not engage in any criminal misconduct in the Promuto matter and may have been right in permitting Messrs. Petersen, Keeney, and White to rescue themselves personally from investigating charges against John Bartels, the subcommittee concludes that the entire Criminal Division should not have been disqualified from this case; that line attorneys should have conducted this investigation in accordance with normal procedures and practices; and that this staff investigation should then have been reviewed by some high level Department of Justice officials, excluding those Criminal Division officials disqualifying themselves. This is the type of case which would now be properly handled by the Office of Professional Responsibility of the Department of Justice which was established in December 1975.

It should also be noted that the Senate Government Operations Committee recently reported out, as part of the Watergate Reorganization and Reform Act of 1976, a provision creating the Division of Government Crimes within the Department of Justice, which would have jurisdiction in this type of case if criminal charges were being lodged.

A FUTURE COURSE OF ACTION

This report has, in significant detail, traced the history of the reorganizations of Federal drug enforcement agencies with the resulting problems. Since Reorganization Plan No. 2 of 1973, the Nation has witnessed an unsatisfactory and inefficient Federal enforcement effort. The President's Domestic Council Drug Abuse Task Force acknowledged as much in its white paper on drug abuse issued in September 1975 after the subcommittee has focused public attention on these critical issues.

This report, then, will form the foundation for further public hearings which will address the fundamental question of how the Federal narcotic efforts should be organized. Is DEA needed as presently constituted? What should the role of the FBI be? Is the U.S. Customs Service being properly utilized? Are U.S. foreign narcotics operations being properly carried out and accurately evaluated? Are the Federal narcotics enforcement efforts being efficiently coordinated both within the Federal bureaucracy and with

State and local authorities? Should the Internal Revenue Service reinstitute its narcotics traffickers program which, in cooperation with other Federal agencies such as DEA and Customs, was designed to confiscate the profits from the lucrative traffic? How can we reshape the Federal approach to narcotics enforcement to immobilize major narcotics traffickers and financiers? How can we insure that DEA will maintain a strong, fully staffed, and independent internal inspection unit?

In concluding this interim report—and in preparing for future hearings on Federal drug enforcement—members of this subcommittee wish to note that it has been their intention to raise, examine, and evaluate the most fundamental issues that confront this Nation as it seeks to police the traffic in illicit drugs. These issues have not been addressed previously in such detail in a congressional forum. The subcommittee views the drug problem as one of the most critical issues facing the country. The drug abuse epidemic is still continuing. Congress must arrest its responsibilities over a problem which so adversely affects the health, welfare, and security of the Nation.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that he presented to the President of the United States the following enrolled bills:

On July 6, 1976:

S. 1518. An act to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to require the establishment of a special motor vehicle diagnostic inspection demonstration project, to provide additional authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes.

On July 14, 1976:

S. 586. An act to improve coastal zone management in the United States, and for other purposes.

S. 3184. An act to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and for other purposes.

REFERRAL OF BILL

The bill (S. 3197) to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information was referred to the Select Committee on Intelligence for not to exceed 30 days, under authority of the order of June 16, 1976.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BEALL:

S. 3665. A bill to amend the Internal Revenue Code of 1954, the Social Security Act, and other laws to replace certain public assistance programs and food stamps with a family allowance system and to provide for a reduction in taxes. Referred to the Committee on Finance.

By Mr. ALLEN:

S. 3666. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, so as to provide certain benefits to law enforcement officers not employed by the United States. Referred to the Committee on the Judiciary, by unanimous consent.

By Mr. ABOUREZK:

S. 3667. A bill for the relief of Song Chan Ki. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3668. A bill to provide compensation to Federal employees for certain work injuries occurring before September 7, 1974. Referred to the Committee on Labor and Public Welfare.

By Mr. PELL:

S. 3669. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States as a permanent loan by the Board of Trustees of the National Gallery of Art. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BEALL:

S. 3665. A bill to amend the Internal Revenue Code of 1954, the Social Security Act, and other laws to replace certain public assistance programs and food stamps with a family allowance system and to provide for a reduction in taxes. Referred to the Committee on Finance.

(The remarks of Mr. Beall on the introduction of the above bill are printed earlier in today's Record.)

By Mr. ALLEN:

S. 3666. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, so as to provide certain benefits to law enforcement officers not employed by the United States. Referred to the Committee on the Judiciary, by unanimous consent.

Mr. ALLEN. Mr. President, I introduce a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, and I ask unanimous consent that it be referred to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 495

At the request of Mr. Ribicoff, the Senator from Connecticut (Mr. Ribicoff), the Senator from Tennessee (Mr. Brock), the Senator from California (Mr. Tunney), the Senator from Indiana (Mr. Hartke), the Senator from Iowa (Mr. Clark), and the Senator from North Dakota (Mr. Burdick) were added as cosponsors of S. 495, the Watergate Reorganization and Reform Act of 1976.

S. 712

At the request of Mr. Bellmon, the Senator from Oklahoma (Mr. Bartlett) was added as a cospsonsor of S. 712, to amend the Occupational Safety and Health Act of 1970, and for other purposes.

S. 3098

At the request of Mr. Williams, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 3098, to amend the Community Services Act of 1974.

S. 3494

At the request of Mr. Stevenson, the Senator from Florida (Mr. Stone) was added as a cosponsor of S. 3494, to establish a Federal Bank Examination Council.

SENATE CONCURRENT RESOLUTION 116

At the request of Mr. Bartlett, the Senator from Texas (Mr. Tower) was added as a cosponsor of Senate Concurrent Resolution 116, setting forth the standards and rights of foster children.

SENATE JOINT RESOLUTION 205

At his own request, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of Senate Joint Resolution 205, to establish an Office of Hispanic Affairs.

AMENDMENTS SUBMITTED FOR PRINTING

PUBLIC PARTICIPATION IN GOVERNMENT PROCEEDINGS ACT OF 1976—S. 2715

AMENDMENTS NOS. 2018 THROUGH 2029

(Ordered to be printed and to lie on the table.)

Mr. ALLEN. Mr. President, on May 13, 1976, the Senate Committee on the Judiciary reported S. 2715, the Public Participation in Government Proceedings Act of 1976. S. 2715 had also been referred to the Senate Committee on Government Operations on which I serve. By unanimous consent the Committee on Government Operations was discharged from further consideration of S. 2715 on May 13, 1976. The Senator from Alabama thereafter asked his colleague, the distinguished Senator from Connecticut, to return the bill to the Committee on Government Operations so that the Committee on Government Operations would have an opportunity to hold hearings and separately report after its own deliberations on the bill. Chairman Ribicoff and Mr. Kennedy, author of the bill, graciously agreed to that request, and the bill was returned on May 19, 1976, to the Committee on Government Operations for further consideration in committee.

Mr. President, the Committee on Government Operations held hearings on S. 2715 on June 24, 1976, at which time the committee heard the testimony of a variety of witnesses. Thereafter, a markup was scheduled for the bill for July 1, 1976. Regrettably, because of the necessarily prolonged consideration of H.R. 10612, the Tax Reform Act of 1976, Chairman Ribicoff was forced to cancel the scheduled markup of S. 2715.

The time for consideration of the bill in the Committee on Government Operations having expired the day before the recess, the committee was discharged from further consideration of the bill and the bill placed on the calendar without a report from the committee.

Mr. President, I am opposed to S. 2715, and I had hoped to offer in committee several amendments to the bill which in my judgment would have cured some of the most glaring defects in the bill. But, Mr. President, circumstances precluded opportunities to amend the bill in committee, and I therefore now submit to the Senate the amendments I intended to offer in committee. I will continue to give the bill careful study, and I am sure I will from time to time have additional amendments to present.

Mr. President, this bill would authorize over $30 million for Federal agencies to award attorney's fees, expert witness fees, and other advocacy costs over the next 3 years to deserving members of the public. This would be in addition to any funds already authorized and appropriated elsewhere for the same purpose.

As far as I can tell, there are few, if any, types of agency proceedings exempted from the possibility of such funding under this bill, S. 2715. All licensing, rulemaking, and ratemaking proceedings are covered; in addition, it authorizes agencies to award compensation for advocacy in adjudications and other agency proceedings involving issues which relate to the health, safety, civil rights, or the economic well-being of consumers in the marketplace.[1] That is a wide net.

Proponents of this legislation argue that Federal "agencies are not capable of fully protecting the public interest without a substantial new infusion of public participation in their proceedings."[2] Such an infusion of new advocates, they argue, must be encouraged by a substantial new infusion of public money.

Opponents, on the other hand, contend that the legislation will encourage subsidized gadflys to cause further delay in agency and court proceedings. In short, they argue that this bill would create a vested interest in lengthy regulatory proceedings and court appeals for those whose advocacy would be subsidized.

We, therefore, must carefully consider whether such a major change in the Administrative Procedure Act would bring the desired benefits without further ensnarling our bureaucracy in more than $30,000,000 worth of redtape.

Alternatively, we may conclude that Congress should consider each agency separately in our efforts to allow increased public participation. I raise this possibility because I believe none of us has any idea of the numbers and scope of the proceedings to be covered by this bill.

Assuming for the sake of argument, however, that the Senate will conclude that the broad brush approach is best, we must then scrutinize very carefully the major provisions of S. 2715.

I believe that the bill's standards for dispensing public funds are too broad and vague. For example, under S. 2715 the publicly funded representation must "reasonably be expected to contribute substantially to a fair determination of the proceeding"?[3]

Under the recently passed Magnuson-Moss Warranty Act, the agency may award advocacy fees and costs to a representative of an interest which "would not otherwise be adequately represented in such proceeding and representation of which is necessary for a fair determination of the * * * proceeding taken as a whole."[4] That FTC provision is more stringent, it seems, than the broad primary condition in this bill. Has the FTC been having trouble because of its more stringent condition? Committee hearings indicate not.

Concern has also been expressed that the legislation may lack the specificity necessary for agencies to administer properly such an all-encompassing bill. What, for example, are the "obdurate," "dilatory," "mendacious," or "oppressive" reasons for which the agency can require an applicant or even a respondent to pay part or all of an award?[5]

I believe that this subcommittee should pay close attention to the matter of attorneys fees and consider the following questions:

Should we set an upper limit on "reasonable attorney fees" some of which now range as high as between $150 and $250 per hour?

Should awards be granted which exceed an agreed upon fee as is permitted under the proposed legislation?

Should there be limits imposed on the aggregate amount paid as compensation to any one lawyer or group?

Should we consider the manner in which the funds should be apportioned among the agencies?

Should we confine this bill to rulemaking, rather than fund interventions which can amount to dual prosecutions in agency adjudications?

I am also specifically concerned with the language providing for advance payments to persons prior to their full participation in agency proceedings.[6] Since lack of sufficient resources is a criterion for funding, it appears that many, if not most, applicants will be able to qualify to receive public funds prior to their full participation.

The bill states that such recipients are liable for repayment of advance funds if they do not provide the representation for which the award was made. However, it occurs to me that such recipients will, by definition, be unable to repay any money they waste or otherwise misspend. I believe that we should consider the need for additional safeguards so that advance payments are not misspent or, if they are, some form of bonding so that repayment of public funds can be guaranteed.

In addition to the $30,000,000, the bill would provide a legislative entitlement to attorneys fees, expert witness fees, and other costs of litigation incurred in judicial review of agency action by certain parties or intervenors.

It seems to me we might have a possible built-in inconsistency here. Funding is to be provided as an incentive leading toward better administrative decisions, yet, simultaneously, similar funds are anticipated as an incentive for bringing court appeals to review those same administrative decisions.

These are some of the specific questions which I hope we can address. I also hope we can look at some of the broader, underlying concepts of this bill.

What, for example, are the long-term implications of publicly funded advocacy by nongovernmental lawyers who really have no true lawyer-client relationship to control their actions. These advocates will be agents for describable, but not always identifiable principals—such as all consumers—who cannot control their self-appointed representatives.

And so, Mr. President, the Senator from Alabama feels that this bill must be given very careful consideration here on the floor of the Senate and not just casually agreed to without the very careful and detailed scrutiny the measure warrants.

Mr. President, I now submit several amendments to the bill which I intend to propose when appropriate and ask that they be printed. Additional amendments will no doubt later occur to me and to others of my distinguished colleagues. And I further do not doubt, Mr. President, that still other amendments may well come to mind during the debate that this bill merits and will be given.

TEMPORARY SUSPENSION OF IMPORT DUTY ON CERTAIN HORSES—H.R. 9401

AMENDMENT NO. 2030

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN submitted an amendment intended to be proposed by him to the bill (H.R. 9401) to continue to suspend for a temporary period the import duty on certain horses.

WATERGATE REORGANIZATION AND REFORM ACT—S. 495

AMENDMENT NO. 2031

(Ordered to be printed and to lie on the table.)

Mr. HASKELL. Mr. President, early last month I offered an amendment to S. 495, the Watergate Reorganization and Reform Act, creating an independent Commission on Ethics empowered to promulgate uniform standards of conduct regarding potential financial conflicts of interest. Senators MONDALE, HUMPHREY, CHILES, LEAHY, MCINTYRE, and HART of Colorado joined me in cosponsoring that amendment.

Subsequent discussions between my office and representatives of both the majority and minority members of the Committee on Government Operations have resulted in a substantial revision of the amendment which accomplishes the essence of what we hoped to achieve while overcoming certain objections raised by some Senators.

The new amendment vests in the Civil Service Commission power to establish by rule standards of conduct for the executive branch with regard to financial conflicts of interest, and guidelines for use by agencies in enforcement of those standards. The amendment creates within the Commission an Office of Ethics Enforcement to render advisory opinions and to conduct audits necessary to insure stringent agency enforcement.

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[1] S. 2715, proposed 5 USC § 558a(b)(2) on page 8.

[2] Committee on the Judiciary, Report No. 94–863, p. 8.

[3] Proposed 5 USC § 558a(d)(1), on page 9.

[4] 15 USC § 57a(h)(1).

[5] Proposed 5 USC §§ 558a(e), on page 10 and (f)(4)(B) on page 11.

[6] Proposed 5 USC § 558(f)(3) on page 11.

The amendment will thus bring about badly needed uniformity of rules and standards of conduct, consistency of enforcement procedures, and a significant degree of external monitoring of that enforcement, while at the same time safeguarding the rights of individuals and creating a minimum of new government machinery.

The present patchwork of conflict of interests regulations is pathetically inadequate. Enforcement ranges from perfunctory to nonexistent, thus allowing thousands of real and potential conflicts to continue to exist. It is time to provide a coherent, consistent, and enforceable means of shielding public policy from the personal financial interest of public policymakers. I believe this amendment is an effective and responsible beginning in that difficult task. I hope the Senate will be able to support it.

Mr. President, I submit the amendment and ask that it be printed, and I ask unanimous consent that the text of the amendment and a section-by-section analysis be printed in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2031

At the appropriate place insert the following:

"(5) violations of section 408 of Title IV of the Watergate Reorganization and Reform Act of 1976;".

On page , line , strike out "(5)" and insert in lieu thereof "(6)".

At the end of the bill, add the following on page after line :

TITLE IV—ENFORCEMENT OF ETHICAL STANDARDS FOR EXECUTIVE BRANCH EMPLOYEES

DEFINITIONS

SEC. 401. For purposes of this title, the term—

(1) "agency" means an agency as defined in section 551 of title 5, United States Code; and

(2) "employee" means an employee of an agency.

CIVIL SERVICE COMMISSION

SEC. 402. The Civil Service Commission shall—

(1) establish by rule standards of ethical conduct for all employees with respect to financial conflicts of interest;

(2) establish by rule guidelines to assist heads of agencies in determining whether a conflict of interest exists, or appears to exist, under the standards established under paragraph (1);

(3) develop forms (hereafter in this title referred to as "disclosure statements") for the purpose of eliciting from all employees the information required to be disclosed in the standards established under paragraph (1);

(4) review each disclosure statement filed by an employee as required under section 405; and

(5) review, upon appeal by any employee, the decision of the agency which adjudicated a complaint against such employee as provided under section 407 (b).

ESTABLISHMENT OF OFFICE OF ETHICS ENFORCEMENT

SEC. 403. There is established within the Civil Service Commission the Office of Ethics Enforcement (hereafter in this title referred to as the "Office") which shall be headed by the Director of the Office of Ethics Enforcement (hereafter in this title referred to as the "Director") who shall be appointed by the Civil Service Commission.

FUNCTIONS OF THE OFFICE

SEC. 404. The Office shall—

(1) promulgate rules to enforce the standards of ethical conduct established by the Civil Service Commission as provided in section 402(1);

(2) render advisory opinions as provided in section 406(a); and

(3) conduct random audits of disclosure statements filed by employees in accordance with regulations issued by the Office.

DISCLOSURE STATEMENTS

SEC. 405. (a) Each employee or former employee who has held his position for a period in excess of ninety days in a calendar year shall file for such calendar year a disclosure statement in accordance with regulations promulgated by the Civil Service Commission. Such disclosure statement shall be filed—

(1) at such time and place as the Office shall require by regulation; and

(2) (A) in the case of an employee who is the head of an agency, a Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, or a full-time member appointed by the President of a committee, board, or commission, with the Civil Service Commission, or,

(B) in the case of any other employee, with the head of the agency to which such employee is assigned.

(b) The Civil Service Commission and the head of each agency shall assign such full-time employees as are necessary to examine each disclosure statement filed with such Commission or agency. The Commission and the head of each agency shall be responsible for determining, on the basis of such examination, whether a conflict of interest exists, or appears to exist, under the rules of ethical conduct.

(c) The Civil Service Commission may be rule exempt from furnishing any information required in a disclosure statement the individuals required to file the same information in a financial statement as provided in section 302 of title III of this Act. The Commission may also by rule exempt from any requirement for filing a disclosure statement special Federal Government employees, as defined in section 202 of title 18, United States Code.

ADVISORY OPINIONS; RULE-MAKING

SEC. 406. (a) (1) Upon written request to the Office by any person, the Office shall render an advisory opinion in writing within a reasonable time with respect to whether any specific transaction or activity would constitute a violation of the standards of ethical conduct established by the Civil Service Commission under section 402 (1).

(2) Notwithstanding any other provision of law, any person who requests and relies in good faith upon an advisory opinion rendered in accordance with paragraph (1) and who furnished to the Office the full and complete facts regarding the transaction or activity in question as known by such person at the time of such request, shall not, as a result of such reliance, be subject to any disciplinary, civil, or criminal sanction under this title.

(b) Notwithstanding any other provision of law, no rule may be issued by the Civil Service Commission or any agency to carry out the provisions of this title unless such rule is proposed and issued in accordance with the general notice and opportunity for public participation requirements in section 553 (b) and (c) of title 5, United States Code.

ENFORCEMENT

SEC. 407. (a) (1) Any person who believes a violation of the standards on ethical conduct established by the Civil Service Commission under section 402 (1) has occurred may file a complaint with the Office. The Office may not take any action under this section solely on the basis of a complaint by a person whose identity is not disclosed to the Office.

(2) The Director shall refer any complaint concerning an employee received by the Office under paragraph (1)—

(A) in the case of an employee who is the head of an agency, a Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, or a full-time member appointed by the President of a Committee, board, or commission, to the Civil Service Commission; and

(B) in the case of any other employee, to the head of the agency to which such employee is assigned.

(b) (1) If the Commission or the head of an agency, upon receiving a complaint under subsection (a), has reason to believe that an employee has violated the standards of ethical conduct, the Commission or the head of such agency shall conduct a hearing in accordance with the provisions of sections 554 through 557 of title 5, United States Code.

(2) Any decision by an agency may be appealed by the employee or the complainant based on the whole record.

(3) The court of appeals of the United States shall have jurisdiction of any appeal from a final decision of the Commission without regard to the amount in controversy. Such appeal shall be brought in the same manner and subject to the same limitations as an appeal from the decision of a district court of the United States under section 1291 of title 28, United States Code.

(c) (1) (A) Except as provided in subparagraph (B), the head of each agency shall be primarily responsible for imposing disciplinary sanctions on any employee of such agency who is found after a final adjudication to have violated the standards of ethical conduct established by the Civil Service Commission under section 402(1).

(B) In the case of an employee described in subsection (a) (2) (A), the Civil Service Commission shall be primarily responsible for imposing disciplinary sanctions as described in subparagraph (A).

(2) The disciplinary sanctions referred to in paragraph (1) are—

(A) reprimand;

(B) suspension;

(C) disqualification from participation in a specific transaction or activity;

(D) dismissal;

(E) recommendation to the President to remove an employee appointed by such President; and

(F) denial or rescission, as the Commission deems appropriate, of any application before it in which there has been a violation of a rule under section 402(1).

(d) Following an adjudication under this section, if the Civil Service Commission or the head of an agency determines that a civil or criminal penalty is the appropriate sanction against an employee, the Commission or the head of such agency shall refer the matter to the Assistant Attorney General for Government Crimes in the Department of Justice for action in accordance with the provisions of section 408.

CIVIL AND CRIMINAL PENALTIES

SEC. 408. (a) Any person who—

(1) fails to file a disclosure statement in accordance with this title or any rule or regulation promulgated under such title;

(2) files a disclosure statement containing false information; or

(3) violates any standard of ethical conduct established by the Civil Service Commission under section 402(1); is subject to a civil penalty which does not exceed a amount equal to the profit gained as a resu of such violation and interest thereon at a

rate equal to the annual rate established in section 6621 of the Internal Revenue Code of 1954.

(b) Any person who knowingly and willfully—

(1) fails to file a disclosure statement in accordance with this title or any rule or regulation promulgated under such title;

(2) files a disclosure statement containing false information; or

(3) violates any standard of ethical conduct established by the Civil Service Commission under section 402(1);

shall be fined in an amount which does not exceed the greater of $10,000 or 200 percent of the amount equal to the profit gained as a result of such violation.

EFFECT ON OTHER LAWS

SEC. 409. Nothing in this title shall be considered to prohibit an agency from imposing on the employees of such agency standards of ethical conduct more stringent than the standards imposed by the Civil Service Commission under section 402(1).

SEC. 410. The Civil Service Commission is directed to deliver to the Congress an annual report detailing specific steps taken pursuant to this Act and evaluating the effectiveness of standards of conduct and procedures of enforcement regarding potential financial conflicts of interest or the appearance thereof.

TECHNICAL AMENDMENT

SEC. 411. (a) The Director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(105) Director of the Office of Ethics Enforcement, Civil Service Commission."

SECTION-BY-SECTION ANALYSIS

The Amendment adds a new title to S. 495: Title IV: Enforcement of Ethical Standards for Executive Branch Employees.

Section 401: Definition: Uses the term "agency" as defined in section 551 of title 5 of the United States Code—"each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—the Congress, the courts, the governments of the territories or possessions of the U.S., or the government of the District of Columbia.

Section 402. Civil Service Commission: empowers the Civil Service Commission to:

(1) establish uniform standards of conduct for the Executive branch with respect to financial conflicts of interest,

(2) establish guidelines for agency use in determining whether a conflict of interest exists or appears to exist,

(3) develop disclosure statements to elicit necessary information,

(4) review the statements, and

(5) hear appeals from agency adjudication of alleged conflicts of interest.

Section 403. Establishment of Office of Ethics Enforcement:

Establishes a new Office of Ethics Enforcement within the Civil Service Commission, headed by a Director directly responsible to the Commissioners.

Section 404. Functions of the Office:

The Office is empowered to:

(1) promulgate rules to enforce the standards of conduct of the Commission,

(2) render advisory opinions, and

(3) conduct random audits necessary to insure stringent agency enforcement.

Section 405. Disclosure Statements:

Each employee or former employee who has held his or her position for more than 90 days shall file an annual disclosure statement in accordance with regulations promulgated by the Civil Service Commission.

The Commission shall review the statements, and the Commission and the head of each agency shall be responsible for determining whether a conflict exists or appears to exist.

The Commission may exempt those employees required to file the same information under Title III of the bill, and may exempt special employees as defined in section 202 of title 18 of the U.S. Code:

". . . the term 'special Government employee': shall mean an officer or employee of the executive . . . branch of the United States Government, of any independent agency of the United States . . . who is retained, designated, appointed, or employed to perform, with or without compensation, for not to exceed 130 days during any period of 365 days, temporary duties either on a full-time or intermittent basis—a part-time United States Commissioner . . . ."

Section 406. Advisory Opinions:

The Office of Ethics Enforcement may issue advisory opinions upon written request as to whether any specific transaction or activity constitutes a violation of standards of ethical conduct. A person who relies upon such an opinion in good faith, and has provided full and complete facts regarding the transaction shall not be subject to disciplinary action or criminal or civil sanction. Advisory opinions are intended to apply only to the individual case for which they are rendered.

Rules must be made in accordance with sections of the Code offering opportunity for public participation.

Section 407. Enforcement:

Any person—willing to be identified—may file a complaint with the Office of Ethics Enforcement. If the Commission or the head of an agency has reason to believe that a violation has occurred, a hearing shall be held—in accordance with sections of the Code guaranteeing safeguards and rights of due process to the employee.

Disciplinary sanctions which may be imposed include: reprimand, suspension, disqualification from participation in a specific transaction or activity, dismissal, recommendation for removal, and denial or recission of any application before a government authority in which there has been violation of the conflict of interest standards.

If the Commission determines that a civil or criminal sanction is appropriate, the matter shall be referred to the Assistant Attorney General for Government Crimes.

Section 408. Penalties:

Violation of the standards may result in fines equal to the amount of any profit gained as a result of the violation plus interest.

Section 409. Effects on other laws:

Nothing shall prohibit agencies from adopting standards more stringent than those promulgated by the Commission.

Section 410. Report to Congress:

The Civil Service Commission shall report annually on the effectiveness of specific steps taken pursuant to this Act.

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENT NO. 2032

(Ordered to be printed and to lie on the table.)

Mr. CURTIS submitted an amendment intended to be proposed by him to the bill (H.R. 10612) to reform the tax laws of the United States.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976—H.R. 8603

AMENDMENTS NOS. 2033 AND 2034

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, I am submitting today two amendments, which I plan to call up during Senate consideration of H.R. 8603, the Postal Reorganization Act Amendments of 1976. My proposals do not alter the basic structure or intent of that bill, as reported by the Senate Post Office and Civil Service Committee.

Rather, I offer my amendments as incidental perfecting devices to make this legislation more responsive to the interests of the private individual mail user. I believe these changes will better serve the long-term interests of the Postal Service, as well.

My first amendment will accomplish three tasks: It will extend the reporting date of the Postal Study Commission from February 15, 1977, to September 30, 1977; it will extend the moratorium on postage rate increases, service cutbacks, and post office closings from February 15, 1977, to September 30, 1977; and it will mandate that the Postal Service shall not initiate a request for a postage rate increase until after the Board of Governors has reviewed the findings and recommendations of the Postal Study Commission.

The second amendment will simply require that, of the four members chosen by the President to serve on the study commission, one will be representative of the private consumer—that is, the "individual noncommercial users of first-class mail."

Mr. President, I will present a full statement of considerations underlying these proposals at the time they are called up. In the meantime, I will be happy to discuss the amendments with interested colleagues.

I ask unanimous consent that the texts of both amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2033

On page 27, line 23, strike all after the words "ending on" through the word "Congress," on page 28, line 3; and insert in lieu thereof the words "September 30, 1977,";

On page 28, line 4, strike the words "have in effect" and substitute in lieu thereof "submit a request for";

On page 28, line 7, replace the semicolon with a comma, and add the following: "it being understood that prior to the submission of any such request, the Service shall give careful consideration to the recommendations of the Commission on the Postal Service;";

On page 41, line 12, strike the word "or before February 15," and insert in lieu thereof "September 30,".

AMENDMENT No. 2034

On page 38, line 9, strike the semicolon, substitute a comma, and add the following: "and of whom one shall be designated to represent the individual non-commercial users of first-class mail;"

NOTICE OF HEARINGS AND BUSINESS MEETINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

July 19. Full committee and national fuels and energy policy study, 10 a.m., room 3110, hearing, oversight hearing to examine Federal Energy Administration policies with respect to crude oil production owned by State or local governments.

July 21. Full committee, 10 a.m., room 3110, hearing, oversight hearing on Alaska pipeline situation.

July 22. Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, hearing, oversight on ERDA long-range plan.

July 26. Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing, H.R. 13713, NPS omnibus bill re extension of boundaries and acquisition ceilings, S. 3430, S. 3116, S. 91, S. 2182, S. 1510, S. 1133, S. 2325, S. 3501, S. 3560, S. 3410, S. 3373, S. 2904, S. 3012, S. 2984.

July 27. Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing, S.J. Res. 139, H.R. 10370, S. 400, S. 3419, and S. 3441.

July 28 and 29. Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, hearing, oversight hearing on ERDA long-range plan.

July 30 Environment and Land Resources Subcommittee, 10 a.m., room 3110, hearing, eastern wilderness legislation, S. 3204, S. 3444, S. 3609.

August 2. Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing, S. 2112, S. 2486, S. 2783, S. 3273, S. 3287, S. 3528, H. Con. Res. 225.

HEARINGS ON COMMITTEE JURISDICTIONS, REFERRAL PROCEDURES AND COMMITTEE SYSTEM ORGANIZATION, OF THE TEMPORARY SELECT COMMITTEE TO STUDY THE SENATE COMMITTEE SYSTEM

Mr. STEVENSON. Mr. President, the Temporary Select Committee To Study the Senate Committee System has scheduled hearings for Tuesday, Wednesday, and Thursday of this week, July 20, 21, and 22. Senator Bill Brock and I announced these hearings by letter to each Senator during the recess.

The committee's hearings will examine fragmented committee jurisdictions and multiple committee and subcommittee assignments of Senators, and will receive testimony primarily from Senators. We will convene at 10 a.m., or earlier if Senators so request, in room 235, Russell Senate Office Building.

While the Senate gave the select committee 11 months, until February 28, 1977, to report, the committee plans to give the Senate the option of approving changes before the organization of the next Congress.

The select committee has a short period allocated to its work. The Senate authorized the select committee on March 31 of this year; the leadership appointed its members in early April, and the committee organized on April 29, 1976. So, we have had approximately 2½ months to assemble a small staff, define a work plan, and conduct initial staff studies.

Nevertheless, the committee has proceeded on the assumption I have stated, that the Senate should have the option of considering recommendations for reform of key elements of the committee system before it organizse for the 95th Congress.

The committee, therefore, hopes to make recommendations before adjournment on committee jurisdictions, procedures for referral of bills, and limitations on the number and kinds of memberships a Senator is permitted to hold. The Senate then could consider these recommendations prior to assignment of new committee members in January.

Only the recommendations of Senators can provide adequate basis for the committee's report. We have asked each Senator to present his views of committee system reform proposals, preferably in person at our hearings. We hope Senators who are unable to schedule a formal statement will stop by on one of the three mornings as their schedules allow. A prepared statement is unnecessary.

We urge each Senator who is unable to attend the hearings to present his views in a systematic interview conducted by our staff, or by responding in writing to a series of questions.

I emphasize again our need to hear from all Senators in response to Senator Brock's and my letter of July 9.

The proliferation of subcommittee assignments is one problem the committee will examine. Counting all the committees, subcommittees, panels, boards, and commissions to which Senators are assigned, there now are 1,999 places to be filled by 100 Senators—an average of 20 assignments per Senator.

But other problems have developed in the 30 years since the Senate last thoroughly revised its committees. Our staff study indicates that 17 committees and over 40 subcommittees have some jurisdiction over energy policy. The same dispersed jurisdiction is true of other subjects including science and technology and transportation.

Witnesses also are expected to discuss changes which include: Grouping all science and technology authority in a single committee; creating a new energy committee; mandatory rotation of committee memberships; mandatory rotation of committee chairmanships; limiting Senators to one major committee assignment; a major reduction in the number of committees; increasing the authority and staff of the leadership to provide overall management of the committee system.

Mr. President, a 350-page offset study prepared by committee staff, "Jurisdictions, Referrals, Numbers, and Sizes, and Limitations on Membership," is available to Senators and other interested persons. A copy may be ordered by calling 224–1848.

Mr. President, I ask unanimous consent to insert in the Record our letter to Senators of July 9 and a memorandum we enclosed which discusses some of the issues to be considered at our hearings.

There being no objection, the letter and memorandum were ordered to be printed in the Record, as follows:

Letter Directed to All Senators, July 9, 1976

Dear ———: This committee has scheduled its first public hearings for 10:00 a.m. on July 20, 21, and 22, in 235 Russell Senate Office Building, to receive comments primarily from Senators. We plan to use a seminar format to facilitate discussion (among Senators and witnesses only). Should you prefer to present a formal statement, the Committee will be pleased to hear it.

In order to give the Senate the option of adopting revisions in its committee system prior to its next organization in January, 1977, the July hearings will examine (1) the jurisdictions of committees by subjects; (2) Senate procedures for referral of legislation to committees; (3) the number and sizes of committees; and (4) limitations on the committee service of individual Senators. We hope to report on these subjects, with recommendations, by early September.

The Committee invites you to discuss your views with us on one or more mornings of July 20, 21, and 22. If you are able to participate personally, please inform our Chief Clerk. If you would prefer to meet with us at an earlier hour than 10:00 a.m., say 9:00 or even 8:00, we will convene then. If you are not able to attend, would you place your views before us (1) in a prepared statement; or (2) by scheduling with our senior staff an interview (involving a systematic schedule of questions), the transcript of which would be returned to you for vertifications; or (3) by responding in writing to a set of questions which we will furnish at your request?

While the Committee staff has assembled useful information through staff studies and interviews with the representatives whom chairmen and ranking minority members have designated, only the direct recommendations of Senators can provide a fully adequate basis for the Committee's report. Would you advise us, therefore, whether or not you expect to present your views of the committee system and in what manner?

The enclosed statements briefly enlarge upon the focus of the hearings. Committee staff will be pleased to assist your staff.

Sincerely,

Adlai E. Stevenson.
Bill Brock.

Memorandum

Subject—Hearings on the Senate committee system: jurisdiction, referral procedures, numbers and sizes, and limitations on membership.

JULY HEARINGS

Senators and others often state the alleged "problems" and "solutions" to be addressed in our seminar-hearings of July 20, 21, and 22 in this manner:

Too Many Assignments. "Senators don't have enough time to effectively cover their committee and subcommittee assignments, which now average 18 per Senator; the Senate should reduce the number and sizes of committees and limit Senators to fewer memberships."

Unequal Workload. "Some Senators and committees have grossly unequal workloads; the Senate should bring Senators' and committees' workloads into better balance by shifting jurisdictions, changing the number and sizes of committees, and further limiting or rotating Senators' memberships and chairmanships."

Jurisdictional Overlap. "The committee system is unable to deal effectively with the complicated problems of energy, transportation, science and technology, environment, health, urban development, etc., because jurisdiction over them is spread among many committees and subcommittees; the Senate should modernize and rationalize its jurisdictional assignments and improve referral procedures to facilitate enactment of laws which state comprehensive national policies."

Underutilized Committees. "Some committees have too little legislation authority, some have too much, some are deniel legislative authority which they should have, and some have authority which they should not have; the Senate should re-examine the present need for each committee, abolish or consolidate committees, and grant or deny legislative authority to them, to facilitate a more effective committee system."

Badly Organized System. "The committees of the Senate are not organized as an effective system for providing careful review of legislation, planning to anticipate crises, systematic oversight of federal agencies, and responsive representation of the needs and opinions of the people; the Senate should rationalize its committees' jurisdictions and provide more direction for committees to meet these goals."

Wasteful Scheduling. "The competition of committees with each other and with Senate floor sessions for the time of Members is wasteful; whether or not changes are needed in the jurisdictions and composition of committees, the Senate should require better coordinated scheduling of both committee and floor business."

FUTURE HEARINGS

Each Senator holds a unique view of the inadequacies of the present committee system and of the appropriate remedies.

Some emphasize problems we shall consider later this year: "runaway" staffing, proliferation of subcommittees, erosion of the "generalist" role of Senators, lack of party accountability, uncoordinated and unsystematic oversight, poor utilization of Senators' time, inadequate facilities for Senators and staff; lack of uniform rules for internal committee procedures; inadequate provision for media coverage and unworkable mechanisms for regular review and revision of jurisdictions.

Some Senators may regard these statements as untrue. Indeed, some see many of these purported inadequacies as exactly the opposite, as advantages to be perfected.

It is this Committee's obligation to identify relevant facts and describe public and Senatorial opinions on these and like questions, and to make recommendations thereon. More than 50 Senators cosponsored S. Res. 109, which authorized appointment of this committee. We hope each Senator will state his recommendations, personally or otherwise, during our July hearings.

By mid-September, following these hearings and the additional research shown to be needed, this Committee will attempt to make warranted recommendations on jurisdictions, referral procedures, numbers and sizes, and limitations on assignments.

ANNOUNCEMENT OF HEARINGS BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations will hold hearings on July 27, 1976, in room 422 of the Dirksen Senate Office Building at 10 a.m. on three international commodity agreements: coffee, tin, and wheat. The committee will hear officials of the Departments of State and Treasury and other witnesses. Any individual or organization wishing to make its views on these agreements known to the committee should contact the chief clerk of the committee as soon as possible.

HEARINGS ON SENATE RESOLUTION 486

Mr. SPARKMAN. Mr. President, I wish to announce that the Foreign Relations Committee will conduct public hearings on Senate Resolution 486, the "treaty powers resolution" on July 21 and 28. All hearings will be at 10 a.m. in room 4221 of the Dirksen Senate Office Building.

The background of this proposed legislation is the extended process, going back at least 10 years, through which Congress has been seeking to restore what we believe to be a proper constitutional balance between the executive and legislative branches in the conduct of foreign policy. The general intent of Senate Resolution 486 is to reaffirm the constitutional treaty power of the Senate by restricting the scope of executive agreements.

ADDITIONAL STATEMENTS

FUTURE OF PRIVATE COLLEGES REQUIRES REALISTIC APPROACH TO HIGHER EDUCATION PROBLEMS

Mr. RANDOLPH. Mr. President, a new research study released recently by the American Association of State Colleges and Universities shows a precipitous decline in the proportion of college-age youth going to college—any college. The study points to rising tuition and other student costs as the major factor in keeping many students from pursing higher education. AASCU's "Low Tuition Fact Book" notes that median American family income is approximately $13,000 a year. Half of all families make less. A U.S. Bureau of Labor Statistics study shows that such families have only a few hundred dollars a year left after meeting living costs. But the cost of a residential public college may be $2,500 to $3,000 a year, and even a commuting college may cost the student more than $2,000 a year.

The decline in enrollment of youths 18 to 24 years of age was 13.8 percent between 1969 and 1973, according to the AASCU study. This decrease came in the face of an overall increasing postsecondary education enrollment—more than 10.1 million students in more than 2,600 colleges and universities today. The overall figures are inflated by part-time and community college enrollments among adults, continuing and community outreach programs and new career-oriented curriculums.

The growing cost of higher education has been especially severe to private colleges and universities. Between the years 1966 and 1971, the private share of first-time students attending American colleges dropped from 29 percent to 21 percent. Other factors, such as a declining interest in attending colleges, a declining total market, a greater interest in vocational and 2-year college training, have contributed to the problem. It is the difference in the cost to the student, not the difference in the total cost of education, that underlies the private college dilemma. In the private sector, the student bears nearly all the cost, while in public education the general public bears most of the cost.

In a decision last week that holds far-reaching significance to the future of private higher education, the Supreme Court upheld the constitutionality of a Maryland law providing State assistance to private institutions, some of which are church-oriented or were founded as primarily religious schools.

Private colleges have made significant and unique contributions to American education. Their emphasis on undergraduate studies has provided important resources for the education of scholars, scientists and other professions. Private institutions, responding to the specialized needs of their clientele, have provided a personalized, value-oriented education to a degree not always possible in the public sector.

Two weeks ago, the Association of American Colleges released a comprehensive report indicating that the growing trend toward career-related studies at the postsecondary level "could eventually threaten the hundreds of private colleges traditionally geared to liberal education."

Reporters Eric Wentworth of the Washington Post and John Mathews of the Washington Star, in analyzing the report, concluded that some private colleges are holding their own thorough innovative approaches to providing what students demand, while others are increasing emphasis on traditional studies to provide broad liberal arts opportunities.

The trend toward universal jobs-oriented studies is a necessary and welcome response to career goals of young people in a highly competitive market. At the same time, we must not sacrifice the broad disciplines of liberal education. We must provide for both diversity and educational alternatives which will assure that dynamic, private institutions can continue to make unique contributions to our society.

Mr. President, I ask unanimous consent that the articles, reporting on the plight of private colleges and their struggles to survive, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, June 20, 1976]

"Career" Trend Held Threat to Private Colleges

(By Eric Wentworth)

An "enormous" recent surge in student interest toward career-related studies and away from the broad liberal arts could eventually threaten the hundreds of private colleges traditionally geared to liberal education, a report on campus trends warned yesterday.

The report, sponsored by the Association of American Colleges, found most private colleges were maintaining or even increasing their emphasis on liberal education so far in the face of waning student interest. At the same time, many were offering more career counseling and placement services.

The report's authors, Prof. Howard R. Bowen of the Claremont Graduate School and consultant W. John Minter, based their finding on responses from key officials at more than 80 broadly representative private campuses.

Their survey showed that students at 88 per cent of the colleges were more concerned about career preparation this past year than in 1974. On 53 per cent campuses they were less interested than before in liberal learning, while on most other campuses the interest remained unchanged.

Career preparation involves courses in business administration, accounting, health-related subjects and other specialized fields providing practical knowledge and skills. Liberal education generally includes the arts, humanities, social sciences and other broad disciplines stressing ideas, creativity and critical thinking.

The report's poll of college presidents disclosed that the relative stress on liberal education was being increased by 62 per cent of the private institutions, held steady by 24 per cent, and decreased by 14 per cent. More than 90 per cent of the colleges historically emphasized liberal learning for undergraduates.

These responses, Bowen and Minter wrote, "suggest that there may be some disjunction between the career interests of students and the policy of the institutions. . . . Many private institutions are probably in a position of disequilibrium and uncertainty over this issue."

On those campuses where liberal education was being de-emphasized, most presidents viewed it as "a necessary step to keep the institution abreast of the times and not necessarily harmful."

Students on public as well as private campuses have become increasingly preoccupied with careers, the authors noted. The shift from liberal education may be only temporary.

"However," they wrote, "because of the relatively heavy commitment of the private sector to liberal education, this trend, if persistent, could be especially damaging to private universities and colleges."

Bowen, an economist and former college president, said in an interview that he saw the risk of financial damage as well as loss of an institution's traditional identity. Colleges which went overboard in developing career-related programs could face burdensome new costs. Those sticking steadfastly to liberal education could wind up with fewer students.

The Bowen-Minter report, a follow-up to one issued last December in which private colleges were found to be faring surprisingly well despite economic adversity, focused more on academic quality.

The new report, citing the responses of chief academic officers on the surveyed campuses, found an "appalling decline" this past year from 1974–75 in basic reading, writing and mathematics preparation of newly admitted students. At the same time, the new students' grounding in the humanities, social studies and sciences was largely unchanged from the prior year.

The reported decline in basic skills corroborated other accounts in recent years criticizing the poor preparation of freshmen entering both public and private colleges.

On the other hand, the Bowen-Minter report found that students once in college showed "significant improvement in conscientious work and general academic achievement" this past year.

The report also concluded that private colleges were generally maintaining academic quality, increasing course offerings, and generating a "wave of innovation," including use of computers and audio-visual aids, independent study, internships and other work-study projects, and the granting of credit for simply passing exams or for prior off-campus learning experiences.

By and large, the report said, private colleges survived recent inflationary pressures with remarkably few scars. The report credited increasing federal and state aid and better management. It described their condition, while still precarious, as "steadiness without stagnancy."

[From the Washington Star, June 21, 1976]

FOR SMALL PRIVATE COLLEGES, FLEXIBILITY MEANS SURVIVAL

(By John Mathews)

Four years ago the prognosis was grim for for Hood College, a small liberal arts school in Frederick, Md.

Vital signs were failing: Enrollment was down, applications were declining, a deficit was developing.

Chances for a reversal of the deteriorating condition seemed unlikely, because Hood was a women's college—with a token male enrollment—at a time when "single-sex" colleges were unpopular. It was a liberal arts college when young people wanted schooling that would lead directly to a job after graduation. And it was an instituion with a small endowment and few economic resources in the face of a recession and long-term inflation.

Although Hood does not yet have a totally clean bill of health—it is still running a paper deficit—the college now seems likely to survive. Like a number of other smaller colleges which only a few years ago seemed to be doomed, Hood realized its problem and found the right prescription for regaining its health.

Rather than retrenching, Hood, which was founded in 1893, decided to redefine and refine its appeal.

In the spring of 1973, when Hood went through its agonizing reappraisal, the trustees decided it would remain a women's college but continue co-ed in its graduate programs. They would, however, allow the small number of men taken in during the early 1970s to stay until graduation.

Luckily for Hood, the women's movement came along, giving a new rationale for a females-only college. Courses were widely redesigned to emphasize the woman's perspective and to appeal to a new clientele—the woman in her 30s or 40s who is going back to school.

Responding to student desires for education that could result in a postgraduation job, Hood began a unique internship program. In order to get a taste of the real world of work, students go off campus for up to a semester and do things like work in Ella Grasso's successful campaign for governor of Connecticut, learn about consumer affairs with Esther Peterson at Giant Food, help rebuild Harpers Ferry or even work in the office of Margaret Thatcher, the British Conservative party leader.

Some new courses were also added at both graduate and undergraduate levels to cater to the needs of Frederick's main employer, Fort Detrick, the onetime chemical and biological warfare center which has been converted to cancer research.

With a fresh female perspective, the appealing internship program and the new job-oriented courses—as well as its location in a charming small town only 45 miles from Washington and Baltimore—Hood was ready to sell itself. As President Martha Church puts it, Hood developed a "carefully targeted admissions program employing good marketing techniques." This meant that Hood went out to recruit students with glossy, new promotion materials, purchased lists of prospective applicants and established a system for bringing potential students to the campus for a carefully devised visit.

Now, Hood expects to enroll 1,500 students in September, a most twice as many as it did four years ago even though tuition, room and board costs now total nearly $4,500, up $1,000 in that period. Four years ago, only about 250 students applied to be in the first-year class of 200 students, while this year more than 800 have applied for the 300 places in the first-year class.

On a national scale, Hood's success story is not unique. Obituaries written in recent years for many smaller, private institutions have had to be discarded, although a small number have failed or merged with other colleges.

For the last half dozen years, one of the closest watchers of the physical health of private colleges has been Dr. Howard R. Bowen, former chancellor and now an economics professor at the Claremont (Calif.) Colleges. Bowen, a precise professorial type, is well qualified for the role of college diagnostician, having served as president of both the University of Iowa, a large public institution, and Grinnell College, a small private liberal arts college.

He surveys a sample of 100 private colleges and universities, said to be representative of private higher education as a whole. He omits, however, the largest private universities like Harvard, Columbia, the other "Ivy League" schools, Johns Hopkins and the Massachusetts Institute of Technology. Among the institutions in his sample are Georgetown University, and—in Virginia—Randolph-Macon College and Washington and Lee University.

The Bowen studies are sponsored by the Association of American Colleges, a Washington-based association of private institutions with a foundation grant. Institutions are not given a bill of health by name, because Bowen says they would not turn over to him financial data if disclosure were likely. And, he adds, if they were in serious trouble, public identification of their illnesses could be fatal.

In his first published study last year, Bowen looked at the 100 institutions over a four-year period and concluded that 27 were "in distress." This year, he has dropped that type of characterization, not because of pressure from the colleges to paint a more optimistic picture, Bowen says, but because he felt a more accurate system of diagnoses is possible.

Looking at how the colleges have done since 1974, Bowen concludes that they have "held their own," although he sees the long-range prospects for private colleges and universities as "precarious." With complete reports on 93 of the colleges, Bowen figures that 21 have lost ground over the last two years and that seven institutions appear to be in serious trouble. "We do not predict the demise of any of these institutions although we do not belittle the odds against which they are struggling," Bowen wrote.

Private colleges are surviving, Bowen says, because of better management, a continuing ability to keep attracting private donors and the expansion of state and federal student aid programs which make it possible for many students to afford the higher-price private institutions.

In the past couple of years, Bowen sees a remarkable renaissance for the woman-only college and the church-affiliated college. "There was a falling away from religious colleges, but now new colleges, often with a fundamentalist religious base, are being opened," he said. Over the past couple of years, Bowen found, enrollments for the private colleges are remaining steady, although competition among institutions is getting more intense and the quality of incoming students seems to be declining slightly.

In fact, academic officials at the colleges surveyed found "a distressing deterioration of students in reading, writing and mathematics," while preparation of incoming students in the humanities, social sciences and science remained unchanged. The decline in high school student preparation, Bowen concluded, is not unique to private institutions, but exists throughout higher education.

Despite economic belt-tightening, Bowen found that few of the colleges had retrenched significantly in courses, student services or auxiliary services. For every existing program of studies cut, 10 new ones were added, Bowen found. From 1969 to 1975, courses in the 100 institutions increased by 29 percent while enrollments went up only 9 percent.

Looking into the future, Bowen sees these problems:

Inflation remains a severe problem. So far, colleges have not had to sacrifice quality, "but if inflation does not come under control, the institutions may have difficulty in maintaining present levels of quality," he said. Faculty pay has not kept up with inflation and many institutions are putting off necessary maintenance and repairs to keep their budgets balanced or their deficits manageable.

The dollar gap between private colleges and public institutions continues to grow, making the private schools even less competitive. New York City, however, is a welcome exception from the private college viewpoint, since the city budget crisis is forcing the City University system to impose a tuition for the first time, replacing a less costly system of fees.

Gifts from well-to-do alumni are a vital necessity for many institutions which have been using such contributions to offset current operating deficits. "The need to raise large sums of money each year to meet current expenditures slows up the growth of endowment and this impairs long-run financial security," Bowen wrote.

A shift away from the liberal arts, however, may be the most dangerous long-term problem facing the private colleges and universities. Studies showing that college graduates in the past few years, particularly those with liberal arts majors, cannot find jobs are a real threat to private institutions, many of which are primarily liberal arts institutions.

The diagnostician of private colleges sums up his current findings by saying "steadiness without stagnancy" best describes the institutions. But he adds:

"This situation can change in the future. Indeed every serious observer of private higher education knows that the position of private universities and colleges is precarious. But up to the present, they appear to have held their own."

COMMENCEMENT ADDRESS BY WILLIAM F. BUCKLEY AT OKLAHOMA UNIVERSITY

Mr. BARTLETT. Mr. President, I trust that my colleagues will find invigorating this recent commencement address by William F. Buckley at Oklahoma University, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADVICE FOR THE RAUCOUS SEASON: "GO FORTH AS TRUTH WATCHERS"

The student committee to select a commencement speaker faces an annual dilemma which usually results in a compromise. Some committee members are vocal in their insistence on securing a person highly regarded among scholars and intellectuals; others clamor for a popular personality—someone familiar to the public. Fortunately, no compromise was necessary for the University's 84th annual commencement exercises. The committee chose as its first choice a popular intellectual—William F. Buckley, Buckley—eloquent, sophistic, and, of course, witty—accepted. His address to the Class of '76 follows:

Dr. Sharp, ladies and gentlemen of the graduating class—

Since I am not running for President of the United States, perhaps you will believe me when I say I am happy to be at the University of Oklahoma and honored to be associated with your graduating ceremonies.

My predecessor as commencement speaker last year was your governor, Mr. David Boren, whom I have known since he was 19 years old when, after getting the annual bill from Yale University, he developed his well-known antipathy of high tuition rates. And the year before it was another old friend, John Kenneth Galbraith, with whom I visited in Switzerland as recently as last March. We lunched together one afternoon and looked at our calendars, attempting to find a date when we could both be in New York to fulfill a contractual commitment.

"What about the first week in April?" I asked him.

"No," he said, looking at his calendar. "During the first week in April I'll be lecturing at the University of Moscow."

"Oh," I said, "What do you have left to teach them?"

But the good news is that so long as Mr. Galbraith gives advice to the Soviet Union, there will be a market for our excess grain.

I pause, too, to remember gratefully a graduate of this university who was my mentor while I was a college student at Yale. He remained my friend and, for ten years, my colleague at National Review. He learned a great deal at the University of Oklahoma from which he graduated at the astonishing age of 17, going on to a Rhodes Scholarship in Oxford.

Alas, what he did not master was the art of getting along with people. There became something of a legend about Willmoore Kendall—that he managed his life so as not to be caught on speaking terms with more than one friend at a time. "Whenever I ask Yale for a leave of absence," he once complained, "I find it insultingly cooperative." He was a man of huge talent, perhaps even genius, and his penetration into the undisputed genius of America he always attributed substantially to his boyhood in Oklahoma and his training at this institution.

His admirers never succeeded in getting him to write about Oklahoma, but he always spoke about it in such accents as made one realize that everyone else was something of an outsider. That would especially include anyone raised and trained in the northeast section of the United States, which he treated during the many years he spent there as something of a colonizer—like Kissinger in Africa, determined to rescue the natives from barbarism. You will, perhaps, have noted that he failed.

You are graduating into a raucous season especially reserved for the politicians of America in which to peddle their nostrums. Most students pay very little attention to the promises of the politicians, and in this respect they are by and large more mature than their elders. It is widely taken as a sign of apathy that so few Americans participate at the polls. Although I understand the point, I wonder sometimes whether it isn't a sign of considerable sophistication. All too frequently it does not make a great deal of difference which candidate wins an election.

I do not share many opinions with Professor Galbraith but we do not disagree that Switzerland is probably the best-run republic in the world. And in Switzerland if you desire to know the name of the president you would have to approach a well-informed librarian. Nobody else knows his name. That is because it doesn't greatly matter who he is. The responsibilities of government are well defined and an omnipresent chief of state would be something of a presumption on the order of a cuckoo clock—which reminds one how dangerous it is to turn on the radio or the television during this season.

Here in America it sometimes seems as though everyone desires to become president and it has been observed time and again, after recent experiences, that it is well established that anyone can become president. The means by which a man becomes president, insofar as inevitably they will be of concern to you, is a subject on which I wish to say one word.

It is my opinion that the freedom to deceive is overindulged. In one of her exciting essays written a generation ago, Simone Weil remarked that Etienne Gilson's account of the history of ancient Greece was actually incorrect in respect to his description of the life of the helots. She went on to say that in a just and well-ordered world the book would be suppressed, that the author would be subject to a civil law suit—the plaintiff being the truth, which in Simone Weil's society would have legal standing.

Now this position is obviously something of a caricature but it is crankily instructed if you think about it in an age where freedom of expression has brought virtual immunity to those who deceive. Foremost among those who do so is a class; or, of course, the politicians. But in a society like ours in which there is also the freedom to criticize, the politicians would probably not get away with it except for the indulgence of the only class of citizens professionally trained to isolate untruth and to shoot—bang, bang—right down to earth. I mean the educated class. I mean your class.

I do not seek to codify this proposition by giving it statutory form. No Norman manifesto is about to be born. But I do suggest, as you graduate into the regulatory class, that you meditate more extensively than my generation has done, the simple consequences of the extraordinary immunity of the politicians from the bar of critical opinion. We are supposed to be terribly concerned over the dissimulations of our secret agents abroad, but at home we have come to accept with great complacency the rhetoric of those who, piping us down the road to serfdom, make the music of abundance and justice and joy.

It is perhaps the most frequently summoned jape at the expense of representative democracy to recount the story of the earnest legislator who sought one day late in the 30s to lighten the load of the school children of Indiana by introducing a bill that would trim down the value of pi from 3.1416 to a more manageable figure of 3. The response was instantaneous. It didn't come only from the mathematicians capable of handling calculus. It came from the entire social class who brought the fatuity down quickly to earth.

I am in Norman for only a few hours, returning tonight to the nerveless center of the cultural world, groaning under the weight of the greatest density of intellectuals per acre this side of Plato's Academy. But I have heard it asserted by two New Yorkers in the past hectic year that no respectable canon of redistributive justice asserts the beauty and residence of Detroit or West Virginia or Key West, let alone of Norman, to subsidize the costs of rapid transit in New York City. The governing superstition is that any dollar voted out of Washington, D.C., is spontaneously generated. Its corollary appears to be that a dollar is virtuously spent insofar as we elongate the distance between where it is collected and where it is deployed.

There is a great deal that we simply do not know, but there are some things that we do know and self-respect requires that we stimulate the social sanctions against that which is misleading, let alone preposterous. But Ralph Nader, the only social hero of our time, is obsessed by how many corn flakes are missing from the package sold at the grocery store while undisturbed by how many middles are undistributed in the speech of a typical politician of the left. The social success of freedom requires something of an extra ideological devotion, as Dr. Sharp was suggesting, to analystical rigor and the integrity of language. You will find, I think, as necessarily your minds focus on political problems, if only because political problems will focus a new course upon you, that even as the intellectual case against socialism becomes by experience and analysis firmer, the forms of socialism become paradoxically more and more binding. I find myself wondering whether the soupy indulgence shown by the majority of American intellectuals toward those who deceive in order to play out their ideological passions and seduce the favor of voters does not emerge less as an act of intellectual charity than of moral despair.

If freedom requires an alert class of truth watchers, but the designated class—your class—does not perform its duties, what happens to freedom? How can the delinquent class be persuaded to do its duties?

Indeed we are entitled to ask—what can we say with confidence about the future of freedom? Why is it so widely disdained? Why is the freedom of the marketplace so universally scorned? Is it not perhaps related to that unreason in which the politicians traffic again with the acquiescence of the intellectual class?

Perhaps Samuel Johnson went too far when he remarked 200 years ago that man is seldom so innocently engaged as when in pursuit of progress. But I confess to being much more shaken by the complementary suggestion made by Professor Galbraith that the free marketplace introduces mutual aggressiveness. Surely that, not Johnson's, is the climatic effrontery, the notion that this lack of aggressiveness to lay before the individual a choice whether of canned soups or of economic textbooks or of newspapers. The ethical case against the free marketplace retreats perhaps, but leaves us facing the entrenched positions of the critics of our society whose complaint is against dehumanization of Western arrangements as summarized by Professor Galbraith's haunting conclusion in his most recent book that "man has become the tool of his tools. ceasing to be an end in the value of himself," and reminding us that the search for young revolutionists is for the restoration of the individual as once again an end and value of himself.

I view the mechanization of the individual as the principle commitment of American secularists who have lost whole metaphysical arguments, leaving them with a philosophy of postulism to which they now conjoin with such great facility a kind of phenomenological opportunism leaving them without the philosophical framework from which to judge even the reasons, let alone the dimensions of freedom.

Professor Ross Terrill of Harvard University, author of the two most influential articles that have appeared in our time on the subject of Red China—articles read avidly by the President of the United States and all the newsmen who traveled with him to Peking four years ago—is to be sharply distinguished from the famous apologists of Stalin's Russia who made their way by simply denying the crimes imputed to Stalin during the 30s, 40s and 50s.

Terrill denies nothing. He doesn't disguise the description of life in China today—not for a minute. After informing us that in China there is no freedom to practice religion, nor to vote, nor to express oneself freely, nor to read books or periodicals one desires to read, nor to join labor unions, nor to change one's job, nor to travel to another city or another country, he says ingenuously, "People ask me, 'Is China free?'" He answesr that question with great difficulty. "It depends what you mean by freedom," he says. "Freedom is always defined with reference to the limitations of the relevant entity. In the United States it just happens to be the individual, in China it happens to be the whole state." And he illustrates. "Consider the writer Hua Mojo," he says. In the 30s Hua Mojo wrote books for a mere four or five or at most 8,000 people. Now he is required by the state to write books that will appeal to 20 or 30 or 50 million people. "Is that wrong?" the Harvard professor asks. Then, there is the researcher at Peking University whose affinity has been for abstract science, but who was recently directed to concentrate all of his time on pest control. "Is that wrong?" Professor Terrill asks once again.

I think we begin to understand the phenomenon, the ideologist egalitarianism that rushes in after practical diplomacy, such that Richard Nixon went to China to establish a dialogue with Mao Tse Tung, ended by likening Mao's revolution to George Washington's revolution, ended by proclaiming that we would have a long march together, as if to say that Mao, too, is entitled to his Via Dolorosa. Why should we not ecumenically share our own with him? Where is Vatican III? There is Mr. Nixon, seated next to Madame Mao Tse Tung, watching resignedly in the little chamber, anti-capitalist ballet become agitprop—a violation of art as well as of manners. It was as if he had invited the presidents of the black African republics to the White House, there to show them a ballet on the theme of little Black Sambo. And Mr. Nixon, returning to the United States, proclaimed at Andrews Air Force Base the great enthusiasm the Chinese people feel for their government. Indeed, the Chinese have done a great deal to show means of generating enthusiasm for their government and no doubt Mr. Nixon was professionally fascinated by it.

But we saw through him the movement of Western opinion which makes it so difficult to issue sharp, critical judgments. What really is so bad about Red China? Their ways are not our ways to be sure, but is it seriously proposed that we should be prepared to die if necessary in order to avoid living by their world rather than by our own which is in any case corrupt, racist, decadent and above all materialist?

The ongoing search in which you will participate for a new American revolution or even for the ratification of the revolution we experienced 200 years ago, that would restore meaning to the individual, is up against the most conspicuous and melancholy precedence of this century, the two great revolutions whose extirpative passion, however, proved to be the elimination of the individual. Indeed we note that the revolutionary radical of today pays only formalistic attention to the individual, preferring always to refer to the people. Indeed, mataphysical defenses of many are somehow just a little bit embarrassing, irrelevant. Even Whittaker Chambers, the ardent and lyrical counter-revolutionist, would make gentle, private scorn of the inflexible defenders of the individual—of the late Mr. Frank Meyer, for instance, whose implacable book "In Defense of Freedom" was current when the Republicans suffered their great congressional defeat of 1958. "If the Republican Party does not find a way to appeal to the mass of people," Chambers wrote at that time, "it will find itself voted into singularity. It will become then something like the little shop you see in the crowded parts of great cities in which no business is done or expected. You enter it and find an old man in the rear fingering for his own pleasure oddments of cloth, caring not at all if he sells any. As your eyes become accustomed to the gas light, you are only faintly surprised to discover that the old man is Frank Meyer."

I submit to you, ladies and gentlemen, that the critics of American society, if they are truly concerned about your survival as individuals, should focus on the needs of individuals—focus on those oddments of cloth by familiarity with which a few men and women know to hesitate not at all when someone asks the question, "Is it wrong for the state to tell the writer what to write? Is it wrong for the state to tell the scientist what to study?" Those few who do not hesitate will answer, "Yes, it is wrong. It was always wrong. It is now wrong and it will forever be wrong."

The old man with the oddment of cloth is fingering some of the great truths that have enabled us to penetrate the sophistries by which we are somehow persuaded that we can serve the individual by moving against that principle institution through which the individual asserts what freedom of movement the social architects have left him with. Or, that we can make a profitable beginning by a revolutionary renouncing of that religion which tells us in the words of Ecclesiastes that God has made man upright.

The subject is strangely and widely saddening as we meet here to celebrate your freedom to touch on the free market. In Russia the people crowd to the only free market left—it is, of course, the black market—and pay their 80 rubles, a month's wages, for a single novel by Solzhenitsyn. And there in Russia, whose rulers renounced the marketplace 60 years ago with a blaze of trumpets and a rain of bullets aimed righteously at the temples of teenage girls and a hemophiliac boy in a cellar of central Asia; there in Russia, 60 years after the advent of the socialism for which now Professor Galbraith preaches—there are old men and old women and young men and young women who transcribe by hand, not for profit, from Radio Liberty—risking prison by the very act of listining to it, the latest novel of Solzhenitsyn word after word, sentence after sentence, page after page, a process that takes them weeks and months to complete, resulting not in thousands, let alone millions, of copies, but in a few dozen or perhaps a few hundred the oddments of cloth. But is it worth it—worth everything to preserve those oddments which are the patrimony of your education at the University of Oklahoma, to make them available to those who are blessed with a thirst for them. And so the books of Solzhenitsyn accumulate, even as the disdain for the institutions of freedom diversely accumulate for an understanding of which paradox we find no help at all in Marx but considerable help in Jesus whose servant Paul observed that though our outward man perish, yet the inward man is renewed day by day.

THE THIRD CENTURY AND NATURAL RESOURCES

Mr. MOSS. Mr. President, a very thoughtful article by Louis B. Lundborg appeared in Saturday Review of July 10 entitled "Making a Living in the Third Century."

There are a host of needs awaiting us for our third century—replanting, rehabilitating, and reclaiming our land and water from misuse; recycling materials, and rebuilding and repairing public buildings, water systems and other public facilities.

There is much to be done, and it will take a combination of all of us—business, government, consumer, media and academe.

As Mr. Lundborg states, we cannot sustain our exponential rate of growth in industry gased on a finite supply of nonrenewable natural resources.

This article points up the need for a National Materials Policy and allows me to call attention to S. 3637, a bill which I have just introduced that will go a long way toward helping us make a living in the third century. I ask unanimous consent that the article be printed in the RECORD for the information of the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAKING A LIVING IN THE THIRD CENTURY

(By Louis B. Lundborg)

Have we Americans changed direction since our country's founding in 1776? If we have, are we satisfied with the change?

Finally, is there anything we can do to influence our national direction from here on?

If these questions are valid in the political, social, and cultural spheres, certainly they are valid in regard to how people make a living, where they produce things, and where they daily buy and sell. In this Bicentennial Year the whole skein of things we call economic activity should be examined. Certainly this economic area of our lives is full of more myths, more solemn truths that just are not true, then the tales of Baron Munchausen.

Most of my adult life, I have seen and heard businessmen go into a state of apoplexy over any trend or movement that they considered a threat to what they have called the American Way of Life or the American Free Enterprise System.

For example, I have always been quite sure that the basic reason for the violent reaction of conservative businessmen against the long hair and sloppy dress of the hippies a few years ago was that, consciously or unconsciously, they considered the hippies a threat to the production-consumption syndrome of our market economy.

Anyone might suppose, after listening to decades of these impassioned defense of our American system, that our economy had gone unchanged during the whole 200 years of our history. But the fact is that there has been hardly a generation without substantial and significant change. As a result, what we see around us today no more resembles what people were doing in 1776 than a Boeing 747 resembles an oxcart.

The most dramatic part of the change has come in the whole rationale of production and consumption, especially since World War II.

With the post-World War II miracle of production, it was not long before the postwar backlog of consumer demand had been caught up with, and yet the capacity to produce went right on climbing. To absorb the output, it became necessary to stimulate and create markets for more and more of everything.

In part, this was accomplished by bringing more and more people into the mainstream of the market who had never been there before—large minority segments of our own population at home and comparable blocs in the developing nations throughout the world. But to a great extent it involved developing a pattern of greater consumption among previous consumers. The manipulation of consumer demand involved pushing out new models of everything and discarding the old to make room for the new. It became a tremendously wasteful pattern—a fact that was not overlooked by those concerned with protecting the environment.

Before we proceed to project ourselves from this history into the third century, there is one other piece of the picture puzzle that needs to be put into place—the political interface with the economic realities. The political myths and misconceptions about the nature of our economy are myriad. We refer to our economy in various ways. We call it a free enterprise or a private enterprise or a capitalistic economy and society.

These labels obscure the truth. Our economy is not and never has been purely capitalistic or purely free enterprise or purely anything. It is and has been for a long time a mixed economy. Since the New Deal days of the early thirties, the power of the government over business has become broad and pervasive.

If we are to have any hope of containing government within manageable bounds, any hope of limiting the encroachment of government on individual freedom, it will be only by defining the proper role that government should play in the marketplace. The mix of government and business is vital to our future. And what is our future?

Obviously, no one can be precise in foreseeing and foretelling the events of a whole century. But it is not idle to try to identify some of the key ingredients that will interact and will shape and guide the directions of these next hundred years.

It will be an era of restrained industrial growth. We cannot sustain our exponential rate of growth in industry based on a finite supply of nonrenewable natural resources.

As a corollary, we shall have to face the fact that our brief venture into a throwaway economy was a short-range success and a longe-range mistake. Our pattern of junking useful things—of discarding such items as clothes, appliances, and cars just to make room for new annual models—never had a sound foundation in basic economics and will have to yield to a more sustainable mode.

It will again be socially acceptable, as it has been many times in our history—including in wartime but also in most peaceful periods up to World War II—to repair, maintain, and even patch things that have some useful life in them.

The investment world will have to develop new criteria for selecting stocks and for evaluating performance other than the "growthmanship" standard that has prevailed for the past decade or two.

We, like the other industrialized nations of the world, will no longer be able to take the natural resources of the world for granted and assume that our access to them is only a matter of reasonable negotiation. The OPEC role in the Mideast-oil scenario will be replayed many times in other parts of the world and with other scarce materials as the prize.

Either we work out international agreements and international machinery to deal with the problem equitably, or we can expect to see cartels, worldwide tensions, threats, and confrontations, always with the overhanging danger that someone will want to resort to military intervention. Even our own Secretary of State allowed the words "military intervention" to enter into the Middle East oil discussions.

Whichever scenario is played, the action will include a sizable transfer of wealth from the northern to the southern hemisphere and a corresponding shift of a part of the economic, as well as of the political, balance of power.

In spite of growing nationalism, the multinational corporation will play an increasing role on the world's economic stage; and because the managers of those multinational corporations will have to learn to live with and respect the differing national interests, the multinational corporation may become one of the most potent forces for world peace and order.

The slowing rate of industrial growth will flatten, even shrink, the number of jobs in industry. This will call for further acceleration of the shift to the service industries. There will be the growing need for repair and maintenance that I have mentioned; but there is a host of other needs waiting to be filled, and most of them are what we call labor-intensive. The replanting and rehabilitation of our abused forests, the restoration of our soil, the recycling of materials, the reclaiming of polluted water bodies—these are only a few examples. The roadbeds of our railroads have got into such rough condition that a friend of mine speaks facetiously of freight cars being derailed while standing still.

While the shifting, retraining, and retooling involved in moving the excess workers from factory jobs into the new service jobs will at first be painful and cause some dislocation, the final result can be much more satisfying jobs. The skills required for repair, maintenance, and rehabilitation can be higher skills and the new jobs more rewarding than many of those on the assembly line they will replace.

There is a world of cultural and recreational pursuits to be developed; and if that sounds trivial or superficial, we should remember that most of what we produce now in industry is no more essential to survival than is back-packing, bird-watching, or playing the piano. We are only talking about a shift from one kind of use of discretionary time and money to another.

There are signs on the horizon that the American buying public may be ready for some of these changes. A recent survey by the Louis Harris Organization showed that the American public may be turning its back on a life-style that is based so heavily on material consumption. An overwhelming majority reported a lack of interest in having new annual models of cars and appliances, in changing clothing fashions every year, in discarding clothes before they wear out.

There was a positive expression of more interest in quality than in quantity, a desire to have things made better and made to last longer; but there was an equally vocal deploring of the wastefulness of our consumption.

These were not spokesmen of any conservation or ecology group testifying; this was a cross-section sampling of the American public.

So we can reasonably assume that the majority of Americans would view without much alarm the kind of future I have been sketching.

But that does not mean that the transition will be made smoothly and easily. There are many possible roadblocks and booby traps. We will survive them better if we face them realistically. Even better than that, we should use this period to do something more affirmative and positive; we must sort out what is important and work for it as a positive value.

So what are the important values that we should strive to keep as ingredients in any mix that may evolve?

The first I would name as a continuing national objective is maintaining the vigor of the private sector—keeping private initiative as dominant, as central, as we humanly can in the whole process of making things and selling things and providing jobs for people. There is going to be an inescapable role for government, both nationally and internationally, in the control of scarce raw materials; and there is going to be a natural tendency to turn to government to do everything else whenever the going gets rough—to provide all the jobs for the displaced and to take over and operate enterprises that seem to be faltering. We already have plenty of evidence here in the United States that there is no magic in government—that it still is an institution run by human beings and subject to human fallibility; and we have overwhelming evidence in other countries that when government gains enough power, it is hard, if not impossible, to appeal to that power when the power is scattered among private hands. So with all its warts and imperfections, we should keep private initiative vigorous and keep government in its proper role of rule maker and regulator.

In this third century, when jobs and places of work may be jolted and dislocated, it should be a national goal that everyone who is physically able should be encouraged and helped to be self-sufficient through gainful work, rather than kept in idleness. This may sound like the Puritan work ethic, but it is more nearly the Buddhist ethic. We have done a cruel, inhuman thing: we have pauperized people by maintaining them, generation after generation, on welfare rolls instead of putting our national stress on restoring those people to self-sufficiency.

This is something we should have addressed ourselves to long ago, in our second century; but it becomes much more critical, more imperative, in our third century because then it will not be a fringe issue but a central one.

Let me try to sum up what all this means—what it adds up to for each of us:

If we accept the thesis that the need in our third century will be to attempt to make this a more humane world for human beings to inhabit, there is much that needs to be done; and because it involves some reshaping of values in areas where there has been wide disagreement, there will have to be much consultation between people who have not been in the habit of conferring with one another.

There needs to be much broader consensus on quality of life as the guiding goal of national policy, in which production and consumption may be important, yet secondary. This means getting away from myths and looking at the world as it is; and it also includes recognizing that we must move toward a more restrained pattern of industrial growth.

If we are to do this successfully, without losing our basic freedoms, we must be constantly watchful and guard against the danger that overexpansion of government will destroy the vigor of private initiative.

It is not an easy course to steer, especially since it is not anything that can be done by a handful of people. We are all in this big boat together. The business community has tended to view itself as something apart, something walled off from the society as a whole, and the business community should not be surprised if the rest of the community has picked up the feelings and reacted with some suspicion and hostility.

The fact is that we are all tremendously dependent on one another.

Business, government, the consumer, the media, academe—we are all interdependent. It is time to stop throwing rocks at one another; to stop using cliché epithets to describe others; to recognize that for all the special interests that divide us, there are more common interests that should unite us; and to recognize that there is much to be done, and time is running.

BUREAUCRATIC ABSURDITIES AND CITIZEN HARASSMENT

Mr. HELMS. Mr. President, I do not need to remind my colleagues of the rising complaint of the citizenry over ever-increasing harassment by Federal bureaucrats. This harassment often is coupled with an arrogant attitude on the part of many bureaucrats that we are doing this for your own good because we know what is right—we know what is better.

But rather than wisdom from the bureaucracy, what we are seeing is a plethora of absuridities. One of the more notable examples of that ever-so-easy transition from the sublime to the ridiculous was the recent bureaucratic opinion meant to lead to the banning of father-son, mother-daughter affairs at public schools on the phony grounds of sex discrimination. Yet this is only one small example, which just happened to gain notoriety in the national media. Daily, there are hundreds of other bureaucratic puerilities inflicted on the people of this country in the name of "safety," or "equal rights," or whatever euphemism is the latest rationalizing shibboleth.

Occasionally, there is an effort to correct these abuses, to create rational standards, and to foster uniformity. One such effort began approximately 3 years ago. The Equal Employment Opportunity Coordinating Council was established for the purpose of creating uniform guidelines in the area of employment discrimination, especially pertaining to testing and examinations given to prospective employees. The EEO Coordinating Council is composed of representatives from the Department of Labor, the Department of Justice, the Civil Service Commission, the Civil Rights Commission, and the Equal Employment Opportunity Commission.

For 3 long years, Mr. President, these various Federal departments and agencies have endeavored to establish uniform guidelines. But these bureaucrats, these experts, who claim to know so much more than the rest of us, cannot agree among themselves what the guidelines should be. And, as might be expected, it is none other than the so-called Equal Employment Opportunity Commission, an incompetent and unmanaged—in fact unmanageable agency—with a backlog of 100,000 cases, that is the holdout. The EEOC refuses to accept guidelines developed by the other four agencies that at least have some semblance of sanity. Not only have the EEOC bureaucrats rejected the consensus recommendation of the other four agencies, they have even refused to suggest alternatives, or show any spirit of compromise and flexibility. The EEOC is determined to stay with its present guidelines, guidelines which are notoriously vague, expensive to administer and apply, and, speaking bluntly, contain a certain element of vengeful nastiness.

One example of the EEOC attitude is contained in the present EEOC guidelines which require the employer to prove that there are no suitable alternative testing procedures available which have a lesser adverse impact on the preferred minority. These guidelines not only present the impossible task of proving a negative, but even require an employer to set aside a study on which he may have spent hundreds of thousands, or even millions of dollars, if someone should discover a selection standard—which may not even have been validated—which has a lower adverse impact.

The uniform guidelines offer what all reasonable men, except for vengeful ideologues, would consider fair and just. They provide that while a person is conducting a study of the validity of an examination standard, he should search for procedures which have as little adverse impact on minorities as possible, but once the legitimacy of his testing standard, and its validity, has been demonstrated, he may continue to use the procedure, regardless of adverse impact.

The present lack of reasonable and uniform guidelines has led David L. Rose, the Department of Justice Staff Representative to the EEO Coordinating Council, to comment:

> It is little wonder, therefore, that there has been little effort by industry or state or local government voluntarily to comply with the EEOC guidelines.

A fine citizen of Raleigh, N.C., Mr. J. Franklin Krieger, president of Capital Associated Industries, Inc., stated the problem succinctly:

> The inconsistencies and lack of uniform guidelines have been a serious problem for industry ever since the acts became effective. The uniform guideline is the first ray of hope for some relief in eliminating the conflicting confusion which now exists.

Yet this first ray of hope is being blotted out by the obdurateness of EEOC bureaucrats.

Mr. President, frivolous employment discrimination charges may be of little concern to some people because of the assumption that only business is being harassed. Unfortunately, some people are not very concerned about the welfare of business. The fact is that the endless harassment of employers by the EEOC has a tendency to cause employers to retain incompetent employees because employers fear the possible hassle resulting from such dismissals. And this development does nothing less than threaten the lives and safety of our citizens.

I cite a recent example that occurred in the Presbyterian Hospital of Charlotte, N.C., wherein an obviously incompetent practical nurse, fired for demonstrable incompetence that was literally jeopardizing the lives of the patients, filed a discrimination charge. I will ask that the facts of this situation, as set out in a letter from the hospital attorneys be printed in the RECORD at the end of my comments.

Mr. President, what happens if the Presbyterian Hospital, or any other, fatigued and intimidated by frivolous discrimination charges, becomes lax in dismissing incompetent minority employees? What if someone dies as a result? This year we hear much of love, and compassion, and justice in Government, as if certain persons have a monopoly on these virtues. Where is the love, and compassion, and simple justice for the patient who dies because an overzealous ideologue encouraged the retention of incompetent medical personnel?

Are love and compassion and simple justice reserved only for certain preferred groups? We hear about how Government leaders should emphasize with the pains of the people. Whose pains? What about the pain of a businessman who sees his whole life's work being gradually eroded away because of the never-ending burdens imposed on him by this Congress? Or are his pains not in vogue now? It seems that some people are developing a very selective sense of compassion, justice, and fair play which casts grave doubt on whether those who talk about compassion, justice, and fair play really mean what they say.

Mr. President, I ask unanimous consent that the letter from Mr. Morrision Johnston to Mr. Byron Bullard of the Presbyterian Hospital, and a relevant memorandum to the Deputy Attorney General from David L. Rose, staff representative to EEO Coordinating Council and Chief, Employment Section of the Civil Rights Division be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MILLER, CREASY, JOHNSTON & ALLISON,
Charlotte, N.C., May 5, 1976.
MR. BYRON BULLARD,
Presbyterian Hospital, P.O. Box 10157,
Charlotte, N.C.

In Re: EEOC—Lula B. Miller.

DEAR BYRON: For your use in submitting a report to Congress, I would like to outline the relevant facts of this case. The facts are as stated hereinafter:

The charging party, Lula Bell Miller, had been an employee of the Hospital for many years. She originally was employed as Nursing Assistant and in keeping with the Hospital's program of up-grading its employees, she took courses leading to a degree as a practical nurse. As I understand the matter, when a Graduate Practical Nurse passes her State Boards she is then a Licensed Practical Nurse or LPN.

Ms. Miller failed to pass the State Boards on her first attempt; therefore she was classified as a GPN. As such she was not authorized to give medication, except under supervision of another nurse. It became obvious to her supervisors that she had difficulty in comprehending the proper disbursement of medication, including the administration of I–V fluids. As a result, she was switched to a floor where there would not be as much pressure on her to administer medication. She continued to experience difficulty in medication areas and the Head of Nursing suggested to her that she agree to be reclassified as a Nursing Technician (a level in between the Nursing Aid and GPN) and then attempt to improve her skills so that she could qualify as a GPN or LPN. She advised the Head of Nursing that she was not interested in taking a lesser position, that she had gone to school in order to be a GPN or LPN and she would not consent to a reduced position. Consequently, because of even additional problems after that and her inability to cope with the proper administration of medication, she was discharged on July 26, 1973.

Following her termination the Hospital authorities received at least two requests for recommendations from other institutions on Ms. Miller. Since her discharge had involved questions of health and safety for the patients, it was felt necessary and appropriate to advise the inquiring parties that she had been discharged because of her inability to properly administer medication.

On November 11, 1974 Ms. Miller filed her complaint with EEOC alleging retaliation by the Hospital by furnishing negative references to prospective employees.

On March 9, 1976 Ms. Sadie Pye investigated the charge on behalf of EEOC. After a preliminary investigation, she advised the Hospital officials that she was confident the Hospital had in fact discriminated against Ms. Miller. She based this conclusion on the fact that there were white employees who had more medication error slips in their files than Ms. Miller, and also because the Hospital had given some whites a "second chance" by allowing them to take a pharmacy course and in Ms. Miller's case, the course was not offered to her.

When it was pointed out to Ms. Pye that there were also some blacks who had more medication error slips in their files than Ms. Miller and that there were also some blacks who had been given a similar "second chance" with the explanation that it is a subjective opinion to be made on the basis of professional experience whether a person can be properly trained through additional instruction and guidance and that the decision here had been made on a non-discriminatory basis that Ms. Miller did not possess the aptitude for this function, Ms. Miller stated that such facts were not relevant. She made it very clear that her function was to compare how she was treated against how other whites were treated without considering treatment to similarly situated blacks.

Based on her conclusion that there had clearly been discrimination against Ms. Miller, she recommended that the Hospital enter into a predetermination settlement which would provide Ms. Miller with a back pay award. She made it very clear that if the Hospital did not enter into such an agreement, she would issue a report concluding that there had been a discriminatory act and she would expand her finding to a class action.

At the present time, we are attempting to learn from Ms. Pye the alleged discriminatory reference given on behalf of Ms. Miller since the charge was filed for such a long period after her termination.

If you need any additional facts, please advise.

Yours truly,
Miller, Creasy, Johnston, & Allison.
H. Morrison Johnston.

Memorandum for the Deputy Attorney General

RE: SELECTION GUIDELINES

Pursuant to your request, I am setting forth a summary of the major differences between the proposed Uniform Guidelines on Employee Selection Procedures approved by the staff representatives of Labor, Justice and Civil Service (hereafter "Uniform Guidelines") and the EEOC Guidelines on Employee Selection Procedures (29 CFR 160) (1970) (hereafter "EEOC Guidelines"). Because the differences are numerous and the issues are complex, a full explanation would require a great many pages. I will attempt to summarize in this paper the major differences as I see them.

1. *Definitions of Adverse Impact, and the Bottom Line Concept.* The use of an employee selection procedure is unlawful under Federal equal employment opportunity law only if it has a disproportionately adverse impact on a racial, ethnic, or sex group and has not been shown to be a valid predictor of successful job performance. *Griggs v. Duke Power, Co.*, 401 U.S. 424; *Albemarle Paper Co., v. Moody*, 422, U.S. 405.

Unless adverse impact is shown on grounds of race, etc., there is no need under Federal law for conducting a valid study. The EEOC Guidelines do not define adverse impact, but are written in a way which suggests that any selection procedure which has any adverse effect on a particular group is unlawful, unless validated. By contrast, the Uniform Guidelines define adverse impact in terms of the whole selection process (rather than its individual components); provide a four-fifths rule of thumb for guidance as to what adverse impact is significant (i.e., a selection process which selects minorities at 50% or more of the rate at which majorities are selected does not have an adverse impact), and directs government agencies to recognize overall progress made by an employer or other user in determining whether to prosecute. The Uniform Guidelines thus direct Federal enforcement resources to those practices which have significant impact, and where Federal effort is warranted, whereas the EEOC Guidelines require validation for virtually every selection procedure used by any employer since almost all have some adverse impact on some racial, ethnic or sex group.

2. *Coverage.* The EEOC Guidelines call for validation of every selection procedure which has an adverse impact—even such matters as background investigations, prior experience, etc. The Uniform Guidelines recognize that there are procedures and circumstances for which it is not feasible or appropriate to utilize the validation techniques contemplated by the guidelines. Similarly, the staff representatives of Labor, Justice and Civil Service Commission are in agreement that a bona fide seniority system may be used for promotion, assignment, transfers and demotion without a validity study (see § 703(h) of Title VII, 42 U.S.C. 200e–2(h), and recent Supreme Court decision in *Frank v. Bowman*) and would recommend that any guidelines so state.

3. *Parity of Validation Strategies.* The present EEOC Guidelines state a preference for criterion-related validity studies, and only permit evidence of content or construct validity of criterion-related studies are infeasible. Criterion-related studies typically take much longer and cost much more than content validity studies. The Uniform Guidelines place three strategies on a par, depending upon the nature of the test or other selection procedure and the setting.

4. *Clarity and Explicitness.* The EEOC Guidelines are somewhat shorter, but they are in many respects unclear and vague, subject to many interpretations. While these things depend in part on the eye of the beholder, I believe that the Uniform Guidelines generally provide more clarity and explicitness and therefore more guidance to the user.

5. *Consistency with the Standards of the Profession.* Since publication of the EEOC Guidelines in 1970, we have had the benefit of six years additional experience and professional standards (the American Psychological Association "Standards" were published in 1974; the earlier version to which the EEOC "Guidelines" refer was published in 1966). Moreover, the Uniform Guidelines have been the subject of informal hearings and extensive comments filed by industry, state and local government, psychologists and civil rights groups; whereas the EEOC Guidelines were published without hearing and without opportunity for comment. While this, too, may depend upon the eye of the beholder, I believe that most psychologists would agree that the Uniform Guidelines are closer to the standards generally accepted in the psychological profession than the EEOC Guidelines.

6. *Transportability.* Even where the validity of a test for a particular job has been shown, the EEOC Guidelines require, as a practical matter, that another user validate the test over again for the same job. The Uniform Guidelines encourage cooperative validity studies and an employer to rely upon the weight of evidence developed elsewhere, if the job and the kind of work force are the same.

CURRENT DEVELOPMENTS

7. *Search for Alternatives.* Even where validity has been shown in a study by the employer for a job, the EEOC Guidelines require the employer to prove that there are no suitable alternative procedures available which have a lesser adverse impact. The Supreme Court appears to have rejected the concept that such a burden is on the employer. *Albermarle Paper Co. v. Moody, supra.* Regardless of where the burden lies, however the EEOC Guidelines appear to oblige an employer to set aside a study on which he may have spent hundreds of thousands of dollars if anyone calls to his attention a selection standard (which may not even have been validated) which has a lower adverse impact. It is little wonder, therefore, that there has been little effort by industry or state or local governments voluntarily to comply with the EEOC Guidelines. The Uniform Guidelines provide that while a person is conducting a validity study he should search for procedures which have as little adverse impact as possible, but once that search has been made and validity has been studied and shown, he may continue to use the procedure until such time as the new study is required, or until he is shown a procedure with less adverse impact and with at least equal validity.

As you may recall, EEOC has not taken a formal position except to reject last Fall the 9/24/75 draft Uniform Guidelines which its staff representatives had recommended. A draft was prepared by its General Counsel in February which moved forward on the Uniform Guidelines on the parity issue (#3 above), but otherwise adhered largely to the present EEOC Guidelines. The Commission has not acted upon that draft in over six weeks; even to present it as a basis for negotiation. Indeed Chairman Perry has stated his opinion that the Commission is presently inclined to stay with its 1970 guidelines.

The only argument openly made by EEOC in favor of staying with this present (1970) Guidelines is that they have been approved by the Court, and that therefore they should not be changed. But the courts have approved the guidelines as representing the Government's best judgment as to what is called for by the standards of the psychological profession in the highly technical and complex field of test validation. And the function of guidelines should be to provide guidance to those who wish to bring themselves into compliance with the law.

An unstated or covertly stated reason may underlie the apparent EEOC refusal to modify its present guidelines. Under the present EEOC guidelines, few employers are able to show the validity of *any* of their selection procedures, and the risk of their being held unlawful is high. Since not only tests, but all other procedures must be validated, the thrust of the present guidelines is to place almost all test users in a posture of noncompliance; to give great discretion to enforcement personnel to determine who should be prosecuted; and to set aside objective selection procedures in favor of numerical hiring

The major difference then between the EEOC Guidelines and the Uniform Guidelines can be summarized as follows: The EEOC Guidelines require validation of virtually all selection procedures and make it difficult for any employer or other user to show that any objective selection procedure is in fact valid. The Uniform Guidelines, while adhering to Federal Law as developed by the Supreme Court and other appellate courts and the standards of the psychological profession, provide some definitive standards which enable those employers and other users who wish to do so to bring themselves into compliance with Federal law.

David L. Rose,
Staff Representative to EEO Coordinating Council and Chief, Employment Section Civil Rights Division.

THE CONTROL OF NUCLEAR PROLIFERATION

Mr. SYMINGTON. Mr. President, I would comment on the new section of the Foreign Assistance Act, section 669. This section is designed to control and reduce the proliferation of materials which could be used by any country to produce nuclear weapons.

The section was adopted unanimously by the Foreign Relations Committee. It would deny U.S. economic and military assistance to any nation which either delivers or receives nuclear enrichment or reprocessing equipment without certain safeguards.

The acquisition of such equipment could well signify a desire to develop nuclear weapons; therefore the trade in such equipment must if possible be controlled.

We believe section 669 provides a step toward such control.

If any country decides upon such a dangerous and costly effort, the United States should not help to underwrite that effort, directly or indirectly.

Mr. President, I ask unanimous consent that the language of section 669 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

NUCLEAR TRANSFERS

Sec. 305. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 669. Nuclear Transfers.—No funds authorized or appropriated under this Act, the Arms Export Control Act, or any other Act (other than title II of the Agricultural Trade Development and Assistance Act of 1954 for disasters, famine, or other urgent or extraordinary relief requirements) may be used for the purpose of—

"(1) providing economic assistance;

"(2) providing military or security supporting assistance or grant military education and training; or

"(3) extending military credits or making guarantees;

to any country which—

"(A) delivers nuclear reprocessing or enrichment equipment, materials, or technology to any other country; or

"(B) receives such equipment, materials, or technology from any other country; unless before such delivery—

"(i) the supplying country and receiving country have reached agreement to place all such equipment, materials, and technology, upon delivery, under multilateral auspices and management when available; and

"(ii) the recipient country has entered into an agreement with the International Atomic Energy Agency to place all such equipment, materials, technology, and all nuclear fuel and facilities in such country under the safeguards system of such Agency.".

Mr. SYMINGTON. Mr. President, as the result of the work of the Committee on Armed Services, Foreign Relations, and the Joint Committee on Atomic Energy, on all of which I serve, it is clear that the most serious problem the world faces today is that of nuclear proliferation.

As illustration, the world's stockpile of nuclear weapons has grown to where it contains the destructive capability of some 1 million, 300 thousand Hiroshima bombs. That bomb, we know, killed 85,000 people.

One plane can now carry an explosive force surpassing that of all the bombs dropped in World War II, the Korean war, and the wars in Cambodia, Laos, and Vietnam.

Apparently the talks between the United States and the Soviet Union have stalled; and both sides are now moving to develop newer and more powerful weapons.

Regardless of the outcome of talks between the two so-called superpowers, however, a growing number of countries, through ordinary commercial channels, are obtaining the capacity to produce nuclear weapons.

Whereas formerly there were only two countries which possessed nuclear weapons, today there are at least seven; and the number is growing steadily.

Five scientific experts, headed by Dr. George Kistiakowsky, chief scientific advisor to President Eisenhower, stated recently:

> Nuclear war in some form is likely before the end of this century, and will probably occur as the direct result of a proliferation of nuclear powers and weaponry.

It may be too late to control this dangerous development, one which began as an atoms for peace plan, but now appears to have turned into an atoms for possible war plan.

Adoption of section 669 on nuclear transfers, as part of the overall security assistance measure now before us, would demonstrate to the rest of the world that United States gives highest priority to the control of nuclear proliferation, and is ready to demonstrate that belief in practical fashion.

I ask unanimous consent that the description of this section contained in the Foreign Relations Committee report on S. 3439, pages 51–53, be included in the Record at this point.

Report of the Committee on Foreign Relations United States Senate on S. 3439

TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961 AND THE FOREIGN MILITARY SALES ACT, AND FOR OTHER PURPOSES

Section 669. Nuclear Transfers

The purpose of Section 669 is to require the termination of economic assistance, military assistance, security supporting assistance, grant military education and training, and military credits or guarantees to any country supplying or receiving nuclear enrichment or reprocessing equipment, materials and technology, unless:

(1) the supplier and recipient agree to place transferred equipment, materials and technology under multilateral auspices and management, when available, to avoid control by the recipient nation alone, and

(2) the recipient agrees to International Atomic Energy Agency (IAEA) safeguards on everything transferred and on all nuclear fuel and facilities.

Upon the motion of Senator Humphrey, the total termination of economic assistance is qualified to allow the continued provision of assistance under Title II of the Agriculture Adjustment Assistance Act in the event of natural disasters or to meet other urgent relief requirements.

By adopting this section, the Committee intends to discourage inadequately controlled and safeguarded arrangements which could give a nation without nuclear weapons uncontrolled access to nuclear enrichment or reprocessing—key elements in the development of nuclear weapons. The Committee intends also that the legislation will further the fullest possible application of IAEA safeguards, which are particularly important in instances involving the transfer of reprocessing and enrichment equipment.

Accordingly, the Committee concludes that it is both reasonable and prudent to seek the application of IAEA safeguards on all the reprocessing materials, equipment and technology transferred as well as to all nuclear fuel and facilities in the receiving country. A purchaser of fuel and enrichment equipment, materials and technology who agreed to these full safeguard would be subjected to the most thorough scrutiny and oversight that the IAEA is capable of providing.

The concepts of a multilateral approach to reprocessing and enrichment and of full safeguards was widely supported in hearings held last year and this year by the Subcommittee on Arms Control, International Organizations and Security Agreements, chaired by Senator Symington. The Committee believes that the goals of this section are consistent with the policy objectives of the executive branch. If properly implemented this section would reinforce Executive Branch efforts to impress upon other governments the United States' desire to control the dangerous spread of nuclear enrichment and reprocessing material. The Committee believes that the consequences of proliferation are so serious that the United States should be willing to impose penalties upon nations proceeding on a possible course to nuclear weapons without taking the reassuring steps this section is designed to promote.

As Senator Symington, the sponsor of this amendment, noted, "In effect, this amendment says to other nations, if you wish to take the dangerous and costly steps necessary to achieve a nuclear weapons option, you cannot expect the United States to help underwrite that effort indirectly or directly."

Since no multilateral auspices and management exist at present, the Members agreed, upon the motion of Senator Javits, that such arrangements should be required "when available." The Members anticipate that there may be attempts to create international and regional auspices and management which could be utilized in transfers. It is the intent of the legislation to bind supplier and recipient nations to avail themselves of any appropriate auspices and management and, when such are not available, to make a strong effort, in good faith, to create multilateral auspices and management. It is recognized, however, that the absence of any appropriate multilateral auspices and management, despite good faith efforts to create them, would not invoke the termination of assistance.

If there is no existing appropriate means and the supplier and the recipient attempt to create, on their own, the called-for auspices and management, the resulting arrangement should involve fully both principals, as well as providing for full participation in direction and management by other parties. The supplier should take pains to avoid agreement to an essentially uncontrolled arrangement with the form, but not the substance, of multilateral involvement.

The Committee expects further that the executive branch will do its utmost to encourage a multilateral approach to enrichment and reprocessing and that the executive branch will work diligently to plan for and assist in the creation of appropriate auspices and management.

WHITHER AMERICA?

Mr. GOLDWATER. Mr. President, at this point in the history of our country there are many issues of extreme importance to the security and well-being of the American people which are not receiving sufficient public attention. And I hasten to emphasize that, unfortunately, many of them went unnoticed at the recent Democratic National Convention.

My reference here is to question such as why we have practically dismantled our selective service system, when we might easily be forced through emergency to depend once again on the military draft to supply our needs for military manpower. In the same connection there is a question of why this country is so reluctant to face up to the need for civil defense planning and implementation comparable to that currently going on in the Soviet Union. And why have we dismantled the single operational antiballistic missile base which was designed for defense at great cost to the American people.

It almost seems Mr. President, that some of our leaders have concluded either that war will never erupt again or that if it does it will be relatively mild and not an occurrence of unimaginable violence.

Mr. President, one of this Nation's leading experts on military and defense matters has raised these and other questions in an article published in the New York Times of May 16, 1976. He is former Gen. Matthew B. Ridgway, who served as supreme commander of allied powers in both Europe and the Far East and who served as Army Chief of Staff from 1953 to 1955. I ask unanimous consent that this article entitled "Whither America?" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Whither America?

(By Matthew B. Ridgway)

Pittsburgh.—Behind all the rhetoric of our current political perplexities there stand in stark outline some national issues scarcely mentioned, much less seriously debated.

Why have we practically dismantled Selective Service for the will-o-the-wisp of a "volunteer" military shield, inadequate to meet the demands that overnight can be made upon it by reason of our treaty commitments to more than forty governments?

Could we afford the months of delay in starting up the machinery for meeting the critical need for replacements after the small core of our volunteer forces have had the heavy casualties, they would inevitably suffer at the outset of war today?

Why have we insisted on the admission of women to our service academies when the sole, essential and proved purpose of those academies is to produce combat leaders, and when our laws prohibit the use of women in combat?

Why do we insist on involuntary separation from the armed services of many hundreds, if not thousands, of trained officers who would be so critically needed in a national emergency?

Why have we ceased to develop our embryonic base on Diego Garcia when the world situation so imperatively indicates our possible need for it?

Why have we dismantled the single operational anti-ballistic missile base we had built at such great cost?

Why do large segments of our people continue to seek to disarm law-abiding citizens, on the false theory that this will materially lower our crime rate?

Why, in the face of known and ever-increasing relative strength of the military capabilities of the Soviet Union in conventional warfare forces, do many in our Congress and among our people clamor for major cuts in Defense Department spending?

Why do we tolerate continued huge budget deficits, when collapse of our economy could be a severe, if not a crippling, blow to our country?

Why are we so reluctant to face the need for rational Civil Defense planning and implementation, the need for which so many thoughtful and concerned Americans, including the commander in chief of the American Legion, have clearly and forcefully explained?

Do we imagine that war will not again erupt? That if it does it will be anything like the relatively mild horrors of past conflicts—and not an occurrence of unimaginable violence? Do we believe that human nature has so changed that power-hungry expansionists will cease trying to subvert the governments of the Western free world, or, if the chance of success seems to them to be high, that they will not attempt by force to take over the world's greatest treasury of material and human resources, of technological and managerial competence, of skilled labor, and of food-producing capabilities? Do we soberly think we shall indefinitely escape an attempt by aggressive predator powers to plunder this unexcelled wealth?

Or, lulled into complacency and apathy, are we content to accept the risks—already on the threshold of a national menace to our survival, as the former Defense Secretary James R. Schlesinger has publicly stated—too reluctant to plan, too irresolute to act, too unwilling to accept the sacrifices that the situation demands, sacrifices that can only greatly increase in severity the longer they are postponed?

The answers to these and to other key questions can be fateful. Do we have the moral courage to choose and to implement the right ones? Or will our adversaries answer them?

The world will know shortly. Our Bicentennial elections next November will be among the most critical in our history. Both political parties must find the will and toughness of mind to choose all of their candidates with particular care. Events and the future of the Western civilization demand, in this our 200th year, that our citizenry put forth the very best that is in us.

Candidates are no better or worse than those who choose and elect them, and therein lies the answers to what we are to become.

ALCOHOLISM EDUCATION

Mr. MOSS. Mr. President, the effects of alcoholism, the third leading cause of death behind heart disease and cancer, are well known. However, despite the great deal of publicity this disease has received it is still the most neglected health problem we have. As a result, it is a saddening and very disappointing when we realize the number of people who suffer from this illness is increasing.

Since February 1972, the cottage meeting program, an experimental program in alcoholism education, has been operating in Salt Lake City, Utah. From its inception this program has utilized specially trained volunteers to provide education about alcoholism to small groups of people who have gathered together in homes, clubs, churches, and places of business.

Because education efforts with large groups and mass meetings have proved generally ineffective, the cottage meeting program breaks with normal alcoholism education methods by concentrating on small groups. As a result, the cottage meeting program is providing a new direction in the prevention and the early treatment of alcoholism by allowing people, in a small group setting, to discuss various aspects of alcoholism, how to recognize it, how to prevent it, and how to treat it.

The goal of the cottage meeting program has been the entire community, and not just those who are personally affected by alcoholism. To date it is estimated that the total impact in the Salt Lake City area has been 60,912 people.

I ask unanimous consent that a series of articles which appeared in the Murray, Utah, Eagle-Advertiser which describes this highly succesful program be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Battle Against Alcoholism Being Won

(By Jan Dowse)

Holladay.—"Our volunteers come from all walks of life, any age, any background. We have students, we have retired people, laborers, business people.

You name it, and we have a representative."

These are the words of Jim Turner, director of the Holladay Cottage, 2251 E. Murray-Holladay Road.

The Cottage program has the approval of many leaders in the field of alcoholism as a program having the potential to really do something about America's number one health and social problem, alcoholism. The program uses trained volunteers to deliver to other people the skills which reduce and contain alcoholism.

There are three Cottage centers in the Salt Lake valley, with the program rapidly expanding on a nationwide basis. The Salt Lake centers are sponsoring a weekend volunteer training session beginning tomorrow (Friday) evening and continuing during the day on Saturday, plus Sunday afternoon. The session will be held at the Foothill Cottage, 1615 Foothill Dr. The public is being invited to attend the meetings.

According to Bud Magleby, chairman of the Cottage program's six-member Concerned Citizens Council, it is being proven daily that the Cottage program works.

Barbara Reinartz, another Cottage volunteer, explained, "We come to you. That's what the Cottage is all about. We go into the homes, the schools and the churches. This (alcoholism) is a real family illness. We try to reach the people around the alcoholic."

According to the Cottage program's "red book," a booklet prepared by the Cottage, "The rise in the disease of alcoholism in the United States has reached devastating proportions and is increasing today at an alarming rate."

The "red book" continues to explain that alcoholism ranks with cancer, mental illness and heart disease as a major threat to the nation's health. About 57 percent of adults and 42 percent of youth are regular (at least once per month) consumers of alcohol. Of these, there may be as many as 10 million suffering from the disease of alcoholism.

The total cost to the nation is 25 billion dollars a year due to absenteeism, health and welfare services, property damage and medical expense.

"Education, early detection and community treatment facilities are the greatest forces operating today for the prevention, control and reduction of alcoholism," according to Bernie Boswell, originator of the Cottage program.

"The Cottage program saves the taxpayer dollars," emphasized Turner. "We use volunteers, people acting as people, not professionals. Of course, we need professionals in the field too, but Cottage meetings can be delivered effectively by the layman. We come to people in the privacy of their own homes. The only cost is a little time and an open mind."

Area residents interested in learning more about the Cottage program or in attending one of the weekend volunteer training sessions may contact one of the Cottage centers. The Holladay Cottage may be reached by calling 272–5246. The Foothill Cottage is 583–3399 and the Central Cottage is 532–6815.

SERVICES TO ALCOHOLIC, FAMILY ARE VARIED

(By Jan Dowse)

HOLLADAY.—Alcoholism is the most neglected health problem in the United States.

Each year, about 100,000 drinkers develop alcoholism.

The number of known women alcoholics has doubled since World War II.

These facts come from a booklet published by the Cottage, an alcoholism education program associated with the Utah Alcoholism Foundation.

The booklet continues, "Stigma and fear prevent people from seeking treatment at a period when recovery is possible. The moral issue associated with alcoholism causes the condition of denial to be widespread. Lack of education prevents individuals from recognizing early symptoms of the disease, at a time when something can be done."

According to Jim Turner, director of the Holladay Cottage, 2251 E. Murray-Holladay Road, large public gatherings and mass education meetings have proven ineffective in educating people about alcoholism. The Cottage program does work because small groups of residents are being brought together and are being provided education and awareness of alcoholism in their own homes, schools and churches.

"The Cottage program is people working with people," Turner explains. "We have now developed a volunteer advisory board and counsel which meets every Thursday evening. We are training volunteers to deliver the skills needed to reduce and contain alcoholism in this country to other people."

The Cottage program's Concerned Citizens Council is currently led by Bud Magleby, a Holladay area resident. Other members of the council are Bryan Jones, Brenda Handley, Kay Edgar, Barbara Reinartz and Doug Christensen.

This council, together with other volunteers and staff from the Cottage program, presented a recently held weekend training session for Cottage volunteers.

Other programs being developed in the Salt Lake Valley centers include "Walk-in" hours at the various Cottages for people who simply want to talk about the program or who perhaps feel they need some assistance.

The Holladay Cottage is open daily, with the "walk-in" time specifically listed as Saturday mornings from 10:30 to noon. The Foothill Cottage, 1615 Foothill Dr., has its open house Wednesday nights from 7 to 9 p.m.

The Holladay Cottage is also open for visitors the first and third Thursday nights of each month. Study meetings will be held beginning at 8 p.m.

Council member Barbara Reinartz explains, "This is a time when concerned people can get together and discuss the disease of alcoholism and learn more about its effects on their lives and the lives of everyone around them. We'll study books, have speakers and films and take field trips to some of the other alcoholism centers around this area. Anyone is welcome to attend these meetings."

The council is advised by William T. Fairbourne, Dr. John Grimmett and John Holmquist.

VOLUNTEER AID TO ALCOHOLICS

(By Jan Dowse)

HOLLADAY.—One of the three centers in the Salt Lake Valley for alcoholism education under the Cottage program is here at the Holladay Cottage, 2251 Murray-Holladay Road.

A division of the Utah Alcoholism Foundation, the Cottage program utilizes volunteers to reach out into the community. According to Jim Turner, director of the Holladay Cottage, the Foundation offers many services for the alcoholic, the family and the general public. These services include live-in centers for both men and women, after care services, group sessions, referrals, group education and information for everyone who may want it.

"It is safe to say," explained Turner, "we can now map out a road to recovery for the alcoholic and the family although there may be some detours. The problem is getting the alcoholic's foot on the road. The Cottage program is now working to bridge this gap, but to do this we need volunteers."

In addition to the volunteer advisory board and counsel formed by the Cottage, interested persons can assist in many other ways. People are needed to moderate Cottage meetings, to serve on the Youth Alcoholism Council, to answer telephones, to type and do office work and to do community outreach work (knocking on doors and talking with people in their homes.)

"We are trying to get concerned people interested in the problem of alcoholism," Turner explained. "In one way or another, this disease affects all of us and we can all do something about it. We can learn skills needed to reduce the problem. And, more importantly, we can learn skills that can help all of us in our day to day relationships with the people around us."

Volunteers come from all walks of life, according to Council president Bud Magleby. "We have high school and junior high students, housewives, college students, laborers, business people, professionals in all fields, boy and girl scouts. Just about anyone can help in the Cottage program."

Persons interested in learning more about the Cottage program are being asked to call the Holladay Cottage at 272–5246. Regular study meetings are held on the first and third Thursday of each month at 8 p.m. and the Cottage is open daily and on Saturday mornings from 10:30 to noon.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, because of long-standing obligations which required my presence in Alaska, I was unable to attend the session of the Senate on Friday, July 2. If I had been present, I would have voted as follows:

Roll call No., subject, and position:

383, S. Res. 413, Radio Free Europe Coverage of the Olympics, yea.

384, S. 2228, Public Works and Economic Development, yea.

LOCKS AND DAM NO. 26, A BOTTLENECK

Mr. SYMINGTON. Mr. President, in an article in the June–July issue of Today's Farmer, Mr. Fred V. Heinkel, president of Missouri Farmers Association, presents clearly and forcefully improvements on the 38-year-old Locks and Dam No. 26 on the Mississippi River above St. Louis.

As one of America's preeminent farm statesmen, Mr. Heinkel describes the bottleneck effects that Locks and Dam No. 26 now has on the Mississippi River transportation. Handling 30 million barge cargo tons less than any other facility below or above it, this structure needlessly wastes hours, fuel, and manpower, all at a loss to the consumers of many millions of dollars each year.

An emphasis is placed on the proposed construction only bringing "the facility at Alton up to the standards of the remainder of the system." Not only does Mr. Heinkel believe the present inadequacy of the Alton facility is an unfair cost to the farmer, but also depresses the economy in mid-America.

I recommend this article to my colleagues as we prepare to consider the authorization of Locks and Dam No. 26, and ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT TO DO ABOUT LOCK AND DAM 26?

(By F. V. Heinkel, President of MFA)

A chain is no stronger than its weakest link. A river transportation system, likewise, is no better than its weakest lock and dam.

And right now, there's a problem that

needs attention on the Mississippi River—Midcontinent Agriculture's "doorway to the world."

Focal point of current concern is Lock and Dam 26 at Alton, Ill., just a few miles upstream from St. Louis.

Built in 1938, Lock and Dam 26 is deteriorating. Added to that, it is inadequate to handle present river travel.

Gravity of the situation was emphasized in April when one of two locks at the dam had to be closed for emergency repair. More than 900 barges were tied up above and below the facility. Fertilizer and fuel shipments coming up the river were delayed for days. And grain prices in the upper Midcontinent dropped because grain could not be moved down-river to market.

Even when it's operational, the old lock and dam is a bottleneck in the river transportation system.

The locks and dams above Alton can handle 108-million tons of barge cargo per year, according to engineer reports. With already-approved plans for expansion, they'll be capable of moving 148-million tons annually. Below Alton, there's only one lock and dam. It has a capacity of 148-million tons per year. But Lock and Dam 26 has a maximum capacity of only 73-million tons per year.

Even when the old lock and dam is fully operational, tow boats have to wait an average of eight hours to get through the locks, I'm told. That waiting costs money—extra fuel, extra labor—which must be added to the cost of fertilizer and fuel for farmers, or added to the cost of transporting their grain to market.

What's needed, obviously, is an adequate Lock and Dam 26.

Back in 1969, plans for a new dam and larger locks, submitted by the Army Corps of Engineers, were approved by the Secretary of the Army. Specifications were written and bids were taken.

But in 1974, one day before bids were to be opened, a coalition of 21 railroads and two environmentalist organizations filed for an injunction to prevent construction of the new dam. The injunction was issued, pending preparation of an environmental impact statement by the Corps of Engineers.

The impact statement was prepared. But it is yet to be approved by a federal judge. Meanwhile, nothing has been done to replace the old Lock and Dam 26, which continues to deteriorate.

Already, it's too late. At least eight years will be needed to build a new lock and dam. engineers suggest. Considering the present condition of Lock and Dam 26 and the projected growth of river traffic; that could be a lo-o-ong eight years!

I can appreciate the concerns of those who oppose construction of a new lock and dam. But, in my judgment, they have exaggerated facts and fears in order to make their arguments.

The proposed construction is not the first step in a plan to build a whole new series of bigger locks and dams on the Mississippi and its tributaries. Rather—it would bring the facility at Alton up to the standards of the remainder of the system.

I have a real concern for wildlife conservation. But I have an even greater concern for people. So if and when the two concerns conflict—and I find no solid evidence of such conflict in the Lock and Dam 26 question—I tend to opt for "people benefits."

The railroads, understandably, resent river barge competition. But projected growth of transportation needs indicates that there will be plenty of business for both modes of transportation. I think we need both.

Already, the inadequacy of Lock and Dam 26 is costing farmers and penalizing the economy of the Mid-continent. Further delay will only increase the penalty.

Legislation which would authorize construction of a new and bigger lock and dam just below the present Lock and Dam 26 has been introduced in the U.S. Congress. It merits prompt and favorable consideration.

DECLINE OF A NATIONAL ASSET

Mr. GOLDWATER. Mr. President, a few years ago this body made what I considered at that time to be one of the major mistakes it has ever made. As time progresses, I become more and more convinced of the feeling I had that day. A speech was made recently by Mr. R. W. Rummel, vice president for technical development of Trans World Airlines, and who is also a leading contributor to the engineering development of the air transport field both from the manufacturing and air carrier sides. He talked about the "decline of a national asset." The day we took the vote on the supersonic transport and this body defeated it, I mentioned in one of my speeches that to deny the United States the progress that would be involved in the development of the supersonic transport would seriously threaten this one national asset that we continue to maintain over the competition of all other nations. That was an amazing vote as we now look back on it. Men who have been engaged in business all of their lives, men who do business from the domestic and international fields, members of academic background who understood full well what would happen when the U.S. hold on the air frame industry began to slip, and others who just plain didn't know—these men voted to kill the supersonic transport and their vote is now proving to be a dagger in the very heart of the one business that the United States has remained dominant in during the years since that vote. It may be that I am prejudiced to the point that I may be unreasonable about this whole matter. It may be that the more than 46 years I have spent as an active participant in aviation causes my feelings to be the way they are. But I say to my colleagues today that one cannot continue to look at the record, one cannot continue to travel abroad and look at the vast improvement in the air frame industry of foreign countries and not be convinced that we in truth did make a disastrous mistake when we voted not to build the SST.

I am hopeful that American domination and American ingenuity plus probable help from the Government will result in our country constructing an SST—or if it has to, to go into combination with another country and construct an aircraft that can fly supersonically, carry passengers and baggage and get the United States back into the competition we so thoroughly enjoyed in air frame business.

I ask unanimous consent that Mr. Rummel's article, appearing in the June 21 issue of Aviation Week and Space Technology, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DECLINE OF A NATIONAL ASSET

We are witnessing the decline of a vital national asset—the airlines and supporting manufacturing industries—which through years of aggressive pioneering undertakings have produced the finest transportation system ever known. The safety, convenience, comfort and reliability standards established by U.S. air transportation, and the aircraft developed by the U.S. aircraft manufacturers, are without parallel as demonstrated by dominant worldwide usage of U.S. aviation products, which, not incidentally, produced a very significant contribution to the balance of payments record for our nation.

The financial strength of the U.S. airline industry has been sapped too long at a critical rate because of energy costs and inadequate tariffs. The general economic recession and inflation also aggravated the economic plight of the U.S. airlines. While the current recovery of the economy will tend to alleviate this situation, adequate economic offsets for increased fuel, material and labor costs do not seem likely to be available. The financial strength of the U.S. airline industry has eroded to the point that future growth leans on a very shaky foundation of debt and uncertainty. Further, threatened restructuring of the airline industry undermines any reasonable business basis for major fleet additions and the development of new energy-efficient, quieter transport aircraft . . .

The U.S. airframe manufacturers who have consistently relied on substantial orders to provide the financial backing for their programs are now and apparently will remain unable to launch new transport aircraft programs because of lack of airline customers with money. This situation will continue until a reasonable level of profitability is allowed and sustained by the airlines. In this regard, the current airline economic upturn must be kept in proper perspective. [It was] said earlier that the U.S. airlines' earnings prospects for 1976 at current fare levels and traffic outlook now range from $100 million to $300 million but that at least $800 million per year will be needed by the airlines to compete satisfactorily for funds in the capital market. And, of course, the airlines still have to pay for the aircraft they have already bought!

To make matters prospectively worse, without additional transport aircraft development programs, the U.S. manufacturers will be unable to maintain experienced and effective design/production teams and facilities. These capabilities are an important national asset which cannot be readily reestablished.

The key to maintaining a strong airframe and vendor industry able to satisfy the needs of the U.S. and to cope effectively in the world marketplace is the return to profitability of the U.S. airline industry. U.S. leadership in aviation must be constantly earned—it did not happen by accident and it will not be sustained by inaction. For example, development of aircraft up to 50% more energy-efficient could be undertaken today, but not without customers with money. The timely development of more energy-efficient, ecologically acceptable and economic aircraft is clearly in the best national interests of the U.S. Essential technologies are well advanced. However, the development and production of such aircraft in the U.S. is not apt to occur until the confidence of the financial community in the airline industry is restored.

In the meantime, as should be expected, the European airframe industry, supported by its governments, is preparing to develop new transport aircraft in furtherance of its ambition to capture a larger share of the world aircraft market. It has adequate technical and financial capability to do this. The potential adverse balance of trade impact on the U.S. is obvious, especially considering that the percentage of aircraft sales to non-U.S. airlines has been increasing and the percentage of aircraft sales to U.S. airlines has been decreasing since 1965!

Future aircraft development and procurement programs cannot be privately financed until regulatory stability and a reasonable level of earnings are sustained for a reasonable period. Leading bankers and insurance company executives have made this more than clear. Without reasonable regulatory stability, including route franchises, what manufacturer or airline can rationally determine what type, size or range of plane is needed? What airline management can define in confidence its needs not knowing what routes it will serve or even what general level of competition—how many new entrepreneurial airlines and how many existing airlines—will serve any given market or any combination of markets? The air travel market is quite obviously not like some sort of balloon that will automatically expand to fill seats provided by any number of aircraft schedules that happen to show up at any given time and place. While the market is somewhat elastic, historically it does not rapidly yield to changes in either flight schedules or fares. And what financier could reliably predict what airlines, new or old, would survive the span of years required to develop new aircraft under the chaotic conditions that would exist under deregulation and free market entry and exit conditions? It is my considered judgment that any prospects for the development of new transport aircraft that might otherwise develop would be brought to a screeching halt for years if these things come to pass. If anyone doubts that the application of advantageous new technologies can exceed the economic wherewithal to implement them, consider the plight of the U.S. railroads.

A number of plans to enable the development of new aircraft which involve the direct participation of the U.S. government have been advanced lately. These range from direct subsidy to the formation of a Comsat type corporation, to federally developed aircraft designs, to government loan guarantees. . . . While some sort of interim federal assistance such as loan guarantees may be needed, the soundest approach is to enable the airlines to generate sufficient profits to permit private ventures to get on with the job. I reemphasize that long-term airline regulatory stability and profits are needed to restore investor confidence and to maintain a viable system.

The historic formula for the development of U.S. transport aircraft, i.e., the manufacturers working directly and in close liaison with airline customers supported by a solid foundation of federally sponsored technology developments, has reported produced the world's best aircraft. This practice has no equal in other countries. It would be a serious mistake to change the important working relationships which this successful formula represents. . . .

THE NEW AMERICAN REVOLUTION

Mr. HATHAWAY. Mr. President, the Nation is still awash in the red, white, and blue celebration of the 200th birthday of the United States of America. In Maine and in Washington I have seen the celebrants singing, playing, and praising the form of government which offers the highest degree of personal freedom of any other government on the globe. It is truly a celebration of our ability to self-govern, and I hope the pride expressed during this Bicentennial Year will remain with us.

The day following our July Fourth, the Washington Post ran an article on its editorial pages by Theodore A. Wertime, an archeologist and historian. I found it to be a fascinating prolog of our Nation's, and the world's, potential, and wish to share it with my colleagues and other interested parties.

Mr. President, I ask unanimous consent to have the article, "The New American Revolution," printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 5, 1976]

THE NEW AMERICAN REVOLUTION

(By Theodore A. Wertime)

This week the United States celebrates its birthday, the 200th anniversary of its independence. In fact, as a nation and Republic we have many birthdays. Not least is that revolutionary year 1789 during which George Washington became our first President under the new Constitution. One can take the analogy a step further and say that the acts of birth of the Great American Mother have been almost continuous; whether the Civil War of the 1860s; the Great Depression and Drought of the 1930s; the two World Wars of 1917 and 1941; and the scientific breakthroughs since 1940 that have given us access to the atom, life, tectonic earth, and space.

To measure the magnitude and ferocity and variety of our natal processes one must ask oneself again and again what George Washington would have thought of the social artifacts of the New Deal and Great Society. What would he have said of the technical artifacts of the skyscraper and filling station and automobile and bikini and tranquilizer and miniaturized computer and Viking space ship?

If we learn anything from the procession of these modern progeny of America past the placid fields of Mount Vernon, it must be these three facts:

(1) The nearly 200 years in which the United States has been on this earth have been possibly the most revolutionary two centuries in the history of mankind.

(2) The American experiment was born in four revolutions of the 17th and 18th centuries, not one. They were the revolution against colonialism (American), the revolution against medievalism and traditionalism (English and French), the revolution of modern technology (British Industrial), and the Scientific Revolution. These revolutionary surges have turned Saint Augustine's City of God into the World City. They have erected the squatter metropolis and machine and supermarket and bureaucratized government and economic growth into the symbols of the late 20th century.

They have brought us to the third fact:

(3) The threshold year of 1976 in which we now exist may be our most crucial moment of birth and rebirth in American history, more so than the year 1776. We may be marking the wrong anniversary. The birth we are observing may be our own, now.

It is a new American Revolution that entails the reform of the world's urban culture from the countryside—call it the new traditional or the new rural society. It seeks a periodic overthrow of large governmental bureaucracies as they become incapable of governing. It seeks correspondingly a new federal relationship of central governments to regional governments everywhere. It brings to bear a regimen of non-energy-wasting technologies—such as sun and wind and hydrogen and electronic communication—that nurture economic and social activity in small corporations and communities.

It offers possibly the only reasonable formula for the future ecologic, psychologic, and humanistic health of mankind—a desaturation of the world's populations. It reasserts the centrality of Earth and man in the scheme of the universe.

Call it the New American Maoism in a post-Copernican Age.

Bluntly put, the great majority of the world's problems relate to the growing saturation of populations of all kinds, hiding under the rubric of the World City. By the best census estimates, these populations are no myth: 7.5 billion persons by the year 2000, 2–3 billion pigs and cows, possibly 60 billion industrial machines, and several billion housing units. Of the humans estimated for the year 2000, possibly 60 per cent will live in cities, the majority in the developing countries.

Though some savants would have us believe that the Earth can safely entertain 15 billion humans, the early 1970s had already witnessed the first shudders of curtailment. This occurred through rises in prices of energy, inflation in the costs of materials, and recession. But food remains the great arbiter of human fate. The Washington Post of June 16 carried the warnings of experts in the United Nations that developing countries face a shortfall of 85 million tons of grain by the year 1965.

One need not go back to the rise of agriculture and cities 5000 years ago to find an explanation for the present trauma of the city, from Calcutta to New York. We may more fittingly ask why the United States, the least traditional and today one of the most urban of societies, is called upon to inaugurate the movement to reform the city. Is it because at least four of our great metropoli, New York, Detroit, Philadelphia and Washington, D.C., are now in dire financial straits? Is it because the already large migration of whites to the suburbs has contributed to the death and ghettoizing of our inner cities, while showing us that deurbanization could just possibly be made to work under other vastly different circumstances? Is it because the dispossession of the farmer has reached such a crisis point in other societies? Or is it because only we have the resources and vision to try to flank the world problem by making a major effort at home to deghettoize our cities? The answer obviously is a combination of all four.

In February, the U.S. Census Bureau released statistics showing that, for the first time in recent decades, the trend to city life had been reversed, notably in the migration to smaller communities in the South and the Southwest. They were statistics not unlike the announcement in 1890 of the end of the land frontier in the continental United States.

Even before the tightening of the belt of employment and welfare had begun in the straitened cities of the North and East, the great hegira of the young and blacks and women toward these one-time meccas had begun to die away. A trickle outward from the ghetto has now been discerned, inspired by unemployment and the discovery that life in the rural South has considerably improved. But it remains to be discerned how whites will be lured back to the inner city.

One cannot even begin to describe the forces that after World War II culminated abroad in the greatest wave of city-building in the history of man. The Malthusian explosion, engineered in some part by antibiotics: new seed varieties, the mechanization of agriculture and the application of fossil energies to fertilizer, all subsumed under the title of "Green Revolution"; the dispossession of the farmer through agribusiness and the lure to the cities; the feeding of developing societies from American farm surpluses; the encouragement of countless new industries through foreign investment and multinational corporations; and the general wave of exponentialism in populations of all types, all contributed to the resettlement of persons on a scale far vaster than that conceived by Stalin, when he moved whole nationalities around the U.S.S.R.

Much has been good about the elimination of the self-sufficient traditional society. Men now have the highest expectancy of life in all of history, a proverbial Golden Age. TV and the newspaper have taken the boredom out of life and have introduced a kind of constant antiphylactic shock into it. Women have gained a larger role in both the bedroom and the society at large.

The costs we are now beginning to learn. The initial phases of a famine in fossil energy has come upon us even as we were making our greatest discoveries in science. The world was changed during the 1950s and 1960s through a process of exponential growth that can never be repeated in the history of mankind. Electric power consumption doubled every seven years, the amount of scientific knowledge every 10, the number of automobiles every 11, and the number of human beings every 30 or 40 years.

World iron and steel production was 500,000 metric tons in the year 1800. It rose to 320 million tons in 1953 and more than a billion tons in 1970.

Simple finiteness thus brings the 20th century to a close. One can say with finality that the old Industrial Revolution, based on fossil fuels, has run its course. So, too, have governments that take their mandates from the American, French and Russian Revolutions. The search for the new traditionalism will not be the end of rapid technologic change, but the accommodation to a lesser saturation of life on this globe.

In the United States, our presidential campaign of 1976 has made some gestures to these facts, largely as promises to review the bureaucracy or to scrap the programs of the New Deal and Great Society. Its most significant gesture, to date, has been the apparent selection of a presidential candidate from a Southern village (Plains, Georgia) of no more than 300 souls.

The myth that we could somehow do anything that we wanted to do was born out of World Wars I and II, the Manhattan and Apollo projects, and the conquest of polio. We are less sure about the war against cancer. And syphilis and tuberculosis, once thought to be eradicated, are again widespread endemic diseases, syphilis reaching epidemic proportions.

True, in the short 36 years since 1940, the human mind has brought science fiction alive. We have discovered a new inner coherence to all things.

There is much that we even now can barely guess at—forces of antimatter, unbelievably small and evanescent particles, pulsars, neutron stars, and those most horrid of nightmares, black holes. For all that we know, the universe could all be a one-time entropic thing, death and stillness and cold lying at the end. But there is also the life and intelligence that we know from ourselves and Earth. We project them outward. *Cogitamus et videmus, ergo sumus et alii sunt.*

The Viking ships will probably not find life on Mars. I hope and pray I am proven wrong. But the previous Mariner flights to Mars, the Apollo landings on the moon, and the flybys of Venus and Mercury do not give cause for optimism. Mars seems to have been stilled in some very early cold phase of planetary evolution, even as Venus went too far toward suffocating heat, now fenced in by its tarry clouds.

Earth peculiarly shaped life with its volcanoes and its ionized seas and its tectonic shifts of continents and climates. In the oxygen atmosphere and the microbial laydown of limestone and banded iron deposits, life in turn helped peculiarly to shape Earth. Out of both came man. The perception of this fact and how it happened is the great integrated discovery of our age. We are Earth-centered as Ptolemy could never be.

No Ptolemy could have suspected the symbiosis of life and Earth as he fixed Earth at the center of concentric circles of the sun and planets. Nor could he have guessed by what narrow margins we missed being Mars or Venus. Having been six million miles closer to the sun possibly could have precipitated Earth into the greenhouse state of our strange sister planet, Venus. Sixty more years of man's burning of fossil fuels may move us in the same direction. But a new ice age may equally well move us more toward the condition of Mars.

Viking may thus give us a final negative answer on life on any other planet in this solar system. In a similar negative vein, the great dish receiver of Arecibo in Puerto Rico so far has failed to elicit an answering voice from another solar system in space. The lesson, if it comes to this, is not that we are alone, but that we can never be sure that we are not alone.

In Viking we *have* kept faith with Copernicus and Galileo when they speculated that Aristotle's Earth was not the immobile center of the universe of revolving sun and planets and distant stars, but a planet not unlike the rest. Yet we ironically will terminate their age.

We are quickly learning that our science and technology are not infallible and our wealth is not inexhaustible. Perhaps only during the A.D. 1960s of the total calendar of human history will there have been a society with sufficient unity of direction and will and wealth to have landed a man on the moon.

It must become part of our technocratic lore of the 20th century that the great revolutions in human affairs occur mainly through happenstance. Ideology, technology, inventiveness, planning, and human design all have their place in revolution. But accident, governed by cumulative necessity, error, miscalculation, and sheer ignorance, has always been the arbiter of change in human history. History transfigures the ideas of one generation into the caricatures of the next. Plato's "ideas" become the Christian angels.

These facts explain to us why the world currently stands on a threshold of change that may just as well take us into a new Dark Age as into the promised land of the new traditionalism. The strategy of change is to flank the future, not to seek to take it frontally by a storm of governmental edicts.

History tells us that the periods following 1000 B.C. and A.D. 300 were moments of rapid depopulation and deurbanization and dehistorization and decentralization of Western civilization. These periods, as well as the founding revolutions of the 18th century, demonstrate that men innovate institutionally only when their backs are pressed to the wall. For two great religions, Judaism and Christianity, came out of these moments of regression, along with such new technologies as the metal, iron, and the water wheel.

Today, mankind cannot survive such a slide away from the urban and civilized estate. Our technologies will not permit it. We Americans must therefore seize the present threshold moment without the flailing about that marked the vestibules of the last Dark Ages.

We must do so as did our Founding Fathers. We must accept that reform comes only when the curve of deterioration in Western urban civilization meshes with the curve of appreciation: when men act rather than philosophize about change; when bureaucracies are so full of folly and inequity—as the Internal Revenue Service—as to be capable of utter transformation.

We have the advantages not conferred on other societies of never having been traditional. We have climbed the peaks of affluence and have begun to climb down. We are continental in size, boasting great rural, agricultural lands along with our cities.

We Americans can identify and act upon the threshold that events have opened up to us:

(1) Just as our reduced growth patterns as biological individuals now tell us humans that we are at the end of a period of enriched nutrition, so the first evidence of the resettlement of our population into towns and villages offers a crack in the door of mounting urbanization. Blacks need to be helped out of the ghetto, whites back into the inner city.

(2) With the purchase of houses now available to only 16 per cent of the American population, we have rapidly joined the ranks of the non-affluent societies in individual family dwellings. The answer clearly does not lie in the dehumanizing tenements or apartments into which countries from the Soviet Union to Ghana now crowd their citizens. Solarized trailers are one answer. So are new small and individualized forms of architecture dependent on such technologies as spray concrete and spray insulation.

(3) The mythology of the "service" or "post-industrial" society must go, simply to permit us to see that societies thrive as their individuals are involved in direct production. Each society of necessity must produce the great majority of its own food.

(4) It must next tackle the greatest contemporary problem, that of world unemployment and underemployment, especially of youth. Capitalism and industrialism and urbanism have brought with them an endemic problem of persons without means of earning a living, a problem that requires societies to find jobs not at the rate of 7 per cent per year (the usual rate of economic growth) but 75 per cent per year. Societies must accordingly once again become labor intensive.

(5) The restoration of indigenous life and institutions—down to the mudbrick house—is now an objective of many countries. Efficient farming along labor-intensive lines is the first requisite of the new revolution from the countryside, along with village architecture and village modes compatible with the 20th century.

(6) To keep persons on the farm and in the country in the modern day requires traditionalizing not in the old mode but the new. As education moves from the classroom via TV and radio and satellite, and jobs move from the large industries to smaller but efficient ones, one can envision education's being made available to every nook and cranny of the countryside—along with the services of doctors, lawyers, and county agents.

(7) Diversification and smallness will return not simply because large concentrations of industry become less supportable as energy grows more expensive and cities more anarchic, but because new technologies and practices will also encourage them. As solar and wind electricity become practicalities, they will offer localized sources of electrical energy and also tie into national grids. Industry and agriculture must necessarily diversify and return to smaller units. A new industrial revolution is in the wings.

(8) The revolution betakes itself into the higher realms of politics not as the dismantling of the New Deal and Great Society and social democracy but as a deliberate effort to restore regionalism, diversification, a new ruralism, and freedom from bureaucracy to American life and that of Greece, Turkey, Iran and other places in the world. The federal system of the United States—both the tripartite government and the relationships of Washington to the regions—will provide the basis of its own overhaul.

(9) The highest realm of revolution is that personally determined by the individual: the demographic. Even as late pagan Romans elected not to form families and not to reproduce (bringing the early wrath of the Catholic Church upon their heads), so even Western society or the superculture finds itself in two great demographic transitions.

The value phases of urbanism are encroaching slowly, all-too-slowly on the rural masses of India, Mexico and Turkey and will be rapidly augmented as food supply decreases, squatter cities expand, and women move out of traditional serfdom.

But the urban middle classes of the world are already in a second transition: non-marriage, one-parent families, few children, and sequential divorce. Urbanism, inflation, uncertainty, the technologies of birth control, abortion, women's liberation, rising homosexuality, and the shadow of the geriatric future have contributed to the effect. The transition is already profoundly affecting the shape of the World City through its value systems and the competence of its children.

A tiger of change is upon us in this year of 1976. Since it was born in some part in the womb of the American frontier in the Age of Copernicus, we must, in the new Earth-centered Age now beginning, elect to be the first to ride it. In this way the new America will emerge.

DIVESTITURE OF MAJOR OIL COMPANIES

Mr. TOWER. Mr. President; there has been much discussion in this body about forcing the vertical and horizontal divestiture of the major oil companies. There will, I fear, be a great deal more such discussion before the year is out.

Proponents of vertical and horizontal divestiture have gone on and on at great length about the sins—mostly imagined—of the major oil companies that would be rectified by passage of this bill, and of the benefits—mostly illusory—that would accrue to consumers as a result of passage of this bill.

These spurious arguments require a sound rebuttal, and they have gotten it in a recent radio commentary by Mr. Phil Nicolaides of Houston, which I would like to share with the Members of this body.

Mr. Nicolaides thoroughly and brilliantly dissects the arguments that have been made in favor of divestiture, and leaves them in shattered ruins. It would profit both the supporters and the opponents of divestiture to read them.

I ask unanimous consent, Mr. President, that Mr. Phil Nicolaides' commentary entitled: "Big Oil Divestiture" be printed in the Record.

There being no objection, the commentary was ordered to be printed in the Record, as follows:

Big Oil Divestiture

On April Fools' Day a Senate subcommittee voted to break up the 18 largest oil companies. The date was appropriate! Recently the full committee voted to bring the bill before the Senate. "Big Bad Oil," favorite whipping boy of cheap-shot politicians, thus moves closer to the chopping block. The Senate debate promises to be quite a show: brought to you by those wonderful people who did such a great job reorganizing the U.S. Postal Service. In a moment we'll take a closer look.

The Arab oil embargo started the chase. OPEC price boosts accelerated the pace. And now a publicity hungry posse of politicians is in hot pursuit of the scapegoat: America's major oil companies.

They accuse these companies of being in cahoots with OPEC in a plot to fleece the American consumer. If so, they've been plotting against their own interests, because when Arabian crude oil was selling for $3.50 a barrel three years ago the oil companies were making 35¢ a barrel. Since OPEC drove up the price to $11.50 a barrel, oil company profits dropped to 20¢. In other words, while the price of imported oil has gone up, oil company profits per barrel have dropped.

What about those "obscene profits" Senator Jackson keeps talking about? Well, in the first place profits aren't obscene. Without them no company can survive—much less grow to create new jobs, goods, and services. In the second place oil companies make only about 1½¢ profit on every gallon of gasoline you buy. Uncle Sam pockets 2¢, and state taxes average almost 8¢. Five times as much of your gasoline bill goes to pay taxes as goes to corporate profits.

Meet myth number two: the oil industry is too concentrated. Let's look at the facts. Almost 10,000 American companies produce oil and gas; 130 refine petroleum products, and 30% of the refining is done by independent companies—a percentage that's been increasing. The Industry has 15,000 wholesale marketers and 95% of the country's 300,000 filling stations, are owned by independent businessmen. They sell 180 brands of gasoline; and in ¾ of the states motorists have at least 50 brands to choose from.

No single oil company accounts for even 8½% of crude oil production, domestic refining, or gasoline sales.

At least 25 industries are more concentrated than oil. Will they be the next targets? What about commercial television where three networks dominate the airwaves? . . . or the automotive industry where one company makes half the automobiles and the four biggest make 91% of all the cars, trucks, and busses?

Make no mistake about it. The oil industry just happens to be in an easy line of fire. The ultimate target of those who are calling for divestiture of the oil companies is the whole structure of American business. By dismembering companies they will make them inefficient. Profits will fall and prices will rise.

Next there will be a call for a federal takeover. They won't call it "socialism"—that's too scary. But the results will be the same: More concentration of power in the government. Lower output. Less innovation. If you need proof, look at England. Let's not let it happen here!

STATE DEPARTMENT POSITION ON INDIA'S NUCLEAR EXPLOSION

Mr. RIBICOFF. Mr. President, today's Washington Post devotes a front page story and its lead editorial to a problem of the utmost urgency for the national security of the United States. It is the problem of assessing India's nuclear intentions and assurances to determine whether the United States should continue providing India with reactor fuel and other forms of material and technical assistance for its so-called "peaceful" nuclear program.

The article by Don Oberdorfer follows up on disclosures I made last month in the Congressional Record that the United States provided India with an essential ingredient, heavy water, for use in an unsafeguarded research reactor that produced the plutonium used by India to set off its nuclear explosion in 1974. The United States never publicly acknowledged that shipment of heavy water to India either before or after the Indian nuclear test; nor did the State Department divulge the details of India's formal disagreement with the U.S. position that a nuclear explosion does not constitute a "peaceful use" of our nuclear assistance.

Instead, the State Department, at the time of India's nuclear explosion, sought to pin the blame on Canada, which exported the research reactor used by India to produce the plutonium for its explosion. Furthermore, the State Department has sought to paper over our disagreement with India over the meaning of the term "peaceful use." These actions can have a profound impact on the weapons implications of the nuclear program of India and the nuclear programs of other developing countries which, like India, have refused to ratify the Treaty on the Nonproliferation of Nuclear Weapons—NPT. These countries, particularly Pakistan, are closely watching how the United States responds to India's misuse of our nuclear assistance as a signal as to how serious they should take our nuclear nonproliferation efforts.

In this regard, the world nuclear community will focus its attention on an historic hearing by the Nuclear Regulatory Commission to begin tomorrow regarding the pending license application for the export of additional enriched uranium fuel for the two U.S.-supplied power reactors in Tarapur, India. It will be the first public hearing on a proposed nuclear export in the history of the atomic age. The issuance of nuclear export licenses until very recently has been a routine administrative procedure at the NRC, as it was at the NRC's predecessor agency, the Atomic Energy Commission. A public hearing on an export license has never been held, a proposed license has never been withheld, and, until last month, there has never been a dissent from an AEC or an NRC decision to grant an export license.

Tomorrow's hearing results from an intervention by a coalition of environmental groups—the Sierra Club, the Natural Resources Defense Council, and the Union of Concerned Scientists—which opposes continued U.S. nuclear fuel shipments to India on the grounds that such shipments will contribute directly to the technical equivalent of a nuclear weapons program.

India insists that nuclear explosions can be used for peaceful purposes; the U.S. position, based on the technical findings of our Plowshare program, is that there is no practical use for a nuclear explosion other than as an atomic bomb. The intervenors contend that the United States has been providing nuclear assistance to India under inadequate, incomplete or nonexistent safeguards for two decades despite India's refusal to refrain from using this assistance for its nuclear-explosion program. With the substantial support of such distinguished authorities as former Under Secretary of State George W. Ball, former Ambassador to the United Nations Charles W. Yost and former presidential science adviser George B. Kistiakowsky, the intervenors argue that future nuclear fuel shipments to India should be withheld altogether, or at least be conditioned upon the understanding that India refrain from any additional reprocessing of plutonium, a nuclear explosive material, from the spent fuel of its reactors.

The official State Department response to the assertions of the intervenors indicates a reluctance to press India on the reprocessing issue, leading the Washington Post to comment today that "the State Department's July 8 submission to the NRC on the reprocessing question reads as if it had been written in New Delhi."

The Post editorial goes on to say—and I wholly support its position—that—

> . . . the NRC can and must hang tough until it has been given the proper assurances by the people in charge at State and in the White House that the Indians will be denied the opportunity to reprocess any fuel that is licensed and that this condition has been made a part of our arrangement with them.

Mr. President, I wish to note that I am still awaiting a response from Secretary of State Kissinger to a series of questions on India's nuclear program, including the status of all plutonium that has been produced in India as a result of U.S. nuclear assistance. In this latter regard, I asked:

> What action is the United States now prepared to take to ensure the peaceful use (i.e. no applications for explosions) of the heavy water and of all plutonium now in India as a result of United States nuclear assistance, including the plutonium in the spent fuel of the U.S.-supplied Tarapur reactors? For example, are we prepared to buy back the heavy water and all U.S.-derived plutonium?

I hope very much, Mr. President, that since this and the other questions were posed to Secretary of State Kissinger more than a month ago, his responses will be forthcoming so that they soon may be available to the NRC, as well as to Members of Congress. The Washington Post editorial correctly observes that the NRC does not have the authority to impose acceptable terms on the Indian Government, but "can impose terms on the U.S. Government by refusing to approve the Indian license until the appropriate executive branch agencies have imposed the required terms on India." This represents an independent check on executive branch policymaking in the nuclear export area that was contemplated in the Energy Reorganization Act of 1974, which established the NRC to take over the export—as well as domestic—licensing and other regulatory activities of the AEC.

I also wish to note that S. 1439, the Export Reorganization Act of 1976, which was reported by the Government Operations Committee on May 13, and which has been rereferred until August 31 to the Joint Committee on Atomic Energy and the Senate Foreign Relations Committee, seeks to strengthen the independent role of the NRC and to establish a system of checks and balances within the executive branch to upgrade controls over U.S. nuclear exports.

Mr. President, the future course of U.S. nuclear relations with India will have a profound impact on inhibiting or accelerating the spread of nuclear weapons capability around the world. The central issue is how should the United States implement an agreement for cooperation in the peaceful use of atomic energy with a nation with which we have a formal disagreement as to what constitutes "peaceful use." India's nuclear explosion has demonstrated the dangerous flaw in the conventional State Department argument that the United States must remain a "reliable supplier" of nuclear material, equipment and technology in order to attain nonproliferation objectives.

The key problem is that the United States has been an "automatic supplier" of nuclear assistance to India, as well as to other non-NPT nations that refuse to give adequate peaceful-use assurances, refuse to accept safeguards on all their nuclear activities, and refuse to foreswear the development of nuclear explosives. The situation is further complicated by the recent decisions by France and West Germany to export to non-NPT nations nuclear fuel facilities which are extremely sensitive from the weapons-development standpoint. These exports to Pakistan and Brazil respectively have been made over U.S. objections.

Tomorrow's nuclear export hearing before the NRC represents a turning point in the nuclear history of our Nation and of the world. It represents the best opportunity to date to place the full dimensions of the nuclear proliferation problem in the public record and to establish tough conditions on any further nuclear assistance to nations whose peaceful-use assurances are questionable at best. In this way, the United States can exert leadership in the world community by setting the proper example for other nations to follow in their "peaceful" nuclear dealings. It will then be incumbent upon the State Department to follow through with some very hard bargaining to bring nuclear supplier and customer nations into line. Without such effective leadership by the United States, I fear that the spread of nuclear weapons may soon be out of control.

Mr. President, the article and the editorial in today's Washington Post provide a valuable review and commentary on the key nuclear proliferation issues. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

U.S. TRAINING, AID IN INDIAN A-BLAST CITED

(By Don Oberdorfer)

U.S. engineering assistance, training and possibly a crucial U.S. chemical ingredient contributed to India's 1974 atomic explosion, according to data filed for an unprecedented public hearing this week on future U.S.-India nuclear cooperation.

Government documents obtained under a freedom of information action by lawyers in the case show that the United States received clear signs over many years of India's growing capability and interest in exploding a nuclear device, but did little to stop it.

The newly released documents and other sources reveal that late in 1970, more than three years before the epochal atomic blast under the Rajasthan desert, India rebuffed a written U.S. warning against the use of American-supplied "heavy water" (deuterium) in manufacturing a nuclear explosive device. Despite earlier statements to the contrary, there are growing indications that this ingredient was used in making the materials for the Indian blast.

The May 18, 1974, explosion brought India into the "nuclear club" and set off powerful shock waves in the capitals of other underdeveloped nations. The Indian explosion is blamed for a concerted drive by Pakistan to obtain the means for nuclear explosions and, to a lesser degree, for similar drives in Brazil and Iran.

The history of U.S. involvement is of major importance to a Nuclear Regulatory Commission hearing scheduled for Tuesday on whether to continue shipping enriched uranium fuel for India's atomic program. Canada has permanently cut off nuclear supplies to India because Canadian equipment and technology were used in the 1974 explosion, but the United States continues to sell India nuclear fuel.

The controversy marks the first time that U.S. export of nuclear materials has been publicly contested and the first time that a public hearing has been held on such an issue. The outcome is expected to have serious repercussions here and overseas.

The Natural Resources Defense Council, Sierra Club and Union of Concerned Scientists are seeking to block the sale of more uranium to India under present conditions. They said in a brief submitted for the hearing that in the most critical areas of policy toward India "United States action (and inaction) disastrously sets the stage for further weapons proliferation."

Joining the opposition groups in written statements have been a number of well-known former officials, including former Under Secretary of State George W. Ball, former Ambassador to the United Nations Charles W. Yost and former presidential science adviser George B. Kistiakowsky.

The State Department, in a written response, said failure to approve the fuel shipments would cause "severe economic and social damage" to 80 million Indians in areas dependent on nuclear power and would be "a major setback in our relations with India."

The department maintained that the United States is committed to continue the sale of enriched uranium under longstanding contractual agreements, and that U.S.-Indian arrangements preclude its use for atomic bombs.

To produce its 1974 explosion, India used a Canadian-supplied research reactor known as CIRUS to make irradiated atomic fuel. Then this material was treated by an Indian-built "reprocessing plant" to make weapons-grade plutonium. Though there was no indication of this at the time of the explosion, the new evidence indicates that the United States played a role in both processes.

In 1956 the U.S. Atomic Energy Commission agreed to sell 21 tons of "heavy water" to India for use in the Canadian-supplied research reactor, which requires this rare and expensive substance for its operation. The contract provided that the "heavy water" could be used only for "research into the use of atomic energy for peaceful purposes."

Recently disclosed files indicate that some AEC commissioners were concerned about this matter as early as Oct. 8, 1956, when "problems with respect to the safeguard provisions" on the Indian "heavy water" were raised at an AEC meeting.

A memorandum says that this was the first time for the commissioners to discuss "safeguards"—which include strict measurement and inspection requirements—in connection with a sale of "heavy water" abroad. The staff was instructed to work on a "safeguards" policy which was applied to future sales, but this action was considered too late to affect the deal that had just been made.

From 1959–61 India constructed a "heavy water" manufacturing plant using Italian, French and West German equipment, with the aid of two American firms, Vitro Corp. and National Research Corp. At that time, U.S. companies were authorized to provide many types of nuclear engineering services, including those connected with "heavy water" without special government permission. Later they had to get special permission, which would be difficult for a company wanting to assist a country without nuclear weapons to obtain today.

In the late 1950s India also began building a "reprocessing" facility capable of making weapons-grade material from fuel rods that had been subjected to radiation in a nuclear reactor. An American official familiar with the matter said the United States was "well aware" of the Indian plan to build the facility and offered "some training assistance to Indian nationals" and help in using information on reprocessing that had been declassified by the U.S. Goverment.

At the time, reprocessing facilities—which also have civilian uses—were not seen by the United States as a major bomb proliferation problem.

AEC correspondence indicates that the U.S. firm of Vitro International, a subsidiary of Vitro Corp., participated in the design of this plutonium reprocessing plant, evidently without any requirement for special U.S. permission. But when the AEC asked Vitro about the facility during the final stages of construction in January, 1963, India directed the firm to say nothing.

The United States was told that any information about the plant would have to come directly from Indian atomic authorities, but AEC files do not show any follow-up. "Apparently there was no follow-up because the AEC wasn't that interested," said Jerry Helfrick, director of international program implementation of the Energy Research and Development Administration, successor to some AEC functions.

An AEC memorandum of Sept. 12, 1966, said U.S. agencies agreed to sponsor and finance training for Indian officials at the AEC production works at Hanford, Wash., in "plutonium recycle." Weapons-grade material as well as reusable fuel can be made in such a process.

Hanford records show that at least two Indian scientists studied there in the late 1960's or early 1970's. According to an AEC compilation, 939 Indians were trained in various skills in AEC facilities from 1949 to the time of the 1974 explosion.

The Chinese explosion of a nuclear device in October 1964, sharply increased Indian anxiety and interest in bomb manufacture. Nearly 100 members of the Indian parliament signed a petition urging nuclear weapons development, and U.S. agencies received many press reports—and no doubt diplomatic and intelligence reports—of the growing Indian interest and capabilities.

In January, 1970, by far the largest U.S. atomic project in India—the Tarapur nuclear power station—was dedicated by Prime Minister Indira Gandhi. Late that summer, Gandhi and her atomic energy chairman began speaking publicly of their interest in underground nuclear explosions "for peaceful purposes."

Seriously concerned U.S. officials secretly notified India in writing in November, 1970, that a nuclear explosion—no matter how it was labeled—did not qualify in U.S. eyes as a "peaceful purpose" under the agreements to supply "heavy water" and other materials.

Although the United States had promoted the idea of "peaceful nuclear explosions" in earlier times, officials realized by 1970 that an Indian blast of any description would be considered a military threat by neighbors and might spur worldwide atomic bomb proliferation.

India rejected the U.S. interpretation and a similar approach by Canada, declaring itself free to use nuclear energy for any purpose that it considered peaceful. An AEC memorandum of January, 1971, reported that Indian atomic research chief Homi Sethna—who eventually had charge of the Indian explosion—was "disturbed" over the U.S. approach and insistent that India was far away from a "clean" explosive capability.

"They (India) asserted a position which made us worried," said a participant in Washington discussions of the time. "But they had not actually violated anything and so we didn't take any action."

In May, 1971, Prof. Lincoln Bloomfield of the Massachusetts Institute of Technology passed along to Washington the disclosure by Svinivasa Khrishnaswami, joint secretary of the Indian Defense Ministry, that Gandhi would be making the decision "in the next few months" on whether to proceed with an atomic bomb.

The U.S. embassy in New Delhi estimated in April, 1973, that India probably would not be in a position to make an atomic bomb until 1976, or later. But in May, 1973, a Malaysian official, in a letter to the AEC, reported that the Indian atomic research chairman had spoken of India's "own nuclear explosive, which has been painfully accumulated over the years."

No report has been made public showing any U.S. attempt to dissuade India in the months preceding the May, 1974 underground blast.

Immediately following the explosion, the United States expressed displeasure, though in mild terms considering the worldwide alarm. For a short time the United States held up regularly scheduled shipments of enriched uranium fuel for the Tarapur reactor in an effort to obtain explicit Indian assurances that it would not be used for any sort of nuclear device. When India refused, the United States agreed to a much vaguer statement in an exchange of letters and resumed fuel shipments.

Shortly after the 1974 blast the AEC said there was "no reason to believe" that U.S.-supplied material was involved. Secretary of State Henry A. Kissinger subsequently said India's explosion did not violate U.S. supply agreements and thus "we had no specific leverage on which to bring our objections to bear."

Kissinger's "no violation" statement was evidently based on a July, 1974, letter from Indian Ambassador T. N. Kaul saying that "100 per cent Indian material" had been used in the atomic explosion. However, American officials now concede that Kaul's words did not rule out the possibility the U.S.-supplied "heavy water" in the Canadian reactor was utilized to make "Indian material for the blast.

Sen. Abraham A. Ribicoff (D-Conn.), who publicly raised the U.S. "heavy water" issue last month, said, "There now are strong and disturbing indications that India did use it to produce plutonium for its nuclear explosion in 1974 and is still using it for its nuclear explosion program."

At the heart of the discussion of the past is the question of current American policy.

Those who intervened in the NRC case say they see no reason why the United States should withhold foreign aid from India—as it currently does—but continue sales of potentially dangerous nuclear fuel. They also maintain that "business-as-usual" U.S. nuclear sales are a clear encouragement to other nations contemplating atomic weapons programs.

Those on the opposite side maintain that the practical effect of a U.S. cutoff might be to send India to the Soviet Union (the only other worldwide supplier) for the necessary enriched uranium.

They also say the United States can exercise greater influence on India and other potential atomic weapons nations by a continuing role as a nuclear supplier.

[From the Washington Post, July 19, 1976]

Stop the Bomb-Peddling

What is so rare as a day in June? An American public official who professes to think that the spread of nuclear weapons would be a good thing. And yet, if we may mix our authors a little, everyone talks about the danger of nuclear proliferation, but nobody does anything about it. That last formulation may be a little harsh, but it is manifestly true that both Congress and the executive branch—never mind their noble professions—seen incapable at this point of designing and acting on any coherent policy to curb the spread of a nuclear weapons potential to countries all around the world. Yes, at U.S. initiative the supplier-nations of peaceful nuclear technology have organized themselves into a group and drawn up some guidelines and standards intended to diminish the dangers that flow from their exports. And, yes, the bills being introduced in Congress to curb the outward flow of weapons material have begun to take on the aspect of a good confetti-fling. But none of this begins to come to grips with the choices and problems facing this country in respect to our proliferation policy at the moment.

Let us name the parts. It is a well known fact that nuclear suppliers in other nations, principally the French and Germans, have been entering into negotiations and deals with non-nuclear countries for the export of technology and plant that have a very high bomb-making potential—and that the United States, by contrast, has been much more cautious over the years in both supplying and safeguarding nuclear materials it sends abroad. It is not so well-known, however, that this country has some 30 agreements with other countries concerning our provision of peaceful nuclear technology and that many of these have failed to keep step with changing circumstance and expanded knowledge. The point is that what seemed safe and airtight, say, 20 years ago when some of these deals were made, no longer can be said to be sufficient.

Can we renegotiate these deals upward, so to speak, tightening their terms and sharpening their precautions? That is where a second big problem comes in: Neither formally and officially on paper, nor informally and unofficially in the practical world of real-life Washington, does the government have either the focus or instrumentality or (evidently) the will to produce a plausible and consistent policy.

The Department of State has some of the action; so does the Arms Control Agency; so do the Nuclear Regulatory Commission, the Office of Management and Budget, ERDA and the Congress. Thus when these things are argued out, a multiplicity of competing institutional interests is likely to come into play, along with a certain heavy fatalism. Your average country desk at the Department of State can understandably almost always find a diplomatic reason why it would be harmful to our relations with country X to put new limits on the materials we are sending; the long-term prospect of country X's bomb-making potential hardly seems worth exacerbating the current crisis or snarl we are otherwise experiencing with its leaders. And besides, what would be the point of tightening the rules on this reactor or that when we don't have complete control over its *other* reactors? And, anyway, if we deny them what they want, isn't it possible that they will shop elswhere and that we will lose whatever limited control we might have had if we closed the deal? And, when you get right down to it, isn't it already too late to halt the inevitable development around the world of nuclear arsenals?

To hear these arguments repeatedly stated you could get the idea that the United States has as little leverage in these matters as it apparently has policy. But that is not the case. We remain the preferred supplier of technology and the best-stocked supplier of fuel (although to maintain the latter position much more is going to have to be done to increase this country's capacity to produce enriched uranium).

What is needed is some focus and decision and muscle at the top. It is even conceivably possible that a policy review and examination would lead to the conclusion that we might as well toss in the towel on our fitful antiproliferation efforts. But if that is not going to be the case, then a whole lot of tough questions are going to have to be addressed: If we cannot prevent the spread of these weapons, can we not at least retard or better control that spread? Is it possible or even credible for this country to complain about French and German sales of enriching and reprocessing equipment if we ourselves do not act to make our own contracts more consistent with such a position? And if we are to pull ourselves together on this question, will not our very doing so require that we also consider ways to meet the legitimate concerns of client countries that: 1) we will be a reliable producer of the materials they need for their nuclear energy plants and 2) by depriving them of a nuclear weapons capability we are not diminishing their security. Other commitments, in other words, might have to accompany such a policy.

If you want an example of how the thing is working now in the absence of a coherent, consistent government point of view, you need only consider the dilemma of the Nuclear Regulatory Commission, which must license nuclear exports, but which has no authority to impose conditions on the importing countries themselves.

That must be done by other agencies of the executive branch. At the moment the question before the NRC is whether it should grant approval for new fuel supplies for two American-built reactors at Tarapur in India—yes, India, exploder of that famous "peaceful" bomb in 1974, which we now know was made with the help of heavy water supplied by the United States for other (peaceful) purposes. Given that record, it would seem undeniable that the United States is not just entitled, but actually obliged to impose some very strict conditions on what may and may not be done with any further fuel we supply. Yet since the only practical way to do this is to deny the Indians permission to extract plutonium from that fuel, the actual imposition of proper terms lies outside the NRC's jurisdiction.

The NRC, however, *can* impose terms on the U.S. government by refusing to approve the Indian license until the appropriate executive branch agencies have imposed the required terms on India. There seems to be anything but a disposition to do so in certain important reaches of the State Department. Indeed, the State Department's July 8 submission to the NRC on the question reads as if it had been written in New Delhi. But we think the NRC can and must hang tough until it has been given the proper assurances by the people in charge at State and in the White House that the Indians will be denied the opportunity to reprocess any fuel that is licensed and that this condition has been made a part of our arrangement with them.

The point is simple: If the United States does not act in the Indian case to ensure that our nuclear exports will not be misused or contribute even indirectly to enlarging the Indians' nuclear arsenal, then the game will more or less be over. What credibility will we possibly have in urging the French to abandon their plan to sell dangerous reprocessing equipment to the Pakistanis? What authority will we bring to our efforts to negotiate strict safeguards on the nuclear reactors we have offered to provide to countries in the Middle East? What license in the future will be ever be able to question or curb—at least with a straight face? We can only hope the NRC will insist on the proper commitment from the administration before it releases this fuel—and that the rest of government will get off the dime and start thinking about and acting on its obligations in this dangerous and supremely important field.

PAPERWEIGHT

Mr. SCHWEIKER. Mr. President, last week the Wall Street Journal ran an enlightening article on the paperwork burden faced by our Nation's businesses. The Journal presented the case study of Vulcan, Inc. of Latrobe, Pa.

One paragraph summarizes the avalanche of paperwork faced by Vulcan:

> An inventory of the federal, state and local government paperwork processed by Vulcan shows that the company will file at least 480 forms this year. The company estimates that 20 employees will spend a total of 7,000 hours compiling the forms, at an annual cost of $88,000 in salaries and fringe benefits.

On May 5, I introduced S. 3382, the Federal Reports Act Amendments of 1976. This measure would establish strict standards for Federal paperwork and require Congress to take an active role in overseeing the preparation of such forms. It would require the General Accounting Office, as the agent for Congress, to approve each new form prepared by Federal agencies for use by persons outside the Federal Government.

Mr. President, with the thought that it will vividly demonstrate the need for remedial legislation like S. 3382, I ask unanimous consent that the Wall Street Journal article on paperwork be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, July 16, 1976]

Paperweight—Companies Often Find They Must Put Forms Ahead of Substance; Vulcan Inc. Forgoes Attack on Price Problem To Deal With Pension Paperwork; Case of the Phantom Molds

(By David Ignatius)

Latrobe, Pa.—Ed Nemanic, secretary-treasurer of Vulcan Inc., is a sweet-tempered, charitable man. He doesn't hate bureaucrats and he doesn't believe politicians are out to destroy the free-enterprise system.

But the government is beginning to try Mr. Nemanic's patience.

The executive learned in May that one of Vulcan's divisions had been unwittingly underpricing a product. The division manager needed prompt help, but, unfortunately, the auditor best able to handle the problem was enmeshed that week in Department of Labor paperwork—his desk piled high with densely-worded EBS–1 pension plan reports. An exasperated Mr. Nemanic told the auditor to complete the reports to end the "mass confusion" they were causing. The problem of the troubled division had to wait.

Vulcan's cost-accounting problem eventually got solved. But the paperwork headache continues, threatening at times to turn this producer of ingot molds, cranes and molded plastic parts into a government errand boy. "You never really catch up," Mr. Nemanic says. "Before you know it, some other screwy form is coming across your desk."

7,000 MAN-HOURS THIS YEAR

An inventory of the federal, state and local government paperwork processed by Vulcan shows that the company will file at least 480 forms this year. The company estimates that 20 employes will spend a total of 7,000 hours compiling the forms, at an annual cost of $88,000 in salaries and fringe benefits.

By comparison with larger companies Vulcan—with $90.3 million in sales last year—is a paperwork piker. A billion-dollar giant like pharmaceutical-maker Eli Lilly & Co. calculates that it fills out a total of 27,000 forms annually at an estimated total cost of $15 million. And the new Commission on Federal Paperwork estimates that government form-filing's total cost to the economy is $40 billion a year.

But because Vulcan strives to be a lean company, without a layer of bureaucratic fat that could absorb the demands of government regulators, its paperwork problem is highly visible, directly affecting top executives in every major department of the company.

IMPACT ON WASHINGTON

Vulcan's experience is probably fairly typical of small and medium companies, which are hardest pressed by government paperwork demands. Protests from these companies are currently having some impact in Washington, spawning a number of proposed legislative curbs on the paperwork load. So far, though, the proposals haven't gone beyond the stage of—well, paperwork.

Meanwhile, Vulcan struggles to keep its head above paper. Interviews with key company personnel show that the paperwork burden far exceeds its direct cost in salaries and fringes. For the blizzard of forms often diverts the company from projects that might better serve its shareholders, employes and consumers.

For example, Lawrence Jeffries, a Vulcan plant personnel manager, reasons that if he weren't spending some 20% of his time handling the record-keeping requirements of the Occupational Safety and Health Administration (OSHA), he might be able to complete a safety-training manual for the company's Latrobe foundry advising new employes on the safest way to use each piece of equipment. "It needs to be done," he says, "but the record keeping never stops."

A YEAR BEHIND SCHEDULE

Down the hall, Charles Suprock, the company's chief engineer, reflects ruefully that he's a year behind schedule in drawing up plans for a foundry modernization program expected to save Vulcan about $450,000 a year. The most important reason for the delay: His three-man engineering staff spends at least twelve man-weeks a year filing some 40 state reports on anti-pollution equipment. He is convinced some of the forms (which run as long as 42 pages) never get read.

The corporate personnel director, James Donnelly, looking toward the company's coming contract negotiations, says he would like to be able to consider offering new benefits like a dental plan and a legal-services plan to employes. But because he has to draw up and annually update Vulcan's affirmative-action plans for minority hiring, oversee pension and welfare-plan reports, and send off regular emplyoment data, he fears he won't have to consider such matters before negotiations begin.

In some instances, the cost of Vulcan's paper shuffling is matched by obvious benefits. A quality-control technician recalls the days before strict emission-control standards, when the sky above the company's Latrobe plant was always gray, and cinders from the iron-melting cupola "would float out across the parking lot, land on your car, and burn right into the paint." And at management headquarters, an executive says that safer, cleaner plants required by OSHA will benefit the company and its shareholders by making it easier to hire conscientious workers who have stayed away from foundry work in the past.

But more often, the paperwork burden seems like a Sisyphean labor. Take the "sand permit" that chief engineer Suprock has to file in Michigan. In an effort to police emission of pollutants, the state requires separate permits for every major piece of equipment at the Wayne County foundry, including a storage container that held 91,353 tons of sand last year. "Discharge of pollutants from the said," Mr. Suprock notes, "was zero."

Another Michigan regulation requires weekly monitoring of the 88,000-gallon-a-day flow of water that passes through the plant's storm drain. The authorities apparently don't realize that the water passes directly onto the neighboring property of another company, where it is monitored once again. "It's entirely duplicated effort," Mr. Suprock contends.

Many of the government reporting requirements make no sense to Vulcan executives, but they say they try hard to provide accurate information. Given the effort, they get especially angry when the data are compiled in an inaccurate or unusable manner.

Consider the case of the phantom ingot molds. As a major producer of the iron molds that are used to form ingots out of molten steel, Vulcan has for years filed the Census Bureau's form M–33A, a monthly summary of the company's production of "Molds for Heavy Steel Ingots." The Census Bureau uses the data to compile its own regular monthly summary of industrywide production of the ingot molds.

Several years ago, these summaries by the Census Bureau began to make Vulcan's management very nervous. They showed a dramatic increase in total production of ingot molds for commercial sale, even as Vulcan's own commercial production remained relatively constant. Salesmen were called in for anguished consultations on the causes of the company's declining share of the growing market. Sales accounts were reviewed and exhortations delivered. But to no avail; Vulcan's share of the market kept slipping.

Finally, after a year and a half of worry, the company began to get suspicions about who was producing all the additional commercial molds. Nobody, it turned out. The monthly figures had been inflated by accident. The Census Bureau later admitted the error and issued revised figures. But the ingot-mold experience, says Vulcan president Gerald N. Potts, has made him "more wary" about his use of such statistics.

The company has similar, if less dramatic, problems with other government reports that it helps compile. Personnel director Donnelly, for example, finds that the wage statistics gathered from Vulcan and other companies and published by state employment services "are meaningless to us, even at bargaining time." The wage categories, he says, are too broad and often inapplicable, so the company conducts its own survey of industry wages at contract time. "We are able to arrive at a much more meaningful wage survey," he says. The states' reports end up in the wastebasket.

Another problem that has Vulcan employes muttering things like "abomination" from behind their paper-clogged desks is the duplication of effort required by many state and federal regulatory bodies. Joseph Schwemmer, an auditor who fills out state income-tax forms, says his job would be "much simpler" if states could agree to use a standard tax reporting formula. Instead, he says, the trend seems to be in the opposite direction, with many states devising special tax and reporting requirements.

FEDERAL DUPLICATION

Federal agencies, too, often duplicate each other by requesting the same basic information in a plethora of different forms. The Federal Trade Commission's quarterly financial report MG–1 asks for data available in Vulcan's quarterly 10–Q filing with the Securities and Exchange Commission. The Industry Class Supplement to the Bureau of Labor Statistics' form 790 asks for information about raw materials and final products that's available in the FTC's form NB–1. Even when the data requested is easily available, the forms are still a major distraction. "They come in at various times," notes auditor Robert Reed. "You have to go back time and again for the same information."

The government's inability to handle its own paperwork may be the surest sign that the problem has gotten out of hand. After a lengthy OSHA inspection of Vulcan's Cook County, Ill., foundry last October, Vulcan awaited a formal record of the citations, promised by the inspectors within four weeks. The company was still waiting last May when a second pair of OSHA inspectors showed up for an inspection. "We told them fine, but that we'd never received our first set of citations," Mr. Suprock recalls. After a hurried phone call back to headquarters, the embarrassed inspectors departed. Several days later the first citations, somehow misplaced for over six months, arrived at the plant.

Every form has its amusing nuances, but for Mr. Nemanic the ultimate monument to bureaucratic confusion remains the ever-changing set of pension-plan reports, the latest version of which distracted his auditors from investigating the internal cost-accounting problem last May.

Mr. Nemanic recounts the history of the pension reports to explain why he believes that the federal government is using companies as "guinea pigs" in a trial-and-error search for the perfect form. Until last year, he says, Vulcan was required to file a D–1 description of any new pension plan, a D–2 annual report on all existing plans, and a D–1 Supplement, which was supposed to capture any significant information not included on the two other forms.

REVISED IN 1975

Then, in 1975, the Labor Department revised its forms in accord with the Employe Retirement Income Security Act and mailed out the new EBS–1. The 1975 version was 12 pages (plus attachments), but only the first and last pages had to be completed. This year, with companies perhaps beginning to understand the first EBS–1 format, the form was altered to six pages, all of which had to be completed. (The Labor Department insists that under the new system, paperwork will actually be less than it was before the recent changes.)

Along with the EBS–1 filings, the act also requires companies to inform employees about pension-plan benefits. But the laborious proces of compiling the necessary "layman's language" plan descriptions was halted at Vulcan this spring after the Labor Department decided the descriptions could wait a year. Instead, companies could simply provide employes with notification that such information was available from the company pension-plan administrator. Vulcan duly sent out six-page mimeographed notification forms, using the Labor Department's "recommended language" (which included such layman's terms as "fiduciary" and "vested benefits").

The reaction of retired employes who received the letters was near-hysteria, says Mr. Donnelly, personnel director, who is the company's pension-plan administrator. He says nearly half of them called the company, desperate to learn whether the gobbledygook meant their pensions were going to be raised or cut.

But that isn't the end of the pension-plan paper chase. The Internal Revenue Service—which used to require completion of forms 4848, 4848A, and 4849 (which had replaced earlier form 2950) as well as the 990–P—moved this year to a consolidated form 5500. Vulcan employes hope, in defiiance of past experience, that the new "streamlined" form will actually simplify things.

The last straw: The SEC, apparently unwilling to go across town to look at the EBS–1 forms, requires companies to file a separate, consolidated SEC pension-plan report, the R–41. "Everybody's in the ball game," Mr. Nemanic says, "but nobody knows what's going on."

TRIBUTE TO DR. VICTOR HOFFMANN

Mr. HARTKE. Mr. President, I wish to print in the Record the remarks delivered at the annual convention of the National Lutheran Parent-Teacher League on Friday, June 25, 1976. Unfortunately I could not be on hand to deliver it personally because I had to be on the Senate floor the night of June 25 to vote on amendments to the tax reform bill, including my own.

This was the last speech that my chief legislative aide, Dr. Victor Hoffman, assisted me on, before his sudden and unexpected death from a heart attack on June 28. I relied upon his advice and counsel in the preparation of this speech and in countless other ways. Dr. Hoffmann was not only an old and dear friend of mine, but was a key member of my staff who had spent his entire life in the service of his fellow man. For more than 3 decades the thrust of his life had been first as a minister and later as a university educator. He was a fearless and dedicated humanitarian and it was his concern for people and their problems that drew him into Government where his dedication and integrity contributed enormously.

His help to me was invaluable and he will be sorely missed by his hundreds of friends in religion, education, and government. His wife and children have my deepest and most heartfelt sympathy.

Inclusion of this speech in the Congressional Record would honor this man, an ordained Lutheran minister, whose thoughts and standards of living it represents.

I ask unanimous consent that the speech may be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech for Senator Vance Hartke

INTRODUCTION

Senator Vance Hartke is "home folk." More than that, he is a Lutheran, a member of the Lutheran church—Missouri Synod. His seven children have all been confirmed in the Christian faith, as articulated by the theology of the Lutheran Church—Missouri Synod.

Of particular note is the fact that his oldest son and his wife were married by Dr. Oswald Hoffmann, the Lutheran Hour speaker. The Senator has kept in touch with the dilemmas and successes of American Lutheranism.

Let me present one of our well-known Lutherans.

Mr. Hartke. There are times in the lives of all of us when we deal almost exclusively with our kind of people, people with whom we are in tune.

For me, this convention is one of those times.

Like all of you, I am a Lutheran.

I am a member of the Lutheran Church—Missouri Synod.

Like all of you, I am interested in the activities of parents and teachers. Martha and I are the parents of seven children.

As a father, I have had some experience with freedom in the family structure.

More than that, you and I are Christians. As Christians, as Christian parents and teachers, you and I have important roles to play while we are here—between the cradle and the grave. Those roles come to primary focus in the family unit.

In the family structure, we have our first experiences with the problems and potentials of the human enterprise.

In the first place—as Christians, as Christian parents and teachers—we at least learn and know in the family structure the kind of world in which we and our children live, move, and know their being; mainly because we know something about ourselves. Because of what we humans are, we handle our freedom very badly.

Standing by ourselves in the family structure with some room for freedom of choice, the best of us are not good enough. The good we intend and know we should do, we choose not to do. The evil we know we should not do, we choose to do so easily without much effort and so often with a great deal of enthusiasm.

Ultimately, however, the family unit only reflects the dynamics of the general human condition.

All of us can cite countless passages from our sacred literature to explain our condition. For example:

1. "All men have sinned and come short of the glory of God."
2. "That which cometh out of the man, that defileth the man. For from within, out of the heart of man, proceed evil thoughts, adulteries, fornications, murders, thefts, covetousness, wickedness, deceit, lasciviousness, an evil eye, blasphemy, pride, foolishness, all these evil things come from within, and defile man."

These are tough words, but true. This catalogue of condemnation embarrasses us for they decribe you and me very accurately.

Certainly these words describe the kind of society in which we live. It is easy to run the scale of evil in our society:

1. The Bobby Baker scandals;
2. Watergate;
3. The "dirty tricks" of recent administrations;
4. The corporate bribery of political leaders at home and abroad;
5. The deviant behavior of oil and grain corporations;
6. The waste in the Pentagon and its procurement policies;
7. The recent revelation of what one weekly journal has called "capitol capers".

Obviously, it is not difficult to ring the changes on the tendencies to evil in man and woman in the human condition. In deed and in fact, this is the human predicament.

Given these circumstances, how can the human being be free, even talk about freedom?

Given these aspects of the human predicament, how can there be freedom in the family structure?

The Constitution of the United States recognizes this state of affairs with its principles of separation of powers, checks and balances, and federalism. According to the thinking of our Founding Fathers, a division and distribution of powers prevents the usurpation of centralized power on the part of any one person (like the President), or any group of people (like Congress), or on the part of any one set of constitutional intellectuals (like the Supreme Court).

Bluntly speaking, the power of one set of corrupt men is checked by the power of other corrupt men. In the process, freedom is preserved for all men and women in our American democracy.

In the family and educational structures we tend to neutralize one another, restraining at the least the coarse outbursts of evil.

But there is more to the human predicament.

Men and women are finite creatures with limited equipment and partial knowledge to answer the important questions of their lives such as:

1. Who am I?
2. Where am I going?
3. What ought I to be doing in the human enterprise in the limited time span granted to me?
4. What is this life all about anyway?

However tough it is to answer these questions, they bear on everything I must deal with as the senior Senator from Indiana like:

1. War and peace;
2. Tax reform;
3. Gun control;
4. The right to life;
5. Multi-national corporations;
6. Foreign aid;
7. World hunger.

How I deal with these issues as your Senator from Indiana tells me and you what I am, where I am going, what I ought to be doing, and what I think life is all about.

But, speaking very honestly, I had to deal with these issues and perspectives long before I became your Senator in dealing with the dynamics of family interaction and interrelationships.

Learning from my experience as a family man and as your Senator, I am sure of one thing: I have very few final answers to the ultimate questions of my life.

I see now but darkly.

The platform of the Democratic Party which I represent acknowledges our limitations in these matters:

"We acknowledge that no political party, nor any President or Vice-President, possesses answers to all the problems that face us as a Nation."

When you and I think deeply about the human compulsions and tendencies to evil and corruption—when we think about our inabilities to answer the basic questions of our existence, we are forced to think about the irresistible and irrepressible forces that dominate and determine our lives. In addition, we understand full well that we were born into cultural prisons like Lutheranism, or being German, or the State of Indiana, and the Midwest. Furthermore, we know that no matter the extent to which we build up our human existence with material successes, it will all some inevitable day end in death.

No matter how much we talk about freedom and how much we dedicate our lives to freedom, we are dominated and determined by forces and events beyond our control. Death, war, depression, inflation, unemployment, the breakdown of our intimate lives, and the prevalence of violence and hostility appear to rule our lives with a relentlessness that makes a mockery of our aspirations to freedom.

As a consequence, more often than not, men and women perceive themselves to be like peanut shells tossed to and fro upon the Atlantic Ocean. As parents and teachers, dealing with the irrepressible forces that dominate, we feel very often as if we are just whispering into the cavern of the winds. In reality, parents and teachers—and young people—have lost the stabilizing forces at the center of their lives.

If so—men and women—parents, teachers, young people—are walled in by meaninglessness, emptiness, and a sense of futility.

How can men and women—families—live positively and affirmatively with nothing at the center of their lives?

What are the options when men and women are beset by emptiness and meaninglessness. Well—one can eat, drink, and be merry for one will be dead tomorrow anyway. Many have chosen that way out. Or—one can employ the power game to its fullest to guarantee one's comfortable existence between birth and death—and let it go at that. Many have chosen that approach. Or—one can just withdraw and wait in a form of suicide or abdication until death comes. Many are playing the waiting game.

Where is freedom in all that—in these options?

How can there be freedom in the family structure in competition with these options?

There are dangers.

"To escape the anxiety implicit in the experience of total doubt and meaninglessness," according to Rabbi Bernard Martin in his book, The Existentialist Theology of Paul Tillich, "the individual may decide to surrender his freedom to ask and answer questions for himself, submitting to some authoritarian system under which all questioning and doubt are silenced."

There is little freedom in submitting one's self and life to the whims and whimsicalities of another.

Add to all this the prevalent tendency to self-rejection. Running through man's feeling of inadequacy, evil, emptiness, and meaninglessness is a deep sense of guilt and self-condemnation.

When one travels as much as I do, when one works with people as much as I do—when one is forced to look at himself as much as I have been forced to look at myself—one realizes that the forces of non-freedom are abroad in the land:

1. Anxiety;
2. Doubt;
3. Despair;
4. Self-rejection;
5. Self-condemnation;
6. Futility;
7. Inadequacy;
8. Corruption;
9. Meaninglessness;
10. Emptiness.

To fight these tendencies, coping skills must be taught and learned in the family unit and in the educational system.

But, let me say: You and I, resting in our Christian perspectives, are not doomed to despair about this world and the human predicament. We will not put out our candles with our tears. Perhaps—for those of us who are Lutheran—Dr. Martin Luther said it more aptly and graciously in the battle-hymn of the reformation:

"And take they our life, goods, fame, child, and wife,
Let these all be gone, they yet have nothing won,
The kingdom ours remaineth."

In the July-August 1976 issue of Portals of Prayer, Herman W. Gockel reacts to the dilemma and suffering of our world in this manner: "What a different world this world becomes when we remember that this is our Father's world. No blind force, no blind fate, but our Father's love still guides and shapes the destiny of all his children in things both great and small. He who guides the flight of the sparrow and traces its final fall has promised to guide us safely through all the perils of life and bring us safely home . . the world in which I shall go to sleep tonight is still my Father's world—his world to govern, guide, and keep for me and all his trusting children."

As parents and teachers, dedicated to cooperation between the educational system and the family unit you and I are committed to this premise: We were born into and are living in an absurd and complex world that we never quite understand and comprehend, but we will not surrender. This is God's world and with his help we will make the most of it. That is our purpose in life.

All the talk about corruption, evil, sin, anxiety, self-rejection, and the like disturb us but do not overwhelm us. We have been this way before in our conversations about the cross which is at the center of the Christian religion. The cross is an apt symbol of the realities of our lives—of our suffering, corruptions, and inadequacies.

At the same time, the Cross is also a symbol of our liberation of our freedom from the ills and the evils that beset us each day. The symbolism of the Cross tells us that someone cared enough about each and every one of us to die for us—to redeem and regenerate us, to lift us above the ills and the evils of the human enterprise.

This is careless, reckless love, delivered almost with gay abandonment.

The narrative of the Cross is really telling us that there is nothing wrong with this world that a good, solid prescription of love wouldn't cure.

Just at this point is the noble and high-minded secret of all of our human activities.

Just at this point we must talk about the key to the complicated dynamics of human interaction.

Just at this point we must talk about the problems and potentials of love in the family unit inasmuch as the family is the first and basic laboratory in the intimate life of love, training and rearing youngsters in the arts of reconciliation they will need to live the complete life in the wider world.

Despite all the talk about love in the new testament, love is hard to talk about.

Perhaps, it is a little like a case of measles: You do not know what it is, but you do know when you have it.

At any rate, as Christian parents and teachers, we know some of the components in love that dominate the context of freedom in our family lives.

1. Every member of the family, every member of the human race, is to be granted freedom in the pursuit of his talents and preferences.

2. Love is tough and fights the human perversity ". . . that sometimes makes us wish the very worst is true," as in the case of ". . . the slander of a careless tongue," or ". . . the gossip of an idle mind."

3. "Love prays for the best; how, then, can it hope for the worst?"

4. Love is sacrificial. It does not count the cost. In that respect, it is heedless, careless, and reckless.

5. Love presupposes power and justice. Love assumes delivery services. It assumes that, if one loves the poor person, one will develop the capacity to help that person.

6. Love casts out fear. In some miraculous manner, love prevails over evil, corruption, anxieties, guilt feelings, estrangement, and self-rejection.

7. In my judgment, all this constitutes the key to human existence.

And it all lies at the center of our Christian lives.

That is what we are all about in the family, the church, and in politics: the social ministry of understanding, love, and forgiveness.

UNIONIZATION OF THE MILITARY

Mr. GOLDWATER. Mr. President, one of the most ludicrous and dangerous proposals that I have heard during my 20 years in the U.S. Senate is one which would permit unionization of our men in uniform. The proposal is being made by the American Federation of Government Employees and is to be taken up at that union's convention in September.

One of the interesting aspects of this outlandish proposal is how it will be handled by the AFL–CIO, to which the AFGE is affiliated. I say this because the AFL–CIO has been one of the really strong proponents of adequate military strength. Through the years it has repeatedly stressed the need for this Nation to be strong and alert to the threat posed by the Soviet Union.

Mr. President, it stands to reason that unionizing the uniformed military personnel of this Nation would not strengthen but seriously weaken America's preparedness for any eventuality, be it a threat from the Soviet Union or some other aggressor. It would destroy the military chain of command and ruin the discipline so necessary for the proper performance of military missions.

Mr. President, the union in question makes a big point of contending that our military personnel are merely civilians working in uniforms and that they should be represented by a union bargaining agent in the same fashion as civilian employees of the Department of Defense. Of course all of the union's statements configure military personnel in a peacetime setting. Further they argue that our men in uniform have selected the military solely as a means of livelihood and not for patriotic reasons. The facts certainly do not support the latter contention and the fact remains that we are not always assured of a peacetime setting.

When you project a military man's right to strike into a combat situation you come up with a ridiculous situation which cannot be explained away under any circumstances. Mr. President, as I said at the beginning, this proposal is ludicrous on its face, yet it persists as an active goal of a powerful segment of the AFL–CIO. Even the suggestion is fraught with danger. The ramifications of the proposal are far reaching and explosive. And because of its importance to the Nation and the security of our people, I ask unanimous consent to have printed in the RECORD a position paper published by the Air Force Association, entitled "Air Force Association Position Paper: Unionization of the Military."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AIR FORCE ASSOCIATION POSITION PAPER: UNIONIZATION OF THE MILITARY

(The following statement was adopted unanimously by the Air Force Association Board of Directors, meeting on May 29, 1976 in Colorado Springs, Colorado.)

Any plausible reaction to the military unionization movement must begin with the acknowledgement that unions are a fundamental element in our democratic system, and that organized labor is a major contributor to our defense posture.

Beyond that, the AFL–CIO must be recognized as a potent force in keeping our citizens alert to the threat posed by the Soviet Union and to the resulting need for a strong American military establishment. Indeed, during the past twelve months the Air Force Association has issued three special reports to its leaders, each directly related to the AFL-CIO, and each recommended as a valuable source for remarks in support of AFA objectives.

The first of these reports carried a message from the AFL–CIO Executive Council which called upon "the President, the Congress, and the American people to do what must be done to provide for the common defense." We hailed it as "a perceptive and concise analysis of our defense position vis-a-vis the Soviet threat."

The second report was the reprint of an article by Aleksandr Solzhenitsyn, the Nobel Prize-winning Russian author who was exiled from his native country in 1974. The article was entitled "The Third World War Has Ended." Author Solzhenitsyn had visited this country under the sponsorship of the AFL–CIO and his message to America was a breakthrough in obtaining wider recognition of the nature and criticality of the Soviet Threat.

Our third report carried excerpts from an article by George Meany, President of the AFL–CIO, which featured an incisive analysis of detente. It strongly supported the theme of our current Statement of Policy.

If, as surveys indicate, there has been a swing in public opinion toward greater recognition of the Soviet Threat and greater interest in a larger U.S. Defense Budget, the AFL–CIO deserves much credit for this important shift in public attitude.

Against this background, it would seem that Mr. Meany and the majority of other labor leaders, plus the rank and file of organized labor, will find it difficult to support the proposal to be considered by the American Federation of Government Employees, an AFL–CIO affiliate, at its convention in September. This proposal would have the AFGE serve as bargaining agent for uniformed military personnel.

Clyde M. Webber, the National President of AFGE, in testimony before the Defense Manpower Commission, reported that "the mutual benefits of bringing military personnel into AFGE" was based on the premise that the pay systems of uniformed military and civilian government employees were linked by statute. AFGE claims to represent more than 390,000 civilian employees in the Department of Defense.

Mr. Webber makes the point that pay scales for both civilian and uniformed government personnel are based on comparability with industry pay scales, and that budgetary considerations of defense personnel costs always include both the expenses for civilians and for the uniformed military as a single entity.

Although noting that the original concept of military unionization centered primarily on pay, Mr. Webber told the Commission that "other areas of mutual concern have also come to the fore." He identified several of these areas as "common or similar problems in the pension subsidies of both civilian and military personnel, changes in the health care system for both groups, identification of military and civilian positions in the regular operation of military installations . . ."

In all of his statements on the subject, Mr. Weber has, in effect, configured military personnel in a peacetime setting, as civil servants in uniform.

Leo Pellerzi, General Counsel of the AFGE, put it more succinctly to the Wall Street Journal when he stated, "It is a volunteer Army, and that means people are selecting a military career as a means of livelihood, and not for patriotic reasons. Servicemen today aren't responding to an attack on the country. They want to be paid."

Our initial reaction to this is clear cut. If, as Mr. Pellerzi states, the All-Volunteer Force is producing people who select military careers merely as a means of livelihood, and "not for patriotic reasons," the nation has only one logical alternative: go back to the draft.

As for Mr. Webber's comparability argument, we have long since noted that the comparability concept is based on the assumption that military and civilian jobs are "comparable" to begin with.

More than a year ago, in a special report to AFA leaders, we commented on this assumption with the question, "'Are they'", and added: "Are many civilian employees called upon to uproot their families involuntarily every few years . . . to endure 24-hour alert duty assignments . . . to work overtime without additional compensation . . . to serve in remote and isolated areas . . . to give up certain freedoms and rights . . . risk injury, personal disability, or death, in battle?"

Proponents of military unionization invariably respond to this with the argument that firemen and policemen are unionized, and even go on strike now and again. While we believe that these jobs, for which we have the greatest respect, can be compared to military service only in relation to hazardous duty assignments, it behooves us to consider what can happen when firement and policemen strike.

Admiral John S. McCain, Jr. (USN-Ret.),

in a recent newsletter published by the Public Service Research Council, describes an incident and poses a question which deserves serious consideration: "During the fireman's strike in Kansas City, Missouri, late last year," the Admiral reports, "firefighters from surrounding communities would not cross the so-called 'picket lines' of the striking Kansas City firemen. The situation became so dangerous to the citizens that the National Guard was called in to help quell the raging fires throughout that city. If the military is unionized this would also mean the National Guard. Would they, under unionization, eschew as firemen in areas surrounding Kansas City, the moral law of helping a neighbor, and not cross the so-called 'picket lines'?"

When you project a military man's right to strike into a combat situation you, of course, come up with an impossible situation which turns critics of military unionization into fanatics.

But the leaders of the American Federation of Government Employees have made it clear that they are referring to the peacetime training mode of military people when they talk about unionization—and we are inclined to believe them. We can't believe that union authority could extend into warfare, or that union leaders could sell the idea, or would even try.

The Supreme Court has repeatedly ruled that only the military has the constitutional authority to participate in defense activity. As recently as March of this year, the Court stated (*Greer* v. *Spock*): One of the very purposes for which the Constitution was ordained and established was to 'provide for the common defense,' and this Court over the years has on countless occasions recognized the special constitutional function of the military in our national life, a function both explicit and indispensable."

It also seems logical to assume that union leaders, at least at the outset, would shy away from supporting the right to strike for unionized military personnel. The specter of a military unit being unable to cross a picket line to save lives, as projected by Admiral McCain, presents another unsalable item for union leaders. On the other hand, the right to strike (or sit-down, stay-home, play-sick maneuvers) is a union's ultimate weapon. This presents something of a dilemma. But it is not the immediate problem.

Assuming wartime duty and the right to strike are eliminated from the equation, how does military unionization stack up?

First, it's worth considering the observation of AFGE's legal counsel, Mr. Pellerzi, that "servicemen today aren't responding to an attack on the country" as part of his justification for unionizing servicemen.

This betrays complete misunderstanding of the training function in military life, and no appreciation of what military readiness really means. You can't separate training from combat that neatly—not without the danger of unnecessarily losing military lives and failing to carry out missions in the process. Again it points to the basic fallacy in the union's argument—that of thinking of military people as civil servants in uniform.

With this as a basic premise, AFGE leaders argue that uniformed military people deserve access to the same rights—through unionization—as those available to civilians who work for the Department of Defense. All this, presumably, as a part of the "democratic process" and supported by the First Amendment.

But the Supreme Court doesn't seem to agree. The Court stated (again in the *Greer* v. *Spock* decision of March 3, 1976): "A military organization is not constructed along democratic lines and military activities cannot be governed by democratic procedures. Military institutions are necessarily far more authoritarian; military decisions cannot be made by vote of the interested participants . . . (T)he existence of the two systems (military and civilian) (does not) mean that constitutional safeguards, including the First Amendment, have no application at all within the military sphere. It only means that the rules must be somewhat different."

In 1974 the Supreme Court enlarged on the latter point (*Parker, Warden, et al.* v. *Levy*) in these words: ". . . while military personnel are not excluded from First Amendment protection, the fundamental necessity for obedience, and the consequent necessity for discipline, may render permissible within the military that which would be constitutionally impermissible outside it."

Indeed, the Supreme Court, in repeated decisions over the past twenty-five years, has drawn a clear distinction between military people and civilians. The Court in 1955 (*U.S. ex rel. Toth* v. *Quarles*) had this to say on the subject: "This Court has long recognized that the military is, by necessity, a specialized society separate from civilian society. We have also recognized that the military has, again by necessity, developed laws and traditions of its own during its long history. The differences between the military and civilian communities result from the fact that 'it is the primary business of armies and navies to fight or be ready to fight wars should the occasion arise.'"

Note the reference to "or be ready to fight wars" in that decision. That's what the military training mission is all about. Anything that might compromise that mission presumably would not be upheld by the highest tribunal in the land.

Could unionization compromise it?

In 1953 (*Orloff* v. *Willoughby*) the Supreme Court had this to say: "'An army is not a deliberative body. It is the executive arm. Its law is that of obedience. No question can be left open as to the right to command in the officer, or the duty of obedience in the soldier.'"

And the Court enlarged on this point in 1974 (*Parker, Warden, et al.* v. *Levy*) in these words: "... within the military community there is simply not the same autonomy as there is in the larger civilian community. The military establishment is subject to the control of the civilian Commander in Chief and the civilian departmental heads under him, and its function is to carry out the policies made by those civilian superiors."

What if union policies do not agree with those of the Commander in the field or with those of the Commander in Chief in the White House or with "the civilian departmental heads under him"?

The answer, of course, is that military people have no alternative but to fulfill "the duty of obedience in the soldier" or face prosecution under the Uniform Code of Military Justice—a Code which the Supreme Court has ruled (*Parker* v. *Levy*, 1974) "'cannot be equated to a civilian criminal code.'"

Military people must not be faced with this dilemma. If they are, something must give—and it could be national security. The stakes are too high for that risk.

In courtroom parlance, the evidence is overwhelmingly *against* military unionization, and adequate statutory provisions seem to exist to prevent it. Thus, in expressing our unalterable opposition to unionization of the military, the Air Force Association calls upon the Administration to exercise its authority and prohibit it.

HUMAN RIGHTS IN THE AMERICAS

Mr. PROXMIRE. Mr. President, on a recent trip to Chile to attend a meeting of the United Nations Economic Commission on Latin America, Secretary Kissinger spoke on the very important issue of protection of basic human rights.

In his speech, the Secretary reminds all of us of the critical task before developed and developing nations, as we push for greater political cooperation and economic progress. America and all Americas have the responsibility of recalling and acting in accord with the fundamental freedoms which are the right of all mankind.

We are approaching a critical time in our political and economic relations with the people of Latin America. Understanding and concern for the protection of the basic human rights of the peoples of these developing nations is vital now more than ever.

Mr. President, I ask unanimous consent that Dr. Kissinger's speech be printed in the RECORD. He is addressing a vital issue at a vital time.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS

One of the most compelling issues of our time, and one which calls for the concerted action of all responsible peoples and nations, is the necessity to protect and extend the fundamental rights of humanity.

The precious common heritage of our Western Hemisphere is the conviction that human beings are the subjects, not the objects, of public policy; that citizens must not become mere instruments of the state.

This is the conviction that brought millions to the Americas. It inspired our peoples to fight for their independence. It is the commitment that has made political freedom and individual dignity the constant and cherished ideal of the Americas and the envy of nations elsewhere. It is the ultimate proof that our countries are linked by more than geography and the impersonal forces of history.

Respect for the rights of man is written into the founding documents of every nation of our hemisphere. It has long been part of the common speech and daily lives of our citizens. And today, more than ever, the successful advance of our societies requires the full and free dedication of the talent, energy, and creative thought of men and women who are free from fear of repression.

The modern age has brought undreamed-of benefits to mankind—in medicine, in technological advance, and in human communication. But it has spawned plagues as well—in the form of new tools of oppression as well as of civil strife. In an era characterized by terrorism, by bitter ideological contention, by weakened bonds of social cohesion, and by the yearning for order even at the expense of liberty, the result all too often has been the violation of fundamental standards of humane conduct.

The obscene and atrocious acts systematically employed to devalue, debate, and destroy human life during World War II vividly and ineradicably impressed the responsible peoples of the world with the enormity of the challenge to human rights. It was precisely to end such abuses and to provide moral authority in international affairs that a new system was forged after that war—globally in the United Nations and regionally in a strengthened inter-American system.

The shortcomings of our efforts in an age which continues to be scarred by forces of intimidation, terror, and brutality fostered sometimes from outside national territories and sometimes from inside have made it dramatically clear that basic human rights must be preserved, cherished, and defended if peace and prosperity are to be more than hollow technical achievements. For technological progress without social justice mocks humanity; national unity without freedom is sterile; nationalism without a consciousness of human community—which means a shared concern for human rights—refines instruments of oppression.

We in the Americas must increase our international support for the principles of justice, freedom, and human dignity—for the organized concern of the community of nations remains one of the most potent weapons in the struggle against the degradation of human values.

HUMAN RIGHTS CHALLENGE IN THE AMERICAS

The ultimate vitality and virtue of our societies spring from the instinctive sense of human dignity and respect for the rights of others that have long distinguished the immensely varied peoples and lands of this hemisphere. The genius of our inter-American heritage is based on the fundamental democratic principles of human and national dignity, justice, popular participation, and free cooperation among different peoples and social systems.

The observance of these essential principles of civility cannot be taken for granted even in the most tranquil of times. In periods of stress and uncertainty, when pressures on established authority grow and nations feel their very existence is tenuous, the practice of human rights becomes far more difficult.

The central problem of government has always been to strike a just and effective balance between freedom and authority. When freedom degenerates into anarchy, the human personality becomes subject to arbitrary, brutal, and capricious forces. When the demand for order overrides all other considerations, man becomes a means and not an end, a tool of impersonal machinery. Clearly some forms of human suffering are intolerable no matter what pressures nations may face or feel. Beyond that all societies have an obligation to enable their people to fulfill their potentialities and live a life of dignity and self-respect.

As we address this challenge in practice, we must recognize that our efforts must engage the serious commitment of our societies. As a source of dynamism, strength and inspiration, verbal posturings and self-righteous rhetoric are not enough. Human rights are the very essence of a meaningful life, and human dignity is the ultimate purpose of government. No government can ignore terrorism and survive, but it is equally true that a government that tramples on the rights of its citizens denies the purpose of its existence.

In recent years and even days, our newspapers have carried stories of kidnappings, ambushes, bombings, and assassinations. Terrorism and the denial of civility have become so widespread, political subversions so intertwined with official and unofficial abuse, and so confused with oppression and base criminality, that the protection of individual rights and the preservation of human dignity have become sources of deep concern—and worse—sometimes of demoralization and indifference.

No country, no people—for that matter no political system—can claim a perfect record in the field of human rights. But precisely because our societies in the Americas have been dedicated to freedom since they emerged from the colonial era, our shortcomings are more apparent and more significant. And let us face facts: Respect for the dignity of man is declining in too many countries of the hemisphere. There are several states where fundamental standards of humane behavior are not observed. All of us have a responsibility in this regard, for the Americas cannot be true to themselves unless they rededicate themselves to belief in the worth of the individual and to the defense of those individual rights which that concept entails. Our nations must sustain both a common commitment to the human rights of individuals and practical support for the institutions and procedures necessary to insure those rights.

The rights of man have been authoritatively identified both in the U.N. Universal Declaration of Human Rights and in the OAS's American Declaration of the Rights and Duties of Man. There will, of course, always be differences of view as to the precise extent of the obligations of government. But there are standards below which no government can fall without offending fundamental values—such as genocide, officially tolerated torture, mass imprisonment or murder, or comprehensive denials of basic rights to racial, religious, political, or ethnic groups. Any government engaging in such practices must face adverse international judgment.

The international community has created important institutions to deal with the challenge of human rights. We here are all participants in some of them—the United Nations, the International Court of Justice, the OAS, and the two Human Rights Commissions of the United Nations and the OAS. In Europe an even more developed international institutional structure provides other useful precedents for our effort.

Procedures alone cannot solve the problem, but they can keep it at the forefront of our consciousness and they can provide certain minimum protection for the human personality. International law and experience have enabled the development of specific procedures to distinguish reasonable from arbitrary government action on, for example, the question of detention. These involve access to courts, counsel, and families; prompt release or charge; and, if the latter, fair and public trial. Where such procedures are followed, the risk and incidence of unintentional government error, of officially sanctioned torture, of prolonged arbitrary deprivation of liberty, are drastically reduced. Other important procedures are habeas corpus or amparo, judicial appeal, and impartial review of administrative actions. And then there are the procedures available at the international level—appeal to, and investigations and recommendations by, established independent bodies such as the Inter-American Commission on Human Rights, an integral part of the OAS and a symbol of our dedication to the dignity of man.

The Inter-American Commission has built an impressive record of sustained, independent, and highly professional work since its establishment in 1960. Its importance as a primary procedural alternative in dealing with the recurrent human rights problems of this hemisphere is considerable.

The United States believes this Commission is one of the most important bodies of the Organization of American States. At the same time it has a role which touches upon the most sensitive aspects of the national policies of each of the member governments. We must insure that the Commission functions so that it cannot be manipulated for international politics in the name of human rights. We must also see to it that the Commission becomes an increasingly vital instrument of hemispheric cooperation in defense of human rights. The Commission deserves the support of the Assembly in strengthening further its independence, evenhandedness, and constructive potential.

REPORTS OF THE OAS HUMAN RIGHTS COMMISSION

We have all read the two reports submitted to this General Assembly by the Commission. They are sobering documents for they provide serious evidence of violations of elemental international standards of human rights.

In its annual report on human rights in the hemisphere, the Commission cites the rise of violence and speaks of the need to maintain order and protect citizens against armed attack. But it also upholds the defense of individual rights as a primordial function of the law and describes case after case of serious governmental actions in derogation of such rights.

A second report is devoted exclusively to the situation in Chile. We note the Commission's statement that the Government of Chile has cooperated with the Commission, and the Commission's conclusion that the infringement of certain fundamental rights in Chile has undergone a quantitative reduction since the last report. We must also point out that Chile has filed a comprehensive and responsive answer that sets forth a number of hopeful prospects which we hope will soon be fully implemented.

Nevertheless the Commission has asserted that violations continue to occur, and this is a matter of bilateral as well as international attention. In the United States concern is widespread in the executive branch, in the press, and in the Congress, which has taken the extraordinary step of enacting specific statutory limits on U.S. military and economic aid to Chile.

The condition of human rights as assessed by the OAS Human Rights Commission has impaired our relationship with Chile and will continue to do so. We wish this relationship to be close, and all friends of Chile hope that obstacles raised by conditions alleged in the report will soon be removed.

At the same time the Commission should not focus on some problem areas to the neglect of others. The cause of human dignity is not served by those who hypocritically manipulate concerns with human rights to further their political preferences, nor by those who single out for human rights condemnation only those countries with whose political views they disagree.

We are persuaded that the OAS Commission, however, has avoided such temptations.

The Commission has worked and reported widely. Its survey of human rights in Cuba is ample evidence of that. Though the report was completed too late for formal consideration at this General Assembly, an initial review confirms our worst fears of Cuban behavior. We should commend the Commission for its efforts—in spite of the total lack of cooperation of the Cuban authorities—to unearth the truth that many Cuban political prisoners have been victims of inhuman treatment. We urge the Commission to continue its efforts to determine the truth about the state of human rights in Cuba.

In our view the record of the Commission this year in all these respects demonstrates that it deserves the support of the Assembly in strengthening further its independence, evenhandedness, and constructive potential.

We can use the occasion of this General Assembly to emphasize that the protection of human rights is an obligation not simply of particular countries whose practices have come to public attention. Rather, it is an obligation assumed by all the nations of the Americas as part of their participation in the hemispheric system.

To this end the United States proposes that the Assembly broaden the Commission's mandate so that instead of waiting for complaints, it can report regularly on the status of human rights throughout the hemisphere.

Through adopting this proposal the nations of the Americas would make plain our common commitment to human rights, increase the reliable information available to us, and offer more effective recommendations to governments about how best to improve human rights. In support of such a broadened effort, we propose that the budget and staff of the Commission be enlarged. By strengthening the contribution of this body, we can deepen our dedication to the special qualities of rich promise that make our hemisphere a standard-bearer for freedom-loving people in every quarter of the globe.

At the same time we should also consider ways to strengthen the inter-American system in terms of protection against terrorism, kidnapping, and other forms of violent threats to the human personality, especially those inspired from the outside.

NECESSITY FOR CONCERN AND CONCRETE ACTION

It is a tragedy that the forces of change in our century—a time of unparalleled human achievement—have also visited upon many individuals around the world a new dimension of intimidation and suffering.

The standard of individual liberty of conscience and expression is the proudest heritage of our civilization. It summons all nations. But this hemisphere, which for centuries has been the hope of all mankind, has a special requirement for dedicated commitment.

Let us then turn to the great task before us. All we do in the world—in our search for peace, for greater political cooperation, for a fair and flourishing economic system—is meaningful only if linked to the defense of the fundamental freedoms which permit the fullest expression of mankind's creativity. No nations of the globe have a greater responsibility. No nations can make a greater contribution to the future. Let us look deeply within ourselves to find the essence of our human condition. And let us carry forward the great enterprise of liberty for which this hemisphere has been—and will again be—the honored symbol everywhere.

ECONOMIC DROUGHT DESTROYING FAMILY FARMS

Mr. ABOUREZK. Mr. President, the family is the backbone of American agriculture. The interest and welfare of the consumers of our Nation and those in need throughout the world depend heavily on the well-being of the family farm.

However, the family farm is disappearing at an alarming rate. An article that appeared in the March/April issue of State Legislatures entitled "Economic Drought Destroying Family Farms" describes some of the economic problems that are forcing the family off of the farm. Among the problems cited in this article are the rising costs of production, competition from large conglomerates entering into agriculture production, vertically integrated corporations that have an unfair competitive advantage, and Federal and State inheritance taxes that make it difficult for a family farm to be passed on from one generation to the next.

The article pays particular attention to the problem of corporations and conglomerates entering into farming. It points out that giants such as ITT, the John Hancock Co., and Greyhound are making significant inroads into agriculture. Small farmers are finding it impossible to compete with these corporate giants. I have introduced legislation, the Family Farm Antitrust Act of 1975, that would prevent such companies from entering into agriculture. I urge my colleagues to review this article when considering this legislation.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ECONOMIC DROUGHT DESTROYING FAMILY FARMS

A new bumper sticker, "Crime Doesn't Pay, Neither Does Farming," has appeared on many farm trucks in the midwest. Unfortunately, for many the slogan holds more truth than rhetoric. In the past 20 years, 2 million farms have been lost and 30 million people have been forced into our already overcrowded cities. America is losing 400 million acres of farmland each year, and every month the lights go out in another 2000 to 3000 family farms.

The reason is economic. In the past three years, farm machinery costs are up, fertilizer and chemicals costs have tripled, energy rates have skyrocketed, and freight prices have soared. Although the cost of farm products has risen slowly, it has not equalled the nation's inflation rate.

One estimate is that today it may cost as much as $250,000 to start a farm, an amost impossible credit requirement for many young farmers. As State Sen. Leslie Droge (Kans.) says. "You'd be an old man before you could pay off a reasonable-sized farm today."

As a result of these conditions, big corporations and conglomerates are becoming the only ones who can afford to farm. More than 60 percent of all agricultural land in Iowa and Illinois, for example is owned by absentee landowners. In George, a handful of large companies, most of them multinationals, own nearly 70 percent of the state's forestland. Nationally, eight oil companies own almost 65 million acres, which is more than 13 times the size of New Jersey. Twelve timber companies own more than 34 million acres, or about the size of Illinois.

Farming today is not what it used to be. The John Hancock Co. now sells soybeans as well as insurance. ITT produces both hams and electronic equipment, and Greyhound runs turkey processing plants along with its buses. For the small farmer it is often impossible to compete with these corporate giants.

Corporate, vertically-integrated farms which control almost everything from the seed to the supermarket have financial advantages over individual farmers. A corporate group which owns the farmland, the processing plants and the marketing business can soak up losses that would ruin the small family farmer.

Corporate farms are seldom unwelcome in an area because they employ local townspeople, run large, modern operations, and always pay their taxes. But while they may be reliable neighbors, large absentee corporations are not necessarily the best farmers. In the only official report issued on the subject, the U.S. Department of Agriculture found that maximum efficiency is generally achieved "at a relatively small size of operation and remains more or less constant through the very large range."

The key to this efficiency, according to Kansas Sen. Droge, is commitment. An individual farmer will work 16 hours a day, 7 days a week, to make his farm produce because he has no other choice. Workers on a corporate farm need only put in their eight hours, and the paycheck comes every week, whether the farm produces or not. Centuries ago, Confucius put it another way: "The best fertilizer is the footsteps of the landowner."

State laws restricting corporate farming have been primarily a midwestern interest. In all, nine states have some sort of legislation restricting corporate farming (Kan., N.D., Minn., Wis., S.D., Iowa, Neb., Mo., Okla.).

Kansas was the first state to have such legislation Passed in 1931, it states that corporations can have only ten or fewer stockholders, incorporators must be Kansas residents, stockholders cannot own stock in any other corporation, and corporations cannot own or supervise more than 5,000 acres.

The Kansas law was enacted after a bad experience with a corporate venture in 1927. A wheat farming corporation bought 64,000 acres to demonstrate the potential profit in corporate farming. The corporation sold stock, and in 1929 when the market crashed, Kansas stockholders found themselves with neither their money nor their land.

The only other state which has had a corporate farming law for more than 40 years is North Dakota. In 1932, after experiences similar to Kansas, almost all corporations were prohibited from farming. Since then, there have been few exceptions. Despite regular attempts to repeal it, the North Dakota law seems firmly entrenched.

Minnesota was the first state in this decade to regulate corporate farming. It allows only two classes of corporations to farm and own agricultural land. "Family farm corporations" must have been founded for the purpose of farming, have none of the stockholders as corporations, and have at least one of the stockholders qualify as a state resident. A corporation which owned land before the effective date of the law is also permitted to farm in the state.

While corporations acquire land at an alarming rate, the spread of urban areas is also consuming about 2.2 million acres of farmland a year. Currently, nearly 20 percent of all U.S. farms are within so-called urban areas. These farms have suddenly become part of the urban fringe, and farmers are finding that their land's development value is as much as five times its farm value. In DuPage County, Illinois, for example, some farm land has been sold to developers for as much as $35,000 an acre. At tax time, farmers are sometimes assessed at their land's development value, instead of its use value. Often the tax burden is so great that farmers are forced to sell all or part of their land.

Today, more than 30 states have modified assessment laws giving preferential treatment to farms and open lands. Basically, the laws fall into three categories:

1. *Preferential Assessment:* Land is valued at its current use value, not its development value in at least nine states (Fla., Ark., Colo., Del., Ind., Iowa, N.M., S.D., Wy.). Requirements for participation vary. In some states, farmers must apply for preferential treatment, while in others, any farm-land automatically qualifies.

2. *Deferred Taxation:* Land is assessed at its current use, but if the land changes to development use, unpaid taxes on the development value are "recaptured." At least 17 states (Ala., Conn., Ill., Ky., Ma., Md., Miss., Mont., N.H., N.J., N.Y., N.C., R.I., Tex., Vt., Va.) have such laws and in most cases, landowners must apply to defer the taxes.

3. *Restrictive Agreements:* Several states have laws allowing local government to negotiate with a landowner to restrict development for a tax preference. Ten years is the standard period for non-development. One example is Hawaii, where a landowner applies to the state for preferential tax treatment. In exchange, he cannot develop his land for 10 years. This system combines lands use regulation, land use restrictions, and preferential taxation.

Problems also arise when a farmer dies. A 50 acre farm purchased in 1942 for $40 an acre might now be worth about $4,000 an acre. The value of the land's farm production has not risen nearly as much, however, leaving the farmer only "paper rich." When he dies, his family is often unable to pay the large inheritance tax on the land. The only alternative is to sell the land to pay the taxes. The widow of a Logan County, Ill., farmer recently sold 80 acres of the family farm to help pay a $150,000 federal tax bill on the estate.

Testifying on behalf of the National Conference of State Legislatures before the House Ways and Means Committee in March 1976, State Rep. Joseph Hubenak (Tex.) said, "A combined state and federal effort is needed to maintain the viability of the family farm . . . the states have realized their role in rectifying the problem of inheritance taxes, but without changes in the federal estate tax laws, state actions will be greatly overwhelmed."

In Congress, 206 bills have been introduced on the issue of inheritance taxes. One, sponsored by Rep. Omar Burleson, (D-Tex.) would increase the exemption on small farms and businesses from $60,000 to $200,000. The marital exemption would be raised to $100,000 plus 50 percent of the adjusted gross value. The value assessment procedure would be based on the land's current farm value, not its market development value. NCSL's Intergovernmental Relations Committee has endorsed the provisions of the Burleson bill.

Conceding that changes must be made, President Ford has proposed that the inheritance tax exemption be raised to $150,000. He has also proposed that the current 5 year payment period be extended to 25 years, and that deferred payments be made at lower interest rates.

Despite the need for changes, the reality of election year politics may put the inheritance tax issue on a back burner. Any changes in the estate tax law will cost the taxpayers money. The Library of Congress has estimated that if the Burleson bill, for example, were applied to everyone, it would cost the treasury $2.5 billion a year in lost taxes. Raising the exemption from $60,000 to $200,000 would itself cost more than $2 billion a year.

Many states are also looking into revising their inheritance tax laws. Last year, the Minnesota Senate passed a bill proposing the first major changes there since 1959. This year, the Minnesota House is working on almost identical legislation. Like the federal proposals, the legislation would increase the amount of property which can be transferred on death without being taxed.

The Senate is currently considering legislation to make it easier for young people to begin farming. The bill, called the Young Farmers Homestead Act of 1975, would create a Federal Farm Assistance Corporation within the Department of Agriculture. The corporation would actually be a small board with the power to purchase family-sized farms or ranches. The board would then lease the farms to qualified young farmers for a term of seven years. For the first seven years, the young farmer would be free from any downpayment and any payment on the principal. Rent would be determined primarily by taxes.

After the first seven years, the government corporation would sell the unit to the farmer, financing it through the Farmers' Home Administration or regular commercial channels. The land, having appreciated during the first seven years, would be sold for 75 percent of its appreciated value. This would give the farmer an automatic 25 percent equity for financing. Similar legislation is also under consideration in the House.

Some states are experimenting with their own programs to help young farmers. In Minnesota, for example, the legislature has just passed a bill to help young farmers obtain credit for purchasing farmland.

Today the extinction of the small farm is no longer possible, it's probable. The squeeze of inflation and taxes is forcing more and more farmers to sell out, usually to large corporate farmers or developers. Rural lands is becoming harder to get, and unless there is federal and state action, the small family farmer will be just another mention in the history books. Or as Rep. Charles Rose (D-N.C.), says, "If we are not careful, we will not have any farmers to represent small farm operations by the tri-centennial."

NEA-AMERICAN BUSINESS FORGE PARTNERSHIP

Mr. BEALL. Mr. President, on November 20 of last year I had the pleasure of calling to the attention of my colleagues in the Senate a new and exciting effort to form a union between American education and business. Closer cooperation and links between education and industry can be beneficial to both parties, and even more important, can be of great value to the students and the general public.

For over a year now the American Cyanamid Co. and the National Education Association have been working to design a program to stimulate special cooperative ventures. Although NEA is a national organization and the American Cyanamid Co. is a national corporation, the key to the success of this effort will depend on the links forged between educators and businessmen at the local levels.

As John Ryor, the president of the National Education Association, has stated:

> The relationship between industry and education ought to be different than it has been in the past. It ought to be a real partnership of real excellence in our schools based on what we can offer together to the national community.

In addition to the American Cyanamid Co., two other national corporations—the American Telephone & Telegraph Co. and the International Paper Co. Foundation—have combined to encourage business support for this endeavor.

On June 30, James G. Affleck, chairman of the American Cyanamid Co., addressed 15,000 NEA delegates at their convention and stated:

> In the midst of today's educational crisis, it is more important than ever that corporations plow back some of their talent, their unique practical experience, into the educational system that has done so much to make American industry the envy of the world.

Mr. President, I ask unanimous consent that an announcement of this joint industry-NEA effort be printed in the Record, and I most certainly want to commend the parties involved for this undertaking, which holds much promise for improved education and better understanding between American education and industry.

There being no objection, the announcement was ordered to be printed in the Record, as follows:

Announcement

Miami Beach, Fla., June 30, 1976. Three major American companies announced today they have joined forces with the nation's largest teacher's union, the 1.7 million member National Education Association, to spearhead a drive for better quality education in virtually every U.S. community.

"Our personal and corporate tax dollars have never been and can never be enough," Dr. James G. Affleck, chairman of American Cyanamid Company, told 15,000 NEA delegates at their national convention here. "In the midst of today's educational crisis, it's more important than ever that corporations plow back some of their talent, their unique practical experience, into the educational system that has done so much to make American industry the envy of the world."

Working with Cyanamid to organize broad business support for the unprecedented project are the American Telephone and Telegraph Co. and International Paper Company Foundation.

"Our immediate goal," Affleck said, "is to enlist 200 companies in this grass-roots, industry-NEA effort. It will take support of this magnitude to achieve the personal rapport we seek between business people skilled in all disciplines—from economics to science and technology—and classroom teachers throughout the nation."

John Ryor, president of NEA, announced that the NEA executive committee has approved the program.

"The relationship between industry and education ought to be different than it has been in the past," Ryor said. "It ought to be a real partnership for excellence in our schools based on what we can offer together to the national community."

Affleck said NEA and industry plan to establish a national clearinghouse at NEA's Washington headquarters for cooperative educational programs. A variety of pilot programs will be conducted in the next 12 months to show what can be done, and to determine feasibility.

The clearinghouse is designed to provide programs of proven value for dissemination at one thousand "town meetings" to be held during National Education Week in November, 1977. These local forums, in small towns and big cities across the land, will bring together businessmen and teachers to discuss classroom problems and the ways in which "next-door businesses" can help students.

A national television program, to be sponsored by the cooperating companies and NEA, will telecast the results of the clearinghouse studies to each of the town meetings.

Affleck stressed that the clearinghouse programs will serve as a starting point. It's up to the teachers and business people at each locality to explore specific needs and goals and work together to get the job done, he said.

The main point, he explained, is that practical, local projects will be encouraged, bringing together classroom teachers and industry people in a personal working relationship.

Cyanamid's chief executive added:

"We are both parts of the same whole, and what helps the student in Washington, or Watts or Wausau is going to help strengthen our society and institutions. Education and industry need the interest and dedication of youth. We've both got to ensure that what we have to offer is relevant to the needs of youth."

In a related move, Affleck announced that Cyanamid has joined with the U.S. State Department and the NEA to sponsor a six-week visit to the United States by nine foreign teachers. The educators, from North and South America, Europe, Asia and Africa, began their tour today at the NEA convention. They will exchange views with other educators and industry and people across the country and conclude their U.S. experience by attending the annual meeting of the World Confederation of Organizations of the Teaching Profession in Washington in early August.

THE DISTINGUISHED CAREER OF BRUNO V. BITKER

Mr. PROXMIRE. Mr. President, on June 15, Bruno V. Bitker resigned as chairman of the Wisconsin Governor's Commission on the United Nations. This event and Mr. Bitker's outstanding service to the State and Nation should not go unnoticed nor should we neglect to show our appreciation for his contributions to better understanding among peoples of the world.

Mr. Bitker had been the only chairman of the commission, except for sabbatical leaves, since it was formed by then Gov. Gaylord Nelson, in 1958. In 1968, he served as the U.S. representative to the U.N. International Conference on Human Rights held in Teheran, Iran. In the past, he has served as chairman of the American Bar Association Section Committee on International Courts and as a member of the U.S. National Commission for UNESCO and the President's Commission for Human Rights. He has continued to be the most outstanding advocate of the Genocide Convention.

During his career, Bruno Bitker has distinguished himself as an advocate of peace and cooperation in the community of nations. He has long dedicated himself to the strengthening of international organizations as it is his belief that only through these can the world survive. In his farewell address, he has noted that while the United Nations has been relatively unsuccessful in preventing wars, its achievements in economic, social, and cultural fields have been tremendous.

He has concluded that wars will occur if man thinks they must, and that they will end if man believes they must end. Toward this end, Mr. Bitker realizes that further proliferation of weapons by all nations only leads us away from peace and the fulfillment of needed social and economic reforms. He recognizes that the cost for both military and social expenditures can not adequately be met by even the richest nations and sees the need for a reexamination of priorities.

Mr. President, the State of Wisconsin, the Senate, and the Nation should offer salute to Bruno Bitker today. His dedication to international peace, his compassion and intellect should inspire us all.

Mr. President, I ask unanimous consent that Mr. Bitker's final address as chairman of the Governor's Commission on the United Nations be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Statement of Bruno V. Bitker

The United Nations is now 30 years of age, its standing at the lowest point in any international Dow Jones scale, its support weakened by irresponsible resolutions of the General Assembly. It would, therefore, be unrealistic to claim that the end of the United Nations is beyond the range of possibilities. After all, the League of Nations has come and gone. Great and potent empires throughout history have come and gone. No political organization can be assured of eternal life. But I assert that the United Nations must survive, or none of us will survive. When I say that, I do not mean that it must be the United Nations as we know it. I mean there must be an international organization, a supra-national organization to protect all of mankind from oblivion.

How many world wars can mankind stand? Indeed, how many so-called minor wars such as Vietnam, Korea, the Middle East, Pakistan, can mankind endure? How many more lives must be lost and human bodies maimed before civilization ceases to function rationally? How many homes and fields and hospitals and churches and schools and waterways must be bombed before the survivors dies of disease and starvation?

Can the United Nations in some form survive? It must survive if we are to survive. Despite its poor record on preventing wars, its achievements in the economic, social, and cultural fields are remarkable. But it needs strengthening. There are obvious obstacles to overcome in restructuring the present international organization. The problems are major and with the increase in membership from 50 to almost 150, these problems have been magnified. But the most serious obstacle to a resolution of these problems lies within ourselves. It is the insistence of all states on absolute sovereignty which prevents achievement of the purposes for which the UN was created. It is as though we were standing on a road at the bottom of a mountainside on which mammoth boulders were poised to crash upon us and all we did was to stand there staring, waiting for disaster, but absolutely certain that the instruments of destruction would fall upon those on the other side of the roadway and not upon us. But then, the surprise attack and the counterattack, say the optimists, will kill only half on each side. A cheerful thought!

We are long past the time when every nation in the world—big or small—should be permitted to maintain armaments—defensive or offensive—which are potent beyond all reasonable need of internal policing. The day must come when national armaments cease to exist. Then weapons strong enough to maintain peace in the world would be available only to the international community itself and not to any individual nation or group of nations. Is this possible? Of course it is possible if mankind so decides—yes, and demands that it happen.

The abolition of war is so universally desirable it must be possible of attainment. Wars will occur if man thinks they must occur; they will end if man believes they must end. The opening paragraph of the UNESCO Constitution summarizes it: "Since wars begin in the minds of man, it is in the minds of men that the defenses of peace must be constructed."

Obviously, nations feel insecure. If they did not feel insecure there would be no need for them to seek security through the one way which they believe is certain, i.e. armaments. They would not have to waste billions upon billions of dollars for military security blankets. They refuse to accept the idea that there could exist an authority higher than their own sovereignty by which war could be prevented. Sovereignty is the shibboleth which prevents recognizing that all must live or all will die. As former U.S. Ambassador to the UN, Charles Yost, has said:

> ". . . the interests of all in the modern world are so bound together that those of one nation cannot be served over the long run without all being served, that those of one nation cannot be imperiled without all being imperiled."

Can the UN survive? I say again and again that it must survive if we are to survive. The ideal of peace on earth, goodwill toward man is not a new twentieth century concept. For centuries man has sought to attain a world of peace. For short periods in history this has been reached by the supremacy of one nation over all others, for example, the Pax Romana. But this brings only brief breathing spells before the conquered nations break their chains and the wars are on again. Dependence on balance of power, currently relied upon to minimize the possibility of World War III, is now in fashion. But the balance of power never continues very long as each sovereign nation develops newer and deadlier weapons, thus creating the belief that it is the supreme power. Moreover, man's ingenuity permits the small as well as great powers to invent lethal weapons. Regional arrangements, too, have had their day. But does anyone believe that the existence of NATO on the one hand and the Warsaw Pact on the other, will, for example, deter China from exercising its sovereign right to build a modern, movable Chinese Wall by which it believes itself protected in doing whatever it decides to do in its own national interest? Nor has it stopped less powerful allies from endangering the peace of the world, as we have learned in the Middle East.

The traditional methods—alliances, deterrents, balance of power, regional arrangements, refined and updated as they have been in modern times—have not produced the desired result. And yet we turn to them, we rely upon them as though they were long time proven methods of keeping the peace. But they have all failed. And now that the world has shrunk, we must recognize these methods for what history and our own experience has exposed them to be: nostrums, quack medicines, fake cures. We live in one world, threatened by an annihilating fire. But there is no fire department.

This is not to say that international cooperation does not exist. It exists and it functions in a variety of ways—all non-political. While threats to world peace exist and actual shooting wars go on, the United Nations, through its specialized agencies, carries on its day to day work in the social, economic, and educational fields. Because news stories about the UN rarely refer to its successes in these areas but do headline its failures in the area of peacekeeping, the fact is overlooked that almost 85% of the budget and personnel of the UN family is devoted to its broad humanitarian efforts.

In almost every activity of man, where international cooperation between individuals is required, there exists a specialized UN agency. A reference to a few of these specialized agencies will indicate the breadth of UN activities. There is WHO (World Health Organization) to raise health standards throughout the world; there is UNESCO (United Nations Educational, Scientific and Cultural Organization) to raise educational standards throughout the world, especially the elimination of illiteracy; there is ILO (International Labour Organization) to raise standards of working conditions everywhere; there is FAO (Food and Agricultural Organization) which seeks to make it possible for all men in all lands to live out their lives free from hunger; there is the UNDP (United Nations Development Programme) which seeks to further economic growth in the less developed countries. It is unfortunate that present procedures permit some activities of these specialized agencies to suffer the taint of politicization.

If world cooperation is possible on certain scientific, and cultural levels, why does it not succeed on the political level? What is missing is our refusal to recognize that war is obsolete, and that some central authority is needed to keep nations from annihilating each other. In order to survive, the world must acept an entity which actually represents and speaks for the world community in the spirit of the UN Charter which begins: "We The People of the United Nations". This is what the framers of the UN had hoped to create. The UN Charter states its purpose to be "to maintain international peace and security", "to save succeeding generations from the scourge of war", and to endure "that armed force shall not be used, save in the common interest." This means that there can be no sovereignty that permits the unrestrained use of force by any nation for its own ends.

The average citizen of the United States and, for that matter, much of the world, views the UN with a sense of frustration because the UN, despite its successes in some economic, social, and scientific areas, has largely failed to prevent war. It is increasingly necessary, first, to bring the nations of the world to the point where they use the United Nations structure as it exists; and second, to move the UN from the loose federation of sovereign states to a supranational organization with power to act in the name of all mankind.

Although the UN has been unable to move promptly on its own initiative to prevent armed conflicts, it has served as a face-saving device on various occasions, permitting the warring nations to halt the killing. This alone would justify its existence. Its role in policing the cease-fires is best demonstrated in the currently explosive area—the Middle East. It can be taken for granted that no matter what negotiations are now taking place, or between whom, when a more permanent settlement of the Arab-Israeli conflict is reached, the parties will eventually turn to the United Nations to monitor the agreement.

Unfortunately, in other crises, similar peacekeeping efforts have not been as productive. And there is no assurance that circumstances will again permit the UN to act similarly. The UN is still a federation of wholly independent sovereign states and not a super-national organization empowered to enforce the peace. Is it possible now to move from the existing federation to a strong central authority?

The historical pattern for a world organization able to maintain law and order reflects our own national experience. When the War of Independence was fought, it was done under the umbrella of the most loosely organized federation of colonies. Under the original Articles of Confederation, Congress had no control over commerce, nor power to raise money. It could only seek help from States (as it did during the war) and then hope and pray that the States would respond favorably. Congress was given control over foreign affairs, but it could not make the states honor treaties entered into. For a decade after 1776 the American Colonies could not or would not collaborate. Something had to be done, and in 1789 it was done: the Constitution was adopted. Can the more than 130 nations of our world, each insistent on absolute sovereignty, as was the case with the original 13 colonies, be welded into an effective world body for the purpose of averting the annihilation of all?

The most specific obstacle now consists of the mistrust between the U.S.A. and the U.S.S.R., plus a similar mistrust between China and the U.S.S.R. This is a present fact of life. Perhaps we should accept the idea that these conditions will never disappear and that World War III is inevitable. But we cannot accept this conclusion.

There are two practical reasons for believing that world order is possible. One is the universal recognition of the results of a nuclear war. The increasing ability to cause large-scale destruction is so great that mankind will continue to demand protection against this horror. No method for adding force to atomic bombs, or the invention of more diabolical instruments for mass massacre, continues to be secret very long. Science knows no race or color or language or religion or nationality, or national boundary lines. Nor does it know what sovereignty is. No country can assert more than a momentary lead in scientific discovery: and that moment lasts only until the scientists of another country come up with a new and "better discovery. Nothing stays a secret. Recognition of this fact—long accepted by the world community of scientists—is a reason for optimism. Although nations with atomic weapons are, as of now, limited in number, soon it will be possible for any nation to acquire them. Although in a different price range, they could become as widespread as "Saturday night specials".

The second reason for believing that world order under law is attainable is that existing disorder costs too much. It is difficult to think about the cost of armaments in dollars. The figures are so astronomical as to be beyond comprehension. The cost is too high for even the righest of nations, including the U.S.A. and the U.S.S.R. At the same time that the armament race is accelerating, the world is demanding greater and greater social and economic reforms, the cost of which is likewise overwhelming. Economists are aware of this and so are political leaders. The world, as a whole, cannot buy butter for everyone and at the same time buy guns with which to kill everyone. As the people of the world become aware of this state of affairs, they will demand an organization empowered to insure world order under law. The only question is: Will it be done now or will it be done by the survivors, if any, on this earth who are left after the holocaust?

A recent New York Times business section story begins with the assertion that "The outlook for the United States military production industry is more cheerful today than in years". This may well be a fact, but is it a matter of pride or of shame? Prior to World War I, the German armament industry had become so mighty (e.g. the notorious Krupp Works) that the industralists were referred to as the "merchants of death", selling to any country which could afford, and some which could not afford, to buy. It was recently asserted by Cyrus R. Vance, former Deputy Secretary of Defense, that "During the last decade, the United States exported almost as many arms as all the other nations combined". This dubious honor places a special burden on the United States to move toward achieving universal disaramament policed by the United Nations. It would be more honorable to decline the honor.

Unfortunately, the nations of the world are reluctant to do what has to be done. But if mankind refuses to undertake the task of keeping the peace through the United Nations, the days of our civilization are numbered. If mankind succeeds in using the means at hand, human well-being will flourish.

OFFICE OF HISPANIC AFFAIRS

Mr. KENNEDY. Mr. President, I today have joined Senator DOMENICI and five of our colleagues as a cosponsor of Senate Joint Resolution 205, which would establish an Office of Hispanic Affairs within various departments of the Government and pay tribute to the many vital contributions of Hispanics to our Nation.

Today, over 12 million Americans identify themselves as being of Spanish-speaking background, up from the 9.1 million so identified by the 1970 census. By origin, the census found 4.5 million Mexican-Americans, 1.4 million Puerto Ricans, 0.5 million Cubans, and 2.6 million other Spanish.

Hispanics are today the most disadvantaged in the areas of health, employment, education, housing, and economic development. A. 1971 study done for the Boston Globe found 175,000 Spanish-speaking persons in Massachusetts, 62 percent of whom were illiterate, between 30 and 40 percent unemployed, and between 35 and 40 percent receiving public assistance. The Spanish-speaking population of Massachusetts tripled between 1962 and 1972.

In Boston, the income of Spanish-speaking families, the majority of whom are Puerto Rican in origin, is far below that of the average family.

Many Hispanics experience discrimination and are denied equal opportunity to the benefits of this land. They are denied too many social services and programs which most other Americans take for granted, and which would enable them to begin to lift themselves out of the poverty they now endure.

Despite the hardships, these Americans, who constitute the second largest and the fastest growing minority group, have made and are continuing to make significant contributions to enrich our Nation's society. Hispanics have served us in times of war and peace. They have a 400-year-old history in this Nation, and have long and valiantly served the cause of democracy. The Hispanics' contribution has been, and, I have no doubt, will continue to be, a vital and consistent influence in the cultural growth of our Nation. Spanish-speaking Americans are each day adding meaningfully to the diversity of this country and enriching the quality of life of all Americans.

Although the rate of immigration of Hispanics to our Nation has increased significantly—according to the Globe study, close to 3,000 Puerto Ricans migrate into Massachusetts alone each year—and although the United States has the fifth highest number of Spanish-speaking in the world, our Government has not yet developed an adequate method of determining their needs and their status in society. Only by knowing more about the needs of Spanish Americans can we insure they receive their fair share of Federal programs.

I firmly believe, Mr. President, that Senate Joint Resolution 205 would be a significant step toward achieving that objective. That is why I fully support this resolution and have joined as a cosponsor.

The resolution would establish and maintain an Office of Hispanic Affairs in major departments and agencies of the Federal Government, including Agriculture, Commerce, Defense, HEW, HUD, Interior, Justice, Labor, Transportation, Treasury, CSA, the VA, FCC, SBA, ERDA, NASA, NSF, Federal Home Loan Bank Board, and any other the President designates. The head of the department or agency would designate the director of the office, who would also serve as special assistant for Hispanic Affairs to that department or agency head. The special assistant would participate in all policy planning and development for all programs to insure that factors having an effect on the various Hispanic communities would be considered.

Furthermore, the department and agency heads would be required to insure the participation of their special assistants in review of all relevant and pertinent rules, regulations, and guidelines to assure that the laws, policies, and practices of the Federal Government are providing equal opportunities for Hispanics in all areas. The special assistants would make recommendations related to the special needs and problems unique to Hispanics, and would assist and advise Hispanic individuals and groups seeking services or assistance from the agency or department.

In addition, the chairperson of the 10 Federal regional councils would be instructed to insure that the Hispanics' needs and problems are considered in decisions related to Federal assistance to State and local governments made by Federal regional offices.

The Secretary of Commerce would be

directed to insure that existing information clearinghouse functions within the department encompass collection and dissemination of Hispanic information, in easily accessible form, concerning the economic, health, social, employment, and housing conditions and needs of Spanish-speaking Americans.

Mr. President, this resolution represents a major advancement from which we can begin to pay our debt to the Hispanic, who have given so much to our Nation. These Americans would be given a guarantee of sorts that they, too, can fully participate in the American dream. I, therefore, urge swift and unanimous adoption of this resolution.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notifications I have just received.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

OFFICE OF THE DIRECTOR, DEFENSE
SECURITY ASSISTANCE AGENCY
AND DEPUTY ASSISTANT SECRETARY
(SECURITY ASSISTANCE), OASD/
ISA,
Washington, D.C., July 6, 1976.

In reply refer to: I-5217/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act we are forwarding herewith Transmittal No. 76-59, concerning the Department of the Army's proposed Letter of Offer to Iran for helicopter repair parts estimated to cost $30.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency Deputy Assistant Secretary (ISA), Security Assistance.

[Transmittal No. 76-59]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

a. Prospective Purchaser: Iran.

b. Total Estimated Value: $30.0 million.

c. Description of Articles or Services Offered: Maintenance tools, repair parts and minor end items for support of non-tactical helicopters for FY 77.

d. Military Department: Army.

e. Date Report Delivered to Congress: July 6, 1976.

OFFICE OF THE DIRECTOR, DEFENSE
SECURITY ASSISTANCE AGENCY
AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE),
OASD/ISA,
Washington, D.C., July 7, 1976.

In reply refer to: I-4608/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act we are forwarding herewith Transmittal No. 76-60, concerning the Department of the Army's proposed Letter of Offer to Iran for air transportation estimated to cost $29.8 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency, Deputy Assistant Secretary (ISA), Security Assistance.

[Transmittal No. 76-60]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

a. Prospective Purchaser: Iran.

b. Total Estimated Value: Amendment $10.5 million. Total Value $29.8 million.

c. Description of Articles or Services Offered: Air transportation of helicopters plus tools and repair parts.

d. Military Department: Army.

e. Date Report Delivered to Congress: July 7, 1976.

OFFICE OF THE DIRECTOR, DEFENSE
SECURITY ASSISTANCE AGENCY AND
DEPUTY ASSISTANT SECRETARY
(SECURITY ASSISTANCE), *OASD/*
ISA
Washington, D.C., July 7, 1976.

In reply refer to: I-4605/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act we are forwarding herewith Transmittal No. 76-56, concerning the Department of the Air Force's proposed Letter of Offer to Kenya for F-5 aircraft estimated to cost $70.6 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency, and Deputy Assistant Secretary (ISA), Security Assistance.

[Transmittal No. 76-56]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

a. Prospective Purchaser: Kenya.

b. Total Estimated Value: $70.6 million.

c. Description of Articles or Services Offered: Twelve (12) F-5E/F aircraft, spare parts, spare engines, support equipment, technical assistance and training.

d. Military Department: Air Force.

e. Date Report Delivered to Congress: July 7, 1976.

A DECLARATION OF BLACK INDEPENDENCE

Mr. BIDEN. Mr. President, the president of the Committee for the Improvement of Education in my home city of Wilmington, Beatrice R. Coker, has just forwarded to me a document entitled the "Declaration of Black Independence."

The Committee for the Improvement of Education is an organization of black citizens. This document represents the views of this particular organization as to what such a declaration of black independence might say. Although other black Americans might disagree with parts of this declaration, it makes recognition of the fact that since our country's infancy, black Americans have made an important contribution to our growth and our national life. This contribution must be recognized by black and white Americans alike.

Far too little attention has been paid by white Americans in this Bicentennial celebration to the great economic, cultural, and spiritual contributions black Americans have made to this great country.

The attached declaration attempts to do that, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the declaration was ordered to be printed in the RECORD, as follows:

THE DECLARATION OF BLACK INDEPENDENCE

The Declaration of Black Independence, submitted to the Congress of these United States by the Black Citizens of the State of Delaware on the occasion of his nation's 200th birthday—July 4, 1776 to July 4, 1976, in search of Congressional recognition for first class citizenship for black Americans.

When in the course of human events altruism gives way to avarice and intolerance by one man for his brother and causes that brother to suffer the travails and injustices of a racially intolerant nation, the victims of such travesties must declare themselves a "Free and Independent People." Such a declaration cannot be made subject to ratification or affirmation by any political body.

Whereas emancipation from the status of "property" was granted to black Americans in the year 1863 by President Abraham Lincoln.

And whereas, the forgotten enslaved men of color, builders of this nation equal to our white brothers, were not so recognized,

And whereas, the 13th Amendment of the Constitution of these United States abolished slavery and involuntary servitude;

Black Americans must be recognized as are so-called colonists for their contributions, in this nation's infancy to its maturation;

And whereas, this nation was built on the foundation of an enslaved, laboring people;

And whereas, first class citizenship for blacks, though so declared by the Constitution of these United States, is relegated by the majority to a precarious practicum;

And whereas, confidence in man to do justice for his brother has naught to gain a people free and equal rights inherent in the Constitution;

And whereas, all men, while endowed with certain unalienable rights by laws of man, are divinely endowed through god's creation;

We do hereby declare this Two Hundredth Year of Independence: "That All Black Men are Free, Equal, and Independent" in the sight of god and men, with all the privileges attributable to that status. Ratification of said declaration carries the sanction of the "One Supreme Being Man Hath No Power Over."

THE BLACK CITIZENS OF DELAWARE
AND ALL BLACK CITIZENS OF AMERICA.

JUDICIARY REFORM

Mr. PEARSON. Mr. President, in both the other body and here in the Senate, a great deal has been heard recently about the need for court reform and reorganization to bring about more certain, swift, and sure justice. In Kansas, under the competent direction of Chief Justice Harold R. Fatzer, court reform has become a reality.

The courts, the legislature, the bar, and the voters of Kansas all participated in an impressive reform effort. As a result, most district courts in Kansas have virtually no backlog and the vast majority of civil and criminal cases are concluded within 6 months.

Going back to a citizens' conference on court modernization in 1964, the process began with three major recommendations. With the completion of the 1976 session of the legislature, all three of the objectives have been written into law.

Chief Justice Fatzer has accurately noted that—

> Our system of government is no stronger than our courts and our courts are no stronger than the people's confidence in them.

Confidence in our system of government is a very visible issue right now and I believe this is an example of a branch of government doing a great deal to instill renewed confidence in itself.

Mr. President, the Federal Government has recognized the value of a responsive judiciary as exemplified in the Kansas experience. The LEAA has commended this reform program to other jurisdictions in its most recent newsletter. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DECADE OF WORK GIVES KANSAS MODERN, UNIFIED COURTS

More than a decade of concerted and cooperative efforts by the Kansas Supreme Court, legislature, bar and interested citizens has given Kansas a modern, unified court system that administers justice efficiently and effectively.

Kansas Supreme Court Chief Justice Harold R. Fatzer says that citizen interest and support has been the leading factor in bringing about the state's sweeping judicial reforms.

"The people wanted to improve their court system. They wanted better courts," the Chief Justice says. "Every time the people of Kansas got a chance to vote on the courts, it was an overwhelming vote for judicial reform."

As a result of the reforms, Chief Justice Fatzer says, backlogs have been virtually eliminated in most district courts. Some 70 percent of all civil cases and more than 80 percent of all criminal cases are concluded within six months.

CITIZENS CONFERENCE

The reform movement started with a citizens conference on court modernization in 1964. The three major recommendations of the group were for a unified court system with an efficient administration; an effective method of judicial discipline; and the nonpartisan method of selecting the district court judges.

Following the 1976 session of the state legislature, all three of these basic objectives have been written into law.

The state legislature first responded to the citizens conference in 1965 with the passage of the Judicial Department Reform Act. The major thrust of the act was to give the Supreme Court administrative supervision over the state's district courts.

Under this legislation, the Supreme Court organized the district courts into six departments with a Supreme Court Justice presiding over each department. The justice was given the power to assign judges from one district to another on a temporary basis and to ask for the assistance of retired judges willing to serve.

This supervisory control, Chief Justice Fatzer says, "provided the key to unlock the pressing twin problems of disproportionate caseloads and case disposition in the district courts."

The act created the office of judicial administrator which has undertaken a statistical program whereby all cases in the district courts have been computerized so that the exact state of any district's docket can be ascertained at any time.

Also under the legislation, the Supreme Court has promoted a broadbased judicial education and training program which has been financed, in part, by LEAA grants.

As a result of these actions, Chief Justice Fatzer says, "district judges are no longer considered judicial islands unto themselves, but are a dedicated part of the state's judicial team concerned with the operation of the whole system."

As the reforms brought about by the 1965 legislation were being implemented, another citizens conference led to even more reforms. This committee was created by the legislature in 1968 to consider revisions needed in the state's constitution. A year later the panel recommended a complete overhaul of the state's constitutional article dealing with the judiciary. It said the transcendant requirement of the judiciary is to provide justice with the least possible delay.

The recommended revisions were embodied in legislation introduced in 1972. At that time Chief Justice Fatzer presented a "state of the judiciary" message to the legislature. It was the first time the state's Chief Justice had appeared before a joint session of the Kansas State legislature. He vigorously urged the adoption of the constitutional changes. The measure was placed on the ballot in 1972 and was overwhelmingly approved by the voters.

The new judicial article provided for "one court of justice" consisting of a Supreme Court, district courts and such other courts as established by law. It was also important for the courts for which it did not give constitutional standing. No mention was made of probate courts or justices of the peace.

IMPLEMENTATION

During the four years since the article was approved by the voters, its provisions have been implemented by legislative and judicial actions that include:

Adoption by the Supreme Court of a code governing the conduct of judges and establishing procedures for the discipline, including removal, of judges after appropriate hearings.

Extending the nonpartisan method of selection (adopted for Supreme Court justices in 1958) to district court judges in districts where the voters approved such a method. Voters have approved this method in 23 of the state's 29 judicial districts.

Restricting the political activities of judges selected under the nonpartisan plan.

Establishing the district court as a single-level trial court in Kansas. All courts of special and limited jurisdictions are being abolished and their jurisdictions transferred to the district court.

Appointing an administrative judge in each district with the power to transfer judges from one court to another within the district and to assign cases to particular judges.

Changing the district court clerk from an elected official to an appointed one.

COURT OF APPEALS

The legislature also created a state court of appeals for the first time in 1975 and this new court will become effective in January, 1977.

One of the main purposes of the court of appeals will be to give an expeditious and economical review of district court cases. It consists of seven judges who will sit in panels and conduct hearings throughout the state.

Chief Justice Fatzer says the new appeals court will provide justice more quickly and at less expense. By sitting in rotating panels of three judges, it will for practical purposes create two new appellate courts and "thus triple the state's capacity to hear appeals."

Secondly, he says, the smaller size of the panels will permit hearings on the original case record and eliminate the need for costly reproduction of trial records. Under the old system, he adds, "merely furnishing the court a useable record for the appeal may cost hundreds or even thousands of dollars."

Thirdly, the Chief Justice says, by hearing appeals throughout the state "justice will be brought to the people and litigants will be spared the expense of always sending their lawyers to Topeka."

Through all of the reforms, Chief Justice Fatzer says, "we are going to give the people better justice through better courts and better judges.

"Our system of government is no stronger than our courts and our courts are no stronger than the people's confidence in them. The people have repeatedly asked for improvement in the judiciary and we should be responsive to their demands."

ENERGY AND AGRICULTURE

Mr. CHURCH. Mr. President, it is unfortunate, but true, that the oil import situation is worse now than in 1973, at the time of the oil embargo by the Organization of Petroleum Exporting Countries—OPEC. Prior to the embargo, 33 percent of U.S. needs for oil were supplied by foreign sources; now imports are running at the 40 percent level—and rising. Federal Energy Administrator Frank Zarb recently revealed that by 1985, imports may provide at least 50 percent of domestic needs. This is shocking news.

In 1970, oil imports were valued at $3 billion. In 1975, after a 500 percent increase in the price of oil, the cost soared to $27 billion. Next year, according to Administrator Zarb, the United States may pay $35 billion for imports.

Finally, and most disturbing, the OPEC cartel provided 59 percent of all imports in 1975; those countries supplied 48 percent in 1973. While becoming more dependent upon foreign source oil, this Nation is also pursuing a dangerous course toward greater dependence upon the most unreliable sources of crude oil.

The economic stability of this country is largely dependent upon adequate supplies of energy. Energy is also vital to the maintenance of this country's supremacy in agricultural production. While adequate supplies of energy are necessary to our preeminence in food production, it is equally true that a strong agricultural economy has been the sole source of the Nation's favorable balances of trade. During 1975, agricultural commodities valued at $22 billion were exported from the United States. These exports totaled approximately 80 percent of the dollars spent to import petroleum.

This bond of dependence among energy, food production, and economic stability was well articulated in a recent energy newsletter published by the Chase Manhattan Bank. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as following:

ENERGY AND AGRICULTURE

(By Gregory J. Shuttlesworth)

A hundred years ago, the United States was primarily an agricultural country, and much has been written about the role of energy in transforming this nation into the most advanced industrial power on earth. Less well known, perhaps, is the effect of energy in maintaining the United States' preeminence in the field of agriculture.

The application of energy in agricultural technology became measurable between forty and fifty years ago. Prior to that time, human labor, horses and mules were the dominant energy sources. From over 20 million in the mid-twenties, the number of horses and mules on farms decreased to about 7 million in 1950, and in subsequent years the Department of Agriculture stopped counting them. Human labor also declined from 21 billion man-hours in 1940 to less than 6 billion in 1974. During this period of time, however, the amount of acreage worked has increased by one-fifth and the total output of farm production has more than doubled.

In place of human and animal labor, farms now utilize energy powered machinery—5 million tractors, 3 million trucks, 1 million grain combines and cornpickers and numerous other specialized units. Mechanized farm equipment, in fact, is now so specialized and versatile that there are different types of harvesters for virtually every type of grain, vegetable, and fruit crop. To power such machinery farms currently require in excess of 18 million gallons per day of gasoline, diesel fuel, and liquefied petroleum gases.

Machinery is only one aspect of modern farming. Two others, which involve high energy use, are irrigation and crop drying. Although in some areas irrigation relies on gravity, more often water is pumped from wells, and in the case of more energy intensive sprinkler irrigation, it is put into pressurized distribution systems. These latter have greatly increased in use during the past fifteen years and represent the most effective form of irrigation. To power them the oil equivalent of almost 6 million gallons a day of energy is currently used, with gasoline, diesel fuel, liquefied petroleum gases, natural gas and electricity all making a contribution.

The use of energy for crop drying to reduce losses due to poor weather conditions has grown rapidly in the past two decades. The process may be carried out right on the farm or in large storage facilities in other locations. It is used for many crops, but has proved particularly beneficial in the production of corn. Indeed, more than half of the nation's corn crop is mechanically dried at the present time. Liquefied petroleum gases and natural gas are the principal energy fuels used in this process and over 4 million gallons daily is consumed.

The following table shows the trend of energy consumption for farm production purposes expressed in thousands of barrels daily of oil equivalent. The electricity portion is converted on the basis of the energy required to produce the electricity.

ENERGY USED FOR FARM PRODUCTION

[In thousands of barrels daily—oil equivalent]

	Vehicle use	Other energy uses	Total	Farm use as a percent of total energy nse (percent)
1940	130	40	170	1.5
1950	290	130	420	2.6
1960	320	240	560	2.6
1970	390	330	720	2.2
1975	410	400	810	2.4

The development of the rural electrification program led to dramatic increases in the use of electricity on farms. The number of farms with electricity more than doubled between 1940 and 1950. The decline in subsequent years reflected the merging of smaller farms into larger units.

Between 1950 and 1975, the consumption of electricity on U.S. farms for production purposes increased from 15 billion kilowatt hours per year to 39 billion kilowatt hours per year. Approximately three-quarters of the 1975 total, 29 billion kilowatt hours, was required for crop irrigation. The balance was utilized for such farm production purposes as cooling and ventilating barns, powering milking machines, heating lamps and numerous other labor saving devices. The consumption per farm had risen to over 14,000 kilowatt hours a year by 1975, exclusive of general residential use.

In sum, the intense application of energy, coupled with the ever growing sophistication of farm equipment, has expanded agricultural productivity enormously. The number of acres worked per farm employee tripled between 1950 and 1975, from 117 to 353.

In addition to the on-site use of energy in agriculture, additional quantities are employed to provide products that are essential to modern-day farming. Included in this category are livestock feed materials, pesticides, and chemical fertilizers.

Businesses engaged in providing farmers with livestock feed materials include manufacturers of prepared feed, feed ingredients, animal and marine fats and oils, cottonseed oil and soybean oil. Those manufacturing sectors currently use the oil equivalent of approximately 2½ million gallons per day for their energy requirements. Natural gas is the principal fuel providing approximately one-half of the energy needs.

Pesticides represent another element of farming closely associated with the use of energy. Beginning with the introduction of DDT during World War II, numerous organic compounds have been developed to control disease organisms, insects, and weeds. The three principal types of chemical pesticides used by farmers—insecticides, herbicides and fungicides—are all largely petroleum derivatives. They are initially derived from such products as propane, butane, and naphtha and then processed through several intermediate stages. Although energy is required as raw material as well as for heat in the pesticide formulation process, the overall use amounts to slightly less than half a million gallons per day.

A major reason for the steady improvement in crop yields has been the development of chemical fertilizers. Use of these products resulted in an increase in total crop production of 60 percent between 1950 and 1975, even though the amount of cropland in use actually declined slightly. Corn is an excellent example of the beneficial use of fertilizer. Over the past two decades the yield per acre has increased by 150 percent.

Consumption of all types of fertilizers in the United States increased from 8.7 million short tons in 1940 to 47 million short tons in 1974—more than a fivefold increase, or an average rate of growth of 5 percent per year. Moreover, due to higher concentrations, the use of the primary nutrients—nitrogen, phosphate, and potash—increased even more rapidly than the overall consumption of commercial fertilizer. Between 1940 and 1974, the combined use of fertilizer primary nutrients grew at an average rate of 7 percent per year.

U.S. CONSUMPTION OF FERTILIZER

[In millions of short tons]

	Total use	Primary nutrient use	Proportion of primary nutrients to total (percent)
1940	8.7	1.8	21
1950	18.3	4.1	22
1960	24.9	7.5	30
1970	39.6	16.1	41
1974	47.0	19.3	41

Despite the growing need for energy in farm operations, farm use of energy as a proportion of total U.S. energy consumption has remained steady at approximately 2 percent over the past two decades. The cost of energy for farm purposes during this same period, however, has actually declined relative to other farm expenditures. Between 1950 and 1975 direct energy costs declined from 8.5 percent to 5.7 percent of total U.S. farm production expenditures. These are total costs and it is, of course, true that certain agricultural commodities such as grain, corn, and soybean products have been influenced by recent increases in energy costs to a substantially greater degree than farm output as a whole. Products requiring large amounts of indirect energy from inputs such as fertilizer materials are in that category.

In common with other industries, agriculture is seeking ways to offset some of the increases in energy costs by improved efficiency in energy use. For example, U.S. farmers already have made progress in saving energy through the purchase of fuel-conserving diesel tractors, which use only three-quarters as much fuel as gasoline tractors in performing equivalent work. Indeed, during the past two years as many as nine out of every ten new tractors purchased were diesel-powered. A start has been made on other methods of improving energy efficiency in farming, such as:

1. Reducing crop tillage and herbicide and pesticide application by being more selective.
2. Increasing the energy efficiency of irrigation systems by improved scheduling and other operational procedures.
3. Reducing dependence on manufactured fertilizer by greater use of animal wastes and by crop rotation.

Although only 2.4 percent of U.S. energy is consumed directly in farming, as much as another 8 percent is utilized by agricultural related industries. If the physical volume of farm output expands over the next decade at an average annual rate of approximately 2 percent (comparable with past growth trends), the additional energy required for farming and agricultural related industries could amount to the oil equivalent of 20 million gallons per day.

The agricultural sector represents a vital part of the nation's overall economic strength. In recent years agricultural output not only satisfied the growing needs of domestic markets, but also accounted for an extremely important part of the nation's export capacity. During 1975, agricultural commodities (primarily grain and feed products) valued at 22 billion dollars were exported from the United States—a sum equivalent to 80 percent of the total spent to import petroleum. To the greatest extent possible, therefore, agricultural exports should be maintained to help offset domestic energy deficiencies.

The future of energy and agriculture in the United States remain closely related. For many years, the American consumer could take for granted abundant agricultural output, in large part because of improved farm technology that required the use of energy for heat and power as well as for raw materials. To produce sufficient quantities of agricultural products in the future also will require increased consumption of energy, even though at prices much higher than in the past. Returning to a less efficient and consequently less productive agricultural system is not a reasonable alternative.

CAPTIVE NATIONS WEEK

Mr. CHURCH. Mr. President, the week of July 18–24 is Captive Nations Week and I want to take this opportunity to offer my salute to the captive nations which have lost their independence. The people of Estonia and other captive nations have a rich cultural heritage and, happily, it continues to flourish in our country. In the year of our Bicentennial we can be especially proud of their resolute commitment to freedom. This is an appropriate time for each of us to join with those from the captive nations to proclaim our preference for the democratic form of government.

ECONOMIC IMPACT OF NASA R. & D. SPENDING

Mr. GOLDWATER. Mr. President, all too often these days we hear some uninformed people complaining about the money our highly successful space program has cost the American people. Some are fond of saying that the enormous feat of landing on the Moon was not worth the price. They claim the money could have been better spent in other ways.

I should just like to point out that these complaints overlook or ignore the tremendous benefits which this Nation's research and development in the space area has yielded to the American people. In fact, I firmly believe that within 10 years these spinoff benefits will yield dividends in excess of the 40-odd billion dollars that have gone into our space program. Our space program has meant much more than just landing on the Moon and investigating the planet Mars. It has produced hundreds of thousands of byproducts that are making life easier and helping people who are sick to get well and stay well. The benefits have ranged all the way from dietary improvements to more efficient dental equipment. In this connection Mr. President, an investigation was recently conducted into the economic impact of NASA spending for research and development. It was performed for the space agency by the Chase Econometric Associates, Inc. and its findings confirm that NASA's R. & D. expenditures, through increasing productivity growth in the economy have brought very substantial returns in the form of increased real gross national product. It disclosed that NASA expenditures create jobs without raising the rate of inflation and have a more stabilizing influence in a recovery period than does general Government spending.

Because of its importance to better public understanding of our entire space program, I ask unanimous consent that the final report on the economic impact of NASA's R. & D. be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FINAL REPORT: THE ECONOMIC IMPACT OF NASA R. &. D. SPENDING, EXECUTIVE SUMMARY

ABSTRACT

In this study Chase Econometrics, Inc., has undertaken an evaluation of the economic impact of NASA R. & D. programs. The crux of the methodology and hence the results revolve around the interrelationships existing between the demand and supply effects of increased R. & D. spending, in particular, NASA R. & D. spending. The demand effects are primarily short-run in nature and have consequences similar to that of other types of government spending. The supply effects, which represent the results of a higher rate of technological growth manifested through a larger total productive capacity, are long-run in nature and have consequences very dissimilar to that of general types of government spending.

The study is divided into two principal parts. In the first part, the INFORUM Inter-Industry Forecasting Model is used to measure the short-run economic impact of alternative levels of NASA expenditures for 1975. The principal results of this part of the study are that a shift toward higher NASA spending within the framework of a constant level of total Federal expenditures would increase output and employment and would probably reduce the inflationary pressures existing in the economy. Hence, Chase concludes that NASA spending is more stabilizing in a recovery period than general government spending.

In the second part of the study, an aggregate production function approach is used to develop the data series necessary to measure the impact of NASA R. & D. spending, and other determinants of technological progress, on the rate of growth in productivity of the U.S. economy. The principal finding of this part of the study is that the historical rate of return from NASA R. & D. spending is 43 percent.

In the final part of the study, the measured relationship between NASA R & D spending and technological progress is simulated in the Chase Macroeconometric Model to measure the immediate, intermediate, and long-run economic impact of increased NASA R & D spending over a sustained period. The principal findings of this part of the study are that a sustained increase in NASA spending of $1 billion (1958 dollars) for the 1975–1984 period would have the following effects:

(1) Constant-dollar GNP would be $23 billion higher by 1984, a 2 percent increase over the "baseline," or no-additional-expenditure projections.

(2) The rate of increase in the Consumer Price Index would be reduced to the extent that by 1984 it would be a full 2 percent lower than indicated in the baseline projection.

(3) The unemployment rate would be reduced by 0.4 percent by 1984, and the size of the labor force would be increased through greater job opportunities so that the total number of jobs would increase by an additional 0.8 million.

(4) By 1984 productivity in the private non-farm sector would be 2.0 percent higher than indicated in the baseline projection.

Other simulations, of $100 to $500 million increases, show proportional reults.

The large beneficial economic effects of NASA R & D programs, particularly the unique combination of increased real GNP and a lower inflation rate, stem from the growth in general productivity resulting from NASA programs. Growth in productivity means that less labor (and/or capital) is needed per unit of output. This results in lower unit labor costs and hence lower prices. A slower rate of inflation leads in turn to a more rapid rise in real disposable income, which provides consumers with the additional purchasing power to buy the additional goods and services made possible by the expansion of the economy's production possibility frontier. Finally, the increase in real consumer expenditure leads to an increase in demand for the services of labor.

INTRODUCTION

Chase Econometric Associates, Inc. has undertaken an evaluation of the economic impact of NASA R & D spending on the U.S. economy. This study reports on both the short-run and long-run effects of changing levels of spending. Both the Chase Econometrics macro model and input-output model are used to calculate the impact of different spending levels on the overall economy and on specific industries in the short-run part of the study. The long-run part of the study includes an estimate of the relationship between NASA R & D spending and the rate of technological growth. This relationship is used to determine how much higher spending levels would raise aggregate supply and increase the total productive capacity of the economy. The demand effects stemming from an increase in spending are not substantially different from traditional multiplier analysis and are primarily short-run in nature. The supply effects do not begin to have a significant effect on aggregate economic activity until five years later, but the ultimate effects are much larger and very different than the effects of most forms of government spending.

SHORT-RUN IMPACTS OF NASA R. & D. SPENDING

Description of approach

The first part of the study deals with the short-term economic impact of NASA expenditures and attempts to answer the question of whether a higher level of NASA expenditures is more beneficial to the U.S. economy than a lower level during the year that the expenditures are made, holding the level of total Federal spending constant. This analysis is useful in examining the effects of altering the level of NASA expenditures as part of an overall economic stabilization policy.

The economic impact was calculated by preparing two forecasts of the U.S. economy for 1975 using alternative levels of NASA expenditures, which we term NASAHI and NASALO. The NASALO forecast assumed an expenditure by NASA of $1.35 billion in 1971 dollars for goods and services (excluding NASA employee wages) during calendar 1975. The NASAHI forecast assumed an expenditure of $2.35 billion by NASA with other Federal government spending reduced by $1 billion, hence leaving the total level of government spending unchanged. Because of this, the aggregate economic impact shown for this shift is quite small.

In order to measure the differential industry effect of the NASAHI and NASALO expenditure levels, we utilized the INFORUM Inter-Industry Forecasting Model. This model, which was developed by the Inter-industry Forecasting Project of the University of Maryland, has been expanded and modified by Chase Econometrics and has been linked to the Chase Econometrics Macroeconomic Forecasting Model to provide consistent economic forecasts for the industries included in the model. Through use of this model, it is possible to forecast the impacts on major economic indicators such as inflation, employment, GNP, and productivity of a shift in the Federal budget to a higher level of NASA spending.

Short-run results

The effects of the two alternative forecasts on the aggregate economy, as estimated through use of INFORUM, are shown in Tables 1 and 2. While the results are not dramatic, they do indicate that the direction of change in economic activity from an increase in the level of NASA expenditure is positive and beneficial. The magnitudes are small because the total Federal expenditure has not been altered and these improvements result solely from a *shift* within total Federal expenditures. Nonetheless, these results do indicate that NASA expenditures are less inflationary than other Federal government expenditures, and that a shift toward higher NASA spending with a constant Federal expenditure is not inflationary in the present economy. Conversely, it would follow that a shift away from NASA to other Federal programs could be relatively inflationary in the present economy. Further, the employment effect of NASA expenditures is beneficial, although not large for this small change, and thus both goals of higher employment and lower rates of inflation would be hindered by a lower level of NASA expenditure.

TABLE 1.—MACROECONOMIC IMPACT OF NASAHI AND NASALO EXPENDITURES

[All figures are in billions of dollars except where indicated; otherwise]

	NASALO[1] 1975	NASAHI[2] 1975
Gross national product	1,529.9	1,530.1
Gross national product (1958 dollars)	820.7	820.7
Consumer Price Index (percent change)	10.5	10.5
Disposable personal income	1,084.9	1,085.0
Federal Government deficit	17.0	16.9

[1] NASA expenditures during 1975 of $1,350,000,000 in 1971 dollars.

[2] NASA expenditures during 1975 of $2,350,000,000 in 1971 dollars.

TABLE 2.—EMPLOYMENT BY INDUSTRIES AFFECTED BY A NASA SPENDING SHIFT

EMPLOYMENT BY SELECTED INDUSTRIES

[In thousands]

Industry, No., industry (SIC code)	High (thousands)	Low (thousands)	Difference
5—Missiles and ordnance (19)	154	142	+12
59—Machine shop products (359)	191	190	+1
67—Communication equipment (366)	404	402	+2
71—Aircraft	501	488	+13
Total			+28
22—Logging and lumber (241, 242)	307	308	−1
25—Furniture (25)	543	544	−1
27—Paper and products (26)	501	502	−1
30—Printing and publishing (27)	688	689	−1
31—Industrial chemicals	295	296	−1
72—Shipbuilding (373)	169	171	−2
Total			−7
Net gain in manufacturing employment (thousands of jobs)			+20

Thus in this section of the study we show that a shift to NASA expenditures from other Federal government spending will stimulate the economy without raising prices. In particular, we found the following effects of a shift of $1 billion in 1971 dollars.

(1) A higher level of NASA expenditures would not have had an inflationary impact on the U. S. economy during 1975 and would probably have reduced the inflation pressures in the economy.

(2) A shift of $1.0 billion in 1971 dollars, or $1.4 billion in 1975 estimated prices, from other Federal non-defense expenditures to NASA expenditures would have reduced the inflationary pressures in several key basic materials industries.

(3) A shift to increase NASA expenditures would have increased employment by 25,000 in the missile and ordnance and aircraft industries. While it would have reduced employment in ten other industries, the net increase in the manufacturing sector would have been 20,000 jobs.

(4) Output would have been stimulated in twenty-one industries. The principal industries which would have been affected had considerable excess capacity in 1975 and were producing at levels well below their peak years and in most cases below the average of the past five years.

The general conclusion reached in this section is that a shift toward higher NASA spending within the framework of a constant level of total Federal expenditures creates jobs without raising the rate of inflation, and hence is more stabilizing in a recovery period then general government spending.

THE IMPACT OF NASA R. & D. ON THE RATE OF CHANGE OF TECHNOLOGICAL PROGRESS

Description of approach

The second part of this study is an examination of the historical relationship between NASA R. & D. spending and the rate of technological progress. This examination requires two steps: (1) the construction of a time series to measure the rate of change of technological progress; and (2) an empirical investigation through regression analysis of the determinants of technological progress suggested by economic theory.

(1) Time Series for γ (gamma). The time series representing the rate of change in technological progress γ is a somewhat elusive measure, inasmuch as it requires developing a series for potential Gross National Product (GNP) as well as related series for labor and capital inputs. The series that was developed to measure γ is based on the methodology used by the Council of Economic Advisers. In addition, an alternative series for γ was developed, following the methodology of E. F. Denison, to test the sensitivity of the results to a change in the formulation of the γ series.

Our formulation of γ is as follows:

$$\gamma=\frac{\Delta X}{X}-\alpha\frac{\Delta L}{L}-(1-\alpha)\frac{\Delta K}{K}$$

where

X=full capacity or maximum potential output (national income or GNP) in constant prices

L=maximum available labor force

K=capital stock, defined as $K=\sum_{i=0}^{N}\lambda^{i}I_{t-1}$ where λ is the rate of economic depreciation and I is fixed nonresidential investment.

α=share of potential output

γ=the rate of technological progress (that is, the rate of increase in full capacity real GNP that cannot be accounted for by a change in either the size and composition of the labor force or the size and composition of the capital stock).

(2) *Determinants of* γ. Economic theory and prior econometric studies suggest the following possible determinants for γ: (a) R & D spending; (b) an industry mix variable; (c) an index capacity utilization; (d) an index of labor quality reflecting changes in age mix, sex mix, health levels, and educational levels of the labor force; and (e) an index of economies of scale. After considerable experimentation, we found the latter two determinants to be insignificant for the time period examined. The exclusion of economies of scale as an explanatory variable for γ can be justified on theoretical grounds since this variable is generally relevant to only firm or industry or underdeveloped nation studies. The statistical insignificance of the labor quality variable may be partly explained by the fact that some of its characteristics are already reflected by the manner in which we constructed the labor force variable used to generate γ. Undoubtedly, the insignificance of the labor quality variable is also partly due to our inability to reflect significant improvements (variability) in labor education and training over an observation period as short as 15 years.

Hence, based upon both theoretical considerations and empirical investigation, we offer the following conclusions regarding the determinants of γ. First, R & D spending should be included as a determinant and should be subdivided into two explanatory variables, namely, NASA R & D spending and other R & D spending. Secondly, we found that both R & D variables could be closely approximated by a distributed lag structure that follows the general shape of an inverted U-distribution; that is, as a result of an increase in R & D spending in year 0, modest increases in the productivity growth rate begin in year 2, peak in year 5, and terminate in year 8. The actual distributed lag weights, determined by the Almon method and used in the study, are given in Table 3. Thirdly, an industry mix variable should also be used in the equation that attempts to explain movements in γ. This specification is necessary to capture the impact on γ of shifts over time in resource allocation from high- to low-technology industries. Finally, the equation explaining γ should also include a capacity utilization variable to account for the fact that shortages and bottlenecks reduce productivity growth as the economy approaches full capacity.

TABLE 3.—DISTRIBUTED LAG WEIGHTS FOR R. & D. SPENDING

Time lag (years):	Proportional weight
0	0
1	0
2	0.061
3	0.164
4	0.220
5	0.232
6	0.200
7	0.123
8 and later	0

The Measured Effect of R. & D. Spending on Productivity Growth

(1) *The Regression Equation.* The final regression equation which was used to explain γ in this study is as follows:

$$\gamma=-1.81+\underset{(3.9)}{0.426}\sum_{i=0}^{7}A_i(NRD)_{-i}+\underset{(2.0)}{0.074}\sum_{i=0}^{7}A_i(ORD)_{-i}\frac{(1-Cp)}{(1-\overline{Cp})}+\underset{(4.5)}{0.031}(IM-\overline{IM})-\underset{(3.1)}{0.157}(Cp-\overline{Cp})\qquad \bar{R}^2=0.883\quad DW=1.95$$

Sample Period 1960-1974

where:

NRD=NASA R. & D. spending as a proportion of GNP.

ORD=other R. & D. spending as a proportion of GNP.

IM=industry mix variable, fraction.

Cp=index of capacity utilization, percent.

The numbers in parentheses below the regression coefficients represent t-statistics. As can be seen from the regression results, all coefficients are statistically significant and the overall fit of the equation to the data, as measured by the R^{-2} value of 22.3 percent, is impressively high, especially for a first difference equation.

(2) The NASA Contribution to γ. Using the regression results above, we found that the increased levels of constant-dollar GNP stemming from a $1 billion increase in constant-dollar NASA R & D spending in 1975 are as given in Table 4. For purposes of this calculation we hold the baseline level of GNP constant and ignore all interactive and dynamic demand and supply multipliers. As will be explained later, the actual changes in GNP will be considerably larger once we do include the effect of these multipliers.

TABLE 4.—*Increase in GNP per unit increase in NASA R. & D. spending "pure" productivity effects only*

Year:	*Cumulative Change in GNP*
1975	0
1976	0
1977	0
1978	0
1979	0.26
1980	0.96
1981	1.90
1982	2.88
1983	3.74
1984 and succeeding years	4.26

The rate of return on NASA spending may be found by substituting the results of Table 4 into the conventional rate of return formula. For a $1 increase in spending, the appropriate expression would be

$$\frac{0.255}{(1+r)^5}+\frac{0.952}{(1+r)^6}+\frac{1.888}{(1+r)^7}+\frac{2.882}{(1+r)^8}+\frac{3.736}{(1+r)^9}$$

$$+4.261\left[\frac{\left(\frac{1}{1+r}\right)^{10}}{1-\frac{1}{1+r}}\right]=1.00$$

where r is the rate of return. Solving this equation yields r=43% to the nearest percent. If we re-solve the equation by substituting $4.26/(1+r)^{10}$ for the last term, thus not assuming an infinite life, we find the rate of return diminishes to 38%.

Thus an increase of $1 billion in NASA R. & D. spending would increase productivity and total capacity of the U.S. economy by $4.26 billion in 1984 and each succeeding year. It should be stressed that this figure stems from a $1 billion increase in 1975 and then a return to previous spending levels. If spending were to remain $1 billion higher indefinitely, the first-order supply effects, i.e., disregarding interactive and dynamic effects, are shown in Table 5. As indicated above, the actual results are significantly larger because of the demand and multiplier effects calculated by simulating the Chase macroeconomic model.

TABLE 5.—CUMULATIVE EFFECT ON GNP OF A SUSTAINED INCREASE IN NASA R. & D. SPENDING "PURE" PRODUCTIVITY EFFECTS ONLY

1975		
1976		
1977		
1978		
1979	0.26	= 0.26
1980	0.96+0.26	= 1.22
1981	1.90+0.96+0.26	= 3.12
1982	2.88+1.90+0.96+0.26	= 6.00
1983	3.74+2.88+1.90+0.96+0.26	= 9.74
1984	4.26+3.74+2.88+1.90+0.96+0.26	=14.00

MACROECONOMIC IMPACTS OF NASA R. AND D.-INDUCED TECHNOLOGICAL PROGRESS

The third part of the study uses the relationship which has been developed between NASA R. & D. spending and the rate of technological progress to translate an increase in spending into a higher overall level of productivity for the U.S. economy. This section features a number of simulations with the Chase Econometrics macro model which determine the total effect of higher NASA R. & D. spending on the economy when interactive and dynamic effects are taken into account. These simulations consider the supply side of the economy as well as the demand side, and stress the fact that real GNP can be expanded by increasing productivity and lowering prices as well as by increasing government spending.

Approach to determining macroeconomic effects

Up to this point we have considered only the static supply or "pure" productivity effects of NASA R. & D. spending. We now employ the Chase Econometrics mascro model to determine the effects of an increase of $1 billion in constant prices (1958 dollars) in NASA R. & D. spending. We assume that such spending is increased by this amount at the beginning of 1975 and remains in force throughout the next decade. There are two types of effects from this increased spending.

The first type of effect is the ordinary expenditure (demand) impact of increased government spending. The second type of effect—this effect being what really differentiates NASA R. & D. from other types of government spending—is the longer run impact of NASA R. & D.-induced changes in the rate of technological progress. These changes lead to an expansion in the productive capacity of the economy and ultimately lead to an increase in society's standard of living.

(1) The Expenditure (Demand) Impact of NASA R. & D. In a period of economic slackness, an increase in government spending leads to increased real GNP and lower unemployment. These expenditure effects for NASA R. & D. are not markedly different than those experienced for most increases in other types of government spending or for the release of funds to the private sector for construction. It should be noted, however, that NASA R. & D. expenditure increases have a larger impact per dollar than similar spending on welfare or low productivity type job programs.

(2) The Important Productivity Impacts of NASA R. & D. The productivity impacts of NASA R. & D. generate social benefits in a somewhat more complex manner. We have already shown above (Table 5) the magnitude of increase which will occur in the productive capacity of the economy for an increase in NASA R. & D. spending. However, there is no automatic increase in demand which will occur just because total supply is now higher, and until this newly created capacity is utilized through higher demand no social benefits are realized.

There is an economic mechanism through which increased supply does create its own demand. Greater R. & D. spending leads to an increase in productivity, primarily in the manufacturing sector. As a result of this increase, less labor is needed per unit of output. This in turn lowers unit labor costs, which leads to lower prices. Yet this decrease is not immediately transferred into higher output and employment. As prices are lowered (or grow at a less rapid rate), real disposable income of consumers increases at a faster rate. Consumers can then purchase a larger market basket of goods and services, which in turn are now available because the production possibility frontier has moved outward. Yet these decisions are not instantaneous and frictionless, as they would be in an oversimplified static model. We do not see significant effects of increased technology on aggregate demand until 1980.

Results of macroeconomic simulations

Once the increase in productive capacity has worked itself into aggregate demand through the mechanisms discussed above, real growth is then fairly steady as can be seen from Table 6. In particular, we find that real GNP rises near $5 billion per year faster than would be the case under the baseline simulation which does not include increased NASA R & D spending. Thus constant-dollar GNP is $6 billion higher in 1980, $10 billion in 1981, $14 billion in 1982, $18 billion in 1983, and $23 billion higher in 1984. If we were to continue this simulation farther into the future, we would find that the gap between GNP in the two simulations would continue to increase at approximately $5 billion per year—$28 billion in 1985, $33 billion in 1986, and so on.

TABLE 6.—CHANGE IN SELECTED VARIABLES WITH AN INCREASE IN NASA R. & D. SPENDING OF $1,000,000,000

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Gross national product (billions of 1958 dollars):										
Base [1]	788.1	834.0	869.6	859.8	868.5	922.4	977.7	1,012.2	1,059.6	1,090.8
NASA [2]	790.2	836.5	871.7	862.1	871.7	928.6	988.0	1,035.0	1,077.4	1,114.1
Change [3]	2.1	2.5	2.1	2.3	3.2	6.2	10.3	13.8	17.8	23.3
Percent change [4]	.3	.3	.2	.3	.4	.7	1.1	1.4	1.7	2.1
Consumer Price Index (1967=100):										
Base [1]	161.1	173.9	188.4	204.9	219.4	232.0	244.2	257.0	270.9	286.5
NASA [2]	161.0	173.8	188.4	204.7	219.0	231.0	242.2	254.0	266.9	280.7
Change [3]	−.1	−.1	0	−.2	−.4	−1.0	−2.0	−3.0	−4.0	−5.8
Percent change [4]	.0	0	0	−.1	−.2	−.5	−.8	−1.1	−1.5	−2.0
Rate of Inflation (percent):										
Base [1]	9.1	7.9	8.3	8.7	7.1	5.8	5.2	5.2	5.4	5.8
NASA [2]	9.1	7.9	8.3	8.6	7.0	5.5	4.9	4.9	5.0	5.3
Change [3]	0	0	0	−.1	−.1	−.3	−.3	−.3	−.4	−.5
Unemployment rate (percent):										
Base [1]	9.0	8.2	7.4	8.6	9.9	9.2	8.0	7.1	6.5	6.0
NASA [2]	8.9	8.0	7.3	8.5	9.8	9.1	7.7	6.8	6.1	5.6
Change [3]	−.1	−.2	−.1	−.1	−.1	−.1	−.3	−.3	−.4	−.4
Employees on payrolls (millions):										
Base [1]	76.9	79.9	82.8	83.3	83.2	85.3	88.1	90.5	92.5	94.3
NASA [2]	77.0	80.0	82.9	83.4	83.3	85.5	88.4	90.9	93.1	95.1
Change [3]	.1	.1	.1	.1	.1	.2	.3	.4	.6	.8
Percent change [4]	.1	.1	.1	.1	.1	.2	.3	.4	.6	.8
Index of industrial production, Manufacturing Sector (1967=100):										
Base [1]	109.1	120.2	129.6	125.3	122.4	132.6	145.3	154.6	162.2	168.6
NASA [2]	109.9	121.2	130.5	126.3	123.5	134.3	148.1	158.1	166.5	174.0
Change	.8	1.0	.9	1.0	1.1	1.7	2.8	3.5	4.3	5.4
Percent change [4]	.7	.8	.7	.8	.9	1.3	1.9	2.3	2.7	3.2

Footnotes at end of table.

TABLE 6.—CHANGE IN SELECTED VARIABLES WITH AN INCREASE IN NASA R. & D. SPENDING OF $1,000,000,000—Cont.

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Index of labor productivity (1967=100):										
Base [1]	110.2	112.1	113.3	112.5	115.2	120.1	123.9	126.9	129.9	132.0
NASA [2]	110.3	112.2	113.4	112.7	115.5	120.8	125.1	128.6	132.0	134.7
Change	.1	.1	.1	.2	.3	.7	1.2	1.7	2.1	2.7
Percent change	.1	.1	.1	.2	.3	.6	1.0	1.3	1.6	2.0
Change in labor productivity (percent):										
Base [1]	−.4	1.7	1.1	−.7	2.4	4.3	3.2	2.4	2.4	1.6
NASA [2]	−.3	1.7	1.1	−.6	2.7	4.6	3.6	2.7	2.7	2.0
Change [3]	.1	0	0	.1	.1	.3	.4	.3	.3	.4

[1] Baseline projection with current estimates of NASA R. & D. spending for next decade.

[2] An increase of $1,000,000,000 in 1958 dollars in NASA R. & D. spending.

[3] NASA minus base.

[4] NASA minus base over base. Since the unemployment rate is already given in percentage terms, we do not calculate this item for unemployment.

As greater productivity is translated into higher demand, we find that the economy can produce more goods and services with the same amount of labor. This has two beneficial effects. First, unit labor costs decline, hence lowering prices. Second, lower prices enable consumers to purchase more goods and services with their income, hence leading to further increases in output and employment.

We find that the consumer price index grows at a slower rate with higher NASA R & D spending than without, and is a full 2% lower by 1984 than would otherwise be the case. Once again, this change does not occur in the early years of the simulation, but begins to become important in 1980.

One of the major effects of the higher level of real GNP and aggregate demand is the reduction in the unemployment rate of 0.4% by 1984. Since the labor force will be approximately 100 million strong by that date, this indicates, as a first approximation, an increase of 400,000 jobs. However, if we take into account the increase in the size of the labor force, the total will rise to 0.8 million new jobs. The increase in the labor force will occur for three principal reasons. First, the derived demand for labor will be greater because the marginal productivity of labor has increased. Second, the supply of labor will rise because the real wage has increased. Third, and probably most important, the increase in aggregate demand will reduce the amount of hidden unemployment as more entrants join the labor force.

It is also important to note that labor productivity rises substantially as a result of the increased NASA R & D spending. The index of labor productivity for the private nonfarm sector grows at a rate of 2.75% during the 1980–1984 period, compared to an average annual rise of 2.40% with no increase in spending. By 1984 the level of labor productivity is 2.0% higher than the baseline projection.

Further details and comparisons are given in Table 6 for a $1 billion increase in NASA R & D spending. We also calculated alternative runs for $0.5 and $0.1 billion and found that the results were approximately linear for other levels of spending change of equal or smaller magnitude. Similarly a decrease in NASA R & D spending of $1 billion would have reverse effects of the same magnitude on economic activity.

SIGNIFICANCE AND RELIABILITY OF FINDINGS

Significance of findings

One does not need an econometric model to show that an increase in government spending will raise GNP and lower unemployment. We learned many years ago that it is easy to spend our way out of a recession if no other constraints are involved. Yet having just recently come from the realm of double-digit inflation and the first postwar decline in labor productivity, it is clear that alternative policies must be examined not only from the point of view of their effect on demand and employment but on the real growth rate and the rate of inflation as well.

NASA R & D spending increases the rate of technological change and reduces the rate of inflation for two reasons. First, in the short run, it redistributes demand in the direction of the high-technology industries, thus improving aggregate productivity in the economy. As a result, NASA R & D spending tends to be more stabilizing in a recovery period than general government spending.

Second, in the long run, it expands the production possibility frontier of the economy by increasing the rate of technological progress. This improves labor productivity further, which results in lower unit labor costs and hence lower prices. A slower rate of inflation leads to turn to a more rapid rise in real disposable income permitting consumers to purchase the additional goods and services being produced and generating greater employment .

In assessing these results, we once again stress the importance of distinguishing between demand and supply effects. A $1 billion increase in NASA spending will have an immediate effect on real GNP, raising it approximately $2.1 billion the first year and $2.5 billion the second year. These demand multiplier effects are not markedly different than those which would have occurred for a similar increase in other purchases of goods and services by the government sector or for release of funds to the private sector for construction projects. They are, however, substantially higher than the effects which would be obtained from a $1 billion increase in transfer payments or low-productivity jobs programs.

In particular we have found that the demand multiplier is smallest and the increase in inflation is largest for a unit change in transfer payments. When we turn to the supply side, however, the multiplier effects of lowering prices and increasing real income are more than twice as large. Other government spending programs which do not expand the production possibility frontier and improve productivity have no additional effect on the economy after the initial increase in demand.

Reliability of findings

The results found for the equation estimating γ are all in agreement with economic theory, as the signs and magnitude of the coefficients are within the range expected from *a prori* expectations. Similarly, the statistical results indicate a high degree of correlation and no bias in the regression coefficients, or the goodness-of-fit statistics or the standard errors of estimate. In addition, the results are in accord with the findings of other econometric studies. Nevertheless, a number of criticisms have been raised about the final equation for γ, suggesting that the results might be significantly different if relatively minor changes were made to the function. These suggested changes focus on three areas; the choice of γ_C (the CEA series) instead of γ_D (the Denison series), the inclusion of the Cp term by itself and in conjunction with ORD, and the exclusion of the indexes of labor quality, particularly the level of education. To test the validity of these suggestions, we calculated sixty regression equations, including a "least favorable" case which incorporated all of the above changes. The sample period fits are somewhat worse, indicating that γ_D contains a larger random component than γ_C, but the coefficient of the term for NASA R & D spending is similar for these regressions. Even the "least favorable" case does not change the general conclusions of the study concerning either the rate of return or the economic impact of changes in NASA R & D spending.

HUMAN RIGHTS VIOLATIONS NICARAGUA

Mr. KENNEDY, Mr. President, I recently have noted the rising level of human rights violations alleged against the Government of Nicaragua.

Testimony before Congressman FRASER's subcommittee also reaffirmed the lack of freedom in that country.

I, too, have received private information in the form of a letter from the Capuchin missioners working in Nicaragua whose reports include disappearances, torture, and murder.

I ask unanimous consent that the letter and attachments be printed in the RECORD.

There being no objection, the letter and attachments were ordered to be printed in the RECORD, as follows:

From: Capuchin Communications Office Detroit, Michigan 48207.

To: The Honorable Senator EDWARD KENNEDY, United States Senate, Washington, D.C., 20510.

AMERICAN CAPUCHIN MISSIONERS IN NICARAGUA ASK PRESIDENT SOMOZA AND THE PRESIDENT OF THE NICARAGUAN EPISCOPAL CONFERENCE TO PREVENT RECURRENCES OF ATROCITIES THE MISSIONARIES HAVE DOCUMENTED AND REPORTED

Enclosed are letters sent to the President of Nicaragua, General Anastasio Somoza Debayle, and to the President of the Catholic Episcopal Conference of Nicaragua, Monsignor Manual Salizar of Leon, Nicaragua. The letters signed by the 31 American Capuchin Missioners working in Nicaragua calls attention to serious infractions of the human rights of Nicaraguan people living in the mountains near Siuna and Matagalpa, Nicaragua. Attached to each letter was the enclosed documentation of the cases of terrorism in the Department of Nueva Segovia, Nicaragua and a section of Madriz and incidents of terrorism in the municipality of Sinua, Department of Zelaya and the municipality of Rama, Department of Zelaya. This information was documented by the missionaries.

Hearings are currently being held in Washington by the House of Representatives Subcommittee on International Organizations chaired by Representative Donald Fraser (D.-Minn.) to review the situation regarding human rights in Nicaragua, El Salvador and Guatemala. If serious violations are found, the Foreign Assistance Act prohibits economic and military aid from the United States to these countries.

It is hoped that you will help bring this matter to the attention of the American people.

Enclosed with this letter are copies of the letters and documentation in the original Spanish plus approved English translations.

MANAGUA,
June 13, 1976.

Monsignor MANUEL SALAZAR,
President of the Episcopal Conference,
Casa Episcopal, Leon.

DEAR MONSIGNOR SALAZAR: We, the American Capuchins serving the Local Church of Nicaragua in the Diocese of Esteli and in the Apostolic Vicariate of Bluefields, upon completing our annual retreat, wish to share with you our deep concern which undoubtedly is also your concern.

We are speaking of the tense situation all over Nicaragua, and particularly, in the mountain regions of Siuna and Matagalpa.

We wish to speak and to act in full accord with you (the Episcopal Conference). We cannot, under any circumstance, remain passive. The power of the Gospel which we preach and which we try to live with the Nicaraguan people moves us to do something:

We support the efforts that you are putting forth to remedy the situation of fear, distrust and even hatred, created by the disappearance, torture and incarceration of people.

Recent reports received from the mountain areas of Zelaya indicate that the disappearance of "campesinos"* continues and that their relatives are worried and fear for their lives.

Presently, we wish to give more information on the same facts published by Monsignor Salvator Schlaefer Berg in his letter dated May 20.

Also, we want to mobilize the innate energies of the Nicaraguan people and, together with them, search for evangelical solutions. That is why, we ask that you remain united in your energetic efforts announcing the Good News, denouncing the denial of human rights carried out—according to reports—by members of the National Guard of Nicaragua. Please keep on working for the guarantees of human rights of the "campesinos" in the affected zones.

We reaffirm again our total support for all your evangelical efforts.

DANIEL KABAT.
BERNARDO WAGNER.

MANAGUA,
June 13, 1976.

General ANASTASIO SOMOZA DEBAYLE,
Casa Presidencial,
S/D.

YOUR EXCELLENCY MR. PRESIDENT: The Peace of the Lord be with you! With all respect, we, the undersigned Capuchins, working in the Church of Nicaragua, present to you our deepest and sincerest concern regarding the matter discussed during the interview that you granted to the three Bishops on May 10th.

Knowing the strong wishes of your Excellency to guarantee peace and a fraternal and just order in the country, we unite our voices to the Catholic Episcopal Conference of Nicaragua and to that of the poor people of the mountain regions who are looking for their relatives who were found missing after the operations of the National Guard against subversive elements.

We recall your speech to the National Guard three days after your inauguration to the Presidential Office, where you insist that "everyone respect the right of the citizens according to the Nicaraguan Constitution." We take notice that your Excellency repeated the same thing with the same insistence in your speech to the army on May 27th. Moreover, we note that those accused, presently, are being tried with lawyers for their defense and with the opportunity to face their prosecutors. Can you see to it that the humble farmers enjoy the same rights?

We recognize that you and the government authorities find yourselves in a very difficult situation; we recognize the existence of danger, both from Communism as well as from a growing militarism. Our position is not political but rather evangelical and pastoral. With all sincerity we wish to assure you of our continued prayers to the Lord so that He assists you to be an instrument of justice and peace.

We request your prompt action on behalf of our brothers so as to obtain the harmony that all long for.

Very sincerely,
P. DANIEL KABAT.
P. BERNARDO WAGNER.

INFORMATION GATHERED BY THE MISSIONARIES AND INCLUDED WITH THE LETTERS TO BOTH MONSIGNOR SALAZAR AND PRESIDENT SOMOZA

CASES OF TERRORISM

In the Department of Nueva Segovia and a section of Madriz.—

1. Four dead or disappeared, known personally; two from Macuelizo, two from Cusmapa.

2. Twenty-one tortured physically or psychologically or both: here, we are taking into account only those that we know personally; the majority of which have worked actively for the progress of their communities.

(a) Manners of physical torture: beatings, electrical shocks, fasting for two or three days, forced and excessive physical exercise;

(b) Manners of psychological torture: interrogation, constantly and suddenly, day and night; threatening to rape women; filthy language; and being forced to listen to their companions being tortured.

3. There is the case of one prisoner who was never presented to the Investigating Tribunal. The Court reviewed the case and all the other prisoners, but this one prisoner already has been kept in jail for about five months.

4. The captures have been carried out especially during the night, also in the middle of the street, during the celebration of worship, immediately after the worship. Generally, the prisoners were taken immediately, in a vehicle, to the headquarters of the same town or of the next town.

5. On one occasion two bishops spoke with the commanding officers ("commandanta"—military head of a district), without any results.

INCIDENTS OF TERRORISM

In the municipality of Siuna, Department of Zelaya.—

The people from certain areas of the municipality of Siuna have brought to our attention many painful occurrences that took place during the last few months. According to their reports, at least ninety-two persons have disappeared, taken away by the National Guard:

1. Ten persons were taken from the counties of Boca de Piedra and Puerto Viejo in November, 1975.

2. Forty-three persons (men, women and children) were taken from the county of Sofana, in February, 1976, (some of them are presumed to be dead).

3. Twenty-one persons (men and women) were taken from the county of Boca de Dudu in February, 1976 (it is assumed that some of them are dead).

4. Four persons were taken from the county of Zapote de Dudu in February, 1976.

5. Near Villa Nazareth, one person was taken by orders of the army in November, 1975 and another was killed by a patrol in February of 1976.

6. Four persons were taken (three men and one woman) from the county of El Platano in February, 1976.

7. Two bodies were found in the county of Irlan just before Holy Week (one of the deceased was a farmer from the county of Yucumali. The other one was a boy, eight years old. This one was hanged and decapitated.)

8. Two persons were killed near Salto de Boboke (Rio Tuma) before Holy Week. One of the deceased lived in the county of Bilwas; the other one lived in Laulo.

9. Many persons from the county of Yucumali were taken prisoners in May of 1976, (at least three are assumed to be dead).

10. After February 1, 1976, new graves were found in the counties of Rio Iyas. Near one of the graves, shoes and clothing of the missing persons were found.

REPORT ON TORTURE CASES

By the patrols of the National Guard near the Chapel of Sofana, in February, 1976—

1. The prisoners were kicked.
2. They were beaten with rifles.
3. They were beaten with the military helmet on the head.
4. They were hung from the neck.
5. Their teeth were pulled from their jaws.
6. They were hung by their feet.
7. Their shoes were taken off and they were forced to run through very impassable areas full of thorns.
8. Their mouths were stuffed with rags and they were blindfolded.
9. They were tied by the neck and were pulled like animals.
10. Their faces were cut up with knives.
11. They were robbed (for example, their money, medicine, cattle, soap and salt, etc.)
12. The women were raped.
13. They were enticed out of their houses with lies and then handcuffed.
14. Also, the guards repeatedly went disguised as guerrillas to the homes of the farmers.
15. A man from Sofana has been held in Managua since March of 1976.

None of the missing persons have returned to their districts. No accusation has been reported publicly. None has been presented before the investigating tribunal, and their actual condition is unknown.

It was reported that the patrols of the National Guard have burned down private residences without any recompense to their owners in the following counties: Sofana, Boca de Dudu and Yucumali.

Since May 1, 1976 there have been cases where army helicopters opened fire in the districts of Sofana, Boca de Piedra, Parasca, Yucumali and Dipina.

These events have interrupted the normal life of the farmers in these zones. Fear has been instilled in these counties. Many families have fled abandoning their homes and land. For example, in May of 1976, seven families are living in the district of Sofana; six months before there were more than forty. In May of 1976, twelve families are living in the district of El Platano; six months before there were forty families.

FROM THE MUNICIPALITY OF EL RAMA

Two brothers from the county of Raicilla went to Rio Blanco to visit their relatives. They were captured by the National Guard and nothing has been heard about them since then. Later, the soldiers returned to Raicilla searching for the third brother and, there, they killed him, according to witnesses.

BLUEFIELDS, NICARAGUA,
May 20, 1976.

DEAR FAITHFUL OF BLUEFIELDS: Many thanks to you for having accompanied us with your prayers, on the occasion of the episcopal visit to the office of the President a few days ago! We, Monsignor Julian Barni of Matagalpa, Monsignor Clemente Carranza, and myself, your servant, felt very well supported on May 10, 1976, when the President of the Republic, Mr. Anastasio Somoza Debayle, cordially received us, at 4:00 p.m.

Each Bishop expressed his concern caused by the disappearance of more than one hundred persons from the zone of Matagalpa, Ocotal and Siuna (Sofana, Dudu, Rio Yyas and other places). The president gave a clear explanation about encounters between the guerrilla fighters and the army patrols. When we touched upon certain points concerning the whereabouts of several men, women and children, it was noted that he was reserved, due undoubtedly, to the delicate circumstances of the cases. However, the President promised more information concerning the list of persons that we presented him, and at that moment, he called General Jose Somoza and General Samuel Genie so that they would give us further explanations using some large detailed maps.

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*"Campesinos"—people living in the countryside.

Before the end of that important interview, the President renewed his promise to give us information concerning the missing persons, so that we would be able to respond to the many questions that many mothers, wives, sisters and widows are making to us concerning the fate of their loved ones.

We left the Presidential Office, thanking the President and his officers, but with a warm prayer in our heart and on our lips: "That the Holy Spirit would enlighten the minds and soften the hearts of those who are causing so much suffering among the rural people of Matagalpa, Esteli and Zelaya.

I ask you my faithful people that we continue with our prayers and activities on behalf of justice and of the evangelical Message: "Love one another . . ."

Your brother in Christ and Mary,

Fr. Salvador,
Bishop of Zelaya, Nicaragua.

NUTRITION FOR THE ELDERLY

Mr. KENNEDY. Mr. President, the nutrition for the elderly program continues to be one of the most successful, popular, and effective Federal programs in meeting the needs of the Nation's elderly.

As the original Senate sponsor of the legislation which is now title VII of the Older Americans Act, I believe that our early expectations have been more than justified by the program's results.

Currently, it is estimated that an average of 430,000 meals per day can be served under the spending level of $225 million approved in the Labor-HEW appropriations bill passed 2 weeks ago in the Senate. I was pleased to join with Senators Eagleton, Brooke, and Church in requesting the increase of nearly $40 million over last year's spending level.

The benefits of this program, both in terms of providing needed nutrition to the elderly and in drawing them into social activity at the congregate meal site, are obvious. They are underscored by the continuing backlog in applications in my own State and across the country of elderly individuals who are waiting to participate in this nutrition program.

Bernita L. Grogan, director of the title VII nutrition project of the Elder Services of Cape Cod and the Island, Inc. in Hyannis, and David Alves, director of the elderly nutrition program of Greater New Bedford, both submitted testimony to the Select Committee on Nutrition and Human Needs last month.

Their testimony not only supports the expansion of funding for the congregate meal program under title VII but also the added focus on the need for expanded home-delivered meals.

I have visited those programs in the past and I know they are more than efficient, with many elderly directly involved in the program's operation. Similarly, recent reports to the committee from other nutrition programs in my State also demonstrate that they are working to improve the quality of life for the Nation's elderly.

However, I concur in the view that we must provide additional authority to expand the meals on wheels portion of the program. For that reason, I have joined with Senator McGovern in cosponsoring S. 3585 which would provide a separate additional authority of $80 million for fiscal year 1977 and $100 million for fiscal year 1978 for home-delivered meals.

I am hopeful that we can have early action on the expansion of this program, which is so necessary for home-bound individuals, either those who normally participate in the group meal program but are temporarily ill or those with more permanent disabilities who will never be able to attend the group meal programs.

I ask unanimous consent to have printed in the Record the testimony of two Massachusetts nutrition program directors as well as the excerpt from the report on the title VII program on the Massachusetts programs surveyed.

There being no objection, the material was ordered to be printed in the Record, as follows:

Testimony

(By Bernita L. Grogan, Title VII Nutrition Project Director, Elder Services of Cape Cod and the Islands, Inc., Hyannis, Mass.)

As an advocate for the elderly, I welcome this opportunity to speak on behalf of the 28,000 elders on Cape Cod, Nantucket and Martha's Vineyard.

Elderly are increasingly drawn to Cape Cod with our mild winters and pleasant rural setting. In 1970 the year-round population over 60 was 25 percent and during the next five years, increased by 27 percent. The newcomers soon learn what our residents know—that health services are sparse, public transportation virtually non-existent, costs of food and housing high, part-time jobs which could extend a fixed income are filled. In one of our allegedly "wealthiest" towns, 24 percent of the year-round elderly live on poverty-level incomes. The county with the lowest median income in the state is Dukes County on Martha's Vineyard. Ranking third in the nation in incidence of alcohol problems is Barnstable County. Clearly, the widely advertised, glamorous vacation life on Cape Cod does not apply to everyone, especially not the elderly.

As a result of the Older Americans Act, services for the elderly began to appear. Massachusetts established Home Care agencies to provide services to the elderly to enable them to live with dignity and independently in their own homes as long as possible. Our area agency on aging coordinates programs and services working closely with councils on aging, senior centers, RSVP, and all elderly interest groups.

The Cape and Islands Title VII nutrition program serves 280 elders per day, a small percentage of those eligible. However, this is the maximum our budget allows. Only 1,000 different elders are served in a 12-month period. At our five congregate meal locations participants are turned away each day because reservations are full. Many elderly wanting to come five days a week are limited to only two or three days a week to allow as many elders as possible to participate in the program. Elders on waiting lists hope to be called to fill in last minute cancellations. Expansion of such sites is a lower priority for new Title VII funds which rightly go to completely unserved areas. Title VII staff became aware of the demand for home-delivered meals as visiting nurse agencies repeatedly requested home-delivered meal service for their clients. Each month our project exceeded the recommended 10 percent limit for meals on wheels. Policy had to be established and maintained to keep the congregate meal focus. Now most meals delivered to homes from the congregate meal locations go to congregate participants who are ill on a short-term basis and will return soon.

Our Title VII program on Nantucket serves only home-delivered meals. These meals go to 20 chronically homebound elders each weekday. The program is a model for a small project in an isolated, rural location. Integrating the Title VII meal with the COA supportive services results in comprehensive team coverage of the elderly needs. Food service comes from the Nantucket Cottage Hospital and offers modified diets. Run by civic-minded, service-oriented staff, the hospital provides the food at the raw food cost of $1.59 per meal. If an elder received the same meal as a patient in the hospital, the food service cost of that one meal would be $4.50. Medical charges would be additional. The home-delivered meals have become so crucial that frequently Nantucket doctors will release a patient on condition he can be enrolled in the meals program. A recent example is an elder whose costly in-hospital bills were paid by Medicaid. Now out of the hospital, this elder receives meals on wheels and supportive health services at greatly reduced costs, costs borne by the Title VII program. Our services will keep this elder out of the hospital at home as long as possible.

Costs of the Nantucket meal program are kept low by a network of older volunteers. Each day one car goes on the 7-mile, in-town route while a second car takes the 14-mile beach route. With the high cost of gasoline, only the wealthy can be drivers. But with mileage reimbursement, the ranks of the volunteers would increase allowing those on lower incomes to be part of the team. Many volunteers report that their volunteer work has erased their own feelings of worthlessness and isolation. The gratitude of the homebound elder receiving the meal leaves no doubt that delivering meals is a rewarding, satisfying job.

On the Cape groups anxious to operate meals on wheels programs were at a loss as to how to begin. Excellent guidelines were available from large, urban, project-prepared programs. But these guidelines were not appropriate for the small Cape towns planning to serve from 10 to 20 meals per day. Our Title VII staff prepared a manual to guide councils on aging in developing meals programs. Following closely to Title VII plans, the manual presents information on justifying the need for a meals on wheels program; developing a knowledgeable steering committee with representatives of health and social service agencies; establishing criteria for accepting meals on wheels applicants; coordinating volunteer crews and food delivery procedures; selecting, evaluating and monitoring a food service system; and analyzing the financial picture.

The Title VII staff with this manual in hand has been instrumental in initiating three COA meals on wheels programs (with a fourth on the way) and has been consultant to two others. These programs serve 75 elders. About 250 others are current candidates for meals on wheels service.

Food service for each of these programs varies. Provincetown during the school year receives meals at low cost from the public school and during vacations receives meals at high cost from local restaurants. Orleans and Brewster receive food from a nursing home. Three programs order from the Title VII caterer, taking advantage of the low meal cost, menu development, and commodity use. Meals on wheels programs need to meet nutritional standards to be sure the elderly are receiving what they need.

Funding for each program also varies. The Massachusetts Department of Education reimburses the Provincetown school for partial costs of senior meals, but during the summer high restaurant charges create an annual burden. The towns of Harwich and Chatham voted financial support in recent town meetings. The Hyannis COA received a small grant specifically for meals on wheels from the Massachusetts Department of Elder Affairs. The Town of Bourne pays a part-time coordinator but food funds come from anything from bake sales to handmade quilt auctions. The Falmouth planning committee is investigating civic and private contributions to lessen charges to meal recipients.

Constant concern for funding means less attention to the necessary accompanying supportive services. Food without follow-up is not an adequate health service. The Title VII supportive services, at least, should be added to each meals on wheels program.

Additional services, such as Title XX homemaker service, would be on a referral basis. Currently on Cape Cod there are about 200 elders receiving homemaker services subsidized wholly or in part by our agency with Title XX funds. About 150 of these elders could receive less homemaker care if they received meals on wheels. Consider the costs. The homemaker agency receives $4.50 per hour for a 4-hour minimum. A 5-day charge would be $90.00. Compare that cost to a 3-day homemaker for $54.00 plus 7 meals a week at $1.60 out-of-pocket costs for a total weekly charge of $65.20. A "savings" of $24.80 each week for 150 Cape Codders points to a significant national total. These "extra" Title XX funds would allow many elders, now denied service, to receive aid. This aid, in turn, puts off more expensive long-term institutional care.

Further nutrition services are needed by the elderly. The federal budget cannot afford to provide high cost service when a lower cost service is adequate. I strongly recommend this committee's bill to establish a national meals on wheels program.

MEALS-ON-WHEELS: ATTENTION TO OUR NATION'S HOMEBOUND

(By David Alves, Director, Elderly Nutrition Program of Greater New Bedford)

Since the turn of the century, our life expectancy in the United States has increased by approximately 20 years. We have, thus, in our generation, seen our life span extended.

This extension of the aging process has caused many of us in the field to focus our attention on the socio-nutritional aspects of aging. Though sometimes called the "Golden Years", this extension of our life span has brought with it social and psychological problems of major concern to the elderly and to society as a whole.

The United States Department of Health, Education and Welfare reports that, as of 1970 census, 20,049,592 Older Americans out of 203,165,699 Americans, or approximately 10 percent, one in every 10 Americans was over 65 years of age. This, when reviewed in relationship to the fact that in 1900, the census counted 3.1 million Older Americans in 76 million (4.1 percent or one in every 25 Americans) shows the strides we have made to extend our life expectancy. Thus, though today our population under 65 years of age is two and one-half times as large as 1900, our population over 65 is six times as large.

These statistics are presented only as a means from which to evaluate the problems of our elderly when placed in a prospective of a local community. Though a percental of ten percent elderly seems high, the City of New Bedford and its surrounding communities, the area which my program services, is faced with a 20 percent ratio of elderly, or one in every 5 of our population is over 65 years of age. Though not uncommon for urban areas, it is of major significance to our program in that Massachusetts is considered to have one of the highest costs of living nationally.

Whereas today, there are a number of congregate meal programs for the elderly, and though early and dramatic experiences of our own Title VII Nutrition Program for the Elderly has proven to be a success, we all realize nutrition is a staggering problem and its neglect has contributed to the poor health of many of our elderly.

As can be expected, the group with the poorest nutrient intake are those homebound with no meals being provided. The homebound Older American is a segment of our population I feel has too long been disregarded.

As a Title VII Program Administrator, I have been able to recognize the value of our congregate meal program, having seen what such programs have done to improve the overall dietary, social and physical conditions of our elderly. The average participant attending our centers does little or no cooking at home. Those who live in rooms with no kitchen facilities have to rely completely on our program or a restaurant for their meals, even hot plates can't be used in some older buildings because of poor wiring. Most eat at least one meal if not their only meal at our centers.

I have been, however, personally disturbed with the limitations as established through current Title VII Legislation on the percentage of Meals-on-Wheels to homebound elderly which can be provided.

It is impossible to be precise about the number of people who actually need Meals-on-Wheels. In social service programs, we can always actually count those who get help, but not those who need it.

However, we do know that many of these homebound eat to live, not live to eat. Few extra food items beyond the delivered meals are ever noticed by agency outreach workers.

Unable to participate in activities and services available to the ambulatory within the community, these elderly shut-ins often are seen as names on waiting lists for nursing homes or in some instances, children often place parents in nursing homes to alleviate their own burdens of checking in on the parents or having to prepare meals for the parents. Some are sent to State Institutions regardless of the mental capacity as a means of satisfying our community obligations. This is done with the attitude they have to go somewhere. Though studies have shown many would prefer to stay in their homes, this has become their fate.

The percentage of older persons in Nursing Homes in Massachusetts is about five percent. It has been noted as a fair estimate that one-fourth of those in institutions do not need to be there for medical reasons.

Though more services and more individual attention is needed to provide for older persons in the home, the goal of the Meals-on-Wheels Program is to help older persons maintain their personal autonomy in their home.

Homebound meals programs should not only strive to meet the nutritional needs of older people, but the social and emotional needs as well. In many cases, home-delivered meals can mean an end to isolation because the meal is delivered by a person, be he a volunteer or staff, this sometimes is the only person the shut-in may have daily contact with.

The typical Meals-on-Wheels recipient for the most part is lacking the strength, ability or motivation to prepare nutritious meals or obtain adequate food services. The lack of nutritious food, in addition to a lack of mobility, creates for many a feeling of isolation, loneliness and unhappiness and has a definite deteriorative effect on the recipient's state of physical, psychological and social well-being.

Some significant findings of the home-delivered programs are: (1) home-delivered meals are in many cases the primary meal, (2) meals have improved the morale of the recipient, (3) food intake was improved after starting Meals-on-Wheels, (4) the Meals-on-Wheels was used by many who did not use community services before.

In reviewing our recipient file, we have determined there are two basic categories of persons who require home-delivered meals. There are those permanently incapacitated and those temporarily confined to home because of illness or convalescence following hospitalization. It has been noted many of the former would prefer to stay in their own home rather than enter an institution if at least one hot meal could be provided.

The benefit of treatment over weeks or months can be lost in less than one week after discharge if needed help is not provided to ensure the maintenance of nutritional needs. Meals-on-Wheels are, in some instances, being considered by many in the field of aging as a preventive health care program in itself.

For the temporarily confined, this service provides the needed nourishment needed for a quick recovery, yet for others, it may mean an earlier discharge from an institution. With this in mind, our program maintains a close contact with local hospitals and nursing homes, thus when patients are ready for discharge, we are notified and if needed, a hot meal is provided.

The provisions of a home-delivered meal to such a person may mean the difference between institutionalization or remaining within the dignity and comfort of their own home.

As another source of referral, a request for home-delivered meals may also come from a congregate participant, though he would usually enjoy his meal at the site, finds himself confined to his home due to illness.

New Bedford is an old historic City dating back to the days of whaling vessels and textile mills. A City of which the major real estate is made up of three and six tenement houses and has become an urban habitat. Rich in ethnic heritage, it has become a refuge for an exceptional number of low-income, limited English speaking elderly.

As with many Cities, due to increasing income, mobility and the desire to improve one's social status, most younger people have deserted the inner City area to live in the suburbs. However, the opposite is true of our older population. Due to lack of income and lack of mobility due to age and physical handicaps, most of our older people live in the Central City. This is not always of choice, but many times by necessity. Due to their limited incomes, these are the only rents they can afford and these apartments or rooms are, for the most part, usually within walking distance to shopping areas and services.

Our program is a public agency with the City of New Bedford serving as the Grantee for the eight community region. The program was established in January 1974, with funds provided through Title VII of the Older Americans Act, to provide nutritional and social services to our area's elderly. The program has, in its brief existence, to date served approximately 226,904 congregate meals to the elderly, of which 22,257 were home delivered.

Though significant findings show that the Meals-on-Wheels Program is intended to aid the ill, convalescent, shut-in, the poor and the disabled, the program's effectiveness is being diluted because of restrictions and quotas as established in the original legislation. The City of New Bedford's Meals-on-Wheels Program has, during its short existence, had a total of 413 referrals for Meals-on-Wheels to date. Of these referrals, we have been able to provide homebound Meals-on-Wheels to only 236 aging. Many others were just below our strict criteria and were unable to be serviced.

The need for establishing a Meals-on-Wheels acceptance criteria was due to the fact that, though we are consistently receiving requests for Meals-on-Wheels from community and social service agencies, Title VII, as written, restricts delivery of Meals-on-Wheels to that of a level of 10 percent of the congregate meal service.

Also, in dealing with the clientele that we do, our meal service levels are subject to seasonal adjustments brought about by weather conditions. Thus, adherence to this 70 percent quota has a fluctuating effect on our Meals-on-Wheels deliveries. This is especially true in the winter season. The effect of this ten percent restriction is that in the summer months, when we are serving an average of 750 participants daily, we are allowed, under current legislation, an average of 75 meals for our home delivery needs, and in the winter months, when our congregate participation drops to 600 meals, our average Meals-on-Wheels is reduced to approximately 60. Thus, in the months of December, January and February, when the weather is at its worst and a great number of our seniors are restricted to their apartments due to limited mobility and our need for Meals-on-Wheels is at its greatest, the number of meals technically available is at its lowest level.

This current disregard for an adequate Meals-on-Wheels Program under existing legislation has an even more restrictive effect on communities such as ours with an elderly population above the national average. In a community which exceed the ten percent national average, and must consider local geographic nature and weather conditions, it is impossible to base requirements for Meals-on-Wheels on any single determinating formula.

I have always felt that Title VII programs should have been given flexibility in allowing for a percentage of Meals-on-Wheels in relationship to the individual community's needs. This could have been implemented either through a state agency authorized waiver procedure, or authorized under the original legislation.

I am, however, encouraged to see the proposed legislation not only takes into consideration the needs of our homebound elderly, but does so with a reality of the needs of the community, and I look forward to its pending implementation.

As has been noted, this can be a valuable and effective service for the aged and chronically ill, helping these people to continue living independently in their own homes.

As part of our comment to the improvement of the health and nutritional status of the aging, I know I speak for nutrition program administrators when I express my support of Senator McGovern's bill to provide for nutritionally adequate, low cost meals for the aging in their homes.

As we all recognize, nutrition competes for attention and funds within the funding system. Congress must go beyond intuitive thinking and demonstrate their concern to provide the comprehenive services required to meet the demands of our nation's homebound.

With our increasing elderly population, many of whom will need help, the decision seems clear. We can choose to either spend more and more on institutionalizing seniors, or provide the services that will keep them in their homes where they declare they want to be.

Meals-on-Wheels are not an end but a means by which our nation's elderly can remain within the dignity and comfort of their home.

SOUTHWEST BOSTON SENIOR SERVICES, INC.,
BOSTON, MASS., FEBRUARY 1976

BOSTON AREA I—SOUTHWEST BOSTON SENIOR SERVICES

Title VII survey answers

1.—

	1974 precinct data/1970 census data	Current local anecdotical data
Number of people:		
60 plus	31,681 (precinct).	1974.
60 plus and poor	4,674 (precinct).	1974.
60 plus and black	2,764 (census)	Much larger.
60 plus and Oriental.	187 (census)	
60 plus and Indian.	3 (census)	
60 plus and Spanish.	416 (census)	Do.
60 plus and limited English-speaking.	953 (census)	Do.
(a) Green (c Irct statistics).		2,500 new families.
(b) Italian and Puerto Rican.		3,000 plus older generation original settlers in this area.

2. Unduplicated participant count=850±.

3. Seven sites presently operating.

4. Total meals served per day=250.

5. Total cash budget=$183,542.00 (Does not include "in-kind").

6. Components of Budget (Cash Budget):

Food Service (food, disposables, equipment, insurance, commodity food storage transportation and handling)	$95,238.00
Salaries and wages and fringe benefits	66,998.00
Legal, auditing, and accounting	4,688.00
Supplies (nutrition site and supportive services supplies)	510.00
Possible site rental	1,500.00
Transportation of people (2 vans): (Gas, oil, repairs, registration, insurance, garage, rental, other, operation of third van)	6,639.00
Supportive services (equipment and activity expenses)	1,660.00
Volunteer expenses	415.00
Administration (office rent, equipment, telephone, supplies, insurance, staff travel, security, building maintenance, electricity, postage, printing, equipment repairs)	5,614.00
Nutrition Council supplies	240.00
Conferences (staff)	40.00
Total	183,542.00

7. Represents an increase in costs over last year.

8. Participant contributions and charitable foundations. Also, use CETA Program and Elder Service Corps. In-kind donated services total about $38,613.

9. Per meal cost is $1.43.

10. About the same now. Expected to increase.

11. Yes, via credit to the project through use of commodity foods.

12. January 1976 Administration Expenditures:

Salaries and fringe benefits of director and secretary	$1,081.00
Salaries of site management and assistants	1,641.00
Electricity	23.00
Staff travel	$32.00
Office supplies	54.00
Site supplies	9.00
Conference-training	45.00
Advertising	18.00
Telephone	100.00
Legal and accounting	440.00
Printing	5.00
Building maintenance	12.00
Postage	8.00
Rental	134.00
Total	3,602.00

13. About 20 percent of cash budget.

14. About 75 percent of cash budget covered by Title VII funds.

15. The balance comes from participant contributions.

16. About 25 percent to 30 percent for administration.

17. Would not object to having 25 to 30 percent of a Title VII or other Federal grant designated specifically for administration of Title VII Project.

18. About 10 persons waiting per site.

19. One or two weeks wait.

20. All of them will be reached during next year.

21. In practice, this system would tend to reduce the project's capacity to respond to need. Some budgetary leeway is mandatory.

22. About $195,000. We have many needs, especially in transportation of people, which will not be met when the CETA Program discontinues and we lose our two van drivers.

23. One of the five areas under our jurisdiction still does not have a nutrition site because of lack of funds. So, one more site would be added.

24. About three days per week is average participation.

25. Reasons are variable. No clear pattern appears to be evident.

26. Planned, if at all. Attendance does not vary predictably so this would not seem to be workable for us.

27. Food catering service for food preparation and delivery to all nutrition sites.

28. We now serve meals in two schools.

29. Our experience suggests that using the schools is better in theory than it is in practice.

30. Predominantly urban.

31. Project owns two minibus vans and uses drivers from the CETA Program. One van is especially adapted for handicapped people. It is equipped with a raised roof and a hydraulic lift for wheelchairs.

32. It provides excellent flexibility to meet needs of our participants. We are satisfied, except that drivers will need to be funded on a dependable payroll (preferably Title VII, as part of our regular project staff).

33. Yes, if the quality and variety of the foods offered are pleasing and nutritionally beneficial to our senior citizens.

34. Just careful selection and wide variety in the foods offered.

85. The credit to the project will be used to purchase more food.

36. A. No.

B. Too early in the program for us to anticipate at this time.

37. A small "Meals on Wheels" program from one of our sites.

38. About 12 to 15 meals per day are served from this one site.

39. Transportation is provided from private foundation funds, obtained by the community agency (not nutrition project), for a part-time driver and a station wagon. Do not know this cost. Food is provided by Title VII at a cost of $1.45 per meal × 3,250 meals/year=$4,647/year. Disposable supplies are provided by Title VII at an average of $25 per month or $300 per year.

40. About 10 percent is allowed under Title VII because Title VII is a "congregate" meals program.

41. Home-delivered meals now go to a mixture of temporarily and chronically disabled.

42. About 800±.

43. No. The demand for meals-on-wheels is extensive. Many elderly handicapped cannot come to congregate sites—even by adapted van.

There are three functional groups of elderly who need nutritional hot meals. Those who: (*a*) can get to the sites by walking, or by public or private transportation; (*b*) can get to the sites by door-to-door regular or specially adapted van, and (*c*) can *not* leave their homes and need meals-on-wheels.

44. No. This is very much needed. Funds are not sufficient for this service.

45. Unable to do it at the present time.

46. Recommend a separate special grant be made to the Title VII Elderly Nutrition Projects specifically allocated for a Meals-on-Wheels program. These meals would go out to the homes from each of the sites located in each area.

47. Yes. The Supportive Services Coordinator, together with whatever additional volunteer assistance she can find, provide nutrition education at each site.

48. Only cost would be about one-fourth of the $11,100.00 salary and fringe benefits of the supportive services coordinator, or $2,725.00/year.

49. Many individuals have commented on the constructive helpfulness of the information provided. However, a formal evaluation has not been done because of a shortage of staff and funds.

50. Probably about 10 to 15 percent.

51. Yes, this has been done. Recently, each site has been authorized to accept food stamps for participant contributions.

52. In our community, a rating of 8 to 10 would be a realistic estimate.

53. All those required by Title VII as follows: Transportation escort, outreach, shopping assistance, nutrition education, recreation, information and referral, health and welfare counseling.

54. The $11,100 salary and fringe benefits of the supportive services coordinator plus about $1,660 for equipment and activity expenses. All other work comes from in-kind contributions of agencies and individuals. In some areas, this is a very difficult way to operate.

55. This program was very well conceived in the advocacy, planning and legislative process. Meals-on-Wheels and special diet components should be added to the congregate meals component. Increased funding for food costs and also for *operating* costs of door-to-door transportation. Supportive services need more financial support.

COUNCIL OF ELDERLY, INC.

BOSTON AREA II NUTRITION PROJECT

Title VII survey answers

1. 8,000.
2. 600.
3. 9.
4. 400–500.
5. 411,212.
6.—

Personnel	$192,011
Travel	1,117
Rent and utilities	29,630
Communications	3,500
Raw food	87,125
Painting and supplies	5,283
Equipment	25,501
Other	67,410

7. The previous project year budget covered a nine (9) month period. On a comparable basis, the current budget reflects a 6 percent decrease in project expenditures. Personnel costs increased by about 1 percent while raw food costs decreased by about 20 percent. In addition there was an increase of about 25 percent in the number of meals available.

8. Non-Federal resources available to the project are as follows:

Department of Elder Affairs *	$2,400
City of Boston Commission on Elder Affairs *	15,600
City of Boston, Parks and Recreation *	10,394
City of Boston, Real Properties Department *	9,000
Dimock St. Community Health Center *	3,630
Project Income (Participants contributions):	
(1) Anticipated	26,581
(2) Accrued	20,893
Total	47,474
Total all sources	88,498

* In-kind services.

9. The average per meal cost for the calendar year was projected at $1.10 per meal. Reductions in Raw Food expenditures should reduce the cost by about 0.05 per meal, however recent price increases in the dairy industry may offset any anticipated meal cost reductions.

10. In comparison, the current cost per meal averages about 0.30 less than the previous year.

11. Given the current cost reductions in raw food prices and limited increases in other project expenditures, i.e., transportation etc. We could feasibly increase meal service by about 6,000 meals in the next project year.

12. Administrative costs include: ($4729.-35).

(a) Agency Administrator
(b) Deputy Administrator
(c) Fiscal Manager
(d) Administrator Asst.
(e) Administrative Secretary
(f) Project Director
(g) Project Secretary/Bookkeeper
(h) Travel
(i) Rental of Space
(j) Communications
(k) Supplies
(l) Other costs: Insurance, Consultants, etc.

The actual administrative costs for project operations during the past month was $4,729. This cost also includes personnel fringe.

13. Administrative costs represent about 14 percent of the total project budget.

14. Title VII funds represent about 90 percent of the total administrative costs.

15. The balance of the administrative costs (10 percent) is from in-kind services.

16. The most desirable cost of administrative services provided through Title VII funds would be in the range of from 18 to 20 percent.

17. This project would most definitely support a change in the Title VII funding allocations.

18. Waiting lists are kept by individual sites; some sites have persons on the lists, others do not. One of our sites has 185 people who would like a meal five days a week, we currently provide 45 meals per day to the site. Projectwide, we have some 50 people who are actually on waiting lists, about 60 percent of those are on waiting lists for home-delivered meals.

19. The average waiting period for site meals is about one week while for home delivered meals the period may be indefinitely.

20. The project will reach all of those now on waiting lists for group meals during the current project year.

21. Since the project is in the process of expanding services under its current funding, it is difficult to estimate increased participation based on performance funding unless, the funding covered costs for increased transportation demands. If the latter were the case, participation could increase by about 45 people per day.

22. Under a performance funding system, as mentioned above, a likely budget estimate would be about $450,000 based on current costs.

23. Our current expansion plans call for a minimum of four additional sites. Other site locations would depend on the location of possible participants.

24. Information obtained from the most recent quarterly report showed that for a period of 59 serving days, the majority of the participants eat meals an average of from 31 to 45 days.

25. Attendance variations depend heavily upon medical appointments as a primary factor. Other factors include: (a) weather conditions; (b) other special activities or programs apart from Title VII; (c) menus; and (d) individual physical and/or mental feelings, on a given day.

26. Based on our experience, we would favor both a planned variation and seasonal variation. We have instituted a method of planned variation based on individuals who call and cancel attendance for a scheduled day. This information is forwarded from our site managers to our food service staff who then reduces the meals prepared count for the site on the given day(s). The past month has also suggested that we allow for seasonal variations: During two recent snow storms and two days of extremely cold weather, we found that our meals served counts dropped by about 55 to 60 percent even where transportation was being provided. During extremely hazardous driving conditions, we have had to cancel transportation services to sites, and provided participants with home delivered meals.

27. The Boston II Project prepares all of its own meals in a central kitchen facility, meals are then packaged in bulk and transported to sites. The exception to this is the two Kosher meal sites which we operate in the Allston Brighton Area. Kosher meals are subcontracted and delivered by our own transportation system to one site. The second Kosher site provides meals under a contract of site prepared meals.

28. We have considered the possibility of using school lunch facilities, however we have not used such facilities, for two specific reasons: (1) The failure of the state funded elderly school lunch programs to provide services in school lunch facilities. This was due mostly to the reluctance on the part of participants in programs operating at school facilities. (2) For the most part, the majority of the preferred school lunch facilities are not located close to high density elderly residence areas.

29. See No. 28 above.

30. Boston Area II is an urban area.

31. Our project operates its own transportation system utilizing leased fifteen (15) passenger radio equipped vehicles. Drivers are always in touch with the central dispatcher who coordinates passenger pick-ups and advises on cancellations and re-routing.

32. We are indeed satisfied. Not only has this system increased the available transportation service, but has also reduced the cost by $10,000 under the previously contracted system.

33. Not only would we favor a continuation of commodity support, but would also welcome increased levels of USDA support.

34. Not applicable.

35. Further increases in USDA commodities could continue to reduce the raw food costs to Title VII projects. The impact of raw food costs reductions could then result in increased numbers of meals available.

36. (*a*) Depending on the item, we could purchase some commodities at lower costs.

Recent information from the Department of Elder Affairs suggested that their purchases of margarine for use by Title VII projects would cost an estimated 0.75 per pound. Our cost for the same item from a wholesale distributor has been 0.43 per pound to 0.53 per pound. Other USDA commodities however may cost more if purchased through wholesale outlets.

(*b*) See (*a*) above.

37. Yes.

38. Our current home delivered meals route serves an average of 45 meals per day.

39. The total budget cost of the home delivered meals program is $34,635 for the current project year, this averages $2.31 per meal.

40. Home delivered meals costs represent 12 percent of the meals costs, and 8 percent of the total budget.

41. Meals are served to both temporarily and chronically disabled persons.

42. About 75 to 100 persons.

43. No.

44. Special diets are provided for persons requesting salt free, low sodium or diabetic meals.

45. No. Diabetic foods are slightly higher in prices since they must also be purchased in smaller quantities, however the additional per meal cost is minimal.

46. Not applicable.

47. Yes. Nutrition Education sessions are conducted at all sites utilizing services of project nutritionist, as well as, nutritionist from area hospitals and educational institutions.

48. Budgeted costs total $2,944. However, without the support of area hospitals and educational institutions, the cost would be 75 percent higher.

49. There have been two incidents which would suggest that nutrition education sessions have had a positive affect on participants: (1) we are receiving reports from site managers of larger consumptions of menu items such as liver, broccoli, and green beans and (2) we have successfully changed our menu to include non-fat milk (Nu-form) as opposed to whole milk.

50. All of our sites are authorized to accept food stamps for home delivered as well as congregate meals, however we have not received stamps in the past six (6) months. Therefore, we have no sound basis on which to even estimate percentages of participants who are food stamp recipients.

51. (*a*) Yes. Outreach like information and referral is an ongoing activity of the project. (*b*) Not applicable.

52. Community acceptance and support of Title VII services would have to be rated at a level of 8.

53. The project directly provides: Outreach, transportation, information and referral, health and welfare counseling, nutrition education, shopping assistance, and recreation activities.

In addition, the grantee agency reinforces these services and also provides services in the areas of: (1) Legal services; (2) evaluation services; and (3) home aide services.

54. Estimate yearly administrative costs of project provided supportive services would be about $9,500.

55. Based on our experience we would recommend changes in the Title VII law to allow for the following:

(A) Increased funding to provide an adequate home delivered meals program which is an essential component to the congregate meals.

(B) Increased levels of expenditures for the supportive services component of Title VII.

(C) Allowances for 1 or 2 day group meals programing for special events, or, wherever there is a demonstrated need for such services, i.e., club meetings; group activities in addition to Title VII events, etc.

AREA III ELDERLY NUTRITION PROJECT, FEDERATED DORCHESTER NEIGHBORHOOD HOUSES, INC., DORCHESTER, MASS.

Title VII survey answers

1. 8,517 (1970 census—City of Boston).

2. Based on quarterly report—2,200.

3. 16.

4. 950.

5. October 1, 1975 to September 30, 1976—$540,190 including Inkind and anticipated project income.

6.—

Meals cost	$374,278
Support Services	95,544
Admin. costs	54,634
Indirect costs	15,734
Total	540,190

7. Federal dollars—$362,666—October 1, 1975—September 30, 1976 (plus Inkind and Project income).

Federal dollars—$241,130—October 1, 1974—September 30, 1975 (plus Inkind).

Increase is part expansion and part maintenance.

8. Anticipated project income October 1, 1975 to September 30, 1976 is $87,500.

9. $1.03 at present.

10. Lower because of increase in daily count and we own our own equipment.

11. Yes, because of expansion money and commodity foods.

12. $4,460—salary of project director, secretary, and administration portion of site managers and assistant site managers, transportation personnel—rent and utilities—phone—supplies—audit and computer.

13. 1 percent of yearly budget.

14. All.

15. See 14.

16. 15 percent.

17. Yes.

18. Yes, approximately 100.

19. 5 weeks.

20. All.

21. 50 percent.

22. $108,000 to $180,000.

23. 3 to 5.

24. 3.

25. Weather, menu and ancillary events.

26. Now in use.

27. Catered, prepared in central location and shipped in bulk to 15 sites.

28. Yes, for 5 minutes.

29. Difficult at best in Boston.

30. Urban.

31. Demand-response of 5 vans and 2 nutrition vans.

32. Yes.

33. Yes.

34. See 33.

35. Expansion of existing sites.

36. A. No. B. 50 percent net.

37. Not Meals on Wheels, but we do deliver home meals to participants referred by health related agencies.

38. 160 per day home delivered.

39. At present Federal dollars, $362,666; Anticipated Project Increase, $87,500; Per year cost, $450,166; does not include Inkind.

Average cost per meal including transportation and meals related costs, not including Inkind—$1.35.

40. We do not have a Meals on Wheels program.

41. Mixture of both groups.

42. Difficult to estimate—basically a congregate program and have placed little emphasis on home bound.

43. It shouldn't, with proper guidelines regarding medical referrals.

44. Yes, because we made modifications providing desserts for diabetics and skim milk. All food is cooked with minimum salt.

45. No—see 44.

46. See 45.

47. Yes, with Public Health Nurses and senior Public Health students.

48. Inkind.

49. Excellent.

50. Very small proportion of participants.

51. Yes.

52. 11.

53. Medical help via 13 health centers in Area III. Shopping assistance involving transportation to shopping areas. Recreation at individual sites. Cultural visits to museums, etc., information and referral to many resource agencies in our area.

54. Services are in-kind with the exception of transportation and our outreach workers, who introduce the Title VII participants to the many services available to them.

55. Continuous good quality and quantity and a good selection of commodity foods for expansion of the Title VII program. Make sure that outreach and transportation money is on-going to enable us in urban situations to reach more people who need the program.

HIGHLAND VALLEY
ELDER SERVICE CENTER INC.,
Northampton, Mass., January 30, 1976.
Senator GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: Please find enclosed a response to the questionnaire your Committee requested of our Title VII (Older Americans Act, 1965) elder meals program.

We hope that we have sufficiently answered all of your questions. If there is further information needed, you may contact us directly.

The opportunity to participate in the Committee's important work is greatly appreciated.

Respectfully,

JAMES J. CAVANAUGH,
Nutrition Program Director.

Title VII survey answers

1.

A. Project area: total number of eligible individuals:	60-plus	Poor 60-plus
60-plus		16,319
Poor 60-plus		2,696
60-plus and poor 60-plus		19,015
B. Current service areas:		
1. Northampton	4,568	768
2. Easthampton	2,136	433
3. Hadley	540	145
4. Westfield	4,023	658
Total	11,267	2,004
C. Potential service areas:		
1. Amherst	1,598	148
2. Chesterfield	114	25
3. Cummington	192	12
4. Goshen	76	12
5. Hatfield	410	53
6. Huntington	215	52
7. Middlefield	42	6
8. Pelham	122	12
9. Plainfield	53	19
10. Southampton	368	61
11. Westhampton	102	0
12. Williamsburg	304	12
13. Worthington	130	45
14. Blandford	192	30
15. Chester	219	41
16. Granville	147	12
17. Montgomery	60	8
18. Southwick	520	106
19. Tolland	37	9
20. Russell	151	29
Total	5,052	692

2.

Projected Schedule:	*People per day*
February 1976	260
March 1976	300
April 1976	340
May 1976	380
June 1976	400
July 1976	430–450

3.

Projected Schedule:	Number of sites
February 1976	4
March 1976	4
April 1976	5
May 1976	6
June 1976	6
July 1976	6

4. 260.

5. $167,137.

6.

Personnel	$37,985
Travel	3,290
Rent and utilities	3,550
Communications	4,290
Supplies	9,923
Equipment	6,253
Other	101,846
Total	167,137
Federal grant	134,774
Project income	9,500
Local match	22,863
Total	167,137

7. Not applicable (First program year: 1975-76.)

8.

In-kind Services	
(a) Council on Aging client transportation	$17,350
(b) Individual client transport	5,513
(c) Project income	9,500
Total	32,363

Plus many volunteer hours.

9.

Number of meals per day:	Cost per meal
1-199	$1.30
200-299	1.20
300 or more	1.10

10. Not applicable (First program year: 1975-76.):

11. Yes.

12.

December 1975:	
1. Personnel:	
3 Site Managers ($220 times 3)	$660.00
1 Assistant Site Manager	184.00
1 Supportive Services Coordinator	667.00
1 Program Director	833.00
Subtotal	2,344.00
Fringe (15 percent)	357.00
Personnel total	2,696.00
2. Rental and maintenance	340.00
3. Supplies	49.27
Total	3,086.27

13. 22 percent.

14. 100 percent.

15. Out of what funds, if any, does the balance come? Not applicable.

16. 25 percent.

17. No.

18. Yes. 250-300 people on waiting list.

19. Difficult to determine since we have only been in operation for 5 months and are expanding the program.

20. Hopefully, all.

21. 100 percent (estimated).

22. $195,000-230,000 (estimated).

23. 5-7 Site locations.

24. 3.87 days (mean average).

25. Weather conditions, seasonal changes, menu changes, sickness and death account for most of the variation of participation. Our program attempts to maintain a relatively stable daily attendance by calling upon a pool of "stand-by" participants (i.e., individuals waiting to participate in the meals program as cancellations occur.

26. Additional program operation is required to determine if a "planned" or "seasonal" variation flexibility is needed.

27. Our program currently has a food service contract with the city's vocational high school. We are also exploring the possibility of including a private, profit making caterer in order to accommodate our client growth as we expand into other communities.

28. All our meals are prepared by a local vocational school.

29. Not applicable.

30. The 1975-76 percent of total T-7 Participants: Urban 79 percent; and Rural 21 percent. The 1976-77 Projected percent of total T-7 Participants: Urban 61 percent; and Rural 39 percent.

31.

Providers of client transportation.	Percentage of use
Councils on Aging	75
R.S.V.P.	1
Participants transporting other participants	21
Contractual agreement with individuals using personal vehicle	3

32. No. The small passenger vehicles of the Councils on Aging limits the number of participants we can transport to a congregate meal site. This problem is further compounded in that the CoA vehicles are committed to transportation functions other than the Title VII Program.

33. Yes.

34. Not applicable.

35. Total dollars credit will translate into a daily increase in the number of meals served per day.

36. A. About 15-20 percent of the time, comparable items to USDA could be locally purchased at the same price or lower.

B. Not applicable.

37. Yes.

38.

Present schedule:	Homebound meals per day
January 1976	10-15
February 1976	15-17
March 1976	17-20
April 1976	20-23
May 1976	23-26
June 1976	26-28
July 1976	28-32

39.

Schedule	Homebound meals served per day (average)	Cost per meal	Cost per homebound container	Cost per month
Present:				
August 1975	7	$1.33	$0.165	$209.30
September 1975	7	1.33	.165	209.30
October 1975	8	1.30	.165	234.40
November 1975	8	1.30	.165	234.40
December 1975	9	1.30	.165	263.70
January 1976	13	1.30	.162	380.12
February 1976	16	1.20	.162	446.21
Projected:				
March 1976	19	1.20	.16	516.80
April 1976	22	1.10	.16	554.40
May 1976	25	1.10	.16	630.00
June 1976	27	1.10	.16	680.40
July 1976	30	1.10	.16	756.00
Total (in-kind transportation)				[1]5,115.03

[1] Estimated.

40. 3.1 percent.

41. A mixture.

42. The 24 towns in the service area the program is responsible for has approximately 17,000 elderly with an estimated 8-10 percent needing homebound service, or 1,360 to 1,700 individuals.

43. No. But, additional funds would be required to support the costs of a home delivered meal program (i.e., homebound meal containers and transportation of meals).

44. All foods are prepared salt free, other than what is contained naturally or added by the meal participant.

45. No.

46. Not applicable.

47. Nutrition education programs are planned for our developing Title VII program.

48. Nutrition education will be provided by the County Extension Service at no cost to Title VII.

49. Actual training results of nutrition education will become concrete once the program has been implemented.

50. Less than 1 percent of our meal participants receive food stamps.

51. Yes, as we expand our program in new areas.

52. Following information:

Communities:	Ratings
Northampton	10
Easthampton	10
Hadley	7
Westfield (Site opens) February 2, 1976.	

53. Information and referrals, escort and transportation, recreational activties, nutrition education (scheduled).

54. Administrative costs for supportive services is estimated to be less than $350,000 a year. plus the salary of the Supportive Services Coordinator ($7,000-9,000).

CIA DESTRUCTION OF DOCUMENTS

Mr. KENNEDY. Mr. President, on June 7, following reports that the Central Intelligence Agency planned to destroy certain records it had gathered during the course of the recent congressional investigations, I wrote Director Bush urging that the destruction not take place. While I had not had the opportunity to review the applicable Federal records-retention laws, it seemed to me that time was needed by a number of interested committees to determine whether there was any further need or use for those documents. I was also concerned that some of the records may be relevant to litigation or pending requests for information under the Freedom of Information Act.

It seems to me, Mr. President, that every time the document shredder has been activated in recent years, it has been the public interest that has wound up in the incinerator. ITT shredded documents concerning its antitrust settlement. The FPC shredded records regarding its natural gas survey. Then FBI Director L. Patrick Gray "deep sixed" files from the White House plumbers. President Nixon's Committee to Re-elect sent Watergate-related materials through the electric chopper. And the CIA itself mysteriously destroyed documents relating to its drug-testing program.

I was pleased to receive Director Bush's response before the recess, indicating that there would be a moratorium on any file destruction, that the Senate Select Committee on Intelligence would receive schedules of records to be destroyed in advance of destruction, and that no records subject to pending FOIA or Privacy Act requests would be destroyed. Furthermore, the National Archives will have to approve the legality of destruction under applicable Federal laws.

Director Bush's letter to be is most responsive to my concerns, and I believe that the interests of the public and the Congress will be well served by this new approach adopted by the CIA. I have over the past few years criticized the CIA's handling of disclosure and information related matters; I am pleased now to commend the sensitivity Mr. Bush is showing in dealing with the need in this instance to balance the interests of personal privacy and agency openness. This is a *most welcome* direction for both the Agency and its Director to be charting.

I ask unanimous consent that my original letter to the Director and his recent response to me be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., June 7, 1976.

Hon. GEORGE BUSH,
Director, Central Intelligence Agency, Washington, D.C.

DEAR DIRECTOR BUSH: I noted in the Washington Post of June 4, 1976, that the Central Intelligence Agency plans to destroy secret records compiled over the past year concerning illegal and improper agency activities. As chairman of the Senate Subcommittee on Administrative Practice and Procedure, which monitors federal information practices and has jurisdiction over agency administration of the Freedom of Information Act, I urge you to defer any such planned destruction for the foreseeable future.

First, the Senate has recently established a new Select Committee on Intelligence Oversight which is not yet fully organized. As a strong supporter of the Resolution establishing that Committee, I believe that its members should first have the chance to make an independent determination whether any of the documents in question might be necessary or useful to their activities.

Second, there are federal statutes relating to the maintenance of records which may be applicable to the records in question, even if they were illegally compiled or reflect improper agency activities. Although you may have determined that those laws are not here applicable, FBI Director Kelley, for example, has publicly stated that the Bureau could not destroy similar materials because of federal record-keeping laws. I would like for my subcommittee to have the opportunity to review those provisions in light of the proposed document destruction.

Third, proposals have been advanced that would require federal agencies engaged in illegal activities which may have violated the constitutional rights of American citizens to notify those persons of such activities. The Department of Justice is entertaining such a proposal, and legislation to that effect is presently pending in the House. Destruction of the records in question may make notice impossible, and thus should be deferred until Congress has determined whether or not to act in this area.

Fourth, there is pending in the House legislation (which I am considering introducing in the Senate) to allow certain classes of persons to sue the federal government for injury arising from the administering of dangerous drugs by federal agents or employees without the informed consent of those persons. (A private bill affording payment of a settlement in the case involving the Olsen family has already cleared the Senate.) Destruction of records might present an obstacle to the Congress's ability to make judgments in future cases like this.

Fifth, there may be outstanding requests under the Freedom of Information Act that encompass the material in question. In at least one reported case, a federal court has strongly criticized an agency for proceeding, even under a routine records-destruction procedure, to dispose of documents falling within the plaintiff's request; it would be unconscionable for this to occur again.

In short, while it has been reported that you have concluded that records destruction will be consistent with applicable laws and requirements of pending litigation and Justice Department investigations, it is equally important that any such destruction be considered in light of pending or proposed legislation and congressional investigations, and further, that there be no ambiguity as to the application of such "applicable laws."

Obviously any after-the-fact assessment would be fruitless where the proposed action would obliterate the only material which would provide any basis for such assessment.

It is inconceivable to me that the Central Intelligence Agency would not have sufficient file storage capacity to maintain the integrity of the documents in issue for the foreseeable future. In light of the continuing interest of the Congress and the public in the intelligence activities of government—past as well as future—I therefore request that the proposed document destruction not be carried out until the many congressional committees with an interest in this area have been heard on the matter.

Sincerely,

EDWARD M. KENNEDY,
Chairman.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., June 25, 1976.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Administrative Practice and Procedure, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of 7 June 1976 expressing concern as to the Agency's plans to destroy Agency material which has been under a moratorium imposed by the Senate leadership pending completion of the investigation of the Agency by the Senate Select Committee.

By letter of 2 June, I informed Senators Hugh Scott and Mike Mansfield of our plans to destroy Agency documents and materials and requested their confirmation of our intended action in view of the moratorium. This was done only as a preliminary step to destruction to determine if there is further congressional interest. I wish to make clear that it was never my intention to destroy any documents still subject to Justice Department investigation or relevant to litigation.

We have extended the moratorium for six months, to expire on 10 December 1976, as requested by the Senate leadership. Prior to the destruction of any records, we shall transmit to the Senate Select Committee on Intelligence copies of the record schedules which are submitted to the National Archives and Record Service for their approval prior to the destruction of any records. The same will be done with respect to those routine administrative records which, although not involved under S. Res. 21, were withheld from routine destruction during the life of that Resolution.

You may also be assured that we will not destroy any Agency record holdings of interest to any pending Freedom of Information Act or Privacy Act requests. In regard to your support of pending legislation to require the Agency to notify individuals concerning whom we have information which is deemed to have been collected improperly. I must reaffirm my position as stated to the House Government Operations Subcommittee on Government Information and Individual Rights. Such notification would be unworkable as our information is incomplete and considerably outdated. Further, such an undertaking could be a further violation of the privacy of the individuals involved if mail is misdirected. The principal programs involved, mail intercept and CHAOS, involved passive collection and did not involve any Agency actions directed against specific individuals.

I appreciate your personal interest in the matter and trust that this letter satisfies your concerns.

Sincerely,

GEORGE BUSH,
Director.

ENERGY POLICY STATEMENT AND ENERGY INITIATIVES

Mr. PACKWOOD. Mr. President, there is an urgent need for the development of a comprehensive and far-reaching national energy policy. A comprehensive and responsible national energy policy must address itself to new energy sources and alternatives as well as energy efficiency and conservation, and the environmental issues derived from the enormous growth and demands for energy in this country.

The country needs to develop an aggressive energy efficiency and conservation program coupled with development and use of new multiple-energy technologies. Such action will take an immediate and long-term commitment by the Government, the scientific community, and by the people.

Today oil and natural gas provide about 80 percent of our total energy needs. About 50 percent of this oil is imported. In the future, to assure sound supplies of energy in the face of dwindling domestic supplies of oil and natural gas, and to reduce our dependence on imported supplies, it is essential that the country turns to conservation and to alternate energy sources.

The number of potential future alternatives which might be considered is limited only by the imagination. However, for the remaining of the century, the only sure large sources of domestic energy are coal and nuclear fission. Other alternative sources, such as solar, geothermal, and fusion are simply either undeveloped in their technologies, or, if developed, can contribute only small percentages of the national demand. By the year 2000 it is predicted that the energy demand in this country must be met by the percentage of contributions made by each of the following sources.

Energy Source:	Percentage
Oil	12
Natural gas	15
Coal (including synthetic fuels)	30
Solar (including geothermal and biomass)	10
Nuclear (fission)	30
Hydroelectric	3
Total	100

Energy requirements are closely tied to the national economic growth of the country. It is now estimated that future energy demands will grow at a slower rate than the GNP. Under moderate economic growth conditions and increasing environmental investment, energy growth can be expected to average about 3 percent per year over the next 25 years. Moderate economic growth is defined as an average growth rate for real GNP of about 3.5 percent per year over the next 25 years. Policies to provide a balance of economic and environmental needs are both feasible and desirable to improve the quality of life as well as the standard of living.

It is now generally agreed that oil and natural gas can not provide the basis for long term economic growth in this country. Therefore, to achieve energy independence and moderate economic growth, it will be necessary to make a basic shift from oil and natural gas to coal, nuclear energy, and conservation. During the next 25 years electric energy consumption would increase at an average rate of about 5.5 percent per year under moderate economic growth policies. This growth will be a result of the shift from oil and natural gas to coal and nuclear energy.

During this period major efforts and increased research and development should be placed in mineral exploration, mining, refining, improving technology, and freeing market prices to make available increased quantities of basic natural resources and discourage waste.

Initiatives for immediate action:

First. Implement a strong and aggressive efficiency and conservation program.

Reduced and efficient consumption is the quickest way to alleviate energy shortages and to conserve our resources and our environment. The Government must take aggressive steps to restrain the Nation's wasteful demand for energy. We must get off the exponential growth and in time give away to energy equilibrium. An active energy efficiency program can reduce energy demand by the equivalent of about 4 million barrels of oil per day by 1985, or a reduction in our daily consumption by about 25 percent. Such program must encompass two principal concerns:

The need to prudently develop, manage, and utilize the country's natural resources, both renewable and exhaustible, in order to assure long term supplies of materials.

The need to provide a quality environment in which Americans could enjoy the beauty and wonder of the natural world, while living in surroundings that were clean, healthful, and attractive.

Second. Implement a reasonsible program to increase coal production.

Coal comprises the most abundant fossil fuel reserve in the Nation. Therefore, the Government should implement an aggressive program to use these abundant desposits of coal in lieu of natural gas and oil.

Third. Implement a responsible program to provide limited safe nuclear energy:

Nuclear energy can provide an important alternative to fossil fuels for electrical power generation. Therefore, the Government should, with industry, State, and local governments, establish standardized reactor designs and reactor siting criteria; and should establish strict Federal quality control, inspection procedures, and acceptance criteria, including adequate instrumentation which reactors must meet before operations are approved.

The Government should take steps to improve confidence of the public in the safety of nuclear reactors and in the security of nuclear materials against sabotage and unauthorized diversion.

Long-range initiatives:

The Government should step up and encourage all forms of short-range and long-range research and development programs. It should encourage other nations to participate in joint research and development and should share and exchange results. The Government should fund, partially fund, or encourage through appropriate tax incentives, research, development, and demonstration of such programs as:

First. The "in situ" coal gasification methods for making high Btu gas, methane, and synthetic petroleum.

Second. The "in situ" shale oil production methods.

Third. The reevaluation of ambient clean air standards and environmental regulations in order to reach a balance between environment and energy demands.

Fourth. The step up and expansion of the materials research of special alloy development programs. Second generation commercial coal gasification plants and nuclear powerplants requiring large size, high temperature, and high pressure components cannot be built at present because these components do not exist.

Fifth. The engineering, design, maintenance problem, costs and safety for constructing and siting nuclear power plants including underground, underwater, or nuclear power parks in order to improve safety, security and efficiency.

Sixth. The development and production of methane gas from marine and terrestrial biomass.

Seventh. The development and production of hydrogen gas for transportation use.

Eighth. Step-up research on such inexhaustible energy sources as solar and fusion systems and materials needed for development of these energy devices and systems. These efforts should include and consider the problems of solar energy due to daily cycle, seasonal variations and the multiple effects of weather and climate. Also, these should include land use, water requirements for cooling, capital investment, environmental impact, and social acceptability.

Ninth. Push for a national policy on solar energy systems integrated with additional energy efficiency and conservation programs.

Tenth. Push for providing incentives, subsidies, financing insurance, and tax breaks for these programs.

Eleventh. Push for system durability, reliability, and maintenance, in solar and other advanced energy commercialization equipment and systems so that the consumer will be adequately protected.

Twelfth. Push for the development of codes of ethics and standards for solar and other advanced energy equipment and services.

Thirteenth. Provide Government assistance to industry and small business for research, development, demonstration, and implementation of solar and other advanced energy systems.

Fourteenth. Private safeguards to protect the consumer from deceptively advertised solar and other advanced energy products.

Fifteenth. Develop educational programs for the consumer on the advantages as well as the drawbacks to solar home heating and cooling equipment.

Sixteenth. Rededicate the Nation to becoming energy sufficient by providing the needed research and development, manpower, and funding to develop fusion energy within the next 25 years. The promise of an environmentally attractive energy source of inexhaustible capacity is a strong attraction despite possible unforeseen problems.

In conclusion I would like to say that we should develop an overall energy policy based on the best scientific and engineering facts available, no matter how unpopular and unpleasant such facts may be. A systems approach to the development of an integrated national energy policy, will eliminate waste and conserve energy whenever practical, and it will produce the energy sources that we will need in the future. If such a policy is implemented and the programs are effectively carried out; then this country can have adequate energy, environmental protection, and future economic stability.

THE HUMPHREY-HAWKINS BILL—A THREAT TO THE SURVIVAL OF OUR FREE ENTERPRISE SYSTEM

Mr. FANNIN. Mr. President, as America celebrates its 200th birthday, we reflect on the genius of our founders and our continuing debt to them. They gave us a system of government based on the self-renewing strength of free men, free institutions, and free markets. In America the ideal of individual political and economic freedom took root and flourished. They produced a combination of human energy, progress, and achievement that has been unparalleled in history during any 200-year span.

We must maintain our individual and political economic freedoms especially our free markets. In view of the growing imbalance between the power of the Government and the freedom of the private sector, we are experiencing a serious threat to those fundamental American ideals that are essential to the preservation of our free society.

It is clear that we can no longer complacently assume that the legislative process contains a self-correcting mechanism. We can no longer assume that reason will prevail in Congress before real damage is done to individual freedom and the American economic system.

Each session of the Congress produces Government intervention, more control and planning of the entire economy. Each year new regulatory agencies are created. As more taxation is imposed to support these agencies, more deficits are incurred which ultimately increase inflation.

The Washington bureaucracy is infested with social engineers who impose harmful restrictions on business. We have environmental restrictions. We have occupational safety and health restrictions. We have restrictions on mergers that have had devastating effects—a good example is our railroads. We have the call for divestitures of our major industries. We have countless man-hours spent in filling out forms for Government regulatory agencies. Certainly, these are man-hours that might better be spent in production to meet the demands of the consumer for goods and services.

Congress has sought to solve economic problems through more and bigger Federal programs. But instead of curing our economic woes, these Federal programs for the most part have only added to the problems.

It should now be evident to everyone that those efforts have been and continue to be aimed in the wrong direction. It should also be evident that economic progress and stability cannot be achieved by expanding government at the cost of the private sector. We cannot continue to introduce and pass legislation that jeopardizes our free enterprise system and imposes more state control on the economy.

State control increases as new regulatory agencies are created, as more and more taxation is imposed to support these agencies, and as more and more deficits are run up to fuel the fires of inflation.

While it took 174 years to reach the $100 billion budget level—1963—it took Congress only 8 years to add another $100 billion, and only 4 years more to cross the $300 billion mark a year later.

And all this to have a national debt in 1977 of over $700 billion. The interest alone on this vast debt will be about $45 billion.

We have forgotten the magnitude of a billion.

A billion seconds ago the atomic bomb had not been perfected, much less exploded.

A billion minutes ago our Saviour, Jesus Christ, was living on Earth.

A billion hours ago man was living in caves.

And to think that our governments—Federal, State, local—have spent over a billion dollars in the last 24 hours.

As if American enterprise were not already stifled enough by the huge government deficits of the past decade, we currently have before us an Alice-in-Wonderland piece of legislation called the Humphrey-Hawkins bill which will create an even greater deficit and could well plunge us into another recession.

This bill, which is now pending, would create massive temporary public employment jobs at the expense of the private sector. There is no doubt that it would tip the scales drastically in favor of state control of the economy. It has been opposed by President Ford and Ronald Reagan, and has been endorsed either in fact or in principle by every major Democratic candidate who ran for the Presidential nomination this year. When Arthur Okum, formerly of the Democratic Council of Economic Advisers was asked if he endorsed the bill. He replied:

> No, I don't have to. I'm not running for President.

The full implications of Humphrey-Hawkins are not seen by many people at first glance, so eager are they for a quick solution to our national unemployment problem. Let me outline them for you here:

In essence, the bill would require the government to hire unemployed people and pay them by taxing those who are employed. This is what happened in New York City. For over a dozen years, New York added nearly 150,000 public jobs. All along the way taxes rose, productivity fell, and the unemployment rate climbed.

In addition, Humphrey-Hawkins would, if enacted, mean national economic planning on the grand scale, with new layers of bureaucracy created to harass private enterprise even more than is presently the case.

The Humphrey-Hawkins bill's goal is 97 percent employment, but this is unrealistic. Short-term employment, where there is expectation of reemployment in the near future—seems nowhere to be taken into account. The only time we approached such a figure was in 1953 during a period of production to support the war effort when we had an unemployment rate of 3.59 percent. The bill contemplates achievement of this 3 percent unemployment rate within 4 years of the bill's enactment. But, setting such an arbitrary numerical goal and transforming the Government into the employer of the last resort will not solve the unemployment problem. The only solution is to create an economic environment in which permanent and productive jobs will be available. Certainly, this can only happen in the private sector since it is there that approximately 85 percent of our labor force is employed.

Under Humphrey-Hawkins, the President of the United States would be required to send to Congress each year a series of plans setting forth specific numerical goals for employment, production, and purchasing power for every part of the economy. Business would also have to submit even more data and reports to aid in this national economic planning effort.

When business decisions conflicted with the Government plan, business would be pressured to change its own plans, no matter how meritorious they might be in terms of meeting the real productivity requirements of the economy.

On hearing of these proposed all-encompassing Government plans, Columnist Nicholas Von Hoffman asked:

> Does this mean that every six months the President must estimate that we'll need 8,741 oil paintings, 1,705 performances of Swan Lake and 14 new marimba bands?

All this, of course, is based on the assumption that Government planners have a better grasp of our economic needs than experienced business leaders, but this assumption is contrary to simple common sense and long term business interests.

After all, history shows that the free market, does operate according to the rules of logic and common sense. The free market produces to meet the needs of the consumer, not the requirements of Government bureaucrats. Under private enterprise, because of the profit incentive, businesses produce the greatest possible amounts of goods and services for the greatest possible number of people. This, inevitably, leads to the maximum expansion in the number of jobs as production is increased and as new techniques are found to refine and improve the product.

However, the concept of Government as the employer of last resort, involves a drastic expansion of so-called public sector employment, which has to mean ever-increasing public deficit spending and its partner, inflation. At a time when we are coming out of our recession, it is hardly appropriate to establish programs that will create larger deficits and a resulting inflationary trend. Also, in order to raise revenues to cover even part of such a program, there would have to be major increases in taxation, which would drain available capital from private industry. However, it is clear from the recent Senate proceedings that it is difficult to raise even $2 billion in additional revenue from taxation to provide for tax cuts. So, it would be improbable that under normal circumstances the Senate would agree to spend $25 billion additional revenue to fuel the Humphrey-Hawkins fires of inflation. However, with the tremendous campaign that the unions and other groups have unleashed to support the bill, we will need all the support possible to defeat that legislation.

What would be the inflationary impact of Humphrey-Hawkins? Estimates vary, as usual, but the bill's sponsors estimate that, after allowing for deductions in unemployment compensation and welfare, the total cost of carrying out the bill's provisions might well be as high as $27 billion.

The U.S. Chamber of Commerce has estimated the aggregate probable cost to be more like $40 billion. Deficits would increase, with a resultant increase in inflation to more than 10 percent a year. This could well result in wage and price controls. Such controls would further stifle business, thereby aggrevating still further the unemployment problem in the private sector.

To meet this problem, the planners would propose creation of still more public sector jobs, and the process would begin all over again.

The inflationary problem connected with Humphrey-Hawkins is especially dangerous. The Government would put vast numbers of people to work in so-called "public service" jobs; but you cannot increase the buying power of these people without a genuine, corresponding increase in the production of goods and services—not if you want to maintain any sort of price stability.

It is perhaps easy to forget the simple truth that increased demand without increased supply must, of necessity, result in higher prices—something no one can easily afford in these times.

Still further, wage levels for public sector jobs created under the provisions of Humphrey-Hawkins would be set at an amount at least the same as the prevailing minimum wage in a given area. In construction projects under Government contracts, wages would have to be set at levels amended by the Davis-Bacon Act.

But Davis-Bacon wages are already significantly higher than the prevailing minimum wage, so that such high wages for temporary public sector jobs would have to distort wage levels in any given communities. Private industry would, to keep employees from being drawn into these lucrative but essentially unproductive public sector jobs, be forced to pay much higher wages. This would, in effect, raise the minimum wage and add to the inflationary impact of the bill and create additional substantial economic burdens for business.

It is significant, I think, that even the Washington Post, certainly no enemy of big Government when applied to economics, has warned that the objectives of Humphrey-Hawkins cannot be reached without either a dangerous inflation or iron-clad wage controls.

I think we have to recognize Humphrey-Hawkins precisely for what it is: The "Rosemary's Baby" of the 94th Congress.

Humphrey-Hawkins would only serve to expand the power of government at the expense of private enterprise and personal liberty. It would encourage the dangerously false idea that Government can indeed solve all our problems.

By creating government make-work jobs that are, in reality, unproductive, it would distort our market economy; and by reducing efficiency in our total economy, it would increase the cost of goods and services.

By imposing needless controls and jeopardizing the growth of labor productivity, it would seriously harm our competitiveness in the world markets.

It would retard savings and capital formation. It would cause delay in decisions for economic expansion and job creation by favoring current consumption and needlessly exacerbating uncertainty about the future.

This solution lies in the private sector: Approximately 83 percent of the labor force are employed in the private sector with the remaining 17 percent working for various levels of Government. Obviously a 7.6-percent unemployment rate cannot be reduced in any significant way by enacting massive temporary public employment jobs. The only way to provide sufficient numbers of permanent jobs to meet our employment needs is by strengthening the Nation's private business.

The utilities industry alone could provide hundreds of thousands of new jobs for Americans if Federal policies were enacted to encourage capital formation. Lack of adequate capital and uncertainty about the future of our Federal tax laws are causing the utilities industry to hold back on unneeded expansion. Construction of powerplants is being held up because of the lack of capital and because of barriers being thrown up by the environmentalists. If we can get moving and build these powerplants; if we can start mining the abundant coal resources we have and utilize those resources, then we will be creating thousands and perhaps even millions of jobs. People will be put to work building the plants and mining the coal, building the facilities to transport the coal, and manufacturing the steel to build the facilities.

In attempting to further stimulate the economy through massive Federal spending programs to provide public service jobs, we could abort the economic recovery which is now underway. The recovery we are beginning to experience will be thwarted if all sources of private borrowing are soaked up by Federal deficit. Increased capital investment is the best answer to our economic difficulties, and Government spending will never qualify as a substitute.

Therefore, I oppose the adoption of the Humphrey-Hawkins bill (S. 50) since it will create massive inflation, impede the progress of the economic recovery we are now experiencing and most important that it would severely limit the freedom of the private sector and destroy individual political and economic freedom.

A TRIBUTE TO STANLEY LOWELL

Mr. RIBICOFF. Mr. President, tomorrow Stanley H. Lowell will retire as chairman of the National Conference on Soviet Jewry. Stanley Lowell has been a longtime friend of mine, of all people of the Jewish faith, and of the many others whose cause he has fought for.

Those of us who have followed his remarkable career have a deep sense of admiration and respect for him as a man. He always has the courage to take up any issue, to push for any goal so long as one condition was met: That the cause he was fighting for was one that he believed in. Those of us who have been deeply concerned by the oppression and denial of human rights in the Soviet Union will never forget his tireless work and invaluable leadership in trying to bring about free emigration. But his work on that problem was no different than his work on any of the many other causes he has been associated with.

Stanley Lowell has always defended the rights of individuals wherever and whenever they have been threatened. As a young lawyer, he wrote the brief in defense of a black man who was being denied admission to the regular program at a law school in Texas. In many ways, his work on that case laid the foundations for a similar case sometime later, Brown against the Board of Education, in which the separate-but-equal doctrine was finally struck down by the Supreme Court. He also successfully fought to knock out all-white primaries in Texas.

As deputy mayor of the city of New York, Stanley Lowell worked to make sure that the first fair housing law in the country for privately owned property was passed. The principle embodied in that law was later adopted by the Federal Government and incorporated into Federal law. As chairman of the New York City Commission on Human Rights, Stanley Lowell continued to immerse himself in the cause of those who have been left out, those who have not gotten a square deal from society.

As an indication of the extraordinary depth and feeling of this man, I recall that, while working for the city administration, he was largely responsible for making the "Shakespeare in the Park" festival a reality. At a time when culture was completely disappearing in many of our cities, Stanley Lowell never lost sight of the value of cultural events to educate and simply to bring people closer together.

Before becoming chairman of the National Conference on Soviet Jewry, he was the senior vice president of the American Jewish Congress. He has served on the executive committee and as a director of the United Jewish Appeal. Stanley Lowell has been a great friend of Israel and a leader of the Jewish people.

But beyond his remarkable and distinguished career in public service, Stanley Lowell's personal qualities as a man and as a devoted citizen are what have made so strong an impression on such a great many people. He has awakened the sensibilities of many of us with his strong moral values, his dedication, his concern for others and his determination to right any wrong. Because of his imagination and his compassion for others there have been many times when no one but Stanley Lowell could have provided the insight and the leadership to make issues that were of concern first to him, issues of concern to many people, including many of us here in the Senate.

I congratulate Stanley Lowell on his retirement after a working life that has been so useful and so important to others, and one in which so much has been accomplished. For the rest of us, I can only say that we will miss his devotion, his energy, and his clear sense of what is right, what is wrong, and what is reasonable. There are not many men like Stanley Lowell, and we will all miss his guidance when new issues threaten the rights of the individual.

OIL CONSERVATION IS VITAL

Mr. JAVITS. Mr. President, during the hearings before the Government Operations Committee this past May on the extension of the Federal Energy Administration and the state of our national energy program, I was dismayed by the lack of enthusiasm and support for a continued and vigorous conservation effort. I am absolutely astonished at how this country has reacted to the exhorbitant cost of energy. Many witnesses did not think that more conservation was either necessary or a good idea. I could not disagree with that notion more.

But one witness, Roger Sant, who was then the Assistant Administrator for Conservation at the FEA, showed a keen awareness of the possibilities that can be derived from greater conservation efforts and clearly indicated that we ought to be doing more.

I asked Mr. Sant, as a private citizen, not as a Government official, to detail for me what more could be done, at what cost, and to what possible results. Mr. Sant has responded with a detailed analysis and convincing brief for the necessity to significantly beef up our current programs and add new ones that will certainly bring cost effective results.

Mr. Sant estimates that the energy demand will increase 2.7 percent per year through 1985. Implementation of the programs outlined in his letter could reduce the demand growth rate to 1.5 percent, or the equivalent of over 5 million barrels of oil per day. At current prices, that would mean the reduction of our oil import bill by $23 billion.

Mr. Sant's suggestions are not unrealistic goals. They are, in fact, the very programs which are awaiting enactment on several fronts—reauthorization of FEA's information and education programs, mandatory efficiency standards for buildings, and tax incentives for conservation investments.

In order for Project Independence to become more than just an elusive goal, it is imperative that the Congress and the country commit itself to an energy conservation policy. By enacting the Energy Policy and Conservation Act of 1975, Congress took a major first step toward developing a national conservation policy. EPCA, however, is not a panacea and it is critical that we continue our efforts by implementing the programs outlined by Mr. Sant.

Mr. President, I ask unanimous consent that the full text of Mr. Sant's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *June 3, 1976.*

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: In response to your request at the hearing of the Senate Government Operations Committee on April 26, 1976, I would like to provide a description and critique of Federal action to date in energy conservation. These comments are solely my own and should not be attributed to the Federal Energy Administration or the Administration.

It seems to me that there are four main categories of activities needed to bring about conservation of energy, all of which require some Federal action:

Information and Education.

Mandatory and Voluntary Efficiency Standards.

Consumption Disincentives (primarily taxes).

This categorization is important if only as a way of helping set priorities for Federal involvement, ranging from the least obtrusive (information) to the most pervasive (taxes). In the analysis that follows, I have grouped the many possibilities for achieving greater energy efficiency into the four categories.

BACKGROUND

Prior to the embargo, most forecasts assumed that energy demand would continue to grow at a rate equal to GNP growth or about 3.6 percent per year through 1985. It now appears that because of embargo related increased fuel prices, energy demand will only grow at a 2.9 percent rate, even if we do not successfully implement any national conservation programs. It further appears that gradual deregulation of oil and natural gas would bring that growth down to 2.7 percent per year, for a total consumption in 1985 of almost 47 million barrels of oil equivalent per day. I will therefore use 2.7 percent annual growth as a base forecast in looking at the probable effect of other Federal energy conservation actions.

INFORMATION AND EDUCATION PROGRAMS

A full range of Federal information and education programs could reduce the annual growth in energy demand to 2.3 percent or a little over two million barrels per day less than the base forecast. The Government is now implementing programs that will bring savings of about two-thirds of that potential. Those are:

	Barrels per day
$100 million of Federal grants for State conservation programs	850, 000
200 corporate seminars on Vanpooling	125, 000
Federal energy management	305, 000
100 chief executive seminars and 400 follow on seminars on commercial and industrial operations	100, 000
$5 million of general education and advertising	15, 000
$3.6 million for utility rate demonstrations	[1] 0
Total	1, 395, 000

[1] Will not reduce overall demand but will cut electricity generating requirements and shift oil consumption to coal and nuclear.

The remaining one-third of the information and education potential could be and should be achieved through immediate funding and implementation of the following programs:

	Barrels per day
800 additional seminars on Vanpooling	250, 000
1,500 additional CEO, commercial and industrial seminars	100, 000
$30 million per year paid advertising and education program for 3 years	90, 000
One additional year of $50 million grants to States	200, 000
Additional $30 million in utility demonstrations	[1] 0
Total	640, 000

Both the current and potential information programs have a number of benefits:

They can provide practical, how to save methods.

They serve to remind people about the many opportunities available for saving energy and money.

They tend to be the least intrusive methods of achieving some energy savings.

In addition, these programs have a very high benefit cost ratio. The ones listed above would cost a total of about $300 million and save the equivalent of $8 billion in consumer costs per year.

[1] Ibid.

EFFICIENCY STANDARDS AND GOALS

Federal efficiency standards and goals on various products would reduce consumption a further 2.6 million barrels per day and result in an energy demand growth rate of only 1.65 percent per year. The programs already in place from the Energy Policy and Conservation Act will achieve over 85 percent of that potential and include:

	Barrels per day
Mandatory auto fuel economy standards	1, 075, 000
Mandatory appliance labeling and and voluntary efficiency goals	930, 000
Voluntary industrial efficiency goals	280, 000
Total	2, 285, 000

The President's proposal for mandatory energy efficiency buildings has not yet been agreed upon by Senate and House conferees. This legislation would add another 325,000 barrels per day savings by 1985. It is unfortunate that it has taken so long to pass such clearly needed legislation.

I am not personally aware of any other mandatory or voluntary standards that could be imposed through Federal legislation. Upon passage of the standards for buildings, action will have been taken on every major sector where standards could apply.

INCENTIVES FOR CONSERVATION INVESTMENTS

Federal incentives for conservation investments could reduct 1985 consumption a further 500,000 barrels per day and cut the annual energy growth rate to 1.5 percent. No incentives have been enacted as yet, thus none of this potential will be realized unless the following measures are considered important enough to be completed by Congress:

	Barrels per day
Residential tax credit of 30 percent for energy efficiency improvements (proposed by the President and passed by the House) and/or S. 2932 providing for title I loans at a 20-percent reduction	130, 000
$300 million low-income weatherization assistance ($165 million in conference)	60, 000
Small business guaranteed loans under S. 2932	10, 000
Large business guaranteed loans under S. 2932	[2] 300, 000
Total	500, 000

[2] Savings in the industrial sector could be substantially larger if the S. 2932 approach proves feasible. An attractive alternative would be to gradually eliminate the tax deductibility of business energy expense.

Up to this point, the programs identified above could reduce 1985 projected energy demand by 11 percent or over 5 million barrels per day. That kind of reduction would make all of us very proud, but since only 70 percent of these programs are in place, it clearly indicates that we should not delay any longer in enacting and implementing the remaining programs mentioned above. However, I do not personally believe we should stop our efforts upon completing these programs because there remains the fertile area of taxes on excessive energy consumption.

CONSUMPTION DISINCENTIVES—TAXES

It seems to me that because of the severity of the energy supply problem, it would be totally appropriate for this Nation to adopt a goal of zero growth in per capita energy consumption. This would limit energy demand increases to the level of population growth, or about .8 of 1 percent each year. I am persuaded by preliminary analysis that this goal could be achieved with little or no short term adverse effect on economic well being, and would greatly increase our ability to provide new energy sources in the future at a cost the Nation can afford.

The most effective way to achieve zero per capita energy growth is through a tax that penalizes excessive and inefficient energy use. It should be a tax disincentive so that the people, not the energy producers, gain the benefits of increased revenues. The tax should gradually increase each year, with a reasonable "lifeline" amount not subject to taxation, so that the poor, aged, and otherwise disadvantaged are assured an adequate amount of energy without a tax penalty.

This might work in a number of ways. One way is to impose a tax on all non-renewable fuels, based on their Btu content, at the point of extraction or importation. Because such an approach would not differentiate between "lifeline" and excessive uses, the revenues from such a tax would be refunded to consumers through a reduction in income taxes, or perhaps through a quarterly cash payment that would also be received by those poor who pay no taxes. Thus, low income and efficient users might actually save money and only the inefficient and excessive users would be penalized.

Some analyses have shown that a tax at the well-head on all non-renewable fuels rising to $0.85 per million Btu's (or about $0.12 per gallon equivalent) by 1985 would be sufficient to reduce energy demand growth at the same rate as growth of the population level, assuming all other measures previously mentioned have been instituted. I really do not know for certain what form such a disincentive, tax, or refund for "lifeline" purposes should take. I do know, however, that using the price system is probably the single most effective way of sending conservation signals to the American public. Therefore the question, to me, is how can this most powerful system be harnessed in such a way that also adequately considers questions of equity and the needs of the less fortunate. I would think that further analysis on this opportunity, as required by the Senate FEA Extension Act, is clearly needed.

In conclusion, Senator, I believe that we have put an inordinate emphasis on achieving "energy independence." Concentration on independence as the most important energy goal potentially diverts our attention from the myriad opportunities we have to substantially and permanently increase our efficiency with which we use one of the world's precious resources. The energy problem is much more pervasive and certainly includes such alarming problems as deteriorating air quality, the risk of terrorist attack from food and energy starved third world members, and, most of all, the large unavoidable increases in energy prices that will accelerate as the world production of oil and gas continues to decline. To solve these problems, it is imperative that this Nation achieve the maximum improvement in energy efficiency that we can, not just reduce imports of oil. It is this imperative that requires our leadership to tell us all something we may not want to hear and to require of us something that we may not, at least at first blush, want to do.

With my warmest regards and best wishes,

Sincerely,

ROGER W. SANT.

HENRY BEETLE HOUGH

Mr. KENNEDY. Mr. President, we are most fortunate in Massachusetts to have as one of our most outstanding citizens, the distinguished author and editor, Henry Beetle Hough. And at the conclusion of these remarks, I would like to insert in the RECORD, an article from the Boston Sunday Globe which outlines Henry's contributions to journalism and literature for the last half century.

I would like to share with my colleagues, my personal feeling for this gentle man who has made a difference in my life and the lives of all of those who share his love for Martha's Vineyard.

I believe it is true that when we speak of someone who is "ahead of his time," as we all do of Henry Beetle Hough, we mean that he has the ability to pierce through the events of his own time to see their meaning for our future. Long ago, Henry Beetle Hough recognized the potential devastation of uniquely beautiful areas, such as the Nantucket Sound Islands, if development continued unplanned and without adequate consideration of the environment. Long before the movement in our country to protect our environment, Henry Beetle Hough was using his energy and his courage to alert us all to the accumulating loss each day we developed or expanded without taking into account where or how we poured the concrete or stacked the bricks.

Henry Beetle Hough has made a difference all across this country. He has prodded action through his editorials; he has reached our hearts through his books. He has given courage and hope and a standard of excellence to editors of weekly papers across this country. And he managed, through his writing to involve the Federal Government, the State government, the local government, and all the residents of Martha's Vineyard in a continuing and productive discussion of the steps we must take to assure that the future of Martha's Vineyard is significantly different than that of our least attractive suburbs.

Henry Beetle Hough has made us know that caring for the woods and the sandy beaches, the cliffs and the marshes, the animals and the flowers has more to do with us than with these resources. For if we fail to protect the best that this land has given us, we will fail to pass on to our children any commitment to the best quality of life for all our people.

At 79, Henry Beetle Hough is still one of the youngest people I know. He is young enough to get up each morning with new ideas for his writing and a new approach to involving his friends and neighbors in the struggle to preserve the most fragil of our natural resources. His young and generous heart is still filled with courage and energy which the profiteering developers cannot match. He is young enough to be untouched by the cynicism or hopelessness that loses so many battles for well-intentioned but weary leaders.

Henry Beetle Hough has our respect and our friendship and our love. I ask unanimous consent that the article "The Vineyard's Hardy Perennial" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE VINEYARD'S HARDY PERENNIAL

(By Peter Cowen)

Striding down a pebbled dirt path, Henry Beetle Hough paused as he spied a fragile purple-white flower on a moss-covered embankment. "There's a mayflower," he said kneeling on the bank. Carefully grasping the stems with one hand, he plucked the tiny flowers. "The danger in picking them is pulling them up by the roots." He rose, handed the fragrant blossoms to a fellow hiker and resumed his journey up the path. "Just think," he mused, "it's Thursday and the Gazette is struggling to put out a paper." He smile at the thought.

April was ending on Martha's Vineyard, and as the intense midafternoon sun filtered through the oaks at an up-island wildlife sanctuary, Henry Beetle Hough's mind turned quite naturally to the deadline bustle that Thursdays bring to the Vineyard Gazette, the weekly newspaper to which he has devoted all but 24 of his 79 years.

Nurtured by Hough and his late wife, Betty, the newspaper has grown into one of the most admired country journals in the nation, its lean, cogent editorials and comprehensive news reports providing models for a generation of rural journalists. Its tone—at times crusading, evocative or even whimsical—expresses what long-time residents say is the spirit of the island.

The paper owes much of its reputation to Henry Hough, whose gentle personality and graceful essays on rural life and human values have engaged a generation of readers and won him a substantial following. Besides composing the Gazette's editorials for more than a half a century, Hough has written 22 books on topics that include Henry David Thoreau, New England whaling, alcoholism, country journalism, and Martha's Vineyard.

A tough-minded, discerning editorialist on the island's public affairs, Hough also finds new ways each year of portraying in prose the colorful cycles of the Vineyard seasons. The titles of his editorials express his fondness for natural themes: White Frost, Crickets and Sea Lions, Time of Wild Grapes, Yellow Heather, The Beach Plum Blooms. At the same time, the Gazette has provided Hough with a forum in his enduring fight against exploitation of the island's rich woodlands, fields, coast and wetlands by forces he refers to as "the promoters, developers and big operators, sturdy Americans who believe nobody has the right to tell them to do anything."

The Houghs were partners in an enterprise that mingled its crusades with poetry and was guided by a precept contained in the Gazette's tribute to his late wife: "When her heart spoke, she never held it back with timidity or cautions of prudence." Newspapering remains for Hough a profession requiring passion and impulsiveness, as well as "backbone, guts and most of all, common sense." A good editor, Hough fervently believes, goes to press with the truth as he knows it, mindful but not fearful that history may contradict him.

Under the Houghs, the Gazette sang with vivid, unconventional phraseology and with the traditional old Vineyard idioms used by Joseph Chase Allen, author of the paper's fishing page. Nautical terminology abounded, with cars and people sometimes "capsizing" in accidents on land. A large bird's egg once was reported to have measured "9½ inches around, athwartships, and exactly 11 inches around from bow to stern."

The Gazette's writers were encouraged to offer their own droll interpretations of the events they covered. In the edition following the 1941 Japanese bombing of Pearl Harbor, the paper provided this characterization of a resolution by the island's Rod and Gun Club to form a shotgun brigade in the event of an invasion: "Given any sort of break, the club felt that its membership could add considerably to the unpleasant situation of an enemy, should one appear."

The Gazette's production cycle, which has dominated Hough's life for 56 years, remains a prominent force in his daily routine, although he sold the paper nine years ago to James Reston, a columnist and former vice president of the New York Times, and Restons' wife, Sally. At the Restons' urging, Hough retains a strong influence at the Gazette. He writes all its editorials, as he has done since 1920, dashes off an occasional feature story, and serves daily as what he calls the paper's living morgue," or clipping library, on island personalities, history and folklore.

Each Friday, publication day, Hough is at the paper at 6:30 a.m. to help with last-minute news breaks that may arrive with a call from Joe Allen, who, at 84, still reports for the Gazette.

At the same time, Hough has continued his private literary pursuits and currently is working on his 23d book, which he describes as a "modern novel." His best-known work, Country Editor, was published in 1940 and chronicles the Hough's early struggles in publishing the Gazette. The book has become a classic among editors of rural weeklies, who still are moved occasionally to correspond with its author. Last January a Tennessee editor wrote Hough to tell him what a “great inspiration” the book had been to him and to other Tennessee editors. “From across the generation since you first issued the book, I say thank you,” the man wrote.

Hough lives with a bouncing young collie named Graham in the green-shuttered, white colonial house that he and Betty built 38 years ago in Edgartown on the island he once described as “a symbol of eternal nature uncorrupted.” His life here is a modern adaptation of Thoreauvian philosophy: each activity, including Hough's three-hour-a-day writing regimen, is interspersed with a walk around the 15-acre Sheriff's Meadow nature sanctuary that he and his wife created behind the house.

The preserve, which overlooks Eel Pond north of Edgartown, was established in 1959 as a “living museum” of the island in its natural state. It is here—amidst the swamp maples and sparrow hawks, the woodbine, bittersweet and red-winged blackbirds—that Hough comes for his private form of renewal.

Rising each morning at 5, Hough eats a bowl of Shredded Wheat with honey and milk and he drinks orange juice and a cup of coffee before setting out with Graham for a half-mile jaunt down the narrow trial that rings the sanctuary. They travel past a small pond on their left, with its snapping turtles, ducks and an occasional great blue heron, across an earthen path dividing the pond from a salt marsh, and through a forest of spruce and maple trees planted 18 years earlier by the Houghs. At the spirited pace he sets, the walk takes 12 to 15 minutes and is repeated several times daily year round.

After this first outing, Hough settles into his cramped second-floor study to write for three hours, composing either his editorials or his latest book; all 22 of the books have been written here. Among the items displayed on his wall are a print inscribed “The Lord is my Shepherd; I shall not Want,” a photograph of Graham's predecessor and the flag that flew from the harbor boat of his grandfather, Capt. Henry Beetle, a customs officer. Propped up on a thick Columbia Encyclopedia in the low chair at his desk, Hough sits tapping with two fingers at his blue IBM electric typewriter. From this vantage his beloved sanctuary remains close at hand, spread out below the window at his back with a presence he says he feels even at night.

When he finishes his writing at about 10 a.m., Hough and Graham stroll five blocks to the Edgartown post office, where they pick up the day's mail, then they head for the Gazette. Hough may need to update an editorial—he turns them in four days before the deadline—or he may write an obituary or, if need be, provide a young reporter with background for a story.

Then it is time for a second walk around the pond and for a lunch consisting of two boiled eggs, two slices of toast, two cups of coffee and an apple. After lunch Hough relaxes with the New York Times and naps between 12:30 and 1:30 p.m. If the day is pleasant, he and Graham then drive up-island to the preserve at Cedar Tree Neck, part of the far-flung group of public sanctuaries totaling 800 acres which are controlled by the Sheriff's Meadow Foundation, for a three-to-five-mile tramp through the unspoiled woods and fields where he spent his childhood summers.

Hough returns to Edgartown for dinner, which, when he eats at home, tends to be such simple fare as fish chowder and cheese sandwiches. He reads until 9:30 p.m., when he and Graham take their last walk of the day around Sheriff's Meadow, and both retire at 10 p.m.

Henry Bettle Hough was born in New Bedford on Nov. 8, 1896 to Louise, a former nurse from an old Vineyard whaling family, and George A. Hough, managing editor of the New Bedford Standard and the son of a doctor. Henry's one elder brother, George, who died in May, was the publisher of the Falmouth Enterprise, now run by George's son, John T. Hough. Henry and George Hough grew up in the bare-knuckle political arena of New Bedford, where their father played an unabashedly activist journalistic and political role. When an interviewer questioned the elder Hough about the ideals he had practiced as a newspaperman, he replied: “Crusading and raising hell.”

Henry Hough was strongly influenced by his father, an independent Democrat with a progressive political inclination and a hardy, unconventional character who inspired an early political awareness and a leftist sympathy in both sons. In later years, Henry Hough has remained committed to liberal-minded candidates, describing himself as “pretty much a populist, a libertarian” who would like to see community cooperatives spring up in place of businesses that betray the public interest.

Partly because of his father's domineering presence, Hough has written that he was partial to his mother, a tender woman with whom he and his brother spent their boyhood summers in the rustic isolation of the family's up-island Vineyard home, known as Fish Hook. Describing their cedar-shingled house there as “a central spirit force in all my youthful years and hardly less thereafter,” Hough says that in the formation of his personality and ideals, his summers there were “almost controlling.” He attributes to those days “the genesis of my feeling about conservation and protecting the land.” In his most recently published book, “Mostly on Martha's Vineyard,” he offers this lyrical description of his summer home:

“This sanctuary in the hills, this outlook over sea and woodland, this expanse of old neglected fields within lichened stone walls, this harmony of nature beloved alike in bleakness and sunny repose, many-sided in insular climate and character, possessed an entirety, an adequacy of its own. It was always old and always new.”

By day, the Hough boys swam in nearby Vineyard Sound, helped tend the family's vegetable garden and explored the glacier-swept expanse of fields and low-lying forests overlooking the sound. In the evenings, the family spent long hours seated around a living-room table reading books and old magazines by the light of a kerosene lamp. For the rest of his life, Hough has recalled with fondness the serenity of those days, and they are a major topic of his literary remembrances.

During his childhood summers at Fish Hook, Hough developed a knowledge of animals and an affection for them that has remained with him throughout his life. In a walk through the forest at Cedar Tree Neck recently he stopped to show a visitor the tiny woodland cemetery where the Houghs' childhood pets had been buried with great sadness: a mongrel dog, a hare, a cocker spaniel and a horse. “You have to remember,” he explained, “that animals were a large part of our lives out here.”

His feeling was shared by Betty, and under her leadership the Gazette became an impassioned advocate of humane treatment for the island's pets and wildlife. Readers have responded over the years by making the paper a veritable half-way house for wounded animals and birds of all varieties. For 30 years a water dish has sat on the floor to the right of the managing editor's desk, offering refreshment to visiting dogs and to the succession of collies owned and beloved by the Houghs.

Hough's latest book contains a poignant passage describing the death of his last collie, and until his close friend and neighbor, Edith Blake, agreed to care for Graham, he did not want another dog, for fear it would outlive him. Graham and he, Hough now writes, “are bound together in an ultimate, simple understanding. Each without the other would be unthinkably living alone.”

Hough and Elizabeth Wilson Bowie were students at the Columbia School of Journalism in 1919 when they met for the first time in a New York City soda fountain as he was on his way to cover a night court story for the student newspaper. They were married the following year and received from his parents what Hough calls “a magnificent wedding present because it had the germ of everything that happened afterward”—the Vineyard Gazette.

When George Hough purchased it for $5000, the paper boasted a total press run of only 600 copies and gross yearly revenue of $5000. All the type was hand set, the paper was folded by hand, the press was held together by wire and string, and the enterprise yielded virtually no regular income to its owners. Still, there was a feeling of exhiliration about the new venture, and 26 years later Betty offered this description of their first summer:

“We tried things that angels would never have thought of attempting. We broke precedents. We made friends and enemies, the best friend our Old Editor (of the Gazette), who was staunch in our defense even when we traduced his most deep-felt traditions. We ran down the street hand in hand to make the office by 8 in the morning, although there was no time clock. We were our own masters. It was a delicious feeling. It still is. As Edgar Marchant, the founder, once said: ‘Ah! It is the life of lives.’ ”

Despite the problems inherent in co-editing a newspaper, Henry and Betty Hough began their venture with shared ideals and complementary personal interests that enabled them to work together effectively for 45 years. Each had a progressive political philosophy: as students, she had marched down Fifth avenue in the 1917 women's suffrage parade, while he had rejected fraternities as elitist and joined Woodrow Wilson's campaign as a member of the Wilson College Men's League.

The two young editors also were convinced that a journalist's duty lay in campaigning for the public interest, whatever the consequences. By a mutual, unspoken understanding, each pursued the journalistic expression of that feeling. Betty assuming the managerial duties of running the paper, as well as writing two columns, one of them on island bird life, while her husband wrote editorials and some features, sold advertising and helped to set type.

Olive Hillman, chairman of the directors of the Edgartown National Bank, pays this tribute to her friend Betty: “She was a real crusader. She had a real feeling for the underdog, and she wasn't afraid to tackle anything. Betty was what old-timers would call a woman of sterling quality.”

Under the Houghs, the Gazette fought the monopolization of fishing rights, an attempt to convert a pre-Revolutionary house into a parking lot, the Communist-hunting of the late Sen. Joseph McCarthy, proposals to sell hot dogs on a public beach and to destroy a salt marsh, as well as innumerable other actions. They editorialized on behalf of zoning legislation, racial tolerance, limitations on commercial developments and the expulsion of New Bedford from the local steamship authority.

The paper's forceful advocacy invariably drew strong criticism, obliging one or the other editor to try to sooth offended readers. “Of course,” observes Hough, “some people would like to see the Gazette become a Chamber of Commerce paper, whooping it up for this or that.”

Their years of running the Gazette were difficult ones for the Houghs, requiring, the couple concluded, that they “give up practically everything for our newspaper,” including the prospect of parenthood. Recalling the discouragements of his years as editor, Hough points to what he describes as “that Friday evening sense of dissatisfaction.

Betty would sit on the couch and go through the paper: 'Why didn't we have this? Why didn't we have that?' I thought I'd scream. She was absolutely right, of course, but I was so tired."

They also wrestled with recurrent financial problems each year before the influx of "July money" from summer advertising. "I just discovered our financial crisis by accident on Saturday while we were printing the second section," reads a decades-old memo from Betty to another staff member. Noting they were unable to meet the payroll, she prescribed drastic measures, including a halt to the payment of bills and to the purchase of any commodity except "gasoline and light bulbs, etc., which we have to have in small quantities." Envelopes were not excepted.

The Houghs decided early in their career to give the Gazette a distinctly provincial identity, without apologies for their failure to carry the major national and international stories of the time. People interested in broader coverage, the editors reasoned, could and did subscribe to larger, cosmopolitan papers. Thus, in the issue published after Germany invaded Poland in 1939, that fact was not mentioned in the Gazette, which did, however, contain detailed reporting on the Labor Day exodus of tourists, an annual island event. (The word "island," referring to the Vineyard, is always capitalized in the Gazette.)

While it avoided carrying the major stories, the Gazette aggressively pursued local stories evolving from them. These articles often were written in an evocative spirit that would have been scorned by most major dailies. Shortly after the first atomic bomb was dropped on Japan, the paper made scant reference to that fact, except for noting, "In the night there was wind and rain, and this morning a heavy fog wrapped the island, not as impenetrable, however, as that which still shrouds the scene of destruction in Japan. The events have no association except in our own minds, but this is how islanders will recall the time when the release of atomic energy was made known to the world."

The Gazette's editorials, addressed largely to topics of island-wide interest, are clear, provocative evidence of Hough's adherence to a tenet he himself set forth in 1952:

"No matter what the civic cause is—the preservation of some monumental tree, a change in some highway project, a protested decision affecting public rights—the champions of the cause should foresee the juncture at which they will be told 'nothing can be done.' And the real crusade should begin then and there."

Over the years, no crusade has consumed more of Hough's energy and passion than that of preserving the island's unspoiled natural enclaves against the encroachments of developers.

Henry Beetle Hough is neither a fisherman nor a sailor—even the seven-mile ferry trip between Woods Hole and Vineyard Haven makes him seasick—but his affection for the beauty and tranquillity of Martha's Vineyard is so profound, friends say, that it is nearly impossible to entice him off the island, even for short periods. He politely declined James Reston's invitations to attend the Presidential inaugurations of Lyndon B. Johnson and Richard M. Nixon, and when he was asked to a party on Chappaquiddick Island, a five-minute boat trip from Martha's Vineyard, he is reported to have responded, "You know how I hate to go off-island."

Having known the Vineyard since the turn of the century, when fishing was still as important to the island's economy as summer visitors, Hough speaks wistfully of the island of his childhood, and he is skeptical about its future: "I don't see much hope for the Vineyard," he says sadly. "I think the Islands Trust Bill (to help control the growth of Nantucket and Martha's Vineyard) is long overdue. If it doesn't go through, I think the results are going to be tragic . . . The island can never return to what I knew—and it shouldn't in all respects—but I deplore the way some of the natural quality and natural resources have gone before so-called progress."

Although the Gazette has helped achieve significant victories in environmental conservation, Hough minimizes the paper's successes. "I see some accomplishments, surely, but I think the Gazette's role has even more largely been in preserving a solid wall, a sustained, unremitting opposition to exploitation," he says. "I think it has had a cumulative effect and it's helped public opinion to grow and cohere, so that things which would have been supported 20 years ago couldn't be supported now . . . The quick buck isn't quite as potent as it used to be." Nevertheless, Hough is saddened by each new subdivision, and he says he has come to believe the nation's economic system itself may be incompatible with environmental preservation.

Like the 19th Century romantics before him, Henry Hough harkens to the simpler, less guileful world he remembers from an earlier era, retreating gladly from the corruption he sees in modern society. "I know what has been lost," he writes, "and a lot of younger people don't and can't, and I value innocence or even the illusion and illiteracy of ignorance above what is so transparently and smugly put down as maturity, but this may be because innocence is so much the scarcer item."

In maintaining his own innocence from modern life, Hough has been selective. He avoids the intrusions of radio and television. His only television has been broken for 11 years, and he borrowed one only to watch the Watergate reports three years ago and a special report this year on sleeping. Yet he praises the latest books by Lillian Hellman and Daniel Bell, and he can provide a detailed analysis of a recent Supreme Court decision on the environment.

Hough's tastes in journalism and literature reflect the premium he places on clarity of writing and thought. A long-time admirer of the New Yorker, which he calls "the best magazine there is"; he relishes its articles on topics ranging from doestic politics and the environment to constitutional law (he praised a recent series on the 5th Amendment as "terribly important"). His attraction to the magazine's writers, Hough says, stems from "their enlightened liberalism, good forthright English, and often the vividness of the figures of speech that light up their prose." By contrast, he believes that Harper's and the Atlantic have compromised their literary excellence by "trying to be too close to the marketplace."

If Hough were hiring young journalists today, what qualities would he seek? Seated in an armchair in his Edgartown home, he reflected on the question as he stroked the head of Edith Blake's English setter that had affectionately draped herself over his lap. "I think seriousness is the important thing," he said, "seriousness and evidence of genuine interest in the things that are going on . . . I'd want someone who knows what to look for and what to appreciate, sensitivity."

In choosing what he reads, Henry Hough shuns what he calls "graceless language," and his own writing still exhibits the vigor and freshness of style and outlook that he brought to the Vineyard more than half a century ago. In a forthcoming book, he depicts a sunrise from the perspective of a voyager riding on a rotating earth:

"Attending to the sequence of divine events, I could make myself aware of the turning of the earth toward the sun, our stationary star and lamp. I could feel myself a passenger upon the bending rim, so slowly being advanced along with Graham, a great blue heron in the lagoon, and the gulls atop the wharfs piles . . . The close prelude to what we call sunrise gave way to a rapid fulfillment. Up, up—swiftly up now, and the roofs and treetops of the town were gilded as Graham and I walked back along the causeway."

Hough's writing has won him a number of awards, including a Pulitzer Prize, which he and a fellow Columbia student received in 1918 for their history of the services rendered by the American press the previous year. Theirs was the first and last Pultizer Prize of its kind ever given, for the category they had entered was abolished the next year, a fact that still amuses Hough. "It was no important piece of work," he insists. "I don't know whether there were any other entries or not. I never asked because I was afraid to find out." In 1974 he won the Elijah Parish Lovejoy Award for courageous journalism in his sustained campaign against over-development of the island, and both he and the Gazette have been widely praised for the newspaper's excellence.

While he had considered selling the Gazette at least two decades earlier, it was not until 1968, three years after Betty's death, that Hough finally turned the 122-year-old journal over to new management. Betty's death followed a two-year illness and so affected him that friends wondered whether he would have the desire to continue working on the enterprise they had toiled so hard together to build. Hoping to maintain the Gazette's quality, and indifferent to inquiries from businessmen who saw the paper as little more than an investment, Hough was relieved to sell to the Restons his "nonpolitical journal of island life," as the masthead describes it. He had anxiously sought a skilled journalist who would guard the paper's standards and treasure it as he and Betty had.

Although he had met Reston only once, Hough wrote him in November 1967 to ask whether he knew "any good newspaperman, or potentially good newspaperman" who might like to buy the Gazette. Reston replied with an offer to discuss purchasing it himself "if you think I pass as a 'potentially good newspaperman'," Hough recalls. The question was answered with the paper's sale the following year.

One of the Reston's most difficult early decisions was to shift to the so-called "offset" method of printing that eliminated the use of lead type in printing the paper. The shift, which was inevitable, was emotionally painful to Henry Hough, who calls himself "an incorrigible hot metal man" and recalls how he and Betty had "sweated blood" raising the $28,000 to buy the press and the linotype machine that were scrapped for the new offset presses.

The press was dismembered with a torch before it was taken from the Gazette building. Hough has a vivid memory of the removal of the linotype: "There it was, dangling in the air from a crane. Graham and I walked home, and I wrote that I felt like the fadeout in an old movie, nostalgic and a little melancholic. But change is change, and you can't object to it in newspaper work." Resigned though he is to the shift, Hough still jokes privately about the offset process, describing it as "pasting those silly pieces of paper," a reference to the procedure that supplanted typesetting.

Nevertheless, Hough speaks highly of the Gazette's new managers, the Restons' 37-year-old son, Richard, a former Los Angeles Time diplomatic correspondent, and his wife, Jody, a former teacher. They arrived last fall and now work seven days a week on the paper, as Betty and Henry Hough did for 45 years.

Hough worries occasionally about whether the paper's morgue is being properly maintained, and while emphasizing he doesn't want to be "mean-spirited," he expresses misgivings about the introduction of cross-word puzzles submitted by subscribers. But he is pleased about the Restons' affection for the paper and their commitment to perpetuate its traditions. For his part, Dick Reston stresses that any changes "are meant to be gentle and to fit in the tradition of what this paper is."

That tradition is the legacy of a man who still interrupts himself to note the first catbird call of the season, who swims in the ocean from April to November, and who stands in awe at the foot of a boulder-marked moraine he has known all his life and still wonders aloud, "I'll bet there was a thundering roar when the glacier let go." It also is the heritage of a country editor whose writing radiates with the classical romantic's esteem for the artlessness and splendor of nature.

On a nighttime walk through Sheriff's Meadow one summer, Hough noticed that a firefly had settled on Graham's ruff and was flashing on and off as the collie trotted down a path. He reflected on the scene:

"I thought, why does man exert himself so mightily instead of profiting by the example of nature which—or who—stands gently by, when permitted, and follows a different impulse and livelier rule book that says remarkable things will surely be revealed, maybe tonight, maybe tomorrow night, but at all events, within the span of cosmic time?

"A collie, full-coated and magnificently ruffed, and a firefly to flash on and off—these two on a warm-cool evening following a path through bayberry thickets, beside arrowwood, wild cherry, dogwood and the rest; what could be simpler, yet how worth collecting and storing in memory."

THE PLEDGE OF ALLEGIANCE AUTHORSHIP

Mr. PELL. Mr. President, as you may be aware, for many years there has been considerable discussion and controversy regarding the authorship of the Pledge of Allegiance of our Flag.

For some time a most distinguished historian in my State of Rhode Island, Miss Louise Harris, has undertaken extensive research on this subject. Recently, she prepared an article for the Rhode Island Bicentennial Foundation, supporting her position that James Bailey Upham is the author of the Pledge of Allegiance.

Mr. President, in view of the importance of this information to our Bicentennial celebration, I would like to bring Miss Harris' most recent article to the attention of my colleagues, and I ask unanimous consent that it be printed in the RECORD. Her research represents an oustanding contribution to our Bicentennial, one that I am very pleased to be associated with.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR FLAG'S BICENTENNIAL

(By Louise Harris)

The Bicentennial commemorates the birthday of the Flag of the United States of America. In researching The Youth's Companion I have found that this is the only country in which civilians fly the flag every pleasant day over homes, schools, business, public places and buildings, and just about any place. But does anyone really know how this privilege came to be? I know I never did, nor did I even think about it. I just took it for granted, having grown up seeing the flag flying everywhere; it was an everday occurrence!

Let us turn the clock back nearly a century and see how this right to fly the flag came about.

In 1886 James Bailey Upham, a loyal and devoted employee of The Youth's Companion for some years, was appointed head of the Premium Department, actually a mail order business and a member of the firm Perry Mason & Company of Boston, Massachusetts. Patriotism was at a very low ebb after the Civil War, and Mr. Upham was gravely concerned over this fact, for he revered the flag and all that it stood for very deeply. He pondered over this question. If a flag should fly over a schoolhouse, would it stimulate more serious study, better discipline, patriotism and understanding of citizenship in its students? Especially if the children should work and earn the money for it?

The staff of the Companion thought so, and many members helped after working hours to put the plan into operation. By October 1888 the plan was launched, the shelves stocked with flags made of the best bunting available, the kind used for federal government purposes. Children went to work with zeal to own a flag for their school. Lessons were better learned; teachers began to write, discipline was improved, leaving more time for serious teaching and study. To keep interest alive, Mr. Upham in January, 1890 devised an essay contest of six hundred words or less on the subject, "The Patriotic Influence Of The American Flag When Raised Over The Public Schools." The teachers judged the best essay for each school and sent them to the Companion by April, where the best one for each State and Territory would be chosen. The prize, a flag, was presented in time to be raised on July Fourth, with a suitable program followed by a big parade. For this event Hezekiah Butterworth wrote his famous poem, "Raising The School House Flag."

Enthusiasm was growing. In April 1890 Congress had passed a resolution for the World's Columbian Fair to be held in Chicago, Illinois. With the great success of the flag program, Mr. Upham was determined to keep interest alive, with a Salute or a Pledge of some kind to the Flag, or perhaps both. 1892 was not far away. Why not have the schools take part? Why not a program centered around raising the flag over the school at exactly the same time the Fair Grounds were being dedicated? The staff of the Companion agreed. Mr. Upham went to work on his Pledge while the Companion approached the schools for their ideas about a Columbus Celebration. The response was so great that the Companion approached the Governing Board of the World's Fair with the plan. Acceptance was spontaneous. C. C. Bonney, the originator and president of the World's Congress Auxiliary, sent William Torrey Harris, who was United States Commissioner of Education and National Chairman for all school projects and exhibits for the Fair, to the Superintendents' Convention, held in February 1892 in Brooklyn, New York. Mr. Harris' resolutions were unanimously accepted, and an Executive Committee for the school program was appointed, with help from all the educators in each state and from the newspapers.

By June 1892 the program was ready, including Mr. Upham's famous Pledge of Allegiance. By order of Congress, President Harrison made a Proclamation on July 21, 1892, declaring the twenty-first day of October to be a full legal holiday throughout the land. The date was chosen to coincide with October 12, 1492, in conjunction with the change in calendars.

With the fantastic success of the Columbus Celebration Mr. Upham did not stop but continued on with his patriotic work. Teachers, students, and young people were eager for more. He had revived the Lyceum League of America in October 1891 and there were programs for Washington's Birthday and Flag Day, and pictures of Washington, Lafayette and Lincoln. Mr. Upham encouraged due observance of Arbor Day, Decoration Day and, finally, Lincoln's Centennial. The list of days to fly the flag was constantly increasing. He had a special casting of the eagle made to be placed on the flag staff for parades and a socket belt made to Companion specifications. Programs were conconstantly being made or added to for all school events, especially the raising of the flag over the school, and there were instructions on how to care for it. Teachers wrote in for material, ideas, suggestions. Any town or village was aided in acquiring a circulating or public library. Mr. Upham's brain was ever-active with ideas.

In December 1905 Mr. Upham passed on. Once all the programs which Mr. Upham had planned had been put into operation there were no more, for the Companion had no one with the patriotic vision to carry on this valuable work.

The patriotic spirit in America, however, did not die with the passing of James Upham. It is interesting to note that, while the United States Flag is our national emblem, Old Glory has had a great and valuable influence on the history and growth of Rhode Island. Through the patriotic programs of James Bailey Upham, the flag has become an inspiration to both school children and adults in our state which, incidentally, was one of the first to pass state laws governing the use of the flag.

Patriotic programs have been compiled in such a manner as to be adjustable for each school's needs and to include all patriotic days. Rhode Island's own "Independence Day," celebrated on May 4, commemorates the bold step which leaders of our tiny colony took in renouncing allegiance to the English Crown. Patriotic observances such as these have resulted in the beautification of school grounds and continue to motivate adults to improve their homes, public places, all park areas and to fly the flag everywhere. "Little Rhody" can take pride in the achievements of James Bailey Upham.

There is no question as to the true author of the Pledge of Allegiance—James Bailey Upham. This is the first real research on the pages of the Companion and the first presentation of the actual facts that has been made to the general public. I accidentally stumbled onto this phase of the work when I discovered the list of the essay winners for each state. The town of Johnston won it for Rhode Island. I had to stop my work immediately and find out what it was all about. I never thought then that I would be setting out on a never-ending research project, or becoming involved in a long-standing controversy. Ninety-five percent to ninety-nine percent of the material found is in the columns with the advertisements and often with no identifying mark. I still do not know if I have discovered all information yet but after nearly fourteen years of research I am not yet ready to start on a repeat search of all those many hundreds of pages!

This article would not be complete without mention of my aims for the Bicentennial years. First, I must acquaint the general public with the fact that James Bailey Upham is the true author of the Pledge of Allegiance. In England the leaders of many organizations are just as interested in my work as those in Washington. I would like a stamp for the Flag Over The Schoolhouse with James Bailey Upham included. I believe there would be no better way to honor our Flag. And also I would like to have one of our Bicentennial medals made with the same idea.

So on this, the Bicentennial birthday of our National Emblem, the Flag of the United States of America, everyone should fly Old Glory with pride, reverence and humble sincerity for all the benefits, freedom, and opportunities she has so freely, willingly and generously given us. Long may she wave over the land of liberty, justice and freedom for all who are willing to work and protect her.

EXTENDING THE 1975 TAX REDUCTIONS

Mr. MOSS. Tomorrow we are going to vote on Senator Muskie's amendment to extend the temporary tax reductions through all of fiscal 1977. As Senator Muskie has pointed out, continuation of those tax reductions are necessary. Economic growth and inflation shall erode the tax cut by the end of next year. If we do not extend the tax reduction we will, in effect, have legislated an increase in tax rates. This will have two adverse effects:

First, it will slow the economic recovery well before the effects of the recent recession have been eliminated.

Second, it will unnecessarily increase the tax burden on the average American family. I ask unanimous consent to have printed in the Record an analysis done by the Senate Budget Committee staff.

There being no objection, the material was ordered to be printed in the Record, as follows:

Extending the 1975 Tax Reductions

The temporary tax reductions of 1975 are being slowly eroded by rising incomes and the progressive income tax structure. Since the effect of the tax cut on revenues and on the economy will expire automatically, it is wrong to think of the 1975 tax reductions as temporary changes in the rate structure that will no longer be needed when the economy returns to full employment. To allow the temporary reductions to expire would, in effect, represent a large increase in tax rates over their 1974 levels, rather than a return to those levels. For this reason, the tax reductions that were once scheduled to be temporary could now be made permanent without any lasting effect on revenues.

TAXES AND FAMILY INCOME

The effect of the tax cut and the growth in money income on the taxes to be paid by a typical family can be seen in the following example, which is drawn directly from the tax tables that accompany the 1040 Form. The income projections are by Data Resources Incorporated (DRI).

Without the tax cut, a family of four with income of $12,000 in 1975 would have paid a tax of $1,228, assuming it would use the standard deduction. This would have amounted to 10.2 percent of income. The Tax Reduction Act of 1975 reduced taxes on this family to $1,085, however, or 9 percent of income. This tax cut included a tax credit of $30 per taxpayer and dependent, and an increase in the standard deduction from 15 to 16 percent of adjusted gross income.

If this family were to experience the average projected growth of money income from 1975 to 1976, its income would rise to $13,202. Taxes on this income under the 1975 law would be $1,280, or 9.7 percent of income. These taxes were further reduced by the Revenue Adjustment Act of 1975, however, to $1,220, or 9.2 percent of income. The Revenue Adjustment Act raised the tax credit to $35, introduced an alternative tax credit of 2 percent of income up to $9,000, and raised the minimum standard deduction.

If the family continued to experience the average rate of growth of income that is projected for 1977, its income would rise to $14,748. With full extension of the 1975 tax cuts, its tax liability would be $1,505, or 10.2 percent of income.

If the tax reductions are extended, this family will pay the same percent of its income in taxes in 1977 as it paid in 1975 before the tax cuts. If the tax reductions are not extended, the family's tax burden will grow from 10.2 percent of income to 11.6 percent in these two years.

Mr. President, in light of this analysis, the importance of extending the tax reduction is apparent if we want to continue the economic recovery and reduce the tax burdens on the American family.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PUBLIC SAFETY OFFICERS BENEFITS ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to consideration of H.R. 366, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 366) to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Public Safety Officers' Benefits Act of 1976".

Sec. 2. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, is amended by adding at the end thereof the following new part:

"Part J.—Public Safety Officers, Benefits Awards

"Sec. 701. (a) In any case in which the Administration determines, under regulations issued pursuant to this title, that a public safety officer has died in the line of duty from injuries directly and proximately caused by a criminal act or an apparent criminal act, the Administration shall pay a benefit of $50,000 as follows:

"(1) if there is no surviving child of such officer, to the surviving spouse of such officer;

"(2) if there is a surviving child or children and a surviving spouse, one-half to the surviving child or children of such officer in equal shares and one-half to the surviving spouse;

"(3) if there is no surviving spouse, to the child or children of such officer in equal shares; or

"(4) if none of the above, to the dependent parent or parents of such officer in equal shares.

"(b) Whenever the Administration determines, upon a showing of need and prior to taking final action, that the death of a public safety officer is one with respect to which a benefit will probably be paid, the Administration may make an interim benefit payment not exceeding $3,000 to the person entitled to receive a benefit under subsection (a) of this section.

"(c) The amount of any interim payment under subsection (b) of this section shall be deducted from the amount of any final benefit paid to such person.

"(d) Where there is no final benefit paid, the recipient of any interim payment under subsection (b) of this section shall be liable for repayment of such amount. The Administration may waive all or part of such repayment, considering for this purpose the hardship which would result from such repayment.

"(e) The benefit payable under this part shall be in addition to any other benefit that may be due from any other source, but shall be reduced by—

"(1) payments authorized by section 8191 of title 5, United States Code;

"(2) payments authorized by section 12 (k) of the Act of September 1, 1916, as amended (D.C. Code, sec. 4–531(1)).

"(f) No benefit paid under this part shall be subject to execution or attachment.

"LIMITATIONS

"Sec. 702. No benefit shall be paid under this part—

"(a) if the death was caused by the intentional misconduct of the public safety officer or by such officer's intention to bring about his death;

"(b) if voluntary intoxication of the public safety officer was the proximate cause of such officer's death; or

"(c) to any person who would otherwise be entitled to a benefit under this part if such person's actions were a substantial contributing factor to the death of the public safety officer.

"Sec. 703. As used in this part—

"(a) 'child' means any natural, illegitimate, adopted, or posthumous child or stepchild of a deceased public safety officer who, at the time of the public safety officer's death, is—

"(1) eighteen years of age or under;

"(2) over eighteen years of age and a student as defined in section 8101 of title 5, United States Code; or

"(3) over eighteen years of age and incapable of self-support because of physical or mental disability;

"(b) 'criminal act' means any conduct which is declared by law to be a crime in the jurisdiction where the injury to the public safty officer occurred. Such conduct is a crime for the purpose of this part, notwithstanding that by reason of age, insanity, intoxication, or otherwise, the person engaging in such conduct was legally incapable of committing the crime;

"(c) 'dependent 'means a person who was substantially reliant for support upon the income of the deceased public safety officer;

"(d) 'fireman' includes a person serving as an officially recognized or designated member of a legally organized volunteer fire department;

"(e) 'intoxication' means a disturbance of mental or physical faculties resulting from the introduction of alcohol, drugs, or other substances into the body;

"(f) 'law enforcement officer' means a person involved in crime control or reduction, or enforcement of the criminal laws. This includes, but is not limited to, police, corrections, probation, parole, and judicial officers;

"(g) 'public agency' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States, or any unit of local government, combination of such States or units, or any department, agency, or instrumentality of any of the foregoing; and

"(h) 'public safety officer' means a person serving a public agency in an official capacity, with or without compensation, as a law enforcement officer or as a fireman.

"ADMINISTRATIVE PROVISIONS

"Sec. 704. Rules, regulations, and procedures issued under this title may include regulations governing the recognition of agents or other persons representing claimants under this part before the Administration. The Administration may prescribe the maximum fees which may be charged for services performed in connection with any claim under this part before the Administration, and any agreement in violation of such rules and regulations shall be void.

"SEC. 705. In making determinations under section 701, the Administration may utilize such administrative and investigative assistance as may be available from State and local agencies. Responsibility for making final determinations shall rest with the Administration.".

MISCELLANEOUS PROVISIONS

SEC. 3. Section 520 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, is amended by adding at the end thereof the following new subsection:

"(c) There are authorized to be appropriated in each fiscal year such sums as may be necessary to carry out the purposes of part J.".

SEC. 4. The authority to make payments under part J of the Omnibus Crime Control and Safe Streets Act of 1968 (as added by section 2 of this Act) shall be effective only to the extent provided for in advance by appropriation Acts.

SEC. 5. If the provisions of any part of this Act are found invalid, the provisions of the other parts and their application to other persons or circumstances shall not be affected thereby.

SEC. 6. This Act shall become effective and apply to deaths occurring from injuries sustained on or after the date of enactment.

Mr. MANSFIELD. Mr. President, I suggested the absence of a quorum, with the time being charged to neither side.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETO OF PUBLIC WORKS EMPLOYMENT ACT—ORDER FOR DEBATE AND VOTE ON WEDNESDAY, JULY 21, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, beginning at the hour of 1 p.m. on Wednesday next, debate on the Presidential veto of the public works employment bill begin, that the time be equally divided between the manager of the bill, the distinguished Senator from West Virginia (Mr. RANDOLPH), and the ranking Republican member, the distinguished Senator from New York (Mr. BUCKLEY), and that the vote on the override occur at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum without the time being applied to either side.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

PUBLIC SAFETY OFFICERS BENEFITS ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 366) to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. McCLELLAN. What is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 366. Debate on the bill is limited to 1 hour, to be equally divided between and controlled by the Senator from Arkansas (Mr. McCLELLAN) and the Senator from Nebraska (Mr. HRUSKA), with 30 minutes on any amendment except an amendment by the Senator from Massachusetts (Mr. KENNEDY), on which there shall be a limitation of 1 hour, and with a limitation of 20 minutes on any debatable motion, appeal, or point of order.

Mr. McCLELLAN. I thank the Chair very much.

I yield myself 5 minutes on the bill.

Mr. President, the legislation embodied in the bill (H.R. 366), as reported, has passed the Senate in substantially this form in both the 92d and 93d Congresses. On September 5, 1972, the Senate passed a similar bill by a vote of 80 to 0; and on March 29, 1973, passed a similar bill by voice vote.

The subject matter, therefore, is not new to the Senate but the need to enact this legislation continues to be most urgent. The bill proposes to provide a $50,000 Federal benefit to the survivor or survivors of a public safety officer whose death was in the line of duty from injuries directly and proximately caused by a criminal act or an apparent criminal act.

The language of the amendment to H.R. 366 was introduced as S. 2572 on October 28, 1975, by this Senator and Senators THURMOND, HRUSKA, and HANSEN, and later cosponsored by Senator ROTH.

In my opinion, the motivation for this legislation is obvious—public safety officers are constantly subjected to great physical risks, the financial and fringe benefits available to such officers are only moderate, and the officers are generally young and with growing families. The economic and financial burdens on the survivors of such an officer are often heavy.

More than 200 policemen and firemen are killed each year in the performance of their duties. During 1974, 132 law enforcement officers were killed. Of these officers killed in 1974, 45 percent had less than 5 years' service, which means that in most instances pensions would not be available since the majority of pension plans vest only after 5 years of service.

During 1974, there were more law enforcement officers killed attempting arrests than in any other police activity. And 61 officers were killed during arrest situations. When anyone attacks a policeman, he is attacking a symbol of our criminal justice system; he is attacking our society. The policeman is taking the place of each and every one of us each time he faces the dangers of his duties.

I feel that we have a moral responsibility to provide a Federal death benefit to the survivors of those officers who have paid with their lives in the performance of their duties.

H.R. 366, as reported with an amendment in the nature of a substitute bill, would assist the survivors of a public safety officer when the burden of a tragic death results to that officer in the performance of his duty and the death was the result or apparently the result of a criminal act. After a determination that the officer's death occurred under such conditions, the Law Enforcement Assistance Administration would provide a Federal benefit of $50,000 to one or more survivors of such officer.

Generally, "public safety officer" is defined as a person serving a public agency in an official capacity, with or without compensation, as a law enforcement officer or a fireman.

Public agency means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States, or any local government, or any unit, department or agency of the foregoing. Employees of the Federal Government would not be covered under the measure since civil service annuity and life insurance plans are presently available to this group.

Law enforcement officer means a person involved in crime control or reduction, or enforcement of the criminal laws, including, but not limited to, police, corrections, probation, parole, and judicial officers.

Line of duty, as used in this bill, is intended to mean that the injury resulting in the officer's death must have occurred when the officer was performing duties authorized, required, or normally associated with the responsibilities of such officer acting in his official capacity as a law enforcement officer or a fireman.

The benefits are to be paid according to a specified order of priority: First, spouse, if there is no surviving child or children and a surviving spouse, one-half to the surviving child or children and one-half to the spouse; second, if there is no surviving spouse, to the child or children of such officer in equal shares; or third, if none of the above, to the dependent parent or parents of such officer in equal shares. It is noted that the requirement of dependency attaches only in the situation where a parent could qualify as a claimant.

Certain limitations are placed on the payment of the benefits. No award shall be paid, first, if the death was caused by the intentional misconduct of the officer, or by such officer's intention to bring about his death; second, if voluntary intoxication of the officer was the proximate cause of such officer's death; or third, to any person otherwise entitled to a benefit if such person's action were a substantial contributing factor to the death of the officer.

In order to preclude double payments, the amount of any award under this act shall be reduced by payments authorized under 5 U.S.C. 8191, which provides compensation for law enforcement officers not employed by the United States killed or injured while apprehending persons suspected of committing Federal crimes; or payments authorized by section 12(k) of the Act of September 1, 1916, as amended (D.C. Code, sec. 4–531(1)).

The act is to become effective and apply to deaths occurring from injuries sustained on or after the date of enactment.

I urge the enactment of this legislation.

Mr. President, I ask unanimous consent that the following members of the staff of the Subcommittee on Criminal Laws and Procedures be accorded the privilege of the floor for the duration of the consideration of H.R. 366: Paul C. Summit and Dennis C. Phelen; and Ken Feinberg of the staff of the Subcommittee on Administrative Practices.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. I also ask unanimous consent that the committee amendment in the nature of a substitute be agreed to, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that Bill Coates of my staff be accorded the privilege of the floor during the consideration and action on this bill.

The PRESIDING OFFICER. Without objection, it is ordered.

Mr. THURMOND. Mr. President, I rise in support of H.R. 366. As amended by the Committee on the Judiciary, H.R. 366 contains the text of S. 2572 which was introduced by the distinguished Senator from Arkansas on October 28, 1975. I was pleased to be a cosponsor of S. 2572, and I am pleased to support H.R. 366 as reported by the Committee on the Judiciary.

This legislation would provide a $50,000 benefit payable to the survivors of a public safety officer who is killed in the line of duty. As defined in this bill, "public safety officer" includes policemen, firemen, correction officers, probation officers, parole officers, and judicial officers.

Mr. President, in recent years many of our public safety officers have been killed by felonious assaults, and it is increasingly apparent that violent crime is spreading. Crime knows no jurisdictional boundary, nor respects the color of a law enforcement officer's uniform. Each officer, whether sheriff, deputy, highway patrolman, or policeman, must be fully cognizant that death may come to him in the performance of his sworn duties.

Mr. President, similar legislation passed the Senate in 1972. A Senate-House conference committee filed its report with the House of Representatives, but because the House failed to act, this important legislation died. The Senate passed S. 15, a similar measure, on March 29, 1973.

This legislation is designed to compensate the families of public safety officers killed in the line of duty. It is not a group insurance program and should not be modified to provide for group insurance. The purpose of this bill is to assure our public safety officers that their families will be taken care of in the event they are killed.

The alarming trend of crime can only be reversed by professional officers, who are assured that they and their families will be compensated in a manner commensurate with the risks inherent in law enforcement. Law enforcement careers must be made more acceptable to our qualified citizens. We cannot ask decent, hard-working men and women to face the constant risk of death in the line of duty and then ignore their rightful request that their families be protected from financial calamity.

Mr. President, I hope S. 366, as amended, will be approved by the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, will the Senator yield me 5 minutes?

Mr. McCLELLAN. If the Senator has an amendment it will be on his own time.

Mr. ALLEN. Yes, but I wish to speak with respect to the bill, if I may.

Mr. McCLELLAN. I yield 5 minutes.

Mr. ALLEN. Mr. President, I am delighted that this measure is now being considered once again by the Senate. In the last two Congresses the Senate had passed a similar bill and the House of Representatives had done the same. But for some reason, the bills never emerged from the conference committee.

I believe now, though, that when the Senate approves this bill, lest there are changes in the bill in the Senate, of course, it would go to the President for signature. If it is amended substantially and goes to conference, I feel certain that the conferees will report the bill speedily in order that the conference report can be agreed to.

Mr. President, at a time when the suppression of crime is one of the most important needs before the country today. I feel that the passage of this bill will do more than anything that we could do in Congress to assure our moral support for public safety officers, Federal, State, and local, as they perform their duties and as they protect the lives and property of our citizens.

I am pleasantly surprised with the cost estimate of this bill, as prepared by the Budget Committee, and I am pleased to note that this program would cost only $6.6 million a year. A public safety officer includes any person serving a public agency in an official capacity, with or without compensation, as a law enforcement officer or as a fireman. This would give public safety officers a sense of security as they go about the performance of their duties. I feel that this is something that is in the public interest.

We read in the press many times each year of public safety officers being killed, leaving widows and minor children. Most police officers are young with young families. Those who are risking their lives, in the main are young, and I feel that this would be a great morale booster for our public safety officers.

I am delighted that the bill has come before the Senate again. It is a House bill. When the Senate passes it, I feel sure that in a very short while the Senate and House will agree upon the bill and that the bill will go to the President for early signature.

There seems to be no opposition that I can ascertain to the bill. Why it has not been agreed to by both Houses is something of a mystery. But public opinion is very definitely behind this bill. It is an idea whose time has come and its time has long since come. I am hopeful that it will be agreed to by both Houses at any early date.

I yield back the remainder of my time.

UP AMENDMENT NO. 184

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment No. 184.

The amendment is as follows:

On page 7, line 17, after the word "Benefits", insert the words "and Group Life Insurance".

On page 7, line 20, strike the word "part" and insert in lieu thereof the word "parts".

On page 12, following line 5, insert the following new part:

"PART K—PUBLIC SAFETY OFFICERS' GROUP LIFE INSURANCE

"DEFINITIONS

"SEC. 800. For the purposes of this part—

"(1) 'child' includes a stepchild, an adopted child, an illegitimate child, and a posthumous child;

'(2) 'month' means a month that runs from a given day in one month to a day of the corresponding number in the next or specified succeeding month, except when the last month has not so many days, in which event it expires on the last day of the month; and

'(3) 'public safety officer' means a person who is employed full time by a State or unit of general local government in—

"(A) the enforcement of the criminal laws, including highway patrol,

"(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

"(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

"(D) firefighting,

but does not include any person eligible to participate in the insurance program established by chapter 87 of title 5 of the United States Code, or any person participating in the program established by subchapter III of chapter 19 of title 38 of the United States Code.

"Subpart 1—Nationwide Program of Group Life Insurance for Public Safety Officers

"ELIGIBLE INSURANCE COMPANIES

"SEC. 801. (a) The Administration is authorized, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), to purchase from one or more life insurance companies a policy or policies of group life insurance to provide the benefits specified in this subpart. Each such life insurance company must (1) be licensed to issue life, accidental death, and dismemberment insurance in each of the fifty States of the United States and the District of Columbia, and (2) as of the most recent December 31, for which information is available to the Administration, have in effect at least 1 percentum of the total amount of group life insurance which all life insurance companies have in effect in the United States.

"(b) Any life insurance company issuing such a policy shall establish an administrative office at a place and under a name designated by the Administration.

"(c) The Administration may at any time discontinue any policy which it has purchased from any insurance company under this subpart.

"REINSURANCE

"SEC. 802. (a) The Administration shall arrange with each life insurance company issuing a policy under this subpart for the reinsurance, under conditions approved by the Administration, of portions of the total amount of insurance under the policy, determined under this section, with other life insurance companies which elect to participate in the reinsurance.

"(b) The Administration shall determine for and in advance of a policy year which companies are eligible to participate as reinsurers and the amount of insurance under a policy which is to be allocated to the issuing company and to reinsurers. The Administration shall make this determination at least every three years and when a participating company withdraws.

"(c) The Administration shall establish a formula under which the amount of insurance retained by an issuing company after ceding reinsurance, and the amount of reinsurance ceded to each reinsurer, is in proportion to the total amount of each company's group life insurance, excluding insurance purchased under this subpart, in force in the United States on the determination date, which is the most recent December 31 for which information is available to the Administration. In determining the proportions, the portion of a company's group life insurance in force on the determination date in excess of $100,000,000 shall be reduced by—

"(1) 25 per centum of the first $100,000,000 of the excess;

"(2) 50 per centum of the second $100,000,000 of the excess;

"(3) 75 per centum of the third $100,000,000 of the excess; and

"(4) 95 per centum of the remaining excess.

However, the amount retained by or ceded to a company may not exceed 25 per centum of the amount of the company's total life insurance in force in the United States on the determination date.

"(d) The Administration may modify the computations under this section as necessary to carry out the intent of this section.

"PERSONS INSURED; AMOUNT

"SEC. 803. (a) Any policy of insurance purchased by the Administration under this subpart shall automatically insure any public safety officer employed on a full-time basis by a State or unit of general local government which has (1) applied to the Administration for participation in the insurance program under this subpart, and (2) agreed to deduct from such officer's pay the amount of such officer's contribution, if any, and forward such amount to the Administration or such other agency or office as is designated by the Administration as the collection agency or office for such contributions. The insurance provided under this subpart shall take effect from the first day agreed upon by the Administration and the responsible officials of the State or unit of general local government making application for participation in the program as to public safety officers then on the payroll, and as to public safety officers thereafter entering on full-time duty from the first day of such duty. The insurance provided by this subpart shall so insure all such public safety officers unless any such officer elects in writing not to be insured under this subpart. If any such officer elects not to be insured under this subpart he may thereafter, if eligible, be insured under this subpart upon written application, proof of good health, and compliance with such other terms and conditions as may be prescribed by the Administration.

"(b) A public safety officer eligible for insurance under this subpart is entitled to be insured for an amount of group life insurance, plus an equal amount of group accidental death and dismemberment insurance, in accordance with the following schedule:

"If annual pay is—"		The amount of group insurance is—	
Greater than—	But not greater than—	Life	Accidental death and dismemberment
0	$8,000	$10,000	$10,000
$8,000	9,000	11,000	11,000
$9,000	10,000	12,000	12,000
$10,000	11,000	13,000	13,000
$11,000	12,000	14,000	14,000
$12,000	13,000	15,000	15,000
$13,000	14,000	16,000	16,000
$14,000	15,000	17,000	17,000
$15,000	16,000	18,000	18,000
$16,000	17,000	19,000	19,000
$17,000	18,000	20,000	20,000
$18,000	19,000	21,000	21,000
$19,000	20,000	22,000	22,000
$20,000	21,000	23,000	23,000
$21,000	22,000	24,000	24,000
$22,000	23,000	25,000	25,000
$23,000	24,000	26,000	26,000
$24,000	25,000	27,000	27,000
$25,000	26,000	28,000	28,000
$26,000	27,000	29,000	29,000
$27,000	28,000	30,000	30,000
$28,000	29,000	31,000	31,000
$29,000		32,000	32,000

The amount of such insurance shall automatically increase at any time the amount of increase in the annual basic rate of pay places any such officer in a new pay bracket of the schedule and any necessary adjustment is made in his contribution to the total premium.

"(c) Subject to conditions and limitations approved by the Administration which shall be included in any policy purchased by it, the group accidental death and dismemberment insurance shall provide for the following payments:

"Loss

For loss of life
Loss of one hand or of one foot or loss of sight of one eye.
Loss of two or more such members

Amount payable

Full amount shown in the schedule in subsection (b) of this section.
One-half of the amount shown in the schedule in subsection (b) of this section.
Full amount shown in the schedule in subsection (b) of this section.

The aggregate amount of group accidental death and dismemberment insurance that may be paid in the case of any insured as the result of any one accident may not exceed the amount shown in the schedule in subsection (b) of this section.

"(d) Any policy purchased under this subpart may provide for adjustments to prevent duplication of payments under any program of Federal gratuities for killed or injured public safety officers.

"(e) Group life insurance shall include provisions approved by the Administration for continuance of such life insurance without requirement of contribution payment during a period of disability of a public safety officer covered for such life insurance.

"(f) The Administration shall prescribe regulations providing for the conversion of other than annual rates of pay to annual rates of pay and shall specify the types of pay included in annual pay.

"TERMINATION OF COVERAGE

"SEC. 804. Each policy purchased under this subpart shall contain a provision, in terms approved by the Administration, to the effect that any insurance thereunder on any public safety officer shall cease two months after (1) his separation or release from full-time duty as such an officer or (2) discontinuance of his pay as such an officer, whichever is earlier: *Provided, however,* That coverage shall be continued during periods of leave or limited disciplinary suspension if such an officer authorizes or otherwise agrees to make or continue to make any required contribution for the insurance provided by this subpart.

"CONVERSION

"SEC. 805. Each policy purchased under this subpart shall contain a provision, in terms approved by the Administration, for the conversion of the group life insurance portion of the policy to an individual policy of life insurance effective the day following the date such insurance would cease as provided in section 804 of this subpart. During the period such insurance is in force, the insured, upon request to the Administration, shall be furnished a list of life insurance companies participating in the program established under this subpart and upon written application (with such period) to the participating company selected by the insured and payment of the required premiums, the insured shall be granted life insurance without a medical examination on a permanent plan then currently written by such company which does not provide for the payment of any sum less than the fact value thereof. In addition to the life insurance companies participating in the program established under this subpart, such list shall include additional life insurance companies (not so participating) which meet qualifying criteria, terms, and conditions, established by the Administration and agree to sell insurance to any eligible insured in accordance with the provisions of this section.

"WITHHOLDING OF PREMIUMS FROM PAY

"SEC. 806. During any period in which a public safety officer is insured under a policy of insurance purchased by the Administration under this subpart, his employer shall withhold each pay period from his basic or other pay until separation or release from full-time duty as a public safety officer an amount determined by the Administration to be such officer's share of the cost of his group life insurance and accidental death and dismemberment insurance. Any such amount not withheld from the basic or other pay of such officer insured under this subpart while on full-time duty as a public safety officer, if not otherwise paid, shall be deducted from the proceeds of any insurance thereafter payable. The initial amount determined by the Administration to be charged any public safety officer for each unit of insurance under this subpart may be continued from year to year, except that the Administration may redetermine such amount from time to time in accordance with experience.

"SHARING OF COST OF INSURANCE

"SEC. 807. For each month any public safety officer is insured under this subpart, the Administration shall bear not more than one-third of the cost of insurance for such officer, or such lesser amount as may from time to time be determined by the Administration to be a practicable and equitable obligation of the United States in assisting the States and units of general local government in recruiting and retaining their public safety officers.

"INVESTMENTS AND EXPENSES

"SEC. 808. (a) The amounts withheld from the basic or other pay of public safety officers as contributions to premiums for insurance under section 806 of this subpart, any sums contributed by the Administration under section 807 of this subpart, and any sums contributed for insurance under this subpart by States and units of general local government under section 815 of this part, together with the income derived from any dividends or premium rate readjustment from insurers, shall be deposited to the credit of a revolving fund established by section 817 of this part. All premium payments on any insurance policy or policies purchased under this subpart and the administrative costs to the Administration of the insurance program established by this subpart shall be paid from the revolving fund by the Administration.

"(b) The Administration is authorized to set aside out of the revolving fund such amounts as may be required to meet the administrative costs to the Administration of the program and all current premium payments on any policy purchased under this subpart. The Secretary of the Treasury is authorized to invest in and to sell and retire special interest-bearing obligations of the United States for the account of the revolving fund. Such obligations issued for this purpose shall have maturities fixed with due regard for the needs of the fund and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue) on all marketable interest-bearing obligations to the United States then forming a part of the public debt which are not due or callable until after the expiration of four years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligation shall be the multiple of one-eighth of 1 per centum nearest market yield. The interest on and the proceeds from the sale of these obligations, and the income derived from dividends or premium rate adjustments from insurers, shall become a part of the revolving fund.

"BENEFICIARIES; PAYMENT OF INSURANCE

"SEC. 809. (a) Any amount of insurance in force under this subpart on any public safety officer or former public safety officer on the date of his death shall be paid, upon the establishment of a valid claim therefor, to the person or persons surviving at the date of his death, in the following order of precedence:

"(1) to the beneficiary or beneficiaries as the public safety officer or former public safety officer may have designated by a writing received in his employer's office prior to his death;

"(2) if there is no such beneficiary, to the surviving spouse of such officer or former officer;

"(3) if none of the above, to the child or children of such officer or former officer and to the descendants of deceased children by representation in equal shares;

"(4) if none of the above, to the parent or parents of such officer or former officer, in equal shares; or

"(5) if none of the above, to the duly appointed executor, or administrator of the estate of such officer or former officer.

Provided, however, That if a claim has not been made by a person under this section within the period set forth in subsection (b) of this section, the amount payable shall escheat to the credit of the revolving fund established by section 817 of this part.

"(b) A claim for payment shall be made by a person entitled under the order of precedence set forth in subsection (a) of this section within two years from the date of death of a public safety officer or former public safety officer.

"(c) The public safety officer may elect settlement of insurance under this subpart either in a lump sum or in thirty-six equal monthly installments. If no such election is made by such officer, the beneficiary or other person entitled to payment under this section may elect settlement either in a lump sum or in thirty-six equal monthly installments. If any such officer has elected settlement in a lump sum, the beneficiary or other person entitled to payment under this section may elect settlement in thirty-six equal monthly installments.

"BASIC TABLES OF PREMIUMS; READJUSTMENT OF RATES

"SEC. 810. (a) Each policy or policies purchased under this subpart shall include for the first policy year a schedule of basic premium rates by age which the Administration shall have determined on a basis consistent with the lowest schedule of basic premium rates generally charged for new group life insurance policies issued to large employers, taking into account expense and risk charges and other rates based on the special characteristics of the group. The schedule of basic premium rates by age shall be applied, except as otherwise provided in this section, to the distribution by age of the amount of group life insurance and group accidental death and dismemberment insurance under the policy at its date of issue to determine an average basic premium per $1,000 of insurance, taking into account all savings based on the size of the group established by this subpart. Each policy so purchased shall also include provisions whereby the basic rates of premium determined for the first policy year shall be continued for subsequent policy years, except that they may be readjusted for any subsequent year, based on the experience under the policy, such readjustment to be made by the insurance company issuing the policy on a basis determined by the Administration in advance of such year to be consistent with the general practice of life insurance companies under policies of group life insurance and group accidental death and dismemberment insurance issued to large employers.

"(b) Each policy so purchased shall include a provision that, in the extent the Administration determines that ascertaining the actual age distribution of the amounts of group life insurance in force at the date of issue of the policy or at the end of the first or any subsequent year of insurance thereunder would not be possible except at a disproportionately high expense, the Administration may approve the determination of a tentative average group life premium, for the first of any subsequent policy year, in lieu of using the actual age distribution. Such tentative average premium rate may be increased by the Administration during any policy year upon a showing by the insurance company issuing the policy that the assumptions made in determining the tentative average premium rate for that policy year were incorrect.

"(c) Each policy so purchased shall contain a provision stipulating the maximum expense and risk charges for the first policy year, which charges shall have been determined by the Administration on a basis consistent with the general level of such charges made by life insurance companies under polices of group life insurance and group accidental death and dismemberment insurance issued to large employers, taking into consideration peculiar characteristics of the group. Such maximum charges shall be continued from year to year, except that the Administration may redetermine such maximum charges for any year either by agreement with the insurance company or companies issuing the policy or upon written notice given by the Administration to such companies at least one year in advance of the beginning of the year for which such redetermined maximum charges will be effective.

"(d) Each such policy shall provide for an accounting to the Administration not later than ninety days after the end of each policy year, which shall set forth, in a form approved by the Administration, (1) the amounts of premium actually accrued under the policy from its date of issue to the end of each policy year, (2) the total of all mortality, dismemberment, and other claim charges incurred for that period, and (3) the amounts of the insurers' expense and risk charge for that period. Any excess of item (1) over the sum of items (2) and (3) shall be held by the insurance company issuing the policy as a special contingency reserve to be used by such insurance company for charges under such policy only, such reserve to bear interest at a rate to be determined in advance of each policy year by the insurance company issuing the policy, which rate shall be approved by the Administration as being consistent with the rates generally used by such company or companies for similar funds held under other group life insurance policies. If and when the Administration determines that such special contingency reserve has attained an amount estimated by the Administration to make satisfactory provision for adverse fluctuations in future charges under the policy, any further excess shall be deposited to the credit of the revolving fund established under this subpart. If and when such policy is discontinued, and if, after all charges have been made, there is any positive balance remaining in such special contingency reserve, such balance shall be deposited to the credit of the revolving fund, subject to the right of the insurance company issuing the policy to make such deposit in equal monthly installments over a period of not more than two years.

"BENEFIT CERTIFICATES

"SEC. 811. The Administration shall arrange to have each public safety officer insured under a policy purchased under this subpart receive a certificate setting forth the benefits to which such officer is entitled thereunder, to whom such benefit shall be payable, to whom claims should be submitted, and summarizing the provisions of the policy principally affecting the officer. Such certificate shall be in lieu of the certificate which the insurance company would otherwise be required to issue.

"Subpart 2—Assistance to States and Localities for Public Safety Officers' Group Life Insurance Programs

"SEC. 812. (a) Any State or unit of general local government having an existing program of group life insurance for, or including as eligible, public safety officers during the first year after the effective date of this part, which desires to receive assistance under the provisions of this subpart shall—

"(1) inform the public safety officers of the benefits and allocation of premium costs under both the Federal program established by subpart 1 of this part and the existing State or unit of general local government program;

"(2) hold a referendum of the eligible public safety officers of the State or unit of general local government to determine whether such officers want to continue in the existing group life insurance program or apply for inclusion in the Federal program under the provisions of subpart 1 of this part; and

"(3) recognize the results of the referendum as finally binding on the State or unit of general local government for the purposes of this part.

"(b) Upon an affirmative vote of a majority of such officers to continue in such State or unit of general local government program, a State or unit of general local government may apply for assistance for such program of group life insurance and the Administration shall provide assistance in accordance with this subpart.

"(c) State and unit of general local government programs eligible for assistance under this subpart shall receive assistance on the same basis as if the officer were enrolled under subpart 1 of this part, subject to proportionate reduction if—

"(1) the program offers a lesser amount of coverage than is available under subpart 1 of this part, in which case assistance shall be available only to the extent of coverage actually afforded;

"(2) the program offers a greater amount of coverage than is available under subpart 1 of this part, in which case assistance shall be available only for the amount of coverage afforded under subpart 1 of this part;

"(3) the cost per unit of insurance is greater than for the program under subpart 1 of this part, in which case assistance shall be available only at the rate per unit of insurance provided under subpart 1 of this part; or

"(4) the amount of assistance would otherwise be a larger fraction of the total cost of the State or unit of general local government program than is granted under subpart 1 of this part, in which case assistance shall not exceed the fraction of total cost available under subpart 1 of this part.

"(d) Assistance under this subpart shall be used to reduce proportionately the contributions paid by the State or unit of general local government and by the appropriate public safety officers to the total premium under such program: *Provided, however,* That the State or unit of general local government and the insured public safety officers may by agreement change the contributions to premium costs paid by each, but not so that such officers must pay a higher fraction of the total premium than before the granting of assistance.

"Subpart 3—General Provisions

"UTILIZATION OF OTHER AGENCIES

"SEC. 813. In administering the provisions of this part, the Administration is authorized to utilize the services and facilities of any agency of the Federal Government or a State or unit of general local government or a company from which insurance is purchased under this part, in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon.

"ADVISORY COUNCIL ON PUBLIC SAFETY OFFICERS' GROUP LIFE INSURANCE

"SEC. 814. There is hereby created an Advisory Council on Public Safety Officers' Group Life Insurance consisting of the Attorney General as Chairman, the Secretary of the Treasury, the Secretary of Health, Education, and Welfare, and the Director of the Office of Management and Budget, each of whom shall serve without additional compensation. The Council shall meet not less than once a year, at the call of the Chairman, and shall review the administration of this part and advise the Administration on matters of policy relating to its activity thereunder. In addition, the Administration may solicit advice and recommendations from any State or unit of general local government participating in a public safety officers' group life insurance program under this part, from any insurance company underwriting programs under this part, and from public safety officers participating in group life insurance programs under this part.

"PREMIUM PAYMENTS ON BEHALF OF PUBLIC SAFETY OFFICERS

"SEC. 815. Nothing in this part shall be construed to preclude any State or unit of general local government from making contributions on behalf of public safety officers to the premiums required to be paid by them for any group life insurance program receiving assistance under this part.

"WAIVER OF SOVEREIGN IMMUNITY

"SEC. 816. The Administration may sue or be sued on any cause of action arising under this part.

"PUBLIC SAFETY OFFICERS' GROUP INSURANCE REVOLVING FUND

"SEC. 817. There is hereby created on the books of the Treasury of the United States a fund known as the Public Safety Officers' Group Life Insurance Revolving Fund which may be utilized only for the purposes of subpart 1 of this part.".

On page 12, line 12, strike the phrase "part J" and insert in lieu thereof the phrase "parts J and K.".

On page 12, line 13, strike the phrase "part J" and insert in lieu thereof the phrase "parts J and K".

On page 13, line 1, strike the word "This" and insert in lieu thereof the following words: "Part J of this".

On page 13, line 3, add the following sentence after the period: "Part K of this Act shall become effective on the date of enactment.".

The PRESIDING OFFICER. Is this the amendment on which the Senator desires 1 hour?

Mr. KENNEDY. Yes.

Mr. President, first of all I express my support for the legislation that is before the Senate, announce my support for that particular proposal. But I do think it is important, as we move to consider that particular legislation, that we understand what the legislation does do and what it does not do.

It is extremely important that every firefighter, every police official, and every public safety officer, those involved in the frontline of the protection of the American family, have a clear understanding of what we are doing here today.

Under the pending legislation, in order to receive any benefit at all there will have to be a determination made by the Federal Government, not the local community or State agency, but by the Federal Government, that the death is actually caused by criminal activity.

As I am sure we will hear during the course of this debate and discussion about what the roles of the Federal Government, local communities, and the States are and we ought to understand that H.R. 366 requires a Federal determination that a particular firefighter or policeman has actually been killed in the line of duty as a result of a criminal act.

Such a determination will not, therefore, be made by those people in local communities who will understand the situation best.

It will be made here at the Federal level. I would have preferred that such decision be made at the local level and be spelled out in considerable detail, so that any benefit of the doubt could be resolved in favor of the families themselves.

What we are attempting to do with my amendment, Mr. President, is to recognize a very basic and fundamental reality which led to this legislation being recommended by President Nixon in 1972.

In 1968, as a result of the Federal Crime Commission report, it was recognized that law enforcement personnel and firefighters have difficulty in obtaining any type of comprehensive life insurance.

If you are a janitor in a school, you can get group life insurance; if you are a teacher in the public school, you can get life insurance. But if you are a policeman walking the beat, you cannot get it. In instance after instance the record shows that you cannot get it. I will include in the RECORD statistics showing many cities in this country where public safety officers cannot get proper, comprehensive life insurance today. In my own State of Massachusetts, some policemen are able to buy only $2,000 of insurance.

What we are doing by this amendment is recognizing that those who are in the front line in providing security to the American people should be able to receive insurance, thus assuring security for their families and for their children.

We recognized this concept when we provided insurance for the Armed Forces, for the people who are in the front line, protecting the security and defense of the United States. We should be able to provide it for those who are in the front line of our domestic security—our firefighters, court and correctional officers, and police officials—for any such official in a local community. The State is going to participate in my plan. It is strictly a voluntary program. But if they decide to participate, they will be able to get a life insurance policy.

They will be able to benefit themselves and their families—not if they are killed as a result of a criminal act defined by the Federal Government, but if they are maimed, if they lose an arm or a leg regardless of cause.

My amendment recognizes the fact that because they are public safety officers, they are denied the opportunity to get any kind of insurance—and that is part of the documented record. We have had ample testimony to that effect in our hearings here in the Senate. Under my amendment they will be eligible, and they will get coverage.

What we are talking about is a small, modest program. The Federal Government is liable only up to one-third of the insurance premiums. The program is administered through LEAA.

It is going to depend upon the participation of the State, the local community, and the local officials themselves. We are not promoting a total underwriting by the Federal Government. What we are doing is providing important incentives by providing group life insurance to local law enforcement officials, firefighters, and court and correctional officers of this country who want it. The Federal cost will be $26 million the first year, $27 million the second year, and $29 million the third year—if almost 600,000 public safety officers in this country actually utilize the program. We are not, therefore, talking about great amounts of money.

Mr. President, this amendment has been agreed to by the Senate on two occasions. It was adopted in 1970 and again in 1972 by overwhelmingly votes.

We heard a great deal about an idea whose time has come. This amendment was offered years ago. The hearings on this proposal have been extensive and it seems to me that we should be prepared to give this kind of security to the people in the front line of our domestic defense and protection.

Mr. President, in my own State of Massachusetts we have what we call The Hundred Club, which was started 18 to 20 years ago, in which a group of businessmen and workers contribute $100 a year. The money is used when an officer dies in the line of duty. The money is used to pay off the mortgage on the home and a small amount is set aside to provide education to the children. It has had an enormously powerful impact on the firefighters, policemen, and correctional officers in my State. Other One Hundred Clubs have been formed in other parts of the country, and they have been supported by people all over this Nation. I am glad to have been a charter member of the One Hundred Club in my State of Massachusetts.

But no law enforcement officials in our country, or their families, should have to rely on contributions—as generous as they may be—to assure his family of financial security in the event of his death.

It is in an attempt to deal with this issue that this amendment is offered, and I am hopeful that it will pass.

My amendment would complement H.R. 366 by adding a new part K, which provides for a nationwide, federally subsidized program of group life, accidental death and dismemberment insurance for public safety officers, including police, firefighters, correctional officers and criminal court officers. Coverage under this plan is patterned closely after the highly successful Federal employees and servicemen's group life insurance programs which are available to all Federal civilian employees and members of our Armed Forces.

Under my amendment, the Law Enforcement Assistance Administration would purchase a national group policy from eligible nationwide private life insurance carriers. Thus, program coverage and administration of the program would be undertaken by the private sector.

Any applicable unit of State or local government could apply to LEAA to participate in the program. Officers in participating groups could elect not to be covered; those remaining in the program would have their share of the premiums deducted from their wages. LEAA would pay up to one-third of the total cost of the premiums, leaving the remainder to be covered by the insured and/or the employing agency.

Coverage would be at a level of the officer's annual salary plus $2,000, with a floor of $10,000 coverage rising to a maximum of $32,000. Accidental death and dismemberment insurance would be included with the usual double indemnity feature. LEAA would set the premium.

I am aware that public safety is and must remain a local responsibility. If an existing State or local group life insurance plan is already in existence which provides similar coverage for publice safety officers, eligible officers would choose in a referendum between the Federal and local plan. If they choose the local plan, they would still be eligible to receive a significant Federal subsidy, without being bound by the provisions of the Federal program. The bill thus respects fully the interest of States, localities, and their officers in their existing plans.

Mr. President, the need for this type of group insurance program is just as apparent now as it was in 1970 and 1972 when the Senate passed similar measures. Today, faced with the hazards and dangers of their high risk occupations, many public safety officers find themselves unable to acquire regular life insurance. Even if they are eligible, premium costs may be prohibitive and insurance benefits restricted.

If public safety officers try, despite the possibiilty of such obstacles, simply to buy as much insurance as they think they need for themselves and their family, they are held back by the disgracefully low salaries we so often pay them. In a 1972 survey of 300 New York City policemen, 95 percent said they felt their salaries were too low for them to afford adequate life insurance.

Further, employer-supported group plans to remedy the insurance problems of public safety officers vary widely in their coverage and are frequently not offered at all. For example, almost 70 percent of our State and local law enforcement officers are covered by some form of insurance to which the employer contributes. But that still leaves 30 percent uncovered. More importantly, LEAA figures show very clearly that under 4 percent of all officers have coverage as high as the $10,000 minimum which would be provided by my amendment.

From my contact with public safety officers and groups across the Nation, the picture that emerges of available insurance is a very mixed one, with some officers enjoying good benefits at reasonable cost but many others having little or no coverage, higher cost, or less favorable conditions. Many areas are unable or unwilling to provide this benefit, which is so important both to officers personally and to the recruitment and retention of highly qualified personnel. The Federal Government has committed itself in legislation since 1968 to providing major financial aid to State and local law enforcement, in an effort to help all public safety officers attain a 20th century level of performance.

Simply stated, because of job hazards, disgracefully low salaries, and public employer inaction—all factors which are job related—many officers and their families are inadequately protected against death or major disability on or off the job.

Mr. President, we all talk about the need to support the efforts of our public safety personnel in making this Nation a safer, better place in which to live. This amendment provides us with an opportunity to back up our words with action. As was the case in 1970 and 1972, this amendment should not lead to any partisan division. In the past it has attracted support from Democrats and Republicans, liberals and conservatives. It has received wide-ranging support from the major public safety officers' organizations and the insurance industry.

Most importantly, Mr. President, this amendment will go a long way toward alleviating a serious human problem with which the Federal Government is uniquely qualified to deal. We owe these men and women no less. The time for action is now if we are to provide adequate insurance for our Nation's public service protectors.

Mr. President, I ask unanimous consent that the life insurance statistics to which I referred earlier be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LIFE INSURANCE

Name of city or jurisdiction	Amount of coverage (specify formula or amount)	Average cost of coverage per officer	
		Paid by officer	Paid by employer
Atlanta	$40,000 is maximum	$0.70 per $1,000 per month.	$0.26 per $1,000 per month.
Baltimore	$10,000 on officer, $2,000 on his wife (double indemnity) plus $7,500 on officer.	$120 per year	$35 per year.
Boston	$2,000 plus additional insurance to amount equal 80 percent of salary.	$13 per year $0.40 per $1,000 per month.	$13 per year. 0.
Buffalo	$5,000 plus $5,000 accidental, $2,000 for wife and $1,000 for each child under 19.	0	$78 per year.
Chicago	$6,000 if 49 years old or younger, less if older.	$33 per year	0.
Cincinnati	None		
Cleveland	None		
Columbus	$2,000	0	$12 per year.
	$5,000	$36 per year	0.
	$10,000	$71 per year	0.
Dallas	$5,000	$21 per year	$17 per year.
Denver	None		
Detroit	$14,900	$55 per year	$58 per year.
Ft. Worth	$5,000	$26 per year	$39 per year.
Houston	$7,000	0	See table 9A—Life and Health insurance costs are combined.
Indianapolis	None		
Jacksonville	$2,000	0	$8.88 per year.
Kansas City, Mo	$3,000	0	$18 per year.
	Officer can choose an additional coverage average limited to his salary—at his expense.	50 cents per $1,000 coverage per month.	0.
Los Angeles	None		
Memphis	Amount equal to salary	Average of $26 per year.	Average of $41 per year.
Milwaukee	1½ times officer's salary to next highest $1,000. Patrolmen have $18,000 of coverage. Sergeants and detectives $20,000.	$20 per year	$133 per year
Minneapolis	$3,000	0	$20 per year.
Nashville	1⅓ times salary	$18 per year	Varies.
New Orleans	None		

Name of city or jurisdiction	Amount of coverage (specify formula or amount)	Average cost of coverage per officer	
		Paid by officer	Paid by employer
New York	$2,000 or $4,000	0	Not available.
Philadelphia	$4,000	0	30.
Phoenix	$4,000	0	$19 per year.
Pittsburgh	$10,000	$68.16 per year	$84.24 per year.
St. Louis	$10,000 plus additional $1,000 for each 6 years of service.	0	$91 per year for $10,000 coverage plus $9.10 per $1,000 per year for any additional coverage.
San Antonio	One-half of annual salary	0	$11 per year.
San Diego	$1,000	0	$4.32 per year.
San Francisco	None		
San Jose	$5,000	0	$36 per year.
Seattle	$5,000	0	$6.20 per year.
Toledo	$5,000	0	Not available.
Washington	Employee's salary to next highest $1,000 plus $2,000.	$96 per year	$46 per year.

LIFE INSURANCE

	Amount of coverage
Mean (including cities that have no life insurance program)	$7,424
Median (including cities that have no life insurance program)	5,000
Mean (excluding cities that have no life insurance program)	10,096
Median (excluding cities that have no life insurance program)	7,000

Note: NB. Where amounts vary, they are averaged; where the entry of a city is impossible to determine, that city is excluded from that particular entry.

Mr. McGOVERN. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. McGOVERN. Mr. President, first, I commend the Senator from Massachusetts for what I think is obviously an attempt on his part to achieve simple justice in dealing fairly with the public safety employees of this Nation—the firemen and policemen who protect us and look after our security.

On two previous occasions, the Senator guided this measure through the Senate by an overwhelming vote. It certainly should be approved today.

I suggest to the Senator one change in wording in an amendment I suggest for his consideration. The language he has now offered covers full-time employees—full-time firemen, full-time policemen. Would the Senator accept a modification in that language so that it also could cover part-time firemen and part-time policemen?

As the Senator knows, in a great many parts of the country, we depend upon volunteers to assist in the fighting of fires, in particular. There are other times when the police force has to be supplemented by part-time employees. In some cases, both the police services and the fire services are supplemented by people who work for nothing, who volunteer their services, but who may die in the line of duty.

It seems to me that it would be in line with what the Senator is trying to accomplish if we simply were to change that language from full-time service to include full or part time, with or without compensation.

I wonder whether the Senator would accept that as a modification to his amendment.

Mr. KENNEDY. Mr. President, I feel that this suggestion would be a useful and valuable one, for the reasons that the Senator from South Dakota has mentioned. It would benefit not only rural areas of this country but even industrial States such as my own State of Massachusetts. There are a number of areas in rural Massachusetts which are dependent upon volunteer fire services. It seems to me that this addition would be useful and helpful.

What we are talking about here are those people who are risking a considerable amount for the protection of a community, and we should be providing this small degree of security to them.

This is not asking a great deal. So I would modify my amendment to conform with the McGovern amendment.

Mr. McGOVERN. I thank the Senator. I shall give him the language. I appreciate his modifying it in that degree.

The PRESIDING OFFICER. Is there objection to the amendment being modified? It takes unanimous consent.

If there be no objection, the amendment is so modified.

The modification is as follows:

On page 2, lines 8 and 9, strike out "is employed full time by" and insert in lieu thereof "serves full time or part-time, with or without compensation,".

On page 5, line 23, strike out "employed on a full-time basis" and insert in lieu thereof "who serves".

On page 6, line 1, strike out "by".

On page 6, line 3, immediately after "(2)" insert "in the case of an officer serving with compensation,".

On page 6, lines 12 and 13, strike out "the payroll" and insert in lieu thereof "duty".

On page 6, line 14, strike out "full-time".

On page 7, between lines 2 and 3, immediately before the zero on the first line of the schedule insert "or equal to".

On page 8, line 24, strike out "full-time".

On page 8, line 25, immediately after "(2)" insert "in the case of an officer serving with compensation,".

On page 10, line 6, immediately after "officer" insert "serving with compensation".

On page 10, line 9, strike out "full-time".

On page 10, line 14, strike out "full-time".

Mr. ALLEN. Will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. ALLEN. I wish to commend the distinguished Senator from Massachusetts for offering this amendment at this time. I supported this same concept in the two previous times that this issue was before the Senate. I do feel that this is a good amendment. I feel that firemen and policemen—law enforcement officers generally, public safety officers—perform such a valuable service and they receive so little in benefits from the Federal Government that I believe that it is entirely appropriate that this group life insurance plan be set up so that the Federal Government will participate to the extent of one-third of the premium, leaving local governments and the officers themselves to pay the balance if they desire to come under the program. I think the cost is reasonable. I think it will be a big morale booster; it will afford a sense of security to the law enforcement officers. I feel that it is something that we should have done long ago and I am delighted that the Senator is offering this amendment at this time to accomplish this end. I commend him for his amendment.

Mr. KENNEDY. I thank the Senator from Alabama.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I yield myself 5 minutes.

Mr. President, this amendment presents us with a difficulty—at least, it does me—with respect to the practicality of adopting this language, now pending on the Senate Calendar as S. 230, as an amendment to the pending measure. I just want to point out, for the information of the Senate, the record of this particular bill. I am apprehensive that placing it on the pending measure will tend to jeopardize any prospect of agreement with the House in conference. I may be wrong, but I am persuaded that the House will not look with favor on it, as it has not in the past. I hope that the Senator will let the bill stand on its own merits as a separate measure and send it to the House in a form that will permit the House to have an opportunity to accept or reject it on its merits without involving this very important legislation.

I think the Senator from Massachusetts knows that I am not opposed to what he is trying to do. I have supported him on three or four occasions in the Senate in the past. I cooperated with him in getting this bill out of committee so that it would be on the calendar and it is now on the calendar. It is not an attitude of antagonism toward the measure itself, Mr. President, that prompts me to take the position I am taking today. I am trying to be practical to get the legislation through that is now the pending business of the Senate.

Originally, the pending amendment of the Senator was, I believe, included in the Crime Control Act of 1970. That provision was not accepted at that time in conference by the House. The Senate had to strike it in conference.

Again this bill passed the Senate as S. 33 in the 92d Congress on September 18, 1972, by a vote of 61 to 6. Again, the House failed to act on it.

Then the bill passed the Senate again as S. 33 in the 93d Congress. It also passed in the 93d Congress as title II of S. 800. That was on March 29, 1973. The House failed to act on this measure in any of those instances.

Mr. President, as I recall, S. 800 was an omnibus bill. It contained not only the bill before us as an amendment by the distinguished Senator from Massachusetts; it also contained the Mansfield victims of crime bill, and provisions for civil remedies for victims of racketeering activity and theft. It also contained the Public Safety Officer's Benefits Act that is pending before us now.

Mr. President, with all of these instances in which the distinguished Senator's amendment has gone to the House over the last 6 years, it seems inadvisable to put it on this bill unless we want to risk jeopardizing the enactment of any bill at all. I hope that the Senator will let us pass his proposal separately and let it go to the House. Hopefully, the House will take action on it. I believe that if we put it on this bill, after it has been over there four times and no action taken on it, we may be confronted with an adamant conference and might not get the pending bill enacted that we have worked on so long.

I hope that the distinguished Senator from Massachusetts will not press his amendment. I cannot do more than pledge my cooperation, as I have given it in the past. If it is attached to this bill, of course, I shall undertake to support the Senate version of it in conference and, as I have in the past, do what I can. But I think the Senator can appreciate my position. I hope that this time we may get this bill providing benefits for the survivors of law enforcement officers and firemen who are killed in the line of duty, while actually performing their duties, enacted into law in this session.

I am ready to yield my time.

Mr. KENNEDY. Mr. President, I want to say on the record how helpful and accommodating the chairman of the Criminal Laws Subcommittee, the Senator from Arkansas, has been in permitting hearings on this legislation and supporting it in the past.

This legislation, I believe, directly complements H.R. 366 that is before the Senate at the present time.

As a matter of fact, it was introduced and passed in the Senate prior to the time that H.R. 366 had even been introduced or had been the subject of any hearings. So this is not a new idea. It is not a new suggestion. It is one that has very broad support among police officials, firefighters, and others involved in court and correctional activities.

As I understand it, we are going to have to go to conference in any event on this legislation. Bringing this major piece of legislation to the conference with this amendment is not going to endanger or jeopardize it.

Only in the last half hour I have talked to the chairman of the House Judiciary Committee, Chairman RODINO, who is familiar with the general thrust of this legislation. I asked him specifically, if we did pass it would he give us assurance of a good faith examination of this particular proposal and a fair consideration in conference, and he said that I was authorized to indicate to the Senate that that would be his position.

He is familiar with the issue, and I feel he is sympathetic to it. He was unable to speak, of course, for the other members of the House Judiciary Committee.

That is really all we are asking. So I would hope we could take this matter to conference.

I do want to state again my appreciation for the accommodation that has been made in order to permit this amendment to be debated and discussed. The Senate has overwhelmingly supported this idea in the past. It is not a new idea, it is not a revolutionary idea. It is a rather standard idea but it is one that is strongly supported by the law enforcement and public safety officer community.

I hope that we can get action on it by the Senate. Then I would give assurances to my colleague, the chairman, to support the proposal in the conference and strongly support the chairman on the basic legislation which is before us at this time.

Mr. FORD. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes.

UP AMENDMENT NO. 186

Mr. FORD. I applaud the Senator from Massachusetts for his effort, and I endorse his amendment to this bill 100 percent.

There is one small problem that confronts my State and, maybe, several other States where the State legislature would have to approve any such State plan.

Since my State will not go into session, unless they have a special session, for 2 additional years, I wonder if the Senator would entertain an amendment which would be on, I believe, page 18, line 11, and just change it, merely amend it, to say: "during the first year or 2 years where the State legislatures meet every 2 years" after the effective date of this part?

Mr. KENNEDY. I would be more than glad to accept it for the reasons that have been stated by the Senator from Kentucky. He is quite right in drawing this to our attention. It results from a technical oversight.

Quite clearly, as the Senator points out, there are a number of States that meet biennially, and this amendment, quite clearly, would provide for those States to participate if, and only if, they so desire.

The PRESIDING OFFICER. Is there objection to the modification? The Chair hears none, and the Amendment is so modified.

The modification is as follows:

On page 18, line 11, after the word "year" insert the following: ", or two years where State legislatures meet every two years,".

Mr. FORD. I thank the Senator from Massachusetts for his cooperation and ask him to move hard in this area. I shall support him in any way I can.

Mr. KENNEDY. Mr. President, I am prepared to yield back my time, although I would withhold from yielding my time if there is going to be further comment.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment.

Mr. McCLELLAN. How much time does the Senator want?

Mr. THURMOND. Just about 3 or 4 minutes.

Mr. McCLELLAN. I yield the Senator 5 minutes.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment. The amendment offered by the distinguished Senator from Massachusetts is now embodied in a bill which is on the calendar. There is no reason why there cannot be an up or down vote directly on the Senator's bill without affecting and complicating this bill, which has been considered here for years and years.

If this amendment is agreed to, we might well expect trouble in reaching an agreement in conference. The House has shown its displeasure with this amendment. Why jeopardize this important bill?

Since 1972 when we first passed this bill in the Senate, a lot of public safety officers have been killed in line of duty. Policemen have been killed, as well as other public safety officers. Their widows and their children have gone without any aid. Why not go ahead and pass the bill like it is and not jeopardize final action on this bill? Then let the bill by the distinguished Senator from Massachusetts come up on its own merits. It is on the calendar now, and it can be brought up at such time as he wishes to bring it up.

Mr. President, this bill is long overdue. It should not be delayed by any obstacle of any kind. This amendment, if adopted, might delay it. A policeman might be killed any day after the Senate passes this bill and before an agreement is reached by the conference committee.

I am sorry the Senator is offering this amendment at this time. He can get a vote on his bill; he can get a direct vote an up-or-down vote. Why does he want to attach it here to this important bill, a bill we have worked on here for years and years to try to help the families and the dependents of public safety officers?

Public safety officers do not make much money, and many of their families are left practically penniless when the breadwinner in the family is killed.

I hope the Senator will withdraw this amendment. If he does not do that, I hope the Senate will reject the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. Mr. President, I listened with some interest to my colleague from South Carolina. I just want to correct the record on some of the Senator's comments. He said this matter, H.R. 366, has been before the Senate for some years. That is true. But the amendment we are considering now was before the Senate 2 years before the survivors' benefits program was even considered by the Senate. It was recommended in the Crime Commission report of 1968.

The idea has been around for a long time. I question the argument which says "why should we offer this as an amendment? Let us consider it as a special bill."

The Senator from South Carolina is too good a Senator not to understand that that is the sentence of death for this particular proposal this year. This is no corresponding legislation in the House of Representatives. If you want to turn your thumbs down, or turn your back on the police officials and public safety officials of our Nation you vote with the Senator from South Carolina. Go ahead and vote with him. But it will be a clear message to all the safety officials in this country that the Senate and the Congress of the United States are too much involved in procedure and parliamentary device to face up to a vital public safety issue.

I say we have an opportunity this afternoon to vote, and vote strongly, for a measure that is supported overwhelmingly by the police officials, by the firefighters, and by other officers throughout this country.

It seems to me that is our responsibility. I have never seen the Senator from South Carolina shirk from going through a conference with the House of Representatives on a difficult issue, let alone an issue which now at least, from the initial inquiry of the chairman of the Judiciary Committee, has been responded to in a sympathetic way, and in a way which I think could guarantee us at least an open forum and an open mind.

So, Mr. President, I welcome the chance to vote on this measure. I think it is about time we passed it. I am not prepared to go back and talk to law enforcement officials of my State and say, "Well, we got involved in an amendment to an amendment, and there were those who thought it was too complex to take to conference.

Maybe the Senator from South Carolina can use that as a justification when he sits across the table from men who are trying to protect their communities.

But here is one Senator who will not be put in that position.

I withhold the remainder of my time.

Mr. THURMOND. Will the Senator yield me 2 or 3 minutes?

Mr. McCLELLAN. I yield 2 minutes to the Senator.

Mr. THURMOND. Mr. President, I am not discussing the merits of the amendment of the Senator from Massachusetts. I have made the statement and I make it again, there is no use to jeopardize this bill when it goes to conference by having the Kennedy amendment attached.

Why does the Senator not have a vote on his bill on its own merits? Does he feel the amendment is weak and he has to attach it to this strong bill to which practically nobody will be opposed? Why does he not let it come up on its own merits?

This bill that the distinguished Senator from Arkansas has proposed for years—and I have joined him along with the Senator from Nebraska (Mr. HRUSKA)—is a very important bill. It means a lot to the families of the public safety officers of this Nation, and I say there is no use to jeopardize it with any amendment.

The Senator from Massachusetts can vote on his own amendment. He can get a direct vote. Why run any risk?

I want to help the public safety officers. That is the reason I am trying to keep this bill clear and clean—just as the able chairman of the Appropriations Committee who is handling this bill here is trying to do.

We want to be sure that we get this bill through this time. As I said, for years this bill has been stopped with one amendment or one technicality after another. Now is the time to pass it clean, clear, and fair, and to be sure we get it through.

Mr. KENNEDY. Mr. President, I yield myself 2 more minutes.

I have complete confidence in this amendment in terms of its purpose and in terms of the support of those that will be most affected by it.

What I do not have confidence in is the Congress of the United States taking fresh action in the final few hours of this session.

I think the law enforcement officials and firefighters have waited long enough. They have waited long enough and there should be no problem, no delay. Let us pass this amendment now, go to conference, get this enacted into law and meet our responsibilities to those who are meeting their responsibilities in securing our communities and homes.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. McCLELLAN. Mr. President, I yield myself a minute.

I want to make my position very clear. I do not oppose the Kennedy amendment. I have supported this amendment as a bill.

It is on the calendar. I helped to get it on the calendar so we could act on it this session, along with H.R. 366.

As to his apprehension with respect to passing it this late—it has not been acted upon in the House—I can appreciate that it has some merit. But, Mr. President, it also has some merit that, if we attach it to this bill, we will get neither bill. That is my concern.

If the Senate accepts the amendment, we will do our best. But I am of the opinion, since the House has had it four times before without action that it will not just immediately capitulate and accept it.

For that reason, and that reason only, I shall vote against the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all time yielded back?

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER (Mr. CURTIS). Without objection, it is so ordered.

Does the Senator from Arkansas yield back the remainder of his time?

Mr. McCLELLAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, may I 2 minutes to the Senator from Maine?

Mr. McCLELLAN. Mr. President, I withhold yielding back the remainder of my time. I thought time had been yielded back.

Mr. MOSS. It was.

The PRESIDING OFFICER. All time has been yielded back.

Mr. McCLELLAN. Mr. President, I yield 2 minutes on the bill to the distinguished Senator.

The PRESIDING OFFICER. Very well.

Mr. HATHAWAY. Mr. President, I thank the distinguished Senator for yielding me time.

Mr. President, I support both H.R. 366, the Public Safety Officers' Benefits Act, and Senator KENNEDY's amendment to that act, which would add a public safety officers' life insurance program. Together, I believe these two programs constitute a comprehensive, well-reasoned approach to the problems experienced by both police and fire protection officers in providing for the welfare and security of their dependents.

Senator McCLELLAN's measure, which is supported by the administration, would provide a $50,000 death benefit to public safety officers killed in the line of duty as a result of a criminal act.

Senator KENNEDY's amendment, which has been accepted by the Senate on two previous occasions, would establish a federally administered group life insurance program making such insurance available for the first time at reasonable rates to public safety officers.

These two programs complement one another nicely. The McClellan approach would guarantee the payment of survivor benefits to dependents of officers killed in the line of duty, on a fair and equitable basis. The Kennedy amendment would provide broader coverage for officers, paying benefits regardless of the cause of death, at affordable premiums not presently available to such officers.

There is clear need for equitable treatment of public safety officers with regard to fringe benefits normally available to all other employees, such as life insurance and survivor benefits. With the enactment of these two programs, I believe that need will be fulfilled.

There is a bill coming before the Senate shortly, however, which would further expand the Government's role in underwriting benefits for public safety officers, in ways which I consider both overly specific and disruptive of the integrity of other Federal programs. I am referring to S. 972, the Public Safety Officers Memorial Scholarship Act, which I would like to take a moment to discuss briefly at this time.

S. 972 was originally proposed by Senator Moss to the Judiciary Committee as a part of H.R. 366, the bill before us at the present time. However, it was rejected by that committee, and it was subsequently proposed as a separate measure to the Committee on Labor and Public Welfare. It was reported by the latter committee earlier this spring, with four dissenting votes, including my own.

My reasons for opposing S. 972 concern several of its aspects and implications, including the discriminatory nature of the benefit among public safety officers—those with no dependents would get no benefits; those with many would realize a substantial sum; the discriminatory nature of the benefit as opposed to benefits available to other governmental employees; and the inequitable implications of the specific education provisions of the bill for our national education policy. I elaborated on those objections in my dissenting views to the committee report on S. 972, and I ask that those views be included in the Record at the conclusion of these remarks.

After careful research into this matter, I determined that the Kennedy and McClellan approaches to the problem of inadequate public safety officer survivor benefits made considerable more sense and were more equitable. Indeed, if S. 972 had come up on the floor at an earlier date, I had already determined to offer a proposal similar to Senator Kennedy's group life insurance proposal as a substitute to S. 972. However, the Senate's action today in passing both the McClellan bill and the Kennedy amendment will obviate the need for such a substitute, and I strongly believe it will also obviate the need for S. 972. Accordingly, if the Senate passes the bill before us today, with the Kennedy amendment, I will move at an appropriate time either to lay S. 972 on the table, or to recommit that measure to the Committee on Labor and Public Welfare for additional study in light of the Senate's action today.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from Florida (Mr. Chiles), the Senator from Iowa (Mr. Culver), the Senator from Missouri (Mr. Eagleton), the Senator from Michigan (Mr. Philip A. Hart), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Leahy), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), the Senator from Maine (Mr. Muskie), the Senator from Rhode Island (Mr. Pell), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney), are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. Leahy), the Senator from Minnesota (Mr. Humphrey), and the Senator from Rhode Island (Mr. Pell), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield), the Senator from Nevada (Mr. Laxalt), and the Senator from Maryland (Mr. Mathias), are necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. Hugh Scott), is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska), is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield), would vote "yea."

The result was announced—yeas 62, nays 17, as follows:

[Rollcall Vote No. 385 Leg.]

YEAS—62

Abourezk
Allen
Baker
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Dole
Durkin
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary
Hartke
Haskell
Hathaway
Helms
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Morgan
Moss
Nelson
Nunn
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Weicker
Williams

NAYS—17

Bartlett
Buckley
Curtis
Domenici
Fannin
Garn
Goldwater
Griffin
Hansen
McClellan
McClure
Packwood
Scott, William L.
Talmadge
Thurmond
Tower
Young

NOT VOTING—21

Bayh
Byrd, Harry F., Jr.
Chiles
Culver
Eagleton
Hart, Philip A.
Hatfield
Hollings
Hruska
Humphrey
Laxalt
Leahy
Mathias
Metcalf
Mondale
Montoya
Muskie
Pell
Scott, Hugh
Stennis
Tunney

So Mr. Kennedy's amendment, as modified, was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOSS and Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. KENNEDY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MOSS. I yield for a unanimous-consent request.

Mr. KENNEDY. Mr. President, I ask unanimous consent to add the Senator from New Hampshire (Mr. Durkin), the Senator from Pennsylvania (Mr. Hugh Scott), and the Senator from Alabama Mr. Allen) as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 230 PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. KENNEDY. Mr. President, I ask unanimous consent that S. 230, which is identical to my amendment, be placed under the heading "Subjects on the Table."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I yield to the Senator from Arkansas for a unanimous-consent request.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Bob Brown of my staff be accorded the privilege of the floor during voting on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 187

Mr. MOSS. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. Moss), for himself and Mr. Thurmond, Mr. Cannon, Mr. Allen, Mr. Gary Hart, Mr. Ford, Mr. Bartlett, Mr. Baker, Mr. Durkin, and Mr. Hathaway, proposes unprinted amendment No. 187.

The amendment is as follows:

On page 7, line 25 and continuing into line 2 on page 8, strike out "in line of duty from injuries directly and proximately caused by a criminal act or an apparent criminal act," and insert in lieu thereof "as the direct and proximate result of a personal injury sustained in the line of duty,".

On page 10, strike out lines 12 through 18.

On pages 10 and 11, redesignate subsections "(c)," "(d)", "(e)", "(f)", "(g)", and "(h)" as subsections "(b)", "(c)", "(d)", "(e)", "(f)", and "(g)" respectively.

Mr. MOSS. Mr. President, I ask unanimous consent that I may be permitted to explain the amendment rather than have it read in full.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, this is a very simple amendment. It changes the language in the bill which would require that before an award be paid, a person be found to have been engaged, either directly or indirectly, in suppressing a criminal act. This amendment broadens that to say simply that the public safety officer whose death triggers the award be found to have sustained his injury in the direct line of duty. This broadens it somewhat.

Not only that, it has the effect of broadening it with respect to firemen. The only way they would qualify would be if there were a finding of arson, under the bill as it was written. This is a correction of the language with respect to eligibility with which there is wide agreement.

Mr. President, I commend the distinguished senior Senator from Arkansas for the fine work he has done on this legislation both in chairing the hearing and in managing the bill. There are few bills in the Congress about which I feel more strongly than the legislation which we are now considering, the Public Safety Officers Death Benefit Act. That conviction is best demonstrated by the testimony which I have offered many times in the past and rather than repeating that testimony now I will simply contain my remarks to those matters of the greatest importance at the moment.

Mr. President, there is a critical need for this legislation to provide both incentive and appropriate recognition for our public safety officers who willingly risk their lives to preserve an orderly society. In recent years there has been a great hew and cry for "law and order." In Congress we have responded to that cry by enacting varying forms of legislation to assist our public safety officers in the performance of their duties. Congress has made its commitment to improving the lives of this Nation's citizens through the enactment of laws which afford better protection. There has been considered many alternatives to make effective that commitment. Today we are considering another of those alternatives. We will today be enacting the Public Safety Officers Death Benefits Act to provide some measure of assurance to those who work diligently to protect our lives and property. We are assuring them that their dependents will have some future because the public safety officer was willing to act to preserve an orderly society and to protect our lives and our property.

The reason why I think the bill should be broadened this way is that there will be much uncertainty unless we have it apply in the line of duty.

For example, take the case of a public safety officer who got into an automobile which had been wired with an explosive that was intended for him, but he would not be engaged at that time in detecting or apprehending criminals or suppressing a criminal act. There are many other situations of that type.

The public safety officers are an absolute need in this Nation; without them our lives and property stand as prey to those who would attack. In providing protection to us, from 1970 through 1975 there were 735 law enforcement officers killed in the United States and Puerto Rico. There have also been approximately 943 firemen who lost their lives during that same period of time. Thus far in 1976, there have been 12 police officers killed in each month through March. If that trend continues, there will be 144 law enforcement officers killed in our Nation in 1976, more than ever before—not a very fitting tribute to our Bicentennial Year.

The public safety officers are the only public service professionals—other than those of the military forces—who are required to risk their life as a part of their job description.

Every law enforcement officer knows that he must face abuse as a part of his job, abuse which may easily turn to violent rage at any moment but he still performs the task of keeping the peace.

Every fireman is keenly aware of the risks of entering a burning building, but each one will go into a critical situation when it is necessary to save life or property. Despite the necessary risks, those men and women who serve as public safety officers do so because of a dedication. They are public servants and because of that they are paid salaries which are traditionally held low. But low salaries are not the major problem which is encountered by public safety officers, a part of being a public servant is to expect pay which is less than those in the private sector—it is a part of the dedication.

With this realization of our need for able public safety officers, I am amazed when I scan the literature in the field. I was hard-put to find any discussions of what our society intends to do when this dedicated public servant dies, leaving a young family behind with mortgage payments, bills, educational expenses, and grief from a shattered dream.

Clearly this bill will be an incentive to help in those recruitment needs. The bill will not only aid in recruitment, but it will dramatically improve the morale of our public safety officers, morale which I believe needs an uplift.

Once again I would like to commend the distinguished senior Senator from Arkansas. However, I find a serious flaw in the bill as it has been reported. We are most anxious to provide these benefits to those who are willing to give their lives to protect our lives and property. The committee's report clearly states this in the following ways:

> The motivation for this legislation is obvious: The physical risks to public safety officers are great; the financial and fringe benefits are not usually generous; and the officers are generally young with growing families and heavy financial commitments. The economic and emotional burden placed on the survivors of a deceased public safety officer is often very heavy.
>
> The dedicated public safety officer is concerned about the security of his family, and to provide the assurance of a Federal death benefit to his survivors is a very minor recognition of the value our government places on the work of this dedicated group of public servants.

Yet, by requiring that the benefit be limited to death resulting from an injury directly or proximately caused by a criminal act, the committee has failed to provide for the stated purpose and need of this legislation. This specific language leaves a loophole in the bill whereby those who should be benefited and are deserving may be excluded. There can arise a situation which may give cause to question whether a death was actually the result of a criminal act. An excellent example is the police officer who is directing traffic.

A motorist failing to obey his direction may cause the public safety officer to be fatally injured. The question arises, was the motorist committing a criminal act? There is room for debate. Why leave room for debate in this bill—we should not.

Consideration must also be given to the purpose stated by the committee. As the committee said:

> It's a very minor recognition of the value our government places on the work of the dedicated group of public servants.

To compensate them for their services with this benefit which will give some assurance to the future of their dependents. We are failing to meet the stated purpose of this legislation if we provide only a partial benefit by accepting the committee limitation.

There is also an extraordinary need for recruitment of new personnel into the public safety officer professions. That recruitment need is not being fulfilled because of low pay, inadequate fringe benefits, and the heavy emotional burden. Part of the purpose of this legislation is to compensate for those recruiting inadequacies—again the restriction placed in this bill by the committee fails that purpose.

In addition, this language would literally exclude the dependents of firemen from receiving the benefit by requiring that the cause of death be related to a criminal act. More firemen lose their lives than any other public service professional in the United States each year while protecting our lives and property, but virtually no fireman dies as a result of a criminal act. Clearly the most dangerous profession in public service in the United States is the job of the fireman. I consider it a great disservice to pass a law for the benefit of public safety officers and specifically exclude from coverage many who are deserving and in need of such coverage.

Therefore, Mr. President, I believe that it would be in the best interest of the intent and purpose of the legislation to amend it in order to provide that the dependent of a public safety officer shall be eligible for benefits under the bill if the public safety officer dies "as the direct and proximate result of a personal injury sustained in the line of duty."

Mr. President, I am joined in this amendment by a number of cosponsors, including the Senator from South Carolina (Mr. THURMOND), the Senator from Nevada (Mr. CANNON), the Senator from Alabama (Mr. ALLEN), the Senator from Colorado (Mr. GARY HART), the Senator from Kentucky (Mr. FORD), the Senator from Oklahoma (Mr. BARTLETT), the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. DURKIN), and the Senator from Maine (Mr. HATHAWAY), whose cosponsorship I appreciate very much.

Mr. President, I ask the manager of the bill, with whom I have discussed this amendment, if he will be willing to accept the amendment. If so, I think we can dispose of it rather quickly.

I have found that the Senator from Arkansas is very sympathetic to the idea. I wish to make clear for the record that if this amendment is adopted, it will include firemen as well as other public safety officers; whereas, the previous language had very little application to firemen.

I reserve the remainder of my time.

Mr. McCLELLAN. I yield myself about 5 minutes.

Mr. President, I support this amendment. It does two things, in my judgment, aside from taking care of the firemen, a matter in which the Senator originally was interested. Originally, his amendment just applied to firemen, I believe. I felt that it also should apply to the law enforcement officials.

The effect of this amendment is to make the survivors of a law enforcement officer or fireman, as defined by the bill, eligible for receipt of benefits if the latter is killed in the line of duty. In other words, it is not health insurance; but it does provide for payment if an officer is killed in the line of duty, either by accident or by willful assault by a criminal. That is one thing the amendment does.

It will be recalled that when this bill was introduced in the 92d Congress, it was following a time when we were having riots, and an effort was made to obtain some relief for the families of the officers in a period when their work, their profession, possibly was more hazardous than now. We were trying to pass some urgent legislation.

In view of developments since, if we are going to provide death benefits to the survivors of law enforcement officers and firemen, I feel it should be expanded to cover them whether or not a crime is involved, provided the injury occurs in the line of duty. I believe it should be extended that far.

The second thing the amendment does is remove doubt and uncertainty. I call attention to the House bill. The House bill defines an "eligible public safety officer" in terms of activities such officers may be engaged in at a particular time, such as trying to arrest somebody or maintaining custody of a criminal. The fourth instance in the House bill provides that payment be made if the injury occurs in the performance of his duty, where the activity is determined by the administrator to be potentially dangerous to the law enforcement officer. That qualification seems to me to be ambiguous and confusing. I do not know what it means.

When an officer is in a police station and decides to walk across the street to get a sandwich for lunch, would it be a potentially dangerous activity if he becomes the target of an assault or is run over by a car? If he is sitting at his desk making out a report or performing office duties, and someone who has been offended by him walks in and shoots him, is he doing a potentially dangerous job at the moment?

I believe it is confusing. We should make this broad enough to apply if they are killed in the line of duty.

For that reason, I support the amendment, and I am willing to accept it, unless there is objection on the part of another Member of the Senate.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. MOSS. I yield 3 minutes to the Senator.

Mr. THURMOND. Mr. President, I was pleased to join the distinguished Senator from Utah and others in sponsoring this amendment.

As the bill came from the committee, a man would have to be killed as a result of a criminal act or an apparent criminal act for recovery to be had. As it is now amended, recovery could be had or the award could be granted if a person were injured in the line of duty.

I can visualize a firetruck rushing to a fire, and if the firetruck has to turn a curve quickly and a fireman is thrown off, hits his head on the pavement and is killed, as the bill came from the committee, his family would get no award. Under this amendment, they would get an award. That is a simple illustration.

Under all the circumstances, it seems to me that this would be a fair and just thing to do, and I hope the Senate will adopt the amendment.

Mr. MOSS. I yield myself 1 minute.

Mr. President, I appreciate very much the remarks of the chairman and the Senator from South Carolina.

Being a public safety officer is one of the difficult positions to be filled in our society. We certainly should attract the most capable and able people we can. Since it is not possible to pay them excessively high salaries because they are public officers, at least we can give assurance to those people that in the event their lives are lost in the line of duty, their survivors will have the benefits under the bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. President, I yield back the remainder of my time.

Mr. ALLEN. Will the Senator yield me 2 minutes?

Mr. MOSS. Mr. President, I withhold that. I yield 2 minutes to the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Utah.

Mr. President, I commend the distinguished Senator from Utah for his leadership in offering this amendment. I had a similar amendment prepared. When I learned that the distinguished Senator from Utah had this amendment, I asked him and he was kind enough to allow me to be a cosponsor of his amendment.

I thought the chief shortcoming of the bill as it came out of the committee was the provision that, in order to qualify the family of the officer for this death benefit, he would be required to have been killed as a result of a criminal act. That would always put on the family the burden of proof that a criminal act had caused the death. I think it is sufficient that the death occur while the public safety officer, including law enforcement officers and firemen, is engaged in the performance of his duty. I think this amendment will greatly improve the bill and make it equitable, make it fair, make it easier to provide benefits for those entitled to the benefits.

I again commend the distinguished Senator from Utah (Mr. Moss) for this amendment.

Mr. McCLELLAN. I am prepared to yield back the remainder of my time.

Mr. MOSS. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 188

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD) proposes unprinted amendment No. 188.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. ALLEN. Reserving the right to object, what was the request?

Mr. MANSFIELD. That further reading of the amendment be dispensed with.

Mr. ALLEN. I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill add the following which may be referred to as the "Victims of Crime Act of 1976".

REIMBURSEMENT FOR VICTIMS OF VIOLENT CRIME

Declaration of Purpose

SEC. 101. It is the declared purpose of Congress in this Act to promote the public welfare by establishing a means of meeting the financial needs of the innocent victims of violent crime or their surviving dependents and intervenors acting to prevent the commission of crime or to assist in the apprehension of suspected criminals.

"PART F—FEDERAL REIMBURSEMENT FOR VICTIMS OF VIOLENT CRIME

"DEFINITIONS

"SEC. 450. As used in this part—

"(1) 'Board' means the Violent Crimes Reimbursement Board established by this part;

"(2) 'Chairman' means the Chairman of the Violent Crimes Reimbursement Board established by this part;

"(3) 'child' includes a stepchild, an adopted child, and an illegitimate child;

"(4) 'claim' means a written request to the Board for reimbursement made by or on behalf of an intervenor, a victim, or the surviving dependent or dependents of either of them;

"(5) 'claimant' means an intervenor, victim, or the surviving dependent or dependents of either of them;

"(6) 'reimbursement' means payment by the Board for net losses or pecuniary losses to or on behalf of an intervenor, a victim, or the surviving dependent or dependents of either of them;

"(7) 'dependent' means—

"(A) a surviving spouse;

"(B) an individual who is a dependent of the deceased victim or intevenor within the meaning of section 152 of the Internal Revenue Code of 1954 (26 U.S.C. 152); or

"(C) a posthumous child of the deceased intervenor or victim;

"(8) 'gross losses' means all damages, including pain and suffering and including property losses, incurred by an intervenor or victim, or surviving dependent or dependents of either of them, for which the proximate cause is an act, omission, possession enumerated in section 456 of this part, or set forth in paragraph (B) of subsection (18) of this section;

"(9) 'guardian' means a person who is entitled by common law or legal appointment to care for and manage the person or property, or both, of a minor or incompetent intervenor or victim, or surviving dependent or dependents of either of them;

"(10) 'intervenor' means a person who goes to the aid of another and is killed or injured while acting not recklessly to prevent the commission or reasonably suspected commission of a crime enumerated in section 456 of this part, or while acting not recklessly to apprehend a person reasonably suspected of having committed such a crime;

"(11) 'member' means a member of the Violent Crimes Reimbursement Board established by this part;

"(12) 'minor' means an unmarried person who is under eighteen years of age;

"(13) 'net losses' means gross losses, excluding pain and suffering, that are not otherwise recovered or recoverable—

"(A) under insurance programs mandated by law;

"(B) from the United States, a State, or unit of general local government for a personal injury or death otherwise compensable under this part;

"(C) under contract or insurance wherein the claimant is the insured or beneficiary; or

"(D) by other public or private means;

"(14) 'pecuniary losses' means net losses which cover—

"(A) for personal injury—

"(1) all appropriate and reasonable expenses necessarily incurred for medical, hospital, surgical, professional, nursing, dental, ambulance, and *prosthetic* services relating to physical or psychiatric care;

"(2) all appropriate and reasonable expenses necessarily incurred for physical and occupational therapy and rehabilitation;

"(3) actual loss of past earnings and anticipated loss of future earnings because of a disability resulting from the personal injury at a rate not to exceed $150 per week; and

"(4) all appropriate and reasonable expenses necessarily incurred for the care of minor children enabling a victim or his or her spouse, but not both of them, to continue gainful employment at a rate not to exceed $30 per child per week, up to a maximum of $75 per week for any number of children;

"(B) for death—

"(1) all appropriate and reasonable expenses necessarily incurred for funeral and burial expenses;

"(2) loss of support to a dependent or dependents of a victim, not otherwise compensated for as a pecuniary loss of personal injury, for such period of time as the dependency would have existed but for the death of the victim, at a rate not to exceed a total of $150 per week for all dependents; and

"(3) all appropriate and reasonable expenses, not otherwise compensated for as a pecuniary loss for personal injury, which are incurred for the care of minor children, enabling the surviving spouse of a victim to engage in gainful employment, at a rate not to exceed $30 per week per child, up to a maximum of $75 per week for any number of children;

"(15) 'personal injury' means actual bodily harm and includes pregnancy, mental distress, and nervous shock; and

"(16) 'victim' means a person who is killed or who suffers personal injury where the proximate cause of such death or personal injury is—

"(A) a crime enumerated in section 456 of this part; or

"(B) the not reckless actions of an intervenor in attempting to prevent the commission or reasonably suspected commission of a crime enumerated in section 456 of this part or in attempting to apprehend a person reasonably suspected of having committed such a crime.

"(17) 'designated agent' means any United States attorney outside the District of Columbia.

"BOARD

"SEC. 451. (a) There is hereby established a Board within the Department of Justice to be known as the Violent Crimes Reimbursement Board. The Board shall be composed of three members, each of whom shall have been members of the bar of the highest court of State for at least eight years, to be appointed by the President, by and with the advice and consent of the Senate. Not more than two members shall be affiliated with the same political party. The President shall designate one of the members of the Board to serve as Chairman.

"(b) No member of the Board shall engage in any other business, vocation, or employment.

"(c) The Board shall have an official seal.

"(d) The term of office of each member of the Board shall be eight years, except that (1) the terms of office of the members first taking office shall expire as designated by the President at the time of appointment, one at the end of four years, one at the end of six years, and one at the end of eighty years and (2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(e) Each member of the Board shall be eligible for reappointment.

"(f) Any member of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(g) The principal office of the Board shall be in or near the District of Columbia, but the Board or any duly authorized representative may exercise any or all of its powers in any place.

"ADMINISTRATION

"SEC. 452. The Board is authorized in carrying out its functions under this part to—

"(1) appoint and fix the compensation of an Executive Director and a General Counsel and such other personnel as the Board deems necessary in accordance with the provisions of title 5 of the United States Code;

"(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5 of the United States Code, but at rates not to exceed $100 a day for individuals;

"(3) promulgate such rules and regulations as may be required to carry out the provisions of this part;

"(4) designate representatives to serve or assist on such advisory committees as the Board may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies developing or carrying out policies or programs related to the provisions of this part;

"(5) request and use the services, personnel, facilities, and information (including suggestions, estimates, and statistics) of Federal agencies and those of State and local public agencies and private institutions, with or without reimbursement therefor;

"(6) enter into and perform, without regard to section 529 of title 31 of the United States Code, such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its functions, with any public agency, or with any person, firm, association, corporation, or educational institution, and make grants to any public agency or private nonprofit organization;

"(7) request and use such information, data, and reports from any Federal agency as the Board may from time to time require and as may be produced consistent with other law;

"(8) arrange with the heads of other Federal agencies for the performance of any of its functions under this part with or without reimbursement and, with the approval of the President, delegate and authorize the redelegation of any of its powers under this part;

"(9) request each Federal agency to make its services, equipment, personnel, facilities, and information (including suggestions, estimates, and statistics) available to the greatest practicable extent to the Board in the performance of its functions;

"(10) pay all expenses of the Board, including all necessary travel and subsistence expenses of the Board outside the District of Columbia incurred by the members or employees of the Board under its orders on the presentation of itemized vouchers therefor approved by the Chairman or his designate; and

"(11) establish a program to assure extensive and continuing publicity for the provisions relating to reimbursement under this part, including information on the right to file a claim, the scope of coverage, and procedures to be utilized incident thereto.

"REIMBURSEMENT

"SEC. 453. (a) The Board shall order the payments—

"(1) in the case of the personal injury of an intervenor or victim, to or on behalf of that person; or

"(2) in the case of the death of the intervenor or victim, to or on behalf of the surviving dependent or dependents of either of them.

"(b) The Board shall determine the amount of reimbursement under this part—

"(1) in the case of a claim by an intervenor or his surviving dependent or dependents, by computing the net losses of the claimant; and

"(2) in the case of a claim by a victim or his surviving dependent or dependents, by computing the pecuniary losses of the claimant.

"(c) The Board may order the payment of reimbursement under this part to the extent it is based upon anticipated loss of future earnings or loss of support of the victim for ninety days or more, or child care payments in the form of periodic payments during the protracted period of such loss of earnings, support of payments, or ten years, whichever is less.

"(d)(1) Whenever the Board determines, prior to taking final action upon a claim, that such claim is one with respect to which an order of reimbursement will probably be made, the Board may order emergency reimbursement not to exceed $1,500 pending final action on the claim.

"(2) The amount of any emergency reimbursement ordered under paragraph (1) r this subsection shall be deducted from the amount of any final order for reimbursement.

"(3) Where the amount of any emergency reimbursement ordered under paragraph (1) of this subsection exceeds the amount of the final order for reimbursement, or if there is no order for reimbursement made, the recipient of any such emergency reimbursement shall be liable for the repayment of such reimbursement. The Board may waive all or part of such repayment.

"(e) No order for reimbursement under this part shall be subject to execution or attachment.

"(f) The availability or payment of reimbursement under this part shall not affect the right of any person to recover damages from any other person by a civil action for the injury or death, subject to the limitations of this part—

"(1) in the event an intervenor, a victim, or the surviving dependent or dependents of either of them who has a right to file a claim under this part should first recover damages from any other source based upon an act, omission, or possession giving rise to a claim under this part, such damages shall be first used to offset gross losses that do not qualify as net or pecuniary losses; and

"(2) in the event an intervenor, victim, or the surviving dependent or dependents of either of them receives reimbursements under this part and subsequently recovers damage from any other source based upon an act, omission, or possession that gave rise to reimbursement under this part, the Board shall be reimbursed for reimbursements previously paid to the same extent reimbursement would have been reduced had recovery preceded reimbursement under paragraph (1) of this subsection.

"LIMITATIONS

"SEC. 454. (a) No order for reimbursement under this part shall be made unless the claim has been made within one year after the date of the act, omission, or possession resulting in the injury or death, unless the Board finds that the failure to file was justified by good cause.

"(b) No order for reimbursement under this part shall be made to or on behalf of an intervenor, victim, or the surviving dependent or dependents of either of them unless a minimum pecuniary or net loss of $100 or an amount equal to a week's earnings or support, whichever is less, has been incurred.

"(c) No order for reimbursement under this part shall be made unless the act, omission, or possession giving rise to a claim under this part was reported to the law enforcement officials within seventy-two hours after its occurrence, unless the Board finds that the failure to report was justified by good cause.

"(d) No order for reimbursement under this part to or on behalf of a victim, his surviving dependent or dependents, as the result of any one act, omission, or possession, or related series of such acts, omissions, or possessions, giving rise to a claim, shall be in excess of $50,000, including a lump-sum and periodic payments.

"(e) The Board, upon finding that any claimant has not substantially cooperated with it or with all law enforcement agencies incident to the act, omission, or possession that gave rise to the claim, may proportionately reduce, deny, or withdraw any order for reimbursement under this part.

"(f) The Board, in determining whether to order reimbursement or the amount of the reimbursement shall consider the behavior of the claimant and whether, because of provocation or otherwise, he bears any share of responsibility for the act, omission, or possession that gave rise to the claim for reimbursement and—

"(1) the Board shall reduce the amount of reimbursement to the claimant in accordance with its assessment of the degree of such responsibility attributable to the claimant, or

"(2) in the event the claimant's behavior was a substantial contributing factor to the act, omission, or possession giving rise to a claim under this part, he shall be denied reimbursement.

"(g) No order for reimbursement under this part shall be made to or on behalf of a person engaging in the act, omission, or possession giving rise to the claim for reimbursement to or on behalf of his accomplice, a member of the family within the third degree of affinity or consanguinity or household of either of them, or to or on behalf of any person continuing unlawful sexual relations with either of them.

"PROCEDURES

"SEC. 455. (a) The Board or its designated agent is authorized to receive claims for reimbursement under this part filed by an intervenor, a victim, or the surviving dependent or dependents of either of them, or a guardian acting on behalf of such a person. If received by its designated agent such claims shall be transmitted forthwith to the Board.

"(1) may subpena and require production of documents in the manner of the Securities and Exchange Commission as provided in subsection (c) of section (18) of the Act of August 26, 1935, except that such subpena shall only be issued under the signature of the Chairman, and application to any court for aid in enforcing such subpena shall be made only by the Chairman, but a subpena may be served by any person designated by the Chairman;

"(2) may administer oaths, or affirmations, to witnesses appearing before the Board, receive in evidence any statement, document, information, or matter that may, in the opinion of the Chairman, contribute to its functions under this part, whether or not such statement, document, information, or matter would be admissible in a court of law, provided it is relevant and not privileged;

"(3) shall, if hearings are held, conduct such hearings open to the public, unless in a particular case the Chairman determines that the hearing, or a portion thereof, should be held in private, having regard to the fact that a criminal suspect may not yet have been apprehended or convicted, or to the interest of the claimant; and

"(4) may, at the discretion of the Chairman, appoint an impartial licensed physician to examine any claimant under this part and order the payment of reasonable fees for such examination.

"(c) The Board shall be an 'agency of the United States' under subsection (1) of section 6001 of title 18 of the United States Code for the purpose of granting immunity to witnesses.

"(d) The provisions of chapter 5 of title 5 of the United States Code shall not apply to adjudicatory procedures to be utilized before the Board.

"(e) (1) A claim for reimbursement under this part may be acted upon by a member or designated agent appointed by the Chairman to act on behalf of the Board.

"(2) In the event the disposition by a member as authorized by paragraph (1) of this subsection is unsatisfactory to the claimant upon notification to the Board within thirty days of such disposition shall be entitled to a de novo hearing of record on his claim by the full Board.

"(f) (1) Decisions of the full Board shall be in accord with the will of the majority of the members and shall be based upon a preponderance of the evidence.

"(2) All questions as to the relevancy or privileged nature of evidence at such times as the full Board shall sit shall be decided by the Chairman.

"(3) A caimant at such times as the full Board shall sit shall have the right to produce evidence and to cross-examine such witnesses as may appear.

"(g) (1) The Board shall publish regulations providing that an attorney may, at the conclusion of proceedings under this part, file with the Board an appropriate statement for a fee in connection with services rendered in such proceedings.

"(2) After the fee statement is filed by an attorney under paragraph (1) of this subsection, the Board shall award a fee to such attorney on substantially similar terms and conditions as is provided for the payment of representation under section 3006A of title 18 of the United States Code.

"(3) Any attorney who charges or collects for services rendered in connection with any proceedings under this part any fee in any amount in excess of that allowed under this subsection shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(h) The United States Court of Appeals for the District of Columbia shall have jurisdiction to review all final orders of the Board. No finding of fact suppported by substantial evidence shall be set aside.

"CRIMES

"SEC. 456. (a) The Board is authorized to order reimbursement payments under this part in any case in which an intervenor, victim, or the surviving dependent or dependents of either of them files a claim when the act, omission, or possession giving rise to the claim for reimbursement occurs—

"(1) within the Federal jurisdiction of the United States;

"(2) within the special jurisdiction of the United States;

"(3) within the extraterritorial jurisdiction of the United States.

"(b) This part applies to the following acts, omissions, or possessions:

"(1) aggravated assault;

"(2) arson;

"(3) assault;

"(4) burglary;

"(5) forcible sodomy;

"(6) kidnapping;

"(7) manslaughter;

"(8) mayhem;

"(9) murder;

"(10) negligent homicide;

"(11) rape;

"(12) robbery;

"(13) riot;

"(14) unlawful sale or exchange of drugs;

"unlawful use of explosives;

"(16) unlawful use of firearms;

"(17) any other crime, including poisoning, which poses a substantial threat of personal injury; or

"(18) attempts to commit any of the foregoing.

"(c) For the purposes of this part, the operation of a motor vehicle, boat, or aircraft that results in an injury or death shall not constitute a crime unless the injuries were intentionally inflicted through the use of such vehicle, boat, or aircraft or unless such vehicle, boat, or aircraft is an implement of a crime to which this part applies.

"(d) For the purposes of this part, a crime may be considered to have been committed notwithstanding that by reason of age, insanity, drunkenness, or otherwise, the person engaging in the act, omission, or possession was legally incapable of committing a crime.

"SUBROGATION

"SEC. 457. (a) Whenever an order for reimbursement under this part has been made for loss resulting from an act, omission, or possession of a person, the Attorney General may, within three years from the date on which the order for reimbursement was made, institute an action against such person for the recovery of the whole or any specified part of such reimbursement in the district court of the United States for any judicial district in which such person resides or is found. Such court shall have jurisdiction to hear, determine, and render judgment in any such action. Any amounts recovered under this subsection shall be deposited in the Criminal Victim Indemnity Fund established by section 458 of this part.

"(b) The Board shall provide to the Attorney General such information, data, and reports as the Attorney General may require to prosecute actions in accordance with this section.

"INDEMNITY FUND

"SEC. 458. (a) There is hereby created on the books of the Treasury of the United States a fund known as the Criminal Victim Indemnity Fund (hereinafter referred to as the 'Fund'). Except as otherwise specifically provided, the Fund shall be the repository of (1) criminal fines paid in the various courts of the United States, (2) amounts withheld in accordance with the provisions of section 4129, title 18, of the United States Code, (3) additional amounts that may be appropriated to the Fund as provided by law, and (4) such other sums as may be contributed to the Fund by public or private agencies, organizations, or persons.

"(b) The Fund shall be utilized only for the purposes of this part.

"ADVISORY COUNCIL

"SEC. 459. (a) There is hereby established an Advisory Council on the Victims of Crime (hereinafter referred to as the 'Council') consisting of the members of the Board and one representative from each of the various State crime victims compensation or reimbursement programs referred to in paragraph (10) of subsection (b) of section 301 of this title, each of whom shall serve without additional compensation.

"(b) The Chairman of the Board shall also serve as the Chairman of the Council.

"(c) The Council shall meet not less than once a year, or more frequently at the call of the Chairman, and shall review the administration of this part and programs under paragraph (10) of subsection (b) of section 301 of this title and advise the Administration on matters of policy relating to their activities thereunder.

"(d) The Council is authorized to appoint an advisory committee to carry out the provisions of this section.

"(e) Each member of the advisory committee, other than a member of the Board, appointed pursuant to subsection (d) of this section shall receive $100 a day, including traveltime, for each day he is engaged in the actual performance of his duties as a member of the committee. Each member of the Council or advisory committee shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties.

"REPORTS

"SEC. 460. The Board shall transmit to the Congress an annual report of its activities under this part. In its third annual report, the Board upon investigation and study shall include its findings and recommendations with respect to the operation of the overall limit on reimbursement under section 454(d) of part F of this title and with respect to the adequacy of State programs receiving assistance under section 301(b)(10) of this Act."

COMPENSATION OF BOARD MEMBERS

SEC. 103. (a) Section 5314 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(60) Chairman, Violent Crimes Reimbursement Board."

(b) Section 5315 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(98) Members, Violent Crimes Reimbursement Board (2)."

CRIMINAL VICTIM INDEMNITY FUND FINES

SEC. 104. (a) Chapter 227 of title 18 of the United States Code is amended by adding at the end thereof the following new section:

"§ 3579. Fine imposed for Criminal Victim Indemnity Fund

"In any court of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, upon conviction of a person of an offense resulting in personal injury, property loss, or death, the court shall take into consideration the financial condition of such person, and may, in addition to any other penalty, order such person to pay a fine in an amount of not more than $10,000 and such fine be deposited into the Criminal Victim Indemnity Fund of the United States."

(b) The analysis of chapter 227 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"3579. Fine imposed for Criminal Victim Indemnity Fund.".

SEC. 104A. (a) Chapter 307 of title 18, of the United States Code, is amended by adding at the end thereof the following new section:

"§ 4129. Criminal Victim Indemnity Fund, Contributions

"The Federal Prison Industries is authorized to withhold from the wages of any offender employed in such Industries, an amount not to exceed 10 per centum of such wages. The amounts withheld under this section shall be deposited in the Criminal Victim Indemnity Fund established by section 458 of the Omnibus Crime Control and Safe Streets Act of 1968."

(b) The table of contents of chapter 307 of title 18, of the United States Code, is amended by adding at the end thereof the following new item:

"4129. Criminal Victim Indemnity Fund, Contributions.".

PART B—FEDERAL GRANT PROGRAM

SEC. 105. Subsection (b) of section 301 of part C of title I of the Omnibus Crime Control and Safe Streets Act of 1968, is amended by adding at the end thereof the following new paragraph:

"(10) The cost of administration and that portion of the costs of State programs, other than in the District of Columbia, to reimburse victims of violent crime which are substantially comparable in coverage and limitations to part F of this title."

SEC. 106. Paragraph (a) of section 601 of part G (redesignated part K by this Act) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking "and" the second time it appears, striking "or" the sixth time it appears, the period, and inserting the following: ", or programs for the reimbursement of victims of violent crimes."

SEC. 107. Section 501 of part F (redesignated as part I by this Act) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, is amended by inserting "(a)" immediately after "501" and adding at the end thereof the following new subsection:

"(b) In addition to the rules, regulations, and procedures under subsection (a) of this section, the Administration shall, after consultation with the Violent Crimes Reimbursement Board, establish by rule or regulation criteria to be applied under paragraph (10) of subsection (b) of section 301 of this title. In addition to other matters, such criteria shall include standards for—

"(1) the persons who shall be eligible for reimbursement;

"(2) the categories of crimes for which reimbursement may be ordered;

"(3) the losses for which reimbursement may be ordered; and

"(4) such other terms and conditions for the payment of such reimbursement as the Board deems necessary and appropriate."

SEC. 108. Section 301 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, no grant may be made under the provisions of subsection (a)(10) of this section after June 30, 1975, to any State, unless the Attorney General has determined that such State has enacted legislation of general applicability within such State establishing a fund similar to the Criminal Victim Indemnity Fund established under section 458 of this Act.".

PART C—MISCELLANEOUS PROVISIONS

SEC. 109. Section 569 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended and as redesignated by this Act, is amended by inserting "(a)" immediately after "569" and by adding at the end thereof the following new subsection:

"(b) There is authorized to be appropriated for the fiscal year ending June 30, 1975, $1,000,000 for the purposes of part F.".

SEC. 110. Until specific appropriations are made for carrying out the purposes of this Act, any appropriation made to the Department of Justice or the Law Enforcement Assistance Administration shall, in the discretion of the Attorney General, be available for payments of obligations arising under this Act.

SEC. 111. If the provisions of any part of this Act are found invalid or any amendments made thereby or the application thereof to any persons or circumstances be held invalid, the provisions of the other parts and their application to other persons or circumstances shall not be affected thereby.

SEC. 112. This Act shall become effective upon the date of enactment.

Mr. MANSFIELD. Mr. President, the Senate has, I believe, on five occasions passed the pending amendment in the form of a bill which was before it and the House has not acted on any of those occasions. It is my understanding that even though a bill seeking to compensate victims of crime was reported out of the Committee on the Judiciary of the House last April, it has not as yet even been reported to the full committee.

I think it is all right to talk about the constitutional rights of criminals, alleged or otherwise, but I think that it is about time that we given some consideration to victims of crime. As of now, they have no compensation. They have no relief, and, many times, their punishment is worse than the crime itself. I have been interested in two particular items: First, compensation for the victims of crime, which is now legal in six or seven of our States and in a like number of foreign countries; second, legislation which would make the carrying of a gun in the commission of a crime a crime in itself.

In that respect, I point out that if that bill ever becomes law, it would mean that a criminal engaged in such an endeavor would be tried for two separate reasons; that the sentences would not run concurrently but would follow one another; and that the first sentence would be mandatory, as would those subsequently following.

I do not want to spend too much time going into this amendment. I think it is thoroughly understood, but as long as the bill has been opened up, I think that it is appropriate that, at this time, I offer this amendment. I hope that the Senate will give the most serious consideration to the victims of crime, who almost always seem to be forgotten in the constitutional process.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Alabama?

Mr. ALLEN. Mr. President, I do not desire recognition until all time has been yielded back. At that time, I intend to make a point of order that the amendment is not germane. I do not seek to make that point at this time.

Mr. MANSFIELD. Mr. President, I wonder, is the Senator in favor of compensation for victims of crime, or is he opposed to it and, for that reason, raising the point of order?

Mr. ALLEN. I do not want to overburden the bill. I think this brings in an entirely new concept that might endanger passage of the bill. As the Senator has pointed out, this bill has passed the Senate on five occasions. I think there would be no difficulty in passing it again as a separate bill. I believe it does open up an entirely new subject. I am so interested in the passage of the original bill, as amended by the Kennedy amendment, that I do not think we ought to overburden the bill.

Mr. MANSFIELD. Mr. President, if the bill had not been overburdened already, I would not be offering my amendment. I hasten to say that, in my opinion, a point of order raised against this amendment would be most ill-advised at this time. I point out to my distinguished colleague and to the Senate that this amendment, in my opinion, is germane in that the basic bill awards benefits to public safety officers who are, themselves, victims of crime. I certainly do not intend to differentiate between a uniformed or a nonuniformed officer and an ordinary citizen, because I think that they are entitled to just as much consideration and certainly ought to be given the full approval of the Senate in this respect.

I point out that there are five or six, maybe seven, States which have a law of this kind on the books and that there are a number of foreign countries, just about the same number, which likewise have laws of this nature which seek, at long last, to give some consideration to the victims of crime. These forgotten people ought to be given the recognition and the relief which I think they deserve.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I have supported this bill in the past when it was in the Senate, when it came up as a separate bill. I supported it in the omnibus bill a year or two ago, S. 800. That bill had four different titles, including a title that covered the pending bill in its original form, and also including the amendment that was sponsored by Senator KENNEDY. It also included, Mr. President, a title which I had introduced as a bill, "Civil Remedies for Victims of Racketeering Activity and Theft." There were four titles in that bill which passed the Senate. The House did nothing with it.

I am put in a rather difficult situation as manager of this bill. I opposed the Kennedy amendment, not on its merits; I opposed it for the very reason that the distinguished Senator from Alabama has just stated, that it will load this bill down and we may get nothing. But the Senate wanted to load it, and they have loaded it, with this other amendment. I am in a difficult situation here to vote against this amendment, which I support and have supported in the past as separate bills. If we are going to make this an omnibus bill, I cannot bring myself to vote against this amendment.

This is where we are. That is what I tried to guard against when I asked the Senate to just pass the bill in the form we thought we could get through.

I do not know; maybe it will go through. Maybe the House will take the Kennedy amendment; maybe it will take this amendment. I do not know. I do know the difficulty we have had in the past in trying to reach agreement in conference and I am apprehensive about it this time.

If I had voted, as others have, to place the Kennedy amendment on this bill, I would want to support the victims of crime and do something to alleviate their distress, as well as the distress of the survivors of victims of crime who are public safety officers. So I guess we may as well put them all on here and see what we can do in the House.

I do not want to be inconsistent. I probably shall vote against this amendment. But I am just talking to the Senate now. If we are going to make additions to the bill, this, to me, has just as much merit, possibly, as the Kennedy amendment and, on its merits, I should like to support it.

I am going to abide by whatever the Senate does. But we have created a condition by putting the other amendment on the bill.

Mr. THURMOND. Mr. President, I spoke against the Kennedy amendment on the ground that it would jeopardize the passage of this bill. I want to say that I think this amendment can do the same thing.

I will remind the Senate that for years and years some of us on the Judiciary Committee, especially the able and the distinguished Senator from Arkansas (Mr. McCLELLAN), the able and distinguished Senator from Nebraska (Mr. HRUSKA), and I, have worked to get through a piece of legislation that would take care of the families of public safety officers who were killed in line of duty.

We have passed a bill through the Senate a number of times—someone said five times; if not five, a number of times. Each time the House has objected to some portion of the bill, some amendment to the bill and, at last, we thought we had a bill that we could pass through the Senate, and the House would accept it.

The Kennedy amendment was accepted by a large vote. Along comes another amendment of a new sort, to pay victims of crime. I do not know whether the House will take this or not. But the point is why run the risk, why take the chance? Why not be sure that we will get the families of policemen, sheriffs, deputies, and highway patrolmen, and other public safety officers' families, the $50,000 to help to support the widows and the orphans of those killed in the line of duty?

I think it is a mistake to put anything on this bill except the Moss amendment. I hope this amendment will be rejected, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. MOSS. Mr. President, I have supported this matter before, and I am very much like the chairman in my concern about it that we may be getting ourselves to a place where we will get nothing this time, as has happened before, in going to the House on the bills that have to do with compensation for survivors, and now having this question of expanding it to include victims of crime.

I have been wondering about the costs involved, too, and how it would fit in with our budget joint resolution. I do not know how much is involved. May I ask the Senator from Montana to give me an estimate as to the annual costs?

Mr. MANSFIELD. Of course, I cannot—nobody can—because the law has to be put into operation first, the board has to be set up, and the matter has to be given the consideration which is its due. But the costs have not been too great in States like New York and others—Maryland as well—which have laws of this nature in effect. But I would hope we would forget the costs involved and think of the victims of crime.

Mr. MOSS. Yes, indeed, we should do that.

We do have an estimate on the amount we are talking about for the compensation of the survivors of police officers.

Mr. MANSFIELD. Mr. President, will the Senator yield there? Are they not victims of crime?

Mr. MOSS. Well, surely. If they are assaulted and injured, they are. But in their case they are people whom we seek to employ to get into that business of protecting us. This is a hazardous thing. The hazards are greater and, therefore, it is an inducement, of course, to them that we hold out that their survivors, in the event they do lose their lives, will have some compensation.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, they do have protection, do they not?

Mr. MOSS. We try to protect them as well as we can.

Mr. MANSFIELD. Physically, as the other victims of crime, the ordinary citizens, do not.

Mr. MOSS. Yes. If you are talking about pain and suffering, there is no question that often the most vulnerable of our citizens, the older people and children, are subjected to.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, I am in receipt of information, although it is not authenticated, I am informed that the Budget Committee has indicated that the cost for this year, if it is enacted, would be $35 to $50 million.

Mr. MOSS. $35 to $50 million?

Mr. MANSFIELD. Million.

Mr. MOSS. Well, that is the concern I have, and I certainly do not want to be recorded as opposed to the thrust of the compensation to victims of crime. Some of the most heart-rending situations that we have are those who are set upon without any defense and without any warning of any sort. But it does move us off into another area where we may have difficulty in getting the matter considered by the House, and that is the only expression of misgiving I have about the amendment.

I certainly would not want to be recorded as being opposed to it in its thrust in what it has been trying to do.

Mr. ALLEN. Mr. President, will the Senator from Arkansas yield me some time?

Mr. McCLELLAN. How much time do I have remaining.

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. McCLELLAN. I yield 3 minutes to the Senator.

Mr. ALLEN. Mr. President, this argument may be moot because I believe the Parliamentarian will rule that this amendment is not germane. The public safety officers' families are not being compensated to recompense them for being victims of a criminal act. That is out of the bill altogether, so it is not germane at that point. Of course, it is not germane because it does not have anything to do with the subject before the Senate. But I do not know where the $35 million figure came from, and no one, I assume, knows what is in the bill. I think if it is going to pay off for all victims of crime, if somebody burned up the Empire State Building, I do not know whether that would be compensated. What about the thousands of homicides throughout the country? I think $35 million will be mighty small compensation for the murder of thousands of American citizens. So I do not believe that these cost figures would stand up. But I am not going to argue the point because when the time has been yielded back I am going to raise a point of order.

The PRESIDING OFFICER. The Senator's time is up.

Who yields time?

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes.

I would only reiterate that it is pretty hard to differentiate between victims of crime, whether they are uniformed members of the police law forces or whether they are firemen, but I would point out that public safety officers assume certain tasks attendant to their jobs. Innocent victims of crime do not, nor do they have the protection that the public officers are accorded.

I also point out that this amendment covers the following acts, omissions, or possessions:

"(1) aggravated assault;
"(2) arson;
"(3) assault;
"(4) burglary;
"(5) forcible sodomy;
"(6) kidnapping;
"(7) manslaughter;
"(8) mayhem;
"(9) murder;
"(10) negligent homicide;
"(11) rape;
"(12) robbery;
"(13) riot;
"(14) unlawful sale or exchange of drugs;
"(15) unlawful use of explosives;
"(16) unlawful use of firearms;
"(17) any other crime, including poisoning, which poses a substantial threat of personal injury; or
"(18) attempts to commit any of the foregoing.

Mr. BUCKLEY. Mr. President, I have often urged that we pay more attention to the problems faced by the victims of crime. I have the concerns, however, that have been expressed about endangering the underlying bill by loading it with amendments. I also believe the Mansfield amendment should be restricted to the victims of Federal crimes. For both of these reasons, I must oppose it.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I will yield, if I have any time.

Mr. ALLEN. Has all time been yielded back?

Mr. McCLELLAN. I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. All time has been yielded back.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I make a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. That the amendment is not germane as required by the unanimous-consent agreement.

The PRESIDING OFFICER. Will the Senator restate it?

Mr. ALLEN. I make the point of order that the amendment submitted by the distinguished majority leader is not germane as required by the unanimous-consent agreement under which we are operating.

The PRESIDING OFFICER. The point of order is sustained.

Mr. MANSFIELD. Mr. President, I appeal the ruling by the Chair.

Mr. ALLEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. ALLEN. I move to table the appeal and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, what is the question?

The PRESIDING OFFICER. The question is on agreeing to the motion to table the appeal of the Chair.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CULVER), the Senator from Missouri (Mr. EAGLETON), the Senator from Michigan (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Vermont (Mr. LEAHY), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from Mississippi (Mr. STENNIS), the Senator from California (Mr. TUNNEY), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. HUGH SCOTT) is absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 34, nays 47, as follows:

[Rollcall Vote No. 386 Leg.]

YEAS—34

Allen
Baker
Bartlett
Bellmon
Biden
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Helms
Laxalt
Long
McClure
McIntyre
Packwood
Roth
Scott, William L.
Sparkman
Taft
Talmadge
Thurmond
Tower
Young

NAYS—47

Abourezk
Beall
Bentsen
Brooke
Bumpers
Burdick
Case
Church
Clark
Cranston
Durkin
Eastland
Ford
Glenn
Gravel
Hartke
Haskell
Hathaway
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
McClellan
McGee
McGovern
Morgan
Moss
Nelson
Nunn
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevens
Stevenson
Stone
Symington
Weicker
Williams

NOT VOTING—19

Bayh
Chiles
Culver
Eagleton
Hart, Philip A.
Hatfield
Hollings
Hruska
Humphrey
Leahy
Mathias
Metcalf
Mondale
Montoya
Muskie
Pell
Scott, Hugh
Stennis
Tunney

So the motion to lay on the table was rejected.

The PRESIDING OFFICER (Mr. STAFFORD). The question now recurs on the appeal from the ruling of the Chair by the Senator from Montana. The question is, Shall the ruling of the Chair stand as the judgment of the Senate? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Is this not debatable?

The PRESIDING OFFICER. The question is not debatable.

Mr. ALLEN. The unanimous-consent agreement says it is debatable.

The PRESIDING OFFICER. The Chair is advised that the unanimous-consent agreement provides for debate on points of order that have been submitted, and this has not been submitted.

The clerk will call the roll.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator agree to withdraw his unanimous-consent request? I voted with him on his motion, but it is obvious that the appeal is going to carry; why not just have a voice vote?

Mr. ALLEN. No, I do not think that would be fair. I think that on the question of the appeal itself, the majority of Senators may well feel that the Chair should interpret the rules rather than permit them to be interpreted from the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Alabama be permitted to proceed for 10 minutes and I be permitted to proceed for 10 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? Without objection, it is so ordered.

Mr. ALLEN. I thank the distinguished majority leader.

Mr. President, what we have before us at this time is a bill that would compensate the families of law-enforcement officers, including firemen, who are killed in line of duty. To that has been added an amendment by the distinguished Senator from Massachusetts (Mr. KENNEDY) providing for a program of group life insurance——

Mr. BIDEN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators who wish to converse will kindly remove from the floor to the cloakroom. The business of the Senate will be expedited if Senators will take their seats.

Mr. ALLEN. Group life insurance for law enforcement officers, with the Federal Government to pay one-third of the cost and the remaining two-thirds to be paid by either local governments or the officers themselves.

The unanimous-consent agreement provides that no amendment not germane will be in order. Now an effort is made to add an entirely new concept—and, by the way, the payment is made if the officer is in the line of duty, whether it comes about by criminal action or not. Now an attempt is being made to add an entirely new concept, the cost of which is unknown, and to my mind would be staggering. The distinguished majority leader has said the Budget Committee has said it probably would run $35 million per year, but that is not reasonable, based on the terms of the amendment itself. It seeks to compensate victims of crime for the loss or injury, and, in the event of death of a person, the family, for the crime that is perpetrated upon them. It is entirely nongermane. But it would seek to compensate for aggravated assault, arson, assault, burglary, forcible, sodomy, kidnaping, manslaughter, mayhem, murder, negligent homicide, rape, robbery, riot, unlawful sale of drugs, and so forth and so on, going on much farther.

Mr. President, if the victims of an arson are to be compensated—nothing is said about any limit—suppose someone burned down the Empire State Building? $100 million? There are thousands of homicides committed in this country, thousands of rapes. How could you compensate anyone for homicide? The courts and juries are giving verdicts of half a million dollars in death cases. So the cost of this thing could run up to hundreds of millions of dollars, if we start compensating victims of crimes.

What we have is a bill that is needed to boost the morale of law enforcement officers. But if we add a thing like this, which is not germane and the Chair has ruled it is not germane, if we add such a provision, we say goodby to the good provisions of the bill.

The Chair has ruled that this amendment is not germane. Many Senators came in and voted to uphold the Chair, and certain employees of the policy committee were able to switch them on telling them what was involved. The question is, Is the Chair going to interpret the rules of the Senate, or are they going to be interpreted from the floor by the force and influence of the leadership?

Let us let this be a Senate of rules. Let us let the Senate be governed by rules and by law, rather than by men, Mr. President. The amendment is clearly not germane. I hope the Senate will vote to sustain the Chair, in order that we can get this simple bill passed in the interest of the law enforcement officers of this country.

I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, if ever there was a valid question raised about a point of order, I think this is it.

I would point out again that police officers and firemen, even in the conduct of their duty, if they are assaulted or killed or wounded, are victims of crime. What I am trying to do is apply the same principle to civilians who are not as well prepared, not as well protected as are policemen and firemen, but who are U.S. citizens and who are entitled to every consideration. So I would hope that the Senate, in its wisdom, recognizing the germaneness of the question involved, will vote to overturn the ruling of the Chair in this particular instance, and this is one of the rare times that I have ever adopted this position.

I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is, Shall the ruling of the Chair stand as the judgment of the Senate? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Florida (Mr. Chiles), the Senator from Iowa (Mr. Culver), the Senator from Missouri (Mr. Eagleton), the Senator from Michigan (Mr. Philip A. Hart), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Leahy), the Senator from Louisiana (Mr. Long), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from Maine (Mr. Muskie), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. Hugh Scott) is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The yeas and nays resulted—yeas 38, nays 44, as follows:

[Rollcall Vote No. 387 Leg.]

YEAS—38

Allen
Baker
Bartlett
Bellmon
Biden
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Hartke
Helms
Johnston
Laxalt
McClure
McIntyre
Moss
Nelson
Packwood
Proxmire
Roth
Scott, William L.
Sparkman
Taft
Talmadge
Thurmond
Tower
Young

NAYS—44

Abourezk
Beall
Bentsen
Brooke
Bumpers
Burdick
Case
Church
Clark
Cranston
Durkin
Eastland
Ford
Glenn
Gravel
Haskell
Hathaway
Huddleston
Inouye
Jackson
Javits
Kennedy
Magnuson
Mansfield
McClellan
McGee
McGovern
Montoya
Morgan
Nunn
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Stafford
Stevens
Stevenson
Stone
Symington
Weicker
Williams

NOT VOTING—18

Bayh
Chiles
Culver
Eagleton
Hart, Philip A.
Hatfield
Hollings
Hruska
Humphrey
Leahy
Long
Mathias
Metcalf
Mondale
Muskie
Scott, Hugh
Stennis
Tunney

The PRESIDING OFFICER. On this vote the yeas are 38 and the nays are 44. The ruling of the Chair does not stand as the judgment of the Senate. The amendment is in order.

The question is on agreeing to the amendment of the Senator from Montana.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. Mr. President, I call for a division of the amendment.

The PRESIDING OFFICER. The Senator calls for a division of the amendment.

The question is on agreeing to the first part of the amendment, beginning on page 1, line 3, continuing through page 7, line 8.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Florida (Mr. Chiles), the Senator from Iowa (Mr. Culver), the Senator from Missouri (Mr. Eagleton), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Leahy), the Senator from Louisiana (Mr. Long), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from Maine (Mr. Muskie), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield) is necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. Hugh Scott) is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska) is absent due to a death in the family.

The result was announced—yeas 64, nays 20, as follows:

[Rollcall Vote No. 388 Leg.]

YEAS—64

Abourezk
Baker
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Dole
Domenici
Durkin
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Montoya
Morgan
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Tower
Weicker
Williams

NAYS—20

Allen
Bartlett
Brock
Buckley
Curtis
Fannin
Garn
Goldwater
Griffin
Hansen
McClellan
McClure
Nelson
Proxmire
Roth
Scott, William L.
Taft
Talmadge
Thurmond
Young

NOT VOTING—16

Bayh
Chiles
Culver
Eagleton
Hatfield
Hollings
Hruska
Humphrey
Leahy
Long
Metcalf
Mondale
Muskie
Scott, Hugh
Stennis
Tunney

So division 1 of Mr. Mansfield's amendment was agreed to.

Mr. MANSFIELD. Mr. President, for the information of the Senate, I would like to point out that if we vote on a division basis all the way through there will be a total of 35 votes, which is OK as far as I am concerned, but I am not at all sure it is OK as far as the Senate as a whole is concerned.

I wonder if the distinguished Senator from Alabama would consider voting on the rest of the division en bloc?

Mr. ALLEN. Not at this time.

Mr. MANSFIELD. All right, Mr. President.

Mr. President, will the Senator from Alabama consider voting on a number of divisions en bloc?

Mr. ALLEN. Let us just take them as the rules provide for the time being.

Mr. MANSFIELD. All right.

REQUEST FOR UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent—and I think the Senate can be prepared for 34 more votes if the Senator from Alabama carries through his proposal—that from now on because of the fact that the votes will be following one another, that there be a time limitation of 10 minutes attached thereto. I think this will be for the benefit of the Senate. Otherwise, it will be 15-minute votes.

Mr. CASE. Mr. President, reserving the right to object—and I hate to interpose even the hint of an objection——

Mr. MANSFIELD. That is all right.

Mr. CASE. The New Jersey delegation to the Republican Convention is meeting with the President this afternoon, and I have the honor of leading that delegation, so I would be remiss in my duty there if I do not show up at the White House. I would be very unhappy to miss 12 votes instead of 9, and that is the only reason I would ask that something be done about it so that we do not crowd that kind of a load onto the frail shoulders of the Senator from New Jersey.

Mr. MANSFIELD. All right. I withdraw my request, so the Senate can expect 15-minute limitations on the votes.

The PRESIDING OFFICER. The question is on agreeing to division 2 of the Mansfield amendment. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that George Shanks of my staff be granted the privileges of the floor.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. If the Senator will withhold, the Chair did not hear the request of the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that George Shanks of my staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, would the Chair have the clerk state or the Chair state himself what area of the bill we are proceeding to vote on.

The PRESIDING OFFICER. The Chair will ask the clerk to advise the Senate as to the constitution of division 2.

The legislative clerk stated as follows:

Division No. 2: On page 7 of the amendment, line 9, over to line 24 on page 10.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Are these various parts subject to amendment?

The PRESIDING OFFICER. The Chair is advised that this being an amendment in the first degree, an amendment in the second degree would be available.

Mr. ALLEN. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to division 2. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Iowa (Mr. Culver), the Senator from Missouri (Mr. Eagleton), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Leahy), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from Maine (Mr. Muskie), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield) is necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. Hugh Scott) is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 67, nays 19, as follows:

[Rollcall Vote No. 389 Leg.]

YEAS—67

Abourezk
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Durkin
Eastland
Fong
Ford
Glenn
Goldwater
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Huddleston
Inouye
Jackson
Javits
Kennedy
Laxalt
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Montoya
Morgan
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Weicker
Williams
Young

NAYS—19

Allen
Brock
Buckley
Curtis
Fannin
Garn
Griffin
Hansen
Johnston
McClellan
McClure
Nelson
Proxmire
Roth
Scott, William L.
Taft
Talmadge
Thurmond
Tower

NOT VOTING—14

Bayh
Culver
Eagleton
Hatfield
Hollings
Hruska
Humphrey
Leahy
Metcalf
Mondale
Muskie
Scott, Hugh
Stennis
Tunney

So division 2 of Mr. Mansfield's amendment was agreed to.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I would like to make a request of the distinguished Senator from Alabama, pointing out that if we continue in this fashion we will have 33 votes yet to go. The request is, Will he give consideration to the possibility of voting on the rest of the divisions en bloc?

Mr. ALLEN. I will reply to the distinguished Senator from Montana that I wish he had made his request of the entire Senate because this is a matter to be considered by the Senate. But inasmuch as the amendment offered by the distinguished majority leader, which I feel is not germane and which the Chair felt was not, but which the Senate voted to declare was germane since it has an additional 32, I believe—is that correct, may I inquire of the Chair—32 additional parts to be voted upon?

The PRESIDING OFFICER (Mr. Hansen). Thirty-three.

Mr. ALLEN. Thirty-three additional parts to be voted upon by a rollcall vote, the Senator from Alabama, not wanting to prolong the issue, and following his uniform policy of seeking to expedite the work of the Senate, would certainly have no objection to a vote on all of the parts put into one.

I think this is an amendment that

should not be agreed to because it departs from the thrust of the bill. It adds an amendment that is highly conjectural as to cost. As I see it, it would cost hundreds of millions of dollars a year, as I outlined a few moments ago. I think it is nongermane. I think the House will rule it is nongermane. I think the conferees will say that it is nongermane. But since the distinguished majority leader has 33 parts of an amendment before us, I would certainly not wish to put the distinguished majority leader to a rollcall vote on each of the parts of his amendment. So if the Senator will make that request, I will impose no objection.

Mr. MANSFIELD. Do not put it off on me, because I am prepared to stay here ad infinitum and vote 33 times. I am thinking of the Senate. I will make that request at this time in line with the suggestion of the distinguished Senator from Alabama. I want it understood, as far as I am prepared personally, it does not make a bit of difference. I am prepared to stay here and vote ad infinitum 33 times. I make the request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

The Senate will now proceed to vote on the remainder of the amendment by the Senator from Montana.

Mr. HARRY F. BYRD, JR. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Will the Chair indicate where the rest of the amendment begins?

The PRESIDING OFFICER. It is the rest of the amendment starting at the top of page 11, all of the rest of the Mansfield amendment.

Mr. HARRY F. BYRD, JR. It goes through the remainder of the amendment?

The PRESIDING OFFICER. I did not hear the last of what the Senator said.

Mr. HARRY F. BYRD, JR. It starts at the top of page 11 and goes through the remainder of page 28.

The PRESIDING OFFICER. That is correct.

Mr. HARRY F. BYRD, JR. I thank the Chair.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Iowa (Mr. Culver), the Senator from Missouri (Mr. Eagleton), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Leahy), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from Maine (Mr. Muskie), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. Case) and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. Hugh Scott) is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 62, nays 23, as follows:

[Rollcall Vote No. 390 Leg.]

YEAS—62

Abourezk
Baker
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Dole
Domenici
Durkin
Eastland
Fong
Ford
Glenn
Goldwater
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Montoya
Morgan
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Stafford
Stevens
Stevenson
Stone
Symington
Weicker
Williams

NAYS—23

Allen
Bartlett
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Fannin
Garn
Griffin
Hansen
McClellan
McClure
Nelson
Proxmire
Roth
Scott, William L.
Sparkman
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—15

Bayh
Case
Culver
Eagleton
Hatfield
Hollings
Hruska
Humphrey
Leahy
Metcalf
Mondale
Muskie
Scott, Hugh
Stennis
Tunney

So the remainder of Mr. Mansfield's amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 189

Mr. ALLEN. Mr. President, I call up an unprinted amendment, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. Allen) proposes unprinted amendment No. 189.

Mr. ALLEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with and that the amendment be printed in full in the Record, and I shall explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Act, amend by adding the following new section:

Sec. . The Omnibus Crime Control and Safe Streets Act of 1968, as amended, is amended (1) by redesignating title XI thereof as title XII, (2) by redesignating section 1601 as section 1701, and (3) by adding immediately after title X thereof the following new title:

"TITLE XI—LAW ENFORCEMENT OFFICERS NOT EMPLOYED BY THE UNITED STATES

"Sec. 1601. For purposes of this title—

"(1) The term 'retired officer' means a person who the Administration in its discretion determines—

"(A) was employed either as a State or local law enforcement officer or as a State or local firefighter,

"(B) retired after the enactment of this title, and

"(C) is receiving qualifying State and local retirement benefits.

"(2) The term 'State or local law enforcement officer' means a full-time, certified, law enforcement officer with power of arrest employed by a State, a political subdivision of a State, or any municipal corporation in a State, who is required by the terms of his employment, whether such employment exists by virtue of election or appointment, to give his full time to the preservation of public order and the protection of life or property, or the detection of crime in the State, and shall include enforcement officers for conservation laws and full-time coroners, but shall not include any district attorney, assistant district attorney, assistant attorney general, commissioner, deputy commissioner, any municipal inspector, county inspector, or State inspector, or any like employees of a State, any political subdivision of a State, or any municipal corporation in a State.

"(3) The term 'State or local firefighter' means a full-time, certified, fireman employed by a State, a political subdivision of a State, or any municipal corporation in a State, who is required by the terms of his employment, whether such employment exists by virtue of election or appointment, to give his full time to duties related directly to being prepared to extinguish or extinguishing accidental or maliciously initiated fires for the preservation of public order and for the protection of life or property.

"(4) The term 'State' includes the fifty States of the United States and any territory of the United States.

"(5) The term 'qualifying State or local retirement benefit' means a retirement benefit including disability retirement paid by a retirement system established by a State or a political subdivision of a State and attributable to the payee's service as a State or local law enforcement officer or as a State or local firefighter.

"(6) The term "Administration" means the Law Enforcement Assistance Administration.

"Sec. 1602. The Administration shall furnish to each retired officer retirement benefits equal to 25 per centum of his qualifying State and local retirement benefits.

"Sec. 1603. (a) An application for any benefit under this title may be made only—

"(1) to the Administration;

"(2) by—

"(A) a retired officer,

"(B) any association of law enforcement officers which is acting on behalf of a retired officer,

"(C) any association of firefighters which is acting on behalf of a retired officer; and

"(3) in such form as the Administration may require.

"(b) Benefits under this title shall be paid at such times and in such manner as the Administration shall provide by regulation.

"(c)(1) No State or political subdivision or municipal corporation may, by reason of the receipt of benefits under this title by a retired officer, reduce benefits otherwise due such officer.

"(2) The Administration or any person described in subsection (a)(2) (A), (B), or (C) may bring a civil action (without regard to the amount in controversy) against any State or political subdivision thereof of any municipal corporation within such State in a United States district court in order to obtain injunctive or other relief for a violation of paragraph (1).".

Mr. ALLEN. Mr. President, I am particularly pleased that the Senate is considering passage of H.R. 366, a bill reported by my distinguished colleague from the State of Arkansas, Senator McCLELLAN, which, if enacted, would provide substantial benefits to the survivors of public safety officers killed in the line of duty. As I have stated earlier in the Chamber today, I support H.R. 366 because I believe the Federal Government has a responsibility to survivors of State and local as well as Federal public safety officers who are killed in the line of duty and who are engaged throughout their careers in assisting the Federal Government in enforcing the laws of the United States.

Although I know of no study done on the subject, I believe few in this body would disagree that a substantial portion of the duties performed by State and local public safety officers are duties solely accruing to the benefit of the Federal Government through State and local enforcement of Federal criminal statutes. The occasions are clearly, but regretably, countless upon which local public safety officers have paid with their lives in confrontinig criminals engaged in violating Federal law. So I believe it is appropriate and long overdue that the Federal Government assume its portion of the responsibility to the survivors of these officers. I therefore strongly support H.R. 366, and I commend Senator McCLELLAN, Senator HRUSKA, and the committee, for their fine work in studying the problem of inadequate survivors' benefits for local public safety officers and for responding to that problem by introducing this very fine measure now before us.

I want to pay particular tribute to the efforts of the distinguished Senior Senator from South Carolina (Mr. THURMOND) for his dedicated efforts through the years in support of public safety officers and his work in bringing this bill to the floor during this Congress and his leadership in sponsoring similar bills in past Congresses. Without his efforts this effort to help public safety officers and their families could not have succeeded.

Mr. President, I introduced earlier today a bill closely related to this amendment which has been referred to the Committee on the Judiciary.

My bill also recognizes the very fine contribution to Federal law enforcement made by State and local public safety officers by providing a Federal supplement to qualified State and local pension plans for those officers. My bill would thus further recognize the major contributions of time, dedication, and service rendered to the Federal Government by these State and local officers who now receive no compensation whatsoever from the Federal Government and who are in many instances undercompensated by the State and local governments which they serve. Moreover, Mr. President, I believe it should be pointed out that, regardless of direct compensation, in nearly all instances, State and local pension plans for retired firemen and police officers are very inadequate and fall far short of retirement programs reflecting the actual risks taken and service rendered by police officers and firemen. In view of the Federal component of their service, I believe that Congress ought to enact legislation which would permit the Federal Government to accept its responsibility toward all police officers and firemen by supplementing their retirement benefits.

Mr. President, my bill and this amendment calls for a supplement of 25 percent of the amount being received by a retired officer under a State or local pension plan. I believe that contribution is modest when considered against the substantial services received by the Federal Government from these State and local employees. Accordingly, I urge that this bill be given prompt consideration in committee and be reported to the Senate in the very near future so that action may be taken by the Senate during this Congress.

Mr. President, I believe the legislation I have introduced today is long overdue, and with that thought in mind, I am also offering my bill to the Senate as an amendment to the pending bill, H.R. 366. I recognize that Senators may not be willing to act favorably on my amendment without full information regarding its impact on the budget and without a detailed committee report such as has been prepared so well in support of H.R. 366. And so, Mr. President, I am offering my bill as an amendment to H.R. 366 primarily for the purpose of bringing the measure to the direct attention of the Senate and the committee.

Should my amendment be rejected at this time—and I state parenthetically that I am going to withdraw it after I have called it to the attention of the managers of the bill—I would urge my distinguished colleagues who serve on the Committee on the Judiciary to hold promptly hearings on this measure so that it may be considered carefully by the committee to the end that the committee will ultimately report the measure favorably to the Senate as has been done in the case of H.R. 366.

Mr. President, the Congressional Budget Office earlier this month began to prepare a cost estimate on my bill, but unfortunately a final estimate is not available today. An estimate should be completed sometime this week or at the latest by the end of the month, and I am asking the Budget Office to make its estimate immediately available to the Committee on the Judiciary so that action on the bill will not be delayed for lack of facts regarding its cost impact.

It is my hope, therefore, Mr. President, if the Senate and the managers of H.R. 366 are not ready at this time to accept the amendment I am offering to H.R. 366, that the managers of the bill and the distinguished chairman and members of the Committee on the Judiciary will see fit to hold hearings on my bill, analyze its cost impact, and at a very early date—if it deems advisable—report the measure for reconsideration in light of all facts developed by the committee. I am confident that once hearings are held and a cost estimate obtained, the Committee on the Judiciary will support the measure I have introduced and join with me in urging its final adoption.

I call this to the attention of the distinguished chairman of the committee and the manager of the bill.

Mr. McCLELLAN. Mr. President, as I understand the bill—it would go to the Committee on the Judiciary and be referred to the Subcommittee on Criminal Laws and Procedures.

Mr. ALLEN. I am sure it would.

Mr. McCLELLAN. That would fall under my jurisdiction as chairman of that subcommittee. I will hold hearings on it at a date as early as practical. The Senator realizes the situation we are in.

Mr. ALLEN. Yes.

Mr. McCLELLAN. There is no disposition on my part to be uncooperative with the Senator. He should get a proper hearing as expeditiously as we can do it practically under the circumstances.

Mr. ALLEN. I thank the distinguished Senator.

Mr. McCLELLAN. As I understand the bill, the Federal Government would subsidize present State-municipal pension plans by 25 percent. Am I correct?

Mr. ALLEN. Yes, that is correct.

The main thrust of the bill as approved by the committee provides for benefit payments to the survivors of public health officers who are killed in line of duty, but it does nothing for those who live and who retire. This would be an effort to supplement the State and local pensions to the extent of 25 percent of the amount of the pension.

Mr. McCLELLAN. The Senator says that he does not have an estimate of the cost now but will obtain one.

Mr. ALLEN. That is correct. The request for the hearing would not be insisted upon until the figures are obtained.

Mr. McCLELLAN. Has the Senator's bill been introduced?

Mr. ALLEN. Yes; and by unanimous consent, it was referred to the Committee on the Judiciary.

Mr. McCLELLAN. It probably will be rereferred to the Subcommittee on Criminal Laws and Procedures, which I chair.

In the meantime, if the Senator obtains information from the Budget Committee with an estimate as to the cost, I hope he will submit it to us.

Mr. ALLEN. I will be glad to do that. I appreciate the Senator's friendly cooperation in this area and I appreciate his assurance that the bill will be given a hearing at an early date.

I thank the distinguished Senator from Arkansas.

Mr. President, I withdraw the amendment.

Mr. McCLELLAN. Mr. President, if there are no further amendments I yield back the remainder of my time.

Mr. THURMOND. Third reading, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CULVER), the Senator from Missouri (Mr. EAGLETON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from Maine (Mr. MUSKIE), the Senator from Mississippi (Mr. STENNIS), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Vermont (Mr. LEAHY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Jersey (Mr. CASE) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. HUGH SCOTT) is absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 80, nays 4, as follows:

[Rollcall Vote No. 391 Leg.]

YEAS—80

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Curtis
Dole
Domenici
Durkin
Eastland
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Montoya
Morgan
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—4

Fannin
Goldwater
McClure
Scott,
William L.

NOT VOTING—16

Bayh
Case
Culver
Eagleton
Hatfield
Hollings
Hruska
Humphrey
Leahy
Metcalf
Mondale
Muskie
Scott, Hugh
Stennis
Symington
Tunney

So the bill (H.R. 366), as amended, was passed.

The title was amended so as to read:

An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a Federal death benefit to the survivors of public safety officers.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make certain technical and clerical corrections as necessary in the engrossment of the Senate amendments to H.R. 366.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCLELLAN, Mr. PHILIP A. HART, Mr. KENNEDY, Mr. HRUSKA, and Mr. THURMOND conferees on the part of the Senate.

DEPARTMENT OF COMMERCE MARITIME PROGRAMS AUTHORIZATIONS

Mr. MAGNUSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11481.

The PRESIDING OFFICER (Mr. STONE) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 11481) to authorize appropriations for the fiscal year 1977 for certain maritime programs of the Department of Commerce, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MAGNUSON. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. LONG, Mr. HOLLINGS, Mr. GRIFFIN, and Mr. BEALL conferees on the part of the Senate.

SURETY BOND GUARANTEE FUND

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 3370, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 3370) to amend the Small Business Investment Act of 1958 to increase the authorization for the Surety Bond Guarantee Fund.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Debate on this bill is limited to 1 hour equally divided and controlled by the Senator from North Carolina (Mr. MORGAN) and the Senator from Utah (Mr. GARN), with 30 minutes on any amendment, except an amendment by the Senator from Arkansas (Mr. BUMPERS), No. 1867, on which there shall be 1 hour; and 20 minutes on any debatable motion, appeal, or point of order.

Mr. MORGAN. Mr. President, I ask unanimous consent that Tony Cluff, Tommy Brooks, Robert Locklin, and Rick Wahlstrom have the privilege of the floor during the consideration and voting on S. 3370.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, as I understand the order of business that was presented on the last day of business of the session of the Senate, the yeas and nays were ordered on this bill and also on the amendment to be offered by the Senator from Arkansas, if I am not mistaken.

The PRESIDING OFFICER. The yeas and nays have been ordered on the bill but not on the amendment of the Senator from Arkansas.

Mr. MORGAN. Mr. President, this bill is a relatively simple bill, and I ask unanimous consent that the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORGAN. Mr. President, one of the most important programs of the Small Business Administration, in my opinion, has been the surety bond guarantee program, and it is also one of the best run programs.

From my many years of experience as a smalltown lawyer advising with and consulting with small contractors, I found it most difficult for such contractors to get a surety bond in order to perform work for various agencies of Government and various governments which required it.

A number of years ago there was an amendment for a surety bond guarantee program created under the Small Business Administration, and it has been most effective.

Mr. President, I believe the surety bond guarantee program is one of the best programs run by the Small Business Administration. I do not know of any other program that did more to help the small businessman and to help the economy during the economic instability of the last few years.

Since the program's inception in fiscal year 1971, nearly 46,000 bond guarantees have been approved, resulting in over 27,000 contract awards with a value of close to $2 billion. In fiscal year 1975 alone, over 21,000 guarantees were approved and 11,595 contracts obtained for a total value of $760 million.

I rather suspect, Mr. President, that many of these contracts would never have been awarded had it not been for this program, because these small contractors would not have been in a position to obtain a surety bond, and thus competition in this area would have been lessened. I am satisfied that in the long run the U.S. Government and the various agencies of Government would have paid far more in excessive costs.

At the request of the administration, S. 3370 was introduced to provide the required increase in the capital authorized for the surety bond guarantee fund to finance the 1977 and 1978 levels for this program of $833 million. The capital requirement is $36 million in 1977 and $19 million in 1978.

On June 4, President Ford signed into law Public Law 94–305. One of the provisions of this law increased the authorization for the surety bond guarantee program from $35 to $56.5 million. I supported this provision when it was introduced by Senator MONDALE last December because it appeared the surety bond program would reach its budgeted ceiling in the spring, and be forced to discontinue.

The $18.5 million of the increase in Senator MONDALE's amendment enables the SBA to cover expected defaults on the $833 million in bond guarantees it is budgeted to write during the remainder of this fiscal year. The remaining $8 million enables the program to guarantee an additional $150 million in bonds in order to cover the program's increased volume.

S. 3370 was reported from the Committee on Banking, Housing and Urban Affairs before the President signed Public Law 94–305, so I will offer a technical amendment to reflect that authorization increase.

Since the proposed authorization increase is expected to cover 2 fiscal years, I realize it may be necessary to come back at a later date to make sure that the program's authorization level will adequately finance the program's rapid expansion.

Mr. President, I fully support the administration's authorization recommendation and urge my colleagues to approve S. 3370. It is a program that has cost the Government very little and has saved it, in my opinion, millions and millions of dollars.

UP AMENDMENT NO. 190

Mr. President, at this time I send to the desk a technical amendment which would insert "$56,500,000" in lieu of "$35,000,000" which was in the original bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN) proposes unprinted amendment No. 190:

On page 1, line 4, strike "$35,000,000" and insert in lieu thereof "$56,500,000".

Mr. BARTLETT. Mr. President, I would like to offer an amendment.

The PRESIDING OFFICER. Does the Senator from North Carolina yield the floor?

Mr. MORGAN. Mr. President, I call for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment was agreed to.

UP AMENDMENT NO. 191

Mr. BARTLETT. Mr. President, I have an amendment I would like to offer.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes unprinted amendment No. 191.

Mr. BARTLETT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 6, insert the following:

SEC. 2. Section 410 of the Small Business Act of 1958 is amended—

(1) by inserting before the period at the end of clause (4) a comma and the following: "but such term does not include its producing agent in the event the producing agent is an independent contractor"; and

(2) by adding at the end thereof the following new clause:

"(9) The term 'guarantee' means an absolute undertaking by the Administration that it will pay the surety a sum not to exceed 90 per centum of the loss incurred by the surety by reason of its execution of a bond as contemplated herein, except that the Administration will not be obligated to perform such undertaking if it has substantial evidence that the surety perpetrated a fraud in the inducement upon the Administration."

SEC. 3. Section 411(a)(5) shall be amended by striking the words "and reasonableness of cost".

SEC. 4. The first, second, and fourth sentences of section 411(c) of such Act are amended by striking out "fee" each place it appears and inserting in lieu thereof "premium".

Mr. BARTLETT. Mr. President, I wish to commend the sponsors of the bill and the distinguished Senator from North Carolina for his interest in the surety bond program and for his support for it. I think it is an excellent program. I have had the privilege of chairing oversight hearings on the entire matter, and I concur very heartily with the Senator from North Carolina in the views that he has expressed.

Mr. President, the amendment that I offer to Senate bill, S. 3370, does three things: it strengthens the guarantee by encouraging the insurers to take part in the program, because it would provide that the Federal Government actually be an insurer, which it is at the present time in most cases, but with this amendment the Federal Government would be an insurer in all cases except where substantial fraud is shown.

The other two parts of the amendment are technical. One concerns the use of the word "fee" and substitutes the word "premium" which is in conformity with language used in the insurance business.

Finally, the amendment on the definition of charity is exclusionary in that it provides that the term "charity" does not include a producing agent in the event that the producing agent is an independent contractor.

Mr. President, on November 19, 1975, the Select Committee on Small Business began hearings on the surety bond program of the Small Business Act of 1958. Testimony was taken from contractors, surety bond companies, and the Small Business Administration concerning the viability of this program. All witnesses concurred in the effectiveness and need for this program. One matter which was heavily stressed was the need to increase the authorization so that continuity within the program could be maintained. S. 3370, authored by Senator PROXMIRE and Senator TOWER, seeks to do this; and I congratulate them for their interest and effort in presenting this bill.

This legislation will address the problem of frequent intermittent delays and shutdowns in the surety bond program. These delays have caused havoc with the small business contractor because delays have prevented them from developing any meaningful future business planning.

A second problem was brought out during the 3 days of hearings concerning the language of the original surety bond legislation. Primarily, the language of the Surety Bond Act does not address the question of an adequate guarantee for participating surety companies. It is felt by a number of surety companies that the guarantee is insufficient; and therefore, a number of areas in this Nation are not being served by either major or specialty surety companies, because of the question of risk that must be undertaken by the surety when working in cooperation with the Small Business Administration.

It is accurate to say that all private sector surety risks, whether undertaken by major companies or specialty companies, are reinsured by the surety. This means that a portion of each risk undertaken by the surety is shared by a separate and distinct insurance company, normally termed a "reinsurer." By reason of the insurance regulations in each State which control the amount of risk in relation to capital and surplus that must be outstanding at any one time, a sharing of the risk by a reinsurer allows the surety to write bonds in greater volume for more contract clientele and in a higher total dollar amount.

This process places the reinsurer in the position of following the fortunes of the surety. That is to say, the surety has sole responsibility for the administration of that bond, for the claims handling upon default, and for all resulting litigation. In the end, the surety submits a voucher to the reinsurer setting forth the net dollar loss, and the reinsurer forwards its percentage of that loss in dollars to the surety.

If a reinsurer refuses to pay a surety under these circumstances, the ability of that surety to write further bonds is placed in jeopardy. From that point on, no surety would be confident that the reinsurer would honor his commitment.

This very thing has occurred with the Small Business Administration. It should be said that it is not widespread, but when you are dealing with an industry such as that of construction contracting with its corresponding ups and downs, a denial on a surety bond by the Small Business Administration does cause a good deal of commotion within the surety industry. Therefore, there are numerous areas within this country that are not being served by either the major surety companies or the specialty surety companies, because the original legislation does not require the Small Business Administration to follow the fortunes of the surety.

The amendment that I offer to S. 3370 amends the language of the original act to provide for a redefinition of the word "guarantee." This redefinition would still provide the protection to the Federal Government where substantial fraud is shown but would place the Small Business Administration in the actual position that it serves at this time, that of a reinsurer, but with the full responsibility of a private reinsurer. The SBA would not be free, as it is now, to deny liability through a mechanism of second guessing the underwriting judgment of the surety or the settlement judgment of its claims department.

This concern for the "Monday morning quarterbacking" by the Small Business Administration was uniformly expressed by all witnesses in the surety bond industry, and these witnesses also related that they believed more companies would begin to participate in the program when full responsibility was provided. This participation would provide broader access by the small businessman and the construction industry to the surety bond program.

The next matter concerns the use of the word "fee" in section 411(c). My amendment substitutes the word "premium" in each place that the word "fee" is used. This is simply a matter of exchanging terms so that the act corresponds with the common usage within the surety bond industry. This will simplify the language of all surety bond operations both for the Federal Government and for the surety bond industry. The change of words does not affect the intention of this section but merely conforms the act to long accepted industry practice.

Finally, my amendment changes the definition of "surety" found in section 410. As stated in the act, the term "surety" includes three different types of entities. One entity included is that which undertakes to pay a sum of money to the obligee in the event the principal breaches the conditions of the contract; a second entity includes one that undertakes to incur the cost of completing the terms of the contract where the principal breaches the conditions of the contract; and the third type of entity undertakes the payment to all persons supplying labor and material in the execution of work provided in the contract where the principal fails to make prompt payment.

This amendment is exclusionary in that it provides that the term "surety" does not include a producing agent in the event that the producing agent is an independent contractor. This often occurs particularly in relation to the specialty companies which handle the burden of the surety bond business. There are independent agents scattered throughout this country who produce surety bonds in the SBA program but are not actually the entity which undertakes the obligation in the case of a breach or default on the contract. This again is language to encourage the further activity of insurance agents and surety bond companies in the program. The independent agent in any sort of insurance program does not undertake personally to guarantee the obligation. He is merely acting as agent for an insurance company that places its assets, and in this case those of the Federal Government, as a guarantee that the contract will be completed.

All three of these areas are minor changes in the surety bond program but are major in their impact on the effectiveness of the program and the willingness of the surety bond industry, both specialty sureties and major sureties, to broaden the use of this program to all areas of the country.

Again, I would like to commend Senator PROXMIRE and Senator TOWER for introducing this much needed increased authorization, and I would like to encourage my fellow Senators to act favorably on these amendments which I offer to S. 3370.

Mr. President, I ask unanimous consent that Mr. Ed King, of my staff, be granted privilege of the floor during the debate and all votes on this bill.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

The Senator from Utah.

Mr. GARN. Mr. President, on behalf of the minority, we accept the Bartlett amendment.

Mr. MORGAN. Mr. President, on behalf of the majority, I say that the amendment simply takes away practically all of the defenses that would be available to the Government except that of fraud. I do not know of any reason why that should not be done.

After all, one of the biggest problems with this whole program has been trying to get surety bond companies to get involved. If they have to get involved and then run the risk of every possible defense the Government can pull out of the hat, they just are not going to get involved.

I think it is a good amendment. I discussed it with the distinguished Senator from Utah and the distinguished sponsor of the amendment. We are willing to accept it and then if we run into any difficulties, we will try to work those out between us at the conference.

Mr. BARTLETT. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BARTLETT. I yield back the remainder of my time.

Mr. MORGAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

AMENDMENT NO. 1867

Mr. BUMPERS. Mr. President, I call up amendment No. 1867.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an amendment No. 1867.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 6, insert the following:

SEC. 2. Section 411 of title IV of Public Law 85-699, as amended, is hereby amended by inserting at the end thereof the following new subsection (e):

"(e) If there is a breach by the principal of the terms of a bid bond, performance bond, or payment bond, resulting in loss to the obligee, and if the surety by reason of insolvency or bankruptcy defaults and does not discharge its obligation to the obligee, the administration shall, notwithstanding any other provision of law, pay the obligee whatever sum would otherwise have been payable to the surety under subsection (b) of this section 411.".

Mr. BUMPERS. Mr. President, on June 16, 1976, I introduced amendment No. 1867 to S. 3370, a bill to increase the authorization for the surety bond guarantee fund administered by the Small Business Administration. Since that time I have been advised by representatives of the Committee on the Budget that the amendment might be subject to a point of order, in that it arguably provides new spending authority to SBA. The effect of the amendment is simply to provide that payments heretofore made by SBA to a surety company's trustee in bankruptcy or receiver shall instead be made to the obligee of the bond directly. Arguably, no new spending authority is involved, but out of an abundance of caution I am asking that my amendment be modified in the fashion advised by the Committee on the Budget.

Therefore, Mr. President, I modify my amendment number 1867 by adding the following at the end:

"This amendment shall be effective on and after October 1, 1976," and I send the amendment as so modified in writing to the desk.

The PRESIDING OFFICER. Without objection, the amendment will be modified as stated.

The amendment, as modified, is as follows:

On page 1, line 6, insert the following:

SEC. 2. Section 411 of title IV of Public Law 85-699, an amended, is hereby amended by inserting at the end thereof the following new subsection (e):

"(e) If there is a breach by the principal of the terms of a bid bond, performance bond, or payment bond, resulting in loss to the obligee, and if the surety by reason of insolvency or bankruptcy defaults and does not discharge its obligation to the obligee, the administration shall, notwithstanding any other provision of law, pay the obligee whatever sum would otherwise have been payable to the surety under subsection (b) of this section 411." This amendment shall be effective on and after October 1, 1976.

Mr. BUMPERS. Mr. President, I think, and hope, that the managers of the bill will accept this amendment. I would like to take just 3 short minutes to explain, as simply as I can, what it does.

In this amendment, there are four characters in the cast. First, there is the owner, who is the person or corporation that may wish to build a building, or highway, or anything else; second, there is a contractor who would bid on the job to do the buidling; third, there is the surety who would guarantee the performance of the job; and in the event he is a marginal contractor who has a difficult time getting a surety bond, the fourth character is the SBA, who, under this very provision, guarantees up to 90 percent of the amount of any loss.

So the characters are the owner, the contractor, the surety bond company, and the SBA.

Incidentally, this amendment goes to a very narrow, limited situation.

Under present law, today, if the owner, and we will say it is a church—and I do not use that speciously because it happened to a church in my State—hires somebody to build a new sanctuary or a new church, the contractor who wants to build the church is a financially marginal operator, he goes to the surety company and he tells them, "I want a bond for $1 million to build this church."

They look at his financial statement and say, "You are not financially stable enough for us to issue a bond in that amount. If you go to the SBA and under present law get SBA to guarantee up to 90 percent of any loss, we will write it for you."

So he does that and SBA agrees.

During the course of construction two things must happen before my amendment would come into play. First, the contractor has to become insolvent; second, the surety company becomes insolvent.

Under present law, if these two things occur, SBA pays over the 90 percent that they have guaranteed to the receiver or trustee of the insolvent surety company and that money is not allocated to the contractor, the church, which we legally call the obligee. Instead, it goes to all the creditors of the surety company. The church that originally demanded the bond and for whose benefit it was issued stands in line with all other creditors of the surety company. They may get some small portion, they may get a significant portion.

But what my amendment does in that narrow situation where both the surety company and the contractor are insolvent, SBA would pay whatever their obligation was directly to the church, or the owner, rather than to the surety company.

Mr. President, I say that this is a very simple amendment of the law designed to do justice and equity to the obligee who asks that the bond be written for his own benefit and to give him the benefit of it, and to help small contractors who could not otherwise engage in that kind of construction.

Mr. MORGAN. Will the Senator yield for a question or so for the record?

Mr. BUMPERS. I am happy to yield.

Mr. MORGAN. I think I understood correctly when the Senator said that in the event the builder goes broke and cannot complete the job and then, of course, the owner calls on the surety company, by this time the surety company has become insolvent and is in the hands of a trustee?

Mr. BUMPERS. The Senator is correct.

Mr. MORGAN. Whatever money the SBA would pay the trustee would not go to the church, the owner, but would be distributed among all the creditors of the surety company notwithstanding the fact that it was written for this particular church.

Mr. BUMPERS. The Senator is precisely correct.

Mr. MORGAN. Now, the SBA has raised a number of questions as to whether or not this would place a tremendous administrative burden on the SBA. I say to the Senator that it is my understanding that two men in the SBA handle this work, which is amazing to me. I think maybe this ought to be our next task, to try to beef up that department because it is probably the best received.

Would the Senator anticipate that there would be many such situations in which both the builder and the surety company would be involved?

Mr. BUMPERS. I would respond by saying I wish I had specific information, and I assume that SBA could supply it. I perhaps have been remiss in not getting that sort of documentation before I offered the amendment. Certainly, I would think commonsense would indicate that this very narrow situation would only occur in a very limited number of cases. I am not saying that two people could handle the claims that would arise in such a case, but certainly it would not require, I do not think, any significant amount of beefing up.

Mr. MORGAN. That would also be my judgment, Mr. President.

There is another objection raised by SBA which I think I should mention and ask the Senator about. If we adopt his amendment, there is some concern that all of the contracting owners would tend to seek out surety companies that were backed by SBA. But it is my feeling that most contractors are so happy to get a surety bond of any kind that they are not really going to look behind a surety company that is licensed by the State to do business. Would the Senator concur with that?

Mr. BUMPERS. I certainly would. In addition to that, I might say to the Senator that I assume that SBA has very specific and definitive guidelines that they use in determining who is eligible for this kind of assistance. For example, I think one of the guidelines is that the contract has to be for $1 million or less. The contractor would have to have a financial statement that simply would indicate that he could not get the surety bond any place else. As I say, if they use their criteria, it would not make a great deal of difference what the owner wanted. SBA would simply apply its guidelines in determining whether or not they would issue such a guarantee.

Mr. MORGAN. Mr. President, I agree with the distinguished Senator. I wanted to raise these two questions because I am sure that if and when we get to conference the SBA will want these two questions discussed and I wanted them in the record.

Mr. BUMPERS. I thank the Senator very much and I appreciate it. I discussed this with the managers and they have indicated they would accept the amendment. I am not asking for a rollcall vote. Sometimes we do that here in our zest to make certain we can go to conference and say this amendment was adopted 93 to 7 and the Senate would not recede from the amendment. I have the assurance that if the amendment is accepted, they will fight for it in the conference. I appreciate that very much. I am not asking for the yeas and nays.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I might indicate to the Senator from Arkansas that a vote would indicate overwhelming support, and there is not the need, obviously, to ask for a rollcall.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BUMPERS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

UP AMENDMENT NO. 193

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment No. 193.

The amendment is as follows:

At the end of the bill add a new section as follows:

SEC. That Subsection (a) of the first Section of the Act of August 24, 1935, as amended (40 U.S.C. 270(a)) is amended by striking out $2,000 and inserting in lieu thereof "$25,000".

Mr. BENTSEN. Mr. President, what I am trying to do here is to bring this bonding requirement minimum up to present inflationary standards as we see them today.

What is now required on any contract on a public works building is that anything above $2,000 has to have a bond. In my amendment, I am calling for raising that to $25,000. Too often what happens is that small contractors and small businessmen have a difficult time arranging that. I believe that the Government has enough protection without putting that kind of limitation on the very small businessman. It is particularly true of some of the minority businesses that we seem to be trying to get into the contracting business. This will give them a better chance without going through all the legalities, all the redtape, and all the expenses they have to to try to substantiate the bond on a job that would be running under $25,000.

It is my understanding that in 1970 the GSA awarded 1,114 contracts in the category between $2,000 and $20,000. That is a total of some $7.34 million. That is an example of the sort of contracts that they have a chance to work-on.

I would hope very much that the managers of the bill on the majority and minority side will consider this amendment favorably.

Mr. MORGAN. I thank the distinguished Senator for offering this amendment. I think his amendment will enable a lot of smaller contractors, and especially minority contractors who are trying to get started, to do work for the government. If we are going to require these bonds somebody has to pay for them. That will be the government and the taxpayers. So far as the majority is concerned, I am willing to accept the amendment and commend the Senator for offering it.

Mr. GARN. I would suggest that due to inflation alone, a $2,000 job is such a very, very small one and it does place a burden on the small businessman and the contractor. The minority accepts the amendment.

The PRESIDING OFFICER. If all time is yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 412 of the Small Business Investment Act of 1958 is amended by striking out "$56,000,000" and inserting in lieu thereof "$88,000,000".

SEC. 2. Section 410 of the Small Business Act of 1958 is amended—

(1) by inserting before the period at the end of clause (4) a comma and the following: "but such term does not include its producing agent in the event the producing agent is an independent contractor"; and

(2) by adding at the end thereof the following new clause:

"(9) The term 'guarantee' means an absolute undertaking by the Administration that it will pay the surety a sum not to exceed 90 per centum of the loss incurred by the surety by reason of its execution of a bond as contemplated herein, except that the Administration will not be obligated to perform such undertaking if it has substantial evidence that the surety perpetrated a fraud in the inducement upon the Administration.".

SEC. 3. Section 411(a)(5) shall be amended by striking the words "and reasonableness of cost".

SEC. 4. The first, second, and fourth sentences of section 411(c) of such Act are amended by striking out "fee" each place it appears and inserting in lieu thereof "premium".

SEC. 5(a). Section 411 of ttile IV of Public Law 85–699, as amended, is hereby amended by inserting at the end thereof the following new subsection (e):

"(e) If there is a breach by the principal of the terms of a bid bond, performance bond, or payment bond, resulting in loss to the obligee, and if the surety by reason of insolvency or bankruptcy defaults and does not discharge its obligation to the obligee, the administration shall, notwithstanding any other provision of law, pay the obligee whatever sum would otherwise have been payable to the surety under subsection (b) of this section 411.".

(b) This section shall be effective on and after October 1, 1976.

SEC. 6. That subsection (a) of the first section of the Act of August 24, 1935, as amended (40 U.S.C. 270(a)) is amended by striking out $2,000 and inserting in lieu thereof "$25,000".

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 3370.

The PRESIDING OFFICER. Without objection, it is so ordered.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 897, S. 495.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes.

The Senate resumed the consideration of the bill, which had reported from the Committee on Government Operations with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Watergate Reorganization and Reform Act of 1976".

TITLE I—AMENDMENTS TO TITLE 28, UNITED STATES CODE

REORGANIZATION OF THE DEPARTMENT OF JUSTICE

SEC. 101. (a) Title 28, United States Code, is amended by adding after chapter 37 the following new chapter:

"Chapter 39—DIVISION OF GOVERNMENT CRIMES AND APPOINTMENT OF TEMPORARY SPECIAL PROSECUTOR

"Sec.
"591. Establishment of Division of Government Crimes.
"592. Jurisdiction.
"593. Final decision by the Attorney General.
"594. Standard for appointment of temporary special prosecutor.
"595. Temporary special prosecutor.
"596. Disqualification of officers and employees of the Department of Justice.
"597. Expedited judicial review.

"§ 591. Establishment of Division of Government crimes

"(a) There is established within the Department of Justice the Division of Government Crimes which shall be headed by the Assistant Attorney General for Government Crimes (hereinafter referred to in this chapter as the 'Assistant Attorney General') who shall be appointed by the President, by and with the advice and consent of the Senate, for a term coterminous with that of the President making the appointment.

"(b) An individual shall not be appointed Assistant Attorney General if such individual has, during the five years preceding such appointment, held a high level position of trust and responsibility while serving on the personal campaign staff or in an organization or political party working on behalf of the campaign of an individual who was elected to the office of President or Vice President.

"(c) The confirmation by the Senate of a Presidential appointment of the Assistant Attorney General shall constitute a final determination that such officer meets the requirements under subsection (b).

"(d) While serving as Assistant Attorney General, an individual shall not engage in any other business, vocation, or employment.

"(e) The Attorney General, at the beginning of each regular session of the Congress, shall report to the Congress on the activities and operation of the Division of Government Crimes for the last preceding fiscal year, and on any other matters pertaining to the Division which he considers proper, including a listing of the number, type, and nature of the investigations and prosecutions conducted by such Division and the disposition thereof, and any proposals for new legislation which the Attorney General may recommend. Such report shall be made public except that the Committee on the Judiciary of the House of Representatives or the Committee on the Judiciary of the Senate may on its own initiative, or upon the request of the Attorney General, seal portions of the report related to uncompleted and ongoing investigations.

"§ 592. Jurisdiction.

"(a) The Attorney General shall, subject to the provisions of section 595, delegate to the Assistant Attorney General jurisdiction of (1) criminal violations of Federal law committed by any elected or appointed Federal Government officer or employee who is serving or has served at any time during the preceding six years in a position compensated at a rate equivalent to or greater than level III of the Executive Schedule under section 5314 of title 5, United States Code; (2) criminal violations of Federal law committed by any elected or appointed Federal Government officer or employee, other than those described in paragraph (1), who is serving or has served at any time during the preceding six years, if such violation is directly or indirectly related to the official Government work or compensation of such officer or employee; (3) criminal violations of Federal law committeed by a special Federal Government employee, as defined under section 202 of title 18, United States Code, in the course of his employment by the Government, who is serving or has served at any time during the preceding six years; (4) criminal violations of Federal laws relating to lobbying, campaigns, and election to public office committed by any person; and (5) any other matter which the Attorney General refers to the Assistant Attorney General. Any jurisdictional grant of authority which is inconsistent with this paragraph is hereby superseded.

"(b) For the purpose of subsection (a) of this section, the six-year period referred to shall be computed from the date on which (1) the Assistant Attorney General makes a reasonable effort to notify an individual described in such subsection in writing that such individual is the subject of an investigation of a possible violation of a Federal law, or (2) such individual is informed of his indictment, whichever is earlier.

"(c) Any information, allegation, or complaint received by any officer or employee of any branch of Government relating to any violation specified in subsection (a) of this section shall be expeditiously reported to a local United States Attorney or to the Attorney General. Such United States Attorney shall expeditiously inform the Attorney General in writing of the receipt and content of such information, allegation, or complaint.

"§ 593. Final decision by the Attorney General

"The Attorney General shall supervise the Assistant Attorney General in the discharge of his duties.

"§ 594. Standard for appointment of temporary special prosecutor

"(a) If the Attorney General, upon receiving information, allegations, or evidence of any Federal criminal wrongdoing, determines that a conflict of interest as defined in subsection (c), or the appearance thereof, may exist if he participates in any investigation or prosecution resulting from such information, allegations, or evidence, the Attorney General within thirty days after the receipt thereof shall file a memorandum with the division of three judges of the United States Court of Appeals for the District of Columbia, as described in section 49 of this title (hereinafter in this chapter referred to as the 'court') containing—

"(1) a summary of the information, allegations, and evidence received and the results of a preliminary investigation or evaluation thereof by any Federal investigative agency;

"(2) a summary of the information relevant to determining whether a conflict of interest, or the appearance thereof, exists;

"(3) a finding by the Attorney General, based upon all information known to the Department of Justice, as to whether the information, allegations, and evidence summarized as required under paragraph (1) are clearly frivolous, and therefore, do not justify any further investigation or prosecution, and any other comments or recommendations by the Attorney General; and

"(4) a decision, if any, by the Attorney General to disqualify himself and to appoint a temporary special prosecutor under section 595.

"(b) Not sooner than thirty days after first notifying the Attorney General of the information, allegations or evidence in his possession of possible criminal wrongdoing, any individual may make a request to the court to decide whether the Attorney General should disqualify himself with respect to a particular investigation by submitting in writing to the court and the Attorney General such information, allegations, or evidence and a summary of the information relevant to determine whether a conflict of interest exists. The Attorney General shall have fifteen days from his receipt thereof to file a memorandum with the court containing the information described in subsection (a) if the Attorney General has not already done so.

"(c) (1) In determining whether a conflict of interest or the appearance thereof exists, the court and the Attorney General shall consider whether the President or the Attorney General has a direct and substantial personal or partisan political interest in the outcome of the proposed criminal investigation or prosecution.

"(2) For the purposes of this section, a conflict of interest, or the appearance thereof, is deemed to exist if the subject of a criminal investigation or prosecution is the President, Vice President, Director of the Federal Bureau of Investigation, any individual serving in a position compensated at level I of the Executive Schedule under section 5312 of title 5, United States Code, any individual working in the Executive Office of the President compensated at a rate equivalent to or greater than level V of the Executive Schedule under section 5316 of title 5, United States Code, or any individual who held any office or position described in this paragraph at any time during the four years immediately preceding the investigation or prosecution.

"(d) (1) If (A) the Attorney General files a memorandum as provided under subsection (a) or (b) which does not include a decision to disqualify himself, or a finding pursuant to subsection (a) (3) that the information, allegations and evidence are clearly frivolous, or (B) the Attorney General fails to make a timely reply as required under subsection (b), the court shall determine whether a conflict of interest, or the appearance thereof, exists. If the court finds such a conflict, or the appearance thereof, it shall appoint a temporary special prosecutor pursuant to section 595, and upon notification in writing of such an appointment the Attorney General shall disqualify himself.

"(2) Upon request of the court, the Attorney General or any other individual shall make available to the court all documents, materials, and memoranda as the court finds necessary to carry out its duties under this section. The court may request participation or argument from a party other than the Attorney General or may appoint any individual to perform the function described in this subsection.

"(e) If, after finding under subsection (a) (3) that the information, allegations, and evidence of possible criminal wrongdoing are clearly frivolous, the Attorney General receives additional information, allegations, or evidence which, in his opinion, justify further investigation or prosecution, the Attorney General shall within fifteen days after receiving the information, allegations, or evidence, file a memorandum with the court in accordance with subsection (a).

"§ 595. Temporary special prosecutor

"(a) (1) A temporary special prosecutor shall be appointed pursuant to this section—

"(A) by the Attorney General, upon a decision to disqualify himself pursuant to section 594(a) (4); or

"(B) by the court, upon a finding of a conflict of interest, or the appearance thereof, pursuant to section 594(d) (1).

"(2) The court shall notify the Attorney General in writing of any decision under paragraph (1) (B). Any action of the court under this section shall supersede any actions by the Attorney General which are in conflict therewith.

"(3) Whoever appoints a temporary special prosecutor under this section shall specify in writing the matters which such prosecutor is authorized to investigate and prosecute.

"(b) An individual shall not be appointed temporary special prosecutor unless such individual (1) is not serving as an officer or employee of the Federal Government and (2) meets the requirements of section 591(b).

"(c) The court shall review appointment of a temporary special prosecutor by the Attorney General under this section to determine whether—

"(1) the individual appointed temporary special prosecutor (A) has a conflict of interest, or the appearance thereof, in accordance with section 594(c); or (B) fails to meet the requirements of subsection (b); or

"(2) the jurisdiction defined by the Attorney General is not sufficiently broad to enable the temporary special prosecutor to carry out the purposes of this chapter.

"If the court finds that the appointment is deficient under paragraph (1) or (2), the court shall appoint a temporary special prosecutor pursuant to this section.

"(d) (1) Except as provided under paragraph (2), the authority and powers of any temporary special prosecutor shall terminate upon the submission to the Attorney General of a report stating that the investigation of all matters which the temporary special prosecutor is authorized to investigate, as set forth pursuant to subsection (a) (3), and any resulting prosecutions have been completed.

"(2) Prior to his submission of the report under paragraph (1), a temporary special prosecutor may be removed from office by the Attorney General only for extraordinary improprieties. Immediately after removing a temporary special prosecutor under this subsection, the Attorney General shall submit to the court a written report specifying with particularity the cause for which such temporary special prosecutor was removed. The court shall make available to the public such report, except that the court may, if necessary to avoid prejudicing the rights under Federal law of any individual, delete or postpone publishing such portions of the report, or the whole report, or any name or other identifying details.

"(3) A temporary special prosecutor or any aggrieved person may bring an action in the United States District Court for the District of Columbia to challenge the action of the Attorney General under paragraph (2) by seeking reinstatement or any other appropriate relief. In any hearing of any such action, the court shall proceed de novo.

"(e) In carrying out the provisions of this section, a temporary special prosecutor shall have, within the jurisdiction specified by the Attorney General or the court in accordance with subsection (a) (3), the same power as the Assistant Attorney General for Government Crimes to act on behalf of the United States, except that the temporary special prosecutor shall have the authority to appeal any decision of a court in a proceeding in which he is a party without the approval of the Solicitor General or the Attorney General. The Attorney General shall make available to the temporary special prosecutor all documents, materials, and memoranda necessary to carry out his duties under this section.

"(f) Upon request by a temporary special prosecutor, the Attorney General shall make available to him the resources and personnel necessary to carry out his duties under this section. If a temporary special prosecutor does not receive the resources and personnel required to perform his duties, said temporary special prosecutor shall inform the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate.

"§ 596. Disqualification of officers and employees of the Department of Justice

"The Attorney General shall promulgate rules and regulations which require any officer or employee of the Department of Justice, including a United States attorney or a member of his staff, to disqualify himself from participation in a particular investigation or prosecution if such participation may result in a personal, financial, or partisan political conflict of interest, or the appearance thereof. Such rules and regulations may provide that a willful violation of any provision thereof shall result in removal from office.

"§ 597. Expedited judicial review

"(a) (1) Any objection on constitutional grounds by a person who is the subject of an indictment or information to the authority of a temporary special prosecutor appointed under this chapter to frame and sign indictments or informations or to prosecute offenses in the name of the United States shall be raised, if at all, by motion to dismiss the indictment or information. Each such motion shall be made within twenty days of notice of the indictment or information and shall not preclude the making of any other motion under the Federal Rules of Criminal Procedure.

"(2) The district court shall immediately certify any motion under paragraph (1) of this subsection to the United States court of appeals for that circuit, which shall hear the motion sitting en banc.

"(3) Notwithstanding any other provision of law, any determination on the motion shall be reviewable by appeal directly to the Supreme Court of the United States, if such appeal is filed within ten days after such determination.

"(4) Except as provided in this section, no court shall have jurisdiction to consider any objection to the validity of an indictment or information or a conviction based on the lack of authority under the Constitution of a temporary special prosecutor to frame and sign indictments and informations and to prosecute offenses in the name of the United States.

"(5) Notwithstanding any subsequent judicial determination regarding his authority to frame and to sign indictments and informations and to prosecute offenses in the name of the United States, an individual who is appointed as a temporary special prosecutor and anyone acting on his behalf shall be deemed a person authorized to be present during sessions of a grand jury.

"(b) (1) Any person aggrieved by an official act of a temporary special prosecutor may bring an action or file an appropriate motion challenging his constitutional authority under this chapter seeking appropriate relief. Such an action or motion shall be filed within twenty days after the aggrieved person has notice of the act to which he objects. The district court shall immediately certify all questions of the constitutionality of this chapter to the United States court of appeals for that circuit, which shall hear the matter sitting en banc.

"(2) Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) of this subsection shall be reviewable by appeal directly to the Supreme Court of the United States, if such appeal is brought within ten days of the decision of the court of appeals.

"(c) (1) It shall be the duty of the court of appeals and of the United States Supreme Court to advance on the docket and to expedite to the greatest possible extent the disposition of any motion filed under subsection (a) (1), or any question certified under subsection (b) (1).

"(2) The expedited review procedures of this section shall not apply to any challenge to the constitutionality of any provision of this chapter insofar as any question presented shall have been previously determined by the Supreme Court of the United States notwithstanding that the previous determination occurred in litigation involving other parties.".

(b) The analysis of part II of title 28, United Code, is amended by adding after the item following chapter 37 the following new item:

"39. Division of Government Crimes and Appointment of Temporary Special Prosecutor.......... 591".

(c) (1) Section 5315 of title 5, United States Code, is amended by striking out "(9)" in item (19) and inserting in lieu thereof "(10)".

(2) A temporary special prosecutor shall receive compensation at a per diem rate equal to the rate of basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code.

ASSIGNMENT OF JUDGES TO DIVISION TO APPOINT TEMPORARY SPECIAL PROSECUTORS

SEC. 102. (a) Chapter 3 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 49. Assignment of judges to division to appoint temporary special prosecutors

"(a) The chief judge of the United States Court of Appeals for the District of Columbia shall every two years assign three judges to a division of the United States Court of Appeals for the District of Columbia to determine all matters arising under sections 594 and 595 of this title.

"(b) Except as provided under subsection (f), assignment to the division established in subsection (a) shall not be a bar to other judicial assignments during the term of such division.

"(c) In assigning judges or justices to sit on the division established in subsection (a), priority shall be given to senior retired circuit court judges and senior retired justices.

"(d) The chief judge of the United States Court of Appeals for the District of Columbia may make a request to the Chief Justice of the United States, without presenting a certificate of necessity, to designate and assign, in accordance with section 294 of this title, retired circuit court judges of another circuit or retired justices to the division established under subsection (a).

"(e) Any vacancy in the division established under subsection (a) shall be filled only for the remainder of the two-year period in which such vacancy occurs and in the same manner as initial assignments to the division were made.

"(f) No judge or justice who as a member of the division established in subsection (a) participated in a decision of a matter under section 594 or 595 of this title involving a temporary special prosecutor shall be eligible to participate on a circuit court panel deciding a matter which involves such temporary special prosecutor while such temporary special prosecutor is serving in that office or which involves the exercise of the temporary special prosecutor's official duties, regardless of whether he is still serving in that office.".

(b) The table of sections of chapter 3 of title 28, United States Code, is amended by adding at the end thereof the following:

"49. Assignment of judges to division to appoint temporary special prosecutors.".

SEPARABILITY

SEC. 103. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance, is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 104. There are authorized to be appropriated for each fiscal year through October 30, 1981, such sums as may be necessary to carry out the provisions of this title.

TITLE II—CONGRESSIONAL LEGAL COUNSEL

ESTABLISHMENT OF OFFICE OF CONGRESSIONAL LEGAL COUNSEL

SEC. 201. (a) (1) There is established, as an office of the Congress, the Office of Congressional Legal Counsel (hereinafter referred to as the "Office"), which shall be headed by a Congressional Legal Counsel; and there shall be a Deputy Congressional Legal Counsel who shall perform such duties as may be assigned to him by the Congressional Legal Counsel and, during any absence, disability, or vacancy in the office of the Congressional Legal Counsel, the Deputy Congressional Legal Counsel shall serve as Acting Congressional Legal Counsel.

(2) The Congressional Legal Counsel and the Deputy Congressional Legal Counsel each shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives from among recommendations submitted by the majority and minority leaders of the Senate and the House of Representatives. Any appointment made under this subsection shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office. Any person appointed as Congressional Legal Counsel or Deputy Congressional Legal Counsel shall be learned in the law, a member of the bar of a State or the District of Columbia, and shall not engage in any other business, vocation, or employment during the term of such appointment.

(3) (A) Any appointment made under this subsection shall become effective upon approval, by concurrent resolution, of the Senate and the House of Representatives. The Congressional Legal Counsel and the Deputy Congressional Legal Counsel shall each be appointed for a term which shall expire at the end of the Congress following the Congress during which the Congressional Legal Counsel is appointed except that the Congress may, by concurrent resolution, remove either the Congressional Legal Counsel or the Deputy Congressional Legal Counsel prior to the termination of his term of office. The Congressional Legal Counsel and the Deputy Congressional Legal Counsel may be reappointed at the termination of any term of office.

(B) The first Congressional Legal Counsel and the first Deputy Congressional Legal Counsel shall be appointed and take office within ninety days after the enactment of this title, and thereafter the Counsel shall be appointed and take office within thirty days after the beginning of the session of Congress immediately following the termination of the Congressional Legal Counsel's term of office.

(4) The Congressional Legal Counsel shall receive compensation at a per annum gross rate equal to the rate of basic pay for level III of the Executive Schedule under section 5314 of title 5, United States Code. The Deputy Congressional Legal Counsel shall receive compensation at a per annum gross rate equal to the rate of basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) (1) The Congressional Legal Counsel shall appoint and fix the compensation of such Assistant Congressional Legal Counsels and of such other personnel as may be necessary to carry out the provisions of this title and may prescribe the duties and responsibilities of such personnel. Any appointment made under this subsection shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office. Any person appointed as Assistant Congressional Legal Counsel shall be learned in the law, a member of the bar of a State or the District of Columbia, and shall not engage in any other business, vocation, or employment during the term of such appointment. All such employees shall serve at the pleasure of the Congressional Legal Counsel.

(2) For purpose of pay (other than pay of the Congressional Legal Counsel and Deputy Congressional Legal Counsel) and employment benefits, rights, and privileges, all personnel of the Office shall be treated as if they were employees of the Senate.

(c) In carrying out the functions of the Office, the Congressional Legal Counsel may procure the temporary (not to exceed one year) or intermittent services of individual consultants (including outside counsel), or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72(a) (i)).

(d) The Congressional Legal Counsel may establish such procedures as may be necessary to carry out the provisions of this title.

(e) The Congressional Legal Counsel may delegate authority for the performance of any function imposed by this Act except any function imposed upon the Congressional Legal Counsel under section 205(b) of this title.

DUTIES AND FUNCTIONS

SEC. 202. (a) Whenever the Joint Committee on Congressional Operations (hereinafter referred to in this title as the "Joint Committee") is performing any of the responsibilities set forth in subsection (b), the Speaker of the House of Representatives, the majority and minority leaders of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate shall be ex officio members of the Joint Committee.

(b) The Joint Committee shall—

(1) oversee the activities of the Office of Congressional Legal Counsel, including but not limited to, consulting with the Congressional Legal Counsel with respect to the conduct of litigation in which the Congressional Legal Counsel is involved;

(2) pursuant to section 209 of this title, recommend the appropriate action to be

taken in resolution of a conflict or inconsistency;

(3) pursuant to section 205(b), cause the publication in the Congressional Record of the notification required of the Congressional Legal Counsel under that section.

(c)(1) Whenever the Congress is not in session, the Joint Committee may, in accordance with the provisions in section 203(b)(2), authorize the Congressional Legal Counsel to undertake its responsibilities under section 203(a) in the absence of an appropriate resolution for a period not to exceed ten days after the Congress or the appropriate House of Congress reconvenes.

(2) The Joint Committee may poll its members by telephone in order to conduct a vote under this subsection.

DEFENDING A HOUSE, COMMITTEE, MEMBER, OFFICER, AGENCY, OR EMPLOYEE OF CONGRESS

SEC. 203. (a) Except as otherwise provided in subsection (b), the Congressional Legal Counsel, at the direction of Congress or the appropriate House of Congress shall—

(1) defend Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or any Member, officer or employee of a House of Congress in any civil action pending in any court of the United States or of a State or political subdivision thereof in which Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency is made a party defendant and in which there is placed in issue the validity of any proceeding of, or action, including issuance of any subpena or order, taken by Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency; or

(2) defend Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or a Member, officer, or employee of a House of Congress in any civil action pending in any court of the United States or of a State or political subdivision thereof with respect to any subpena or order directed to Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency.

(b)(1) Representation of a Member, officer, or employee under section 203(a) shall be undertaken by the Congressional Legal Counsel only upon the consent of such Member, officer, or employee. The resolution directing the Congressional Legal Counsel to represent a Member, officer, or employee may limit such representation to constitutional issues relating to the powers and responsibilities of Congress.

(2) The Congressional Legal Counsel may undertake its responsibilities under subsection (a) in the absence of an appropriate resolution by the Congress or by one House of the Congress if—

(A) Congress or the appropriate House of Congress is not in session;

(B) the interest to be represented would be prejudiced by a delay in representation; and

(C) the Joint Committee authorizes the Congressional Legal Counsel to proceed in its representation as provided under section 202.

INSTITUTING A CIVIL ACTION TO ENFORCE A SUBPENA OR ORDER

SEC. 204. (a) The Congressional Legal Counsel, at the direction of Congress or the appropriate House of Congress, shall bring a civil action under any statute conferring jurisdiction on any court of the United States to enforce, or issue a declaratory judgment concerning the validity of any subpena or order issued by Congress, or a House of Congress, a committee, or a subcommittee of a committee authorized to issue a subpena or order.

(b) Nothing in subsection (a) shall limit the discretion of—

(1) the President pro tempore of the Senate or the Speaker of the House of Representatives in certifying to the United States Attorney for the District of Columbia any matter pursuant to section 104 of the Revised Statutes (2 U.S.C. 194); or

(2) either House of Congress to hold any individual or entity in contempt of such House of Congress.

INTERVENTION OR APPEARANCE

SEC. 205. (a) The Congressional Legal Counsel, at the direction of Congress, shall intervene or appear as amicus curiae in any legal action pending in any court of the United States or of a State or political subdivision thereof in which—

(1) the constitutionality of any law of the United States is challenged, the United States is a party, and the constitutionality of such law is not adequately defended by counsel for the United States; or

(2) the powers and responsibilities of Congress under article I of the Constitution of the United States are placed in issue.

(b) The Congressional Legal Counsel shall notify the Joint Committee of any legal action in which the Congressional Legal Counsel is of the opinion that intervention or appearance as amicus curiae by Congress is necessary to carry out the purposes of subsection (a). Such notification shall contain a description of the legal proceeding together with the reasons that the Congressional Legal Counsel is of the opinion that Congress should intervene or appear as amicus curiae. The Joint Committee shall cause said notification to be published in the Congressional Record for the Senate and House of Representatives.

(c) The Congressional Legal Counsel shall limit any intervention or appearance as amicus curiae in an action involving a Member, officer, or employee of Congress to constitutional issues relating to the powers and responsibilities of Congress.

IMMUNITY PROCEEDINGS

SEC. 206. The Congressional Legal Counsel, at the direction of the appropriate House of Congress or any committee of Congress, shall serve as the duly authorized representative of such House or committee in requesting a United States district court to issue an order granting immunity pursuant to section 201(a) of the Organized Crime Control Act of 1970 (18 U.S.C. 6005).

ADVISORY AND OTHER FUNCTIONS

SEC. 207. (a) The Congressional Legal Counsel shall advise, consult, and cooperate—

(1) with the United States Attorney for the District of Columbia with respect to any criminal proceeding for contempt of Congress certified pursuant to section 104 of the Revised Statutes (2 U.S.C. 194);

(2) with the Joint Committee on Congressional Operations in identifying any court proceeding or action which is of vital interest to Congress or to either House of Congress under section 402(a)(2) of the Legislative Reorganization Act of 1970 (2 U.S.C. 412(a)(2));

(3) with the Comptroller General, General Accounting Office, the Office of Legislative Counsel of the Senate, the Office of the Legislative Counsel of the House of Representatives, and the Congressional Research Service, except that none of the responsibilities and authority granted by this title to the Congressional Legal Counsel shall be construed to affect or infringe upon any functions, powers, or duties of the Comptroller General of the United States;

(4) with any Member, officer, or employee of Congress not represented under section 203 with regard to obtaining private legal counsel for such Member, officer, or employee;

(5) with the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Parliamentarians of the Senate and House of Representatives regarding any subpena, order, or request for withdrawal of papers presented to the Senate and House of Representatives or which raises a question of the privileges of the Senate or House of Representatives; and

(6) with any committee or subcommittee in promulgating and revising their rules and procedures for the use of congressional investigative powers and questions which may arise in the course of any investigation.

(b) The Congressional Legal Counsel shall compile and maintain legal research files of materials from court proceedings which have involved Congress, a House of Congress, an office or agency of Congress, or any committee, subcommittee, Member, officer, or employee of Congress. Public court papers and other research memoranda which do not contain information of a confidential or privileged nature shall be made available to the public consistent with any applicable procedures set forth in such rules of the Senate and House of Representatives as may apply and the interests of Congress.

(c) The Congressional Legal Counsel shall perform such other duties consistent with the purposes and limitations of this title as the Congress may direct.

DEFENSE OF CERTAIN CONSTITUTIONAL POWERS

SEC. 208. In performing any function under section 203, 204, or 205, the Congressional Legal Counsel shall defend vigorously when placed in issue—

(1) the constitutional privilege from arrest or from being questioned in any other place for any speech or debate under section 6 of article I of the Constitution of the United States;

(2) the constitutional power of each House of Congress to be judge of the elections, returns, and qualifications of its own Members and to punish or expel a Member under section 5 of article I of the Constitution of the United States;

(3) the constitutional power of each House of Congress to except from publication such parts of its journal as in its judgment may require secrecy;

(4) the constitutional power of each House of Congress to determine the rules of its proceedings;

(5) the constitutional power of Congress to make all laws as shall be necessary and proper for carrying into execution the constitutional powers of Congress and all other powers vested by the Constitution in the Government of the United States, or in any department or office thereof;

(6) all other constitutional powers and responsibilities of Congress; and

(7) the constitutionality of statutes enacted by Congress.

CONFLICT OR INCONSISTENCY

SEC. 209. (a) In the carrying out of the provisions of this title, the Congressional Legal Counsel shall notify the Joint Committee and any party represented or entitled to representation under this title, of the existence and nature of any conflict or inconsistency between the representation of such party and the carrying out of any other provisions of this title, or compliance with professional standards and responsibilities.

(b) Upon receipt of such notification, the Joint Committee shall recommend the action to be taken to avoid or resolve the conflict or inconsistency. The Joint Committee shall cause the notification of conflict or inconsistency and the Joint Committee's recommendation with respect to resolution thereof to be published in the Congressional Record of the appropriate House or Houses of Congress. If Congress or the appropriate House of Congress does not direct the Joint Committee within fifteen days from the date of publication in the Record to resolve the conflict in another manner, the Congressional Legal Counsel shall take such action as may be necessary to resolve the conflict or inconsistency as recommended by the Joint Committee. Any instruction or determination made pursuant to this subsection shall not be reviewable in any court of law.

(c) The appropriate House of Congress may by resolution authorize the reimbursement of any Member, officer, or employee who is not represented by the Congressional Legal Counsel as a result of the operation of subsection (b) or who declines to be represented pursuant to section 203(b) for costs reasonably incurred in obtaining representation. Such reimbursement shall be from funds appropriated to the contingent fund of the appropriate House.

PROCEDURE FOR DIRECTION OF CONGRESSIONAL LEGAL COUNSEL

SEC. 210. (a) Directives made pursuant to sections 203(a), 204(a), 205(a), and 206, of this title shall be made as follows:

(1) Directives made by Congress pursuant to sections 203(a), 204(a), and 205(a) of this title shall be authorized by a concurrent resolution of Congress.

(2) Directives made by either House of Congress pursuant to sections 203(a), 204(a), and 206 of this title shall be authorized by passage of a resolution of such House.

(3) Directives made by a committee of Congress pursuant to section 206 of this title shall be in writing and approved by an affirmative vote of two-thirds of the members of the full committee.

(b)(1) A resolution or concurrent resolution introduced pursuant to subsection (a) shall not be referred to a committee except as otherwise required under subsection (c)(1). Upon introduction or when reported as required under subsection (c)(2), it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution or concurrent resolution. A motion to proceed to the consideration of a resolution or concurrent resolution shall be highly privileged and not debatable. An amendment to such motion shall not be in order, and it shall not be in order to move to reconsider to vote by which such motion is agreed to or disagreed to.

(2) If the motion to proceed to the consideration of the resolution or concurrent resolution is agreed to, debate thereon shall be limited to not more than five hours, which shall be divided equally between, and controlled by, those favoring and those opposing the resolution or concurrent resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution or concurrent resolution shall be in order, except an amendment pursuant to section 203(b) to limit representation by the Congressional Legal Counsel to constitutional issues relating to the powers and responsibilities of Congress. No motion to recommit the resolution or concurrent resolution shall be in order, and it shall not be in order to reconsider the vote by which the resolution or concurrent resolution is agreed to or disagreed to.

(3) Motions to postpone, made with respect to the consideration of the resolution or concurrent resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to the resolution or concurrent resolution shall be decided without debate.

(c) It shall not be in order in the Senate or House of Representatives to consider a resolution to direct the Congressional Legal Counsel to bring a civil action pursuant to section 204(a) to enforce or secure a declaratory judgment concerning the validity of a subpena or order issued by a committee or subcommittee unless (1) such resolution is reported by a majority vote of the members of such committee or committee of which such subcommittee is a subcommittee, and (2) the report filed by such committee or committee of which such subcommitee is a subcommittee contains a statement of—

(A) the procedure followed in issuing such subpena;

(B) the extent to which the party subpenaed has complied with such subpena;

(C) any objections or privileges raised by the subpenaed party; and

(D) the comparative effectiveness of bringing a civil action to enforce the subpena, certification of a criminal action for contempt of Congress, and initiating a contempt proceeding before a House of Congress.

(d) The extent to which a report filed pursuant to subsection (c)(2) is in compliance with such subsection shall not be reviewable in any court of law.

(e) For purposes of the computation of time in sections 202(c)(1) and 209(b)—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period.

(f) For purposes of this title, when referred to herein, the term "committee" shall include standing, select, special, or joint committees established by law or resolution and the Technology Assesment Board.

(g) The provisions of this section are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and, as such, they shall be considered as part of the rules of each House, respectively, and such rules shall supersede any other rule of each House only to the extent that rule is inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(h) Any directive to the Congressional Legal Counsel to bring a civil action pursuant to section 204(a) of this title in the name of a committee, or subcommittee of Congress shall constitute authorization for such committee, or subcommittee to bring such action within the meaning of any statute conferring jurisdiction on any court of the United States.

ATTORNEY GENERAL RELIEVED OF RESPONSIBILITY

SEC. 211. (a) Upon receipt of written notice that the Congressional Legal Counsel has undertaken, pursuant to section 203(a) of this title, to perform any representational service with respect to any designated action or proceeding pending or to be instituted, the Attorney General shall—

(1) be relieved of any responsibility with respect to such representational service;

(2) have no authority to perform such service in such action or proceeding except at the request or with the approval of the Congressional Legal Counsel or either House of Congress; and

(3) transfer all materials relevant to the representation authorized under section 203(a) to the Congressional Legal Counsel.

(b) The Attorney General shall notify the Congressional Legal Counsel with respect to any proceeding in which the United States is a party of any determination by the Attorney General or Solicitor General not to appeal any court decision affecting the constitutionality of a statute enacted by Congress within such time as will enable the Congressional Legal Counsel to intervene in such proceeding pursuant to section 205.

PROCEDURAL PROVISIONS

SEC. 212. (a) Permission to intervene as a party or to file a brief amicus curiae under section 205 of this title shall be of right and may be denied by a court only upon an express finding that such intervention or filing is untimely and would significantly delay the pending action.

(b) The Congressional Legal Counsel, the Deputy Congressional Legal Counsel or any designated Assistant Congressional Legal Counsel, shall be entitled, for the purpose of performing his functions under this title, to enter an appearance in any such proceeding before any court of the United States without compliance with any requirement for admission to practice before such court, except that the authorization conferred by this paragraph shall not apply with respect to the admission of any person to practice before the United States Supreme Court.

(c) Nothing in this title shall be construed to confer standing on any party seeking to bring, or jurisdiction on any court with respect to, any civil or criminal action against Congress, either House of Congress, a Member of Congress, a committee or subcommittee of Congress, or any officer, employee, office, or agency of Congress.

(d) In any civil action brought pursuant to section 204 of this title, the court shall assign the case for hearing at the earliest practicable date and cause the case in every way to be expedited. Any appeal or petition for review from any order or judgment in such action shall be expedited in the same manner.

JURISDICTION OF CONGRESSIONAL ACTIONS

SEC. 213. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Congressional actions

"(a) The District Court for the District of Columbia shall have original jurisdiction, without regard to the sum or value of the matter in controversy, over any civil action brought by Congress, a House of Congress, or any authorized committee or joint committee thereof of Congress, or any subcommittee thereof, to enforce, or secure a declaration concerning the validity of, any subpena or order issued by Congress, or such House, committee, subcommittee, or joint committee to any entity acting or purporting to act under color or authority of State law or to any natural person to secure the production of documents or other materials of any kind or the answering of any deposition or interrogatory or to secure testimony or any combination thereof. This section shall not apply to an action to enforce, or secure a declaration concerning the validity of, any subpena, or order issued to an officer or employer of the Federal Government acting within his official capacity.

"(b) The Congress, or either House of Congress, any committee, subcommittee, or joint committee of Congress commencing and prosecuting a civil action under this section may be represented in such action by such attorneys as it may designate.

"(c) A civil action commenced or prosecuted under this section may not be authorized pursuant to the Standing Order of the Senate 'authorizing suits by Senate Committees' (S. Jour. 572, 70–1, May 28, 1928).".

(b) The analysis of such chapter 85 is amended by adding at the end thereof the following new item:

"1364. Congressional actions.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 214. (a) Section 3210 of title 39 United States Code, is amended—

(1) by striking out "and the Legislative Counsels of the House of Representatives and the Senate" in subsection (b)(1) and inserting in lieu thereof "the Legislative Counsels of the House of Representatives and the Senate, and the Congressional Legal Counsel"; and

(2) by striking out "or the Legislative

Counsel of the House of Representatives or the Senate" in subsection (b)(2) and inserting in lieu thereof "the Legislative Counsel of the House of Representatives of the Senate, or the Congressional Legal Counsel".

(b) Section 3216(a)(1)(A) of such title is amended by striking out "and the Legislative Counsels of the House of Representatives and the Senate" and inserting in lieu thereof "the Legislative Counsels of the House of Representatives and the Senate, and the Congressional Legal Counsel".

(c) Section 3219 of such title is amended by striking out "or the Legislative Counsel of the House of Representatives or the Senate" and inserting in lieu thereof "the Legislative Counsel of the House of Representatives or the Senate, or the Congressional Legal Counsel".

(d) Section 8 of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and sixty-six, and for other purposes", approved March 3, 1875, as amended (2 U.S.C. 118), is repealed.

(e) The first sentence in section 2403 of title 28, United States Code, is amended by striking out "and for argument on the question of constitutionality" and inserting in lieu thereof "and for argument in favor of the constitutionality of such act".

SEPARABILITY

SEC. 215. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 216. There are authorized to be appropriated for each fiscal year through October 30, 1981, such sums as may be necessary to carry out the provisions of this title. Amounts so appropriated shall be disbursed by the Secretary of the Senate upon vouchers signed by the Congressional Legal Counsel, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

TITLE III—GOVERNMENT PERSONNEL; FINANCIAL DISCLOSURE REQUIREMENTS

DEFINITIONS

SEC. 301. As used in this title—

(1) the term "agency" means each authority of the Government of the United States;

(2) the term "commodity future" means commodity future as defined in sections 2 and 5 of the Commodity Exchange Act, as amended (7 U.S.C. 2 and 5);

(3) the term "Comptroller General" means the Comptroller General of the United States;

(4) the term "dependent" means dependent as defined in section 152 of the Internal Revenue Code of 1954;

(5) the term "employee" includes any employee designated under section 2105 of title 5, United States Code, and any employee of the United States Postal Service or of the Postal Rate Commission;

(6) the term "immediate family" means—(A) the spouse of an individual, (B) the child, parent, grandparent, grandchild, brother, or sister of an individual or of the spouse of such individual, and (C) the spouse of any individual designated in clause (B);

(7) the term "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(8) the term "Member of Congress" means a Senator, a Representative, a Resident Commissioner, or a Delegate;

(9) the term "officer" includes any officer designated under section 2104 of title 5, United States Code, and any officer of the United States Postal Service or of the Postal Rate Commission;

(10) the term "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(11) the term "transactions in securities and commodities" means any acquisition, transfer, or other disposition involving any security or commodity;

(12) the term "uniformed services" means any of the armed forces, the commissioned corps of the Public Health Service, or the commissioned corps of the National Oceanic and Atmospheric Administration;

(13) the term "political contribution" means a contribution as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431); and

(14) the term "expenditure" means an expenditure as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431).

INDIVIDUALS REQUIRED TO FILE REPORT

SEC. 302. (a) Any individual who is or was an officer or employee designated under subsection (b) shall file each calendar year a report containing a full and complete financial statement for the preceding calendar year if such individual has occupied the office or position for a period in excess of ninety days in such calendar year.

(b) The officers and employees referred to in subsection (a) are—

(1) the President;

(2) the Vice President;

(3) each Member of Congress;

(4) each justice or judge of the United States;

(5) each officer or employee of the United States who is compensated at a rate equal to or in excess of the minimum rate prescribed for employees holding the grade of GS-16 under section 5332(a) of title 5, United States Code; and

(6) each member of a uniformed service who is compensated at a rate equal to or in excess of the monthly rate of pay prescribed for grade O-6, as adjusted under section 1009 of title 37, United States Code.

(c) Any individual who seeks nomination for election, or election, to the office of President, Vice President, or Member of Congress shall file in any year in which such individual has—

(1) taken the action necessary under the law of a State to qualify for nomination for election, or election, or

(2) received political contributions or made expenditures, or has given consent for any other person to receive political contributions or make expenditures, with a view to bringing about such individual's nomination for election or election, to such office,

a report containing a full and complete financial statement for the preceding calendar year.

CONTENTS OF REPORTS

SEC. 303. (a) Each individual shall include in each report required to be filed by him under section 302 a full and complete statement, in such manner and form as the Comptroller General may prescribe, with respect to—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from any member of his immediate family) received during the preceding calender year which exceeds $100 in amount or value, including any fee or other honorarium received for or in connection with the preparation or delivery of any speech, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication;

(2) the fair market value and source of any item received in kind (other than items received in kind from any member of his immediate family), including, but not limited to, any transportation or entertainment received, during the preceding calendar year if such fair market value for such item exceeds $500;

(3) the identity and the category of value, as designated under subsection (b), of each asset, other than household furnishings or goods, jewelry, clothing, or any vehicle owned solely for the personal use of the individual, his spouse, or any of his dependents, held during the preceding calendar year which has a value in excess of $1,000 as of the close of the preceding calendar year;

(4) the identity and the category of amount, as designated under subsection (b), of each liability owed which is in excess of $1,000 as of the close of the preceding calendar year;

(5) the identity, the category of amount, as designated under subsection (b), and date of any transaction in securities of any business entity or any transaction in commodities futures during the preceding calendar year which is in excess of $1,000;

(6) the identity and the category of value, as designated under subsection (b), of any purchase or sale of real property or any interest in any real property during the preceding calendar year if the value of property involved in such purchase or sale exceeds $1,000;

(7) any patent right or any interest in any patent right, and the nature of such patent right, held during the preceding calendar year; and

(8) a description of, the parties to, and the terms of any contract, promise, or other agreement between such individual and any person with respect to his employment after such individual ceases to occupy his office or position with the Government, including any agreement under which such individual is taking a leave of absence from an office or position outside of the Government in order to occupy an office or position of the Government, and a description of and the parties with any unfunded pension agreement between such individual and any employer other than the Government.

Each individual designated under paragraphs (5) and (6) of section 302(b) shall also include in such report the identity of any person, other than the Government, who paid such individual compensation in excess of $5,000 in any of the five years prior to the preceding calendar year and the nature and term of the services such individual performed for such person. The preceding sentence shall not require any individual to include in such report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services.

(b)(1) For purposes of paragraphs (3) through (6) of subsection (a), an individual need not specify the actual amount or value of each asset, each liability, each transaction in securities of any business entity or in commodities futures, or each purchase or sale required to be reported under such paragraphs, but such individual shall indicate which of the following categories such amount or value is within—

(A) not more than $5,000,

(B) greater than $5,000 but not more than $15,000,

(C) greater than $15,000 but not more than $50,000, or

(D) greater than $50,000.

(2) Each individual shall report the ac-

tual amount or value of any other item required to be reported under this section.

(c) For purposes of paragraphs (1) through (7) of subsection (a), an individual shall include each item of income or reimbursement and each gift received, each item received in kind, each asset held, each liability owned, each transaction in commodities futures and in securities, each purchase or sale of real property or interest in any real property, and each patent right or interest in any patent right held by him, his spouse, or any of his dependents, or by him and his spouse jointly, him and any of his dependents jointly, or his spouse and any of his dependents jointly, or by any person acting on his behalf.

FILING OF REPORTS

SEC. 304. (a) (1) Each individual required to file a report under section 302(a), other than an individual excepted under paragraph (3) of this subsection, shall file such report with the Comptroller General not later than May 15 of each year. Each such individual, other than the President, Vice President, a Member of Congress, a justice or judge of the United States, any officer or employee of the Senate or the House of Representatives or any court of the United States, the head of each agency, each Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, or each full-time member of a committee, board, or commission appointed by the President, shall file a copy of such report with the head of the agency in which such individual occupies any office or position at the same time as such report is filed with the Comptroller General.

(2) Each Member, officer, and employee of the House of Representatives and the Senate required to file a report under section 302(a) shall file a copy of such report with the Clerk of the House of Representatives and the Secretary of the Senate, respectively, and each justice, judge, officer, and employee of any court of the United States shall file a copy of such report with the Director of the Administrative Office of the United States Courts at the same time as such report is filed with the Comptroller General.

(3) The head of each agency, each Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, and each full-time member of a committee, board, or commission appointed by the President, shall file a copy of such report with the Chairman of the Civil Service Commission at the same time such report is filed with the Comptroller General.

(4) The President may exempt any individual in the Central Intelligence Agency, the Defense Intelligence Agency, or the National Security Agency, or any individual engaged exclusively in intelligence activities in any agency of the United States from the requirement to file a report with the Comptroller General if the President finds that, due to the nature of the office or position occupied by such individual, public disclosure of such report would reveal the identity of an undercover agent of the Federal Government. Each individual exempted by the President from such requirements shall file such report with the head of the agency in which he occupies an office or position or, if an individual described in subsection (a) (3), with the Chairman of the Civil Service Commission.

(b) Each individual required to file a report under section 302(c) shall file such report with the Comptroller General within one month after the earliest of either action which such individual takes under section 302(c) (1) or (2).

(c) (1) Any individual who ceases prior to May 15 of any calendar year to occupy the office or position the occupancy of which imposes upon him the reporting requirement contained in section 302(a) shall file such report for the preceding calendar year and the period of such calendar year for which he occupies such office or position on or before May 15 of such calendar year.

(2) Any individual who ceases to occupy such office or position after May 15 of any calendar year shall file such report for the period of such calendar year which he occupies such office or position on the last day he occupies such office or position.

(d) The Comptroller General may grant one or more reasonable extensions of time for filing any report but the total of such extensions shall not exceed ninety days.

FAILURE TO FILE OR FALSIFYING REPORTS; PROCEDURE

SEC. 305. (a) (1) Any individual who willfully fails to file a report as required under section 302, or who knowingly and willfully falsifies or fails to report any information such individual is required to report under section 303, shall be fined in any amount not exceeding $10,000, or imprisoned for not more than one year, or both.

(2) The Attorney General may bring a civil action in any district court of the United States against any individual who fails to file a report which such individual is required to file under section 302 or who fails to report any information which such individual is required to report under section 303. The court in which such action is brought may assess against such individual a penalty in any amount not to exceed $5,000.

(b) The head of each agency, the Clerk of the House of Representatives with respect to any Member, officer, or employee of the House of Representatives, the Secretary of the Senate with respect to any Member, officer or employee of the Senate, and the Director of the Administrative Office of the United States Courts with respect to any justice, judge, officer, or employee of any court of the United States shall submit annually to the Comptroller General a complete list of individuals who are required to file a report under section 302 and shall submit at the close of each calendar quarter a list of individuals who have begun or have terminated employment with such agency, the House of Representatives, the Senate, or any court in such calendar quarter.

(c) The Comptroller General shall refer to the Attorney General the name of any individual the Comptroller General has reasonable cause to believe has failed to file a report or has falsified or failed to file information required to be reported. In addition, if such individual is a Member, officer, or employee of the Senate or the House of Representatives, the Comptroller General shall refer the name of such individual to the Senate Select Committee on Standards and Conduct or the Committee on Standards of Official Conduct of the House of Representatives, whichever is appropriate.

(d) The President, the Vice President, either House of Congress, the Director of the Administrative Office of the United States Courts, the head of each agency or the Civil Service Commission may take any appropriate personnel or other action against any individual failing to file a report or information or falsifying information.

CUSTODY AND AUDIT OF, AND PUBLIC ACCESS TO, REPORTS

SEC. 306. (a) The Comptroller General shall make each report filed with him under section 305 available to the public within fifteen days after the receipt of such report from any individual and provide a copy of such report to any person upon a written or oral request.

(b) The Comptroller General may require any person receiving a copy of such report under subsection (a) to supply his name and address and the name of the person or organization, if any, on whose behalf he is requesting such copy and to pay a reasonable fee in any amount which the Comptroller General finds necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing. The Comptroller General may furnish any copy of such report without charge or at a reduced charge if he determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the public.

(c) (1) It shall be unlawful for any person to inspect or obtain a copy of any report—

(A) for any unlawful purpose;

(B) for any commercial purpose;

(C) to determine or establish the credit rating of any individual; or

(D) for use directly or indirectly in the solicitation of money for any political, charitable, or other purpose.

(2) The Attorney General may bring a civil action in any district court of the United States against any person who inspects or obtains such report for any purpose prohibited in paragraph (1). The court in which such action is brought may assess against such individual a penalty in any amount not to exceed $1,000.

(d) Any report received by the Comptroller General shall be held in his custody and made available to the public for a period of five years after receipt by the Comptroller General of such report. After such five-year period, the Comptroller General shall destroy any such report.

(e) (1) The House of Representatives, the Senate, the Director of the Administrative Office of the United States Courts, the Chairman of the Civil Service Commission, and the head of each agency shall make provisions to assure that each report shall be reviewed in accordance with any law or regulation with respect to conflicts of interest or confidential financial information of officers or employees of the House of Representatives, the Senate, the United States courts or each such agency or in accordance with rules and regulations as maybe be prescribed.

(2) Notwithstanding any law or resolution, whenever in any criminal case pending in any competent court in which a Member, officer, or employee of the Senate is a defendant, or in any proceeding before a grand jury of any competent court in which alleged criminal conduct of a Member, officer, or employeee of the Senate is under investigation, a subpena is served upon the Comptroller General of the United States directing him to appear and produce any reports filed pursuant to any financial disclosure requirement, then the Comptroller General shall—

(a) if such report is in a sealed envelope, unseal the envelope containing such report and have an authenticated copy made of such report, replace such report in such envelope and reseal it, and note on such envelope that it was opened pursuant to this paragraph in response to a subpena, a copy of which shall be attached to such envelope, and

(b) appear in response to such subpena and produce the authenticated copy so made. For purposes of this paragraph, the term "competent court" means a court of the United States, a State, or the District of Columbia which has general jurisdiction to hear cases involving criminal offenses against the United States, such State, or the District of Columbia, as the case may be.

(f) (1) The Comptroller General shall, under such regulations as he may prescribe, conduct on a random basis audits of not more than 5 per centum of the reports filed with him under section 304(a) (1).

(2) The Comptroller General shall audit

during each term of an individual holding the office of President or Vice President at least one report filed by such individual under section 304(a)(1) during such term.

(3) The Comptroller General shall, during each six-year period beginning after the date of enactment of this Act, audit at least one report filed by each Member of the Senate and the House of Representatives during such six-year period.

(4)(A) In conducting an audit under paragraph (1), (2), or (3), the Comptroller General is authorized to require by subpena the production of books, papers, and other documents. All such subpenas shall be issued and signed by the Comptroller General.

(B) In case of a refusal to comply with a subpena issued under subparagraph (A)—

(i) the Comptroller General is authorized to seek an order by any district court of the United States having jurisdiction of the defendant to require the production of the documents involved; and

(ii) such district court may issue such order and enforce it by contempt proceedings.

SEPARABILITY

SEC. 307. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance, is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 308. There are authorized to be appropriated for each fiscal year through October 30, 1981, such sums as may be necessary to carry out the provisions of this title.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND RESUMING CONSIDERATION OF S. 495 AND H.R. 10612 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business not to exceed 30 minutes, with statements limited therein to 5 minutes each, at the conclusion of which period the Senate will resume consideration of Calendar Order No. 897, S. 495, the Watergate reform bill, and that at no later than 2 p.m. tomorrow the Senate resume consideration of the unfinished business, Calendar No. 891, H.R. 10612, the tax reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF H.R. 10612 NOT LATER THAN 1:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of H.R. 10612, the tax reform bill, on tomorrow at no later than 1:30 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

HOUSING ACT AMENDMENTS CONFERENCE REPORT—TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, has an order been entered for the consideration of the Housing conference report beginning at 2:15 p.m. tomorrow?

The PRESIDING OFFICER. There is to order to that effect.

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that at the hour of 2:15 p.m. tomorrow, the Senate proceed to the consideration of the conference report on S. 3295, and that a vote occur thereon no later than 3:15 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the disposition of the Housing conference report, the Senate resume the consideration of the unfinished business, the tax reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, has the convening hour for tomorrow been set at 9 a.m.?

The PRESIDING OFFICER. The convening hour has been set.

Mr. ROBERT C. BYRD. Then, Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Mr. Dick Wegman and Mr. David Schaefer of my staff have the privilege of the floor during the consideration of S. 495.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, the Senate is today beginning consideration of legislation which is based upon the recommendations of the Senate Watergate Committee. S. 495, the Watergate Reorganization and Reform Act of 1976, is the result of over 18 months of study, compromise, and redrafting. It is a major piece of reform legislation designed to improve the operation of the most basic institutions of our Government.

Three years ago the Senate Watergate Committee, under the exceptionally able direction of the former chairman of the Government Operations Committee, Sam Ervin, held the attention of the entire Nation during its televised hearings. The Senate had directed the Ervin committee to investigate the unfolding scandal now referred to as Watergate. However, Senator Ervin's committee was also directed to recommend appropriate legislation to prevent the type of abuses of power and obstruction of justice which the committee documented in the course of its investigation.

In June of 1974, the Watergate Committee issued its final report which contained a number of significant legislative recommendations. These recommendations were introduced late in the 93d Congress by Senator Ervin. At the beginning of the 94th Congress. Senator PERCY and I, along with a number of other interested Senators, reintroduced Senator Ervin's legislation (S. 495) so that the work begun by Senator Ervin in the Government Operations Committee could continue.

Over a period of 14 months the Committee on Government Operations heard oral testimony from 20 witnesses during 7 days of hearings and received written comments from numerous Government agencies and distinguished members of the American legal and academic communities. The important matters which this legislation covers have been thoroughly explored.

Title I of the Watergate Reorganization and Reform Act of 1976 is a synthesis of ideas and recommendations from a number of distinguished individuals and organizations. These individuals and organizations sought to provide the impetus and focus for consideration of how to improve the handling of Government corruption cases. During the hearings on this proposal, almost every witness recognized that sufficient priority and resources have not been devoted to this problem in the past and that there is a serious conflict of interest when the Department of Justice attempts to investigate or prosecute high-level members of this administration. The final report of the Watergate Special Prosecution Force, the recommendations of the American Bar Association House of Delegates, and the legislative proposal of Senators PERCY and BAKER strongly influenced the Government Operations Committee in its efforts to shape legislation to deal with these problems.

The proposal finally agreed upon unanimously by the members of the Government Operations Committee creates a Division of Government Crimes within the Department of Justice, and provides for the appointment of a temporary special prosecutor in the extraordinary cases where the President or the Attorney General has a serious conflict of interest.

This proposal has been endorsed by the American Bar Association, Common Cause, and all three former special prosecutors, Archibald Cox, Leon Jaworski, and Henry Ruth. I am proud of the bipartisan support this proposal has received with the Government Operations Committee.

Earlier today President Ford submitted a series of administration amendments to S. 495. The Government Operations Committee has sought the assistance and support of the administration and particularly the Department of Justice throughout the lengthy consideration of this legislation. I am pleased that the Department of Justice and the President have come forward with constructive and worthwhile suggested amendments to S. 495. A meeting of the Government Operations Committee has been set for tomorrow afternoon to consider the administration's new proposals. I am confident that we will be able to work with the administration to produce strong and effective legislation in this area.

The second title of S. 495, as reported, creates an Office of Congressional Legal Counsel to represent the Congress in matters before the courts. It is a fact of life that controversies involving the constitutional powers of Congress are now more often before the courts. Just in the last few years, landmark decisions have been handled down by the courts defining the scope of the speech and debate clause of the Constitution, affecting the ability of Members of Congress to communicate with their constituents, and limiting the exercise of Congress' investigatory powers.

The Justice Department has traditionally represented Congress in the courts. However, in more and more cases the Justice Department's interest as lawyer for the executive branch conflicts with the interests of Congress. Therefore, there is a need for Congress to have its own legal office to handle this representational duty.

An example of this need has come to my attention just within the last few days. I have been informed that a legal action has been initiated which challenges the constitutionality of a so-called legislative veto provision in the recently enacted Federal Election Commission Act. Legislative veto provisions are integral parts of such congressional policies as the War Powers Act, executive reorganization authority, and the authority of the General Services Administration to issue regulations with regard to access to former President Nixon's tapes and papers. The President and his Department of Justice have already publicly expressed their difference of opinion with Congress on this issue. It is imperative that Congress be effectively and vigorously represented in this litigation. This is the type of legal matter that could be handled by a Congressional Legal Counsel.

The proposal for a Congressional Legal Counsel contained in S. 495, as reported, is based upon years of legislative effort by Senators JAVITS, HARTKE, MONDALE, HUMPHREY, and ABOUREZK.

Title III of S. 495 as reported by the Committee on Government Operations is a proposal for public financial disclosure. This provision carefully balances the public's legitimate interest in information about the personal financial interests of a public official with the legitimate rights of privacy of all citizens—including public officials. As debate on this proposal proceeds and the details of this statute are explored and discussed, I believe the Senate will appreciate the sensible way this balance was struck in S. 495.

A simple, understandable comprehensive public financial disclosure statute covering all high-level Federal Government officials is needed. Existing financial disclosure requirements are inconsistent and inadequate. Some top officials, such as the President, Vice President, and Supreme Court Justices, are not required to make any financial disclosures whatsoever. High-level officials in the executive branch are required to make confidential financial disclosures to the head of their agency. However, the General Accounting Office has found that these statements are often not filed, when filed the statements are not adequately reviewed by the agency, and when reviewed, the existing conflict of interest regulations are not effectively enforced.

Members of Congress and congressional employees are required to make limited public financial disclosure and more extensive confidential financial disclosure. The latter is only looked at in the course of an investigation of wrongdoing. The limited financial disclosure requirements applicable to the Federal judiciary are voluntary and only cover judicial income—not the identity of substantial assets which could present a conflict of interest.

The financial disclosure provisions in S. 495 are a credit to the vigorous efforts over many years of Senators CASE, JAVITS, WEICKER, ALLEN, ROTH, and HASKELL, among others. The actual provision contained in title III of S. 495 is substantially based upon a bill (S. 2295) introduced this session by Senators CANNON and SCOTT. In addition, the testimony and assistance of Common Cause and the General Accounting Office were of invaluable assistance to the Government Operations Committee in drafting this title of the bill.

Mr. President, I believe S. 495 represents an innovative and pragmatic approach to very difficult problems which cannot be neglected by the Congress. I urge the Senate to promptly act on this legislation.

Mr. President, I ask unanimous consent that a summary of the bill's major provisions be printed in the RECORD.

There being objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY OF S. 495

This memorandum briefly describes the provisions of the Watergate Reorganization Reform Act of 1976.

TITLE I—DIVISION OF GOVERNMENT CRIMES AND TRIGGERING MECHANISM FOR APPOINTMENT OF TEMPORARY SPECIAL PROSECUTOR

S. 495 sets up a new Division of Government Crimes within the Justice Department to handle criminal violations by government officials. The Division would also handle election and lobbying law violations.

The new Division would be headed by an Assistant Attorney General appointed for a 4-year term by the President and confirmed by the Senate. High level officials in the President's election campaign are prohibited from being appointed head of this Division.

In cases involving the President, Vice President, members of the President's cabinet, or any other individual where the President or Attorney General has a direct stake in the case, the bill would allow a temporary special prosecutor to be appointed. The appointment would be made either by the Attorney General or by the U.S. Court of Appeals. Once such a prosecutor is appointed, he would take over full responsibility for investigation and prosecution of the case.

TITLE II—CONGRESSIONAL LEGAL COUNSEL

S. 495 establishes a Congressional Legal Counsel to represent Congress in civil litigation involving the powers of Congress. The Counsel would be jointly appointed by the President pro tempore of the Senate and the Speaker of the House. He would have a four-year term.

The Counsel would be authorized to:

(1) Defend a Member, officer, or employee of Congress, or any agency or committee of Congress, in a *civil* action which arises from performance of *official* duties. The Counsel would defend the person or committee only if authorized to do so by at least one House of Congress.

(2) Bring a civil action on behalf of a House of Congress or a committee to enforce a congressional subpoena. The Counsel could bring such enforcement action only if authorized to do so by a House of Congress.

(3) Represent the interests of Congress as intervenor or amicus curiae when the constitutionality of a statute or the powers of Congress are at issue in a suit in which Congress is not a party. The Counsel could intervene or appear only if authorized to do so by both Houses of Congress.

Under no circumstances would the Congressional Legal Counsel become involved in the defense of any Member of Congress in a criminal case.

TITLE III—FINANCIAL DISCLOSURES

S. 495 requires financial disclosure by the President, Vice President, Members of Congress, Federal judges, any Federal employee compensated at GS-16 or greater, and any member of the armed services at comparable salary levels. Candidates for Federal elective office are also required to file a financial disclosure statement.

The financial disclosure statement (covering the preceding calendar year) must identify any business asset, liability, or transaction in real property or securities over $1,000.

The bill would not require disclosure of any tax returns. The bill requires that the fair market value of assets be estimated.

Only business assets which could cause an appearance of a conflict of interest, i.e. stock, real estate holdings, must be listed. Personal assets such as painting, fur coats, or jewelry would not be included.

In addition, the report would have to include any item of income valued in excess of $100 and any gift received in kind valued in excess of $500. However, gifts received from members of one's immediate family need not be reported. The report would also require the listing of any agreement for future employment.

The provisions of this title would be enforced by the U.S. Comptroller General, and the Comptroller General is authorized to conduct periodic audits of the financial disclosure statements.

Mr. RIBICOFF. Mr. President, the purpose of this legislation is to promote the accountability of officers and employees of the Federal Government.

Title I of the bill establishes an office within the Justice Department to deal with abuses by Government officials, and establishes a mechanism for the appointment of a special prosecutor to deal with cases involving high-level corruption.

Title II of the bill establishes a congressional legal counsel to protect the vital interests of Congress in matters before the courts; and title III of the bill requires financial disclosure by high-level public officers and employees of the Federal Government.

Mr. President, it is our intention to proceed first with titles II and III. During the course of the last few weeks, our staffs and ourselves personally have been meeting with the Attorney General, Mr. Levi, and discussions have been taking place concerning various changes in title I.

It is our feeling, after a conference this morning in which my distinguished colleague from Connecticut (Mr. WEICKER), the Senator from Illinois (Mr. PERCY), and the Senator from New York (Mr. JAVITS) met together for full discussion, that there is a basis for a meeting of the minds between the executive branch and ourselves. To this end, our staffs are working to perfect some of the changes in title I.

At 2:30 p.m. tomorrow I have called together the full Committee on Government Operations for a discussion of title I. It is my feeling that this landmark legislation will become law and will have the signature of the President.

I do wish to take this opportunity to pay tribute to my colleague from Connecticut, Senator WEICKER, for the leadership he has shown throughout this legislation. He has been persistent, and rightfully so, to assure that Congress and the country had learned the lessons of Watergate and were not going to slough them aside. It has been his insistence that we face up to the issues and come up with solutions more than anything else that will lead to the passage of this act, and this bill is a good and well-deserved tribute to the leadership that Senator WEICKER has shown.

I also pay credit to Senator PERCY and Senator JAVITS for their contributions throughout the consideration of the hearings, the markup, and many conferences to make sure that we have a good bill.

Due credit certainly should be paid to each and every member of the Committee on Government Operations who worked so hard to make this a landmark bill. I also want to recognize the tireless and effective efforts of Dick Wegman, David Schaefer, Brian Conboy, Bob Sloan, Claudia Ingram, John Childers, and Blain Butner of the Government Operations Committee staff and Phil Bakes and Chuck Ludlam of the Judiciary Committee staff.

The bill was voted out unanimously by the Committee on Government Operations, and I feel certain that the Senate will overwhelmingly support and vote for S. 495.

Mr. WEICKER. Mr. President, I ask unanimous consent that Claudia Ingram, of my staff, be permitted the privilege of the floor during the course of the entire debate on S. 495.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, it is our duty today to rebuild the faith, trust, and confidence of the American people in their Government and those who govern.

The Democrats have met and selected a Presidential candidate. In 3 weeks, the Republicans will convene and select theirs. Once again, we are in the midst of a Presidential election.

It is only fitting that the Senate should pass the reform package which is before us in this campaign season. It is imperative that our actions on this bill find their way into law before the end of this Congress and the beginning of the next administration.

S. 495, the Watergate Reorganization and Reform Act, was the product of the Select Committee on Presidential Campaign Activities. It was introduced in December 1974 by the distinguished chairman of that committee, Senator Sam Ervin. It was reintroduced in this Congress and referred to the Committee on Government Operations where its chairman, my friend and colleague, the senior Senator from Connecticut (Mr. RIBICOFF), guided it with resolve, dedication, and determination.

It should be pointed out that I very much appreciate his compliment as to my persistence, but believe me, when one is a member of the minority, persistence does not necessarily get a bill through. Especially when one is a freshman Member and does not know the ways of the Senate, persistence does not get a bill through. There is nothing like having determination by a Member of the majority and a knowledge of the Senate, its rules, and its procedures. All of that has been brought to bear on this particular endeavor by Senator RIBICOFF.

Indeed, I think the American people owe him a great debt, because were it not for his efforts, I have no doubt this legislation would not come before the Senate in this session of Congress.

Then my good friend and colleague, Senator PERCY from Illinois, who was the ranking Republican on the committee, has in every way encouraged my persistence in this matter. He has been in the forefront of insisting that the Republicans, along with the Democrats, share in the passage of this reform legislation. This indeed was not a political matter. When it comes to the integrity of our political processes this is as much a concern of the Republicans as Democrats. It is with Senator PERCY's full and continuing encouragement over the months that that point has been made clear.

It cannot be said that we have acted in haste. Nor can it be said that our committee has been unthoughtful in its deliberation.

Indeed, it would have been easier to strike while the iron was hot, while memories were fresh and emotions high. Instead, Mr. President, we have waited for more than a year and a half to deliver this package to the Senate floor.

The Watergate Committee and the House Judiciary Committee long ago closed the record of their proceedings. The sensational revelations and the prosecutions—save a few cases on appeal, have ended. The American Bar Association and the Watergate Special Prosecution Force have issued their reports and recommendations for remedial action.

The legislation which is before us today incorporates the recommendations of the ABA and Special Prosecutors Cox, Jaworski, and Routh. It has taken into account the criticisms and recommendations of the expert witnesses who appeared before our committee.

The title of this legislation may be misleading to some. The Watergate Reform Act is not intended to cure or purge our system once and for all of "Watergate." It has a purpose which is far more reaching than the events of the last few years.

If Watergate taught us anything at all, it was that there are some fundamental, institutional weaknesses within our law enforcement and criminal justice system—weaknesses which themselves are the byproducts of a political process and which lend themselves to pressures inconsistent with equal justice under law.

This legislation addresses itself to those weaknesses with an intent to strengthen and bolster our chief law enforcement agency of Government—the Department of Justice.

The intent of Watergate Reform is to remove—to the greatest extent possible—the interference of politics in the administration of justice.

It was more than a perception that politics and justice mixed during the Nixon years. It was fact. Unbeknownst to the vast majority of honorable, government attorneys and investigators, their efforts to get at the truth were frustrated by instructions to "stonewall it," to commit perjury, and by White House briefings on secret grand jury testimony.

We know all of this. We remember what happened. Some of us are all too eager to say the sensational revelations and successful prosecutions are enough—our memories will keep us free.

However, it is not now, nor has it ever been, our memories which keep us free. It is the Constitution and laws of the Nation and the procedures which emanate from law which safeguard our liberties and our rights as citizens.

This is why we are here—to set down in law those procedures which will guard against and protect the Nation from the abuses of power which we witnessed in the last few years.

Through this legislation we will establish a governmentwide commitment to discovering official corruption, enforcing those statutes, and prosecuting those offenders.

We will establish—through law—a consolidated effort to monitor existing conflict of interest laws and those statutes related to official conduct.

We will create and assure—through law—an adequate allocation of resources toward prosecution of these crimes.

Through law, we will establish a special prosecutor who will be responsible for those extraordinary cases, which in the future may directly involve a President of the United States.

By doing all of this—through law—we will remove the administration of justice from dependence upon the political fortunes of Presidents and Vice Presidents and lend both strength and credence to our existing system of criminal justice and equal justice.

No matter how honorable or conscientious the individual Attorney General might be, the pressures and divided loyalties in investigating one's own administration would be too great. The appearance of a conflict of interest would most certainly exist. Good men and women, honorable men and women will come and go as Attorneys General. The system of safeguards which we build must endure beyond the lifetime of any individual. This is what we seek to accomplish—procedural safeguards which will survive our mortality.

Title III of the Watergate Reform Act establishes uniform requirements for the disclosure of the personal finances of all high-level Government officers, employees, elected officials, and candidates for Federal office—including Members of Congress, Presidents, and Vice Presidents. These yearly disclosure statements will be filed with the Comptroller General and made available by him to the public.

While various proposals for financial disclosure have been around since 1946, there is no uniform, governmentwide requirement. Not even within the legislative branch is there uniformity. The House and Senate have standing rules which govern the disclosure of certain items such as gifts and honoraria—but, the rest is confidential. The executive branch, by Executive Order 11222, requires that confidential financial statements be filed from the GS–13 level on up with each agency head. There is no such requirement for the President, Vice President, or Members of the Supreme Court.

Financial disclosure is just as important as provisions to strengthen our law enforcement agencies. Financial disclosure is a crucial step toward open government and increased public awareness regarding those in whom their trust is placed.

Government service is an honor which carries enormous responsibilities of public trust. It is an honor which carriers extraordinary obligations and sacrifices. For those who have willfully chosen public service, we have every obligation to demonstrate that our judgment is not tainted and our decisions are not clouded by consideration of personal gain.

Gradually, over the last several years, we have proceeded to enact legislation to open the processes the Government to public view. We have enacted the Freedom of Information Act, granting the public access to records and documents. We have passed the Government in the Sunshine Act, in an effort to open congressional and agency proceedings to the public. The Senate recently passed the Lobby Reform and Disclosure Act in an effort to increase public awareness about pressures which may influence the legislative process.

Financial disclosure legislation is a natural extension of these efforts for it allows the American people another tool by which to judge the integrity of Government through the examination of the personal financial interests of those who make decisions.

By adopting financial disclosure legislation, we are placing ourselves in the spotlight. I have little doubt that public financial disclosure will demonstrate the high level of integrity of the vast majority of Government officials. As for those whose personal finances will not bear up to public scrutiny, I say they should not be in Government service and, indeed, this legislation will be a deterrent to those persons and a deterrent to wrongdoing while in the Government service.

Right now, the impetus for financial disclosure is the public's wholesale lack of confidence in Government and Goverment officials—specifically Members of Congress. Admittedly, the enactment of this legislation is not going to produce a marked change in public attitudes overnight. But in connection with legislation such as sunshine, lobby reform, and title I of this bill, the collateral affect hopefully will produce an improvement in the people's confidence in Government, and that confidence is, after all, the underpinning of our whole way of life.

Financial disclosure, a commitment to prosecution of corruption, and a permanent special prosecutor constitutes more than Watergate reform. S. 495 means more to the country than the recollection of events of the past few years. It extends beyond the good intentions and high qualifications of any single President or Attorney General to the protection of those rights, freedoms and principles of law which have made our Nation great. It establishes procedures and responsibilities for Federal law enforcement, along with tools to increase public awareness regarding politicians and Government officials.

Watergate reform is not for the past or for the present. Our memories may indeed keep us free today. Instead, it is for unborn generations who I hope will never know how close a democracy came to oligarchy.

Let us pass along to them a legacy of defenses, steeled by wisdom gained from our troubles.

Mr. PERCY. Mr. President, over 4 years have now passed since five men were apprehended while breaking into the headquarters of the Decocratic National Committee. At the time, no one could guess at the magnitude of the events which have become known collectively as Watergate. No one dreamed that it would culminate in the voting of three articles of impeachment against the President by the House Judiciary Committee in its historic proceedings two summers ago, or that Richard M. Nixon would be forced to resign from the Nation's highest office of public trust.

Since that time the Committee on Government Operations and the Committee on the Judiciary have given consideration to this matter. The primary responsibility has fallen upon the Committee on Government Operations.

At this time I should like to pay particular tribute to the chairman of that committee, Senator RIBICOFF, for the diligent way in which he has pursued this matter.

I should also report that the members of the minority have all worked with our chairman on this matter, and I pay particular tribute to Senator LOWELL WEICKER. Because of his own deep-seated knowledge in serving as a member of the Watergate Committee, he brought an expertise and he also brought a zeal and determination to our efforts having been outraged for months as a result of his experience on the Watergate Committee. He brought a sense of urgency to our committee and to the Senate and worked closely and well with the majority leader, Senator MANSFIELD, and with the minority leader, Senator HUGH SCOTT, in seeing to it that we had early scheduling of the bill that is now before us.

Title II of S. 495 deals with the creation of an Office of Congressional Legal Counsel for the Congress.

Here I pay particular tribute to our distinguished colleague from New York, Senator JAVITS, who I have maintained before provides invaluable legal advice to his colleagues. Certainly in drafting and working with the committee and the committee staff to create title II, he has offered tremendous assistance to us.

Title III of the bill dealing with Government personnel financial disclosure requirements is in spirit attributable to one Member of the Senate who has not served on the Committee on Government Operations, but is a colleague of ours. He is Senator CASE, who is deeply interested in the field of financial disclosure. Certainly we pay great tribute to him for the inspiration and the initiative he has provided in this area.

It is for the reason that two members of the Committee on Government Operations have played such an important and leading role that Senator JAVITS will serve as the minority floor manager for title II and Senator WEICKER as the floor manager for the minority for titles I and III. I shall be with them at all times, because of my deep interest in this legislation.

I am very appreciative of the gracious and typically thoughtful comments made by Senator RIBICOFF and Senator WEICKER.

Mr. President, the greatest tragedy in this sordid chapter of our political history was not the revelations of abuse of power, obstruction of justice, and criminality that reached to the highest levels of the executive branch. Rather, as the tangle of events that was Watergate unfolded in the newspapers, in the courts, and in the committees of Congress, the deeper tragedy that many of my colleagues and I perceived was a serious erosion of public confidence in the integrity of our Government. A mood of outrage and then cynicism seemed to take hold of the American people. There was a widespread loss of confidence in our institutions as well as in the men who ran them—the confidence without which no government founded on the consent of the governed can hope to succeed. It gives me great pleasure to recognize all that President Ford has done, since taking the oath of office nearly 2 years ago, to restore the public faith in Government.

If Watergate represented a nadir in our political history, it also represented the triumph of the American system of government. The lesson of Watergate is clear: Ours is a government of laws, and not of men. The bill now before the Senate, the Watergate Reorganization and Reform Act of 1976, is designed to help insure that we will always remain a nation of laws.

Congress has been studying possible legislative responses to Watergate for many months. More than 100 Watergate-related bills have been introduced in Congress. Because of the emotional overreaction that gripped the Nation in the wake of Watergate, many of these were ill conceived and poorly drafted. We have had 2 years to put the Watergate experience into perspective. We have had 2 years to consider, with due caution and deliberation, what kinds of systemic changes are genuinely required in our Government—not only to cope with a Watergate or a Teapot Dome scandal, which may come along once in 50 years, but to deal with the Government corruption and criminality on a lesser scale which unfortunately occurs far more frequently. There is no guarantee in such cases that the twin pressures of the press and public indignation will complement the internal defense mechanisms of our system of government as they did in Watergate.

S. 495, originally introduced in the 93d Congress by Senator Sam Ervin, embodied most of the recommendations of the Senate Select Committee on Presidential Campaign Activities, commonly known as the Senate Watergate Committee. The bill was reintroduced by Senator RIBICOFF and me on Jannary 30, 1975. Since then, Mr. President, S. 495 has undergone extensive revision and modification. The Government Operations Committee heard oral testimony from 17 distinguished witnesses and received written comments on the bill from numerous Government agencies and more than 20 prominent lawyers and legal scholars. As a result of their criticism and suggestions, the bill has been greatly improved. S. 495, as amended, incorporates recommendations of such distinguished legal scholars as Raoul Berger, Erwin Griswold, and Samuel Dash, as well as the Senate Watergate Committee, the American Bar Association, and the Watergate Special Prosecution Force. It is supported by the American Bar Association, Common Cause, and the three former Watergate special prosecutors, Archibald Cox, Leon Jaworski, and Henry Ruth. The bill was unanimously reported out of the Government Operations Committee on April 9, 1976, and was automatically discharged to the Senate floor from the Judiciary Committee on June 15. A bipartisan majority of the members of the Judiciary Committee, in a letter inserted in the RECORD, indicated that they would have voted to favorably report the bill had they had the opportunity.

Mr. President, title I of S. 495 would alter the manner in which the Department of Justice handles most allegations of public corruption. It would establish a new Division of Government Crimes within the Department of Justice to handle criminal investigations and prosecutions of Government officials, as well as criminal violations of Federal lobbying and election laws. The Division of Government Crimes would be headed by a new Assistant Attorney General, appointed by the President and confirmed by the Senate, who would be supervised by the Attorney General in the discharge of all his duties. No individual could be appointed to the position if in the preceding 5 years he held a high-level position of trust and responsibility in the campaign for office of the incumbent President or Vice President.

The establishment of a separate Division of Government Crimes within the Justice Department would insure the allocation of resources and manpower sufficient to vigorously investigate and prosecute Government corruption and election law violations. Its visibility and its status as a full Division would help deter future Government corruption and election law violations. Finally, it would help insure public confidence in the impartial administration of justice.

Title I also creates a triggering mechanism for the appointment of an independent temporary special prosecutor in a very narrow set of circumstances. Prior to submitting his final report, a temporary special prosecutor, appointed under this bill, could be removed from office only by the Attorney General and only for "extraordinary improprieties."

An appointment of a temporary special prosecutor would be made when either the President or the Attorney General has a conflict of interest or the appearance thereof in a proposed investigation or prosecution.

A conflict of interest situation would automatically be deemed to exist in an investigation or prosecution of the incumbent President, Vice President, Director of the Federal Bureau of Investigation, Cabinet-level executive branch officers, and their predecessors in these posts during the preceding 4 years. A temporary special prosecutor would also be appointed if the Attorney General or the President has a direct and substantial partisan political interest in the outcome of a proposed criminal investigation or prosecution.

The Attorney General would have the primary initiative for determining whether such a conflict of interest situation exists. In certain cases the mechanism provides for limited review of his decision by a three-judge panel of the court of appeals, with the panel authorized to appoint a temporary special prosecutor if it disagrees with the Attorney General's finding that a conflict of interest situation does not exist.

Mr. President, the Department of Justice has had serious reservations about the provisions of title I of this bill. Many of the revisions that S. 495 has undergone since it was first introduced have been in response to questions raised by the Department of Justice. Today the President has sent a message to the Congress outlining a new proposal for a permanent office of special prosecutor and a codified section within the criminal division to handle cases of alleged public corruption.

In drafting title I the committee has sought to work within our existing constitutional framework and to keep primary responsibility for the investigation and prosecution of Government corruption where it belongs—within the Justice Department and with the Attorney General. The President's proposal, which was first outlined to some members of the committee this morning by the Attorney General, offers the possibility of meeting the Congress desire for permanent institutions to deal with public corruption and the fact or appearance of conflicts of interest, while at the same time alleviating problems raised by the Department of Justice. Now that we have the President's specific proposals in writing, we will analyze them to determine how well they respond to the problems addressed by the bill now before the Senate.

Mr. President, our Nation is indeed fortunate to have as Attorney General a man of the integrity, knowledge, and dedication of Edward Levi. Under his leadership, the Department of Justice has established a public integrity section within the criminal division to investigate and prosecute all Federal offenses involving public and institutional corruption. An office of professional responsibility has also been created to insure professional standards of conduct by Department employees in the performance of their duties.

I am confident that while Edward Levi is Attorney General, these two units and the Department as a whole will be fully capable of handling in a thorough and impartial manner those situations which it is the intent of title I to reach. But there is no guarantee that a future Attorney General less dedicated to rooting out public corruption would not eliminate them by the stroke of a pen or let them atrophy through lack of resources and support.

S. 495 creates mechanisms to handle such situations regardless of who is Attorney General. It comes back to what I referred to earlier as the lesson of Watergate: that this is a government of laws, not of men.

Mr. President, during the Attorney General's confirmation hearings in January 1975, Senator HRUSKA asked Mr. Levi to comment on the propriety of removing the Department of Justice from partisan politics. The Attorney General replied in part:

> I think it would be a bad thing for the country to believe that the administration of justice was not even-handed because it was in some way tilted by partisan politics; and it is the necessity of *indicating* and having the reality of an even-handed approach which I think is what is intended by saying that it should be removed from partisan politics.

There are times when an Attorney General should personally recuse himself from an investigation or prosecution because of a real or apparent conflict of interest. I know that Attorney General Levi has done this on numerous occasions because of his great sensitivity to the appearance as well as the fact of the equitable administration of justice. But it is not enough simply to have men of integrity in high positions within the Department of Justice, for even men of integrity may on occasion have the appearance of a conflict of interest due to their Government position and their relationship to the individual under investigation. The existence of a mechanism for the appointment of a temporary special prosecutor in certain conflict of interest situations is vital in those situations where the public reasonably believes that the administration has a clear partisan political interest in the outcome of a case. In such cases the public will quite reasonably question the impartiality and thoroughness of the investigation.

Mr. President, the special prosecutor provision of this bill is not designed to reach low-level Federal officials accused of criminality. Rather, it is drafted so as to insure the impartial administration of justice in cases involving individuals who are in an extremely close partisan political relationship with the President or the Attorney General. These types of cases do not always create the kind of enormous public pressure for a thorough investigation and prosecution that a scandal on the scale of a Watergate did, and yet, if mishandled, they also contribute to public cynicism about our system of criminal justice.

As I have indicated, the Department of Justice has expressed certain fears concerning the practical effects of title I of this bill and the President has sent a message to the Congress on this subject today. I have discussed the objections of the Department with the Attorney General and the Deputy Attorney General in an effort to meet these concerns. A number of amendments to title I have been worked out and they will be introduced over the next few days. After a thorough analysis of the President's legislation has been made later today or tomorrow, we will be better able to determine what portions of the President's proposal can best be incorporated into S. 495.

Title II of S. 495 establishes an Office of Congressional Legal Counsel responsible for litigation involving the vital interests of Congress. The Congressional Legal Counsel would defend a Member, employee, or body of Congress in civil actions in which the validity of an official congressional action is at issue, or in civil actions with respect to any subpena or order directed to them in their official capacity. The Congressional Legal Counsel would also be authorized to bring a civil action to enforce the validity of a subpena or order issued by Congress or a body of Congress. He would also intervene or appear as amicus curiae on behalf of Congress in any legal action in which the constitutionality of a challenged law is not adequately defended by counsel for the United States, or in which the powers and responsibilities of Congress under article I are placed in issue.

Mr. President, the practice of the Justice Department defending Members, employees, and committees of Congress in civil cases has developed gradually, until today the Congress is almost totally dependent on the Department for such representation. But in these cases and others involving court challenges to congressional power, the interests of Congress as an institution and the constitutional doctrine of separation of powers make it inappropriate for the legislative branch to rely on and entrust the defense of its vital powers to the advocate for the executive branch, the Attorney General. Establishing an Office of Congressional Legal Counsel would eliminate the conflict of interest situations which occur because of Department of Justice representation of Congress in the courts. It would also eliminate the practical problems of congressional reliance on private counsel, such as the uneven quality of representation, the expense, and the lack of familiarity with issues of congressional power. A first-class law office in Congress would make available to Congress ongoing advice on how to avoid or anticipate litigation, and continuously monitor congressional interests in cases where Congress is not a party.

Title III of S. 495 would require detailed public financial disclosure by high-level officials in all three branches of the Federal Government. The following individuals would be required to file an annual report to be made available to the public; the President, Vice President, Members of Congress, justices and judges of the United States, high-level civil servants and military officers, and anyone seeking election to public office who has spent funds for that purpose or received political contributions. The Comptroller General would audit at least one report filed by the President and Vice President during each term, and at least one report filed by each Member of the Senate and House of Representatives during each 6-year period.

Mr. President, title III would bring uniformity to the widely varying financial disclosure requirements that exist in the executive, judicial, and legislative branches. By helping to restore public confidence in the integrity of top Government officials, public financial disclosure would increase public confidence in the Government. It would also demonstrate the integrity of the vast majority of Government officials. Public scrutiny would deter conflicts of interest from arising, and discourage some persons whose personal finances could not withstand the light of public disclosure from entering public service. Finally, public financial disclosure would better enable our citizens to evaluate the performance of their public officials in light of their outside financial interests.

Mr. President, the legislation which I have outlined today represents carefully thought out responses to problems which were highlighted by Watergate but are by no means confined to scandals of that magnitude. I welcome the President's latest proposal and hope that the best aspects of it can be included in this bill. If enacted, S. 495 could go a long way toward insuring the integrity of our Government as well as the fact and the appearance of the impartial administration of justice.

Mr. President, one aspect I should like to comment on in closing is the relationship with the executive branch of Government. Senator RIBICOFF served as a member of the executive branch. He is probably one of the few Members of the Senate, if not the only Member of the Senate, who has served in State office as a Governor, as a Secretary of HEW in the executive branch of Government, and as a committee chairman in the Senate. He knows better than anyone else that legislation drafted by Congress is far better when it is fully supported by the executive branch of Government which is required by law to carry out and implement it.

It is for that reason that witnesses from the executive branch of Government were asked to participate with us. Conferences have been held with the Attorney General, the Deputy Attorney General, and with members of their staffs. Over a period of months now, we can say that we have reached out and attempted to work with the executive branch of Government, hoping to shape a piece of legislation that would be a product of the executive branch and the legislative branch working together on a common problem and toward a common goal.

Our common goal is that we want no more Watergates. Watergate did more to injure this country in our own eyes and in the eyes of the world than almost anything else that has occurred in recent memory.

We want to be certain that we measure up to the responsibility placed upon us by the American public, to make certain that we take every possible step that can be taken to prevent that ever occurring again in this Republic.

There is no difference of opinion as to this objective and goal between the executive branch of Government and the Senate. There are honest differences of opinion as to the way in which we are to implement this. Grave concerns have been raised as to the constitutionality of certain provisions of the bill before us that cannot be fully tested until they would be challenged in court.

I think we all welcome the initiative now taken by the President and the Attorney General in sending a message to the Speaker of the House and the President of the Senate today, the text of which I presume already has been incorporated in the RECORD. This message contains a proposal designed to remove the serious constitutional questions which Attorney General Levi feels exist in title I of S. 495 and to modify certain procedures in such a way as to make them more acceptable to the executive branch of government.

In meeting with the Attorney General this morning, every member of the Government Operations Committee present concurred in the direction the Attorney General wants to move with title I of the bill. Though we may not agree on every provision, I think we have gone a long way toward coming to an accord on a piece of legislation. Hopefully we can now move forward with dispatch to enact a piece of legislation in the Senate that can be accepted in principle by the House and can be sent to the President and enthusiastically supported and signed by him.

The support of the administration is important at this stage. It is important that we move in tandem with the House, to encourage early scheduling in the House, so that in this Congress we can complete this job. It would be a great disappointment to the people of this country if Congress were to go home without finishing this job in this important area of Watergate reform.

Mr. JAVITS. Mr. President, I will take not more than 10 minutes, unless Senator KENNEDY has some other pressing problem.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I have joined in this bill, and I add my commendation to the remarks already uttered by Senator PERCY with respect to the splendid leadership of Senator RIBICOFF; and I commend the Senator for his extraordinarily able and very vigorous initiative as the ranking Republican member of the committee, for the fine expertise and very high-minded idealism, in its best sense, of Senator WEICKER, and the cooperation of all the members of the committee, majority and minority.

As history will cause Watergate events to recede into the past, I still feel that the first time that a President of the United States resigned his office will represent such a monumental milestone in the life of our country that it will be remembered for centuries beyond today. Hence, the work we do here in respect of a beginning, a first comprehensive measure to deal with what was uncovered when the stone was lifted from secrecy, conspiracy, and skulduggery in the highest place in the land, will have a lasting salutary effect, in my judgment, upon American public life for years to come.

Mr. President, it is a great tribute to the people of our country that we survided Watergate, that we have sought to repair the wounds which were caused, to restore the credibility to the Federal Government which was deeply undermined and which now we are slowly endeavoring to rebuild in terms of the confidence of the people.

It is not for naught that Government fell to such a low estate that those in the nonpublic occupations were rated, in terms of their public contribution, higher than those with the awesome responsibilities we carry in Congress and which executive officials carry in the executive branch.

Mr. President, I shall confine most of my statement by way of opening to just two thoughts. One is that I think it would be a remarkable achievement if in this particular kind of measure, precisely because it is to insure us against derelictions by the highest authorities in the land—the President, the Cabinet, senior officials in the executive department, and Members of the House and Senate—we could come to an agreement with the executive department on this bill, so that there was not a moment's doubt that the product which Congress turned out was the product of the best thinking and the highest dedication of both the Members of Congress and the President of the United States and those who represent him, completely removing any hint of partisanship in respect of a final product by the fact that it was agreed upon and that it will be signed by the President.

I hope very much that this does not become a bill at any stage which has to be passed over the veto of the President. I do not think it will. But I feel that we must dedicate ourselves deeply to that task. An agreed-upon bill between the President and Congress is a critical objective which we must achieve, at the same time asserting, without any error about it, that we will pass a bill and that hopefully, for the best interests of our country, the President and Congress will agree upon it.

We are now in the process of considering the administration's proposals regarding a special prosecutor with independence, by secure tenure and security of responsibility, which will enable us to avoid the difficulties which we have been caused through the Watergate case in this particular department. Saturday night massacres, Mr. President, are, in my judgment, massacres of the freedom of the American people and we do not want another one.

Mr. President, the bill which we take up today is the direct outgrowth of months of thoughtful analysis and study of the institutional defects in our government processes uncovered in the aftermath of the Watergate affair. It is based upon the assumption that the federal system of justice is not effectively structured to deal with misconduct involving the top ranks of any Presidential administration.

We all know that the disabling and disheartening reality that politics and justice had become intolerably intertwined and threatened to undermine the public's confidence in the integrity of our Government.

We know also that all too often we forget the lessons of the past and repeat those same tragic mistakes. In my judgment, S. 495 will help to repair those institutional weaknesses without imperiling the constitutional foundation of our governmental system.

Recognizing however, that many of the proposed solutions suggested before the Government Operations Committee raised serious constitutional and policy questions, we have subjected them to the most careful examination by constitutional scholars, those directly involved in the prosecution of Watergate offenses, the American Bar Association, Government officials, practicing lawyers and many others.

Attorney General Levi himself has been deeply and personally involved in recent weeks in the effort to improve this legislation, and to develop procedures which are sound and workable, and will stand constitutional muster. I commend his commitment to this endeavor and the extensive effort of his staff performed in cooperation with the staff of the Government Operations Committee.

I and my colleagues on the Government Operations Committee were extremely pleased to learn this morning from the Attorney General that President Ford had decided to send to the Congress today legislation providing for the establishment of a special prosecutor structurally in the Department of Justice, removable only for cause, and subject to Senate confirmation. The firm commitment of the President to the enactment of a statute designed to guarantee the independent investigation of high Government corruption constitutes a major initiative in a bipartisan spirit to insure that the abuses of power associated with the Watergate affair are less likely to occur. The President and the Attorney General—as well as the members of our committee have encountered and struggled with problems in this field, both theoretical and practical which are extraordinarily difficult.

Both the committee and the administration have sought to resolve constitutional and policy questions of great subtlety. The joint consultations between our staff and that of the Attorney General are continuing today in an effort to reach an agreement on legislation which will have the broadest possible support and I believe we will. I wish to take this opportunity to commend Attorney General Levi for his role in this process. In the high office which he holds, he has administered the law effectively without favor and has restored a sense of integrity and thoroughgoing professionalism to the Department of Justice.

I wish also to congratulate our chairman, Senator RIBICOFF and Senator PERCY, our ranking minority member, for the substantial commitment they made to this legislation during the past year. Senator WEICKER's distinguished service on the Watergate Committee was matched by his contribution to S. 495, and the extensive work on title II of the bill by the Judiciary Subcommittee on Separation of Powers, under the chairmanship of Senator ABOUREZK, was outstanding.

The foundation stone of the bill is found in title I and deals with the concept of independent special prosecutional authority, while this may be changed in view of the President's message, it is useful to analyze what is now in the bill too. Title I involves transfer of specific powers from the Attorney General to an independent prosecutor in specific categories of cases. It can involve jurisdiction over both persons who hold identified public offices, as well as over specific subject matter. Abuse of office and corruption of senior level governmental officials, and the appearance of such abuse and corruption require the appointment of such independent officials to handle such offenses. The real or potential conflict of interest which arises when a prosecutor is called upon to prosecute members or political allies of an incumbent administration can constitute a direct challenge to the fair and impartial administration of justice as the people see it.

While the independence of the special prosecutor could be protected by restrictions on his removal, safeguards must be built into the process to prevent abuse and nonaccountability of the prosecutor. While there are difficult and troublesome issues, the pivotal question has always been who appoints and who can remove. Through the many months of consideration in the Government Operations Committee, this issue has been the central constitutional and policy question.

The Constitution authorizes Congress to vest the appointment of such inferior offices as they think proper in the President alone, in the courts of law, or in the heads of departments. Therefore title I of the bill as now written requires the appointment of an independent special prosecutor whenever it is established that the President or the Attorney General has a conflict of interest or the appearance of the same in connection with the initiation or carrying out of certain investigative or prosecutorial functions. A three judge Federal appeals court would make the appointment.

The standard in section 594 defining when such a conflict of interest exists is designed to bring within the operation of the statute, only those cases where a direct and substantial personal or partisan political interest in the outcome are involved. Whenever the Attorney General considers the appointment of a temporary special prosecutor, he must file a memorandum with the U.S. Court of Appeals for the District of Columbia. He has the power to appoint such officials himself. The court would then review the appointment and the jurisdiction in order to determine its sufficiency.

If the Attorney General decides not to appoint a temporary special prosecutor, he must file a memorandum with the court. The court will then review that memorandum and decide whether a conflict of interest or the appearance thereof as defined in this bill exists. If the court concludes that a conflict of interest or the appearance thereof does exist, the court is authorized to appoint a temporary special prosecutor and to define the jurisdiction of the temporary special prosecutor. Court consideration of whether a temporary special prosecutor should be appointed can also be initiated by a private citizen 30 days after that citizen has gone to the Attorney General and the Attorney General has refused to consider such an appointment.

With respect to any of the functions assigned to the court under the bill, the three-judge division of the court is sitting as a panel of appointment making an appointment of an officer of the United States as authorized under article II of section 2 of the U.S. Constitution. Whenever the Attorney General makes a finding that information, allegations or evidence of criminal wrongdoing are clearly frivolous, the court has no authority to appoint a temporary special prosecutor in that case.

The bill contains an expedited review procedure to permit a constitutional challenge to the authority of a temporary special prosecutor appointed under this statute without damaging an investigation or prosecution. The expedited review procedure can only be used the first time a provision contained in this statute is challenged on constitutional grounds.

The U.S. Court of Appeals for the District of Columbia is the court which is assigned the responsibility for the appointment of temporary special prosecutors. Priority in assignment to the division of the court which will make the appointments must be given to retired circuit court judges and retired justices. There is also a provision prohibiting any judge or justice sitting on this division from sitting on any other matter involving a temporary special prosecutor whom that panel appointed.

The procedure now in the bill for appointment of temporary special prosecutors specifically deals only with the serious conflicts of interest of a personal or partisan political nature by the President or the Attorney General.

Conflicts of interest by lower level Justice Department personnel must be dealt with by the Attorney General, who is directed to promulgate rules and regulations which will require any officer or employee of the Department, including a U.S. attorney or a member of his staff, to disqualify himself from participation in a particular investigation or prosecution if such participation may result in a personal, financial, or partisan political conflict of interest or the appearance thereof.

Mr. President, during my many years in Congress, I have frequently noted the institutional disabilities under which the Congress exercises its constitutional functions. The most serious of those disabilities is the lack of its own office of legal counsel. In recent years, this disability was most dramatically felt during the executive-legislative struggles over the impoundment power asserted by President Nixon.

I and Senators MONDALE, HUMPHREY, ABOUREZK and others have proposed bills to establish an Office of Legal Counsel. Our own hearings and the hearings of the Separation of Powers Subcommittee have analyzed, first, the extent to which the Justice Department provides representation for members, committees and employees of Congress, and under what circumstances and conditions, and second, the extent to which the Department finds itself defending on behalf of Congress, the constitutionality of statutes which the executive branch believes to be unconstitutional.

Under S. 495, the Joint Committee on Congressional Operations is given general responsibility for oversight of the activities of the Office of Congressional Legal Counsel.

The Congressional Legal Counsel and a Deputy Congressional Legal Counsel will be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives from among recommendations submitted by the majority and minority leaders of the Senate and the House of Representatives.

There are three major types of litigation in which the Congressional Legal Counsel can be authorized to represent Congress. Such representation with two minor exceptions, requires the concurrence of one or both Houses of Congress.

The first responsibility of the Congressional Legal Counsel is to defend Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or any Member, officer or employee of a House of Congress in a civil action in which that individual or entity is a party defendant and in which an official congressional action is placed in issue.

The Congressional Legal Counsel is also authorized to defend the same entities and individuals in any civil action with respect to any subpena or order directed to that individual or entity in their official capacity. The Congressional Legal Counsel undertakes such representational activity only at the direction of Congress or the appropriate House of Congress and, if the representation is of an individual, also with the consent of that individual. The Joint Committee on Congressional Operations is given the responsibility for authorizing the Congressional Legal Counsel on an emergency basis to defend such individual or entity in certain specified situations when the Congress or the appropriate House of Congress is not in session and the interest to be represented by the Congressional Legal Counsel would be prejudiced by a delay in providing such representation.

Second, the Congressional Legal Counsel may be directed to intervene or appear as amicus curiae on behalf of Congress in legal actions in which the constitutionality of a law of the United States is challenged, the United States is a party, and the constitutionality of that law is not adequately defended by counsel for the United States. The Counsel may also be directed to intervene or appear in a legal action where the powers and responsibilities of Congress under article I of the Constitution are placed in issue. The Congressional Legal Counsel is given the ongoing responsibility to monitor major cases pending before the courts and is required to notify the Joint Committee on Congressional Operations of any legal actions in which he believes Congress should intervene or appear. The Joint Committee will then publish in the CONGRESSIONAL RECORD material received from the Congressional Legal Counsel describing the legal proceedings in which intervention or appearance is recommended. However, any intervention or appearance by the Counsel must be authorized by a concurrent resolution approved by both Houses of Congress.

The third major responsibility of the Congressional Legal Counsel is to bring civil actions against an individual or corportation to enforce a subpena or other order issued by Congress, a House of Congress, or a committee or a subcommittee authorized to issue such a subpena or order. This procedure does not apply to attempts to get infromation from the executive branch. The discretion of Congress to punish contempt by existing procedures—namely, to refer a contempt to the U.S. Attorney for criminal prosecution or to hold an individual or entity in contempt of a House of Congress by bringing that individual before the bar of the Congress—is specifically preserved.

Finally, the Counsel is authorized to represent Congressional committees in requests to courts for grants of immunity. Such representation—as with representation on an emergency basis—does not need to be approved by Congress or by a House of Congress. This is consistent with the procedure currently followed under the immunity statute.

The Congressional Legal Counsel is authorized to advise, consult and cooperate with relevant agencies and offices of Congress. For example, the Congressional Legal Counsel is directed to assist the congressional leadership in responding to subpenas or other requests for withdrawal of papers in the possession of the Senate or the House of Representatives.

The Congressional Legal Counsel is also directed to compile and maintain legal research files of materials from court proceedings which have involved the Congress. These materials will provide Congress with a valuable resource center containing information with respect to legal issues and legal actions involving the powers and responsibilities of Congress.

Mr. President, the last major component of the bill—title III—is a comprehensive statute requiring financial disclosure by high level officials in each of the three branches of the Federal Government. It is a disclosure statute only and does not regulate permissable conduct or prohibit the holding of any financial interest.

The individuals who must file an annual public financial disclosure report are the President, Vice President, Members of Congress, justices and judges of the United States, officers and employees of the Federal Government compensated at a rate equal to or greater than the rate of pay for grade GS-16.

The financial disclosure statements required under this statute are uniform for all individuals who have to file and must contain the following information:

First. The amount and source of each item of income, which exceeds $100 in value;

Second. The amount and source of each item received in kind—other than items received from any member of his immediate family—during the preceding calendar year which exceeds $500 in value;

Third. The identity and category of value of each asset held during the preceding calendar year which has a value in excess of $1,000 as of the close of the preceding calendar year;

Fourth. The identity and category of value of each liability owed in excess of $1,000 at the close of the preceding calendar year;

Fifth. The identity, category of value and date of any transaction in securities;

Sixth. The identity and category of value of any transaction in real property which exceeds $1,000 in value;

When reporting these items, it will be sufficient to report which of the following categories of value the asset or item is within:

Less than $5,000;
Between $5,000 and $15,000;
Between $15,000 and $50,000; or
Greater than $50,000.

Each Government official required to file a financial disclosure report must do so with the Comptroller General by May 15 of each year.

Criminal and civil penalties are established for willful failure to file a report or willful falsification of any information in a report.

The Comptroller General is required to make each report filed with him available to the public within 15 days after receipt of the report.

To help insure the accuracy and completeness of the information filed in the reports, the Comptroller General is also required to conduct random audits of not more than 5 percent of the financial disclosure reports filed each year.

Mr. President, this legislation taken as a whole is a carefully designed effort to deal with the extraordinary problems wrought by Watergate. The problems which we have attempted to remedy go even beyond the specific abuses of power which were uncovered in connection with the Nixon administration's handling of the Watergate burglary and the events which followed. The legislation sets forth fundamental reforms aimed at insuring the accountability of all government officials. By enacting this bill, the Senate will be implementing recommendations made by the Ervin Committee, Special Prosecutors Archibald Cox, Leon Jaworski, and Henry Ruth, as well as the American Bar Association, the Bar Association of the city of New York, and many other legal, public administration, and citizen organizations.

As I have indicated, title II of this legislation would bring to fruition a proposal which I have long advocated in this body. The establishment of an office of Congressional Legal Counsel will strengthen immeasurably the capability of the Congress to assure that its own powers under the Constitution are adequately protected in the face of challenges to those powers by the President and in the courts. I am pleased that this proposal is moving toward law following many years of advocacy by me and other Members of the Senate. It represents another important initiative—in the spirit of the Budget Reform Act and war powers resolution—to restore to the Congress' its separate powers which have been seriously eroded in post war decades.

I consider that resolution one of the landmarks of my long service here, precisely for the reason that I believe that freedom is maintained by the tensions which exist in the check and balance system of the courts, the Executive, and the Congress. I have tried and I shall continue, so long as the Lord spares me, to maintain the equal strength and the equal responsibility so that tyranny may be avoided by any one of the three branches by the fact that their weight may be thrown into the balance against tyranny.

Mr. President, there are tyrannies of strength and tyrannies of weakness. There are tyrannies of executives; there are also tyrannies of the judiciary. We know that from our Anglo-Saxon history. And, Mr. President, there can be and, indeed, on occasion have been tyrannies of the Congress. It is all of these which we must guard against.

One of the very critical aspects of our work in Congress is that we should proceed in accordance with the law ourselves and that we should not only proceed in accordance with the law but that we should have the courage of our convictions to fight to sustain the law which we have, ourselves, developed, enacted, and created.

For too long we have been seriously deficient in respect of having no lawyer for Congress. We hunt around for law firms when we have a reason to have one, which is quite proper, Mr. President. The continuing relation of the body of professional expertise, the relationship of faith and confidence which can develop between Congress and its own lawyer, is very sharply epitomized by the General Accounting Office, created for the same substantial reason, as a congressional watchdog. It is really amazing to me that we have waited so many years before coming to the realization that an essential element of the structure in passing legislation is a congressional legal counsel which we, ourselves, will choose.

The administration, Mr. President, has one objection to title II. That is that the counsel shall not have a right to defend the constitutionality of statutes which we enact. I must say, in all frankness and fairness, that it is one of the key elements of having a counsel that I see as essential to us. We must pass on constitutionality as a matter of conscience. We are not supposed to leave it to the Supreme Court. We are supposed to believe an act to be constitutional or we should vote against it, and I often have where I felt that an act, even though I liked it, would be unconstitutional. Therefore, we should have the courage of our convictions to stand by what we believe. Hence, one of the elements of congressional power is to defend our own position in the courts, where it really counts, decisively.

That does not mean to exclude the Attorney General, who is the agent of the President for the enforcement of the law. On the contrary, he should be given every opportunity to do his job as he sees it under the direction of the President. But we, too, should have the opportunity, just as any individual Member has today, to intervene in a case, to file a brief in amicus curiae, and to assert our own position.

That is all that the counsel for Congress will do. He will only do that when

Congress so directs him. He cannot be a volunteer. If he thinks we should do it, he will come to us and ask for our leave to do it. But it seems to me that the self-respect, the dignity of the Congress, and the fact that it shall be an equal branch—and by equal, it means that it shall have the tools to make itself equal and the powers to make itself equal—in here in this title II.

I know that there are few Members here tonight, but I hope that Members will read the RECORD and I hope very much that they will interest themselves in this title of the bill and we shall do our utmost to make the case for it which persuaded our committee that it is an essential and integral part of this legislation.

Mr. PERCY. Mr. President, I ask unanimous consent that during the proceedings on this bill and all votes, Robert Sloan of the Committee on Government Operations be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I should like to reiterate that in our working with the Committee on the Judiciary on this matter, they had this bill for some 30 days and were not able to have a vote on it. The Committe on Government Operations and those of us who worked on this bill and believe in its principles so deeply were most encouraged by a letter sent out by the majority of that committee indicating that if they had had an opportunity to vote on that bill, they would have voted the bill out so it could be considered on the floor of the Senate. I trust that Senator KENNEDY will accept the appreciation from us and extend it to other members.

Mr. KENNEDY. I thank the Senator.

Mr. JAVITS. Mr. President, I ask unanimous consent that Brian Conboy of the committee staff have the privilege of the floor.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that John Childers, Blain Butner, Charles Morrison, Leo Duran, Connie Evans, and Claudia Ingram of the Government Operations Committee; and Chuck Ludlam, Ken Feinberg, Phil Bakes, and Mike Klipper of the Judiciary Committee staff be granted the privilege of the floor during consideration and votes on S. 495.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I ask unanimous consent that Romano Romani be granted the privilege of the floor during consideration and votes on S. 495.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I ask unanimous consent that Thomas Susman be given the privilege of the floor during consideration and votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I want to make some comments at this time on S. 495. I do not think we should let this occasion go by, Mr. President, without recognizing the very special debt that the Senate owes to the chairman of the Senate Committee on Government Operations (Mr. RIBICOFF), the ranking minority member (Mr. PERRY), and two members of the minority party (Mr. JAVITS and Mr. WEICKER), who have been in the forefront of developing and fashioning this particular piece of legislation, the debate upon which we start this evening.

Title I of the bill addresses the serious problem of the Federal Government investigating and prosecuting criminal wrongdoing by the Government's highest elected and appointed officials. In the past, we have not devoted either the resources or devised the institutional tools to adequately attack the problem. S. 495 is a serious and responsible attempt to change all this. Title I would create a new arm in the Department of Justice to concentrate on official corruption cases. It would also statutorily provide for an independent prosecutor to handle certain cases. Thus, S. 495 insures for the future that there will be little possibility for political interference or involvement in the most sensitive criminal cases.

Mr. President, one of the very essential aspects of this legislation is, of course, the provisions establishing in certain cases a special prosecutor. This is an important reform to grow out of our Watergate-sharpened awareness. A permanent, statutory procedure to deal effectively with future Watergates is of critical importance. We should not forget that the primary reason the American people got a special prosecutor during the Watergate crisis was because the Senate Judiciary Committee, on which I serve, was, in the spring of 1973, in the process of considering the nomination of Elliot Richardson to be Attorney General. The committee's insistence that there would be no action on the nomination unless a special prosecutor were appointed tipped the scales of that decision. There is no guarantee that the future will present the Judiciary Committee, the Congress, or the American people with an opportunity to require or demand that the executive branch appoint a special prosecutor in situations where a special prosecutor is clearly needed. A legislative solution is the appropriate safeguard.

Clearly the most obvious reason for this reform is to better insure that future wrongdoing by very high level Government officials such as the President, the Vice President, and Cabinet members will be investigated and prosecuted properly. It is simply too much to expect even the best of Attorneys General to always overcome the intense pressures and demands when handling criminal investigations in which either the Attorney General or the President has a direct and substantial political interest in the outcome.

Current practice at the Department of Justice, for example, would mean that evidence of criminal wrongdoing concerning a sitting President would not trigger any special procedures within the Department or the Attorney General's Office to insulate the investigation from possible White House influence.

I personally have great faith in the current Attorney General, Edward Levi. Attorney General Levi has brought a high degree of leadership and integrity to the Department of Justice at a critical period in the Department's history. But, Edward Levi will not be Attorney General forever. History shows that the office of Attorney General, like all other public positions has been occupied by persons occupying all shades of the ethical and intellectual spectra. The Congress cannot duck its legislative responsibilities simply because we have faith in the current person occupying a particular office. Our system is one of laws, not of men, so that necessary safeguards against future abuse should be institutionalized, not personalized. We are now in the process of fashioning wiretap legislation not out of a reaction to current, ongoing abuses, but rather, in response to past abuses and in an effort to head off future misdeeds.

Legislation is the most appropriate tool to help insure independent prosecution of future Watergates just as it is the appropriate tool to guard against future unwarranted wiretaps.

But, let us suppose that we could somehow guarantee that all future Attorneys General and Presidents are so high-minded and scrupulous that even if one of them or their close political associates were under investigation, the case would be handled with complete propriety, professionalism, and independence.

Nevertheless, there would still be a compelling need to enact the special prosecutor provisions of S. 495. Individuals who must report to the President should not be allowed to investigate crimes involving close political and governmental associates of the President. The reason is clear. As Prof. Archibald Cox, who supports this legislation, explained:

> The pressures, the divided loyalty are too much for any man, and as honorable and conscientious as any individual might be, the public could never feel entirely easy about the vigor and thoroughness with which the investigation was pursued. Some outside person is absolutely essential.

The point Professor Cox makes is an important one. Without public confidence in the prosecutor, there will be no public respect for the outcome. Even if the decision not to prosecute is a good faith one based on the evidence, all the press conferences in the world are not going to satisfy a significant portion of the public if the person who is not prosecuted is the President or one of the fellow Cabinet members or the Attorney General. A cynicism and disrespect for how the Government handles the hard cases will have a very dangerous spillover effect on public perception of the entire administration of justice. If there is disrespect for how the law is enforced, there will be less chance that laws will be obeyed.

Finally, the likelihood that an independent investigation will occur should help deter those high-level officials who might otherwise be tempted to play fast and loose with criminal prohibitions. A statutory mechanism for a special prosecutor will prevent high-level executive officials from believing that they are immune from prosecution because their own administration and Justice Department will never investigate them.

Mr. President, I should point out that

many of the problems confronted by S. 495 were faced back in the fall of 1973 by the Senate Judiciary Committee. Our Committee on the Judiciary wrestled with a legislative solution to the Watergate crisis for 11 days in hearings, and a very extensive markup period during the fall of 1973. This was immediately after the then Special Prosecutor, Archibald Cox, was fired.

We considered extensively the constitutional issues involved with a court-appointed prosecutor. Ultimately, we reported two competing bills—one providing for court appointment, the other for appointment by the Attorney General.

Much of the controversy surrounding S. 495 involves the constitutional question faced by the Judiciary Committee nearly 3 years ago. The weight of authority and my firm personal belief is that S. 495 as drafted clearly meets the test of constitutionality. I will not dwell on the competing arguments on this question at this late hour, Mr. President. It may be that there will be no disagreement on this question because President Ford has now endorsed the concept of a statutory special prosecutor.

I am quite pleased, in fact, to see that the administration has apparently reversed its earlier opposition to legislatively establishing a class of cases that would be handled by an independent prosecutor. Over the last several weeks the Senators from Connecticut (Mr. RIBICOFF and Mr. WEICKER), the Senator from Illinois (Mr. PERCY), the Senator from New York (Mr. JAVITS), and I have through our staffs been involved in extensive discussions with the Justice Department. In addition, Attorney General Levi has discussed S. 495 personally with a number of us. Those discussions made it clear to the administration that the sponsors of S. 495 were prepared to go ahead with the bill in spite of the administration's opposition. But those discussions also made clear that we would be prepared to consider meaningful alternatives to some current provisions of S. 495.

But, an acceptable alternative must include three basic things. First, it must include, as S. 495 does, a statutory definition of what class of cases must be handled by an independent prosecutor. Second, it must include, as my proposed amendment to S. 495 does, a statutory guarantee that a special prosecutor will have independent power and authority to handle cases without interference. Third, an acceptable solution must include, as S. 495 does, safeguards to make sure that the person appointed special prosecutor is in fact sufficiently removed from political influences and is appointed on a nonpartisan basis.

During the Judiciary Committee's 1973 inquiry, it was these three principles which emerged so clearly as necessary. They must definitely be part of any legislative solution. The President has this afternoon offered a special prosecutor proposal that is different than that contained in S. 495, but which was considered by the Government Operations Committee during its hearings.

We should examine this proposal with care. If there are portions of that proposal that improve the bill as now drafted, then we should adopt them. But we should be especially careful to see if it effectively incorporates the three concepts I just mentioned.

Mr. RIBICOFF. Mr. President, will the Senator yield at this point?

Mr. KENNEDY. Yes.

Mr. RIBICOFF. I do want to take this opportunity to commend the Senator from Massachusetts and other members of the Judiciary Committee who have been in constant consultation with the Government Operations Committee in order to get a bill that would be satisfactory and as perfect as possible.

I also commend the various members of the Judiciary Committee staff, especially the staff of Senator KENNEDY, who, during the recess, worked so hard to straighten out many problems in this legislation. So it is only fitting that we do pay tribute to Senator KENNEDY and the members of his staff.

Mr. KENNEDY. I thank the Senator. Phil Bakes, in particular, has been spending a great deal of time, and I think it is important that we give credit where it is due. As we all know, these are extremely complex issues which take extraordinary diligence of committed and concerned individuals. I appreciate the willingness of the chairman of the Government Operations Committee to make these observations.

Finally, if I may return the compliment to the chairman of the Government Operations Committee and the members, I believe this issue was, and continues to be, an extremely important issue for the country. But it is not now the kind of issue which it was 2 years ago. Two years ago it was a headline issue, but it no longer is. We are here now in the Chamber in the evening at this late hour without the press here, with a few strong and valiant exceptions, to really give the kind of attention and focus that this particular issue would have had 2 years ago. But it is a mark, I think, of the continued service of the members of the Government Operations Committee, that this measure is out on the Senate floor. Because of their continued diligence, we are going to be able to fashion an instrument and a mechanism to provide important protections against Government corruption.

Title I of S. 495 is a carefully considered package that would better attack corruption and help prevent future Watergates. The American people expect us to act and to act soon. Not to do so would be a cynical response to the millions of citizens concerned with the problem of official misconduct.

S. 495 also contains tough financial disclosure provisions that would apply to high-level public officials. Title III of the bill would for the first time treat equally certain high-level elected and appointed officials of all three branches of Government, and give the public workable and uniform financial information that might affect official decisionmaking. Current law on financial disclosure is simply a crazy-quilt of toothless laws. The President and Vice President and Federal judges need not publicly disclose their finances at all. Members of Congress are not under meaningful disclosure requirements. Title III, Mr. President, would be a long-overdue strengthening and improvement of financial disclosure laws.

Mr. President, numerous polls reveal the disturbing fact that many citizens have little faith in the integrity of their Government and public officials. One responsible way to respond to this feeling is to demonstrate our commitment to vigorous investigation and prosecution of Government corruption without regard to partisan political factors. We should also not shrink from revealing personal financial information that the public is entitled to view in order to determine whether the private interests of the Government officials are affecting public performance. I urge my colleagues to support and vote favorably on S. 495.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that amendments to title II and III be considered in order tomorrow, to be followed by title I.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I associate myself with the remarks made by the Senator from Massachusetts, the Senator from Illinois, and the Senator from New York in complimenting the chairman of the Government Operations Committee for the fine work he has done in this field. Probably no man is more understanding of all branches of government than the distinguished Senator from Connecticut, having served not only as Governor and in the President's Cabinet but now in the position of U.S. Senator, certainly a demonstration again of his fine civic service.

Mr. President, the Watergate Reorganization and Reform Act of 1976 is a long overdue step in the process of strengthening our representative institutions. It will promote accountability among employees and elected officials of the Federal Government. It will provide Congress with machinery to assist it in responding to the needs of the Nation. And it will invigorate the constitutional separation of powers among the three branches of our Government.

Throughout this century, the power of the President has grown almost beyond our capacity to control it. The tragedy of Watergate brought home to each of us the full implications of an executive branch untempered by the competing authority of the other branches. Fortunately, our institutions and the men and women who comprise them met the challenge. We have survived that constitutional crisis, but we have been alerted to the potentialities inherent in an overbearing Presidency. "Power," in the famous words of Lord Acton, "corrupts, and absolute power corrupts absolutely." We cannot rely merely on the good intentions of men to prevent the usurpation of democratic government. Good men, as our Founding Fathers well knew, are not enough. Our founders created an institutional framework within which the power of different men and different institutions negated one another—not to prevent action, but to prevent tyranny.

With changing circumstances, our institutions have evolved in new ways. In particular, the exigencies of the contemporary world have placed new burdens on our Government; this has been especially true in the case of the Presidency. Repeatedly, we have witnessed the exercise of power by the President that was rightfully the prerogative of Congress. More is at stake than mere prerogatives. For it is in the manner in which we govern that we retain or lose our character as a free and self-governing people.

To preserve the freedom we have enjoyed so that the generations that follow us may enjoy it as well, we must act to maintain that delicate balance between the arms of Government. We cannot allow the authority of one branch to be eroded at the expense of another. What may appear expedient for today may lead, ultimately, to disaster. Maintaining constitutional balance is no easy task. It is an on-going task. It requires constant vigilance and the ability to change our laws and procedures to accommodate the long-term objective to the necessities of effective daily government.

While the Watergate Reorganization and Reform Act of 1976 is no panacea—no final solution—it is a step. It is a good step, and one that moves us in the right direction. For this reason, I support it, and I urge my colleagues to support it as well.

My support is particularly strong for the need to establish an Office of Congressional Legal Counsel, as provided in title II of the bill. I have been advocating the need for congressional counsel for nearly a decade.

In considering title II I believe it would be helpful to sketch the origins of this proposal. I will direct my remarks in support of title II to this end.

Congressional concern with the need to establish an Office of Congressional Legal Counsel has often been expressed over the last decade. In 1965 the Joint Committee on the Organization of Congress considered the litigation needs of Congress and recommended that a Joint Committee on Congressional Operations be established and given the "continuing responsibility for determining, with the approval of the leadership of both Houses, whether Congress should be appropriately represented" in cases of vital interest to Congress. "Organization of Congress, Final Report," Joint Committee on the Organization of Congress, report No. 1414, 89th Congress, 2d session, at 47. The findings of the committee are particularly timely to the Senate's consideration of title II. These findings state in part:

> The Congress, its committees and its Members are sometimes involved as parties litigant. Traditionally, representation in these cases has been by private counsel, sometimes not paid for by the Congress or by the Department of Justice.
>
> In addition, the constitutional authority of the Congress, the will or intent of Congress, and even the application of parliamentary rules have been passed upon by the courts. In a few cases involving constitutional powers, the Congress has been represented through appearances by Senators, Representatives, or attorneys as amicus curiae. This representation has been on a sporadic basis and sometimes at no expense to the Congress. In contempt and perjury cases involving the powers of the Congress and its parliamentary procedures, Congress usually has been represented by the Department of Justice.
>
> This legal representation of the Congress with respect to its vital interests is unsatisfactory and the effect upon Congress of court decisions should be a matter of continuous concern for which some agency of the Congress should take responsibility. This function appropriately can be vested in the proposed joint committee, acting with approval of the leadership of both Houses. (*Final Report*, at 47, emphasis added).

When the committee proposal to create the Joint Committee on Congressional Operations was finally debated and adopted as a part of the Legislative Reorganization Act of 1970, unfortunately, the new joint committee was given the authority only to "identify" court proceedings of vital interest to Congress. October 26, 1970, Public Law 91-510, section 402 (972) 84 Statute 1187.

My first support for this proposal was to offer on March 3, 1967, an amendment to S. 355, the Legislative Reorganization Act of 1967—113 CONGRESSIONAL RECORD 5361-5369, March 3, 1967. That bill already included a provision which authorized the proposed Joint Committee on Congressional Operations, with the approval of the President pro tempore, Speaker, and majority and minority leaders, "to provide for appropriate representation on behalf of Congress or either House thereof if any proceeding or action" which, "in the opinion of the joint committee, is of vital interest to Congress, or to either House of the Congress."

Mr. RIBICOFF. Will the Senator yield?

Mr. HARTKE. I am glad to yield to the Senator.

Mr. RIBICOFF. I want to take this opportunity to commend the Senator from Indiana.

If my memory serves me correctly, he was one of the first Members of the Congress to propose the establishment of a congressional legal counsel and he is now seeing it come to completion and fruition.

I know that throughout the consideration of the complicated problems with Watergate and the corrections that had to be made, the Senator from Indiana has been deeply concerned, has shown a continuous interest, and I have found his advice most helpful in drafting this bill and seeing it come to the floor at this time.

I commend the Senator from Indiana for his invaluable help.

Mr. HARTKE. I wish to express my thanks to the Senator, the manager of the bill, the chairman of the Government Operations Committee.

That has been something rather close to my heart for a long time. I have seen it debated. I have seen it talked about and written about. The fact the committee is seeing fit to include this measure in the bill I think will demonstrate conclusively that we are going in the right direction.

My amendment provided that: "There is hereby established in the legislative branch of the Government the Office of Legislative Attorney General, which shall be under the direction and control of the Legislative Attorney General. The Legislative Attorney General shall be appointed by the Speaker of the House of Representatives and the President of the Senate, with the approval of the House of Representatives and the Senate, without reference to political affiliations and solely on the basis of his fitness to perform the duties of his office, and shall be subject to removal by those officers for inefficiency, misconduct, or physical or mental incapacity. He shall receive the same salary as Members of Congress." 113 CONGRESSIONAL RECORD 5361.

Among the duties of the counsel were to: "(4) intervene, upon request of any committee of the Congress or upon his own motion, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretatioin of any act of Congress, or the validity of any official proceeding of or action taken by any committee, officer, office, or agency of the Congress; and (5) represent, upon request, any committee, officer, office, or agency of the Congress in any legal action pending in any court of the United States to which such committee, officer, office, or agency is a party and in which there is placed in issue the validity of any official proceeding of or action taken by such committee, officer, office, or agency." 113 CONGRESSIONAL RECORD 5361. These types of provisions now form the heart of title II of S. 495.

Although there was substantial support for my amendment, some Senators objected to the fact that it appeared to authorize the Congressional General Counsel to be the "authoritative source for interpretation of legislative intent." The Senate considered it to be unwise to establish a quasi-legal office of Congress having the power to issue binding legal opinions whether or not requested by a committee to do so. Accordingly, my amendment was tabled. This objection cannot be raised to title II of S. 495.

As I have indicated, when the Joint Committee on Congressional Operations was finally established in 1970, it was given power only to "identify" cases of vital interest to Congress.

Subsequent to the debate on my amendment, on March 23, 1967, I first introduced S. 1384, a bill to establish an Office of Congressional General Counsel. That bill was one of the first bills ever referred to the Subcommittee on Separation of Powers of the Senate Judiciary Committee. I request permission to have a copy of this bill printed in the RECORD following these remarks. I testified in favor of S. 1384 at the subcommittee's very first hearing on July 19, 1967. "Separation of Powers," Hearings Before the Subcommittee on Separation of Powers, 90th Congress, first session, pages 8-11 (1967).

At that time I introduced for the hearing record a list of important cases where the interests of Congress went unrepresented. Id. at 11-13. I believe that this remains very timely and ask that it also be printed at the close of my remarks.

On May 8, 1968, I had published in the CONGRESSIONAL RECORD a newspaper article which found it "somewhat astonishing that since the inception of the republic, Congress provided for an Attorney General, who is in fact House Counsel for the executive branch, and provided for no attorney general for the Congress of the United States." The article went on to state that it would be "extremely healthy * * * if the Congress looked to the protection of its constitutional powers by the creation of its own law office. By law, it could be easily provided that when the attorney general of the Congress deems that a fundamental constitutional right of the Congress is in issue, or when the intent of the Congress is a decisive issue, then the Congress itself shall have right to appear before the Court to memorialize the Court on what the Congress deems its intent or its constitutional right to be. Failing in this, that body most responsive to the people will continue to be shouldered, and alarmingly, into space more confined by the courts, the agencies, the executive branch, for the reason that it did not assert its constitutional rights.

"The creation of an attorney general of the Congress * * * would instantly restore the Congress to the pre-eminence designed for it in the original Constitution." 114 CONGRESSIONAL RECORD 6822 (May 8, 1968).

Subsequently, I had an article published in the Administrative Law Review on the need for Congress to hire its own legal counsel. (HARTKE, VANCE, "Proposed: A Legal Counsel for the Congress of the United States," 20 Administrative Law Review 341 (April 1968)). This article was printed in the CONGRESSIONAL RECORD on July 18, 1968. 114 CONGRESSIONAL RECORD 21998–22001 (July 18, 1968).

The proposal to establish an Office of Congressional Legal Counsel was next considered by Congress in 4 days of hearings held before the Joint Committee on Congressional Operations on the "Constitutional Immunity of Members of Congress." In these hearings the joint committee explored the Justice Department's policy in representing Congress and in particular the conflict of interest faced by the Department of Justice when it defended Congress in Doe against McMillan. The Senate's decision to file an amicus brief in Gravel against United States was also discussed. During these hearings Senator Ervin presented a brilliant statement which I request be printed following my statement. I might note that Senator Ervin had similar remarks printed in the CONGRESSIONAL RECORD on August 16, 1972. In it Senator Ervin explains how the courts have eroded the constitutional immunity of Members of Congress. In response to supplemental questions at these hearings, the Justice Department first conceeded that it was "certainly arguable" that the Congress should "represent itself in court on a permanent basis." Hearings, part II, at page 181.

In 1974 I testified again before the Subcommittee on Separation of Powers in favor of establishing an Office of Congressional Legal Counsel. "Removing Politics From the Administration of Justice," Hearings Before the Subcommittee on Separation of Powers, Senate Judiciary Committee, 93d Congress, second session, at 27–37 (March 26, 1974). As I argued then, the need for Congress to represent itself in litigation "stems from the peculiar interest of Congress in these cases, and the right of Congress to prosecute its own contempt cases. Although this authority has been in the past delegated to the Justice Department, the existence of a full-time congressional counsel would make it appropriate that he be responsible for a case within the traditional powers of Congress." (Hearings, at 33). I continue to believe that Congress must represent itself as title II of S. 495 provides.

Additional impetus for the congressional legal counsel proposal was generated when the Senate Select Committee on Presidential Campaign Activities participated in over 60 different matters before the courts during the course of its Watergate investigations in 1973 and 1974. The court filings, which comprise most of the "Legal Documents Relating to the Select Committee Hearings," run to over 2,100 pages. As a result of its experience, the select committee recommended that the Congress give careful consideration to a bill then pending before the Senate (S. 2569) that would establish a Congressional Legal Service and thus give Congress "a litigation arm that would allow it to protect its interest in court by its own counsel." As Senator BAKER, vice chairman of the select committee, stated:

> There are numerous instances in which the interests of Congress and Congressional committees are divergent from those of the President and the various departments, and in which the existence of a permanent Congressional litigating staff would be both helpful and appropriate. The Select Committee on Presidential Campaign Activities certainly was engaged, albeit unsuccessfully, in extensive litigation; and a Congressional Legal Service would have been of great utility to the Committee.

S. 2569 had been introduced by Senator WALTER MONDALE on October 11, 1973. Similar proposals to establish an Office of Congressional Legal Counsel had been introduced by myself on October 26, 1973 (S. 2615) and by Senator JACOB K. JAVITS, on June 4, 1974 (S. 3877). On December 11, 1974, Senator Ervin introduced S. 4277 which was based upon the recommendations of the Watergate committee which contained Senator MONDALE'S proposal.

In the winter of 1975–76, the Subcommittee on Separation of Powers held hearings on "Representation of Congress and Congressional Interests in Court." The chairman of the subcommittee, Senator JAMES ABOUREZK, had earlier introduced S. 2731 which refined previous proposals for an Office of Congressional Legal Counsel. The subcommittee compiled a detailed hearing record, focusing specifically on the conflict of interest which occurs when the Justice Department represents Congress and generally on the inadequacy from Congress institutional point of view of the present ad hoc provisions for representation of Congress. The hearings run nearly 800 pages and include 120 exhibits.

In addition to its providing for the defense of Members and committees and for intervention by Congress in cases involving the constitutional powers of Congress, title II establishes a method for Congress to seek civil enforcement of its subpenas. I am in strong support of this provision.

Historically, Congress has made various provisions for enforcing its subpenas and orders. The contempt power of Congress was affirmed in the 1821 case of Anderson against Dunn. During its early period Congress brought contumacious witnesses for trial before the House and Senate and confined those found in contempt in the Capitol guard house. Variations of this practice continued until 1945.

In 1857, Congress grew dissatisfied with the fact that it could imprison a person only until the end of a legislative session. In that year Congress passed a statute, still in effect in amended form as 2 United States Code 192, making it a criminal offense to refuse to divulge information demanded by Congress. Even after passage of the 1857 statute, Congress preferred to enforce its own punishment rather than turn a witness over to the U.S. attorney. However, as courts more frequently began to review congressional contempt trials, Congress came to rely entirely on the criminal sanction. Using both procedures, Congress has held approximately 400 persons in contempt since 1789, most of the contempts having occurred since 1945. "Guide to the Congress," Congressional Quarterly, at pages 248–249 (1973).

While investigating the contested election of Senator William S. Vare in 1928, a Senate committee sought to enforce a subpena for certain ballot boxes and various documents by bringing a civil suit. The Supreme Court held that the Senate did not intend or authorize the committee to bring suit. *Read* v. *County Commissioners of Delaware,* 277 U.S. 376 (1928). The day the Supreme Court decision was rendered, the Senate enacted a standing order authorizing all Senate committees to "bring suit * * * if the committee is of the opinion that the suit is necessary to the adequate performance of the powers vested in it." Senate Journal 572, 70–1, May 28, 1928.

On May 4, 1953, Congressman Kenneth Keating introduced H.R. 4975 which conferred jurisdiction on the courts to hear civil actions to enforce congressional subpenas. The principal advantages cited by Congressman Keating for civil enforcement were speed, flexibility, and effectiveness. Four days of hearings were held on the bill. The bill then passed the House on August 4, 1954, and again in the next session of Congress on March 15, 1955. The Senate took no action on either occasion. All of these materials are printed in the 1976 hearings of the Subcommittee on Separation of Powers at pages 556–568. It is interesting to note that the Justice Department believed that the bills "raise policy questions primarily within the purview of the Congress and concerning which the Department prefers to make no recommendation." (Hearings, page 560.)

When Congressman Keating became a

Senator he reintroduced his proposal on March 24, 1959 (S. 1516), and on June 13, 1961 (S. 2074), but no action was taken.

In 1962 and again in 1972 judges of the U.S. Court of Appeals for the District of Columbia recommended in criminal contempt cases that Congress should adopt an alternate to criminal contempt. See *Tobin* v. *United States*, 306 F. 2d 276 (D.C. Cir. 1962) and *U.S.* v. *Fort*, 443 F. 2d 670, 676–678 (D.C. Cir. 1970).

Also, in 1962 the George Washington Law Review published an excellent article entitled "Judicial Review of Congressional Investigations: Is There an Alternative to Contempt?"

Confronted by President Nixon's refusal to honor its subpena for certain White House tape recordings, the Senate Watergate Committee brought a civil action for a declaratory judgment that President Nixon's claim of executive privilege was unlawful. The committee found the prospect of criminal contempt or trial before the Senate inadequate and inappropriate remedies. Judge Sirica held that the court had no jurisdiction to hear the action, specifically rejecting the 1928 standing order as a basis for jurisdiction, 366 F. Supp. 51 (1973). Senator Ervin then introduced and the Congress soon passed a statute (Public Law 93–190) giving district court jurisdiction over that suit and others the Watergate Committee might bring to enforce subpenas issued by it to the executive branch. The original version of this statute would have confined jurisdiction on the courts to hear suits by all congressional committees to seek subpena enforcement. This provision was deleted prior to passage of the law. Eventually the court of appeals dismissed the committee's suit due to the pending House impeachment inquiry. See 1976 hearings of Subcommittee on Separation of Powers, page 61, n. 1.

This summary of the origins of title II makes it clear that this proposal has been given extensive consideration over the years. A number of Members have made important contributions to development of the proposal. It is time finally to pass this legislation so that representation of Congress and congressional interests will no longer—in the words of the 1965 report—be "unsatisfactory" to maintain Congress as a vigorous and independent branch of government.

Mr. President, I ask unanimous consent to have printed in the RECORD excerpts on Separation of Powers and Constitutional Immunity of Members of Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Separation of Powers, Hearings Before the Subcommittee on Separation of Powers, 90th Cong., 1st Session (1968) at 271.]

[S. 1384, 90th Cong., first sess.]

A BILL TO ESTABLISH THE OFFICE OF LEGISLATIVE ATTORNEY GENERAL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established in the legislative branch of the Government the Office of Legislative Attorney General, which shall be under the direction and control of the Legislative Attorney General. The Legislative Attorney General shall be appointed by the Speaker of the House of Representatives and the President of the Senate, with the approval of the House of Representatives and the Senate, without reference to political affiliations and solely on the basis of his fitness to perform the duties of his office, and shall be subject to removal by those officers for inefficiency, misconduct, or physical or mental incapacity. The Legislative Attorney General shall be appointed for a term which shall expire at the end of the Congress during which he is appointed. The Legislative Attorney General shall receive the same salary as Members of Congress.

(b) Subject to the availability of appropriations, the Legislative Attorney General may appoint and fix the compensation of such Assistant Attorneys General, clerks, and other personnel as may be necessary to carry on the work of his office. Assistants shall be appointed without reference to political affiliations and solely on the basis of fitness to perform the duties of their offices.

(c) The Legislative Attorney General shall promulgate for his office such rules and regulations as may be necessary to carry out the duties imposed upon him by this Act. He may delegate authority for the performance of any such duty to any officer or employee of the Office of the Legislative Attorney General. No person serving as an officer or employee of such office may engage in any other business, vocation, or employment while so serving.

(d) The Legislative Attorney General shall cause a seal of office to be made for his office, of such design as the Speaker of the House of Representatives and the President pro tempore of the Senate shall approve, and judicial notice shall be taken thereof.

SEC. 2. (a) It shall be the duty of the Legislative Attorney General, under such rules as the Committees on the Judiciary of the Senate and the House of Representatives may prescribe jointly from time to time, to—

(1) render to committees, Members, and disbursing officers of the Congress, and to the Comptroller General, legal opinions upon questions arising under the Constitution and laws of the United States;

(2) render to committees and Members of the Congress advice with respect to the purpose and effect of provisions contained in Acts of the Congress, or to be inserted in proposed legislative measures;

(3) perform such duties with respect to legislative review of executive actions as shall be prescribed by such rules;

(4) intervene or appear as amicus curiae, upon the request, or with the approval, of the Committee on the Judiciary of the Senate or House of Representatives, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretation of any Act of the Congress, or the validity of any official proceeding of or action taken by either House of Congress or by any committee, Member, officer, office, or agency of the Congress; and

(5) represent, upon the request, or with the approval of the Committee on the Judiciary of the Senate or House of Representatives, either House of Congress or any committee, Member, officer, office, or agency of the Congress in any legal action pending in any court of the United States to which such House committee, Member, officer, office, or agency is a party and in which there is placed in issue the validity of any official proceeding of or action taken by such House, committee, Member, officer, office, or agency.

(b) Upon receipt of written notice from the Legislative Attorney General to the effect that he has undertaken pursuant to subsection (a)(5) of this section to perform any such specified representational service with respect to any designated action or proceeding pending or to be instituted in a court of the United States, the Attorney General shall be relieved of responsibility and shall have no authority to perform such service in such action or proceeding except at the request or with the approval of the Legislative Attorney General.

SEC. 3. (a) Subject to applicable rules of practice and procedure, the Legislative Attorney General shall be entitled as of right to intervene as a party or appear as amicus curiae in any action described in subsection (a)(4) of section 2.

(b) For the purposes of all proceedings incident to the trial and review of any action described by subsection (a)(5) of section 2 with respect to which the Legislative Attorney General has undertaken to provide representational service, and has so notified the Attorney General, the Legislative Attorney General shall have all powers conferred by law upon the Attorney General, any subordinate of the Attorney General, or any United States attorney.

(c) The Legislative Attorney General, or any attorney of his office designated by him for that purpose, shall be entitled for the purpose of performing duties imposed upon him pursuant to this Act to enter an appearance in any such proceeding before any court of the United States without compliance with any requirement for admission to practice before such court, except that the authorization conferred by this subsection shall not apply with respect to the admission of any person to practice before the United States Supreme Court.

SEC. 4. The Office of the Legislative Attorney General shall have the same privilege of free transmission of official mail matter as other officers of the Congress.

SEC. 5. There are hereby authorized to be appropriated to the Office of the Legislative Attorney General such sums as may be required for the performance of the duties of the Legislative Attorney General under this Act. Amounts so appropriated shall be disbursed by the Secretary of the Senate on vouchers approved by the Legislative Attorney General.

[*Separation of Powers*, Hearings Before the Subcommittee on Separation of Powers, 90th Cong., 1st Session (1968) at 11]

REPRESENTATIVE CASES AFFECTING CONSTITUTIONAL POWERS OF CONGRESS WHERE IT WAS NOT REPRESENTED (EXCEPT IN SOME INSTANCES BY THE DEPARTMENT OF JUSTICE)

See contempt cases such as—

Watkins v. *U.S.*,[1] 354 U.S. 178 (1957);

Barenblatt v. *U.S.*,[1] 300 U.S. 109 (1954);

Brewster v. *U.S.*[1] (C.A.D.C.) 255 F. 2d 899 (1958) (dissenting opinion), among others.

And

Article I, Section 1—Delegation of Legislative Authority

Schechter Poultry Co. v. *U.S.*,[1] 295 U.S. 495 (1935);

Panama Refining Co. v. *Ryan*,[1] 219 U.S. 388 (1935);

Carter v. *Carter Coal Co.*,[1] 298 U.S. 238 (1936);

U.S. v. *Butler*,[1] 297 U.S. 1 (1936).

Article I, Section 2, Clause 1—Protection of the Right To Vote for Members of Congress

Ex parte Yarbrough, 110 U.S. 651 (1884);

U.S. v. *Classic*, 313 U.S. 299 (1941);

U.S. v. *Mosley*, 238 U.S. 383 (1915).

Article I, Section 2, Clause 3—Apportionment of Seats in the House

Wood v. *Broome*, 287 U.S. 1 (1932);

Colegrove v. *Green*, 328 U.S. 549 (1946);

Wesberry v. *Sanders*,[2] 376 U.S. 1 (1964).

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[1] Representation by Department of Justice.

[2] Participation by Department of Justice through amicus curiae on leave of Court.

Article I, Section 4, Clause 1—Federal Legislation Protecting the Electoral Process

Ex parte Siebold,[1] 100 U.S. 371 (1880);
Ex parte Yarbrough,[1] 110 U.S. 661 (1884).

Article I, Section 5, Clause 1—Power To Judge Elections of Members

Barry v. *U.S. ex rel. Cunningham*,[1] 279 U.S. 597 (1929).

Article I, Section 5, Clause 2—Power of Each House Over Its Members

Burton v. *U.S.*,[1] 202 U.S. 344 (1906);
In re Chapman,[1] 166 U.S. 661 (1897).

Article I, Section 6, Clause 1—Privilege From Arrest

Williamson v. *U.S.*,[1] 207 U.S. 425 (1908);
U.S. v. *Cooper*, 4 Dall. 341 (1800);
Long v. *Ansell* (C.C.A. D.C.) 69 F. 2d 386 (1934), aff'd 293 U.S. 76 (1934);
U.S. v. *Johnson* [1] (Sup. Ct.) docket No. 25, October term, 1965; decision, February 24, 1966.

Article I, Section 7, Clause 1—Revenue Bills, Origination

Twin City National Bank v. *Nebecker*,[1] 167 U.S. 196 (1897);
Millard v. *Roberts*,[1] 202 U.S. 429 (1906).

Article I, Section 7, Clause 3—Veto Disapproval

Missouri Pacific R.R. v. *Kansas*, 248 U.S. 276 (1919).

Article I, Section 8—Powers of Congress

Because of lack of time, cases under article I, section 8, have generally been omitted, except for a few outstanding ones—

Pollock v. *Farmers' Loan and Trust Co.*,[2] 157 U.S. 429 (1895) (income taxation);
Steward Machine Co. v. *Davis*,[1] 301 U.S. 548 (1937) (social security—taxation and spending for public welfare);
Gibbons v. *Ogden*,[1] 9 Wheat. 1 (1824) (commerce power);
Second Employers Liability Cases,[2] 223 U.S. 1 (1912) (commerce);
U.S. v. *E. C. Knight Co.*,[1] 156 U.S. 1 (1895) (commerce);
N.L.R.B. v. *Jones & Laughlin*,[1] 301 US. 1 (1937) (commerce);
U.S. v. *Darby*,[1] 312 U.S. 100 (1941) (commerce);
Wickard v. *Filburn*,[1] 317 U.S. 111 (1942) (commerce);
McCulloch v. *Maryland*,[1] 4 Wheat. 316 (1819) (fiscal and monetary);
Ex parte Jackson,[1] 96 U.S. 727 (1878) (mails);
Ex parte Milligan,[1] 4 Wall. 2 (1866) (war power);
Bowles v. *Willingham*,[1] 321 U.S. 503 (1944) (war power).

Article I, Section 9, Clause 3—Bill of Attainder and Ex Post Facto Laws

Cases v. *U.S.*[1] (C.C.A., 1st) 131 F. 2d 916 (1942), cert. denied 319 U.S. 770.

Article II, Section 2, Clause 3—Reprieves and Pardons

Ex parte Garland,[1] 71 U.S. 333 (1867);
Yelvington v. *Presidential Pardon and Parole Attorneys*,[1] (C.A.D.C.) 211 F. 2d 642 (1954).

Article II, Section 2, Clause 2—Appointing and Removal Power

Kendall v. *U.S.*[1] 12 Pet. 524 (1828);
U.S. v. *Smith*,[1] 286 U.S. 6 (1932);
Humphrey's Executor v. *U.S.*,[1] 295 U.S. 602 (1935);
Morgan v. *Tennessee Valley Authority*, (C.C.A. Tenn.) 115 F. 2d 990, cert. den. 312 U.S. 701 (1940).

Article II, Section 3—Powers and Duties of the President

Youngstown Co. v. *Sawyer*,[1] 343 U.S. 579 (1952).

Article III, Section 1—Judicial Power

Martin v. *Hunter's Lessee*, 14 U.S. 304 (1816);
Cary v. *Curtis*,[1] 44 U.S. 236 (1845);
Lockerty v. *Phillips*,[1] 319 U.S. 182 (1943);
Yakus v. *U.S.*,[1] 321 U.S. 414 (1944).

Article III, Section 2, Clause 2—Supreme Court, Original and Appellate Jurisdiction

Marbury v. *Madison*, 1 Cranch 137 (1803);
Ex parte McCardle, 74 U.S. 506 (1868).

Article III, Section 2, Clause 3—Treason

U.S. v. *Greathouse* (C.C. Cal.) 26 Fed. Cas. No. 15,254 (1863).

Article IV, Section 3, Clause 1—Admission of New States

Coyle v. *Smith*, 221 U.S. 559 (1911).

Article IV, Section 4—Guarantee of Republican Form of Government

Luther v. *Borden*, 7 How. 1 (1849).

Article V—Amendment of the Constitution

Leser v. *Garnett*,[2] 258 U.S. 130 (1922);
Coleman v. *Miller*,[2] 307 U.S. 433 (1939).

Amendment XIV, Section 5—Enforcement

Civil Rights Cases,[1] 109 U.S. 3 (1883);
Ex parte Virginia,[1] 100 U.S. 339 (1880).

Amendment XV, Section 2—Enforcement

James v. *Bowman*,[1] 190 U.S. 127 (1903);
U.S. v. *Reese*,[1] 92 U.S. 214 (1876).

[*Constitutional Immunity of Members of Congress*, Hearings Before the Joint Committee on Congressional Operations, 93rd Cong., 1st Session (1973) at 10]

STATEMENT OF HON. SAM J. ERVIN, JR., A U.S. SENATOR FROM THE STATE OF NORTH CAROLINA

Senator ERVIN. Mr. Chairman, I am deeply grateful to you for your remarks concerning myself.

I want to commend the Joint Committee on Congressional Operations for its initiative in scheduling these hearings. The statements made by members of the Joint Committee indicate that the Joint Committee is acutely aware of the problems involved. Americans of every ideological persuasion are greatly concerned that the principle of separation of powers, one of the fundamental doctrines incorporated in our Constitution, is on its deathbed. The search for a cure has become absolutely essential if the form of government established under our Constitution is to be preserved. I am confident that this committee's hearings will underline the imbalance of power that presently exists among the branches of the Federal Government and point us toward some remedies to this imbalance.

While there are many important issues currently associated with the principle of separation of powers—including such matters as Executive impoundment of appropriated funds, sweeping Presidential assertions as to the scope of executive privilege, and the troublesome relationship between Congress and the President in the conduct of foreign affairs—I want to concentrate today upon the issues in conflict with respect to the "speech or debate" clause of article I, section 6 of the Constitution. This clause is a vital part of the doctrine of separation of powers inasmuch as it protects Members of Congress from intimidation by the executive and judiciary through the use of judicial inquiry into legislative activity.

During its last term the Supreme Court decided two cases, *United States* v. *Gravel*, 408 U.S. 606 (1972), and *United States* v. *Brewster*, 408 U.S.C. 501 (1972), in which the Court set forth its interpretation of this clause. In my opinion, these decisions pose a dangerous threat to the independence and integrity of the legislative branch.

The Senate was properly alarmed about the threat to its independence posed by the judicial inquiry into the activities of Senator Mike Gravel. After the Supreme Court agreed to hear the case, the Senate on March 23, 1972, adopted S. Res. 280 authorizing the filing of an amicus curiae brief with the Court on its behalf. The Senate realized that the Supreme Court would interpret the "speech or debate" clause and, in the words of the resolution, feared that the Court thereby might "impair the constitutional independence and prerogatives of every individual Senator, and of the Senate as a whole."

The Senate's fears were well-founded, for on June 29, 1972, the Supreme Court did just that. In handing down its decisions in *United States* v. *Gravel* and *United States* v. *Brewster*, which also involved an interpretation of the "speech or debate" clause, the Court set forth significant restrictions as to the scope of the protection provided Members of Congress by the clause.

In these two cases the new majority on the Court tinkered with the very heart of the constitutional doctrine of separation of powers. These decisions impair the constitutional independence and prerogatives of every individual Senator and of the Senate as a whole to a degree none of us anticipated when the resolution was adopted.

The same observation applies to the House of Representatives as a whole.

These two Supreme Court decisions have so restricted the immunity given to Members of Congress by the "speech or debate" clause that they can no longer independently acquire information respecting activities of the executive branch nor inform their constitutents of their findings without risking criminal prosecution. Indeed, these decisions raise the clear danger that Member's speech or vote on the floor may subject him to inquiry by the executive or judicial branch.

The framers of the Constitution wrote the "speech or debate" clause to remedy a very specific evil. Fresh in their minds was the history of harassment by English Kings and their judges of Members of Parliament who spoke out in the course of their legislative activities in a manner embarrassing to the Crown. The legislative immunity incorporated in our Constitution is a product of that turbulent period in English history marked by the glorious revolution and the beheading of Charles I. Indeed, one reason Charles I lost his head was his imprisonment of Members of Parliament who opposed his overseas military campaigns.

Justice Frankfurter related the history and origins of legislative immunity to the "speech or debate" clause in his excellent opinion in the case of *Tenney* v. *Brandhove*, 341 U.S. 367, 372 (1971):

"In 1668, after a long and bitter struggle, Parliament finally laid the ghost of Charles I, who had prosecuted Sir John Elliot and others for "seditious" speech in Parliament. . . . In 1689, the Bill of Rights declared in unequivocal language: "That the Freedom of Speech, and Debate or proceeding in Parliament, ought not to be impeached or questioned in any Court or Place out of Parliament." 1 Wm. & Mary Sess. 2, Ch. 2.

"Freedom of speech and action in the legislature was taken as a matter of course by those who severed the Colonies from the Crown and founded our Nation. It was deemed so essential for representatives of the people that it was written into the Articles of Confederation and later into the Constitution. . . .

"The reason for the privilege is clear. It was well summarized by James Wilson, an influential member of the Committee of Detail which was responsible for provision in the Federal Constitution. "In order to enable and encourage a representative of the public to discharge his public trust with firmness and success, it is indispensably necessary that he should enjoy the fullest liberty of speech, and that he should be protected from the resentment of everyone, however powerful, to whom the exercise of that liberty may occasion offence." II Works of James Wilson (Andrews ed. 1896) .38.

Until these decisions by the present activist majority, the Supreme Court relied heavily upon this history to derive the meaning of the clause. When I refer to a court as "activist," I mean a court which ignores the history or policy or settled precedents underlying a particular clause of the Constitution or statute. The Supreme Court can be labeled "activist" whether it is popularly considered "liberal," as was the Warren Court, or as "conservative." The vice is the same whatever the ideology—placing the Court itself above the Constitution. It is not interpreting and applying, but rewriting.

An unfortunate example of an activist court at work is also found in the majority opinion in *United States* v. *Brewster*, written by Chief Justice Burger who was joined by Justices Stewart, Marshall, Blackmun, Powell, and Rehnquist. There the majority concluded that the English history which gave rise to article I, section 6 of the Constitution was no longer dispositive in interpreting the "speech or debate" clause. It was satisfied that—

> Our history does not reflect a catalog of abuses at the hands of the Executive that gave rise to the privilege in England.

The Court has conveniently forgotten much about American history. During the infamous "alien-sedition" period, the Federalist administration used the judiciary to intimidate anti-Federalist Congressmen. For example, in 1798, Congressman Matthew Lyon was convicted and sentenced before a biased Federalist judge who was motivated by purely partisan political considerations. The judge would not even allow Lyon time to prepare his defense. In 1797 a grand jury, under the supervision of another Federalist judge, conducted an inquisition of an anti-Federalist Congressman for "sedition" in sending a newsletter to his constituents critical of the administration's war policy. Thomas Jefferson considered the grand jury's action to be a blatant violation of the "speech or debate" clause and suggested that the grand jurors should be arrested and imprisoned for this "great crime wicked in its purpose, and mortal in its consequences."

Of course, even if the Court were correct about its American history, its conclusions would be of little comfort. My fears would not be allayed by the knowledge that until now most Presidents have exercised great restraint in hauling legislators they do not like into court. Effective separation of powers between branches of government must rest not only upon good faith and great expectations, but also on the firm bedrock of constitutional principles.

The Constitution provides two methods by which Congressmen can be held accountable for their misdeeds. They can be disciplined by the body of which they are a member and they can be disciplined by the electorate at the next election. These means of holding Congressmen accountable for misbehavior do not compromise the independence of the legislative branch.

Apparently, the Supreme Court's majority in the *Brewster* case was not satisfied with what the Founding Fathers provided for in this respect. This majority ignored the explicit words and policy of the Constitution in favor of what it believed to be a better procedure for dealing with alleged misdeeds by Members of Congress. In so doing, the Court's majority in *United States* v. *Brewster* ran roughshod over the "speech or debate" clause.

Earlier Courts, concerned about the independence of Congress, have felt it necessary to give the clause the broadest possible interpretation. Chief Justice Burger, in his majority opinion in *United States* v. *Brewster*, dismissed these prior judicial expressions. He wrote that, "the contention for a broader interpretation of the privilege draws essentially on the flavor of the rhetoric and the sweep of the language used by the courts, not on the precise words used in any prior case, and surely not on the sense of those earlier cases, fairly read." He thus rationalized away the important policies and principles underlying the clause which have been recognized by all Supreme Courts until this one by the simple and unconvincing device of labeling the Court's past precedents as mere rhetoric and sweeping language.

The *Brewster* case involved the alleged solicitation and acceptance of a bribe by former U.S. Senator Daniel B. Brewster, of Maryland. A 1969 indictment charged that Senator Brewster as a member of the Senate Post Office and Civil Service Committee had been influenced in his actions on legislation proposing changes in postal rates as the result of an alleged $24,000 bribe from the mail-order company of Spiegel Inc. The district judge dismissed the indictment against the former Senator on the ground that he was immune from prosecution under the "speech or debate" clause. The Supreme Court reversed by simply concluding the bribery could be proved without relying on the evidence of what the Court defined as protected activity—the actual vote on the postal rates.

The *Gravel* case involved Senator Mike Gravel's reading of the "Pentagon Papers" at a meeting of the Senate Public Works Subcommittee on Public Buildings and Grounds and the inclusion of the documents into the subcommittee record. The case arose out of the attempt by a Federal grand jury in Boston to inquire into the matters relating to the public disclosure of the papers, and its subpoena of an aide to the Senator. Senator Gravel moved to intervene in the aide's motion to quash the subpoena—asserting immunity under the "speech or debate" clause on behalf of the aide.

Although the Senator failed to quash the subpoenas against this aide, the lower Federal courts granted a protective order precluding questioning of the Senator or any member of his staff about the subcommittee meeting, including the acquisition and subsequent publication by Beacon Press of the papers and the proceedings before the subcommittee. The Court of Appeals based its order on its conclusion that the aide and Senator Gravel enjoy similar immunities under the clause and on a common law privilege akin to that accorded executive and judicial officials to protect them from liability for official conduct.

There were several different issues before the Court in each of these two cases. However, the fundamental question facing the Court in both cases was the same, a question of jurisdiction—whether inquiry into certain behavior of Members of Congress could be conducted by the executive and judicial branches or whether the separation of powers concept and the "speech or debate" clause require that the inquiry remain the exclusive responsibility of the legislative branch.

The general question of what activity is protected by the "speech or debate" clause and, therefore, is within the exclusive jurisdiction of Congress, took three forms in these cases.

First, in the *Gravel* case, the Court decided whether aides to Members of Congress enjoy the same immunity under the clause as Members themselves.

Second, in *Gravel* and to a certain extent in *Brewster*, the Court determined what was "legislative activity" and thereby protected by the clause. More precisely, the Court determined whether a Member was engaged in legislative activity when he acquired information on the activities of the executive and informed his constituents of his findings.

Finally, in *Brewster* the Court was concerned with the extent to which a Federal court could indirectly question a Senator on concededly protected activity—the casting of a vote—without violating the clause.

The Court decided the first issue—whether aides enjoyed the same immunity as their legislator employers—in the affirmative. It concluded that the immunity of an aide is identical to that of the Senator. In the Court's words the clause provides immunity to the aide, "where his conduct would be a protected legislative act if performed by the Member himself."

Unfortunately, this determination by the Court is of little significance because what the Court gave with one hand it more than took away with the other. While the Court concluded that an aide enjoys immunity equal to that of his Senator, it so restricted the immunity enjoyed by the Senator as to make it largely worthless to the Senator or his aide. It decided, in the *Gravel* case, that the acquisition of information in preparation for a legislative hearing and the publication of the hearing thereafter are not protected activities. And, in *Brewster*, it held that even a protected activity such as voting is still subject to inquiry by the Court or the executive branch.

Under the Supreme Court's view, no activity is protected except the narrowly defined casting of a vote or the giving of a speech before the House or in committee. No preparatory acts leading up to a protected activity would be immune under the clause. A Senator would not be protected when he attempts to bring the result of his legislative activity or that of the whole body to the attention of the public. Further, even the narrow range of activity still protected after these decisions—voting and speaking on the floor—is subject to question if the executive or the judiciary can find a possibility of an illegal act. So, in effect, not even voting and official speaking are any longer covered by the clause.

In *Gravel* the Court excluded acquisition and republication from the protection of the "speech or debate" clause because these matters did not fall within its new artificial definition of "legislative activity." According to the Court, the only activity which is "legislative" and therefore entitled to protection is that which is—

"An integral part of the deliberative and communicative process by which Members participate in committee and House proceedings with respect to the consideration and passage or rejection of proposed legislation or with respect to other matters which the Constitution places within the jurisdiction of either House."

In other words, five of the Justices of the Supreme Court, none of whom has spent any time in Congress, have concluded that the acquisition of information for hearings and the communication of the results of hearings to the public are not "integral" parts of the legislative process.

This definition of "legislative activity" reflects a lack of appreciation of the things essential to the legislative process. As we all know, the formulation, consideration and passage of legislation involves much more than the introduction of a bill, a few speeches and a vote. The Washington Post, in an editorial critical of this decision, on July 15, 1972, made this point quite forcefully:

"This decision is extremely troubling because it declares, in effect, that the only communications essential to the legislative process are those among congressmen. This relegates to a lesser realm the constant, churning traffic in ideas and opinions between congressmen and citizens. Yet this communication is central to the idea and functioning of representative government, not peripheral as the court seems to think."

To my mind, Chief Justice Parsons had a much more realistic view of the legislative process when he defined the scope of legislative activity in the case of *Coffin* v. *Coffin*, 4 Mass. 1, 27 (1808):

". . . for every thing said or done by him, as a representative, in the exercise of the functions of that office, without inquiring whether the exercise was regular according to the rules of the House, or irregular and against their rules."

According to Chief Justice Parsons, "legislative activity" is what we as Members of Congress do as representatives of our constituents. If we feel that we are representing our constituents by investigating the executive branch's conduct of a foreign war, as anti-Federalist Congressmen did during Federalist administrations in the late 1700's, that is legislative activity and beyond inquiry in a Federal court. If we want to inform our constituents of the findings of our investigations, that is also legislative activity and beyond inquiry by a Federal court. Of course, we are not unaccountable in the performance of these legislative activities. Our constituents can vote us out of office if they decide that any of our activities do not represent their interests. And the Senate can establish rules and penalize us for activity it deems inappropriate. The same thing applies to the House. But the Supreme Court can contrive no definition which will convince me that it is appropriate for any Federal court or grand jury to inquire into such legislative activity as obtaining information about the functioning of the executive branch and informing the public of the actions of its Government.

What I have just stated has been the unquestioned law of this land for almost two centuries. Indeed, the Supreme Court has frequently relied on Justice Parson's formulation [e.g., *Kilbourn* v. *Thompson*, 103 U.S. 168 (1880)].

There is very disturbing language in these opinions, language which illustrates a lack of appreciation of what is essential to the legislative function. Although the *Brewster* decision does not turn on what is and what is not legislative activity, the majority felt compelled to expound on the subject. Despite the fact that it is all dicta, the Court's reasoning reveals its attitude toward Congress and perhaps explains the real reason why the Court stripped Congress of immunity for acquisition and publication in *Gravel*.

In *Brewster*, the Court expressed its view that Congress is incapable of disciplining its own Members in a wise manner and that Congress could not provide all the protections that a Federal court could in disciplining misbehavior.

But, to my mind, the most serious affront to this body occurred in the Court's distinction in *Brewster* between protected and nonprotected activity. The Court drew a distinction between what it determined to be "political" activity and "legislative" activity. The majority would not protect what it labels as "political" activity or "errands" performed by Congressmen:

"These include a wide range of legitimate "errands" performed for constituents, the making of appointments with government agencies, assistance in securing government contracts, preparing so-called "news letters" to constituents, news releases, speeches delivered outside the Congress. . . . They are performed in part because they have come to be expected by constituents and because they are a means of developing continuing support for future elections."

In essence, the majority believes that those activities we do on behalf of our constituents are for our own personal advancement, that is, for increasing our chances of reelection. It regards them as "political" and therefore not entitled to protection. It demeans many legitimate acts we perform in our representative capacity or as ombudsmen between the people and their government by labeling them as "errands" and assuming that they are performed for base political reasons.

As disturbed as I am about the ruling in *Gravel* and dicta in *Brewster* stripping immunity from acquisition and republication, I fear that the Court may have sounded the death knell for the "speech or debate" clause in its holding in *Brewster* permitting indirect inquiry into the motives for a Member's actual speech or vote on the floor or in committee. The Court in *Brewster* split over whether inquiry into a nonlegislative act (bribery in this case) could be conducted without indirectly bringing into question a legislative act—the casting of a vote in committee or on the floor. Justice White, who wrote the majority opinion in *Gravel*, thought that inquiry into the former was for all practical purposes an inquiry into the latter and filed a vigorous dissent in *Brewster*.

In writing the majority opinion in *Brewster*, Chief Justice Burger was faced with Justice Harlan's fine opinion in the case of *United States* v. *Johnson*, 383 U.S. 169, a 1966 case with facts almost identical to *Brewster*. In that case the Court frustrated a prosecution of a Congressman for giving a speech in return for a bribe, while in *Brewster* the prosecution was for the casting of a vote in return for a bribe. Justice Burger distinguished the cases by concluding that the Johnson Court would have been satisfied if the Government had proven the bribe and a promise to give a speech without offering the speech as evidence of the bribe. Therefore, the Chief Justice reasoned, the prosecution in *Brewster* could proceed if the Government would offer only the promise to vote and not the vote itself. Ironically, almost the same argument was offered by the Justice Department in the *Johnson* case and was explicitly rejected by Justice Harlan.

In Justice White's view, an inquiry into the bribery would of necessity touch upon matters which are, beyond question, within the scope of the privilege—that is, the vote itself and the Senator's motives in casting the vote. In the Justice's own words:

"Insofar as it charged crimes under 18 U.S.C. § 201(c) (1), the indictment fares little better. That section requires proof of a corrupt arrangement for the receipt of money and also proof that the arrangement was in return for the defendant 'being influenced in his performance of any official act. . .'. Whatever the official act may prove to be, the Government cannot prove its case without calling into question the motives of the Member in performing that act, for it must prove that the Member undertook for money to be influenced in that performance."

Justice White recognized the Chief Justice's logic for what it was—mechanistic and artificial—a logic which fails to recognize the fundamental principle underlying the "speech or debate" clause.

We could look upon these decisions fatalistically. We might resign ourselves to the view that the onbridled expansion of executive privilege and that withering of legislative privilege are part of an inevitable trend of aggrandizement of power in the Presidency evidenced throughout American history. But if we do so, we profane our oaths to uphold the Constitution and indeed we may preside over the funeral of our system of government.

If we do not respond rationally and firmly to the constitutional crisis wrought by these decisions, the doctrine of separation of powers may die a quiet and ignoble death. The Congress may find itself in the same situation as Parliament found itself under the reign of Charles I. That crisis led to revolution in 1640 and a total restructuring of the English system of government. Continued inaction on our part may lead to consequences no less grave for our constitutional system. As Woodrow Wilson once warned, warfare between branches would be fatal to the continuation of democratic government.

ADJOURNMENT TO 9 A.M. TOMORROW

Mr. RIBICOFF. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9 a.m. tomorrow morning.

The motion was agreed to; and at 6:34 p.m., the Senate adjourned until tomorrow, Tuesday, July 20, 1976, at 9 a.m.

NOMINATIONS

Executive nomination received by the Secretary of the Senate after the adjournment of the Senate on July 2, 1976, pursuant to section 3 of House Concurrent Resolution 669.

IN THE NAVY

Vice Adm. Robert C. Gooding, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Executive nominations received by the Senate July 19, 1976:

DEPARTMENT OF STATE

Stephen Low, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

Nancy V. Rawls, of Georgia, a Foreign Service officer of class 1, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

IN THE AIR FORCE

Juanita Ashcraft, of California, to be an Assistant Secretary of the Air Force, vice David P. Taylor.

THE JUDICIARY

Marion J. Callister, of Idaho, to be U.S. district judge for the district of Idaho vice J. Blaine Anderson.

FEDERAL COMMUNICATIONS COMMISSION

Margareta E. White, of Virginia, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1976, vice Glen O. Robinson, term expired.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

Charles J. Urstadt, of New York, to be a member of the board of directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1978 (reappointment).

U.S. POSTAL SERVICE

Robert L. Hardesty, of Texas, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1983, vice Frederick Russell Kappel, term expired.

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To Be lieutenant general

Lt. Gen. Richard M. Hoban, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment as reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. Charles Beach, Jr., [redacted].

Brig. Gen. James Benjamin Middleton, [redacted].

Brig. Gen. Jean Henry Trahin, [redacted].

To be brigadier general

Col. Charles Dounley Barrett, [redacted].

Col. Robert Dewey Bay, [redacted].

Col. Thomas George Crowe, [redacted].

Col. Sidney Lawrence Foulston, Jr., [redacted].

Col. Wayne Paul Jackson, [redacted].

Col. Wilbur Fields Joffrion, [redacted].

Col. Sabe McClain Kennedy, Jr., [redacted].

Col. Roger Hays Lehman, [redacted].

Col. Thomas Pomphert Nally, [redacted].

Col. Allen Driscoll Rooke, Jr., [redacted].

Col. Stanford Joyner Skinner, [redacted].

Col. Alden Earl Stilson, Jr., [redacted].

Col. Thomas Walton, Jr., [redacted].

The Army National Guard of the United States officers named herein for appointment as reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major general

Brig. Gen. James Andrew Mickle, [redacted].

Brig. Gen. Otto Ervin Scherz, [redacted].

To be brigadier general

Col. James Monroe Bullock, Jr., [redacted].

Col. James Reed Crites, [redacted].

Col. Joseph Dominic Fiato, Jr., [redacted].

Col. John B. Garrett, [redacted].

Col. Joseph Andrew Healy, [redacted].

Col. Gerald Theodore Sajer, [redacted].

Col. Buster Edward Smith, [redacted].

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier general

Col. Charles Edward Dixon, [redacted].

Col. James Deane Mashburn, [redacted].

Col. Paul Warren Reed, Jr., [redacted].

IN THE NAVY

Adm. Noel A. M. Gayler, U.S. Navy, for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

LINE

Samuel H. Packer, II
William L. Hinkle
Cabell S. Davis, Jr.
Bruce Keener III
Thomas W. McNamara
Robert M. Collins
James B. Morin
Henry D. Arnold
John V. Josephson
William M. Callaghan, Jr.
James H. Scott
Lee Baggett, Jr.
Paul C. Gibbons, Jr.
Mark P. Frudden
Stanley J. Anderson
Gordon J. Schuller
James A. Sagerholm
William H. Rowden
Ross N. Williams
Wayne E. Meyer
William Nivison
Francis F. Manganaro
Edward F. Welch, Jr.
Charles J. Youngblade
John C. Barrow
Thomas J. Kilcline
Paul H. Engel
Edward S. Briggs
Robert L. Walters
Allen E. Hill
William A. Gureck
William B. Warwick
Thomas H. Replogle
William R. Smedberg IV
Robert E. Morris
Ernest R. Seymour
Thomas L. Malone, Jr.

SUPPLY CORPS

Harold C. Donley, Jr.
Paul L. Foster

CIVIL ENGINEER CORPS

Charles C. Heid, Jr.

DENTAL CORPS

William L. Darnall, Jr.
Paul E. Farrell

IN THE AIR FORCE

The following Air Force officer for appointment as permanent professor, U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code:

Badgett, Lee D., [redacted].

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provision of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be lieutenant colonel

O'Brien, Eugene T., [redacted].

To be captain

Combs, Steven P., [redacted].

The following persons for appointment as Reserve of the Air Force in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Blankenship, Robert M., [redacted].
Coleman, Donald L., [redacted].
Davis, Kingsley L., [redacted].
Mitchell, Don Q., [redacted].
Stoner, John C., [redacted].
Woolbright, Jimmie L., [redacted].

The following persons for appointment as Reserve of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code:

LINE OF THE AIR FORCE

To be colonel

Goldberg, Arthur J., [redacted].

To be lieutenant colonel

Corbell, Robert R., II, [redacted].

The following persons for appointment as temporary officers in the U.S. Air Force, in the grade indicated, under the provisions of sections 8444 and 8447, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Bradley, Herbert E., [redacted].
Davis, Kingsley L., [redacted].
Maras, Vlasta V., [redacted].
Maras, Zvonimir I., [redacted].
McGovern, Edward L., [redacted].
O'Neil, William A., [redacted].
Wennerbom, John A., [redacted].
White, Stewart A., [redacted].
Woolbright, Jimmie L., [redacted].

The following officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Second lieutenant to first lieutenant

Young, James E., [redacted].
Zbylut, James J., [redacted].

The following officer for promotion in the Air Force Reserve, under the provisions of sections 8376 and 593, title 10, United States Code:

MEDICAL CORPS

Major to lieutenant colonel

Laurel, Santiago, [redacted].

IN THE AIR FORCE

The following-named officers for promotion as a reserve of the Air Force, under the appropriate provisions of chapter 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Adams, Robert S., [redacted].
Copenhaver, Joseph E., [redacted].
Corey, Joseph G., [redacted].
Dibernardo, Michael, [redacted].
Fincannon, Arthur D., [redacted].
Forbes, Henry P., [redacted].
Free, William A., [redacted].
Hane, Edward P., Jr., [redacted].
Higbie, Earl L., [redacted].
Lykes, Jack H., [redacted].
Macinnes, William M., [redacted].
Martin, James W., [redacted].
Martin, Joseph O., Jr., [redacted].
McCoy, Palmer E., [redacted].
Montplaisir, David H., [redacted].
Ocksrider, Charles B., [redacted].
Pasqualini, Henry O., [redacted].
Saffold, Thomas N., [redacted].
Sherman, Thurston H., Jr., [redacted].
Smiley, Dale W., [redacted].
Smyth, Henry C., Jr., [redacted].
Snyder, Floyd E., [redacted].
Standerfer, Ronald G., [redacted].
Stennis, John H., [redacted].
Suhay, Richard, [redacted].
Taylor, Iriving E., Jr., [redacted].
Tressler, Donald J., [redacted].
Tune, John C., [redacted].
Work, William C., [redacted].

CHAPLAIN CORPS

Murphy, Terrence J., [redacted].
Ryan, John R., [redacted].

MEDICAL CORPS

Blount, Wilber C., [redacted].
Delp, Charles W., Jr., [redacted].
Dougherty, John D., [redacted].
Kane, Dennis J., [redacted].
Kiernan, Earl R., [redacted].

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3305:

ARMY PROMOTION LIST

To Be Colonel

Adams, Floyd C., [redacted].
Ahearn, David C., [redacted].
Alderman, Craig Jr., [redacted].
Allan, James R., [redacted].
Allen, Loma O., [redacted].
Anderson, Thomas E., [redacted].
Anson, Richard W., [redacted].
Armstrong, James E., [redacted].
Arnold, Harvey L., [redacted].
Atkinson, Frank W., [redacted].
Austin, Maynard A., [redacted].
Ayers, Thomas D., [redacted].
Bacci, John J., [redacted].
Baird, Niven J., [redacted].
Barnard, Talbott, [redacted].
Baughman, Larry J., [redacted].
Beekman, Gerald R., [redacted].
Behneman, John F., [redacted].
Bellochi, Joseph F., [redacted].
Bente, James A., [redacted].
Berry, Ray W., [redacted].
Berry, William E., [redacted].
Black, Charles S., [redacted].
Blakely, William R., [redacted].
Block, Theodore S., [redacted].
Boos, Michael A., [redacted].
Booth, James W., [redacted].
Bouffard, Robert L., [redacted].
Bowers, Richard K., [redacted].
Boylan, James F., [redacted].
Bracy, Alfred M., [redacted].
Bray, Gaither C., [redacted].
Brewer, John F., [redacted].
Brewington, Charlie, [redacted].
Brocato, Cyrus V., [redacted].
Brown, Henry L., [redacted].
Brown, John P., [redacted].
Browne, Edward M., [redacted].

Bryan, Lawrence E., xxx-xx-xxxx.
Bullock, Richard S., xxx-xx-xxxx.
Burdick, Leonard R., xxx-xx-xxxx.
Burke, Robert J., xxx-xx-xxxx.
Burke, Robert L., xxx-xx-xxxx.
Burkhalter, Thomas, xxx-xx-xxxx.
Butterworth, James, xxx-xx-xxxx.
Cade, Alfred J., xxx-xx-xxxx.
Calcatera, Kenneth, xxx-xx-xxxx.
Campbell, William E., xxx-xx-xxxx.
Cannon, John L., xxx-xx-xxxx.
Carr, John M., xxx-xx-xxxx.
Carroll, Anthony, xxx-xx-xxxx.
Carson, Ray M., xxx-xx-xxxx.
Cartland, Harry E., xxx-xx-xxxx.
Casey, John P., xxx-xx-xxxx.
Cassidy, John J., xxx-xx-xxxx.
Cate, William F., xxx-xx-xxxx.
Chandler, Victor E., xxx-xx-xxxx.
Chase, Marvin K., xxx-xx-xxxx.
Cheaney, Frank H., xxx-xx-xxxx.
Childress, Gerald, xxx-xx-xxxx.
Churchill, Jack B., xxx-xx-xxxx.
Ciccolo, William N., xxx-xx-xxxx.
Clark, Donald E., xxx-xx-xxxx.
Claybrook, John H., xxx-xx-xxxx.
Clingempeel, William, xxx-xx-xxxx.
Clyne, Norman G., xxx-xx-xxxx.
Coad, William F., xxx-xx-xxxx.
Cochran, James F., xxx-xx-xxxx.
Coffman, King J., xxx-xx-xxxx.
Cole, Thomas F., xxx-xx-xxxx.
Colombo, James L., xxx-xx-xxxx.
Comish, Leo S., xxx-xx-xxxx.
Compton, James M., xxx-xx-xxxx.
Comstock, Keith L., xxx-xx-xxxx.
Condina, Ernest F., xxx-xx-xxxx.
Connelly, Donald W., xxx-xx-xxxx.
Cook, Harold F., xxx-xx-xxxx.
Cook, Peter H., xxx-xx-xxxx.
Cook, Ralph J., xxx-xx-xxxx.
Cooke, John W., xxx-xx-xxxx.
Corley, Robert J., xxx-xx-xxxx.
Coroneos, Paul P., xxx-xx-xxxx.
Cottey, Robert J., xxx-xx-xxxx.
Covington, Edward B., xxx-xx-xxxx.
Cox, Alden L., xxx-xx-xxxx.
Cox, Rodney E., xxx-xx-xxxx.
Creed, William H., xxx-xx-xxxx.
Crocker, Merle M., xxx-xx-xxxx.
Cromwell, Raymond B., xxx-xx-xxxx.
Crow, James E., xxx-xx-xxxx.
Crowell, Chester D., xxx-xx-xxxx.
Culbertson, Roger A., xxx-xx-xxxx.
Cully, Frederick R., xxx-xx-xxxx.
Culton, William H., xxx-xx-xxxx.
Dalone, Arthur A., xxx-xx-xxxx.
Danford, Howard H., xxx-xx-xxxx.
Danzeisen, William, xxx-xx-xxxx.
Davies, Joseph F., xxx-xx-xxxx.
Davis, Addison D., xxx-xx-xxxx.
Dawson, George R., xxx-xx-xxxx.
Day, Robert L., xxx-xx-xxxx.
Delaune, Elton J. Jr., xxx-xx-xxxx.
Demuynck, Jack E., xxx-xx-xxxx.
Descoteau, Rudolph, xxx-xx-xxxx.
Deshazo, Thomas E., xxx-xx-xxxx.
Dixon, Charles E., xxx-xx-xxxx.
Dodds, Jack A., xxx-xx-xxxx.
Dombrowsky, Albert, xxx-xx-xxxx.
Donahue, Joseph E., xxx-xx-xxxx.
Donovan, Paul, xxx-xx-xxxx.
Doran, Fred R., xxx-xx-xxxx.
Dotson, Richard F., xxx-xx-xxxx.
Doyle, David K., xxx-xx-xxxx.
Driskill, John G., xxx-xx-xxxx.
Dukes, Harry L., xxx-xx-xxxx.
Dunne, William A., xxx-xx-xxxx.
Dutchyshyn, Harry V., xxx-xx-xxxx.
Dyment, Leroy W., xxx-xx-xxxx.
Eckhart, Amil J., xxx-xx-xxxx.
Edgington, Roger N., xxx-xx-xxxx.
Evanchick, John, xxx-xx-xxxx.
Evangelos, Christos, xxx-xx-xxxx.
Evans, Robert B., xxx-xx-xxxx.
Everhart, Tommy L., xxx-xx-xxxx.
Evrard, James A., xxx-xx-xxxx.
Eye, Douglas M., xxx-xx-xxxx.
Faught, William F., xxx-xx-xxxx.
Federhen, Herbert M., xxx-xx-xxxx.
Fields, Charles E., xxx-xx-xxxx.
Fischer, Arthur F., xxx-xx-xxxx.
Fitzpatrick, Thomas, xxx-xx-xxxx.
Flanagan, Eugene P., xxx-xx-xxxx.
Flint, Roy K., xxx-xx-xxxx.
Foley, John V., xxx-xx-xxxx.
Frankhouser, Enoch, xxx-xx-xxxx.
Franklin, James A., xxx-xx-xxxx.
Frechette, Joseph P., xxx-xx-xxxx.
Frederick, Austin, xxx-xx-xxxx.
Freeze, James E., xxx-xx-xxxx.
Friedman, Arthur M., xxx-xx-xxxx.
Fulwyler, Niles J., xxx-xx-xxxx.
Gallagher, Charles, xxx-xx-xxxx.
Gannon, Timothy G., xxx-xx-xxxx.
Gardner, Jack J., xxx-xx-xxxx.
Garibay, Raul A., xxx-xx-xxxx.
Garver, John B., xxx-xx-xxxx.
Garver, Ralph T., xxx-xx-xxxx.
Gaskill, Robert C., xxx-xx-xxxx.
Gatzka, Charles A., xxx-xx-xxxx.
Gearin, Cornelius J., xxx-xx-xxxx.
Geisel, Francis R., xxx-xx-xxxx.
Gelke, Donald E., xxx-xx-xxxx.
Gerard, Robert J., xxx-xx-xxxx.
Germond, George F., xxx-xx-xxxx.
Gibbs, Gerald G., xxx-xx-xxxx.
Gibler, John K., xxx-xx-xxxx.
Gibney, John V., xxx-xx-xxxx.
Gilkey, Clarence D., xxx-xx-xxxx.
Glore, Ray C., xxx-xx-xxxx.
Goddard, Ross M., xxx-xx-xxxx.
Goff, John E., xxx-xx-xxxx.
Gonzales, Orlando E., xxx-xx-xxxx.
Gooch, Kaye W., xxx-xx-xxxx.
Goodall, Arthur L., xxx-xx-xxxx.
Graves, Charles E., xxx-xx-xxxx.
Gray, George B., xxx-xx-xxxx.
Grayeb, George A., xxx-xx-xxxx.
Greene, Dereef A., xxx-xx-xxxx.
Greenlaw, Kenneth N., xxx-xx-xxxx.
Gregory, Theodore O., xxx-xx-xxxx.
Grzybowski, Conrad, xxx-xx-xxxx.
Guertin, J. A. Richard, xxx-xx-xxxx.
Gustafson, William, xxx-xx-xxxx.
Hains, Peter C., xxx-xx-xxxx.
Hall, Daniel D., xxx-xx-xxxx.
Hammaker, Charles A., xxx-xx-xxxx.
Hancock, Jack L., xxx-xx-xxxx.
Hand, Lee M., xxx-xx-xxxx.
Hand, Robert P., xxx-xx-xxxx.
Harageones, Angelo, xxx-xx-xxxx.
Hardin, Harold F., xxx-xx-xxxx.
Harrington, Robert, xxx-xx-xxxx.
Harris, Bobby J., xxx-xx-xxxx.
Harris, John R., xxx-xx-xxxx.
Harrison, William J., xxx-xx-xxxx.
Hatch, Richard A., xxx-xx-xxxx.
Hausman, Conrad K., xxx-xx-xxxx.
Heathcock, James T., xxx-xx-xxxx.
Hemphill, Donald F., xxx-xx-xxxx.
Hermann, John R., Jr., xxx-xx-xxxx.
Herriford, Robert L., xxx-xx-xxxx.
Hertel, Robert G., xxx-xx-xxxx.
Hetherly, James H., xxx-xx-xxxx.
Higgins, William W., xxx-xx-xxxx.
Higgs, Irwin L., xxx-xx-xxxx.
Hill, John G., xxx-xx-xxxx.
Hill, William C., xxx-xx-xxxx.
Hobbs, William A., xxx-xx-xxxx.
Hobby, Thomas K., xxx-xx-xxxx.
Hoenstine, Charles, xxx-xx-xxxx.
Holmes, Arthur Jr., xxx-xx-xxxx.
Holt, Winfrield A., xxx-xx-xxxx.
Hineycutt, Weldon F., xxx-xx-xxxx.
Howard, Edward B., xxx-xx-xxxx.
Howard, Joseph D., xxx-xx-xxxx.
Howitz, Ivan H., xxx-xx-xxxx.
Hubbard, Samuel J., xxx-xx-xxxx.
Huber, Richard G., xxx-xx-xxxx.
Huebner, Robert W., xxx-xx-xxxx.
Hukkala, Tenho R., xxx-xx-xxxx.
Hunt, Jim I., xxx-xx-xxxx.
Huskerson, Guy M., xxx-xx-xxxx.
Hutchins, Alvin C., xxx-xx-xxxx.
Hyde, Richard G., xxx-xx-xxxx.
Hylton, Irvin L., xxx-xx-xxxx.
Jaggers, Joseph N., xxx-xx-xxxx.
James, William, xxx-xx-xxxx.
Jameson, John G., xxx-xx-xxxx.
Jelinek, Howard C., xxx-xx-xxxx.
Jenkins, William E., xxx-xx-xxxx.
Jenkins, William M., xxx-xx-xxxx.
Johnson, Ernest B., xxx-xx-xxxx.
Johnson, Frank G., xxx-xx-xxxx.
Johnston, James A., xxx-xx-xxxx.
Jones, Albert F., xxx-xx-xxxx.
Jones, Frank A., xxx-xx-xxxx.
Jones, Gordon D., xxx-xx-xxxx.
Jones, Thomas M., xxx-xx-xxxx.
Joy, Jesse D. Jr., xxx-xx-xxxx.
Juvenal, Michael P., xxx-xx-xxxx.
Kaser, William T., xxx-xx-xxxx.
Kasson, Darrell D., xxx-xx-xxxx.
Keeley, John B., xxx-xx-xxxx.
Keith, Norman A., xxx-xx-xxxx.
Kelly, Keith S., xxx-xx-xxxx.
Kenyon, Nathaniel C., xxx-xx-xxxx.
Kern, John H., xxx-xx-xxxx.
Kersey, Walter G., xxx-xx-xxxx.
Kidwell, Birtrun S., xxx-xx-xxxx.
Kiefer, Homer W., xxx-xx-xxxx.
Killion, Edward P., xxx-xx-xxxx.
Kitts, Richard A., xxx-xx-xxxx.
Knight, Daniel B. Jr., xxx-xx-xxxx.
Knipp, Fred M., xxx-xx-xxxx.
Koos, Frank S., xxx-xx-xxxx.
Kupau, Richard A., xxx-xx-xxxx.
Labarrie, John H., xxx-xx-xxxx.
Labrozzi, Anthony, xxx-xx-xxxx.
Lamas, Albert A., xxx-xx-xxxx.
Lang, Richard N., xxx-xx-xxxx.
Lang, Vaughn O., xxx-xx-xxxx.
Langford, Richard J., xxx-xx-xxxx.
Laray, William K., xxx-xx-xxxx.
Larkin, Richard X., xxx-xx-xxxx.
Lasher, Donald R., xxx-xx-xxxx.
Lawrence, Alfred F., xxx-xx-xxxx.
Layne, Leslie A., xxx-xx-xxxx.
Leach, Jack H., xxx-xx-xxxx.
Leggett, William T., xxx-xx-xxxx.
Lewis, William D., xxx-xx-xxxx.
Lewis, William E., xxx-xx-xxxx.
Light, Allen H. Jr., xxx-xx-xxxx.
Lindberg, Charles F., xxx-xx-xxxx.
Livsey, William J., xxx-xx-xxxx.
London, James E., xxx-xx-xxxx.
Long, Harold B., xxx-xx-xxxx.
Longmore, Myron J., xxx-xx-xxxx.
Lowder, Henry I., xxx-xx-xxxx.
Lund, John R., xxx-xx-xxxx.
Lycan, Daniel L., xxx-xx-xxxx.
Lynch, Thomas P., xxx-xx-xxxx.
Lyon, David K., xxx-xx-xxxx.
Mahan, Gary C., xxx-xx-xxxx.
Mallet, Henri G., xxx-xx-xxxx.
Malone, Paul B., xxx-xx-xxxx.
Manning, Thomas J., xxx-xx-xxxx.
Marine, George E., xxx-xx-xxxx.
Marlatt, Tommy D., xxx-xx-xxxx.
Masterson, Joseph H., xxx-xx-xxxx.
McBride, Thomas F., xxx-xx-xxxx.
McCaffree, Robert J., xxx-xx-xxxx.
McDonnell, James E., xxx-xx-xxxx.
McDowell, Chester W., xxx-xx-xxxx.
McGahee, Mack M., xxx-xx-xxxx.
McGarry, Robert S., xxx-xx-xxxx.
McGowan, Robert S., xxx-xx-xxxx.
McGregor, John E., xxx-xx-xxxx.
McIver, James C., xxx-xx-xxxx.
McKenzie, Colin W., xxx-xx-xxxx.
McKinney, John W., xxx-xx-xxxx.
McKnight, Clarence, xxx-xx-xxxx.
McLain, Charles I., xxx-xx-xxxx.
McNeill, Charles L., xxx-xx-xxxx.
McSpadden, William, xxx-xx-xxxx.
Mennona, Edward, xxx-xx-xxxx.
Metzner, Edward P., xxx-xx-xxxx.
Miller, Clarence A., xxx-xx-xxxx.
Miller, Henry B., xxx-xx-xxxx.
Mitchell, Aubrey Jr., xxx-xx-xxxx.
Mitchell, Corwin A., xxx-xx-xxxx.
Mojecki, John A., xxx-xx-xxxx.
Mollichelli, Edward, xxx-xx-xxxx.
Moore, Robert L., xxx-xx-xxxx.
Moore, William C., xxx-xx-xxxx.
Moran, Conrad V., xxx-xx-xxxx.
Moreau, Donald M., xxx-xx-xxxx.
Morris, John J., xxx-xx-xxxx.
Morrissey, Robert J., xxx-xx-xxxx.
Moseley, Henry G., xxx-xx-xxxx.
Myfelt, Kenneth F., xxx-xx-xxxx.
Neal, Robert W., xxx-xx-xxxx.

Nelms, Norman S., [redacted].
Nelson, Lennart N., [redacted].
Nichols, Stephen E., [redacted].
Norcross, John C., [redacted].
Nord, Alan A., [redacted].
Obach, Ronald M., [redacted].
O'Connor, Edward C., [redacted].
Oddi, Vincent J., [redacted].
O'Donnell, Matthew B., [redacted].
O'Donohue, John D., [redacted].
O'Mary, Paul R., [redacted].
Orr, Carson D., [redacted].
Osborn, Robert B., [redacted].
Overdahl, Norman L., [redacted].
Pack, Ishmael, [redacted].
Paige, Emmett Jr., [redacted].
Pannier, Leon G., [redacted].
Paquette, Dean R., [redacted].
Parks, Walter G., [redacted].
Parlas, Joseph L., [redacted].
Parmenter, Russell, [redacted].
Parmentier, Stanley, [redacted].
Patterson, James H., [redacted].
Patton, Robert S., [redacted].
Peck, Darrell L., [redacted].
Pelton, John D., [redacted].
Perritt, Harvey H., [redacted].
Peters, George E., [redacted].
Petitt, Homer Jr., [redacted].
Petree, Neal C., [redacted].
Petro, Peter P., [redacted].
Pierce, Samuel M., [redacted].
Pilk, Jack R., [redacted].
Plunkett, John J., [redacted].
Poe, Donald E., [redacted].
Pogoloff, Boris, [redacted].
Pollard, Arnold R., [redacted].
Poor, William T., [redacted].
Powell, Bill C., [redacted].
Powell, Royce M., [redacted].
Price, James E., [redacted].
Prince, Ivan R., [redacted].
Pruett, Kenneth E., [redacted].
Putnam, Lawrence H., [redacted].
Quinn, John T., [redacted].
Radcliffe, Jack W., [redacted].
Ragano, Frank P., [redacted].
Reagor, James L., [redacted].
Reeve, John H., [redacted].
Reilly, William F., [redacted].
Reinke, Robert, [redacted].
Rhiddlehoover, Loyd, [redacted].
Richards, Abraham L., [redacted].
Richardson, Ronald, [redacted].
Robertson, Victor M., [redacted].
Rodney, Richard M., [redacted].
Rodolph, Carl P., [redacted].
Rogerson, William T., [redacted].
Roper, Harry M., [redacted].
Ross, Wilbur A., [redacted].
Rousse, William C., [redacted].
Routh, Elmer L., [redacted].
Royals, Gerald E., [redacted].
Runion, Roger C., [redacted].
Russell, Robert L., [redacted].
Russo, Vincent M., [redacted].
Rutherford, Billy E., [redacted].
Rutkowski, Joseph F., [redacted].
Sajo, Alexander J., [redacted].
Sanford, Eugene S., [redacted].
Sarber, William R., [redacted].
Sarnowski, Francis, [redacted].
Sauers, Robert L., [redacted].
Scheets, George M., [redacted].
Schweitzer, Robert, [redacted].
Seamands, George A., [redacted].
Selleck, Clyde A., [redacted].
Senna, Jozef F., [redacted].
Shackleton, Ronald, [redacted].
Shalala, Samuel R., [redacted].
Shelby, Roy E., [redacted].
Sheldon, Lamar L., [redacted].
Shelton, Cyrus Q., Jr., [redacted].
Short, Frisco W., [redacted].
Simmons, John E., [redacted].
Simpson, Richard R., [redacted].
Singer, Raymond P., [redacted].
Singletary, R. M., [redacted].
Skelton, Robert D., [redacted].
Smith, James D., [redacted].
Smith, John D., [redacted].
Smith, Lawrence R., [redacted].
Solomon, Robert B., [redacted].
Spaulding, Warren A., [redacted].
Spencer, William H., [redacted].
Spero, Paul G., [redacted].
Sperow, Charles C., [redacted].
Spicely, Samuel B., [redacted].
Spinks, Billy A., [redacted].
Spirito, Leonard A., [redacted].
Sprague, John T., Jr., [redacted].
Stallman, Arnold S., [redacted].
Stearns, Clarence L., [redacted].
Steinberg, Gerald M., [redacted].
Stevenson, William, [redacted].
Stipo, Vito D., [redacted].
Stokes, Eugene J., [redacted].
Storey, William J., [redacted].
Stubblebine, Albert, [redacted].
Sullivan, Milton D., [redacted].
Sullivan, Robert A., [redacted].
Sutton, Larry L., [redacted].
Sydnor, Elliott P., [redacted].
Sykes, Cecil R., [redacted].
Szalwinski, Ambrose, [redacted].
Tanner, Eugene P., [redacted].
Taylor, Arthur E., [redacted].
Taylor, George E., [redacted].
Thompson, Edmund R., [redacted].
Thrasher, Billy J., [redacted].
Thuston, William O., [redacted].
Tipton, John H., [redacted].
Toepel, Adalbert E., [redacted].
Tombaugh, William W., [redacted].
Tourtillott, Raymond, [redacted].
Tow, James L., [redacted].
Traylor, Robert J., [redacted].
Trinkler, Kenneth T., [redacted].
Tronsrue, George M., [redacted].
Turner, Robert C., [redacted].
Ulmer, Walter F., [redacted].
Underwood, Bibb A., [redacted].
Vanness, Richard E., [redacted].
Vieler, Eric H., [redacted].
Vincent, Samuel M., [redacted].
Vitetta, Eugene J., [redacted].
Vivaldi, Joseph R., [redacted].
Vuley, Ernest A., [redacted].
Wagner, Julian F., [redacted].
Wakefield, Jack E., [redacted].
Wallace, John C., [redacted].
Ward, Norman E. Jr., [redacted].
Warren, William R., [redacted].
Wasiak, Joseph E., [redacted].
Watkins, Charles E., [redacted].
Watson, Robert W., [redacted].
Watts, David E., [redacted].
Webb, Harold T., [redacted].
Weber, Edmund G., [redacted].
Weinert, Donald G., [redacted].
Welch, William J., [redacted].
Wenn, Kenneth L., [redacted].
Werner, Donald R., [redacted].
Wetzel, Robert L., [redacted].
Whelan, William E., [redacted].
White, Richard L., [redacted].
Wiegand, Lynn W., [redacted].
Wiles, Richard I., [redacted].
Willcox, Edward C., [redacted].
Willey, Oliver A., [redacted].
Williams, Bruce F., [redacted].
Williams, Cyrus L., [redacted].
Wilson, Drake, [redacted].
Wilson, Harry S. Jr., [redacted].
Wilson, Leland A., [redacted].
Wood, Raymond D., [redacted].
Wooley, Wilson C., [redacted].
Wootten, James P., [redacted].
Young, James L., [redacted].
Zahm, Ronald J., [redacted].
Zalonis, John A., [redacted].
Zimmerman, Lawrence, [redacted].

CHAPLAIN CORPS

To be colonel

Blasingame, Robert, [redacted].
Christoph, Edward J., [redacted].
Fosmire, William L., [redacted].
Saylor, Daniel T., [redacted].
Young, George R., [redacted].

WOMEN'S ARMY CORPS

To be colonel

Garrett, Pola, L., [redacted].
Hinton, Edith M., [redacted].
Rossi, Lorraine A., [redacted].
Stauber, Ruby R., [redacted].

DENTAL CORPS

To be colonel

Acevedo, Alejandro, [redacted].
Archer, Eugene G., [redacted].
Bangert, Sherman G., [redacted].
Boegel Paul N., [redacted].
Coats, William C., [redacted].
Corso, William A., [redacted].
Cutcher, James L., [redacted].
Cutright, Duane E., [redacted].
Gore, Eugene, [redacted].
Gross, Arthur, [redacted].
Hatchett Robert K., [redacted].
Hose, Gene C., [redacted].
Larson, Harold R., [redacted].
Lord, Raymond Y., [redacted].
Mertz, Harry L., [redacted].
O'Connor, Tod W., [redacted].
Reif, Charles W., [redacted].
Schiele, Raymond J., [redacted].
Shannon, Charles J., [redacted].
Staffanou, Robert S., [redacted].
Stave, Rodney L., [redacted].
Stewart, Hugh A. Jr., [redacted].
Swainson, Charles N., [redacted].
Vongruenigen, James, [redacted].
Wormley, John H., [redacted].
Ziegenfelder, Rush, [redacted].

MEDICAL CORPS

To be colonel

Altstatt, Leslie B., [redacted].
Becker, Quinn H., [redacted].
Blair, Lawrence C., [redacted].
Cadigan, Francis C., [redacted].
Carter, Samuel C., [redacted].
Earll, Jerry M., [redacted].
Ellis, Donald L., [redacted].
Galas, Stanley M., [redacted].
Gangai, Mauro P., [redacted].
Geer, Thomas M., [redacted].
Gillespie, James T., [redacted].
Goldschmidt, Max W., [redacted].
Himma, Einar, [redacted].
Horan, Dennis P., [redacted].
Jones, Leeroy G., [redacted].
Jordan, Edwin C., [redacted].
Legters, Llewellyn, [redacted].
Leighton, Henry A., [redacted].
Lindahl, James B., [redacted].
Lindell, Maurice E., [redacted].
Mittemeyer, Bernhart, [redacted].
Nelson, William P., [redacted].
Ognibene, Andre J., [redacted].
Olsson, Ray A., [redacted].
Peard, William G., [redacted].
Reid, Robert L., [redacted].
Richards, John C., [redacted].
Robinson, Henry A., [redacted].
Snyder, Donald L., [redacted].
Sommer, Albrecht F., [redacted].
Spees, Everett K., [redacted].
Tompkins, Forrest G., [redacted].
Ward, John E., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Burris, Carshal A., [redacted].
Caras, George, [redacted].
Cardenas-Lartigue, Gilberto, [redacted].
Gilley, William F., [redacted].
Howlett, Byron P., [redacted].
Lail, Eugene, [redacted].
Mathias, Robert E., [redacted].
Meadow, Seymour, [redacted].
Moore, A. Gordon, [redacted].
Pearson, William G., [redacted].
Randolph, George B., [redacted].
Sauls, Wayne R., [redacted].
Schiavone, Albert L., [redacted].
Walter, Fred L., [redacted].
Williams, Glenn M., [redacted].
Young, William W., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Accountius, Patricia, xxx-xx-xxxx.
Gray, Barbara D., xxx-xx-xxxx.
Noble, Beulah C., xxx-xx-xxxx.
Vanharn, Mary A., xxx-xx-xxxx.

VETERINARY CORPS

To be colonel

Lorentzen, Kay W., xxx-xx-xxxx.
Ramsey, Frank A., xxx-xx-xxxx.
Warne, Robert J., xxx-xx-xxxx.

ARMY NURSE CORPS

To be colonel

Gunuskey, Dolores L., xxx-xx-xxxx.
Holtz, Betty L., xxx-xx-xxxx.
Lane, Barbara E., xxx-xx-xxxx.
Rodgers, Marie L., xxx-xx-xxxx.
Wilson, Essie M., xxx-xx-xxxx.
Wilson, Marjorie J., xxx-xx-xxxx.
Young, Mary G., xxx-xx-xxxx.

IN THE NAVY

I nominate: The following named officers of the United States Navy for permanent promotion to the grade of lieutenant (junior grade) in the line, subject to qualification therefor as provided by law:

Aaron, Rex T.
Abel, Mary E.
Abshier, Roy, III
Ackerbauer, Kris T.
Adams, Charles N., III
Adams, Edward B., Jr.
Adams, Henry G.
Adams, Mark M.
Adams, Ray E.
Adams, Robert A.
Adams, Robert S., Jr.
Addison, Stoy W.
Adkins, Charles C., Jr.
Adkins, Irene A.
Aegerter, William A.
Ahearn, James V., Jr.
Ahern, Alfred L.
Ahlberg, Steven J.
Aicklen, Robert S.
Ainslie, Robert R.
Akins, Joseph L.
Alcorn, William E.
Aldrich, David O.
Alexander, Bruce E.
Alexander, John L.
Allard, Gary D.
Allen, Gary L.
Allen, John B.
Allen, Paul S.
Allen, Robert C.
Alley, James R.
Allison, Christopher D.
Amirault, Richard B.
Ammann, Clement J., Jr.
Andersen, Lorin E.
Andersen, Mark N.
Anderson, Curtis J.
Anderson, Darl R.
Anderson, Harry R., III
Anderson, James E.
Anderson, John A.
Anderson, Mary E.
Anderson, Michael T.
Anderson, Susan E.
Anderson, William H., Jr.
Andrus, James R.
Angus, Marlene A.
Appleby, Charles A., Jr.
Architzel, David
Ariniello, Gary T.
Armentrout, Olin M.
Arnest, John W.
Arnold, James P.
Arnold, Judson V.
Arrants, Charles S.
Ashbrook, Heber C., III
Asbury, Theresa A. W.
Ashmore, John R.
Aube, Leonard C.
Aupperle, Michael L.
Auskaps, Andrejs J., III
Averill, Robert C.
Averyt, Bryant W.
Ayres, James B., Jr.
Azbill, Chris M.
Bachman, Bruce M.
Bagby, Glenn M.
Bailes, Michael S.
Bailey, Robert C., Jr.
Bair, Richard C.
Baker, Randall D.
Bakshis, John A.
Ball, William R., Jr.
Ballard, James C., III
Balthrop, Clyde B.
Bandhauer, William K.
Banek, Edward A., Jr.
Bangs, George H.
Bankester, Michael L.
Barber, Arthur H., III
Barber, Nancy L.
Barbor, Kenneth E.
Barbour, Linda J.
Barnes, Barbara L.
Barnes, Harry C., Jr.
Barnes, Robert C.
Barnes, Timothy J.
Barnett, Douglas J.
Barnhart, Randall G.
Barrentine, Melvin W.
Barrett, Joseph P.
Barrow, John T., III
Bartholomew, Roger V.
Bartlett, Ralph C., Jr.
Bartron, Robert P.
Bartron, William D.
Bassett, Charles W., III
Bateman, Vaughn E.
Bauer, Garrick W. R.
Baugh, Dennis C.
Bauman, William J.
Beard, Roland K., III
Bechtold, Donald W., II
Beck, Neil S.
Beckman, Robert J., Jr.
Becktel, Samuel E., III
Bedker, John L., II
Behn, Marilyn M.
Behre, Christopher P.
Behrent, Michael R.
Belden, Bruce E.
Belote, Richard H.
Beltz, James D.
Bender, Michael R.
Benjamin, John F.
Benkert, Joseph A.
Bennett, Gregory J.
Bennett, Vaughn P.
Bensch, Frederick C.
Bentley, Alan C.
Bepristis, Donald J.
Beres, William J.
Bergazzi, Wesley A.
Bergin, Edward H.
Bergner, Brooks B.
Berlo, Andrew J., Jr.
Bernardy, Jerel D.
Bernasconi, Stephen J.
Berry, Reginald L.
Bertin, Michael S.
Besancon, Michael D.
Beukema, Paul
Bianchi, Albert P., Jr.
Bianco, Charles E.
Bickard, Robert G.
Billmyer, Carola A.
Bishop, Mary A.
Bishop, Stephen C.
Bittman, William C.
Black, George M.
Biehler, Norman S.
Black, Martin J.
Black, William J.
Blackwood, Hugo G.
Blaine, James J.
Blake, David F.
Blake, John H. D., Jr.
Blake, William R., Jr.
Blanton, Gerald B.
Blaser, Daniel F.
Bliss, Robert R., Jr.
Blocher, Ayers, H., III
Blohm, Edward H., Jr.
Blough, Allen R.
Bocim, Richard T.
Bodenheimer, Edward C.
Bodie, Steven F.
Boito, John A.
Boland, James F., Jr.
Bondy, William D.
Bonewald, Jack D.
Bonvouloir, Raoul Jr.
Boone, William T.
Borro, Ronald J.
Boryla, Ronald
Boucher, Joanne P.
Boughton, Bruce E.
Bowley, Robert F., Jr.
Bowman, Ronald E.
Boyd, Jon T.
Boyington, John E., Jr.
Bradley, Mary A.
Bradshaw, Richard N.
Brady, Daniel A.
Brady, Patrick N.
Brand, Donna J.
Brandhuber, Robert L.
Branson, Edward S.
Brasco, Frederick J.
Brasfield, Randolph B.
Brathuhn, Robert E., Jr.
Bray, Charles B., Jr.
Bray, James D.
Breitenbach, Karl W.
Brendmoen, Jack V.
Brengel, Dexter T.
Brennock, Daniel J.
Bret, Robert E.
Brewer, Michael H.
Brickey, Albert B., Jr.
Bridge, Burton E., III
Bridges, James D
Bridges, Robert T.
Brignola, Pasquale A.
Brill, Edward T.
Brill, James L.
Brimson, Richard T.
Britt, Reginald H.
Broadus, Jimmy W.
Broderick, Thomas E.
Brookshaw, Kay F.
Broussard, Thomas G., Jr.
Brown, Carradean L.
Brown, David A.
Brown, Dean R.
Brown, Frank H.
Brown, Gary W.
Brown, Gerald G., II
Brown, James B., Jr.
Brown, John D.
Brown, Karl S., Jr.
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Brown, Martin R., Jr.
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Brown, Stuart V.
Brownsberger, Martha M.
Brunk, James F.
Bruno, Mary P.
Bruun, Paul W.
Bryner, Terence M.
Bryson, Ronald L.
Buchanan, James L.
Buchanan, Michael R.
Buck, Bruce E.
Buck, Larry W.
Buckley, Bruce W.
Buckley, Ronald R.
Buckley, Thomas C.
Bueker, Charles D.
Bullard, Donald K.
Bunevitch, Gary J.
Bunn, Warren L.
Burbridge, William L.
Burdett, Arthur C., III
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Burgamy, Kirk S.
Burke, Kevin J.
Burke, Michael T.
Burkhart, Roger L.
Burkholder, John.
Burklund, Jo Ann
Burnes, Robert M.
Burnette, David P.
Burnette, Steven R
Burns, Thomas N.
Burt, Raymond P., III
Busch, Daniel E.
Bush, Jack D.
Bushong, John W.
Butler, Alley C.
Butler, William T., Jr.
Butt, Duncan M.
Buttermore, John R.
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Byrnes, John L.
Cabelka, Timmy D.
Caccamo, David P.
Caesar, Frederick W., II
Calhoun, Brian M.
Calhoun, James W., III
Caliebe, Robert G.
Caliman, Kerry H.
Calise, Kenneth J.
Call, Richard W.
Callahan, John K.
Calviero, Leon P.
Campbell, James A.
Campbell, Kay
Campbell, William A.
Campbell, William L.
Cannell, Katsumi O.
Cannon, Miles J., Jr.
Cano, Jose R.
Canter, James A.
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Carello, Larry D.
Carey, Timothy J.
Carino, Freddie F.
Carlile, Gary L.
Carlson, Dale R.
Carlson, Gary S.
Carlson, Raymond H.
Carman, Orin O.
Carota, Leonard N., Jr.
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Carrigan, Michael A.
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Carroll, Richard J., Jr.
Carson, Michael H.
Carstens, Paul D.
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Carter, James R.
Carter, Thomas B., Jr.
Caruso, Ralph, Jr.
Casella, Leonard R.
Casey, Robert A., II
Cassada, William P.
Castan, William C., Jr.
Castaneda, Ruben, Jr.
Castle, Judith A.
Castleman, Bruce A.
Castro, Kim
Causey, Lewis A.
Cavallo, Mark B.
Chaffee, Alfred E.
Chaffin, J. Ross
Chamberlain, Guy C., II
Champion, Edward L., Jr.
Chanik, Evan M., Jr.
Chapman, James H., Jr.
Chapman, John L.
Chapski, Stanley R., Jr.
Charles, James L.
Chastain, Benjamin L.
Cheezum, Steven B.
Chell, Raymond N., Jr.
Cheney, Charles E.
Cheney, Robert A.
Cherry, Dewaine R.
Chesser, Steven B.
Chetelat, Gary L.
Chiaverotti, Gary R.
Chippindale, Bruce J.
Chisholm, Peter C.
Christ, Frederick R.
Christensen, Robert K.
Christiansen, Frank M. J.
Christman, Patrick L.
Ciarula, Thomas A.
Cipriano, James J.
Cirone, Robert
Claar, Crista L.
Clair, William C.
Clapper, Mark F.
Clarey, Robert J.
Clark, Arthur E.
Clark, Jeffrey A.
Clark, Robert M.
Clarke, Richard B.
Clarkson, Danny L.
Clary, Michael D.
Clay, Michael B.
Cleaveland, John P., III
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Clifford, Dennis E.
Coachman, Sandra L.
Cochran, Jay B.
Cochran, Samuel S.
Cochrane, Craig A.
Coffeen, Robert C.
Coghill, Cortlandt, C. I.
Colburn, Timothy G.
Cole, Lonnie W.
Coleman, Frank S., Jr.
Colenda, Robert D.
Colflesh, John A.
Collins, Douglas L.
Collins, Kathy E.
Collins, Stephen C.
Collins, Thomas J., III
Colton, Arthur, II
Columbia, Richard M.
Compitello, Thomas C.
Conant, Michael J.
Conatser, Douglas H.
Conley, Elizabeth K.
Conn, Robert H., Jr.
Connell, Guy L.
Connor, John H., Jr.
Conroy, John W.
Conway, Raoul B.
Conway, Robert T., Jr.
Cook, James D.
Cook, Larry E.
Cook, Norman R., III
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Coombs, Barry L.
Cooper, Charles G., III
Cooper, Michael R.
Cooper, Philip P. M.
Copeland, William T.
Cordes, Bruce A.
Corel, David W.
Corkum, Kenneth E.
Cornell, David W.
Corse, William R.
Corteville, Douglas F.
Cory, John A.
Cosden, Christopher E.
Coshow, Douglas E.
Coste, Peter F.
Costello, Barry M.
Cotter, Edward F., Jr.
Cotton, John G.
Couch, Daniel P.
Coulter, Daley T.
Covert, Harold D.
Covey, Dana C.
Cox, Paul R.
Cox, Richard L.
Cox, Stephen T.
Crabtree, Charles S.
Craddock, Frank W., Jr.
Craig, Peter A.
Cramer, Ryan C.
Crandall, George P. I.
Crawford, John M.
Creasy, Albert D., Jr.
Cremer, Gordon D., II
Crews, Jeffrey W.
Cross, William H., Jr.
Crouch, Marion L.
Crouch, Michael S.
Crowell, Philip H., III
Crowley, Edwin V.
Crum, Stephen M.
Crumbie, George J., Jr.
Cullen, Dennis P.
Cullinan, John F.
Cummings, Jeffrey W.
Cummings, Robert B.
Cunliffe, John C.
Curreri, Michael P.
Currey, Gary A.
Cutter, Duane S.
Dacey, Leo F.
Dacquisto, Nicholas J.
Dailey, John C.
Dailey, John L., Jr.
Dalby, John F.
Daling, Michael E.
Damin, David E.
Dampier, Kenneth D.
Daniel, Addison G., III
Darch, Douglas A., Jr.
Darrah, Joan E.
Daugherty, Terry L.
Davidson, Bruce B.
Davis, Bruce W.
Davis, James C., III
Davis, John M.
Davis, John R.
Davis, Lavern A.
Davis, Mark C.
Dawson, David L.
Dawson, Philip M.
Day, James C.
Deafenbaugh, Martin F
Dean, Kenneth E.
Dean, Richard W.
Dean, Robert M.
Dean, Steve R.
Dean, Steven M.

Deas, Thomas C., Jr.
Deases, Bernd K.
Decker, Loren E., Jr.
Decker, Wilson B.
Degeorge, Thomas J.
Delaney, Peter J.
Delaney, Richard F.
Delauder, Roy A., Jr.
Deleon, Victor M.
Delorez, John R.
Deluca, Sandra A. S.
Demanss, Michael C.
Demasi, Francis D.
Demo, Willard J., Jr.
Demory, Dean G.
Denari, Mark E.
Dempsey, John C., Jr.
Denham, Stanley A.
Dennis, Michael F.
Denny, Patrick L.
Dentico, John P.
Denzer, Daniel C.
Depeder, Andrew A.
Deprez, Gregory R.
Desalvo, Douglas A.
Destafney, James J., Jr.
Deulley, Gary W.
Devilbiss, Stephen B.
Devlin, James L.
Dewald, Ted E.
Deweese, Joe D.
Dewey, Marilyn F.
Deyoung, Gary W.
Dibenedetto, Leo F.
Dick, John L.
Dick, Richard L.
Dickie, John A.
Diener, Randall A.
Dietz, Clyde P.
Dilley, James R.
Dillon, Andrew J.
Dineen, Patrick D.
Dixon, James R.
Dlugos, Lawrence E.
Dobson, Douglas S.
Dodge, David O.
Doerflein, Lawrence T.
Doerr, Michael R.
Doherty, William G.
Dohse, James T.
Dolan, Craig R.
Dole, Stephen M.
Domboski, Kenneth F.
Donahue, Conrad J., Jr.
Donaldson, James W., Jr.
Donley, Barbara A.
Donohue, Timothy M.
Donovan, Michael J.
Dorpinghaus, Teresa M.
Dorsett, Charles E.
Dorsey, Douglas V.
Doswell, Joseph W., Jr.
Doty, Arthur G.
Dotzert, David J.
Dougherty, Michael J.
Dougherty, William F.
Douglas, Barry C.
Dowling, Stephen J.
Downing, Jo Anne G.
Doyle, Merrill C.
Drag, Joellen M.
Drake, Patrick R.
Draper, Dennis C.
Dreger, J. Brian
Drew, Lyle L., Jr.
Driscoll, Raymond M., Jr.
Driscoll, Sondra L.
Driver, John J.
Drysdale, Charles H.
Dubose, Dorothy E.
Dubrouillet, Michael
Duddy, Daniel F.
Dull, Timothy J.
Dumbauld, Dennis B.
Dunaway, William M.
Duncan, Richard E., III
Dunn, William H.
Durling, Paul B.
Durst, Calvin L.
Dussman, Robert A.
Dwyer, Dennis M.
Eager, John B.
Eakin, David M.
Eby, Robert K., Jr.
Eckert, Gary L.
Eddy, William A., Jr.
Edmunds, Charles A.
Edvardsen, John J.
Edwards, Bruce J.
Edwards, Michael S.
Egeberg, Gerald W.
Eggleston, James M.
Eisaman, John E., Jr.
Elam, Harry B.
Elliott, James C.
Elliott, Kenneth M., Jr.
Ellis, James C.
Ellis, Timothy P.
Ellison, Michael S.
Elster, Eleanor A.
Eltringham, Peter S.
Elznic, Douglas F.
Emerson, Lucian F., Jr.
Emerson, Ralph W., Jr.
Empeno, Francis A.
Enewold, Steven L.
Engelhaupt, Thomas A.
Engler, Royce A.
Enright, Thomas F.
Enterline, Julie R.
Epley, Lawrence E.
Erickson, David P.
Erickson, Robert L.
Erman, Reginald J., Jr.
Ertel, Philip L.
Erwin, Tina M.
Escola, George E., Jr.
Espinosa, William M.
Essel, Wayne E.
Essery, James E.
Estrada, Manuel F.
Etro, James F.
Eurek, Allan J.
Evans, Frederick W.
Evans, John J.
Evans, William L.
Evans, William G.
Everett, Hobart R., Jr.
Eves, Howard D.
Evjen, Bruce P.
Ewing, James L., IV
Exell, John R.
Fabricius, William A.
Fahey, James T.
Fahlberg, Frederick D.
Falkenstein, Rudolph F.
Farley, Bruce K.
Farmer, Gary L.
Farmer, Kip M.
Farmer, Linwood E., Jr.
Farrar, George W.
Farrell, Rodney G.
Farris, Mary M.
Faust, Homer L., Jr.
Faust, John L.
Faust, William A.
Fedison, Dennis P.
Fee, John F.
Feeks, Thomas M.
Feeney, William J.
Feltz, Gerard C.
Fencl, David A.
Fenlon, Robert M.
Fennelly, David M.
Fenner, James H.
Fergason, David G., Jr.
Ferguson, Jerry F.
Ferguson, Michael A.
Fericks, John A.
Ferlic, Kenneth P.
Ferraro, John R.
Ferrell, Curtis L., III
Fichtner, David P.
Fields, Joseph H., III
Fife, Richard W.
Finger, Gary M.
Fink, James O.
Finney, David F.
Fischer, Jay P.
Fishburne, Lillian E.
Fisher, Alan D.
Fisher, Edward K.
Fisher, John L., Jr.
Fisher, Rand H.
Fisher, Robert C.
Fisher, Rory H.
Fishman, Robert E.
Fitzgerald, Paul V., III
Flamm, Raymond M., Jr.
Flanagan, William J.
Fleming, Charles M.
Fleming, John L.
Fleming, Thomas E., Jr.
Flenniken, Robert J.
Floberg, John W.
Flor, Gary J.
Flynn, Edward C.
Flynn, Robert H.
Fogarty, William P.
Foley, Patricia G.
Folk, Laura A.
Fong, Van Y.
Fontaine, Gregory N.
Ford, Robert D.
Forde, Jack D., Jr.
Forgy, James M.
Foskett, Arthur K.
Foss, Janice L.
Foster, Larry A.
Foster, Linda C.
Foster, Robert L.
Foster, William K.
Fournier, Stephen P.
Foursha, Sammy L.
Fowler, Carolyn L.
Fowler, Charles S.
Fox, Martin
Fox, Tally B.
Frabotta, Frank J.
Frailing, Richard W.
France, Howard J.
Francisco, Roger B.
Frank, John B., Jr.
Franken, Daniel J.
Franze, Charles R.
Frasch, Lewis G.
Freeman, James K.
French, Gerald S.
Friestedt, Jonathan D.
Froman, James C.
Fry, Norman J.
Fulcher, David O.
Fulcher, Michael I.
Fulton, Raymond N., Jr.
Funke, William H.
Furlong, Daniel M.
Fursman, Beryl D.
Fursman, James M.
Gabrynowicz, Mark P.
Gage, Michael J.
Gahnstrom, William E.
Gajan, Raymond J., Jr.
Galecki, Richard M.
Gallagher, Alison D.
Gallagher, Edward F., Jr.
Gallagher, Thomas P., III
Galligan, Robert M.
Gallina, Judith A.
Galvacky, Joseph E.
Gangewere, Robert R., Jr.
Gantt, Douglas A.
Garban, James R.
Garbarini, Craig B.
Garfrerick, David P.
Garner, Dan J.
Garrett, Patrick M.
Garrison, James E.
Garvey, Richard S.
Gathercole, Kenneth P.
Gayle, George T., Jr.
Gebbia, Frank, Jr.
Gemender, Kathryn M.
Genzler, Patrick A.
Gerken, William J.
Gerlt, Danny H.
Gerou, Deborah K.
Gersh, John R.
Geschke, Mark J.
Gesell, Ernest E., III
Getzfred, Lawrence D.
Gholdston, Edward W.
Gibbs, Dennis C.
Gibbs, Ronald M.
Gibson, Robert J.
Gibson, William L.
Gideon, Alan K.
Giessing, George C., III
Gift, Paul R.
Gilbert, Douglas C.
Gilbert, James V.
Gillespie, Dennis M.
Gissendanner, James T. J.
Giza, Mary C.
Glasnapp, Randy E.
Glass, Charles R.
Glick, Gary L.
Glover, Grey A.
Golay, Mark A.
Goldberg, Marc D.
Goldenstein, John P.
Goldsmith, Ludwig M.
Goldstein, Jonathan L.
Gonsalves, John H., III
Good, William D.
Goode, Randall L.
Gooden, Charles M.
Gooding, Brent B.
Goodrich, John R., II
Gordon, James W.
Goreham, Leonard A.
Gorman, John P.
Gorman, Thomas F., Jr.
Gormly, Richard B.
Gottschalk, John L.
Goudge, Derek A.
Gouge, Michael J.
Goulding, William A.
Grabulis, Dennis D.
Grady, Quentin R.
Graffy, John J., Jr.
Graham, Bret
Graham, John M.
Graham, Philip D.
Graham, Richard F.
Grano, Jacqueline R.
Grant, Jeffery W.
Grant, Mary A.
Granzow, Robert H., Jr.
Grassi, Thomas A.
Gravell, William
Graves, Michael M.
Greanias, George H.
Green, Bennie, Jr.
Green, Consuella
Greene, Gary L.
Greenen, William R.
Greeno, James T.
Gregoire, Barry L.
Gregor, John B.
Grieshaber, Steven A.
Griffin, Constance L.
Griffin, Douglas B.
Griffin, Patricia
Griffin, Richard A., Jr.
Griffith, David N., Jr.
Griffiths, Gary A.
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Grigsby, Andrew E., Jr.
Grimsley, Michael J.
Gripp, Jan W.
Groenert, Frederick E., Jr.
Grosel, Joseph J.
Gross, Charlotte R.
Gross, Edmund S.
Grover, Craig A.
Grubb, Larry K.
Gruber, James P.
Guarino, Frank J., Jr.
Gunderson, Edward C.
Gut, Raymond J.
Guzauskis, Steven A.
Gyolai, James J.
Haas, Clifford A.
Haberman, Orrin E.
Hacunda, Michael R.
Haddock, Ronald W.
Hadrosky, Fern K.
Hafer, Donald L.
Haggart, James A.
Hagge, Stephen C.
Hains, John P.
Hakin, Dennis K.
Hale, Dennis G.
Haley, Robert M.
Hall, James C.
Hall, John R.
Hall, Ralph M.
Hall, Raymond T.
Hallam, Stephen C.
Halloran, Lewis G.
Hamlin, James S., Jr.
Hamm, Richard R.
Hammond, Daniel R.
Hammond, Mardale L.
Hamon, Dale R.
Hampson, Gary W.
Hamric, Sharon A.
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Hance, Carl E.
Hand, Rexford D.
Handforth, Dwight W.
Haney, Scott C.
Hannan, William J.
Hansen, Allen R.
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Hanson, Robert D.
Harbaugh, Paul R., Jr.
Hard, Ronald L.
Harding, Ross M.
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Hardy, David M.
Hargus, Bruce C.
Harkins, Steve R.
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Harris, Benny J., II
Harris, Jerry M.
Harris, Michael J.
Harris, Michael M.
Harris, Raymond M., Jr.
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Harrison, James J.
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Hart, Charles R.
Hart, Robert S.
Harten, Thomas W.
Hartling, Robert M.
Hartnett, Gregory A.
Harvey, John C., Jr.
Harward, William F., Jr.
Hatton, Peter L.
Hayashida, Alan K.
Hayes, David L.
Hearty, Frederick R.
Hebert, Dennis N.
Heck, Michael C.
Hedderich, Conrad P.
Hedin, John A.
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Heidecker, Robert W.
Heimann, Frederick E., Jr.
Heinrich, Richard D.
Heisler, Georgia E.
Helling, David W.
Helm, Roger D.
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Hendrickson, Paul B.
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Henry, Donald R.
Henry, Douglas G.
Henry, Michael D.
Herbert, George A., Jr.
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Herman, Richard J.
Herpin, William B., Jr.
Herr, David L.
Herret, Thomas R.
Herring, Raymond B.
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Hesler, James E., Jr.
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Higgins, Kevin D.
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Hillenmayer, James D.
Hines, John R., Jr.
Hinson, Gertrude R.
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Hlavka, Stanford H.
Hobbs, Dennis A.
Hobby, Gray D.
Hodgins, Bart D.
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Hoffman, Louis A., Jr.
Hoffmann, Philip P.
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Holder, Thomas V.
Holgate, Stephen M.
Holk, George B.
Hollis, Stephen J.
Holloway, James C.
Holly, Nelson C.
Holmes, John D.
Holmes, Robert C.
Holmes, Robert C., Jr.
Holmes, William B.
Holmquist, Derek E.
Holstein, Daniel L.
Holt, Thomas H.
Honey, Ronald D.
Hood, James L.
Hooker, Richard B.
Hooper, Ronald B.
Hoover, Richard M.
Hopkins, Donald D.
Hopkins, James P., IV
Horner, John S.
Horstmann, Cherie A.
Horton, Steven W.
Horvath, David A.
Hosner, John F.
Hotchkiss, Stephen C.
Houck, Kim C.
Houge, Gary D.
Howard, Carl P.
Howard, John J.
Hoyle, Charles D.
Huber, Gregory A.
Hudson, Edward H.
Hudspeth, John M.
Huegerich, Thomas P.
Huelle, Denis E.

Hughes, David J.
Hughes, Gary J.
Hughes, Jeffrey A.
Hughes, Louis A.
Hughes, William E.
Hultberg, David B.
Humphrey, Richard A.
Hungerford, David L.
Hunter, Sheilah M.
Hunter, Stuart M., III
Huston, Roger W.
Hutchison, Jeffrey A.
Hyde, Elizabeth T.
Hynson, Johnnie R.
Hypes, Ronald D.
Iden, Douglas C.
Iiams, Jeffrey A.
Ikeda, Larry I.
Indest, George F., III
Ingram, Alfred L., V
Ingram, Darryl W.
Ingram, Steven R.
Irlam, Ross E.
Isaksen, Karen A.
Ivary, Kenneth R.
Jackson, Frank D.
Jackson, John E.
Jacobs, Carol G.
Jacobsen, Kenneth A.
Jacobsen, Jim H.
Jahn, Jack W.
Janke, Mark C.
Janora, Thomas E.
Jansen, Steven C.
Japuntich, John C.
Jarrell, Richard P.
Jarvis, Jan P.
Jayne, Bruce R.
Jeffrey, Loretta A.
Jennrich, Edward A.
Jensen, Andrew A.
Jerome, Cheryl A. B.
Jerome, Reed W.
Jewett, John R.
Jobe, William D.
Johnen, William F.
Johnson, Charles S.
Johnson, David G.
Johnson, Donald I.
Johnson, Douglas A.
Johnson, Eric Y.
Johnson, Jacob L., Jr.
Johnson, James M.
Johnson, Jeffrey M.
Johnson, John L.
Johnson, John E., Jr.
Johnson, Kenneth A.
Johnson, Kenneth R.
Johnson, Lant A.
Johnson, Nicholas R.
Johnson, Robert S.
Johnson, Timothy L.
Johnston, Patricia
Johnston, William R.
Jones, Charlie A., Jr.
Jones, Donald W.
Jones, Douglas E.
Jones, Larry E.
Jones, Marc S.
Jones, Maxwell L.
Jones, William B.
Jordan, James T.
Jorgensen, Mary L.
Kalafat, Max E.
Kale, Joseph C.
Kane, James C.
Kane, Michael J.
Kannapell, Joseph H.
Karas, John G.
Karoscik, Steven M.
Kaufman, Gregory D.
Kautt, Glenn G.
Kearney, Terrence J.
Kearsley, Harold J.
Keele, James D.
Keen, Michael P.
Keenan, John A.
Keener, Bruce, IV
Keho, Jeffrey D.
Keifer, Orion P.
Keil, Charles L.
Keller, Stephen H.
Kelley, Kevin J.
Kelley, Michael D.
Kelley, William D.
Kellogg, Steven C.
Kelly, Barbara A.
Kelly, Barry L.
Kelly, James D.
Kelly, John M.
Kelly, Thomas B.
Kemp, Robert M.
Kemp, William J.
Kendle, Gregory T.
Kennard, Wayne M.
Kennedy, James W.
Kennedy, John F.
Kennedy, Robert B.
Kennedy, Steven R.
Kenny, John M.
Kent, Frank T., III
Kerekes, William A.
Kiehl, Thomas H.
Kiel, Ronald A.
Kiernan, Thomas J.
Kiesling, William E., Jr.
Kilcline, Thomas J., Jr.
Kiley, Mark C.
Kilgore, Brian J.
Killoren, Kevin M.
Killough, Robert C.
King, Chad
King, Kim A.
King, Larry A.
King, Martin R.
King, Murray O., Jr.
King, Robert D.
Kinker, Lawrence E.
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Kirkland, John A.
Kirkland, Robert J., III
Kirkpatrick, William R.
Kirwan, John R., Jr.
Kiss, Edward P.
Kissel, William C.
Kitchen, Robert H.
Klaas, Adrian L.
Klaus, Robert F.
Klein, Gary D.
Klein, Glenn E., Jr.
Klein, Steven A.
Klepacki, Robert R.
Klindt, Donald P.
Klingaman, John F.
Klinger, Charles N.
Klingseis, Francis J.
Klosterman, David J.
Klotzbach, Frederick J.
Kluge, Norman G.
Knapp, Glen W.
Knight, Douglas R.
Knight, Robert J.
Knoflick, Arthur L.
Knotts, Louis H.
Knotts, Thomas J.
Knox, Alvin F.
Knull, Kenneth M.
Knutson, Charles B.
Knutson, Roy E.
Kobayashi, Roydon M.
Koch, Mark R.
Kodzis, Richard F.
Kohinke, Edward G.
Kohler, David R.
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Kohls, Charles E., III
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Korber, John S.
Kordis, William S.
Korejwo, Henry A.
Kornegay, Gary D.
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Kovach, George E.
Kowalski, Norman W.
Kraft, Edward S., Jr.
Krahe, Lawrence R., Jr.
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Kraus, John S.
Krebs, Gary L.
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Kruger, Bonny B.
Krupski, Thomas L.
Krygiel, Joseph J.
Kucik, David W.
Kudlick, Raymond R.
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Kuehne, Arthur P.
Kuhn, David M.
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Kunkle, Steven A.
Kunkle, William B.
Kuntz, Paul S.
Kupfer, Michael J., Jr.
Kurtz, Dennis A.
Kurz, William C.
Kwake, William E.
Kyle, Thomas G.
Kysar, Billy D.
Labberton, Wells K.
Labrecque, Terence P.
Lacava, Vincent D.
Lacoss, Terry L.
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Lamar, James C.
Lamm, David R.
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Lane, Milton D.
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Lannou, Gordon C., Jr.
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Laraway, Rita A.
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Liechty, John D.
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Lin, Elizabeth J.
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Long, Kerry B.
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Louder, James R., III
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Low, Michael D.
Lowe, Harold C.
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Laundsager, Soren
Lundstrom, Susan K.
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Lyon, Michael E. U.
Lyons, Patrick M.
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MacDonald, Gordon S.
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Macmillan, Charles A.
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Maddelein, Douglas P.
Madden, Daniel F.
Madison, Larry G.
Mahaley, Joseph S.
Maher, John D.
Main, Kent A.
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Malay, Jonathan T.
Mallow, Larry E.
Malone, William T.
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Managan, John C.
Manganaro, William F.
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Mansell, Patricia L.
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Marcussen, William J.
Mardula, Walter J.
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Markkanen, Stephen E
Marquart, Donald G.
Marsh, Kirk D.
Marsh, Willie C.
Marshall, David W.
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Marshall, William J. III
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Marten, Steven Co.
Martin, David W.
Martin, John J., Jr.
Martin, Michael L.
Martin, Thomas O.
Marvin, George R.
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Mashburn, Robert L. J.
Maskell, Robert E.
Maslowsky, Robert D.
Mason, Stephen W.
Masoner, Karl L.
Masterson, James J.
Matella, Thomas O.
Mathis, Stanley W.
Matyas, Gary M.
Maxwell, Kenneth W.
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McAllister, John C.
McAlpin, Larry T.
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McCarthy, Kathleen M.
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McCallum, Keith E.
McCamant, Robert R.
McClay, Timothy S.
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McClung, Daniel W.
McClure, Martha G.
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McConhie, Robert W.
McCord, Raymond S.
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McCrory, James L.
McCrory, Ralph C.
McCulloch, Robert S.
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McDevitt, Harry J., III
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McDonald, Randal S.
McGalliard, Bruce E.
McGarrah, James M.
McGarry, John J., Jr.
McGarry, Thomas P.
McGeorge, Cynthia
McGinniss, Kevin M.
McGinty, Louis L.
McHenry, John S.
McIntosh, John A., III
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McKearney, Terrance J.
McKeever, Michael S.
McKenney, William J.
McKenzie, Alan B.
McKinney, James B., Jr.
McLane, John T., Jr.
McLaughlin, Kathleen M.
McLean, Charles R.
McMillan, George M., Jr.
McMillan, Gibson E., Jr.
McMorrow, Horace M., Jr.
McNamara, Thomas P.
McNatt, Tobin R.
McNeil, Christopher P.
McRobbie, Michael D.
McVoy, Peter L.
McWey, Russell E.
Mead, Gregory G.
Medved, Richard C.
Mee, Richard E.
Meetze, James
Mehnert, Arthur F.
Mehrmann, James W.
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Meldrum, Duncan H.
Melin, Roger D.
Mellor, Martin W.
Menez, Martin C.
Mericle, David D.
Meroni, Mary J.
Merrion, Albert S.
Merritt, Susan J.
Messen, Ronald
Messervy, James L.
Messier, Joseph W.
Metcalf, Michael B.
Metrick, Bruce R.
Meyer, Ethel
Meyer, Thomas L.
Meyer, Timothy H.
Meyer, William J., II
Michael, Carol J.
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Michelsen, Jack D.
Michelsen, Mark A.
Midgett, John R.
Midland, Phil L.
Mihalick, Joachim T.
Mikolai, George A.
Miller, Albert R., Jr.
Miller, Burt E.
Miller, David A., Jr.
Miller, Gary W.
Miller, Guy S.
Miller, Jeanne M.
Miller, John R.
Miller, Michael J.
Miller, Paul F.
Miller, Richard J., Jr.
Miller, Robert B., II
Miller, Robert L., Jr.
Mills, Craig S.
Milner, Edward M., Jr.
Minahan, Matthew P.
Mitchell, Harold J.
Mitchell, Jent P., III
Mitchell, Lawrence A.
Mitterling, Russell D. J.
Micini, Vincent P.
Moeller, Arthur D.
Mollet, Randall J.
Mondelli, Carmen S. J.
Moneghan, John E.
Monson, Steven D.
Montee, Michael R.
Montgomery, William M. J.
Monthan, Christina H.
Montrey, Mark A.
Mooney, Daniel P.
Moore, Bruce R.
More, Dennis W.
Moore, Gary E.
Moore, Harry G.
Moore, Kathleen A.
Moore, Kenneth L.
Moore, Mary C.
Moore, Terry L.
Moore, William E.
Moorman, Robert B. Jr.
Moose, Susan L.
Moranville, Mark S.
Moreland, David B.
Morgan, James W.
Morgan, James K.
Morgan, John B.
Morin, James B., Jr.
Morris, David R.
Morrison, Roger H.
Morrison, William M.
Morrissette, Thomas W.
Morrow, James N.
Morrow, Leslie P.
Mortensen, David R.
Mortenson, Victor A., Jr.
Morton, Charles E., Jr.
Morton, James D., III
Morton, Peter A.
Moseman, James A.
Moss, Scott F.
Mountcastle, David G.
Moy, Gerald M.
Mudge, David C.
Muir, Kathleen A.
Mulcahey, Kevin E.
Muldoon, Edward J., Jr.
Mulhall, Daniel G.
Mullaney, Michael J.
Mullarky, John W.
Mulroy, Terence P.
Mulvehill, Pamela M.
Mundt, John D., Jr.
Munns, Charles L.
Murch, Roger W.
Murphy, Ann K.
Murphy, James C.
Murphy, James S.
Murphy, John S.
Murphy, Mary R.
Murphy, Richard E.
Murphy, Robert T.
Murphy, Robert W.
Murphy, Timothy K.
Murray, James P.
Murray, James P.
Murray, Keith E.
Murray, Michael K.
Murray, Michael J.
Musgrave, Clyde
Musmanno, Daniel G.
Mustain, Vivian B.
Myers, Lawrence C., III
Myers, Michael S.
Myers, Philip A.
Myers, Richard C.

Myers, Stephen E.
Nadeau, Thomas R.
Nading, John H.
Naeve, Fred H., Jr.
Nancarrow, Clifford A.
Nardi, Glen E.
Nash, Wayne E.
Navin, Charles J.
Neal, Russell A., II
Neboshynsky, Leonid
Neff, Charles C.
Nejfelt, Gregory M.
Nelson, David E.
Nelson, Edward J.
Nelson, Hugh D.
Nelson, James A.
Nelson, Patrick A.
Nelson, Richard W.
Nelson, Robert A.
Nelson, Stanley W., Jr.
Nestlerode, Robert N.
Nettleton, Bruce A.
Neumeister, Ralph R.
Newport, Paul T.
Newton, Ivan D.
Neyer, Ronald C.
Ni, Randolph
Nibbs, Virginia W.
Nichols, Lawrence S.
Nichols, Steven R.
Nickerson, Thomas J.
Nielsen, William F.
Nigro, Vincent J.
Nitsche, Wayne H.
Niven, David D.
Noble, John M.
Noble, Russell S.
Noe, Timothy A.
Nofziger, Charles L.
Nolan, Michael J., II
Nolan, Roger T.
Nolan, Russell P.
Noll, Bruce T.
Nollet, Michael F.
Nolte, Thomas E.
Nordell, Douglas R.
Norman, James H.
Norman, Robert M.
Norris, John A., Jr.
Norton, Donald G.
Norton, Howard C.
Norton, Kerry M.
Noval, John J.
Nowak, Gary S.
Nunnery, John S.
Nyman, Steven M.
Obert, Michael P.
O'Brien, John P.
O'Brien Katherine V.
O'Bryant, Rozella E.
O'Connor, David F.
O'Connor, Michael P.
O'Dell, Charles D.
O'Donohoe, Joseph P., II
Oelberger, Loretta I.
Ogden, Stephen E.
Oistad, Gary M.
Oja, Alex A.
Oldenhuis, Marianne S. H.
Oldfield, John C.
Oleary, Mark D.
Oliver, James C., III
Oliver, John T.
Olmsted, Thomas R.
Olsen, Eric G.
Olsen, Warren R.
Olson, Eric T.
Olson, Larry E.
O'Meara, Dennis J.
O'Neill, Thomas D.
Orchard, Fred G.
Orcutt, Robert E., Jr.
Orlando, Theodore A.
Orrison, John W.
Osborn, Colin C.
O'Shaughnessy, Michael J.
O'Sullivan, Michael P.
Oswald, Stephen S.
Ousterhout, Glenn A.
Outcalt, Dudley M.
Ovitz, Ernest G., III
Owens, Larry T.
Owens, Vicki J.
Pace, Annette
Packer, Samuel H., III
Paetz, Hein F.
Page, Arthur J.
Pallas, Lewis G.
Palmer, David B.
Palmer, Paul A.
Palmisano, Thomas J.
Papworth, Richard N.
Parfet, Stephen H.
Paris, Guy Kim L.
Parish, George R., III
Park, Richard S. G.
Parks, Thomas K.
Parrish, Robert T.
Parsons, Terry L.
Parthum, Herbert W., Jr.
Partlow, Robert C.
Parus, John J. E.
Patten, Keith W.
Patton, Donald J.
Patton, John E.
Paulk, Gerald L.
Paulson, Stephen R.
Peace, Jeffrey D.
Peach, Barbara A.
Peal, Robert M.
Pearson, Thomas W.
Peart, James C.
Pease, Andrew J.
Pease, Douglas C.
Pease, Michael W.
Pechonis, John S.
Peck, Dale W.
Peck, Gerald F.
Pendleton, Jackie D.
Perdue, William F.
Perez, Carlos
Perez, Mark R.
Perkins, John P., Jr.
Perkins, Percy W., Jr.
Perlmuter, William J.
Pernell, Larry E.
Perrish, David W.
Perry, Craig C.
Perry, Daniel R.
Perry, John M., Jr.
Peters, Donald E.
Peters, Jon C.
Peters, Robert F.
Peterson, James W.
Peterson, Ralph A.
Petitmermet, Donald H.
Pfrimmer, John G., Jr.
Phillips, Harry J.
Phillips, James W.
Philpot, Charles W.
Phipps, Donald M.
Picha, Kenneth G., Jr.
Piecyk, Frank T., Jr.
Pierce, Craig A.,
Pierce, Mary F.
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Pikla, David M.
Pilcher, Ray C., Jr.
Pilli, John F., Jr.
Pine, Edward J., III
Pittman, Glenn J.
Plane, Randall S.
Poe, Deen O.
Poe, Jeffrey L.
Pohlmeyer, Jack M.
Pohtos, Robert N.
Poirier, Robert W.
Pollock, Bruce C.
Poltack, Charles T.
Pomorski, Thomas R.
Poppy, Steven C.
Porcelli, Charles R.
Poston, Cary D.
Posvar, Roney L.
Potter, Gary G.
Powell, Carl A.
Powell, David R.
Powell, Donald E.
Powell, William H., Jr.
Powers, Glenn C.
Pozinsky, Gregory
Pratt, John L.
Presson, Geoffrey F.
Preston, Robert E., Jr.
Prewitt, Ronnie H.
Price, Donald S.
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Pullen, James G.
Punches, Jack D., Jr.
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Putnam, Greer R.
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Rader, Michael T.
Radney, James C.
Raetz, Gary M.
Rahmel, Mark D.
Ralston, William E.
Ramage, Donald B.
Rambo, Martin B.
Ramsdell, Lawrence A.
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Rasmussen, Carl G.
Ratcliff, Ronald E.
Rath, Bradford R.
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Rayhons, George A.
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Redekopp, Richard D.
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Reeves, John R.
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Reightler, Kenneth S. J.
Reimann, Otto G.
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Repsholdt, Kai T.
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Richardson, Philip W.
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Rogers,Thomas F.
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Scott, Timothy J.
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Seaberg, John R.
Searls, Janet C.
Seebode, William F., III
Seedorf, Herman L., III
Seil, Anne M.
Seiwald, Michael J.
Selman, William W.
Settle, Amy
Service, Thomas B.
Severinghaus, Richard J.
Sevier, David M.
Shafer, David D.
Shaffer, Neal D.
Shallies, Kenneth H.
Shaughnessy, Mark V.
Shaw, John D.
Shayda, Paul M.
Shea, Dennis J.
Shebalin, Paul V.
Sheehan, Kevin P.
Sherland, Paul G.
Sherman, John R.
Sherman, Steven S.
Sherrill, Robert N.
Shick, Jack E.
Shirah, Charles E.
Shirah, Reuben H.
Shiver, Wayne S.
Shockley, Rodney L.
Shoemaker, Terry L.
Shon, Michael D.
Short, William E., Jr.
Showalter, Robert C.
Shuter, Marc A.
Sidman, Howard B.
Siegel, Harry M.
Silva, Terry D.
Silverberg, Terrence C.
Silvestri, Michael J.
Simcoe, Ronald B.
Simcox, John S.
Simeral, Robert L.
Simmonds, Thomas L.
Simmons, Larry W.
Simmons, Nathaniel P. J.
Simmons, Viva A.
Simon, Michael F.
Simpson, Daniel L.
Simpson, Michael D.
Simpson, Robert C.
Simpson, William L., Jr.
Sine, Don T.
Siska, Peter C.
Sklow, Clifford L.
Skorich, Mark S.
Skowronek, Leslie J.
Slagle, Brian A.
Slavichak, Steven E.
Sleichter, William T.
Slighter, William J.
Sliva, Thomas E.
Sliwinski, Donald E.
Sloan, Joseph W., Jr.
Sloan, Leo D. III
Smania, David J.
Smark, Walter
Smeigh, Carl M., Jr.
Smilari, Nicholas B.
Smith, Charles E.
Smith, David J.
Smith, Guy M.
Smith, Jim G., Jr.
Smith, John P.
Smith, Kenneth M., Jr.
Smith, Kyle R.
Smith, Michael R.
Smith, Pemberton
Smith, Peter J.
Smith, Robert G.
Smith, Russell L.
Smith, Scott T.
Smith, Stephen E.
Smith, Stephen M.
Smith, Terry W.
Smith, William D.
Snead, James C.
Snelson, Leland R.
Snodgrass, Dale O.
Snook, Richard E.
Snow, Terry D.
Snow, William H.
Snyder, Stephen F.
Sohl, John H. III
Somers, James W.
Sommers, David P.
Sorek, Michael J.
Soroka, Mariane J.
Sorrow, Walter T.
Spalding, Bruce A.
Spangrude, Gene R.
Spann, Joseph D.
Spannagel, David J., Jr.
Sparaco, John A.
Speer, James D.
Spencer, Sterling R.
Sperry, Catherine E.
Spicer, Ronald W.
Spinks, William H., Jr.
Spishock, Patricia M.
Springer, Ross A.
Springman, Robert E.
Stack, Robert B.
Stacy, David R.
Staley, Gordon A.
Stalnaker, Steven D.
Stangl, Frederick W.
Staniewicz, Matthew J.
Stark, Barry A.
Stark, Richard D., Jr.
Stauter, John A., Jr.
St. Denis, Thomas G.
Steele, Michael J.
Steffens, Rodney C.
Steinstel, Richard R.
Steinkenneth, Merritt
Stella, John R.
Stelling, Gretchen M.
Stencil, John C.
Stengl, Louis C.
Stephens, Van A.
Stephenson, Robert A.
Stephenson, Walter W.

Sterling, Clyde E.
Stevens, Charles M., II
Stevens, John F.
Stevenson, John R., Jr.
Stevenson, William J., III
Stewart, Joseph D.
Sticinski, Don L.
Stillwell, John W.
Stilwell Joe R., Jr.
St. John, Lawrence G.
Stoddard, Timothy D.
Stokes, James M.
Stolberg, Elizabeth
Stone, David L.
Stone, Edward L.
Stone, William E.
Storm, Bradley D.
Stout, Kathleen S.
Stover, Dan H.
Straessle, Gregory C.
Straka, Donald J.
Strauss, Lance J.
Strickland, David W.
Stricklin, Ted A.
Striffler, Paul C.
Strong, Michael
Strout, Dennis R.
Strudler, Sy
Stuckey, James S, II
Sturgis, David H.
Stutt, Gary J.
Stutzman, David L.
Suchy, Joseph W.
Sudkamp, Stephen D.
Sugg, Dale C.
Suhr, John E.
Suhs, David R.
Suich, Darlene J.
Sullivan, John A.
Sullivan, Michael P.
Sullivan, Nicholas M.
Suopis, Cynthia A.
Suter, Della J.
Swanson, Eric R.
Swenson, Scott A.
Swinburnson, Cory M.
Swinton, Stephen P.
Syverson, William A. Jr.
Talipsky, Raymond
Tamburello, Charles
Tanner, Leland H.
Tash, David L.
Tatone, Michael A.
Taylor, Chris A.
Taylor, James W.
Taylor, Linda S.
Taylor, Michael E.
Taylor, Patrick E.
Taylor, Timothy B.
Taylor, Timothy M.
Temple, Ralph D.
Templer, Robert J., Jr.
Tennant, Richard C.
Tenneson, Linda G.
Terry, Michael W.
Tesoriero, Thomas J.
Thamer, Steve D.
Thaxton, Douglas D.
Theurer, Roger F.
Thickstun, Timothy L.
Thiesse, Thomas W.
Thigpen, Dan L.
Thomas, James W.
Thomas, John K.
Thomas, Margaret E.
Thomas, Michael R.
Thomas, Phillip C.
Thompson, Bruce G.
Thompson, Henry F. Jr.
Thompson, Stephen C.
Thompson, Thomas A.
Thomson, Homer P., III
Thomson, Robert J.
Thornton, Davey S.
Thorpe, James W., Jr.
Thorpe, Lester F.
Thralls, Edmund L.
Threet, Charles L., Jr.
Throckmorton, John F.
Thurmond, James E. Jr.
Tiene, Mary L.
Tilton, Terry W.
Tjader, Theodore R.
Toalson, Vance L.
Tomlinson, Craig S.
Tompkins, Christopher F., III
Tompkins, Jean A.
Toms, David A.
Toms, Terry J.
Torbenson, David M.
Torelli, Margaretmary
Trager, Steven C.
Trahan, Arnold V.
Trahan, Charles R., Jr.
Traughber, John R.
Trent, Michael H.
Trestrail, Calvin D., Jr.
Tripp, Dale P.
Tritz, Thomas R.
Trowbridge, Frank R., Jr.
Trump, Rodney H.
Tschida, James R.
Turisco, Thomas F.
Turnblacer, Theodore C.
Turner, Edmund B.
Turner, Geoffrey W.
Turner, Terry A.
Tutt, Charles R.
Twardziak, Antony J. Jr.
Tyson, Dan M.
Uhl, Robert A.
Uldrich, John A.
Ulmer, Edwin L.
Umbel, Richard P., Jr.
Ungvarsky, William J.
Unwin, Jay P.
Updegraff, William D. II
Urban, John L.
Usher, Jill R.
Vaillancourt, David P.
Valdes, James F.
Vanbelle, Bruce T.
Vandine, Robert W.
Vanhorn, Robert G.
Vanoss, Leland B.
Vanparys, Jerome J.
Vansickle, James L.
Verduzco, Gleason H.
Vervoorn, Robert W.
Via, Kenneth D.
Viator, Oran, Jr.
Vienna, Kevin R.
Vining, Pierre G.
Virgilio, Richard L.
Virtue, Patrick M.
Vito, Dennis J.
Vittetow, Lelia D.
Volker, James R.
Vosbury, Frederick W.
Voss, Cary V.
Vrotsos, Pete A.
Vuchetich, Paul J.
Vugteveen, Dana L.
Waddell, John W.
Wagner, David D.
Wagner, David C.
Wagner, Jerry P.
Wakefield, Robert D.
Waldmann, John G.
Walenga, Craig G.
Walker, David B.
Walker, Jerry L.
Walker, Larry O.
Walker, Thomas D. L.
Walsh, Vincent A.
Walters, William T.
Walther, Clarence W., Jr.
Wanamaker, Wayne M.
Ward, Glenn H.
Ward, William H.
Warner, Stephen R.
Warren, Thomas E.
Waterman, Heather A.
Watling, John M., Jr.
Watry, Coleen A.
Watson, Darrel E.
Watson, Douglass C.
Watson, Timothy P.
Watson, Vernon M.
Watt, George P. Jr.
Watts, Robert D.
Watts, Stephen E.
Waylett, Don H.
Weaver, David D.
Webb, James R.
Webb, John O., Jr.
Weber, Joel N.
Weddel, David W.
Weir, John R.
Weise, William S.
Weitz, Charles A., Jr.
Weldon, Gerold W., Jr.
Welker, Jeffery G.
Weller, Joseph D., Jr.
Welles, Franklin G.
Welsh, Jeffrey D.
Welsh, Raymond M.
Wenderlich, Raymond L.
Werson, Jan P.
Wesco, Steven L.
Wesley, Allan G.
Wesolowski, Robert A.
Wessman, Lynn G.
West, William D.
West, William E.
Westegaard, Michael A.
Westhoven, John M.
Weyburn, Bevan C.
Whalen, Robert J.
Wheeler, Mark A.
Whisenhunt, Ronald A.
Whitaker, Kent P.
Whitaker, Randy D.
White, Carroll L.
White, David G.
White, Donald H.
White, Millar J. C.
White, Richard O., Jr.
White, Robert B.
White, William S.
White, William F.
Whitfield, Donald B.
Whitney, Leon E.
Whitney, Richard J.
Whitten, Robert C.
Wicklund, Gail A.
Wiegand, Roy A., Jr.
Wiegley, Roger D.
Wight, Randy L.
Wilburn, Jeffrey S.
Wilcox, Karen L.
Wiley, Donald J.
Wiley, Ronald A.
Wilhelm, Carl A.
Wilkes, Edward B.
Willard, Robert F.
Willburn, Alan B.
Williams, Craig R.
Williams, James M.
Williams, James G. Jr.
Williams, Jay H.
Williams, Peter A.
Williams, Robbie L.
Williams, Ronald D.
Williams, Terence L.
Williams, Thomas G.
Williams, Tyler E., III
Williams, Vernon T.
Williams, William W.
Willis, Robert B.
Willkie, William J.
Willmann, David W.
Willmore, Michael R.
Wills, Michael E.
Wilmeth, John P.
Wilson, Bryce H.
Wilson, Craig W.
Wilson, Donald F.
Wilson, Eugene K., Jr.
Wilson, Gerald E.
Wilson, Richard A.
Wilson, Terence S.
Wilson, Thomas J. III
Wilt, Harry R.
Winberry, Paul S.
Winchell, Sherman D.
Wingast, Leda B.
Wingo, Terry G.
Winner, Stanley H.
Winter, Randall D.
Wise, Henry L.
Witherspoon, James W.
Witthauer, Thomas O.
Woerman, William J., II
Wolf, Kathleen V.
Woll, Jeffrey R.
Womack, Stephen L.
Wood, Steven C.
Woodhouse, John H., Jr.
Woodrow, Terry R.
Worchester, Stevens J.
Word, Frank B.
Worthing, Lewis K., III
Wright, Charles B.
Wright David K.
Wright, Richard L.
Wright, Richard C., II
Wuethrich, Chris A.
Wuichet, John W. II.
Wynkoop, Peter
Yackus, John S.
Yarborough, Joseph E., Jr.
Yaremchuk, Arthur W.
Yepsen, John D.
Yerkes, Robert W.
Yerkes, William M., Jr.
Yirak, John L.
Yoe, Louis E.
York, Francine F.
York, William G.
Young, Austin G.
Young, Brian K.
Young, Ernest C.
Young, Francis I.
Young, Gordon R.
Young, Patricia L.
Yuhas, Stephen P.
Zanon, Richard J., Jr.
Zayac, James A.
Zebrowitz, Michael G.
Zeile, Fred C., III
Zesk, Edward W.
Ziebell, Grant G.
Zimet, Michael I.
Zimm, Alan D.
Zimmer, Gary W.
Zollinger, John K., Jr.
Zortman, James M.
Zysk, Susan B.

WITHDRAWALS

Executive nominations withdrawn from the Senate, July 19, 1976:

Marion J. Callister, of Idaho, to be U.S. attorney for the district of Idaho for the term of 4 years, vice Sidney E. Smith, resigned, which was sent to the Senate on December 2, 1975.

D. C. Burnham, of Pennsylvania, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1983, vice Frederick Russell Kappel, term expired, which was sent to the Senate on April 10, 1975.

EXTENSIONS OF REMARKS

CHARLES S. BONK HONORED

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. ANNUNZIO. Mr. Speaker, the 1976 disabled American Veterans Illinois State Convention unanimously adopted a resolution to honor the late county commander of the DAV's heart of Chicago Chapter No. 10, Honorable Charles S. Bonk, and I rise to call the attention of my colleagues to the outstanding record of this fine man.

Charles was seriously wounded at St. Lo, in France, during World War II Normandy invasion, and was awarded the Purple Heart. He also served as an Illinois State Representative and a Chicago alderman in addition to his most recent duties as a Cook County commissioner and as part of the Disabled American Veterans organization.

Charles S. Bonk dedicated his talents and his lifetime to service to his fellow citizens and our Chicago community will continue to miss his leadership in civic affairs.

The resolution honoring Charles S. Bonk passed by the DAV's Heart of Chicago Chapter No. 10 follows:

HEART OF CHICAGO CHAPTER NO. 10, DISABLED AMERICAN VETERANS

I, Theodore J. Jendrzejewski, Adjutant, on behalf of myself, Frank Bottiglero, Harold Kasten, John Mocek, Jr., Edward Osuch, Tom Petrick, Frank Rottman and all the other officers and members of the Heart of Chicago, Chapter No. 10, Disabled American Veterans, and the following Civic, Business, Religious and Fraternal leaders in our "Great City" called Chicago under the direction of one of the finest and greatest Mayors that ever lived, Richard J. Daley, and right beside him sharing the many burdens, trials and tribulations of his office his charming wife, and Alderman Vito Marzullo, Hon. Tom Janczy, Senator John D'Arco Jr., the Hon. Larry DiPrima and Matt Ropa, the Hon. Frank Annunzio and John Fary, Comm. Lou Farina, Gen. Francis P. Kane, Col. Jas. J. O'Connor, Father Boniface, Father Ben Kantowicz, Milton Ash, Jimmy Kott, William Kurtz, Ed Lesniak, Richard Lubejko, Jerry Lucich, Vasco Marconi, Marino Mazzei, Neil Pellicci, Al Stefani, Frank Burchi, Georgie Cheung, Frankie and Neil Francis, Walter Jendrzejewski, Patrick Jofre, Jimmy Koch, Nicky Kokenes, Alex Koklenes, John Mazouch, Paul Meador, John Paukstis, George Vanek, Ben and Ray Weaver, Charlie LoVerde Jr., James O'Donnell, Lt. Michael Tristano and Mrs.

Judith Zaba, submit the following resolution:

Whereas, Comrade Charles S. Bonk died April 20, 1976 at his home, Chicago, Illinois, leaving a void in his family which can never be completely assuaged, and a vacancy in our Chapter that cannot be easily filled, and

Whereas, by this sudden death a career of devoted Civil Service is closed with a special loss to the Heart of Chicago, Chapter No. 10, Disabled American Veterans, by reason of his intimate association with it and the conscientious application of his energies and talents with unflagging enthusiasm and indefatigable efforts to its varied projects for the weal of the entire Department of Illinois, Disabled American Veterans, his Community, State and Nation,

Now, therefore, Heart of Chicago, Chapter No. 10, Disabled American Veterans, through its members resolves: Firstly, that the members present at the joint session of the 1976 D.A.V. State Convention to be held in Mt. Vernon, Illinois during May 14, 15, and 16, 1976 express their gratitude for the invaluable services to the Heart of Chicago, Chapter No. 10, Disabled American Veterans, his Community, State, and Nation by standing at attention for one mōment of "Silent Prayer," in his fond memory and, Secondly, the Department of Illinois D.A.V. expresses to Harriet, his widow, sincere condolences as well as thankfulness for sharing him so generously for the good of the Disabled American Veterans, his Community, State and Nation.

Resolved, further, that this resolution be spread upon the permanent records of the Department of Illinois, Disabled American Veterans to further perpetuate the monument of Charles S. Bank, and, also, that a specially identified copy hereof be presented to Harriet, his widow, and that such a copy be forwarded to all the Chapters throughout the Department of Illinois, and to Alderman Vito Marzullo, Ward Committeeman 25th Ward, City of Chicago, the Hon. Richard J. Daley, Mayor, and to the Hon. George Dunne, President, Cook County Commissioners, and to Governor Dan Walker, State of Illinois, and to Otis Skinner, U.S. Attorney General, and to Jerry Ford, President of the United States.

Respectfully submitted.

THEODORE J. JENDRZEJEWSKI,
Adjutant.

Dated: April 22, 1976.

Attest:

VERN LAPIERRE,
Commander.

Approved:

JOE GALLANTY,
Judge Advocate.

We hope that the requirement for Committee consideration will be dispensed with and that the entire assembly attending the joint session on Saturday morning, May 15, at the 1976 State Convention in Mt. Vernon, Illinois adopt this proposed resolution unanimously.

THIS IS A DAY TO REMEMBER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. DERWINSKI. Mr. Speaker, now that the Bicentennial celebration is behind us, it is clear that it was a truly great national occasion which was concluded in a totally positive and wonderful reaffirmation of the American spirit and a progressive national attitude. The editorial commentary that helped develop this spirit must be noted; therefore, I insert in the RECORD editorials from three outstanding publications which serve my district, the Star-Herald, the Suburban Life, and the Worth-Palos Reporter:

THIS IS A DAY TO REMEMBER

Today is the 200th anniversary of the American Revolution, a successful experiment in human affairs with few parallels in recorded history.

On this day in Philadelphia in 1776, a group of dedicated men, of different economic and political backgrounds but united on the matter of local self government, set in motion a momentous chain of circumstances that has continued uninterrupted to this day.

The meeting on July 4, 1776, was rife with danger. It was a convention of rebels, assembled to take a king to task. By signing their names to the Declaration of Independence, the delegates placed a noose around their necks, for hanging was the punishment meted by the British government for treason.

Nor were prospects for the revolutionary movement encouraging. The Continental Army had yet to win a major battle, money for military supplies was getting harder to come by, and the morale of the fighting men was at low ebb. In addition, it also was known that King George had decided to send German mercenary troops to put down the rebellion. "Not worth a Continental" applied not only to the American currency, but also to Congress and the Army. Only fools would persist in the fact of such dismal odds. Only fools and visionaries.

Despite the melancholy outlook, however, there was no last-minute wavering among the delegates; when the time came, all signed the courageous document. They knew it could be their death warrant, but they also saw it is the birth certificate for the infant Republic.

Several weeks earlier, by a fortunate circumstance, the job of drafting the Declaration was given to Thomas Jefferson. A classical scholar, he had, according to his associates, a "happy talent for composition . . . a peculiar felicity of expression." Even John Adams, the "Atlas of American Independence," who also had been considered for the exacting writing assignment, told Jefferson: "You can write 10 times better than I can."

Jefferson proved equal to the challenge. The Declaration embodies a timeless and universal expression of human hopes and ideals. To be sure, it was a new kind of nation that was proclaimed, but that nation was away in the future—if indeed ever. The Declaration was only a blueprint; carrying out the plans would be the responsibility of succeeding generations.

It is this challenge—to continue to work for the goals set forth in the Declaration of Independence—that continues to face us today as we observe the nation's Bicentennial. Despite occasional dissension within the country and to it from without, the freedom-loving spirit that motivated the founding fathers still prevails in America. The brave deeds and high resolves of that July day in 1776 have not lost their power to inspire.

As one, then, with justifiable pride in our achievements as a people and with faith in an even more rewarding future as a great democratic nation, let us resolve to make this historic day not only one of grateful remembrance, but also one of solemn rededication to the ideals and principles that gave us birth.

HAPPY BIRTHDAY AMERICA

Sunday we enter into our third century as the United States of America with a big nationwide bicentennial birthday party.

Activities throughout the land will recall the proud history that shaped this country and particularly the Declaration of Independence, issued exactly 200 years ago, announcing the birth of a new nation conceived in liberty and equality.

The Fourth of July holiday weekend will climax but not end months of bicentennial planning and events which our western suburbs have been actively participating.

A year ago we said we believe this country needs a return to good old fashioned patriotism. Community involvement in bicentennial activities since that time has done much to achieve this goal.

Fireworks, parades and picnics are the traditional Fourth of July observances, but with the bicentennial celebration many communities are adding pageants and larger scale activity.

With participation in these events this weekend, we hope residents will renew the patriotism and spirit which has made this nation the greatest land on earth.

It is our hope that all Americans will come together to remember how we came to be, celebrate what we are and to reflect on where we are going.

A once in a lifetime celebration, the bicentennial is more than just the traditional July 4th activities. It's more than just a day off from work or a chance to get away for the holiday weekend.

It can be a time of new beginnings just as America has been a land of new beginnings for peoples from all corners of the globe since its founding.

We hope Americans will use this bicentennial weekend to celebrate our nation's 200th birthday, not just to get away from it all.

We hope everyone comes to the birthday party to rekindle the pride and love all citizens once had for America's green forests and fertile plains, from the shores of the great oceans to the crest of her highest mountain peaks.

And as we celebrate, let us remember that we hold this land in trust for future generations so that they may proudly celebrate more centuries of freedom as a land of liberty and justice for all.

Let's reaffirm our faith and trust in the American way. Fly the flag, participate in the community's bicentennial activities and be proud you're an American.

THE PROMISE OF AMERICA

(By Pat Bouchard)

"The war is over, but this is far from the close of the American Revolution. On the contrary, nothing but the first act of the great drama is closed." This is a quote from Benjamin Rush, one of the signers of the Declaration of Independence.

With the Centennial and, now, the Bicentennial we have viewed the second and third acts of the great drama of American democracy and we stand on the threshold of the fourth.

Our birthday—our Bicentennial—the 200th anniversary of the founding of our nation, is a good time for reflecting on what has happened in our country in the past, what is happening now, and what will probably happen or should, hopefully, happen in the future. Most important, let's reflect on our own part in all of these happenings.

Our country has been blessed abundantly with natural beauty, national resources, and material riches. We have a responsibiliy to keep these blessings solvent through wise use, not abuse. Along with the foregoing blessings we have the pimples of prejudice, poverty, political chicanery, violence, and inequities in our legal system. Surely we should ponder our part in all of these problems, also.

While we mull the problems, we can take heart in the fact that the democracy has survived 200 years. More, it will continue to survive, because most of us really do believe in the intrinsic value of each individual and we fall back on the strength which allows disparate viewpoints to coexist. The remedies for America's faults lies in the hands of the many individuals willing to work to end our imperfect conditions. Those who, though recognizing the faults of our democratic institutions, refuse to fall into indifference and distrust of them and continue to work for their renewal and betterment. Are we, you and I, to be numbered among those willing workers?

Every birthday celebration needs a gift. Perhaps the best gift we can offer our country on this occasion is the gift of ourselves. Tied up with that gift should be a promise to examine our role and duties as a citizen. Let's brighten the gift of self with determination to become knowledgeable and active in public issues; to speak and act for the common good; and to be a responsible and regular voter.

We end this piece with a pledge framed in another quote from the late President Lyndon B. Johnson: "We rededicate ourselves to the responsibilities of America. We do not insist that we are perfect, but we must strive for perfection as long as there is an American nation. For only by honoring America's promise do we honor America itself."

WEST COAST SITE PROPOSED FOR CONCORDE

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. KETCHUM. Mr. Speaker, at this time I would like to share with my colleagues the text of a letter written by a constituent of mine to the president of Air France, as well as to British Airways' chairman of the board. I firmly believe that the sentiments expressed in this correspondence indicate full well that the community in question is not only for the Concorde—but also for progress. The letter follows:

EAST KERN AIRPORT DISTRICT,
Mojave, Calif., June 22, 1976.

Re East Kern Airport District: Use of Mojave Airport as west coast site for SST activities.

M. PIERRE GIRAUDET,
President, Air France,
Paris, France.
Sir FRANK MCFADZEAN,
Chairman of the Board, British Airways,
London, England.

GENTLEMEN: During the past several weeks, representatives of the East Kern Airport District have been exploring the possibility of the use of Mojave Airport as a West Coast site for Concorde activities. Preliminary studies have now been completed; the Board of Directors of the District wishes to extend to British Airways and Air France a formal invitation to utilize the Mojave Airport for such activities.

The Mojave Airport, shown on the attached photograph, is located approximately sixty nautical miles north of downtown Los Angeles, California. The Airport is located in a relatively remote region on the western edge of the Mojave Desert. It is bounded on the west by the town of Mojave with a population of approximately three thousand. No other significant inhabited area is located within a fifteen-mile radius of the Airport.

The Airport, which is owned and operated by the East Kern Airport District, a public agency, consists of approximately two thousand acres of land and includes several miles of runways and taxiways. (More details concerning the runways and taxiways are found on the reverse side of the enclosed west facing photograph of the airfield.)

Since the District undertook the operation of the Airport, approximately four years ago, it has expended considerable funds to upgrade facilities at the Airport. Even though the basic facilities shown on the enclosed photograph continue to exist, additional facilities are now available and the District is engaged in a continuous program of improving the Airport.

Currently, the Airport is utilized by several manufacturing firms in the industrial area located to the south and west of the active runways. The existing flightline facilities are used by various aeronautical enterprises. General Electric Corporation, Rockwell International, and Flight Systems, Inc., a flight test research corporation, are some of the District tenants. Some additional improvements would be required should you desire to utilize the Airport for Concorde operations.

Perhaps the most salient feature of the Mojave Airport for the purposes of the present discussion is its location which is only sixty nautical miles from downtown Los Angeles. It is served by relatively lightly traveled freeways so that ground transportation may traverse the distance between Mojave and downtown Los Angeles in approximately one and one-half hours. (During the "rush hour" at least one hour is usually needed to traverse from Los Angeles International Airport to downtown Los Angeles.) The Airport is located on a railhead, and is presently served by Golden West Airlines providing commuter service between Mojave and LAX. Mojave Airport is also located approximately seventy nautical miles from the Pacific Ocean. (The terrain between the Airport and the Pacific Ocean is largely uninhabited.)

Significantly, the Mojave community is 100% in favor of granting landing rights to the Concorde. We doubt that such enthusiasm can be duplicated anywhere in the United States.

As mentioned, initial steps have already been undertaken by the District preliminary to this correspondence. In April, 1976, the District adopted a statement of no environmental impact. Under California law, such statement, unless attacked within thirty days, will serve in lieu of a full scale environmental impact report. Thus, while the Federal Government may feel the need to prepare another environmental impact statement should you desire to utilize the Mojave Airport, similar delays at the local level are not anticipated. We have also made a preliminary contact with the office of the United States Secretary of Transportation. While our discussions were necessarily somewhat generalized and conditioned upon an expression of interest by your organization, representatives of the Department of Transportation have indicated that the Mojave Airport appears to be "environmentally" well suited for Concorde activity. To be sure, the Secretary of Transportation's office has not offered its support (or opposition) to this project. However, we feel that the Mojave Airport is the most viable site on the West Coast of the United States for Concorde traffic when those factors which are of concern to the Department of Transportation are taken into consideration.

We recognize that the decision to utilize the Mojave Airport is entirely within your hands. It is our hope that this correspondence will encourage further study on your part to explore the marketing feasibility of such project. We are encouraged that such a study will prove to be favorable because of the extremely fortuitous location of the Mojave Airport vis-a-vis possible Pacific routes for your aircraft. Finally, because you have heretofore been faced with a thoroughly frustrating series of delays with regards to United States traffic, we are constrained to point out that the District will fully commit its considerable resources to the prompt fruition of the project should you decide to proceed. In this regard, we are prepared to meet with you in the United States or Europe at your earliest convenience.

Very truly yours,
EAST KERN AIRPORT DISTRICT,
DAN J. SABOVICH,
General Manager.

COMMUTER TAX RATIONALE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. McKINNEY. Mr. Speaker, the arguments surrounding the District nonresident income tax issue are too often clouded by misinformation, misunderstanding of the facts involved, and emotionalism. For that reason, it was a pleasure to pick up the Washington Post on June 22, 1976, and read a letter to the editor from Mr. Peter D. Ehrenhaft, an attorney practicing in the District, which contained one of the most succinct and rational discussions of this legislation I have seen since introducing a commuter tax bill last January. I insert Mr. Ehrenhaft's letter in the RECORD so that his reasoned and well-written statement can lead all of us to a greater understanding of this important issue.

Mr. Ehrenhaft's letter follows:

THE CASE FOR IMPROVING D.C. TAX LAWS

Recently published letters have discussed the proposed District of Columbia "commuter tax." They have not, however, mentioned that every state and each city in the United States that imposes income tax follows the principle familiar to the Congress and a part of the Internal Revenue Code; namely, that the jurisdiction within which personal service income is derived has the primary right to tax it. To the extent a person is also subject to tax by another jurisdiction for reasons of domicile or nationality, it is the latter that must defer to the former. Accordingly, the Internal Revenue Code gives to U.S. residents and nationals who pay income taxes to foreign countries on personal service income derived in such countries a credit against their U.S. tax. This principle is also a part of all of the international tax treaties to which the United States is a party. And it is the rule followed by the many states and cities within this country that impose an income tax. The government of the place where the income is earned has the first right to tax it. Local residents who are taxed under this "source" rule on income they earn elsewhere are then allowed to credit such nonresident taxes against their local tax obligation.

The law of the District of Columbia is unique in not following this universal practice. It, alone, bases its income tax on the domicile of the taxpayer. As a result, persons living in the adjacent states but working within the District are relieved of the obligation to pay tax to the District—which obligation they would bear if, instead of in Washington, they worked in Cleveland, Detroit, Philadelphia, New York or St. Louis while living in Maryland or Virginia. And conversely, I, as a D.C. resident, while deriving income from my firm's office in New York City, pay a nonresident tax to New York City, but receive no deduction or credit against my D.C. individual income tax. My partners resident in Maryland do receive such a credit against their Maryland income tax. Thus, D.C. residents deriving personal service income elsewhere are taxed twice, contrary to all principles of fairness or the system of income taxation known to all other jurisdictions. Clearly the local income tax law should be made to conform to the norms of the federal law and the laws of the other states and cities of this country.

If a change in this principle of District of Columbia tax law were adopted, it would also make sense to adopt locally the system now followed by many, if not most, of the states with individual income taxes by which the state income tax is determined by application of federal law and principles (with some minor adjustments). There seems to be no reason whatever why the New York State tax law has incorporated by reference the congressionally-enacted Internal Revenue Code for most purposes of its state income tax, while the District of Columbia labors under a separate congressionally-adopted tax law with significant differences that tend to affect every taxpayer (e.g. in determining eligible charitable deductions, the amount of personal exemptions, the limit on medical expense deductions and the deduction of contributions to retirement plans). Incorporation by reference of the Internal Revenue Code would facilitate the preparation of D.C. returns and should therefore, encourage compliance with local law.

PETER D. EHRENHAFT,
Attorney at law.

Washington.

OUR CONTINUING ENERGY CRISIS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. ROSTENKOWSKI. Mr. Speaker, recently WBBM Newsradio, a Chicago CBS affiliate, broadcasted an editorial regarding our country's continuing energy crisis. Not only is this editorial a fine example of WBBM's public service commitment to its listening audience, but it is also an incisive commentary on an issue of national importance.

Our country is indeed in the midst of a continuing energy crisis. Today we are quickly using up an all too finite amount of fuel, 40 percent of which we have to import. We must conserve our fuel and continue to develop a national energy policy.

The WBBM Newsradio editorial follows:

CONTINUING CRISIS

If we don't hear a lot about an energy crisis, there must not be one, right? Wrong. We don't have to wait in long lines at the gas pumps any more, it's true. And since nobody's saying much about energy problems these days, we're going back to our old wasteful habits.

Don't kid yourself, though. There is still an energy crisis. The government and the oil companies disagree on the amount of fuel left under the ground here, but they do agree one one thing: The supply is finite; it will run out.

Already the United States imports about 40 percent of the crude oil the country uses. About 26 percent of that comes from the Arab nations. Our country just can't afford to be that dependent on others for our energy. It's clear from those staggering figures that the federal government has to move faster to develop a coherent national energy policy.

It's also clear that we are going to have to work harder to conserve what we've got. There are plenty of things we can do. Keeping your speed limit down to 55 is one thing. Joining car pools is another. In the home you can save energy and save money by insulating your walls and ceiling, ventilating the attic, installing storm windows, and using your air conditioner as little as possible.

The energy problem hasn't gone away in the last couple of years. And it's not going to go away. All of us are in this together, of course. The government has to do its share with the overall strategy and we all should conserve where we can. The warning, "'Don't be fuelish" makes even more sense now than it did two years ago.

That's our opinion. We'd like to hear yours.

GARY C. PERREIRA, HAWAII ESSAY CONTEST WINNER EXALTS THE AMERICAN EXPERIENCE

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. MATSUNAGA. Mr. Speaker, the Knights of Columbus have recently concluded a statewide essay contest in Hawaii open to all elementary school students, through the eighth grade, attending Catholic schools. I have had the pleasure of reading the winning essay entitled "What's Right With America" by Gary Perreira of St. Joseph's School in Hilo on the "Big Island" of Hawaii.

Gary's composition is an extremely thoughtful commentary on America from the point of view of an individual who is proud of the characteristics which make America so unique. It evokes in the reader a deep sense of appreciation for the political freedoms, rich heritage, and natural splendors shared by all Americans. The sense of pride in our country which Gary exhibits in his work conveys the dynamism of the spirit which lives on in the American experience, and is indicative of the feelings that prevail in this, our bicentennial year.

By way of congratulating Gary and his proud parents, Mr. and Mrs. Herbert J. Perreira of Hilo, Hawaii, and with the thought that my colleagues will find this essay as thought-provoking as I did, I am submitting it for inclusion in today's CONGRESSIONAL RECORD. The essay follows:

WHAT'S RIGHT WITH AMERICA?

(By Gary C. Perreira)

My birth certificate is the Declaration of Independence. I was born on July 4, 1776. I am a fabulous country with fabulous people. I house 200 million people and the ghost of the courageous people who fought for my freedom.

I am Washington, Hale, Jefferson and Patrick Henry. Bunker Hill, Valley Forge and Yorktown are a part of my heritage. I am Davy Crockett, Daniel Boone and John Paul Jones. I am Generals Lee, Grant and MacArthur. I am Abraham Lincoln and his Gettysburg Address.

I remember the Alamo, Lusitania, Pearl Harbor and Iwo Jima. Whenever freedom calls, I answer. I have left my heroic dead in the Argonne Forest, Flanders Field and on the bleak slopes of Korea and Vietnam.

I am the wheatlands of Kansas, farmlands of Idaho and the forests of the Northwest.

My capital, Washington, D.C., is like no other of my cities. If you look to the north you see the White House, to the east is the Capitol, to the west the Lincoln Memorial, and to the south the Jefferson Memorial.

I am a religious nation founded upon religious principles. My people recognize God's power, authority and responsibility to Him. I am a nation that believes in the worth and dignity of the individual.

I am a government that is a true democracy. I am a Republican kind of government with the Constitution as my cornerstone. I am a government that is responsible to God and country. I guarantee life, liberty and freedom.

I am big, I sprawl from the Atalntic to the Pacific, covering more than three and one-half million square miles.

I am America. Yes, I am the United States of America. I was conceived in freedom and in freedom I will spend the rest of my days.

I am all fifty states with snowcapped mountains, green plains and sunny valleys. All these I offer to you.

I am heir to a brave and godly heritage. I must care for myself without and within. I must live up to the best that I know. I must work and dream big and keep the torch of freedom burning. I am this land.

May I always possess the hope, the strength and the integrity to remain strong. This is my prayer and may God be with me.

ONE OF THE GREATEST

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. MOTTL. Mr. Speaker, I ask my colleagues in the House to join with me in tribute to Creighton E. Miller who will be inducted into the National Football Foundation Hall of Fame in New York on December 7.

I take personal pride in this fine honor being bestowed upon Creighton Miller in that I have known him for some time. Both he and I are Clevelanders and graduates of Notre Dame University.

Creighton Miller starred on the Notre Dame gridiron in 1941, 1942, and 1943 and is considered by many to be one of the greatest football players in the grand history of Notre Dame. In fact, his coach, the late Frank Leahy, called him "the best halfback I ever saw."

Besides his great ability to pick up yardage against some of the toughest defenses of the time, Creighton was an inspirational leader to the Fighting Irish. Notre Dame football teams amassed a sparkling 24–3–3 record during his college career.

Creighton not only is a standout in Notre Dame football history, but also in the tradition-filled Miller family football history. His father, the late M. Harry "Red" Miller, had been an oustanding halfback at South Bend, one uncle, Don Miller, was one of the famous Four Horsemen on the 1924 team, and several other uncles and brothers carved their own niches at prep schools and later at Notre Dame.

Creighton's successes on the Notre Dame football field carried over into other endeavors. After receiving his AB at Notre Dame, he went on to help form the Cleveland Browns professional football team in 1946. He helped lay the groundwork for one of the most successful professional teams in history.

He has been a respected and successful attorney in Cleveland since 1947 and retains an active interest in his alma mater and collegiate sports. The National Football Foundation Hall of Fame is according him a well-deserved honor by selecting him for membership.

OUR NATION'S BICENTENNIAL

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. LITTON. Mr. Speaker, I am happy to include in the RECORD an essay written by a fine lady of my constituency. It pleases me to see the love, pride, and interest that Americans still express for their country, even after 200 years.

The essay follows:

OUR NATION'S BI-CENTENNIAL

(By Ruth McKenzie)

My thoughts are at random as I think of God. The writing of my love affair with our country. I gaze out at the weeping willow tree with its overhanging branches, the red maple standing so stately, the red bud with its snarled trunk and beautiful color, the old well and pump left for sentimental reasons. Then I think of our church with the steeple. This is all a part of our heritage and America I love so well.

My heart overflows as I remember my childhood of loving and being loved in a family of ten children and the hardships endured. For a good husband and the love and respect of our children, the beauty of grandchildren as they look up at you with loving eyes as you rock them and make up little ditties to sing.

I thank God for the strength he gave me to stand over my mother the last two months in the hospital with cancer; for easing her pain a little by softly humming or singing hymns she loved so well as a child; for the courage to withstand the loss of a brother on the battle fronts; the loss of an infant daughter; for the opportunity and enjoyment of working outside the home for several years through necessity. All of this has made a well rounded life in this wonderful country of ours.

We think of our forefathers this Bicentennial year and what they have accomplished. We marvel that in two hundred years the auto, airplane, electricity, telephone, trains, buses, television, the atomic age and going to the moon have all come to pass. The progress of education, press, and the sciences, we must not become too concerned with material things but what are we going to do about the future. We must remember that conscience is trained and so the man. Are we examples to the future generations? This America offers us.

We must remember our government and what it stands for. We have many conscientious men and women in our democracy with high ideals. We should pray that this never falters. We should try to learn and change if necessary the things we do not like about our system. Government is the people. Lets teach our children this. To stand up and be counted for what contribution they can make.

We must not be a passive people. Not in the Church, home, work or government. We must be alert and concerned. Change what can be changed if necessary, accept what cannot be, forget our prejudices and forgive those who will not.

We learn in history of the Declaration of Independence, Thomas Jefferson and John Adams. Victory at Yorktown, Lexington and Concord, Paul Revere's ride, Washington and food hunger. The pitfalls of establishing an army, Lincoln and the Civil War, the Constitutional Convention. So much in so little time.

We have turned from a physical world to a mental world. America is singing out, this is a new beginning. We have the hope and aspirations of our founding fathers. We are naturally adventurers and like the young man in a hurry. America implies a commitment for constructive change. Our country takes the lead in this for the benefit of all mankind. Almost anyone who is born into one level of existance can move up to a higher level if he or she has the determination to do so.

Freedom may go the wrong way without the right Faith. We should not take it out of context. Man wants all webs and barriers down yet he cannot live without them. Let's cast our eyes to the horizon and pray for we know true happiness comes from within. Our moral code depends on developing the inner man. The human heart can change. We can pick up the good of the past and add our own resources to this. Lets make the next two hundred years a still greater America with the red, white and blue still flying. Can you think of a more beautiful tomorrow?

LETTER TO THE EDITOR

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. FISHER. Mr. Speaker, I have been requested by Mr. John W. Ecklin of Arlington, Va., to insert into the CONGRESSIONAL RECORD his letter to the editor of the Rosslyn Review dealing with pasma fusion. Although I am not qualified to judge the merits of Mr. Ecklin's theory, I did want to share his views with my colleagues:

ARLINGTON, VA.,
June 4, 1976.

Mr. JOHN JACOBS,
Editor, the Rosslyn Review,
Arlington, Va.

Letter to the Editor:

Since you printed my letter about Pasma Fusion on 1 Aug 14 (which was then inserted on page 29733 of the 21 Aug 74 Congressional Record) I have been spectacularly unsuccessful in convincing nuclear scientists of its feasibility. This letter left unmentioned a critically important effect.

Over 4 decades ago Oppenheimer achieved fusion by aiming a nuclei beam at a stationary target. Strange as it seems, although this proved fusion was possible, nuclear scientists somehow decided beams could never be used for a trigger. Thus they never tried opposing beams, and so they never even tried to get greater density in the beams.

Pasma Fusion gave each nuclei enough speed so that nuclei from opposing beams had enough momentum to overcome their mutual repulsion and fuse. Nuclei are positive charges and repel each other. A low beam current, by coasting, was stored electrostatically in two hollow donut shaped (torus) storage rings to build up density or beam current.

Recently I read in QED theory when a nuclei either moves in a straight line or spins it creates a magnetic field as either motion is a current. Further the magnetic effect from spin is far greater than from linear motion or speed.

When nuclei revolve around the two storage chambers they also get opposite spins so now when they are combined in one chamber they are magnetically attracted to each other. What can this mean? Nuclei are so tiny that it seemed impossible to ever get them to hit each other especially since they also repel each other electrostatically. The mechanical layout of Pasma Fusion automatically gives the opposed nuclei an opposite spin which causes them to magnetically attract each other and we no longer require a direct hit. Serious consideration by American scientists of the effects from deliberately induced nuclei spin could provide the answer for a fusion trigger.

Our energy crisis has only worsened since the Aug 74 letter so I have sent a copy of this letter to Representative Joseph L. Fisher to be placed in the Congressional Record. Everyone wants to do all they can to solve our common eneryg crisis.

Sincerely,

JOHN W. ECKLIN.

CORPORATE SEX DISCRIMINATION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. ROSENTHAL. Mr. Speaker, I was shocked and dismayed to discover that there is only 1 woman among the 500 leading corporate executives in America this year. In its annual statistical portrait of the heads of the Nation's biggest and richest corporations, Fortune magazine concluded that today's chief executive "is still a he." While top corporations are opening their doors to the younger and middle-class worker, big business clings to the discriminatory hiring and promotion practices which hold women in economic fealty. Women constitute 18 percent of the corporate work force; but they occupy a meager two-tenths of 1 percent of the positions entailing the most responsibility and control. While the percentage of women in the labor force has risen from 37 percent in 1960 to 46 percent in 1974, the percentage of working women occupying supervisory positions has declined.

Some women have crept up the corporate ladder. But their progress consistently has been halted short of the top executive posts which shape American corporate policy.

Moreover, even when the corporate woman has gained a toehold at the top, she usually finds that sex discrimination has followed her. It impedes her in many ways, not the least of which is her pay. Women executives, according to the January issue of Atlanta magazine, receive salaries barely half—59 percent—those of men in comparable positions.

The policies of this country's mammoth corporations touch the lives of millions of Americans. The concept of a homogeneous, closed fraternity of executives cannot be reconciled with the American ideal of an open society which rewards ability and not birth. Moreover, even should women be given a presence in corporate America it is essential that she also enjoy a status and stature comparable to the male worker. Barring women from the upper echelons of the business world denies over half of the population a significant economic impact in the United States.

It is essential that we confront and overcome the pervasive biases of our society. The role of women in corporate America symbolizes the great distance we have yet to travel. Women have dispelled the myth that they are incapable of functioning in the business world, and their abilities and achievements must no longer be ignored in the executive suites and corporate boardrooms.

QUESTIONNAIRE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. DERWINSKI. Mr. Speaker, I am proud that there was a record response this year from the constituents of my district to my annual questionnaire. The results have been tabulated, and I want to bring them to the attention of the Members because I believe the poll indicates a strong feeling of dissatisfaction on several nationwide problems.

My 1976 questionnaire indicated that the two areas of greatest concern are basically the same ones which disturbed people the most as shown by my 1975 poll. They are the problem of ineffective handling of criminals by the courts and a Government which has become too large and powerful.

An overwhelming number of people believe that Congress should enact legislation imposing mandatory minimum sentences for criminals convicted of murder, my poll shows. This question drew the greatest number of comments, and many people expressed the views that the death penalty should be restored and that the courts were too "soft" on criminals.

There was also a tremendous response to the question of whether there is too much Government regulation in the lives of American citizens. People complained not only about overregulation of businesses, but also professions and leisure activities.

The tabulation for the 1976 questionnaire sent to the constiuents of the 4th District of Illinois follows:

Results of 1976 Questionnaire—4th District

1. Should Congress enact legislation imposing mandatory minimum sentences for criminals convicted of murder?

Answers. His, yes, 87 percent, no, 10 percent; hers, yes, 85 percent, no, 11 percent.

2. Would you favor a reduction in the number of federal employees by 5 percent a year for the next four years?

Answer, his, yes, 83 percent, no, 13 percent; hers, yes, 82 percent, no, 14 percent.

3. Would you support a Constitutional Amendment prohibitng abortions?

Answer, his, yes, 28 percent, no, 68 percent; hers, yes, 26 percent, no, 68 percent.

4. Do you favor federal funds to help New York or any other city unable to meet its financial obligations?

Answers, his, yes, 19 percent, no, 77 percent; hers, yes, 21 percent, no, 76 percent.

5. Do you approve of the U.S. resuming relations with Cuba at the present time?

Answers, his, yes, 43 percent, no, 53 percent; hers, yes, 40 percent, no, 54 percent.

6. Should the Federal Government provide health insurance for long-term, major (catastrophic) illnesses?

Answers, his, yes, 68 percent, no, 27 percent; hers, yes, 70 percent, no, 24 percent.

7. Is there too much government regulation in the lives of American citizens?

Answers, his, yes, 75 percent, no, 21 percent; hers, yes, 72 percent, no 23 percent.

8. Do you favor extending federal revenue sharing with state and local governments beyond December 31, 1976?

Answers, his, yes, 63 percent, no, 31 percent; hers, yes, 62 percent, no 28 percent.

9. Should all Social Security beneficiaries receive equal annuities regardless of marital status?

Answers, his, yes, 65 percent, no, 29 percent; hers, yes, 70 percent, no, 25 percent.

KERMIT GORDON

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. CONTE. Mr. Speaker, I wish to pay tribute to Kermit Gordon, a distinguished American, whose recent death has deprived the United States of a remarkable public servant and a scholar whose teaching inspired a generation of young economists at Williams College. Kermit Gordon combined the gifts of public leadership and academic excellence as have few other Americans in recent times.

In his years at Williams College, where he was a David A. Wells professor of political economy, Kermit Gordon was revered as a stimulating and perceptive teacher who was particularly close to his students. In 1961, he was called to Washington to serve on President Kennedy's Council of Economic Advisers. Later he was appointed Director of the Budget Bureau and served under Presidents Kennedy and Johnson. Following his Government service, his abilities found a new fruition at the Brookings Institution in Washington, of which he became vice president in 1965 and president in 1967. For the remainder of his life he demanded of his colleagues at Brookings the kind of quality he imparted to his own work in Government and the academic world. Through the Institution he led, he has left a rich legacy to the Nation.

Kermit Gordon's death has elicited a number of tributes to the man and his work. Mr. Speaker, I am including articles from the New York Times, Washington Post, and Washington Star at this point in the Record:

[From the Washington Post, June 24, 1976]

KERMIT GORDON

Kermit Gordon, the president of the Brookings Institution, who died on Monday at the age of 59, was one of those very rare creatures in this town—a dedicated public man who managed over the years to maintain a sense of duty and a sense of humor at the same time. Neither ever failed him. Mr. Gordon, by training a professor of economics, was the least dismal practitioner of that so-called "dismal science," and there was a vital, organic connection between his very human energy and wit and his capacity to understand the meaning of the great issues of government with which he was concerned.

One of his favorite anecdotes about himself—and, by extension, about all public servants who tend to lose touch with the meaning of reality in general and with the meaning of the sums of public money they are dealing with in particular—dealt with a luncheon he had with his wife in the White House mess while he was the Director of the Budget. Mr. Gordon relished recalling how he had had continually to let his wife be interrupted by a procession of administration types who came to their table to tell him that they really couldn't handle some particular $15 million or $20 million budget cut he was insisting that their agency take, and how he had heard himself saying, again and again, "Oh, that's okay—I'm sure we can get that much back in." At last, over dessert, Mrs. Gordon got to say what she had wanted to talk about when she suggested that they have lunch in the first place: The man who was going to repair the garage had finally come in with his estimate and it was going to cost $1,400. "$1,400!" Mr. Gordon liked to recall he had veritably shouted—"What do you mean $1,400? I never heard of so much money!"

In the past 15 years, Mr. Gordon had served in the administrations of Presidents Kennedy and Johnson, and Richard Nixon called on him while he was at Brookings to become a member of the controversial Pay Board. It was typical of Mr. Gordon, who needed that last busy, tiresome, unprofitable and difficult job like a hole in the head, that he should have both accepted and become an exceptionally diligent and tireless member of the board. It was also typical, we fear, of the Nixon White House that took advantage of his talents and sense of duty, that even as Mr. Gordon was giving them his all, they were engaged in a dangerous and preposterous plot to discredit and destroy the Brookings Institution over which he presided. You will remember the scene as it was to be disclosed in the Watergate proceedings: the talk of fire-bombing the building, the plans to purloin internal Brookings documents, the campaign to smear the Institution's reputation. The inspiration of this disgusting conspiracy seems to have been the dim inability of the conspirators to understand the meaning of intellectual independence and disinterested public purpose: they regarded every dissent from the wisdom of their own programs and proposals as evidence of some kind of self-interested partisan maneuver. But people in this city who were capable of seeing reality—as distinct from seeing a reflection of their own shortcomings in everyone else—knew a different truth. It was that under Mr. Gordon's direction, starting in 1967, the Brookings Institution had taken on a new vitality; it had been energized and brought with great skill into the center of the arena of informed discussion of public problems and public issues; and this had been achieved without its succumbing to the obvious dangers of politicization, of becoming a "shadow" government or a producer of "counter" programs—terms and conceptions which Mr. Gordon himself despised.

We can sum it up in a sentence: Kermit Gordon was a great guy and a fine public servant—and, on both accounts, he will be missed.

[From the Washington Post, June 23, 1976]

KERMIT GORDON, BROOKINGS HEAD, DIES

(By Laurence Meyer)

Kermit Gordon, 59, president of the Brookings Institution and former director of the Bureau of the Budget under Presidents Kennedy and Johnson, died Monday night of cardiac arrest at George Washington University Hospital following surgery.

In a city accustomed to confrontation and high pressure politics, Mr. Gordon had a reputation for getting results with quiet competence and grace.

James Tobin, Sterling professor of economics at Yale University and a colleague of Mr. Gordon on the Council of Economic Advisers, described Mr. Gordon yesterday as a "Really wise man with a broad perspective of economic and political affairs—a sense of proportion of what was important and what wasn't."

Although he did not have a doctorate in economics and published relatively little, Mr. Gordon "had a wide following in the profession," according to Tobin. Charles L. Schultze, a senior fellow at Brookings and Mr. Gordon's successor as Budget Bureau director, said that Mr. Gordon was "one of those rare individuals who don't publish but who know, talk to and are respected by their more prolific colleagues."

Mr. Gordon also was one of the few high-level officials who made the transition from the Kennedy to the Johnson administration. Shortly after President Kennedy's assassination, Mr. Gordon wrote President Johnson a brief memo advising him that there was still time—though not much—for him to give the federal budget for the coming fiscal year his own stamp.

"Kermit literally spent the month of December, 1963 . . . with President Johnson," Schultze said. The final product was a budget that bore Lyndon Johnson's imprint. In the process, Mr. Gordon also won the respect of the new President. "I inherited a lot of talent from Kennedy," President Johnson said, "but no one better than Gordon."

Born in Philadelphia on July 3, 1916, Mr. Gordon graduated with highest honors in economics from Swarthmore College. As a Rhodes scholar, he studied at University College, Oxford, in 1938 and 1939.

From 1941 to 1943, he served as an economist with the Office of Price Administration. After serving in the Army and more government service, he joined the faculty of Williams College as an instructor in economics in 1946.

He became David A. Wells professor of political economy in 1961, just as he was about to take a one-year leave of absence to come to Washington as a member of the Council of Economic Advisers.

Walter Heller, chairman of the council under President Kennedy, recalled yesterday that Mr. Gordon was chosen by him and Tobin as "the perfect man to round out the council." The appointment was almost killed, however, when presidential aide Theodore Sorensen remembered Mr. Gordon as having refused an offer to serve as a consultant to then Sen. Kennedy in 1958. Heller said his insistence on having Mr. Gordon finally received President Kennedy's reluctant approval.

Once a member of the council, Heller said, Mr. Gordon "very quickly became one of the favorites in the White House, partly because of his ability to communicate." Heller said Mr. Gordon "had that marvelous clarity of thought and clarity of expression and style that made him invaluable in the presidential orbit."

Mr. Gordon also had another quality prized in the Kennedy White House—wit. Heller recalled Mr. Gordon as the coiner of the phrase "forthright evasion" and as having remarked, "Virtue is so much easier when duty and self-interest coincide."

While on the three-member council, Mr. Gordon was credited with taking the leading role in formulation of federal wage price guideposts used by the Kennedy administration in an attempt to check inflation.

As he was about to leave government to return to Williams, President Kennedy asked Mr. Gordon to become Budget Bureau director, a post he held from 1962 until 1965, when he resigned to become vice president of the private, nonprofit Brookings Institution.

When he became president of Brookings in 1967, Mr. Gordon expanded the program already under way to shake off the stodgy image Brookings had and to involve it in important questions of policy.

Arthur Okun, a senior fellow at Brookings and chairman of the Council of Economic Advisers in 1968–69, said that Mr. Gordon's "gentle prodding" encouraged the staff of Brookings to produce. Okun and others said that Mr. Gordon labored at his own writing, demanding the same precision from himself that he expected from others. Partly as a result of the high standards he set for himself, Mr. Gordon published relatively little.

Tobin said that Mr. Gordon was responsible for bringing to Brookings "the most effective group of economists for policy problems anywhere."

Robert V. Roosa, chairman of the Brookings trustees, said that Mr. Gordon had made Brookings "a living symbol throughout the world for creative exploration of problems of government."

Mr. Gordon, by all accounts, brought to his work a first-rate mind and a toughness that was softened by courtesy and tact. "Internally," Schultze said yesterday, "he didn't suffer fools gladly, but he didn't let the fools know it."

McGeorge Bundy, president of the Ford Foundation, said that Mr. Gordon's judgment as a board member had helped guide the Ford Foundation through a difficult period. In addition to his ability to get to the heart of a problem, Bundy said, Mr. Gordon was a man of unquestioned integrity. "People just plain knew where they stood with Kermit," Bundy said.

Mr. Gordon is survived by his wife, Mary, of 2202 Wyoming Ave. NW; two daughters, Mrs. George Sher and Mrs. Thimas J. Kline; a son, Andrew; his mother, Ida Robinson Gordon; a brother, Lester, and one grandchild.

[From the New York Times, June 23, 1976]

Kermit Gordon, 59, Dies; Was Head of Brookings

(By Leslie H. Gelb)

WASHINGTON, June 22.—Kermit Gordon, president of the Brookings Institution and a former economic adviser to Presidents Kennedy and Johnson, died here last night. He was 59 years old.

He had been recovering from pancreatitis and was planning to spend the summer in Williamstown, Mass., where he had been a professor at Williams College.

Mr. Gordon left Williams in 1961 to become a member of President Kennedy's Council of Economic Advisers. He served from December 1962 to June 1965 as director of the Bureau of the Budget for Mr. Kennedy and Mr. Johnson.

He assumed the presidency of Brookings on July 1, 1967, after serving for almost two years as the first chairman of the President's Health Insurance Benefits Advisory Council on the Administration of the Medicare Program.

In this period, he was regarded as a key shaper of Democratic economic policies, including the policy of a strong Presidential role in establishing wage-price guidelines.

His career in Government began in 1941, when he was an economist in the Office of Price Administration. In World War II, he was in the Army and assigned to the Office of Strategic Services.

Mr. Gordon joined the department of economics at Williams College in 1946 and became a full professor in 1955. He was graduated from Swarthmore College in 1938.

NEVER WROTE A BOOK

Mr. Gordon never got a Ph.D. and never wrote a book. As Charles Schultze, one of his colleagues in the Government and Brookings, recalled, "Kermit was one of the few from the oral tradition of economics whose reputation stemmed from his teachings and conversations with his professional colleagues, and from the many Presidential policy statements that never bore his name."

A well-known Democrat, Mr. Gordon, nevertheless, served in the Nixon Administration as a public member of the Pay Board from October 1971 to December 1972, and as a member of the General Advisory Committee on Arms Control and Disarmament from 1969 to 1973.

He also held executive positions with the Ford Foundation in the late 1950's and was a member of its board of Oxford, in 1938 and 1939, a trustees from 1967 to 1975.

Mr. Gordon was a Rhodes scholar at University College, period that interrupted his lifelong interest as a softball player.

He had one of the most remarkable careers among those men who entered Government in World War II and whose careers then began to intertwine universities, the foundation world and public service.

ADVOCATE OF TOLERANCE

Where many of his colleagues gained prominence as advocates for particular ideologies, Mr. Gordon's reputation was built as an advocate of tolerance.

Soon after he was named to advise Mr. Kennedy, he gave a speech on the elusive nature of the public interest and said: "Men possessed of strong analytical powers—men of goodwill, disinterested men—will often define differently the public interest in a particular problem."

Nor did he sidestep taking stands, according to his colleagues. They remember him as the father of the wage-price guidelines policy that foresaw that governmental efforts to pull the nation out of recessions would carry the risk of runaway inflation. But his stands, as Joseph Pechman, an associate at Brookings, said, "were taken with wit and tact."

Gilbert Steiner has been acting as president of Brookings since Mr. Gordon's illness, which began in February. No successor has been named.

Mr. Gordon was born in Philadelphia July 3, 1916.

Survivors include his mother, Ida E. Robinson Gordon of Philadelphia; a brother Robinson Gordon of Philadelphia; a brother, Lester, of Cambridge, Mass.; his wife, the former Mary King Grinnell of Winnetka, Ill.; two daughters, Mrs. George Sher and Mrs. T. J. Kline, and a son, Andrew, of Pittsfield, Mass.

Funeral arrangements have been not been completed.

[From the Washington Star, June 23, 1976]

Kermit Gordon Dies; Head of Brookings Institution

(By Richard Slusser, Washington Star Staff Writer)

Kermit Gordon, 59, a former director of the Bureau of the Budget who became president of the Brookings Institution in 1967, died Monday in George Washington University after a long illness. He lived on Wyoming Avenue NW.

Gordon joined the prestigious research organization as vice president in 1965—following three years as budget director during the Kennedy and Johnson administrations. Gordon was described as giving the budget office "a freshness and originality in grappling with some ancient federal problems. If he did not solve all those problems, he at least raised embarrassing and pertinent questions about them."

A member of Kennedy's Council of Economic Advisers before his appointment to the Bureau of the Budget, Gordon was regarded as a near-genius at reconciling inter-agency policy disputes without raising tempers.

The day after President Kennedy was assassinated, Gordon wrote a memorandum to President Johnson that although work was far advanced on preparation for the budget to be submitted the following January, there was still time for Johnson to prepare his own budget.

During the next 30 days, Johnson and Gordon extensively reviewed governmental agencies and Johnson submitted his own budget.

Johnson later tried to get Gordon to agree to become secretary of the Treasury, but he refused, maintaining that a more conservative secretary would have greater confidence of the business and banking industry.

One of the few leading economists to attain that position without a Ph.D., Gordon was named the David A. Wells professor of political economy at Williams College in 1961. He joined the Williams economics department in 1946 following other government service: He was an economist for the Office of Price Administration from 1941 to 1943 and later during World War II was in the Army, assigned to the Office of Strategic Services, a predecessor to the Central Intelligence Agency. After the war he was a special assistant in the office of the assistant secretary of State for economic affairs.

In 1950, Gordon was a consultant to the White House in connection with the preparation of the "Report of Foreign Economic Policies" and the next year was an economic consultant to the Office of Price Stabilization.

Gordon was named President of Brookings in 1967 after two years as vice president. He also was a trustee of the Ford Foundation from 1967 to 1975, in addition to serving in a number of other positions with the foundation.

[From the Washington Post, June 27, 1976]

Society and the Faith of Kermit Gordon

(By Hobart Rowen)

"I inherited a lot of talent from Kennedy," Lyndon Johnson once said, "but no one better than (Kermit) Gordon." That says almost all of it. Kermit Gordon, head of the Brookings Institution, who died last week in Washington at age 59, was a solid and wise citizen—affable, compassionate, witty and urbane.

He came to Washington from Williams College in 1961 to join the Council of Economic Advisers, excited, he once told me, at being a member of a team that might translate into reality the Kennedy promise "to get the country moving again."

In later years, at Brookings, he may have turned a trace more conservative. Certainly, the public perception of a Brookings, identity with Democratic Party politics bothered him, and he tried to defuse it.

Gordon never fell into the Washington trap of seeking power for power's sake. My mind goes back to the time he was called to the phone during a dinner party in 1965. Later, I found out it was President Johnson at the other end, tempting Gordon with the job of Secretary of the Treasury.

But Gordon turned him down, and held fast to his plan to leave as budget director to go to Brookings, firmly believing that LBJ needed a banker or financial man, rather than an economist, to succeed Douglas Dillion. For most men, principle would have succumbed to ego under the weighty honor of the Treasury job.

Gordon had another great gift, not bestowed on all economists. He knew how to make the jargon of the trade come out in nice, smooth English. But it was not simply the deft turn of phrase that distinguished Kermit Gordon's efforts. There was substance and imagination as well.

In that extraordinarily gifted Kennedy CEA, if Chairman Walter W. Heller (who recruited the other members) was the salesman and educator, and Yale's James Tobin the moral conscience, Gordon was the work horse.

He was the one who devised the famous 1962 wage price guidelines for "non-inflationary behavior," This, of course, caused organized labor to cool on Gordon—an attitude that continued while he served, as a good soldier, on the Nixon pay board in 1972. Gordon, for his part, viewed labor with a jaundiced eye. He felt the unions in recent years had come up with few new ideas.

Gordon will be known best for his years as budget director, first under Kennedy, and then under LBJ, with whom he established an extraordinary relationship. In his first session with the new president, in that traumatic weekend following the Kennedy assassination, Gordon told LBJ that there was still time for an "LBJ imprint" to be put on the budget for fiscal 1965.

He gave Johnson the idea that the budget total—which liberals were fighting to pump up to $103 billion—could be brought in under $100 billion, establishing Johnson as an economizer and man of action.

Attention thus was focused by administration publicists on that mystical and almost meaningless $100 billion benchmark. When Gordon produced a $97.9 billion budget, Johnson was hailed as a hero by the Congress and the business community, and Gordon had cemented a solid and influential role with LBJ.

Johnson demanded Gordon's almost constant attendance. Once, having discovered that the budget director and his wife Molly had gone off to a concert, LBJ snarled the next morning: "Well, playboy, I hope you had a good time."

To those who saw the Williams College liberalism dissipating under the Johnsonian influence, Gordon once said in an interview with Newsweek: "It's just nonsense to think that the liberal point of view must be associated with loose spending." Liberals, he wrote later, are as apt to confuse "profligacy with progress" as conservatives are to mix up "parsimony with economy."

One of his most tireless crusades was against pork-barrel legislation, especially the billions for water control. "Can you imagine spending all that money to reclaim land, and then using the whole damn area to plant crops already in surplus?" he once exploded.

Yet Gordon had no patience with the sort of disillusion with government articulated in the late 1960s by campus radicals and black leaders (who should have known better, he thought).

He liked, as he would say, to take the "non-apocalyptic" view of things, whether it related to inflation, the oil embargo, or social crisis. The Kermit Gordon philosophy, in essence, was that the people's problems are many, but manageable.

"I come away with the feeling that this society is going to get better marks than it seems to be earning right now," he told the Women's National Democratic Club in 1969. If it does, it will because of the faith of individuals like Kermit Gordon.

TO ELIMINATE THE 25-MEMBER COSPONSOR LIMIT

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. JOHN L. BURTON. Mr. Speaker, I will be introducing a resolution amending the House rules to eliminate the 25-Member cosponsor limit—see rule XXII—and in its place adopt the Senate procedure that allows cosponsors to be added to a bill until final passage of the measure.

This would eliminate the necessity of Members reintroducing bills solely to add coauthors. It would provide a savings of significant portions in the operation of the House, possibly anywhere from $500,000 to $1,000,000 a session, which is not exactly chopped liver.

The text of the resolution follows:

Resolved, That (a) the last sentence of clause 4 of Rule XXII of the Rules of the House of Representatives is amended by striking out "but not more than twenty-five".

(b) Clause 4 of such Rule is further amended by adding at the end thereof the following: "The name of any Member may be added (or deleted) as a sponsor of a bill, memorial, or resolution which has been introduced and to which this paragraph applies, if a request on behalf of such Member is made by a Member to the Speaker (prior to the enactment or adoption of such bill, memorial, or resolution by the House), and such name shall be added (or deleted, as the case may be,) as a sponsor of such bill, memorial, or resolution when such bill, memorial, or resolution is next printed or reported. Such request shall be printed in the Record. The Public Printer shall not reprint any bill, memorial, or resolution for the purpose of adding (or deleting) the name of an additional sponsor."

If you are interested in cosponsoring, please contact Ed Segal of my staff at extension 55161.

CAPTIVE NATIONS WEEK

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. RHODES. Mr. Speaker, amid the festivities and celebrations that attend our reaching 200 years as a free Republic, today we take somber note that many people in this world do not enjoy the blessings of liberty.

Eighteen years ago the Congress enacted Public Law 86–90, which established Captive Nations Week. For millions of Americans, the "old countries" from which their parents or grandparents came to our shores no longer exist. They were overrun by the Soviet Union. Their governments were disbanded. In many cases their people were dispersed to erase their nationalistic identities. Many who refused to accept the bonds of communism were sent to labor camps.

The peoples of the Captive Nations, and their descendants and relatives here, never have given up the dream that one day freedom and self-government may return to those countries. Captive Nations Week helps maintain that faith and hope.

We also should use this occasion as a reminder that the price of liberty is vigilance against subversion and aggression. There are many in the world who harbor ill-feelings toward the United States. If there is ever to be hope that the Captive Nations regain their independence, we must make certain that we, as the greatest independent Nation on Earth, preserve our liberties, maintain our strength, and be aware of the dangers of a perilous world.

I join my colleagues in paying tribute

to the brave people who have lost their homelands to communism, and urge that we all rededicate ourselves to the support of freedom around the world.

NATIONAL MEALS ON WHEELS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. MILLER of California. Mr. Speaker, I am reintroducing today legislation to create a "National Meals on Wheels" program under the auspices of title VII of the Older Americans Act. The purpose of this program would be to provide nutritional meals to homebound senior citizens, many of whom currently suffer severe malnutrition.

Nearly 50 Members of this body now have joined me in sponsoring this important legislation, which was introduced in the Senate by Senators McGOVERN, KENNEDY, and PERCY. The Senate has already held preliminary hearings on the legislation. Given the broad support for the program in the House, I am hopeful we will begin consideration shortly.

Title VII, the elderly feeding program, already provides many senior citizens with nutritious meals on a regular basis. But most of these meals are served in a congregate setting. Only 13 percent of all these meals were served to senior citizens in their homes, a total of only about 30,000 meals last year. Considering that there are between 3 and 4 million homebound elderly in American, we have a long way to go.

The National Meals on Wheels bill will go far toward providing meals to the homebound elderly. My bill would authorize expenditures of $80 million in the first year, and $100 million in the second year for distribution under the title VII formula to title VII projects or local meals-on-wheels programs. A special attempt is to be made to fund existing programs which already have demonstrated their expertise in providing meals to the homebound. Many of these local efforts, which have been successful in the past and which draw their support from the community, have been largely ignored by the Federal Government and, tragically, many have had to cease their operations. My bill would reverse this unfortunate trend.

There are great costs to our society at present because of our failure to have a comprehensive feeding program for our elderly citizens. First, there is the health cost. Millions of our senior citizens suffer illness and even death which could be averted had they enjoyed a balanced, nutritional diet.

Malnutrition, often caused by an inability to purchase or prepare foods for their own consumption, is a major reason for seniors entering nursing and retirement homes and institutions. Studies recently have concluded that perhaps as many as 40 percent of those older Americans currently in institutional care are there solely because of their inability to prepare their meals. Once in such institutions, unfortunately, many senior citizens lose touch with their families, feel isolated from the world, and never leave, dying premature and needless deaths.

I believe it is a great tragedy that this has become the lot of so many millions of Americans. Failure to develop a comprehensive feeding program for the elderly is another evidence of our Government's insensitivity to the great pressures which are driving generations apart. In this particular case, our Government is actually financing the over-institutionalization of our elderly to the tune of some $5 billion annually spent on senior citizens' nursing home care. By comparison, the cost of the program I advocate in the National Meals on Wheels bill would be minimal and would have the added benefit of keeping our older generations in their home communities, able to live independently with dignity, and in touch with their families and friends.

Improved elderly nutrition programs would save money in other ways. Meals provided under this bill would cost only about $2.50 each, or just 10 percent of the cost of an identical meal provided in an institution. Overall, the Senate Nutrition Committee has advised that enactment of this bill could result in a reduction in nursing home expenditures of between $200 to $400 million in the first year of the program. Reduced medical expenses for both the citizen and the Government and lower disability payments, also, could be realized. Were our Government to promote preventative care like nutrition programs on a more general basis, I believe that we all would profit in both financial and human terms.

An important component of this legislation would establish a 1-year research project in cooperation with the National Aeronautics and Space Administration meals system for the elderly. This project, a spinoff of the manned space program, will develop methods for mailing, or otherwise delivering, packaged, and prepared meals to elderly, homebound people. Over the past year, an experimental program operated by NASA in Texas, in conjunction with the LBJ School of Public Affairs, and United Action for the Elderly, has successfully provided over 120 citizens with good meals.

This National Meals on Wheels Act makes sound fiscal, medical, human, and nutritional sense. It would provide a long ignored and much deserving group of citizens with a vitally needed service. I invite my colleagues to join me in supporting this legislation.

HON. ELMER JOSEPH HOFFMAN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. CRANE. Mr. Speaker, it is always a sad occasion when we mourn the passing of a former Member of this body. For me, it is a particularly sad note when I join with my distinguished colleague from DuPage County to mourn the passing of his predecessor and our friend, the late Elmer Joseph Hoffman.

Former Representative Hoffman was a native son of Illinois and of his own DuPage County. He served ably in county offices, as the treasurer of the State of Illinois for two terms and in this body for 6 years.

I came to know and work closely with Elmer Hoffman in the 1964 election campaign when he was again running statewide for Secretary of State in Illinois. At that time, I was active, not as a candidate, but as a campaign worker and, as such, I admired and respected the vigor and enthusiasm with which Mr. Hoffman campaigned statewide.

First and foremost he was a man of his own people and from what would become the suburbs of Chicago. Thus it was that he left a safe seat in the House of Representatives to return to Illinois and seek statewide office once again.

He served ably in the Congress as a member of its important Rules Committee. Following his retirement he again served in various capacities both for the county government and for the Republican Party in DuPage County.

Distinguished service like this is too seldom encountered and far too seldom appreciated. Therefore, it is with a sense of loss and fondness that I joint my distinguished colleague from Illinois in paying tribute to and old friend, Elmer Hoffman.

GRANT CONWAY

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. BYRON. Mr. Speaker, Grant Conway, who led efforts to save the C. & O. Canal, died last week at Georgetown University Hospital.

It was my pleasure to have known and worked with Grant Conway for many years. It was his untiring efforts which kept the preservation of the C. & O. Canal before the public resulting in the passage of the legislation creating a C. & O. Canal National Historic Park. Grant was a man who dedicated his life to public service through his lifetime interest in environmental affairs and the Nation's park and recreation facilities.

Since the creation of the C. & O. Canal Park, Grant Conway served as one of Montgomery County's representatives on the C. & O. National Canal Advisory Commission. I also worked closely with Grant in the Appalachian Trail Conference where his leadership helped provide Federal protection for the trail. Again, his efforts were tireless on behalf of one of his favorite projects.

Grant Conway will be greatly missed by all those who knew him and worked closely with him. His life is an example for others to follow. Few people spent so much of their free time in pursuit of excellence and the welfare of his fellow citizens.

IN THE FOOTSTEPS OF HUMPHREY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. CONABLE. Mr. Speaker, the Democratic Convention clarified for all of us the views of their candidates as well as the party itself. The platform, which the press reported as bearing the imprint of the candidate for the Presidency, promises Federal programs which are well known as being costly in terms of Federal tax dollars and requiring greater number of Federal personnel to administer them. Since this is contrary to the "tone" of the Presidential candidate during the primaries, I would urge all Americans to review this document carefully.

A recent column in the Washington Post by George F. Will analyzes both the selection of Senator MONDALE as a running mate and the platform, and concludes that greater Federal involvement in all our lives will be the result of the election of the Carter-Mondale ticket. I insert the column in the RECORD at this point:

IN THE FOOTSTEPS OF HUMPHREY

(By George F. Will)

NEW YORK.—As is well known, Jimmy Carter plans to build a New Jerusalem on the rock of love. That is, of course, devoutly to be desired. But first things first, and first he wants to do something about his well-founded suspicion that the people he will depend upon to campaign for him—liberal activists who dominated the convention floor—are not aglow with enthusiasm for him.

Carter watched television coverage of events Wednesday night, when the convention was suddenly suffused with affection and enthusiasm for Morris Udall as he released his delegates to vote for Carter. From the moment two years ago that Walter Mondale withdrew from the nomination race, Udall was the odds-on favorite to become what he did become, the choice of the liberal activists. Twelve hours after Udall, at Madison Square Garden, officially dropped out, Mondale, at Carter's side, dropped in again, to the delight of those who the night before had cheered Udall to the rafters.

These liberal activists are well to the left of the party rank-and-file. They constitute the unconquered redoubt where liberal orthodoxy is preserved in undiluted clarity. They have harbored ill-founded suspicions that Carter is bent on departing from that orthodoxy.

To help them rest easy, and incite them to heroic exertions on his behalf, Carter has given the most intense liberals all that they asked for and more than they could have demanded. Carter has plighted his troth to Mondale, the most liberal person on Carter's final "short list" of seven possible running-mates.

Thus, Carter's first and most important decision as nominee was an act of appeasement, bold only in that it revealed more clearly what already was clear enough to anyone with eyes to read. The choice of Mondale is additional and probably redundant evidence that Carter's creed is reflected in the Carterized platform, which is remarkable only for its degree of fidelity to party orthodoxy.

The economy? The platform endorses "national economic planning," including rendering the Federal Reserve System "responsive" to the politicans. It also contemplates "direct government involvement" in wage and price decisions, and a "broad range" of new public jobs programs, including programs to allocate aid on the basis of race and sex to help minorities attain business ownership. The plaform suggests a federally sponsored "domestic development bank" and federal insurance for state and local bonds as incentive for increased state and local spending.

Expanding the welfare state? The platform endorses comprehensive, universal and mandatory national health insurance financed by new payroll taxes and general tax revenue. It says the federal government should relieve local governments of all welfare costs and undertake a phased assumption of a portion of the states' welfare costs.

Revenue sharing? Increase it; adjust the formula to add to the incentive for local governments to raise taxes; and add a new "emergency anti-recession" aid program for cities.

Education? More federal aid.

Housing? More direct subsidies; more subsidized loans.

Rural America? More subsidized loans for electrification and telephone facilities, more funding of development programs.

Farmers? More subsidized credit.

Environment? "Substantially" more research and development spending.

Transportation? "Substantial direct public investment" and (this is my favorite plank) "whatever action is necessary to revitalize railroads." There is a banner to which honorable persons can repair: Extremism in pursuit of revitalized railroads is no vice.

All political parties are, in Felix Frankfurter's phrase, "organized appetite," but the Democrats should be reminded that gluttony, even concerning government services, is a deadly sin. Certainly Mondale's mission in life is not to remind anybody of that. And now, after the selection of Mondale, there is even less evidence than there ever was that it is Carter's mission.

Carter says he has "absolutely no doubt" about having made the right choice, which makes this choice like almost everything else in Carter's mind. There can be little doubt that this choice shows that Carter is content to paddle along in the Democratic mainstream in the wake of the master, Hubert Humphrey.

When Humphrey became Vice President in 1964, the man who was placed in Humphrey's shoes as Minnesota senator was Mondale. And all this year the second name on Humphrey's list of ideal Presidents (right behind the name "Hubert Humphrey"), has been the name "Mondale."

Carter says there is "no discernible difference" between his and Mondale's views on sensitive issues. Given that Mondale is one of the two or three most liberal senators, Carter's choice of him should still Democrats' fears, and dash others' hopes, that Carter presents a break with the party's Humphreyite past.

PERSONAL EXPLANATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. LEHMAN. Mr. Speaker, due to unbreakable commitments in my district, I was forced to leave Washington on July 1 before the House had completed its legislative business. Had I been present, I would have voted as follows:

On roll No. 505, the rule for the conference report on H.R. 12455, social services and child day care standards, I would have voted "yea."

On roll No. 506, the motion offered by the gentleman from California (Mr. CORMAN) to substitute for the Senate amendment provisions granting the States authority to set means tests for groups in most social programs, while exempting family planning from means tests and maintaining individual family tests for child day care, I would have voted "yea."

HOW GOVERNMENT SHOULD NOT WORK

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. HEINZ. Mr. Speaker, some months ago, I introduced legislation that would create a National Commission on Regulatory Reform. Since it was introduced, we have gained 165 cosponsors. Soon, I will be circulating a Dear Colleague letter seeking more support in the hopes that the bill will receive some attention in the Interstate and Foreign Commerce Committee.

In the meantime, I would like to call my colleagues' attention to a story that appeared in the Wall Street Journal on July 16 that illustrates quite clearly just why my legislation is needed.

I urge my colleagues to read about the Vulcan Co. of Latrobe, Pa., and then I urge them to think again about the need to reform Government institutions that work against the very people they are meant to serve:

PAPER WEIGHT—COMPANIES OFTEN FIND THEY MUST PUT FORMS AHEAD OF SUBSTANCE—VULCAN, INC. FORGOES ATTACK ON PRICE PROBLEM TO DEAL WITH PENSION PAPERWORK

(By David Ignatius)

LATROBE, PA.—Ed Nemanic, secretary-treasurer of Vulcan Inc., is a sweet-tempered, charitable man. He doesn't hate bureaucrats and he doesn't believe politicians are out to destroy the free-enterprise system.

But the government is beginning to try Mr. Nemanic's patience.

The executive learned in May that one of Vulcan's divisions had been unwittingly underpricing a product. The division manager needed prompt help, but, unfortunately, the auditor best able to handle the problem was enmeshed that week in Department of Labor paperwork—his desk piled high with densely-worded EBS-1 pension-plan reports. An exasperated Mr. Nemanic told the auditor to complete the reports to end the "mass confusion" they were causing. The problem of the troubled division had to wait.

Vulcan's cost-accounting problem eventually got solved. But the paperwork headache continues, threatening at times to turn this producer of ingot molds, cranes and molded plastic parts into a government errand boy. "You never really catch up," Mr. Nemanic says. "Before you know it, some other screwy form is coming across your desk."

7000 MAN-HOURS THIS YEAR

An inventory of the federal, state and local government paperwork processed by Vulcan shows that the company will file at least 480 forms this year. The company estimates that 20 employees will spend a total of 7,000 hours compiling the forms, at an annual cost of $88,000 in salaries and fringe benefits.

By comparison with larger companies, Vulcan—with $90.3 million in sales last year—is a paperwork piker. A billion-dollar giant like pharmaceutical-maker Eli Lilly & Co. calculates that it fills out a total of 27,000 forms annually at an estimated total cost of $15 million. And the new Commission on Federal Paperwork estimates that government form-filing's total cost to the economy is $40 billion a year.

But because Vulcan strives to be a lean company, without a layer of bureaucratic fat that could absorb the demands of government regulators, its paperwork problem is highly visible, directly affecting top executives in every major department of the company.

IMPACT ON WASHINGTON

Vulcan's experience is probably fairly typical of small and medium companies, which are hardest pressed by government paperwork demands. Protests from these companies are currently having some impact in Washington, spawning a number of proposed legislative curbs on the paperwork load. So far, though, the proposals haven't gone beyond the stage of—well, paperwork.

Meanwhile, Vulcan struggles to keep its head above paper. Interviews with key company personnel show that the paperwork burden far exceeds its direct cost in salaries and fringes. For the blizzard of forms often diverts the company from projects that might better serve its shareholders, employes and consumers.

For example, Lawrence Jeffries, a Vulcan plant personnel manager, reasons that if he weren't spending some 20% of his time handling the record-keeping requirements of the Occupational Safety and Health Administration (OSHA), he might be able to complete a safety-training manual for the company's Latrobe foundry advising new employes on the safest way to use each piece of equipment. "It needs to be done," he says, "but the record keeping never stops."

A YEAR BEHIND SCHEDULE

Down the hall, Charles Suprock, the company's chief engineer, reflects ruefully that he's a year behind schedule in drawing up plans for a foundry modernization program expected to save Vulcan about $450,000 a year. The most important reason for the delay: His three-man engineering staff spends at least twelve man-weeks a year filing some 40 state reports on anti-pollution equipment. He is convinced some of the forms (which run as long as 42 pages) never get read.

The corporate personnel director, James Donnelly, looking toward the company's coming contract negotiations, says he would like to be able to consider offering new benefits like a dental plan and a legal-services plan to employes. But because he has to draw up and annually update Vulcan's affirmative-action plans for minority hiring, oversee pension and welfare-plan reports, and send off regular employment data, he fears he won't have time to consider such matters before negotiations begin.

In some instances, the cost of Vulcan's paper shuffling is matched by obvious benefits. A quality-control technician recalls the days before strict emission-control standards, when the sky above the company's Latrobe plant was always gray, and cinders from the iron-melting cupola "would float out across the parking lot, land on your car, and burn right into the paint." And at management headquarters, an executive says that safer, cleaner plants required by OSHA will benefit the company and its shareholders by making it easier to hire conscientious workers who have stayed away from foundry work in the past.

But more often, the paperwork burden seems like a Sisyphean labor. Take the "sand permit" that chief engineer Suprock has to file in Michigan. In an effort to police emission of pollutants, the state requires separate permits for every major piece of equipment at the Wayne County foundry, including a storage container that held 91,353 tons of sand last year. "Discharge of pollutants from the sand," Mr. Suprock notes, "was zero."

Another Michigan regulation requires weekly monitoring of the 88,000-gallon-a-day flow of water that passes through the plant's storm drain. The authorities apparently don't realize that the water passes directly onto the neighboring property of another company, where it is monitored once again. "It's entirely duplicated effort," Mr. Suprock contends.

Many of the government reporting requirements make no sense to Vulcan executives, but they say they try hard to provide accurate information. Given the effort, they get especially angry when the data are compiled in an inaccurate or unusable manner.

Consider the case of the phantom ingot molds. As a major producer of the iron molds that are used to form ingots out of molten steel, Vulcan has for years filed the Census Bureau's form M–33A, a monthly summary of the company's production of "Molds for Heavy Steel Ingots." The Census Bureau uses the data to compile its own regular monthly summary of industrywide production of the ingot molds.

Several years ago, these summaries by the Census Bureau began to make Vulcan's management very nervous. They showed a dramatic increase in total production of ingot molds for commercial sale, even as Vulcan's own commercial production remained relatively constant. Salesmen were called in for anguished consultations on the causes of the company's declining share of the growing market. Sales accounts were reviewed and exhortations delivered. But to no avail; Vulcan's share of the market kept slipping.

Finally, after a year and a half of worry, the company began to get suspicious about who was producing all the additional commercial molds. Nobody, it turned out. The monthly figures had been inflated by accident. The Census Bureau later admitted the error and issued revised figures. But the ingot-mold experience, says Vulcan president Gerald N. Potts, has made him "more wary" about his use of such statistics.

The company has similar, if less dramatic, problems with other government reports that it helps compile. Personnel director Donnelly, for example, finds that the wage statistics gathered from Vulcan and other companies and published by state employment services "are meaningless to us, even at bargaining time." The wage categories, he says, are too broad and often inapplicable, so the company conducts its own survey of industry wages at contract time. "We are able to arrive at a much more meaningful wage survey," he says. The state's reports end up in the wastebasket.

Another problem that has Vulcan employes muttering things like "abomination" from behind their paper-clogged desks is the duplication of effort required by many state and federal regulatory bodies. Joseph Schwemmer, an auditor who fills out state income-tax forms, says his job would be "much simpler" if states could agree to use a standard tax reporting formula. Instead, he says, the trend seems to be in the opposite direction, with many states devising special tax and reporting requirements.

FEDERAL DUPLICATION

Federal agencies, too, often duplicate each other by requesting the same basic information in a plethora of different forms. The Federal Trade Commission's quarterly financial report MG–1 asks for data available in Vulcan's quarterly 10–Q filing with the Securities and Exchange Commission. The Industry Class Supplement to the Bureau of Labor Statistics' form 790 asks for information about raw materials and final products that's available in the FTC's form NB–1. Even when the data requested is easily available, the forms are still a major distraction. "They come in at various times," notes auditor Robert Reed. "You have to go back time and again for the same information."

The government's inability to handle its own paperwork may be the surest sign that the problem has gotten out of hand. After a lengthy OSHA inspection of Vulcan's Cook County, Ill., foundry last October, Vulcan awaited a formal record of the citations, promised by the inspectors within four weeks. The company was still waiting last May when a second pair of OSHA inspectors showed up for an inspection. "We told them fine, but that we'd never received our first set of citations," Mr. Suprock recalls. After a hurried phone call back to headquarters, the embarrassed inspectors departed. Several days later the first citations, somehow misplaced for over six months, arrived at the plant.

Every form has its amusing nuances, but for Mr. Nemanic the ultimate monument to bureaucratic confusion remains the ever-changing set of pension-plan reports, the latest version of which distracted his auditors from investigating the internal cost-accounting problem last May.

Mr. Nemanic recounts the history of the pension reports to explain why he believes that the federal government is using companies as "guinea pigs" in a trial-and-error search for the perfect form. Until last year, he says, Vulcan was required to file a D–1 description of any new pension plan, a D–2 annual report on all existing plans, and a D–1 Supplement, which was supposed to capture any significant information not included on the two other forms.

REVISED IN 1975

Then, in 1975, the Labor Department revised its forms in accord with the Employe Retirement Income Security Act and mailed out the new EBS–1. The 1975 version was 12 pages (plus attachments), but only the first and last pages had to be completed. This year, with companies perhaps beginning to understand the first EBS–1 format, the form was altered to six pages, all of which had to be completed. (The Labor Department insists that under the new system, paperwork will actually be less than it was before the recent changes.)

Along with the EBS–1 filings, the act also requires companies to inform employes about pension-plan benefits. But the laborious process of compiling the necessary "layman's language" plan descriptions was halted at Vulcan this spring after the Labor Department decided the descriptions could wait a year. Instead, companies could simply provide employes with notification that such information was available from the company pension-plan administrator. Vulcan duly sent out six-page mimeographed notification forms, using the Labor Department's "recommended language" (which included such layman's terms as "fiduciary" and "vested benefits").

The reaction of retired employes who received the letters was near-hysteria, says Mr. Donnelly, personnel director, who is the company's pension-plan administrator. He says nearly half of them called the company, desperate to learn whether the gobbledygook meant their pensions were going to be raised or cut.

But that isn't the end of the pension-plan paper chase. The Internal Revenue Service—which used to require completion of forms 4848, 4848A, and 4849 (which had replaced earlier form 2950) as well as the 990–P—moved this year to a consolidated form 5500. Vulcan employes hope, in defiance of past experience, that the new "streamlined" form will actually simplify things.

The last straw: The SEC, apparently unwilling to go across town to look at the EBS–1 forms, requires companies to file a separate, consolidated SEC pension-plan report, the R–41. "Everybody's in the ball game," Mr. Nemanic says, "but nobody knows what's going on."

REHABILITATION OF JUVENILE DELINQUENTS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. HAWKINS. Mr. Speaker, the New York Times on July 6, published the following perceptive article by Tom Wicker concerning alternative programs to institutionalization for rehabilitation of juvenile delinquents. Although he finds that the innovative community-based treatment program in Massachusetts has not been wholly successful, he cites the program as a step in the right direction in overcoming the inability to solve the problem by incarceration.

It is apparent that it is necessary to move away from the unsuccessful age-old practice of institutionalization toward treating most youths in a community setting. The Juvenile Justice and Delinquency Prevention Act of 1974 authorizes the Law Enforcement Assistance Administration to formulate and implement such creative programs. However, to date inadequate appropriations have minimized the success in rehabilitating delinquents. I would like to commend my colleagues on the Appropriations' Conference Committee for approving a substantial increase in funding the Juvenile Justice Act for fiscal 1977. The appropriated amount of $75 million is, however, only half the amount authorized under the Juvenile Justice Act of fiscal year 1977. The article follows:

THE PUZZLE OF CRIME BY KIDS

(By Tom Wicker)

When a 41-year-old man was stabbed to death this summer in Greenwich Village, no one was really surprised when police arrested a 14-year-old youth and charged him with the killing. Juvenile crime clearly has been increasing.

In New York City, in fact, violent crimes by young people have increased by 70 percent in the last five years. The number of juveniles charged with murder just about tripled in that period; twice as many young people were charged with rape.

Crime by kids is a baffling, tragic problem. Children panic easily, or lose their heads in fits of rage; others seem free of the kind of remorse, guilt feelings and fear of consequences that affect adults. Moreover, children charged with crime have traditionally been looked upon as children in need of help—which has led in many cases to relatively light penalties and a quick return to the streets.

Since the first juvenile court was established in 1899 in Cook County, Ill., the juvenile justice system, inadequately financed and staffed, has been the redheaded stepchild of the larger criminal justice system (itself generally inadequate to the whole problem of crime).

In New York, a study of the juvenile justice system by the state Office of Children's Services disclosed records in chaos and more than two-thirds of cases pending for three months or more, with some requiring 21 months to get through the courts.

Another New York study, in 1974, showed that 80 percent of the delinquent youths sampled were black or Puerto Rican, 59 percent came from welfare families, and only 21 percent lived in families with both parents present. Most (like many adult offenders) were either educationally retarded or emotionally disturbed, had low opinions of themselves, and suffered deprivation in their homes and communities.

Nevertheless, public opinion seems to be moving toward getting tougher with kids. The New York Legislature last week approved a bill, worked out with Gov. Hugh Carey, mandating two years minimum confinement for serious juvenile crimes of violence and a five-year rather than an 18-month maximum. But some critics believe even this isn't enough. They want the age of criminal responsibility lowered and youths convicted of violent crime sent to adult prisons—despite ample evidence that these institutions neither deter crime nor rehabilitate offenders. Indeed, sending young people to most adult prisons is almost guaranteed to make them angrier and more violent than they already were.

Another set of critics of the present system—for example, the Community Service Society—recommends developing a variety of noninstitutional, community-based facilities rather than large, expensive and impersonal institutions. That's more or less what's been done in Massachusetts, where institutions for juvenile offenders were closed in 1972, on the theory that community-based correctional programs would be more effective and humane, and less expensive.

The results are in dispute. A research group from Harvard found that Massachusetts recidivism rates were no better and in some case worse; but they also found a tentative pattern of greater recidivism in higher-security programs than in foster care or nonresidential facilities. This would be expectable if the more serious offenders always were sent to the higher-security programs; but placement has more to do with where the offender lives than with the seriousness of his offense.

The research group found that the 1975 Department of Youth Services budget was *up* 70 percent since 1971. But inflation also has increased since then, the number of youths served has nearly doubled, and some new programs clearly cost less than the old institutional facilities did. Foster care and nonresidential day-care programs, for example, respectively cost only $5 and $8 per day per child in 1975.

Critics also charge mismanagement and incompetent staffing, and some of these accusations apparently can be sustained. But "unprofessional" personnel like students, ex-offenders and "street people" often are more empathetic with troubled children than professionals are; and in Massachusetts such workers have produced foster homes for 220 delinquents—against the traditional wisdom of child-care agencies that it is impossible to find foster homes for such young offenders.

So if Massachusetts has not entirely solved the problem, it has at least raised the possibility that a useful alternative to medieval treatment of young offenders might be under development. It has also demonstrated that there are no easy answers—whether "soft" or "tough"—to the problems of juvenile crime.

(*This article was prepared with the assistance of Kathy Slobogin of The New York Times.*)

TRIBUTE TO ELMER HOFFMAN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. SIMON. Mr. Speaker, I read with regret of the death of Elmer Hoffman, a former Member of the House of Representatives from Illinois, and a very dominate force on the Illinois political scene for many years.

I got to know Elmer Hoffman well during his years of Illinois service. It is no disservice or discredit to him to say that he found the U.S. House of Representatives not the place where he most wanted to serve. He enjoyed county government and State government. For decades he was the power behind the Illinois Sheriffs Association and that group wielded considerable power in the State of Illinois.

I found him gracious even when we disagreed on a matter.

I worked with him closely at one point when I sponsored legislation to permit county sheriffs and county treasurers to succeed themselves. Under the old Illinois Constitution that was not possible. He favored the change and I joined him in that sentiment and we worked together in that particular fight.

Illinois has lost one of its most colorful personalities on the death of Elmer Hoffman. His life was a full one and I am pleased to join my distinguished colleague from Illinois, Mr. ERLENBORN, in paying tribute to Elmer Hoffman.

THREE MARIN COUNTY FIREMEN RECEIVE AMERICAN RED CROSS CERTIFICATE OF MERIT

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. JOHN L. BURTON. Mr. Speaker, I would like to call the attention of all Members of Congress to the outstanding and heroic accomplishments of three of my constituents.

Marin County firemen Marty Medin of Woodacre, Robert Lewis of Kentfield, and Jerry Van Soest of San Rafael have been named to receive the Red Cross Certificate of Merit and accompanying pin. This award is given by the American National Red Cross to persons who save or sustain a life by using skills and knowledge learned in a volunteer training program offered by the Red Cross in first aid, small craft, or water safety.

According to George Elsey, president of the American National Red Cross, this is the series of events which occurred:

On April 28, 1976, Firemen Lewis, Medin, and Van Soest, trained in Red Cross advanced first aid and cardiopulmonary resuscitation—CPR—received a call to aid a very young child who had fallen into a backyard swimming pool. When discovered by his mother, the victim was unconscious, with no apparent heartbeat or respiration.

While one prepared the oxygen equipment, the two other men performed CPR on the victim. This procedure entails the alternate application of mouth-to-mouth resuscitation and external chest compressions to provide breathing and heartbeat.

The three rescuers continued their efforts until the arrival of an ambulance. Without doubt, the prompt and efficient application of CPR by the firemen saved the victim's life.

Mr. Speaker, the meritorius action by these men exemplified the highest ideals of the concern of human beings for others who are in distress. I am quite proud of the heroic efforts of Firemen Lewis, Medin, and Van Soest, and believe that we in the House of Representatives owe them our thanks and congratulations for a job well done.

WAXMAN CONDEMNS SAUDI MISSILE SALE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. WAXMAN. Mr. Speaker, the administration's proposed sale of 2,000 Sidewinder missiles to Saudi Arabia poses the gravest of threats to the balance of power in the Persian Gulf, and ultimately, to the security of the State of Israel. Such a sale only feeds the explosive arms race in the area. Moreover, the arms involved have an excellent chance of finding their way into the arsenals of the confrontation states which ring Israel.

Additionally, it is unclear to me whether this sale involves solely the purchase of missiles, or entails a commitment of American personnel to man and operate these systems. There are deeper questions involved here than just the sale of the missiles. Are Americans running the Saudi Arabian armed forces? How deep is our commitment? And who is controlling the nature and scope of our involvement?

What is to be gained for the United States to be the arms merchant for all sides in the complex quagmire of Middle East politics? Why should we continue to feed the arms race in the explosive part of the world?

As of this time, there are few available answers.

This sale is only the latest in a series of arms exports by the Ford administration which has been undertaken without any attempt to consult with the Congress. Once again our two branches of Government are poised on the brink of confrontation over this issue—a situation which has recurred simply because this administration continues to make important strategic policy decisions in secret.

Moreover, the magnitude of this sale, and its impact, casts grave doubt over whether the President is truly interested in promoting stability throughout the Persian Gulf. This year alone we have already extended $6 billion in arms sales, commercial and governmental, to the Saudis; their military coffers are burgeoning with American weapons.

Again the question arises: why is this administration impelled to continue to pay tribute to the Saudis in this manner? I submit there is no legitimate answer.

Therefore, Mr. Speaker, allow me to briefly summarize this sale and the current military and political atmosphere of Saudi Arabia. As you will see, there are several compelling arguments against this sale.

In the last few years, the United States has found itself in the position of being the major arms dealer in the Persian Gulf area. We have transformed the once nomadic armies of Iran and Saudi Arabia into modern sophisticated forces, with weaponry so advanced, many experts conclude it would be nonfunctioning if it were not for the massive influx of American personnel.

The administration's current intension to sell the Saudis approximately 2,000 Sidewinder heat-seeking air-to-air missiles is ill-conceived. These missiles, which detonate after flying into the tailpipe of the enemy aircraft, can only be launched two at a time before the aircraft must land for reloading. At present, the Saudi stockpile is estimated at 400. Saudi air capability in delivering this missile rests with the American built F–5, of which the Saudis own 50, with another 60 to be received by the end of 1978. Clearly this new purchase would create a great surplus-missile imbalance in the Saudi arsenal, an imbalance which would invite transfer of these arms into other Arab states involved in the Middle East conflict. Surely it is not our policy to help light the fuse of a new catastrophic confrontation.

The possibility, and in my opinion probability of Saudi arms transfer can be seem from two perspectives. First, their actions in regards to military transfer as well as their abundant gifts to other Arab confrontation states. Second, the statements of Saudi officials make no attempt to hide the fact that in the event of any new Middle East conflict, they will extend their help on whatever level necessary to secure the "lost rights of the Palestinian people and get back occupied Arab territories."

In regards to my first concern, that of Saudi arms transfers, we have seen the deployment of two 6,000 man brigades in Syria since the Yom Kippur war of 1973. One of these brigades remains in Syria to this day. The Saudis have also participated in joint air maneuvers with Arab Allies, as was witnessed in November of last year, when 15 of these same F–5 fighters joined with the Syrian Army in activity along the Israeli border. This report has been confirmed by the State Department.

In the last few years, the Saudis have given Jordan $150 million for an American built air defense system. They have purchased 38 Mirage–III jet fighters from France which were delivered to Egypt and there is another deal pending for 200 British Jaguar fighters which are also intended for Egypt. Since 1973, the Saudi Arabians have given over $4 billion to other Arab states to refurbish their military forces. This growing role of Saudi bank rolling, especially in light of the influx of petro-dollars, is a distressing one indeed.

A major concern of mine deals with the complex and widespread involvement of American Army Engineers, military personnel, and civilian training teams that are employed in Saudi Arabia. Currently, the Army Corps of Engineers are building several different air and naval bases for the Saudis, one of which at Tabuk, is less than 150 miles from Eilat, or the southernmost tip of Israel. An F–5 stationed there would have the capability to strike at any point in Israel. Another new naval base at Jeddah will allow the Saudis to effectively cut off shipping through the Red Sea. Another project includes the training of an elite National Guard by the Vinnell Corp. of Los Angeles. Many observers have seen this guard as an internal hedge against the Regular Army of Saudi Arabia. This guard, which Americans control via Vinnell, is only one example of the political instability of the entire country.

The recent detention of a Saudi C–130 transport plane by Israel after it strayed off course, raises a serious issue. I understand that this plane, with its three American crewmen—employees of Lockheed Corp.—was flying a routine supply route from Syria to Saudi Arabia. Routine, only because of the Saudi Brigade stationed there. We must ask ourselves how involved our American personnel are, and what roles they would serve if hostilities erupted. Americans are said to be manning the sophisticated air defense system, as well as training the Saudis to use new infantry weapons and new tanks. Some speculate that if a war began now, we would find our personnel there in combat-supportive roles.

I offer this brief summary in order to demonstrate how continued massive American arms support to Saudi Arabia could tip the balance in the entire area. The Saudis do have an interest in purchasing arms to balance the power of Soviet-supplied Iraq, but is this their primary concern? I suggest that they are caught up in a tragic arms race with Iran, and that they also see this new role in terms of becoming the Arab confrontation states' own private arsenal state. That we are fueling this arms race from both sides is ludicrous, and I believe it is only a matter of time before much of the new Saudi weaponry ends up in the hands of Arab countries directly involved in the conflict with Israel. Additionally, serious doubts have been expressed over the further deployment of American arms in Saudi Arabia. Some experts have concluded that without American support, the Saudis could not effectively operate their sophisticated weaponry.

This remains the most troubling question about this arms sale. Therefore our introduction of 2,000 more potent missiles into an already fragile balance is surely unjustified. These easily adaptable missiles could be employed on other aircraft used by Saudi Arabia's allies. I agree with the Arms Control and Disarmament Agency's judgment that the sale is excessive as far as Saudi Arabia's defense needs are concerned. Furthermore, I believe that this sale demonstrates the absurd situation we find ourselves promoting in the Persian Gulf. Aside from its role as a supplier of the confrontation states, Saudi Arabia has pressed for sophisticated weaponry that it cannot handle simply because its neighbor Iran has flexed its muscles, thanks to massive U.S. support. We are creating yet another powder keg in an already explosive world.

Mr. Speaker, I urge my colleagues to support my position in opposing this action.

MONEY FOR SOCIAL PROJECTS TAKES DARK, HIDDEN PATH

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. WHITEHURST. Mr. Speaker, the article which follows appeared in the Norfolk Virginian-Pilot on Sunday, July 18, and it gives a clear picture of the kind of bureaucratic arrogance which has become all too prevalent.

In the hope of getting some clarification of this matter, I am requesting reports from both the Department of Health, Education, and Welfare and the General Accounting Office. The American taxpayers deserve to have a clearer picture of how their money is spent, and I intend to do everything I can to try to make such agencies more responsive, and more responsible.

I want to commend Ms. Edith Smith for her fine reporting, and I am pleased to take this opportunity to call the matter to my colleagues and all others who read the RECORD:

MONEY FOR SOCIAL PROJECTS TAKES DARK, HIDDEN PATH

(NOTE.—Last August, a Department of Health, Education, and Welfare press release arrived at the city desk of The Virginian-Pilot. It was like hundreds of other government releases that come to a newspaper office in the course of a year announcing grants for various programs.

(The release was full of the well-rounded, redundant phrasing and alphabetical confusion that mask the bureaucracy and its operations. It said that HEW (Region 111) had awarded more than $6.8 million to "colleges, universities, and nonprofit agencies within the region for Talent Search, Upward Bound, and Special Services programs." The programs had begun in the middle to late 1960s during President Johnson's Great Society era.

(The money would go to "motivate and assist the disadvantaged . . . and enable them to enter, to continue, or to pursue the different avenues in postsecondary education."

(In other words, the programs would try to do what the public school systems had been unable to do: prepare the students for, or keep them in, college.

(Of the $6.8 million assigned to Region 111 (Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia) about $1.6 million would go to Virginia, and of that, $254,297 would go to Norfolk State.

(Staff writer Edith Smith was assigned to determine how the Norfolk State grant would be spent, and whether it actually helped the people for whom it was intended. She began her search in Philadelphia at the Region 111 headquarters, the 16-story Gateway Building at 3535 Market St.)

(By Edith Smith)

The Gateway Building is an imposing modern edifice two blocks north of the University of Pennsylvania and two blocks east of Drexel University in downtown Philadelphia.

It is the working home of 1,200 HEW employes, and the fount of millions of dollars for various programs in a five-state area, plus the District of Columbia.

It looks like money itself, full of big offices, huge desks, fancy drapes, secretaries and receptionists. It buzzes with activity.

I had appointments that day, Sept. 3, 1975, with Dr. Kirkwood Yarman, director of postsecondary education for HEW, and Velma Monteiro, senior program officer for Student Special Services for Region 111.

I also had tried to make an appointment with Dr. Walker Agnew, regional commissioner of the Office of Education, but was told he was on vacation. "He'll probably be out of town for about two weeks," Yarman had said.

The one-hour joint interview with Yarman and Monteiro was less than fruitful. Yarman, a GS 15 with a salary range of $30,000 to $36,000, knew little if anything about the programs. A man of about 45, with curly blond hair that came to his shoulders, he let Monteiro do all the talking.

Monteiro, in her middle to late 20s and with a short Afro, on the other hand was very sure of herself and knew most of the answers. She gave me a detailed summary of the purpose of each program, how they came about, and the amounts funded to each.

But when I asked how much money went to staff salaries, how staff was hired, and HEW's evaluation of the programs, I was met with evasive answers and frequent citations of the Freedom of Information and Privacy acts. I did learn a few things, however.

"Norfolk State was awarded $254,000 for its three programs," I said. "Do you think, based on the program's past performance, the amount is justified?"

Monteiro was not anxious to answer. Pressed, she shrugged and said, "I'd say there are better directed programs in the region. On a scale of 1 to 10, I would rate Norfolk State a 5. About average."

I asked to see the previous written evaluations of the 10-year-old programs at Norfolk State, thinking that since they were paid for with public money, they should be made public, assuming there was no breach of national security.

Monteiro cited the Freedom of Information Act without citing an applicable section. "You can get it from Norfolk State," she said.

"Why can't I get it from HEW?" I asked.

"You'll need a written request," she answered, "and even then I'm not sure you'll get it. We will have to contact our Freedom of Information Center."

The interview was interrupted at this point when a distinguished-looking gentleman of about 60 walked into the room without knocking. "Uh, hello, Dr. Agnew," Yarman said, somewhat startled, and the two talked for about five minutes.

Agnew? That can't be Agnew, I thought, and I stared at the gentleman so hard that Yarman finally introduced him to me.

As he was leaving the room, I said, "But I thought he was out of town." I was met with blank stares.

I asked the two public officials about their background and their salaries.

"I don't know why that would be useful to your story," Yarman said. It would be useful, I said, to know the qualifications of the people who are spending tax money, and how much they are getting to do so.

But Monteiro and Yarman refused to divulge their salaries and previous job experiences, and our interview came to an end.

But before I left, one of them mumbled something to the effect of what's a nice black girl like that doing a story like this for?

David Frankel, who is about 50, is assistant regional director of public affairs for HEW. He had set up the interview with Yarman and Monteiro and had told me to call on him if I had any trouble getting information. I called on him after leaving the interview.

I met with him in his huge, plushy carpeted office, which included a long sofa and several paintings. He was cordial, but in answer to my complaints I received a 30-minute detailed talk on the sights to see in Philadelphia and a tourist map. "You should take advantage of your time here," he said, escorting me to the door.

The one bright spot during my visit to sunny Philadelphia was lunch in HEW's 500-seat cafeteria. Meat loaf, rolls, dessert and coffee cost only $1.80.

The next leg of my journey in quest of information on the programs was to Richmond and a three-day workshop. HEW sponsors the workshop each year for directors of Special Services and several members of the staffs to advise the participants on changes in rules, guidelines, and reporting procedures.

Among other things, the workshop was a gala affair, highlighted by a formal banquet and entertainment by a jazz trio and a modern dance group.

On the business side, everyone I talked with agreed generally that the workshop was informative and interesting, but the conversations usually trailed off at the approach of specifics. None could tell me what impact, if any, the programs had on the students.

"We can answer how many students we've been serving, but we still can't answer (after 10 years) what our impact has been," one official said.

One official with the State Council of Higher Education confided that he didn't know about Special Services until he was asked to speak at the workshop. "I had to do some fast research," he said.

One thing the workshop had was plenty of speakers, including one from Puerto Rico, all traveling at government expense.

One of the major speakers obviously hadn't been clued on the bureaucratic routine. He said during his speech, "It's critically important that your work be made a little better known."

The audience applauded, but it wasn't listening.

I tried to find out the cost of the workshop, but HEW neatly hides that figure by making each project pay its own way. However, almost 200 people stayed at the John Marshall Hotel, the workshop headquarters, and the room bill alone came to about $12,000. The luncheon I attended cost me $8, and the dinner banquet was $12 per person.

I tried to find out how much money the Norfolk State College programs spent on the workshop but was refused that information.

The most frustrating part of the assignment involved Norfolk State.

Allen Creekmur directs Special Services, Gladys Kaggwa the Upward Bound project, and the Rev. Ben Beamer the Talent Search program.

I made an appointment to see Creekmur Jan. 28, and I was to see Mrs. Kaggwa the next day.

I went to Creekmur's office for the 11 a.m. appointment Jan. 28. He wasn't there.

After about 45 minutes, Creekmur called to say he would be late because he was moving his mother out of a nursing home. He suggested we meet the next day.

I told him I had an appointment with Mrs. Kaggwa the next day, but he said he had talked with the Rev. Mr. Beamer and Mrs. Kaggwa and the three of them had agreed that it would be better if I met with all of them at the same time.

"That's fine," I said, and we set an appointment for Jan. 30 at 10 a.m. "I'll bring a photographer."

Creekmur was in his office waiting for me Jan. 30, but Beamer and Mrs. Kaggwa were not. Creekmur said we had to go to Dr. William Craig's office (Craig is Norfolk State's vice president for development and thus supervises the three programs) to get his permission to discuss the programs. Creekmur said that college officials no longer had to go through the president for permission to grant interviews, but Craig had insisted that I talk with him first before the interviews would be allowed.

"Shall we go? Craig is expecting us," Creekmur said, and we walked to Craig's office in the next building.

Actually, Craig wasn't expecting us.

When we got there, Craig asked me if I weren't a week early. "I've got an interview with someone else in 15 minutes."

Craig said he would give be about 60 seconds. "You're *going* to have to make it fast," he said.

In 57 seconds, I said I wanted to talk with the directors of each program to find out how much money had been spent, how many students had been served, and how each program had been assessed.

Craig said he could not give any information. "It's college policy," he said. The "college policy" answer is Norfolk State's version of HEW's Freedom of Information and Privacy acts answers.

Craig was not only short on information. He also was camera shy; he wouldn't allow pictures to be taken of himself or the program directors, and the photographer who had been trailing me left.

Craig said my time was up, but agreed to meet with me again on Feb. 3.

On that date, Craig still refused to give me permission to talk with the project directors, who up until then seemed quite willing to talk. Craig said they didn't want to be interviewed.

Craig also said interviews with the students would not be permitted. It would be an invasion of their privacy, and, "These are very sensitive students, you know." This was a considerable departure from the early days of the programs. Virginian-Pilot files contain several stories on the programs and the students.

Craig would only say when the projects had begun at Norfolk State and how many students each program served. When asked the total amount that had been spent on the programs, Craig said he had no idea.

I asked for a copy of HEW's evaluation of the Norfolk State programs. Craig said it was "college policy" that the evaluation of a federally funded program could not be released. When asked for a copy of that "college policy," Craig said he didn't have time to look it up.

Lifting me up by the arm, Craig said, "Only because you are an alumna of Norfolk State did I take the time to talk with you at all."

As he escorted me from his office, I asked Craig one more question. "Does Norfolk State follow up on its students in order to determine the value of the programs?"

"Those that we can follow up, we do," he answered.

"How are they doing?"

"Just fine."

"What proof do you have?"

"Just take my word for it."

Dissatisfied with Craig's answers, I went to the office of Dr. Harrison B. Wilson, Norfolk State president, and told his secretary that I would like to talk with him. He didn't have time, and asked that I leave a list of questions, which I did.

After five months, they are still working on the answers.

Second District Congressman G. William Whitehurst once said: "Political power has been transferred to an unaccountable federal bureaucracy; the people have lost control of their government; and Congress is to blame for this state of affairs which has rendered meaningless portions of our Declaration of Independence."

And I say to myself, "What the hell, I'm only one reporter. I can't cure something that's been going on for years."

And then I go looking for a copy of a Department of Health, Education, and Welfare application.

Those HEW salaries aren't bad.

EPILOGUE:

On Oct. 7, I had sent a written request to HEW asking for a copy of the evaluations of the Norfolk State programs. When I received no reply, I called Monteiro Oct. 24. She said my request had to go to the Freedom of Information Office, and suggested that I try to get a copy of the evaluations from Norfolk State.

I called Craig several times at his office, but he was never in and did not return my calls. I called Monteiro again Feb. 4 and again asked for a copy of the evaluations. She told me to write again and suggested I be more specific about what I wanted.

On March 1, I received the evaluations from HEW, but they were so contradictory and bland that I couldn't write anything about them without discussing them with the evaluators. You know the answer to that question.

U.S. TAX SYSTEM CITED AS CAUSE FOR DOMESTIC OIL SHORTAGE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Ms. ABZUG. Mr. Speaker, I wish to bring to the attention of my colleagues an article written by one of my constituents, Mr. Jay Olnek, that appeared in the Riverdale Press, which clearly reveals that a major source of our current oil shortage and the resultant high oil prices lies in our tax system.

Under section 901 and 902 of the Internal Reserve Code, American oil companies can take as a tax credit for any taxes they have paid to foreign governments. Oil cartel countries, having taken ownership of their oil facilities, keep most of the oil profits and leave a small portion to the American oil companies for marketing their oil. By labeling the profits of the cartel countries a "tax," American oil companies are able to circumvent the usual corporate tax on profits of 48 percent and in some cases—for example, Gulf Oil—pay as little as a 1-percent tax. None of the five major oil companies paid more than a 5-percent tax in 1973. This counterproductive tax system has resulted in profits made on foreign produced oil being double those made on domestic oil. Faced with such a profit system, the oil companies have quite logically attempted to reduce American oil production, both by seeking legislation and by closing many still productive domestic oil wells. This anomalous situation must be corrected.

The article follows:

SHERLOCK HOLMES AND THE FADING AMERICAN OIL INDUSTRY

(By Jay I. Olnek)

Scene—The Oval Office at the White House, Washington, D.C.

Enter—Mr. Sherlock Holmes.

President Ford: Thank you for coming, Mr. Holmes.

Sherlock Holmes: I am honored by your invitation, Mr. President. How can I be of service to you?

President Ford: By helping to solve this mystery. Communist Russia has outproduced the United States in oil for the last two years. I have always believed in the profit system. Something has gone wrong.

Sherlock Holmes: A glut of oil hangs over the world market. Your own oil companies are primarily responsible for this overproduction of oil.

President Ford: Yes, Mr. Holmes, that is true. However, five of our major oil companies do not produce much oil here in our own country. In 1974 for instance, Exxon produced 1,050,000 barrels per day in the United States; in oil cartel countries, that company produced 4,100,000 barrels per day. Texaco produced 850,000 barrels per day in the United States in OPEC countries, the figure was 3,250,000 barrels per day. Mobil's record was 400,000 barrels per day in the United States vs. 2,100,000 overseas. Standard Oil of California—only 600,000 barrels in the United States vs. 3,200,000 overseas. Gulf—400,000 barrels per day in the United States; 2,100,000 barrels in foreign countries.

These five companies produced only 13½% of their oil in the United States. In foreign countries, they produced 86½% of their oil. These are American companies—yet they produce six times more oil overseas than they do in their country.

Sherlock Holmes: Let us assume, Mr. President, that your confidence in the profit system is well justified. Is it possible that there is more profit for American companies to produce oil overseas—and send it back to the United States—than to produce oil right here?

President Ford: Our tax laws make it advantageous to operate overseas. Under Section 901 and 902 of the Internal Revenue Code, American oil companies can take as a credit against their United States income taxes, any taxes paid by themselves, or their subsidiaries, to foreign governments. These oil companies pay only a minimal U.S. tax.

The usual corporation tax within this country is 48% of profits. However, for 1973 Gulf Oil paid a 1% tax, Mobil paid a 2% tax, Texaco paid a 2% tax, Standard Oil of California paid a 4% tax. EXXON was the big taxpayer of the group. EXXON paid a 5% tax on profits of 2.4 billion dollars.

Sherlock Holmes: Oil cartel countries have taken over ownership of their oil facilities. These countries keep most of the profit. However a portion goes to the oil companies for marketing their oil. Suppose a very "friendly" agreement is made to label profits to the cartel countries as a "tax." Can that "tax" be taken as a credit against the oil companies' U.S. taxes?

President Ford: Yes, unless the Internal Revenue Service finds evidence of collusion.

Sherlock Holmes: You stated some oil companies operating overseas pay 1% or 2% in taxes instead of the usual corporate tax of 48%. They produce most of their oil overseas. How does their profit on a barrel of foreign oil compare with their profit on a barrel of oil produced within the United States?

President Ford: After taxes, their profit on the foreign barrel of oil is about double. Cheap foreign labor can increase this profit margin.

Sherlock Holmes: Has there been any attempt by oil companies to curtail production within the United States since they can earn more from overseas oil?

President Ford: In the 50's and 60's, major oil companies fostered the idea of "conservation" of U.S. oil reserves. "Use less American oil and import more foreign oil," they said. A quota was established for foreign oil imports.

Sherlock Holmes: This "conservation" program guaranteed the major oil companies a portion of the American market for their foreign oil?

President Ford; Yes. That naturally followed.

Sherlock Holmes: In the early 60's, what was the estimated amount of undiscovered U.S. oil reserves?

President Ford: 400 to 590 billion barrels.

Sherlock Holmes: In 1975, what was the estimated reserve figure?

President Ford: 50 billion barrels.

Sherlock Holmes: That is a reduction of about 90%. Oil is being discovered in quantities all over the world. The United States is renowned for its great resources. Yet, its estimated oil reserves decrease!

President Ford: That is strange!

Sherlock Holmes: Has there been any other attempt by major oil companies to curtail production within the United States?

President Ford: Senator Ernest F. Hollings of South Carolina has discovered "shut-ins" of oil wells within the Gulf of Mexico. These are oil wells fully capable of producing large quantities of oil. Over 3,000 of these wells have been capped.

Sherlock Holmes: Let us assume, President Ford, you owned an oil company. Also let us assume that a glut of oil existed on the world market, which is in fact the present case. If the profit after taxes on foreign oil is twice that of domestic oil, where would you produce that oil?

President Ford: I don't believe it is as simple as all that. There are many obstacles, Mr. Holmes, to producing oil within this country. For example, environmentalists.

Sherlock Holmes: Why should the major companies try to overcome that hurdle?

President Ford: Without a profit incentive, I suppose they would not try very hard.

Sherlock Holmes: The profit system can work. However, your tax laws have transplanted the situs of that profit overseas. Major oil companies packed up their bags and followed.

It is necessary to repeal Section 901 and 902 of the Internal Revenue Code. Put a huge tax on foreign oil profits.

The five major American oil companies will come rushing back home again to find oil here.

It will be a repeat of the Gold Rush of 1849. Rivers of petroleum will flow.

President Ford: Mr. Holmes, it is hard for me to believe that the oil shortage in the United States can be due to two small sections of the Internal Revenue Code.

Sherlock Holmes: You believe in the profit system, Mr. President?

President Ford: Of course, I do.

Sherlock Holmes: Then you must also believe this.

NEW AGRICULTURE PROCESS HAS GREAT POTENTIAL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. SIMON. Mr. Speaker, I suppose every Member of Congress is contacted by a series of people who have ideas which may have some substance which seem pretty far out. I have had my share of easy answers on the energy crisis, and everything else, like most of my colleagues have had.

One of those who contacted me is a stockbroker by the name of Harold E. Wolfe of Belleville, Ill., a resident of the district of our esteemed colleague, MELVIN PRICE.

Mr. Wolfe claimed to have a means of increasing plant life productivity amazingly. I took it with a considerable grain of salt, but I did set up an appointment with him.

Having seen the results myself, I have become a believer. The "Wolfe Process" may have some defects that are not now known, but my hope is that Southern Illinois University's School of Agriculture, and other schools of agriculture, will take a look at what Harold Wolfe has developed and research that process and if there are defects, find them out quickly. If there are none, or if the defects can be overcome, we may be on the verge of a new productivity in the field of agriculture that is equal to or exceeds the "green revolution" of a few years ago.

I am attaching for publication in the RECORD, a copy of an article which appeared in the St. Louis Globe Democrat written by Marty Heires, which explains some of the details of the "Wolfe Process":

"WOLFE PROCESS" MAY SAVE WORLD

(By Marty Heires)

Harold E. Wolfe of Belleville believes he has the answer to the world's food shortage and possibly even to the energy shortage.

The answer, he says, is this new method of increasing plant growth.

Wolfe, 76, and his wife, Ruth, live at 24 S. 86th St.

The Wolfes have a large backyard which stretches to S. 85th St. Wolfe uses his ½ acre to experiment with an assortment of bushes, flowering plants, trees, and even some grass samples in a special area.

"What I have in my backyard is the greatest hope for mankind for food and energy in the future," says Wolfe who has been avidly interested in plants for 35 years.

Wolfe's hope for the future centers around the "Wolfe Process," a method he has found to dissolve a hormone so plants can ingest it.

The hormone is naphthaleneacetamide, a member of the auxin class of hormones.

Wolfe began experimenting with the chemical about 25 years ago when some hybrid peonies he had raised were sterile and would not produce seeds.

Wolfe thought the chemical would affect the chromosomes in the plant and stimulate seed production. But he could not find a solvent to dissolve the chemical in so the peonies could actually ingest the chemical.

He decided to evaporate the chemical, which changes to gas at about 98 degrees Fahrenheit.

He placed the plants in plastic bags and springled some chemical inside so the sun's heat would evaporate it.

At first Wolfe thought he had left the bag on too long and he had "cooked" the plants.

But the next year the peonies grew back even larger and more vigorous than before.

"I knew I got tremendous growth, but for 15 years I did not know what was causing it," says Wolfe. "When I realized what I had, I went to 12 universities for help and not one of them helped me."

But the bespectacled and balding Wolfe, whose eyes seem to sparkle a bit when he talks about his discovery, says he did not let the rejection bother him.

Then, two years ago, Dr. John Yopp, a plant physiologist from Southern Illinois University at Carbondale, and a group of researchers came and took pictures and samples of plants growing in Wolfe's backyard.

Yopp says he is not prepared to call Wolfe's discovery a major breakthrough, but he says if Wolfe performed his experiments as he says he did, the chemical definitely affects plant growth.

"Whether the effects is something that will be entirely useful, we'll know by fall," Yopp says.

Both Wolfe and Yopp are unsure how the chemical works, but Wolfe says it increases both sugar and enzyme production in the plants. The increased enzyme production, he says, allows the plants to thrive in soil too poor to support normal plants.

Yopp is most interested in the method of application, which, he says, could be used on a whole field of crops. He also is interested in the possibility that seeds might carry the characteristics as Wolfe says.

If he gets a graduate assistant to perform the necessary experiments, Yopp says, Wolfe's theory, if proved, might gain scientific acceptance by next fall.

In about one week, Wolfe will bring his most recent experiment on wheat to the university for further study.

Wolfe treated stems of wheat in the fall and left the wheat outdoors all winter. Now that the plants are maturing, the treated wheat obviously is superior. Wolfe estimates it will produce two to three times the wheat of untreated plants.

Yopp says Wolfe's work has exciting "possibilities."

Wolfe, a stockbroker for Newhard Cook and Co., Inc., of Belleville, is confident the "Wolfe Process" will work on any plant and any food producing plant will produce much more food.

Wolfe hopes the university will continue work on his treatment process and some firm or government agency will sponsor a graduate student for a year's research to prove the method.

What he is most excited about though, is the seeds of the super plants, which he says carry the "super characteristics."

OLYMPIC GAMES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. DERWINSKI. Mr. Speaker, I am very disturbed by the blatant professionalism and growing political misuse of the Olympic games. If this trend continues, the 1980 Olympics in Moscow will be a complete sports disaster.

The Olympic Committee and the Government of Canada were absolutely wrong in their purely political decisions affecting the Republic of China. This is nothing more than a surrender by the Canadian Government to pressure from Red China and is contrary to all the rules of the Olympic Committee, which ought to have forced the Canadian Government to abide by them.

The Canadian capitulation to Red Chinese political pressure has set a tragic precedent for the 1980 Olympics which will be held in the Soviet Union. Given their propensity for propaganda and refusal to abide by international rules and regulations, what attitude will the Russians take toward any government they disagree with? Will they permit teams from South Korea, the Republic of China, Israel, and other countries that they might be propagandizing against at the time to compete in the Olympics?

I also deplore the complete professionalism which exists in many countries. There is no amateur athlete in our sense of the word in Eastern Europe, especially in the Soviet Union. They are, in fact, professionals who are entirely subsidized by the state for athletic purposes. The same situation exists in many other countries.

ESSAY CONTEST

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. ABDNOR. Mr. Speaker, the South Dakota Stockgrowers Association annually sponsors an essay contest open to young citizens throughout the State.

The topic this *Bicentennial* year was "How the Free Enterprise System Can Be Improved." The winner and recipient of a $500 savings bond was judged to be Jan McCulloh of Rapid City.

The insight to be gained from the prize winning essay goes far beyond that expected from one the age of its author. Certainly, many of my colleagues would do well to heed its message and the country could only profit as a result.

The article follows:

HOW THE FREE ENTERPRISE SYSTEM CAN BE IMPROVED

(By Jan McCulloh)

Man, when living in the society of men, faces two problems. First, how to acquire, through production or trade. the materials needed for life; then, how to protect himself and his property from his predatory fellowman. These twin obstacles choke life out of any civilization unable to cope with them both. Obviously, progress is not made with bountiful harvests if farmers are butchered by thieves, but the absence of crime is appreciated little during the absence of food. So after thousands of years of feeding and feuding with our brothers, what do we have?

Economic systems are directed toward man's struggle for prosperity, regulating the production, distribution and consumption of wealth. Government seeks to protect man from injustice. The Preamble to the U.S. Constitution justifies six reasons for government. They are: to promote unity, justice, domestic tranquilllity, common defense, general welfare, and the blessings of liberty. Our system of economics strives for private control of property, business and labor. The purpose of this or any economic system is not the same as the function of our government. Nevertheless, our government and economic system succeed if allowed to fulfill their independent, though compatible roles.

When wealth runs the government, democracy is thwarted. When government seeks to control wealth, by using power to distribute and consume money it did not produce, justice is aborted. Government has no right to do legally that which would be illegal if done by one man to another.

I have four objections to our present arrangement. First, the Federal Government has assumed powers not intended by the Constitution. We have traded pride for protection. We have exchanged initiative for inefficiency. We have given away freedoms for federal funds. The responsibility lies with a nation who must demand accountability for powers assumed. To demand less is to lose that liberty.

Secondly, we confront unlimited Federal spending. Recent estimates raise the national debt ceiling to a record $627 billion by June 30, 1976. Interest on the federal debt alone is a formidable percentage of our present budget. Inflation in the past has been due to deficit spending caused by wars. Because of overspending, we have a record deficit in time of peace, causing inflation. We have fractured our economic system to the point that those who regulate and consume are not those who produce.

The third insufficiency is control and regulation of business and labor by the Federal Government. Since we allow the government to expend money in private business interests, it assumes the power to regulate that money. The daily decisions of industry are subject to the interference of restrictions which impede growth and damage competition. Workmen and employers alike are financially hurt. Certainly, business and labor abuses should not be tolerated, but upholding the law does not imply expanding its jurisdiction. Government cannot seep into every area of business and remain impartial in administering justice or protecting the interests of all its citizens.

A fourth discrepancy is the lack of public understanding in the field of economics. Economic policy needs to be guided by an informed constituency. Opportunities to gain a background in our economic system are not provided to a majority at an early age. Thus, confusion is perpetuating, to the detriment of our economy.

Let's look at alternatives. I propose the following:

1. The Federal Government should assume only powers specifically set forth under Art. 1, Sec. 8 of the U.S. Constitution. No money should be expended for any purposes other than those specifically set forth under Art. 1, Sec. 8.
2. States should assume all powers not limited to the Federal Government nor denied them in the U.S. Constitution.
3. Congress should pass a law providing for orderly payment of the national debt.
4. The right of any person to work should not be denied or abridged on account of membership or non-membership in any labor union or labor organization.
5. All elementary and secondary schools should include basic economics with current social studies programs.

Advantages of this proposal are considerable. Government would be more responsible to the people. Most major programs would be controlled on a state-wide level. This causes stricter accountability to the voters, less expansion of authority, increased efficiency and less cost. States could adapt policy to their region's needs. The original purpose of government would be restored. Federal spending would decrease and sound fiscal policy would return. Waste and duplication would be eliminated by the states. Decreasing the national debt would reduce inflation and stabilize the economy. The government would consume a smaller percentage of the Gross National Product, since the extreme costs of administering federal programs would be spared the taxpayer. Most important of all, the free enterprise system would be allowed to operate without artificial adjustments due to politics or excessive spending.

Economic affairs of labor and business would be freed from Federal regulation. All industries could then use creativity, ambition and money to profit within the system. Labor would be free, but not forced, to organize. Government could no longer constantly intervene in private enterprises for its own self-serving interests. Yet states would have every right to prevent illegal actions by business or labor.

The public would become better able to determine economic policy, having been taught economics within the schools. We cannot afford to leave economic understanding solely to politicians and lawyers. We must inform Americans of the principles acting upon our economy if we expect our economy to be guided by their votes. Early and continued education could greatly further this objective.

We strive for an economic system which is truly free—free from repression, free from inefficiency, free to prosper. I believe American government and our free enterprise system can fulfill their functions, separately, efficiently and justly. Henry David Thoreau said it best when he said, "Government shows how successfully man can be imposed on, even impose on themselves for their own advantage. Yet the government never of itself furthered any enterprise, but by the alacrity with which it got out of its way."

BLACK TEENAGERS' JOBLESS RATE CONSTANT DESPITE U.S. RECOVERY

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mrs. CHISHOLM. Mr. Speaker, we have heard a great deal about the economic recovery which this country is supposed to be experiencing. I am very concerned that the limited progress being made in some sectors will distract us from the chronic economic suffering which still plagues many Americans, including much of black America.

In order to remind my colleagues of the scope of problems which we have yet to solve, I would like to insert into the RECORD an article by Charlayne Hunter of the New York Times which describes the plight of young black men and women who are struggling to cope with a 40-percent unemployment rate:

[From the New York Times, July 11, 1976]

BLACK TEENAGERS' JOBLESS RATE CONSTANT DESPITE U.S. RECOVERY

(By Charlayne Hunter)

The plight of black teenagers, whose unemployment rates were not only the highest during the recession but have also proved the most unyielding, is viewed as a permanent part of the country's system.

These black youths are regarded as part of a secondary labor class, with little chance of moving out of the perpetual state of joblessness or of escaping the vicious cycle of low-paying jobs that lack security or chances for advancement.

This is the picture that emerged in interviews with economists, labor analysts, manpower experts, community leaders and black teenagers themselves.

Many of these same analyses are echoed by other manpower specialists, civil rights officials, fiscal analysts, and others involved in the unemployment problems of youth.

Contrary to the expectations raised by the Great Society programs of the 60's, which aimed to break the cycle of poverty through training, remediation and job counseling, the cycle proved resistant.

In fact, as the recession lifts slowly for everyone else, the condition of black teenagers and young adults is steadily deteriorating.

"The worse part of being unemployed for me is that I don't seem to belong anywhere," said Denise Davis, a 16-year-old high school dropout from the Watts section of Los Angeles.

"I don't fit into school anymore. I don't have a husband or a baby to take care of. And I don't have a job. I just feel lost."

The argument by some economists that joblessness among black teen-agers will be reduced by the normal process of labor-market activity is contradicted by the persistence of the high jobless rates even in prosperous times.

In 1955, the jobless rate for black teenagers was 15.8 percent, compared with 10.3 for whites of the same age. In 1965, it was 26.2 percent, compared with 13.4. And in 1973, it was 30.2 percent for blacks, compared with 12.6 for white youths.

The most recent statistics are equally dismal. As of June 1976, that rate, according to the Bureau of Labor Statistics, was 40.3 percent for blacks, compared with 16.1 for whites of the same age.

For blacks, that rate increased since the last month, when the rate was 38.5. For whites, it decreased from last month, when it was 16.3.

Furthermore, the rate of joblessness among white teen-agers, though still high and posing many of the same problems, is expected to attenuate as a result of a declining birthrate of whites.

The black birthrate, however is three times that of whites and increasing.

Experts and teen-agers alike contended that new policies must take these factors into account, as well as other barriers, like discrimination.

Describing the "double" disadvantage of minority teen-agers, Mervin D. Field, the director of the Field Research Corporation in Los Angeles, said:

"Because of their age, they haven't had time to establish their work records. And because of their race, they have a harder time because programs especially designed for blacks have almost disappeared."

Dr. Bernard Anderson, of the Wharton School at the University of Pennsylvania, said:

"Fiscal and monetary policies alone are not going to solve this problem. You have to have measures intended to increase job skills, that invest in human capital and that attack institutional barriers."

LOST GENERATION

Without these measures, Dr. Anderson and others argued, a generation of blacks may be lost to society.

"The failure to attack these problems," Dr. Anderson said, "is tantamount to writing off the future of black people."

Earlier this year, the Joint Economic Committee of Congress, noting the predictions of severe unemployment through at least 1980, expressed its concern about the social, economic and psychological impact of the unemployment on young people.

A report by the committee predicted "increases in the incidence of crime, drug abuse and other forms of antisocial behavior that can ruin a person's chance of achieving a full and productive life."

The reaction of the young people themselves to their plight is equally grim.

"I don't think I have much of a future," said Rachel Smith, a high-school dropout, who lives with her mother in Watts. "I just get by from day to day."

Michael Wilson, a 17-year-old dropout from Buffalo, said: "The man may not like the way I survive, but I'm not going to lie down and die."

PLIGHT WORSENING

By most accounts, the economic plight of black teenagers is worsening.

"The paradox is that the economy is better in pockets," said Tom Stewart, the executive director of the Franklin Wright Settlement House, in the heart of Detroit's inner city.

"But the pocket has a zipper in it. And many of our youngsters are not so highly skilled and are not so readily employable. So the zipper doesn't open for them."

Mr. Stewart was among many officials interviewed who said that the job situation this year was worse than last year.

"I'm afraid to face the summer," said Alice Lyte, the director of the Semi-Quois Neighborhood Improvement and Employment Project in Detroit.

In many cities, so many adults are out of work that funds once used to aid unemployed youths are now being diverted to adults.

INFLATION CUTS AID

In Detroit, as well as in other sections of the country, businessmen contended that they had not recovered sufficiently from the recession to increase hiring. And, despite an increase in Federal aid, inflation has reduced the number of job openings.

In some cities, Federal aid itself has been cut.

For example, in Allegheny County, which encompasses Pittsburgh, the county has 2,831 jobs available to disadvantaged youths between the ages of 14 and 21. Last year, $2.7 million was used to hire 4,537 youths for eight weeks at $2.10 an hour for a 30-hour week.

This year, the Federal grant is $1.9 million for jobs paying $2.30 an hour. And there were approximately 10,000 applications for the jobs as early as April.

Though some of these problems may be eased somewhat during an economic recovery others, like discrimination and poor schooling, are viewed as more intractable.

Adults and students alike complained that students were not being prepared in school academically or through vocational counseling.

At the same time, however, Dr. Anderson's research indicated that job-hunting for black youths was "less favorable" than for white youths largely because of discrimination.

APPEARANCE A FACTOR

"Appearance is a big factor with young people finding a job," said Jack Motley, the manager of the Texas Employment Commission Office in downtown Houston.

"With all the freedom movements blacks have been involved in the past few years, many have gone to extremes in their dress and hair styles.

"When a young man comes in with a beard that is not kept well and braided hair, he's not going to be hired—not even an entry level job that he's qualified for," Mr. Motley continued. "And, quite often they want to say they've been rejected because they are black."

Vernon Evans, a graduating high-school senior in Los Angeles, said that he had applied to "about 110 places" but has had no luck.

"Employers are very afraid to hire black men today," he said. "Even if you come to an interview clean-shaven, short hair, looking real nice, they think you are going to rob the place or do some kind of damage. You might be a genius, but they will never give you a chance."

The reactions of other young blacks are just as pessimistic.

Lon Anderson, 18, lives on the Southwest Side of Chicago and has been unemployed since December, when he returned from the National Guard.

"I know I can get a job if I have a good attitude," he said. "I always try hard in interviews. I dress up and smile, and I try to play the part. Even if I haven't gotten a job, at least I've played the part well."

Many psychiatrists and sociologists fear a lowering of ambition among black youths, which seems to have decreased even since last year.

Miss Davis, the Watts drop-out, is one of five children supported by her mother, who is a domestic.

"I don't want to start cleaning people's houses," Miss Davis said. "But what else can I do?"

Her best friend, Rachel Smith, is also unemployed after having worked six months in a fast-food restaurant.

"At that time," she recalled, "I thought it was pretty bad because it was hot and dirty. But now, I wouldn't mind it at all."

SURVIVAL STRESSED

Like many unemployed young people, Miss Smith is idle a lot of the time, and she often spends her days watching television.

"This makes my mother very mad," Miss Smith said, "because she thinks I should work. We have lots of fights about this."

Mr. Stewart, the Detroit settlement house director, sees signs of "incipient [mental] depression" among youths there. In the last two years, 90 percent of Detroit's 18,000 school dropouts were blacks, and there is "a minimum" unemployment rate there of 40 percent for black youths.

"Something that might pass with a laugh is taken seriously and is apt to flare up into a fight," Mr. Stewart said.

And while the rhetoric and "scare" tactics sometimes employed in the 60's are seldom heard nowadays, in quiet, one-on-one conversations with hundreds of black youths, the emphasis was on survival.

"If they're hungry," said a member of one of Brooklyn's hundred or so youth gangs, "they'll rip off a store or a resident of the community. The only thing they're doing is trying to survive."

JUDGE LOUIS E. LEVINTHAL

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. GREEN. Mr. Speaker, Judge Louis E. Levinthal died in Jerusalem on May 16, 1976. Judge Levinthal was a noted Philadelphia lawyer and jurist who along with Judge Curtis Bok and Gerald Flood distinguished Common Pleas Court No. 6 in Philadelphia for several years. Judge Levinthal's standing and service extended beyond his beloved Philadelphia. He served as chairman of the board of Hebrew University in Jerusalem, and was appointed by President Harry S. Truman as special adviser on Jewish affairs to the U.S. military command in Germany and Austria. He counted Presidents Harry Truman, John F. Kennedy, Justice Louis Brandeis, Adolph Ochs, David Ben-Gurion and others as his personal friends. Judge Levinthal was long involved in the creation of Israel, and was and eloquent champion of the underdog throughout the world.

On June 16, 1976, the Court of Common Pleas of Philadelphia County held a memorial service for Judge Levinthal which was presided over by the distinguished appellate jurist Judge James C. Crumlish, Jr., of the Commonwealth Court; the president judge of the Court of Common Pleas of Philadelphia County, Judge Edward Bradley; and Judge Jacob Kalish, who was a former law partner of Judge Levinthal in the firm of Dilworth, Paxson, Kalish & Levy, Philadelphia.

Benediction was delivered by Rabbi Reuben Magil of Beth Zion-Beth Israel Synagogue. In addition to these distinguished judges and their colleagues, other commemorative speakers included Lewis H. Van Dusen, Esq., former chancellor of the Philadelphia Bar Association and present chairman of the ethics committee of the American Bar Association; Jerome J. Shestack, Esq., a senior litigator in the Philadelphia law firm of Schnader, Harrison, Segal & Lewis; I. Bud Rockower, chairman of the board of Rockower Brothers, Inc. Civic and legal leaders who worked closely with Judge Levinthal also added their tributes. These include Thomas J. Elliot, Esq., a Philadelphia attorney with the firm of

Saul, Ewing, Remick & Saul, who upon Judge Levinthal's counsel, lived for a time on Kibbutz Daverat Israel, and Clarence Walker, Esq., a Philadelphia attorney who, along with Harold E. Kohn Esq. and other leaders of the Philadelphia Bar, formerly served as a clerk to Judge Levinthal.

These sincere and eloquent tributes capture the breath, wisdom, and varied concerns of Judge Louis E. Levinthal. Accordingly, I am placing them in the Congressional Record with my sincere condolences to Judge Levinthal's family, friends, and colleagues:

Statement of Louis Van Dusen, Jr.

I have the privilege of speaking on behalf of the Pennsylvania Bar Association.

Our friend and fellow lawyer, Honorable Louis E. Levinthal, was a most distinguished product of this city. He was born in Philadelphia on April 5, 1892, the son of Rabbi Bernard Levinthal, who was an active Zionist. He was a distinguished lawyer and a great judge and political philosopher. Like the rest of us, he grew up to admire that great Court of Common Pleas No. 4, with Judges Finletter, Audenried and McCullough. He was always a progressive legal thinker and a strong opponent of the death penalty, saying, "There is no room for capital punishment if the function of punishment is to reclaim the criminal for society and defend society."

During the administration of Governor George Earle, the Court of Common Pleas No. 6 and the Court of Common Pleas No. 7 were established. Thereafter, for 20 years the Court of Common Pleas No. 6 was generally regarded as having taken over the reputation and leadership previously provided by the Court of Common Pleas No. 4. You will all remember that Judges Bok, Flood and Levinthal constituted the original court appointed by Governor Earle which thereafter served together for over 20 years in this very room. That was a great day in Pennsylvania legal history, and all here today are proud of the legal distinction which Judge Levinthal provided as an outstanding jurist on that court.

In addition to a distinguished legal and judicial career, Judge Levinthal was during World War II national president of the Zionist Organization of America. When he was born, Benjamin Harrison was the President of the United States, Winston Churchill had not yet participated in the charge at Omdurman in the Sudan, and Bismarck was still franking up the Kaiser in an effort to succeed Napoleon as the conqueror of the western world.

The changes that took place during Judge Levinthal's life seem incredible in retrospect, particularly in the field of communications, the automobile, airplane, telephone, radio, television, data-processing, lifesaving drugs, the discovery of both the North and the South Poles, the expedition to the top of Everest, and then to the moon.

The great task of that generation was to make democracy function for the benefit of the people in the face of these enormous changes in their lives over which, as individuals, they had little control. Accomplishment under the democratic process is not always easy to achieve. Lawyers as a profession are called upon to make our democracy work. Judge Levinthal is typical of the great leaders of that era.

Judge Levinthal was indeed fortunate in being able to witness the accomplishment of his own life's objectives He saw the last of the absolute monarchs of the west disappear, and the establishment and survival of the State of Israel against enormous odds. This result he strove mightily to secure.

It is not without significance that our own Earl Harrison, as Dean of the University of Pennsylvania Law School and a partner of Jerome Shestack (who will speak to Judge Levinthal's contributions to Philadelphia's cultural and civic life), was the man who prepared the report for President Truman on the refugees of Europe, which was the occasion for the appeal by President Truman to Clement Atlee urging the British to establish the State of Israel. Subsequently, an Anglo-American joint commission was formed to report on this subject. Earl Harrison was the first witness before that joint commission. You all remember the tremendous efforts made by Rabbi Steven Wise and Judge Levinthal to achieve this objective. It is interesting to note that the two leaders of that commission were both distinguished judges—the Honorable Joseph Hutcheson of the Court of Appeals for the 5th Circuit, and Sir John Singleton of the King's Bench Division. Our own Frank Ayedelotte, president of Swarthmore, was a member of the commission, as was my great friend Dick Crossman, of New College, Oxford. The establishment of this commission was the beginning of the final and successful effort to establish the state of Israel, in which effort Judge Levinthal was so effective. This city is proud of its leaders who, 200 years ago, established this country, and it is proud of Judge Levinthal's contribution to the establishment of Israel and to the legal and cultural life of this city.

When asked "What is the American Dream?", the great author Archibald MacLeish replied, "There are those I know who will reply that the liberation of humanity, the freedom of man and mind, is nothing but a dream. They are right; it is the American dream."

Judge Levinthal was a great admirer of Justice Louis Brandeis, and, indeed, he wrote a biography of that great Jurist. Like the prophet Micah, who more than 2500 years ago in Judea stated, "What does the law require of thee but to do justice, to love mercy, and to walk humbly with they God," so did Judge Levinthal, and we are proud and happy that he lived so effectively among us.

Louis E. Levinthal: A Friend's Tribute

(By Jerome J. Shestack)

We meet today to honor the memory of a man who was wise and just and good.

In his lifetime, Judge Levinthal never sought accolade. He followed the precept of his Talmudic ancestors to love the work and forego the honor. Yet, he would have been pleased at the gathering in this Court, for he loved his Court, and even more, he loved the law.

Louis Levinthal was born and raised in an unusual household, one which was a fortress of Jewish tradition, a tradition in which active responsibility was a mandate. His father, Bernard L. Levinthal, was a renowned Rabbi, who came here from Lithuania in 1891 and rose to become the first head of the Orthodox Rabbinate in this country. His brothers, Israel and Abe and Cyrus became eminent in the rabbinate and in the law. Judge Levinthal revered his father and when he spoke of him, as he often did, one sensed deep affection and esteem. Fortunate such a father. Fortunate such a son.

The Jewish tradition which Louis Levinthal learned in his father's home was one he honored throughout his life. The Biblical commandment "Justice, Justice shalt thou pursue," was a precept he lived by. And following the Biblical precept, he tempered justice with mercy, looking for that element of merit which must lie in each person.

To his love of law and fealty to justice, he brought a keen intellect and an extraordinarily lucid mind. He had an unfailing ability to cut through the thickets of a problem and perceive its root. Lawyers and litigants considered themselves fortunate to have him judge their cause.

Judge Levinthal believed that justice must be felt as well as rendered and with his talent for articulate expression he explained and taught the basis for his judgments with such forceful clarity that appeals from his decisions were infrequent and affirmances almost invariable.

It is not often given to courts of nisi prius to influence generations to come, but in Common Pleas Court No. 6, a Protestant, a Catholic and a Jewish judge formed a remarkable triptych of justice that stands as a model for courts present and future.

Another vital part of Lou Levinthal's life was his dream of the restoration of Israel as a Jewish homeland. It takes faith to pursue a dream; it takes will to bring a dream to reality. Louis Levinthal had both faith and will.

From his youth, he was an ardent Zionist. He helped the Zionist pioneers who settled the desolate rocky soil of Palestine and made it green and fruitful. He became head of the Philadelphia Zionist organization in 1926 when few could visualize the creation of Israel. Louis Levinthal never wavered from pursuing that dream, even during all of the years it seemed so hopeless. He became president of the Zionist Organization of America in 1941 and redoubled his efforts to win support for the Jewish homeland.

When World War II ended, President Truman asked him to go to Europe as advisor on Jewish affairs to General Lucius Clay. Judge Levinthal saw the horror of the Holocaust and the pitiful remnants of the concentration camps, and he returned with even greater commitment—if that was possible—to the creation of a Jewish state. Surely, one of the happiest occasions in his life was that day in May of 1948 when Israel became again a full independent nation. He was proud that his daughter, Sylvia Bernstein, settled in that land and to his last day he never ceased his labors on behalf of that struggling democracy.

Louis Levinthal also played a major role in the growth of the Hebrew University of Jerusalem. When Chaim Weizman founded the University in 1918 on beautiful Mt. Scopus, he had said that learning was the "Jewish dreadnought." In the years that followed, Hebrew University became a center of free inquiry and a source of enlightment for the whole of the Mediterranean world and indeed far beyond.

During the Israel War of Independence in 1948, Jordanian troops sealed off the University and it remained empty of students and faculty for almost twenty years. Judge Levinthal was one of those instrumental in building an entirely new campus on Givat Ran in modern Jerusalem, and in 1962, at the request of Premier Levi Eshkol, he served as Chairman of the International Board of Governors of Hebrew University, the first time an American was so honored.

After the Sixth Day War in 1967, Mt. Scopus was restored to Hebrew University. That June, I was with Judge Levinthal at an emotional convocation marking the return. It took place in a magnificent stone amphitheatre high about Jerusalem looking out at the mystic purple mountains of Moab and Gilead. In the shadows of the late afternoon, I saw tears run down his face as those who gathered on Mt. Scopus rededicated themselves to the goals of knowledge and understanding to which the University had always been faithful.

Learning and enlightenment were always dear to Louis Levinthal. His own writings were marked by meticulous scholarship. He never relied on experience to the detriment of research, and he disdained the glib aphorism as a substitute for clear exposition.

He headed both Gratz College and the Talmud Torahs of Philadelphia. But his greatest devotion in the field of letters was to the Jewish Publication Society of America. This year marked his 50th year as a trustee of the Society; for 18 years he served as Chairman of its prestigious Publication Committee; for five years he was President of the Society. Under his guidance some of the major works in modern Jewish letters were published, including the first translation of the Pentateuch into modern English by Jewish scholars. Even after his terms of office ended, he rarely missed a meeting of the Society's Board and succeeding presidents of the JPS often sought his counsel on the more difficult problems. I went to him often and there was never a time that he did not simplify the issue and point to a constructive solution.

Despite his deep involvement in so many public causes, he found the time to serve as mentor, patron, and advisor to innumerable young people. He and Lena, his wife, companion and deepest love, often sponsored young artists, musicians and writers in gatherings in their home. But more, in the privacy of his chambers, office or livingroom, he gave generously of himself to those in need.

After the death of his beloved Lena, he chose to live in Israel, but rarely did a momentous event occur in the lives of his friends without a handwritten note. As the years passed, the handwriting became infirm, but the strength of the observation or counsel never waned. He was happy to spend his last years in the land to whose fortunes he had so deeply committed himself. He passed away in his sleep at 84, serene and peaceful.

I am grateful at having been his protege, proud to have become his friend. He leaves us a rich heritage, reminiscences to share and to treasure, and an ideal to aspire to. One man perhaps does not move us far along the road, but those that shared the bounty of Lou Levinthal's fellowship have a deep awareness that we are better because he was here.

JUDGE LOUIS E. LEVINTHAL

(Statement of I. Budd Rockower)

The Talmud tells us it is good to be rich, it is good to be strong, but best of all is to be beloved by your *fellow man*.

Such a man was Louis E. Levinthal. He had courage—and compassion. He was a great leader—and a peacemaker. He had a contagious warmth—his face would light up as it broke into a smile. Lou Levinthal was a true friend, a good son, a proud father, and a wonderful husband. Young at heart, Lou and his beloved Lena were looked up to as the deanagers of Philadelphia.

Lou Levinthal . . . my counselor, my teacher, my friend.

A number of years ago, in celebration of his 75th birthday, my wife and I had dinner with Judge and Mrs. Levinthal. As always, we were fascinated by his moving stories—his exciting experiences with Presidents and Kings and Prime Ministers.

When I suggested that his priceless store of knowledge should be documented for posterity, he modestly replied, "Who would be interested in reading about me?"

Lou Levinthal, with genuine humility, *never* recognized the great man that he was. But he did confess that he had seven large cartons containing his letters, his papers, his manuscripts. That night we entered into a partnership—he would write his Autobiography—we would have it published.

On Sunday May 16th, in Israel, at the age of 84, Lou Levinthal passed away. Two days later I received a letter postmarked Jerusalem—from Lou Levinthal. . . . Possibly the last letter he ever wrote. In his letter, his remarks were most gracious. Even more touching, he praised the Israeli Branch of our family—my youngest daughter Elayn, her husband Jim, and our sabra grandson-David.

Little David's claim to fame is that he has an illustrious Godfather—Louis E. Levinthal. Lou also said in his letter that my son-in-law, Jim, who was collaborating with him on his book, only the day before, finally finished reviewing the last of his papers. Lou Levinthal began his autobiography with his favorite proverb: "I am but a lump of clay, but I was fortunate enough to be placed beside a bed of roses—and I have caught some of their fragrance." Lou felt that this beautiful Indian proverb typified his life, and he hoped that his book would be a loving description of the people who helped him become the person that he was.

The first person was the grandmother who told him of the persecution of the Jews in czarist Russia. Then, his distinguished father—the revered and respected Rabbi Levinthal—the Dean of Rabbis in Philadelphia.

The Levinthals were great Jews—and great Americans. Lou Levinthal was steeped in American history and so proud of his American heritage. About 10 years ago he was the guest speaker at the ceremonies where a group of new Americans took the oath of citizenship.

"You have every reason to rejoice," he said. "for to be an American citizen is not only a high privilege, it is also a priceless treasure. Heretofore, you were aliens, subject to various foreign governments. You now belong only to America—and America belongs to you!"

Supreme Court Justice Felix Frankfurter, himself an immigrant, was one of the people Lou described who helped him become the person he was. Lou's memories include many, many distinguished names: Harry Truman, Justice Louis Brandeis, Chaim Weitzman, General Lucius Clay, Arthur Hays Sulzberger of the New York Times, Leon Obeymeyer.

But of all his experiences, his most tender memories were right in this room—Common Pleas Court No. 6—with Judge Curtis Bok and Judge Gerald Flood.

If Lou could have overcome his modesty, I suspect he would have said "—C.P. 6 was the greatest court of all!"

Will you permit me another personal note?

Lou Levinthal represented one of my daughters, in divorce proceedings a few years ago.

The story is best told by reading Judge Levinthal's letter she received from Jerusalem 2 months ago:

"DEAR JONI AND BILLY: The sensational news about your remarriage made me very happy indeed. I hasten to send you my fondest good wishes and warm congratulations.

"Please congratulate your dear parents on my behalf and please tell them that in all my years at the bar and on the bench, I never derived more satisfaction and spiritual reward than in the humble role I played in the drama which will be an ever happier ending for both of you and your loved ones.

"Fondly,

LOUIS E. LEVINTHAL."

In 1972, Lou Levinthal left the U.S. at the age of 80 to spend the rest of his years in Israel. The establishment of the Jewish state was one of the great goals of his life and Lou Levinthal played a major part in its creation. Up to the very day he died, this cultured, spiritual, wonderful human being held court at the King David Hotel.

He was laid to rest in Jerusalem—between his beloved wife and the great, gentle philosopher, Martin Buber.

"I am but a lump of clay, but I was fortunate enough to be placed beside a bed of roses and I have caught some of their fragrance."

Those of us whose lives have been touched by Louis E. Levinthal have caught some of the fragrance of his roses. Thomas Jefferson eulogizing George Washington closed with a biblical quotation:

Verily, a great man hath fallen this day in Israel."

REMARKS OF THOMAS J. ELLIOTT ON JUDGE LOUIS E. LEVINTHAL

The greatness of Louis E. Levinthal is manifest and abiding. Although we mourn his passing, Judge Levinthal's great mind and spirit sustain us and renew our commitment to meet the escalating challenges to decency and human brotherhood. Louis E. Levinthal, the son of Philadelphia's chief Rabbi who fled persecution in Czarist Russia, was uncommon in his dedication to excellence and freedom. Judge Levinthal's commitment to Pennsylvania's jurisprudence has been well articulated by others. However as a man, fifty years younger than Judge Levinthal, I saw him unstintingly offer wise and good counsel to the National Conference of Christians and Jews, to the Fellowship Commission, and to many other groups and causes.

Too often great men love humanity, but have little time for individual people. Judge Levinthal never lost the common touch, and he never lost his interest in individuals. His advice and example were instrumental in my choice of the law as a career. He directed me to Israel, where I found vital commitment and ideals during my residence on Kibbutz Daverat. I came from the Kibbutz to visit Judge Levinthal and Mrs. Levinthal in Jerusalem. The dinner I shared with them in Herzliya was most memorable with Judge Levinthal speaking with passion in support of his desire for peace in the Mid-East, in Ireland and throughout the world. I can still see his eyes dancing with delight in his love of Israel's social and economic growth.

Words are inadequate to capture the full and inspirational dimensions of my friend and mentor Judge Louis E. Levinthal. However, the spirit of this genuine, gentle and humble man of thought and action is captured in the enduring words of Philippians: 4:8

"Finally, brethren, Whatsoever things are true, Whatsoever things are honorable,

Whatsoever things are just, Whatsoever things are pure, Whatsoever things are lovely, Whatsoever things are of good report:

If there be any virtue, and if there by any praise, Think of these things."

Our world is better because Louis E. Levinthal passed through it.

REMARKS BY CLARENCE L. WALKER

May it please the Court.

In the midst of the depression of the thirties, I left my private practice as an attorney to accept the invitation of Curtis Bok, Gerald F. Flood and Louis E. Levinthal, the newly appointed judges of Common Pleas Court No. 6, to become the Clerk of the newly formed court.

For twenty-two long and arduous years it was my duty to serve Judge Levinthal until his voluntary retirement to resume private practice with the firm of Dilworth, Paxson, Kalish & Levy.

Others have spoken of the judge's legal honors and philantrophic attainments. Let me, I pray you, say something of Louis E. Levinthal the man. It was my honor to serve him in the Court throughout his long tenure. During those twenty-two years I saw him in my professional duties and as his close friend practically every working day he spent in the court, and in addition, we met socially and intimately in our respective homes.

Now, gentlemen, hear my summing up of this great man. Comparisons, they say, are always odious, but, in my personal judgment, he was best *nisi prius* judge I have ever known in my fifty-three years at the bar. Always attentive to that which was going on before him, ever courteous to the witnesses and counsel, he delivered his rulings and judgments with the kindly smile which was his hall-mark.

He came of the strict, orthodox faith of his father and his father's father, I was and am a strict Presbyterian; yet the difference in our backgrounds was swallowed up in our love of God.

Louis E. Levinthal's body lies near to that of his beloved wife, Lena, and as close, I am sure, to the wailing wall in Jerusalem as it was possible for relatives and kind friends to give them rest. Jesus of Nazareth, of whom we often spoke, told of a beggar who lay outside the door of a certain rich man, desiring that he might eat the crumbs which fell from the rich man's table, and Jesus said in Luke 16:22—

"And it came to pass that the beggar died, and was carried by the angels into Abraham's bosom: the rich man also died, and was buried."

The phrase "Abraham's bosom" was and is Talmudic expression with which Judge Levinthal was acquainted.

This day he is in "Abraham's bosom" or, as the great David would have put it, "Surely goodness and mercy followed him all the days of his life and he shall dwell in the House of the Lord forever."

Farewell, my good and dear friend. "Shalom."

THE SPIRIT OF AMERICA'S YOUNG PEOPLE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. YATRON. Mr. Speaker. The valedictorians at the 1976 commencement program at the Wilson School District in West Lawn, Reading, Pa., have displayed the true and kindred spirit of American ideals.

In their addresses to faculty, fellow students, family and friends, Miss Lynette E. Davis and Miss Phyllis J. Heffner related their thoughts on the responsibilities of our citizens and of our Nation, as it begins its third century.

Because I feel that their words are a tribute to the understanding of basic issues by America's young people, I am making their commencement addresses available to my colleagues:

ENDURING VALUES

(By Lynette E. Davis)

Certain values have motivated men from 1776 to 1976. Integrity, faith, and courage. These are lofty words, but what do they mean to us, the graduating Class of 1976?

Abraham Lincoln, George Washington, Patrick Henry, the leaders of our infant and adolescent nation: these men's honesty has meant much to the future of their country.

Today, in this age of industrialization and scientific breakthrough, what does honesty mean? What does it mean to you? ? During a test, when the teacher turns away and the student in front has his paper uncovered, there is an inward struggle with your conscience against right and wrong. The urge to cheat is always there nagging you, "why be honest? no one will know". Do not believe the only honest man is the one who is not discovered: for what is integrity but a personal goal?

Honesty is also important when judging others. Your opinions should not be biased by gossip. Many great "tales" are started in idle minds, but do not let them affect your own judgment. It is possible to survive in this world dishonestly, but what would the achievement mean to you? You may be able to fool others, but you cannot hide anything from your own conscience. We lie loudest when we lie to ourselves!

A clear conscience is a result of faith: faith in God, faith in fellowmen, and faith in ourselves. If you have confidence in yourself, you will be able to accomplish anything, for faith is blind to impossibilities. According to the new testment, faith is the substance of things hoped for, the evidence of things not seen. How often do you doubt? Everyone has weak moments when his faith begins to waiver. But it only takes faith the size of a mustard seed, so do not give up! If you do not believe in yourself, who will?

It takes courage to stand up for what you believe in when you know you will be criticized for your actions. The American master of folk wisdom, Mark Twain, said, "courage is resistance to fear, mastery of fear, but not absence of fear." It is merely doing what you are afraid to do, for there can be no courage unless you are afraid.

Honesty, faith, and courage created the United States of America in 1776. Those values are what have enabled this class to graduate in 1976.

And now as we go on to face life's challenges, let us remember the Prayer of St. Francis of Assissi:

God grant me the serenity to accept the things I cannot change . . .
Courage to change the things I can . . .
and wisdom to know the difference!!

HONOR THE PAST THROUGH THE FUTURE

(By Phyllis J. Heffner)

Two hundred years ago the Declaration of Independence was written, which resulted in an almost free and independent nation—the United States of America. It is just and fitting that this feat should be honored, but how, in what manner? Should the nation lean back and prop up its feet and glorify the past achievements of its forefathers, revelling in a time which is forever gone and will never return?

This is certainly a part of this nation-wide "birthday party" and it serves an important function. However, the celebration should not, must not, end here. This is a time when the nation can look ahead and plan for the future, as did its forefathers.

The founders of this nation had a great ideal for the future. They wanted to leave to their descendants the freedoms which they were long denied: freedoms of religion, speech, and thought. These freedoms allow us to claim that we live in the best nation in the world today. But now we must rise above our past and move toward the future. We must become not only citizens of this nation, but also citizens of the entire world. Our forefathers were concerned with fostering the political environment of freedom and responsibility. So are we today. However, we must also focus our attention on the physical environment, without which it will be impossible to perpetuate their vision of freedom.

The environment of this nation and that of the world—a much larger "nation" to which we also belong—are interdependent. The warning has been made. We have done much to begin—the environmental protective agency programs, new automobile standards, the attempt to not waste food, the planting of trees and plants, and the expansion of mass transit—but this is still not enough.

If we are to truly honor the past, we must not be concerned with the cost of the necessary changes or be selfishly motivated by thinking only of our own conveniences. We, as individuals, all have a role to play, no matter how small. Making this effort is the true meaning of this Two-Hundredth Birthday, looking to the future and trying to improve the future's present. Our forefathers have done this for us; now, it is our turn.

H.R. 14143

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. ROBERTS. Mr. Speaker, the Democratic Caucus is scheduled to meet on Wednesday, July 21, 1976. I have been notified by the chairman that he has placed on the agenda a motion signed by eight Members of the House that would instruct the Democratic members of the Committee on Veterans' Affairs to "take whatever action may be necessary to complete consideration of H.R. 14143 and report said measure to the House not later than August 13, 1976."

H.R. 14143 is one of several measures pending before the Subcommittee on Education and Training that would, under certain circumstances, provide for a second extension of time for eligible veterans discharged since January 31, 1955, to go to school under the current GI bill.

Veterans' organizations representing over 6 million veterans throughout the country are opposed to another extension and in view of various conflicting statements that have come to my attention, I want my Democratic colleagues to know the correct position of these organizations on this issue.

There follows various excerpts from communications received by the committee from these organizations.

From a letter dated May 26, 1976, the American Legion states:

> Our appraisal of the responsibilities to the broader constituency of the veteran population leads us to urge that the Congress address itself to priority legislation before any extension of the delimiting date with its attendant cost factor is enacted. The Legion believes the most important legislative needs for veterans are readjustment of the rates of compensation for service disabled veterans, pension reform, adjustment of the monetary allowance for veterans now pursuing education and training under the GI bill and adequate funding for the Veterans Administration medical care program.

In testimony before the Subcommittee on Education and Training on May 30, 1976, the Disabled American Veterans took the following position:

> We appear here today, Mr. Chairman, not as an Organization unsympathetic to the educational needs of the veterans of this country. However, in view of recent budgetary restrictions that have been placed on veterans benefit programs, it is necessary that we voice our opposition to any proposed extension of the delimiting date for GI Bill educational benefits, which we believe will adversely effect funding necessary for the continuance and improvement of programs for the nation's disabled veterans and their families . . . As you know, Mr. Chairman, veterans' benefit programs have become highly competitive for the budget dollar. It is our feeling that priorities must be established to provide adequate funding

for disability compensation payments, for high quality medical care and for greatly needed improvements within the VA Hospital system. We feel that any extension of the present educational benefits would result in an expenditure of a substantial amount of funds which would be better utilized for other VA programs which serve America's wartime disabled veteran, his dependents and survivors.

In testimony before the Subcommittee on Education and Training on May 19, 1976, the VFW spokesman said:

Our objective has always been, and continues to be, the seeking of equal benefits for the veterans of all wars, their dependents and survivors . . . The current GI Bill is by far the most generous of any to date . . . In short, in our opinion, there is no tenable justification for further extension of the present delimiting period for completion of educational benefits under the current GI Bill.

In a letter dated June 3, 1976, to the chairman of the Subcommittee on Education and Training, the Paralyzed Veterans of America said:

We stand with you and do not support an extension of the delimiting date. This is a difficult position to take. We all wish we could stand strongly behind every proposal which would help any and all veterans. This is particularly true with reference to educational and readjustment benefits. We as catastrophically disabled veterans know very well the importance of readjustments and an opportunity to find a new career. However, with the confines of the amounts targeted in the First Concurrent Resolution on the Budget, we cannot support every proposal. There is simply not enough money to do everything. The Veterans Committee, and ultimately Congress, must now make some very difficult spending priority decisions.

Letters from the VFW and the DAV follow:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
July 15, 1976.

To: All Democratic Members, U.S. House of Representatives.

From: Thomas C. "Pete" Walker, Commander-in-Chief.

Subject: Further extension of time limitations for completion of education under the current GI Bill.

It has come to my attention the Democratic Caucus has been petitioned to instruct the Committee on Veterans' Affairs to take whatever action necessary to complete consideration of H.R. 14143 and report said measure to the House not later than August 13, 1976.

The bill in question, H.R. 14143, introduced by the Honorable Robert W. Edgar, with approximately 140 cosponsors, would, *again*, extend the delimiting period for educational benefits under the Post-Korean GI Bill, this time for an additional year. Although the pursuit of this legislation may appear politically astute during an election year, as the Veterans of Foreign Wars testified when this and similar legislation was considered this past May ". . . in our opinion, there is no tenable justification for further extension of the present delimiting period for completion of educational benefits under the current GI Bill."

The V.F.W. helped shape the current GI Bill, which was enacted into law March 3, 1966, and pressed the Congress of the United States for its passage. We fought for the two-year extension of the delimiting period, from 8 to 10 years, in 1974 and supported the increase from 36 to 45 months entitlement. We fought for and supported the concept of tutorial assistance and for the remedial education program, whereby veterans under the current bill who had not completed high school could return to school, draw their VA checks and not have that amount count against their entitlement for college training. We fought for the placement of veterans representatives on college campuses and for needed increases in benefits for those attending school and their dependents. We have staunchly opposed the Administration's attempt to reduce the delimiting period from 10 years to 8 years. We believe, all things considered, the current GI Bill is the most generous of all three GI Bills and, again, there is no tenable justification for a further extension of the delimiting period.

In addition to the foregoing, and most germane to the issue, there are not adequate funds in the First Concurrent Budget Resolution to finance the extension proposed by Mr. Edgar and his cosponsors, which, we are advised by the VA, would entail a one-year cost of some $662 million and, if an 8 percent cost-of-living increase is granted in the F.Y. 1977, as contemplated, the cost would be increased to approximately $716 million. Therefore, beyond other considerations, there is the question of finding the money. Would you do so by not granting an 8 percent cost-of-living increase to those in receipt of compensation for their service-connected disabilities, to their survivors receiving dependency and indemnity compensation, to those presently entitled to educational benefits, or an increase to the veterans and widows in receipt of pension? I scarcely think so. If you entertain the possibility of increasing the ceiling in the Second Concurrent Budget Resolution, it should be borne in mind the President has requested additional funding in the amount of $268.3 million for design funds for eight new VA hospitals and construction of two of those hospitals in the next fiscal year. The President's request, coupled with the funding needed for Mr. Edgar's bill, would exceed the target for VA outlays by nearly $1 billion, or some $984.3 million.

In conclusion, and let me make this quite clear—the Veterans of Foreign Wars has for 77 years fought for equal benefits for the veterans of all wars, insofar as practicable, and covering the entire spectrum of veterans benefits—not merely one facet thereof.

With best wishes and kind personal regards, I am

Sincerely,

THOMAS C. "PETE" WALKER,
Commander-in-Chief.

DISABLED AMERICAN VETERANS,
July 16, 1976.

Hon. ———
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This letter is written to you as a member of the Democratic Caucus who will be asked on July 21, 1976, to vote on a motion to force the Committee on Veterans' Affairs to report H.R. 14143 to the House not later than August 14, 1976.

This bill proposes to extend veterans educational benefits for 1 year for those able bodied peace-time veterans who served between the years 1955–1965 and who have already been afforded ten years to acquire maximum use of these benefits.

The Veterans' Affairs Committees have allocated a total of $454.9 million for the Subcommittee on Education and Training for FY77. These funds will provide for an 8% cost of living increase for those bonafide Vietnam Era Veterans presently enrolled in school and who on the most part have sufficient time remaining to complete their education within the prescribed 10 year period. It will also provide $1.5 million to extend the period of time during which seriously service connected disabled veterans may be afforded vocational rehabilitation training.

Efforts were made to provide the required $662 million for the 1 year extension in the First Concurrent Budget Resolution. These efforts failed and it is a simple fact that there are no funds allocated for an extension.

A vote in favor of H.R. 14143 will make it impossible for the Congress to pass legislation of a much higher priority within the limits of the budget for Veterans' Benefits and Services.

Funding has been provided in the budget and by the Veterans' Affairs Committee for:

(1) Cost of living increase in disability compensation paid to 2.2 million disabled veterans and 366,188 surviving widows and orphans.

(2) Cost of living increase for veterans in receipt of non-service connected pensions.

(3) Adequate medical treatment so desperately needed by this nation's disabled veterans.

We believe there is no justification to reduce funding for these programs in favor of an extension of educational benefits.

The 517,141 members of the Disabled American Veterans urge your vote against any motion that would extend the present 10 year eligibility period for educational benefits.

Sincerely,

CHARLES H. HUBER,
National Director of Legislation.

MUHAMMAD ALI VISITS THE REPUBLIC OF KOREA

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. MURPHY of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article which appeared in the July 3, 1976, edition of the Korea Newsreview, an international publication of the Korea Herald. The article summarizes the recent trip to the Republic of Korea by the world heavyweight champion, Muhammad Ali, and demonstrates once again that the American and Korean people have much in common:

[From the Korean Newsreview, July 3, 1976]

SEOUL SHOWERS WELCOME ON ALI

World heavyweight boxing champion Muhammad Ali has highly praised the progress the people of Korea have made since the Korean War (1950–53) and the great leadership of President Park Chung Hee.

Ali, who came to Seoul on June 27, amid a hero's welcome from hundreds of thousands of Korean fans, said, ". . . what a great leader, the people of Korea have . . . So much progress has been made since the end of the war here." He was referring to the leadership of President Park Chung Hee under which this progress has been made.

At a news conference held at the Chosun Hotel three hours after his arrival Sunday, Ali said:

"I never knew that Korea is such a beautifully laid-out country. The streets are clean. The building structures are beautiful. This place is so nice I could live here myself." Ali said when he returns to America, he will tell people how nice Korea is.

He regretted that his visit was so short this time and promised he will come back soon and give some exhibition boxing matches to entertain the people. "This is what surprised me so much," he said, "seeing so many people, young people, old people, men, ladies—well over one million. I didn't know I was so loved in Korea," Ali said.

Ali told the newsmen that the United States was the greatest country on earth because it has people who believe in freedom and justice and believe in fighting, and we will fight, if necessary.

VISIT WITH GI'S

"This is why I am visiting the soldiers who protect me and my family," Ali replied when he was asked about his visit to the soldiers of the 2nd U.S. Infantry Division deployed north of Seoul.

"I have many American brothers over here, black and white, who fight for the freedom of the world and against the aggression of communism and are doing a job we can't pay them for," he said.

Asked about his future plans, Ali said with his voice full of confidence: "My plan for Ken Norton is an early knockout. I plan to beat him like Joe Frazier and George Foreman. Which means I shall destroy him," he said.

He said, after destroying him, he will fight George Foreman one more time and he'd like to fight with more "rasslers" if they don't lie down. The "rasslers" referred to were wrestlers.

"Then, I will retire. I am getting old," the master of ring said with a sincere look. Talking about the possibility of fighting Korean wrestler Kim Il, "Not if he lies on the floor all through fight like Inoki and fights like a crab."

Asked why his fight with Inoki was so lackluster, Ali said Inoki had acted like a crab lying on his back most of the time. "This is why the fight was dull," he said.

Ali said his best fight, the most exciting, was the third fight with Joe Frazier (in Manila last year), and the next toughest fight he has ever had was his first wife.

During his three-day stay in Korea, Ali paid tribute to the soldiers buried at the National Cemetery and the tomb of the late First Lady.

He also went to the Central Mosque in downtown Seoul to meet his Muslim brothers. Ali had a special prayer session with the Korean Muslims held for him.

Later on the following day, Ali, who is a disciple of taekwondo himself, visited Kukkiwon, the world taekwondo center on the southern outskirts of Seoul.

Ali, who has been taught the Korean-born martial arts by Korean instructor Jhoon Rhee, received the supreme black belt from Kim Un-yong, president of the World Taekwondo Federation.

Before a capacity crowd of 3,000, the ceremony got under way with the strains of national anthems of both countries provided by a high school band.

Ali was also presented with a white taekwondo robe and a replica of golden crown worn by the kings in the Silla Dynasty (B.C. 57-835).

After the ceremony, Ali watched the taekwondo demonstrations by primary school students and adult black belters.

A pint-sized primary schoolgirl amazed Ali as she racked a dozen of roof tiles with hands. Ali abruptly stood up and was motionless for a while in a gesture of incredibility.

Ali said he was very happy to have come to the home of taekwondo, especially here at the headquarters of taekwondo. Ali said in his eloquence. "God blessed me with natural speed. I am a great athlete. After I learn taekwondo, I am going to spread it all over the world."

Referring to his forthcoming fight with Ken Norton at Yankee Stadium for the world championship, Ali said he will learn a few more taekwondo punches to knock him out quickly. "I am very proud so many young boys and girls are learning the arts of taekwondo. This means making them strong and better citizens." He left Seoul on June 29.

MONONGAHELA-TYPE LAWSUIT HITS TEXAS TIMBER SALES

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. CHARLES WILSON of Texas. Mr. Speaker, on July 2, 1976, in the U.S. District Court for the Eastern District of Texas a suit was filed by a citizens group called the Texas Committee on Natural Resources which, on July 13, resulted in a temporary restraining order shutting down current and pending timber sales on the Sam Houston National Forest. This suit, Civil Action No. TY76-268-CA, brings home to the State of Texas the severe impact of the type of lawsuits which began with a decision affecting the Monongahela National Forest in West Virginia 3 years ago and which now have blocked timber sales on national forests in Alaska and in the Appalachian States of the Fourth Judicial Circuit.

Mr. Speaker, I believe that this latest suit in Texas underlines the importance of the forest management legislation now under consideration by the Subcommittee on Forests of the Committee on Agriculture. The effect of this suit in my part of Texas is set forth clearly by a news release issued July 7, 1976, by the Texas Forestry Association. I am inserting below the text of this release which I urge my colleagues to study carefully.

A hearing is now scheduled for July 21 on whether the court will grant a preliminary injunction to replace the restraining order which expires July 20. There are 21 current timber sale contracts impacted by the court's order, but the complaint covers timber sale activities on all four national forests in Texas. The order prevents felling and selling of timber and enjoins the Forest Service from any actions that would impair natural growth of vegetation. Obviously, Mr. Speaker, this is a very serious situation which I certainly hope Congress will remedy during this session.

The letter follows:

TEXAS FORESTRY ASSOCIATION,
Lufkin, Tex.

LUFKIN, TEX.—The Texas Forestry Association said today a lawsuit seeking to halt timber sales on the four national forests in Texas would wipe out hundreds of jobs and severely cripple the wood-oriented economy of East Texas.

The lawsuit—the latest of several filed nationwide by preservationist groups seeking to change forest management practices on national forest lands—was filed last week in the Fifth Circuit Court at Tyler by Dallas attorney Edward Fritz, chairman of the Texas Committee on National Resources.

Fritz' lawsuit, while seeking to halt timber sales on all Texas national forests, specifically asked Judge William Wayne Justice to cancel a harvesting contract on the Four Notch compartment in the Sam Houston National Forest near Huntsville.

Oliver Bass, Jr. of Kennard, chairman of the Texas Forestry Association's federal timber purchasers committee, said the halting of national forest timber sales would cost the East Texas economy more than $100 million annually.

"The immediate effect will be hundreds, maybe thousands, of lost jobs in the industry; the loss of $500,000 to $1 million to counties and school districts who depend on federal timber sales in lieu of taxes; and uncertainty and confusion in the timber industry," said Bass.

"The long range effect would result in increased prices for building materials and, consequently, a slowdown in housing starts and more unemployment."

"This nation is about as dependent on national forest timber as it was on Arab oil in 1973," said Bass. "If timber sales on national forests are stopped nationwide, you can expect increases on virtually everything that is wood based, from two-by-fours to newspapers," said Bass.

The national forest controversy started in West Virginia's Monongahela National Forest when a preservationist group, using a little-known organic act passed by Congress in 1897, succeeded in stopping timber sales in several states.

A number of small wood-using companies in that area have curtailed operations or gone out of business since the Monongahela decision.

Bass said similar circumstances are feared in East Texas. "As a sawmill operation, I buy most of my timber from national forests. If I cant' get that timber. I'll have to severely curtail operations."

Shutting down for Bass Lumber Company in Kennard, Texas, would cripple the town of 300 persons. Bass' mill has the largest payroll in town, about 70 men and women.

Since many sawmills in East Texas also supply wood chips to larger companies, such as paper mills, the halting of federal timber sales would also affect wood supplies for larger manufacturers.

Fritz' lawsuit revolves around an 1800-acre area being studied by the Texas National Forests' supervisor's office as a proposed wilderness area. No timber harvesting is being done in the area.

Fritz seeks to stop timber harvesting on 4100 acres of surrounding federal land he wants to include in the proposed wilderness area, along with 900 acres of private land.

Bass said professional foresters are questioning the designation of the additional 5000 acres as a wilderness area because the land has been subject to forest management for many years and is laced with trails, improved roads, railroads and oilwells.

"By no stretch of the imagination can the 5000 acres be called wilderness," said Bass.

Texas has four national forests, the Sam Houston, the Angelina, the Sabine and the Davy Crockett.

TRIBUTE TO ELMER HOFFMAN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1976

Mr. FINDLEY. Mr. Speaker, Elmer Hoffman was a good friend and colleague, whose passing is a great loss to me personally. He served his country in many capacities, and the one which I observed most closely was his service in this Chamber.

He was undoubtedly one of the most consistent and persistent conservatives ever to serve in the House of Representatives. He held a strong conviction that the Federal Government should restrict its activities in every possible way so as to ease the tax burden on the citizens. While he was very diligent in his work in this Chamber, it was apparent to me that his first love was service in State and local government, and it therefore did not surprise me to see him reenter this activity. He leaves many friends throughout the country, and he also leaves a worthy record of devoted public service.

ISRAEL COMMENDED FOR UGANDAN RAID

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. RINALDO. Mr. Speaker, today I introduced a resolution commending the State of Israel for its heroic rescue mission into Uganda on July 4. As far as I am concerned, our country could not have received a better 200th birthday present.

Over 100 passengers and crew, a majority Israeli, were held hostage at gunpoint for 1 week while a band of terrorists attempted to use the safety of Uganda and the fear of the world to their advantage. Remarkably, Israel refused to comply.

In an unprecedented military operation, the best of Israel's defense forces traveled 2,300 miles and in less than an hour they had successfully saved the lives of innocent tourists while providing a ray of hope in the effort to break the psychological chains of terrorism. Since 1968 international hijackings have become an almost commonplace event; resisting terrorism has not. Over the past 8 years, however, Israel has steadfastly refused to negotiate with international murderers and kidnappers. Instead, Israel has retained its self-respect while proving that there are no safe havens for hijackers. They have also showed the desire to use their overwhelming military superiority in the Middle East for humane purposes—not aggression.

The American Revolution was born from a fever of pride and self-respect that convinced our forefathers freedom and justice were far more desirable than tyranny and inequality. On the 200th anniversary of that revolution Israel, an infant among the nations of the world, has given us a unique lesson in moral and humanitarian leadership. It is now our turn to set an example for the world; to commend Israel officially for their courage and dignity, and further, to pledge a reevaluation of our ties with countries which condone and support an activity which we steadfastly oppose.

I urge all my colleagues to support this position. Following is the text of my resolution:

RESOLUTION

Expressing the sense of the House of Representatives that Israel be commended for its rescue operation in Uganda

Whereas on June 27, 1976, 256 passengers and crew aboard an Air France jetliner en route from Tel Aviv to Paris were hijacked by members of the Popular Front for the Liberation of Palestine and taken to Uganda's Entebbe Airport;

Whereas over 100 passengers, a majority Israeli, were detained as hostages for one week while the hijackers demanded the release of 53 terrorists held prisoner in jails in Israel, West Germany, Switzerland, France, and Kenya;

Whereas the Ugandan Government, a signatory to the 1970 Convention for the Suppression of Unlawful Seizure by Hijacking, had made little progress in negotiating with the hijackers and appeared to be in collusion with the terrorists;

Whereas Israeli defense forces, through courage, sophistication, and resourcefulness, successfully rescued the hostages and crew;

Whereas more than 800 persons have been killed and 1,700 injured, many of them innocent private citizens, in international terrorist incidents since 1968;

Whereas certain foreign countries provide economic, military, and moral support to terrorist groups, as well as offering them sanctuary during international hijackings;

Whereas Israel, in freeing these hostages, demonstrated moral and humanitarian leadership in protecting the rights of innocent people; and

Whereas the American people have steadfastly opposed terrorism: Now, therefore, be it

Resolved, That (a) it is the sense of the House of Representatives that Israel be commended for its rescue operation in Uganda where over 100 hostages were returned home safely, setting an example for the world in the struggle against international terrorism.

(b) It is further the sense of the House of Representatives that the President should reevaluate the policies and programs of the United States in order to strengthen its stand against international terrorists and countries affording aid and support to terrorist organizations.

OIL MAVERICKS LOOK AT DIVESTITURE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mrs. SCHROEDER. Mr. Speaker, the Colorado Democrat, a Colorado weekly newspaper, is in the midst of a lively discussion of oil divestiture. The second installment in the three part series is an interview with a feisty, maverick oil independent, Caswell Silver, the President of Sundance Oil, along with comments from several other Rocky Mountain oil entrepeneurs.

The article follows:

THE INDEPENDENTS: PART II OF THE OIL DIVESTITURE STORY—SILVER. "THE INDUSTRY IS BEING USED AS A WHIPPING BOY"

(By Timothy Lange)

Caswell Silver's thinning hair is a color to match his name, and with his tough-looking, scarcely paunchy body, big hands and flashing eyes, he looks like a lot of people's idea of what a maverick oil man should be. He's what's known in oil as a small independent.

In a business where even words like gigantic don't convey much, "small independent" should be clarified. Sundance Oil had sales of more than $17 million in 1975, and earnings per share were $3.69.

Sundance is a very successful small independent. Silver, who's been in the oil business for 30 years, is a maverick in another way as well. He is, he says, a Democrat, "one of the few in the business."

With plenty of jabs at individuals and special interests in his own party, he explains why he's not a Republican: "I have a strong sense of social responsibility. The day we don't have unions and the right to strike—as in Russia—we'll lose our freedom. I feel that employment is the responsibility of government, and no Republican feels that way. The government should be the employer of last resort, though." The constant cycle of inflation he believes is caused by unions is an unfortunate but necessary cost of union freedom.

As a "fiscally conservative" Democrat, Silver sees himself in a unique position to criticize his party's congressional activities. He does so acerbically and with a profane humor that is wholly expected and enjoyable whatever one's political views.

"Congress," he says, "doesn't know that much. Essentially, they're ignoramuses. The quality is better than it's ever been; they've got brains but no knowledge. It's evident in all the things they do." Like most other oil producers—major and independent—Silver is greatly displeased with Senate Bill 2387—the Birch Bayh—Philip Hart oil divestiture bill.

On Silver's newsclipping sprinkled desk is the June 11th Christian Science Monitor's essay-debate about divestiture between Bayh and the American Petroleum Institute's president Frank Ikard.

BLASTING BAYH

Paragraph by paragraph through both men's arguments, Silver has lambasted Bayh as "ignorant" and not being able to tell "——— from Shinola" about the oil business, and has agreed with every word of Ikard's comments.

Going through the beginning of Bayh's essay, Silver erupts, "I deny that production is being held down anywhere in the industry," he says, scribbling a big "F" for false next to the senator's assertion that production is being held down.

"True" is written next to Bayh's statement that free enterprise would thrive under divestiture, but Silver adds out loud, "Free enterprise is thriving NOW except for excessive government regulations."

"Not true," he replies to Bayh's statement that vertical divestiture will not increase the pressure from the OPEC countries. "This would definitely increase the power of the OPEC nations," he says. "Birch Bayh is a brilliant man, but he doesn't know anything about the oil business. We need muscles to deal with OPEC." Without the super-huge international oil companies, Silver believes the OPEC countries would be encouraged to raise imported oil prices.

DIVESTITURE MEANS HIGHER PRICES

With the companies broken up, there also would be the difficulty of getting together enough capital to find oil, he says, and the cost to the public would be large. He echoes a remark being made often these days in oil company press releases, university studies and at least one federal report, "Break them up and (domestic) oil prices will go up."

The price rise, it is reasoned would occur because the industry's low-profit refining and marketing divisions are now "carried" by the higher-profit production operations, but after divestiture, these low-profit divisions would have to make more profit to stay in business.

Not everybody who favors divestiture believes that reasoning is true, but Sen. Gary Hart admits it might mean higher prices. It'd still be worth it, the Senator says, because of the competition it would engender.

Bayh doesn't think prices will rise, but he does think the bill would create more competition. Silver sighs, "There's all kinds of competition in the oil industry. It's intense. He doesn't know what's going on."

And, when Silver gets to where Bayh has written, "Vertical divestiture is not punitive," he is quietly angry. "Well,' he says, "that's horsecock. It is punitive. They don't go after automobiles or steel, do they?"

By the time we reach Bayh's statement that Big Oil undercuts the independents, Silver is happily fuming, and writing all over the Senator's comments. He says and writes about undercutting. "That's what he'd like to believe, but it isn't true." Silver says he's never had a problem getting his oil through the major-company-owned pipelines, and they haven't tried to undercut him.

"I deny there is a problem. The problem is with Congress," Silver says. After 20 minutes, we've come full circle.

I SAY TAKE OFF THE PRICE CONTROLS

What is the problem with Congress?

Silver only has to ponder briefly. "If I were to solve the energy crisis of the United States, I would take off the price controls. I would remove tax restraints which penalize American companies competing abroad because the energy problems of this country, insofar as oil and gas are concerned, are dependent on the strong position of American companies in international oil."

Congress, he says, is pushing jobs overseas and making it unprofitable to look for gas. "These guys are so consumer-conscious that they lose the long-term interests of the consumer—which revolves around full employment. The best interest of the consumer is a strong economy and full employment. You can't subsidize the consumer and do that."

Ralph Nader's error is in mixing two kinds of consumerism, Silver argues, the "justified" kind that protects people from bad products, and the "mistaken" kind that subsidizes consumers by keeping prices artificially low.

"If you're of the opinion,' Silver half-jokes, "that we have to throw a sop to people to run government, then horizontal divestiture would be the way to go." He has "no objections" to horizontal divestiture—the kind that would make the oil companies give up their coal and other holdings—but, "I think it would be a mistake."

Caswell Silver isn't the only Democrat oil man who doesn't like Senate Bill 2387.

MAJORS AREN'T COMPETITIVE

Jack Grynberg, president of Oceanic Exploration and a strong of other very small exploration and production companies, thinks divestiture might be a good idea, but not the kind the Senate is considering.

In his view, the government is taking the wrong approach in solving a real problem. He says, "There's no doubt about it. The majors aren't competitive." But the proposed breakup may have exactly the result the companies claim, he says, higher prices.

Congress has made repeated mistakes, according to Grynberg, mistakes such as taking off the oil depletion allowance, fiddling with foreign tax credits and overregulating the price of oil and gas.

Though he admits he has no clearcut answer, he is willing to put forth a tentative suggestion. "As far as breaking up the industry into smaller companies, it should be like the original break-up of Standard Oil (in 1911)." That year, Standard, which controlled 85 per cent of the market, was broken into several smaller companies, each of them integrated.

Integration from wellhead to gas pump creates efficiency, Grynberg believes, and several fully integrated smaller companies would have an incentive to grow bigger. "Let them grow by finding more oil."

Secondly, he says the government should get rid of price controls, but hit too-high profits by establishing progressively stiffer tax levels. "That's the only answer to generating enough capital to look for oil," he says.

Finally, the government "should prevent the oil companies from spending money in areas other than oil. I feel strongly that money made from oil and gas should be spent to find more, and I feel that the oil companies have a duty to the country to find all the oil and gas they can." Profits shouldn't be used to acquire other non-oil or non-gas holdings.

HALF THE RIGS IN THE ROCKY MOUNTAINS ARE SHUT DOWN

"But," Grynberg says, "the government has created an atmosphere to do the opposite." Now, he adds, the major oil companies are teaching the government a lesson. "Half the rigs in the Rocky Mountains are shut down." This pressure method worked in Canada two years ago, he says. Under price controls, companies simply refused to drill until the Canadian government changed policies, allowing prices to go up sharply.

Bob Nichols of the three-year-old Keba Oil and Gas Co. heads a very, very small independent exploration and production business. There are four employes.

Splitting up the oil companies isn't going to do anybody any good, he says. "I think what would probably happen is that it'd be more a burden on the consumer."

The industry is being used as a whipping boy, he says. "It is capital-intensive, not labor-intensive, so senators won't lose many votes by breaking it up, and they can say 'Look what we did to the big, bad oil companies.' You can bet they wouldn't do that to the auto companies," Nichols says, alluding to that industry's thousands of employe-voters.

The major companies, according to Nichols, are good because they have the capital to help independents like himself get wells drilled. "When they say this breakup'll help the independents, I don't see how."

Like the others, Nichols' solution is directly and unapologetically from Adam Smith: "The best thing they could do is remove the controls. Get the damn government out of the business and let the supply and demand balance."

NOT EVEN ENOUGH GAS TO HEAT THE HOUSE . . . AND SENATE?

Prices under a decontrolled system would go up, he says, but the cost would be worth it to get the oil and gas out of the ground. "One of these winters," he warns, "we'll get cold and the gas won't be there" if controls aren't soon abondoned.

Headed by Lewis McCann, Pinon Petroleum is very, very, very small exploration and production company in Boulder. It's a two-man operation, making Pinon about as opposite from Exxon as you can get in the oil business. McCann opposes the breakup.

"I think it's a ridiculous thing to do. You just upset the apple cart in every manner. You destroy what the big companies can do," McCann says.

Competition is already fierce, he says, and "I don't think (the breakup) will help us or hurt us a bit. I just don't think it would have much effect."

Then why does he think so many people favor it?

"The thrust," says McCann, "is there because they're big companies. It's political, just political."

ANNOUNCEMENT OF HEARING

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. EDWARDS of California. Mr. Speaker, the Subcommittee on Civil and Constitutional Rights of the Committee on the Judiciary will conduct a hearing on July 29, 1976, at 9:30 a.m. relative to the allocation of resources by the Federal Bureau of Investigation. Of particular concern to the subcommittee is the effect of the demands of the Freedom of Information Act and the Privacy Act on the FBI's accomplishment of its total responsibilities. The subcommittee will hear from FBI representatives regarding alternatives available to reduce the backlog of requests under the aforementioned acts while not unduly jeopardizing other Bureau activities.

TEXAS FARMERS AND RANCHERS FAVOR LESS GOVERNMENT INTERFERENCE

HON. ROBERT (BOB) KRUEGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. KRUEGER. Mr. Speaker, the agriculture business is one of the most important segments of the American economy. All too often, however, the Congress seems anxious to act or react without considering the full consequences and without consulting directly those who are most affected.

The farmers and ranchers of my congressional district recently responded to a questionnaire which I sent them, and the message they are sending back to Washington is loud and clear.

The results speak for themselves, and I would now like to insert the results into the Record for the benefit of my colleagues, who I am sure will find them very informative and revealing:

Results of Krueger Agricultural Poll, May 1976

[Figures in percent]

1) The Ford Administration and Secretary of Agriculture Earl Butz favor a return to the market concept in national farm policy. What do you think of this proposal?

It would be in the best interests of American farmers, 64.
It would harm American farmers, 15.
No opinion, 16.
No response, 5.

2) Some people fear that a return to the market concept in agriculture will create a situation in which farmers experience no market stability, since they could receive very high prices for their products one year and very low ones the next. Do you think that American agriculture will experience less stability than is desirable if we return to the market concept?

Yes, 13.
No, 65.
Uncertain, 19.
No response, 3.

3) How much say does the average farmer or rancher have in deciding how he runs his business?

More than other businessmen, 16.
As much as other businessmen, 28.
Less than other businessmen, 52.
No response, 4.

4) I am a cosponsor of Congressman Burleson's Estate Tax Bill. Do you think that this bill should be passed? (It would increase the estate tax deduction and provide for tax valuation of land based on its use as a farm or ranch).

Yes, and I and my heirs might benefit from such a change, 96.

Yes, but I have no personal interest, 3.

No, 0.

No response, 1.

5) Last year I met with the President in an effort to gain more federal understanding of our need for our predator control. How serious do you think the need for *increased* predator control is?

Serious, 88.

Not serious, 8.

No opinion, 3.

No response, 1.

6) Some Texas farmers and ranchers have trouble attracting laborers to assist in their operations. To what do you attribute this difficulty? (check more than one, if necessary.)

Labor costs are too high, 63.

Government restrictions on hiring of workers are too severe, 47.

No one wants to do some types of work any more, 83.

I have no such problems, 3.

No response, 3.

7) Should the United States sell agricultural products to Russia?

Yes, 37.

Yes, but only if American consumers do not face shortages as a result, 52.

No, 8.

No response, 3.

NOTE.—A large percentage of those responding yes (both the first response and the second) mentioned that we should sell to Russia only if they pay cash.

8) American meat producers are facing stiff competition from foreign imports. What would you do about this?

Nothing, they must face the natural competition of the market, 3.

Imports should be outlawed, 5.

Import quotas should be established, 47.

Imports should be allowed as at present, but inspection standards should be increased, 43.

No response, 3.

9) Could economic considerations force you out of the agriculture business in the next five years?

Yes, 68.

No, 16.

Uncertain, 13.

No response, 3.

10) Would you recommend that a young person today enter your business?

Yes, 39.

No, 43.

Not sure, 17.

No response, 1.

REGULATORY REFORM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. ROSENTHAL. Mr. Speaker, regulatory reform is an issue as old as the United States. Given our mixed economic system, it is natural that the proper blend of private and public participation should concern our citizenry.

But there are special reasons for the recent intensification of interest. Watergate, intelligence community abuses, illegal campaign contributions, and congressional scandals—these have undermined confidence in the Federal Government's ability and willingness to do a first-rate job of regulation. Technology, including computerization, has widened the gap between the average citizen and his Government.

Presidential contenders have sought political mileage by attacking the sheer size of the Federal Government. They have bandied about phrases such as "ever-expanding Federal bureaucracy" and "regulatory bondage" to tap public suspicion of big government. The facts, however, show a relative shrinking of the Federal payroll. In 1947, there were 14.4 Federal employees per 1,000 population; by next year it will be down to 12.9. Salaries account for only 8 cents of every Federal tax dollar.

Nevertheless, few people contest the value of some regulatory reform. The basic disagreement is over what should be reformed and how. A fundamental problem arises because there are two distinct types of regulations: first, those affecting health, safety and welfare—public protection—and second, those regulating competition in the marketplace—protection.

The public protection regulations are attacked by the business community and conservative politicians as restricting industry from operating free of concern for the environment, workers, and consumers. The profit protection regulations are opposed by the average citizen and more progressive lawmakers because they stifle competition and favor big business.

These divergent views are illustrated by criticism of the Interstate Commerce Commission, the oldest Federal regulatory agency. Established in 1887 to stop the railroads from abusing their monopoly positions, the ICC mandate now includes trucks, barges, and pipelines. Some ICC critics, such as myself, note it has done less to control than to encourage monopoly. It is a forum where industry representatives get together to fix prices and operating conditions. It would be as if Sears and Ward's met to decide what day to have a sale and how much to charge. The public could benefit from substantially lower prices if the ICC forced shippers and others to compete through efficient services and fairer rates.

Champions of the ICC, including most major "competitors" in the regulated industries, naturally defend this rate fixing which has awarded them monopoly prices. The chairman of the American Trucking Association, for example, characterizes this rate setting as "essential economic regulation of transportation." He and his industry colleagues reserve their criticism for what they call unnecessary, costly totalitarian-like overregulation in the social fields. By this they mean, in the ICC context, regulations such as those which limit the size of trucks so as to preserve public highways and make travel safer. They enjoy having the higher revenue guaranteed by Government price regulations but refuse to pay to keep their operations equitable and safe.

One agency which has come under especially strong attack from big business and its allies is the Food and Drug Administration. Pharmaceutical companies want to hasten the lengthy procedure required for clearance of drugs for human use. Yet the evidence is clear that we receive insufficient protection against dangerous and ineffective drugs. Adverse drug reactions kill an estimated 140,000 Americans annually. The FDA reports that fewer than 40 percent of all drug formulations have been proven effective. Improvements require better physician training, a more thorough policing of FDA conflicts of interest and stricter standards for drug advertising—more regulation, not less.

This analysis leads to the inescapable conclusion that regulatory reform is a slogan with little meaning apart from the values of the speaker, the intended audience and the issue involved.

What is essential is vigorous pursuit of regulatory review and revision. In this, the 94th Congress has a commendable record. In the first 11 months of the Congress, House oversight committees held an unprecedented 235 hearings, many lasting 3 and 4 days. Some occupied as many as 10 sessions. Thousands of recommendations were adopted to increase Government economy and efficiency. Moreover, legislative committees also instituted many statutory improvements, including more competitive railroad ratemaking, the abolition of fixed stock brokerage commissions and repeal of the fair trade laws. The last action will save consumers an estimated $2 billion annually through lower prices for drugs, appliances, and other products formerly subject to price dictation by the manufacturer.

The Congress is also exploring three related ideas to overhaul the entire system of regulatory review:

First. Sunset legislation which would require the termination of any Federal program which could not periodically justify its existence;

Second. Zero-based budgeting which would force each Government agency and department to defend every dollar in its proposed budget rather than only the increase over the preceding year's, and

Third. A congressional veto over all Federal regulations.

Each of these raises problems. Regular congressional reassessments of all Federal programs would require an enormous staff to administer and consume a disproportionate share of each legislator's time. There is the risk that lobbyists would play an overwhelming role in every review since industry could benefit greatly from even small changes in some programs and alone has the time, dollars, and resources to devote to the process. Finally, there is little assurance that any of these reforms will produce more effective change than the present approach.

The congressional veto idea is particularly objectionable in that it would add uncertainty and delay to the regulatory process, give big business lobbyists a second chance to defeat socially desirable regulations, and divert the Congress' attention from long-range solutions.

These proposals, however, may have virtue in preventing Government programs from mushrooming uncontrollably and in discouraging secret giveaways of Federal funds. On balance, the sunset idea and zero-based budgeting deserve a cautious try.

One person's regulatory reform is another's regulatory destruction. Government programs should, however, be constantly reexamined to make certain they are continuing to promote legitimate ends and are doing so in the most effective and efficient manner. This has been one of my principal goals in Congress. It is also the official mission of the House Government Operations Committee, of which I am a member, and its Subcommittee on Commerce, Consumer, and Monetary Affairs, which I chair.

Thorough investigations and careful reassessments of performance and goals are the cornerstone of any governmental system. This, not political rhetoric, is the proper approach to regulatory reform.

SENATE—*Tuesday, July 20, 1976*

The Senate met at 9 a.m. and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, who in former times didst lead our fathers, grant Thy grace to us, their children, at this turning point in history. May the inner life of the spirit match in power the outer might of our industry, our science, our commerce, and our weapons.

Let Thy spirit dwell in each of us here to light up our days, to guide us in all legislative, diplomatic, and business judgments. Give us courage to correct what is wrong and to uphold what is right.

As we take up our tasks may we labor in accord with Thy commandments. Keep us steadfast in the pursuit of "whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report * * * think on these things."

In the Redeemer's name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 20, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of proceedings of Monday, July 19, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BUREAU OF INDIAN AFFAIRS REVISED RETIREMENT BENEFITS AMENDMENTS OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 971, H.R. 5465.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5465) to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 5465) which had been reported from the Committee on Post Office and Civil Service with an amendment to strike all after the enacting clause and insert the following:

That section 8336 of title 5, United States Code, is amended by redesignating subsection (h) as subsection (i) and inserting the following new subsection:

"(h) An employee is entitled to an annuity if he (1) is separated from the service after completing 25 years of service before December 31, 1985, or after becoming 50 years of age and completing 20 years of service before December 31, 1985, (2) was employed in the Bureau of Indian Affairs or the Indian Health Service continuously from June 17, 1974, to the date of his separation, (3) is not otherwise entitled to full retirement benefits, (4) is not an Indian entitled to a preference under section 12 of the Act of June 18, 1934 (48 Stat. 986) or any other provision of law granting a preference to Indians in promotions and other personnel actions, and (5) can demonstrate that he has been passed over on at least two occasions for promotion, transfer, or reassignment to a position representing career advancement because of section 12 of the Act of June 18, 1934 (48 Stat. 986) or any other provision of law granting a preference to Indians in promotions and other personnel actions.".

SEC. 2. Section 8339 of title 5, United States Code, is amended—

(1) by inserting in subsection (f), immediately after "subsections (a)–(e)", the following: "and (n)";

(2) by inserting in subsection (i), immediately after "subsections (a)–(h)", the following: "and (n)";

(3) by inserting in subsections (j) and (k)(1), immediately after "subsections (a)–(i)" each time it appears, the following: "and (n)";

(4) by inserting in subsection (l), immediately after "subsections (a)–(k)", the following: "and (n)";

(5) by inserting in subsection (n), immediately after "subsections (a)–(e)", the following: "and (n)"; and

(6) by adding at the end thereof the following:

"(n) The annuity of an employee retiring under section 8336(h) of this title is:

"(A) 2½ percent of his average pay multiplied by so much of his total service as does not exceed 20 years; plus

"(B) 2 percent of his average pay multiplied by so much of his total service as exceeds 20 years.".

SEC. 3. (a) Section 8341 of title 5, United States Code, is amended—

(1) by inserting in subsection (b)(1), immediately after "section 8339(a)–(i)", the following: "and (n)"; and

(2) by striking out of subsection (d) "section 8339 (a)–(f) and (i)" and inserting in lieu thereof the following "section 8339 (a)–(f), (i), and (n)".

(b) Section 8344(a)(A) of such title is amended by striking out "and (i)" and inserting in lieu thereof "(i), and (n)".

SEC. 4. The amendments made by this Act shall take effect on October 1, 1976, or on the date of enactment of this Act, whichever date is later, and shall only apply to employees separated from the service on and after June 17, 1974.

Mr. McGEE. Mr. President, H.R. 5465 is a bill intended to redress an inequity upon a relatively small number of career Government employees whose standing has been adversely affected through no fault of theirs.

The situation is unique. These people were employed in the Bureau of Indian Affairs and the Indian Health Service with the understanding that they enjoyed full competitive status in all subsequent personnel actions notwithstanding the provisions of the Wheeler-Howard Act of 1934 or other statutes which accord qualified Indian people preference for positions in those two agencies.

Indian preference laws were interpreted as giving native people an advantage over other applicants for initial appointment only until 1972, when the preference was extended to all personnel actions. That change gave rise to law suits, including the cases which resulted in the Supreme Court decision of June 1974 (*Morton* v. *Mancari*, 417 U.S. 535) and the U.S. district court decision of December 21, 1972 (Freeman against Morton).

Taken together, those decisions make it clear that the Indian preference law is constitutional and that it applies, not just to all initial hirings, but to promotions, lateral transfers, and reassignments, as well as any other personnel movement intended to fill vacancies.

The effect this has on those employees who are not eligible for Indian preference is clear. So long as there is a qualified Indian for any vacancy, the non-Indian is out of luck. His career ladder is restricted, if indeed it exists at all.

The Committee on Post Office and Civil Service, in considering ways to assist the employees affected, heard testimony directed at two approaches. Those included enhanced retirement benefits and assistance in relocating other Federal employment.

The Department of the Interior did develop a new outplacement program of its own, which applies to these employees and to others, and which only recently became effective. For this reason, and because we did not wish to correct one inequity by creating another, the committee has reported, in H.R. 5465, as amended, a bill which improves the retirement opportunities and benefits for those eligible employees who can demonstrate that their careers have been adversely affected by Indian preference.

Amendments adopted by the committee reduce the budget authority and outlays from the levels reported in the committee's report on H.R. 5465, so I ask unanimous consent, Mr. President, that a new cost estimate prepared by the Congressional Budget Office be printed in the Record at the conclusion of my remarks.

The bill, S. 509, which was the basis for H.R. 5465, as amended, originally was estimated as increasing the unfunded liability of the Civil Service Retirement Fund by $167 million, requiring 30 annual amortization installments of $10.4 million each. The new estimate is that the unfunded liability will increase by $136 million, requiring 30 annual payments of $8.4 million.

Outlays in fiscal year 1977 decrease from $7.8 million to $3 million, with decreases in each of the fiscal years through 1981, according to the CBO analysis of the bill as reported. That analysis assumes that 2,753 individuals will ultimately benefit from the liberalized retirement provisions of this bill.

Mr. President, I say again that these are employees whose career opportunities have been restricted, not because of their own actions but because of the failure of the Government to adhere to and apply the Indian preference laws over a long period of time. Their advancement, and thus their earning ability and their eventual pensions, are restricted. This bill does something to compensate them, while at the same time making it more feasible for them to step aside and permit Indian people to assume more of the responsibility they want and deserve.

Mr. President, I ask unanimous consent to have printed in the Record a letter from the Director of the Congressional Budget Office dated June 21, 1976, and the attachment thereto.

There being no objection, the material was ordered to be printed in the Record, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 21, 1976.
Hon. GALE W. MCGEE,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5465, a bill to revise retirement benefits for certain employees of the Bureau of Indian Affairs and the Indian Health Service.

Should the Committee so desire, we would be pleased to provide further details on the enclosed cost estimate.

Sincerely yours,
ALICE M. RIVLIN,
Director.

JUNE 9, 1976.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill Number: H.R. 5465.

2. Purpose of Bill: To revise retirement benefits for certain employees of the Bureau of Indian Affairs and the Indian Health Service not entitled to Indian preference and for other purposes.

3. Cost Estimate: Enactment of H.R. 5465 would increase the unfunded liability of the Civil Service Retirement system by an estimated $136 million. An annual appropriation of $8.4 million over the next 30 years would need to be requested by the Civil Service Commission to amortize the increased liability. Outlays represent the payment of benefits to individuals who would qualify for the liberalized early retirement provisions of the proposed legislation.

COSTS

[In millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Budget authority	8.4	8.4	8.4	8.4	8.4
Outlays	3.0	6.3	12.4	19.8	27.1

Estimated annual outlays exceed the annual budget authority estimates since outlays for early retirement would be paid to the annuitants during the first ten years while the liability would be amortized over the statutory 30 year period. The 30 years of amortization payments would fund the early retirement benefits except for increases due to future cost-of-living adjustments (see table below).

5-YEAR OUTLAYS

[In millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Outlays based on CSC model	2.9	5.8	10.5	16.0	19.9
Annuity increases based on CBO cost-of-living projections	.1	.5	1.9	3.8	7.2
Total net outlays	3.0	6.3	12.4	19.8	27.1

4. Basis for Estimate: H.R. 5465 extends liberalized early retirement provisions to an estimated 2,753 employees who meet age and service requirements. *The enactment cost of the proposed legislation, in the long run, is the difference between the expected value of the liberalized early retirement benefits less the expected value of the normal retirement benefits.* (Under current requirements employees usually must be age 55 with 30 years of service or age 60 with 20 years of service to retire.)

The critical variables in estimating the five-year cost impact of H.R. 5465 are the number of participants, their average salary, and the unfunded liability cost factor. Data necessary for the determination of these variables were provided by the Civil Service Commission at the request of CBO and are based on Bureau of Indian Affairs testimony of June 19, 1975, before the Senate Subcommittee on Compensation and Employee Benefits. In deriving the unfunded liability estimate, the Civil Service Commission followed its customary interpretation of the law that cost-of-living adjustments not be included.

COST VARIABLES

A. Number of Participants: 2,753.

B. Average Salary: $17,213.

C. Unfunded Liability Cost Factor (represents the long run cost increase for each additional dollar of unfunded liability) $2.87.

D. Increase in Unfunded Liability (derived from multiplying (A×B×C)) $136 million.

Budget Authority (annual payments for 30 years amortized at 5%) $8.4 million.

The outlays for fiscal years 1977–1981 (see table below) are in accordance with mortality assumptions provided by the Civil Service Commission and CBO cost-of-living assumptions.

5-YR OUTLAYS

[In millions of dollars]

	Base[1]	Increase in participation	Subtotal	Annuity increases[2]	Total net outlays
Fiscal year:					
1977	2.7	0.2	2.9	0.1	3.0
1978	3.0	2.8	5.8	.5	6.3
1979	8.4	2.1	10.5	1.9	12.4
1980	12.4	3.6	16.0	3.8	19.8
1981	19.2	.7	19.9	7.2	27.1

[1] Base includes full-year cost of increased participation from prior year and decreases attributable to a mortality factor assumption of 0.98 provided by the Civil Service Commission.

[2] Cost-of-living increases based on CBO 5-yr budget projections.

5. Previous CBO Estimate: A CBO cost estimate was prepared in May 1976 for S. 509, a similar bill extending liberalized retirement benefits to certain employees of the Bureau of Indian Affairs and the Indian Health Service (see table below).

5-YR COSTS FOR S. 509

[In millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Budget authority	10.4	10.4	10.4	10.4	10.4
Outlays	7.8	11.5	19.6	27.4	30.8

The difference in cost between S. 509 and H.R. 5465 is attributable to provisions relating to age and service requirements and administrative requirements dealing with career advancement.

6. Estimate Prepared By: David M. Delquadro (225–5227).

7. Estimate Approved By: James L. Blum, Assistant Director for Budget Analysis.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

An Act to revise retirement benefits for certain employees of the Bureau of Indian Affairs and the Indian Health Service not entitled to Indian preference, provide greater opportunity for advancement and employment of Indians, and for other purposes.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be authorized to meet on July 20 and 21; that the Committee on Interior and Insular Affairs be authorized to meet on July 21; that the Subcommittee on Energy Research and Water Resources of the Committee on Interior and Insular Affairs be authorized to meet on July 22, 28, and 29; that the Subcommittee on Census and Statistics of the Committee on Post Office and Civil Service be authorized to meet on July 29 and August 2, and that the Committee on Foreign Relations be authorized to meet on July 21 and 23.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, I shall object, or perhaps the majority leader might want to withhold that request for a brief period so I may have an opportunity to find out whether people on my side would agree.

Mr. MANSFIELD. Surely.

I would like to include at the same time, because of the fact that witnesses are coming from abroad to testify, the request of the Permanent Subcommittee on Investigations of the Government Operations Committee that it be allowed to hold hearings on drug enforcement administration with these witnesses from abroad on July 27, 28, and 29. I will withhold that request.

The ACTING PRESIDENT pro tempore. Does the distinguished acting minority leader seek recognition?

Mr. GRIFFIN. I yield back my time, Mr. President.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements therein limited to 5 minutes.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Clark) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees, and a message withdrawing the nomination of Thomas Lowell, of California, to be a Federal Trade Commissioner.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States which was referred to the Committee on Public Works:

To the Congress of the United States:

I herewith transmit the Saint Lawrence Seaway Development Corporation Annual Report for 1975. This report has been prepared in accordance with section 10 of the Saint Lawrence Seaway Act, Act of May 13, 1954, and covers the period January 1, 1975, through December 31, 1975.

Gerald R. Ford.

The White House, *July 20, 1976.*

REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States which was referred to the Committee on Commerce:

To the Congress of the United States:

I transmit herewith the Sixth Annual Report on Hazardous Materials Control as required by the Hazardous Materials Transportation Act, Title I of Public Law 93–633. This report has been prepared in accordance with section 109 of the Act, and covers calendar year 1975.

Gerald R. Ford.

The White House, *July 20, 1976.*

MESSAGES FROM THE HOUSE

At 12:01 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has agreed to the following concurrent resolution in which it requests the concurrence of the Senate:

H. Con. Res. 678. A concurrent resolution directing the Clerk of the House to make a correction in the enrollment of H.R. 11504.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 11149. An act to amend section 2 of the act entitled "An act to incorporate the National Society of the Daughters of the American Revolution";

H.R. 13218. An act to permit the steamship *United States* to be used as a floating hotel, and for other purposes; and

H.R. 13326. An act to extend until November 1, 1983, the existing exemption of the steamboat *Delta Queen* from certain vessel laws.

At 6:09 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed without amendment the bill (S. 2447) to amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected.

The message also announced that the House has passed the bill (H.R. 12939) to amend certain laws affecting personnel of the Coast Guard, and for other purposes, in which it requests the concurrence of the Senate.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 14233) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending September 30, 1977, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Boland, Mr. Evins of Tennessee, Mr. Shipley, Mr. Roush, Mr. Traxler, Mr. Baucus, Mr. Stokes, Mrs. Burke of California, Mr. Mahon, Mr. Talcott, Mr. McDade, Mr. Young of Florida, and Mr. Cederberg were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 14232) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Flood, Mr. Natcher, Mr. Smith of Iowa, Mr. Patten, Mr. Obey, Mr. Roybal, Mr. Stokes, Mr. Early, Mr. Mahon, Mr. Michel, Mr. Shriver, Mr. Conte, and Mr. Cederberg were appointed managers of the conference on the part of the House.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14231) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 15, 29, 35, and 57 and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 2, 3, 4, 12, 22, 28, 31, 40, 48, 53, 54, 55, 60, 65, and 72 and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Clark) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation by the Attorney General

A letter from the Attorney General transmitting a draft of proposed legislation to amend chapter 11, title 18, United States Code (with accompanying papers); to the Committee on the Judiciary.

Proposed Legislation by the Commission on Civil Rights

A letter from the Staff Director of the Commission on Civil Rights transmitting a draft of proposed legislation to raise the limitation on appropriation for the Civil Rights Commission (with accompanying papers); to the Committee on the Judiciary.

Report of the Administrative Conference

A letter from the Chairman of the Administrative Conference of the United States transmitting, pursuant to law, a report on the activities of the agency from July 1, 1974, through December 31, 1975 (with an accompanying report); to the Committee on the Judiciary.

Report of the Office of Management and Budget

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report relating to recommendations by the National Advisory Council on the Education of Disadvantaged Children (with an accompanying report); to the Committee on Labor and Public Welfare.

Published Documents by the Department of Health, Education, and Welfare

A letter from the Director and a letter from the Acting Director of the Office of Regulatory Review, Department of Health, Education, and Welfare transmitting, pursuant to law, copies of documents published in the Federal Register relating to certain education programs (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the International Trade Commission

A letter from the Chairman of the International Trade Commission transmitting, pursuant to law, the sixth quarterly report on trade between the United States and nonmarket economy countries (with an accompanying report); to the Committee on Finance.

Published Notices by the Department of Defense

A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, copies of its periodic revision of records system notices to be published in the Federal Register (with accompanying papers); to the Committee on Government Operations.

Report of the Joint Committee on Atomic Energy

A letter from the Chairman of the Joint Committee on Atomic Energy transmitting, pursuant to law, the second annual report of the Joint Committee on Atomic Energy on the development, use, and control of nuclear energy for common defense and security and for peaceful purposes (with an accompanying report); ordered to lie on the table.

Report of the Secretary of Transportation

A letter from the Secretary of Transportation transmitting, pursuant to law, a report on the driver education evaluation program including the status of activities taken place during fiscal year 1976 (with an accompanying report); to the Committee on Public Works.

Reports of the Secretary of Defense

A letter from the Secretary of Defense transmitting, pursuant to law, 10 reports of violations of the Antideficiency Act (with accompanying reports); to the Committee on Appropriations.

Report of the Federal Mediation and Conciliation Service

A letter from the National Director of the Federal Mediation and Conciliation Service transmitting, pursuant to law, the annual report of the Service for the fiscal year ending June 30, 1975 (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Department of Labor

A letter from the Secretary of Labor transmitting, pursuant to law, the annual report on the administration of the Black Lung Benefits Act of 1972 (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Secretary of Transportation

A letter from the Secretary of Transportation transmitting, pursuant to law, the annual report on the administrative adjudication of traffic infractions (with an accompanying report); to the Committee on Public Works.

Final Report of the James Madison Memorial Commission

A letter from the Chairman of the James Madison Memorial Commission transmitting, pursuant to law, the final report of the Commission (with an accompanying report); to the Committee on Rules and Administration.

Status of Budget Authority Relating to Rental Projects

A letter from the Comptroller General reporting, pursuant to law, on the status of certain budget authority for payments to assist owners of rental housing projects proposed to be rescinded; jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, and Banking, Housing and Urban Affairs, and ordered to be printed.

Status of Budget Authority Relating to Home Health Service Projects

A letter from the Comptroller General reporting, pursuant to law, on the status of certain budget authority for home health service projects proposed to be rescinded; jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, and Labor and Public Welfare, and ordered to be printed.

Report on Proposed Rescission of Certain Budget Authority—(S. Doc. 94–232)

A letter from the Comptroller General reporting, pursuant to law, on a proposed rescission of funds for the Office of Drug Abuse Policy; jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, and Labor and Public Welfare, and ordered to be printed.

Report of the Office of Management and Budget

A letter from the Director of the Office of Management and Budget transmitting the cumulative report required by the Congressional Budget and Impoundment Control Act of 1974 and in accordance with Executive Order 11845 (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Agriculture and Forestry, Commerce, Armed Services, Public Works, Labor and Public Welfare, Interior and Insular Affairs, Foreign Relations, Finance, the Judiciary, and Banking, Housing and Urban Affairs, and ordered to be printed.

Further Postponement of Report of the Department of Agriculture

A letter from the Assistant Secretary of Agriculture announcing a further postponement of the report of the advisory committee on health benefits of the special supplemental food program; to the Committee on Agriculture and Forestry.

Proposed Amendment to a Concession Contract

A letter from the Acting Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed amendment to a concession contract for certain services at the Kalaloch Area of Olympic National Park, Washington (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Veterans' Administration

A letter from the Administrator of Veterans' Affairs transmitting a draft of proposed legislation relating to the immunization of certain veterans against swine flu (with accompanying papers); to the Committee on Veterans' Affairs.

Exemption of Certain Products From Mandatory Petroleum Allocation and Price Regulations

A letter from the Administrator of Federal Energy transmitting, pursuant to law, a document entitled "Findings and Views Concerning the Exemption of Naphtha, Gas, Oil and 'Other Products' From the Mandatory Petroleum Allocation and Price Regulations" (with accompanying papers); to the Committee on Interior and Insular Affairs.

Published Regulations of the Department of Health, Education, and Welfare

A letter from the Director, Office of Regulatory Review, of the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of published regulations relating to the General Education Provisions Act (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the National Commission for Manpower Policy

A letter from the Director of the National Commission for Manpower Policy transmitting, pursuant to law, a report entitled "The Quest for a National Manpower Policy Framework" (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Agriculture and Forestry, with amendments:

S. 3081. A bill to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections, and for other purposes (Rept. No. 94–1040).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Res. 463. A resolution authorizing the payment out of the contingent fund of the Senate of the expenses incurred by Senator Proxmire in defending a civil action brought against him (Rept. No. 94–1041).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Ralph A. Renick, of Florida.

Frederick H. Burkhardt, of Vermont.

Marian Pollensky Leith, of North Carolina.

Mildred E. Younger, of California, to be members of the National Commission on Libraries and Information Science.

David H. Stowe, of Maryland, to be a member of the National Mediation Board.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following House bills were read twice by their titles and referred as indicated:

H.R. 11149. An act to amend section 2 of the act entitled "An act to incorporate the National Society of the Daughters of the American Revolution"; to the Committee on the Judiciary.

H.R. 13218. An act to permit the steamship *United States* to be used as a floating hotel, and for other purposes; to the Committee on Commerce.

H.R. 13326. An act to extend until November 1, 1983, the existing exemption of the steamboat *Delta Queen* from certain vessel laws; to the Committee on Commerce.

H.R. 12939. An act to amend certain laws affecting personnel of the Coast Guard, and for other purposes; to the Committee on Commerce.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE (by request):

S. 3670. A bill to repeal the requirements that the amount of U.S. notes outstanding at any time remain fixed. Referred to the Committee on Banking, Housing and Urban Affairs.

S. 3671. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 5 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PROXMIRE (for himself and Mr. Tower) (by request):

S. 3672. A bill to amend the Urban Mass Transportation Act of 1964, as amended, to provide that not more than 50 percent of the apportionment under section 5 may be used for operating expenses, except in certain circumstances. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 3673. A bill to amend the act of September 5, 1962, to authorize the acquisition of land for the Edison National Historic Site in in the State of New Jersey, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. Mr. McGEE (for himself and Mr. Hansen):

S. 3674. A bill to provide for the amendment of the public survey records to eliminate a conflict between the official cadastral survey and a private survey of the so-called "Wold Tract" within the Medicine Bow National Forest, Wyoming; and

S. 3675. A bill to provide relief to certain persons owning land adjacent to public lands within the Medicine Bow National Forest and near the community of Mountain Home, Wyoming. Referred to the Committee on Interior and Insular Affairs.

By Mr. EAGLETON (for himself and Mr. Symington):

S. 3676. A bill to establish the Hercules Glades Wilderness in the State of Missouri. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 3677. A bill to amend the National Capital Planning Act of 1952, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. NUNN (for himself, Mr. Percy, and Mr. Chiles):

S. 3678. A bill to establish an Office of Inspector General within the Department of Health, Education, and Welfare, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HATHAWAY (for himself and Mr. Muskie):

S. 3679. A bill to amend title V of the Housing Act of 1949 to require the Secretary of Agriculture to provide for the establishment of escrow accounts for taxes and insurance by borrowers under that title, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (by request):

S. 3670. A bill to repeal the requirements that the amount of U.S. notes outstanding at any time remain fixed. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, by request I am introducing a bill to repeal the requirements that the amount of U.S. notes outstanding at any time remain fixed. This legislation would remove the legal requirement that the Treasury issue additional U.S. notes to replace U.S. notes which are retired in order to keep constant the amount of such notes in circulation.

I ask unanimous consent that the text of the bill be printed in the Record, along with the letter of transmittal from Secretary Simon and its accompanying material.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2 of the Act of March 4, 1907 (31 U.S.C. 403), is amended by deleting the words ", and upon the issue of the United States notes of such denominations as an equal amount of United States notes of higher denominations shall be retired and canceled" and the words, "That the aggregate amount of the United States notes at any time outstanding shall remain as at present fixed by law: *And provided further,*".

(b) The Act of May 31, 1878, as amended (31 U.S.C. 404), is hereby repealed.

The Secretary of the Treasury,
Washington, D.C., July 1, 1976.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft of a proposed bill, "To repeal the requirements that the amount of United States notes outstanding at any time remain fixed."

The proposed legislation would remove the legal requirement that the Treasury issue additional United States notes to replace United States notes which are retired in order to keep constant the amount of such notes in circulation.

United States notes were first issued under the authority of the Act of February 25, 1862. The Act of May 31, 1878, fixed the amount of United States notes outstanding at the amount then in circulation ($346,681,016) by requiring that such notes be reissued in exact amounts to replace notes retired by the Treasury. This amount has since been reduced to $322,539,016 by actions of the Secretary of the Treasury under section 6(c) of the Old Series Currency Adjustment Act (75 Stat. 146, 31 U.S.C. 915), pursuant to which $24,142,000 of old series United States notes were declared to have been destroyed or irretrievably lost. (Note: The term "old series" refers to the large-size currency issued prior to July 1929.)

United States notes are presently backed only by the faith and credit of the United States, since the former gold reserve of $150,000,000 established for redemption of the notes was revoked by section 10 of the Act of March 18, 1968 (82 Stat. 51). These notes represent less than one percent of the paper currency in circulation and serve no purpose in the nation's monetary system not performed by Federal Reserve notes. United States notes, now being issued only in the $100 denomination, result in extra work in the Treasury and the Federal Reserve Banks as such notes must be stocked separately from $100 Federal Reserve notes; redemptions and issues must exactly coincide; and they must be accounted for separately in the retirement process.

A further consideration favoring enactment of the bill is that when automated equipment is installed in the near future by the Federal Reserve Banks to mechanize a number of currency operations now performed manually, United States notes will have to be handled as "exception" items. If the proposed legislation is enacted, this problem will be resolved as the amount of United States notes in circulation decreases.

Attached is a tabulation showing the amounts of retirements of United States notes (for which the Department issued an equivalent amount of $100 United States notes) for the last three fiscal years, and the amount of notes outstanding by denomination as of June 30, 1975. We propose to retire the outstanding notes as they are received by the Treasury and the Federal Reserve Banks. It is our belief that a significant portion, if not a majority, of the outstanding $1, $2, and $5 new series notes are held in currency collections or are irretrievably lost and will never be presented for retirement.

Also attached for your convenient reference is a comparative type showing the changes in existing law that would be made by the proposed legislation.

It would be appreciated if you would lay the proposed bill before the Senate. An identical bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of the proposed legislation.

Sincerely yours,

William E. Simon.

Comparative Type Showing Changes in Existing Law Made by Proposed Bill

Changes in existing law proposed to be made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets):

Section 2 of Act of March 4, 1907 C. 2913, 34 Stat. 1289 (31 U.S.C. 403).

"Sec. 2. That whenever and so long as the outstanding silver certificates of the denominations of one dollar, two dollars, and five dollars, issued under the provisions of section seven of an Act entitled "An Act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes," approved March fourteenth, nineteenth hundred, shall be, in the opinion of the Secretary of the Treasury, insufficient to meet the public demand therefor, he is hereby authorized to issue United States notes of the denominations of one dollar, two dollars, and five dollars [, and upon the issue of United States notes of such denominations an equal amount of United States notes of higher denominations shall be retired and canceled]: *Provided, however,* [That the aggregate amount of United States notes at any time outstanding shall remain as at present fixed by law: *And provided further,*] That nothing in this Act shall be construed as affecting the right of any national bank to issue one-third in amount of its circulating notes of the denomination of five dollars, as now provided by law."

Act of May 31, 1878 C. 146, 20 Stat. 87, as amended (31 U.S.C. 404).

["That from and after the passage of this act it shall not be lawful for the Secretary of the Treasury or other officer under him to cancel or retire any more of the United States legal-tender notes. And when any of said notes may be redeemed or be received into the Treasury under any law from any source whatever and shall belong to the United States, they shall not be retired cancelled or destroyed but they shall be re-issued and paid out again and kept in circulation: *Provided,* That nothing herein shall prohibit the cancellation and destruction of mutilated notes and the issue of other notes of like denomination in their stead, as now provided by law: *And provided further,* That in the event of any determination by the Secretary of the Treasury under section 6 of the Old Series Currency Adjustment Act that an amount of said notes has been destroyed or irretrievably lost and so will never be presented for redemption, the amount of said notes required to be kept in circulation shall be reduced by the amount so determined."]

["All acts and parts of acts in conflict herewith are hereby repealed."]

United States Notes Redeemed and Outstanding as of Selected Dates

Total redemptions

Fiscal year 1975	$3,721,800
Fiscal year 1974	4,479,600
Fiscal year 1973	4,760,400

Notes outstanding as of June 30, 1975

New series:	
$1's	$137,434.50
$2's	135,278,915.00
$5's	117,582,482.50
$100's	69,485,150.00
Subtotal	322,483,982.00
Old series:	
All denominations	55,034.00
Total outstanding	322,539,016.00

By Mr. PROXMIRE (by request):

S. 3671. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 5 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, today I am introducing by request a bill to extend for 5 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury. The proposed legislation would extend for an additional 5 years, from October 31, 1976, to October 31, 1981, the temporary authority under which Federal Reserve banks may purchase public debt obligations from the Treasury in an amount not to exceed $5 billion outstanding at any one time. Since its enactment in 1942, the present authority has been extended from time to time—usually for 2-year periods. The length of time set out in the proposed bill has been specifically requested by the administration because the more limited periods increase the risk that the authority will lapse, thus removing an effective cash management tool for the Treasury.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, along with the letter of transmittal from Secretary Simon and its accompanying material.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended (1) by striking out "November 1, 1976" and inserting in lieu thereof "November 1, 1981"; and (2) by striking out "October 31, 1976" and inserting in lieu thereof "October 31, 1981".

THE SECRETARY OF THE TREASURY,
Washington, July 1, 1976.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "To amend section 14(b) of the Federal Reserve Act, as amended, to extend for five years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury."

The proposed legislation would extend for an additional five years, from October 31, 1976 to October 31, 1981, the temporary authority under which Federal Reserve banks may purchase public debt obligations from the Treasury in an amount not to exceed $5 billion outstanding at any one time. The present authority was enacted in 1942 and has been extended from time to time, usually for two-year periods. A one-year extension was enacted in Public Law 94-125, approved November 12, 1975.

We are requesting a five-year extension, through October 31, 1981, because the more limited periods increase the risk that the authority will lapse—thus removing an effective cash management tool for the Treasury. The authority lapsed on three occasions in recent years—from July 1 to August 14, 1973; from November 1, 1973 to October 28, 1974; and from November 1 to November 12, 1975.

We also believe the five-year extension is justified because the provision of law has never been controversial—the lapses have occurred because it was tied to other proposed legislation—and because the authority has never been abused by the Department. The attached Table shows that instances of actual use have been infrequent and of limited duration; the borrowings are reported promptly in the Daily Treasury Statement and the weekly Federal Reserve Statement, with more detailed information in the Federal Reserve Board's Annual Report to the Congress; and the borrowings, like other Treasury borrowings, are subject to the debt limit. Further, the $5 billion authority has never been increased, although Federal outlays have risen from $34 billion in 1942, when the authority was first enacted, to over $370 billion projected in fiscal year 1976.

The value of the authority does not lie, however, in the frequency or extensiveness of its use; but in its availability as a backstop for all Treasury cash and debt operations, permitting more economical management of our cash position—which is much more vulnerable today to even slight changes in the economy—and assuring our ability to provide needed funds in Treasury's checking accounts almost instantaneously in the event of any emergency. In summary, the Department sees the authority as an essential financial aid that should not be interrupted even for short periods.

There is also enclosed for your convenient reference a comparative type showing the changes in existing law that would be made by the proposed legislation.

It would be appreciated if you would lay the proposed bill before the Senate. An identical bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of the proposed legislation.

Sincerely yours,

WILLIAM E. SIMON.

DIRECT BORROWING FROM FEDERAL RESERVE BANKS, 1942 TO DATE

Calendar year	Days used	Maximum amount at any time (millions)	Number of separate times used	Maximum number of days used at any 1 time
1942	19	$422	4	6
1943	48	1,302	4	28
1944	None			
1945	9	484	2	7
1946	None			
1947	None			
1948	None			
1949	2	220	1	2
1950	2	180	2	1
1951	4	320	2	2
1952	30	811	4	9
1953	29	1,172	2	20
1954	15	424	2	13
1955	None			
1956	None			
1957	None			
1958	2	207	1	2
1959	None			
1960	None			
1961	None			
1962	None			
1963	None			
1964	None			
1965	None			
1966	3	169	1	3
1967	7	153	3	3
1968	8	596	3	6
1969	21	1,102	2	12
1970	None			
1971	9	610	1	7
1972	1	38	1	1
1973	10	485	3	6
1974	1	131	1	1
1975	16	1,042	4	7

Comparative Type Showing Changes in Existing Law Made by Proposed Bill

Changes in existing law made by the proposed bill are shown as follows (existing law proposed to be omitted is enclosed in brackets; new matter is underscored):

Section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355).

(b) (1) To buy and sell, at home or abroad, bonds and notes of the United States, bonds issued under the provisions of subsection

(c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and having maturities from date of purchase of not exceeding six months, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage, and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Board of Governors of the Federal Reserve System: *Provided,* That notwithstanding any other provision of this Act, (1) until [November 1, 1976] *November 1, 1981,* any bonds, notes or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed $5,000,000,000; and (2) after [October 31, 1976] *October 31, 1981,* any bonds, notes or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market. The Board of Governors of the Federal Reserve System shall include in their annual report to Congress detailed information with respect to direct purchases and sales from or to the United States under the provisions of the preceding proviso.

(2) To buy and sell in the open market, under the direction and regulations of the Federal Open Market Committee, any obligation which is a direct obligation of, or fully guaranteed as to principal and interest by, any agency of the United States.

By Mr. PROXMIRE (for himself and Mr. Tower) (by request):

S. 3672. A bill to amend the Urban Mass Transportation Act of 1964, as amended, to provide that not more than 50 percent of the apportionment under section 5 may be used for operating expenses, except in certain circumstances. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, by request, Senator Tower and I are introducing legislation to amend section 5 of the Urban Mass Transportation Act of 1964, to provide that not more than 50 percent of the amount of section 5 funds apportioned to an urbanized area shall be used for operating expenses, except in certain circumstances.

Administration officials have expressed concern that these funds are being used almost exclusively to subsidize operating deficits. As of May 31, 1976, UMTA had made section 5 grant approvals totaling $451 million. Of this amount, no less than 94 percent was for operating expenses and only 6 percent represented capital expenses. Moreover, the Department of Transportation is also concerned about rapidly increasing operating costs and declining productivity in the transit industry.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record, along with the letter of transmittal from Secretary Coleman.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 3672

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Subsection (d)(1) of section 5 of the Urban Mass Transportation Act of 1964 is amended to read as follows—

"(d)(1) The Secretary may approve as a project under this section, on such terms and conditions as he may prescribe, (A) the acquisition, construction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service, and (B) the payment of operating expenses to improve or to continue such service by operation, lease, contract, or otherwise. However, for each fiscal year, not to exceed 50 per centum of the amount apportioned to an urbanized area which has a population of 200,000 or more, or, in the case of urbanized areas of between 50,000 and 200,000 population, not to exceed 50 per centum of the amount apportioned to the Governor of each State for use in such areas, may be used for the payment of operating expenses. Prior to the close of fiscal year 1978, the previous sentence does not apply to an urbanized area if the Secretary finds that the largest political subdivision within that urbanized area has, prior to June 2, 1976, approved by referendum or vote a tax issue to support a transit improvement program which includes an agreement which has the effect of binding a local or regional public operator of mass transportation services within that political subdivision to use for operating expenses all of that subdivision's portion of the funds authorized and apportioned to the urbanized area under this section."

Sec. 2. This Act shall become effective on September 30, 1976.

The Secretary of Transportation,
Washington, D.C., June 28, 1976.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a proposed bill, "To amend the Urban Mass Transportation Act of 1964, as amended, to provide that not more than 50 percent of the apportionment under section 5 may be used for operating expenses, except in certain circumstances."

This bill will amend section 5 of the Urban Mass Transportation Act of 1964, to provide that not more than 50 percent of the amount of section 5 funds apportioned to an urbanized area shall be used for operating expenses.

This amendment is being sought because the Department of Transportation is concerned that section 5 funds are being used almost exclusively to subsidize operating deficits. As of May 31, 1976, UMTA had made section 5 grant approvals totalling $451 million. Of this amount, no less than 94 percent was for operating expenses and only 6 percent was for capital expenses. We believe that this represents an excessive dependence on Federal-aid to finance operating costs, a dependence which undercuts the incentive to seek greater productivity and operational economies.

The Department is also concerned about rapidly increasing operating costs and declining productivity in the transit industry. While farebox revenues grew by only 17 percent in the past five years, total operating expenses rose by 87 percent. During the same period transit wage rates have grown by 52 percent, substantially above the increase in the cost of living as measured by the Consumer Price Index in that period (43 percent) or the rate of growth of wages in the private economy. Declining productivity is exemplified by the fact that total operating costs per vehicle mile rose by 78 percent and labor costs per revenue passenger increased by 85 percent over the past five years.

While rapid cost escalation is not unique to the transit industry, the Department believes that these trends of steadily declining transit efficiency and mounting operating deficits undercut the basic role of public transportation, and must be arrested if the long term financial stability of mass transit operations in this country is to be preserved.

This limitation will not result in any substantial change in the amount of Federal funds available for operating assistance compared to the amount available in FY 1975. It will, however, encourage other beneficial uses of section 5 funds. For example, cities might be encouraged to use section 5 funds for establishing an orderly bus replacement program.

An exception to the 50 percent limitation is provided for any urbanized area in which the largest political subdivision has approved a tax issue to support a transit improvement program which requires commitment of that subdivision's entire section 5 apportionment for operating expenses.

We have determined that this proposed legislation will have no adverse impact on the environment.

The Office of Management and Budget has advised that the enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

William T. Coleman, Jr.

By Mr. JACKSON (for himself and Mr Fannin) (by request):

S. 3673. A bill to amend the act of September 5, 1962, to authorize the acquisition of land for the Edison National Historic Site in the State of New Jersey, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. Fannin) a bill to amend the act of September 5, 1962, to authorize the acquisition of land for the Edison National Historic Site in the State of New Jersey, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication accompanying the proposal from the Secretary of the Interior be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Washington, D.C., July 15, 1976.

Hon. Nelson Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is a draft bill "To amend the Act of September 5, 1962, to authorize the acquisition of land for the Edison National Historic Site in the State of New Jersey, and for other purposes."

We recommend that the bill be referred to the appropriate Committee and that it be enacted.

The Edison National Historic Site presently consists of an area of approximately 20 acres containing the Edison home and his nearby laboratory, both in the town of West Orange, New Jersey. All but 2 acres were donated to the Federal Government from 1955 to 1963. The 2 additional acres were purchased in 1966 under an authorization passed in 1959 allowing acquisition of up to 2½ acres. The donations came largely from Thomas A. Edison

Industries, Inc., with the understanding that an appropriate visitor center would be built as soon as possible.

The historic site as so designated in 1962 by combining the Edison Home National Historic Site (created 1955) and the Edison Laboratory National Monument (1956). Edison lived and worked in these buildings for 44 years, and both the home and the laboratory are little changed from their appearance in his own time. Visitation at the site, which is located in northern New Jersey near New York City, was approximately 50,000 in FY 1975. This figure is estimated to increase to 61,000 for FY 1977. Presently, the only use of the park is by guided tour, but with proper facilities and a pleasing adjacent environment, a much higher quality visitor experience will be assured.

The land which would be acquired under this legislation encompasses 1.39 acres, which would be purchased from the West Orange Development Agency. The acquisition of this land would allow space for a visitor center as contemplated in the Edison Industries donation as well as create a more regular boundary and improve the appearance of the laboratory environs. At present, the administrative and maintenance personnel at the site do not have office and working space other than the historic laboratories and buildings themselves, which is unsatisfactory to both the staff and to the visitor.

The cost of acquiring the tract would be $75,000. Development costs relating to it are estimated to be $1,695,000. Of his latter amount, $1,250,000 would be expended for the visitor center and the remainder primarily for rehabilitating, and for relocating existing structures and landscaping.

In the event that the National Park Service does not acquire this land, the West Orange Redevelopment Agency fully intends to dispose of the parcel, most likely for industrial purposes. This could lead to undesirable development adjacent to the site, instead of providing a much needed buffer zone between the site and the adjacent industrial zone.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely yours,

DOUGLAS P. WHEELER,
Acting Assistant Secretary of the Interior.

By Mr. MATHIAS:

S. 3677. A bill to amend the National Capital Planning Act of 1952, and for other purposes. Referred to the Committee on the District of Columbia.

Mr. MATHIAS. Mr. President, in 1952 Congress established the National Capital Planning Commission as the central planning agency for the Federal Government to plan the appropriate and orderly development and redevelopment of the National Capital. The National Capital Planning Act of 1952 was based on the findings that—

> The location of the seat of government in the District of Columbia has brought about the development of a metropolitan region extending well into adjoining territory in Maryland and Virginia; that effective comprehensive planning is necessary on a regional basis and of continuing importance to the Federal establishment; and that the distribution of Federal installations throughout the region has been and will continue to be a major influence in determining the extent and character of development.

Recognizing the importance of Federal employment in the development of the Washington Metropolitan area, Congress gave the National Capital Planning Commission responsibility for reviewing Federal plans to develop projects and installations within the District and its environs. In 1952 almost 88 percent of the Federal office space in the Washington area was owned and controlled by GSA. Space leased by the Federal Government was not a major factor in planning for the metropolitan area. Leasing was primarily a short-term approach to meeting agency needs and was consequently not considered necessary to be included in the NCPC review process.

In the years following the adoption of the National Capital Planning Act, the growth in Federal office space leasing has been phenomenal. In 1952 the Federal Government leased about 3.8 million square feet of office space to accommodate 16,000 employees in the National Capital region. By 1974, GSA was leasing almost 26 million square feet of office space for more than 118,000 Federal employees. As a result, 44 percent of the space occupied by the Federal Government in the Washington area was leased from the private sector in 1974.

In February and March of this year the Senate Committee on the District of Columbia held a series of hearings, which I chaired, on problems confronting the Washington metropolitan area. Several witnesses, including the chairman of the Metropolitan Washington Council of Governments, Francis Francois, stressed the need to reexamine Federal policies and practices in choosing sites for Government agencies. Federal employment locations need to be coordinated with local planning efforts throughout the metropolitan area to assure adequate access to transportation facilities and community services. Even more important, Federal office locations need to be coordinated with regional planning goals and major public expenditures. Without this coordination, major investments of the taxpayers money in Metro, urban renewal, housing development, water and sewer systems, and other community facilities will not be supported.

At the present time, the General Services Administration must comply with a variety of potentially conflicting instructions from procurement regulations, executive orders, and congressional directives in selecting leased space for the Federal establishment in the Washington area. The GSA has been doing a very commendable job of resolving these conflicts and fulfilling its responsibilities as landlord for Federal agencies. Recent trends, however, indicate that without some provision for review of GSA leasing plans, the National Capital Planning Commission will be unable to effectively exercise its responsibility to serve as the central planning agency for the Federal Government in the National Capital region.

The bill I am introducing today simply seeks to recognize the growth in the importance of leased office space in the location of Federal agencies in the Washington metropolitan area. By extending the responsibilities of the National Capital Planning Commission to include reviews of plans for leased space, this bill would bring the 1952 Planning Act in line with the realities of 1976.

Following the 1970 census, Charles County, Md., became part of the Washington standard metropolitan statistical area. Charles County has now been recognized as an integral part of the economic system that operates within the Washington metropolitan area and thus should be included in the definition of the National Capital region. An extension of the boundaries of the National Capital region would bring to Charles County a greater opportunity for local involvement in decisions about Federal office locations. This bill would give Charles County and the other local governments in the Washington area, a chance to review plans for Federal leasing to assure conformity with local planning goals.

By Mr. NUNN (for himself, Mr. PERCY, and Mr. CHILES):

S. 3678. A bill to establish an Office of Inspector General within the Department of Health, Education, and Welfare, and for other purposes. Referred to the Committee on Labor and Public Welfare.

INSPECTOR GENERAL OF HEW

Mr. NUNN. Mr. President, on behalf of myself, Senator PERCY and Senator CHILES, I am introducing today a bill to establish an Office of Inspector General in the Department of Health, Education, and Welfare—HEW—that will result in a consolidation of certain audit and investigative functions within the Department.

Moreover, the independent Office of Inspector General will result in a focus on fraud and detection heretofore missing in the administration of more than 300 programs and in spending 145 billion of taxpayer's dollars for 1977—fully one-third of the total Federal budget.

Last year, the Senate Permanent Subcommittee on Investigations, of which I am honored to serve as acting chairman, found that California's Health Department had 60 fraud investigators—six times the number with agencywide jurisdiction than did the Health, Education, and Welfare Department.

Moreover, the Department of Agriculture, with a budget less than one-tenth the size of HEW's, has 259 investigators—10 times the number of HEW.

These and other revelations also were developed by Representative L. H. FOUNTAIN, chairman of the House Government Operations Subcommittee on Intergovernmental Relations and Human Resources. Representative FOUNTAIN chaired hearings following an inquiry into the extent of fraud and abuse in HEW programs and the ability of the Department to deal with the situation. As a result of those hearings, he is introducing legislation today in the House of Representatives similar to the bill I am introducing in the Senate.

Our investigations have demonstrated a critical need for a fraud and abuse detection unit in the Department of Health, Education, and Welfare.

First of all, HEW spends large aggregate sums of money in amounts ranging from the $7 physician office visit to multimillion-dollar contracts. Second, it uses intermediaries from private industry and State and county governments to spend the money. Third, there are foundations, consultants, and other contractors.

In 1974 alone, HEW awarded more than 52,000 grants and 14,000 contracts. In short, the diffusion of control over funds is a manager's nightmare and creates a climate in which fraud and abuse can go undetected.

It is not an oversimplification to say that once HEW writes the check, there is little ability on the Government's part to determine if the money is spent properly. There are reasons for this. HEW is composed primarily of social workers, health program administrators, and educators—not policemen.

Over the past few years, we have learned that the health administrators have been paying money to physicians who factored their bills; who had unsavory and illegal arrangements with laboratories; who were double billing; who owned nursing homes; or who were performing partial surgeries, requiring them to operate on Federal beneficiaries a second time.

The permanent subcommittee conducted a hearing at which a psychiatrist testified that he found an emotionally disturbed child was provided room and board and music therapy in a residential treatment center for $80,000 a year, $60,000 more than should have been charged. And the Federal Government paid this outrageous amount.

We have received evidence that beneficiaries of Federal health programs were subjected to injury and even death in substandard hospitals in urban areas. I have heard testimony that in one program, in an effort to save money, patients who needed surgery to save their lives were given instead tranquilizers to kill their pain.

We have learned that welfare program administrators have paid contractors for their excessive charges that included Havana cigars and trips to fancy resorts.

We have found that the guaranteed student loan program may have defaults of up to $2 billion because HEW officials were not careful in their administration of this worthwhile program.

I chaired a series of hearings before the Senate permanent Subcommittee on Investigations and took testimony about which they had been told were grants; about schools that went bankrupt owing substantial amounts of unearned tuition to students, who were left on the hook for the outstanding loans; and about loose trade school accreditation procedures that resulted in loans being made through schools which were unable to provide quality education.

We cannot afford to ignore the growing evidence of fraud and abuse in our Federal health, education, and welfare programs.

No agency needs a system of fraud and abuse detection more than the Department of HEW. Moreover, we need to stiffen the penalties for fraud and abuse. It is rediculous that fraud against medicare and medicaid programs are still misdemeanors. They would be made felonies under S. 3205 introduced by Senator Talmadge and which I am cosponsoring with 15 other colleagues. I hope that Senator Talmadge's bill will pass the Senate, for it will provide teeth for the Inspector General that my measure would create.

We need this organizational and structural change in the Department of Health, Education, and Welfare. We need one person who is responsible and who will report to the Congress on a regular basis so that the legislation we pass and the money we appropriate is not taken advantage of by those who would deprive people of program benefits or rob from the taxpayers full value for their social program dollar.

Mr. President, I ask unanimous consent that the text of my bill and a summary of its provisions be printed in the Record.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 3678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE; ESTABLISHMENT

Section 1. In order to create an independent and objective unit—

(1) to conduct and supervise audits and investigations relating to programs and operations of the Department of Health, Education, and Welfare;

(2) to consolidate, coordinate, and provide policy direction for activities designed (A) to promote economy and efficiency and (B) to prevent and detect fraud and abuse in such programs and operations; and

(3) to provide a means for keeping the Secretary and the Congress fully and currently informed about problems and deficiencies relating to such programs and operations and the necessity for and progress of corrective action;

there is hereby established in the Department of Health, Education, and Welfare an Office of Inspector General.

OFFICERS

Sec. 2. (a) (1) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, solely on the basis of integrity and demonstrated ability and without regard to political affiliation. The Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Under Secretary, but shall not be under the control of, or subject to supervision by, any other officer of the Department.

(2) There shall also be in the Office a Deputy Inspector General appointed by the President, by and with the advice and consent of the Senate, solely on the basis of integrity and demonstrated ability and without regard to political affiliation. The Deputy shall assist the Inspector General in the administration of the Office and shall, during the absence or temporary incapacity of the Inspector General, or during a vacancy in that office, act as Inspector General.

(3) The term of office of the Inspector General and the Deputy shall be ten years, except that—

(A) the initial term of office of the Deputy shall be five years, so that the term of the Deputy will expire at the midpoint of the term of the Inspector General, and

(B) any person appointed to fill a vacancy in either of such offices shall serve only for the remainder of the unexpired term of his predecessor.

(4) The Inspector General or the Deputy may be removed from office—

(A) by impeachment, or

(B) by the President, but only for malfeasance, criminal conduct, incompetence, or gross neglect of duty, or in the event of disability.

(5) The Inspector General and the Deputy shall each be subject to the provisions of subchapter III of chapter 73, title 5, United States Code, notwithstanding any exemption from such provisions which might otherwise apply.

(6) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of the functions, powers, and duties transferred by section 6(a) (1), and

(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of the functions, powers, and duties transferred by section 6(a) (2).

DUTIES AND RESPONSIBILITIES

Sec. 3. (a) It shall be the duty and responsibility of the Inspector General—

(1) to supervise, coordinate, and provide policy direction for auditing and investigative activities relating to programs and operations of the Department;

(2) to establish or recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency or preventing and detecting fraud and abuse in its programs and operations;

(3) to establish or recommend policies for, and to conduct, supervise, or coordinate relationships between the Department and other Federal agencies, State and local governmental agencies, and nongovernmental entities with respect to (A) all matters relating to the promotion of economy and efficiency or the prevention and detection of fraud and abuse in programs and operations administered or financed by the Department, or (B) the identification and prosecution of participants in such fraud or abuse; and

(4) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by section 4 and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

(b) In carrying out the responsibilities specified in subsection (a) (1), the Inspector General shall have authority to approve or disapprove the use of outside auditors or to take other appropriate steps to insure the competence and independence of such auditors.

(c) In carrying out the duties and responsibilities provided by this Act, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view to avoiding unnecessary duplication and insuring effective coordination and cooperation.

REPORTS

Sec. 4. (a) The Inspector General shall, not later than March 31 of each year, submit a report to the Secretary and to the Congress summarizing the activities of the Office during the preceding calendar year. Such report shall include, but need not be limited to—

(1) an identification and description of significant problems, abuses, and deficiencies in the operations and programs of the Department disclosed by such activities;

(2) a description of recommendations for corrrective action made by the Office with respect to significant problems, abuses, or deficiencies identified and described under paragraph (1);

(3) an evaluation of progress made in im-

plementing recommendations described in the report or, where appropriate, in previous reports; and

(4) a summary of matters referred to prosecutive authorities and the extent to which prosecutions and/or convictions have resulted.

(b) The Inspector General shall make reports on a quarterly basis to the Secretary and to the appropriate committees or subcommittees of the Congress identifying any significant problems, abuses, or deficiencies concerning which the Office has made a recommendation for corrective action and on which, in the judgment of the Inspector General, adequate progress is not being made.

(c) The Inspector General shall report immediately to the Secretary and to the appropriate committees or subcommittees of the Congress whenever the Office becomes aware of particularly serious or flagrant problems, abuses, or deficiencies in Department programs. In the event any such problem, abuse, or deficiency involves a matter of particular importance or urgency and the Inspector General fails or refuses to make such report, the Deputy and the Assistant Inspectors General are authorized and directed to report the circumstances to the Secretary and the appropriate committees or subcommittees of the Congress.

(d) The Inspector General (A) shall make such additional investigations and reports and provide such information or documents as may be requested by either House of Congress or, with respect to matters within their jurisdiction, by any committee or subcommittee thereof, and (B) may make such additional investigations and reports as are, in the judgment of the Inspector General, necessary or desirable.

(e) Notwithstanding any other provision of law, the reports, information, or documents required by or under this section shall be transmitted directly to the Secretary and the Congress, or committees or subcommittees thereof, by the Inspector General (or the Deputy or Assistant Inspectors General, where appropriate) without further clearance or approval.

AUTHORITY; ADMINISTRATIVE PROVISIONS

SEC. 5. (a) In addition to the authority otherwise provided by this Act, the Inspector General, in carrying out the provisions of this Act, is authorized—

(1) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which relate to programs and operations with respect to which the Inspector General has responsibilities under this Act;

(2) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this Act from any Federal, State, or local governmental agency or unit thereof;

(3) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this Act, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court;

(4) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this Act;

(5) in the event that a budget request, prior to submission to Congress, is reduced to an extent which the Inspector General deems detrimental to the adequate performance of the functions mandated by this Act, to submit a supplemental request directly to the Congress, any provision of law to the contrary notwithstanding;

(6) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(7) to obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS–18 of the General Schedule by section 5332 of title 5, United States Code; and

(8) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this Act.

(b)(1) Upon request of the Inspector General for information or assistance under subsection (a)(2), the head of any Federal agency involved shall, insofar as is practicable, furnish to the Inspector General, or to an authorized designee, such information or assistance.

(2) Whenever information or assistance requested under subsection (a)(1) or (a)(2) is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the appropriate committees or subcommittees of the Congress without delay.

(3) In the event any record or other information requested by the Inspector General under subsection (a)(1) or (a)(2) is not considered to be available under the provisions of section 552a(b) (1), (3), or (7) of title 5, United States Code, such record or information shall be available to the Inspector General in the same manner and to the same extent it would be available to the Comptroller General.

(c) The Secretary shall provide the Inspector General and his staff with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

(d)(1) The Inspector General shall receive compensation at the rate provided for level IV of the Executive Schedule by section 5315 of title 5, United States Code.

(2) The Deputy shall receive compensation at the rate provided for level V of the Executive Schedule by section 5316 of title 5, United States Code.

TRANSFER OF FUNCTIONS

SEC. 6. (a) There are hereby transferred to the Office of Inspector General the functions, powers, and duties of—

(1) the agency referred to as the "HEW Audit Agency";

(2) the office referred to as the "Office of Investigations"; and

(3) such other offices or agencies, or functions, powers, or duties thereof, as the Secretary may, with the consent of the Inspector General, determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this Act, except that there shall not be transferred to the Inspector General under clause (3) program operating responsibilities.

(b) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under subsection (a) are hereby transferred to the Office of Inspector General.

(c) Personnel transferred pursuant to subsection (b) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

(d) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this Act, held a position compensated in accordance with the Executive Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

DEFINITIONS

SEC. 7. As used in this Act—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare;

(2) the term "Department" means the Department of Health, Education, and Welfare;

(3) the term "Inspector General" means the Inspector General of the Department;

(4) the term "Deputy" means the Deputy Inspector General of the Department; and

(5) the term "Federal agency" means an agency as defined in section 552(e) of title 5, United States Code.

Discussion of Major Provisions of Bill To Establish HEW Office of Inspector General

Section 1. Statement of Purpose.

Section 2. Officers.

Section 2(a)(1). Provides for an Inspector General to be appointed by the President, by and with the advice and consent of the Senate, solely on the basis of integrity and demonstrated ability and without regard to political affiliation.

The Inspector General is to report to and be under the general supervision of the Secretary. This authority may be delegated to the Under Secretary, but the Inspector General shall not be under the control of, or subject to supervision by any other HEW official.

Section 2(a)(2). Provides for a Deputy Inspector General, appointed in the same manner as the Inspector General, who is to assist the Inspector General and to act as Inspector General during a vacancy in that office or in the absence or temporary incapacity of the Inspector General.

Section 2(a)(3). Fixes the term of the Inspector General and Deputy at ten years. In order to provide continuity and reduce the likelihood of both the Inspector General and the Deputy leaving at the same time, the term of the Deputy is fixed to expire at the midpoint of the term of the Inspector General. Vacancies are to be filled by appointments for the balance of the unexpired term. There is no prohibition against reappointment of either the Inspector General or the Deputy.

Section 2(a)(4). Provides that the Inspector General or the Deputy may be removed by impeachment or by the President. This subsection makes clear that the Inspector General and the Deputy may not be removed by any HEW official. It also makes clear that these officials may not be removed by the President without cause, and establishes standards for removal. Purpose of the subsection is to provide a means of removing incompetent or disabled officials without jeopardizing the independence of officials who are doing an effective job.

Section 2(a)(5). Makes clear that the Inspector General and the Deputy are subject to restrictions against partisan political activity applicable to civil service employees, even though not actually civil service employees.

Section 2(a)(6). Provides for appointment of Assistant Inspectors General for Auditing and for Investigations. These officials would be civil service employees and would be responsible for supervising performance of the duties currently being carried out by the Audit Agency and the Office of Investigations. These units would be transferred to the new Office of Inspector General, and it is likely that the persons now serving as directors of the units become Assistant Inspectors General.

Section 3. Duties and Responsibilities.

Section 3(a). Assigns to the Inspector General primary responsibility for auditing and investigative activities relating to programs and operations of the Department and for other activities carried out or financed by the Department for the purpose of promoting economy and efficiency or preventing and detecting fraud and abuse.

In addition to establishing policies for and conducting activities of this type which are under the direct control of the Office of Inspector General, the Inspector General would have responsibility for recommending policies for and coordinating activities of this type being carried out by other Departmental units.

The Inspector General would have similar direct or indirect responsibilities regarding relationships between HEW and other Federal, State or local governmental agencies, and nongovernmental entities involving promotion of economy and efficiency, prevention and detection of fraud and abuse, and the identification and prosecution of participants in fraud and abuse. The Inspector General would not conduct prosecutions, but would undoubtedly provide assistance to officials charged with responsibility for prosecuting such cases.

The Inspector General is further charged with responsibility for keeping the Secretary and the Congress fully and currently informed concerning serious problems, abuses and deficiencies relating to programs and operations of the Department, for recommending corrective action, and for reporting on progress made in implementing such corrective action.

Section 3(b). Provides specific authority for the Inspector General to approve or disapprove the use of outside auditors or to take other appropriate steps to insure the competence and independence of such auditors.

Section 3(c). Directs the Inspector General to give particular regard to activities of the Comptroller General in order to avoid unnecessary duplication and insure effective coordination and cooperation.

Section 4. Reports.

Section 4(a). Provides for an annual report to the Secretary and the Congress describing significant problems, abuses and deficiencies in HEW operations and programs disclosed by activities of the Office, together with recommendations made for corrective action, and an evaluation of the progress made in implementing such recommendations.

Section 4(b). Provides for a quarterly report to the Secretary and appropriate committees or subcommittees of the Congress identifying significant recommendations for corrective action on which adequate progress is not being made.

Section 4(c). Provides for an immediate report to the Secretary and the appropriate committees or subcommittees of the Congress whenever the Office becomes aware of particularly serious or flagrant problems, abuses or deficiencies in Department programs, and charges the Deputy and Assistant Inspectors General with responsibility to report on matters of particular importance or urgency in the event the Inspector General fails or refuses to do so. The purpose of the latter provision is to make clear that the Deputy and Assistant Inspectors General share the responsibility of the Inspector General to keep the Secretary and Congress fully informed about important problems.

Subsection 4(c) would not require the Inspector General to report on every investigation, but is designed to insure that the Secretary and the Congress are promptly informed of developing problem areas.

Section 4(d). Provides for the Inspector General to make such additional investigations and reports and provide such information or documents as may be requested by either House of Congress or by any committee or subcommittee thereof having appropriate jurisdiction. This subsection also makes clear that the Inspector General may make additional investigations and reports as are necessary or desirable.

Section 4(e). Provides for reports required under this section to be transmitted by the Inspector General directly to the Secretary and the Congress, or committees or subcommittees thereof, without further clearance or approval.

Section 5. Authority; Administrative Provisions.

Section 5(a)(1). Makes clear that the Inspector General is to have access to all records, documents, etc., available to HEW which relate to programs and operations with respect to which the Office has responsibilities.

Section 5(a)(2). Authorizes the Inspector General to request necessary information or assistance from any Federal, State or local governmental agency or unit thereof;

Section 5(a)(3). Provides for subpoena authority when necessary.

Section 5(a)(4). Makes clear that the Inspector General is to have direct and prompt access to the Secretary when necessary.

Section 5(a)(5). Provides for submission of a supplemental request direct to Congress in the event the budget request for the Office is reduced below what is considered an adequate amount before being submitted to Congress. Purpose of this provision is to insure that the Inspector General is not prevented from carrying out responsibilities assigned under the Act because of inadequate funds without Congress being fully aware of the circumstances.

Section 5(a)(6-8). Customary provisions authorizing employment of personnel and consultants, entering into contracts, etc.

Section 5(b). Provides for Federal agencies to furnish requested information or assistance to the Inspector General, insofar as practicable. Also provides for the Inspector General to report to the Congress if, in the judgment of the Inspector General, information or assistance requested under subsections 5(a) (1) or (2) is unreasonably refused or not provided.

Provides further for the Inspector General to receive the same treatment under the Privacy Act as the Comptroller General, in the event any requested information is not already available under existing provisions of that Act.

Section 5(c). Provides for the Secretary to furnish the Office of Inspector General with suitable office space and supporting services.

Section 5(d). Provides for the Inspector General to be compensated at the rate provided for level IV of the Executive Schedule (which is the rate applicable to HEW Assistant Secretaries) and for the Deputy to be compensated at the rate applicable to Level V.

Section 6. Transfer of Functions.

Section 6(a). Transfers the functions, powers and duties of the present Audit Agency and Office of Investigations to the Office of Inspector General. Provides that the Secretary may transfer additional offices or agencies, or functions, powers or duties thereof, where appropriate and with the consent of the Inspector General. In order to insure that the independence and objectivity of the Office is not compromised, transfer of program operating responsibilities to the Office would be prohibited.

Section 6(b-d). Technical provisions related to the transfers, including provisions to prevent unintended adverse effects on personnel involved.

Section 7. Definitions.

By Mr. HATHAWAY (for himself and Mr. MUSKIE):

S. 3679. A bill to amend title V of the Housing Act of 1949 to require the Secretary of Agriculture to provide for the establishment of escrow accounts for taxes and insurance by borrowers under that title, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. HATHAWAY. Mr. President, I am pleased to introduce today, along with Senator MUSKIE, a bill which would correct a number of problems in the interpretation of the existing law governing the loan programs of the Farmers Home Administration and at the same time would lessen the potentially adverse impact such programs can have upon the revenue raising capacities of local jurisdictions, in the event of default by individual participants in such programs.

Farmers Home rural housing programs have in recent years played a critical role in providing decent housing to all Americans and have been particularly important in the State of Maine. I would hope that the Farmers Home Administration can continue to fulfill its vital role and that all Americans in all parts of the country will ultimately be provided with adequate homes.

With regard to the particular needs of citizens in rural areas for better housing, I would like to cite a couple of statistics.

In 1973, the Joint Center for Urban Studies of Harvard-MIT estimated that there were 13.1 million households suffering from "housing deprivation" and of these more than 5 million, or 38 percent, were nonmetropolitan.

In 1974, the ratio of substandard housing to public housing was 5 to 1 for urban counties, and 17 to 1 for rural counties.

The incidence of substandard housing in nonmetropolitan areas was 3½ times that in metropolitan areas in 1974.

Because of the high level of activity of Farmers Home in the State of Maine, I have received a number of inquiries and suggestions from my constituents regarding possible ways its programs could be improved. I have attempted to incorporate into this bill some of the most desirable of these suggestions. I believe that they are appropriate for improving Farmers Home programs not only in Maine but in other parts of the country as well.

Section I of this bill would amend existing law to state explicitly that family corporations be eligible for Farmers Home farm ownership loan programs. Under current interpretation of existing law, family corporations have been denied such assistance because these entities failed to meet any of the requisite definitions of "applicant." It has been pointed out to me that family corporations are often very desirable vehicles for realizing savings on Federal estate and income tax.

Thus, the Federal Government would appear to be somewhat inconsistent in its treatment of family corporations in extending tax preferences and denying loan assistance. While it is my belief that in the long run the only fair and equitable manner of dealing with this apparent inconsistency would be to re-examine the tax preferences to determine whether they are necessary and appropriate, in the short run it would appear desirable to make these family corporations eligible for loan assistance so that individual family farmers are not placed in the difficult position of weighing very complex variables of the relative merits of different types of business structures.

Section 2 would modify a provision in existing law which authorizes the Secretary of Agriculture to set up escrow accounts in connection with rural housing loans for the purpose of prepaying local taxes, insurance and other such expenses as the Secretary deems appropriate. Section 2 of this bill would require the Secretary to set up such accounts. The Secretary, while currently authorized to do so, has not so acted because it is his view that the authority is discretionary and because, according to the Secretary, administration of such accounts could represent a costly administrative expense.

The provision authorizing the Secretary to set up these accounts as contained in section 501(e) of the Housing Act of 1949, as amended, was added by section 505 of the Housing and Community Development Act of 1974. During the Senate's deliberation of this latter legislation, I was a member of the Senate Committee on Banking, Housing and Urban Affairs which had jurisdiction over the bill.

At that time I supported these provisions and felt them to be desirable and necessary to ease the burden of tax and insurance payments on low-income families by making such payments due periodically in smaller installments, rather than annually, all at once in a lump sum. In this regard, I would refer to that committee's report in describing then section 504—later became 505 due to additional section being added:

> ESCROW ACCOUNTS FOR TAXES, INSURANCE AND OTHER EXPENSES
>
> Section 504 of the bill would amend Sec. 501 of the Housing Act of 1949 to authorize the Secretary of Agriculture to establish a system of escrow accounts to enable borrowers to budget for the payment of taxes, insurance, and such other necessary expenses as the Secretary may deem appropriate. This provision would make it possible to ease the burden on low-income families and other rural housing borrowers by letting them pay their taxes and insurance in monthly installments along with the payments of interest and principal on their mortgage loans, instead of having to pay these once each year in a lump sum. It permits the Farmers Home Administration to offer the same escrow services which are required in connection with loans insured by the Federal Housing Administration and are optional under Veterans Administration insured loans.

Further, it was my impression that such authority was mandatory and that the Secretary ought to implement this authority in setting up these accounts as soon as was feasible.

While I can understand reluctance on the part of the Secretary to undertake new burdens and administrative duties, it would seem that the prior legislative intent required this, and that when the burdens upon the Secretary are weighed against the potential burden on the program participants and their communities, in the absence of escrow procedures, the Secretary's reasons would not hold up.

In any event, in order to clarify this situation, section 2 would amend existing law to make the implementation of escrow procedure mandatory.

Section 3 of this bill is again directed at clarifying existing law to grant to the Secretary of Agriculture explicit authority to pay property tax upon property held by the Secretary of State and local authority the Secretary has refused to pay such taxes. This refusal is apparently based upon the supremacy clause of the U.S. Constitution which has been interpreted in numerous court decisions to preclude the Federal Government's payment of taxes to State and local jurisdictions absent specific congressional authority.

The ambiguity in the present statutory structure and the Secretary's concommitant refusal to pay State and local taxes has worked a severe hardship on a number of local jurisdictions in the State of Maine. I have heard from town managers and local officials in all parts of the State who have described the dilemma posed by the Secretary's refusal to pay local taxes on property upon which he has foreclosed. The towns which were earlier denied their greatly needed tax revenues due to the financial instability of the loan program participants who later defaulted, subsequently found that the Secretary also refused to pay past due taxes because of the constitutional difficulty. These towns must nonetheless provide water and sewer services, police and fire protection, and road repair and plowing in the winter to the property in question.

Of course, in the long run, I would hope that the escrow procedures mandated in section 2 of this bill would remedy the default problem and its accompanying adverse local tax impact. Through more careful planning and the escrow incentive, the loan participants would be more likely to meet these obligations.

It is my intention that the changes made by this bill will go a long way toward remedying problems and defects in the administration of Farmers Home programs and that passage of this legislation would result in closer cooperation between local and Federal officials in this vital area.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3679

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501(c) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "As used in this subsection, the term 'applicant' includes a family corporation.".

Sec. 2. The first sentence of section 501(e) of the Housing Act of 1949 is amended by striking out "The Secretary may" and inserting in lieu thereof "The Secretary shall".

Sec. 3. Section 501 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Nothing in this title shall be construed to exempt any real property acquired and held by the Secretary under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.".

ADDITIONAL COSPONSORS

AMENDMENT NO. 1879

At the request of Mr. Helms, the Senator from Rhode Island (Mr. Pastore), the Senator from Oklahoma (Mr. Bartlett), the Senator from New York (Mr. Buckley), the Senator from New Hampshire (Mr. Durkin), the Senator from Alabama (Mr. Allen), the Senator from North Carolina (Mr. Morgan), the Senator from Ohio (Mr. Taft), and the Senator from Virginia (Mr. William L. Scott) were added as cosponsors of amendment No. 1879 intended to be proposed to the bill (H.R. 10612) to reform the tax laws of the United States.

S. 3069

At the request of Mr. Buckley, the Senator from Nevada (Mr. Laxalt) was added as a cosponsor of S. 3069, the Anti-Discrimination Act of 1976.

S. 3563

At the request of Mr. Helms, the Senator from Florida (Mr. Stone) was added as a cosponsor of S. 3563, to remove legal obstacles to the use of gold clauses.

S. 3585

At the request of Mr. McGovern, the Senator from North Dakota (Mr. Burdick), the Senator from Connecticut Mr. Ribicoff), and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 3585, the National Meals-on-Wheels Act of 1976.

SENATE JOINT RES. 205

At the request of Mr. Domenici, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of Senate Joint Resolution 205, to establish an Office of Hispanic Affairs.

SENATE RESOLUTION 488—SUBMISSION OF A RESOLUTION RELATING TO THE CONSIDERATION OF H.R. 13359

(Referred, by unanimous consent, to the Committee on the Budget.)

Mr. JACKSON submitted the following resolution:

S. Res. 488

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 13359. Such waiver is necessary due to the present fiscal crisis in the Virgin Islands occassioned, in part, by the Tax Reduction Act of 1975 which not only reduced available revenues since the federal income tax operates as a local territorial tax in the Virgin Islands, but also required the Virgin Islands to cover the rebate provisions of the Tax Reduction Act from its own treasury.

Mr. JACKSON. Mr. President, I submit a resolution pursuant to section 402(c) of the Congressional Budget Act of 1974 to waive the provisions of section 402(a) of that act with respect to H.R. 13359, legislation to assist the Virgin Islands. I ask unanimous consent that the resolution be referred directly to the Budget Committee without the necessity of being reported from the Interior Committee. The Committee on Interior and Insular Affairs, in considering H.R. 13359, recognized the magnitude of the fiscal crisis confronting the Virgin Islands and has, without dissent, recommended that this legislation be enacted.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENT NO. 2035

(Ordered to be printed and to lie on the table.)

Mr. PERCY. Mr. President, I submit an amendment to the Tax Reform Act of 1976 allowing mutual funds and other regulated investment companies to pass through to their shareholders the interest exemption on state and municipal bonds held in the investment company portfolio.

This amendment is a matter of simple equity. It allows individuals of moderate means to benefit from the tax-free nature of municipal bonds just as those who can afford to purchase such issues directly now do. This is consistent with existing law which allows shareholders in regulated investment companies to pay the tax on investment company income from securities as though they had invested in the securities directly.

Certain limited partnerships and trusts may now pass through the tax-free status of municipal bonds, but for several reasons this is not a viable alternative for small investors.

Finally, and equally important, this amendment will provide a new and substantially broader market for municipal bonds.

Mr. President, I ask unanimous consent that the text of this amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 2035

At the end of Title XIII, on page 846, insert the following new section:

Sec. . Exempt-Interest Dividends of Regulated Investment Companies.

(a) General.—Section 852(a)(1) of the Internal Revenue Code of 1954 (relating to regulated investment companies) is amended to read as follows:

"(1) the deduction for dividends paid during the taxable year (as defined in section 561, but without regard to capital gain dividends) equals or exceeds the sum of,

"(A) 90 percent of its investment company taxable income for the taxable year determined without regard to subsection (b)(2)(D); and

"(B) 90 percent of the excess of (i) its interest income excludable from gross income under section 103(a)(1) over (ii) its deductions disallowed under section 265 and section 171(a)(2), and".

(b) Dividends Paid Deduction.—Section 852(b)(2)(D) of such Code (relating to taxable income) is amended to read as follows:

"(D) the deduction for dividends paid (as defined in section 561) shall be allowed, but shall be computed without regard to capital gain dividends and exempt-interest dividends."

(c) Exempt-Interest Dividends.—Section 852(b) of such Code (relating to method of taxation of regulated investment companies and shareholders) is amended by inserting after paragraph (4) the following new paragraph (5):

"(5) Exempt-interest dividends.—If at the close of each quarter of its taxable year at least 50 percent of the value (as defined in section 851(c)(4)) of the total assets of the regulated investment company consists of obligations described in section 103(a)(1), such company shall be qualified to pay exempt-interest dividends, as defined herein, to its shareholders.

"(A) Definition.—An exempt-interest dividend means any dividend or part thereof (other than a capital gain dividend) paid by a regulated investment company and designated by it as an exempt-interest dividend in a written notice mailed to its shareholders not later than 45 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including exempt-interest dividends paid after the close of the taxable year as described in section 855) is greater than the excess of—

"(i) the amount of interest excludable from gross income under section 103(a)(1), over

"(ii) the amounts disallowed as deductions under sections 265 and 171(a)(2),

the portion of such distribution which shall constitute an exempt-interest dividend shall be only that proportion of the amount so designated as the amount of such excess for such taxable year bears to the amount so designated.

"(B) Treatment of exempt-interest dividends by shareholders.—An exempt-interest dividend shall be treated by the shareholders for all purposes of this subtitle as an item of interest excludable from gross income under section 103(a)(1). Such purposes include but are not limited to—

"(i) the determination of gross income and taxable income,

"(ii) the determination of distributable net income under subchapter J,

"(iii) the allowance of, or calculation of the amount of, any credit or deduction, and

"(iv) the determination of the basis in the hands of any shareholder of any share of stock of the company."

(d) Technical Amendment.—Section 103(e) of such Code (relating to exclusions from gross income of interest on certain governmental obligations) is amended by inserting after paragraph (23) the following new paragraph:

"(24) Exempt-interest dividends.—For treatment of exempt-interest dividends, see section 852(b)(5)(B)."

(e) Disallowance of Deductions.—Section 265 of such Code (relating to nonallowance of deductions for expenses and interest relating to tax-exempt income) is amended by adding at the end thereof the following new paragraphs:

"(3) Certain regulated investment companies.—In the case of a regulated investment company which distributes during the taxable year an exempt-interest dividend (including exempt-interest dividends paid after the close of the taxable year as described in section 855) that portion of any amount otherwise allowable as a deduction which the amount of the income of such company wholly exempt from taxes under this subtitle bears to the total of such exempt income and its gross income (excluding from gross income, for this purpose, net capital gain as defined in section 1222(9)).

"(4) Interest related to exempt-interest dividends.—Interest on indebtedness incurred or continued to purchase or carry shares of stock of a regulated investment company which during the taxable year of the holder thereof distributes exempt-interest dividends."

(e) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 1975.

AMENDMENT NO. 2036

(Ordered to be printed and to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to the bill (H.R. 10612) to reform the tax laws of the United States.

AMENDMENT NO. 2041

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted an amendment intended to be proposed by him to the bill (H.R. 10612), supra.

AMENDMENT NO. 2044

(Ordered to be printed and to lie on the table.)

Mr. JAVITS (for himself and Mr. Humphrey) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 10612), supra.

AMENDMENT NO. 2046

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. Nelson, Mr. Hollings, Mr. Mathias, Mr. Brooke, Mr. Clark, Mr. Gary Hart, Mr. Philip A. Hart, Mr. Hartke, Mr. Haskell, Mr. Hathaway, Mr. Huddleston, Mr. Humphrey, Mr. Mondale, and Mr. Proxmire) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 10612), supra.

FEDERAL TRADE COMMISSION AUTHORIZATIONS—S. 3619

AMENDMENT NO. 2037

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. BUMPERS. Mr. President, I am today submitting, for printing and referral to the Commerce Committee, an amendment to S. 3619, a bill to amend the Federal Trade Commission Act to authorize appropriations for fiscal year 1978. My amendment would bar the use of any appropriated funds for the enforcement of the Trade Regulation Rule concerning the preservation of consumers' claims and defenses. It would also preclude the enforcement of such rules through the courts, by declaring them suspended and not in effect until such time as the rules are specifically sanctioned by an act of Congress.

The Trade Regulation Rule in question (16 CFR 433) eliminates the doctrine of "holder in due course" insofar as consumer credit transactions are concerned. Traditionally, a holder in due course has been a third party who has held a negotiable instrument immune from any defenses that the maker of the note might have raised against the payee. In consumer transactions, when a seller of merchandise has received a note made by a consumer in payment for goods or services, and has in turn sold that note to his banker for cash, the banker has taken the note free from any claims the consumer might assert against the seller because the merchandise was faulty, or the services were not provided. Likewise, when a bank or other financial institution has made a loan to a consumer for the purchase of goods or services, the lender's right to repayment has not been dependent upon the consumer's satisfaction with the goods or services received from the seller.

The FTC rule was promulgated last November and took effect on May 14, 1976. The rule as now written applies only to sellers, but the FTC proposed an amendment to the rule the same day it was promulgated to apply the rule to creditors. Upon adoption of the amendment by the FTC, the Federal Reserve Board will be required to promulgate similar rules for banks, which do not fall under the FTC's jurisdiction.

"Holder in due course" is an ancient and honorable doctrine which has been of great utility in the expansion of the American economy. The FTC, however, has offered impressive evidence that the doctrine has been vulnerable to abuses in the consumer-credit field, and that its elimination or drastic curtailment would not have severe adverse effects. A number of States have modified or eliminated the doctrine, and the results have apparently been positive.

Unfortunately, there is a troubling discrepancy between the FTC's rationale for the new rule and the rule itself. The rule has been drafted in language so broad and vague that it casts a shadow over practices and transactions that have only the most tenuous relationship to the abuses that the FTC has described. The Federal Reserve Board has pointed out these perils in the rule's ambiguities, in an exhaustive staff analysis, but the FRB's request that the effective date of the rule be postponed received only a perfunctory response. Thousands of lenders and sellers must now decide whether to comply with the rule, even in situations in which it is of doubtful relevance, or to run the risk of a subsequent determination by the FTC that the rule does in fact apply to them. The net effect of this rule is to expand the FTC's jurisdiction to practices that cannot reasonably be considered "unfair and deceptive" within the meaning of the FTC Act (15 USC 45).

The rule has been challenged in a suit brought by the National Automobile Dealers Association in U.S. District Court in Baton Rouge, La., but realistically, judicial relief cannot be expected. The Federal courts have conferred upon Federal agencies regulations—like the trade regulation rule in this case—a presumption of validity that is most difficult to overcome. In addition, the Federal courts have, within the last few years, affirmed the power of the FTC to issue Trade Regulation Rules, and Congress has, in the Magnuson-Moss Act (Public Law 93-637), provided specific statutory authority to issue such rules. I believe strongly that a presumption of a regulation's validity is not warranted, and I have introduced a bill (S. 2408) that would place the burden on Federal agencies to prove that their regulations are consistent with the enabling statutes when those regulations are challenged in court. I do not believe that the trade regulation rule concerning the preservation of consumers' claims and defenses could survive such a test, but under the current state of the law, it will not be required to.

This means that the solution to this problem—if one is to be provided—will have to come from Congress. Evidence of congressional dissatisfaction with the rule is widespread. For example, the distinguished chairman of the Committee on Banking, Housing and Urban Affairs has said of the rule, "This was not the intent of Congress," and has described the rule as "full of ambiguities." To date, however, only one bill has been offered, in the House, that would overturn the rule. The alternatives before us have been limited: Either reject the rule outright, or express concern in the hope that the FTC will limit the rule in its application.

Neither alternative is satisfactory, because both leave the underlying problem untouched. Neither would define the extent of the FTC's power, and especially its power to preempt State laws. Congress, with the passage of the Magnuson-Moss Act, sanctioned FTC rulemaking, but left the boundary between State law and Federal rules shrouded in mist. That boundary should be made clearer, at the least, and I believe that the power of the FTC to preempt State laws should be restricted as well. I am uncomfortable with a situation in which a vaguely drawn Federal rule, promulgated by appointed officials, can so easily supersede laws passed by the elected representatives of the people. Federal supremacy is not at issue here; but Federal wisdom and restraint are.

It is important to mention, in this connection, that the trade regulation rule concerning the preservation of consumers' claims and defenses is only the harbinger of many trade regulation rules that the FTC may issue. The FTC has at least 19 proceedings under way in which it is considering rules applying to the following: Price advertising of prescription drugs, vocational schools, franchising, hearing aids, prescription eyeglasses, food advertising, credit practices, the funeral industry, used car sales, mobile homes, over-the-counter drugs, antacids, the flammability of cellular plastics, protein supplements, health spas, detergent labeling, pesticides, car labeling—and an extension of the rule on the preservation of consumers' claims and defenses, known as the creditor rule.

These rules represent a potentially vast expansion of federal regulatory authority, much of it at the expense of the States. Now that FTC rulemaking is under way in earnest, and its dimensions are becoming apparent, I think it is imperative that Congress ask the FTC to pause—if not to halt—while we make the necessary refinements in the FTC Act.

My amendment is, of course, narrow in scope, and applies only to the "holder in due course" rule; but I believe that it would have the desired effect. Adoption of my amendment would serve as a signal to the FTC that Congress is having second thoughts, and would buy time for a congressional examination of the proper extent of the FTC's power, and especially its power to override State law.

In addition to prohibiting the use of FTC funds for the enforcement of the Rule, my amendment also declares that the rule shall be considered suspended and not in effect until Congress authorizes specifically expenditures for its enforcement. My amendment is intended to make clear that the rule is a dead letter unless and until Congress revives it.

One of the most common complaints about Federal regulatory agencies is that they are in bed with the industries they are supposed to regulate. No one can say that about the FTC in its present incarnation, and for that I am grateful. But the real question is not whether an FTC action is pro- or anti-consumer, but whether it is consistent with Congress' intent, as expressed in the enabling statutes. In this case, it seems to me that there is a distinct possibility that the FTC has gone beyond what Congress intended, and that the existing judicial mechanisms are not adequate to correct such error. Congress intervention is required.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

S. 3619

AMENDMENT No. 2037

At the end of the bill, insert the following:

"SEC. 2. No funds appropriated pursuant to this authorization may be used to enforce the Trade Regulation Rule concerning Preservation of Consumers' Claims and Defenses (16 CFR 433) without specific authorization by law for such expenditures. Such Rule is hereby suspended unless and until such specific authorization is provided."

CRIME CONTROL ACT OF 1976—S. 2212

AMENDMENTS NOS. 2038 THROUGH 2040

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted three amendments intended to be proposed by him to the bill (S. 2212) to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and for other purposes.

AMENDMENT NO. 2042

(Ordered to be printed and to lie on the table.)

Mr. PERCY. Mr. President, I submit an amendment on behalf of myself and Senator LONG to add a new part F—entitled "Unlawful Possession or Receipt of Firearms, Ammunition, and Explosive Materials by Convicted Felons and Others," to the bill (S. 2212) to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and for other purposes.

The purpose of this amendment to the LEAA extension bill is to correct a deficiency in existing law to make it absolutely clear that convicted felons, drug addicts, mental incompetents, and other dangerous individuals are prohibited from possessing and dealing in firearms, ammunition, and explosive materials under any circumstances—whether or not a specific link with interstate commerce can be found in each and every instance.

In 1968, the Congress enacted an amendment offered by Senator LONG which was intended to accomplish this same goal with respect to firearms. In addition, in 1968 and 1970 Congress adopted other language which restricted the access of dangerous persons first to firearms and ammunition and then to explosive materials.

However, the Supreme Court ruled in U.S. against Bass (1971) that Senator LONG's amendment was so worded that a *specific* nexus with interstate commerce must be demonstrated in each case. The Court noted that "because its sanctions are criminal—we refuse to adopt the board reading in the absence of a clearer direction from Congress." It is important to note that this decision was made on purely technical grounds, and did not in any way suggest that a flat prohibition on possession by convicted felons and others would be outside the bounds of Federal jurisdiction.

This amendment is intended to provide the clear congressional direction that the Supreme Court sought in U.S. clarify the language of the existing law to eliminate the need for a demonstration of a nexus with interstate commerce in each case, and would consolidate and conform the statute concerning firearms and ammunition on the one hand and explosive materials on the other.

Specifically, under this amendment indicted and convicted felons, fugitives from justice, those who have been dishonorably discharged from the armed forces, drug addicts, mental incompetents, and illegal aliens would be prohibited from possessing, shipping, transporting and receiving any firearms, ammunition, or explosive materials. In addition, the employees of such dangerous persons would also be barred from possessing such weapons in the course of their employment, thus prohibiting the use of professional gunmen and saboteurs by these people to circumvent the law.

And finally, the amendment revises the existing relief provisions to make sure that even though a person was once convicted of a felony, dishonorably discharged, or committed to a mental institution, he can seek relief from these prohibitions if the record shows that he can be trusted.

There is no question that this amendment is vital to effective law enforcement. Moreover, because the criminal misuse of firearms and explosive materials constitutes a serious burden on interstate commerce and poses a threat to the effective enforcement of the Federal criminal laws—especially those designed to protect the President and other Federal officials—I am confident that the court will find this amendment to be a reasonable and appropriate exercise of congressional authority.

I ask unanimous consent that the text of this amendment and a section-by-section analysis of its provisions be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2042

On page 34, immediately after line 23, add the following new part:

PART F—UNLAWFUL POSSESSION OR RECEIPT OF FIREARMS, AMMUNITION, AND EXPLOSIVE MATERIALS BY CONVICTED FELONS AND OTHERS

SEC. 29. The Congress hereby finds and declares that—

(1) the possession, transportation, shipment, and receipt of firearms, ammunition, and explosive materials by potentially dangerous persons such as felons, fugitives from justice, persons dishonorably discharged from the armed forces, drug addicts, mental incompetents, and illegal aliens constitute a serious threat to the peace and tranquility of citizens of the United States, the free and unfettered exercise of basic constitutional rights, the security and general welfare of this Nation, general law enforcement, and the integrity of State and local firearm control laws;

(2) the deaths, injuries, and thefts, and the resulting loss of earnings, support, and productivity, as well as the costs of crime prevention, detection, and correction, which are a direct result of the criminal misuse of firearms, ammunition, and explosive materials, place a substantial burden on interstate commerce;

(3) the possession of firearms, ammunition, and explosive materials by persons who are likely to misuse them for criminal purposes constitutes a serious threat to the personal safety of the President, the Vice President, and other Federal officials and candidates for Federal office;

(4) the use of firearms, ammunition, and explosive materials to commit crimes in violation of State or Federal law including hijackings and other acts of terrorism, and robberies of banks insured by the Federal Deposit Insurance Corporation, places a substantial burden on both interstate and foreign commerce;

(5) the possession of firearms, ammunition, and explosive materials by the employees of convicted felons is directly related to the criminal activities of organized crime and such activities have significant bearing on interstate commerce;

(6) based upon substantial statistical evidence, felons, fugitives from justice, persons dishonorably discharged from the armed forces, drug addicts, mental incompetents, and illegal aliens constitute a class of persons who are likely to misuse weapons in their possession for criminal purposes;

(7) regulation and licensing schemes, and restrictions placed on the possession, shipment, transportation, and receipt of explosive materials, firearms, and ammunition which require a demonstration that such materials have moved in interstate or foreign commerce, although valuable, are insufficient to prevent the criminal misuse of firearms, ammunition, and explosive materials by potentially dangerous persons;

(8) a prohibition of the possession, shipment, transportation and receipt of firearms, ammunition, and explosive materials by potentially dangerous persons is vital to the protection of the free flow of interstate and foreign commerce and of the President, Vice President and other Federal officials and to the maintenance of the general welfare; and

(9) such prohibition of the possession, shipment, transportation and receipt of firearms, ammunition, and explosive materials by such potentially dangerous persons will not unduly interfere with the activities and privileges of law-abiding citizens or with the exercise by the States of their police powers.

SEC. 30. Section 842 of title 18, United States Code, is amended—

(1) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) It shall be unlawful for any person—

"(1) who is under indictment for, or who has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year,

"(2) who is a fugitive from justice,

"(3) who has been discharged from the armed forces under dishonorable conditions,

"(4) who is an unlawful user of or is addicted to (as defined in section 102 of the Controlled Substances Act) marijuana or any depressant or stimulant substance or narcotic drug (as defined in section 102 of the Controlled Substances Act),

"(5) who has been adjudicated as mentally incompetent or has been committed to a mental institution, or

"(6) who, being an alien, is unlawfully in the United States, to possess, ship, transport, or receive any explosive materials.";

(2) by striking out subsection (i) and inserting in lieu thereof the following:

"(i) It shall be unlawful for any person whose employer is prohibited from possessing, shipping, transporting, or receiving explosive materials under subsection (d), and who knows or has reason to believe that such employer is so prohibited, to possess, ship, transport or receive, in the course of such employment, any explosive materials."; and

(3) by redesignating subsections (j) and (k) as subsections (k) and (l), respectively, and inserting immediately after subsection (i), as amended by paragraph (2), the following new subsection:

"(j) It shall be unlawful for any licensee to sell or otherwise distribute any explosive materials to any person who he knows or has reasonable cause to believe is under twenty-one years of age or is prohibited from possessing, shipping, transporting, or receiving explosive materials under subsection (d) or (i). This subsection shall not apply with respect to the sale or distribution of explosive materials to a person who has been granted relief from disabilities pursuant to subsection (b) or (c) of section 845 of this chapter.".

SEC. 31. Section 843 of title 18, United States Code, is amended—

(1) by striking out in subsection (b)(1) "is not a person to whom the distribution of explosive materials would be unlawful under section 842(d) of this chapter;" and inserting in lieu thereof "is not prohibited from possessing, shipping, transporting, or receiving any explosive materials under section 842(d) or (i) of this chapter;";

(2) by striking out "and" after the semicolon in subsection (b)(4);

(3) by striking out the period in subsection (b)(5) and inserting in lieu thereof a semicolon and "and";

(4) by adding at the end of subsection (b) the following new paragraph:

"(6) the applicant is twenty-one years of age or over."; and

(5) by striking out in subsection (d) "or has become ineligible to acquire explosive materials under section 842(d)." and inserting in lieu thereof "or has become ineligible to possess, ship, transport, or receive explosive materials under section 842(d) or (i).".

SEC. 32. Section 844 of title 18, United States Code, is amended by striking out in subsection (a) "(a) through (i)" and inserting in lieu thereof "(a) through (j)".

SEC. 33. Section 845 of title 18, United States Code, is amended—

(1) by adding "or who has been discharged from the armed forces under dishonorable conditions" after "exceeding one year" in subsection (b);

(2) by striking out in the first sentence in subsection (b) "with respect to engaging in the business of importing, manufacturing, or dealing in explosive materials, or the purchase of explosive materials,";

(3) by striking out "indictment or conviction" each place it appears in subsection (b) and inserting in lieu thereof "indictment, conviction, or dishonorable discharge";

(4) by adding at the end thereof the following new subsection:

"(c) (1) Subject to the provisions in paragraph (2), any person who had been adjudicated as mentally incompetent or had been committed to a mental institution, who subsequently is adjudicated by a court or other lawful authority as having been restored to mental competency, shall be relieved from the disabilities imposed by this chapter with respect to the possession, shipment, transportation, or receipt of explosive materials incurred because of such adjudication or commitment.

"(2) No relief from disabilities may be granted under paragraph (1) unless such court or other lawful authority specifically finds that such person is no longer suffering from a mental disorder and that the possession of explosive materials by such person would not pose a danger to any person.".

SEC. 34. Section 922 of title 18, United States Code, is amended—

(1) by striking out in subsection (c) (1) "from receiving a firearm in interstate or foreign commerce" and inserting in lieu thereof "from possessing, shipping, transporting, or receiving any firearm or ammunition";

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) It shall be unlawful for any person—

"(1) who is under indictment for, or who has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year,

"(2) who is a fugitive from justice,

"(3) who has been discharged from the armed forces under dishonorable conditions,

"(4) who is an unlawful user of or is addicted to (as defined in section 102 of the Controlled Substances Act) marijuana or any depressant or stimulant substance or narcotic drug (as defined in section 102 of the Controlled Substances Act);

"(5) who has been adjudicated as mentally incompetent or has been committed to a mental institution, or

"(6) who, being an alien, is unlawfully in the United States, to possess, ship, transport, or receive any firearm or ammunition."; and

(3) by striking out subsections (g) and (h) and inserting in lieu thereof the following:

"(g) It shall be unlawful for any person whose employer is prohibited from possessing, shipping, transporting, or receiving firearms or ammunition under subsection (d), and who knows or has reason to believe that such employer is so prohibited, to possess, ship, transport or receive, in the course of such employment, any firearm or ammunition.

"(h) It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or otherwise distribute any firearm or ammunition to any person who he knows or has reasonable cause to believe is prohibited from possessing, shipping, transporting, or receiving a firearm or ammunition under subsection (d) or (g). This subsection shall not apply with respect to the sale or distribution of a firearm or ammunition to a licensed importer, licensed manufacturer, licensed dealer, or licensed collector who pursuant to subsection (b) of section 925 of this chapter is not precluded from dealing in firearms or ammunition, or to a person who has been granted relief from disabilities pursuant to subsection (c) or (e) of section 925 of this chapter.".

SEC. 35. Section 923 of title 18, United States Code, is amended—

(1) by striking out in subsection (d) (1) (B) "is not prohibited from transporting, shipping, or receiving firearms or ammunition in interstate or foreign commerce under section 922 (g) and (h) of this chapter;" and inserting in lieu thereof "is not prohibited from possessing, shipping, transporting, or receiving firearms or ammunition under section 922 (d) or (g) of this chapter;"; and

(2) by striking out the period after the first sentence in subsection (e) and inserting in lieu thereof a comma and "or has become ineligible to possess, ship, transport, or receive any firearm or ammunition under section 922 (d) or (g).".

SEC. 36. Section 925 of title 18, United States Code, is amended—

(1) by adding in subsection (c) "or who has been discharged from the armed forces under dishonorable conditions" after "Act)";

(2) by striking out in subsection (c) "Federal laws with respect to the acquisition, receipt, transfer, shipment, or possession of firearms" and inserting in lieu thereof "this chapter";

(3) by adding "or dishonorable discharge" after "conviction" each place it appears in subsection (c); and

(4) by adding at the end thereof the following new subsection:

"(e) (1) Subject to the provisions in paragraph (2), any person who had been adjudicated as mentally incompetent or who had been committed to a mental institution, who subsequently is adjudicated by a court or other lawful authority as having ben restored to mental competency, shall be relieved from the disabilities imposed by this chapter with respect to the possession, shipment, transportation, or receipt of firearms or ammunition incurred because of such adjudication or commitment.

"(2) No relief from disabilities may be granted under paragraph (1) unless such court or other lawful authority specifically finds that such person is no longer suffering from a mental disorder and that the possession of a firearm or ammunition by such person would not pose a danger to any person.".

SEC. 37. Title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. appendix 1201-1203) is repealed.

SECTION-BY-SECTION ANALYSIS OF PERCY-LONG AMENDMENT TO S. 2212

The amendment makes parallel revisions in Chapters 40 and 44 of the U.S. Code, dealing with the possession and receipt of explosive materials and firearms, respectively. In addition, the amendment repeals Title VII of PL 90-618, the Omnibus Crime Control and Safe Streets Act of 1968, consolidating the provisions of that Title into Chapter 44.

Section 29 of the amendment sets forth congressional findings. The general thrust of these findings is that 1) the criminal misuse of firearms, ammunition, and explosive materials poses a serious threat to interstate and foreign commerce and to the safety of Federal officials and the general public; 2) statistical evidence indicates that convicted felons, etc. are particularly likely to misuse weapons for criminal purposes; 3) the possession of such weapons by the employees of convicted felons, etc. is a significant factor in the criminal misuse of weapons by organized crime; 4) although regulation and licensing of firearms and explosive materials is valuable, such methods cannot be effective against criminal misuse of these weapons without also getting at the possession of such weapons by criminal elements; and finally, 5) regulation of the possession of weapons by convicted felons, etc. will not unduly interfere with either the activities or privileges of law abiding citizens or the exercise of police powers by the States.

Sections 30(1) (explosives) and 34(2) (firearms) state that convicted felons, those under indictment for a felony, fugitives from justice, those who have been dishonorably discharged from the armed forces, drug addicts, mental incompetents, and illegal aliens may not possess, ship, transport, or receive any explosive materials or any firearms or ammunition—whether or not a specific connection with interstate commerce can be found in each instance. Each of these categories is already set forth in existing law, with the exception of the possession of explosive materials by illegal aliens. This provision also refines the definitions of drug addicts and mental incompetents.

Section 30(2) (explosives) and the first paragraph of Section 34(3) (firearms) state that no person who has reason to believe that his employer falls within one of the categories enumerated above may possess, ship, transport, or receive any explosive materials or any firearms or ammunition in the course of that employment. This provision is derived from Title VII of the 1968 Act (§ 1202 (b)), although that section applied only to firearms.

Section 30(3) (explosives) and the second part of Section 34(3) (firearms) make conforming amendments in the existing provisions regarding the distribution of explosives, firearms, and ammunition to convicted felons, etc. In addition, Section 30(3) makes two additions to the statute regarding explosives in order to conform those provisions with the comparable subsection on firearms. Specifically, the subsection makes it unlawful to distribute explosives to an individual whom the licensee has reasonable cause to believe is prohibited from receiving the explosive. The existing provision refers only to those persons whom the licensee knows are prohibited. In addition, the subsection makes it clear that sales to those who have been granted relief from the statute's prohibitions are not illegal.

Section 34(1) (firearms) makes conforming amendments in the sworn statement currently required for certain firearms sales.

Sections 31(1) (explosives) and 35(1) (firearms) make conforming amendments in the existing references to convicted felons, etc. concerning the issuance of licenses.

Subsections (2) through (4) of Section 31 (explosives) are purely technical.

Section 31(5) (explosives) makes conforming amendments in the existing reference to convicted felons, etc. concerning the revocation of licenses for explosive materials, and *Section 35(2) (firearms)* provides that a firearms license could be revoked if the licensee became ineligible to possess a firearm or ammunition by coming under one of the prohibited categories.

Section 32 (explosives) is technical in nature.

Sections 33(1), 33(3) (explosives), 36 (1) and 36(3) (firearms) provide that persons who have been dishonorably discharged from the armed forces may seek administrative relief under the same conditions as apply to felons under existing law.

Sections 33(2) (explosives) and 36(2) (firearms) make conforming amendments in the existing references to convicted felons, etc. concerning relief for those who have been indicted or convicted of a felony, and which would apply to those who have been dishonorably discharged pursuant to the above subsection of this amendment.

Sections 33(4) (explosives) and 36(4) (firearms) add new provisions granting relief to those who, having previously been adjudicated as mental incompetents or committed to a mental institution, are found by a lawful authority to have been restored to mental competency and to be capable of possessing explosive materials or firearms, respectively, without posing any danger.

Section 37 repeals Title VII of the 1968

Omnibus Crime Control and Safe Streets Act.

WATERGATE REORGANIZATION AND REFORM ACT—S. 495

AMENDMENT NO. 2045

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, as Senators are aware, the so-called triggering mechanism for appointment of a special prosecutor under the committee bill includes allegations of criminal wrongdoing against only the President, Vice President, FBI Director, Cabinet members, or other high level executive branch officials. The amendment I intend to propose would simply add Members of Congress to that list.

The justification for this is very basic, that is, that an inherent conflict of interest is going to exist any time the Attorney General has to make a decision as to whether he should prosecute another political officeholder. Certainly, as an appointee of the President, no matter how hard he strives for objectivity he can never truly be any more independent than an elected Senator or Representative.

Accordingly, he is always going to be subject to charges of partiality regardless of how he chooses to handle allegations against a Member of Congress. If, for example, the target of an investigation is a member of the opposition party, the Attorney General may be accused of prosecuting overvigorously and subjectively; if, on the other hand, he is of the same party, he may be open to attacks of prosecuting unenthusiastically or without proper emphasis.

As a further illustration of the conflict of interest presented in this area, I think it is important to note that it is the Senate which confirms the Attorney General, and he could find himself in the position of prosecuting one who voted either for or against his confirmation. Moreover, it is not insignificant that both the House and Senate ultimately approve the Justice Department's appropriations request, and indeed, it is they who decide whether legislation he wants gets passed.

The whole idea behind the need for a special prosecutor, Mr. President, is that extra resources and extra visibility should be accorded cases involving high level Government officials because of their special position of public trust. Why then, should we exempt elected representatives who have perhaps the greatest degree of accountability of all?

If we are going to have a division of Government crimes with either a single or several special prosecutors, it seems to me imperative that we include Members of Congress within their jurisdictional authority. It would be consistent with the President's proposal of July 19, and should, I think, have the support of the majority of this body.

ANNOUNCEMENT OF HEARINGS

Mr. McGOVERN. Mr. President, the Senate Select Committee on Nutrition and Human Needs will hold 2 days of hearings next week, July 27 and 28, to investigate the relationship between nutrition and health, with specific emphasis on the connection between nutrition and cancer.

Six of the ten leading causes of death in the United States have been connected to diet: heart disease, stroke, cancer, diabetes, arteriosclerosis, and cirrhosis of the liver. For example, obesity, long known to be a major malnutrition problem, greatly increases the risk of heart attack and diabetes.

The hearings will be the first in a series the committee is planning to hold throughout the next year.

The hearing on the 27th, in room 4232 at 9:30 a.m., will investigate the relationship between diet and preventive health care, and the degree to which diet effects the incidence of various killer diseases.

Dr. Ted Cooper, Assistant Secretary for Health, the Nation's top health officer, will be the lead-off witness.

The other witnesses will be:

Dr. Beverly Winikoff, Rockefeller Foundation.

Dr. Jerry Knittle, Mount Sinai Hospital, New York.

Dr. Philip R. Lee, Director, Health Policy Program, University of California, School of Medicine.

The hearing on the 28th, in room 224 at 10 a.m., will investigate in depth the relationship between diet and cancer. The witnesses will be:

Dr. Gio Gori, National Institute of Cancer.

Dr. Ernst Wynder, American Health Foundation.

Dr. Mark Hegsted, Harvard University.

Dr. Jerry Wogan, Massachusetts Institute of Technology.

Dr. Dave Kritchevsky, Wistar Institute, Philadelphia, Pa.

NOTICE OF NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce the nomination hearing scheduled by the Committee on Labor and Public Welfare on the nomination of Robert C. Chase, of Virginia, to be Deputy Director of the Community Services Administration. The hearing will take place Wednesday, July 21, 1976 at 10 a.m., in room 4232, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

THE HUMPHREY-HAWKINS BILL

Mr. EAGLETON. Mr. President, one of the most far-reaching pieces of legislation in my Senate experience may soon be debated in this Chamber. I am referring to S. 50, the Full Employment and Balanced Growth Act of 1976, otherwise known as the Humphrey-Hawkins bill.

This measure begins with a noble goal—the attainment of full employment. It is an objective that is central to our very conception of American society, and one that must not be ignored.

Mr. President, I am sure that no one is opposed to increased employment, least of all myself. Yet economists and others whose professional expertise and social awareness are beyond reproach have raised serious questions about the means to be used in Humphrey-Hawkins to reach full employment.

Charles Schultze, a noted economist who has served in the executive branch, testified on the bill:

> S. 50 addresses the most important domestic problem of this decade—high and persistent unemployment. The chief obstacle to overcoming that problem, both politically and economically, is inflation. I believe that S. 50 does not sufficiently recognize that fact, and hence needs to be changed in a number of important respects. Moreover, the combination of the "employer-of-last-resort" provisions in the bill and the wage standards that go with it threatens to make the inflation problem worse.

The chairman of the Joint Economic Committee, Senator Humphrey, asked the nonpartisan Congressional Budget Office to analyze the bill. Their conclusion was similar to that of Dr. Schultze:

> Enactment of S. 50 could result in lower unemployment, but at the risk of substantially higher inflation.

Mr. President, there appears to be an inescapable tradeoff over the short run between unemployment and inflation. This theme, stated by Dr. Schultze and the CBO, has been echoed by many others including economists Arthur Okun, Franco Modigliani, James Tobin, Sar Levitan, Otto Eckstein, and Michael Wachter.

I admit to being of the same thinking. I want to support the Humphrey-Hawkins bill, because employment is the single most effective tool we have to combat poverty, crime, apathy, budget deficits, and—over the long term—inflation. But I cannot give my wholehearted approval to a piece of legislation that could cause an explosion in consumer prices. Inflation was a major cause of the current unemployment, and an important lesson is to be learned there.

Mr. President, the CBO report gives a clue to the way the Humphrey-Hawkins bill should be modified to attain rising levels of employment while avoiding inflationary pressures:

> In the long run . . . it is possible that careful development of employment programs targeted at pockets of high structural unemployment could reduce these inflationary risks. Training programs, if successful, could shift workers from situations of labor surplus to those of labor shortage. Further, vigorous pursuit of anti-inflation measures might increase the feasibility of achieving a 3-percent unemployment goal in a noninflationary environment.

Mr. President, I ask unanimous consent that the following items be printed in the Record. First, the May 14, 1976, testimony of Dr. Charles Schultze; second, a May 21, 1976 summary from the CBO report; third, a May 31, 1976, article from Business Week.

There being no objection, the material was ordered to be printed in the Record, as follows:

EMPLOYMENT AND INFLATION

(By Charles L. Schultze)

The Full Employment and Balanced Growth Act of 1976, S. 50, addresses the most important domestic problem of this decade—high and persistent unemployment. The chief obstacle to overcoming that problem, both politically and economically, is inflation. I believe that S. 50 does not sufficiently recognize that fact, and hence needs to be changed in a number of important respects. Moreover, the combination of the "employer-of-last-resort" provisions in this bill and the wage standards that go with it threatens to make the inflation problem worse. These sections, particularly, need extensive reworking.

The emphasis that S. 50 puts upon the goal of full employment is, in my view, quite proper. We are a society in which not only economic rewards but status, dignity, and respect depend heavily on a person's place in the work force. The single most important contribution toward solving the major social problems of this generation—deteriorating inner cities, inequality among the races and between the sexes, high and still rising crime rates, poverty, insecurity, and hardship for a minority of our citizens—would be a high level of employment and a tight labor market.

However valuable some of the federal government's manpower training and other social programs may be, they cannot hold a candle to the efficacy of a tight labor market. Necessity is the mother of invention. When 4 million business firms are scrambling for labor in a highly prosperous economy, it suddenly turns out that the unemployable become employable and the untrainable trainable; discrimination against blacks or women becomes unprofitable. In World War II, to choose a dramatic example, we pushed the unemployment rate below 2 per cent. And the result of that tight labor market was revolutionary. Black-white income differentials shrank faster than in any subsequent period; the income distribution became sharply more equal; employers scoured the back-country farm areas and turned poor and untrained sharecroppers into productive industrial workers, whose sons and daughters became the high school graduates of the 1950s and whose grandchildren will shortly begin to enter college in droves.

The importance that S. 50 attaches to high employment, therefore, is not misplaced. The nation cannot afford over the next decade to settle for a relatively sluggish economy and a high unemployment rate.

What stands in the way of full employment?

The basic problem with achieving and maintaining full employment is not that we lack the economic tools to generate increased employment. The traditional weapons for stimulating economic activity—easy money, tax cuts, and government spending for worthwhile purposes—are perfectly capable of generating an increased demand for public and private goods and services, thereby inducing employers to hire more workers. Moreover, we do not need to have the government hire people directly on special programs of public service employment as a long run device to reduce unemployment. The real problem is that every time we push the rate of unemployment toward acceptably low levels, by whatever means, we set off a new inflation. And, in turn, both the political and the economic consequences of inflation make it impossible to achieve full employment or, once having achieved it, to keep the economy there.

With unemployment now at 7.5 percent, the problem is not an immediate one. A rapid recovery could continue for the next year and a half or so, pushing the unemployment rate down steadily, without setting off a new inflation. But experience in the postwar period to date strongly suggests that once the overall rate of unemployment edges below 5.5 per cent or so, and the rate of adult unemployment gets much below 4.5 percent, inflation will begin to accelerate.

Inflation can occur for other reasons—as it did from crop shortages and oil price hikes in 1973. And inflation, once started, can persist stubbornly for a while even when unemployment has risen sharply. Despite these complications, it is still highly likely that pushing the adult unemployment rate to the 3 percent target of S. 50 would generate substantial inflation in the absence of major new tools for inflation control.

There is, among economists, a division of opinion about whether the resultant inflation would be a high steady rate or an ever-accelerating rate. If the latter view is correct, then keeping employment to the 3 per cent target would eventually become impossible, since no economy could stand an ever increasing rate of inflation. One of the reasons we do not know the answer to this controversy is that the political consequences of inflation have been such that the nation has never persisted in holding adult unemployment to 3 per cent for many years running.

I believe, therefore, that a realistic view of both the economics and the politics of inflation and unemployment lead to one central conclusion: The stumbling block to low unemployment is inflation; the supporter of a full employment policy must of necessity become a searcher for ways to reduce the inflation that accompanies full employment.

The central problem is that when the overall unemployment rate gets down into the neighborhood of 5 per cent, the job market for experienced prime age workers becomes very tight. There are many unfilled job vacancies and not many unemployed in this age group. The large number of younger unemployed workers do not move in to fill these vacancies. As a consequence, wages are bid up sharply and prices begin to rise, even though the overall unemployment rate is still high.

One approach to this problem lies in the whole panoply of job counseling, training and placement services for youth. Federal efforts in this direction should be continued and expanded. And a carefully structured public service program for youth could also contribute. (Strangely, the "employer-of-last-resort" program in S. 50 is restricted to adult workers.) But in all honesty, the record of recent years does not warrant a confident hope that such programs can be the principal solution to the problem.

Sec. 206(d) of S. 50 establishes a major new policy—the federal government is pledged to become the employer-of-last-resort for those who cannot find work elsewhere. Sec. 206(e)(4) provides that a person shall be eligible for an employment opportunity under this section if, among other things, he or she has not refused to accept a job that pays whichever is the highest of either the prevailing wage for that job or the wage paid in the government-created "employer-of-last-resort" job. In turn, Sec. 402 sets up a standard for wages in the "last-resort" jobs that is bound to be highly inflationary.

Under Sec. 402(c)(1), for example, the wage paid for a "last-resort" job in which a state or local government is the employing agent must be equal to that paid by the same government for people in the same occupation. But in states or cities with union agreements for municipal employees, and in many cases even without union agreements, the wage for a low-skill or semi-skilled municipal job is often higher than the wage paid for the same jobs in private industry. Given the provisions of Sec. 206(d), a person can turn down a private industry job and still be eligible for a "last-resort" job, so long as the latter pays more than the former, and in many cases it will. An unskilled laborer earning, say, $2.50 an hour in private industry can afford to quit, remain unemployed for four to six weeks (or whatever time might be needed to be eligible), then claim a "last-resort" job paying (on municipal wage scales) $3.50 to $4.50 an hour, and come out way ahead.

This would show up in heightened form in any "last-resort" jobs created in construction work, since Sec. 402 requires Davis-Bacon wages, which in practice are set at the construction union wages scale in the nearest large city.

It is clear that in any area where municipalities or nonprofit institutions pay higher scales for relatively unskilled or semiskilled labor than does private industry, the wage scales in private industry will quickly be driven up to the higher level. Otherwise there would be a steady drain of labor away from private industry into "last-resort" jobs. A new and much higher set of minimum wages would be created!

The direct and indirect effects of this on the inflationary problem would be extremly serious, once the bill was in full operation. Labor would become very scarce over a broad range of semi-skilled and unskilled jobs in private industry. Wage rates would rise sharply and prices would follow, the size of the government's job programs would grow rapidly, as workers left lower paying private jobs for the higher wages stipulated in Sec. 402.

Once you begin to ask how to correct this problem, the dilemma of any "government-as-employer-of-last-resort" provision becomes clear. When the unemployment rate is below 5 or 5.5 per cent, most unemployment is *not* long term. Among adult males, unemployment often consists of a period of four to eight weeks after a layoff before a new job is found. Among many teenagers unemployment in such times is not a steady thing, but a period between two relatively low paying jobs. What wages do you pay in the "last-resort" jobs? If you pay low enough wages so as not to attract many people from their existing jobs, you have a very unattractive program. Many private jobs are low-paying, and the only way to avoid attracting people from private industry is to set the "last-resort" wages very low indeed. But then, except in periods of high unemployment, when even very low paying jobs aren't available, who wants the program? If you set the wage somewhat higher—even if not absolutely high—it will still exceed the wages of many people with a current job in private industry. If so, it will begin to cause an exodus from private industry, and drive up wages and prices.

Special public service employment during periods of recession is a useful tool of counter-cyclical policy. Government-financed summer employment for school age youths makes sense. And, in good times, public service employment, paid at unemployment compensation rates, may be the most appropriate way to provide for that relatively small number who have exhausted their unemployment compensation. (This would, however, imply unequal pay for equal work.) But the concept of government as employer of last resort is not a workable method of pushing the overall unemployment rate down to very low levels.

I think that there would be merit in reorganizing the bill so that it jointly addressed the inflation and unemployment problems, and explicitly pointed in the direction of preventing the inflation acceleration that goes with low unemployment.

AN ECONOMIC ANALYSIS OF THE FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1976

(Congressional Budget Office, May 21, 1976)

SUMMARY

S. 50, the Full Employment and Balanced Growth Act of 1976, establishes a goal of 3 percent adult unemployment to be achieved within 4 years and outlines a set of organizational structures and an administrative process designed to improve coordination of economic policy at the national level. While it mandates the use of certain types of programs to achieve the full-employment goal, it does not directly establish specific employment programs.

Both the economic impact and future budget costs of S. 50 will depend on a number of different factors:

The underlying strength of private demands in the economy that determines how much unemployment there would have been without passage of S. 50;

The particular policy mix selected to reduce unemployment to the 3 percent range;

The definition of "adult unemployment": If "adult" is defined as non-teenage, the 3 percent target for adults translates to around 4 percent for overall unemployment; if "adult" is defined as persons 18 years and older, it translates to around 3.5 percent overall unemployment.

When these factors are taken into account, this study concludes that enactment of S. 50 could result in lower unemployment, but at the risk of substantially higher inflation, particularly if the 3 percent target is viewed as a short-range goal and if teenagers are included in the definition of adult. A set of simulations by CBO shows that reaching a 3.5 percent overall unemployment rate instead of 5.0 percent by 1980 might add roughly 2 percentage points to the inflation rate by 1982. In the long run, on the other hand, it is possible that careful development of employment programs targeted at pockets of high structural unemployment could reduce these inflationary risks. Training programs, if successful, could shift workers from situations of labor surplus to those of labor shortage. Further, vigorous pursuit of anti-inflation measures might increase the feasibility of achieving a 3 percent unemployment goal in a non-inflationary environment.

Budget costs will also vary widely, depending on the state of the economy and the policy mix adopted under S. 50. This report provides estimates of the cost of public employment programs under certain hypothetical economic assumptions. They range from $16 billion to $44 billion, depending on what is assumed about the definition of adult and the amount of displacement from other employment. If public employment programs attract previously-employed persons from low-paying jobs in the private sector or if state and local governments use public employment funds to hire workers they may have employed anyway, net employment is not increased by the full number of new public jobs. Net budget costs of a $16 to $44 billion program would be less as a result of lower unemployment insurance payments and higher tax receipts. They might range from $7.0 billion to $19.9 billion after a year of operation. It should be stressed, however, that these estimate are merely an illustration of one possible set of budgetary implications for S. 50. Under different economic conditions and using a different policy mix than those shown, budget costs could vary widely.

S. 50 provides a limited job guarantee provision whereby the government would stand ready as employer of last resort to provide jobs at prevailing wages when adult unemployment exceeds 3 percent. The section mandates wage standards for the job guarantee program, standards which add to the inflationary impact of the bill. Higher wages, on the other hand, may have other benefits as an income maintenance device and a way to draw more attention to improving pay and working conditions in low-level private sector jobs.

WHAT HUMPHREY-HAWKINS WOULD MEAN

Despite the economy's strong recovery in the past year, the Democrats believe that the critical issue in the Presidential campaign is still unemployment. To sharpen the issue, they have made the proposed Full Employment and Balanced Growth Act of 1976, sponsored by Senator Hubert H. Humphrey (D-Minn.) and Representative Augustus F. Hawkins (D-Calif.), their vehicle for convincing the American public that they really care, while the Republicans do not. Indeed, Democratic leaders in Congress are counting on President Ford to veto the bill, which they are certain will pass both houses, and are planning to write it into their party platform to keep the issue hot.

One trouble with the Democrats' script, however, is that, while it may have wide political appeal, Humphrey-Hawkins is playing badly with a crowd that should have loved a full-employment bill: the liberal economics establishment that normally provides the ideas and intellectual muscle for the Democrats' legislative programs.

The critics read like a Who's Who of liberal economics: Charles L. Schultze of the Brookings Institution, who says, "Call me a friendly critic"; his Brookings colleague Arthur Okun, former Democratic chairman of the Council of Economic Advisers, who concedes that the bill is "beautiful poetry"; Franco Modigliani of MIT; former CEA member James Tobin of Yale; manpower expert Sar Levitan of George Washington University; and Otto Eckstein of Harvard, another Democratic CEA veteran.

INFLATION FEAR

Most of them either decline to endorse Humphrey-Hawkins in its present form, or do so with many qualifications. Their biggest concern is that the bill would be wildly inflationary yet makes no provision for dealing with a potential wage-price explosion. In deference to the AFL-CIO, it omits any reference to wage and price controls or, for that matter, to any form of incomes policy.

Humphrey-Hawkins would establish "the right of all adult Americans able, willing, and seeking work to opportunities for useful paid employment at fair rates of compensation." But unlike the Employment Act of 1946 which stated the same general goal, the bill sets up a mandatory process for achieving it and puts some hard numbers on the objective. It specifies full employment as a 3% adult unemployment rate, and it orders the coordination of all government economic policy to achieve this level within four years of enactment. In addition, the bill would:

Put the government into economic planning through an elaborate process that would involve the President, his CEA, Congress, the Federal Reserve Board, and a bevy of advisory groups. They would be required to come up with an annual "full employment and balanced growth plan."

Require the government to take steps, primarily through coordinated fiscal and monetary policy, to fulfill the plan, and if the long-term goals cannot be met in a given year, require the government to act as employer of last resort, using public service job programs.

Mandate that pay scales for jobs sponsored by the government reflect prevailing wage rates.

The 50-page bill contains a great deal of detail and would require numerous pieces of enabling legislation to implement it fully. But even in its broad outlines, most economists consider it overambitious. Currently, for example, the House version defines an "adult" as 16 years old and above. Humphrey wants to raise that to 18, but even at 18, the 3% adult unemployment target implies an over-all rate of roughly 3.5%, according to both Administration and Congressional economists. And the U.S. has never achieved a 3.5 rate over a sustained period.

In fact, and regardless of whether an adult is defined as 16 or 18, achievement of 3% would require phenomenal growth rates in gross national product. Says Levitan: "You'd have to keep real GNP growing at least 7.5% a year through 1980, and we've never grown so fast for so long a period."

Prediction. No one really knows what kind of inflation would occur if the economy steamed up that much, but economists are sure it would be explosive. Michael Wachter of the University of Pennsylvania, a member of Democrat Jimmy Carter's economic advisory team, estimates that "an attempt to get down to 3% unemployment by 1980 or so chiefly with aggregate-demand stimulus could cause inflation of 15% or more."

Carter has endorsed Humphrey-Hawkins in principle, but Wachter fears that the bill could turn out to be "an albatross for Jimmy, assuming he's nominated," if the bill's proponents succeed in their efforts to write it into the party's platform.

"Given the economics profession's widespread opposition to the bill in its present form," says Wachter, "it will be a liability for Carter It's the wrong bill to deal with the problems that we face. The Democrats should be putting real issues into the platform—measures that deal specifically with structural unemployment and supply problems. This is what they should test Ford on."

From Levitan, the inflation warning comes through even more alarmingly: "We can do much more to reduce unemployment than Ford wants to do, but not this way. What Congress is doing with this bill is shooting at a rapidly moving target." As if 3% were not tough enough, says Levitan, the wage provisions would make public jobs so attractive that business would be forced to raise wages to attract workers back to the private sector. This, he says, would in turn "bring people out of the woodwork and into the job market. As a result, the labor force will grow—without exaggeration—by 3% to 4% more than it would otherwise."

Schultze, too, says that the wage provision would set a new general wage pattern and be too inflationary. To deal with inflation, he advocates some form of incomes policy short of controls, "perhaps a social contract arrangement such as the British are trying, where tax cuts are given in return for wage moderation." In addition, he would like to see the targets in the bill made "less specific."

Similarly, Tobin says he "would look more kindly on the bill if it had an incomes policy alternative," but he adds that "this mechanism should be available at the start of such an effort, not when the economy gets into trouble." Tobin and Wachter both argue that the structural reforms suggested in the bill should come into play at the outset, or else Humphrey-Hawkins would merely pump up the economy and never get to underlying labor market problems.

Rubbing noses. With all the bill's flaws, it is, as Okun says, "the litmus test for liberalism in economics." And most of the liberals do have some good things to say about it. Schultze says, "We must keep rubbing the government's nose in the problem of chronic unemployment." All agree on the need for a government process that coordinates macro and microeconomic policies, with special emphasis, as Eckstein puts it, "on making the Fed cooperate in achieving over-all economic goals instead of just reacting to weekly data."

Eckstein thinks that Humphrey-Hawkins involves "principally a set of plans, studies, reports, and advisers to advise the advisers." But he also sees it as an alternative "to telling the public we've got to live with high unemployment for years and are so intellectually bankrupt we won't even try to do something."

Does Eckstein endorse the bill? "No," he says, "I don't have to. I'm not running for President."

THE HEW RULING TO PROHIBIT MOTHER-DAUGHTER AND FATHER-SON FUNCTIONS IN THE PUBLIC SCHOOLS

Mr. THURMOND. Mr. President, during the recess, the national news media carried a story which stated that HEW had ruled that mother-daughter and father-son functions were prohibited in the public schools because they violated the sex discrimination provisions of title IX of the Civil Rights Act.

Fortunately, President Ford reacted forthrightly and decisively to this unwise decision by ordering the Secretary of Health, Education, and Welfare to rescind and review the order.

Mr. President, I want to compliment President Ford for his strong leadership on this issue. It is my feeling that it takes such decisive leadership as he exhibited to counter Government overregulation based on arbitrary and capricious decisions of Federal bureaucrats who are insulated from public opinion.

Mr. President, I have long been a foe of Government overregulation and have consistently opposed such efforts in the Senate. The present degree of excessive and counterproductive regulation is an infringement on our personal freedom as citizens, and, if allowed to continue, will virtually strangle our economic system of competitive free enterprise and our personal freedom.

Mr. President, much of this regulation has resulted in the tendency of the Federal bureaucracy and the Congress to force a certain conception of society on our citizenry. As the HEW ruling illustrates, these tendencies are not in the true interest of the American people. They merely make the Government more expensive, more wasteful, and more dictatorial.

Mr. President, an excellent editorial appeared in the Columbia Record of Tuesday, July 13, 1976, on this subject, and in order to share it with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"RIDICULOUS, HEW!"

Because enough people haven't cared enough to protest often enough at the right times, individual liberty and public freedom are seriously eroded today by federal bureaucracy. Good Granny, indirectly the government—by dictation of when Daylight Savings Time will start and end—even tells us when to get up and when to go to bed.

The other day a group of federal bureaucrats, under the broad legislative directive of Title IX, extended its authority a mite too far. HEW officials peremptorily, regally decided that schools in Scottsdale, Arizona, wouldn't be permitted to sponsor father-son and mother-daughter banquets any more.

"Sex discrimination," judged the judges of HEW. "Har-rumph! Quite contrary to prohibitions of Title IX of the Civil Rights Act."

Would you believe that HEW wasted five whole months, with an unknown number of educational-civil rights pundits involved, to study and reach the ridiculous result? President Ford growled at the decision, ordered it reversed, since it ended an antique practice that retains a measurable amount of educational and familial value without inequitably creating sexism.

Hurrah for the President!

It is all well and good for government to exert its power and influence to correct sexual discrimination in the matter of hours and wages, inequities in financial credit extension—without inverse discrimination—but all government must realize that, in our life in community, there are some traditions and some distinctions among the sexes that should be left undisturbed.

Sociologists, family counselors and educators all realize full well that there are times in child development in which a special relationship should and must exist between father and son, between mother and daughter.

Educators have found, for example, that the home influences the learning process as much or more than the schoolroom, or the amount of monies pored thereinto. Hence, father-son and mother-daughter occasions are welcome assistance to the entire learning process and are educationally defensible without being discriminatory.

(Coincidentally, if the separate functions are finally outlawed, the Mothers' Clubs are also—on the surface—discriminatory. They remain, in many of our schools, the most wholesome bulwark for many communities.)

As one Scottsdale official observed, "Sometimes we can stretch any regulation to the ridiculous." And HEW, we think, should be dealing more with the sublime.

NORTH SLOPE, INDONESIAN CRUDE SWITCH TALKS HELD

Mr. BAYH. Mr. President, it is increasingly obvious that a serious policy error was made 3 years ago when the multinational, vertically integrated oil companies succeeded in their effort to secure approval for a trans-Alaskan oil pipeline. At that time a number of us in the Senate argued that it was more logical and more consistent with the national interest to deliver Alaskan oil to the contiguous 48 States via an all-pipeline route crossing Canada. Such a route would have been far more equitable, providing oil to all parts of the country, than the combined pipeline-tanker delivery system now being built.

Among the arguments we offered in opposition to the route preferred by the oil companies was strong evidence that the west coast would not have sufficient demand to utilize the full capacity of the Alaskan pipeline. Also, concerns were expressed that there would be strong pressure to sell or to trade U.S. oil abroad.

Now those concerns, of an oil surplus on the west coast and the possible shipment of U.S. oil abroad, have—I regret to say—been justified. A spate of stories recently have provided solid evidence that the west coast will not have sufficient demand to utilize fully the capacity of the Alaskan pipeline. To this we must add a story in yesterday's Oil Daily which reports that the oil companies are contemplating a swap of Alaskan crude for Indonesian crude.

While such a trade might mean an increase in imports of Indonesian oil on the Gulf and Atlantic coasts, it will also mean higher energy prices. Higher prices will result from costly shipping expenses as well as from the necessity to pay higher prices for foreign oil than the prices of U.S. oil while Federal price controls remain in effect.

Mr. President, I am a realist on the inability to correct the error made 3 years ago when the oil companies and the Nixon administration prevailed in the selection of a delivery system for Alaskan oil. But we can take a hard-earned lesson from this experience—we cannot permit the multinational, vertically integrated oil companies to make our energy policy.

But even beyond that, Mr. President, I regard the experience with the Alaskan oil pipeline as solid evidence of the inherent problems with the present structure of the oil industry. There is every reason to believe that were the major companies not vertically integrated that the impetus for the trans-Alaskan pipeline would not have been present and the major policy error of 3 years ago would have avoided. As long as the same companies that produce the oil also transport it, refine it, and market it, they will act with regard to all their operations. In the case of Alaskan oil, the route chosen by the companies provided the maximum flexibility in their delivery system and downstream operations—keeping alive the possibility of continuing their historic practice of swapping crude oil. While such a practice serves their vertical integration well, it is a disservice to the public.

As we come closer to Senate action, Mr. President, on S. 2387, the Petroleum Industry Competition Act, which would require vertical divestiture by the 18 largest oil companies, it is my intention to show other examples of how a maintenance of the status quo in the oil industry works against the public interest. Vertical divestiture is in the national interest; it might well have avoided the error of the Alaskan pipeline and could well avoid similar errors in the future.

Mr. President, I ask unanimous consent to have the aforementioned article from the Oil Daily printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NORTH SLOPE, INDONESIAN CRUDE SWITCH TALKS HELD

(By Mark Forrest)

WASHINGTON.—Alaskan oil interests are considering a trade of some North Slpoe crude for Indonesian petroleum because of an expected time lapse between when the Prudhoe Bay fields will go into full production and when the West Coast will be able to handle that output.

Oil Daily has learned that tentative talks are under way between North Slope producers and Petramina, the Indonesian state-owned oil company. "The talks," said a Petramina spokesperson, "are most tentative. We are simply mapping out possibilities."

A one-for-one trade with Indonesia is one of several alternatives being considered by the producers and by the federal government. Federal experts met in San Francisco last week in an effort to determine how much Alaskan oil West Coast refineries can absorb.

The report, being prepared for the Energy Resources Council, the inter-agency advisor to the administration, will say that the Prudhoe Bay fields will produce more crude than can currently be handled by West Coast refineries.

The arithmetic pieced together from a variety of sources indicates that when Prudhoe goes into full production, only 50% to 75% of the Prudhoe crude can be absorbed by refineries on the West Coast. Experts say that the potential overproduction could run as high as 300,000 to 600,000 barrels per day.

Several pipelines have been proposed to interconnect the Alyeska with refineries on the U.S. Gulf Coast or Midwest, either across Canada or from a western port of entry to facilities in Texas or Louisiana.

Under absolutely optimum conditions, neither the trans-Canada nor the proposed Sohio (Standard of Ohio) line could go "on stream" in time. Sources say privately, that the time lag could be from six months to a full year.

If this is the case, producers will have only three options: leave the excess crude in the ground, ship by U.S. flag carriers through the Panama Canal to the Gulf Coast or trade the oil to Indonesia.

Transportation experts say that if North Slope producers were able to charter all the "Jones Act" vessels—ships built in American yards, flying the American flag and crewed by American merchant seamen—the fleet could handle 200,000 b/d. This leaves a "long-flow" of from 100,000 to 400,000 b/d, based on the estimated full production of 1.2 million b/d coming out of the Alyeska line.

The Burlington Railroad has proposed a plan to ship some *Alaskan* crude from the West Coast to less busy refineries by tank car. But it is not known how much they could carry or whether the economics could be justified.

The ERC will include the Burlington option, among a list of possible courses of action to refine the Alaskan crude. But all of the proposals other than a straight trade-off with Indonesia require systems which are not yet in place.

FEA officials in Washington are clearly unhappy about the plan to trade Alaskan crude for Indonesian crude. But Federal Energy Administrator Frank Zarb refused to rule out such an arrangement.

"I cannot rule out any eventuality. However, such an arrangement could only be tolerated if there were no other solution and if the trade took place for the shortest possible period of time," Zarb told Oil Daily.

Another source told us, "A trade with any of the Mideast oil producers is unthinkable because of security. If a trade is to be worked, Indonesia is the only country we could deal with."

The outline of the arrangement, as uncovered by Oil Daily, would have U.S. producers deliver high sulfur Alaskan crude to Japanese customers of Pertaminia. In return, North Slope producers would pick up an equal amount, minus an agreed-upon differential, of low sulfur Indonesian crude and ship by supertanker around the horn to U.S. Gulf or East Coast ports.

Distances involved in the transfer are about the same between the exchange with Pertaminia customers in the Far East and the run from Indonesian oilfields to the U.S. Although the run from Indonesia to the U.S. Gulf or East Coast would be longer than from Alaska to the same point, producers would be able to use larger vessels and foreign crews, thus cutting transportation costs over the charter of "Jones Act" vessels as required by law if Alaskan crude is brought directly to the Lower 48 states.

Industry sources, while refusing to confirm talks with Pertaminia, said, "A trade with Indonesia until a pipeline is built would be in the national interest." But the same sources doubted that the President or Congress would approve any such trade even for a short period of time.

ERC experts, who asked that they not be identified, admitted that a trade with Indonesia will be one of the options presented within the next month or so to Commerce Secretary Elliot Richardson and to the President.

Richardson heads the energy task force and is finally responsible for making recommendations to the White House. Any trade of Alaskan for Indonesian crude would require the approval of the President and could be overridden by a vote in both houses of Congress.

Producers frankly state that they would rather have a pipeline than a trade with Indonesia. But the exchange with Indonesia may provide the only realistic alternative to leaving some of the crude in the fields at Prudhoe.

American producers have long chaffed over the requirement for the use of "Jones Act" vessels. Some observers see the "Indonesian ploy" as an end run around the "Jones Act" as well as added impetus for approval of a pipeline. The Japanese have long wanted an agreement with the American producers to supply oil.

Two of the three major holders of leases in the Prudhoe fields, and Atlantic Richfield, have small interests in Indonesia. In fact, ARCO exports some Indonesian oil to Japan.

Zarb warned that a trade with Indonesia could only be considered as a short-time arrangement. "It would be the last resort," the FEA official said, "only if there were no other way to take full advantage of the full potential of the North Slope resources."

A crude oil trade with Indonesia is dependent upon a wide range of variables, which can only be estimated at this time. When will the North Slope reach full production? When will the pipelines be in place? And, most importantly, what will the political climate be here in the United States and in the Far East when the trade is scheduled to start?

Early answers to some of these questions are expected when the ERC presents its report to Secretary Richardson.

CARLA HILLS ADDRESSES U.S. CONFERENCE OF MAYORS

Mr. BROOKE. Mr. President, I want to share with my colleagues the very important remarks made by Secretary of HUD Carla A. Hills on Wednesday, June 30, to the National Conference of Mayors at their annual convention in Milwaukee. I ask unanimous consent that the Secretary's remarks be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BROOKE. Mr. President, Secretary Hills points out the enormous task that confronts all of us, on every level of government, in trying to solve what may well be the most serious domestic problem of this generation—the fiscal and social decline of our Nation's large urban centers. It is clear from the Secretary's remarks that she is facing the problem. As elusive as solutions to this new urban crisis are likely to be, Secretary Hills provides some encouragement. The President's newly formed Cabinet level Committee on Urban Development and Neighborhood Revitalization, chaired by Secretary Hills, demonstrates the highest level of commitment in this administration to finding ways to solve the problems of our cities.

I was especially gratified to learn through the Secretary's remarks that the Department is seriously studying the allocation formula that presently determines the amount of money allocated to recipient cities under the community development block grant program enacted as part of the Housing and Community Development Act of 1974. As the ranking minority member of the Subcommittee on Housing and Urban Affairs, I am very concerned that the formula as presently constituted could end up shortchanging several of our large urban centers. Because of the magnitude of the problems of these older cities, their need is the greatest, Thus, it is vital that the CDBG formula be made to work, or be changed, if necessary, to insure adequate CDBG funds to the older urban areas of the country.

EXHIBIT 1

ADDRESS BY THE HONORABLE CARLA A. HILLS

One of the first and most important events in my new life as Secretary of HUD was the opportunity to address your Conference in Boston, last July.

It was also one of the most pleasurable because, aside from your warm hospitality, I found great common ground with your view that the only way the Federal government is ever going to help the cities help themselves is to concentrate on the things the cities themselves know they need.

It does not take a genius to figure out that this 200-year-old nation—which has long since passed from a rural land mass to a network of ever-expanding urban centers—will survive its Third Century only if it learns how to make its urban centers survive and thrive.

Nostalgia, notwithstanding—and surely no one can begrudge America this year's pleasant trip down memory lane—we are an urban society, like it or not, and the solutions to our national problems will be found only in the solutions we find to recycle our cities and the housing and physical resources that they contain.

Today I would like to take stock. Where were we one year ago? What have we done about it? What have we learned? Where can we go?

When I spoke to you last year, the major underlying question mark tempering all of our deliberations was the ability of our national economy to sustain the forward momentum which, at that point, was on the cusp of a positive turn-around from the bleak and depressing 12-month period of a frightening recession compounded by unceasing inflation.

From your standpoint your tax revenues were way down, your voters were turning down bond issues at a terrifying rate, New York and other cities were on the brink of financial failure, one of HUD's most visible contributions seemed to be 51,000 abandoned homes, and HUD's new rental subsidy program was barely off the ground.

So here we are—one year later.

The nation and its economy survived—in spite of the doomsayers—and the delicate health of the economic upturn, which we watched so fretfully a year ago, has become stronger with each passing month. For example, tax revenues of state and local governments are now at an annual rate of $248 million, more than 12 percent above last year's level. HUD's inventory of unsold homes has been reduced by a third. And we have contracted to assist almost 300,000 rental units.

President Ford proved the soundness of his economic course, and he set the tone for a new national awareness, in which the people of this country have adopted his long-held view that America's wisdom does not reside entirely in the corridors of Congress or with the Federal form makers.

In truth, the very approach which the President has espoused all along—his continuing crusade to return government to the governed and to transfer power away from the Potomac and back to the people—has so captured the imagination of our nation in this Bicentennial Year, that 1976 became the year in which every candidate for office was "running against Washington"—surely a "grave-turning" thought to the "Father of our Country".

But the Federal government is what the American people have made it. It has grown to fit the expressed will of the electorate. Many of its functions and many of its agencies have survived the voters and the legislatures, which put them into being. Many have outlived their usefulness, yet carry on under the protection of strong special interest groups—or voting blocs—or simply because not enough people cared.

If the Federal government has frustrated those who have gone to Washington to help manage it, the ripple effect of its growth—particularly over the past several decades—has had an even greater impact on state and local leaders who, increasingly, have found their destinies tied to decisions being made for them in the United States Congress.

Perhaps the most vivid word picture of this frustration was offered by Utah's Senator Jake Garn who said that when he was the Mayor of Salt Lake City he felt less like the Chief Administrator of an important urban entity than the local manager for the Federal government.

Well, it took a long time, and a lot of legislation to put the nation's mayors in that position, and it is not going to change over night, regardless of campaign rhetoric.

President Ford, who spent 21 years on Capitol Hill fighting against the flow of your power from city hall to the federal bureaucracy, has been using that long experience, in his role as Chief Executive, to give control back to the cities. His fight for renewal of Revenue Sharing—once again against those in Congress who see all wisdom in the confines of Washington—is well known to this audience.

We must find it at least peculiar that this Congress which has devised so many more ways to increase the Federal debt through massive spending bills has been so recalcitrant on the one major spending program, above all others, that is crucial to your most urgent needs.

One must wonder if Congress really trusts the people to make their own local decisions.

Whatever the answer, it is clear that the real needs of our cities, during the period of Congressional jockeying on Revenue Sharing, took second place with the majority of your own surrogates on Capitol Hill.

It is something to think about.

This past year we have tried to respond to the frustrations of those who have been whipsawed by conflicting Federal programs and hamstrung by overly complex requirements. No matter how well-intentioned a new program or piece of legislation, it cannot achieve its intended effect unless it comes in behind an overall strategy orchestrated by local officials to revitalize our urban centers.

There are at least enough of us in Washington now who know that it is impossible for us to develop a coordinated urban strategy for Milwaukee or any other city. To attempt to do so is rather like asking Frigidaire, Anaconda Cooper and Georgia-Pacific each to design and to send to the homebuyer its part of a house.

The Federal government over the years developed so many suppliers with so many different schedules, rules and regulations that it had become a practical impossibility to design a plan to use resources efficiently. Even the best efforts of local officials were to some extent frustrated by the requirements of Federal categorical programs.

And so, we have asked ourselves, Congress, and many of you, again and again: Should we not first have a design, locally sponsored and supported, rather than throw Federal funds in a random fashion at our cities?

And if we have a local design, is it realistic to pretend that Federal funds are not needed to carry out that design? The answer to that question is surely "no"—only the Federal tax system has the capability to provide the resources needed to do the work which must be done.

And if we place our primary reliance on local design and Federal funding, is there a further role for HUD and its sister agencies? Here the answer is "yes". The Federal role will continue to be an important one—to set national priorities, to monitor local compliance with broad Federal guidelines, to sponsor innovative demonstrations, and to serve as the focal point for disseminating creative ideas.

In the areas which fall within the jurisdiction of my Department, I am pleased to report substantial progress in moving towards the Federal role I have described.

The community development block grant program, signed into law by President Ford in August of 1974, has placed design responsibility directly on locally elected officials and block grants have helped to turn local designs into local achievements. We have achieved a dramatic reduction in Federal red tape. Despite inevitable start-up problems, we consider the community development block grant to be a promising beginning in the effort to re-cast the Federal role in dealing with local urban problems.

We have also made noteworthy progress in 1975 in the area of supporting innovative approaches to urban problems.

Last winter we selected 23 cities to participate in our Urban Homesteading Demonstration. These cities are using HUD properties and subsidized rehabilitation loans in coordinated neighborhood preservation programs. We have supported the pending legislative expansion of the Federal homesteading program. And, as part of our monitoring of this program we will produce—before the end of the year—a complete manual on homesteading.

HUD recently initiated in Baltimore a pilot program to use public housing funds to rehabilitate scatter-site city acquired single-family housing. The infusion of Federal funds can return these abandoned properties to active use at lower costs than new construction. The demonstration is proceeding so well that in a few weeks we will substantially expand this program.

HUD is jointly sponsoring the Urban Reinvestment Task Force with the bank regulatory agencies. The Task Force brings together neighborhood residents, city officials and local lenders committed to a coordinated reinvestment strategy. There are already 33 neighborhood projects in operation, 20 more in active development and another 10 in planning.

This year, we have increased three-fold the innovative grant funding devoted to neighborhood preservation. HUD has received over 300 proposals and winners will be announced on August 13. As with our other demonstrations we will evaluate each grantee's program to provide other communities with the benefits of their experiences.

In addition to our demonstrations, we are continuing to evaluate and improve our ongoing programs.

We will accelerate our report to Congress on Community Development Block Grants from March 1977 to December of this year. The report, which is the culmination of nearly two years of intensive study, will include our recommendations for legislative change.

We are about to complete a massive study of the future role of FHA, including its role in neighborhood revitalization. This report will also include legislative proposals.

We have undertaken a reconnaissance of our program of rental subsidies to families in existing housing, and we have found that it is resulting in the upgrading of urban housing. A full-scale evaluation of the program will commence early this fall focusing on the effects on local housing markets.

What have we learned? We, like all those before us, learned that we can make mistakes. There are some limitations on the concepts we spelled out one year ago.

For example:

We have learned that cities need a long-run commitment of community development funds in order to undertake broad preservation strategies. Accordingly, we will seek a multiyear rather than annual authorization for the block grants.

We have become acutely aware of the problems posed for older declining cities by the planned phase-out of hold-harmless funding in our communty development program. But, we are also aware that hold-harmless is an imprecise way to target funds on those cities with particularly pressing needs. We are carefully studying the allocation formula to assure that older declining cities receive assistance commensurate to their needs.

We also sought a way to provide temporary assistance to cities which suffered disproportionately from the recession by supporting Congressman Garry Brown's bill to provide over $1 billion in supplemental block grants to areas with high unemployment. Unfortunately, that bipartisan measure was stricken from our authorization bill in conference.

We found that the mechanisms we used to deal with FHA insured borrowers and HUD acquired properties must consider neighborhood impacts. Accordingly, we have adopted a new mortgage assignment policy to keep deserving homeowners in their homes during periods of temporary financial distress. And, I have instructed all our field offices to obtain local input in developing a plan for disposing of HUD-acquired properties.

Realizing that our site-election criteria for HUD-assisted rehabilitation can constrain neighborhood improvement, we are taking a hard look at the competing social goals those requirements involve.

And, because private disinvestment is a crucial factor in neighborhood decline, we supported the recently enacted legislation to require bank disclosure of the location of their lending activities. The resulting information should not only provide needed insights on private disinvestment but also an early warning signal for you to use in allocating local public resources.

Where can we go from here?

Before all else we must make the rest of America understand that we are literally engaged in a war for the survival of our urban centers. If we cannot resurrect the great masses of wealth, of history, and of productive capacity that is deteriorating in our cities, we will not as a nation retain the vitality that has for 200 years made ours the creative society that has led the world.

Last year in Boston I said:

"No challenge during the next decade is greater than the revitalization of urban America."

I only wish I could find stronger words to say the same thing to every local, state, and Federal legislator, and administrator, and to every voter.

We have no greater problem.

The progress we have made since last year has not yet achieved real meaning in human terms. But we have made progress, in our joint efforts to find a better strategy.

As large as HUD is, the winning strategy must have a far broader focus. To reduce a welter of conflicting and overlapping Federal programs into building blocks which local officials can turn into creative designs, President Ford has proposed new block grant programs for health, education and social services. These are not proposals to reduce funding, rather they are proposals to make funding more useful.

But beyond consolidating and simplifying our programs, we in the Federal government must achieve a new level of sensitivity to the need for coordination among Federal agencies.

In a major initiative to sort out the problems faced by communities in dealing with Federal programs, the President yesterday created a Cabinet level committee on Urban Development and Neighborhood Revitalization.

As head of that Committee, I intend to devote a major portion of my time and energy to the challenge that it entails. The Committee's agenda will be my personal agenda.

We will conduct a comprehensive review of all major Federal programs which have an impact on the cities and their neighborhoods. We will seek the perspectives of local officials and neighborhood groups on the Federal programs which affect them. Because no city can solve its problems without adequate resources, we will analyze the patterns of public and private disinvestment in urban areas.

We will address a number of very hard questions:

How can we encourage middle income families and commercial establishments to move back into our center cities?

How can we encourage the communities in a metropolitan area to assume some of the burdens of revitalizing the center cities?

And, on the very practical level, how can we best tailor our block grant and other programs to local fiscal and planning cycles?

The members of the Committee, which include the Cabinet Officers and Office Directors with major responsibility for programs affecting the cities, will, in a coordinated fashion, affect changes in their programs to make it easier for local officials to plan and implement them.

We will provide recommendations to the Congress for changes in Federal policies and programs in order to place maximum decision-making responsibility at the local level, remove legal and administrative obstacles to exercise of this responsibility, and provide sufficient resources through coordinated tax and grant programs to make that responsibility meaningful.

I said earlier that we are literally engaged in a war for the preservation of the resources of our cities. It will be a costly war. How much it will cost and who will pay are questions we must address when the corrective strategy is broadly accepted and the locally created designs for victory are in place.

We do know that it is a war that money alone will not win and a war that will surely be lost unless it is skillfully directed and supported on the local level.

We could not win the war of the South Vietnamese villages with billions of dollars of aid, and we lost the first round of our fight to save our cities even though we spent billions of dollars on public housing.

Cities, whose tax bases have dangerously eroded, whose schools are primarily made up of the disadvantaged, and whose industry is leaving, are in a downward spiral. To reverse that spiral requires new incentives to attract businesses and to attract a heterogeneous mix of people.

Suspension of property taxes, private investment incentives, Federal revenue sharing, and Federal community development block grants—which bet on local initiative are all weapons that well directed cities are using.

Too many Americans have abandoned the cities to their problems. Rather than attack deteriorating neighborhoods, increasing crime, segregated education, and jobless minorities with our votes, our tax dollars, and with all the creativity and energy that we could muster, we have too often over the years cursed the ineptitude of our cities' leaders from the sanctity of our suburbs.

As individuals we must take ourselves back to the fight to rehabilitate the structures, the Government, and the schools of the cities.

As Government officials we must acknowledge that it took our cities a long time to reach their present state of affairs, and it will take a long time and great ingenuity to turn the trend—but turn it can. Our adversity carries with it the opportunity to restore our urban centers to their key economic, historic and cultural place.

It is popular today to be cynical about the capacity of Washington to understand our problems or to do anything about them. But as realists we must know that the cleansing process of the past two years has touched all parts of our society.

The measure of our society is that we still have clear capacity and will to deal with crises as they come into view.

I see this country entering its Third Century with the strongest economy and the strongest democracy this world has ever known. With the oldest continuing government in the free world, we more than any other nation retain the will and the capacity to correct past mistakes.

I am very proud, as a member of his Administration, of the role President Ford has played in restoring America's faith in its own institutions; in turning the economy in the right direction.

You mayors, better than anyone else know that we stll have a long way to go.

We are in a war that only can be won with action, not rhetoric; with solid programs, not easy promises; and with the dedication of all Americans, not just a few.

As a nation, which has led the entire free world out of its economic recession, we do have the leadership—both in Washington and in local government—to deal effectively with the crises of our cities.

In fact, I think it is in place—present company included.

THE SOVIET AGRICULTURAL SYSTEM

Mr. HUMPHREY. Mr. President, I would like to bring to the attention of my Senate colleagues an editorial by Victor Zorza in the Washington Post on June 25 entitled "The Soviet Experiment in Agriculture."

Last year's drastic harvest shortfall has again led the Soviet Union to restructure its agricultural programs. The Soviet harvests have been so unreliable that there have been frequent shifts in both policy and personnel.

The new proposal is to end the mixed farming system under collective agriculture and to group farms together by specialty for greater efficiency.

This would mean combining several villages to form associations in which the production of particular commodities would be concentrated. This plan has been supported for several years by party secretary Brezhnev.

The irony of Russian agriculture is that the most successful program has been the "link system" which permits small groups of farmers to work on specific areas of farmland and receive wages according to their production. Operating without fanfare, the link system this year will cover a larger area than ever before.

This search for a new Soviet agricultural approach is of more than passing interest to the United States. Our exports are heavily influenced by Soviet harvests. In the United States, our agricultural decisions have largely centered on the individual family farm and this has brought good results.

Mr. President, I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record. as follows:

The Soviet Experiment in Agriculture

(By Victor Zorza)

The Kremlin has launched a major reform designed to "industrialize" the collective farm system, which is responsible for the chronic troubles of Soviet agriculture. Ultimately the collective farms are to be done away with altogether. To begin with, the mixed farming system under which most collectives grow grain, cattle, vegetables, fruit, and the like, is to be replaced by specialized undertakings.

There will be poultry "factories," pork producing "complexes," hothouse "combines." A collective farm, which may now consist of one or several villages, is said to be too small for efficient production. Several existing farms will join together to form "associations" in which the production of particular agricultural commodities will be concentrated. The intention is that association members should pool their resources in order to finance the scientific and technological advances which an individual farm could not afford.

The purpose of collectivization, the Kremlin decree recalls, was to join together small, individual peasant holdings, using primitive tools. The purpose of concentration, it explains, is to join together the efforts of both collective and state farms in order to form large and highly productive "industrial-type undertakings " The process will involve "radical changes in the structure and character of production." But it will often deprive farms of such independences as they now have, which could make them less efficient rather than more.

Under Stalin, each farm was told exactly what crops to produce, and how much. Since then the system has been gradually but not completely modified, and farms have been given more freedom. Under the new system, "zonal specialization" will require the farms in a given area to concentrate largely on producing grain, or cotton, or milk, and the like. The danger is that farms will once again be bound by orders from above, and that the loss of local initiative could lead to loss of efficiency.

The farm "industrialization" program has been promoted for several years by party secretary Leonid Brezhnev, who has repeatedly commended it as the solution to the Soviet Union's agricultural problems. There were some signs of opposition to it in the leadership and it did not make much headway at first. A number of areas were allowed to experiment with the new system, and this has led to the establishment of some 6,000 inter-farm cooperatives, which are said to be much more efficient than the traditional collective and state farms.

It is the success of this experiment that is given as the reason for the new decree, but the timing seems odd. The proper time to announce a major program of this kind would have been at the party congress in March.

Brezhnev's failure to do so suggests that he may have been unable to secure the consent of his colleagues at a time, when as a number of signs suggested, his political position was not very strong.

One possible reason for opposition to the reform is its cost. The Kremlin decree gives no figures, and makes no commitments. But it is clear from some of the examples given in the Soviet press that the capital investment required to turn the farms into agricultural "factories" is far greater than the Soviet economy can provide in the foreseeable future. It looks as if the farms themselves will have to provide most of the money, some of which might otherwise have gone to improve the peasants' standard of living.

The Kremlin decree insists that the pace of reform must not be forced, that the program is "voluntary," but at the same time it warns that any attempt to thwart the process will be "resolutely suppressed." It thus anticipates opposition, which may come, among others, from the more efficient and therefore prosperous farms, which will be required to provide the greater contribution when they are made to join up with poorer farms. This too could lead to loss of efficiency.

There have been so many programs to reform and reorganize Soviet agriculture since the death of Stalin, all of them presented as radical improvements carrying great promise, that some degree of skepticism is warranted. But one reform, which on the evidence of the Soviet press carries the greatest promise of success, has never quite got off the ground, because it smacked too much of something like a disguised return to private farming. There are some indications now that, paradoxical as it may seem, the "industrialization" of Soviet agriculture may give the other reform a new lease on life.

The "link" system looks like the very opposite of industrial farming. A "link" is a team of peasants which need no more than half a dozen or so men. The farm assigns to the link a specific area of farmland, and the men look after it all the year, instead of being sent hither and thither by the farm manager, depending on his needs on any one day. The man who is sent to weed one field today, and to plow another field tomorrow, is paid a set rate and has no great concern about the result of his work.

But in the link, the earnings of the men depend on how well they have looked after their "own" fields throughout the year, and on the yields they have obtained. The Soviet press has repeatedly given instances of links which have grown yields twice as large, and sometimes four times, as large, as those on neighboring fields. But the "link system" remained an experiment because some Soviet leaders feared that it could lead to the breakup of the collective farm system as such. If a small team of half a dozen men, who might be members of one or two families, worked the same fields year after year, how would this differ from private family farming? The fact that it would still differ a great deal did not allay their fears.

This year, however, one of the Soviet Union's richest agricultural areas, the Stavropol region in Southern Russia, is to go over completely to the link system. While the farm industrialization decree is splashed across the front pages of all the Soviet papers, the Stravropol link experiment is reported inconspicuously in the Soviet Economic Gazette.

But this is the first time that the link system has been allowed over as huge an area as this. It is still an "experiment," but perhaps the Soviet leaders are beginning to feel that, so long as a farm is called a grain factory, it can be made up of "links"—provided they are not called "families." If the link experiment is allowed to go further, it may prove to be more important for the future of Soviet agriculture than the "industrialization" of farming.

WHAT DOES JULY 4TH MEAN?

Mr. THURMOND. Mr. President, I have just read an editorial entitled, "What Does July 4th Mean?", which goes to the essence of Independence Day as our national holiday.

Mr. President, this editorial was written by an outstanding young journalist from Bennettsville, S.C., and appeared in the Marlboro Herald-Advocate on July 1, 1976.

In his editorial, Mr. Kinney writes about the need for personal involvement in the affairs of our Nation and dedication to our country. I think it is particularly appropriate to underscore the comments he made in this regard:

> If the colonists had been unable to put aside personal ambitions and special interest cliques, they would have been easy prey for Great Britain's army and navy.
>
> So it is now. If we find ourselves unable to pursue our special goals in a rational manner within our system, as it was planned for us two centuries ago, we are setting aside the strength which originally made us independent and has kept us that way for so long.

Mr. President, in order to share this timely editorial with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

What Does July 4th Mean?

As the holiday is designated, July 4th means Independence. But, what type of independence is it?

The independence declared two centuries ago marked a break, to be sure. It was a time when colonists said, "Enough is enough; we will not be oppressed any longer."

From this break with the mother country came the American claim to freedom on which all the ideals and principles of our nation were built.

But, sometimes we overlook the significance of this independence. For it was not the divisive stance of the patriots which launched our nation on its course of greatness.

Instead, it was the unity among the colonies which laid the groundwork for the growth of the United States.

In order for independence to be achieved, it took more than a crowd of hotheads rising helter-skelter in arms against the establishment. It took, most of all, planning and unity.

There were differences among the colonies which were as great as the differences between the colonists and the British, but when it came time to set a course for the future, the colonists had the foresight to set their own differences aside to concentrate on a greater goal.

If South Carolina had only been interested in South Carolina, there might have been to gain by remaining loyal.

So this is the important lesson which is so often forgotten now. America is not at the end of her journey to greatness. We either keep moving forward, or we slip backward.

But, having lost sight of the important goals on which our nation is based, we find it ever more difficult to place the good of the nation ahead of individual and small group goals.

Perhaps, if we were still struggling for independence, the importance of unity would be more apparent, but the lack of independence is so far behind today's American, we take it for granted that we can do what we want.

Total independence cannot come all at once. Each and every one of us needs to realize that even independence must have structure and some organization.

The thirteen colonies showed us the way to independence. That way is through unity and planning.

Let's heed this lesson of two centuries, and base our ideals of today on a sound basis of unity and planning rather than just lashing out right and left at anything or anyone who appears to be in the way of * * *

If the colonists had been unable to put aside personal ambitions and special interest cliques, they would have been easy prey for Great Britain's army and navy.

So it is now. If we find ourselves unable to pursue our special goals in a rational manner within our system, as it was planned for us two centuries ago, we are setting aside the strength which originally made us independent and has kept us that way for so long.

The people and groups who are always wanting so much more than they have should remember that were it not for the strength of our unified independence, they might be living under a government which allows no thought or action for any purpose other than to maintain the status quo.

Thus, progress which destroys the system is rushing headlong up a one-way street.

Each American, whether it be individual motorists who still refuse to conserve fuel, or powerful labor unions who force inflation on us for the temporary benefit of some workers, needs to reflect on the part each must play to maintain the right to celebrate July 4th as Independence Day.

APPROPRIATIONS FOR THE NATIONAL EYE INSTITUTE

Mr. BAYH. Mr. President, eye disease is a leading health problem in the United States. It causes untold suffering to its victims and their families. Ninety-four million Americans are afflicted by eye disease in varying degrees. One-half million of these individuals are functionally blind. Ten million Americans—one out of 20—suffer from uncorrectable visual impairment. One and a half million are so severely impaired that they cannot read a newspaper even with glasses.

Blindness costs Americans billions of dollars each year. One billion dollars of income is lost annually due to blindness; another $500 million is spent by public welfare agencies for services to the blind. It has been estimated that visual problems cost the Nation a total of $5.2 billion annually.

The human, social, and economic costs of eye disease clearly demonstrate the need for more research in the field. The 8-year-old National Eye Institute, within the National Institutes of Health, is the most sophisticated and comprehensive eye research organization in the world. It provides hope for the millions of people who suffer from eye disease. Yet, the program is inadequately funded. A thorough evaluation and analysis of the Eye Institute's programs was recently conducted by a committee of the National Advisory Eye Council. The committee recommended a funding level of $88 million for fiscal year 1977.

Together with my esteemed colleagues and fellow members of the Appropriations Committee, Senators Eagleton, Hollings, and Young, I proposed an amendment to the fiscal 1977 Labor-HEW appropriations bill to provide, if possible, $88 million in funding for the Eye Institute. Recognizing the severe fiscal constraints placed on the Labor-HEW Appropriations Subcommittee in its allocation of Federal funds in the health area, and the additional restraints of the congressional budget resolution, we were satisfied that the subcommittee agreed to recommend funding of $70 million.

I thank Senator Magnuson, chairman of the Labor-HEW Appropriations Subcommittee, for his continued assistance in this and other important health research programs.

I am hopeful that, when this bill goes

to conference with the House, the higher Senate figure will prevail.

The $70 million appropriation level will enable the National Eye Institute to conduct an expanded research program. Past appropriations have financed several important advances in the effort to eliminate eye disease; the Institute stands on the verge of many more advances at the present time. Additional research money would speed these advances and thus accelerate the process of restoring sight to many blind individuals and removing visual impairments for many more.

The National Eye Institute has classified vision disorders into five major groupings: First, retinal and choroidal diseases; second, corneal diseases; third, cataract; fourth, glaucoma; and, fifth, sensory-motor disorders and rehabilitation. Programs in each of these areas have contributed to past advances and would be in a better position to contribute to future discoveries with increased appropriations:

RETINAL AND CHOROIDAL DISORDERS

Over 1.1 million Americans are afflicted with retinal and choroidal diseases, which have resulted in 151,000 cases of blindness—or 32 percent of all blindness. These disorders render 15,000 people newly blind each year.

Included in NEI's research in this area are diabetic retinopathy—blindness caused by long-term diabetes; macular degeneration—a frequent occurrence in old age; and sickle cell retinopathy. Through a new photographic technique, these and other retinal diseases can now be better diagnosed. Included in NEI's objectives for 1977 is an attack on retinal detachment and retinitis pigmentosa through additional research on the pigment epithelium—a one-cell thick layer of tissue behind the retina. The extent of the research depends on the level of this year's appropriation. The $5.5 million difference between the House and Senate allocations for these purposes represents 37 additional research grants, and 5 new research contracts.

CORNEAL DISEASES

An estimated 311,000 citizens suffer from corneal diseases, resulting in 22,000 cases of blindness in the country today.

Much of the dramatic breakthrough in successful corneal transplants over the past year can be ascribed to new NIE-sponsored technique for storing donor corneas. The technique reduces the risk of graft failure, and extends the survival period of healthy donor tissue from the traditional 48 hours to 1 week. This development could mean eye bank shipments to remote areas—a breakthrough which has obvious implications for new means of storing other body organs and tissues. Other problems related to increasing the success rate of corneal grafts remain to be addressed.

The House has approved funds for approximately 18 research grants in this area; the Senate amount can fund 40 such grants.

CATARACT

Over 3 million Americans are afflicted with cataract, 64,000 of whom are blind as a result.

NEI-supported studies conducted last year indicate that a hitherto-unknown interaction between the body's protein and calcium may be responsible for the formation of the most common type of cataract, that associated with aging. This work, in turn, may lead to a nonsurgical means of treatment, or even a means of preventing this major cause of blindness. In addition, NEI hopes to study congenital cataracts, and to find alternate methods for optical rehabilitation of cataract patients. Under the House allowance, NEI could fund approximately 27 research grants in this area; the additional $1.8 million approved by the Senate for this purpose would fund another nine grants.

GLAUCOMA

Affecting over 1 million Americans, and resulting in 56,000 cases of blindness, glaucoma is a group of diseases characterized by loss of visual function associated with damage to the optic nerve and increased pressure within the eye.

New NEI-supported laboratory tests have provided the first evidence of a cellular basis for glaucoma, and demonstrated for the first time the special sensitivity of the eye to corticosteroids—which in glaucoma patients can cause ominous elevation of intraocular pressure. NEI's research is directed toward the development of new drugs which may be both safe and effective in treating or even preventing glaucoma. The Senate increase of $2.1 million can provide 10 additional research grants, compared to the House appropriations, to unlock the cellular secrets of glaucoma, and lead to its successful treatment.

SENSORY-MOTOR DISORDERS OF VISION

Accounting for 890,000 cases of visual disorder that have caused blindness in 36,000 individuals, this grouping includes childhood disabilities resulting in blindness, or life-long visual handicaps.

In 1976, NEI-sponsored research provided conclusive evidence that visual deprivation early in life can result in loss of cells and permanently stunt normal development of the visual nervous system. More research needs to be done with the newborn, particularly in ascertaining safe levels of exposure to strong light as well as oxygen, in order to prevent retrolental fibroplasia and other eye problems that will increase throughout the child's life. Such research is good preventive medicine at its most logical time, the outset of life. The Institute also hopes to explore more fully the little-known processes of vision and interrelated psychophysical functions.

Under the House allowance, 35 research grants could be funded for these objectives; the additional $1.8 million provided by the Senate can accelerate such research, bringing nearer the promise of unaffected clear sight to all newborn Americans, for the rest of their lives.

Together with $1 million added by the Senate to further implement intramural research and direct operations, the Senate suggests a total increase of $13,730,000 over the House allowance, for all the purposes outlined above. The statistics provided to document vision loss and blindness among our citizens and the substantial economic losses suffered as a result of these health problems offer compelling and urgent reasons to assign the highest priorities and the finest medical minds to attack these problems.

AMERICAN GRADUATE SCHOOL OF INTERNATIONAL MANAGEMENT

Mr. GOLDWATER. Mr. President, from time to time in the past, Senator FANNIN has read into the CONGRESSIONAL RECORD reports on one of Arizona's finest institutions, the American Graduate School of International Management. I am especially interested in this institution on whose Board of Directors I have served since 1949. Because of its unique function and its importance to better international understanding, I ask unanimous consent to have printed in the RECORD an updated report on this school and its accomplishments. The updating was prepared by Mr. Robert L. Gulick, Jr., the school's dean of admissions.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

AMERICAN GRADUATE SCHOOL OF INTERNATIONAL MANAGEMENT

When Lt. General Barton Kyle Yount founded the American Institute for Foreign Trade in 1946, his objective was to improve the image and effectiveness of Americans overseas. His formula was to educate students in modern foreign languages, intercultural relations, and in the techniques of world trade. That prescription for success in international management remains in full vigor today as the hallmark and outstanding distinguishing feature of the American Graduate School of International Management.

The greatest change in the operation of the School during the past thirty years relates to the extension of the range of activity to embrace not only a great number of students but also more international students, more women, and better representation of American minorities. During my years at Thunderbird since 1964, the general student population has increased 255 percent but the number of women has grown 3,200 percent and that of international students over 1,100 percent. The current goal is to arrive at a student body of 800 in the fall and spring semesters including 200 students from other countries.

The curriculum is undergoing continuing review, and decisions have recently been made to add Arabic to the language offerings and to strengthen the crosscultural programs of the Department of International Studies. The realities of this decade are reflected in the School's intensified interest in the Islamic Middle East and North Africa. American Graduate School has conducted its first Key Managers course of eight weeks in intensive Arabic. The knowledge of even a little Arabic, a language to which the Arabs are much more devotedly attached than we are to English, can do much to establish rapport in international management.

Recognition of the School's leadership was shown in the recent appointment of its President, Dr. William Voris, as Chairman of the International Affairs Committee of the American Assembly of Collegiate Schools of Business, and a member of the Advisory Task Force on Business and International Education of the American Council on Education.

Those admitted into the School as candidates for the degree of Master of International Management are required to have earned a standard bachelor's degree and to have taken the Graduate Management Admissions Test. The GMAT score and the undergraduate grade point average are taken together as indicators of future performance. Most noteworthy among the curriculum changes are those calculated to serve the requirements of the growing body of students from other lands. It is realized that foreign students usually suffer a cultural and linguistic handicap in taking the GMAT and allowance is made accordingly.

Many foreign students are sponsored by governments and by private corporations. They may be admitted as regular degree candidates or they may enter as special students, select the courses of greatest interest to them and their sponsors, and receive the Certificate of Advanced Study.

Students from other lands may remain at American Graduate School one or more additional semesters for improved career preparation. The desire to serve the particular interests of foreign students is reflected in the proliferation of courses relating to the command of English and to a better understanding of the American economy and of the tradition and culture of this country.

Intensive English as a Second Language is offered as a regular course and in the Key Managers program. In the curriculum, this is a full-time subject intended for those who have already studied a fair amount of English and who have achieved TOEFL scores between 450 and 500 or so. The expanded English offerings bear witness to the enhanced importance of English as a primary medium of communication in the modern business world.

Intensive English is followed by Advanced English as a Second Language and by composition in English as a Second Language, courses included, unless waived, in the degree requirement. The courses focus on such useful skills as the ability to speak and understand correct English, the capacity to read financial articles and reports, and the knowledge of how to write business letters. Available to both American and international students are advanced courses in Business Communications, taught by a man who for many years headed the Department of Modern Languages and whose instruction in English to meet the needs of modern business has been specially praised by our alumni. The student taking advantage of the English program is unlikely to wish his American friend "Rosta ruck," or to say on accepting a cup of tea, "Thank you, sir or madam, as the case may be." The graduate is more likely to emulate the Punch character who put on his card, "Railways built, photographs developed."

The School continues to be known affectionately throughout the world as Thunderbird, symbol of peace, brotherhood, and prosperity. What better symbol for a globally oriented institution? Asians, Latin Americans, Europeans, and Africans may learn about trading areas other than their own. One of the best publicized courses is The American Tradition, introduced some years back by a former president of the School. Offered in the Department of International Studies in summer, spring, and fall, this course is "designed to help the student understand the United States, its people, cultural, political and economic institutions and policies, and its role in world affairs." The Bulletin continues, "For the foreign student, it is intended to give an understanding of the dynamics of the American system, while the U.S. national may attain a greater appreciation of the forces at work in his own country, so that he will be in a better position to explain 'what the United States is' when living overseas."

The same department provides opportunities for qualified students to pursue guided independent research on approved topics relating to American culture or other areas of interest. Increasing emphasis is placed on the understanding of the mores of other peoples as related to the expansion of world trade and employment.

The Department of World Business, chaired by Dr. Robert McMahon, a man of impeccable academic and professional qualifications, is moving toward greater recognition of the importance of agribusiness in the modern world. The School is grateful for the spirit of cordiality and cooperation shown by leading figures of sister institutions, notably Dr. Richard Chalquest, Director, Division of Agriculture, Arizona State University, and Dr. Jimmye Hillman, Chairman of the Department of Agricultural Economics at the University of Arizona, both of whom have graciously lectured on our campus. Dr. Chalquest has played an important role in the development of lamb production in the Kufra Oasis in Libya, and Dr. Hillman has served as President of the American Agricultural Economics Association. AGSIM is most fortunate to have on its Board of Trustees the presidents of the three state universities, Dr. John P. Schaefer of the University of Arizona, Dr. John W. Schwada of Arizona State University, and Dr. J. Lawrence Walkup of Northern Arizona University. These universities and other Arizona institutions of higher education will collaborate with American Graduate School in sponsoring the meeting of the National Association for Foreign Student Affairs to be held in Phoenix in May 1979.

The first offering of the calendar year is the interim in winter dubbed "Winterim," a term beginning just after New Year's and lasting a bit under three weeks. Open to new as well as continuing students, this session features innovative and experimental courses not available in the regular curriculum.

A program with the College of Liberal Arts at the University of Arizona enables selected students to complete the second semester of the senior year at Thunderbird and receive the baccalaureate degree at Tucson.

A dual-degree program with Southern Methodist University has made a strong start. A good student may complete thirty hours of graduate study at the SMU School of Business Administration and thirty hours at Thunderbird and receive both the Master of Business Administration and the Master of International Management degrees. This program may start on either campus but must include advanced-level language and nine hours of International Studies, or the equivalent, at AGSIM.

Students with a special interest in Mexico may attend the nine-week summer session offered by AGSIM in historic Guadalajara, rarest pearl of Jalisco. Such courses as inter-American relations, Mexican marketing projects, and Advanced Spanish are taught by a faculty of AGSIM and Mexican scholars.

Those attracted to the land of the rising sun and having a command of basic Japanese may spend a spring semester at the Institute for International Studies and Training, situated at the base of Mt. Fuji. In addition to intermediate and advanced Japanese, participants in the program may enroll in courses in International Studies and World Business, eighteen hours being the maximum credit allowable. Tuition is subsidized by I.I.S.T. and board and lodging are inexpensive.

The Continental Grain Company has for a number of years included the School in its highly select list of prestigious institutions at which its Fellowship is available. It is contemplated that studies in agribusiness will receive increased emphasis in the immediate future. Courses relevant to world agribusiness are currently offered in both World Business and International Studies under such designations as Natural Resources, Economic Development and Social Change, the Multinational Corporation, Guidelines in Worldwide Operations, and Export-Import Operations.

Of particular concern to the international student wishing "to gain a greater awareness of how the American business system operates" is the course entitled "The American Business System." It is taught by Dr. William H. Peterson, John David Campbell Professor of American Business. Dr. Peterson, was formerly Professor of Economics at New York University and Chief Economist, United States Steel Corporation.

Those interested in entering American Graduate School in January, June, or August, should apply well in advance, as the number that can be accepted is limited by physical facilities to around 800 including those going to Japan in the spring semester or to a summer enrollment of 650 including the group in Guadalajara, Mexico. In the Bicentennial Year, American Graduate School celebrated the completion of thirty successful years in educating international managers and world citizens.

THE AMERICAN ASSEMBLY ON MANPOWER GOALS: A FULL EMPLOYMENT ECONOMY

Mr. HUMPHREY. Mr. President, 75 distinguished economists, government, corporate and labor executives met several weeks ago to consider new policy and program approaches to achieve a full employment economy while maintaining reasonable price stability.

What came out of that meeting, sponsored by the American Assembly, was a final report on manpower goals, consisting of a brief and concise series of recommendations that in most respects dovetail with many of the purposes and provisions of S. 50 and H.R. 50, the Full Employment and Balanced Growth Act of 1976, introduced by myself and Representative AUGUSTUS HAWKINS.

For example, the report states:

> We believe that the United States should not continue to condemn many millions of its citizens to enforced idleness, poverty, and isolation. The commitment to provide a useful and productive job for every American who wants to work carries the obligations of broadening access to educational, training and advancement opportunities to all individuals irrespective of sex, race, age or ethnic origin. It is imperative that current gross inequities in the opportunities available to different groups to compete for jobs and income be eradicated.

The report recommends that fiscal and monetary policies be adopted to promote economic expansion at a pace that would reduce the overall unemployment rate by 1.5 percentage points a year until the general unemployment rate reaches 5 percent early in 1978.

This recommendation is certainly headed in the right direction, but does not go far enough. We should be aiming at reducing adult unemployment to a level of 3 percent by 1980, as is required by the Full Employment and Balanced Growth Act.

I know that this is an ambitious goal, but it is one which we have achieved in 1952 when the jobless rate was 3 percent, and in 1953 when it was 2.9 percent. Moreover, we missed it by less than 1 percentage point in 1966, 1967, 1968, and 1969 when the unemployment rate ranged from 3.5 to 3.8 percent.

Among the participants of the American Assembly on Manpower Goals were:

Andrew F. Brimmer, Ford Foundation visiting professor, Harvard University;

Hans C. Cherney, manager, personnel planning, IBM; Jacob Clayman, secretary-treasurer, Industrial Union Department, AFL–CIO; Joseph B. Epstein, chief, Division of Research Methods and Services, Employment and Training Administration, U.S. Department of Labor; Eli Ginzberg, professor of economics, Columbia University; Carl H. Madden, Chief Economist, Chamber of Commerce of the United States; and Arthur M. Okun, senior fellow, the Brookings Institution.

Mr. President, the final report of the American Assembly on Manpower Goals for American Democracy represents the collective views of the 75 participants. While no individual is committed to any portion of it, I believe the report nevertheless reflects an important consensus on many vital points among experts of varying pursuits and viewpoints.

I therefore ask unanimous consent that this report to be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Final Report of the American Assembly on Manpower Goals for American Democracy

Note.—At the close of their discussions the participants in *The American Assembly on Manpower Goals for American Democracy*, at Arden House, Harriman, New York, May 20–23, 1976, reviewed as a group the following statement. The statement represents general agreement; however no one was asked to sign it. Furthermore it should not be assumed that every participant subscribes to every recommendation.

The severe recession of 1974–75 has left this nation with unacceptably high levels of unemployment. High unemployment diminishes the lives and aspirations not only of the unemployed and their families, but of all Americans. The nation is poorer by virtue of the lack of goods and services which the unemployed could have produced; and by the social problems, including vandalism and crime, which accompany high unemployment.

One possibility is to tolerate the human, economic, and social waste of unemployment in the hope of avoiding rekindling of inflation. The alternative is to adopt as the primary objective the development of policies aimed at providing a productive job for every person able and willing to work; at the same time we must constantly monitor and review these policies to avoid overheating the economy and precipitating a new recession. We opt for the second course.

We believe that the United States should not continue to condemn many millions of its citizens to enforced idleness, poverty, and isolation. The commitment to provide a useful and productive job for every American who wants to work carries the obligation of broadening access to educational, training, and advancement opportunities to all individuals, irrespective of sex, race, age or ethnic origin. It is imperative that current gross inequities in the opportunities available to different groups to compete for jobs and income be eradicated. Equal opportunity for minorities and women is a necessary element in the nation's employment policies. Such opportunity will encourage people to put forward their best efforts to acquire, develop and utilize their skills. It demands the elimination of any and all policies restricting entry to jobs and trades.

The achievement of a full employment economy requires improved articulation among economic, manpower, welfare and education policies, and improved cooperation between the private and public sectors. Commitment to full employment is not enough. Implementation of a full employment goal is our real challenge.

The achievement of full employment requires a mix of policies including stimulating the growth of the economy; special efforts directed at speeding the absorption of young people into productive work; enhancing the employability of the hard-to-employ; strengthening work incentives; improving the manpower system so that it can be more responsive to the challenges of a dynamic economy; and enlarging the options that people have with respect to the uses of time for work, education, family life, and leisure.

This Assembly has met after one year of economic expansion from the deepest and longest of the postwar recessions, and yet the unemployment rate—at 7.5 percent—remains extraordinarily high by post-World War II standards. Continued rapid improvement in general economic conditions is a precondition for reaching the nation's goal of full employment.

Accordingly, we urge the following actions:

1. Fiscal and monetary policies adapted to promote economic expansion at a pace that would reduce the overall unemployment rate by 1.5 percentage points a year until the general unemployment rate reaches 5 percent early in 1978. During this period, there should be continuing and systematic reassessment of employment and unemployment, and the behavior of wages and prices, so that the pace of further progress can be geared to the nation's unused human and capital resources.

This is an ambitious but, we believe, reasonable short-run target that has the advantage of putting first things first. Signs of bottlenecks, overheating, or accelerating inflation should be attacked with innovative techniques of selective demand and supply management, and joint public and private efforts to restrain inflationary pressures. We must not abjectly retreat from the goal of high employment. These anti-inflation techniques must be developed in advance and we urge the prompt preparation of standby programs.

The most successful economic policy will not, however, reduce to an acceptable level the excessively high unemployment rate particularly among innercity youth, averaging more than 30 percent over the past decade. A continued tolerance of such high unemployment can lead to only more alienation, drug addiction, and crime among many youths who, having no stake in the society, strike out against it for treating them as nonpersons. Accordingly, we propose the following program, recognizing that it involves significant costs and hard choices and therefore requires a review of existing manpower expenditures and overall budget priorities.

2. The establishment of a National Youth Service which would involve: (a) a substantially enlarged commitment primarily to assist poorly prepared youth to become productively employed in the regular economy; (b) a strong emphasis on performing useful work in the community; (c) the creation of a separate organizational entity within the Department of Labor; (d) the inclusion of a broad spectrum of the youth population; (e) an emphasis on full-time jobs with job counseling and training to the fullest extent possible; and (f) a reprograming of some funds for existing youth employment programs.

The Service would be primarily for out-of-school youth but with openings also for other young people. All would be engaged in productive work aimed at the visible improvement of their physical and social environment. The Secretary of Labor should be authorized to enter into contracts with public (including Comprehensive Employment and Training Act prime sponsors), nonprofit (including community based organizations), or private firms with the capability of managing such work efforts. There should be a stipend and graded wage scale congruent with the youth wage scales in the community. Funds should be provided for materials and competent supervision so that the work performed will be recognized by the community as warranting its support. Service should be limited to two years. Opportunities for skill acquisition during the course of such work and transition into regular employment should also be provided. Provision should be made, with appropriate safeguards, for inclusion of youthful offenders for whom such a program would be appropriate. Cities, counties, states, and the national government should be encouraged to eliminate laws that serve no social purpose which bar ex-offenders from many desirable jobs.

3. Curriculum and counseling in many junior and senior high schools serve many young people poorly. Elimination of educational and occupational segregation by sex, race, and social class is essential. Expansion of work/study programs and improvement of occupational preparation can facilitate the transition of many students from school to work.

4. To encourage employers in the private and public sector to employ and train underqualified and needy youth, we recommend, on an experimental basis, the provision of vouchers to young job-seekers whereby an employer would be subsidized for hiring and training them in jobs which have a long-term promise for advancement in skills and responsibility, provided, however, such payments do not undermine the minimum wage.

Equally important as the need for special programs for young people are the following priority calls on manpower policy:

5. We suggest a public service employment program involving work projects for the long-term unemployed (over 15 weeks) many of whom may have exhausted their unemployment insurance benefits. This program would include the following major features: (a) eligibility would be limited to persons whose family income is below the Bureau of Labor Statistics lower family income standard; (b) employment under this program would not exceed two years; (c) wages would be set at a level of about 50 percent above the national average unemployment insurance benefit; and (d) large families would receive income supplementation.

6. Experimental programs to provide sheltered or supported work for those with special employment problems, such as exoffenders, former drug addicts, the severely handicapped, followed by efforts to place as many as possible in regular employment after they have acquired work habits and marketable skills.

7. Early attention to the special needs of older persons forced into premature retirement and women at home, many of whom would welcome an opportunity to work part or full-time.

8. Early attention to the special occupational skill training and employment needs of Vietnam era veterans.

High levels of employment can be achieved and maintained only if we strengthen the incentives and rewards that make work more attractive than the receipt of income transfers. Many millions of Americans work full-time, yet are unable to earn enough to lift their families out of poverty. They require income supplementation. To this end, the Assembly recommends:

9. The expansion of earned income supplementation for families with incomes between $4,000 and $8,000 and a liberalization of the food stamp program to aid the working poor.

10. The articulation and appropriate revisions of unemployment insurance, welfare, food stamps, child care, and the earned income tax credit so that they are supportive of manpower goals.

11. Reassessment of publicly supported manpower programs with an aim of optimizing incentives for employment while maintaining respect for the worth of each American citizen.

12. Publicly subsidized adult occupational training opportunities to enable persons trapped in disagreeable low-paying jobs to acquire skills and to improve their prospects of securing more desirable employment.

13. The impact of several million illegal immigrants who are currently employed—primarily in the labor markets of the Southwest and Northeast—should be corrected by imposing sanctions on employers who hire illegal aliens.

14. Public policy and private initiatives to improve the quality of life in the workplace.

The ability of the nation to meet its manpower goals depends on having in place a comprehensive and flexible manpower system. The *ad hoc* nature of many of the responses to the recession of 1974–75 underscores the need for action in this area. The nation needs a system which can effectively meet the continually changing challenges which are characteristic of our dynamic economy. Individuals who receive unemployment insurance benefits with little or no prospect of being recalled to their former jobs should be encouraged to enter a retraining program or to make use of other manpower services to speed their reemployment.

There is merit in having the public service employment program triggered on and off according to the condition of the national and local labor markets. The nation's skill training resources must be maintained at an effective minimum level of capacity if they are to be capable of expanding in periods when additional skill training is indicated.

During the past several decades more and more members of the labor force have preferred to work less than full-time, full year. This includes young people, men and women with family responsibilities or who face mid-career changes, and older persons. Recently, flexible employment schedules, extended periods of paid vacations for long-time employees, leaves of absence for study and child-rearing are among the arrangements which have been introduced into the work environment. Increased experimentation with the more constructive use of time can lead to increased worker satisfaction with no loss in productivity.

By this statement, the Assembly affirms a commitment to a policy of jobs for all Americans. We would be derelict, however, if we did not emphasize to the American people that this commitment entails costs and difficulties: it requires that we cope successfully with possible renewed inflationary pressures; it involves aggressive government action at a time when many suspect government; it may involve heavy expenditures and a need for increased revenue; and it will require difficult individual and institutional changes that some will find unacceptable. But it is our conviction that these costs are overshadowed by the human and economic costs of continued high unemployment. No worthy goal is attained with ease, and the overriding challenge to the United States today is to establish a system whereby free men and women, through their own efforts, can improve their lives and their society.

THE DIVESTITURE CONTROVERSY

Mr. TAFT. Mr. President, an excellent article on the divestiture issue appeared in the Washington Post on June 20. It clearly states the basic problem that is facing the United States with regard to energy, and accurately analyzes the divestiture movement as a misleading promise that will in no way address the situation.

Our difficulty with respect to energy is that we have become increasingly dependent on a strong cartel for our energy supplies. That cartel, the Organization of Oil Exchange Countries, has the power to set the world price of oil, and has been doing so with great effectiveness.

The divestiture movement does not address this problem in any effective manner. By trying to break up the U.S. oil companies, it is implied that an increased numbers of firms will result in lower margins of profit and will help to drive down prices for the consumer. This will be quite a feat, considering that the OPEC price increases have been more than 13 times the profit per barrel of the oil industry.

An alternative argument for divestiture is that, by presenting the producing nations with a confusing array of minor companies, OPEC will make mistakes and collapse. Even if one believes that the oil companies are a pack of jackals—which I do not—it must be admitted that a pack of jackals could do more to bring the OPEC camel to its knees than could a swarm of sand fleas. The Energy Subcommittee of the Joint Economic Committee recently held hearings on this point. Independent oil analysts from both parties stated without hesitation that any proposed divestiture should at least be horizontal, so that fully integrated companies, of some strength and flexibility as to sources of supply, would be left to confront the cartel. During the oil embargo, the major oil companies diverted non-OPEC oil to the United States and the Netherlands, and used OPEC oil to supply countries not being boycotted. In this way they brought about an even sharing of the available oil. A small firm dependent on only one source of oil would not have been able to do that.

The divestiture argument that prices to the consumer would fall if the companies were to be broken up does not stand up to an analysis of the costs of production. These companies became integrated in the first place because integration resulted in cost reduction, and hence higher profits. To break up the companies would undo these efficiencies, raise costs, and push up consumer prices. Surely the supporters of divestiture do not believe that the companies would kindly agree to absorb all the increased costs?

The Post article, by Robert Samuelson, is one which I recommend heartily. I ask unanimous consent that it be printed in the RECORD at this time, along with editorials from the Post of June 28, and the New York Times of June 21, which clearly illustrates the impossibility of rolling back prices in an industry which displays none of the characteristics of organization, profit, or exclusion of new firms generally associated with oligopoly.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 21, 1976]

WRONG WAY ON OIL

The Senate Judiciary Committee has sent to the floor of the Senate a bill that would break up the 18 biggest oil companies. A company would have to decide whether to produce crude oil, transport it, or refine and market petroleum products. It no longer could perform all three functions.

The sponsors of the legislation contend that it would lead to greater efficiency, a strengthening of independent oil producers and dealers and, ultimately, greater restraint on the pricing power of the Organization of Petroleum Exporting Countries.

It is hard to see that breaking up the largest American oil companies would lead to any of these results. In fact, divestiture might result in greater costs than benefits to the United States—and to consumers. It might even strengthen rather than weaken OPEC.

The proposed solution of divestiture is based on a fallacious theory of the energy crisis—the notion that it was caused by the American oil "monopoly" rather than by the cartel of oil-producing countries. This risks diverting attention from the real problem to a dramatic and emtional non-solution.

The American oil industry, while no model of perfect competition, is less concentrated than many other American industries. In petroleum refining—the most concentrated part of the industry—the largest four companies account for 33 percent of sales; the largest eight companies account for 58 percent, and 20 companies account for 85 percent. These concentration ratios are about average for American industry as a whole.

Beyond the data on concentration ratios, there is much evidence that the oil companies have competed vigorously for markets and access to new reserves. The industry's profits have, over the years, also been about average for all American industries. The Arab oil embargo and quintupling of oil prices boosted oil-industry profits in 1974, but they have since come down.

Breaking up the largest oil companies—and the long period of uncertainty through which the industry would have to pass—would probably cause a major cutback in investment in new energy resources, both in the United States and abroad (including non-OPEC area). This would strengthen the market domination by OPEC by contracting other sources of supply.

ALTERNATIVE REMEDIES

The other means of putting greater pressure on OPEC would be to increase United States conservation of oil products; breaking up the big oil companies would be an irrelevant or counterproductive solution to that problem. A Congress that has been unwilling either to tax fuel more heavily or let higher prices cut back demand will find no *deus ex machina* in the splitting up of the big oil companies. If divestiture should have the effect of chopping down United States profits and investment, the impact on domestic supplies would be negative. Oil imports into the United States have risen above 6 million barrels a day and now approach 40 percent of our daily oil consumption. That trend should be reversed.

Certain specific concerns about the oil industry call for specific remedies. If oil companies that own pipeline are in fact discriminating against independent refiners, as some critics have charged, that may be an antitrust violation or an abrogation of their common-carrier responsibilities to be tackled by the Federal Power Commission and the courts. If those remedies fail, Congress should consider a divestiture bill specifically targeted on pipelines. And if gasoline stations are being unfairly treated by the large oil companies, their grievances may call for protective legislation.

The oil industry is subject to the nation's antitrust laws, and those laws should be rigorously applied against any price-fixing or collusion by oil producers. Joint ventures in offshore lease acquisition, exploration and development drilling, ownership and production from oil and gas leases, pipeline ownership and operation, and international actions and coalitions should be scrutinized by Congress, as well as the antitrust and regulatory authorities to insure that such joint ventures are not collusive, discriminatory, or anticompetitive.

There are ample means available to the United States Government to prevent monopolistic practices by oil companies. To use the meat cleaver of divestiture would risk cutting back our own oil supply for the presumed purposes of splitting OPEC. Such a policy makes no sense at all.

[From the Washington Post, June 28, 1976]

THE CRUSADE AGAINST BIG OIL

The bill to break up the big oil companies is now on its way to the Senate floor. The debate will begin later this summer, doubtless about the same time as the presidential election campaign. The bill's chance of enactment this year is pretty close to zero. But the struggle over it is an unfortunate diversion of energy and attention from the real choices that this country is going to have to make in energy policy.

The central theory of this bill is that vertical integration kills competition. A vertically integrated company is one that produces crude oil, transports it, refines it, and pumps it into your car. The bill would split the big companies three ways into separate corporations for refining and marketing, for transportation, and for crude oil production. It would reach companies only over a stated size—at present production levels, 18 of them from Exxon and Texaco at the top of the list down to Ashland.

Well, that is one approach to abuses of economic power in the oil business. Another approach is prosecution in court when the oil companies are believed to be sinning against the anti-trust laws. Anti-trust litigation is currently pending against most of the big companies. But the sponsors of this bill argue that the anti-trust violations in this industry are sufficiently massive and pervasive that the courts have gotten bogged down and the only effective recourse is legislation to force total divestiture once and for all. It is an argument that has been made many times through the years of vehement dispute, but never quite convincingly.

If the major oil companies were operating a huge conspiracy to reduce competition, where might you look for the evidence of it? One test is whether profits are suspiciously high. By any measure, the big oil companies run fairly close to the average for all manufacturing industry. Are the big companies more profitable than the little ones, or those with foreign sources more profitable than those operating mainly in this country? No; on the contrary, some of the domestic companies have outdone those drilling worldwide. Another key test of monopoly might be whether newcomers can get into the business. In fact, since World War II a number of new independent refineries have been successfully established. One of them, Amerada Hess, has grown fast enough to now be on the list of companies that would be broken up by this bill.

The authors of the divestiture bill charge that the major oil companies control the market in crude oil and can keep it away from competitors who do not belong to the club. If that were true, it would be difficult to explain the speed with which Amerada Hess has been taking industrial customers away from Exxon and Texaco along the East Coast. The oil industry may not be altogether lovable in every respect, particularly when it gets into politics. But it isn't a monopoly.

The oil companies themselves, in their desperate efforts to head off this bill, have been making much of the economic advantages that integrated operations offer. Those advantages exist, but they are not nearly so important as the major companies claim. If industrial integration gave these companies a crucial advantage, the case for the bill would be much stronger than it is. But, visibly and demonstrably, the integrated companies cannot squeeze out their non-integrated competitors.

Breaking up the oil companies would not lower prices. The supporters of the bill generally concede this point. The price of crude oil is regulated in this country by federal controls, and abroad it is set by the Organization of Petroleum Exporting Countries. But, the argument goes, OPEC would not be nearly so effective if the big integrated American companies did not help it administer its prices and their allocations.

This line of reasoning is characteristically American, and it is dangerous. It assumes that people in small and backward countries could not possibly run anything as effective as OPEC without help from Americans. That reflects a gross misunderstanding of all that has happened in the past several years, and it brings to mind the similar error that a good many Americans made in 1956 when Egypt seized the Suez Canal. The Egyptians would shortly have to give it back, according to much speculation, because they were not up to the technical demands of running it. That speculation turned out to be wrong, and it is hard to think that similar logic applied to the case of OPEC will prove any more right.

Certainly the world oil industry is a cartel—but it is a cartel dominated by governments, not by the companies. The companies compete within a narrow band of prices; that band is set by government decision. In the 1960s the United States lost control of the cartel without realizing it; in the 1970s the 13 governments comprising OPEC took it over. How long OPEC will retain this enormous power, no one can say. But it will certainly remain in the hands of one group of governments or another. Meanwhile the political influence of the major oil companies appears to be declining, here and around the world. Divestiture would not greatly affect the companies' leverage with the producer governments; the companies have already lost most of it.

A long angry quarrel this summer over the oil companies would be an expensive luxury for this country—more expensive than we can afford. Breaking up the companies is irrelevant. The real business confronting the country was nicely illustrated this month when, in three successive weeks, the refining industry set new records for gasoline production. The latest was a fat 12 per cent above the same week a year ago. As long as the United States does nothing about its excessive and rising consumption of oil, merely fiddling with the structure of the oil companies will accomplish very little.

[From the Washington Post, June 20, 1976]

BREAK UP BIG OIL? NO

(By Robert J. Samuelson)

Oil industry divestiture is a delusion—perhaps a dangerous one.

Its appeal, though, is understandable. "I don't know of anything that would convince people [more] that they are being heard in government than putting the oil companies in their place," says Sen. Birch Bayh (D-Ind.), one of the sponsors of the legislation to break up the 18 largest oil companies. Last week, that legislation was voted onto the Senate floor. Who could doubt that many people would draw satisfaction from this? Who can doubt that millions of Americans—perhaps a majority—hold the oil companies responsible for the "energy crises."

But they aren't, and to inflict retribution on a mistaken villain involves a hazardous self-deception, because it may obscure the genuine source of our problems.

When it comes to oil, America's troubles are rooted in two unhappy realities: First, we are running out of it; according to the best geologic estimates, the U.S. oil reserves (including undiscovered supplies) probably will be depleted sometime between 1990 and, if we are lucky, 2030. Second, the world's remaining crude oil supplies are concentrated in Arab, Persian Gulf countries, primarily Saudi Arabia, Kuwait and other Arab principalities; their reserves approach 300 billion barrels out of a total of about 500 billion for the entire Organization of Petroleum Exporting Countries (OPEC).

Divestiture will touch neither of these realities. Indeed, no conceivable tampering with the oil industry's structure will affect these conditions. Shatter the industry into thousands of microscopic firms or consolidate it into one giant government monopoly and the underlying realities would remain undisturbed. It is those realities that make us vulnerable to international blackmail—on both price and politics—and constitute a more general threat to an economy that subsists on oil.

A FALSE VICTORY

The harm of divestiture lies less in potential waste that might result—though this could be considerable, with 18 of the nation's largest corporations compelled to undergo a costly, time-consuming and contentious breakup into component parts—than in the fantasy that we are actually dealing with our oil problems. Even if divestiture doesn't pass, the debate—unless the issues are substantially clarified—could promote the same fantasy. Indeed, if divestiture did pass and delivered what it implicitly promises, our oil problem probably would become more grave.

What is the implicit promise of divestiture? Lower prices, nothing more and nothing less. The promise is oblique; proponents do not pledge lower prices directly. Rather, they talk about the virtues of increased competition. The theme is pounded incessantly, and the average person surely understands it to mean lower prices. After all, that is what "added competition" has customarily meant in the language of economics.

But lower prices would represent a false, and temporary, victory. They would simply stimulate consumption. And the more oil we consume, the sooner our limited reserves will be depleted and the more exaggerated our dependence on foreign sources will become. In this sense, divestiture would contain the seeds of its own failure. Our increased dependence on foreign oil would ultimately strengthen foreign oil producers, and OPEC would, sooner or later, find it easier to increase prices.

There is, however, a good reason why few divestiture supporters make outright promises of lower prices. Their reticence reflects an understanding that lower prices probably wouldn't result. When pressed, all they claim is that divestiture would so alter the oil industry's structure that OPEC price increases would become more difficult. Thus, they argue, divestiture would be a force for price stability. This outcome is possible but improbable.

If divestiture has been oversold as a remedy, or partial remedy, to the energy crisis, it might serve as a useful precursor to debate about the desirable size of business enterprise. In breaking up the oil industry, divestiture would decimate some of the largest U.S. corporations, though even the survivors would still rank among the biggest.

Should these large concentrations of corporate power be fractured? How much do people really support this goal? Would it change the nature of our economic system? If divestiture is to be debated seriously, these are some of the questions people ought to be asking. Do divestiture proponents eschew them because they suspect the public support is wafer thin?

As for the oil companies, they usually present themselves as supreme experts on everything concerning petroleum: Follow our advice or suffer the consequences. Such blind adherence would require a convenient forgetting of the myriad of energy mistakes made in the last 15 years, many of them endorsed or proposed by the industry. The mistakes range from the oil import restrictions of the 1960s (which had the effect of depleting our oil reserves and disguising the inevitability of our dependence on imports) to the Alaskan pipeline (which puts the oil in the wrong place, on the West Coast rather than in the Midwest).

Most important, the industry misperceived the fundamental nature of the oil problem, believing (and so telling government) that the correct mix of price and tax incentives would result in adequate domestic production. Even now, the impending exhaustion of our oil resources—barring, that is, massive new discoveries that are expected neither by the companies or most geologists—barely finds a place in the industry's massive advertising. Put simply, the energy crisis is too complicated and the issues too diverse to accept unquestioningly the oil companies' argument that the national interest and their own self-interest happily coincide.

But a healthy skepticism for oil industry propaganda is not the equivalent of an automatic assumption that the more the industry opposes something the better it must be. That attitude seems to underlie the popularity of divestiture.

THREE-WAY SPLIT

As now drafted, the divestiture legislation would force the 18 largest oil companies to split into separate entities whose activities would be restricted to a distinct part of the oil business: production, transportation (in this case, ownership of pipelines that transport most oil inside the United States; tankers are not affected) and refining/marketing. Thus, Exxon would become three companies, although each would remain a mammoth firm. One company would own Exxon's oil wells and exploratory drilling rigs; another would have Exxon's interests in pipelines, and the last would own the company's refineries, gas stations and wholesale distributorships.

To grasp the rationale behind the breakup, it is necessary to understand that divestiture was first conceived in another energy era and addressed itself to problems whose importance has been diminished by the quintupling of world oil prices and our heightened dependence on imports. When divestiture hearings began in the 1960s, the United States was virtually self-sufficient in oil, and the conventional wisdom was that we would remain so. As perceived by Big Oil's critics, the problem was that the "major" oil companies could squeeze the smaller "independent" companies.

Most of the majors were integrated: They had their own crude oil supplies; they transported the oil to their own refineries through pipelines in which they had an interest, and they sold much of the finished fuel through their own retail and wholesale outlets. By contrast, most of the "independent" companies confined their business to one particular activity—say, refining or selling gasoline (the so-called independent marketers).

The trouble with this structure, critics argued, was that the independents were at the mercy of the majors. Could not the majors refuse to sell crude oil to the independent refiners (who, in turn, supplied many of the independent marketers)? Could not the majors cancel supply contracts? Or, could not the selling prices be so skewed as to put the independents at a systematic disadvantage? The top 20 oil companies, for example, controlled about three-quarters of the U.S. crude production in 1973. That kind of control could make life for the independents very difficult, critics said. Moreover, they added, the effective control of the majors might even be greater, because many independent crude oil producers were forced to sell to the majors to have their crude shipped in pipelines to refineries.

The solution, therefore, was obvious: destroy the integrated nature of the "majors" so that big independent refiners could all bid for crude oil on equal terms. Likewise, independent marketers should have the same freedom to bid for gasoline.

The majors, of course, insisted that the industry was already highly competitive, citing traditional concentration ratios—the proportion of an industry's total business controlled by a small number of firms—that showed the oil industry was far less concentrated than many others. For example, the top eight oil companies controlled 57 per cent of the total refining capacity in 1970. But, in 11 other industries, the eight largest firms (and, in many cases, the number was smaller) controlled virtually all the output. Viewing the alleged anti-competitive nature of the crude oil market as the main problem, critics dismissed such figures. Thus did much of the argument over divestiture proceed for years.

What has happened now, however, is that events have overtaken this debate. To a large extent, the independents have been protected by the price and allocation regulations of the Federal Energy Administration, which compel major companies to abide by historic supply relationships. These were imposed in the wake of the Arab oil embargo and mounting evidence that the major companies were, indeed, cancelling contracts. With plentiful supplies of oil now—the result of the recession and the depressing effect on demand of large price increases—some of these controls may be lifted. But in the event of another embargo or more abuses, they likely would be reimposed. That threat itself should act as a restraint on the majors' behavior. (The controls have, in turn, caused some new problems, but, divestiture or not, controls—or their prospect—appear a permanent part of the U.S. oil picture.)

OPEC'S POWER

Whatever the merits of the classic divestiture debate, the consequences for the consumer, never amounted to anything more than a few pennies on the price of a gallon of gasoline, either up or down. The sums are virtually meaningless next to the price increases exacted by OPEC. Given these huge increases and the importance of imports, divestiture proponents have been compelled to adopt their old solution to a new problem. For it is obvious that, so far as prices are concerned, the power either lies with OPEC (imports now amount to about 40 per cent of consumption) or Congress which has controlled the price of most domestic oil. To be relevant, divestiture has to influence OPEC.

And it is here that the arguments do not seem convincing. Proponents contend that the oil companies have little interest in lower prices and, therefore, prove extremely weak bargainers with OPEC. They simply accept what OPEC dictates.

The reasons (so the argument goes) for this passivity are simple. First, the integrated oil companies know that they can sell the crude oil, because they have their own refineries and gas stations; consequently, so long as the prices are relatively uniform among OPEC nations (allowing for differentials in transportation charges and the quality of crude oils, the companies are relatively indifferent to the price level.

Second, a few firms (the so-called Seven Sisters; Exxon, Mobil, Texaco, British Petroleum, Shell, Gulf and Standard of California) have historically controlled the vast volumes of oil coming from the richest Persian Gulf fields. By acting aggressively with the Persian Gulf producers, critics contend the companies would risk losing their privileged positions, which, with the decline of U.S. crude reserves, underpin the firms' pre-eminence in the industry. (The crucial point here is not whether the companies actually own the foreign oil—as they did before 1973—but whether they control its distribution.)

No one should dismiss these assessments lightly, because they probably explain much oil company behavior. But they do not locate the true sources of OPEC's power, and the result is a very shaky leap in logic: that by changing the industry's structure, OPEC's power can be weakened.

DWINDLING SURPLUS

What are OEPEC's genuine sources of power?

Most important is that the world is running out of oil. There will be a long-term sellers' market, and, if momentary events (such as the world recession) temporarily work to their disadvantage by creating a surplus of oil, all they must do is remain patient and the natural course of events willl refortify their economic and political strength. This is probably the fundamental cement that keeps OPEC together. With a minimum of grumbling, most producers have been willing to accept the production cutbacks of the last 18 months without slicing prices significantly.

The two other pillars of OPEC's power reflect and reinforce this perception. The first is the imbalance in reserves and producing capacity among OPEC's members, Saudi Arabia possesses the potentially decisive influence within the cartel, because its production decisions alone can determine the will of the other OPEC members. With about 180 billion barrels of reserves (against OPEC's total of about 500 billion) and a production capacity of about 11.5 million barrels a day (against OPEC's total of 38 million barrels daily), the Saudis could undermine OPEC prices by stepping up production and selling at lower prices.

This latent power seems to have altered OPEC's internal politics from the Sixties, when a number of nations—Saudi Arabia, Kuwait, Iran, Venezuela and Libya—were all producing in the same general range. During this period, oil was seen to be in long-term surplus, OPEC was weak and the oil companies were able to exploit the rivalry of producing nations for greater revenue. The path to more income appeared to lie in higher production rates, and the oil companies controlled production levels.

The Saudi strength, however, probably works to OPEC's advantage, because it centralizes power within the cartel. It also means that Saudi opinions and objectives dominate pricing decisions. Inevitably, that means that diplomatic and general economic considerations count for as much as—or more than—market forces. The Saudis have more money than they can easily spend, so they have enormous flexibility in adapting both price and production levels to their own goals. A policy that attempts to deal with OPEC by ignoring Saudi sensibilities runs a high risk of failure. Divestiture attempts to do just that.

The other source of OPEC's strength is the likelihood that the world's current surplus of crude oil (resulting, again, from the recession and the price increases) will dwindle and disappear in the next five or six years. Precise projections are difficult, because no one can accurately foresee the growth in demands. At the beginning of the year, OPEC was producing at about 75 per cent of its capacity, according to estimates by the Central Intelligence Agency. However, that probably overstates the true extent of slack, because Venezuela apparently does not want to produce at full capacity (it fears early depletion of its reserves) and Saudi Arabia, Kuwait and some of the other Persian Gulf principalities also are content to produce below capacity.

The reviving world economy already is absorbing some slack production capacity in other nations. There are offsetting tends, however. Oil should start flowing from Alaska in the late 1977 or early 1978, and North Sea production is beginning to rise rapidly. By the early Eighties, North Sea output could total 4 to 5 million barrels daily, which would probably fill much of Europe's growth until then. Likewise, some of Japan's needs for the next few years probably will be met by China.

But even an optimistic reading of supply sources would have OPEC picking up most of Europe's, Japan's and the United States' added growth after the early part of the next decade. By the early Eighties, most of the surplus in the non-Arab producing nations should be absorbed, and the disappearance of the surplus capacity should enhance OPEC's natural bargaining strength.

MARKET FORCES

Divestiture, by itself, cannot alter these trends. The vision held out by divestiture proponents is that with the big oil companies divided into separate producing and refining companies, the independent refiners (the former "upstream" operations of Exxon, Mobil, Texaco, etc.) will actively shop around the world, searching for the best possible price. The producing companies in each of the OPEC nations would face active bidding, and, therefore, would be less able to pass along price increases mandated by OPEC. Seeing this resistance, OPEC would hesitate.

That's a plausible theory, so long as there's some place for the independent refiners to shop. But, as long as OPEC maintains a united price front, the shopping will be difficult. As M. A. Adelman, professor of economics at the Massachusetts Institute of Technology, argues, no one refiner probably would be able to offer to buy sufficient quantities of oil to tempt a producing nation to lower the price.

Much more important, in a sellers' market, the independent refiners would more likely be begging for oil rather than bidding for it. Free markets do not guarantee low prices. If we needed reminding of this, the spectacular rise in grain prices over the last few years should have done the job. The grain market consists of literally thousands of buyers and sellers. Indeed, some oil experts believe that splitting up the oil companies would lead to higher prices, because the OPEC nations will be able to set the new independent refiners bidding aggressively against each other, that is, bidding up the price.

The timing of divestiture is not propitious. As now drafted, the legislation allows a five-year transition period to accomplish the mammoth legal and financial job of splitting the oil companies into basic parts. The divested firms would be coming onto the world scene just as supplies are almost certain to be tightening.

The future is not written in granite. There is always the possibility that the bidding process envisioned by divestiture's proponents would prove so confusing that OPEC would be thrown into disarray. But skepticism about this outcome should be deepened by OPEC's resilience over the last few years when the massive surplus production capacity should have created the greatest internal stress.

Other forces—probably unpredictable—could weaken OPEC if they dethrone the idea of a long-term oil scarcity and alter the probable supply and demand situation.

Should Mexico become a major world producer (the jury is still out on the question of the nation's reserves and its willingness to produce), OPEC would face a formidable, though not insurmountable, problem in managing the cartel.

Should vast quantities of oil (and the quantities would probably have to rival the size of some Mideast fields) be discovered somewhere in the world, OPEC would probably have a difficult time coping with the surge in production. Likewise, if huge oil deposits were discovered far out at sea (and proved capable of being recovered), the oil outlook might quickly change. The same could happen if some other source of power (such as shale or solar energy) were the beneficiary of a technological breakthrough that displaced a significant amount of oil.

None of these events now seems likely, but, 10 years ago, much that has happened in the last five would have been dismissed as absurd. Until some new absurdity occurs, we should stop acting as if divestiture will create oil and happiness where none is today. It won't.

NATIONAL CANCER INSTITUTE APPROPRIATIONS

Mr. BAYH. Mr. President, on June 30 the Senate passed the Labor-HEW appropriations bill for fiscal year 1977. It is an excellent bill, and I congratulate Subcommittee Chairman MAGNUSON, the staff, and Senator BROOKE, the ranking minority member.

One of the outstanding features of this bill is that it continues the congressional commitment to improving health care for everyone in this country. The distinguished chairman of the subcommittee has long been a leader in the fight for adequate biomedical research, health education, and delivery.

The appropriations contained in the bill for the various Institutes of Health reflect the considered judgment of the committee that the Federal investment in biomedical research should not be allowed to decline. This is a cost-effective investment—in terms of its potential for reducing human suffering and saving lives, and in terms of taxpayers' dollars.

I am particularly pleased and grateful that the committee agreed to accept my recommendation for increased funding for the National Cancer Institute. The recent history of this Institute has been one of administration attempts to cut funding, and congressional refusal to accept such cuts. For the fiscal year 1975, the administration requested an appropriation of $600 million. Congress increased that request by $91 million. For the fiscal year 1976, the administration actually requested a decrease of more than $100 million compared to the previous year, proposing a funding level of $585 million. Again, the Congress refused to accept such a cutback, and appropriated $743 million. This year, the President asked for another decrease compared to the previous year, and requested an appropriation of $687 million. The House bill provides $773 million, while the Senate bill provides $850 million. I am hopeful that the higher Senate figure will prevail in conference.

I want to describe briefly the great need for adequate research funding in the cancer area, and the great advantages to be derived. First, the need:

Most people do not realize how great an epidemic cancer is in the United States. Fifty-four million Americans living today will get cancer. Major cancer will strike one out of every four people; it will affect more school-aged children than any other disease. Each year, more than 350,000 people die from cancer.

Breast cancer will attack some 90,000 women each year, and kill nearly a third of these. It is the most frequent cause of death of women. Lung cancer will attack some 90,000 people—and will kill the vast majority, more than 80,000, of these. Colon cancer will kill nearly 50,000 people each year, and prostate cancer will kill nearly 20,000.

Despite these depressing statistics, tremendous progress has been made in the treatment of human cancer. Most recently, chemotherapy and immunotherapy have been established as viable approaches to the management of human cancer.

There are 1½ million cured cancer patients in the United States today. Today, we are saving one in every three cancer patients. In 1937, the survival rate was only one in five.

This remarkable change has come about as a result of efforts by such groups as the American Cancer Society, by private research efforts, and from basic research carried on at the National Cancer Institute.

For example, the 5-year survival rate for childhood leukemia was 4 percent in 1969. Two regimens tested at NCI produced 5-year survival rates of 30 percent and 75 percent. The 1-year survival rate at NCI was a dramatic 90 percent—compared to a nationwide rate of 60 percent in 1969.

In another area, osteogenic sarcoma, the results are equally encouraging. Osteogenic sarcoma is a bone tumor which occurs primarily in children. Chemotherapy treatment developed by the Sidney Farber Cancer Center in Boston projects a 70 to 90 percent survival rate, compared to a historical survival rate of approximately 20 percent.

While basic research must continue unabated, it is also important the efforts be expanded to put into effect what we already know about cancer and its cures. I am particularly gratified that the report accompanying the Labor-HEW appropriations bill contains language urging the expansion of the clinical cooperative group program. The report expressly states that up to $44 million of the NCI appropriation should be devoted to the clinical trial program, and that up to $14 million should be spent on the clinical education programs.

The impact of these programs is readily illustrated. Demonstration detection centers are producing a remarkable 28 percent increase over historical norms of women's breast cancer detected before it has spread to lymph nodes. Early detection opens the way to save tens of thousands of lives each year.

Uterine cervical cancer is highly curable, but not routinely identified by our medical care delivery system. State-operated projects have screened more than half a million women. As a result, cases of cervical cancer have been detected 5 to 10 years before outward symptoms would have revealed the presence of the disease. The result will be higher cure rates.

The success of the National Cancer Institute is a true success story for the health of our Nation. I am proud that the Congress has not reneged on its commitment to eradicate cancer; the work of the Labor-HEW Appropriations Subcommittee, and the full Appropriations Committee on this year's bill are further evidence of the vitality of that commitment.

LOVING AMERICA

Mr. THURMOND. Mr. President, during our Bicentennial Year, I believe that Americans should stop and take note of the many opportunities that America offers and the reasons why we should love our country. Not only is America one of the most beautiful countries in the world, it offers a chance by which man can better himself. There are many different reasons Americans love their country, but they love America most of all and most deeply for its constant and difficult struggle to make freedom possible to all.

Recently, an essay by Henry Grunwald appeared in Time magazine on July 5, 1976, entitled, "Loving America," which points out very effectively the reasons why we should love our country.

Mr. President, in order to share this excellent article with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time magazine, July 5, 1976]

LOVING AMERICA

Loving America is a very special task. No other country makes quite the same demands in being loved, nor presents quite the same difficulties.

In most other nations, patriotism is essentially the love of family, of tribe, of land, magnified. There may well be an ideological admixture. The France of the Revolution and Napoleon, for instance, proclaimed the rights of man. Liberty, equality, fraternity were useful enough to overthrow an order and kill a king. But France's love of her earth and her produce, her landscape, her language and her money—those are the things French patriotism is really about. So it is with other European nations. The songs and the poetry of patriotism are filled with scenery: with rivers and mountains, with cities longed for, with valleys lost, with castles conquered. American patriotism has much less of this specific sense of place. "From sea to shining sea" or "purple mountain majesties" are somehow unconvincing.

It is possible to be deeply moved by the endless American plains, and the settlements defiantly set down in the midst of this vastness, by the coast of Maine or the Rockies or the desert. But that is not loving America. Loving America means loving what it stands for as a political and social vision. Although the great American epic is the conquest and taming of a continent, American patriotism is not concentrated on geography but on a historic event and an idea. The event is the creation of the United States as a fresh start, a different dispensation. The idea is freedom. Both notions have been distorted or perverted at times—that happens with all patriotism. But even when it is misused, American patriotism remains ideological more than racial or ethnic.

When the French carved up Germany or the Germans carved up France, it was done for the greater glory of each nation, with firm belief in the innate superiority of their own people. Whenever Americans went to war, they may have been seized by jingoism to some extent, but more than anything else Americans believed they were fighting for ideas, for a system. It may have been naive to think that other countries were waiting to be given the blessings of democracy, free enterprise and individualism, but that is what Americans did believe.

The U.S. was not born in a tribal conflict, like so many other nations, but in a conflict over principles. Those principles were thought to be universal, which was part of the reason for the unprecedented policy of throwing the new country open to all comers. That not only served to make the U.S. a world power in sheer numbers (compared, for instance, with Canada, which kept its population small and has complained ever since about being overpowered by its southern neighbor). It also greatly reinforced the abstract and ideological nature of American patriotism. The millions from other lands and other cultures had different loves for many different plots of earth, languages, traditions. The unifying love had to be for America as an idea.

In part, this helps to explain the unusual stability of American institutions. In Europe it is possible to shift loyalties from king to republic, from democracy to dictatorship, and still love one's country. In the U.S. loyalty must be to the institutions themselves. At the same time this explains the extraordinary degree of American unease, self-criticism, dissatisfaction with leadership. If Congress functions badly, if politicians are corrupt, if Presidents do not inspire, this is seen as a breakdown of the whole American enterprise.

We still perceive America as something unprecedented in history, as an experiment, and as such something that must "work" in order to prove itself over and over again. Hence America demands that love be given not once and for all, but it be constantly renewed and reaffirmed. That is why both American patriotism and American self-criticism can be so shrill. Attacks on America from within are usually prompted by disappointed love. "My country, right or wrong" is not a very American slogan. We Americans have a hard time accepting a situation in which our country is wrong, not because we are more arrogant than other people, but because our country's rightness is our soil, our home. One loves one's birthplace or one's parents because they *are* one's birthplace or one's parents, regardless of whether the place is especially attractive or the parents especially worthy. One loves them because they exist. America demands to be loved not because it is, but for what it is—and not only for what it is, but for what it does. By its own insistence, to love the U.S. is also to judge it.

Thus, amid the chorus of congratulations on this Bicentennial, America virtually demands that we face the question: Just why do we love America? Amid corruption and commercialism, violence and disorder, resentment and confusion, just what are the country's qualities that we cherish?

One loves America both for its virtues and its faults, which are deeply intertwined. Indeed, one loves America for the virtues *of* its faults.

One loves the almost obsessive American need to believe, the resistance to cynicism, even if that sometimes means oversimplification and moralizing. One loves the unique American restlessness, the refusal to settle for what is, even if that sometimes means a lack of contemplation and peace. One loves the fact that America sees itself as the shaper of its own destiny, both private and public. While psychology, sociology and determinist historical theories have become massively fashionable, there is still a strong strain of resistance to the notion that man is formed by environment, by outside powers, or that the nation is in the grip of immutable forces. This rejection of fate, this insistence that everything is possible, is surely the dominant American characteristic, and at the heart of its genius. Other nations cringe before fate, or endure it nobly, or outlast it patiently. American insists on dominating, on bullying, fate. This is very invigorating and liberating, for "fate" is only too easily used as a justification for inaction, for maintaining an old order no matter how miserable.

In rejecting fate, the U.S. is the ultimate incarnation of Western, Faustian man. But that posture toward the universe also has immense dangers. There is no shifting of blame, no relief in the notion that "this is the way things are." We are reluctantly willing to accept as inevitable natural disasters, but little else. Indeed, even nature must be put in its place through technology, and even death is somehow considered an affront, a failure of medicine, or of right living. Disease, poverty and other ancient afflictions simply are not accepted as part of the human condition. Perhaps rightly so—and yet the conviction that they can be banished completely is a tremendous burden because each setback, each delay, is seen as a personal or national failure. That is partly why we Americans are so impatient with the study of history—because history is a reminder of fate. We would rather learn to do than learn to know.

One must love this American view of learning as the tool by which man transforms himself. We Americans believe that everything can be learned, including, to a very large extent, to be what you are not. You can learn to be pretty if you are plain, charming if you are dull, thin if you are fat, youthful if you are aging, how to write though you are inarticulate, how to make money though you are not good with figures. There is something admirable about this, yet nagging questions remain: Where is the line between making the most of one's potential and reaching for the unattainable? Where is the line between education as a tool and education as a kind of magic? The line is blurred, and that is why when education fails, disillusionment is so bitter.

One loves—with some misgivings—the deep American belief in human perfectibility and goodness. Yet an element of this belief is the fact that America lacks an adequate sense of evil. In the Enlightenment tradition, evil is explained away as a curable flaw. But even in the puritan and evangelical tradition, the American sense of evil is curiously shallow and optimistic, more concerned with behavior (sex or drink, for example) than with the deeper states of sin. The devil can be banished, and evil can be fought; evil is seen almost as a mere "problem" to be solved. There is little sense that evil is a constant presence and inextricably mixed with good. That is why every new American generation seems to discover evil as if it had been invented only yesterday—and by the other generation. There is not much of the insight that man and society are permanently imperfect.

Hence the shock and surprise when we find out that evil is being done by us or in our name. Hence, also, a kind of inverted pride, a mirror image of boosterism; if one side of the American chorus proclaims that the country is the best, the greatest ever or anywhere, the other side asserts that it is the worst ever, the worst anywhere. Both attitudes are equally false and provincial.

The American self-image similarly hovers between idealism and materialism. Can one love the American attitude toward money? Can one love America in the throes of selling, a country wrapped in one endless, all-intrusive commercial? Can one love America in those moments when the immeasurable is measured in the balance sheet, when the ultimate goal becomes the bottom line?

The American spirit is deeply divided about money. In one sense the faith in money is pure: it need not, as it does in so many older societies, apologize for its existence. Money is what it is—good in its own right, a sign of success, if perhaps no longer of divine grace. Yet this view is at war with an older tradition from which, even in a country that slights history, the imagination is never quite free: whether in the Bible or in fairy tales or in great works of fiction, money is held in contempt. The great callings are not trade or commerce but the state or the military or the church or scholarship. The great legendary virtues are not thrift—and its explosive extension, profit—but courage, kindness, faith.

This conflict, old and obvious, is being revived all over the globe today in a revolt against money—against capitalism and the consumer society. What is forgotten all too easily is that money was and is a tremendous liberating force, a great equalizer. It destroyed the old class structure and enabled anyone to rise; money made it possible for people without distinguished birth, without land and sometimes even without education, through enterprise or luck or both, to change their place in life. All this would be little more than a familiar academic footnote if it were not for the fact that to Americans the liberating force of money is still a reality. The bitter complaint always has been that it liberates only a few. We Americans know better. The U.S. has not only created immense wealth, but has organized the redistribution of wealth on a scale far more impressive than anything brought about by later revolutions. In socialist societies people can move and improve their station through ability. But, more typically, they advance through displaying political orthodoxy and learning how to maneuver the vast bureaucratic machine. These societies have their undoubted attractions. They have done away with many of the uncertainties and injustices of money societies. But they have substituted other, and arguably worse, uncertainties and injustices. The majority of the world may not see it that way, but the power of the American capitalist is more benign, and, above all, far more subject to control, than the power of the socialist bureaucrat.

Ultimately all American forces, including money, coverge in the passion for freedom—and that is, above all things, what one loves about the U.S. No country carries the belief in freedom farther, the belief that the individual must be free to make of himself what he can, that citizens must be free as far as humanly possible from government. There is about most Americans an attitude toward authority which is immensely bracing and which both dazzles and frightens people of other nations. Most Americans show a self-confidence which to others often appears to be mere swagger, but which is the characteristic of a country that never had either a formal aristocracy or a peasantry.

We tend to think of freedom as a positive and unalloyed good. We speak of "enjoying" freedom. Yet we fail to understand that freedom is not only a blessing but a burden. It is sometimes dizzying to contemplate how much freedom we Americans have undertaken to bear. In politics, in government, in business but also in education and in our private lives, we place immense responsibility on the individual. It can be argued that we bear freedom for much of the rest of the world—not only in the sense of material and military support for the cause of freedom as the West understands it, but in the sense of experimenting with freedom in a kind of vast social laboratory.

Our experiments are not often appreciated by the rest of the world, nor are they necessarily comforting even to ourselves. We have broken or bent all the traditional framework of rules: in religion, in family, in sex, in every kind of behavior. Yet we are surprised when the result is both public and personal disorder. We have not grasped the cost accounting of freedom. The great source of our current bafflement is that we somehow expect a wildly free society to have the stability of a tradition-guided society. We somehow believe that we can simultaneously have, to the fullest, various *kinds* of freedom: freedom from discipline, but also freedom from crime; freedom from community constraints, but also freedom from smog: freedom from economic controls, but also freedom from the inevitable ups and downs of a largely unhampered economy.

Both American conservatives and liberals are embodiments of this paradox. Liberals are forever asking state intervention in the economy for the sake of social justice, while insisting on hands-off in the private area of morals. Conservatives take the opposite view. They demand self-determination in politics, but suspect self-determination in morals. They demand laissez-faire in business, but hate laissez-faire in behavior. In theory, there is no contradiction between these positions. For freedom to be workable as a political and social system, strong inner controls, a powerful moral compass and sense of values, are needed. In practice, the contradiction is vast. The compass is increasingly hard to read, the values hard to find in a frantically open, mobile, fractioned society. Thus a troubling, paradoxical question: Does freedom destroy the inner disciplines that alone make freedom possible?

It is an ancient question, and the way America struggles with it—fitfully, painfully, earnestly, in millions of minds and thousands of communities—is deeply moving. It is the most important struggle going on in the U.S., and its outcome is far from assured. The people willing to undertake this struggle, or even capable of understanding it, are in a clear minority in today's world. Also everywhere we see arising a new political feudalism that once again promises a fixed society, an order in which everyone is taken care of—the only price being the loss of freedom.

So one must love America, most of all and most deeply for its constant, difficult, confused, gallant and never finished struggle to make freedom possible.

One loves America for its accomplishments as well as for its unfinished business—and especially for its knowledge that its business is indeed unfinished. One should never love America uncritically, because it is not worthy of America to be accepted uncritically; the insistence on improving the U.S. is perhaps the deepest gift of love. One ultimately loves America not for what it is, or what it does, but for what it promises. True, we know that every national promise sooner or later fades and that fate cannot be forever dominated or outmaneuvered. But we must deeply believe, and we must prove, that after 200 years the American promise is still only in its beginning.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar hibited by means of a concurrent resodays during which the sale may be prolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on July 6, 1976.

Interested Senators may inquire as to the details of this preliimnary notification at the offices of the Committee on Foreign Relations, room S116 in the Capitol.

AN INSPIRATION MESSAGE FROM GURU MAHARAJ JI

Mr. THURMOND. Mr. President, recently, the U.S. Citizens' Congress sponsored a salute to leadership luncheon at the Mayflower Hotel in Washington, D.C.

At that luncheon, greetings were extended by Guru Maharaj Ji, a spiritual leader of the Divine Light Mission, which has its international headquarters in Denver, Colo.

Mr. President, in order to share this inspirational message with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the message was ordered to be printed in the Record, as follows:

Remarks of Guru Maharaj Ji

Mr. President, Rabbi Korff, Admiral Strauss, Members of the Cabinet, Members of the United States Senate and House of Representatives, and Distinguished Guests: It gives me great pleasure to be with you on this occasion commemorating America's Bicentennial.

This nation was conceived and born to the dedication of individuals seeking the freedom to pursue life's goal. America has grown for two centuries, but let us not forget that freedom and peace did not come without effort.

In the beginning there were great difficulties for the young nation struggling for independence. And growth over the years has not always been tranquil and harmonious.

Yet always the Grace of the Almighty Lord has guided the destiny of this nation along its path to greatness.

As George Washington noted in his first message to Congress: "No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States."

Certainly the Almighty has bountifully blessed this land upon which generations of Americans have strived to realize the ideals which inspired the nation's founding fathers.

As America enters its third century many of the frontiers of land and space, science and technology have already been crossed; yet with endless frontiers of human experience ahead, let us pray that the pioneering spirit which has allowed this nation to excel will not falter.

And that as you go forward, you will continue to be blessed with the broad vision, temperance, and wisdom to allow America to lead civilization into a New Age, as the befitting sequel to this first nation of the New World.

Thank you.

THE EQUAL RIGHTS AMENDMENT

Mr. BAYH. Mr. President, on July 2 I placed an article in the Record regarding 38 national magazines that had included favorable articles in their July editions on the equal rights amendment. I would now like to insert another article which recently appeared in the Washington Star regarding the person responsible for this widespread cooperative effort in the aftermath of ERA defeats in New York and New Jersey. I ask unanimous consent that the article on Sey Chessler, the editor of Redbook magazine be printed in the Record.

Mr. President, also at this time, I ask unanimous consent to have printed in the Record a speech delivered by C. Delores Tucker, the secretary of the State of Pennsylvania, on July 4, 1976, in 'commemoration of Susan B. Anthony's historic presentation of a Declaration of Women's Rights at the Centennial celebration in Philadelphia, July 4, 1876.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From Redbook Magazine, June 29, 1976]

Magazines Team Up To Back ERA

(By Randy Sue Coburn)

Pick up a July issue of True Romance, True Love or True-anything magazine. (Stick it inside a copy of Scientific American if it makes you feel better.)

Within are all the articles you might expect: "Two Can Play the Sexpot Game," "12-Year-Old Child Beater!" and "How Can She Live Without Me?" Sandwiched between are multitudinous advertisements for bust enlargers, Mr. Frederick's enticing lingerie, tummy toners and stretch mark creams. Everything that Ms. magazine would reject as degrading to women.

But they do have one thing in common with Ms. and at least 33 other July issues of major women's magazines: decidedly favorable articles about the Equal Rights Amendment.

Coincidence is not at work here. In fact, it's the first widespread cooperative effort in that industry since 1942, when magazines were asked to display the American flag on their covers in the interest of building national wartime spirit.

Only this time it was their idea. In the aftermath of the New York and New Jersey ERA defeats last winter. Redbook editor Sey Chessler planned a conference with equally puzzled colleagues from Woman's Day, Cosmospolitan, Ms., McCall's and Glamour.

"Our basic motivation," Chessler says, "was to get the amendment itself printed in as many magazines as possible. I think that a lot of people in the opposition are sincerely worried because they don't understand the ERA.

"We sent out letters to 40 magazines about running an ERA article in July, with no mention of the approach—pro or con—that they should take. The letter simply said we were doing this in the belief that discussion of the issues is of primary importance. That was the whole effort."

The results include articles by Maureen Reagan (ERA campaigner and daughter of Ronald Reagan) and Cathleen Douglas (lawyer and wife of former Supreme Court Justice William O. Douglas) in Redbook, along with endorsements by actresses Brenda Vaccaro and Marlo Thomas. Betty Ford and Rosalynn Carter justify their backing of the amendment, countered by a dissent from Nancy Reagan in Ladies' Home Journal.

Woman's Day spotlights a young minister's wife who heads "Housewives for ERA," Glamour comes out for "50–50ism" in an editorial and actor Alan Alda tells why men should support the ERA in Ms. True Romance consoles a reader worried about the ERA in its advice column.

More specialized magazines are running articles suited to their format. Daytime TV, a soap opera fan's guide, features an ERA article by actress Nancy Pinkerton of "One Life to Live." A magazine distributed at military commissaries, Lady Com, profiles a Navy wife who is a NOW lobbyist.

Helen Gurley Brown, who was at that initial editors' meeting, issued a statement of her own, evidently to clear up the muddy waters surrounding liberation and the pneumatic "Cosmo girl" image. "We've always admonished the Cosmo girl not to be a parasite, not to live off a man, not to be kept," she announced. Her magazine carries a thorough article entitled "ERA and You."

Indeed, Brown has always advocated independence. It's what the magazine frequently suggests be done with it that's confusing—like taking blue collar lovers for kicks and explaining why tall, short, fat, Southern, WASP or Jewish men (take your pick) are your best choice for various advantages.

But participating magazines like Cosmopolitan are not the ones that bother ERA opponents. They are perfectly happy to write Cosmo girls off as lost causes. It's the traditional territory like Redbook and Ladies' Home Journal that hurts, the magazines which cater to the suburban woman from marriage to menopause.

The most prominent leader of women opposing the ERA, Phyllis Schlafly, had a pronounced negative response after only seeing copies of Family Circle and Woman's Day. She has asked her supporters to write protest letters to participating magazines.

Suspecting an East Coat media bias, she says, "We've been successful in defeating the ERA the past few years in spite of the media."

Most of the involved magazine editors would disagree. "The opposition has been so successful," according to Barbara Blakemore of McCall's, "because it is articulate and well funded. And, since some of them are housekeepers and our readers, it's also because we haven't done our educating job as well as we should have. We took the ERA for granted.

"Our readers (mostly suburban women in their late 30s) aren't saying silly things like 'Oh my God, our children will use unisex toilets!' Their fears are more intelligent and about things like the end of the family and alimony. And they should be addressed."

One New York-New Jersey anti-ERA group called "Operation Wakeup" has already threatened Glamour and Redbook with a boycott, flooded them with form protest letters and complained to advertisers.

They are largely ignored. Most of the magazines do not fear reprisal and have all sorts of demographic reader profiles to back them up.

Dr. Burleigh Gardner, a sociologist, researched the blue collar women who make up the readership of sexually non-explicit confession magazines like True Love. His studies conclude that she is usually under 30, married and has not gone beyond high school. If she works, she has a non-career job.

"She is not," the study says, "in the true sense of the word, a women's libber. But the philosophy of the women's movement has affected her thinking, self-appraisal and awareness of herself as an important and worthwhile woman."

So, along with the rest, confession magazines are including titles like "Mom Has Declared Her Independence" and "My Marriage License Doesn't Say I Have to be My Husband's Slave."

Of course, political articles are not the norm in most of the participating women's magazines. Redbook published its first 18 years ago—"Why Women Feel So Trapped." In 1972, they discovered through a questionnaire that, if given the chance to answer questions anonymously, a significant portion of their readers were in favor of women's movement goals.

The one magazine that has been avidly backing the ERA from the beginning, as everyone knows, is Ms. But with its readership already converted, Ms. can do little to change anti-ERA attitudes. Putting aside those highly role conscious days when movement women belittled magazines like Ladies' Home Journal, Ms. is pretty delighted with its company in July.

"I think nothing that we could do could have as great an impact as a page in any one of most of those magazines," says Ms. managing editor Susanne Levine.

Address by C. DeLores Tucker

Women have come to Philadelphia today to re-enact a glorious hour in our long struggle for equality. I would like to think that Susan B. Anthony and her brave companions are looking down as we retrace the giant step they took for us one hundred years ago.

On July 4, 1876, as Independence Hall echoed with the Declaration that "all men are free and equal", these indomitable suffragettes presented their own declaration, and called on women across the land to unite in showing the world that women were as eager for freedom as the men of 1776 had been.

Now we, the women of 1976, reaffirm that pledge and call on our sisters for a recommitment to the goal of Anthony's true republic: "men, their rights and nothing more; women, their rights and nothing less."

The women's convention of 1876 was meant, ultimately, for us. As Anthony put it, they met "so that the daughters of 1976 would know that their mothers of 1876 had asserted their equality of rights and impeached the government of that day for its injustices". They were innocently confident that, in another hundred years, full equality would have long been ours, and predicted that 20th century women would commemorate freedom's victory by seeking out every incident connected with their endeavor.

What Faith they had in us—faith that once they had won us the vote we would use our enfranchisement to win a rightful full partnership in managing our nation's destiny.

They could hardly have known that the ballot for which they risked public ridicule and imprisonment would mean less to most of us than a new dishwasher. They seem never to have envisioned that, fifty years after we did get that vote, we would still be seeking the same simple assurance to the basic constitutional rights that the other sex was granted as its birthright.

Well, perhaps the first two hundred years are the hardest. I hope so. When we project our imaginations forward to the next century to envision the tricentennial convention of women here in Independence Hall, I'm sure we all see a world where women take equality for granted. But are we being as naive as our sisters of the 19th century? Can the future progress of women really be taken for granted?

The woman's movement of recent years has awakened many women. But millions of others still slumber And even among the awakened, one senses a return to passivity, a slackening off of effort, a feeling that because of a few victories, we can sit back and relax, content with our tokenism, and secure in the knowledge that further gains will come automatically.

These are rash assumptions. For what have we really achieved? The year of the woman came in with a bang and departed almost unnoticed. The era, which once seemed so certain, is in grave danger. We can get it through by the 1979 deadline, but only if we accelerate our efforts. There are other urgent women's issues but none of such overriding importance as this key legislation on which so many other reforms hinge. Despite all the consciousness-raising, a considerable proportion of the public is not convinced of its necessity. These *men and women* must be reached and made to understand that only a constitutional guarantee can eliminate sexism nationwide. Those who do understand must be catalyzed to put pressure on their legislators.

I am proud to say that this commonwealth, where Susan B. Anthony presented her declaration, was the first in the Nation to pass its own era and our Governor has worked wholeheartedly for its implementation. At this very moment, in fact, he is hosting the National Governor's Conference at Hershey and will introduce a floor resolution supporting full ratification and implementation. Knowing from first-hand experience how enormously effective era has been in our own State, he and the Pennsylvania Commission for Women have organized an era alert, asking individual women and women's groups everywhere to send telegrams today—July 4th—commending the resolution and urging support.

It would be very helpful if all of you here would send wires this afternoon to Governor Shapp and to your own Governors, if you are from out of State. They should be sent in care of the National Governor's Conference, Hotel Hershey, Hershey, Pennsylvania no later than today.

It is essential that we not only swing over those States that have yet to act, but also that we prevent States that have ratified from rescinding. Every delay makes the job harder and gives advantage to the opposition. We are hoping that enough telegrams are received to spur on Governors who are still hesitant, and to attract the attention of the media to the grassroots support that we know this amendment has. So please make your telegram a top priority today.

The 1876 Declaration of Women's Rights described an America "bouyant with patriotism, with all hearts attuned to praise". If the America of 1976 is neither bouyant nor self-praising, might it not be because we are still trying to run a pluralistic society on 48 percent of its brainpower?

We take pride, in this Bicentennial Year, in having at last elected a woman governor—and three Lieutenant Governors. We should have twenty-five of each. We don't even have a U.S. Senator anymore—that's not only a zero showing but even worse than before all the talk of our burgeoning political power.

In most circles, it is still considered presumptutous to suggest that somewhere among our two hundred million citizens there might be one woman with the capacity to sit on the Supreme Court. We call it progress that Presidents are now obliged to pay lip service to this idea, but has any woman jurist ever been seriously considered? I say she has not.

And, as for the Federal Reserve, which controls the Nation's money system and makes the key decisions affecting jobs, interest rates, credit and housing, not one of the more than a thousand directors appointed since 1913 has been a woman. And fewer than seven percent of its officers below the directorship level have been women, despite the many experienced women available and despite the accepted fact that women are always the hardest hit by inflation and tight employment.

How, in the face of these appaling statistics, can anyone say that women have made it! Power—political power—is the one commodity we need. We just don't have it now. We could . . . as the majority of the voting population, we have the political muscle. But muscle doesn't convert to power unless its used. Strenth without the will to apply that strength might as well not exist.

The woman's movement has won us national attention and some legislative battles. But real victory is not that simple. We blacks also marched and demonstrated, defined our rights, dramatized the issues and got legislation on the books. But media notice and legislation did not give blacks automatic equality, and it will not give it to women. As Susan Anthony knew, it is not enough to carry banners and shout slogans. The real test comes afterwards.

We will never get our hands on the levers of power until we are willing to pay our dues. Freedom and independence don't come cheaply, but they are the best investment in the world.

According to the polls, women say they believe more of us should be in politics. But what are most of us doing about it? Our nineteenth century sisters couldn't aspire to public office—they couldn't even vote. Today the problem isn't to find political openings for women but to persuade women to seize the opportunities before them. In fact, I sometimes think women expect to be singled out and wooed to run for office in the same way they expect to be wooed for their hand in marriage.

And that just doesn't happen. It's utterly unrealistic to expect the men in control to relinquish any real power voluntarily.

The doors are wide open, but many of us still act like the caged canary who prefers the security of her prison to the uncertainties of the wide world outside. We must stop downgrading our capacities, stop waiting to be asked, stop reacting and start initiating. We must get our heads together as women, learn to work together better, and recognize each other as allies, not competitors. We must not only gather our own courage but give each other the courage necessary to leap boldly into the arena.

The lucky women who already possess such confidence have a responsibility to convince and prepare other women for the world of real action. Many are willing to try but don't know how or where to start. We must help give each other that start—and then stay with it to the finish line.

I believe that 'America needs the full talents of its women more than ever before. It is rather instructive to remember that, while women played no operative role in the watergate fiasco, the two people who demonstrated the greatest courage and initiative in righting the wrongs were both members of our sex. One was Anne Armstrong, the first person in the Nixon administration to speak out publicly. The other was the late Martha Mitchell—God bless her—who can almost be said to have given her life in the interests of truth.

This is pretty good evidence that the male power structure would profit by more female input. Everyone agrees that the faltering national engine needs a superadditive. Well, I think we're it!

Susan B. Anthony said, "we will not be reconciled as long as injustice exists". Can our generation pledge any less? Let us vow that we too will not be reconciled.

We will not be reconciled as long as we are paid less than a man for the same job—as long as we have to have a bachelor's degree to make as much as a man with a high school diploma—as long as a mother getting aid to dependent children is considered a shirker, while giving aid to dependent airlines is called "good business"—as long as a woman teacher gets a smaller retirement pension—as long as men who take care of dogs and cats earn more than women who take care of children.

As long as lending institutions base a man's credit ratings on what's in his wallet and a woman's on what's in her womb—as long as women who choose to work in the home or as volunteers are not recognized as essential to this nation's wealth and are excluded from the gross national product—as long as domestic workers get almost none of the benefits other workers take for granted—as long as our youth and personal attributes take precedence over our competence—as long as women face discrimination in housing rentals, mortgage loans and insurance areas.

Anthony that "governments try themselves, that women's wealth, women's thought, women's labor have created the stones of every monument that man has reared to liberty". She would not be reconciled to anything less than equality. Neither will we.

"This is the hour," Anthony said, "the golden hour for woman to speak her word." Yes, our culture has been stacked against female achievement, Just as it has been stacked against black achievement. But we can no longer hide behind that rationale. The door to equality is ajar and we have only to push it open. Every right brings a responsibility and the women of 1976 bear a responsibility we can duck no longer—the responsibility for making society work.

Both the time and the tide are with us. If we can throw off the psychological barriers, and learn to act together, we can put our unrealized skills and resources to unimagined productivity.

One hundred years from today, God willing, women will meet again in Independence Hall. I can think of no better message to leave them than to repeat the last paragraph of the declaration of women's rights presented on the Fourth of July a century ago.

"We ask of our rulers, at his hour, no special favors. We ask justice, we ask equality, we ask that all civil and political rights that belong to citizens of the United States, be guaranteed to us and our daughters forever."

These basic rights still elude us. And while we may "ask our rulers", victory won't be won by asking. But if we prepare ourselves—and each other—if we believe in ourselves—and each other—if we get to work for ourselves and each other—then the Liberty Bell will ring out at last for our daughters as well as our sons. And the women who gather here in 2076 will recall this our as a golden hour indeed.

PROGRESS IN THE SUEZ CANAL AREA BY EGYPT

Mr. PERCY. Mr. President, in the Christian Science Monitor of June 22, 1976, there was an interesting article by Monitor staff correspondent David Anable about his interview with Osman Ahmed Osman, Egypt's Minister of Reconstruction and Housing. In January 1975, during a visit to Egypt, I met Mr. Osman, who briefed me at that time on the large plans Egyptian President Sadat and he had drawn for rebuilding and developing the Suez Canal towns.

In Mr. Anable's article, he reports Mr. Osman's comments about the progress in the canal area and the hopes for the future. I ask unanimous consent that the brief article be printed in the RECORD for the information of my colleagues.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

SUEZ TOWNS REBUILT—EGYPTIAN ENGINEER SPENDS $1.5 BILLION

(By David Anable)

UNITED NATIONS, N.Y.—Osman Ahmed Osman is optimistic as well as energetic.

In the 2½ years he has been Egypt's minister of reconstruction and housing this burly engineer has spent $1.5 billion in rebuilding some of the demolished towns along the Suez Canal and in opening the waterway to ships.

By 1980 he expects to have spent a total of $10 billion—and to be seeing some solid signs of Egyptian recovery, including:

A widened and deepened canal bringing in more than $1,200 million a year in revenues (compared to about $500 million a year now). The canal will then take 260,000-ton tankers instead of today's 65,000 tonners. Larger ships will be able to feed their oil into the new north-south pipeline, to the Mediterranean.

An oil industry able to export a million barrels a day.

Two million additional acres of land reclaimed and under cultivation.

If reconstruction and development continue at their present pace, Mr. Osman said in an interview here, "In ten years Egypt will be the capital of the Middle East; we will be the richest country."

Mr. Osman describes President Sadat, who appointed him to his present position less than a week after the end of the October, 1973, war, as committed to peace—"He cannot develop our country unless he has peace in the area"—and to free enterprise.

"Your president believes in the free economy, in the freedom and liberty of individuals, and our policy is based on that . . . for the last 20 years there were only slogans and slogans never make any progress."

Mr. Osman's aim is to reintroduce a strong, competitive element into the controlled and bureaucratic Egyptian economy.

Capitalists are "the most clever people," he affirms with the conviction of his own business experience. His own company, one of the largest construction companies in the "third world," has done $3 billion worth of business since he founded it 30 years ago—including acting as the main contractor for the Aswan High Dam.

Most particularly, Mr. Osman wants to attract Western industrial and agricultural investment to Egypt with tax and other incentives.

During his visit to North America, besides receiving an honorary law degree from Maine's Ricker College and visiting the United Nations "Habitat" conference in Vancouver, Canada, the minister met with representatives of American agro-businesses.

His biggest problem, however, is finding how to cope with potential investors when they do come. Initially, he had expected 100 such visitors a month, but 2,000 a month showed up. His ministry, Cairo's hotels, and the transport system, were swamped.

"I asked them, 'please don't get fed up,'" he says. "We have some bureaucracy; we don't have the same mentality—but it will go, it will work."

While some Western businessmen discern little fundamental change in Egypt's all-entangling bureaucracy, Mr. Osman says, "Give us time." And he points to Egypt's success in raising national income last year by $400 million as fell as to his own ministry's more than 60,000 housing units and constructing 15,000 new ones.

He is keen, too, to get on with constructing three controversial tunnels under the Suez canal. While critics see these as having a military-strategic role, Mr. Osman sees them as essential to spreading industrial-civilian development eastward. Indeed, he views the whole process of rebuilding the canal area as proof of Egypt's commitment to peace.

ULLMAN DISCUSSES GOVERNMENT ROLE IN ECONOMY

Mr. HUMPHREY. Mr. President, Representative AL ULLMAN, chairman of the Ways and Means Committee, recently delivered a provocative speech on the need for economic programing in the years ahead. He remarks:

> We are used to letting circumstances rather than foresight determine national direction.

We are climbing out of a vast recession with no economic plan. We listen to the administration's chief economic adviser soothe the many sectors of the economy with short-term optimism. Instead, as Mr. ULLMAN states, we should be concerned with the potential damage of another boom and bust cycle that make-it-while-you-can economics has encouraged.

The chairman's theme is as thoughtful as it is direct: "A free enterprise economy that fails to look into the future and make fundamental alterations in course is doomed. Planning is not a synonym for loss of liberty—but a means for national decision."

Mr. President, I ask unanimous consent that the text of Mr. ULLMAN's speech to the Economic Club of Detroit be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ULLMAN DISCUSSES GOVERNMENT ROLE IN THE ECONOMY

The critical long-range economic problems of this nation are not properly coming into focus in the presidential campaigns. The punch and counter-punch on issues like inflation and unemployment will continue till election eve—along with simplistic answers that hardly face up to the economic realities of 1976, and beyond. Just how far to pull out the throttle of recovery is a question which will bring as many answers as there are candidates.

We are now beginning to see the shape of recovery.

But doubts about the depth and strength of the latest upturn remain. A rush on the stock market and optimistic economic forecasts have not yet convinced the country that the recession's winter is over and that the thaw will lead to prolonged security.

Indicators point to a better year than last. But we have few signals that suggest a massive, certain economic movement that can be counted on over the next two or three years. The recovery that has finally begun is tentative and precarious. The danger of overstimulation is now countered by the danger of allowing too little force into the economy.

The President's budget is a gamble with very high stakes. On one hand, he promises voters solid economic growth. On the other, he squashes federal initiative. The President is matching his economics to the political polls which show that "big government" and "federal programs" are the dragons for today's politician. While he carries on his loud campaign battles, Mr. Ford is quietly betting that there is enough optimism and strength in the private sector to bolster the recovery he promises. His gamble may pay off in 1976, but some forecasters—among them, Chase Econometrics—suggest that recovery may slide off in 1977 or 1978.

Democrats who are running for Mr. Ford's job have other formulas for sustaining recovery—even though at times incomplete and premature. There is a growing movement on Capitol Hill, however, that may establish Congress as best able to set national priorities—and pay for them. The concept of a budget process—which I initiated five years ago—is finally coming of age.

For too long, everyone has had a problem—and a program. The final budget has too often been a collection of estimates that reflected what the country wanted, rather than what government could deliver.

The new budget system changes all this. It commits Congress to putting revenues and expenditures into context. It commits Congress to fitting each program into an overall budget. It forces Congress to decide in advance whether or not the government will run at a deficit and what that deficit should be. The measure of this Congress will in large part be based on our success in holding to this new budget procedure.

But the problems of government go beyond budgeting. Without the confidence and support of the people government flounders.

The recent rush of events has distorted the nation's vision of government. Vietnam, the oil boycott, Watergate and the recession have brought confusion and disparity that are mirrored in Congress. Recent law has been written crisis-by-crisis to suit the moment. Government is chasing events—hoping for a breather, hoping for a spell to bring the country back to "normal."

Nothing has appeared on the horizon to indicate that we will ever return to "normal"—or that the pace of change won't quicken. The acceleration of social and economic forces threatens our way of life. We can only "shore up" and plug holes for so long. Our national survival depends on our determination to set economic goals that assure long-range stability.

As chairman of the Ways and Means Committee I see the inside of many of our most critical issues. And I listen to the frustration of a public that is seeking a new security—groping for an end to their confusion. The problems that we are asked to solve have no easy answers.

They are problems fostered and intensified over decades of evasion and postponement. Permit me to sketch out some of the issues we face daily—and the enormous questions that remain unanswered, and too often forgotten.

The Social Security System is in long-term jeopardy not so much because of what the Congress has, or hasn't done but because of the basic changes taking place in society. Low population growth and longer lives and earlier retirement and continuing inflation together present almost insoluble problems for a sound social security system. The payroll tax is about at its limit—politically and economically. And a new revenue base must somehow be created.

Welfare reform has been pushed aside, but the choas of welfare is greater than ever. There was a brief flirtation with a guaranteed income, but the concept is neither fiscally or administratively possible. We can't seem to accept the fact that welfare is directly linked with job training and unemployment compensation and food stamps and decent housing. We pay more attention to the double dealing and abuses than bringing together the vital pieces of a broad welfare plan.

The energy crisis has become the invisible crisis that everyone tries to ignore. We moved last spring toward a strong energy policy but the bill is stagnating in the Senate. We have no hard answers to the realities of disappearing resources and accelerating importation of higher and higher priced petroleum. We no longer talk about the need for conservation. We no longer talk about the absolute necessity for massive conversion to other energy sources in the very near future. Another boycott would indeed bring the matter into sharp focus. But in the meantime we hope the energy crisis will blow away.

Rising health costs have put enormous is as wide as it is expensive. The competing and conflicting solutions deny consensus. The nation focuses on the extremes rather than seek a moderate beginning.

And the capital crisis. Where are the resources coming from to do the big jobs we face in the decades immediately ahead? What about the acceleration of economic gyrations that create huge dislocations in our society and huge imbalances in our governmental spending? What about the tax system itself and its capacity to help foster a stable economic environment for business and labor alike? What about the painful signs that double digit inflation lies in wait? What about high long-term interest rates—rates that by all standards should be low coming out of the recession, yet are almost at all time highs? Overriding all of these other issues is the spectre of returning double digit inflation that is now almost built into our system with returning full employment.

These dilemmas reflect the new circumstances of the late 20th century. Some are excused as the product of an unordered world. We seem to be waiting for a crisis—waiting for real personal hardship—to yield an answer. We are used to letting circumstance rather than foresight determine national direction. We seem to have given up on the idea of strong leaders who are ready to ask the country to make difficult choices. Their absence has left government to muddle along.

Disaffection with government is a national political issue. We are told that we can do better with less. We are bombarded with the waste and cost overruns and deficits. Yet, one man's waste is another man's job. The conflict of signals from around the country has blurred the purpose of government.

Despite its lack of direction and political appeal as an election target, government is the major forum for national policy. It is within government that the fundamental decisions must be made on growth, inflation, resources, money supply, interest rate and social costs. But government has failed to balance all these forces into a pattern of stability.

In a recent speech, Arthur Burns of the Federal Reserve Board said: "If an unemployment rate of 8 or 9 per cent is insufficient to bring inflation to a halt, then our economic system is no longer working as we once supposed." That's a sober message for a nation poised on the line between recession and recovery.

The best minds in the country continue to sort out the latest economic aberrations. We've learned that the present combination of inflation and recession does not yield to the orthodox economic pressures. The standard fiscal and monetary tools are not up to the job if the economy is to grow steadily.

The signals continue to contradict the responses. The only ones who believe they hold the keys to the puzzle are economists at the extremes of the issue. Theirs are the easy answers—the simplistic reactions.

Yet the causes of the recession—even its worst days—appear to be slipping from memory. Conversations and news reports and congressional testimony suggest that business and industry are preparing for headlong rushes into new credit and spending. We have come through the dark side of the latest economic cycle and now we are emerging the way we did after the chaotic 1969 cycle—loaded for bear. The consequences of another boom-bust cycle with even greater critical mass in motion could be disastrous for free enterprise.

The prospect of another economic cycle has provoked a renewed, and more profound debate over the need for economic planning has risen in Washington. It is a debate that is both emotional and intellectual and bodes to become more intense as past blunders are repeated or ignored.

Crisis can no longer be the catalyst for change. We look back at the New Deal and World War II for our victories under fire. But today the stakes are higher. Crisis runs much deeper and lasts longer and the risk of collapse is greater. If we are going to avoid another deeper cycle, if we are going to bring the forces of the economy into a kind of balance—then government must take a long hard look into the future. And we've got to act on what we discover—not as a government, but as a nation.

The phrase "economic planning" is a red flag waved in the face of private enterprise. It conjurs up images of Soviet commissaires and centralized control and direct federal intervention in day-to-day business activity. Others fear that federal planning will inevitably make the rich richer and can only strengthen the role of big business. They predict that business will coopt the planning agencies as—in some cases—it has the regulatory agencies.

What becomes immediately clear is that planning means different things to different peoples. And indeed planning in the world today runs from complete state control as we know it in most communist countries to the development of an interstate highway system in our own country.

We must be aware that economic planning in government has gone on since the Continental Congress first dealt with public land in 1785. And what's more, most of it is supported by the private sector. I think we all recognize that the Federal Reserve System and NASA and unemployment compensation and trade guidelines have benefitted free enterprise over the long run. The new budget system in Congress is the newest and the most fundamental method for planning for the future. It is a declaration that Congress cannot continue writing blank checks for every federal venture that comes along.

It would be foolish to even imagine that the government could plan the complex details of a supply-demand system functioning under a free capitalist system. But it is even more preposterous to say that government has no responsibility to look ahead and see where the nation is going and to take intelligent steps to avoid dangers and even disaster. What about energy? What about strategic resources? What about some long-term goals on growth and inflation and interest rates to give the nation some guidance and security?

What I am talking about is a long-term framework of national policy built around the obvious needs of a nation. A framework of policy is indispensable to a viable free enterprise system. What about a viable transportation system? What about increasing dilemma of non-viable cities and the human wasteland of their cores? Unless we can apply some long-range human intelligence to these critical problems, they can only worsen.

Government planning need not be obstructive and threatening. Certainly, the automotive industry practices as refined planning as any sector of the economy. Any corporate executive knows that the ability to accurately project change in the economy and the market is the foundation for strong performance.

Profits often depend on second-guessing (and, at times, influencing) government decisions on taxation, spending, monetary and regulatory power. In short, the success—or failure—of your business rests largely on an ability to plan.

Our failure to create a new dimension in government that gives us the capacity to program the nation toward rational economic goals is a weakness that is not lost on the world around us. It is telling that once again the nation is convinced that the only way to maintain our influence abroad is to increase our defense appropriations. Not long ago, the United States was unchallenged as the dominant economic force in the world. Today our influence is held together more by the sheer weight of our economy than our once unmatched ability to use it as a tool of diplomacy and weapon of force.

The last recession was a severe warning that our economic radar is obsolete. The cost in jobs and tax benefits and public assistance was gigantic. The cost in prestige and influence abroad was just as large. But we muddled through with minimum government intervention and without the politics of real sacrifice.

The next experience with "the cycle" threatens to provoke a crisis—and the dramatic reaction that always follows. Most observers doubt that we will have the benefit of the slow thaw to sit down and lay out some priorities to guide government and business. The next round could send a powerful backlash against free enterprise forcing government to impose crippling constraints on prices, wages—and profits. You know better than I the public's distrust of big business.

The mysteries of our present economic situation—and our apparent readiness to plunge into another cycle—are hardly overlooked by the Soviets. They have never put aside their belief in their "law of crisis and depression" which foretells of the inability of capitalism to set national goals—and meet them. They've seen the cycles over the last decade and they're betting on another. And they don't see any indications that we are coming to grips with our illusion of manifest economic destiny. It is not $112 billion in new military strength that will bring detente. Rather, it will be a new unity of economic purpose.

Those who blindly oppose any kind of government guidance refuse to face the grim signs of the times. A free enterprise economy that fails to look into the future and make fundamental alterations in course is doomed. Planning is not a synonym for loss of liberty—but a means for national decision. The free swinging days are running out. The risk to the nation of each part of the economy "going it alone"—with no common purpose or direction—is too great to calculate.

An election year ought to be the best time to talk of mutual interest and the symbiotic relations that hold our economy together. But instead, we get generalities and political promises. These are difficult days for sober discussion among farmers, investors, politicians, labor and consumers about a common front—a general consensus on the pace and breadth of recovery. It will be difficult in the months ahead to establish the mood, much less the forum, for long-range economic approaches. But those difficulties need not—and should not—add up to an invitation to get-what-you-can-while-you-can.

Rather, I hope that we can avoid the trauma of another inflationary boom—and the bust that follows—by practicing the politics of restraint. The prospects for economic order—and the hard answers needed between government and business—are good if we recognize that economic order will bring stability and certainty over the long haul.

And the only way to bring order is to begin building bridges between the decisionmaking segments of the economy and the federal government. We must sit down and look at the limits of our resources and our markets. We must look at population growth and the revenue needs of industry and business and government—and the nation's ability to produce that revenue. We must measure the demands of a labor force against the miracles of technology.

And then we must piece together a framework for new thinking—and new direction. We have the brains and the data to set forth a rough draft for the future—one that we can all live with and abide.

We may find that we need less government in some areas—and more in others. We may discover that the supersonic jet is not the answer to international mobility. We may find that we can sacrifice growth for quality.

But we are so caught up with the boundary lines of planning, that we have lost sight of the concept. I am completely against more government intervention into the private sector. We have seen too many blunders and too much waste. Yet, we have also suffered the mistakes of headstrong investments and expansion in the private field. And we have all felt the effects of an inflationary wage contract. And we are all paying the enormous bill for environmental destruction—and for its remedy.

Together we must set forth some clear economic goals that will take the country where we want to go without the jarring ride on the roller coaster of economic cycles. Together we must look at all the forces of the economy and agree on a series of issues—like rates of unemployment and inflation—to prevent the kind of public confusion that has paralyzed our ability to act.

We must come to the hard conclusion that this nation cannot afford everything we want or think we need. And we must make some choices that reflect the limitations of our resources. Our decisions for the future must rest on moral as well as economic judgments. The goals we set will certainly demand some sacrifice for which we are ill-prepared. And they will demand new values.

Finally, we must act on our goals. We are too worried about the vehicle for planning—about who will control the ultimate plan—and not worried enough about the lack of planning. Once we are all aware of the need to plan and our individual interest in participating in that plan, the means for creating the actual blue print will come naturally.

Only in a new climate of understanding can the nation develop a new framework of economic and social objectives. Only if we forge our separate interests and our separate hopes into a general plan for the future can we strengthen our system of free enterprise.

BRITISH POSITION OPPOSING BAN ON FLUOROCARBON AEROSOLS

Mr. DOMENICI. Mr. President, I want to bring to the attention of my colleagues a recent report published by the Department of the Environment of Great Britain, that country's principal environmental agency. This report, entitled "Chlorofluorocarbons and Their Effect on Stratospheric Ozone," deals with the current scientific controversy over the hypothesis that halocarbons—which are used in aerosol spray containers and as coolants in refrigerators and air conditioners—adversely affect the ozone layer in the upper atmosphere. What is particularly significant is that this report contains findings and conclusions by an objective and expert group which are in full accord with the proposed provisions of section 16 of the Clean Air Act amendments (S. 3219), relating to ozone protection. The Senate will shortly consider these amendments.

I have previously stated my strong support for section 16, as it was reported by the Public Works Committee. In my view, section 16 properly recognizes that more scientific research and information is needed before a reasonable conclusion can be reached on the validity of the halocarbon-ozone depletion theory; accordingly, the section provides for an immediate intensive research program. At the same time, section 16 vests in the environmental agency a broad, in-place authority to permit prompt and comprehensive regulation of halocarbons whenever such action is warranted.

The British environment agency's report provides further support for the position I had advocated in favor of section 16. Thus, the agency recommended to the British Government that no action be taken to ban halocarbons used in aerosol spray containers and refrigeration equipment until further research into their effects on ozone is completed.

Consistent with the testimony of many expert witnesses from the scientific community and United States regulatory agencies before subcommittees of both the House and the Senate, the British environment group found that the current state of scientific knowledge on this issue is inconclusive and speculative. It strongly recommended that research be continued "to reduce some of the uncertainties surrounding the whole matter" in order to achieve better informed decisionmaking. As the agency noted:

> It is important to emphasize that all estimates of ozone depletion so far made are based on theoretical models using the limited amount of experimental data available. Therefore predictions are only as good as the models on which they are based and the quality of information used.
>
> . . . the available information points to the conclusion that although possible health effects due to increased UV exposure cannot be ignored, the magnitude of the increased exposure is uncertain and its significance is still more uncertain. More information is needed if rational decisions are to be taken.

As the agency further stated:

> It is easy to produce hypotheses which forecast dire consequences; it is much more difficult to obtain data which support the acceptance or rejection of such hypotheses.

The British environmental group also concluded that "there appears to be no need for precipitate action," and that sufficient time exists to undertake the required research. This conforms to the weight of the testimony of the experts in the congressional hearings here.

The strong emphasis on the need for further research in the British report is consistent with our own approach to the problem. Substantial research efforts in this country are already underway sponsored by both the Government and private industry. Section 16 would intensify such research efforts by the National Aeronautics and Space Administration and other Government agencies involved in atmospheric study. And as I have noted, section 16, in addition to providing for research, empowers the Administrator of the Environmental Protection Agency to regulate the manufacture and distribution of halocarbons whenever the scientific evidence warrants such action. Accordingly, as the Public Works Committee Report notes, section 16 provides for timely and appropriate regulatory action if needed, but avoids "the economic and social dislocations which would result from a peremptory ban."

I, therefore, once again urge passage of section 16 of S. 3219 as reported by the Public Works Committee. I would likewise again strongly urge defeat of amendment No. 1577 offered by my distinguished colleague from Oregon (Senator Packwood). This amendment would impose a prospective negative-burden, up-front ban on the use of halocarbons in aerosols and is clearly inappropriate for the reasons I have noted here and in my previous statements.

APPROPRIATIONS FOR DISEASE CONTROL AND PREVENTION

Mr. BAYH. Mr. President, the Labor-HEW appropriations bill for fiscal 1977, as passed by the Senate on June 30, contains funding for an important new health initiative. As a result of an amendment which I offered to the full committee, approximately $60 million is provided for disease control programs authorized by the National Health Promotion and Disease Prevention Act of 1976. Cosponsoring this amendment with me were Senators McGovern, Bumpers, Stafford, Humphrey, Williams, Hathaway, Haskell, Kennedy, Clark, Hart of Colorado, Hart of Michigan, and Gravel.

Senator Magnuson, chairman of the Labor-HEW Appropriations Subcommittee, was receptive to our efforts to fund this measure which was signed into law on June 23. As chairman of the subcommittee, he bore the major part of the burden imposed by budgetary constraints which required a careful allocation of appropriations between numerous important health programs. I am grateful to him for his assistance. I would also like to note that my colleague, Senator Bumpers of Arkansas, has long been a leader in the fight for disease prevention, and particularly in the fight for adequate immunization programs against childhood diseases.

Mr. President, medical science has given us the means to conquer many diseases which in the past debilitated, crippled or killed many adults and children. Yet the Federal effort to control communicable diseases has declined significantly in recent years. The situation is particularly depressing because we know from experience that prevention programs—against childhood diseases, rat borne diseases, lead poisoning, venereal disease—will work. We also know from experience that disease levels respond directly to the level of funding.

These facts are amply demonstrated in the hearing records compiled by the House and Senate authorizing committees, and by the reports accompanying H.R. 12678 and S. 1466.

For example, in 1969–71, when funds were diverted from measles control programs to rubella—German measles—the incidence of measles immediately began to increase—from 25,000 to 75,000 in those 3 years.

Few people recognize the extent to which "conquered" diseases are still prevalent in our country today. A significant proportion of Americans—and particularly children—remain susceptible to serious diseases for which effective immunizing vaccines exists.

Thirty-seven percent of the population are not completely immunized against polio; 26 percent are still susceptible to DPT—diphtheria, pertussis, tetanus; 26 percent to measles; 40 percent to rubella.

Of particular concern is the growing number of unimmunized children. The U.S. Immunization survey of 1975 estimated that 15.5 million children are not fully protected against polio; 9.3 million are not protected against DPT; 13.8 million are not protected against measles; 13.9 million remain susceptible to rubella, and 26.4 million to mumps.

Let me note that we are not talking about simple childhood diseases, but about diseases which may have tragic side effects. Rubella, for example, if passed from a child to a pregnant woman, can cause terrible deformities in the unborn child.

Very serious disabilities are also associated with lead poisoning, for which the Labor-HEW appropriations bill allocated up to $12 million for control and prevention. HEW has estimated that some 6 million children are in danger of contracting lead poisoning. About 600,000 children probably experience mental retardation as a result. Several hundred children will die each year from lead poisoning.

A serious problem is posed by diseases borne by rodents. In 1967, President Lyndon Johnson proposed an urban rat control program. Its first implementation by the Congress came in 1969. In 1969, statistics indicated that there were 45,000 rat bites in urban areas each year, as well as 20,000 cases of rat-associated diseases, including plague, typhus, ratbite feaver, leptospirosis, and Salmonella food poisoning. Since that time, the urban rate control program has made some progress.

But a September 1975 report issued by the General Accounting Office was entitled "The Urban Rat Control Program Is in Trouble." The report said that problems affecting the program not only impede further progress, but may actually negate some of the earlier gains. The report warned that plague, a ratborne disease, is "well established in the rural rodent population of the Western United States" and that if "the diseased rodents came in contact with urban rodents, the possibility exists that plague could be transmitted to populated areas."

The goal of the Federal rat control program is to reduce rat populations and alter living conditions conducive to rats so that they no longer significantly affect the health and economy of the target area.

This appropriations bill provides up to $14 million for rat control programs. This will permit HEW's Center for Disease Control to build on the progress which has already been made: a 54-percent reduction in the number of confirmed rat bites in neighborhoods originally covered by the program; a steady increase in the number of city blocks—about 20,000 in 1974—where rat control was considered effective; and greater public and local government understanding of the rat problem and actions needed to solve it.

Venereal diseases pose a severe—yet controllable—threat to the public health. An estimated 2.6 million people in the country today require treatment for gonorrhea. The number of new cases of gonorrhea is increasing steadily; it is now more than 1 million a year, or 1 for every 200 Americans. Gonorrhea can lead to sterility, or, in the case of pregnant women, can create severe abnormalities in unborn children. There are almost 430,000 cases reported each year.

This appropriations bill provides about $16 million to help develop VD centers across the country as well as project grants to health agencies.

Mr. President, the urgent supplemental appropriations bill for fiscal 1976, which was signed into law on April 15, provided $130 million for a national swine influenza immunization program. The flu immunization program has attracted much public attention. I felt that it provided a prime opportunity to "piggyback" efforts to immunize against other diseases, and recommended that the urgent supplemental include funds for childhood immunization programs. My interest in immunization programs was shared by subcommittee Chairman Magnuson, and other members of the Labor-HEW Appropriations Subcommittee. The Senate report accompanying the urgent supplemental appropriations bill included a strong statement on the need to implement childhood disease immunization programs.

Subsequently, I offered an amendment to the second supplemental appropriations bill, H.R. 13172, to provide funding for a nationwide immunization program against childhood diseases. The Senate version of H.R. 13172 provided $16.9 million for such programs. This appropriation was removed from the bill in conference because of the lack of authorization, but the conference report, House Report 94-1133, contained a strong statement by the conferees on their agreement on the vital importance of carrying out immunization programs.

The fiscal 1977 Labor-HEW appropriations bill as passed by the House does not contain funding for any of the disease prevention and control programs authorized by the National Health Promotion and Disease Prevention Act of 1976. That legislation had not become law when the House passed the appropriations bill. Now that it is a public law, however, I am very hopeful that the House conferees will agree with the Senate recommendation to fund these very important programs.

SAVING THE TREASURES OF GREECE

Mr. PERCY. Mr. President, it was with great pleasure that I learned recently of the decision of the Greek Government to build a new museum near the Acropolis to accommodate sculptures from the ancient temples now threatened by atmospheric pollution.

The monuments of the Acropolis have suffered increasing damage from automobile exhaust and fumes which combine with rainwater to flake the marble surfaces of the statues. Among the sculptures affected are the famous Caryaids, marble statues of young women which serve as columns supporting the Fifth Century B.C. porch of the Erechtheum Temple, and also important statues in the Parthenon.

This commendable initiative by the Greek Government will preserve these great treasures of Greek civilization which mean so much to us all. No civilization has been more impressive, influential, and revered in all the history of mankind.

SOCIAL SECURITY: A GOOD BARGAIN

Mr. WILLIAMS. Mr. President, social security is one of our Nation's landmark achievements. It protects workers and their families from loss of earnings because of retirement, death or disability.

In addition, today's workers are building medicare protection for themselves and their spouses.

Many people, though, are unaware of the value and worth of their social security coverage.

Participants quite often fail to realize that social security has an automatic cost-of-living adjustment mechanism to protect beneficiaries from inflation.

Another important consideration is that social security benefits are exempt from Federal and State income tax.

One way to illustrate the value of social security protection is to examine a worker who reaches age 65 upon retiring in January 1976, has a wife who becomes 62 in the same month, and has average monthly earnings of $585. In this particular example, social security is worth $85,200 over the projected lifetime of this couple.

A recent article in Retirement Life provides an excellent discussion of some of the important considerations in comparing the value of social security and other forms of retirement benefits.

Mr. President, I commend this article—entitled "So You Think Social Security Is a Gyp?"—to my colleagues, and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

So You Think Social Security Is a Gyp?

(By A. D. Kline)

So you'll reach retirement age this year, and you're all set to yield your job and relax in the lap of luxury—because on the 3rd of each month you'll receive a fat Social Security check from Uncle Sam. You know it's got to be a bundle because, after all, haven't you paid in the full amount each and every year since it all started in 1937? That's thirty-nine years!

You decide to pay a little advance visit to your local Social Security Administration headquarters. A courteous young man looks at your birth certificate and Social Security card, asks you a few questions, checks a few charts, pushes a few buttons, writes a few figures on a scratch pad, and tells you that—yes indeed—you will receive a monthly check. It will begin one month after you retire, and will be in the amount of $294.52.

He goes on to say that your wife, upon reaching 65, can receive half that amount even if she has never been employed—and perhaps considerably more if she has been steadily employed during the 17 years preceding *her* 65th birthday. She may even receive it at age 62 if she desires it, at a reduced monthly rate.

THE BIG COMEDOWN

You stare silently at him for a moment. Clearing your throat, you say as politely as you can: "Only $295.52? There must be something wrong. Why, I've been paying in the full amount every year for 39 years. I must have paid on taxable earnings of $175,000 or more!"

The young man whirls in his chair, pushes a few more buttons, and waits for the computer answer. Slowly he swivels back facing you and says: "You've paid *more*. It's $184,200 sir. But your Social Security monthly benefits are figured on only your best 19 years out of your last 25."

"Why? What happened to all the other years?" you ask.

"That's the law," he answers.

Somehow, you remember to thank him as you stumble out into the fresh air. The adrenalin begins to flow.

"What a gyp! What a bust!" you mutter. "Social Security is for the birds!"

You think of all the money you've contributed to Social Security for 39 of your hard-working years and all *they* count is the last 25! No, the best 19 out of the last 25!

WHAT IF . . .

You begin wondering to yourself: If I had taken the amount that was withheld for FICA each and every payday, deposited it in a savings account, and just let it lay there drawing interest, I'd probably be able to withdraw a great deal more than $294.52 per month for as long as I live, and still have money left.

Whoa, citizen, back up. Let's look at the facts.

Beginning with January 1, 1937 through December 31, 1975, and assuming that you contributed the full amount of FICA withholdings each and every year, your total contribution would come to $6,868.05. If you had just left that amount in the bank drawing the interest the average bank paid over the same 39 years, you would have $10,443.96. This includes the better interest you would have been paid as your savings moved from the Open Passbook category to the Time Passbook category to the One- and Two-Year Certificate of Deposit category.

PAST RATES WERE LOWER

Now, if you never learned to jitterbug or rock 'n' roll and can't remember exactly when Elvis Presley made his first appearance on the Ed Sullivan Show, you've probably also forgotten that your contribution to the FICA for the first 20 years totaled only $837.00—and that most bank interest rates were still 1% per annum, paid quarterly.

It doesn't make much difference whether you use the old fourth-grade long-division or today's New Math to figure out that you would be stone broke in just under three years if you withdrew $294.52 per month on that $10,443.96—even counting the interest you'd get on your balance still on deposit after each monthly withdrawal.

But what about the equal share your employer contributed, you ask yourself. If he, or they, had put that on my pay check instead of contributing it to the FICA, I could have banked *twice* as much, you think. OK, so let's double everything. You would still be stone broke before the end of six years. And remember, this would be at a withdrawal rate of $294.52 per month—not at the "great deal more" you thought you'd be getting when you first walked into the Social Security office.

STOCK UPS AND DOWNS

So now you say you would have invested in mutual funds or the stock market from time to time. With a good financial advisor, a clear crystal ball, and a lot of luck you might have bought when the Dow Jones was down to 840.00 and sold when it was 916.00. You might have doubled or tripled your savings.

Repeat might. For, on the other hand, if you left your money in stocks until you actually retired in December 1975, you might have found the value down to 650.00. You not only could lose that solid 6½ or 7% interest your safe Certificate of Deposit would have earned, you might also have lost some of the principal.

A SUPPLEMENT, NOT A WHEREWITHAL

Social Security was originally designed to give Americans an income base after retirement—for the rest of their lives. It was never meant to be a person's sole source of income after any age. Although there are benefits for widows and dependents, and a small death benefit, it was designed to help keep a person from being entirely dependent upon kith, kin, and welfare in one's later years.

In 1974 alone, those drawing Social Security checks received an 11% increase. This is far better than most businesses did for their employees in order to meet the fast-rising cost of living. Insurance actuaries say the average life expectancy at 65 is an additional 11 to 13 years for males. So let's go back to the figures. If you had paid the maximum Social Security tax each year from 1937 through 1975, you and your employer would have paid $13,736.10. Divide that figure by the $294.52 you've been told you'll receive every month—and you'll get your contribution plus your employer's back in less than four years.

If you equal the average life expectancy figures, you'll get back at least three times as much as you and your employers both paid into the FICA. In all likelihood more than that, because under a 1972 law every time the Consumer Price Index rises a certain percentage your Social Security check gets larger.

As a matter of fact, all you have to do is live to age 76 and you will receive back twice as much as the total amount of what you and your employer both paid in plus whatever the bank interest on that amount would have been if you had left it in your savings account for 39 years!

FRINGE BENEFITS, TOO

There are also fringe benefits under Social Security that we haven't mentioned, such as Medicare and Medicaid insurance, death of spouse benefits and widow's benefits.

For example, suppose the insurance actuaries are wrong about you, and you live only to age 70. Suppose also that your wife has never worked, and on reaching age 65 began getting her Social Security check of $147.26 per month (which is half of your $294.52). Now, on your death your bank would give her only the balance in your account. Social Security, on the other hand, would cut off her $147.26 and replace it with your $294.52 as long as she lives! And remember, since she was unemployed, she has contributed nothing.

So now, do you still think Social Security is a gyp? I certainly don't.

SOCIAL SECURITY, WHAT IF YOU'D BANKED THOSE SS WITHHOLDINGS?

Year	Maximum amount withheld	Interest on amount	Cumulative savings and interest
1937	$30.00	$0.30	$30.30
1938	30.00	.53	60.83
1939	30.00	.83	91.66
1940	$30.00	$1.14	$122.80
1941	30.00	1.40	150.20
1942	30.00	1.77	185.97
1943	30.00	2.08	218.05
1944	30.00	2.41	250.46
1945	30.00	2.73	283.19
1946	30.00	3.08	316.27
1946	30.00	3.40	349.67
1948	30.00	3.73	383.40
1949	30.00	4.08	417.48
1950	45.00	4.53	467.01
1951	54.00	5.09	526.10
1952	54.00	5.69	585.79
1953	54.00	6.29	646.08
1954	72.00	7.03	723.11
1955	74.00	7.91	817.02
1956	84.00	11.05	912.07
1957	94.50	19.58	1,026.15
1958	94.50	21.88	1,142.53
1959	120.00	24.55	1,287.08
1960	144.00	38.37	1,469.45
1961	144.00	47.32	1,660.77
1962	150.00	53.24	1,864.01
1963	174.00	59.86	2,097.87
1964	174.00	75.52	2,347.39
1965	174.00	87.11	2,608.50
1966	277.20	127.31	3,013.01
1967	290.40	146.18	3,449.59
1968	343.20	186.65	3,979.44
1969	374.40	214.63	4,567.47
1970	374.40	244.65	5,187.52
1971	405.60	284.00	5,886.12
1972	468.00	333.87	6,687.99
1973	631.80	419.56	7,739.35
1974	772.20	533.87	9,045.22
1975	824.85	573.89	10,443.96

From the inception of Social Security withholding in 1937 through June 30, 1956, most banks paid only 1% interest semi-annually on Open Passbook Savings (OPS). July 1, 1956, most banks started paying 1% quarterly on OPS. Oct. 1, 1956, most banks started paying 2% quarterly on OPS. Jan. 1, 1960, most banks started paying 2½% quarterly on OPS. July 1, 1960, most banks started paying 3% quarterly on OPS. Mar. 31, 1964, most banks started paying 3½% quarterly on OPS. Jan. 1, 1966, most banks started paying interest at the date of 4½% 90 days paid quarterly on Time Passbook Savings (TPS). Jan. 1, 1968, most banks started paying interest at the rate of 5% 90 days paid quarterly on TPS and, Feb. 1, 1968, started compounding the daily interest paid quarterly. Apr. 1, 1970, most banks started paying 5½% on one year Certificates of Deposit and 5¾% on two year CD's. July 1, 1973, most banks started paying 6% on both one and two year CD's. Jan. 1, 1974, one to two-and-a-half year CD's in most banks started earning 6.27% annually on 6%. This is the current rate of interest as of Oct. 20, 1975.

HOPE FOR GOLD CLAUSE

Mr. HELMS. Mr. President, I am pleased that the able Senator from Florida (Mr. STONE), has joined in cosponsorship of S. 3563, a bill to restore the freedom of Americans to use gold clauses in contracts.

The most recent issues of "Deaknews," the publication of Deak & Co., a firm dealing in international currencies, reports on this bill. The article by Steven Beckner analyzes the situation and states:

> It being the stated purpose of the Federal Government to end forever the monetary role of gold, there is no strong argument against trade in terms of gold for those who so desire. For this reason, the Helms bill probably stands a very good chance of passage.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

Hope for Gold Clause

Since Dec. 31, 1974 it has been legal to own gold, but it continues to be illegal to use gold clauses in contracts—either to require payment in gold or to use gold as a measure of value in determining the amount of dollar payment. Sen. Jesse Helms (R-N.C.) would change all that. He introduced a bill June 14 to legalize gold clauses.

Prior to 1933 gold clauses were a common tool for those who wanted to guard against depreciating currency on the one hand and appreciating currency on the other. By writing a contract (or loan) for payment in gold or in terms of gold, the value of payment could be fixed in advance. In 1933, such self-protection was made criminal by a joint resolution of Congress.

The Helms bill (S. 3563), which has been referred to the Senate Committee on Banking Housing and Urban Affairs, seeks removal of the prohibition as "an unreasonable infringement up the rights of Americans," which prevents Americans from exercising this right to protect themselves against inflation. . . ."

It being the stated purpose of the federal government to end forever the monetary role of gold, there is no strong argument against trade in terms of gold for those who so desire. For this reason, the Helms bill probably stands a very good chance of passing.

There is opposition, however, Treasury Secretary William Simon inveighed against gold clauses in a May 6 letter to Sen. Helms. His rationale is very interesting. "The Joint Resolution (of 1933) by making unenforceable contract provisions for the payment of the obligation in gold or in amount of dollars measured in gold helps to assure that gold will not again assume a monetary role through widespread use in private transactions," wrote Simon. "I am also concerned that the emergence of gold clauses, which might result from repeal of the Joint Resolution, could call into question the strength of the dollar and undermine our efforts to control inflation and maintain confidence in our currency."

Needless to say, if the dollar were good as gold—as the framers of the U.S. Constitution clearly intended—there would be no need for worry that the dollar might be "called into question." Interestingly enough. Federal Reserve Chairman Arthur F. Burns has given his blessing to the legalization of gold clauses, although originally opposed. "In light of changed circumstances," Burns wrote recently to Sen. Helms, "I personally would not object to legislative action that would permit private citizens to make contracts containing legally-enforceable gold clauses."

We should note that it is already legal to use gold clause contracts in foreign transactions. "As a result, rich individuals with foreign dealings or multinational corporations can make contracts abroad containing gold clauses, but the average American and the average domestic cannot," Sen. Helms told his Senate colleagues.

Gold clauses are hardly common, everyday practice in foreign trade, but they are apparently gaining acceptance. Great Western United Corporation announced in early June that it had revised a long-term contract with a Panamanian sugar producer to make payment in gold or silver. The company arranged a $150 million credit agreement with five financial institutions to buy gold and silver bullion. For 1976 purchases a Great Western subsidiary has already bought future contracts for over 26 million ounces of silver, on which it intends to accept delivery. The purchases caused quite a stir on the Chicago Board of Trade. But as a company executive told the Wall Street Journal, the precious metals payment plan—demanded by the Panamanian concern—is intended to protect the sugar producers against inflation and further depreciation of paper currencies. "It's like putting money into a bank rather than under a bed."

CAPITAL FORMATION OPTIONS TO FINANCE POLLUTION CONTROL

Mr. HARRY F. BYRD, JR. Mr. President, Prof. Scott Whitney of the College of William and Mary has prepared an analysis of Capital Formation Options to Finance Pollution Control. Professor Whitney is a graduate of the University of Nevada and received a J.D. degree from Harvard, 1952.

I ask unanimous consent that the text of Professor Whitney's report be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Capital Formation Options To Finance Pollution Control

At least since 1970 the economic costs of environmental pollution and the cost of implementing far-reaching corrective measures have increasingly been recognized to be a significant national problem. During this period extensive effort has been expended to analyze and quantify environmental costs and forecast capital demands related to compliance with environmental laws and regulations. As this analysis became more sophisticated, it was recognized that environmental costs consisted of four basic types: damage costs, avoidance costs, abatement costs, and so-called "transaction" costs. Although official concern for environmental abatement costs dates from 1972, and although increasingly frequent studies of this problem have subsequently been undertaken, it has generally been recognized that this field is still in its infancy.

Despite the difficulties of cost quantification and the recognition that forecast environmental costs are at best approximations, it seems clear that environmental costs will be a major factor affecting the national economy indefinitely into the foreseeable future. Similarly, it is not feasible at this time to forecast with precision the capital investment that will be required during the next decade and beyond to comply with existing federal environmental laws and regulations, and the various state and local requirements. The most recent comprehensive forecast was published by the Council on Environmental Quality (CEQ) in its 1975 Annual Report. The CEQ estimates incremental pollution control expenditures during the period 1974–1983 will total $381 billion, of which $165.3 billion will consist of capital investment.

It is not the purpose of this analysis to attempt to quantify with precision future capital requirements to meet conventional and environmental needs. Virtually all studies indicate these needs will be immense and will place great strain on the national economy. This analysis assumes that the capital needs arising from environmental compliance will be on a scale that requires immediate consideration of new or expanded capital formation initiatives and improved capital recovery provisions. The importance of supplying these capital needs is two-fold: first, if necessary capital is not forthcoming, attainment of existing environmental reform goals will be threatened if not precluded; secondly, the rival claims on existing capital supply by the productive sector of the economy versus environmental reform may well increase the cost of capital to the point that expansion of productive capacity and economic growth may be retarded with adverse effects on employment and the control of inflation. The Environmental Protection Agency (EPA) notes that "This spectre is particularly troubling because of the experience of 18–30 months ago when capacity shortages in the basic materials-producing industries seemed to throttle economic growth and spur inflation with unemployment at very high levels."

It is thus of the utmost importance that capital formation and recovery methods be devised to cope with environmental capital needs. The Congress has recognized this priority and on March 16, 1976, the Senate Finance Committee began hearings to determine, *inter alia*, possible environmental capital formation methods that can be achieved in tax reform legislation that is under consideration by the Congress.

At the outset two major factors must be recognized and taken into account in the formulation of an effective capital formation program. First, environmental abatement costs will tend to increase rather than decrease. The as yet unchecked force of inflation is of course one important factor contributing to this problem. Of at least equal significance, most statutory environmental abatement programs are structured in a way that progressively increase the stringency of environmental programs and consequently the cost. For example, the incremental cost of achieving national secondary ambient air quality standards, at least in heavily impacted areas, will undoubtedly be more costly than achieving primary standards.

Moreover, once attained, the law requires that the national ambient air quality standards must be maintained, which necessitates an indefinitely ongoing comprehensive nationwide air quality maintenance program. Attainment of the judicially enunciated goal of no significant deterioration in air quality in regions with air cleaner than that required by secondary standards will likewise create increasing direct and indirect incremental costs. The same cost augmentation phenomenon is structured into the Federal Water Pollution Control legislation which likewise envisions implementation of progressively more stringent standards culminating in the goal of eliminating discharges of all pollutants by 1985. Like the clean air strategy, maintenance of water quality is required when achieved, which will necessitate costly continuing planning and regulatory strategies to accommodate inevitable growth while yet adhering to the no discharge requirement. To date no environmental cost forecast methodology has evolved accurate indicia to measure this exponential, cost augmentation phenomenon, but it is essential to keep this factor in mind when considering capital formation strategies.

The second major principle that must be reckoned with is that given the aggregate magnitude of forecast conventional and environmental capital requirements, no simplistic single source approach will suffice. Rather a multi-dimensional strategy will be required which utilizes and expands the use of known and proven tax and fiscal techniques such as the investment tax credit, accelerated depreciation, direct expensing of environmental capital investment, and tax exemption for income from certain classes of public sector stocks and bonds. In this connection, it must be recognized that federal tax policy can attack the problem from two vantage points—it can directly help to produce the capital necessary to meet incremental needs created by compliance with environmental laws and regulations, and it can influence conduct that has beneficial environmental consequences. It is the purpose of this study to consider only the options available for direct assistance to capital formation by revised tax laws.

I. ENVIRONMENTAL INVESTMENT TAX CREDIT

During the period 1962 through 1975, the various investment tax credit measures have provided an important source of capital for American industry. Experimentation with the investment credit during this period has demonstrated that it is a particularly effective means of controlling the level of capital supply thereby significantly affecting productivity, employment levels, and the rate of inflation. Review of corporate tax receipts during the period 1961–1975 shows that use of the investment credit can be made without incurring dilution of Treasury revenues.

Increased productivity resulting from investment credit expenditures produces corporate tax revenues to the Treasury which substantially exceed the dilution.

At present Congress has under consideration the extension of the existing investinvestment credit provisions is a minimum essential merely to accommodate existing capital needs. Secretary of Treasury Simon recently stressed the serious effects of increased corporate borrowing which has sharply increased during the past decade as internally generated corporate funds fell short of meeting capital needs.

"One of the factors which can inhibit the future growth of needed capital formation ment credit provisions which would otherwise be reduced from 10–7% on December 31, 1976.

It is evident that indefinite extension of is the financial condition of American corporations. Analysis of debt-equity ratios indicates that corporate balance sheets have shown signs of deterioration over the past decade, which is a break from the pattern which persisted in earlier periods. Debt has increased dramatically, both in absolute terms and relative to assets and income. Interest costs have risen appreciably, roughly doubling over the past ten years. The combination of increased debt financing and higher interest rates has resulted in a decline in the coverage ratios reported by American corporations—that is, the ratio of earnings to interest charges. The ratio of liquid assets to debt has shrunk. As a result of these developments, there is a serious question about the potential capability of companies to be able to finance the capital investment that will be required to achieve our basic economic goals of reducing unemployment and inflation as I outlined earlier in my testimony."

Capital requirements arising from environmental regulation must be met by additional specially tailored provisions. Thus an environmental investment credit program in addition to the existing credit is indicated.

The investment credit offers significant advantages. First, the taxpayer is entitled to the credit only when the proceeds are in fact used for the designated purpose thereby assuring that the purpose of the credit is achieved. In this connection, the credit should be available not only for pollution abatement equipment, but for buildings and structures as well. In future years when the national air and water quality goals have hopefully been reached, then the predominant regulatory objective will be the maintenance of these standards. Necessarily, with anticipated growth in population and industrial activity, maintenance objectives will be feasible only by fundamental redesign of many plants and processes. Extension of investment credits for plant would provide a needed stimulus to phase out existing operations which are costly and not optimally feasible to modify, and to replace these with environmentally designed capacity better capable of achieving future standards at acceptable maintenance and operations cost levels. It is widely recognized that the incremental cost of achieving higher levels of environmental purity mounts steeply as stricter goals are met and maintained. In the long run it will thus be cheaper to convert to plant and processes which have been designed to achieve a high degree of environmental protection rather than continue to "fix," or modify or retrofit existing plant to meet and maintain increasingly stricter standards.

It must be recognized that capital formation needs both for conventional expansion of productivity and for environmental compliance will continue indefinitely. To be effective these investment credits must be long term. Experience with the Tax Reduction Act of 1975 demonstrates that due to long lead times in obtaining heavy equipment, in order for companies to utilize the credit effectively, there must be a long-term continuing program. Moreover, the investment credit is a highly effective means of capital "deepening," i.e. the continued availability of an overall tax credit of 12–15% for conventional purposes and 5–10% for environmental compliance would, over the years, build significantly the capital base of the economy that will be necessary for increased productivity and employment as well as environmental reform.

In addition, the present limitation of the investment credit to 50% of tax liability in excess of $25,000 seriously diminishes the effectiveness of the program. Congress recognized this problem in the Tax Reduction Act which increased the amount of tax against which the credit can be applied by public utilities. Given the magnitude of forecast capital demand, it would appear that utilities should be authorized to apply the credit against 100% of their tax liability and that other corporate taxpayers be allowed to apply the credit against 75% of their tax liability.

One serious limitation of the investment credit is that it provides no relief for loss operations or even marginally profitable companies. In the case of loss operations there is simply no tax liability against which to offset the credit. The investment credit can function effectively only to strengthen and expand already profitable companies and by capital deepending, to provide the means by which growth and environmental compliance can be achieved in future years. One important improvement for marginally profitable companies or those which fluctuate between profit and loss years, would be the extension of the carry-over period for investment credits. Because of the long lead times in the investment process the carry-over period should be extended to at least 10 years. However, even with this extended period, there will probably be a significant number of marginal operations for which investment tax credits will provide little assistance. For these marginal companies especially, other devices for capital recovery must be relied upon. Of the various options, accelerated capital recovery by depreciation offers the most promise.

To achieve maximum capital formation it is essential that investment credit provisions and depreciation rates be coordinated rather than working against each other. When the tax credit was first implemented in 1962, the so-called Long amendment subtracted credit claims from the basis used to calculate depreciation schedules. The effect was to dilute total capital recovered and was thereby counterproductive to the objective of maximizing capital supply. The provision was deleted in 1964 in part because it substantially complicated calculation of depreciation writeoffs. Apart from administrative complications, the subtraction of credits from basis is essentially self-defeating and should not be reinstituted. It must be recognized that any constraints on achieving total credit claims run counter to basic capital formation goals and should be avoided.

II. ACCELERATED CAPITAL RECOVERY

As with investment credits, U.S. policy with respect to capital recovery provisions must take into account both the so-called conventional needs of the economy to achieve increased productivity and employment and the special demands resulting from environmental pollution abatement. Despite the recent upturn in the U.S. economy, certain basic long-term indicators suggest that major increases in investment will be necessary to restore vitality to the U.S. economy. The United States is lagging significantly behind other industrialized nations in terms of productivity growth during the period 1960–1973.

A similarly bleak trend is evident in the relationship between real gross national product per employed civilian during the period 1950–1972.

Given the well-established relationship between level of investment and growth it is clear that expanded capital recovery provisions are necessary to augment capital supply and productive investment to counter these trends.

It is no coincidence that virtually all of the industrialized nations have more liberal capital recovery provisions than those presently in force in the United States under the Asset Depreciation Range (ADR) system. These facts suggest the immediate need to increase the permissible range under the ADR System for depreciating capital assets from 20% to a significantly higher level.

A further important corrective measure would be the elimination of the salvage increment in depreciation schedules. During periods of inflation, depreciation allowances based on original cost fail to recover capital adequate to finance facilities having significantly higher replacement costs. Moreover, during such inflationary periods real corporate profits, unless adjusted for inflation, are overstated. It has heretofore been noted that the inability to generate sufficient capital from corporate profits has weakened the economy by creating increasing dependence on debt financing with resultant deterioration of debt-equity ratios. This shortfall in capital recovery during a period of higher replacement costs and declining profits is aggravated by inclusion of a salvage factor in depreciation schedules. It must be recognized that the salvage increment is a holdover from the archaic policy of gearing depreciation schedules to the actual life of assets. Retention of such anomalies in the tax law impedes attainment of adequate capital supplies and is thus counter productive.

Given the magnitude of capital requirements to increase productivity and employment the additional drain on capital funds created by environmental requirements mandates special treatment. Pollution control costs have increased and are forecast to continue to increase dramatically. The CEQ study notes that expenditures for pollution control totalled $12.3 billion for operating and maintenance and $9.3 billion for capital expenditures in 1974, and that these are forecast to reach $27.5 billion for operating and maintenance and $27.8 billion for capital expenditures in 1983. In view of the increasingly high incremental cost of attaining progressively stricter regulations that are structured into major existing environmental laws, these estimates may indeed be low.

Coping with these environmental costs poses a two-fold problem. The more obvious is the practical problem of producing the resources to defray such costs. By implementing a special environmental investment credit and/or permitting recovery of the total cost of environmental requirements as an expense during the first year of operation, compliance can be financed by what is effectively a kind of subsidy. The other facet of the problem is the normative question whether it is appropriate to defray the costs of meeting environmental requirements by use of investment credits and/or direct expensing measures, or whether another method should be adopted which seeks to "internalize" the environmental externalities by compelling consumers of products to pay in one fashion or another the environmental cost of producing the product or service. The CEQ has considered the option of imposing effluent charges set at a sufficiently high level to compel extraction of most of the pollutant, with the effluent charge being passed on to the consumer in the form of higher prices.

The latter option entails serious disadvantages. First, to "internalize" environmental costs of the magnitude involved by passing them to the consumer in the form of higher prices would aggrevate the inflationary price spiral and create further stresses between labor and management. The environmental cost increment added to the price of goods and services would undoubtedly give rise to increased wage demands and the cost would in large part rebound to industry in the form of higher labor costs. An additional disadvantage of internalization is that it would further weaken the U.S. international trade position by further pricing U.S. goods out of the market.

Moreover, the CEQ concept envisions use of varying charge levels to achieve desired degrees of pollution abatement:

"Since the costs of removing any given pollutant presumably will vary as between processes, products and plants, a requirement of the same proportionate reduction, or a reduction to the same absolute level, would impose high costs on some and relatively low costs on others. The same aggregate reduction in an area could be achieved by an effluent charge which will lead to substantial or very large proportionate reductions in pollution where that could be achieved relatively inexpensively, with little reduction where it was relatively more expensive to make improvements."

In order to be effective this system must produce a program of pollution abatement which results in compliance at any given time with statutory environmental standards. Coordination of a schedule of fees which might well vary from industry to industry and from plant to plant to produce pollution levels that comply with standards required by law would be extraordinarily difficult to determine accurately and costly to administer.

Environmental protection, like national security, public health, law and order, and kindred concerns, is clearly a function of government. Consequently it is appropriate that public funds be used to achieve environmental goals whether the funds are forthcoming in the form of grants, guaranteed loans, tax incentives or capital formation and recovery measures. Congress has repeatedly recognized this principle in its appropriation of grants for, *inter alia*, publicly owned treatment works, environmental planning, research and development, and monitoring systems.

At present the Internal Revenue Code provides certain tax incentives for the installation of pollution control facilities, but the Internal Revenue Service has interpreted the phrase "air or water pollution control facilities" narrowly. To be fully effective, tax incentives should be available for any control facility or abatement procedure required by federal, state or local environmental laws or regulations. Accordingly, existing law should be amended to include a broad tax incentive definition:

"The term "pollution control facility' means any facility (including buildings and equipment) the primary purpose of which is to abate, control or prevent actual or potential environmental pollution."

While air and water pollution control at present appears to comprise the major portion of forecast environmental cost, Congress has enacted extensive legislation addressed to other kinds of pollution. Abatement strategies for noise, stripmining, solid waste, pesticides, oil spills, ocean dumping and other categories are in their infancy. As regulatory programs in these areas are developed, significant additional costs will undoubtedly result. Congress, therefore, should provide for comprehensive environmental tax incentives in legislation presently under consideration to avoid having to reexamine the matter at a later date.

CONCLUSION

For at least the remainder of this century the United States faces uniquely complex and difficult challenges. It must cope with already well-established trends of declining productivity, inflation and unemployment. To do so adequate domestic energy resources must be developed at economically viable levels and industrial productivity must be expanded. Both goals also involve major impacts on the environment which will be increasingly costly to control within acceptable limits. What constitutes acceptable limits has been defined by Congress in terms of legal requirements established by comprehensive legislative and regulatory programs. These programs were structured by Congress to impose progressively stringent standards which will become increasingly costly to achieve. Moreover, environmental control programs are likely to expand—e.g. to protect more effectively ocean, outer continental shelf and coastal resources. Significant additional effort will be required in the areas of research, planning and environmental design.

All of these efforts must be undertaken and implemented contemporaneously. Consequently, the government must devise capital formation and recovery provisions capable of financing all of these deeply interrelated activities. As a minimum the following program appears to be indispensable:

1. Continuation on an indefinite basis of existing investment credit provisions at a level of 12–15%;
2. Adoption of the perfecting amendments to existing investment credit provisions that were discussed supra;
3. Adoption of a special investment credit for environmental control expenditures at a level of 5–10%;
4. Reform of existing capital recovery provisions for nonenvironmental investment as discussed herein; and
5. Expensing in the year invested rather than depreciating facilities installed pursuant to environmental requirements.

Anything short of this multi-dimensional program will seriously jeopardize the prospects for attaining one or more indispensable national goals.

VERTICAL DIVESTITURE OF OIL COMPANIES

Mr. BAYH. Mr. President, on June 15 the Committee on the Judiciary voted to report to the Senate S. 2387, the Petroleum Industry Competition Act, which would require vertical divestiture of the 18 largest oil companies operating in the United States and, with limited exceptions, true common carrier status for crude oil and petroleum product pipelines.

The Judiciary Committee vote came in the face of an intensive lobbying campaign by the oil industry through the American Petroleum Institute and by the individual companies. With the bill now on the Senate calendar the industry is using its vast resources throughout the country in an effort to defeat the *legislation* on the Senate floor.

During my 14 years in the Senate I have never seen such an extensive and costly lobbying campaign as that which the oil industry has mounted in an effort to defeat the vertical divestiture legislation. Since the oil industry has managed to generate significant mail and editorial comment against divestiture through the skillful exploitation of its virtually unlimited funds, I hope my colleagues will understand the source of the antidivestiture mail and literature they are receiving. This is not a spontaneous response by concerned citizens; rather it is a tremendously expensive, carefully orchestrated program assembled by the wealthiest and biggest industry in the world. Very candidly, it is a lobbying effort that the proponents of divestiture cannot match in size or dollars, but which I fully believe we can beat through substantive responses to the misinformation being generated by the oil industry.

So that my colleagues might have a better sense of the magnitude of the industry's campaign against the vertical divestiture legislation, I request unanimous consent to have printed in the RECORD a thoroughly researched and well-written article on this issue that appeared in the Washington Star on July 4. The article was written by Roberta Hornig, one of the more discerning energy specialists among the media here in Washington.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL FIRMS DO SONG AND DANCE ACT TO BEAT DIVESTITURE

(By Roberta Hornig)

It's not your usual song and dance act, but it has played in 20 cities around the country and packed in audiences of around 14,500.

The skit has three principal characters—The Spirit of Bureaucracy, Exxon Oil and Consumer—and its message, in musical dramatization, is that breaking up the nation's big oil companies is a dumb idea, bad for the country and consumers as well.

The particular audience in this case was conventioneering gasoline station operators.

But the oil companies, trying to thwart congressional efforts to "dismember" them into smaller parts, have, by their own count, reached well over 6 million people across the country in a direct mail campaign to credit card holders, stockholders, employes, retired employes, and others, such as editorial writers, on a selected mailing list.

Add to this substantial television, radio, magazine and newspaper advertising; visits to community leaders and newspaper editors in most states; appearances by oil spokesmen before all sorts of service clubs and businessmen's groups and professional meetings; letter-writing to members of Congress and individuals visits to Senate offices.

What it amounts to, according to veteran Congress watchers, is one of the most massive lobbying efforts ever undertaken, one that starts at the grass roots and reaches into the halls of Congress.

Its thoroughness is the one thing on which both sides of the debate over oil company divestiture can agree.

"It is the most elaborate and pervasive campaign I have ever seen, both from a lobbying standpoint and from a public relations and paid advertising standpoint," Sen. Birch Bayh, D-Ind., principal sponsor of the divestiture bill now before Congress, says.

"There has never been a legislative issue in which an industry has resorted to such massive use of paid advertising to affect public opinion. It is really awesome," says Bayh.

Charles DiBona, executive director of the industry's Washington lobby—the American Petroleum Institute—and for a while the nation's energy czar, does not disagree but stresses the need for the campaign.

"I think what we've done is get a lot of information into people's hands. That's really what our lobbying is about," he says.

"We think the facts on this issue are on our side, so we think that nothing but good can happen as people learn about it. The more people learn about divestiture, the more they'll be opposed to it," says DiBona.

The industry has worked to educate the public to its point of view ever since last October, when it was surprised by a sudden move to break up the country's oil companies on the Senate floor. The companies remained intact, but by a bare nine votes.

At that point the companies sprang into action, and initiated its campaign.

For coordination, it set up an industry task force, chaired by H. J. Haynes, chairman of Standard Oil of California, and consisting of members of other major oil companies.

This committee, which had a beginning budget of around $1 million, has met about once a month at API headquarters in Washington where API staff members have been grinding out reams of anti-divestiture material.

The task force, or committee, has also commissioned some economic studies proving that breaking up oil companies would do nothing to increase U.S. domestic energy supplies and likely would increase consumer prices.

Some of the studies currently in the works include one on the "Impact on Consumers" by Dr. Earl A. Thompson of Los Angeles, Calif.; "Impact on Industry" by Professor David J. Teece of Stanford University's School of Business; "Review and Testing of Allegations" by Professors Edward W. Erickson of North Carolina State University in Raleigh and Robert Spann of Virginia Polytechnic Institute in Blacksburg and "Ownership of Various Energy Sources" by Management Analysis Center, Inc. of Cambridge, Mass.

When asked one day last week how much these studies were costing, DiBona replied: "Not much. Just a couple thousand dollars."

API also has been doing what it usually does—lobbying members of Congress and opinion molders.

Its efforts pale, though, in comparison to what's going on out in the states, at the grass-roots level. There, oil companies are consciously using the anti-Washington sentiment and reaching out to people, hoping they, in turn, will reach their voting congressmen.

Here is how some of the oil companies report they are going about their lobbying:

EXXON

Although its executives are shy of the word "lobbying", spokesmen for the world's largest oil company say, "We're doing a lot of things"—aside from the song and dance act that was put on in such locales as Houston, Lake Tahoe, Colorado Springs, Las Vegas, Biloxi, Miss. and Orlando, Fla.

Specifically, Exxon reports, it has held "a number of meetings" (600) throughout the country with its 45,000 employes and 6,000 retirees.

It also mailed letters to its 650,000 shareholders in April and hosted a series of 20 two-day meetings throughout the U.S. with about half of its 23,000 dealers and jobbers.

Then, 11 members of Exxon management visited 31 cities to discuss the divestiture issue with 43 newspaper and "electronic media," or television, representatives. The company also published an anti-divestiture article in its trade publication, "Exxon USA," which, company spokesmen say, has "wide circulation within the company and in the journalistic, academic and business community."

For its efforts, Exxon estimates its 600 employee meetings cost about $100,000; its postage for its stockholders mailings about $100,000 and unspecified other costs, about another $100,000.

TEXACO

Company spokesmen say their objective "is at the grass roots" because they believe divestiture is "a Washington issue."

Texaco has sent brochures in its credit card mailings; held meetings with its 70,000 employes and sent direct mailings to its 371,000 stockholders.

Texaco also put out its "puzzle" ad, on television and in newspapers and magazines, attempting to show how all the different functions of oil companies, from the oil fields to the gas pump, fit together for the good of the consumer.

SHELL

The company has initiated a series of workshops for its dealers and jobbers nationwide; is spending out executives on a speakers tour; is communicating with its employes, retirees and affiliates. It also is sending out brochures to its credit card customers.

Shell has formally set up speakers' bureaus in its plants and facilities in Houston, New Orleans, Los Angeles, San Francisco and Washington as well as at its chemical plants in Houston, New Orleans and Mobile, Ala., and in marketing areas throughout the country.

STANDARD OIL OF INDIANA

Spokesmen report "a full-scale communications system" that includes a 16-minute videotape program it hopes will reach all of its 25,000 to 30,000 employes.

The company is also mailing literature to its dealers, jobbers and farmers.

It is also putting literature in its credit card mailings, a move a spokesman said will reach "between 3 and 4 million."

The company also said it is working with opinion makers through "VOICE", the Volunteer Oil Industry Communications Effort, which provided speakers recently to the National Convention of Rights of Way in Milwaukee, Wis.

Further, the company is advertising in selected places, like South Dakota, and contributes to Midwestern charity benefits with the proviso that anti-divestiture stuffers go into the programs.

"We have a lot of balls in the air," one spokesman said.

GULF

Like other major companies, it has presented a slide show that so far has reached about 15,000 of its 52,000 employes. It also has mailed leaflets to its stockholders and retirees.

Gulf, which for economic reasons already has separated its exploration, refining and marketing and transportation divisions as called for in the legislation, also is making it clear that what some Senators want is not quite what Gulf wants.

"It's a philosophical matter. We're making that decision. Under the divestiture scheme, the government would dictate. And at the top, the corporate structure is the same," a company spokesman stressed.

MOBIL

The company, according to Herbert Schmertz, vice president of public relations—the only oil executive who agreed to be named—is in the process of sending letters to its 30,000 employes and 200,000 stockholders.

Schmertz said his company is attempting to make "an intellectual appeal" and that it has compiled editorials from around the country, all of them siding with the oil companies, to all members of the Senate. Of an estimated 105 editorials, Schmertz said only one—from the St. Louis Post-Dispatch—was pro-divestiture.

STANDARD OIL OF CALIFORNIA

The company's president, Haynes, who is also chairman of the anti-divestiture industry committee, sent a letter to the 2.7 million stockholders. Mailers were sent to all credit card holders and a videotaped show was presented to the company's 29,000 employes.

Everyone—employees, stockholders, customers, jobbers and "members of the community"—are being urged to write their congressmen.

ATLANTIC RICHFIELD

The company has reached its 28,000 employes and 3,000 dealers. It is urging its employes to organize and lobby against the break-up effort at Kiwanis and Rotary club meetings.

It also is sending its message to all its suppliers—tool companies, repair companies, helicopter companies—and is soliciting their help.

STANDARD OIL OF OHIO

It has sent brochures to its employes and its executives are talking to civic groups, such as the Lions Club.

The company president, Charles Spahr, addressed Mt. Union College in Ohio, then sent copies of the speech to about 20,000 employes, about 41,000 stockholders and about 4,000 retired workers.

As in other companies, executives are talking to as many clubs as possible as well as to professional groups such as the National Association of Accountants.

How successful the lobbying effort is will be tested when the divestiture bill comes up for a vote on the Senate floor, scheduled now between Aug. 23 and Sept. 11.

The bill now calls for the break-up of the country's 18 largest oil companies and would force them to decide, within five years, whether they want to explore for and produce oil or refine and market it.

Even its chief sponsors concede it is not likely to get through Congress this year. Proponents are claiming enough votes for passage but not enough to stop a filibuster—which the bill almost certainly would attract—or to override a presidential veto should be measure get that far.

But there's another point on which both sides agree: divestiture is likely to remain an issue.

As one oil spokesman put it: "We recognize the question is not going to go away—regardless of what happens this year. It'll be around next year, too."

SENATOR HUMPHREY REVIEWS SOLAR PROGRAM

Mr. HUMPHREY. Mr. President, I am delighted with the action taken this spring by both the Senate and House to provide for an aggressive solar energy program. Their joint efforts have resulted in a national priority being assigned to solar energy which is higher than that desired by the administration.

In effect, the administration sought to keep solar energy as a second-choice solution to our energy needs. It asked for a fiscal year 1977 funding level of only $160 million.

Congress has now firmly rejected the administration's go-slow philosophy toward solar power. In appropriating over $290 million for fiscal year 1977, Congress has pointed the way toward energy independence within 10 or 15 years—without the need to incur the tremendous environmental problems associated with fossil and nuclear fuels.

My colleagues are aware, I think, of my long-term interest in solar energy—an interest stretching back to the 1950's. Those were lean years for solar energy, and it took a great deal of effort to prevent the complete cessation of research by the Federal Government.

In the years since, my interest and participation in solar energy development grew as I authored a variety of bills and amendments. During the height of the energy crisis, for example, I introduced the Solar Energy Research, Development and Demonstration Act which became law as Public Law 94–473 in October 1974. Among its many provisions, this legislation authorized the establishment of a Solar Energy Research Institute. Other prominent solar legislation I authored or coauthored includes:

Solar Energy Act of 1976, S. 3227. This bill revised ERDA's solar program and raised FY 77 solar R & D budget to $300 million. It was accepted in large part in lieu of the Administration's FY 77 authorization for solar energy.

An amendment to the FY 76 ERDA authorization establishing targets or milestones for the solar wind, solar thermal, and photovoltaic programs. It was accepted by the Senate on July 31, 1975.

Solar Energy Day, October 26th, S.J. Res. 86. This bill established October 26th as Solar Energy Day.

An amendment to the Tax Reduction Act of 1975 (PL 94–12), providing tax credits for the use of solar energy devices and for the installation of residential insulation. It was accepted by the Senate on March 21, 1976, but dropped in Conference.

There is no question, in my mind, that solar energy requires aggressive Federal support over the next decade. Despite the rapid technical progress of the very recent past, solar device manufacturers have not yet achieved the economies of scale so necessary to price reductions and widespread public adoption.

The commercialization and public utilization of solar energy are a classic example of high risk/high payoff research and development. Solar energy will not be widely utilized until costs decline, but costs will not fall without expanded demand and associated economies of scale production. Aggressive Government funding is the only way to break that cycle quickly.

The Solar Energy Research Institute, incidentally, is designed to break that cycle. It is envisioned by Congress as the focal point of our national solar development program—a program to reduce solar costs through research and development of new and existing technology. Officials of the Energy Research and Development Administration see SERI as an integral part of the Nation's solar energy program to help establish an industrial base and more rapid and widespread use of solar technology.

The issue of solar energy development is one more of economics than of technology. Mr. Sheldon Butt, president of the Solar Energy Industries Association, has presented a persuasive economic argument for a rapid and aggressive Federal solar program. I want to share that argument with my colleagues.

Mr. President, I ask unanimous consent that an abstract of a paper by Mr. Butt, entitled, "Government Action to Stimulate Accelerated Solar Development," prepared June 11, 1976, be printed in the RECORD.

There being no objection, the abstract was ordered to be printed in the RECORD, as follows:

GOVERNMENT ACTION TO STIMULATE ACCELERATED SOLAR DEVELOPMENT

ABSTRACT

This paper will deal with economics of solar heating applications from the national point of view, demonstrating that solar heating is an economically viable energy source for the Nation's future. Inasmuch as the need to develop new energy sources for the future is pressing, it appears that it is in the National Interest to undertake Government action which will stimulate the growth of the infant solar heating industry. Left to itself, it would develop slowly—with Government help, it can develop more rapidly and save the equivalent of a million barrels of imported crude oil per day in ten or fifteen years. There is ample precedent for Government action to stimulate the development of new industries in the United States. Furthermore, key provisions of the Government program proposed are justified as simply extending to solar energy "producers" (the owners of solar equipment), tax treatment equivalent to that provided to "conventional" energy producers.

As Americans, we decry our Nation's undue dependence upon imported energy, primarily crude oil, and the adverse effect which these imports have upon our very independence, as well as upon the balance of payments and upon American jobs. We believe that accelerated use of solar energy for heating applications can make a very substantial contribution to closing the "energy gap." However, we recognize that the gap is of such magnitude that no single alternative, whether solar development or development of other alternatives, can, by itself, resolve the problem. Therefore, in addition to our support of accelerated solar development, we also support accelerated development of other domestic energy resources, both conventional and "new," which can make important contributions to closing the gap.

The key elements of the program which we propose are:

(a) An expanded and market development oriented demonstration program to accelerate public awareness of the viability of solar equipment.

(b) A program which would require that Government buildings be equipped with solar devices whenever a life cycle cost analysis indicated that it was economically justified.

(c) Most importantly, a system of tax credits to producers of solar energy (users of the equipment), providing them with equivalent treatment to that provided generally to other energy producers.

THE ECONOMICS OF SOLAR HEATING

In this paper, we will deal with the economics of solar heating, space heating and domestic hot water, from the point of view of the national economy. A paper dealing with the economics of the user is being presented later during this meeting.

The technology required for solar heating applications is, indeed, available today. Solar space heating equipment and solar hot water heaters are available commercially from an increasingly large number of manufacturers. The number of installations is increasing. A survey made recently by the Federal Energy Administration indicates that installations of medium temperature solar collectors in 1975 were over four times those made in 1974. However, volume is still small as compared to the magnitude of the energy problem.

The applications involved, heating building space both in residences and in nonresidential structures and heating domestic hot water, are important. Together, they account for over 20% of the entire national energy budget. Furthermore, the scarce fuels which we seek to conserve—oil and gas—account for a large part of the energy used in these applications. Thus, the energy application area which will be impacted is one which is peculiarly important to the Nation.

Oil and gas as now used in space heating and for heating domestic hot water can be replaced by solar energy. An alternative is electric energy generated from coal or from nuclear fuel. Therefore, it seems appropriate that we compare the "national economics" of replacing oil and gas by solar energy with the economics of replacing them with electric energy—and, as we shall see, with the economics of replacing them with a combination of both solar energy and electric energy.

For many reasons, economists tell us that availability of capital funds is the single most critical factor limiting future economic growth. As our economy matures, the capital investment required to create a new job or to sustain an existing job has been increasing very rapidly. Additional large capital investments must be made to develop energy resources to meet our urgent energy needs. Other large investments are required to reduce pollution and clean up the environment. Taken together, future requirements for capital investment in this country are very large, indeed, and there is real concern amongst economists that sufficient funds may not be available. Thus, the capital cost-effectiveness of various alternative measures to relieve the energy problem becomes an important consideration.

Capital cost of the solar alternative

The solar hardware which is available on the market today can replace oil or gas in heating applications at a national average cost of $218 per barrel of oil saved per year. We should emphasize that these are today's costs in an infant industry. We do expect that the cost of solar equipment will decline in the future as volume increases, because of the economy of scale of large-scale manufacture and as the producers of the equipment perform the engineering development and cost engineering needed to reduce cost. As we shall see, the cost of saving a barrel of oil with new electric generating capacity is 30% higher at $286. In contrast to solar capital costs, these costs are those of a mature industry, producing in substantial volume, and are the end result of many years of engineering development. There is little reason to anticipate cost reduction in the future and indeed, the history of the last few years should lead us to expect continued cost increases. The optimum solution, which involves the coordinated use of solar energy and off-peak electric energy, which more fully utilizes existing electric generating equipment, is the least costly alternative of all, with a capital cost of $131 per barrel of oil saved.

Capital cost of the electric alternative

To save a barrel of crude oil (or its equivalent) requires that 850 KWH be delivered to the load. The 850 KWH delivered to the load becomes 1,000 KWH at the generating plant after we take into account losses in transformers and in transmission lines.

To relate electric energy to capital cost, we first assume that electric generating plants serving space heating and domestic hot water needs will operate at a load factor of 40% or less. This is probably on the high side of the actual load factors experienced for these loads and therefore, represents a somewhat conservative approach to the solar-electric comparison. At a 40% load factor, each kilowatt of installed electric capacity will produce 3,500 KWH per year. Therefore, if we need 1,000 KWH to replace a barrel of crude oil, we need to provide .286 kilowatts of capacity to generate 1,000 KWH per year at a 40% load factor.

The capital cost of providing this new capacity includes not only the cost of the generating plant but also the cost of the distribution system needed to carry the electricity to the load. Furthermore, we must include the capital investment required to produce fuel for the generating plant, whether this investment is in coal mines producing coal or in Government-owned uranium enrichment plants and privately-owned uranium mines. In the case of coal, we must also consider the capital cost of the transportation facilities required to transport the coal from the mine to the generating plant.

In round figures, it appears that the capital cost of such a "slice" of new capacity is approximately $1,000 per kilowatt. At $1,000 per kilowatt, the .286 kilowatts of capacity required to replace a barrel of crude oil or its equivalent will cost $286. As we indicated previously, the national average cost of replacing a barrel of crude oil or its equivalent in heating and water heating applications with solar energy is only $218. Thus, the capital cost of the electric alternative is 30% higher. Even today, the solar alternative is somewhat more capital cost-effective in serving heating loads than is electricity. We can expect that the comparison will improve as the cost of solar hardware decreases in the future.

Capital cost of the solar-off-peak electric alternative

We can do still better by "marrying" solar and electric energy. This is the most advantageous means of replacing oil and gas in heating applications. Solar energy and coal or nuclear based off-peak electric energy are used together.

It is not practical to carry 100% of a heating or domestic hot water load with a solar installation. Heating loads are too variable with changes in weather conditions. More importantly, the available solar radiation is far from constant since, even in the desert Southwest, the sun doesn't shine every day. Attempts to carry too large a percentage of the total thermal load with solar energy necessarily result in excessively large solar installations which lose cost-effectiveness. Although there is a great deal of variation because of differences in climate, as a national average, typical solar installations will provide 60% of the thermal needs of a home or other structure. This leaves an average of 40% to be provided by other resources. These can be oil or gas. Alternatively, the supplementary energy source can be electric energy.

The key to the ability of a solar installation to use *off-peak* electric energy as its supplementary energy source is the fact that thermal energy storage is normally a part of all solar systems. This storage capability can be used to store electric heat—provided on an off-peak basis—for use when needed.

For example, suppose that our solar heated home was heated today with energy which had been stored previously since the sun did not shine today and no new solar energy was available. We can never be sure that the sun will shine tomorrow. Therefore, tonight, during the off-peak hours for electric generation, we will put enough electric energy in storage as heat to carry our load until the next nighttime off-peak period tomorrow night. We will require no electric energy during the peak daytime hours tomorrow. If the sun doesn't shine tomorrow, we will use the off-peak electric energy which we stored tonight. If it does shine, we will use solar energy to heat the house tomorrow and place additional solar energy in storage for use tomorrow night and perhaps for use the day after tomorrow.

Thus, we have developed a system in which we supply 60% of our thermal energy needs with solar energy and 40% with off-peak electric energy. The capital cost of the solar equipment needed to produce solar energy's 60% share of the heat needed to replace a barrel of oil is only 60% of $218 or $131. Virtually no investment is required to produce the 40% to be provided by off-peak electricity since the use of off-peak electricity means that we are simply providing for better utilization of existing generating plants which would otherwise stand idle.

Compared to the $131 invested in this alternative, the investment in solar by itself is 66% higher at $218, while electricity by itself would be 118% higher at $286. In a capital short economy, the potential to replace oil at a capital cost of $131 per barrel saved represents a real bargain.

Solar "plusses"

In addition, the use of solar energy provides some real plusses for the Nation's economy. A large number of new jobs are created. This is particularly true since building and installing solar equipment is relatively labor intensive. The "labor content" of a solar installation is high.

The United States is not alone in facing severe energy problems. They are worldwide and indeed most other nations face even more serious problems. If the United States is able to take the lead in the development of a large-scale solar industry, we anticipate that we will be able to develop a substantial export market for solar hardware.

The reduced capital investment required for the solar alternative or the solar-off-peak electric alternative free limited national capital resources for other needs.

Of course, expansion of electric generating plants will still be required. There are certainly many other requirements for electric energy which will continue to grow, apart from the potential need for electric energy to replace oil and gas used for heating. However, the fact that the electric energy requirements in this area are reduced and can be made completely "off-peak" reduces the rate at which new electric generating capacity must be added. Since the costs of new generating capacity have increased and will continue to increase, adding less new capacity means that, at any point in time, the average cost of all capacity in the utility system will be lower than it would be without the use of the solar alternative. Reducing the average cost of all capacity in the system reduces the rate base and therefore, reduces the cost of electric energy to the consumer.

Certainly, the use of solar energy in place of oil and gas now used in heating and in heating domestic hot water will reduce fuel imports and make a major contribution to achieving energy independence.

Reduction in the amount of fossil fuel burned is a help in cleaning up the environment.

Another important advantage is that reducing consumption of oil and gas helps to conserve these nonrenewable resources for future use by our children and grandchildren. It permits us to leave a legacy for future generations which we would otherwise squander in our own generation.

GOVERNMENT PROGRAMS TO ACCELERATE SOLAR DEVELOPMENT

Based upon the preceding analysis, we believe that solar heating applications do make a lot of sense for America. What do we need to do to "turn on the sun" quickly? How can we reach a goal of a million barrels per day of oil (or equivalent) saved through the use of solar energy for heating in the next ten or fifteen years?

Our key problem is that our industry is still very much in its infancy. Although it achieved the remarkable growth rate of 400% last year, it is still small and has a very long way to go. Since the energy problem is real and will persist, since the cost of conventional fuel will continue to increase, since shortages of conventional energy will become progressively worse, there is no doubt but that, if we were left to our own devices, without assistance, we would eventually reach maturity. The problem is that, without assistance, we have no hope of reaching a level which would save a million barrels of oil per day within a ten or fifteen year time span. It would take us much longer. Our story is really very much the same as that of the other "alternative" and "new" energy sources. Since they do make sense, they will eventually become major resources without Government stimulation but not within the time span required to meet our national goals.

Thus, we must conclude that it is in the National Interest to accelerate the growth rate of solar applications to reduce dependence upon foreign energy sources. Acceleration of the development of alternatives is, indeed, the real meaning of what has been called "Project Independence."

Unquestionably, there is very widespread public interest in solar energy. Fundamentally, the public is ready for its development. Anybody involved in solar energy can attest to the interest of the general public. All of us are inundated with letters from the people. To repeat; the public is ready.

The development of solar energy and the development of the other "alternative" and "new" sources which we need is a positive policy. It is a positive policy to fill our energy needs in contrast to the negative impact of allocations and rationing which may be forced upon us if we do not act to develop "alternative" and "new" sources. The public is ready for strong and dynamic leadership from Government to develop solar resources and other "new" sources. The solar technology is ready to do the job. Government leadership means Government help to accelerate development of a new industry. Throughout almost the entire period in which our Nation has been in existence, Governmental action has been utilized to accelerate development of needed new industries. There is certainly ample precedent.

In the last century, the Homestead Act was used to open the West. The development of the agricultural resources of the Middle West and of the Plains States became the basis for our present agricultural industry which presently contributes so much to our ability to pay for energy imports.

Federal land grants were provided as an incentive to assist in the development of the Transcontinental Railroad System after the Civil War. The Transcontinental Railroads were a major factor in knitting our Nation together.

More recently, depletion allowances have provided important keys to developing and sustaining our mining industry, both to produce needed minerals and metals and to produce fossil fuels.

Massive Government research and development expenditures and massive Government investments in nuclear facilities built our present nuclear power industry. It continues to be sustained through the use of Government built facilities and much of its hope for the future depends upon massive continuing Government research and development expenditures.

The program to accelerate solar applications

In the case of the solar heating applications, what are the major areas in which national leadership by the Government will be effective? What should we do?

A. Demonstrations

First of all, we need help in the area of market development. We need a Government demonstration program which is aimed at market development. We need to prove to the public that their interest in solar energy is well founded and that the solar equipment works. We believe that this requires that we quickly place 50,000 solar water heaters and 5,000 or 10,000 solar heating systems in public view. We propose to concentrate initially upon solar water heaters since they have the greatest near term market potential. Furthermore, since solar water heaters are substantially less costly than solar space heating systems, emphasis upon water heaters in the demonstration program reduces the cost of the program. The existence of water heaters not only proves their viability but helps prove the viability of space heating systems. We want to distinguish between a market development oriented program intended to demonstrate solar to the public and demonstration programs which have as their objective the field testing of new and improved equipment. Both are necessary.

B. Government Buildings

Secondly, we need a Government building life cycle cost program. All of us are being urged—and properly so—by the Government to look at life cycle costs and not just at first cost. We are asked to adopt conservation measures, such as storm windows and additional insulation, or to make a solar installation whenever an analysis of the costs over the life cycle of the building says that these investments should be made. Clearly, Government should lead the way. Government buildings should use solar energy wherever cost justified. Not only will the proposed Government building program put the Government's money where its mouth is, but it will help to provide some needed volume to the solar industries, particularly in their earlier years. Finally, it is need in order to sell life cycle cost concepts to the public.

Of the greatest importance, we need a temporary program of Government grants or tax credits to solar energy producers—the users of solar equipment—to help overcome the "first cost" hurdle. Most of us are indeed very first cost conscious. We need *temporary* help to overcome this first cost problem. We believe that such help can best be provided in most cases either with direct Government grants or with tax credits to the producers of solar energy.

C. Favorable Tax Treatment

Specifically, we propose a tax credit to homeowners who become energy producers through installing solar equipment equal to 40% of the first $2,000 invested and 25% of the next $6,000. Our reason for proposing a larger credit for the first $2,000 investment is twofold. In the first place, it will provide the largest incentive to the owner of the relatively small home who needs a relatively smaller and less expensive installation. The owner of the smaller home is characteristically in a lower income bracket than the owner of the large home and needs help more. Secondly, a 40% credit on the first $2,000 will particularly provide an incentive to the installation of solar water heaters. These are the most productive in terms of energy savings. They also will lead to general acceptance of solar energy and their broad acceptance will help with subsequent acceptance of solar energy for heating.

We believe that the special tax treatment (or grants) proposed are amply justified. It is certainly true that the homeowner who purchases solar equipment and installs it upon his residence becomes an energy producer just as much as is the electric utility company who purchases and installs new generating capacity, the coal mining company which purchases and installs mining equipment, or the oil and gas producer who drills an oil or gas well or builds a refinery or pipeline. All of these industries receive specialized tax treatment, in common with other industries. Indeed, the only exception is the homeowner who becomes an energy producer but who receives no specialized tax treatment under existing legislation.

Simply stated, we are asking for equitable treatment for the homeowner-energy producer.

We do not dispute the need for the tax benefits presently received by the conventional energy industries. They, as well as other industries, deserve and need the investment tax credits and depreciation allowances now received, as well as, in many cases, the depletion allowances granted them as a means of assisting them to attract and generate the capital funds required to support and expand their production. We are asking that equivalent treatment not be denied to producers of solar energy.

We believe that it is important that we look at the Government investment required and compare it with the Government investment required—through the existing tax laws—by the electric alternative.

If we look at the solar installation by itself (without the use of off-peak electric energy married to it), we find that the Government investment in tax credits would be $60 to $70 per barrel of oil saved per year. This would total $22 to $25 billion spread over ten or fifteen years to save a million barrels of oil per day. At today's prices for imported crude oil, the foreign exchange savings would repay the Government investment in five or six years.

We may compare the $60 or $70 investment per barrel saved through solar alone with the Government investment required to replace the same barrel of crude oil with new electric generating capacity. Based upon the present investment tax credits and depreciation allowances now received and their effect upon taxes paid, the electric alternative would require a much larger Government investment. It would cost $150 per barrel saved or over twice as much as solar alone. The total Government investment involved in saving a million barrels of oil per day with electric energy is $55 billion. However, if we marry solar energy for 60% of the structure's thermal energy requirements with off-peak electricity for the remaining 40%, the taxpayers need invest only $40 per barrel of oil saved or only $15 billion over the ten or fifteen year period to save a million barrels per day. The $40 per barrel investment would be repaid by foreign exchange savings in less than three years.

One of the effects of the Government's investment in solar facilities or in other energy producing facilities is to stimulate investment and spending in the private sector. The Government's investment increases economic activity and increased economic activity increases tax revenues which offset the Government investment. This is particularly true in the case of the Government investment in solar heating facilities. As we indicated previously, solar equipment and solar installations are relatively labor intensive and therefore, are particularly effective in stimulating economic activity. Stimulation is rapid since the lead time for new solar energy producing facilities is very short as compared to the long lead times involved in the building of new electric generating facilities.

As incentives to commercial and industrial nonresidential solar energy producers, we propose a 25% tax credit and five year accelerated depreciation on the remainder of the investment. Again, the key concept is equivalent treatment for the solar investor. We ask for equality with the present system of tax credits, depreciation allowances and depletion allowances.

Solar energy and the energy problem

We are confident that, with Government assistance—particularly with the three key programs discussed above—the solar industries can meet our goal of saving a million barrels of oil per day in ten or fifteen years with solar heating and solar hot water heaters. This represents a major contribution to energy independence—but, certainly, it does not do the entire job. Saving a million barrels of oil per day with solar energy in ten or fifteen years will reduce dependence upon energy imports by 15% or 20%. The Solar Energy Industries Association has publicly maintained that the energy problems which face the United States are so large that we need everything we can get. Therefore, S.E.I.A. has advocated and will continue to advocate accelerated development of all viable additions to energy supply and has advocated and will continue to advocate a determined conservation effort. We want to emphasize that we are responsible American citizens first—and solar advocates second. In all conscience, we must support all of the elements of the future energy mix needed to assure a strong America free of undue dependence upon others. At longer range and far beyond our immediate concern for energy independence, we want our great, great grandchildren to celebrate the Tricentennial with still greater pride in America and in greater security than we enjoy in our celebration of the Bicentennial.

We have seen that solar heating can provide a substantial input to the Nation's energy budget in the next ten or fifteen years. We have seen that it can do this cost-effectively using existing technology. We expect that this technology will continue to be used in the more distant future and that, ultimately, it can provide from 10% to 15% of our total energy budget.

Near-term, we must accept increasing dependence upon electric power, not only to fill traditional electric energy needs but also as a replacement for oil and gas, and we include in this the coordinate use of electric power and solar energy for heating buildings and hot water. At present, most of our electric power is generated from fossil fuels and from uranium, which is also a form of fossil fuel. None of these fossil resources are unlimited. Near-term, we must use them as wisely and cost-effectively as we can. Long term, we must replace them.

Near-term, we must support increased electric power generation from present "conventional" sources. In the near-term, there is no alternative to the contribution which can be made in this manner to closing the energy gap and gaining independence. Alternative electric generation technologies are simply not ready. When they are ready, considerable time will be required to put them in place. Longer term, we must replace limited fossil sources with more permanent sources. Solar generated electricity is one of these.

Solar-electric

In common with other new electric energy sources, the generation of electric energy with solar energy requires more research and development before it can be ready for broad general use. Certainly, the basic principles are known and we know they will work. In this respect, potential use of solar energy for electric power generation is ahead of the potential use of hydrogen fusion as a means of generating electric energy. In the solar area, we need research and development aimed at producing completely practical and cost-effective hardware.

We are in agreement that a total E.R.D.A. budget for FY-1977 of $230 million is required. This will not only provide for accelerated market development oriented demonstration of solar heating called for but will also provide for accelerated solar electric research and development.

While recommending accelerated solar electric research and development, we want to emphasize that, even long term, we probably cannot expect that solar energy will ever become the single answer to the problems presented by the depletion of nonrenewable energy sources, both here and abroad. Therefore, the Solar Energy Industries Association strongly recommends continuing research, development and demonstration in other new energy technologies.

SUMMARY

Our position may be summarized as follows:

(a) Solar heating now and for the future.

(b) Solar electric research and development for the future.

(c) The wise use of all available, viable, conventional energy resources now.

(d) Development of other new energy sources for the future.

Solar heating is unique in this picture since it is an available new energy source for both the near term and long term. The three key measures we need are:

1. Incentives to provide equality of treatment for the solar energy producers.

2. A Government buildings program.

3. An expanded market development oriented demonstration program.

BOB MacGREGOR

Mr. RIBICOFF. Mr. President, the recent retirement of Bob MacGregor after 44 years with the Hartford Times leaves a major void in Connecticut journalism. He was always the first reporter on the scene of a late breaking story. And he persisted in attempts to disclose official wrongdoing in State government. Bob could take pride in the fact that his efforts resulted in positive steps by the Connecticut State Legislature to end practices that he brought to public attention.

When Bob was assigned to cover the State capitol in Hartford 28 years ago on a temporary basis, probably no one other than Bob himself expected that he would become a permanent fixture on the legislative and political scene for years to come. His column on political developments in Connecticut provided those of us in politics with a ready source of information which we knew we could rely on for accuracy and insight.

I remember most vividly Bob's outstanding reporting of Connecticut's flood in 1955. Bob went to great lengths to bring to his readers on-the-scene coverage not only in words but in the pictures that resulted from his unique camera work. This exemplified his unending desire for the hot story, and his readers have always appreciated Bob's enthusiasm for timely, first-rate reporting.

Bob's friends in the press corps knew quality when they saw it, so it was no surprise when Bob climbed to the top of his profession. His colleague respected both his reporting skills and his down-to-earth personality for which they developed a deep affection. They selected him to serve as president of the Laurel Club, an organization of State capitol news reporters in Connecticut. There are few greater signs of admiration and respect than when one is so honored by his colleagues.

I wish Bob MacGregor all the best on his retirement from the Hartford Times. He has established a standard for political reporters that will be hard to equal. His career of reporting excellence has kept Hartford area readers well informed for decades, and his steady hand at the Hartford Times will be sorely missed.

CAPTIVE NATIONS WEEK

Mr. WILLIAMS. Mr. President, during this, America's Bicentennial Year, it is most appropriate that we take time to consider the millions of people throughout the world for whom tyranny and oppression are tragic features of everyday life. The list of captive nations is long. They exist in virtually all parts of the globe. Some of these countries once enjoyed long periods of self-determination and freedom, while others have known these blessings for only the briefest of moments.

Yet in each of these countries the spirit of liberty remains alive, nurtured by those who wage a continuous struggle to be free of the oppression which grips their homelands. In recognition of their ongoing struggle, we have set aside the third week in July as Captive Nations Week. Through this commemoration we pay tribute to the courage and the sacrifice of those in other lands who are not yet free, and we reaffirm our own strong commitment to human and civil rights for all peoples.

ADDITIONAL SUPPORT FOR CIGARETTE TAX REFORM

Mr. GARY HART. Mr. President, later this week, the Senate will have the opportunity to cast a vote for legislation which will greatly improve the health of millions of American citizens. This legislation, amendment No. 1945, restructures the current Federal excise tax on cigarettes in order to provide incentives to smokers to switch to less hazardous, low tar and nicotine cigarettes. The amendment is being offered by Senators KENNEDY, MOSS, BROOKE, HATFIELD, and myself, and will be debated as part of the Tax Reform Act.

Insofar as cigarettes remain the single largest unnecessary and preventable cause of illness and early death in the United States, many national health organizations correctly perceive this amendment to be one of the most important health proposals to be debated by the Senate in 1976. These organizations have given their full support to our amendment and letters of endorsement from the American Cancer Society, American Lung Association, American Heart Association, American Public Health Association, American Nurses Association, National Kidney Foundation, American Association of Neurological Surgeons, and Cystic Fibrosis Foundation appear on pages S11034–S11035 and S11527–S11528 of the CONGRESSIONAL RECORD. For the benefit of my colleagues I ask unanimous consent that additional letters of support from the Consumer Federation of America, Action on Smoking and Health, Metropolitan Washington Coalition for Clean Air, District of Columbia Lung Association, National Education for Health Committee, and the National Health Federation be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., July 2, 1976.

DEAR SENATOR HART: Consumer Federation of America, the nation's largest consumer organization wholeheartedly supports Amendment No. 1945 which provides for reform of the Federal excise tax on cigarettes.

This legislation addresses a very significant consumer problem. HEW has determined that cigarette smoking is "the largest single unnecessary and preventable cause of illness and early death" in the United States.

It is estimated that in 1976 300,000 Americans will die prematurely as a result of cigarette smoking. Dr. Theodore Cooper, Assistant Secretary for Health, has testified that medical costs of smoking are on the order of 11.5 billion dollars per year. In addition to 77,000,000 work days lost per year and 308,000,000 days of restricted activity per year. In terms of both lives lost and dollars spent, these are costs consumers cannot afford to pay.

The legislation which you and Senators Kennedy, Brooke, Moss, and Hatfield have introduced, offers a practical approach to the smoking problem by offering incentives to smokers to switch to lower tar and nicotine cigarettes. This is a positive step toward the solution of what is recognized as a major health crisis in America.

For these reasons, we strongly endorse your efforts to reform the federal excise tax on cigarettes and congratulate you for your leadership on this issue. CFA requests that you make our position known to your colleagues in any way you deem appropriate.

Very truly yours,

CAROL TUCKER FOREMAN,
Executive Director.
KATHLEEN F. O'REILLY,
Legislative Director.

ACTION ON SMOKING & HEALTH,
Washington, D.C., July 2, 1976.

Hon. GARY HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: Action on Smoking and Health is happy to respond to your recent letter requesting our opinion and comments concerning your proposed "Tax Reform Amendments of 1976—H.R. 10612, Amendment No. 1945" which would replace the existing uniform tax on cigarettes with a progressive tax based on the tar and nicotine content. As the only national organization concerned primarily with the problem of smoking and health, we believe that we may have information and points of view which would be of value to you and your colleagues in considering this issue.

Action on Smoking and Health wholeheartedly endorses, without reservation, the proposed amendment for three basic reasons:

1. Such a tax would reduce the frightful toll of unnecessary and preventable death and disability caused annually by cigarettes;

2. Such a tax would relieve, at least in part, an unfair and unequitable burden now borne by the overwhelming majority of Americans who choose not to smoke;

3. More importantly of all, ash endorses the bill because we believe that the overwhelming majority of the American people—including a majority of smokers—would favor such legislation.

GENERAL CONSIDERATIONS

It can hardly be argued that cigarettes are not an appropriate item for tax consideration in the year 1976. Not since 1952—24 years ago—has Congress raised the basic tax on this product. Yet, in the intervening years prices and taxes on virtually every other item have increased substantially, while that on cigarettes has remained unchanged. Thus, since the standard of living—as well as the take-home pay—of the average worker has increased manyfold since 1952, the proportion of earnings spent on this tax has substantially decreased. Moreover, and of far greater significance, the intervening years have brought forth well-nigh incontrovertible evidence that this product, regarded in 1952 as a harmless habit, is in fact a deadly product that kills over 300,000 Americans each year and cripples millions more. Thus, it is entirely appropriate and proper for the Congress to reconsider the tax treatment of this unique product. In view of its status as a sheer luxury that most Americans can and have chosen to do without, our increased knowledge of the deadly results of its use, and the Congress's failure to raise the tax periodically to adjust for inflation and the ever-growing increase in the standard of living, it is entirely appropriate for Congress to consider a sharply increased tax on cigarettes. Indeed, to fail to do so would be to give increased currency to the view of many that the United States Congress's actions in this area are subject to the veto of the powerful tobacco lobby.

REDUCED DEATH AND DISABILITY

Virtually every independent medical or scientific organization which has studied the problem of smoking—including governmental and private organizations in many countries around the world—have concluded that cigarette smoking is hazardous and causes significant amounts of death and disability. Although it has proved difficult to disourage consumption of the *product either* by public education (in the face of massive cigarette advertising), or even an increase in the uniform tax rate on cigarettes, the use of a differential tax based on tar and nicotine content appears to hold great promise. As a carefully analyzed article in the much-respected *Yale Law Journal* pointed out several years ago:

"A special tax on cigarette brands high in tar and nicotine would be an effective way of [causing smokers to switch to a less dangerous cigarette]. Such a tax would encourage the consumption of lower tar and nicotine brands by making them less expensive for the consumer and/or more profitable for the manufacturer. The tax can also be an efficient source of public revenues.

"Given a realistic recognition that aggregate demand for cigarettes is highly inelastic, governments seeking to minimize the harm done by smoking should consider adopting the tried strategy of the old British Empire: Divide and Rule. Government intervention designed to reduce the danger of cigarettes by discouraging the production and sale of the most harmful brands should succeed where intervention designed to cut total sales has failed. The divide and rule strategy would then be to direct consumption away from particular brands, rather than away from cigarettes generally." [Drayton, The Tar And Nicotine Tax: Pursuing Public Health Through Tax Incentives, 81 Yale L. J. 1487, 1491 (1972)].

The article cited above, based in part on a study of the experience of New York City's differential cigarette tax, estimated "a shift from taxed to exempt brands of approximately 12 to 13 per cent of all cigarettes sold in the city (*Id.* at 1501 *et seq.*). This result appears to come from two different factors. First, for many smokers even small increases of five or ten cents per pack may be enough of an economic incentive to switch to a less hazardous cigarette, particularly for a smoker who may already have such an inclination. Perhaps equally importantly, however, the differential tax as reflected in the increased price is a forceful and constant reminder to even the most affluent smoker that the brand he has chosen is high in its death and disability potential. Thus, the *Yale Law Journal* concludes:

"Government can take a realistic step toward improving the public health by imposing a tar and nicotine tax. Recognizing the fact that most smokers are habitual and that it is therefore unrealistic to expect to reduce total consumption quickly, the tar and nicotine tax seeks to reduce the harmful elements in what is smoked. It divides high against low tar and nicotine brands and gains much of its effectiveness from the resulting competitive clash. It is a good source of revenue and poses few administrative problems. It should give the government the power to force a change in smoking patterns." (*Id.* at 1516)

Thus a differential cigarette tax based on the tar and nicotine content appears to be a most effective technique for reducing the tar and nicotine consumption—and thereby the death and disability—inherent in smoking cigarettes. How can one in good conscience oppose a tax on cancer, heart disease, and emphysema?

SHIFTING FINANCIAL BURDEN FROM NONSMOKERS

Although less than 35 per cent of all Americans 21 years or over are currently cigarette smokers, many of the financial costs of the habit are borne by all taxpayers, regardless of whether they smoke. Thus, for example, much of the cost of the estimated 300,000 excessive deaths per year are borne by the nonsmoker in increased tax expenditures for medicare, medicaid, welfare assistance, social security payments, etc. The 77 million man days of work lost each year as a result of smoking, likewise, are borne by all consumers in the form of higher prices, higher taxes, etc. There is in law a growng feeling, based upon considerations of elemental fairness and of the ability of a large interprise to spread the risk, that it is appropriate for those who participate in or enjoy the advantages of an activty to bear its cost, rather than spreading that cost to others. The Assistant Secretary for Health has testified before the Senate Health Committee that these smoking-induced diseases now cost the American public—smokers and nonsmokers alike—in excess of 1.5 billion dollars annually. Although this proposal is expected to raise in total revenue far less than this sum, it is at very least a first step in applying the principle that those who participate in an activity should bear the increased costs. This proposal would take from the backs of the majority of taxpayers some of the burden of the death and disability caused by smoking: a burden they in fairness should not be required to share.

FAVORED BY MAJORITY, INCLUDING SMOKERS

The most compelling reason of all for adopting the proposed progressive cigarette tax, particularly in an election year, is that the overwhelming majority of the public—including a majority of smokers—would welcome and favor the proposal. Clear support for this proposition was announced in the recently released results of a U. S. Public Health survey of the smoking habits and attitudes of a carefully selected random sample of approximately 12,000 adult Americans. Titled "Adult Use of Tobacco 1975," it is the largest, the most recent, and the most definitive study of its kind.

Among the most important conclusions of the study are that a majority of Americans—including a majority of smokers—feel that more must be done about the problem of smoking. Secondly, the survey indicates that the great majority of smokers would like to quit or at least cut down, and would probably welcome measures to assist them in doing so.

Asked whether they agreed with the statement "the whole problem of cigarette smoking and health is a very minor one," only 20 per cent of all adult Americans and less than 30 per cent of all adult smokers said they agreed.

Asked whether they agreed with the statement "would you favor stronger federal government regulation concerning cigarette smoking," 56.5 per cent of the total adult population, including over 42 per cent of all adult smokers, said they would agree.

Asked whether they would agree with the statement "cigarette advertising should be stopped completely," over 55 per cent of all adult Americans, including over 42 per cent of all adult smokers, agreed with the statement.

Finally, asked whether they agreed with the statement "cigarette smoking is enough of a health hazard for something to be done about it," a whopping 84 per cent of all adult Americans, including almost three-quarters (71.6%) of all adult smokers, agreed.

The results of this portion of the survey indicate loudly and clearly that the public is very concerned about the problem of smoking and is crying out for more to be done. It is particularly significant that so many smokers are joining in this cry. Thus, an overwhelming number of both nonsmokers and smokers want something more to be done about the problem of cigarettes. A majority of all Americans—including almost a majority of all smokers—would favor federal regulations directly concerning the smoking of cigarettes. (This is consistent with survey results showing that a majority favor restricting smoking in many public places both by governmental and private actions.) Indeed, many are so concerned with the problem that a majority of Americans—including two out of five smokers—would ban cigarette advertising.

This cry for more effective action should be heeded by the Congress. To fail to do so would be to to fly in the face of this clear expression of the public will.

It also appears that a large majority of smokers would welcome a differential cigarette tax. The U.S. Public Health Survey has indicated that:

About 70 per cent of smokers believe that cigarette smoking frequently causes death and disease.

Over 80 per cent agree that smoking cigarettes is harmful to health.

Two out of three smokers are concerned about the effects of cigarette smoking on their health.

As a consequence, the U.S. Public Health Service reports, two-thirds of all male smokers and three-quarters of all female smokers have tried to reduce their smoking. Six out of ten have made at least one serious attempt to stop, and another three out of ten say they would try to stop if there were an easy way. Thus, nine out of ten American smokers would like to stop smoking and are looking for help in doing so. The proliferation of books, pills, devices, programs, clinics, and other means to help people stop smoking is dramatic testimony to this desire.

A differential cigarette tax would, we believe, provide an additional incentive to help smokers reduce their consumption of the dangerous components of cigarette smoke. The U.S. Public Health Survey reveals that many are already moving in that direction. They certainly would not object to such an additional inducement. Moreover, for those who wish to quit, it is often far easier to quit if one reduces his or her consumption slowly, rather than making an abrupt termination. Thus, a differential tar and nicotine tax, by encouraging persons to shift their consumption to lower tar and nicotine cgarettes, would not only immediately reduce the health hazards, but in addition would make it easier for smokers to fulfill their own goals of becoming exsmokers.

Thus, it is respectfully suggested that the proposed tax would in no way be a punitive measure against cigarette smokers, nor would it indeed be opposed by them. Instead we believe that smokers—who want something more to be done about smoking; who favor increased federal regulation of smoking itself; who favor a total ban on advertising—would welcome this far less restrictive measure which would help them to do what a majority have already tried unsuccessfully to accomplish.

The principal argument against such a tax seems to be that raised by the tobacco industry, that it would be too difficult to administer. In response one need merely note that there would be only four categories or levels of taxation on cigarettes (those below a certain level would be exempt from taxation); that the measure is clearly administratively less complex than a great many other taxing and regulatory measures adopted by the Federal Government; and that the experience of New York City indicates that such a tax is feasible (the problem of increased smuggling which New York City allegedly suffered from obviously would not result from the imposition of a nationwide tax increase).

Finally, and most significantly, one cannot weigh minor administrative and recordkeeping difficulties against the lives of over 300,000 Americans which are lost needlessly each year; the millions of others who are crippled as a result of smoking; the financial burden of smoking-caused death and disability which unfairly falls upon the majority of Americans who have chosen not to smoke; the overwhelming sentiment of adult Americans including smokers for more effective action on the problem of smoking; and the desires of 90 per cent of all smokers for assistance in cutting down and eventually quitting cigarettes. For all of these reasons Action on Smoking and Health would ask Congress to approve this bill.

Yours truly,

JOHN F. BANZHAF III,
Executive Director.

METROPOLITAN WASHINGTON COALITION FOR CLEAN AIR, INC.,
Washington, D.C., July 9, 1976.
Hon. GARY HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: The Metropolitan Washington Coalition for Clean Air is a nonprofit membership organization incorporated in the District of Columbia. The Coalition is dedicated to a vigorous policy of citizen action and citizen education to achieve cleaner air, both indoors and out, in the Metropolitan area.

We strongly endorse the cigarette tax concept proposed in the Hart-Kennedy amendment 1945. The American Lung Association believes that a graduated tax on the tar and nicotine content of cigarettes is an effective method to encourage reductions in consumption. We must point out, however, that smoking is probably the primary cause of lung disease in the United States today, and that cigarettes contain many other toxic chemicals and compounds in addition to tar and nicotine. The Coalition believes no safe cigarette exists and that strong, additional measures must be undertaken by government to encourage the reduction and elimination of cigarette and tobacco smoking.

Sincerely,

JOHN R. EMBICK,
Director.

DISTRICT OF COLUMBIA LUNG ASSOCIATION,
Washington, D.C., July 13, 1976.
Hon. GARY HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: The District of Columbia Lung Association is a nonprofit voluntary health agency founded in 1902. Since its beginning the Association has vigorously sought healthy lungs and a clean environment, and we know today that the greatest threat to healthy lungs is cigarette smoke.

Thereby the District of Columbia Lung Association joins the American Lung Association in its wholehearted endorsement of the Hart-Kennedy Amendment #1945. A graduated tax on the tar and nicotine content of cigarettes is an effective and altogether fitting method to encourage reductions in the consumption. Those who wish to smoke cigarettes heavily laden with tar and nicotine not only damage their own lungs, but present a real health threat to fellow citizens sharing an enclosed environment.

While this Association has no hesitation in endorsing Amendment #1945 we must point out that cigarettes contain many other toxic chemicals and compounds in addition to tar and nicotine that are equally harmful to cigarette smokers and others. Consequently we do not believe that there is a safe cigarette and many other decisive measures must be undertaken by the Government to insure the reduction and elimination of cigarette and tobacco smoking.

I wish to commend you, Senator Kennedy, Senator Moss and other Senators for the leadership and foresight you have shown in combating one of our nation's most serious health problems, and assure you that this Association will cooperate with you to the fullest in eliminating this threat.

Sincerely yours,

ROBERT G. SMITH,
Executive Director.

NATIONAL HEALTH EDUCATION COMMITTEE, INC.,
New York, N.Y., July 7, 1976.
Hon. GARY HART,
Office of Senator Gary Hart, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR HART: The National Health Education Committee would like to record its endorsement of Amendment No. 1945 to the Tax Reform Bill (HR 10612) which would adjust the cigarette tax so as to penalize those cigarettes having the greatest amount of tar and nicotine, while minimizing the tax on those cigarettes with the lowest tar and nicotine content. We are hopeful that this will be at least one way to encourage the cigarette companies to manufacture a safer product.

With every good wish,

Sincerely,

MRS. ALICE FORDYCE,
Vice Chairman.

THE NATIONAL HEALTH FEDERATION,
Monrovia, Calif., July 12, 1976.
Senator GARY HART,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HART: The National Health Federation is in hearty accord with purposes of the Amendment to H.R. 10612, the Health Protection Tax on Cigarettes.

Ever since the Surgeon General's Report of 1964 revealing the link between lung cancer and cigarette smoking, the Federation has been squarely on the side of those proposing legislative protection for nonsmokers, and a continuing program of education, directed particularly toward the young generation.

If people persist in smoking they should be encouraged at least to go to the low-tar/nicotine cigarettes. The testimony of physicians and Nobel prize-winning scientists during the Senate Health Subcommittee hearings earlier this year, predicting that as many as 300,000 Americans will die prematurely in 1976 as a result of cigarette smoking, is reason enough to support the Amendment. Added to that tragic statistic are these additional ones which also emerged in evidence at the hearings:

The death rate for cigarette smokers is more than 70% higher than for nonsmokers. Cigarette smokers have 70% more heart attacks than nonsmokers. Eighty per cent of all lung cancers are caused by cigarette smoking. Cigarette smokers are 10 times more likely to die from lung cancer than nonsmokers. Cigarette smokers are 6 to 15 times more likely to develop many other diseases than are nonsmokers. In this Bicentennial year, it is estimated that anywhere from 250,000 to 500,000 Americans will die from smoking-induced diseases.

Faced with these dismal facts, and in the belief a revision of the cigarette tax as proposed in the Amendment will encourage public consideration of the significant health hazards associated with cigarette smoking, we hope the Congress gives favorable consideration to this legislation.

Sincerely,

CHARLES I. CRECELIUS, *President.*

A VICTORY OVER TERRORISM

Mr. RIBICOFF. Mr. President, earlier this month we all observed the 200th anniversary of the United States' independence. In addition to celebrating this significant and glorious event, we also had an unexpected opportunity to rejoice over the daring and successful rescue of 105 men, women and children from pro-Palestinian terrorists at Entebbe airport in Uganda by Israeli commandos.

As the New York Times so appropriately observed in an editorial a few days after this courageous raid,

> The civilized world owes the Government and armed forces of Israel a permanent debt of gratitude.

The Israelis have displayed the fortitude and determination that they will not be intimidated by the acts of a band of international outlaws and terrorists. It is appropriate to recall the names of Maalot, Kiryat Shmona, Munich, Lod Airport, and other scenes of Arab terrorist murders against Israel and her citizens which will live forever in the minds of decent people. Now the Israelis have taken the initiative to prevent further acts of terrorism against her people.

This raid, unfortunately, was not without casualties and the brave American-born officer who led the raid—Lt. Col. Yehonatan Netanyahu—was killed by a Ugandan sharpshooter. This paratroop commander has been aptly compared to the biblical warrior Jonathan and his heroism will not be forgotten.

A number of editorial comments on the Entebbe raid have appeared which reflect overwhelming American public opinion. I ask unanimous consent that these editorials be printed herewith in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 6, 1976]

A LEGEND IS BORN

The civilized world owes the Government and armed forces of Israel a permanent debt of gratitude for the courageously conceived and brilliantly executed rescue of more than 100 hostages from pro-Palestinian terrroists at Entebbe airport in Uganda early in the morning of—appropriately enough—America's Independence Day.

By this unprecedented action, the Israelis have demonstrated that the criminal terrorist practice of holding the lives of innocent civilians for ransom to achieve political ends can be successfully thwarted by application of sufficient amounts of resourcefulness, determination—and guts. The extraordinary raid 2,500 miles into unfriendly territory, to snatch the hostages out of the hands of captors supported by the petty tyrant who rules Uganda, was an effective declaration of independence from international blackmail, to which the ordinary rules of international law simply cannot apply. The question involved in the Israeli raid was less a matter of violating national sovereignty than responding to an act of international piracy.

Terrorism of this type will, unfortunately, not be ended by this remarkable Israeli military operation; but the Israeli example proves to the world that it can ultimately be defeated, as it must be. Prime Minister Rabin rightly stated that the airborne operation had an almost legendary quality about it: "It will be written about in the annals of the nation."

It will also serve as an inspiration to other countries that, when the occasion demands and if they have the steadfastness and the will, they can do as much.

[From the Washington Post, July 6, 1976]

A VICTORY OVER TERRORISM . . .

Israel's rescue mission in Uganda was a brilliant and heart-lifting victory over terrorism, demonstrating that in the absence of concerted international action against this paralyzing modern disease, a government of valor and imagination can still act. Kuwait had been negligent, at best, in letting four armed Palestinians fly to Athens where, aided by nonexistent Greek security, they captured the Air France plane. Libya assisted the hijackers by refueling the plane. Upon landing in Uganda, the terrorists were greeted by President Idi Amin—the first but not the last evidence of Ugandan complicity. Other armed Palestinians, already in Uganda, joined the hijackers, for instance; Ugandan soldiers spelled the terrorists in guarding the hostages; President Amin added to the list of Israeli-held and other prisoners demanded by the terrorists five Ugandans held in Kenya for plotting the Kenyan president's assassination.

Israel seemed ready to yield at least some previously convicted terrorists to get back the Air France passengers. But the course of negotiations made clear that President Amin shared the hijackers' purpose to single out the Israeli and Jewish passengers, and to threaten them with death if *all* the Israeli-held prisoners—and *all* the prisoners held by the other besieged governments—were not at once freed. Even the Arab League and the Palestine Liberation Organization had condemned the initial hijacking. So in going after the hostages the Israelis were fulfilling a rare virtually universal international mandate—no matter that some African and Arab nations, and the United Nations Secretary General, their Charlie McCarthy on this issue, are now criticizing them for it.

As for the rescue itself, Israeli Prime Minister Rabin summed it up fairly as "a subject for research, for song and for legend." Mr. Ford's congratulations, the first such tribute and President has accorded an Israeli military operation, were richly deserved.

[From the Washington Star, July 7, 1976]

RESCUE IN UGANDA

The Israeli heroics in Uganda have our unreserved admiration. And for striking what we hope is a telling blow against international terrorism and the weak-hearted attitude of many governments toward the ugly phenomenon, the Israelis deserve the gratitude of all.

The exploit in which a commando force flew more than 2,000 miles into Africa to rescue some 100 hostages of pro-Palestinian airline hijackers would have been dismissed a week ago as possible only in a movie. We marvel at the high order of qualities necessary to make the operation a success: courage, imagination, intelligence work and planning, deception of the enemy, nearly flawless execution and a large dollop of luck. A failure in any department could have aborted the mission or turned it into a disaster. Considering the circumstances, casualties that included three hostages and the leader of the Israeli raiders were amazingly few. Seven terrorists were killed, as were a score of Ugandan soldiers guarding the area at Entebbe airport where the hostages were held.

It would be a mistake to expect an immediate end to aerial kidnapings for political purposes, or to the use of terror in the Arab-Israeli dispute. But the incident could be a deterrent to some would-be hijackers, and perhaps will strengthen the resistance of legitimate governments to ransom demands that, when successful, encourage further outrages. (Israel's policy of making no deals with terrorists has been preserved, though Jerusalem ostensibly was willing before the rescue to negotiate a trade of Palestinian prisoners for hostages' lives.) Nations that are tempted to cooperate with hijackers may now be dissuaded by the foolish spectacle of Ugandan President Idi Amin.

The role of General Amin, to our mind, demolishes the one serious objection that has been raised to the Israeli action. This is that the rescue, without authorization of Uganda, violated that country's sovereignty. The argument falls before the ample evidence of Amin's collaboration with the terrorists—after the arrival of the hijacked Air France plane with its many Israeli passengers if not also before. A leader who cooperates in that kind of warfare against Israel should not be surprised to find himself and his soldiers in the cross-fire.

This is not to claim that Israel's dramatic rescue of the airline passengers and crew will have no repercussions. The sponsoring terrorist organizations may feel driven to retaliate with some worse outrage. The no-deals policy (which also is the official stance of the United States toward terrorist demands) may face further, agonizing pressure.

But for the moment the morale of the law-abiding segment of the world community has been buoyed. The outlaws, and those like Idi Amin who would help them, have taken a well-deserved buffeting. Pending a comprehensive international response to the threat of terrorism, that is as much of a victory as we can expect.

A REPLY TO CHARLES SCHULTZE ON THE FULL EMPLOYMENT AND BALANCED GROWTH ACT

Mr. HUMPHREY. Mr. President, many persons who are constructive and sincere critics of the Full Employment and Balanced Growth Act of 1976 have not completely recognized the flexible and selective way in which its provisions can be implemented. As a result, their assumptions concerning its impact on the economy are too narrow.

An example is the testimony presented by Dr. Charles Schultze of the Brookings Institution to the Senate Banking, Housing and Urban Affairs Committee on the bill, S. 50 and H.R. 50, which I introduced in the Senate and Representative AUGUSTUS HAWKINS introduced in the House.

I have found myself in agreement with Dr. Schultze on many subjects and I readily acknowledge his contributions to national economic policy. His criticism of the bill should be given thoughtful consideration, especially since his statement to the Banking Committee was subsequently published in the Washington Post and appears to have been widely accepted as the definitive argument against the legislation.

In the interest of furthering constructive public debate on the measure, I would like to call to the attention of my colleagues a thoughtful critique of Dr. Schultze's comments on the bill by Dr. Ray Marshall, professor of economics at the University of Texas, and president of the National Rural Center. In formulating his analysis, Dr. Marshall has singled out the major points where the criticism of Dr. Schultze and others appears to be in error.

Essentially, these can be summarized as:

(1) Giving too much emphasis to general programs to pump up the economy while largely ignoring the importance of selective programs targeted at specific problems in areas of greatest need.

(2) Exaggerating the relationship between unemployment and inflation, and allowing concern over inflation to outweigh the need to increase job opportunities

(3) Mistakenly assuming that the bill provides for federally funded public service employment programs at wage rates that will draw workers from the private sector and be highly inflationary. Dr. Marshall argues that this is the most serious flaw in Dr. Schultze's argument. Dr. Marshall points out that the employer of last resort section is a limited program aimed at low skilled workers who are especially difficult to employ; that wage rates and benefits in the private sector are often much higher than in the public sector; and that the commitment to full employment in the bill will encourage employers to improve job efficiency and quality.

(4) Failure to recognize the inflationary consequences of unemployment as opposed to putting people to work performing useful and productive tasks.

(5) Failure to provide effective alternatives to the Full Employment and Balanced Growth Act in answer to the undeniable need for new approaches, policies and programs to achieve and sustain a prosperous, stable economy.

Mr. President, Professor Marshall has written a concise response to critics of the bill. I ask unanimous consent that this analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

EMPLOYMENT, WAGES, AND INFLATION

(By Ray Marshall)

Because of the importance of the Humphrey-Hawkins Full Employment and Balanced Growth Bill, Charles Schultze's views (Washington Post June 7, 1976) should be carefully considered and widely debated. Mr. Schultze is a very thoughtful and competent economist who has made important contributions to national economic policy. However, his views and various media interpretations of them lead to some misinterpretations of the intent and probable impact of this legislation.

My main objection to much of the criticism of Humphrey-Hawkins are that many critics: (1) select certain presumed features of the bill and attack "straw men" based on those features; (2) give too much weight to general programs to pump up the entire economy as a way to address specific localized problems; (3) underestimate the importance of selective programs in solving those specific problems; (4) give lip service to the problem of unemployment, but minimize its importance because of an exaggeration of the causal connections between unemployment and inflation; (5) fail to consider the inflationary consequences of unemployment itself; and, most important, fail to present any effective alternatives to the programs and objectives outlined in Humphrey-Hawkins other than an implicit acceptance of high levels of unemployment.

Critics seem to assume that the Humphrey-Hawkins Bill contains a specific program for achieving full employment. As I understand their purpose, however, the sponsors of Humphrey-Hawkins do not assume that this Bill alone will achieve full employment; it provides a process for determining a number of possible program mixes to achieve that objective.

Supporters of the Humphrey-Hawkins Bill emphasize the need to stimulate the private sector wherever it is responsive (through monetary fiscal policies) but would supplement these efforts with selective programs to combat inflation and unemployment by making the system more efficient and would put a premium on programs to provide productive jobs for those who can or should work. Traditional monetary-fiscal policies are important but they alone clearly will not produce full employment without intolerable levels of inflation because labor market segmentation is such that some markets will be very tight while there is substantial unemployment in others. For example, increasing the money supply in order to reduce unemployment might generate inflation in tight medical or professional labor markets while having very little effect on unemployment in rural areas and central cities or among teenagers. Such problem areas require concentrated selective efforts to combat unemployment directly.

Many people seem to assume that selective labor market policies are limited to public service employment, job counseling, training and placement. Actually, a wide array of selective policies to improve the operation of labor markets has been used in the United States and other countries.

These include:

(1) Labor market information systems to better inform workers about jobs and employers about workers.

(2) Pre-employment outreach programs to recruit, tutor, provide supportive services, and place workers in training and employment programs.

(3) Measures to combat discrimination against minorities, women, the aged, or others for reasons unrelated to productivity.

(4) Training, both on-the-job and institutional (classroom).

(5) Public employment—including (a) public service employment, where workers are placed on government payrolls; (b) public works, where public funds are used by private employers to build needed public works; and (c) supported work, which provides employment, work experience and training to groups who are not competitive in regular private or public labor markets.

(6) Measures to rationalize labor markets through such efforts as relocation projects to move workers from labor surplus to labor shortage areas, to regularize seasonal or casual employment, and programs to restructure jobs to make them more efficient.

(7) Measures to promote the development of rural areas and central cities left out of general economic progress.

Selective programs must complement general economic policies in order to achieve reasonable price stability and full employment. Critics recognize the importance of these selective policies, but tend to minimize their importance for two reasons: (1) They think tight labor markets alone will dissolve most structural problems and, (2) The manpower or specific labor market programs of the 1960s are presumed to have been ineffective.

Although it is fashionable to criticize the manpower programs of the 1960s, the overwhelming weight of evidence supports the conclusion that these programs made significant improvements in labor markets and were, on balance, cost effective for the government and the participants. Tight labor markets during World War II and in the South during the 1950s did not by themselves erode discrimination against women and minorities—selective programs, including antidiscrimination laws also were required. Similarly, public employment is the cheapest (and therefore the least inflationary) way to reduce unemployment. For example, the Congressional Budget Office estimates the annual net cost of creating a job through a public employment to be much less than the cost per job of a tax cut. The CBO concludes:

". . . a 3 percent adult unemployment target does not seem unrealistic if employment programs are effective in dealing with the special factors contributing to high employment for certain groups and are not limited to across-the-board measures or programs that simply create jobs without increasing employment stability or job attachment."

The manpower programs of the 1960s were not as effective as they might have been because they were experimental, many of them were really income maintenance programs, and the budgetary support for these programs was small relative to the need and relative to the size of monetary-fiscal policies.

The experiences of the 1960s, while generally favorable, therefore provide little guidance to what could happen if an effective array of selective public and private programs could be developed. Clearly, however, these specific policies, including public employment, must be a necessary part of any program to achieve full employment with tolerable levels of inflation.

While much is made of the possible inflationary impact of public employment, there can be little question that achieving full employment through pumping up the entire economy would be much more inflationary.

Examples showing an inverse relationship between unemployment and inflation are misleading because of the implicit assumption that inflation has its origin in the operation of labor markets. Clearly, however, other factors—such as rising energy prices, rapid increases in the money supply, and shortages of capital or goods and services—have been important causes of inflation in recent years. At the present, little inflationary pressure probably arises from the low-wage labor markets Schultze objects to improving.

Critics assume that public employment and other selective labor market programs necessarily cause inflation, but this is an oversimplification. These programs would produce two tendencies simultaneously: (a) spending money could tend to be inflationary depending, of course, on where the money comes from, but (b) improving the operation of markets and increasing the output of goods and services would be deflationary. Every effort should therefore be made to create efficient programs which minimize the inflationary impact. It is misleading to emphasize only one of these effects.

Surprisingly, the most damaging case against the Humphrey-Hawkins Bill apparently has been the argument that the payment of prevailing wages on public employment programs would be inflationary because public programs would bid unskilled and semi-skilled workers away from private employers, causing the wages of the latter to be raised to the level of the former. This outcome is neither predetermined nor very likely for the following reasons:

(1) Raising the wages of marginal workers is not a necessary outcome of the Humphrey-Hawkins Bill, but even if it were, there is no assurance that the results would be either undesirable or inflationary. Profit-maximizing employers have little incentive to improve the quality of jobs so long as there is a surplus of labor forced to work for low wages. The costs of these inefficient systems are shifted to workers in the form of unemployment, underemployment and low wages. Measures to reduce some of these labor surpluses can cause employers to do more to rationalize secondary labor markets, improve jobs, increase efficiency, and generate productivity gains without increasing labor costs. The Humphrey-Hawkins Bill could provide the stimulus to create better as well as more jobs. There can be no more effective way of overcoming some of the nation's most important social and economic problems than improving the quality and quantity of jobs available to the poor and near poor.

(2) The assumption that low income workers would necessarily be paid more than they were "worth" if they worked on public jobs is invalid.

Actually, Humphrey-Hawkins provides adequate guidelines for matching workers and jobs. The Bill does not promise jobs to workers who are not qualified for those jobs, nor does it promise a government job to all who want them wherever they might want them. Wage comparisons between public and private jobs are hazardous because job content is not likely to be the same, but there is no evidence, beyond a few selected examples, that public jobs pay more than comparable private jobs in the same labor market or that "prevailing" wage rates are either too high or important causes of inflation.

There also is an implicit assumption in Schultze's analysis that public employment is synonymous with government employment. The Humphrey-Hawkins Bill allows for a wide array of selective measures, including public works by private contractors as well as public service employment by governments. The impact on labor markets and price levels of public works is quite different from that of a public service employment program. Heavy emphasis on public works could minimize the problems involved in government payrolls. Public works programs also could be more effective than public service employment in placing specific target groups of unemployed workers into productive employment.

A major problem with the critics of the Humphrey-Hawkins Bill is their failure to spell out alternatives other than an implicit acceptance of high levels of unemployment or other approaches which are more inflationary than public employment. They would give priority to measures to stimulate private employment. I agree with this option, but there is little evidence that such an approach can either succeed or be less inflationary than public employment. If private employers will absorb most of the job deficit, they should be encouraged to do so. If they will not, other measures should be taken. Such a strategy is perfectly compatible with Humphrey-Hawkins.

A full employment policy could actually moderate wage demands in the construction industry and other casual industries where high unemployment causes wage rates to be higher than they need to be if annual incomes were increased through greater regularity of employment. Unions probably would be willing to moderate wage demands in exchange for guaranteed jobs.

Raising the incomes of the working poor and the unemployed would reduce the costs of welfare programs—which are inflationary because people are paid for no corresponding increase in goods and services. Curiously, the people who favor very inflationary income maintenance programs resist less inflationary public employment programs. It would be much better to pay people who are able to work for working.

The Humphrey-Hawkins Bill does not completely delineate a program to achieve full employment and has many minor defects which undoubtedly will be corrected before it becomes law. Terms should be defined more precisely, greater attention should be given to more precise quantification of labor market conditions, the relationship between efficient labor market systems and price stability need more emphasis, and the planning mechanism for achieving a balanced full employment program should be streamlined. The Bill by itself will not be sufficient to achieve full employment. Even with proper enabling legislation, the achievement of full employment will be very difficult, but the attainment of this objective would have a profound impact on the social and economic welfare of low income workers and on the economic health of the nation.

The main thrust of the Humphrey-Hawkins Bill is sound. The fundamental defects

Schultze and other critics believe they have found are illusions. They assume the main obstacle to full employment to be inflation. In reality, the fear of inflation is a more important obstacle and that fear is stimulated by simplistic, general analyses of the operation of the U.S. economic system. Other obstacles to achieving full employment are the belief that unemployment is no longer a serious national problem and the absence of a concerted, national commitment to that objective.

THIS NATION UNDER GOD—A POWERFUL SERMON BY DR. M. SCOTT McCLURE

Mr. ALLEN. Mr. President, on July 4, 1976, at the Independent Presbyterian Church in Birmingham, Ala., Dr. M. Scott McClure delivered a powerful and inspirational, patriotic and reverent sermon entitled, "This Nation, Under God." Since I believe this sermon will be of interest and benefit to my colleagues in the Congress and to those who may have access to the CONGRESSIONAL RECORD. I ask unanimous consent that a copy of the sermon be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

THIS NATION, UNDER GOD!

(By Dr. M. Scott McClure)

Text: "Blessed is the nation whose God is the Lord . . ." (Psalms 33: 12a).

What should be the relation between a nation and God? It might seem that religion is so personal a matter that one cannot think of any real relation between a great aggregate of people and God. But aggregates of people have a character, an influence, a responsibility which they exercise. The individuals within them contribute largely to this, but the aggregate is more than and different from the sum of the individuals.

Some would attempt to divorce the religious from the national consciousness on the grounds that when you add the religious to the national loyalty you have a fruitful source of egoistic nationalism, dragging in God for support. This danger is there, of course. It arises the moment the importance of the nation outstrips the importance of God. But there are some things to be said about this.

The first is that the nation, like the family, seems to be an intended unit of human society. There have always been these groupings according to race, or location, or language, or religion. How would you ever read history without individuals, families, and nations? Each of these seems to have a place in the permanent scheme of things.

The second is that there is only one thing bigger than the powerful state, and that is God. When the state usurps all power, it seems that there is no individual, no group, no interests, strong enough to rise up against it. Another power from without may have to effect its deliverance from its dictators. That power, I believe, finds its source and force in God.

God creates nations, as He creates men. And nations, like men, truly thrive and go forward, not when they seek their own will, but when they seek to be aware of God, mindful of His favour, conscious of His judgment, dependent upon Him for their very life.

This theme of God's ultimate control of all the nations of the earth is a familiar one to the Psalmists. Over and over again they make the righteous power of God the burden of their song. The tone is set early in the Book of Psalms when, in the second chapter, we read:

> "Why do the nations conspire,
> And the peoples plot in vain?
> The kings of the earth set themselves,
> And the rulers take counsel together,
> Against the Lord and His anointed . . .
> He Who sits in the heavens laughs;
> The Lord has them in derision."

By the time we get to the thirty-third Psalm, our scripture lesson, we hear the Psalmist cry, "Blessed is the nation whose God is the Lord, the people whom He has chosen as His heritage!" For the Psalmist, the nation that is blessed is a nation which endeavors to fashion its life and its policies in harmony with God's will. If a nation claims to be an entity, it must seek to be a God-fearing entity and must not depend solely on the private Godliness of its members, though that is basic.

The national entity, known as the United States of America, came into being at the hand of God in Philadelphia on the morning of July 4, 1776. All was not well in the white-paneled state-house room where the Second Continental Congress was convened. Two days earlier the Congress had formally declared the United States of America to be independent of Great Britain. Now, after a weekend recess, many delegates were not sure that they had acted wisely. There was still time to rescind the action, and some were in favor of doing so.

Hesitancy and uncertainty were reflected in their faces as they listened to young Thomas Jefferson read the paper he had been commissioned to write. It was entitled, "Declaration of Independence" and was easily the most inflamatory document ever produced in the American colonies. Approving it meant risking personal necks as well as personal property——and every Congressman knew it!

"It goes too far," some said.

"The wrath of the whole British Army will fall on us if we approve this paper," others asserted.

"The colonies are too young to leave home," still another group argued. "Even if we could gain independence, we couldn't stand alone."

Tempers ran high as a few ardent patriots defended Jefferson's document. It soon became evident, however, that Congress was in no mood to approve the Declaration. Compromise seemed to be the only alternative.

Then a tall, heavy-set man in his middle fifties arose to speak. He was dressed in the black cloth of the clergy and had a dignified bearing that commanded attention.

"Dr. John Witherspoon, delegate from New Jersey, has the floor" announced President John Hancock. Immediately the room went quiet, all eyes focused on the speaker.

"There is a tide in the affairs of men, a nick of time," Witherspoon, a Presbyterian minister, said. "We perceive it now before us. To hesitate is to consent to our own slavery. That noble instrument upon your table, which insures immortality to its author, should be subscribed this very morning by every pen in this house. He that will not respond to its accents and strain every nerve to carry into effect its provisions is unworthy the name of freeman."

He paused a moment, his eyes sweeping the tense faces before him.

"For my own part," he continued, "of property I have some, reputation more. That reputation is staked, that property is pledged, on the issues of this contest; and although these gray hairs must soon descend into the sepulchre, I would infinitely rather that they descend thither by the hand of the executioner than desert at this crisis the sacred cause of my country."

For a moment the hush of the little assembly was so intense as to be almost painful. Then the delegates, forgetting dignity and decorum, leaped to their feet with shouts of decision. Hesitation had vanished! Liberty was preserved and the course of America set! God had used the faith of an individual, but he had created an entity, a nation, the United States of America.

The course of America has reflected this oscillation characteristic, this movement back and forth between individual citizen and nation state, through a series of critical times or crises. Four are easily identifiable. The first was the Revolutionary War itself, when it seemed that our nation would die during its birth pangs. But there was something that brought America through in the midst of all the blood, sweat and tears. I would like to think that the source of strength is symbolized by that familiar picture of Washington on his knees at Valley Forge. God had His hand upon our forebearers in the midst of indescribable odds.

The second great crisis was that of the Constitutional Convention, when representatives of thirteen colonies had reached an impasse. It appeared that thirteen separate nations would be created. Then Benjamin Franklin arose, and said, "Almighty God has brought us thus far. It may be that if we go to our knees in prayer, God will show us yet another step." Again, the hand of God was working through an individual, but creating a nation.

The third crisis in our history was the Civil War. In the North there was a President who believed in prayer. One day when Abraham Lincoln was asked, "Don't you think that God is on our side?" He replied, "I am not concerned that God is on our side, but I am concerned that we are on God's side!" Meanwhile, in the South there was a General, Robert E Lee, who said, "I am praying not for victory, but that God's will be done." It was God's will that this should be one nation, indivisible, under God.

It is my firm conviction that we are now in the midst of a fourth great crisis. The twin body blows of Watergate and Viet Nam have put us to the test. Somehow the course that was set on July 4, 1776, has become vague and distorted by moral confusion and an uncertainty of national purpose. In desperation we seem to be looking for another Witherspoon, Washington, Franklin, Lincoln, Lee. We reach out repeatedly to this person and that, only to find our trust misplaced, our hopes dashed on the rocks of inhuman fallibility and faithlessness. There are moments when it appears that God's hand, which has been upon this nation, has now been withdrawn, leaving us to our own devices and self-destruction.

I believe that God's hand is still outstretched to America. It is we, who, like the Prodigal Son, have demanded our inheritance, turned our backs upon God, and squandered it, that are not reaching out to God. One thing is necessary! Nat Olson portrays it beautifully in his paraphrase entitled, "The Prodigal Nation". Listen:

"A certain Father had two worlds—the Old World and the New World. One day the younger said, 'Father, give me my inheritance; make me rich, spiritually and materially.'

"And the Father blessed the New World until it became the envy of the Old. It enjoyed a standard of living undreamed of in the history of mankind. Less than two-hundred years later, however, the New World ignored the Father and took a long journey into the wilderness of materialism and sensuality. There it wasted its substance with riotous living.

"And when it had spent all, there arose great shortages throughout the land—shortages of grain, of oil, of electrical power. And none of the nations the New World had helped in its days of prosperity offered any assistance. At last, the New World came to its spiritual senses and said, 'Why should this generation perish from want? The God who helped Washington at Valley Forge and

Lincoln at Gettysburg is still alive today. Let us arise and go to our Heavenly Father and say, 'Father, we have sinned against heaven and before you. We are no more worthy to be called a Christian nation; make us as one of the lesser nations of earth!' The Americans arose and returned to God.

"The Heavenly Father had compassion on America and said, 'You are forgiven. Come and rejoice in your new-found fellowship with your Father. Bring forth a bountiful harvest from your amber fields of grain. Bring forth your oil and natural resources from the Atlantic to the Pacific. Bring me the fatted calves from your wide and open ranges. Let us eat and be merry, for this my New World was spiritually dead but now is alive; it was lost but now is found.'

"And they began to be merry.

"But the Old World murmured angrily, 'Why all this celebration over the New World—a nation that wasted its moral and material resources in pleasure-mad living?'

"The Heavenly Father replied, 'It is right that we should be merry because this, my New World, has returned to the God of the Pilgrims who came to America to worship Me according to the dictates of their hearts. Remember: I promised that if my people who are called by my name would humble themselves and pray, and seek my face and return from their wicked ways, I would hear from heaven and would hear from heaven and would forgive their sins and would heal their land!"

Unless this happens to you and to me, individual citizens, unless this becomes the mood across the length and breadth of our land, the words of the Psalmist, "Blessed is the nation whose God is the Lord, the people whom He has chosen as His heritage!" must die as an echo fades away against the walls of a canyon, unheard and unheeded. But let this prodigal nation turn its face in repentance to our sovereign Lord and the words of Lincoln shall once again find a lodging place in America's heart, "This nation, under God!"

FARM PRICE SUPPORTS AND COST OF PRODUCTION

Mr. McGOVERN. Mr. President, many of us in Congress have voiced support for a serious look at the wisdom of considering legislation which would raise price support figures on basic commodities to approach cost of production figures.

USDA under a mandate from Congress has conducted extensive studies on the cost of commodity production and though prices vary from one locality to another, basic averages are an ascertainable figure. For instance last year's loan rates for corn and wheat were $1.25 and $1.50 respectively. Cost of production studies at the same time pegged corn at $2.77 per bushel and "all wheat" at $3.51. I have found much interest and support for this formula in visiting with producers in my State.

The 1976 Democratic platform points in this direction and our candidate for President, Governor Carter, has made some rather definite statements along these lines. The June 30, 1976 issue of Farmland News carries a story by its able Washington correspondent, Jay Richter, entitled "Closer Linking of Supports to Production Costs Seen." So that other Senators will have the benefit of this discussion, I ask unanimous consent that the text of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLOSER LINKING OF SUPPORTS TO PRODUCTION COSTS SEEN

(By Jay Richter)

Price supports at cost-of-production—does it make sense? Agriculture Secretary Earl Butz says no. But farm lawmakers on Capitol Hill are building a foundation on which to erect a support structure linked to costs.

Coincidentally or not, Jimmy Carter has been saying in farm-area speeches that he favors a "flexible" support program, with periodic adjustments in guarantees to keep them in line with changing production costs. It appeared that the farm plank in the 1976 Democratic platform would say the same thing.

Reliable figures on costs have been hard to come by, since they may vary widely. Yet, many lawmakers think cost averages can provide a general guide for establishing support rates.

Production costs, said Chairman Herman Talmadge (D-Ga.) of the Senate Agriculture Committee, "are basic to sound decision-making in food and agricultural policy." Talmadge concedes that a price support "which is too high will encourage too much production." But he also feels that one too low brings unnecessary risk for farmers "and threatens the entire food chain."

The Georgian led the way in getting a provision into the present farm law requiring USDA's Economic Research Service to come up with cost-of-production figures on grains, cotton and milk. Average costs for producing grains were found to be well under what farmers got on the market, but also well above supports. Price-support target rates for 1976 would have to be raised roughly a third above present levels to approximate production costs.

Milk production costs: Are they more than the dairyman gets for his milk, as many have contended? The Department's economists in ERS came up just the other day with results of their milk survey. In effect, they answered the question with a yes and no—No, costs do not exceed returns if you figure in only direct costs; Yes if you add in the indirect costs of production.

The survey covered more than 1,500 dairy farms in 24 major milk producing areas of the country. The researchers found production costs in 1974 averaged between $6.74 and $7.61 per hundredweight—when only direct costs were taken into account, such as for feed and wages. The range in the averages was due to differences in figuring feed costs.

The researchers valued feed in two ways—figuring it in at a relatively low homegrown value in one case, and in the other at a higher value based on what farmers were getting for it.

However feed was figured, farmers got more for their milk—an average of $8.39 per hundred—than the direct costs of producing it. The reverse was true when indirect costs of overhead, management and land were included in the calculations.

Direct plus indirect costs raised the total production cost to an average running between $8.58 and $9.92 per hundred, the exact figure depending on how land and feed costs were figured. In any case, the total costs exceeded actual returns of the dairymen surveyed by ERS, and of their current $8.13 price support.

Management and overhead costs were figured at $1.32 per hundredweight, land at 52 cents to 99 cents.

Some dairy leaders are wary about cost-of-production supports. Costs may differ widely from area to area, and often farm to farm in the same neighborhood, they point out, and the differences are often due to factors other than the efficiency or inefficiency of dairymen concerned.

The ERS survey, however, was a good one, said a spokesman for the National Milk Producers Federation. "I think the survey's greatest value will be in reflecting changes in production costs as we go along. We need benchmark figures for consideration of price support levels."

He noted that Canada's dairy supports are based on cost-of-production calculations that have led to guarantees "running way up at around $11 per hundredweight." But Canadian dairymen are up in arms. The support system has led to stringent quotas, and over-quota production is priced at go-broke levels.

THE STRUCTURE OF THE U.S. PETROLEUM INDUSTRY—A SUMMARY OF SURVEY DATA

Mr. HASKELL. Mr. President, the report I am releasing today was prepared by the Cornell Energy Industry Study Group under the direction of Dr. Duane Chapman at Cornell University. The Cornell group's efforts were funded by a grant from the National Science Foundation Research Applied to National Needs—RANN—Program and by the Library of Congress Congressional Research Service. Throughout the nearly 3 years of effort that have gone into the preparation of this report, the assistance and support of both NSF and the Library have been crucial and extremely rewarding.

The report summarizes the answers received by the Special Subcommittee on Integrated Oil Operations, which I chair, to a comprehensive questionnaire which was sent to 89 companies involved in all segments of the petroleum industry. The questionnaire was developed by the Cornell group and by committee staff following 11 days of hearings held by the subcommittee. The hearings dealt with all aspects of market performance and competition in the petroleum industry.

The questionnaire requests basic, factual data concerning the intricate relationships among those companies themselves, and between them and other financial and legal institutions. The questionnaires were sent in May 1974, and responses were received and coded throughout the rest of 1974 and on into 1975. A total of 63 companies responded. A draft of the Summary Report was prepared in fall 1975, and the final version was completed in June 1976.

The scope of the survey was—and is—unprecedented. The summary report is a basic summary of the survey data or the proverbial tip of the iceberg. The entire data base compiled from the responses to the questionnaire—more than 3 million pieces of information—will be published on machine readable tape and will be available through the National Technical Information Service or Cornell University. The committee files will have copies of the computer printouts and the Archives will contain the raw data sheets submitted by the companies themselves in response to the questionnaire. These, too, will be available to scholars and the public.

Never before has so much information been assembled in one place for scholars and political observers to read, to understand, to evaluate, and to assess its significance.

Mr. President, I do not care to dwell for too long on the simple fact that the summary report is being published, but I do not want to underestimate the significance of that event in and of itself. Those of us who have worked on this report have attempted to obtain the type of basic information about the structure and functioning of the petroleum industry which is essential to those who want to make policy decisions based on facts and not on instinct; and to those who want to attempt to make judgments based on a common data base compiled by someone other than an industry source instead of stabbing in the dark. I hope that this publication will contribute in some way to our mutual understanding of one of our Nation's most important industries.

Some may consider the summary report to be dull, dry, or even boring. In some respects I agree. It is a technical report, full of statistics and charts and tables. It even includes reproductions of computer printouts—which are not exactly the world's spiciest reading. But the contents of those charts and tables are extremely significant and should be of great interest to anyone who is interested in the debate over the structure of this Nation's petroleum industry.

The survey included previously unpublished lists of directors of petroleum companies and their affiliations with financial and other institutions. The information concerning the companies' indebtedness and creditors has never been published. Nor have the interlocking relationships with holding companies, mutual creditors, mutual financiers, mutual accounting firms, and mutual stockholders. Some of the financial data on profits at each level of the industry are also new, even though admittedly limited. The information concerning intercompany joint ventures is new as well. In the marketing area it shows the extent of cooperation in trading finished products, the similarity of present marketing patterns to the original Standard Oil Trust patterns, and indicates that the conventional approach to measuring national market shares shows the least amount of concentration when compared to other methods. It also details the control of coal companies by oil companies, along with the oil company dominance of nuclear power.

Perhaps there is equal significance in the information that is lacking. The questionnaire requested basic data on all aspects of the industry; many of those questions went unanswered because the recipients said the information is not available in the form requested. Nor were they able to supply it in any other form that would allow comparison of the responses from company B with those from company A.

Publication of the report is not an end unto itself. As the saying goes, "We have only just begun * * *" I am very hopeful that industry representatives, lawyers, economists and other scholars will read the Cornell study group's results and then give the subcommittee the benefit of their interpretation of the findings. The summary report was designed for precisely that purpose—to provide all interested parties a summary of the data we obtained along with a brief analysis of the import of that information. At this point it should be emphasized that the views expressed in the report are strictly those of its authors. It does not purport to be a judgment or recommendation of the subcommittee nor of the full Interior Committee. Neither the members of the subcommittee nor the members of the full committee have reviewed the report and publication of it in no way represents the committee's endorsement of its conclusions or comments.

Another caveat is necessary for those who are interpreting the data presented. The questionnaire was submitted to the companies with an extensive list of definitions in an attempt to obtain statistically comparable information from diverse sources. The information presented should be looked at with those definitions in mind. The questionnaire itself and the definitions begin on page 95 of the report.

Mr. President, I have been dwelling on this report for some time now, saying, in effect, "Here are the statistics on the industry. You make up your mind on what you think they say." The next logical question is, "All right, Senator. So what?"

I attempt to answer the "So what?" question if I may. Before I do so, however, I believe I should make it clear that I do not pretend to be an "expert" on the oil industry. I am fortunate enough to chair a subcommittee whose major concern is the oil industry. And I believe that through that subcommittee's hearings, and through the other hearings I have attended by virtue of being a member of the Interior Committee and therefore a part of the National Fuels and Energy Policy Study, I have sat through more than my share of energy policy hearings. I also sit on the Finance Committee which has a major concern with energy tax policy, a subject I had some exposure to before coming to the Senate.

But as one interested observer—and as one who has been and will be called upon to vote on major policy issues affecting the petroleum industry—I would like to summarize my views of what the summary report means. I hope that my understanding of the significance of some of the portions of the report will be supplemented in the coming months as others make available to me their views on the report.

I make no pretense this study is dispositive of the policy questions and answers we seek. However, it does put clearly on the record information on which intellectually honest decisions can be made.

There are five areas covered in the report which are of particular interest to me. The five are as follows:

First. The series of maps that document the historical continuity of market dominance of the descendents of the Standard Oil Trust in particular regions of the country.

Second. The statistics that show that the standard methods for measuring concentration ratios—based on national statistics instead of regional or statewide statistics—show a lesser degree of concentration than the survey results.

Third. The statistics that show that oil companies should more properly be termed energy companies due to their complete dominance of coal and uranium resources.

Fourth. The abundance of oil company directors who serve on other boards of directors, thus giving competing companies "interlocking" directors if third party boards are taken into consideration.

Fifth. The fact that much useful information is missing or was received in a form prohibiting us from comparing different companies' responses.

I take this opportunity to discuss each of these five items for those who read the report with policy issues in mind.

First, consider the Standard Oil Trust. The Sherman Act is taken to embody the assumption, as Chief Justice Stone once commented, that the "public interest is best protected from the evils of monopoly and price control by the maintenance of competition."

In 1911 the members of the Standard Oil Trust, including corporations known as Standard Oil Company of New Jersey, of California, of Indiana, of Iowa, of Kansas, of Kentucky, of Nebraska, of New York, of Ohio, and 62 other corporations and partnerships, and seven individuals were named as defendants in a lawsuit. The decree resulting from that litigation, *Standard Oil Co. of New Jersey* v. *United States,* 21 U.S. 1 (1911) required the parent company to distribute to its shareholders the shares to which they were entitled in the stocks of the codefendants, thus breaking up the trust. The marketing territories of the companies which were formed as a result of the Court's decree are shown as figure 6–D in the summary report, page 75.

The report shows conclusively that the four regionally dominant companies—Standard of Indiana, Standard of California, Exxon, and Mobil—of recent date were each units of the Standard Oil Trust at its dissolution in 1911 and had marketing territories at that time similar to the 1973 marketing pattern. In other words, each of these companies has carved out a region of the country in which it has been dominant throughout the 20th century. This finding is remarkable in two respects. First, it indicates the degree of stability of the largest petroleum companies. Table 3–A of the report reiterates this remarkable stability in terms of changes in sales status of major petroleum corporations, 1954–74. Second, it shows that none of these regional giants has successfully overtaken another of the regional giants; each has a marketing territory in which it has historically been dominant. To my way of thinking, that means that the companies must be relatively satisfied with the markets they have carved up and there must be significant barriers to entry for new potential competitors. Neither of these is particularly desirable.

The stability of the marketing patterns

is even more significant when statewide or regional concentration ratios are taken into consideration in forming an overview of competition in the industry. Oil industry spokespersons are fond of pointing out that:

> In the average U.S. manufacturing industry, the top four firms have 40.5 percent of the market and the top eight have 60 percent. But the Big Four oil companies have only 26 percent of crude-oil and natural-gas-liquids production, 28.6 percent of refining capacity, and 29.8 percent of the gasoline market, based on published 1974 figures. The eight largest have only 42.1 percent of production, 51 percent of refining capacity, and 51.8 percent of the gasoline market.
>
> No single company has as much as 11 percent of the business in any single category. No single company is the largest in all three.
>
> If the industry isn't heavily concentrated, then what other grounds are there for splitting it up? (Gene T. Kinney, Editor, *Oil and Gas Journal*, "Why Break Up Oil Companies? Divestiture—A Special Report," May 10, 1976.)

Other publications recite a similar litany, with all of the statistics based upon national concentration ratios. However, the report shows that, "Market concentration within a State is generally substantially higher than concentration for the country"—table 6–D on page 71 of the report. The leading marketer averaged 17 percent of final sales and the four leading marketers averaged 46 percent—both substantially higher than the Oil and Gas Journal figures. Furthermore, the survey data for residual and distillate oil and jet fuel also show greater concentration than exists even for gasoline to be the general rule. In 24 States, a single company supplies more than 70 percent of the 1973 residual oil and in 35 States a single company supplies 50 percent or more of the residual oil—tables 6–E and 6–F respectively. State concentration in refining is substantially greater than even State concentration in gasoline sales, the leader averaging 58 percent of refining capacity and 17 percent of final gasoline sales. Again, according to the report, the average State with a refinery had the four largest companies holding 77 percent of the capacity compared to 46 percent of final gasoline sales and between 26 percent and 30 percent of national sales—using the Oil and Gas Journal figures, see table 5–B.

While there is no "magic number" for what constitutes an antitrust violation in a given product in a given market, I believe that these State and regional concentration statistics are far more reliable indicators of the state of competition within the industry than are national statistics. It is more appropriate to use something other than national concentration levels in the debate over our Nation's policies for governing the petroleum industry. National statistics ignore the reality of the situation.

The stability of the regional dominance of the children and grandchildren of the Standard Oil Trust companies, coupled with the high regional concentration levels, indicate there are substantial barriers to entry in the industry. They also paint a very different picture than what I would consider to be "workable competition" which is the economists' term for describing a competitive industry.

The report also discusses a third item of particular interest to policymakers—the extent to which the petroleum companies are becoming energy companies, with substantial holdings in coal production and reserves and uranium milling capacity and reserves.

A total of 26 percent of this Nation's coal production is already controlled by oil and gas companies. The future will likely show an even larger production percentage under oil company control. For some reason not explained in the report, and a reason I certainly don't understand, the oil/coal companies have a significantly smaller ratio of coal reserves to coal production than do the independent coal companies. The figures are 336:1 for the oil/coal companies and 1,174:1 for the others. The oil/coal companies then, for whatever reason, achieve greater production from smaller reserves. Perhaps this can be attributed to the oil/coal companies' huge capital resources; perhaps there is another explanation. But the difference needs to be explored—and explained.

Oil or energy company dominance of the uranium milling capacity picture is even greater. They control 95 per cent directly or indirectly, if one considers oil companies alone; 100 percent if one adds in the coal companies. These companies also have significant uranium reserves: 65 percent of the total U.S. reserves and 69 percent of the production.

In my view, the emergence of the energy company, in the place of the oil company, calls into question whether there will be vigorous competition between oil and coal or oil and nuclear power as fuel sources. The clear picture of oil company dominance of the alternative energy fields also emphasizes the need for a full-scale investigation of whether horizontal integration—as is, or as it appears to be growing—is desirable from a policy point of view. Do we, as a Nation, want individual corporate entities to have a stranglehold on our entire energy supply situation? I, for one, do not, and I intend to do additional research and pursue a suitable remedy.

Section 8 of the Clayton Act in part requires:

> That from and after two years from the date of the approval of this Act no person at the same time shall be a director in any two or more corporations . . . if such corporations are or shall have been theretofore, by virtue of their business and location or operation, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws. (15 U.S.C. § 19)

This prohibition on interlocking directors has not been the subject of a great deal of antitrust litigation. Once the Justice Department or Federal Trade Commission indicates it intends to file suit against offending directors, they usually resign and that's the end of it. But the main question raised by the results of the survey is whether this Clayton Act definition of what constitutes an interlocking directorate is either outmoded or inadequate. It is limited to a single person having multiple directorships, which does not cover the entire spectrum of interlocking relationships.

The report documents in considerable detail the 400+ organizations had affiliations with two or more oil companies. Bank A will have director X on the board of the XYZ oil company and director C on the board of ABC oil company. Investment firms have similar practices, as do insurance firms. Thus, bank A will have the benefit of having its board of directors as a whole have access to information from competing companies. Whether or not the information will be misused or used in a desirable way in the bank's planning processes is difficult to say. But there is no question in my mind that the particular hypothetical is contrary to the intent of section 8, which was designed in part to curtail access to information for individuals associated with competing concerns.

With these types of interlocking directorates, it's easy to see the potential for a conflict of interest. Let me set up a hypothetical situation in which I am the president of the Petroleum Bank. I have two vice presidents, one on the board of directors of ABC oil company and one on the board of directors of XYZ oil company. If my vice president on the ABC oil company board were to suggest a successful raid on the marketing territory of XYZ oil company, I would no doubt lose the XYZ oil company as a client.

If, instead of risking losing the XYZ account, the ABC vice president were to "clear" his idea with me, I would feel compelled to advise him that promoting the idea would not be in the interest of the Petroleum Bank. If he agreed, it would be fine for the bank but contrary to the best interests of the ABC oil company. Or perhaps he would figure out in advance what my reaction would be and just not pursue his idea. As a result, his board of directors would not be getting the benefit of his ideas or talents. In short, the situation would have no easy solution—other than prohibiting both vice presidents from being on both boards. The statistics in this report clearly show that banks have not chosen to do so.

The potential for a conflict of interest is even more prevalent when an investment banking firm, or a law firm, is counseling two competing clients. While such a practice is not illegal at present, I believe there is plenty of room for abuse and plan to urge my colleagues to change the law. Based on what the report shows, I believe the practice should be stopped.

I have spent most of my time thus far discussing what the report shows. But as I said at the outset, perhaps there is equal significance in what it does not show.

Let me state as a part of this discussion that I do not believe that subcommittees or committees of Congress ought to be spending major portions of their time developing, sending out, and analyzing the results of questionnaires. But there are situations in which we have no choice but to do so if no one else is willing to take on the task.

I held 11 days of hearings on the petroleum industry as chairman of the Special Subcommittee on Integrated Oil Operations. At the conclusion of those hearings, it was obvious to me that a common data base or understanding of the industry was lacking. The questionnaire and this report were developed as a result of that finding.

But I must admit that we have not been entirely successful in obtaining all of the information sought. I had hoped to be able to present a major report concerning profit levels in the petroleum industry. To some extent that goal has not been reached. The summary report does present a case study of the profit centers of three oil companies that submitted data which could be compared from company to company. That analysis begins on page 32 of the report.

Unfortunately, however, we were not able to get comparable data from many of the questionnaire respondents. Exxon, for example, provided the subcommittee detailed financial data, and with even more detailed footnotes explaining the various assumptions that went into compiling its reply. The company was particularly concerned, and rightfully so, that its data would be compared with data which had been submitted by another company and whose figures were based on totally different assumptions. The questionnaire did provide a detailed list of definitions and did specify the units to be used in replying, but that simply was not enough. We were not equipped—nor was Cornell equipped—to translate Exxon's footnotes and assumptions into a new form along with Gulf's or Mobil's footnotes and assumptions so the replies would form a comparable data base. The raw data will be made available to interested researchers, who I hope will be able to perform some of the analysis we were unable to do.

The Cornell study group conclusions call for a "continuing information collection and dissemination system. Such a system should collect data on a uniform basis and public accessibility should be presumed in all respects." As my colleagues are aware, I concur wholeheartedly in this conclusion.

Congress simply is not equipped to perform this task; nor should it be. The task belongs to an Executive agency or independent commission. We simply cannot depend upon voluntary efforts by the industry to satisfy our needs for basic information about an industry with such a preponderant influence on this Nation's economy and way of life.

Mr. President, I am pleased and honored to be able to release this report. I must admit that there were many times when I wondered if this day would ever come or if the entire project would sink under the morass of data and documents. I wish to extend my heartfelt appreciation for the efforts going into the preparation of this report. We are indebted to those in the industry who believe in public or congressional access to information and who assisted by answering the questionnaire. I have written to each of the companies which responded to the questionnaire and have thanked them for the participation and cooperation. I wish to reiterate my thanks. Those who have been responsible for funding this effort also deserve public recognition for their contributions—the National Science Foundation and the Congressional Research Service of the Library of Congress. Most of the work on the actual preparation of the questionnaire and the summary of survey data has been done by members of my staff, members of the Interior Committee staff, and members of the Cornell Energy Industry Study Group. I appreciate all of their efforts and hope they will not be in vain.

MICHIGAN'S SITE PROPOSAL FOR THE SOLAR ENERGY RESEARCH INSTITUTE

Mr. PHILIP A. HART. Mr. President, the due date for the submission of bids for location of the Solar Energy Research Institute—SERI—was July 15. The State of Michigan submitted a strong proposal outlining the capabilities and facilities which Michigan offers as a site for SERI.

Although images of sunshine and Southern States are conjured up when considering solar energy, the primary criteria required for the SERI project are the availability of industrial technology and scientific expertise to implement the project's goal of transferring the present solar energy technological research into economically competitive systems.

Michigan is ideally suited to fulfill the criteria set forth by ERDA and the National Academy of Sciences:

> The State has extensive industrial capability and ingenuity; its manufacturing capability is second to none, and research and development activity by private industry in the State is among the highest in the country.
>
> The State is centrally located near existing businesses which are currently involved in production and distribution of residential and commercial cooling and heating systems from which future solar energy systems will evolve.
>
> Michigan has chemical, steel and electronic industries which will be in a position to supply equipment systems for solar energy production.
>
> The universities in the State offer a wealth of scientific and technical resources. Six major universities are located in the immediate vicinity of Michigan's proposed alternative sites.
>
> Michigan is centrally located within the country and has an excellent network of highway, air, rail and water transportation that will facilitate transportation and communications for the project.
>
> And finally, the State has established the Michigan Energy and Resource Research Association to coordinate private and public energy research in Michigan. This association already has been involved in the initiation of several significant energy projects in the State and brings considerable expertise to the development of SERI.

Mr. President, the State of Michigan has extensive energy needs, and development of a commercially feasible solar energy system will affect directly and beneficially its continued industrial future. It is logical that this program be situated in the largest energy consuming sector of the country.

The State has spent many months drawing up its proposal for submission to the Energy Research and Development Administration. I ask unanimous consent to have printed in the RECORD an article by Robert Young, from the June 7, 1976, Chicago Tribune, which describes Michigan's efforts.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MICHIGAN LEADING AS CHOICE FOR SOLAR ENERGY RESEARCH

(By Robert Young)

WASHINGTON.—The competition is cutthroat, but Michigan is confident it has what it takes to win the Solar Energy Research Institute and a large chunk of federal money for the state.

The prize, which the Energy Research and Development Administration expects to award in December, is a 300-acre facility which will support the expanding national push to develop ways of tapping the unlimited, free, nonpolluting energy from the sun.

The government funds involved are likely to be at least $54 million over the first five years—and could be nearly double that figure. The research center would have as many as 600 professional and support employes by the third year of operation.

But other states from New England to the West Coast have staked out claims for the Solar Energy Research Institute. July 15 is the deadline for the competitors to submit their proposals. ERDA will go through a five-month elimination process and pick the winner of the SERI site and manager-operator contract.

Illinois is not bidding for SERI. Sidney Marder, the state's energy director, said that with several early-starting states such as Michigan so far along in pursuing and financing their campaigns, it would be a waste of manpower and funds for Illinois "to get into something we have no chance of winning."

"We're doing all right as it is," Marder added, referring to two major federal research installations awarded to Illinois. Last November, ERDA selected a site in southern Illinois for a $237 million plant to demonstrate the commercial feasibility of converting high-sulfur coal into clean-burning liquid and gaseous fuels. A decade ago, the Atomic Energy Commission chose a site near Chicago for a $300 million proton accelerator, the world's largest atom-smasher.

Although ERDA did not formally request proposals or bids for SERI until March 15, Michigan and other states launched their campaigns not long after Congress authorized the solar research center in 1974. Actually, the competition is not limited to state governments, but is open to "any responsible organization." Local governments, universities, and private corporations are eligible.

Michigan's campaign is spearheaded by the Detroit-based Michigan Energy and Resource Research Association, a partnership of the state's government, universities, and industries formed 18 months ago.

Merra is considering four possible sites to propose for the national solar laboratory, all in the Wayne County-Detroit area.

Merra has $220,000 in state funds to finance its assignment of "designing a winning SERI program." The government-university-industry combine has retained a Detroit public relations firm to publicize "Michigan's qualifications to become the nation's center for solar energy research." A Washington public relations firm has been hired to handle "press liaison" in the capital.

But Michigan's congressional delegation started last year to promote the state with ERDA. Michigan's senators and house members wrote to Dr. Robert Seamans, ERDA administrator, last October to notify him that the state would bid for SERI—and let him know the congressional delegation was 100 percent behind the effort.

Thirty eight states, including Hawaii, had representatives at an ERDA conference in April for briefing on SERI requirements and specifications. An ERDA official said last week that competition is intense and widespread but the number of serious contenders will not be known until the July 15 proposal deadline.

Michigan's selling point is that "the state's experienced industrial, manufacturing, and scientific base is unsurpassed in capability to achieve SERI's mission."

CONSTITUTIONAL AUTHORITY EXISTS FOR RATIFICATION OF GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, once again I rise to address my colleagues concerning the necessity for congressional ratification of the Genocide Treaty.

Opposition to the treaty has long asserted that the entire subject of human rights is not an appropriate one for international agreement. Genocide must be the concern of the community of nations since the horror of its consequences knows no geographic boundaries. We should not allow the frightening memories of the World War II holocaust to fade from our minds. Under the Constitution, the President has the power with advice and consent of the Senate to make treaties. The Genocide Treaty falls within the realm of this constitutional authority. According to former Supreme Court Justice Thomas C. Clark:

> Treaties which deal with the rights of individuals . . . as a matter of international concern may be a proper exercise of the treatymaking power of the United States.

The United States not only has the authority to enter into such agreements but there is no question that adequate precedent exists. A quarter of a century has passed since this country used its treaty powers to become a party to the United Nations Charter, one of whose basic purposes is the promotion of human rights for all. America has previously acted in conjunction with other nations to condemn those who violate agreements regarding seal hunting, opium trade, and slave trade.

Mr. President, in failing to ratify the Genocide Convention, the United States can no longer plead that it is constitutionally impotent to do so. The fact that genocide is an issue appropriate for concern and action seems obvious. It is our moral obligation and within our legal power to ratify this document. We must do so.

VIKING BEGINS A NEW ERA IN SPACE

Mr. MOSS. Mr. President, today is a historic day. For the first time, the United States has landed a scientific laboratory on the surface of another planet. The Viking landing on Mars occurred exactly 7 years after man first landed on the Moon.

Mr. President, this landing on Mars is a remarkable accomplishment. It was many times more difficult than the lunar landing.

The first picture sequence from the Viking lander began 25 seconds after touchdown. Soon we had a high resolution black and white photograph of the surface of Mars directly in front of the lander that included a view of a lander footpad and the soil surrounding it. This picture showed the lander had made a remarkably good landing. The second picture transmitted was a panoramic view of the Martian landscape surrounding the Viking lander. Total width of the picture is about 300 degrees and its height is about 60 degrees, with about 40 degrees below the horizontal plane and 20 degrees above. Since the spacecraft landed on essentially level ground, the horizon was about one-third of the way below the top of the picture, exactly as planned.

It is interesting to recall briefly the history of the Viking project. It was first suggested in 1967 after the Congress had rejected a larger and more ambitious mission known as the Voyager program. In November 1967, James E. Webb, then Administrator of NASA, proposed to the Senate Committee on Aeronautical and Space Sciences that NASA proceed with a Mars exploration program with reduced objectives using a spacecraft less costly than the proposed Voyager. He proposed that the landing take place in 1973 with a capsule that would make a rather hard touchdown. NASA defined the mission more fully in 1969, and gave it the name Viking. At the time, a softer landing was scheduled for 1973. This was clearly a very ambitious program. This, combined with reduced budgets, led in 1970 to the announcement that two Viking spacecraft would land on Mars in 1976, coinciding with our Nation's Bicentennial. NASA, despite great technical and fiscal problems, held to that schedule.

The placing of the Viking lander on the surface of Mars is an extraordinarily difficult technical accomplishment. It represents one of the great events of our generation. Certainly it opens up a new era in man's understanding of the solar system in which we live.

Exploration and study of the planets are more than an intellectual exercise. What we learn from the other planets has direct applicability to Earth. Particularly, we would hope to improve our ability to project how the Earth might react to changing conditions. The study of Mars should increase our understanding of how dumping products into our atmosphere and reducing the vegetation on the surface of the Earth will affect future life on our planet. Certainly we must give high priority to further study of the Earth for these vital answers, but it is difficult to come to a complete understanding of these complicated problems by studying only the Earth, a single sample. Most scientists believe that by studying the other planets in the solar system, we should come to a quicker understanding of such dynamic Earth phenomena as weather, climate, earthquakes, and the changing magnetic field.

Mr. President, this first successful landing by the United States of a spacecraft on Mars marks another highlight in our exploration of the solar system. In a few days, this advanced technology will enable Viking to begin a search for life on another planet hundreds of millions of miles away.

The Viking mission typifies the U.S. exploration of space for peaceful purposes; it is an exploration program that broadens our minds and lifts our horizons of knowledge. Unfortunately, NASA's planetary program has received no new missions during the past few years, but it is important that we continue this program. Viking is a giant step ahead and there is still a long way to go.

Mr. President, I join all Americans in paying tribute to the NASA-industry team that worked so long and hard to bring about this successful landing. I congratulate everyone involved and wish them every success as they continue to explore Mars during the months ahead.

A TRIP TO MARS

Mr. MATHIAS. Mr. President, since the dawn of time "a Trip to Mars" has been the figure of speech by which men have described the impossible. Today the impossible became possible.

Those of us who have seen the remarkable photographs in the Washington Star and on the evening television newscasts have been struck by the profound importance of this new achievement. It is too early to contemplate all of the implications of this new development, but we can sense that a new chapter in science and adventure has opened for us.

I want to personally thank and congratulate each member of the NASA team that has taken part in this great work. Mrs. Mathias has followed these events as they were reported throughout the day and her enthusiasm reflects what I believe will be the correct assessment of all Americans on the success that we have enjoyed in reaching Mars.

I ask unanimous consent to print in the Record a statement by Dr. James C. Fletcher, Administrator of NASA on the occasion of the Viking I landing today on Mars.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Dr. James C. Fletcher

In the nearly two decades of space flight, NASA and this nation have shared many space firsts. Today, it is most fitting on this seventh anniversary of the first landing of Americans on the Moon, that the Viking 1 spacecraft has landed on our nearest planetary neighbor, Mars. We have gained one more important objective in the exploration of our solar system with the hope and vision of more to come in the next few decades. Viking 1 has traveled 400 million miles to its destination and has spent four weeks photographing the planet allowing an intensive search for a safe landing. Now, Viking with its complex on-board scientific laboratory is ready to begin its in-place measurement of the chemical and physical characteristics of this apparently inhospitable planet.

I commend all those at the Langley Research Center and the Jet Propulsion Laboratory, from industry and universities who worked and planned so hard and effectively to create this stunning success. They, and all the others involved in the various phases of the mission, upheld the tradition of excellence which has always characterized this nation's space agency.

One of the most exciting prospects of the presence of Viking's laboratory on Mars is a possibility of life in some form. And, if Viking 1 has landed in a region hostile to such existence, possibly Viking 2 may have better fortune after its scheduled landing in September.

The photographs already obtained from Viking Orbiter have greatly enhanced our knowledge about another planet; and now, whatever we find with the lander, will provide an enormous gain in the understanding of the characteristics of Mars. The time span of the existence of Mars, like the Earth in our solar system, is about 4.5 billion years. Thus, with studying our nearest neighbor and with the knowledge of our own planet, we are able to add more valuable information on what course our own planet may take and therefore on the future of humanity.

THE JOBS BILL AND THE PRESIDENT'S VETO

Mr. MONTOYA. Mr. President, while the Congress was in recess, the President vetoed the public works jobs bill. Like others, I was disappointed and saddened by the veto. In a bipartisan spirit, we put together a bill and passed it with overwhelming majorities in both Houses. There was some reason to believe the President would sign the bill.

This was a $3.95 billion bill compared to the earlier vetoed $6.1 billion jobs bill. The rhetoric of the two vetoes is indistinguishable. Once again, Congress is accused of reckless spending. Yet, the Washington Post was able to comment editorially that "the Democratic majority in Congress has been proceeding with extreme caution on every matter that involves money."

The veto followed by a few days the surprising increase in unemployment in June—from 7.3 percent to 7.5 percent. The Post called it a "terrible sense of timing."

On July 21 at 2 p.m. the Senate will vote on overriding the veto on S. 3201. Members who were out of town on July 11 missed an excellent editorial in that issue of the Washington Post on the veto and the jobs bill. I ask unanimous consent that the editorial be printed in the RECORD. I ask also unanimous consent to have printed in the RECORD a press release on the President's veto issued by Mr. George Meany, president of the AFL–CIO.

There being no objection, the editorial and press release were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 11, 1976]

THE JOBS BILL

President Ford is a nice man, but he's got a terrible sense of timing. Last week he vetoed the jobs bill, an effort by the Democrats to create jobs by pouring $3.95 billion into good works, mainly construction. Just four days earlier the Labor Department had announced that the unemployment rate had risen from 7.3 per cent in May to 7.5 per cent in June, a disquieting reversal of a slow but steady decline. Two days before that, the fiscal year had ended with both federal spending and the budget deficit substantially lower than the administration had expected.

Why did Mr. Ford veto the bill? As he explained it, he was trying to save the country from another great surge of reckless congressional spending and inflation. ". . . Congress is moving full speed down the road to bigger and bigger give-away programs," he said in the fervent statement published by the White House. The interesting thing is, of course, that nothing remotely like that is going on.

The Democratic majority in Congress has been proceeding with extreme caution on every matter that involves money. The new congressional budget procedure has turned out so far to be an unexpectedly powerful deterrent to the occasional spendthrift impulses of the committees. Last fall Congress voted not to let the deficit exceed $74 billion, and until recently both Congress and the administration expected it to come out just under that number. But for reasons that no one has yet quite explained, spending in the final weeks of the fiscal year was a good deal lower than anticipated. It now appears that, when all the accounts are totaled, the actual deficit may turn out to be as low as $68 billion. No wild rush of congressional spending is building up. Quite the contrary.

There is a faintly comic paradox here. The present consensus on federal fiscal policy—which means taxing and spending—is a good deal closer than either the President or Congress really likes to admit. The President understands perfectly well that the present huge deficit is mainly the effect of the recession, and any premature attempt to cut that deficit threatens to pitch the national economy back into even deeper stagnation. Nobody wants to be responsible for that. On the other hand, most of the Democrats in Congress have perceived that a great wave of new spending will lead to inflation, which in turn will lead to higher unemployment. Circumstances has pressed the debaters embarrassingly close together. The surprising thing is not that they are arguing about spending, but rather that the amounts in this argument are—in comparison with the federal budget—remarkably small.

A jobs bill authorizing $3.95 billion is just about the right size to keep the quarrel percolating through the coming election campaign season. The amount is large enough to command attention, but it is not big enough to make a serious difference in a federal budget that will be, after all, at least 100 times bigger. That $3.95 billion is less, as it turns out, than the margin of error in the forecasts of this year's deficit.

The bill would devote most of this money to public works. It is quite true that public works appropriations are on the whole a rather inefficient way to pull down the unemployment rate. But it is better than nothing and, at a time when the unemployment rate in the construction industry is 17 per cent, it is absurd to call this modest program inflationary. Some of this money would go into waste water treatment plants; they can easily be justified on their own terms, quite aside from any contribution that their construction might make to the jobs market. The most valuable part of this bill would provide a modest increase in federal aid to state and local governments, in response to the recession. It is recognition that high unemployment brings greater demands on local public services, at a time when receipts from sales taxes decline. The veto has brought down on Mr. Ford the anger of a long list of mayors and governors, not all of them Democrats. To them, the veto is further evidence of Mr. Ford's failure to comprehend the fierce pressures on the big cities.

This bill hardly constitutes a sweeping solution to the present confusion of American economic policy, or a fundamental remedy to the prospect of continued high unemployment. At even the most generous estimate—which is to say, the Democrats'—it will reduce the unemployment rate by perhaps three-tenths of one percentage point. But if Congress can create two or three hundred thousand jobs quickly, with little penalty in inflation, the opportunity is not one to be missed. There appear to be enough votes, in both houses of Congress, to override the veto. When Congress reconvenes next week, that piece of business deserves to have the first priority.

AFL–CIO,
July 7, 1976.

AFL–CIO President George Meany today made the following comment on President Ford's veto of the Accelerated Public Works Bill:

This veto comes as no surprise. It is one more item in President Ford's unbroken record of hostility toward the unemployed and indifference to the needs of the states and cities and their citizens.

This bill, already passed twice by heavy majorities in both Houses of Congress, is too important to be sacrificed to the President's narrow ideology and his political image.

America's unemployed must be put back to work. America's hard-pressed cities and states must receive aid. America's economic mess, created by the Nixon-Ford Administration, must be eliminated.

This measure would be a major step toward achieving these goals. Therefore, we urge all members of the House and Senate to give the nation the help it needs by overriding Mr. Ford's veto immediately after the current recess ends.

BOBBY UNSER, JR.

Mr. MONTOYA. Mr. President, our Nation's Bicentennial birthday has brought forth yet another generation of New Mexico's racing Unser family. Bobby Unser, Jr., has continued the tradition of his grandfather, great uncle, uncles and father by running in the spectacular 54th Pikes Peak hill climb.

Driving the "Unser '76 Chiropractic Special" and obtaining the fastest qualifying time, this 20-year-old New Mexican driver gained the pole position, and finished ninth, in one of the richest races per mile in the world.

New Mexico is proud to have this new generation of Unsers move into the national racing circuit. This family has done much for the sport of racing in the past half century. They hold four "Indy 500" wins between Bobby Sr. and Al, and also boast of their mother, known as "Mom Unser." She has made chile a nationally known delicacy, serving it at all the various racing events and has been acknowledged as a most gracious hostess and one of New Mexico's finest ambassadors to the sports world.

No racing driver, however, can make his mark without the invaluable assistance and support received from the sponsors. Bobby Unser, Jr., ran a fine Pikes Peak hill climb with the sponsorship of a small group of chiropractors nationwide, under the direction and leadership of Dr. James J. Francis of Albuquerque. The chiropractic profession, the citizens of my State, and, of course, all the people of this Nation are proud to welcome a new Unser into the sports world.

THE PANAMA CANAL

Mr. McGEE. Mr. President, earlier this month the distinguished senior Senator from Iowa (Mr. CLARK) publicized a report he had requested from the Department of State concerning the risks to the United States should the present Panama Canal Treaty negotiations fail.

In preparing a response to a series of questions submitted by Senator CLARK, the State Department consulted with the Department of Defense and the Central Intelligence Agency.

It is important for the U.S. Congress to fully understand and appreciate the reasons for negotiating a more modern treaty relationship for the efficient operation of the canal. For this reason, the questions raised by Senator CLARK are vital to our understanding of stakes associated with a successful conclusion of the negotiations. Senator CLARK is dealing with reality and not some outmoded notion that somehow the Panama Canal is as American as "apple pie" or the Louisiana Purchase.

I ask unanimous consent Senator CLARK's news release, his questions to the Department of State and the Departments' response be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PANAMA CANAL REPORT RELEASED

WASHINGTON, D.C.—Upwards of 100,000 U.S. soldiers, including supporting air and naval forces, would be required to defend the Panama Canal against a concerted Cuban-backed Panamanian military effort to take it over, according to a Department of State study released today by Sen. Dick Clark (D-Iowa).

The scenario which assumed the introduction of 10,000 outside troops from Cuba was described in the report as a "worst case" situation, which would arise "only if there were a significant deterioration" in U.S.-Panamanian relations.

However, even in the case of a substantially smaller move against the canal involving only sporadic terrorist attacks, the report says "the continuous operation of the canal could not be ensured."

"The canal complex is susceptible to varying degrees of sabotage and the Canal Zone is vulnerable to attack from forces or weapons located outside the area of United States jurisdiction," the report said.

Clark, a member of the Senate Foreign Relations Committee, requested the report in a letter to Secretary of State Henry Kissinger March 31. In his request, he asked the Department of State to coordinate its response with the Department of Defense, in order to deal realistically with the contention that the U.S. should disregard Panamanian interests in holding on to the canal.

"The whole thrust of this study," Clark said in releasing it, "is the importance of maintaining a friendly relationship with Panama through the negotiation of a fair and just new treaty."

Clark quoted the study's conclusion that "a new canal treaty which fosters a friendly and cooperative relationship with Panama and provides for direct Panamanian participation in protecting the waterway should strengthen our ability to defend both the canal and the American citizens and property related to its operation."

In assessing the canal's vulnerability to a broad range of threats, the report emphasized that in all these situations it is important to note that 75 percent of the Panama Canal work force is Panamanian. Replacing them with an American labor force, the report said, would "temporarily detract from efficient operation and would result in considerable financial cost."

The report also pointed out that except in the case of a Cuba-backed attack, the U.S. could expect little support from other members of the Rio Treaty. "The history of how the original 1903 treaty was negotiated," the report says, "reinforces the currently widespread political opposition to our continued exercise of the jurisdiction over a portion of Panamanian territory which is a significant irritant in our relations with Latin America."

DEPARTMENT OF STATE,
Washington, D.C., June 30, 1976.

Hon. DICK CLARK,
U.S. Senate

DEAR SENATOR CLARK: The Secretary has asked me to respond to your letter to him of March 31, 1976, which posed a number of questions regarding defense of the Panama Canal and the assistance we could expect from Rio Treaty countries and/or NATO allies in defending the Canal Zone. I apologize for this long delay.

In accordance with your suggestion, we have consulted with the Department of Defense which concurs in the response to the questions you posed and provided the basic information for the reply to your first question on the defense of the canal. We also consulted with the Central Intelligence Agency which, consistent with its charter, made no policy recommendations, but contributed to the response to your second question concerning the assistance we could expect from other parties of the Rio Treaty and from our NATO allies.

We hope this response adequately addresses the questions you have raised.

Sincerely yours,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

ATTACHMENT

Question: 1. Is the Canal defensible? If so, how many American troops and how much money beyond expected peacetime appropriations would be required to defend the present Canal Zone, American citizens in the Zone, and the security of the Canal itself under each of the following conditions:

(a) Sporadic terrorist attacks against locks, dams and other key points?

(b) A concentrated and well-organized commando operation, several thousand strong, against these points and American civilian population in the Zone, not supported by but not effectively opposed by Panamanian security officials?

(c) A commando operation, as in (b) above, supported by Panamanian National Guard logistics and troops?

(d) An all-out attack on the Zone by Panama, with the aid of 10,000 Cuban and other Latin American irregular troops trained in guerilla and commando-type operations, using military equipment from Cuba?

Response: While the Panama Canal and the Canal Zone can be defended, even in a hostile environment, the continuous operation of the canal could not be ensured in that environment. The Canal complex is susceptible to varying degrees of sabotage and the Canal Zone is vulnerable to attack from forces or weapons located outside the area of United States jurisdiction.

The political environment, therefore, is a very important factor in canal defense. The preferred defense of the canal would be in conjunction with a friendly Panama. Thus, a new canal treaty, by fostering a friendly and cooperative relationship with Panama, would be most conducive to effective canal defense. Under a new treaty based on the 1974 Statement of Principles, Panama would have a role and a tangible stake in protecting the waterway. The cooperative defense relationship envisaged under these principles would provide the basis for the strongest and most effective defense, especially against terrorist or commando attacks.

The range of threats to the canal postulated in subparagraphs 1(a)–1(c) represent a worst-case situation and as such would be most likely to arise only if there were a significant deterioration in the existing relations between the United States and Panama. The situation outlined in 1(d), while it cannot be excluded, is considered least likely.

The Canal Zone police and security forces would be the minimum defense forces required to defend against a sporadic terrorist attack as outlined in paragraph 1(a). These forces could be reinforced by elements of the 193rd Infantry Brigade, which is stationed in the Zone and has the mission of Canal defense.

In the event of a concentrated or more organized threat to the canal of the type outlined in 1(b) or 1(c), there are plans for reinforcing existing defense forces in the Canal Zone. The size of such reinforcement would be determined by the actual magnitude of the threat to the Canal and/or American citizens and property in the Zone.

An estimate of the maximum force requirement needed to defend the canal against an all-out attack of the type described in subparagraph 1(d) would be a corps of three divisions. This total force would approximate 100,000 men with supporting air and naval forces. A somewhat smaller, but nevertheless substantial, force might be required to deal with the commando-type operation cited in 1(c).

Supplementary congressional appropriations would be sought to support additional forces sent into the Canal Zone to defend it. The amount of such appropriations would be determined by the size of the forces deployed and the level and duration of hostilities. If necessary, plans would be implemented to evacuate non-essential United States civilians from the Canal Zone and Panama.

A further consideration in the deployment of military forces to defend the Panama Canal within the above described scenarios would be the requirements of Public Law 93–148 (War Powers Resolution).

In all of these situations, it is important to note that 75 percent of the Panama Canal work force is Panamanian. Should many of these Panamanian employees either be unwilling or unable to report for work, it would be necessary to replace them with a United States labor force. At a minimum, this action could temporarily detract from efficient operation and would result in considerable financial cost.

In conclusion, the nature of the political environment is an important ingredient in canal defense. Thus, a new canal treaty which fosters a friendly and cooperative relationship with Panama and provides for direct Panamanian participation in protecting the waterway should strengthen our ability to defend both the canal and the American citizens and property related to its operation.

Question: 2. If the United States were defending the Zone in an undeclared war of the type described under (c) and (d) above, could we expect the assistance of other parties of the Rio Treaty to help us defend the Zone? Could we expect diplomatic and other support from our NATO allies?

Response: There is no doubt that either of the types of conflicts you have postulated would be encompassed by the provisions of the Inter-American Treaty of Reciprocal Assistance (Rio Treaty). Depending on the precise facts and circumstances involved, such conflicts might constitute an "armed attack" within the meaning of Article 3 or a "conflict between two or more American States" under Article 7. In any event, such conflicts would clearly constitute a "situation that might endanger the peace of America" under Article 6.

There are, however, certain qualifications upon the legal obligations of the Rio Treaty members to provide assistance under the various provisions of the Treaty.

Article 3 provides that "an armed attack by any States against an American State shall be considered as an attack against all American States and, consequently, each one of the said Contracting Parties undertakes to assist in meeting the attack. . ." Each party, however, "may determine the immediate measures which it may individually take in fulfillment of (this) obligation." Hence, our Rio Treaty partners would not be obligated to provide any specific assistance until the Organ of Consultation of the Inter-American System had met and reached a decision as to the collective measures to be taken in the particular case. It should also be noted that under Article 20 of the Rio Treaty, no State may be required to use armed force without its consent.

Article 6 provides for collective measures in the case of "an aggression which is not an armed attack . . . or . . . any other fact or situation that might endanger the peace of America." In such cases, however, there would be no obligation to act until a collective decision had been reached regarding the measures to be taken. However, Article 7 establishes that where the conflict is between two American States, "the High Contracting Parties, meeting in consultation shall call upon the contending states to suspend hostilities and restore matters to the *status quo ante bellum* and shall take in addition all other necessary measures. . . ."

Our experience under the Rio Treaty has been that the parties take seriously their role in international peacekeeping. In the event of actions such as you have described, it would be reasonable to expect that our Rio Treaty partners would be deeply concerned and almost certainly the machinery of the Inter-American system would be invoked with a view towards stopping the fighting. As a practical matter, however, the United States in defending the Canal Zone against an internal Panamanian threat under the existing 1903 treaty arrangement, could not expect much sympathy from Latin American countries. While Latin American attitudes might be affected by the circumstances and background of any confrontation, opinion throughout the Hemisphere clearly supports Panama's aspirations for a new canal treaty. The history of how the original 1903 Treaty was negotiated reinforces the currently widespread political opposition to our continued exercise of jurisdiction over a portion of a Panamanian territory which is a significant irritant in our relations with Latin America. As such we would have little prospect of winning active hemispheric support and tangible assistance for any effort to defend the Zone, beyond efforts to achieve a cease-fire, unless Cuba were actively involved.

As for NATO reaction, Article VI of the North Atlantic Treaty speaks only of attack on the territories of the Parties, or the forces, vessels, or aircraft of the Parties when in or over these territories, or certain occupied areas of the North Atlantic Treaty area. The NATO area does not include the Isthmus of Panama.

Apart from this legal consideration, Western Europe is preoccupied with matters of more immediate concern. It would probably view a conflict between the United States and Panama as a bilateral or Western Hemisphere affair and not be disposed towards involvement. The most likely reaction of European countries would be to express their concern and to urge a reconciliation between the parties.

Under the 1903 Treaty the possibility of diplomatic or other support from Latin America and/or Western Europe would be greater only if there were active and visible Cuban involvement in Panama or if the Soviets were posing a major threat to the allied position in the South Atlantic. In contrast, a new and more modern treaty which is acceptable to Panama and provides for its participation in canal defense would greatly enhance our prospects for obtaining support, particularly in the Hemisphere, in response to an attack on the canal.

UNITED NATIONS DEVELOPMENT PROGRAMS IMPORTANT ROLE

Mr. McGEE. Mr. President, on June 15, Daniel Parker, Administrator for the Agency for International Development, delivered a major address to the United Nations Development Program's Governing Council meeting in Geneva.

In commenting upon the important role UNDP plays in the development process, Administrator Parker stressed three main points:

UNDP has the most extensive field representation with greater continuing access to the development authorities in countries, whatever their stage of development or wealth of resources, than any other organization in the world;

UNDP has the primary responsibility for assisting governments with the development of their country programs;

Under the consensus, UNDP has been vested with primary responsibility for coordinating all development assistance provided to the developing countries by the United Nations family—a responsibility, incidentally, which my government feels UNDP has been discharging well and to increasingly good purpose given the growing need for effective field coordination.

The Administrator also noted:

> UNDP Field structure combined with UNDP's financial resources is an essential ingredient not only for the successful operation of technical assistance projects executed by the specialized agencies but also in helping to facilitate the employment of the much larger resource flows being provided by multilateral financial institutions, including potentially those from the International Fund for Agricultural Development, and from bilateral donors.

Mr. Parker also paid tribute to Brad Morse, the new Administrator for UNDP:

> We feel that Administrator Morse and his very able staff could in close partnership with this Governing Council, make the UNDP and even greater source for knowledge and inspiration in evolving policy recommendations of a global nature to deal more effectively with the long-term constraints to development. . . . I wish once again to congratulate Administrator Morse upon his assumption of the highly important responsibilities which inhere in the office of the Administrator. He is a man of truly outstanding ability and we think the Programme is fortunate to have his great personal gifts and exceptional administrative and political skills at its service. We are pleased to note that the few short months since taking office he has already been able to bring about important financial and management improvements in the Programme and we wish to pledge to him our full support and cooperation in the future.

Mr. President, Administrator Parker's statement is a tribute to both our bilateral aid agency and multilateral development efforts such as UNDP. When Dan Parker first assumed the position as Administrator for the Agency, I had the opportunity to discuss the role of UNDP in the development process and the importance I attached to strengthening the relationships between AID and multilateral development institutions. Dan Parker responded very positively to these discussions. Both he and Brad Morse are to be commended for the roles they have played in carrying forward with a spirit of cooperation and coordination in global development efforts.

I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

STATEMENT OF AID ADMINISTRATOR DANIEL PARKER AT THE 22D SESSION OF THE UNDP GOVERNING COUNCIL

JUNE 15, 1976.

Mr. President: I am very pleased to have this opportunity to participate once again at a meeting of the United Nations Development Programme's Governing Council. My presence here which follows by only a few short weeks the active participation of Secretary of State Kissinger and Deputy Secretary Robinson at UNCTAD IV in Nairobi, is a further indication of the importance the United States attaches to the promotion of international economic cooperation, and to the central role of the United Nations Development Programme in advancing cooperation for development.

Let me affirm the high confidence which the United States feels for the new UNDP Administrator and to express my personal congratulations to him upon his assumption of his very important responsibilities.

When I had the privilege of addressing this Council at its 20th Session here in Geneva just a year ago, I drew attention to the fact that the world had become more closely interdependent than ever before in the history of mankind. It is clear that this trend is accelerating and is making the need for sustained and energetic pursuit of international economic cooperation more and more compelling. The series of recent meetings on international economic cooperation and development, starting with the Seventh Special Session of the General Assembly and most recently, the Plenipotentiary Conference on the Establishment of the International Fund for Agricultural Development in which I have just participated, provide evidence that at the global political level the international community has begun to respond constructively to the dictates of the logic of interdependence.

At the practical level, I have the greatest confidence in our ability to meet the challenges of interdependence if we succeed in developing and using more fully this planet's one infinite resource—the human being, whose spirit, compassion and energy are boundless. This potentially infinite human resource—men and women, adults and children, in all parts of the globe—if properly motivated and assisted can create a plurality of human systems which can better meet pressing human needs throughout the world. Without the mobilization of all human resources—and here I pointedly include women whose opportunity for participation in the development process continues to be deplorably inadequate—no amount of material or physical resources will serve to satisfy mankind's true needs.

As the world's largest program of technical assistance, the United Nations Development Programme has a vital role in the development of the human resource. We are hopeful UNDP will devote more of its attention to this aspect of the development process, bearing in mind the exceptionally acute need for grant technical assistance in the poorer developing countries and among the least advantaged sections of the population. To the extent that it can increasingly make this element one of its main points of focus and can resist pressures toward converting the Programme into simply another supplier of capital, UNDP can expect to receive strong and continued support. In this connection, I am pleased to be able to state that at the conclusion of our legislative process, which we expect to occur before the end of this Governing Council session, the United States hopes to be in a position to announce a $100 million contribution to UNDP for Calendar Year 1976—which would represent a 28 percent increase over the U.S. contribution for 1975.

We recognize, of course, that as a universal organization designed to meet responsibilities in many areas of development, UNDP cannot concentrate exclusively on serving any single group of countries or people. We have no desire to see the denial of access to UNDP's facilities and services to any developing country which feels that it could benefit from them. We do believe emphatically, however, that developing countries at higher stages of development or possessing substantially greater development resources than the large number of very poor countries, should become major contributors to the Programme as quickly as possible so that a larger net amount of concessional resources can be made available to areas where they are most critically needed. We would also hope that the growing number of higher income countries will arrange increasingly to meet their development needs from UNDP through such mechanisms as cost-reimbursable assistance. This approach would be similar to arrangements which the United States and others are currently negotiating with a number of such countries to meet their on-going technical assistance needs. We stand ready to share with the UNDP our experience with this approach, if requested.

The United States sees the UNDP as a unique instrumentality for international cooperation in the field of development and wants to see UNDP realize its full potential as a contributor to the development process. I would note in this connection that as the potential contribution to development of various forms of technology grows—including those at the frontiers of science which are also becoming increasingly relevant, without any question—it will be more and more important for UNDP to play a larger part in furthering the application of science and technology for development and in helping to coordinate the efforts of other technology suppliers both multilateral and bilateral.

UNDP has a uniquely important role to play for many reasons but I want to stress here three main points:

UNDP has the most extensive field representation with greater continuing access to the development authorities in countries, whatever their stage of development or wealth of resources, than any other organization in the world;

UNDP has the primary responsibility for assisting governments with the development of their country programs;

Under the Consensus, UNDP has been vested with primary responsibility for coordinating all development assistance provided to the developing countries by the United Nations family—a responsibility, incidentally, which my government feels UNDP has been discharging well and to increasingly good purpose given the growing need for effective field coordination. To put this another way, it is our conviction that there is a symbiotic relationship among all development programs in developing countries. It is important, therefore, that this relationship be recognized and that it be organized. We feel that the UNDP is in a natural position to do this.

The UNDP field structure combined with UNDP's financial resources is an essential ingredient not only for the successful operation of technical assistance projects executed by the Specialized Agencies but also in helping to facilitate the employment of the much larger resource flows being provided by multilateral financial institutions, including potentially those from the International Fund for Agricultural Development, and from bilateral donors.

Before leaving the discussion of UNDP's role at the field level, I would like to note how pleased we are that Administrator Morse has just recently reaffirmed UNDP's continued commitment to assisting the United Nations Disaster Relief Coordinator in the discharge of his duties in the areas of disaster planning and coordination, as well as in the areas of rehabilitation and reconstruction.

In addition to these critically important field level functions, we also see a much larger and enhanced role for the organization at the global level. We feel that Administrator Morse and his very able staff could, in close partnership with this Council, make the UNDP an even greater source for knowledge and inspiration in evolving policy recommendations of a global nature to deal more effectively with the longer term constraints to development.

At this watershed meeting of the Council which comes just between the old and the new development cycles, I very much hope that he and this Council would respond to the challenge posed by the assumption of such broadened responsibilities which we feel the UNDP is uniquely qualified to discharge. The United States would be pleased to assist the UNDP in whatever way it can to carry forward such a role of technical and policy leadership in the development field.

In concluding, I wish once again to congratulate Administrator Morse upon his assumption of the highly important responsibilities which inhere in the office of the Administrator He is a man of truly outstanding ability and we think the Programme is fortunate to have his great personal gifts and exceptional administrative and political skills at its service. We are pleased to note that in the few short months since taking office he has already been able to bring about important financial and management improvements in the Programme and we wish to pledge to him our full support and cooperation in the future.

Thank you, Mr. President

FREE CHINA IS THE REAL CHINA

Mr. GOLDWATER. Mr. President, time and again certain elements of the news media and various academic types have kept up their steady drum beat for formal diplomatic relations with Red China. Over and over, with dull monotony, for the past quarter century, these persons have tried to persuade the American public that official recognition of the Communist regime is not only warranted, but close at hand.

With former President Nixon's visit to mainland China in 1972 and the issuance of the Shanghai communique, there was virtual elation among parts of the media that the United States would finally adopt a policy of what they called "normalizing" relations with the Communists. When this failed to bring the instant result they wished, they looked around for another justification for their goal.

Now, with ominous reports as to the fading health of aged Chairman Mao, there are renewed pleas from the self-proclaimed China experts that we should enter into full diplomatic relations with Communist China before Mao passes away. They tell us that this will insure that Mao's successors will not resume their government's past alliance with the Soviet Union.

News commentators have even taken advantage of the Canadian Government's arbitrary treatment of athletes from the Republic of China as a means to prepare public opinion for recognition of Communist China. One network newscaster, who was supposedly explaining President Ford's position in sympathy with athletes from Free China, devoted most of his commentary not to the President's endorsement of the right of the Republic of China to participate by its own name, but to an assurance that this was no move away from our Government's progress toward full diplomatic relations with Communist China. The reporter's statements were no more than his own opinions, but they were announced as straight fact.

Another example is an article in the New York Times of April 11 which portrayed as historical fact that the United States had planned to grant formal diplomatic recognition of Communist rule in China during Mr. Nixon's second term. This report informed readers that "American officials clearly understood that this would mean the severing of formal ties with the Nationalist regime on the Island of Taiwan—and the abrogation of a mutual security treaty with Taiwan."

These two recent examples are typical of false reports and manufactured interpretations of American policy on China that present nothing more than the opinions—and perhaps wishes—of a particular journalist or newscaster. They are a blatant attempt to deceive and mold public opinion. Repeated enough, the lie will catch on. Tell the people over and over that our Government is set upon recognizing Communist China and it will become an accepted fact in the public mind—even if it never becomes an actuality.

Mr. President, these lies need to be corrected. For I know they do not represent U.S. policy. Now, I realize the American public forms the most educated and literate society in the history of mankind. But the average American citizen needs to hear all sides in order to maintain a reasoned position on public issues. It is with a high regard for this purpose of accurate information that I take the floor today to address the subject of our relations with China.

The first thing we must realize in speaking of China is that the Republic of China is China. The United States now has official and full diplomatic relations with the Republic of China. This means that we recognize the government located on Taiwan as the sole, legal representative of all the Chinese people. Insofar as diplomatic relations are concerned, there is only one China. We hold that the Republic of China is the one representative of all the Chinese people, both on the mainland as well as on Taiwan. And I believe this will remain the policy of our Government.

Now, this does not mean that our country is blind to the fact that the Communist insurrection prevailed in forcing the lawful Government of the Republic of China off of the mainland in 1949. We know that the despots of Communism today control by force some 800 million unfortunate Chinese people who live on the mainland. But this in no way entitles the brutal tyrants of slavery to enjoy standing in the civilized world as the legitimate representative of the people over which they exercise hegemony.

It is exactly because we do recognize the enslavement of hundreds of millions of human beings under inhuman conditions on the mainland that the United States now refuses, and will continue to refuse, to reward this lawlessness with the mark of legitimacy. Especially will we not grant formal diplomatic recognition to this totalitarian regime if it also means the abandonment of one of America's closest and most reliable friends, the Republic of China.

Mr. President, let us examine for a moment the society which liberal dreamers wish us to formally recognize. This is the same Communist government which waged war against Americans who were supporting self-determination for the Korean people in the early 1950's. This is the same Communist regime that is known to have executed several millions of land owners during the agrarian reform of 1949 to 1952. This is the same Communist tyranny that conducted mass public trials during 1951 at which at least 2 million political prisoners were executed. This is the same brutal society which by various accounts has exterminated a minimum of 30 million people during its first decade of rule. It is the same Maoist system which even today arbitrarily imprisons at least 16 million innocent political prisoners in labor reform camps, where they are put away for the hardest of hard labor during the remainder of their lives.

Mr. President, this is the same Communist system which has no free and independent judiciary—which grants no free right to travel—which denies freedom of religion and honors only atheism—which has no free elections—which has no freedom of the press nor free expression—which punishes private ownership and investment.

This is a society which denies even the love of family. Peking Review, for example, recently praised a factory worker who informed on a relative for making a statement critical of the government. The same article denounced Confucius for teaching family loyalty. As a Chinese told Eugene Paterson, editor of the St. Petersburg Times, who was on a reporting tour of the mainland recently:

> My children are not assets of mine. They are the property of the state.

In other words, the Communist Chinese system is totally alien to every principle for which Americans have struggled throughout their history. As described in a New York Times editorial of June 2, 1959:

> The Red Chinese atrocities are directed not merely against the human body. They are aimed at the heart and soul. It is not merely the man or woman who must be killed, but the ideas, concepts, hopes, sense of values and traditions that have made the lives of those persons worth while.

Should such an outrage on humanity be rewarded? Obviously, not! It should be condemned, and repeatedly exposed. It should be discussed as a tragic example by which Americans can better compare and appreciate the blessings of liberty which we possess.

Mr. President, the terrible example of human enslavement on the Chinese Mainland should also be contrasted with the tremendous progress in human welfare and freedom that has occurred on Taiwan under the Republic of China. Here is a land which truly can lay claim to being the real China—a China where Confucius is still honored, where the art form of the ancient Chinese Opera is still performed, and where other Chinese cultural traditions are preserved.

Here is a country which allows free elections and free expression. Thirty-one daily newspapers and 1,400 magazines compete with three national television channels for the attention of local audiences. Other free world publications, such as the London Times, the New York Times, Newsweek, Time, and U.S. News and World Report are freely and openly available in all major cities of the Republic of China.

Here, too, is a country that encourages the development of its citizens to the fullest of their God-given potential. Next only to the United States, free China has more school students per 1,000 population than any other country in the world. The number of college students on Taiwan today is equal to that of the entire Chinese mainland! In fact, there are more young people going to college in Taiwan per 1,000 population than there are in Britain or France.

Mr. President, the accomplishments of Free China are unparalleled among the developing nations of the world. From an island which was a predominately agricultural country, Taiwan has become a major industrial power of the world. Agriculture represented 36 percent of the gross national product in 1952, for example, but has now declined to about 15 percent. Over the same period, industry's share of domestic production has increased from 18 percent to 40 perent. Industry's gains, however, have not been at the expense of agriculture.

In fact, the General Accounting Office, the independent investigative arm of Congress, has just presented a report to Congress singling out the Republic of China on Taiwan as the model of how a developing nation can achieve tremendous success in food production. The hallmark of Free China's strategy, as noted by the GAO, has been an emphasis on economic incentives to private farmers as the keystone to improving agricultural growth.

The GAO concludes that its case study of the Republic of China "demonstrates that a country can successfully increase its food production when it insures that individual farmers receive economic rewards for increasing their farm production." In other words, the private enterprise system of providing rewards for initiative and hard work is the secret of success on Taiwan. Compare this finding of agricultural progress through economic incentives with the miserable poverty which prevails on the Mainland of China under a regimental system of communes and forced labor.

The GAO study is especially significant because it finds that the Republic of China has maintained an average agricultural growth rate of 4.6 percent during the two decades from 1952 through 1972. This rate was far above that achieved by any other developing nation and has enabled Taiwan to achieve basic self-sufficiency in food. At the same time, the GAO noted, the method used by the Republic of China has spread benefits among all farmers and not just to a few. A concluding paragraph of the official report states:

> Probably the most important result of agricultural growth in the improvement in living conditions . . . Clothing and shoes improved, and brick houses with tile roofs replaced plaster and bamboo houses. In the late 1950's there were no television sets and only a few radios in rural Taiwan; by 1972 most rural households had televisions and electric appliances.

Now, if we place any value on a nation's success in feeding its citizens an adequate and comfortable diet; if we see any worth in raising the living standards of a people up to a more secure and pleasant level, then we should most certainly not do anything to injure the very government that has achieved these results. We should not callously drop our diplomatic ties with such a country. We should not unilaterally terminate our defense alliance with that country. If anything, we should do all in our power to help preserve such a wise and peaceful country as a model that can be duplicated in other developing countries.

In short, the success story of the Republic of China on Taiwan proves the striking difference between countries which practice a private enterprise system and those which try socialist methods. If the United States does not gratuitously give up the great advantages that freedom and a free economy have over a socialist dictatorship, the Republic of China will have the potential for spreading the seeds of liberty to the Mainland merely by its example. By holding firm to our diplomatic and defense ties with the Republic of China, as I am convinced we shall, we may well advance the day when there will once again be a united China organized upon the system of free government and human liberties. And if all Chinese people could be allowed to develop their full potentials, as the Chinese living on Taiwan have been permitted to do, the entire world would benefit from the remarkable economic and social progress that would burst forth in this new China.

There are many other reasons why it is much to our advantage to keep our ties with the Republic of China. The strategic location of Taiwan alone makes it of immense importance to Free World access to raw materials of the Pacific. Moreover, Free China has been a loyal ally of the United States for many years. If we scrap our mutual security treaty with a dependable friend, our word and our signature to other defense treaties will be worthless anywhere in the world. Our word will be doubted by our friends and ridiculed by our enemies.

The United States would also suffer a great loss if the Communists were able to seize the vast investment of American capital and commercial technology in Taiwan. And what kind of value can we put upon the 16 million Chinese residents living on Taiwan who would be doomed to lives of slavery?

Finally, we must not overlook the significance of the 30-million-strong overseas Chinese, who look to the Republic of China as their cultural homeland. These Chinese are important economically, commercially and politically in Hong Kong, the Philippines, Malaya, Thailand, and Indonesia. They are private enterprise oriented and have invested a quarter of a billion dollars in the Republic of China. They have also sent their children to Taiwan for education. They represent an enormous asset of freedom in the Pacific, which may be lost if the Republic no longer exists.

For these and other reasons, Mr. President, I am certain our Government will not accept the theory of the new left which argues that only by awarding recognition to the Mao government can the United States prevent the possible resumption of cordial relations between the Soviet Union and Red Chinese. If anything, such a move would surely cause the Red Chinese to doubt our will and find all the more reason for reopening a link with Russia. And how are we to expect that any pact with Communist China, a lawless society, would have any more validity to it than the one Hitler reached with Stalin?

Actually, there are many indications that with the imminent passing of Mao from the scene, there is bound to be considerable internal strife and chaos on the Chinese mainland. For this reason alone, no one can assure that any agreements reached now would be upheld later. Nor can anyone discount the possibility that there may be a downfall of Communism on the Mainland as an eventual outcome of the post-Mao period. The failures of Communism may well bring about their own collapse, if we do not prop them up by legitimizing their tyranny.

EXEMPTION OF NAPHTHAS, GAS OILS, AND OTHER PRODUCTS FROM THE MANDATORY PETROLEUM ALLOCATION AND PRICE REGULATIONS—ENERGY ACTION NO. 5

Mr. FANNIN. Mr. President, today the Federal Energy Administration pursuant to the Energy Policy and Conservation Act, transmitted Energy Action No. 5 to the Congress. The 15 calendar day congressional review period starts to run tomorrow. Because recording of this action in the Federal Register may take several days before publication I shall ask unanimous consent that the transmittal letter to the President of the Senate and the proposed regulation—Energy Action No. 5—be included in the body of the RECORD at this point so that Members of Congress and all other interested persons may have early notice of this proposal. I would additionally hope that the Congress would be inclined not to disapprove this energy action. The Congress has not disapproved any of the preceding four energy actions, most of which also were related to decontrol of petroleum products from price and allocation controls.

I would expect that this energy action would be referred to the Senate Committee on Interior and Insular Affairs as have been the previous energy actions.

I ask unanimous consent that the transmittal letter and Energy Action No. 5 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., July 20, 1976.

Re: Exemption of Naphthas, Gas Oils and "Other Products" from the Mandatory Petroleum Allocation and Price Regulations (Energy Action No. 5)

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On June 10, 1976, the Federal Energy Administration gave notice of a proposal to exempt naphthas, gas oils and "other products" (as defined in 10 CFR 211.182 and 10 CFR 211.202, including, in addition to naphthas and gas oils, carbon black feedstocks, benzene, toluene, mixed xylenes, hexane, lubricants, greases, special naphthas (solvents), lubricant base stock oils and process oils) from the Mandatory Petroleum Allocation and Price Regulations. Written Comments from interested persons were invited through July 7, 1976, and a public hearing regarding the proposal was held on July 1 and 2, 1976.

FEA has now completed its consideration of all the information available in this proceeding and has determined that the proposal to exempt naphthas, gas oils and "other products" should be adopted. The amendment exempts the enumerated products from FEA allocation and price regulations, except for those restricting the use of naphtha as a synthetic natural gas (SNG) plant feedstock. The question of whether to remove restrictions on the use of naphtha as a SNG feedstock will be separately considered following completion and analysis of an environmental impact statement currently being prepared.

As required by section 455 of the Energy Policy and Conservation Act, Pub. L. 94-163 (EPCA), which added section 12 to the Emergency Petroleum Allocation Act of 1973, as amended (EPAA), each amendment exempting a refined product category from regulation must be submitted separately to each House of the Congress for review pursuant to section 551 of the EPCA. FEA is, therefore, herewith submitting the amendment exempting naphthas, gas oils and "other products" (which are a single product category under the EPCA) to the House of Representatives, and is concurrently submitting this amendment to the Senate, for Congressional review.

The findings and views supporting this amendment, which are required by section 455 of the EPCA, are set forth in the enclosed document entitled "Findings and Views Concerning the Exemption of Naphtha, Gas Oil and 'Other Products' from the Mandatory Petroleum Allocation and Price Regulations".

The Administrator of the Federal Energy Administration has been delegated by the President all the authority granted to him by the EPAA (E.O. 11790, 39 F.R. 23185, June 27, 1974).

Unless disapproved by either House of Congress as provided by section 551 of the EPCA, the enclosed amendment will be effective September 1, 1976.

Sincerely,

FRANK G. ZARB,
Administrator.

TITLE 10—ENERGY

CHAPTER II—FEDERAL ENERGY ADMINISTRATION

PART 210—GENERAL ALLOCATION AND PRICE RULES

PART 211—MANDATORY PETROLEUM ALLOCATION REGULATIONS

PART 212—MANDATORY PETROLEUM PRICE REGULATIONS

Exemption of Naphthas, Gas Oils and "Other Products" from the Mandatory Petroleum and Price Regulations.

Introduction

On June 10, 1976, the Federal Energy Administration issued a notice of proposed rulemaking and public hearing (41 F.R. 24188, June 15, 1976) to amend 10 CFR Parts 210, 211 and 212 to exempt naphthas, gas oils and "other products" (as defined in 10 CFR 211.202) from the Mandatory Petroleum Price and Allocation Regulations. The proposal was based on tentative conclusions set forth in a document dated June 4, 1976, entitled "Preliminary Findings and Views Concerning the Exemption of Naphtha, Gas Oils and 'Other Products' from the Mandatory Petroleum Allocation and Price Regulations" ("Preliminary Findings"). The term "other products" as used herein includes carbon black feedstocks, benzene, toluene, mixed xylenes, hexane, lubricants, greases, lubricating base stock oils, special naphthas and process oils. Written comments on the exemption proposal and on the Preliminary Findings were invited through July 7, 1976, and the public hearing was held July 1 and July 2, 1976.

Seventy written and oral comments were received in response to the notice of proposed exemption. Those offering comments included major integrated refining companies, large and small independent refining companies, marketers, synthetic natural gas (SNG) distributors and users, ultimate consumers, petrochemical feedstock users, and trade associations.

Almost all of the parties commenting agreed with FEA that naphthas, gas oils, and the other products should be exempted from FEA's allocation and price regulations. This support was based generally upon agreement with FEA's conclusions as to supply and demand projections, competition, and other findings and views set forth in the Preliminary Findings. The oppostion to the proposal was limited to the particular issue of whether naphtha should be exempted for use as SNG feedstock. It was based on the contention that freeing SNG plants from price and allocation regulations would create demand and price pressure which would harm the domestic petrochemical industry which also uses naphtha feedstocks.

In the June 10 notice, FEA announced that "the environmental impact of exempting naphthas has not been completed." As noted in the environmental assessment, the publication of which was announced in that notice, "[t]he only product and use for which any significant uncertainty [as to environmental effects] exists is the use of naphtha, currently allocated under Subpart J, as a feedstock for synthetic or substitute natural gas (SNG) production." FEA, therefore, is undertaking an environmental impact statement concerning the pricing and allocation exemption of naphtha for SNG feedstock uses which will analyze the effect of such exemption on the price and supply of naphtha and, as a result, the environmental consequences of the exemption. FEA's previously published assessment set forth FEA's conclusion that an exemption from such controls of naphtha for other uses would not affect the price or supply of naphtha. In the absence of any effects on price or supply, it was determined that there would be no environmental impacts resulting from the proposed action. FEA today, therefore, announces its conclusion that the exemption of naphtha for uses other than the production of SNG will not significantly affect the quality of the human environment. Any future proposal to exempt the use of naphtha as an SNG feedstock from allocation controls will be examined in the light of the conclusion set forth in the environmental impact statement currently under preparation on that subject. Accordingly, this rulemaking is continued with respect to the allocation of naphtha for use as an SNG feedstock.

FEA has carefully considered the comments of all persons who participated in the rulemaking. Following its consideration, FEA has concluded that its initial view that naphthas, gas oils and other products should be exempted from regulations is correct, with the exception of the use restrictions under the allocation regulations as to naphtha utilized as a SNG feedstock discussed above.

No information or data were presented in this proceeding which significantly alter FEA's preliminary findings and views. FEA does not anticipate that supply shortages will occur in the future as predicted by some comments and in any event FEA has standby authority under section 12(f) of the Emergency Petroleum Allocation Act of 1973 (EPAA) to reimpose allocation and price controls (on a temporary or permanent basis) if necessary to attain the objectives set forth in section 4(b)(1) of the EPAA. Therefore, FEA hereby adopts the proposed amendments exempting naphthas, gas oils and the other products from the Mandatory Petroleum Allocation and Price Regulations, with the exception of naphtha from SNG feedstock allocation regulations. Unless disapproved by either House of Congress under section 551 of the Energy Policy and Conservation Act (EPCA), this exemption will be effective September 1, 1976.

Findings and views

In addition to this amendment exempting naphthas, gas oils, and the other products from the Mandatory Petroleum Allocation and Price Regulations, FEA has prepared its findings and views supporting the amendment as required by section 12 of the EPAA based upon its consideration of the comments of those persons who participated in the rulemaking and other information available to FEA. These findings and views are set forth in a document dated July 20, 1976 and entitled "Findings and Views Concerning the Exemption of Naphtha, Gas Oils and 'Other Products' from the Mandatory Petroleum Allocation and Price Regulations" (the "Findings and Views"). The findings and views set forth therein may be summarized, in part, as follows:

(1) Naphthas, gas oils, and the other products are not now in short supply.

Projected supplies of naphthas, gas oils and other products, taking into account projected expansions of domestic refinery capacity, will be sufficient to meet demand over the near term (1976–1978).

(2) Exemption of naphthas, gas oils, and other products from the Mandatory Petroleum Allocation and Price Regulations will not adversely affect the supply of any other oil or refined product subject to the EPAA.

(3) Competition and market forces will be adequate to protect consumers following exemption of naphthas, gas oils, and other products from regulation. In fact, competition may be enhanced by the play of market forces following exemption from regulation.

Anticipated price increases for the next two years are minimal and may be directly related to crude cost increases.

(4) Exemption of naphthas, gas oils or other products from regulations will not result in inequitable prices for any class of user of the exempted products or any other product user.

No price increases for naphthas, gas oils and the other enumerated products are projected to occur solely as a result of exemption. Competition and the ability for most refiners to meet demand increases with little impact on the volumes of other refined products should be sufficient to ensure equitable prices for all classes of users.

(5) Exemption of naphthas, gas oils and other products from the price and allocation regulations is consistent with the attainment of the objectives set forth in section 4(b)(1) of the EPAA.

Since an adequate supply is anticipated, the continued allocation and pricing of naphthas, gas oils and other products are not necessary to protect the public health, safety and welfare, and the national defense [Section 4(b)(1)(A)]; the maintenance of all public services [Section 4(b)(1)(B)]; the maintenance of agricultural operations [Section 4(b)(1)(C)]; or the maintenance of exploration for and production or extraction of fuels and minerals [Section 4(b)(1)(G)].

The adequacy of present and projected supplies and the operation of market forces and competition should insure that the exemption is consistent with the equitable distribution of crude oil, residual fuel oil and refined petroleum products [Section 4(b)(1)(F)].

The exemption is not directly relevant to the allocation of suitable types of crude oil to U.S. refineries which would permit such refineries to operate at full capacity. [Section 4(b)(1)(E)].

The current period of adequate supplies and the determination of prices by market forces, should contribute significantly to the attainment of the objectives of preservation of an economically sound petroleum industry [Section 4(b)(1)(D)]; economic efficiency [Section 4(b)(1)(H)]; and minimization of economic distortions, inflexibility, and interference wth market mechanisms [Section 4(b)(1)(I)].

The Findings and Views also state FEA's views concerning the potential economic impacts of exempting naphthas, gas oils and other products from the Mandatory Petroleum Allocation and Price Regulations. It is not anticipated that there will be any adverse state or regional impacts resulting from the proposed exemption. In addition, FEA anticipates no adverse economic impacts on the availability of consumer goods or services, the gross national product, small business or the supply and availability of energy resources as fuel or feedstock for industry. FEA expects that the exemption will have a positive effect on competition. The exemption is likewise expected not to cause an adverse effect on employment or consumer prices. FEA's analysis of the effects of the exemption on the rate of unemployment in the U.S., on the Consumer Price Index and on the implicit price deflator for the gross national product are set forth in detail in the Findings and Views.

Allocation of increased crude oil costs to naphthas, gas oils and other products

The refiners' cost allocation formulae of § 212.83(c) provide that the portion of a refiner's total increased costs of crude oil and increased non-product costs which are inincurred in a month of measurement and which are attributable on a proportionate volumetric basis to the quantity of exempt products produced from crude oil must be excluded from the amount of increased costs which may be passed through in prices charged for covered (i.e., non-exempt) products. Increased costs incurred with respect to purchases of exempt products are excluded from the total of increased costs of purchased product permitted to be included in maximum allowable prices charged for covered products. These exclusions effectively prevent increased costs incurred beginning with the month prior to the effective date of the exemption of a product and attributable to that exempt product from being passed through in prices charged for non-exempt products. The notice of proposed rulemaking noted the substantial amounts of unrecovered increased costs currently allocable to maximum allowable prices for naphthas, gas oils and other products and the fact that these increased costs could be reallocated under current price rules to maximum allowable prices for gasoline prior to the effective date of the exemption of naphthas, gas oils and other products.

FEA therefore proposed to limit the reallocation of any increased costs attributable to naphthas, gas oils and other products, which would be effective as of the date of the June 10 notice, if the exemption would be adopted. FEA requested comments on both the extent and the effective date of this proposed limitation in light of the seasonal pricing patterns for gasoline and any other historic pricing practices relevant to this issue. FEA also requested comments on the method by which this limitation would be most effectively implemented, including the manner of determining which portion of the general refinery products bank is properly attributable to naphthas, gas oils and other products.

Nearly all the parties commenting on this issue opposed limiting reallocations of refiners' banked costs. The great majority of this opposition was voiced by refiners which stated that: (1) the limitation would be inconsistent with the general feature of the price rules permitting more than a proportionate amount of increased costs to be recovered in gasoline prices; and (2) the limitation would penalize refiners by causing them to lose unrecovered costs. Although the refiner price rules do permit a disproportionate allocation of increased costs to gasoline prices, in no event do the price rules permit increased costs attributable to exempt products to be recovered in lawful prices charged for covered products; and while it is true that the limitation would prohibit the recovery of these costs in gasoline prices, it does not follow that these costs are "lost". Such costs may be recovered without any restrictions whatsoever in prices charged for the exempt products to which they are properly attributable. Limiting cost reallocation would be consistent with the handling of banked costs for middle distillates, which were exempted from price and allocation regulations effective July 1, 1976. In light of comments received, and further analysis, FEA has decided to adopt but to slightly delay the effective date of the limitation on reallocation of costs attributable to naphthas, gas oils and other products to July 1, 1976, thereby extending the period of permissible reallocation to the end of the month in which the proposal was issued. This slight modification conforms the amendment to industry pricing patterns which are determined on a monthly basis, without materially changing the impact of the reallocation limitation.

Accordingly, the refiner price rules are amended to prohibit the reallocation of increased costs attributable to naphthas, gas oils and other products effective July 1, 1976. Other conforming amendments to the price regulations of Part 212 are also being adopted to reflect the exemption of naphthas, gas oils and other products.

Effective date and standby authority

Comments and testimony received with respect to the period necessary between the promulgation of the exemption amendment and its implementation generally supported FEA's tentative conclusion that a short transition period should provide sufficient time to permit parties currently subject to the regulations to make alternative supply arrangements. FEA therefore has selected

September 1, 1976 as the effective date for the exemption of naphthas, gas oils and the other enumerated products.

Section 12(f) of the EPAA provides that following the exemption of any product from regulation, FEA shall have the authority at any time to reimpose price and allocation controls if necessary to attain the objectives of the EPAA. For this reason, FEA is adopting amendments which stay the effectiveness of Subparts J and K of Part 211, except for the allocation regulations of Part 211 which pertain to the use of naphtha as SNG plant feedstock, and of the general price regulations as they would otherwise apply to naphthas, gas oils and other products without deleting those regulations from the Code of Federal Regulations. They are in effect converted to standby status, so that in the event of shortages and other occurrences which might require reimposition of controls, they may be quickly put into effect. (Emergency Petroleum Allocation Act of 1973, Pub. L. 93–159, as amended by Pub. L. 94–163; Federal Energy Administration Act of 1974, Pub. L. 93–275, as amended by Pub. L. 94–332, E.O. 11790 (39 FR 23185)).

In consideration of the foregoing, Parts 210, 211 and 212 of Chapter II, Title 10 of the Code of Federal Regulations, are amended as set forth below, effective September 1, 1976, unless this amendment is disapproved by either House of Congress pursuant to the review procedures set forth in Section 551 of the EPCA.

Issued in Washington, D.C., July 20, 1976.

MICHAEL F. BUTLER,
General Counsel.

1. Section 210.35 is amended by adding paragraphs (c), (d) and (e) to read as follows:

§ 210.35 Exempted products.

* * * * *

(c) (1) Naphthas as defined in § 211.182 of this chapter are exempt from the provisions of Part 211 of this chapter except as pertains to allocation of naphtha for synthetic natural gas plant feedstock use.

(2) Naphthas as defined in § 212.31 of this chapter are exempt from the provisions of Part 212 of this chapter.

(d) (1) Gas oils as defined in § 211.182 of this chapter are exempt from the provisions of Part 211 of this chapter.

(2) Gas oil as defined in § 212.31 of this chapter is exempt from the provisions of Part 212 of this chapter.

(e) (1) Other products as defined in § 211.202 of this chapter are exempt from the provisions of Part 211 of this chapter.

(2) Benzene, greases, hexane, lubricant base oil stocks, lubricants, special naphthas (solvents), toluene, unfinished oils, xylene and other finished products, as those terms are defined in § 212.31 of this chapter are exempt from the provisions of Part 212 of this chapter. 2. Section 211.1 is amended in paragraph (b) by adding new subparagraphs (6) and (7) to read as follows:

§ 211.1 Scope.

* * * * *

(b) Exclusions.

* * * * *

(6) Notwithstanding the provisions of Subpart J of this part, naphthas and gas oils are excluded from this part except with respect to the use of naphtha for synthetic natural gas plant feedstock pursuant to §§ 211.183 and 211.29.

(7) Notwithstanding the provisions of Subpart K of this part, other products as defined in § 211.202 of this part are excluded from this part. 3. Section 212.31 is amended in the definition of "covered products" to read as follows:

§ 212.31 Definitions.

* * * * *

"Covered products" means aviation fuels, butane, crude oil, gasoline, natural gas liquids, natural gasoline, and propane. A blend of two or more particular covered products is considered to be that particular covered product constituting the major proportion of the blend. 4. Subpart C of Part 212 is amended by adding a new section 212.56 to read as follows:

§ 212.56 General Refinery Products Other than Propane, Butane, Natural Gasoline, and Aviation Gasoline.

* * * * *

General refinery products as defined in § 212.31 of this chapter, other than propane, butane, natural gasoline, and aviation gasoline, are exempt from the provisions of this part.

5. Section 212.83 is revised in subparagraph (1) of paragraph (d), to read as follows:

§ 212.83 Price rule.

* * * * *

(d) Reallocation of increased costs among product categories.

* * * * *

(1) General Refinery Products. (i) To the extent that a refiner does not allocate its increased costs for general refinery products to maximum allowable prices for such products, it may instead allocate that part of its increased costs for general refinery products only to maximum allowable prices for gasoline. No increased costs for general refinery products may be reallocated to maximum allowable prices for No. 2 oils or aviation jet fuel.

(ii) Beginning on July 1, 1976, no increased costs for general refinery products other than propane, butane, natural gasoline, and aviation gasoline may be reallocated to maximum allowable prices for any other covered product.

6. Section 212.93 is amended in clause (i) of subparagraph (2) of paragraph (i) to read as follows:

§ 212.93 Price rule.

* * * * *

(i) Reallocation of increased product costs among products.

* * * * *

(2) * * *.

(ii) General Refinery Products. (A) To the extent that a seller does not allocate its increased product costs for a particular general refinery product, other than propane, to the prices for that product, it may reallocate the unallocated part of its increased product costs for the product to the prices for gasoline or for any other general refinery product (or products) except propane, in whatever amounts the seller deems appropriate. No increased product costs for general refinery products other than propane may be reallocated to the prices for No. 2 oils, for propane, or for aviation jet fuel.

(B) Beginning on July 1, 1976, no increased costs for general refinery products other than propane, butane, natural gasoline, and aviation gasoline may be reallocated to maximum allowable prices for any other covered product.

EDWARD D. E. ROLLINS

Mr. MATHIAS. Mr. President, the office of Attorney General of Maryland was established in 1657 and it has been occupied for over 300 years by a succession of the best lawyers and most distinguised citizens among us. One of these was Edward Dorsey Ellis Rollins who served as Attorney General from 1952 until 1954. He was the only Republican to serve in that office in the last half-century.

It was my privilege to have been appointed as Assistant Attorney General by Judge Rollins and I was closely associated with him in the State Law Department. In that position I came to know his capacity as a lawyer as well as his quality as a human being. Both set high standards for all who knew him.

In 1957 Judge Rollins was elevated to the bench where he served until his retirement. He died on July 5, 1976, in Elkton, Md., where he had lived since 1927.

His profession was the law, and he practiced it with honor and competence during a lifetime of service to his local community and the State. He will be missed by all who knew and respected him. Mrs. Mathias and I extend our sympathy to Mrs. Rollins and all her family.

Mr. President, the Cecil Whig in its issue of July 7, published an article about Judge Rollins and his long and outstanding career. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUDGE E. D. E. ROLLINS SR., FORMER STATE ATTORNEY GENERAL, DIES

Judge Edward D. E. Rollins Sr. of Elkton, who was attorney-general for the State of Maryland from 1952 to 1954, died Monday, July 5, at the age of 76 in Union Hospital in Elkton.

A former Circuit Court judge, he had been ill several months. His home was at 131 East Main Street, Elkton.

Appointed attorney general for Maryland by Governor Theodore R. McKeldin, Judge Rollins assumed his duties on Nov. 14, 1952.

He was prominent in the activities of the National Conference of Attorneys General and served on the Tidelands Committee until June 20, 1955.

He was appointed to the bench as Associate Judge of the Second Judicial Circuit Court, which includes Cecil County, by Governor McKeldin in June, 1957. In an election held Nov. 4, 1958 he was elected for a 15-year term as Circuit Court judge.

Judge Rollins was a member of the American Bar Association, the Maryland Bar Association, the Cecil County Bar Association and the Second Judicial Circuit Bar Association.

He was a member of the Board of Directors of Union Hospital and was finance chairman in 1941 and 1943 in charge of raising funds for the erection of the new hospital.

In 1944 he was an alternate delegate to the Republican National Convention and a delegate to the Republican National Convention in 1952.

During World War II, he served as chief air raid warden in charge of Civil Defense in Cecil County.

Judge Rollins was a member of the American Legion and 40 et 8 Society and had served as commander of Cecil Post 15 in Elkton and one term as Judge Advocate of the Legion's Department of Maryland.

He was a member of the Benevolent and Protective Order of Elks, the Kiwanis Club of Elkton and the Knights of Columbus of Elkton.

Judge Rollins received the "Citizen of the Year" award from the Elkton Chamber of Commerce on Feb. 13, 1968.

In 1974 he was general co-chairman of the Cecil County Tricentennial celebration that marked the 300th anniversary of the county's formation.

Born in Baltimore, Judge Rollins was reared there, where he attended public schools. After being graduated from Baltimore City College, he enlisted in the United States Navy.

Later he returned to Baltimore, where he entered the Law School of the University of

Maryland from which he was graduated in June, 1922.

In 1921 he became secretary of the Medical Service of the Supreme Bench of Baltimore, with which he was connected until 1927, when he moved to Elkton and entered the private practice of law.

He married the former Miss Elizabeth Regina Andrew in 1925.

In 1931 he was elected state's attorney of Cecil County and served for three successive terms until January, 1943.

Funeral services were scheduled for 11 a.m. today (Wednesday) in Immaculate Conception Roman Catholic Church. Burial was to be in Bethel Cemetery at Chesapeake City.

Survivors include the widow, Elizabeth; a son, Edward D. E. Rollins Jr. of Elkton; two daughters, Mrs. Nancy Rollins Crowgey of Charlotte, N.C., and Mrs. Elizabeth Lloyd Pagano of Vienna, Va., 13 grandchildren and one great-grandchild.

Memorial contributions may be made to Immaculate Conception Church Building Fund.

Arrangements were by Hicks Home For Funerals of Elkton.

LIMITED PARTNERSHIP TAX REFORM AMENDMENT

Mr. KENNEDY. Mr. President, on June 22, as part of the debate on H.R. 10612, the pending tax bill, the Senate adopted an amendment sponsored by Senators HASKELL, HATHAWAY, HOLLINGS, and myself, applying the so-called at risk rule to limited partnerships.

This morning, I discussed certain aspects of this amendment in the course of testimony before the Senate Finance Committee and made available a recent Library of Congress analysis of the provision. Because of the broad interest in the amendment, I ask unanimous consent that the portions of my testimony dealing with the provision and the Library of Congress analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FROM THE TESTIMONY OF SENATOR EDWARD M. KENNEDY

The Committee's announcement of these hearings mentions a Senate floor amendment offered by Senators Haskell, Hollings, Hathaway, and myself. The amendment, already adopted by the Senate, provides that limited partners would not be entitled to include in their tax basis any portions of non-recourse financing obtained by the partnership.

The effect of this provision is to insure that limited partners will not be able to claim deductions for amounts in excess of their actual investment at risk. The amendment, in its application to real estate, is essentially similar to the "at risk" rules already adopted by the Committee and the Senate in the areas of farming, oil exploration, movies and equipment leasing. The estimated revenue loss from the amendment is $5 million in 1977 and $6 million in 1978, rising to $90 million in 1981.

In recent weeks, I have received a number of comments about the amendment which deserve consideration. To assist the Committee and the Senate, the following points on certain aspects of the amendment may be helpful.

First, the amendment is generally applicable to partnerships formed after June 30, 1976. This provision could reasonably be modified in three respects: First, the applicable date could be changed to December 31, 1976. Second, new partnerships formed after that date should be subject to the new rules; so also should limited partners who are admitted to the partnership after December 31, 1976, even if the partnership itself was formed before that date. Third, any substantial changes in investments or activities after December 31, 1976 should be treated as the formation of a new partnership with respect to such activities. These modifications will insure that artificial arrangements are not used to avoid the new rule.

Second, it has been brought to my attention that the law of some states classifies partners as "general partners" even though the nature of their interest is similar to that of a limited partner in other jurisdictions. It is the intent of the amendment that the new rule should apply to any partner whose liability is limited, however that result may be achieved by state law on contractual arrangements.

Third, the amendment provides that partnerships engaged in constructing or rehabilitating low income housing are to be exempt from the new rule until after 1981. The amendment refers to housing programs described in section 1039(b). That reference is technically outdated. The Finance Committee bill redefines low income housing in its proposed new section 1250(a)(1)(C). It is our intention that the exception in the amendment should likewise refer to the broader definition proposed in section 1250 (a)(1)(C).

In addition, Mr. Chairman, with respect to the effect on real estate, I am submitting a memorandum prepared by the Library of Congress comparing the "at risk" rule adopted by the Senate with the LAL proposal as approved by the House. Contrary to the reaction of some who oppose the "at risk" amendment, it is actually a relatively mild reform that is likely to have no harmful effect on real estate or the housing and construction industry. Certainly, the extremely modest revenue estimates for the provision belie any deleterious impact on this vital industry.

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., July 15, 1976.

To The Honorable Edward M. Kennedy.
From Economics Division.
Subject Comparison of LAL amendment relating to real estate with at-risk amendment adopted by Senate.

I. The at-risk limitation adopted by the Senate on April 22, 1974 is expected to be a much milder provision in its effect on real estate tax shelters than the LAL amendment contained in the House-passed bill. This difference can be illustrated with a simple example. Assume an equity investment of 17 percent (which appears to be typical based on data in the Census of Housing) of a $1 million total in an apartment project, and a mortgage loan at 10 percent. Assume, for simplicity, that the construction period takes one year and begins on the first day of the year. Since construction loans are made as the project is completed, a 10 percent interest rate on borrowing spread out over the year would be roughly equivalent to a 5 percent rate on the total debt, or $41,500 (5 percent of $380,000). Interest would probably also include 2 points or $16,600 (2 percent of $830,000). This total of $58,100 divided by $1 million yields construction period interest of 5.8 percent. Taxes during construction are difficult to determine but would probably be relatively small.

Assume that taxes bring the total up to 7½ percent. The first difference between LAL and the at-risk limitation becomes clear. Under LAL this 7½ percent could not be deducted. Under the at-risk limitation since equity amounts to 17 percent, it can be, leaving a remaining 9½ percent.

In the second year the building can be rented out and begin to receive some income. However, assuming that this income is sufficient only to pay the mortgage and operating expenses and covers no depreciation, full deductions could be taken in the second year as well. The basis for the property can be estimated at $1,000,000 minus 10 percent for land and minus 7½ percent of the cost already deducted for construction period interest and taxes, leaving a base of $825,000. Assuming a 30 year life and use of double declining balance the deduction for depreciation would be $825,000×1/15 or $55,000. This is 5.5 percent of the total which can also be taken which would reduce the remaining percentage to 4 percent.[1] Under the LAL provision, however, the excess of accelerated depreciation over straight line depreciation would not be deducted—equal to half of the first year depreciation. In the next year depreciation would amount to 5 percent. However, this entire deduction could also probably be taken since at least another 1 percent of equity will have developed from repayment of the mortgage. But almost half of the deduction would be disallowed by LAL.

By the time the building is operating, of course, it should begin to show some cash return, which would reduce the effect. (Note that the federally subsidized housing which is set up to pay a 6 percent cash dividend on equity is generally regarded as excessively low and part of the problem with financing such housing.) Even with this low rate of return, no impact would be expected until the fourth or fifth year, particularly when mortgage repayment is considered.

The effect would be more limited for nonresidential property since such property can only be depreciated under 150 percent declining balance. Thus, the effect of the at-risk limitation, if any, would come later.

The at-risk limitation would seem more likely to result in the denial of deductions which reflect real economic losses than would LAL since LAL limitations are a function of accelerated depreciation and construction period interest and taxes. However, even this effect seems somewhat unlikely, as can be illustrated using the previous example. If the assumption is made that straight line depreciation and capitalizing of construction period interest and taxes appropriately reflects economic deterioration and that the building will actually wear out in 30 years, then the appropriate deduction is 3.3 percent of the total each year.

In 5 years the total depreciation will be 16.5 percent of the total cost and the at-risk limitation would not apply for the first five years. In addition, by this time assuming the property is generating enough receipts to break even as far as cash flow is concerned, over 3 percent of the mortgage would be repaid. In effect the amount of losses taken would amount to less than 13.5 percent of the total and an additional 3 percent equity will have accumulated, assuring that the depreciation deductions could be taken for the next two years. Since the net loss will start running around 2½ percent for the next few years and the mortgage repayment around 1 percent no significant impact would probably be felt for the first 10 years.

The impact of the at-risk limitation would be felt most strongly in highly leveraged investments where the cash return from the property is very small over a substantial period of years. However, the actual impact of the provision on investment would depend on a variety of economic factors and the reactions of investors, developers, and the real estate market.

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[1] Actually the amounts deducted are slightly smaller because the cash receipts to pay the mortgage would not be deductible, reducing the loss. For example, slightly over ½% of the mortgage will be repaid in the first year and this amount will climb over time, reducing the actual loss and increasing the equity investment, both of which act to extend the time before the at-risk limitation has an effect.

The at-risk limitation is also a much milder restriction on real estate compared to other types of investment. For example, in oil and gas drilling where in some cases 70 percent of the cost may be deducted in the first year through intangible drilling costs, clearly the at-risk limitation would have a more substantial effect. The recognition that an at-risk limitation is redundant for the most part for real estate when LAL is proposed may be one of the reasons such a provision was not included in the House bill although such changes were included for other types of investment.

Even if the amendment is adopted, the tax law will still favor real estate investment compared to other types of common tax shelter operations, relative to current law.

II. The amount of investment flowing through tax shelters appears to be virtually impossible to determine. The relevant total investment in the economy as far as employment in the construction industry is concerned is total investment in residential and non-residential structures. For the first quarter of 1976, these amounts were $58.6 billion and $55.5 billion respectively. In addition, there is about $14 billion of government construction. However, we can separate out from this certain components which are not likely to be affected by the amendment.

The total value of investment in residential construction includes mobile homes and also includes improvements to existing structures as well as construction of new units. New residential units (excluding mobile homes) involved $38.7 billion for the first quarter of 1976. However, in the first quarter of 1976 only 20 percent of the units constructed were multifamily dwellings (which is a rough proxy for rental units).

At the maximum the investment involved would be $7.7 billion. (This is a maximum because the unit cost of a multifamily dwelling would be significantly less than a single family dwelling.) Actually the amount involved is likely to be significantly less. This figure must be further reduced because of the share of such investment which is corporate rather than individual. One rough way to approximate this is from data from the tax expenditure budget which indicates that around 20 percent of tax benefits from accelerated depreciation accrue to corporations. Thus the amount of investment involved is perhaps 80 percent of $7.7 billion, or around $6.2 billion, again reflecting a maximum number.

It is more difficult to pinpoint non-residential construction. Non-residential new construction amounted to around $37 billion in the first quarter of 1976. The ratio of corporate to noncorporate depreciation is about 66 percent for non-residential buildings, suggesting about $24.4 billion for corporations. However, investments of this nature are much less likely to involve tax shelter arrangements. This figure would include buildings of farmers, small business (such as sole proprietors) and would be quite likely to be much smaller. For example, out of the total new construction only about $13 billion was for commercial structures (the remainder reflecting industrial, utilities and farm structures). Revenue estimates presented in the Ways and Means Committee report suggest that non-residential real property would involve less than half the total.

All of these numbers suggest a potential of about $12 billion. However, not all of this investment would be affected by the amendment, presumably, because not all such investment would be made through limited partnerships based on non-recourse loans.

It should be noted that out of the $12 billion figure (or any other estimate of the amount of investment involved in such tax shelters) only a small portion is equity investment. For example, using the 17 percent rule of thumb, the $12 billion total would involve only $2 billion in equity capital. Although this equity capital is necessary to obtain debt financing, the market adjustments which must occur to bring the supply and demand for structures back into equilibrium would be much smaller than implied by the $12 billion figure because the effect of the tax change on rate of return relates only to the equity portion.

III. The effect of the amendment on investment and employment in the real estate industry is difficult to predict. Any change in the rate of return resulting from a tax provision of this nature would set up a chain of reactions in the real estate markets which would tend to offset any decline in investment as a first reaction. These changes could involve such factors as returns to investors and developers, interest rates, prices and land values. In addition, some investors might react by investing on a recourse basis.

Earlier estimates of the effect of LAL on real estate investment prepared by CRS produced a decline in investment of around $285 million which can be translated on a proportionate basis into a decline in employment in the construction industry of two-tenths of one percent.[2] This estimate of investment decline was consistent with one made by the Joint Committee on Internal Revenue Taxation.

Revenue gains for the at-risk provision have been estimated at approximately $50 million, compared with a revenue gain of almost $300 million from the application of LAL. In view of this lower estimate and of the expected impact described above, the at-risk amendment would thus be expected to have a significantly smaller impact on employment and investment.

JANE G. GRAVELLE,
Analyst in Taxation and Fiscal Policy.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 495, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential campaign activities, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. I ask unanimous consent that James Schoener, minority counsel for the Rules Committee, may have the privilege of the floor during the consideration and voting with respect to the pending business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 194

Mr. RIBICOFF. Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for himself and Mr. PERCY, proposes an unprinted amendment numbered 194:

On page 76, line 20, strike "October" and insert in lieu thereof "September".

Mr. RIBICOFF. Mr. President, this amendment changes the date upon which the authorization of this legislation terminates from October 30, 1981, to September 30, 1981. This change conforms the termination date to the end of a fiscal year, in line with our new budget procedures.

Mr. President, I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 195

Mr. RIBICOFF. Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for himself and Mr. PERCY, proposes an unprinted amendment numbered 195:

On page 93, line 10, strike "October" and insert in lieu thereof "September."

Mr. RIBICOFF. Mr. President, this amendment changes the date upon which the authorization of this legislation terminates from October 30, 1981, to September 30, 1981. This change conforms the termination date to the end of a fiscal year, in line with our new budget procedures.

Mr. President, I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

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[2] The Limitation on Artificial Losses and Its Effect on Real Estate Investment. June 8, 1976.

UP AMENDMENT NO. 196

Mr. RIBICOFF. Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for himself and Mr. PERCY, proposes an unprinted amendment numbered 196:

On page 93, after line 11, insert the following:

EFFECTIVE DATE

SEC. 309. The provisions of this title shall take effect on January 1, 1977, except that (1) no individual shall be required to file a report under section 304(a) prior to May 15, 1978, and (2) any individual who is required to file a report during calendar year 1977 under section 304 (b) or (c) shall only be required to include information with respect to calendar year 1977.

Mr. RIBICOFF. Mr. President, this amendment establishes an effective date for the financial disclosure requirements of title III of S. 495.

The effective date is January 1, 1977. Financial information must be reported by any of the covered individuals beginning with calendar year 1977. Therefore most individuals will not file their first disclosure report under this legislation until May 15, 1978. However, individuals leaving the Federal Government before May 15, 1978 have to file a financial disclosure report for the period from January 1, 1977 to the date they leave Federal Government office or employment.

The effective date contained in this amendment means that only financial information applicable to the period after January 1, 1977 will have to be reported. Everyone will be on notice in advance as to the requirements of this legislation so they can keep the necessary records. Everyone will also have advance notice that their financial transactions will be publicly disclosed.

Members of Congress not returning next session and members of the executive branch who leave the Federal Government before a President is inaugurated next January will not have to file a financial disclosure report under this legislation since, under the provisions of section 302(a), these individuals would not have occupied their office or position for a period in excess of 90 days in calendar year 1977.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. ALLEN. I understand the Senator to say that the covered employees or officials would have to file disclosure statements by May of 1978.

Mr. RIBICOFF. May of 1978, for the calendar year 1977.

Mr. ALLEN. Almost 2 years off?

Mr. RIBICOFF. No. This takes effect January 1, 1977.

At the present time, what we have to file with the Comptroller General is filed on May 15 of the following year. This will be done under this bill, and we follow the same procedures, but under S. 495 this information will be publicly disclosed. We made it 30 days after the filing of our income tax returns, so we will already have the information. At the present time, we file our income tax returns on April 15. On May 15, we then file the financial statement for the whole year. That gives us the opportunity to pull together all the information we have compiled for income tax returns.

Mr. ALLEN. May of 1978 would be for calendar year 1977?

Mr. RIBICOFF. Yes.

Mr. ALLEN. It seems to the Senator from Alabama that that is unduly prolonging it.

Mr. RIBICOFF. In fairness to all of us, we have to get our information together for income tax returns which are filed on April 15. When we do that, we have all the information we need for the financial disclosure statements that we are going to file. I think it is not too burdensome, and it is fair to give us—the members of the executive branch and members of the legislative branch—the extra 30 days to file that information.

Mr. ALLEN. The Senator does not think it would be sufficient to require that filing be made in May of 1977, to cover the 1976 calendar year?

Mr. RIBICOFF. No. The problem with that would be that most people have not been put on notice. The records have not been kept for 1976. The proposal as written gives people an opportunity to know in advance that they are going to have to disclose for the year 1977.

Let us say we have a new administration that comes in on January 20. Many of the men who are required to file will no longer have a Federal position. Many Members of this body and the other body are not going to return—they are retiring—such as Senator MANSFIELD, Senator HRUSKA, and Senator SYMINGTON. Inasmuch as they have not been put on notice, we see no reason why they should file in 1977 for 1976. We are making this prospective for the year 1977.

Mr. ALLEN. The disclosure that is required is in such general form, just big blocks, I believe, from $5,000 to $15,000, and it jumps from $15,000 to $50,000, that it would not seem to require the keeping of too many books. As a matter of fact, a person could file and say that his house was worth less than $50,000 and he had stocks of less than $50,000. He could make the whole disclosure in about three lines. I do not think that would be too burdensome on the official.

Mr. RIBICOFF. I say to the Senator from Alabama that people might have had transactions in January of 1976 and February of 1976 and not kept records. They were not on notice that any records would be required of them. So, in all fairness, what we are saying is that we are passing a bill to take effect on January 1, 1977.

Mr. ALLEN. I certainly am not going to resist the amendment, other than to say that I think it is entirely too loose. I do not feel that it is tightening up as much as should be done and as expeditiously as should be done. I believe it is far too loose.

Mr. RIBICOFF. We have gone all these years without anything. I think we finally have a bill that puts all members of the executive branch and Congress on notice. It requires them to file, and they will know from now on that it is expected that they will keep complete records, that the filing will go to the Comptroller General, that these records will be made public and available to anyone who wants to see them. Under the circumstances, we are starting afresh on something that we have never been required to do.

I think it is a basic improvement and I believe that beginning on January 1, 1977, is proper, when we consider that this bill still has to go through the House. To my knowledge, the House has not even had hearings on it. My feeling is that the President will now sign this legislation because we have worked with the Attorney General on title I, which I shall take up with the full committee at 2:30 this afternoon. The chances are that this will not be signed until somewhere around October 1. I think, in all fairness, we should start it on January 1, 1977, under those circumstances.

Mr. ALLEN. I should feel that the first filing should be in May of 1977 and it should not be delayed for a year. I do not believe there would be any imposition on an employee or an official to get his affairs and his books in order between now and May of next year. That is about 10 months from now. I think that would be ample time. But I certainly yield to the distinguished chairman in his seeking to tighten up this disclosure requirement to some extent. Inasmuch as we do not have any now, I suppose this is an improvement, but I should like to see it much tighter.

Mr. RIBICOFF. I thank the Senator very much.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 197

Mr. RIBICOFF. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for himself and Mr. PERCY, proposes unprinted amendment No. 197.

On page 31, line 5, after "received in kind" insert the following: "or aggregate of such items received from one source".

AGGREGATE OF ITEMS RECEIVED IN KIND

Mr. RIBICOFF. Mr. President, this amendment plugs the one "loophole" found in the committee's financial disclosure bill by President Ford. I would like to say at this point that the committee is very gratified at receiving the endorsement of President Ford for our financial disclosure provision. We are also quite proud that this is the only "loophole" which President Ford was able to find in the entire financial disclosure title.

This amendment would require that aggregates of items received in kind from the same source which exceed $500 be reported under the bill. A similar provision already exists in the reporting of the amount and source of each item of income. President Ford rightly points out that this should be included with respect to items received in kind as well.

Mr. President, I move the adoption of the amendment.

Mr. ALLEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. It is not necessarily in repsect of this amendment.

What is the parliamentary status as to whether the substitute has been adopted as the bill or this is an amendment to the substitute; and would it, in turn, be subject to an amendment?

The PRESIDING OFFICER. This is an amendment to the substitute. Since the substitute is considered original text for the purpose of amendment, it is subject to amendment.

Mr. ALLEN. Any amendment is subject to an amendment in another degree, is that correct?

The PRESIDING OFFICER. Any amendment to the substitute is subject to an amendment in one more degree.

Mr. ALLEN. I thank the Chair.

Mr. RIBICOFF. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 198

Mr. RIBICOFF. Mr. President, I send an amendment to the desk and ask that it be considered.

THE PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for himself and Mr. PERCY, proposes unprinted amendment No. 198.

On page 79, line 21, strike "0–6" and insert in lieu thereof "0–7".

CHANGE FROM "0–6" TO "0–7"

Mr. RIBICOFF. Mr. President, in covering personnel in the uniformed services, the Government Operations Committee sought to cover individuals earning roughly the equivalent of civilian employees covered by the bill. It is very difficult to identify comparable pay levels because of fringe benefits earned by military personnel.

The committee chose grade "0–6" as the cutoff point. This would cover 15,308 military personnel who receive regular military compensation at the annual rate of $33,937.89.

This amendment would change coverage of military personnel to only those at grade "0–7" or above. These individuals earn regular military compensation of $40,553.97. At this level, only 1,175 individuals would be covered.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 199

Mr. RIBICOFF. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for himself and Mr. PERCY, proposes an unprinted amendment No. 199.

On page 87, lines 8 and 9 strike "who willfully fails to file a report as required under section 302, or".

Mr. RIBICOFF. Mr. President, this amendment removes willful failure to file a financial disclosure report from the section providing for criminal penalties. A failure to file a report as required by this legislation would still be punishable by a civil fine of up to $5,000.

Mr. President, I move the adoption of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 200

Mr. RIBICOFF. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for himself and Mr. PERCY, proposes unprinted amendment numbered 200.

On page 83, strike lines 19–24 and insert in lieu thereof the following:

(A) greater than $1,000 but not more than $5,000.

(B) greater than $5,000 but not more than $15,000,

(C) greater than $15,000

Mr. RIBICOFF. Mr. President, this amendment alters the categories of value or amount used in reporting assets, liabilities, or transactions of real property, securities, or commodities futures. The amendment eliminates the category between $15,000 and $50,000 and would require reporting of an asset valued between $1,000 and $5,000. It was felt that there is no need to report assets under $1,000. These would be minimal assets. I think that no one is going to have a conflict of interest if he has an asset worth less than $1,000. Making the categories "between $5,000 and $15,000," and "over $15,000" will simplify reporting while still giving the public an idea whether an asset is of substantial enough value to present a potential conflict of interest. No additional legislative purpose is served by identifying the value of assets which are listed as having a value over $15,000. It is a large sum of money; anyone who has over $15,000 so states it.

Mr. President, I move the adoption of the amendment.

Mr. ALLEN. Mr. President, this is not a routine amendment, in the view of the Senator from Alabama. In fact, it pretty well, in the opinion of the Senator from Alabama, nullifies the financial disclosure provision. The present provision on financial disclosure provides for four categories of amounts of particular assets. Far from cutting down on these ceilings, this provision should be extended. I was thinking just in opposite terms from what the chairman was thinking of when this amendment was offered. The bill itself, on page 83, requires that assets of an officer or Member of Congress and employees in certain grades shall be listed in categories. That is far too generous right now. We ought to require, and the Senate has passed disclosure provisions in the past requiring, specific detailing of assets. As a matter of fact, the Senator from Alabama offered an amendment to the Federal election law that requires detailed accounting—not in broad brush categories, but specific identification of assets and evaluation.

Now, the Government Operations Committee, I might state, had a discussion on my amendment—my amendment was discussed in the Government Operations Committee, and the committee took the category approach rather than the itemization approach.

The bill, as reported from the Committee on Government Operations, provides that when you list assets you do not have to list the specific value of assets. You can say that this asset is worth in the first category not more than $5,000, and then the second category is greater than $5,000 but not more than $15,000.

May I have a copy of the amendment, the unprinted amendment, submitted?

Then it has a category from $15,000 to $50,000. Then it has one greater than $50,000.

What the amendment of the distinguished Senator from Connecticut (Mr. RIBICOFF) and the distingushed Senator from Illinois (Mr. PERCY) will do is to cut off these two top categories, if I read the amendment correctly.

Mr. RIBICOFF. Mr. President, if the Senator will yield, it cuts out one category.

Mr. ALLEN. It cuts out (C) and (D) actually so that there is a category greater than $15,000 but not more than $50,000, it cuts that out, and greater than $50,000.

So the practical effect of this, Mr. President, would be that, assuming an officer, an official, had a home worth $20,000, he would list the home in category (C) of the amendment as being greater than $15,000. But an official having a $500,000 home could use exactly the same listing. So what type of disclosure is that?

Also someone might have $16,000 in the bank, and he would list it in category (C) as greater than $15,000; and another officer or official might have $500,000 in the bank and he would use exactly the same listing.

So a clerk somewhere with $16,000 in the bank would seem to be on exactly the same footing as the man with a $500,000 home. What kind of disclosure is that?

A man might have $16,000 in stock on the exchange, and another man might have $5 million in listed stocks, but you look at the statements and they would be exactly the same. So that is no disclosure. We might just as well not have a disclosure provision if we are going to have such a bobtailed, broad-brush approach as this. We might just as well strike out the whole provision.

The bill allows you to leave out, as I read it, household furniture, jewelry, cars, so that in all likelihood a wealthy official could probably get by with about three categories. A multimillionaire could list a home in excess of $15,000, list stocks in excess of $15,000, money in the bank in excess of $15,000, and you would just try to cover it so that there would not be any disclosure under that, Mr. President.

I want to propose an amendment that would set up other categories. I want to add to these categories, if we are going to go up the category route rather than the specific evaluation which, I believe, we ought to do, where the bill stops at $50,000, my amendment would have that say greater than $50,000 but not more than $100,000, and then have still another category of greater than $100,000 but not more than $200,000; then greater than $200,000 but not more than $500,000; and then, finally, greater than $500,000.

So if we are going to say we are going to have a disclosure provision, and we can have a wealthy Cabinet member list his assets in about three categories and say under the amendment each of these categories is over $15,000, you are going to end up with no disclosure whatsoever.

Mr. WEICKER. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. Yes, I yield for a question.

Mr. WEICKER. I basically agree with the Senator from Alabama. Indeed, my own feelings have always been in the past, and I have said so, that there should be a net worth statement and a tax return feature, even though I believe that it invades our privacy. I believe there is a greater obligation on the part of each one of us to make our economic interests known so that people can weigh that against the votes we cast in the Chamber. So I do not disagree with the Senator at all.

The problem is I think we are trying to get a start on disclosure around here. We really do not have adequate provisions, I do not think we have any way, of public disclosure as to the economic interests of the Cabinet members, Senators, and Congressmen.

What I am saying is that, if I had my druthers, I would like to have a specific section in here where everybody declares what they have got, the amounts, exactly what they are. I do not deny that.

On the other hand, I respect some of my colleagues who feel it is an invasion of privacy; that maybe in some economic sense it might subject them and their families to undue dangers where the amount of money they have is known, and so forth. All right, I think that is their feeling. I do not feel that way, but there we are.

I am just wondering really what is served, in other words, by putting in more categories. I would almost rather see the Senator from Alabama go ahead and put in a specific section. In other words, I think my colleague from Connecticut (Mr. RIBICOFF) has proposed something which is as good as you can get if you are going to try the category approach, and I am all for the category approach as a start for the purpose of getting some financial disclosure. But if we are going to change, if there is going to be an amendment, it seems to me the real issue is joined as to whether it ought to be in the general sense as to what we have before us or the more specific detailing of the Members' finances.

I wanted to make that comment. I am here to listen, although I am on the committee and I worked very diligently, along with the other members, and I think all of us are in a very experimental area, and I want to point that out to the senior Senator from Connecticut, who is making a first step here toward financial disclosure. I do not want it imputed to him that he does not want anything other than the most stringent standards to apply to all of us. I think he does. But what we are trying to do is to get a bill passed and make a start in trying to cover what has heretofore been unexplored ground.

Mr. RIBICOFF. Mr. President, may I respond? You have two different philosophies. The Senator from Alabama is talking about disclosing net worth.

The purport of this Watergate bill, as I conceive it and as the Government Operations conceived it, was a question of disclosing assets which would lead to a conflict of interest.

What we have been trying to do in this bill is to assure that in our actions in the executive branch and in our votes on this floor, it will disclose whether our votes are influenced by a conflict of interest.

It is very hard to determine. Does a conflict of interest depend on whether we own $16,000 or $20,000 of a security or a business?

The feeling was that if it was over $15,000—whether it was $20,000, $25,000, or $50,000—we could infer we had assets which might influence our vote. Our feeling was that instead of making this very complex, it would be preferable to bring it out in the open in a single category so that it would be available for everyone to see whether a potential conflict of interest was involved.

The problem we had, also, in these categories, is that it is one thing if a man owns stock on the stock exchange that is quoted each day in the newspaper and we could figure what the categories are. But there are certain assets in a family business and there are people who might own an infinitesimal part of a business that is not listed.

A person might own a small piece of a real estate investment. To require him to get an appraisal each year at large cost, when the other people involved in the investment are not interested, is putting an undue burden upon people in the public service.

We felt that it made no sense to require such an onerous burden. As a consequence, we felt that by disclosing financial information in these categories, there would be an opportunity for anyone to see whether a person's vote or action was being influenced by his financial interests.

Mr. ALLEN. Will the Senator yield?

Mr. RIBICOFF. Yes.

Mr. ALLEN. Does the bill require an identification of the particular company that a man might have stock in?

Mr. RIBICOFF. Yes, it does. It requires identification of a specific asset, whatever that asset is, whether it was in a family business or a business that was not a listed security. It would require, where it was a piece of real estate, the address of the piece of real estate. It would require those things.

Mr. ALLEN. In other words, a man could list 10 different stocks in the major corporations of the country, say that he owned those, and put a valuation in excess of $15,000 and we would not know what amount applied to one stock.

Mr. RIBICOFF. No, not at all. According to the bill as I see it—if there is any question there is a legislative history—he would have to list x number of shares in IBM valued over $15,000, x number valued over $10,000 in Eastman Kodak, Du Pont, or General Motors. He would have to list each security and its value. He would have to list each piece of real estate and where it is located.

He would have to list the X-Y Company a privately held company of which we do not know the value, but generally over $10,000, over $15,000, and so forth.

He would have to list the specific pieces of property and put the general value.

Mr. ALLEN. But could still list an over $15,000 valuation on stock worth $10 million; is that correct?

Mr. RIBICOFF. Yes. All I can say is that he could list that, but everybody would know, if he listed over $15,000 stock in X Company, whether it was worth $15,000 or $150,000 by listing the number of shares.

Mr. ALLEN. Why not require him to put a more realistic value on it rather than just saying over $15,000?

Mr. RIBICOFF. Because the realistic value is one thing if we list IBM and General Motors, but it is another thing if we have a family business that has been going for a number of years and there has not been an appraisal, or if there is a piece of property in which we have a 1-percent interest and the people having the other 99-percent interest are not interested in getting a real estate appraisal which would cost $5,000, $10,000, or $15,000 a year. This would be a burden, because of updating the appraisal every year.

So it would be placing an unfair burden on the partners.

But yet, the press and those who run against us in an election, if they wanted the appraisal, they could have it; or they could have an appraisal on a piece of property at 10 Main Street, if they wanted to take the appraisal. It is up to them. Any newspaperman could take a picture and put it on the front page of the newspaper.

But we identify the assets we have, we identify the location, and put the general value over $15,000, or between $5,000 and $15,000, or between $1,000 and $5,000.

But we have to list the asset itself.

Mr. ALLEN. Suppose there is this hypothetical case. If a man had $16,000 in the bank and another man had $1 million in the bank, would they use the same categories?

Mr. RIBICOFF. Yes; they would.

Mr. ALLEN. Yes.

Mr. RIBICOFF. They would put bank deposits in the First National Bank over $15,000.

Mr. ALLEN. Yes.

That would not be very informative then.

Mr. RIBICOFF. But I think, to a certain extent, there is the right of privacy. I think a bank account changes constantly, year to year, and people are entitled to a certain degree of privacy.

Mr. ALLEN. That is where the Senator from Alabama——

Mr. RIBICOFF. I think people in public life are entitled to some privacy.

Mr. ALLEN. That is where I disagree.

Mr. RIBICOFF. Well, there is a basic disagreement here.

Mr. ALLEN. I believe any man or woman in the public service, when he takes on the duties of public service, takes on the benefits and burdens of that public service. I think a public servant should be required to divulge the nature of his assets and the value of those assets.

Now, talking about this being a great burden on a man to prepare a financial statement, I suppose most of us borrow from the banks and I always have to submit a financial statement every time I try to borrow money from the bank. I assume most everybody else does. I do not think it would be very difficult to have a more detailed financial statement here.

Where we are talking about a great reform measure, Mr. President, we are going to require public officials, we are going to require those in the public sector of a certain grade, to show that they have not got any conflicts of interest. And what do we come up with? Categories up to $50,000 in the bill and this amendment would cut those categories down to a maximum of $15,000.

That is all that would have to be disclosed, whether it was over $15,000 or not.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

Mr. ALLEN. Will the Senator withhold that until I can put in a substitute?

Mr. RIBICOFF. I ask for it to see if there could be a general agreement of what our position is.

The PRESIDING OFFICER (Mr. JOHNSTON). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 200

Mr. ALLEN. I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr ALLEN), proposes an unprinted amendment numbered 201.

At the end of the amendment of the Senator from Connecticut, add the following.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum so I may perfect this amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 202

Mr. ALLEN. Mr. President, I send a substitute amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr ALLEN), proposed an unprinted amendment numbered 202.

The amendment is as follows:

Strike lines 19 through 24 on page 83 and add:

(A) not more than $5,000,

(B) greater than $5,000 but not more than $15,000,

(C) greater than $15,000 but not more than $50,000,

(D) greater than $50,000, but not more than $100,000, or

(E) greater than $100,000.

Mr. ALLEN. Mr. President, whereas the bill stops at the category of greater than $50,000 for an asset, this amendment would add a category from $50,000 to $100,000, and then a category of more than $100,000. That is what it would do.

I ask that the distinguished Senator from Connecticut (Mr. WEICKER) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Will the Senator yield?

Mr. ALLEN. I yield.

Mr. JAVITS. I think the author of the amendment ought to make the following legislative intent clear: That any person reporting may, if he chooses, specify the exact amount instead of these categories.

Mr. ALLEN. That would be my preference, that it be required, that it not be an option.

Mr. JAVITS. He may do it. For example, suppose someone has a stock transaction that is $101,000. If he says over $100,000, people may say it is $100 million. I think we should have it clear.

Mr. ALLEN. I want to encourage officers, officials, and employees to list the exact amount.

Mr. RIBICOFF. That may be true and that may be easily done, if there is a specific transaction. Yet if there is no transaction and if it is stock that fluctuates over a year, do not forget we are reporting what the value of an asset is over a period of an entire year. We know how an asset can fluctuate in a year. That is why we can use the estimate. But if there is a transaction, where a sale or purchase has been made for an amount certain, under those circumstances we would definitely list the specific amount.

Mr. ALLEN. For further legislative history, I believe I understood the distinguished chairman of the committee to say that in making disclosure of assets, they could not bunch a series of stockholdings into one category and say, "My listed stocks or unlisted stocks amount to more than $100,000." It would be as to each particular stockholding in a particular corporate entity. Is that correct?

Mr. RIBICOFF. Without question. One could not lump real estate over $15,000 or stock over $15,000 or commodity futures over $15,000. He would have to list each particular item specifically and its value.

Mr. ALLEN. So that would be each separate asset.

Mr. RIBICOFF. That is right. That is the intention.

Mr. ALLEN. One thousand shares of United States Steel would be one asset and 1,000 shares of RCA would be another asset.

Mr. RIBICOFF. That is the intention in this legislation.

Mr. ALLEN. I thank the Senator. I think this legislative history is greatly improved.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. RIBICOFF. I yield.

Mr. JOHNSTON. Section 305 states that any individual who willfully fails to file a report or who knowingly and willfully falsifies or fails to report the information may be punished. I think it is clear that the Senator means that he also must knowingly and willfully fail to do so. In other words, the words "knowingly" and "willfully" in line 10 modify both "falsifies" and "fails." Is that correct?

Mr. RIBICOFF. That is correct. That has been amended previously.

Before the Senator arrived in the Chamber, an amendment was filed removing from the criminal penalty the failure to report, leaving in the criminal penalty for willfully falsifying any information. For failing to report there will be a civil penalty of up to $5,000.

Mr. JOHNSTON. Very well. The point is that we are using it as a conjunctive, about falsifies or fails. I just want to be clear as to legislative history, that failure must also be knowingly and willfully.

Mr. RIBICOFF. The Senator is correct.

Mr. JOHNSTON. Second, on the question of the value of property, this has been a matter that has troubled me considerably. I have wanted to file a statement and have not done so because of the question of value.

There are various ways to determine value, and I have always been afraid that by taking the voluntary step of filing a list of assets, as I do with my income tax return, I might get into a problem with respect to values.

I wonder whether the Senator would consider it sufficient, if you do not have an up-to-date appraisal of a piece of property, to file a statement stating what your basis on that property is.

Mr. RIBICOFF. I think it is a question of being reasonable, a question of good faith, of listing what an estimate of your assets may be. You could get an appraiser or, as I see it, if it is impossible to determine, you could say, "I paid x amount of money for this asset in such and such a year," and give your best estimate.

That is the reason for the categories, because it is almost impossible, on certain assets, to indicate the exact value. So we have the categories of $1,000 up to $5,000, between $5,000 and $15,000, between $15,000 and $50,000, $50,000 to $100,000, and above $100,000. I think there is enough leeway in those categories to estimate what the value is. I do not think any of us would be unable to come within those ranges, and that is the reason why we have a range instead of the specific value.

Mr. JOHNSTON. It sometimes involves great difficulty. For example, in my case, my wife owns a small interest in a fairly large plantation. I do not know what all they have in terms of equipment, cattle, and all of that. Estimates of the total value of an undivided interest could vary by four times, literally. I am trying to avoid the necessity of having an appraiser, and having to spend hundreds of dollars in getting an appraisal of that.

Mr. RIBICOFF. This is exactly what troubled me, and the reason for the categories instead of putting in the specific amount, necessitating having an appraisal every year.

My view is that the estimated value would be a reasonable one, where you have a family business. But within the categories I do not think you would be willingly and knowingly falsifying. My view is that the Comptroller General will be from time to time making random checks to see whether financial statements are correct, but generally I would feel that your estimate, the estimate of your banker or someone who knows plantations, or the estimate of a real estate broker would be fairly accurate.

Mr. JOHNSTON. I know, but your banker is not going to pick a figure out of the air, and your real estate broker is not going to give you a figure without your paying a fee, because that is what he is in business to do.

Mr. RIBICOFF. I would say to the Senator that nowhere do we require an appraisal; it is a question of good faith. If a Senator or a member of the executive branch is estimating in good faith, that would certainly be complying with this provision.

Mr. JOHNSTON. Very well. I thank the Senator.

The PRESIDING OFFICER (Mr. HARTKE). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RIBICOFF. That is all I know of.

Mr. JAVITS. Let us go ahead with title II.

Mr. RIBICOFF. Very well.

Mr. JAVITS. Mr. President, we arranged on yesterday that amendments would lie to title II of the bill.

Title II of the bill, which the minority has charged me with managing, relates to the development of an Office of General Counsel. A number of Senators, Mr. President, should be referred to in this regard as having initiated the idea of a congressional counsel, and I would like the RECORD to show the history respecting this particular matter, and the various recommendations which have been made by Senators including, I notice, the present occupant of the Chair (Mr. HARTKE), who I think introduced the first bill which referred to congressional counsel, and the Senator from South Dakota (Mr. ABOUREZK), who chairs the Judiciary Subcommittee on Separation of Powers and introduced a relatively recent bill analyzing, refining and bringing the concept up to date. I introduced a bill myself in connection with a National Institutions Act, which sought to deal with reorganization questions resulting from the experience of Watergate, and other Senators including Senator MONDALE and Senator HUMPHREY have been interested.

The basic proposition is simply this: That Congress needs a lawyer, and it needs a lawyer to handle its complex range of legal business, both for defense and for affirmative action.

To give examples of the types of cases, Mr. President, in which we require legal counsel, I would refer my colleagues to pages 25 and 26 of the report of the committee. The report notes:

> The first responsibility of the Congressional Legal Counsel is to defend Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or any Member, officer or employee of a House of Congress in a civil action in which that individual or entity is a party defendant and in which an official Congressional action is placed in issue.

We assume a very broad range of cases, Mr. President. I ask unanimous consent that a collation of the historical types of cases which could be handled by congressional counsel where the defense of Congress is involved be printed in the RECORD.

There being no objection, the collation was ordered to be printed in the RECORD, as follows:

HISTORICAL EXAMPLES OF CASES THAT COULD BE HANDLED BY THE CONGRESSIONAL LEGAL COUNSEL

This memorandum describes historical examples of two types of cases in which the Congressional Legal Counsel could be authorized to represent Members, officers, employees, committees, or Houses of Congress. The first type is where the Congressional Legal Counsel might be directed to defend such parties in civil suits brought against them in the course of the performance of their official legislative duties (to halt the issuance of a report, to enjoin enforcement of a subpoena, etc.). The second type is where Congress is not directly involved as a party in a law suit but has a strong interest in the outcome of the case because the powers of Congress are at issue or the constitutionality of a statute is being challenged and the Justice Department can not, or will not, adequately defend it; in such instances, the Congressional Legal Counsel could be directed to participate as amicus curiae in the court proceedings.

The following are examples of cases during the past five years in which a Congressional Legal Counsel could have participated for one of the two reasons described above.[1]

TYPE I: DEFENDING CONGRESS IN CIVIL ACTIONS

Jeru-Ahmed v. Giamo (10-20-71)—

Congressman Giamo was sued for $10 million for libel and slander, following a speech in which he called for an audit of a federally funded drug program directed by the plaintiff and a review by the federal departments concerned.

Sanders v. McClellan (10-20-71)—

This suit sought to enjoin the enforcement of a subpoena issued by the chairman of the Senate Permanent Subcommittee on Investigations of the Government Operations Committee into the "outbreaks and proliferation of terroristic and criminal bombings" in the United States.

Stamler v. Ichord (10-20-71)—

Plaintiffs in this case alleged that Rule XI of the House of Representatives violated the First and Fifth Amendments to the Constitution, following their being subpoenaed by the House Committee on Un-American Activities. They said the subpoena deterred them from exercising their First Amendment rights.

McSurely v. McClellan (10-20-71)—

Plaintiffs were subpoenaed by the Permanent Subcommittee on Investigations of the Government Operations Committee demanding documents relating to their activities with the Students for a Democratic Society and other organizations. Plaintiffs sought a declaration that compliance with the subpoena was not required, a preliminary and permanent injunction against them for failure to comply with the subpoena, and damages.

John Doe v. McMillan (10-20-71)—

Parents of pupils in a District of Columbia school sued the House of Representatives District Committee et al to suppress publication of a committee report on the District of Columbia Public School System. The report contained specific information, including individuals' names, regarding attendance and disciplinary records, test papers, and other school documents.

United States Servicemen's Fund v. Eastland (12-1-71)—

The U.S. Servicemen's Fund sought an injunction against a subpoena by the Senate Subcommittee on Internal Security of the Judiciary Committee requiring the plaintiff's bank to furnish complete records on the plaintiff's bank account to the Subcommittee. The plaintiffs contended that the Subcommittee's investigation had not been undertaken pursuant to a proper legislative purpose, thus violating the First and Fifth Amendments to the Constitution.

Progressive Labor Party v. Committee on Inernal Security, National Peace Action Coalition v. Committee on Internal Security, People's Coalition for Peace and Justice v. Committee on Internal Security (12-1-71)—

Plaintiffs in these three consolidated cases claimed that the issuance of subpoenas violated their First and Fourth Amendment rights as an overbroad exercise of the investigative powers of the Committee and that service of the subpoenas without notice violated their First, Fourth, and Fifth Amendment rights.

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[1] Dates in parentheses refer to the date of the initial description of the case in *Court Proceedings and Actions of Vital Interest to the Congress*, prepared by the Joint Committee on Congressional Operations.

Washington Activity Group v. White (2–21–72)—

Plaintiffs sued the Architect of the Capitol, Chief of the U.S. Capitol Police, and the Sergeants-at-Arms of the House and Senate, charging that their First and Fifth Amendment freedoms had been violated when defendants refused permission to erect a display in the Capitol relating to the Vietnam War.

Hillery v. Albert (5–31–72)—

Plaintiffs sued the Speaker of the House and the Chairman of the House Rules Committee in an effort to set aside the "Seniority System, Rules, Customs and Conventions presently in effect" in the House. They claimed these procedures denied them equal protection of the laws under the Constitution by the "debasement of their votes."

Nosworthy v. Various Federal Officials (5–31–72)—

Several present and former members of the U.S. Armed Forces brought suit against Chief Justice Burger, Justices White, Marshall, Blackmun, Powell, and Rehnquist, all members of the House and Senate, the President and Vice President, Attorney General, and Secretary of Defense. Plaintiffs sought the impeachment of the six named Supreme Court Justices, a declaratory judgment that the military actions of the U.S. in Southeast Asia were in violation of the Constitution, and injunctive relief to restrain further prosecution or expansion of the military operations in Indochina.

Jeannette Rankin Brigade v. Chief of Capitol Police (5–31–72)—

A coalition of women against the war in Vietnam brought action against the Chief of the Capitol Police and the members of the Capitol Police Board, following defendants' refusal to permit a planned march on the Capitol grounds to protest the war in Vietnam.

Pichler v. Jennings (5–31–72)—

Plaintiffs sued the Clerk of the House of Representatives and the Comptroller General of the United States seeking to restrain them from enforcing the Federal Election Campaign Act of 1971, alleging that the law was unconstitutional.

Common Cause v. Jennings (5–31–72)—

Plaintiffs sued the Clerk of the House for failure to comply with the provisions of the Federal Election Campaign Act of 1971.

Freeman v. United States (9–25–72)—

Plaintiff challenged constitutionality of the Gun Control Act of 1968, alleging that it violated the First, Second, Fourth, Fifth, and Eighth Amendments. Members of Congress were among the named defendants.

Kennedy v. Sampson (9–25–72)—

Senator Edward Kennedy brought suit challenging the constitutionality of the President's pocket veto of the Family Practice of Medicine Act. Plaintiff contended the provision for a pocket veto did not apply when Congress was in recess.

Lippincott v. McGovern (12–72)—

Plaintiff brought action against four members of Congress, seeking to recover all compensation paid them for periods during which they were absent from Congress and engaged in nonlegislative activities.

American Civil Liberties Union v. Jennings (12–72)—

Plaintiff brought action against the Clerk of the House et al, challenging the constitutionality of the Federal Election Campaign Act of 1971, following a refusal of the New York Times to print an advertisement of the ACLU opposing the President's opposition to school busing.

Sharrow v. Abzug (6–30–73)—

Plaintiff alleged that the 93rd Congress, not yet seated, was unconstitutionally reapportioned in violation of section 2 of the 14th Amendment to the Constitution.

Mauro v. Jennings (6–30–73)—

Plaintiff brought action against the Clerk of the House and the Secretary of the Senate for failing to report to their respective bodies of Congress the fact that 2/3 of the state legislatures had made applications to the Congress to call a constitutional convention.

Regent Cecil J. Williams v. Albert (6–30–73)—

Plaintiff sought injunctive relief for alleged fraud and bribery in the conduct of "the Congressional Government." Defendants were the Speaker of the House, the Majority and Minority Leaders of the House, the President, and the Chairmen of the Democratic and Republican National Committees.

Trails, West, Inc. v. Wolff (6–30–73)—

Plaintiff sued Rep. Lester Wolff et al for libel, following Wolff's issuance of a report which stated that at least one tour bus operated by the palintiff did not meet automotive safety standards.

Davis v. Passman (12–74)

Plaintiff sued Rep. Otto Passman following her dismissal from his staff, allegedly solely on the grounds of her sex.

Danner v. Senate Select Committee on Presidential Campaign Activities (12–74)—

Plaintiff sought to enjoin enforcement of subpoenas from the Select Committee that they appear as witnesses and to require the Committee to determine that sessions not be opened to the public.

National Citizens' Committee for Fairness to the Presidency v. Senate Select Committee on Presidential Campaign Activities (12–74)—

Plaintiff sought to stop the Select Committee's investigation on the grounds that it acted unlawfully in receiving hearsay evidence and in refusing to permit cross examination of witnesses.

Plaintiff sued the Speaker of the House and two other Representatives, alleging that by participating in the House impeachment proceedings they had conspired to prevent President Nixon from fulfilling his duties, thereby thwarting his obligation of contract made with all U.S. citizens for his term of office.

Consumers Union of the United States, Inc. v. Periodical Correspondents' Association (12–74)—

Plaintiff sued the Sergeants-at-Arms of the House and Senate and the Periodical Correspondents' Association who are responsible for issuing certain press passes to congressional functions. Plaintiff alleged that defendants' refusal to approve plaintiff's application constituted an abridgement of freedom of the press in violation of the First Amendment to the Constitution.

Zatko v. United States (12–74)—

Plaintiff, an inmate at San Quentin State Prison in California, brought suit against the United States, the President, and the Congress, challenging the constitutionality of the American penal system and seeking to enjoin its continued operation.

Common Cause v. Bailar (Klassen) (12–74)—

Plaintiff brought action against the Postmaster General and Secretary of the Treasury, alleging that their failure to perform certain duties with regard to the congressional franking privilege resulted in unlawful appropriations of public funds for nonpublic purposes.

Numerous Congressional staff members were subpoenaed to provide documents.

Ficker v. House of Representatives (12–74)—

Plaintiff alleged that he and all citizens of the U.S. were being denied equal protection of the laws "by the debasement of their votes resulting from the past, present, and future use of the Seniority System and/or Rules and Customs or Conventions of the House of Representatives."

National Tribal Chairmen's Association v. Abourezk (8–15–75)—Plaintiff sued the Commissioners of the American Indian Policy Review Commission, which included six Congressmen, alleging that the five Indian members of the Commission were "inferior officers" because they were appointed by the Congressional members of the Commission.

Anonymous v. McCormick (12–31–75)—Plaintiff, a former CIA official, brought action against the Senate Select Intelligence Committee and various printing officials to enjoin the distribution of a report prepared by the Select Committee on the subject of assassinations. Plaintiff asked the court to strike from the report all references to him by name and all implications of his presence.

Socialist Workers 1974 National Campaign Committee v. Jennings (12–31–75)—Plaintiff brought action against the Clerk of the House of Representatives, the Secretary of the Senate, and the Comptroller General of the United States, seeking to declare unconstitutional the Federal Election Campaign Act of 1971 on the grounds that certain provisions of the Act deprived citizens of their right of associational privacy.

TYPE II: PARTICIPATION AS AMICUS CURIAE [2]

Gravel v. U.S. (2–21–72)—On the grounds that it contravened the speech or debate clause of the U.S. Constitution, Senator Gravel sought to set aside a subpoena of one of his staff members following Gravel's reading from and placing in the CONGRESSIONAL RECORD portions of the Pentagon Papers.

Williams v. Phillips (6–30–73)—Four Senators sought to remove Howard Phillips from the post of Acting Director of the Office of Economic Opportunity, alleging that he was not appointed by the President and confirmed by the Senate.

Minnesota Chippewa Tribe v. Carlucci (3–15–74)—Plaintiff sought to require the President to appoint members of the National Council on Indian Education, alleging that while he did have the discretion of whom to appoint, he did not have the authority to decide that the Council should not be constituted.

Nixon v. Sampson (12–75)—In this suit Nixon sought to enforce the agreement between himself and President Ford relating to the ownership and disposition of the Nixon presidential materials. Six Members of Congress petitioned to participate in the proceedings amici curiae.

Kennedy v. Jones (12–74)—Senator Kennedy sued the Chief of White House Records to require him to publish an act to amend the Urban Mass Transportation Act of 1964. Plaintiff alleged that defendant's acts denied him his powers as a U.S. Senator and injured him as a citizen by depriving him of his right to have the Executive Branch comply with a Congressional mandate.

Proxmire v. Bork (12–74)—

Senator Proxmire sought to enjoin defendant from continuing to act as Attorney General of the U.S. and to prevent him from performing any duties in that official capacity until a nomination for that office was submitted to the Senate.

Nixon v. Administrator of General Services (4–15–75)—

Former President Nixon brought action to enjoin enforcement of the Presidential Recordings and Materials Preservation Act, which asserted that the government owned such materials. This action occurred the day after the Congress-passed law went into effect.

Nixon v. Richey (4–15–75)—

Nixon filed action directing Judge Richey to grant the application for a three-judge court to hear his appeal case (above) as soon as possible.

Buckley v. Valeo (4–15–75)—

Two Members of Congress et al sought injunctive and declaratory relief against provisions of the Federal Election Campaign Act of 1971 and subsequent amendments to that Act, alleging violation of their constitutional rights by restricting and inhibiting political activity through the establishment of unfair finance, reporting, and disclosure requirements.

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[2] Congress did not intervene as amicus curiae in all of the above cases. These cases are examples of the type of matter in which Congress might choose to appear as amicus curiae.

* * * * *

In addition, there have been a number of cases involving Executive Branch impoundment of congressionally appropriated funds. Congress could choose to direct the Congressional Legal Counsel to appear as amicus curiae in one or more of these cases at the appropriate stage of the court proceedings (e.g. at the appellate or Supreme Court level).

State Highway Commission of Missouri v. Volpe (12–72)

South Carolina State Highway Department v. Volpe (12–72)

City of New York v. Ruckelshaus (12–72)

Martin-Trigona v. Ruckelshaus (6–30–73).

Campaign Clean Water, Inc. v. Ruckelshaus (6–30–73).

Minnesota Pollution Control Agency v. Environmental Protection Agency (6–30–73).

Klein v. Ruckelshaus (6–30–73).

State of Texas v. Ruckelshaus (6–30–73).

Brown v. Ruckelshaus (6–30–73).

City of Los Angeles v. Ruckelshaus (6–30–73).

Salkind v. Ruckelshaus (6–30–73).

State of Georgia v. Nixon (6–30–73).

Berends v. Butz (6–30–73).

Bennett v. Butz (3–15–74).

Dotson v. Butz (3–15–74).

Pealo v. Farmers Home Administration (3–15–74).

Louisiana v. Weinberger (3–15–74).

Massachusetts v. Weinberger (3–15–74).

Commonwealth of Pennsylvania v. Weinberger (3–15–74).

State of Alabama v. Weinberger (3–15–74).

Commonwealth of Pennsylvania v. Weinberger (3–15–74).

New York v. Weinberger (3–15–74).

Minnesota v. Weinberger (3–15–74).

State of Texas v. Weinberger (3–15–74).

Texas v. Weinberger (3–15–74).

Arkansas v. Weinberger (3–15–74).

State of Kansas v. Weinberger (3–15–74).

Illinois v. Weinberger (3–15–74).

Maine v. Weinberger (3–15–74).

State of North Carolina v. Weinberger (3–15–74).

Washington v. Weinberger (3–15–74).

State of Ohio v. Weinberger (3–15–74).

Tennessee v. Weinberger (3–15–74).

Washington v. Weinberger (3–15–74).

State of Oklahoma v. Weinberger (3–15–74).

Massachusetts v. Weinberger (3–15–74).

Florida v. Weinberger (3–15–74).

National Association of Regional Medical Programs, Inc. v. Weinberger (3–15–74).

American Association of Colleges of Podiatric Medicine v. Ash (3–15–74).

National League for Nursing v. Ash (3–15–74).

Association of American Medical Colleges v. Weinberger (3–15–74).

National Council of Community Mental Health Centers, Inc. v. Weinberger (3–15–74).

National Association for Mental Health, Seafarers International Union of North Inc. v. Weinberger (3–15–74).

America, AFL–CIO, v. Weinberger (3–15–74).

Mason v. DeGeorge (3–15–74).

State of Washington v. Weinberger (3–15–74).

Minnesota v. Weinberger (3–15–74).

State Highway Commission of Missouri v. Volpe (3–15–74).

State Highway Commission of Kansas v. Volpe (3–15–74).

Iowa v. Brinegar (3–15–74).

Louisiana v. Brinegar (3–15–74).

South Carolina State Highway Department v. Volpe (3–15–74).

San Francisco Redevelopment Agency v. Nixon (3–15–74).

Housing Authority of the City and County of San Francisco v. United States Department of Housing and Urban Development (3–15–74).

Commonwealth of Pennsylvania v. Lynn (3–15–74).

Guadamuz v. Ash (3–15–74).

Brown v. Ruckelhaus (3–15–74).

Maine v. Fri (3–15–74).

Texas v. Fri (3–15–74).

Texas v. Train (3–15–74).

Rooney v. Lynn (3–15–74).

Florida v. Train (3–15–74).

Community Action Programs Executive Directors Association of New Jersey v. Ash (3–15–74).

West Central Missouri Rural Development Corporation v. Schultz (3–15–74).

Colorado Migrant Council, Inc. v. Arnett (3–15–74).

Congressional Rural Caucus v. Ash (12–74).

Staats v. Lynn (8–15–75).

Mr. JAVITS. These cases, Mr. President, range all the way from an individual member being sued in his official capacity for millions of dollars to an effort to prevent a congressional committee from filing a report, or to prevent a Government agency from being called before a committee of Congress for the purpose of testifying.

So the first responsibility, Mr. President, would be to defend Congress, an office or agency of Congress, or any element thereof as I have described.

The second responsibility would be to stand up for Congress in respect to the constitutionality of a law of the United States, where litigation involves the United States and the constitutionality of a law is challenged.

This, Mr. President, is a very serious proposition, because it involves also conflicts of policy judgment with the executive branch. Let us never forget that the office of the Attorney General, no matter how we pride ourselves on the tradition of distinguished nonpolitical Attorneys General—like the present one, I would say—is not always in such hands, nor need it be.

For example, in the days of the late beloved and revered Jack Kennedy, his brother was the Attorney General, and was also, frankly and admittedly, his manager in respect to his campaign for the Presidency. The case was similar with John Mitchell during the Nixon period.

A conflict may arise where the powers of Congress are involved, and I would state two examples. One is impoundments, involving the attempt to limit the power of the Presidency to hamstring Congress where impoundment is much abused, which was, indeed, one of the strong complaints with respect to the Nixon administration, an issue which goes back historically to the Truman administration, where the President impounded defense funds contrary to the views of Congress.

The second example involves, very importantly, the congressional veto. I believe we are on sound ground on that constitutionally. That is where we have given authority we reserve the right to recapture that authority. Where the authority is open-ended, and does not have adequate statutory criteria so that we wish to let it stand without the power of recapture depending upon the way in which the very broad discretion which we grant is exercised, we are able to grant that discretion only provided that we have the security of being able to act on it through a congressional veto. So this is a very, very critical area.

Mr. President, one example which is particularly startling in respect of Watergate is that Congress contended that the President's papers belonged to the Nation in the Nixon case and did not belong to the President. Nonetheless, the Department of Justice itself in rendering legal opinions on this question held that Presidential papers were the President's property, and that, of course, put these two entities of Government, which were coequal branches in that case, in really serious combat.

So, Mr. President, we are not arguing here that we can run the Justice Department or that we can run the executive department. But we are arguing that we are entitled to have adequate representation to make our case and that it can be and often is uniquely our case and not the case which the Executive Department or the Justice Department would make.

So, this second item of responsibility for congressional counsel, which is of critical importance, results from the bitter lessons of Watergate. Those lessons underscored the inadequacy of the way in which we were represented, and that is without any derogation of authority, intelligence, and professional skill of the fine lawyers who on an ad hoc basis we have had to retain because we had no office of congressional counsel of our own. This represents, in my judgment, the modernization of Congress in an effort to have the tools with which to do its job and to assert its equality in the constitutional system. This is a matter in which we have been woefully short and which we are now trying to correct, as we did with the war powers resolution and with other matters.

The third area of responsibility for legal counsel is to bring civil actions against individuals or corporations to enforce subpenas, also to represent the committees when they go into court to seek grants of immunity for given witnesses under the criminal statutes of the United States. And again here is a case where we are often in direct conflict with the Attorney General, the prosecutor. They may not agree with us. They, too, can make their case in court against immunity. But we should not have to put our case in the hands of a lawyer unsympathetic to what we believe here in Congress should be the law as far as we are concerned.

In addition, there is an enormous body of compilation and legal research to be maintained in basic files available in successive cases, so we do not have to be running back to the special counsel who Congress may have retained in a given case and does not have a continuing responsibility to keep up with the body of law on that subject as the congressional legal counsel would.

Finally, we are a powerful element of Government—let us not be too prideful—at least of the same power as the President or the courts. We do not see them restrained about the personnel and machinery which they need in order to do their job and to pull their weight in the boat equal with the other branches of Government. Yet we have almost intentionally handicapped ourselves in this matter of an Office of Legal Counsel.

Indeed, the office would operate in a way which is very analogous to the General Accounting Office which we maintain as our watchdog and which has been an extremely valuable piece of machinery. We have in the bill locked in a very considerable series of controls. For one, the action of a whole House is required if counsel is to represent it or as in most cases a congressional resolution would be required from both bodies. And then we have provided for the very careful and direct supervision over the congressional legal counsel by the Joint Committee on Congressional Operations.

Mr. President, I ask unanimous consent that there may be printed in the Record as part of my remarks from the Legislative Reorganization Act the responsibility and authority of that committee.

There being no objection, the material was ordered to be printed in the Record, as follows:

DUTIES OF JOINT COMMITTEE

Sec. 402. (a) The Joint Committee shall—

(1) make a continuing study of the organization and operation of the Congress of the United States and shall recommend improvements in such organization and operation with a view toward strengthening Congress, simplifying its operations, improving its relationships with other branches of the United States Government, and enabling it better to meet its responsibilities under the Constitution of the United States; and

(2) identify any court proceeding or action which, in the opinion of the Joint Committee, is of vital interest to the Congress, or to either House of the Congress, as a constitutionally established institution of the Federal Government and call such proceeding or action to the attention of that House of the Congress which is specifically concerned or to both Houses of the Congress if both Houses are concerned.

(b) The Joint Committee shall exercise all functions vested in it by section 406 of this Part.

(c) The Joint Committee shall report, from time to time, to the Senate and the House of Representatives their recommendations with respect to matters within the jurisdiction of the Joint Committee.

(d) Nothing in this Part shall be construed to authorize the Joint Committee to make any recommendations with respect to the rules, parliamentary procedure, practices, or precedents of either House or the consideration of any matter on the floor of either House.

Mr. JAVITS. So, Mr. President, in many ways we have tried to safeguard what seems to be an absolute necessity on the part of Congress.

I have several other points, Mr. President.

First, we do not bar the Attorney General in any way, and we will be proposing an amendment to be sure that that is very clear in the statute, from acting in respect of the constitutionality of statutes or any other matter that the congressional legal counsel may take up. We have no desire to preempt the field and we have, as by examination one always does, found a place or two places in title II where we think that that is left unclear, and we will correct it to be sure that it is very clear.

Second, we do not have anything to do with criminal matters. Those are problems for the Attorney General and problems to be dealt with by title I of this bill which provides for the establishment of a special prosecutor.

Third, a new development has happened within the last 24 hours, and that is that the President has sent us a message and a bill respecting the three titles of the measure which is before us. Mr. President, I welcome that. I believe that the committee welcomes it and we give all credit to the President for taking a constructive and affirmative part in this particular effort.

I might say that I would consider it a highly constructive development for the United States and the future of our country if we could and I hope we will—I believe we will—come into agreement with the President as to the content of this bill, so that it is satisfactory to us and satisfactory to him and that it is not a hostile action on either side but it is agreed upon as being an essential element not only for the law but also for our country.

As to title II, because Members will not have an opportunity to read and analyze the President's message, which is quite long because he attaches a draft of a bill, I simply inform Members, based upon my own study, as to the differences between what the President wants and what we have in the bill as to title II, and I know that other members of the committee who will manage other titles of the bill will make a comparable explanation.

The key difference between the President's approach and the committee's approach on title II is that the President does not wish the congressional counsel to act in any matter—mind you it is civil; we are not dealing in any way with criminal now—in any civil matter unless the Attorney General has signed off from that matter. That is not the language of the statute, but that is the way we understand it. He has to certify that he does not want to handle that particular case.

Obviously, if we accept that, we are simply throwing in the towel. I mean what is the use of doing what we are doing at all if we accept that proposition. There may be a conflict of interest, and there often is as between the President's man, who may be the Attorney General, and Congress. Congress itself is one of the parties. This has to allow us to act. So it is simply out of the question, and it is an amendment which, if made—and I hope it is not made—I shall have to very strongly oppose.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HARTKE. The Senator from New York is exactly correct. In other words, what it would do is place Congress in a subordinant position rather than an equal position vis-a-vis the Executive if we followed that procedure, and I hope that we proceed on the matter in which the bill is drafted rather than to accept any type of modification of that nature.

Mr. JAVITS. I thank our colleague for his support and certainly feel very strongly that way myself. This key point is contained in section 203 of the President's draft as sent to us yesterday, so Members can look at it and be keyed to it.

The other differences between the President's ideas and our ideas are contained in sections 211, 213, and 214(c). If Members will follow me, I will endeavor to lay that out for them.

Section 211 is found at page 71 and would propose to relieve the Attorney General of the responsibilities undertaken by the congressional legal counsel pursuant to the resolution adopted by one house or by both houses.

In that section, we think the President has a legitimate point, in that it is left somewhat unclear whether in all matters we do not endeavor to preempt the Attorney General. We will clarify that by amendments which we will propose, to make it clear that we do not seek to preempt the Attorney General; we wish to assert the personality of Congress in respect of what is done.

The other section which the President's draft omits is section 213, which is found at page 73. That gives us jurisdiction and standing in court for the congressional counsel and locates the jurisdiction in the District of Columbia. It seems to me that we cannot do anything else as a Congress than that, and we shall have to stand by that particular section.

The last point at issue is contained in section 214(c), which is found at page 79, and proposes to limit somewhat the ability of the Attorney General to have freedom of action in arguing questions of constitutionality. It is my understanding that Senator Abourezk is going to move to strike that, and I shall certainly agree, again upon the idea that we should not in any way preempt the Attorney General, either as to the nature of his argument or as to his right to appear, provided we have an equal right to appear in respect of these constitutional questions.

Other than that, the President's draft tracks exactly title II of the bill.

I have given Members the best I can, based on study until 3 o'clock this morning. I think I have covered all the points of difference between the President's draft and our own.

To sum up: In title II, not a great deal of money is involved. It is estimated that an office such as this would cost $500,000 a year, and that estimate is found in the committee report at page 90. We should keep in mind the service we will get, the distinction, the eminence of the congressional counsel, and the fact that Congress will be able to have its own machinery to express its own views and promote its interests. In respect of issues of constitutionality, bearing in mind that we are not supposed to vote for measures, even if we may like them, which we believe to be unconstitutional, and therefore, impliedly, we certify to the constitutionality of every act we take. We are not just tossing it up to the Supreme Court. We have to have the honor and the conscience to defend our handiwork, and that is what this particular title is all about.

I hope very much that, as outlined by me, the Senate will sustain this proposal.

Mr. ABOUREZK. Mr. President, the Subcommittee on Separation of Powers, of which I am chairman, has a long standing interest in the provisions of the Watergate Reform bill. My predecessor as chairman of this subcommittee, Sam Ervin, was an eloquent spokesman in defense of the constitutional prerogatives of the public and of the Congress. It is in that same spirit and tradition that strongly support this legislation.

The generating principle underlying all three titles of this bill is the need to avoid conflicts of interest. Title I provides a mechanism for avoiding conflicts of interest in the enforcement of the criminal laws on government corruption. Title II avoids the present conflict of interest in Congress relying on the Justice Department to represent Congress in litigation. Title III seeks to disclose conflicts of interest which arise from the outside financial interests of public officials.

Because all three titles of this bill rely on the principle of conflict of interest, a few comments on this principle are in order. The problem of conflict of interest has a long history. Scripture tells us, "No man can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other." Matt. 6:24.

The Supreme Court described the essence of a conflict of interest in the case of *U.S.* v. *Mississippi Valley Generating Co.*, 364 U.S. 520 (1961). That case arose out of the activities of an individual who served at the same time as both an officer of a bank which benefited from a Government contract to build a power plant and as the Government agent who helped to negotiate the same contract. In the lawsuit the Supreme Court invalidated the contract on the ground that the officer/agent violated the Government's conflict of interest statute. In reaching this conclusion the Court emphasized that the conflict of interest statute—

> Establishes an objective standard of conduct, and that whenever a government agent fails to act in accordance with that standard, he is guilty of violating the statute, regardless of whether there is positive corruption. The statute is thus directed not only at dishonor, but also at conduct that tempts dishonor. This broad proscription embodies a recognition of the fact that an impairment of impartial judgment can occur in even the most well-meaning men . . . To this extent, therefore, the statute is more concerned with what might have happened in a given situation than with what actually happened. It attempts to prevent honest government agents from succumbing to temptation by making it illegal for them to enter into relationships which are fraught with temptation. 364 U.S. 520, 550 (1961).

It is particularly ironic that when the Mississippi Valley case went to trial, Senator Anderson of New Mexico, citing Teapot Dome as a precedent, demanded that special counsel be appointed. Attorney General Brownell moved partly in that direction by naming as counsel three Justice Department lawyers who were all holdovers from previous Democratic administrations.

It is especially important to understand the objective nature of conflict of interest at a time when the present Attorney General is widely recognized as a man of integrity. Strict avoidance of conflicts of interest by public officials of integrity itself establishes the basis for the public's recognition of their integrity. As the Supreme Court warned in Mississippi Valley, conflict of interest is "an evil which endangers the very fabric of a democratic society, for a democracy is effective only if the people have faith in those who govern, and that faith is bound to be shattered when high officials and their appointees engage in activities which arouse suspicions of malfeasance and corruption." 364 U.S. at 562. Enactment of this legislation will do much to assist public officials of integrity in obtaining the public recognition they deserve for their integrity.

It is not hard to recognize that there is a conflict of interest when the Justice Department must conduct a criminal investigation of a cabinet officer or when a high public official makes decisions which affect his outside financial interests. Titles I and III of the bill provide effective remedies for these types of conflicts. The conflict of interest which gives rise to title II of this bill, establishment of an Office of Congressional Legal Counsel, however, is less conventional and less publicized.

It is not widely known that Congress presently relies on the Justice Department for representation in litigation arising out of the exercise by Congress of its constitutional powers. Although Congress has been the object of litigation throughout its existence, such litigation has been continuous and particularly threatening in recent years. Meanwhile, the reliance of the legislative branch on the Department continues despite an increasing conflict of interest in the Department providing this representation.

Although this conflict of interest has not resulted in any charges of corruption, failure by Congress to remedy this conflict may have consequences which will seriously affect the vitality and independence of Congress. In order to assure that Congress will be vigorously and continuously represented before the courts, it is imperative that Congress now establish its own Office of Congressional Legal Counsel to represent Congress and congressional interests in litigation.

The Subcommittee on Separation of Powers has special expertise on the Congressional Legal Counsel proposal. Back in 1967, the first Senate bill introduced on this subject, Senator VANCE HARTKE's S. 1384, was referred to this subcommittee. That bill called for the establishment of a Congressional Counsel General to defend Congress in litigation arising from the performance by Congress of its official duties. In July of 1967, S. 1384 was one of the subjects of the first hearings ever held by this subcommittee. It is ironic that these 1967 hearings considered S. 1384 in the context of the constitutionality of the congressional veto, which is now the subject of a major lawsuit just filed against Congress and the Federal Election Commission.

In 1974, the subcommittee further considered Senator HARTKE's proposal, reintroduced as S. 2615, at hearings on removing politics from the administration of justice. Finally, this last winter the subcommittee held the most detailed hearings ever held on congressional litigation. These hearings have just been printed under the title "Representation of Congress and Congressional Interests in Court." At these hearings, the subcommittee questioned the Department of Justice about their present policy of representing Congress. The Department submitted detailed written answers to followup questions. And 120 exhibits were submitted for the record, including extensive research on how Congress has responded to litigation in the past.

Just prior to these hearings, I introduced S. 2731, a bill to create an Office of Congressional Legal Counsel. I testified about this bill before the Government Operations Committee, to which it had been referred. During the hearings of the Subcommittee on Separation of Powers, the Department submitted a detailed legal analysis of this bill—hearings, pages 87–91. Taking into account the concerns expressed by the Department, I submitted an amendment in the nature of a substitute for S. 2731 on March 31, 1976. I am gratified that the Government Operations Committee has decided to adopt, with minor exceptions, both the substance and the language of S. 2731 as title II of S. 495.

When S. 495 was unanimously reported by the Committee on Government Operations on May 12, the Subcommittee on Separation of Powers helped draft those parts of their committee's report which cover title II. In short, the cooperation between the Subcommittee on Separation of Powers and the Government Operations Committee on title II of this bill has been close and continuous. This cooperation has resulted in substantial improvements in title II.

The need for creating an Office of Congressional Legal Counsel is clear. It is not surprising that the exercise by Congress of its constitutional powers is frequently challenged in and affected by various court proceedings. As Alexis de Toqueville observed during his travels in America in 1831, "Scarcely any political question arises in the United States that is not resolved, sooner or later, into a judicial question." Democracy in America, Volume I—Vintage Books: p. 290. Congress can no longer ignore this fact.

Unlike the executive branch of Government, Congress does not generally attempt to effectuate its will and perform its duties by initiating law suits in the courts. With a few notable exceptions, I firmly believe that Congress should rely on its legislative, oversight, and impeachment powers—rather than initiate law suits—to fulfill its constitutional responsibilities. However, through no choice of the Congress, many matters vitally affecting Congress end up in the courts. Most of these cases arise where law suits have been brought against Congress to challenge an official action of the Congress, a Member or employee of Congress, or a committee or agency of Congress. In cases where Congress is not named as a party, the powers of Congress are often at issue and are interpreted by a court. For example, when a legislative veto provision enacted by Congress is challenged and the executive branch will not or cannot adequately defend the constitutionality of the provision, Congress may be the only party who will defend the veto. Congress has not been named as a party in the Common Cause franking privilege case, but Congress has an interest in the case even more substantial than that of the Postmaster, who is the named defendant.

In each of these types of cases, the vital interests of Congress will be affected whether or not Congress chooses to advocate its position to the court. Because our judicial system relies on adverse parties to sharpen the issues in order for the court to make the best decision, it is essential that the courts have the opportunity to evaluate congressional interests based upon the vigorous and effective presentation of those interests to the court by an attorney representing the Congress.

At present, representation of Congress and congressional interests in these cases is provided on an ad hoc basis by the Justice Department and private legal counsel. Indeed, because no permanent office has ever been given the responsibility to monitor and defend these interests, the Subcommittee on Separation of Powers has often undertaken to warn Congress that its interests must be defended.

The Justice Department's practice of defending Members, officers, and committees of Congress in civil cases has developed gradually, until at present the Congress is almost wholly dependent on the Department for such representation. This practice began as far back as December 29, 1818, when the House adopted a resolution authorizing the Speaker to hire private counsel to defend the Sergeant at Arms in the landmark case of Anderson against Dunn, the first case upholding Congress' contempt power. Acting as a private citizen, the Attorney General argued the case on behalf of Congress and was paid a fee of $500. Since 1818 the Attorney General and—after its creation in 1870—the Justice Department have frequently served as defense counsel to Congress.

The only direct statutory basis for the practice is 2 U.S.C. 118, enacted in 1875, which requires that upon request the Department defend an "officer" of either House of Congress for acts performed in the "discharge of his official duty." This statute was enacted after the Speaker of the House, James Blaine, had been sued for having enforced an order of the House. The Department does, however, represent Members and committees of Congress as well, but there is no direct statutory basis for the practice. Of course, the Department handles congressional cases only when requested to do so.

On occasion, Congress has chosen instead to retain private counsel to defend itself; for example, in the civil action brought against Congress by former Congressman Adam Clayton Powell and in connection with the subpenas issued to Members and staff in the Common Cause franking privilege case. Committees sometimes defend themselves using existing staff counsel, such as did the Senate Watergate Committee when three cases were brought to restrain its probe of corruption in the executive branch.

In recent years, Congress has involuntarily been subjected in extensive litigation to defend its constitutional powers. Indeed, in the last 5 years the Justice Department alone has defended Members, officers and committees of Congress in at least 56 cases. This total does not even include the 60 legal matters in which the Senate Watergate Committee became involved. These cases include civil actions brought to enjoin enforcement of committee subpenas or issuance of committee reports; civil actions related to the enforcement of the campaign finance laws by officers of Congress; civil actions related to attempts to hold demonstrations on the Capitol grounds; a civil action to invalidate the seniority system; a civil suit to recoup salaries paid to Members while absent from Congress; and a civil suit to invalidate the qualifications for membership in the Senate Press Gallery. The court papers of the Watergate Committee alone run almost 2,200 pages.

Not included in this number are actions involving allegations of criminal conduct, abuse of the franking privilege by an individual Member, or contested elections, which the Department and the proposed Congressional Legal Counsel will not and should not handle.

Not only is the number and variety of these lawsuits impressive, but many of them have been so complex that it has required years to resolve them in the courts. The case of Doe against McMillan, for example, was filed in 1971, but was not resolved until 1974 after having been heard in four different courts. The case of United States Servicemen's Fund against Eastland was filed in 1970 and on May 27, 1975, the Supreme Court finally remanded the case back to the District Court with instructions to dismiss the action. The case of McSurely against McClellan has now been in the courts for 7 years and the Court of Appeals has recently held a rehearing en banc of an earlier Court of Appeals decision. In short, many of these cases require a considerable effort.

The importance of the precedents being established in these cases cannot be ignored. In *Powell* v. *McCormack*, 385 U.S. 486 (1969), the Supreme Court limited the right of the Congress to judge the qualifications of its Members; in *United States* v. *Gravel*, 408 U.S. 606 (1972), and in *Doe* v. *McMillan*, 412 U.S. 306 (1973), it limited the ability of Congress to inform the public; in *Buckley* v. *Valeo*, —— U.S. —— (January 30, 1976), it limited Congress' ability to appoint officers to the Federal Election Commission. Indeed, Senator Ervin warned that the Gravel decision alone poses "a clear and present threat to the continued independence of Congress as a coordinate branch of government and constitutes a further deterioration of its power and prerogatives in relation to the executive and judicial branches." 59 Virginia Law Review 175 (1973).

In each case, the precedents established by the courts have an impact on Congress as an institution, not just on the specific Members, officers, or committees involved. Therefore, Congress as an institution cannot be indifferent to the legal precedents which are established in these cases, even if Congress may have no interest in their effect on individual parties involved.

Court challenges to the exercises by Congress of its constitutional power will continue to occur. For example, officers of Congress have just been named defendants in a suit by Ramsey Clark to invalidate the congressional veto over regulations of the Federal Election Commission. This lawsuit may determine the constitutionality of literally hundreds of such provisions in existing statutes. At the very least, this initial challenge will result in protracted and complex litigation involving various methods of oversight presently in use by Congress.

Similarly, criminal defendants recently have issued various subpenas to congressional committees demanding access to documents, raising the issue of the constitutional power of Congress to control access to its papers. These types of subpenas have been and will be issued to the new Intelligence Committee in attempts to declassify information. The executive branch threatened to issue subpenas for House travel records, until the House voluntarily turned over the materials. The nature and novelty of other challenges to Congress' power cannot be predicted, but these challenges are sure to occur with regularity.

In cases of interest to Congress where Congress is not a party, the Department of Justice will not intervene or file an amicus brief on behalf of Congress. In such cases, however, congressional interests have occasionally been represented by private counsel retained on an ad hoc basis. For example, the Senate retained private counsel to represent it as amicus curiae in Gravel against United States, where the scope of legislative immunity was at issue. Private counsel has also been retained to intervene on behalf of a subcommittee of the House of Representatives in Ashland Oil against FTC, a case where the subcommittee is opposing an attempt by Ashland Oil to bar the FTC from complying with the subcommittee's subpena. Private counsel appeared on behalf of the Congress in the Lovett case back in 1943.

The variety and importance of this litigation demonstrates one thing very clearly. The interests of Congress as an institution make its present reliance on the ad hoc services of the Justice Department and private counsel wholly unsatisfactory. These institutional interests make it inappropriate as a matter of principle and of the constitutional separation of powers for the legislative branch to rely upon and entrust the defense of its vital constitutional powers to the advocate for the executive branch, the Attorney General.

In testimony before the Senate Government Operations Committee and the Senate Judiciary Committee's Subcommittee on the Separation of Powers, representatives of the Department of Justice have unequivocally stated the obvious: the Department of Justice is a part of the executive branch and its first and foremost responsibility is to represent the interests of the President and the executive branch. Where the interpretation of the powers of the Congress before the courts is entrusted to the executive branch, the Congress relies on a branch of government with which Congress has, under the constitutional system of checks and balances, an adverse relationship. Without in any way questioning the good will or intentions of the Department, it is clear that the integrity and independence of Congress as a coequal branch of government requires that Congress defend itself through its own counsel. The existence of the conflict of interest involved in the Department representing Congress is an objective fact, not an accusation of misconduct.

More specifically, the Department of Justice acknowledges that it is placed in an untenable conflict of interest situation when called upon to handle certain cases on behalf of Congress. In such cases, the Department states that it will decline to provide representation and will assist in the hiring of outside private counsel. However, the Department's position as to what constitutes a conflict of interest is very limited and covers only those situations where the Department is taking a position in one case which is directly inconsistent with a position the Department simultaneously is advocating in another matter then also in litigation in the same court.

The Department also acknowledges a conflict where the substantitive position of Congress in the case would in the Department's view result in an infringement of a power of the President. However, it was clear at the hearings that a conflict may also exist whenever the Department of Justice is in the position of defending a congressional power which may in the future be exercised by Congress against the executive branch. Most cases presently being handled by the Department on behalf of Congress involve precisely such powers and precisely this conflict of interest.

When the Department is able in advance to perceive a conflict in representing Congress, it will, of course, not commence such representation. It is, however, sometimes difficult to determine exactly when the Department will decline to handle a congressional case. Other than in thoughts expressed by the Department in correspondence with various Members and committees, there are no written or formal guidelines applied by the Department in making this determination. The determination is subjective, is made on a case-by-case basis, and requires in essence that the Department prejudge whether the congressional defendant was acting within the scope of his official duty. Because of this uncertainty, Congress already must make ad hoc provisions for retaining private counsel when the Department perceives a conflict.

Unfortunately, in two recent cases the conflict did not become apparent to the Department until after the Department had entered its appearance on behalf of Congress. In fact, in *Doe* v. *McMillan* and *Eastland* v. *United States Servicemen's Fund* (421 U.S. 491 (1975)), the Department withdrew its representation of congressional committees just as the litigation reached the Supreme Court, after having represented Congress in the district court and court of appeals. As a result, Congress then had to hire private counsel at this advanced and crucial stage of the litigation. In the McMillan case, the Supreme Court remanded the case back to the district court, at which time the Department determined that the conflict had ceased to exist and defended the remaining defendants.

Because of the wide range of responsibilities which are assigned to the Department, there are many ways in which such a conflict can suddenly arise for the Department in the midst of defending a congressional client. For example, if a Member, presently being represented by the Department, chooses to initiate a separate legal action against some department in the executive branch, the canons of legal ethics would require the Justice Department to withdraw its representation of the Member. The canons provide that an attorney cannot serve as defense counsel in one case for one client when another case has been brought against that client by another client.

The conflict which arose in the Servicemen's Fund case occurred when the Department of Justice voluntarily chose to appear as amicus curiae in opposition to the suit by the Senate Watergate Committee to enforce its subpena for the White House tapes. The Department's narrow definition of what constitutes a conflict of interest did, however, enable the Department to continue representing other congressional defendants in cases pending in other courts in which speech and debate clause immunity was also a defense. But the point remains, one cannot predict when a conflict will arise which will force the Department to terminate its services.

The problem of anticipating conflicts is compounded by the fact that it is the Department's official position that even though it has undertaken to represent Congress, if an agency of the executive branch subsequently asks the Department for representation which will create a conflict of interest with the Department's representation of Congress, the Department will automatically force the congressional client to obtain other counsel. With a law firm, such conflicts are easily avoided because the firm will simply refuse to take on the new client. However, the executive branch is always the priority client of the Department. When a conflict arises in representing a congressional defendant, it is clear that the Department does not and cannot continue to represent its congressional clients and, more importantly, when a conflict arises, Congress does not want to be represented by the Department.

As a result of these experiences in a number of congressional cases, committees which were or are being represented by the Department have also retained counsel to protect themselves in the event the Department suddenly feels compelled to withdraw. There is obvious waste when taxpayers must pay for Justice Department attorneys to handle a congressional case and pay as well for a private lawyer to insure that the Department vigorously defends congressional interests and to be ready to undertake the representation of Congress if the Justice Department should choose to withdraw from the case. However, faced with the policy of the Department of Justice with respect to conflicts of interest, it is prudent for Congress to retain these private attorneys.

Further compounding the inherent conflict of interest when the Department serves as the advocate for the Congress, the Department "insists on retaining control of the litigation and making the litigation decisions"—Hearings, page 32. The Department asserts the same degree of control over congressional cases as it asserts over its own executive branch cases. The Department's position on control of the litigation was dramatically illustrated at hearings before the Subcommittee on Separation of Powers. The following exchange occurred between the subcommittee and Irving Jaffe, Deputy of the Civil Division:

STAFF. If the Justice Department has no authority to take a congressional case unless it is requested to do so, why does it have, at that point when it is requested, complete control over the case?

Mr. JAFFE. Because we do it in the interest of the United States. That interest is vested in us.

STAFF. Even to the distinction of the interest of the client?

Mr. JAFFE. In many instances, yes.

Senator ABOUREZK. Then it is a matter of definition between you and the client as to what is in the interest of the United States.

Mr. JAFFE. Except that we have the ultimate determination.

Senator ABOUREZK. Your definition overrides his. (Hearings, page 77.)

The result of this Department policy is that when Congress wishes to make arguments with which the Department is in disagreement, the Department will take the position that Congress must retain private counsel if it wants to make such arguments. This position can have the effect of inhibiting congressional defendants from asserting proper control over their Department attorney, except on crucial issues.

I wish again to emphasize that this description of the conflicts of interest for the Department of Justice when it represents congressional interests is not intended as a criticism of the Department. The Department only represents congressional interests at the request of its congressional clients. In turn, Congress makes these requests of the Department because there is no adequate alternative but for Congress to do so. Indeed, when Members or committees are faced with litigation, the Members or committees may place substantial pressures on the Department to handle the case despite possible long-term disadvantages for Congress as an institution. In its efforts to maintain cordial relations between the branches, the Department will make every effort to honor congressional requests. The conflicts of interests which

inevitably arise are of an institutional nature.

Although no conflict of interest is involved, serious problems also arise with congressional reliance on the use of private counsel when Department representation is not available. First, the use of private counsel is very expensive. One reason for this expense is that few if any private counsel have experience or expertise with the unique substantive legal issues which arise in congressional cases. It can be very expensive repeatedly to subsidize private counsel for the time it takes for them to gain this expertise. Even then private counsel will lack invaluable experience.

Second, the retention of different private counsel to handle different cases provides for little if any consistency among the legal positions and approaches taken in the different cases. A private attorney will only be intimately knowledgeable about the case he is handling—and not with the full range of litigation involving Congress. One attorney might, therefore, inadvertently make an argument or concede a point in one case which has an adverse precedential impact on another case involving Congress. Similarly, individual private attorneys are likely to have little perspective or interest in how the long-range interests of Congress may be affected by any given litigation. They may have little sensitivity to any political implications of a given law suit. They will not have the inclination or the ability to establish contacts with the broad spectrum of congressional views which may exist on various issues. They will have no ongoing relationship with the leadership.

Finally, when faced with a law suit, Members, officers, and committees often have no time to locate, interview, and retain private counsel. This is why in such cases there is little alternative but to request Department of Justice representation, even when they may be aware that retaining private counsel would be preferable. A simple phone call from a committee chairman to the Department, for example, suffices to arrange for the Department to handle a case. However, if private counsel is to be employed, an attorney must be found who is willing and able to handle the case, a fee arrangement must be negotiated and arrangements must be made for payment of the fee. Furthermore, to compensate private counsel it will often be necessary for the congressional parties to request appropriations from the contingent fund, a time-consuming and unpredictable process. A committee or Member must, therefore, be willing to endure substantial additional inconvenience, if they choose not to rely on the Department of Justice.

In addition to mitigating these conflicts and practical problems resulting from reliance on the Department or private counsel, there are substantial benefits which would result from the establishment of an Office of Congressional Legal Counsel which cannot otherwise be achieved. A first-class litigating office in Congress will make available to Congress ongoing advice on how to avoid or anticipate litigation and continuous monitoring of congressional interests in cases where Congress is not a party. Increasingly, the prospect of litigation must be considered whenever Congress exercises its constitutional powers. The adverse consequences of failing to consider the possibility of litigation has been most notable when criminal contempt of Congress charges are dismissed by the courts on technicalities. This occurred in the recent Reinecke perjury case—Criminal Docket No. 74-2068, D.C. Cir., Dec. 8, 1975—because a committee had not published its rules in the CONGRESSIONAL RECORD. Neither the Department nor private counsel can, will, or should perform these advisory functions.

Similarly, when a committee undertakes an investigation, there is a constant need for advice on how properly to frame and issue subpenas and how to utilize other congressional investigative powers so that the committee's actions will, if necessary, be sustained by the courts. Again, it would not be constitutionally proper for the Justice Department or feasible for private counsel to provide such an advisory service.

Existing legislative and staff counsel readily admit that they do not have the time or training to litigate or to provide advice in anticipation of litigation. Staff of one committee might gain some litigation experience but then will be unavailable to assist the next committee in need of counsel. Other than the Clerk of the House, the Secretary of the Senate, and the Permanent Investigations Subcommittee of the Senate Government Operations Committee, no one body in Congress has developed litigation expertise.

The Congressional Legal Counsel would also continuously monitor congressional interests in cases where Congress is not a party. For example, in the litigation concerning the custody of former President Nixon's tapes and papers, the Justice Department is defending an act of Congress which denies Mr. Nixon custody of these materials even though the Justice Department, at the time of the Nixon pardon, issued a written legal opinion that Mr. Nixon had the legal right to custody of the materials. Congress has not chosen to intervene or appear amicus curiae in this law suit. However, the testimony submitted to the Government Operations Committee by Senator NELSON concerning the conduct of the case—hearings, part II, page 142—illustrates the need for an office of Congress with the ability to represent Congress in a legal action, if necessary, and to closely monitor such legal actions. Again, neither the Department nor private counsel can or should perform this role. To the extent that existing legislative or staff counsel presently monitor the course of such litigation, it would still be necessary to retain counsel if congressional interests were being adversely affected.

Finally, if Congress chooses to utilize the procedure set forth in title II of this bill to bring civil actions to enforce its subpenas, attorneys are need to bring the actions. Presently, Congress can seek to enforce a subpena only by use of criminal proceedings or by the impractical procedure of conducting its own trial before the bar of the House of Representatives or the Senate. However, if the Congress or a committee is interested in compelling compliance with a subpena rather than merely punishing the subpenaed party, civil subpena enforcement will often be preferable to certifying a criminal contempt complaint. Unlike a civil enforcement action, in a criminal contempt action the defendant cannot purge himself of the contempt by finally producing the documents. In addition, with a criminal contempt action, expediting the litigation is more difficult than in a civil enforcement action, committee compliance with its procedures is more strictly reviewed, and the subpenaed party's rights are given greater weight. Neither the Department nor private counsel should handle subpena enforcement cases.

With this understanding of the need to establish an Office of Congressional Legal Counsel, I want to address two issues on the specific proposal contained in title II. The first of these issues is the vital question of how the office itself will be controlled by Congress and how this control assures that the office will defend the interests of Congress as an institution. Second, I want to explore the constitutional basis for Congress defending itself and its interests in court and bringing law suits to enforce its subpenas.

Both the structure and the provisions of title II assure that the Office of Congressional Legal Counsel will be under the firm and continuous control of Congress. To begin with, the duties of the Legal Counsel are precisely enumerated in the bill in sections 203, 204, 205, 206 and 207. The Counsel may not be directed to perform any duties other than those specified; this delegation of authority is precise and limited. For example, the Counsel may not represent a Member in a criminal case because section 203 is expressly limited to "civil" cases. The counsel may not be directed to bring an action to compel an executive branch officer to enforce the law because section 204 authorizes the Counsel to bring actions only to enforce congressional subpenas.

Second, under the bill Congress itself makes the decision on a case-by-case basis on what litigation the Counsel will handle. In other words, individual Members or employees cannot privately approach the Counsel to request that they be represented; a resolution must be adopted by a majority of at least one House before the Counsel will represent a Member or employee. This requirement will assure that the Counsel will undertake representation only when a majority of one House determine that the litigation involves the official duties of the Member or employee and, therefore, that such representation furthers the interests of Congress. In order for the Counsel to be authorized to intervene or appear as amicus curiae in a law suit, both Houses of Congress must determine it is in their interest to do so. The Counsel could never intervene in a case on behalf of one House against the will of the other House.

Third, the Counsel is authorized to represent Members, officers, or employees only in civil cases—never in criminal cases—and then only if the case arises in the course of the exercise of official duties. This bill does not provide a legal defense fund for individuals to handle their private legal matters.

Fourth, the office is under the continuous oversight of the Joint Committee on Congressional Operations. This oversight will principally concern basic policy decisions which arise in the course of litigation. The joint leadership of Congress will sit as ex-officio members on the Joint Committee as it engages in this oversight.

Finally, in section 208, the bill specifically binds the Congressional Legal Counsel to defend the constitutional powers of Congress and the constitutionality of statutes enacted by Congress. This section eliminates any possibility of doubt about whether the Counsel and office will defend the institutional interests of Congress. If the Counsel is placed in any position of conflict or inconsistency with this or other responsibilities given to the Counsel, the bill provides a procedure for resolving them. In no case can the requirements of section 208 be waived.

It is absolutely clear from these provisions that the office and the Legal Counsel will be under the firm and continuous control of Congress and can never assume any power not specifically delegated to it by Congress on a case-by-case basis.

The second issue I will discuss is the constitutionality of title II.

There is absolutely no doubt that Congress may provide for legal counsel to defend it when Congress is sued. There is no doubt that Congress may choose to retain counsel or establish a permanent law office. The constitutional authority for this power is the "necessary and proper" clause. In fact, Congress has defended itself on numerous occasions without relying on the Department of Justice. In fact, the Department has often recommended that the Congress defend itself using its own lawyers. In a letter in 1973 from the Office of Legal Counsel to the Joint Committee on Congressional Operations, the Department stated,

> Congress can and has sought independent representation to defend itself in litigation when the Department of Justice has declined representation. It is certainly arguable that this could be done on a permanent basis. (Hearings, page 32).

The Department again acknowledged the constitutionality of Congress defending itself at the subcommittee's recent hearings—page 43. The only authority which allows the Department to represent Congress is statutory and provides that Department may represent an officer of Congress only when requested to do so. The Department has admitted that if this single statute were read to require the Department to represent Congress, it would itself probably be unconstitutional. Hearings, page 37. The bill specifically repeals this statute.

The only constitutional questions about the provisions of title II concern whether Congress may initiate a civil lawsuit to enforce a committee subpena or intervene in a lawsuit to defend the constitutionality of a statute. The constitutional question arises because article II, section 3, provides that the President "shall take care that the laws be faithfully executed." In the recent Federal Election Commission case, the Supreme Court held that the Commission could not bring lawsuits to enforce that act because Congress appointed members of that Commission. There is no doubt that the Commission was given the power by that act to enforce a law, in that case the reporting and other requirements of the Federal Election Commission Act.

The precedent is not, however, applicable to the lawsuits which the legal counsel is authorized by section 204 to bring to enforce committee subpenas. The reason the Buckley precedent is not applicable is that in bringing an action to enforce a subpena Congress is not enforcing a law. There is no law which says that parties must honor congressional subpenas. When Congress seeks to enforce a subpena, all it is doing is asking the court to recognize the inherent constitutional power of the Congress to obtain information by subpena. The constitutional power of Congress to issue subpenas and then to enforce them by means of arrest and trial before the Congress was vigorously upheld by the Supreme Court in *McGrain* v. *Daugherty*, 273 U.S. 135 (1927). The court held that "we are of the opinion that the power of inquiry—with the process to enforce it—is an essential and appropriate auxiliary of the legislative function." 273 U.S. at 174.

There have been two cases in which Congress has brought a civil suit seeking to enforce a committee subpena. In neither case was any challenge raised to the constitutional power of Congress to initiate such suits. In the first case, members of a special committee of the Senate brought a civil suit against county election officers to obtain ballot boxes used in the contested election of William S. Vare. The Supreme Court expressed no doubt about the ability of Congress to bring such a suit, but held that the particular committee which brought the suit was not authorized by the Senate to bring such a suit. *Read* v. *County Commissioners of Delaware County*, 277 U.S. 376 (1928). I might note that the day after this opinion was delivered, the Senate adopted Resolution 262, which gives standing authority for all Senate committees "to bring suit * * * in any court of competent jurisdiction if the committee is of the opinion that the suit is necessary to the adequate performance of the powers vested in it * * *" Senate Journal 572, 70-1, May 28, 1928. The House authorizes suits on a case-by-case basis.

The second lawsuit brought by Congress to enforce a subpena was the suit by the Senate Watergate Committee to enforce its subpena for the White House tapes. In this case the White House counsel defended President Nixon and the Justice Department filed a brief as amicus curiae. Neither ever argued that Congress had no constitutional power to bring the suit. They did argue that the court had no jurisdiction and Judge Sirica agreed. 366 F. Supp. 51 (1973). Then Congress passed a special statute conferring jurisdiction on the courts to hear any subpena enforcement action brought by the Watergate Committee. Public Law 93-190. When the case returned to the district court and was later appealed to the court of appeals, no argument was ever even raised by the White House or the Department that Congress could not bring such a suit. 370 F. Supp. 521, aff'd 498 F. 2d 725 (1974).

In testimony before the Subcommittee on Separation of Powers the Department has made clear that it continues to have no doubt that Congress has the constitutional power to bring a law suit to enforce a subpena. Rex Lee, Assistant Attorney General for the Civil Division, gave the following testimony before the subcommittee:

> STAFF. You are saying in the *Select Committee* case no constitutional issue was raised about the jurisdictional statute and you are saying that no constitutional issues should be raised about that jurisdictional statute?
>
> Mr. LEE. I certainly would not perceive any.
>
> STAFF. Now, if Congress can enact a specific jurisdictional statute for a given committee to enforce its subpenas, and that is not unconstitutional, is it equally unconstitutional, equally constitutional for Congress to enact a jurisdictional statute allowing any committee to enforce any subpena in a civil action?
>
> Mr. LEE. In other words, a general jurisdictional statute.
>
> STAFF. The situation—only where it deals with subpenas by—
>
> Mr. LEE. Congressional enforcement of its own subpenas. Expressing my own views only, my view would be that that is such a part of the legislative function, particularly after *Eastland*, that there would not be serious constitutional problems. (page 61).

In his opening statement to the Subcommittee, Mr. Lee stated that it is "within the control of Congress" to "pass a specific statute investing the courts with jurisdiction to hear civil actions for the enforcement of congressional subpenas." Mr. Lee observed approvingly that "This permits settlement of the legal issue without the unnecessary jar of contempt proceedings." Hearings, page 8. In response to a supplemental question the Department further explained that:

> . . . such suits are arguably distinguishable from other enforcement actions because congressional subpenas are such an integral part of the legislative function that they are included within the protections of the speech or debate clause. See *Eastland, et al.* v. *U.S. Servicemen's Fund, et al.*, 421 U.S. 491 (1975). (Hearings, page 62).

Finally, the way this bill is drafted makes it even less likely that a constitutional issue could be raised because the Counsel could be directed to enforce subpenas only against individuals and corporations, not against the executive branch. It is, therefore, even clearer that Congress can bring this type of suit without in any way encroaching on the prerogatives of the executive branch.

Despite the Department's acknowledgment that Congress has the constitutional power to bring a lawsuit to enforce a subpena, the Department has argued that Congress may not intervene in a lawsuit under the circumstances specified in section 205(a)(1) of the bill. That section provides that the Counsel may be directed to intervene in a case in which "the constitutionality of any law of the United States is challenged, the United States is a party, and the constitutionality of such law is not adequately defended by counsel for the United States." Let me emphasize at this point that the Department believes that Congress may file an amicus brief in this type of case—Hearings, pages 82–83—and that Congress may both intervene and file an amicus brief in a case in which "the powers and responsibilities of Congress under Article I of the Constitution of the United States are placed in issue." This power is specified in section 205(a)(2) of the bill. Therefore, the Department concedes that Congress may intervene in some cases and disputes only whether intervening to defend the constitutionality of a statute is such a case.

In response to the Department's argument, let me first note that section 205(a)(1) is limited to cases in which three circumstances arise. First, the constitutionality of a statute must be under attack. Second, the United States must already be a party to the case. And, third, the Department's defense of the statute must be inadequate in the view of Congress.

I would agree that Congress cannot and should not assume for itself the function of defending in court the constitutionality of all of the laws it passes. That is clearly an executive branch function. But where the Department is not adequately defending the constitutionality of a statute, I believe Congress does not assume for itself an executive branch function to intervene to make sure the law is defended. The constitutional standing of Congress is, therefore, created by the Department's failure to discharge its constitutional role.

Finally, the Department has raised objections to section 214(e) of title II. The Department has a hard time explaining their objection. Section 214(e) amends 28 U.S.C. 2403 which is a statute enacted by Congress in 1937. This section provides as follows:

> In any action, suit or proceeding in a court of the United States to which the United States or any agency, officer or employee thereof is not a party, wherein the constitutionality of any Act of Congress affecting the public interest is drawn in question, the court shall certify such fact to the Attorney General, and shall permit the United States to intervene for presentation of evidence, if evidence is otherwise admissible in the case, and for argument on the question of constitutionality. The United States shall, subject to the applicable provisions of law, have all the rights of a party and be subject to all liabilities of a party as to court costs to the extent necessary for a proper presentation of the facts and law relating to the question of constitutionality.

During the legislative debate on section 2403 Congress acknowledged that the language of the section did not compel the Attorney General to defend the constitutionality of a statute but clearly expressed the congresional expectation that this section would be used only to defend a statute. Congressman Michener, speaking to the bill—81 Cong. Rec. 3268, April 7, 1937, said:

> No; there is no such compulsion whatever. The Attorney General is notified and then he will use his discretion in the matter. However, my personal opinion is that when the Congress has exercised its constitutional duty and has enacted a law, under its oath, that it believes to be constitutional, *it is almost the duty of the Attorney General of the United States to appear in any such case when any court of the land suggests that he appear, and present all the arguments that he has at his command to sustain the Congress in the enactment of a law which the Congress believes constitutional.* (Emphasis added.)

The debates in both the House and the Senate are replete with statements making it clear that the Attorney General was expected to defend—and not to attack—and that indeed the primary purpose of the bill was to permit him to defend the Acts of Congress from unwarranted attack and insufficient defense. In debate before the House, for example, Congressman Michener said:

"In a sense this bill is a measure for the protection of laws passed by the Congress. The purpose of this bill is to guarantee a competent presentation to the Court *of the constitutionality of* laws passed by the Congress."

And again

"This bill makes it possible that whenever a constitutional question is raised in a Federal court for the Attorney General to intercede at once, (and) see to it that *the validity of the statute* is properly presented to the court . . ."

And again

"This statute has two primary purposes. First, to guarantee that where important constitutional questions are involved before the courts, there is a proper presentation on the part of the Government *in an effort to sustain* that which the Congress determined was a constitutional law."

And yet again

". . . whenever the court believes a substantial, constitutional question has been raised, . . . *then the Attorney General—the branch of the Government whose duty it is to enforce the law—is asked to come in and defend the law as to its constitutionality.*" (81 Cong. Rec. 3268, April 7, 1937. Emphasis added.)

And in the debate in the Senate, Senator McCarran said:

". . . and on its intervention the Government, then represented by the Attorney General, shall become a party, *not to the individual controversy, but for the purpose of defending and protecting the acts of Congress,* or defending and protecting the policy involved in the acts of Congress." (81 Cong. Rec. 8507, August 7, 1937. Emphasis added.)

And Senator McCarran later said

"The view of the committee is that no impediment should be injected which would at all obstruct the action of the Attorney General in coming into court and *being heard in defense of an act of Congress.*" (81 Cong. Rec. 8508, August 7, 1937. Emphasis added.)

Contrary to this expression of the intent of the Congress, the Department asserted at the subcommittee hearings that it has the prerogative to intervene in the name of the "United States" under section 2403 to attack the constitutionality of a statute. Section 214(e) simply clarifies congressional intent by providing that intervention under section 2403 must be "for argument in favor of the constitutionality" of the statute. This makes it clear that the Department cannot assert that it is representing "the United States" when it attacks the constitutionality of a statute.

Contrary to the fears of the Department, by adopting this section the Department will not be barred from intervening in a case to argue that it believes that a statute is unconstitutional. It can and does intervene under rule 24 of the Federal Rules of Civil Procedure in any case in which it has an interest. However, if it intervenes to attack the constitutionality of a statute, it must do so in the name of "the executive branch" or of "the President" and not pretend that "the United States"—which includes Congress—believes that a statute it enacted is unconstitutional. As an institution Congress must never concede that it has knowingly enacted an unconstitutional statute. I view this as a very important principle.

Let me close by reiterating my strong support for this bill and my appreciation for the cooperation which has occurred between the Subcommittee on Separation of Powers and the Government Operations Committee.

Mr. RIBICOFF. Will the Senator yield?

Mr. ABOUREZK. Yes, I yield.

Mr. RIBICOFF. I would like to take this opportunity, as chairman of the Committee on Government Operations, to pay special tribute to the Senator from South Dakota. He has done a monumental amount of constructive work on title II. The committee relied very heavily upon his knowledge, his research, and his commitment.

In the chamber at this moment, we have Senator HARTKE, who was the first one to perceive the necessity of such a provision and such an office in Congress. I am pleased that he is here to see this come to fruition. I am pleased also to see Senator JAVITS of New York, who has a special genius in this entire field. These three distinguished Senators have made a contribution that all subsequent Congresses will find most important in carrying out their work.

I also pay special tribute to Senator ABOUREZK's counsel, Chuck Ludlam, for his staff work on the congressional legal counsel portion of S. 495. The staff of the Committee on Government Operations rely heavily and consistently on Senator ABOUREZK's counsel, Mr. Ludlam. May I say that not a thing was done on title II without getting the approval of Mr. Ludlam. I do want to pay tribute to him in the RECORD at this time.

Mr. HARTKE. Mr. President, I think that a lot of good work has been done here by the chairman of the Committee on Government Operations, by Senator ABOUREZK, and by Senator JAVITS. I think that Senator JAVITS has done an excellent job of explaining not alone the concept of the bill itself, the various responsibilities that will become apparent as soon as the counsel is appointed; in addition to that, I think Senator JAVITS has done a very outstanding job of explaining the very small differences that exist between the administration's position on title II and the bill itself.

In line with that, there are some things which I think need to be done, just small matters. I send an amendment to the desk and ask that it be considered, for a matter of clarification.

UP AMENDMENT NO. 203

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. HARTKE) proposes an unprinted amendment No. 203:

On page 59, line 12, insert the following after the word "agency": "in its or his official or representative capacity."

On page 59, line 20, insert the following after the word "agency": "in its or his official or representative capacity."

Mr. HARTKE. Mr. President, my judgment is that the bill itself really covers this matter but the amendment is in order to make abundantly clear that the counsel will be directed to represent a member or the committee only if the case arises in the performance of official duties, which could be subject to some questions.

In view of the fact that it would not be a situation where the counsel would represent an individual Member of Congress in his individual capacity outside of that realm, it appears that this type of clarifying language in two parts of section 202 would be necessary.

I want also to point out that in the decision to represent Congress, each House is not bound by the complaint nor by what the plaintiff really contends at that time as to what the situation is. Congress itself must make that determination.

In other words, what we have here is a very clear case in which Congress is still going to be the judge, Congress is going to be the ultimate determinant of how the counsel will perform his duties. The matter is a clarifying thing which in no way expands the bill. In fact, if anything whatsoever, it might be a somewhat limiting amendment.

Mr. JAVITS. Will the Senator yield?

Mr. HARTKE. Yes, I yield.

Mr. JAVITS. Mr. President, the amendment is perfectly satisfactory to us and I am very much in favor of it.

Mr. RIBICOFF. Mr. President, as manager of the bill, this amendment has my support. I move its adoption.

Mr. JAVITS. While I am on my feet, Mr. President, I say to Senator HARTKE that all of us must be grateful to him for his sensing the directions of our time as far back as almost 10 years ago, when he first proposed this matter. I congratulate him. He must be deeply gratified today finally to see it happen.

Mr. HARTKE. I thank the Senator from New York.

I point out that Senator Ervin, formerly of this body, came to me very early, in the middle of the Watergate hearings, and indicated, not any dissatisfaction with the way they were proceeding but that they were of such a complicated matter that it would have been well if they had had, in their early stages, somebody to give them some leadership. It delayed them somewhat. I do not say it made any ultimate difference in how the committee proceeded, but it did come to his attention at a very early time. I talked to him quite frequently about this concept.

I might say that there are some other amendments here.

Mr. JAVITS. Mr. President, is the Senator ready for a vote on this one?

Mr. HARTKE. Yes, I am.

The PRESIDING OFFICER. The ques-

The amendment was agreed to.

Mr. JAVITS. Mr. President, Members should know that according to the unanimous consent—I make this as a parliamentary inquiry. Could the Chair inform us at what point in the proceeding tion is on agreeing to the amendment. amendments to title II will no longer be in order?

The PRESIDING OFFICER. When we get to amendments to title I, then amendments to titles II and III will no longer be in order.

Mr. JAVITS. I thank the Chair.

UP AMENDMENT NO. 204

Mr. ABOUREZK. I have some amendments.

I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ABOUREZK. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 56, line 3, strike the number "V" and insert in lieu thereof the number "IV."

Mr. ABOUREZK. Mr. President, this raises the pay schedule of the Deputy Congressional Legal Counsel from level V to level IV. That would change it from $37,800 to $39,900 per year.

The counsel is paid at level III, $42,000, and that is the reason for the change.

Mr. JAVITS. Mr. President, this amendment is satisfactory to the minority.

Mr. RIBICOFF. Mr. President, this amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

UP AMENDMENT NO. 205

Mr. ABOUREZK. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) proposes unprinted amendment No. 25.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 58, line 5, insert the following new section (2):

"(2) pursuant to section 203(a), make a recommendation with respect to representation of a Member, officer, or employee in a civil action;"

Renumber sections "(2)" and "(3)" to sections "(3)" and "(4)" respectively.

Mr. ABOUREZK. Mr. President, this amendment calls on the Joint Committee on Congressional Operations to make recommendations on whether a civil case against a Member, officer or employee arises from the performance of official duties. This is intended to give some guidance to each House as they determine who will be represented by the counsel.

Mr. JAVITS. Mr. President, this amendment is acceptable to the minority.

Mr. RIBICOFF. Mr. President, this amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

UP AMENDMENT NO. 206

Mr. ABOUREZK. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) proposes unprinted amendment numbered 206:

On page 76, line 3, strike the word "sixty" and insert in lieu thereof the word "seventy."

Mr. ABOUREZK. Mr. President, this amendment merely corrects a typographical error changing the year from "sixty" to "seventy." It changes a 10-year period because it was a typographical error in there.

Mr. JAVITS. That is correct.

Mr. President, I ask unanimous consent that the amendment be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

UP AMENDMENT NO. 207

Mr. ABOUREZK. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER (Mr. FORD). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) and the Senator from Illinois (Mr. PERCY) propose unprinted amendment No. 207:

On page 76 strike lines 6 through 10.

Mr. ABOUREZK. Mr. President, this amendment has been requested by the Department of Justice. The Department has interpreted this section as an attempt to bar the Department from attacking the constitutionality of a statute.

The language in the bill does no such a thing. The language in the bill itself only denies the right of the Department to attack the constitutionality of the statute in the name of the United States.

Section 2403 was enacted in 1937 to assure that the Department could defend the constitutionality of a statute. However, the Department of Justice asserts the right to use this statute to attack the constitutionality of the section.

By deleting this language, Congress is not conceding that the Department may use section 2403 to intervene to attack the constitutionality of a statute.

Mr. JAVITS. Mr. President, this is one of the amendments to which I referred when presenting the argument for title II as possibly bearing upon the freedom of argument really or the freedom of action of the Attorney General where he has a right to be heard. I have no objection to the amendment.

Mr. RIBICOFF. Mr. President, this amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment was agreed to.

AMENDMENT NO. 208

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes unprinted amendment numbered 208:

On page 72, after line 2, add the following: "Provided however, nothing in this subsection shall limit any right of the Attorney General under existing law to intervene or appear as amicus curiae in such action or proceeding."

Mr. JAVITS. Mr. President, the purpose of this amendment is again, as was the last amendment which we adopted of Senator ABOUREZK's, to clarify the fact that the Attorney General's freedom of action as an officer of the executive department is preserved, and we believe that that is so under the bill, but we wish to make it crystal clear, hence the offering of this amendment.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from New York is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. RIBICOFF. Mr. President, are there any further amendments?

The PRESIDING OFFICER. Will the Senator withhold his request for a quorum?

Mr. JAVITS. I do.

Mr. PERCY. I only have one question I would like to ask the distinguished Senator from New York.

Mr. JAVITS. I yield.

Mr. PERCY. As I recall the comment on the size of this office, a budget of $500,000 is requested. Will the Senator from New York indicate about how many lawyers, how many professional, how many nonprofessional, people might be involved and what he envisions? Is this going to be a bureaucracy that will grow or is it a tight-knit operation that might be able to perform the professional functions without seeing it burgeon and giving it its own bureaucracy?

Mr. JAVITS. The office, with a budget of $500,000, which is about what we estimate, and we make that estimate based upon the fees which have been paid to a special counsel by the Congress in various cases, should not involve more than on the order of magnitude of 10 lawyers and, say, 15 to 20 additional personnel.

If we find that we are in a vast field of legislation or we have some special situation, I mean, it is something I cannot foretell. But the normal size of the office, based on a $500,000 budget, should be about as I have described it.

Mr. PERCY. But for unusual circumstances it could be a temporary increase. Then it would be scaled down just as our own specialized committee staff is scaled down.

Mr. JAVITS. Exactly. That is what we do when we find the temporary proves to be permanent. In other words, I cannot foretell contingencies. But, as presently designed, it would be in the order of magnitude of 10 lawyers, 15 to 20 supplementary personnel.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that a letter from the Director of the Congressional Budget Office transmitting a cost estimate for S. 495, the Watergate Reorganization and Reform Act of 1976, be printed in the RECORD at this point. This information was not prepared by the Congressional Budget Office in time for inclusion in the report on S. 495, through no fault of the Government Operations Committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 11, 1976.

Hon. ABRAHAM A. RIBICOFF,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 495, the Watergate Reorganization and Reform Act of 1976.

Should the Committees so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Attachment.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

JUNE 11, 1976.

1. Bill Number: S. 495.

2. Bill Title: Watergate Reorganization and Reform Act of 1976.

3. Purpose of Bill:

The bill has three major provisions: (A) Title I establishes a Division of Government Crimes within the Department of Justice, (b) Title II establishes the Office of Congressional Legal Counsel, and (c) Title III requires certain officers and employees of the federal government to file financial disclosure statements with the General Accounting Office.

4. Cost Estimate:

The costs associated with this bill are predominantly for the manpower required by the Department of Justice, General Accounting Office and the Office of Congressional Legal Counsel. These costs are summarized below.

[In millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Department of Justice	0.6	0.6	0.7	0.7	0.7
General Accounting Office	1.7	1.8	1.9	2.0	2.1
Legal Counsel	.3	.3	.3	.4	.4
Total	2.6	2.7	2.9	3.1	3.2

5. Basis for Estimate:

As stated in the committee report, the Justice Department currently has the resources to pursue criminal allegations of federal employees. As a result, it was assumed that the newly created Government Crimes Division would only require marginal additional executive and administrative personnel. It was estimated that a total of 38 positions would be created by this bill, i.e., 8 executive positions and 30 administrative positions. Other staff for the unit would be composed of transfers from existing divisions within the Department of Justice, i.e., 30 attorneys and 10 clerical positions from the Public Integrity Section. In addition, whenever necessary, the Assistant Attorney General for Government Crimes can enlist the cooperation and assistance of other divisions or one or more United States attorneys.

The cost estimate for the General Accounting Office was based on the filing of approximately 28,000 [a] financial statements yearly and auditing of approximately 5 percent [b] or 1,400 financial statements. Auditing costs were obtained from agencies having experience in conducting comprehensive financial audits. The total auditing costs were estimated at $552,000 per year based on an average cost of $395 per audit, i.e., 37 man-hours per audit and an average salary of $21,000 per year. Other costs for GAO include filing, screening and administrative costs, totalling $1.2 million.

Costs for the Congressional Legal Counsel were based on an initial staff of a congressional legal counsel, a deputy counsel, five assistant legal counsels, and clerical support.

6. Estimate Comparison: None.

7. Previous CBO Estimate: None.

8. Estimate Prepared By: James V. Manaro (225-5275).

9. Estimate Approved By:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

Mr. RIBICOFF. Mr. President, it is my understanding that there are no further amendments.

Mr. PERCY. Mr. President, as I understand it, there is a possibility of one other amendment.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF WAR RISK INSURANCE

Mr. MANSFIELD. Mr. President, this has been cleared all the way around. I ask unanimous consent that the Committee on Commerce be discharged from further consideration of H.R. 13308, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will state the bill by title.

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[a] Based on the number of federal employees at or above GS-16, members of Congress, justices and judges, and uniform servicemen at or above O-6. Estimates for uniform servicemen were obtained from Bureau of Manpower, DOD; estimates for the executive branch were obtained from the Director of Manpower, Civil Service Commission; estimates for judges and justices were from Administrative Conference of the U.S.

[b] Based on a ceiling set in Section 306(f) (1).

The assistant legislative clerk read as follows:

A bill (H.R. 13308) to amend the Federal Aviation Act of 1958 to extend the authority of the Secretary of Transportation with respect to war risk insurance.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, H.R. 13308 extends for 1 year the authority of the Secretary of Transportation to provide war risk insurance. I understand there is a time factor to be considered.

Mr. CANNON. Mr. President, the purpose of H.R. 13308 is to extend for 1 year the authority of the Secretary of Transportation to issue aviation war risk insurance. The bill was passed by the House on May 18, 1976. The war risk insurance program provides coverage for American air carriers to supplement the insurance that the carriers may obtain commercially. Commercial insurance policies usually exclude coverage for loss or damage occasioned by war hostilities, insurrection, or acts of foreign enemies. Since the usual aviation insurance policy covers only the risks of fire, damage and similar risks, this government-sponsored insurance program is necessary to provide coverage for damage due to war-related risks.

The administration has recommended that the present program be expanded to authorize the Secretary of Transportation to insure risks other than war risks. Under the administration proposal, after consulting with the Secretaries of State and Defense, and with the approval of the President, the Secretary of Transportation may provide interim insurance for air carriers in addition to war risks when such coverage is required by reasons of foreign policy for the continuation of a particular air service.

The Commerce Committee received these recommendations too late to hold hearings on the administration proposal in time to incorporate any proposed changes into the present extension of the program.

I intend to consider the administration's proposal, but in the meantime, it is essential that the program as now constituted be extended so that our air carriers can be adequately compensated should they suffer the misfortune of loss or damage due to foreign hostilities.

Mr. President, I emphasize that the only change which this bill makes is to change the expiration of the existing program from 1976 to 1977. I know of no objection to it from any quarter of the industry, or Government, or anyone else.

I urge the passage of this measure.

The bill (H.R. 13308) was ordered to be read the third time, was read the third time, and passed.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that titles II and III of S. 495 be considered as agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order 780, S. 972, is called up and made the pending business before the Senate, there be a time limitation on the bill of 30 minutes to be equally divided between the majority and minority leaders or their designees; with a time limitation on any amendment, debatable motion or point of order, if such is submitted to the Senate for discussion, of 20 minutes; and that the agreement be in the usual form.

Mr. ALLEN. Mr. President, reserving the right to object, will the distinguished assistant majority leader tell us what the bill is?

Mr. ROBERT C. BYRD. Yes. This is a bill to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—H.R. 71

Mr. ROBERT C. BYRD. Mr. President, I understand that this agreement has been cleared on both sides of the aisle. I ask unanimous consent that at such time as calendar order No. 662, H.R. 71, an act to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II is called up and made the pending business before the Senate, that there be a time limitation thereon of 1 hour, the time to be equally divided between Mr. HARTKE and Mr. HANSEN, with a time limitation on any amendment of 30 minutes; a time limitation on any debatable motion, appeal, or point of order, if such is submitted to the Senate for discussion, of 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, will the Senator withhold that?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request for the time being.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the request which I earlier made has now been cleared with the two Senators as to whom we were not sure concerning their acquiescence. I renew my request that at such time as H.R. 71 is called up and made the pending business before the Senate, there be a time limitation thereon of 1 hour, the time to be equally divided between Mr. HARTKE and Mr. HANSEN; that there be a time limitation on any amendment of 30 minutes, debatable motion, appeal or point of order, if such is submitted to the Senate, of 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection——

Mr. GRIFFIN. Mr. President, reserving the right to object, would the Chair indulge me for just a moment?

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request for the time being.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I now renew my unanimous-consent request with respect to H.R. 71. It has now been cleared on the other side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That during the consideration of H.R. 71 (Order No. 662), an act to amend title 38, U.S. Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Indiana (Mr. Hartke) and the Senator from Wyoming (Mr. Hansen): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask

unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, earlier today I made a unanimous-consent request about certain committees meeting during the session of the Senate. The distinguished acting Republican leader asked that I delay the request so that he could clear the items with his people. He has now done so.

Mr. President, at this time I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet on July 20 and 21; the Committee on Interior and Insular Affairs be authorized to meet on July 21; the Subcommittee on Energy Research and Water Resources of the Committee on Interior and Insular Affairs be authorized to meet on July 22, 28, and 29; the Subcommittee on Census and Statistics of the Committee on Post Office and Civil Service be authorized to meet on July 29 and August 2; that the Foreign Relations Committee be authorized to meet on July 21 and 23 during the sessions of the Senate; also that the Permanent Subcommittee on Investigations under the chairmanship of Senator Nunn be permitted to hold hearings on July 27, 28, and 29.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, this likewise has been cleared on the minority side, that the Cannon Subcommittee on Aviation of the Committee on Commerce be allowed to hold hearings on H.R. 7017, a House-passed aviation bill, on July 22.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I thank the Senator.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, if I may have the attention of the majority leader or the majority whip, may I know the state of the eligibility of amendments to title II of S. 495, the pending bill?

The PRESIDING OFFICER. It would take unanimous consent to consider amendments to title II.

Mr. JAVITS. Mr. President, I ask unanimous consent, with the approval of Senator Ribicoff; that an amendment which may be presented by Senator Hruska on tomorrow may be in order to title II.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER. The Chair directs it be an amendment from the Senator from Nebraska (Mr. Hruska).

Mr. JAVITS. That is correct.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, it was my understanding from the ruling of the Chair that amendments to title II of S. 495 were no longer in order except by unanimous consent and I, therefore, got a unanimous consent relating to title II.

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. It is now my understanding that this ruling relates to both titles II and III, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Then I ask unanimous consent for Senator Hruska both as to titles II and III.

The PRESIDING OFFICER. Is there an objection?

Without objection, it is so ordered.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. The Senator from Nebraska (Mr. Hruska) will have the opportunity under titles II and III.

ADDITIONAL STATEMENTS SUBMITTED

Mr. CASE. Mr. President, I support S. 495, the Watergate reform bill. Of particular interest to me is title III, the financial disclosure portion of the bill.

It is no secret in this Chamber that my advocacy of full public disclosure of financial matters by public servants goes back many years. In 1958, I was alone in sponsoring a financial disclosure bill. There are, I believe, 22 cosponsors on S. 495, the Watergate reform bill.

Earlier this year, the Senate passed a financial disclosure bill which unfortunately was not agreed to by the House conferees. Twice before in recent years, financial disclosure bills have passed this body.

Our earlier actions and our action on this bill in bringing it to this point reflects the mood in this body that we must take steps—and dramatic ones—to reverse public distrust in Government. Too many citizens throughout this land simply do not believe their elected and appointed leaders. Too often they have been led down the garden path only to find that it ends in a maze of lies and a web of dishonesty.

Disclosure is the key to changing this public disenchantment.

Disclosure puts the facts in the open and lets the people make the final decision as to the probity of those who would serve them. Moreover, disclosure helps the public servant to avoid the appearance of doing wrong.

The bill before us today is not quite so broad as legislation which I have introduced, but it is a beginning at policing ourselves.

Let us pass it in that spirit.

SENATOR CASE'S CONTRIBUTION TO FINANCIAL DISCLOSURE LEGISLATION

Mr. PERCY. Mr. President, as we discuss S. 495 today on the floor, I would like to pay special tribute to Senator Case who has always been in the forefront of proposing financial disclosure legislation.

Senator Clifford P. Case introduced his first financial disclosure bill in the Senate in 1958 and has introduced similar legislation in every Congress since that time.

Support has grown slowly for the principle of public disclosure. Senator Case was the sole sponsor on his first bill. By contrast, there are 23 cosponsors on S. 181, the Case bill in the 94th Congress.

In the mid-1960's, scandal over the outside business involvement of Bobby Baker, former secretary of the Majority in the Senate, led to an investigation, a realization of the need for standards of conduct and the subsequent creation of a Senate Select Committee on Standards of Official Conduct.

Then in 1968, the Senate adopted rules on standards of conduct and annual disclosure of financial information by Members, high-level employees, and senatorial candidates. During debate on the adoption of the Senate Rule on Disclosure, Senator Case led an effort to strengthen the provision to require full disclosure. The substitute measure was defeated by four votes.

A second round of scandal involving the judiciary led Senator Case to amend his disclosure bill in May of 1969 to extend coverage to the judiciary.

During this same year, Senator Case and others attempted to have hearings called on disclosure legislation. Little support could be generated and hearings were put off.

In the fall of 1971, the Privileges and Elections Subcommittee of the Senate Rules Committee convened hearings on disclosure legislation which included Senator Case's bill, S. 343. The following August, the subcommittee reported a disclosure bill to the full Rules Committee.

During the first session of the 93d Congress, S. 372—the Federal elections campaign bill—came to the floor and a disclosure provision was added at that point. There was no action in the House on S. 372.

In the second session of the 93d Congress, the Senate once again passed a disclosure title—similar to Senator Case's bill—as part of S. 3044, amendments to the Federal Election Campaign Act. This bill became a public law, but the disclosure provision was dropped at the House-Senate conference.

During the opening days of the 94th Congress, Senator Case introduced his current disclosure bill, S. 181. The following fall, he requested that S. 181 be referred from Rules to the Government Operations Committee where the Watergate reform bill was being drafted. Senator CASE was the first witness before the committee during a day of hearings on the need for disclosure legislation. Mr. President, I ask unanimous consent that his testimony on that occasion be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. PERCY. Again, this spring, disclosure legislation came up when the Senate accepted a disclosure title as part of a bill to reconstruct the Federal Election Commission. That provision was dropped during the House-Senate conference on the FEC bill.

Again today, Mr. President, financial disclosure legislation is on the floor as part of S. 495. This time chances for Senate passage and eventual enactment into law are better than any previous occasion. If these provisions do become law we should all recognize the vital contribution that Senator CASE has made to enactment of financial disclosure legislation.

EXHIBIT 1

STATEMENT BY SENATOR CLIFFORD P. CASE ON THE NEED FOR FINANCIAL DISCLOSURE LEGISLATION, PREPARED FOR DELIVERY BEFORE GOVERNMENT OPERATIONS COMMITTEE CONSIDERING WATERGATE REFORM, DECEMBER 4, 1975

It is most fitting that financial disclosure be a major pillar of Watergate Reform legislation for I do not believe we can hope to clean house in any one branch of government without a substantial effort to restore public confidence in the whole governmental process.

As I see it, reform which fails to address the very basic question of betrayal of the public trust will miss the point and we must not shy from the point again.

To me, full public disclosure is the real protection of the integrity of our system of representative government. We do not expect our representatives to give up their fortunes or their special skills and backgrounds to serve in our government. We want them to be "representative."

What is needed is public assurance as to the extent of the fortunes, the resources, the assets and the liabilities of elected officials. Moreover, disclosure should not stop with elected officials. All top officials in the executive and judicial branches should make annual reports of their sources of income including gifts, their assets and liabilities and any transactions involving stocks, bonds and real property.

Specifically my bill would require that the President, the Vice President, all Members of Congress, all candidates for federal offices, all federal judges and top staff in each branch of government file disclosure statements which are to be made public.

S. 181, which is my 10th financial disclosure bill, was introduced during the opening days of this Congress. My first disclosure bill was introduced in 1958 and at that time I was the only sponsor. The following year, with Senator Neuberger, I re-introduced disclosure legislation.

To date, there are 23 co-sponsors of S. 181 and there are numerous other disclosure bills pending before this committee, the Senate Rules Committee and in the House. In general, they are similar. Some would limit disclosure to the legislative and executive branches. My bill also includes the judicial branch.

This is not without considerable thought on my part. Those of us elected to office can be voted out. Officials in the executive branch can be fired, but federal judges are lifetime appointees whose removal can be accomplished only through impeachment.

Therefore, I think disclosure is a necessary, as well as an appropriate, means of assuring the public of the integrity of the judiciary.

The federal judiciary does police itself to a certain extent. At the recommendation of the Judicial Conference, approximately 600 federal judges, all full-time magistrates and referees in bankruptcy file twice-yearly public accountings of extra-judicial income—gifts in excess of $100 and income from non-bench work.

While filing reports of Extra-Judicial Income is a start in the right direction, it is not enough. Public disclosure would be better served by a straightforward listing of assets, liabilities, gifts, transactions in stocks and/or commodities and dealings in real estate.

It should be noted that the Judicial Conference cannot force a judge to make these reports and a very few judges have declined to file. Some members of the Supreme Court have elected to file similar reports of Extra-Judicial Income; some have not.

I understand that the Judicial Conference opposes inclusion of the federal judiciary in disclosure legislation on the grounds that the judiciary is already subject to a disclosure procedure, but the point is that we must have full disclosure and disclosure documents must be readily available to the public and to the press.

Senators and representatives are presently subject to certain standing rules. House members must make public disclosure of business and professional connections, the source of income from services exceeding $5,000, capital gains from a single source exceeding $5,000, reimbursement for expenditures exceeding $1,000, honorariums from a single source amounting to $300 or more, and the names of creditors for unsecured loans when the aggregate amount owed is in excess of $10,000.

Senators must file with the Comptroller General reports of federal tax returns, the amount and source of each fee of $1,000 or more, the names and addresses of business or professional corporations in which the person filing holds an office or is employed and receives compensation; the identity of each trust or other fiduciary relation in which he holds a beneficial interest having a value of $10,000 or more; the identity of each liability of $5,000 or more; and the source and value of all gifts having an aggregate value of $50 or more from a single source. But only gifts amounting to $50 or more and honorariums of $300 or more are available for public inspection. Other financial information is confidential.

In May of this year, we saw how the Senate's rule could be used to subvert the whole process of financial disclosure. A prosecuting attorney had attempted to subpoena personal financial material filed by a former Senator in accordance with the Senate Rule, and the chairman of the Select Committee on Standards said on the Senate floor that surrendering the disclosure statement made in reliance on a Senate rule which protects its confidentiality would jeopardize the whole system of Senatorial disclosure. The prosecuting attorney did not get the material and the Senate appeared in the role of protector of one of its own members accused of serious wrong-doing.

Executive Order 11222 establishes ethical standards and requirements for confidential financial disclosure for top and mid-level employees of the executive branch, excluding the President and Vice President who are not covered by disclosure requirements. In general, the executive branch employees are required to make confidential disclosure of employment and business interests, creditors and interests in real property.

In addition all top and mid-level White House staff are required to disclose all personal employment, financial interests and activities, as well as those of spouse and members of immediate families. These reports are not made public. In my view they must be public—if they are to be effective.

Last winter there were press reports of Geological Survey employees who filed financial reports with their agency. But apparently no one in the agency looked at them until the General Accounting Office subsequently examined them and found a number of instances of conflict of interest.

What we must have is a uniform approach as to what constitutes financial disclosure and uniformity in making the material public. Agencies do not police their own employees any better than senators police senators. And this "Buddy" system is pervasive in practically every group in American life. Politicians are by no means the only, or the worst, example.

S. 181 would require a full disclosure of the amount and the source of each item of income, the amount and source of each item of reimbursement for any expenditure, the amount and source of each gift (other than from any relative or spouse) received alone or with a spouse when the gift exceeds $100; the amount and source of any fee or honorarium; the value of each asset and liability; all dealings in securities or commodities; and all purchases and sales of real estate.

Some of the other disclosure bills before this committee use a floor of $1,000 as the point at which disclosure of amount and source should begin. I have no real objection to "floors"; it has always been difficult for me to determine where they should be established.

Three bills call for disclosure of federal and/or state income tax information. It has always been my view that tax information intrudes on the private areas of an individual's life—his charity or the lack of it and his health or lack of it—without being fully effective as disclosure documents.

Mr. Chairman, I believe the time has come to adopt a uniform disclosure procedure. We owe it to the public which has no other real protection.

From all sides we hear of the public's distrust of its elected officials. The pollsters tell us that public confidence in government has rarely been at a lower point. If our system of government is to endure we must reverse this. One step in the right direction would be the adoption of public disclosure legislation.

Not only will disclosure put the facts into the open and allow the forces of public opinion to operate, it will make all public servants more sensitive to possible conflicts of interest and more alert to misuse of the public trust.

Mr. BAKER. Mr. President, from at least four differing vantage points or capacities, I view with pleasure the apparent move toward agreement between the administration and the Senate for a comprehensive Watergate reform measure; and I commend President Ford upon his initiative and commonsense in initiating this compromise effort.

The four capacities or vantage points are: First, my service as vice chairman of the Senate Select Committee on Presidential Campaign Activities; second, as joint sponsor of the Percy-Baker amendment, which originally proposed the creation of a Government Crimes Division within the Department of Justice; third, as a cosponsor of S. 495, the Watergate Reorganization and Reform Act of

1976; and finally, as one who believes that a fine-tuning of the Federal law-enforcement capability is required in order to enhance the capacity of the Department of Justice to identify and prosecute election law violations and crimes committed by governmental officials.

Mr. President, as may be recalled, I dissented from the majority recommendation of the Senate Watergate Committee for the establishment of a Permanent Office of Public Attorney, appointed for a fixed term by the Judiciary, with the advice and consent of the Senate; and I further recommended in my individual views for the creation of a public prosecutor within the Department of Justice, appointed by the President for a fixed term and subject to Senate confirmation. For similar reasons, I initially declined to cosponsor S. 495 as introduced, because it provided for the appointment of a permanent, independent, public attorney, appointed with the advice and consent of the Senate by a panel of retired Court of Appeals judges. As an alternative, I join with my distinguished colleague from Illinois (Mr. PERCY) in introducing the Percy-Baker amendment for the creation of a Division of Government Crimes within the Department of Justice under the direction of an Assistant Attorney General appointed by the President and subject to Senate confirmation.

While I will not belabor the basis of my opposition to a judicially appointed permanent special prosecutor operating independent of the Department of Justice, suffice it to state that my objections were principally constitutional in nature and secondly founded in practicality and efficiency of law enforcement administration. These objections are articulated in greater detail in both my individual views for the Watergate Committee final report and in testimony before the Government Operations Committee on S. 495.

These concerns and objectives substantially were alleviated by the action of the Government Operations Committee in marking up S. 495 through redrafting title I along the lines of the Percy-Baker amendment. I strongly support the provisions of title I, which would establish a Government Crimes Division within the Department of Justice; and, as a consequence, I agreed to cosponsor S. 495, notwithstanding some reservations about the wisdom and constitutionality of those provisions providing for special temporary prosecutors appointed, in some instances, by a court, as well as practical concerns regarding title II, providing for a congressional legal counsel.

Thus, I am pleased that the President personally has assumed an affirmative posture toward the Watergate reform bill by proposing several changes which would, in my opinion, strengthen the legislation by revising provisions of doubtful constitutionality and by pruning loopholes in the financial disclosure sections of the bill. In so acting, the President has continued the tradition of Republican candor and cooperation during both the Watergate investigations and the Watergate-prompted reform efforts. This tradition began with the unanimous passage during the 93d Congress of Senate Resolution 60, which created the Senate Watergate Committee; continued with the bipartisan experience during that committee's deliberations; recently was evinced by the contributions of Republican members in drafting and revising the Watergate reform bill; and now has culminated with the intelligent and timely decision of the President to personally provide the impetus for a compromise bill, which would provide a mechanism within the Justice Department clearly and specifically charged with the responsibility and the requisite independence to investigate and prosecute crimes perpetrated by governmental officials.

Mr. President, I congratulate both President Ford and the various Members of this body who were instrumental in undertaking these initiatives, and I look forward to further deliberations on this measure.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, it is my understanding that this marks the conclusion of the consideration of the pending business for today and that there will be a meeting this afternoon to consider the news sent up by the President, and that on tomorrow, after the morning hour, the Senate will again return to the consideration of the pending business. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

PUBLIC SAFETY OFFICERS MEMORIAL SCHOLARSHIP ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to take up Calendar No. 780, S. 972.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 972) to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Public Safety Officers Memorial Scholarship Act".

DEFINITIONS

SEC. 2. As used in this Act the term—

(1) "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner;

(2) "actual cost of attendance" means, subject to regulations of the Commissioner, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Commissioner determines to be reasonably related to attendance at the institution at which the student is in attendance;

(3) "Commissioner" means the Commissioner of Education;

(4) "dependent child" means a child who is either living with or receiving regular support contributions from the public safety officer at the time of his death, including a stepchild, an adopted child, or posthumous child;

(5) "dependent spouse" means a surviving husband or wife living with or dependent for support on the decedent at the time of his or her death, or living apart for reasonable cause or because of desertion by the decedent;

(6) "dependent for support" means more than one-half of the support of the dependent concerned;

(7) "eligible applicant" means a dependent child or dependent spouse of a public safety officer as defined by (4) and (5) of this section, who has been accepted for enrollment at or is enrolled in an eligible institution;

(8) "eligible institution" means any such institution as defined under section 1201(a) of the Higher Education Act of 1965;

(9) "public safety officer" means a person serving a public agency, with or without compensation, as—

(A) a law enforcement officer, including a corrections or a court officer, engaged in—

(i) the apprehension or attempted apprehension of any person—

(I) for the commission of a criminal act, or

(II) who at the time was sought as a material witness in a criminal proceeding;

or

(ii) protecting or guarding a person held for the commission of a criminal act or held as a material witness in connection with a criminal act; or

(iii) the lawful prevention of, or lawful attempt to prevent the commission of, a criminal act or an apparent criminal act or in the performance of his official duty; or

(B) a firefighter; and

(10) the term "State" means any State of the United States, the Commonwealth of Puerto Rico, and any territory or possession of the United States; and

(11) the term "unit of general local government" means any city, county, township, town, borough, parish, village, or other general purpose subdivision of a State, or any Indian tribe which the Secretary of the Interior determines performs law enforcement functions.

SCHOLARSHIPS AUTHORIZED

SEC. 3. (a) The Commissioner is authorized to award a scholarship to any eligible applicant having an application approved under section 4(a) for full-time undergraduate study at an eligible institution. Each applicant shall submit an application accompanied by a certification from the head of the agency which employed the public safety officer upon whom the applicant was dependent, stating that such officer lost his life while engaged in the performance of his official duties.

(b) The maximum amount of the scholarship award payable under this section shall not exceed the actual cost of attendance at the appropriate eligible institution to such applicant, or $3,500, whichever is less, for each academic year for which the scholarship is awarded, as determined by the Commissioner. This maximum amount shall be reduced when an eligible recipient is receiving grant assistance from certain Federal programs as specified herein, whenever the student's cost of attendance is $3,500 or less. The Commissioner shall reduce the maximum amount of $3,500 or the actual cost of attendance, whichever is less, by substracting any grant awards made or to be made for that academic year for programs authorized or funded, wholly or in part, by subparts 1, 2, and 3 of part A, title IV, of the Higher Education Act of 1965, as amended.

(c) The duraton of a scholarship award under this Act shall be the period required for the completion by the recipient of the award of his undergraduate course of study, or other appropriate course of study at an eligible institution. That period shall not exceed four academic years except where the Commissioner determines that the student is enrolled in a degree program which normally requires more than four academic years for a baccalaureate degree, in which event such period shall not exceed five years.

(d)(1) The Commissioner shall notify both the eligible applicant and the eligible institution in which the applicant is enrolled or has been accepted for enrollment of the award of a scholarship under this Act.

(2) A separate determination shall, on the basis of the latest available information, be made as to the eligibility of a student for, and the amount of the award to be made under this Act, for each academic year of its duration.

(3) The Commissioner shall, in accordance with agreements pursuant to section 5, utilize the services and facilities of eligible institutions as fiscal agents for paying to students attending such institutions the amounts, if any, to which such students have been determined, with respect to each academic year, to be entitled under this Act.

ADDITIONAL AWARD REQUIREMENTS AND LIMITATIONS

SEC. 4. (a) No payment shall be made to an eligible applicant under this Act unless an application therefor is made by such applicant containing such information as the Commissioner may reasonably require together with the certification required under section 3(a) of this Act

(b) A student awarded a scholarship grant under this Act shall continue to be entitled to that grant only if such student (1) is maintaining good standing in the course of study which he is pursuing according to the regularly prescribed standards and practices of the eligible institution which he is attending, (2) devoted himself full time to such course of study during the academic year in attendance at an eligible institution, except that failure to be at an eligible institution during periods of vacation, military service, and such other periods as the Commissioner determines are good cause for nonattendance, shall not be considered contrary to the requirements of this clause, (3) expends all funds under this Act for the purposes used in the determination of actual costs of attendance, as defined in section 2(2) of this Act.

(c) Failure to comply with requirement (b)(3) of this section shall create a debt to the United States by that sudent in the amount which was not expended on actual cost of attendance.

(d) No payment shall be made to an eligible applicant under this Act—

(1) if the death of the public safety officer was caused by the international misconduct of that officer or by such officer's intention to bring about his death; or

(2) to any person who would otherwise be entitled to a benefit under this Act if such person's actions were a substantial contributing factor to the death of the public safety officer.

AGREEMENTS WITH ELIGIBLE INSTITUTIONS

SEC. 5. (a) For the purpose of this Act, the Commissioner is authorized to enter into agreements with eligible institutions in which any student receiving a scholarship award under this Act has enrolled or is accepted for enrollment. Each such agreement shall—

(1) provide that an eligible institution will cooperate with the Commissioner in carrying out the provisions of this Act;

(2) provide that the institution will periodically conduct a review to determine whether students enrolled and receiving a scholarship award under this Act continue to be entitled to payments under such grants and the amounts of such payments;

(3) provide for the authorization of such institution as a Federal agent for payments to students under this Act;

(4) provide for such Federal control and accounting procedures as may be necessary to assure proper disbursement of and accounting of funds paid under this Act; and

(5) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this Act.

(b) The Commission is authorized to pay a cost of agreement allowance to any eligible institution in which a student receiving a scholarship award was enrolled during an academic year ending during any fiscal year after June 30, 1976. With respect to each such student, such allowance shall be an amount equal to $15. The Commissioner shall prescribe regulations to insure that a student who received payments pursuant to a scholarship grant during an academic year in more than one institution is not counted more than once for the purpose of computing the cost of agreement allowance to which each such institution is entitled under this section.

APPROPRIATIONS AUTHORIZED

SEC. 6. There is authorized to be appropriated $1,750,000 for the fiscal year ending September 30, 1977 and $3,500,000 for each of the succeeding fiscal years ending prior to October 1, 1982, to carry out the provisions of this Act. The Commissioner may reserve up to 10 per centum of the appropriated funds in fiscal year 1977 and up to 5 per centum in succeeding fiscal years for the purposes of administering this Act. The award of scholarships authorized in this Act shall be limited to not greater than five hundred new scholarships in any fiscal year, and not greater than one thousand scholarships, including new and continuing awards in any fiscal year.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time taken out of neither side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I understand the order has already been entered, has it not, for the convening of the Senate at 9 a.m. tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Does that order have attached therewith an order for adjournment or recess at the close of today's business?

The PRESIDING OFFICER. Neither one.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND RESUMING CONSIDERATION OF S. 495

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will resume consideration of the Watergate reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEBATE AND VOTE ON OVERRIDE OF PRESIDENT'S VETO

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that an order has been previously entered that provides that at 1 p.m. tomorrow debate begin on the override of the President's veto.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. That debate will last for 1 hour and a vote will occur on the override of the President's veto at the hour of 2 p.m., is that correct?

The PRESIDING OFFICER. The Senator is correct.

ORDER TO RESUME CONSIDERATION OF H.R. 10612 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the override of the President's veto on tomorrow, the Senate resume consideration of the tax reform bill, H.R. 10612.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair would ask the Senator from West Virginia, charged to which side?

Mr. ROBERT C. BYRD. I ask that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC SAFETY OFFICERS MEMORIAL SCHOLARSHIP ACT

The Senate continued with the consideration of the bill (S. 972) to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that Larry Gage, a member of the subcommittee staff, be granted the privilege of the floor during debate and any votes on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HATHAWAY. The time to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that the Senator from Alabama (Mr. ALLEN) be listed as a cosponsor of S. 972, the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. PELL. What is the parliamentary situation in regard to the time?

The PRESIDING OFFICER. There is a limitation of one-half hour, to be equally divided between the majority and minority leaders or their designees.

Mr. PELL. I thank the Chair.

Mr. President, I support the measure wholeheartedly, as chairman of the Education Subcommittee, and am proud to have reported it to the floor from the Committee on Labor and Public Welfare. It is a small but much needed piece of legislation, and I would urge my colleagues to support it.

In this legislation we seek to aid, in a small way, the children and families of those public safety officers who have lost their lives in courageously fulfilling their duties of protecting the public, of being America's true first line of defense.

I believe we must do what we can to care for the children and families of those officers. This legislation demonstrates our support for those who must deal with crime day after day. I hope it will give these officers encouragement to keep up their valiant work and not to lose heart.

Col. Walter McQueeney, the chief of the Providence Police Department, testified before my subcommittee concerning S. 972 and his statement was one of the most moving speeches given that day. Two of Colonel McQueeney's children are serving as patrolmen today and a third one is contemplating law enforcement as a career. More painfully, Colonel McQueeney's godson was killed in the line of duty several years ago. For all these reasons, and because of his years as an outstanding police officer, he was an excellent spokesman for this cause. His eloquence and his experience cannot be surpassed.

The chief stated that many of the dependents of officers who are killed must rely on charity in order to pull through. Protection has already been extended to officers who are killed in the line of duty on Federal cases; however, there are many policemen and firefighters who do not receive such protection. More action is needed, and that is what we intend to do in this legislation.

This small bill would guarantee that the dependents of public safety officers killed in the line of duty would not have to lose their right to a postsecondary education because of their loss. It sets a maximum amount of $3,500 per year, which the Government will guarantee for the higher education of each of those dependents. I think the terrible personal loss a family suffers as a result of a death is tragic enough without compounding that injury with the loss of opportunity.

My reasons for supporting this bill, then, are twofold. On humanitarian grounds, I think that we should and must do all we can to help the victims of crime and those who must deal daily with the problem of crime. Second, my work on education is primarily concerned with personal development and advancement and I think we must do all we can to make sure that no opportunity is wasted to guarantee every student a full opportunity to a full education. This bill is a small step to help a few victims in our society, but it is crucial to them; and therefore, I think it is necessary for us to act.

There are certain qualifications which potential recipients must meet. They must be either children of spouses of the public safety officer, and they must have received the greater part of their support from that person. The definition of a public safety officer is clearly stated, and the circumstances of that person's death must occur while that person is in the performance of his or her duty. Finally, there are a set of requirements establishing the method by which the Commissioner of Education will carry out this act.

During the discussion of this bill in subcommittee, there were some issues raised by several Senators concerning the question of eligibility, the problem concerning any possible overlap of this program with existing programs, and the problems involved with administering this act. These questions have been answered and appropriate amendments were placed in the bill to produce the piece of legislation we have today. With these changes, then, the subcommittee and full committee reported this bill favorably to the full Senate.

I would especially like to compliment the senior Senator from Utah (Mr. MOSS) who has been the driving force behind this legislation and who provided its inspiration. This bill is the result of several years of work on his part, and whatever success it has is entirely due to him.

Once again, I urge my colleagues to act favorably on this bill. It is a needed piece of legislation, it is well designed, and it merits the Senate's full support.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. PELL. I yield as much time as the Senator from Utah wishes.

Mr. MOSS. Mr. Praesident, I commend the distinguished chairman of the Subcommittee on Education for the excellent work he did in conducting the hearings and in marking up and bringing forward the bill which is before us today.

I agree that it is a most important bill, because it offers to those that we ask to go into the service of law enforcement in our country an assurance that at least their families will have an opportunity for an education if they should be killed in line of duty; and, of course, this is a hazardous occupation.

We, I think, settled this problem rather thoroughly as far as the philosophical factors are concerned yesterday, in passing a bill that would provide for a lump sum payment to the survivors of a police officer or fireman or other public safety officer who lost his life in line of duty. This is one little added part, to say that his children shall have an opportunity to go to school.

This measure does make some slight distinction, because we are looking now to the youngsters and saying, "You shall not be penalized by reason of the fact that your breadwinner lost his or her life in line of duty in public service, and you will have an opportunity."

This is a sort of miniature GI bill, if you want to look at it in that way. We long ago decided that those who serve us in the military, when they return to civilian life, should have an opportunity to go to school if they so desire. This is a kind of a GI bill for the needs of police officers who lose their lives. Therefore, I think it is of extreme importance.

I think the estimate of the cost which the subcommittee chairman reported is minimal considering the size of this whole land of ours and the number engaged; even so, I think it is a very generous estimate. The first estimates that I received were much smaller than that, as to what would be the actual claim for scholarships.

This measure has the full support of all the public safety officers' organizations nationwide. It will, indeed, add morale to their ranks, and it will also enable us to appeal again to outstanding citizens to choose this service to their country, because they have one added assurance—that they are not going to leave behind a young family of dependents who will not be able to complete an education and be able to care for themselves economically when they become adults.

The enactment of this urgently needed legislation will provide both incentive and appropriate recognition for our public safety officers who daily risk their lives to preserve our society and to protect our lives and property.

Mr. President, S. 972 is intended to

establish a memorial to those who lose their lives while protecting the lives and property of the people of this Nation. However, the memorial to be established is intended also to be more than a passive tribute of appreciation; it is to be a memorial which will preserve the memory of each individual who loses his life while serving the public interest. The Public Safety Officers Memorial Scholarship Act is intended to assure those who serve for our protection that the opportunities for the future of their dependents, family, afforded by postsecondary education, shall not be lost or suffer because the officer had to give his life to preserve our safety and our society. Through this assurance we also serve the best interests of the Nation by making certain that each dependent is given every opportunity to advance to his or her fullest potential. The loss of a life is a terrible thing; that in itself is enough suffering for anyone to bear without having to suffer lost opportunity. S. 972 is intended to prevent any additional suffering by the dependents of a public safety officer, suffering caused by a lost opportunity as a result of the death of the breadwinner and insufficient finances to achieve a postsecondary education. More importantly, the bill will help to alleviate suffering by the public safety officer by removing one of the burdens of concern from his shoulders, the concern for his family's future opportunity should he lose his life while performing his duty. The Public Safety Officers Memorial Scholarship Act will meet this purpose by authorizing the U.S. Commissioner of Education to award scholarships for a prescribed, full-time course of study which will lead to an undergraduate degree at an eligible institution.

The memorial is established, as are all memorials, by granting a specified amount of money as a tribute. The bill sets $3,500 per year per individual recipient as the maximum amount sufficient to constitute a memorial tribute.

The memorial scholarship will be granted to the dependents of any public safety officer who "lost his life while engaged in the performance of his official duties."

Mr. President, the public safety officers are an absolute need to this Nation. It is their job to protect our lives and property at the risk of their own. From 1970 through 1974 there were 735 law enforcement officers killed in the United States and Puerto Rico. There have also been approximately 943 firemen who lost their lives during that same period of time. Thus far in 1976, there have been 12 police officers killed in each month through March. If that trend continues, there will be 144 law enforcement officers killed in our Nation in 1976, more than ever before—not a very fitting tribute to our Bicentennial year.

The public safety officers are the only public service professionals other than those of the military forces who are regularly required to risk their lives as a part of their job description.

Every law enforcement officer knows that he must face abuse as a part of his job, abuse which may easily turn to violent rage at any moment but he still performs the task of keeping the peace because the job must be done if we are to have an orderly society. Every fireman is keenly aware of the risks of entering a burning building, but each one will enter into a critical situation when it is necessary to save our property. Despite the necessary risks, those men and women who serve as public safety officers do so because of a dedication. They are public servants, and because of that they are paid salaries which are traditionally held low. But low salaries are not the major problem which is encountered by public safety officers. A part of being a public servant is to expect pay which is less than those in the private sector—it is a part of the dedication. However, public safety officers are being caught on both sides; not only do they receive a low salary but because of the high risk involved in their job, the rates for their life insurance policies are very often exorbitant. The combination of the low salary and the high insurance premium results in a vicious circle. The public safety officer must sacrifice pay in order to serve the community, but he also must sacrifice the future of his family. He simply does not earn enough money to pay the additional cost which is necessary for the high-risk insurance premiums. Police and firemen should not have to sacrifice both in salary and in benefits just because they are public servants. But they are doing so because of their desire to provide a better community in which each of us can live. To those who give their lives in this public service we owe some memorial tribute. We can best make that tribute by carrying out our responsibility to insure the future of the dependents of public safety officers—a future which is now often placed in jeopardy because the provider lost his life protecting the people and property of this Nation.

By providing a scholarship as a memorial we provide not only for the future of the officer's family, but also for the future of this Nation. In today's technical society we have now come to recognize that postsecondary education in the technical or scholastic areas is almost essential if one is to be productive both for the benefit of himself and the Nation. Providing a scholarship as a memorial opens the door to productivity—a door which should not be bolted closed by a financial inability to leverage it open.

Mr. President, the need for this legislation is well documented. It is expected that there will be some loss of life by those whose profession is to protect our safety, and we can expect public safety officers to continue to risk their lives to protect our lives and property; we can continue to expect that a number of the public safety officers will be killed because of this risk each year, but we certainly cannot expect them to continue to give their lives for our benefit and at the same time continue to provide the same quantity of protections that they have in the past unless we are willing to protect them in return. The memorial scholarship provides some of the protection which is so necessary to the well-being of the public safety officer, and ultimately to the welfare of the United States.

Mr. President, I yield back the remainder of my time.

Mr. PELL. Mr. President, I yield to the opposition, which is not represented here at the moment.

Mr. GRIFFIN. Mr. President, on behalf of the Senator from New York (Mr. JAVITS) I yield the Senator from Maine such time as he may require.

Mr. HATHAWAY. I thank the Senator.

Mr. President, I have no illusions about the inevitability of the passage of this measure. I originally intended, as I mentioned in my remarks yesterday, to move to recommit the bill to the Committee on Labor and Public Welfare; but I do not believe that such a motion would have any substantial support. However, I do think it is incumbent upon me, and I know there are others who feel the same way, to voice my objection to this measure and state the reasons for it.

There are several substantive reasons which I shall outline in detail below, but I also oppose the measure because, even notwithstanding its shortcomings, I believe the Senate action that was taken yesterday obviates the need for a program providing this particular type of survivor benefits to our Nation's public safety officers. I refer to the passage of H.R. 366, the Public Safety Officers' Benefits Act, as amended by the Senator from Massachusetts (Mr. KENNEDY) and by the author of this measure (Mr. MOSS).

Both of those amendments to the Public Safety Officers' Benefits Act I supported, and I am glad that they were enacted as a part of H.R. 366.

That bill, as we well know, will provide a $50,000 annuity to any public safety officer killed in line of duty. It will also make available to all such officers federally subsidized group life insurance at a reasonable premium.

The purported need for S. 972 is set out in the committee report accompanying the bill as follows:

> S. 972 is intended to prevent any additional suffering by the dependents of a public safety officer, suffering caused by a lost opportunity as a result of the death of the "breadwinner" and insufficient finances to achieve a post secondary education. More importantly, the bill will help to alleviate suffering by the public safety officer by removing one of the burdens of concern from his shoulders, the concern for his family's future opportunity should he lose his life while performing his duty.

I believe that H.R. 366, as amended in the Senate, more than adequately satisfies the need that is expressed in the committee report on this bill.

My opposition to S. 972 stems from more than just the lack of current need for the program it authorizes, however.

I believe the substantive provisions of this bill also raise several serious problems of equity, discrimination among public employees and among public safety officers, and national educational policy.

In opposing this bill, I think it is important to note that I do not intend to impugn the well-meaning intention of its sponsors. As much as any of my colleagues, I recognize the huge debt society owes to any individual who dies in the course of defending its laws, health, and safety. However, I find too many serious problems with the particular means of repaying that debt.

I recognize that several of my concerns were addressed by amendments during the consideration of this bill by the committee.

However, as the brief listing of questions below indicates, I still believe that it is inadvisable to enact this measure in its present form, even absent the Senate's earlier action on H.R. 366.

My substantive reasons for opposing S. 972 include the following:

The bill discriminates against other classes of Federal employees. Despite the hazardous nature of the job described in this measure, other classes of public employees are susceptible to death or injury on the job. Do we want to open the floodgates to provide scholarships to all of them? More important, can the Federal Government justify discrimination on behalf of one particular class of public employee?

Also, the bill fails to clarify its eligibility requirements. What classes of public safety officer are involved? It is not clear whether eligibility is to be limited to State and local employees. If the bill applies to Federal officers, does it apply to the FBI, the CIA, the Treasury/Secret Service, security guards, Capitol Police, and military police? Where is the line drawn? How does it interfere with laws establishing each of these agencies? Does it apply to special deputies who are hired for one day events only?

In addition, the bill provides only one type of death benefit. Is post-secondary education the only significant need of the dependents of public safety officers who are killed? What of other kinds of assistance, in areas where, unlike higher education, there might not be large-scale Federal programs to provide aid? By writing compensation laws piecemeal, program by program, as we would in this bill, we establish survivor benefits that vary from person to person even within the class. A policeman with several children is given the equivalent of a $100,000 life insurance policy, while a small family realizes much less.

The bill discriminates against policemen and firemen who are not killed. Such employees are often merely injured rather than killed, yet are left unproductive for the rest of their lives. Once we make the legislative decision to provide extraordinary benefits for public safety employees, how can we justify discrimination against the children of these severely injured officers? Or for that matter, why are we not specifically providing these benefits for injured officers, who often require education and/or retraining for themselves?

Also, the bill violates current concepts of federalism. If the law applies to public employees of State and local governments, is it the role of the Federal Government to circumvent State and local governments to provide direct benefits to employees of such governments? Is it even constitutional? What of governments that already provide such benefits? Are there any? Do we even know?

The bill interferes with State and local employee relations. Are we interfering in State and local government employment practices or the collective bargaining process by passing this legislation? Is it not possible that cities or States will be able to cite this "benefit" in attempts to hold down salary increases or, more to the point, in negotiations over the size and scope of their death and disability benefits? If the cost per officer could be determined in such a program, say, $100 per officer per year, would the individuals choose the benefit or would they choose the money?

What is more, the scholarship itself is discriminatory among students. By limiting it to full-time students, the proposal makes a distinction made nowhere else in student aid and one which runs counter to current trends, that is, to encourage combinations of work and study. Indeed, the son or daughter of a dead officer may have to work and attend school only on a part-time basis in order to support the surviving family. Yet, that student would not be eligible for the scholarship.

Also, eligibility for the scholarship bears no relation to need. Virtually all student financial aid provided by the Federal Government is for the purpose of providing higher education for students who could not otherwise afford it.

This program provides a benefit larger than any other college educational benefit we give—$3,500. Yet, it is entirely unrelated to need. Should that be the policy of this committee, even if we agree to single out public safety officers for special treatment? What if the spouse remarries long before the student needs to use the scholarship?

In addition, is Congress admitting that $3,500 is the minimum necessary to provide an adequate education, and that all other Federal aid is therefore inadequate? In that case, why do we not amend the limitation provisions of the BEOG program as well?

Or in the alternative, why do we not simply make these students eligible for basic grants, without reference to their need, rather than setting up a unique benefit far higher than any other governmental program provides?

As we can see, Mr. President, my objection to this bill is based on more than idle speculation or some obscure objection to benefits for public safety officers.

Indeed, I am not the least bit pleased to be forced to stand up here and speak against the apparent interests of a group whose work is so vital to our country.

As I mentioned earlier, I was a strong supporter of H.R. 366, and of the Kennedy group life insurance amendment as well the Moss amendment, which the Senate passed yesterday. I believe that those measures are more than adequate to solve the thorny problems faced by public safety officers in providing for their dependents and that the need for this bill must be reevaluated in light of the fact that we passed that measure with those amendments tacked onto it.

In conclusion, Mr. President, simply let me state that in view of the fact that H.R. 366 was passed yesterday, in view of the fact that it provides the $50,000 annuity as well as the low premium group life insurance to the same group of people that would be covered in S. 972, we have done well by public safety officers. All the deficiencies I have listed for this bill coupled with the fact that we have now passed H.R. 366, would indicate to my mind that S. 972 should not be enacted into law at this time.

I wonder if the sponsor of the bill would let me know what justification there is for this additional benefit, after yesterday's passage of H.R. 366 with the amendments that I mentioned. I am happy to yield to the Senator from Utah for that purpose.

Mr. MOSS. I am happy to respond to that, Mr. President, and I tried to address myself to it briefly before.

It seems a little strange to me that the Senator from Maine now objects to this after having been such a strong supporter of the bill that was on the floor yesterday, and he asks what reason is there for the bill now. That enables me to say that yesterday we passed a bill that would give a lump sum payment of $50,000 to the survivor of any peace officer killed in the line of duty.

If that peace officer happens to be an older man, has accumulated some estate, and all his children are married, $50,000 is probably quite adequate to take care of the widow in settling up the bills and getting squared away. But if that peace officer happens to be a man of 35, with a wife and four or five kids at home, $50,000 is not going to take care of that family for any length of time. It may settle some of the bills.

It may settle some of the bills, but what about those kids getting ready to go to high school and wanting to go on to college? Fifty thousand dollars is not adequate for them. Therefore, this is an equity matter.

It also ties into the social problems to which we addressed ourselves long ago in this body, to say that we should enable people to get an education wherever we can; and originally we singled out those who served us in war. This is broadening it to include the survivors of those who serve as peacetime officers and lose their lives in that service, and therefore the children should be benefited.

The PRESIDING OFFICER. The time in opposition to the bill has expired. Who yields time?

Mr. MOSS. I was answering the Senator's question.

Mr. PELL. We have 8 minutes remaining, I believe.

The PRESIDING OFFICER. The Senator is correct.

Mr. PELL. I yield to the distinguished Senator from Utah as much of that time as he desires.

The PRESIDING OFFICER. The Senator from Utah may proceed.

Mr. MOSS. I hope to be very brief, because I think we have fairly well dealt with the matter. The Senator from Maine largely repeated the objections that he stated in the minority views on the bill, which appear in the report. I think that heretofore response has been made to them, in answer to the objections or criticisms he has.

I believe the Senator from Maine acknowledges that the committee made some adjustments in order to clear up questions he had raised. The Senator from Maine said, "Why should we authorize such a large sum for scholarships for these survivors, at a $3,500-a-year ceiling?" I say to him that that is not beyond the usual amount. As a matter of fact, a GI can get up to $5,000 now for education, and HEW has given us a report and an estimate that the average cost for college education and support is now $4,000. So we are not high. In fact, I think we are a little low, and there will have to be some supplementing of that from other sources. But I think it is adequate to make sure that a survivor can go to school and with a little outside work or a little extra income will be able to do it on the amount that is authorized.

Finally, I should like to discuss the matter of discrimination. We are not discriminating against public employees. We are not discriminating against anybody else in passing this bill.

In the first place—and this is sort of humorous—it is like saying that the fellow who does not get killed is discriminated against because his kids do not get the help to go on to school, and the fellow who is the beneficiary and gets the benefits of this is the man who is killed in line of duty. I do not think it is at all discriminatory. It is when the breadwinner is removed that we say to these children, "You are going to have a chance to get an education."

In a time when we are concerned about peace officers and encouraging them to go into this service, to render the type of public protection we need in this country, this is a very small part of the great social program we have.

Mr. President, if the Senator from New York wishes a minute or two, I will be glad to relinquish the remainder of the time.

Mr. JAVITS. Mr. President, I have discussed this measure with Senator BEALL. I am the ranking member of the full committee, and Senator BEALL is the ranking member of the Education Subcommittee. He feels that the bill should be passed.

Mr. President, in voting for this measure, I would like to point out that the reported bill differs significantly from the original measure. During consideration by the Labor and Public Welfare Committee, I offered several amendments which were unanimously accepted. The purpose of these three amendments is to overcome the open ended and unlimited provisions of S. 972 as introduced.

The first amendment clarifies section 3(b), and prevents the Federal Government paying student twice for the same purposes. Under S. 972 as introduced, an individual student could get a full $3,500 award under this act, and also receive large amounts of Federal grants under other programs to pay twice for the same purposes. This amendment removes duplication only of grant awards authorized under the Higher Education Act. It does not affect eligibility for veterans or social security benefits belonging to an eligible individual, nor does it affect eligibility for federally subsidized work study or Federal loan program.

The second amendment perfects section 4(b). It mandates that the student use the funds received under this act for their intended purposes. No such requirement was contained in the original S. 972, so that a student receiving these funds could spend them for any purpose he chose. Students are allowed to spend moneys under this act for their living costs as well as tuition, books, and other costs of attendance as calculated in other student financial aid programs. Should a student spend proceeds under this act for purposes wholly outside seeking an education, he must then pay them back.

The final amendment specifies a dollar amount for appropriations. This amendment rewrites the appropriation authorization section in its entirety. Original authorization section provided in perpetuity for an unlimited amount of funds for purposes of this act. This amendment provides funds at a level 10 times the original cost estimates submitted by Senator Moss. It authorizes payments for each year until fiscal year 1982, when Higher Education Act, as amended by S. 2657, expires. The amendment also limits the total number of scholarships to 500 new awards each year, and a total of 1,000 scholarships in force during any year. These levels greatly exceed those suggested by Senator Moss, but provide an outside limit on the number of scholarships. As the original S. 972 provided no resources to operate the new program, this amendment provides that a small portion of the appropriation can be used for administration.

I feel these amendments were necessary in order to prevent distortion of the intent of this bill. I am pleased that the reported bill contains these reasonable constraints on the open ended provisions. Each intended recipient will be aided, but program abuses which have raised problems with other Federal programs of grants to students will be avoided.

As my colleagues know, I had the privilege of serving as attorney general in the State of New York prior to my service here in the Senate. A number of other Senators have likewise served their respective States as the chief law enforcement official. I am hopeful that this measure, as focused by my refining amendments included in the committee reported bill, will lead to better public safety for all our citizens.

I thank my colleague for yielding.

Mr. PELL. Mr. President, I am prepared to vote, and I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 972

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Safety Officers Memorial Scholarship Act".

DEFINITIONS

SEC. 2. As used in this Act the term—

(1) "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner;

(2) "actual cost of attendance" means, subject to regulations of the Commissioner, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Commissioner determines to be reasonably related to attendance at the institution at which the student is in attendance;

(3) "Commissioner" means the Commissioner of Education;

(4) "dependent child" means a child who is either living with or receiving regular support contributions from the public safety officer at the time of his death, including a stepchild, an adopted child, or posthumous child;

(5) "dependent spouse" means a surviving husband or wife living with or dependent for support on the decedent at the time of his or her death, or living apart for reasonable cause or because of desertion by the decedent;

(6) "dependent for support" means more than one-half of the support of the dependent concerned;

(7) "eligible applicant" means a dependent child or dependent spouse of a public safety officer as defined by (4) and (5) of this section, who has been accepted for enrollment at or is enrolled in an eligible institution;

(8) "eligible institution" means any such institution as defined under section 1201(a) of the Higher Education Act of 1965;

(9) "public safety officer" means a person serving a public agency, with or without compensation, as—

(A) a law enforcement officer, including a corrections or a court officer, engaged in—

(i) the apprehension or attempted apprehension of any person—

(I) for the commission of a criminal act, or

(II) who at the time was sought as a material witness in a criminal proceeding; or

(ii) protecting or guarding a person held for the commission of a criminal act or held as a material witness in connection with a criminal act; or

(iii) the lawful prevention of, or lawful attempt to prevent the commission of, a criminal act or an apparent criminal act or in the performance of his official duty; or

(B) a firefighter; and

(10) the term "State" means any State of the United States, the Commonwealth of Puerto Rico, and any territory or possession of the United States; and

(11) the term "unit of general local government" means any city, county, township, town, borough, parish, village, or other general purpose subdivision of a State, or any Indian tribe which the Secretary of the Interior determines performs law enforcement functions.

SCHOLARSHIPS AUTHORIZED

SEC. 3. (a) The Commissioner is authorized to award a scholarship to any eligible applicant having an application approved under section 4(a) for full-time undergraduate study at an eligible institution. Each applicant shall submit an application accompanied by a certification from the head of the agency which employed the public safety officer upon whom the applicant was dependent, stating that such officer lost his life while engaged in the performance of his official duties.

(b) The maximum amount of the scholarship award payable under this section shall not exceed the actual cost of attendance at the appropriate eligible institution to such applicant, or $3,500, whichever is less, for each academic year for which the scholarship is awarded, as determined by the Commissioner. This maximum amount shall be reduced when an eligible recipient is receiving grant assistance from certain Federal programs as specified herein, whenever the student's cost of attendance is $3,500 or less. The Commissioner shall reduce the maximum amount of $3,500 or the actual cost of attendance, whichever is less, by subtracting any grant awards made or to be made for that academic year for programs authorized or funded, wholly or in part, by subparts 1, 2, and 3 of part A, title IV, of the Higher Education Act of 1965, as amended.

(c) The duration of a scholarship award under this Act shall be the period required for the completion by the recipient of the award of his undergraduate course of study, or other appropriate course of study at an eligible institution. That period shall not exceed four academic years except where the Commissioner determines that the student is enrolled in a degree program which normally requires more than four academic years for a baccalaureate degree, in which event such period shall not exceed five years.

(d) (1) The Commissioner shall notify both the eligible applicant and the eligible institution in which the applicant is enrolled or has been accepted for enrollment of the award of a scholarship under this Act.

(2) A separate determination shall, on the basis of the latest available information, be made as to the eligibility of a student for, and the amount of the award to be made under this Act, for each academic year of its duration.

(3) The Commissioner shall, in accordance with agreements pursuant to section 5, utilize the services and facilities of eligible institutions as fiscal agents for paying to students attending such institutions the amounts, if any, to which such students have been determined, with respect to each academic year, to be entitled under this Act.

ADDITIONAL AWARD REQUIREMENTS AND LIMITATIONS

SEC. 4. (a) No payment shall be made to an eligible applicant under this Act unless an application therefor is made by such applicant containing such information as the Commissioner may reasonably require together with the certification required under section 3(a) of this Act.

(b) A student awarded a scholarship grant under this Act shall continue to be entitled to that grant only if such student (1) is maintaining good standing in the course of study which he is pursuing according to the regularly prescribed standards and practices of the eligible institution which he is attending, (2) devoted himself full time to such course of study during the academic year in attendance at an eligible institution, except that failure to be at an eligible institution during periods of vacation, military service, and such other periods as the Commissioner determines are good cause for nonattendance, shall not be considered contrary to the requirements of this clause, (3) expends all funds under this Act for the purposes used in the determination of actual costs of attendance, as defined in section 2(2) of this Act.

(c) Failure to comply with requirement (b)(3) of this section shall create a debt to the United States by that student in the amount which was not expended on actual cost of attendance.

(d) No payment shall be made to an eligible applicant under this Act—

(1) if the death of the public safety officer was caused by the intentional misconduct of that officer or by such officer's intention to bring about his death; or

(2) to any person who would otherwise be entitled to a benefit under this Act if such person's actions were a substantial contributing factor to the death of the public safety officer.

AGREEMENTS WITH ELIGIBLE INSTITUTIONS

SEC. 5. (a) For the purpose of this Act, the Commissioner is authorized to enter into agreements with eligible institutions in which any student receiving a scholarship award under this Act has enrolled or is accepted for enrollment. Each such agreement shall—

(1) provide that an eligible institution will cooperate with the Commissioner in carrying out the provisions of this Act;

(2) provide that the institution will periodically conduct a review to determine whether students enrolled and receiving a scholarship award under this Act continue to be entitled to payments under such grants and the amounts of such payments;

(3) provide for the authorization of such institution as a Federal agent for payments to students under this Act;

(4) provide for such Federal control and accounting procedures as may be necessary to assure proper disbursement of and accounting of funds paid under this Act; and

(5) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this Act.

(b) The Commission is authorized to pay a cost of agreement allowance to any eligible institution in which a student receiving a scholarship award was enrolled during an academic year ending during any fiscal year after June 30, 1976. With respect to each such student, such allowance shall be an amount equal to $15. The Commissioner shall prescribe regulations to insure that a student who received payments pursuant to a scholarship grant during an academic year in more than one institution is not counted more than once for the purpose of computing the cost of agreement allowance to which each such institution is entitled under this section.

APPROPRIATIONS AUTHORIZED

SEC. 6. There is authorized to be appropriated $1,750,000 for the fiscal year ending September 30, 1977 and $3,500,000 for each of the succeeding fiscal years ending prior to October 1, 1982, to carry out the provisions of this Act. The Commissioner may reserve up to 10 per centum of the appropriated funds in fiscal year 1977 and up to 5 per centum in succeeding fiscal years for the purposes of administering this Act. The award of scholarships authorized in this Act shall be limited to not greater than five hundred new scholarships in any fiscal year, and not greater than one thousand scholarships, including new and continuing awards in any fiscal year.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. BUMPERS). Without objection, it is so ordered.

REFERRAL OF S. 3655 TO COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Appropriations be discharged from further consideration of S. 3655 and that the bill be referred to the Committee on Interior and Insular Affairs.

This is a bill to clarify and reaffirm the intent of Congress with respect to the transmission and sale of electric power and energy generated or purchased in the southwestern power area.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 975, 976, and 978, the last three items on the calendar which, I understand, have just been cleared on the other side.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

VIRGIN ISLANDS CONSTITUTION

The Senate proceeded to consider the bill (H.R. 9460) to provide for the establishment of a constitution for the Virgin Islands, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That the Congress, recognizing the basic democratic principle of government by the consent of the governed, authorizes the people of the Virgin Islands to organize a government pursuant to a constitution of their own adoption as provided in this Act.

SEC. 2. (a) The Legislature of the Virgin Islands is authorized to call a constitutional convention to draft, within the existing territorial-Federal relationship, a constitution for the local self-government of the people of the Virgin Islands.

(b) Such constitution shall—

(1) recognize, and be consistent with, the sovereignty of the United States over the Virgin Islands, and the supremacy of the provisions of the Constitution, treaties, and laws of the United States applicable to the Virgin Islands, including, but not limited to, those provisions of the Organic Act and Revised Organic Act of the Virgin Islands which do not relate to local self-government;

(2) provide for a republican form of government, consisting of three branches: executive, legislative, and judicial;

(3) contain a bill of rights;

(4) deal with the subject matter of those provisions of the Revised Organic Act of the Virgin Islands of 1954, as amended, which relate to local self-government; and

(5) provide for a system of local courts consistent with the provisions of the Revised Organic Act of the Virgin Islands, as amended.

SEC. 3. The members of such constitutional convention shall be chosen as provided by the laws of the Virgin Islands (enacted after the date of enactment of this Act): *Provided, however,* That no person shall be eligible to be a member of the constitutional convention, unless he is a citizen of the United States and qualified to vote in the Virgin Islands.

Sec. 4. The convention shall submit to the Governor of the Virgin Islands a proposed constitution for the Virgin Islands which shall comply with the requirements set forth in section 2(b) above. Such constitution shall be submitted to the President of the United States by the Governor of the Virgin Islands.

Sec. 5. Within sixty calendar days after the date on which he has received the constitution, the President shall transmit such constitution together with his comments to the Congress which may modify or amend the proposed constitution. As approved by the Congress, the constitution shall be submitted to the qualified voters of Guam for acceptance or rejection through an islandwise referendum to be conducted as provided under the laws of the Virgin Islands (enacted after the date of enactment of this Act). Upon approval by not less than a majority of the voters participating in such referendum (counting only the affirmative or negative votes), the constitution shall become effective in accordance with its terms.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

GUAM CONSTITUTION

The Senate proceeded to consider the bill (H.R. 9491) to provide for the establishment of a constitution for Guam, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That the Congress, recognizing the basic democratic principle of government by the consent of the governed, authorizes the people of Guam to organize a government pursuant to a constitution of their own adoption as provided in this Act.

Sec. 2. (a) The Legislature of Guam is authorized to call a constitutional convention to draft, within the existing territorial-Federal relationship, a constitution for the local self-government of the people of Guam.

(b) Such constitution shall—

(1) recognize, and be consistent with, the sovereignty of the United States over Guam, and the supremacy of the provisions of the Constitution, treaties, and laws of the United States applicable to Guam, including, but not limited to, those provisions of the Organic Act of Guam which do not relate to local self-government;

(2) provide for a republican form of government consisting of three branches: executive, legislative, and judicial;

(3) contain a bill of rights;

(4) deal with the subject matter of those provisions of the Organic Act of Guam, as amended, which relate to local self-government;

(5) provide that the voting franchise may be vested only in residents of Guam who are citizens of the United States; and

(6) provide for the establishment of a system of local courts the provisions of which shall become effective no sooner than upon the enactment of legislation regulating the relationship between the local courts of Guam with the Federal judicial system.

Sec. 3. The members of such constitutional convention shall be chosen as provided by the laws of Guam (enacted after the date of enactment of this Act): *Provided, however,* That no person shall be eligible to be a member of the constitutional convention unless he is a citizen of the United States and qualified to vote on Guam.

Sec. 4. The convention shall submit to the Governor of Guam a proposed constitution for Guam which shall comply with the requirements set forth in section 2(b) above. Such constitution shall be submitted to the President of the United States by the Governor of Guam.

Sec. 5. Within sixty calendar days after the date on which he has received the constitution, the President shall transmit such constitution together with his comments to the Congress which may modify or amend the proposed constitution. As approved by the Congress, the constitution shall be submitted to the qualified voters of Guam for acceptance or rejection through an islandwide referendum to be conducted as provided under the laws of Guam (enacted after the date of enactment of this Act). Upon approval by not less than a majority of the voters participating in such referendum (counting only the affirmative or negative votes), the constitution shall become effective in accordance with its terms.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

NEGOTIATION OF VOLUNTARY RESTRAINTS ON PALM OIL IMPORTS

The Senate proceeded to consider the resolution (S. Res. 487) relating to the negotiation of voluntary restraints on palm oil imports into the United States.

INCREASING PALM OIL IMPORTS

Mr. HUMPHREY. Mr. President, I am happy that the Senate is taking up Senate Resolution 487, relating to the negotiation of voluntary restraints on palm oil into the United States.

PURPOSES

The purposes of this resolution are first, to request the President to initiate negotiations with nations exporting palm oil to the United States in order to limit such exports voluntarily; second, to request the International Bank for Reconstruction and Development and other development agencies to review the impact of their assistance for increasing agricultural production in developing countries on agricultural adjustment in other nations; and third, to insure that assistance for agricultural development in developing countries is directed primarily at the relief of hunger and malnutrition.

Our producers have become increasingly concerned with the rising volume of palm oil imports in recent years. Soybean and cottonseed producers have rightly become concerned over the impact which continuing sharp import increases will have on domestic markets. For calendar year 1975, palm oil imports into the United States are expected to total approximately 400,000 metric tons or more than double the volume of the previous year. This means that the United States will absorb almost three-fifths of the increase in palm oil exports.

Domestic use of palm oil in the United States has risen sharply—from 124 million pounds in 1970 to 870 million pounds in 1975. Eighty-five to 90 percent of these imports go into shortening. Though still relatively small, use is up also in margarine and in cooking oil manufacture.

American oilseed production represents an important and strong component of our farm economy. Production of vegetable oil in the United States is mostly from soybeans and cottonseed. Vegetable oil accounts for nearly 75 percent of our total production of fats and oils. Over 10 percent of the total United States farm income is earned from the production of oilseeds, and about 15 percent of the total United States cropland is devoted to the production of oilseeds. Clearly, the strength of our oilseed economy is essential to the health of our overall economy.

American oilseeds, particularly soybeans, directly compete with imported palm oil for the domestic vegetable oil market.

World palm oil production has increased dramatically over recent years. Total world palm oil production rose from 1.7 million metric tons in 1970 to an estimated 3.2 million metric tons in 1976. During this period, palm oil has increased its share of the world market for fats and oils from 4.3 percent in 1970 to 6.3 percent in 1975.

Palm oil is produced in Malaysia, Indonesia, Zaire, Nigeria, Ivory Coast, Dahomey, and Cameroon. More than 50 percent of palm oil production is accounted for by Malaysia.

Over 60 percent of palm oil production moves in world trade. The United States represents the largest importer of palm oil, with 25 percent of total world imports.

A substantial share of the expansion of world palm oil production is the result of international development assistance programs. The International Bank for Reconstruction and Development (World Bank) has loaned $272 million for palm oil projects in nine countries. The combined output of palm oil as a result of these projects is expected to be 430,000 metric tons for 1980 and 610,000 metric tons for 1985. About 75 percent of the palm oil from World Bank supported projects moves into world trade. Other international lending institutions have also financed the production of palm oil, most of which is for export from the producing nations.

The United States is the only entirely open major import market for palm oil, where no quotas or customs duties are imposed. The expansion of palm oil production is projected to be 2.6 million tons by 1985, of which 2.3 million tons will be exported. And if present trends continue, the United States will continue to absorb a disproportionate share of increases in world palm oil exports, and palm oil may displace 10 percent or more of the potential growth of soybean and cottonseed oil markets in the United States.

On May 6, 1976, the Senate Committee on Agriculture and Forestry reported Senate Resolution 444. The resolution instructed the International Bank for Reconstruction and Development to: First, direct its loan activities in underdeveloped countries to the production of food and fiber neded internally to prevent starvation and to upgrade the diets of all their citizens, and second, cease further encouragement of palm oil production for export so long as the United States remains the only entirely open major import market for palm oil. On May 11, 1976, the Senate passed Senate Resolution 444.

This resolution goes further to request Presidential action on the negotiation of voluntary restraint agreements with exporting nations; to request the International Bank for Reconstruction and Development and other development agencies to review their policies in regard to agricultural production assistance; and to insure that assistance for agricultural development in the developing countries is directed primarily at the relief of hunger and malnutrition.

I also believe that the World Bank and other development agencies should review all of their lending activities with respect to agricultural production assistance to assure that such aid is directed primarily at the relief of hunger and malnutrition.

Mr. President, I urge the Senate to adopt Senate Resolution 487.

The resolution (S. Res. 487) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas imports of palm oil into the United States have increased sharply over recent years; and

Whereas palm oil imports compete with American oilseeds for domestic vegetable oil markets; and

Whereas the continuation of this trend of increasing palm oil imports could displace a major share of United States vegetable oil markets, adversely affecting the income of American producers; and

Whereas the United States represents the only entirely open major import market for palm oil; and

Whereas the International Bank for Reconstruction and Development and other multilateral organizations have encouraged the production of palm oil by loans to support its production and processing; and

Whereas the Senate adopted S. Res. 444, expressing the sense of the Senate that the International Bank for Reconstruction and Development cease further encouragement of oilseed production for export; and

Whereas the primary policy of the United States in its assistance to agricultural development in the developing world should be to encourage the production of basic food crops for the benefit of the indigenous population of such nations; and

Whereas a strong and viable American farm economy is essential to assuring world food security in light of the growing deficit in the developing world; and

Whereas effective action should be taken by the United States Government to provide relief to American producers: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the President initiate discussions leading to negotiations with other nations to restrain the growth of palm oil imports into the United States;

(2) the International Bank for Reconstruction and Development and other development agencies make a careful analysis of the impact of support of the production in developing countries of specific agricultural commodities for export on agricultural adjustments in other nations; and

(3) the United States and multilateral development agencies take steps to insure that the resources available for agricultural development in the developing nations of the world are directed primarily at the relief of hunger and malnutrition in those countries rather than the export of agricultural commodities in competition with American producers.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to (1) the President; (2) the Secretary of State; (3) the Secretary of Agriculture; and (4) the President of the International Bank for Reconstruction and Development.

HOUSING AUTHORIZATION ACT OF 1976—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I submit a report of the committee of conference on S. 3295 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3295) to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain housing programs under the National Housing Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of June 25, 1976, beginning at page 20603).

The PRESIDING OFFICER. Debate on this conference report is limited to 1 hour to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Texas (Mr. TOWER).

Mr. PROXMIRE. Mr. President, it is my understanding that the Senator from Texas and the Senator from Massachusetts, both of whom are ranking members of the committee and are interested in the legislation, could not be here, unfortunately, at the time. I discussed this just a minute ago with Senator BROOKE on the phone, and I understand that Senator GARN will be able to speak for the minority on this conference report, and we will only take a few minutes.

Mr. President, the issue before us is approval of the conference report on S. 3295, the Housing Authorization Act of 1976.

The conferees met on this bill on three different occasions, and have reached what I consider to be a very good compromise of the provisions of the Senate and House bills.

Probably the most controversial issue in conference was the Senate bill's set-aside authorizations for spending on public housing and section 8 leased housing. The Senate bill required that at least $465 million of these funds be used for newly constructed or substantially rehabilitated units and that at least $200 million of this amount be used for new conventional public housing.

The Senate established these and other mandatory funding categories in the bill in response to continuing difficulties in getting HUD to honor congressional directives for using housing funds on newly built housing and on conventional public housing. Instead, HUD prefers to emphasize existing housing to provide most assistance through the section 8 program, which utilizes private builders rather than local housing agencies. The result of these two tendencies on HUD's part has been very little new construction, and really very little housing assistance at all because section 8 has been very slow getting off the ground.

On the Senate bill's general set-aside for new construction funding, the House conferees seemed to agree with the provision's intent but felt that the earmarking approach was too rigid. The conferees adopted instead a compromise which requires that HUD allocate funds for new, rehabilitated, or existing housing in proportion to the amounts which localities ask for in the housing assistance plans which they submit under the community development program. Under this approach, neither HUD nor the Congress would be imposing its own goals on local communities but would instead be letting them decide what they need for themselves. This compromise raised concerns in some of us because of past indications that HUD has exerted pressure on localities to ask for existing rather than new housing in their plans. However, the joint statement of managers on the conference report directs HUD not to engage in this kind of influence, and I believe the plan will work well.

The compromise language is acceptable to HUD, and should be a good approach to insuring that communities get as much new construction funds as they really need.

On the second Senate set-aside for funding $200 million in new conventional public housing, the conferees accepted the earmarking principle. Here again, the problem has been HUD's demonstrated reluctance to fund public housing which, despite a few well-known failures, has been a tremendously successful and productive program. A recent Library of Congress study showed that public housing is far less costly than section 8, and we know that people all over the country are on waiting lists to get into public housing units.

The House-passed bill had no public housing set-aside, and the conferees compromised on a figure of $140 million, of which $100 million must be for new construction in addition to $17 million for new public housing for American Indians.

I am aware that there is some concern in the administration about conflicting language between this provision and the HUD appropriation bills which have passed the Senate and House. As Chairman of the HUD Appropriations Subcommittee, I feel confident that the conferees on that bill will be able to reach an accommodation which both preserves the need to mandate new public housing and at the same time satisfies HUD's concerns about the funding level and the need for consistency between the authorizing and appropriations bills.

The Senate bill also contained a funding set-aside limiting the amount of public housing and section 8 funds which HUD could use for "bailing out" the many existing FHA multifamily projects which have been foreclosed or are in default. Here again, HUD has proposed to handle this problem by siphoning off section 8 funds and thus reducing the amount available for new housing.

The conferees felt, however, that the conference report's preservation of a public housing set-aside and use of local housing assistance plans for allocating funds will prevent a serious erosion of the section 8 funds. The FHA bail-out limit has, therefore, been dropped from the conference report.

The conferees accepted other amendments to the public housing and section 8 programs. These include funding at virtually the Senate levels for public housing modernization and operating subsidies, a number of provisions to help get section 8 off the ground, and a provision exempting housing assistance payments from counting under the Social Security Act as income applied to SSI payments.

Let me turn now to the highlights of some of the other features of the conference report.

The conferees deleted the $200 million which the Senate bill provided for homeownership assistance under the section 235 program on the grounds that moneys carried over from previous years will be adequate to fund this program. The conference report does increase mortgage and income limits which were needed to make the 235 program work under today's market conditions and includes provisions from the Senate and House bills allowing 235 assistance for certain mobile homes.

The conferees also extended for a year the section 236 rental program which was the main predecessor of section 8, and allowed increased mortgage limits for FHA multifamily housing.

The Senate and House both addressed the need for replenishing the FHA insurance funds which have been depleted by losses under the section 221 high-risk lending program. The conferees accepted the House approach, which makes a direct $500 million authorization for this purpose.

The conference report contains a number of amendments to HUD's coinsurance program, which is offered by FHA as a way of inducing lenders to take on part of the processing, risk, and premiums for FHA loans. The current amendments, most of which were contained in the Senate bill, are primarily designed to facilitate the use of the program by State housing finance agencies as a way of spurring their lending activity.

The Senate bill contained a provision extending the current program for compensating certain homeowners with FHA-insured mortgages for defects in their houses. The conferees accepted an interim extension of the current program, but replaced the provision calling for a permanent and more comprehensive program with a requirement that HUD study the need for a feasibility of a further program to deal with this FHA problem.

I am pleased to be able to report that the conferees accepted provisions substantially expanding the section 202 program of loans for elderly and handicapped housing. The conference report provides for $2.5 billion in loans over the next 3 years and incorporates a Senate provision lowering the program's interest rate formula to the rate on the outstanding Federal debt. This latter change was critical to insuring the workability of the program. The conferees also accepted a House provision requiring that the 202 loan level be approved in appropriations acts, but rejected a House provision removing the program's off-budget status. Section 202 is one of the most popular, workable and needed housing programs, and I think that the boost which we are giving it here is one of the most important features of this bill.

The conferees accepted the House bill's figure of $100 million for section 312 rehabilitation loans in recognition that the Senate's $150 million was above both the Senate and House appropriations bills.

The conference extended the Government National Mortgage Association tandem plan program, which provides low-rate loans on owner-occupied and rental housing. The program has been amended, however, to set a sales price limit on single-family homes in order to prevent the use of the program by buyers of high-priced homes.

The conferees accepted a number of provisions from both the Senate and House bill amending the Federal flood insurance program. These exempt certain existing properties from the program's sanctions which prevent noncomplying areas from getting loans for the sale or improvement of homes, small businesses, and farms. The conference report also authorizes funds to expedite HUD's surveying of flood-hazard areas and provides an extension of the emergency program which allows communities to receive insurance before the surveys are complete.

The conference report contains many other provisions: funding for urban homesteading, the National Institute of Building Sciences, and comprehensive planning assistance; Senate confirmation of the GNMA president; a formula for allocating a shortfall of community development funds; a limit on HUD's research funds; a study on the effectiveness of homebuyer counseling, and many others.

I believe, Mr. President, that the conference report is a very good bill. It maintains the primary concerns expressed in the Senate bill, that HUD be required to use the housing assistance funds we make available for the purposes we expect: new construction to keep up the housing supply and provide jobs, public housing to meet the needs not yet being met by the section 8 program, a high level of activity under the elderly housing program, and many others. These requirements have been framed in a reasonable and workable way, and I believe the bill's enactment will be a strong step toward meeting our housing goals.

Mr. WILLIAMS. Mr. President, it is my understanding from the discussion of the conferees that the new interest rate formula established for section 202 sponsors under S. 3295 will apply to projects receiving loans under the fiscal year 1976 borrowing authority, as well as future projects developed under this program.

Would that be the interpretation of our distinguished chairman also?

Mr. PROXMIRE. Yes; that is correct.

Mr. GARN. Mr. President, Senator TOWER, the ranking member of the Banking Committee, is not able to be here so, at this time, I would like to read a statement into the RECORD in his behalf.

Mr. President, both the Senate and House passed bills which authorized $850 million for public housing programs, which was within HUD's request. The House bill contained no set-asides, and the Secretary was to use the funds in the best possible manner in order to provide housing for lower income families.

The Senate, however, provided that at least $200 million of the $850 million was to be used for new construction in programs other than the section 8 public housing program—that is, the turnkey and conventional programs. This is a provision I opposed at the time. Our primary concern should be to provide housing for lower income families. We should, wherever practicable, use existing housing units to accomplish this. It would seem to me to be a tremendous waste to build new units in cities where vacancy rates are high, and perfectly good units exist.

There is no question that new construction is needed where vacancy rates are low. And, it is my expectation that the Secretary will authorize new construction of such units. In fact, to date, HUD has approved reservations for 78,000 new units under the section 8 program.

What is at issue here is whether new units should be built under section 8 or under the traditional public housing programs—turnkey or conventional. The Senate bill said we should have a specific set-aside for traditional public housing and mandate that it be spent. The House committee, when it reported the bill, provided for set-asides, but by an overwhelming vote on the floor, removed all set-asides. In their wisdom, they said "yes," new construction will be needed in certain areas, but we would tremendously hamper public housing production if we mandated that a certain amount should be spent in a certain program.

Mr. President, we all know about the problems and inequities that could result when we follow this course of action. Some communities that do not want the program might get it forced down their throats. Some communities that have much good, solid empty housing might have to build more. Some communities that want to use the Section 8 program for new construction, and there is evidence that many do, as 78,000 units have been approved so far, might be forced to forego their commitments and completely switch gears, because the Secretary will have to spend money on traditional public housing programs, and their community will have been selected.

What happens to all the processing that has occurred? What does it mean in further delays to those who desperately need housing, because all the HUD personnel that processed section 8 new construction applications will now have to completely reorient themselves, as they will be the same ones who will have to process the turnkey and conventional applications. Such changes, regardless of what we in Congress might hope for, cannot be made overnight. In fact, it will take months to implement. All applications from the private sector, which is what section 8 is geared to, will have to be returned. The local housing authorities will have to pass resolutions at city council meetings, many citizen participation hearings will have to be held, LHA's will have to advertise for several weeks for proposals, sites will have to be evaluated and selected, and a host of other time-consuming activities will have to occur.

I submit that this will do more to further delay public housing production than anything we can do short of cutting off all funds completely.

Mr. President, I personally do not object as strongly as HUD might to the traditional public housing programs. In Texas, they have produced much good housing. But, in many other cities and States, they have been disasters. There is no control over operating costs which seem to be soaring every year. It must be noted that because they do require operating subsidies, this is proof alone that these projects are not working as originally planned. These programs were designed so that all expenses would be covered by income derived from rentals and an annual HUD contribution to assist the project. That was it. No other funding was anticipated. And then management problems began to crop up. Expenses soared for a variety of reasons.

So, when we mandate that we spend a specific sum for conventional public housing, let us not deceive ourselves. The amount we authorize will only be part of the total price that will have to be paid. If we authorize $100 million, this means we will have to spend $100 million for 40 years or $4 billion. But, this is only part of the total expense. We are afraid to admit it, but we must. The design of the program is such that no longer will this $4 billion be sufficient, along with rental income, to pay for these projects. We must add to that a figure that will be in the billions of dollars, which will be needed for operating subsidies.

Would it not be better to not mandate this course of action? Would it not be better to allow the use of the traditional public housing programs only where and when they are needed?

I think all of us agree that we must work together, HUD and the Congress, to provide programs and proper funding.

While I question some of the provisions in the conference report, I think the conference committee has made substantial improvement over the Senate passed version. While I could not support the Senate bill, overall, I think the conference report offers an acceptable approach to provide decent housing to those who truly need assistance.

Mr. President, that completes the statement of the Senator from Texas.

On my own behalf, as a member of the Subcommittee on Housing, the chairman of the committee very well knows my opposition through long hearings, through the markup, the conference committee report, and I will not take his time or the time of the Senate to reiterate that position.

On behalf of the minority, I will not ask for a rollcall vote, a voice vote will be sufficient. However, I would like it shown in the RECORD that if a rollcall vote were held, the Senator from Utah would vote against the conference report.

Mr. HUMPHREY. Mr. President, I rise today to support the conference report on S. 3295, a bill to amend the Housing Act of 1937. This conference report will make a major contribution to improving the effectiveness of Federal Government housing programs. It reemphasizes the importance of constructing new low- and moderate-income housing units, it strengthens our housing rehabilitation programs, it revitalizes our public housing programs, and it expands our housing programs for the elderly and handicapped. It is a good first step toward the development of a national housing policy.

No sector of our economy has suffered more than the housing industry in the last 3 years. Today, even after 1 year of recovery, housing starts are at levels that are one-half the rate necessary to meet our housing goals. Unemployment in the construction industry is above 15 percent nationally, and in many areas, construction unemployment is much higher. New construction of multifamily housing has slowed to a trickle. And low- and moderate-income housing construction is almost nonexistent. No doubt there is a great need for strengthening our national housing programs.

But why should we be concerned about the lack of strength in the housing industry? Why should we pass this legislation that strengthens our commitment to our housing goals? In my opinion, there are several good reasons.

First, a vigorous recovery in the housing industry is absolutely essential to a vigorous and sustained recovery in our national economy. In past recovery periods, housing has been the sector that led our economy out of the depths of recession. This year, while the housing industry has bounced back somewhat, the housing recovery simply has been inadequate. Obviously, the construction industry has been affected. But the im pact goes well beyond the construction industry. Durable goods industries that make household appliances, lumber companies, steel companies, and many other industries all will be affected adversely. That is why it is essential to have Government policies that support a vigorous housing recovery.

Second, higher rates of housing construction are needed to fight inflation. As housing becomes more scarce, our citizens are forced to pay more for the housing that is available. This is what has happened in the last 3 years. Housing prices have risen out of reach of many American families, simply because there is not enough supply. So we need more vigorous housing policies to reduce the price of housing.

Third, more vigorous housing policies and programs are needed to increase the amount of housing available for our low and moderate income families. These families count on a large supply of housing so that they can improve their conditions by trading up into better units. This process has been hindered in the last 3 years by the depression in the housing industry.

Finally, a vigorous housing recovery is needed to turn our national housing goal of a decent home in a suitable living environment for every American family into reality. Without new construction many American families are forced to live in overcrowded housing units and many substandard units that are in need of replacement remain in use. So a vigorous housing recovery will improve the living conditions of the American people.

The conference report that we have before us today is a good first step down the path of housing recovery. It urges HUD to strengthen the new construction component of the Section 8 program so our housing supply is expanded. It strengthens the section 312 rehabilitation program so that deteriorated, but structurally sound units can be restored. It expands the section 202 program which provides housing for the elderly and the handicapped. And it improves the section 235 program, section 236 program and our public housing strategies to expand the supply of low- and moderate-income housing. It will make a much needed contribution to the revival of our housing industry.

Mr. President, the conference report before us today is a sound bill and a needed one. It represents months of hard work by many of our colleagues on both sides of the aisle. I urge all of my colleagues to support it.

Mr. MUSKIE. Mr. President, the Senate is now considering the conference report on the Housing Amendments of 1976. This bill continues a number of current housing programs and authorizes significant new budget authority for them. A primary objective of these programs is to stimulate new housing construction and thereby increase both housing supply and employment in the construction industry.

Providing the opportunity for decent housing at reasonable costs for all citizens of the United States is a goal shared by all Members of Congress.

In passing the First Budget Resolution, Congress affirmed its determination to overcome recession, reduce unemployment and to relieve the condition of disadvantaged citizens.

This legislation authorizes an important stimulus to the housing industry and speaks to the country's need to provide housing for citizens of low income and the elderly.

We should note that S. 3295, the authorizing legislation that is before us today, if fully funded would provide $2.6 billion more in budget authority than assumed in the First Budget Resolution.

However, on June 26 the Senate passed

the fiscal year 1977 appropriations for these programs administered by the Department of Housing and Urban Development. The HUD appropriation bill was brought to the floor well within the allocation made to the subcommittee in accord with section 302(b) of the Budget Act. As passed by the Senate, appropriations for housing programs are $7 billion less in budget authority than assumed in the first budget resolution. I commend the distinguished chairman of the Appropriations Subcommittee, Mr. PROXMIRE, for the fiscal restraint exhibited in that bill.

Supplemental requirements for housing stimulus funds will depend on the state of the economy, the housing industry and the money markets and cannot be predicted at this time. Should supplemental budget authority be necessary, there still remains some room within the HUD appropriation subcommittee's allocation under section 302(b) of the Budget Act to accommodate it.

Because of the spending restraint that is reflected in the appropriation bill for the programs authorized by S. 3295, I will not oppose this conference report despite the fact that the level of funding that is authorized is well above the assumptions of the first budget resolution.

Mr. BROOKE. Mr. President, the distinguished Senator from Wisconsin has made his statement outlining the provisions of the Housing Authorization Act of 1976 in the conference report. I would just like to highlight some of the significant objectives of this bill.

The bill provides $850 million in new contract authority for the public housing and section 8 programs. Of this amount, the conferees agreed to allocated at least $140 million for traditional public housing. At least $100 million of the $140 million is made available only for new construction and substantial rehabilitation of public housing. This specific authorization for construction of public housing will provide decent housing for low-income families. It has been shown that the cost of conventional public housing is less than other Government housing subsidy programs. This authorization will direct HUD's efforts into the development of needed new public housing units and provide jobs for the depressed multi-family construction industry.

The bill further provides $60 million for the modernization of existing public housing. The expenditure of funds for modernization is a sound investment to preserve thousands of basically sound public housing units, and extend their useful life by many years.

Operating subsidies are essential to provide sufficient funds to maintain our stock of public housing units. Inflation, high fuel and maintenance costs, and the limited incomes of tenants, particularly elderly tenants on fixed incomes, have had a severe impact on local public housing authorities. This bill provides $576 million for public housing operating subsidies.

This bill also includes $100 million for the section 312 rehabilitation program which has been a particularly successful program in many cities, including Boston. This program provides for long-term loans at below market interest rates to owners of properties in urban renewal or code enforcement areas and is an essential part of our cities' neighborhood preservation programs.

The coinsurance provisions in the bill will make possible FHA loan coinsurance for mortgages originated by State housing finance agencies. These provisions are especially important to the Massachusetts Housing Finance Agency. I believe that the authority conferred upon HUD by these provisions will make a viable coinsurance program possible in Massachusetts and many other States which have housing finance agencies.

The bill provides an authorization of $2.5 billion over 3 years for the section 202 loan program for housing for the elderly and handicapped. This additional authority will make possible the funding of loan applications which have already been received by HUD but have not been funded during this year.

This program has had a tremendous response from across the country and reflects the fact that there is a great need for decent housing and services for our elderly and handicapped citizens.

An authorization of $200 million is provided as a set-aside out of community development funds for small cities in metropolitan areas and hold-harmless jurisdictions—such as Boston. An amendment which I proposed in conference provides that if there are insufficient funds to meet the demand for funds for hold-harmless jurisdictions, all communities would take a proportionate reduction in funds to meet that shortfall.

Finally, the bill provides for $75 million for the section 701 comprehensive planning grant program. These funds are being used by States and local jurisdictions to improve local administrative capacity and intergovernmental coordination and for planning in a variety of functional areas.

Mr. President, I have outlined some of the most important provisions of the conference report. I believe that the conference committee has done a good job, and I urge my colleagues to support the bill.

Mr. WILLIAMS. Mr. President, I would like to express my support of the conference version of the Housing Amendments of 1976. I am pleased that both the House and the Senate recognized the urgency of this legislation, and were able to reach agreement in a short period of time.

Of particular interest to me are the provisions of S. 3295 which relate to the section 202 program of housing for the elderly. As chairman of the Subcommittee on Housing for the Elderly of the Senate Special Committee on Aging—and as a member of the Housing Subcommittee of the Senate Banking and Housing Committee—I have labored long to get this program back on its feet following its demise during the Nixon administration.

As my colleagues know, soon after the restoration of the 202 program in the 1974 Housing Act, HUD was flooded with applications from nonprofit sponsors far surpassing the availability of loan authority.

Already in fiscal year 1976, the Congress has made $750 million of the existing $800 million in loan capacity available to the Department for 202 borrowing. But this merely takes care of immediate need and virtually depletes all loan capacity now authorized.

S. 3295 meets this program head on by providing an additional $2.5 billion in loan capacity for this program. These funds are made available over a 3-year period as specified in the House version. Such a level of funding will make possible the development of 30,000 to 35,000 units of section 202 housing annually.

Of considerable urgency, moreover, is the decision of the conferees regarding the computation of the interest rate charged by the Government to 202 sponsors.

The present formula is based on a presumed rate for long-term Government obligations. But as a practical matter, the Government's borrowing is almost entirely short term—typically 3 to 5 years. Under the existing formula, the interest rate is now about 8⅛ percent.

The Senate version of S. 3295 would have reverted to the formula used in the old 202 program—omitting the 3-percent ceiling—a formula which takes into account all Government borrowing, including about $67 billion in Government savings bonds. This more closely represents the actual borrowing costs to the Government right now. This is a very stable rate which has never exceeded 6.8 percent.

Without a change in the method for the computation of the interest rates, the Treasury Department will make almost a 2-percent profit on 202 loans by borrowing at a short-term rate of around 6.5 percent and then lending this same money at the long-term rate of about 8⅛ percent. The effect of this transaction is to discriminate against housing for the elderly.

Further, without a change in the interest rates, many 202 projects in the pipeline will simply not be built. When HUD selected 136 nonprofit sponsors in the initial round of competition, they were selecting on the basis of the sponsor's track record; no feasibility test for the project was required. Now that the proposals are beginning to reach more concrete stages, sponsors in many parts of the country are finding that they cannot meet the required section 8 feasibility standards. The section 8 contract rents are not sufficient—given the high interest rates and high construction costs—estimated by HUD at $25,000 to $30,000 per unit—to bring projects within allowable rent levels.

Fortunately, for the future of the 202 program, the Senate provision lowering the interest rates was adopted by the conferees. In addition, the conferees direct HUD to use actual development cost—rather than the average cost of all comparable buildings, old or new, in the area, as is now the case—in determining the section 8 contract rents for 202 projects. This authority to issue separate section 8 regulations to be used in conjunction with 202 projects is already available to the Secretary under section 8(g) of the Housing Act.

This compromise should result in getting 202 housing beyond the planning stages and into the construction stages.

There is a documented need in this country for low-cost housing for elderly persons. The 202 program provides a mechanism for meeting at least a portion of that need.

Mr. President, I urge the adoption of the conference report on S. 3295.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. GARN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the conference report.

The conference report was agreed to.

CORRECTION IN ENROLLMENT OF H.R. 11504

Mr. MANSFIELD. Mr. President, I send to the desk a House concurrent resolution (H. Con. Res. 678), which I understand has been cleared all the way around, and ask for its immediate consideration.

The PRESIDING OFFICER. The House concurrent resolution will be stated.

The legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill (H.R. 11504) to amend section 502(a) of the Merchant Marine Act, 1936, is authorized and directed to make the following correction: strike out "502(a)" in the title of the bill and insert in lieu thereof "502".

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 678) was considered and agreed to.

TAX REFORM ACT OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of the unfinished business, H.R. 10612, the tax reform bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

Mr. MANSFIELD. Mr. President, yesterday the leadership informed the Senate that this would be taken up at around the hour of 1:30 p.m. and that at 2 p.m. there would be a vote on the Muskie amendment.

RECESS UNTIL 1:15 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1:15 p.m. today.

There being no objection, the Senate, at 12:28 p.m., recessed until 1:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Durkin).

The PRESIDING OFFICER (Mr. Durkin). The Senate will come to order.

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2012

Mr. MUSKIE. Mr. President, I take it—may I put an inquiry—that the vote is scheduled for 2 o'clock and the time remaining between now and then is to be equally divided between the distinguished floor manager of the bill, Senator Long, and myself?

The PRESIDING OFFICER. From 1:30 to 2 o'clock the time will be equally divided.

Mr. MUSKIE. It is all right with me if we divide whatever time remains.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that whatever time remains between now and 2 o'clock be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. Muskie) for himself and Mr. Bellmon proposes amendment numbered 2012.

The amendment is as follows:

On page 152, beginning with line 11, strike all through line 3 on page 155, and insert the following:

"(2) NINE-MONTH RULE FOR 1977.—Notwithstanding the provisions of paragraph (1), in the case of taxable years ending after December 31, 1976, and before January 1, 1978, the percentage '1.5 percent' shall be substituted for the percentage '2 percent' in subparagraph (A) of such paragraph and the amount '$26.25', shall be substituted for the amount '$35' in subparagraph (B) of such paragraph.

"(3) TECHNICAL AMENDMENTS.—

"(A) Section 56(a)(2) (relating to imposition of minimum tax), as in effect on the day before the date of the enactment of the Tax Reduction Act of 1975, is amended by striking out 'and' at the end of clause (iv), by striking out '; and' at the end of clause (v) and inserting in lieu thereof ', and',

and by inserting after clause (v) the following new clause:

"'(vi) section 42 (relating to taxable income credit); and'.

"(B) Section 56(c)(1) (relating to tax carryovers), as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out 'and' at the end of subparagraph (D), by striking out 'exceed' at the end of subparagraph (E) and inserting in lieu thereof 'and', and by inserting after subparagraph (E) the following new subparagraph:

"'(F) section 42 (relating to taxable income credit), exceed'.

"(C) Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund), as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out 'and 41' and inserting in lieu thereof '41, and 42'.

"(4) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1, as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out the item relating to section 42 and inserting in lieu thereof the following:

"'SEC. 42. Taxable income credit.'

"(b) STANDARD DEDUCTION.—

"(1) LOW INCOME ALLOWANCE.—Subsection (c) of section 141 (relating to low income allowance) is amended to read as follows:

"'(c) LOW INCOME ALLOWANCE.—The low income allowance is—

"'(1) $2,100 in the case of—

"'(A) a joint return under section 6013, or

"'(B) a surviving spouse (as defined in section 2(a)),

"'(2) $1,700 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

"'(3) $1,050 in the case of a married individual filing a separate return.'.

"(2) PERCENTAGE STANDARD DEDUCTION.—Subsection (b) of section 141 (relating to percentage standard deduction) is amended to read as follows:

"'(b) PERCENTAGE STANDARD DEDUCTION.—The percentage standard deduction is an amount equal to 16 percent of adjusted gross income, but not more than—

"'(1) $2,800 in the case of—

"'(A) a joint return under section 6013, or

"'(B) a surviving spouse (as defined in section 2(a)),

"'(2) $2,400 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

"'(3) $1,400 in the case of a married individual filing a separate return.'.

"(3) TECHNICAL AMENDMENTS.—

"(A) Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"'(a) REQUIREMENT OF WITHHOLDING.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary. Until September 30, 1977, the tables so prescribed shall be the same as the tables in effect on June 18, 1976. With respect to wages paid after September 30, 1977, the Secretary shall prescribe new tables which are the same as the tables in effect on January 1, 1975, but modified to the extent necessary to reflect the amendments made by section 101(b) of the Tax Reform Act of 1976. For purposes of applying such tables, the term "the amount of wages" means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1)'.".

Mr. MUSKIE. Mr. President, I do not know that much time is required for debate of this issue. The Senate, I think, was involved in it for almost 3 days before the recess, but I will undertake to summarize the reasons why I think the Senate ought to support the amendment which has been offered by the distinguished Senator from Oklahoma (Mr. Bellmon) and myself. Its purpose is very simple: To extend the general individual tax credit through fiscal year 1977. That would add 3 months to the provision of the pending bill. Why should it be extended?

The tax reduction should be extended because the economic recovery demands that a substantial increase in withholding rates, or even the threat of such an increase, be avoided.

The tax reduction should be extended because the progressive nature of our personal income tax will soon restore the revenue lost through the tax reductions initiated in early 1975; therefore, the Congress is not likely ever to raise the current withholding rates.

This amendment also should be approved because the Budget Committee and the Congress must have a realistic estimate of revenues before we begin work on the second concurrent resolution for fiscal 1977.

I will elaborate very briefly on each of these points.

ECONOMIC RECOVERY MUST BE SUSTAINED

The economic recovery is proceeding in an orderly fashion. The economy has grown substantially since the passage of the tax cut last spring. It has grown at a moderate enough pace to have permitted inflation to subside. The recovery must continue.

Termination of the tax credit would mean the end of the largest part of the tax cut for most families. Termination would raise taxes by an estimated $1.8 billion during the last 3 months of fiscal year 1977. However, the general tax credit is worth $9.5 billion over a full year or $180 for most families. A tax increase of this size must be avoided while unemployment remains high.

Some Senators have argued that we cannot be sure that the tax cuts should be extended. They suggest that the recovery appears stronger than expected when Congress passed its first concurrent resolution. But examination of the most recent economic forecasts for 1977 shows that they are very close to economic assumptions used in preparing the first concurrent resolution. Our forecast of an average unemployment rate of approximately 6.5 percent for 1977 is identical to the average of the three most widely used commercial forecasts. It is within one-tenth of a percentage point of the most recent administration forecast.

All recent data point to a slowdown in the pace of the recovery. In the 2 weeks since Congress adjourned, new figures have been released which shows that unemployment grew in June while industrial production grew very slowly. Retail sales continued their recent slow growth. All of this points to a slowdown in the pace of the recovery.

The widely publicized increase in the administration's forecast of economic growth in 1976 is largely due to their acknowledgment of the rapid growth that took place in the first 3 months of this year.

Those months are past, however, Mr. President, and figures just released indicate that the growth in the second quarter was something between 4 and 5 percent at an annual rate compared to more than 8.7 percent in the first quarter.

The administration is not forecasting a more rapid rate of growth for the remainder of the year.

For the recovery to continue, withholding rates must not increase at almost a $10 billion rate next summer. It is important that consumers know now that Congress has not planned for this increase in the coming fiscal year.

If consumers are to be able to make long-term commitments—to buy houses or cars—they must be confident that their paychecks will not be reduced by higher taxes in the future. If we tell them now that the tax cut will expire shortly, they will refrain from committing their future paychecks to purchases of this kind. But we need these long-term commitments if the recovery is to continue.

Business is making its investment plans now. They too need to know that the recovery in consumer spending will not be interrupted. The part-year extension in the Finance Committee bill signals a termination—and that signal is not part of a sound economic policy.

TAXES INCREASE AUTOMATICALLY

My second point concerns the ability of our progressive tax system to provide large revenue increases without increases in tax rates.

Some Senators may wonder if a tax increase ultimately will be needed to slow down the economy when the recovery is complete—in effect, to turn off the stimulus that was provided by last year's tax cut. This fails to take account of the fact that taxes are always increasing as an automatic by-product of our progressive income tax system. As incomes rise for any reason, the percentage of income that is taxed increases. This automatic tax increase will effectively eliminate the 1975 tax reduction by 1977.

Senator Moss placed in the Record yesterday a Budget Committee staff study showing that an average family would pay the same percent of its income in taxes in 1977 with the tax cut as it would have paid in 1975 before the tax cut. A family of four with an income of $1,000 per month would have paid 10.2 percent of that income in personal taxes in April of 1975 before the tax reduction. If that family's income improves at an average rate, it will be receiving $1,230 monthly by the middle of next year. At this higher income, its taxes will again be 10.2 percent of income if the tax cut is maintained.

Putting it another way, revenues in fiscal 1977 are expected to be $61 billion more than in any previous year despite last year's tax cut. It is this automatic growth in revenues that has allowed Congress to reduce taxes four times in the last 13 years without an increase, except for the temporary Vietnam surcharge.

REALISTIC BUDGET FOR FISCAL YEAR 1977

Mr. President, my third point concerns the job that will face the Budget Committee when the Congress returns after the Republican convention. At that time, the Budget Committee will begin work on the second concurrent resolution. The conference report on the resolution must be passed by the Congress by September 15.

The second resolution is binding. Any subsequent legislation that calls for a reduction in revenues or an increase in spending beyond the levels set in the second concurrent resolution is subject to a point of order. Such legislation would be out of order until a third concurrent resolution is passed. Therefore, the Budget Committee and the Senate will have to be very realistic about the legislative assumptions we use. Otherwise, we will not have a budget we can live with.

Most of us know that the credit will be extended through the fiscal year. That is surely the assumption we will use in September. So let us face the facts now and extend the tax cut.

CONGRESS' RESPONSIBILITY

In conclusion, Mr. President, let me add this:

An argument has been advanced in some quarters that Congress should let the next President decide whether the tax cut should be extended beyond next July 1. The argument is pernicious. It proposes to abandon a basic purpose of the Congressional Budget Act, as stated in the declaration of purposes contained in section 2:

> To assure effective congressional control over the budgetary process and to provide for the congressional determination each year of the appropriate level of Federal revenues and expenditures.

Congress has already decided pursuant to the budget process that the tax cut should be extended for the full fiscal year. That judgment was not based on the decision of any President but was a judgment of Congress itself and will stand until Congress changes the congressional budget.

The argument that Congress should surrender back to the executive branch the making of the Federal budget is to suggest a return to the dark age from which we worked so hard to escape in which the Congress had surrendered the power of the purse to the executive branch.

It is hard to believe that anyone could seriously advance in the summer of 1976 the argument that Congress should surrender determination of the Federal budget to the President again. The views of the President, whoever occupies the White House, are entitled to and will be given great weight by the Congress, but the notion that Congress should abandon its judgment, expressed in this year's congressional budget, that the tax cut should be extended for the full fiscal year and leave that question to a President who has not even been elected, is repugnant to the congressional budget process and undermines it.

The best we can do for the next President is assure him an economy steadily on the mend and a Congress determined to meet its constitutional responsibilities.

We can vote for both today.

Mr. President, I think that is a sufficient addition to whatever I have said on this floor before about the wisdom of extending the tax cut.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. Durkin). Who yields time?

Mr. LONG. Mr. President, I yield myself 5 minutes.

Mr. President, we on the Finance Committee have been concerned with a single figure, that is, $15.3 billion stated in the budget resolution as the amount of overall tax reduction proposed in the budget resolution.

We have undertaken to live with that and we have tailored our bill to meet that problem.

I know that some would like to raise taxes more than we raise taxes. We actually did raise more than $2 billion. But I think there are other areas in which tax reform would dictate that there should be some tax reductions.

So the overall tax increase that the committee proposed was in the area of about $1 billion over and above the tax cuts that we suggested.

In order to meet the budget resolution, we propose to extend the $35 tax credit forward to the middle of next year. It is our thought that if we are ever going to balance the budget, we are not going to be able to do it and continue all these temporary tax cuts. It seemed to us that this one item that affects every taxpayer, $35 for each person, could be terminated 1 year from now. It was only a 1-year temporary tax cut when we first put it into effect. We suggest extending it forward another year. At the end of that year, if the economy has recovered, as we hope it will—that was the whole purpose of the temporary tax cut—then our thought would be that here is a major savings that would help move us toward a balanced budget if Congress wanted to insist upon it.

In the event that should not be the case, if Congress in its wisdom wants to extend this $35 tax credit forward for another year, or any period less than that, of course, it is within the power of Congress to do it.

The problem that it gives me and the problem that it gives the majority of us on the Finance Committee, if this amendment is agreed to, is that it pushes us above the $15.3 billion tax reduction figure of the budget resolution.

We have in good conscience tried to stay with that total. The bill at this point does stay with it. If this amendment is agreed to that puts it beyond the $15.3 billion figure.

As the manager of this bill, it is no new experience to have someone offer a tax cut amendment that would benefit every taxpayer in America and have that voted onto the bill, even though it would upset the budget. And even though it would break the budgetary target the Congress had theoretically agreed to and the President had recommended, even before we had a Budget Committee. I have found it nigh on to impossible to successfully resist an amendment that proposed to reduce taxes for everybody. That is what this amendment proposes to do, of course.

If the chairman of the Budget Committee is to lead the charge to pass a major amendment further reducing revenues, that would completely depart from the budget target that his committee had recommended to us, that is a very difficult thing to oppose.

I know this Senator in good faith proposed that we should extend this $35 tax credit forward for an additional year, from this July until the following July, a year from now, and at that point Congress would take another look and see if the economy has recovered. If it has, it might well want to consider that this is an area where, rather than increasing taxes to try to balance the budget, we could simply let a temporary tax cut expire.

So the committee has in good faith recommended that result.

I really cannot buy the Senator's argument, though I am sure he is in good faith about the matter, that people are going to hold up their spending because the $35 tax credit might come to an end a year from now. I do not think that any family doing their Christmas shopping in December of this year is going to decline to buy some toys for the children because the $35 tax credit that they are enjoying at that time is scheduled to expire in July 1977. I think any family buying things for their children will spend as much as they can, and will borrow money in addition to that. That is what most of them do. They do not mind going into debt to see their children happy on occasions like that. They do not deny themselves things their incomes will support just because it might be a little bit less because of the expiration of a temporary tax cut, or whatever reason, a half a year away.

I very much doubt the Senator is correct in saying that people will hold up on their spending because a $35 temporary tax cut would expire a year from now. We did not buy that argument when we first put the tax cut into effect—it was only a 1-year proposal when we initiated it in the beginning—and I do not think that will be the case now.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. LONG. I yield myself 1 additional minute.

I want to point out, Mr. President, that, as committee chairman, I have proposed and voted for measures which in my view would constitute reform. I voted for nearly $2 billion of tax collections by simply withholding on interest and dividends. It was my supreme misjudgment that we would have the support of all those liberal Senators who had admired and applauded John F. Kennedy because goodness knows he fought his heart out to try to put that proposal into effect while he was President of the United States during that last important year in the history of this country. I had thought surely we might be able to persuade the Democrats to vote for that. That would have given us all the money we needed to afford this tax cut here and to have been well within the budget target.

This tax amendment, if agreed to now, would break the target that we in good faith agreed to and that we have tried to comply with in good faith.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Who yields time?

Mr. MUSKIE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Maine has 4 minutes remaining.

Mr. MUSKIE. How much time has the floor manager remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. MUSKIE. Could the Senator use more time?

Mr. ALLEN. Will the Senator yield me 4 minutes?

Mr. LONG. I yield the Senator 4 minutes.

Mr. ALLEN. Mr. President, the parliamentary situation is such that no further amendment is in order to the Finance Committee amendment, nor is an amendment in order to the Muskie amendment, but an amendment is in order to the House bill, the House language.

What we have here is the Finance Committee extending the tax cut until July 1 of next year, 6 months into the next calendar year. Then the Muskie amendment carries that extension on to the first of October. What does that figure out to in dollars and cents?

That is found on the first page of the Muskie amendment. The tax cut is figured at $26.25, instead of $35, because it is three-quarters of the $35. The 2 percent up to $9,000, which is allowed as an alternate credit, is reduced to 1.5 percent. Ninety-nine plus percent of the American taxpayers do not operate on a fiscal year tax year basis. They operate on a calendar year. If we are talking about allowing $35 per exemption, we are going to have to extend this on for the full calendar year of 1977.

The distinguished Senator from Maine (Mr. MUSKIE) has said the taxpayer needed to know. He needs to know whether this tax cut is going to be extended. Well, it is not going to help the taxpayer a great deal to know that it is extended from July 1 to October 1. What he needs to know is that the tax cut is extended for the full calendar year. That is all that means anything to him.

Mr. MUSKIE. Will the Senator yield?

Mr. ALLEN. On the Senator's time. I have only 4 minutes.

So it is not in order at this time to offer this amendment, but when 2 o'clock arrives, the Senator from Alabama will offer the amendment.

It extends the tax cut for the entire calendar year of 1977. That is what would be of benefit to the taxpayers. It gives the full $35 per exemption cut. They would be assured of that. Under the Muskie amendment, all they would be assured of, as Senators will remember on the first page of his amendment, would be $26.25. My amendment would guarantee the taxpayer $35 per exemption tax credit.

I feel that that would be the best solution of the dilemma we now find ourselves in. If, as the Muskie amendment would indicate, 9 months is better than 6 months, then 12 months, being the full loaf, is better than the 9 months suggested by the Muskie amendment.

I shall offer this amendment at the hour of 2 o'clock. I yield back the remainder of my time.

Mr. MUSKE. Mr. President, I suppose, traditionally, I ought to try to get- the last 3 or 4 minutes to attempt to influence the vote of Senators coming in at the last minute, but since that is all the time I have left, I will use it now.

I offered the amendment through fiscal 1977 because it is my purpose to implement the first concurrent budget resolution, and that is what the first concurrent budget resolution provides for, just simply giving the Senate an opportunity to put in place or reaffirm the policy already adopted.

The Senator listened to my prepared remarks. He knows I believe the tax cut will never be eliminated because of the progressive nature of the income tax, which will restore the revenues to the percentage of the taxpayers' income that they were before the tax cut. For that reason, I will support the Senator's amendment.

The second point I would like to make is to the Senator from Louisiana. The Senator keeps looking at the budget process as simply a budget game. I mean it is also a vehicle for making economic policy; yet when I seek to enforce the economic policy that the first budget resolution incorporated, the Senator accuses me of busting the budget.

The economic policy is as important an element in the congressional budget as the revenue number to which the Senator keeps referring.

The third point I would wish to make, in response to the Senator from Louisiana, is this: He denigrates the stimulative effect on the economy of this amendment. Well, if this amendment is not stimulative, then the tax cut of last year could not have been stimulative.

We take credit in Congress for having turned the economy around with the tax reduction of last year. Now, when I seek to extend that policy, Senator Long says it is not that much of a stimulus, it does not work all that much.

Is the Senator telling us that the tax cut of last year, which Congress has regarded as a centerpiece in its economic policy, was a fraud? Or does he believe, as I believe, that it was a major factor in turning the economy around?

Mr. President, the issue is very clear. If Senators are worried about the addition to the deficit that may be the result if we do not add any revenue-raising amendments to the pending bill, let me say this: If it is the deficit that you are concerned with, why are we focusing on something between $1 and $2 billion? Why not eliminate the whole $50 billion deficit? We do not, for a very simple reason: Because the economy would be plunged into a tailspin if we tried to do it, and it is not possible.

This tax cut was not recommended for the purpose of stimulating tax reform. It was approved for the purpose of stimulating the economy. It stands on its own merits. It stands on its own feet. And the $2 billion represented by this extension is an important part of the total stimulus represented in one way by the deficit of $50 billion, but more important, by assuring consumers that their incomes are not going to be cut back by a tax increase a year from now.

Mr. PASTORE. Mr. President, will the Senator yield for a quick question?

Mr. MUSKIE. I do.

Mr. PASTORE. Did I correctly understand the Senator from Maine to say that he will support the amendment to extend it to a full calendar year?

Mr. MUSKIE. Yes; because I think it is needed for that length of time, but the congressional budget process can only act for a year.

Mr. PASTORE. I understand the Senator's reason for limiting his amendment; but he is going to support it for the full year?

Mr. MUSKIE. Yes, I am going to support it for the full year, because I think we are going to have to continue it for the full year, granted the unemployment projections we face down the road.

Mr. PASTORE. I see.

Mr. MUSKIE. Mr. President, I reserve whatever time I have left.

The PRESIDING OFFICER. The Senator has none.

Mr. CURTIS. Mr. President, I rise in opposition to this budget-busting amendment. Any way you figure it, we will go home tonight, if we adopt this amendment, having added $1.7 billion to the deficit.

I believe the amendment is offered in the best of faith, but let us consider our procedure here in the Senate.

Up until 1865, in the House of Representatives, the Ways and Means Committee handled appropriations and taxes. So whenever they spent money, they took the steps to raise that amount of revenue. That was carried on throughout the early history of the Republic. The Ways and Means Committee is older than the Republic itself. The first such committee was organized by the Continental Congress.

About 1815, steps were taken that led to the establishment of the Finance Committee. All through that period, through the Civil War until 1867, the Finance Committee handled both appropriations and taxes, when the record shows that the load got so heavy that they created the Appropriations Committee to handle appropriations.

They had fine men on both committees, but they no longer had the one committee having control of both the amount of expenditures and the amount of taxes. Consequently, that may have had something to do with the deficit practice that has sprung up.

Now, because we went ahead and spent and spent and never raised the question, "Do we have the money," or "Where are we going to get the money," there arose all over the country a demand that we do something about the control of expenditures, and out of that countrywide demand for action there resulted the formation of the Budget Committee, to narrow the gap, or possibly to create a balance between expenditures and intake.

Today we have the irony of that committee coming in here and proposing to widen the gap between appropriations and revenues. I realize that there are many scholarly people who like to "fine tune" the economy. They would like to shift that function to their particular doorstep. But that is not what the country had in mind when they bought the concept of a Budget Committee. They talked about control of the budget, not control of the economy. They talked about controlling expenditures, and requiring enough revenue to bring the money in.

This amendment is rather ridiculous. The Finance Committee, just as surely as they have a right to fix the amount of a tax cut, can surely fix the duration of it.

Here is something else that Senators ought to know: When we realized that this temporary $35 credit was to come to an end, we did not want it to hurt people with the lowest incomes, so an adjustment has been made by the Senate Finance Committee in the low-income allowance.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. Mr. President, I ask unanimous consent that I may speak for an additional 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. As a result, the Muskie amendment will not help anyone, or scarcely anyone, because there is a peculiar circumstance. The Muskie amendment will not help anyone who makes less than $12,000 a year. Why argue that there is virtue in ending a tax cut the first of October but it is terrible to end it the first of July?

Let us let the appropriate committees face this as the time comes.

The PRESIDING OFFICER. The Senator's time has expired.

UP AMENDMENT NO. 209

Mr. ALLEN. Mr. President, I send to the desk an amendment, which I discussed earlier, that covers the same ground as the amendment of the Committee on Finance and the Muskie amendment, the only difference being it extends the $35 tax credit for the entire calendar year 1977, which is the concern to the average taxpayer inasmuch as he files his income tax return on a calendar year basis rather than a fiscal year basis.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. Allen), for himself, Mr. Stone, and Mr. Helms, proposes unprinted amendment No. 209.

The amendment is as follows:

On page 147 beginning on line 5 strike out all through line 24 on page 151 and insert the following:

EXTENSIONS OF INDIVIDUAL INCOME TAX REDUCTIONS

Sec. 401. Extensions of Individual Income Tax Reductions.

(a) Taxable Income Credit.—

(1) In general.—Section 3(b) of the Revenue Adjustment Act of 1975 is amended by striking out "December 31, 1976" and inserting in lieu thereof "December 31, 1977".

(2) Technical amendment.—Section 6069 (b) (relating to designation of income tax payments to Presidential Election Campaign Fund), as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out "and 41" and inserting in lieu thereof "41, and 42".

(3) Clerical amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 42 and inserting in lieu thereof the following: "Sec. 42. Taxable income credit.".

(b) Standard Deduction.—

(1) Low Income Allowance.—Subsection (c) of section 141 (relating to low income allowance) is amended to read as follows:

"(c) Low Income Allowance.—The low income allowance is—

"(1) $2,100 in the case of—

"(A) a joint return under section 6013, or

"(B) a surviving spouse (as defined in section 2(a)),

"(2) $1,700 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

"(3) $1,050 in the case of a married individual filing a separate return.".

(2) Percentage Standard Deductions.—Subsection (b) of section 141 (relating to percentage standard deduction) is amended to read as follows:

"(b) Percentage Standard Deduction.—The percentage standard deduction is an amount equal to 16 percent of adjusted gross income, but not more than—

"(1) $2,800 in the case of—

"(A) a joint return under section 6013, or

"(B) a surviving spouse (as defined in section 2(a)),

"(2) $2,400 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

"(3) $1,400 in the case of a married individual filing a separate return.",

(3) Technical amendments.—

(A) Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) Requirement of Withholding.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary. The tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1975, except that, with respect to wages paid after December 31, 1977, the Secretary shall prescribe new tables only to the extent necessary to reflect the amendments made by section 401(b) of the Tax Reform Act of 1976. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1).".

(B) Paragraph (6) of section 3402(c) (relating to wage bracket withholding), as such paragraph existed on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out "table 7 contained in subsection (a)" and inserting in lieu thereof "the table for an annual payroll period prescribed pursuant to subsection (a)".

(C) Subparagraph (B) of section 3402(m)(1) (relating to withholding allowance based on itemized deductions) is amended to read as follows:

"(B) an amount equal to the lesser of (i) 16 percent of his estimated wages, or (ii) $2,800 ($2,400 in the case of an individual who is not married (within the meaning of section 143) and who is not a surviving spouse (as defined in section 2(a)).".

(D) So much of paragraph (1) of section 6012(a) (relating to persons required to make returns of income) as precedes subparagraph (C) thereof is amended to read as follows:

"(1)(A) Every individual having for the taxable year a gross income of $750 or more, except that a return shall not be required of an individual (other than an individual referred to in section 142(b))—

"(i) who is not married (determined by applying section 143), is not a surviving spouse (as defined in section 2(a)), and for the taxable year has a gross income of less than $2,450,

"(ii) who is a surviving spouse (as so defined) and for the taxable year has a gross income of less than $2,850, or

"(iii) who is entitled to make a joint return under section 6013 and whose gross income, when combined with the gross income of his spouse, is, for the taxable year, less than $3,600 but only if such individual and his spouse, at the close of the taxable year, had the same household as their home.

Clause (iii) shall not apply if for the taxable year such spouse makes a separate return or any other taxpayer is entitled to an exemption for such spouse under section 151(e).

"(B) The amount specified in clause (i) or (ii) of subparagraph (A) shall be increased by $750 in the case of an individual entitled to an additional personal exemption under section 151(c)(1), and the amount specified in clause (iii) of subparagraph (A) shall be increased by $750 for each additional personal exemption to which the individual or his spouse is entitled under section 151(c);".

(c) Earned Income Credit.—

(1) In General.—Subsections (a) and (b) of section 43 (relating to earned income credit) are amended to read as follows:

"(a) Allowance of Credit.—In the case of an eligible individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of so much of the earned income for the taxable year as does not exceed $4,000.

"(b) Limitation.—The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount equal to 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $4,000.".

(2) Eligible individual.—Section 43(c)(1)(A) is amended by striking out "with respect to whom he is entitled to claim a deduction under" and inserting in lieu thereof the following: "if such child meets the requirements of".

(3) Conforming amendment.—Section 209(b) of the Tax Reduction Act of 1975 is amended by striking out ", and before January 1, 1977." and inserting in lieu thereof a period.

(d) Effective Dates.—The amendments made by subsection (a) apply to taxable years ending after December 31, 1975, and cease to apply to taxable years ending after December 31, 1977. The amendments made by subsections (b) and (c)(1) apply to taxable years ending after December 1, 1975. The amendments made by subsection (c)(2) and (3) shall apply to taxable years beginning after December 31, 1974.

Sec. 402. Refunds of Earned Income Credit Disregarded in the Administration of Federal Programs and Federally Assisted Programs.

(a) Subsection (d) of section 2 of the Revenue Adjustment Act of 1975 is amended by striking out "or any month thereafter which begins prior to July 1, 1976,".

(b) Subsection (g) of section 2 of such Act is amended to read as follows:

"(g) Effective Dates.—The amendments made by this section (other than by subsection (d)) apply to taxable years ending after December 31, 1975, and before January 1, 1977. Subsection (d) applies to taxable years ending after December 31, 1975.".

Mr. BUCKLEY. Mr. President, the net effect of the Allen amendment is to offset the real increase in taxation that low- to middle-income taxpayers would be required to pay this year because of inflation. It accomplishes an adjustment that I have urged be made automatically through the simple device of "indexing" the income tax—that is to say, by automatically adjusting tax rates, exemptions, et cetera, to offset the effects of inflation as reflected in the Consumer Price Index. Yes, adoption of this amendment will increase a deficit that is already too large. But the better way to reduce the deficit is to reduce spending, which I shall continue to work for.

Mr. TAFT. Mr. President, we shall shortly be voting on Senator Muskie's amendment which would provide for a continuation of all of the tax cut of 1975 for a full year. The tax cut provided in the Senate Finance Committee version of the tax bill provides for a smaller tax cut, restricting the $35 personal credit to a 9-month extension.

I shall support the extension of the full tax cut. I do so because to do less would be to produce a tax increase of major proportions.

Even the tax cut proposed by Senator Muskie is a tax increase in disguise. At current rates of inflation, taxpayers are pushed into higher tax brackets, and forced to pay an extra $5 billion per year in taxes, even with no increase in their real incomes. With the Muskie amendment, we shall have a $5 billion tax increase. Without it, the tax increase will be $6 billion.

I have introduced an amendment to the tax bill, amendment No. 1902, which would adjust the personal income tax for inflation to prevent these hidden tax increases. I hope that those who support the Muskie amendment this afternoon will join me in pushing for an inflation neutral tax system, in which tax cuts and tax increases are really what they claim to be, and are arrived at by open and honest vote after full debate on the floor of the Senate.

Mr. DOLE. Mr. President, at issue here is a difference of opinion as to the right economic policy over the next year.

The amendment offered by the Senator from Alabama essentially asserts that there is no doubt that the personal income tax reduction should be extended for the full year. Indeed, testimony before the Budget Committee and the analysis of its staff fully supports this position.

In support of this position it can be observed that the rise of incomes associated with economic recovery and with continued inflation is continually putting individuals into higher tax brackets and taking away the original tax cut. Indeed, as compared with present tax obligations, by the middle of next year personal income tax liabilities will have increased by $7 billion to $9 billion due to the inflation factor alone. We do not need to raise taxes next year in order to pursue a course of moderate economic policy. That tax increase is occurring automatically due to the nature of our income tax system. This factor strongly suggests that not only should the tax reduction be extended for the full fiscal year, but also that it will be desirable to make the tax reduction permanent and that further tax reductions will be needed in the future.

The tax bill reported by the Finance Committee suggests that this is an open question. The Senator from Louisiana has observed that the Finance Committee heard testimony that indicated the possible need to raise taxes next year. For that reason, the tax reduction in that bill is extended only through next June.

Mr. President, even if we grant the possibility of wanting to terminate the tax reduction sometime next year, I doubt that the exact timing of the resulting tax increase is vital. I doubt that it matters very much whether that occurs in July or December.

In addition, if the need for a more restrictive economic policy becomes apparent next year, the Senator from Kansas would prefer to see this achieved through reduction in wasteful and unnecessary Government spending. Mr. President, we should not provide an easy way out for Congress by at this time creating the presumption that taxes will increase. Such a presumption would result from extending the tax provision of this bill only until July 1 so a revision of the fiscal year 1977 budget resolution as well as passage of a tax bill will be necessary to continue the tax cut at that time.

Mr. President, regardless of how the fiscal policy decision appropriate for economic conditions in the second half of next year will evolve, it is clear that Congress will be better able to make that judgment—without prejudice—next spring in conjunction with the first concurrent resolution for fiscal year 1978.

Therefore, Mr. President, I will support the amendment before us to extend the tax reduction for the full year. It makes much more sense to set our fiscal policy decisions to coincide with the fiscal year, unless there is strong reason to do otherwise. It is much more in keeping with the orderly process the Budget Act seeks to establish.

It is possible that as a result of adopting this amendment, the Senate may have to lower its revenue target and raise its deficit target this fall. That depends, of course, on what amendments are accepted as we consider this tax bill, on our estimates of expected revenues, and on spending decisions.

Mr. President, in considering this amendment, I urge my colleagues to leave aside the question of who—the Budget Committee or the Finance Committee, the Senator from Maine or the Senator from Louisiana—has possibly caused a larger budget deficit. Mr. President, it is the entire Senate that is now about to make that decision.

Mr. President, I also urge my colleagues to leave aside the question of whether or not the Senate has previously "spoken" or mandated a particular tax reduction. We should instead be focusing on the merits of the question—as a matter of orderly budget planning and of good economic policy—as it is now before us. For the reasons I have stated, I urge my colleagues to support that amendment.

TAX AND SPENDING CUTS

Mr. ROTH. Mr. President, I intend to vote for this amendment to extend a portion of the tax cuts for an additional 6 months. This amendment will result in an extension of the antirecession tax cuts for an additional 18 months, instead of the 12-month tax cut extension voted by the Senate Finance Committee.

However, I must point out to the Senate that the additional 6-month extension of the tax cut will have the effect of violating the budget targets agreed to by Congress in May of this year. Therefore, the Senate must make some hard decisions if the tax cut extension amendment is adopted.

The Senate could choose to increase other taxes, as some Senators have suggested, to offset the additional tax cuts. The Senate could also simply just allow the budget deficit to increase. Or the Senate could face its responsibility and live up to its commitment to reduce Federal spending by an amount equal to any additional tax cuts.

I remind the Senate that, last December, Congress made a firm commitment to reduce Federal spending dollar for dollar for any additional tax cuts. In my opinion, there is now only one way for the Senate to offset the additional cost of the tax cuts and that is by enacting a matching reduction in Federal spending.

Unfortunately, in a procedural vote earlier in this debate, the Senate rejected, 46 to 34, my amendment which would have committed Congress to reduce Federal spending dollar for dollar for any additional tax cuts.

I do not plan to offer this amendment again at this time, but I urge the Budget Committee, in its consideration of the second budget resolution, to make every effort to offset this additional tax cut by an equivalent reduction in Federal spending.

I believe that the only real way to regain control of the Federal budget and to reduce Federal spending programs is to reduce the amount of taxes the Government may collect from taxpayers. As long as Congress is allowed to collect huge amounts of Federal tax dollars from the people, Congress will be able to continue spending this revenue on more and more Government programs. I have found in my travels in Delaware that what the people want is not more Government but better Government. They are interested in reducing the total amount of Federal spending, and I strongly urge Congress to live up to its commitment and reduce Federal spending to offset this additional tax cut.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

Mr. ALLEN. May we have the yeas and nays ordered before the Senator makes that suggestion?

Mr. CURTIS. Yes.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

Mr. ALLEN. Mr. President, were the yeas and nays ordered?

The PRESIDING OFFICER. Yes, the yeas and nays were ordered.

The second assistant legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. What amendment do we vote on first, the Allen amendment or the Muskie amendment?

The PRESIDING OFFICER. The first vote will be on agreeing to the amendment offered by the Senator from Alabama.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. SCHWEIKER). The Senate will be in order so we may hear the proceedings under the rollcall. Senators will please take their seats and dispense with talking unless they retire to the rear of the Chamber so we may hear the proceedings.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from North Carolina (Mr. MORGAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Pennsylvania (Mr. HUGH SCOTT) is absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent due to a death in the family.

The result was announced—yeas 66, nays 28, as follows:

[Rollcall Vote No. 392 Leg.]

YEAS—66

Abourezk
Allen
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Bumpers
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Ford
Glenn
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Stone
Taft
Talmadge
Weicker
Williams

NAYS—28

Baker
Bartlett
Bentsen
Burdick
Byrd, Harry F., Jr.
Curtis
Eagleton
Eastland
Fannin
Fong
Garn
Goldwater
Gravel
Griffin
Hansen
Hatfield
Johnston
Laxalt
Long
McClellan
McClure
Packwood
Scott, William L.
Stennis
Symington
Thurmond
Tower
Young

NOT VOTING—6

Hruska
Metcalf
Mondale
Morgan
Scott, Hugh
Tunney

So Mr. ALLEN's amendment was agreed to.

Mr. ALLEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ALLEN. Mr. President, in making this motion, I am joined by the distinguished Senator from Maine (Mr. MUS-

KIE). Inasmuch as the Senate has spoken on this issue and inasmuch as the Finance Committee amendment, as sought to be amended by the Muskie amendment, in effect is moot at this time, I move to lay on the table the Finance Committee amendment, which would carry with it the Muskie amendment.

I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. ALLEN. Mr. President, I ask unanimous consent to withdraw the request for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion.

The motion to lay on the table was agreed to.

COMMITTEE AMENDMENT NO. 15

The PRESIDING OFFICER. The question now is on the next committee amendment. The clerk will state the amendment.

The legislative clerk read as follows:

On page 159, line 1, strike out all through page 186, line 25, and insert in lieu thereof:

TITLE V—TAX SIMPLIFICATION IN THE INDIVIDUAL INCOME TAX

SEC. 501. REVISION OF TAX TABLES FOR INDIVIDUALS.

(a) In General.—Section 3 (relating to optional tax tables for individuals) is amended to read as follows:

"Sec. 3. Tax Tables for Individuals Having Taxable Income of Less Than $20,000.

"(a) General Rule.—In lieu of the tax imposed by section 1, there is hereby imposed for each taxable year on the taxable income of every individual whose taxable income for such year is less than $20,000, a tax determined under tables, applicable to such taxable year, which shall be prescribed by the Secretary. In the tables so prescribed, the amounts of tax shall be computed on the basis of the rates prescribed by section 1.

"(b) Tax Treated as Imposed by Section 1.—For purposes of this title, the tax imposed by this section shall be treated as tax imposed by section 1."

(b) Conforming Amendments.—

(1) Section 4 (relating to rules for optional tax) is hereby repealed.

(2) Section 36 (relating to credits not allowed to individuals paying optional tax or taking standard deduction) is amended—

(A) by striking out "PAYING OPTIONAL TAX OR" in the heading; and

(B) by striking out "elects to pay the optional tax imposed by section 3, or if he" in such section.

(3) Subsection (a) of section 144 (relating to election of standard deduction) is amended to read as follows:

"(a) Method of Election.—The standard deduction shall be allowed if the taxpayer so elects in his return, and the Secretary shall prescribe the manner of signifying such election in the return."

(4) Subsection (c) of section 144 is amended—

(A) by striking out paragraph (2);

(B) by inserting "or" at the end of paragraph (1); and

(C) by redesignating paragraph (3) as paragraph (2).

(5) Subsection (d) of section 144 is hereby repealed.

(6) Section 1211(b)(3) (relating to computation of taxable income for purposes of limitation on capital losses) is amended by striking out the last sentence thereof.

(7) Section 1304(b) (relating to certain provisions inapplicable for income averaging) is amended by striking out paragraph (1) and by redesignating paragraphs (2), (3), (4), and (5), as paragraphs (1), (2), (3), and (4), respectively.

(8) Section 6014(a) (relating to tax not computed by taxpayer) is amended—

(A) by striking out in the first sentence "entitled to elect to pay the tax imposed by section 3" and inserting in lieu thereof "entitled to take the standard deduction provided by section 141 (other than an individual described in section 141(e))"; and

(B) by striking out in the second sentence "pay the tax imposed by section" and inserting in lieu thereof "take the standard deduction".

(9) Paragraph (5) of section 6014(b) is amended to read as follows:

"(5) to cases where the taxpayer does not elect the standard deduction or where the taxpayer elects the standard deduction but is subject to the provisions of section 141(e) (relating to limitations in case of certain dependent taxpayers)."

(c) Clerical Amendments.—

(1) The table of sections for part I of subchapter A of chapter 1 is amended by striking out the items relating to sections 3 and 4 and inserting in lieu thereof:

"Sec. 3. Tax tables for individuals having taxable income of less than $20,000."

(2) The table of sections for part IV of subchapter A of chapter 1 is amended by striking out "paying optional tax or" in the item relating to section 36.

SEC. 502. LIMITATION ON DEDUCTION OF STATE AND LOCAL GASOLINE, ETC., TAXES.

Section 164(c) (relating to deduction denied in case of certain taxes) is amended to read as follows:

"(c) Limitations.—

"(1) Certain beneficial assessments.—No deduction shall be allowed for taxes assessed against local benefits of a kind tending to increase the value of the property assessed, but this paragraph shall not prevent the deduction of so much of such taxes as is properly allocable to maintenance or interest charges.

"(2) Real property taxes allocated to another taxpayer.—No deduction shall be allowed for taxes on real property to the extent that subsection (d) requires such taxes to be treated as imposed on another taxpayer.

"(3) State and local gasoline, diesel fuel, and other motor fuel taxes.—The deduction allowed by subsection (a)(5) with respect to amounts paid or accrued for State and local taxes on the sale of gasoline, diesel fuel, and other motor fuels, shall apply only to so much of such amounts as exceeds $50 for the taxable year.".

SEC. 503. DEDUCTION FOR ALIMONY ALLOWED IN DETERMINING ADJUSTED GROSS INCOME.

(a) In General.—Section 62 (defining adjusted gross income) is amended by inserting after paragraph (12) the following new paragraph:

"(13) Alimony.—The deduction allowed by section 215."

(b) Conforming Amendment.—The first sentence of subparagraph (A) of section 3402 (m)(2) (relating withholding allowances based on itemized deductions) is amended by striking out "under section 62" and inserting in lieu thereof "under section 62 (other than paragraph (13) thereof)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1976.

SEC. 504. REVISION OF RETIREMENT INCOME CREDIT.

(a) In General.—Section 37 (relating to retirement income) is amended to read as follows:

"Sec. 37. Credit for Elderly.

"(a) General Rule.—In the case of an individual who has attained age 65 before the close of the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of such individual's section 37 amount for such taxable year.

"(b) Section 37 Amount.—For purposes of subsection (a)—

"(1) In general.—An individual's section 37 amount for the taxable year is the applicable initial amount determined under paragraph (2), reduced as provided in paragraph (3) and in subsection (c).

"(2) Initial amount.—

"(A) In general.—The initial amount is—

"(i) $2,500 in the case of a single individual,

"(ii) $2,500 in the case of a joint return where only one spouse is eligible for the credit under subsection (a),

"(iii) $3,750 in the case of a joint return where both spouses are eligible for the credit under subsection (a), or

"(iv) $1,875 in the case of a married individual filing a separate return.

"(B) Special rule for taxable years beginning in 1976.—Notwithstanding the provisions of subparagraph (A), for taxable years beginning after December 31, 1975, and before January 1, 1977, the following amounts shall be substituted for the amount set forth in subparagraph (A)—

"(i) '$2,000' for '$2,500' in clause (i),

"(ii) '$2,000' for '$2,500' in clause (ii),

"(iii) '$3,000' for '$3,750' in clause (iii), and

"(iv) '$1,500' for '$1,875' in clause (iv).

"(3) Reduction.—The reduction under this paragraph is an amount equal to the sum of the amounts received by the individual (or, in the case of a joint return, by either spouse) as a pension or annuity—

"(A) under title II of the Social Security Act,

"(B) under the Railroad Retirement Act of 1935 or 1937, or

"(C) otherwise excluded from gross income. No reduction shall be made under this paragraph for any amount excluded from gross income under section 72 (relating to annuities), 101 (relating to life insurance proceeds), 104 (relating to compensation for injuries or sickness), 105 (relating to amounts received under accident and health plans), 402 (relating to taxability of beneficiary of employees' trust), or 403 (relating to taxation of employee annuities).

"(c) Adjusted Gross Income Limitation.—If the adjusted gross income of the taxpayer exceeds—

"(1) $7,500 in the case of a single individual,

"(2) $10,000 in the case of a joint return, or

"(3) $5,000 in the case of a married individual filing a separate return,

the section 37 amount shall be reduced by one-half of the excess of the adjusted gross income over $7,500, $10,000, or $5,000, as the case may be.

"(d) Definitions and Special Rules.—For purposes of this section—

"(1) Married couple must file joint return.—Except in the case of a husband and wife who live apart at all times during the taxable year, if the taxpayer is married at the close of the taxable year, the credit provided by this section shall be allowed only if the taxpayer and his spouse file a joint return for the taxable year.

"(2) Marital status.—Marital status shall be determined under section 143.

"(3) Joint return.—The term 'joint return' means the joint return of a husband and wife made under section 6013.

"(4) Community property laws.—The section 37 amount of any individual shall be computed without regard to any community property laws.

"(e) Nonresident Alien Ineligible for Credit.—No credit shall be allowed under this section to any nonresident alien other than a nonresident alien treated as a resident for purposes of section 6013(g)."

(b) Technical Amendments.—

(1) Section 904 (relating to limitation on foreign tax credit) is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) Coordination with Credit for the Elderly.—In the case of an individual, for purposes of subsection (a), the tax against which the credit allowed under section 33 is the tax imposed under this chapter, excluding any amount of tax imposed under the sections described in the last sentence of section 901(8)(A) reduced by the amount of the credit (if any) for the taxable year allowable under section 37 (relating to credit for the elderly)."

(2) Section 6014(a) (relating to tax not computed by taxpayer) is amended by striking out the last sentence thereof.

(3) Section 6014(b) is amended—

(A) by striking out paragraph (4),

(B) by redesignating paragraph (5) as paragraph (4), and

(C) by inserting "or" at the end of paragraph (3).

(4) Sections 41(b)(2), 46(a)(3)(C), and 50A (a)(3)(C) are each amended by striking out "retirement income" and inserting in lieu thereof "credit for the elderly".

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 37 and inserting in lieu thereof the following:

"Sec. 37. Credit for the elderly."

Sec. 505. Credit for Child Expenses.

(a) Allowances of Credit for Child Care Expenses.—

(1) In general.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"Sec. 44A. Expenses for Household and Dependent Care Services Necessary for Gainful Employment.

"(a) Allowance of Credit.—In the case of an individual who maintains a household which includes as a member one or more qualifying individuals (as defined in subsection (c)(1)), there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the employment-related expenses (as defined in subsection (c)(2)) paid by such individual during the taxable year.

"(b) Application With Other Credits.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(1) section 33 (relating to foreign tax credit),

"(2) section 37 (relating to credit for the elderly),

"(3) section 38 (relating to investment in certain depreciable property),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 41 (relating to contributions to candidates for public office),

"(6) section 42 (relating to taxable income credits, and

"(7) section 44 (relating to purchase of new principal residence).

"(c) Definitions of Qualifying Individual and Employment-Related Expenses.—For purposes of this section—

"(1) Qualifying individual.—The term 'qualifying individual' means—

"(A) a dependent of the taxpayer who is under the age of 15 and with respect to whom the taxpayer is entitled to a deduction under section 151(e),

"(B) a dependent of the taxpayer who is physically or mentally incapable of caring for himself, or

"(C) the spouse of the taxpayer, if he is physically or mentally incapable of caring for himself.

"(2) Employment-related expenses.—

"(A) In general.—The term 'employment related expenses' means amounts paid for the following expenses, but only if such expenses are incurred to enable the taxpayer to be gainfully employed for any period for which there are 1 or more qualifying individuals with respect to the taxpayer—

"(i) expenses for household services, and

"(ii) expenses for the care of a qualifying individual.

"(B) Exception.—Employment-related expenses described in subparagraph (A) which are incurred for services outside the taxpayer's household shall be taken into account only if incurred for the care of a qualifying individual described in paragraph (1)(A).

"(d) Dollar Limit on Amount Creditable.—The amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(1) $2,000 if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

"(2) $4,000 if there are 2 or more qualifying individuals with respect to the taxpayer for such taxable year.

"(e) Earned Income Limitation.—

"(1) In general.—Except as otherwise provided in this subsection, the amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(A) in the case of an individual who is not married at the close of such year, such individual's earned income for such year, or

"(B) in the case of an individual who is married at the close of such year, the lesser of such individual's earned income or the earned income of his spouse for such year.

"(2) Special rule for spouse who is a student or incapable of caring for himself.—In the case of a spouse who is a student or a qualifying individual described in subsection (c)(1)(C), for purposes of paragraph (1), such spouse shall be deemed for each month during which such spouse is a full-time student at an educational institution, or is such a qualifying individual, to be gainfully employed and to have earned income of not less than—

"(A) $166 if subsection (d)(1) applies for the taxable year, or

"(B) $333 if subsection (d)(2) applies for the taxable year.

In the case of any husband and wife, this paragraph shall apply with respect to only one spouse for any one month.

"(f) Special Rules.—For purposes of this section—

"(1) Maintaining household.—An individual shall be treated as maintaining a household for any period only if over half the cost of maintaining the household for such period is furnished by such individual (or, if such individual is married during such period, is furnished by such individual and his spouse).

"(2) Married couples must file joint return.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return for the taxable year.

"(3) Marital status.—An individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(4) Certain married individuals living apart.—If—

"(A) an individual who is married and who files a separate return—

"(i) maintains as his home a household which constitutes for more than one-half of the taxable year the principal place of abode of a qualifying individual, and

"(ii) furnishes over half of the cost of maintaining such household during the taxable year, and

"(B) during the last 6 months of such taxable year such individual's spouse is not a member of such household,

such individual shall not be considered as married.

"(5) Special dependency test in case of divorced parents, etc.—If—

"(A) a child (as defined in section 151(e)(3)) who is under the age of 15 or who is physically or mentally incapable of caring for himself receives over half of his support during the calendar year from his parents who are divorced or legally separated under a decree of divorce or separate maintenance or who are separated under a written separation agreement, and

"(B) such child is in the custody of one or both of his parents for more than one-half of the calendar year,

in the case of any taxable year beginning in such calendar year such child shall be treated as being a qualifying individual described in subparagraph (A) or (B) of subsection (c)(1), as the case may be, with respect to that parent who has custody for a longer period during such calendar year than the other parent, and shall not be treated as being a qualifying individual with respect to such other parent.

"(6) Payments to related individuals.—

"(A) In general.—Except as provided in subparagraph (B), no credit shall be allowed under subsection (a) for any amount paid by the taxpayer to an individual bearing a relationship to the taxpayer described in paragraphs (1) through (8) of section 152(a) (relating to definition of dependent) or to a dependent described in paragraph (9) of such section.

"(B) Exception.—Subparagraph (A) shall not apply to any amount paid by the taxpayer to an individual with respect to whom, for the taxable year of the taxpayer in which the service is performed, neither the taxpayer nor his spouse is entitled to a deduction under section 151(e) (relating to deduction for personal exemptions for dependents), but only if the service with respect to which such amount is paid constitutes employment within the meaning of section 3121(b)

"(7) Student.—The term 'student' means an individual who during each of 5 calendar months during the taxable year is a full-time student at an educational organization.

"(8) Educational organization.—The term 'educational organization' means an educational organization described in section 170(b)(1)(A)(ii).

"(g) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(2) Clerical amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44B the following new item:

"Sec. 44C. Expenses for household and dependent care services necessary for gainful employment."

(b) Repeal of Deduction for Child Care Expenses.—

(1) In general.—Section 214 (relating to expenses for household and dependent care services necessary for gainful employment) is hereby repealed.

(2) Clerical amendment.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking out the item relating to section 214.

(c) Technical Amendments.—

(1) Section 43(c)(1) (defining eligible individual for earned income credit) is amended by striking out "section 214(b)(3)" and inserting in lieu thereof "section 44C(f)(1)".

(2) Section 213(f) (relating to exclusion of amounts allowed for care of certain dependents) is amended by striking out "a deduction under section 214" and inserting in lieu thereof "a credit under section 44C".

(3) Section 6096(b) (defining income tax liability) is amended by striking out "and 44B" and inserting in lieu thereof ", 44, and 44C".

(4) Paragraph (4) of section 3402(m) (relating to withholding allowances based on itemized deductions) is amended by striking out "and" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(C) may take into account tax credits to which employees are entitled."

Sec. 506. Changes in Exclusions for Sick Pay and Certain Military, Etc., Disability Pensions.

(a) Sick Pay.—Subsection (d) of section 105 (relating to amounts excluded from gross income under wage continuation plans) is amended to read as follows:

"(d) Certain Disability Payments.—

"(1) In general.—In the case of a taxpayer who—

"(A) has not attained the age 65 before the close of the taxable year, and

"(B) retired on disability and, when he retired, was permanently and totally disabled,

gross income does not include amounts referred to in subsection (a) if such amounts constitute wages or payments in lieu of wages for a period during which the employee is absent from work on account of permanent and total disability.

"(2) Limitation.—This subsection shall not apply to the extent that the amounts referred to in paragraph (1) exceed a weekly rate of $100 ($200 in the case of a married couple filing a joint return if both the husband and wife are individuals described in subparagraphs (A) and (B) of paragraph (1)).

"(3) Phaseout over $15,000.—If the adjusted gross income of the taxpayer for the taxable year (determined without regard to this subsection) exceeds $15,000, the amount which but for this paragraph would be excluded under this subsection for the taxable year shall be reduced by an amount equal to the excess of the adjusted gross income (as so determined) over $15,000.

"(4) Married couple must file joint return.—Except in the case of a husband and wife who live apart at all times during the taxable year, if the taxpayer is married at the close of the taxable year, the exclusion provided by this subsection shall be allowed only if the taxpayer and his spouse file a joint return for the taxable year. For purposes of this subsection, marital status shall be determined under section 143.

"(5) Permanent and total disability defined.—For purposes of this subsection, an individual is permanently and totally disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual shall not be considered to be permanently and totally disabled unless he furnishes proof of the existence thereof in such form and manner, and at such times, as the Secretary may require.

"(6) Joint return.—For purposes of this subsection, the term 'joint return' means the joint return of a husband and wife made under section 6013.

"(7) Coordination with section 72.—In the case of an individual described in subparagraphs (A) and (B) of paragraph (1), for purposes of section 72 the annuity starting date shall not be deemed to occur before the beginning of the taxable year in which the taxpayer attains age 65, or before the beginning of an earlier taxable year for which the taxpayer makes an irrevocable election not to seek the benefits of this subsection for such year and all subsequent years."

(b) Certain Military, Etc., Disability Pensions.—Section 104 (relating to compensation for injuries or sickness) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) Termination of Application of Subsection (a)(4) in Certain Cases.—

"(1) In general.—Subsection (a)(4) shall not apply in the case of any individual who is not described in paragraph (2).

"(2) Individuals to whom subsection (a)(4) continues to apply.—An individual is described in this paragraph if—

"(A) on or before September 24, 1975, he was entitled to receive any amount described in subsection (a)(4),

"(B) on September 24, 1975, he was a member of any organization (or reserve component thereof) referred to in subsection (a)(4) or under a binding written commitment to become such a member.

"(C) he receives an amount described in subsection (a)(4) by reason of a combat-related injury, or

"(D) on application therefor, he would be entitled to receive disability compensation from the Veterans' Administration.

"(3) Special rules for combat-related injuries.—For purposes of this subsection, the term 'combat-related injury' means personal injury or sickness—

"(A) which is incurred—

"(i) as a direct result of armed conflict,

"(ii) while engaged in extrahazardous service, or

"(iii) under conditions simulating war; or

"(B) which is caused by an instrument of war.

In the case of an individual who is not described in subparagraph (A) or (B) of paragraph (2), except as provided in paragraph (4), the only amounts taken into account under subsection (a)(4) shall be the amounts which he receives by reason of a combat-related injury.

"(4) Amount excluded to be not less than veterans' disability compensation.—In the case of any individual described in paragraph (2), the amounts excludable under subsection (a)(4) for any period with respect to any individual shall not be less than the maximum amount which such individual, on application therefor, would be entitled to receive as disability compensation from the Veterans' Administration."

(c) Special Rule for Existing Permanent and Total Disability Cases.—In the case of any individual who—

(1) retired before January 1, 1976,

(2) either retired on disability or was entitled to retire on disability, and

(3) on January 1, 1976, was permanently and totally disabled (within the meaning of section 105(d)(5) of the Internal Revenue Code of 1954),

such individual shall be deemed to have met the requirements of section 105(d)(1)(B) of such Code (as amended by subsection (a) of this section).

Sec. 507. Moving Expenses.

(a) Decrease in Mileage Test From 50 Miles to 35 Miles.—Paragraph (1) of section 217(c) (relating to conditions for allowance of deduction for moving expenses) is amended by striking out "50 miles" each place it appears and inserting in lieu thereof "35 miles".

(b) Increase in Dollar Amounts.—

(1) Certain expenses of traveling, meals, and lodging after obtaining employment.—The first sentence of subparagraph (A) of section 217(b)(3) (relating to dollar limits) is amended by striking out "$1,000" and inserting in lieu thereof "$1,500".

(2) Aggregate dollar limit.—The second sentence of subparagraph (A) of section 217(b)(3) is amended by striking out "$2,500" and inserting in lieu thereof "$3,500".

(3) Separate returns.—The second sentence of subparagraph (B) of section 217(b)(3) (relating to dollar limits in the case of husband and wife) is amended to read as follows: "In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting '$750' for '$1,500', and by substituting '$1,750' for '$3,500'."

(c) Rules for Members of the Armed Forces of the United States.—Section 217 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) Rules for Members of the Armed Forces of the United States.—

"(1) In general.—The limitation under subsection (c) shall not apply in the case of a member of the Armed Forces of the United States on active duty who moves pursuant to a military order and incident to a permanent change of station. Any moving expenses which are furnished in kind to such member, his spouse, and his dependents shall not be includible in gross income under section 82; and no reporting with respect to such expenses shall be required of the Secretary of Defense or the Secretary of Transportation, as the case may be.

"(2) Separate moving expenses of family remaining in or returning to United States.—If a member of the Armed Forces of the United States, on active duty, moves pursuant to a military order and incident to a permanent change of station, to a location outside of the United States (exclusive of Alaska) and the spouse and dependents move to a location within the United States other than Alaska if such member moves to Alaska, this section shall apply to the moving expenses of the spouse and dependents of such member as if the new residence of the spouse and dependents were the new residence of such member.

(d) Rules for Members of the Armed Forces of the United States Regarding Reimbursement for Expenses of Moving.—Section 82 is amended to read as follows:

"Sec. 82. Reimbursement for Expenses of Moving.

"(a) In General.—There shall be included in gross income (as compensation for services) any amount received or accrued, directly or indirectly, by an individual as a payment for or reimbursement of expenses of moving from one residence to another residence which is attributable to employment or self-employment.

"(b) Moving Expenses of Members of the Armed Forces.—If a member of the armed forces, on active duty, moves pursuant to a military order and incident to a permanent change of station, subsection (a) shall not apply to the moving expenses which are furnished in kind by the Secretary of Defense or the Secretary of Transportation.".

(e) Effective Date.—The amendments made by subsection (a) apply to taxable years beginning after December 31, 1976. The amendment made by subsections (b) (c), and (d) apply to taxable years beginning after December 31, 1975.

Sec. 508. Tax Revision Study.

(a) Study.—The Joint Committee on Taxation shall make a full and complete study and investigation with respect to simplifying and indexing the tax laws of the United States. Such study and investigation shall include a consideration of whether the rates of tax can be reduced by repealing any or all tax deductions, exemptions, or credits.

(b) REPORT.—The Joint Committee on Taxation shall submit to the Committee on Finance of the Senate and to the Committee on Ways and Means of the House of Representatives such interim reports as it deems advisable and a final report of its study and investigation together with its recommendations, including recommendations for legislation, as it deems advisable.

SEC. 509. REPORT BY THE SECRETARY OF THE TREASURY.

The Secretary of the Treasury shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a final report of the study and investigation with respect to tax simplification which the Department of Treasury is conducting. Such report shall include the recommendations of the Secretary of the Treasury with respect to tax simplification and an analysis of the integration of individual and corporate income taxes.

SEC. 511. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this title shall apply to taxable years beginning after December 31, 1975.

TITLE V.—TAX SIMPLIFICATION

Mr. LONG. Mr. President, a brief explanation of this amendment:

1. Revision of tax tables for individuals (sec. 501 of the bill).

The committee amendment adopts new tax tables based on taxable income to be used by all taxpayers whose taxable income is below $20,000. The tax tables provided under present law are based on adjusted gross income and may be used only by taxpayers who use the standard deduction and have adjusted gross income below $10,000 ($15,000 for 1975 only).

The existing 12 optional tax tables have been a major source of taxpayer error, and the committee believes that they should be replaced with a single table which may be used by all taxpayers—those itemizing deductions as well as those taking the standard deduction.

The committee amendment is the same as the House bill.

2. Limitation on deduction for State and local gasoline taxes (sec. 502 of the bill).

The committee amendment places a $50 floor on the deduction for State and local gasoline taxes. The committee believes that the deduction for small amounts of gasoline tax creates an additional amount of complexity for taxpayers who itemize which is disproportionate to any benefits. The committee believes it is appropriate to place a floor on the deduction so that it would only be available to those taxpayers who drive considerable distances during the year and pay large amounts of State and local taxes.

There is no comparable provision in the House bill.

3. Deduction for alimony payments (sec. 503 of the bill).

The committee amendment converts the alimony deduction from an itemized deduction in arriving at adjusted gross income, so that those taxpayers who take the standard deduction will be able to take the alimony deduction.

The committee believes that this is appropriate since alimony payments represent an assignment of income and should properly be a deduction in arriving at adjusted gross income rather than an itemized deduction.

The committee amendment is the same as the House bill.

4. Revision of retirement income credit (sec. 504 of the bill).

Present law provides taxpayers age 65 or over, or under 65 and receiving a public pension, a tax credit equal to 15 percent of retirement income up to $1,524 for a single person and $2,286 for a married couple. The committee amendment revises the tax credit in several respects:

(1) It increases the maximum base for the credit from $1,524 for a single person to $2,000 in 1976 and $2,500 in 1977, and for a married couple from $2,286 to $3,000 in 1976 and $3,750 in 1977.

(2) It makes the credit available for earned income as well as retirement income.

(3) It repeals the retirement income credit for public retirees under age 65.

(4) It reduces the maximum amount of the credit base by one-half of adjusted gross income in excess of $7,500 for a single person and $10,000 for a married couple.

The committee made these revisions since it believes that the maximum amounts for the base need to be increased while, at the same time, the credit needs to be simplified so that more elderly people will be able to take advantage of the credit. Today, because of the complexity of the provision, many elderly people fail to claim the credit or make an error in computing it.

The committee amendment is the same as the House provision except that the House bill increases the maximum amounts in 1976, rather than having a 2-year phasein, and it continues the existing provision for public retirees.

5. Credit for child care expenses (sec. 505 of the bill).

Under present law, taxpayers may claim a deduction for expenses incurred for the care of children or a disabled dependent or spouse of up to $4,300 a year. The maximum deduction is reduced by $1 for every $2 of income in excess of $35,000.

The committee amendment converts the deduction to a tax credit of 20 percent and reduces the maximum amount of eligible expenditures to $2,000 for one dependent and $4,000 for 2 or more. The amendment also eliminates the $35,000 income limit, extends the credit to married couples where one spouse works part time or is a student and makes the provision applicable to payments to relatives who are not dependents of the taxpayer if the pay for child care is subject to social security taxes.

The committee believes that the credit is more equitable than the deduction because it is worth the same to taxpayers in different tax brackets and is available to those taxpayers who take the standard deduction as well as to those who itemize. Since the deduction is converted to a credit, the committee does not believe there is any need for the $35,000 income limit which in any case would have only a negligible revenue impact. The other modifications are intended to simplify the provision and extend it to cover other cases which are now too restrictive, such as certain divorced and separated parents with custody of children who do not qualify as their dependents.

The committee amendment is the same as the House bill, except that it deleted the House bill provision which requires a relative not to be a member of the taxpayer's household in order for payments to the relative to be eligible for the credit.

6. Sick pay and certain military disability pensions (sec. 506 of the bill).

Under present law, an employee may in certain cases exclude from income up to $100 a week received under wage continuation plans when he is absent from work on account of personal injury or sickness. The committee amendment repeals the present sick pay exclusion and provides in lieu of it an exclusion of up to $5,200 a year for persons who are permanently and totally disabled. The $5,200 amount, however, is reduced dollar-for-dollar for income in excess of $15,000.

In the case of military personnel and members of certain other government services, present law provides an exclusion from income for pensions for personal injuries or sickness paid by the Department of Defense and other employer departments, as well as any Veterans Administration benefits. The committee amendment eliminates the exclusion for disability pensions for those who joined these services before September 24, 1975, but continues the exemption for Veterans Administration pensions or an equivalent amount paid by the Department of Defense.

The committee believes that the sick pay exclusion is inequitable since the same payments as wages to an employee who is at work are taxable. In addition, the sick pay provision is very complex, requiring a 28-line form, which makes it very difficult for eligible taxpayers to fill out. Also, the benefit of the exclusion is regressive since more than 60 percent of the tax savings go to taxpayers with incomes of over $20,000. The committee amendments focuses tax relief on those who are in need the most by making the exclusion of up to $5,200 available only to the permanently and totally disabled.

In the case of the military, the committee is concerned about the abuses of the existing provision where many members of the military retire "disabled" and then take other jobs. The committee amendment does protect those who enter the armed forces when this provision was in effect, since the provision only applies to those entering the armed services after September 24, 1975. The committee amendment, however, does not affect the present tax-free status of benefits paid by the Veterans Administration and any military disability pensions resulting from combat injuries.

7. Moving expenses (sec. 507 of the bill).

Under present law, a taxpayer may deduct up to $2,500 of job-related moving expenses. To qualify, however, his new place of work must be 50 miles farther from his former residence than was his former place of work. The committee amendment increases the $2,500 maximum and exempts certain moving expenses for members of the Armed Forces on active duty moved by military orders.

The committee believes it is appropriate to increase the $2,500 limit on deductible moving expenses to reflect inflation in recent years. In addition, it believes it is appropriate to reduce the 50-mile test, in view of the increased cost of commuting and the need for gasoline conservation for those taxpayers who moved to locations which are closer to their work.

The committee amendment is the same as the House bill except that the limit under the House bill was increased to $3,000 rather than $3,500.

8. Tax revision study (sec. 508 of the bill).

The committee amendment requires the Joint Committee on Internal Revenue Taxation to make a full and complete study and investigation with respect to simplification and indexing the tax laws. This study is to include consideration of whether the rates of tax can be reduced by repealing any or all tax deductions, exemptions, or credits.

9. Report by the Secretary of the Treasury (sec. 509 of the bill).

The committee amendment requires the Secretary of the Treasury to submit to the Senate Finance Committee and House Ways and Means Committee a final report of the Treasury's study and investigation with respect to tax simplification. The report is to include recommendations with respect to tax simplication and an an analysis of the integration of individual and corporate income taxes.

Mr. President, I was under the impression that the Senator from Illinois (Mr. STEVENSON) would like to offer an amendment to this measure, and if the

Senator can be located I would like to have him alerted so that he may do so.

UP AMENDMENT NO. 210

Mr. ALLEN. Mr. President, I have an amendment I would like to offer.

The PRESIDING OFFICER. The Senator from Alabama has an amendment which the clerk will report.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes unprinted amendment No. 210:

On page 190, strike lines 22 and 23, and also strike lines 1 through 5 on page 191.

Mr. ALLEN. Mr. President, this amendment knocks out the limitation that the committee places on the deduction for State and local gasoline taxes paid. The committee would exclude the first $50 in State and local gasoline taxes paid and would allow a deduction only for the amount over $50.

It seems to the Senator from Alabama, while we are giving a $35 per year exemption deduction on the tax reduction aspect of the bill, here we are taking some of it back by saying that the first $50 one pays one gets no deduction for that.

What this amendment would do would be to knock out that limitation and allow all State and local gasoline taxes to be deductible from Federal income taxation.

I believe it is a good amendment. It is an amendment, it would seem to me, that protects the so-called little man, and I feel it is an amendment the Senate ought to adopt in a tax reform measure, and we should not take away small deductions that the average man does have. So I hope the amendment will be agreed to.

Mr. HELMS. Mr. President, the amendment of the distinguished Senator from Alabama is identical, in large measure, to the printed amendment of the Senator from North Carolina, amendment No. 1879.

I wonder if the able Senator from Alabama would not like to use the text of my amendment because it perfects what he proposes to do?

Mr. ALLEN. I will do better than that, I will say to the Senator. I will withdraw my amendment and allow him to offer his amendment and suggest that he put me on his amendment as a cosponsor.

Mr. HELMS. Very well. I thank the Senator.

I would simply point out to the Senator if his amendment is approved it would still be necessary to change the title on lines 6 and 21.

AMENDMENT NO. 1879

So, if the Senator withdraws his amendment, I call up my amendment No. 1879.

Mr. ALLEN. Under those circumstances, I withdraw the amendment and yield to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. First of all, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

First, the clerk will state the amendment.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 1879.

The amendment is as follows:

On page 190, strike out lines 6 and 7 and insert in lieu thereof the following:

"SEC. 502. LIMITATION ON DEDUCTION OF CERTAIN STATE TAXES."

On page 190, line 21, after the period insert closing quotation marks and another period.

On page 190, beginning with line 22, strike out through line 5 on page 191.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. I hope the Senator will add me as a cosponsor.

Mr. HELMS. Mr. President, I ask unanimous consent that the distinguished Senator from Alabama be added as principal cosponsor. It is always a privilege to work with him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I really have little to add to the remarks of the distinguished Senator from Alabama. He has stated the case. As he has indicated, the tax reform bill as reported out of the Finance Committee partially repeals the gasoline tax deduction, by limiting deductions to those taxes paid in excess of $50 for each taxable year.

The gasoline tax deduction is not a benefit for the wealthy, Mr. President. The few dollars saved each year would be of no account to one of very ample means. But it is most important to the average middle income person, who must make extensive use of his car each year. For citizens trying to support their families in the midst of a continuing inflation, an inflation caused largely by this Congress, I might add, those few dollars each year can make a very big difference.

The persons receiving the greatest benefit from the gasoline tax deduction are those who live in rural areas, and are forced to travel great distances for medical care, groceries, farm supplies, and other necessities. The diminution of this tax deduction hits these people the hardest. I need not point out to the distinguished Senator from Louisiana, who represents a largely rural State, that those fine citizens who live in the country and grow cotton, soybeans, rice, and sugar cane are not rich folks; rather, these are the people struggling to make a living off the land. These are the people who do not have money to spare. I am hopeful, therefore, that my friend from Louisiana will consider those rural constituents of his and mine, and agree to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, at present, about 70 percent of all taxpayers use the standard deduction, and that includes most of the low income taxpayers. It is only those who itemize who receive any benefit from a deduction for the State and local gasoline taxes they pay.

Furthermore, Mr. President, this is an area where the Internal Revenue Service tells us that there is almost a complete inability of the Government to administer the law, because how do we know how many miles somebody drove. A very small amount is involved in whether he claims to have driven 20,000 miles or whether he drove 15,000 miles. So it is difficult for anyone to know.

It only benefits those who itemize, which means, for the most part, it would encourage someone to itemize merely to get the benefit of deducting the little gasoline tax he paid to the State government. It is one of those things that adds considerable complexity and confusion to filling out the income tax return.

It puts him in the position of hiring a tax consultant to help make out his tax return. As I say, then the tax consultant proceeds to see how he can chisel with regard to the State and local gasoline taxes by estimating it to be higher than it really is.

This is one area where we could simplify the law by saying we cannot deduct these taxes unless they exceed $50.

This amendment, as I say, would only benefit some of those who itemize, which would be less than 30 percent of taxpayers, and would cost us $285 million a year.

I yield to the distinguished Senator from South Carolina.

Mr. THURMOND. I thank the Senator.

Mr. President, I ask unanimous consent that John Napier be granted privilege of the floor during consideration of the tax bill and voting.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, we on this committee were confronted with a budget resolution calling on us to raise some taxes, to raise money.

Here is one area where chiseling is rampant. There is no way to check on it effectively. Only that 30 percent of taxpayers who use the long form and itemize get any benefit out of it. Everybody has a certain amount of driving to do, one way or the other. So here we have a situation where 70 percent of taxpayers take the standard deductions and do not benefit at all from this deduction.

If we disallow some of this deduction, it helps shift some of the people from itemizing their deductions to taking the standard deductions which is far simpler and avoids the complexities of itemizing.

Treasury has time and again recommended we either eliminate or drastically reduce this deduction.

With all that, and under the pressure to raise money, here is one of the areas where chiselling and cheating is bad and where we would simplify the law and help meet objectives of the budget resolution by picking up $285 million.

And the estimate goes on up to where the revenue gain under the committee amendment would be $343 million, which is money we lose if we do not do this.

This is tax reform that has been recommended by the Treasury.

I am sorry the Senator from North Carolina and the Senator from Alabama do not agree with this. But, Mr. President, if I ever saw something that moves toward simplification and reform at the same time, this is one item, to say the first $50 of our gasoline tax to the State and local government could not be deducted.

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, I am sure that there is considerable feeling that we would like to vote for any amendment that appears to be beneficial to taxpayers. I realize that nothing I can say will change this.

The Senate should realize that there is $285 million involved here. As the distinguished chairman has so accurately pointed out, the vast majority of low-income taxpayers use the standard form. Consequently, they do not itemize how much they spent for gasoline taxes.

My recollection is that over a period of years the Treasury has recommended that we do away with that provision of the Code which allows a taxpayer to deduct the amount paid in gasoline tax. As I say, it does not mean anything to the low-income taxpayer who uses the short form, the standard deduction.

The Finance Committee, instead of taking the Treasury recommendation that it be abolished entirely, thought they ought to keep it for that individual who may pay very substantial amounts in gasoline tax.

For that reason, they put the floor under there that unless they claim the gasoline tax exceeds $50, they cannot use it as a deduction.

Mr. President, the Senate, of course, will have to work its will on the amendment. I remind Senators that the amendment we just voted on before added $3.4 billion to the national debt. It does not make any difference what fiscal year it falls in. It is that much expenditure beyond what is coming in. That was done with the Muskie budget-busting amendment.

This one here has merit, of course. Thay all do. But we should keep in mind that here is another $285 million of revenue, and the committee must either support a position to collect that revenue, or not.

Mr. President, I yield the floor.

Mr. PASTORE. Will the Senator yield me 2 minutes?

Mr. HELMS. Certainly.

Mr. PASTORE. Mr. President, I am not buying this idea that every taxpayer, for some reason, is a cheater.

The fact is that if we pay the tax we ought to be able to deduct it. This idea that it is inconvenient or that it discomforts someone else and, for that reason, we ought to eliminate it, strikes me that we are falling into the habit here of making the middle-class income taxpayers the scapegoat.

What we are doing here is that if it is over $50—that would be a commercial user—he can deduct the tax, but if he happens to be somebody who earns between $15,000 or $20,000 a year, he cannot deduct the tax he has already paid. Now, if there is any cheating, get the cheaters. Punish them. But this idea that we take it out of the legitimate, honest taxpayer I do not buy for 1 minute.

Make it our business to find out. Do not say to a man, "You pay a tax and after you pay that tax, you cannot deduct that tax because it is too tough for us to administer." I believe this is going too far.

I believe the Helms amendment is a good amendment and I am going to vote for it. I would like to be added as a cosponsor, if the Senator will do that and oblige me in that respect.

The committee amendment is going to hurt the middle-income earner, pure and simple. I say if we are having any trouble, do away with the tax entirely. Do not charge the gasoline tax and we will not have a problem. But if we are going to charge a gasoline tax and the taxpayer pays a gasoline tax, he ought to deduct it as he does now.

Mr. HELMS. Mr. President, in addition to Senator PASTORE and Senator ALLEN who are already cosponsors, I ask unanimous consent that Senator BARTLETT, Senator DURKIN, Senator MORGAN, Senator TAFT and Senator BUCKLEY be added as cosponsors.

Mr. WILLIAM L. SCOTT. I would like to ask the Senator if he would add my name as a cosponsor, and I commend him for offering the amendment.

Mr. HELMS. I thank the Senator. I ask that he be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, there are all kinds of taxes that cannot be deducted. One cannot deduct the State document transfer taxes, other auto taxes or fees for license plates, tobacco taxes, taxes on alcohol, entertainment taxes, the Federal taxes on tobacco. There are all kinds of taxes that are paid that are not permitted to be deducted. Where someone is traveling in his business, he can deduct the whole thing, not only the tax but the gasoline, every penny of the expense. This is one of those areas that makes for needless confusion in the tax laws. Everybody is going to do a certain amount of traveling. I would think the average person, and I know I do, drives about 10,000 miles a year. If we simply take that into account, that everyone has a certain amount of personal expenses getting back and forth to work, and say that anybody who has just the average amount of taxes and of expense in getting back and forth to work would simply not deduct that part of it, then he does not have to keep a record; he does not have to have somebody ask him questions about how much he did travel, how much he did not travel, and he does not have to hire himself a tax consultant.

In many instances, a person who is involved with just $50 would have to itemize, fill out the long form, and, by the time he gets through hiring himself a tax consultant to do that, what he pays the consultant would exceed the $10 he would save if he claims a deduction for the first $50.

This is one of those areas where the standard deduction concept applies so well. Just give a person a certain amount of deduction that everyone can claim and let them all claim it. That takes everything into account. We would not have all these taxpayers bitterly complaining about the complexity of a tax code if we would fix it so it would be more attractive to use a standard deduction than it is to use the itemized deduction.

Here is one of the items on the itemized deductions which causes people to itemize, keep records, chisel, and make the law far more complex than it need be; who have to hire tax consultants who, in turn, advise them on how to chisel by claiming they lost their wristwatches and one thing and another.

All of that could be avoided if we had some simplification. That is why we suggest this as a simplification. Those in Internal Revenue Service agree this moves us toward simplification. In this bill we hope to move 9 million taxpayers who are going through all the complexities of filling out all those deductions over to the simplified form. Part of what we tried to do is to make the simplified form more attractive, and part of what we tried to do is make it less advantageous to use the itemized form.

Mr. President, this is simplification and it also is tax reform. I hope the Senate will support the committee position and reject the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that Dick Bryan, of my staff, be granted the privilege of the floor during the consideration of this measure and the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I am ready to vote.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota, (Mr. ABOUREZK), the Senator from Montana, (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from North Carolina (Mr. MORGAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. TOWER. I announce that the Senator from Michigan (Mr. GRIFFIN) is necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. HUGH SCOTT) is absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent due to a death in the family.

The result was announced—yeas 50, nays 42, as follows:

[Rollcall Vote No. 393 Leg.]

YEAS—50

Allen
Baker
Bartlett
Bayh
Beall
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Domenici
Durkin
Fong
Ford
Glenn
Hart, Gary
Hartke
Helms
Huddleston
Humphrey

Jackson
Laxalt
Magnuson
Mansfield
McClellan
McClure
McGovern
Montoya
Nelson
Nunn
Pastore
Pearson
Pell
Roth
Schweiker
Scott,
 William L.
Sparkman
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—42

Bellmon
Bentsen
Brock
Case
Clark
Culver
Curtis
Dole
Eagleton
Eastland
Fannin
Garn
Goldwater
Gravel
Hansen
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Mathias
McGee
McIntyre
Moss
Muskie
Packwood
Percy
Proxmire
Randolph
Ribicoff
Stafford
Stennis
Stevens
Stevenson
Symington
Williams

NOT VOTING—8

Abourezk
Griffin
Hruska
Metcalf
Mondale
Morgan
Scott, Hugh
Tunney

So Mr. HELMS' amendment (No. 1879) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1882 (AS MODIFIED)

Mr. HASKELL. Mr. President, I call up my amendment No. 1882, and I send a modification to the desk. On page 214 of the committee amendments at the end of the language intended to be inserted by the committee I add the following amendment, and I send my amendment to the desk.

The PRESIDING OFFICER (Mr. BELLMON). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes amendment numbered 1882, as modified.

Mr. HASKELL. Mr. President, I ask unanimous consent that the amendment not be read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Sec. 510. Repeals.

(a) Amendment of the Internal Revenue Code of 1954.—The following provisions are repealed effective December 31, 1976:

(1) Sections 167(b)(2), 167(b)(3), 167(b)(4), 167(c), 167(j)(1)(B), 167(j)(1)(C), 167(j)(4)(B)(ii), 167(j)(4)(B)(iii), 167(j)(5)(B), and 167(j)(5)(C) (relating to methods of computation of depreciation).

(2) Section 167(k) (relating to depreciation of expenditures to rehabilitate low-income rental housing).

(3) Section 167(m) (relating to class lives).

Sec. 511. Repeals.

(a) Amendment of the Internal Revenue Code of 1954.—The following provisions are repealed effective December 31, 1976:

(1) Part IV of subchapter N of chapter 1 (relating to domestic international sales corporation).

Sec. 512. Amendments to Section 38.

(a) The Internal Revenue Code of 1954 is amended to read as follows:

"(a) General Rule.—There shall be allowed, as a credit against the tax imposed by this chapter, the amount determined under subpart B of this part for small business concerns and family farms as defined in subsection (c) of this section."

"(c) Definitions.—For purposes of this section:

"(1) Small business concern shall be defined as a business with assets valued on a cost-basis of less than $2,000,000.

"(2) Family farm shall be defined as a farm (A) owned and operatd by a family unit which resides on or near the land constituting the farm, (B) of a size small enough to be maintained and operated by such family unit themselves or with hired labor during seasonal peak load periods, (C) which provides 65 percent of such families' gross income."

Sec. 513. Amendment of Section 263(c).

Section 263(c) (relating to intangible drilling and development costs in the case of oil and gas wells) is amended by inserting after "Congress" the following: "except that such regulations shall limit the option to deduct such expenses to expenses which are attributable to intangible drilling and development costs of oil and gas wells which are exploratory wells".

Sec. 514. Repeal of Section 272.

(a) Repeal.—Section 272 (relating to disposal of coal or domestic iron ore) is repealed.

(b) Technical and Conforming Amendment.—The table of sections for part IX of subchapter B of chapter 1 is amended by striking out the item relating to section 272.

Sec. 203. Repeal of Section 616.

(a) Repeal of Section 616.—Section 616 (relating to development expenditures) is repealed.

(b) Technical and Conforming Amendment.—The table of sections for part I of subchapter I of chapter 1 is amended by striking out the item relating to section 616.

Sec. 204. Repeal of Sections 631 and 632.

(a) Repeal.—Sections 631 (relating to gain or loss in the case of timber, coal, or domestic iron ore) and 632 (relating to sale of oil and gas properties) are repealed.

(b) Technical and Conforming Amendment.—The table of sections of part III of subchapter I of chapter 1 is amended by striking out the items relating to sections 631 and 632.

Sec. 515. Repeal of Section 1231(b)(2).

Section 1231(b)(2) (relating to timber, coal, or domestic iron ore) is repealed.

Sec. 516. Allowance for Depletion Limited to Cost.

(a) In General.—Part I of subchapter I of chapter 1 (relating to deductions for natural resources) is amended by adding after section 612 the following new section:

"Sec. 612A. Depletion Allowance Limited to Basis.

"The aggregate of any amounts allowed for depletion for any taxable years under this subchapter with respect to any property shall not exceed the adjusted basis (provided in section 1011 for the purpose of determining the gain upon the sale or other disposition of such property) of such property. If the aggregate amounts allowed for depletion for taxable years beginning on or before December 31, 1976, with respect to any property exceed the adjusted basis of such property, such excess shall not be treated as disallowed by reason of this section but no further depletion allowance may be taken under this subchapter for such property.".

(b) Conforming Amendment.—The table of sections for such part is amended by inserting after the item relating to section 612 the following new item:

"Sec. 612A. Depletion allowance limited to basis.".

Sec. 517. Recommendation of Technical Changes by the Secretary of the Treasury.

The Secretary of the Treasury or his delegate shall, as soon as is practical but not later than 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout the Code the changes in the substantive provisions of law made by this title.

Sec. 518. Effective Date.

The amendments made by this title apply to taxable years beginning after December 31, 1976.

Sec. 401. Amendment of Corporate Surtax and Surtax Exemption

(a) Section 11(b)(2) of the Internal Revenue Code of 1954 is amended to read as follows:

"(2) in the case of a taxable year ending after December 31, 1974, the sum of—

"(A) 20 percent of so much of the taxable income as does not exceed $25,000, plus

"(B) 22 percent of so much of the taxable income as exceeds $25,000 but does not exceed $50,000, plus

"(C) 25 percent of so much of the taxable income as exceeds $50,000."

(b) Section 11(d) of the Internal Revenue Code of 1954 is amended to read as follows: "For purposes of this subtitle, the surtax exemption for any taxable year is $100,000, except that, with respect to a corporation to which section 1561 or 1564 (relating to surtax exemptions in case of certain controlled corporations) applies for the taxable year, the surtax exemption for the taxable year is the amount determined under this section. The surtax exemption shall be reduced by $1 for each and every $2.50 that the taxable income exceeds $250,000 as determined under this section."

Sec. 519. Reduction of Tax Rates to 1972 Levels.

(a) Section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax for old-age, survivors, and disability insurance) is amended by inserting "and" at the end of paragraph (2) and by striking out paragraphs (3), (4), (5), and (6) and inserting in lieu thereof the following:

"(3) with respect to wages received during the calendar years 1971, 1972, 1973, and each subsequent calendar year, the rate shall be 4.6 percent."

(b) Section 3101(b) of such Code (relating to rate of tax for hospital insurance) is amended to read as follows:

"(b) Hospital Insurance.—In addition to the tax imposed by the preceding subsection, there is hereby imposed on the income of every individual a tax equal to 0.60 percent of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b)) during each calendar year."

(c) Section 1401(a) of such Code (relating to rate of self-employment income tax for old-age, survivors, and disability insurance) is amended by inserting "and" at the end of paragraph (2), and by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3) in the case of any taxable year beginning after December 31, 1970, the tax shall be equal to 6.9 percent of the amount of the self-employment income for such taxable year."

(d) Section 1401(b) of such Code (relat-
for hospital insurance) is amended to read as
ing to rate of self-employment income tax
follows:

"(b) HOSPITAL INSURANCE.—In addition to the tax imposed by the preceding subsection, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to 0.60 percent of the amount of the self-employment income for such taxable year."

SEC. 520. FURTHER REDUCTION FOR LIMITED INCOME INDIVIDUALS.

(a) Section 3101 of the Internal Revenue Code of 1954 (relating to rate of tax on employees) is amended by adding at the end thereof the following subsection:

"(c) REDUCTION FOR LIMITED INCOME INDIVIDUALS.—

"(1) IN GENERAL.—The taxes imposed by subsections (a) and (b) with respect to the wages received by an individual with respect to employment during a calendar year shall be reduced by an amount equal to 5.2 percent of the individual's limited income deduction (determined under paragraph (2)).

"(2) LIMITED INCOME DEDUCTION.—For purposes of this subsection, an individual's limited income deduction with respect to wages received with respect to employment during a calendar year is—

"(A) the sum of (i) his low-income allowance under section 141(c) for his taxable year which begins in the calendar year (whether or not the individual uses the low-income allowance for purposes of the tax imposed by chapter 1) and (ii) the amount of personal exemptions to which he is entitled under section 151 for the taxable year, reduced (but not below zero) by

"(B) the amount by which the sum of the wages received by him with respect to employment during the calendar year and his self-employment income for such taxable year exceeds the sum described in subparagraph (A).

"(3) WITHHOLDING AND SOCIAL SECURITY ACT NOT TO BE AFFECTED.—For purposes of section 3102 and titles II and XVIII of the Social Security Act, this subsection shall not be taken into account."

(b) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(c) REDUCTION FOR LIMITED INCOME INDIVIDUALS.—

"(1) IN GENERAL.—The taxes imposed by subsections (a) and (b) on the self-employment income of an individual for a taxable year shall be reduced by an amount equal to 7.5 percent of the individual's limited income deduction (determined under paragraph (2)).

"(2) LIMITED INCOME DEDUCTION.—For purposes of this subsection, an individual's limited income deduction for a taxable year is—

"(A) the sum of (i) his low-income allowance under section 141(c) for the taxable year (whether or not the individual uses the low-income allowance for purposes of the tax imposed by chapter 1) and (ii) the amount of personal exemptions to which he is entitled under section 151 for the taxable year, reduced (but not below zero) by

"(B) the amount by which the sum of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b)) during the calendar year in which his taxable year begins and his self-employment income for such taxable year exceeds the sum described in subparagraph (A).

"(3) SOCIAL SECURITY ACT NOT TO BE AFFECTED.—For purposes of titles II and XVIII of the Social Security Act, this subsection shall not be taken into account."

SEC. 521. CREDIT OR REFUND FOR EXCESS WITHHOLDING OF SOCIAL SECURITY TAXES.

Section 31(b) of the Internal Revenue Code of 1954 (relating to credit for special refunds of social security tax) is amended by striking out the heading and paragraph (1) and inserting in lieu thereof the following:

"(b) CREDIT FOR EXCESS WITHHOLDING OF SOCIAL SECURITY TAXES.—

"(1) IN GENERAL.—The Secretary or his delegate shall prescribe regulations providing for the crediting against the tax imposed by the subtitle of (A) amounts deducted under section 3102 from the wages paid to the taxpayer in excess of the tax imposed on such wages by section 3101, and (B) the amount determined by the taxpayer or the Secretary or his delegate to be allowable under section 6413(c) as a special refund of such tax. The amount allowable as a credit under such regulations shall, for purposes of this subtitle, be considered an amount withheld at source as tax under section 3402."

SEC. 522. EFFECTIVE DATES.

The amendments made by sections 2 (a) and (b) and 3(a) shall apply with respect to wages paid after December 31, 1972. The amendments made by sections 2 (c) and (d), 3(b), and 4 shall apply to taxable years beginning after December 31, 1972.

SEC. 523. APPROPRIATIONS FROM GENERAL FUND TO SOCIAL SECURITY TRUST FUNDS.

(a) There are hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund amounts (as determined by the Secretary of the Treasury) equal to the amounts by which the taxes imposed by sections 1401 and 3101 of the Internal Revenue Code of 1954 received in the Treasury are less than the amounts which would have been received if the Social Security Tax Reduction Act of 1973 had not been enacted.

(b) The amounts appropriated by subsection (a) shall be transferred from time to time from the general fund in the Treasury to the respective trust funds on the basis of estimates by the Secretary of the Treasury. Proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the amounts which should have been transferred.

Mr. HASKELL. For the benefit of the Senate, the modification merely strikes the title, the first page of the table of contents, and renumbers the sections. Instead of section 101 it starts with section 510 and then continues to number them sequentially.

Mr. BEALL. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HASKELL. I yield to the Senator from Maryland for that purpose.

Mr. BEALL. Mr. President, I ask unanimous consent that Nancy Slepicka of my staff be accorded the privilege of the floor during consideration and votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, the purpose of this amendment is to repeal a series of special tax expenditures which, by and large, benefit the major industrial interests of this country and to transfer the revenue so derived to small business and to taxpayers generally through a cut in their social security taxes.

A great many people in Congress feel that special incentives, as the proponents call them, or subsidies, as the opponents call them, to major business is the way to stimulate the economy and to create jobs.

The Senator happens to be of the opposite school. The way we stimulate the economy and create jobs is to put money in the hands of people generally.

Briefly, I describe this amendment as raising $13.9 billion in revenue and redistributing that revenue, first, by increasing the surtax exemption for small business, which would give to small business $2 billion, and then it provides a cut or a subsidy, whichever word one wishes to use, in social security tax rates for both the employer and the employee of 14.6 percent, which is $11.9 billion going jointly to employers and employees. The benefit to the employee, taking an average employee with a salary in the neighborhood of $8,000 to $10,000, is approximately $75 a year. So we have $75 a year more spendable income in the hands of employed people of this Nation.

Since small business tends to be labor intensive and the cut is both for the employer's part of social security and the employee's part, basically the benefit of the social security deduction on the employer's side will have the greatest impact on small business. So much, briefly, for the revenue returned.

Where does the revenue come from? The revenue comes from five separate items. The first is a repeal of the investment tax credit, except for the family farm—that is, the family farmer can buy a tractor and can get the investment tax credit—and for small business, small business being defined as a business of $2 million or less in assets.

The investment tax credit, when envisaged by the Kennedy task force more than a decade ago, had two features to it. No. 1, it was to go only to the incremental investment—that is, the investment made by a company over and above an historical level. No. 2, it was to be temporary. By the time the proposal came to Congress, the first aspect had been dropped because it was too complex to figure out what the historical investment was. However, the temporary nature was retained.

Mr. President, I think it is possible to see how the investment credit, on a temporary basis—you have to go to the store right now and buy it—could induce a company perhaps to accelerate an investment they otherwise might make next year or the year following. But the investment credit in the pending bill is permanent.

So what does this do? This says to anybody buying equipment, "I, Uncle Sam, will pay 10 percent of the purchase price of the equipment." Obviously, this helps people who are equipment intensive. Basically, what it does is to make economic equipment investment that is not otherwise economic. In other words, if you have to pay $100,000, it may not be economic, but if you pay $90,000, it may well be.

By making mechanization cheaper the net result of the investment credit, as it now stands, is probably to displace labor from jobs, which is quite the opposite of the original intention.

Then, Mr. President, the Finance Committee bill goes one step further. Originally, of course, it was a credit against taxes owed. The Finance Committee bill, on the other hand, says that if you are unable to use your investment tax credit because you do not make any money and therefore you do not pay any taxes, we are going to give you a check for 10 percent of the machine, anyway.

So what we have come to now is a permanent subsidy—there is no other word for it—if you want to buy equipment.

Mr. President, a good question probably is, "Why not repeal the entire investment tax credit? Why keep it for the family farm and the small business?" The rationale simply is that, over the years, small business in this country has taken a beating. The tax laws have been designed to help and have helped large business generally. I think the proof positive is that the large major corporations pay an effective rate of approximately 26 percent, whereas corporation generally pay an effective rate of 37 percent. So it is quite obvious that the larger corporations are favored by our tax laws—and a great many other laws.

For that reason, in my view, it is about time that we tipped the scale a little in the direction of small business, and for that reason the exception is written in there.

The family farm falls under the same heading. At least, in my part of the United States, the State of Colorado, there has been an invasion by the large corporate owner into the farming business. They basically get into it not caring whether they make money or lose money. If they lose money, they can shelter other income; and they hope basically to make money eventually in the form of a capital gain through land speculation. The family farmer, of course, has no other income against which to write off losses, and for that reason has been put at a great disadvantage.

I believe that the family farmers and ranchers are among the most stalwart citizens of this country and that their demise would be socially and economically very unfortunate. Therefore, I keep as an exception to the repeal of the investment tax credit both the family farm and small business.

However, the repeal of the balance of the investment tax credit—to illustrate the extent of the subsidy we have been giving—is estimated to be $6.6 billion a year. So we are giving to the major corporations of this country, out of the U.S. Treasury, the amount of $6.6 billion annually. As I said at the outset, it occurs to me that this is uneconomic. This causes a usage of equipment where equipment is not really economically justified; and this subsidy going to the very wealthy corporations, in my view, is improper.

The second item that is repealed is the DISC provision. This was debated at great length on the floor of the Senate, and I realize that it was defeated. I think that the proper view, however, without going over the arguments, is that with a floating currency there is no need to subsidize exports through an artificial tax break. I think that most economists agree that the devaluation of the dollar and floating currency are the reason our exports have increased dramatically and that DISC merely benefits those who would export in any event.

In DISC, we notice that it is, again, the very large exporters or very large corporations of this country who benefit.

Third, there is a repeal of what is known as ADR, the asset depreciation range. This is a form of accelerated depreciation that is so complex that only 1.6 percent of the corporations are staffed with sufficient accounting help to use this asset depreciation range. It is an artificial depreciation—artificially fast, that is. Again, when you depreciate beyond what the economic depreciation is, you are deferring tax which is really giving an interest-free loan from the U.S. Treasury to the company that is using this artificial depreciation method. For that reason, it does not seem to this Senator to be justified.

Incidentally, it was enacted into law in 1971, so it has not been around all that long. It accounts for $1.6 billion of revenue lost to the Treasury.

The fourth item which goes to make up the $13.9 billion total is the repeal of accelerated depreciation generally. Again, as we all know, accelerated depreciation allows a taxpayer to take more than the economic depreciation in a given year. I can recall, Mr. President, when this particular provision was enacted into law. I happened to be practicing law and I represented a company. The treasurer called this accelerated depreciation to my attention and wondered whether he should elect to take the accelerated depreciation. We both agreed that it was such a bonanza that Congress would not stand still for it very long and we had better grab while the going was good. Well, this is now 20 years later, which shows that our judgment was not exactly that good. But there is not any reason for it. Again, it is an interest-free loan to certain selected people. The equipment-intensive companies and only the equipment-intensive companies can take it, plus certain people in the real estate business. It favors that particular segment of industry as opposed to the labor-intensive industries with less capital investment. It is an artificial deduction in that it is not related to the actual expenses of the year. For that reason, I am recommending that it be repealed.

The fifth item is a repeal of certain natural resource preferences. This totals $3 billion annually. The first repealer would be to limit percentage depletion to recovery of costs. We all know the arguments on percentage depletion. We all know, I think, that percentage depletion is an arbitrary percentage of gross income.

It varies from mineral to mineral. In oil and gas and uranium, if my recollection is correct, it is 22 percent. In other minerals, it may be less. Copper, I think, is 15 percent. But it says that, whether or not you have recovered your costs, you can continue taking this deduction. It would be comparable, using the 22 percent figure, to telling a wage-earner who makes $10,000 a year, "Well, I will tell you what we will do: We won't start with $10,000 and work down to your taxable income; we will start with $7,800 and work down to your taxable income." So this is completely artificial. It is not related to any expenditure.

A valid question is, why allow percentage depletion until you cover your costs? Why not have cost depletion? My reason for allowing percentage depletion until you recover cost is that in many circumstances, it is very difficult to determine what the cost depletion is. It would not be difficult for the big coal company, the big oil company, the big copper company to do that. But for the royalty owner to figure out how much of the mineral was taken out of the ground in the year and how much was left in is an impossible task. Therefore, it seems to me that, in the interest of making things easier for taxpayers generally and still not penalize the U.S. Treasury, it is proper to allow percentage depletion until at least cost is recovered.

The next item of repeal would be to limit the expensing of intangible drilling costs to exploratory wells. At the present time, as Members of the Senate are aware, if you drill an oil and gas well, you can deduct, in the great majority of cases, the entire costs of drilling. If the well is successful, you are creating an asset, a very valuable asset. The analogy in the manufacturing field would be to allow you to expense the entire cost of constructing your manufacturing facility, which, of course, you cannot do and which, as far as I know, nobody has suggested that we do.

If it is illogical and not in accordance with normal economic principles to allow the expensing of intangibles, why allow it on the exploratory well? Mr. President, as the particular occupant of the chair very well knows, the exploratory well is the riskiest part of the business. I think somewhere between around 80 or 85 percent of the new oil discoveries in our Nation are due to the independents. They take the risk. By and large, they drill the exploratory wells. In view of the fact that we want to encourage risk, I think it seems desirable to allow the exploratory well to have a special treatment, even though it, perhaps, for other reasons, may be illogical.

When you get beyond the exploratory well, however, you are then dealing with a higher degree of certainty. You talk about the development well. I would assume that the success ratio in the development wells is somewhere around the neighborhood of 70 or 80 percent. If, of course, any well is not productive, whether it be development or otherwise, obviously, you take as a loss whatever you have expended in drilling that well.

So I would draw the line in this amendment between the exploratory well and the development well and allow the special treatment on the exploratory well but, on the other hand, would not see any reason for so doing on the development well.

The next one is the repeal of capital gains provisions for coal and iron. These were written years ago into the Code as a special, particular treatment for royalties on this particular type of mineral. Why not on bauxite? Why not on copper? Why not on gravel, for example? I suppose that the answer is that the folks in the coal and the iron industry have more persuasive representatives roaming the halls of Congress. It is a special treatment, again, to a special industry. For that reason, I think it should be eliminated.

I point out that this, by no means, eliminates the possibility of getting capital gains on either coal or iron, because the sale of the mineral in place will result in the capital gain, just the way the sale of a piece of real estate will result in a capital gain as long as you are not in the business of selling. But it would say that the periodic payments derived from the severance and sale of the product do not get this special treatment.

My last repeal is repeal of the capital gain exemption for people in the business of raising and selling timber. This would affect the Weyerhaeusers of this world. It would not affect the person who has a farm and has some trees on the farm and decides to sell the trees.

That would be considered a severance, as I recall, of the interest in land, and the farmer would be entitled to capital gains.

On the other hand, I do not see any reason for giving a special exemption to the person in the business of raising and selling timber. If you are in the business of developing and selling real estate you pay an ordinary income tax. Similarly, if you are in the business of raising and selling timber you should pay an ordinary income tax. If, on the other hand, you are not in the business, you would be entitled to a capital gain.

I realize, Mr. President, that these overall repealers touch a lot of sensitive nerves, and I am bringing up this amendment for a purpose. I am not so hopeful as to expect this amendment will pass, but I want to point out, Mr. President, that the only way to get true tax reform is to eliminate the special subsidies that we have given to every segment, almost every segment, of industry in this country at the expense of the average wage earner because revenue has got to come from some place.

If you allow the General Motors and the du Ponts of this world to pay less tax, if you reduce their theoretical rate, which is 48 percent, down to 26 percent, John Jones and Jane Smith have got to pick up the balance.

I think, as I say, many of these provisions that I am asking to be repealed are attempted to be justified on the ground that they create jobs. That, in my estimation, is the trickle-down theory of economics of the 1920's: That, if you give the rich folks all the money they want, then they will be able to hire the poor folks. Maybe so. Maybe they will be able to hire more folks than they could do otherwise. But, in my view, if you put money into the hands of the average American, and the average American can then spend the money, I think this is far greater and more honest form of economic stimulation.

So, Mr. President, I would be very pleased to answer any questions on this particular measure that anybody may have.

If there are no questions, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, under the rules I have a right to ask for a division on this amendment, and I ask that the amendment be divided down to the end of page 5 so that we would vote on the tax increases first.

The PRESIDING OFFICER. The amendment will be so divided.

Mr. HASKELL. Mr. President, I am going to have to suggest the absence of a quorum unless I am given a little time to see what is happening.

Mr. LONG. I can tell the Senator what it is. It is very simple. It is just that I want to have a vote on the tax increases first and then what to do with the taxes if we raise them. This is a double-barreled amendment, and we will take one barrel at a time so that we will first see who wants to vote for all these taxes, and if you want to vote for the taxes then we will decide what to do with the money.

Mr. HASKELL. I think that sounds reasonable. I hope, Mr. President, that when people are faced with the raising of taxes they will bear in mind they will get a chance to redistribute the joys, as I have heard the Senator from Louisiana mention. We could, of course, subdivide this further, but I do not think that is necessary. I think this will be very acceptable.

Mr. LONG. Anyone can, of course, ask for a division if he wants to do so because he has that privilege.

Mr. President, the Senator has made clear his views on this tax measure and, in some respects, he seeks to repeal some things that this Senate has already voted for.

I certainly respect the Senator's deep sincerity on this matter, but the Senate, I believe, would not agree with him. For example, he wants the repeal of accelerated depreciation; he wants repeal of ADR; he wants repeal of the DISC, which the Senate voted for by a very substantial vote; he wants to repeal the investment tax credit for everybody except the family farms and, I believe, small businesses; he wants to limit the intangible drilling expenses only to exploratory wells; he wants to repeal the capital gains for coal and iron ore; and he wants to repeal the deduction for development expenditures for mining.

He would like to repeal capital gains for timber, coal, and iron ore royalties, and he would limit depletion to the maximum cost; he would raise $13.9 billion with these additional taxes and, of course, if the Senate wants to vote for that it can vote for it.

I do not think the Senate wants to vote for those taxes, but they certainly have a right to, and the Senator has a right to have that voted on. If that is the case, if that should be agreed to, we will then decide how we would distribute the $13.9 billion. I do not believe, Mr. President, that the Senate wants to do that.

I think the Senate, having voted time and again on some of these issues, would feel that these various provisions are in the tax law because, as I say, it agrees with them. I do not think the Senate is going to want to, in effect, put these new taxes on. I know how the Senator views it, and I do not view it the same way, but he certainly has a right to have it voted on, and I respect his right to offer it.

I am ready to vote.

Mr. HASKELL. I am ready to vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to division 1 of the amendment of the Senator from Colorado. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from North Carolina (Mr. MORGAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. TOWER. I announce that the Senator from Michigan (Mr. GRIFFIN) is necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. HUGH SCOTT) is absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent due to a death in the family.

The result was announced—yeas 9, nays 84, as follows:

[Rollcall Vote No. 394 Leg.]

YEAS—9

Abourezk
Clark
Hart, Gary
Hart, Philip A.
Haskell
Mansfield
McGovern
Nelson
Stone

NAYS—84

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hartke
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McIntyre
Montoya
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NOT VOTING—7

Griffin
Hruska
Metcalf
Mondale
Morgan
Scott, Hugh
Tunney

So division 1 of Mr. HASKELL's amendment was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GARN). The Senator from Maryland.

Mr. BEALL. Mr. President, I call up

my amendment No. 1880 and ask for its immediate consideration.

The PRESIDING OFFICER. If the Senator from Maryland will withhold, division 2 of the amendment is still pending and the yeas and nays have been ordered.

Mr. HASKELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. The Senate not having accepted division 1, I, as the sponsor of both division 1 and division 2, certainly do not want to inconvenience the Senate by having a vote on division 2. I would like to withdraw it and I would like to ask the Chair how I would go about withdrawing division 2.

The PRESIDING OFFICER. It would take a unanimous-consent request.

Mr. HASKELL. Then, Mr. President, I make a unanimous-consent request that the yeas and nays be vitiated on division 2, and division 2 be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Maryland.

AMENDMENT NO. 1880

Mr. BEALL. Mr. President, I call up my amendment No. 1880 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. BEALL) offers amendment numbered 1880.

The amendment is as follows:

On page 210, line 8, strike out "before January 1, 1976," and insert the following: "on or before the date of enactment of this Act,".

On page 210, line 11, strike out "January 1, 1976," and insert the following: "on or before the date of enactment of this Act,".

On page 210, line 13, strike out the comma and insert the following: "or was totally or partially disabled for purposes of chapter 81 of title 5, United States Code,".

Mr. BEALL. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that my colleague from Maryland (Mr. MATHIAS) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, in many cases the Federal Government distinguishes between its treatment of military and civilian employees, and often with good reason. However, in the reported bill before us, the Tax Reform Act of 1976, a distinction is made which I believe to be unfair and discriminatory to disabled civilian retirees.

This troubles me. Specifically, I am concerned with section 505 of this act and its inequitable treatment of civilian employees of the Government. The section is designed to repeal the present exemptions from taxation of sick pay and disability retirement, and substitutes a maximum annual exclusion of $100 per week. In addition, it tightens up the terms of permanent and total disability for everyone, including all Government agencies and the military.

For selected agencies and members of the Armed Forces, however, currently employed persons are exempt, and the provision only affects future employees. Although the committee expressed concern over the abuse of the exclusion in certain instances, it felt that the expectation of benefits by members of the Armed Forces and certain Government agencies when they enlisted or entered Government employment justifies their exclusion from the proposed changes. Why the exemptions are provided for the Armed Forces, the National Oceanic and Atmospheric Administration, the Public Health Service, and the Foreign Service, and not other agencies, is unclear to me, and to many of our Nation's civil servants. I feel that all Federal employees enter into Government service with virtually the same expectations regarding benefits, and should be treated equally regarding tax benefits. Why should we assume that the expectations of benefits are important only for employees of selected agencies? Why should an individual who has retired from the NOAA continue to receive an exemption for sick pay taxation, while one who has retired from the Treasury Department does not? Even if the argument is presented that those members of the armed services may be more susceptible to injury, and therefore more likely to need a disability retirement, are not our FBI agents, CIA agents, Secret Service, and Park Police also susceptible to danger?

I cannot in good conscience support that provision of the Tax Reform Act that excludes some employees of the Government. In addition, we should recognize that the employees we are concerned with in this provision are those who, for one reason or another, have been forced into early retirement because of some disabliity. It is one thing to tighten up standards where abuse has been documented. It is another matter, however, to change the rules for disabled individuals who may be retired at least partially in reliance on the tax advantages.

For example, I have heard of instances under the reduction in force program where a supervisor encouraged a particular individual to retire, so as to prevent the dismissal of another employee. It is certainly questionable whether this individual would have left the Federal service without the benefits of the tax laws. The committee concedes the merit of this argument in the case of the military. In my judgment, this is a distinction without a difference. In addition, the arguments for total reform are shallow when you consider the additional medical expenses that the disabled retiree will encounter, and the loss of potential earning power by early retirement, often coming at a time of high family expenses.

Over 250,000 persons are now receiving Federal disability retirement. What the Finance Committee is proposing to do is to change the rules under which these individuals retired after the retirement provisions were agreed to by the Government and the retiring employee. There are few of us here who would not be taken aback by such a move if we too had a disability, and an income which was greatly reduced by a forced, early retirement.

Although I strongly support the need for tax reform and the need to increase the Federal revenue, the additional $80 million that would be received in fiscal year 1977 from taxing disability retirement benefits of Federal employees would place undue hardship on these disabled citizens. Therefore, I ask that my amendment to provide a grandfather clause for those Federal retirees currently receiving disability retirement benefits be given favorable consideration.

Mr. BENTSEN. Mr. President, this particular amendment would reduce Federal tax revenues by an estimated $80 million annually. As I understand the Senator's amendment, he would extend the exclusion to Federal civilian employees who are partially disabled.

I am trying to work up a compensation schedule for the military. This has been one of the incentives and one of the advantages that have been figured into compensation for the military to try to establish some equality with civilian pay. To bring in an amendment like this, without it having been studied by the compensation committee, will give us some problems. We do not know where to stop on this type of thing. It also raises the problem of trying to hold down additional inflationary amendments which will reduce the income to the military in this time of deficit spending. It also provides special treatment for retired Federal employees compared to retired employees of State or local governments or retired employees of private employers.

Therefore, as floor manager at the moment of this bill, I would have to oppose the amendment.

Mr. BEALL. Mr. President, with all due respect to the manager of the bill, it would seem to me that under the conditions of the bill as now drawn, we are taking away something from people that they now have, and that they retired in expectation of receiving. That is why they retired in some cases. While it is all right to change things prospectively, I think we are working a serious hardship on handicapped people by taking away a benefit that they retired in anticipation of receiving.

I do not think we ought to provide this kind of discriminatory treatment to a particular class of Federal employees. I see no reason for saying to employees of NOAA, "You get more retirement benefits than employees of the FBI, the CIA, HEW, or whatever department the other people worked in." Government employees are one class of people, and ought to be treated the same way. Certainly disabled Government employees should not be deprived of benefits which they retired in anticipation of receiving. I think that is an inequity that would be shameful if we did not correct.

The amendment only grandfathers those people currently retired under a disability retirement program.

Mr. BENTSEN. What the Senator is talking about is a continuation of present benefits only for Federal civilian employees. And he is talking about a loss of revenue to the Treasury of some $80 million a year.

In trying to figure out compensation to military forces, all of these benefits have been taken into account, and we have had commissions look at it, and have had lengthy hearings trying to bring about equality with other government employees and with private industry.

Now to say we will amend this provision on the floor before the change made by the committee amendment can be taken into account in revising the benefits paid to the Federal civilian employees would be a mistake, and again compound our problem of trying to bring about a reduction in the deficit which the Nation faces.

So, again with all due respect to the distinguished Senator from Maryland, I shall have to oppose the amendment.

Mr. BEALL. Mr. President, in closing let me say once more that I can understand some kind of differentiated treatment for members of the Armed Forces relative to other people in the Federal service. However, I certainly cannot justify, or find any way to explain to a person in the Department of HEW, the Department of Agriculture, and other departments, why he is treated differently from people in NOAA, the Public Health Service, or the Foreign Service. It is a distinction I am unable to make. Furthermore, I do not think we ought to take money away from people which they retired in the expectation of receiving.

I am ready to vote.

Mr. MATHIAS. Mr. President, I would like to express my support for the amendment to the tax reform bill introduced by my distinguished colleague from Maryland (Mr. BEALL) which would enable civilian Federal retirees to utilize the sick or disability pay exclusion.

As you know, both the House Ways and Means Committee and the Senate Finance Committee saw fit to exempt from taxation the disability pay of retired personnel of the armed services, National Oceanic Atmospheric Administration, Public Health Service, and Foreign Service, as well as people employed in these agencies prior to September 24, 1975. However, no similar provision was extended to civilian personnel of the Federal Government. I agree with Senator BEALL that we should treat all Government employees equally and fairly.

I feel that the Finance Committee, in attempting to eliminate abuses of this tax advantage may have gone too far by penalizing retired people, many of whom dedicated their careers to the service of the Federal Government. Too many public officials and candidates are carrying the anti-Washington bureaucracy theme to extremes. In most cases, the people who bear the brunt of this abuse are the civil servants, the backbone of our Government.

While the Senate Finance Committee members see a need to revise the sick pay exclusion. I do not feel that people who have retired on disability income and have depended on the tax advantage it provides, should be penalized in "midstream."

Senator BEALL's amendment goes a long way toward equalizing benefits for people who have served in all segments of the Federal Government. Retired people today have enough financial problems. We, in Congress, should not impose added burdens on them. I urge my colleagues to approve this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from North Carolina (Mr. MORGAN), the Senator from Indiana (Mr. BAYH), and the Senator from California (Mr. TUNNEY), are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN), would vote "yea."

Mr. TOWER. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Michigan (Mr. GRIFFIN), and the Senator from North Dakota (Mr. YOUNG), are necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. HUGH SCOTT), is absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA), is absent due to a death in the family.

The result was announced—yeas 56, nays 34, as follows:

[Rollcall Vote No. 395 Leg.]

YEAS—56

Allen
Baker
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Domenici
Durkin
Fong
Ford
Glenn
Hart, Gary
Hartke
Haskell
Hatfield
Helms
Huddleston
Humphrey
Inouye
Jackson
Javits
Leahy
Magnuson
Mansfield
Mathias
McClure
McGee
McIntyre
Montoya
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Roth
Schweiker
Scott,
  William L.
Sparkman
Stafford
Stevens
Stone
Taft
Weicker
Williams

NAYS—34

Abourezk
Bartlett
Bentsen
Bumpers
Church
Culver
Dole
Eagleton
Eastland
Fannin
Garn
Goldwater
Gravel
Hansen
Hart, Philip A.
Hathaway
Hollings
Johnston
Kennedy
Laxalt
Long
McClellan
McGovern
Moss
Muskie
Nunn
Percy
Ribicoff
Stennis
Stevenson
Symington
Talmadge
Thurmond
Tower

NOT VOTING—10

Bayh
Curtis
Griffin
Hruska
Metcalf
Mondale
Morgan
Scott, Hugh
Tunney
Young

So Mr. BEALL's amendment was agreed to.

UP AMENDMENT NO. 211

Mr. STEVENSON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment numbered 211.

Mr. STEVENSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After line 21 on page 190 insert the following:

(1) Section 164(a) (relating to deductions for certain taxes) is amended by striking paragraph (5) thereof.

(2) Section 164(b)(5) (relating to separately stated general sales taxes and gasoline taxes) is amended by striking the phrase 'or of any tax on the sale of gasoline, diesel fuel, or other motor fuel'."

Mr. STEVENSON. Mr. President, with the adoption of the amendment by the Senator from North Carolina (Mr. HELMS), the deduction for gasoline taxes remains intact. That deduction cost the Treasury $820 million in 1975. The projections are that the cost of that deduction for gasoline taxes will rise to more than $900 million in 1981.

This is a tax expenditure which benefits only the owners of motor vehicles and those who itemize their deductions. The benefits of the deduction are bestowed largely on those in higher income brackets; 69 percent of the total goes to those earning more than $15,000 a year, while less than 9 percent of the total is distributed to those earnings less than $10,000 a year. The average benefit for the taxpayer in the $100,000 bracket is more than 27 times what it is for the taxpayer in the $10,000 bracket.

Mr. President, there probably is no provision of the Internal Revenue Code that is more abused than is this provision, and the reason is that mileage is hard to determine; it is impossible to prove. This amendment would eliminate this much-abused provision of the code. It also would simplify the tax return, and it would strike a blow for energy consumption.

It was not very long ago that this body approved a $2 billion energy conservation bill. Now, having acted as it did on the amendment by the Senator from North Carolina, it proposes to spend close to $1 billion a year to promote the consumption of energy.

Mr. President, this amendment would accomplish several purposes. It would end an abuse in the Code. It would simplify the tax return. It would produce about $600 million in additional revenue for fiscal 1977, and that figure rises to $910 million in 1981. It would promote the conservation of energy. By one study, the repeal of the deduction for gasoline taxes would reduce gasoline consumption by 250 million gallons of oil, or 16,300 barrels, per day in 1977 alone.

I hardly need add that it would not

affect small businesses or any businesses or farms.

They would continue to get a deduction for gasoline taxes as an ordinary, reasonable business expense.

Mr. President, I urge the adoption of this amendment.

Mr. LONG. Mr. President, I personally favor the amendment. I agree with everything that the Senator said. I hope that the amendment will be agreed to. I realize that this is in the opposite direction from the previous Senate vote, but it is a type of thing that we will have to do if we are ever going to have tax simplification. I do not see, as the Senator said, why we want to spend half a billion dollars of tax money encouraging people to consume more energy when we ought to be trying to encourage them to conserve energy. I think the Senator is entirely right. I personally shall vote for the amendment.

Mr. BENTSEN. Mr. President, I join the Senator from Louisiana and the Senator from Illinois in support of this energy conservation measure which will help reduce expenditures for gasoline and will also provide increased revenues to the Treasury. I support the amendment.

Mr. STEVENSON. I thank both Senators for their support.

Mr. HANSEN. Will the Senator from Illinois yield, Mr. President?

Mr. STEVENSON. Yes, I yield.

Mr. HANSEN. Mr. President, I think the amendment proposed by the distinguished Senator from Illinois is a responsible one. It is awfully easy to take positions and to pass amendments that offer something to taxpayers, but the fact is that somebody is going to have to come up with some dough. I think the Senator from Illinois is quite right in saying that this is about the only way we can undo the harm that otherwise would be left in this bill. I support his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from North Carolina (Mr. Morgan), the Senator from Rhode Island (Mr. Pastore), the Senator from Missouri (Mr. Symington), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) and the Senator from North Carolina (Mr. Morgan) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Pennsylvania (Mr. Hugh Scott) is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska) is absent due to a death in the family.

The result was announced—yeas 38, nays 54, as follows:

[Rollcall Vote No. 396 Leg.]

YEAS—38

Bellmon
Bentsen
Biden
Brock
Case
Clark
Culver
Curtis
Eagleton
Eastland
Fannin
Goldwater
Hansen
Hart, Philip A.
Haskell
Hatfield
Hathaway
Inouye
Javits
Johnston
Kennedy
Long
Mathias
McIntyre
Montoya
Muskie
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, William L.
Stennis
Stevenson
Stone
Taft
Thurmond

NAYS—54

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Dole
Domenici
Durkin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hart, Gary
Hartke
Helms
Hollings
Huddleston
Humphrey
Jackson
Laxalt
Leahy
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
Moss
Nelson
Nunn
Packwood
Proxmire
Roth
Sparkman
Stafford
Stevens
Talmadge
Tower
Weicker
Williams
Young

NOT VOTING—8

Hruska
Metcalf
Mondale
Morgan
Pastore
Scott, Hugh
Symington
Tunney

So Mr. Stevenson's amendment was rejected.

UP AMENDMENT NO. 212

Mr. HUDDLESTON. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER (Mr. Gary Hart). Will the Senator suspend until the Senate is in order. Will the Senators take their seats or go to the cloakroom with their conversations.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kentucky (Mr. Huddleston) proposes an unprinted amendment No. 212:

On page 214, lines 3 and 4, strike out "as it deems advisable" and insert in lieu thereof "within 18 months of the date of enactment of this Act".

Mr. HUDDLESTON. Mr. President, we have all talked about the need for simplification of our tax laws. I want to commend the distinguished chairman of the Finance Committee, and the Finance Committee, for including in the bill before us a provision that the Joint Committee on Taxation shall conduct a study and investigation, the simplification of the Tax Code.

We have spawned industry of accountants and tax attorneys who spend their time trying to interpret the tax law, and it is almost impossible for the average citizen to understand our tax laws.

The only deficiency I find in the requirement that the joint committee conduct this study is that there is no specific time for the committee to report its recommendations and findings back to the Congress.

My amendment would simply specify that the study should be completed and the report made within 18 months after the enactment of this act.

I have checked with the floor manager of the bill who approves this amendment and I think that the Senate will recognize it is time to set a deadline for this important matter.

Mr. BENTSEN. Mr. President, we are in agreement with the Senator from Kentucky in trying to get a simplification of the tax code and not be faced again with the problems of a 1,500-page bill.

We can send a tax return out to five different, good, sincere competent accountants and come back with five different tax returns.

I note that not long ago there was an article in the Wall Street Journal about reporters carrying a tax return from one Internal Revenue office to another and each time they gave them a different amount of money owed by the taxpayer.

So we share very much the objective, and with the 18-month limit on it. Realizing full well that a good part of that work will be a problem for the gentleman seated on my left and not my own, I find it very easy to go along with.

Mr. HUDDLESTON. Mr. President, 3 months ago I spoke on the floor of the Senate about the need to correct the many unnecessary complexities of the tax laws. The tax code, regulations and case law form a mountain of material that confuses and discourages even the most qualified tax experts. This overpowering mass of conflicting verbiage has served to hide tax breaks for special interest groups and to deny tax equity to the average taxpayers. Needless to say, the 1,500-page tax bill before us does not offer much hope for correcting this problem immediately. While it does repeal certain "deadwood" sections that now clutter the code and have little use, it also heaps more tax laws onto the growing pile of existing ones.

I believe that a taxpayer revolt is brewing in this country and that unless we change our cavalier attitude, we will feel the effect of it in many ways. If taxpayers begin to reject voluntary compliance of the tax laws in large numbers, revenues will decline, enforcement costs will increase and there will be irreparable harm done to the general confidence in our system of government. Will Rogers said 40 years ago, "Even when you fill out a tax form on the level, when you get through you do not know whether you are a martyr or a crook." It is much worse now.

There must be a combined effort within the Government to recognize the problems presented by the present tax code and to take decisive steps toward correcting them in a comprehensive manner. The Department of Treasury is conducting an investigation of tax simplification, and it is time that the Congress accepts the responsibility of doing its share of the work. The tax bill reported by the Senate Finance Committee calls upon the Joint Committee on Taxation to make a full study of simplifying the tax laws, including consideration of whether the rates of tax can be reduced by repealing any or all tax deductions, exemptions, or credits. I support this provision and applaud the distinguished chairman of the Finance Committee for having the foresight to draw attention to this urgent problem. However, the provision does not go far enough. It merely calls for such a study and then leaves off with a weak and ineffective mandate to submit the report as the committee deems advisable. Basically, this same duty of the joint committee has been a part of the tax code—section 8022(2)—for many years, but we have yet to see the fruits of a comprehensive study on tax simplification. The reason we have not, even though the law requires the committee to do so, is that there is no requirement on when the reports are to be submitted. The law only requires that such reports be made from "time to time."

Unless Congress takes this matter seriously and sets a time in which such studies shall be completed, I am afraid that we will find ourselves here 20 years after passing this tax bill still talking about tax simplification. This is why I am proposing a simple amendment to the tax bill, H.R. 10612, which says that the joint committee shall submit its study within 18 months after enactment of this act. It is an uncomplicated and straightforward directive that the joint committee should find little difficulty in complying with.

It is time that Congress sets itself a goal for doing something about inequitable and excessively complicated taxes.

Simplifying the tax code will not in itself correct the many inequities found in laws. However, by removing the ambiguities and complexities, elected officials and the people will be able to actually determine with a high degree of certainty exactly who is receiving preferential treatment. There will no longer be vague loopholes for the extremely wealthy to slip through without detection. And, the tax burden will have to be distributed with greater fairness.

I urge the adoption of my amendment.

Mr. BENTSEN. Mr. President, I call for a vote and am prepared to yield back any time.

Mr. PACKWOOD. Yes, go ahead.

The PRESIDING OFFICER. Is the Senator from Delaware seeking recognition?

Mr. ROTH. Yes, Mr. President.

I just wish to make reference to the amendment by the Senator from Kentucky, pointing out that this particular amendment was my amendment, one that I think is perhaps much more significant and important than has been generally recognized.

I am not satisfied with the job we are able to do in the time available to us. The tax legislation is entirely too complex.

It seems to me that the most important thing we can do is get the confidence of the American people, to try to have some kind of reform that will result in taxes being understood by the average citizen.

It is so complex today that no one but a tax specialist can begin to understand the implications of many of these changes. That was the reason for my proposal and, I think, the reason the chairman of the Finance Committee accepted it.

I think it is a very important amendment. I am hopeful the results of the study can be accomplished in 18 months or somewhat sooner. I think the sooner this comes about, the better off we will all be.

I am pleased to accept this amendment.

Mr. BENTSEN. Both the majority and minority leaders are ready to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I have a motion at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the motion.

The legislative clerk read as follows:

> The Senator from Massachusetts (Mr. KENNEDY) moves to recommit H.R. 10612, the Tax Reform Act of 1976, to the Committee on Finance, with instructions to report back forthwith a substitute amendment containing only the provisions of such bill already acted upon by the Senate.

Mr. KENNEDY. Mr. President, let me explain the details of this motion. I think it is readily understandable in terms of its provisions. That is, it recommits the current legislation and reports back to the floor a bill which incorporates what the Senate has accomplished to date in the important areas of tax shelters, in the minimum tax in the tax cut extension which we acted on earlier today, in the DISC provisions, as well as the actions taken on the floor this afternoon.

Mr. President, the primary effect of this motion is to strike all of the various special interest provisions which are contained in the bill, and upon which the Finance Committee is now holding 3 days of hearings.

Mr. President, over the period of these past 3 weeks, the Senate has already debated the most important aspects of the tax legislation in the areas which I have outlined.

It seems to me that there really is no place to go but down. We can expect a continued deterioration of the bill from different amendments, which are going to be highly costly in terms of revenue loss for the Treasury.

If this motion is successful, the bill would be open to further amendment. I, for one, would not offer any additional amendments. I would oppose any additional amendments, with the exception of those amendments which are noncontroversial and on which there is such a strong consensus within the Senate as to warrant their inclusion in the legislation.

It seems to me, Mr. President, that we have a crowded Senate schedule, with a host of different and continuing and important pieces of legislation to be considered.

We are going to face, in the early part of next year, a new administration, perhaps an older administration, but I believe it will be a new administration—that will have important recommendations in these areas as well as in other areas.

This motion provides the most responsible action that this body can take at this time on the pending measure. It accepts all the actions of the Senate so far—actions that have been aired and debated and discussed in the course of our 3-week debate prior to the recess before the Democratic Convention. We would have a clean bill before us, and we could proceed from there, without the disadvantage of all the special interest provisions yet to come.

I would hope that we could act in this way and have a new bill before us, without the various special interest provisions in the present bill.

To its credit, the Finance Committee now is in the course of reconsidering in public hearings all of the special provisions. The cost of those provisions is well over a billion dollars.

Many of them have not been adequately considered so far, although their implications are profound and significant. We are in a situation where we are debating legislation on the Senate floor while the committee is holding 3 days of hearings on the provisions of the bill.

I think, Mr. President, finally, we are going to come to a situation, if not this afternoon then in the next 2 weeks or so, where we will be confronted with a similar motion. As one who has followed this debate along with many of my colleagues, there really is nowhere to go but down in terms of revenue losses and dubious provisions. A parade of controversial amendments are in the bill which really have no place in the tax laws.

So, Mr. President, I would hope that we could have favorable action on this motion. It represents a responsible position. We will be reporting back to the Senate a clear bill containing all our actions so far, including some extremely important provisions. We would be reporting back provisions in which the Senate has increased the revenues from tax shelters by some $200 million; in the minimum tax provision the gain would be some $900 million. We would also retain the committee's improvements in DISC, which would amount to approximately $100 million in 1977 or larger amounts in future years.

This represents a total gain of some $1.2 billion. During the course of the debate today we have seen losses of some $300 million in the gasoline tax; in the Beall amendment there is some $100 million. So we are at a total of some $800 million in revenue recovery in the tax reform provisions of the bill that would be reported back to the Senate under the motion to recommit. The new bill would also contain the tax cut extension acted in today.

Compared to this bill now before us, the provisions in the clean bill would leave us closer to the Budget Committee's recommendations. Then, of course, we have accepted the Muskie amendment which, in terms of accounting, falls in a different budget category from tax reform, but obviously it is one which has very substantial and overwhelming support in the Senate.

So, Mr. President, I hope that we can take action in this way. If we accept this course of action, and get this bill into conference with the House, a number of other worthwhile provisions in the house bill, such as the credit and the retirement income credit, could be accepted by the Senate.

It is unrealistic to think that the House will accept provisions which may be offered in the future on charges in the estate tax. They have their own legislation now pending. I am hopeful that we can develop our own Senate legislation and that progress can be made. In any event, such proposals could be offered to the clean Senate bill. They are not in the present bill anyway.

Later, we can address some of the other items that will be coming to us on the basis of the recommendations of the Senate Finance Committee as a result of these 3 days of hearings on the various special interest provisions. I have indicated in my presentation that I would be glad to support such legislation in areas in which there is no substantial controversy.

It seems to me we can dispose of this bill, and then commit ourselves in the next Congress to the hard and difficult task of tax reform, and hopefully with the help of a new administration.

Mr. LONG. Mr. President, I know the Senator is sincere in what he had to say and he is absolutely in earnest. If I did not know the Senator that well and know he feels that way about it, I would have to say, if I did not know him so well, "Surely, you must be kidding."

This motion is intended to mean, under the precedents, that there would be a gentleman's agreement that we would recommit and report back on what we have already voted on, and nothing else would be considered.

If we are going to do that, that would leave out the extension of the 10-percent investment tax credit, the refund on expiring investment tax credits, and the matters dealing with capital formation.

It would leave out all the small business provisions, even though this Senate has been most solicitous and most interested in the cause of small business.

It would leave out all the loophole closing provisions of title X involving foreign income.

It would leave out the Haskell amendments, which involve dedicated work by the Senator from Colorado for a solid year, in providing administrative changes which will greatly improve the administration of the law and strengthen the rights of taxpayers.

Frankly, if I was the leader of that great liberal army, I would think a long time before I completely ignored one of my best soldiers. I would at least let him have his day in court to let him vote on his amendment.

Furthermore, Mr. President, I know the Senator may be against everything that was in the energy bill passed by the House and sent to us, and all the other suggestions that have been made. His own colleague, a great Senator and a teammate from his own State of Massachusetts, has been wanting to do something about energy to help improve the heating and the insulation of those homes in the Northeast and other parts of this country where they have the problem. All of these things would go by the wayside.

I have been promising Senators on this floor for years they were going to have a chance to offer their amendments. I have been saying, "Please, Senator, do not offer your amendment now. We will give you a chance to offer that amendment on a bill that is headed for the President's desk."

Having made that kind of assurance, I cannot support this kind of motion because it means I would have broken the faith of every Senator whom I asked, "Withhold that amendment. Just wait. You will have your chance."

Having made that kind of promise to Senators, I could not support anything like this. All I can say, Mr. President, is that I still predict that this bill will reach the President's desk, and it will be a bill for which this Congress will be remembered.

What happens in these big controversial fights is that we tend to keep the best features of our bills, and drop out the worst features, and then, in conference with the House of Representatives we tend to keep the best features of the House bills and drop out the worst features.

But I would say, "Senator, if you vote for this motion, it means you have foreclosed your chance if you want to offer any amendment to provide any consideration for your constituents between now and the next Congress. You have voted to shut your people out. It may be you do not want to do anything for your constituents anyway. If that is the case, fine, go ahead and vote for the motion."

But, I think, each Senator wants to have everyone's amendments considered in a democratic fashion, giving him a chance to argue in support of his views, and giving other Senators a chance to support the amendment.

Therefore, Mr. President, I cannot support the motion to recommit, and I move that the motion be laid on the table.

Mr. KENNEDY. Mr. President, will the Senator withhold the motion for a brief response to his statement?

Mr. LONG. Mr. President, I ask unanimous consent that I may yield to the Senator from Massachusetts for 5 minutes, reserving my rights.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, it is interesting that the Senator from Louisiana has not mentioned the 73 special interest provisions which are contained in the pending bill. He raises the strawman of the investment credit. He knows very well that extension of the credit was included in the Senate budget resolution earlier this year. It would pass overwhelmingly now, virtually unanimously, without any substantial objection here on the floor of the Senate.

If we accept this recommendation, obviously it would be the expectation of the Senator from Massachusetts that the extension of the investment credit and the provisions for small business would be included as part of the bill.

In the 14 years I have been in the Senate, this is the first time we have been debating a bill on the floor of the Senate while the committee is holding extensive hearings on a large number of provisions in the legislation itself.

If the motion to recommit is adopted, a clean bill would be back before us immediately. Our actions so far would be preserved. But we would be stripping away the many special interest provisions that have raised so much controversy, and that are now being reconsidered by the committee. We would be in a much better position to act responsibly on this measure, and I hope the motion to recommit the bill and report it back to the Senate will be accepted.

Mr. LONG. Mr. President, let me read from the Senator's statement this morning:

> I welcome the hearings and the opportunity they afford for a fuller public airing and discussion of these numerous provisions, whose presence in the bill has become a source of controversy and concern to many of us involved in tax reform and the debate on the pending legislation.

The Senator from Massachusetts was accompanied at the hearings by the Senator from Wisconsin (Mr. PROXMIRE), who started by being highly complimentary to the Finance Committee for holding hearings and letting those who wished to do so express themselves on these matters late in the Senate session.

Many Senators have come to the Senate floor and complained bitterly that the Finance Committee had acted on some provision after the hearings were completed, so that those people did not have a chance to give their views on what the committee did.

Incidentally, that is traditional for the House of Representatives. The Ways and Means Committee usually holds its hearings first and writes its bills second. In this case, many amendments have been offered, and it is not at all unusual, in fact it is customary, for the Senate to consider amendments offered by Senators on a major change in the tax structure. But it is sort of unprecedented, after you have reported the bill, to hold a hearing and let further testimony be heard, but I think that should be done. I am willing to reverse my vote on anything if someone can change my mind about it. I try to maintain an open mind.

It is fine with me for the Senator to be heard on anything he wants to be heard on. It is not so fine for other people not to have a like opportunity to explain their views. I do not know any finer people in the world than the people from Louisiana. Some other people may not think so well of them, but I do know that Senators tend to reflect the views of their constituents. If you are a Senator from that State, you had better take the view that your constituents are educated and well informed and their views are entitled to be considered.

Mr. President, it is repugnant to me for anyone, be he a Senator or anyone else, to take the view that he is right about everything and the other man is wrong about everything, without even hearing the other fellow's point of view. One of the great liberals of this body who impressed me most did not start out too well, but after a while he gained the respect of all conservatives as well as liberals, because he had certain principles which everyone admired. That was the late Richard Neuberger. He would often tell a story that would make the point that one must always remember that the other fellow might just be right.

I think it is well to keep that in mind. No matter how intelligent you are, there might be times when the person you think the least of might be right and you might be wrong.

Mr. President, I renew my motion to lay on the table the motion to recommit, and I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER**. The question is on agreeing to the motion of the Senator from Louisiana (Mr. Long) to lay on the table the motion to recommit. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from California (Mr. Tunney), the Senator from North Carolina (Mr. Morgan), and the Senator from Rhode Island, Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) and the Senator from Rhode Island (Mr. Pastore) would each vote "yea."

Mr. **GRIFFIN**. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. Hugh Scott) is absent on official business.

I further announce that the Senator from Nebraska (Mr. Hruska) is absent due to a death in the family.

The result was announced—yeas 64, nays 28, as follows:

[Rollcall Vote No. 397 Leg.]

YEAS—64

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cranston
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hatfield
Hathaway
Helms
Huddleston
Humphrey
Inouye
Javits
Johnston
Laxalt
Long
Magnuson
McClellan
McClure
McGee
Montoya
Moss
Muskie
Nunn
Packwood
Pearson
Percy
Randolph
Ribicoff
Roth
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—28

Abourezk
Bayh
Biden
Bumpers
Case
Chiles
Church
Clark
Culver
Eagleton
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hollings
Jackson
Kennedy
Leahy
Mansfield
Mathias
McGovern
McIntyre
Nelson
Pell
Proxmire
Schweiker
Symington
Weicker

NOT VOTING—8

Goldwater
Hruska
Metcalf
Mondale
Morgan
Pastore
Scott, Hugh
Tunney

So the motion to lay on the table was agreed to.

The **PRESIDING OFFICER**. The question recurs on committee amendment No. 15, as amended.

The amendment was agreed to.

COMMITTEE AMENDMENT NO. 16

The **PRESIDING OFFICER**. The clerk will state the next committee amendment.

The assistant legislative clerk read as follows:

On page 215, line 1, beginning with the word "business," strike all down through line 4 on page 232 and insert new language.

The amendment is as follows:

On page 215, line 1, strike out all through page 232, line 4, and insert in lieu thereof:

TITLE VI—BUSINESS RELATED INDIVIDUAL INCOME TAX PROVISIONS

SEC. 601. DEDUCTIONS FOR EXPENSES ATTRIBUTABLE TO BUSINESS USE OF HOMES, RENTAL OF VACATION HOMES, ETC.

(a) NONDEDUCTIBILITY OF CERTAIN EXPENSES.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280. DISALLOWANCE OF CERTAIN EXPENSES IN CONNECTION WITH BUSINESS USE OF HOME, RENTAL OF VACATION HOMES, ETC.

"(a) GENERAL RULE.—Except as otherwise provided in this section, in the case of a taxpayer who is an individual or an electing small business corporation, no deduction otherwise allowable under this chapter shall be allowed with respect to the use of a dwelling unit which is used by the taxpayer during the taxable year as a residence.

"(b) EXCEPTION FOR INTEREST, TAXES, CASUALTY LOSSES, ETC.—Subsection (a) shall not apply to any deduction allowable to the taxpayer without regard to its connection with his trade or business (or with his income-producing activity).

"(c) EXCEPTIONS FOR CERTAIN BUSINESS OR RENTAL USE; LIMITATION ON DEDUCTIONS FOR SUCH USE.—

"(1) CERTAIN BUSINESS USE.—Subsection (a) shall not apply to any item to the extent such item is allocable to a portion of the dwelling unit which is exclusively used on a regular basis—

"(A) as the taxpayer's principal place of business,

"(B) as the sole fixed location of the taxpayer's trade or business of selling goods or services at retail or wholesale, but only if such portion is used in connection with such sale of such goods or services,

"(C) as a place of business which is used by patients, clients, or customers in meeting or dealing with the taxpayer in the normal course of his trade or business,

"(D) in the case of a separate structure which is not attached to the dwelling unit, in connection with the taxpayer's trade or business, or

"(E) if the employer provides no office or fixed location for the use of the employee in the employer's trade or business, in connection with such trade or business.

In the case of an employee, the preceding sentence shall apply only if the exclusive use referred to in the preceding sentence is for the convenience of his employer.

"(2) CERTAIN STORAGE USE.—Subsection (a) shall not apply to any item to the extent such item is allocable to space within the dwelling unit which is used on a regular basis as a storage unit for the inventory of the taxpayer held for use in the taxpayer's trade or business of selling products at retail or wholesale, but only if the dwelling unit is the sole fixed location of such trade or business.

"(3) RENTAL USE.—Subsection (a) shall not apply to any item which is attributable to the rental of the dwelling unit or portion thereof (determined after the application of subsection (e)).

"(4) LIMITATION ON DEDUCTIONS.—In the case of a use described in paragraph (1) or (2), and in the case of a use described in paragraph (3) where the dwelling unit is used by the taxpayer during the taxable year as a residence, the deduction allowed under this chapter for the taxable year by reason of being attributed to such use shall not exceed the excess of—

"(A) the gross income derived from such use for the taxable year, over

"(B) the deductions allocable to such use which are allowable under this chapter for the taxable year whether or not such unit (or portion thereof) was so used.

"(d) USE AS RESIDENCE.—

"(1) IN GENERAL.—For purposes of this section, a taxpayer uses a dwelling unit during the taxable year as a residence if he uses such unit (or portion thereof) for personal purposes for a number of days which exceeds the greater of—

"(A) 14 days, or

"(B) 10 percent of the number of days during such year for which such unit is rented at a fair rental.

For purposes of subparagraph (B), a unit shall not be treated as rented at a fair rental for any day for which it is used for personal purposes.

"(2) PERSONAL USE OF UNIT.—For purposes of this section, the taxpayer shall be deemed to have used a dwelling unit for personal purposes for a day if, for any part of such day, the unit is used—

"(A) for personal purposes by the taxpayer or any other person who has an interest in such unit, or by any member of the family (as defined in section 267(c)(4)) of the taxpayer or such other person;

"(B) by any individual who uses the unit under an arrangement which enables the taxpayer to use some other dwelling unit (whether or not a rental is charged for the use of such other unit); or

"(C) by any individual (other than an employee with respect to whose use section 119 applies), unless for such day the dwelling unit is rented for a rental which, under the facts and circumstances, is fair rental.

The Secretary shall prescribe regulations with respect to the circumstances under which use of the unit for repairs and annual maintenance will not constitute personal use under this paragraph.

"(e) EXPENSES ATTRIBUTABLE TO RENTAL.—

"(1) IN GENERAL.—In any case where a taxpayer who is an individual or an electing small business corporation uses a dwelling unit for personal purposes on any day during the taxable year (whether or not he is treated under this section as using such unit as a residence), the amount deductible under this chapter with respect to expenses attributable to the rental of the unit (or portion thereof) for the taxable year shall not exceed an amount which bears the same relationship to such expenses as the number of days during each year that the unit (or portion thereof) is rented at a fair rental value bears to the total number of days during such year that the unit (or portion thereof) is used.

"(2) Exception for deductions otherwise allowable.—This subsection shall not apply with respect to deductions which would be allowable under this chapter for the taxable year whether or not such unit (or portion thereof) was rented.

"(f) Definitions and Special Rules.—

"(1) Dwelling unit defined.—For purposes of this section—

"(A) In general.—The term 'dwelling unit' includes a house, apartment, condominium, mobile home, boat, or similar property, and all structures or other property appurtenant to such dwelling unit.

"(B) Exception.—The term 'dwelling unit' does not include that portion of a unit which is used exclusively as a hotel, motel, inn, or similar establishment.

"(2) Personal use by electing small business corporation.—In the case of an electing small business corporations, subparagraphs (A) and (B) of subsection (d)(2) shall be applied by substituting 'any shareholder of the electing small business corporation' for 'the taxpayer' each place it appears.

"(3) Coordination with section 183.—If subsection (a) applies with respect to any dwelling unit (or portion thereof) for the taxable year—

"(A) section 183 (relating to activities not engaged in for profit) shall not apply to such unit (or portion thereof) for such year, but

"(B) such year shall be taken into account as a taxable year for purposes of applying subsection (d) of section 183 (relating to 5-year presumption).

"(g) Special Rule for Certain Rental Use.—Notwithstanding any other provision of this section, if a dwelling unit is used during the taxable year by the taxpayer as a residence and such dwelling unit is actually rented for less than 1 month during the taxable year, then—

"(1) no deduction otherwise allowable under this chapter because of the rental use of such dwelling unit shall be allowed, and

"(2) the income derived from such use for the taxable year shall not be included in the gross income of such taxpayer under section 61.".

(b) Clerical Amendment.—The table of sections for such part IX is amended by adding at the end thereof the following new item:

"Sec. 280. Disallowance of certain expenses in connection with business use of home, rental of vacation homes, etc."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1975.

Sec. 602. Deductions for Attending Foreign Conventions.

(a) Nondeductibility of certain expenses.—Section 274 (relating to disallowance of certain entertainment, etc., expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Attendance at Conventions, Etc.—

"(1) In general.—In the case of any individual who attends a convention, seminar, or other meeting which is held outside the North American area, no deduction shall be allowed under section 162 or 212 for expenses allocable to such meeting unless the taxpayer establishes that the meeting is directly related to the active conduct of his trade or business or to an activity described in section 212 and that, after taking into account in the manner provided by regulations prescribed by the Secretary—

"(A) the purpose of such meeting and the activities taking place at such meeting,

"(B) the purposes and activities of the sponsoring organizations or groups, and

"(C) the residences of the active members of the sponsoring organization and the places at which other meetings of the sponsoring organization or groups have been held or will be held,

it is more reasonable for the meeting to be held outside the North American area than within the North American area.

"(2) Conventions on cruise ships.—In the case of any individual who attends a convention, seminar, or other meeting which is held on any cruise ship, no deduction shall be allowed under section 162 or 212 for expenses allocable to such meeting.

"(3) Definitions.—

"(A) North American area defined.—For purposes of paragraph (1), the term 'North American area' means the United States, its possessions, and the area lying west of the thirtieth meridian west of Greenwich, east of the international dateline, and north of the Equator, but not including any country on the continent of South America.

"(B) Cruise ship.—For purposes of paragraph (2), the term 'cruise ship' means any vessel sailing within or without the territorial waters of the United States.

"(4) Subsection to apply to employer as well as to traveler.—This subsection shall apply to deductions otherwise allowable under section 162 or 212 to any person, whether or not such person is the individual attending the foreign convention.".

(b) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to trips beginning after June 30, 1976.

(2) Exception.—The amendments made by subsection (a) shall not apply to any trip which begins before January 1, 1978, if the sponsoring organization establishes (in advance of the beginning of such trip) to the satisfaction of the Secretary of the Treasury or his delegate—

(A) that it was publicly announced before January 1, 1976, that this convention, seminar, or other meeting was to be held, and

(B) that the accommodations necessary for the holding of the convention, seminar, or other meeting were booked before January 1, 1976.

Sec. 603. Change in Tax Treatment of Qualified Stock Options.

(a) In General.—Section 422(b) (defining qualified stock option) is amended by inserting "and before May 21, 1976 (or, if it meets the requirements of subsection (c) (7), granted to an individual after May 20, 1976)," after "section 424(c) (3) (A),".

(b) Certain Options Granted After May 20, 1976.—Section 422(c) (relating to special rules) is amended by adding at the end thereof the following new paragraph:

"(7) Certain options granted after May 20, 1976.—For purposes of subsection (b), an option granted after May 20, 1976, meets the requirements of this paragraph if granted to an individual pursuant to—

"(A) a written plan adopted before May 21, 1976, or

"(B) a new option substituted, in a transaction to which section 425(a) applies, for an old option which was granted before May 21, 1975, or which met the requirements of subparagraph (A).

An option described in the preceding sentence shall be treated as ceasing to meet the requirements of this paragraph if it is not exercised before May 21, 1981."

(c) Restricted Stock Options Must Be Exercised Before May 21, 1981.—Section 424 (c) (3) (relating to special rules for restricted stock options) is amended by adding at the end thereof the following new sentence: "An option described in the preceding sentence shall be treated as ceasing to meet the requirements of this paragraph if it is not exercised before May 21, 1981."

(d) Election to Recognize Income When Option Granted.—

(1) Election.—Paragraph (3) of subsection (e) of section 83 (relating to property transferred in connection with performance of services) is amended by inserting after "market value," the following "unless the transferee elects, in such manner as the Secretary prescribes, to have this section apply at the time of such transfer".

(2) Conforming amendment.—Paragraph (4) of subsection (e) of section 83 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "or with respect to which the taxpayer has made an election under paragraph (3).".

(3) Effective date.—The amendments made by this subsection apply with respect to options granted after the date of enactment of the Tax Reform Act of 1976 in taxable years ending after such date.

(e) Effective Date.—The amendments made by subsections (a), (b), and (c) shall apply to taxable years ending after the date of enactment of this Act.

Sec. 604. Legislators' Travel Expenses Away From Home.

(a) In General.—Section 162(a) (relating to trade or business expenses) is amended by adding at the end thereof the following new sentence: "The place of residence of a State legislator within the legislative district which he represents shall be considered his home, but amounts expended by such legislator within each taxable year for living expenses shall not be deductible for income tax purposes in excess of the applicable dollar limitation determined under subsection (h)."

(b) Dollar Limitation.—Section 162 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Applicable Dollar Limitation for State Legislators for Purposes of Subsection (a).—

"(1) In general.—In the case of any individual who is a State legislator, the applicable dollar limitation for any calendar year shall be the dollar limit (established under paragraph (2) for each day of legislative participation in the State legislature concerned, multiplied by the total number of days of legislative participation by such individual during the calendar year. For purposes of this paragraph, each day on which an individual's physical presence is formally recorded during a meeting of the State legislature or a meeting of any committee thereof.

"(2) Determination of daily amount.—For purposes of paragraph (1), the Secretary of Labor shall establish a daily dollar limit for each State legislature. In establishing such dollar limit for any State legislature, the Secretary of Labor shall apply rules of reasonableness and shall take into account—

"(A) the cost of living, computed in accordance with the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, during the calendar year at the place where the legislature meets, and

"(B) amounts normally allowed as living expenses of businessmen under similar circumstances.

(c) Effective Date.—

(1) In general.—The amendments made by this section shall apply to taxable years beginning after December 31, 1975.

(2) Election by state legislators for past periods.—

(A) In general.—In the case of any individual who was a State legislator at any time during any taxable year beginning on or before December 31, 1975, and who elects the application of this paragraph, for any period during such a taxable year in which he was a State legislator—

(i) the place of residence of such individual within the legislative district which he represented shall be considered his home, and

(ii) he shall be deemed to have expended for living expenses (in connection with his trade or business as a legislator) an amount equal to the sum of the amounts determined by multiplying each legislative day of such individual during the taxable year by the amount generally allowable with respect to such day to employees of the United States for per diem while away from home but serving in the United States.

(B) Legislative days.—For purposes of subparagraph (A), a legislative day during any taxable year for any individual shall be any day during such year on which (i) the legislature was in session (including any day in which the legislature was not in session for a period of 4 consecutive days or less), or (ii) the legislature was not in session but the physical presence of the individual was formally recorded at a meeting of a committee of such legislature.

(C) Limitation.—The amount taken into account as living expenses attributable to a trade or business as a State legislator for any taxable year under an election made under this paragraph shall not exceed the amount claimed for such purpose under a return (or amended return) filed before May 21, 1976.

(D) Making and effect of election.—An election under this paragraph shall be made at such time and in such manner as the Secretary of the Treasury or his delegate shall by regulations prescribe. Any such election shall apply to all taxable years beginning on or before December 31, 1975, for which the period for assessing or collecting a deficiency has not expired before the date of the enactment of this Act.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

COMMITTEE AMENDMENT NO. 17

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The assistant legislative clerk read as follows:

On page 249, line 1, beginning with the word "accumulation," strike all down through line 3 on page 258 and insert new language.

The committee amendment is as follows:

On page 249, line 1, strike all through page 258, line 3, and insert in lieu thereof:

TITLE VII—ACCUMULATION TRUSTS

Sec. 701. Accumulation Trusts.

(a) Revision of Method of Taxing Accumulation Distribution From Trusts.—

(1) Section 667 (relating to denial of refund to trusts; authorization of credit to beneficiaries) is amended to read as follows:

"Sec. 667. Treatment of Amounts Deemed Distributed by Trust in Preceding Years.

"(a) General Rule.—The total of the amounts which are treated under section 666 as having been distributed by a trust in a preceding taxable year shall be included in the income of a beneficiary of the trust when paid, credited, or required to be distributed to the extent that such total would have been included in the income of such beneficiary under section 662(a)(2) (and, with respect to any tax-exempt interest to which section 103 applies, under section 662(b)) if such total had been paid to such beneficiary on the last day of such preceding taxable year. The tax imposed by this subtitle on a beneficiary for a taxable year in which any such amount is included in his income shall be determined as provided in this section and shall consist of the sum of—

"(1) a partial tax computed on the taxable income reduced by an amount equal to the total of such amounts, at the rate and in the manner as if this section had not been enacted, and

"(2) a partial tax determined as provided in subsection (b) of this section.

"(b) Tax on Distribution.—

"(1) In general.—The partial tax imposed by subsection (a)(2) shall be determined—

"(A) by determining the number of preceding taxable years of the trust on the last day of which an amount is deemed under section 666(a) to have been distributed,

"(B) by taking from the 5 taxable years immediately preceding the year of the accumulation distribution the 1 taxable year for which the beneficiary's taxable income was the highest and the 1 taxable year for which his taxable income was the lowest,

"(C) by adding to the beneficiary's taxable income for each of the 3 taxable years remaining after the application of subparagraph (B) an amount determined by dividing the amount deemed distributed under section 666 and required to be included in income under subsection (a) by the number of preceding taxable years determined under subparagraph (A), and

"(D) by determining the average increase in tax for the 3 taxable years referred to in subparagraph (C) resulting from the application of such subparagraph.

The partial tax imposed by subsection (a)(2) shall be the excess (if any) of the average increase in tax determined under subparagraph (D), multiplied by the number under subparagraph (D), multiplied by the number of proceding taxable years determined under subparagraph (A), over the amount of taxes deemed distributed to the beneficiary under sections 666(b) and (c).

"(2) Treatment of loss years.—For purposes of paragraph (1), the taxable income of the beneficiary for any taxable year shall be deemed not to be less than zero.

"(3) Certain preceding taxable years not taken into account.—For purposes of paragraph (1), if the amount of the undistributed net income deemed distributed in any preceding taxable year of the trust is less than 25 percent of the amount of the accumulation distribution divided by the number of preceding taxable years to which the accumulation distribution is allocated under section 666(a), the number of preceding taxable years of the trust with respect to which an amount is deemed distributed to a beneficiary under section 666(a) shall be determined without regard to such year.

"(4) Effect of other accumulation distributions.—In computing the partial tax under paragraph (1) for any beneficiary, the income of such beneficiary for each of his prior taxable years shall include amounts previously deemed distributed to such beneficiary in such year under section 666 as a result of prior accumulation distributions (whether from the same or another trust).

"(5) Multiple distributions in the same taxable year.—In the case of accumulation distributions made from more than one trust which are includible in the income of a beneficiary in the same taxable year, the distributions shall be deemed to have been made consecutively in whichever order the beneficiary shall determine.

"(c) Special Rule for Multiple Trusts.—

"(1) In general.—If, in the same prior taxable year of the beneficiary in which any part of the accumulation distribution from a trust (hereinafter in this paragraph referred to as 'third trust') is deemed under section 666(a) to have been distributed to such beneficiary, some part of prior distributions by each of 2 or more other trusts is deemed under section 666(a) to have been distributed to such beneficiary, then subsections (b) and (c) of section 666 shall not apply with respect to such part of the accumulation distribution from such third trust.

"(2) Accumulation distributions from trust not taken into account unless they equal or exceed $1,000.—For purposes of paragraph (1), an accumulation distribution from a trust to a beneficiary shall be taken into account only if such distribution, when added to any prior accumulation distributions from such trust which are deemed under section 666(a) to have been distributed to such beneficiary for the same prior taxable year of the beneficiary equals or exceeds $1,000.".

(2) Section 666 (relating to accumulation distribution allocated to preceding years) is amended by adding at the end thereof the following new subsection:

"(e) Denial of Refund to Trusts and Beneficiaries.—No refund or credit shall be allowed to a trust or a beneficiary of such trust for any preceding taxable year by reason of a distribution deemed to have been made by such trust in such year under this section.".

(3) Section 668 (relating to treatment of amounts deemed distributed in preceding years) is hereby repealed.

(b) Income Accumulated Before Child Attains Age of 21 Years Not To Be Subject to the Throwback Rule.—Subsection (b) of section 665 (defining accumulation distribution) is amended by adding at the end thereof the following new sentence: "For purposes of section 667 (other than subsection (c) thereof, relating to multiple trusts), the amounts specified in paragraph (2) of section 661(a) shall not include amounts paid, credited, or required to be distributed to a beneficiary from a trust (other than a foreign trust) as income accumulated before the birth of such beneficiary or before such beneficiary attains the age of 21.".

(c) No Accumulation Distribution Where Distributions Do Not Exceed Accounting Income.—Section 665(b) (defining accumulation distribution), as amended by subsection (b), is amended by adding at the end thereof the following new sentence: "If the amounts distributed or required to be distributed by the trust for the taxable year do not exceed the income of the trust for such year, there shall be no accumulation distribution for such year.".

(d) Repeal of Special Capital Gain Throwback.—

(1) Section 669 (relating to treatment of capital gain deemed distributed in preceding years) is hereby repealed.

(2) Paragraph (1) of section 665(e) (defining preceding taxable year) is amended—

(A) by striking out subparagraph (C),

(B) by inserting "or" at the end of subparagraph (A), and

(C) by striking out ", or" at the end of subparagraph (B) and inserting in lieu thereof "; and".

(3) Section 665 (definitions applicable to subpart D) is amended by striking out subsections (f) and (g).

(e) Special Rule for Gain on Property Transferred to Trust at Less Than Fair Market Value.—

(1) In general.—Subpart A of part I of subchapter J of chapter 1 (relating to general rules for taxation of estates and trusts) is amended by adding at the end thereof the following new section:

"Sec. 644. Special Rule for Gain on Property Transferred to Trust at Less Than Fair Market Value.

"(a) General Rule.—Where a trust, or another trust to which the property is distributed, sells or exchanges property at a gain not more than 2 years from the date of the initial transfer of such property in trust by the transferor, then there shall be imposed, in accordance with regulations prescribed by the Secretary, in addition to the tax imposed by section 641, a tax equal to the sum of—

"(1) the difference between—

"(A) the tax (including the tax imposed by section 56) which the transferor would have paid had the amount of the includible gain and any deductions relating thereto been included in the gross income to the transferor in his taxable year in which the sale or exchange occurs or, if the trust elects to report income with respect to the sale or exchange on the installment basis under section 453, in the taxable years in which such gain would have been returned under section 453 had it been received directly by the transferor, and

"(B) the tax (including the tax imposed by section 56) actually imposed on the transferor for such year or years, and

"(2)(A) if the sale or exchange occurs in the taxable year of the transferor which commences within the taxable year of the trust in which the sale or exchange occurs, or—

"(B) if the trust elects to report income with respect to the sale or exchange on the installment method and any installment is received in a taxable year of the transferor which commences within the taxable year of the trust in which such installment is received,

an amount equal to the amount determined under paragraph (1) multiplied by the rate established under section 6621.

"(b) Definition of Includible Gain.—For purposes of this section, the term 'includible gain' means the lessor of—

"(1) the gain realized by the trust on the sale or exchange, or

"(2) the excess of the fair market value of such property at the time of the initial transfer in trust by the transferor over the trust's basis in such property immediately after such transfer.

However, such term shall not include the portion of such lesser amount returned under the provisions of section 453 on account of payments received by the trust after the death of the transferor.

"(c) Character of Includible Gain.—For purposes of subsection (a)(1)—

"(1) the character of the includible gain shall be determined as if the property had actually been sold or exchanged by the transferor, and any activities of the trust with respect to the sale of the property shall be deemed to be activities of the transferor, and

"(2) the portion of the includible gain subject to the provisions of section 1245 and section 1250 shall be determined in accordance with regulations prescribed by the Secretary.

"(d) Special Rule for Short Sales.—If the trust sells the property referred to in subsection (a) in a short sale within the 2-year period referred to in such subsection, such 2-year period shall be extended to the date of the closing of such short sale.

"(e) Exceptions.—Subsection (a) shall not apply to property—

"(1) acquired by the trust from a decedent or which passed to a trust from a decedent (within the meaning of section 1014), or

"(2) acquired by a pooled income fund (as defined in section 642(c)(5)), or

"(3) acquired by a charitable remainder annuity trust (as defined in section 664(d)(1)) or a charitable remainder unitrust (as defined in sections 664(d)(2) and (3)), or

"(4) if the sale or exchange of the property occurred after the death of the transferor.

"(f) Time for Reporting Includible Gain.—The tax imposed by subsection (a) shall be reported by the trust for the taxable year of the trust commencing with or within the taxable year of the transferor in which the sale or exchange occurred, or, in the case of includible gain returned under section 453, the taxable years of the transferor for which such gain would have been returned under section 453 had it been received directly by the transferor."

(2) Exclusion of includible gain from taxable income.—Section 641 (relating to imposition of tax) is amended by inserting after subsection (b) the following new subsection:

"(c) Exclusion of Includible Gain From Taxable Income.—

"(1) General rule.—For purposes of this part, the taxable income of a trust does not include the amount of any includible gain as defined in section 644(b) minus any deduction attributable thereto.

"(2) Cross reference.—

"For the taxation of any includible gain, see section 644."

(f) Conforming Amendments.—

(1) Subparagraph (B) of subsection (a)(2), and subparagraph (B) of subsection (b)(2), of section 1302 (definition of averageable income; related definitions) are each amended by striking out "668(a)" and inserting in lieu thereof "667(a)".

(2) Section 6401(b) (relating to excessive credits) is amended by striking out "wages)," and inserting in lieu thereof "wages) and", and by striking out "and 667(b) (relating to taxes paid by certain trusts)".

(g) Clerical Amendments.—

(1) The table of sections for subpart D of part I of subchapter J of chapter 1 is amended by striking out the items relating to sections 667, 668, and 669 and inserting in lieu thereof the following:

"Sec. 667. Treatment of amounts deemed distributed by trust in preceding years.".

(2) The table of sections for subpart A of part I of subchapter J of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 644. Special rule for gain on property transferred to trust at less than fair market value.".

(h) Effective Dates.—The amendments made by subsections (a), (b), (c), (d), and (f) of this section shall apply to distributions made in taxable years beginning after December 31, 1975, or to distributions actually made in taxable years beginning after December 31, 1975, if such distributions are deemed to have been made in taxable years beginning before December 31, 1976. The amendment made by subsection (e) of this section shall apply to transfers in trust made after May 21, 1976.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

COMMITTEE AMENDMENT NO. 18

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The assistant legislative clerk read as follows:

On page 272, line 1, beginning with the word "investment," strike all down through line 20 on page 286 and insert new language.

The committee amendment is as follows:

On page 272, line 1, strike all through page 286, line 20, and insert in lieu thereof:

TITLE VIII—CAPITAL FORMATION

Sec. 801. Extension of Ten Percent Credit and $100,000 Limitation on Used Property.

(a) Extension of Ten Percent Credit.—

(1) In general.—Subparagraph (D) of section 46(a)(1) (relating to transitional rules) is amended—

(A) by striking out "and before January 1, 1977," in clause (i),

(B) by striking out "before January 1, 1977, and placed in service by the taxpayer before January 1, 1977, and "in clause (ii), and

(C) by striking out ", and before January 1, 1977" in clause (iii).

(2) Technical amendment.—The first sentence of section 46(f)(8) (relating to prohibition of immediate flowthrough of investment credit) is amended by striking out "the Tax Reduction Act of 1975" and inserting in lieu thereof "the Tax Reduction Act of 1975 and the Tax Return Act of 1976".

(b) Extension of $100,000 Limitation on Used Property.—Paragraph (2) of section 301(c) of the Tax Reduction Act of 1975 is amended by striking out ", and before January 1, 1977".

(a) General Rule.—Subsection (b) of section 6401 (relating to excess credits treated as overpayments) is amended by adding at the end thereof the following: "The amount of any excess investment tax oredit carryover shall be considered an overpayment. For purposes of the preceding sentence, the term 'excess investment tax credit carryover' means the amount by which an investment credit carryover under section 46 attributable to the qualified investment of a taxpayer for a taxable year beginning after December 31, 1975 exceeds, in the last taxable year to which such carryover may be carried, the limitation imposed by section 46(b)(2) (determined without regard to the qualified investment of the taxpayer for that taxable year, any investment credit carryback to that year, and any other investment credit carryover to that year).".

(b) Assessment Authority.—Paragraph (4) of section 6201(a) (relating to assessment authority in case of erroneous credit under section 39 or 43) is amended—

(1) by striking out "39 or 43" in the caption of such section and inserting in lieu thereof the following: "39 or 43; erroneous carryover refunded under section 6401", and

(2) by adding at the end thereof the following: "If, on any return or claim for refund of income taxes under subtitle A, there is an overstatement of the credit allowable by section 38 (relating to investment in certain depreciable property) and the amount so overstated is allowed as a refund under the second sentence of section 6401(b), such amount may be assessed by the Secretary in the same manner as in the case of a mathematical error appearing upon the return."

Sec. 803. Extension of Expiring Investment and Foreign Tax Credits.

(a) Expiring Investment Credits.—Subsection (b) of section 46 (relating to carryback and carryover of unused credits) is amended by adding at the end thereof the following new paragraph:

"(7) Two-year extension for certain years.—If the last taxable year (determined without regard to this subparagraph) to which the amount of an unused investment credit may be carried under this subsection ends after December 31, 1975, and before January 1, 1977, then the last sentence of paragraph (1) shall be applied to the amount of such unused investment credit by substituting—

"(A) '12 taxable years' for '10 taxable years',

"(B) '15 taxable years' for '13 taxable years'. and

"(C) '14 taxable years' for '12 taxable years' in the last sentence of paragraph (1).".

(b) Expiring Foreign Tax Credits.—Subsection (d) of section 904 (relating to carryback and carryover of excess tax paid) is amended by adding at the end thereof the following new sentence: If the last taxable year (determined without regard to this sentence) in which any such tax may be deemed paid under this subsection ends after December 31, 1975, and before January 1, 1977, the first sentence of this subsection shall be applied by substituting "fifth, sixth, or seventh succeeding taxable years" for "or fifth succeeding taxable years", but such seventh succeeding taxable year may not include any taxable year beginning after December 31, 1977.".

Sec. 804. Employee Stock Ownership Plans.

(a) Amendment of the Internal Revenue Code of 1954.—

(1) Additional investment tax credit.—Paragraph (1)(B) of section 46(a) (relating to 11-percent credit) is amended by striking out "11 percent" and inserting in lieu thereof "12 percent".

(2) Section 46(f) (relating to limitation in case of certain regulated companies) is amended by adding at the end thereof the following paragraph:

"(9) Special rule for additional credit.—If the taxpayer makes an election under subparagraph (B) of subsection (a)(1), then, notwithstanding the prior paragraphs of this subsection, no credit shall be allowed by section 38 in excess of the amount that would be allowed without regard to the provisions of subparagraph (B) of subsection (a)(1) if—

"(A) the taxpayer's cost of service for ratemaking purposes or in its regulated books of account is reduced by reason of any portion of such credit which results from the transfer of employer securities or cash to an employee stock ownership plan which meets the requirements of section 306(d) of the Tax Reduction Act of 1975;

"(B) the base to which the taxpayer's rate of return for ratemaking purposes is applied is reduced by reason of any portion of such credit which results from a transfer described in subparagraph (A) to such employee stock ownership plan; or

"(C) any portion of the amount of such credit which results from a transfer described in subparagraph (A) to such employee stock ownership plan is treated for ratemaking purposes in any way other than as though it had been contributed by the taxpayer's common shareholders.".

(b) Conforming Amendments.—

(1) Paragraph (4) of section 46(f) is amended—

(A) by striking out "paragraphs (1) and (2)" in subparagraph (A) and inserting in lieu thereof "paragraphs (1), (2), and (9)";

(B) by striking out "paragraph (1) or (2)" each place it appears in subparagraph (A) and inserting in lieu thereof "paragraph (1), (2), or (9)"; and

(C) by striking out "paragraph (2)," in subparagraph (B)(ii) and inserting in lieu thereof "paragraph (2) or the election described in paragraph (9)".

(2) Section 47 (relating to certain dispositions, etc. of section 38 property) is amended by adding at the end thereof the following new subsection:

"(d) Special Rule for Recapture Treatment of Certain Credits.—Notwithstanding the provisions of subsection (a), if the amount of tax for a taxable year is increased under paragraph (1), (2), or (3) of such subsection on account of property taken into account for purposes of section 46(a)(1)(B), an employer who elects to take the credit allowable under section 38 for such taxable year and who elects to have the amount of that credit determined under section 46(a)(1)(B), or who (on account of such elections in a previous taxable year) has an obligation to transfer employer securities or cash to a plan described in section 301(d) of the Tax Reduction Act of 1975 for such taxable year, may reduce the amount he is required to transfer to the plan under such section for the taxable year by an amount equal to the amount of such increase attributable to the disposition of such property which exceeds the amount of the increase which would have been effected had he had elected to have the provisions of subparagraph (B) of section 46(a)(1) apply for the year in which he established the plan.".

Section 401(a) (relating to qualified pension, etc., plans) is amended by adding after paragraph (20) the following new paragraphs:

"(21) A trust forming part of an employee stock ownership plan which satisfies the requirements of section 301(d) of the Tax Reduction Act of 1975 shall not fail to constitute a qualified trust under this section because the plan does not constitute a permanent program.

"(22) Any employee stock ownership plan (within the meaning of section 4975(e)(7) of this title, or section 301(d) of the Tax Reduction Act of 1975) shall not be considered to fail to satisfy the requirement of this section that a plan must be for the exclusive benefit of the employees or their beneficiaries because the plan acquires or holds qualifying employer securities (within the meaning of section 4975)(e)(8), or employer securities (within the meaning of section 301(d)(9)(A) of such Act, or to satisfy any similar requirement of part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974.".

(4) Section 1504(a) is amended by striking out "dividends." at the end thereof and inserting in lieu thereof "dividends, employer securities within the meaning of section 301(d)(9)(A) of the Tax Reduction Act of 1975, or qualifying employer securities within the meaning of section 4975(e)(8) while such securities are held under an employee stock ownership plan which meets the requirements of section 301(d) of such Act or section 4975(e)(7), respectively.".

(5) Section 4975(d)(3) is amended by inserting "or a plan which meets the requirements of section 301(d) of the Tax Reduction Act of 1975" after "(as defined in subsection (e)(7)".

(6) Section 415(e)(5) is amended by striking out "For purposes of this subsection," and inserting in lieu thereof "For purposes of this section,".

(b) Plan Requirements for Taxpayers Electing Additional Credit.—Section 301(d) of the Tax Reduction Act of 1975 is amended—

(1) by adding at the end of paragraph (3) the following sentence: "For purposes of this paragraph, the amount of compensation paid to a participant for a year is the amount of such participant's compensation within the meaning of section 415(c)(3) of such Code for such year.".

(2) by striking out paragraph (6) and inserting in lieu thereof the following:

"(6) On making a claim for credit, adjustment, or refund under section 38 of the Internal Revenue Code of 1954, the employer states in such claim that it agrees, as a condition of receiving any such credit, adjustment, or refund—

"(A) in the case of a taxable year beginning before January 1, 1977, to transfer employer securities forthwith to the plan having an aggregate value at the time of the claim of 1 percent of the amount of the qualified investment (as determined under section 46 (c) and (d) of such Code) of the taxpayer for the taxable year, and

"(B) in the case of a taxable year beginning after December 31, 1976—

"(i) to transfer employer securities to the plan having an aggregate value at the time of the claim of 2 percent of the amount of the qualified investment (as determined under section 46 (c) and (d) of such Code) of the taxpayer for the taxable year,

"(ii) except as provided in clause (iii), to effect the transfer not later than the time (including extensions) for filing its income tax return for a taxable year, and

"(iii) in the case of an employer whose credit (as determined under section 46(a)(1)(B) of such Code) for a taxable year beginning after December 31, 1975, exceeds the limitations of paragraph (2) of section 46(a) of such Code—

"(I) to effect that portion of the transfer allocable to investment credit carrybacks of such excess credit at the time required under clause (ii) for the unused credit year, and

"(II) to effect any portion of the transfer allocable to investment credit carryovers of such excess credit at the time required under clause (ii) for the taxable year to which such portion is carried over.

For purposes of meeting the requirements of this paragraph, a transfer of cash shall be treated as a transfer of employer securities if the cash is, under the plan, used to purchase employer securities.".

(3)(A) by inserting "(A)" in paragraph (8) after "(8)", and

(B) by adding at the end of paragraph (8) the following new subparagraph:

"(B) If the amount of the credit claimed by an employer for a prior taxable year under section 38 of the Internal Revenue Code of 1954 is reduced because of a redetermination which becomes final during the current taxable year, and the employer transferred amounts to a plan which were taken into account for purposes of this subsection for that prior taxable year, then the employer may reduce the amount he is required to transfer to the plan under paragraph (6) for the current taxable year or any succeeding taxable years by the portion of the amount of such reduction in the credit or increase in tax which is attributable to the contribution to such plan.".

(4) by striking out "in control of the employer (within the meaning of section 368(c) of the Internal Revenue Code of 1954)" in paragraph (9)(A) and inserting in lieu thereof "a member of a controlled group of corporations which includes the employer (within the meaning of section 1563(a) of the Internal Revenue Code of 1954, determined without regard to section 1563(a)(4) and (e)(3)(C) of such Code)",

(5) by adding at the end thereof the following new paragraphs:

"(13)(A) The plan benefits each employee who has attained the age of 25 and has completed 3 or more years of service (within the meaning of section 415(a)(3) of such Code).

"(B) For purposes of subparagraph (A), the term 'employee' does not include—

"(i) any employee included in a unit of employees covered by a collective-bargaining agreeement described in section 410(b)(2)(A) of such Code if such unit has chosen not to participate in such plan unless that employee chooses, individually, to be treated as an employee within the meaning of subparagraph (A), and

"(ii) any employee who is a nonresident alien individual described in section 410(b)(2)(C).

"(14)(A) As reimbursed for the expense of establishing the plan, the employer may withhold from amounts due the plan for the taxable year in which the plan is established, or recover from the plan, so much of the amounts paid or incurred duing such year by it in connection with the establishment of the plan as do not exceed the sum of 10 percent of the first $100,000 that the employer is required to transfer to the plan for that taxable year under paragraph (6) and 5 percent of any amount in excess of the first $100,000 of such amount.

"(B) As reimbursement for expenses of administering the plan, the employer may withhold from amounts due the plan, or recover from the plan, so much of the amounts paid or incurred by him during the taxable year as expenses of administering the plan as do not exceed the sum of 10 percent of the first $100,000 and 5 percent of any amount in excess of $100,000 of the income from dividends paid to the plan with respect to stock of the employer during the plan year ending with or within the employer's taxable year.".

(d) Clerical Amendments.—

(1) Amendment of the Internal Revenue Code of 1954.—The heading of subparagraph (B) of section 46(a)(1) is amended by striking out "Eleven percent" and inserting in lieu thereof "Additional percent", and

(2) Amendment of the Tax Reduction Act of 1975.—The heading of section 301(d) of the Tax Reduction Act of 1975 is amended by striking out "11-percent" and inserting in lieu thereof "additional percent".

(e) Technical Amendments.—

(1) Special limitation for employer stock ownership plans.—Section 415(c) (relating to limitation for defined contribution plans) is amended by adding at the end thereof the following new paragraph:

"(6) Special limitation for employee stock ownership plan.—

"(A) In the case of an employee stock ownership plan or plans (as defined in subparagraph (B)), under which no more than one-third of employer contributions and forfeitures for a year are allocated to employees who are (i) officers, (ii) shareholders owning more than 10 percent of the employer's stock (determined under subparagraph (B)(iv)), or (iii) employees described in subparagraph (B)(iii), the amount described in subsection (c)(1)(A) (as adjusted for such year pursuant to subsection (d)(1)) for a year with respect to any participant shall be equal to the sum of (i) the amount described in subsection (c)(1)(A) determined without regard to this paragraph and (ii) the lesser of the amount determined under clause (i) or the amount of employer securities contributed to the employee stock ownership plan.

"(B) for purposes of this paragraph—

"(i) the term 'employee stock ownership plan' means a plan which meets the requirements of section 4975(e)(7) or section 301(d) of the Tax Reduction Act of 1975,

"(ii) the term 'employer securities' means, in the case of an employee stock ownership plan described in section 4975(e)(7), qualifying employer securities within the meaning of section 4975(e)(8), but only if they are described in section 301(d)(9)(A) of the Tax Reduction Act of 1975, or, in the case of an employee stock ownership plan described in section 301(d)(2) of the Tax Reduction Act of 1975, employer securities within the meaning of section 301(d)(9)(A) of such Act.

"(iii) an employee described in this clause is any participant whose compensation for a year exceeds an amount equal to twice the amount described in subsection (c)(1)(A) for such year (as adjusted for such year pursuant to subsection (d)(1)), determined without regard to subparagraph (A) of this paragraph, and

"(iv) ownership of more than 10 percent of the employer's stock shall be determined without regard to stock held by the plan, on the basis of 10 percent of the total combined voting power of all classes of stock entitled to vote or 10 percent of the total value of shares of all classes of stock, and by applying section 1563(e) (relating to constructive ownership).".

(2) Conforming amendment.—Paragraph (3) of section 415(e) (relating to defined contribution plan fraction) is amended by inserting after "subsection (c) for such year" the following: (determined without regard to paragraph (6) of such subsection)".

(f) Grace Period for Certain Plan Transfers.—For a taxable year which includes August 1, 1975, for purposes of section 46(a)(1)(B) of the Internal Revenue Code of 1954, if before the expiration of 90 days after the date of the enactment of this Act, a taxpayer—

(1) establishes, in writing, a plan which meets the requirements of section 301(d) of the Tax Reduction Act of 1975, and

(2) transfers to such plan the amount determined under section 301(d)(6)(A) of such Act which it would have been required to transfer to such a plan for its taxable year which includes August 1, 1975, if it had claimed the credit allowed by section 38 of such Code in the amount provided by section 46(a)(1)(B) of such Code,

such transfer shall be considered to have been made on the last day of its taxable year which includes August 1, 1975, and the taxpayer shall be considered to have made the election described in section 46(a)(1)(B) of such Code within the time and in the form and manner required by such section.

(g) Treatment of Certain Employee Stock Ownership Plans.—

(1) Treatment of plans.—An employee stock ownership plan which satisfies the requirements of paragraph (2)(A) shall not be considered to be an employee benefit, employee welfare benefit, or employee pension benefit plan (within the meaning of paragraph (2)(D)) under any law or rule of law of the United States other than—

(A) the Internal Revenue Code of 1954, as amended, or

(B) the Tax Reduction Act of 1975, as amended,

or any rule of law thereunder, and such employee ownership plan may be established, or maintained, by an employer for employees (including a unit of employees covered by an agreement which the Secretary of the Treasury finds to be a collective-bargaining agreement or an employee electing to participate under paragraph (2)(A)(ii), or be amended or terminated, without violating any law or rule of law of the United States.

(2) Definitions.—For purposes of this section—

(A) the term "employee stock ownership plan" means a plan meeting the requirements of section 4975(e)(7) of the Internal Revenue Code or section 301(d)(2) of the Tax Reduction Act of 1975 which—

(i) is designed to invest all or substantially all of its assets in employer securities within the meaning of subparagraph (B),

(ii) invests all or substantially all of its assets in such employer securities (or, to the extent necessary to meet reasonable needs of the plan, cash and obligations of the United States),

(iii) permits an employee organization within the meaning of subparagraph (C) to elect (in accordance with regulations prescribed by the Secretary of the Treasury) on behalf of a unit of employees described in paragraph (1)(B) not to participate in the plan, and

(iv) benefits each employee described in section 301(d)(13)(A) of the Tax Reduction Act of 1975 unless the employee is a member of an employee organization described in clause (iii) and the employee has not elected to participate in the plan,

(B) "employer securities" means, in the case of an employee stock ownership plan described in section 4975(e)(7), qualifying employer securities within the meaning of section 4975(e)(8), but only if they are described in section 301(d)(2) of the Tax Reduction Act of 1975, or, in the case of an employee stock ownership plan described in section 301(d)(2) of the Tax Reduction Act of 1975, employer securities within the meaning of section 301(d)(9)(A) of such Act,

(C) "employee organization" means any labor union or any organization of any kind, or any agency or employee representation committee, association, group, or plan, in which employees participate and which exists for the purposes, in whole or in part, of dealing with employers concerning an employee benefit plan, or other matters incidental to employment relationships; or any employees' beneficiary association organized for the purpose in whole or in part, of establishing such a plan; and

(D)(i) "employee benefit plan" means an employee welfare benefit plan or an employee pension benefit plan or a plan which is both an employee welfare benefit plan and an employee pension benefit plan;

(ii) "employee welfare benefit plan" means any plan, fund, or program which was heretofore or is hereafter established or maintained by an employer or by an employee organization, or by both, to the extent that such plan, fund, or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs, or day care centers, scholarship funds, or prepaid legal services, or any benefit described in section 302(c) of the Labor Management Relations Act, 1947 (other than pensions on retirement or death, and insurance to provide such pensions); and

(iii) "employee pension benefit plan" means any plan, fund, or program which was heretofore or is hereafter established or maintained by an employer or by an employee organization, or by both, to the extent that by its express terms or as a result of surrounding circumstances such plan, fund, or program.

(I) provides retirement income to employees, or

(II) results in a deferral of income by employees for periods extending to the termination of covered employment or beyond, regardless of the method of calculating the contributions made to the plan, the method of calculating the benefits under the plan or the method of distributing benefits from the plan.

(h) Effective Dates.—

(1) The amendments made by subsections (a)(1), (c)(2), and (d) shall apply for taxable years beginning after December 31, 1976;

(2) Paragraph (14) of the Tax Reduction Act of 1975 (as added by subsection (c)(5)) and the amendments made by subsection (b)(5) shall apply for taxable years beginning after December 31, 1974;

(3) The amendments made by subsection b5 (e) shall apply for years beginning after December 31, 1975;

(4) The amendments made by subsection (g), paragraphs (2), (3), and (4) of subsection (b) and paragraphs (1), (3), and (4) of subsection (c), shall apply for taxable years beginning after December 31, 1974;

(5) Paragraph (13) of the Tax Reduction Act of 1975 (as added by subsection (c)(5)), shall apply for plan years beginning after December 31, 1974, of a plan to which any employer contributes employer securities (within the meaning of section 301(d)(9)(A) of the Tax Reduction Act of 1975, as

amended) after the date of enactment of this Act; and

(6) The amendments made by subsections (a) (2) and (b) (1) shall apply to public utility property with respect to which the provisions of section 46(a) (1) (B) of the Internal Revenue Code of 1954 apply except to the extent section 46(f) (8) of such Code is applicable to the allowable investment credit attributable to such property pursuant to a first final determination made on or before the 90th day after the date of enactment of this Act.

Sec. 805. Investment Credit in the Case of Movie and Television Films

(a) Special Rules for Movie and Television Films.—Section 48 (relating to definitions and special rules for purposes of the investment credit) is amended by redesignating subsection (k) as subsection (1) and by inserting after subsection (j) the following new subsection:

"(k) Movie and Television Films.—

"(1) Entitlement to credit.—

"(A) In General.—A credit shall be allowable under section 38 to a taxpayer with respect to any motion picture film or video tape—

"(i) only if such film or tape is new section 38 property (determined without regard to useful life) which is a qualified film, and

"(ii) only to the extent that the taxpayer has an ownership interest in such film or tape.

"(B) Qualified film defined.—For purposes of this subsection, the term 'qualified film' means any motion picture film or video tape created primarily for use as public entertainment or for educational purposes. Such term does not include any film or tape the market for which is primarily topical or which is otherwise essentially transitory in nature.

"(C) Ownership interest.—For purposes of this subsection, a person's 'ownership interest' in a qualified film shall be determined on the basis of his proportionate share of any loss which may be incurred with respect to the production costs of such film.

"(2) Applicable percentage to be 66⅔.—Except as provided in paragraph (3), the applicable percentage under section 46(c) (2) for any qualified film shall be 66⅔ percent.

"(3) Election of 90-percent rule.—

"(A) In General.—If the taxpayer makes an election under this paragraph, the applicable percentage under section 46(c) (2) shall be determined as if the useful life of the film would have expired at the close of the first taxable year by the close of which the aggregate amount allowable as a deduction under section 167 would equal or exceed 90 percent of the basis of the film.

"(B) Making of election.—An election under this paragraph shall be made at such time and in such manner as the Secretary may be regulations prescribe. Such an election shall apply for the taxable year for which it is made and for all subsequent taxable years and may be revoked only with the consent of the Secretary.

"(C) Who may elect.—If for any prior taxable year paragraph (2) of this subsection applied to the taxpayer or any related business entity, or if for the taxable year paragraph (2) applies to any related business entity, an election under this paragraph may be made by the taxpayer only with the consent of the Secretary.

"(D) Related business entity.—Two or more corporations, partnerships, trusts, estates, proprietorships, or other entities shall be treated as related business entities if 50 percent or more of the beneficial interest in each of such entities is owned by the same or related persons (taking into account only persons who own at least 10 percent of such beneficial interest). For purposes of this subparagraph, a person is a related person to another person if—

"(i) such persons are component members of a controlled group of corporations (within the meaning of section 1563(a), except that section 1563(b) (2) shall not apply and except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)), or

"(ii) the relationship between such persons would result in a disallowance of losses under section 267 or 707(b), except that for these purposes a family of an individual includes only his spouse and minor children.

For purposes of this subparagraph, the term 'beneficial interest' means voting stock in the case of a corporation, profits interest or capital interest in the case of a partnership, or beneficial interest in the case of a trust or estate.

"(4) Predominant use test; qualified investment.—In the case of any qualified film—

"(A) section 48(a) (2) shall not apply, and

"(B) in determining qualified investment under section 46(c) (1), there shall be used (in lieu of the basis of the property) an amount equal to the qualified United States production costs (as defined in paragraph (5)).

"(5) Qualified united states production costs.—

"(A) In general.—For purposes of this subsection, the term 'qualified United States production costs' means with respect to any film—

"(i) direct production costs allocable to the United States, plus

"(ii) if 80 percent or more of the direct production costs are allocable to the United States, all other production costs other than direct production costs allocable outside the United States.

"(B) Production costs.—For purposes of this subsection, the term 'production costs' includes—

"(i) a reasonable allocation of general overhead costs,

"(ii) compensation (other than participations described in clause (vi)) for services performed by actors, production personnel, directors, and producers,

"(iii) costs of 'first' distribution of prints,

"(iv) the cost of the screen rights and other material being filmed,

"(v) 'residuals' payable under contracts with labor organizations, and

"(vi) participations payable as compensation to actors, production personnel, directors and producers.

Participation on all qualified films placed in service by a taxpayer during a taxable year shall be taken into account under clause (vi) only to the extent of the lesser of 50 percent of such participation or 25 percent of the aggregate qualified United States production costs (other than costs described in clauses (v) and (vi) of this subparagraph) for such films, but taking into account for both the 50 percent limit and 25 percent limit no more than $1,000,000 in participation for any one individual with respect to any one film. For purposes of this subparagraph (other than clause (v) and (vi) and the preceding sentence), costs shall be taken into account only if they are capitalized.

"(C) Direct production costs.—For purposes of this paragraph, the term 'direct production costs' does not include items referred to in clause (i), (iv), (v), or (vi) of subparagraph (B). The term also does not include advertising and promotional costs and such other costs as may be provided in regulations prescribed by the Secretary.

"(D) Allocation of direct production costs.—For purposes of this paragraph—

"(i) Compensation for services performed shall be allocated to the country in which the services are performed, except that payments to United States persons for services performed outside the United States shall be allocated to the United States. For purposes of the preceding sentence, payments to an electing small business corporation (within the meaning of section 1371) or a partnership shall be considered payments to a United States person only to the extent that such payments are included in the gross income of a United States person other than an electing small business corporation or partnership.

"(ii) Amounts for equipment and supplies shall be allocated to the country in which, with respect to the production of the film, the predominant use occurs.

"(iii) All other items shall be allocated under regulations prescribed by the Secretary which are consistent with the allocation principle set forth in clause (ii).

"(6) United states.—For purposes of this subsection, the term 'United States' includes the possessions of the United States."

(b) Overestimation of Useful Life and Dispositions Where 90-Percent Rule Applies.—Section 47(a) (relating to certain dispositions, etc., of section 38 property) is amended by adding after paragraph (6) the following new paragraph:

"(7) Motion picture films and video tapes.—

"(A) Disposition where depreciation exceeds 90 percent of basis or cost.—A qualified film (within the meaning of section 48 (k) (1) (B)) which has an applicable percentage determined under section 48(k) (3) shall cease to be section 38 property with respect to the taxpayer at the close of the first day on which the aggregate amount allowable as a deduction under section 167 equals or exceeds 90 percent of the basis or cost of such film (adjusted for any partial dispositions).

"(B) Other dispositions.—In the case of a disposition of the exclusive right to display a qualified film which has an applicable percentage determined under section 48(k) (3) in one or more mediums of publication or exhibition in one or more specifically defined geographical areas over the remaining initial period of commercial exploitation of the film or tape in such geographical areas, the taxpayer shall be considered to have disposed of all or part of such film or tape and shall recompute the credit earned on all of his basis or cost or on that part of the basis or cost properly allocable to that part of the film or tape disposed of. In the case of an affiliated group of corporations, a transfer within the affiliated group shall not be treated as a disposition until there is a transfer outside the group. For purposes of the preceding sentence, the term 'affiliated group' has the meaning given to such term by section 1504 (determined as if section 1504(b) did not include paragraph (3) thereof). For purposes of this paragraph, section 1504(a) shall be applied by substituting '50 percent' for '80 percent' each place it appears."

(c) Alterative Methods of Computing Credit for Past Periods.—

(1) General rule for determining useful life, predominant foreign use, etc.—In the case of a qualified film (within the meaning of section 48(k) (1) (B) of the Internal Revenue Code of 1954) placed in service in a taxable year beginning before January 1, 1975, with respect to which neither an election under paragraph (2) of this subsection nor an election under subsection (e) (2) applies—

(A) the applicable percentage under section 46(c) (2) of such Code shall be determined as if the useful life of the film would have expired at the close of the first taxable year by the close of which the aggregate amount allowable as a deduction under section 167 of such Code would equal or exceed 90 percent of the basis of such property (adjusted for any participation distribution),

(B) for purposes of section 46(c) (1) of such Code, the basis of the property shall be determined by taking into account the total production costs (within the meaning of section 48(k)(5)(B) of such Code),

(C) for purposes of section 48(a)(2) of such Code, such film shall be considered to be used predominantly outside the United States in the first taxable year for which 50 percent or more of the gross revenues received or accrued during the taxable year from showing the film were received or accrued from showing the film outside the United States, and

(D) section 47(a)(7) of such Code shall apply. (2) Election of 40-percent method.—

(A) In general.—A taxpayer may elect to have this paragraph apply to all qualified films placed in service during taxable years beginning before January 1, 1975 (other than films to which an election under subsection (e)(2) of this section applies).

(B) Effect of election.—If the taxpayer makes an election under this paragraph, then section 48(k) of the Internal Revenue Code of 1954 shall apply to all qualified films described in subparagraph (A) with the following modifications:

(i) subparagraph (B) of paragraph (4) shall not apply, but in determining qualified investment under section 46(c)(1) of such Code, there shall be used (in lieu of the basis of such property) an amount equal to 40 percent of the aggregate production costs (within the meaning of paragraph (5)(B) of such section 48(k)),

(ii) paragraph (2) shall be applied by substituting "100 percent" for "66⅔ percent", and

(iii) paragraph (3) and paragraph (5) (other than subparagraph (B)) shall not apply.

(C) Rules relating to elections.—An election under this paragraph shall be made not later than the day which is 6 months after the date of the enactment of this Act and shall be made in such manner as the Secretary of the Treasury or his delegate shall by regulations prescribe. Such an election may be revoked only with the consent of the Secretary of the Treasury or his delegate.

(D) The taxpayer must consent to join in certain proceedings.—No election may be made under this paragraph or subsection (e)(2) by any taxpayer unless he consents, under regulations prescribed by the Secretary of the Treasury, to treat the determination of the investment credit allowable on each film subject to an election as a separate cause of action, and to join in any judicial proceeding for determining the person entitled to, and the amount of, the credit allowable under section 38 of the Internal Revenue Code of 1954 with respect to any film covered by such election.

(3) Election to have credit determined in accordance with previous litigation.—

(A) In general.—A taxpayer described in subparagraph (B) may elect to have this paragraph apply to all films (whether or not qualified) placed in service in taxable years beginning before January 1, 1975.

(B) Who may elect.—A taxpayer may make an election under this paragraph if he has filed an action in any court of competent jurisdiction, before January 1, 1976, for a determination of such taxpayer's rights to the allowance of a credit against tax under section 38 of the Internal Revenue Code of 1954 for any taxable year beginning before January 1, 1975, with respect to any film.

(C) Effect of election.—If the taxpayer makes an election under this paragraph—

(i) paragraphs (1) and (2) of this subsection, subsection (d), and subsection (e)(2) shall not apply to any film placed in service by the taxpayer, and

(ii) subsection 48(k) of the Internal Revenue Code of 1954 shall not apply to any film placed in service by the taxpayer in any taxable year beginning before January 1, 1975,

and the right of the taxpayer to the allowance of a credit against tax under section 38 of such Code with respect to any film placed in service in any taxable year beginning before January 1, 1975, shall be determined as though this section (other than this paragraph) has not been enacted.

(D) Rules relating to elections.—An election under this paragraph shall be made not later than the day which is 30 days after the date of the enactment of this Act, by filing a notification of such election with the national office of the Internal Revenue Service. Such an election, once made, shall be irrevocable.

(d) Entitlement to Credit.—Paragraph (1) of section 48(k) of the Internal Revenue Code of 1954 (relating to entitlement to credit) shall apply to any motion picture film or video tape placed in service in any taxable year beginning before January 1, 1975.

(e) Effective Dates.—

(1) In general.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1974.

(2) Election may also apply to property described in section 50(a).—At the election of the taxpayer, made within 1 year after the date of the enactment of this Act in such manner as the Secretary of the Treasury or his delegate may by regulations prescribe, the amendments made by subsections (a) and (b) shall also apply to property which is property described in section 50(a) of the Internal Revenue Code of 1954 and which is placed in service in taxable years beginning before January 1, 1975.

Sec. 806. Investment Credit in the Case of Certain Ships.

(a) In General.—Section 46 (relating to amount of credit) is amended by adding at the end thereof the following new subsection:

"(g) Certain Vessels.—Notwithstanding any other provision of law, a vessel (and a barge or container which is part of the complement of such vessel) shall not fail or cease to be section 38 property, nor shall the amount of qualified investment (determined under subsections (c) and (d)) or the amount of credit allowed by section 38 be reduced because of any deposit in or qualified withdrawal from a capital construction fund established under section 21 of the Merchant Marine Act of 1970 (46 U.S.C. 1177) or because of any reduction in basis required thereunder. This subpart shall be applied by treating any such reduction and basis as resulting from the allowance for depreciation under section 167. For purposes of this subpart, the actual useful life of such property shall be treated as the useful life for computing depreciation.".

(b) Effective Date.—The amendment made by subsection (a) applies to taxable years beginning after December 31, 1975, and to the amount of credit allowed by section 38 of the Internal Revenue Code of 1954 for such taxable years.

Sec. 807. 8-Year Carryover of Net Operating Loss.

(a) In General.—Section 172(b)(1) (relating to taxable years to which loss may be carried) is amended—

(1) by striking out "and (G)" in subparagraph (A)(i) and inserting in lieu thereof the following: ", (G), and (H)",

(2) by striking out "In the case of" in subparagraph (A)(ii) and inserting in lieu thereof the following: "Except as provided in subparagraph (H), in the case of",

(3) by striking out "and (E)" in subparagraph (B) and inserting in lieu thereof the following: "(E), and (H)", and

(4) by adding at the end thereof the following new subparagraph:

"(H) At the election of the taxpayer, made at such time and in such manner as the Secretary may prescribe, a net operating loss shall be a net operating loss carryover to each of the 8 taxable years following the taxable year of such loss. If a taxpayer elects the provisions of this subparagraph, subparagraphs (A) through (G) shall not apply to such net operating loss. Any such election shall apply to a net operating loss for each taxable year ending with or within any of such 8 taxable years.".

(b) Amendment of Section 382.—Section 382 (relating to special limitations on net operating loss carryovers) is hereby amended to read as follows:

"Sec. 382. Special Limitations on Net Operating Losses.

"(a) Purchase, Etc. of Stock of a Corporation.—

"(1) In general.—If, at the end of a taxable year of a corporation—

"(A) any one or more of those persons described in paragraph (3) own, directly or indirectly, a percentage of either the total combined voting power of all classes of stock entitled to vote or of the total value of shares of all classes of stock of such corporation which is more than 60 percentage points more than such person or persons owned—

"(i) at the beginning of such taxable year, or

"(ii) at the beginning of the second preceding taxable year, and

"(B) the increase in percentage points at the end of such taxable year is attributable to—

"(i) a purchase by such person or persons of such stock, the stock of another corporation owning stock in such corporation, or an interest in a partnership or trust owning stock in such corporation,

"(ii) a decrease in the amount of such stock outstanding or the amount of stock outstanding of another corporation owning stock in such corporation (except a decrease resulting from a redemption to pay death taxes to which section 303 applies),

"(iii) an exchange of property for such stock in which gain or loss is not recognized in whole or in part under section 351, or

"(iv) any combination of the transactions described in clauses (i), (ii), and (iii),

the net operating loss for such taxable year and the net operating loss carryovers, if any, from prior taxable years of such corporation to such taxable year and subsequent taxable years, shall be reduced by the percentage determined under paragraph (2).

"(2) Reduction of net operating loss carryover.—The reduction applicable under paragraph (1) shall be the percentage determined by multiplying two and one-half by the excess of the increase in percentage points referred to in paragraph (1) over sixty percentage points. If there is an increase of more than sixty percentage points in both the voting power and value referred to in paragraph (1), the increase in percentage points which is to be taken into account under this paragraph shall be the increase in voting power or value, whichever is greater.

"(3) Description of person or persons.—The person or persons referred to in paragraph (1) shall be the 10 persons (or such lesser number as there are persons owning the outstanding stock at the end of such taxable year) who own the greatest percentage of the voting power or value of such stock at the end of such taxable year; except that, if any other person owns the same percentage of such stock at such time as is owned by one of the 10 persons, such person shall also be included. If any of the persons are so related that such stock owned by one is attributed to the other under the rules specified in paragraph (5), such persons shall be considered as only one person solely for the purpose of selecting the 10 persons (more or less) who own the greatest percentage of the voting power or value of such outstanding stock.

"(4) Definition of purchase.—For purposes of this subsection, the term 'purchase' means the acquisition of stock, the basis of which is determined solely by reference to its cost to the holder thereof, in a transaction from a person or persons other than the person or persons the ownership of whose stock would be attributed to the holder by application of paragraph (5).

"(5) OWNERSHIP OF STOCK.—Section 318 (relating to constructive ownership of stock) shall apply in determining the ownership of stock, except that section 318(a)(2)(C) and 318(a)(3)(C) shall be applied without regard to the 50 percent limitation contained therein. Other rules relating to stock to be taken into account in determining ownership for purposes of this subsection shall be prescribed by regulations issued by the Secretary.

"(6) SUBSEQUENT APPLICATION.—If this subsection applies as of the end of a taxable year of a corporation, and if stock owned by a person as of the end of such taxable year is owned by the same person as of the end of the first or second succeeding taxable years of such corporation, then, for purposes of applying this subsection as of the end of such succeeding taxable years, such stock owned by such person at the end of the first or second succeeding taxable year, as the case may be, shall be considered as owned by such person as of the beginning of the second preceding taxable year.

"(b) CHANGE OF OWNERSHIP AS THE RESULT OF A REORGANIZATION.—

"(1) IN GENERAL.—If, in the case of a transfer to an acquiring corporation of assets of another corporation in a reorganization described in section 381(a)(2), or in the case of an acquisition by a corporation of stock of another corporation, in a reorganization described in section 368(a)(1)(B), such acquiring or other corporation—

"(A) has a net operating loss which is a net operating loss carryover to the first taxable year of such acquiring or other corporation ending after the date of such transfer or acquisition, and

"(B) the stockholders (immediately before the reorganization) of such corporation (hereinafter referred to in this subsection as the 'loss corporation'), as the result of owning stock of the loss corporation, own (immediately after the reorganization) less than 40 percent of the value of the participating stock of the acquiring corporation,

the total net operating loss carryover from prior taxable years of the loss corporation to the first taxable year of the acquiring or other corporation ending after the date of transfer or acquisition shall be reduced by the percentage determined under paragraph (2).

"(2) REDUCTION OF NET OPERATING LOSS CARRYOVER.—The reduction applicable under paragraph (1) shall be the percentage determined by subtracting from 100 percent—

"(A) the percent of the value of the participating stock of the acquiring corporation owned (immediately after the reorganization) by the stockholders (immediately before the reorganization) of the loss corporation, as the result of owning stock of the loss corporation, multiplied by

"(B) two and one-half.

"(3) EXCEPTION TO LIMITATION IN THIS SUBSECTION.—The limitation in this subsection shall not apply if the transferor or other corporation and the acquiring corporation are owned substantially by the same persons in the same proportion.

"(4) NET OPERATING LOSS CARRYOVERS TO SUBSEQUENT YEARS.—In computing the net operating loss carryovers to taxable years subsequent to a taxable year in which there was a limitation applicable to a net operating loss carryover by operation of this subsection, the income in such taxable year, as computed under section 172(b)(2), shall be increased by the amount of the reduction of the total net operating loss carryover determined under paragraph (2).

"(5) ATTRIBUTION OF OWNERSHIP.—If the other corporation or the acquiring corporation owns (immediately before the reorganization) any of the outstanding stock of the loss corporation, such other corporation or acquiring corporation shall, for purposes of this subsection, be treated as owning (immediately after the reorganization) a percentage of the value of the participating stock of the loss corporation (immediately before the reorganization) owned by such other corporation or acquiring corporation as the value of the total participating stock of the loss corporation (immediately before the reorganization) bears to the value of the total participating stock of the acquiring corporation (immediately after the reorganization).

"(6) STOCK OF CORPORATION CONTROLLING ACQUIRING CORPORATION.—If the stockholders of the loss corporation (immediately before the reorganization) own, as a result of the reorganization stock in a corporation controlling the acquiring corporation, such stockholders shall, for purposes of this subsection, be treated as owning the same percentage of the stock of the acquiring corporation owned by the controlling corporation that the value of the participating stock in the controlling corporation so owned by such stockholders is of the value of the total participating stock of the controlling corporation.

"(c) DEFINITION OF STOCK.—

"(1) For purposes of subsection (a), 'stock' means all shares except nonvoting stock which is limited and preferred as to dividends.

"(2) For purposes of subsection (b), 'participating stock' means voting stock which represents an interest in the earning of the issuing corporation which is not limited to a stated amount of money or property and which is not preferred in any respect (other than with respect to voting rights) over any other outstanding stock of the issuing corporation either as to distribution of earnings or as to distribution of assets in liquidation.".

(c) CONFORMING AMENDMENT.—Section 383 (relating to special limitations on carryovers of unused investment credits, work incentive program credits, foreign taxes, and capital losses) is amended by striking out "and business of a corporation are changed" in paragraph (1) and inserting in lieu thereof "of a corporation is changed".

(d) EFFECTIVE DATE.—

(1) The amendments made by subsection (a) shall apply to losses incurred in taxable years ending after December 31, 1975.

(2)(A) For purposes of applying the amendments made by subsections (b) and (c) to the special limitations on net operating losses in sections 382(a) and 383 of the Code, the beginning of the taxable years specified in clauses (i) and (ii) of section 382(a)(1)(A) shall be considered to be the beginning of such taxable years or the date of enactment of this Act, whichever occurs later.

(B) The amendments made by subsections (b) and (c) to the limitations on net operating losses in sections 382(b) and 383 of the Code shall apply to reorganizations pursuant to plans of reorganization adopted after the date of enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section apply to loss incurred in taxable years ending after December 31, 1975.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KENNEDY. Mr. President, may we have an explanation of the amendment?

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. There will be no more rollcall votes tonight.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAVEL). Without objection, it is so ordered.

AUTHORIZATION FOR LEADERSHIP TO CALL UP H.R. 8603 AT ANY TIME THIS WEEK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the leadership be given the authority to call up the Postal Service bill if voids develop in the consideration of legislation during this week.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. The reason is that we do not know just how long it will take to complete the Watergate reform bill. The leadership has been requested to postpone briefly the consideration of the Clean Air Act, for a day or so. The purpose is to try to keep the business of the Senate functioning as far as legislation reported on the calendar is concerned.

REREFERRAL OF NOMINATION OF JOHN W. EDEN

Mr. MANSFIELD. Mr. President, I ask this at the request of the distinguished Senator from Washington (Mr. MAGNUSON), chairman of the Committee on Commerce, who writes me as follows:

> On July 2, 1976, the President submitted the nomination of John W. Eden of Pennsylvania to be an Assistant Secretary of Commerce vice Wilmer D. Mizell, Sr. Inasmuch as the Assistant Secretary position for which Mr. Eden has been nominated is that of Assistant Secretary for Economic Development, and the Economic Development Administration is within the jurisdiction of the Committee on Public Works, we would request that this nomination be appropriately rereferred to that committee.

Mr. President, in behalf of the distinguished Senator from Washington, I make that request as in executive session.

The PRESIDING OFFICER. As in executive session, without objection, it is so ordered.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE REAL WELFARE CHISELERS

Mr. PHILIP A. HART. Mr. President, some weeks ago, in fact, in February, I noticed an article in the magazine Commonweal authored by Al Sheahen, a specialist in welfare reform. It is captioned "The Real Welfare Chiselers."

I was struck by the force of the article and had made a mental note to offer it for inclusion in the RECORD.

As happens occasionally, more frequently than we like to admit, that mental note got lost.

I was reminded again of that article when I saw a letter to the editor of the magazine Commonweal. The letter referred to the article by Mr. Sheahen, and is from a very distinguished Californian, a former Member of the House, Jerry Voorhis.

It bears on a subject that is a great area for discussion in and out of political debate. It is, I think, a piece of reading that would benefit all of us.

If the general public understood the facts to be as are outlined in both the article and confirmed by Jerry Voorhis, we would spend less time chasing after people who would cheat a few dollars on a welfare program, generally thought to be less than 1 percent of the program's participants and, thereby, have more time to go after the big cheaters who are generally the nice people.

In the hope that that kind of clarity might be advanced, I ask unanimous consent that both the article, which appeared in Commonweal on February 13, and a letter from Jerry Voorhis, which appeared in Commonweal last week, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOBS FOR THE JOBLESS

CLAREMONT, CALIF.—To the Editors: All thanks and a salute to Commonweal for publishing the article entitled "The Real Welfare Chiselers."

Al Sheahen did an outstanding job in that article, ocntrasting as he did the tiny four-tenths of one percent of all welfare cases where fraud has been found with the incredible waste in military contracts.

I would like to add one more dimension to the story. A few months ago the city of San Francisco gave notice that a small number of street maintenance jobs were to be filled. Thousands of unemployed people stood in line all night so as to be first in line to apply for those jobs.

Just recently the Park Service in a Southern California county announced that it would be hiring some 30-odd workers. 35,000 people, some having traveled many miles, showed up to apply.

Yet, as Mr. Sheahen points out, the prevailing attitude of the affluent is one of regarding those who are out of work as being somehow themselves responsible for their joblessness.

A survey of a few years ago in Los Angeles County showed that well over half the people dependent on welfare payments were little children while another large block of them were blind, disabled, infirm and very old people. At that time only 2 percent of those seeking welfare payments were able-bodied men.

As a result of what seems to me nothing short of cruel, presidential vetos of Congressional legislation that would have put hundreds of thousands of jobless back to work, that percentage is larger now. But not because the overwhelming majority of able-bodied welfare recipients don't want to work. It is because they have been deliberately denied their right to do so.

It is to be remembered that large-scale employers like what they call a "loose" labor market. And the Nixon-Ford administration has faithfully served the interests of those major employers.

But the most serious aspect of this matter lies in the phrase so often used by Richard Nixon—"the great silent majority." For in the United States that majority consists of reasonably affluent people who are neither young, poor, nor members of minority groups. If that comfortable majority can be persuaded to blame all their problems on the poor, the young, and the minorities—worse still, if the affluent majority can be made to fear those three groups, then the spirit of tolerance, understanding and decent compassion which must mark any really civilized society is threatened. And the road to fascism is wide and open.

The attempt to hold political power by such tactics is dangerous and reprehensible. It should be resisted and condemned by every thoughtful American, and especially by any who dare to call themselves Christians or followers of the Christ.

JERRY VOORHIS.

[From Commonweal, Feb. 13, 1976]

THE REAL WELFARE CHISELERS

(By Al Sheahen)

ABLE-BODIED BUT LAZY LOAFERS WHO DRIVE CADILLACS?

Which is worse? A welfare chiseler, or a rich man who uses legal loopholes to pay little or no taxes? In a recent Lou Harris poll, 58 percent felt the rich man was worse, 28 percent voted for the welfare chiseler.

The vote was surprising, since millions of sincere Americans still seem to believe that the welfare system is loaded with able-bodied but lazy loafers who get rich and drive Cadillacs while the rest of us work and pay taxes to support them.

Richard Nixon once requested the song "Welfare Cadillac" at a formal White House event:

"We get peanut butter and cheese and, man,
They give us flour by the sack.
'Course them welfare checks, they meet
The payments on this new Cadillac."

The 1971 Grammy-award winning country and western song, "When You're Hot, You're Hot" has the lyric:

"I gotta go down and pick up my welfare check.
So I can make the payment on my Cadillac."

A Texas University survey found that 84 percent of people believe "too many people who should be working are on welfare." The idea of welfare recipients driving around in Cadillacs is a peculiar myth, but obviously a popular one. The truth is that the average monthly payment to a welfare recipient is only $65.52. Twenty-four million Americans still live in the depths of poverty in the richest nation in the history of the world.

Only half of America's poor receive any welfare at all. For those who do, welfare payments can be described as guaranteed annual poverty. Welfare is the "good life" only to those who have never experienced trying to live on 18-cent lunches.

Yet the "welfare chiseler" has become a kind of "folk-villain" in America today. While the traditional American folk-hero has been the self-made, rags-to-riches man, as deeply ingrained into the American system is the belief in a folk-villain, the self-made poor man, lazy, immoral and irresponsible.

The work ethic is one reason why. Teamster official Nicholas Kisburg says "one reason why blue-collar guys hate welfare so much is that they feel, psychologically, that it threatens them. Working, bringing home the check eack week, is one way of establishing their supremacy, to themselves and their families. Work is the one thing they have. When they see a guy getting a check for doing nothing, they go crazy."

Another reason is guilt. Years ago the American people really don't know the extent of poverty in this country. Now we know, but we don't seem to be able to do anything about it. And that bothers us.

Melvin Lerner, in *Psychology Today*, writes: "If we can help a victim, we are inclined to do so. But God help the victim if we can't—we're likely to decide that he richly deserves everything that is happening to him."

In a series of experiments, Lerner found that most people get emotionally upset whenever they see innocent suffering, and any sense of responsibility for the suffering increases our pain. Most people are not indifferent to the suffering of others. In fact, just the reverse is probably true—we are extremely vulnerable to the suffering of others.

"But," says Lerner, "we feel miserable and under stress when the hero—the good person—suffers. Yet we are indifferent or even pleased when the villain finally gets his just desserts. We all have a need to believe that our world is just . . . that the good are rewarded and the bad are punished. We care deeply about justice for ourselves and others. This need to see justice done causes us unbearable stress if the victim is beyond help, or if the person inflicting the suffering is too powerful to resist."

Dr. Bruno Bettelheim noticed this process in the way many Germans living under the Nazis first reacted to the concentration camps. If the people seized by the Nazi police and put into camps were truly innocent, as they appeared to be, then their government was extremely unjust. This conclusion was too frightening for most Germans to accept, in spite of what they saw directly. They wanted to believe that they lived in a world governed by law and order.

To maintain their sense of justice, if not their sanity, Germans convinced themselves that those who were sent to the concentration camps must have really deserved their fate. They were criminals of some kind and the government was merely protecting all good Germans from this criminal element. The average German citizen could then go about his daily life secure in the belief that his government, his world, was just.

To some degree, the same process is at work in America today. Most Americans believe the poor are themselves responsible for their plight and society is not to blame. We have convinced ourselves that the typical welfare recipient is dishonest, lazy, untrustworthy. We are thus able to live with the fact that millions of our fellow Americans are living and, indeed, dying in squalor. We can tell ourselves that they deserve what they're getting.

Behind the myth

The facts, of course, are different.

A government investigation of fraud determined that 0.4 percent—4 out of every 1,000—of all welfare cases were fraudulent. Another government survey showed that only 0.7 percent of welfare recipients were even suspected of cheating, and that only 0.06 percent—6 out of every 10,000—were ever prosecuted by law enforcement agencies. Government surveys also show that less than one percent of welfare recipients are able-bodied, unemployed males. Most beneficiaries are children, the aged, the disabled and mothers. But a lot of people are unaware of, or don't want to believe, the figures. So the myth of the "welfare chiseler" persists.

It's not only psychological. It's orchestrated at the highest levels of government. One of the oldest, yet most effective, political tricks is to blame a country's problems on one segment of the population; to find a sacrificial lamb; to direct the anger of the many against a few, so as to divert people's attention from the real problems. Hitler did it in the 1930s against the Jews. To a lesser degree, the U.S. government has done it with the poor. They're the most vulnerable. They have no money . . . no prestige . . . no political clout. So it's become the old story of turning one group—the taxpayers—against another group—the poor; the workingman against the downtrodden.

How is this done? How do you manipulate people to believe that welfare fraud is rampant when, in fact, it is 0.4 percent? It's not difficult.

If you're then-President Richard Nixon, you go on national television and you tell the American people: "The thing that is demeaning is for a man to refuse work and then ask someone else who works to pay taxes to keep him on welfare." (Applause)

If you're the State Welfare Director of Nevada, you make the front page by charging that: "50% of welfare recipients caught cheating." Later you are found to be "running roughshod over the rights of welfare recipients" and your charges totally unfounded by the Federal District Court in Las Vegas. But the truth never quite catches up with the headline.

If you run a San Diego newspaper, you devote a 5-column, 50-inch story to then-Governor of California Ronald Reagan's blast at rising welfare costs, while in the same issue, you put the latest poverty figures on an inside page in a two-inch story.

If you run the *Los Angeles Times,* you headline: "Welfare Costs Skyrocket," citing the annual welfare cost rise to $16.3 billion. But a few days later you virtually ignore the U.S. Senate's voting of $21 billion for military procurements. You bury the story on the inside pages. Then when the government announces its latest survey showing that welfare fraud is less than 1 percent, you ignore the story completely. You don't even print it.

So it's not difficult to see how the public is regularly deluded into believing that welfare costs and welfare chiselers are the cause of rising taxes, and that the poor of America are richly getting what they deserve. The truth is that since the total annual welfare costs—federal, state and local combined—are $16.3 billion, and the fraud rate is 0.4 percent, we can calculate that welfare fraud costs the U.S. $65 million annually, or $1.03 per family per year, or two cents a week.

By comparison, farm subsidies cost the U.S. $4.2 billion a year, or $66 per family. Oil import quotas cost Americans $7.2 billion a year, or $114 per family. The national interest on government debt, mostly war-created, will cost $24.7 billion in 1974, or $389 out of the pocket of the average American taxpaying family. Defense spending will cost each family $1,230 this year. Defense cost overruns in the past few years cost each of us $527. Tax loopholes are plugged by the rest of us to the tune of $907 per year.

Welfare fraud is a tiny fraction of the massive, calculated chiseling which goes on daily in this county. Politicians who angle for headlines and votes by blaming "welfare chiselers" for rising taxes are lying and they know they are lying. They know there is a thousand times more chiseling and sheer waste in government and business than in the entire welfare program. They know that this country could easily provide a guaranteed adequate income to all the people simply by cutting the defense budget by only 25 percent, or by closing a third of the tax loopholes.

For us to worry about some poor guy on welfare, who can't make it through life, chiseling us out of a few nickels and dimes, seems ludicrous. Given the temptation, given that a few dollars more or less welfare money may be a matter of survival, the prevailing honesty of welfare recipients—their fidelity to the rules of the very system which keeps them poor—is, to say the least, remarkable.

Mr. PHILIP A. HART. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

AMENDMENT NO. 2043

Mr. HARTKE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Indiana (Mr. Hartke) for himself and others proposes an amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that the amendment be made the pending business and that the reading of the amendment be dispensed with. It is not my intention to deal with this matter this evening but to proceed with it tomorrow morning.

I ask unanimous consent that the amendment be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendment No. 2043

At the end of Part III of Title X, add the following new section:

Sec. 1038. Limitations on Foreign Tax Credit for Income Taxes Paid in Connection With Foreign Oil and Gas Extraction Income.

(a) In General.—Section 907 of subpart A of part III of subchapter N of chapter 1 (relating to foreign tax credit) is amended by striking out subsections (a), (b), and (c), renumbering subsections (d), (e), and (f) as (c), (d), and (e) and adding the following new subsections:

"(a) Reduction in Amount Allowed as Foreign Tax Under Section 901.—In applying section 901, the amount of any income, war profits, and excess profits taxes paid or accrued (or deemed to have been paid) during the taxable years with respect to the foreign oil and gas extraction income from any country which would (but for this subsection) be taken into account for purposes of section 901 shall be reduced by the amount (if any) by which the amount of such taxes exceeds the product of—

"(1) the amount of the foreign oil and gas extraction income from that country for the taxable year multiplied by—

"(2) the percentage which is—

"(A) in taxable years ending in 1975, 110 percent of,

"(B) in taxable years ending in 1976, 105 percent of,

"(C) in taxable years ending after 1976, the sum of the normal tax rate and the surtax rate for the taxable year specified in section 11.

"(b) Foreign Income Definitions and Special Rules.—For the purposes of this section—

"(1) The term 'foreign oil and gas extraction income' means the taxable income derived from sources without the United States and its possessions from—

"(A) The extraction (by the taxpayer or any other person) of minerals from oil or gas wells, or

"(B) The sale or exchange of assets used by the taxpayer in the trade or business described in subparagraph (A).

(2) Dividends, interest, partnership, distribution, etc.—The term 'foreign oil, and gas extraction income' includes—

"(A) dividends and interest from a foreign corporation in respect of which taxes are deemed paid by the taxpayer under section 902,

"(B) dividends from a domestic corporation which are treated under section 861(a)(2)(A) as income from sources without the United States,

"(C) amounts with respect to which taxes are deemed paid under section 960(a), and

"(D) the taxpayer's distributive share of the income of partnerships,

to the extent such dividends, interest, amounts, or distributive share in attributable to foreign oil and gas extraction income."

(b) Denial of Credit for Royalty Payments.—

(1) In general.—**The text of section 903 (relating to definition of creditable taxes) is** amended to read as follows:

"(a) In general.—For purposes of this subpart and sections 164(a) and 275(a), the term 'income, war profits **and excess profit** taxes' means a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any foreign possession of the United States.

"(b) Royalties.—

"(1) In general.—For purposes of this subpart and sections 164(a) and 275(a), in the case of taxes paid or accrued to any foreign country with respect to income derived from the extraction, production, or refining of oil or gas in such country, the term 'income, war profits, and excess profits taxes' does not include any amount paid as a royalty.

"(2) Determination by secretary.—The Secretary shall determine, in accordance with the provisions of paragraph (3), with respect to payments made to any foreign country in connection with income from the extraction, production, or refining of oil or gas in such country, what portion (if any) of that payment constitutes the payment of a royalty.

"(3) Basic rules.—In the case of any foreign country which imposes an income, war profits, or excess profits tax on income from activities other than the extraction, production, or refining of oil, gas, or other natural resources in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, or of the amount of tax paid for the income or profits involved) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary, on account of the manner in which it is determined, the rate or amount involved, or any other reason, to constitute the payment of a royalty is considered to be a royalty payment.".

(2) Treatment of carryovers.—Section 904(f)(4) (relating to transitional rules for carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(C) Carryovers to years beginning after December 31, 1976.—

"(i) Whenever pre-1977 taxes are, under the provisions of subsection (d), deemed to be post-1976 taxes, the pre-1977 taxes shall be redetermined in accordance with the provisions of section 901(e)(3) (relating to limitation of credit for foreign taxes on oil-related income) and section 903(b) (relating to royalties) as if those provisions applied to the taxable year in which the pre-1977 taxes were paid or accrued.

"(ii) For purposes of this subparagraph, the term 'pre-1977 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year ending before January 1, 1977, and the term 'post-1976 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning after December 31, 1976.".

(c) EFFECTIVE DATE.—The amendments made by this Act apply with respect to taxable years ending after December 31, 1976.

The PRESIDING OFFICER. The amendment is directed to a section of the tax bill that is not before us. We are on title VIII.

Mr. HARTKE. Yes, Mr. President. Let me explain this was an agreement that this amendment would be taken up at this time. The agreement was made with the manager of the bill.

I ask unanimous consent that the amendment be in order at this time on the bill.

Mr. FANNIN. Mr. President, reserving the right to object, has it been cleared with Senators LONG and CURTIS?

Mr. HARTKE. Yes. This was an agreement made previously with Senator LONG.

Mr. FANNIN. With Senator CURTIS?

Mr. HARTKE. I am sure it was, but if it is not, I am not interested in trying to do anything except get on with the business tonight so that we can go ahead and adjourn tonight, and if there is any question about it tomorrow, we can raise it at that time.

Mr. FANNIN. Mr. President, with that reservation, if there is any objection to it being taken up out of order, the Senator will——

Mr. HARTKE. Yes. I am interested only in proceeding with the bill. My understanding is this has been cleared with everyone. If there is any objection—my understanding is that this was an agreement which was previously entered into. That agreement was made on the floor of the Senate.

Mr. FANNIN. Points of order will be reserved then.

Mr. HARTKE. Fine.

Mr. FANNIN. Mr. President, because the Senator from Arizona is not aware of any agreement and certainly does not question the Senator from Indiana, but to be protective of the Senator from Nebraska, I think it should be noted.

Mr. HARTKE. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I submit a report of the committee of conference on H.R. 14231 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. GRAVEL). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14231) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the RECORD of July 1, 1976, beginning at p. 21900.)

Mr. ROBERT C. BYRD. Mr. President, the bill making appropriations for the Department of Interior and related agencies, as it passed the Senate, provided $5,977,815,000 in new budget authority and $265,394,000 in appropriations to liquidate contract authority. That made a fiscal year 1977 grand total of $6,243,209,000 for the Interior Department agencies in this bill and the related agencies including the Forest Service, Energy Research, and Development Administration fossil fuel and related activities, Federal Energy Administration, Petroleum Reserves, Indian Health Service, Indian Education, Smithsonian Institution, National Foundation on the Arts and Humanities, and others.

The figures I have detailed do not include $20,000,000 also appropriated in the bill for immediate emergency assistance to the Territory of Guam. This amount, in agreement with the budget request and House allowance, has been counted against appropriations for the July–September budget transition quarter.

The conference committee report provides $5,814,102,000 in new budget authority and $271,699,000 in appropriations to liquidate contract authority. That is a grand total of $6,085,801,000 for the 1977 fiscal year and represents a reduction of $157,408,000 in the Senate allowance and an increase of $147,905,000 in the House allowance.

Mr. President, in view of the fact that the Senate considered some $107.2 million in budget requests that were not before the House when it acted, this final agreement represents a fair and reasonable resolution of the differences between the Houses. I might add that these differences were resolved in a fair spirit of give and take that was based on a need to reduce total spending in the bill to conform to the budget authority and outlay ceilings adopted under the budget reform process. I should emphasize that, even with the reduction in the Senate allowance, the total budget authority and projected outlays in the bill are still very close to the ceiling. Because we can anticipate various supplemental requests in the balance of the fiscal year for such required spending as firefighting expenses, I feel that the Conference agreement is as high as we can realistically go.

Even under the conference agreement, Mr. President, the total spending recommended in the bill is nearly $98 million over the President's budget request. However, this additional funding is badly needed in areas of energy research and development, backlogged Federal land acquisition, Indian health and education, and recreation and wildlife management.

This year the bill also includes a rescission of certain contract authority for roads and trails available under the Federal Aid Highway Act of 1973 to several agencies in the bill. This rescission totaling $172.7 million is a housekeeping provision, in effect, that will avoid the need for separate rescission action next session. This rescission does not limit the roadbuilding programs of these agencies in the future since any additional needs can be satisfied through a direct appropriation.

Mr. President, in order to insure that there is no misunderstanding over the conference agreement it is necessary for me to point out two clerical errors in the joint explanatory statement of the conferees. First, on page 8 of the report, under the Office of Water Research and Technology, a decrease in the House allowance of $700,000 for test facility operations is listed. This is not correct. There is no reduction in test facility operations since both the Senate and the House were in agreement that this amount would be provided for facility operations. The agreement should have been listed as a reduction of $1,100,000 in technology development, which is in conformance with the enacted authorization. There is no change in the overall figure for technology development or in the total approved for OWRT as specified in the conference report.

The other error is on page 13 of the report under Bureau of Indian Affairs which identifies a decrease in the House allowance of $4,300,000 for Lower Brule High School, S. Dak. The reduction is $4,300,000 as stated but it applies to the Little Wound High School, S. Dak., not Lower Brule.

In both instances the errors are in the explanatory statement only. The conference report itself, of course, is accurate.

Mr. President, my remarks would not be complete without a commendation to the conferees of both the House and the Senate. We had a difficult and complex bill involving 75 separate amendments, and each of these amendments was comprised of several difficult issues. The fact that we were able to work out an amicable and, I think, effective agreement on all these important issues is a testimonial to the dedication and fairness of all involved. No conference agreement will ever be entirely satisfactory to both sides and this one is no exception. One of the most difficult problems facing the conferees this year was the lack of enacted authorizations for many key programs funded in the bill. It is difficult indeed to make precise judgments on funding programs that may or may not be authorized at the levels contemplated in Senate or House versions of an incomplete authorization. The authorization problem, for instance, presented serious stumbling blocks in working out agreements on the Energy Research and Development Administration and the Pennsylvania Avenue Development Corporation. Under these conditions, and presented with budget authority and outlay ceilings that required spending restraints, I believe the final agreement is the best possible.

Mr. President, I ask unanimous consent that a tabulation of fiscal year 1976 appropriations and the budget, House, Senate, and conference committee allowances for fiscal year 1977, with comparisons, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1977

[Fiscal years]

	New BA enacted, 1976	New BA estimates, 1977	New BA House, 1977	New BA Senate, 1977	New BA Conference, 1977	Conference compared with—			
						1976 enacted	1977 estimates	House bill	Senate bill
TITLE I—DEPARTMENT OF THE INTERIOR									
LAND AND WATER RESOURCES									
Bureau of Land Management									
Management of lands and resources	$215,463,000	$220,240,000	$216,299,000	$223,829,000	$223,829,000	$8,366,000	$3,589,000	$7,530,000	
Construction and maintenance	9,404,000	9,884,000	7,510,000	9,970,000	10,160,000	756,000	276,000	2,650,000	$190,000
Public lands development roads and trails (appropriation to liquidate contract authority)	(3,183,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(1,817,000)	(............)	(............)	(............)
Public lands development roads and trails (rescission of contract authority)	(............)	(............)	(............)	(−13,900,000)	(−13,900,000)	(−13,900,000)	(−13,900,000)	(−13,900,000)	(............)
Oregon and California grant lands (indefinite, appropriation of receipts)	28,000,000	30,000,000	30,000,000	30,000,000	30,000,000	2,000,000			
Range improvements (indefinite, appropriation of receipts)	5,435,000	7,235,000	7,235,000	7,235,000	7,235,000	1,800,000			
Recreation development and operation of recreation facilities (indefinite, special fund)	300,000	300,000	300,000	300,000	300,000				
Subtotal	258,602,000	267,659,000	261,344,000	271,334,000	271,524,000	12,922,000	3,865,000	10,180,000	190,000
Office of Water Research and Technology									
Salaries and expenses	18,180,000	22,273,000	21,003,000	21,553,000	18,923,000	743,000	−3,359,000	−2,080,000	−2,630,000
Total, Land and Water Resources	276,782,000	289,932,000	282,347,000	292,887,000	290,447,000	13,665,000	515,000	8,100,000	−2,440,000
FISH AND WILDLIFE AND PARKS									
Bureau of Outdoor Recreation									
Salaries and expenses	5,889,000	6,187,000	5,961,000	5,961,000	5,961,000	72,000	−226,000		
Land and Water Conservation Fund									
Appropriation of receipts (indefinite)	316,986,000	300,000,000	307,056,000	430,461,000	397,056,000	80,070,000	97,056,000	90,000,000	−33,405,000
U.S. Fish and Wildlife Service									
Resource management	120,750,000	122,821,000	127,799,000	129,169,000	128,861,000	8,111,000	6,040,000	1,062,000	−308,000
Construction and anadromous fish	19,311,000	6,727,000	14,493,000	15,330,000	17,211,000	−2,100,000	10,484,000	2,718,000	1,881,000
Migratory bird conservation account (definite, repayable advance)	7,500,000		7,500,000		4,000,000	−3,500,000	4,000,000	−3,500,000	4,000,000
Subtotal	147,561,000	129,548,000	149,792,000	144,499,000	150,072,000	2,511,000	20,524,000	280,000	5,573,000
National Park Serivce									
Operation of the national park system	255,203,000	272,764,000	272,685,000	280,437,000	276,485,000	21,282,000	3,621,000	3,900,000	3,952,000
Planning and construction	27,457,000	33,200,000	37,228,000	40,237,000	40,097,000	12,640,000	6,897,000	1,859,000	−140,000
Road construction (appropriation to liquidate contract authority)	(40,115,000)	(18,000,000)	(19,100,000)	(23,485,000)	(21,800,000)	(18,315,000)	(3,800,000)	(2,700,000)	(1,695,000)
Road construction (rescission of contract authority)	(............)	(............)	(............)	(−112,122,000)	(−118,995,000)	(−118,995,000)	(−118,995,000)	(−118,995,000)	(−6,873,000)
Preservation of historic properties	24,666,000	14,500,000	19,500,000	24,500,000	22,000,000	−2,666,000	7,500,000	2,500,000	−2,500,000
Planning, development and operation of recreation facilities (indefinite, special fund)	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000				
John F. Kennedy Center for the performing Arts	2,645,000	3,072,000	3,072,000	3,072,000	3,072,000	427,000			
Subtotal	323,971,000	337,636,000	346,485,000	362,246,000	355,654,000	31,683,000	18,018,000	9,169,000	−6,592,000
Total, Fish and Wildlife and Parks	794,407,000	773,371,000	809,294,000	943,167,000	908,743,000	114,236,000	135,372,000	99,449,000	−34,424,000
ENERGY AND MINERALS									
Geological Survey									
Surveys, investigations, and research	272,836,000	297,858,000	296,136,000	306,516,000	305,896,000	33,060,000	8,038,000	9,750,000	−620,000
Mining Enforcement and Safety Administration									
Salaries and Expenses	84,465,000	91,040,000	91,098,000	93,740,000	93,740,000	9,275,000	2,700,000	2,642,000	
Bureau of Mines									
Mines and minerals	158,818,000	157,170,000	163,315,000	158,037,000	164,465,000	5,647,000	7,295,000	1,150,000	6,428,000
Total, Energy and Minerals	516,119,000	546,068,000	550,559,000	558,293,000	564,101,000	47,982,000	18,033,000	13,452,000	5,808,000
INDIAN AFFAIRS									
Bureau of Indian Affairs									
Operation of Indian programs	566,118,000	589,510,000	602,610,000	602,113,000	602,713,000	36,595,000	13,203,000	103,000	600,000
Construction	80,672,000	46,263,000	70,969,000	82,406,000	77,101,000	−3,571,000	30,838,000	6,132,000	−5,305,000
Road construction		37,205,000	37,205,000	39,405,000	39,075,000	39,075,000	1,870,000	1,870,000	−330,000
Road construction (appropriation to liquidate contract authority)	(76,705,000)	(46,795,000)	(36,795,000)	(36,795,000)	(36,795,000)	(−39,910,080)	(−10,000,000)	(............)	(............)
Revolving fund for loans	3,000,000					−3,000,000			
Indian loan guaranty and insurance fund	10,000,000	20,000,000	15,000,000	15,000,000	15,000,000	5,000,000	−5,000,000		
Alaska native fund	71,600,000	30,000,000	30,000,000	40,000,000	30,000,000	−41,600,000			−10,000,000
Trust funds (definite)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000				
Trust funds (indefinite)	31,200,000	35,387,000	35,387,000	35,387,000	35,387,000	4,187,000			
Total	765,590,000	761,365,000	794,171,000	817,311,000	802,276,000	36,686,000	40,911,000	8,105,000	−15,035,000

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1977—Continued
[Fiscal years]

	New BA enacted, 1976	New BA estimates, 1977	New BA House, 1977	New BA Senate, 1977	New BA Conference, 1977	Conference compared with— 1976 enacted	1977 estimates	House bill	Senate bill
TERRITORIAL AFFAIRS									
Office of Territorial Affairs									
Administration of territories	$27,753,000	$24,046,000	$23,846,000	$23,846,000	$23,846,000	−$3,907,000	−$200,000		
Permanent appropriation (special fund)	(600,000)	(256,000)	(256,000)	(256,000)	(256,000)	(−344,000)	(---)	(---)	(---)
Transferred from other accounts (special fund)	(975,000)	(620,000)	(620,000)	(620,000)	(620,000)	(−355,000)	(---)	(---)	(---)
Trust Territory of the Pacific Islands	86,438,000	82,321,000	84,566,000	81,277,000	79,077,000	−7,361,000	−3,244,000	−$5,489,000	−$2,200,000
Micronesian claims fund, Trust Territory of the Pacific Islands	10,000,000					−10,000,000			
Ex gratia payment, Bikini Atoll	3,000,000					−3,000,000			
Total	127,191,000	106,367,000	108,412,000	105,123,000	102,923,000	−24,268,000	−3,444,000	−5,489,000	−2,200,000
SECRETARIAL OFFICES									
Office of the Solicitor									
Salaries and expenses	11,598,000	12,658,000	12,371,000	12,371,000	12,371,000	773,000	−287,000		
Office of the Secretary									
Salaries and expenses	19,256,000	21,097,000	20,430,000	21,060,000	20,620,000	1,364,000	−477,000	190,000	−440,000
Departmental operations	12,366,000	14,425,000	11,812,000	13,770,000	12,926,000	560,000	−1,499,000	1,114,000	−844,000
Salaries and expenses (special foreign currency program)	1,494,000	907,000	907,000	907,000	907,000	−587,000			
Subtotal	33,116,000	36,429,000	33,149,000	35,737,000	34,453,000	1,337,000	−1,976,000	1,304,000	−1,284,000
Total, Secretarial Offices	44,714,000	49,087,000	45,520,000	48,108,000	46,824,000	2,110,000	−2,263,000	1,304,000	−1,284,000
Total, new budget (obligational) authority, Department of the Interior	2,524,803,000	2,526,190,000	2,590,303,000	2,764,889,000	2,715,314,000	190,511,000	189,124,000	125,011,000	−49,575,000
Consisting of—									
Appropriations	2,524,803,000	2,526,190,000	2,590,303,000	2,764,889,000	2,715,314,000	190,511,000	189,124,000	125,011,000	−49,575,000
Definite appropriations	2,128,882,000	2,139,268,000	2,196,325,000	2,247,506,000	2,231,336,000	102,454,000	92,068,000	35,011,000	−16,170,000
Indefinite appropriations	395,921,000	386,922,000	393,978,000	517,383,000	483,978,000	88,057,000	97,056,000	90,000,000	−33,405,000
Memoranda—									
Appropriations to liquidate contract authority	120,003,000	69,795,000	60,895,000	65,290,000	63,595,000	−56,408,000	−6,200,000	2,700,000	−1,695,000
Total, new budget (obligational) authority and appropriations to liquidate contract authority	2,644,806,000	2,595,985,000	2,651,198,000	2,830,179,000	2,778,909,000	134,103,000	182,924,000	127,711,000	−51,270,000
Rescission of contract authority				−126,022,000	−132,895,000	−132,895,000	−132,895,000	−132,895,000	−6,873,000
Total, title I	2,524,803,000	2,526,190,000	2,590,303,000	2,638,867,000	2,646,014,000	121,211,000	119,824,000	55,711,000	7,147,000
TITLE II—RELATED AGENCIES									
DEPARTMENT OF AGRICULTURE									
Forest Service									
Forest protection and utilization:									
Forest land management	489,658,000	388,621,000	395,911,000	399,248,000	397,151,000	−92,507,000	8,530,000	1,240,000	−2,097,000
Forest research	82,280,000	84,691,000	83,311,000	88,537,000	87,087,000	4,807,000	2,396,000	3,776,000	−1,450,000
State and private forestry cooperation	33,158,000	24,800,000	33,254,000	33,254,000	33,254,000	96,000	8,454,000		
Subtotal	605,096,000	498,112,000	512,476,000	521,039,000	517,492,000	−87,604,000	19,380,000	5,016,000	−3,547,000
Construction and land acquisition	18,523,000	14,414,000	16,674,000	17,244,000	18,016,000	−507,000	3,602,000	1,342,000	772,000
Youth conservation corps	35,098,000		28,000,000	35,000,000	30,000,000	−5,098,000	30,000,000	2,000,000	−5,000,000
Forest roads		200,000,000	173,000,000	173,000,000	173,000,000	173,000,000	−27,000,000		
Forest roads and trails (appropriation to liquidate contract authority)	(112,857,000)	(170,104,000)	(216,104,000)	(200,104,000)	(208,104,000)	(95,247,000)	(38,000,000)	(−8,000,000)	(8,000,000)
Forest roads and trails (rescission of contract authority)	(---)	(---)	(---)	(−53,827,943)	(−39,827,943)	(−39,827,943)	(−39,827,943)	(−39,827,943)	(14,000,000)
Acquisition of lands for national forests:									
Special acts (special fund, indefinite)	161,000	160,000	160,000	160,000	160,000	−1,000			
Acquisition of lands to complete land exchanges	35,000	54,000	54,000	54,000	54,000	19,000			
Cooperative range improvements (special fund, indefinite)	700,000	700,000	700,000	700,000	700,000				
Assistance to States for tree planting	1,368,000	1,373,000	1,373,000	1,373,000	1,373,000	5,000			
Construction and operation of recreation facilities (indefinite, special fund)	3,674,000	2,475,000	2,475,000	2,475,000	2,475,000	−1,199,000			
Total, Forest Service	664,655,000	717,288,000	734,912,000	751,045,000	743,270,000	78,615,000	25,982,000	8,358,000	−7,775,000
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION									
Operating expenses, fossil fuels	443,516,000	493,230,000	544,275,000	541,611,000	521,775,000	78,259,000	28,545,000	−22,500,000	−19,836,000
Plant and capital equipment, fossil fuels	21,025,000	57,220,000	68,570,000	63,920,000	62,220,000	41,195,000	5,000,000	−6,350,000	−1,700,000
Special foreign currency program, fossil fuels	6,650,000					−6,650,000			
Total	471,191,000	550,450,000	612,845,000	605,531,000	583,995,000	112,804,000	33,545,000	−28,850,000	−21,536,000
FEDERAL ENERGY ADMINISTRATION									
Salaries and expenses	153,077,000	193,157,000	148,458,000	185,220,000	150,385,000	−2,692,000	−42,772,000	1,927,000	−34,835,000
Strategic petroleum reserve	313,375,000	557,684,000	447,684,000	447,684,000	447,684,000	134,309,000	−110,000,000		
Total	466,452,000	750,841,000	596,142,000	632,904,000	598,069,000	131,617,000	−152,772,000	1,927,000	−34,835,000

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1977—Continued

[Fiscal years]

	New BA enacted, 1976	New BA estimates, 1977	New BA House, 1977	New BA Senate, 1977	New BA Conference, 1977	Conference compared with—			
						1976 enacted	1977 estimates	House bill	Senate bill
FUNDS APPROPRIATED TO THE PRESIDENT									
Petroleum reserves	$24,152,000	$421,366,000	$406,116,000	$406,116,000	$406,116,000	$381,964,000	−$15,250,000		
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Health Services Administration									
Indian health services	283,310,000	354,451,000	314,562,000	349,413,000	337,422,000	54,112,000	−17,029,000	$22,860,000	−$11,991,000
Indian health facilities	55,616,000	40,345,000	70,663,000	76,499,000	88,163,000	32,547,000	47,818,000	17,500,000	11,664,000
Total	338,926,000	394,796,000	385,225,000	425,912,000	425,585,000	86,659,000	30,789,000	40,360,000	−327,000
Office of Education									
Indian education	57,055,000	42,055,000	40,933,000	58,983,000	44,933,000	−12,122,000	2,878,000	4,000,000	−14,050,000
INDIAN CLAIMS COMMISSION									
Salaries and expenses	1,411,000	1,530,000	1,525,000	1,525,000	1,525,000	114,000	−5,000		
NAVAJO AND HOPI RELOCATION COMMISSION									
Salaries and expenses	12,700,000	500,000	400,000	400,000	400,000	−12,300,000	−100,000		
SMITHSONIAN INSTITUTION									
Salaries and expenses	81,564,000	85,100,000	82,635,000	82,616,000	82,106,000	542,000	−2,994,000	−529,000	−510,000
Musuem programs and related research (special foreign currency program)	500,000	4,481,000	2,500,000	3,481,000	3,481,000	2,981,000	−1,000,000	981,000	
Science information exchange	1,940,000	1,900,000	1,900,000	1,900,000	1,900,000	−40,000			
Construction and improvements, National Zoological Park	8,390,000	6,800,000	6,580,000	6,580,000	6,580,000	−1,810,000	−220,000		
Restoration and renovation of buildings	1,192,000	3,300,000	2,700,000	3,050,000	2,950,000	1,758,000	−350,000	250,000	−100,000
Construction		500,000					−500,000		
Construction (appropriation to liquidate contract authority)	(2,500,000)	(............)	(............)	(............)	(............)	(−2,500,000)	(............)	(............)	(............)
Salaries and expenses, National Gallery of Art	7,759,000	12,309,000	12,309,000	11,546,000	12,309,000	4,550,000			763,000
Salaries and expenses, Woodrow Wilson International Center for Scholars	975,000	1,120,000	1,120,000	1,120,000	1,120,000	145,000			
Total	102,320,000	115,510,000	109,744,000	110,293,000	110,446,000	8,126,000	−5,064,000	702,000	153,000
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES									
Salaries and Expenses									
Endowment for the arts	74,500,000	79,500,000	77,500,000	77,500,000	77,500,000	3,000,000	−2,000,000		
Endowment for the humanities	72,000,000	79,500,000	77,500,000	77,500,000	77,500,000	5,500,000	−2,000,000		
Administrative expenses	10,910,000	11,000,000	11,000,000	11,000,000	11,000,000	90,000			
Subtotal	157,410,000	170,000,000	166,000,000	166,000,000	166,000,000	8,590,000	−4,000,000		
Matching Grants									
Endowment for the arts (indefinite)	7,500,000	7,500,000	7,000,000	7,500,000	7,500,000			500,000	
Endowment for the humanities (indefinite)	7,500,000	7,500,000	7,000,000	7,000,000	7,000,000	−500,000	−500,000		
Subtotal	15,000,000	15,000,000	14,000,000	14,500,000	14,500,000	−500,000	−500,000	500,000	
Total, National Foundation on the Arts and Humanities	172,410,000	185,000,000	180,000,000	180,500,000	180,500,000	8,090,000	−4,500,000	500,000	
COMMISSION OF FINE ARTS									
Salaries and expenses	202,000	215,000	214,000	214,000	214,000	12,000	−1,000		
NATIONAL CAPITAL PLANNING COMMISSION									
Salaries and expenses	1,871,000	1,904,000	1,904,000	1,904,000	1,904,000	33,000			
AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION									
Salaries and expenses	9,462,000	1,965,000	65,000	65,000	65,000	−9,397,000	−1,900,000		
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION									
Salaries and expenses		79,000	29,000	29,000	29,000	29,000			
LOWELL HISTORIC CANAL DISTRICT COMMISSION									
Salaries and expenses	120,000					−120,000			
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA									
Salaries and expenses	764,000	540,000	540,000	737,000	737,000	−27,000	197,000	197,000	
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION									
Salaries and expenses	824,000	1,425,000		1,318,000	1,000,000	176,000	−425,000	1,000,000	−318,000
Land acquisition and development (borrowing authority)		25,000,000		25,000,000			−25,000,000		−25,000,000
Public development		11,450,000		10,450,000			−11,450,000		−10,450,000
Total	824,000	37,875,000		36,768,000	1,000,000	176,000	−36,875,000	1,000,000	−35,768,000

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1977—Continued

[Fiscal years]

	New BA enacted, 1976	New BA estimates, 1977	New BA House, 1977	New BA Senate, 1977	New BA Conference, 1977	Conference compared with—			
						1976 enacted	1977 estimates	House bill	Senate bill
Total, new budget (obligational) authority, Related Agencies	$2, 324, 515, 000	$3, 221, 864, 000	$3, 070, 594, 000	$3, 212, 926, 000	$3, 098, 788, 000	$774, 273, 000	−$123, 076, 000	$28, 194, 000	−$114, 138, 000
Consisting of—									
Appropriations	2, 324, 515, 000	3, 196, 864, 000	3, 070, 594, 000	3, 187, 926, 000	3, 098, 788, 000	774, 273, 000	−98, 076, 000	28, 194, 000	−89, 138, 000
Definite appropriations	2, 304, 980, 000	3, 178, 529, 000	3, 053, 259, 000	3, 170, 091, 000	3, 080, 953, 000	775, 973, 000	−97, 576, 000	27, 694, 000	−89, 138, 000
Indefinite appropriations	19, 535, 000	18, 335, 000	17, 335, 000	17, 835, 000	17, 835, 000	−1, 700, 000	−500, 000	500, 000	
Borrowing authority		25, 000, 000		25, 000, 000			−25, 000, 000		−25, 000, 000
Memoranda—									
Appropriations to liquidate contract authority	115, 357, 000	170, 104, 000	216, 104, 000	200, 104, 000	208, 104, 000	92, 747, 000	38, 000, 000	−8, 000, 000	8, 000, 000
Total, new budget (obligational) authority and appropriations to liquidate contract authority	2, 439, 872, 000	3, 391, 968, 000	3, 286, 698, 000	3, 413, 030, 000	3, 306, 892, 000	867, 020, 000	−85, 076, 000	20, 194, 000	−106, 138, 000
Rescission of contract authority				−53, 827, 943	−39, 827, 943	−39, 827, 943	−39, 827, 943	−39, 827, 943	14, 000, 000
Total, title II	2, 439, 872, 000	3, 391, 968, 000	3, 286, 698, 000	3, 359, 202, 057	3, 267, 064, 057	827, 192, 057	−124, 903, 943	−19, 633, 943	−92, 138, 000
RECAPITULATION									
Total, new budget (obligational) authority, all titles	4, 849, 318, 000	5, 748, 054, 000	5, 660, 897, 000	5, 977, 815, 000	5, 814, 102, 000	964, 784, 000	66, 048, 000	153, 205, 000	−163, 713, 000
Consisting of—									
Appropriations	4, 849, 318, 000	5, 723, 054, 000	5, 660, 897, 000	5, 952, 815, 000	5, 814, 102, 000	964, 784, 000	91, 048, 000	153, 205, 000	−138, 713, 000
Definite appropriations	4, 433, 862, 000	5, 317, 797, 000	5, 249, 584, 000	5, 417, 597, 000	5, 312, 289, 000	878, 427, 000	−5, 508, 000	62, 705, 000	−105, 308, 0003
Indefinite appropriations	415, 456, 000	405, 257, 000	411, 313, 000	535, 218, 000	501, 813, 000	86, 357, 000	96, 556, 000	90, 500, 000	−33, 405, 000
Borrowing authority		25, 000, 000		25, 000, 000			−25, 000, 000		−25, 000, 000
Memoranda—									
Appropriations to liquidate contract authority	235, 360, 000	239, 899, 000	276, 999, 000	265, 394, 000	271, 699, 000	36, 339, 000	3, 800, 000	−5, 300, 000	6, 305, 000
Total, new budget (obligational) authority and appropriations to liquidate contract authority	5, 084, 678, 000	5, 987, 953, 000	5, 937, 896, 000	6, 243, 209, 000	6, 085, 801, 000	1, 001, 123, 000	97, 848, 000	147, 905, 000	−157, 408, 000
Rescission of contract authority				−179, 849, 943	−172, 722, 943	−172, 722, 943	−172, 722, 943	−172, 722, 943	7, 127, 000
Grand total	5, 084, 678, 000	5, 987, 953, 000	5, 937, 80096, 0	6, 063, 359, 057	5, 913, 078, 057	828, 400, 057	−74, 874, 943	−24, 817, 943	−150, 281, 000

Mr. ROBERT C. BYRD. Mr. President, I should note before yielding to the distinguished ranking minority member of the subcommittee (Mr. Stevens) that the conference report has been available for Senators' examination for 2 weeks, and further that the tabulation being printed in the Record should supply sufficient detail to answer any questions that Senators might have. However, I would be happy to answer any questions after yielding to the Senator from Alaska, whose assistance in handling this difficult bill from the outset of our hearings last February right on through the completion of the conference agreement has been invaluable.

Mr. STEVENS. Mr. President, I commend the distinguished chairman of the Subcommittee on Interior Appropriations for the excellent job he has done on this bill in general and on the conference report in particular. I believe the conference report represents an equitable compromise with the House and results in a reasonable allocation of funds to the important activities financed through this bill.

The total agreed upon by the committee of conference was $5,641,379,057. This is $106.7 million under the President's budget request, $19.5 million less than the House bill, and $156.6 million less than the Senate bill.

The major changes from the administration's budget request consist of increases of $97 million for the Land and Water Conservation Fund, $20.5 million for the Fish and Wildlife Service, $40 million for the Bureau of Indian Affairs, $30 million for the Youth Conservation Corps, $33.5 million for ERDA's fossil and conservation activities, and $30 million for the Indian Health Service and a decrease of $153 million for the Federal Energy Administration.

It should be noted again that some of the activities funded in this bill return to the Treasury revenues that amount to more than the total funds appropriated in the bill. The anticipated receipts from activities funded in this bill in fiscal year 1977 amount to $7.5 billion.

Mr. President, I believe the conference agreement is a good one. I join with the Senator from West Virginia in urging its acceptance.

Mr. President, we have provided an additional $13 million for planning and construction programs of the National Park Service as compared to the fiscal 1976 level. An important new study is getting underway to determine when and where prehistoric man crossed the land bridge to Alaska. Both the Soviet and Canadian Governments are involved in this effort which has received a commitment of $100,000 from the National Geographic Society. I have recently met with representatives of the National Park Service who have expressed great interest in this undertaking. I would ask the chairman—would it be your opinion that out of the funds we have provided the Park Service it would be possible for the agency to match the National Geographic grant?

Mr. ROBERT C. BYRD. As the Senator from Alaska knows, we made substantial increases in all areas of the Park Service operations in this bill. I would think that within the funds available, the Park Service should be able to join with the National Geographic Society in supporting this project.

Mr. STEVENS. I thank the Senator. I ask unanimous consent that a statement describing the project in greater detail be inserted at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

A Proposed Study of Early Man in Alaska

Man reached the Western Hemisphere by way of the Bering "Land Bridge," an expanse of territory, now partly submerged beneath the Bering and Chukchi Seas, that once joined Asia with North America. When the first humans arrived is not known. It was at least thirty thousand years ago, perhaps fifty to one hundred thousand. The record of man in the New World from his advent until the last stages of the Pleistocene Epoch, some ten to fifteen thousand years ago, is hidden in the earth of those portions of Siberia, Alaska, and western Canada that remained free of glacial ice. This undiscovered record is one of the great gaps in man's knowledge of his origins and progress on this planet. Soviet scientists are now embarked on major studies of early man in Siberia. Canadians are likewise probing the western reaches of the Yukon. Only in Alaska, the "keystone" of the arch, has the search failed to gather momentum.

The National Park Service is the principal Federal agency concerned with the identification, study, and preservation of archeological resources under Federal jurisdiction. Authority for this responsibility derives chiefly from the Antiquities Act of 1906, the Historic Sites Act of 1935, the Reservoir Salvage Act of 1960, and the Archeological and Historical Preservation Act of 1974. Moreover, the early man story will be a major theme of interpretation at most of the existing and proposed national parks in Alaska as well as at numerous parks elsewhere in the National Park System.

Early man archeological sites, known and yet to be discovered, lie in or near the Alaskan parks. Specifically, the best hope in Alaska of finding significant evidence of early man appears to be in the vicinity of Mount McKinley National Park and the proposed Gates of the Arctic National Park. It is therefore appropriate for the National Park Service to participate in an effort to bring together and give direction to the desultory and fragmented efforts now underway and to coordinate them with Soviet and Canadian efforts.

A unified approach involving all three nations would seem highly appropriate and especially timely in view of current exchanges and other cooperative programs between the United States and the USSR. As part of negotiations with the Soviets under the May 1972 Agreement on Cooperation in the Field of Environmental Protection, the possibility of such a joint undertaking was raised by Interior Department officials last October and will be again discussed in Moscow in 1976. Soviet officials have proven highly receptive to the idea.

The National Geographic Society has determined to undertake a systematic search for early man in Alaska. It has proposed to the National Park Service that the two organizations jointly participate in the study.

OBJECTIVES OF THE STUDY

To establish the archeological record of man's arrival in the Western Hemisphere.

To fill in the record of man's subsequent history in Alaska and relate it to geological, ecological, and climatic history.

PROGRAM

A multidisciplinary approach is proposed involving the disciplines of archeology, geology, paleobotany, paleontology, palynology, and paleopedology. Specialists in most of these disciplines would be obtained as consultants on an as-needed basis. Actual field work would be conducted primarily by archeologists and geologists. An intensive bibliographical effort would precede field work.

In the field, action is proposed on two fronts—*exploration* for new sites and *excavation* of known and newly identified sites. Experience will suggest program modifications as work in each area progresses.

Exploration

"Target areas" can be delineated that hold high potential for yielding significant remains of early man. In general they lie along the north slope of the Alaska Range and both the north and south slopes of the Brooks Range. In Pleistocene times these mountains were glaciated, but much of their foothills and the intervening valleys were not. The lowlands supported only highly dispersed and seasonal use by man and animals. Accordingly, evidence of either is scarce and difficult to find. The foothills, however, were congenial to both animals and man. Climate and vegetation, according to recent studies and theories, attracted the animals on which man depended for his livelihood and therefore attracted man himself. Moreover, the geological character of the river valleys flowing through the foothills favors retention of man's remains in the geological context that is vital to chronological dating. Interdisciplinary teams would be organized to identify particular search areas and to conduct the searches themselves.

Excavation

Several early man sites have been found that offer good prospects of yielding significant data. The best is Dry Creek, on the north edge of Mount McKinley National Park. This site should be thoroughly and systematically excavated. Excavation of Dry Creek and of sites that may be discovered in the search phase should be further programmed as suggested by particular findings as work progresses.

Strategy formulation

An advisory committee, consisting of eminent specialists in the various relevant disciplines, should be assembled by the National Geographic Society to identify progrom direction and to evaluate progress of exploration and excavation.

Mr. ROBERT C. BYRD. Mr. President, if there are no further questions, I ask that the conference report be agreed to.

The **PRESIDING OFFICER.** The question is on agreeing to the conference report.

The conference report was agreed to.

The **PRESIDING OFFICER.** The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $10,160,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

Provided, That $13,900,000 of unobligated balances of contract authority provided by the Federal-Aid Highway Act of 1973 (P.L. 93-87) and proposed to be unobligated as of September 30, 1977, is hereby rescinded effective October 1, 1976

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $18,923,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 12 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $17,211,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 22 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

Provided, That $118,995,000 of unobligated balances of contract authority provided by the Federal-Aid Highway Act of 1973 (P.L. 93-87) and proposed to be unobligated as of September 30, 1977, is hereby rescinded effective October 1, 1976

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 28 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $164,465,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 31 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $602,713,000

Resolved, That the House recede from its disagreement to the amenment of the Senate numbered 40 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $79,077,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 48 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $18,016,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 53 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

: *Provided further,* That the unused contract authorization contained in Federal-Aid Highway Act of 1973, Public Law 93-87, August 13, 1973, in the amount of $39,827,943 is hereby rescinded effective October 1, 1976

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 54 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $521,775,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 55 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $62,220,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 60 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $88,163,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 65 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $82,106,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 72 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $1,000,000

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur en bloc in the amendments of the House to the amendments of the Senate numbered 2, 3, 4, 12, 22, 28, 31, 40, 48, 53, 54, 55, 60, 65, and 72.

The **PRESIDING OFFICER.** Without objection, the motion is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADJOURNMENT TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 a.m. tomorrow.

The motion was agreed to; and at 6:15 p.m. the Senate adjourned until tomorrow, Wednesday, July 21, 1976, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 20, 1976:

FEDERAL TRADE COMMISSION

David A. Clanton, of Virginia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1969, vice Lewis A. Engman, resigned.

David A. Clanton, of Virginia, to be a Federal Trade Commissioner for the term of

7 years from September 26, 1976 (reappointment).

In the Navy

Rear Adm. Thomas J. Bigley, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 20, 1976:

Federal Trade Commission

Thomas Sowell, of California, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1969, vice Lewis A. Engman, resigned, which was sent to the Senate on April 6, 1976.

HOUSE OF REPRESENTATIVES—*Tuesday, July 20, 1976*

The House met at 12 o'clock noon.

Rev. Philip S. Majka, St. Mary's Church, Alexandria, Va., offered the following prayer:

Heavenly Father, God in whom we trust, You made us one nation, indivisible with liberty and justice for all. We are the caretakers of that nation; we realize that in our souls we have the seed of future laws and the measure of future dimensions! Insofar as we enlarge and improve our own souls, by so much will we perfect our laws and increase our dimensions. Therefore it is up to us to sow a love of country and the spirit of self-sacrifice, and be sure from this seed will grow a nation great and splendid. We thank You for this challenge, and we promise to do our best for all mankind. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 30, 1976:

H.R. 12203. An act making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes;

H.R. 13680. An act to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes;

H.R. 13965. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.R. 14114. An act to increase the temporary debt limit, and for other purposes.

On July 4, 1976:

H.R. 5621. An act to authorize the Secretary of the Interior to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania, and for other purposes.

On July 6, 1976:

H.R. 5630. An act to amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs;

H.R. 11439. An act to amend title 5, United States Code, to restore eligibility for health benefits coverage to certain individuals whose survivor annuities are restored;

H.R. 12188. An act to amend the Community Services Act of 1974 to make certain technical and conforming amendments; and

H.R. 13380. An act to amend the Central, Western, and South Pacific Fisheries Development Act to extend the appropriation authorization through fiscal year 1979, and for other purposes.

On July 8, 1976:

H.R. 8471. An act to authorize the President to prescribe regulations relating to the purchase, possession, consumption, use, and transportation of alcoholic beverages in the Canal Zone;

H.R. 9291. An act to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations;

H.R. 11804. An act to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and for other purposes;

H.R. 12545. An act authorizing appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes; and

H.R. 13899. An act to delay the effective date of certain proposed amendments to the Federal Rules of Criminal Procedure and certain other rules promulgated by the U.S. Supreme Court.

On July 12, 1976:

H.R. 5666. An act for the relief of Won, Hyo-Yun.

H.R. 7792. An act to designate the Alpine Lakes Wilderness, Mount Baker-Snoqualmie and Wenatchee National Forests, in the State of Washington;

H.R. 9771. An act to amend the Airport and Airway Development Act of 1970.

H.R. 10451. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes;

H.R. 10572. An act to amend title 5, United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments;

H.R. 13069. An act to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands;

H.R. 14236. An act making appropriations for public works for water and power development and energy research, including the Corps of Engineers-Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions for the fiscal year ending September 30, 1977, and for other purposes; and

H.R. 14237. An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1977, and for other purposes.

On July 14, 1976:

H.R. 1404. An act to authorize the Secretary of the Interior to convey certain lands in Madera County, Calif., to Mrs. Lucille Jones, and for other purposes;

H.R. 4829. An act for the relief of Leah Maureen Anderson;

H.R. 10930. An act to repeal section 610 of the Agricultural Act of 1970 pertaining to the use of Commodity Credit Corporation funds for research and promotion and to amend section 7(e) of the Cotton Research and Promotion Act to provide for an additional assessment and for reimbursement of certain expenses incurred by the Secretary of Agriculture;

H.R. 12438. An act to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes;

H.R. 14261. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1977, and for other purposes;

H.R. 14239. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes; and

H.R. 14484. An act to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for 1 year the eligibility of supplemental security income recipients for food stamps, and to extend for 1 year the period during which payments may be made to States for child support collection services under part D of title IV of such act.

On July 16, 1976:

H.R. 13501. An act to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act; and

H.R. 14235. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 11481) entitled "An act to authorize appropriations for the fiscal year 1977 for certain maritime programs of the Department of Commerce, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. LONG, Mr. HOLLINGS, Mr. GRIFFIN, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3370. An act to amend the Small Business Investment Act of 1958 to increase the authorization for the Surety Bond Guarantee Fund.

TRIBUTE TO FATHER PHILIP MAJKA

(Mr. HARRIS asked and was given permission to address the House for 1 minute.)

Mr. HARRIS. Mr. Speaker, this morning Father Philip Majka presented our prayer at the beginning of the session. I want to take just a few seconds to advise the Members of the remarkable contribution Father Majka has made to the community of Alexandria and Fairfax County in northern Virginia.

Father Majka has been a priest for over 10 years. He is associate pastor of St. Mary's Church and has been the director of the sports program for the Catholic Youth Organization for the diocese. He has been active in and has had a special vocation to the Polish-American community in our metropolitan area. Of course, he is capable of saying mass in Polish for those who would like to recall their heritage, as most of us do.

In addition to this Father Majka has served as an associate pastor at Blessed Sacrament in Alexandria and St. Michael's in Annandale and Good Shepherd Parish in Alexandria.

I would like to say whether it is for the volunteer fire department or for the young people desirous of sports activities, Father Majka I think exemplifies today's church and speaks to its people not just from the pulpit but also in their day to day activities, bringing to them the special mission of the church, which is that salvation and the eternal reward we all seek is attainable in today's life 7 days a week and 24 hours a day, and not just on Sunday.

CHANGE OF SCHEDULE ON RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON NARCOTICS ABUSE AND DRUGS

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLFF. Mr. Speaker, the vote originally scheduled for today on the Select Committee on Narcotics Abuse and Control has been postponed until next Tuesday, July 27.

I am happy to be able today to report to the House on the progress which has been made on the select committee, and that to date, some 223 Members have signed on as cosponsors.

I am also happy to announce the support of the administration for the select committee which has joined with the leadership of the House.

I would note that the need for the select committee was once again dramatized over the weekend by the Senate report noting in detail the problems caused by a lack of coordination at the Federal level in the war against narcotics.

We in this House are moving rapidly toward a solution to our part of the Federal equation, and I know we all are determined to do all we can to stem the flow of narcotics into our country, and to help stamp out drug abuse which has now spread to almost every town and village in America and has now reached crisis proportions.

We will be taking a giant step in the right direction next Tuesday, but it will be just a beginning, for drug abuse has doubled in the past year. I look forward to the continued support of the House in what will be a long, hard fight against this menace but one which we will win.

A TRIBUTE TO LEWIS DESCHLER

(Mr. MADDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, it was indeed sad news not only to Members of the House of Representatives but also to the thousands of his friends when they learned of the passing of Lewis Deschler, our former House Parliamentarian for almost half of a century.

On many occasions over the years, I, along with other Members of the House, have observed Speaker Rayburn, Speaker Martin, Speaker McCormack, and Speaker ALBERT consult with Mr. Deschler as to the proper decision on technical and complicated legislative procedures and this master of parliamentary procedure would immediately reflect his mind back to the numerous House precedents on similar matters, some of which were inaugurated over the years extending back to House debates almost two centuries ago, resolving the situation to the satisfaction of Members on both sides of the aisle.

His remarkable record dating from the days of Speaker Longworth in the 1920's, afforded him a background of legislative and parliamentary knowledge which exhibited such perfection that his decisions met with the unanimous endorsement of Democratic and Republican Members, so much so, that it has been very difficult for the Members in recent years to picture any parliamentary successor who will enjoy the superconfidence and admiration attributed to this master interpretor of the complicated House rules and procedures.

I join with all Members of the House and his friends and admirers in mourning the death of a great patriot and a great American and extend to his family my deepest sympathy in their bereavement.

A TRIBUTE TO LEW DESCHLER

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I join in the remarks made yesterday by the Speaker to pay tribute to our distinguished Parliamentarian for 46 years, Lew Deschler.

While we are all deeply saddened by his untimely passing, we are forever indebted to Lew Deschler for the excellence and perseverance that he brought to the parliamentary decisions governing this body and for an oustanding performance of dedicated service and undivided loyalty to the House of Representatives for nearly half a century.

Lew faithfully served seven Speakers with great ability in a superlative career that spanned the turbulent days of the New Deal, World War II, the Korean war, the civil rights debates, and the Vietnam war. Possessing a keen and incisive legal mind, Lew Deschler had a remembrance for House precedents unsurpassed in this institution. Eager to learn, enthusiastic, devoted, and unswervingly loyal to the House and to each of its Members, Lew Deschler was an indispensable adviser and counselor to both majority and minority Members alike.

I know the Speaker valued his counsel, and I, as majority leader, often sought his advice and received from Lew a thorough response to my procedural inquiries.

In paying tribute to Lew we are honoring a job well done. Lew served this body with merit and his country with great distinction. Ohio and indeed the whole Nation was proud of its native son.

My wife Millie joins me in extending our sincere condolences to the family and friends of Lew Deschler.

APPOINTMENT OF CONFEREES ON H.R. 14233, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14233) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending September 30, 1977, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? The Chair hears none, and appoints the following conferees: Messrs. BOLAND, EVINS of Tennessee, SHIPLEY, ROUSH, TRAXLER, BAUCUS, and STOKES, Mrs. BURKE of California, and Messrs. MAHON, TALCOTT, McDADE, YOUNG of Florida, and CEDERBERG.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

FIDEL GROSSO-PADILLA

The Clerk called the bill (H.R. 6817) for the relief of Fidel Grosso-Padilla.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 1424) for the relief of Mrs. Rose Thomas.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 1560) for the relief of Murray Swartz.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

FRANKLIN R. HELT

The Clerk called the bill (H.R. 2564) for the relief of Franklin R. Helt.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CHESTER C. CLARK, MARY L. CLARK, AND DOROTHY J. WILBUR

The Clerk called the bill (H.R. 6507) for the relief of Chester C. Clark, Mary L. Clark, and Dorothy J. Wilbur.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

CONVEYANCE OF U.S. INTERESTS IN CERTAIN LANDS IN SALT LAKE COUNTY, UTAH, TO THE SHRINERS' HOSPITALS FOR CRIPPLED CHILDREN

The Clerk called the bill (H.R. 11347) to convey the interests of the United States in certain lands in Salt Lake County, Utah, to Shriners' Hospitals for Crippled Children, a Colorado corporation.

There being no objection, the Clerk read the bill as follows:

H.R. 11347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services shall, subject to section 2 of this Act, convey to the Shriners' Hospitals for Crippled Children, a Colorado corporation, without consideration, all right, title, and interest remaining in the United States in and to the following described land, being a portion of the tract conveyed to Shriners' Hospitals for Crippled Children by deed of July 12, 1946, pursuant to the Act entitled "An Act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children", approved March 14, 1946 (60 Stat. 55):

Beginning at a point north 0 degrees 01 minutes 57 seconds west 42.07 feet and south 75 degrees 09 minutes 12 seconds east 34.14 feet from a Salt Lake City monument at the intersection of Eleventh Avenue and Virginia Street, such point being further described as north 529.37 feet and east 268.85 feet from the southwest corner of the northwest quarter of section 33, township 1 north, range 1 east, Salt Lake base and meridian; running thence south 0 degrees 01 minutes 57 seconds east 30.76 feet; thence south 87 degrees 50 minutes 03 seconds east 135.45 feet; thence north 75 degrees 09 minutes 12 seconds west 140.04 feet to the point of beginning.

Sec. 2. The costs of any surveys necessary as an incident to the conveyance authorized by this Act shall be borne by the Shriners' Hospitals for Crippled Children.

With the following committee amendments:

On the first page, line 3, after "Services" strike out "shall, subject to section 2 of this Act," and insert in lieu therof "is authorized, subject to section 2 of this Act, to".

On page 2, line 17, redesignate subsection (a) as subsection (b), and after "Sec. 2." insert the following:

(a) The conveyance to be made under this Act shall be subject to the condition that the transferee, the Shriners' Hospitals for Crippled Children, shall reconvey or dedicate the lands specifically described in the first section of this Act to Salt Lake County, Utah, for street construction purposes.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize conveyance of the interests of the United States in certain lands in Salt Lake County, Utah, to Shriners' Hospitals for Crippled Children, a Colorado corporation.".

A motion to reconsider was laid on the table.

DIVINA MAMUAD

The Clerk called the bill (H.R. 5503) for the relief of Divina Mamuad.

There being no objection, the Clerk read the bill as follows:

H.R. 5503

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Divina Mamuad may be classified as an adopted child within the meaning of section 101(b)(1)(E) of the Act, and a petition filed in her behalf by Mr. and Mrs. Victor Mamuad, citizens of the United States, may be approved pursuant to section 204(b) of the Act: *Provided,* That no natural parent of such adopted child shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under such Act.

With the following committee amendment:

On page 1, beginning on line 8, strike out the proviso and insert in lieu thereof the following proviso: "*Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHRISTINE DONNELLY

The Clerk called the bill (H.R. 7404) for the relief of Christine Donnelly.

There being no objection, the Clerk read the bill as follows:

H.R. 7404

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Christine Donnelly shall be held and considered to have satisfied the requirements of section 316 of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States and, notwithstanding the provisions of section 310(d) of the Act, she may be naturalized at any time after the date of enactment of this Act if she is otherwise eligible for naturalization under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACINTO VAZQUEZ CAMACHO

The Clerk called the bill (H.R. 7624) for the relief of Jacinto Vazquez Camacho.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CARLOS MONTENEGRO GORBITZ, DOCTOR OF MEDICINE, MRS. GORBITZ, AND THEIR 2-YEAR-OLD SON

The Clerk called the bill (H.R. 10434) for the relief of Carlos Montenegro Gorbitz, doctor of medicine, Mrs. Gorbitz, and their 2-year-old son.

There being no objection, the Clerk read the bill as follows:

H.R. 10434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Carlos Montenegro Gorbitz, doctor of medicine, Mrs. Gorbitz, and their two-year-old son, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct three numbers from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OK JA CHOI

The Clerk called the bill (H.R. 11076) for the relief of Ok Ja Choi.

There being no objection, the Clerk read the bill as follows:

H.R. 11076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Ok Ja Choi may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Robert Ochs, citizens of the United States, pursuant to section 204 of the Act. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case. The natural parents or brothers or sisters of Ok Ja Choi shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOLLIS ANTHONY MILLET

The Clerk called the bill (H.R. 11199) for the relief of Hollis Anthony Millet.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

BERNARD JULIAN PHILLIPS

The Clerk called the bill (H.R. 11890) for the relief of Bernard Julian Phillips.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. This ends the call of eligible bills on the Private Calendar.

APPOINTMENT OF CONFEREES ON H.R. 14232, DEPARTMENT OF LABOR AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATIONS, 1977

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14232) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. Flood, Natcher, Smith of Iowa, Patten, Obey, Roybal, Stokes, Early, Mahon, Michel, Shriver, Conte, and Cederberg.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 513]

Anderson, Ill.
Andrews, N.C.
Ashley
AuCoin
Bafalis
Clay
Conlan
Conyers
Cotter
Crane
D'Amours
Dellums
Derwinski
Diggs
Eckhardt
Esch
Eshleman
Fenwick
Flood
Gaydos
Giaimo
Harkin
Harsha
Hawkins
Heinz
Helstoski
Hinshaw
Horton
Howe
Jarman
Jones, Tenn.
Leggett
Litton
McCloskey
McDade
Maguire
Matsunaga
Mitchell, Md.
Murphy, Ill.
O'Hara
Pepper
Rees
Riegle
Rinaldo
Scheuer
Shipley
Shuster
Snyder
Stanton, James V.
Steelman
Stephens
Stuckey
Symington
Thompson
Udall
Ullman
Vander Jagt
Young, Alaska

The SPEAKER. On this rollcall 374 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION ANNUAL REPORT FOR 1975 — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation:

To the Congress of the United States:

I herewith transmit the Saint Lawrence Seaway Development Corporation Annual Report for 1975. This report has been prepared in accordance with section 10 of the Saint Lawrence Seaway Act, Act of May 13, 1954, and covers the period January 1, 1975 through December 31, 1975.

GERALD R. FORD.

THE WHITE HOUSE, *July 20, 1976*.

TO PREVENT GOVERNMENT ACQUIRING PROPERTY THROUGH EXCHANGE OF GOVERNMENT PROPERTY UNLESS AUTHORIZED BY CONGRESS

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I have today introduced a bill that would prevent the Government from acquiring property through an exchange of other Government property unless the acquisition has been authorized by Congress under applicable laws.

It was not thought such a restriction would be necessary when the exchange procedure was established, but actions taken by the General Services Administration over the past several years have shown clearly that it is necessary.

Probably the worst example of the GSA's abuse of the exchange authority is its acquisition of a huge, costly office building in Laguna Niguel, Calif., that is still virtually empty more than 2 years after GSA exchanged $19.5 million in Air Force property for it. Here is a building for which the Government has no use and which the GSA admits it never would have built on its own, but Congress had nothing to say about its acquisition because the present law permits exchanges without congressional approval.

In a number of other cases examined by the General Accounting Office it was found the exchange procedure has worked against the best interests of the Government. It is impossible to fix the proper value of properties involved in an exchange to be sure the Government is not giving away more than it gets back.

For these reasons, I think the bill I have introduced is an important one and I hope it will be speedily enacted.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 or rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

PANAMA CANAL COMPANY ACCOUNTING STANDARDS

Mrs. SULLIVAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14311) establishing certain accounting standards relating to the Panama Canal Company, as amended.

The Clerk read as follows:

H.R. 14311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 62 of title 2, Canal Zone Code (76A Stat. 8), is revised to read as follows:

"(e) In order to reimburse the Treasury, as nearly as possible, for the interest cost of the funds or other assets dirctly invested in it, the Panama Canal Company shall pay interest to the Treasury on the net direct investment of the Government in it as defined by subsections (a), (c), and (d) of this section, and shown by the receipt described therein at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States of comparable maturities. For purposes of the computation of interest cost of the net direct investment of the Government in the Panama Canal Company, the cash of the Company on deposit with the Treasury shall be subtracted from the net direct investment of the Government in the Company as defined in subsections (a), (c), and (d) of this section, and the interest cost shall be computed only on the balance of the net direct investment less the aforementioned cash balance and credit for tolls computed for vessels operated by the United States. Payments of the interest charges shall be made annually to the extent earned, and if not earned shall be made from subsequent earnings.".

SEC. 2. Subsection (b) of section 412 of title 2, Canal Zone Code (76A Stat. 27), is amended by adding the following new sentence: "Depreciation shall not be taken on the investment of the United States for lands, titles, treaty rights, and excavations.".

SEC. 3. The amendments made by this Act shall apply with respect to fiscal years beginning after September 30, 1976.

The SPEAKER. Is a second demanded?

Mr. RUPPE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentlewoman from Missouri (Mrs. SULLIVAN) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. RUPPE) will be recognized for 20 minutes.

The Chair now recognizes the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 14311, a bill which both clarifies and establishes various accounting standards which directly relate to the financial position of the Panama Canal Company. This legislation to once again put canal finances on a sound and sensible basis is an important measure. It has resulted from a common belief on the part of members of the Committee on Merchant Marine and Fisheries and our Subcommittee on the Panama Canal that something must be done now to respond to the financial setbacks which the Panama Canal Company has experienced in recent years.

In my view, the bill before us is must legislation. It can help to stop a course of financial deterioration that has contributed to the erosion of the morale among canal employees and has seriously threatened this country's ability to effectively control the vital interoceanic waterway for which we are responsible before the world.

I am happy to say that, historically, the Panama Canal has been a model of financial stability and one of the most financially successful enterprises in which our Government has engaged. For 20 years subsequent to its establishment in the early 1950's, the Panama Canal Company recorded end-of-year surpluses. But since fiscal year 1973 all that has changed. The black ink has turned red. Four successive deficits have been piled on one another. These deficits of increasing magnitude have occurred despite large increases in canal tolls, despite severe proposals to cut back wages and services to employees, and despite increases in user charges for a variety of services.

Earlier this year, the Department of the Army determined that wage freezes and further restriction of pay benefits was one way to deal with the impoverished financial situation at the canal. When the Army proposed such serious changes detrimental to their livelihood, canal workers decided that they had had enough and decided to take job action. Such an action, unprecedented in modern canal history and taken despite my own counsel and that of the committee, expressed the disaffection of canal employees but further shook the confidence of canal users in the stability of the Panama Canal operation.

And so faced with a series of actions and reactions which have been more and more counterproductive, the committee which I chair, and its Panama Canal Subcommittee, determined that the time had come for a full-scale investigation on canal finances. We sought to find the causes of the present predicament, and the actions that might be taken to alleviate the problems in accordance with equitable treatment for all parties at interest, including the U.S. taxpayer.

I point out to my colleagues that none of the decisions which are embodied in the bill or accompanying report were taken lightly. The decisions we made involved many different considerations and consequently we studied the arguments on each side of the particular issue and also the ramifications of the decisions we made.

As we analyzed these financial problems of the canal we became more and more convinced that the vagueness of the statutory authority that currently existed and the absence of other necessary authority was a chief cause of the financial difficulties encountered by the canal. We also became convinced that the basic statutes governing canal finances were sound and should not be torn apart.

According to the facts as they developed in our study and investigation, we have written legislation which: First, builds upon and adds to the basic financial mechanism upon which the canal operates; and second, clarifies the status and disposition of several factors giving rise to controversies on Panama Canal Company accounting procedures and thus lets all parties at interest know where they stand.

There are two major provisions in the legislation. One provision allows the interest payment which the Panama Canal Company must pay annually to the U.S. Treasury to be reduced by the amount of interest imputed on the cash deposits of the company with the Treasury as well as the tolls computed for Government vessels which transit the waterway. This will allow the Company to conduct the management of their finances in a more businesslike fashion and will correct the present imbalance that exists when the Panama Canal Company must pay interest on the U.S. Government investment in the Canal but does not receive any credit for interest on the money which it has on deposit with the Treasury.

The second provision of the bill prohibits the depreciation of certain nonwasting assets of the Panama Canal Company, assets which have been depreciated by the Canal Company only in the last 3 fiscal years. The committee, after intense study of all facts on this subject, did not believe the depreciation undertaken by the Company was authorized, beneficial, or wise.

Let me focus on the question of the imputed interest on cash deposits of the Company with the Treasury and the imputed interest on tolls computed for Government vessels, and make three points in connection with section 1 of the bill.

First, pursuant to the mandate that it has to operate in a businesslike fashion, the Canal Company has been attempting for some time to utilize its cash assets, which are about 6 or 7 percent of all its assets, in such a fashion as to enhance its financial position. But every initiative of the Company has been disallowed due to lack of statutory authority. Thus, with the administration's agreement, what we are doing here is to approve an initiative which is quite consonant with the purposes of the Company.

Second, the concept of imputing interest on the Company's cash deposits and tolls credits with the U.S. Treasury goes hand in hand with the burden of making interest payments on the Government investment in the Company. If the Company did not have to make interest payments to the Treasury, as is the case with at least one other Government corporation, then an interest credit might not be in order. But, under the present circumstances, the credit for interest is simply a matter of equity.

Third, as you know, H.R. 14311 treats tolls computed for Government vessels exactly the same as cash deposits, insofar as interest is concerned. We have done this because the major statutes that govern the canal clearly show the essential sameness of quality of these assets. If commercial and defense users of the canal are to be treated on the basis of equality then the assets they generate should be treated in the same fashion.

Some elements in the administration have objected to two of the elements in the bill. I cannot understand the attitude of the administration in view of their previous position on the elements they dispute.

On the one hand, the administration has said that elements of the bill constitute a subsidy to foreign shipping. On the other hand, the administration argues that we are upsetting the delicate financial mechanism that governs canal finances. These statements are incorrect, and perhaps contradictory. The delicate financial mechanism under which the canal operates did not include depreciation of titles, treaty rights, and excavations up until 1973. It is only since the depreciation was initiated that we have seen financial disaster. If we are subsidizing foreign flag users of the canal in this bill, then the administration ought to come forward and explain why the executive supported that subsidy for 59 years, and why it has changed its views in the last 3 years.

But I do not believe a subsidy is involved. What is involved is U.S. fulfillment of its responsibility under the Hay-Pauncefote Treaty of 1901, which requires nondiscriminatory treatment of all users of the canal we built and operate. I would ask the administration whether it wants to stand accused of conveniently forgetting the Hay-Pauncefote Treaty in a headling rush to extract every dime that can be gotten from canal users?

There is an important, almost philosophic difference, between the committee and various elements of the administration which is at the heart of this conflict, however. We of the committee believe that continuing precipitous increases in tolls and other user fees at the canal are likely to be the undoing of that waterway, has operated so well for so many years, and we think we already see some signs of deterioration.

Various officials in the administration believe that tolls can be raised dramatically, and that nothing will happen except that the Canal Company will get more money. I hasten to say that the disastrous nature of this policy is something that will be comprehended by such officials only in retrospect.

In short, if tolls at the Panama Canal are raised, there is a point beyond which traffic will decline, and that point is presently being approached by the canal organization. The bill before the Chamber recognizes the important role of the canal. It strengthens the financial mechanism that governs the canal and will help the waterway to be run continuously and efficiently.

We need passage of H.R. 14311 right now, at this very time. Delay will only continue the confusion and uncertainty which could be lethal to the canal's operation.

Mr. Speaker, in closing I want to emphasize that H.R. 14311 represents the concensus of those who have taken the time and effort to study the complex issues involved in canal finances.

Mr. RUPPE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 14311 represents the consensus of the members of the Committee on Merchant Marine and Fisheries who spent many long hours studying the history of the financial operations of the Panama Canal Company. This legislation restores historic equity into the relationship between the Company and the U.S. Treasury relating to the payment of interest, and clarifies the intent of the Panama Canal Reorganization Act of 1950 in the area of depreciation. I urge the passage of this bill.

There are two major purposes of this legislation. First, the bill would reduce the amount of the Panama Canal Company's annual interest payment to the U.S. Treasury for the net direct investment of the Federal Government in the Company, an amount which represents the investment of the taxpayer in the canal itself. The amount of the payment would be reduced by imputed interest on the Company's cash deposits into the Treasury, and by imputed interest on credits for tolls computed for U.S. Government vessels which transit the canal. The Treasury now is able to utilize those deposits for other purposes without the payment of interest, although the Company is required by the Reorganization Act to pay the Treasury interest on the net investment of the U.S. Government in the Canal Company.

Second, the Company would be prohibited from depreciating what is generally called lands, titles, treaty rights, and excavations. Historically, these items were considered nondepreciable but in fiscal year 1974, without congressional authorization, the Panama Canal Company began to depreciate them. Such depreciation, which had never been taken previously by the Company since its establishment under the Reorganization Act, added accounting costs of nearly \$8½ million. The burden of this new accounting cost was immediately felt in higher tolls leveled on U.S. Government vessels, those of other governments, and on all world commercial shipping. Indeed, it contributed to the first real tolls increase since the opening of the canal in 1914. Thus, Mr. Speaker, section 2 of H.R. 14311 restores the Canal Company's depreciation policy to what it had been prior to fiscal year 1974.

The entire controversy over the matter of the depreciation of lands, titles, treaty rights, and excavations is discussed in detail in the report accompanying H.R. 14311, as has the matter of the equalization of interest payment. In addition to explaining the legislation itself, the report sets definitive guidelines in other matters bearing upon the finances of the Panama Canal Company and the Canal Zone Government. I am of the firm belief that anyone who takes the time to read the report would have to conclude that extensive study and consideration had gone into the drafting of the legislation before us. The fact is, of course, that precisely this did take place.

The provision ending the depreciation will eliminate what before fiscal year 1974 never had been considered a true cost to the Company, and the interest provision will provide additional income to it. Between the two, an effective saving of some \$10 million is achieved. The committee hopes that the reduction of Panama Canal Company costs by this amount will put its accounts either into the black or very close to it.

I urge my colleagues to join with me in supporting the passage of H.R. 14311.

Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, this bill causes me great concern, and I would appreciate it if someone would answer some questions. I wonder if I might direct them to the chairman of the committee.

Mr. Speaker, apparently the principal purpose of this bill is to prevent the Panama Canal Company from including in its costs certain depreciation charges amounting to about \$8.5 million per year, which would otherwise be integrated into their system of charges for ships passing through the canal. Is that correct?

Mrs. SULLIVAN. That is correct.

Mr. FRENZEL. Is it not true that our Appropriations Committee has requested that the Panama Canal Company make a full accounting, and is not depreciation a cost which should be taken into account in this case?

Mrs. SULLIVAN. That is absolutely right, but this depreciation that we are speaking of now and which we are prohibiting by this bill had never been depreciated until 1973. It includes such things as a lump sum payment to the Republic of Panama, the purchase of private property and compensation for damages to owners, acquisition of land in settlement with the French Canal Co., acquisition of lands in the Madden Dam area, and canal excavations, fills, and embankments.

None of these had been depreciated up to 1973.

Mr. FRENZEL. Are they not valid costs that should be depreciated? Are they not costs that we have incurred?

Mrs. SULLIVAN. They are costs, but they are not the kind of things that can be depreciated. This was the thinking of the Congress as it wrote the original act, in that 1950 reorganization when it formed the Panama Canal Company.

Mr. FRENZEL. I will ask the distinguished chairman also, does not our basic law require the Panama Canal Company to run itself off of the revenues of the tolls, and therefore if we are prohibiting them from depreciating costs which normally are subject to depreciation, are we not simply deferring costs into the future which are likely to be borne by the general taxpayer?

Mrs. SULLIVAN. The gentleman is correct that the canal operation must be self-sustaining, and it has been self-sustaining for almost 60 years. It is only in the past 3 years since they began this type of depreciation that we have run into these deficits, mostly through lack of transits because of the opening of the Suez Canal and the lessening of transits after the Vietnam war.

May I say that the decision as important as this, as to cause another \$8 million yearly depreciation, must and should be made by the Congress and not by the Company. This depreciation was never initiated by the Congress.

Mr. FRENZEL. I thank the distinguished chairman for the information.

Mr. Speaker, it seems to me that we are doing something that entails a great deal of risk to the general taxpayers of the United States if we do not allow the Canal Company to take these costs into consideration, because they are in fact valid costs.

It seems to me that the Appropriation Committee's reservations previously expressed are well taken and were the basis for the decision made by the Canal Company to try to use this depreciation.

I notice that in the committee report, Mr. Speaker, there are letters from a number of executive agencies, each of them disagreeing with and protesting the section in this bill which prohibits this depreciation from being taken. We have a letter from the President of the Canal Company; we have a letter from the Department of State; we have a letter from the Department of the Army, and we have a letter from the Department of the Treasury. Each one states that it objects to this section of the bill. The State Department letter does not quite say that. They say they defer to the other Departments who are each objecting.

What we have done is, we have taken $8½ million worth of expenses and swept it under the rug. We have somehow said we are going to save money. Those costs have already been incurred. We are not saving anything except for the shipping companies that are going through that canal, and they are going to be able to pay $8½ million less.

The letter in the report says that if they "cannot get this kind of revenue it may be necessary for the Company to request appropriations or otherwise resort to the United States Treasury for financing such costs."

Mr. Speaker, it seems to me that we are giving to the general taxpayer some risks which we are taking away from the shipping companies which might otherwise be paying those tolls.

The letter of the president of the Company further states that only 8 percent of the commerce going through that canal is U.S. shipping.

So obviously they do not have a terribly large stake in the $8½ million.

I think that this is a bill that ought to be looked at under some procedure other than the suspension process, since it apparently is shifting some costs from shipping companies to the general taxpayers of the United States.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished chairwoman of the committee.

Mrs. SULLIVAN. I thank the gentleman for yielding.

I will answer the gentleman's two questions. First, with respect to appropriations, the Appropriations Committee is aware of and has been consulted as to this method that we are bringing before this House, and they asked us in 1974 to make a study and look into this depreciation question, which we have done, and we have spent a great deal of time on the matter. As to the assets that the gentleman is discussing, the assets involved are what are called nonwasting and are protected by a treaty involving perpetuity. Under other arrangements, perhaps the costs could be depreciated, but not now, at this time.

Mr. FRENZEL. Mr. Speaker, I again thank the gentlewoman for her information. She has a great reputation in this field and I have little knowledge. I have only the suspicion that we are doing something to the taxpayers. We are preventing collection of legitimate tolls which are necessary to keep that waterway in operation.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Speaker, the gentleman brings up a very interesting point, particularly as it pertains to section 2 and the language which says:

> Depreciation shall not be taken on the investment of the United States for lands, titles, treaty rights, . . .

I do not think we are dealing with a great deal of money in that instance, because page 11 of the report details those expenses. It is $10 million to Panama in a lump sum payment; subsequent U.S. purchase of private property of $3.9 million; acquisition of land in settlement with the French Canal Co., $326,000.

Then we get into the area of acquisition of lands in the Madden Dam area, $437,000, and then we come into a very controversial area and issue where it says: $319 million for canal excavations, fills, and embankments.

I think the record here should indicate this, and I think we might realistically go to one of the letters the gentleman from Minnesota (Mr. FRENZEL) just referred to from the Department of the Army. I will quote a paragraph from it. It says as follows:

> It should be pointed out that the General Accounting Office in its report of 27 May 1976 titled "Examination of Financial Statements of the Panama Canal Company and the Canal Zone Government for Fiscal Years 1975 and 1974," approves of depreciating lands, titles, treaty rights, and excavations. In discussing the decision to depreciate these items, the report stated, "We approve of this change in the depreciation policy and, in fact, have been generally advocating this accounting treatment since fiscal year 1952." . . . "In our opinion, this method is in accordance with generally accepted accounting principles as they relate to a rate-regulated business such as the Company."

Mr. Speaker, let me repeat that:

> This method is in accordance with generally accepted accounting principles as they relate to a rate-regulated business . . . .

I think that statement refers to the excavations and not to the titles or the treaty rights. I do not know how any rate-regulated business could ever depreciate its operating authority or its certificate of convenience and necessity or how it could depreciate a title or a treaty.

I think when we come to the question of excavations, we are coming to a very valid point, and I think we should limit this to that point. The record here will reflect it was the original excavations and not the very vast and continued excavations that have taken place or the excavations for additional watersheds in the area of Gatun Lake to create the water that is necessary to operate the canal or a third locks excavation project that is involved. I think those should be validly depreciated, but not the original excavation or the titles or the treaties.

I believe the record should certainly reflect that.

Mr. Speaker, to substantiate this and further add to the opinion that the chairman of the committee has just given, although the gentleman says that 8 percent of the users of the Panama Canal are American flagships, we must bear in mind that 45 percent of the tonnage either comes from or arrives at American ports both on the east and west coasts. As a consequence, the American taxpayer is picking up the increase in tolls, and, therefore, we should support the position of the very able chairman of the full committee and the able chairman of the subcommittee, the gentleman from Illinois (Mr. METCALFE).

Mr. Speaker, I think we should draw some distinction between the original excavations and the excavations that are stated here.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for his enlightening contribution. Yet I cannot escape the conclusions that are drawn by the letters from the three executive agencies which believe those depreciation schedules are valid and could cause the general taxpayers of the United States to pick up this $8½ million which will be relieved from the expenses of shipping companies in terms of toll reductions.

I appreciate all this information, but I am certainly not comforted, and I think the bill should appear before us under the regular procedures. Therefore, I intend to vote against it.

Mr. Speaker, I thank the gentleman from Michigan (Mr. RUPPE) for the generous use of his time.

Mrs. SULLIVAN. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Subcommittee on the Panama Canal, the gentleman from Illinois (Mr. METCALFE).

Mr. METCALFE. Mr. Speaker, 26 years ago the Panama Canal Reorganization Act established the entity that operates the Panama Canal as a wholly owned Government corporation. That act set up the toll system that now pertains at the canal and specifies the costs which are to be included in the base for the calculation of tolls for vessels which transit the canal. Mr. Speaker, in the past quarter of a century a number of conflicts, controversies, and problems have arisen with respect to the application of statutes that govern canal finances. Certainly these conflicts show the financial structure of the Panama Canal, including the reorganization act, need clarification and updating.

This is what the Subcommittee on the Panama Canal, which I chair, and the full Committee on Merchant Marine and Fisheries, have done. We have undertaken a comprehensive review of the problems and prospects of the financial position of the Panama Canal Company, and its sister organization, the Canal Zone Government. We have taken a look at all the statutes which govern canal finances and their need for clarification and revision. We have heard the views and argumentation of representatives of all parties at interest in the matter of canal finances. What we derived after pursuing all these things, and discussing and deliberating upon them, is the bill which is before the Chamber, H.R. 14311, and the report which accompanies it.

The subcommittee which I chair saw the need to review systematically the finances of the canal as a matter of proper legislative oversight of the agency under our legislative jurisdiction. We were prompted, not only by the time period which had passed since other reviews, but also by a distressing financial situation which was rather unique to an organization which had prospered and been a model of stability for so long. I need not recount the long litany of financial problems and related problems the canal has had in recent years. Others have or will mention them. Frankly, we of the committee and subcommittee are concerned that the present financial situation at the canal, combined with various political problems, could divert a significant amount of traffic from the canal. It could lessen the efficiency of the canal. Ultimately it could imperil the investment we have in the canal and Canal Zone.

My fellow Members may inquire as to why the legislation which is before this body has a title which has to do with the accounting practices of the Panama Canal Company if the main subject is canal finances. The brief answer to that question is as follows. The level of costs recognized through the process of accounting of a rate-regulated public utility determines the level of the price which is to be charged for that service. Thus, the accounting practices of the Panama Canal are crucial to the tolls and other charges of the Company as well as the investment of the United States in the waterway.

I want to emphasize is that we sought clarity in the guidelines we were advocating, coherence in our viewpoint on a set of complex and related issues, and equity for all parties at interest here—the canal organization, the canal user, the canal employee, the U.S. taxpayer.

In this connection, I wish to make it clear that there are not subsidies in this bill. If the Panama Canal is to run on a legitimate break-even basis and not on the basis of extracting maximum revenues from the users, you can call that a subsidy if you want. But that is the way the canal has always been run, with good results and on a break-even basis. All this bill does is to reassert and extend in an undeniable fashion the financial principles upon which the canal has always been run. In the history of the canal it is clear that the committee is not changing the basic premises.

I would like to commend the hard work and effort which several members of the Panama Canal Subcommittee have contributed to this bill. I would especially like to single out the contributions of the full committee chairperson, the very distinguished gentlelady from Missouri, whose interest in the Panama Canal, its people, its management, and its structures and meaning, is without rival. This body will miss her counsel in Congresses to come, and everyone interested in the Panama Canal will miss her genius and concern. Certainly the legislation before us is greatly due to her wisdom, skill, and experience of over a generation in canal affairs.

It should be noted, Mr. Speaker, that the legislation before the Chamber is derived from the consensus of interested members of the committee. All of those who had previously sponsored related legislation on this subject have been sponsors of this bill. Even though there is a real diversity of views among the sponsors of this legislation as to treaty negotiations and other matters. We all were able to agree that the provisions of H.R. 14311 and the guides in the accompanying report were needed to right the canal financial situation now.

Thus, Mr. Speaker, the first section of H.R. 14311 is based on a principle which the Panama Canal Company itself advocates—that the payment of interest on U.S. Government investment in the canal by the Canal Company deserves a similar return for the Canal Company in the Treasury's use of Company cash deposits. What we are doing in this section is not and should not be regarded as a radical departure in principle from the status quo. There is wide agreement on the merit of the principle which underlies this section. As to the fact that we have included the credits for the Company in the Treasury computed when Government vessels transit the canal, may I say that we felt it would be totally inconsistent to do otherwise.

I support section 2 of this bill, a section which prohibits the depreciation of lands, titles, treaty rights, and excavations associated with the canal, because I also believe that section is fully in accord with the very balanced mechanism which is to govern the finances of the canal and also the recognition of various costs which are to either be included or excluded in the present tolls base. There may be other circumstances in which I would not favor the provisions in section 2, and would even strongly oppose them. But not at this time. What we have done is practical, and right.

The investigation which surrounded this bill was aimed at reviewing all the important aspects of canal finances. In working toward an honest and forthright report many decisions were made, and certainly they do not support or reject all contentions of any particular groups who have manifested interest.

Our aim was to provide constructive assistance to the canal organization. Accordingly, the committee took special note of the ramifications of each of its actions. That is the reason the major provisions of the bill do not become effective until fiscal year 1977.

Mr. Speaker, I urge the adoption of this particular legislation as being very much in the interest of the Panama Canal, a waterway which is in the mind of many Americans at this time, and as being in the interest of all the people. This is a measure which does not tear apart the magnificent job that has been done for many years by the good financial management the canal has had. This measure builds upon the work that has been done, and clarifies old and establishes new accounting standards so that the Panama Canal will continue to serve the commerce of this country and the world.

Mrs. SULLIVAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING of Virginia. Mr. Speaker, I am happy to support legislation which will have a beneficial effect on the finances of the Panama Canal and will help to restore the confidence that the users of that great waterway have had in the stability and competence of the canal management.

It is not surprising that the economic recession we experienced in recent years should affect the canal as it has affected all of us. But it is unfortunate that an organization which must balance revenues and expenditures, such as the Panama Canal Company, would have so little latitude in reducing its costs.

Given the importance of the Panama Canal to this country, I think the Panama Canal Subcommittee and the Committee on Merchant Marine and Fisheries should be commended for looking into the difficult and complex problems of the financing of the Panama Canal and then coming out with consensus legislation and a comprehensive report which attempts to deal with the major problems which are subject to legislative direction.

I urge the adoption of this bill as being in the best interests of the canal organization, the users and employees of the canal, and the U.S. taxpayer, who would certainly want an efficient and dependable canal there when we need it.

Mr. RUPPE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of the bill, but I also rise to ask a question of any member of the committee who might like to respond.

When I was in the Panama Canal Zone several years ago, I was informed that our Government then pursued a policy of having only U.S. citizens on the governing board of the Canal Zone Authority. It seemed to me at that time unfortunate that there was not some representation of the Panamanian people on the governing board.

Can any members of the committee shed any light as to whether this is a continuing policy; and if it is so, is there any possibility that it may be changed?

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, I am delighted that this question was asked by the gentleman from Illinois (Mr. FINDLEY), because, as far back as 10 years ago, I had urged that a Panamanian be appointed to the Board of Directors of the Canal Company so that the Government of Panama could see where the canal's money is spent and see what money is left over after operation and maintenance expenses of the canal.

We have worked to keep the canal constantly improved and in perfect repair so that it is in good shape today, in good condition, as it was when it was opened in 1914. The fact is that the canal has been improved constantly.

If the Panamanian Government could know and see these things by participation of a Panamanian on the Board, it would have been helpful.

The answer to the gentleman's question has been "no." As I said, they have not considered putting a Panamanian on that Board. Now the Executive is ready to turn over the entire authority over the canal and the zone where they would not turn over even part of that responsibility before.

Mr. FINDLEY. Is this the sort of matter that is within the jurisdiction of the committee which the gentlewoman from Missouri heads? If it is, I would like to express the hope that before adjournment, the committee can take up this point. If the executive branch will not voluntarily do this, it should be required by law.

Mrs. SULLIVAN. If the gentleman will yield further, I really am not certain as to whether or not Congress has the responsibility of telling the Company who should be appointed to the Board of Directors. Right now the Board of Directors is appointed by the President of the United States.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. Of course I yield to the gentleman from New York.

Mr. MURPHY of New York. If it is up to this administration I think the gentleman will find out that the treaty negotiators are trying to put a majority on the Board of Directors that are not American.

Mr. FINDLEY. I think the attitude of the administration on this point is one that I do not support, which has been to put off any reforms in the U.S. relationship with the Panamanian people until a new treaty is worked out. I hate to see this interminable delay and believe that is one of the reasons why there is much dissension between the Panamanian people and the United States.

Mr. SNYDER. Mr. Speaker, I urge the passage of H.R. 14311, a bill that has the unanimous support and sponsorship of the Panama Canal Subcommittee which drafted it, save one member, and which was reported by the Merchant Marine and Fisheries Committee with no dissenting vote, and with no amendment, save one to correct an insignificant typographical error.

This measure reduces the costs of the Canal Company which operates the Isthmian waterway by some $10 million annually.

The first section of the bill eliminates the present incongruity in the matter of interest payment. The Panama Canal Company is required to pay interest at a rate set by the Treasury on the investment of the American taxpayers in the canal. That figure is formally called the net direct investment of the United States in the Panama Canal Company. On the other hand, the U.S. Treasury pays no interest at all on the millions of dollars the Company is required to deposit in the Treasury by laws pertaining to all Government agencies.

The reported legislation equalizes the situation, requiring the Treasury to pay interest on Company deposits and credits given in lieu of cash tolls for U.S. Government vessels at the same rate the Company is charged by the Treasury on on the Government investment in the canal.

Correction of this present inequity will save the Company some $2 million a year.

The second section of H.R. 14311 settles a controversial issue of long standing, one that had remained in the abstract, however, from passage of the Panama Canal Reorganization Act of 1950 under which the present Company was established, until 1973.

A public utility type organization, the Company sets both its toll rates on transiting vessels and its fees for other services to shipping, at levels needed to recover costs predetermined both by estimated expenditures and by the Company's accounting standards.

Depending upon these latter standards, an item may or may not be considered a cost.

In 1973, after following a totally contrary accounting policy for over 20 years, the Company suddenly decided to depreciate what it calls "titles, treaty rights, and excavations."

What had never been a company expense, by the stroke of a pen, as it were, now became an annual cost of $8.3 million. U.S. Government vessels, foreign government vessels, and U.S. and foreign commerce had to bear this burden in steeply increased tolls.

Over the entire period of time from 1950 to 1973, the Company held to the conviction that the depreciation mentioned in the Reorganization Act was not meant to include depreciation on the original costs of the canal, including expenditures for lands, titles, treaty rights and excavations, and, indeed, for continuing excavations and other improvements to the canal itself such as deepening, widening, and embankments, et cetera, to keep the canal an efficient waterway.

Other items, however, have been legitimately depreciated from the establishment of the Company until the present.

Congress and the executive branch in general held the same view as the Company. In many Congresses, the Canal Company sought legislation under which it could take depreciation on lands, titles, treaty rights, and excavations.

In 1973, without having ever succeeded in having a bill to such effect approved by the oversight committee, the House Merchant Marine and Fisheries Committee, or even having one reported out of the Panama Canal Subcommittee, the Company's Board of Directors approved a resolution to take action to depreciate these basic nonwasting assets.

Many factors may have entered into that decision, but the simple fact remains, the Company determined to do what for 20 years it unsuccessfully sought legislation in order to do. At the beginning of fiscal 1974, the Company implemented this action, resulting in the additional annual cost of $8.3 million to the Company, a factor which at once became a basis for raising tolls accordingly.

Mr. Speaker, in this regard, let me quote from the report of the committee accompanying H.R. 14311:

> In addition to the fact that depreciation of these assets should not have been undertaken without legislation, there are three other historical facts which have made the depreciation which was initiated in FY–74 an extraordinary departure, as well as marked influence on the tolls rates at the Canal.
>
> First, the original intention behind legislation proposed by the Company was either to provide depreciation reserves for the replacement of excavations, (which include channels and harbors, breakwaters, excavation and fill for dams and spillways, locks excavation and fill, and drydock excavation at Cristobal), or to use the revenues accumulated from depreciation for the systematic repayment of the U.S. investment in the Canal.
>
> Second, in the legislation which it recommended to many Congresses, the Company indicated that it would use the cash generated from depreciation for internal use as opposed to paying investment reducing dividends to the Treasury, only with the expressed consent of Congress.
>
> Third, the Company took the position in its legislative proposals that some depreciation had already accrued on the assets of titles, treaty rights, and excavations and that only the remainder of the assets' value needed to be recovered.
>
> The repeated original proposal to depreciate the assets would have ultimately resulted in the reduction of toll rates through the systematic repayment of the government's investment in the Canal, inasmuch as the annual cost of interest on that investment would be diminished thereby.
>
> Thus, it is undeniable that the initation of depreciation by the Canal Company in FY–74 of titles, treaty rights, and excavations represented a complete turnabout in Company intention and application, Instead of depreciating only part of the original value of the assets at one per cent per year over 100 years as repeatedly proposed, the Company began to depreciate the total value of the assets at two and one-half per cent per year over forty years! Instead of using the depreciation to systematically repay the investment of the U.S. Government in the Canal, or holding it for capital projects or other internal uses only with Congressional consent, the Company has used all the funds accruing to it from this source for capital projects without seeking anyone's consent! Instead of having the effect of ultimately reducing toll rates for Canal users, the Company's use of the depreciation has actually raised toll rates!

Mr. Speaker, the complexities of this matter were great enough to prohibit precipitous action by the committee either to support or oppose the Company's action at the time it was taken, or even within a short time of that action. Either course might have been followed. However, other factors chiefly deriving from world inflation and recession had resulted in diminishing transits of the canal and corresponding lower revenues that brought actual losses to the Company for the first time in its history. It was clear that this totally new situation required an exhaustive study by the committee of the entire question of the Canal Company's finances before a definitive legislative course should be decided upon.

The present bill is the direct result of that long investigation which included 3 days of hearings in April of this year. The accompanying report is of equal importance in that it sets guidelines apart from those in the legislation. Further, it clearly establishes the thinking and conclusions of the committee regarding the many circumstantial factors impinging upon the Company's overall financial standards and practices, and the committee's firm intent regarding those standards and practices.

The report's section on depreciation of the nonwasting assets is of the utmost significance in that it details the history of the entire problem beyond what can be brought out here in a few minutes. There is considerable history beyond that contained in the report to which I could also allude in support of the bill's purposes.

In response to the charges that the section of the bill concerning depreciation will subsidize foreign commerce or American shipping I will merely point out that H.R. 14311 simply restores the situation with regard to canal financing and tolls and depreciation to what it was in 1973 before the entirely unwarranted action of the Company in suddenly initiating a policy the law and the entire legislative history of the U.S. Congress indicated was prohibited.

I must also point out that the Company was not established as a profit making enterprise, but was intended to pay its own way—to at least break even. It has successfully done this until the past 4 years because of a rising number of transits and because of larger vessels upon which a higher percentage of the tolls fell. However, breaking even under the law excluded capital expenditures. Provision was made for congressional appropriations to take care of these. The appropriations would have been added to the net direct investment of the government in the canal with Company dividends payable to the Treasury out of unexpected profits to reduce that investment. Capital expenditures were not meant to be included in estimating costs that must be met by tolls and fees for other services.

Under the concept of breaking even, the Company for over two decades could well have, or perhaps should have, reduced tolls in view of its profits, requiring a lesser transit burden on canal users. I must restate the fact that U.S. Navy, Coast Guard, and other Government vessels for years have been paying higher tolls than would have been required had the Company met capital expenditures through appropriations. I do not condemn it for its financial successes. I want to make clear this bill is no bonanza for any canal user, be it the U.S. merchant marine, or foreign shipping, or the U.S. Navy.

In effect, the bill restores the pre-1974 status quo regarding depreciation in complete accordance with the Reorganization Act of 1950 which set up the Canal Company.

The administration begs the question in opposing the bill when it claims section 2 on depreciation will result in subsidizing international shipping companies using the Canal—of whom it says less than 8 percent are of U.S. registry. Why then, did the administration not point this out in the years before 1974 when the situation was precisely what this bill will restore it to?

Last, the administration finds fault with the bill's revocation of "the accepted accounting standards now in use which were established at the express suggestion of GAO and independent accounting firms."

GAO is but an arm of Congress. It is not Congress.

Congress makes the law, not GAO or independent, private accounting agencies. I have dealt with the Reorganization Act and the legislative history already. Let me further make it very clear that both GAO and the independent accounting firms referred to by the administration had reversed their own years-old positions on depreciation. Adoption of the so-called "accepted accounting standards" without authorizing legislation, was unacceptable to both the GAO and those independent firms which counseled the Panama Canal Company up to the date or dates on which they reversed their thinking. Consequently, entirely opposite "accepted accounting standards" in regard to depreciation, which this bill will restore, had been followed by the Company up to fiscal year 1974.

The administration's arguments are totally unsound in every way.

Mr. Speaker, inasmuch as the increase in tolls collected for the depreciation henceforth forbidden went into capital improvements benefiting all users of the canal, the committee makes clear in its report that no claim should be considered valid which seeks a return or credit on the portion of tolls levied to meet such costs in fiscal year 1974 through 1976.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 14311, as amended.

The question was taken.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Pursuant to clause 3 of rule XXVII and the prior announcement made by the Chair, further proceedings on this motion will be postponed.

Does the gentleman from Minnesota withdraw his point of order that a quorum is not present?

Mr. FRENZEL. Mr. Speaker, I do.

GENERAL LEAVE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just under consideration, H.R. 14311.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

COMMUNICATIONS ACT AMENDMENT—COMMON CARRIER TARIFF PROCEEDINGS

Mr. VAN DEERLIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13961) to amend sections 203 and 204 of the Communications Act of 1934.

The Clerk read as follows:

H.R. 13961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(b) of the Communications Act of 1934 (47 U.S.C. 203(b)) is amended to read as follows:

"(b)(1) No change shall be made in the charges, classifications, regulations, or practices which have been so filed and published except after ninety days notice to the Commission and to the public, which shall be published in such form and contain such information as the Commission may by regulations prescribe.

"(2) The Commission may, in its discretion and for good cause shown, modify any requirement made by or under the authority of this section either in particular instances or by general order applicable to special circumstances or conditions except that the Commission may not require the notice period specified in paragraph (1) to be more than ninety days.".

SEC. 2. Section 204 of the Communications Act of 1934 (47 U.S.C. 204) is amended to read as follows:

"SEC. 204. (a) Whenever there is filed with the Commission any new or revised charge, classification, regulation, or practice, the Commission may either upon complaint or upon its own initiative without complaint, upon reasonable notice, enter upon a hearing concerning the lawfulness thereof; and pending such hearing and the decision thereon the Commission, upon delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such charge, classification, regulation, or practice, in whole or in part but not for a longer period than five months beyond the time when it would otherwise go into effect; and after full hearing the Commission may make such order with reference thereto as would be proper in a proceeding initiated after such charge, classification, regulation, or practice had become effective. If the proceeding has not been concluded and an order made within the period of the suspension, the proposed new or revised charge, classification, regulation, or practice shall go into effect at the end of such period; but in case of a proposed charge for a new service or an increased charge, the Commission may by order require the interested carrier or carriers to keep accurate account of all amounts received by reason of such charge for a new service or increased charge, specifying by whom and in whose behalf such amounts are paid, and upon completion of the hearing and decision may by further order require the interested carrier or carriers to refund, with interest, to the persons in whose behalf such amounts were paid, such portion of such charge for a new service or increased charges as by its decision shall be found not justified. At any hearing involving a charge increased, or sought to be increased, the burden of proof to show that the increased charge, or proposed charge, is just and reasonable shall be upon the carrier, and the Commission shall give to the hearing and decision of such questions preference over all other questions pending before it and decide the same as speedily as possible.

"(b) Notwithstanding the provisions of subsection (a) of this section, the Commission may allow part of a charge, classification, regulation, or practice to go into effect, based upon a written showing by the carrier or carriers affected, and an opportunity for written comment thereon by affected persons, that such partial authorization is just, fair, and reasonable. Additionally, or in combination with a partial authorization, the Commission, upon a similar showing, may allow all or part of a charge, classification, regulation, or practice to go into effect on a temporary basis pending further order of the Commission. Authorizations of temporary new or increased charges may include an accounting order of the type provided for in subsection (a).".

The SPEAKER pro tempore. Is a second demanded?

Mr. FREY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. Van Deerlin) and the gentleman from Florida (Mr. Frey) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from California.

Mr. VAN DEERLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I move that the House suspend the rules and pass H.R. 13961, as amended. H.R. 13961 amends sections 203 and 204 of the Communications Act of 1934, and is a modified version of legislation proposed by the Federal Communications Commission at the request of the former chairman of the Subcommittee on Communications, the late Torbet H. Macdonald. It addresses his concern, and the concern of consumer advocates and the Commission itself, that current statutory procedures governing FCC disposition of tariff filings by communications common carriers are seriously inadequate.

Presently, the Communications Act requires that no tariff may be changed on less than 30 days' written notice, unless the Commission rules otherwise. The FCC has extended this to 60 days in the case of tariff increases. In this period, the Commission must decide whether to allow the tariff to go into effect or to suspend its effective date for up to 3 months pending Commission investigation of the reasonableness of the tariff revision.

Due in part to the procedural requirements of the Administrative Procedures Act, in part to the complexity of modern tariff filings, and in part to inadequacies in the Commission's handling of tariff proposals, neither the notice nor the suspension periods has proved adequate. As a result, tariffs have gone into effect which are later found to be unlawful in some respect. The accounting and refund provisions of the act are inadequate as a protection against unreasonable rates in this situation, because they are expensive to implement and offer little or no protection against discrimination within the rate structure—important, for example, in the presence of allegations of predatory pricing.

The committee notes with approval a recent decision of the FCC to require that the accounts be kept by consumer class, rather than by individual consumer. While this practice enhances the utility of the accounting order procedure by reducing the administrative costs associated with it, it is inadequate in and of itself to meet the problems I have alluded to.

The Commission proposed that the notice period be extended to 90 days, and that the maximum allowed suspension period be lengthened from 90 days to 9 months. The committee has found that the 90-day notice period is needed, but has included language denying to the Commission any authority to extend it further. However, in accordance with a compromise reached between the Office of Telecommunications Policy and the FCC, and agreed to by the Senate, the committee has extended the maximum suspension period only from 90 days to 5 months. It is our judgment that this period reasonably balances a commitment to consumer protection against any tendency of increased time periods to promote regulatory lag. I want to stress that the maximum time period should be required only in the case of major tariff filings. Most tariff filings can and should be acted on in a shorter period.

H.R. 13961 would also allow the Commission to make partial or temporary tariff authorizations. This would greatly increase the Commission's flexibility in dealing with tariff filings, some of which involve many common carrier services. In this way, the committee hopes to see some reduction in the time required for disposition of tariff filings. To the extent that a portion of the proposed rate change is clearly justified, this provision would allow the Commission to grant it immediately without awaiting the outcome of a hearing on the controversial aspects of the tariff filing. It is contemplated that the Commission would use this authority in conjunction with an increased notice period to conduct preliminary hearings on tariff filings in the hope that many issues can be resolved at this stage, thus avoiding the need for a lengthy suspension and hearing.

Finally, H.R. 13961 extends the range of tariff filings for which the Commission may prescribe accounting orders by including tariff filings for new services.

This legislation will significantly improve the regulatory process. It is in the consumers' interest, and should be enacted.

Mr. FREY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 13961, a bill that provides for realistic time periods for communications common carriers to notify the FCC and the public or proposed tariff changes and for the FCC to suspend proposed tariff changes.

While this is a simple bill in form, its substance has major effects on the common carrier industry and the FCC.

By increasing the notice period for common carrier tariff filings from 30 to 90 days and limiting the FCC authority to extend beyond that period, the bill addresses two problems. The FCC contends that the current 30-day period is too short to allow for an adequate review of a tariff filing that may entail hundreds, and even thousands, of pages of supporting data. Therefore, the FCC has extended the period for rate increases to 60 days, pursuant to its statutory authority. So that the FCC does not further extend the time period in such cases, the bill provides that the period may not be extended beyond 90 days. Our committee is of the opinion that a 90-day period will be sufficient in all cases.

Increasing the period in which the FCC may suspend new or revised tariffs from 3 to 5 months addresses an FCC problem in being unable to complete complicated tariff proceedings in 3 months. The FCC had originally sought an extension of the time period to 9 months, a period that I felt was too long. I realize that to allow a tariff to go into effect after 3 months and to later disallow it may result in the loss of purchasing power by consumers, as well as costly accounting and refund procedures after the period of suspension. At the same time, I feel it unwise to deny necessary revenue to the industries for as long as a 9-month period.

The FCC and OTP agreed upon a 5-month period, and I offered an amendment to that effect in subcommittee markup. I believe this time period balances both the consumer interest and revenue requirements of the industry.

As I mentioned, after a suspension period expires, but before the FCC completes action on a tariff increase, the FCC may order the industry to maintain accounts so that refunds may be given to the consumer in the event the increase is ultimately denied in whole or in part. Although it does not appear in the legislation, our committee feels that such accounts and refunds should be made by classes of users rather than by individual consumers. Otherwise, the administrative costs will eat away any refund the consumer may realize.

Finally, the bill allows the FCC to order temporary or partial tariff changes in order to avoid much of the regulatory delay involved when all aspects of a tariff change are explored before ordering a change. Hopefully, this provision will help streamline the process.

Mr. Speaker, this is one bill concerning the telephone industry with which we can all agree. It would be nice if they were all this easy.

Mr. VAN DEERLIN. Mr. Speaker, I yield such time as he may consume to the able chairman of our full committee, the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Mr. Speaker, I rise in support of H.R. 13961, a bill to require a 90-day notice period before common carrier tariffs may be changed, and to allow the Federal Communications Commission to suspend new or revised tariff schedules for up to 5 months.

Section 1 of the bill would extend from 30 days to 90 days the period of notice required before a tariff may be changed.

Section 2 of the bill would extend from 3 months to 5 months the period during which the Federal Communications Commission may suspend new or revised tariff schedules and authorize the Commission to conduct preliminary written proceedings to determine whether a tariff filing should become effective in whole or in part pending a hearing and decision on the lawfulness thereof, or whether temporary authorization of a tariff filing should be permitted.

The bill is a clean bill from the Communications Subcommittee. The original bill considered by the subcommittee was H.R. 7047 which was drafted and requested by the FCC.

The Senate Commerce Committee ordered reported a similar bill (S. 2054) and the Senate passed it on May 27, 1976. This is a bill that warrants our consideration, and I urge the Members of the House to unanimously pass this bill.

Mr. VAN DEERLIN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. VAN DEERLIN) that the House suspend the rules and pass the bill H.R. 13961.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from consideration of a similar Senate bill, S. 2054, to amend sections 203 and 204 of the Communications Act of 1934, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 203(b) of the Communications Act of 1934 (47 U.S.C. 203(b)) is amended to read as follows:

"(b) No change shall be made in the charges, classifications, regulations, or practices which have been so filed and published except after 90 days notice to the Commission and to the public, which shall be published in such form and contain such information as the Commission may by regulations prescribe; but the Commission may, in its discretion and for good cause shown, allow changes upon less than the notice herein specified or modify the requirements made by or under authority of this section either in particular instances or by a general order applicable to special circumstances or conditions.".

SEC. 2. Section 204 of the Communications Act of 1934 (47 U.S.C. 204), is amended to read as follows:

"SEC. 204. (a) Whenever there is filed with the Commission any new or revised charge, classification, regulation, or practice, the Commission may either upon complaint or upon its own initiative without complaint, upon reasonable notice, enter upon a hearing concerning the lawfulness thereof; and pending such hearing and the decision thereon the Commission, upon delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such charge, classification, regulation, or practice, in whole or in part but not for a longer period than 5 months beyond the time when it would otherwise go into effect; and after full hearing the Commission may make such order with reference thereto as would be proper in a proceeding initiated after such charge, classification, regulation, or practice had become effective. If the proceeding has not been concluded and an order made within the period of the suspension, the proposed new or revised charge, classification, regulation, or practice shall go into effect at the end of such period; but in case of a proposed charge for a new service or an increased charge, the Commission may by order require the interested carrier or carriers to keep accurate account of all amounts received by reason of such charge for a new service or increased charge, specifying by whom and in whose behalf such amounts are paid, and upon completion of the hearing and decision may by further order require the interested carrier or carriers to refund, with interest, to the persons in whose behalf such amounts were paid, such portion of such charge for a new service or increased charges as by its decision shall be found not justified. At any hearing involving a charge increased, or sought to be increased, the burden of proof to show that the increased charge, or proposed increased charge, is just and reasonable shall be upon the carrier, and the Commission shall give to the hearing and decision of such questions preference over all other questions pending before it and decide the same as speedily as possible.

"(b) Notwithstanding the provisions of subsection (a) of this section, the Commission may allow part of a charge, classification, regulation, or practice, to go into effect, based upon a written showing by the carrier or carriers affected, and an opportunity for written comment thereon by affected persons, that such partial authorization is just, fair, and reasonable. Additionally, or in combination with a partial authorization, the Commission, upon a similar showing, may allow all or part of a charge, classification, regulation, or practice to go into effect on a temporary basis pending further order of the Commission. Authorizations of temporary new or increased charges may include an accounting order of the type provided for in subsection (a).".

MOTION OFFERED BY MR. VAN DEERLIN

Mr. VAN DEERLIN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. VAN DEERLIN moves to strike out all after the enacting clause of the Senate bill S. 2054 and to insert in lieu thereof the provisions of H.R. 13961, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 13961) was laid on the table.

GENERAL LEAVE

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING FOR AN ELECTIVE GOVERNOR AND LIEUTENANT GOVERNOR OF AMERICAN SAMOA

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14291) to provide for an elective Governor and Lieutenant Governor of American Samoa, and for other purposes.

The Clerk read as follows:

H.R. 14291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution entitled "Joint resolution to provide for accepting, ratifying, and confirming the cessions of certain islands of the Samoan group to the United States, and for other purposes", approved February 20, 1929 (45 Stat. 1253; 48 U.S.C. 1661) is amended by striking out "Until" in subsection (c) of the first section, and inserting in lieu thereof "Except as provided under section 2, until", and by adding at the end thereof the following new section:

"SEC. 2. (a) The President or his designee shall appoint an election commissioner who shall be responsible for the planning, the preparation for, and the holding of a plebiscite, in which the voters of American Samoa shall vote 'Yes' or 'No' on the following question: 'Do the people of American Samoa want an elected Governor and Lieutenant Governor?'

"(b) Subject to the provisions of subsection (a) of this section, the plebiscite shall be held during the year 1976.

"(c) Upon certification by the President or his designee that the valid number of 'Yes' votes cast exceed the valid number of 'No' votes cast in the plebiscite, the President or his designee shall cause the first gubernatorial election in American Samoa to be held within one year after the plebiscite.

"(d) The legislature of American Samoa, by joint resolution, shall establish rules and procedures for the nomination of candidates, the terms of office, the qualifications for office, and the removal of the Governor and Lieutenant Governor: *Provided,* That such rules and procedures shall include provisions for the nomination of candidates by lawful petition in accordance with rules established by local statute, which rules shall provide that any person otherwise eligible to be a candidate shall not be precluded from nomination for reasons of absence from American Samoa if such absence occurred in connection with the armed services or any other agency or instrumentality of the governments of the United States and American Samoa or while in pursuit of his or her education: *And provided further,* That no person who serves as the incumbent either an appointed Governor or Lieutenant Governor, upon or after enactment of this section, shall be eligible as a candidate for election to the office of Governor or Lieutenant Governor in the first gubernatorial election of American Samoa.

"(e) The duly elected Governor and Lieutenant Governor shall have such powers, duties, and responsibilities as may be delegated from time to time by the President or his designee.".

The SPEAKER pro tempore. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP

BURTON) will be recognized for 20 minutes, and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to point out in particular the effective contribution made to the development of this legislation by Eni Hunkin, the nonpartisan staff member of the Interior and Insular Affairs Committee and a native-born American Samoan. His diligence and persistence coupled with the assistance of both the majority and minority side have brought us to this very salutary point of consideration.

Mr. Speaker, this bill comes to the House of Representatives with full bipartisan support and sponsorship. It very simply authorizes the President, or his designee, to conduct a plebiscite in which the voters of American Samoa will vote yes or no on the question, "Do the people of American Samoa want an elected Governor and Lieutenant Governor?" If the vote is in the affirmative, the President, or his designee, will cause an election to be held within one year after the plebiscite, with the duly elected Governor and Lieutenant Governor having such powers, duties and responsibilities as are delegated by the President or his designee.

American Samoa is the only remaining off-shore area of the United States which does not have a popularly elected governor and lieutenant governor. Therefore, H.R. 14291 represents a significant step forward in the development of greater participation by the local people and leadership in the affairs of the territorial government and toward the fulfillment of the political aspirations of the Samoan people, as is fully demonstrated by the history of the association of the United States and American Samoa. Actually, Congress has not enacted any significant legislation granting to the people of American Samoa a greater measure of local self-government since 1929.

The Territory of American Samoa, sometimes referred to as Eastern Samoa, is composed of seven islands totaling approximately 76 square miles located 2,600 miles southwest of Hawaii. Its population is about 30,000 inhabitants, with an additional number of Samoans, between 40,000 and 50,000, living primarily in Hawaii and on the west coast of the United States.

The first visit by officials of the United States to Samoa was by an exploration team led by Lt. Charles Wilkes in 1839. Although Wilke's expedition was primarily a scientific one, there are indications that political and economic interests also motivated the explorers. Among other reports of primary interest submitted by Wilkes was his implied recommendation to Washington that the United States acquire the harbor in Pago Pago on the island of Tutuila, which was by far the best harbor in the South Pacific.

For several decades, however, the United States took little further interest in Samoa until 1871, when a second official visit was made by U.S. Naval Commander Richard Meade. Meade's visit resulted in a formal agreement between High Chief Mauga, leader of the Pago Pago area, and the United States for "the exclusive privilege of establishing in the said harbor of Pago Pago, island of Tutuila, a naval station," in exchange for protection of the island against foreign powers. President Grant approved the agreement, but it was not ratified by the Congress.

In the years following Meade's arrival, Samoa became an international issue which involved Germany, Great Britain, and the United States. In April 1889, representatives of the three countries met in Berlin to discuss their differences over the island group. After 10 years of failure to resolve the Samoan question, another conference was called in Washington, D.C. The question of partitioning the islands became apparent when Germany agreed to transfer any political affiliations she had with the Tongan Islands to Great Britain, in return for British relinquishment of its rights in Samoa.

It was also agreed that the islands of Tutuila and Manu'a would be assigned to the United States in view of the latter's entrenched interest in Pago Pago's harbor as a coaling and naval station. The new tripartite agreement was signed December 2, 1899. In April 1900, the leading chiefs of Tutuila, excluding the Manu'a Group, ceded and "transfer[red] to the Government of the United States of America the island of Tutuila and all things there to rule and to protect it."

It was not until February 20, 1929, that by joint resolution Congress approved the Instruments of Cession. As a result of certain commitments by the United States under the provisions of the Instruments, no large tracts of Samoan-owned lands have been alienated during the 76 years in which the United States has had administrative responsibility for the territory.

By Executive order in February 1900, President McKinley assigned the administration of the territory to the Department of the Navy. In June 1951, President Truman, by means of another Executive order, transferred the administration of American Samoa to the Secretary of the Interior, effective July 1, 1951.

It should be noted that since 1963, by local initiatives, the people subjected themselves to an income tax system similarly adopted by the Territory of Guam in conjunction with certain provisions of the U.S. Internal Revenue Code. In 1966, the Samoan people participated in a territorywide plebiscite whereby the majority of the voters accepted the current Revised Territorial Constitution of American Samoa, which was approved by the Secretary of the Interior effective July 1, 1967.

In 1969, the local government established the Joint Budget Review Committee, which comprised both members of the administration and the legislature, to provide more input by the Samoan leaders into the budgetary process. In 1969 also, the local legislature created a Political Status Commission, which recommended, among other things, the need for a popularly elected Governor by the year 1976. In 1970, the Samoan people held, for the first time, a territorywide election of their Delegate-at-Large as their representative in Washington, D.C. The territory now has a full-time salaried legislature.

In March 1972, hearings were conducted before the Subcommittee on Territorial and Insular Affairs to consider H.R. 11523 and H.R. 12493 which called for the first gubernatorial election in November 1972. Samoan representatives generally expressed positions favoring an elective Governor; however, others expressed some reservations relative to the fact that the subject had not been thoroughly explored by both the elective and traditional leaders of the Samoan people. Others suggested deferment until after the conclusion of the constitutional convention which was scheduled to be held the summer of 1972, but did not take place until the summer of 1973. Nevertheless, the question of an elective Governor was added to the ballot for the November 1972 elections and was defeated by a 4 to 1 margin.

The 1973 Constitutional Convention, which was compromised mostly of traditional and elective leaders of the territory, submitted well over 20 changes in a proposed revised constitution, one of the changes being the elective governorship question. The November 1973 plebiscite on the proposed constitution was defeated by a 2-to-1 margin; unfortunately, it was not clear whether the voters objected to the elective governorship concept or to the proposed constitution. In view of this problem, the Secretary of the Interior issued an order to cause another plebiscite to be held in June 1974, which addressed itself solely to the question of an elective Governor for the territory. In that latest plebiscite, the vote was 2,093 for an elected Governor, 2,341 against, and 1,183 abstained from voting. Questions were raised about the procedures and preparations for the administration of the election. H.R. 14291 is designed to minimize such problems by authorization of the President or his designee to appoint an election commissioner to properly coordinate all activities of the plebiscite in accordance with the requirements of section 2 of the bill.

Of paramount significance was the fact that both the traditional and elective leaders at the 1973 Constitutional Convention agreed that the offices of Governor and Lieutenant Governor should be elected by popular vote rather than by traditional procedures, known in American Samoa as fa'a Samoa.

As I stated at the outset, this legislation was reported by the Subcommittee on Territorial Affairs and the full Committee on Interior and Insular Affairs without a dissenting vote, and it is in accordance with previous actions taken by past and present administrations by executive authority. I urge that the House authorize this long delayed step toward greater self-government by the

American Samoan people as a part of our bicentennial observance of the establishment of our own rights of self-government. Certainly, we owe this to the Samoan people.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 27, 1976.
Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to report that Secretary Kleppe has called for a referendum to be held in American Samoa on August 31, 1976, on the issue of electing a governor and lieutenant governor by popular vote. A copy of the Secretary's letter of May 26, 1976, requesting the Governor of American Samoa to hold this special election is enclosed for your information.

Sincerely yours,
FRED M. ZEDER,
Director of Territorial Affairs.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 26, 1976.
Hon. EARL B. RUTH,
Governor of American Samoa,
Pago Pago, Tutuila.
American Samoa.

DEAR GOVERNOR RUTH: We are in receipt of House Joint Resolution No. 8 passed by the Fourteenth Legislature of American Samoa in its Third Regular Session requesting that a referendum on the matter of an elected Governor be called no later than July 4, 1976, and Senate Concurrent Resolution No. 31 in support of Congressman Phillip Burton's proposal to introduce a bill calling for the election of the Governor by popular vote. On May 4, 1976, Congressman Burton introduced H.R. 13253 which amongst other proposals called for the election of the Governor.

As you know, the Department of the Interior has supported the concept of a popularly elected Governor and Lieutenant Governor and has gone on record before the U.S. Congress to that effect. At a meeting held by Chairman Burton before the House Subcommittee on Interior and Insular Affairs on May 6, 1976, the Department reiterated this support. The people of American Samoa have expressed themselves three times in the last three years on this subject. The results of the previous referenda, however, have been questioned on various grounds, i.e., on mixing the elective governor issue with other proposed changes in the Constitution of American Samoa, and on charges that the conduct of the previous elections was not handled properly by local Administration officials who served as election officials.

I believe that it is desirable to have a referendum where the sole issue is the popular election of the Governor and Lieutenant Governor, and additionally, where the supervision of the referendum is in the hands of an independent Election Commissioner appointed from the private sector and from outside American Samoa.

As to timing, I believe that the July 4, 1976 date would not allow adequate time for full exposition of the issues before the electorate decides this most important question. To allow sufficient time for selection of an independent election commissioner and for carrying out a political education program, a late August date appears to be the most suitable.

Therefore, pursuant to the authority vested in me by Executive Order No. 10264, June 29, 1951, you will cause to be held on August 31, 1976, a special election in American Samoa at which the voters eligible to vote for members of the House of Representatives of American Samoa shall be given the right to vote "yes" or "no" on the following question:

DO THE PEOPLE OF AMERICAN SAMOA WANT AN ELECTED GOVERNOR AND LIEUTENANT GOVERNOR?

I shall also shortly appoint an independent Election Commissioner who will supervise the special election and who will also be charged with the overall supervision of a political education program in American Samoa prior to election. This educational program should be conducted primarily by the Samoan leadership. Great care should be taken to avoid any complaint that the Administration attempted to influence the referendum in any manner.

If a majority of those voting approve the proposition, official procedures will be developed by the Department for the functioning of an elected Governor under the direction of the Secretary of the Interior. Consultations also will be held with the FONO on the determination of a date at which the first Gubernatorial election for American Samoa will be held.

Sincerely yours,
KENT FRIZZELL,
Acting Secretary of the Interior.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to take this opportunity to congratulate the gentleman from California (Mr. PHILLIP BURTON) on a most scholarly presentation on this issue. I am very familiar with it. As a young man, 19 or 20 years old, I spent 16 months in World War II in Samoa.

I think the gentleman from California has made one of the finest presentations I have ever heard. I am very familiar with the people there.

Mr. PHILLIP BURTON. Mr. Speaker, I am very grateful to the gentleman from Massachusetts and to the extent that it is not improper, I would like the gentleman to know that all the knowledge and insight in my position reflects the intelligence and assistance of our most competent staff member, Mr. Eni Hunkin, to whom I made reference earlier.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 14291, which provides for the popular election of the Governor and Lieutenant Governor in American Samoa.

Acquired by treaty in 1899 and the only U.S. territory south of the equator, American Samoa consists of seven islands located 2,600 miles southwest of Hawaii and 1,600 miles northeast of New Zealand. Politically, American Samoa is an unincorporated, unorganized territory of the United States, which infers that all provisions of the U.S. Constitution have not been extended to the islands nor has the territorial government been formalized by Federal Organic Act. Today, there are approximately 80,000 American Samoans with one-third living in the territory and the remainder scattered throughout the 50 States. Samoans born in the territory carry the status of American nationals with U.S. citizenship obtainable upon individual application. Of the 76.2 square miles in American Samoa, over 96 percent is owned communally and is regulated as to occupancy and use by Samoan custom.

The territory is administered by a Governor and Lieutenant Governor, who are both appointed currently by the Secretary of the Interior. Limited legislative power in American Samoa is vested in the legislature, composed of a senate and a house of representatives. Members of the legislature—or fono as it is locally called—are selected in one of two ways: members of the senate are chosen from the traditional hierarchy of chieftains, while members of the house are elected by popular vote. The judicial authority is exercised under the chief justice of American Samoa, who is also appointed by the Secretary of the Interior. The territory's relations with all branches of the Federal Government are coordinated through the Office of Territorial Affairs, U.S. Department of the Interior.

H.R. 14291 calls for a plebiscite, wherein the Samoan voters will determine whether they wish to elect their own Governor and Lieutenant Governor. In the event of a positive response, "the President or his designee" will cause the first gubernatorial election in American Samoa to be held within 1 year after the plebiscite. Gubernatorial powers, duties, and responsibilities will continue to be delegated by the President or his designee.

On May 27, 1976, the Secretary of the Interior, Thomas Kleppe, issued a secretarial order, announcing that a plebiscite will be held August 31, 1976, on the issue of electing a Governor and Lieutenant Governor by popular vote. Accordingly, the administration supports the general thrust of this legislation; however, the Department believes that such action should be handled administratively.

For over 75 years the Samoans have had no voice in selecting their own Governor. It is fitting, therefore, that in this Bicentennial Year, the Samoans be brought further into our republican form of government. I urge your support of H.R. 14291; it represents a significant development in the political advancement of the Samoan people and will continue the evolution of American democracy in the offshore areas.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 14291, a bill designed to promote the popular election of the Governor and Lieutenant Governor in American Samoa. By joint resolution, Congress approved the instruments of cession which made Eastern Samoa an American territory. By terms of this joint resolution, Congress delegated its constitutional power of administering American Samoa to the executive branch, stipulating that:

> Until Congress shall provide for the government of such islands all civil, judicial and military powers shall be vested in such person or persons and shall be exercised in such manner as the President of the United States shall direct. . . .

Subsequent to the passage of the above,

Congress has not enacted any significant legislation designed to grant the people of American Samoa a greater measure of local self-government. Progress in this area has only been made under the auspices of Executive order.

After 75 years of territorial rule, the time has come to grant to American Samoans the privilege of selecting their own Governor and Lieutenant Governor. The Samoans have demonstrated repeatedly their capability for home rule; it is now time for the Congress to recognize how deeply democratic procedures have been inculcated into America's most southern possession.

By secretarial order, the Secretary of the Interior called for a referendum to be held on August 31, 1976, wherein the people of American Samoa will decide if they wish a popularly elected Governor. The bill before us, H.R. 14291, lends congressional sanction to this administrative decision. Its passage, therefore, would testify to the dedication that we in this body have in the ability of men to choose their own leaders. On the other hand, in the absence of an organic act, the bill grants to the duly elected Governor only those powers, duties, and responsibilities as may be delegated by the President or his designee. Thus, Mr. Speaker, this legislation prudently upholds the tradition of American democracy, establishing the right of American Samoans to choose their own leaders while simultaneously preserving U.S. interests in the South Pacific. Accordingly, I urge its unanimous adoption.

Mr. MATSUNAGA. Mr. Speaker, I rise in wholehearted support of H.R. 14291, which provides for the first time, the prospect of an elective Governor and Lieutenant Governor of American Samoa. H.R. 14291 is truly a significant step forward in the development of greater participation by the Samoan people in the affairs of the territorial government of American Samoa, and I congratulate the gentleman from California (Mr. Burton) for his diligent and thoughtful efforts in bringing this legislation to the floor.

Hawaii's long years as a territory prior to attaining statehood in 1959 have made me particularly sensitive to the aspirations of the Samoan people to attain a greater degree of self-determination in their government. Moreover, American Samoans, who have no official voice in the Federal Government, have long looked to Members of Congress from Hawaii for support and assistance in national affairs affecting the territory. Therefore, as a Representative to Congress from Hawaii, and as a sponsor of legislation introduced in the two previous Congresses to provide for an elective Governor and Lieutenant Governor of American Samoa, I am particularly pleased to urge support of this legislation in the House of Representatives.

Enactment of this legislation will mark the first major effort by Congress to discharge its responsibilities under a joint resolution approved in 1929, which provided for the acceptance of the cession of American Samoa to the United States. Under the resolution, all civil, judicial, and military powers in American Samoa were vested in the officials appointed by the President of the United States until Congress provided for the government of the islands. H.R. 14291 will greatly assist in the establishment of increased executive responsibility to be exercised by the local leadership of the territory. Moreover, since no Federal appropriations are contemplated for its implementation, enactment of this legislation will have no Federal budgetary impact.

Mr. Speaker, in the past decade, the Samoan people have demonstrated their competence and willingness to participate in the selection of the territory's premier leaders and to utilize fully the machinery of the democratic process. Just as it was finally recognized that the Hawaiian people were capable of selecting their own political leaders, I firmly believe that the time has arrived for the Federal Government to recognize that American Samoa deserves to share in the American ideal of Government of the people, for the people, and by the people. I, therefore, urge maximum support and passage of H.R. 14291 in the House of Representatives.

Mr. SKUBITZ. Mr. Speaker, I rise in support of H.R. 14291 which affords a means for the popular elections of the Governor of American Samoa. This legislation enhances self-government in the islands and provides the Samoans with an opportunity to select their own executive leadership. After 75 years of Washington tutelage, it is time that this body recognize the democratic development of government in American Samoa. Passage of this bill would demonstrate this body's approval of Samoan past political accomplishments and convey encouragement for future progress in America's most southern possession. Therefore, I urge unanimous passage of H.R. 14291.

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

I would like, if I may, to make note of the following: I think that it is noteworthy that on a committee that represents virtually the entire spectrum of political and ideological opinion in the House, that our colleagues on both sides of the aisle have joined in this very important, in my view, added step down the road of perfecting our American democratic system. I think this reflects great credit on all of those who have participated, not only my colleagues on the subcommittee, Republicans and Democrats alike, the minority and the majority staff, but the most effective cooperation and collaboration of the executive branch. Because of my own view of the importance of this matter, in terms of American political history, Mr. Speaker, I shall demand a rollcall and will at the proper time suggest the absence of a quorum for that purpose.

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Phillip Burton) that the House suspend the rules and pass the bill (H.R. 14291).

The question was taken.

Mr. PHILLIP BURTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior anouncement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from California withdraw his point of order that there is no quorum?

Mr. PHILLIP BURTON. Yes, Mr. Speaker.

GENERAL LEAVE

Mr. DON H. CLAUSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 14291.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from California?

There was no objection.

TAX TREATMENT OF GRANTOR OF CERTAIN OPTIONS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12224) to amend section 1234 of the Internal Revenue Code of 1954—relating to options to buy and sell—to provide that gain or loss on closing transactions shall be treated as capital gain or loss, as amended.

The Clerk read as follows:

H.R. 12224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1234 of the Internal Revenue Code of 1954 (relating to options to buy or sell) is amended to read as follows:

"Sec. 1234. Options To Buy or Sell.

"(a) Treatment of Gain or Loss in the Case of the Purchaser.—

"(1) General rule.—Gain or loss attributable to the sale or exchange of, or loss attributable to failure to exercise, an option to buy or sell property shall be considered gain or loss from the sale or exchange of property which has the same character as the property to which the option relates nas in the hands of the taxpayer (or would have in the hands of the taxpayer if acquired by him).

"(2) Special rule for loss attributable to failure to exercise option.—For purposes of paragraph (1), if loss is attributable to failure to exercise an option, the option shall be deemed to have been sold or exchanged on the day it expired.

"(3) Nonapplication of subsection.—This subsection shall not apply to—

"(A) an option which constitutes property described in paragraph (1) of section 1221;

"(B) in the case of gain attributable to the sale or exchange of an option, any income derived in connection with such option which, without regard to this subsection, is treated as other than gain from the sale or exchange of a capital asset; and

"(C) a loss attributable to failure to exercise an option described in section 1233(c).

"(b) Treatment of Grantor of Option in the Case of Stock, Securities, or Commodities.—

"(1) General rule.—In the case of the grantor of the option, gain or loss from any closing transaction with respect to, and gain on lapse of, an option in property shall be treated as a gain or loss from the sale or exchange of a capital asset held not more than 6 months.

"(2) Definitions.—For purposes of this subsection—

"(A) Closing transaction.—The term 'closing transaction' means any termination of the taxpayer's obligation under an option in property other than through the exercise or lapse of the option.

"(B) Property.—The term 'property' means stocks and securities (including stocks and securities dealt with on a 'when issued' basis), commodities, and commodity futures.

"(3) Nonapplication of subsection.—This subsection shall not apply to any option granted in the ordinary course of the taxpayer's trade or business of granting options."

(b) Effective Date.—The amendment made by subsection (a) shall apply to options granted by the taxpayer after June 30, 1976.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. Ullman) will be recognized for 20 minutes, and the gentleman from New York (Mr. Conable) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon (Mr. Ullman).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 12224, deals with the tax treatment of closing transactions in options and with the treatment of income from the lapse of an option.

The Internal Revenue Service has ruled that where the writer of an option enters into a closing transaction—where he terminates his obligation under that option by reacquiring it, or by making a payment to an options exchange equivalent to the value of an offsetting option—he realizes ordinary income or loss based upon the difference between the amount of the premium which he received for the option he wrote, and the premium he paid for the option which he purchased. The Service has also ruled that income from the lapse of an option is to be treated as ordinary income.

Since the decision of whether or not to enter a closing transaction is usually within the discretion of the taxpayer, the revenue ruling has resulted in an opportunity for some taxpayers to plan tax strategies under which they realize ordinary loss on one part of a transaction, while realizing long or short-term capital gain on another related transaction involving the same stock or securities.

For example, assume that a taxpayer in the 50-percent tax bracket purchases 100 shares of IBM for $200 a share; he also writes a call on the stock at a striking price of $200 per share, for a premium of $2,500. If the value of the stock rises to $250 per share, and the taxpayer has held his stock for more than 6 months, he may sell the stock, realizing a long-term capital gain of $5,000 on which he owes $1,250 tax. He also enters a closing transaction with respect to his call by purchasing a call on IBM at a striking price of $200 per share; he would pay a premium of about $5,000 under these circumstances, and the resulting loss of $2,500—determined by subtracting the premium the taxpayer received for the call he wrote from the premium he paid for the call he purchased—would be ordinary loss which could be offset against ordinary income for a tax savings of $1,250. The net result is that the taxpayer pays no tax on transactions producing a net economic income of $2,500.

This bill would, in effect, reverse the ruling with respect to closing transactions by providing that gain or loss from a closing transaction is to be treated as short-term capital gain or loss.

Under the committee bill, the $2,500 loss on the closing transaction described in my example would be treated as a short-term capital loss which would have to be netted against the taxpayer's capital gains. Thus, if the transactions described above were the taxpayer's only capital transactions for the year, the $2,500 short-term capital loss would be subtracted from the $5,000 long-term capital gain, leaving a net long-term capital gain of $2,500. A taxpayer in the 50-percent bracket would pay a tax of $625 on this amount.

The committee bill also provides that income from the lapse of an option is to be treated as short-term capital gain, rather than ordinary income, as under present law. This can prevent hardship where a taxpayer has substantial capital losses which he cannot deduct, under present law, against premium income which he received from the lapse of options. However, these rules will not apply in the case of a broker-dealer in options to the extent he writes options in the ordinary course of his trade or business. Gain or loss for the broker-dealer would continue to be treated as ordinary income or loss.

The bill also provides that in the case of a regulated investment company, income from the lapse of an option, or from a closing transaction, is to be treated as income from the sale of stock or securities. This type of income will, therefore, be treated as qualifying income for purposes of the income source test that regulated investment companies are required to meet. Also, because the bill treats option lapse income as capital gains, this option lapse income will not be taxable as "unrelated business income" in the case of most exempt organizations.

In addition, since income from the lapse of an option or from a closing transaction is to be treated as capital gain, then under the usual rules which apply for purposes of the 30-percent withholding tax imposed on foreign investors, transactions in options by foreign investors generally will not be subject to withholding.

Under the committee bill, these rules are to apply in the case of options written after June 30, 1976.

Mr. Speaker, this bill eliminates some unintended and inappropriate effects of our tax laws and provides significant reform in this area. I urge that the bill be adopted.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 12224, which would amend the Internal Revenue Code of 1954, as it relates to options to buy and sell, to provide for capital gain or loss treatment of a gain or loss on certain closing transactions.

Under present law, where an option writer enters into a closing transaction, he may realize ordinary income or loss. In addition, income from the lapse of an option is treated as ordinary income. However, upon certain exercised options, a writer can achieve capital gains treatment. This difference between ordinary income and capital gains treatment gives rise to a number of tax manipulation opportunities which the committee believes to be inappropriate.

The bill would reverse the present private ruling of the Internal Revenue Service with regard to closing transactions and would provide that gain or loss stemming from closing transactions would be treated as short-term capital gain or loss. Also, H.R. 12224 would provide that income on lapse of an option would be treated as short-term capital gain. This change would eliminate the potential under present law to convert ordinary income into capital gains in certain situations, as described in the committee report.

In addition, by providing that income from a lapsed option would be treated as short-term capital gain, the potential substantial hardship under present law in the case of a taxpayer who had substantial capital losses from transactions in stock underlying covered options and who is now unable to offset the ordinary income on his option transactions against the capital losses on the underlying stock would be eliminated. By treating the income from the lapsed option as a short-term capital gain, the taxpayer would be able to offset his losses on the underlying stock against the short-term capital gains on the lapsed option.

H.R. 12224 also would effect certain other changes in the law. First, the rules described above would not apply in the case of a broker-dealer in options to the extent that he trades in the ordinary course of his business. In that situation, a broker-dealer's gains and losses from writing options would continue to be treated as ordinary gain or loss, with the determination as to whether or not transactions took place in the ordinary course of business or as an investment to be made as under present law with regard to securities. Second, this bill would provide that with regard to regulated investment companies, income from lapsed options or closing transactions would be treated, within the meaning of section 851(B)(2) of the Internal Revenue Code of 1954, as amended, as income from the sale of stock or securities, thereby enabling this type of income to be treated as qualifying income of a regulated investment company.

Third, H.R. 12224 would make clear that with regard to foreign option writers, since income from either the lapse of an option or a closing transaction will be treated as capital gain, under the applicable rules for purposes of the withholding tax of 30 percent imposed on foreign investors, any transactions in options by those investors will not generally be subject to withholding.

The amendments made by H.R. 12224 would apply to options written after June 30, 1976. I urge its enactment.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Speaker, I am opposed to bring this bill before the House under suspension of the rules on two grounds. In the first case, we should have a technical amendment regarding the effective date of this legislation. I realize that the chairman of the Ways and Means Committee has acknowledged this error and will attempt to see that it is corrected by the Senate. However, I feel that this attitude is symptomatic of the way Congress is attending to its business. It reflects an attitude of "let the other guy do it." We have lost our sense of priorities; we are not addressing the pressing issues. We are not even correcting our own mistakes. On this basis I feel that I must oppose bringing this bill before the House under suspension since I cannot introduce an amendment to correct the effective date and the committee refuses to accept this responsibility.

My other objection to this legislation stems from the fact that there is legislation in the bill that was included almost as a rider to the original intent of the committee. It affects the treatment of income received by registered investment companies, or mutual funds as they are commonly known, from the writing of options. Under existing law a registered investment company must derive 90 percent of its income from what the Internal Revenue Service terms "qualified" sources. This definition excludes the premium received from selling options from qualified income. This is a very important distinction because a mutual fund having more than 10 percent of unqualified income would then be taxed at normal corporate rates.

My concern is not so much with the tax treatment of mutual funds as it is with the change that this would make by allowing mutual funds that so desired to enter the option market in much more aggressive fashion than they have in recent years under the qualified/nonqualified provisions of the tax code. Securities laws such as the Investment Company Act of 1940 were intended to restrict in part excessive speculative activity by institutions investing on behalf of individuals. The option market is a very sophisticated market. I do not pretend to understand its intricacies and I doubt that there are very many sitting in this Chamber who would claim such knowledge. However, we do recognize that there are potential pitfalls which exist for many investors and we must take steps to see that our markets are orderly markets. In recent years we have seen what can happen when institutional influences become too great in particular investments. In the late sixties there was a "hot new issue market." This did not benefit the companies issuing the stocks: it benefited that small group of investors who drove the prices to artificial levels. In fact that activity and the subsequent bust in that market contributed to the total evaporation of investors interest in new capital underwritings in the next several years.

This was followed by the "go-go" growth stock craze and the activities of the "gunslingers." These days of speculative excesses with stocks at ridiculous prices were followed by periods of concentrated selling by institutions that caused prices to plummet and seriously eroded confidence in the economic stability of our country. Some would debate cause and effect relationships, but one fact is obvious: the violent moves in either direction were a result of the concentration of too much money in too few issues by too few investment advisers. The leverage factor that contributes to the popularity of options could increase the severity of these market fluctuations if special attention is not given to this area.

One of the reasons that the Securities and Exchange Commission has insisted on such a cautious approach to the establishment of an options market in the past few years is the lack of understanding of the impact that this market can have on the traditional securities markets. To my knowledge there are important questions still to be answered about the impact that institutional investors actively trading in one side of an issue might have in that stock's price. Mostly the committee talks about situations involving options with underlying stock, but what about options without underlying stock, so-called naked options? What will be the impact when these additional institutional forces enter the market to buy stock—or sell stock—to cover options? What happens when institutions decide to exercise options for thousands and tens of thousands of shares?

I am not implying that these are questions that do not already exist in the securities markets because some institutions are already active in the options market. However, they are not trading for the smaller investor as a shareholder of mutual funds as much as they are trading for pension funds or other private investment groups. My objection, therefore, is not based on the merits of closing some of the so-called loopholes that exist in option transactions. It rests on the inclusion of language that brings a new, powerful force into this market at a time when the industry and the SEC are trying to understand the implications of their previous actions. Until this impact is fully appreciated, I feel that such legislation for such entry should be coordinated with attempts to monitor or regulate institutional activity in options by the SEC to see that the small investor, the individual investor, is protected rather than subject him to potential abuse, whether by design or by accident.

In closing, Mr. Speaker, I would like to request that the Ways and Means Committee take every effort to see that the effective date be changed. It would be chaotic if through additional oversight this error were not corrected. To make retroactive a change in tax law relating to investments which have a relatively short life can have incalculable advantages for some investors who happen to guess correctly while penalizing others for no logical reason. Rather than make the effective date ex post facto, Congress should make it the beginning of the next tax year to lessen the confusion when filing tax returns and to give investors an opportunity to study the change so they may have a better understanding of its ramifications.

Mr. CONABLE. Mr. Speaker, I have no further requests for time.

Mr. ULLMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. MIKVA), a member of the committee and the sponsor of the legislation.

Mr. MIKVA. Mr. Speaker, I rise in support of H.R. 12224, a bill which closes an unintended and potentially large tax loophole that allows a writer of a call option to avoid the tax due on the sale of stock.

Under current law, the writer of an option is able to shelter the capital gains tax due on the sale of stock by generating offsetting ordinary loss through the repurchase of the option. The transaction works as follows. A taxpayer who owns 100 shares of stock worth $200 per share writes a call on that stock, promising to sell it to the holder of the call for $200 per share for a given period. The taxpayer receives a $2,500 premium for the call. When the value of the stock increases to $250 per share, the taxpayer repurchases the call for $5,000, a price which reflects the increased value of the stock underlying the call. This transaction results in a $2,500 loss for the taxpayer, since he paid $5,000 for a call he sold for $2,500. Under current law, this $2,500 is treated as an ordinary loss, deductible against ordinary income. If the taxpayer is in the 50 percent tax bracket, the $2,500 loss results in a $1,250 tax savings.

At the same time the taxpayer repurchases the option, he sells the underlying stock at a gain of $5,000. The tax due on this $5,000 long term capital gain, $1,250, is offset by the $1,250 tax savings resulting from the repurchase of the call. The net effect is that the taxpayer pays no tax on a series of transactions in which he realizes a $2,500 economic gain.

H.R. 12224 would remedy this situation. Under the provisions of the bill, the loss from the repurchase of the option would be treated as short term capital loss, which must be used to offset capital gain before it is available to offset ordinary income. As a result, the $2,500 loss incurred on the repurchase of the option must be deducted from the $5,000 gain realized on the sale of the stock, leaving a $2,500 gain on which taxes are due. The tax consequences match the economic consequences of the transaction.

At present this tax loophole is small in size since it is useful only if the taxpayer knows the stock will increase in price. But with the arrival of "put" options, which are planned for later this year, the loophole becomes "Mack truck sized." By matching puts and calls, sophisticated taxpayers will be able to reap huge tax savings with little if any risk.

Mr. Speaker, this bill was supported by all witnesses who appeared before the Ways and Means Committee, including representatives from the Chicago Board of Options Exchange and the American Stock Exchange. It has the strong support of the Treasury Department. I urge my colleagues to support it.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 12224, as amended.

The question was taken.

Mr. McKINNEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 12224, the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

CONGRESSIONAL TAX LIABILITY

Mr. FLOWERS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2447) to amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected.

The Clerk read as follows:

S. 2447

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 4 of title 4 of the United States Code is amended by adding at the end thereof the following new section:

"§ 113. Residence of Members of Congress for State income tax laws

"(a) State, or political subdivision thereof, in which a Member of Congress maintains a place of abode for purposes of attending sessions of Congress may, for purposes of any income tax (as defined in section 110(c) of this title) levied by such State or political subdivision thereof—

"(1) treat such Member as a resident or domiciliary of such State or political subdivision thereof; or

"(2) treat any compensation paid by the United States to such Member as income for services performed within, or from sources within, such State or political subdivision thereof,

unless such Member represents such State or a district in such State.

"(b) For purposes of subsection (a)—

"(1) the term 'Member of Congress' includes the delegates from the District of Columbia, Guam, and the Virgin Islands, and the Resident Commissioner from Puerto Rico; and

"(2) the term 'State' includes the District of Columbia.".

(b) The table of sections for such chapter 4 is amended by adding at the end thereof the following new item:

"113. Residence of Members of Congress for State income tax laws.".

The SPEAKER pro tempore. Is a second demanded?

Mr. KINDNESS. Mr. Speaker, I demand a second.

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman from Ohio (Mr. KINDNESS) opposed to the motion?

Mr. KINDNESS. I am, Mr. Speaker.

The SPEAKER pro tempore. Does the gentleman from Ohio demand a second?

Mr. KINDNESS. Yes, Mr. Speaker. I believe the microphone was not turned up at the time.

Mr. BAUMAN. Mr. Speaker, is the gentleman from Ohio who is responding opposed to the bill?

The SPEAKER pro tempore. As the Chair understands it, the gentleman from Ohio (Mr. KINDNESS) is opposed to the bill.

Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Alabama (Mr. FLOWERS) and the gentleman from Ohio (Mr. KINDNESS) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Alabama (Mr. FLOWERS).

Mr. FLOWERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill would add a new section 113 to title IV of the United States Code concerning the incidence of State income tax laws on Members of Congress. The bill provides that such taxes may not be levied against such a Member as a "resident" or "domiciliary" of a State in which he maintains a place of abode away from his home State for the purpose of attending sessions of Congress. The effect is also under those circumstances, a Member's congressional salary will not be treated "as income for service performed within, or from sources within such State or political subdivision thereof".

Title IV is the title of the Code concerning the "Flag and Seal, Seat of Government, and the States." Chapter 4 of that title, amended by this bill, concerns the States and presently contains a number of sections concerning taxes levied by the several States.

The bill would provide for a uniform statutory standard to be applied to Members of Congress who must attend sessions of Congress and maintain a place of abode in the Washington area. While the incidence of income tax is not uniform due to differing tax laws this bill would settle the question. It is in fact consistent with the provisions presently contained in the laws of Virginia and the District of Columbia which provide an exemption to Members of Congress from State or District income taxes. D.C. Code section 47–1551c, Virginia Code, section 58–151(e)(1)(i). The D.C. Code exempts from the term "resident" any elective officer of the Government of the United States * * *".

The Maryland law contains no such exclusion and provides for an income tax on substantially all income of "residents" of Maryland as defined in its income tax law. The relevant provision is:

> A resident is defined as "an individual domiciled in this State on the last day of the taxable year, and every other individual, who, for more than six months of the taxable year, maintained a place of abode within this State, whether domiciled in this State or not; but any individual, who, on or before the last day of the taxable year, changes his place of abode to a place without this State, with the bona fide intention of continuing to abide permanently without this State, shall be taxable as a resident of this State for the portion of the taxable year in which he resided in this State, and as a non resident of the State for the remainder of the taxable year. The fact that a person who has changed his place of abode within six months from so doing again resides in this State, shall be prima facie evidence that he did not intend to have his place of abode permanently without this State. Md. Ann. Code, Art. 31, Sec. 279(1).

The enactment of this bill will provide for uniform tax treatment of Members in this situation. It is expressly provided that it will not affect the tax obligations of Members who maintain places of abode in States or districts which they represent in Congress. It insures that service in the Congress will not result in exposing a Member to State taxation on his congressional salary by a tax jurisdiction other than that of his own State.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, opposition to this measure, S. 2447, rises out of several bases, and the one that I would suggest as perhaps being most telling is the one that this bill would establish a special classification of citizens abiding in the State of Maryland.

I supported the bill in committee, looking at it from the standpoint of the inequities that apparently are attempted to be created by the State of Maryland, and I recognize them as inequities. The double taxation that would result, as well, certainly has to be characterized as inequitable. But, looking at it later from another standpoint, I realized that it is not desirable for this Congress to establish special classifications of citizens in Federal law to override a State law, mistaken though that State law may be in its approach. Certainly the State of Maryland, and particularly the close surrounding counties of Montgomery and Prince Georges, are benefited in great degree by the economic activity generated due to the presence of the Government of the United States here in the District of Columbia. Along with that come governmental problems, certainly.

Actually I spent most of my growing up years in Montgomery County and am familiar with the growth of those problems over the years from 1936 or so until after World War II and into the 1950's. Yes, there are problems created, but there is no question but what Montgomery County became one of the most affluent counties in the United States by reason of the existence of the Federal Government in this location.

Shortsightedness is what is being exercised by the State of Maryland in this respect, I think. This approach, suggested in S. 2447, strikes me as wrong in establishing a special classification or category of taxpayer. I would urge for that reason that the measure not be adopted.

Mr. FLOWERS. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Alabama.

Mr. FLOWERS. I thank the gentleman for yielding.

What approach would the gentleman recommend to resolve the inequities that we both agree do exist, where the State of Maryland is attempting to levy income taxes on Members of Congress from Ohio or Alabama or Connecticut, or wherever?

Mr. KINDNESS. The gentleman poses a reasonable question to which there is but one answer and that is to abandon the State of Maryland as a place of abiding while serving in the Congress.

Mr. FLOWERS. Some have suggested that we give them back their portion of the District of Columbia. That might encourage them to be more reasonable. I thank the gentleman.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

I would suggest to my good friend, the gentleman from Alabama, that one of the ways to solve this problem would be to back my commuter tax for the District of Columbia, whereby all of us would be treated on an equal basis.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

I would suggest another answer is that the committee report out H.R. 1043. The working in H.R. 1043 was passed twice by the House of Representatives, in previous Congresses. That would apply nationwide a rule which protects all citizens from double taxation, not just Members of Congress. This same kind of situation exists with regard to the wives, for example, of military personnel, with regard to trucking firm executives who happen to have a place of abode in more than one State, with regard to airline pilots, with regard to truckers. If the rule were applied on a nationwide basis to all States, it would pretty much be a washout for revenues in most States. Most States in practice use this rule anyway, and if it were applied uniformly, I would have no objection. But I do object to making a special category for Members of Congress when, in fact, double taxation applies to tens of thousands of people in this country. It even applies to people who happen to move from one State to another State to live there, and they end up finding themselves subject to State income tax on full income in both States because they meet the requirements of residence for tax purposes in both States.

So my objection is the committee is not bringing the bill on the floor under a procedure that permits an amendment to cover all individuals rather than just Members of Congress.

Mr. KINDNESS. The gentelman makes a good point.

Mr. Speaker, I reserve the remainder of my time.

Mr. FLOWERS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. I thank the distinguished chairman of the subcommittee for yielding me time.

Mr. Speaker, I rise in strong opposition to the enactment of S. 2447 which would prohibit any State from imposing an income tax on a Member of Congress other than the State which he or she was elected to represent in the Congress. What this legislation would do in effect is establish a special class of people who live in Maryland, Virginia, or the District of Columbia who use the services of those jurisdictions but would not contribute through the income tax to payment for those services.

Virginia and the District of Columbia—the District, of course, through Federal legislation applied to it by the Congress—do not impose an income tax on Members of Congress. There is, however, a difference between an exemption resulting under the applicable legal procedures of State jurisdictions, and one imposed from above by the Congress. The State of Maryland has chosen not to exempt Members of Congress from State and local income taxes and, therefore, enactment of this legislation would have the Congress creating a special class of people residing in that State but not paying income tax to support the services they receive.

The State of Maryland appreciates that many Members of the Congress have chosen to live there. I think it is, in part, a recognition of the excellent services that are available, including superb educational opportunities, and exemplary police and fire services, recreational facilities, and municipal functions such as water, street lighting, sewer and garbage collection. But all such services cost money. In this regard it is important to recognize that Maryland and its subdivisions in the development of their tax structure have made a deliberate effort to move away from the regressive property tax which every expert has urged be deemphasized and have moved toward a graduated income tax for the revenues to support their services.

These income taxes provide revenues not only for the services provided by the State such as State police, roads, and educational aid, but also through the so-called local piggyback income tax generate a substantial part of the revenue of county and city governments for the many services that are provided for those residing in Maryland, including Members of Congress. So the income tax structure reflects a conscious effort on the part of the State and its subdivisions to provide a more equitable tax structure.

It has been argued that there is a problem of double taxation. With regard to that issue, I point out that the State of Maryland has developed reciprocity agreements with many of the other States which impose income taxes so that a credit is provided on Maryland income tax obligations for the income tax that is paid in other States. The way to meet the problem where such reciprocity is not now available is to work to complete reciprocity agreements—not to create a special class of residents through the passage of special legislation which negates State laws seeking to provide revenue to pay for services.

I believe it is only fair for Members of Congress to pay exactly as other residents do for the public services they receive. To do otherwise is to establish an inequity which justifiably brings severe criticism from the ordinary taxpayer.

Furthermore I note that the legislation before us is on suspension of the rules which precludes the offering of an amendment of the sort which the gentleman from Iowa discussed, that is, an effort to enact general legislation applicable nationwide to all Americans to meet the problem of State and locally imposed income taxes rather than this special piece of legislation. It also precludes an amendment such as one I offered in committee to compensate jurisdictions for the loss of revenues which will result from the imposition upon them by the Federal Government of this exemption.

I believe enactment of this legislation clearly favoring a special class sets a very bad example for the rest of our citizenry and I urge my colleagues to recognize that unfairness and inequity and to oppose this legislation.

Mr. FLOWERS. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, I am opposed to S. 2447 which would prohibit any State from imposing an income tax on a Member of Congress other than the State which he or she was elected to represent in the Congress. I am disturbed about this bill because what we have is the Congress deciding what is essentially a State matter. What the Congress would be doing in effect would be establishing a special class of people who live in neighboring Washington jurisdictions, who use their services, but do not contribute to the payment of these services.

I believe that it is a matter of States rights—in this case the rights of Virginia, Maryland, and the District of Columbia—to decide how Members of Congress should be treated for State income tax purposes. Obviously, Members of Congress should not have to pay taxes in two places, their home State and their Washington-area residence. But the solution lies in a mutual reciprocal agreement worked out among the States—not a congressionally imposed exemption.

Virginia and the District of Columbia have decided that for State income tax purposes Members are not residents of their States. Maryland has reciprocity arrangements with many other States so that a Member of Congress receives a credit on his Maryland income tax obligation for the income tax paid in other States. There are some States that have not established reciprocity with Maryland; I believe they should do this. I believe that the individual States should decide how to handle this problem—not the Congress. Congress should not be deciding for the States whom they should tax and how.

Therefore, I will vote against this bill. Members of Congress should pay their fair share of taxes like everyone else and the individual States should determine their own State income tax policies.

Mr. KINDNESS. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I rise in support of the bill, S. 2447. It is unfortunate that this piece of legislation has become necessary because of the overriding on the part of the State of Maryland to impose a double taxation on certain Members of the Congress who reside in their jurisdiction a portion of the year when the Members are absent from their home districts.

The aim of this measure is to prevent that double taxation of Members of Congress who happen to live while here in Washington within the State of Maryland. The bill provides that a State income tax may not be imposed on Members of Congress "unless such Member represents such State or a district in such State."

At present both the District of Columbia and the State of Virginia expressly exempt Members of Congress under their income tax structures. However, the State of Maryland does not have a comparable exclusion. Maryland defines a "resident" for State income tax purposes as an "individual who, for more than 6 months of the taxable year, maintained a place of abode within Maryland, whether domiciled in Maryland or not."

Most of the States in the Union make a differentiation as to where one's domicile actually is, and if that were the law of Maryland there would certainly be no problem because the Constitution of the United States requires that each Member of Congress be domiciled and have his official residence in the State that he represents.

Once he fails to be an inhabitant of his home State, he gives up his right to reelection.

I think it is the responsibility of each one of us to pay income taxes in those States that have elected us to Congress. The State of California, which I represent, has one of the highest income tax rates in the Union, the highest rating being in the 11-percent category on incomes such as we receive here in Congress. If a person had to pay both a California income tax and a Maryland income tax on top of the Federal tax, even though we can take the two State tax bills that we receive off our gross income before we determine our total Federal tax bill, the total percentages that are paid out are very, very unfair.

The job that we have elected to requires that we be in this portion of the country where the National Capital has been located, at least for the portion of time that Congress is in session. If our National Government had selected another part of the country for the National Capital, we would have to be there also to perform our duties; but we have not changed our residence in being here performing our functions for the people of our States. We have to go back to our States frequently, usually several times a month, if we are to adequately represent them. That is home, not here.

Even though this bill passes, we will have to pay any property taxes that become due on properties that we have in the State of Maryland or any other State in the eastern part of the United States. I do not happen to live in Maryland, so this bill does not affect me in any way, shape, or form; but this is a problem that has been presented to our committee. It is one that I feel is important in terms that the Constitution of the United States is to be carried out. If the fact that a Member of Congress by his physical location in that place he has to be to carry out his constitutional duties for the people of his home State throughout the Union is to be taxed for income tax purposes here, because he is here to carry out that duty, then I believe his constitutional rights have been violated under the 14th amendment.

I think this is a solution which we are reaching for in trying to solve a very unfortunate problem caused by the greediness of the State of Maryland.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I would not disagree with anything the gentleman has said, except one thing. The courts have already ruled that it is not a violation of the 14th amendment; however, why should not the wife of a soldier, for example, have the same kind of treatment this bill provides for Members of Congress? Why should not a businessman who has business in more than one State have the same kind of protection against double taxation that is provided in this bill? Why just single out Members of Congress? It seems to me it is a general problem, not just a problem affecting Members of Congress.

Mr. MOORHEAD of California. I would say this. I think that any soldier put on a base, anyone put on orders who is carrying out his military orders, who actually by law is required to reside in his home State, should receive that benefit and does under the Soldiers and Sailors Civil Relief Act.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. KINDNESS. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield further?

Mr. MOORHEAD of California. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. But the point is that his wife goes where he lives and works there but her domicile is where his domicile is and that domicilary State can require her to pay taxes there and she also must pay in the State where she was working. She is subjected to double taxation.

Mr. MOORHEAD of California. I do not think anyone should be taxed double.

Mr. Speaker, I certainly support the bill.

Mr. FLOWERS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the gentleman from Iowa raised a question about the wife of a soldier. This legislation relates only to Members of Congress. We are not doing anything about the wives of Members of Congress or military personnel.

Mr. SMITH of Iowa. But it is not only Members of Congress who are subjected to double taxation, but also wives of servicemen, truckdrivers, people who change domicile, executives and airline pilots who have this same problem. Why do we not have a general bill, instead of picking out Members of Congress and protecting them this way? Others deserve the same protection against double taxation.

Mr. FLOWERS. I would not quarrel with congressional discussion of the other tax situations delt with in the general bill. I say to the gentleman. I think that the approach in that bill would be a valid and a practical one.

Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I do not intend to engage in a lengthy discussion on the lack of merit in the measure before the House, but I do register my strong opposition to this proposal which would exempt Members of Congress from paying taxes to States other than their own home States. Clearly, the burden would fall on the other citizens residing in the State of Maryland. It is my firm conviction that no group should be set apart to be treated as a select and privileged class receiving special attention. To insist that all residents equally shoulder the burden of the costs of government services is a fair and reasonable request.

Those living in the State of Maryland enjoy an outstanding public school system. The local jurisdictions touching the District of Columbia provide excellent services, such as superior police and fire protection, recreational facilities, road maintenance, and health facilities. In today's economy, our local governments are feeling the effects of inflation and reduced revenues. They rely very heavily on the income tax rather than regressive taxes. They are paring their budgets to accommodate the rising costs of providing these fine services. Each resident is asked to share in support of those costs, and Members of Congress residing in our Maryland jurisdictions should be no exception.

There are many who have argued that the passage of this legislation would prevent double taxation. This is clearly not the case. The fact of the matter is that the State of Maryland has reciprocity arrangements with many other States. Additionally, any citizen who is legally domiciled in his home State can deduct those taxes from the amount for which he is liable in his State of residence. Thus, he is required to pay only the difference to his State of temporary residence. The difference between those taxes paid at home and those due the State of Maryland is necessary in order to help defer the costs of operating the government.

There are other proposals and alternatives which can be pursued which would better serve the Members in residence as well as the State of Maryland. I urge my fellow Members to reject this unfair measure, and follow its collective good conscience in finding other equitable solutions. Today, the American people have demonstrated their lack of faith in their Government. This is certainly not the time to further erode their flagging confidence in their elected officials.

Mr. KINDNESS. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, for some years the State of Maryland was known as the Free State because of the great latitude of freedom allowed to its citizens. If this bill passes, it will have a different meaning because the "Free State" will be the State in which roughly 25 Members of the other body and 100 Members of this body find themselves. While they live in Maryland they will free themselves from paying taxes.

We have come a long way from the horse and buggy days when Congress used to trundle to Washington for the March 4 session every year, to meet for 30 days and then go back by horseback to our places of domicile. Today, we find ourselves ensconced here, probably to the detriment of the Nation, most of the year. With Congress meeting almost all year, you and your families and your households, particularly those who come from long distances, do live in the State of Maryland, the State of Virginia, or the District of Columbia, and require local governments to provide education for your children, roads for your cars, and various other services that do not have to be provided for in your home States.

We welcome you to Maryland, but I personally feel that those who do spend much of the year in our State should consider the fact that if this bill passes the other 4 million people who live in Maryland will have to absorb all of the taxes Congressmen should have paid. It is fine for the State of Virginia to offer Congressmen tax-free status, but they have done that voluntarily.

The District of Columbia did not voluntarily accord Congressmen a tax-free status. The Congress imposed it upon them. Congress passed it, so that they could exempt themselves from the District of Columbia tax. I assume if you accept this bill now before us, Congress can pass a bill exempting all Members from any State tax because it might interfere with Members of Congress and detract from your financial standards. Along with foreign junkets, new allowances, the slush funds we authorized just before we adjourned, this additional congressional goody grab ought to be turned down.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. KINDNESS. Mr. Speaker, I yield 1 additional minute to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I would make one other suggestion. There is a rule of the House that says Members ought not to vote on legislation in which they have a direct personal interest or from which they personally benefit. There are approximately 100 Members of this body who will personally benefit if this legislation passes. I would not like to stand in their shoes, but I do suggest that the rules of the House provide for abstention.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Will the gentleman apply that rule to any Members from Maryland who are seeking reelection?

Mr. BAUMAN. I would judge that to abstain would in itself be a conflict of interest on the part of a Member from Maryland. We have a sworn duty to fight for the rights of the people we represent.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, I do not disagree with the gentleman very often, but having formerly lived in Maryland, I think a Member of Congress is different in many respects. First of all, we do not earn our Federal pay in Maryland. We earn our salaries in the District of Columbia. In no way are we residents of Maryland for tax purposes.

I would like to tell of a personal experience I had a few years ago. A Member of Congress is subject to great demagoguery. I know I was charged in one political campaign with not caring for the State of Ohio any more. As a matter of fact, my opponent said, "That man is a resident of Maryland. He is a legal resident of Maryland because he pays taxes there. He is a bona fide resident of the State of Maryland." That comes fairly close to the truth, as far as the obligation of paying taxes is concerned. He was saying, in effect, "He is not in Ohio any more. Like many of those people, they go down there and live there and pay taxes. He is in effect a Marylander, not an Ohioan."

Let us be honest about it. Every Member of this body is the subject of great demagoguery. We clearly are residents of the States from which we come. Our own State is our tax base. If I earned any money in Maryland, I would not have any objection to paying taxes there. But I did not earn my money in Maryland, and I was not a resident of Maryland nor did I intend to live in Maryland to avoid taxes anywhere else.

Mr. BAUMAN. I understand the problem of the gentleman from Ohio. Of course the charge made against him was erroneous. If the gentleman were a resident of our State, it would enhance the statesmanlike quality of our State a great deal. I only regret that the gentleman from Ohio is not a Marylander. He would be most welcome.

Mr. FLOWERS. Mr. Speaker, I yield myself 1 minute.

When the gentleman from Maryland says that the 100, or so, who live in Maryland temporarily while Congress is in session, might think twice about voting on this legislation, the Members from Maryland might also consider the same thing. Because if their State is deprived of this tax revenue that they are now entitled to get, maybe the taxes of the real inhabitants of Maryland might be reduced and they would thereby profit.

Mr. WHALEN. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Ohio.

Mr. WHALEN. I think the gentleman for yielding.

One of the puzzling things in this conversation is that Maryland assumes that they will be paid first and the State of citizenship second. Is that assumption correct?

Mr. FLOWERS. I think the fact of the matter is that Maryland does make that assumption. I think the gentleman and I both feel they are wrong.

Mrs. SPELLMAN. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. Mr. Speaker, I would like to take the gentleman up on his offer. If the 100 Members who are living in Maryland refrain from voting, those of us who represent the State of Maryland might also refrain.

Mr. FLOWERS. The gentleman would love to have the gentlewoman from Maryland take him up on his offer, but he is not in a position to perform. He cannot guarantee even one abstention. I do not live in Maryland.

Mrs. SPELLMAN. I think the 100-to-8 odds are very favorable.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, this is the year of political promises. Is the gentlewoman from Maryland (Mrs. SPELLMAN) absolutely sure she can deliver on that promise? Has the gentlewoman talked to all the Representatives in Maryland?

Mrs. SPELLMAN. Mr. Speaker, if the gentleman from Alabama will yield, the gentlewoman is absolutely sure she can deliver 8 Maryland Members, if the other 100 who reside in our State will go along.

Mr. BAUMAN. Mr. Speaker, if the gentleman from Alabama will yield, I can assure you that she cannot be absolutely sure of that.

Mrs. SPELLMAN. Mr. Speaker, maybe one of my Maryland colleagues cannot figure and does not recognize the value of the 100-to-8 odds. We will attempt to educate him by the time the vote is called.

Mr. FLOWERS. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I just want to correct one impression that was left in this colloquy. The suggestion was made that if this bill is not passed, there may be some reduction in the tax liabilities of Members of the House from Maryland or my States' citizens. I want to point out that under the current administration in Annapolis, there is absolutely no chance our taxes in Maryland will ever be reduced. I think I can guarantee the gentleman that.

Mr. FLOWERS. Mr. Speaker, I thank the gentleman for his guarantee.

Mr. KINDNESS. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. Mr. Speaker, at a time when the Nation is rightly concerned about the reports of congressional and executive abuses and when the status of our political institutions is at a low point, I am frankly amazed that we are even considering an extension of congressional privilege such as is embodied in S. 2447. This bill would effectively prevent the States of Maryland and Virginia and the District of Columbia should they change their mind, from taxing the income of Members of Congress who reside in these States for a large portion of every year.

I see no reason why Members of Congress who derive their income from the District of Columbia or who partake of the municipal, county, and State services of Maryland and Virginia should be treated any differently from any other citizen or Government official working in the Washington area. It is argued that it is unfair to tax Members who are required to be in Washington to discharge their duties in Congress. But it is no more unfair to tax Congressman who work part time in this area then it would be to tax the lawyer, accountant, businessperson, student, or Government worker who earn part or all of their salary here in the District or reside part time in the area. What is the difference between the Congressman who is in Washington to work 4 or 5 days out of a week and a lawyer from New York who is assigned a client in Washington during the same amount of time. I suggest that after this bill the only difference will be the Congressman's ability to exempt himself from the laws by which everyone else must abide.

Were we to reject this legislation, we would be doing little harm to our pocketbooks. Only Maryland now has the temerity to tax Congressmen; Virginia and the District do not as yet. Most of the Members of this body would receive a credit against their home State income taxes were they to pay taxes to one of the Washington area jurisdictions. Forty-two States have income taxes and provisions for such tax credits. I strongly suggest Washington tax Congressmen and I have no tax structure to write it off against. Members could also allocate their income between their home district and Washington if they so chose on a time spent in the jurisdiction basis. There are too many bright lawyers in this room not to know enough to take advantage of these provisions.

I think this bill must be defeated on equity grounds alone. International and most State tax law policy calls for the taxation of income at its geographic source and credit in the State of residence. I can think of no source of income more firmly rooted in the Washington, D.C. area than the U.S. Congress. Members residing in the Washington area take advantage of the same roads, schools, fire and police protection, garbage collection, parks, and recreational services as do any other citizens residing in this area. Why should we not pay our fair share to the District, Maryland, or Virginia to help maintain these services?

But the real question here is not equity but the continuation of a trend of privilege for the few which the American people have resoundingly voted against during this campaign year. I urge you to end this trend right now and reject this legislation.

Mr. KINDNESS. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. Mr. Speaker, I would like to add my voice to those of my colleagues from Maryland in opposing this legislation. As our distinguished colleague on the Judiciary Committee pointed out in his dissenting views this legislation will create a special class of individuals who live in Maryland and enjoy the numerous services that State provides, but who do not contribute a full share to maintain those services. Congress should always move very carefully when it seeks to set aside its Members as a special class, particularly now, when congressional motives are suspect and in the public eye.

That so many Members of Congress have chosen to live in Maryland demonstrates to me the great wisdom that resides in this body. We Marylanders are flattered by their choice. We point with pride to the high-quality educational opportunities available through our public schools and libraries, the recreation facilities of every type, the highly responsive police, fire, and emergency services, and the health and environmental maintenance programs. In addition, Members who live in Maryland benefit from the general municipal and State services such as road maintenance.

However, someone must pay for these services, and here the income tax, at both the State and county level, is a most important factor. My own district relies on the county income tax to provide over 21 percent of its annual budget. State contributions, from a State treasury heavily dependent on the income tax, provide additional funds. Thus, even a comparatively high property tax can pay only for a portion of those services which Members who live in Maryland enjoy; I believe it is inequitable to ask the citizens of Maryland to make up the difference.

Therefore, Mr. Speaker, I ask this House to reject this legislation.

Mr. FLOWERS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, we have had the image of Congress injected into this matter, and we find that also we are special privileging it once more.

I would suggest to my friends from the 49 other States involved here that if they vote against this legislation and go back home and visit their friendly State revenue collector, they might have some explaining to do.

Mr. Speaker, this is not special-privilege legislation. This is just merely setting the record straight and instructing the State of Maryland that they ought to behave themselves and not try to double-tax Members of Congress.

There is ample precedent for this exemption. Under the Soldiers and Sailors Relief Act, military personnel are exempted from paying income taxes if they temporarily reside in Maryland but are domiciled in another State.

Mr. Speaker, this bill would put Members of Congress in the same category. Our income is derived from the people of the United States. It is not derived from the District of Columbia.

Certainly it is not derived from the people of Maryland or Virginia either. It is derived from the Treasury of the United States into which the inhabitants of my State and of all the other States pay taxes.

I am advised, Mr. Speaker, that the State of Maryland, in addition to rather high—some call it exorbitant—property taxes, which in recent years have doubled, more or less, many, many inhabitants there who are property owners are required to pay taxes for garbage collection, in addition to their very high property taxes. They pay additional taxes or levies for sewerage and water. They pay very high gasoline and sales taxes, which are additional, too.

Mr. Speaker, these are the taxes which are designed to fund the operation of the special services that we have heard so much about here which are supplied by the State to the inhabitants of Maryland.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to state that I am in the process of buying a home in Maryland. Maryland has the highest real estate transfer taxes in the whole country.

I do not know, Mr. Speaker; I may move to Virginia now.

If one studies this thing, he finds out that Maryland is so adamant in their position on it.

I am surprised that the Members from Maryland, who are members of that congressional delegation, would stand up and oppose this bill. This is a bill that they should be supporting, not opposing.

Mr. Speaker, it is very difficult for me to understand the position of my colleagues from Maryland.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. FLOWERS) that the House suspend the rules and pass the Senate bill S. 2447.

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 14311, de novo;
H.R. 14291, de novo;
H.R. 12224, by the yeas and nays; and
S. 2247, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

PANAMA CANAL COMPANY ACCOUNTING STANDARDS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 14311, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 14311, as amended.

The question was taken.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present .

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 271, nays 132, not voting 29, as follows:

[Roll No. 514]

YEAS—271

Abzug
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Archer
Ashbrook
Aspin
AuCoin
Badillo
Baldus
Baucus
Bauman
Beard, R.I.
Bedell
Bergland
Biaggi
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clay
Collins, Ill.
Collins, Tex.
Cornell
Crane
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fary
Fascell
Findley
Fisher
Fithian
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe

Fountain
Fraser
Fuqua
Gibbons
Gilman
Ginn
Gonzalez
Green
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Henderson
Hicks
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Ichord
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kastenmeier
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McClory
McCloskey
McCormack
McDonald
McFall
McHugh
McKay
Madden
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher

Moss
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Passman
Patterson, Calif.
Paul
Perkins
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Railsback
Randall
Rangel
Rees
Reuss
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Ariz.
Stephens
Stokes
Stratton
Stuckey
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner

Wampler
Waxman
Weaver
White
Wilson, Bob
Wilson, C. H.

Wilson, Tex.
Wirth
Wright
Wydler
Wylie
Yates

Yatron
Young, Ga.
Zablocki
Zeferetti

NAYS—132

Abdnor
Adams
Andrews, N. Dak.
Armstrong
Bafalis
Beard, Tenn.
Bell
Bennett
Bevill
Biester
Bingham
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Conte
Conyers
Corman
Coughlin
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
du Pont
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evins, Tenn.
Fenwick
Fish

Flood
Flynt
Frenzel
Frey
Gaydos
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Heckler, Mass.
Hightower
Hillis
Hutchinson
Hyde
Jacobs
Jeffords
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Leggett
Lent
Lott
Lujan
McCollister
McDade
McEwen
McKinney
Madigan
Maguire
Mahon
Mann
Martin
Milford
Miller, Ohio
Montgomery
Moore

Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Nichols
Obey
O'Brien
Pattison, N.Y.
Pettis
Poage
Pressler
Quie
Quillen
Regula
Rhodes
Risenhoover
Roberts
Robinson
Runnels
Russo
Sarasin
Schneebeli
Schulze
Sebelius
Shriver
Simon
Skubitz
Smith, Nebr.
Steiger, Wis.
Studds
Talcott
Thone
Treen
Tsongas
Walsh
Whalen
Whitehurst
Whitten
Wiggins
Winn
Wolff
Young, Fla.
Young, Tex.

NOT VOTING—29

Anderson, Ill.
Ashley
Conlan
Cotter
Derwinski
Dodd
Esch
Giaimo
Harkin
Hébert

Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.
Karth
Litton
Michel
Moffett
Murphy, Ill.

Patten, N.J.
Pepper
Riegle
Shipley
Stanton, James V.
Steelman
Symington
Vander Jagt
Young, Alaska

The Clerk announced the following pairs:

Mr. Cotter with Mr. Riegle.
Mr. Hébert with Mr. Anderson of Illinois.
Mr. Giaimo with Mr. Esch.
Mr. Dodd with Mr. Howe.
Mr. Jones of Tennessee with Mr. James V. Stanton.
Mr. Symington with Mr. Conlan.
Mr. Shipley with Mr. Michel.
Mr. Pepper with Mr. Vander Jagt.
Mr. Patten with Mr. Derwinski.
Mr. Helstoski with Mr. Heinz.
Mr. Murphy of Illinois with Mr. Young of Alaska.
Mr. Ashley with Mr. Steelman.
Mr. Litton with Mr. Karth.
Mr. Moffett with Mr. Harkin.

Messrs. SOLARZ, PAUL, BLANCHARD, and WYDLER changed their vote from "nay" to "yea."

Messrs. FLOOD, ADAMS, COHEN, CORMAN, DICKINSON, RISENHOOVER, MAGUIRE, McEWEN, NICHOLS, BEVILL, and HUTCHINSON changed their vote from "yea" to "nay."

So, two-thirds having voted in favor thereof, the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

PROVIDING FOR AN ELECTIVE GOVERNOR AND LIEUTENANT GOVERNOR OF AMERICAN SAMOA

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 14291.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill H.R. 14291.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

TAX TREATMENT OF GRANTOR OF CERTAIN OPTIONS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12224, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 12224, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 396, nays 2, answered "present" 1, not voting 33, as follows:

[Roll No. 515]

YEAS—396

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Aspin
AuCoin
Badillo
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Devine
Dickinson
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—2

Lujan
McKinney

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—33

Anderson, Ill.
Armstrong
Ashley
Bafalis
Conlan
Cotter
Derwinski
Dodd
Esch
Fascell
Giaimo
Harkin
Hébert
Heinz
Helstoski
Hinshaw
Howe
Jones, Ala.
Jones, Tenn.
Karth
Litton
Michel
Moffett
Murphy, Ill.
Pepper
Rees
Riegle
Shipley
Stanton, James V.
Steelman
Symington
Vander Jagt
Young, Alaska

The Clerk announced the following pairs:

Mr. Cotter with Mr. Anderson of Illinois.
Mr. Dodd with Mr. Esch.
Mr. Murphy of Illinois with Mr. Heinz.
Mr. Shipley with Mr. Jones of Alabama.
Mr. Symington with Mr. Bafalis.
Mr. Jones of Tennessee with Mr. Karth.
Mr. Hébert with Mr. Michel.
Mr. Giaimo with Mr. Armstrong.
Mr. Fascell with Mr. Derwinski.
Mr. Ashley with Mr. Rees.
Mr. Helstoski with Mr. James V. Stanton.
Mr. Howe with Mr. Conlan.
Mr. Moffett with Mr. Steelman.
Mr. Pepper with Mr. Vander Jagt.
Mr. Litton with Mr. Young of Alaska.
Mr. Riegle with Mr. Harkin.

Mr. BALDUS changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend section 1234 of the Internal Revenue Code of 1954 with respect to the tax treatment of the grantor of options in stock, securities, and commodities.".

A motion to reconsider was laid on the table.

CONGRESSIONAL TAX LIABILITY

The SPEAKER pro tempore (Mr. McFALL). The unfinished business is the question of suspending the rules and passing the Senate bill S. 2447.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. FLOWERS) that the House suspend the rules and pass the Senate bill S. 2447, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 310, nays 84, answered "present" 9, not voting 29, as follows:

[Roll No. 516]

YEAS—310

Abdnor
Addabbo
Alexander
Allen
Ambro
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Badillo
Bafalis
Baldus
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Carr
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay

Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conyers
Corman
Cornell
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Devine
Dickinson
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Fary
Fascell
Fenwick
Findley
Fish
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harrington
Harsha
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Hubbard
Hungate
Hutchinson
Hyde
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Krueger
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Melcher
Metcalfe
Meyner
Milford
Miller, Ohio
Mills
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Risenhoover
Roberts
Robinson
Rodino
Roe
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Udall
Van Deerlin
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—84

Abzug
Adams
Anderson, Calif.
Andrews, N.C.
AuCoin
Baucus
Bauman
Bedell
Biester
Blanchard
Blouin
Brown, Mich.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Clancy
Cleveland
Coughlin
D'Amours
Drinan
Early
Edgar
Edwards, Calif.
Evans, Ind.
Evins, Tenn.
Fisher
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Gilman
Gradison
Green
Gude
Hannaford
Harris
Hillis
Holt
Hughes
Jacobs
Jones, N.C.
Jones, Okla.
Kindness
Koch
Krebs
LaFalce
Latta
Long, Md.
McKinney
Maguire
Mazzoli
Mezvinsky
Mikva
Miller, Calif.
Mink
Mottl
Neal
Pettis
Pressler
Pritchard
Rinaldo
Rogers
Rosenthal
Russo
Sarbanes
Sharp
Shuster
Smith, Iowa
Solarz
Spellman
Stark
Studds
Traxler
Ullman
Vanik
Whalen
Wirth
Wydler
Wylie
Yates

ANSWERED "PRESENT"—9

Brown, Ohio
Burlison, Mo.
Conable
Conte
de la Garza
Hawkins
Ichord
Meeds
Mitchell, Md.

NOT VOTING—29

Anderson, Ill.
Ashley
Conlan
Cotter
Derwinski
Dodd
Esch
Giaimo
Harkin
Hébert
Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.
Karth
Litton
Michel
Moffett
Murphy, Ill.
Pepper
Riegle
Shipley
Stanton, James V.
Steelman
Stephens
Symington
Vander Jagt
Young, Alaska

The Clerk announced the following pairs:

Mr. Cotter with Mr. Karth.
Mr. Hébert with Mr. Howe.
Mr. Giaimo with Mr. Harkin.
Mr. Shipley with Mr. Esch.
Mr. Dodd with Mr. Conlan.
Mr. Ashley with Mr. Anderson of Illinois.
Mr. Helstoski with Mr. Heinz.
Mr. Jones of Tennessee with Mr. Stephens.
Mr. Murphy of Illinois with Mr. Steelman.
Mr. Litton with Mr. Derwinski.
Mr. Moffett with Mr. Vander Jagt.
Mr. Pepper with Mr. Riegle.
Mr. Young of Alaska with Mr. James V. Stanton.
Mr. Michel with Mr. Symington.

Messrs. LONG of Maryland, FISHER, FRASER, PRITCHARD, RUSSO, BYRON, HANNAFORD, HILLIS, and BLANCHARD, and Mrs. PETTIS changed their vote from "yea" to "nay."

Mr. LENT changed his vote from "nay" to "yea."

Mr. D'AMOURS changed his vote from "present" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR AN ELECTIVE GOVERNOR AND LIEUTENANT GOVERNOR FOR SAMOA, AND FOR OTHER PURPOSES

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that the proceedings whereby the rules were suspended and the bill H.R. 14291 was passed, and a motion to reconsider that vote was laid on the table, be vacated, and that the Speaker put the question de novo on the motion to suspend the rules and pass the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from California would just explain to the House the purpose of his unanimous-consent request?

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Of course I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

Mr. Speaker, as I am sure the gentleman from Maryland (Mr. BAUMAN) knows, because he serves on the Committee on Interior and Insular Affairs, that the subcommittee of the Committee on Interior and Insular Affairs and the full committee, unanimously reported out this legislation.

American Samoa is the last piece of turf where the American flag flies where the people do not elect their own Governor or Lieutenant Governor.

This bill sets up the mechanism whereby the Secretary of the Interior is authorized to seek the approval or the disapproval of the people of American Samoa as to whether or not they choose to elect their own Governor and Lieutenant Governor.

In this Bicentennial year, I thought it would be most desirable, given the broad nature of the support for this legislation within the House and the executive branch that we put this matter to a rollcall vote.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for his explanation and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, and I certainly have no objection to a vote on the bill, but I do have to admit that the precedent that is being set here hits me rather strongly. I do not know how many times we do such a thing as this. I wonder whether we are possibly opening up a Pandora's Box for in the future since this is not the normal method we pursue.

Mr. PHILLIP BURTON. Mr. Speaker, would the gentleman from Ohio yield?

Mr. ASHBROOK. I yield to the gentleman from California.

Mr. PHILLIP BURTON. The gentleman from Ohio is correct, and I certainly would not be one who would normally engage in whatever minimal risk there may be to win this issue twice. However, I think, because of the symbolism involved in this matter, that it would be desirable that the membership have a record vote.

Mr. ASHBROOK. Mr. Speaker I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 14291.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill H.R. 14291.

Mr. PHILLIP BURTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Chair is reducing the time on this vote to a minimum of 5 minutes as was initially announced.

The vote was taken by electronic device, and there were—yeas 377, nays 3, not voting 52, as follows:

[Roll No. 517]

YEAS—377

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent

Derrick
Devine
Dickinson
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harrington
Harris
Hays, Ohio
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Kasten
Kastenmeier
Kazen

Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price

Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli

Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Stanton, J. William
Stark
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson

Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—3

Collins, Tex.
Jenrette
McDonald

NOT VOTING—52

Anderson, Ill.
Ashley
Conlan
Cotter
Danielson
Derwinski
Diggs
Dingell
Dodd
Esch
Flood
Fraser
Giaimo
Harkin
Harsha
Hawkins
Hayes, Ind.
Hébert

Hechler, W. Va.
Heinz
Helstoski
Hinshaw
Holland
Howe
Jones, N.C.
Jones, Tenn.
Karth
Kelly
Lehman
Litton
Lott
Melcher
Michel
Minish
Moakley
Moffett

Mosher
Murphy, Ill.
Pepper
Riegle
Risenhoover
Roncalio
Shipley
Skubitz
Staggers
Stanton, James V.
Steelman
Symington
Van Deerlin
Vander Jagt
Wilson, Bob
Young, Alaska

The Clerk announced the following pairs:

Mr. Shipley with Mr. Esch.
Mr. Jones of Tennessee with Mr. Conlan.
Mr. Cotter with Mr. Vander Jagt.
Mr. Giaimo with Mr. Derwinski.
Mr. Hébert with Mr. Michel.
Mr. Dodd with Mr. Heinz.
Mr. Symington with Mr. Young of Alaska.
Mr. Pepper with Mr. Steelman.
Mr. Helstoski with Mr. Karth.
Mr. Murphy of Illinois with Mr. James V. Stanton.
Mr. Ashley with Mr. Anderson of Illinois.
Mr. Litton with Mr. Danielson.
Mr. Moffett with Mr. Diggs.
Mr. Flood with Mr. Holland.
Mr. Harkin with Mr. Risenhoover.
Mr. Hawkins with Mr. Staggers.
Mr. Jones of North Carolina with Mr. Van Deerlin.
Mr. Lehman with Mr. Melcher.
Mr. Moakley with Mr. Roncalio.
Mr. Dingell with Mr. Fraser.
Mr. Harsha with Mr. Hayes of Indiana.
Mr. Kelly with Mr. Hechler of West Virginia.
Mr. Howe with Mr. Lott.
Mr. Skubitz with Mr. Mosher.
Mr. Bob Wilson with Mr. Riegle.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. OTTINGER. Mr. Speaker, because I had to attend the funeral of one of my and my family's closest friends, Violet Weingarten, in my district yesterday, I missed five recorded votes. I would like the RECORD to indicate at this point how I would have voted had I been present on July 19:

Rollcall No. 508, H.R. 12939, amending certain laws affecting Coast Guard personnel: "yea";

Rollcall No. 509, H.R. 13326, exempting steamboat *Delta Queen* from certain vessel laws: "yea";

Rollcall No. 510, H.R. 13218, sales of SS *United States* for use as a floating hotel: "yea";

Rollcall No. 511, H.R. 13720, Debt Collection Practices Act: "yea", and

Rollcall No. 512, House Resolution 1259, rule providing for consideration of Unemployment Compensation Amendments of 1975, "yea."

PERSONAL EXPLANATION

Mr. DAN DANIEL. Mr. Speaker, in checking my vote tabulation which was provided during the recess by the Clerk of the House, I find that I am reported as having not voted on rollcall No. 447, on June 24, 1976.

The RECORD will show that I was in attendance that day and was recorded on a number of other votes. I did insert my card on this tabulation and regret that my vote apparently was not recorded.

It was my intention to vote yea on the amendment and I would like to so state my intention.

CONFERENCE REPORT ON H.R. 14231, DEPARTMENT OF INTERIOR APPROPRIATION, FISCAL YEAR 1977

Mr. YATES. Mr. Speaker, I call up the conference report on the bill (H.R. 14231) making appropriations for the Department of Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 1, 1976.)

Mr. YATES (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore (Mr. PIKE). The gentleman from Illinois (Mr. YATES) is recognized for 30 minutes.

Mr. YATES. Mr. Speaker, I yield myself such time as I may consume and ask unanimous consent to revise and extend my remarks and include extraneous material in the Record.

Mr. Speaker, I am pleased to present to the House the conference report on the bill H.R. 14231, making appropriations to the Department of the Interior and related agencies for fiscal year 1977.

Mr. Speaker, the conference report represents an equitable compromise to the complex differences between the Senate and House bills. The conferees have resolved all differences on appropriations, although we did not come to an agreement on one provision contained in the Senate report. The conference report represents a sound compromise and I urge its adoption.

The conference report provides for a total of $5,913,078,057 in new obligational authority and appropriations to liquidate contract authority. This amount is $24,817,943 below the House bill and $150,281,000 below the Senate bill. While the bill exceeds last year's appropriation by $828,400,057, I am proud to report that it is $74,874,943 below the President's budget request for fiscal 1977.

The conference agreement provides increases over the budget for several agencies, primarily for natural resource management and Indian programs where the President's budget was very inadequate. The increases over the budget include: land and water conservation fund, $97,056,000; Bureau of Indians Affairs, $40,911,000; Energy Research and Development Administration, $33,545,000; Indian Health Service, $30,789,000; Fish and Wildlife Service, $20,524,000; U.S. Geological Survey, $8,038,000; Bureau of Mines, $7,295,000; Office of Indian Education, $2,878,000; and Mining Enforcement and Safety Administration, $2,700,000. The conference agreement provides increases over the budget of $63,982,000 for the Forest Service, $21,818,000 to the National Park Service, and $3,865,000 to the Bureau of Land Management to improve management of their lands and resources. These increases, however, have been offset by rescission of road construction contract authority for these agencies of $39,827,943, $118,995,000, and $13,900,000, respectively.

The major reductions under the budget request include the following: Federal Energy Administration, $152,772,000; Pennsylvania Avenue Development Corporation, $36,875,000; funds appropriated to the President for naval petroleum reserves, $15,250,000; Smithsonian Institution, $5,064,000; National Foundation on the Arts and Humanities, $4,500,000; Office of Territorial Affairs, $3,444,000; Office of the Secretary, $1,976,000; and American Revolution Bicentennial Administration, $1,900,000.

There are several major differences between the conference agreement and the House bill which I would like to explain.

The Senate bill included $107,244,000 in budget amendments and items not considered by the House. These amendments included: Indian Health Service, $39,857,000; U.S. Geological Survey, $13,550,000; Bureau of Land Management, $10,540,000; Bureau of Mines, $2,800,000; Office of the Secretary, $1,730,000; Mining Enforcement and Safety Administration, $892,000; and Pennsylvania Avenue Development Corporation, $37,875,000.

The conference agreement provides for rescission of $172,722,943 in road construction contract authority. The amounts rescinded include $13,900,000 for the Bureau of Land Management, $118,995,000 for the National Park Service, and $39,827,943 for the Forest Service. The conferees felt it best to rescind the authority now, rather than require the administration to submit a rescission message next January. I would like to point out, however, that the committee could appropriate additional funds for road construction at a later date, should prudent program management require such action.

The conference agreement includes $1,000,000 for salaries and expenses for the Pennsylvania Avenue Development Corporation; the Senate bill included $36,768,000 for the Corporation. While this account is not authorized, the conferees believe the final decision on continuing the Corporation should be made by a vote on the authorizing bill. Should the Corporation not be authorized, the $1 million made available in this bill will lapse to the Treasury.

The conferees have agreed to appropriate $397,056,000 for the Land and Water Conservation Fund; this is an increase of $90 million over the House bill for land acquisition by Federal agencies. The current backlog of Federal land acquisition needs is $2.3 billion and these funds are provided to assist in lowering this total. The $90 million increase was divided in the following manner: $65 million to the National Park Service, $20 million to the Forest Service, and $5 million to the Fish and Wildlife Service.

The conference agreement provides $6,669,000 over the House bill to improve the operation, planning, and management of the National Park Service. The conferees have agreed that $2 million of this total will be used to hire 548 new employees, $1.5 million will be used to rehabilitate deteriorated facilities and $1.5 million to undertake deferred maintenance within the system. As many recent reports have indicated, the National Park Service needs these funds very badly.

The conference agreement increases appropriations to the Indian Health Service by $40,360,000 over the House bill. A major portion of this increase—$18,500,000—is for implementation of the Indian Self-Determination Act. Other major increases over the House bill include: $2,350,000 for contract care; $1,350,000 for emergency medical services in Alaska; $8,000,000 for construction of a hospital in Bethel, Alaska; $6,800,000 for the Whiteriver, Ariz., hospital; and $2,650,000 for the Poplar Community Health Center, Mont.

The conferees have agreed to appropriate $583,995,000 for the Energy Research and Development Administration. This figure is $28,850,000 below the House bill and $21,536,000 below the Senate measure. The conferees carefully considered all the programs funded by ERDA and sought to provide increases over the budget where they were fully justified. We believe the funds made available in the conference bill reflect the maximum amount ERDA can effectively obligate during the coming fiscal year. Within the total appropriation, $483,145,000 will be available for fossil fuel research and $100,850,000 for conservation R. & D.

I would like to inform the House of two instances in which corrections must be made to the Joint Explanatory Statement of the committee of conference.

The second paragraph on page 8 of the statement relative to the Office of Water Research and Technology—amendment No. 4—reads as follows:

> The decrease under the amount proposed by the House consists of the following decreases: Water resources research, $900,000; technology development, $400,000; test facility operation, $700,000; administration, $80,000.

This paragraph should read as follows:

> The decrease under the amount proposed by the House consists of the following decreases: Water resources research, $900,000; technology development, $1,100,000; and administration, $80,000.

The statement of the conference committee inadvertently listed a reduction for test facility operations which the conferees agreed to fund at a level of $700,000, which is also the level authorized by Public Law 94–316, the Saline Water Conversion Appropriation Authorization Act.

On page 13 of the statement, amendment No. 36 indicates a decrease of $4,300,000 for the Lower Brule High School, South Dakota (phase I). The conference statement should have stated that the $4.3 million decrease from the amount proposed by the House was for the Little Wound (Kyle) High School, South Dakota rather than the Lower Brule High School.

Finally, Mr. Speaker, there was one item which the conference could agree upon. In its report in H.R. 14231, the Senate directed the Secretary of the Interior to establish a "high-ranking advisory group with responsibility for designing a long-range management and enforcement mechanism to conform to Judge Boldt's Indian fishing rights decision." This advisory group, formed under the direction of the Secretary of the Interior, would devise a "management plan to increase the supply of harvestable fish."

The House conferees totally oppose the establishment of this advisory group. It is our belief that an appropriations bill is not the proper place to establish such a group, if one is to be established particularly without notice to or agreement by all the parties involved. We say this being very much aware of the tensions and emotion surrounding implementation of the Boldt decision. The attitude of the Northwest Indian Fisheries Commission is expressed in the telegram I just received and which I am including in my remarks at this point.

OLYMPIA, WASH., *July 19, 1976.*

Hon. SIDNEY R. YATES,
Attn. Mr. Daniel Beard, *Assistant,*
Capitol One, D.C.:

This correspondence is to thank you for your past efforts in insuring that Indian tribes within the United States versus Washington State case area, (Boldt case) receive the initial funding to begin proper and efficient implementation of that Federal court ruling. This correspondence is also to register our objection to the creation of a high ranking group within the Department of the Interior proposed by the Senate to oversee future funding requests for implementation of the Boldt case ruling because Washington State Department of Fisheries and Games will not likely be eligible to receive continued Federal funding assistance beyond fiscal year 1977.

And because Boldt case area treaty tribes are eligible for future funding to fulfill requirements spelled out in the Boldt decision we must conclude that the Washington State delegations insistence in seeking to establish a high ranking group within the Interior Department through this years appropriation legislation is an attempt to divert, limit or otherwise subject our future funding requests to an interpretation which would include the Washington State agencies. This conclusion is in light of the prevailing attitudes within this State to deny full implementation of the Boldt decision and because of the decade long history of conflict regarding Indian fishing rights specifically cited in the Boldt decision and finally because we were not notified or consulted regarding our feelings towards the creation of this high ranking group for these reasons.

We are firmly opposed to its creation when stating an objection to a proposal it is ordinarily necessary to provide an alternative, our alternative is a retention of the present method of seeking implementation funding through the Federal budgeting process and then an add-on appropriation request that the special situation or circumstance warrants. We feel it is proper that Indian tribes because of their treaty relationship with the United States be allowed to retain the opportunity to deal directly with all of the United States Congress regarding treaty rights issues.

The present method of funding the Boldt decision requirements allows us to do this and we can see no reason to create a high ranking group within the Department of the Interior to oversee what will in all likelihood be Indian only funding request for Boldt implementation fund beyond fiscal year 1977.

WILLIAM L. SMITH,
Executive Director,
the Northwest Indian Fisheries.

Mr. YATES. Therefore, Mr. Speaker, as chairman of the House conferees I intend to write the Secretary of the Interior instructing him to ignore the direction in the Senate report to appoint an advisory group. The House conferees fully expect the Secretary to comply with the House view.

Mr. Speaker, this is a good conference report. It makes important improvements in our land and water resources, continues preservation and protection of our parks and wildlife, lays the foundation for expanded production of energy and mineral resources, improves the health and welfare of all Indian people, and expands the cultural heritage of our Nation. I strongly urge the adoption of this conference report by the House.

Mr. Speaker, I include at this point in the RECORD a table comparing new obligational authority recommended in the bill for fiscal year 1977, and the respective recommendations contained in the House and Senate bills:

[Fiscal years]

	New BA enacted, 1976	New BA estimates, 1977	New BA House, 1977	New BA Senate, 1977	New BA Conference, 1977	Conference compared with— 1976 enacted	Conference compared with— 1977 estimates	Conference compared with— House bill	Conference compared with— Senate bill
TITLE I—DEPARTMENT OF THE INTERIOR									
LAND AND WATER RESOURCES									
Bureau of Land Management									
Management of lands and resources	215, 463, 000	220, 240, 000	216, 299, 000	223, 829, 000	223, 829, 000	8, 366, 000	3, 589, 000	7, 530, 000	
Construction and maintenance	9, 404, 000	9, 884, 000	7, 510, 000	9, 970, 000	10, 160, 000	756, 000	276, 000	2, 650, 000	190, 000
Public lands development roads and trails (appropriation to liquidate contract authority)	(3, 183, 000)	(5, 000, 000)	(5, 000, 000)	(5, 000, 000)	(5, 000, 000)	(1, 817, 000)	( )	( )	( )
Rescission of contract authority (roads and trails)				−13, 900, 000	−13, 900, 000	−13, 900, 000	−13, 900, 000	−13, 900, 000	
Oregon and California grant lands (indefinite, appropriation of receipts)	28, 000, 000	30, 000, 000	30, 000, 000	30, 000, 000	30, 000, 000	2, 000, 000			
Range improvements (indefinite, appropriation of receipts)	5, 435, 000	7, 235, 000	7, 235, 000	7, 235, 000	7, 235, 000	1, 800, 000			
Recreation development and operation of recreation facilities (indefinite, special fund)	300, 000	300, 000	300, 000	300, 000	300, 000				
Subtotal	258, 602, 000	267, 659, 000	261, 344, 000	257, 434, 000	257, 624, 000	−978, 000	−10, 035, 000	−3, 720, 000	190, 000
Office of Water Research and Technology									
Salaries and expenses	18, 180, 000	22, 273, 000	21, 003, 000	21, 553, 000	18, 923, 000	743, 000	−3, 350, 000	−2, 080, 000	−2, 630, 000
Total	276, 782, 000	289, 932, 000	282, 347, 000	278, 987, 000	276, 547, 000	−235, 000	−13, 385, 000	−5, 800, 000	−2, 440, 000
FISH AND WILDLIFE AND PARKS									
Bureau of Outdoor Recreation									
Salaries and expenses	5, 889, 000	6, 187, 000	5, 961, 000	5, 961, 000	5, 961, 000	72, 000	−226, 000		
Land and Water Conservation Fund									
Appropriation of receipts (indefinite)	316, 986, 000	300, 000, 000	307, 056, 000	430, 461, 000	397, 056, 000	80, 070, 000	97, 056, 000	90, 000, 000	−33, 405, 000
United States Fish and Wildlife Service									
Resource management	120, 750, 000	122, 821, 000	127, 799, 000	129, 169, 000	128, 861, 000	8, 111, 000	6, 040, 000	1, 062, 000	−308, 000
Construction and anadromous fish	19, 311, 000	6, 727, 000	14, 493, 000	15, 330, 000	17, 211, 000	−2, 100, 000	10, 484, 000	2, 718, 000	1, 881, 000
Migratory bird conservation account (definite, repayable advance)	7, 500, 000		7, 500, 000		4, 000, 000	−3, 500, 000	4, 000, 000	−3, 500, 000	4, 000, 000
Subtotal	147, 561, 000	129, 548, 000	149, 792, 000	144, 499, 000	150, 072, 000	2, 511, 000	20, 524, 000	280, 000	5, 573, 000
National Park Service									
Operation of the national park system	255, 203, 000	272, 864, 000	272, 685, 000	280, 437, 000	276, 485, 000	21, 282, 000	3, 621, 000	3, 800, 000	−3, 952, 000
Planning and construction	27, 457, 000	33, 200, 000	37, 228, 000	40, 237, 000	40, 097, 000	12, 640, 000	6, 897, 000	2, 869, 000	−140, 000
Road construction (appropriation to liquidate contract authority)	(40, 115, 000)	(18, 000, 000)	(19, 100, 000)	(23, 495, 000)	21, 800, 000	(−18, 315, 000)	(3, 800, 000)	(2, 700, 000)	(−1, 695, 000)
Rescission of contract authority (Road construction)				−112, 122, 000	−118, 995, 000	−118, 995, 000	−118, 995, 000	−118, 995, 000	−6, 873, 000
Preservation of historic properties	24, 666, 000	14, 500, 000	19, 500, 000	24, 500, 000	22, 000, 000	−2, 666, 000	7, 500, 000	2, 500, 000	−2, 500, 000
Planning, development and operation of recreation facilities (indefinite, special fund)	14, 000, 000	14, 000, 000	14, 000, 000	14, 000, 000	14, 000, 000				

	New BA enacted, 1976	New BA estimates, 1977	New BA House, 1977	New BA Senate, 1977	New BA Conference, 1977	Conference compared with—			
						1976 enacted	1977 estimates	House bill	Senate bill
John F. Kennedy Center for the Performing Arts	2, 645, 000	3, 072, 000	3, 072, 000	3, 072, 000	3, 072, 000	427, 000			
Subtotal	323, 971, 000	337, 636, 000	346, 485, 000	250, 124, 000	236, 659, 000	−87, 312, 000	−100, 977, 000	−109, 826, 000	−13, 465, 000
Total	794, 407, 000	773, 371, 000	809, 294, 000	831, 045, 000	789, 748, 000	−4, 659, 000	16, 377, 000	−19, 546, 000	−41, 297, 000
ENERGY AND MINERALS									
Geological Survey									
Surveys, investigations, and research	272, 836, 000	297, 858, 000	296, 146, 000	306, 516, 000	305, 896, 000	33, 060, 000	8, 038, 000	9, 750, 000	−620. 000
Mining Enforcement and Safety Administration									
Salaries and expenses	84, 465, 000	91, 040, 000	91, 098, 000	93, 740, 000	93, 740, 000	9, 275, 000	2, 700, 000	2, 642, 000	
Bureau of Mines									
Mines and minerals	158, 818, 000	157, 170, 000	163, 315, 000	158, 037, 000	164, 465, 000	5, 647, 000	7, 295, 000	1, 150, 000	6, 428, 000
Total	516, 119, 000	546, 068, 000	550, 559, 000	558, 293, 000	564, 101, 000	47, 982, 000	18, 033, 000	13, 542, 000	5, 808, 000
INDIAN AFFAIRS									
Bureau of Indian Affairs									
Operation of Indian programs	566, 118, 000	589, 510, 000	602, 610, 000	602, 113, 000	602, 713, 000	36, 595, 000	13, 203, 000	103, 000	600, 000
Construction	80, 672, 000	46, 263, 000	70, 969, 000	82, 406, 000	77, 101, 000	−3, 571, 000	30, 838, 000	6, 132, 000	−5, 305, 000
Road construction		37, 205, 000	37, 205, 000	39, 405, 000	39, 075, 000	39, 075, 000	1, 870, 000	1, 870, 000	−330, 000
Road construction (appropriation to liquidate contract authority)	(76, 705, 000)	(46, 795, 000)	(36, 795, 000)	(36, 795, 000)	(36, 795, 000)	(−39, 910, 000)	(−10, 000, 000)	( )	( )
Revolving fund for loans	3, 000, 000					−3, 000, 000			
Indian loan guaranty and insurance fund	10, 000, 000	20, 000, 000	15, 000, 000	15, 000, 000	15, 000, 000	5, 000, 000	−5, 000, 000		
Alaska native fund	71, 600, 000	30, 000, 000	30, 000, 000	40, 000, 000	30, 000, 000	−41, 600, 000			−10, 000, 000
Trust funds (definite)	3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000				
Trust funds (indefinite)	31, 200, 000	35, 387, 000	35, 387, 000	35, 387, 000	35, 387, 000	4, 187, 000			
Total	765, 590, 000	761, 365, 000	794, 171, 000	817, 311, 000	802, 276, 000	36, 686, 000	40, 911, 000	8, 105, 000	−15, 035, 000
TERRITORIAL AFFAIRS									
Office of Territorial Affairs									
Administration of territories	27, 753, 000	24, 046, 000	23, 846, 000	23, 846, 000	23, 846, 000	−3, 907, 000	−200, 000		
Permanent appropriation (special fund)	(600, 000)	(256, 000)	(256, 000)	(256, 000)	(256, 000)	(−344, 000)	( )	( )	( )
Transferred from other accounts (special fund)	(975, 000)	(620, 000)	(620, 000)	(620, 000)	(620, 000)	(−355, 000)	( )	( )	( )
Trust Territory of the Pacific Islands	86, 438, 000	82, 321, 000	84, 566, 000	81, 277, 000	79, 077, 000	−7, 361, 000	−3, 244, 000	−5, 489, 000	−2, 200, 000
Micronesian claims fund, Trust Territory of the Pacific Islands	10, 000, 000					−10, 000, 000			
Ex gratia payment, Bikini Atoll	3, 000, 000					−3, 000, 000			
Total	127, 191, 000	106, 367, 000	108, 412, 000	105, 123, 000	102, 923, 000	−24, 268, 000	−3, 444, 000	−5, 489, 000	−2, 200, 000
SECRETARIAL OFFICES									
Office of the Solicitor									
Salaries and expenses	11, 598, 000	12, 658, 000	12, 371, 000	12, 371, 000	12, 371, 000	773, 000	−287, 000		
Office of the Secretary									
Salaries and expenses	19, 256, 000	21, 097, 000	20, 430, 000	21, 060, 000	20, 620, 000	1, 364, 000	−477, 000	190, 000	−440, 000
Departmental operations	12, 366, 000	14, 425, 000	11, 812, 000	13, 770, 000	12, 926, 000	560, 000	−1, 499, 000	1, 114, 000	−844, 000
Salaries and expenses (special foreign currency program)	1, 494, 000	907, 000	907, 000	907, 000	907, 000	−587, 000			
Subtotal	33, 116, 000	36, 429, 000	33, 149, 000	35, 737, 000	34, 453, 000	1, 337, 000	−1, 976, 000	1, 304, 000	−1, 284, 000
Total	44, 714, 000	49, 087, 000	45, 520, 000	48, 108, 000	46, 824, 000	2, 110, 000	−2, 263, 000	1, 304, 000	−1, 284, 000
Total, new budget (obligational) authority, Department of the Interior	2, 524, 803, 000	2, 526, 190, 000	2, 590, 303, 000	2, 638, 867, 000	2, 582, 419, 000	57, 616, 000	56, 229, 000	−7, 884, 000	−56, 448, 000
Consisting of—									
Appropriations	2, 524, 803, 000	2, 526, 190, 000	2, 590, 303, 000	2, 764, 889, 000	2, 715, 314, 000	190, 511, 000	189, 124, 000	125, 011, 000	−49, 575, 000
Definite appropriations	2, 128, 882, 000	2, 139, 268, 000	2, 196, 325, 000	2, 247, 506, 000	2, 231, 336, 000	102, 454, 000	92, 068, 000	35, 011, 000	−16, 170, 000
Indefinite appropriations	395, 921, 000	386, 922, 000	393, 978, 000	517, 383, 000	483, 978, 000	88, 057, 000	97, 056, 000	90, 000, 000	−33, 405, 000
Rescission of contract authority				−126, 022, 000	−132, 895, 000	−132, 895, 000	−132, 895, 000	−132, 895, 000	−6, 873, 000
Memoranda—									
Appropriations to liquidate contract authority	120, 003, 000	69, 795, 000	60, 895, 000	65, 290, 000	63, 595, 000	−56, 408, 000	−6, 200, 000	2, 700, 000	−1, 695, 000
Total, new budget (obligational) authority and appropriations to liquidate contract authority	2, 644, 806, 000	2, 595, 985, 000	2, 651, 198, 000	2, 704, 157, 000	2, 646, 014, 000	1, 208, 000	50, 029, 000	−5, 184, 000	−58, 143, 000
Total, title I	2, 524, 803, 000	2, 526, 190, 000	2, 590, 303, 000	2, 638, 867, 000	2, 582, 419, 000	57, 616, 000	56, 229, 000	−7, 884, 000	−56, 448, 000
TITLE II—RELATED AGENCIES									
DEPARTMENT OF AGRICULTURE									
Forest Service									
Forest protection and utilization:									
Forest land management	489, 658, 000	388, 621, 000	395, 911, 000	399, 248, 000	397, 151, 000	−92, 507, 000	8, 530, 000	1, 240, 000	−2, 097, 000
Forest research	82, 280, 000	84, 691, 000	83, 311, 000	88, 537 000	87, 087, 000	4, 807, 000	2, 396, 000	3, 776, 000	−1, 450, 000
State and private forestry cooperation	33, 158, 000	24, 800, 000	33, 254, 000	33, 254, 000	33, 254, 000	96, 000	8, 454, 000		
Subtotal	605, 096, 000	498, 112, 000	512, 476, 000	521, 039, 000	517, 492, 000	−87, 604, 000	19, 380, 000	5, 016, 000	−3, 547, 000
Construction and land acquisition	18, 523, 000	14, 414, 000	16, 674, 000	17, 244, 000	18, 016, 000	−507, 000	3, 602, 000	1, 342, 000	772, 000
Youth conservation corps	35, 098, 000		28, 000, 000	35, 000, 000	30, 000, 000	−5, 098, 000	30, 000, 000	2, 000, 000	−5, 000, 000
Forest roads		200, 000, 000	173, 000, 000	137, 000, 000	173, 000, 000	173, 000, 000	−27, 000, 000		
Forest roads and trails (appropriation to liquidate contract authority)	(112, 857, 000)	(170, 104, 000)	(216, 104, 000)	(200, 104, 000)	(208, 104, 000)	(95, 247, 000)	(38, 000, 000)	(−8, 000, 000)	(8, 000, 000)
Rescission of contract authority (Roads and trails)				−53, 827, 943	−39, 827, 943	−39, 827, 943	−39, 827, 943	−39, 827, 943	14, 000, 000

[Fiscal years]

	New BA enacted, 1976	New BA estimates, 1977	New BA House, 1977	New BA Senate, 1977	New BA Conference, 1977	Conference compared with—			
						1976 enacted	1977 estimates	House bill	Senate bill
TITLE II—RELATED AGENCIES									
DEPARTMENT OF AGRICULTURE									
Forest Service									
Acquisition of lands for national forests:									
Special acts (special fund, indefinite)	161,000	160,000	160,000	160,000	160,000	−1,000			
Acquisition of lands to complete land exchanges	35,000	54,000	54,000	54,000	54,000	19,000			
Cooperative range improvements (special fund, indefinite)	700,000	700,000	700,000	700,000	700,000				
Assistance to States for tree planting	1,368,000	1,373,000	1,373,000	1,373,000	1,373,000	5,000			
Construction and operation of recreation facilities (indefinite, special fund)	3,674,000	2,475,000	2,475,000	2,475,000	2,475,000	−1,199,000			
Total	664,655,000	717,288,000	734,912,000	697,217,057	703,442,057	38,787,057	−13,845,943	−31,469,943	6,225,000
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION									
Operating expenses, fossil fuels	443,516,000	493,230,000	544,275,000	541,611,000	521,775,000	78,259,000	28,545,000	−22,500,000	−19,836,000
Plant and capital equipment, fossil fuels	21,025,000	57,220,000	68,570,000	63,920,000	62,220,000	41,195,000	5,000,000	−6,350,000	−1,700,000
Special foreign currency program, fossil fuels	6,650,000					−6,650,000			
Total	471,191,000	550,450,000	612,845,000	605,531,000	583,995,000	112,804,000	33,545,000	−28,850,000	−21,536,000
FEDERAL ENERGY ADMINISTRATION									
Salaries and expenses	153,077,000	193,157,000	148,458,000	185,220,000	150,385,000	−2,692,000	−42,772,000	1,927,000	−34,835,000
Strategic petroleum reserve	313,375,000	557,684,000	447,684,000	447,684,000	447,684,000	134,309,000	−110,000,000		
Total	466,452,000	750,841,000	596,142,000	632,904,000	598,069,000	131,617,000	−152,772,000	1,927,000	−34,835,000
FUNDS APPROPRIATED TO THE PRESIDENT									
Petroleum reserves	24,152,000	421,366,000	406,116,000	406,116,000	406,116,000	381,964,000	−15,250,000		
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Health Services Administration									
Indian health services	283,310,000	354,451,000	314,562,000	349,413,000	337,422,000	54,112,000	−17,029,000	22,860,000	−11,991,000
Indian health facilities	55,616,000	40,345,000	70,663,000	76,499,000	88,163,000	32,547,000	47,818,000	17,500,000	11,664,000
Total	338,926,000	394,796,000	385,225,000	425,912,000	425,585,000	86,659,000	30,789,000	40,360,000	−327,000
Office of Education									
Indian education	57,055,000	42,055,000	40,933,000	58,983,000	44,933,000	−12,122,000	2,878,000	4,000,000	−14,050,000
INDIAN CLAIMS COMMISSION									
Salaries and expenses	1,411,000	1,530,000	1,525,000	1,525,000	1,525,000	114,000	−5,000		
NAVAJO AND HOPI RELOCATION COMMISSION									
Salaries and expenses	12,700,000	500,000	400,000	400,000	400,000	−12,300,000	−100,000		
SMITHSONIAN INSTITUTION									
Salaries and expenses	81,564,000	85,100,000	82,635,000	82,616,000	82,106,000	542,000	−2,994,000	−529,000	−510,000
Museum programs and related research (special foreign currency program)	500,000	4,481,000	2,500,000	3,481,000	3,481,000	2,981,000	−1,000,000	981,000	
Science information exchange	1,940,000	1,900,000	1,900,000	1,900,000	1,900,000	−40,000			
Construction and improvements, National Zoological Park	8,390,000	6,800,000	6,580,000	6,580,000	6,580,000	−1,810,000	−220,000		
Restoration and renovation of buildings	1,192,000	3,300,000	2,700,000	3,050,000	2,950,000	1,758,000	−350,000	250,000	−100,000
Construction		500,000					−500,000		
Construction (appropriation to liquidate contract authority)	(2,500,000)	( )	( )	( )	( )	−2,500,000	( )	( )	( )
Salaries and expenses, National Gallery of Art	7,759,000	12,309,000	12,309,000	11,546,000	12,309,000	4,550,000			763,000
Salaries and expenses, Woodrow Wilson International Center for Scholars	975,000	1,120,000	1,120,000	1,120,000	1,120,000	145,000			
Total	102,320,000	115,510,000	109,744,000	110,293,000	11,446,000	8,126,000	−5,964,000	702,000	153,000
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES									
Salaries and Expenses									
Endowment for the arts	74,500,000	79,500,000	77,500,000	77,500,000	77,500,000	3,000,000	−2,000,000		
Endowment for the humanities	72,000,000	79,500,000	77,500,000	77,500,000	77,500,000	5,500,000	−2,000,000		
Administrative expenses	10,910,000	11,000,000	11,000,000	11,000,000	11,000,000	90,000			
Subtotal	157,410,000	170,000,000	166,000,000	166,000,000	166,000,000	8,590,000	−4,000,000		
Matching Grants									
Endowment for the arts (indefinite)	7,500,000	7,500,000	7,000,000	7,500,000	7,500,000			500,000	
Endowment for the humanities (indefinite)	7,500,000	7,500,000	7,000,000	7,000,000	7,000,000	−500,000	−500,000		
Subtotal	15,000,000	15,000,000	14,000,000	14,500,000	14,500,000	−500,000	−500,000	500,000	
Total	172,410,000	185,000,000	180,000,000	180,500,000	180,500,000	8,090,000	−4,500,000	500,000	

	New BA enacted, 1976	New BA estimates, 1977	New BA House, 1977	New BA Senate, 1977	New BA Conference, 1977	Conference compared with—			
						1976 enacted	1977 estimates	House bill	Senate bill
COMMISSION OF FINE ARTS									
Salaries and expenses	202, 000	215, 000	214, 000	214, 000	214, 000	12, 000	−1, 000		
NATIONAL CAPITAL PLANNING COMMISSION									
Salaries and expenses	1, 871, 000	1, 904, 000	1, 904, 000	1, 904, 000	1, 904, 000	33, 000			
AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION									
Salaries and expenses	9, 462, 000	1, 965, 000	65, 000	65, 000	65, 000	−9, 397, 000	−1, 900, 000		
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION									
Salaries and expenses		29, 000	29, 000	29, 000	29, 000	29, 000			
LOWELL HISTORIC CANAL DISTRICT COMMISSION									
Salaries and expenses	120, 000					−120, 000			
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA									
Salaries and expenses	764, 000	540, 000	540, 000	737, 000	737, 000	−27, 000	197, 000	197, 000	
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION									
Salaries and expenses	824, 000	1, 425, 000		1, 318, 000	1, 000, 000	176, 000	−425, 000	1, 000, 000	−318, 000
Land acquisition and development (borrowing authority)		25, 000, 000		25, 000, 000			−25, 000, 000		−25, 000, 000
Public development		11, 450, 000		10, 450, 000			−11, 450, 000		−10, 450, 000
Total	824, 000	37, 875, 000		36, 768, 000	1, 000, 000	176, 000	−36, 875, 000	1, 000, 000	−35, 768, 000
Total, new budget (obligational) authority, related agencies	2, 324, 515, 000	3, 221, 864, 000	3, 070, 594, 000	3, 159, 098, 057	3, 058, 960, 057	734, 445, 057	−163, 903, 943	−11, 633, 943	−100, 138, 000
Consisting of—									
Appropriations	2, 324, 515, 000	3, 196, 864, 000	3, 070, 594, 000	3, 187, 926, 000	3, 098, 788, 000	774, 273, 000	−98, 076, 000	28, 194, 000	−89, 138, 000
Definite appropriations	2, 304, 980, 000	3, 178, 529, 000	3, 053, 259, 000	3, 170, 091, 000	3, 080, 953, 000	775, 973, 000	−97, 576, 000	27, 694, 000	−89, 138, 000
Indefinite appropriations	19, 535, 000	18, 335, 000	17, 335, 000	17, 835 000	17, 835, 000	−1, 700, 000	−500, 000	500, 000	
Borrowing authority		25, 000, 000		25, 000, 000			−25, 000, 000		−25, 000, 000
Rescission of contract authority				−53, 827, 943	−39, 827, 943	−39, 827, 943	−39, 827, 943	−39, 827, 943	14, 000, 000
Memoranda—									
Appropriations to liquidate contract authority	115, 357, 000	170, 104, 000	216, 104, 000	200, 104, 000	208, 104, 000	92, 747, 000	38, 000, 000	−8, 000, 000	8, 000, 000
Total, new budget (obligational) authority and appropriations to liquidate contract authority	2, 439, 872, 000	3, 391, 968, 000	3, 286, 698, 000	3, 359, 202, 057	3, 267, 064, 057	827, 192, 057	−124, 903, 943	−19, 633, 943	−92, 138, 000
RECAPITULATION									
Total, new budget (obligational) authority, all titles	4, 849, 318, 000	5, 748, 054, 000	5, 660, 897, 000	5, 797, 965, 057	5, 641, 379, 057	792, 061, 057	−106, 674, 943	−19, 517, 943	−156, 586, 000
Consisting of—									
Appropriations	4, 849, 318, 000	5, 723, 054, 000	5, 660, 897, 000	5, 952, 815, 000	5, 814, 102, 000	964, 784, 000	91, 048, 000	153, 205, 000	−138, 713, 000
Definite appropriations	4, 433, 862, 000	5, 317, 797, 000	5, 249, 584, 000	5, 417, 597, 000	5, 312, 289, 000	878, 427, 000	−5, 508, 000	62, 705, 000	−105, 308, 000
Indefinite appropriations	415, 456, 000	405, 257, 000	411, 313, 000	535, 218, 000	501, 813, 000	86, 357, 000	96, 556, 000	90, 500, 000	−33, 405, 000
Borrowing authority		25, 000, 000		25, 000, 000			−25, 000, 000		−25, 000, 000
Rescission of contract authority				−179, 849, 943	−172, 722, 943	−172, 722, 943	−172, 722, 943	−172, 722, 943	7, 127, 000
Memoranda—									
Appropriations to liquidate contract authority	235, 360, 000	239, 899, 000	276, 999, 000	265, 394, 000	271, 699, 000	36, 339, 000	31, 800, 000	−5, 300, 000	6, 305, 000
Grand total, new budget (obligational) authority and appropriations to liquidate contract authority	5, 084, 678, 000	5, 987, 953, 000	5, 937, 896, 000	6, 063, 359, 057	5, 913, 078, 057	828, 400, 057	−74, 874, 943	−24, 817, 943	−150, 281, 000

The **SPEAKER** pro tempore (Mr. PIKE). The gentleman from Pennsylvania (Mr. McDADE) is recognized for 30 minutes.

Mr. McDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report to H.R. 14231 making appropriations for the Department of the Interior and related agencies for fiscal 1977 and to urge its adoption by the House.

Mr. Speaker, I believe the committee performed an exceptional service in reconciling this bill, not only with the wishes of the Senate and the House but with the concern of the millions of people who are interested in its programs and the constraints of the budgetary responsibilities which we have. We emerged from conference $74 million below the administration's request in new budget authority, yet we protected and responded to the expressed wishes of the House in certain critical areas.

For example, we agreed to a major commitment of nearly $100 million above the budget to accelerate the acquisition of new recreation areas by our States and new park and forest lands nationally. Also, we added $4 million to advance funding for the acquisition of additional wetlands, making $16 million available this coming year for such purposes. And we responded favorably to the critical maintenance backlogs that face our national parks by adding $3.5 million above the House amounts.

To the Members, who have worked to develop a strong national energy program, your committee provided additional amounts for energy research and an additional $40 million for energy conservation programs which had the strong support of the Members of this body during debate.

The administration will have all the funds necessary through 1977 to continue our research into coal gasification, liquefaction, the development of our naval petroleum reserves, and the creation of a national strategic storage program. These programs go to the heart of our Nation's energy needs, and the Congress will go on record in support of them with the passage of this bill.

Mr. Chairman, your committee, under the leadership of the gentleman from Illinois and with the considerable input of all of the members of the subcommittee, has produced a bill which is deserving of your support. It makes substantial investments in our Nation's resources, and it realizes even greater investments in the development of our natural, cultural, energy, and human resources. I urge its quick adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. YATES. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I would like to congratulate my good friend, the gentleman from Illinois, a member of the Committee on Appropriations, for a very fine job. There are many things with which I strongly concur in this conference report. But I am concerned about the moneys that are allocated for conservation within the conference report and the amendment in disagreement thereto, amendment No. 54.

At the appropriate time I will move to defeat the previous question so that I can offer an amendment that would increase the appropriation for ERDA cvonservation R.D. & D. by $23.7 million. That still would leave the conference report well below the President's budget. As the gentleman said, he was successful in this overall appropriation of going $70 million below the President's budget and thus would just ad back $23.7 million.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, the gentleman does not mean the President's budget.

Mr. OTTINGER. I thought the gentleman said this appropriation was $70 million under the President's budget.

Mr. YATES. I thought the gentleman was addressing himself only to the conservation item.

Mr. OTTINGER. No. The conservation item itself is well within the congressional budget, but it would be over the President's budget. The gentleman is quite correct.

The reason I raise this issue is because I myself and my staff spent many long hours working with the ERDA conservation people to try to work out what they could soundly do. We went with ERDA only on programs within the authorization committee which we thought were vital in introducing savings for the country in energy utilization and where ERDA could convince us that they were capable of handling these programs.

The areas to which I would add this $23.7 million would be in the category of buildings, $8.1 million; industry, $4.4 million; transportation, $2.5 million; price support for urban waste, $2.5 million; small grant programs, $2.5 million; State energy institutes, $2.5 million; and the Energy Extension Service, $1.2 million.

The case for adding back these sums is particularly compelling because the conference appropriated substantially less than authorized by either the House or the Senate—this was no compromise—as shown by the following itemized chart showing the motion in disagreement is $28,500,000 below the House for all and $12,850,000 below the Senate.

Appropriations	Senate	Conference decrease	House	Conference decrease
Buildings	26,600,000	Same	35,600,000	−9,000,000
Industry	14,430,000	Same	20,930,000	−6,500,000
Transportation	27,170,000	Same	32,670,000	−5,500,000
Improved efficiency	26,000,000	−2,850,000	23,150,000	Same
Energy extension	7,500,000	Same	10,000,000	−2,500,000
Small grants	5,000,000	−5,000,000	None	
State energy institutes	5,000,000	−5,000,000	None	
Municipal solid waste			5,000,000	−5,000,000
Price support	None			
Total		12,850,000		−28,500,000

These are all areas in which really meaningful savings can be achieved in the utilization of precious oil resources.

I would like to point out to the House that at the present time we use between two and three times the amount of energy per capita than the other industrialized countries in the world. A great deal of the oil we presently consume goes up in the air or into the waters in the form of waste heat, when in fact it should be used.

Take the industry category, for example. Our average industrial or electric powerplant is only 30 percent efficient. Two-thirds of the oil is wasted. Whereas in Europe, powerplants use the waste heat, and those plants manage to be one-third more efficient, about 60 percent efficient.

With respect to buildings, there are a great many technical innovations which are coming on the line which would really make a difference with respect to the efficiency with which we utilize oil in heating buildings and in cooling buildings. There are new developments coming along in installation, methods of construction, waste heat recovery. There are studies that are to be funded for life-cycle costs to show that in fact in many cases we can save money by installing solar energy at the present time. The money would also fund a study of performance standards for buildings. These are all really critical areas for saving energy.

Every study we have seen and every witness who appeared before our committee said our No. 1 energy priority should be conservation. In fact, a barrel of oil saved by conservation will cost us a fraction of what a barrel of additional oil produced will cost the country, no matter what form of production is involved.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. OTTINGER. I yield gladly to the gentleman from Massachusetts who has done so much fine work in the field of energy conservation.

Mr. DRINAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman in the well for his comments, and I want to associate myself with the gentleman.

I find it unfortunate and disappointing that this conference report is $21 million under the House authorization and $28 million under the Senate authorization.

Mr. OTTINGER. Well, Mr. Speaker, it is. It is below the authorization for either of the Houses. The gentleman from Illinois (Mr. YATES) said that he is not adequately convinced that the agency is prepared to make use of this money wisely.

However, we went over this program by program and category by category with ERDA, eliminating proposals ERDA was not prepared to pursue and leaving only the soundest programs.

Mr. Speaker, I urge favorable consideration by the House of my effort to present an amendment to the House when the previous question is ordered on amendment No. 54.

Mr. McDADE. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in support of the conference report to the Department of Interior and related agencies appropriations bill (H.R. 14231).

I rise with mixed feelings about this conference report which contains also programs I have been extremely associated with throughout my years in the Congress. One program has received the support it so justly deserves—the White National Fish Hatchery in Bethel, Vt.; while the other I fear is inadequately provided for—the Wetlands Acquisition program.

On June 25, 1976, I stood on this floor in support of this bill and reviewed these two important programs. At that time, the bill contained $7.5 million for the wetland acquisition program in addition to the $12 million in receipts from duck stamp sales. Today, this conference report contains only $4 million for this essential program. I must admit my dissatisfaction with this funding level.

As a member of the Migratory Bird Commission, I am concerned that this funding level will not satisfy our present rate of acquisition which is already inadequate. This Congress recently extended the Wetlands Loan Act authorization ceiling to $200 million through fiscal year 1983 and increased the land acquisition goal to 3.8 million acres. To this date, only 1.8 million acres have been purchased. It is clear that the $4 million provided in this bill in addition to the receipts from the sale of duck stamps will have a minimal impact on the 2 million unacquired acres.

At a time when major coastal wintering areas are being destroyed at a rate of 300,000 acres a year, we must increase our acquisition program rather than retard it. The skyrocketing cost of land will only result in more dollars for less land in future years. On this particular issue, I find fault with this legislation. I would like to note, however, that I appreciate the support the House subcommittee demonstrated in the original House version of this legislation. It is most unfortunate that our Senate counterparts did not respond to this matter, as did the House subcommittee led by the gentleman from Illinois (Mr. YATES).

I should now like to direct my attention to the $1 million provided in this legislation for the White National Fish Hatchery in Bethel, Vt.

This is a program I have closely followed since its inception. I am gratified that the House figure of $1 million was protected throughout the conference. I commend the members of both Interior subcommittees for their support of this program for which we received no budget request. I am satisfied that this appropriation will render that facility operable before the end of fiscal year 1977. This facility is an integral component in the Atlantic salmon restoration program on the Connecticut River.

I should like to express my thanks to the subcommittee chairman, Mr. YATES, and the ranking minority member, Mr. McDADE, who have given their support to this program. The subcommittee is most fortunate to have the guidance of two such capable gentlemen at the helm. The programs provided in this legislation are most essential to preserving and protecting our natural wildlife resources and habitat.

I urge my colleagues to support this conference report.

Thank you, Mr. Speaker.

Mr. YATES. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Speaker, I first of all want to pay a very sincere tribute to the chairman of this subcommittee, the gentleman from Illinois (Mr. YATES), with whom I have had the pleasure of serving during these last 2 years.

We hear lots of these very fluent tributes, and I sometmes wonder how sincere they are. But I would like to say that I have never seen any other chairman of a subcommittee who had such facility for putting a witness at ease and extracting from him the essence of his testimony in a few moments. The gentleman from Illinois does not have a rude bone in his body. He has the ability to compromise conflicting viewpoints. Speaking as a Member from the West who is vitally interested in the vast natural resources of this country, I would not have thought it would have been possible to draw from the asphalt and concrete of Chicago a chairman of this subcommittee with such empathy and understanding and interest in the forests and plains and the basic agricultural pursuits upon which we all depend for our well-being.

In line with my statement on the gentleman's ability to compromise in the conference, there were two issues that generated some heat. This committee put $5 million in the bill to start in on an Indian school at Chemawa in the State of Oregon; in the Senate $15 million was appropriated for that same purpose. The conferees agreed on $10 million, with the assurance that in the statement of the managers we would include language to the effect that if the money could be properly used and if the project had advanced to the proper stage, the committee would favorably consider an additional $5 million in the supplemental appropriation that will be before us in the spring.

Mr. Speaker, is that the understanding of the subcommittee chairman?

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. Yes; I yield to the gentleman from Illinois.

Mr. YATES. It is my understanding that that is correct, as the issue was presented before the conferees.

Mr. DUNCAN of Oregon. And speaking for himself for the committee, to the extent he can, does the gentleman believe that would be favorably considered?

Mr. YATES. Yes, to the extent I can.

Mr. DUNCAN of Oregon. Mr. Speaker, may I say also that Senator STEVENS had a proposal in the bill for funding of the transfer of PET 4, Petroleum Reserve No. 4, from the Navy to the Department of the Interior. The appropriation in the Senate was $3.4 million, divided between the Office of the Secretary and the Geological Survey. The conference committee provided $1.8 million, and again we had similar assurances that should that be insufficient and should the project properly require additional funds, we would consider favorably such a request at a future time.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. Yes, I yield to the gentleman from Illinois.

Mr. YATES. Yes, the gentleman's understanding is correct.

Mr. DUNCAN of Oregon. Mr. Speaker, may I inquire of the gentleman on the other side of the aisle if we might anticipate any particular difficulty with either one of these two items at the time of the supplemental?

Mr. McDADE. Mr. Speaker, will my colleague yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Speaker, we have discussed this many times. The gentleman's interest is well known, and the need of the school is well known; this petroleum reserve and its essentiality to our national interest are also well known. I wish to state that at the time the supplemental comes to our attention we will look at these in a favorable light and do the best we can.

Mr. DUNCAN of Oregon. Mr. Speaker, I appreciate that. I am particularly interested in this colloquy because, as I say, we gave our assurances to both Members of the Senate, and I think we ought to live up to them.

Mr. Speaker, I thank the gentleman.

Mr. McDADE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I am pleased to rise in support of the conference report accompanying H.R. 14231, the Interior and Related Agencies Appropriations bill for fiscal year 1977.

As I am sure my colleagues are aware, this bill contains appropriations for programs which are an important mainspring of our society: Our parks and wildlife; our mineral and energy development and regulatory guidelines; our arts and humanities; and our native American Indians, to name but a few. You might say these programs represent a microcosm of the future of America, touching on so many aspects of our society and culture.

I believe the work we accomplished in conference with the Senate proved two things: We can keep a lid on spending without sacrificing worthwhile and successful programs, and we can make reductions where possible.

This is evidenced in the fact that the conference report figure of $5,913,078,057 is below both the President's budget and the bill passed by the Senate. While the original House bill was $50 million below the President's budget, the Senate amendments caused it to be $75 million over.

Our actions in conference show the determination of the conferees to preserve our trend in protecting our environment within the limits of a realistic budget. An example of this is the funding for the land and water conservation fund in the Bureau of Outdoor Recreation. The conference figure of $397 million is $33 million less than the Senate, yet $90 million more than the House included. This represents a balance in attempting to fund projects to which we are committed and yet not go so far overboard as to jeopardize projects in other agencies to which we are also committed.

The conference between the House and Senate helped to define our priorities in funding as we ironed out the differences between the two bills. The cooperation experienced by all the conferees under the leadership of Mr. YATES our chairman, and Senator BYRD and his colleagues reinforced our work. I am confident that we are sending to the President an excellent bill for him to sign. I urge your strong support of passage of the conference report.

Mr. YATES. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Speaker, the $5,641 million included within the conference report on the Interior and related agencies appropriations bill for 1977 is within the amount allocated by the Appropriations Committee under the first budget resolution.

The budget authority in the conference report is $19.5 million under the House bill and $156.6 million under the Senate bill and more than $1 billion under the subcommittee allocation.

Although the budget authority in the conference report is well below the allocation, I might remind the House there are several items that remain to be considered. These additional items, if fully acted upon at levels assumed in the first budget resolution, will absorb most of the budget authority remaining.

I support adoption of the conference report and urge that my colleagues do the same.

Mr. YATES. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. McCormack).

Mr. McCORMACK. Mr. Speaker, I am going to support this report of the conference committee.

I want to pay my respects to the committee, to its chairman, to its ranking minority member, and to the members who participated so diligently, particularly the gentleman from Utah (Mr. McKay) and the gentleman from Oregon (Mr. Duncan).

However, Mr. Speaker, I cannot help but be most critical of the conference action with respect to energy conservation research; for that money that has not been adequately provided for the Energy Research and Development Administration for this activity.

Mr. Speaker, I want to quote from the report itself to indicate that the committee reduced particular amounts appropriated by this House for the Energy Research and Development Administration after concerted debate and a full exploration of the subject.

Mr. Speaker, there was a reduction of $6.5 million in industry conservation research, and a $9 million reduction in building conservation research.

Further, there was a $5.5 million reduction in transportation conservation research; $2.5 million for energy extension research; and the entire price-support program for municipal solid waste was wiped out.

What this means, Mr. Speaker, is that what we now have is a reduction from the House appropriation of $39,150,000 for energy conservation research for operation and for plant and capital equipment.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I asked the gentleman to yield in order that the gentleman may tell the House that the House conferees achieved 77.6 percent of the total amount approved by the House after the gentleman's amendment was passed.

This is a conference report. We cannot get 100 percent of the gentleman's request, obviously. We got more than 25 percent over the 50 percent that is ordinarily the case.

Mr. McCORMACK. Will the gentleman answer a question?

Mr. YATES. I shall be glad to.

Mr. McCORMACK. Is it not true that in these categories of energy conservation, the lower figure was chosen in each case, whether it was a Senate or House figure?

Mr. YATES. The gentleman may be very respectfully right in that respect.

The point was that as we moved through the conference, there was a feeling that the amounts agreed upon were the figures we needed in order to hold the bill in balance: The fact remains that when we concluded, the conference committee was satisfied because it had agreed upon a figure that was 77.6 percent of the amendment that the gentleman had presented to the House.

Mr. McCORMACK. Mr. Speaker, I appreciate the gentleman's position.

The SPEAKER pro tempore (Mr. Pike). The time of the gentleman from Washington (Mr. McCormack) has expired.

Mr. YATES. Mr. Speaker, I yield 1 additional minute to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, I thank the gentleman for yielding this additional time.

I would like to point out further that despite these reductions there is a provision that $9 million go for fuel-cell research and development.

Now, fuel cell R. & D. is important, but what the conference action does is to cut into the other categories by this amount. I think the $9 million belongs there, but what the action does is to reduce the other categories all the more.

Mr. Speaker, I believe that the conferees have failed to recognize the importance of energy conservation and the importance of funding these programs.

As I said when I spoke to this issue on the floor before, not only is energy conservation a new subject area which must be explored; not only does it require extensive research and development; but it requires an education program for 215 million Americans who must understand how to conserve. We simply cannot ignore the importance of this program.

Mr. Speaker, while I will support the report, I cannot restrain myself in this criticism of it.

Mr. YATES. Mr. Speaker, may I inquire as to whether my colleague, the gentleman from Pennsylvania, on the Republican side, has further requests for time?

Mr. McDADE. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. YATES. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore (Mr. Pike). The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Strike out "$7,510,000" and insert "$9,970,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$10,160,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 2, line 21, insert: "*Provided,* That $13,900,000 of unobligated balances of contract authority provided by the Federal-Aid Highway Act of 1973 (P.L. 93–87) and proposed to be unobligated as of September 30, 1977, is hereby rescinded."

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided,* That $13,900,000 of unobligated balances of contract authority provided by the Federal-Aid Highway Act of 1973 (P.L. 93–87) and proposed to be unobligated as of September 30, 1977, is hereby rescinded effective October 1, 1976."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 6, line 18, strike out: "$21,003,000" and insert: "$21,553,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$18,923,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 8, line 22, strike out: "$14,493,000' 'and insert: "$15,330,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$17,211,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 9, line 10, insert: "one to be obtained by exchange;"

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: page 12, line 1, insert: ": *Provided*, That $112,122,000 of unobligated balances of contract authority provided by the Federal-Aid Highway Act of 1973 (P.L. 93-87) and proposed to be unobligated as of September 30, 1977, is hereby rescinded."

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided*, That $118,995,000 of unobligated balances of contract authority provided by the Federal-aid Highway Act of 1973 (P.L. 93-87) and proposed to be unobligated as of September 30, 1977, is hereby rescinded effective October 1, 1976."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: Page 17, line 13: strike out "$163,315,000" and insert: "$158,037,000,".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$164,465,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 17, line 14, strike out "$30,000,000" and insert "$97,779,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: Page 19, line 8, strike out "$602,610,000" and insert "$602,113,000,".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 31 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$602,713,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 19, line 16, insert: *Provided*, That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs;"

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 25, line 9, strike "$84,566,000" and insert: "$81,277,000,".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$79,077,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 31, line 17, strike out "$16,674,000" and insert "$17,244,000,".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 48 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$18,016,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 32, line 24, insert: "*Provided further*, That the unused contract authorization contained in Federal-Aid Highway Act of 1973, Public Law 93-87, August 13, 1973, in the amount of $53,827,943 is hereby rescinded."

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "*Provided further*, That the unused contract authorization contained in Federal-Aid Highway Act of 1973, Public Law 93-87, August 13, 1973, in the amount of $39,827,943 is hereby rescinded effective October 1, 1976."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Yates moves that the House recede from its disagreement to the amendment of the Senate numbered 54 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$521,775,000."

Mr. OTTINGER. Mr. Speaker, is my understanding correct that that motion is debatable?

The SPEAKER pro tempore. The motion is debatable.

The gentleman from Illinois will be recognized for 30 minutes.

Mr. OTTINGER. Mr. Speaker, I wonder if the gentleman from Illinois would yield to me.

Mr. YATES. I will be glad to yield 5 minutes to the gentleman from New York in support of his proposition.

Mr. OTTINGER. Mr. Speaker, this is the area to which I referred in the debate on the conference report itself, wherein the Committee on Appropriations has appropriated for energy conservation R. & D. less than was authorized either by the Senate or by the House, $28.5 million less than the House and $12,850,000 less than the Senate.

I think we are very badly cutting off our nose to spite our face by cutting these funds. We are talking about being able to save several million barrels of oil per day if we extend the programs for building conservation, industrial conservation, and the other areas covered by the amendment I prepare to offer:

This amendment adds $23.7 million to the proposed amendment by the conferees. This would increase the total appropriated for operations to ERDA under this Act to $545,475,000.

The additional $23.7 million is to be distributed as follows:

[In millions]

Buildings	$8.1
Industry	4.4
Transportation	2.5
Price support for urban waste	2.5
Small grants program	2.5
State energy institutes	2.5
Energy Extension Service	1.2

The important areas of conservation research that would be funded by this amendment are as follows:

BUILDINGS

Insulation.

Materials.

Methods of Construction.

Methods of Heating and Cooling.

Operating Procedures for Commercial Buildings.

Waste Heat Recovery.

Total Energy System: MIUS, Houston, Texas and ACES, Knoxville, Tennessee.

Municipal Waste Recycle Technology.

Studies: Life Cycle Costing; Performance Standards; and More Efficient Appliance.

INDUSTRY (AND AGRICULTURE)

Heat Recovery Systems.

New Fertilizer Processes.

Blast Furnace Upgrading.

Aluminum Reduction Efficiency.

Low Temperature Turbines.

TRANSPORTATION

Electric Vehicle.

Automotive Research and Development.

Non-highway Transport Systems.
Alternating Fuels.
New Inventions and Concepts.

IMPROVED CONVERSION EFFICIENCY

Fuel Cells.
Bottoming and Topping Cycles.
Combusion Research.
Improved Component Reliability and Efficiency.
Heat Exchangers.
Materials Research and Development.
Recycling of Industrials Materials.

ENERGY EXTENSION SERVICE

Research and Development.
Information Services.

MUNICIPAL SOLID WASTE PRICE SUPPORTS

Ammonia.
Methane.
Others.

Virtually every expert who testified before our committee acknowledged conservation as the No. 1 line of defense for the United States to protect itself against rising high-price imports, yet no Government action matched these words. What we are missing in this country is an adequate industrial base to push conservation. We have no specific industry, we have no conservation industrial forum comparable to the atomic industrial forum which pushes Nader so hard on TV, news ads, and magazines to put conservation ads in all our newspapers and on radio and TV and, therefore, we must see that there is a greater Federal effort to bring conservation information and technology into actual use.

Our committee gave unusual scrutiny to this conservation budget. Both the committee staff of science and technology and the staffs of several members have spent many hours reviewing the ERDA budget requests, the requests of ERDA's Conservation Division, the requests finally approved by the ERDA Review Committee as well as the OTA evaluations of these projects. Before we began our authorization markup my staff and I met personally for an entire evening with Austin Heller, the Assistant Administrator for Conservation, and the division directors for conservation, to go over their proposals program-by-program and to assess which should receive highest priority.

I would like to review some of the specifics in which I am particularly interested. After discussions with the ERDA staff, I have concluded that these are high priority programs.

In the industrial conservation program, where, according to studies initiated by ERDA 25 percent of industrial energy consumption could be saved with conservation technology, the committee urged the reinsertion of several innovative projects which would require additional funding to accelerate their effect. These include inplant power generation, a process in which wasted heat from industrial processes could be put to use. I am particularly concerned with the inefficiency of our power generation. We waste two-thirds of the energy from electrical and industrial plant power generation. Other projects would include high temperature recuperators, specifically in the steelmaking industry where high temperature gases are given off and the technology does not presently exist to successfully recapture this heat at the top of the flue. Another project would be the reuse of natural gas employed in the finishing process for automobiles and appliance manufacturing. In addition, energy efficiencies would be advanced in the development of heat pipe ovens for the baking industry and sterilization techniques for whole milk as well as the demonstration of energy conservation in irrigation pumping. ERDA estimates savings of over 1,500,000 barrels of oil per day with its full proposed program in industrial conservation alone by 1985.

Second, in the Building Division, the committee is particularly concerned with advancing the community systems program which is directed toward the integration of several energy sources as well as energy demands. OTA in the evaluation of ERDA's national plan stressed the need for greater work with State and local governments and agencies as well as a greater effort to examine the institutional constraints involved in bringing conservation into practical application. I believe that the building community systems program this year responds to these needs. There are opportunities for providing electricity and using the waste heat for other utility services such as space heating, domestic hot water and air conditioning. The development of building performance standards alone is estimated by ERDA to result in savings of 500,000 barrels of oil per day by 1985.

In the area of transportation energy conservation, the funds would go for developing new and more efficient automobile engines, particularly gas turbine and Sterling cycle engine research. These are the two most promising alternative engines that could achieve huge energy savings from the one-third of our present oil utilization consumed in gas-guzzling internal combustion engines.

Lastly, the Energy Extension Service would help immeasurably getting conservation technology out in the field. Patterned on and utilizing the very successful Agricultural Extension Service, these would provide for training of agents who could inform businesses and individuals how to use conservation technology to save fuel and money.

The industrialized countries in Europe such as West Germany and Sweden, with our standard of living, are actually using one-third of the energy we use per capita. They give much greater emphasis to local and community conservation of energy, and the employment of total energy systems at the local level. Hopefully with programs such as those I have mentioned we will begin to follow some of these patterns here in the United States.

Our committee and the subcommittee went over very carefully these programs, and the programs that are being cut back as indicated by the gentleman from Washington (Mr. McCORMACK) would be capable of making very real progress on saving waste in enery resources.

I, therefore, very strongly urge that the House vote down the previous question on this amendment when that comes about and give me the opportunity to present an amendment which would add $23.7 million back to this appropriation so that ERDA can proceed on a priority basis with this very important work.

My proposed amendment does not restore the full amount authorized by the House. It is some $5 million less than was authorized by the House. We have again come back and picked up what we consider the most important program for conservation in such areas as solid waste, industrial conservation and in buildings where I think real progress can be made. The funds in my amendment are included in the congressional budget even though it will be above the President's budget. However, I think the Administration has been very shortsighted in not pushing conservation further. If we want to reach energy independence in a short time, there is no faster way to do it than by preserving the energy which we presently are wasting. It is really sinful that we should misuse oil and send it up into the air in heat and burn it up in large automobiles when there is technology coming on line where, with a little bit of push, it could mean we would still have the same kind of driving pleasures and the same kind of pleasure out of our buildings and we would still operate our factories and yet we would use only a fraction of the oil we use today. This is the most important area of energy research where we should spend the money and I hope the House will agree with me on this and permit me to offer this amendment. I urge the Members to support my effort to defeat the previous question.

Mr. YATES. Mr. Speaker, the gentleman makes a cogent argument. If this were not a conference report, his arguments would be even stronger than they are now. The conference committee was very much aware of the need for supporting the conservation program. That is why the conference committee agreed upon an appropriation that provided 77.6 percent of the amount that the House had approved.

Ordinarily when funds are in disagreement between the other body and the House the conferees tend to split. The House considered this program to be of such importance it insisted upon an appropriation which was over three-quarters of the amount that the House had approved.

Mr. OTTINGER. Mr. Speaker, if the gentleman will yield on that point, I do not understand that. According to my figures this is lower than the Senate provided.

Mr. YATES. I shall be very glad to review the figures for the gentleman. The amount as originally reported by the House Appropriations Committee was $71.2 million. After the House had approved the amendment by the gentleman from Washington (Mr. McCORMACK), that figure was raised to $127,350,000. The conference committee agreed upon $98,850,000. And $98,850,000 is the sum which we are asking the House to approve, which is 77.6 percent of the $127.3 million that was approved by the House.

Mr. OTTINGER. But it is still $12.8 million below that authorized by the Senate.

Mr. YATES. That may be, but the fact remains it is 77.6 percent of the amount the House approved. I represented the House and not the Senate. I thought the figure we had derived from the conference was a very good settlement.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Speaker, I am pursuing the same point as the other gentleman. Normally when we are in a discussion of a conference report we are discussing the difference between the House and the Senate. Is that right?

Mr. YATES. Yes.

Mr. BROWN of California. In this case the gentleman is using another yardstick, He is using a percentage of the amount the House has approved.

Mr. YATES. That is correct.

Mr. BROWN of California. It is not a compromise between the House and the Senate figures; but, it is, in fact, substantially lower than the figure of either body.

Mr. YATES. It is not substantially lower than the House figure. As I said before, the amount for conservation is 77.6 percent of the House figure, which is a very good amount to obtain from conference with the Senate.

Let me continue by saying to the gentleman from California and to my friend from New York (Mr. OTTINGER) that the conferees agreed completely with the thrust of the gentleman's amendment.

Let me say further, as members of the Committee on Appropriations, we are pushing ERDA to improve its conservation techniques, to move to let contracts for conservation. When they appeared before our subcommittee, I will say to the gentleman, ERDA was behind in its obligations.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield further?

Mr. YATES. I am very pleased to yield to the gentleman.

Mr. BROWN of California. I am very aware of the gentleman's contribution to conservation and the gentleman's awareness of the importance of it. I know the gentleman is aware of the fact that the higher figure approved by the House has been approved twice in the last 60 days, once by a vote of more than 10 to 1 in the authorizing legislation, and then in the last 3 weeks by a fairly substantial majority when the appropriations bill was on the floor. I know that the gentleman did as much as he could to increase the resources devoted to energy conservation in the conference committee.

I would like to ask the gentleman if the gentleman feels that there is an possibility that there could be additional funds included in a supplemental later in the year if it becomes obvious that ERDA does require the funds to carry on effective operations in these areas?

Mr. YATES. My answer is a resounding yes, because as the gentleman points out, our committee subscribes as totally to the concept of conservation research as does the committee of the gentleman. We are determined to do anything to move conservation forward that we can. I, for one, will do my best to make sure that in the supplemental appropriations bill which next comes to the House that if ERDA makes a good case, and I hope they do make a good case, that our subcommittee will support that.

Mr. BROWN of California. Mr. Speaker, if the gentleman will yield further, I thank the gentleman for this expression. I know the effort the gentleman has made to establish a case for this kind of activity. I share the gentleman's concern for that. I hope we can bring that matter up at a later date.

Mr. DUNCAN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Speaker, I am pleased that the gentleman has called this to the attention of the House. The committee is in complete sympathy with all the objectives that the gentleman from California and the gentleman from New York have enunciated. I do not think there is any disagreement with those. I think there can be disagreement as to how effectively the funds can be used to advance the causes that all of us want. There are some judgmental factors involved and, as the gentleman from Illinois pointed out, the amount involved compared to the amount of authority the House did get and what we did on the floor of the House is really a small item.

There is one other thing the House ought to know. That is the ERDA budget is not the only repository of conservation funds. We also have funding in the FEA, for example, for conservation programs in addition to those in ERDA. And sprinkled throughout the rest of the agencies in this committee are other funds for conservation. We have to be careful to see that the funds appropriated are properly and carefully used and avoid the possibility and, indeed, the existence of overlapping and duplication.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I also acknowledge the sympathy of the gentleman from Illinois to the necessity of conservation and the gentleman's real interest in pushing this forward.

I do not intend to be critical, but I think this is of such overwhelming importance that we ought to be pushing as hard as we can on ERDA to expand in this area where they are grossly deficient.

With respect to the FEA budget, I would point out to the gentleman from Oregon that the House took the money for conservation out of the FEA budget. We are trying to get the money back in conference, because the majority on the Commerce Committee thinks it is important to get fully researched and developed conservation technology applied in practice of businesses and industry. But as of this time, there is no FEA authorization to do this important work.

Mr. YATES. May I say to my friend from New York that this bill does contain $25 million for conservation grants to the States. Even though the gentleman's committee and the committee of the other body have not yet agreed upon the authorization, nevertheless we have made available $25 million for conservation for the States. I think the gentleman will approve the action of the committee in that regard.

Let me say to the gentleman further that I would hope that he would withdraw his amendment at this time in view of the colloquy I had with the gentleman from California. I would make the same representation to the gentleman, that we are interested in the same goals as the gentleman is. We do not think ERDA can utilize effectively additional money than we have made available to it in this bill. If ERDA makes its case before us in the next supplemental bill, I will say to the gentleman that certainly I would do everything I can, and I am sure our committee will do everything we can, to provide money to give the emphasis to the conservation effort that should be given.

Mr. OTTINGER. I appreciate the gentleman's good faith in putting that forward, but I do not think it is anywhere near as good as getting it started right now. I am satisfied, after having spent, for example, a whole evening with every one of the department directors of ERDA in the conservation program and going over these items program by program, that the program we finally settled on—and those are by no means all of them—should be pushed now. We are so deficient in that category that I am afraid I cannot accede to the gentleman's request at this time.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Speaker, I thank the gentleman for yielding to me. I too commend him for all the work done in this conference report, but I wonder if the gentleman could give specific information as to the ratio of percentages of the decreases? The decrease in industry conservation, for example, was very substantial.

Mr. YATES. The gentleman from Washington (Mr. MCCORMACK) made reference to the decreases. I would rather make reference to the increases we have made. For example, we provided an increase in building conservation of $14.6 million over the budget; we provided an increase of $10.2 million over the budget for industry conservation; we provided an increase above the budget of $14.6 million for transportation conservation; we provided an increase of $14.2 million over the budget for improving efficiency; and we provided an increase of $7.5 million over the budget for energy extension service.

We provided no increase for price support for urban waste because the conferees had not yet agreed upon authorizing legislation. So, the conferees made a very substantial increase to the conservation effort in ERDA. I assure the gentleman that the members of the conference are as devoted to the program as he is.

Mr. DRINAN. I do not doubt that, but if I may press my point, because I am not certain that was the question I had in mind—

Mr. YATES. The reverse of the question.

Mr. DRINAN. Yes, the gentleman gave the positive, but I just want to know if any priorities enter into this question on discussion of the conference report. On page 16, decreases over the House authorization were, in the area of industry conservation research, in the sum of $6.5 million; $9 million for building conservation research, and so forth. The proportion is not always the same.

For example, in industry conservation the House authorization was $20,950,000, and that was cut by $6.5 million. That is very substantial; that is one-third or more. I wonder if there is any figure that was constant, or was this just the result of negotiation?

Mr. YATES. Mr. Speaker, I am sure the gentleman has sat on conference committees on bills, and I am sure that he has not always achieved 100 percent of the goals he wanted as a result of his negotiations with the Senate. The figure we agreed upon is the result of negotiation with the Senate. I am sorry that we could not bring back to the House the figure that would represent 100 percent of the amount voted in the House, but I say again to the gentleman that we do bring back a figure that is 77.6 percent of the amount voted by the House. I think that is a substantial figure.

Mr. DRINAN. I appreciate that. One last point: This was brought up before by the distinguished gentleman from California (Mr. BROWN).

This bill is under the authorization level in both Houses, and it is $28 million less than the Senate version, the Senate authorization. Where is the pressure to decrease the Senate version? There was really no negotiations, as I understand it, because the Senate was more in this respect than the House authorization was too. So why was it necessary to negotiate, when both Houses have authorized substantially more than in this report?

Mr. YATES. There happens to be a matter such as the President's budget with which the Committee on Appropriations has to contend. Before the amendment offered by the gentleman from Washington (Mr. MCCORMACK) was approved by the House, we had provided the full presidential authority for the ERDA's conservation budget. The figure that the conferees have approved is substantially more than the President's budget, and that is the reason that we had to negotiate on some basis. We felt we made a very favorable settlement, may I say to the gentleman.

Mr. DRINAN. I thank the gentleman for his comments. It seems to me that the will of the House takes precedence over any preestablished Presidential mandate, and that the will of the House was expressed very clearly here in two authorizations.

Mr. McDADE. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania (Mr. McDADE).

Mr. McDADE. I thank the gentleman for yielding.

Mr. Speaker, I want to say that I rise to support the motion, that is to say that we accept the amendment. We seem to concur in this particular instance.

I recognize the feelings of the gentleman from New York, and others, who spoke on the issue, but I do think it is important that we understand that what we have is a conference which has to adjust differences of opinion between the two bodies. That has been done. The issue of conservation is contained not just in this account, but in others. I think the chairman of the committee has addressed himself sincerely to another point, which is that this committee of the House, which started up with this account, appropriated 100 percent of the budget request. We did not cut them a dime. We are not against the conservation program. We simply want to see ERDA come up to us, as we do with any other agency, and make them justify the amount of funding they are going to use and how they are going to spend the tax dollars. That is an important issue in this House as we address ourselves to this account and as we address ourselves to any other account that comes before this body. I think it is important to know that we do look with favor in attempting to increase—and indeed we are increasing in dramatic percentage terms, albeit not dramatic dollar terms—the conservation effort. There is an obviously good reason for it. It is a reason that every single one of us were elected to protect, and that is to make sure the taxpayers get reasonable assurances that their dollars are spent the way they want them to be spent.

Of all of the contracts that have been signed so far by the conservation section in ERDA, 95 percent of them are noncompetitive, sole source contracts. I am not implying that anybody is doing anything wrong. I am simply saying none of them are competitive contracts. There is a reason for that. The expertise is not in the field yet. If we want to let this program grow, we have to let it grow in an orderly way. It permits the committee to do its work in an orderly way. That is what I hope we will do. I hope the Members will agree with the motion offered by the gentleman from Illinois.

Mr. DUNCAN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. I thank the gentleman for yielding.

I want to concur in what the gentleman said. I will wager that the gentleman from Pennsylvania would be delighted to have the additional large sums of money in here for mining research and the development of coal conversion. I know I had to take a 50-percent cut in forest roads and trails.

We have just this afternoon rescinded $118 million of funds already available for the construction of roads in the forests and rangelands of this country. I did not like either the rescission or the compromise on forest roads. But we all have to yield a little in the interest of holding down the deficit and hopefully reaching that day not far off when we will have the budget balanced.

Mr. YATES. Mr. Speaker, I move the previous question on the motion.

The SPEAKER. The question is on ordering the previous question on the motion.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. OTTINGER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. YATES. Mr. Speaker, are we voting on the previous question?

The SPEAKER. The vote is on ordering the previous question on the motion.

Mr. YATES. Mr. Speaker, I was not sure the Members understood that. The vote is on the ordering of the previous question?

The SPEAKER. The gentleman is correct.

The vote was taken by electronic device, and there were—yeas 325, nays 70, not voting 37, as follows:

[Roll No. 518]

YEAS—325

Abdnor
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biester
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byron
Carney
Carr
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Corman
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Devine
Dickinson
Dingell
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kazen

Kelly
Kemp
Ketchum
Kindness
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Obey
O'Brien
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Seiberling
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—70

AuCoin
Badillo
Bedell
Biaggi
Bingham
Blanchard
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Chisholm
Cleveland
Conte
Conyers
Cornell
D'Amours
Dellums
Diggs
Drinan
Eckhardt
Edgar
Fraser
Frenzel
Green
Gude
Harrington
Harris
Hechler, W. Va.
Heckler, Mass.
Holtzman
Howard
Hughes
Jacobs
Kasten
Kastenmeier
Keys
Koch
Krueger
Lent
Levitas
Long, Md.
Lujan
Maguire
Melcher
Mezvinsky
Mikva
Miller, Calif.
Nolan
Oberstar
Ottinger
Rangel
Reuss
Richmond
Rosenthal
St Germain
Scheuer
Schroeder
Sharp
Solarz
Stark
Stokes
Studds
Udall
Waxman
Weaver
Wirth
Wolff
Wydler
Young, Ga.
Young, Tex.

NOT VOTING—37

Abzug
Anderson, Ill.
Ashley
Boggs
Butler
Clay
Conlan
Cotter
Derwinski
Dodd
Esch
Evins, Tenn.
Giaimo
Harkin
Hébert
Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.
Karth
Litton
Michel
Moffett
Mollohan
Murphy, Ill.
Pepper
Riegle
Shipley
Simon
Stanton, James V.
Steed
Steelman
Symington
Vander Jagt
Wilson, C. H.
Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Moffett against.

Mr. Shipley for, with Ms. Abzug against.

Mr. Pepper for, with Mr. Clay against.

Until further notice:

Mr. Cotter with Mr. Derwinski.

Mrs. Boggs with Mr. Anderson of Illinois.

Mr. Giaimo with Mr. Esch.

Mr. Dodd with Mr. Heinz.

Mr. Helstoski with Mr. Butler.

Mr. Hébert with Mr. Karth.

Mr. Riegle with Mr. Mollohan.

Mr. Steed with Mr. Simon.

Mr. Harkin with Mr. Conlan.

Mr. Charles H. Wilson of California with Mr. James V. Stanton.

Mr. Ashley with Mr. Evins of Tennessee.

Mr. Howe with Mr. Steelman.

Mr. Symington with Mr. Vander Jagt.

Mr. Litton with Mr. Young of Alaska.

Mr. Murphy of Illinois with Mr. Michel.

Messrs. KASTENMEIER, AuCOIN, and EDGAR changed their vote from "yea" to "nay."

Mr. BONKER changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 55: Page 38, line 15, strike out "$68,570,000" and insert: "$63,920,000,".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of Senate numbered 55 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$62,220,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 57: Page 39, line 13, strike out: "the funds made available under this head shall be available for obligation only upon the enactment into law of H.R. 12169, Ninety-Fourth Congress, or similar legislation" and insert: "in the event of the expiration of such Administration, the funds provided herein shall be available for obligation by any other entity or entities established to carry out substantially the same functions as such Administration: *Provided further,*"

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 57 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 60: Page 41, line 22, strike out "$70,663,000" and insert "$76,499,000,".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 60 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$88,163,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 65: Page 44, line 7, strike out: "$82,635,000" and insert: "$82,616,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$82,106,000."

The motion was agreed to.

The SPEAKER. The Clerk will report last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 72: Page 49, line 24 insert:

"SALARIES AND EXPENSES

"For necessary expenses, as authorized by section 17 of Public Law 92-578 as amended, $1,318,000: *Provided*, That this appropriation shall be available only upon enactment of authorizing legislation."

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 72 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$1,000,000."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 14231, just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. BOB WILSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOB WILSON. Mr. Speaker, on the rollcall No. 517 in the House this afternoon, on a vote called for by our colleague, the gentleman from California (Mr. PHILLIP BURTON), there was some confusion as to the length of time to be allowed on the vote. I know the Speaker was overly generous in allowing a few additional minutes, but the RECORD shows that approximately 20 people did not vote on that motion because they probably did not understand that it was a 5-minute vote instead of the normal 15-minute vote.

Mr. Speaker, would it be in order for me to ask unanimous consent to reconsider that vote?

The SPEAKER. Of course the gentleman can only ask unanimous consent to vacate the proceedings whereby the bill was passed and the motion to reconsider laid on the table.

REQUEST TO VACATE PROCEEDINGS ON ROLLCALL 517

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent to vacate the proceedings on rollcall 517 which was called for by our colleague, the gentleman from California (Mr. PHILLIP BURTON), and I ask unanimous consent that the vote be reconsidered at this time.

The SPEAKER. Is there objection to the unanimous-consent request that again the proceedings be vacated on the bill H.R. 14291?

Mr. ALLEN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

ANNOUNCEMENT OF PROGRAM FOR THE REMAINDER OF THE WEEK

Mr. O'NEILL. Mr. Speaker, I rise, and I was just talking to the gentleman from Arizona, to announce the program for the remainder of the week.

We are going to take up now the amendments on the unemployment compensation bill and we hope to finish that this evening.

Tomorrow we will ask unanimous consent to meet at 10 o'clock in the morning and we plan to take up the Outer Continental Shelf bill.

We will ask to meet at 10 o'clock on Thursday morning when we plan to take up the vetoes of the jobs bill and the military construction bill and the public land policy and management bill.

Then we would continue along with the schedule.

There is also the possibility that we will bring up the HUD appropriation bill conference report.

That would be the program for the remainder of the week.

By agreement we would conclude our business on Thursday and there would be no business on Friday.

HOUR OF MEETING ON TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the gentleman said there would be no business on Friday. Are we to understand there will be no session on Friday?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, as I understand it, there will be no session on Friday.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Massachusetts, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING ON THURSDAY, JULY 22, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet at 10 o'clock a.m. on Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SEIBERLING. Mr. Speaker, reserving the right to object, the Committee on the Judiciary has a bill under referral which must be acted upon by Thursday. We were planning to sit on Thursday. I just wonder if the gentleman on the other side of the aisle is going to object if we ask unanimous consent to sit, notwithstanding the 5-minute rule. We must dispose of the bill by the new rule. It is the bottler's bill which we must report out.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1975

Mr. CORMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill—H.R. 10210—to require States to extend unemployment compensation coverage to certain previously uncovered workers; to increase the amount of the wages subject to the Federal unemployment tax; to increase the rate of such tax; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. CORMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 10210, with Mr. YATES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on Monday, July 19, 1976, the Clerk had read through line 5 on page 1.

The Clerk will read title I.

The Clerk read as follows:

TITLE I—EXTENSION OF COVERAGE PROVISIONS

PART I—GENERAL PROVISIONS

SEC. 111. COVERAGE OF CERTAIN AGRICULTURAL EMPLOYMENT.

(a) NONCASH REMUNERATION.—Section 3306(b) of the Internal Revenue Code of 194 (defining wages) is amended by striking out "or" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(11) remuneration for agricultural labor paid in any medium other than cash.".

(b) COVERAGE OF AGRICULTURAL LABOR.—Paragraph (1) of section 3306(c) of such Code (defining employment) is amended to read as follows:

"(1) agricultural labor (as defined in subsection (k)) unless—

"(A) such labor is performed for an employer who—

"(i) during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of $5,000 or more to individuals employed in agricultural labor (not taking into account labor performed before January 1, 1979, by an alien referred to in subparagraph (B)), or

"(ii) on each of some 20 days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor (not taking into account labor performed before January 1, 1979, by an alien referred to in subparagraph (B)) for some portion of the day (whether or not at the same moment of time) 4 or more individuals; and

"(B) such labor is not agricultural labor performed before January 1, 1979, by an individual who is an alien admitted to the United States to perform agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act;".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

SEC. 112. TREATMENT OF CERTAIN FARMWORKERS.

(a) GENERAL RULE.—Section 3306 of the Internal Revenue Code of 1954 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(o) SPECIAL RULE IN CASE OF CERTAIN AGRICULTURAL WORKERS.—

"(1) CREW LEADERS WHO ARE REGISTERED OR PROVIDE SPECIALIZED AGRICULTURAL LABOR.—For purposes of this chapter, any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other person shall be treated as an employee of such crew leader—

"(A) if—

"(i) such crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or

"(ii) substantially all the members of such crew operate or maintain tractors, mechanized harvesting or crop-dusting equipment, or any other mechanized equipment, which is provided by such crew leader; and

"(B) if such individual is not an employee of such other person within the meaning of subsection (i).

"(2) OTHER CREW LEADERS.—For purposes of this chapter, in the case of any individual who is furnished by a crew leader to perform agricultural labor for any other person and who is not treated as an employee of such crew leader under paragraph (1)—

"(A) such other person and not the crew leader shall be treated as the employer of such individual; and

"(B) such other person shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader (either on his behalf or on behalf of such other person) for the agricultural labor performed for such other person.

"(3) CREW LEADER.—For purposes of this subsection, the term 'crew leader' means an individual who—

"(A) furnishes individuals to perform agricultural labor for any other person,

"(B) pays (either on his behalf or on behalf of such other person) the individuals so furnished by him for the agricultural labor performed by them, and

"(C) has not entered into a written agreement with such other person under which such individual is designated as an employee of such other person.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

SEC. 113. COVERAGE OF DOMESTIC SERVICE.

(a) GENERAL RULE.—Paragraph (2) of section 3306(c) of the Internal Revenue Code of 1954 (defining employment) is amended to read as follows:

"(2) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority unless performed for an employer who paid cash remuneration of $600 or more for such domestic service in any calendar quarter in the calendar year or the preceding calendar year;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

SEC. 114. DEFINITION OF EMPLOYER.

(a) GENERAL RULE.—Subsection (a) of section 3306 of the Internal Revenue Code of 1954 (defining employer) is amended to read as follows:

"(a) EMPLOYER.—For purposes of this chapter—

"(1) IN GENERAL.—The term 'employer' means, with respect to any calendar year, any person who—

"(A) during any calendar quarter in the calendar year or the preceding calendar year paid wages of $1,500 or more, or

"(B) on each of some 20 days during the calendar year or during the preceding calendar year, each day being in a different calendar week, employed at least one individual in employment for some portion of the day.

For purposes of this paragraph, there shall not be taken into account any wages paid to, or employment of, an employee performing domestic services referred to in paragraph (3).

"(2) AGRICULTURAL LABOR.—In the case of agricultural labor, the term 'employer' means, with respect to any calendar year, any person who—

"(A) during any calendar quarter in the calendar year or the preceding calendar year paid wages of $5,000 or more for agricultural labor, or

"(B) on each of some 20 days during the calendar year or during the preceding calendar year, each day being in a different calendar week, employed at least 4 individuals in agricultural labor for some portion of the day.

"(3) DOMESTIC SERVICE.—In the case of domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, the term 'employer' means, with respect to any calendar year, any person who during any calendar quarter in the calendar year or the preceding calendar year paid wages in cash of $600 or more for such service.

"(4) SPECIAL RULE.—A person treated as an employer under paragraph (3) shall not be treated as an employer with respect to wages paid for any service other than domestic service referred to in paragraph (3) unless such person is treated as an employer under paragraph (1) or (2) with respect to such other service."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

SEC. 115. COVERAGE OF CERTAIN SERVICE PERFORMED FOR NONPROFIT ORGANIZATIONS AND FOR STATE AND LOCAL GOVERNMENTS.

(a) GENERAL RULE.—Subparagraphs (B) of section 3309(a)(1) of the Internal Revenue Code of 1954 (relating to State law requirements) is amended to read as follows:

"(B) service excluded from the term 'employment' solely by reason of paragraph (7) of section 3306(c); and".

(b) EXCLUSION OF CERTAIN GOVERNMENT EMPLOYEES.—

(1) CERTAIN EMPLOYEES.—Paragraph (3) of section 3309(b) of such Code (relating to certain services to which section 3309 does not apply) is amended to read as follows:

"(3) in the employ of a governmental entity referred to in paragraph (7) of section 3306(c), if such services is performed by an individual in the exercise of his duties as—

"(A) an elected official, or an appointed official, if such appointed official serves for a specific term established by law or is not required to perform services on a substantially full-time basis:

"(B) a member of a legislative body, or a member of the judiciary, of a State or political subdivision thereof;

"(C) a member of the State National Guard or Air National Guard; or

"(D) an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency,".

(2) INMATES.—Paragraph (6) of such section 3309(b) is amended to read as follows:

"(6) by an inmate of a custodial or penal institution.".

(c) TECHNICAL ADJUSTMENTS.—

(1) Paragraph (6)(A) of section 33004(a) of such Code is amended—

(A) by striking out "institution of higher education" and inserting in lieu thereof "educational institution";

(B) by striking out "institution or institutions of higher education" and inserting in lieu thereof "educational institution or institutions";

(C) by striking out "except that," and inserting in lieu thereof "except that (i)"; and

(D) by inserting before ", and" at the end thereof the following: ", and (ii) with respect to service in any other capacity for an educational institution (other than an institution of higher education) to which section 3309(a)(1) applies, compensation payable on the basis of such service may be denied to any individual for any week which begins before January 1, 1979, and which commences during a period between 2 successive academic years or similar periods if such individual performs such service in the first of such academic terms (or similar periods) and there is a reasonable assurance that such individual will perform such service in the second of such academic terms (or similar periods)".

(2) Subsection (d) of section 3309 of such Code is hereby repealed.

(3) The section heading of section 3309 of such Code is amended to read as follows:

"SEC. 3309. STATE LAW COVERAGE OF SERVICES PERFORMED FOR NONPROFIT ORGANIZATIONS OR GOVERNMENTAL ENTITIES.".

(4) The table of sections for chapter 23 of such Code is amended by striking out the item relating to section 3309 and inserting in lieu thereof the following:

"Sec. 3309. State law coverage of services performed for nonprofit organizations or governmental entities.".

(5) Section 3304 of such Code is amended by adding at the end thereof the following new subsection:

"(f) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—For purposes of subsection (a)(6), the term 'institution of higher education' means an educational institution in any State which—

"(1) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

"(2) is legally authorized within such State to provide a program of education beyond high school;

"(3) provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, or offers a program of training to prepare students for gainful employment in a recognized occupation; and

"(4) is a public or other nonprofit institution."

(d) EFFECTVE DATE.—The amendments made by this section shall apply with respect to certifications of States for 1977 and subsequent years, but only with respect to services performed after December 31, 1976.

SEC. 116. EXTENSION OF FEDERAL UNEMPLOYMENT COMPENSATION LAW TO THE VIRGIN ISLANDS.

(a) AMENDMENT OF THE SOCIAL SECURITY ACT.—Paragraph (1) of section 1101(a) of the Social Security Act is amended by inserting after the first sentence the following new sentence: "Such term when used in titles III, IX, and XII also includes the Virgin Islands.".

(b) AMENDMENTS OF THE INTERNAL REVENUE CODE OF 1954.—

(1) Section 3306(c) of the Internal Revenue Code of 1954 (defining employment) is amended by striking out "or in the Virgin Islands" in the portion of such section which precedes paragraph (1) thereof.

(2) Section 3306(j) of such Code is amended to read as follows:

"(j) STATE, UNITED STATES, AND AMERICAN EMPLOYER.—For purposes of this chapter—

"(1) STATE.—The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

"(2) UNITED STATES.—The term 'United States' when used in a geographical sense includes the States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

"(3) AMERICAN EMPLOYER.—The term 'American employer' means a person who is—

"(A) an individual who is a resident of the United States,

"(B) a partnership, if two-thirds or more of the partners are residents of the United States,

"(C) a trust, if all of the trustees are residents of the United States, or

"(D) a corporation organized under the laws of the United States or any State.

An individual who is a citizen of the Commonwealth of Puerto Rico or the Virgin Islands (but not otherwise a citizen of the United States) shall be considered, for purposes of this section, as a citizen of the United States.".

(c) AMENDMENT RELATING TO THE FEDERAL EMPLOYMENT SERVICE.—Section 5(b) of the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States for the promotion of such system, and for othet purposes", approved June 6, 1933 (29 U.S.C. 49d(b)), is amended by striking out "Guam and the Virgin Islands" and inserting in lieu thereof "Guam".

(d) AMENDMENTS TO FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970.

(1) Section 202(a)(1) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking out "the Virgin Islands or".

(2) Paragraph (8) of section 205 of such Act is amended to read as follows:

"(8) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.".

(e) Amendments Relating to Federal Unemployment Compensation.—

(1) Paragraph (6) of section 8501 of title 5, United States Code, is amended to read as follows:

"(6) 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and".

(2) Section 8503 of title 5, United States Code is amended—

(A) by striking out subsections (b) and (d);

(B) by redesignating subsection (c) as subsection (b); and

(C) by striking out "subsection (a) or (b)" in subsection (b) (as so redesignated) and inserting in lieu thereof "subsection (a)".

(3) Section 8504 of title 5, United States Code, is amended—

(A) by adding "and" at the end of paragraph (1);

(B) by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period; and

(C) by striking out paragraph (3).

(4) Paragraph (3) of section 8521 of title 5, United States Code, is amended to read as follows:

"(3) 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands."

(5) Section 8522 of title 5, United States Code, is amended by striking out "or to the Virgin Islands, as the case may be,".

(f) Effective Dates.—

(1) Subsections (a), (c), and (d).—The amendments made by subsections (a), (c), and (d) shall take effect on the day after the day on which the Secretary of Labor approves under section 3304(a) of the Internal Revenue Code of 1954 an unemployment compensation law submitted to him by the Virgin Islands for approval.

(2) Subsection (b).—The amendments made by subsection (b) shall apply with respect to remuneration paid after December 31 of the year in which the Secretary of Labor approves for the first time an unemployment compensation law submitted to him by the Virgin Islands for approval, for services performed after such December 31.

(3) Subsection (e).—The amendments made by subsection (e) shall apply with respect to benefit years beginning on or after the first day of the first week for which compensation becomes payable under an unemployment compensation law of the Virgin Islands which is approved by the Secretary of Labor under section 3304 (a) of the Internal Revenue Code of 1954.

(g) Transfer of Funds.—The Secretary of Labor shall not approve an unemployment compensation law of the Virgin Islands under section 3304(a) of the Internal Revenue Code of 1954 until the Governor of the Virgin Islands has approved the transfer to the Federal Unemployment Trust Fund established by section 904 of the Social Security Act of an amount equal to the dollar balance credited to the unemployment subfund of the Virgin Islands established under section 310 of title 24 of the Virgin Islands Code.

PART II—TRANSITIONAL PROVISIONS

Sec. 121. Federal Reimbursement for Benefits Paid to Newly Covered Workers During Transition Period.

(a) General Rule.—If any State, the unemployment compensation law of which is approved by the Secretary under section 3304 (a) of the Internal Revenue Code of 1954, provides for the payment of compensation for any week of unemployment beginning on or after January 1, 1977, on the basis of previously uncovered services, the Secretary shall pay to the unemployment fund of such State an amount equal to the Federal reimbursement for any compensation paid for a week of unemployment beginning on or after January 1, 1977, to any individual whose base period wages include wages for previously uncovered services.

(b) Previously Uncovered Services.—For purposes of this section, the term "previously uncovered services" means, with respect to any State, services—

(1) which were not covered by the State unemployment compensation law, at any time, during the 1-year period ending December 31, 1975; and

(2) which—

(A) are agricultural labor (as defined in section 3306(k) of the Internal Revenue Code of 1954) or domestic services referred to in section 3306(c) (2) of such Code (as in effect on the day before the date of the enactment of this Act) and are treated as employment (as defined in section 3306(c) of such Code) by reason of the amendments made by this Act, or

(B) are services to which section 3309(a) (1) of such Code applies by reason of the amendments made by this Act.

(c) Federal Reimbursement.—

(1) In general.—For purposes of this section, the Federal reimbursement for compensation paid to any individual for any week of unemployment shall be an amount which bears the same ratio to the amount of such compensation as the amount of the individual's base period wages which are attributable to previously uncovered services amount of the individual's base period wages.

(2) Reimbursable services.—For purposes of determining the amount of the Federal reimbursement for compensation paid to any individual for any week of unemployment, previously uncovered services shall be treated as being reimbursable—

(A) if such services were performed—

(i) before July 1, 1977, in the case of a week of unemployment beginning before July 1, 1977; or

(ii) before January 1, 1977, in the case of a week of unemployment beginning after July 1, 1977; and

(B) if assistance under title II of the Emergency Jobs and Unemployment Assistance Act of 1974 was not paid to such individual on the basis of such services.

(3) Denial of payment.—No payment may be made under subsection (a) to any State in respect of any compensation for which the State is entitled to any reimbursement under the provisions of any Federal law other than this Act or the Federal-State Extended Unemployment Compensation Act of 1970.

(d) Experience Rating of Certain Employers.—The unemployment compensation law of any State may, without being deemed to violate the standards set forth in section 3303(a) of the Internal Revenue Code of 1954, provide that the experience-rating account of any employer shall not be charged for the compensation paid to any individual whose base period wages include wages for previously uncovered services performed before January 1, 1977, to the extent that such individual would not have been eligible to receive such compensation had the State law not provided for the payment of compensation on the basis of such previously uncovered services.

(e) Certain Nonprofit Employers.—The unemployment compensation law of any State may provide that any organization which elects to make payments (in lieu of contributions) into the State unemployment compensation fund as provided in section 3309(a) (2) of the Internal Revenue Code of 1954 shall not be liable to make such payments with respect to the compensation paid to any individual whose base period wages include wages for previously uncovered services performed before January 1, 1977, to the extent that such individual would not have been eligible to receive such compensation had the State not provided for the payment of compensation on the basis of such previously uncovered services.

(f) Payments Made Monthly.—Payments under subsection (a) shall be made monthly, prior to audit or settlement by the General Accounting Office, on the basis of estimates by the Secretary of the amount payable to such State for such month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior month were greater or less than the amounts which should have been paid to such State. Such estimates may be made on the basis of such statistical, sampling, or other methods as may be agreed upon by the Secretary and the State.

(g) Definitions.—For purposes of this section—

(1) State.—The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(2) Secretary.—The term "Secretary" means the Secretary of Labor.

(3) Benefit year.—The term "benefit year" means the benefit year as defined in the applicable State unemployment compensation law.

(4) Base period.—The term "base period" means the base period as defined by the applicable State unemployment compensation law for the benefit year.

(5) Unemployment fund.—The term "unemployment fund" has the meaning given to such term by section 3306(f) of the Internal Revenue Code of 1954.

(h) Authorization of Appropriations.—There are authorized to be appropriated from the general fund of the Treasury such sums as may be necessary to carry out the purposes of this section.

Sec. 122. Transitional Rules in Case of Nonprofit Organizations.

(a) Credit for Prior Contributions.—Section 3303 of the Internal Revenue Code of 1954 (relating to conditions of additional credit allowance) is amended by adding at the end thereof the following new subsection:

"(g) Transitional Rule for Unemployment Compensation Amendments Act of 1975.—To facilitate the orderly transition to coverage of service to which section 3309(a) (1) (A) applies by reason of the enactment of the Unemployment Compensation Amendments of 1975, a State law may provide that an organization (or group of organizations) which elects, when such election first becomes available under the State law with respect to such service, to make payments (in lieu of contributions) into the State unemployment fund as provided in section 3309 (a) (2), and which had paid contributions into such fund under the State law with respect to such service performed in its employ before the date of the enactment of this subsection, is not required to make any such payment (in lieu of contributions) on account of compensation paid after its election as heretofore described which is attributable under the State law to such service performed in its employ, until the total of such compensation equals the amount—

"(1) by which the contributions paid by such organization (or group) on the basis of wages for such service with respect to a period before the election provided by section 3309(a) (2), exceed

"(2) the unemployment compensation for the same period which was charged to the experience-rating account of such organization (or group) or paid under the State law on the basis of such service performed in its employ or wages paid for such service, whichever is appropriate.".

(b) TECHNICAL AMENDMENT.—Section 3303 (f) of such Code (relating to transition to coverage of certain services) is amended by striking out "which elects, when such election first becomes available under the State law," and inserting in lieu thereof "which elects before April 1, 1972,".

(c) EFFECTIVE DATES.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act. The amendment made by subsection (b) shall take effect on January 1, 1970.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Chairman, I ask unanimous consent that the committee amendments to H.R. 10210 that are printed in the bill and the committee amendments which I ordered printed in the CONGRESSIONAL RECORD of June 3, 1976, be considered en bloc and as read.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. STEIGER of Wisconsin. Mr. Chairman, reserving the right to object, and I shall not object, I want to make sure that the Committee understands that these are the amendments that relate to changes in the dates which are required as a result of the delay in bringing the bill to the floor. May I ask the gentleman from California, am I correct?

Mr. CORMAN. The gentleman is correct as to the amendments printed in the CONGRESSIONAL RECORD. It is because of the dates that they must move forward by the year.

Mr. STEIGER of Wisconsin. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The committee amendments are as follows:

Committee amendments: Page 1, line 5, strike out "1975" and insert "1976".

Page 3, line 1, strike out "January 1, 1979" and insert "January 1, 1980".

Page 3, beginning in line 7, strike out "January 1, 1979" and insert "January 1, 1980".

Page 3, line 13, strike out "January 1, 1979" insert "January 1, 1980".

Page 3, line 20, strike out "December 31, 1976" and insert "December 31, 1977".

Page 5, line 24, strike out "December 31, 1976" and insert "December 31, 1977".

Page 6, line 14, strike out "December 31, 1976" and insert "December 31, 1977".

Page 10, line 3, strike out "December 31, 1976" and insert "December 31, 1977".

Page 12, line 8, strike out "January 1, 1979" and insert "January 1, 1980".

Page 13, line 21, strike out "1977" and insert "1978".

Page 13, line 22, strike out "December 31, 1976" and insert "December 31, 1977".

Page 18, line 6, after "shall take effect on" insert "the later of October 1, 1976, or".

Page 18, line 20, after "beginning on or after" insert "the later of October 1, 1976, or".

Page 19, beginning in line 18, strike out "January 1, 1977" and insert "January 1, 1978".

Page 19, line 23, strike out "January 1, 1977" and insert "January 1, 1978".

Page 21, line 9, strike out "July 1, 1977" and insert "July 1, 1978".

Page 21, beginning in line 10, strike out "July 1, 1977" and insert "July 1, 1978".

Page 21, line 12, strike out "January 1, 1977" and insert "January 1, 1978".

Page 21, beginning in line 13, strike out "July 1, 1977" and insert "July 1, 1978".

Page 24, line 17, strike out "1975" and insert "1976".

Page 24, line 20, strike out "1975' and insert "1976".

Page 26, line 21, strike out "1982" and insert "1983".

Page 26, line 22, strike out "1975" and insert "1976".

Page 27, line 22, strike out "March 1976" and insert "March 1977".

Page 28, line 13, strike out "December 31, 1976" and insert "December 31, 1977".

Page 28, line 16, strike out "December 31, 1975" and insert "December 31, 1976".

Page 30, line 19, strike out "January 1, 1978" and insert "January 1, 1979".

Page 30, line 23, strike out "January 1, 1978" and insert "January 1, 1979".

Page 32, beginning in line 15, strike out "July 1, 1976" and insert "July 1, 1977".

Page 34, line 20, strike out "the date of the enactment of this Act" and insert "September 30, 1976".

Page 37, line 10, strike out "1976" and insert "1977".

Page 37, line 15, strike out "1975" and insert "1976".

Page 37, line 21, strike out "1977" and insert "1978".

Page 43, beginning in line 9, strike out "January 1, 1978" and insert "January 1, 1979".

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. ULLMAN

Mr. ULLMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ULLMAN: Page 2, line 23, strike out "$5,000" and insert in lieu thereof "$10,000".

Page 7, line 15, strike out "$5,000" and insert in lieu thereof "$10,000".

Mr. ULLMAN. Mr. Chairman, I shall not take the 5 minutes.

Mr. Chairman, this amendment deals with the coverage of seasonal farm employees. The provisions in the bill extend unemployment compensation coverage to farmworkers of employers with four or more workers in 20 weeks or who pay $5,000 in quarterly wages for agricultural services.

Now, the amendment maintains the first criteria, but it simply changes the quarterly wage criteria from $5,000 to $10,000. It makes no other changes in the provisions pertaining to farmworker coverage. In covering new employee groups, and particularly seasonal workers, there are some rough edges.

This rounds out one of the rough edges. I have talked with most segments of the economy which are concerned, and find general acceptance of the amendment.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment. I would call the attention of the committee to the fact that this amendment is a very modest change. It reduces the number of employers covered from 7 percent to 6 percent, and the number of employees covered from 61 percent to 59 percent. The important thing is that the bill extends coverage to agricultural workers. This is a very modest amendment, and I think we might be able to vote on it quickly.

Mr. COHEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Ullman amendment. With each passing day, we hear of more and more small farmers abandoning their farms, driven out of business by high production costs, competition from large corporate farmers, and the uncertainties of an erratic market. The statistics are staggering. In the State of Maine alone, the number of farms has decreased by nearly 50 percent during the past decade. Yet, today, Congress proposes to place still another burden on our farmers—a burden which will not only add to the farmer's ever-growing expenses, but which promises to encumber him with paperwork. The legislation we are considering would require many farmers to remit unemployment compensation taxes on wages paid to employees.

Maine is a State whose economic well-being depends on the prosperity of her farmers. Maine leads the Nation in the cultivation of wild blueberries and is second in the production of potatoes. The annual blueberry and potato harvests provide the opportunity for seasonal employment for many local citizens who do not wish to work on a year-round basis. Many of these employees are housewives or students seeking to earn some spending money or to supplement the family income. In Maine, the majority of the workers would not earn enough in the brief harvest period to become eligible for unemployment benefits. Yet, under the provisions of this legislation, a majority of Maine's potato and blueberry farmers would be required to remit payroll taxes for these seasonal employees, who will not even be able to collect benefits. The Department of Manpower Affairs estimates that 2,400 of Maine's farmers—50 percent—would be affected by the extended coverage. How many of these farmers—many of them in already precarious financial situations—will be bankrupted by this new tax burden?

While I would have greatly preferred an amendment which excluded strictly seasonal workers from coverage, the Ullman amendment softens the blow somewhat by increasing to $10,000 the amount of quarterly wages which triggers coverage for agricultural workers. Let me make it clear that I believe that full-time, year-round agricultural employers should be covered by unemployment compensation insurance. What I object to is requiring farmers to pay contributions on the wages paid to purely seasonal workers employed only during the harvest, who probably will not earn enough to even qualify for unemployment benefits.

I urge the adoption of the Ullman amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. ULLMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KETCHUM

Mr. KETCHUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KETCHUM: Page 10, strike out line 5 and all that follows down through line 22 on page 13.

Page 13, line 23, strike out "SEC. 116" and insert in lieu thereof "SEC. 115".

Page 20, strike out lines 7 through 18 and insert:

(2) which are agricultural labor (as defined in section 3306(k) of the Internal Revenue Code of 1954) or domestic services referred to in section 3306(c)(2) of such Code (as in effect on the day before the date of the enactment of this Act) and are treated as employment (as defined in section 3306(c) of such Code) by reason of the amendments made in this Act.

Page 24, strike out line 10 and all that follows down through line 3 on page 26; and insert:

SEC. 122. TECHNICAL AMENDMENT TO PRIOR TRANSITIONAL RULE FOR NONPROFIT ORGANIZATIONS.

(a) IN GENERAL.—Section 3303(f) of the Internal Revenue Code of 1954 (relating to transition to coverage of certain services) is amended by striking out "which elects, when such election first becomes available under the State law," and inserting in lieu thereof "which elects before April 1, 1972,".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on January 1, 1970.

Page 36, strike out line 25 and all that follows down through line 3 on page 37 and insert:

(a) GENERAL RULE.—Subsection (a) of section 3304 of the Internal Revenue Code of 1954 (relating to requirements for approval of State unemployment compensation laws) is amended by redesignating paragraph (13) as paragraph (14) and by inserting after paragraph (12) the following new paragraph:

"(13) no person shall be denied compensation under".

Mr. KETCHUM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KETCHUM. Mr. Chairman, the amendment I am offering today is quite simple. It strikes the provision of H.R. 10210 relating to coverage of State and local employees, and thus continues existing law as regards these employees. I believe that most of my colleagues have received indications of support for this amendment from their local governments and States. It is an amendment with very widespread support which I hope can be speedily adopted.

It is highly ironic that the Congress, which recently was implored to bail out our largest city, should be considering legislation which will add a very considerable financial burden to our cities and States. This bill is yet another example of the Federal Government mandating a program for which State and local governments must pick up the tab, and without providing them with any financial assistance. The simple truth is that local governments can no longer afford this magnanimity on the part of Washington. There is no money in the till to pay for this legislation, either in local or the Federal Treasury, and the proponents of this section have no idea where the funds are going to come from.

There are estimates that this bill could cost local governments anywhere from $1.2 to $2 billion. I doubt that any Member of the House could argue that there are $2 billion just floating around in the coffers of local governments. Not one single city in my congressional district supports this bill, because none of them can raise the additional funds to pay for unemployment coverage without cutting back on existing programs and services. Several cities have told me that they will be required to terminate current employees in order to finance unemployment insurance coverage for the remaining. I can think of no more ridiculous spectacle than that.

Supporters of this bill will say that coverage is not actually mandated, but voluntary. This is technically true. However, failure to cover local employees will deprive a State of the tax credit of 2.7 percent, and the grant for administering the State unemployment programs. No State in its right mind can forgo these funds. There is no option, just a very persuasive threat.

As most of my colleagues know, the Supreme Court ruled last week on a case dealing with coverage of State and municipal employees under the Fair Labor Standards Act. The Court found that mandated coverage by the Federal Government was unconstitutional. Although I admit that the legal issue is not identical to this legislation, the Court's opinion made it clear that the Federal Government has no business in telling the States and cities how to cover their employees. I believe that the Court's decision was very sound, and that we should heed its warning.

Passage of my amendment does not mean that those units of local government who wish to cover their employees cannot do so. Under present law, those who opt for coverage may receive it. The decision quite properly is that of the governmental unit that is going to pay for the coverage. The danger in this bill is that we are again forcing those entities who have decided not to join in the UI system to do so. It is Big Brother government at its worst.

Even the strongest supporters of this section must acknowledge that in subcommittee and in full committee we hardly assessed its impact. We do not know how much damage we are doing here, and should not act out of substantial ignorance.

I urge my colleagues who have any understanding of the fiscal crisis facing our cities and States to accept this amendment.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the additional coverage of State and local government employees, which appears in the bill and which the gentleman from California seeks to delete, is a necessary extension of unemployment compensation coverage if we are ever to escape the clutches of the SUA program, the special unemployment assistance, which now covers all State and local employees.

In fact, Mr. Chairman, this is not new coverage, since we are hoping to let SUA expire, and that means that we are simply transferring the coverage which now falls upon the general taxpayers of the United States, in most cases, individuals, and transferring that charge to the employers, in this case the units of local government. In States like my own, or Connecticut, or Ohio, the local government employing units are already paying unemployment costs for these employees. In addition, through SUA, these States are also helping to pay UE benefits for other States. If this amendment is defeated, these States will be relieved of their double burden.

The units of local government under the bill have a special privilege anyway. They pay less than regular employers. They pay a year in arrears after the experience has occurred, and they do not experience any of the overhead costs that normally accrue to employers under most of the circumstances.

So under this bill the State and local governments have a privileged position. In the meantime, we do take employees who, when they are employed in local and State governments, suffer the same kind of problems with unemployment as those in private employment, and we take them out of a temporary program and put them into a permanent one. They are just as unemployed as people laid off from private employment.

The benefits are going to be paid anyway. They should be paid under the regular system. Since there are no new costs, and since this is the best way I know of to let SUA phase out without an extension, we can apply the costs where they belong, to the employing units.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

Mr. Chairman, I join with the gentleman from Minnesota in opposing the amendment offered by the gentleman from California (Mr. KETCHUM).

State and local government employees should be covered under the unemployment compensation system on a permanent basis.

Presently there are approximately 10.2 million jobs in this country not covered by the permanent Federal-State system. Most of these workers, 8.3 million, are employees of State and local government. They are however covered under the federally funded special unemployment assistance program.

Special unemployment assistance was established as part of the Emergency

Jobs and Unemployment Assistance Act of 1974 and, with the use of Federal general revenues, pays benefits to those individuals not eligible for benefits under the permanent Federal-State system.

In order to be eligible for SUA an individual must meet the regular State employment and earnings requirements, but during the most recent 52-week period, rather than during the regular State base period. Weekly benefit amount and number of weeks of benefits are the same as they would have been under the applicable State law, except that no claimant may receive more than 39 weeks of benefits.

The program is administered by the State unemployment compensation agencies, under the general requirements of each State law as to eligibility and conditions of disqualification. The Federal Government pays the entire cost of benefit payments out of appropriations from general revenues.

This system has caused great inequity and significant administrative complexity. It has cost the Federal Government in excess of $670 million during calendar 1975; it will cost an additional $850 million in calendar 1976.

SUA gives a free ride to those State and local governments which have not elected to cover their employees. And it does so at the expense of the general taxpayer.

It is my view that this situation ought not to persist.

These workers should be covered. But their employers should be treated as all other employers. They should bear the financial burden of this coverage.

Nearly 40 percent of total SUA beneficiaries were former employees of State and local government. I again say—these people should be afforded unemployment compensation protection—but not at cost to the general taxpayer.

So I urge you to vote against the Ketchum amendment.

The provisions of this bill as they relate to the coverage of State and local employees are constitutional. The recent Supreme Court decision in National League of Cities against Usery is not applicable. That decision dealt with a federally imposed requirement directly on the States; here we are dealing with no such direct requirement.

There is no legislative requirement in present law, and there is none in this bill, which would require any State to establish a State Unemployment Compensation system. The Federal law simply imposes a tax on employers and then grants a credit for participating in an approved State Unemployment Compensation system.

The solicitor of the U.S. Department of Labor has prepared a written opinion which clearly explains the distinction between what is proposed in this bill and what was held unconstitutional in the National League of Cities case, and I quote:

> The Federal Unemployment Tax Act and Title III of the Social Security Act, as enacted, and as proposed to be amended by . . . H.R. 10210, derive from Congress' power to lay and collect taxes and to provide for the general welfare. . . . As stated in *Steward Machine Co.*, participation in the Federal-State Unemployment Compensation program is voluntary on the part of the States and is constitutional under the taxing and general welfare clause. *Id.*, at 590 and 591. Neither regulation nor lack of consent is involved in the extension of unemployment compensation coverage to State and local government employees.

The Supreme Court itself stated that the National League of Cities has no application to statutes enacted under the taxation and general welfare clause. The Court in a footnote stated:

> We express no view as whether different results might be obtained if Congress seeks to affect integral operations of state governments by exercising authority granted it under other sections of the Constitution such as the Spending Power, Art. I, § 8, cl. 1, or § 5 of the fourteenth Amendment.

The Department of Labor Solicitor's opinion continues:

> The Court in *National League of Cities* stated that Congress exceeded its authority under the Commerce Clause, by forbiding choices to States and local governments in regulating relationships with their own employees . . . The Court held that the only "discretion" left to the States under the amended Fair Labor Standards Act was to raise taxes or cut services or payrolls to meet their increased costs under that Act. Unlike the Fair Labor Standards Act, the Federal Unemployment Tax Act and Title III of the Social Security Act offer the States the discretion of participating in the benefit system.

So I hope when we vote on the Ketchum amendment we will do so on its merits, and not on any misconception of the recent Supreme Court decision.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution, and I yield back the balance of my time.

Mr. WAGGONNER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will point out to my colleagues in the House that the gentleman from Wisconsin (Mr. STEIGER) has just made reference to an unanswered question on the part of the Supreme Court with regard to the constitutionality of such a proposal.

I think it is worthy of our attention to take note here that in recent weeks the Supreme Court has, in the instance of the minimum wage, said very clearly that we did not have the authority to impose the provisions of a minimum wage law on State and local units of government. Now, only a newcomer or a fool ever attempts to predict what the court will do, but if the court would be logical and carry that conclusion a little bit further, it does seem to me that having now rendered that decision in the instance of minimum wage, it would likewise find that we do not have the constitutional authority to impose the provisions of unemployment compensation insurance on State and local units of government.

Mr. Chairman, I suggest, to say the very least, that a constitutionality question does exist and we should not impose this burden on State and local units of government.

Mr. STEIGER of Wisconsin. Mr. Chairman, will my colleague yield?

Mr. WAGGONNER. I would be happy to yield to my very good friend the gentleman from Wiscsonsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I do not think any of us could pretend to know with certainty what the court would do or would not do.

I will simply ask my colleagues to examine the opinion of the solicitor of the Labor Department in response to the question as to the applicability of the case of the National League of Cities. I do think there is a very different issue involved in this instance.

I will not get into that argument in detail now, but I do want to caution the Members that one can not say this legislation poses the same question; a different issue is involved.

Mr. WAGGONNER. Mr. Chairman, while we are talking about a difference, I think the gentleman will agree with me that the solicitor of the Department of Labor is a vastly different individual than the judges on the U.S. Supreme Court. He has no vote.

Mr. STEIGER of Wisconsin. That is true, without question.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I have received several letters in support of the Ketchum amendment, and I have one here which rather sums up why I encourage the Members of this body to vote for the amendment. The letter comes from the Vice President of the Columbus Board of Education. It is from Mr. Paul Langdon, and it states as follows:

> I would appreciate support of the Ketchum amendment in that it eliminates public unemployment payments under section 115. As you may know, we have worked hard in the Ohio Legislature in regard to the unemployment bill here and, leaving section 115 in the bill stand, would negate the efforts that we have made in the Ohio Legislature, particularly in regard to benefit payments during the summer to cooks, school secretaries, and others.
>
> Further, section 115 really provides for Federal intrusion into State activities. It would be much better if these matters were left to the individual States. The bill could cost Ohio school boards $40.4 million annually.
>
> If the Ketchum amendment fails, please vote against H.R. 10210.

Mr. Chairman, I am going to vote against the bill whether the Ketchum amendment passes or fails because I feel strongly that we should tighten the standards for qualification before we again increase the tax burden on employers.

Several years ago I was retained as a lawyer in an unemployment compensation case. My client had just been served with a notice that one of his employees had been awarded unemployment compensation benefits, and he wanted to protest; he wanted to appeal, he said. It seemed as if the employee had come to his restaurant seeking employment.

He worked 1 day. The next morning

my client suggested some ways in which he might increase his output on the grill. The new employee became irate, kicked my client on the shins, and walked out.

The State law had been changed a year prior to that so that this employee qualified for unemployment compensation benefits in the State of Ohio, and his check was mailed to him down in Tennessee. Under Ohio law then, nothing could be done about the matter.

I ran for the legislature that year. One of the issues which I advanced was this issue. I said if I was elected, I would attempt to change the law so that an employee would have to work for a reasonable period of time and he would then have to sign up and be available for suitable employment in order to qualify for unemployment compensation benefits.

While I was looking into this and debating the issue, I found that more than $2 million had been mailed to Florida during the previous year in unemployment compensation checks in some cases to people lounging on the beaches in HERB BURKE's and BILL YOUNG's districts.

Furthermore, I found that 38 recipients were living in Hawaii; and I do not think they were looking for suitable employment because we have very few pineapple pickers in the State of Ohio.

Anyhow, the law was changed the following year so that there had to be a period of employment; there had to be a signing up for suitable employment; there had to be a reporting procedure; and the quit had to be involuntary.

Now the problem has been turned around again. Under Ohio law now an unemployment compensation beneficiary needs only to earn $20 a week for 20 weeks during a 54-week period.

I know of a young man who is 18 years old whose father is a high-salaried executive with a big corporation. The young man is drawing unemployment compensation and driving a Corvette.

I know of another case in which a young lady took a vacation to get married and to go on a honeymoon. When she returned, she had been replaced. Her husband has a reasonably good job. She signed up for unemployment compensation benefits and has been drawing them for almost a year now. I do not think that she is looking for a job or wants one.

Mr. Chairman, examples like these defeat the whole purpose of providing temporary economic support for a truly unemployed person, the head of a household who needs help over a trying period.

Mr. Chairman, that is why I am going to vote against the bill today, because there has been no attempt, in my judgment, to close the loopholes which make such abuses possible. The unemployment compensation program has been a big ripoff, and under the closed rule nothing can be done about it.

Mr. CORMAN. Mr. Chairman, the gentleman has cited some cases he knows about in Ohio.

This is not federalizing unemployment compensation insurance, and if we were to federalize it, it would not solve those problems. Those problems are left to the States.

I would suggest that the gentleman from Ohio (Mr. WYLIE) not vote against this bill containing a financing provision just because he is upset with his home State.

Mr. WYLIE. I think we should close the loopholes, first.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if the Ketchum amendment is not adopted, it means that this House will have extended coverage for over 8 million additional people in the unemployment compensation program. Approximately 7.7 million local employees and about 600,000 State employees, for a total of 8.3 million, will be affected if this stays in the bill.

Mr. Chairman, at that point we will be saying to the employees of every city, to the employees of every county, to the employees of every State and every school, to the employees of every water district or soil conservation district or to the employees of any political subdivision, "You are mandatorily covered."

At that point the Congress will be saying to other political subdivisions that "We will force you to cover your employees."

Mr. Chairman, the question of covering public employees is certainly debatable. It is my opinion, however, that that decision should be left to the various governmental agencies involved. We should allow the cities to decide whether they want to give their employees coverage.

Mr. Chairman, I would think that is a very proper question for the cities, counties, schools in my district to decide. They should have the right to pass upon the question whether their employees would be covered.

If the Congress forces it on them, whether we want to admit it or not, we certainly lay the groundwork for local districts to possibly have to raise their taxes, whether they be school taxes, city taxes, or county taxes.

Whether it is a school, city, or a county tax, I think the jurisdictions involved would want to decide for themselves. I think that is what the gentleman from California (Mr. KETCHUM) is asking us to do. The present law says that these political subdivisions will be covered if they wish to be. I think that 29 of the States now cover their employees. It is true that some of the States do not, but it is their choice and I think that rightfully it is their choice. Therefore, I support the amendment offered by the gentelman from California (Mr. KETCHUM) to strike this section and to make it voluntary as it is now.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Texas. I would like to reiterate the point I was trying to make a little while ago when the gentleman from California (Mr. CORMAN) suggested that we ought to solve our problems by improving the Ohio standards and tighten them up. I think we ought to tighten up the standards for qualifications first rather than increasing the tax burden on the employer first. That is one of the reasons why I will support the Ketchum amendment. This language would add additionally to the cost of the program to Ohio, it seems to me, by increasing the number of people included in the program.

Mr. PICKLE. Mr. Chairman, I would say to the gentleman from Ohio that we do not get into the question of disqualifications in this bill. The gentleman raises a very pertinent problem of the unemployment compensation program, but that question is not in this bill. That would have to be considered in another measure.

Mr. WYLIE. But I think we ought to take that other measure up first before we vote on this one.

Mr. PICKLE. There will be opportunity to vote on the Federal benefit standard in one of the other amendments.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I want to commend the gentleman upon his statement because the gentleman's interpretation of the Ketchum amendment is the way I feel about it.

The thing that bothers me is that the amendment has been offered from this side of the aisle, and so far of the four people who have talked for the amendment three have come from this side and one on that side. However, I have not heard from the chairman of the subcommittee, the gentleman from California (Mr. CORMAN). Do I gather by his silence that the gentleman agrees with the amendment?

Mr. PICKLE. I would yield to the chairman of the subcommittee on that.

Mr. CORMAN. Mr. Chairman, if the gentleman will yield, frequently the chairmen of subcommittees are given the opportunity to close debate and I would hope that that courtesy will be extended to me. I will be pleased to give an explanation at that time.

Mr. SKUBITZ. I thank the gentleman.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

First, Mr. Chairman, as to the constitutional problem, the decision of the Supreme Court in National League of Cities against Usery in no way affects the constitutional validity of the proposed extension of the Federal unemployment compensation law to cover additional employees of the States and their subdivisions.

There are at least two major distinctions between the Fair Labor Standards Act amendments struck down by the Supreme Court in National League of Cities and the enacted and proposed provisions on unemployment compensation coverage of State and local government employees:

First. The Fair Labor Standards Act amendments were enacted under the commerce clause. The unemployment compensation provisions come under the taxation and general welfare—spending power—provisions of the Constitution. The Supreme Court specifically excluded statutes enacted under the spending power and the 14th amendment from the holding in National League of Cities.

Second. The Fair Labor Standards Act amendments were regulatory in nature, with no options afforded the States. The unemployment compensation provisions now enacted and proposed by H.R. 10210 are consistent with and fit into the historic structure of the Federal-State unemployment compensation program, which permits States the option of participation. In this manner, the unemployment compensation provisions are vitally different from the minimum wage and overtime provisions in the Fair Labor Standards Act amendments. States are not forbidden choices; choice is the essence of the Federal-State unemployment compensation program.

Accordingly, the provisions on coverage of State and local government employees, enacted in the Employment Security Amendments of 1970, are in accord with the U.S. Constitution. The amendments proposed in H.R. 10210, concerning the extension of coverage to State and local government employees generally, and provision for less than full financial support for State unemployment compensation laws, also are in accord with the U.S. Constitution.

Provision for coverage of State and local government employees under State unemployment compensation laws, as a condition of the tax credit under the Federal Unemployment Tax Act, is within the tax and general welfare powers of the Congress under article I, section 8, clause 1, of the U.S. Constitution. Provision for less than full financial support of State unemployment compensation laws is within the general welfare power of the Congress under article I, section 8, clause 1, of the U.S. Constitution. Those provisions do not infringe on State sovereignty or constitutional federalism.

Local and State employers have not said that their employees should not have unemployment compensation protection. They are covered right now under the temporary Federal SUA program, solely at the Federal general taxpayers' expense. Public employers would like us to continue to cover their employees at the Federal taxpayers' expense. We cannot do this. Unemployment compensation is an insurance system, not a welfare system.

The history of the unemployment compensation system has been to expand coverage over the years. When it started out, we only covered about 50 percent of the total workers. We now cover all but 10 million, most of whom are public employees.

Let me tell the Members of the House that it is just as difficult for a policeman who has lost his job to go home and buy food for his wife and children as it is for an autoworker, a restaurant worker, or anybody else.

Do we believe that the people who protect us on our streets are entitled to the same benefits that other employees are entitled to? That is the issue.

Let me explain the provisions in H.R. 10210 pertaining to State and local coverage.

The bill extends unemployment compensation protection to all State and local government employees with certain exceptions: Elected officials or officials appointed for a specific term or on a part-time basis; members of a legislative body or the judiciary; members of the State National Guard or Air National Guard; emergency employees hired in case of disaster; and inmates of custodial institutions.

This will extend UC protection under the permanent law to approximately 7.7 million local government jobs and 0.6 million State government jobs.

DOL estimates that extending coverage to State and local government employees will increase total UC expenditures by about $400 million in fiscal 1979.

The bill prohibits payment of UC benefits during recess periods to permanently employed teachers and other professional school employees. For 2 years after coverage becomes effective, it allows States to deny benefits during recess periods to employed nonprofessional school workers.

During this 2-year period, the experience of the States will be monitored in order to determine if this option pertaining to nonprofessional school employees should be continued.

The reimbursement financing option for State and local government agencies contained in existing law will continue under H.R. 10210. This means that the States can allow State agencies and local government jurisdictions to finance UC benefits either by paying the State UC tax, the same as private employers, or by reimbursing the State fund—on a retroactive basis—for benefits paid to their employees.

The bill eliminates private employer financing of administrative and extended benefit costs attributable to State and local government employees. Federal administrative grants to States and the Federal share of extended benefits are financed out of revenues raised by the Federal UC payroll tax imposed on all private employers. State and local governments do not pay this Federal UC tax—and will not be required to do so under this bill. Under current law, private employers are paying the tax that finances administration costs and extended benefit expenditures for their employees and public sector employees as well. Provisions in H.R. 10210 make State and local governments liable for all UC costs attributable to their employees, or for the same UC costs paid by private employers.

In voting on the Ketchum amendment the Members should consider the following:

Virtually all private sector workers have unemployment compensation protection on a mandatory basis. Exceptions include farm and domestic workers, who are covered under this bill.

All Federal civil service employees are covered on a mandatory basis.

Employees of State colleges and hospitals are required to be covered under Federal law enacted in 1970.

Eight States, at their own option, have covered all local government employees: Connecticut, Florida, Hawaii, Michigan, Minnesota, Ohio, Oregon, and Wisconsin.

Twenty-eight States, at State option, have covered all State government employees.

Coverage of State and local government employees is optional in most other States and varies from jurisdiction to jurisdiction. In other words, some public employees have UC protection and some do not:

The result of the present mixture of Federal and State actions pertaining to State and local government coverage is that out of a total of 3.4 million State government jobs, 2.8 million, 82 percent, have UC protection and 0.6 million, 18 percent, are excluded from the permanent UC law. Out of a total of 9.1 million local government jobs, 1.4 million, 14 percent, have UC protection and the remaining 7.7 million, 86 percent, are excluded.

All State and local government workers are presently covered under the limited and temporary special unemployment assistance—SUA—program which expires December 31, 1976.

Federal requirements and State actions have resulted in unequal and unfair treatment of workers that do the same kind of work, but for different employers. For example:

College teachers have UC protection under permanent program mandated by Federal law; high school and elementary school teachers do not.

University policemen and security personnel in private industry are covered by Federal mandate; city and county policemen are not covered under permanent law.

Cafeteria workers at a State college are covered by Federal requirement; cafeteria workers in private industry or employed by the Federal Government are covered by Federal requirement; but cafeteria workers in high school and elementary schools, or employed by cities and counties, are not covered under permanent law.

Maintenance and landscape personnel in private industry, in State colleges or working for a Federal Government agency, are covered by Federal requirement; individuals doing exactly the same type of work for local schools and other State and local government agencies are not.

Here are some more specific examples of existing inequities:

A cafeteria worker employed in California in private industry or by a Federal Government agency is covered by Federal mandate and could receive up to 65 weeks of benefits at the present time. A cafeteria worker at the University of California campus is covered by Federal requirement and at the persent time could receive up to 65 weeks of benefits. A cafeteria worker in an elementary school in Los Angeles is covered as a result of State action and could receive up to 65 weeks of benefits. However, a cafeteria worker employed by Los Angeles County is not covered or eligible for any UC benefits under the permanent law. Presently, this worker is eligible for up to 39 weeks of benefits under the temporary special unemployment assistance program that expires at the end of this year.

A clerk living in Massachusetts and employed in private industry, or by a Federal Government agency, could receive up to 65 weeks of UC benefits. A clerk working for the University of Massachusetts is covered by Federal requirement and could also receive up to 65 weeks of benefits. A clerk doing similar work for another State agency in Massachusetts, or for the city of Boston, however, is not covered under permanent law, and is only eligible for the 39 weeks of benefits provided under the temporary SUA program that expires the end of this year.

There is no justification for the different treatment under the Federal UC law of wage and salary workers who do the same kind of work but happen to work for a city rather than a private firm, or for a county rather than a Federal Government agency.

While employment for a city, county, or other local or State agencies is substantially more stable than private employment, involuntary layoffs do occur. When they do, the worker involved should have the same unemployment compensation protection while he or she is seeking new employment that we have afforded other workers.

The decision was made 41 years ago that, through the unemployment compensation program, employers should bear some of the burden of temporary, involuntary unemployment of their employees. There is no longer any justification for not extending this principle and the UC program to all wage and salary workers—including State and local government workers. And there is certainly no justification for requiring private employers and some public employers to pay UC costs of their workers and the employees of cities, counties, and local school boards.

It is time all employees and employers were treated the same under the UC program.

There has been considerable confusion about the financing of UC benefits paid to public employees.

The reimbursement financing option for State and local government agencies that exists under current law and is not changed by this bill, allows them to finance UC benefits either by paying the State UC tax—the same as private employers—or by reimbursing the State fund, on a retroactive basis, for benefits paid to their employees. A city, county, or school board that opts for the reimbursement financing method will have unemployment compensation cost only if—and to the extent that—they have unemployment. A city that does have to lay off some of its employees will be liable for the amount of UC benefits, including extended benefits, paid to its workers, and any administrative costs associated with the payment of these benefits. If the city or State agency has no unemployment, it will have no unemployment costs.

According to studies by the Department of Labor, the costs of UC coverage for public employees will be substantially less—as much as 70 percent less—than the cost of covering private sector workers. One study showed that, in 1973, benefit payments to State and local government employees amounted to about 0.25 percent of total wages paid to public employees covered under the permanent law. The comparable figure for private industry was 0.79 percent.

Even though State and local government workers are less likely to need unemployment compensation they should have the same protection provided other workers. And, just like all other workers, the costs of this should be borne by their employer. I urge the Members to vote against the Ketchum amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. KETCHUM).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 24, noes 32.

Mr. KETCHUM. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-three Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from California (Mr. KETCHUM) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 212, not voting 34, as follows:

[Roll No. 519]

AYES—186

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, R. W.
Derrick
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Findley
Flowers
Flynt
Fountain
Frey
Fuqua
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hansen
Harsha
Hays, Ohio
Hefner
Henderson
Hightower
Hillis
Holland
Holt
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Landrum
Latta
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKay
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
O'Brien
Paul
Pettis
Pickle
Poage
Preyer
Quie
Quillen
Railsback
Randall
Rhodes
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rose
Rousselot
Runnels
Santini
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Steiger, Ariz.
Stephens
Stratton
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wylie
Young, Fla.
Young, Tex.

NOES—212

Adams
Addabbo
Allen
Ambro
Anderson, Calif.
Annunzio
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Diggs
Dingell
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Ind.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Gaydos
Gibbons
Gilman
Gonzalez
Gradison
Green
Gude
Hall, Ill.
Hamilton
Hammerschmidt
Hanley
Hannaford
Harrington
Harris
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hicks
Holtzman
Horton
Howard
Hughes
Jacobs
Jeffords
Johnson, Calif.
Jordan
Kastenmeier
Keys
Koch
Krueger
LaFalce
Leggett
Lehman
Lent
Lundine
McCormack
McDade
McFall
McHugh
McKinney
Madden
Madigan
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, N,Y.
Murtha
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pike
Pressler
Price
Pritchard
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Solarz
Spellman
Staggers
Stanton, J. William
Stark

Steed
Steiger, Wis.
Stokes
Studds
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—34

Abzug
Anderson, Ill.
Ashley
Clay
Conlan
Cotter
Derwinski
Dodd
Esch
Evins, Tenn.
Giaimo
Harkin
Hawkins
Hébert
Heinz
Helstoski
Hinshaw
Howe
Jones, Ala.
Jones, Tenn.
Karth
Litton
Moffett
Murphy, Ill.
Pepper
Peyser
Riegle
Shipley
Sikes
Stanton, James V.
Steelman
Symington
Vander Jagt
Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Pepper against.

Mr. Hébert for, with Mr. Symington against.

Mr. Sikes for, with Ms. Abzug against.

Mr. Conlan for, with Mr. Hawkins against.

Mr. Dewinski for, with Mr. Murphy of Illinois against.

Ms. KEYS and Messrs. REES, THORNTON, HANLEY, and WRIGHT changed their vote from "aye" to "no."

Messrs. YOUNG of Texas, HUNGATE, MYERS of Indiana, LANDRUM, and EMERY changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read title II.

The Clerk read as follows:

TITLE II—FINANCING PROVISIONS

Sec. 211. Increase in Federal Unemployment Tax Wage Base and Rate

(a) Increase in Wage Base.—Paragraph (1) of section 3306(b) of the Internal Revenue Code of 1954 (defining wages) is amended by striking out "$4,200" each place it appears and inserting in lieu thereof "$8,000".

(b) Increase in Tax Rate.—Section 3301 of such Code (relating to rate of Federal unemployment tax) is amended to read as follows:

"Sec. 3301. Rate of Tax.

"There is hereby imposed on every employer (as defined in section 3306(a)) for each calendar year an excise tax, with respect to having individuals in his employ, equal to—

"(1) 3.4 percent, in the case of a calendar year beginning before the earlier of—

"(A) the calendar year 1982, or

"(B) the first calendar year after 1975, as of January 1 of which there is not a balance of repayable advances made to the extended unemployment compensation account (established by section 905(a) of the Social Security Act); or

"(2) 3.2 percent, in the case of the earlier of the calendar years referred to in subparagraphs (A) and (B) of paragraph (1) and each calendar year thereafter;

of the total wages (as defined in section 3306(b)) paid by him during the calendar year with respect to employment (as defined in section 3306(c)).".

(c) Technical Amendments.—

(1) Subparagraph (C) of section 901(c)(3) of the Social Security Act is amended to read as follows:

"(C) Each estimate of net receipts under this paragraph shall be based upon (i) a tax rate of 0.5 percent in the case of any calendar year for which the rate of tax under section 3301 of the Federal Unemployment Tax Act is 3.2 percent, and (ii) a tax rate of 0.7 percent in the case of any calendar year for which the rate of tax under such section 3301 is 3.4 percent.".

(2) The last sentence of section 905(b)(1) of such Act is amended to read as follows: "In the case of any month after March 1976 and before April of the first calendar year to which paragraph (2) of section 3301 of the Federal Unemployment Tax Act applies, the first sentence of this paragraph shall be applied by substituting 'five-fourteenths' for 'one-tenth'.".

(d) Effective Dates.—

(1) Subsection (a).—The amendment made by subsection (a) shall apply to remuneration paid after December 31, 1976.

(2) Subsection (b).—The amendment made by subsection (b) shall apply to remuneration paid after December 31, 1975.

(3) Subsection (c).—The amendments made by subsection (c) shall take effect on the date of the enactment of this Act.

Sec. 212. Financing Coverage of State and Local Government Employees.

(a) Denial of Reimbursement for Certain Administrative Expenses.—Section 302(a) of the Social Security Act is amended to read as follows:

"Sec. 302. (a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has an unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act such amounts as the Secretary of Labor determines to be necessary for the proper and efficient administration of such law during the fiscal year for which such payment is to be made. The amounts certified by the Secretary of Labor under the preceding sentence for payment to any State shall not include amounts which are attributable to the administration of the State law with respect to services to which section 3306(c)(7) of the Federal Unemployment Tax Act applies. The Secretary of Labor's determination shall be based on (1) the population of the State; (2) an estimate of the number of persons covered by the State law and of the cost of proper and efficient administration of such law; and (3) such other factors as the Secretary of Labor finds relevant. The Secretary of Labor shall not certify for payment under this section in any fiscal year a total amount in excess of the amount appropriated therefor for such fiscal year.".

(b) Denial of Certain Payments Under the Extended Unemployment Compensation Program.—Subsection (a) of section 204 of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new paragraph:

"(4) The amount which, but for this paragraph, would be payable under this subsection to any State in respect of any compensation paid to an individual whose base period wages include wages for services to which section 3306(c)(7) of the Internal Revenue Code applies shall be reduced by an amount which bears the same ratio to the amount which, but for this paragraph, would be payable under this subsection to such State in respect of such compensation as the amount of the base period wages attributable to such services bears to the total amount of the base period wages.".

(c) Effective Dates.—

(1) Subsection (a).—The amendment made by subsection (a) shall apply to amounts certified under section 302(a) of the Social Security Act for calendar quarters beginning on or after January 1, 1978.

(2) Subsection (b).—The amendment made by subsection (b) shall apply with respect to compensation paid for weeks of unemployment beginning on or after January 1, 1978.

Sec. 213. Advances to State Unemployment Funds.

(a) Advances To Be Made for 3-Month Periods.—Paragraph (1) of section 1201(a) of the Social Security Act is amended—

(1) by striking out "any month" and inserting in lieu thereof "any 3-month period";

(2) by striking out "the preceding month" and inserting in lieu thereof "the month preceding the first month of such 3-month period"; and

(3) by striking out "such month" and inserting in lieu thereof "such 3-month period".

(b) Applications.—Paragraphs (2) and (3) of such section 1201(a) are each amended by striking out "month" each place it appears and inserting in lieu thereof "3-month period".

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Sec. 214. Proration of Costs of Claims Filed Jointly Under State Law and Section 8505 of Title 5, United States Code.

(a) General Rule.—Section 8505(a) of title 5, United States Code, is hereby amended to read as follows:

"(a) Each State is entitled to be paid by the United States with respect to each individual whose base period wages included Federal wages an amount which shall bear the same ratio to the total amount of compensation paid to such individual as the amount of his Federal wages his base period bears to the total amount of his base period wages."

(b) Technical Amendment.—Section 8501 of title 5, United States Code, is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(8) 'base period' means the base period as defined by the applicable State unemployment compensation law for the benefit year.

(c) Effective Date.—The amendments made by this section shall apply with regard to compensation paid on the basis of claims for compensation filed on or after July 1, 1976.

Sec. 215. Federal Reimbursement for Unemployment Benefits Paid on Basis of Certain Public Service Employment.

(a) General Rule.—Chapter 85 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Certain Public Service Employees

"§ 8531. Definitions.

"For purposes of this subchapter—

"(1) 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

"(2) 'compensation' has the meaning given to such term by section 8501(4) of this title;

"(3) 'qualified public service job' means any public service job funded with assistance provided under the Comprehensive Employment and Training Act of 1973;

"(4) 'public service wages' means all pay and allowances, in cash and in kind, for services performed in a qualified public service job; and

"(5) 'base period' has the meaning given to such term by section 8501(8) of this title.

"§ 8532. Payments to States.

"(a) Each State is entitled to be paid by the United States with respect to each individual whose base period wages included public service wages an amount which shall bear the same ratio to the total amount of compensation paid to such individual as the amount of his public service wages in his base period bears to the total amount of his base period wages.

"(b) Each State shall be paid the amount to which it is entitled under subsection (a) in the manner prescribed by subsections (b) and (c) of section 8505 of this title.

"(c) Money paid a State under this subchapter may be used solely for the purposes for which it is paid. Money so paid which is not used for these purposes shall be returned, at the time specified by the Secretary of Labor, to the Treasury of the United States and credited to current applicable appropriations, funds, or accounts from which payments to States under this subchapter may be made."

(b) Clerical Amendment.—The chapter analysis of chapter 85 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter analysis:

"Subchapter III—Certain Public Service Employees

"8531. Definitions.
"8532. Payments to States.".

(c) Effective Date.—The amendments made by this section shall apply to compensation paid for weeks of unemployment ending after the date of the enactment of this Act.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. PICKLE

Mr. PICKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Pickle: Page 26, line 10, strike out "$8,000" and insert in lieu there of "$6,000".

Mr. PICKLE. Mr. Chairman, the amendment I have offered would raise the wage base that employers pay Federal tax on from $4,200 a year to $6,000 a year. Presently the base is $4,200.

The committee bill would raise the tax base to $8,000.

Mr. Chairman, coupled with my amendment is my recommendation that the Federal effective tax rate be increased from 0.5 to 0.7. The committee bill does the same thing.

The question is, Should the House raise the tax against all employers from $4,200 to $8,000 or to $6,000, which is the level I have recommended?

Mr. Chairman, why should we raise the wage base at all? I think it is important that the Members ask themselves that question because we are surely going to be asked that question when we go home. Employers and businesses will ask that question of us.

Mr. Chairman, the reason we must raise the base, in my judgment, is that the Federal and State unemployment trust funds are not solvent. We must put more money back into the trust funds.

Mr. Chairman, 21 of the States trust funds now are not solvent; and if we want to be rather brutal about it, we can say that 30 of the States are paying the unemployment insurance for the other 21 or 20 States.

So, Mr. Chairman, we do need to put money back into the trust funds.

I do not think it is necessary to go into any great detail on the trust funds but there are two trust funds. One is the Federal trust fund, which employers would pay—$8,000 times 0.7 percent—$56 for every employee in this bill. If it were raised at the $6,000 base, then it would be $42 per employee.

Secondly, you have a State fund which pays for all of the regular program, plus 50 percent of the extended benefits program.

Now, the question is: Why have we gone broke? Why are these States in such a bad shape that we have got to raise the base here? The answer is that we have paid out more in unemployment insurance than we have taken in. That is the big problem that has happened over and above the recession.

Last year we paid out over $18 billion in unemployment benefits; it is an expensive program, but it is a good program, or can be a good program.

These things basically brought it about: The recession of 1974 and second, the level of the payments made by some States. Some States simply raised their benefits so high that in many instances it was easier to draw unemployment compensation than it was to work, since beneficiaries pay no tax on the benefits.

Also, there has been a very definite formula change over a period of years.

When we started the extended benefit program—and I was part of that program in the States when it passed, and recommended it—we actually said States would get an additional 13 weeks over the normal 26 weeks of unemployment compensation if unemployment rose so high that it exceeded 120 percent over a period of 13 weeks in a corresponding 2-year period. Recently, when it has come time to extend the program or make more payments available, we simply waived the 120-percent requirement. And we waived it seven times in the last 6 years.

So, Mr. Chairman, I do not think that the Congress has been responsible in its efforts. We have simply waived the formula and this has cost all of us a lot of money.

The question we should now ask ourselves is: How much should we raise the base?

Also I think you should ask yourselves, if you want to be fair, reasonable and make the fund solvent, then, how much should we raise it?

The question you would ask yourselves, is: When would it pay out? If we adopted the $6,000, when could we make it solvent?

That is a problem and a question here.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Pickle was allowed to proceed for 5 additional minutes.)

Mr. PICKLE. Mr. Chairman, I must say to the Members that they are not going to get a good clear answer about when this fund might be made solvent, or these trust funds might be made solvent from the chairman of the subcommittee or of the full committee, or from either side of the aisle because certainly the Department of Labor has come to us with different figures at different times.

When this bill was first introduced a year ago, in recession, the Labor Department said they would like to see the wage base raised to $6,000 from $4,200, at a rate of 0.65.

My amendment is to raise it to $6,000 and change the rate to 0.7. I have gone a little better than they did.

But within the last year the Labor Department has come back and said no, that is not enough, we must raise it to $8,000. The committee debated a long time on that. During that debate we asked ourselves when would it be paid out at $6,000. It was generally felt that the State general fund would be solvent by 1981 or 1982. Now the committee says that the Department of Labor has given them new figures and that these figures show that we in 1984 still might not be completely solvent and even going further in the hole. I think if we adopt the $6,000 at 0.7 rate, we would in effect get these funds solvent by about 1983 or 1984. That is gradual and that could be handled by the employer.

Some of the Members may say, if we raise it to $8,000, that $8,000 is too much, or if we raised it to $6,000, is rather parsimonious, and we are being kind of cheap about it. That is not so. If I raise it by this amendment of mine from $4,200 to $6,000, that will be an $1,800 increase. That would be the highest increase against employers that we have ever asked under the unemployment compensation program. So this is a big step, and I am doing it because I think the funds ought to be made solvent, and I want to be responsible about it. But if we are going to $8,000, we are hitting the employers right between the eyes, and it will come back to haunt us.

I would then say the Members must ask themselves, is it fair and reasonable? I think it is fair and reasonable because we are showing cooperation with the employer. We are showing them that we recognize that it is an employer program. We are not going to hit them too hard. We want them to help us because it is their program that they paid for, and it is reasonable. If we raise it to $6,000, that is a 43-percent increase in itself. It is a rather bold but simultaneously a responsible step in my opinion.

The States can raise their bases now. Every State can. As a matter of fact, 21 States have already raised their bases above $4,200 and it has not driven their businesses away. They chose to do it because they thought that was the right thing to do. So the States can do it. We do not have to force this on them, but in order to come in step with the times, I do think it would be best to raise it to $6,000 in this bill. It would become effective in 1978.

Let me conclude by pointing out some very practical, or if one wants to call them political, observations that I think affect both business and labor. First, keep in mind the employer pays for this program, not the employee. One can argue—and it is a theory that we can use—that the employee pays for it by his good service, but the money comes from the employer. Can business get it back from the consumer? It is always a very questionable thing. But it is an employer financed program.

Second, it is an insurance program. It is not a welfare program. We cannot pay all of the people who need it as much as we would like unless we make this strictly a welfare program. So I think the Members ought to keep in mind that it is an employer financed program, an insurance program.

The Department of Labor has acquiesced to an $8,000 base and I think we might expect that to come from the Department of Labor. It is not their money. I think it is correct in Mr. CORMAN's original bill, he proposed indexing the wage base until it coincided with the social security base. That would be something to contemplate, would it not? But the committee has changed that because it is too much of a shock. But they have recommended $8,000 and I say it is too much.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PICKLE was allowed to proceed for 1 additional minute.)

Mr. PICKLE. Mr. Chairman, may I conclude by saying this: The $6,000 base is a major step, and it will do the job. It will do it entirely.

Second, if we go to $8,000, it would be inflationary. It would be against business and consumers. I must point out to the Members that in my own State, some 2,000 small businesses that have failed last year because they could not afford to pay the taxes and fill out the forms to the Government. Whether that is a valid situation in all of the States, it does hit employers hard. We are not talking about the big employers. We are not talking about General Electric. I am talking about small employers.

I have in my hand about 25 letters from small businessmen in my district protesting this bill in its present form. I rather imagine every one of my colleagues has had the same kind of response. So it has hit business, and it has hit the small businessman.

Last, keep in mind the employers of this country next year are going to be hit with additional taxes. We are going to have to raise the social security base from $15,300. We tried to raise it three times in the Committee on Ways and Means this year, and we could not get enough votes to get it out of committee because it would also raise the employees tax. We will be asked to raise the tax on employees and employers for national health insurance. Members, be careful or we can put the small employer out of business.

I ask for an aye vote on my amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we have all had many communications about the wage base, but let me call to the attention of the Members that this is an insurance program. It is not funded out of general revenues at either the Federal or the State level. I think it should continue to be an insurance system.

H.R. 10210 increases the State and Federal UC taxable wage base from $4,200 to $8,000, and temporarily raises the net Federal tax rate from 0.5 to 0.7 percent. The rate will be reduced back to 0.5 percent in 1983. Let me explain why this tax increase is needed.

Between 1935 and 1972, only 3 States depleted their UC trust funds and were forced to borrow from the Federal Government. At the present time, 21 States have gone broke and borrowed over $3 billion in Federal funds in order to continue paying State UC benefits. Several more could be forced to borrow by the end of the year. The Department of Labor estimates that under current law outstanding Federal UC loans to States will total $6.2 billion in fiscal 1977, increasing to $8.4 billion in fiscal 1980 and $14 billion in 1985.

The Federal UC trust funds are depleted, including the account that makes loans to States, and borrowing from general Federal revenues. DOL estimates that under current law the Federal UC trust funds will have a deficit of $8.5 billion in fiscal 1977, increasing to $10.2 billion in fiscal 1980, and $13.3 billion in fiscal 1985.

State and Federal UC deficits together will total $14.7 billion in fiscal 1977, $18.6 billion in fiscal 1978 increasing to $27.3 billion in 1985, unless changes are made in the financing provisions of the program.

These unprecedented deficits pose the greatest threat to the present Federal-State structure of the UC system the program has faced in the 41 years it has been in existence.

The financing provisions in H.R. 10210 were carefully designed to make the unemployment compensation system, at the State and Federal levels, self-supporting as soon as is feasible, and to distribute fairly the impact of the additional employer-paid taxes. The tax increase proposed in the bill does not raise more new revenue than is absolutely necessary to preserve the UC program as a self-sufficient, State-administered insurance system that generates sufficient revenues to pay expenditures.

Increasing the Federal tax base to $8,000 and net tax rate to 0.7 percent will raise an additional $1.8 billion in Federal UC revenues in fiscal 1978 and enable the Federal UC trust funds to become solvent by 1985.

If the wage base is only increased to $6,000, as proposed in the Pickle amendment, DOL estimates that the deficit in the Federal UC trust funds will decrease from $8.1 billion in fiscal 1978 to $4.2 billion in fiscal 1982. It will at that point begin increasing again and reach a $4.7 billion deficit by fiscal 1985. In other words, the Pickle amendment would not provide sufficient revenues to make the Federal fund solvent.

How much additional State revenue the $8,000 tax base would generate depends upon the rate structure established by each State. Assuming a nationwide average State tax rate of 2.7 percent, the proposed $8,000 base would make it possible for States to repay Federal loans and become self-sufficient by 1981.

If the State wage base is only increased to $6,000, as proposed in the Pickle amendment, total outstanding Federal UC loans to States will decrease from $6.7 billion in fiscal 1978 to $3.2 billion in fiscal 1981. The amount of outstanding loans will then start increasing again, to $3.6 billion in fiscal 1982, and $6.2 billion in fiscal 1985. The Pickle amendment will not produce sufficient revenue for States to become self-supporting.

I believe the gentleman from Texas would agree with me that if we are going to maintain unemployment compensation as an insurance system, we are going to have to put into it what we pay out of it. We are very deeply in debt at the moment. Most States have run out of money. The Federal trust fund has run out of money. We are being presently funded under general revenues. We must get the system back to fiscal soundness. We can do that in one of two ways. We can put a very high tax rate on a very low wage base or a more moderate rate on a high tax base.

When this system was started in 1935 the tax was charged on all wages. In 1940 it was provided that social security taxes would be paid on only the first $3,000 of wages. The same limit was placed on the UC tax to keep it consistent with social security. But as the social security wage base was increased we did not increase the wage base for UC, in fact, it was not changed until 1970. In part that was because we did not suffer serious unemployment conditions during that time.

In 1970 we raised the UC wage base to $4,200, and we were able to keep the insurance system reasonable sound at that base for several years. But we now need additional revenues.

The UC program was originally set up to be a self-supporting insurance program. It was to be financed by an employer-paid payroll tax that generated enough revenues to finance administration and benefit costs. It was intended that this employer payroll tax be distributed fairly among the different employers—low wage, high wage, small business, or large industry—and that each employer's UC tax reflect his unemployment experience.

The $6,000 wage base proposed in the Pickle amendment will simply not raise enough UC revenues to pay present and projected UC expenditures, unless the tax rates at the State and Federal levels are substantially increased.

In other words, the $6,000 tax base in the Pickle amendment is not going to result in employers paying lower UC taxes. If we are going to maintain a self-supporting insurance system, the Pickle amendment will simply force most States and the Federal Government to substantially increase their UC tax rates. And this will result in a very regressive tax, placing a disproportionate share of the tax burden on small business and low-wage industries.

Raising the tax base to $8,000 will allow States to make adjustments in their tax rate structure so as to reduce the tax burden on low-wage paying industries, and to distribute UC taxes more evenly among low-wage and higher-wage employers.

The alternative to large increases in State and Federal UC tax rates, if the Pickle amendment passes, is to make permanent the present situation where we are financing a large share of State and Federal UC costs out of general Federal revenues.

Are we ready and willing at this point to make the decision that one-fourth or one-third, or some other portion of the UC system, will be financed out of general Federal revenues? This will make a drastic change in the present system.

Unemployment compensation would no longer be a self-sufficient, insurance program. It would be financed in part out of general Federal revenues. And permanent Federal financing would certainly be the first step toward complete federalization of the present State-Federal UC program, which is of such great concern to some of the supporters of the Pickle amendment.

The objective of the financing provisions in H.R. 10210, are to raise sufficient revenues to preserve the existing State-Federal structure, and to strengthen this program that is so important to the American worker and the national economy.

Let me conclude by pointing out that under the proposed $8,000 base, a State can adjust its UC tax rate to raise just the amount of revenues it needs. If a State does not need additional revenue, it can adjust its rate structure in relation to the $8,000 base so as to produce the same amount of revenue it is generating from the present base of $4,200. When the tax base was increased from $3,000 to $4,200 in 1970, several States that did not need additional taxes, adjusted their tax rates and produced the same amount of money under the $4,200 base as they had under the previous $3,000 base. Unfortunately, there are very few States that do not need additional funds.

The UC tax increases contained in the bill were approved by the UC Subcommittee and the Committee on Ways and Means. They are strongly supported by the administration and were unanimously supported by the State UC administrators at their recent annual meeting. I urge the Members to vote against the Pickle amendment.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, the gentleman has indicated the higher the income the higher the benefits. That is quite correct. Is it not true that the amendment the gentleman in the well will soon offer as Federal benefits standards will do exactly the same thing?

Mr. CORMAN. That is absolutely right.

Mr. CONABLE. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, with considerable regret I feel I must oppose the amendment offered by the gentleman from Texas. Because of the impact this bill will have on payroll costs, his amendment has a good deal of appeal inasmuch as payroll taxes generally have gone as far as they should go. Many of my friends in business have urged me to support this or any other amendment having the effect of reducing the drag on business resulting from increased unemployment insurance taxes. I suspect their objection is much more soundly addressed to the unemployment insurance program itself. The length of coverage now afforded, and the abuses sometimes committed by the participants have caused not only business but also the public at large to be very skeptical about the direction and usefulness of the unemployment insurance program as it is presently designed.

But, Mr. Chairman, I have concluded that we cannot continue the program, as presently constituted, without financing it. I do not believe it should be centralized through adoption of Federal standards. Short of reform, which I would support, we must finance the program in a more satisfactory way than by continuing to dip deeper and deeper into the Federal Treasury. It is an insurance program, as has been pointed out. It should be kept as an insurance program, rather than permitting its character to change because we do not have the courage to take the steps to pay for it as presently constituted.

An unstable work force is part of the cost of doing business, and the burden should be borne, not by the public at large, but by those who seek their livelihood in such risky enterprise.

I can understand why a businessman would want to keep his costs low by encouraging the general treasury to carry his burdens, but I do not support this kind of treasury subsidy any more than I can the subsidy of other types of economic activity.

Mr. Chairman, unless we reconstitute the unemployment insurance trust funds before long, the end of the next fiscal year will see—and I am not sure of these figures, but this is what I understand—a debt of $16.5 billion owed the Federal Treasury by the States, and a deficit of $6.5 billion in the Federal trust fund, for a total debt to the general treasury by our unemployment insurance system of around $23 billion.

I consider this unconscionable, and urge enactment of a tough enough financing measure to reconstitute the trust funds in a reasonable time. Fiscal responsibility demands no less, however tough the remedy may seem to our friends who employ labor.

Mr. HAGEDORN. Mr. Chairman, I wish to explain my opposition to H.R. 10210, the Unemployment Compensation Amendments of 1976. While I recognize that nearly half the States have found it necessary to borrow from the Federal trust fund due to insolvent State funds, I do not believe that this bill makes any serious effort to reform the structural problems that have plagued the unemployment compensation system. Instead, it has the potential for further compounding these problems.

Unemployment compensation was originally intended as an insurance measure to be paid to those temporarily unemployed through no fault of their own. The history of the program has been one of almost continuous expansion—expansion in the scope, amount, and length of coverage. In the process, it has been at least partially transformed into a welfare measure providing a semipermanent source of income to many voluntarily unemployed persons. In Minnesota, approximately 20 percent of those seeking unemployment compensation have voluntarily quit their jobs. As benefits have increased—as well as employer taxes—and as the duration of eligibility for these benefits has been extended, remaining unemployed has become an increasingly attractive proposition for many persons. Rather than accepting what they consider unattractive, and possibly lower paying employment, they have been able to demand employment "comparable" to that at which they were formerly working. Thus, while many worthwhile jobs go begging, these persons linger on the unemployment lists at severe cost to the taxpayer, the employer, and the consumer. Those who have remained at their jobs, and those who have returned to the work force doing something less than their first preference end up subsidizing those with other attitudes.

H.R. 10210 is derelict in its failure to take a hard look at the direction in which our unemployment compensation system is heading. Its lone gesture is the establishment of yet another Federal commission, the National Commission on Unemployment Compensation, which is to report back to Congress no later than January 1, 1978. By that time, I have little doubt the other half of the States will have applied for Federal funds to tide over their trust funds. It is interesting to note that the Federal trust fund is itself exhausted and has borrowed more than $6 billion from the general revenues of the Federal Treasury.

Not only does the bill avoid efforts aimed at curbing some of the most blatant abuses of unemployment compensation, but it was reported to the full Congress under a rule that assured that little would be done in this area on the floor. The rule permitted only five selected amendments to be offered. If the Ways and Means Committee is not inclined to implement major changes in the operation of this program, that is their business; I do not believe, however, that all wisdom reposes in their committee and that the rest of the House should be precluded from offering amendments to this bill. The problems of benefits being paid to the seasonally unemployed, fraud, absence of genuine job-hunting activities by compensation recipients, and benefits to fired and quitting employees are only among a few of the problems of the unemployment compensation system that are not addressed, either by the committee bill or by any of the permissible amendments. Unless we are going to continue on a treadmill of increasing numbers of unemployed followed by increasing employer taxes, these problems are going to have to be directly confronted.

H.R. 10210 increases the net Federal tax rate by 40 percent from 0.5 to 0.7 percent. The proportion of funds going to the extended unemployment compensation account—27-plus weeks—is increased from the present 10 percent to almost 36 percent. The taxable wage base upon which these rates are to apply is increased by 90 percent from $4,200 to $8,000. The significance of all this might be lost on the Congressman who has never had to meet a payroll, but is far from lost upon those who have had to. At least $6 billion more in direct employer costs will be mandated by this bill, or approximately $117 more per employee, a 76-percent increase. The Toro Co. in Minnesota, as an example, has estimated that their Federal and State unemployment tax burden would be increased from $40,000 to $106,000. This is all money that could be alternatively be used for job-creating capital investment; instead it is being used to fund a burgeoning income maintenance program that is draining our productive sector. Despite the apparent attitudes of those who believe that business is ever-capable of absorbing new taxes and regulatory costs, the hard and simple fact remains that only individuals pay taxes, not businesses. Either shareholders pay in the form of reduced dividends, or the consumer pays in the form of increased product costs. Those firms which would be the most impacted by H.R. 10210 will be those with stable, well-paid work forces; those employing predominantly lower paid, seasonal workers will suffer the least, proportionately. All, however, will suffer to some degree or another.

The cost to the employer—and ultimately the public—is likely to soar even higher than initial estimates as a result of extensions in coverage imposed by the act, and by the quicker "trigger" under which supplemental benefits would be paid to States experiencing higher unemployment. Unemployment compensation coverage would be extended to approximately 9.5 million of the 12 million workers not currently covered, including State and local employees, agricultural workers, employees of nonprofit elementary and secondary schools, workers in the Virgin Islands, and domestic workers. Especially with respect to farm and domestic workers, the cost rate of these new employees, or benefit payments as a percent of the total taxable payroll, is likely to exceed the cost rate for the average of all industries. In addition, enforcement in these areas will prove complex and time-consuming, imposing Federal recordkeeping requirements upon employers who have had little experience with them. Not incidentally, there are also serious constitutional questions involved in the extension of coverage to State and local public employees. In this process, the Federal Government is dictating the manner in which at least a portion of the revenues of these governments must be spent. The result will probably be to compel them to raise their own taxes in order to cover their contributions to State unemployment trust funds.

Currently, extended benefits are triggered when: First, there is a national unemployment rate of 4.5 percent for 3 consecutive months; or second, there is a State unemployment rate of 4 percent for 3 consecutive months and this rate is 20 percent greater than comparable levels over the past 2 years. H.R. 10210 simply omits from future consideration the relationship between current and past unemployment levels, thus, in effect, perpetually "triggering" in States with high levels of unemployment such as New York and Michigan at the expense of those States whose economic houses are in relative order, such as Minnesota. While Alaska would be "triggered" in 94 percent of the time on the basis of past performances, and California would receive approximately 20 percent of all extended payment benefits, other States, including Minnesota, would rarely be "triggered" in. Despite the fact that employers in all States pay taxes to the Federal unemployment trust fund and to the Federal extended unemployment compensation account, many States with low levels of unemployment, fostered perhaps through an economic atmosphere not hostile to business enterprise, would be virtually eliminated from ever benefiting from the program.

An especially harmful amendment to H.R. 10210 which I oppose would require that States pay a weekly benefit amount equal to 50 percent of the claimant's average weekly wage, up to a State maximum which must be equal to at least two-thirds of the statewide average weekly wage in covered employment. The idea of a Federal benefits standard has been considered regularly for almost 40 years. Not only would States be forced to incur an additional $1 billion cost in fiscal year 1978 alone upon passage of this provision, but it would set a precedent that would open the floodgates for future Federal intrusion. The unemployment compensation system cannot be viewed in a vacuum; once Federal standards are established with respect to benefits, the temptation to coordinate eligibility standards and duration provisions would be difficult to resist by Congress. Since most States have already accepted a 50-percent minimum for most unemployed persons, the main beneficiaries would be those workers receiving the maximum in State benefits. In Minnesota, as an example, nearly two-thirds of all workers would remain unaffected by an increase in the maximum required benefit.

While I will support the Pickle amendment, which lessens the increased wage base in H.R. 10210 from $8,000 to $6,000, I would prefer to accord the States maximum flexibility to mix the wage base/wage rate in a manner suited to their own employment situation. There is a consensus that something must be done to bolster the solvency of State trust funds, and there is a consensus that our Nation provide reasonable levels of benefits to those persons temporarily in need of them through no fault of their own. Until, however, we limit benefits to only these persons, we are going to insure that State trust funds are in constant jeopardy of bankruptcy. If trends continue as they now are, the source of these funds—the employer—is going to increasingly find himself in the same kind of jeopardy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PICKLE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PICKLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 283, noes 114, not voting 35, as follows:

[Roll No. 520]

AYES—283

Abdnor
Addabbo
Alexander
Allen
Ambro
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conte
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Devine
Dickinson
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Emery
English
Eshleman
Evans, Ind.
Evins, Tenn.
Fary
Fenwick

Findley
Fish
Fithian
Flood
Florio
Flowers
Flynt
Ford, Tenn.
Forsythe
Fountain
Frey
Fuqua
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hansen
Harsha
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCollister
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire

Mahon
Mann
Martin
Mathis
Matsunaga
Melcher
Meyner
Michel
Mikva
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
O'Brien
Ottinger
Passman
Patten, N.J.
Pattison, N.Y.
Paul
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shriver
Shuster
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers

Stanton,
J. William
Steed
Stephens
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Treen
Tsongas
Van Deerlin
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOES—114

Adams
Anderson,
Calif.
Aspin
AuCoin
Bedell
Biester
Bingham
Bolling
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Collins, Ill.
Conable
Conyers
Corman
Danielson
Dellums
Diggs
Dingell
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fascell
Fisher
Foley
Ford, Mich.
Fraser
Frenzel
Gaydos
Gibbons
Gonzalez
Green
Hammer-
schmidt
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Holtzman
Howard
Jacobs
Johnson, Calif.
Jordan
Koch
Lloyd, Calif.
McCloskey
McCormack
McEwen
McFall
Madden
Mazzoli
Meeds
Metcalfe
Mezvinsky
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Moakley
Morgan
Moss
Nedzi
Nix
Nolan
Oberstar
Obey
O'Hara
O'Neill
Patterson,
Calif.
Pike
Price
Rangel
Reuss
Richmond
Rodino
Rooney
Rosenthal
Roybal
Sarbanes
Scheuer
Seiberling
Sisk
Solarz
Stark
Steiger, Wis.
Stokes
Teague
Thompson
Thornton
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Wilson, C. H.
Yates
Young, Ga.

NOT VOTING—35

Abzug
Anderson, Ill.
Andrews, N.C.
Ashley
Clay
Conlan
Cotter
Derwinski
Dodd
Esch
Giaimo
Harkin
Hébert
Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.
Karth
Leggett
Litton
Moffett
Murphy, Ill.
Pepper
Peyser
Riegle
Roncalio
Shipley
Sikes
Stanton,
James V.
Steelman
Steiger, Ariz.
Symington
Vander Jagt
Young, Alaska

Messrs. DENT, LAFALCE, and McCLORY changed their vote from "no" to "aye."

Mr. SEIBERLING changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III—BENEFIT PROVISIONS

SEC. 311. AMENDMENTS TO THE TRIGGER PROVISIONS OF THE EXTENDED PROGRAM.

(a) NATIONAL "ON" AND "OFF" INDICATORS.—Subsection (d) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 is amended to read as follows:

"(d) For purposes of this section—

"(1) There is a national 'on' indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States equaled or exceeded 4.5 per centum (determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of such period).

"(2) There is a national 'off' indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States was less than 4.5 per centum (determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of such period).".

(b) STATE "ON" AND "OFF" INDICATORS.—Subsection (e) of section 203 of such Act is amended to read as follows:

"(e) For purposes of this section—

"(1) There is a State 'on' indicator for a week if the rate of insured unemployment (seasonally adjusted) under the State law for the period consisting of such week and the immediately preceding twelve weeks equaled or exceeded 4 per centum.

"(2) There is a State 'off' indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, paragraph (1) was not satisfied.

For purposes of this subsection, the rate of insured unemployment for any thirteen-week period shall be determined by reference to the average monthly covered employment under the State law for the first four of the most recent six calendar quarters ending before the close of such period.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks beginning after December 31, 1976.

SEC. 312. PREGNANCY DISQUALIFICATIONS.

(a) GENERAL RULE.—Paragraph 12 of section 3304(a) of the Internal Revenue Code of 1954 (relating to requirements for approval of State unemployment compensation laws) is amended to read as follows:

"(12) no person shall be denied compensation under such State law solely on the basis of pregnancy or termination of pregnancy;".

(b) TECHNICAL AMENDMENTS.—Subsection (c) of section 3304 of such Code (relating to certification of State unemployment compensation laws) is amended by adding at the end thereof the following new sentence: "On October 31 of any taxable year after 1976, the Secretary shall not certify any State which, after reasonable notice and opportunity for a hearing to the State agency, the Secretary of Labor finds has failed to amend its law so that it contains each of the provisions required by reason of the enactment of the Unemployment Compensation Amendments of 1975 to be included therein, or has with respect to the 12-month period ending on such October 31, failed to comply substantially with any such provision.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to certification of States for 1977 and subsequent years.

SEC. 313. REPEAL OF FINALITY PROVISION.

(a) GENERAL RULE.—Section 8506(a) of title 5, United States Code, is amended by striking out the fifth sentence.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to findings made after the date of the enactment of this Act.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. CORMAN

Mr. CORMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORMAN: Page 38, insert after line 3 the following:

SEC. 314. FEDERAL BENEFIT STANDARD.

(a) GENERAL RULE.—Subsection (a) of section 3304 of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended by redesignating paragraph (13) as paragraph (14) and by inserting after paragraph (12) the following new paragraph:

"(13)(A) the weekly benefit amount payable to any individual during any benefit year beginning on or after January 1, 1978, shall not be less than the lesser of—

"(i) 50 percent of such individual's average weekly wage; or

"(ii) the maximum weekly benefit amount payable to any individual under such State law; and

"(B) the maximum weekly benefit amount payable to any individual during any benefit year beginning on or after January 1, 1978, shall not be less than two-thirds of the statewide average weekly wage most recently computed before the beginning of such benefit year;".

(b) DEFINITIONS.—Section 3304 of such Code (relating to approval of State laws) is amended by adding at the end thereof the following new subsection:

"(g) DEFINITIONS FOR APPLICATION OF SUBSECTION (a)(13).—For purposes of this subsection and subsection (a)(13)—

"(1) BENEFIT YEAR.—The term 'benefit year' means the benefit year as defined in the State law, except that such year shall not exceed 1 year.

"(2) BASE PERIOD.—The term 'base period' means a period of 52 consecutive weeks, 1 year, or 4 consecutive calendar quarters (as designated by the State law) ending not earlier than 6 months before the beginning of the benefit year.

"(3) AVERAGE WEEKLY WAGE.—The term 'average weekly wage' means, with respect to any individual—

"(A) in a State which computes individual weekly benefit amounts on the basis of high quarter wages, an amount equal to one-thirteenth of such individual's high quarter wages; or

"(B) in any other State, an amount equal to the quotient obtained by dividing the total amount of wages (determined without regard to any limitation on the amount of wages subject to contributions under the State law) paid to such individual during such individual's base period by the number of weeks in which he performed services in employment covered under such State law during such base period.

"(4) HIGH QUARTER WAGES.—The term 'high quarter wages' means the amount of wages for services performed in employment covered under the State law paid to an individual in the quarter of his base period in which such wages were highest, determined without regard to any limitation on the amount of wages subject to contributions under such State law.

"(5) STATEWIDE AVERAGE WEEKLY WAGE.—The term 'statewide average weekly wage' means the amount computed by the State agency at least once each year on the basis of the aggregate amount of wages (determined without regard to any limitation on the amount of wages subject to contributions under such State law) reported by employers as paid for services covered under such State law—

"(A) during the first 4 of the last 6 completed calendar quarters before the effective date of the computation, divided by a figure equal to 52 times the 12-month average of the number of employees in the pay period contained in the 12th day of each month during such 4 calendar quarters, as reported by such employers; or

"(B) if the State elects to have this subparagraph apply, during any 2 of the first 4 of the last 6 completed calendar quarters before the effective date of the computation, divided by a figure equal to 26 times the 6-month average of the number of employees in the pay period containing the 12th day of each month during such 2 calendar quarters, as reported by such employers.

"(6) WEEKLY BENEFIT AMOUNT.—The term 'weekly benefit amount' means the amount of the compensation payable to any individual for any week of total unemployment."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to certifications of States for 1978 and subsequent years.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Chairman, a principal objective of unemployment compensation is to help stabilize the economy by maintaining purchasing power during periods of economic recession. A second and equally important purpose is to provide workers sufficient income to meet nondeferrable expenses during periods of temporary unemployment. The success of the UC program in meeting both of these objectives depends upon the adequacy of weekly benefits provided to unemployed workers. Where benefits are too low, as they currently are in many States, the program does not provide enough to maintain a decent living standard or allow the unemployed sufficient time to find appropriate employment. Also, the antirecessionary impact of the program is reduced.

The amendment to H.R. 10210 that I am proposing is based on the premise that an unemployment compensation check for at least half normal pay is necessary to enable most workers to continue to pay expenses that cannot be deferred during a spell of unemployment. These expenses include food, rent, utilities, medical care, clothing, and transportation.

Although 50 percent of gross wages is a higher percentage of take-home pay today than it was before the advent of withholding taxes and other deductions, the real wage loss of an unemployed worker now includes loss of health and hospitalization insurance, pension rights, group life insurance, and other fringe benefits. Furthermore, the costs of finding a job have increased substantially.

In many States, UC benefits are presently inadequate because the maximum payments are unrealistically low. Large numbers of unemployed workers with substantial attachment to the work force receive weekly UC payments that are less than half of their usual wages.

In 1974, 42 percent of all claimants nationwide were prevented by low maximums from receiving weekly checks equal to half pay. In 17 States over half the claimants were eligible for less than half their average weekly wage.

The proposed benefit requirement contained in the amendment is cast in terms of a percentage of the individual's normal wage and each individual State's average weekly wage in covered employment. It does not require the same flat dollar amount in each State or for every claimant. It is specifically designed to take account of each claimant's earnings and local conditions represented by variations in State wage levels. It seeks to replace half of the weekly wages most individual workers would usually receive within a State.

The amendment would require States to provide an eligible UC claimant a weekly benefit payment equal to at least 50 percent of his average weekly wage, up to the State maximum. The maximum weekly benefit payable in each State would have to be an amount equal to at least 66⅔ percent of the statewide average weekly wage in covered employment.

The amendment would not require a State to pay a qualified claimant more than 50 percent of his average weekly pay, or to pay the very high wage earners in the State 50 percent of their regular salary. But it would assure most of the Nation's workers 50 percent of their normal pay if they become temporarily unemployed.

For example, under this amendment, in a State with a statewide average weekly wage of $150, the maximum weekly benefit would have to be at least $100—66⅔ of the statewide average weekly wage of $150. A claimant earning an average of $150 per week would receive $75 per week while unemployed, an amount equal to half his average weekly wages. A claimant whose average weekly wage was $250, however, would receive less than half his normal pay. His weekly benefit amount would be limited to $100, the maximum amount payable in the State.

Twelve States now provide a maximum equal to that of the proposed standard. In 26 States, with over 70 percent of all covered employment, the maximum payment is less than 60 percent of the State average weekly wage. It is less than 50 percent in 9 States with about 28 percent of all covered employment.

It has been estimated that, under the provisions of this amendment, 80 percent of insured workers nationwide would be entitled to a benefit equal to at least half of their own weekly wage, should they become temporarily unemployed.

The Department of Labor estimates that the benefit requirement contained in this amendment will increase unemployment compensation costs by $800 million in fiscal 1978 and $1 billion in fiscal 1979. In other words, this is the additional amount of money it will cost to have a UC system that provides 80 percent of the qualified unemployed workers a weekly benefit amount equal to 50 percent of their average weekly wage until they can obtain suitable employment.

Every administration since the Eisenhower administration in 1954 has urged the States to increase maximum weekly benefit amounts so as to permit the great majority of workers to receive 50 percent of their average weekly wage when unemployed. A benefit requirement similar to that contained in my amendment was proposed by President Kennedy in 1961, President Johnson in 1965, President Nixon in 1969 and in legislation submitted by President Ford in 1975. It has the support of the Interstate Conference of Employment Security Administrators; the AFL-CIO; the UAW; International Ladies' Garment Workers; Teamsters; the American Federation of State, County and Municipal Employees; and the National Council of Senior Citizens.

This benefit requirement is necessary to strengthen the UC program. It will make the program more effective in meeting its economic objective of maintaining purchasing power during recessionary periods, and its social objective of providing unemployed workers adequate income support until they find work.

Let me emphasize that the important part of this amendment is the requirement pertaining to the maximum payment level in a State. Most State laws already purport to pay eligible claimants 50 percent of their wages. However, State laws contain a flat dollar maximum amount that can be paid to any claimant. The effect of this maximum in many States is to prevent large numbers of eligible claimants from receiving 50 percent of their normal wage. These workers receive the maximum amount payable in the State, which can be substantially less than half their usual wage.

Unemployment insurance benefits will not meet the basic needs of jobless workers and their families if the weekly benefit amount replaces less than 50 percent of the low- and middle-income worker's full-time weekly wages. An income reduction of more than 50 percent is too great a burden to place on these workers. The purpose of my amendment is simply to raise the maximum payment in some States so that most low- and middle-income workers will receive 50 percent of their wages should they become unemployed.

Mr. STEIGER of Wisconsin. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. CORMAN).

Mr. Chairman, I am opposed to the Corman amendment. It is ill-advised; it would distort our present system; and it would be expensive.

At the very outset, in 1935, the Congress was required to decide between a Federal unemployment compensation program or one which provided for the States to establish their own programs. Congress chose a path which allowed the States great flexibility.

I think that choice was the proper one; you may not. But the point is that the decision was made. Forty years have passed. We cannot step in now and deal with only one narrow aspect of the benefit package. If we are to intervene the step must be larger, and far more comprehensive than what is proposed in the Corman amendment.

The close relationship between the amount of employment required to qualify, the period of earnings, the method of computing the benefit amount, and the method of determining the length of time for which benefits are available makes it impossible to rationally deal with this matter in a piecemeal approach. Yet that is exactly what the Corman amendment would do.

For example, 12 States provide increased benefits for those unemployment compensation claimants with dependents. The amount of these allowances vary from State to State. The proposed Federal standard would not take dependents' allowances into account; raising basic benefits in most of those 12 States would actually raise benefit maximums well above two-thirds of average weekly wages. The net result would either force those States which grant dependents' allowances to abandon them or to require a wage replacement for some claimants substantially above 50 percent of gross wages.

In Connecticut, for example, the maximum weekly benefit amount—without dependents—is now $110; with dependents' allowance the maximum may go to a combined total $165. The proposed benefit standard would raise basic benefits to a maximum of $126. With dependents' allowances benefits could go to $189; Connecticut's average weekly wage in covered employment was $189 in 1974. On June 15 of this year Connecticut's system was $343 million in the red.

Massachusetts grants an allowance of $6 for each dependent up to a maximum of half basic benefits. Presently the maximum basic benefit in Massachusetts is $101. The maximum dependents' allowance is therefore $51. The proposed standard would raise basic benefits to $115; this would raise the maximum dependents' allowance to $58 for a combined total of $173. The average weekly wage in covered employment in Massachusetts was $172 in 1974. On June 15 of this year Massachusetts' system was $265 million in the red.

The tax consequence of UC payments of this magnitude makes it possible to earn nearly three-fourths as much as when employed by remaining at home. An employee in Massachusetts with a wife and two children making $10,000 a year grosses $192.30 a week. After deducting Federal and State income taxes and social security taxes, his take-home pay amounts to $153.27. Under the proposed standard his basic benefit would be $96—50 percent of his gross—because of his three dependents he would receive an additional $18, for a total of $114 or 72 percent of his take-home pay.

By failing to take dependents' allowances into account, the proposed standard would distort the benefit structure of most of the 12 States granting such allowances, and for that reason alone if should be defeated.

A principal argument for establishment of a minimum Federal benefit standard is that present benefit levels are inadequate, because they have lagged behind wage levels, and failed to keep pace with inflationary pressures. However, benefit levels have outstripped increases in both the Consumer Price Index and average covered wages.

From 1969 to 1975 the average weekly benefit paid increased 52 percent while average weekly wages in covered employment climbed 39 percent. During the same period increases in UC benefits surpassed increases in the Consumer Price Index—a 52-percent increase as compared to a 47-percent increase in the Consumer Price Index.

Increases in benefits under the amendment would be considerably higher than may be appreciated. The maximum benefit in Alaska would increase $106; Michigan would see an increase in its benefits maximum of $44; New York—$40; Ohio—$32; Texas—$46.

And, of course, all these increases would be undertaken without regard to the amount of wages required to qualify, the period over which those wages would have to be earned, and the length of time over which benefits would be paid.

The amendment is ill-advised; it is ill-timed and I urge you most strongly to vote against it.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, I want to go on record as opposed to two sections of H.R. 10210. First is the one which would exclude administrative costs attributable to State and local government employees entitled to unemployment compensation.

I would also like to object in the strongest possible terms to the related portion of H.R. 10210 that revises the definition of "shareable costs" under the Federal-State extended benefits program to eliminate any sharing of payments by the Federal Government based upon services performed by workers in State and local governments. This change would mean that State and local governments would have to bear the costs of the extended benefits program which were formerly shared on a 50-50 basis.

This proposal would be an ill-advised change in the law. It is especially so at a time when we are considering legislation aimed at helping State unemployment compensation funds meet the expensive demands of present conditions. To add further financial burden would be counterproductive.

I regret that no opportunity exists for the full House of Representatives to vote on these two provisions. It is my belief that if given the chance to consider them the House would eliminate these provisions. Since this is not to be the case, I am hopeful that the conferees on this bill will reconsider these proposals and delete them from this bill.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I want to join with the gentleman from Wisconsin (Mr. STEIGER) in his opposition to this amendment.

Mr. Chairman, the Federal-State relationship of this program has been good for the country for some 41 years. Adoption of Federal standards would, I think, signify a death blow to that kind of partnership that for so many years has been so helpful to the country. This is an insurance program and not a welfare program and we ought to continue it as such.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate the comments made by the gentleman from Texas.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman from Wisconsin for yielding to me.

Mr. Chairman, the amendment offered by the gentleman from California (Mr. CORMAN) was not a good amendment to begin with, but, after the passage of the Pickle amendment we are hopelessly in deficit and the House should not seriously consider this amendment.

The argument for establishment of a minimum Federal benefit standard is premised on the proposition that present benefit levels are inadequate, because they have lagged behind wage levels, and have failed to keep pace with inflationary pressures. The facts, however, indicate that benefit levels have outstripped increases in both the Consumer Price Index and average covered wages. From 1969 to 1975 the average weekly benefit paid increased 52 percent while average weekly wages in covered employment climbed 39 percent. During the same period increases in UC benefits surpassed increases in the Consumer Price Index—a 52-percent increase as compared to a 47-percent increase in the CPI.

In the last 5 years each of the States has increased its benefit levels. These increases were due in part to indications by the administration in 1969 that it would support a Federal benefit standard if the States did not increase their benefit levels. It would now constitute a breach of faith with the States if Congress were to impose such a standard in spite of the fact that the States have acted.

When determining the adequacy of UC benefits as wage replacement, one must consider not only the benefit amount but also the tax consequences of each of the States' income tax structures. That is, a tax-free wage replacement may be adequate in a State which imposes high personal income taxes, but inadequate in one with a lower effective tax rate, or which imposes no income taxes whatsoever. So the imposition of a Federal benefit level which by its very nature cannot account for these differences clearly would be inappropriate.

If the Congress mandates a Federal minimum benefit standard it will, of necessity, be forced to abandon the present Federal-State program now in place—and replace it with a totally Federal system. This is so because benefit amounts are only one small part of the total UC benefit package—a package which includes qualification, duration, disqualification, financing, and administration.

Importantly, by federalizing the system, Congress will inevitably deeply involve itself in establishing disqualification rules. Both eligibility and disqualification rules are critical to the effective operation of the program at local levels, and this could eventually undermine the system to the point where a program governed solely by Federal standards would be more efficiently administered by a Federal authority. With the adoption of a Federal benefit standard the prospects of a totally Federal system—Federal standards administered by Federal employees—become more probable.

Twelve States provide increased benefits for those claimants with dependents. The proposed Federal standard would no take dependents' allowances into account, so that raising basic benefits in most of those 12 States would actually raise benefit maximums well above 66⅔ percent of average weekly wages. The net result would either force those States which grant dependents' allowances to abandon them or to require a wage replacement for some claimants substantially above 50 percent of gross wages.

By failing to take dependents' allowances into account, the proposed standard would distort the benefit structure of most of the 12 States granting such allowances, and for that reason alone it should be defeated.

But, for the most important reason to defeat the Corman amendment is its fiscal impact. It is ludicrous to encourage the States to bring their unemployment accounts into the black, significantly increase the Federal tax base and and rate to bring the Federal fund into balance and at the same time consider the imposition of benefits higher than those which have already driven the system so far into debt.

As part of their justification for a higher tax base and higher tax rates, Department of Labor officials have pointed to estimates that between 25 and 30 States could be out of funds by the end of 1976. Latest projections by the Department of Labor indicate that, even with the tax increases proposed in the bill, the Federal fund will be $8.1 billion in debt at the close of fiscal 1977. The States' funds will be $6.2 billion in the red.

To put it another way, the Department of Labor estimates that imposition of a Federal standard would increase the cost of the program by $9 billion between now and the end of 1985, consisting of $350 million at the Federal level and $8.7 billion at the State level.

One argument frequently advanced in support of a Federal benefit standard is that it would eliminate the present disparity in weekly benefits from State to State. Enactment of the proposed standard would not eliminate the disparity. More specifically, the maximum benefit amount—66⅔ percent of statewide-covered weekly wages—would range from $88 in South Dakota to $192 in Alaska. This would effectively cause the highly industrialized State to bear higher benefit costs than the lower-wage State and thereby exaggerate the cost differences which now exist among various employers in different parts of the country.

Since this body has already agreed to the Pickle amendment, both the State and Federal trust funds will never get out of deficit according to the best estimates of the Labor Department. It would be unthinkable to add an extra billion dollars a year on top of the existing deficit through an unwarranted federalization of benefit standards. The Corman amendment should be defeated.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate the comments that have been made by my colleague, the gentleman from Minnesota (Mr. FRENZEL).

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I simply want to say that the subcommittee and the full committee rejected this amendment. This amendment is here as a result of a compromise to allow votes on other amendments after the rule that was first granted was defeated.

Mr. Chairman, I feel that the House itself should reject the amendment.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from California.

Mr. CORMAN. I thank the gentleman for yielding.

I want to point out for the record that it is true the subcommittee rejected this amendment on a 5-to-5 vote and the full committee on an 18-to-17 vote. However, Ways Means rejected the Pickle amendment on a 23-to-11 vote, and this House just changed the committee's decision. So who knows what will happen on a recorded vote on my amendment, which we will have in 30 seconds.

Mr. WAGGONNER. If the gentleman will stick around a few minutes, he will find out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. CORMAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CORMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 113, noes 281, not voting 38, as follows:

[Roll No. 521]

AYES—113

Allen
Anderson, Calif.
Annunzio
Aspin
Bingham
Blanchard
Blouin
Bolling
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Collins, Ill.
Conyers
Corman
Danielson
Dellums
Dent
Diggs
Dingell
Downey, N.Y.
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Evins, Tenn.
Fary
Flood
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Gonzalez
Green
Hall, Ill.
Harrington
Hawkins
Hayes, Ind.
Hays, Ohio
Hicks
Holtzman
Howard
Johnson, Calif.
Jordan
Kastenmeier
Koch
Leggett
Lloyd, Calif.
McFall
Madden
Maguire
Matsunaga
Metcalfe
Meyner
Mezvinsky
Mikva
Mills
Mink
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, N.Y.
Murtha
Nedzi
Nix
Nolan
Oberstar
Obey
O'Hara
O'Neill
Pattison, N.Y.
Perkins
Price
Rangel
Reuss
Richmond
Rooney
Rosenthal
Rostenkowski
Roybal
Russo
Sarbanes
Seiberling
Simon
Sisk
Smith, Iowa
Solarz
Stark
Stokes
Studds
Thompson
Traxler
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Whalen
Yates
Yatron
Young, Ga.
Zablocki

NOES—281

Abdnor
Adams
Addabbo
Alexander
Ambro
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Boggs
Boland
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Derrick
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hechler, W. Va.
Heckler, Mass.
Hefner
Henderson
Hightower
Hillis
Holland
Holt
Horton
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
O'Brien
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Paul
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roush
Rousselot
Runnels
Ruppe
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shriver
Shuster
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence

Staggers
Stanton,
J. William
Steed
Steiger, Wis.
Stratton
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Tsongas
Ullman
Waggonner
Walsh
Wampler
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zeferetti

NOT VOTING—38

Abzug
Anderson, Ill.
Andrews, N.C.
Ashley
Badillo
Clay
Conlan
Cotter
Derwinski
Dodd
Esch
Giaimo
Harkin
Hébert
Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.
Karth
Litton
Moffett
Murphy, Ill.
Pepper
Peyser
Rees
Riegle
Roncalio
Rose
Shipley
Sikes
Stanton,
James V.
Steelman
Steiger, Ariz.
Stephens
Symington
Vander Jagt
Young, Alaska

Messrs. ZEFERETTI, MILLER of California, and HECHLER of West Virginia changed their vote from "aye" to "no".

Mr. PERKINS changed his vote from "no" to "aye".

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SISK

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: Page 38, insert after line 3, the following:

SEC. 315. DENIAL OF UNEMPLOYMENT COMPENSATION TO ATHLETES AND ILLEGAL ALIENS

(a) GENERAL RULE.—Subsection (a) of section 3304 of the Internal Revenue Code of 1954 (relating to requirements for approval of State unemployment compensation laws) is amended by redesignating paragraph (13) as paragraph (15) and by inserting after paragraph (12) the following new paragraphs:

"(13) compensation shall not be payable to any individual on the basis of any services, substantially all of which consist of participating in sports or athletic events or training or preparing to so participate, for any week which commences during the period between two successive sport seasons (or similar periods) if such individual performed such services in the first of such seasons (or similar periods) and there is a reasonable assurance that such individual will perform such services in the later of such seasons (or similar periods);

"(14) compensation shall not be payable on the basis of services performed by an alien who was not lawfully admitted to the United States;"

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to certifications of States for 1978 and subsequent years.

Mr. SISK (during the reading). Mr. Chairman, in order to save the time, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. Mr. Chairman, I recognize that we would all like to vote very quickly and resolve this situation.

This amendment would accomplish two goals. First, to deny unemployment compensation to illegal aliens. And second, to prohibit eligibility for unemployment compensation to professional athletes when it is reasonably assured that they will work during the next season.

Some may argue that the adoption of this amendment will alter what has been the traditional right of the States to determine eligibility standards. I am not an advocate of having the Federal Government determine the details of how this program shall operate on a day-to-day basis. That is the proper function of the States, I believe.

Any of us who saw or heard of the recent "60 Minutes" broadcast on CBS on unemployment compensation, however, knows that the program is faced with severe problems, some of which are the result of States not acting to curb what I perceive as clear abuses of the program.

The State of California, for example, recently eliminated from its procedure for handling unemployment insurance claims the requirement that applicants state if they are U.S. citizens or legal aliens.

This action can easily result in many illegal aliens drawing benefits to which they are not entitled. As we all know, the law requires that before unemployment benefits can be paid, the individual must be eligible for work. And illegal aliens are not.

For the Congress not to respond to this issue will, in effect, State that illegal aliens as a matter of right are entitled to unemployment insurance benefits. That is a position I am not prepared to take, nor is it one that the Congress should adopt, in my opinion.

Second, it is a matter of record that the regulations of some States make professional athletes eligible for unemployment compensation. It was reported last March, for example, that the president of the Milwaukee Brewers confirmed that some members of the team have been drawing jobless payments for a number of years.

The "60 Minutes" show, furthermore, interviewed a professional golfer who collects unemployment benefits.

My amendment would not say that professional athletes shall never be eligible for jobless benefits. It simply states that when there is a reasonable assurance that they will work in the next season that they shall not qualify for those benefits during the off season.

I think it is clear that we have not intended these people to qualify for the program. The program, after all, is intended to provide assistance to those who need it to maintain a moderate standard of living during periods of unemployment. It is not intended to simply supplement a person's income.

If the States would act on their own to address these kinds of abuses there would be no need for my amendment. But in some cases the States have not been willing to so act. It becomes the obligation, then, of the Congress to correct the weaknesses in the program.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. I thank the gentleman for yielding.

First of all, so far as professional athletes are concerned, I have no problem with the amendment.

As to the illegal aliens, they should not be receiving UC now because they cannot be available for work.

I would hope, if this amendment passes, that the Department of Labor devises mechanisms to protect American citizens from any discrimination or additional application procedures or requirements because of their skin color or accent. I would hope, that in complying with any regulations resulting from this amendment, that some kind of a simple declaration of citizenship would be sufficient in the initial application for UC benefits.

Mr. SISK. Mr. Speaker, in commenting upon the gentleman's statement, I think if the Members read the language dealing with illegal aliens they will find that everyone would affirm the same facts in order to draw unemployment insurance, regardless of his race, color of his skin, or anything else.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. I thank the gentleman for yielding.

Is it the intent of the gentleman's amendment that everyone who seeks unemployment would have to prove citizenship or legal status before they receive unemployment compensation?

Mr. SISK. It would mean no more than the fact that today, when one goes in to sign up for unemployment insurance, he signs a statement as to the facts that exist. Part of that statement that would be signed would certainly indicate that he is legally qualified to be a worker, along with the fact that he had other qualifications to draw unemployment.

Mr. ROYBAL. If the gentleman will yield further, anyone who applies for unemployment compensation would have to sign the exact, identical statement?

Mr. SISK. The gentleman is exactly right, yes, sir.

Mr. ROYBAL. Has the gentleman made provisions in his amendment to make available what statements shall be signed? Does the gentleman know what the statement is?

Mr. SISK. No. That would be left up to the States. The States, of course, administer this, and that would be left up to the States. They would promulgate the regulations.

Mr. ROYBAL. That means, of course—in order to clarify the situation—that anyone, regardless who it happens to be, who goes to seek unemployment compensation, he signs that statement, and the statement is identical, it is the same, no matter where he seeks unemployment compensation or in what State of the Union?

Mr. SISK. Exactly. Let me say to my good friend, the gentleman from California, that I know the problem he is talking about. The gentleman knows the situation in my own district. It concerns many people. I want to make the legislative RECORD very clear. I do not care what color the skin is or how he spells his name or what his background is; everyone will be treated exactly the same when he signs up to draw unemployment insurance.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California.

Mr. GOLDWATER. I thank the gentleman for yielding.

Mr. Chairman, I would like to understand this statement that the gentleman says a participant would have to sign when he goes in to collect unemployment compensation. The gentleman said he is going to have to sign a statement certifying that he has legal status.

Mr. SISK. It takes me just about one-half minute here to read this. This is all that is stated in the amendment: "Compensation shall not be payable on the basis of services performed by an alien who was not lawfully admitted to the United States."

That is all this amendment says. The States administer the Unemployment Act, and they are going to promulgate the rules and regulations. I would think one could assume it would become a part of the statement he always signs when he goes in to draw unemployment compensation.

Mr. GOLDWATER. If the gentleman will yield further, who has the burden of proof, so far as ascertaining the legality of the applicant?

Mr. SISK. Mr. Chairman, so far as this amendment is concerned, there is no attempt to shift the burden of proof one way or the other. The individual signing up for unemployment insurance affirms that he is legally qualified to draw it, and if later on that individual—and I am only just assuming something—happens to be arrested as an illegal alien, then, of course, the law will come into play as to what is the fact as to whether he has perjured himself in order to draw amounts as illegal funds, and that would be a question the court would have to settle.

Mr. GOLDWATER. Are there penalties provided in this?

Mr. SISK. No, there are no penalties involved in this amendment.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise for the purpose of continuing this interrogation as to the meaning and significance of this amendment. I would like to ask this question of the gentleman from California (Mr. Sisk), who is the author of the amendment:

I believe in answer to a question propounded by our distinguished colleague, the gentleman from California (Mr. Corman), the gentleman answered negatively, that today an illegal alien cannot qualify for unemployment compensation. Is that correct?

Mr. SISK. No. Mr. Chairman, if the gentleman will yield, I did not make that statement. Let me state to my good friend, the gentleman from Texas (Mr. Gonzalez), that I do not think I made that statement or at least I did not intend to make such a statement.

I will just go a little bit further and say that certainly my interpretation of the law being what it is leads me to believe that a person who is illegally in this country today is not qualified to work in this country, No. 1; and certainly, therefore, he would not be qualified to draw unemployment insurance, No. 2. But the truth of the matter is that they are actually doing it, particularly in my State. We know that for a fact.

Mr. GONZALEZ. How, then, will this amendment help or rectify that situation? If the practice is presently illegal, then why is there a need for this amendment?

Mr. SISK. Because of some of the recent acts, I might say, within my own State dealing with this whole question. We know that there are many illegals in this country; there are many who are known illegals.

Let me say to my friend, the gentleman from Texas (Mr. Gonzalez), that there have been certain changes in State requirements and State law that have really caused quite a lot of concern among people in our State about just whether in fact we may let the doors completely open to them and set no requirements whatsoever.

I would have to say to my friend—and I will be perfectly frank—that really when we get down to it, on the basis that a person might swear to anything in order to get some money if he wants to do it, this statement really becomes a sense-of-Congress statement that we do not believe illegal aliens should draw unemployment compensation.

Mr. GONZALEZ. Mr. Chairman, is the gentleman saying that in his State illegal aliens are presently drawing unemployment insurance compensation?

Mr. SISK. I have reports to that effect, yes. They are not basically related to this question of illegal aliens, though.

Mr. GONZALEZ. Is that permissible under California law?

Mr. SISK. It is not permissible under California law.

Mr. GONZALEZ. Then, Mr. Chairman, I do not see the purpose that this amendment would serve on the Federal level. The gentleman also stated that there is no penalty affixed to his amendment, so I see no curative value.

The gentleman said that when somebody wants money, he might also buy a statement. Well, that happens all the time. In fact, I have heard reports that even Members of the Congress sometimes might be tempted to do that. I do not see how this amendment would address itself to that point.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I would be glad to yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, in order to clarify the situation, the fact of the matter is that in connection with illegal aliens, little or nothing is done by the Federal Government. They do come in by the hundreds of thousands each year; we have millions of them in this country.

We just received a Foreign Service report from the Department of State which indicates that they are here. Five hundred of them are converted from tourists into illegal aliens each year. One quarter of those are paid in cash. The abuse is ubiquitous.

It has been firmly established. There is absolute absence of any legislation that precludes illegal aliens from doing what they are doing, but they are, in fact, doing it.

Mr. Chairman, I support this amendment, and I would like to get to the point at this juncture. I do not really think it has sufficient significance in enforcement of the law; but in the absence of anything, it certainly is a step forward.

What it would do, Mr. Chairman, is to psychologically intimidate illegal aliens from answering that question, even though there are no penalties provided for putting down a perjurious answer.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman from New York (Mr. Biaggi), but I fail to see the connection between the large influx of illegal aliens and the impact that this amendment would have in stemming that kind of influx.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Sisk).

The question was taken; and on a division (demanded by Mr. Roybal) there were—ayes 136, noes 22.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read title IV.

The Clerk read as follows:

TITLE IV—NATIONAL COMMISSION ON UNEMPLOYMENT COMPENSATION

Sec. 411. National Commission on Unemployment Compensation.

(a) Establishment of Commission.—There is established a National Commission on Unemployment Compensation (hereinafter in this section referred to as the "Commission") which shall consist of thirteen members who shall be appointed as follows:

(1) Three members appointed by the President por tempore of the Senate.

(2) Three members appointed by the Speaker of the House of Representatives.

(3) Seven members appointed by the President. In making appointments under the preceding sentence, the President pro tempore of the Senate, the Speaker of the House of Representatives, and the President shall consult with each other to insure that there will be a balanced representation of interested parties on the Commission. The President shall designate one of the members to serve as Chairman of the Commission. Seven members shall constitute a quorum. Any vacancies in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(b) Duties of the Commission.—The Commission shall study and evaluate the present unemployment compensation programs in order to assess the long-range needs of the programs, to develop alternatives, and to recommend changes in the programs. Such study and evaluation shall include, without being limited to—

(1) examination of the adequacy, and economic and administrative impacts, of the changes made by this Act in coverage, benefit provisions, and financing;

(2) identification of appropriate purposes, objectives, and future directions for unemployment compensation programs; including railroad unemployment insurance;

(3) examination of issues and alternatives concerning the relationship of unemployment compensation to the economy, with

special attention to long-range funding requirements and desirable methods of program financing;

(4) examination of eligibility requirements, disqualification provisions, and factors to consider in determining appropriate benefit amounts and duration;

(5) examination of the relationship between unemployment compensation programs and manpower training and employment programs;

(6) examination of the appropriate role of unemployment compensation in income maintenance and its relationship to other social insurance and income maintenance programs; and

(7) conduct of such surveys, hearings, research, and other activities as it deems necessary to enable it to formulate appropriate recommendations, and to obtain relevant information, attitudes, opinions, and recommendations from individuals and organizations representing employers, employees, and the general public.

(c) Powers of the Commission.—

(1) Hearings.—The Commission, or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this section, hold such hearing, take such testimony, receive such evidence, take such oaths and sit and act at such times and places as the Commission may deem appropriate and may administer oaths or affirmations to witnesses appearing before the Commission or any subcomittee or members thereof.

(2) Staff.—Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(A) appoint and fix the compensation of an executive director, and such additional personnel as he deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the executive director may not receive pay in excess of the maximum annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of such title and any additional personnel may not receive pay in excess of the maximum annual rate of basic pay in effect for grade GS-15 of such General Schedule, and

(B) obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(3) Contracts.—The Commission is authorized to negotiate and enter into contracts with organizations, institutions, and individuals to carry out such studies, surveys, or research and prepare such reports as the Commission determines are necessary in order to carry out its duties.

(d) Cooperation of Other Federal Agencies.—

(1) Information.—Each department, agency, and instrumentality of the Federal Government is authorized and directed to furnish to the Commission, upon request made by the Chairman, and to the extent permitted by law, such data, reports, and other information as the Commission deems necessary to carry out its functions under this section.

(2) Services.—The head of each department or agency of the Federal Government is authorized to provide to the Commission such services as the Commission requests on such basis, reimbursable and otherwise, as may be agreed between the department or agency and the Chairman of the Commission. All such requests shall be made by the Chairman of the Commission.

(3) Department of Labor.—The Department of Labor shall provide support for the Commission and shall perform such other functions with respect to the Commission as may be required by the provisions of the Federal Advisory Committee Act.

(e) Pay and Travel Expenses.—

(1) Members serve without pay.—Except as provided in paragraph (2), members of the Commission shall serve without pay.

(2) Travel expenses.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(f) Final Report.—The Commission shall transmit to the President and the Congress not later than January 1, 1978, a final report containing a detailed statement of the findings and conclusions of the Commission, together with such recommendations as it deems advisable.

(g) Termination.—On the ninetieth day after the date of submission of its final report to the President, the Commission shall cease to exist.

(h) Authorization of Appropriations.—There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENTS OFFERED BY MR. BURLISON OF MISSOURI

Mr. BURLISON of Missouri. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. Burlison of Missouri: Page 39, insert after line 24 the following:

(5) examination of (A) the problems of claimant fraud and abuse in the unemployment compensation programs and (B) the adequacy of present statutory requirements and administrative procedures designed to protect the programs against such fraud and abuse;

Page 39, line 25, strike out "(5)" and insert in lieu thereof "(6)".

Page 40, line 3, strike out "(6)" and insert in lieu thereof "(7)".

Page 4, line 7, strike out "(7)" and insert in lieu thereof "(8)".

Mr. BURLISON of Missouri. Mr. Chairman, I ask unanimous consent that the amendments be considered as read printed in the Record, and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BURLISON of Missouri. Mr. Chairman, 2 months ago, when this body voted against a closed rule for the unemployment compensation amendments, I cited as my chief objection the grave concern I have over the widespread fraud and abuse which plague the unemployment compensation program and the committee's disappointing failure to address the problem in any way. Now the bill returns to the floor of the House under a "modified open" rule, but somehow still lacking any reference to the problem. Needless to say, I am still quite disappointed. My remarks in the earlier debate appear on pages 14075 and 14076 of May 17, 1976, of the Record, where several cases of abuse are documented.

Title IV of the bill establishes a National Study Commission on Unemployment Compensation which, according to the committee report, "will undertake a thorough and comprehensive examination of the present unemployment compensation system and proposed changes, and make recommendations for further improvements."

I certainly hope, in the least, that the problems of fraudulent claims; excessive, disincentive benefit levels; and the resulting costs to the system would be included in any "thorough and comprehensive" examination; yet somehow I am not overly confident that my hopes will be realized. The bill language lists six areas of long-range program needs to be studied by the committee, to which the committee report adds for specific study six of the changes contained in the bill, plus 21 changes proposed for the future. In all, the bill and the report direct the new commission to examine 6 general and 27 specific issues deemed important to the unemployment compensation program. Not one of these, however, deals with the problems of fraud and abuse, and nowhere in the report is the existence of the problems even acknowledged. Thus, it occurs to me that any commission so charged will quite naturally limit itself for practical reasons to those topics specified in its charter. Therefore, in order to reassure myself that these problems will indeed be addressed by the New Study Commission, I am compelled to offer my amendment, in which Mr. Cohen has joined, designating the issue of fraud and program abuse as a specific area of study. I think it is the least we can do.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from California.

Mr. CORMAN. Mr. Chairman, we have read the amendments on this side and have no objection to them. We are willing to accept the amendments for the majority.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, we have no objection to the amendments on this side. We will be happy to accept them.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from Maine (Mr. Cohen), my friend and colleague, who is a coauthor of this amendment.

Mr. COHEN. Mr. Chairman, I rise in strong support of the amendment.

Mr. COHEN. Mr. Chairman, I am pleased to be a cosponsor of this amendment.

As reported by the committee, the bill directs the National Commission on Unemployment Compensation to study several areas; however, not one of these subjects touches on the considerable abuses now plaguing the unemployment compensation program. In fact, the committee report does not even acknowledge the existence of this problem.

I am disappointed that the committee has failed to address these problems prior to any expansion of the unemployment compensation program. Rather than examining the crucial issues—State eligibility requirements, the number of weeks one can collect benefits, fraud and abuse in the program—the committee chose merely to recommend that a commission be appointed to "study" the system. Moreover, the Commission is not even directed to consider the subject of claimant fraud. The Burlison-Cohen amendment recognizes and seeks to address this crucial issue by directing the Commission to investigate abuses in the program.

I sincerely hope, as our amendment proposes, that the National Commission on Unemployment Compensation established by this legislation will recommend new administrative procedures and statutory reforms designed to protect the program from abuse. I further expect that Congress will take immediate steps to implement the reforms suggested by the Commission. Only then will the American public's confidence in the unemployment compensation program be restored.

I hope my colleagues will join me in supporting this extremely worthwhile amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Missouri (Mr. Burlison).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. DU PONT

Mr. du PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. du Pont: Page 40, line 6, strike out "and".

Page 40, strike out line 12, and insert the following: "ing employers, employees, and the general public;

"(8) review of the present method of collecting and analyzing present and prospective national and local employment and unemployment information and statistics;

"(9) identification of any weaknesses in such method and any problem which results from the operation of such method; and

"(10) formulation of any necessary or appropriate new techniques for the collection and analysis of such information and statistics."

Mr. du PONT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. du PONT. Mr. Chairman, by way of this proposed amendment I am offering legislation that would create a national commission to improve the Bureau of Labor Statistics' measurement of employment and unemployment. I originally offered such a bill last December (H.R. 11260) and am now adding the provisions of that bill to the duties of the Commission established in title IV.

Here is why. On the basis of the monthly jobless reports released by the BLS tomorrow, our Nation will formulate policies, administer social programs, and make plans for the future. Yet there is strong evidence indicating that the Bureau's monthly reports are not adequate for these tasks.

Nowhere has this been more convincingly stated than in the study put together recently by Willard Wirtz, our Secretary of Labor under Presidents Kennedy and Johnson, and Harold Goldstein, a respected manpower statistician with many years service in the BLS. Their report, "A Critical Look at the Measuring of Work," shows that we must reconsider how we define, gather, and use jobless statistics, something that has not been done in a thorough, reflective manner since the Gordon Commission appraised the measuring of employment and unemployment almost a decade and a half ago.

Three illustrations explain in a general way what is wrong:

A teenager drops by the neighborhood grocery store one afternoon next January trying to get a weekend job so he can buy gas for his motorcycle and is told that no help is needed. Because he did this during the measurement week, he will be counted as "unemployed" in the February BLS report. To put it another way, of those reported as "unemployed," a significant number, about one-fourth in 1973, one-fifth in 1974, of both adults and young people are available for and are seeking only part-time work.

Likewise, a parent of three children, constantly looking for work but managing to find only 1 day of it during the entire month, will, if that day falls in the measurement week, be included in the count of the "employed."

As a result, we cannot be sure what is meant when the BLS reports that more than 8 million people are unemployed. Nor do these statistics tell us much about the economic welfare of our citizens—the duration and severity of their unemployment—a crucial point when we try to determine what social programs may be needed or even how healthy our economy is.

Or, take this example: the Population Census in 1970 showed that BLS methods for estimating State unemployment rates had resulted in errors of 20 percent or more in 13 States, and worse in some counties and cities. Since then, the BLS has tried to make some improvements, recently including the use of direct measurements in every State. Even so, indirect measurements, such as estimating unemployment by figuring backward from, among other incomplete lists, the count of those receiving unemployment insurance benefits, are still used widely.

Consider what this means for agricultural areas like those in my State. An unemployed head of a household in a rural community where unemployment is high may get no Government job assistance simply because the area's jobless rate is miscalculated by a fraction of a percentage point. Were it accurate, the locale would be eligible for Federal loans to create private jobs in agricultural areas.

And that is not all. These same rates determine whether businesses in a particular locale are eligible for preferential treatment on Government contracts, or whether a city is given Federal moneys to build new access roads or sewers—all of which create jobs and bring more money into the community. Moreover, the initiation of public employment and training programs is based on local unemployment rates.

Here is a third problem: In 1973, our schools had trained 140,000 more teachers than there were teaching positions. This regrettable allocation of resources might have been avoided if in addition to measuring the work force we had also measured the training force—those 20 million Americans undergoing some kind of schooling—and developed occupational employment data on an industry-by-industry basis. This data could, in turn, have been used to give our youngsters better career guidance. Or, to put it another way, BLS employment data should do more than tell what has been wrong, they should also help us solve or prevent future problems in the work place.

After months of investigations into the problems illustrated in these three examples, it is clear to me that there are no easy solutions. The inadequacies in the incomplete and, therefore, misleading jobless rates cannot be corrected with a single piece of legislation.

Because the discrepancies are so complex, not to mention critical, it is difficult and unwise to suggest solutions or even think we have defined the problem without first conducting thorough, careful research. And then, there will still be the need for a variety of solutions, some that may need to be legislated and others that can be instituted by the BLS itself.

The best way to define and formulate these solutions, it seems to me, is to form an independent commission made up of experts from universities, industry, and labor. This arrangement would in no way rule out BLS input—in fact, given the Bureau's demonstrated willingness to improve its statistics this would be advisable—but it would permit a fresh look from the outside.

It is clearly important to reexamine, from time to time, the assumptions underlying how we compute the statistics that determine what we do. The Gordon Commission established by President Kennedy in 1961 recognized that it could look only a few years ahead. In its final report in 1962, it stated:

> In formulating recommendations, the Committee has endeavored to assess, and even to anticipate, the mounting requirement for labor-force information which will develop in the next five to ten years.

Now, in 1975, after 13 years of "mounting" reliance on jobless data for forming policies and administering government programs, it is time to take another hard look. This can be done without creating a perpetual commission—the Gordon Commission lasted less than 1 year. And it can be done inexpensively.

Indeed, the Nation cannot afford to do otherwise.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I am happy to yield to the gentleman from California.

Mr. CORMAN. Mr. Chairman, we on this side have read the amendment and we have no objection to it.

Mr. du PONT. I thank the gentleman.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I wish to state that this is an excellent amendment. I commend the gentleman from Delaware for his leadership. We accept the amendment on this side of the aisle.

Mr. du PONT. I thank the gentleman.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Ohio.

Mr. WHALEN. Mr. Chairman, I wish to associate myself with the amendment being offered by the gentleman from Delaware (Mr. du Pont).

I rise in support of the amendment to require the prospective National Study Commission on Unemployment Compensation to consider ways in which unemployment statistics are gathered, interpreted, and used.

Last December my colleague introduced the Employment Statistics Commission Act to create an independent, national commission—appointed by the President—to improve the Bureau of Labor Statistics, BLS, measurements of employment and unemployment. I am a cosponsor of this measure.

Thirteen years have elapsed since the Gordon commission examined the methods used in compiling and evaluating employment statistics. Increasingly, public economic assistance is determined by statistics compiled by the BLS. We depend upon the BLS for a great deal of information. Yet, there is strong evidence that the methodology employed by the Bureau does not provide us with a comprehensive, meaningful measure of unemployment.

In testimony before the Joint Economic Committee of Congress on June 6, 1975, Commissioner of the Bureau of Labor Statistics Julius Shiskin described present BLS techniques for compiling jobless statistics:

> Each month trained employees of the Census Bureau, the first month in person and subsequent months by telephone, contact responsible members of the sample household selected for the survey [in 416 areas of the country] . . . With the use of a carefully structured set of questions, they elicit information that will result in the determination of the labor force status of each member of the household 16 years of age and over during the week of the month containing the 12th day, commonly called the survey week. The data generated from these sample interviews are built up to independent population controls to arrive at estimates of employment, unemployment, and "not in the labor force" for the entire country by a wide variety of characteristics . . .
>
> Employment comprises all persons who, during the survey week, did any work at all as paid employees . . . Persons are classified as unemployed if they did not work at all during the survey week, had made specific efforts to find a job sometime within the previous 4 weeks, and are currently available for work.

Thus, under present survey methods it would be possible to canvas a family in which the principal wage earner was laid off through an industry cutback and after many months of searching became discouraged and no longer pounded the sidewalks looking for work. He is therefore technically "not in the labor force." His wife, out of necessity, may have returned to work but was able to find only part-time work at low wages. She is therefore "employed." A teenager in the same family may have picked up 1 days work during the sample period. He, too, is "employed." Does this really represent a family with no unemployment?

There are four serious questions concerning present definitions of unemployment. First, what sort of jobseeking activity defines a person as unemployed? Simple procedures are needed to measure the intensity and frequency of jobseeking efforts, including reasons for refusing jobs.

Second, should heads of households be considered on the same basis as secondary workers, that is full-time students or seekers of part-time jobs?

Third, should discouraged workers be ignored in tabulating jobless statistics? Currently, workers who did not search for work during the preceding 4 weeks because they were convinced none was available are classified as not in the work force. These discouraged Americans are largely youth, blacks, women, and the elderly. The BLS estimates that 1 million workers fall into this category. Other estimates range up to 5.3 million.

And, last, a concept of "subemployment" is needed—combining the underemployed with the unemployed. One suggested approach is to include part-time workers who are desirous of full-time employment as one-half employed and one-half unemployed. Actually, conditions such as slack work or inability to find full-time work create partial unemployed. But the present measure counts as "employed" many persons who work insufficient hours or who receive hourly earnings lower than their qualifications would indicate.

The Bureau of Labor Statistics recognizes the importance and complexity of these and other problems, such as seasonal adjustment of unemployment rates. Indeed, Commissioner Shiskin has stated—

> We would also like to see an independent and impartial review following the work done by the "Gordon Commission" appointed by President Kennedy in 1961. Hopefully, after this Committee has finished its work, we shall be able to lay the groundwork for new work and perhaps new measures in these fields.

The Gordon Commission—which incidentally completed its assigned task in less than a year—itself foresaw the need for periodic reevaluation of the methods used in compiling and using labor statistics in the future. Surely, now at a we shall be able to lay the groundwork for time when BLS data are used as criteria for triggering Federal assistance programs, for granting Federal moneys for public works and employment and training programs, and for determining critical Government policies, we must exert every effort to insure that we are not basing our decisions on misleading or even erroneous figures.

The incorporation of such a study of jobless statistics within the tasks of the proposed National Commission on Unemployment Compensation recommended in title IV of the unemployment compensation amendments before us is a logical and constructive step, one which merits the full support of this body.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Maryland.

Mr. BAUMAN. Would the gentleman from Delaware tell us in a concise manner what his amendment does?

Mr. du PONT. Mr. Chairman, I would be happy to respond to the request of the gentleman from Maryland and state that what this amendment does is to add to the job set forth for the National Commission on Unemployment Compensation, the revitalization and reorganization of unemployment statistics in this country. We are getting inaccurate data. We are basing our programs on inaccurate data. What this amendment says to that Commission is to study it and then come up with a better system.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Delaware (Mr. du Pont) to expand the purposes of the Commission created by title IV to provide that it would also consider the ways in which unemployment statistics are gathered and used.

As the author of the amendment has pointed out, the unemployment rate is becoming increasingly important as the data base for the formulation of many Government policies and programs; millions of Federal dollars are distributed according to State and local unemployment rates yearly. Yet, too often, the data is not as accurate as it could be.

For example, in Ohio and a number of other States, local unemployment offices maintain records of UC benefit applicants and recipients based not on the individual's place of residence, but on the office to which he applies for benefits. In my own district, many Summit County residents apply for their jobless benefits at the Ohio Bureau of Employment Services office in neighboring Portage County because it is more convenient for many than the Summit County office in downtown Akron. As a result, these people are factored into the Portage County unemployment rate rather than the Summit County rate despite the fact that they live in Summit County.

Last winter, officials at the Portage County Employment Office told me that as many as 35 percent of the people counted as unemployed in Portage County were actually Summit County residents and that in the past the figure was estimated to be as high as 70 percent.

What this means is that Summit County's real rate of unemployment is undoubtedly higher than the official rate, while Portage County's real unemployment rate is undoubtedly lower than the official rate. Thus, it is fair to conclude that Summit County and the city of Akron are being shortchanged in receipt of Federal funds because of this method of collecting unemployment data.

Since 1970, the Bureau of Labor Statistics has been attempting to get all States to collect unemployment data based on place of residence, but to date only 26 States have complied. Increased costs are certainly one factor for some States in not making the changeover.

However, if the Bureau of Labor Statistics determines that place of residence is definitely a more accurate measure on which to base the unemployment rate and if the Federal Government is going to continue to rely on the States to collect data on which many Federal programs are based, then all States should be required to use the same method and funds should be made available to them to implement the directives of the Bureau of Labor Statistics.

I commend the gentleman from Delaware for bringing this very important matter to the attention of the Members; I hope his amendment will be accepted.

I include with my remarks a "Dear Colleague" letter from the gentleman from Delaware (Mr. DU PONT), as well as his extension of remarks appearing in the RECORD of June 4, 1976.

The material referred to is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 25, 1976.

DEAR COLLEAGUE: Last year I introduced a bill that would create an independent, national commission—appointed by the President—to improve the Bureau of Labor Statistics' (BLS) measurements of employment and unemployment. Because the BLS's monthly jobless reports are currently inadequate for helping our Nation formulate policies, administer social programs, and make plans for the future, we need to prepare better statistical analyses of our employment problems.

When H.R. 10210 comes to the floor I am going to offer an amendment which would expand the purposes of the Commission created by Title IV to provide that it would also consider the ways in which unemployment statistics are gathered and used.

A copy of the amendment plus a full statement on the need for such action can be found on pages 16736 and 16737 of the Congressional Record for June 4, 1976.

Briefly stated, the statistics as they are now constituted work against the individual breadwinner who desperately needs work as well as efforts to obtain the highest potential for our economy through the best use of our employable people.

This is especially damaging when you consider that many economic assistance programs are triggered by the data reported in the BLS statistics. Equity demands that the figures be accurate.

The last commission (The Gordon Commission) to examine these figures and the methods used in compiling and using them saw the need for periodic reevaluations. Now, 13 years have passed and they have been 13 years of mounting reliance on jobless data—the time has come to take another look.

When the House considers H.R. 10210 I hope that I will have your support for this much needed amendment.

Thank you for your consideration of this matter.

Sincerely,

PIERRE S. DU PONT,
Member of Congress.

[From the CONGRESSIONAL RECORD,
June 4, 1976]

H.R. 10210

Mr. DU PONT. Mr. Speaker, last December, I introduced a bill that would create an independent, national commission—appointed by the President—to improve the Bureau of Labor Statistics'—BLS—measurements of employment and unemployment. Because the BLS's monthly jobless reports are currently inadequate for helping our Nation formulate policies, administer social programs, and make plans for the future, you may wish to cosponsor this legislation.

When H.R. 10210 comes to the floor I am going to offer an amendment which would expand the purposes of the commission created by title IV to provide that it would also consider the ways in which unemployment statistics are gathered and used.

Here is why. On the basis of the monthly jobless report released by the BLS on a reform basis, our Nation will formulate policies, administer social programs and make plans for the future. Yet there is strong evidence indicating that the Bureau's monthly reports are not adequate for these tasks.

Nowhere has this been more convincingly stated than in the study put together recently by Willard Wirtz, our Secretary of Labor under Presidents Kennedy and Johnson, and Harold Goldstein, a respected manpower statistician with many years service in the BLS. Their report, "A Critical Look at the Measuring of Work," shows that we must reconsider how we define, gather, and use jobless statistics, something that has not been done in a thorough, reflective manner since the Gordon Commission appraised the measuring of employment and unemployment almost a decade and a half ago.

Three illustrations explain in a general way what is wrong:

A teenager drops by the neighborhood grocery store one afternoon next January trying to get a weekend job so he can buy gas for his motorcycle and is told that no help is needed. Because he did this during the measurement week, he will be counted as "unemployed" in the February BLS report. To put it another way, of those reported as "unemployed," a significant number—about one-fourth in 1973; one-fifth in 1974—of both adults and young people are available for and are seeking only part-time work.

Likewise, a parent of three children, constantly looking for work but managing to find only 1 day of it during the entire month, will—if that day falls in the measurement week—be included in the count of the "employed."

As a result, we cannot be sure what is meant when the BLS reports, as it did in October, that more than 8 million people are unemployed. Nor do these statistics tell us much about the economic welfare of our citizens—the duration and severity of their unemployment—a crucial point when we try to determine what social programs may be needed or even how healthy our economy is.

Or, take this example: The population census in 1970 showed that BLS methods for estimating State unemployment rates had resulted in errors of 20 percent or more in 13 States, and worse in some counties and cities. Since then, the BLS has tried to make some improvements, recently including the use of direct measurements in every State. Even so, indirect measurements, such as estimating unemployment by figuring backward from, among other incomplete lists, the count of those receiving unemployment insurance benefits, are still used widely.

Consider what this means for agricultural areas like those in my State. An unemployed head of a household in a rural community where unemployment is high may get no Government job assistance simply because the area's jobless rate is miscalculated by a fraction of a percentage point. Were it accurate, the locale would be eligible for the Federal loans to create private jobs in agricultural areas.

And that is not all. These same rates determine whether businesses in a particular locale are eligible for preferential treatment on Government contracts, or whether a city is given Federal moneys to build new access roads or sewers—all of which create jobs and bring more money into the community. Moreover, the initiation of public employment and training programs is based on local unemployment rates.

Here's a third problem: In 1973, our schools had trained 140,000 more teachers than there were teaching positions. This regrettable allocation of resources might have been avoided if in addition to measuring the work force we had also measured the training force—those 20 million Americans undergoing some kind of schooling—and developed occupational employment data on an industry-by-industry basis. This data could, in turn, have been used to give our youngsters better career guidance. Or, to put it another way, BLS employment data should do more than tell what has been wrong, they should also help us solve or prevent future problems in the workplace.

After almost 2 months of investigating into the problems illustrated in those three examples, it is clear to me that there are no easy solutions. The inadequacies in incomplete and, therefore, misleading jobless rates cannot be corrected with a single piece of legislation.

Because the discrepancies are so complex, not to mention critical, it is difficult and unwise to suggest solutions or even think we have defined the problem without first conducting thorough, careful research. And then, there will still be the need for a variety of solutions, some that may need to be legislated and others that can be instituted by the BLS itself.

The best way to define and formulate these solutions, it seems to me, is to form an independent commission made up of experts from universities, industry, and labor. This arrangement would in no way rule out BLS input—in fact, given the Bureau's demonstrated willingness to improve its statistics this would be advisable—but it would permit a fresh look from the outside.

It is clearly important to reexamine, from time to time, the assumptions underlying how we compute the statistics that determine what we do. The Gordon Commission established by President Kennedy in 1961 recognized that it could look only a few years ahead. In its final report in 1962, it stated:

"In formulating recommendations, the Committee has endeavored to assess, and even to anticipate, the mounting requirement for labor-force information which will develop in the next five to ten years."

Now, in 1975, after 13 years of "mounting" reliance on jobless data for forming policies and administering government programs, it is time to take another hard look. This can be done without creating a perpetual commission—the Gordon Commission lasted less than 1 year. And it can be done inexpensively.

Indeed, the Nation cannot afford to do otherwise.

The text of my proposed amendment to H.R. 10210 is as follows:

"Page 40, line 6, strike out 'and'

"Page 40, strike out line 12, and insert the following: ing employers, employees, and the general public;

"(8) review of the present method of collecting and analyzing present and prospective national and local employment and unemployment information and statistics;

"(9) identication of any weaknesses in such method and any problem which results from the operation of such method; and

"(10) formulation of any necessary or appropriate new techniques for the collection and analysis of such information and statistics."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. du Pont).

The amendment was agreed to.

Mr. KRUEGER. Mr. Chairman, the current legislation and proposed amendments to unemployment compensation legislation probably will satisfy no one, because our whole mechanism for addressing the needs of the unemployed, and of supplying for the needy, satisfies no one. Some of these problems arise because we are approaching the question of how best to address our welfare problems in the wrong way. Unemployment compensation as it now exists or as it will exist after the present legislation is altered will still prove unsatisfactory.

Unemployment compensation, at present, is a type of compulsory insurance system with the premiums paid by the employer. Those costs enter into the employer's costs of hiring new workers, or of meeting the wage costs of existing employees. As these overall costs rise, the paradox is that, in the process of providing unemployment benefits, we encourage increasing unemployment because we raise the costs of employing workers. For this reason, a more sensible way of addressing the basic need of those who are unemployed and needy would be to have the general treasury be the source of whatever benefits are paid to these groups, with the source of the funds to come from general revenues. The taxation to support these benefits would be less regressive, because the individually self-employed who are prosperous, such as physicians and attorneys, would assist in the general costs that society bears in meeting the basic requirements of the needy, and in this way, large businesses would assume a larger share of support, which now falls disproportionately on small business.

At the same time, we cannot allow the overdrafts on existing unemployment compensation trust funds in the various States, and in the Federal trust funds, to continue. The net effect of what now happens is this: General revenues are now used to subsidize those States that are overdrawn, including general revenues resulting from taxes paid by people in States where the unemployment compensation accounts are not overdrawn.

Moreover, emergency legislation is inevitably passed to meet the needs of those unemployed, such as State and local government workers, who have put nothing into unemployment compensation trust funds. Thus, two groups of workers are treated inequitably. For one group, that covered currently by unemployment insurance, the insurance costs are paid by the employer, and, indirectly, taken from the employee for the trust fund. The other employee, such as State and municipal employee, does not have his employer contribute to that fund. But both groups share equally in time of need because of the emergency legislation. The inequity is compounded when individuals in a few States where trust fund accounts are overdrawn are paid through general revenues paid by all taxpayers everywhere. Indirectly, therefore, States where the trust funds are not overdrawn are subsidizing States where the funds are overdrawn.

None of the legislation before us today will remedy these problems. Only a wholesale overhaul of our welfare system can do that. We can, however, do our part for fiscal responsibility. It will only add to the inflation that unfairly taxes all citizens if we do not make the trust funds solvent once more. The only way to do that is to increase taxes, which no one likes. Yet, for the same reason that, a year ago, I opposed the personal income tax rebate and reduction which added to our Federal deficit, so now I must vote to increase the tax somewhat here, so that State trust funds can again become solvent.

The burden, however, falls particularly hard on small businesses. They are unable to pay wages as high as big business; they have smaller cash flows; they will feel the brunt of any increase most. For this reason, I support the amendment of my colleague, Mr. Pickle, cutting in half the proposed increase by enlarging the wage base from $4,200 to only $6,000, rather than to $8,000 as the bill proposes. This is not an ideal solution, but it is as good a solution to the problem as is available to us today in the present legislation.

In this way we can cut in half the burden on small business from what it would otherwise be. We can at the same time try to restore some fiscal responsibility to the existing unemployment trust funds, which are now overdrawn in over half the States in the union, and we can assure that the costs of supporting the unemployment compensation for State and local government employees will be borne by their employers as the burden is borne in the private sector by employers there.

All these are temporary and unsatisfactory solutions, however. In future we must address in a real way our welfare problems and not approach the problem of unemployment compensation in a manner that falls too heavily on small business, regressively on lower paid employees, and unfairly on States where the unemployment trust funds are not overdrawn.

Mr. BINGHAM. Mr. Chairman, the unemployment compensation system was designed to help American workers through the hard financial problems they encounter when faced with the temporary loss of a job. But now that system itself is having financial difficulties. The general state of the economy and the specific problem of long term high unemployment is putting a serious strain on the program.

The bill under consideration in the House today, H.R. 10210, is designed to restore fiscal solvency to the unemployment compensation trust funds. Contributions are made to these funds by employers and, in some States, employees. Then, when benefits are to be paid out, they are paid from these funds. Because high unemployment has continued for so long without abatement, the trust funds of 15 States have been depleted, and by the end of this year the number will have risen to 30. The Federal account from which States with depleted trust funds borrow money has also been depleted. The total deficit, in State and Federal funds, will amount to more than $20 billion by the end of 1978.

The committee's bill raised the taxable wage base from $4,200 to $8,000 and the net Federal tax rate from 0.5 percent to 0.7 percent. As a result of the increased revenues generated by these changes, the solvency of the trust funds would be restored by 1981. Unfortunately, an amendment was adopted reducing the $8,000 wage base to $6,000, but what remains is still a step toward fiscal integrity.

Another major section of this bill which I support would modify the provisions of the mechanism which now triggers the payment of extended benefits when the unemployment rate has averaged 4 percent for 13 consecutive weeks and the rate is 20 percent of that State's rate for the corresponding 13-week period in the preceding years. This mechanism works against its intended aim. Instead of providing an early response to adverse economic conditions, it operates to cut off extended benefits when the high unemployment rate lasts for more than 2 years. The Congress has 7 times in 6 years voted to waive the 120 percent requirement, and this bill quite sensibly eliminates it.

The bill also extends benefits to local Government employees. While this will provide an additional burden for cities such as New York, I believe the principle is a correct one. The bill also extends benefits to most domestic and farmworkers.

I favored the Corman amendment to establish a Federal benefit standard in the payment of benefits. It is essential that unemployment compensation benefits be sufficient to enable unemployed workers to maintain a decent standard of living. If a person does not even receive half of his salary when he is out of work, it becomes difficult to make ends meet. This amendment would have guaranteed that at least two-thirds of the workers in each State receive in benefits each week at least one-half of average weekly earned wages. The amendment was, however, defeated.

On balance, there is no question that this bill should pass.

Mr. McCOLLISTER. Mr. Chairman, today the House will vote on H.R. 10210, the unemployment compensation amendments bill. I oppose this measure up for consideration. This legislation is an attempt to restore the solvency of the State and Federal unemployment insurance trust funds. Currently, 22 States have depleted their trust funds and have borrowed over $43 billion from the Federal Unemployment Account in order to keep up their unemployment compensation benefits payments. To complicate matters further, the Federal unemployment account is now bankrupt and is using general revenues to keep the program afloat. According to the Department of Labor figures, we can expect another 13 States to be borrowing from the Federal Government by the end of 1976. If present financial conditions prevail, the State unemployment compensation trust funds will have deficits totalling $16.5 billion in 1978 and the Federal trust fund will be $6.5 billion in the red. It is obvious that the unemployment compensation program is floundering and steps must be taken to immediately correct the situation.

According to the proponents of H.R. 10210, this legislation will restore the solvency of the unemployment compensation program by first providing coverage to almost all of the Nation's employees. Right now, 85 percent of the Nation's labor force is covered. H.R. 10210 extends coverage to 700,000 farmworkers, 400,000 domestics, 600,000 State employees and 7.7 million employees of local governments. The cost of this extended coverage will be an additional $1.4 billion. Second, H.R. 10210 will increase the taxable wage base by 90 percent from $4,200 to $8,000 and increase the Federal tax rate by 0.2 percent. The estimated cost of this increase to employers will be $6 billion. Third, H.R. 10210 will modify the trigger mechanism making it much easier for States to become eligible for the extended benefits program.

This provision will benefit those States with high unemployment rates at the expense of those with low rates. If the formula in H.R. 10201 had been in use from 1957 to 1973, 17 of the States would have been paying extended benefits more than 50 percent of the time but other States such as my own State of Nebraska would have been eligible for extended benefits less than 2 percent of the time.

After reviewing the provisions of H.R. 10201, I would strongly urge that my colleagues vote against this legislation.

Let us take a look at the present state of the economy in terms of unemployment. In May of 1975, the unemployment level peaked at 8.9 percent; today's unemployment level is 7.3 percent and the insured unemployment rate has dropped to 5.9 percent. Claims under the regular unemployment compensation program are 30 percent below last year's level. In my State of Nebraska the insured unemployment level is 4.3 percent—one of the lowest in the Nation—compared to the 6.1 percent average in 1975. I am extremely encouraged by this recent decline in the unemployment level. There is every indication that the levels are going to continue to improve through the end of this year and into 1977.

H.R. 10210 is not the answer to the problems of the unemployment compensation program. What we really need are incentives to get people back to work. If we increase the taxable wage base by 90 percent and increase the Federal tax rate by 0.2 percent as suggested in H.R. 10210 we are hurting the people we expect to supply the necessary jobs for the unemployed. Higher taxes for employers will increase the price of services and manufactured goods, decrease capital investments and result in fewer jobs. These drastic tax increases are more than any employer can bear particularly the small businessman in this Nation.

By increasing unemployment compensation benefits to more workers on a permanent basis we are also increasing the attractiveness and likelihood of more people remaining unemployed. Instead of encouraging people to work we are encouraging people to rely more and more on Federal and State governments for support.

Some members have suggested that raising the taxable wage base to $6,000 instead of $8,000 would be more acceptable and less stifling for employers throughout the country. Others are suggesting that reducing the coverage of H.R. 10210 by limiting agricultural workers and eliminating the coverage of State and local government employees would be helpful. Though these ideas may be more acceptable to the taxpayers in this Nation they still do not solve the basic problems inherent in the unemployment compensation program. They do not get people off the unemployment rolls and back to work.

One proposal that may be offered to change H.R. 10210 is the establishment of a Federal benefits standard. I feel the enactment of such a standard would be an intrusion into State control and responsibility for the unemployment compensation program. Recent information clearly shows that the States need no impetus from the Federal Government to improve their benefit levels. Between 1969 and 1976, average jobless benefits increased by 38.5 percent compared to an increase in wages of only 30.3 percent. If this standard is enacted the maximum benefit allowed in Nebraska under the unemployment compensation program will increase from $80 to $100. The Department of Labor also estimated that the annual cost of implementing a Federal benefits standard will be $1.8 billion.

Besides being a very costly piece of legislation, H.R. 10210 does not provide the necessary incentives to get people back to work. Instead of relying on the government people must rely on their own creativity to find jobs. Employers through capital investment will have the opportunity to create new jobs for the unemployed. This is the road we should take to solving the unemployment problem in this country.

I strongly urge that my colleagues oppose H.R. 10210.

Mr. BAUCUS. Mr. Chairman, I would like to add my voice today to the debate on this important piece of legislation, H.R. 10120, the Unemployment Compensation Amendments of 1976.

I should begin by saying that I am pleased our Nation has an unemployment compensation program. Such a program was lacking during the great depression, and its absence may have contributed more than any other factor to our Nation's economic decline during the early 1930's. Unemployment compensation benefits have a markedly stabilizing effect on a declining economy. Even though people cannot find work, at least these benefits provide money to spend which will, in turn, restimulate a weak economy.

Fortunately, the national unemployment compensation program was alive and well during our most recent recession. Tens of billions of dollars were spent in 1975 and 1976 by unemployed Americans who received unemployment benefits. And these funds, coupled with other worthwhile stimulative expenditures by the Federal Government, have worked to regenerate our economy to its earlier levels.

While I remain a firm supporter of the concept of unemployment compensation, I still believe many significant changes can be made to the program. Recent revelations by "60 Minutes," Reader's Digest, and other journalistic investigative reports have raised serious questions about the potential for fraud under the unemployment compensation programs.

In that connection, I am pleased to note that my colleague from Texas, Mr. BURLESON, has proposed to amend title III of the bill, which establishes an unemployment compensation study commission, to mandate the commission to examine the potential for fraud within the existing unemployment compensation program.

Other significant changes should be made to the unemployment compensation program, for example, as many of my colleagues know, unemployment trust funds in 22 States are insolvent. My State, Montana, is one of these.

Substantial unemployment in western Montana, which relies so heavily upon a floundering forest products' industry, caused a virtual run on the State unemployment trust fund. A few months ago, when its trust funds were depleted, Montana was forced to borrow money from the Federal Government to pay unemployment benefits.

The financial status of the unemployment compensation program suggests that either we are not taxing enough for our trust funds or we are paying too much in benefits. Ironically, the bill before us today asks that both benefits be increased—at least, that would be the situation under the amendment offered by my colleague from California, Mr. CORMAN—and taxes be increased.

The unemployment compensation program is self-financed and was not designed to rely on general revenues. To do otherwise places even greater pressures on the Federal budget.

Since the unemployment compensation program was enacted 41 years ago, wages have risen at substantially greater rates than the maximum benefits payable under the unemployment compensation program. On the other hand, in the past few years, the maximum benefit levels have risen at greater rates than that for inflation. Such is the case for my own State. On July 1 of this year, Montana's maximum weekly unemployment benefits were raised by more than 20 percent. This increase occurred for two reasons. First, average weekly earnings rose, and second, the State raised its benefit ceilings from 55 percent of average weekly wages to 60 percent.

The economic situation of the country and my State of Montana, although poor in past months, continues to be encouraging. Unemployment is slowly coming down from a rate of nearly 10 percent nationally in the early part of 1975, but the trend may not continue. In fact, last month national unemployment increased for the first time in more than a year.

Unemployment in Montana during the latter part of 1975 substantially exceeded national rates. While U.S. unemployment began to decline from a rate of 9.2 percent in May to 8.3 percent in December of 1975, Montana's unemployment during that period rose from 8.2 percent to 8.6 percent. As of May 1976, the seasonally adjusted unemployment rate for Montana was 7.7 percent compared to 7.3 percent in the United States.

Inflation has also begun to decline. While I do not have statistics on inflation for Montana. I do know that the Consumer Price Index for the Nation shows a projected 6.2 percent inflationary increase in 1976 versus a 9.1 percent increase in 1975.

In short, economic policies established by this Congress, with my active support, have served to increase national production, reduce unemployment, and curtail inflation. Yet, we must keep this momentum and not act too hastily for fear of damaging the fragile nature of our economic recovery. To increase the maximum taxable wage base by more than 90 percent strikes me as an increase of such magnitude that the recovery is jeopardized. I am particularly concerned about fragile industries, such as Montana's tourist industry, the third largest in my district, which can be hurt by large tax increases. While it may be true that such an increase is needed to restore State unemployment trust funds to solvency, I urge my colleagues to consider a more moderate approach until we can be sure that our current economic recovery, started in this past year, continues throughout the rest of this decade.

Mr. Chairman, there are a number of other features about the bill which deserve serious comment and criticism. I urge my colleagues to ask themselves what impacts it will have on their districts. I, for one, am prepared to take a more moderate approach in terms of increasing taxes and benefits until we know with a greater certainty that this country and my district in western Montana are in fact pulling out of the devastating recession that has affected us all for the past 2 years.

Mr. WAGGONNER. Mr. Chairman, this bill will continue the unrealistic "trigger" system for the payment of extended benefits—(weeks 27–39). Because of this artificially low "trigger" rate, the extended benefits have been paid continuously now for quite some time and this is one of the principal reasons that the Federal trust account is now broke.

Those States which historically have low unemployment rates are especially penalized by the provisions in this section of the bill.

Under this bill, extended benefits are payable when the national insured unemployment rate is 4.5 percent or the seasonally adjusted State insured unemployment rate is 4 percent. The insured unemployment rate is usually about 2 percent less than the actual unemployment rate and the latest figure for the national IUR is 5.32. So this means that now all the States are paying the extended benefits. But when the national employment picture improves so that the national rate falls below the magic 4.5 percent, then the extended benefits will be paid only in those States where the insured rate is more than 4 percent. This means that those States with good economies and strong employment will continue to contribute to the payments of the Federal tax which goes to other States and recipients in his State will receive nothing.

A recent study done by the Department of Labor illustrates very well the impact that the "trigger" in this bill would have had if it had been in effect during the years 1957–73. During that time a 4-percent State trigger would have paid extended benefits more than 50 percent of the time in these 17 States:

State	Weeks triggered on	
	Weeks	Percent of time
Alaska	827	94
Arkansas	474	54
California	636	72
Idaho	545	62
Maine	616	70
Massachusetts	568	64
Montana	579	66
Nevada	685	77
New Jersey	626	71
New York	505	57
North Dakota	460	52
Oregon	593	67
Pennsylvania	490	55
Puerto Rico	664	75
Rhode Island	611	69
Vermont	533	60
Washington	706	80

On the other hand, numerous States will be virtually eliminated from participation in the extended program. The Department of Labor survey indicated that these following States would have "triggered" as follows: Colorado, 4 percent; District of Columbia, 0 percent; Iowa, 6 percent; Nebraska, 4 percent; South Dakota, 6 percent; Texas, 3 percent; and Virginia, 4 percent. In addition these States with very low insured unemployment rates would be among those subsidizing others: Indiana, Kansas, Louisiana, Mississippi, Ohio, and Wyoming.

The triggers in this bill would perpetuate these inequities. California which has slightly less than 10 percent of total employment in the country, would get nearly one-fifth of all payments under the extended benefit program. But Virginia, Texas, Kansas, and South Carolina would get virtually nothing—even though their combined employment is greater than California.

Mr. Chairman, this is a very complex problem and I am really sorry that this bill does not rectify the inequities in the current program. It could have been improved by reinstating the 120-percent factor. We put this in the permanent law in 1970 but it has been waived ever since. This bill completely removes the 120-percent factor, which calls for extended payments in a State when the insured unemployment rate exceeds 120 percent of the State average IUR for the corresponding 13-week period in the 2 preceding years. I would like to have offered such an amendment, but we cannot under this closed rule.

Mr. ICHORD. Mr. Chairman, I rise in opposition to H.R. 10210. At present about 85 percent of this Nation's work force is covered by the Federal-State unemployment insurance system. Twelve million workers are currently not covered by unemployment compensation, and H.R. 10210 would extend coverage to about 9.5 million of those uncovered workers. Drafters of the bill estimate that the extended coverage will increase unemployment compensation expenditures under permanent programs by an estimated $1.35 billion in fiscal year 1978.

Given the increasing insolvency of the present unemployment compensation system, H.R. 10210 purports to offset growing deficits as well as finance the extended coverage, by increasing the taxable wage base from $4,200 to $8,000; increasing the Federal unemployment compensation tax rate to 0.7 percent to repay advances that have had to be made to pay for the Federal extended unemployment compensation program; eliminating the normal Federal reimbursement for administrative expenses for the new coverage for State and local employees; and enacting several other provisions which the bill drafters hope will achieve a positive balance in the Federal unemployment compensation trust funds by 1981. The effect of the bill on State unemployment compensation trust funds remains more in question.

The insolvency of both State and Federal unemployment compensation trust funds has been a matter of great concern to me. Fifteen of our States have already depleted their trust funds and according to the National Commission for Manpower Policy possibly over 30 States may soon be forced to borrow from the Federal Government to meet the payments of the unemployment insurance system. At present State unemployment compensation trust funds face deficits of $16.5 billion in 1978 rising to possibly over $24 billion by 1984.

Clearly our current unemployment compensation system is not working and represents a haphazard, inequitable benefit program fraught with abuse. At present the unemployment compensation system is the major income support program for the unemployed paid out of taxes on employers only, except in a few States where employees pay a share. There are very loose laws pertaining to eligibility for unemployment compensation and as a recent "60 Minutes" broadcast revealed, there are a number of individuals receiving compensation who are doing so illegally, or in some instances due to loopholes, legally.

Basically I have been concerned that our unemployment compensation system has just turned into another welfare program. The unemployment compensation laws, like the welfare laws, provide no incentive to obtain jobs which after all is the crux and causal base of both systems.

Additionally, the unemployment compensation system, like the welfare system, is fraught with bureaucracy, redtape, ripoffs, and deficits. H.R. 10210 purports to resolve only the deficits of our current unemployment compensation system, but I find it difficult to believe that the new financing provisions of H.R. 10210 will pay not only for current deficits but also the extended coverage to 9.5 million additional workers. Frankly, if we have another recession, I am afraid that employers burdened by substantially increased unemployment taxation will find it more economically advantageous to lay off workers; the States and Federal Government faced with an enlarged constituency will face even worse deficits and the system will break down under the crunch.

Clearly, our unemployment compensation meets a certain need in our society. There are many Americans who become unemployed through no fault of their own, and this program offers assistance during those times allowing workers time to seek other employment without going on the welfare rolls. It is also evident that the unemployment compensation system is not working and that we need to control abuse, enact new innovations and find new ways to revise and reform our unemployment compensation program.

I do not believe H.R. 10210 presents a viable answer to this dilemma. H.R. 10210 merely increases the burden of employers; enlarges eligibility standards; and imposes additional costs on the system. Title IV of the bill creates an unemployment compensation study commission. Perhaps such a commission should precede any drastic revision of the present system allowing us the opportunity to consider full reform of the unemployment compensation system rather than the piecemeal reform of H.R. 10210.

The inclusion of State and local government workers will dramatically impinge on State and local resources already in precarious balance. Employers under H.R. 10210 will also on the average have to increase their expenditure per employee from $155 to $272, and there is serious concern that this rapid increase in the tax may seriously hurt employers, and particularly small employers, who are already burdened with other Federal payments such as social security.

For these and other reasons, I urge my colleagues to join with me in voting against H.R. 10210. There is little doubt that our current unemployment compensation system is in need of thorough-going reform. H.R. 10210 does not represent such reform and indeed contains provisions which may create many greater difficulties. I believe that any increase of benefits must also be accompanied by a requirement that individuals on unemployment compensation apply for job training and accept any reasonable job offer that would get them back in productive work. Regrettably the unemployment compensation program enacted in 1939 has become just another Federal program designed to meet a critical need that has grown beyond all perspective and proportion. Unemployment compensation is not a right as many have come to view it but rather a temporary program to assist those workers who cannot find employment or lose their jobs through no fault of their own. We need to insure adequate benefits to such individuals, provide incentives to get them back to work, and remove those individuals who are seeking a free ride. We must also be sensitive to the burden of the employer at whose expense this program was founded. H.R. 10210 does not meet these concerns, and I believe it should be defeated.

Mr. ANDERSON of California. Mr. Chairman, I supported my distinguished colleague from California, Mr. Sisk, in his amendment to prohibit the payment of unemployment compensation benefits to illegal aliens, and to professional athletes during off-season periods.

Mr. Chairman, during yesterday's general debate on this legislation, another colleague from California, the chairman of the Unemployment Compensation Subcommittee, Mr. Corman, stated that:

> Unemployment compensation expenditures have increased from $4.2 billion in 1973 and $5.2 billion in 1974 to $18 billion in 1976.

Further, Mr. Corman said:

> Unemployment compensation expenditures during the 4 years 1974, 1975, 1976 and 1977 will amount to about 45 percent of all expenditures under the unemployment compensation program since it was enacted in 1935.
>
> About 26 percent of the workers covered by unemployment insurance—or 1 out of every 4 workers—has been unemployed and collected unemployment insurance benefits at some point during the past 2 years.

Many American workers and their families have relied on the financial and administrative structure of the unemployment compensation program.

With these statistics, and considering 22 States are broke and have borrowed over $3 billion in Federal funds in order to continue paying State unemployment benefits, the Congress has a financial and moral obligation not to extend coverage to people who do not deserve it.

As presently written, this legislation already extends coverage protection to State and local government employees, farm and domestic jobs.

Mr. Chairman, unemployment insurance is not a welfare program. It was enacted during the Great Depression of the 1930's as a part of the Social Security Act of 1935. The country's experience with recessions has proved its worth to the people, but only to the people who truly deserve it.

I urge adoption of the Sisk amendment.

Mr. Chairman, I also supported the gentleman from Missouri (Mr. Burlison) in his amendment to title IV of H.R. 10210, the Unemployment Compensation Amendments for 1976.

Title IV creates a 13-member National Study Commission on Unemployment Compensation. The Commission's function is to study and evaluate our unemployment compensation programs.

This amendment directs the Commission to include the problem of abuse of the program in their study.

Each and every one of us, I am sure, have read letters or heard stories of people who are better at collecting unemployment benefits than working.

We need to know about it, so we can change it. We should support this amendment.

Mr. ASHBROOK. Mr. Chairman, I rise in strong opposition to H.R. 10210, the Unemployment Compensation Act amendments. This bill would impose a heavy burden on employers at a time when businesses are in the process of recovering from a severe recession.

I want to stress that my opposition to this bill is not based on opposition to unemployment compensation per se. I personally believe that the unemployment compensation program has proven itself to be very worthwhile. It has provided Americans who have lost their jobs with an important source of revenue until they either find new employment or are rehired into their old job.

The liberals who dominate the Congress would ruin American business. H.R. 10210 has several glaring defects. In particular, I question raising the Federal taxable wage base from $4,200 to $8,000 by 1978 and voted to reduce it to $6,000.

Such a large and sudden increase would prove an extremely heavy burden on employers. Although a moderate increase may well be necessary to help restore stability to the unemployment compensation system, a 90-percent increase in the wage base is clearly excessive.

Let me give everyone here an idea of the magnitude of such an action. It is estimated that if we were to establish an $8,000 wage base it would cost employers in the neighborhood of $6 billion in unemployment taxes annually. This means that there would be considerably less funds available for plant expansion and other job-producing capital investment.

And that is not all. In addition, the provides for a 0.2-percent increase in the rate of taxation. This, coupled with the hike in the wage base, would have an adverse impact on large companies and could deal a knockout blow to small businesses with a marginal profit. The net effect would be to throw even more people out of work and hinder our economic recovery.

It makes little sense to add more people to the unemployment rolls while supposedly helping people who are out of work. It makes little sense to force businesses out of business in the name of dealing with the unemployment problem.

A more sensible approach would be a much smaller, gradual increase in the wage base. The Pickle amendment, which would set the base at $6,000 effective 1978, is an important step in the right direction. I strongly support this amendment. It would help employers adjust to higher taxes without creating unnecessary economic hardships. It would reduce the risk of pushing small firms out of business.

Unfortunately some people would make

a bad bill even worse. One proposed amendment would impose a minimum Federal benefit standard on each State unemployment compensation system.

Adoption of a Federal benefit standard would have tragic consequences. It would lead almost inevitably to the ultimate federalization of the entire unemployment compensation system. Standards for eligibility and disqualification and other important considerations would very likely fall under Federal control. The States would become merely instruments to carry out one more federally directed program. I voted for the amendment which failed to delete these standards.

Congress should soundly defeat this ill-conceived plan. We do not need Federal domination of State unemployment compensation programs.

Mr. LEGGETT. Mr. Chairman, 2 months ago the House took the unusual step of voting down House Resolution 1183, the rule by which we were to have considered H.R. 10210, the unemployment compensation amendments. I was one of the Members voting to reject that rule, which would have required us to vote H.R. 10210 up or down without amendments.

I felt that this bill, if considered under such a closed rule barring amendments, would have two related defects. For one, as brought to the floor it would have exceeded our fiscal year 1977 budget resolution by nearly $900 million. With the Congress just having passed that resolution, I thought it was unacceptable to exceed our outlay targets by such a substantial margin. Moreover, H.R. 10210 as reported not only would have busted our budget, it also would have had a significant dampening effect on the economy. It was the estimate of our Budget Committee that the immediate increase in the Federal unemployment tax rate and taxable wage base which was mandated in the bill would have lowered real GNP in 1977 by $7 billion, and raised the unemployment rate by around 0.1 percent.

I am gratified that we will now be considering this bill under a modified open rule permitting amendments to deal with these problems, as well as certain other provisions of the bill. I understand that our Ways and Means Committee will offer an amendment to delay the effective dates of the tax rate and wage base increases by 1 year. The revised effective dates would correspond with those assumed in our budget resolution. The amendment would thus bring this program into line with the functional totals established in the budget resolution and, accordingly, it deserves my full support.

The increases in the tax rate and taxable wage base are regrettable because of their impact on lower salaried workers. But regrettable as they may be, action to restore the solvency of the unemployment compensation system is urgently needed. As our committee has emphasized, the financial structure of unemployment compensation is seriously threatened. Fifteen of the States depleted their funds in 1975, and as many as 30 States may find it necessary to borrow from the Federal Government in 1976. If the present financing arrangements were to continue, the Department of Labor estimates that State unemployment compensation trust funds would have deficits totaling $16.5 billion in 1978, and Federal unemployment compensation trust funds would have deficits of $6.2 billion by that year. These enormous deficits are projected to increase, unless we act, to $24.1 billion and $9.6 billion respectively by 1984. Clearly action to alleviate this situation is essential.

H.R. 10210 would also extend coverage under permanent law to a large proportion of our workers who are not now covered. Coverage under permanent State and Federal unemployment compensation programs would be extended to about 9 million of the 12 million wage and salary workers who are now excluded from that system. The most prominent groups which would now be included are our State and local government employees, certain agricultural workers, as well as many domestic workers.

I realize that these proposed extensions of coverage have aroused considerable opposition, particularly in State and local governments. I am unable, however, to find a basis in logic for excluding this major group of American workers from our goal of providing under permanent law universal coverage of the American worker against the dire consequences of unemployment.

Our recent experience with the recession has demonstrated both the importance of the unemployment compensation system and the need to strengthen it. Let us move beyond the temporary programs recently enacted to provide additional coverage and benefits. And let us put this program's financial house in order. I urge my colleagues to support passage of this legislation.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. YATES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10210) to require States to extend unemployment compensation coverage to certain previously uncovered workers; to increase the amount of the wages subject to the Federal unemployment tax; to increase the rate of such tax; and for other purposes; pursuant to House resolution 1259, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. KETCHUM

Mr. KETCHUM. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KETCHUM. Absolutely, Mr. Speaker.

The SPEAKER. The gentleman is absolutely qualified.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KETCHUM moves to recommit the bill H.R. 10210 to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. STEIGER of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 237, nays 157, not voting 38, as follows:

[Roll No. 522]

YEAS—237

Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Annunzio
Aspin
AuCoin
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Coughlin
D'Amours
Daniels, N.J.
Danielson
Delaney
Dellums
Dent
Diggs
Dingell
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Gaydos
Gibbons
Gilman
Gradison
Green
Gude
Hall, Ill.
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hicks
Hillis
Holtzman
Horton
Howard
Hughes
Hungate
Jacobs
Jeffords
Johnson, Calif.
Jones, Ala.
Jordan
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lundine
McCloskey
McCormack
McDade
McEwen
Erlenborn
McFall
McHugh
McKinney
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, N.Y.
Murtha
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pike
Preyer
Price
Pritchard
Quie
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Ruppe

Russo
St Germain
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—157

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derrick
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
Emery
English
Eshleman
Evans, Ind.
Findley
Flowers
Flynt
Fountain
Frey
Fuqua
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Hefner
Henderson
Hightower
Holland
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McClory
McCollister
McDonald
McKay
Madigan
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Passman
Paul
Pettis
Pickle
Poage
Pressler
Quillen
Railsback
Roberts
Robinson
Rose
Rousselot
Roybal
Runnels
Ryan
Santini
Satterfield
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Steed
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Waggonner
Wampler
White
Whitehurst
Whitten
Winn
Wylie
Young, Fla.

NOT VOTING—38

Abzug
Anderson, Ill.
Andrews, N.C.
Ashley
Badillo
Clay
Conlan
Conyers
Cotter
Derwinski
Dodd
Esch
Giaimo
Harkin
Hébert
Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.
Karth
Litton
Moffett
Murphy, Ill.
Pepper
Peyser
Randall
Rees
Riegle
Roncalio
Shipley
Stanton, James V.
Steelman
Steiger, Ariz.
Symington
Vander Jagt
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Pepper for, with Mr. Jones of Tennessee against.

Ms. Abzug for, with Mr. Hébert against.

Mr. Murphy of Illinois for, with Mr. Derwinski against.

Mr. Badillo for, with Mr. Conlan against.

Until further notice:

Mr. Cotter with Mr. Anderson of Illinois.

Mr. Clay with Mr. Esch.

Mr. Symington with Mr. Heinz.

Mr. Howe with Mr. Steelman.

Mr. Ashley with Mr. Steiger of Arizona.

Mr. Giaimo with Mr. Young of Alaska.

Mr. Moffett with Mr. Vander Jagt.

Mr. Helstoski with Mr. Karth.

Mr. Shipley with Mr. James V. Stanton.

Mr. Riegle with Mr. Rees.

Mr. Harkin with Mr. Randall.

Mr. Roncalio with Mr. Peyser.

Mr. Young of Georgia with Mr. Litton.

Mr. Conyers with Mr. Andrews of North Carolina.

Mr. DOWNING of Virginia changed his vote from "yea" to "nay".

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 10210

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 10210 the Clerk be authorized to correct punctuation, spelling, cross references—including cross references to deleted provisions, and designation of titles, sections, and subordinate provisions.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 10210.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON JUDICIARY TO SIT FROM 10 A.M. TO 12 NOON ON TOMORROW, WEDNESDAY, JULY 21, 1976

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit tomorrow, Wednesday, July 21, 1976, from 10 a.m. to 12 noon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object.

Mr. SEIBERLING. Mr. Speaker, if the gentleman will yield, the matter has been cleared with the gentleman from Michigan (Mr. HUTCHINSON), the ranking Republican member of the committee. It deals with a bill which the administration supports and desires to have moved out, so it is an effort to try to expedite matters. That is the purpose of the request.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, the point is that it is very difficult, as the gentleman knows, to be in committee and to be on the floor. We have several important bills which have been announced. If the gentleman wishes to guarantee that there will be no markup, but only hearings, that might be acceptable.

Mr. SEIBERLING. The purpose of the meeting is to mark up the premerger notification bill which the administration is supporting. We did not know in advance that we were going to meet tomorrow at 10 a.m. Therefore, we had no way of making other arrangements. The bill has been accepted and the meeting has been noticed.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's comments, but I am still constrained to object.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

REQUEST FOR PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT FROM 10 A.M. TO 12 NOON TOMORROW DURING 5-MINUTE RULE

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may be permitted to sit from 10 o'clock a.m. to 12 noon tomorrow, notwithstanding the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

SIXTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation:

To the Congress of the United States:

I transmit herewith the Sixth Annual Report on Hazardous Materials Control as required by the Hazardous Materials Transportation Act, Title I of Public Law 93–633. This report has been prepared in accordance with section 109 of the Act, and covers calendar year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *July 20, 1976.*

SECOND ANNIVERSARY OF CYPRUS TRAGEDY

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, today July 20, marks the second anniversary of a most tragic event in modern world history: The invasion of Cyprus by the Government of Turkey. The consequences of that invasion and subsequent occupation of Cyprus by Turkey are still being felt today.

Now, a full 2 years later, there is still no peace on Cyprus. This is certainly one of the major foreign policy failures of the Ford administration. The administration's decision not to back Congress in our efforts to terminate military aid to Turkey because of her illegal use of U.S. weapons—not only solidified Turkey's hold on Cyprus, but also contributed to a deterioration of our relations with Greece, traditionally one of our strongest allies, while also embittering our Greek American community.

Two years after the invasion, suffering and anguish continue on Cyprus. There are some 200,000 men, women, and children who are helpless and homeless refugees. Even more tragic are the estimated 2,000 Greek Cypriots still missing since the Turkish invasion. I recently contacted Secretary Kissinger to urge that the U.S. Government play an active role in securing an accurate accounting of these individuals from the Turkish Government.

I am proud to have been the author of an amendment to the 1975 Foreign Assistance Act which provided $25 million in emergency relief aid to Cyprus. I note with great pleasure that funds have been increased for this coming year. Despite this needed assistance, the most important goal, that of peace for Cyprus, has yet to be realized. Turkey continues to illegally and immorally occupy almost 40 percent of the island. We continue to receive reports of the Turkish violating the basic human and civil rights of Greek Cypriots residing in the occupied regions of Cyprus. Our Government must play a more decisive role on behalf of peace on Cyprus. This must surely be viewed as a priority item for future U.S. foreign policy.

DOES THIS HOUSE REALLY ENDORSE DEATH THREATS BY DEBT COLLECTORS?

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, yesterday the House failed to pass by a two-thirds margin H.R. 13720, the Debt Collection Practices Act.

I am concerned, Mr. Speaker, that many Members of this body voted against the legislation, because they were misled by opponents of the bill.

In recent months public opinion polls have shown that the American people hold Congress in very low esteem. The Congress has been charged with failing to act in the public interest.

Newspapers across the world have chronicled the problems of this body and only recently the House voted massive reforms in order to restore public confidence.

Yesterday, however, this body missed a perfect opportunity to restore public confidence and to let the country know that the House of Representatives is people oriented and committed to protecting the rights and dignity of our citizens.

I was shocked that this great body would yesterday endorse debt collection tactics that include threats, intimidations, physical violence, and other actions that would make a storm trooper blush. There can be no question that by failing to pass H.R. 13720 under suspension this body quite clearly turned its back on human decency and gave unethical debt collectors a seal of approval to collect debts in any manner the debt collector deems necessary. Mr. Speaker, during the year-long investigation of the debt collection industry by the Consumer Affairs Subcommittee we uncovered some of the most horrible examples of abusive practices imaginable. One debt collector stole crutches from a paraplegic widow and refused to return them until she paid a disputed debt. There were instances of debt collectors dressing up as police officers or representing themselves as FBI agents in order to collect debts. Phony legal documents were the rule rather than the exception in many debt collection cases. The tragic part of the whole affair is that many of these victims either did not owe the debt and were victims of mistaken identity or were legitimately trying to repay the money but were not making payments fast enough to suit the collector.

Mr. Speaker, many debt collectors view anyone who owes money as "scum." To these collectors the end justifies the means in collection efforts. But the House of Representatives does not have to adopt that philosophy.

Fortunately, Mr. Speaker, there is an opportunity to correct this tragic mistake. It is my intention to bring H.R. 13720 to the floor under a 1-hour open rule sometime next week. The vote at that time will be on a very simple issue—whether Congress supports consumers or whether Congress supports an industry that in many cases is almost criminal in its operations.

I find it interesting that the two largest debt collection trade associations have supported H.R. 13720 and have disavowed any attempts to amend the bill or defeat it. If the ethical debt collectors are supporting the legislation, why is Congress supporting the criminal element.

It is time for Congress to restore public confidence in the political process. We will never restore public confidence by endorsing a debt collector who tells a frightened victim that unless she pays an overdue $10 charge, she may find her son floating face down in the river.

GENE HOWARD

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS. Mr. Speaker, during the most recent congressional recess, a most tragic accident cost me a personal friend, and the veterans of this land lost a dedicated and inspired champion. I was shocked to learn of the accidental death of Philip E. Howard who had served as a member of the staff of the House Veterans' Affairs Committee since 1968.

We knew him as Gene. He devoted his working life to the cause of serving veterans and their families. He enjoyed the unusual distinction of having been an official of a major national veterans' organization, an executive of the Veterans' Administration, and a valued staff member of the House Committee on Veterans' Affairs.

As a leader in each of these areas, Gene was unstinting of his time and devotion. I worked closely with him through the years and came to rely on his understanding, his good judgment, and his unfailing attention to the thousands of details required to make dreams become meaningful laws bringing benefits to veterans and their families.

A native of Charlottesville, Va., and a graduate of the University of Virginia, Gene was himself a service-disabled veteran. He served in the Army, was disabled in the Philippines and subsequently discharged in 1946.

Knowing at firsthand the problems of veterans returning from war, he was able to translate his continuing love of country into a life of service to his fellow veterans.

A member of AMVETS—American Veterans of World War II—he was made adjutant of that organization's Department of Virginia in 1948. In 1949, he became the manager of their national headquarters in Washington. He became assistant executive director in 1953 and from 1956 to 1962, he was executive director of AMVETS.

Gene's service with the AMVETS was marked by many notable firsts and was probably climaxed by an invitation from the Republic of South Korea to organize for that country a counterpart of our Veterans' Administration. In 1964, he was appointed special assistant to William J. Driver, Administrator of Veterans' Affairs. This position permitted an enlarged opportunity to continue his devoted service to the cause of veterans and their dependents. While with the Veterans' Administration, he traveled extensively with President Johnson and had a forceful impact on many outstanding veterans' program developments.

He joined the staff of the Veterans' Affairs Committee in 1968. I, as a member and as chairman, found him to be remarkably competent and always a patient fellow worker. He never spared himself in his drive to bring the best to veterans. All who knew him have an inspiration to finer service.

I have lost in Gene a valued friend. It is with deep regret that I must extend to his wife, Beverly; his daughters, Debbie, Donna, and Leslie; and his sons, Paul and Mark, my deepest sympathies.

CHANGE IN NATURE OF RULE TO BE REQUESTED ON H.R. 14514

(Mr. CORMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CORMAN. Mr. Speaker, I take this occasion to advise my Democratic colleagues of a change in the nature of the rule which will be requested by the Committee on Ways and Means on H.R. 14514, a bill to allow a State to elect to remain a food stamp cash-out State. As Members will recall, we previously announced that the committee had asked for a closed rule on this bill.

In action today, the committee has modified its request, which we hope to present to the Rules Committee tomorrow, in that we are not only asking that committee amendments be made in order, but we are also requesting a rule which will permit the minority to offer one amendment. Otherwise, the request for the rule would be as previously described.

THE FIRST YEAR OF BUDGET REFORM—AN UNQUALIFIED SUCCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, the end of fiscal year 1976, on June 30, brought to an end Congress first year of experience with the new budget process. I want to mark that experience today as an unqualified success, little noticed by the press, yet an important milestone.

As Members will recall, the spring of 1975, when the new process was initiated, was an extremely difficult time for both the economy and the Federal budget. Unemployment was nearing 9 percent and, as a result, Federal spending—especially for unemployment compensation, food stamps, interest on the public debt, and other Federal activities closely tied to the health of the economy—was skyrocketing.

The challenge before the Congress was a tremendous one—first, to end the recession, and second, to do so without stirring another round of double-digit inflation. There was, of course, widespread doubt that the new budget process could succeed in such circumstances.

Yet it did. The first budget resolution for fiscal year 1976 called for a highly stimulative Federal budget, combining tax cuts and rebates and accelerated programs to spur employment directly. Despite strong opposition from the administration, in May the House passed that resolution by 4 votes. In December a second resolution passed by only 2 votes.

Now, after fiscal year 1976 has come to an end, we can appreciate the superb job the Congress has done—both in overall economic policy and with respect to the Federal budget itself.

In economic policy, the Congress—through its fiscal and budget actions—sought to reduce unemployment to 7 percent by the end of calendar year 1976. Today, virtually all economists, including Mr. Greenspan, Chairman of the President's Council of Economic Advisers, believe that goal will be reached without renewing inflationary pressures.

Furthermore, in fiscal year 1976, the Congress lived within its budget.

The second resolution set a spending ceiling of $374.9 billion. It now appears that only $372.5 billion will actually be spent, a reduction of nearly $2.5 billion.

The second resolution set a revenue floor of $300.8 billion. It now appears that revenues will be at least $301.1 billion, approximately $300 million more than called for.

The second resolution set a deficit of $74.1 billion. It now appears that the deficit will be only $71.3 billion, approximately $2.7 billion lower. Moreover, indications are that the deficit may be only $70 billion when final figures for the fiscal year are available.

Mr. Speaker, this record is an outstanding one. In a most difficult year, the Congress has performed remarkably well: The economy is improving and the deficit is on the way down. In fact, the first budget resolution for fiscal year 1977 calls for a deficit nearly a third lower—$50.8 billion—and a further reduction in unemployment—to no more than 6 percent by the end of calendar year 1977.

I commend the Members of the House and Senate Budget Committees and, particularly, their two outstanding chairmen—BROCK ADAMS and ED MUSKIE. And, I commend the entire Congress for a job well done.

NATIONAL NEIGHBORHOOD POLICY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

Mr. ASHLEY. Mr. Speaker, I have today introduced H.R. 14756, a bill to establish a commission to investigate the factors contributing to the decline of urban neighborhoods and the factors necessary to neighborhood survival and revitalization, and for other purposes.

It is almost impossible to contemplate the problems of our American cities without recognizing that the essential building block of the city is the residential neighborhood. While we recognize their essential character, the truth is that we know very little of the dynamics that cause neighborhoods to grow or decline, or of the factors that contribute to long-term stability. Lacking such knowledge, most of our efforts to deal with urban problems are groping ones—sometimes shortsighted and sometimes contradictory.

In proposing to establish a national commission on neighborhoods, I do not have any illusions that it will be able to provide definitive answers to the very hard questions about neighborhood vitality. Rather, I see it as one step, and a very important one, in the process of increasing our understanding about this difficult problem. Such a commission should be established, but we should not let its existence serve as an excuse for delaying our continuing efforts to help improve our cities.

PANAMA CANAL TREATIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, since the announcement on February 7, 1974, of the Kissinger-Tack agreement of principles to govern the negotiation of a new Panama Canal Treaty, I have read many statements concerning the subject, most of which have originated in the Republic of Panama or in the U.S. Department of State.

In spite of repeated threats of violence against the Canal Zone by responsible Panamanian officials, sustained campaigns of villification against the United States, the ignoring by the Department of State officials of U.S. Treaty obligations with Great Britain and Colombia, and gross distorting of the 1903 and 1936 Treaty provisions as regards the sovereignty of the United States over the Canal Zone and Panama Canal, the mass of our people have not been hoodwinked, but are far ahead of their Government in seeing through the semantic frauds involved. Various polls, confirmed by thousands of letters to Members of the Congress, have conclusively established that U.S. citizens, at home and abroad, are overwhelmingly opposed to any dilution of the sovereign rights, power and authority of the United States over the Canal Zone, which is not negotiable except with advance authorization by the Congress.

The latest contribution in the way of clarifying the Zone sovereignty question is a most thoughtful article by Alfred J. Schweppe of Seattle, Wash., who is one of our country's leading legal scholars. In this article, Mr. Schweppe stresses that the language of the 1903 Treaty is the legal equivalent of "an actual instrument of cessation of territory and that it gives the United States as good a title as it has to Louisiana, Alaska, Arizona and New Mexico."

This title, as he points out, has been confirmed in two cases by the U.S. Supreme Court, in 1907 and 1972.

Because Mr. Schweppe's article provides strong legal support as well as historical perspective for the stand that many Members of the Congress in both the Senate and House have taken in opposition to any weakening of U.S. sovereignty over the Canal enterprise, I quote it as part of my remarks and urge that it be read by all members of the Congress and their staffs working on the matter, editors, columnists, publicists, and others concerned, especially the cognizant officials of the State Department who have been prime sources of so much misinformation and distortion of clear, legal facts involved.

THE PANAMA CANAL TREATIES

(By Alfred J. Schweppe)

This is the story of the widely misunderstood treaties of the United States with the Republic of Panama—misunderstood by our State Department, and misunderstood by the present Panamanian government.

On November 18, 1903, the United States signed a treaty (called the Hay-Bunau Varilla Treaty) with the new Republic of Panama, whose independence had been recognized by the United States on November 6, 1903.

The purpose of the treaty is described in the preamble, namely, to provide for construction of a ship canal across the Isthmus of Panama. This preamble recited that, initially, "the sovereignty of such territory being actually vested in the Republic of Panama", the parties have resolved to make a treaty with reference to such territory.

In Article I, a crucial article for Panama's future, the United States "guarantees and will maintain the independence of the Republic of Panama."

In Article II, the Republic of Panama "grants to the United States in perpetuity the use, occupation and control of a zone of land and land under water . . ." ten miles wide. This means "legal title" because in law the right to possession in perpetuity constitutes legal title.

Then comes Article III in which the Republic of Panama grants to the United States all of the "rights, power and authority" described in Article II "which is the United States would possess and exercise if it were the sovereign of the territory" [the zone], "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights."

Simply stated, Panama having initial sovereignty over the area constituting the zone, by the treaty relinquishes in perpetuity to the United States title to the Canal Zone and relinquishes in perpetuity all sovereign rights of Panama in the zone.

The 1903 treaty appropriately protected private ownerships. Such a treaty is the equivalent to a deed in fee simple by one country to another of all public property, saving private property rights which then become subject to the jurisdiction of the new owner.

The acquisition of Alaska, for example, was a ceding of all public property, saving private property rights. The same is true of the Louisiana Purchase, and the Gadsden Purchase covering parts of Arizona and New Mexico.

Legal title is the right to possession in perpetuity good against all the world. Sovereignty is the supreme political power and dominion over an area. Panama in 1903 granted in perpetuity "the use, occupation and control" of the zone, and "all rights, power and authority within the zone." It thus granted title and sovereignty to the United States within the zone and completely relinquished its own.

For this conveyance of title and relinquishment of sovereignty in perpetuity, the United States paid Panama $10,000,000 in gold, and agreed to make an annual payment of $250,000 in gold for the life of the treaty, beginning nine years from date, presumably an estimate of the completion date of the Canal. This annual payment, or annuity, was not rental but was part of the legal consideration for the grant. This annuity has since been negotiated upward and is now in the neighborhood of $2,000,000.

Some changes in the 1903 treaty were negotiated in the General Treaty of Friendship and Cooperation between the United States and the Republic of Panama on March 2, 1936. The principal ones were: (1) the elimination of Article I guaranteeing independence [it being no longer necessary], (2) giving up the right of the United States to keep order in the Republic of Panama if Panama could not, in the judgment of the United States, maintain such order [it being no longer necessary], and (3) granting Panama a corridor over the zone [which was legally necessary and desirable, although informally recognized from the beginning]. The corridor granted a legal easement over property of the United States, namely, the Canal Zone.

This 1936 treaty recognized the exclusive jurisdiction of the United States over the zone, and the exclusive jurisdiction of Panama over all areas outside the zone. "Jurisdiction" was used in the sense of complete authority and dominion over territory, or the authority of a sovereign power to govern.

The 1936 treaty reemphasized the United States' complete legal and political control of the zone and its full ownership.

While an actual instrument of cession or conveyance was not used in 1903, the language is the legal equivalent and gives the United States as good a title as it has to Louisiana, Alaska, Arizona and New Mexico. The language chosen was simply an alternative of expression having the legal effect of full title.

This point was clinched by the United States Supreme Court in 1907 in *Wilson* v. *Shaw*, 204 U.S. 24, a suit to restrain the Secretary of the Treasury to pay out funds for the construction of the canal, on the ground that the United States did not have title. The unanimous court said:

"A treaty with it [Panama], ceding the Canal Zone was duly ratified. 33 Stat. 2234. Congress has passed several acts based upon the title of the United States . . ."

Quoting Articles 2 and 3 of the treaty granting in perpetuity "use, occupation and control" and "all rights, powers and authority" as if it were sovereign, the Court concluded:

"It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate . . ."

This unanimous decision was written by Mr. Justice Brewer, one of the all-time great judges on the court, and concurred in by Chief Justice Fuller, and Justices Harlan, White, Peckham, McKenna, Holmes, Day and Moody.

In 1971 the United States Circuit Court of Appeals for the Fifth Circuit, in a case coming up for review from the Canal Zone, referring to both the 1903 and 1936 treaties, judicially declared:

"The Canal Zone is an unincorporated territory of the United States."

On January 25, 1955, another treaty was made with Panama which recognized the full force and effect of the 1903 and 1936 treaties and merely made some housekeeping adjustments, principally the status of Panamanian nationals in the zone, some minor property transfers, and increased the annuity to 1,930,000 Balboas.

Now, to turn backward briefly for historical perspective, an isthmian canal in Central America was talked about since the sixteenth century, to avoid the 8,000 mile trip around the Horn to the West Coast and the extremely hazardous overland portage. Several abortive attempts were made at consrtuction. The last was by a French company which quit in 1889 after expending $260,000,000. The Hay-Pauncefote Treaty of 1901 with Great Britain gave the United States a free hand to construct and operate an isthmian canal, provided that the ships of all nations were treated equally, in accordance with the rules of the Suez Canal, then controlled by Britain and France.

Congress in 1902 empowered President Theodore Roosevelt to acquire the French rights for $40,000,000, if Colombia would grant a strip of land across the Isthmus on reasonable terms. A treaty was actually signed by the Colombian plenipotentiary in Washington granting the United States for one hundred years exclusive occupancy of a canal zone ten miles wide, for the lump sum of $10,000,000, and an annual payment of $250,000.

Colombia rejected this treaty in August of 1903, partly because it objected to the cession of sovereignty, and partly, but perhaps more important, because of the $40,000,000 going to the French company, of which Colombia wanted a part.

At the time Panama was a restless province of Colombia. It had earlier made several unsuccessful attempts at revolution.

With the isthmian situation at an impasse, certain Panamanian leaders and certain agents of the French company, with the knowledge and tacit approval of a few United States army officers, began covertly to plan a revolt and secession of the province from Colombia. President Roosevelt and Secretary of State John Hay kept officially neutral.

A revolution was started on November 3, 1903, wholly bloodless, it turned out. President Roosevelt, to prevent imminent violence, kept Colombian troops at a distance with a show of gunboats and a landing of some marines. Indeed, some Colombian troops joined the revolution.

A provisional Panamanian government was promptly formed and a declaration of independence was promulgated on November 4, 1903. Two days later, on November 6, 1903, Secretary Hay officially recognized the Republic of Panama. The Panamanian government promptly appointed a representative of the French company in Washington, D.C. to act as plenipotentiary on its behalf.

Some time after the recognition, Colombia on the same day, November 6, relented and sent a message that, "If the Government of the United States would land troops and restore Colombian sovereignty", Colombia, when public order is restored, would ratify the canal treaty as signed.

But it was too late. Aside from the nature of the unusual request, the United States had committed itself to a new Republic of Panama. It is interesting, nevertheless, that Colombia, though belatedly, was willing to waive its objection to the relinquishment of sovereignty and to a share in the funds allocated to the French.

In due course, on November 18, 1903, Secretary Hay concluded with the designated Panamanian plenipotentiary at Washington, D.C. the treaty discussed at the beginning of this article, with the same money provisions as earlier offered to Colombia; $10,000,000 in cash and an annuity of $250,000.

The treaty was ratified in Panama by the new Panamanian government December 2, 1903. Ratification was advised by the United States Senate February 23, 1904. It was ratified by President Roosevelt February 25, 1904. Ratifications were exchanged on February 26, 1904. On February 26, 1904, the president publicly proclaimed the treaty.

On May 25, 1904, Tomas Arias, the Secretary of Government of Panama, sent a note to the United States government:

"The government of the Republic of Panama considers that upon the exchange of ratifications on February 26, 1904, of the Treaty for opening an inter-oceanic Canal across the Isthmus of Panama, its jurisdiction ceased over the Zone."

With the area having been rendered habitable in a three-year sanitation program that conquered yellow fever, work on the canal was completed in 1914 at a cost of $366,650,000, including payments to the French company and the Republic of Panama. The first ship passed through on August 3, 1914.

Congress in 1912 set up the government of the Canal Zone and exercises complete jurisdiction over the Zone with an elaborate Canal Zone code covering all phases of government in the Zone. Current United States investment in the Canal Zone has been estimated at $7,000,000,000.

Understandably, the events of 1903 did not make Colombia happy. But Colombia and the United States ironed out their differences in the Thomson-Urrutia Treaty signed at Bogota in 1914, and finally ratified by both governments in 1922. The treaty provided that the United States would pay Colombia $25,000,000 in five annual installments as indemnity for the loss of Panama, in return for Colombia's agreement to recognize the independence of Panama. In consequence, Colombia granted Panama full recognition in 1922 and settled the boundary between them. The $25,000,000 was paid and accepted, thus putting the entire issue at rest. As the result of this action, the United States at its expense conferred another invaluable bonus on Panama.

President Theodore Roosevelt, in an ebullient moment with a not untypical boastful exaggeration, said, "I took Panama." But if Panama was "taken", it was taken from Colombia. However, Colombia has been satisfied, legally and financially, by the 1922 settlement. Indeed, nearby Colombia has reaped great benefits from the Canal, as has the entire world.

The Canal was not "taken" from Panama. Panama was fully paid and got tremendous benefits. In 1903 it won independence from Colombia through a bloodless revolution, in the friendly presence of some United States naval units and marine personnel. But most important—a key fact often overlooked—Panama got in 1903 a United States guaranty of continued independence, which insured Panama's future as an independent state. Hence, Panama eagerly negotiated and ratified a treaty in 1903 which over the years has brought incalculable advantages to Panama, with the United States taking all of the risks.

Then in 1921 through United States initiative and indemnity payments the United States obtained recognition of Panama's independence by Colombia.

This 1903 treaty was a business transaction (money and a guaranty of independence) for title to, and exclusive control over, the Canal Zone in perpetuity, made in the treaty of 1903 and confirmed in 1936 and 1955. These were carefully prepared bilateral agreements, for adequate legal consideration, voluntarily entered into and repeatedly ratified.

The situation in no conceivable way partakes of colonialism.

Even if one accepts the notion of the State Department about the 1903 treaty, namely, that, for the $10,000,000 paid, we did not acquire title but only certain rights (ignoring the United States Supreme Court decision and ignoring that tne exclusive right to possession in perpetuity is legal title), then why, at the proper time, if it ever comes, do we not sell back those "rights" to Panama at their then current value, including all of the billions of dollars invested in the Canal, appropriately depreciated. After all, these billions are those of the taxpayers of the United States of America.

The claim of some Panamanian officials that the original November 18, 1903 treaty is somehow tainted because signed by a Frenchman who, though fully commissioned as official pleni-potentiary, was not a Panamanian, is untenable, not only because of his official authorization but by the subsequent ratification in Panama on December 2, 1903 by the new Panamanian government, and further ratification in 1936 and 1955.

Secretary of State Henry Kissinger, seemingly ill-informed, in 1974 signed an eight-point set of principles under which the United States would give up the American presence in the Zone at some future time and turn over all United States properties in the Zone. Current negotiators are said to be working on a new treaty which they hope to complete late this year or next year—a treaty intended to spell out the date when Panama will take over the operation and defense of the Canal.

Apparently, Panama's present leadership wants the Zone for nothing, as if the United States owed Panama the Zone for nothing. As a friendly gesture, President Eisenhower agreed that the United States would fly the flag of Panama beside the American flag within the Zone. But this does not satisfy the current Panamanian government.

One would suppose that Panamanians, if aware of their history, would, on their independence day, sing paeans of praise and gratitude to the United States, instead of falsely claiming colonial-type oppression.

On an impartial review, when the positions of the respective parties are properly analyzed, the United States owes Panama nothing. By reason of the 1903 guaranty, Panama owes its continued existence to the United States. The United States has put up all the money, done all the work and taken all the risks. If the United States owes anything, it owes itself and the world a duty to keep the Canal open so long as it is useful.

Until the Canal ceases to have utility in world shipping, it should not be turned over to Panamanian control. One need look only at Egypt's discriminatory management of the Suez Canal after the United States in concert with Soviet Russia prevented England and France from redressing the illegal seizure in 1956. Indeed, a turnover may violate the 1901 Hay-Pauncefote treaty with Great Britain.

Fortunately, no renegotiation of our treaty rights in the Canal Zone can be effective unless consent to ratification is given by two-thirds of the Senators present when the treaty is presented by the President for the Senate's advise and consent.[*]

ALFRED J. SCHWEPPE.

JULY 1, 1976.

TRIBUTE TO LEWIS DESCHLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

Mr. HANLEY. Mr. Speaker, each day that passes in this House makes more clear the need for order and regularity amid the contest and controversy which often characterizes the legislative process. The traditions and precedents of the past are merged with the rules and regulations of current procedures and the shifting demands of pragmatism to make a practical code by which we can organize ourselves to effectively legislate.

The passing of Lewis Deschler on July 12 leaves a void in the hearts of all who knew him as the great Parliamentarian of the House of Representatives. It left sadness to those of us who knew him as a man and as a friend. Indeed, there is not an instance which comes to mind when Lewis did not so conduct himself with professionalism and deftness, without partisanship or rancor. It was easy to like and respect him because that is how he treated everyone else.

I, just like every Member who has had the opportunity to preside over the deliberations of the House or had the occasion to present bills before the House for consideration, depended greatly on the advice and sage counsel that 46 years of service here had earned for Lewis. His was the pathway to legislative enactment with assurance and dispatch, as noted earlier this week in references to his assistance with major New Deal programs, statehood measures for Hawaii and Alaska, and the repeal of prohibition.

But the legacy of Lewis Deschler is not that of the past only, it is forward-looking and futuristic. For he has set down for future generations the principles by which that hydra-headed tangle of parliamentary rules was arrived at and the guidelines which will allow for its adjustment of precedent in the service of new realities of future circumstances.

As a guardian of the process by which legislation was the product of proper observation of regulatory and propriety, which placed great store in consistency and objectivity, Lewis was still a disciple of the spirit of the American Revolution and a defender of representative government. He respected the traditions of the past, but knew when and how they must be augmented and, if necessary, discarded, when situations required the use of wisdom and initiative.

So, too, the legacy of Lewis Deschler is found in the tutelage he provided to the corps of Parliamentary staff which aids this House in its work. In his capacity as a parliamentary consultant since his retirement in 1974, Lewis has continued to provide guidance to our present Parliamentarian, William Holmes Brown, and his expert staff of well-seasoned veterans of the legislative lists. Working without favoritism or prejudice, this staff is available to all who have need of help in mastering the technical intricacies of lawmaking in the House.

I am sure that all of our colleagues join the sentiment of Speaker ALBERT and Minority Leader RHODES in offering personal condolences to the family of Lewis Deschler. In some small way we share the deep and intimate loss which the closeness of family and friendship makes more intense. We will miss him. We will not forget him.

MAN AND MACHINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, 7 years ago today astronaut Neil A. Armstrong touched down on the surface of the Moon and enlarged man's horizons in the process. Today the Viking spacecraft successfully landed on the surface of Mars. Undoubtedly, man's horizon will again be enlarged as the Viking spacecraft searches for life and new knowledge on the planet Mars and the solar system in which we live.

Both events, the Viking Mars landing and the Apollo Lunar landing, have much in common. The skill and dedication of the NASA Government, universities, and industry team was essential to its complex undertakings. The new knowledge and the new technology derived from these exploits benefit us on a daily basis.

Perhaps of most significance the Viking and Apollo programs have allowed our innovative skill and imagination to transcend the ordinary. By these feats of skill our lives have been made better and our knowledge more profound. In both cases these adventures have created new challenges and have set high standards for human achievement.

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[*] The Congressional Record shows that the Congress is fully alert to what is in the works. One notes critical discussions in the House (Cong. Rec. June 9, 1976, pp. 17150–17153; June 18, 1976, pp. 19221, 19234–51, and a Senate Resolution is pending opposing relinquishment of United States sovereignty in the Canal Zone.

In the days ahead the Viking landing will undoubtedly yield important new information about the planet Mars and will tell us more about ourselves in the process. Our continued quest for new knowledge and high achievement are indeed an appropriate commemoration of our Bicentennial Year.

REVISED VERSION OF H.R. 11980 INTRODUCED

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 60 minutes.

Ms. **HOLTZMAN**. Mr. Speaker, I have introduced a revised version of H.R. 11980, my bill to limit examination in a rape trial of the victim's prior sexual history.

In rape cases in Federal court and in most States, judges still decide at trial, on a case-by-case basis, whether a woman's entire prior sexual history is relevant and can be examined at trial. This means if a woman reports and prosecutes a rape case, she must take the chance that the trial will turn into a degrading public inquisition into the most private details of her life.

This possibility may deter a woman from reporting and prosecuting a rape case. Furthermore, the introduction of such evidence may transform a trial of the defendant into a trial of the victim. Thus, I originally introduced H.R. 11980 which severely restricts the use of evidence about a rape victim's past sexual conduct in Federal cases.

The revised bill resolves two additional problems: First, insuring that the constitutional rights of the defendant are protected; and second, assuring that the rape victim has as much opportunity as possible to protect her privacy by setting strict procedural guidelines for the use of evidence about her sexual past.

To achieve the first objective, the revised bill permits a defendant who claims he did not have sexual relations with the victim to introduce evidence to show a third party was responsible for the act. This exception is narrowly drawn; the defendant must prove that such evidence is really relevant to his case.

With respect to the second objective, the revised bill provides that if the defendant proposes to use evidence regarding the victim's prior sexual history, he must first make a written offer of proof. If the judge decides after a hearing that the evidence is admissible, he must make a written order specifically identifying the evidence to be admitted and describing exactly the areas of cross-examination to be permitted. This procedure should assure the victim maximum notice that such questioning may occur and afford the victim the most effective opportunity to protect her privacy.

I am glad that 49 of my colleagues joined with me in cosponsoring my original bill and thus expressed their concern for revision of the rules of evidence in rape bills. I hope that the Congress will act on this legislation this session.

The text of the revised bill follows:

H.R. 14666

A bill to amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Privacy Protection for Rape Victims Act of 1976".

SEC. 2. (a) Article IV of the Federal Rules of Evidence is amended by adding at the end thereof the following new rule:

"RULE 412. RAPE CASES; RELEVANCE OF VICTIM'S PAST BEHAVIOR

"(a) Notwithstanding any other provision of law, reputation or opinion evidence of a person's past sexual behavior is not admissible in any trial if an issue in such trial is whether such person was raped or assaulted with intent to commit rape.

"(b) Notwithstanding any other provision of law, evidence of specific instances of a person's past sexual behavior is not admissible in any trial if an issue in such trial is whether such person was raped or assaulted with intent to commit rape, except that otherwise admissible evidence of specific instances of such conduct is admissible in such trial—

"(1) if such evidence—

"(A) is evidence of sexual behavior with persons other than the accused, offered by the accused upon the issue of whether the accused was or was not, with respect to the alleged victim, the source of pregnancy, disease, semen, or injury; or

"(B) is of past sexual behavior with the accused and is offered by the accused upon the issue of whether the alleged victim consented to the sexual behavior with respect to which rape or assault is alleged; and

"(2) if the requirements contained in subsection (c) are satisfied.

"(c)(1) If the person accused of committing rape or assault with intent to commit rape intends to offer under subsection (b) evidence of specific instances of the alleged victim's past sexual behavior, the accused shall make a written motion to offer such evidence not later than fifteen days before the date on which the trial in which such evidence is to be offered is scheduled to begin, except that the court may allow the motion to be made at a later date, including during trial, if the court determines that the evidence is newly discovered and could not have been obtained earlier through the exercise of due diligence. Any motion made under this paragraph shall be served on all other parties and on the alleged victim if not a party.

"(2) The motion described in paragraph (1) shall be accompanied by a written offer of proof. If the court determines that the offer of proof contains evidence described in subsection (b)(1), the court shall order a hearing in chambers to determine if such evidence is admissible. At such hearing the parties may call witnesses, including the alleged victim, and offer relevant evidence. Notwithstanding subsection (b) of rule 104, if the relevancy of the evidence which the accused seeks to offer in the trial depends upon the fulfillment of a condition of fact, the court, at the hearing in chambers or at a subsequent hearing in chambers scheduled for such purpose, shall accept evidence on the issue of whether such condition of fact is fulfilled and shall determine such issue.

"(3) If the court determines on the basis of the hearing described in paragraph (2) that the evidence which the accused seeks to offer is relevant and that the probative value of such evidence substantially outweighs the danger of unfair prejudice, such evidence shall be admissible in the trial to the extent an order made by the court specifies evidence which may be offered and areas with respect to which the alleged victim may be examined or cross-examined.

"(d) For purposes of this rule, the term 'past sexual behavior' means sexual behavior other than the sexual behavior with respect to which rape or assault with intent to commit rape is alleged.".

(b) The table of contents for the Federal Rules of Evidence is amended by inserting immediately after the item relating to rule 411 the following new item:

"Rule 412. Rape cases; relevance of victim's past behavior.".

SEC. 3. The amendments made by this Act shall apply to trials which begin more than thirty days after the date of enactment of this Act.

FINDINGS OF THE JOINT HEARINGS ON THE CONDUCT OF THE ENVIRONMENTAL PROTECTION AGENCY'S "COMMUNITY HEALTH AND ENVIRONMENT SURVEILLANCE SYSTEM" (CHESS) STUDIES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Califronia (Mr. BROWN) is recognized for 10 minutes.

Mr. **BROWN** of California. Mr. Speaker, I wish to submit the "Conclusions of the Joint Hearings on the Conduct of the Environmental Protection Agency's 'Committee Health and Environment Surveillance System' (CHESS) Studies" be printed in the CONGRESSIONAL RECORD at the end of these remarks.

These conclusions are taken from the joint report of the staffs of the House Committee on Interstate and Foreign Commerce and the House Committee on Science and Technology, which will be available from the two committees within the next few days.

The Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce and the Subcommittee on the Environment and the Atmosphere of the Committee on Science and Technology held joint hearings on April 9, 1976, to investigate allegations that the Environmental Protection Agency's "Community Health and Environment Surveillance System"—CHESS—Studies on the health effects of sulfur oxides had been intentionally and systematically distorted to indicate adverse health effects which could not be substantiated by the data. There were further allegations that the studies had not been conducted in a technically sound manner, and that although these apparent flaws were known, they had not been investigated. A report of those hearings, divided into three major sections, will be available soon. The first section, a brief introduction, provides some background, thus placing both the studies and the hearings in perspective. The second section contains excerpts from the hearings and summarizes the main points covered by the witnesses.

The third section presents the conclusions drawn from the testimony at the hearings. An afterword describes continuing investigations.

Given the serious nature of these charges, it is extremely important that the findings of these two subcommittees be made available before any action is taken on the Clean Air Act amendments pending on the House and the Senate. The material follows:

REPORT ON JOINT HEARINGS ON THE CONDUCT OF THE ENVIRONMENTAL PROTECTION AGENCY'S "COMMUNITY HEALTH AND ENVIRONMENT SURVEILLANCE SYSTEM" (CHESS) STUDIES

(Prepared by the staffs of the House Interstate and Foreign Commerce Committee and the House Science and Technology Committee for the use of the U.S. House of Representatives)

CONCLUSIONS

Personal conduct of Dr. John F. Finklea

1. There was no evidence that Dr. Finklea tampered with, distorted, or withheld data.

2. There was general agreement that no basis exists to question Dr. Finklea's integrity or scientific honesty.

3. Those who took issue with Dr. Finklea's actions during the preparation of the CHESS studies did so largely on the grounds that he may have overinterpreted the data in reaching conclusions. Those same witnesses, however, testified that the issue of overinterpretation was a matter of scientific judgment on which reasonable persons could differ.

4. There was agreement that Dr. Finklea had rewritten many individual drafts in the course of preparing the CHESS monograph, and that important qualifiers may have been left out of the drafts in the process. However, there was an equally strong consensus that ample opportunity for the individual authors to replace important qualifiers existed in the review process, and that many qualifiers were replaced at that time, before the monograph was published.

5. Testimony revealed that Dr. Finklea was demanding of both himself and his staff. This caused some conflict among the staff.

Validity and adequacy of the CHESS studies

6. The CHESS studies are pioneering efforts in the very difficult field of environmental epidemiological research. As such, they are subject to some legitimate scientific criticisms. These criticisms, however, do not totally invalidate the studies.

7. There was agreement that the CHESS studies confirm an association between sulfur oxide emissions and adverse health effects.

8. There was agreement that no data had been distorted or tampered with in the CHESS studies.

9. There was some testimony that much of the criticism of CHESS was focused on the first draft of the monograph (which had been sent to 150 outside critics for comments).

10. There was agreement that many, if not most, of the criticisms of the draft were corrected before the monograph was published. Nevertheless, some question of scientific judgment (as to whether CHESS data had been overinterpreted) remained.

11. There was agreement that reanalysis of the data would be a major task.

Impact of CHESS on regulations

12. The National Ambient Air Quality Standards (NAAQS) for sulfur dioxide were set before CHESS, and were based on other data.

13. There was general agreement that the sulfur dioxide primary NAAQS should not be relaxed at this time.

14. There was testimony that, although supported by the CHESS results, EPA's policy with respect to tall stacks and intermittent control is based on the Clean Air Act and data other than CHESS.

15. There was testimony that while the CHESS studies point out deleterious health effects of sulfates, we do not yet have enough information to set an ambient standard for sulfates (as distinguished from sulfur dioxide).

EPA research program

16. Certain weaknesses in EPA's CHESS research program were noted and alternative measures for addressing such weaknesses were considered. An initial measure includes separating the functions of environmental regulations and environmental research.

17. One major criticism was that the CHESS study had not been conducted openly. Thus, EPA did not take full advantage of the perceptions of outside observers in the planning and conducting of the studies.

18. There were several comments criticizing EPA's management of the CHESS program.

19. Several specific, technical questions about the conduct of CHESS were raised.

20. The possibility of further hearings on this and related matters was left open.

21. The unanalyzed CHESS data should be analyzed and interpreted as quickly as possible to provide a check on the validity of the studies in the monograph.

REVISION OF TAX WRITING PROCEDURES NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, today I testified before the Senate Finance Committee during its hearing to reconsider certain special interest provisions of the Tax Reform Act of 1976. My statement developed two separate issues that I hope the Finance Committee will consider. On one level, I addressed the issue of the process by which our tax laws are made. On a second level, I argued against the expansion of a tax loophole designed specifically for Aramco.

HOUSE PROCEDURES ON SPECIAL INTEREST TAX LEGISLATION

As a member of the House and its Ways and Means Committee, I was not in a position to criticize the legislative procedures followed in the other body. I was able to report that procedures in the House Ways and Means Committee which provide a complete stenographic report on markup deliberations have improved the process. In this Congress the Ways and Means Committee has adopted a number of beneficial reforms in its consideration of special interest tax legislation. This new procedure includes opportunity for public and Treasury comment on any significant tax provision which benefits only a small number of taxpayers.

But these reforms, as important as they are, do not go far enough. A major element in the process by which tax laws are made is the conference committee. At present, the proceedings of the meetings of the conferees on tax legislation are both closed to the public and unrecorded. As a result, a major portion of the drafting of our tax laws occurs in complete secrecy. Treasury representations of the revenue impact of hastily considered changes are also secret. When Congress first considered Domestic International Sales Corporation, the Treasury statement on revenue loss was 250 percent in error. All representations made by Treasury and Joint Committee staff should always be in the RECORD.

Finally, legislative history crumbles if there is no record of markup sessions which can subsequently be made public. The proceedings of conference committees should henceforth be a matter of record and published.

To achieve this end, it will be my intention on the Tax Reform Act of 1976 to introduce a motion that the House instruct its conferees to insist that proceedings of the conference committee be recorded and subsequently made public. The intent of this motion is not to interfere with the discussions of the conference, but rather to help the public understand what has happened after it happens and to insure a basis for the legislative history.

Because we have had no such disclosure in the past, abuses have occurred. Of particular interest to me has been the special treatment given to multinational oil companies.

THE TAX REFORM ACT AND THE ARAMCO AMENDMENT

The Finance Committee's version of the Tax Reform bill raises serious questions about the Aramco amendment which was enacted in the Tax Reduction Act (Public Law 94–12). This Act passed the Congress on March 29, 1975. The Aramco amendment gave four of our largest multinational oil companies a tax break worth $35 million a year. Now the Finance Committee has recommended that this special provision should be expanded to benefit a handful of other multinational oil companies. The revenue loss from this proposal is another $90 million a year.

The Tax Reduction Act contained a reform package designed to achieve two objectives: First, to limit the amount of foreign tax credits resulting from a rise in OPEC prices; and second, to impose some U.S. tax on foreign income generated from oil production.

These objectives were thwarted, however, when the conference committee, in March 1975, inserted a special provision to benefit the four corporate owners of Aramco. These companies—Texaco, SoCal, Exxon, and Mobil—were allowed to treat their dividend income from Aramco as "oil-related income." That is income the oil companies may shelter from U.S. tax with the use of foreign tax credits which have been artificially inflated with OPEC's manipulation of the posted price system.

This tax break needs to be put in perspective. The owners of Aramco—because they receive their income from Aramco in the form of dividends—are eligible for an 85-percent reduction on their dividend income. In other words, 85 percent of these companies' income from Aramco is tax free. The Tax Reduction Act worked to shelter the remaining 15 percent from U.S. tax and makes these dividends 100 percent free of tax—a privilege afforded no other corporation in America. This specific provision loses the U.S. Treasury $35 million each year. The main conclusion, however, is that it is likely that no U.S. tax can be collected on the profits Aramco distributes to its owners.

As a member of that conference committee, I have no recollection of this matter ever being discussed. I have interrogated other members and staff and have been unable to determine where this special provision for Aramco ever came up. I never left the conference for 1 minute and my hearing is acute and accurate.

Now the Finance Committee has taken one additional step. It has expanded this loophole in order to benefit other U.S. multinational oil companies. Specifically, the committee's amendment shelters from U.S. tax "interest income" received by one domestic corporation from another domestic corporation. This income arises when a U.S. oil company borrows capital from another U.S. oil company to conduct oil operations abroad. Including interest income in the definition of oil-related income is simply an expansion of the Aramco loophole and will lose the Treasury $90 million each year. This $90 million will be spread over a small number of multinational companies. I am afraid that we have developed a new class of tax avoider: the corporate consortium.

Mr. Speaker, we are seeing the birth and growth of another special tax benefit. This loophole, like so many others in our tax laws, was born in the secrecy of the conference committee. I urge the committee to reject secrecy in decision-making out of which developed the Aramco amendment and its expansion. It is time these American companies heavily and profitably involved in foreign oil make at least a token contribution to this Government which provides them with security and assistance worldwide.

LEGISLATION FOR THE BEST USE OF DREDGED MATERIALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 5 minutes.

Mr. SIKES. Mr. Speaker, I would like to direct the attention of my colleagues to the bill, H.R. 14730, which I have introduced to authorize the Secretary of the Army to place beach quality sand dredged as part of a navigation project on the adjacent beaches. The Honorable Harmon W. Shields, executive director, Department of Natural Resources, State of Florida, acting in behalf of the Governor and cabinet of Florida, requested that I seek the earliest possible congressional action to amend appropriate Federal laws to include authorization for the Secretary of the Army to expend funds provided for operation and maintenance of navigational channels for placement of dredged material on adjacent beaches when such action is in the public interest. This is in lieu of transporting dredged material to offshore areas. The bill which I have introduced will benefit not only Florida but all States having an interest in the preservation and maintenance of beach areas. The language of my resolution will enable the Corps of Engineers to place valuable sand on seriously eroded beaches. This will be the most economical use of this material because, in the future, we will not be required, at added expense at other Federal projects, to retrieve the same sand from offshore disposal areas for beach restoration purposes.

The Florida Department of Natural Resources on June 1, 1976, adopted the following resolution:

> Whereas beach erosion is a serious problem in Florida; and
>
> Whereas navigational inlets and channels along Florida's beaches act as littoral drift barriers, either diverting sand to the offshore area out of the beach system, or trapping sand inside the inlets and channels; and,
>
> Whereas during operation and maintenance dredging of these navigational inlets and channels sand has been hauled to sea for deep water disposal, except on a few occasions, and lost from the beaches; and
>
> Whereas, sand is Florida's most valuable nonrenewable natural resource: Now, therefore, be it
>
> *Resolved by the Governor and Cabinet sitting as the Head of State of Florida Department of Natural Resources*, That—
>
> 1. The Florida Congressional Delegation is requested to prepare and seek enactment of federal legislation authorizing the necessary expenditure of federal funds to place beach quality sand from such projects on adjacent beaches.
>
> 2. The following language be considered for such authorization:
>
> "The Secretary of the Army, acting through the Chief of Engineers, is authorized, at his discretion, to use funds provided for operation and maintenance of navigation projects for the placement of dredged material on beaches when, in his judgment, such action is in the public interest."

ON TURKISH OPPRESSION OF CYPRUS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, today, July 20, marks the anniversary of the invasion by Turkey of the Independent Republic of Cyprus. At the present time, it is estimated that 180,000 Greek-Cypriots remain as refugees in tents as a result of that invasion and the pillaging by the Turks of 40 percent of that island and their continuing occupation. I am one of those who supported the Rosenthal amendment on each occasion that it was the subject of a vote in the House of Representatives, which would have denied the Turkish Government economic and military assistance so long as it failed to take substantial measures to remove its troops from and end its occupation of the Island of Cyprus. Regrettably, after the initial congressional success in cutting off such aid the administration was successful in reversing that vote. The administration held out the promise that by allowing the sale of arms to Turkey, we would accomplish the goal of the liberation of that island from Turkish oppression. That promise was ridiculous when made and indeed in retrospect may have perhaps been made knowing that little would be accomplished by a reversal of the congressional mandate set forth in the Rosenthal amendment. And the facts are that today, 2 years after the invasion, the Turks have not given up any part of the territory they occupied nor have the Greek-Cypriot refugees been allowed to return and nothing was accomplished as a result of the administration's action and the Congress reversal of its original action. When the Congress reversed itself, I said then we would regret it, and surely men and women of conscience in the United States and across the world must agree that it was unconscionable to have sold arms to Turkey subsequent to its invasion of the island of Cyprus.

The Greek-American community is proud of the strength of the Greek-Cypriots in their resolve not to accept Turkish occupation. And those of us who are not of Greek extraction but who honor the Greeks for having provided the world with the concept of democracy weep with them because of the continuing tragedy on that island. We rejoice with them in the pride they feel in the strength of resolve under the most difficult of circumstances exhibited by their brothers and sisters on that island. Cyprus shall be free, and until it is freed of Turkish occupation, no one who believes in democracy can rest.

REFUGE FOR SOUTH AMERICANS ENDANGERED IN ARGENTINA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I regret to report that 30 more Uruguayans have been kidnaped in Argentina. The refugee community is in a state of near panic as it searches for ways to secure visas to leave that country. Many have been staging hunger strikes to dramatize their plight. Uruguayan security forces are waging a campaign of extermination against Uruguayan exiles living in Argentina with the tacit consent of the Argentine Government. The situation can only be described as desperate.

Senator KENNEDY, Congressman FRASER, and I have been pressing the State Department to establish a parole visa program for South American refugees in Argentina so that we can accept our fair share of those fleeing the repression there. We continue to wait for the State Department to respond. Each day of delay means increased danger and the likelihood that more exiles in Argentina will be kidnaped and murdered. How many more will have to be sacrificed before the State Department joins the rest of the civilized world and begins accepting some of these refugees. The United Nations Refugee Commission has reported that Canada, Switzerland, Sweden, France, Norway, and Holland have agreed to increase visas for these persecuted refugees. Frankly, the United States is abdicating its position of moral leadership by lagging behind on this issue.

The news report of the most recent kidnaping follows:

[From the New York Times, July 20, 1976]

30 REFUGEES FROM URUGUAY REPORTED ABDUCTED IN ARGENTINA

(By Juan de Onis)

BUENOS AIRES, July 19.—A new large-scale kidnapping of Uruguayan political refugees was reported here today by the United Nations High Commission for refugees.

About 30 Uruguayan exiles were reportedly taken from their homes or on the street. Most of them were registered as refugees with United Nations offices here.

The report of the new kidnappings alarmed the refugee community here, particularly the 8,000 Chilean refugees who have been staging hunger strikes to dramatize their appeal for visas to leave the country.

Among the persons reported missing by Uruguayan sources was Margarita Michelini, whose father, former Senator Zelmar Michelini, was removed from a hotel by armed men several weeks ago and found dead later with Hector Gutierrez Ruiz, former president of the Uruguayan Chamber of Deputies.

Nineteen Chilean refugees were expelled from the Frontero Hotel by the police today on orders from Rev. Lino Dubcek, the president of the Argentine Coordinating Committee. He said a hunger strike called there was "politically inspired." The refugees were on the street outside the hotel tonight.

Also missing were Jose Feliz Diaz, Senator Michelini's son in law, and Felix Diaz, husband of Elena Quinteros Diaz, who was dragged by unidentified men from the garden of the Venezuelan Embassy in Montevideo, where she had sought asylum. Venezuela broke diplomatic relations with Uruguay last week in protest of the refusal of the Uruguay authorities to return the woman.

Cooperation between the Uruguayan and Argentine security services has increased since the Argentine armed forces took power here March 24.

But the Argentine authorities have not acknowledged the arrest of the Uruguayans. This conforms with the policy of the security forces to withhold information on arrests involving investigation of subversion.

Robert Muller, representative of the United Nations Refugee Commission, said that Canada, Switzerland, Sweden, France, Norway and Holland had announced they would increase visas, but did not disclose how many refugees here would be transferred to these countries.

REFUGE FOR THE VICTIMS OF THE CIVIL WAR IN LEBANON

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the civil war in Lebanon rages on. There appears to be little hope for a genuine cease-fire in the near future while the carnage mounts. The agony of that conflict is most graphically portrayed by the casualty figures. Since April of 1975, approximately 25,000 have been killed and many thousands more have been wounded. These figures are shocking when one extrapolates the situation as if it were in the United States. In terms of the United States, that civil war would mean 2 million people dead and millions more wounded.

The death toll of this civil war is 25 times higher than the annual American casualties in Vietnam and surpasses Israel's casualties in all its wars with the Arab nations.

The United States at present is contributing humanitarian assistance which the Red Cross is administering. Further, the State Department is encouraging the Immigration and Naturalization Service to allow Lebanese now in the United States on visas to remain here while the fighting continues. While these efforts are commendable, I believe we must go beyond them and offer asylum to those innocents of the war who wish to escape. Evacuation of Americans is being hindered by the intensity of the fighting, but will continue. Lebanese with the means to do so are securing passage to Cyprus and other countries, but the poor are the ones who are suffering the casualties. I believe the United States must do what it can to help these people. I am today introducing a resolution asking the Attorney General to parole into the United States those endangered Lebanese who wish asylum in the United States. I have written the Secretary of State recommending this course of action. Regrettably, the State Department has not yet responded. Each day of inaction means that hundreds who might have been granted asylum are killed.

If an international effort to rescue victims of the Lebanese civil war is undertaken, the United States should lead that effort and provide asylum for a fair share of the refugees.

The letter to Secretary of State Kissinger follows. A copy of the resolution is also appended:

JULY 9, 1976.

Hon. HENRY KISSINGER,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to you with regard to the tragic situation in Lebanon. The carnage there is almost beyond belief. It is estimated that since April of 1975, 25,000 Lebanese have been killed in a country of approximately 3,000,000 people. One in every 120 has become a fatality in that civil war.

This past week has been especially bloody. On Wednesday, for example, 600 were killed and 1,100 were wounded. I believe that the United States must go beyond the humanitarian assistance it is now providing victims of the war and offer the innocents of the war refuge. I urge that you establish a parole visa program for Lebanese. When Congress returns from recess, I will be introducing a resolution to that effect.

I would appreciate learning the State Department's position on this matter. All the best.

Sincerely,

EDWARD I. KOCH.

H. CON. RES. 681

Concurrent resolution expressing the sense of Congress that the Attorney General, in accordance with existing law and United States humanitarian tradition, should parole into the United States those civilian Lebanese aliens not participating in the fighting in the civil war in Lebanon who are in danger of losing their lives as a result of such civil war

Whereas, the civil war in Lebanon has cost the lives of approximately 25,000 people since April of 1975;

Whereas, such civil war continues apparently unabated;

Whereas, many innocent Lebanese are in danger of losing their lives without possibility of escape to another country;

Whereas, the United States has a tradition of offering asylum to those fleeing persecution: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the Attorney General, in accordance with existing law and United States humanitarian tradition, should parole into the United States those Lebanese aliens not participating in the fighting in the civil war in Lebanon who are in danger of losing their lives as a result of such civil war.

EAST SYRACUSE FIFE AND DRUM CORPS SERENADES WASHINGTON

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, amid the flow and fury of activities at the Capital during this busy Bicentennial Year many events take place without fanfare and wide attention. One of the most noticed visitations to our side of the Capital, however, is the shiny brass and waving flags which mark the arrival of a band from one or another city or village somewhere across America.

Some come from nearby towns and have had the experience of a visit to the splendor of Washington many times. For some—probably many more young people—this is their first trip to their Nation's Capital; their first thrill at the sights which many here take for granted much of the time. For some this may well be the only time they will ever be able to come to the seat of their National Government, to see its institutions and the work they do, to admire the grandeur of the marble and glass buildings which house the agencies and arms of government which touch the lives of every citizen.

It is likewise our brief opportunity to share the exuberance of youth as the excitement of adventuresome travel blends with the awe of our Capital's beauty. It is our pleasure, too, to hear the polished performances which many days and weeks of rehearsal have shaped into a memorable concert for Washington's residents and visitors.

Mr. Speaker, it is just such an occasion and experience which we had the pleasure to recognize when the East Syracuse Middle School Fife and Drum Corps came to Washington for 2 wonderful days in May.

As with so many groups of young bandsmen, the story behind their trip would make even the most callous heart twinge with admiration at the resolution and determination of the fundraising efforts and arrangements that had to be made for such an event.

Led by the corps director, Jim De Luca, who has been for some time the guiding force behind the projects associated with the band, the 110 young people who comprise the corps decided they wanted to come to Washington to take part in the Bicentennial. They knew that such a wish could only be fulfilled if they made it come true and their own hard work, and they did.

A candy cane sale, spaghetti supper, and personal donations from many parents and public-spirited citizens raised much of the money needed to pay the passage of the band and its instruments and chaperones to Washington.

The enthusiasm and determination of the bandsmen was infectious. Once the plan became widely known in East Syracuse, the community responded with an open heart. The American Legion, the Lions Club, the Rotary Club, the Knights of Columbus, the Kiwanis Club—all pitched in to help make this trip possible. In all, over $6,000 was raised through gifts and work projects to allow those sixth, seventh, and eighth graders to play in Washington.

But the story is not just that of the trip here. It is the story of providing activity for young people on a year-round basis. An activity which is wholesome and educational and character building. For the creative child who can express himself or herself through music and through group activity is on the way to realizing a well-rounded personal development. For each student who involves himself or herself in such a program the rewards of personal satisfaction and group activity are life-long remembrances. For many young people such an activity, over and above the opportunity to travel, is a turning point in their lives.

The East Syracuse Fife and Drum Corps has graduated almost 450 bandsmen in its brief existence. There is no real way to tell who and how the experiences of being a part of that band made a better and more secure individual. But, like the band in the hit Broadway play and smash movie, the "Music Man," the fife and drum corps from East Syracuse follows the lure of Prof. Harold Hill's magic call to musical excellence and personal fulfillment.

As I noted earlier, Mr. Speaker, the story behind the presence of these bandsmen often goes unnoticed by those who see and hear them. What to many here in Washington is a kaleidoscope of sound and color, for those who are a part of the pagentry is the single most exciting event of their young lives.

It is a proudful moment when the teachers and parents of these youngsters, those who had the concern and determination to see that the corps did get to make this trip, when these adults who wished them well and safe journey gathered back at the school parking lot to pick up the bandsmen. They could not help but notice the added maturity and wiser gleam in the eyes of youngsters back from a supreme adventure. The look of children who are really growing up.

Thank you for this time, Mr. Speaker, to share with our colleagues some observations about this great musical group. I wish them continued good luck in all their future plans as fife and drum corps members and as the future generation of leaders for our country.

HAITI'S PARTICIPATION IN THE AMERICAN REVOLUTION

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, I want to take a brief moment in this Bicentennial Year, to pay tribute to a people whose participation in the American Revolution has long gone unnoticed.

Due to her original status as a French colony, Haiti has mistakenly been included as part of the French armed forces. Fortunately, the Bicentennial has rectified this mistake by renewing interest in a variety of subjects, including the participation of West India regiments in America's War for Independence.

Haiti's participation in the American Revolution originated in the Battle of Savannah, to defend the South against British control. Responding to the call of Adm. Comte D'Estaing, 800 Haitians left their homes and families to fight alongside American troops for the conquest of Savannah. History has shown that Haiti continued her struggle for American independence despite severe British retaliation. The fearless efforts of Haitian soldiers subsequently saved the Franco-American army from total destruction by covering its retreat in the unsuccessful siege.

Haiti's participation in the American Revolution aided our country in becoming the foremost symbol of freedom and independence throughout the world. We must not forget the courageous efforts of Haitians who sacrificed their lives for American independence. The Haitian salute to the American people, which appeared in the July 4, 1976, New York Times Sunday Magazine Bicentennial Issue, recalls our common purpose and ties, and expresses the hope for 200 more years of Haitian friendship and support.

The article follows:

A Salute to the Oldest Republic in the Western Hemisphere From the Second Oldest Republic in the Western Hemisphere

> This Bicentennial year is a most appropriate time for Haiti to extend best wishes to our co-republic—the United States. Our revolutionary histories have many parallels and our people always have lived in friendship.
>
> It is of particular interest at this time to call attention to the little-known fact that Haitians strongly supported the American cause and that Haitian blood is mingled with American blood on the battlefields of the American Revolution.
>
> In 1779 at the Battle of Savannah, 861 Haitian volunteers fought side by side with American troops and 34 Haitians lost their lives in this gallant effort. Fourteen of the 438 Haitian volunteers at battle of Pensacola, were killed in action.
>
> The people of Haiti are intensely proud of their heritage of participation in the American Revolution and extend a warm invitation to Americans to visit the historic sites of the Haitian Revolution during this American Bicentennial Year.
>
> Come to Haiti—where Americans have been loved for more than 200 years.

PROPOSED AMENDMENT TO MINE SAFETY BILL: FORMAL RULEMAKING PROCEDURES

(Mr. DOMINICK V. DANIELS asked and was given permission to revise and extend his remarks at this point in the Record and include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, I have been informed that an amendment will be proposed to change the rulemaking procedure in H.R. 13555. This is such a complex matter and of such critical importance that I believe it essential that Members have a chance to acquaint themseves with the issues in advance.

In essence, this amendment would substitute the "formal" rulemaking procedure of the Administrative Procedure Act for the "informal" procedures that are presently contained in H.R. 13555.

Under the Administrative Procedure Act, rules are ordinarily developed by the agency giving notice in the Federal Register of its intention to promulgate a rule with an opportunity for interested persons to submit data, views, and argument. The agency then issues the rule based on its consideration of the argument presented. This is the formal, also called the informal, rulemaking procedures.

Under the formal rulemaking procedure, which is not required under the APA generally, but only if a particular statute requires it, the hearing on the proposed rule assumes a different nature. The hearing becomes a trial in which the agency has the burden of proof and parties have a right of cross examination. The procedures which are generally applicable to adjudicating matters of fact are, in the formal rulemaking process, made applicable to determining whether a rule should be issued.

Thus, the basic distinction between the so-called formal and informal rulemaking procedures under the Administrative Procedure Act is that the former provides for a trial while the latter provides for discussion of the facts and issues. The appropriateness of a trial-type procedure for the prescription of rules has been a matter of controversy for a long time and the disadvantages of the trial-type procedure have become even more apparent.

Professor Davis, this country's foremost authority on administrative law, has concluded:

> A trial is designed for resolving issues of fact, not for determining issues of law, policy or discretion. In rule-making, the method of trial has no place except where specific facts are at issue, and even then it should seldom be used when the disputed facts are legislative. (Davis, *Administrative Law Treatise* sec. 6.06.)

A safety standard is not a determination of fact, in the sense that it determines what any particular businessman is or has been doing. It is a general determination of what ought to be done in the future, based on, but not determined by, past practice and experience. Thus, under Professor Davis' criteria, a trial-type procedure is not appropriate. A similar conclusion was expressed by the U.S. Court of Appeals for the District of Columbia in a case under the National Traffic and Motor Vehicle Safety Act when it said:

> Where the Department is concerned with the issuance of rules requiring basic policy

> determinations rather than the resolution of particular factual controversies, the informal procedures provided by section 4(b) of the APA are appropriate. **Automotive Parts & Accessories* v. *Boyd* (407 F. 2d 330, 335.)

The formal rulemaking procedures have also been attacked because of the delay involved. In a famous and leading case, Mr. Justice Holmes observed for a unanimous Supreme Court—

> Where a rule of conduct applies to more than a few people, it is impractical that everyone should have a direct voice in its adoption . . . There must be a limit to individual argument in such matters if government is to go on. *By-Metallic Co.* v. *Colorado* 239, U.S. 441, 445.

A special study prepared for the National Commission on Product Safety concluded:

> Informal rule-making under the Administrative Procedure Act (APA) should be used by the agency in its standard-setting function because Formal rule-making procedures are likely to take longer and to provide greater opportunity for delaying tactics than are informal proceedings.

To illustrate the delays inherent in formal proceedings, this study cites the 2 years it took the FDA to ban carbon tetrachloride under the hazardous substances program and comments:

> If formal rule-making to ban a product whose severe hazards are virtually common knowledge can take more than two years, one can only wonder how long would be needed for completion of a proceeding involving more controversial issues controverted by experts for all participating interests." (*Federal Consumer Safety Legislation, A Special Report prepared for the National Commission on Product Safety* (July, 1970) p. 52, 37, & 195).

The amendment requires not only the use of "formal" procedures of the APA, but also has a series of procedural steps which come into play even before these "formal" proceedings can begin. The procedure under the amendment is substantially similar to that provided in section 701(e) of the Federal Food, Drug and Cosmetic Act which has led to excessive delays. The dangerous impact of such an excessively formulistic procedure is well illustrated by what FDA Commissioner Schmidt has aptly labeled the infamous "peanut butter" case. In that case, a notice of proposed rulemaking on peanut butter standards was published on July 2, 1959, and the agency's order was finally affirmed by the court of appeals on May 14, 1970. I do not know if we can afford an 11-year delay in setting peanut butter standards, but I do know that the health and safety of miners cannot stand such delay.

The full text of the Product Safety Commission's conclusion on the relative merits of formal and informal rulemaking procedures follows:

REGULATORY PROCEDURES

Safety standards relating to performance are the basis of the regulatory scheme of recent laws such as the National Traffic and Motor Vehicle Safety Act, the Flammable Fabrics Act, and the Radiation Control for Health and Safety Act. On the other hand, standard-setting authority has never been utilized under the Federal Insecticide, Fungicide, and Rodenticide Act.

The Federal Hazardous Substances Act focuses primarily on labeling of hazards. It does not confer general authority to promulgate performance standards for hazardous substances. The Secretary may ban hazardous substances where the degree of hazard is such that label warnings are inadequate. Only two products have been banned since the Food and Drug Administration was given the power in 1966. This "all-or-nothing" approach does not permit the flexibility afforded by authority to set performance levels by regulation.

INFORMAL VERSUS FORMAL

The choice between informal and formal rulemaking procedures in standard setting has been a recurrent issue. Industry has generally regarded formal rulemaking proceedings as a necessary brake on the exercise of arbitrary Federal power due to protracted delays before standards take effect. Yet no industry standards body has ever entertained the notion that evidentiary formal hearings were the appropriate procedure for its *own* standards development activities.

Consumer spokesmen and Federal officials usually prefer informal procedures as more appropriate, expeditious, and effective.

The choice of procedure has a major bearing on the length of proceedings and, indirectly, on the efficacy of regulation. The burden of formal proceedings inhibits agencies which have only limited resources of manpower to commit to protracted hearings. In such circumstances the agency is under pressure to compromise if not to abandon its position.

When the public interest dominates, the agency is in a position to expedite action by means of informal proceedings, as opposed to formal. Informal rulemaking requires publication of notice plus the opportunity by interested persons "to participate in the rulemaking through submission of written data, views, or arguments with or without opportunity for oral presentation". Formal rulemaking requires the rule to be made on a record after the opportunity for a full hearing before an examiner with witnesses subject to confrontation and cross-examination.

DELAYED ACTION

Formal rulemaking proceedings on the record facilitate delay. The additional procedural steps—the need to marshal witnesses and allow cross-examination, the requirement of a formal record, the usual requirement of a report from the hearing examiner and argument on that report—all these elements of formal proceedings take time and money.

Delay in regulating potentially hazardous products may be especially significant when Federal agencies seem reluctant to take corrective action before formal proceedings are concluded. The Food and Drug Administration, for example, permitted marketing of carbon tetrachloride and class B fireworks to continue during administrative proceedings.

Our consultant commented:

"If a formal rulemaking proceeding to ban a product whose severe hazards are virtually common knowledge can take more than two years, one can only wonder how long would be . . . a proceeding involving more controversial issues. . . . The carbon tetrachloride case illustrates some of the difficulties and delays which can accompany formal rulemaking proceedings when . . . policy questions such as the propriety of a ban of an admittedly, highly toxic substance are considered in the context of a trial-type adversary proceeding. Especially disturbing is FDA's failure to use its power to ban a product during completion of the proceeding. Exercise of that power would have . . . provided a powerful incentive to all parties to expedite the proceeding".

Issues disposed of readily in informal rulemaking have been hung up for years in formal rulemaking proceedings. Within 2 months, the National Highway Safety Bureau effectively promulgated 20 initial standards—including controversial ones requiring seatbelts and shoulder harnesses. But a formal proceeding conducted by the Food and Drug Administration to ban carbon tetrachloride took more than 2 years.

Likewise, the test against which a standard will be judged upon appeal is more stringent following the exercise of formal rulemaking procedures. Agency findings must be supported by substantial evidence on the record. In formal rulemaking, the scope of review is limited to whether the agency has acted arbitrarily; material outside the administrative record may be used to support a determination.

Thus the result of formal rulemaking and its combined effects of complex procedures, added expenditure of agency resources, and possibility of detailed court review may well be to deter agency action initially or limit its effectiveness ultimately. As an FDA official told a Commission consultant regarding the agency action to ban class B fireworks, "I did not relish the thought of going into a hearing on our original proposal".

The question of whether formal or informal procedures should be used to promulgate safety standards is thought by some experts to depend upon the nature of the inquiry. If the conflict is to determine the rights between two parties, and "adjudicative" facts are to be determined, the formal procedures are better suited. However, where the issue involves a general policy decision affecting a wider group, the informal proceedings (analogous to those used by a legislative body) are preferable. In most instances relating to the development of safety standards of general applicability, informal procedures appear more appropriate.

ADDED PROCEDURES

Aside from the effects of rulemaking procedures on timing of regulations, delay is sometimes built into the statutory framework or is extended by the adoption of procedural regulations not required by law.

The Department of Commerce regulations require two separate and distinct proceedings before any standard can issue under the Flammable Fabrics Act. The first proceeding requires publication of notice that a standard "may be needed." Then, following "investigations of research" and a period of 30 days during which affected parties may comment, the agency either concludes there is no need for a standard or publishes a notice of a proposed standard with a second invitation for comment.

During either or both proceedings, the regulations guarantee, upon request, an oral hearing to any interested party. This procedure goes beyond the Administrative Procedure Act where the opportunity for such an oral presentation is discretionary, beyond the requirements of the Flammable Fabric Act itself, and certainly beyond the need to assure procedural integrity.

Once a rule or standard is prepared, the Secretary of Commerce must consult with the National Advisory Committee, which has 15 days to submit views on the proposed standard. Although the Secretary is not bound to heed their advice, this consultation further defers a decision.

When the Secretary's decision is published, any person who will be adversely affected has 60 days to petition for judicial review.

Finally, after allowing for dual proceedings, oral hearings, consultation, and judicial review, the Flammable Fabrics Act provides that standards shall not become effective until 1 year from the date of final publication. This lengthy process is at least in part responsible for the fact that the first partial flammable fabric standard was not issued by the Department of Commerce until April 1970, even though the expanded authority was granted in December 1967.

ARMED SERVICES SUBCOMMITTEE HEARINGS ON A BONUS AUTHORITY FOR BERRY PLAN PHYSICIANS IN THE ARMED FORCES

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, in the conference report on H.R. 12438, the military procurement authorization bill, the conferees extended the authority of the Defense Department to pay variable incentive pay to military physicians. These bonuses are necessary if the Armed Forces are to retain a sufficient number of physicians in the all-volunteer environment.

A problem has arisen, however, due to the situation of physicians who entered the Armed Forces under the Berry plan. Because the law prohibits payment of the bonus to those under initial obligated service, Berry plan physicians are not presently eligible for the bonus. The Berry plan physician is a highly trained specialist, and a serious morale problem has been created because these specialists are not eligible for the extra pay that other doctors receive.

Conference rules prohibited inclusion of Berry planners in the Variable Incentive Pay extension provision of H.R. 12438. The House conferees, therefore, indicated their intention to hold separate hearings on this situation to explore the possibility of extending bonuses to Berry plan physicians in the Armed Forces.

In line with that commitment, I wish to announce that the Military Compensation Subcommittee will hold a hearing on Wednesday, July 28, at 10 a.m.

Today, on behalf of Mr. O'BRIEN, the senior Republican member of the subcommittee, and myself, I am introducing legislation to provide authority for payment of bonuses to Berry plan physicians. Briefly, the bill would provide a bonus of up to $9,000 a year for a Berry plan physician serving his initial obligation of 2 years if he executes a written obligation to remain on active duty for 1 year beyond his obligation.

The bill would thus allow the Berry planner who normally has a 2-year obligation, to extend his service for at least 1 year and get paid a bonus for his remaining obligated service plus the additional time agreed to; the bonus for the obligated period would be limited to $9,000.

Mr. Speaker, I want to emphasize that this bill is being introduced as a vehicle on which to hold hearings and that neither Mr. O'BRIEN nor I are wedded to the provisions of this bill. But it is my understanding that the administration opposes a simple extension of the full bonus to Berry planners. It is hoped that we can get a bill which can gain Senate and administration support and which is fair to the physicians concerned and fair to the taxpayers. We are prepared to listen to alternative proposals.

Those wishing to testify may notify the committee by calling 225-1181.

SCHEDULED HEARINGS ON LEGISLATION TO REVISE THE MILITARY RETIREES' SURVIVOR BENEFIT PROGRAM

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, I am today introducing legislation, along with the gentleman from Illinois (Mr. O'BRIEN) to make revisions in the survivor benefit plan—SBP—for military retirees in several important instances.

I am scheduling hearings on this legislation before the Military Compensation Subcommittee, of which I am chairman, on Thursday, July 29.

The bill makes the following revisions in the survivor benefit plan:

First. Eliminates the irrevocable-election provision of present law.

The present program provides for deductions from retired pay for those who wish to leave an annuity to their survivors. But the election is irrevocable; it continues even if the spouse predeceases the retiree. This happened because the military program, when enacted in 1972, was modeled after the civil service program. The civil service program has subsequently eliminated the deduction when there is no eligible survivor. The bill would do the same thing for the military system.

Second. Reduces from 2 years to 1 year the duration-of-marriage requirement for a new spouse to be eligible for benefits.

At present a spouse who marries the retiree subsequent to his retirement must be married to him for 2 years before being eligible for benefits. Again, this resulted from modeling the plan after the civil service system. And again the civil service system has been amended to reduce the waiting time to 1 year. The bill would assure consistency.

Third. Provides cost-of-living increases for widows receiving benefits under the retired serviceman's family protection plan—RSFPP.

The RSFPP was the program in effect before the more liberal survivor benefit plan was enacted. It required a higher contribution and provided a fixed amount of annuity equal to 50 percent or less of the retiree's retired pay. The survivor benefit plan provides up to 55 percent of retired pay as an annuity and has a cost-of-living escalator built in; that is, survivor benefit plan payments are increased each time military retired pay is increased and by the same percentage amount.

The inflation of recent years has had a severe impact on those widows receiving RSFPP benefits. The bill would make them eligible for cost-of-living increases on the same basis as survivor benefit plan widows.

Fourth. Clarifies provisions of the survivor benefit plan to allow a retiree to leave benefits to children when there is a surviving spouse.

This was an interpretation originally intended by the Congress when the survivor benefit plan was enacted in September 1972. A Comptroller General decision has raised questions concerning the law, and the Department of Defense has requested this revision to clarify the intent.

The hearings will be open and those wishing to testify on July 29 should notify the committee promptly on 225-1181. In the time available to us we cannot attempt an extensive review of the entire survivor benefit plan. But we will be ready, as time permits, to hear those who wish to address other aspects of the program not covered in the legislation introduced today.

The bill we introduce today would make some needed revisions in an outstanding program of benefits for the families of military retirees. This program was established in 1972 after extensive work by a special subcommittee chaired by the distinguished gentleman from New York (Mr. PIKE). Mr. PIKE can take great pride in the institution of this important fringe benefit which has added significantly to the value of the estate of our retired career military personnel and which has brought financial security to many military widows.

A number of Members of Congress have introduced legislation dealing with the survivor benefit plan, including bills similar to some of the provisions of the legislation introduced today. I appreciate their concern for the military retiree and his family and the efforts they have made to bring about improvements in the survivor benefit plan.

With their cooperation we will attempt to expedite consideration of these improvements.

CO-OP LAW BIRTHDAY

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, I consider it a real pleasure to call to the attention of my colleagues the 50th anniversary of the passage of the Cooperative Marketing Act. I found it interesting to look back in history to the time this landmark piece of legislation was born.

The late Gilbert Haugen of Iowa was the chairman of the Committee on Agriculture in 1926, and he provided the main impetus to Public Law 69-450, which we honor today. Except for the late Clifford Hope of Kansas, this distinguished agricultural colleague was the most recent Republican chairman of the Agriculture Committee. He came from a State where cooperative sentiment was strong. His mastery of the legislative process is to be admired. This law which we commemorate this year was introduced on January 18, 1926, passed the House on January 26, then the Senate on June 29, and was before President Calvin Coolidge for signing on July 2, 1926. This kind of legislative speed is rarely matched today.

On June 30 I was pleased to honor this legislation in ceremonies held at the U.S.

Department of Agriculture. Greetings and tributes were read from all parts of the Nation.

So that Members may be aware of the great impact that the Farmers Cooperative Service has had on agriculture I would like to list some of the individuals and organizations which sent their greetings. They include: Vice President Nelson Rockefeller; R. R. Baxter, president of C. F. Industries, Inc.; Ralph H. Grimshaw, chairman, Sheep Industry Development Program, Ohio Sheep Improvement Association; Allan Grant, president of the American Farm Bureau Federation; Tony Dechant, president, National Farmers Union; George Voth, executive vice president of FAR-MAR-CO, Inc.; John R. Pitzer, president of the Pennsylvania Farmers' Association; L. C. Unfred, president of the American Cotton Growers; Richard D. Biglin, executive director of the American Sheep Producers Council; Owen K. Hallberg, president, American Institute of Cooperation; Charles A. Pratt, executive vice president and general manager of the National Livestock Producers Association; Patrick B. Healy, secretary of the National Milk Producers Federation; Stanley Dreyer, president of the Cooperative League of the U.S.A.; Ray Fitzgerald, president of Agricultural Cooperative Development International; W. Carlton Stewart, president, Missouri Fruit Grower's Exchange, Inc.; Royce C. Jordan, executive director of the North Carolina Rural Fund for Development; and the National Council of Farmer Cooperatives.

I join with them, as I know the entire House does, this July in saying "happy birthday" to a great American law.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Young of Alaska (at the request of Mr. Rhodes), from July 19, on account of official business.

Mr. Helstoski (at the request of Mr. O'Neill), for an indefinite period, on account of official business.

Mr. Pepper (at the request of Mr. O'Neill), for July 19 and 20, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hall of Texas) and to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. O'Neill, for 5 minutes, today.
Mr. Ashley, for 5 minutes, today.
Mr. Baucus, for 10 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Hanley, for 5 minutes, today.
Mr. Fuqua, for 5 minutes, today.
Mr. Matsunaga, for 5 minutes, today.
Ms. Holtzman, for 60 minutes, today.
Mr. Brown of California, for 10 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Sikes, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Phillip Burton, and to include extraneous matter, in his remarks on H.R. 14291 today.

(The following Members (at the request of Mr. Kindness) and to include extraneous matter:)

Mr. Bell.
Mr. Hagedorn.
Mr. Archer in two instances.
Mr. Rousselot.
Mr. Schulze in two instances.
Mr. Findley in two instances.
Mr. Gilman in two instances.
Mr. du Pont.
Mr. McCollister in two instances.
Mr. Crane in two instances.
Mr. Hyde.
Mr. Goldwater.
Mr. Bob Wilson in two instances.
Mr. McClory.
Mr. Mosher.
Mr. Frey.
Mr. Robinson.
Mr. Collins of Texas in three instances.
Mr. Walsh.
Mr. Brown of Ohio.
Mr. Rinaldo.

(The following Members (at the request of Mr. Hall of Texas) and to include extraneous material:)

Mr. Kastenmeier.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Mikva.
Mr. Downey of New York.
Mr. Vanik in three instances.
Mr. Mottl.
Mr. Vander Veen.
Mr. Teague in two instances.
Mr. Waxman in two instances.
Mr. Wolff in two instances.
Mr. Fraser in five instances.
Ms. Holtzman in 10 instances.
Mr. Harris in 10 instances.
Mrs. Keys.
Mr. Stokes in four instances.
Mr. Reuss.
Ms. Abzug in five instances.
Mr. Jones of Oklahoma.
Mr. Badillo.
Mr. Bingham.
Mr. Matsunaga in two instances.
Mr. Young of Georgia.
Mr. Bonker in two instances.
Mr. Rangel.
Mr. McDonald in four instances.
Mr. Eilberg in 10 instances.
Mr. Koch in six instances.
Mr. Nowak in five instances.
Mr. Litton.
Mr. O'Neill.
Mr. Risenhoover.
Mr. Scheuer in two instances.
Mr. Won Pat in two instances.
Mr. Moakley.
Mr. Wirth.
Mr. LaFalce.
Mr. Rogers in five instances.
Mr. Ottinger in two instances.
Mr. Lehman.
Mr. Biaggi in 10 instances.
Mr. Flynt.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3370. An act to amend the Small Business Investment Act of 1958 to increase the authorization for the Surety Bond Guarantee Fund; to the Committee on Small Business.

ADJOURNMENT

Mr. HALL of Texas. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 21, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3649. A letter from the President of the United States, transmitting the first annual report on executive branch activities under the Privacy Act of 1974, covering calendar year 1975, pursuant to 5 U.S.C. 552a(p); to the Committee on Government Operations.

3650. A letter from the Assistant Secretary of Agriculture, transmitting notice of a further delay in the submission of the Secretary's recommendations based on the advisory committee's report on methods of evaluation of the health benefits of the special supplemental food program, required by section 17(f) of the Child Nutrition Act of 1966, as amended (89 Stat. 520); to the Committee on Education and Labor.

3651. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations contained in the seventh annual report of the National Advisory Council on Economic Opportunity, and actions taken thereon, pursuant to section 6 (b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3652. A letter from the Acting Assistant Secretary of the Interior, transmitting a proposed amendment to a concession contract providing for the continued provision of overnight accommodations and related facilities and services for the public at the Kalaloch area of Olympic National Park, Wash., pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

3653. A letter from the Secretary of Transportation, transmitting the annual report on the financial condition of the Central Railroad Co. of New Jersey, pursuant to section 10 of Public Law 91-663; to the Committee on Interstate and Foreign Commerce.

3654. A letter from the Administrator, Federal Energy Administration, transmitting an amendment to the mandatory petroleum allocation and price regulations (Energy Action No. 5) exempting naphthas, gas oils and "other products" (including carbon black feedstocks, benzene, toluene, mixed xylenes, hexane, lubricants, greases, special naphthas (solvents), lubricant base stock oil and process oils), pursuant to section 12 of the Emergency Petroleum Allocation Act, as amended (89 Stat. 951) (H. Doc. No. 94–559); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

3655. A letter from the Secretary of Commerce, transmitting the annual report for the year ended March 31, 1976, on the Department's administration of its functions under the Marine Mammal Protection Act of 1972, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

3656. A letter from the Secretary of the Treasury, transmitting a determination waiving the imposition of countervailing duties on imports of leather handbags from Brazil for a temporary period not to extend beyond January 3, 1979, pursuant to section 303(e) of the Tariff Act of 1930, as amended (88 Stat. 2051) (H. Doc. No. 94–560); to the Committee on Ways and Means and ordered to be printed.

3657. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to authorize the Administrator of Veterans' Affairs to cooperate with the Secretary of Health, Education, and Welfare in providing immunization of certain veterans against swine flu, and for other purposes; jointly, to the Committees on Veterans' Affairs, and Interstate and Foreign Commerce.

3658. A letter from the Administrator, Energy Research and Development Administration, transmitting the second of two volumes containing the annual report updating the comprehensive national plan for energy research, development, and demonstration, pursuant to section 15(a) of Public Law 93–577; jointly, to the Committee on Science and Technology, and the Joint Committee on Atomic Energy.

RECEIVED FROM THE COMPTROLLER GENERAL

3659. A letter from the Comptroller General of the United States, transmitting his review of the deferrals and supplementary reports revising earlier deferrals contained in the message from the President dated July 6, 1976 (H. Doc. No. 94–548), pursuant to section 1014 (b) and (c) of Public Law 93–344 (H. Doc. No. 94–561); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 6521. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; with an amendment (Report No. 94–1349). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 10936. A bill to provide for the income tax treatment of amounts received on the sale of property the cost of which was deducted as a business expense; with amendments (Report No. 94–1350). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 14738. A bill to expedite a decision on the delivery of Alaska natural gas to U.S. markets, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. BINGHAM:

H.R. 14739. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individual who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

By Mr. BROOKS:

H.R. 14740. A bill to provide for the efficient and regular distribution of current information on Federal domestic assistance programs; to the Committee on Government Operations.

By Mr. BROOKS:

H.R. 14741. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to control the disposal of property by exchange; to the Committee on Government Operations.

By Mr. BROOKS (for himself and Mr. HORTON):

H.R. 14742. A bill to authorize procurement of janitorial, trash removal, and similar services for periods not exceeding 3 years; to the Committee on Government Operations.

By Mr. CARTER (for himself, Mr. GILMAN, Mr. HICKS, Mr. LUNDINE, Mr. MCKINNEY, Mr. SIKES, Mr. MATHIS, Mr. MIKVA, and Mr. GIBBONS):

H.R. 14743. A bill to establish the National Diabetes Advisory Board and to take other actions to insure the implementation of the long-range plan to combat diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER (for himself, Mr. GUYER, and Mr. HARSHA):

H.R. 14744. A bill to amend the Public Health Service Act to provide that the United States indemnify and hold harmless certain physicians and other health care personnel and health care facilities for civil liability for damages (other than damages for gross negligence) resulting from participation in the nationwide influenza immunization program provided for by Public Law 94–266; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER (for himself, Mr. DUNCAN of Tennessee, Mr. BROYHILL, Mr. HYDE, Mr. YOUNG of Florida, Mr. CONTE, Mr. EILBERG, and Mr. GIBBONS):

H.R. 14745. A bill to amend the Public Health Service Act to advance a national attack on digestive diseases; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 14746. A bill to amend title 5, United States Code, to remove the restriction that survivor compensation to any widow or widower will be terminated if such widow or widower remarries; to the Committee on Education and Labor.

By Mrs. FENWICK (for herself, Mr. RICHMOND, and Mr. PATTISON of New York):

H.R. 14747. A bill to terminate the authorization for the Tocks Island Reservoir project as part of the Delaware River Basin project, and for other purposes; jointly to the Committees on Public Works and Transportation and Interior and Insular Affairs.

By Mr. GILMAN (for himself, Mr. BURGENER, Mr. BRECKINRIDGE, Mrs. CHISHOLM, Mr. DAVIS, Mr. DERWINSKI, Mr. EDGAR, Mrs. HECKLER of Massachusetts, Mr. KOCH, Mr. LONG of Maryland, Mr. MINETA, Mr. OTTINGER, Mr. SCHEUER, Mrs. SPELLMAN, Mr. STARK, Mr. UDALL, and Mr. WALSH):

H.R. 14748. A bill to establish a commission to study the quality of instruction at the service academies; jointly to the Committees on Armed Services and Merchant Marine and Fisheries.

By Mr. KEMP (for himself and Mr. KOCH):

H.R. 14749. A bill to amend title 18, United States Code, relating to criminal offenses committed by terrorists; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. MAGUIRE, and Mr. D'AMOURS):

H.R. 14750. A bill to amend the Export Administration Act of 1969 to strengthen the antiboycott provisions of such act, to amend the Securities Exchange Act of 1934 to enhance investor disclosure provisions of that act, and for other purposes; jointly to the Committees on International Relations, and Interstate and Foreign Commerce.

By Mr. McCLOSKEY (for himself, Mr. RUPPE, Mr. DINGELL, Mr. ZEFERETTI, and Mr. OBERSTAR):

H.R. 14751. A bill to extend the coastwise laws of the United States to U.S. Virgin Islands with respect to the transportation in bulk by water of crude oil, unfinished oils, residual fuel oil, and finished petroleum products; to the Committee on Merchant Marine and Fisheries.

By Mr. MOAKLEY (for himself, Mr. LEHMAN, Mr. ZEFERETTI, Mr. PATTERSON of California, Mr. DOWNEY of New York, Mr. WAXMAN, Mr. MOLLOHAN, Mr. HUGHES, Mr. MURPHY of New York, Mr. KOCH, Mrs. SPELLMAN, and Mr. BADILLO):

H.R. 14752. A bill to amend section 205 of the Federal Power Act in order to revise the procedure for establishing new schedules of rates, charges classifications, or services; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN:

H.R. 14753. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. SYMMS:

H.R. 14754. A bill to amend medicare and medicaid provisions as they relate to rural health care facilities; to the Committee on Ways and Means.

By Mr. YOUNG of Florida (for himself and Mr. JEFFORDS):

H.R. 14755. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ASHLEY:

H.R. 14756. A bill to establish a national commission on neighborhoods; to the Committee on Banking, Currency and Housing.

By Mr. ASPIN:

H.R. 14757. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the label on certain food products to disclose the total sugar content thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLINS of Texas:

H.R. 14758. A bill to designate "God Bless America" as the national anthem of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. FITHIAN:

H.R. 14759. A bill to improve congressional oversight of the reporting and paperwork requirements of Federal departments and agencies; to the Committee on Rules.

By Mr. FITHIAN:

H.R. 14760. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. FOUNTAIN (for himself, Mr. Rosenthal, Mr. Fuqua, Mr. Mezvinsky, Ms. Jordan, Mr. Drinan, Mr. English, Mr. Levitas, Mr. Fascell, Mr. Ullman, Mr. Vanik, Mr. Flood, Mr. Smith of Iowa, Mr. Henderson, Mr. Rogers, Mr. Morgan, Mr. Koch, Mr. Gilman, Mr. Rose, Mr. Preyer, Mr. Hefner, Mr. Robinson, Mr. Alexander, Mr. Rinaldo, and Mr. Bedell):

H.R. 14761. A bill to establish an Office of Inspector General within the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Government Operations.

By Mr. FOUNTAIN (for himself, Mr. Harkin, Mr. Blouin, Mr. Gradison, and Mr. Bell):

H.R. 14762. A bill to establish an Office of Inspector General within the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Government Operations.

By Mr. JACOBS (for himself, Mrs. Keys, and Mrs. Heckler of Massachusetts):

H.R. 14763. A bill to provide for the enforcement of support orders in certain State and Federal courts, and to make it a crime to move or travel in interstate and foreign commerce to avoid compliance with such order; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 14764. A bill to permit the State of California to elect to remain a food stamp cashout State under the supplemental security income program even though it no longer qualifies for hold harmless treatment under such program; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mrs. Chisholm, Mr. Conte, and Mr. Mitchell of New York):

H.R. 14765. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit and to allow a deduction with respect to expenditures for residential solar energy equipment; to the Committee on Ways and Means.

By Mr. O'HARA:

H.R. 14766. A bill to establish a select joint committee on the olympics; to the Committee on Rules.

By Mr. PAUL:

H.R. 14767. A bill to amend the Equal Educational Opportunities Act of 1974 to prohibit any agency of the Federal Government from requiring schools or other educational institutions, as a prerequisite to the receipt of Federal funds, to provide such agency with access to certain records maintained by such schools or other institutions; to the Committee on Education and Labor.

H.R. 14768. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 14769. A bill to repeal certain provisions of law relating to the private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PAUL:

H.R. 14770. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. SCHEUER (for himself, Mr. Downey of New York, Mr. Badillo, Mr. Benitez, Mr. Lehman, and Mr. Zeferetti):

H.R. 14771. A bill to establish equal employment opportunities for individuals over 40 years of age under a nationwide program for full employment and balanced growth; to the Committee on Education and Labor.

By Mr. STRATTON (for himself and Mr. O'Brien):

H.R. 14772. A bill to amend section 313 of title 37, United States Code, to pay variable incentive pay to medical officers who participated in the Berry Plan, and for other purposes; to the Committee on Armed Services.

By Mr. STRATTON (for himself and Mr. O'Brien):

H.R. 14773. A bill to amend title 10, United States Code, to authorize cost-of-living adjustments of annuities under the retired serviceman's family protection plan, to suspend retired-pay deductions under the survivor benefit plan when there is no eligible spouse beneficiary, to reduce the duration-of-marriage requirement under the survivor benefit plan from 2 years to 1 year, and for other purposes; to the Committee on Armed Services.

By Mr. UDALL (for himself, Ms. Abzug, Mr. Badillo, Mr. Bedell, Mr. Coughlin, Mr. Edgar, Ms. Heckler of Massachusetts, Mr. Howard, Mr. Koch, Mr. Leggett, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Preyer, Mr. Rodino, Mr. Roybal, Mr. Simon, Mr. Waxman, and Mr. Charles H. Wilson of California):

H.R. 14774. A bill to designate certain endangered public lands for preservation as wilderness, to provide for the study of additional endangered public lands for such designation, to further the purposes of the Wilderness Act of 1964, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WYDLER:

H.R. 14775. A bill to provide for grants and technical assistance for the construction or acquisition by certain State and local authorities of facilities for the use or disposal of sewage sludge; to the Committee on Public Works and Transportation.

By Mr. DENT:

H.J. Res. 1024. A resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. KEMP (for himself and Mr. Koch):

H. Con. Res. 680. A resolution expressing commendation to the Government of Israel for its Entebbe airport rescue mission, disapproval of efforts to condemn or censure Israel for the action, approval of the position taken by the Government of the United States and of the United States-United Kingdom resolution, and requesting the President to initiate and engage in negotiations leading to an international agreement to curb terrorists acts; to the Committee on International Relations.

By Mr. KOCH:

H. Con. Res. 681. A resolution expressing the sense of Congress that the Attorney General, in accordance with existing law and U.S. humanitarian tradition, should parole into the United States those civilian Lebanese aliens not participating in the fighting in the civil war in Lebanon who are in danger of losing their lives as a result of such civil war; to the Committee on the Judiciary.

By Mr. PAUL:

H. Res. 1410. A resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN:

H.R. 14776. A bill for the relief of Aryeh Makleff; to the Committee on the Judiciary.

By Mr. BUCHANAN:

H.R. 14777. A bill for the relief of Alice Chancey Wingo; to the Committee on the Judiciary.

By Mr. SCHNEEBELI:

H.R. 14778. A bill for the relief of Kwi Sok Buckingham (Nee Kim); to the Committee on the Judiciary.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of July 19, 1976, p. 22550.

HOUSE JOINT RESOLUTIONS

H.J. Res. 985. June 14, 1976. Post Office and Civil Service. Expresses the sense of the Congress that the State of Illinois and the city of Chicago should host in 1992 the official celebration of the five hundredth anniversary of the discovery of America.

H.J. Res. 986. June 14, 1976. Post Office and Civil Service. Designates Flag Day, June 14, as a national holiday.

H.J. Res. 987. June 15, 1976. Judiciary. Proposes a constitutional amendment which provides that no law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened.

H.J. Res. 988. June 15, 1976. Ways and Means. Establishes a nine-member National Commission on Social Security. Requires the Commission to study and investigate title II (Old-Age, Survivors, and Disability Insurance) and VIII (Medicare) of the Social Security Act.

H.J. Res. 989. June 15, 1976. Post Office and Civil Service. Requests the President to proclaim the second week of May as "Municipal Clerks' Week."

H.J. Res. 990. June 15, 1976. Post Office and Civil Service. Authorizes and directs the President to issue a proclamation designating the week of October 10 through 16, 1976, as "Native American Awareness Week."

H.J. Res. 991. June 17, 1976. Judiciary. Proposes a constitutional amendment providing that the term of office of a Representative shall be four years. Limits the service of a Representative to three consecutive terms.

H.J. Res. 992. June 17, 1976. Post Office and Civil Service. Designates the month of October 1976 as "National Youth Volunteer Month."

H.J. Res. 993. June 18, 1976. Post Office and Civil Service. Designates December 10 of each year as "National Poetry Day."

H.J. Res. 994. June 18, 1976. Judiciary. Confers honorary United States citizenship upon General Jean-Baptiste Donatien de Vimeur, the Count de Rochambeau.

H.J. Res. 995. June 18, 1976. International Relations. Grants a letter of marque to Donal H. Rolfs, commander of the privateer *Cormorant*, belonging to the Down Jersey Marine Historical Society of the State of New Jersey.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 656. June 15, 1976. Judiciary. Expresses the sense of Congress that the Attorney General parole into the United States those South American aliens having fled to Argentina and those Uruguayans within Uruguary who are in danger of losing their lives because of their political beliefs.

H. Con. Res. 657. June 16, 1976. House Administration. Authorizes the Joint Committee on Printing to provide for the printing of a daily publication entitled "Today in Congress."

H. Con. Res. 658. June 16, 1976. Rules. Expresses the sense of the Congress of the United States that there shall be created for the House and Senate jointly an Office of Independent Auditor.

H. Con. Res. 659. June 18, 1976. Education and Labor. Expresses the sense of the Congress that students pursuing education in vocational schools or technical schools be treated on an equal basis with students in other institutions of higher education.

H. Con. Res. 660. June 22, 1976. Ways and Means. Expresses the sense of the Congress that no individual shall have any Federal benefits decreased as a result of an increase in social security benefits.

H. Con. Res. 661. June 24, 1976. International Relations. Expresses the sense of Congress that the Soviet Union should release Georgi Vins from imprisonment and allow freedom of religion in that nation.

H. Con. Res. 662. June 24, 1976. International Relations. Requests the President to negotiate with the Republic of Mexico for the exchange of United States citizens incarcerated in Mexico for Mexican citizens incarcerated in the United States.

H. Con. Res. 663. June 24, 1976. Judiciary. Expresses the sense of the Congress that the U.S. Constitution does not grant any immunity from arrest or prosecution on a charge of violation of any criminal statute of any jurisdiction to a Member of either House of the Congress.

H. Con. Res. 664. June 25, 1976. House Administration. Directs that additional copies of a booklet entitled "Women in Congress" be printed.

H. Con. Res. 665. June 28, 1976. Ways and Means. Expresses the sense of the Congress that no individual shall have any Federal benefits decreased as a result of an increase in social security benefits.

H. Con. Res. 666. June 28, 1976. Ways and Means. Expresses the sense of the Congress that no individual shall have any Federal benefits decreased as a result of an increase in social security benefits.

H. Con. Res. 667. June 29, 1976. Education and Labor. Expresses the sense of the Congress that the President call a White House Conference on Marriage and the Family in order to establish a national understanding of the role played by marriage and the family in the development of a viable society.

H. Con. Res. 668. June 30, 1976. Directs the Secretary of the Senate to make corrections in the enrollment of the bill (S. 586) to amend the Coastal Zone Management Act of 1972.

H. Con. Res. 669. June 30, 1976. Provides for a conditional adjournment of the Congress from July 2 until July 19, 1976.

HOUSE RESOLUTIONS

H. Res. 1263. June 7, 1976. Rules. Amends rule X of the Rules of the House of Representatives to permit a majority of the House to direct the Committee on Standards of Official Conduct to investigate complaints or resolutions involving alleged misconduct if the committee fails to undertake an investigation within 15 legislative days after the receipt of such complaint or referral of such resolution.

H. Res. 1264. June 8, 1976. International Relations. Expresses the sense of the House of Representatives concerning the civil strife in Lebanon.

H. Res. 1265. June 8, 1976. Interstate and Foreign Commerce. Calls for measures by Federal agencies to insure that the quality and quantity of free broadcasting service is not impaired by the development of pay television.

H. Res. 1266. June 8, 1976. Interstate and Foreign Commerce. Calls for measures by Federal agencies to insure that the quality and quantity of free broadcasting service is not impaired by the development of pay television.

H. Res. 1267. June 8, 1976. Sets forth the rule for consideration of H.R. 2525.

H. Res. 1268. June 8, 1976. Sets forth the rule for consideration of H.R. 11804.

H. Res. 1269. June 8, 1976. Sets forth the rule for consideration of H.R. 13367.

H. Res. 1270. June 8, 1976. Sets forth the rule for the consideration of H.R. 13490.

H. Res. 1271. June 8, 1976. Sets forth the rule for the consideration of H.R. 13601.

H. Res. 1272. June 8, 1976. Sets forth the rule for the consideration of H. Res. 1260.

H. Res. 1273. June 9, 1976. Sets forth, in response to a certain subpoena duces tecum, the Rules of the House of Representatives with respect to judicial process regarding personnel, Members, and documents of the House.

H. Res. 1274. June 9, 1976. Sets forth, in response to a certain subpoena duces tecum, the Rules of the House of Representatives with respect to judicial process regarding personnel, Members, and documents of the House.

H. Res. 1275. June 9, 1976. International Relations. Expresses the sense of the House of Representatives concerning the civil strife in Lebanon.

H. Res. 1276. June 9, 1976. International Relations. Condemns the Soviet Union's failure to observe existing international conventions to which it is a party, especially the restriction respecting the delivery of parcels.

H. Res. 1277. June 9, 1976. Sets forth the rule for the consideration of H.R. 9291.

H. Res. 1278. June 9, 1976. Sets forth the rule for the consideration of H.R. 13720.

H. Res. 1279. June 9, 1976. Sets forth the rule for the consideration of H.R. 14114.

H. Res. 1280. June 10, 1976. House Administration. Provides that the Committee on House Administration of the House of Representatives shall provide for the management and operation of the House restaurant and the cafeteria and other food service facilities of the House through the award of contracts.

H. Res. 1281. June 10, 1976. Interstate and Foreign Commerce. Calls for hearings by the committee with appropriate jurisdiction to consider and determine what should be the Nation's future telecommunications policy.

H. Res. 1282. June 10, 1976. Interior and Insular Affairs. Recommends that the Board on Geographic Names approve a proposal to name two mountains in Alaska after the late Congressmen Hale Boggs and Nick Begich.

H. Res. 1283. June 10, 1976. Sets forth the rule for the consideration of H.R. 9398.

H. Res. 1284. June 10, 1976. Sets forth the rule for the consideration of H.R. 13777.

H. Res. 1285. June 10, 1976. Provides that during the consideration of the bill (H.R. 14231) making appropriations for the Department of the Interior for the fiscal year ending September 30, 1977, specified provisions of the House rules restricting the consideration of appropriations shall be waived.

H. Res. 1286. June 10, 1976. Provides that during the consideration of the bill (H.R. 14233) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1977, specified provisions of the House rules restricting the consideration of appropriations shall be waived.

H. Res. 1287. June 10, 1976. Provides that during the consideration of the bill (H.R. 14234) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1977, specified provisions of the House rules restricting the consideration of appropriations shall be waived.

H. Res. 1288. June 10, 1976. Provides that during the consideration of the bill (H.R. 14235) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1977, specified provisions of the House rules restricting the consideration of appropriations shall be waived.

H. Res. 1289. June 10, 1976. Provides that during the consideration of the bill (H.R. 14236) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1977, specified provisions of the House rules restricting the consideration of appropriations shall be waived.

H. Res. 1290. June 10, 1976. Provides that during the consideration of the bill (H.R. 14239) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1977, specified provisions of the House rules restricting the consideration of appropriations shall be waived.

H. Res. 1291. June 10, 1976. Provides that during the consideration of the bill (H.R. 14260) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1977, specified provisions of the House rules restricting the consideration of appropriations shall be waived.

H. Res. 1292. June 10, 1976. Provides that during the consideration of the bill (H.R. 14262) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1977, specified provisions of the House rules restricting the consideration of appropriations shall be waived.

H. Res. 1293. June 11, 1976. International Relations. Condemns the Soviet Union's newest restriction regarding the delivery of parcels in international mail.

H. Res. 1294. June 11, 1976. International Relations; Ways and Means. Condemns the oppression of minorities in Rumania by the country's Communist regime.

H. Res. 1295. June 11, 1976. International Relations. Directs the President to furnish the House of Representatives information concerning the involvement of the U.S. Armed Forces, U.S. Embassy and multinational corporations in the Italian political crisis.

H. Res. 1296. June 11, 1976. House Administration. Provides that funds shall not be expended from the contingent fund of the House of Representatives for allowances to Members, officers, or standing committees of the House except through the adoption of a resolution by the House of Representatives.

H. Res. 1297. June 11, 1976. Rules. Creates a House select committee which shall conduct an investigation of all records, memorandums, papers, documents, books, and other information of any standing or select committee of the House or officer of the House respecting expenses incurred by or on behalf of any such committee or its members or employees.

H. Res. 1298. June 14, 1976. Rules. Establishes the House Committee on Intelligence to oversee and make continuing studies of the intelligence activities and programs of the U.S. Government.

H. Res. 1299. June 14, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the U.S. Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1300. June 14, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the U.S. Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1301. June 14, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the U.S. Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1302. June 15, 1976. Interstate and Foreign Commerce. Disapproves the Federal Energy Administration's proposal energy action No. 3 which would exempt No. 2 heating oil and No. 2–D diesel fuel from mandatory petroleum allocation and price regulations.

H. Res. 1303. June 15, 1976. Interstate and Foreign Commerce. Disapproves the Federal

Energy Administration's proposed energy action No. 4 which would exempt middle distillates (other than No. 2 heating oil and No. 2-D diesel fuel) from the mandatory petroleum allocation and price regulations.

H. Res. 1304. June 15, 1976. International Relations. Condemns the Soviet Union's failure to observe existing international conventions to which it is a party, especially the restriction respecting the delivery of parcels.

H. Res. 1305. June 15, 1976. Post Office and Civil Service. Designates Saturday, July 3, 1976, as "Christian Bicentennial Day."

H. Res. 1306. June 16, 1976. House Administration. Provides that funds shall not be expended from the contingent fund of the House of Representatives for allowances to Members, officers, or standing committees of the House except through the adoption of a resolution by the House of Representatives.

H. Res. 1307. June 16, 1976. Post Office and Civil Service. Provides that this resolution shall serve as a permanent monument to the memory of Maj. Gen. Arthur St. Clair.

H. Res. 1308. June 16, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the U.S. Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1309. June 16, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the U.S. Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1310. June 16, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the U.S. Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1311. June 16, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the U.S. Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1312. June 16, 1976. International Relations. Condemns the Soviet Union's failure to observe existing international conventions to which it is a party, especially the restriction respecting the delivery of parcels.

H. Res. 1313. June 16, 1976. Rules. Creates a House Select Committee on the Fiscal Problems of Cities which shall identify the nature and cause of problems afflicting large cities which face severe fiscal imbalance.

H. Res. 1314. June 17, 1976. Interstate and Foreign Commerce. Calls for measures by Federal agencies to insure that the quality and quantity of free broadcasting service is not impaired by the development of pay television.

H. Res. 1315. June 17, 1976. Interstate and Foreign Commerce. Calls for measures by Federal agencies to insure that the quality and quantity of free broadcasting service is not impaired by the development of pay television.

H. Res. 1316. June 17, 1976. House Administration. Provides that funds shall not be expended from the contingent fund of the House of Representatives for allowances to Members, officers, or standing committees of the House except through the adoption of a resolution by the House of Representatives.

H. Res. 1317. June 17, 1976. Rules. Amends rules XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution.

H. Res. 1318. June 17, 1976. International Relations. Condemns the Soviet Union's failure to observe existing international conventions to which it is a party, especially the restriction respecting the delivery of parcels.

H. Res. 1319. June 17, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the United States Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1320. June 17, 1976. Judiciary. Refers H.R. 14450 to the Chief Commissioner of the United States Court or Claims.

H. Res. 1321. June 17, 1976. Sets forth the rule for the consideration of S. 3201.

H. Res. 1322. June 18, 1976. Interstate and Foreign Commerce. Calls for hearings by the committee with appropriate jurisdiction to consider and determine what should be the Nation's future telecommunications policy.

H. Res. 1323. June 18, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the United States Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1324. June 18, 1976. International Relations. Directs the President to furnish the House of Representatives information concerning the involvement of the U.S. Armed Forces, U.S. Embassy and multinational corporations in the Italian political crisis.

H. Res. 1325. June 18, 1976. International Relations. Expresses the sense of the House of Representatives concerning the civil strike in Lebanon.

H. Res. 1326. June 18, 1976. Rules. Creates a House select committee which shall conduct an investigation of all records, memoraninformation of any standing or select committee of the House or officer of the House respecting expenses incurred by or on behalf of any such committee or its members or dums, papers, documents, books, and other employees.

H. Res. 1327. June 18, 1976. Rules. Creates a House select committee which shall conduct an investigation of all records, memorandums, papers, documents, books, and other information of any standing or select committee of the House or officer of the House respecting expenses incurred by or on behalf of any such committee or its members or employees.

H. Res. 1328. June 18, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the United States Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1329. June 21, 1976. House Administration. Provides that no payment shall be made from the contingent fund of the House of Representatives unless such payment is approved by a resolution adopted by the House of Representatives.

H. Res. 1330. June 21, 1976. House Administration. Provides that any statement furnished by the Clerk of the House to any Member relating to the expenditure of funds from any expense allowance shall be made available to the public.

H. Res. 1331. June 21, 1976. House Administration. Provides that any amount of the stationery allowance of a Member of the House of Representatives which is unexpended on the date of the adjournment of a session of the Congress shall be paid into the contingent fund of the House.

H. Res. 1332. June 22, 1976. Rules. Authorizes the hiring of a management consultant firm for the purpose of studying the personnel policies and practices of Members and committees of the House.

H. Res. 1333. June 22, 1976. House Administration. Directs that there be printed for use of the House of Representatives 1,000 additional copies of the program on the occasion of the presentation of the Magna Carta to the American people on June 3, 1976.

H. Res. 1334. June 22, 1976. Post Office and Civil Service. Expresses the sense of the House of Representatives that the United States Postal Service shall not close or suspend the operation of any post office unless there is a clear and compelling need to do so.

H. Res. 1335. June 22, 1976. Rules. Creates in the House of Representatives a Commission on Administrative Services and Facilities.

H. Res. 1336. June 22, 1976. House Administration. Provides that funds shall not be expended from the contingent fund of the House of Representatives for allowances to Members, officers, or standing committees of the House except through the adoption of a resolution by the House of Representatives.

H. Res. 1337. June 22, 1976. Rules. Establishes in the House of Representatives a select committee to be known as the Select Committee on Narcotics Abuse and Control.

H. Res. 1338. June 22, 1976. Interstate and Foreign Commerce. Disapproves the Federal Energy Administration's proposal energy action numbered 3 which would exempt number 2 heating oil and number 2-D diesel fuel from mandatory petroleum allocation and price regulations.

H. Res. 1339. June 22, 1976. Interstate and Foreign Commerce. Disapproves the Federal Energy Administration's proposed energy action numbered 4 which would exempt middle distillates (other than number 2 heating oil and number 2-D diesel fuel) from the mandatory petroleum allocation and price regulations.

H. Res. 1340. June 22, 1976. Sets forth the rule for the consideration of H.R. 4634.

H. Res. 1341. June 22, 1976. Sets forth the rule for the consideration of H.R. 7743.

H. Res. 1342. June 22, 1976. Sets forth the rule for the consideration of H.R. 12882.

H. Res. 1343. June 22, 1976. Sets forth the rule for the consideration of H.R. 13876.

H. Res. 1344. June 23, 1976. Elects Frank Thompson, Jr., Representative from New Jersey, as chairman of the Committee on House Administration.

H. Res. 1345. June 23, 1976. Rules. Amends rule X of the Rules of the House of Representatives to permit a majority of the House to direct the Committee on Standards of Official Conduct to investigate complaints or resolutions involving alleged misconduct if the committee fails to undertake an investigation within 15 legislative days after the receipt of such complaint or referral of such resolution.

H. Res. 1346. June 23, 1976. Rules. Amends rule X of the Rules of the House of Representatives to permit a majority of the House to direct the Committee on Standards of Official Conduct to investigate complaints or resolutions involving alleged misconduct if the committee fails to undertake an investigation within 15 legislative days after the receipt of such complaint or referral of such resolution.

H. Res. 1347. June 23, 1976. Rules. Amends rule X of the Rules of the House of Representatives to permit a majority of the House to direct the Committee on Standards of Official Conduct to investigate complaints or resolutions involving alleged misconduct if the committee fails to undertake an investigation within 15 legislative days after the receipt of such complaint or referral of such resolution.

H. Res. 1348. June 23, 1976. Agriculture. Calls for an assessment of the whey supply and for a research program to utilize whey more efficiently.

H. Res. 1349. June 23, 1976. Rules. Amends rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution.

H. Res. 1350. June 23, 1976. Rules. Establishes in the House of Representatives a select committee to be known as the Select Committee on Narcotics Abuse and Control.

EXTENSIONS OF REMARKS

BREATHING MAY BE HAZARDOUS TO YOUR HEALTH

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. WAXMAN. Mr. Speaker, the more that information is gathered, the clearer the picture we have of air pollution's harmful effects on our health, our material goods, and our quality of life. In the half-dozen years since the passage of the Clean Air Act of 1970, study after study has documented that neither the Congress nor the Environmental Protection Agency has erred on the side of caution in limiting emissions of air pollutants. If anything, our current air quality standards have been shown not to be strict enough. Although the pollution controls mandated by the Clean Air Act are designed to protect against the ravages caused by air pollution, the latest research clearly shows that the margins of safety provided by these standards are just barely adequate to meet this need. In many instances, deleterious health effects have been shown to occur at levels at or slightly below the primary standard—a standard which is often violated in several regions throughout the country. In other instances, researchers are doubtful that these emissions limitations are stringent enough to protect our population against cancer, mutagenesis, and birth defects—all of which may be associated with air pollution.

The most comprehensive and informative review of these issues to appear since the Clean Air Act of 1970 was written into law is contained in the Commerce Committee report (H. Rept. 94–1175) to accompany H.R. 10498, the Clean Air Act Amendments of 1976. Relying on the analyses of dozens of researchers and hundreds of studies, the committee's report lays out in clear and concise terms the compelling facts regarding the grave effects of air pollution and human health.

A recent column by Jack Anderson highlighted a few of the disturbing findings contained in the report. As the clean air legislation will be debated in the very near future, I urge my colleagues to review Mr. Anderson's column, and study the committee's report:

BREATHING MAY BE HAZARDOUS TO YOUR HEALTH

(By Jack Anderson)

Nine years after the first major attempt to curb air pollution, the Environmental Protection Agency is still "very uneasy" about whether the air is safe to breathe.

Not only could the air around us be hazardous to our health, but it may also be killing vegetation. An environmental phenomenon called "acid rain," for example, is destroying crops and even timber.

These ominous findings are contained in a report, which the House Interstate and Foreign Commerce Committee is preparing. The final draft declares tersely that the EPA is worried "about the adequacy of the margin of safety provided by the current air quality standards."

If sulphur dioxide pollution were only slightly worse than the standards allow, for example, people could die of air poisoning. Pollutants other than sulphur dioxide, the report adds, could leave a "slim" or "nonexistent" safety margin for the aged, sick, pregnant and infants.

The standards used to gauge pollution, according to the National Academy of Sciences, are unproved and possibly false. "It is impossible at this time," states the report, "to establish an ambient air concentration for any pollutant—other than zero—below which it is certain that no human beings will be adversely affected."

The report contends that the national standards "are not designed to protect against genetic mutation, birth defects or cancer which may be associated with air pollution."

It is now generally recognized, for example, that cancer stems 70 to 90 per cent from environmental causes. Despite improving cancer treatment, the report points out, "people died of cancer at a higher rate" during the first seven months of 1975 "than at any time since the government began keeping nationwide mortality data 42 years ago."

The report links the cancer increase with air pollution. Conversely, "the seriousness and frequency of pollution-related diseases have been reduced" in major metropolitan areas where pollution has been decreased.

There is "increasing evidence," according to the report, that pollution has an adverse effect not only upon public health but upon the public purse. The sulphur dioxide in the air is costing farmers uncounted millions in crop damage.

Studies discussed in the report show that crops suffer leaf damage, growth inhibition and actual destruction from airborne sulphur dioxide. Even at levels below the permissible standards, declares the report, "pollutants may have damaging effects on vegetation."

As a measure of the economic impact this has upon the harvest, it has been documented that sulphur dioxide pollution at half the allowable level has caused a 15 per cent reduction in the wheat yield.

What makes this all the more alarming is that much of the nation's wheat is grown in the Great Plains states where the massive use of coal is scheduled. The coal-fired industrialization, which is planned for this area, is a major source of sulphur dioxide pollution.

Not only wheat but other cash crops are susceptible to pollution damage. Among those listed in the report are barley, oats, oranges, peanuts, pine trees, soybeans, spinach and tobacco. These crops can be damaged, the report stresses, by air that is actually cleaner than the national standards allow.

The damage comes partly from "acid rain," which is formed by the sulphur dioxide mixing with the moisture in the atomosphere. One study shows that the acid rainfall has increased a disturbing 270 per cent between 1956 and 1973 in the eastern section of North America. In some small areas of the northeast, the average acidity of the polluted rain is equivalent to tomato juice.

This atmospheric tomato juice is potent enough in some places to destroy trees. The Forest Service is concerned about reports of a "substantial reduction in timber volume caused by chronic low levels of (sulphur dioxide) or acid rain."

Official concern has been heightened by Swedish estimates that by the year 2000, acid rainfall from as far as 600 miles away in Great Britain and other European industrial nations may wipe out between two and seven per cent of the entire Swedish softwood forest.

The report emphasizes the need for preventing the air we have now from getting worse. Without new air standards, for example, the air around the Grand Canyon will decline to a "secondary" level of sulphur dioxide pollution.

At that level, the air will sting the eyes of tourists and reduce visibility from the normal 70 miles to about 15 miles. Unless the pollution controls are tightened, other pollutants would reduce the visibility at the Grand Canyon to 12.5 miles or less. Today, on a clear day, tourists can see as far as 100 miles.

"It must be admitted," the report concedes, "that there is no hard cause-effect data now in existence showing that human cancer, birth defects or genetic breaks have occurred because of ambient air pollution levels now found in cities, towns and rural areas."

The long "lag time" of 20 to 30 years between the exposure to cancer-causing agents and the actual development of the cancer, notes the report, makes direct cause-and-effect difficult to establish. But the supporting data is grimly persuasive.

The report, echoing the words of the Council on Environmental Quality, argues that if scientific "certainty" is required before cancer-causing substances can be controlled, "counting dead bodies through an after-the-fact epidemiology study then becomes virtually the only way the government could prove its case."

ISRAELI RESCUE RAID HAILED BY ALL FOES OF INTERNATIONAL TERRORISM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BIAGGI. Mr. Speaker, the entire civilized world is still marveling at the daring and courageous actions taken by the Israeli Government to secure the release of some 100 hostages who had been seized by international terrorists and kidnapped to Uganda.

The Israeli effort is certainly to be commended by all foes of international terrorism. The seizure of the Air France jet enroute to Paris from Tel Aviv, was one of the most brazen acts of terrorism in recent times. It was obvious to the leaders of Israel that only strong and decisive military action would lead to the safe release of the hostages, for the terrorists and their prisoners were being harbored in Uganda, whose leader, President Amin, has repeatedly indicated support for terrorist acts.

Actual details of the Israeli raid are somewhat scanty because of the desire of the Israeli Government to maintain secrecy. However, what we have learned about the raid indicates that Israel planned and executed their rescue operation with the highest degree of accuracy and ultimate success. The bravery displayed by Israeli units in carrying out this dangerous mission is unquestioned.

Besides rescuing the lives of their countrymen, the Israeli raid has given a clear message—acts of terrorism shall not be tolerated. The concept of large-scale military actions to combat terrorism had not been utilized in the past, but it has been proven without doubt, to be a most effective means of aiding the innocent persons who become the sacrificial lambs of terrorists. Hopefully this strong demonstration by Israeli will deter future terrorism.

The raid was not without its tragic events. Once the Israeli commandos began their invasion of the Entebbe Airport, they were fired upon by surprised Ugandan troops. In the aftermath, three hostages and the brave leader of the Israeli forces, Lt. Jonathen Netanyahu, were killed. This was the only black mark on an otherwise successful action.

What made this raid even more significant, was that it was pulled off literally under the nose of President Amin, whose arrogance and support for the causes of world disruption and violence, makes him one of the more despised world leaders. Amin's threats of retaliation against Israel and Kenya must be closely heeded in the coming weeks, but hopefully, they are only idle utterances of a man who was clearly outsmarted on his own home field.

A lesson should have been learned from this action. Tepidness in dealing with international terrorism will only result in its continuation and perpetuation. Not only must we fight back against those engaged in terrorism, but also against those nations and leaders who harbor these terrorists. They are nothing more than accomplices to these violators of international law and they must be dealt with as such.

The nation and leaders of Israel are justifiably basking in their successes. They have bolstered a sagging national morale while also dealing a strong blow against the evil forces of terrorism. The sincere congratulations of this Congress and the American public are extended to President Rabin, Defense Minister Peres and of course, to the outstanding heroes who actually partook in the raid. Let the entire free world continue to be vigilant in its opposition to those forces which are bent on the promotion of world disorder and violence.

PERSONAL EXPLANATION

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. DU PONT. Mr. Speaker, on Monday, July 19, I was on business in Delaware and missed several recorded votes in the House. Had I been present, I would have voted in the following manner:

Rollcall No. 508, "aye."
Rollcall No. 509, "aye."
Rollcall No. 510, "aye."
Rollcall No. 511, "nay."
Rollcall No. 512, "aye."

SOCIAL SECURITY GRADE CREEP EATS INTO TRUST FUND RESERVES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. VANIK. Mr. Speaker, as everyone knows, because of high unemployment, inflation and, in the long run, a declining birth rate, the social security trust funds are declining and additional taxes will be required to insure the continuation of promised retirement and disability benefits. It is, therefore, more important than ever that the Social Security Administration operate with a minimum of redtape and administrative overhead.

I recently asked the Civil Service Commission whether any studies of possible grade creep or excessive numbers of high-grade personnel doing lower grade work had been conducted at the Social Security Administration. I have just received the following report from the Civil Service Commission which indicates serious trouble in Social Security employment and promotion policies.

> We have not conducted any special studies addressed specifically to "grade creep" or to the the numbers of high grade positions as SSA. However, our general personnel management evaluation coverage includes position management and classification and would deal with your concerns in that context. During Fiscal Year 1976 we concluded general evaluations at SSA Program Centers in Philadelphia and Kansas City, and at the Data Operations Center in Albuquerque. Program Centers are part of the Bureau of Retirement and Survivors Insurance (BRSI); the Data Operations Center is part of the Bureau of Data Processing.
>
> At the Philadelphia Program Center, 15 positions were desk audited to determine whether they were properly classified: 9 positions were found to be overgraded; 6 of them were at or above GS–11. In addition to requiring that SSA review and properly classify positions as indicated, we recommended that the Program Center initiate regular position management studies to review the classification, number, and mix (clerical vs professional) of positions within each organization on a systematic basis.
>
> At the Kansas City Program Center, 45 positions were audited: 8 positions were found to be overgraded; however, because of additional positions identical to those audited, downgrading could actually affect 17 positions, 4 of them at GS–12 and GS–13. Here again, we indicated the need for procedures for manpower control and regular classification review on the part of the Program Center.
>
> At the Albuquerque Data Operations Center we conducted a general personnel management evaluation in the fall of 1974, followed by a classification/position management review a year later. As a result of these reviews, a number of the supervisory and Data Entry Operator positions were found to be overgraded. Because a large segment of the Data Entry Operators positions are identical to positions located in other Data Operations Centers, we have been working closely with SSA and HEW to assure the proper alignment of these positions nationwide.

When 60 percent of the positions examined at one major field office are found to be overgraded, it is obvious that we are talking about enormous sums of money being diverted out of the trust funds for the payment of administrative costs rather than for the payment of benefits to the retired and disabled.

While the grade levels involved at the Albuquerque office are GS–3's and GS–4's in the $7,102 to $10,370 range, many of the other overclassifications are more serious. For example, a GS–11 is now starting for $16,255 and can range up to $21,133. A GS–13 now starts at $22,906 and rises to $29,782.

For the first time since its founding, the Social Security Administration faces some difficult days ahead. Administrative costs are already draining $2 billion a year away from the trust funds. It is past time for the administrators of the trust funds to begin to run a tighter operation.

THE IMPERIALS DRUM AND BUGLE CORPS

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. MIKVA. Mr. Speaker, there is a combined continuing Bicentennial celebration and youth organization "happening" in my congressional district in Illinois which makes obvious something which I believe has special national significance and promise for the future.

The Niles Township Bicentennial Commission in north suburban Chicago, involving Evanston, Skokie, and Morton Grove, has put full control for a large part of this year's important continuing Bicentennial commemorative festivities in the hands of a particular type of youth organization which I believe represents the Bicentennial spirit and a unique promise for communities nationwide.

This youth organization, the Imperials Drum and Bugle Corps, with 50 years of parading and field competition experience, is the Nation's most long term continuously operating corps. Now, as since its inception, it is organized as a community activity for youths 9 through 20 years, regardless of sex, race, and so forth.

Most members join with little or no previous experience and the organization provides professional instruction, instruments—many types of drums and other percussion instruments, plus bugle types and flags, and uniforms. This is general practice for all drum and bugle corps. Operating funds come from sponsoring organizations, booster clubs, and earnings from parades and field competitions.

Although the Imperials are the Nation's oldest corps, this type of activity has experienced most of its growth during the past 20 years and is accelerating rapidly. Hundreds of corps are now operating across America, though with the greatest concentrations in the Midwest and on both coasts. The three corps judged best this past year, for example, represented one from each of these regions.

This type of year-round activity is

contributing in a most wholesome physical and artistic manner as a youth activity, providing positive discipline, spirit, and cohesiveness—to say nothing of sheer entertainment. It is working, young persons respond to music, and today's drum and bugle corps play everything from popular to classic to jazz selections in their repertoires.

It seems, Mr. Speaker, that at a time when many public and private grammar and high schools are cutting back on their music and other programs, because of economic squeezes, that drum and bugle corps activity can more than fill that gap for our youth—and the entire community. I recommend it.

As the Nation is now beginning its third century, I cannot think of a more appropriate positive indicator of our continuing vitality than this involvement of our youth.

TULSA CARPENTERS SCORE HIGH MARKS

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. JONES of Oklahoma. Mr. Speaker, recently the Tulsa Carpenters' Union Local No. 943 participated in the union's State convention in Oklahoma City, Okla. The Tulsa Local No. 943 was fortunate to win all five divisions. They won first place in the first-, second-, third-, and fourth-year divisions in the carpenters' competition, and first place in the fourth-year cabinetmakers competition. In the past 4 years they have won 17 of the 18 possible contests in the same convention, establishing total domination in the competition.

In recognizing this fine organization, we should also acknowledge the importance this skilled trade has in the development of our homes and the growth of our cities. When mentioning the trade of carpenters we usually allude to the idea of cabinetmakers or minor work in the homes. We often fail to recognize how the carpenter trade warrants professionally. Since the beginning of our history we have had to use our hands to build and create. Throughout our communities we witness the mark of craftsmanship, and particularly in my district it is noticed a great deal more. We have an advantage over many other areas, in that, we are able to apreciate the craft because of many frame houses and buildings.

Despite our efforts to mass produce, the carpenters union has withstood the dilemma of advancing technology. The diligence of the craftsmen is characterized by their stamina needed for the trade.

I would also like to go on record that the expert work these people provide for their communities does not go unnoticed and we are appreciative for their services rendered. I am confident the demand for these skilled carpenters will increase as they are not easily substituted. They are an integral part of the building and developing industry.

POST OFFICE NEEDS COMPETITION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. CRANE. Mr. Speaker, the U.S. Postal Service is clearly in trouble. It is expensive, inefficient and, at the same time, in possession of a Government-mandated monopoly. With no competition, there is little incentive for it to improve its services or lower its costs. As long as it feels that its inefficiency will be rewarded by increased governmental appropriations, such inefficiency will continue.

At the present time, the private express statutes provide the Postal Service with a monopoly over the carriage of first class mail. Without competition there is no incentive to improve, to cut costs, to innovate, and ultimately to satisfy the postal consumer. The answer to our problems in this area will be found with an end to the private express statutes. Finally, interest in my long-standing legislative proposals to repeal the Government monopoly over the carriage of first class mail is growing. There are now 31 cosponsors in the House and two similar bills have been introduced in the Senate. The measure has also received the editorial support of such papers as the Chicago Tribune, the Chicago Daily News, and the Wall Street Journal.

In a recent syndicated column, Allan C. Brownfeld declared that:

> There is no logical reason for the government to have a first class mail delivery monopoly. . . . The Postal Service claims to make a profit only on the delivery of first class mail. It loses money on second and third class deliveries. Yet, private carriers, which are permitted to deliver second and third class mail, make a profit.

The U.S. Postal Service, Mr. Brownfeld notes, "is not a business, and does not have to make a profit. It is a bureaucratic Government body which has no incentive whatever to operate in an efficient manner * * * If we want postal service to be less costly and more responsive to our needs, the answer is clearly to restore competition."

"If we do not end the governmental monopoly," Mr. Brownfeld declares, "we will face only higher costs and drastic cutbacks in service. Now is the time to act * * *"

I wish to share with my colleagues the column, "First Class Mail Monopoly Stands In Way Of Necessary Competition," by Allan C. Brownfeld, as it appeared in the Phoenix Gazette of June 19, 1976, and insert it into the Record at this time:

First-Class Mail Monopoly Stands in Way of Necessary Competition

(By Allan C. Brownfeld)

Finally, everyone seems agreed that the U.S. Postal Service is too costly, too inefficient and too much of a burden to be carried any longer by American taxpayers. Unfortunately, it has taken too long a time for this conclusion to be reached.

Only six years ago, the Congress felt that increasing costs, rising subsidies and declining service required the creation of a quasi-governmental corporation to take over the delivery of the nation's mails. Why Congress felt that a "quasi-governmental" body would be any more efficient than an actual agency of government is difficult to understand. They have now discovered, of course, that it is not. Instead of inefficiency being corrected, there has been a 117 per cent increase in the first class postal rates (from 6 cents to 13 cents), a six per cent increase in the letter sorting error rate and, rather than self-sufficiency by 1977 as envisioned, a continuing increase in taxpayer subsidization.

After all of this, we now hear from Postmaster General Benjamin Bailar that, unless further cutbacks in service are implemented, the Postal Service is facing "a potential disaster." Among the cutbacks now called for are three-day-a-week delivery, curbside rather than doorstep delivery, and a further reduction in business mail delivery.

What Bailar seems not to understand is that the cutbacks he calls for can only make matters worse. In this connection, Rep. Philip M. Crane, R-Ill., points out that ". . . rather than solving the problem, cutting service simply exacerbates it. By making the service less accessible, people are discouraged from using the service, the volume of mail declines, and since labor costs cannot easily be reduced with cutbacks, further rate hikes are necessary. In short, a vicious cycle develops, one that is compounded by the fact that electronic transfers and the like are causing a reduction in mail volume anyway. Last year, for instance, mail volume dropped by nine-tenths of a percentage point, and from all indications this trend will continue."

Those who urge that the Postal Service be placed on a "pay as you go" basis by increasing the governmental subsidy are simply admitting that there is no way to make the delivery of the mail more efficient. If we were to follow this path, it is estimated that the cost of a first class letter might hit 36 cents by 1984 and that subsidies could rise as high as $3 billion in the next few years.

What is needed is an approach that offers an incentive for increased efficiency. Bureaucratic government management provides precisely the opposite—no incentive at all for efficiency! Today, by law, the Postal Service has monopoly power to deliver first class mail. While private carriers may deliver other classes of mail, they are forbidden by law from delivering first class letters. The result: we are a captive consuming public to the U.S. Postal Service and it, for its part, has no need to please us.

There is no logical reason for the government to have a first-class mail delivery monopoly. Economist Milton Friedman notes that "There have been many private ventures—including the storied Pony Express, which failed when the telegraph line (also private) reached California and provided even faster service. Many others succeeded—which was precisely what led postal officials to foster, over many decades, a succession of congressional enactments to outlaw private mail delivery." Dr. Friedman concludes that "Competition would benefit the general public!"

The Postal Service claims to make a profit only on the delivery of first class mail. It loses money on second and third class deliveries. Yet, private carriers, which are permitted to deliver second and third class mail, make a profit. The New Jersey based Purolator Company, the biggest in the private courier business with 1975 sales of $298 million, showed sales up 24 per cent last year.

The Postal Service is not a business, and does not have to make a profit. It is a bureaucratic government body which has no incentive whatever to operate in an efficient manner. Forbes magazine commented that "The Post Office is still more feathered and pork barrel than it is business." If we want postal service to be less costly and more responsive to our needs, the answer is clearly to restore competition.

The way to do this is simply by eliminating the Private Express Statues which give the U.S. Postal Service a monopoly in the delivery of first class mail. Such legislation has been proposed by Rep. Crane and Sen. James L. Buckley, R-C-N.Y. In addition, the President's Council of Wage and Price Stability has underscored the need for competition in the delivery of first class mail. The council declared that "... permitting competition to the Postal Service's first class mail service probably would result in significant benefits to the economy and to the mail user."

If we do not end the governmental monopoly we will face only higher costs and drastic cutbacks in service. Now is the time to act, and the legislation before the Congress would provide the freedom and incentive necessary for the efficiency which bureaucracy is incapable of providing.

BICENTENNIAL DEMONSTRATION WRAP UP: THE J4C

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. McDONALD. Mr. Speaker, the Castroite-dominated July 4 Coalition—J4C—held its long-planned counter-Bicentennial 2½-mile march and rally in Philadelphia on Sunday, July 4. The turnout for the J4C event was by actual head count some 15,000 people—far below the 50,000 to 80,000 planned by the J4C organizers. Fully half the J4C marchers were Puerto Ricans, many with no political affiliation, brought to the demonstration for a holiday outing in buses chartered by the Castroite Communist Puerto Rican Socialist Party—PSP—from northern New Jersey and New York City.

Other marchers included representatives of the American Indian Movement—AIM; small group of blacks from the Republic of New Africa—RNA—and African People's Socialist Party; a token contingent from the Socialist Workers Party—SWP—and larger contingents from the Mass Party Organizing Committee—MPOC; the New American Movement—NAM; the Venceremos Brigade—VB; and homosexual groups.

In an effort to find issues which could attract large number of people to the J4C, the coalition raised a broad spectrum of issues. These ranged from calls for an independent—and Marxist, PSP-controlled—Puerto Rico through opposition to birth control and sterilization for the poor, to cuts in Federal taxpayer funded social welfare programs; to support for equal rights for homosexuals, complete sovereignty for American Indians, and passage of the equal rights amendment.

The July 4 Coalition's day of activities officially started with an ecumenical service attended by some 470 people at the Church of the Advocate. Unofficially, demonstrators began assembling at the head of the march shortly after daybreak, while others littered the Church of the Advocate with their sleeping bags, rucksacks, and unwashed bodies. Scheduled participants included Paul Mayer, New York Theological Seminary; Rev. Paul M. Washington, rector, Church of the Advocate; Rev. Mama Stroble, Detroit prison and community activist; Rev. Daniel Berrigan; Marilyn Clement, Inter-religious Foundation for Community Organization—IFCO—and National Council of Churches; Rev. Roberto Pena, Association of Hispanic Priests for Religious, Economic and Social Rights; and George Lakey of the Friends Peace Committee.

Missing from the religious service was Philadelphia's Muhammad Kenyatta. As the "independent" Marxist-Leninist tabloid, the Guardian noted:

> Originally an active sponsor of the demonstration, Kenyatta resigned in late May * * * denouncing the J4C as a "bunch of white hippies." He later testified on behalf of the government, **falsely stating that the coalition might be planning violence because it had at one time been associated with the "Rich Off Our Backs" coalition, organized by the Revolutionary Communist Party."**

Commencing more than an hour late, in part due to a quarrel between the American Indian Movement contingent and the combined African People's Socialist Party/Republic of New Africa contingent as to which minority group should be the leadoff, the parade took place in a shabby, all-black residential area past abandoned and boarded up houses bordering Fairmount Park, and ended in an unkempt ballfield near the East Park Reservoir.

Support for domestic and foreign terrorists featured prominently in the banners and placards carried by July 4 Coalition demonstrators. The subjects of J4C support included confessed and convicted revolutionary bank robber Susan Saxe; Lolita Lebron and four other terrorists from the old Puerto Rican Nationalist Party who are serving prison terms for the attempted assassination of President Truman and the shooting of Members of Congress; the internationally active terrorists of the Palestine Liberation Organization; and the American Indian Movement which has used terror tactics against moderate American Indian opponents and others.

Banners included those stating—

> Free Lolita Lebron and All Political Prisoners; Remember Wounded Knee; Solidarity with the Palestinian People; National Independence for the Domestic Black Colony; Remember Attica; The Spirit of Mark Clark and Fred Hampton Lives; Stop Sterilization Abuse; Lesbians for Puerto Rican Independence—Your Struggle Is Our Struggle; Down with Racism from Boston to Soweto; Freedom for All African Prisoners of War; Jobs at Home Not Wars Abroad; Struggle to Build a New Communist International on a Real Trotskyist Basis—Global Class War to Smash Capitalism-Imperialism; Down with Apartheid—Power to Soweto; U.S. Out of Panama; Break the Blockade—End All Attacks on Cuba; Independence for Puerto Rico; Commie Faggots and Proud; Fight for Education by, for, and about Women; Free Susan Saxe; and Eat the Rich.

Alan Howard, the J4C "pressperson," described the march as "spirited, militant, and without disorder." Press agent Howard was no doubt referring by "spirited" and "militant" to such chants as "They Say Cut Back; We Say Shoot Back!"

Among those acting as general masters of ceremony and rally "chairpersons" were William Kunstler, who has recently sought to aid the Baader-Meinhof terrorists on trial in Stuttgart; his law partner for many years, Arthur Kinoy, founder of the Mass Party Organizing Committee; Walter Rodriguez, Puerto Rican Union of Actors and Technicians; and Helen Sobell, wife of Morton Sobell, convicted with the Rosenbergs of espionage conspiracy as a member of a Communist spy ring.

Others who spoke or performed at the July 4 Coalition rally included:

Rev. Frederick Douglas Kirkpatrick, a folksinger and performer at many radical rallies who represented Deacons for Defense and Justice, a clandestine vigilante "armed self-defense" organization active in the mid-1960's. Kirkpatrick is running for president as the candidate of the National Black Political Assembly.

Rev. Paul Washington, rector, Church of the Advocate.

Rev. Bernard S. Lee, Southern Christian Leadership Conference—SCLC—substituting for Ralph Abernathy.

Karen DeCrow, president of the National Organzation for Women—NOW—who spoke in support of the equal rights amendment. Miss DeCrow, attempting to present a more militant and "activist" image for NOW, brushed off the scattered jeers she received from some of the most extreme Leninist feminists with the comment, "the left hasn't cleaned up its act yet," obviously unlike Miss DeCrow's more sophisticated "act."

Dr. Helen Rodriguez, Committee to End Sterilization Abuse which charges a genocidal plot by the Government against poor minority women.

Juan Mari Bras, secretary-general of the Castroite communist Puerto Rican Socialist Party.

Harry X. Amana, columinist for a Philadelphia black newspaper, who read a message from convicted Charlotte 3 arsonist Jim Grant, one of the New Left's favorite "political prisoners," stating that "the people must wake up and rise up and direct their anger at this imperialist ruling class that runs our country."

Vernon Bellecourt, American Indian Movement.

Marie Runyon, now a New York State assemblywoman.

Dave Dellinger, who hoped that the J4C would set the stage for a new unity of "repressed groups" which would be the prime force behind a new revolutionary movement for "social justice."

Elaine Brown, chairwoman of the Black Panther Party and newly appointed member of the Berkeley School Board, who read a message from Congressman RON DELLUMS, calling for Puerto Rico's independence.

Milton Streets, a Philadelphia activist.

Joe Waller, African Peoples Socialist Party.

The Stalinist Old Left was represented by Helen Gurewitz Sobell, wife of convicted atom spy Morton Sobell. Mrs. Sobell's unabashed support of a convicted murderer—Gary Tyler—the self-proclaimed leader of the terrorist Black Liberation Army—Joanne D. Chesimard, alias Asata Shakur—a confessed revolutionary bank robber—Susan Saxe—and the leader of the Puerto Rican terrorists who shot several Members of Congress in this Chamber in 1954—Lolita Lebron—was described by Workers World, the newspaper of the "independent" Trotskyist Workers World Party which has attached itself to the Castroite movement in an effort to gain wider support for its eclectic, or less charitably, opportunist politics:

> Rally chairperson Helen Sobell, for 20 years the organizer of the Rosenberg-Sobell defense campaign, condemned the government for committing "massive injustices that rob us of our lives." She cited the huge prison system "teeming with Black, Chicano, Puerto Rican, and poor white people," and sent the demonstration's solidarity to "our comrades jailed in the struggle—Gary Tyler, Asata Shakur (Joanne Chesimard), Susan Saxe, and Lolita Lebron."
>
> Ms. Sobell read a letter to the rally from Asata Shakur of the Black Liberation Army. The U.S., wrote Sister Shakur, is "a country in the hands of a few, the Rockefellers, Mellons and Fords," while the poor and oppressed "are still enslaved after 200 years."

Juan Mari Bras, PSP secretary-general, described what he termed "U.S. colonial oppression" in Puerto Rico. This included the heavy investment of mainland capital in Puerto Rican businesses which provide jobs for thousands of island residents. Mari's speech was quieter in tone than usual and he did not draw the usual direct parallel between the PSP and the Cuban Communists which PSP Political Commission member Florencio Merced drew in July, 1975, when he said:

> Cuba and Puerto Rico are sister nations. In our joint struggle we think of San Juan as the former tyrannical Saigon of the Caribbean and of Havana as our Hanoi. That portion of our homeland which begins in San Juan will also be free and socialist.

The Guardian—July 16, 1976—reported that Mari Bras welcomed—

> in the name of the people of Puerto Rico struggling for independence (*i.e.*, the PSP), the solidarity expressed by Mr. Dellums in filing such a resolution in Congress. (Reference to H.J. Res. 1010, *Congressional Record*, July 2, 1976, pp. E-3822 and 3833).

The PSP leader noted:

> You know very well that independence for Puerto Rico is a blow against imperialism, and will be a victory for your people as well as us.

Mari outlined the unifying role the PSP's Cuban directed "independence" movement may play for the North American left:

> We believe very firmly that active solidarity with the struggle for Puerto Rico independence is already now, and should be in a growing degree, one of the fundamental issues and rallying points of the American left.

And, significantly, the Castroite Communist leader also made it clear that congressional resolutions and legal maneuvers for Puerto Rican "independence" were merely tactics, and that the PSP would continue to organize toward a revolution, asserting:

> We are prepared to struggle and fight for Puerto Rican independence and are organizing the Puerto Rican people to affirm unilaterally our right to self-determination without any previous accord of the U.S. Congress.

Again, Juan Mari Bras did not expand on the directions the "struggle" might take. However, he has specifically stated on several occasions that "armed struggle," that is, terrorism, was included on the agenda of possible tactics. Mari's colleague, Florencio Merced, concisely pointed out:

> Armed struggle is always the highest form of struggle. This is not to say that armed struggle is always the main form of struggle. The key to the success of the Cuban Revolution is found in the harmonious interrelationship of political mass struggle with the armed struggle of the vanguard and the armed struggle of the people of Cuba.

It was fitting and appropriate that the July 4 coalition rally began with a performance by the Maine Puppet Company, and ended with a severe thunderstorm.

Heavily dominated by the Puerto Rican Socialist Party, a Communist Party directed from Havana, and by pro-Cuban new left groups, the J4C was able to attract several thousand still active members of the most revolutionary segments of the "antiwar" movement of the 1960's. Demonstrators attended from such distant States as Georgia, Florida, Maine, Colorado, Vermont, Minnesota and Wisconsin.

The July 4 Coalition is the result of over a year of organizing involving the Puerto Rican Socialist Party and its supporters in the Weather Underground's Prairie Fire Organizing Committee—PFOC—the Venceremos Brigade, the Puerto Rican Solidarity Committee, and its closely allied groups.

First with the organizing of the Hard Times Conference held at the end of January in Chicago, and now with the July 4th demonstration, the Castroites believe that the basis has been created for a new, Cuban-oriented "New Left" political configuration with a Marxist-Leninist ideology and "anti-imperialist" goals.

A meeting of the July 4 Coalition Board preceded the demonstrations at which a continuation committee was created to develop a more permanent form for the J4C during coming months.

In analyzing the significance of the J4C consideration must be given to the range of groups who have accepted political direction in varying degrees from the PSP and who have been able to work together in coalition. They range from Castroite and terrorist support groups such as the PFOC and Venceremos Brigade, through the Mass Party Organizing Committee—MPOC—and the New American Movement—NAM—through small and militant racial minority groups such as the Republic of New Africa and African People's Socialist Party to the terrorism and violence-prone American Indian Movement which is being slowly brought under a semblance of control through the invaluable services of the National Lawyers Guild, the Native American Solidarity Committee, and the Castroites.

The necessity for building a "New Left" Cuban-directed and supported revolutionary party was made plain at the J4C demonstration. The Soviet-controlled Communist Party, U.S.A., which was among the J4C's earliest sponsors and which remains a major factor in J4C groups such as the Venceremos Brigade, is considered too rigid, hierarchical, and insufficiently militant by the New Left. It is noted that by mid-June, the Communist Party as an organization was pulling out of J4C activities and as the demonstration date drew near, ran articles in its official newspaper, the Daily World, publicizing the People's Bicentennial Commission—PBC—rally in Washington, D.C.

The "New Left" revolutionary party will be designed to fulfill a role analagous to that of the Chilean Socialist Party or of the Spanish Socialist Workers Party—PSOE—more militant and less rigid than the official Communist Party and using Havana as an intermediary with Moscow.

The two main Maoist Communist groups in the U.S.—the October League and the Revolutionary Communist Party—would not work within the J4C. The October League denounced the J4C as "loyal opposition to the ruling class" reflecting the Peking line that both the United States and Russia are "imperialist superpowers" and that denounces Cuba as a "lackey of Soviet imperialism." The Revolutionary Communist Party/Rich Off Our Backs group characterized the J4C as "an amalgamation of petit bourgeois opportunist flunkies."

Also opposing the J4C are Trotskyist splinter groups such as the Spartacist League which scorned the J4C as "a motley political bloc of phony revolutionaries, petit bourgeois pacifists, liberal clergymen, ethnic community groups and a handful of bourgeois politicians." For the Sparts, only their own group is revolutionary pure. The largest U.S. Trotskyist group, the Socialist Workers Party, the U.S. section of the Fourth International, had token representatives present selling Militants. Since the SWP clearly cannot control the J4C, they may choose not to work with it at all.

SEVENTH ANNIVERSARY OF THE LANDING ON THE MOON

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. FREY. Mr. Speaker, it is a pretty special day for all the men and women who have made science and technology in this country outstanding.

It is the seventh anniversary of the landing on the Moon—the greatest feat accomplished by this country in this century.

And, of course, we have landed on Mars. "A stunning accomplishment" according to this morning's newspaper.

I think these two milestones should bring to the attention of our people the fact that science and technology is our last frontier. That a nation that stops growing and does not try to conquer this frontier is going to slowly die.

We need more science—more breakthroughs. We need more people involved in it. It is this type of energy, this type of dedication that will solve many of the problems of this Nation.

I want to pay tribute to the men and women who have worked so hard on these missions and made these missions possible.

BARABOO NEWS REPUBLIC CALLS FOR CONGRESSIONAL ACTION TO PROTECT INDIVIDUAL FREEDOM AND PRIVACY

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. KASTENMEIER. Mr. Speaker, many of us have long been concerned with the potential power of the Government to invade the privacy of American citizens. While such concern clearly goes back to the founding days of our Republic, as evidenced by the strong safeguards against such Government intrusion provided in our Constitution, our sophisticated technology coupled with the sanctity long granted our intelligence gathering agencies, has created a threat more real than potential.

The chronicle of illegal and questionable activities by our intelligence gathering agencies is long and, by now, well known. Efforts are being made to make certain that we have, in fact, ferretted out all evidence of illegality and to take steps to assure that the Government cannot, and will not, threaten individual freedom and privacy.

The recent exposure of alleged illegal burglaries by the FBI during the past 5 years is a part of our ongoing inquiry into such activities. The Justice Department has undertaken an investigation of the charges that FBI agents disobeyed directives to end burglaries and other illegal actions aimed at left-wing groups. Director Kelley just this past week fired Nicholas Callahan, the No. 2 man at the Bureau. Certainly this must have been a difficult step for Mr. Kelley to take. In the absence of an official explanation for his action, however, we must assume that this step was deemed necessary in the effort to restore the Bureau's integrity.

The question of what more needs to be done, not just with the FBI, but with other arms of the Government which have violated the peoples' rights, remains an open question, but one which must be thoroughly examined and addressed as a top priority issue. The urgency of this matter was recently pointed out in an editorial which appeared in the July 2 edition of the Baraboo, Wis., News Republic. The editorial, which I would like to share with my colleagues, follows:

THE FBI MUST DESIST

When will it ever cease? This is the only thought that came to mind when we read recently in the "Los Angeles Times" that "at least 20 FBI agents are under federal investigation for alleged illegal burglaries during the last five years—long after the FBI said such so-called black bag jobs ceased. Burglaries were said to have been conducted against groups and individuals the FBI considered "extremists" primarily in the New York area."

In many ways we have great respect for the Federal Bureau of Investigation. It is an absolutely essential bulwark against perpetrators of federal crimes.

Even more basic than the role of the FBI, however, is the right of every American to feel that his or her home is one's castle and that the government, represented by the FBI, will not burglarize our homes or offices to illegally gain information about our activities.

Equally disturbing is the fact that FBI officials said that former FBI director J. Edgar Hoover, called off black bag jobs in 1966. The existence of much more recent illegal operations by the FBI is likely to raise the question of whether all such actions have really been shut off?

Also disturbing is the fact that the Senate Intelligence Committee which was chaired by Senator Frank Church and recently completed its investigation of illegal activities of American security agencies, apparently was precluded from having information about the FBI breakins.

Meanwhile, a Washington attorney who had been approached to represent the accused agents said that the burglaries were carried out "in the name of security within the scope of their employment, under the direction of their supervisors and without any personal aggrandizement."

Surely, it is time that Americans found out whether or not our basic freedoms to privacy, free speech and free thought are being monitored by the FBI.

It is also time that the Congress took such action as is necessary to stop giving those public employes whom we pay the right to take away our most precious American heritage—freedom and privacy.

FEDERAL INCOME TAX DEDUCTION TO TENANTS FOR PROPERTY TAXES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BINGHAM. Mr. Speaker, I am introducing today a bill to allow tenants a tax deduction for that portion of their rent which goes for the payment of property taxes. Tenants deserve to be treated with the same consideration that is given to homeowners and landlords.

For years now, homeowners and landlords have received a Federal tax deduction for their property tax payments. People who live in rented houses or apartments also pay property taxes. The problem is that their portion of those taxes is hidden within their rent payments. Up to 25 percent of a rent charge can in actuality be going to pay the landlord's property tax bill. When property taxes go up for the landlord, the tenant's rent often goes up too. At the present time, however, there is no tax deduction allowed for tenants.

With the high cost of homeownership today, many people, especially city residents, live in rented dwellings. Across the Nation 36 percent of Americans live in rented houses or apartments. In cities this figure is 50 percent and in some cases the percentage is even higher. These tenants should receive the same tax deduction for their portion of property taxes as is given to the homeowner and landlord. This bill will in no way adversely affect homeowners or landlords.

It is time to correct the tax code to remove an inequity that penalizes a large segment of our population.

REPORT ON TRANSPORTATION FOR OLDER AMERICANS, "SENIOR TRANSPORTATION: TICKET TO DIGNITY," NOW AVAILABLE TO MEMBERS AND THE PUBLIC

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. MATSUNAGA. Mr. Speaker, I am pleased to announce to Members of the House that copies are now available of the report, "Senior Transportation: Ticket to Dignity," which the Select Committee on Aging approved at its last meeting.

The report was prepared by the select committee's Subcommittee on Federal, State, and Community Services, which I am privileged to chair.

The report is about transportation for older Americans. The subcommittee makes a total of nine recommendations on steps to be taken to give senior citizens that all-important "ticket to dignity."

Mr. Speaker, the subject of transportation is one that was, in a way, thrust upon my subcommittee. No matter where we scheduled field hearings, no matter what the announced agenda, witnesses testified time after time about the crying need for transportation services for the elderly in their respective areas.

And so the Subcommittee on Federal, State, and Community Services began a more formal inquiry into the transportation difficulties being experienced by older Americans, and how best to deal with them. Hearings were held in Washington, in California, in New Jersey, and in Connecticut. In those hearings alone, some 57 witnesses testified, and dozens of statements were submitted for the record. These totals do not include the witnesses who talked about transportation at hearings not focused on transportation. In Iowa, in Nevada, in Los Angeles, in Alabama, in Hawaii, in Pennsylvania, older people themselves and those who serve them pleaded with the committee to deal with the acute mobility problems.

We have had the benefit, Mr. Speaker, of the counsel and advice of one of the most prominent transportation economists in America, Joseph Revis. Mr. Revis, who was the author of the so-called "state-of-the-art" report submitted to Congress by the Administration on Aging, served as a consultant to the subcommittee in putting together the report we are considering.

The basic dimensions of the problems are set forth in the first section of the report, and the second section lists most of the major Federal programs that fund transportation services to the elderly. I might point out, Mr. Speaker, that that section itself will be a useful tool for people in the field trying to find out what is available from the Federal Government to help transport the elderly.

The third section—the longest section—describes the gaps in service that remain despite the programs described earlier. Finally, there is a series of recommendations. The recommendations call for actions by the Congress, the executive branch, and State and local governments.

MAJOR RECOMMENDATIONS

First. Perhaps the most obvious deficiency in the present situation is the duplication of effort and lack of coordination among the various agencies, at all levels, dealing with transportation for the elderly. Almost all social service agencies spend money on transportation, and almost all of them ignore other organizations with similar programs. One witness from Rhode Island, who runs a statewide transportation system for the elderly, identified 375 different agencies that had money available to pay for transporting the elderly.

This example is closer to being the rule, rather than the exception. The report recommends that Congress require coordination in new programs it enacts, or old ones it reenacts. We recommend that the President cut through redtape and issue waivers of regulations to permit pooling and coordination. We recommend that social service agencies be required to go to their local transit agencies before setting up their own insulated transportation system consisting of a van or two.

Second. The other major focus of our report is in the area of funding. There are several aspects to the problem.

One is that Federal funding tends to be temporary. Projects are started but cannot be continued, and the people served for a short time are so disappointed that the last state of the population is worse than the first. Federal funds are also skewed toward capital expenses—buying the buses and equipment—rather than toward running the system after the equipment has been provided. Yet the subcommittee found that 80 to 90 percent of total project costs go to operating, rather than capital, expenses. This is particularly true in rural areas, where distances are farther and population less dense.

Our report recommends that Federal funding emphasis be shifted more toward operation, rather than capital purchases, and calls on the Public Works and Transportation Committee to examine very closely the implications of such a shift on the need for increased appropriations.

One last major recommendation I would like to note especially for the committee this morning has to do with a group of older people we refer to in our report as the "not-poor-enough" elderly. There are 3 million Americans aged 65 or older with incomes under the poverty level. Where there are special Federal transportation programs, these people can take advantage of them. But there are another 4 million older Americans with incomes of between $3,000 and $5,000—too poor to purchase the transportation services they need in the marketplace, but too "rich" to qualify for the special systems in existence for the poorer elderly.

We recommend that the elderly be exempted from social services "means tests" except where absolutely necessary.

There are other important recommendations in the report, but in the interest of brevity I commend to Members of the House not only the report, but the eight-page summary, reprinted at the beginning of the report, which sets out the fundamental findings and recommendations of my subcommittee in an easily readable fashion.

I must say a word, Mr. Speaker, about the fine cooperation I have received from the minority members of my subcommittee, particularly the ranking minority member, the gentleman from California (Mr. WILSON). He has supported me in every important initiative I have undertaken over the last year as chairman, and that support was particularly noteworthy in the production of this report. I want to take this opportunity to thank and commend him.

Finally, Mr. Speaker, I would like to add a note of urgency. At the 1971 White House Conference on Aging, the report on transportation noted that "the transportation needs of the elderly cannot wait for more studies. Immediate action is needed." In the 5 years since that report was issued, one-third of the older Americans alive at the time have died. There is no time to waste, Mr. Speaker, and I truly believe that the steps we recommend represent a healthy beginning in meeting the acute mobility needs of older Americans today.

LATE PARLIAMENTARIAN LEWIS DESCHLER

HON. JAMES A. HALEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. HALEY. Mr. Speaker, I certainly share the sentiments which you have already expressed to the House regarding our former and late Parliamentarian Lewis Deschler.

Lewis Deschler served the House of Representatives as Parliamentarian an unprecedented 46 years gaining recognition as an expert in parliamentary procedure the world over. I am confident his new book of Rules of Procedure will be used as a basic text of parliamentary law for years to come, and am certain that Lew Deschler will long be remembered as the greatest Parliamentarian in the history of the House of Representatives.

It was, therefore, my own pleasure and good fortune to have been able to serve in the House while Lew Deschler served as House Parliamentarian. His passing is a great loss, and his family has my sincere sympathy.

NATIONAL POWER GRID

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BADILLO. Mr. Speaker, last April 29, I filed a bill (H.R. 13451) which would create a national power grid corporation for the purpose of equalizing our Nation's regional bulk electric power distribution. This measure would obviate the need for any utility's building unnecessary levels of power capacity in order to meet peak load demands in our densely populated urban areas. Rather, electrical power could be shipped in bulk from any point in the Nation to meet the increased needs as they arise. As a result of the national power grid, our electrical energy capacity could be used more fully, at a greater constant percentage of its potential. This would save the cost of unused peak capacity and the electrical energy consumer would be getting more for his/her dollar.

Recently, this concept has met with increasing acceptance from several major energy networks. Actual facilities are now being constructed to facilitate the development of a national power grid. This type of grassroots, national support is reflected in the following article, which I now offer for inclusion in the CONGRESSIONAL RECORD, as written by Mr. Reginald Stuart in the New York Times and published on May 25, 1976:

PROJECT IS MOVING NATIONAL POWER GRID NEAR REALITY

(By Reginald Stuart)

Special to The New York Times

STEGALL, NEBR.—The establishment of a nationwide electric power grid is moving closer as construction here nears completion on the first permanent tie between the huge Eastern and Western power grids.

At present, both grids terminate in this isolated southern Nebraska community. The towers of each are separated by only a few hundred yards of wheatfields and a narrow, lightly traveled road. The power networks covering the Eastern and Western parts of the nation meet at a point about 200 miles east of the Continental Divide.

Once completed, the tie—a transmission station—will enable utilities in this region to make routine exchanges of small amounts of power between the grids, just as utilities in other parts of the nation do within the same grid on a larger scale. The link is scheduled to be completed in October.

Although it is the lone project of its type linking the Eastern and Western power networks, and a small one at that, the transmission facility could be viewed as a first step to development of a full-scale high-capacity power East-West grid capable of transmitting vast amounts of power from huge generators for consumption in areas hundreds of miles away.

In recent years there has been considerable debate over the merits of such a grid. A study on the subject by the Congressional Research Service was recently released by the Senate subcommittee on minerals, materials and fuels.

"Some people might say this facility is like the first bridge across the Mississippi," said Wendell J. Garwood, executive vice president of the Tri-State Generation and Transmission Association, the rural wholesale power cooperative that is building the facility to meet the growing demand for electricity in its three-state service area.

"That bridge is probably long since gone, but succeeded by more and better ones."

Tri-State, organized in 1952 to plan action to meet the power needs of the area, serves 25 rural electrical cooperatives in Colorado, Wyoming and Nebraska.

The $13-million transmission link will have an average capacity of 100 megawatts, small when compared to the 500,000-megawatt transmission capacity of the nation's entire electric power system.

Designed by the General Electric Company, it is part of a larger project that will enable Tri-State to buy power from the Basin Electric Power Cooperative, which operates in eight sates—Montana, Nebraska, Wyoming, Colorado, North Dakota, South Dakota, Minnesota and Iowa. The Basin Cooperative is building a $1.3 billion 1,500 megawatt coal-fired power plant in Wheatland, Wyo., the major part of the project.

The link consists of two solid-state converters, each of which will include two 25-kilovolt, 2,000-ampere valve assemblies that will convert alternating current to direct current, then back to alternating current.

Power exchanges between electric utilities have been commonplace in much of the industry for several decades, particularly in densely populated areas. However, in sparsely populated areas with little industry, ties have been temporary or nonexistent.

NEW YORK BLACKOUT RECALLED

Increased emphasis on interconnection of utilities for meeting emergency power needs and strengthening reliability followed the devastating New York blackout in the fall of 1965.

PLANNERS BUSY

"Planning on a systematic basis was enhanced and systems began to beef up their connections," said W. Donham Crawford, president of the Edison Electric Institute, the trade association of investor-owned electric utilities.

Although smaller ties such as the one nearing completion are likely to be the extent of East-West grid connections in the near future, the possibility of high-capacity links is attracting increasing interest.

Although the economicts are the subject of considerable debate, the Congressional Research Service study found that there was no long-term barriers to the "successful operation of a strong, high-capacity, fully coordinated national power network," although the technology to enable this is still uncertain.

"We expect the national grid to evolve whether or not a deliberate effort is made to aceclerate its development," the report said.

The Edison Institute is opposed to a new high-capacity system, arguing that the "alleged benefits" of a high-capacity network "are already provided" by existing electric power systems. Numerous other groups, especially public power systems, have disagreed.

PERSONAL STATEMENT

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mrs. KEYS. Mr. Speaker, one of my campaign promises was to record a position on those votes for which I was unavoidably absent. I have fulfilled that promise. However, not all of my positions on those votes for which I was absent are recorded in the CONGRESSIONAL RECORD. In order that the official record have an account of my positions, I hereby insert the votes I would have cast had I been present:

FIRST SESSION

Rollcall No. 53, "aye."
Rollcall No. 299, "yea."
Rolcall No. 329, "yea."
Rollcall No. 361, "yea."
Rollcall No. 477, "yea."
Rollcall No. 478, "yea."
Rollcall No. 479, "yea."
Rollcall No. 587, "no."
Rollcall No. 674, "yea."
Rollcall No. 701, "yea."
Rollcall No. 702, "yea."
Rollcall No. 715, "yea."
Rolcall No. 722, "yea."
Rollcall No. 723, "yea."
Rollcall No. 724, "yea."

SECOND SESSION

Rollcall No. 68, "yea."

THWARTING THE NATIONAL WILL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. RANGEL. Mr. Speaker, the President has once again demonstrated his power to strike down important pieces of legislation passed overwhelmingly by the Congress. S. 3201, the public works employment bill, can now be added to the truly impressive list of social legislation which, by means of the veto, he has forced the Congress to pare almost beyond recognition or abandon completely. Americans who seek jobs, improved day care facilities, or better housing all have been victimized by the President's actions. Mr. Ford's reasoning is simple, but flawed. Social programs, he claims, are inflationary; but why the $8 billion proposed increase in defense spending is not, remains unexplained.

Contrary to the intent of the framers of our Constitution, Mr. Ford clearly has used the veto to thwart the legislative initiatives of the Congress and impose his own social and political philosophy on the legislative branch. Senate majority leader MANSFIELD put it most succinctly when he said:

> The veto was intended by the Founding Fathers to afford the Chief Executive the authority to prevent an unconstitutional action by the legislative branch of government. It was not intended by the Founding Fathers to give the Chief Executive's personal viewpoints on policy a prevailing judgment over the elected legislature.

I am pleased to insert into todays RECORD a thoughtful article by the president of the Industrial Union Department of the AFL–CIO, Mr. I. W. Abel. Its message is particularly relevant in light of the veto of S. 3201, despite pressure from Democrats and Republicans alike. The only way for the Congress to reassert itself in this unfortunate battle with the executive branch is to exercise its power to override. I hope that we do precisely that when S. 3201 comes before us.

Mr. Abel's words follow:

THWARTING THE NATIONAL WILL: PRESIDENT FORD IS MISUSING THE VETO

(By I. W. Abel, President, Industrial Union Department)

With mounting dismay, we have watched the Ford Administration follow in its predecessor's footsteps, misusing the power of the presidential veto to impose a form of minority rule on the United States.

President Ford, the first to reach that office without national election, has almost routinely used the veto to stymie passage—by an elected Congress—of legislation urgently needed to restore economic and social progress to the nation. By following the Nixon lead in frustrating the will of the elected majority, President Ford has ignored the precedents of our history; traditionally the veto has been a careful instrument unsheathed mainly to prevent unfair concessions to special interest or to defend constitutional issues.

In President Ford's hands, the veto has changed from a constitutional defensive sword to a club used to smash efforts of the majority to solve the delicate social and economic problems of the day. In this issue of Viewpoint, we take a careful look at the effects of the Ford vetoes on some of these major issues. Efforts to return the unemployed to work, to alleviate the problems of the sick and the poor, to reinvigorate key sections of the economy, and to come to grips with energy-related problems have fallen victim to the veto.

It is obvious that the Nixon-Ford veto record must be condemned on two counts. One is that the White House must be occupied by a President dedicated to the use of constitutional powers in their proper manner and to the benefit of our country and its democratic ideals. The other is that the continuing damage to our social fabric caused by this outpouring of vetoes must be corrected at once.

TRIBUTE TO PHILIP E. HOWARD

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. EDWARDS of California. Mr. Speaker, it was with great sorrow that I learned of the tragic and untimely death of Gene Howard over the congressional recess. Since 1968 Gene had been a member of the staff of the Committee on Veterans' Affairs, and all of us who serve on the committee have come to depend on his keen perception of veterans needs and problems and his wise counsel and sound judgment in formulating solutions to those problems.

Gene's life was dedicated to the service of veterans and their families. An Army veteran of World War II, he became actively involved in Amvets upon his release from the service. His considerable talents and devotion to duty were soon recognized by this fine veterans organization and he eventually rose to the position of executive director of Amvets—a position in which he served from 1956 to 1962.

With an outstanding record of achievements for Amvets and for veterans throughout the country, Gene gained a reputation in veterans circles as a man who could get the job done. In

1964 he became special assistant to the Administrator of Veterans' Affairs, William J. Driver. In his 4 years in this position, Gene worked closely with President Lyndon Johnson, with the Congress, and particularly with those of us on the Committee on Veterans' Affairs. Again, his commitment to improving the system of these services to veterans is evidenced by a solid record of accomplishments.

Gene became a member of the staff of the Committee on Veterans' Affairs in 1968. I know that in the years I had the good fortune of working with him, I always found him helpful, dependable, and totally dedicated to the cause of veterans. He will be deeply missed. My profound sympathy goes out to his wife and family.

ENERGY SUPPLY—THE SOMETIME PROBLEM

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. PICKLE. Mr. Speaker, when the oil embargo went into effect, everyone felt the pinch and there was much flurry and fuss about energy supply. But the embargo eventually ended and things returned to normal—albeit at a higher price. We have made some progress, but largely it is "consume" as usual for the average citizen. The end of the gasoline line was the end of the crisis in the minds of most.

The promise of great new energy sources is a second factor which has contributed to present complacency about energy.

But what we are missing here is the big picture—we are missing the fact that our oil supplies are coming more and more from sources outside our control—and we are missing the fact that the new energy sources are promises only for now. They will not come on line in significant quantity until well into the next century.

In the meantime, we must address the energy situation of the next few decades. I am not talking about an all-out growth policy or even a policy of energy independence. I am talking about getting people where they want to go and keeping the refrigerator running back home.

An official of the Energy Research and Development Administration who has done more than most to promote and advance the cause of new and alternative energy sources spoke to this problem recently. He is Dr. Robert L. Hirsch and I would like to reprint his statement as it appeared in the June 11 Baltimore Sun. The article follows:

Energy Aide Says United States Ignores "Crisis;" Predicts New Gas Lines, Factory Closings

(By Albert Sehlstedt, Jr.)

Washington.—A federal energy official said yesterday the nation may be heading toward another energy crisis with factory closings and long gasoline lines at some unspecified time in the future.

"We are kind of headed now toward letting ourselves slide into a crisis situation with gas lines and plant shutdowns," said Dr. Robert L. Hirch, of the Energy Research and Development Administration.

Dr. Hirsch blamed part of the problem on what he said was people's refusal to believe there is a genuine energy problem in this country.

"We have a crisis because we have a problem people don't believe in," he said in the course of a press conference at the agency's offices here.

The meeting was called to review the Energy Research and Development Administration's endeavors to develop alternate sources of power. Dr. Hirsch is assistant administrator for solar, geothermal and advanced energy systems in the agency.

His concerns have been expressed in recent weeks by other people in and out of government as the nation increases its dependence on imported petroleum products. Domestic oil production is now in its sixth year of decline.

One indicator of public complacency about energy has been recent reports that people are turning again to larger automobiles.

Asked to comment on this trend, Dr. Hirsch said: "I'm very saddened by the fact that people are going back to big cars," adding that these vehicles now being bought will consume "a lot of fuel for a lot of years."

In a discussion of alternate sources of energy, Dr. Hirsch said he was encouraged by California voters' rejection of a state referendum that would have placed new restrictions on the development of new nuclear power plants.

"In the near term, we have to depend on things here and now and fission [energy obtained from splitting an atom] is here now," he said.

"I'm pleased to see that people voted it down," he said of the California referendum.

Asked when solar energy might begin to play a significant role in the nation's energy production, he said he did not know, adding that the cost of producing it cheaply was a major problem.

Dr. Hirsch speculated that as oil and natural gas become increasingly scarce their prices will go up. In the meantime, the cost of solar energy may start coming down and, at some point in the future, the two costs may meet.

He said he thought that public utilities would get involved in solar energy applications as research and development continued, and he rejected the notion that these companies were dragging their feet in the search for practical alternatives to gas and oil.

"I haven't found any of that and I've talked to a hell of a lot of these guys," he said, observing that many people in public utilities are looking for a solution to energy shortages from any source.

Dr. Hirsch, who earned his Ph.D. in physics at the University of Illinois in 1964, has been in his present position at the Energy Research and Development Administration since March of this year. He has devoted a large part of his career to fusion research which is aimed at garnering the energy of the atom by joining nuclei of elements rather than splitting them.

Pollution-free fusion power is one of the most promising avenues to energy self-sufficiency for the entire world but the extraordinarily complex nature of the science suggests that it is decades away from realization.

ELEVENTH ANNUAL NATIONAL SAILING MATCH CHAMPIONSHIPS

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BELL. Mr. Speaker, may I take this opportunity to bring to your attention a most exciting sailing event which is taking place in California.

During the week of August 23 through August 27, the California Yacht Club, one of the most highly respected on the west coast, will host a series of match races to determine the national champion in the 11th Annual National Sailing Match Racing Championships.

Competing in the match will be the eight area champions. The Prince of Wales Bowl, symbolic of the national champion is at stake in this U.S. Yacht Racing Union sponsored event.

The California Yacht Club is pleased that Marina del Rey, the world's largest manmade marina, has been chosen as the site for the race. Course of the race will be triangular, windward-leeward between Marina del Rey and Santa Monica, at least 6 miles in length.

It is a great pleasure to extend a warm welcome to the competitors and the members of the U.S. Yacht Racing Union.

THE PRESIDENT AT MONTICELLO

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. ROBINSON. Mr. Speaker, under the leave to extend my remarks in the Record, I include the text of a significant address by the President which it was my privilege to hear on July 5, 1976, at naturalization ceremonies held at Monticello, the home of Thomas Jefferson, near Charlottesville, Va., as follows:

Remarks of the President at the Naturalization Ceremony at Monticello

Congressman Robinson, Governor Godwin, Mr. Justice Powell, Senator Byrd, Ambassador Nolting, Reverend Clergy, distinguished guests, ladies and gentlemen:

It is a very great honor and a high privilege, Governor Godwin, to come to the Commonwealth of Virginia and to this beautiful and significant home and to participate in this wonderful ceremony. It is a great honor and privilege for me to be here today.

I am very proud to welcome all of you as fellow citizens of the United States of America. I invite you to join fully in the American adventure and to share our common goal and our common glory.

Our common goal is freedom—the liberty of each individual to enjoy the equal rights and to pursue the happiness which in this life God gives and self-government secures.

Our common glory is the great heritage from the past which enriches the present and insures our future.

In 1884, France, as a birthday gift, presented the United States with a statue—the Statue of Liberty in New York Harbor. This year scores of friendly nations have sent us Bicentennial gifts which we deeply appreciate and will long cherish.

But you have given us a birthday present beyond price—yourselves, your faith, your loyalty, and your love. We thank you with full and friendly hearts.

After two centuries, there is still something wonderful about being an American. If we cannot quite express it, we know what it is. You know what it is or you would not be here today. Why not just call it patriotism?

Thomas Jefferson was a Virginia planter, a politician, a philosopher, a practical problem-solver, a Palladian architect, a poet in prose. With such genius he became a Burgess, a delegate, a Governor, an Ambassador, a Secretary of State, a Vice President, and President of the United States. But, he was first a patriot.

The American patriots of 1776 who pledged their lives, their fortunes and their sacred honor to declare and defend our independence did more than dissolve their ties with another country to protest against the abuses of their liberties.

Jefferson and his colleagues very deliberately and very daringly set out to construct a new kind of nation. "Men may be trusted," he said, "to govern themselves without a master." This was the most revolutionary idea in the world at that time. It remains the most revolutionary idea in the world today.

Washington, Franklin, Adams, Jefferson, Hamilton, Madison, and all patriots who laid the foundation for freedom in our Declaration and our Constitution carefully studied both contemporary and classic models of Government to adapt them to the American climate and our circumstances.

Just as Jefferson did in designing Monticello, they wanted to build in this beautiful land a home for equal freedom and opportunity, a haven of safety and happiness, not for themselves alone, but for all who would come to us through centuries.

How well they built is told by millions upon millions who came and are still coming. Our first national census in 1790 produced a recorded population just under four million. Three-fourths of them traced their ancestry to the British Isles, though most had considered themselves Americans for several generations.

There was already talk about further immigration, proposing it should be selective and restrictive, but this was swept aside by the greatest mass movement of people in all human history.

Immigrants came from almost everywhere, singly and in waves. Throughout our first century they brought the restless drive for better lives and rugged strength that cleared the wilderness, plowed the prairie, tamed the western plains, pushing on into the Pacific and to Alaska.

Like the Mayflower Pilgrims and the early Spanish settlers, these new Americans brought with them precious relics of the worlds they left behind—a song, a story, a dance, a tool, a seed, a recipe, the name of a place, the rules of a game, a trick of the trade.

Such transfusions of traditions and cultures, as well as of blood, have made Americans unique among nations and Americans a new kind of people. There is little the world has that is not native to the United States today. Unfettered by ancient hates, the people of the young United States really believed that all men are created equal.

We admit they had stubborn blind spots in their lofty vision—for blacks, whose forebearer had been Americans almost as long as theirs—and for women, whose political rights we took even longer to recognize.

This is not the day, however, to deplore our shortcomings or to regret that not all new citizens have been welcomed as you are here today. The essential fact is that the United States—as a national policy and in the hearts of most Americans—has been willing to absorb anyone from anywhere.

We were confident that simply by sharing our American adventure these newcomers would become loyal, law-abiding, productive citizens, and they did. Older nations in the 18th and 19th centuries granted their nationality to foreign born only as a special privilege, if at all. We offered citizenship to all, and we have been richly rewarded.

The United States was able to do this because we are uniquely a community of values as distinct from a religious community, a racial community, a geographic community or an ethnic community. This nation was founded 200 years ago, not on ancient legends or conquests or physical likeness or language, but on a certain political value which Jefferson's pen so eloquently expressed.

To be an American is to subscribe to those opinions which the Declaration of Independence proclaims and the Constitution protects: The political values of self-government, liberty and justice, equal rights and equal opportunity.

These beliefs are the secrets of America's unity from diversity—in my judgment the most magnificent achievement of our 200 years as a nation. "Black is beautiful" was a motto of genius which uplifted us far above its intention. Once Americans had thought about it and perceived its truth, we began to realize that so are brown, white, red and yellow beautiful. When I was young, a Sunday school teacher told us that the beauty of Joseph's coat was in it many colors. I believe Americans are beautiful—individually, in communities, and freely joined together, by dedication to the United States of America.

I see a growing danger in this country to conformity of thought and taste and behavior. We need more encouragement and protection for individuality. The wealth we have of culture, ethnic and religious and racial traditions, are valuable counterbalances to the overpowering sameness and subordination of totalitarian societies.

The sense of belonging to any group that stands for something decent and noble so long as it does not confine free spirits or cultivate hostility to others, is part of the pride every American should have in the heritage of the past.

That heritage is rooted now, not in England alone—as indebted as we are for the Magna Carta and the Common Law—not in Europe alone, or in Africa alone, or Asia or on the islands of the sea. The American adventure draws from the best of all of mankind's long sojourn here on Earth and now reaches out into the solar system.

You came as strangers among us and you leave here as citizens, equal in fundamental rights, equal before the law with an equal share in the promise of the future.

Jefferson did not define what the pursuit of happiness means for you or for me. Our Constitution does not guarantee that any of us will find it. But we are free to try.

Foreigners like Lafayette, Von Steuben and Pulaski came to fight in our Revolution because they believed in its principles that they felt were universal. Immigrants like Andrew Carnegie came as a poor boy and created a great steel industry, then gave his fortune back to America for libraries, universities and museums. Maria Francesca Cabrini came as a missionary Sister to serve the sick and the poor. Samuel Gompers worked in a sweatshop, spent his lunchtime helping other immigrant workers learn to read so they could become citizens. We have gained far, far more than we have given to the millions who made America their second homeland.

Remember that none of us are more than caretakers of this great country. Remember that the more freedom you give to others, the more you will have for yourself. Remember that without law there can be no liberty.

And remember, as well, the rich treasures you brought from whence you came, and let us share your pride in them.

This is the way that we keep our independence as exciting as the day it was declared and keep the United States of America even more beautiful than Joseph's coat.

Thank you very much.

FEDERAL SERVICE CAMPAIGN FOR NATIONAL HEALTH AGENCIES' GREAT SUCCESS IN ILLINOIS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. HYDE. Mr. Speaker, a large portion of research and development, educational and preventive programs and patient services offered to the public are done through not-for-profit health organizations, with the majority of their support derived through public dollars. Richard Lockhart, of the National Health Agencies in Illinois has asked me to bring to the attention of the Members of Congress and the public his organizations' appreciation and thanks for this public support.

Mr. Lockhart serves as the coordinator for 14 National Health Agencies in Illinois, and as such, is well acquainted with the Federal Government's cooperation and support for these agencies.

A variety of health and social service organizations have been authorized by the Federal Government to solicit funds at Federal civilian and military installations across the country. This campaign is conducted on a once-a-year basis, and allows for contributor gifts through payroll deduction. In Illinois, the results from the last campaign indicate the most successful fund-raising drive to date. The Federal employees in this campaign pledged an overall total of $1,890,132; of this the Health Agencies will receive $494,559. The remainder is shared by the local United Way Organizations and the International Service Agencies.

Mr. Lockhart informs me that in addition to the outstanding support given the campaign by the Federal civilian and military personnel, special thanks are in order to those Federal executives who served as campaign chairmen. These gentlemen gave selflessly of their time and talent and as the figures indicate they have been most successful.

I would like to take this opportunity to thank all Federal civilian and military employees for their generous support and, in particular, the following gentlemen who served as Combined Federal Campaign chairmen in Illinois:

COMBINED FEDERAL CAMPAIGN CHAIRMEN OF ILLINOIS

Mr. Ernest Bickhaus, Adams County CFC, U.S. Post Office, Quincy, Illinois 62301.

Mr. Frank Yost, Alton Area CFC, U.S. Post Office, Godfrey, Illinois 62035.

Mr. Michael Van Boekel, Aurora Area CFC, Air Route Traffic Control Center, Aurora, Illinois 60504.

Captain David Hall, Belle-Scott CFC, U.S. Air Force, Scott AFB, Illinois.

Mr. Arlen Dahlman, Carroll County CFC, Savanna Army Depot, Savanna, Illinois 60174.

Colonel T. H. Yashuhara, Champaign County CFC, Chanute Technical Training Center, Chanute AFB 61866.

Mr. Clarence Geis, Cook-DuPage CFC, U.S. Post Office, Chicago, Illinois 60607.

Mr. George Beckwith, Elgin Area CFC, U.S. Post Office, Elgin, Illinois 60120.

Mr. Boyd Holmes, Jefferson County CFC,

Social Security Administration, Mt. Vernon, Illinois 62864.

Mr. Clark McKenna, Kankakee County CFC, U.S. Post Ofice, Kankakee, Illinois 60901.

Mr. Bill Tipsword, Knox County CFC, Social Security Administration, Galesburg, Illinois 61401.

Captain Almon Wilson, Lake County CFC, Naval Regional Medical Center, Great Lakes, IL 60088.

Mr. Joseph Zandecki, LaSalle-Peru Area CFC, U.S. Post Office, LaSalle, Illinois.

Mr. Robert Buhrke, McLean County CFC, U.S. Post Office, Bloomington, Illinois.

Mr. Gerald Boyle, Macon County CFC, Social Security Admin., Decatur, Illinois 62525.

Lt. Col. Robert Cranston, Madison County CFC, U.S. Army, Granite City, IL 62040.

Mr. Emmett Russell, Peoria County CFC, U.S. Post Office, Peoria, Illinois 61801.

Mr. Patrick Klein, Rock Island County CFC, U.S. Army Command Hdqts., Rock Island, Illinois 61201.

Mr. Boyd Barton, Sangamon County CFC, Dept. of Housing and Urban Deevlopment, Springfield, Illinois.

Mr. B. J. Tolson, Williamson County CFC, U.S. Penitentiary, Marion, Illinois 62959.

Mr. Ken Blue, Vermilion County CFC, U.S. Post Office, Danville, Illinois.

Mr. Robert Juricic, Will County CFC, U.S. Post Office, Joliet, IL 60431.

Mr. Al Mera, Winnebago County CFC, U.S. Post Office, Rockford, IL 61125.

ZION EPISCOPAL CHURCH, DOUGLASTON, N.Y.

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. WOLFF. Mr. Speaker, in this year of our country's Bicentennial celebration, I think it is fitting to commend a religious institution that has been serving its community for nearly 150 years. On Sunday, June 27, I had the pleasure of attending morning prayer at the Zion Episcopal Church in Douglaston, N.Y., where the rector, Rev. Rex L. Burrell, is ably following in the tradition of community leadership established by his many outstanding predecessors.

Reverend Burrell, an Australian, delivered a service in the form of an Australian thanksgiving for the United States of America. He pointed out that Australia was settled in 1788 largely because of America's independence, and that because Great Britain learned from her American experience she granted self-government to the six colonies of Australia when the desire for it became apparent. The U.S. Constitution served as a model for the Australian Federalists in 1901, and the Australians are thankful that their alliances with the United States in the two World Wars have brought our countries closer in friendship.

The Australian Consul-General in New York, Mr. Peter Barbour also read a lesson at this fine service honoring our Nation's Bicentennial.

I congratulate Reverend Burrell and the members of the Zion Episcopal Church for the service they have provided for their community and am confident that they will continue to do a fine job in the future.

PRESIDENT FORD'S BICENTENNIAL MESSAGES

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. SCHULZE. Mr. Speaker, July 4, 1976 was a great day for all Americans, and I am particularly pleased that Valley Forge Park was President Ford's first Bicentennial stop.

Although his visit was planned months in advance in connection with the Wagon Train Celebration, House and Senate passage last month of H.R. 5621 permitted a timely and appropriate setting for signature of Public Law 94–337 to provide for the establishment of the Valley Forge National Historical Park in the Commonwealth of Pennsylvania.

President Ford's remarks at Valley Forge Park and at Independence Hall set the tone for an experience we will always remember—a truly memorable and meaningful Bicentennial Day. The President's remarks follow:

THE WHITE HOUSE,
July 4, 1976.

REMARKS OF THE PRESIDENT AT VALLEY FORGE STATE PARK

Governor Shapp, Senator Scott, Senator Schweiker, Governor Ray, Congressman Schulze, Lieutenant Governor Klein, Secretary Kleppe, Administrator Warner, Reverend Clergy, distinguished guests, ladies and gentlemen:

Governor Shapp, I am deeply grateful for your very kind and generous remarks. The sun always shines in Pennsylvania. (Laughter).

They came here in the snows of winter over a trail marked with the blood of the rag-bound feet. The iron forge that gave this place its name had been destroyed by the British when General Washington and his ragged Continental Army encamped here—exhausted, outnumbered and short of everything except faith.

We gather here today, the 200th anniversary of our independence, to commemorate their sacrifices even before we celebrate the glorious Declaration. Americans will remember the name of Valley Forge as long as the spirit of sacrifice lives within their hearts.

Here the vein of iron in our national character was forged. In the 18th century the Colonial American was far more free and far more prosperous than his European cousins. Englishmen regarded us with some envy as appropriate subjects to share their grinding tax burden.

After Concord Bridge and Breed's Hill, the British Generals were impressed with our marksmanship and fighting spirit, but they still dismissed Washington's militiamen as a rabble of arms.

Many years later, when he was 91, a veteran of Concord was interviewed and asked why he took up his rifle against his King. Did he feel intolerably oppresed? "No, never paid a penny for one of them stamps, never drank any tea, never heard of Locke. Only read the Bible and the Almanac."

Well, then, what did all the fighting mean? "Young man," the aging Revolutionary said very firmly, "What we meant in going for those Redcoats was this—we had always governed ourselves, and we always meant to. They didn't mean that we should."

Without Jefferson's eloquence, those are the words of the American people's Declaration of Independence. That was the straight talk that brought some 11,000 ordinary Americans—farmers, workers, tradesmen and shopkeepers—into this valley of sacrifice in the bitter winter of 1777. Uncounted hundreds were never to leave.

They did not die amid the banners and the tearful sound of battle. They weakened slowly and quietly succumbed to cold, sickness and starvation. Yet, their courage and suffering—those who survived as well those who fell—were no less meaningful than the sacrifices of those who manned the battlements of Boston and scaled the parapets of Yorktown.

In the battle against despair, Washington and his men kept freedom's lonely vigil. The leadership and the led drew strength and hope from one another. Around the winter campfires that dotted those fields, the flame of liberty was somehow kept burning.

Something happened at Valley Forge. That ragged, starving Army here emerged in a way that can be sensed but never fully described. They suffered, they trained, they toughened, they buried their dead and they stayed. They stuck it out.

When spring melted the snows and green returned to this beautiful countryside, a proud and disciplined fighting force marched out of this valley to victory and to the pages of history, unaware of the greatness they had done and oblivious of our gratitude.

As Abraham Lincoln noted long afterwards at another sacred site in Pennsylvania, nothing we can say here today can further consecrate or hallow this ground. But, we can rededicate ourselves to the spirit of sacrifice shown at Valley Force, Gettysburg, the Argonne Forest, Anzio Beach and Iwo Jima.

Not all sacrifices are made in war. There are always sacrifices of peace. The sturdy wagon trains that have returned here, the wonderful people who drove them and those along the way who rededicated themselves to the great principles of the Declaration of Independence, offer heartwarming proof that our American adventure has just begun.

Our Bicentennial is the happy birthday of all 50 States, the commonwealth and self-governing territories. It is not just a celebration for the original 13 colonies. Americans are one people, and we can still hear them saying "We have always governed ourselves, and we always mean to."

The earliest English settlers carried the Bible and Blackstone's Commentary across the Atlantic among their few cherished possessions and established their own self-government on a strange and hostile coast. American families in prairie schooners like these took with them on the overland trails the principles of equality and their God-given rights of the Declaration of Independence.

Their restless search for a better life was begun in the spirit of adventure, but it was the spirit of sacrifice that sustained them. They suffered cruel winters, savage attacks, blazing deserts and bloody feet.

Many were buried beside the trail, but many stuck it out, dug in and built permanent settlements where women stood the same sentry duty as the men.

In the West, the Declaration's promise of legal and political equality for women was first broadened. The American pioneers knew that in their wilderness homes they could not be colonials ruled by a distant Government. They had assurance that in due course they could govern themselves as full citizens of equal States.

Their children and future generations would have all the rights of Washington, Jackson and Lincoln. So do we, and more so.

As we continue our American adventure, the patriots of Valley Forge and the pioneers of the American frontier—indeed, all our heroes and heroines of war and peace—send us this single, urgent message—though prosperity is a good thing, though compassionate charity is a good thing, though institutional reform is a good thing, a nation survives only so long as the spirit of sacrifice and self-discipline is strong within its people.

Independence has to be defended as well as declared. Freedom is always worth fighting for, and liberty ultimately belongs to those willing to suffer for it.

If we remember this, we can bring health where there is disease, peace where there is strife, progress where there is poverty and want, and when our Tricentennial celebration rolls around 100 years from now, grateful Americans will come to this shrine of quiet valor, this forge of our Republic iron core.

Thank you very much.

THE WHITE HOUSE,
July 4, 1976.

REMARKS OF THE PRESIDENT UPON SIGNING H.R. 5621

VALLEY FORGE STATE PARK

Governor Shapp, Senator Scott, Senator Schweiker, Congressman Schulze, Secretary Kleppe, distinguished guests:

This is a great privilege for me, to sign this very important bill on George Washington's desk. I am deeply grateful because of the strong Congressional support. Over a long period of years, Senator Scott, Senator Schweiker, Congressman Schulze and many others took the lead and the net result is that under this legislation the Federal Government will take over this historic site and it will be known as the Valley Forge National Historic Park.

It will be a great tribute to those I mentioned in my remarks and those who gave so much, and the sacrifices they made.

So, I congratulate you, Scott, I congratulate the other Members of the House and Senate who did such a fine job in making this signing possible.

Governor, we are delighted to take over and make certain that the good work of the State of Pennsylvania is carried on and that this historic site will become another in the complex of national historic sites for the preservation of those things that mean so much to us, those sites that contribute so significantly to our national history and our national progress.

Thank you very much.

THE WHITE HOUSE,
July 4, 1976.

REMARKS OF THE PRESIDENT AT INDEPENDENCE HALL

Charlton Heston, Mayor Rizzo, Governor Shapp, Reverend Clergy, distinguished Members of Congress, distinguished guests, ladies and gentlemen:

On Washington's Birthday in 1861, a fortnight after six States had formed a Confederacy of their own, Abraham Lincoln came here to Independence Hall knowing that in ten days he would face the cruelest national crisis of our 85-year history.

"I am filled with deep emotion," he said, "at finding myself standing here in the place where collected together the wisdom, the patriotism, the devotion to principle, from which sprang the institutions under which we live."

Today, we can all share these simple noble sentiments. Like Lincoln, I feel both pride and humility, rejoicing in reverence as I stand in the place where two centuries ago the United States of America was conceived in liberty and dedicated to the proposition that all men are created equal.

From this small but beautiful building, then the most imposing structure in the Colonies, came the two great documents that continue to supply the moral and intellectual power for the American adventure in self-government.

Before me is the great bronze bell that joyously rang out the news of the birth of our Nation from the steeple of the State House. It was never intended to be a church bell. Yet, a generation before the great events of 1776, the elected assembly of Pennsylvania ordered it to be inscribed with this Biblical verse:

"Proclaim liberty throughout all the land, unto all the inhabitants thereof."

The American settlers had many, many hardships, but they had more liberty than any other people on earth. That was what they came for and what they meant to keep. The verse from Leviticus on the Liberty Bell refers to the ancient Jewish year of Jubilee.

In every 50th year, the Jubilee restored the land the the equality of persons that prevailed when the children of Israel entered the land of promise and both gifts came from God, as the Jubilee regularly reminded them.

Our Founding Fathers knew their Bibles as well as their Blackstone. They boldly reversed the age-old political theory that Kings derive their powers from God and asserted that both powers and unalienable rights belong to the people as direct endowments from their creator. Furthermore, they declared that Governments are instituted among men to secure their rights and to serve their purposes, and Governments continue only so long as they have the consent of the governed.

With George Washington, already commanding the American Continental Army in the field, the Second Continental Congress met here in 1776, not to demand new liberty, but to regain long-established rights which were being taken away from them without their consent.

The American Revolution was unique and remains unique in that it was fought in the name of the law as well as liberty. At the start, the Declaration of Independence proclaimed the divine source of individual rights and the purpose of human Government as Americans understood it.

That purpose is to secure the rights of the individuals against even Government itself. But, the Declaration did not tell us how to accomplish this purpose or what kind of Government to set up.

First, our independence had to be won. It was not easily won, as the nearby encampment of Valley Forge, the rude bridge at Concord and the crumbling battlements at Yorktown bear vivid witness.

We have heard much, though we cannot hear it too often, about 56 Americans who cast their votes and later signed their names to Thomas Jefferson's ringing declaration of equality and freedom so movingly read to us this morning by Miss Marian Anderson.

Do you know what price the signers of that parchment paid for their patriotism, the devotion to principle of which Lincoln spoke? John Hancock of Massachusetts was one of the wealthiest men who came to Philadelphia. Later, as he stood outside Boston and watched the enemy sweep by, he said, "Burn Boston, though it makes John Hancock a beggar."

Altogether, of the 56 men who signed our great Declaration, five were taken prisoner, twelve had their homes sacked, two lost their sons and nine died in the war itself.

Those men knew what they were doing. In the final stirring words of the Declaration, they pledged to one another "our lives, our fortunes and our sacred honor." And when liberty was at stake, they were willing to pay the price.

We owe a great debt to these founders and to the foot soldiers who followed General Washington into battle after battle, retreat after retreat. But, it is important to remember that final success is that struggle for independence, as in the many struggles that have followed, was due to the strength and support of ordinary men and women who were motivated by three powerful impulses—personal freedom, self-government and national unity.

For all but the black slaves—many of whom fought bravely beside their masters because they also heard the promise of the Declaration—freedom was won in 1783, but the loose Articles of Confederation have proved adequate in war and were even less effective in peace.

Again in 1787 representatives of the people and the States met in this place to form a more perfect union, a permanent legal mechanism that would translate the principles and purposes of Jefferson's Declaration into effective self-government.

Six signers of the Declaration came back to forge the Constitution, including the sage of Philadelphia, Benjamin Franklin. Jefferson had replaced him as Ambassador in Paris. The young genius of the constitutional convention was another Virginian, James Madison. The hero of the Revolution, Washington, was called back from Mount Vernon to preside.

Seldom in history have the men who made a revolution seen it through, but the United States was fortunate. The result of their deliberation and compromises was our Constitution, which William Gladstone, a great British Prime Minister, called "the most wonderful work ever struck off at a given time by the brain and purpose of man."

The Constitution was created to make the promise of the Declaration come true. The Declaration was not a protest against Government but against the excesses of Government. It prescribed the proper role of Government to secure the rights of individuals and to effect their safety and their happiness.

No modern society, no individual can do this all alone, so Government is not necessarily evil but a necessary good.

The framers of the Constitution feared a central Government that was too strong, as many Americans rightly do today. The framers of the Constitution, after their experience under the Articles, feared a central Government that was too weak, as many Americans rightly do today.

They spent days studying all of the contemporary Governments of Europe and concluded with Dr. Franklin that all contained the seeds of their own destruction. So, the framers built something new, drawing upon their English traditions, on the Roman Republic, on the uniquely American institution of the town meeting to reassure those who felt the original Constitution did not sufficiently spell out the unalienable rights of the Declaration.

The First United States Congress added—and the States ratified—the first ten Amendments, which we call the Bill of Rights.

Later, after a tragic fraternal war, those guarantees were expanded to include all Americans. Later still voting rights were assured for women and for younger citizens 18 to 21 years of age.

It is good to know that in our own lifetime we have taken part in the growth of freedom and in the expansion of equality which began here so long ago. This union of corrected wrongs and expanded rights has brought the blessings of liberty to the 215 million Americans, but the struggle for life, liberty and the pursuit of happiness is never truly won.

Each generation of Americans, indeed of all humanity, must strive to achieve these aspirations anew. Liberty is a living flame to be fed, not dead ashes to be reversed, even in a Bicentennial year. It is fitting that we ask ourselves hard questions even on a glorious day like today.

Are the institutions under which we live working the way they should? Are the foundations laid in 1776 and 1789 still strong enough and sound enough to resist the tremors of our times? Are our God-given rights secure, our hard-won liberties protected?

The very fact that we can ask these questions, that we can freely examine and criticize our society, is cause for confidence itself. Many of the voices raised in doubt 200 years ago served to strengthen and improve the decisions finally made.

The American adventure is a continuing process. As one milestone is passed, another is sighted. As we achieve one goal, a longer lifespan, a literate population, a leadership in world affairs, we raise our sights.

As we begin our third century, there is still so much to be done. We must increase the independence of the individual and the opportunity of all Americans to attain their full potential. We must insure each citizen's right to privacy. We must create a more beautiful America, making human works conform to the harmony of nature.

We must develop a safe society, so ordered that happiness may be pursued without fear of crime or man-made hazards. We must build a more stable international order, politically, economically and legally. We must match the great breakthroughs of the past century by improving health and conquering disease.

We must continue to unlock the secrets of the universe beyond our planet as well as within ourselves. We must work to enrich the quality of American life at work, at play and in our homes.

It is right that Americans are always improving. It is not only right, it is necessary. From need comes action, as it did here in rivals—John Adams and Thomas Jefferson—in their later years carried out a warm correspondence. Both died on the Fourth of July of 1826, having lived to see the handiwork of their finest hour endure a full 50 years.

They had seen the Declaration's clear call for human liberty and equality arouse the hopes of all mankind. Jefferson wrote to Adams that "even should the clouds of barbarism and despotism again obscure the science and libraries of Europe, this country remains to preserve and restore life and liberty to them."

Over a century later, in 1936, Jefferson's dire prophecy seemed about to come true. President Franklin D. Roosevelt, speaking for a mighty nation, reinforced by millions and millions of immigrants who had joined the American adventure, was able to warn the new despotisms:

"We too, born to freedom, and believing in freedom, are willing to fight to maintain freedom. We, and all others who believe as deeply as we do, would rather die on our feet than live on our knees."

The world knows where we stand. The world is ever conscious of what Americans are doing for better or for worse because the United States today remains the most successful realization of humanity's universal hope.

The world may or may not follow, but we lead because our whole history says we must. Liberty is for all men and women as a matter of equal and unalienable right. The establishment of justice and peace abroad will in large measure depend upon the peace and justice we create here in our own country, where we still show the way.

The American adventure began here with a firm reliance on the protection of divine providence. It continues in a common conviction that the source of our blessings is a loving God, in whom we trust. Therefore, I ask all the members of the American family, our guests and friends, to join me now in a moment of silent prayer and meditation in gratitude for all that we have received and to ask continued safety and happiness for each of us and for the United States of America.

Thank you and God bless you.

LET'S GIVE SMALL BUSINESS A FAIR CHANCE

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. MOTTL. Mr. Speaker, the most pressing problem confronting this Congress has been our faltering economy. From both sides of the aisle many Members have decried our high unemployment, our high inflation rate, the lack of competition in our industries, the decline of innovation, and other symptoms of our economic ills. We have all been arduously working on legislative remedies to these problems. Yet, we have generally ignored one of the fundamental causes of our economic stagnation: the declining position of small and independent business in our economy.

Small and independent businesses provide the driving force of our economy. They spur competition. They have been shown to be the most innovative sector, providing new products which means new jobs and economic growth. Significantly, they are labor intensive. Small firm growth translates quickly into more jobs. The rapid decline of small and independent businesses is increasingly depriving our country of the spirit of the individual entrepreneur upon which it is built.

The Federal Government, more often than not, has contributed to their demise. Small business finds itself buried in Federal paperwork, strangled by regulations, and discriminated against by our tax code.

The tax code is the most serious of these problems to the small firm. While large corporations are able to take advantage of special tax provisions and have access to numerous avenues of finance, the small firm does not. They have limited access to capital and are particularly reliant upon retained earnings. Yet, the small firm pays an effective tax rate double that of large corporations.

Small and independent firms are unable to hire high priced tax specialists. Many tax provisions are too complex for them to effectively understand and utilize. The current depreciation schedule, for example, contains over 100 different categories. Various other tax provisions are like a noose around their neck. The estate tax exemption, which has not been raised one nickel in 30 years, virtually forces many small businesses to sell out in order to pay the tax.

These tax inequities, which have been a major contributor to small firm decline, will become even more critical in the immediate future. Capital formation is considered to be the greatest problem facing business in our changing economy. While giant corporations will be able to weather the strain through their many financing sources, small firms will be backed to the wall.

The avenue to reverse the decline of small and independent firms is through tax reform. We need tax reform which will give them a fair chance to survive and grow. The Small Business Growth and Job Creation Act of 1976 seeks to give them that chance. It would amend 17 provisions of the tax code which have proven to be serious problem areas. It does not seek to give them a priviledged position, only a fair and equitable chance to compete. I strongly urge all of my colleagues to examine and support this vital legislation.

ARE SUNSET LAWS THE ANSWER?

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. HAGEDORN. Mr. Speaker, it is unusual when an idea captures the imagination of so varied a part of the philosophical spectrum as have so-called sunset laws and zero based budgeting. It is rarer still, when those ideas deal so integrally with the very matters which separate Members of differing philosophy—Government regulation and Federal budgets. Amidst the euphoria of those who claim that these approaches represent long-term solutions to the increasing problems associated with burgeoning, bureaucratic big government, I would like to insert a recent column from the Wall Street Journal by Arlen J. Large. Mr. Large observes that there is one slight catch to "sunset laws" that perhaps account for the harmonious response with which they have been met by Congress—they do not accomplish much of anything. Through the traditional, unglamorous authorization and appropriation process, Congress has all the tools that it needs to bring our Federal Government to order. The problem then is not the lack of a proper mechanism, but far more importantly the absence of resolve by Members of Congress to scrutinize the programs benefiting favored special interests. It will take a lot more than the passage of "sunset laws" to remedy this shortcoming.

The article follows:

ARE SUNSET LAWS THE ANSWER?

(By Arlen J. Large)

WASHINGTON.—It's not written down anyplace, but the working motto of Congress might as well be painted on the Capitol dome: "We don't want to hurt anybody."

So everyone's precious tax gimmicks stay stubbornly on the books, despite all the speechmaking about tax "reform." Programs for loans, subsidies, grants and other ingenious forms of "aid" roll on and on, unexamined by all but friendly committee chairmen. Federal agencies become immortal, lest one's death bruise the ego of its constituency.

But its easy-going motto is getting Congress in increasing trouble, and as good politicians the members know it. The clearest note sounding in their ears this year is a strong general dissatisfaction with growing government, a collective unhappiness with the sum total of federal busy-work which somewhere pleases the fractional constituencies. To be perceived as responding to the strong anti-government mood, the members must see to it that axes start falling. Congress must hurt someone.

Better, though, that the axing appear impersonal, the inevitable and automatic result of how the rules work. Sorry, old man, the system did it. Don't blame me.

And that explains the growing popularity among legislators, here and elsewhere, of the "sunset" approach to government. An existing federal program must be put to a special test of its worth, say, every five years. The bureaucrats who manage it must justify the first dollar they want to spend, not just the latest increase over last year's budget. In the jargon that's called zero-base budgeting, and if the test isn't met the program must automatically die. The sun sets on it, while billions of dollars are saved and millions of voters cheer.

A sunset mechanism is already in effect in Colorado, and other legislatures around the country are considering it. To apply the idea to the massive federal machine would take quite a leap, but a serious start is under way. The Senate Government Operations Committee intends to write a federal sunset bill after the Democratic Convention recess. There may not be time to pass a bill through both houses this year, but sponsors console themselves with the thought of having help next year from a newly elected President Carter, who extolls zero-base budgeting. Support for sunset laws and zero-base budgeting has even found its way into the 1976 Democratic platform.

In the Senate the bill has 56 co-sponsors, from Kennedy to Goldwater. The attraction is that Senators like Edmund Muskie of Maine, the chief sponsor, can promise: "If this bill becomes law, there will be a dramatic change in the operations of the federal government."

THEORY VERSUS REALITY

On paper, there would seem to be no need for dramatic change in the method by which Congress spends the people's money, guards against waste and stamps out boon-doggles. First a federal program must be "authorized" by a law written by House and Senate committees that specialize in the subject. An authorization law sets broad policies and imposes ceilings on money appropriated from the Treasury. Many programs must be reauthorized every year or so, giving the specialist committees a chance to review results and let the bummers expire.

And there's another check. Every year almost every agency must go before the House and Senate appropriations committees to justify its budget request. Lawmakers preparing the annual appropriations bills are free to root out errors and abuses by asking the bureaucrats nasty questions. During floor debate any member of the House or Senate can propose cutting an agency's appropriation all the way to zero. All it takes is a majority vote.

In short, Congress has all the power and opportunity it needs to pull the string on big government. But the power is mostly unused, the opportunities are passed up.

The merchant marine subsidy program must be re-authorized each year, and friendly members of the House and Senate authorizing committees can be depended on to swear that the payments are essential to the nation's survival. Teachers' groups rally every three years to make sure there's no hitch in the routine re-authorization of aid to schools. The armed services committees occasionally will kill an authorization for a tank or a helicopter, but they mainly sing the Pentagon's song. At appropriations time, the members habitually focus on the increases in an agency's budget from the preceding year, and not on whether the outfit should get any money at all.

If spending programs have proven hard to stamp out by legislative will, so have special preferences in the tax laws. Four years ago no less a power than Wilbur Mills, who was chairman of the House Ways and Means Committee, hit upon a crutch he thought would make it easier for Congress to confront the "loophole" problem. All tax preferences would come up for review over a fixed three-year schedule, forcing Congress to decide which ones had enough merit to be continued. His bill even won favorable mention in the 1972 Democratic platform. Though nothing came of it, this "action-forcing" notion became a precursor to the current crop of sunset proposals.

Another inspiration for the sunset concept is the new congressional budget control system. It sets deadlines that Congress must meet at fixed times during a session for decisions to be made on spending totals and individual appropriations bills. Sponsors boast that the new budget machinery is working beautifully and can serve as a model for requiring deadlines for scrutinizing federal agencies.

"In the absence of these kinds of action-forcing procedures," says Sen. Robert Byrd of West Virginia, "reform proposals are likely to fall victim to the potent opposition of special interest groups."

Sen. Byrd is a co-sponsor, along with Sen. Charles Percy of Illinois, of a bill that would pose a sunset threat to federal agencies that regulate business. The President would have to follow a timetable for recommending changes, say, in the powers of the Civil Aeronautics Board, and Congress would face deadlines in approving his plan or devising its own. If all plans are blocked by airline industry efforts to retain the regulatory status quo, the sun would set on the CAB's power to award exclusive routes or confer other economic benefits.

When the Senate Government Operations Committee starts considering sunset proposals this month, it's more likely to start with Sen. Muskie's bill applying to all government programs, not just regulatory activities. As did the old Wilbur Mills proposal, the bill would require tax preferences to be put to a fixed schedule of review by the House and Senate tax-writing committees.

The bill would require budget officials in the Executive Branch to follow the same five-year cycle as Congress in putting federal programs to a zero-based spending test. Ford administration men aren't very keen about that. The requirement is "far too mechanical and inflexible," White House budget boss James Lynn has testified. Other veteran bureaucrats warn that requiring every agency to justify all spending would just produce mounds of paper and require a bigger federal work force.

During the Kennedy administration the Agriculture Department experienced with zero-base budgeting, but abandoned it after a year. "It was just too much," recalls William Carlson, now retired, who helped plan the effort. Mr. Carlson says the exercise "is probably a good idea" for a new Cabinet officer wanting to learn just what his department does, but that "it's impossible to do every year." Zero-base budgeting can indeed spot programs having little value, he says, "but what you discover is that the lowest priority things are there for political reasons."

That brings the question right back to the political will of Congress to end somebody's federal benefits, despite the crutch of "action-forcing" timetables. One skeptic is Ernest Gellhorn, dean of Arizona University's College of Law. "If the will is there," he has testified, "putting it into statutory form does not change anything. If the will is not there, the next Congress is going to change it." He pointed specifically to clean-air deadlines set in 1970 that Congress this year is pushing back.

REFORM RHETORIC

The Federal Energy Administration faced a sunset situation under existing law last June 30 when its old authorization expired, but Congress voted to extend its life. To some, this showed a lack of backbone. The extension demonstrated, complained Rep. Abner Mikva of Illinois, "that while regulatory reform is a fine topic for a rousing campaign speech, it is considerably less popular when the opportunity to translate talk into action arises."

If it appears that a sunset bill is making progress, special interest groups are sure to start begging for exemptions. A spokesman for the Veterans of Foreign Wars already has declared it would be "both unnecessary and discriminatory" to expose veterans benefits to the sunset threat. Sen. John Glenn of Ohio, a co-sponsor of the Muskie bill, has suggested Congress itself might want to spell out sunset exemptions for some civil rights and energy-research programs. Also, Sen. Glenn isn't sure how the sunset principle would apply to such long-standing government institutions as the Navy. "That's a grey area," he says.

With the armed services committees in charge of its zero-based budget review, the Navy doubtless will be pretty safe. Indeed, the problem of the friendly committee could make the proposed zero-base budgeting requirement a fairly perfunctory exercise, with almost all programs routinely passing the test.

"There's no perfect check on a friendly committee," concedes freshman Rep. James Blanchard of Michigan, sponsor of a sunset bill in the House. Nevertheless, he thinks the independent streak being shown by more House members lately "is already breaking up the grip of friendly committee heads over programs."

And changes in public attitudes toward government may make the old we-don't-want-to-hurt-anybody motto more outdated than Capitol Hill cynics think. Sen Abraham Ribicoff of Connecticut, chairman of the Government Operations Committee, has for 13 years watched Congress take care of each program's narrow constituencies and he thinks things are changing. "Sure, there are small constituencies behind each program," he says, "but there's a bigger constituency out there that's tired of too-big government, and those small constituencies can't stand up against that."

The first instinct of Congress when confronted with something new is to seek an institutional fix; set up a new committee, set deadlines, tinker with the rules. Bureaucratic Mickey Mouses often disguises a failure to act on substance, and the current sunset fad could quickly descend to play-acting. But if it's only a mental crutch to get the members to thinking about the status quo in a fresh way, the exercise may be worthwhile. Politicians need all the help they can get in screwing up their courage to yell "No" when it's time to vote.

THE LANDING OF VIKING

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. TEAGUE. Mr. Speaker, this morning the successful landing of the Viking spacecraft on the surface of Mars was confirmed by NASA engineers and scientists. This monumental achievement occurs on the same day that Apollo 11 Astronauts Neil A. Armstrong and Edwin E. Aldrin, Jr., landed on the surface of the Moon 7 years ago. In the time between Apollo 11 and the unmanned Viking landing on Mars today, much of importance has been contributed by our space program to our quality of life and economic well-being. We have entered a new era in our space program which promises a low cost transportation system by 1979—Space Shuttle, while the Viking's successful landing demonstrates again that we need to support an aggressive scientific program in space exploration. The men and women of the Viking team, industry, the universities, and Government are to be congratulated for this outstanding achievement.

The true dimensions of the Viking landing will undoubtedly exceed our expectations. If past achievements of NASA serve as a guide we can view with pride the achievement of the Viking landing as another indication, in this Bicentennial Year, of the strength and skill of the people of the United States when dedicated to an important project.

THE DISSERVICE OF SERVICES

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. WAXMAN. Mr. Speaker, although much attention has been paid to one aspect of the causes of inflation—skyrocketing increases in prices for raw materials, labor, and administrative overhead—much less has been focused on the impact of the costs of services. Recently, Mr. Godfrey Harris, a management consultant in California, published an article which makes a good case for the need to focus on the relationship between the delivery of services, one of the fastest growing sectors of our economy, and "stagflation." I wish to take this opportunity to share Mr. Harris' article with my colleagues:

[From the Lightning Tree Journal, Spring 1976]

THE DISSERVICE OF SERVICES

(By Godfrey Harris)

(NOTE.—The following article began as a letter to President Ford. The author, a management consultant in California, writes of its genesis: "In August [1974] when Jerry Ford moved into the White House and asked for ideas on the economy, I took pen in hand to unburden myself of my festering belief in the culpability of services in stagflation. I got a long personal answer duly signed by the President; it was duly framed and hung in my office." Soon after, he "put some flesh around the ideas" and the letter became an article. Since he, as a consultant, falls into the service category, he is admittedly attacking his own kind. But, he says, they need attacking. What follows here is a revised and expanded version of the article which first appeared in the Santa Monica Evening Outlook.)

That huge category of the economy we call services may be at the bottom of the stagflation barrel, buried underneath the obvious problems of excessive petroleum prices, higher interest rates and prodigious government spending. Excessive services may, in fact, be one of the principal causes of the international economic malaise of sustained inflation along with recession, which continues despite optimistic political assertions in this campaign year.

If this is so, it is getting very little attention from professional economists. The alternating expansionist and restrictive monetary and fiscal policies they have used to tune Western economies since the 1930's generally assume that these economies are heavily dominated by the ebbs and flows of their manufacturing, mining and agricultural sectors.

Yet a more significant element of stagflation in the United States may be found in the service category, in its closed pricing policies and its lack of adequate productivity measures. With service industries and occupations now accounting for well over half the annual GNP, traditional monetary and fiscal approaches may no longer be capable of tempering the economy.

For instance: The rise in cost of a new car may easily be explained by a rise in the cost of its steel or fabric. But consider the number of service groups involved in the production of that steel and that fabric: the safety engineers, file clerks, advertising executives, compliance specialists, government officials, insurance agents, lawyers, doctors, secretaries, brokers, accountants, consultants, counselors—a long chain stretching through sub-contractors and suppliers. To what extent do these services affect production line salaries and office overheads? Could *these* costs ultimately be responsible for the higher steel and fabric prices?

And again: The output of the service groups is not readily measured. Yet the rising costs of these services seem evident everywhere. Consultants, accountants and attorneys tend to raise their hourly fees—not because their major costs are significantly higher, their production markedly greater, or their individual skills in increasing demand, but because of some mystic sense of what they say they deserve.

The unfortunate result of this mystic feeling of never earning enough is that these professionals often adjust their prices and fees upward in easily remembered round numbers—numbers which, translated to percentage terms, turn out to be far in excess of other rising costs.

In a post-industrial society, the trend of our economy toward even greater services is perhaps to be expected. But this does not deny the possibility that in a mature economy services can be brought into better balance with the production of goods. To do so, however, we must first come to understand how much all of us really pay for the services that enter, visibly or invisibly, into our personal costs of living. For the service ingredients of any major bill (say $250 and up) we should perhaps demand a "unit cost truth in overhead" disclosure requirement.

In addition we can begin to question the necessity of the servicing we receive. We must determine if the necessary servicing is provided efficiently. And we must also allow more competition in service pricing—now heavily influenced by professional societies, business associations and government agencies.

One final point which could receive immediate attention from all levels and branches of government: Price fixing—although referred to by more dignified terms—is rampant among airlines and moving companies, lawyers and banks, baseball clubs and insurance companies, stock exchanges, drug stores and any number of other commercial areas. No matter how this is justified (whether to protect some professional standard, vested interest or historical precedent), a determined and consistent attack on all forms of price-fixing can begin the process of balancing the impact of services on the total economy.

However, without waiting for direct government action, individuals themselves can encourage alternatives to excessive servicing. Major food chains may think geometrically stacked and neatly arranged shelves are a marketing necessity. But buyers elsewhere forgo this level of servicing for food plucked directly from the packer's or canner's shipping cartons—at less expense. Why do Americans accept without protest the high cost of ornate packaging, the plastic and coated paper wrapped around any and everything (usually impossible to open)? Is America the only country where it takes more talent to complete an income tax form than it took to earn the income in the first place?

The overloading of service business and service occupations—and their resistance to productivity measures—have led some to believe that the society itself, led by the Government, has unconsciously encouraged services as the least troublesome means of absorbing the increasing number of employables displaced by machines. But society may not escape the result of this dubious solution until it carefully reevaluates how its money gets allocated and how its time is spent.

This reevaluation may also result in a fundamental shift of attitude. Instead of bifurcating the labor force into white collar and blue collar, perhaps the force should be classified as clean cuff or dirty cuff workers. Those in the latter category—whether producing services or goods—should be given the higher status which they deserve and which the U.S. may now require.

UNIONIZATION OF THE MILITARY: AN IDEA WHOSE TIME HAS NOT COME

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. DOWNEY of New York. Mr. Speaker, the question of unionization of the U.S. military has received increasing attention in recent months. It is supported by several prominent union officials and by a number of Americans generally located on the liberal end of the political spectrum. Its opponents include the military command and the various service associations.

In seeking to evaluate the proposal, I believe we should begin by disregarding the views of union officials, who naturally would like to expand their membership and power. Similarly, I believe we should disregard the views of the service associations, the sergeant's associations, and other groups who naturally would like to remove any threat to their own power and competition for their membership.

We should, in short, judge the proposal strictly on its merits. On this basis, my view is that unionization of the military would be a disaster.

In general terms, we must recognize the fundamental difference between the U.S. military and a private corporation. A corporation exists to make money, and its workers work for the same purpose. A union is therefore necessary to create a reasonable balance between the two groups in their struggle for their slices of the pie. But a military organization, both commanders and enlisted personnel, exist to serve national policy in times of urgent need. This is a critical distinction.

Some have suggested that unionization might have prevented My Lai, Kent State, and Newark. They suggest that a soldier would be able to refuse to shoot innocent people on the grounds his union says he does not have to do it.

I give this argument very little credence. Whether we should or should not shoot innocent civilians is a matter for national policy, not for negotiations between soldiers and commanders. Humanitarian restraints must be established by the command, directed by the Congress, and enforced by the courts, or they simply will not be observed.

It is also claimed that military unions would better enable the enlisted man to get a fair deal. My view on this is that the military already gets considerably more than a fair deal, and that the last thing we need is additional featherbedding, make-work and "can't do" attitudes. This is not to say that abuses, injustice, and Mickey Mouse conditions do not exist; certainly they do. But these should and can be handled by Congress and by the command. In this respect I am 100 percent behind Admiral Zumwalt.

Let us put it bluntly: We cannot afford the military establishment we have today. We cannot afford the retirement costs we are incurring today. If we permit unionization of the military, no matter what else happens we can be sure we will be paying more and getting less. We certainly cannot afford that.

Finally, the military has a unique requirment for discipline and instant obedience which is not duplicated in any other occupation. The only way a military organization can operate is for the command to follow the laws and regulations, and for subordinates to obey their commanders within the limits of laws and regulations. Any other method of operation gravely weakens the Nation's ability to conduct military operations and cannot be tolerated.

CLEVELAND RADIO STATION MARKS 55 YEARS OF EXCELLENCE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. STOKES. Mr. Speaker, I would like to take this opportunity to bring to your attention and to the attention of my colleagues in the U.S. House of Representatives, the 55th anniversary of WHK radio station in Cleveland, Ohio.

As the first radio station in the State, WHK has had a proud and illustrious history. Since July 26, 1921, when they aired their first program, they have continually received top ratings and citations for excellence in the broadcasting field.

Under the able guidance of Mr. Milton Maltz, president of the Malrite Broadcasting Co.—owners of WHK—the station has developed a well-rounded format of music, news, talk shows, and community affairs programing. Over the years, WHK has kept up with the times and modified their programs to meet the needs of a changing society.

Currently, the American Research Bureau has given WHK a first place rating in the metropolitan area during prime time.

Mr. Speaker, July 26, 1976, will be "WHK Day" in Cleveland in honor of 55 outstanding years of service to the community. At this time, I ask my colleagues to join with me in recognition of WHK. Their presence in the annals of American broadcasting has been a significant asset to the entire communications media. Let us join in wishing them many more years of meritorious service.

CREDIT UNION FINANCIAL INSTITUTIONS ACT

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. McCOLLISTER. Mr. Speaker, I have received this week a petition signed by more than 1,100 of my constituents requesting that the House of Representatives take action on the Credit Union Financial Institutions Act. I am gratified by this tremendous showing of support for credit union reforms, and share in the request for action.

I have already contacted the chairman of the Committee on Banking, Currency and Housing requesting that such legislation be considered separately from other financial institution reforms in order to remove it from the controversies that created such difficulties for the Financial Reform Act. I urge my colleagues to join me in this request.

I now insert my letter to the chairman, and the petition from the members of the Nebraska credit unions be placed in the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 20, 1976.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Currency and Housing, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Credit unions are one of the most important segments of our financial industry. They were formed to meet the needs of their members when banking services were unavailable elsewhere and have continued to provide necessary services for a growing membership. A credit union is often the first point of contact a person has with a financial institution, and provides the basis for a person's life-long opinion of the financial world.

But without removing some of the restraints imposed on credit unions and allowing them to expand their services, they will have increasing difficulty competing in today's financial industry. Congress must recognize the changes taking place in this industry and allow credit unions to keep up with the changing needs of their members.

I urge the Banking, Currency and Housing Committee to consider credit union reform legislation separately from other financial institution reforms in order to remove this type of legislation from the controversies that created such difficulties for the Financial Reform Act. It is my desire to see a credit union reform bill reported from the Committee at the earliest possible date and enacted by this Congress.

Sincerely,

JOHN Y. MCCOLLISTER,
Member of Congress.

PETITION

We the people of the 2nd Congressional District in the State of Nebraska in accordance with Rule XXII, of the Rules of the House of Representatives do hereby petition the United States House of Representatives to enact amendments to the Federal Credit Union Act as contained in the "Credit Union Financial Institutions Act Amendments of 1975" (H.R. 7474), to permit Federal credit unions to offer millions of members long-term real estate loans, revolving lines of credit, extended repayment periods on consumer, mobile home and home improvement loans, third party payments, and other contemporary financial services; and,

Do hereby commend the United States Senate for its expeditious consideration and passage of similar legislation for credit unions, contained in the "Financial Institutions Act of 1975" (S. 1267).

We the members of the Nebraska Credit Unions, Petition the Congress to enact this vitally needed legislation for credit unions during this year, our nation's Bicentennial, to enable more than 22,000 credit unions to more adequately serve the contemporary financial needs of over thirty million members throughout the United States. And, we ask that this petition be introduced on the floor of the United States House of Representatives and made a part of the official proceedings of that chamber.

SOUTHEAST ALTERNATIVES PROJECT: A MODEL FOR COMPREHENSIVE EDUCATIONAL CHANGE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. FRASER. Mr. Speaker, in 1971, the U.S. Office of Education selected three school districts as pilot programs for its experimental schools project. What has come to be known as the southeast alternatives project in Minneapolis was one of these pilot sites. Located in the southeast portion of Minneapolis, the project consists of three elementary schools together with one free school, and one high school. Approximately 2,500 students are enrolled in the five programs.

The original contract between the Minneapolis public schools and the National Institute of Education singled out a central overarching objective for the project: to explore the potential for comprehensive change in the educational structure and programing of the southeast area schools.

On the one hand, this has involved offering students, parents, and teachers a choice among four alternative approaches to learning: a traditional, self-contained classroom format; a continuous progress setting in which students are grouped by ability level rather than age level; an open program in which students are given a great deal of flexibility in structuring their day; and a free school which deemphasizes a structured curriculum.

On the other hand, this objective has entailed a decentralization of the decisionmaking process and an extensive involvement of community members in the schools' programs. Decisionmaking has passed to a significant degree from the board of education to the project participants. All members of the school community have had the opportunity to actively participate in the schools' governing process and day-to-day educational programing. This has insured that decisions concerning financing, staffing, programing, and evaluations have had their roots in community preferences.

Almost everyone who has become familiar with the project has been impressed with its achievements. Ron Alvarez of the project's sponsoring body, the National Institute of Education, has remarked—

> We're very satisfied with what's been accomplished and what we feel is the impact of SEA on Minneapolis.

The Minneapolis Board of Education, largely as a result of the SEA experience, has declared its intention to extend educational alternatives to all areas of the city. The southeast Minneapolis community itself has been extremely supportive—whereas in 1971 35 percent of the area parents were pleased with the schools, by 1974 65 percent were. People outside Minneapolis have visited the project in large numbers—5,000–6,000 in 1975—suggesting that the project's philosophy and operation may hold much of value for other school districts.

The project completed its final year of a 5-year funding cycle this spring, having received a total of $6.5 million from the U.S. Office of Education and the National Institute of Education. Its schools will now operate on the same financial basis as the other Minneapolis public schools. Although its experimental phase has been officially closed, Southeast Alternatives will undoubtedly continue to have a significant impact on the way the people of Minneapolis view and approach comprehensive educational change.

I would like to call my colleagues' attention to a recent Minneapolis Tribune article written by Greg Pinney about the project's successes. I would also like to insert the testimony I presented last summer to the House Subcommittee on Select Education when it was considering legislation to extend the authorization of the National Institute of Education. The materials follow:

[From the Minneapolis Tribune, June 14, 1976]

Southeast Alternatives Education Project Will Graduate With Honors

(By Gregor W. Pinney)

About a month from now, David Roffers will clean out his desk and lock up the office of the Southeast Alternatives project in Minneapolis, bringing an end to a costly experiment that just about everyone considers successful.

It is counted a success because it has proved that regular neighborhood schools can be abolished and replaced with special-style schools. And it proved that many parents and students will choose the schools they want and that the students survive—that they learn basic skills even though they are taught in vastly different ways.

Financed with $6.5 million in Federal money, the alternatives project has transformed the public schools in southeast Minneapolis. And it has inspired an alternative movement in the rest of the city's schools as well.

The project took four neighborhood elementary schools and converted them into special institutions ranging from a traditional school to a radical free school. It gave all the students in southeast free bus rides so they could attend the school they wanted. The students each had an extra $2,840 in federal money spent on them during the five years of the project.

"We're very satisfied with what's been accomplished and what we feel is the impact Southeast Alternatives is having on Minneapolis," said Ronald Alvarez at the National Institute of Education in Washington.

But now the federal funds are running out, and the southeast schools will have to get along on the same money as all the other schools in the city.

After he closes the office, Roffers, who has directed the project in its final year, will move on to some other administrative job in the school system. The people on the evaluation team, who have produced scores of research reports, will be looking for work. The teachers who wrote new courses have been disbanded, and the extra aides who enriched the program have been withdrawn from the classrooms.

Praise has come not only from the federal government, which paid the bill, but also from parents and students, who got the benefits.

"I think it's worked out smashingly," said Ann Legg, the mother of two school children, "and I'll be very, very sad if anything happens to it." Mrs. Legg was one of the people in 1971 who joined school teachers and administrators to draw up the proposal for the federal grant.

In a 1972 survey, 92 percent of the elementary parents and 75 percent of the secondary parents said they were satisfied with their children's schools.

Mrs. Legg won't have to worry for the immediate future. All of the current alternative programs in the southeast schools are being kept in operation, which probably is the most solid proof of its success.

Further proof is the fact that the Minneapolis School Board is spreading the alternative idea across the city. But the board is doing so largely to help with desegregation by giving students something more palatable at the end of a forced bus ride.

The idea of choices overturns the centuries-old belief that there is "one best way" to educate elementary children and that the neighborhood school provides it.

Alternatives now are well accepted in Minneapolis but in 1971, it was a risky idea. Skeptics wondered if parents and students really would exercise choice, whether the various types of schools would last and whether students would learn anything in the more radical alternatives.

And underlying it all was the question of whether a school system could pull itself out of tradition and make "comprehensive change." The federal government decided to put money into testing that question.

The "Experimental Schools Program" was set up by Congress, and Minneapolis was one of three districts selected for grants in 1971 out of 500 applicants. The others were Berkeley, Calif., and the Franklin Pierce District near Tacoma, Wash.

One family, the MacEacherns of 1717 Brook Av. S.E.—have tried just about all the options. They offer an example of how the school works.

Seven-year-old Anne MacEachern was a second-grader this year at the Tuttle Contemporary School where the classes are directed by the teachers and where the students move along together pretty much in standard style. Peggy, 10, was a fifth-grader at the Marcy Open School where students work on their own projects after they and their teachers have decided what to do. Phil, 12, was in a seventh-grade open program that operates on the same idea at Marshall-University High School.

Steve, 14, also was at Marshall University, but he was in a "graded" program in ninth grade that stresses standard school subjects in standard ways, much like Tuttle Elementary. Prior to last year, Steve went to the Free School where students take prime responsibility for their education and where they spend a lot of time preparing to cope with the outside world. He changed, he said, because he wanted a little more structured program. "I guess maybe I didn't think I was getting enough of things like English and social studies."

The oldest MacEachern child, Katie, who graduated last year at the age of 15 from Marshall-University High School, took a fairly traditional course of studies.

The only school the MacEacherns have not tried is the Pratt Continuous Progress School—the middle of the spectrum—where teachers decide what students will learn but the students are supposed to move at their own rate.

"I think the kids are different, and each of them at various times thought that a certain school was the place to go," said the children's father, Donald MacEachern, an education professor at the University of Minnesota.

Most students, however, stayed closer to home. Only 26 percent ventured beyond their neighborhood schools in the first year, and that figure rose to just 38 percent by the end of the fourth year. But the important point, say alternatives officials, is that students could move if they desired.

Change was what Southeast Alternatives was all about—comprehensive change. Alternatives were just a part. So were the new committees of students, parents, teachers, and administrators who got into such previously forbidden territory as screening candidates for school principalships. So were the aides. So were the programs for retraining teachers in new techniques. So was the southeast director who made decisions that otherwise would have been made at school district headquarters. Did the project succeed in putting them all together?

"Yes, indeed," said Larry Reynolds, vice president of Educational Services Group in Edina, which has been hired for $460,000 as the "external evaluator." When Reynolds writes his final report this summer, he will say, "Southeast is a model for change."

Statement by Representative Donald M. Fraser on the National Institute of Education Before the Select Education Subcommittee of the House Education and Labor Committee, July 30, 1975

Mr. Chairman, members of the subcommittee, I appreciate the opportunity to speak to you this morning about the National Institute of Education.

SOUTHEAST ALTERNATIVES

In 1971, the United States Office of Education selected three school districts as pilot programs for the Experimental Schools Project; each district was given a grant to develop a continuous kindergarten through grade twelve program. The Minneapolis Public Schools district was one of these pilot sites. By the end of its five year funding cycle, Southeast Alternatives (the name chosen for the project) will have received a total of $6.5 million from the Office of Education and the National Institute of Education. The first 27 months of the project were funded directly by the Office of Education; the final 33 months have been funded through a contract entered into by the Minneapolis Public Schools and the National Institute of Education.

Located in the southeast sector of Minneapolis, Southeast Alternatives (SEA) consists of three elementary schools, one free school, and one high school. As of June of this year, approximately 2,300 students were enrolled in the five programs (the entire school system has an enrollment of 56,000 students). Each of the schools is open to any child within the southeast area.

The original SEA proposal of 1971 and the Minneapolis Public Schools/NIE Scope of Work Contract of 1973 singled out a central, overarching objective of the project; to explore the potential for comprehensive change in the educational structure and programming of the southeast area schools. In terms of both organizational pattern and curriculum articulation, a K–12 continuity was to be developed. This continuity would in turn rest on the project's three foundation stones: the availability of distinct educational alternatives, the involvement of the community in program development and implementation, and the decentralization of decision-making authority.

The SEA/NIE contract stipulates that "the project will test four alternative school styles (K–6) and selected options in schooling programs for grades 7–12 articulated upon the elementary objectives." Stated somewhat differently, SEA offers parents, students, and teachers the opportunity to choose among alternative approaches to learning. Not only are parents and students encouraged to choose the school which best matches the students' needs and abilities, but teachers are able to select the school whose format best fits their personal approach to teaching.

The concept of alternatives is predicated upon the belief that no single learning environment is best for all children. By structuring discrete alternatives in the way space is organized and time is used, in the pace at which students are encouraged to proceed, in the degree to which students are allowed to formulate their daily program, and in the manner in which material is presented by the teachers (whether through a single teacher handling a particular class, a team of teachers exercising responsibility for a series of classrooms, or a teacher managing a specialized interest center), the SEA schools furnish learning environments which are responsive to divergent desires and needs.

Tuttle Contemporary School is in many ways similar to the traditional elementary school setting—the classrooms are age-graded, self-contained, and generally the responsibility of one teacher. But while an emphasis is placed on basic skills, Tuttle makes use of exciting contemporary learning methods such as computer terminals, arts and crafts workshops, and unusual educational games.

Pratt Continuous Progress School is divided into ungraded, multi-age classrooms, a setting which allows each child to proceed at his or her own rate. As in Tuttle, an emphasis is placed on attaining certain skill levels, but at Pratt the tempo is closely tailored to the particular student. Mornings are spent in a structured language arts, mathematics, and social studies program; afternoons are devoted to two week courses on subjects chosen by the students.

Marcy Open School organizes its day into four main time blocs: the morning meeting in which plans for the day are discussed; project time in which students work on individual or group projects of their own choosing; center time in which students use the woodworking, music, pottery, science, nature, media, or other centers; and basic skills time in which students are involved in more traditional reading and mathematics tasks. Students do not work out of any particular classroom and while teachers are centered in a single room, they are free to develop the room in any way they like.

Southeast Free School offers a K–12 program (unlike the K–6 programs of Tuttle, Pratt, and Marcy). Loosely grouped into younger, middle, and older age categories, the students actively participate in local and national affairs and causes. For example, the school has recently organized trips to California (where they observed activities of the United Farm Workers), Mexico, and, just this spring, Washington, D.C. The school steers away from a highly structured curriculum, preferring instead to encourage students to make their own choices about their use of time. Minimum levels of achievement are expected, however, and basic skills resource centers include records of a student's progress.

Marshall-University High School attempts to extend alternatives past the elementary level by offering a wide range of courses and by allowing a student (with parental consent) to design his or her own educational program. Students are able to choose from forty or fifty English, mathematics, and social studies courses, to develop independent study courses, and to become involved in a number of off-campus learning programs (for example, students may attend classes at the University of Minnesota or earn credits through work in the community).

The evolution of these alternatives has made it necessary for teachers to develop skills appropriate to non-traditional learning environments. Soon after the creation of SEA, it became apparent that staff development programs would be a critical element in the project's success. In 1972, NIE was asked by the Minneapolis Public Schools to help fund a SEA teacher center which would serve the inservice needs of the program. The Institute agreed. Since 1973, a joint University of Minnesota/Minneapolis Public Schools Teacher Center has provided invaluable assistance to SEA by helping staff meet the challenges of educational alternatives.

Southeast Alternatives is perhaps foremost a test of alternative education. Yet, it is also a test of decentralized governance. Over the last few years, the Minneapolis Public Schools have attempted to decentralize their administrative structure. Ultimate decision-making authority continues to reside in the Board of Education and the central administration, but four administrative areas have been created (the North, East, West, and Southeast—with the closing of the SEA funding cycle, the Southeast and West administrative areas will be merged), each with their own Superintendent, each responsible for the day-to-day operation of the area schools. Under this scheme, decision-making responsibilities have, to a significant degree, been transferred to the SEA director, the school administrators and staff, and the community.

Decentralized governance has occurred in two respects. First, decision-making authority has passed from the Board of Education to the project. Second, each school has been given wide flexibility in determining its program.

On a project-wide level, two groups are involved in the governance process. The first is the Southeast Council. Charged with the responsibility of meeting monthly with the SEA director to advise him about community concerns, the Council includes parents, teachers, and students. The second group is the SEA Management Team. This body, which includes the director, principals of the five schools, and managers of the K–12 programs, decides the major policy questions which determine how the project is to be run.

On the individual school level, all five programs have established advisory/governing councils comprising parents, staff, faculty, and occasionally students. According to a recent study of participation in governance prepared by the SEA Internal Evaluation Team—

"A variety exists in the roles and organizations of these groups, reflective of the variety in the alternative educational programs in SEA which these groups serve. The groups spend most of their time on planning programs and developing procedures for implementing these programs, and less time on budget and personnel issues."

The southeast community was integrally involved in the formation of SEA. Consequently, a vested interest in the program's success was immediately created. As the project has unfolded, this vested interest has been nurtured and broadened into a consensus as to the validity of the project's goals and approach. Through the active participation in policy-making of all elements within the school community, decisions concerning financing, staffing, programming, and evaluations have had their roots in community preferences. Perhaps this helps explain the widely felt feeling of satisfaction with the project—because the community has been assured of a major voice, SEA's evolution has been in fundamental harmony with community sentiments.

The third characteristic of SEA is the involvement of community members and resources in the schools' educational programs. This characteristic is closely interwoven with community participation in the governing process insofar as the advisory/governance bodies at each of the schools play a pivotal role in determining the contours of the school day activities. However, this characteristic refers more specifically to the schools' utilization of community volunteers and resources.

By an extensive use of volunteers and other community resources, the schools are able to maintain a low-adult/student ratio, expose a wider segment of the community to school programs, and integrate students into their social and political surroundings on a more regular basis. For example, the Southeast Free School has estimated that in any given week almost 25 parents, student teachers, and college students spend five hours apiece doing volunteer work for the school. Similarly, Marcy Open School's 1974 Community Day Activities (extending over three months) utilized over 70 different site locations as resources and drew one of every four Marcy parents to away-from-the-building activities.

THE IMPACT OF SOUTHEAST ALTERNATIVES

In attempting to assess the impact of the Southeast Alternatives project, three spheres of influence can be identified: the southeast Minneapolis community itself, the Minneapolis Public School system as a whole, and other school systems.

That SEA has fundamentally altered the area's educational patterns strikes me as beyond question. The foregoing discussion has sought to underscore both the degree to which SEA has replaced traditional programming with distinctly different approaches to learning and the extent to which the community has become involved in the governance and programming of its schools. The following results of the SEA Evaluation Team's Parent and Staff Surveys reinforce these conclusions:

In 1971, 25% of SEA students attended schools other than those nearest their home; in 1975, almost 50% did;

In 1974, 80% of SEA staff members felt that SEA was more effective than traditional programs in getting community members to participate in school programs;

In 1971, 35% of SEA parents were pleased with the southeast schools; in 1974, 65% were.

Moreover, the provision of options has not meant, as some feared, a diminution in students' mastery over basic skills. Students enrolled in SEA programs have scored well on city-wide standardized tests (it should also be noted that many feel standardized tests to be an inadequate gauge of the learning which occurs in a non-traditional setting).

The impact of SEA's successes on the rest of the school system has been considerable. Perhaps the most noteworthy testimony to this impact is the decision of the Minneapolis schools to extend alternatives citywide. In the words of the Superintendent of Schools, John B. Davis—

"What we have begun in southeast Minneapolis has not gone unnoticed. The nation is watching and envious. Parents, students, and our own faculty in many parts of the city have asked and have demanded alternatives for their schools, and they are being provided. The School Board has led the way in its support. The Board has set a goal that every elementary pupil will have an alternative available to him or her by 1976."

In this vein, it was recently announced that Marshall-University High School will add a 6–12 open school program and a 6–12 continuous progress program in the fall. Thus, every student in southeast Minneapolis will have the opportunity to follow a given alternative through the K–12 continuum.

The inception and development of new learning models is invariably costly in terms of money, time, and other human resources. Hopefully, the SEA experience will help minimize these costs at other sites. The building on the SEA experience has already begun. There will be a number of alternative programs in each of the other three administrative areas when school begins in the fall. In attempt to prepare teachers for the implementation of these options, the school district arranged last year for 1,500 district teachers to spend a week in the SEA program. Not only were these teachers given a first-hand exposure to classroom activities, they were also incorporated into discussions and seminars on nontraditional learning methods.

The vast number of non-Minneapolis people who visit SEA annually (5–6,000 this year alone) suggests that the attractiveness of the SEA model is not limited to a particular school system. To cite one example, last year the entire teaching staff of Canada's Manitoba province came to observe SEA—they subsequently announced their intention to introduce alternatives to their system.

THE ROLE OF NIE

The financial and technical support of NIE has furnished SEA with the underpinnings essential to its viability. The Institute's contributions have been three-fold.

First, by entering into a cooperative funding contract with the Minneapolis Public Schools, the Institute ensured that controls over the quality of educational services would be maintained after federal funding had been terminated. The contract stipulated that there would be a gradual phaseout of federal funding over a five year period—as the federal share of the burden decreased, the local share would increase until Minneapolis finally assumed full fiscal responsibility for the project. An automatic incentive to develop a self-sufficient program was therefore built into Minneapolis' side of the equation. In this way NIE maximized the likelihood that the experimental school cluster would be able to operate within the public school system.

Second, NIE has attempted to provide for the needs of teachers and administrators by encouraging the formation and expansion of the University of Minnesota/Minneapolis Public Schools Teacher Center. Its support of the Center represents a recognition of the need to retool and regenerate teachers who have been trained in traditional learning environments. This support also reflects an understanding of the inherent value of forging cooperation between the university and the public schools in designing preservice, inservice, and curriculum development programs.

Finally, NIE has provided local educators with the opportunity to design their own models of comprehensive change. The Institute has turned away from a posture which demands that predetermined Washington blueprints be transplanted throughout the country; it has chosen instead to furnish the financial and technical wherewithal necessary to assist a locally formulated proposal. Ron Alvarez, the NIE project director for SEA, emphasized this notion in a recent evaluation of SEA's progress:

"The satisfactory aspects of the projects are increased by the fact that they have been developed and put together by local people—they are not something that is imposed by Washington. In such an arrangement, the project director acts as a partner or counselor."

The Institute has had its share of birth and growing pains. Yet, it has also had its successes. The concept of federally directed and stimulated educational research is a powerful and worthy concept, indeed an indispensible concept. With proper leadership and adequate financial support, the National Institute of Education can become an increasingly effective tool with which to translate this concept into improved educational opportunities for all our children.

THE OLYMPIC GAMES

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. KOCH. Mr. Speaker, the Olympic games in Montreal have become a farce. And regrettably it is Canada that set the tone. When a democratic country such as Canada violates its pledge and imposes political preconditions for participation on countries otherwise eligible to participate in the Olympic games, it follows, as night follows day, that other countries—particularly those not democratic—will impose their own conditions as well.

As of today 17 nations with 465 athletes left Olympic Village. The New York Times today reports:

> According to the International Olympic Committee, official letters of withdrawal have been received from 13 countries, including Kenya, Nigeria, and Ethiopia. The number of athletes in this group was placed at 399 by the I.O.C. Four additional countries, among them Algeria and Iraq, have notified the I.O.C. they are preparing to leave with 66 athletes.

These withdrawals relate to conditions that these countries would like to impose on New Zealand.

I believe that the United States erred when it did not call a halt to these proceedings by advising that if the Republic of China, Taiwan, was not permitted to participate in the same fashion as all other countries, the United States would withdraw. One cannot temporize in a matter of these dimensions and by temporizing as the United States did, we helped in further politicizing the Olympic games.

I deplore the repressive governments of the Republic of China and South Africa as I do their counterparts across the world, for example the U.S.S.R. and the Peoples' Republic of China, to cite a few. But that is not what the Olympic games are all about. It would be unacceptable for any of these countries—whether I like them or not—to be excluded because of their repressive policies toward their own peoples. Furthermore, it is an outrage to allow other countries to set their own political conditions for participation by other sovereign countries. We have not seen the last of this matter: indeed, we have set the stage for that which will occur in Moscow in the 1980 Olympics. And what conditions will the Soviet Union impose? Will we temporize then?

I am appending my correspondence on the matter with President Ford and Philip Krumm, president of the U.S. Olympic Committee. Regrettably no responses have been received but their ill-conceived actions have spoken for them. I am also appending the New York Times editorial of today on the subject:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 14, 1976.

Hon. GERALD FORD
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I urge you that in the event the Olympics Committee fails to obtain a reversal of Canada's decision barring the Republic of China (Taiwan) from participating under its name in the Olympics in Canada, you have the United States withdraw its participation from the Olympic games.

To do otherwise would set a precedent that will have no end and will ultimately destroy the very nature of the Olympic Games by politicizing them. I happen not to be a supporter of the Republic of China and I hasten to add that I do not support the Peoples Republic of China either. I am opposed to tyranny whether it be on the left or the right. But that is not the question. If as a condition to participation in the Olympics, countries have to demonstrate either democratic values or at the very least non-repression of their own people, then there are perhaps two dozen of such countries that would pass either or both of those tests. And if we use those tests we will bar the Soviet Union and every Communist state as well as the military juntas that abound in Africa, Latin America and Asia.

While I deplore both the repression found in the Soviet Union and South Africa, I believe both should participate in the Olympic Games.

I urge you, therefore, to place Lord Killanin on notice that if there is any resolution other than full participation in the Games by the Republic of China that United States' participation will immediately end.

If we allow Canada, a democratic country, to impose its politics on the Olympics, what will be imposed when those Olympic Games are held in the Soviet Union in 1980? And will we be told then as we are told now that the Games must go on because so many athletes have their hearts set upon them? No, Mr. President, principle in this case as is generally the case is far more important than expediency.

All the best.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 14, 1976.

Mr. PHILIP KRUMM,
President, U.S. Olympic Committee, New York, N.Y.

DEAR MR. KRUMM: Enclosed is a letter I have written to President Ford setting forth my opinion on the current situation relating to the Olympic Games, Canada and the Republic of China.

I hope that you will agree that the United States should withdraw our participants in the Montreal Olympic Games if Canada persists in its position.

I would appreciate having your views on this matter.

Sincerely,

EDWARD I. KOCH.

[From the New York Times, July 20, 1976]

DESTROYING THE OLYMPICS

The abrupt withdrawal of some two dozen national teams from the Montreal Olympics—and, more fundamentally, the far-reaching political attitudes thus displayed—brings explosively to the fore the long-simmering issue of whether the Olympic Games, as *presently organized*, are worth holding We think they are not.

The whole concept of open, global sporting competition is being debased before the world's eyes. In human terms the most poignant travesty is the patent exploitation of skilled young athletes by their governments. Beyond that what is happening is an appalling distortion of competition in sport into political expression, as much as a United Nations vote or the speech of a foreign minister. This is not what sport is about; this is not what should be asked or expected of athletes striving to excel in their chosen challenge.

The African boycott raises totally different issues from the earlier withdrawal of Taiwan from the Games. Taiwan's athletes were responding to what they saw as a slur upon their own national identity by the host country, Canada. The African teams, in contrast, were asked to make a political statement having nothing to do with the Olympics. They were protesting the willingness of another national competitor, New Zealand, to meet South Africa in rugby, a non-Olympic sport, in a series of matches far from Montreal and totally outside the Olympic framework.

Obviously no athlete or nation can or should be required to participate in the Olympics. African governments, or any other, have every right to pull out—though they might give some thought to the hurt they thereby inflict upon those of their own citizens who have been training so tirelessly for the moment of test that through no fault of theirs, is now denied them.

But the point of the Olympics, beyond all the regional or single-sport competitions, is universality, or the nearest to it that can be practically achieved. The athletes who remain in the Games are hurt almost as much as those ordered out—a gold medal for the 1,500 meters shines less brightly when the world's record holder is not even running.

Unless the Olympics are to degenerate further into a clubby and exclusive—and ludicrously expensive—vestige of a simpler world, without valid claim to universal excellence or even to existence, some fundamental reforms are inevitable; and the sooner they are effected, the better. To argue that the modern Olympics have always been politicized, as they have, does not require that they must continue ever more so. The downward progression has already gone too far.

The emphasis on individual achievement, which is what the Olympic spirit should glorify, would be enhanced by abolition of each country's flags, anthems and all the nationalistic glitter that may once have been necessary to attract support but now only distracts. All the world can thrill at the unparalleled beauty of a graceful 15-year-old gymnast—and whether she is from Rumania or Ruritania is irrelevant. Team sports in general are inappropriate at the Olympics, and only exacerbate national pretensions.

The increasingly troublesome distinction between "amateur" and "professional" athletes—and all the gray area that differing national practices put in between—is another vestige that distorts the quest for universal excellence, as Wimbledon and other sporting competitions have already recognized.

The International Olympic Committee and all the national organizers have been notoriously resistant to suggestions for basic reform. Perhaps the best hope for change therefore, rests among the athletes themselves; they represent the people most troubled by anachronistic customs, they knew each other and share many common values—and they are the one element without which there could be no Olympic Games at all.

If serious pressure for reform could begin now, within the corridors and common rooms of Montreal's Olympic Village, perhaps the Olympics could yet emerge with new life. Left to the governments, the politicians, the committees and the hucksters, the Olympic flame is rapidly flickering out.

PASTOR RICHARD LEWIS DETRICH: "COME HOME, AMERICA"

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. REUSS. Mr. Speaker, on July 4 I had the honor of participating in the Bicentennial celebration of the New Life Community Church, 3737 North Sherman Boulevard in Milwaukee. I was especially moved by the inspirational Bicentennial sermon delivered by Pastor Richard Lewis Detrich. I want to share with my colleagues Pastor Detrich's thoughtful comments about the origins of this country and the unfinished tasks before us. The text of his sermon follows:

COME HOME, AMERICA!

(By Pastor Richard Lewis Detrich)

Today is July 4, 1976. Two hundred years ago today the United States of America began. Or did it?

THE FIRST GREAT AMERICAN REVOLUTION

While I realize that it's too late to call off today's birthday celebration, there are those who think we've picked the wrong year in which to celebrate our bicentennial. You ask, "But wasn't the Declaration of Independence signed two-hundred years ago today?" Yes. That was when our nation had its organizational birth. But those who suggest that this is the wrong year for celebration point to what they believe was the spiritual conception of the nation, its organic birthdate, some four decades earlier!

And for that the spotlight shifts from the grandeur of Independence Hall in Philadelphia to a church on the banks of the Raritan River outside the town of Somerville, New Jersey. First Reformed Church of Raritan was a very orthodox, traditional church in 1720, described by churchmen of the day as "very feeble in spiritual knowledge." It was formal and orthodox and clung tenaciously to outdated Dutch traditions, including use of the Dutch language.

The church called a young, twenty-eight-year-old minister from Westphalia, Germany, to be its pastor. His name was Theodore Frelinghuysen, and he created quite a stir by changing everything—and very quickly! One of his radical changes was to begin preaching in English. He was a dynamic, compelling preacher who believed in the necessity of a personal relationship with God through Jesus Christ. He told how this could change a person and give new life. People in the eighteenth century, as now, were looking for that! Many believed and the church grew rapidly. Frelinghuysen's preaching in New Jersey was the beginning of a great revival that swept through the middle colonies and was known as the Great Awakening.

One of the key figures in the Great Awakening was another young minister, twenty-five-year-old George Whitefield. Whitefield came to the colonies from England and, dressed exactly as I am today and traveling on horseback, he preached throughout the colonies, speaking an average of forty hours a week! Ben Franklin once went to hear him in Philadelphia. Old Ben was determined that he wouldn't be moved by Whitefield, but the spell of the preacher was too great. Halfway through the serman, Franklin decided to put all the copper coins in his pockets into the offering basket. Then he decided to put all the silver coins into the basket. When Whitefield finished, Franklin emptied the contents of his pockets into the offering basket!

Whitefield preached a simple message of the good news of new life in Christ and people responded by the thousands. Fundamental to the preaching of the Great Awakening was the concept that man was individually responsible before God for his actions, his mistakes, and his sins. The sins were strongly stressed in lengthy and sometimes "hell-fire and brimstone" sermons. Dramatically, man was presented as being imprisoned and bound in chains by sin. But what was equally emphasized—a fact sometimes forgotten today when we look back on those colonial preachers—was the concept of a loving God who made it possible for man to be delivered and freed from his sin and the punishment for his sin. Freedom was available, but it was man's individual responsibility to accept the freedom offered in Jesus Christ. The Great Awakening embedded in the thinking of the common man two great concepts which would lie at the very heart of the Declaration of Independence and the American philosophy. These were the concepts of *personal freedom and individual responsibility*. The revival of the Great Awakening swept the colonies breaking down barriers, ignoring national backgrounds, and binding the people together. *The Great Awakening was the first great American revolution!*

When in 1776 the political revolution finally came, it followed by almost four decades the moral and spiritual revolution of the Great Awakening. The political revolution grew out of the great emphasis on inner freedom and individual responsibility which were the hallmarks of the first great American revolution that began in a Reformed Church on the banks of the Raritan River under the leadership of a young preacher named Theodore Frelinghuysen.

A few years ago on the Fourth of July, an enterprising newspaper reporter interviewed 122 people in Madison, Wisconsin, showing them a paper on which were written these words: *"We hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed, that whenever any form of government becomes destructive to these ends, it is the right of the people to alter or abolish it."*

Most of the people interviewed thought it was written by some radical students from the University! Others said it was silly idealism. One thought it was the propaganda of a Communist sympathizer. Only thirteen out of 122 people recognized it as a portion of the Declaration of Independence.

When the framers of the Declaration met to put their dreams on paper, they were doing something really far out! It had never been done before! Many said it was impossible! It would never work! But they declared it to be their dream, believed it could work, and set about to make it work. Therefore, today we celebrate that these principles and dreams have held a nation together for two hundred years! While not all of our founding fathers were Christians, they were deeply influenced by the thinking that resulted from the first great American revolution.

A COUNTRY THAT BEGAN IN FAITH

One of the wisest rulers ever to live was King Solomon. Solomon recognized the importance of a strong and vital faith in the God of his father David if his nation were to survive and be strong so he built a beautiful temple for the worship of God. The night after the dedication of this splendid temple, God himself appeared to King Solomon and assured him that when problems and trials come to the nation, that, ". . . *if my people who are called by my name humble themselves. and pray and seek my face, and turn from their wicked ways, then I will hear from heaven, and will forgive their sin and heal their land. But,"* continues God, *"if you turn aside and forsake my statutes and my commandments which I have set before you, and go and serve other gods and worship them, then I will pluck you up from the land which I have given you . . ."* (2 Chronicles 7:14, 19, 20)

God looked at the beautiful temple just completed and said to King Solomon and the nation, "This is a place for prayer, repentance, and faith. If you keep the faith you will be prosperous. But if you go your own way, make your own gods and follow after them, then this temple will stand as a grim reminder to the fact that you forsook your God."

This has something to say to us about the role of faith in the American experience. Certainly everyone in the United States in 1776 was not, nor are they now, "Christian." Furthermore neither the United States nor any country can be called "Christian." But if you will accept with me the idea that the revival of the Great Awakening laid the foundation for the ideas of the American democratic dream, you will see that it *is* a fact that individual Christian faith is at the root of our nation's history. Without the Great Awakening I wonder if we would have been able to conceive such a unique concept of government of the people, by the people, and for the people.

When the pilgrims first arrived, five hundred miles off their course, and landed on the bare and bended arm of Massachusetts Bay instead of Virginia, they fell down on their knees and declared their purpose with these words: "We establish this state to the glory of God and the spread of the Christian religion."

And those who came after shared that faith, though perhaps expressing it differently."

After the establishment of the United States, when the Western expansion began, the Methodists ordained men, put them on horses, and sent them West, starting churches and riding the circuit. In places where there were no churches these brave pioneers made their homes their cathedrals. When the minister only rode through once or twice a year these settlers depended on their own study of a huge, well-worn family Bible.

Many of your ancestors, when they came to Wisconsin from Holland in the mid-nineteenth century and settled in Milwaukee, Cedar Grove, and Sheboygan, came with that same faith in God. If they came from Germany, Sweden, Poland, or the Ukraine, they brought with them their faith. It wasn't always expressed the same, but it was a vital faith in God that saw them across the ocean, through Ellis Island and New York, to this place they made their home.

On this two hundredth birthday, how tragic it would be if we who have inherited all this, patted ourselves on the back and said, "What a great nation we have built." How tragic it would be if we ignored the faith of our fathers! On creaking, rocking, wave-washed boats; on the sandy shores of a new land with a strange and inhospitable wilderness; on the garbage-strewn streets and in the tenements of the lower East side of New York; on conestoga wagons heading West; and on the surface of the moon—they committed themselves and this nation to God.

When our founding fathers set down the principles of equality, liberty, and justice for all, they bit off a great deal! With such an ambitious and unique agenda, it should not be surprising that two-hundred years later there are still major areas of unfinished business. We need not apologize, or make excuses, but we ought to recognize that there is unfinished business. There are challenges of morality and responsibility in leadership, challenges regarding the stability and future of the American family, challenges of equal justice for all, challenges of secure economic opportunity and a share of free enterprise for all, challenges in regard to dignity and security for senior citizens, challenges of living together in peace and brotherhood, and the great challenge of our cities.

You know, I've always had difficulty singing the last verse of "America, The Beautiful!" which says: "O beautiful for patriot dream that sees beyond the years, thine alabaster cities gleam, undimmed by human tears!" I know whoever wrote that song never had their feet on the streets of the South Bronx, or in the core of Milwaukee, for that matter! It's a dream, but the business of the American dream is unfinished!

What about the native American? Maybe you saw the cartoon where a guy is asking an American Indian, "How do you people celebrate the Bicentennial?" And the Indian replies, "About the way you celebrate Pearl Harbor." How would you feel if you went home and found me visiting in your living room, making myself at home, and I tell you that I've "discovered" your home! Unfinished business.

It's this kind of unfinished business, loose human ends on a grand agenda of democracy, that have the potential for bringing down the whole dream. If we are going to meet these challenges over the next one hundred years, then the Bicentennial celebration has got to be more than a contest to see who can make the most unusual birthday cake or the largest flag. There must be a clarion call to repentance and a positive, vital, exciting faith in God!

I find that clarion call in the words of the Lord to King Solomon: *"If my people who are called by my name* (the Christian people of this land) *humble themselves, and pray and seek my face, and turn from their wicked ways, then I will hear from heaven, and will forgive their sin and heal their land."* This isn't addressed to every citizen on the street but to Christians, Christians who've followed after the Siren song of Madison Avenue, who've gone after the cultural god of materialism, and who've forgotten the faith—the gut faith—of their fathers. This is addressed to Christians who have neglected to be the salt that makes life here tolerable, the leaven for change in our society, and the light of the world. You see, it isn't enough just be *be* a Christian; you have to *do* something about it in terms of changing and transforming society.

I've walked the empty streets of the Communist sector of East Berlin. There are few cars—lots of parking space! There is no grafitti on the walls, no hustle and bustle. There are new impressive-looking though sterile buildings, new apartments for the party faithful. But as you walk through this largely rebuilt city, you see the huge, blackened, stark, deserted, bombed-out remains of the great cathedrals which had existed before the war. They've never been torn down. They've been left to stand as monuments to the futility of religion in a Communist world. They've never been rebuilt, for the free expression of religion is prohibited by the government. And it makes me think of the words of the Lord to King Solomon, *"If you turn aside and forsake my statutes and my commandments which I have set before you, and go and serve other gods and worship them* (be it the gods of dialectical materialism or whatever) *this house, which I have consecrated to my name, I will cast out of my sight, and will make it a proverb and a byword among all peoples. And at this house, which is exalted, every one passing by will be astonished, and say, 'Why has the Lord done thus to this land and to this house?' Then they will say* (answering their own question), *'Because they forsook the Lord the God of their fathers who brought them out of the land of Egypt, and laid hold on other gods, and worshipped them and served them; therefore he has brought all this evil upon them.'"* (2 Chronicles 7:19–23)

COME HOME, AMERICA!

It's time to come home, America!

Come home, America, to the fundamentals of faith that formed the bedrock of your dream! *Come home, America!*

Come home, America, to the concept of the family that was the strong, basic unit of the society that made you great! *Come home, America!*

Come home, America, to the dream of life, liberty, and the pursuit of happiness for *all* Americans regardless of race, color, creed, country of origin, IQ, age, or sex. *Come home, America!*

Come home, America, and provide true and equal justice for all, including native Americans, including poor blacks and Latinos languishing for months in city jails without trial because they are poor! *Come home, America!*

Come home, America, and set free the slaves of welfare and let them work and live in dignity! *Come home, America!*

Come home, America, and live together in peace, harmony, and respect. Come home to the cities of your birth, the cities that made you great, and make them places of peace, justice, and beauty. Then every man will sit under his vine and under his tree and on his front stoop and none shall make them afraid. *Come home, America!*

Come home, America, and rise up and live out the purpose of your proclamation! *Come home, America!*

Come home, America, and become ONE nation, under God!

Then this nation will have a new birth of freedom!

Then justice shall roll down like waters and righteousness like an ever-flowing steam.

Then music will swell the breeze and ring from all the trees sweet freedom's song from the redwoods of California to the poplars of New York!

Then the rocks will break their silence, the hills will sing, and from every mountainside *freedom will ring!*

WHAT'S RIGHT WITH AMERICA?

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BOB WILSON. Mr. Speaker, this Bicentennial Year has been a profilic period for commentary about our Nation and properly so—for we have sound reason to stick out our collective chests.

Among some of the literature to come across my desk within the past year was a positive little treatise in book form entitled, "What's Right With America," written by Dwight Bohmbach, a retired Bozell and Jacobs International, Inc., advertising executive now residing in Arizona. Mr. Bohmbach's commentary runs the gamut in a stock-taking exercise that makes one feel a real sense of pride in how much has been done for and by so many in such a short period of time. He delves into topics such as our people, the way we live, our occupations, our immigrants, our kids, our benevolence to other less fortunate and even politicians.

For those who are prone to overlook the wonders of this land and concentrate on its frailties, I commend this book as a reminder of what is right with America.

HEW AUDIT REPORT ON SOCIAL SECURITY ADMINISTRATION OF SSI PROGRAM: HOW NOT TO LAUNCH A MAJOR SOCIAL PROGRAM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. VANIK. Mr. Speaker, for the past year, the Ways and Means Oversight Subcommittee has been studying the administration by Social Security of the supplemental security income program for the aged, blind, and disabled. The SSI program was enacted by Public Law 92-603 at the end of October 1972. It became effective 14 months later, in January 1974.

The beginning of the program was marred by massive confusion, inaccurate payments, improper denials of benefits, and unacceptable delays in the processing of claims. While the administration of the program has been getting better during the past 30 months, the case error rate is still approximately 24 percent and improper and inaccurate payments are all too common.

Because of the chaos which accompanied the start of SSI, the HEW Audit Agency—an inspector general type unit separate from the Social Security Administration—has conducted an exhaustive study of the SSI program in various States, in the 10 Social Security Regional Offices, and at the Central Office—Baltimore—headquarters of Social Security, covering the first 6 months of the SSI program—January through June 1974.

The Audit Agency's report has just been released and is a chronicle of massive confusion and unpreparedness at Social Security headquarters: It is a litany of how not to begin a major new social program.

It is important that we learn from the mistakes which accompanied the start of the SSI program, because during the next administration, it appears that a major effort will be made in the area of health and welfare programs. Only if we learn from the mistakes of the SSI program will we be able to launch these new programs with a minimum of confusion and waste.

According to the Department of HEW the scope of their audit was to determine whether:

First, the payment information for recipients was properly prepared, accurately recorded on accounting records, and accurately reported to the States;

Second, automated and manual transactions were processed properly and timely; and

Third, sufficient supervision and controls were in effect to preclude the possibility of fictitious or unauthorized claims from entering the system.

The HEW Audit Agency has determined that, compounded with the magnitude of the new system, the problems were frequent and conflicting changes in policy and operational instruction, as well as last minute changes in the governing legislation. The Audit Agency stated:

> Our report addresses financial accountability during a period when SSA was beset by major operational problems. Primary emphasis was given by SSA to correcting problems that affected the delivery of benefit checks to needy recipients and fund accountability was not always of equal concern. Our review showed that program administration was further complicated by weaknesses in financial policies and procedures that affected the accuracy of benefit payments and the reliability of financial data. Timely action to solve accounting problems was hampered by the fragmentation of responsibility within SSA for accounting and related computer systems. Breakdowns occurred in both the originally designed computerized systems and subsequently designed combinations of computerized and manual accounting systems. Accounting data produced by the systems was neither complete nor sufficiently accurate to fully meet the needs of SSA for managing the SSI program, or the desires of the States for financial data on payments made. Policies and procedures governing computer operations did not ensure the operation of effective internal controls to prevent the processing of erroneous data. Additional and continuing emphasis needs to be placed on improving fund accountability in the SSI program.

To illustrate the necessity for reform, for the period January-June 1974, only Hawaii and Louisiana advanced sufficient funds to cover supplementation benefits made by Social Security on their behalf. The final SSA records showed a "net deficit" of $74.9 million due from the remaining 29 States. According to the SSA, approximately 50 percent of this deficit was due to the unsettled disputes between SSA and the States on the calculation of State liability limitations. As another example of accounting confusion, one-time or emergency payments for the 1974 fiscal year had errors totaling $21.9 million because of purely informational errors, and at the close of the fiscal year, $2.5 million had not even been accounted for. These errors were caused by:

First, errors in the transmittal of data from district offices resulting in the rejection of the data by the central computer;

Second, the data was not processed timely;

Third, district offices did not input the data; and,

Fourth, supplemental security records—SSR—did not exist for all individuals who received one-time payments.

These errors as well as others could have been avoided if procedural care in the processing of the data was implemented.

The following points are recommendations by the HEW Audit Agency for the improvement of the SSI program:

> 1. place the responsibility for SSI accounting policies and procedures into a single organization;
>
> 2. revise the SSI computer system to record all disbursements and credits on the SSR and to establish codes for all records on the SSR;
>
> 3. establish internal controls at district offices to ensure that all transactions are recorded as they occur;
>
> 4. pending use of the SSR as a record of all transactions, monthly reconciliations of transactions, Treasury reports, and amounts being developed though various accounting subsystems must be provided;
>
> 5. revise the Financial Accountability Statement so that it becomes meaningful to each State; and,
>
> 6. provide for better computer controls over all programs.

I am deeply concerned that our oversight hearings have revealed that many of the problems identified by the Audit Agency as existing during the first 6 months of the program continue to exist: computer operations are still woefully inadequate; error rates are still excessive; communications with the States are still inaccurate.

The Oversight Subcommittee plans additional hearings on the SSI program in the hope that we can obtain improvements in its operation and, even more importantly, that we can provide the Congress with a blueprint of how large, new social programs can best be implemented.

LEWIS DESCHLER

HON. THOMAS E. MORGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. MORGAN. Mr. Speaker, on few occasions in the history of the House of Representatives has any man achieved such distinction through his service to this body that he came to be regarded, in effect, as part of the institution itself. Such a man was Lewis Deschler, whose untiring dedication as Parliamentarian of the House spanned a period of more than four decades.

Lew was here at the Speaker's side well before any of the present Members had been elected to the House. Over the years, he gave expert advice to successive Speakers and House leaders and to rank and file Members who requested it.

Lew's wise counsel was constantly sought by Members. He was at hand and available, he was responsive to inquiries from any of us, he was patient and courteous, and he imparted a sense of calmness and sureness in complicated parliamentary situations.

I remember meeting Lew when I was a freshman Member more than 30 years ago. As time went on, and my legislative responsibilities grew, I came to rely on him increasingly. I will always be grateful for his assistance.

We will miss Lew. I extend deepest condolences to his family.

LIBRARY OF CONGRESS: THE NATION'S STOREHOUSE OF KNOWLEDGE

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. VANDER VEEN. Mr. Speaker, I take pleasure in calling the attention of my colleagues to an excellent article by Steve Spilos, a member of the Detroit, Mich., Great Lakes and U.S. Capitol Historical Societies, in the Legal Advertiser, a Detroit paper, on the importance of the Library of Congress in our civilization and the contribution made to it by Michigan men including Congressman NEDZI, and the mural painter, Julius Melchers.

The article follows:

LIBRARY OF CONGRESS: THE NATION'S STOREHOUSE OF KNOWLEDGE

(By Steve Spilos)

When Daniel J. Boorstin, the 12th Librarian of Congress, was sworn in November 12, 1975, the President of the United States—Gerald R. Ford—attended the ceremony and in this dramatic way expressed his support of the Library and the great work it is doing.

This was the first time a president had so personally done this.

On behalf of 4,600 fellow workers and all whose creative energies have made the Library of Congress a "well-spring of freedom," Dr. Boorstin thanked the president and praised his distinguished predecessor, L. Quincy Mumford, "who ushered our great Library into the age of automation."

And he particularly recalled the recent visit of Ira Gershwin who was moved to call the Library "a shining star and inspiration, worthy of a mighty nation."

Dr. Boorstin's tribute took in "the power of the machine—the new techniques of photography and sound recording . . . the continued output of the printing presses . . . and by lucky coincidence, the electronic computer that helped save us from being buried under our own treasures."

Dr. Boorstin was on the faculty, where he taught English and American history and literature, and also legal history at the Harvard Law School. A Rhodes Scholar, he attended Balliol College, Oxford, passed the English bar examination, was "called" to the bar and became a Barrister-at-law in 1937. He is one of the few Americans qualified to plead in Her Majesty's Courts.

Michigan men have played an important role in the continued development of the Library of Congress. During the swearing-in ceremony, Congressman Lucien N. Nedzi sat next to Dr. Boorstin. He was there in his official capacity as chairman of the Joint Committee on the Library.

When the Main Building was completed in 1897, an internationally known artist, Julius Garibaldi Melchers, of Detroit, painted the two murals, War and Peace, in the Hispanic Society Room. This was his favorite theme, advanced from his earlier work at the Chicago World's Fair.

To see the murals I followed Brian Willson, the Library's tour coordinator, into the Hispanic Room. He stopped in the center of the room and studied the ceiling which had been lowered to accommodate the Congressional Research Service Department. Finally, he reached up, tilted a panel and exposed a lofty dome—and Gari Melchers' work, on either end of the room.

"Speaking of Michigan," Willson said, "you should see our Walt Whitman collection, a contribution of Detroiter Charles E. Feinberg, who is an honorary consultant of the Library. It is the most extensive one of its kind."

More than 800 people work in the rèsearch department which spills over into the balcony, corridors and wings of the gallery, visible proof the Library is just that—a Library of Congress. Researchers answer some fifteen hundred queries from Congress each day. Emergency material is expedited through a large vacuum tube direct to Capitol Hill, and sometimes to the very floors of the House or Senate.

The Library had its start in 1800—when Congress authorized the purchase in London of 600 British law books—and survived two major fires, one during the War of 1812 when the British burned the capital.

Thomas Jefferson, author of the Declaration of Independence, gave it impetus when he said, "A member of the legislature should be informed on all subjects if he is to vote intelligently."

From the balcony overlooking the Main Reading Room, now one of fourteen in the Library, we passed the overloaded stack areas on the way to the Mezzanine, where the journals of the Continental Congress since 1774, Congressional records, bills and official documents of the House and Senate are kept.

Obviously, the Library is cramped for space, but the opening of the new James Madison Memorial addition will double its capacity.

Willson enjoys his work—visitors from everywhere tour the library. He is a tall, dignified person with a finely-trimmed moustache and British accent. He served seven years in the English army during World War II.

"We don't believe everything important is in English," he said, "and provide world-wide service. In many instances, foreign scholars find more books here—in their own language—than they do at home."

Having just returned from Mt. Athos in northern Greece, I was surprised to learn rare books and manuscripts from the Holy Mountain are preserved on microfilm in the Library.

The Library collections are very extensive and universal in scope, totaling more than 75 million items and 16 million books and pamphlets on every subject and in a multitude of languages. Only one other library in the world can come close and that is the Lenin Library in Moscow.

Extension services are very broad and include "talking books" for the blind in 34 regional library centers. Copyright service was introduce in 1870 and comes under the control of the Librarian of Congress.

If you were to ask what the Library excels in, the answer would have to be the law. This is where the concentration has been. Established by an act of Congress in 1832, as a department of the Library of Congress, the Law Library originally contained 2,017 volumes, 639 of which had been part of the Thomas Jefferson library. Now it houses more than a million and a half titles.

The Library of Congress has the world's largest collection of published aeronautical literature and the most extensive collection of incunabula—early or primitive works of art and manufacture—in the United States. A Brazilian collection includes 33 woodcuts reproduced from their literature de cordel or "string literature." The name is derived from the custom of displaying chapbooks for sale on strings from a pole.

Manuscript collections relate to American history and civilization, music, maps and views, recordings, speeches, poetry readings, prints and drawings and periodicals from all over the world.

By far the greatest treasure in the Library is the Mazarin Bible, printed in Germany about 1455 by Johann Gutenberg. It is displayed in the Great Hall right next to the Great Bible of Mainz and is the earliest book printed by movable type.

Some books in the Library were obtained for practically no cost at all and now are priceless. A good example is the Bay Psalm Book, 1640—the first book printed in America.

An intricate series of metal lifts and baskets, carts and pneumatic tubes reduce walking in the Library to a minimum, except in the uphill tunnel that connects the Library Annex to the Main Building. Completed in 1939, the five-story annex which actually has more space than the main library was recently renamed in honor of Thomas Jefferson.

Near the front exit there is an information desk with an affable attendant and some books to browse through while you wait for a cab. To my pleasant surprise I found a gem—"Viewpoints," a recent publication of the Library.

A pictorial history, it features selected photos from the Detroit Publishing Company's fabulous collection of 50,000 prints and plate-glass negatives which are now a part of the Library. It is pure Americana—and another great contribution from Michigan to the library of libraries, the Library of Congress.

NATIONAL WHEELCHAIR GAMES

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. WOLFF. Mr. Speaker, organized wheelchair athletics have been increasingly used in this country, and abroad, as a successful aid toward rehabilitating the handicapped. I recently had the privilege of attending the 20th National Wheelchair Games held on June 13, at Farmingdale, N.Y. These games are held annually as trials for the Paralympics, an international athletic competition for paraplegics, modeled on the regular Olympic Games.

I would like to thank Mr. Benjamin Lipton, chairman of the United States National Wheelchair Athletic Association, Dr. Charles Laffin, president of the State University of New York at Farmingdale, and Mr. Harold Unterberg for the fine work they have done with this program and for inviting me to attend the games.

These competitions benefit the participants in a variety of ways. The handicapped person's success at athletic competition greatly increases his self-confidence and serves to make him aware of his capabilities for successful employment. These people gain greater motivation to become contributing members of society and often participate in other programs, such as community services, in addition to earning good incomes at full-time jobs. This increased motivation and psychological lift that the handicapped achieve through athletic competition also contributes to their physical well-being, and they require less attention from medical personnel.

The coverage given the wheelchair competitions by the various news media has also benefited the handicapped by educating the general public about their courage and capabilities. This has led to more public support for these people to become productive members of society, and has dispelled the myth that paraplegics are a burden to society. News coverage of these games also serves to make other handicapped people aware of their potential and gives them greater hope for their own development and rehabilitation. Other groups of different types of handicapped people may also be induced to develop programs of athletic competition through witnessing the success of the wheelchair games.

I heartily commend the work being done in the area of athletic competition for handicapped persons on both the national and international level. These programs deserve much public recognition and the participants deserve a great deal of encouragement and praise for their determined and successful efforts to overcome the limitations of their handicap and prove themselves valuable members of society.

"A BILL TO END SCHOOL BUSING"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. McDONALD. Mr. Speaker, on March 9, 1976, I introduced H.R. 12365, a bill to eliminate Federal court jurisdiction over forced school attendance, the text of which is:

> That, pursuant to article III, sections 1 and 2, of the United States Constitution, no court of the United States shall have the jurisdiction to make any decision, or issue any order, which would have the effect of requiring any individual to attend any particular school.

On May 10, 1976, after the Judiciary Committee indicated it plans to take no action on this bill, I initiated a discharge petition which is now available for signature by Members at the Journal Clerk's desk on the House floor.

The purpose of the bill is to prohibit Federal court orders forcing children to attend a particular school, such as orders to bus children to specified schools because of their race. Its means is to employ the authority granted to Congress by article III of the Constitution to restrict the jurisdiction of the Federal courts to issue such orders.

Frankly, it is surprising there are still proponents of school busing for the purpose of achieving racial balance. It is costly, it is driving down the quality of education and it is apparently resulting in greater segregation, the very opposite of its alleged purpose.

Even sociology Prof. James Coleman, the author of the influential 1966 study used as a basis of many busing orders, now says court-ordered school integration is a failure. A new study by Coleman shows that court ordered integration results in a "general resegregation in all regions of the country." It is worth noting that in an interview published last year in the National Observer, Coleman called the courts "the worst of all possible instruments for carrying out a very sensitive activity like integrating schools."

BUSING FOSTERS RACISM

But by far its most pernicious aspect is the effect on the children who are caught up in it. Racism is a crude form of collectivism: It consists of treating people as members of racial groups instead of as individuals based on their own qualities of character. And what is a young person taught when he is uprooted from his school and friends and forced to attend some distant school, and told that the reason is his race? Thus are the seeds of racism planted in young and impressionable minds.

And thus it is no wonder that busing always increases racial awareness and racial tensions, resulting in turmoil and fighting among students paired off on the basis of their race. If we wish to attack racism among our young people, we must eliminate race as a standard for determining anything. Which means we must eliminate Government-imposed quotas, affirmative actions, et cetera. And the first to go should be one of the most insidious: assignment of children to various schools on the basis of their race.

FROM BROWN TO GREEN: THE SWITCH FROM NONRACIAL TO RACIAL SCHOOL ASSIGNMENT

But to eliminate this we must curb its chief source: The Federal courts. Some of these courts are now holding that busing is necessary to remedy violations of the constitutional right to the equal protection of the law under the 14th amendment.

Consider, however, the history of desegregation decisions dating back to *Brown* v. *Board of Education*, 347 U.S. 483 (1954). In that case the Court held that the state policies requiring the separation of students in the public schools on the basis of race violated the equal protection clause of the 14th amendment, thus overturning the "separate but equal" doctrine established in *Plessy* v. *Ferguson*, 163 U.S. 537 (1895). The Court, in the words of Chief Justice Earl Warren, stated:

> "The fundamental principle that *racial discrimination in public education* is unconstitutional."

And held that—

> "All provisions of federal, state, or local law requiring or permitting such discrimination must yield to this principle." (emphasis added)

In discussing appropriate remedies, Chief Justice Warren further stated:

> "At stake is the personal interest of the plaintiffs in admission to public schools as soon as practicable on a *nondiscriminatory* basis", and, "the courts may consider . . . revision of school districts and attendance areas into compact units to achieve a system of determining *admission to the public schools on a nonracial basis* . . ." (emphasis added)

I am not sure how the Supreme Court could have been more explicit—racial discrimination in public education is ruled unconstitutional and admission to the public schools must be on a nonracial basis. And yet a series of Federal court decisions over a period of years have resulted in exactly the opposite—the ordering of children to attend certain schools because of their race.

At first the Court declined to interfere with the administration of its Brown mandate, allowing the enactment and administration of "pupil placement laws" assigning each student to a school on the basis of formally nondiscriminatory criteria. Eventually, however, the lower courts began voiding these laws on the grounds of discriminatory application and in the early 1960's various State practices such as school closings, minority transfer plans, and zoning were ruled inadmissible. What followed is well summarized on page 1498 of "The Constitution of the United States," Senate Document 92–82:

> About this time, "freedom of choice" plans were promulgated under which each child in the school district could choose each year which school he wished to attend and subject to space limitations he could attend that school. These were first approved by the lower courts as acceptable means to implement desegregation, subject to the reservations that they be fairly administered.

However—

> Enactment of Title VI of the Civil Rights Act of 1964 and HEW enforcement in a manner as to require effective implementation of affirmative actions to desegregate led to a change of attitude in the lower courts and to a three-case decision in the Supreme Court posited on the principle that the only desegregation plan permissible is one which actually results in the abolition of the dual school and charging school officials with an affirmative obligation to achieve it.

The crucial case was *Green* v. *County Board of Education*, 391 U.S. 430 (1968), in which the Court declared that State and local authorities have an "affirmative duty" to abolish the effects of former discriminatory practices.

Notice the switch, the change from eliminating discrimination on the basis of race to requiring it. Traditionally the test of violation of the equal protection clause has been whether segregation is de jure—that is, the result of intentional action of school officials—or de facto—resulting from factors other than the application of the law by State and local officials—neighborhood residential patterns, for example.

But as the courts began to rule on the various plans of school districts to eliminate racial discrimination, they increasingly expanded the scope of de jure segregation until it included virtually any schools not containing a "proper" ratio of black and white students. Thus it became virtually impossible for school officials to come up with any plan of student assignment that would not be ruled a case of de jure segregation.

Now the obvious solution is the "freedom of choice" plan that many school systems attempted to implement. If a student is given the freedom to choose which school to attend, clearly he is not being discriminated against because of his race; however, when the courts began disallowing such plans and requiring "affirmative action" instead, they made it impossible to implement the Brown mandate to eliminate racial discrimination from our public schools—there is simply no way to pursue an "affirmative duty" without making race the standard of school assignment.

This was made clear by the subsequent Court ruling in *Swann* v. *Board of Education*, 402 U.S. 1 (1971), in which the Court pointed out that the neighborhood school or any other student assignment plan "is not acceptable simply because it appears to be neutral."

Instead, the Court stated that—

> Because the present situation may be attributable to past discriminatory actions in site selection and location of school buildings, it is permissible, and may be required, to resort to altering of attendance boundaries and grouping or pairing schools in noncontiguous fashion in order to promote desegregation and undo past official action; in the remedial process, conscious assignment of students and drawing of boundaries on the basis of race is permissible for the moment.

The Swann decision explicitly approved busing of students in this remedial process.

BUSING IS DISCRIMINATORY AND ILLEGAL

Two things must be said about this policy of ordering race conscious school assignment to remedy past discrimination. First, discriminating against today's school children in no way corrects past discrimination. No one would advocate that a man's son pay for a crime committed by his father; yet in regard to racial discrimination, many people somehow believe that guilt is collective, is passed on from one generation to the next and that punishing today's children is an appropriate means of atoning for yesteryear's sin.

Second, such a policy is illegal. Equal protection of the law is surely not afforded to those children forced to attend a particular school because of their race. In fact this is precisely what the Supreme Court held in the Brown case when it outlawed racial discrimination and ordered admission to the public schools on a nonracial basis. Congress agreed when it passed the Civil Rights Act of 1964 defining "desegregation" as—

> . . . the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but 'desegregation' shall not mean the assignment of students to public schools in order to overcome racial imbalance. (42 USC 2000c)

So what should be done? School busing is illegal and irrational, but the Federal courts continue to order it. One possibility is a constitutional amendment. However, I do not think this is necessary since under any logical interpretation of the law, school busing is already illegal. Besides, such an approach could take many years and thus prolong the injustice.

No, it is clearly the courts that are at fault; it is their illogical and inconsistent interpretation of the law that is the problem, not the actual law.

This is why I chose to introduce legislation to restrict court jurisdiction instead of amending the law. In fact, I believe the possibility of such obvious overstepping of bounds by the courts is precisely why the Founding Fathers gave Congress the power to control the courts. Just as the doctrine of judicial review gives the courts a means of checking the power of Congress, the authority to restrict jurisdiction gives Congress a means to check the power of the courts.

THE CONSTITUTIONALITY OF REGULATING COURT JURISDICTION

The question is raised, however, as to just how far this authority to restrict court jurisdiction extends. Two things are clear: The authority is very broad indeed, but it is not unlimited.

The Constitution, article III, sections 1 and 2, explicitly grants Congress the power to control the courts: With respect to the Supreme Court, by regulating its appellate jurisdiction; with respect to the inferior federal courts, by establishing them in the first place and thus regulating both their original and appellate jurisdiction.

The Supreme Court has upheld the right of Congress to control its appellate jurisdiction in a number of cases. "By the constitution of the United States," the Court held in *Barry* v. *Mercein*, 5 How. (46 U.S.) 103, 119 (1847), "the Supreme Court possesses no appellate power in any case, unless conferred upon it by act of Congress." And in *Daniels* v. *Railroad Co.*, 3 Wall. (70 U.S.) 250, 254 (1865), the Court said that in order for a case to come within its appellate jurisdiction—

> Two things must occur: The Constitution must give the capacity to take it, and an act of Congress must supply the requisite authority.

In the same case, the Court also stated:

> It is for Congress to determine how far, within the limits of the capacity of this court to take, appellate jurisdiction shall be given, and when conferred, it can be exercised only to the extent and in the manner prescribed by law. In these respects it is wholly the creature of legislation.

Perhaps the most explicit statement in support of Congress authority to restrict appellate jurisdiction came in *Ex parte McCardle*. In this case—

> The Court accepted review on *certiorari* of a denial of a petition for a writ of *habeas corpus* by the circuit court; the petition was by a civilian convicted by a military commission of acts obstructing Reconstruction. Anticipating that the Court might void, or at least undermine, congressional reconstruction of the Confederate States, Congress enacted over the President's veto a provision repealing the act which authorized the appeal *McCardle* had taken. Although the Court had already heard argument on the merits, it then dismissed for want of jurisdiction. "We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words." (*The Constitution*, page 752)

Likewise there are a number of decisions in which the Court has upheld the power of Congress to regulate the jurisdiction of the inferior courts, on the basis that they owe their very existence to Congress in the Judiciary Act of 1789. For example, in Turner against Bank of North America, the issue involved the jurisdiction of the Federal courts when a suit was brought to a Federal court under its diversity jurisdiction, an action prohibited by the Judiciary Act of 1789. The defense counsel argued that the grant of judicial power by the Constitution was a direct grant of jurisdiction, but the court disagreed:

> The notion has frequently been entertained, that the federal courts derive their judicial power immediately from the constitution; but the political truth is, that the disposal of the judicial power (except in a few specified instances) belongs to Congress. If Congress has given the power to this Court, we possess it, not otherwise: and if Congress has not given the power to us, or to any other Court, it still remains at the legislative disposal. Besides, Congress is not bound, and it would, perhaps, be inexpedient, to enlarge the jurisdiction of the federal courts, to every subject, in every form, which the constitution might warrant. 4 Dall. (4 U.S.) 8 (1799)

Even the father of judicial review, Chief Justice Marshall, held the same view, observing in *Ex parte Bollman*, 4 Cr. (8, 10 (1799), that "courts which are created by written law, and whose jurisdiction is defined by written law, cannot transcend that jurisdiction."

More recent Court decisions have also supported this principle. For example, in 1932 Congress enacted the Norris-La Guardia Act, prohibiting the issuance of injunctions in labor disputes except by compliance with a lengthy hearing and factfinding process, which was challenged in court on jurisdictional grounds. The law was upheld in *Lauf* v. *Skinner & Co.*, 303 U.S. 323, 330 (1938), however, herein the Court declared:

> There can be no question of the power of Congress to thus define and limit the jurisdiction of the inferior courts of the United States.

The Emergency Price Control Act of 1942, in which Congress provided for a special court to handle challenges to the validity of price regulations, was another clear-cut example of congressional restriction of Federal inferior court jurisdiction. The basic constitutionality of this act was upheld in *Lockerty* v. *Phillips*, 319 U.S. 182 (1943), while in *Yakus* v. *United States*, 321 U.S. 414 (1944), the Court held that the act's removal of the district court's jurisdiction to examine the constitutional validity of regulations was not a denial of due process.

THE LIMITS OF CONGRESSIONAL AUTHORITY TO CONTROL THE COURTS

Clearly the power of Congress to control the federal courts through regulating their jurisdiction is very broad indeed. Nevertheless it is not without limits. For if it were, if Congress could withdraw federal court jurisdiction over literally any matter it chooses, then obviously basic constitutional foundations such as express prohibitions, separation of powers, and the nature of the judicial function could be overturned by congressional whim.

What these limits are precisely is not so obvious; however, an examination of *Ex parte McCardle* provides some guidance. This case is most significant because the court held that Congress has the authority to legislatively restrict court jurisdiction over writs of *habeas corpus*, even though *habeas corpus* is a right expressly granted by article I, section 9 of the Constitution, and thus it marks perhaps the furthest advance by Congress over court jurisdiction. However, even in that case there were limits, as the Court observed in concluding its opinion:

> Counsel seem to have supposed, if effect be given to the repealing act in question, that the whole appellate power of the court, in cases of *habeas corpus*, is denied. But this is an error. The act of 1868 does not except from that jurisdiction any cases but appeals from Circuit Courts under the act of 1867. It does not affect the jurisdiction which was previously exercised. *The Constitution*, pages

So what may we deduce regarding the limits of congressional power to control the Federal courts by regulating their jurisdiction? I believe it can be summarized as follows:

First. The power of Congress to control the inferior federal courts is virtually unlimited. This power is expressly granted by the Constitution when it authorizes Congress to establish inferior courts, which Congress did by the Judiciary Act of 1789, and has been upheld consistently by numerous Court decisions.

Second. The power of Congress to control the appellate jurisdiction of the Supreme Court with respect to statutory questions is likewise virtually unlimited. This power is expressly granted by the Constitution and has been upheld by numerous Court decisions.

Third. The power of Congress to control the appellate jurisdiction of the Supreme Court with respect to constitutional questions is not unlimited. Although the Constitution explicity grants such power to Congress, it could not validly be used to undermine the very purpose and foundation of the Constitution itself. Thus the Congress does not have the power to regulate the appellate jurisdiction of the Supreme Court if its effect would be to infringe on the separation of power or to prohibit the Court from exercising its judicial functions in protecting rights granted by the various express prohibitions on Government power enumerated in the Constitution.

THE CONSTITUTIONALITY OF H.R. 12365

So what about H.R. 12365? Well if this bill restricted Federal court jurisdiction with respect to freedom of speech or with respect to the equal protection clause of the 14th amendment, it would be unconstitutional—at least in regards to the appellate jurisdiction of the Supreme Court. But it does not. It restricts Federal court jurisdiction with respect to school attendance; specifically, it prohibits the courts from requiring any individual to attend any particular school.

Now since education is not mentioned in the Constitution and public education has been created by statute, restricting court jurisdiction with respect to school attendance does not ostensively raise a constitutional question. However, the question of constitutionality might be raised in desegregation cases under the equal protection clause of the 14th amendment. But it is important to keep in mind precisely what jurisdiction H.R. 12365 restricts. It does not prohibit the Federal courts from hearing cases dealing with school desegregation. What it does, in effect, is deny to the courts the ability to order what some courts have alleged to be remedies in such cases.

It still allows the Federal courts to hear such cases and to order any remedial action they consider appropriate, except for those remedies which involve forced school attendance—particularly forced school attendance on the basis of an individual's race. The courts would have jurisdiction, for instance, to require school attendance plans based on freedom of choice, which would be consistent with the Brown decision, the equal protection clause and the Civil Rights Act; they would not have jurisdiction, however, to order school attendance plans requiring school assignment on the basis of one's race—plans which are not consistent with Brown, the equal protection clause or the Civil Rights Act.

It may be argued that offering freedom of choice plans as remedies for segregated schools is inappropriate on legal grounds because of the doctrine of stare decisis—which holds that courts should follow the rules or principles laid down in previous judicial decisions unless they contravene the ordinary principles of justice—since such plans have already been struck down in some court decisions. But it is the principle established by such decisions—that "affirmative action" must be taken to desegregate schools and thus that children must be assigned to schools on the basis of their race—which is not consistent with the Brown decision. Thus while overturning earlier decisions disallowing freedom of choice plans may appear to be a violation of stare decisis, in fact such action would merely bring remedies in line with the principle of nonracial school assignment established by Brown.

It should also be noted that stare decisis, while serving a valid judicial function, is by no means an ironclad rule, particularly in cases dealing with constitutional issues. Its limitations have been progressively weakened since Pollock against Farmers' Loan and Trust Co. in 1895, since which some 143 decisions have overturned one or more earlier decisions of constitutional questions (op. cit., page 683). Brown, of course, is itself one of the most famous instances of an established doctrine being overturned.

Nevertheless, I am often told, even though H.R. 12365 is constitutional and forced bussing is contrary to the equal protection clause and the Civil Rights Act, the courts might still declare the bill unconstitutional. After all, if they order something obviously contrary to the law as forced bussing, what is to stop them from ignoring the constitutional basis of H.R. 12365?

The answer is that irrationality on the part of Federal judges is no reason for Congress to abdicate its responsibility to uphold the Constitution. The emphasis placed on the issue by enactment of a bill like H.R. 12365 could go a long way toward influencing the courts; at the very least it would force them to review their arguments which, given their obvious shortcomings, could lead to a reversal of some of their more extreme decisions. In fact, I believe many judges are looking for a means to get out from under the havoc they have brought about, and legislation restricting their jurisdiction could well be a vehicle they would readily climb aboard.

Mr. Speaker, I hope my colleagues will join me in signing the discharge petition. In terms of fostering race consciousness, in disrupting the lives of our young people and interfering with their education, forced school busing is exacting an enormous price. I believe restricting the jurisdiction of the Federal courts is the fastest and surest way of eliminating this.

HOST NATION CANADA BETRAYS 21ST OLYMPIAD

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BIAGGI. Mr. Speaker—

> I would like to assure you that all parties representing the National Olympic Committees and National Sports Federation recognized by the International Olympic Committee will be free to enter Canada pursuant to the normal regulations.

So wrote the Canadian Secretary of State for External Affairs on November 28, 1969, in a letter to the International Olympic Committee. This letter was sent in conjunction with the submission of a bid by the city of Montreal to be the host nation for the summer Olympic games, a bid which was ultimately accepted, due in part, to the assurances made in this letter.

As we all know from the events of the past week, Canada has demonstrated to the entire world that her word is meaningless, that she is not beneath engaging in international deception, and, above all, as a host nation she has chosen to inject politics into the Olympics, threatening the very integrity of the games.

I note with great concern actions taken by Canada to ban the Republic of China from competing in the 21st Olympic games. Canadian Government officials will contend that they did not ban Taiwan from the games, that, rather, Taiwan voluntarily withdrew. Instead of engaging in a game of semantics, let us look at the simple facts. Canada prohibited Taiwan from competing under the name of the Republic of China, although this is the name they were officially registered under, with the IOC. Rather than be a party to this indignation, the Government of Taiwan pulled its athletes out of the games, an understandable action, by anyone's standards.

The efforts of Canada to inject politics into the Olympics is reprehensible and should be condemned by all nations. The Olympics symbolize the pinnacle of international sports competition. It is an opportunity for the finest athletes from all nations to come together and compete. For athletes who are selected to compete, it represents a high personal honor. It is an honor which is well earned, usually after many years of intensive and oftentimes lonely training.

The Olympic athletes seek to bring pride to their nations as well as to themselves. Yet, for the athletes of Taiwan, one foolish act of political expediency by the Canadian Government has effectively destroyed the years of training which brought them to the Olympics. It is an unconscionable loss to all athletes, no matter what nation they represent. The winners and losers of the Olympics should be determined in the sports, and not the political arena.

It is particularly regrettable that Canada has chosen to indulge in such cheap political gimmickry when she had such an excellent honor bestowed upon her as a host nation for the summer Olympics. The worst part about this entire episode is that it is so obvious that Canada did not take this action purely on her own initiative. In reality, Canada finds herself in the ignominious position of being a pawn in the hands of the People's Republic of China, which has demonstrated to the world that she can still impose her will without firing a shot. But the actions of Canada may have dealt a fatal blow to the future of the Olympic games.

Canada's integrity as a nation has been seriously damaged by her actions. It is ironic to note that this same nation, while being so adamantly opposed to allowing the nation of Taiwan to compete, has voiced no objections to permitting the Palestine Liberation Organization from participating in a United Nations Conference recently held in Vancouver.

Transcending the political morality lacking in this situation, are the consequences the Canadian action is having on current participants in the Olympic games. An atmosphere of tension and ill will has been created for these games. The athletes now realize that it is as much political muscle as athletic talent which is important for the Olympics.

To a degree, our Nation shares some of the blame for its failure to come to the aid of Taiwan. Our threats to pull out of the games were inexcusable, not only to our own athletes, but to Taiwan as well. Both this Nation and the International Olympic Committee had indications well before hand, that Canada might engage in this type of action. And, at that time, we should have supported a revocation of Canada's hosting privileges for the Olympics. Even if the games had to be postponed, it surely would have been preferable to what we have now; games which are tainted by cheap politics and which do not permit athletes from all nations to engage in this prestigious and honorable competition.

There is no room for politics in the Olympics, especially when it is the host nation indulging in it. I deplore Canada's actions in this matter and hold them solely responsible for damaging the integrity of the 21st Olympiad. It is my fervent hope that the damage they have done will not be lasting, as this Nation looks forward to its own opportunity to host the 1980 winter Olympic games. I do wish the American athletes well in the competition. I extend my condolences to the fine athletes of Taiwan and hope that their ability to compete in the Olympics will never again be sacrificed to accommodate political ends.

CLEVELAND SCHOOL BOARD MEMBER DETERMINED TO IMPROVE QUALITY OF EDUCATION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. STOKES. Mr. Speaker, I would like to take this opportunity to bring to your attention and to the attention of my colleagues in the U.S. House of Representatives the outstanding achievements of Ms. Berthina Palmer.

As chairman of the education committee of the Cleveland Board of Education, this dynamic woman has taken a leadership role in improving the educational and career opportunities for our young people.

As you will read in the following account, Ms. Palmer has also shown great perseverence and determination in achieving her own stated goals and aspirations. She is truly a positive role-model for Cleveland youngsters.

Therefore, Mr. Speaker, I submit to you the following article, written by reporter Mildred Raushchkold, which appeared in the June 3, 1976 edition of the Cleveland Plain Dealer:

[From the Cleveland Plain Dealer, June 3, 1976]

SCHOOLS GET DOSE OF GOAL POWER

(By Mildred Rauschkolb)

When it comes to the subject of goals, Berthina E. Palmer is as determined as a quarterback.

"If only I could get across to children the fact that if they are determined to win in this world today, they often must do several objective things at one time—then I would be extremely happy."

That philosophy helped Miss Palmer beat the odds in her own quest for education, and now, as a member of the Cleveland Board of Education, she is trying to make it work for others.

For 30 years Miss Palmer has been a secretary in the office of the Cleveland AFL-CIO Federation of Labor (CFL).

And, while she worked there full-time, she managed to study and fulfill her dream of graduating from college—not with one degree, but two.

"I came to work as a secretary right after I was graduated from John Hay High School," Miss Palmer said. "It (the job) was really obtained through the aid of the Urban League, which made me realize I was capable of meeting the qualifications.

"I wanted desperately to go to college, so I could teach. But since I was one of seven children, my parents found this impossible. My father had a steady job in the steel mills, but money wasn't too plentiful with a large family to support."

Shortly after Miss Palmer went to work at the CFL office, she was notified she had received a one-year scholarship to Western Reserve University.

She was elated. By juggling her class schedule, she was able to continue to work full-time as a secretary.

When she was one class away from completing a major in education, there came a change of goals, from teaching to law.

"My friends told me I would make a good teacher, but I realized that being a teacher wasn't my bag," Miss Palmer said. "Today I find I can do more as a school board member to make things happen for the children than if I were a teacher."

By attending summer classes and taking various night courses, she was able to obtain two degrees in seven years.

"I was graduated from Western Reserve in 1951 and from Cleveland Marshall School of Law in 1954. It wasn't easy, but it certainly has been worth it."

Although Berthina Palmer is now a member of the school board, she once marched in a protest walk around the Board of Education building. She was determined then—and is now—to bring about change.

Many children are unaware of what is available to them, Miss Palmer said. The schools don't prepare them, and the youngsters don't avail themselves of opportunities. Many of them, she said, come out of school with no idea of what life is all about.

Miss Palmer was appointed to fill a vacancy on the Cleveland Board of Education in 1974, and the electorate returned her to the post last year.

She is chairman of the board's education committee and has made the problems of truancy, discipline and curriculum—especially reading—her special concerns.

Reading disability among pupils troubles her, and she is a strong advocate of improving the school system's programs.

"I will only be happy when every child learns to read," she said.

She is also striving to create a stronger relationship between parents, the community and school officials.

A group of parents who thought no one ever listened to their gripes about the school system found an attentive ear when Miss Palmer called them together recently.

"I was tired of hearing people say they felt as if they were talking to a brick wall and no one listened. I told them this was their chance to have someone listen.

The complaints voiced at that meeting covered every aspect of the school system, from food programs to homework policies.

"I am convinced that groups, such as this one, will grow and be able to work out practical solutions for their problems," Miss Palmer said.

"Sure I get discouraged, but I figure if enough people get together and make known their gripes and complaints, things usually can be worked out.

"Enough people, with the same complaint, joined together, can do wonders."

PRESIDENT FORD AT THE CENTENNIAL SAFE OPENING CEREMONY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. McCLORY. Mr. Speaker, it was my privilege to attend with you and many of our other colleagues and distinguished guests the historic Centennial Safe Opening Ceremony in Statuary Hall on Thursday, July 1, 1976.

Mr. Speaker, the address of President Ford on that occasion becomes a part of a memorable record established in connection with our Nation's Bicentennial. Indeed, throughout this period President Ford has uttered words of gratitude and inspiration commemorating our great heritage and challenging us to achieve even greater goals during the third century of our history as a free and independent nation.

Mr. Speaker, I am pleased to add to my remarks the address of President Ford at the Centennial Safe Opening Ceremony—and to commend, to those colleagues who were unable to be present and to citizens throughout the Nation and the world, the President's words as an eloquent expression of the spirit and challenge of our American Republic and of freedom-seeking individuals everywhere.

The article follows:

THE WHITE HOUSE REMARKS OF THE PRESIDENT AT THE CENTENNIAL SAFE OPENING CEREMONY, STATUARY HALL, THE CAPITOL

Senator Mike Mansfield, Mr. Speaker, Senator Scott, Senator Brooke, Congresswoman Boggs, distinguished Members of the House and Senate, ladies and gentlemen:

Obviously, I am deeply honored to have the opportunity this afternoon to open this historic centennial safe. It contains many items of interest to us today as we celebrate the completion of our second century. But, it symbolizes much more than a valuable collection of momentoes—it symbolizes something about the United States of America that is so mighty and so inspiring that it cannot be locked up in a safe. I mean the American spirit.

When this safe was sealed, Americans looked forward to the future, to this year of 1976. There was no doubt in their minds that a President of a free government would participate in a ceremony here in the United States Capitol Building.

Just as American men and women 200 years ago looked to the future, those who sealed this safe 100 years ago also looked to the future.

So it is today with Americans, but there is no safe big enough to contain the hopes, the energies, the abilities of our people. Our real national treasure does not have to be kept under lock and key in a safe or in a vault. America's wealth is not in material objects but in our great heritage, our freedom and our belief in ourselves.

A century ago, the population of the United States numbered over 40 million. Today, we have more than five times as many. But the growth of our population has not lessened our devotion to the principles that inspired Americans in 1776 or 1876.

In 1876, our immense wealth, both natural and inventive, commanded worldwide attention. We grew from coast to coast in greater industrial and agricultural development than humanity had ever known.

In 1876, America was still emerging from a terrible fraternal war. A lesser people might have been unequal to the challenge, but 1976 finds the confidence of 1876 confirmed. Today, there is far greater equality of opportunity, liberty and justice for all of our citizens in every corner of America. There is rising prosperity for our Nation and peace and progress for our people.

We look back to the evening of July 4, 1776. It was then, after the adoption of the Declaration of Independence, that the Continental Congress resolved that Franklin, Adams and Jefferson begin work on a seal as a national symbol. We are all familiar with the front part of that great seal. But the reverse side, which also appears on every dollar bill, is especially instructive. It depicts a pyramid which is not completed and a single eye gazing out radiantly. The unfinished pyramid represents the work that remains for Americans to do. The Latin motto below is freely translated: "God has favored our undertaking."

Two hundred years later, we know God has. Though we may differ as Americans have throughout the past, we share a common purpose. It is the achievement of the future in keeping with our glorious past. The American Republic provides for continued growth through a convergence of views and interests, but that growth must be spiritual as well as material.

As we look inside this safe, let us look inside ourselves. Let us look into our hearts and into our hopes.

On Sunday, we start a new century, a century of the individual. We have given meaning to our life as a Nation. Let us now welcome a century in which we give new meaning to our lives as individuals. Let us look inside ourselves to unleash the God-given treasures stored within. And let us look outside ourselves to the needs of our families, our friends, our communities, our Nation and our moral and spiritual consciousness.

DECLARATION OF INDEPENDENCE FOR AMERICAN AVIATION

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. GOLDWATER. Mr. Speaker, in the July 1976 issue of Flight Operations magazine, Kendall K. Hoyt, a recognized authority in aviation matters, wrote a "Declaration of Independence for American Aviation." His declaration is both timely and thought-provoking.

In this Bicentennial month, it seems to me that the point in remembering our Nation's past is to assure our future. The future of aviation is not bright, especially as long as the Federal Aviation Administration is dominated lock, stock and barrel by the U.S. Department of Transportation.

Mr. Hoyt agrees with me that legislation needs to be enacted to separate the FAA from DOT. His declaration makes a compelling case for separation, and I commend it to the attention of the Congress and the Nation as follows:

BICENTENNIAL AVIATION DECLARATION

We who subscribe to this statement believe that freedom in the world depends on the strength of the United States of America and that air progress, vital to that strength, must run free.

Two centuries ago our nation was founded to prove what freedom could do for mankind.

Aviation is our crowning achievement. It hastened the end of World War II, then kept the peace. It shrank distances so all U.S. areas are closely linked with each other and the world.

Cities are enriched by jet traffic. Smaller towns can reach wide markets and are served in countless ways. Urban crowding is eased. Employment is created. Welfare costs are cut.

The dollar is supported by aviation exports second only to agriculture. Civil flight and the industries it feeds are a ready reserve for war or emergency.

If U.S. leadership is to be kept, aviation must continue to advance.

Obstacles to air progress rather are imposed by our own government with results as dire as if planned by competing nations.

American pride in aviation is soured by groups that spread exaggerated fears of noise and fumes and ignore the benefits.

Many airport projects for oncoming needs have been delayed or blocked. Our supersonic transport was killed while other nations, friendly and foes, outpace us.

Air carriers are in straits due to rising costs and slow federal actions on routes and rates. Bankruptcy of airlines is threatened by plans to scrap the system that built them.

They cannot buy new planes as bankers fear to lend. Tens of thousands of aircraft workers are idle. New aircraft models lag while other nations prepare to challenge our supremacy in world markets.

For airports and airways, billions in taxes from passengers and planeowners lie in the aviation trust fund while urgent improvements wait.

Airport aid lapsed for a year as Congress failed to renew it. Crippling taxes and fuel restrictions are proposed for general (non-airline) aviation.

Unless these evils are abated, U.S. leadership will wane while far-sighted nations steal our heritage.

For action, aviation depends more on government than any other industry. Twice free, the Federal Aviation Administration was put under the Department of Transportation so all transport would be together.

Though aviation has little relation to other modes aside from airport access, its needs wait behind rail and urban transit.

FAA is under the thumb of DOT bureaucrats without aviation background, delaying or reversing personnel and planning decisions. There is no clear policy for development.

Over DOT, the ever-increasing power of the Office of Management and Budget works against aviation by money impoundment and cuts. Future restraints on growth are contemplated.

The Communist Manifesto of 1848 put all forms of transport under the state. Is this our way?

For immediate reforms, much can be done by a Presidential order setting high priorities and freeing FAA to deal directly with Congress and the Executive Office on budgets and plans.

Beyond that, it is up to Congress to assert that air progress is imperative and to restore independence for FAA to do its task.

We who endorse this statement most earnestly petition that the dynamic force of aviation at once be freed for the future peace and progress of our nation and the world.

PRESIDENT FORD HAILS U.S. MASTERY OF AIR—SPACE

HON. CHARLES A. MOSHER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. MOSHER. Mr. Speaker, the Smithsonian Institution's new Air and Space Museum, dedicated on July 1, is fascinating and inspiring in its displays, and also is a superb example of enlightened architecture.

I am tremendously impressed with both the amazing past accomplishments and the promises of the future that are dramatically on view in that beautiful new building.

Americans have always been noted for useful innovation and for technical competence. Our mastery over the hostile realm of outer space provides perhaps the single most outstanding example of this American genius.

Now, in this month in which we are celebrating the 200th anniversary of the signing of the Declaration of Independence, it is especially appropriate that we are dedicating a great national museum to our past record of accomplishment in aviation and space flight, and we also are landing spacecraft on Mars, thus giving at the same time extraordinary glimpses of the past and of the future.

President Ford delivered the keynote address at the dedication of the Air and Space Museum, and it is my opinion, Mr. Speaker, that the President's remarks there should be preserved in our Record.

Thus for the benefit of our colleagues and those of our constituents who read the CONGRESSIONAL RECORD I insert at this point the full text of the President's very significant remarks as follows:

Mr. Chief Justice, Mr. Vice President, distinguished Members of Congress, Secretary Ripley, distinguished guests, ladies and gentlemen:

This beautiful new museum and its exciting exhibits of the mastery of air and space is a perfect birthday present from the American people to themselves. Although it is almost impolite to boast, perhaps we can say with patriotic pride that the flying machines we see here from the Wright Brothers 12-horsepower biplane to the latest space vehicle were mostly "Made in U.S.A."

The story of powered flight is an American saga. The wonder is that it has all happened within the lifetime and the memory of living Americans. How many of us remember vividly the thrill of the first take-off? How many recall the first news of Lindbergh's safe landing in Paris? How many saw man's first giant step that planted the American flag on the moon?

At this moment, an unmanned Viking spacecraft is circling the planet Mars. It has only been 80 years since the Smithsonian's Samuel Langley launched his unmanned aerodrome for a half-mile flight before it plunged into the Potomac.

The amazing American achievements in air and space tell us something even more important about ourselves on earth. The hallmark of the American adventure has been a willingness—even an eagerness—to reach for the unknown.

For three and a half centuries Americans and their ancestors have been explorers and inventors, pilgrims and pioneers, always searching for something new across the oceans, across the continent, across the solar system, across the frontiers of science, beyond the boundaries of the human mind.

Confined within these walls and windows are the products of American men and women whose imagination could not be confined. There is nothing more American than saying if at first you don't succeed, try, try again.

Nor could Americans be confined to the Atlantic Seaboard. The wide open spaces have lured Americans from our beginnings. The frontier shaped and molded our society and people.

Gertrude Stein once wrote, "In the United States there is more space where nobody is than where anybody is." This is what makes America what it is.

Indeed, the impact of what is unknown, of what was dimly perceived to be as "out there" has left a permanent mark on the American character.

In the early 17th century, a few fragile vessels—like the Discovery in 1607 and the Mayflower in 1620—sailed across 3,000 miles of unfriendly sea. Their passengers and crew knew far less about their destination than the American astronauts knew at lift-off about the lunar landscape a quarter million miles away.

The pilgrims feared the perils of the voyage and the misery of the unfamiliar land, but the sentiments that sustained them were recorded by Governor William Bradford "that all great and honorable actions are accompanied with great difficulties and must be both enterprised and overcome with answerable courages."

Behind them lay the mighty ocean, separating them from the world they knew and before them lay an untamed wilderness. Three and a half centuries later that wilderness has been transformed. A continent once remote and isolated now supports a mighty nation, a nation built by those who also dared to reach for the unknown.

The discovery of this continent was unprecedented. It opened the eyes of mankind, showing them the world was bigger than they had thought. Our nation's birthday was unprecedented as well. A new form of Government was begun which would allow for change by future generations, yet secure basic rights to men and women.

The chance to earn property was given to those who had never had property, education to those who had never been educated.

In the New World, Americans had to be handy. Ours was a do-it-yourself society. Our fascination with machines to lighten labor and increase production began very early. The practical problems of engineering and science required education. The hard life attracted few learned scholars from Europe. Sometimes Americans built their schools before their own rough cabins.

By the time of the Revolution, there were more colleges and universities in America than in the British Isles. The men who wrote our Declaration of Independence were probably the best educated rebels and revolutionaries history had ever seen. When independence was won, the growth of free public education in the United States amazed the world and quickened our pace in science and technology.

Our Constitution specifically gave Congress power to promote science and useful arts by rewarding inventors and authors with patents and copyrights. While some Governments are always fearful of what individuals may write or discover, ours has always encouraged free inquiry, with results that speak for themselves.

It was just a century ago, at the Philadelphia Centennial Exposition in 1876, that Alexander Graham Bell first publicly demonstrated his telephone. Today, millions around the world can see and hear the highlights of history as they are happening. Each new discovery, the result of each experiment, humbles us by the dimensions of the unknown. Our progress can be measured not only by the extent of our knowledge, but by increasing awareness of all that remains to be discovered.

To keep reaching into the unknown, we must remain free. We must have freedom to find and freedom to fail. Like our ancestors, we are always at the edge of the unknown.

In the next 100 years, the American spirit of adventure can find out even more about the forces of nature, how to harness them, preserve them; explore the great riches of the oceans, still an uncharted frontier; turn space into a partner for controlling pollution and instant communication to every corner of the world; learn how to make our energy resources renewable and draw new energy from sun and earth; develop new agricultural technologies so all the deserts of the earth can bloom; conquer many more of humanity's deadly enemies, such as cancer and heart disease.

As Thoreau reminded us, long before the age of air and space, "The frontiers are not east or west, north or south, but wherever man fronts a fact." The American adventure is driven forward by challenge, competition and creativity.

It demands of us sweat and sacrifice and gives us substance and satisfaction. Our country must never cease to be a place where men and women try the untried, test the impossible and take uncertain paths into the unknown.

Our Bicentennial commemorates the beginning of such a quest, a daring attempt to build a new order in which free people govern themselves and fulfill their individual destinies. But, the best of the American adventure lies ahead.

Thomas Jefferson said: "I like to dream of the future better than the history of the past." So did his friendly rival, John Adams, who wrote of his dream: "to see rising in America an empire of liberty, and a prospect of two or three hundred millions of freemen, without one noble or one king among them. You say it is impossible. If I should agree with you in this, I would still say—let us try the experiment."

I can only add—let the experiment continue.

CLEVELAND BLACK HISTORICAL FIGURES COME TO LIFE UNDER JOURNALIST'S PEN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. STOKES. Mr. Speaker, recently I had the occasion to read an article by Mr. Robert G. McGruder, an outstanding Cleveland journalist. Mr. McGruder, a reporter with the Cleveland Plain Dealer newspaper, has written a scholarly article of rare sensitivity on famous black historical figures of Cleveland, Ohio.

Mr. Speaker, in my opinion, Bob McGruder has performed a significant educational service to the citizens of Cleveland. For too long, black history and black accomplishments have gone unnoticed in the media. It is unfortunate, Mr. Speaker, that our citizens are constantly bombarded with the more negative aspects of urban life. For this reason, I commend Mr. McGruder and the Cleveland Plain Dealer for their special Bicentennial recognition of black accomplishments. It will give our black citizens a heightened sense of pride in their illustrious forebearers and will serve to inform all Clevelanders of the diversity and wealth of the black experience.

Therefore, Mr. Speaker, I submit to you the following article, "When Cleveland Was Called Hope," which appeared in the Sunday, July 4th edition of the Cleveland Plain Dealer newspaper:

WHEN CLEVELAND WAS CALLED HOPE

(By Robert G. McGruder)

Julia A. J. Foote was first a slave and, later in her life, an evangelist. Perhaps it was the combination of the two experiences that moved her to say, "I shall praise God through all eternity for sending me to Cleveland."

Her feelings, expressed almost 100 years ago, were probably those of most of Cleveland's early black residents. Freemen and fugitive slaves from the South saw Cleveland as the city of hope. Hope was Cleveland's code name along the Underground Railroad.

Not every generation has felt as enthusiastic about Cleveland as Julia Foote. The city went from being a center of abolitionist sentiment and key stopping point on the Underground Railroad in the 19th century to a place of cruel racism and discrimination in the 20th century.

John Malvin came to Cleveland in 1831. That was 35 years after Joseph Hodge, a black hunter and trapper who was also called Black Joe, led Moses Cleaveland's party to what is now Conneaut Creek, and 22 years after George Peake became the first black resident of the city.

Malvin was an uncommon man—preacher, engineer, canal boat captain, educator and free black. The South wanted no part of free blacks, guessing that they might cause envy and unrest among the slaves, and although the North had rejected slavery, it had made it clear that the freemen were not welcome.

Freemen like Malvin were undeterred by laws designed to keep blacks out of the North. While the Ohio Constitutional Convention of 1802 had banned slavery—by one vote—it had dictated that blacks could not vote, hold office or testify against a white man in court.

In later years, to further discourage blacks from entering the state, laws were passed requiring a black man to have a certificate proving he was a freeman and not a runaway slave. Upon entering the county, a black had to register with the county clerk. Later regulations required all blacks entering Ohio to post a $500 bond.

Blacks were barred from the militia and excluded from juries. They were also denied the company of whites in state poorhouses and insane asylums.

Malvin fought continually to get these laws wiped off the books. When he arrived in Cincinnati from his native Virginia in 1827, he immediately organized resistance to the $500 bond law. He also became active in the Underground Railroad.

He was moving to the freer climate of Canada when he stopped in Cleveland, then a village of 1,200 persons, and decided to settle. Though the same antiblack laws were in effect, enforcement was not as rigid and Cleveland, with its smaller black population, offered fewer problems than Cincinnati.

One of his first moves in Cleveland was to call a meeting of the few blacks in the city and organized a school for blacks. It was the only black institution he ever fostered, believing that the real struggle was in insuring the admission of blacks to white institutions.

Malvin succeeded in preventing black members of the First Baptist Church from being segregated into a "colored gallery" when the church was constructed in 1835.

At 66 he organized a company of black soldiers to fight in the Civil War. However, the governor of Ohio did not feel he had the authority to accept the help of black troops.

Malvin, like many black leaders of his time, was a tireless worker in aiding blacks moving along the Underground Railroad to Canada.

For most of his life in Cleveland, Malvin lived in a city where there was more freedom and racial equality than other blacks were experiencing in the North. Prejudice and discrimination existed, but Cleveland was far less hostile than other cities.

Whites and blacks worked to move fugitive slaves to Canada and protect them from slave hunters. It was an abolitionist city, except for those who thought that the best thing for blacks was to send them back to Africa.

Malvin died in 1880. By then the feeling was beginning to shift and barriers were rising against blacks.

Cleveland had a population of 93,000 in 1870. By 1915 it was an industrial center of 560,663 and the sixth largest city in the country. In the same period the black population grew from 1,293 to 8,448.

While for many years blacks had lived in every section of the city, as the black population grew, it began to be restricted to certain neighborhoods.

Middle-class blacks still thought Cleveland was free of much of the discrimination experienced in other cities, but lower-class blacks knew better. Restaurants, parks, playgrounds, swimming pools and hotels were being closed off to blacks.

Two major black figures of this time were Charles Wadell Chesnutt, the nation's first black novelist and short story writer, and George A. Myers, a black barber who was close to some of the most powerful political figures of his day. Both were part of an older elite that was recognized as the black leadership of the time.

Chesnutt was born in Cleveland in 1858. He was educated in North Carolina and at 22 was principal of Fayetteville State Normal School. After a brief stay in New York, working as a reporter, he returned to Cleveland.

By 1901 he had established a good reputation as a writer with the publication of three novels and two collections of short stories. Many of his stories appeared in the Atlantic Monthly.

Although he had a law degree, he worked as a stenographer and court reporter. His family was part of a black elite that moved comfortably in white society.

Chesnutt was an early member of the Chamber of Commerce and the first black member of the Rowfant Club, an exclusive literary group. He lived in an integrated neighborhood and his children went to the best schools.

In the world he lived in, he was untouched by the growing problems of discrimination against blacks. He was able to write, "In this liberal and progressive Northern city we get most of the things which make life worth living, and this in spite of the fact that everyone knows our origin . . ."

Chesnutt believed that complete acceptance of blacks would come in time.

Before World War I he was a determined integrationist and a critic of Booker T. Washington.

But as discrimination against blacks increased, Chesnutt began to be disillusioned about the gradual acceptance of blacks. He saw the Cleveland ghetto expanding and conditions for blacks getting worse. At one point he lamented that there was no place in the city where he, a light-skinned black, could take a dark-skinned man for lunch.

Chesnutt died in 1932.

George A. Myers also witnessed the change in Cleveland. He wrote in 1928, "Time was that Cleveland was the freest from prejudice and the fairest city in the United States not excepting Freedom's birthplace, Boston. Today we have only two unrestricted privileges left, the Ballot and the Public Schools."

Myers had enjoyed many privileges during his life in Cleveland. While most factory workers were making around $500 to $700 a year in the late 1890s, Meyers' lucrative barbershop made him one of the few blacks with an income of more than $3,000 a year.

Myers was born in Baltimore. He rejected medicine as a career and became a barber. He came to Cleveland in 1879 at 20. With the help of influential whites, he got the barbershop in the luxurious new Hollenden Hotel in 1888. (It was razed in 1962 and replaced by Hollenden House.)

The barbershop, with its telephones beside each of the modern barber chairs that Myers helped design, was said to be the best in the country. By 1920 Myers employed 17 barbers and a collection of manicurists, porters, hairdressers, cashiers and two podiatrists.

Myers' barbershop was the meeting place for all the politicians and important men of the day. He got to know James Ford Rhodes, Newton D. Baker and Marcus H. Hanna.

Association with Hanna and his prominent position among blacks led him into politics.

On several occasions he cast or secured key votes at conventions that aided Hanna. Myers was a constant worker for the Hanna machine among blacks.

Men like Myers, Chesnutt and the more militant Harry C. Smith believed passionately in integration. Smith, editor of the Cleveland Gazette and a three-term state legislator, was active in Republican politics until he became disillusioned at the party's failure to extend patronage to black voters who were being taken for granted.

These men and the politicians of the day began to lose their influence in the period after World War I.

After the great migration of blacks and the hardening of racial attitudes, the integrationists gave way to a group of leaders who favored separate institutions for blacks and whites.

Typical of the philosophical fight between the old and new leadership was the debate that surrounded the creation of the Phillis Wheatley Association by Jane E. Hunter.

Miss Hunter came to Cleveland in 1905. A trained nurse, she immediately confronted the racial prejudice against black nurses. Even the tax-supported City Hospital did not open its doors for black interns and student nurses until ordered to do so in 1931.

The Phillis Wheatley Association was a residence home and job training center for girls. Miss Hunter established it in 1912 and it served as the only major institution created for blacks during that time.

Integrationists attacked it bitterly as a step backward toward segregation. But it was a major asset as more and more young women poured into the city needing help, protection, training, jobs and places for wholesome recreation.

The home was named after a 7-year-old from Senegal who was sold on the Boston slave block in 1761.

Blacks had moved up through the ranks of the Republican party and served in the state legislature as early as 1882 when John P. Green was elected to the House of Representatives.

Thomas W. Fleming was the first black elected to Cleveland City Council.

Fleming wielded enormous power as political leader of the city's growing black population in the early 1900s. He was elected to City Council in 1909 and was Republican boss of Ward 11 for two decades.

In 1929 Fleming was convicted of soliciting a bribe from Walter L. Oehme.

After Fleming served a 33-month sentence in the Ohio Penitentiary, Gov. George White restored his citizenship rights and Fleming resumed his law practice here. Fleming's power eroded while he was in prison. He and other conservative black leaders also were giving way to a wave of men who seemed more responsive to the needs of blacks who were part of the great migration. These were men like Harry E. Davis, Chester K. Gillespie, Clayborne George, Charles W. White and others.

The mood of the black voter was also shifting away from the Republican party that had held blacks in bondage for generations. Running first as independents and then as Democrats, blacks began to win council seats.

In 1967 the election of Carl B. Stokes as the first black mayor of a major U.S. city seemed to indicate a return to the old days of racial harmony, cooperation and hope.

THELMA GRAY—ORIGINATOR OF BICENTENNIAL WAGON TRAIN

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. SCHULZE. Mr. Speaker, what symbolizes America's history and ideas and dreams? In this Bicentennial Year the planners of Pennsylvania's celebration posed this question to many people. One of them, Thelma Gray of West Chester, Pa., decided that it was the frontier spirit which epitomized our heritage.

As the Pennsylvania observance of our 200th birthday, Mrs. Gray's idea of the frontier spirit grew into a 50-State wagon train which trekked from the west coast starting in 1975, arriving at Valley Forge, on July 3, 1976. Also converging on the park were independent trains from throughout the country, horses and riders attracted by the thrill of the train, and hundreds of delighted followers. The Bicentennial Wagon Train dramatically symbolized the pioneer spirit and captured the imagination of millions as the wagons slowly wound their way to the site of George Washington's winter encampment.

For her ideas, for her persistence in organizing, and for her spirit which moved this wagon train idea, Mrs. Gray, a constituent of the Fifth District of Pennsylvania, deserves our public thanks and honor.

The following article on Mrs, Gray appeared in the Daily Local News of West Chester, Pa.:

GRAY DESIGNED WAGON TRAIN TO REVIVE PIONEERING

You don't have to go west and climb a Rocky to assimilate the frontier flavor, or go south to Cumberland Gap for a view of pioneer isolation. You don't even have to journey to western Pennsylvania for an aerial glance from mountain into valley. You can do all those things in West Chester.

Just stand on Jerome and Thelma Gray's front stoop at Dower House and slant your eyes on the horizon beyond the valley below where automobiles speed like dimestore miniatures along the parallels of a concrete super highway, and you can't help looking west, out toward the rest of America.

The Gray's welcome mat says, "Go Away," but Dower House's reputation for hospitality belies the command, and whatever the Gray's grandchildren had in mind when they put the mat there some years ago, it certainly had nothing to do with wagon trains.

WESTWARD WAGONS

Yet those two words perfectly detail what many of our ancestors did when they elected to cast their futures into the endless sweep of westward wagons early in the 19th century.

Thousands and thousands of them left the cities and towns that fringed the east coast with increasing urban niceties after the American Revolution. They were joined by thousands more from the warrens of Europe who exchanged with scarcely a pause the pitch and roll of the wracking ocean voyage for the bump and thump of the Conestoga wagons and great Prairie Schooners. They wanted to go away from their old lives which were without prospects; they wanted to go away to a land of promise.

Since Philadelphia was a major port of entry, and since route of the Conestoga wagons went to Lancaster, many of these early pioneers passed through Chester County. Some stayed long enough to leave families behind; some tarried just a few years until they could get the wherewithal to depart; some went directly into the wilderness beyond. But in 1832 the first railroad tracks were laid in Chester County and the western wagons were soon going away no more.

Now the wagons are coming back for the Bicentennial. This time they are moving in an easterly direction and there will be 50 of them, one for each state in the union, converging on Valley Forge for an enormous celebration July Fourth. The whole colossal, wild, impossible (and to some critics meretricious) design to recreate a reverse wagon train migration traveling six historic routes, involving thousands of tenderfoot people as well as horses, began right here in Chester County with West Chester's Thelma Gray who lives where the doormat says "Go Away."

"Thelma is the best idea man in the business," a former colleague of hers in the stratosphere of advertising says with that curious disregard for gender that is felt to be the ultimate tribute to a professional woman in 1976.

SILVER MEDAL

Being the best is what got Mrs. Gray where she is today: President of T. Gray Associates, a division of Aitkin-Kynette Co., winner of the Philadelphia Club of Advertising Women's first Silver Medal Award, newly elected chairperson and president of the Advertising Review Council of the Delaware Valley, and creator of the Bicentennial Wagon Train.

Technically the wagon train is a project of the Bicentennial Commission of Pennsylvania. It is also a child of public relations and the only viable celebration that involves the whole country's participation. While Op-Sail involves people from all over the world, you have to go to New York to be part of it. The much publicized Bicentennial Freedom Train is said to be puffing about the rails somewhere in the midwest, but not much has been heard of it lately. By contrast, the wagon train seems to be everywhere and have a little something for everyone wherever it is.

Is that the way Thelma Gray planned it? Well, yes, frankly it is. That's what separates the big ideas that work from the little ones that don't in the competitive world of public relations.

"When the Pennsylvania Bicentennial Commission said. 'Could you develop a program for us for the Bicentennial?' I looked at it the way I would any other problem a corporation might bring to me," she says.

TORN APART

"You have to find out what the basic question is. Often you find that it is different from the problem that is articulated. So I asked myself, 'What do we really mean by the Bicentennial? What do we hope to accomplish? Is it just a celebration for the sake of celebration?' Now this was back in 1972, the country was torn apart politically and emotionally. I knew it was not the first time in our 200 years history that we had been torn apart.

"So I asked myself, 'What is it that enables us to recover? What is the seed of dynamism in this country that enables America to bounce back. Historically other countries have endured similar situations, but they do not shoot forward afterwards; there is a lack of vitality." Mrs. Gray has explained her inspiration for the wagon train to so many people and so many groups who needed to be sold on the idea, she can marshal her thoughts about the project like a wagon master reining his team around.

"I decided that America had a unique quality that has enabled it to survive no matter what stress we've been under or what our internal conditions were. Every generation in the U.S. has produced its own heroes unique to that generation. The more I examined them, the more I realized that it was the pioneer spirit that showed through, the pioneer quality in all of them. It gave the early settlers the opportunity to open a wilderness for homesteading, enabled us to explore space, to get to the moon, to engage in some of the greatest medical research in the world. The drive to explore, to meet challenges is the dynamics of this country."

BACK ON WHEELS

Having distilled the Bicentennial into the pioneer spirit, most organizers would be content to stop. They would open a museum and fill it with trail blazing artifacts—old wagon bells, drawings of Ward Bond and John Wayne types, maybe a fragment of moon rock. But remember, in a field that swarms with superlatives, Thelma Gray is "the best." Perhaps she is to advertising what the greatest is to boxing. Anyway, she put the pioneer spirit back on wheels.

"I wanted to dramatize the pioneer quality so it could have meaning for everybody. I don't like bombastic celebrations that have big moments for preachment: I think they go right over the heads of the public. I not only wanted to dramatize the concept. I wanted to bring some emotionalism into it," she says.

"Now from the beginning, the Pennsylvania Bicentennial Commission had insisted that any celebration they approved had to have historic meaning, had to be reverant, human and fun. Those were very astute guidelines. I decided if we could recreate the period when America moved west, when we faced all kinds of challenges, we would have a perfect springboard.

Mrs. Gray says way back in 1972 she wasn't bitten by the bicentennial bug because so many programs envisioned at the time seemed uninspirational, because the problems we faced seemed to lead us away from democracy, because the social system itself seemed in doubt. "I had absorbed a good deal of this feeling. But I have had a very strange rebirth as an individual. I have found that the people of this country have not lost one iota of the pioneer quality. We have more vitality as a people than I ever believed possible. I feel almost like a preacher from a pulpit on the subject," she says.

REDEDICATION

Mrs. Gray's certitude is reenforced by the popularity of the rededication scrolls that the Bicentennial Wagon Train is circulating and collecting all over the country. Millions of people are signing their names to this restatement of the principles of the Declaration of Independence.

"People feel symbolically that they are making the trip to Valley Forge by signing their names," says Mrs. Gray. "In many ways the pledge has become the most important thing about the wagon train. It is a way for everybody to become involved.

Involvement has been the key to the wagon train all along the line, she feels. "People know what's coming because we move so slowly. Mostly they can walk with us, even if just for a mile. By stopping at each local community every 20 miles, by putting on our wagon train show and having local entertainment follow, Americans from three on up can participate."

There has been some criticism of the vast design, but Mrs. Gray feels that grass roots acceptance of the wagon train has overwhelmed the carpers. "I don't worry that the wagon train will be blemished," she says. Before the first year's run was out the procession had survived an Indian attack, the tragic death of a wagon master and a dearth of food and water in the desert. This year a spooked team nearly wrecked the Oklahoma wagon, the San Diego Humane Society impounded two mules, and two North Carolina

Horsemen on that state's bicentennial commission delivered a verbal lashing to the wagon train.

"This too will level out and pass," says Mrs. Gray, who, having put the idea in motion, has full confidence in the people whose job it is to make it work. "The wagon train has the pioneer spirit," she says confidently.

ROLE OF WOMEN

The Bicentennial year is one in which the role of women in American society has been given most concerned scrutiny, and future social historians may draw significant conclusions from the fact that a woman was responsible for the major national event of 1976. They probably should not.

"Women in business are more equal today," says Thelma Gray. "We've passed legislation that is forceful, but that doesn't change personal attitudes of management and people's responses. Still, we comply with the letter of the law, we're moving. A young woman coming into business today has a good future 10 years from now."

While training for women in management is better and getting better, the other criteria for success won't change, Mrs. Gray thinks. "I've worked awfully hard," she says. "I had good home training, I was a broad reader as a child; anything I've decided to do I've literally attacked with a vengeance."

Mrs. Gray has been in the advertising field since 1945. She specialized in psychology, economics and sociology at Temple University and went on to the University of Pennsylvania for a master's degree. Her thesis there was on "The Psychology of Laughter." Maybe this background helped her row a steady oar on the peripatetic river of public relations.

She and her husband have shared their professional as well as their domestic hours for three decades." I think it makes a much better marriage," she says. "I sincerely believe that a husband who is mentally stimulating enjoys a wife that is equally stimulating. Today with all the convenience equipment there is in the home I think a woman, if she wants to, by time and energy is able to work without conflict."

On weekends when she is not designing images, Thelma Gray enjoys gourmet cooking and gardening. "I love plants that bloom and have color and fragrance. Things that are just green don't give me an emotional kick. My greatest pleasure is taking a cutting and seeing it actually root."

Ideas root too. Thelma Gray has been watching her wagon train grow for two years. It's scheduled to flower in red, white and blue on July Fourth.

A BICENTENNIAL TRIBUTE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. ARCHER. Mr. Speaker, as we continue our national Bicentennial celebrations, I would like to call the attention of my colleagues to the following "Tribute to the Bicentennial" written by Mrs. Ida M. Darden of Houston, Tex. Mrs. Darden was for many years the owner, editor and publisher of a Fort Worth newspaper, the Southern Conservative. She is presently a resident of Holly Hall in Houston, Tex. and has written this article as her personal gift to our Nation and the Bicentennial celebration. It is only fitting that her comments should be available to the Congress and the Nation at this time:

A Bicentennial Tribute

(By Ida M. Darden)

Nineteen hundred and seventy six is being hailed around the world as Bicentennial Year, celebrating the birth of the American Republic two centuries ago.

This illustrious country, which is being honored, came into being because of man's inborn desire for an environment of liberty, equality, justice and human dignity.

It was born of that spirit which impelled oppressed people in the thirteenth century to express rebellion by handing the Magna Charta to King John on the point of a sword.

It was conceived in the hearts and minds of Christians, who preferred to worship God under a tree in a land where freedom abounded, rather than in gilded Cathedrals of Europe, where tyranny reigned.

It gave birth to the exalted concept that all men are born equal, thereby sounding the death knell to the ancient belief of the divine rights of kings.

It afforded a haven for the homeless and encouraged the oppressed to break the ties that held them in bondage, and to seek sanctuary on our friendly shores.

The Fourth of July is just a date in history, but it is a date which is indelibly etched in human memory. Its immortality stems from its association with a memorable Declaration which says in part:

"We hold these truths to be self evident—that all men are created equal; that they are endowed by their creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness."

In 1776, this proclamation reverberated throughout the world as a new star was born in the vast constellation of nations. It was named the United States of America.

All of us love our country and our loyalty to its traditions cannot be challenged. Possibly we do not all appreciate the assets and resources with which we are so generously endowed.

Perhaps there is no better time than during the balance of the Centennial Year to make a mental survey of the spiritual and material blessings which make our country supreme among the nations of the earth.

America was founded as a Christian Nation. No official document was used in the framing of our system of government which did not recognize God as the Supreme Ruler of the land. No oath of office is ever administered unless the name of God is invoked as witness to the vow.

As the coming months slowly fade into history, and the festivities gradually wind towards an end, all Americans should express eternal gratitude to the dedicated men and women who made this bicentennial year such a glorious success.

Certainly our national image has been strengthened and our international stature lengthened because the bicentennial has focused world attention on this fabulous land of the free and home of the brave.

HOW TO FEED HUNGRY, INCENTIVE NEEDED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. FINDLEY. Mr. Speaker, many of us do not adequately recognize the importance of private enterprise and incentive in the production of food in this country. I would like to share with you excerpts from a speech by John H. Brinker, Jr., president of A. O. Smith Harvester Products, Inc. before the Livestock Marketing Convention. Mr. Brinker outlines the use of the ultimate instrument, food, as the method by which mankind can survive. He also calls upon the United States to exercise its leadership role to assure an adequacy of food through the profit incentive system. As Mr. Brinker points out, too often the mob goes in search of bread and the means it employs is, generally, to wreck the bakeries. Instant experts on food policy would destroy the incentive that has encouraged the American farmer to produce not only for our needs at home, but for those in needy nations as well.

The article follows:

[From the Livestock Market Digest, June 21, 1976]

Brinker Tells How To Feed Hungry

I'm very pleased and flattered to be included in your program, and I welcome the opportunity to visit with you about things that are going on in the world which will not only shape both world and American agriculture, but will also, inescapably, affect the lives and professional careers of every American who has selected agriculture, both as a profession and a way of life.

As my title for these remarks, I have chosen "The Ultimate Weapon." This title is rather dramatic—and deliberately so—because I wanted to get your attention—and because it's true! The problems I'll be discussing are very serious and will affect the lives of everyone now living on this spaceship we call Earth.

These are world problems, but the four recommendations I'll make are for American solutions, if the American people have the wit and will to make it so.

We Americans will not be victims of these problems unless we ask for that fate, by our own failure to understand the problems and the potential solutions. Understanding the problems will be relatively easy for most of the American people, but the price we will have to pay to bring into being an American solution may not be easy for our people to accept. However, we are the only people in the world who will be capable of creating conditions which will make solutions of these recommendations.

Two things—a lucky accident of geography and our economic system—will make it possible for us to escape being victims of these problems.

Before going any further, let me acknowledge that the problems and solutions I'm going to discuss with you today are going to be, of necessity, simplistically stated. Each time I think about my recommendations, I recognize more problems in connection with their execution, but that doesn't change the necessity for clearly recognizing the basic problems and the unpleasant character of some of the necessary solutions.

Solving these problems for humanity involves a situation comparable to the old story to the effect that if a man wants to walk a thousand miles, he starts by taking one step. The American people need to take that step, and really understand that we're going to have to walk that thousand miles.

In my opinion, if the world's people are to continue eating at more than a subsistence level, we Americans must be prepared to do four things.

The first of these recommendations should be brought into effect immediately, as a national policy. The other recommendations are expansions and modifications of things we are already doing.

First, we should bring into existence a National Land Use Policy, which would stop our present profligate use of prime farm land to make parking lots for shopping centers and similar permanent losses of our greatest natural resource. In order to be effective, this would have to be national policy, with administration by each State, to insure its being locally effective.

The world cannot afford to have the states of Rhode Island and Delaware disappear annually from our productive land and climate.

Second, we must protect our way of life, and our economic system, by being willing to pay much more for meat protein than we do today. As the President has stated with respect to the "energy crisis" and oil prices, there is no way to increase production of food and our exportable surplusses unless we Americans are willing to pay more for our food.

The present "consumerism" of Congress is doing a grave disservice to the American people in both our "energy crisis" and our food supply, by failing to recognize that, in a free market system, only higher prices will bring marginal production into being.

For instance, there is no way we can cause a billion acres of non-tillable forage land to come into protein production, in the form of ruminant-animal meat, unless we continue to eat more meat—at much higher prices. Under our system, we can't command farmers to work marginal land. They won't do it unless there's a profit available.

Considering 1974's ridiculous boycotts of supermarkets, and the "meatless Tuesday" programs sponsored by many well-meaning churches, this also means that we must have a massive educational program for our people. It seems to me that the most logical choices to take leadership in this are farmers' organizations and the Department of Agriculture.

Third, we must remain generous. We are presently pumping food aid into the world at four times the combined rate of all the other developed nations.

As the only humans with food surpluses in the years ahead, we must continue to do that, and we must expand it. However, we must also insure that our generosity only goes to nations who are trying to control their own population growth and improve their own agricultural practices.

By sharing only with such nations, we will encourage them to control their population. If they don't, or won't control their populations, sharing our surplus with them will merely postpone their inevitable starvation.

At the 1974 United Nation's meetings in Bucharest and Rome, spokesmen for the "developing nations" stated that they had no population problem and then they made two policy statements: 1) The hungry nations have the right to produce as many children as they please; and, 2) Others have the responsibility to feed them.

Within our free economic system, this selective sharing of our food surplus with other nations may require a two-tier agricultural pricing system; one domestic system, in which the American farmer can sell within our country. Then we will need a second system, administered by the national government, whereby the American people buy our surplus food for distribution which carries out our National Policies with respect to sharing our surpluses.

Let's recognize something else; as we export more of the food we grow, we will become more susceptible to world weather conditions and the state of the world economy. It probably will be necessary for our national government to stand between the American farmers and those world conditions, in order to insure our farmers against a catastrophic year because of unusually good weather someplace else in the world, and also to stand between world hunger and a bad year in the United States, by maintaining inventories of grain available for export.

Fourth, we must recognize something unpleasant about the world. When people are actually starving in nations which have nuclear weapons—and this will be the case in a year or two, if it isn't already, and if America is eating well, with plenty of meat protein, and we will be, the temptation to try to take our land away from us is going to be almost irresistible to one demagogue or another.

A Spanish economist, Jose Ortega, once said, "The mob goes in search of bread, and the means it employs is, generally, to wreck the bakeries."

There's an economic system in the world dedicated to destroying ours! That system, in spite of its own poor agricultural productivity, won't recognize that our economic system has a great deal to do with our productivity. They will destroy it, if they can, under the excuse of distributing the world's available food more equitably.

We are already seeing political and military conflicts arising out of the world's food shortage. That's exactly what's going on in the waters around Iceland between the Royal Navy and Iceland's gun boats. So far, nobody's fired a shot.

So my fourth, and most important recommendation to the American people is stay so strong militarily that no one will dare try to take our land and our food, or if they try, we will repulse them.

Ladies and gentlemen, surplus food is the "Ultimate Weapon," and it's impossible for anyone but the United States to have it by the year 2,000.

Since only America will have surplus food, only America can wield the "Ultimate Weapon," and only America can lead mankind into the self-discipline of controlling human population while, simultaneously, expanding the world's protein and calorie production to match its population.

Our technology will lead an increased world agricultural production and our surplus food will, ultimately, control world population. Under these inevitable circumstances, mankind can survive—only if we lead it!

REVISION OF THE BRETTON WOODS AGREEMENT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. CRANE. Mr. Speaker, on June 22 the administration attempted to ram through the most sweeping revision of the Bretton Woods Agreements in over 30 years. These agreements established the International Monetary Fund and regulate the entire international monetary framework. Many of my colleagues were very confused about this bill and all that it encompassed. Fortunately, enough of them realized the importance of H.R. 13955 to prevent its passage on the suspension calendar.

This bill is once again scheduled for action again this week. So that my colleagues may be better informed about this important piece of legislation, I would like to commend to them an excellent editorial by Mr. Robert Bleiberg from the July 12, 1976, issue of Barron's:

Shades of Bretton Woods, Congress Should Not Rubberstamp the Treasury's Bill

(By Robert M. Bleiberg)

For ordinary mortals, unaccustomed to chauffeured limousines, palatial suites of offices, tax-free salaries or lavish perks, money troubles among the high-and-mighty provide a good excuse for glee. Downstairs, so to speak, getting a bit of its own back from upstairs. Thus, along with millions of our fellow citizens, we have viewed with wry amusement the far-from-stately squabbles, so foreign to British tradition, that now and then surface with respect to the Royal Family's allowance. We thoroughly enjoyed the spectacle of Lyndon Johnson creeping around the White House turning out the lights. We have chortled over the UN's perennial case of the shorts. On this score, some kind of high—or low—was reached a couple of months ago when an unseemly dispute over salaries, one which pitted the global bureaucracy against the U.S. Secretary of the Treasury, erupted at the International Monetary Fund. Carrying placards denouncing the Cabinet officer as the "beast of the hour," half of the IMF staff staged an unprofessional and undignified one-day walkout over wages and working conditions.

Far from beating a hasty retreat, as at least one of his colleagues would doubtless have done, Secretary Simon refused to budge. In an unprecedented move, he sent personal letters, often on a first-name basis, to other members of the Fund, saying how appalled he was that "our most respected financial agencies are proposing a substantial increase in wages at a time when the entire world has suffered from far too much inflation." The IMF staff, he went on, "is one of the highest paid group of workers in the history of international civil servants"—over 90, he tactfully refrained from adding, or nearly one in seven, make more money (net of taxes, from which they are exempt) than he does. "Their demands for an even larger increase are ridiculous when I compare their salaries and fringe benefits with comparable organizations—both domestic and international. When they name me 'Beast,' I hope I get to pick the type of animal, because I guarantee you it will be carnivorous." In the end, the bureaucrats settled for less.

Vis-a-vis the International Monetary Fund, that was Bill Simon's finest hour. In his other dealings lately with the IMF, the Treasury Secretary has shown no sign of either bark or bite, let alone fang and claw; on the contrary, he has acted like a pussycat. Thus, with official U.S. blessing, the global agency last month auctioned off some three quarters of a million ounces of gold, originally turned over to it by members, at $126 apiece; a second such sale is scheduled to take place day after tomorow. By the same token, the Ford Administration quietly, and unsuccessfully, has just tried to ram through a bill, the so-called Bretton Woods Agreements Act Amendment, on the eve of Congress' Fourth of July adjournment. Among other things, the pending legislation would put the lawmakers retroactive seal of approval on various measures already embraced by the Treasury at Rambouillet and Jamaica, notably ratification of floating exchange rates under supervision of the IMF, and distribution by the latter, to designated needy countries, of the proceeds of the sales of gold.

Labelling the measure non-controversial, the Administration sought to push it through on the so-called House suspension calendar, "sandwiched," so one Congressman caustically observed, "between a bill on bike parts and another on fat cigars." However, thanks to the vigorous opposition of such solons as Rep. John B. Conlan (R., Ariz.) and Ronald Paul (R., Tex.), the maneuver failed to gain the needed majority of two-thirds. Further debate is slated; well it might be.

For Congress has been asked to endorse several very dubious propositions. Under one, the IMF, which is supposed to extend credit on a carefully rationed basis to countries suffering temporary upsets in the balance of payments, would be authorized to dole out billions of dollars virtually interest-free to, among other eligibles, Cambodia, Uganda and Vietnam. Again, the sale of gold—past, present and future—would gain official sanction, although the Library of Congress, in a special memo to Rep. Conlan, concludes that such transactions rest on doubtful legal grounds. Finally, after more than three decades during which hundreds of devaluations, including two of the American dollar, have occurred, it's surely time to reappraise, not rubber-stamp, the poor results of Bretton Woods. "By their fruits"—this crop has been a disaster—"ye shall know them."

"With sufficient time, money and staff," Congressman Paul, lone dissenting voice on the Committee on Banking, Currency and Housing, has stated for the Record, "It would be possible to produce a massive indictment of the IMF's policies, complete with footnotes, graphs, equations, computer printouts and references to scholarly journals." Suffice it to say—as Dr. Henry Hazlitt, noted economist and author, repeatedly has said in Barron's—that Bretton Woods, brainchild of John Maynard Keynes and Harry Dexter White, from the outset was fatally flawed. Under its loose strictures, the U.S. dollar alone—solely for the benefit of foreign central banks—was tied to gold. "It was not hard," Dr. Hazlitt wrily observed, "to sell this scheme to spokesmen for the other 43 countries. . . . They were thereby relieved of any obligation to convert their currency into gold, and could expand money and credit more freely. If they got into trouble, they had access to automatic borrowing rights from the new International Monetary Fund. The whole arrangement made it much safer to inflate."

Inflate they did. Between 1945 and 1971, when the U.S., thanks to its own freewheeling fiscal and monetary policies, ultimately was forced to renege on its solemn pledge to exchange one ounce of gold for 35 dollars, the world's currencies were debased an estimated 500 times. Whatever it was designed to achieve, the International Monetary Fund in fact had become an engine of global inflation, which, out of its own excesses, finally broke down. To all intents and purposes, as Rep. Paul has argued, "the IMF is dead."

Yet it remains a very lively corpse. At Jamaica last January, the Interim Committee endorsed—subject to ratification, such as embodied in the pending Bretton Woods Amendment—a proposal to increase member's quotas by an average of 32.5%, to 39 billion Special Drawing Rights (one SDR roughly equals $1.15). Moreover, the powers-that-be at IMF decided to extend, by 45%, on a "temporary basis," the quantity of credit (tranche) available to borrowers. Not surprisingly, in the first five months of 1976, the Fund made nearly $5.3 billion in loans to "nations with special financing problems," a lending rate of roughly twice that of the previous year.

In view of the notorious instability with which currencies in the postwar era—both prior to 1971, and notably since—have been afflicted, that's probably money down the drain. However, as we have seen before, in the realm of bureaucracy, nothing succeeds like failure. Having presided over decades of debasement, the IMF, with U.S. Treasury approval, is seeking, via a yet-to-be-created council within its recesses, authorization to oversee and manage what Rep. Henry Gonzalez (D., Tex.) has aptly called "this shadowy business of setting and maintaining currency values in relation to one another." Contrary to what its proponents argued, floating, owing to repeated intervention in the foreign exchange markets by one government or another, has been recognizably dirty. Now the dirt, so to speak, presumably will be swept under some official rug.

No less objectionable is the scheme to auction off, on behalf of so-called needy nations, up to one sixth of the IMF's total holdings of gold. Proceeds go into a multibillion-dollar trust fund, on which any country claiming per capita income of less than $350 is eligible to draw. Unlike previous practice, where credits were made conditional on some semblance of sensible financial management, trust fund loans (which stipulate a half-decade grace period, followed by a five-year repayment of principal with interest at one half of one percent) will be exceedingly "soft." Countries eligible for such giveaways, as Rep. John H. Rousselot (R., Calif.) points out, include "the notorious General Amin's Uganda, the Communist government of Vietnam and a number of other unworthy recipients."

Official largesse, of course, will be financed by repeated auctions of bullion at the free market price. Yet as critics aver, such sales unmistakably violate a fundamental precept of the organization, namely, that all members should enjoy equal treatment. As to the technicality on which the IMF purports to base its transactions, the Library of Congress has dismissed it in the following scathing terms: "There is no authority, either directly or indirectly, outside of a scarce currency situation (not invoked), for the IMF to sell gold on and for its own account under that clause." Routine and noncontroversial? Like rape.

CLEVELAND POET WRITES ON BICENTENNIAL

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. STOKES. Mr. Speaker, now that the fireworks have waned and the glitter and glory of the Nation's birthday party has subsided to a more manageable affair, we should again direct our attention to a more sober and critical evaluation of this country's future.

Mr. James C. Kilgore, renowned Cleveland poet and professor of English at Cuyahoga Community College, has written a thought-provoking poem lamenting the dire condition of blacks in America as we enter our third century.

Mr. Speaker, I urge my colleagues in the House to carefully read Mr. Kilgore's eloquent lines and absorb the full impact of his challenging exhortation.

Therefore, Mr. Speaker, I submit to you today the poem entitled "A Black Bicentennial" by James C. Kilgore of Cleveland, Ohio, which recently appeared in the Cleveland Press newspaper:

"No Time for Tears" Writes Black Poet

(By James C. Kilgore)

At 6'5", James C. Kilgore may be one of the tallest poets around as well as being a former college basketball player.

An English professor at Cuyahoga Community College's Eastern Campus for 10 years, he has had a number of his poems appear in various publications.

This one was written at the request of the Cleveland Area Arts Council, which commissioned 10 writers here to write Bicentennial poems. It was chosen among the three best.

"A Black Bicentennial," the concluding portion of which appears below, has been published as a pamphlet by the Black River Writers of East St. Louis, Mo.

I celebrate your dream, America,
But I cannot celebrate Boston today;
I cannot sing love songs to Louisville this evening.
I detest the actions of any who would keep little children from coming unto educational justice, unto friendship, unto you.
Yet I can weep no more.
My eyes are tired and dried of tears:
I have cried from Jackson, Mississippi, to Dallas, Texas;
I have mourned from Memphis, Tennessee, to Los Angeles, California;
My life has been a river of tears—
And I have no more tears for any city
That would forbid little children to come unto legal liberty—
Even if they must be bussed to get there.

You don't understand my celebration?
I am not sure I do either—
But I understand the difference between spring and winter, for I love autumn;
I understand the difference between war and peace, for I love freedom;
I understand the difference between night and day, for I have gone without sleep for years trying to understand the midnights and noons of you.

I know that others love you and want you too,
Some would seduce you with brave promises
And then nullify the decrees of your courts,
And then flout the one national truth that makes you uniquely you:
You are a nation of laws, a nation of courts.
Permit anyone who says he loves you to nullify and flout your truth.
And you are not you;
You are a nightmare, no more a dream.

The days rise painfully,
Aching toward a new century;
New York City, the doctor says, is in critical condition;
Yet I know you can save her:
Your own children lie down hungry in Newark and Paterson, New Jersey; in Harlem, New York City; in Inner-City, U.S.A.;
Yet I know you can feed them:
You rebuilt Europe with your Marshall Plan;
Your ships still sail with wheat for Russia;
You have tested the soil of the lifeless moon;
You sent tanks full of dollars to South Vietnam:
I know you can save New York City,
That you can feed the children of your inner-cities,
That you can light our way into the rising century with the bright beams of self-love.

There is no more time for tears:
There is only time to gather all your children and teach them of justice, of equal human dignity, of you;
Your future is in their trembling hands;
Perhaps they can forget the unfaithfulness of yesterday and last night;
Perhaps they can become the Dream written in your Declaration, in your Constitution—
And perhaps I, too, can forgive the unfaithfulness of that first one hundred years and the unfaithfulness of the century since I left the big plantation.

BICENTENNIAL DEMONSTRATION WRAPUP: RICH OFF OUR BACKS AND PEOPLE'S BICENTENNIAL COMMISSION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. McDONALD. Mr. Speaker, the Castroite Communists and their allies of the July 4 Coalition held one counter-Bicentennial march in Philadelphia on July 4. A second march and rally attacking our constitutional form of government was staged by the Red Chinese-supported Rich Off Our Backs-July 4 Coalition—ROOB.

ROOB was planned and organized by the Peking-directed Revolutionary Communist Party—RCP—from several RCP fronts including the Vietnam Veterans Against the War—VVAW—the Unemployed Workers Organizing Committee—UWOC—and the RCP's youth arm, the Revolutionary Student Brigade—RSB.

The RCP/ROOB march was the result of 3 months of intensive organizing during which some 1½ million pieces of literature were distributed.

Some 3,000 demonstrators—ROOB claims 3,700—many of them wearing red, yellow, orange, or blue, "Rich Off Our Backs" T-shirts, massed at Broad and Girard Streets at 10 a.m.

The RCP/ROOB assembly point was nearly 3 miles east of the July 4 Coalition march, and its 2-mile court-imposed march route to Norris Square through a residential and light industrial area took them even further from the center city area where the Maoists had hoped to confront those patriotically celebrating our country's 200th anniversary, as well as away from the J4C line of march.

The RCP's disciplined demonstrators united around a few simple shouted slogans, principally "We have carried the rich for 200 years let us get them off our backs." Other chants heard along the march line were "We will not fight another rich man's war" in Spanish and English, "The workers united will never be defeated."

Contingents were present in the RCP/ROOB march from Atlanta, Ga., Baltimore, Md., Birmingham,. Ala., Boston, Mass., Chicago, Ill., Cincinnati, Ohio, Cleveland, Ohio, Gainesville, Fla., Milwaukee, Wis., Newark, N.J., New York City, Portland, Oreg., Seattle, Wash., Syracuse, N.Y., Houston, Tex., Trenton, N.J., and from California, Rhode Island, and West Virginia.

The Maoist Communists of the Revolutionary Communist Party, formerly called the Revolutionary Union, have rejected the pro-Soviet Communist Party, U.S.A.'s favorite united front tactic in favor of the sort of cadre organizing in the trade unions in the basic industries and services done by the Communists in the 1920's and 1930's. Present in the RCP/ROOB march were banner-carrying groups representing RCP rank and file caucuses in the steelworkers, auto workers, mineworkers, postal workers, oil, chemical, and communications unions.

The Maoist protest was the culmination of 3 days of protest in Washington as well as in Philadelphia. Some 300 RCP/ROOB activists had demonstrated in Washington on July 1 at the Department of Labor and later on the East Steps of the Capitol. Traveling by automobile, bus and in three trains, ROOB cadre and supporters demonstrated in Philadelphia on July 2 and 3 at the General Hospital which is facing cuts in budget and at the Philadelphia Navy Yard.

The Revolutionary Communist Party contrived, at the building demonstrations and at the July 4 march, to look far larger in numbers than actually were present by using many and multiple banners, by providing red flags for nearly all, and with the unified chanting.

At the square, ROOB staked a 3-hour speech marathon. Speakers included:

Nick Unger, master of ceremonies and ROOB representative. Nichols Unger, was born on February 1, 1945 into a family of Communist Party, U.S.A.—CPUSA—functionaries. His own public entry into radical militant politics began as a sponsor of the April 1965, Students for a Democratic Society march in Washington, D.C., in support of the Vietnamese Communists. After the June 1969, disintegration of SDS, Unger was associated with the RYM–II faction, as were many other young Maoist Communist "red diaper babies" who came from disciplined CPUSA family background.

On May 5, 1970, Nick Unger, then a graduate teaching assistant in physics at NYU, and his comrade, Robert Wolfe, led some 150 NYU students and off-campus hangers-on from SDS and the Transcendental Students Association into Warren Weaver Hall, ejected faculty members, and "captured and liberated" the Courant Institute of Mathematical Science.

Unger and Wolfe then led an occupation of the building. The group had attempted to extort $100,000 from the university against damage to the $3.5 million computer center. The ransom was to be given to the Black Panther 21 bail fund. As the occupation ended, an attempt was made to burn the computer which was frustrated by prompt police action. On July 29, 1970, Unger and Wolfe were arrested and indicted for conspiracy, attempted grand larceny by extortion, and attempted coercion.

Nick Unger since that time has taken prominent roles in the Revolutionary Union, now the RCP, and in the principal Maoist Communist outreach organization, the United States-China People's Friendship Association—USCPFA.

Abraham Unger, father of Nicholas, served as a CPUSA attorney in 1949 and was identified as a CPUSA member in 1955. He left in the 1960's supporting the Red Chinese and assisting members of the Progressive Labor Party in his legal capacity during its Maoist period. Mrs. Esther Unger was legal director and State treasurer of the Communist Party of New York State, according to papers filed with the New York State secretary of state.

Johnny Rogers, Unemployed Workers Organizing Committee, Chicago.

Dave Cline, New York-New Jersey United Workers Organization, a recently formed RCP front active in the Newark/New York City area. The front's principal figure is Leibel Bergman, an old CPUSA organizer-gone-Maoist who was a founding RU member. Self-effacing in public, Bergman is one of the most influential RCP Central Committee members.

Eddie Pagan, garment section, New York-New Jersey United Workers Organization.

Barry Romo, national coordinator of Vietnam Veterans Against the War—VVAW—and one of the principal architects of the 1973–74 penetration and takeover of VVAW by the Maoist cadres of the RU.

Arthur Ward, Milwaukee Youth Contingent.

Bruce Miller, Miners Committee To Defend the Right To Strike, West Virginia. The RCP has attempted to carry out recruitment among some groups within the United Mineworkers Union, but to their immense irritation RCP organizers have had in many cases the union's anti-Communist clause invoked against them resulting in expulsions from the UMW.

Bob Avakian, chairman, Central Committee, Revolutionary Communist Party. Robert A. Avakian, born March 7, 1943, has been active in radical left activities since his participation in the Free Speech Movement at the University of California at Berkeley where he was arrested in the Sproul Hall occupation in December 1964. The son of Alameda County Superior Court Judge Spurgeon Avakian, in 1966 and 1967 Bob Avakian was active in "electoral politics" with the Community for New Politics—CNP—an organization with strong CPUSA and New Left Marxist-Leninist leadership designed to attract liberals and leftists into electing radical candidates. Avakian wrote in the Berkeley Barb, January 27, 1967, that the CNP met the specifications for "the revolutionary Marxist vanguard party." That spring Avakian received 10,490 votes in his unsuccessful bid for election to the Berkeley City Council.

By July 1967, Avakian was moving toward a more militant stand. In July at a meeting of the Bay Area Emergency Action Committee, an organization formed to support the Black Panther Party and other black militants principally by the CPUSA and its youth group, the DuBois Clubs, Avakian circulated a proposal to raise funds to purchase guns for the Black Panthers.

On July 2, 1967, Avakian signed a leaflet of the student organizing committee which called for buying guns for black revolutionaries and organizing poor whites into revolutionary movements. During this period, Avakian was part of a circle of Bay Area Maoists who were still able to work with CPUSA members on Vietnam issues. These included Robert Scheer of Ramparts magazine; his wife, Anne Weils Scheer; and others who later became associated with the Red Family and International Liberation School.

Early in 1969, Avakian, Bruce Franklin, and Steve Hamilton, another veteran of the Free Speech Movement, Vietnam Day Committee and the Progressive Labor Party's Maoist youth movement, formed the Bay Area Revolutionary

Bob Avakian was elected to the SDS national interim committee at the June 1969, SDS convention at which the organization disintegrated. Briefly alined with the Weatherman faction, he alined his Revolutionary Union with the RYM–II SDS group from which many current RU/RCP leaders came. It is noted that many of the founding members of the RCP's Maoist rival, the October League, including its chairman, Mike Klonsky, were also RYM–II leaders.

After trips to Peking and firm strict adherence to the practice and international positions of the Communist Chinese, the Avakian group began nationwide expansion, first incorporating small independent Maoist collectives left over from the SDS collapse.

As a public speaker, Robert Avakian has not improved from his soapboxing stints at the Richmond oil strike in 1969. His shrill voice which breaks into falsetto in moments of stress, and his rigid, jerking movements at the podium, are reminiscent of a certain Austrian housepainter who led the world into a hellish war 30 years ago.

Totalitarians whether of the Leninist or the Fascist type have much in common. Avakian's minions also had their uniforms—red T-shirts with the ROOB slogan. And the large and disciplined thug squad of Maoist cadres which completely surrounded the stage while their supreme commander spoke clearly were Avakian's brownshirts.

"Comrade Chairman" Avakian's harangue concluded with his likening capitalism, the free enterprise system, to a system of vampires. Said Avakian, the capitalist, like the vampire, "is a creature that should'a died a long time ago." He continued:

> These bosses are worse than a pack of vampires. Now do ya get what I'm talking about? (Applause and cheers.)
>
> These capitalists ain't nuthin' but a class of vampires—a lot worse than Dracula. And I'll tell ya somethin', there's only one way to deal with a vampire. You gotta learn the laws that the vampire gives to the system. You gotta learn where its weakness is. You gotta learn the laws it lives by and how he sucks your blood. And then you gotta track him down at night, catch him in his coffin and drive a stake into his heart!

Present in the march of the Revolutionary Communist Party attended by a circle of sycophantic elderly comrades was perhaps the leading U.S. Maoist Communist, William Hinton.

William Howard Hinton, 57, is the gray eminence of the Revolutionary Communist Party. A member of a prominent American Communist family, the Hintons have rendered service to both the Russian intelligence apparatus and the Chinese Communists for over four decades. Hinton's first China visit was in 1937 as a reporter. In 1945 he worked in Chungking as a propaganda analyst for the Office of War Information where his superiors included Owen Lattimore, John K. Fairbank, and Benjamin Kizer, as the Senate Internal Security Subcommittee noted, all three important figures in the Institute for Pacific Relations—a Soviet intelligence operation—and all three identified in sworn testimony as Communists.

Hinton returned to China in 1947 as an employee of the United Nations Relief and Rehabilitation Administration. Within months he was working openly for the Communist Chinese. Hinton's own documents which he brought back with him in 1953 reveal he had joined the Chinese Communist Party, and attended secret purge meetings. Hinton's role as ultimate authority for the American Maoists of the Revolutionary Union was exposed early in 1971 when he traveled from Pennsylvania to mediate in a dispute between Avakian's regulars and Bruce Franklin's Venceremos faction. At that time Hinton was living on a farm near Reading, Pa., and organizing RU cadres.

Shortly afterward, Hinton returned to Communist China for a 7-month period. In September and October 1971, Hinton conducted a group of Maoists from the Black Panther Party and the RU visiting the People's Republic of China. Hinton has also served as a propagandist for the Red Chinese with his books, "Fanshen," 1966, and "Iron Oxen."

Having returned to his native Vermont, Hinton serves as chairman of the United States-China People's Friendship Association, the most important Communist Chinese recruitment apparatus which targets a wide range of radicals, university students and professors, and Government employees to be brought into the PRC orbit.

Hinton's mother, Mrs. Carmelita Chase Hinton, also has interesting connections. Mrs. Hinton is the founder of the Putney School, Putney, Vt., with which Owen Lattimore was once closely involved. Mrs. Hinton accompanied Owen Lattimore's child to the Soviet-sponsored World Youth Festival in 1947. Her Putney School was once a favored site for Peace Corps training. The radical Committee of Returned Volunteers once characterized it as "the best training school in the United States."

Bill Hinton's sister, Jean Hinton Greene Rosner, was an associate of the Nathan Gregory Silvermaster espionage ring and was one of Silvermaster's subordinates in the Department of Agriculture Farm Security Administration in the 1940's.

Another better known sister, Joan Chase Hinton Engst, has also chosen to serve the Chinese Communists. Joan Hinton was part of a Soviet spy ring which had penetrated the Los Alamos atomic project. She began her nuclear physics research while a graduate student at the University of Chicago's Institute for Nuclear Research. She had access to classified information until she left Los Alamos in December 1945. Among those in Joan Hinton's circle in New Mexico was the family of Dr. Robert Oppenheimer. In 1947, Joan Hinton and her husband, Irwin Sidney Engst, were invited to China by Shanghai-based Soviet espionage Gerald Tannenbaum. Since that time, Joan Hinton and her husband have assisted the Communist Chinese with their nuclear program.

The articles follow:

THE PEOPLE'S BICENTENNIAL COMMISSION (PBC)

The much publicized, well-organized and amply funded People's Bicentennial Commission (PBC) held a religious service, march and rally in Washington, D.C., on July 4th which were near total failures.

After five years of organizing and media manipulation, the PBC confidently expected 150,000 people and obtained police permits for a crowd of 250,000 persons. At the height of the rally, 4,000 were present. This disaster was hastily explained by Jeremy Rifkin in a Washington Post interview as "although the crowd was small, it was a quality crowd made up of people in their twenties who have been involved in the left and younger people."

PBC activities commenced with a "religious service" at the Jefferson Memorial at which the biblical jubilee redistribution of property was reinterpreted in contemporary, anti-capitalist terms to fewer than 500 people by a score or more of lay and clerical clowns.

The noon march to the Capitol steps was low key, with about 1,000 participants.

John Henry Faulk was master of ceremonies at the Capitol rally. Among the speakers who droned on into the hot afternoon were Flo Kennedy; Jonathan Kozol; Dolores Huerta; Ed Sadlowski; Kamook Banks of the American Indian Movement; Ellen Gavin, Massachusetts; Jane Fonda; Tom Hayden; Sam Lovejoy; and D.C. city councilmen Marion Barry and Julius Hobson.

The common theme of the speeches was criticism of large multinational corporations and other "excesses of the capitalist system." Tom Hayden, the only non-musician to receive an ovation, said, "We filled the jails; we filled the streets; now let's fill the halls of government."

This said, the PBC concluded its rally with, appropriately, the musicians and speakers joining in a real song and dance act.

CITY OF PHILADELPHIA POLICE DEPARTMENT

No report on the July 4th events in Philadelphia would be complete without noting the role taken by the police department in that city. Their effective handling of two major and volatile demonstrations simultaneously with a Presidential visit at a time when the city was packed with thousands of tourists was a textbook operation.

GENE HOWARD

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. TEAGUE. Mr. Speaker, a most tragic event occurred during the recent congressional recess. I was stunned upon learning of the accidental death of Philip E. Howard, a member of the staff of the House Veterans' Affairs Committee. Gene, as we all called him, spent his entire adult life, following his service in World War II, in behalf of veterans and their families. He had the unique experience of having been an official of a national veterans' organization, the Veterans' Administration, and a staff member of the House Committee on Veterans' Affairs.

His dedicated and selfless service for veterans and their families was known throughout the Nation. In his several capacities of leadership he demonstrated a dedication and devotion which will be difficult to surpass. I came to know Gene personally over the years and can state without hesitation that he has left a void in the ranks of veterans whose cause has suffered an irrevocable loss. Let us look at the record of Gene Howard, a most unusual man who will be sorely missed.

Gene was born and educated in Charlottesville, Va., where he attended the University of Virginia. His World War II Army service was in the Philippines where he was disabled and later discharged in 1946.

He returned, a young veteran with a high love of country, an undying sense of patriotism, and a perception of the problems of veterans adjusting to peace.

Upon returning home to Charlottesville, he joined AMVETS—American Veterans of World War II. He was named adjutant, Department of Virginia AMVETS, in 1948. The next year he came to Washington as the manager of AMVETS national headquarters. In 1953 he became assistant executive director and then served as executive director from 1956 to 1962.

It was during this time that I became aware of his unique managerial ability. The tougher the challenge, the more effective his response. To the astonishment of many he could cut through redtape and conclude a project in record time—a trait that served him well during his entire career.

Highlights of his service with AMVETS include:

Securing the former home of the late Senator Robert A. Taft for a new national headquarters building, and securing President Harry S. Truman as dedication speaker.

Leadership in obtaining a congressional appropriation to complete the U.S.S. *Arizona* memorial at Pearl Harbor, an action recognized in the CONGRESSIONAL RECORD by Senator HIRAM FONG of Hawaii.

Developing improvements in the administration of the GI bill which ultimately saved the Government millions of dollars.

Instrumental in establishing the annual AMVETS Silver Helmet Award recognizing distinguished Americans.

Consummating AMVETS participation in the World Veterans Federation.

Involvement in the repatriation of the remains of unknown World War II and Korean servicemen which culminated in reburial of the unknown servicemen at Arlington National Cemetery—a ceremony led by President Eisenhower.

Active in establishing and administering AMVETS memorial scholarships, a forerunner of statutory scholarship and educational benefits for children of veterans.

Establishing present format for regional observances of Veterans Day.

As his activities grew he became known and respected in the international community of veterans. In the early 1960's he was invited by the Republic of South Korea to organize that country's counterpart of our Veterans Administration.

In 1964 Gene was appointed Special Assistant to William J. Driver, Administrator of Veterans' Affairs. In this position, he continued to pursue his unswerving interest in veterans and their dependents. The personal devotion he brought to his duties was recognized by all major veterans organizations. During the 4 years he was with the VA he traveled with President Lyndon B. Johnson on many occasions throughout the Nation and to Korea. Gene worked closely with the President, the White House staff, Members of Congress, and the Veterans' Affairs Committee, particularly myself, as chairman.

He was proud that during his VA tenure he participated in many activities which resulted in increased benefits for veterans and their dependents, such as:

President Johnson's unprecedented veterans message to Congress on January 31, 1967.

The Veterans' Pension and Readjustment Assistance Act of 1967.

The U.S. Veterans Advisory Commission which conducted the Nation's first grassroots study of veterans programs.

President Johnson's second veterans' message to Congress on January 30, 1968.

Improvements in the pension system, survivors' benefits, and the National Service Life Insurance program.

Special program to help Vietnam veterans find employment, and utilize their veterans' rights and benefits.

In 1968 he joined the staff of the Veterans' Affairs Committee. No chairman, no member, no veterans could ask for more dedicated service. The fine talent of Gene Howard is reflected in every activity of the committee. He was tenacious when need be, compassionate at all times, and his droll humor would appear most unexpectedly.

Gene had the faith to accept what life decreed and to carry on through acclamation or adversity. He always gave his best but never compromised his principles. His first obligation was to veterans and he was true to that cause above all. Many who have worked with him will continue in his tradition, but none can replace him.

The Howard family is very close to Mrs. Teague and me. On behalf of the Congress of the United States, I extend deepest sympathy to Gene's wife Beverly, his daughters Debby, Donna, and Leslie, and his sons Paul and Mark.

My friend is gone. I shall miss him.

TRIBUTE TO SEYMOUR ROBINSON

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. WAXMAN. Mr. Speaker, it is my pleasure to join the Westside Community Center of the Jewish Center Association in paying tribute to Seymour Robinson.

Mr. Robinson will be presented with the Man of the Year award by Mayor Tom Bradley on Thursday, July 29, 1976, at the Health Club Award Night to be held in the Weinberger Auditorium of the Westside Jewish Center.

Seymour Robinson is well deserving of this honor. He has devoted himself to improving relationships between the Jewish community and the black and Chicano communities for the mutual benefit of all. He has been active in movements for school integration and enrichment of educational opportunities. These have been the main thrusts of his very active life, but he has been active in many other areas of social welfare and significance.

He has been president and the organizer of Neighbors Unlimited and helped organize Black Party Neighbors, a group that has worked to develop close ties between the black and Jewish communities living together in the Pico Fairfax area of Los Angeles. He has been chairman, Public Affairs Committee, West Side Jewish Community Center, 1973–75; member, Urban Affairs Committee, L.A. Board of Education; member of the Mayor's Advisory Committee to assist small and minority businesses to obtain city contracts. He has also been a member of the Citizens' Committee for the Pan Pacific Urban Park; member, L.A. City Human Relations Commission, and member of the Parents' Advisory Committee of Fairfax High School.

Seymour's wife Anita is currently a medical social worker with Cedars Sinai Hospital where she has been for the last 20 years. They have two sons, David and Billy.

Seymour Robinson is a warm and compassionate human being. I am pleased to consider him one of my personal friends. He is receiving a well earned tribute.

UNIONS BECOMING BELIEVERS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BOB WILSON. Mr. Speaker, in recent years, unions have become so powerful that they can paralyze a city, interrupt the vital functions of a county, or even shut down various vital commercial functions of our country. There is even a move afoot to organize our Armed Forces, a move so dangerous and irresponsible as to almost be beyond comprehension. If our Armed Forces were to be organized, the leaders of such a union would be in a position to greatly influence the foreign policy of our Nation and to threaten the national security of the United States.

However, the article by the distinguished columnist Virginia Payette in the San Diego Union attests, our citizens are standing up to the municipal unions, demanding responsiveness from those members who are on the public payroll, but use their civic functions as a tool to increase salaries. I bring it to the attention of my colleagues as indicative of a possible public trend by our citizens. I include the article as a portion of my remarks:

UNIONS BECOMING BELIEVERS

(By Virginia Payette)

Whoever would have thought the fear of going broke would turn out to be a big plus for our cities? But that's the way it's working out; it's giving them backbone to stand up to the unions.

Not only stand up, but win.

From New York to San Francisco, and a lot of places in between, municipal workers are discovering the public has had it up to here with illegal strikes (policemen, garbage collectors, bus drivers, etc.) for higher pay, fancier fringes, or just to sulk because something doesn't suit them.

Time was, all taxpayers could do was complain. Most mayors, faced with threats from labor to "pay up—or we'll shut down the city," handed over everything but City Hall. (In New York, they even gave that away.)

But things are different now. People are finding out that they and their children and their children's children will be paying off those lush pensions for the next 100 years. And they are restless about future feathering of the public nest.

They're getting their message across to mayors. No more lavish pay hikes. No matter whatever. And City governments, prodded by the spectre of financial ruin, are actually following through.

It's been a great shock to labor bosses. Their big stick—a strike against the public interest—just doesn't have the same clout any more. For one thing, it has become harder and harder to tell whether public employes are working or not.

In San Francisco, they stayed off the job for 38 days to protest a 24-per-cent pay cut and what happened? The city hung in there, the people muddled through, other unions even ignored picket lines—and the workers eventually went back. At reduced pay.

Then came another blow. A judge actually did something about the fact that a municipal union had broken the law. He sentenced four union leaders to five days in the cooler and fined each one $500. Then he slapped another $4,000 fine on each of the four local unions involved.

New York City workers have just settled for a two-year contract with a new twist: All the fringes go to the city. Labor leaders bowed to the inevitable (the city is broke) and agreed to $24 million worth of cuts. A history-making moment.

In Baltimore, where city workers walked out two years ago to protest an offered 4-per-cent pay increase, they're still haggling. But now the city's offering a 2-per-cent hike.

In Detroit, another depressed area, the news is impressive. When half the police force came down with "blue flu" in a snit over an economy layoff of 1,000 officers, the chief found the right medicine: "Get back to work or get fired." It was a new miracle drug. The cops recovered overnight.

"This is the season of darkness for our union," says Jerry Wurf, president of the 750,000-member American Federation of State, County and Municipal Employes. "The day when unions can deal with problems by major force is over. The business of sitting at the bargaining table and saying that we'll cut off the water if you don't come through, that day is gone."

They realize the fiscal crisis in many cities, big and little, is for real. That mayors aren't stalling when they say the money just isn't there. And that the only increases the public will stand for will be increases in productivity.

HON. LEW DESCHLER

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. STEED. Mr. Speaker, it is a sad occasion indeed for the entire House to have lost the cumulative wisdom and information embodied in our friend Lew Deschler, who occupied a unique place in its parliamentary history.

He was a good friend and a dependable source of information to me through my entire time of service here. His help was especially valuable when I first arrived, in the early years when I lacked familiarity with the details of procedure.

What Lew Deschler did for me he certainly did for many other newcomers through the decades. This service was, of course, in addition to the burden he carried in his function of assistance to the Speaker.

One of my fondest remembrances of him is that of his tremendous sense of humor, a characteristic so helpful in public life. Lew Deschler was an affable human being who will long be remembered.

ROBERT SULLIVAN

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. O'NEILL. Mr. Speaker, my distinguished colleague and personal friend, EDWARD P. BOLAND, Democrat, of Massachusetts, joins me in mourning the loss of one of Massachusetts' finest superior court justices, Robert Sullivan.

In a superlative judicial career that spanned 18 years on the superior court bench, Judge Sullivan presided over more than 100 murder trials and rendered decisions on numerous controversial cases.

EDDIE BOLAND and I remember Robert Sullivan as a man who possessed a witty and charming personality and a judge who brought to his judicial decisions a fairness and flexibility in interpreting the law.

An advocate of court reform, Judge Sullivan was in the forefront of revising the bail procedures. He firmly believed that the present system was structured unfairly against the poor. He often pointed out to friends that "those who go free on bail do so not because they are innocent, but because they are rich enough to purchase their freedom. Those who are detained for the most part are jailed not because they are guilty but because they are too poor to pay a bondsman."

Two significant and recent decisions in Judge Sullivan's career stand out fresh in memory. In December 1972, he sent back to the Boston school committee and the State board of education their plan to racially balance Boston's schools without using massive busing.

In 1975, when the question of the constitutionality of the Massachusetts mandatory-sentence gun control law was before this court, Judge Sullivan ruled in favor of the law's constitutionality. This far-reaching decision was subsequently upheld by the State supreme court.

Like so many parents who influence their children in the pursuit of a distinguishable career, Judge Sullivan's father, the late T. Robert Sullivan, was instrumental in helping his son choose law as a profession. From the time he began his college studies at Harvard, Robert Sullivan wanted to be a judge. Following his graduation from Harvard in 1938, Judge Sullivan attended Boston College Law School from which he was graduated in 1941. He was the first Boston College law graduate to serve on the superior court.

Renowned for his judicial fairness and profound knowledge and dedication to the interpretation of the law, Judge Sullivan was also widely recognized as a competent writer. He was the author of two books and several articles for the Massachusetts Law Quarterly.

EDDIE BOLAND and I extend our sincere condolences and sympathy to Judge Sullivan's lovely wife, Dorothy, to his daughter, Mrs. Charles F. Curran, and to his sister, Mrs. Eleanor Murphy.

ANTICONSERVATIVE SMEAR NETWORK LINKED TO ULTRALEFT, PROVIOLENCE GROUPS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. McDONALD. Mr. Speaker, I have often discussed the serious problems faced by our country as a result of the destruction of local police and Federal Government intelligence-gathering abilities. However, the campaign against intelligence gathering on subversive and terrorist groups has had one useful aspect. It has revealed the strange and complex links between the ultraleft proterrorist groups and the long-established smear apparatus which for decades has attacked and lied about conservatives and anti-Communists.

The Organizing Committee for a Fifth Estate—OC–5—is a center for disseminating attacks on the Central Intelligence Agency. OC–5 and its publication, Counterspy, have been blamed for having marked out the CIA station chief in Athens for assassination.

The spring, 1976, issue of Counterspy contains a list of alleged CIA agents at the U.S. Embassy in London. The home addresses of these people who include young clerks and secretaries are given public exposure. Counterspy's list had been provided by the chief Trotskyist Communist group in England, the International Marxist Group—IMG. The IMG is the British section of the proterrorist Fourth International, the coordinating body for the Trotskyist revolutionary movement. The IMG is headed by Tariq Ali, an employee of the Transnational Institute of the Institute for Policy Studies—IPS. IPS has close and interlocking relationships with Counterspy, with the Center for National Security Studies—CNSS—and with the National Lawyers Guild—NLG. Tariq Ali has publicly proclaimed his support for political terrorism; and puts his theory into practice by serving the Fourth International and the IMG as a contact man for terrorist groups in England, Ireland, the Middle East, and Latin America.

The spring, 1976, issue of Counterspy also provided an interesting set of interlocking links between the OC–5 operation and the other, older anti-anti-Communist and anticonservative groups. Counterspy published a defamatory scurrilous attack on this Congressman, on a member of my staff, Mrs. Louise Rees, and on her husband, John Rees. In attacking John Rees, publisher of the

Information Digest, for publishing accurate information about the activities of terrorist groups and their supporters, the OC–5 Counterspy group revealed they had consulted a number of "experts."

The OC–5 "experts" included Frank J. Donner, identified on three occasions as a Communist Party, U.S.A.—CPUSA—member, and who, as director of the ACLU's Anti-Surveillance Project and member of the Counterspy advisory board, is a prime mover in the attack on the Federal Bureau of Investigation; and Wesley McCune, whom OC–5 identified as a "veteran analyst of America's right wing."

McCune operates an anticonservative, anti-anti-Communist smear outfit called Group Research. In a recent telephone conversation, McCune admitted that on numerous occasions he had received requests for information from Counterspy and had gladly cooperated by providing information.

Group Research has operated for a decade and a half as a well funded spy apparatus. Its targets have been a broad range of conservative and anti-Communist individuals and organizations, particularly those who have interfered with Soviet foreign policy goals and who have in no way advocated violence or been connected with unfriendly foreign powers.

It is interesting to note that many who use Group Research's information are vehemently opposed to any investigation or intelligence gathering on terrorists and their proviolence supporters, as well as those who serve as agents of such unfriendly foreign powers as the Soviet Union, Cuba, and Communist China.

McCune himself was involved in the early 1960's in a scheme to use politically raised and laundered money to conduct a smear campaign against conservatives and the Presidential candidacy of Senator Barry Goldwater. An executive of the public relations firm hired to promote the smear allegations was quoted as saying, "if we did in 1974 what we did in 1964, we would be answering questions before some congressional committee."—quoted by Fred W. Friendly, former president of CBS News, New York Times Magazine, March 30, 1975.

This early version of "Watergate" included attacks on the licenses of radio stations carrying programs displeasing to the left; a series of anticonservative radio broadcasts which were never identified as having been paid for by funds raised for political candidates; and a mudslinging book attacking Senator Goldwater written by Fred Cook in cooperation with Wesley McCune which was subsidized with secret funds supplied by the Democratic National Committee.

Group Research and its network grew out of a memorandum written by Victor Reuther and delivered by his brother, Walter Reuther, then president of the United Auto Workers to U.S. Attorney General Robert Kennedy on December 19, 1961. The Reuther memorandum suggested a concerted attack on American conservatives and urged Kennedy to utilize Government agencies to carry out this attack.

Many of the allegations—some of them quite untrue—leveled against our intelligence agencies in recent months were the very tactics advocated in the Reuther memorandum. For example, while the FBI is being criticized for infiltrating terrorist groups and Soviet-controlled organizations such as the Communist Party, U.S.A. and its fronts, Reuther recommended that the FBI be used to infiltrate nonviolent conservative groups. Wrote Reuther:

> It is not known the extent to which the Federal Bureau of Investigation has planted undercover agents inside the radical right movement as it has inside the Communist Party and its allied organiaztions. If it has already done so, the information would be readily available upon which to draw up charges for a hearing against one or more of the radical right groups. If the Bureau has not as yet infiltrated these organizations, a longer time will of course be necessary to obtain the information for the charges, although much of the needed information is available through public sources.

Among the organizations that Reuther wanted falsely charged as "subversive" was the John Birch Society which has never advocated violence, which has never violated any laws, and which abhors totalitarianism.

Reuther further recommended in his memorandum that "private" smear groups be established to aid in the campaign. He said:

> Private agencies can do much, too, to identify and expose the radical right. Indeed, in the long run the extent of participation by private agencies in this struggle is more likely to determine its outcome than anything the Government can do. The press, television, church, labor, civic, political and other groups whose constitutional freedom is directly involved must carry the prime burden in this struggle. But the purpose of the memorandum is to consider possible administration policies and programs rather than those of private groups. Furthermore, affirmative Administration policies and programs can set the backdrop against which private activity is most likely to succeed.

The two major anti-anti-Communist anticonservative networks which grew out of the Reuther memorandum were Group Research and the National Committee for Civic Responsibility which pretended to be a nonpartisan group but was set up with $25,000 of laundered money from the Democratic National Committee. Half the NCCR budget was paid by "major Democratic party contributors at the direction of the Democratic National Committee." [Friendly, op. cit.]

Much of the NCCR budget in 1964 was paid out to Group Research for developing anti-Goldwater smear material used in the election campaign. After the election campaign, NCCR closed down.

On November 18, 1966, a "new" organization made its appearance, the Institute for American Democracy—IAD. It is interesting to note that one third of the IAD's sponsors were previously sponsors of the National Committee for Civic Responsibility. Among them was NCCR head Arthur Larson, characterized by Charles R. Baker as "the most prominent functioning liberal in the Eisenhower cabinet."

Baker himself, a former public relations man in Toledo, Ohio, who had been assistant director of public relations of the UAW and editor of the UAW newspaper during the 1950's and a protege of the Reuther brothers, was selected as IAD executive director.

Baker continued the calumnious attacks on conservatives and anti-Communists, and has carried on as IAD head for the past 10 years. In November 1973, IAD sponsored a fundraising gathering for Group Research. In the IAD newsletter, Homefront, which Baker edits and writes, Baker admitted at the time that the Group Research files which had previously been used by the National Committee for Civic Responsibility to supply anti-Goldwater material during the 1964 campaign were now available to his IAD.

An undated IAD brochure entitled "Insurance Against Disaster" which was distributed in the early 1970's boasted that the Institute for American Democracy had "a million records" on conservatives. According to the brochure, "IAD is the only national body with its own files and ready access to just about all the files on the Far Right. Our own material is backstopped by Group Research which has been collecting reports on the Far Right since 1962."

Contributions to the IAD smear organization were tax exempt. And herein lies a story. In November 1968, a report in News and Views, published by the Church League of America, revealed that the Institute for American Democracy was not, in fact, founded in 1966. A check of Internal Revenue Service files revealed that the IAD was established in 1943 by the Anti-Defamation League—ADL—of B'nai B'rith. The IAD had been dormant until 1966 when it resurfaced as part of the anticonservative attack apparatus.

Herbert Romerstein, a member of my staff, states that the ADL is entirely autonomous and is not under the control of the respectable civic organization, B'nai B'rith, as many are led to believe. ADL, with a multimillion dollar budget, is led by a group of people who are "liberals first and Jews second."

Romerstein was particularly incensed that during the 1960's when the black militant movement had developed strong anti-Semitic tendencies, threatening and assaulting Jewish victims, ADL was silent. Only after the facts of black militant anti-Semitism were well publicized, and after other prominent liberals such as Albert Shanker had spoken out against it, did the ADL see fit to join the protest.

Baker used the IAD to attack any conservative or anti-Communist that was hurting the Red cause. In March 1972, IAD joined the leftist chorus attacking the House Committee on Internal Security. IAD used information which they had obtained from the Communist-front

National Committee Against Repressive Legislation—NCARL—formerly the National Committee To Abolish HUAC.

Other targets of IAD in the March 1972 edition of their publication, Homefront, were the Senate Subcommittee on Internal Security and the Subversive Activities Control Board. These three Federal agencies were targets of a long-term Communist program of abolition. At this time, only the Senate subcommittee still exists.

Baker has now announced the demise of IAD. He is continuing his work as a freelance organizer and troublemaker. In recent months, while still running IAD, Baker has been active in Arkansas trying to repeal that State's right-to-work law. He recently circulated a memorandum trying to organize a campaign to defeat conservative candidates in the forthcoming elections. His memo met with little success as even the usual supporters of Baker and company shied away from this throwback to the days of Watergate dirty tricks.

The link between the OC-5/Counterspy group and the anticonservative smear organizations is of particular significance when considering OC-5's relationships with Cuban Communist intelligence apparatus—through their advisory board member Philip Agee—and a variety of violence-prone, terror-supporting domestic and international revolutionary groups.

When Counterspy attacked the publisher of the Information Digest and his wife, a member of my staff, they did so with the active cooperation of William Haddad and Thomas Burton, employees of New York State Assembly Speaker Stanley Steingut. Steingut is presently under indictment for selling jobs. Steingut's patronage employee, Haddad, became rich by marrying an heiress and ripping off the Federal poverty programs. Haddad first worked for the Office of Economic Opportunity investigating poverty program abuses. After learning "the trade," he left to set up his own consulting firm to milk Federal agency funds.

These sleazy politicians took their information on the Reeses and the Information Digest, much of it inaccurate and some of it maliciously defamatory, directly to totalitarian Marxist-Leninist and proterrorist groups whose activities had been reported in the Information Digest. These groups included the Trotskyist Communist Socialist Workers Party, the U.S. section of the terror-supporting Fourth International; the National Emergency Civil Liberties Committee, a Communist Party front; the National Lawyers Guild—NLG—which serves as the principal legal defense group for domestic terrorists and which supports the principal of revolutionary armed struggle tactics; the New Left think-tank Institute for Policy Studies—IPS—which maintains ties with a broad range of foreign and domestic revolutionary and terrorist organizations including the Weather Underground and the Palestine Liberation Organization; the Center for National Security Studies—CNSS—which has taken much of its staff from IPS circles and whose director, Robert L. Borosage, is both a member of the NLG and a trustee of IPS; and of course the Organizing Committee for a Fifth Estate, which serves as an outlet for material developed by IPS and the CNSS, among other sources.

Since that time, the OC-5 and its allies have provided information with still added inaccuracies and slanders to the Marxist-Lenin Guardian newspaper; to the support organization for the Symbionese Liberation Army and other at-large revolutionary terrorist cadres, the Bay Area Research Collective—BARC—and to groups of the violence-prone lunatic-left fringe such as the National Caucus of Labor Committees—NCLC—and the Youth International Party—YIP. In turn, these groups and others have launched vitriolic attacks on this Congressman, his staff member, and her husband, adding malignant, fantasized reminiscence to inuendo, fabrication, and flatout lie.

It is noted that despite the claims by the revolutionary and lunatic left that the Information Digest "invaded their privacy," a review of the Digest volumes, regularly published since 1967, discloses no instances where reports were made of private or personal "nonpolitical" activities. The ultra-left stories assert that John Rees and his Information Digest reporters achieved an indepth penetration of scores of organizations, indicating that they would have had ample personal information with which to sensationalize Information Digest articles had they so wished.

The most recent story attacking my staff researcher and her husband makes a personal threat against them. The article appeared in the Washington, D.C., counterculture tabloid, Newsworks—July 15–23, 1976, issue No. 23—a publication which like Counterspy has close links to the Institute for Policy Studies. Newsworks reveals that it has received information on the Reeses from the Bay Research Collective—BARC—which serves as the overt support apparatus for several underground terrorist groups functioning on the west coast.

This counterculture newspaper, serving as a link to the west coast terrorists of the New World Liberation Front which has already taken responsibility for gunning down and murdering two persons, a woman and a man it believed were assisting law enforcement in California, ask about the Reeses: "The question is, of course, why is this couple roaming the streets of Washington?"

Given the violent proclivities of the ultra-left, a number of precautions have been instituted to frustrate any direct action which they may envisage.

We are approaching another election year campaign. I think it is important for my colleagues to be aware that the Charles Bakers and the Wesley McCunes are still operating in the political underworld.

With laundered money, Watergate style political tactics, and connections with the violence-oriented ultra-left, they remain a threat to American free elections while their collaborators continue to undermine our national security. Candidates approached by these denizens of the political underworld should publicly repudiate them and refuse their support.

CAPTIVE NATIONS WEEK

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. NOWAK. Mr. Speaker, Captive Nations Week was authorized by Public Laws 86–90 in 1959, which designated the third week in July as the period for official annual recognition of those without the basic human right of self-determination. It is particularly appropriate immediately following our Bicentennial to call to the attention of the world the plight of these people.

It is difficult for us, as Americans, to comprehend fully the anxieties of the captive nations, particularly when we have so many freedoms which so often are taken for granted. However, in observing Captive Nations Week, we should become more aware of the unquenchable thirst that these people continue to possess. I talk not of the thirst that may be quenched with a glass of cool water, rather, the thirst of desire, the desire to speak without fear of retaliation, the desire to worship as one pleases, the desire to enjoy traditional cultures. The depth of these desires has been demonstrated on many occasions during the past three decades, most recently in Poland where, for the third time in 20 years, Polish workers have taken to the streets to object to Communist-induced economic conditions.

We can relate this type of dissent to America some 200 years ago, when we had a similar burning obsession for freedom from foreign control. However, in this nuclear era, the solution does not lie in violent revolution. Rather, it should lie in meaningful, two-way negotiations and diplomacy where equitable solutions can be constructed at the bargaining table, as opposed to destruction on the battlefield.

Ours is a unique society that cannot be universally adopted, but that is not to say that our basic principles of freedom and equality cannot be duplicated. This is precisely the desire of many of the nations that are entrapped within the Communist web. By observing Captive Nations Week for the 18th consecutive year we reaffirm our interest in helping fulfill the aspirations of the captive states. However, the United States should not limit interest and concern for captive nations to 1 week per year, since Communist dominance and influence is not exclusively maintained in the Baltic or Eastern European areas. Rather, the Soviets seek to exert a great deal of influence throughout Europe and Asia, with operations throughout Africa and Latin America.

On August 1, 1975, the Helsinki accord was signed with great intentions, but, it is apparent that the Soviet Union is not completely honoring the obligations established in those agreements. We must follow through with this document on human rights and vigorously urge the Soviets to meet their commitments. If we allow this pattern of Soviet behavior to continue, we may find ourselves confronted with a Communist sphere of influence that is too large to deal with effectively. Thus we must keep our "guard" up, require a two-way return, and firmly insist that Soviet Russia abide by her international obligations.

As we proceed toward our Tricentennial, we must not forget that a half a world away there are those that are regarded as "captive," some for several decades. As the epitome of democracy, it is our moral obligation not only to recognize the plight of the captive states but also to prevent their flame of freedom from being extinguished. If there is to be "peaceful coexistence," it must be without the existence of tyranny.

BUREAUCRATIC ARROGANCE

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. RISENHOOVER. Mr. Speaker, the censensus of opinion in Oklahoma—and surely across this land—is that the Federal Government has reached unreasonable size and power.

In the past few weeks, I have testified in formal hearings before two agencies of Government—the Internal Revenue Service and the Federal Trade Commission—strongly protesting rules and regulations.

In reaction to the arrogance of the bureaucracy, this House has amended legislation requiring that rules and regulations be returned to Congress where either House can exercise a veto within 60 days. We all are aware of the danger of trampling the principle of separation of powers. The people are more fearful of being trampled by the powers.

The position of local and State government bodies has been most clearly stated by the distinguished speaker of the Oklahoma House of Representatives, the Honorable William P. Willis. Transportation Secretary William T. Coleman, Jr., inquired with Speaker Willis for comments about certain alternatives to the proposals for State mandatory safety belt usage laws. Speaker Willis replied:

> The Oklahoma House of Representatives has demonstrated a number of times in recent history that they are almost unanimously opposed to federal agencies mandating that we take affirmative action on matters mandated by the agencies, or by Congress also.
>
> Leave the matter of safety regulations up to us on the state level and if we want to be free to suffer the consequences of our failure to protect ourselves, let us have that freedom.
>
> You cannot comprehend how abhorrent edicts coming down from Washington are to a supposedly free people.
>
> You requested input from here on the proposed safety changes. The above is my contribution.

OVERRIDE URGED FOR MILITARY CONSTRUCTION VETO

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. WON PAT. Mr. Speaker, Thursday the House will vote on a matter which directly affects the basic principles of the prerogatives and responsibilities of Congress.

The President has vetoed the entire fiscal year 1977 military construction authorization bill, objecting to provisions providing for congressional involvement in decisions concerning closures and realinements of military facilities.

The provisions, generally referred to at the time of their consideration in the House as the "O'Neill amendment," was introduced by our esteemed majority leader and approved overwhelmingly. They represent an accumulation of frustrations by Members of Congress after many years of experiencing questionable facilities changes implemented by the Department of Defense, dislocations of many thousands of Government employees, and severe disruptions of local economies, all affected without the benefit of justification or outside review.

Such actions have occurred in my district of Guam where the military services are the dominant factor in the local economy. They have occurred in many other districts in all areas of our Nation.

Presently, one service or another, for reasons rarely explained in any detail, makes a decision. That service then makes a public announcement and within weeks hundreds, even thousands, of Federal employees are summarily discharged, families dislocated, local economies disrupted. Congressional inquiries are generally responded to with vague rationales citing "economies" or "improved efficiencies." Local opposition receives only courtesy attention.

Too often these decisions, imperiously implemented, prove to be poorly thought out, and in fact, result in inefficiencies and increased costs.

This practice has been allowed to continue too long. Too much hardship has been unnecessarily created to allow it to go on unchecked.

In opposing the provisions of this bill concerning base realinements, the administration contends they would interfere with proper operations of the military services and usurp powers of the Executive.

I do not agree. To me these provisions are a model of restraint and moderation. They do not require congressional approval of base realinements but merely allow for congressional review. This bill does not require any congressional action at all, but only that the Department of Defense present justification for major changes. If such proposals are in fact based on sound reasoning and judgment, there should be no objection to explaining them to Congress, the direct representatives of the citizens and areas affected, and to the citizens themselves.

This bill would require at least 1 year from the time a base change plan is announced until it could be implemented. In view of the immense local effects such chances have and the low immediacy of the needs for realinements, this is a minimum time to allow for necessary adjustments to be made to ease the impact on individuals and local governments. It is rare that the need for immediate military action offsets the harm caused by precipitous realinements.

As for any impropriety of involvement of Congress in base changes, such arguments are groundless. It is clearly up to Congress to approve establishment of any base or facility. Congressional action is required to provide funding for establishment and operations. Congressional involvement, certainly to the limited degree provided for in this bill, is justified for major changes in operational levels, changes which have as much impact as a base establishment.

It is to their representatives in Congress that citizens look for explanations for Federal actions which adversely affect them, not to anonymous officials in the Department of Defense. It is to their representatives in Congress that the citizens have given the responsibility for protecting their welfare, not the Department of Defense. Members of Congress should do no less than require justifications and the right of review of actions so severely affecting their constituents.

I would point out that the provisions to which the administration objects were very carefully constructed. Minor routine changes of normal operations were specifically not included. Allowances for extraordinary circumstances when the requirements would be waived were included.

The provisions of this military construction bill concerning base and facilities changes are needed and justified. The objections of the administration are not valid and I strongly urge my colleagues to vote to override the Presidential veto.

Thank you.

EULOGY TO LEWIS DESCHLER

SPEECH OF

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. ADDABBO. Mr. Speaker, the Nation has lost a true public servant with the passing of Lewis Deschler, former Parliamentarian of the House of Representatives. It was my privilege to know Lew, whose knowledge of parliamentary procedures and advice to nine Speakers of the House, earned him an outstanding reputation as a man of honor and high intelligence.

For 46 years Lew Deschler worked behind the scenes without seeking publicity. He was always ready to discuss complex rules with any Member of this body and he knew the precedents of House procedures better than any person.

Two years ago Lew retired as Parliamentarian. Today he is no longer with us but his career will always he remembered and will serve as a model for all future House Parliamentarians and all public officials.

I join with Lew's many friends and admirers in the House in extending sympathies to his wife, Virginia, and his children.

ENERGY ACTION NO. 5

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BROWN of Ohio. Mr. Speaker, I would like to alert this body to the fact that we have today received from Mr. Frank G. Zarb, Administrator of the Federal Energy Administration, Energy Action No. 5, an amendment to the FEA price and allocation regulations which would exempt naphthas and gas oils from mandatory price and allocation regulations. Pursuant to the Energy Policy and Conservation Act, EPCA, unless either House disapproves this action within 15 calendar days of session, this exemption will go into effect. The last day for either House to act will be August 4.

I have the transmittal letter accompanying the Energy Action No. 5 which I would like to offer for inclusion in the RECORD. I understand that by tomorrow, the FEA intends to submit to each Member of this body copies of the energy action, a copy of FEA's technical report containing the findings and views supporting such action, and an executive summary outlining the projected effects of the exemption of naphthas and gas oils from controls.

I urge each of you to give careful consideration to this energy action and the supporting documents so that we may make a sound judgment regarding this important matter.

The letter follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., July 20, 1976.

Re: Exemption of Naphthas, Gas Oils and "Other Products" from the Mandatory Petroleum Allocation and Price Regulations (Energy Action No. 5).

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On June 10, 1976, the Federal Energy Administration gave notice of a proposal to exempt naphthas, gas oils and "other products" (as defined in 10 CFR 211.182 and 10 CFR 211.202, including, in addition to naphthas and gas oils, carbon black feedstocks, benzene, toluene, mixed xylenes, hexane, lubricants, greases, special naphthas (solvents), lubricant base stock oils and process oils) from the Mandatory Petroleum Allocation and Price Regulations. Written comments from interested persons were invited through July 7, 1976, and a public hearing regarding the proposal was held on July 1 and 2, 1976.

FEA has now completed its consideration of all the information available in this proceeding and has determined that the proposal to exempt naphthas, gas oils and "other products" should be adopted. The amendment exempts the enumerated products from FEA allocation and price regulations, except for those restricting the use of naphtha as a synthetic natural gas (SNG) plant feedstock. The question of whether to remove restrictions on the use of naphtha as a SNG feedstock will be separately considered following completion and analysis of an environmental impact statement currently being prepared.

As required by section 455 of the Energy Policy and Conservation Act, Pub. L. 94-163 (EPCA), which added section 12 to the Emergency Petroleum Allocation Act of 1973, as amended (EPAA), each amendment exempting a refined product category from regulation must be submitted separately to each House of the Congress for review pursuant to section 551 of the EPCA. FEA is, therefore, herewith submitting the amendment exempting naphthas, gas oils and "other products" (which are a single product category under the EPCA) to the Senate and is concurrently submitting this amendment to the House of Representatives, for Congressional review.

The findings and views supporting this amendment, which are required by section 455 of the EPCA, are set forth in the enclosed document entitled "Findings and Views Concerning the Exemption of Naphtha, Gas Oil and 'Other Products' from the Mandatory Petroleum Allocation and Price Regulations".

The Administrator of the Federal Energy Administration has been delegated by the President all the authority granted to him by the EPAA (E.O. 11790, 39 F.R. 23185, June 27, 1974).

Unless disapproved by either House of Congress as provided by section 551 of the EPCA, the enclosed amendment will be effective September 1, 1976.

Sincerely,

FRANK G. ZARB,
Administrator.

OUR SENIOR CITIZENS—THE FORGOTTEN MINORITY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. GILMAN. Mr. Speaker, during my years of service in the Congress and as a former State legislator, I have sought to alleviate the hardships of one of our most distressed minority groups—our senior citizens.

While valiant efforts have been made on behalf of our Nation's residents, age 65 and over, not enough is being accomplished. The needs of our elderly residents are many and what we have been able to provide has fallen short of the goal.

The Older Americans Act provides us with the opportunity to break through inaction and delay—to make the lives of our senior citizens better and more rewarding.

On July 12, 1976, at the County Building in Goshen, N.Y., I was pleased to be able to participate in a public hearing on the preplan abstract of New York State's plan for programs on aging under title III of the Older Americans Act.

At this point in the RECORD, Mr. Speaker, I request the insertion of my remarks before the New York State Office of the Aging in order to remind my colleagues of the need to make life better for our senior citizens—our most overlooked and overburdened minority group.

The remarks follow:

STATEMENT BY REPRESENTATIVE BENJAMIN A. GILMAN

Representatives of the State of New York Office of The Aging, Mrs. Cortese, Orange County Officials and our representatives of senior citizen group.

Thank you for affording me this opportunity to comment on this PrePlan Abstract for Title III of the Older Americans Act. The testimony received here today is vitally important and should be fully considered in the State's Plan prior to submission to the Governor's office and prior to the Federal Government for final approval.

The PrePlan objectives are goals we all have been seeking for some time, including:

1. The need to lower housing costs for our older Americans.

2. The need to increase employment opportunities for our Older Citizens.

3. The need to more effectively serve our Older Americans in the areas of recreation, nutrition, planning and in coordinating academic training and improving nursing home care.

As we enter our nation's third century, there is a vast opportunity for working to assist our elderly persons. It was Ben Franklin who said that the only two things that are certain in life are Death and Taxes . . . I'd like to add a third . . . and that is growing old graciously . . . since we all look forward to enjoying our golden years, all of us should be doing more to help ease the burdens of those years.

There are approximately 20 million people in our nation who are 60 years of age and older. It has been projected that by the year 2000, we will have more than 30 million Senior Citizens. They represent one of the largest and most troubled segments of our citizenry. While some expect that when you turn sixty five, you will be leaving life to the young people, there are many others who recognize that this vast storehouse of experience and energy must not be wasted. To avoid neglecting our Senior Citizens, it is incumbent that we reevaluate our policies and programs for the elderly.

Despite the good works and accomplishments of our local, state and federal offices and agencies of the aging, we have only scratched the surface. There is so much more to do, and I am certain that our local aging director, Ann Cortese, concurs.

Congress, in adopting the Older Americans Act of 1965, has underscored its objective of developing at community level comprehensive, coordinated service to meet the needs of older persons.

Under the older American Act amendments of 1973, which made provisions for a national network of aging agencies, the states have the annual responsibility of setting forth their objectives for the utilization of their funds and to indicate how they intend to go about implementing their action programs.

During the 94th Congress, significant legislation affecting our Senior Citizens was adopted, authorizing the extension through 1978 of the Older Americans Act, adding Title IX to that Act which provides for community service employment for Older Americans, approving demonstration grants for home health care services, and the establishment of an HEW committee on mental health and illness of the elderly. While some progress has been made, there are so many more areas to attack, so many burdens on our senior citizens that need attention:

Escalating property taxes.

Nutritional and shelter needs.

The need for home health care and more adequate services in nursing homes.

Social Security reforms to remove earnings limitations and to prevent reductions of veterans benefits.

I feel quite strongly about the restriction in our Social Security law calling for a reduction in social security benefits once a retired person earns more than $2,400 a year. This law encourages dependence, when we should be giving the fullest incentives to self support and self reliance.

Probably one of the most critical problems confronting the senior citizens of New York State and elsewhere, is their inability to stretch their fixed incomes to meet the rising cost of living and the burdens of continually rising realty taxes.

More and more of our Older Americans are distressed about the imminent threat of the loss of their homes because of the escalation of realty taxes.

In the Congress, I have introduced and have sought the passage of legislation providing property tax relief by way of "Circuit Breakers" and through refundable tax credits.

But so, too, must the States act in that direction. New York States' senior citizen property tax qualification of $6,500 of income is anachronistic and should be increased to a more realistic level. The State should also be serving other methods of providing sorely needed tax relief to our senior citizens.

Accordingly, I urge the State Office for the Aging to make the realty tax reform a priority project for analysis and action.

So, too, improved health services, including the development of a sound home health care program and more adequate nursing home services, the need to provide more adequate rail and bus transportation services in our less populated areas, the urgent need for adequate, reasonably priced housing and the need to assist our older citizens in finding employment opportunities, are all high priority needs for our elderly.

Too many of our nation's senior citizens are without sufficient income to meet their daily needs, too many lack proper daily nutrition, adequate housing, sound health care and the peace of mind from financial problems that they deserve in their golden years.

These are some of the critical problems which we must attack and resolve.

These are some of the needs of the elderly which our local, state and federal agencies must correct and which I urge for consideration and inclusion in the State's Plan for Programs on Aging.

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100 YEARS OF SPECIALTY STEEL—CRUCIBLE'S CENTENNIAL CELEBRATION

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. WALSH. Mr. Speaker, as all of us know, a great deal of time and attention has been spent in this Chamber on the important deliberations surrounding the very critical issue of specialty steel imports.

The adoption of quotas affecting this industry will have a salutary effect on the employment posture within the 33rd Congressional District, and the principal beneficiaries will be the many employees of the Crucible Steel Specialty Metals Division at Syracuse.

The company's future has been thus strengthened and it is all the more significant that this important milestone in their history comes at a time when they are about to observe a most important anniversary, Crucible Steel in Syracuse is observing its 100th anniversary.

Crucible has prepared a special centennial booklet outlining the company's role as a producer of specialty metals and, more important, as a vital factor in the economy of our area and as a good neighbor.

I am pleased to offer for your consideration a condensation of Crucible's first 100 years.

One hundred years of service to America—that is what Crucible Specialty Metals Division of Colt Industries proudly celebrates in this country's Bicentennial Year.

Just as the roots of our own great country lie in England, so do the early roots of Crucible's development. In 1776, the year our Founding Fathers were drafting the Declaration of Independence, the predecessor of Crucible was being built in Sheffield, England, under the name of Naylor & Sanderson.

It was not until 100 years later, in 1876, that the true forerunner of the Crucible plant as we know it today was built in Syracuse, N.Y. That location was chosen for its proximity to water and rail transportation systems, including New York State's Erie Canal.

Since that time, Crucible has become a leader in specialty steels, contributing not only to making America a great industrial nation, but to helping build a prosperous and healthy Syracuse. An integral part of the community for these past 100 years, Crucible has helped broaden the tax base and provided a steady payroll and strong work force for Syracuse. All of these efforts have helped maintain a healthy social and economic climate in the community.

In addition to these many contributions, Crucible has carried the influence of Syracuse industry across the country. Many "firsts" in the steelmaking industry have originated from the Crucible plant in Syracuse.

Crucible was the first steel company in America to use the Heroult electric arc furnace, which made steel production more economical and efficient. It was the first to commercially produce vacuum-melted steels, which helped build this country's expanding aircraft industry. It was also the first to produce a new generation of superior high-speed tool steels made possible through Crucible's scientific particle metallurgy research.

Crucible has not only contributed to the science of steelmaking in these ways, but it has also played an important role in the development of the history of this great Nation and of Syracuse in the past 100 years. The critical materials produced at Crucible helped bring America through the devastation of two world wars and economic collapses, as well as through the big growth periods.

In 1900, when 13 steel firms merged to become the new Crucible Steel Co. of America, a wider range of steel products and higher quality work as available. Skills and money could be allocated more wisely and efficiently.

When the Heroult electric arc furnace was first used in 1906, the alloy steels that were produced supplied the burgeoning automotive industry with better performance steels.

The breakthrough metallurgy research Crucible was carrying on then, at the turn of this century, resulted in the important development of vanadium high-speed steels, the standard the world still follows today.

It was these and other high-quality steels that supplied our country with materiel for World War I. In the years following the war, Crucible was these to help bring our country back to its feet, just as it played a major role in bringing industry back to its former strength in the rebuilding years of the thirties after the devastating stock market crash of 1929.

In World War II, Crucible was one of the busiest industries, producing much-needed steel for our Armed Forces and providing employment opportunities for the Syracuse community. In honor of its outstanding achievements in wartime production, Crucible was given the Army-Navy E Production Award with Service Star.

When important advances in steel production came in the fifties and sixties, Crucible was one of the first to take advantage of them. The processes of vacuum-melting steels and producing more uniform rolled products proved very important to our Nation. The vacuum-melting process produced a high-strength steel with superior fatigue and impact strength. The rolled products were characterized by closer uniform tolerances and improved surface quality.

Crucible is still maintaining its role in developing the best specialty steels in this country. In 1971, after years of research and development, Particle Metallurgy became a reality, resulting in the commercial production of a new generation of high-speed tool steels.

Today, with its computer control system, Crucible will be able to calculate metallurgical formulas faster and more precisely than ever before.

Even though Crucible is proud of all of its advancements made in the science of steelmaking, one of the contributions it is most proud of is the pioneering role it has taken in combating pollution. As early as 1967, Crucible had taken steps to investing a quarter of a million dollars to fight air and water pollution.

In 1969, a new forging process was installed, along with a pollution control device on the existing coal-fire broiler, which drastically reduced air pollutants. From 1973–75, the company has invested $4.5 million to install new air and water pollution control systems.

In addition to the concern Crucible has shown for the environment and for the economic growth of the Syracuse community, it is one of the first industries to be involved in developing energy resources. Crucible is forging ahead to seek its own natural gas supply in surrounding areas. Should gas be found, it will help provide job continuity for employees, reliable steel supplies to customers, and an extra source of natural gas for households and area business. The steps Crucible is taking should serve as a good example to other industries.

The success of Crucible's first 100 years has been due to the efforts of dedicated and skilled workers from the Syracuse community. For a century, they have made quality their first priority—quality that has enhanced the Syracuse area and the United States greatly in this Bicentennial Year.

CANCER FROM SYNFUELS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. OTTINGER. Mr. Speaker, I would like to share with my colleagues thoughtful and concerned testimony of the Scientists' Institute for Public Information regarding the seriousness of potential health hazards connected with premature development of synthetic fuels.

I would hope that the need for further investigation about cancer causing materials associated with oil shale and coal gasification would lead my fellow Members to join me in opposing the enactment of H.R. 12112, the $4, or $6, or $11½ billion loan guarantee program for the development of synthetic fuel:

TESTIMONY ON H.R. 12112—SUBMITTED TO THE SUBCOMMITTEE ON ENERGY AND POWER COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, MAY 28, 1976

(By Diane Yale Sauter)

The Scientists' Institute for Public Information (SIPI) intends, in this testimony, to comment upon the internal conflict exhibited by ERDA in the presentation of its synthetic fuels program. ERDA seems to be of two minds, with one admitting there is no doubt of a definite cancer risk and meticulously defining its nature, and the other straining to charge ahead immediately with full commercialization. Meanwhile, industry is able to exploit the situation to its own benefit. It is reasonable to expect ERDA to resolve its own confusion and formulate a clear and consistent position before requesting Congress to consider funding of its program under H.R. 12112.

The administration of ERDA is actively seeking $4 billion loan guarantee authority and authorization to promote full-scale synfuels demonstration projects. At the same time, ERDA's bio-medical research staff acknowledges that data is lacking to conduct a cost/benefit analysis of the synfuels program. That data would include quantification of the health effects and population size that would be exposed by the demonstration projects as well as full commercialization. ERDA's biomedical research efforts have just recently been reprogrammed to explore the ability—which they admit—of synfuels technology to increase the rate of cancer in workers and the public.

The staff is only now in the process of collecting printed references which have long been available on what they call "deleterious impacts" of synfuels production and use. ERDA labs are only beginning to identify the carcinogenic potential of the agents released in these technologies, to determine their composition and size, to characterize their activity and interactions, the degree of their toxicity, the possibility of recovery from their effects. They are cooperating with other agencies, so that studies just designed and initiated by the Environmental Protection Agency would be available to them—studies to characterize potential plant emissions, survey the adequacy of existing protective equipment, and determine the need for new equipment.

From what is known so far, ERDA's biomedical staff is able to state unequivocally that in the developmental phase—what we are talking about in the loan guarantee program—occupational exposure to potentially hazardous organic and inorganic agents will occur; that these agents will be found in process streams, products and effluents of the facilities; that some, the polycyclic aromatic hydrocarbons, are known to be carcinogenic, and that others not yet characterized are suspect, but that most have not been evaluated for mutagenic, teratogenic, or carcinogenic activity! They also state that the general population near demonstration or commercial facilities will be exposed.

Yet they are able to declare with premeditation that detection and characterization of hazardous agents is an important part of the strategy during the development phase to secure environmentally acceptable technologies. Although workers will be assured union scale wages for working on demonstration projects, what premium will they and local communities be paid for participating in this unprecedented experimentation?

In no testimony that we have seen before Congress has the administration of ERDA named these very real cancer risks and their costs, although environmentally caused cancer is becoming acknowledged as an emerging national epidemic. Parenthetically, the state of New Jersey is in process of determining whether there is a direct connection between the high concentration of chemical industries and its cancer mortality rate, which is the highest in the nation. It is expecting Federal government grants to help pay the millions needed to find retrospective answers and institute remedial measures.

Robert Fri, in his May 25, 1976 testimony before the Subcommittee on Energy and Power, is still referring vaguely to the value of the demonstration program in providing vital information on "environmental acceptability." While he details key modifications made to H.R. 12112 by Science and Technology, he fails to list the proposal adopted to require ERDA to study possible carcinogenic impacts of synthetic fuels. Likewise, the cancer hazard is not named as such in the Fact Book made available to Congress and to the media for the transmittal of information to the public. Again, there are only references to "determining environmental impacts of commercialization." If cancer is going to be a problem, what is the administration waiting for in issuing warnings?

Dr. James Liverman, ERDA's Assistant Administrator for Environmental Safety, offers a guarded prognosis in defense of synfuels development. In his opinion, potential risks *may* be minimized by identification of hazardous agents, and development and employment of safety and control technologies. He *anticipates* that protective strategies will be implemented that would limit *worker* contact, which *probably*, he believes, accounts for low incidence of toxic effect in petroleum refinery workers. It should be pointed out that studies are only now being initiated by ERDA to compare the toxicity of petroleum distillates with that of synthetic fuels distillates. Additionally, indications are that synthetic fuels plants will be more expensive than petroleum refineries to bring to the same degree of occupational and environmental safety.

This then raises the question of what standards the current projects will be constructed to meet. According to ERDA's biomedical staff, the air quality standards for agents that cause cancer to occupational groups are based on acute disorders produced by exposure to high levels of pollutants. Little is known or accounted for in present standards about the long-term health risk associated with low-level exposure, or the progression of the biological processes that may lead to cancer. Current water quality standards do not regulate the release of some carcinogenic agents to the public because the information for setting those standards is inadequate or non-existent. ERDA admits that continuous low-level exposure may in the long run be the major health cost.

ERDA is relying on industry cooperation to "self-regulate" to prevent what it terms the "expensive retrofitting of control devices and methods" at some later time. Moreover, we understand that monitoring will be the responsibility of industry, not ERDA, at each individual project. So we must ask, with what honesty is industry approaching the reality of this situation?

A case in point is the behavior of the Oil Shale Corporation, which is engaged in a public relations campaign to give assurance of their product's safety. Their representative, Dr. R. Merril Coomes, spoke at the 9th Oil Shale Symposium at the Colorado School of Mines in April 1976. He doubted whether cancer-causing agents could pose any direct threat to workers at a modern oil-shale complex, ignoring the difficulty of describing with certainty the qualities of a complex that does not exist. He asserted that modern industrial hygiene practices would keep the cancer risk low, without admitting that it is unclear what exposure would be considered low risk, or that industry may not be willing or indeed able to spend the money required to keep the risk low.

On several occasions, the Oil Shale Corporation has described the results of an experiment where mice were bedded on raw shale rock and spent shale, and developed no skin cancer. They have failed to report on the condition of the lungs of the mice, although inhalation of particles represents a greater cancer hazard from raw and spent shale than contact does in inducing skin cancer. They have also failed to report on a previous experiment they have conducted, where whole shale oil produced skin tumors in 78% of the mice tested, and ungraded shale oil produced tumors in 10% of the animals.

In conclusion, we would like to ask just what Congress would be guaranteeing and for whom in agreeing prematurely to a synthetic fuels loan guarantee program. A valid accounting would include figures on how many people will be exposed and can be expected to contract cancer, what the costs of their health care would be, what the costs will be of enclosing and automating the synfuels facilities, of removing and containing toxic substances from air and water emission, of building in these precautions or retrofitting later, and how this will affect the true costs of gas and oil produced by synthetic fuels technology.

PERSONAL FINANCIAL STATEMENT OF HON. JOHN CONYERS, JR., FOR 1975

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. CONYERS. Mr. Speaker, as a cosponsor of the Financial Disclosure Act

(H.R. 5249), which would require all candidates for Federal office, Congresspeople and Federal employees to reveal on an annual basis the amount and sources of their income, which is supported by 166 Members of the House, and keeping with my conviction that all public officials should routinely disclose their personal finances to constituents, I am again making public my financial situation for the year 1975.

My income for the year consisted of my congressional salary of $42,850, income from my ownership interest in the Conyers Partnership—automobile dealership—of $4,607, speaking honoraria amounting to $11,830.38, and interest income of $58.40. My total income was $59,345.78 and my adjusted gross income was $53,420.17. I paid Federal income taxes in the amount of $17,230.27, Michigan State taxes of $2,187.65, and city of Detroit taxes of $1,056.40.

NEW YORK ASSEMBLY RESOLUTION NO. 148

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Ms. ABZUG. Mr. Speaker, I rise to share with my colleagues assembly resolution No. 148, adopted by the New York State Assembly on June 2, 1976, recognizing the submittal to the House of Representatives of a resolution establishing the Select Committee on the Fiscal Problems of Cities and calling for its adoption.

Less than 1 year ago, when we were called upon to help New York City during its financial crisis, we realized that the task of solving the financial problems of the cities is very complicated and that a great deal of study is required before effective action can be undertaken. The establishment of a committee to study the fiscal problems of the cities would certainly help provide Congress with the information it needs to create a policy for handling such problems in the future.

Therefore I take this opportunity to submit the resolution of the New York State Assembly to the RECORD and urge my colleagues to establish a Select Committee on the Fiscal Problems of Cities in the near future:

RESOLUTION No. 148

(Assembly resolution of the State of New York recognizing the submittal to the House of Representatives of a resolution establishing the Select Committee on the Fiscal Problems of Cities and calling for its adoption)

Whereas, This chamber is cognizant that there has been submitted to the House of Representatives Resolution 959 which states, in part, in its preamble:

"Whereas the House of Representatives finds that—

(1) some of our largest cities are facing fiscal problems of such magnitude as to threaten their economic viability, others appear to be moving in this direction, while still others are fiscally sound;

(2) there is insufficient knowledge as to the problems causing financial imbalance and why they seem to afflict some cities and not others;

(3) other problems are consequences of fiscal imbalance, and it is important, though not always easy, to distinguish between causes and consequences in order to alleviate both types of problems;

(4) while it is clear that the decisions of city governments, businesses, and individuals are influenced by incentives and barriers emanating from Federal policies, programs, and actions, the magnitude of this influence—and in some areas even the direction—is not known;

(5) there is an absence of an overall policy regarding cities and their problems;

(6) partly because of this lack of general policy and partly because of the disaggregation of Federal policymaking, programs, and policies which impact upon the cities and their problems are sometimes conflicting and often uncoordinated;

(7) these problems impact not only affected cities, but the economic state of the Nation; and

(8) there is a need for the Congress to more clearly define the Federal role regarding our large cities, and to reevaluate current programs and actions which address their problems; and

Whereas, We are constrained to concur in such observations and the conclusions thus arrived at; and

Whereas, The proposal therein contained to establish a Select Committee on the Fiscal Problems of Cities to

"(1) to study the problems related to fiscal imbalance of large cities;

"(2) formulate the appropriate role of Federal and other levels of government in the solution of these problems;

"(3) evaluate existing Federal policies and programs in relation to this role; and

"(4) make recommendations on Federal legislation, regulations, and actions to alleviate these problems"

is considered by the members of the Assembly to be a most appropriate and necessary first step in meeting and dealing with the crisis in our cities; now, therefore, be it

Resolved, That the House of Representatives be and is hereby called upon to take timely action in the affirmative on that Resolution and the concept expressed therein; and be it further

Resolved, That a copy of this resolution be suitably engrossed and transmitted to the Speaker of the House of Representatives and to each member thereof from the state of New York.

CARLA'S FABLE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. OTTINGER. Mr. Speaker, recently I came across an article prepared by Nathaniel Parish, legislative chairman of the New York State Association of Renewal and Housing Officials.

I believe that this article is an accurate description of much of what is wrong with administration approaches to solving our housing problems. I would like at this time to insert this article, "Carla's Fable," into the RECORD for the benefit of our colleagues.

I'm sure that many will share the urge to laugh at this interesting tale. The sad reality of the situation, however, prevents us from doing so:

CARLA'S FABLE

Once upon a time in the affluent kingdom of Myopia, the King set about to tour the towns and villages of his vast kingdom. As he toured the towns and villages he remarked, "Even in our great state of affluence, even with our vast wealth, the housing for my people is in a very sad plight—substandard, I'd say." He called in his prime minister and said, "Something must be done to correct the state of housing in this kingdom."

The next day, the King called together in the palace conference room, all the ministers and counselors of the realm, to discuss the plight of poor housing in rich Myopia. "Hark ye ministers and counselors, let us solve this problem of poor housing in order that our fame may spread throughout the whole world as a kingdom of fine housing as well as fine athletic programs and Moon walkers."

Committees were formed, and sub-committees and sub-sub-committees. Plans were begun, revised, and scrapped. At last, the ministers came up with a plan and submitted it to the King. They recommended that he establish a department to deal with the problem, and that this department be called, "The Homogenous Ultraperceptive Development Department". The King, who appreciated complicated titles as much as complicated committees was delighted. He appointed a minister to head the department and charged the minister with providing a workable plan to bring about improved housing in the towns and villages of Myopia.

After many months of study (for the ministers were really at their best of "study"), they arrived at what they considered a workable housing program, and reported to the King. The ministers stated that the housing program would consider only the best locations for housing that would meet the test of all of the special conditions. These included: not being in the flood plain; the provision of equal opportunity for all the residents of the kingdom; non-discrimination between the residents of the kingdom; suitable management plans with qualified managers and developers. He stated that proper environmental and property standards should be met, and that the costs of housing should be lowered to levels of the previous four years, and that the standards for housing should be increased to that of four years hence. Thus the minister decided to call his housing program "the four plus four program".

The minister then told the king that the next step was to publish all of the regulations thus established for "the four plus four program," and that the regulations be issued to all of the subjects of the realm and particularly the developers who would be asked to assist the government in providing the four plus four housing.

To explain the housing program to the kingdom, the ministers called a series of public meetings and invited all interested persons and developers so that they could explain the regulations and opportunities that were to be provided by the housing program. After answering many questions, the developers of the realm were enthused with the possibility of assisting the king and providing new housing for all of the towns and villages of the realm.

Many months later the invitations for housing proposals were issued to the waiting developers. Because of the need to expedite the housing the developers were given thirty days in which to provide the king with proposals on how they would build new housing in the towns and villages.

The developers assembled their teams of planners, architects, engineers, real estate and finance experts; and they worked night and day. At the eleventh hour all of the proposals were submitted to the department of "homogeneous ultraperceptive development". The minister of the department said to the developers, "we thank you for your diligent efforts in providing us with proposals to build housing for the citizens of the realm in the towns and villages where poor housing exists."

The minister then said to the developers, "We will take your proposals under advisement and evaluate them and let you know within thirty days which of you will be granted permission to proceed with your housing proposal." The minister then took the proposals and one by one parcelled them out to the members of his staff to review them for site location, for standards of design and construction, for management, for financial feasibility, for equal opportunity and all of the other criteria established and not established by the staff of the department of homogeneous ultraperceptive development.

After the thirty days went by, the developers asked the minister if he was ready to determine which projects would be approved. The minister stated to the developers that "so many were submitted that we have not had an opportunity to review them all yet, as we're still getting organized and that it would take some additional time." The developers returned to their offices to wait.

After six more months the minister of housing sent out a letter to each of the developers and summoned them to the council chambers for an audience. When the developers were all assembled, the minister stated to them that because there was no project submitted that did not have at least one flaw in it, that none of the proposals would be approved and he thanked the developers for their efforts, in preparing and submitting the proposals. He stated that sometime again in the future there would be additional advertisements for proposals; and would appreciate it if they would again give consideration to submitting proposals for development of new housing in the towns and villages.

As the developers sadly left the meeting, the staff members of the ministry patted each other on the back at the good job they had done in reviewing the proposals and catching the flaws in each and regretted that there were no proposals that were approvable.

Then the minister went to the King and reported to him that the department of homogeneous ultraperceptive development had finished the review of all the proposals and that the staff had worked very diligently in rejecting each of the proposals; that none would be approved because there was a flaw in each proposal. He made recommendations to the king that each member of the staff receive a promotion for his good and diligent work in rejecting all of the proposals. The king looked at his minister, perplexed, and said to the minister, "but what about the new housing for the towns and villages?" And the minister said, "as soon as we receive proposals that meet all of the criteria, we will build new housing for the towns and villages."

Today in the Kingdom of Myopia, housing developers may be easily recognized. They are those going about gnashing their teeth in frustration. The King, absorbed in other matters, is secure in the knowledge that within the framework of the homogeneous ultraperceptive development department, the problem will be solved. Staff members of the department continue to receive salary increases for their diligence in rejecting housing proposals, and new staff members are added frequently, as flaws are increasingly hard to find.

The villagers, unaware of all the great effort in their behalf to improve housing, go about their business as usual, almost as if they didn't need improved housing.

PARKS AND PEOPLE PRESSURE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BONKER. Mr. Speaker, the delegation from my State has been intimately involved in the last several years with efforts to preserve some truly glorious lands in our State by incorporating them in the wilderness areas and national park systems. Few of those efforts have been without pain.

Thus, it is disconcerting, to say the least, that these successes may breed their own destructive forces.

The qualities which make wilderness worth preserving also draw the increasing throngs who threaten destruction of those values through sheer weight of numbers. The National Park Service has seemed to be fighting a losing battle for several years.

In large part, the penuriousness of the Office of Management and Budget lies at the heart of the Park Service problem. Beyond this, however, all who are interested in the fate of our national parks and wilderness areas could well contemplate this growing dilemma. In that regard, I commend to my colleagues a recent article in the Argus magazine describing the problem at Mount Rainier National Park.

I insert the article in the RECORD at this point:

THE PARK PROBLEM: KEEP OFF THE GRASS?

(By Dan Seligman)

In Mt. Rainier National Park, the warm days of last week marked the beginning of spring; the snow, which covers the high alpine country for nine months, is now melting rapidly and the trails and lakes will soon become accessible once again to the hoards of backpackers and thousands of more sedate explorers who observe the workings of nature from behind closed car windows.

This influx of people and mechanized vehicles in recent years has caused a crisis in what the National Park Service calls "wilderness management." The term is a misnomer; wilderness "manages" itself if it isn't logged, mined, bulldozed, paved or trampled, but the crisis is nevertheless a real one.

As a result, The Park Service has begun what is in effect a program of "people management": an ambitious regulatory scheme of monitoring and restricting the movements of hikers and climbers in the park.

The plan is part of a nationwide effort to protect the national park system from overuse. But the specific difficulties facing the Park Service on Mt. Rainier are only a microcosm of larger, financial problems. The Ford Administration, particularly the Office of Management and Budget (OMB), has been hostile to requests for additional visitor facilities, rangers and trail maintenance crews, and the National Park Service now finds itself in a financial squeeze which may be the most serious the office has faced since the end of World War II, when the war effort had drastically depleted domestic expenditures for parks.

In Mt. Ranier, for example, the Park Service has contemplated using mass transit as a way of cutting down on the number of private vehicles which enter the park each summer. But the Service recently found that it did not have enough money to study the problem, let alone deal with it, and transportation problems and insufficient efforts to protect and restore study remains a nebulous goal.

The financial condition of the park system was the subject of a critical report issued last year by the National Parks and Conservation Association (NCPA), an influential private Washington, D.C. group. The NCPA report said that budget cuts combined with increasing visitations have severely shortchanged the parks. The report examined conditions in dozens of parks and recreation areas and found camp sites in disrepair, deteriorating visitor centers, numerous sanitation damaged alpine areas where meadows have been trampled by hundreds of people. The latter was a comment directed toward Mt. Ranier.

The local Park Service office has tried to cope with these difficulties over the last few years by promulgating a series of rules for backpackers and climbers which include limits to the size of a hiking party (12) and a "back-country" permit system for hikers who camp overnight in the park. Olympic and North Cascade National Park have similar permit systems.

Such regulations received strong support from the state's conservation and backpacking groups, which have recognized that man's unregulated impact on the mountain is often adverse. Despite the many rugged areas and glaciers, much of the alpine country on Rainier is extremely fragile; meadow areas, like tundra, are vulnerable to overuse and take years to regenerate.

But two years ago the Park Service promulgated another and more controversial series of rules which are being challenged in federal court. Larry Penberthy, Seattle businessman and climber, filed a legal action in U.S. District Court here, charging that the Park Service had exceeded its authority in limiting the number of climbers and the location of their snow camps. The suit has not been heard yet. But Penberthy maintains the regulations are impractical and designed to keep people out of the park.

In particular, he objects to regulations which in effect require parties climbing the mountain to remain "out of sight and sound" of each other. Thus a party of 10 must remain half a mile away from the party before it, even if that party consists of only 4 persons. Penberthy also objects to the proposed closure of two low-level roads in the Park. The road closures are not being litigated—the suit applies only to those regulations on snow and glaciers above 7,000 feet—but Penberthy says the closures are unnecessary and may be part of a trend "toward closure of the (entire) park."

Conservation groups have not supported Penberthy's law suit—his militant style and pro-development attitudes (he advocates constructing 1,000 additional car-camping spaces in the Park) irritate many environmental leaders—but they may join Penberthy in opposing the road closures. It would mean a significant change on the part of the conservation groups which traditionally supported virtually any NPS restriction to curb over-use. The Mountaineers, the largest such organization in the state, has recently asked Park Supt. Tobin to consider closing the Mowich Lake road only one mile from the Lake. The Park Service proposed closing all 5 miles of the road, but Norm Winn, Mountaineer's president, says the plan may be excessive. The lake is polluted and the area around it trampled, but he suggests that blocking off the road one mile away might discourage enough visitors so that the impact on the lake would be reduced and the area could regenerate. Winn makes similar comments regarding the proposed closure of the West Side Road. The road provides access to many short hikes and Winn says the plan to close the road eight miles from its present terminus would make several spectacular areas of the mountain inaccessible to day or weekend backpackers.

While such objections may sound like an appropriate subject for a local committee or lunch meeting, the proposed Park Service road closures and climbing regulations are part of a wilderness plan for Mt. Rainier presently before Congress. If Congress adopts the plan, as written, these changes will be in effect. It would then take an Act of Congress to amend the language, a formidable task considering Congress's ability to procrastinate or ignore more significant issues. Thus the action of the Park Service with respect to the road closures and regulations will affect thousands of park visitors every year.

Russell Dickinson, regional NPS director, is presently reviewing these areas of controversy. His decision is expected in several weeks. He could request that the present plan be modified when it is considered in committee by Congress or he could decide that the Park Service is correct and proceed with the present document.

In either case the plan does not compare in significance with the Alpine Lakes or Shi-Shi Beach proposed wilderness areas, where a spectacular part of the state is threatened by logging and proposed roads. The Mt. Rainier debate is not a log-it-or-leave-it controversy. It's a more subtle conflict: the role of the federal government in deciding, once an area has been set aside as a park, what the wilderness experience should or should not be for a majority of park visitors.

In the case of Mt. Rainier, its close proximity to the urban areas of Washington and its symbolic and scenic value as the state's highest peak, make the NPS plans worth scrutinizing. Faced with budget cuts, the increasing demand for more park, and the conflicting concepts of wilderness, the Park Service seems to have adopted a rigid, slightly misanthropic policy of "the fewer people in the backcountry the better."

Perhaps time will vindicate this position but it seems like the Park Service has an obligation to try alternative programs, oriented toward keeping mechanized vehicles out of the park, providing buses and other forms of access to elderly citizens, and encouraging a respect for the mountain, rather than an unflexible licensing and monitoring program which may provide for administrative ease at a time of budget woes, but tends to ignore the broader mandate of 1899 when the Park was first established for "the benefit and enjoyment of the people."

THE CONSTITUTIONALITY OF THE HUMPHREY-HAWKINS BILL

HON. JOHN L. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. LaFALCE. Mr. Speaker, there has been some question raised as to the constitutionality of the provision in the Humphrey-Hawkins bill which mandates that the President recommend and submit a bill to Congress. It is a matter which should be reviewed thoroughly before any decision is made on this subject. For that reason, I would like to share with you a memorandum which has been prepared by the American Law Division of the Congressional Research Service, entitled "Constitutionality of Provision Requiring the President to Submit Legislative Proposals to Congress." The text of this memorandum follows:

Congressional Research Service,
May 5, 1976.

From: American Law Division
Subject: Constitutionality of Provision Requiring the President to Submit Legislative Proposals to Congress

This is in response to your inquiry of May 3, 1976, regarding the constitutionality of a provision in § 210(b), H.R. 50, 94th Cong., which would require President to ". . . transmit to Congress . . . legislation creating a comprehensive youth employment . . ." and other similar provisions.

There are no court decisions which would shed any light upon the power of Congress to compel the President to submit a legislative proposal. However, it may be stated that the principle of "separation of powers," embodied in the relevant constitutional provisions, while not preventing Congress from enacting such requirement, would not supply any mechanism for enforcement.

The Constitution provides that the President shall ". . . take care that the laws be faithfully executed, . . ." Art. II, § 3. This provision imposes an obligation upon the President, and it has also been regarded as a source of independent presidential power, for example, the power to remove all executive officers without restraint from Congress. Myers v. United States, 272 U.S. 52 (1927); Humphrey's Executor v. United States, 295 U.D. 602 (1953); Wiener v. United States, 357 U.D. 349 (1958). In addition, the Constitution states that the President shall ". . . recommend . . . [to Congress] . . . such measures as he shall judge necessary and expedient." Art. II, § 3 In Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579 (1952), the Steel Seizure Case, Justice Black stated that "the Constitution limits [the President's] functions in the lawmaking process to the recommending of laws he thinks wise and the vetoing of laws he thinks bad." *Id.*, at 587. A commentator on the use of the power of the President to recommend legislation has said:

"On its face, this language only imposes a duty to furnish information to the Congress; it requires the President to lay before the legislators all facts and information which may assist their deliberations. In practice, however, the clause in question has been the source of vast power. The duty to communicate to Congress is one whose fulfillment is wholly discretionary with the President. He may report to the Congress whenever he chooses and about any subject he may deem desirable, including the duty of the Houses themselves to enact particular legislation. But the power to communicate to Congress is also the power to communicate to the nation. The Presidential message has become a prime means of mobilizing public opinion behind the Chief Magistrate's legislative program." B. Schwartz, *A Commentary on the Constitution of the United States, Part I, the Powers of Government* (1963), vol. II, 27.

Nevertheless, despite the power of the President to execute the laws and to recommend legislation, it has been stated that "In the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that he is to be a lawmaker . . . [T]he Constitution is neither silent not equivocal about who shall make laws which the President is to execute." *Youngstown, supra,* 343 U.S. at 587. By Art. I, § 1, "All legislative powers herein granted shall be vested in a Congress of the United States. . . ." Further, by Art. I, § 8, cl. 18, Congress is authorized to ". . . make all laws which shall be necessary and proper for carrying into execution . . ." the powers granted to Congress and" . . . all other powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

Therefore, while the Congress could enact a statutory requirement that the President submit a legislative proposal, such a proposal would be of no effect since the Congress possesses ultimately the full power to either enact, reject, or amend the proposal. Moreover, there would appear to be no way in which the issue could be judicially tested.

The President, should he object, would be unlikely to initiate a court test but rather to take the position, simply, that he would not comply. In the event of noncompliance, assuming that one may, for instance, mandamus the President, cf. *National Treasury Employees Union* v. *Nixon,* 492 F. 2d 587 (C.A.D.C. 1974), or that a subordinate officer may be found to be proceeded against, *Kendall* v. *United States ex rel. Stokes,* 12 Pet. (37 U.S.) 524 (1838), the obstacles to bringing suit is that an injury is a prerequisite to a justiciable controversy. *United States* v. *Richardson,* 418 U.S. 166 (1974); *Schlesinger* v. *Reservists Committee,* 418 U.S. 206 (1974). No one would appear to be able to claim injury from a failure to comply with the requirement, inasmuch as noncompliance would implicate "only the generalized interest of all citizens in constitutional governance. . . . Standing to sue may not be predicated upon an interest of the kind alleged here which is held in common by all members of the public, because of the necessarily abstract nature of the injury all citizens share." *Id.*, 217, 220.

Stuart Glass,
Legislative Attorney.

CRIME IN AMERICA

HON. JOHN J. FLYNT, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. FLYNT. Mr. Speaker, I am pleased to share with my colleagues the achievements of Miss Cathy Tally, who has just completed here senior year at Temple High School, Carroll County, Ga.

Earlier this year, Miss Tally was named the Junior Citizen of the Year by the Carroll County Chamber of Commerce. The daughter of Mrs. Frances Tally of Temple and P. R. Tally of Rome, she is the first student from Temple to earn this high honor in the history of the award. The Junior Citizen is chosen on the basis of recommendations from school and community leaders, school and community activities, and each nominee is required to write an essay. This year's topic was, "Crime in America: Why the Increase and What Are Some Solutions?" I will share Miss Tally's essay at the conclusions of my remarks.

Miss Tally, an honor roll student every 9 weeks for the past 4 years, was involved in a wide range of extracurricular activities at Temple High School. She has been a member of the Beta Club, 4-H Club, and Science Club serving as an officer in each and as vice president of her sophomore class, treasurer of her junior class and president of her senior class. She was nominated for the Governor's honor program for 2 years, has received the State of Georgia and University of Georgia Certificates of

Merit and is listed in Who's Who Among American High School Students and in the Society of Distingiushed American High School Students.

Named a senior superlative, specifically, "most intellectual," Miss Tally was also chosen as the Temple High School 1975–76 Betty Crocker Family Leader of Tomorrow. She is involved in community activities as well, having served as a member of the Bicentennial Committee, is active in the First Baptist Church, has served as a volunteer in Red Cross and Cancer Crusade fund drives and tutored a second grade student in reading.

I join with family and friends in Temple, Ga., in congratulating Cathy Tully for her oustanding contributions to Temple High School and her community.

Following is the essay which Miss Tally wrote as a nominee for Junior Citizen of the Year. Her essay is a fine outlook on the problem of crime and I am confident that my colleagues will appreciate the relevance of her remarks as I did:

"CRIME IN AMERICA: WHY THE INCREASE AND WHAT ARE SOME SOLUTIONS?"

"The typical citizen response to the crime problem," as was noted by the National Advisory Commission on Criminal Justice Standards and Goals, "is a demand for greater action by the police, courts, correctional institutions, and other agencies." Seldom does a citizen ask himself what he can do to lessen the problem. His involvement and participation in reducing the crime rate are of the utmost importance. If he actively works to alleviate or lessen the crime increase in his own community, then he is greatly contributing to the success of the overall criminal justice system. Perhaps, if each citizen felt this way, the crime rate would go down, I do not mean to imply that citizens alone can prevent crime. But I believe that citizen involvement is the basis for an effective criminal justice system. In my opinion, the lack of citizen involvement is one of the major causes for the increase in crime.

Why, you may ask, are citizens so apathetic about participating in crime prevention programs in their communities? First of all, many citizens have misconceptions as to the causes of crime. For example, citizens who believe that poverty causes crime are prone to place the responsibility for the prevention of crime on government agencies. Others believe that the causes for crime lie in the lower classes of society, for example, the poverty-stricken Americans. Thus, they see no reason for improving their own class. If it were brought to their attention that the majority of the poverty-stricken Americans do not engage in criminal behavior and that criminals are found in all classes of society, they might come to the realization that the causes of crime are more complex than they had thought.

Perhaps, if the concern and awareness of the citizen were sparked, they would begin to participate more actively. I refuse to believe that indifference is a factor. I honestly believe that most, if not all, citizens care about their community, and they care about the future of this country. Therefore, they care about the reduction of crime.

A citizen who recognizes his responsibility in preventing crime and who realizes that crime is a problem that touches all of society can find many opportunities for action. Even if a citizen works toward the erection of street lights in areas of crime, he is still advancing crime prevention one more step. Also, a citizen should report crimes, willingly help his police department, serve as a juror or witness when asked to do so, and he should make sure that his own conduct is above reproach.

Concerning a community's role in the prevention of crime, one must have competent leadership. Such a leader should take the initiative in instituting programs that spark citizen awareness of their function and usefulness in crime prevention. Careful planning should go into the community's crime prevention program. This planning should involve correlating the community efforts with the over all crime picture as it relates to the entire country. Community prevention programs should also be clearly explained to the citizens. The community must also work closely with the police department as well. The community must realize that it plays a role equally as important as that of the police department. All too often the citizens of the community ignore their own responsibilities in the prevention of crime. Instead, they expect the police to deal with this aspect of the crime problem. They forget that the success of the police depends upon their support.

There are other factors that contribute to the crime increase as well. For instance, lack of subsistence, alcoholism, tobacco, drug abuse, mental disorders, lack of moral standards, all contribute to the increase of crime. Perhaps today with the present economic disorders and the high unemployment rate, the lack of subsistence is the key factor in the increased rate of crime. People are willing to steal, to blackmail, and possibly to kill in order to obtain food and other necessities for themselves and their families. The solution to this problem lies in the hands of the government as well as in the hands of the citizens. Immediate attention must be directed toward the faltering economy. Perhaps more programs should be instituted to supply help to these people. The citizens of this country must work toward helping their neighbors as their forefathers did. One must give of one's time, money, and material means in order to restore the country to her former state. Alcoholism, tobacco, and drug abuse stimulate crime as well, either crime committed while under the influence of these drugs or crime committed to obtain these drugs. I believe that if more restrictions were placed on both the useage and the obtainability of these drugs, crime motivated by them would decrease. For example, the penalties for "pot pushers" should be stiffer. The mental disorders that contribute to the increase in crime can be treated in asylums for the criminally insane. This solution would result in large expenditures; however, it would also increase employment. As to the lack of moral standards, I believe that one will soon see a "turn around" in this area. This country's moral standards have steadily decreased over the past few years. Yet, I feel that soon, if not already, the citizens of this country will see their mistake. Even now youth movements in addition to adult efforts are stimulating a return to God. Thus, one shall soon see the rise of morals.

Overall, I feel that the present rehabilitation programs in the prisons are essential. Of course, the programs are not one hundred percent effective. I do not believe that any program is. But these rehabilitation programs do work in many cases. Therefore, they are worthwhile. I also feel that paroles and pardons should not be granted as freely. The parole and pardon boards should be more selective and more restrictive. Accordingly, longer sentences should be served before the idea of a parole or pardon is ever considered. As to capital punishment, I feel that in extreme cases it should be reinstated. I know this seems very cruel, but in the words of Joe Freeman Britt, "'If someone kidnapped your three-year-old daughter and raped her and slit her throat, would you still not believe in capital punishment?'" In a case such as this, I would honestly have to agree on the death penalty as punishment.

In conclusion, let me say that there are many reasons for the crime increase. However, I feel that it is the neglect on the part of the citizen that has greatly contributed to the increase in crime. If every citizen would realize this and begin to do something about it instead of criticizing the government or the police department, I believe that crime would decrease noticeably.

THE ECONOMIC BENEFITS OF A CLEAN ENVIRONMENT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. LEHMAN. Mr. Speaker, the Committee on Interstate and Foreign Commerce has reported the Clean Air Act Amendments of 1976 to the House. As the time for consideration by the full House approaches, the debate is escalating dramatically over the timing and the stringency of auto emission controls and over the need to prevent deterioration of clean air areas.

Many of the arguments against strong and early controls center on the possibility of adverse economic impact. However, as Michael Gerrard, a consultant for the Council on the Environment of New York City, points out in a column in this morning's Washington Post, there are equally compelling economic arguments for clean air.

Mr. Speaker, I would like to share this column with my colleagues in the hope that they will join me in continuing to support the strongest measures to clean up our air and to keep it clean. Mr. Gerrard's column follows:

THE ECONOMIC BENEFITS OF A CLEAN ENVIRONMENT

(By Michael Gerrard)

Many environmentalists these days feel like residents of besieged Leningrad, as no end nears to the years-long attack on the clean air and water statutes of the early 1970s. The attackers are now most notable for their ostentatiously worn hard noses and steely glares, scrutinizing every move against pollution for its adverse economic impact.

Ironically the economic plight which inspires these attacks was largely brought on by disregard of environmentalists' warnings that overuse of energy and other resources would get us into trouble. No matter, as soon as these warnings were borne out, the environmentalists were the ones publicly flogged. The fragility of our economic recovery provides continuing excuses for ecological retreat.

That terribly rational-sounding phrase, "cost-benefit analysis," is the password of the backlash. Unfortunately, when it is used to attack pollution control the benefit side is usually neglected, while the costs are fully explored and publicized. It is like shearing an accountant's ledger in half and showing only the debits.

This process is well illustrated by the recurrent proposals to relax clean air standards in New York City by allowing utilities, industries, and large buildings to burn cheaper, high-sulfur fuel, with the unfortunate side effect of dumping tons of toxic sulfur oxides and particulates into the open sewer above our heads. The immediate economic costs of clean-fuel regulations are lavishly expounded, while the benefits to health are often described as speculative or sentimental, and the benefits to the city's economy are usually ignored altogether.

These economic benefits of clean fuel regulations derive mainly from the damage dirty air does to metals, buildings, cloth, vegetation, and other materials. Most metals corrode faster, some of them (like nickel) nearly 100 times faster, in New York City air than in still-pristine regions. On a large scale, this means that bridges and elevated subways and highways age faster or must be repaired more often, or else the danger of collapse increases. On a small but just as economically harmful scale, air pollution damages low-voltage electrical contacts, relays, and switches. It may incapacitate semiconductors and miniaturized equipment. It requires large expenditures for cleaning and for using precious non-corroding metals like gold for the sensitive electronic equipment which is so abundant in Manhattan, the communications center of the nation.

More than $100 million in repainting alone is required in New York City every year because of the onslaught of air pollution. Cloth disintegrates sooner and dyes fade faster in our sulfurous air, and curtains and clothing must be washed more frequently, adding a considerable expense to hotels and other businesses.

Pollution creeps through the windows and doors of our city's museums and erodes the varnish from paintings, blackens bronze objects, and tarnishes ancient jewelry. It damages paper and thereby destroys valuable records, necessitating expensive microfilming.

Airborne poisons destroy many of the city's remaining trees. Sulfur oxides deposited in the atmosphere by smokestacks travel hundreds of miles and are often then washed back to earth, causing an "acid rain" that has already damaged crops over wide areas of the Northeast and increased the acid level in streams and lakes, killing many fish.

If pollution levels rise high enough, as they could with lax fuel standards, we could be struck by what is euphemistically called an "episode," when a temperature inversion traps pollutants for several days until they accumulate to imminently hazardous levels. In that event emergency plans call for a large-scale shutdown of the city's highways and industrial and commercial facilities until the crisis passes. Just one day of this could cost the city's economy tens of millions of dollars, and one emergency could last a week or more.

Finally, high air-pollution levels tend to reduce property values. This could further erode our city's tax base, as well as our materials and our lungs.

When all these benefits of retaining clean fuel standards are tallied, they may well exceed the higher cost of the fuel. And this does not even include the now customary but still gholish exercise of quantifying the economic damage of impaired health, through counting such costs as hospitalization, absenteeism, lost production, and burial.

Relaxing clean fuel standards is but one of the myriad of current proposals to stifle the letter and the intent of environmental statutes. I have mentioned only the economic damage caused by the use of high-sulfur fuel; that damage is rivaled or exceeded by the combined effects of automobiles, incinerators, furnaces, and other polluters, whose operators want their own special exemptions.

Nearly all these proposals are touted as ways to improve the city's fiscal and economic health, but in almost none is there full consideration of the laws' benefits as well as their costs. The hard noses and steely glares of environmentalism's critics are a good deal filmsier than they appear.

CITY ISLANDS' "P.S. 175 YOUNGSTERS FIGHT TO SAVE THE PORPOISE"

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. BIAGGI. Mr. Speaker, for the past several months the boys and girls in Ms. Alice Rotello's class at P.S. 175 in the historic, nautical town of City Island have been involved in a very important cause, that of saving the beautiful and intelligent porpoise from extinction.

These young people of class 7C have organized "Project Heart," through which they have done exhaustive research on this issue. Once they were sure of the facts they wrote to interested organizations, legislators, and newspapers to express their concern and demand action.

The youngsters are concerned about the indiscriminate killing of thousands of porpoises by tuna fishermen, whose nets entrap these ocean mammals and cause them to drown. This situation seems especially serious in light of the Marine Mammals Protection Act of 1972 which I cosponsored and which was enacted to reduce the accidental killing of these creatures to "insignificant levels approaching zero." To the youngsters' alarm, this portion of the act is not being well enforced and the extinction of the porpoise seems possible.

We are fortunate that these young people care enough to demand what is only proper and right, that the intent of the act to protect these animals be enforced and adhered to. We are also fortunate that these young people feel they can confront public agencies and legislators and get action.

Fortunately, response to the children's pleas was quick and supportive. Especially gratifying was the response of Community Planning Board 12 in the Bronx, where several youngsters made eloquent pleas to stop the killing. Their appearance before the board was warmly received and prompted that body to send letters of support to the Federal Department of the Interior and the New York State Department of Environmental Conservation.

It is imperative that young people be encouraged to get involved in public affairs and to feel that their voices will be heard. When we see the hard work which these young people performed, their perseverance and dedication, their heartfelt concern for these beautiful creatures, we can only feel profound gratification that our young people care about and are willing to do something about the world which they shall soon inherit. It is only right that we listen to them and do something about their concerns.

In a time when apathy might seem to be an accurate description of the mood of the country, it is reassuring to see how these youngsters from P.S. 175 took matters into their own hands and decided to do something about an issue which so deeply affected them.

Since these young people are so civic minded, I want to bring their efforts to the attention of my colleagues here in the House, particularly those of my colleagues on the Merchant Marine and Fisheries Committee which will be considering legislation in this area. I hope also that others who read this RECORD will follow the example of these fine young citizens and alert their Congressmen to their views on issues being discussed in Congress. Only through effective communication with one's constituents can a Member of Congress truly be a Representative.

SOLAR ENERGY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. MOAKLEY. Mr. Speaker, in the July 5 edition of the Washington Post there appeared a column by Nicholas von Hoffman concerning solar energy equipment in California.

In his commentary, Mr. von Hoffman provided information from the National Taxpayers Union which cited the problem of governmental entities and utility companies rushing forward to exploit the individual's right to the Sun's rays through the taxing and renting of solar equipment.

I believe that Mr. von Hoffman's remarks are particularly relevant because they confront our Nation with the two divergent paths we can follow in utilizing the Sun for our energy needs; the path of governmental and utility exploitation of solar energy at the consumer's expense or the path of the consumer's right to solar energy, free of governmental and utility schemes of taxation and rental of solar equipment.

I hold that we must take the latter path—the path of utilizing the Sun's rays for the direct personal use of the consumer. Government should not be a deterrent to the individual's harnessing of the Sun's rays, but should be a partner in encouraging the consumer's direct use of solar energy. This is an approach that I have advocated through the solar energy community utility program—SECUP.

For the benefit of all Members, the text of Mr. von Hoffman's article follows:

TAXES: WARMING UP TO SOLAR ENERGY

(By Nicholas von Hoffman)

Good news. Solar energy must be much closer to being a practical alternate fuel source than we've been led to suppose. The San Francisco Bay Area Chapter of that energetically and undeviating right-wing organization, the National Taxpayers Union, reports that several members of their state's legislature are proposing a tax on the sun.

Their specific suggestion is to lay a state tax on the solar-collectors used to heat swimming pools. The collectors are the glass or plastic squares used to gather up the sun's energy, and the proposed tax would be larger or smaller depending on the size collector a homeowner had installed to heat his pool. In this way the state of California would be compensated for the loss of revenue from diminished use of presently taxed gas and electricity.

The Bay Area Chapter's June newsletter (1301 Berkeley Way, Berkeley Calif. 94702, $3 a year and please don't write me) tells us Santa Clara County has already found a way to charge its residents for diverting the sun's energy directly for their personal use: "The Santa Clara Water and Sewer Department is now in the business of renting solar pool heaters, and is the sole provider in the county of such rentals. The county will install a pool heater for a $250 fee and then charge $150 rent on the system."

According to the newsletter's calculations, at those prices the county will realize a 30 per cent return on its investment in perpetuity. That's about three times what it would cost the same homeowner to go to the bank, borrow the money and put the equipment in himself.

None of which would be very important if solar energy were still an exclusively 21-century technology. It isn't Fafco, Inc. of Menlo Park, Calif., has already sold equipment to heat 4,000 swimming pools. As more and more communities ban the use of scarce natural gas for this luxury, we should see a wider use of solar heating.

The hard-to-understand part is why on earth governmental entities should rush to slap a tax on a nascent industry just as it's beginning to introduce solar technology in everyday life at competitive prices.

That doesn't mean that by next summer our dearest wish will be granted and we can tell the electric company to go to hell, but it does mean that solar technology is already close enough so the politicians and the big businessmen are figuring out how to turn themselves into solar middlemen and sell you sun beams. "Under an experimental plan the California Public Utilities Commission has allowed Pacific Gas & Electric to charge customers with solar equipment on the basis of BTU's not on the basis of fuel used, as is the present method," the Taxpayers Union claims. "This means that if a house is powered 70 percent by solar and 30 percent by energy supplied by PG&E, the homeowner would pay on the basis of 100 percent used, not on the basis of 30 percent actually supplied. . . . In exchange for PG&E investment in the installation of this admittedly expensive equipment, PG&E will continue to own solar equipment into perpetuity, regardless of who owns the house, and will continue to collect monthly charges for use of sunlight from the owners and their successors."

If this comes as a mild surprise it's because we've been conditioned to anticipate a gigantic breakthrough in solar energy technology that'll change all calculations overnight. Thirty years of atomic energy propaganda has done that to us.

The more likely possibility is that solar technology will come on line, as they say in the power business, bit by bit over time. That's what happened with coal, oil and atomic energy, and you'll notice, none has completely supplanted the other.

Swimming pools are small potatoes, but hot water heating isn't. It's estimated to account for 4 percent of the nation's energy consumption, and that's no small amount of fuel. Solar-powered hot water systems, competitively priced, are believed to be available and for sale now.

The next big improvement in the day-to-day application of solar energy is expected to be in heating and cooling. The new systems won't eliminate the need of other fuel sources entirely, but as we said, this is going to be a phase-by-phase development. Some of the phases are coming more rapidly than you may think.

We should have learned by now that technology and the social, economic and legal forms which cradle it are all of a piece. We're going to have to ask ourselves if we like the Santa Clara approach, whether we wish to continue to have the federal government direct research money toward big breakthrough development when all the progress is coming in small steps, and often from smaller companies. There are other questions concerning zoning and tax policy and none of them are going to get our thoughtful attention unless we remind ourselves that the sun now does more than make the pretty flowers grow.

THE SHOCKING TRUTH ABOUT MEDICAL LAB REPORTS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. SCHEUER. Mr. Speaker, even in this day and age, it is no secret that the people of this Nation continue to suffer from substandard diagnostic testing conducted in medical laboratories. Quite often, unfortunately, this poor quality lab work directly results in unnecessary surgery, extended hospitalization, as well as higher costs to the patient paying public.

As the full Committee on Interstate and Foreign Commerce will shortly be considering the Clinical Laboratory Improvement Act of 1976, of which I am a cosponsor, I would like to bring to their attention as well as my other distinguished colleagues of the House an article published in the July issue of Reader's Digest, which I feel succinctly illustrates "The Shocking Truth About Medical Lab Reports."

The article follows:

The Shocking Truth About Medical Lab Reports

(By James H. Winchester)

In California last year, a 32-year-old woman was admitted to a hospital for surgery. A lab technician performed blood tests and reported that the woman was A-Rh-positive. Shortly afterward, a second technician re-tested the woman's blood and correctly typed it O-Rh-positive. It was too late, however. The woman had already received two pints of A-Rh-positive blood during surgery. She died 12 hours later from a transfusion reaction.

A commercial laboratory in Pennsylvania recently reported that a Pap smear and biopsy of a 20-year-old girl showed "positive," meaning that she had cancer. A surgeon removed part of her uterus, then discovered that the laboratory had erred: there was no cancer.

A young cafe worker in Florida complained last year to his doctor of excessive thirst, lack of energy, and weight loss, all signs of diabetes. A commercial lab analyzed his blood and reported: "No excessive sugar." The doctor concluded that the patient did not have diabetes. Two weeks later, the young man went into a diabetic coma. Only last minute emergency action saved his life. The lab report had been wrong.

Isolated cases? Not at all. Recent and reliable studies, cited at 1975 U.S. Senate hearings, made a chilling estimate: One-quarter of all medical-laboratory tests performed in the United States are substandard or wrong. This means that millions of Americans may be risking unnecessary hospitalization, unneeded surgery or inappropriate, and occasionally fatal, treatment.

FAILING THE TEST

In becoming essential and widely used diagnostic tools, the nation's medical laboratories have also become a $12-billion-a-year business, accounting for nine cents of every health-care dollar. Their exact number is hard to pin down. The U.S. Public Health Service's Center for Disease Control, in Atlanta, estimates that half of our 14,354 clinical labs are in hospitals and half are government, private and industrial facilities; and that there are an additional 30,000 to 80,000 smaller labs in physicians' offices. Together, these labs perform over five billion tests a year—an average of 24 tests annually for every U.S. resident.

Most of these laboratories, of course, do fine, fast, accurate work. But far too many have been flunking the simplest tests. For example, a recent survey by the National Bureau of Standards examined test results in clinical chemistry from 852 labs of varying types. Only 28 percent of test samples, on average, were found to be "medically acceptable." In a ten-year study, from 1964 to 1973, the New Jersey State Health Department re-checked 35,000 medical tests made by 225 laboratories. Only 20 of these labs showed acceptable results more than 90 percent of the time, and only half of them showed acceptable results 75 percent of the time.

Here are the principal reasons for such poor performance:

Lack of effective federal controls. Despite their vital role in health care, the nation's medical laboratories are woefully lacking in uniform and meaningful federal regulation and control. To be eligible for payments for Medicare work, some 10,000 independent and hospital medical labs do need to have a certificate of fitness from the U.S. Department of Health, Education and Welfare. The government, though, does not itself normally inspect the facilities or test their proficiency. Instead, HEW contracts with the various states to vouch for lab acceptability—the usual result being an unchecked, rubber-stamp operation. In 1974, when the U.S. Bureau of Quality Assurance did test the proficiency of medical technologists in labs receiving Medicare payments, half of those tested failed to make even passing grades.

Only the 900 or so commercial and hospital laboratories engaged in interstate commerce have their work regularly checked for proficency by the Center for Disease Control. Even this system, however, has proved unsatisfactory. Although CDC monitoring procedures are rated high, the Center has only ten examiners and two supervisory examiners to make on-site visits. Thus, most test samples must be mailed to the labs, whose administrators know that their analysis of that particular specimen is to be judged. Even so, CDC finds that 18 percent of the labs score below acceptable rates for even such a simple test as measuring blood sugar.

Lack of effective state controls. According to medical experts, medical-lab controls are effective in only a handful of states (California, Connecticut, New York, Pennsylvania and Wisconsin are often mentioned). Only 23 other states have any requirements or laws at all, and many of these are distressingly weak, with inspections often more form than substance. When the rare official inspections do occur, the maintenance and cleanliness of some laboratories are frequently found to be seriously substandard.

Testimony last year before a U.S. Senate subcommittee on health cited scores of documented cases of dirty and broken equipment, unlabeled and outdated chemicals, and unwashed test tubes. In one instance, inspectors for the New Jersey Department of Health found a busy medical lab operating out of a garage that did not have a sink, electrical wiring or a full set of test tubes.

As for personnel, only 18 states now require that medical-laboratory directors be licensed, and only 11 require licensing of supervisors. And just nine states require examination for medical technologists, who usually do the actual testing.

Failure of self-policing programs. The too-casual acceptance of self-policing and accreditation by professional and industry groups subject to no independent checking also results in a lack of any realistic controls. For example, the respected College of American Pathologists, whose members direct most hospital medical laboratories, conducts inspection, accredition and proficiency testing for medical labs. Participation, however, is voluntary, and there is no enforcement power. About 1500 labs have participated in this program since it began in 1960, and approximately 75 of them have been denied accreditation. Even turndowns do not put these labs out of business, for the approval is only an association stamp. Still, many state and federal agencies accept the College's stamp of approval in place of any inspections or controls of their own.

Proliferation of dubious trade schools. To meet demands, the number of schools turning out medical technicians is constantly increasing. Dr. Morris Schaeffer, former assistant commissioner and general director for laboratories in New York Citiy, estimates that more than one-third of these schools are mere "diploma mills." Often, instructors of such subjects as chemistry and physiology are not even college graduates. Many career schools offer mail-order licenses. And, in some states, all that is needed to open a medical laboratory or a school to train medical-lab technologists is a mailing address and the price of a new-business license.

Prescriptions for Improvement. Unquestionably, the nation's medical laboratories need to be improved—and voluntary programs alone won't do the job. Strong, mandatory inspections and controls are needed for all labs. A model for such inspections and controls exists in New York City's program, universally agreed to be the country's best.

New York's non-nonsense system started in 1964. Says Bernard Davidow, assistant commissioner for laboratories in the New York City Department of Health: "Before our crackdown, more than 85 percent of the medical laboratories tested in New York City were repeatedly unable to isolate and identify bacteria commonly encountered in infectious diseases. In addition, 87 percent of the city's laboratories failed simple chemical tests, and 18 percent could not cross-match blood properly."

Today, only two percent of New York City's medical laboratories have difficulty in identifying those micro-organisms frequently associated with infectious diseases. In 1975, only 0.4 percent of the city's labs failed simple chemical tests repeatedly, and none of them failed to cross-match blood correctly, identify gonorrhea smears, determine antibiotic susceptibility or perform accurate syphilis tests.

What caused the dramatic turnaround? A tough set of regulations. The city's 515 hospital and independent laboratories have their facilities reviewed each year by the health department before renewal of license, and all laboratory directors must have at least a Ph.D. in science. All such labs are tested for proficiency at least four times a year, and city inspectors make frequent unannounced visits. All technicians employed in the labs must be certified by the city's Department of Health, with renewal of certification mandatory every two years.

A great step will be made toward equaling New York City's excellence on a nationwide basis if major legislation, awaiting Congressional action at the same time of this writing, is approved. Senate bill 1737, cosponsored by Sen. Jacob K. Javits (R., N.Y.) and Sen. Edward M. Kennedy (D., Mass.), has just been passed. It calls for uniform federal standards for all U.S. medical labs, and stipulates that every state set requirements at least equal to those established by the federal government. A pending House bill, 11341, sponsored by Rep. Paul G. Rogers (D., Fla.), would make all U.S. medical labs subject to licensing, including the small ones in doctors' offices.

If these bills become law, they will close many of the dangerous gaps in present rules. Individuals wanting to help in what will certainly be a betterment in health care should make their views known by writing to their Congressional representatives.

MESSAGE OF SISTER MARY O'KEEFE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Ms. ABZUG. Mr. Speaker, I would like to share with my colleagues this message, read by Sister Mary O'Keefe, at an interreligious prayer service which took place at the Jefferson Memorial on July 4, 1976. The Peoples' Bicentennial Commission sponsored this service as a moment to reflect on the first 200 years of our Nation's history and to rededicate ourselves to the original goals of the American Revolution—democracy and equal opportunity for all people.

Though July 4 has passed, I hope that my colleagues in Congress will not forget the meaning of the Bicentennial celebration and will resolve to continue the work of the founders of our democratic tradition and our Nation. It is with this hope that I submit the message of Sister O'Keefe to the RECORD:

MESSAGE BY SISTER MARY O'KEEFE

Hearing anew the message of the prophet Jeremiah on this 200th anniversary of American independence brings to mind the words of the Brazilian bishop, Helder Camara, a modern Jeremiah, that more than ⅔rds of humanity are slaves to hunger, sickness, forced labor and despair while the remaining third is in slavery to selfishness and fear. Let us reflect briefly concerning those things that enslave us, that block our freedom and have harmful repercussions for the materially deprived ⅔rds of the world.

Gathered together to dedicate ourselves to strive for peace, justice and liberation we have acknowledged our social sins. Meanwhile we are afflicted by our own sword, symbolized by a militaristic mentality which increasingly dominates our national policy and affects vast portions of the globe.

The national spirit seems flawed today by its flight from truth into patterns of dishonesty and self deception. We appear as a nation to have lost our compass. Are we perhaps suffering in a special way from the famine spoken of by the prophet Amos? "A famine not of bread, a drought not of water, but that of hearing the word of Yahweh!" Is the prophecy of Isaiah being fulfilled in us?

You will listen but not understand, see, but not perceive, for the heart of this nation has grown coarse. Their ears are dull of hearing and they have shut their eyes for fear they should see with their ears, understand with their heart and be converted and healed by me.

Have we ceased to be a caring nation? Caught up in a consuming fear of an exaggerated external threat, in a greed for profit, and plagued by a thirst for material good and a national addiction to power—to being number one—have we lost sight of the more genuine threats to our security—bad housing, hunger, unemployment, polluted air? While we build B–1 bombers, test deadly cruise missiles and expand our Trident program, thus escalating both the arms race and the military budget—all in the name of defense—our nation's cities struggle to stay afloat, to keep their services functioning, and our unemployed and elderly poor seek to survive each month with insufficient food stamps and income, with inadequate health care. Should not their insecurity be a major concern?

America, despite its great heritage appears to have sold out to consumerism, to the purveyors of products geared more to corporation profits then to human needs, to producers of weapons for war which now only add to overkill.

As a nation can we fail to recognize that our freedom, our democracy, if it is to be genuine, must be intertwined with the freedom of others? Have we lost sight of our heritage of values—we who ought to be dedicated to outlawing that poverty which leaves so many throughout the world in subhuman conditions and violates economic justice. Must we not concern ourselves with restructuring an economic and social system which enables the few to usurp the national wealth while they become enslaved to a greed for profit and power and are inhumanly detached from the needs of humanity.

As we rededicate ourselves today let us endeavor to expose the false peace our leaders offer us by piling up nuclear weapons ever higher. How can our security really rest here? Is it fostered through arms sales to countries on every continent to the tune of nearly 10 billion dollars last year? Need we ask who are the chief beneficiaries of our rise to the dubious role of number one arms salesman to the world?

It seems we must learn anew, as one U.S. Senator tells us that the "central source of American strength lies not in the power of its armaments nor the size of its bankroll, but in the central values for which this nation stands—individual liberty, human equality, due process, and justice."

We must continually call those in high places to a public account of their leadership, to their use, or abuse of power, we cry out against sinful social structures and institutionalized violence. We dare not separate our own struggle for personal integrity from the economic, political and social struggle to liberate the ⅔rds of humanity from its slavery to hunger, sickness, forced labor and despair. Let us also pledge to fight against our own selfishness and fears; for fear leads to an overblown concern with security, national and domestic, to a breakdown in trust. Selfishness generates pride close us off from the rest of humanity and increases tension and division. As Heider Camera warns us "selfishness which has grown to global dimensions makes solidarity and real peace between people impossible." It must be resisted actively and intelligently, first and foremost, within each of us.

Peace, justice, liberation. These cannot be separated and can never be won once and for all—the struggle is ongoing. Let us speak the word of truth and issue the call to build a peace rooted in justice which will liberate us from selfishness and fear. As we celebrate this day of jubilee let us be conscious with Isaiah of our urgent task today to "bring forth the people who are blind, yet have eyes, and are deaf, yet have ears," for we are that people!

CABLE TV: THE BOTTLED-UP MEDIUM

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. WIRTH. Mr. Speaker, today the Subcommittee on Communications begins the second part of a comprehensive set of hearings on the subject of cable television. These hearings mark the first time in 15 years that Congress has taken a hard look at the regulatory scheme that the FCC has established with respect to cable television.

Coincidental with these hearings, the July/August 1976 issue of the Columbia Journalism Review carries an excellent article by Ronald P. Kriss, a senior editor of Time magazine, that discusses many of the issues which will be debated before the subcommittee during the next few weeks.

Having already listened to several weeks of testimony regarding cable, I say to my colleagues that this is an issue which on first blush may seem fairly simple but which upon examination proves quite complex. Because so much of the literature requires an understanding of the FCC's cable rules—which even some of the rules' drafters confide they do not understand—I thought my colleagues might find this article useful.

I must point out that author Kriss' employer, Time, Inc., owns Home Box Office, the Nation's largest pay cable service. Having noted that fact, I must add that I do not believe that it in any way colors what I regard to be a very good report on the cable/broadcast debate. I commend it to my colleagues:

CABLE TV: THE BOTTLED-UP MEDIUM

(By Ronald P. Kriss)

Until the last decade or so, over-the-air broadcasters regarded cable television with tolerant condescension, as a convenient auxiliary that brought clear pictures—including pictures of detergents, deodorants, and dandruff cures—into thousands of otherwise unreachable homes and thus provided a rationale for raising advertising rates. Cable still serves that function, but broadcasters no longer regard the industry merely as "a grubby infant," as Business Week described it in 1971. For now, after twenty-seven years, cable is assuming the menacing aspect of a rival medium.

The vast potential of cable has long been recognized. Where over-the-air broadcasting—even with U.H.F. channels—is limited to a comparative handful of frequencies, cable can potentially deliver up to eighty interference-free channels over long distances. The implications are enormous. The promised abundance and versatility of cable has stimulated planners to talk of a "wired nation"—a universal medium that would not only carry greatly expanded educational, cultural, and civic programming but would permit two-way communications with its audience and bring into being a dial-a-libraries, facsimile newspapers, remote-controlled shopping, data transmission, banking by wire, electronic mail delivery, and instant national referenda.

Although most observers assume that eventually such uses of cable will come to be, they have remained vague about cost and timing. As Les Brown put it in The New York Times: "Whether cable will be a medium unto itself, instead of an aid to TV reception, has never been a question; the question has always been when. Optimists still predict it will happen in the 1980s; pessimists give it longer, some not until the 21st century."

Back here in the 1970s, the question of cable's emergence is more narrowly drawn; will cable be permitted to develop as technological and economic circumstances permit, or will government regulation, supported by over-the-air broadcasters, impede or halt its progress? During the first half of 1976 this issue has produced an unbecoming dogfight between broadcast and cable, and it looks as if a reluctant Congress will have to attempt a settlement.

Until recently, broadcasters have had little cause for alarm, because government has supervised cable to the point of strangulation. The chief regulatory body, the Federal Communications Commission, is not wholly to blame; Congress left a legislative vacuum and the F.C.C. moved in. Moreover, it moved in with the concept that cable was, and always would be, subservient to broadcasting. Partly as a result of this attitude, cable's growth has been slow; barely a quarter-century after its inception it has attained a "penetration," as broadcasters call it, of only 15.3 percent of American homes, compared with 97.5 percent for over-the-air television.

Now there is growing consensus in the government that cable has been shackled too long, but it is a difficult time to do anything to the extent of trying to draw new—and long overdue—legislation, the odds are that no law will emerge before the national-convention recess, and probably not before 1977, if then. A presidential election year is hardly prime time for any legislation affecting broadcasters, let alone something as touchy as this. As agencies of a White House fine-tuned to the campaign, the F.C.C. and the Office of Telecommunications Policy are unlikely to push for policy changes, and the dependence of members of Congress on broadcasters is even more obvious.

Moreover, the opposing sides offer little ground for consensus. Broadcasters depict cable as a parasite, a shameless freeloader living off conventional television's sweat and ingenuity. The cable industry sees the broadcasters as a coddled, over-protected special interest that rakes in outrageous profits, thanks mostly to its fortuitous possession of a limited resource, the airwaves.

The two sides were put on a collision course last February, when the Communications Subcommittee of the House Committee on Interstate and Foreign Commerce issued a staff report on cable TV. It was the first comprehensive congressional study of the industry since the early 1960s, and the authors pulled few punches: "The FCC has continually refused to confront the basic issues presented by cable television and is not likely to unless Congress provides the impetus," they wrote. They accused the F.C.C.'s Cable Bureau and Broadcast Bureau of being "shills" for the industries they were supposed to oversee, and they charged the commission itself with "following a protectionist policy."

"It has chosen to interpret its mandate from the Congress," they wrote, "as requiring primary concern for individual broadcasters rather than for the needs of the audience being served." The F.C.C., the authors went on, kept a tight rein on cable TV "largely because of its threatened impact on conventional broadcasting."

To rectify this situation, the report urged in a statement particularly chilling to broadcasters that the government abandon its reliance "on any particular technology as the chosen instrument of national communications policy." Specifically, the report recommended:

Amending the Communications Act of 1934 to cover the cable industry and to acknowledge its importance in the national communications system.

Easing the rigid rules curtailing cable's ability to pluck signals from distant transmitters and the restrictions on programming for pay television.

Requiring that cable operators pay reasonable fees to copyright owners, which they do not now do. ("Cable's growth," the report rightly noted, "cannot be based on such an unfair foundation.")

Enacting a "rural telecommunications act," patterned on the Rural Electrification Act that brought light to the nation's countryside, to finance low-interest loans for building cable systems in remote areas.

None of the parties was entirely pleased. Some of the cable operators grumbled about the copyright proposal. Independent critics complained that the rural loan provision would leave the government deeply involved in cable's activities. But the sharpest outcries came, naturally, from the broadcasters. The National Association of Broadcasters branded the report as an effort "to replace the great system of over-the-air broadcasting in the United States with a wired nation which would cost over $200 billion in construction costs alone." (When broadcast lobbyists really get worked up, they put the cost of wiring the nation at $1 trillion. Estimates cited in Ralph Lee Smith's The Wired Nation, published in 1972, ranged from $15 billion to $123 billion, depending on the extent of the system and its range of services.) ABC warned that the existing television structure "should not be undercut by a subsidized wire service at tremendous additional cost which would serve only the small minority who can afford it and will have access to it." In a similar vein, NBC complained that the report betrayed "an elitist approach" that departed from the basic American concept of "a free broadcast system."

Progress since has been slow. The Communications Subcommittee had intended to hold hearings in March, when Washington was still buzzing about the staff report. But political infighting helped delay the fifteen-day hearings until mid-May, when the report had had time to cool.

There were other problems. Pressed by Ronald Reagan, that archenemy of Washington, President Ford had made a point of relaxing the federal government's regulatory hand. The White House sent Congress proposals for "deregulating" the airline, rail, and trucking industries, and cable TV was next on the list. For months, the White House had been studying proposals aimed at increasing competition between cable and over-the-air television. But ideology had to give way to prudence. As Paul W. MacAvoy, a member of the president's Council of Economic Advisers and a leading advocate of deregulation, told The New York Times: "The industry screamed bloody murder." The White House backed off.

MacAvoy hastened to add, however, that the industry's rage was not the chief reason for hastily dropping cable deregulation. "Those who propose change," he said, "have the burden of coming up with the evidence about its probable impact." The pro-cable forces had not produced convincing evidence; one subcommittee source referred to a "research gap." The broadcasters, meanwhile, had come up with hair-raising figures. In a White House memo that was leaked in April, MacAvoy quoted the N.A.B. as saying that if cable TV were permitted to import an unlimited number of distant signals into an area, "over half the stations in the country would be driven out of business."

Since 1949, when it was developed independently by engineers in Pennsylvania and Oregon, cable has grown steadily. By January 1, 1961, there were 640 cable systems, serving 650,000 homes. A decade later, the number of systems had increased to 2,500; the number of subscribers had grown to 4.9 million. Today some 3,450 systems are wired, by means of 190,000 miles of cable, to 10.8 million homes in all fifty states plus the Virgin Islands, Puerto Rico and Guam.

What may be more significant is that while cable is available to only 30 percent of U.S. homes, fully half of these have been wired. According to some estimates, by 1981 cable will be available to 50 or 60 percent of U.S. homes. If half of those homes were wired, that would mean close to 25 million subscribers to cable TV.

While cable was growing, Congress kept hands off. In the absence of specific legislation, the F.C.C. began to take charge of the industry, usually to protect local stations.

In 1972 the F.C.C. issued a ruling that managed both to alarm broadcasters and nearly kill cable. Since 1966 the commission had maintained a freeze that barred cable systems from entering the "top 100" TV markets (led by the New York metropolitan area, with close to six million TV households) without express F.C.C. approval. The 1972 order lifted the freeze, but at the same time required cable systems plunging into the top 100 to provide at least twenty channels, half of them reserved for education, cultural, and public access programs.

The cable operators thought it was the breakthrough they had been seeking. True, they weren't all that happy about having to maintain public-access channels and to provide those who sought access with video equipment to boot. "The industry," one civic-minded cable spokesman said loftily, "cannot afford to sacrifice itself on the altar of public good." Still, they foresaw a bonanza in the big cities—and nearly went bust. In rural areas, cable could be strung for as little as $3,500 a mile; in cities, it has been known to cost as much as $80,000 a mile. In rural areas, one of cable's prime attractions was improved reception; but many big cities already had excellent reception—except for New York, with its skyscrapers, and Los Angeles and San Francisco, with their canyons and valleys.

Cable operators were also authorized to introduce pay television, which had been tried experimentally, and usually unsuccessfully, in the 1960s. Under it, subscribers may pay either a flat monthly surcharge or a per-program fee for first-run films, sports events, and other attractions. At the beginning of 1973, pay systems had only 16,000 subscribers throughout the U.S. By the beginning of 1976, there were 500,000.

From the first, broadcasters demanded stern "anti-siphoning" rules to keep pay TV from outbidding the networks for top attractions. As the House Communications Subcommittee puts it, "Siphoning is a word used by broadcasters, no doubt because it evokes the image of a cable operator robbing the broadcaster of his programming." One critic of the broadcasters notes that with pay TV accounting for perhaps 1 percent of all TV homes, "Anti-siphoning regulations are akin to protecting an elephant's feeding rights against interference from a mouse." To the broadcasters, however, this is a mouse that someday, soon, may roar: according to ABC officials, figures compiled by the Stanford Research Institute show that by 1985 the pay TV industry may be able to spend nearly $900 million to acquire programs; the three networks spent $1.1 billion in 1974 for that purpose.

Despite cable's financial struggle in the big cities, it had one very important thing going for it. From the early 1970s, in the universities, the courts, and government offices, a feeling seemed to be growing that cable should be at least partly freed from restrictive regulations and given a make-it or break-it chance in the marketplace.

Late in 1971, an eighteen-month, $500,000 study commissioned by the Alfred P. Sloan Foundation gave powerful impetus to this feeling. On the Cable: The Television of Abundance saw little risk that either many local stations or networks would wither as cable audiences grew. But the report went on: "If over-the-air television is to fall victim to technological change, it is in no different position from any other enterprise in which investments have been made, and possesses no greater right than other industries to protection from technological change." No greater right than, say, the radio or film industries possessed when television happened along and mugged them both.

Four years later, yet another blow for cable was struck by the Committee for Economic Development, a private nonpartisan organization of 200 business and educational leaders which produces thoughtful, well-researched policy papers on a variety of current issues. Noting that business "has a stake in the diversity of voices competing in a free market," the C.E.D. urged: "In the transition from scarcity to greater abundance and diversity, broadcast policy should rely more on competitive market forces and less on government regulation. Fair competition among the technologies should be encouraged." The C.E.D. did have major caveat. "There are cogent arguments," it said, "for protecting the established broadcast service if a competitive system deprives the public of present benefits without offering the prospect of future improvements. What is needed, therefore, is a national policy that strikes a reasonable balance between the promotion of diversity through cable and the preservation of an effective system of over-the-air broadcasting."

Easier said than done. For years, the F.C.C. has been promising to formulate such a policy and submit it to Congress. So has the White House. Congress, for that matter, has promised to come up with its own plan. Watergate slowed the effort; election-year politics has slowed it further. Still, there has been some movement, however glacial.

The Justice Department has filed a number of briefs in behalf of the cable industry, and has warned the F.C.C. that its efforts toward shielding the broadcast business could lead to a "dismal swamp of protectionism." In the Senate, Edward Kennedy and Philip Hart are sponsoring a "competition improvements act" designed to ease broadcasting's stranglehold over cable. The Senate Judiciary Committee, meanwhile, has completed its proposed revision of the Copyright Act of 1909. Its bill, S. 22, calls for a statutory schedule of fees for cable operators based on gross receipts: one-half of one percent of the first $40,000 would be paid to the Register of Copyrights for distribution to copyright holders; 1 percent of the next $40,000; and so on to a top fee of 2½ percent on gross receipts of $160,000 and over.

A House Judiciary subcommittee is also moving toward copyright legislation, and it is weighing the Senate approach as well as a couple of other, more complex ones. Thoughtful cable executives agree that without a revamped copyright law to cover their business, there is not likely to be an effective overall measure. "The most urgent need is a resolution of the copyright issue," said a congressional aide who is sympathetic to the cable industry. "The cable operators have got to be made to pay for the material that is the foundation of their whole industry." But as the House subcommittee is learning, finding a formula that everyone can live with is devilishly difficult.

There are other thorny issues. Exclusivity, for instance. If a cable system is allowed to pipe a great number of signals to its subscribers from stations near and far, how can a local station prevent duplication of its own programming? And if broadcast television is weakened, will the poor be penalized because they cannot afford to pay the $10-a-month fee that prevails in some places?

Clearly, any legislation that is produced in the next year or so will have to deal with some nigh-insoluble problems—problems of competition versus protectionism, the role of the marketplace, the question of reasonable profits, the whole direction of electronic communications, the social impact of cable.

Beyond all that is perhaps an even tougher issue than any of these. "People are limited in the amount of information they can absorb," the C.E.D. noted in its 1975 report. "If the move from scarcity to abundance in communications does not guarantee better or more complete information, if it only guarantees *more*, then it may well serve no constructive purpose."

For all its promise, the fact is that cable is still a long way from guaranteeing anything much more than—well, more.

TRIBUTE TO DR. WILLIAM J. MAHONEY

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1976

Mr. LITTON. Mr. Speaker, I rise to call the attention of the House to Dr. William J. Mahoney of Liberty, Mo., and to his unselfish contribution to the medical and health care field in my home State. Dr. Mahoney is employed full time by an international firm, but devotes significant amounts of his time to voluntarily addressing numerous groups on the topic of drug abuse. His daytime engagements are arranged through the gracious cooperation of his employer, but most of his appearances are on his own time, freely given. These speaking engagements have taken him throughout the State to address people of all ages and groups of all kinds. Virtually every high school student in the Liberty school district has heard an extremely educational presentation from Dr. Mahoney on the dangers of drug abuse. He has made many adult groups aware of the problem, and they have overwhelmingly expressed their appreciation.

In addition to this extremely worthwhile public speaking program, Dr. Mahoney has worked ceaselessly to improve the medical care available in his section of Missouri. He has served on the boards of directors of Downtown Hospital, Doctor's Osteopathic Hospital, and Children's Cardiac Center, all of Kansas City, Mo. His contribution to the training of family physicians at the Kansas City College of Osteopathic Medicine was recognized by his citation by the American College of General Practioners.

Dr. Mahoney has been instrumental in the establishment of an extensive disaster and emergency medical care system. Working in concert with several of his colleagues, he organized the Hospital Medical Co. for Clay County. Through his far-reaching interaction with members of his profession, he has been able to keep the Civil Defense Emergency Hospital one of the best staffed of its type in the Nation. He has trained countless young doctors in the various aspects of emergency medical care, thus insuring that efficient, intelligent relief work can progress in the event of a disaster.

Dr. Mahoney's training of osteopathic physicians, who are the backbone of medical care in rural Missouri, has helped fill a great, unanswered void in my district. His unselfish, tireless dedication to the medical profession has served as an example and an inspiration to all in his field. Mr. Speaker, on behalf of the citizens of Missouri, I would like to commend Dr. William J. Mahoney on his genuine humanitarian concern, and express deep gratitude and a sincere appreciation of his efforts.

SENATE—*Wednesday, July 21, 1976*

The Senate met at 9 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Behold, I stand at the door, and knock: if any man hear my voice, and open the door, I will come in to him, and will sup with him, and he with me.—Revelation 3: 20.

O God who bids us in this high and holy moment to open our hearts to Thy presence, make us receptive to Thy coming. If Thou dost come to us in the quiet pause, help us to hear Thy still small voice. If Thou dost come in the noisy tumult of the needy throng, may we welcome Thy message. If Thou dost come as one hungry or tired or sick, help us to open our heart-door in compassion. If Thou dost come as one in quest of justice, help us to be just. If Thou dost come as the pleading voice of conscience, give us ears to hear Thy message. However Thou dost speak to us, may we hear Thee, and hearing Thee obey Thee in our labor in this place. When our work is done give us the rest of souls at peace with Thee. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 20, 1976, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare and the Committee on Public Works be authorized to meet during the session of the Senate today for the purpose of considering certain nominations only.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I yield back my time.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes.

U.S. SWIMMERS IN OLYMPIC GAMES

Mr. ALLEN. Mr. President, I commend the U.S. Olympic team for its performance to date in the summer Olympics at Montreal.

In particular, I wish to call attention to the fine performance of the U.S. swimmers, who have won their fifth gold medal. What particularly interests me in addition to the success of our team in many of the meets was the fact that Jennifer Chandler, of Lincoln, Ala.—a very small town in Talladega County, Ala.—retrieved some self-respect, as reported in the Washington Post, for the women in red, white, and blue by overcoming inconsistent East German judging to win the 3-meter springboard event.

Miss Chandler, age 17, totaled 506.19 points for the 10 dives and received her gold medal from Henry Hsu, the International Olympic Committee member from Taiwan.

I commend this young lady who, as I say, comes from a very small town in my home State. Those of us who saw her on television were thrilled with her performance.

She has brought credit to her local community, to her State, and her Nation by her very fine performance.

Mr. President, I ask unanimous consent that that portion of the Washington Post article of July 21, 1976, having to do with Miss Chandler be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> MONTREAL, July 20.—The United States men's swimming team maintained its 1.000 Olympic batting average tonight as Brian Goodell and John Hencken captured gold medals in world-record time.
>
> That makes five world marks in five races for the fastest, noisiest group that ever terrorized a swimming pool.
>
> Jennifer Chandler of Lincoln, Ala., retrieved some self-respect for the women in the red, white and blue suits by overcoming inconsistent East German judging to win the three-meter springboard event.
>
> Chandler, 17, totaled 506.19 points for the 10 dives and received her gold medal from Henry Hsu, the International Olympic Committee member from Taiwan.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the tenth annual report of the National Endowment for the Humanities for fiscal year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *July 21, 1976.*

MESSAGE FROM THE HOUSE

At 1:59 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 2054) to amend sections 203 and 204 of the Communications Act of 1934, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 5503. An act for the relief of Divina Mamuad;

H.R. 7404. An act for the relief of Christine Donnelly;

H.R. 10210. An act to require States to extend unemployment compensation coverage to certain previously uncovered workers, to increase the amount of wages subject to the Federal unemployment tax; to increase the rate of such tax; and for other purposes.

H.R. 10434. An act for the relief of Carlos Montenegro Gorbitz, doctor of medicine, Mrs. Gorbitz, and their two-year-old son;

H.R. 11076. An act for the relief of Ok Ja Choi;

H.R. 11347. An act to authorize conveyance of the interests of the United States in certain lands in Salt Lake County, Utah, to Shriners' Hospital for Crippled Children, a Colorado corporation;

H.R. 12224. An act to amend section 1234 of the Internal Revenue Code of 1954 with respect to the tax treatment of the grantor of options in stock, securities, and commodities;

H.R. 14291. An act to provide for an elective Governor and Lieutenant Governor of American Samoa, and for other purposes; and

H.R. 14311. An act establishing certain accounting standards relating to the Panama Canal Company.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF EXECUTIVE BRANCH UNDER THE PRIVACY ACT

A letter from the President of the United States transmitting, pursuant to law, the first annual report for calendar year 1975 entitled "Federal Personal Data Systems Subject to the Privacy Act of 1974" (with an accompanying report); to the Committee on Government Operations, and ordered to be printed.

Report of the Comptroller General on Certain Deferrals

A letter from the Comptroller General transmitting, pursuant to law, a report on the 17th special message of the President for fiscal year 1976 (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Labor and Public Welfare, the Judiciary, Interior and Insular Affairs, and Foreign Relations, and ordered to be printed.

Report of the Defense Civil Preparedness Agency

A letter from the Director of the Defense Civil Preparedness Agency reporting, pursuant to law, on the acquisitions of emergency supplies and equipment for the quarter ending June 30, 1976; to the Committee on Armed Services.

Proposed Legislation by the Department of the Navy

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to approve the sale of certain naval vessels (with accompanying papers); to the Committee on Armed Services.

Contract Award Dates of the Department of Defense

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a listing of contract award dates for the period July 15, 1976 to October 15, 1976 (with accompanying papers); to the Committee on Armed Services.

Report of the Secretary of Commerce

A letter from the Secretary of Commerce transmitting, pursuant to law, a report of the Department of Commerce on the administration of the Marine Mammal Protection Act of 1972 (with an accompanying report); to the Committee on Commerce.

Report of the Secretary of Transportation

A letter from the Secretary of Transportation transmitting, pursuant to law, a report on the Central Railroad Company of New Jersey (with an accompanying report); to the Committee on Commerce.

Published Determination of the Treasury Department

A letter from the Secretary of the Treasury transmitting, pursuant to law, a copy of a determination published in the Federal Register relating to imports of leather handbags from Brazil (with accompanying papers); to the Committee on Finance.

New System of Records by the Department of the Army

A letter from the Deputy Assistant Secretary of Defense transmitting certain correspondence in connection with a new system of records proposed by the Department of the Army (with accompanying papers); to the Committee on Government Operations.

Report of the Comptroller General

A letter from the Comptroller General transmitting, pursuant to law, a report entitled "The National Assessment of Educational Progress: Its Results Need To Be Made More Useful" (with an accompanying report); to the Committee on Government Operations.

Report of the Office of Management and Budget

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report relating to the report entitled "Seventh Annual Report," by the National Advisory Council on Economic Opportunity (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS

The PRESIDENT pro tempore laid before the Senate the following petitions which were referred as indicated:

Resolution No. 146–1976 adopted by the Legislature of the Northern Mariana Islands; ordered to lie on the table:

"Resolution No. 146–1976

"A resolution relative to conveying sincere, and deep gratitude of the people of the Northern Mariana Islands to the many distinguished guests and visitors for their attendance and participation in the celebration to commemorate the signing of the Northern Marianas covenant from April 21 and 22, 1976

"Whereas, the aspirations and long standing desires of the people and Government of the Northern Mariana Islands were realized when on March 24, 1976, the United States President Gerald R. Ford signed into law H.J.R. 549 in Washington, D.C., thus binding together the peoples of the United States of America and the people of the Northern Mariana Islands and paving and setting the stage for eventual assimilation of the people of the Northern Mariana Islands into the American political family and democratic system of government; and

"Whereas, the signing of the Covenant to Establish the Commonwealth of the Northern Mariana Islands in Political Union with the United States of America constituted the crowning of the efforts of the people of the Northern Mariana Islands and the culmination of a quarter century sustained attempts to become part of the American political family; and

"Whereas, to commemorate this momentous occasion, an appropriate arrangement was made to celebrate the signing of the Northern Marianas Covenant with appropriate public ceremonies on the three major islands in the Northern Mariana Islands, such celebration included the participation and attendance of the many dignitaries and official guests from the United States Government, diplomatic corps and from the other districts of the Trust Territory; and

"Whereas, April 21 and 22, 1976 were set aside to hold the celebration and public events for the commemoration of the signing of the Covenant, for Northern Mariana Islands; and

"Whereas, the people of the Northern Mariana Islands were deeply honored by the presence of many distinguished officials representing the U.S. Government and its Territories including: Philippines Consulate of Guam, Japan Consulate, and the Consulate of the Republic of China;

"Now, therefore, be it resolved by the Fourth Northern Mariana Islands Legislature, Eighth Regular Session, 1976, that by means of this Resolution this Legislature, on behalf of the people and government of the Northern Mariana Islands, hereby convey their sincere appreciation and deep gratitude to the many distinguished official guests, dignitaries, and visitors who attended and participated in the celebration and commemoration of the signing of the Northern Marianas Covenant on April 21 and 22, 1976.

"Be it further resolved that the Speaker certify to and the Legislative Secretary attest the adoption hereof and thereafter transmit copies of the same to The United States President Gerald R. Ford, President of the U.S. Senate, Speaker of the U.S. House of Representatives, Resident Commissioner, Erwin Canham, Admiral Kent Carroll, ComNav. Marianas, Admiral Steven Morrison, U.S.N. Ret., Governor Ricardo Bordallo, His Excellency Felixberto Flores, High Commissioner Edward E. Johnston, Acting High Commissioner Peter T. Coleman, the Presiding Officers of the Congress of Micronesia, all District Administrators and Presiding Officers of all District Legislatures, the Honorable Lucio Turugenan, General Consulate of the Philippines, the Honorable Enti Lui, General Consulate of the Republic of China and to Honorable Hamanaka, General Consulate of Japan."

Resolution No. 167–1976 adopted by the Legislature of the Northern Mariana Islands; to the Committee on the Judiciary:

"Resolution No. 167–1976

"A resolution relative to respectfully requesting the United States Congress to amend the Immigration and Naturalization Act to permit the free entry of people of the Northern Mariana Islands into the United States for education, training, and employment opportunities

"Whereas, through the enactment of Public Law 94–241, the people of the Northern Mariana Islands have been formally accepted to become members of the American Political Family; and

"Whereas, between now and the installation of the new constitutional Government of the Northern Marianas, the people of these islands will not enjoy certain rights which are normally enjoyed by all members of the American Political Family, among these rights are freedom of entry into the U.S. for employment, education, training, etc.; and

"Whereas, at the present time there are many people of the Northern Mariana Islands who are furthering their education in the United States and its territory and possessions; and

"Whereas, under the Immigration and Naturalization Act of June 27, 1952 (66 Stat. 163, *et seq.*), as amended, the citizens of the Northern Mariana Islands as well as citizens of the Trust Territory of the Pacific Islands are required to obtain nonimmigrant visas, to register as aliens, and to notify annually the United States Attorney General of their current addresses, much to their inconvenience; and

"Whereas, under and pursuant to the provisions of the Trusteeship Agreement, the United States as an Administering Authority is required to 'promote the . . . educational advancement of the inhabitants of the Trust territories' and 'to encourage qualified students to pursue a higher education, including training on the professional level'; and

"Whereas, under the recently approved Marianas Covenant wherein the citizens of the Northern Marianas shall become citizens of the United States and thus be entitled to all privileges and immunities of citizens in the several States of the United States, will both take effect unless the Trusteeship Agreement governing the Northern Mariana Islands as well as the other five districts of the Trust Territory of the Pacific Islands is duly terminated; and

"Whereas, it is the sense of the Northern Mariana Islands Legislature that the best interests of its people would be served if the freedom of entry into the United States, its territories, and possessions could be granted at this time;

"Now, therefore, be it resolved by the Fourth Northern Mariana Islands Legislature, Eighth Regular Session, 1976, that the United States Congress be and it is hereby respectfully requested to amend the Immigration and Naturalization Act to permit the free entry of the citizens of the Northern Mariana Islands to the United States for Education, Training, and employment opportunities;

"And be it further resolved that the Speaker certify to and the Legislative Secretary attest the adoption hereof and thereafter transmit copies of this Resolution to the President of the Senate of the United States Congress, the Speaker of the House of Representatives of the United States Congress, the Senators and Congressmen from the State of Hawaii, the Delegate to the United States Congress, the Honorable Won Pat, the Resident Commissioner of the Northern Mariana Islands, Chairman of the Senate Sub-Committee on Immigration and Naturalization and to the Chairman of the House Sub-Committee on Immigration and Naturalization."

Resolution No. 315 adopted by the Legislature of the Territory of Guam; ordered to lie on the table:

"RESOLUTION 315

"Resolution relative to extending the best wishes of the people of Guam on the occasion of the Bicentennial Anniversary of the United States of America

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, on July 4, 1976, we, the people of the United States of America residing on Guam might witness the most historic event of our lifetime, that is, the official celebration of Bicentennial Day, the 200th anniversary of the declaration of American independence; and

"Whereas, Bicentennial Day is a day that will be celebrated by millions of men, women and children throughout the length and breadth of our land; and

"Whereas, it is a day that will be remembered as one of the most significant of our lifetime; and

"Whereas, quoting our Official Bicentennial Declaration of the people of the United States of America:

" 'On the occasion of the Bicentennial Anniversary of the United States of America, . . . do proudly reaffirm our dedication to the principles of Liberty, Justice and Freedom which led our forefathers to proclaim our nation's Independence two hundred years ago, on this day and in this place.

" 'It is our unshakable belief that these principles, applied to the affairs of each generation by a Government which recognizes that it does indeed derive its just powers from the consent of the governed, will continue to secure our rights of Life, Liberty and the Pursuit of Happiness in the centuries to come as it has in the two centuries gone by.' July 4, 1776—July 4, 1976

"Now, therefore, be it

"Resolved, that the Thirteenth Guam Legislature, on behalf of the people of the Territory of Guam, does hereby request all residents of the Territory of Guam, to at the stroke of the bell at 12:00 noon on July 4, stand for a moment of silence in memory and recognition of many millions of Americans that have died and fought to bring us to this Bicentennial celebration and does hereby join our fellow Americans on the occasion of the Bicentennial Anniversary of the United States of America; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; Vice President of the United States; American Revolution Bicentennial Administration; Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America; Guam Bicentennial Commission; Guam's Delegate to the United States Congress; Village Commissioners; and to the Governor of Guam."

Senate Joint Memorial 1001 adopted by the Legislature of the State of Arizona; to the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 1001

A joint memorial urging the President of the United States and Congress to insure the maintenance of educational support aid under the Johnson-O'Malley Act

"To the President and Congress of the United States of America:

"Your memorialist respectfully represents:

"Whereas, due to the enactment of the Indian Self-Determination and Education Assistance Act, P.L. 93–638, and the rules and regulations promulgated by the Department of Interior, Bureau of Indian Affairs, pursuant to this act, increasingly less financial aid as provided through the Johnson-O'Malley Act, P.L. 73–167, may be used for basic operational support by recipient school districts; and

"Whereas, in view of the many Arizona school districts which have previously relied on aid from the Johnson-O'Malley Act for use in operational support and in view of the limited financial sources for operational funding, many recipient Arizona school districts now have a serious deficiency in operational funds and this deficiency will continue and will bring serious crises to Indian school districts. Other crises are developing due to an ever increasing student population which simultaneously brings an extreme need for additional capital outlay funding. Therefore, it is the belief of this Legislature that the current and impending crises can be avoided if additional aid is made available to recipient school districts.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays:

"1. That the President and Congress of the United States are requested to give their most earnest consideration to ensuring that aid from the Johnson-O'Malley Act, previously available for operational support of school districts, will not be decreased and that increased funding for such operational support and capital outlay will be available for recipient school districts.

"2. That the Secretary of State of Arizona transmit copies of this memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Delegation to the United States Congress."

Senate Joint Resolution No. 51 adopted by the Legislature of the State of Alabama; to the Committee on Interior and Insular Affairs:

"RESOLUTION 51

"Resolution requesting the location of the Planned Solar Energy Research Institute at Huntsville, Alabama

"Whereas, the federal Energy Research and Development Administration (ERDA) plans to establish a Solar Energy Research Institute (SERI); and

"Whereas, the area of Huntsville, Alabama, has been deemed to offer the ideal blend of technological expertise and environmental conditions; and

"Whereas, Governor George C. Wallace on October 10, 1975, did by executive order establish a statewide committee known as "The Committee to Seek the Establishment of the Solar Energy Research Institute in the Huntsville Area"; and

"Whereas, the governing body of the City of Huntsville is willing to provide 300 acres of an industrial tract at no cost, either on a long term (50 year) lease basis, or in fee simple subject to reverter, to the United States Government for said Solar Energy Research Institute; now therefore,

"Be it resolved by the Legislature of Alabama, both Houses thereof concurring, That recognition is made of the extreme importance of this project and that all reasonable effort be provided by agencies and departments of State government in support of the special SERI Committee.

"Be it further resolved, That copies of this resolution be forwarded to the President and Vice President of the United States of America, Alabama Congressional Representatives, and officials of the Energy Research and Development Administration with the request that their efforts be directed to the location of the Solar Energy Research Institute in the City of Huntsville, Alabama."

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 5503. An act for the relief of Divina Mamuad; to the Committee on the Judiciary.

H.R. 7404. An act for the relief of Christine Donnelly; to the Committee on the Judiciary.

H.R. 10210. An act to require States to extend unemployment compensation coverage to certain previously uncovered workers; to increase the amount of wages subject to the Federal unemployment tax; to increase the rate of such tax; and for other purposes; to the Committee on Finance.

H.R. 10434. An act for the relief of Carlos Montenegro Gorbitz, doctor of medicine, Mrs. Gorbitz, and their 2-year-old son; to the Committee on the Judiciary.

H.R. 11076. An act for the relief of Ok Ja Choi; to the Committee on the Judiciary.

H.R. 11347. An act to authorize conveyance of the interests of the United States in certain lands in Salt Lake County, Utah, to Shriners' Hospitals for Crippled Children, a Colorado corporation; to the Committee on Government Operations.

H.R. 12224. An act to amend section 1234 of the Internal Revenue Code of 1954 with respect to the tax treatment of the grantor of options in stock, securities, and commodities; to the Committee on Finance.

H.R. 14291. An act to provide for an elective Governor and Lieutenant Governor of American Samoa, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 14311. An act establishing certain accounting standards relating to the Panama Canal Company; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ABOUREZK, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2780. A bill to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes (Rept. No. 94–1042).

By Mr. TUNNEY, from the Committee on the Judiciary, without amendment:

H.R. 7685. An act for the relief of Mildred N. Crumley (Rept. No. 94–1044).

By Mr. KENNEDY, from the Committee on the Judiciary, with amendments:

S. 2028. A bill to amend the Clayton Act by strengthening and facilitating the carrying out of antitrust and procompetitive policies by agencies of the Federal Government, and for other purpose (Together with minority views) (Rept. No. 94–1045). Referred to the Committee on Commerce for not to exceed 30 days.

REFERRAL OF S. 2028 TO COMMERCE COMMITTEE

Mr. KENNEDY. Mr. President, I ask unanimous consent that S. 2028, to amend the Clayton Act by strengthening and facilitating the carrying out of antitrust and procompetitive policies by agencies of the Federal Government, be referred to the Committee on Commerce for a period of 30 days.

This bill was reported favorably by the Committee on the Judiciary; I have just filed the report on behalf of that committee. The chairman of the Commerce Committee has indicated his committee's interest in reviewing the potential application of this legislation to some of the regulatory agencies within that committee's jurisdiction. This can best be accomplished through this referral of the bill to that committee for a time certain, so that there will still be an opportunity for the Senate to consider the bill this session. That is why I am requesting that the bill be referred to the Committee on Commerce for a period of 30 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTOMOTIVE TRANSPORT RESEARCH AND DEVELOPMENT ACT OF 1976—CONFERENCE REPORT (REPT. NO. 94–1043)

Mr. TUNNEY submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13655) to establish a 5-year research and development program leading to advanced automobile propulsion systems, and for other purposes, which was ordered to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. NELSON (for himself and Mr. HASKELL):

S. 3680. A bill to authorize supplemental studies of alternative energy futures and to direct the publication of a report thereon, to establish an energy projection planning committee, and to supplement the authority of the Energy Research and Development Administration. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 3681. A bill to guarantee certain obligations of the Guam Power Authority. Referred to the Committee on Interior and Insular Affairs.

By Mr. EASTLAND:

S. 3682. A bill for the relief of Dr. Oscar J. Briseno; and

S. 3683. A bill for the relief of Dr. Juan Bautista Lopez Ruiz. Referred to the Committee on the Judiciary.

By Mr. BAKER (for himself and Mr. BROCK):

S. 3684. A bill to amend the Federal Aviation Act of 1958, as amended, to broaden the power of the Civil Aeronautics Board to grant relief by exemption in certain cases, and for other purposes. Referred to the Committee on Commerce.

By Mr. HANSEN:

S. 3685. A bill to suspend until the close of June 30, 1977, the duty on certain docorubicin hydrochloride antibiotics and for other purposes. Referred to the Committee on Finance.

By Mr. MOSS:

S. 3686. A bill for the relief of Jonathan Winston Max; and

S. 3687. A bill for the relief of Gerald F. Myers. Referred to the Committee on the Judiciary.

By Mr. MOSS (for himself, Mr. McGEE, and Mr. STONE):

S. 3688. A bill to amend title 13, United States Code, to provide for a mid-decade census of population, and for other purposes. Referred to the Committee on Post Office and Civil Service.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (for himself and Mr. HASKELL):

S. 3680. A bill to authorize supplemental studies of alternative energy futures and to direct the publication of a report thereon, to establish an energy projection planning committee, and to supplement the authority of the Energy Research and Development Administration. Referred to the Committee on Interior and Insular Affairs.

SUPPLEMENTAL ENERGY PLANNING AND POLICY ACT OF 1976

Mr. NELSON. Mr. President, I introduce the Supplemental Energy Planning and Policy Act of 1976, and ask unanimous consent that it be referred to the Committee on Interior and Insular Affairs. The Senator from Colorado (Mr. HASKELL) is joining as a cosponsor.

The purpose of this bill, in a nutshell, is to direct the Energy Research and Development Administration—ERDA—to prepare a series of projections of the consequences of a phaseout or drastic reduction of nuclear power development, should that happen to become the national policy as a result of any combination of technological, societal, natural, or accidental circumstances.

This legislation has been drafted by the professional staff of the Select Committee on Small Business in connection with an ongoing study by the committee of the subject of energy research and development and small business. Techical experts have been consulted extensively in the drafting process.

PROPOSITION 15

Proposition 15, the "Nuclear Safeguards Initiative" on the June 8 California primary ballot, was defeated by a margin of 2 to 1. Nevertheless, the "To be or not to be" question for our nuclear energy establishment's continued existence and growth is clearly not settled once and for all.

Similar ballot questions—passage of which could result in the imposition of difficult or impossible conditions on the construction and operation of nuclear powerplants—will be on the general election ballots in Oregon and Colorado this November. It now seems likely that efforts currently underway to get similar questions on the ballot in Washington, Montana, and Arizona will succeed, and nuclear questions are at least a possibility to face voters this fall in Missouri, Michigan, Maine, and Ohio as well.

A recent Harris poll found that 63 percent of the American public favored more nuclear powerplants, and 19 percent were opposed. But other public opinion polls have given different results, one even showing 40 percent of the public had no firm opinion on the issue. A recent sample of opinion of the members of the Federation of American Scientists found 62 percent of those responding—about 700 scientists or 10 percent of the membership—favored either a moratorium on construction of new nuclear plants or a phaseout of existing reactors.

UNANSWERED QUESTIONS

In the light of all the antinuclear political activity that is going on, it is astonishing but true that there has not yet been an official study aimed at providing the most complete, best possible answer to the question: What would happen to us if we shut down our nuclear powerplants or stopped building more?

What would be the job impacts? What would happen to costs of other fuels? What would be the trade impacts? What would be the effects on capital investment? What alternatives do we have to replace the energy those nuclear plants are producing and scheduled to produce? What are the environmental consequences of each such alternative? What could we do, if anything, to reduce our national energy inputs enough to take up the slack of a nuclear phaseout?

What are the technically feasible maximum amounts of energy that synthetic fuels, solar and geothermal technologies could provide, if the public and private sectors were to unite in maximizing any or all of those energy sources on a crash basis? What percentage of those ultimate amounts could be obtained from each of those sources by 1985 and 2000, and with what capital, environmental, employment, and social costs and benefits?

These are vital questions to which we must obtain better, more widely understood, and widely accepted answers than we now have.

THE "ERDA-48" REPORT

When Congress passed the Federal Nonnuclear Energy Research and Development Act of 1974, which was signed by the President on December 31, 1974, to become Public Law 93–577, ERDA was given the opportunity and the funds authorization to provide answers to some of those questions, but not all.

Pursuant to the mandate of that law, ERDA prepared a two-volume report entitled "A National Plan for Energy Research, Development & Demonstration: Creating Energy Choices for the Future." That report, dated June 28, 1975, now commonly referred to by its serial number, ERDA-48, is still much discussed and has been updated once and changed primarily in the direction of a greater emphasis on conservation.

In ERDA–48, the observation is very sensibly and properly made:

> It is no longer possible to generate a single projection of the Nation's energy future and expect a majority to accept it as a basis for planning.

Accordingly, the report included six alternative projections, or "scenarios," as they were called.

The six alternative energy futures projected in ERDA–48 were broad-ranging, but not one of them dealt with the question that is on all those State election ballots this year: the possibility of a nuclear phaseout or a severly lowered ceiling on nuclear power. It is true that the fifth scenario of the ERDA–48 six was called "Limited Nuclear Power," but it envisaged a 550-percent increase in the national use of fission electric power between 1975 and 1985, while the ballot questions, if adopted, could result in a sharp decrease.

THE AIM OF THE BILL

The aim of the present bill is to give ERDA the direction and the modest funding authorization required to prepare 10 additional scenarios, which would face the possibility and tell us the consequences of a zero-nuclear future after 1985, or a future in which nuclear powerplants would be permanently limited to a total of 200. The 10 scenarios would explore a number of alternative ways of dealing with those situations, through combinations of conservation, efficiency, domestic fossil-fuel development, and solar and geothermal energy development, at various levels of intensity for each.

In order to assure that the report prepared pursuant to this legislation would gain the widest possible credence and readership, the bill would provide for the study to be prepared within ERDA by, and as the responsibility of, a special five-member committee of experts, the Energy Projection Planning Committee. The members of that committee would be appointed by the President and confirmed by the Senate. Four members would be "persons having well recognized professional credentials in the field of energy, of whom two shall be persons generally recognized as proponents of nuclear power development and two as opponents thereof." The nuclear-proponent pair and the nuclear-opponent pair would each include one scientific or engineering expert and one economic expert. Those four, after their appointments, would prepare a list of three or more persons, any one of whom would be acceptable to all four. From that list, the President would nominate and the Senate confirm the committee's chairman.

INTERIOR COMMITTEE HEARINGS

This measure was originally prepared as a floor amendment to the ERDA authorization bill, S. 3105. However, a decision was made not to bring it up in that manner, because the Interior Committee was at that time scheduled to begin hearings on ERDA's long-range planning function, the precise subject of this legislation. Those hearings are beginning on Thursday, July 22, and will continue next week and resume after the August recess. I hope that this measure may be helpful to the committee and receive its consideration during those hearings.

Since the measure was prepared there have been released two reports of the Brookhaven National Laboratory on the subject of the economic impact of a nuclear phaseout. I have not had an opportunity, nor has staff, to study those reports as yet, but we are reliably informed that neither of them accomplishes the purposes of this proposed legislation, which calls for a study of various alternative ways of taking up the energy slack created by a nuclear phaseout. The Brookhaven studies and reports, as we understand, do not address the alternatives in the same way or in the detail this measure would provide for. Of course, the Interior Committee will want to consider those reports in the light of this proposal, and this legislation in the light of those reports.

During the extensive work that was done in preparation of this measure, the staff obtained authorization to note that Ralph Nader is in agreement with the idea of a study of the type contemplated by this proposal, under the direction of a committee of the kind the bill would establish. We also have a letter from Dr. Ivars Gutmanis, director of the Center for Resources Analysis, National Planning Association, stating that he finds—

> the research effort specified in this amendment to be of critical importance to the entire planning effort of the energy supply-demand relationships in the United States.

Inquiries and cosponsorship requests on this measure are being handled by Ray Watts, general counsel of the Small Business Committee; telephone 224–8492.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the following documents: First, text of the bill entitled the "Supplemental Energy Planning and Policy Act of 1976"; second, a section-by-section summary of the measure; third, a series of "Questions and Answers" about the measure; fourth, two tables—table 1 and 2—showing in summary form some of the principal assumptions and results of the six ERDA–48 scenarios of alternative energy futures, as they relate to total energy use and various types of energy resources use in 1985 and 2000; fifth, two additional tables—table 3 and table 4—showing the energy total and energy resources parameters that ERDA would be directed to incorporate in the 10 additional 1985 and year 2000 scenarios mandated by the bill; sixth, a letter from Dr. Ivars Gutmanis of the professional staff of the National Planning Association commenting on this proposed measure, in its earlier but substantively identical form as an amendment; seventh, a June 8, 1976, ABC network news editorial by Howard K. Smith; and eighth, a June 11, 1976, Washington Post editorial headed "California and the Atom."

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3680

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND DEFINITIONS

SEC. 1. (a) This act may be cited as the "Supplemental Energy Planning and Policy Act of 1976".

(b) For the purposes of this act—

(1) the term "Administrator" means the Administrator of the Energy Research and Development Administration;

(2) the term "solar energy" includes all the meanings and technologies included within the definition of that term in section 3 (1) of the Solar Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1431; 42 U.S.C. 5552) and also within the definitions of the terms "solar heating", "solar heating and cooling" and "combined solar heating and cooling" in section 3 (1) and (2) of the Solar Heating and Cooling Demonstration Act of 1974 (88 Stat. 1070; 42 U.S.C. 5502);

(3) the term "quads per year" means energy use or production of one quadrillion British Thermal Units per year;

(4) domestic fossil fuel energy includes coal, oil, and gas technologies;

(5) the term "nuclear power" includes fisson technologies; and

(6) the term "ERDA–48" means the report, in two volumes, submitted to the President and the Congress on June 28, 1975 by the Administrator pursuant to section 6 of the Federal Non-Nuclear Energy Research and Development Act of 1974 (88 Stat. 1881; 42 U.S.C. 5905) under the title, "A National Plan for Energy Research, Development & Demonstration: Creating Energy Choices for the Future (ERDA–48)".

SUPPLEMENTAL PLAN FOR ENERGY RESEARCH AND DEVELOPMENT

SEC. 2. (a) Not later than 240 days after the date of the enactment of this Act, the Administrator shall transmit to the Congress a comprehensive plan, prepared by the Energy Projection Planning Committee established by section 10 of this Act, for energy research, development, demonstration and commercialization supplementing ERDA–48.

(b) The supplemental plan required by subsection (a) shall include an analysis and evaluation of future energy projections in addition to those already contained in ERDA–48 and any subsequent reports submitted pursuant to section 15 of the Federal Non-Nuclear Energy Research and Development Act of 1974 (88 Stat. 1894; 42 U.S.C. 5914) prior to enactment of this Act.

(c) The projections required by subsection (b) shall include—

(1) one projection based on moderate conservation combined with intensive use of solar and geothermal energy;

(2) one projection based on moderate conservation combined with increased use of domestic fossil fuel energy;

(3) one projection based on intensive conservation combined with intensive use of solar and geothermal energy

(4) one projection based on intensive conservation combined with increased use of domestic fossil fuel energy;

(5) one projection based on optimum combinations of supply and demand technologies;

(6) four projections based on various levels of increased use of solar energy and intensive conservation;

(7) one projection in which the number of nuclear power plants is limited to 200 and the conservation and improved efficiencies in end use assumed in Scenario 1 of ERDA–48 are assumed to occur; and

(8) any other projections which the Energy Projection Planning Committee determines to be necessary in order to provide Congress and the American people with a wide variety of alternative strategies for future energy resource development and use.

(d) Such plan shall further include recommended strategies to implement such projections.

SUPPLEMENTAL ENERGY PROJECTION PARAMETERS

SEC. 3. (a) (1) The projections required by section 2(c) (1) and (2) shall contain a parameter on total United States energy use not to exceed 100 quads per year before the year 1985 and no more than 140 quads per year before the year 2000.

(2) The projections required by section 2 (c) (3), (4) and (6) shall contain a parameter on total United States energy use not to exceed 90 quads per year before the year 1985 and 115 quads per year before the year 2000.

(b) The projections required by section 2 (c) (1) and (3) shall contain parameters on—

(A) total United States solar energy use of not less than 10 quads per year by the year 1985, and not less than 50 quads per year by the year 2000; and

(B) total United States geothermal energy use of not less than 3.2 quads per year by the year 1985 and not less than 15 quads per year by the year 2000.

(c) Of the projections required by section 2(c) (6)—

(1) one shall contain a parameter on total United States solar energy use of approximately 2 quads per year by 1985;

(2) one shall contain a parameter on total United States solar energy use of approximately 4 quads per year by 1985;

(3) one shall contain a parameter on total United States solar energy use of approximately 6 quads per year by 1985; and

(4) one shall contain a parameter on total United States solar energy use of approximately 8 quads per year by 1985.

(d) The energy projections required by section 2(c) (1), (2), (3), (4), (5), and (6) shall contain parameters on—

(1) total United States nuclear power use not to exceed 0 (zero) quads per year after the year 1985; and

(2) total imports of fossil fuel not to exceed 20 quads per year after 1985.

SEC. 4. The supplemental plan required by section 2(a) shall include, but shall not be limited to, detailed analyses and evaluations, nationally and (as appropriate and practicable) by region, of the qualitative and quantitative impacts of each energy strategy required by section 2(b) and (c) with respect to—

(1) employment (especially occupational displacement);

(2) capital (especially formation, availability, liquidity, and usage);

(3) economic growth and productivity (especially Gross National Product);

(4) environment (especially air and water pollutants, thermal dissipation, solid wastes, and land use);

(5) occupational health and safety (especially deaths, injuries, illnesses and person-days lost);

(6) energy and material resource consumption by source and function;

(7) balance of payments;

(8) balance of trade;

(9) national security;

(10) international economic development;

(11) market, intermarket and industrial competition; and

(12) market and industrial concentration and barriers to new firm entry.

SEC. 5. The Energy Projection Planning Committee shall use, but shall not be limited to, the Reference Energy System developed by the Brookhaven National Laboratory in analyzing and evaluating the energy projections required by section 2(b) and (c).

SEC. 6. For each energy strategy or scenario in ERDA–48 and any subsequent reports submitted pursuant to section 15 of the Federal Nonnuclear Research and Development Act of 1974 (88 Stat. 1894; 42 U.S.C. 5914) prior to enactment of this act, the Energy Projection Planning Committee shall analyze and evaluate, separately for each such strategy or scenario, the effects for the criteria designated by section 4 which were not analyzed or evaluated in ERDA–48 or such subsequent reports.

SEC. 7. The supplemental plan shall include explanations of and justifications for any methodological, technological, economic, social, institutional, environmental and other assumptions made by the Energy Projection Planning Committee in the preparation and evaluation of the supplemental plan and energy strategies required by section 2.

SEC. 8. Concurrently with the transmittal of the supplemental plan, all mathematical calculations and assumptions made by the Energy Projection Planning Committee shall be made publicly available and in a manner that will facilitate independent evaluation of such calculations and assumptions.

SEC. 9. All assumptions and mathematical calculations made in the development of ERDA–48 and any subsequent reports submitted to Congress pursuant to section 15 of the Federal Nonnuclear Research and Development Act of 1974 (88 Stat. 1894; 42 U.S.C. 5914) shall be made publicly available concurrently with the transmittal of the supplemental plan in a manner consistent with sections 7 and 8 of this act.

ENERGY PROJECTION PLANNING COMMITTEE

SEC. 10. (a) There is hereby established the Energy Projection Planning Committee (hereinafter referred to in this section as the "Committee"), which shall be composed of five members, who shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) four members who shall be persons having well recognized professional credentials in the field of energy, of whom two shall be persons generally recognized as proponents of nuclear power development and two as opponents thereof; and

(2) one member who shall be chairman shall be appointed by the President from a list of not less than three recommendations submitted to him by the foregoing members after their appointments. Each person so recommended to the President for appointment as chairman shall be agreed upon unanimously by the four Committee members appointed under subsection (a) (1).

(b) Of the members appointed pursuant to paragraph (1) of subsection (a) as proponents of nuclear power development, one shall be an economic specialist and one a specialist in the physical sciences and/or engineering. With respect to the members appointed pursuant to such paragraph as opponents of nuclear power development, one shall be an economic specialist and one a specialist in the physical sciences and/or engineering.

(c) The President shall call the first meeting of the Committee after four of such members have been appointed.

(d) Any vacancy on the Committee shall not affect its powers, and shall be filled in the same manner as the original position.

(e) Four members of the Committee shall constitute a quorum.

(f) The chairman of the Committee is authorized to obtain from any department, agency, or independent establishment of the Federal Government available information and data deemed useful in the discharge of the Committee's duties, and such departments, agencies, and establishments are authorized and directed to cooperate with the Committee and to furnish information requested by the Committee.

(g) At the request of the Chairman of the Committee, the Administrator shall make available to the Committee such staff personnel, facilities, and equipment as the Chairman deems necessary to enable the Committee to carry out its functions under this Act.

(h) The Chairman of the Committee shall receive compensation at a rate equal to the daily rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the other members of the Committee shall receive compensation at a rate equal to the daily rate prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day such Chairman or member is engaged in the performance of duties vested in the Committee. All members shall be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their activities as members of the Committee.

(i) The appointments of individuals to serve as members of the Committee shall be completed within sixty days after the date of the enactment of this Act, and the first meeting of such Committee shall be called by the President prior to the expiration of such sixty-day period.

(j) It shall be the function of the Commitee to prepare and, within two hundred and twenty days following the date of the enactment of this Act, to submit to the Administrator, for transmission by him to the Congress in accordance with section 2 of this Act, a comprehensive plan for energy research, development, and demonstration supplementing ERDA–48 and any subsequent reports submitted to the Congress prior to the enactment of this Act pursuant to section 15 of the Federal Non-Nuclear Research and Development Act of 1974 (88 Stat. 1894, 42 U.S.C. 5914).

(k) The Committee shall cease to exist ninety days after the transmission to the Congress of such supplemental plan pursuant to this section.

(l) There is authorized to be appropriated such sum, not to exceed $2,500,000, as may be necessary to carry out the provisions of this Act.

(m) The Committee shall not transfer by contract, grant, agreement, or by any other arrangement, the operative responsibility for the preparation of the supplemental plan required by section 2 to any other person, governmental department or agency, or other entity.

DISTRIBUTION

SEC. 11. The Administrator shall publicize the existence of the supplemental plan and shall make copies thereof available to the public on request.

REGIONAL HEARINGS

SEC. 12. Not less than thirty days after the supplemental plan is transmitted to the Congress, the Administrator shall commence public hearings with respect to such plan on a broad regional basis. Such hearings shall be conducted over a period not to exceed sixty days.

FINAL PLAN

SEC. 13. Within sixty days after the conclusion of such regional hearings, the Administrator shall report to the Congress the results of such hearings, together with the views and recommendations of the Administrator concerning such supplemental plan.

SECTION-BY-SECTION SUMMARY OF THE "SUPPLEMENTAL ENERGY PLANNING AND POLICY ACT OF 1976"

SEC. 1. Short title—the "Supplemental Energy Planning and Policy Act of 1976"—and definitions. Principal definitions are "solar energy", which is given a broad meaning; "quads per year", meaning quadrillions of British thermal units of energy used in a year; and "ERDA-48", meaning a two-volume 1975 report on national energy futures under various assumptions, prepared by the Energy Research and Development Administration (ERDA), which this bill would cause to be supplemented. "Nuclear power" is expressly defined to include only fission technologies.

SEC. 2. Subsections (a) and (b) direct the Administrator of ERDA to transmit to the Congress within 240 days of enactment of this bill a comprehensive plan for energy research, development, demonstration and commercialization, supplementing ERDA-48. This supplemental plan is to be prepared by the Energy Projection Planning Committee established by section 10.

Subsection (c) names 10 specific, alternative future energy projections that are to be contained in the supplemental plan. The descriptions of the first 9 are in general, non-numeric terms, such as "moderate" and "intensive conservation," "increased" and "intensive use of solar and geothermal energy," and "increased use of domestic fossil fuel energy." The description of the tenth projection contains numerical parameters of a maximum of 200 nuclear power plants and incorporation of the conservation and improvements in end use assumed in Scenario I of ERDA-48. Subsection (c) authorizes but does not direct the preparation of other projections, as deemed requisite by the Energy Projection Planning Committee.

Subsection (d) requires that each projection include recommended strategies by which it could be implemented.

Sec. 3. This section sets specific, numerical parameters which are to be included in the 10 projections described in section 2(c).

Subsection (a) provides that in the first and second of the 10 projections there shall be parameters on total U.S. energy use of not to exceed 100 quads per year before 1985 and not to exceed 140 quads per year before 2000, while in the third, fourth and sixth through ninth projections the corresponding parameters are to be 90 quads and 115 quads, respectively.

(NOTE.—These numbers may be compared with total U.S. energy use in 1975 of 71 quads and total year 2000 U.S. energy use of 165 quads in the highest of the ERDA-48 projections.)

Subsections (b) and (c) establish parameters for solar energy and geothermal contributions to be included in certain projections, ranging from lows of 2 to highs of 10 quads per year of solar by 1985 and up to 50 quads or more of solar by 2000. Geothermal parameters in certain projections are set at 3.2 quads per year by 1985 and 15 quads or more per year in 2000.

Subsection (d) provides that in all of the first nine projections, there are to be parameters on nuclear power of zero quads per year after 1985 and total fossil fuel imports not to exceed 20 quads per year after 1985.

(NOTE.—For a more detailed description of the 10 scenarios which sections 2 and 3 would require the Energy Projection Planning Committee to prepare, see Question No. 5 in the "Questions and Answers About the 'Supplemental Energy Planning and Policy Act of 1976,'" following this summary. For a tabulation of the parameters set for those projections, see Tables 3 and 4 following the "Questions and Answers.")

SEC. 4. This section directs that the supplemental plan required by section 2 shall include detailed analyses and evaluations, nationally and (where practicable and appropriate) regionally, of the qualitative and quantitative impacts of each energy strategy to be prepared pursuant to section 2 (b) and (c) with respect to certain listed subjects. Those subjects are: employment, capital, economic growth and productivity, environment, occupational health and safety, resource consumption, balance of payments, balance of trade, national security, international economic development, competition within and between markets, market and industrial concentration and barriers to new firm entry. The Energy Projection Planning Committee is authorized to add to this list.

SEC. 5. This section requires the Energy Projection Planning Committee to use, but not necessarily exclusively, the Reference Energy System developed by the Brookhaven National Laboratory in analyzing and evaluating the energy projections required by section 2 (b) and (c).

(NOTE.—The Brookhaven Reference Energy System was used in ERDA-48, so its use in the report required by this bill will facilitate comparison.)

SEC. 6. This section requires the Energy Projection Planning Committee to include in the report required by this measure an amplification of ERDA-48 and any subsequent updates of ERDA-48 to include, for each ERDA-48 scenario, analyses and evaluations of the criteria listed in section 4, to the extent that the original document did not include that information.

(NOTE.—ERDA has thus far issued one update of ERDA-48, which bears the same title and is numbered ERDA 76-1. While ERDA-48 and ERDA 76-1 deal in some detail with environmental and occupational safety and health impacts, for example, they are silent on employment and capital impacts.)

SEC. 7. This section requires that the supplemental plan include explanations of and justifications for the methodology used and any assumptions made by the Energy Projection Planning Committee in the preparation of the energy strategies required by section 2.

SEC. 8. This section requires the Energy Projection Planning Committee to make publicly available, in a manner that will facilitate independent evaluation, the mathematical calculations and assumptions made in the preparation of the supplemental plan. The information is to become available at the same time the supplemental plan is transmitted to Congress.

SEC. 9. This section requires that assumptions and mathematical calculations made in the development of ERDA-48 and in all subsequent update reports thereof similarly be made available to the public, and at the same time, i.e., when the supplemental plan is transmitted.

SEC. 10. This section establishes the Energy Projection Planning Committee.

Subsection (a) provides that the Committee shall have five members, appointed by the President with Senate confirmation. Four members are to have recognized professional credentials in the field of energy and two of the four are to be persons generally recognized as proponents and two as opponents of nuclear power development. Those four, after their appointment and confirmation, are to submit a list of three or more persons who would be acceptable to all four and from that list the President is to nominate and the Senate confirm the Committee's chairman.

Subsection (b) provides that the nuclear-proponent pair of Committee members and the nuclear-opponent pair shall each include one expert in the physical sciences and/or engineering and one economic expert.

Subsection (c) provides that the President shall call the first meeting of the Committee when four members have been appointed.

Subsection (d) provides that a vacancy shall not affect the Committee's powers and shall be filled in the same manner as the original appointment.

Subsection (e) establishes four members as a Committee quorum.

Subsection (f) authorizes the Committee chairman to obtain from Government departments, agencies and independent establishments available information needed by the Committee to discharge its duties.

Subsection (g) provides that the Administrator of ERDA shall make ERDA personnel, facilities and equipment available to the Committee, at its request, as needed to carry out its functions.

Subsection (h) provides that the Committee chairman shall be compensated at a daily rate equivalent to level III and the members of the Committee at daily rates equivalent to level IV of the Executive Schedule (5 U.S.C. 5314, 5315). Reimbursement of travel, subsistence and other necessary expenses is authorized.

Subsection (i) directs that the appointment of individuals to serve as Committee members, and the calling of the first meeting of the Committee by the President, shall occur within a 60-day period following enactment of this title.

Subsection (j) provides that the Committee's function will be to prepare a comprehensive plan for energy research, development and demonstration, supplementing ERDA-48 and any subsequent updates of ERDA-48. The Committee's report of that plan is to be submitted to the Administrator within 220 days following the date of enactment of this title, to be transmitted by the Administrator to Congress pursuant to section 2.

Subsection (k) provides that the Committee shall cease to exist 90 days after transmission to the Congress of the supplemental plan.

Subsection (l) authorizes appropriation of up to $2.5 million to carry out the provisions of this title.

Subsection (m) provides that the Committee is not to transfer by contract, grant, agreement or any other arrangement the operative responsibility for the preparation of the supplemental plan required by section 2.

(NOTE.—It is the intention of this subsection to require that the preparation of the supplemental plan be done "in house" by ERDA personnel under the direct supervision and as the direct responsibility of the Committee.)

SEC. 11. This section requires ERDA to publicize the existence of the supplemental plan and make copies available to the public.

SEC. 12. This section directs the Administrator to convene regional public hearings on the supplemental plan for a period of not to exceed 60 days, beginning at least 30 days after the transmission of the plan to Congress.

SEC. 13. This section directs the Administrator to report to the Congress the results of the public hearings mentioned in section 12, together with his own views and recommendations on the supplemental plan. The Administrator's report is to be submitted to the Congress within 60 days after the conclusion of the regional hearings.

QUESTIONS AND ANSWERS ABOUT THE "SUPPLEMENTAL ENERGY PLANNING AND POLICY ACT OF 1976"

THE BILL IN A NUTSHELL

Question 1. What is the bill, in a nutshell?

Answer. It is a bill to direct the Energy Research and Development Administration (EDRA) to project the consequences of a phaseout or drastic scale-down of nuclear power development, should that happen to become the national policy. The measure would authorize the appropriation of an additional $2.5 million to ERDA. That would finance the preparation of ten (or more) projections of national energy futures. Each would analyze a different method of meeting situations in which nuclear power would either be phased out entirely by 1985 or the total number of nuclear power plants in the country by and after 1985 would be limited to 200, the number now on the low end of

ERDA's planning range. The bill would direct that a careful analysis be made of the feasibility—and the economic and other consequences—of substituting various levels of alternative energy supply (including solar, geothermal and increased use of domestic fossil fuels) and various levels of conservation. The bill would not change our present energy policy in any way. It would simply direct that in case a significant change should occur, we would know more about the probable effects. That is an essential step for sensible contingency planning as well as for sound policy making.

WHAT'S NEW OR DIFFERENT ABOUT IT?

Question 2. Hasn't ERDA already done something approximately like that?

Answer. Yes. The purpose of the bill is to get ERDA to do some additional planning for our national energy future to supplement work it has done previously. Section 6 of the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93–577) required ERDA to . . . transmit to the Congress on or before June 30, 1975, a comprehensive plan for energy research, development, and demonstration.

Section 15 of the same law required ERDA to update the plan annually at the time the President's budget is submitted.

Pursuant to section 6, ERDA transmitted to the Congress on June 28, 1975, a two-volume report now familiarly referred to by its serial number, "ERDA–48," entitled "A National Plan for Energy Research, Development & Demonstration: Creating Energy Choices for the Future." The first update report on ERDA–48 was filed in April 1976 under the same title (1976), with the number "ERDA 76–1."

ERDA–48 projects six alternative energy futures or "scenarios." As ERDA very sensibly and correctly pointed out (vol. 1, p. B–1), "It is no longer possible to generate a single projection of the Nation's energy future and expect a majority to accept it as a basis for planning."

Accordingly, ERDA assumed six different possible sets of contingencies and priorities in our national energy policy and worked out some of the principal economic and technical implications of each. The theory of this amendment is that our energy future is so terribly important that we must have ERDA do some more work of the same kind, both to add some vital details to the six scenarios it has already published and to work out 10 more scenarios, based on different assumptions of policy.

THE SIX SCENARIOS OF ERDA–48

Question 3. What were the six scenarios (alternative energy futures) in ERDA–48?

Answer. The six ERDA–48 scenarios and their major assumptions and results were as follows:

Scenario O—No new initiatives

As the name implies, the first ERDA–48 projection assumed (vol. 1, p. IV–2), "a continuation of current patterns of energy production with shortfalls in domestic supplies made up by imports." The results of this scenario included (1) a national total energy use of 107.3 quads in 1985 and 165.47 quads in the year 2000, (2) a contribution to those totals by fission electric power of 10.1 percent in 1985 and 24.5 percent in 2000; (3) a contribution to those totals by oil imports of 24.2 percent in 1985 and 35.3 percent in 2000; and (4) combined solar and geothermal contributions of 0.7 percent in 1985 and 0.9 percent in 2000.

(NOTE.—A quad is the shorthand term for 1 quadrillion (10^{15}) British thermal units (Btu). Total U.S. energy use in 1975 was 71 quads. The oil transported through the Alaska pipeline in one year at full capacity will amount to 3.4 quads. Another popular description of a quad is that it is the energy equivalent of 472,044 barrels of oil a day for one year. The term "quad" is expressly defined and used in the amendment because it is the basic common-denominator energy measurement used in ERDA–48.)

Scenario I—Improved efficiencies in end use

This scenario "was designed to show the potential of an intensive program of (1) energy conservation through efficiency (i.e., no reduction in services or products) and (2) parallel use of energy resources already potentially available and characterized by considerations of efficiency (e.g., recovery of energy from waste materials and enhanced recovery of oil and gas). Consequently, energy demand is reduced from that projected in Scenario O, but the sources of energy remain essentially the same, with the addition of some previously neglected sources which generally require end-user initiatives for implementation." (Vol. 1, p. IV–2) Principal results in Scenario I included (1) a national total energy use of 96.97 quads in 1985 and 122.48 quads in 2000; (2) a fission-electric contribution of 11.2 percent in 1985 and 16.6 percent in 2000; (3) an oil-imports contribution of 10.8 percent in 1985 and 16.8 percent in 2000; and (4) a combined solar and geothermal contribution of 3.3 percent in 1985 and 9.3 percent in 2000.

Scenario II—Synthetics from coal and shale

The third scenario of ERDA–48 was "based on increasing the limited supply of liquids and gases" and assessed "the impact of drawing on abundant coal and shale resources to produce liquids and gases, as direct substitutes for conventional fuels." (Vol. 1, p. IV–5) Principal results included (1) total U.S. energy use of 107.28 quads in 1985 and 165.42 quads in 2000; (2) a fission-electric contribution of 10.1 percent in 1985 and 24.5 percent in 2000; (3) an oil-imports contribution of 16.2 percent in 1985 and 10.9 percent in 2000; and (4) combined solar and geothermal contributions of 0.8 percent in 1985 and 1.8 percent in 2000. In this scenario, the combined contributions of coal and oil shale to the national energy budget amounted to 22.6 percent in 1985 and 34.9 percent in 2000—higher than in any of the other projections.

Scenario III—Intensive electrification

In this scenario, ERDA–48 examined "how the total energy picture would be affected by an intensive shift to electrification, with (1) maximum use of all sources to generate electric power and (2) maximum reliance on electricity for end uses." (Vol. 1, p. IV–5) Principal results included (1) U.S. total energy use of 106.77 quads in 1985 and 161.16 quads in 2000; (2) a fission-electric contribution of 12.4 percent in 1985 and 27.5 percent (including 2.4 percent from breeder reactors) in 2000; (3) an oil-imports contribution of 16.4 percent in 1985 and 16.6 percent in 2000; and (4) a combined solar and geothermal contribution of 1.9 percent in 1985 and 8.2 percent in 2000.

Note.—In this and in all other scenario summaries in these Questions and Answers, the "solar" percentages include the total of the ERDA–48 categories "solar," "biomass" and "waste materials," which is consistent with the definition of "solar energy" in the bill.

Scenario IV—Limit on nuclear power

In its fifth alternative energy future, ERDA–48 examined "what might be required if for any reason (technological or political) the development of a major technology were constrained. This scenario is constructed to ask the question: 'If a large block of new energy production capability, such as nuclear, were unavailable, how many other new technologies would have to be simultaneously and successfully introduced so as to produce about the same import results as the preceding three scenarios?' " (Vol. 1, p. IV–6). Principal results included (1) total national energy use of 107.05 quads in 1985 and 158.01 quads in 2000; (2) a fission-electric contribution of 10.1 percent in 1985 and 7.2 percent in 2000; (3) an oil-imports contribution of 16.3 percent in 1985 and 13 percent in 2000; and (4) a combined solar and geothermal contribution of 3.6 percent in 1985 and 16.5 percent in 2000.

Scenario V—Combination of all new technologies

The sixth and last of ERDA–48's projections analyzed "a case in which a combination of all major energy packages, including nuclear, are simultaneously commercialized (i.e., improved end-use, synthetic fuels, and electrification)." (Vol. 1, p. IV–6) Principal results included (1) U.S. total energy use of 98.14 quads in 1985 and 137.03 quads in 2000; (2) a fission-electric contribution of 13.5 percent in 1985 and 17.7 percent in 2000; (3) an oil-imports contribution of 8 percent in 1985 and a 4.11-quad (or about 2 million barrels a day) oil surplus in 2000; and (4) a combined solar and geothermal contribution of 4 percent in 1985 and 14.2 percent in 2000.

(NOTE.—In the foregoing summaries of the ERDA—48 scenarios, the quad figures were taken and the percentage figures were calculated from Tables 1 and 2 appended to these Questions and Answers. Those tables, in turn, were derived from tabulations on pages B–6 and B–8 of vol. 1 of ERDA–48. Major excerpts from both volumes of ERDA–48—including all pages here cited—are reprinted in Hearings before the Select Committee on Small Business, U.S. Senate, 94th Cong., 1st Sess., "Energy Research and Development and Small Business—Part 2—Solar Energy (Continued): The Small Business and Government Roles," beginning at page 4846.)

WHY DO WE NEED MORE SCENARIOS?

Question 4. The six scenarios in ERDA–48 sound quite comprehensive, yet the "Supplemental Energy Planning and Policy Act" would have ERDA prepare at least 10 more projections of energy futures. Why?

Answer. There has already been one statewide ballot question (Proposition 15, the "Nuclear Safeguards Initiative," on California's June 8 primary ballot) which, if passed in California and emulated in other industrial States, would cut back nuclear power much farther than in ERDA–48's Scenario IV—Limited nuclear power. Indeed, the effect could be to abolish nuclear energy. Similar questions will definitely be on the Oregon and Colorado general election ballots this November and seem likely to be on the ballots in Washington, Montana and Arizona. Also, in Missouri, Michigan, Maine and Ohio, ballot questions of the same type are a possibility this fall, as organized efforts are under way to meet the requisite formalities in each of those States.

While Proposition 15 was defeated by a 2-to-1 margin on June 8 in California, there is every indication that the effort to reduce or eliminate nuclear power by political pressures on national policy processes will persist. (Howard K. Smith, in an ABC network news editorial telecast on the night of the California voting, June 8, suggested a national referendum on nuclear energy. The text is appended to these Questions and Answers.) Shortly before the June 8 vote, the California Legislature passed and Governor Brown signed three new laws which will have the effect of limiting nuclear energy in the State.

In the continuing national debate over the future of nuclear energy, recurring questions include: (1) What would be the effect on jobs, utility bills, energy availability and other vital parts of our economic lives, if production of electricity by nuclear fission were severely cut back or phased out altogether? (2) How feasible would it be to have solar, geothermal and other forms of renewable energy replace—or supplement much more substantially—nuclear power in our national energy budget by the end of the century? (3) What would be the public and private capital requirements and the job-creation impacts of various levels of expansion in our national efforts to develop solar and geothermal power? (4) Could the efficiency or waste-reduction method of eliminating or reducing our need for nuclear power and oil imports be pushed farther than in any of the ERDA-48 scenarios, and, if so, with what economic impacts?

The 10 additional energy-future scenarios that this amendment would direct and fund ERDA to make would help provide answers to these and other questions. Those answers will be helpful to both "sides" in the national nuclear energy debate and should contribute to increasing the light and decreasing the heat that is now found in that debate.

THE 10 NEW SCENARIOS

Question 5. What are the main points or assumptions of the 10 new scenarios the bill would direct ERDA to prepare?

Answer. The 10 scenarios are listed in section 2(c) of the bill. Certain assumptions to be made in the new scenarios are set forth in section 3. The mandated assumptions are shown in Tables 3 and 4 appended to these Questions and Answers. Briefly, the new projections are:

Sec. 2(c)(1) scenario. This projection would analyze the effects of moderate conservation combined with intensive use of solar and geothermal energy. Mandated assumptions would include (1) maximum total U.S. energy use of under 100 quads per year through 1984 (and by reasonable implication not much over 100 quads in 1985) and not over 140 quads per year in any year prior to 2000; (2) zero quads per year of nuclear-fission energy in 1986 and all subsequent years; (3) a contribution from solar energy of 10 quads per year (or more)—or about 10 percent of total U.S. energy use—in 1985 and 50 quads per year (or more)—or about 35.7 percent of the U.S. energy total—by 2000; (4) a contribution from geothermal energy of at least 3.2 quads per year—or 3.2 percent of total U.S. energy—in 1985 and at least 15 quads—or 10.7 percent of the U.S. total—by 2000; and (5) total imports of fossil fuels (natural gas as well as oil) not to exceed 20 quads per year after 1985.

(Note.—In the Supplemental Planning and Policy Act of 1976 (this bill), the term "solar energy" would be defined to include all the meanings and technologies included within the definition of that term in the Solar Energy Research, Development, and Demonstration Act of 1974 (42 U.S.C. 5552) and also within the definitions of the terms "solar heating," "solar heating and cooling" and "combined solar heating and cooling" in the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5502). Thus, some technologies not "solar" in a narrow technical sense (e.g., waste combustion or conversion and cooling of buildings by nocturnal heat radiation) would be included.)

Sec. 2(c)(2) scenario. The second new scenario would analyze the effects of moderate conservation combined with increased use of domestic fossil fuel energy. Principal assumptions: (1) The ceilings on total national energy use in 1985 and 2000 would be the same as in scenario (c)(1), i.e., somewhat higher ceilings than those in ERDA-48's Scenario I but significantly lower, for the year 2000, than the ceiling in ERDA-48's Scenario II. (2) There would be no nuclear fission input after 1985. (3) There would be no mandated (although ERDA could make optional) solar or geothermal inputs; rather, maximized inputs from domestic fossil fuels would take the place of all post-1985 nuclear energy and some oil and gas imports. (4) Imports of fossil fuels, as in Scenario (c)(1), would be limited to less than 20 quads per year after 1985.

Sec. 2(c)(3) scenario. This scenario would analyze the effects of a maximized conservation policy combined with maximized solar and geothermal energy development. The parameters in this projection would be identical with those in the first, except that significantly lower ceilings would be placed on total national energy use: a maximum of 90 quads per year through 1984 (7.7 percent lower than the lowest 1985 total-energy projection in the ERDA-48 scenarios) and a maximum of 115 quads per year through 1999 (a 6.1 percent reduction from the lowest year 2000 projection in ERDA-48). Because total energy use would be lower while the solar and geothermal parameters would remain the same, their percentage contributions would increase: solar would account for about 11.1 percent of the national energy total in 1985 and over 43 percent in 2000; geothermal's percentage contributions would be over 3.5 in 1985 and about 13 in 2000.

Sec. 2(c)(4) scenario. The fourth projection would examine the effects of the same very low national energy ceilings as in the preceding scenario, but with emphasis on increased use of domestic fossil fuels rather than solar and geothermal. Again, as in the section (c)(2) projection, there are no specific numerical parameters for solar, geothermal or fossil-fuels inputs to the energy budget—only ceilings on the national totals, on nuclear (zero after 1985) and on fossil-fuels imports (20 quads per year after 1985).

Sec. 2(c)(5) scenario. In this projection, ERDA's technicians and the Energy Projection Planning Committee created by this amendment would describe and analyze their own judgments of optimum combinations of supply and demand technologies. There would be no parameters set for total national energy use or for solar, geothermal or domestic fossil-fuels inputs. The same parameters as in the preceding scenarios would be set for nuclear-fission and oil-imports inputs, however: after 1985, zero nuclear and 20 quads per year maximum oil imports.

Sec. 2(c)(6)—four scenarios. Under section 2(c)(6) of the bill, ERDA would make four complete, separate projections based on the "intensive conservation" parameters—U.S. maximum total energy use of about 90 quads in 1985 and about 115 quads in 2000—combined with various levels of solar-energy input by 1985. One projection would assume a solar contribution of 2 quads of solar input per year by 1985, one would assume 4 quads, one 6, and one 8. As these scenarios are intended primarily to assess the feasibility and effects of various levels of solar development in the near-term future, no solar parameters are set for the year 2000 and no geothermal parameters for either 1985 or 2000. The post-1985 zero-nuclear and 20-quads-per-year fossil-fuel imports parameters would apply to all four scenarios.

Sec. 2(c)(7)—scenario. The tenth and final scenario the bill would direct ERDA to prepare would be one assuming a permanent low ceiling on nuclear power development, rather than a complete phaseout. The assumptions would be (1) that the conservation and improved efficiencies in end use projected in Scenario I of ERDA-48 would occur, resulting in total U.S. energy use of about 97 quads in 1985 and about 122.5 quads in 2000; and (2) that there would be a permanent ceiling of 200 on the number of U.S. nuclear fission power plants. Since that number may well be reached by 1985, under ERDA's and the Nuclear Regulatory Commission's existing plans and projections, the fission input in both 1985 and 2000 might be about the same—in the neighborhood of 12.5 quads—although the amendment does not state a quads parameter for fission, only a number-of-plants parameter. (The gross energy input of 200 nuclear plants of an average 1,000-megawatt capacity, operating 70 percent of the time—somewhat better than the 60 percent averaged by existing plants but not an unlikely target for 1985—would be about 12.5 quads per year; the net energy output of those plants would be about 4.2 quads.)

Sec. 2(c)(8)—additional, optional scenarios. The bill would authorize but not direct ERDA and the Energy Projection Planning Committee to prepare any other projections which the committee deemed necessary to provide Congress and the public with a wide variety of alternative strategies for future energy resource development and use.

WHY WERE THESE SCENARIOS CHOSEN?

Question 6. What is the reason for choosing these 10 scenarios instead of others?

Answer. The choice of scenarios was made, in close consultation with technical experts, to identify the levels of solar and geothermal contributions that could possibly be achieved, the actions necessary to do so, and the consequences of doing so. These projections will identify emergency, acclerated and moderate pathways that could be followed in the development of those particular energy sources.

Variations in nuclear, domestic fossil output, conservation and imports contributions to our national energy budget can occur as a result of societal, natural and foreign influences. The significance of these interrelationships will be better understood, thereby clarifying the bases for major Federal policy options by having ERDA prepare the additional projections directed by this amendment.

DERIVATION OF THE FIGURES

Question 7. How were the figures in these 10 scenarios derived?

Answer. The figures were derived from various forecasts of energy demand and various estimates of the theoretically possible, maximum achievable, and most probable levels of solar and geothermal supply contributions for the year 2000. The extreme values—those in the section 2(c)(1) and 2(c)(3) scenarios—were chosen in order to bracket these limits and thereby explore the full range of potential technical, societal, economic and environmental changes that would be needed to accomplish each level, and that would follow from the attainment of each level.

These scenarios should clarify the maximum limits of contribution possible from conservation (including both reduced energy use and increased efficiencies in end use), solar and geothermal sectors. The performance of these analyses under the specifications and conditions contemplated by this bill should serve to narrow the distance between high- and low-side claims for the potentials by clarifying the costs and consequences of each possible choice of goal.

BROOKHAVEN NATIONAL LABORATORY REFERENCE ENERGY SYSTEM

Question 8. Section 5 of the bill would require that the projections prepared pursuant to the bill will use the Reference Energy System developed by the Brookhaven National Laboratory. Why?

Answer. Brookhaven's Reference Energy System was used in the preparation of ERDA-48; therefore, its use in preparing these new scenarios will provide a standard of commonality between the two reports. The Reference Energy System and the reasons for its use are discussed in vol. 1, at page B-1, of ERDA-48.

WHY A COMMITTEE?

Question 9. Why does the bill set up a five-member Energy Projection Planning Committee to manage the new study and issue the report, instead of just having the Administrator of ERDA do it?

Answer. Some proponents of conservation and solar and geothermal energy and some opponents of nuclear power have expressed suspicion that ERDA is insufficiently committed to conservation and alternative energy development and overly committed to nuclear development. To those people, whether they are right or wrong, a report on the impacts of a scale-down or phaseout of nuclear power prepared under the supervision of ERDA's Administrator alone might not be persuasive, especially if the new scenarios indicated severe economic and employment consequences, insurmountable technical or capital obstacles, or all of these. Conversely, a report indicating complete economic and technical feasibility of some or all of the low- or no-nuclear scenarios might not gain as ready an acceptance from nuclear proponents as it would if those involved in its preparation included recognized pro-nuclear experts. Having the study done by ERDA personnel under the direct supervision of a high-level committee of five well-known experts, two of whom are nuclear proponents, two of whom are nuclear opponents, and the fifth of whom is chairman and esteemed by each of the other four, should significantly increase the likelihood that the ultimate report will be widely read and accepted as full, fair and unbiased.

THE DEADLINE AND THE BUDGET

Question 10. The Energy Projection Planning Committee, using ERDA's staff and resources, is given just 240 days and $2.5 million to do the job required by this amendment. Are those time and money constraints realistic and reasonable?

Answer. Yes. Most of the data required to prepare these new projections are already in ERDA's computers, according to experts familiar with the preparation of ERDA-48. The 240-day deadline was selected on the basis of being distant enough to allow accomplishment of the analyses and early enough to provide a date which Congress and the public could anticipate in making—or deferring—policy decisions. The authorized appropriations, while extremely modest when compared to the economic implications of the decisions this study will assist the country in making wisely, are deemed sufficient to permit analyses of high quality.

TABLE 1.—YEAR 1985—"ERDA-48" SCENARIO RESULTS—ENERGY RESOURCES USED, IN QUADS (10^{15} Btu)

	ERDA-48 Scenario No. —					
	0	I	II	III	IV	V
Total energy use	107.30	96.97	107.28	106.77	107.05	98.14
Coal (including exports)	21.14	18.46	23.28	20.10	19.98	18.13
Oil (domestic and imports)	47.14	34.59	41.43	41.57	41.52	31.95
Natural gas (domestic and imports)	24.00	26.50	26.50	26.50	26.50	26.50
Subtotal (conventional fossil)	92.28	79.55	91.21	91.21	88.00	76.58
Oil shale	0	0	1.00	0	1.00	1.00
Total fossil fuels	92.28	79.55	92.21	91.21	89.00	77.58
Light water reactor (LWR)	10.61	10.61	10.61	12.97	10.60	12.97
Liquid metal fast breeder (LMFBR)	0	0	0	0	0	0
High temp. gas reactor (HTGR)	.24	.25	.24	.24	.25	.25
Total fission	10.85	10.86	10.85	13.21	10.85	13.22
Fusion	0	0	0	0	0	0
Geothermal	.69	.93	.69	1.60	3.20	1.60
Biomass	0	0	.05	0	.05	.05
Waste materials	.10	2.00	.10	.10	0	2.00
Solar	0	.25	0	.31	.57	.31
Total solar, biomass, waste	.10	2.25	.15	.41	.62	2.36
Hydroelectric	3.38	3.38	3.38	3.38	3.38	3.38
Oil imports	25.94	10.49	17.33	17.47	17.42	7.85

Source: Energy Research and Development Administration data, from ERDA-48, vol. 1, p. B-6.

TABLE 2.—YEAR 2000—"ERDA-48" SCENARIO RESULTS—ENERGY RESOURCES USED, IN QUADS (10^{15} Btu)

	ERDA-48 Scenario No.—					
	0	I	II	III	IV	V
Total energy use	165.47	122.48	165.42	161.16	[1] 158.01	[1] 137.03
Coal (including exports)	33.89	22.91	49.77	30.51	45.87	39.11
Oil (domestic and imports)	70.54	40.32	37.71	46.47	46.30	19.77
Natural gas (domestic and imports)	15.40	22.80	22.80	22.80	22.80	22.80
Subtotal (conventional fossil)	119.83	86.03	110.28	99.78	114.97	81.68
Oil shale	0	0	8.00	0	8.00	8.00
Total fossil fuels	119.83	86.03	118.28	99.78	122.97	89.68
Light water reactor (LWR)	36.59	16.50	36.59	36.59	10.97	16.50
Liquid metal fast breeder (LMFBR)	0	0	0	3.90	0	3.90
High temperature gas reactor (HTGR)	3.90	3.90	3.90	3.90	.40	3.90
Total fission	40.49	20.40	40.49	44.39	11.37	24.30
Fusion	0	0	0	.05	.05	.05
Geothermal	1.40	1.40	1.40	6.60	14.93	6.60
Biomass	0	0	1.50	0	1.50	1.50
Waste materials	.10	6.50	.10	.10	0	6.50
Solar	0	3.50	0	6.59	9.59	4.82
Total solar, biomass, waste	.10	10.00	1.60	6.69	11.09	12.82
Hydroelectric	3.65	3.65	3.65	3.65	3.65	3.65
Oil imports	58.34	20.62	18.01	26.77	20.55	(4.11)

[1] Unexplained discrepancies in the column totals for scenarios IV and V are from the source table.

Source: Energy Research and Development Administration data, from ERDA-48, vol. 1, p. B-8.

TABLE 3.—YEAR 1985: "SUPPLEMENTAL ENERGY PLANNING AND POLICY ACT" SCENARIO PARAMETERS: ENERGY RESOURCES USED, IN QUADS (10^{15} Btu)

	Section 2—									
	(c)(1)	(c)(2)	(c)(3)	(c)(4)	(c)(5)	(c)(6-A)	(c)(6-B)	(c)(6-C)	(c)(6-D)	(c)(7)
Total energy use	100.00	100	90.00	90	(*)	90	90	90	90	97.00
Coal (including exports)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Oil (domestic and imports)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Natural gas (domestic and imports)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Subtotal (conventional fossil)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Oil shale	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total, fossil fuels	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Light water reactor (LWR)	0	0	0	0	0	0	0	0	0	(*)
Liquid metal fast breeder (LMFBR)	0	0	0	0	0	0	0	0	0	(*)
High temperature gas reactor (HTGR)	0	0	0	0	0	0	0	0	0	(*)
Total, fission	0	0	0	0	0	0	0	0	0	12.50
Fusion	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Geothermal	<3.20	(*)	<3.20	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Biomass	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Waste materials	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Solar	(*)	(*)	( )	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total, solar, biomass, waste	<10.00	(*)	<10.00	(*)	(*)	2	4	6	8	(*)
Hydroelectric	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Fossil fuel imports	>20.00	>20	>20.00	>20	>20	>20	>20	>20	>20	(*)

Source note and key to symbols at end of table 4.

TABLE 4.—YEAR 2000: "SUPPLEMENTAL ENERGY PLANNING AND POLICY ACT" SCENARIO PARAMETERS: ENERGY RESOURCES USED, IN QUADS (10^{15} Btu)

	Section 2—									
	(c)(1)	(c)(2)	(c)(3)	(c)(4)	(c)(5)	(c)(6–A)	(c)(6–B)	(c)(6–C)	(c)(6–D)	(c)(7)
Total energy use	140	140	115	115	(*)	115	115	115	115	123.00
Coal (including exports)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Oil (domestic and imports)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Natural gas (domestic and imports)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Subtotal (conventional fossil)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Oil shale	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total, fossil fuels	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Light water reactor (LWR)	0	0	0	0	0	0	0	0	0	(*)
Liquid metal fast breeder (LMFBR)	0	0	0	0	0	0	0	0	0	(*)
High temperature gas reactor (HTGR)	0	0	0	0	0	0	0	0	0	(*)
Total, fission	0	0	0	0	0	0	0	0	0	12 50
Fusion	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Geothermal	≮15	(*)	≮15	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Biomass	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Waste materials	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Solar	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total, solar, biomass, waste	≮50	(*)	≮50	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Hydroelectric	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Fossil fuel imports	≯20	≯20	≯20	≯20	≯20	≯20	≯20	≯20	≯20	(*)

*Values to be determined by Energy Projection Planning Committee.

Key to symbols: ≯ Not more than. ≮ Not less than.

Source (Table 3 and table 4): secs. 2 and 3 of proposed "Supplemental Energy Planning and Policy Act of 1976."

NATIONAL PLANNING ASSOCIATION,
Washington, D.C., June 22, 1976.

RAYMOND D. WATTS,
U.S. Senate,
Select Committee on Small Business,
Washington, D.C.

DEAR MR. WATTS: I read with sincere interest the "Supplemental Energy Policy and Planning Act of 1976," a draft amendment to S. 3105. As you know I have had considerable exposure to the energy-related activities because of my recent work for the National Science Foundation, Federal Energy Agency/Department of Labor and the Environmental Protection Agency. In the light of my past experience I find the research effort specified in this amendment to be of crucial importance to the entire planning effort of the energy supply-demand relationships in the United States. I therefore hope that this amendment will be adopted and implemented.

Sincerely yours,

IVARS GUTMANIS,
Director, Center for Resources Analysis.

(COMMENTARY BY HOWARD K. SMITH)

California has been first in the nation to adopt many things—from freeway traffic jams to the invention of the bikini. Today on its ballot is something new again—a plebiscite for or against nuclear power in the present state of the art, called Proposition 15.

There is a case for the nation doing the same: Have a national plebiscite on whether to go nuclear.

As it stands now, we are headed straight for a paralyzing national fuel crisis. Nuclear power is the readiest means of fending it off till better fuels are invented. Yet such are doubts about it that nuclear power is nearly dead in the water. Three years ago 36 new nuclear plants were on order. Last year, cancellations, bred by doubts, cut it down to four on order—and it's doubtful they will now be built.

We need a decision by the whole nation, and we need it fast. How about a five-day, highly publicized and televised debate by the best experts on both sides—then a decision by vote of the whole people: Go nuclear, with all its risks . . . or abandon the atom and launch a searing set of laws to conserve fuel, plus a drastic, crash expansion of the use of coal, the only other quick alternative.

We must do one or the other or face the worst disaster since the Depression. And it is so vital and urgent a decision that we should disregard the lack of precedent and ask the whole nation to decide.

[From the Washington Post, June 11, 1976]

CALIFORNIA AND THE ATOM

California's voters have decided not to rule out nuclear power. But it would be a great mistake to read the results of this referendum as an unqualified and enthusiastic go-ahead for the reactors and their builders. By a proportion of two to one, the voters rejected the famous Proposition 15 with its demand for assurances of a degree of safety that, in practice, no one can really promise. They decisively rejected the self-exploding strategy of trying to enforce conservation by cutting back the supply of energy.

But the defeat of Proposition 15 owes a good deal to the last-minute enactment of state legislation setting new conditions for future nuclear plants. The legislation offered a middle way to those Californians who did not like the prohibitive standards of Proposition 15 but who, at the same time, were uneasy about the prospect of a widespread shift to nuclear energy. As commonly happens when people are confronted with an unattractive yes-or-no, they began looking for a way to say maybe, and up to a point.

Governor Brown signed these new state laws five days before the election. One of them says that, before any additional reactors go into construction, the state must make a finding that safe techniques of waste disposal are available. That finding is subject to review by the legislature; the state has learned that safety is too important to be left solely to engineers. Another of the new laws requires a similar finding regarding the safety of fuel reprocessing plants, if any are to come into the state. The third law establishes a study of the possibility of putting reactors underground. The basic message to the power industry is that California will let it continue to operate the present reactors and complete those now being built—but it has more doubts to discuss before the nuclear system is expanded further.

The state's utilities can live with these new requirements. One of the biggest, Southern California Edison, actively supported them. One benefit of this state legislation is that it presses the federal government to speed up its own consideration of waste disposal policy.

California's choices in this referendum were those faced by the country as a whole. A large part of the debate in California was over the economic effects of halting nuclear development and shutting down the reactors. There would have been little effect if you assume, as some of the debaters did, that there are reliable sources of imported energy—in this case, from coal-fed power plants in the Rocky Mountain states. But if you aren't ready to count on the cooperation of the other states, then you have to accept the possibility of shortages. How great a risk, and how great the shortages, depends wholly upon the public's willingness to conserve energy. This country's capacity for conservation has yet to be seriously tested. With these questions unanswered, the majority in California was, quite sensibly, reluctant to foreclose reliance on nuclear power.

There will be votes on the same issue in other states, beginning this fall with Oregon. The challenge to nuclear development is not going to be settled with any one election. But the California referendum results are probably a pretty close approximation of the whole country's current attitude toward nuclear energy. The present generation of commercial reactors has an exceedingly good safety record so far. But any rapid or unrestrained expansion of the nuclear system would push the country into reprocessing to recycle plutonium—a vastly more dangerous fuel. Even the present reactors present a risk, however small it might be. But to stop using them would require the country to turn heavily to coal, which carries its own threats to public health.

The country is still in the process of sorting out its ideas on this subject, and weighing one possibility against another. Energy policy is in an interim period that will run at least until next year, when a new national administration takes office. Until then, it seems altogether likely that the country would choose to go as California went—to keep nuclear power development moving slowly but not to stop it, to keep raising questions but not to turn off the switch.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 3681. A bill to guarantee certain obligations of the Guam Power Authority. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. Fannin) a bill to guarantee certain obligations of the Guam Power Authority.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication accompanying the proposal from the Secretary of the Interior be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Washington, D.C., June 11, 1976.

Hon. Nelson A. Rockefeller,
President of the U.S. Senate,
Washington D.C.

Dear Mr. President: Enclosed is a draft bill "To guarantee certain obligations of the Guam Power Authority."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

The Guam Power Authority has a financial problem of refunding its short-term debt. In 1972 the Guam Power Authority attempted to float long-term bonds as a part of its long-range financial plan. The usury laws of Guam prevented the payment of interest in excess of 7%. At the time of the attempted sale, however, market interest rates were above the 7% limit, so the bonds did not sell. Thus, short-term notes were issued in anticipation of a raise in the interest ceiling by the Guam Legislature, and in anticipation of a more favorable bond market in the near future. The Guam Legislature subsequently raised the usury rate to 9%.

Primarily due to the energy crisis, the price of oil within 3 months rose from $2.77 per barrel to $12.95 per barrel. As a result of this price increase, the Guam Power Authority suffered temporary losses in current income. Subsequently, Guam's bond rating slipped from AA to BB, which is a non-investment rating. In the period just before the recent typhoon, the Guam Power Authority was operating in the black and medium and long-term prospects were good. However, its short-term financial prospects are far from good. If the Guam Power Authority attempted to enter the bond market on its own at this time, it would be unsuccessful in attracting the necessary capital for repayment of the short-term notes which were due on June 1, 1976 and its other debts, due to its BB rating.

Under the bill, the Secretary of the Interior would guarantee bonds or other obligations of not more than $36 million which would mature not later than December 31, 1978. The Secretary, with the concurrence of the Secretary of the Treasury, may extend the guarantee to December 31, 1980. The guaranteed bonds or other obligations would be sold to the Federal Financing Bank without impact on the Federal budget. The Federal Financing Bank would charge a rate of interest equal to the current average market yield on outstanding marketable obligations of the U.S. of comparable maturities plus 1%.

Section 30 of the Guam Organic Act provides that Guam shall receive the proceeds of all taxes collected under the Internal Revenue laws of the United States together with customs duties and other moneys. The attached draft legislation provides that in the event of non-payment of interest or default in the payment of principal by the Guam Power Authority, the Secretary of the Interior may withhold such sums as he deems necessary for the Section 30 payments to Guam as will reimburse the Department for any loss incurred under the guarantee. In addition, there is authorization for the Congress in any appropriation act to deduct from appropriations which would otherwise go to Guam amounts lost to the United States should the guarantee be called into effect. The legislation authorizes the Secretary to place such restrictions as he deems appropriate on the loan to the Guam Power Authority.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal from the standpoint of the Administrations program.

Sincerely yours,

Kent Frizzell,
Under Secretary of the Interior.

By Mr. BAKER (for himself and Mr. Brock):

S. 3684. A bill to amend the Federal Aviation Act of 1958, as amended, to broaden the power of the Civil Aeronautics Board to grant relief by exemption in certain cases, and for other purposes. Referred to the Committee on Commerce.

Mr. BAKER. Mr. President, I am sending to the desk for myself and Senator Brock a bill to amend the Federal Aviation Act of 1958 to broaden the power of the Civil Aeronautics Board to grant relief by exemption in certain cases, and for other purposes.

I ask unanimous consent that the bill, together with a statement of purpose and need for this legislation, be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 3684

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

Section 1. Except as otherwise specified, wherever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Aviation Act of 1958, as amended.

Sec. 2. Section 416(b)(1) is amended by adding the following at the end therof:

"*Provided, however*, that nothing in this section shall prevent the Board from granting an exemption from the requirements of this title so as to authorize the conduct of all-cargo operations in interstate air transportation, pending consideration of an application for initial certification pursuant to Section 401, if the Board finds that the issuance of such exemption is in the public interest."

Sec. 3. Section 101 is amended by renumbering paragraphs (11) through (38) thereof as paragraphs (12) through (39) and by inserting after paragraph (10) the following new paragraph:

"(11) 'All-cargo air transportation' means air transportation of property, or of property and mail, only."

Introduction and Background

Under the Federal Aviation Act of 1958, the basic means of regulating and licensing air carriers to perform air transportation is the certification procedure. That procedure specifically contemplates and, indeed, reguires extensive and time-consuming investigation by the Civil Aeronautics Board into all matters pertaining to the authorization, modification, suspension and deletion of air transportation.

In keeping with the Congressional determination that the public interest is best served by primary reliance on the certification procedure, the Board's power to grant exemptions from the normal requirement of certification is very limited in scope. Thus, the present language of section 416(b) of the Act precludes the Board from acting to grant an exemption unless it can find that the operations of the applicant air carrier are so limited in extent or affected by unusual circumstances that enforcement of the certification procedures would be an "undue burden" on the carrier and not in the public interest.

The Board has often acknowledged that its exemption power is severely restricted. A representative expression of the Board's own view of the scope of its power may be found throughout the history of its decisions. See, *e.g.*, the *Standard Air Lines Exemption Request*, 9 CAB 583, 584–85 (1948), in which the Board noted that:

"The legislative history of section 416(b) of the Act indicates that its primary purpose is to provide relief for the irregular and sporadic operations of the so-called fixed-base operators and for the carriers engaging in unusual or limited operations. There is nothing in the Act or its legislative history to justify the Board in bypassing or ignoring the certification provisions of section 401 of the Act by authorizing extensive new operations which, although involving some experimental characteristics, are neither unusual as to circumstances nor limited in extent."

The courts have consistently upheld the Board's restrictive interpretation of its power (and, on occasion, have reversed its attempts to extend its boundaries), noting that the primary tool under the Act is certification, with exemptions to be granted "sparingly". See, *e.g., Island Airlines, Inc. v. CAB*, 363 F.2d 120, 125 (9th Cir. 1966). *See also, e.g., Utah Agencies v. CAB*, 504 F.2d 1232 (10th Cir. 1975); *ALPA Int'l v. CAB*, 458 F.2d 846 (D.C. Cir. 1972); *Kodiak Airways, Inc. v. CAB*, 447 F.2d 341 (D.C. Cir. 1971).

The difficulty arises out of the increasingly complex and time-consuming nature of the certification process, and the recurring impossibility of making an urgent and otherwise meritorious request for relief "fit" within the reach of the expeditious, but restricted, exemption power. That collision has resulted in the periodic frustration of the Board's ability to discharge its primary statutory mandate—the duty to foster and encourage the development of a sound and responsive air transportation system.

Nowhere has this frustration of purpose been more evident than in the area of domestic all-cargo operations. If a single point of agreement has emerged from all of the various proposals to reform or modify air transport regulation, and from the months of hearings with respect to those proposals, it is that the regulation and promotion of all-cargo services has been a dismal failure.

The uncontradicted evidence of record shows that the development of domestic all-cargo services has been severely stunted by a combination of inappropriate regulation and by carrier and regulatory neglect. Domestic all-cargo air services have been consistently and substantially unprofitable, resulting in their steady decline in availability during the past decade. Clearly, the neglect of those services has been a direct function of the preoccupation of regulatory and carrier management with the predominant passenger services which account for in excess of 90% of air transport revenues. The serious decline of all-cargo air service is particularly regrettable in light of the vital and unique role which that service performs for the Nation's economy, the delivery of life-giving health services, and in response to the needs of the national defense.

To a certain extent, as noted, the Board's ability to redress this unsatisfactory state of affairs has been hampered by restrictions on its power to act. Thus, in specific instances, the statutory limitations upon the Board's exemption power have deprived the Board of an appropriate degree of regulatory flexibility to take prompt action, or to grant prompt relief, warranted by considerations of the public interest but beyond the apparent scope of the Board's authority under Section 416(b), solely because of the size of the operation for which exemption relief was required.

A recent example of this deficiency is provided by the Board's denial of an application by Federal Express Corporation, a new all-cargo carrier specializing in the transportation of small-package traffic, for exemption authority which would have permitted Federal Express to avoid significant waste and inefficiency resulting from severe capacity strains arising out of the burgeoning demand for its unduplicated package express services.

The relief requested by Federal Express was for grant of a temporary exemption to permit the operation of five large aircraft, as a supplement to the carrier's basic small-aircraft fleet to accommodate the growing demand which had saturated all available lift capacity. Grant of the application would have permitted savings of up to $8.7 million in annual costs, and over 4 million gallons of scarce jet fuel, while enhancing the efficiency and reliability of a new and valuable air service.

In its December 1975 Order denying the application of Federal Express for DC-9-15 authority, the CAB indicated clearly that it felt legally barred from granting Federal Express the requested exemption relief because of the scope of the carrier's operation.

Although the Board invited Federal Express to pursue the certification process, and promised to give "prompt and careful consideration" to such an application, the fact remains that that "solution" offered no remedy at all for the urgent capacity strains and waste presently burdening the Federal Express operation. At best, the certification process would assure the prolongation of those strains by not less than two years.

The Board stated clearly that it had no intent "to discourage the entry or growth of new cargo carriers or to impede the introduction of innovative services in the air transportation system." It must be recognized, however, that notwithstanding the Board's intent, the unavoidable effect of its decision does impede the efficient conduct of Federal Express' highly innovative small-package service.

The essence of the proposed Bill is to provide a solution to the anomaly created by a statutory exemption power which is so limited as to leave the Board with no discretion or legal authority to avoid an unintended and undesirable result, adverse to the very public interest which the Board is bound to promote.

SUMMARY OF BILL

The attached draft Bill amends the Board's exemption power by adding a new proviso to the present standards for grant of an exemption. That new proviso would enable the Board to grant an exemption from the normal certification requirement so as to permit the conduct of all-cargo operations in interstate air transportation, pending consideration of an application for the initial certification of such operations, upon a finding that the grant of such exemption is compatible with the public interest.

In essence, the draft Bill provides for a limited expansion of the Board's present exemption power to give the agency greater flexibility of action in the area most critically in need of regulatory relief. It is important to note that the Board's expanded power is expressly tied to operations which are the subject of an application for initial certification, thus clearly reflecting an intent to continue the basic statutory reliance upon certification as the principal means of licensing air transportation ventures.

Moreover, the limitation of the broadened exemption power to all-cargo operations, and the further limitation to the circumstances of an initial application for certification only, serves two objectives. First, it limits the potential impact of the exercise of the new power upon the established pattern of authorizations in the industry to a level having a de minimus potential for harm or disruption of predominant passenger services. Second, the limitation to initial certification applications is addressed to relieving the unique and critical impact of unavoidable regulatory delay on those new applicants which—unlike the established carriers—must attempt to provide efficient service and remain financially viable without adequate operating authority, absent the possibility of interim exemption relief.

The modest expansion of the Board's exemption power as proposed will enable the Board to act expeditiously to foster and promote needed new all-cargo air transportation services, whose development would be impeded or destroyed by the delays inherent in the normal certification process, pending the orderly pursuit of that process.

By Mr. HANSEN:

S. 3685. A bill to suspend until the close of June 30, 1977, the duty on certain docorubicin hydrochloride antibiotics and for other purposes. Referred to the Committee on Finance.

Mr. HANSEN. Mr. President, as we all know, cancer has become one of the most dread diseases in the United States today. Millions of dollars are being spent by the Government and private industries for research aimed at stemming the ever increasing tide of fatalities from this disease.

One of the most promising avenues in the care and treatment of the cancer patient is in chemotherapy, that is, treatment by a variety of drugs aimed at preventing the further spread of cancer and hopefully controlling this disease.

One drug recently introduced into the United States which has demonstrated significant activity in the treatment of cancer is Adriamycin™ (doxorubicin hydrochloride). Because of its method of manufacture, this drug is classified as an antibiotic and comes into the United States from Italy with a 5 percent tariff imposed under section 437.32 of the tariff schedule. This drug is manufactured in Italy and the U.S. patent is held by an Italian pharmaceutical company.

Mr. President, the bill I am introducing today would suspend this duty until June 30, 1977. Congressman DU PONT has introduced similar legislation, H.R. 12922, in the House.

Mr. President, Adriamycin is used in the treatment of acute leukemias, malignant lymphomas, Wilm's tumor, soft tissue and bone cancer, and cancers of the breast, lungs, ovaries, bladder, and thyroid. Adriamycin is cytotoxic, that is, it kills cells. Its activity in killing cancer cells was significant enough to attract National Cancer Institute as the sponsor for the clinical studies required for the new drug application approved in 1974.

The National Cancer Institute itself is the single largest domestic customer for this material. Because of the toxicity of this drug, it is used solely for an antineoplastic agent and is recommended for use only by physicians qualified in the area of cancer chemotherapy. Treatment with Andriamycin requires close observation of the patient and extensive laboratory monitoring.

Andriamycin, although it cannot be considered a breakthrough or a cure for cancer, does occupy a specific and well-received place in the field of cancer patient care. Andriamycin is not produced in the United States and it is not in direct competition in the marketplace with other antineoplastic agents. Instead, it augments or supplements other forms of treatment and the use of other antineoplastic drugs.

The nature of this drug is such that it is administered periodically over a period as long as 6 months. A course of treatment ranges from $800 to $1,000. As mentioned, the single largest customer in the United States is the National Cancer Institute. This Government contract provides that the National Cancer Institute shall receive a reduction in the price of the drug as of the effective date of any suspension of the tariff.

The domestic distributor also intends to pass this tariff reduction wholly and directly to the Federal Government and all using private hospitals.

The suspension of the tariff will have a significant and immediate effect on the medical costs, which are placing an already heavy burden on many cancer patients.

This legislation has been reviewed favorably by the U.S. International Trade Commission, the National Institutes of Health, and the Departments of Treasury and Health, Education, and Welfare.

Mr. President, I ask unanimous consent that a copy of my bill and letters I have received from the International Trade Commission, the National Institutes of Health, and the Department of Treasury be included at this point in the RECORD.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 3685

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part 1 of subpart B of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 907.80, the following new item:

" 907.40	Doxorubicin hydrochloride (provided for in item 407.85, part 1, or in item 437.32 or 438.02, part 3, schedule 4, depending on source)____	Free	No charge	On or before 6/30/77 ".

(b) The rate of duty prescribed in rate column numbered 1 under item 907.40 of the Tariff Schedule of the United States (as added by subsection (a)) shall be considered to have been proclaimed by the President as being required or appropriate to carry out trade agreements to which the United States is a party, not as a statutory provision enacted by Congress.

(c) The amendment made by subsection

(a) applies to articles entered, or withdrawn from warehouse, for consumption after the date of enactment of this Act.

INTERNATIONAL TRADE COMMISSION,
Washington, D.C., August 20, 1975.
Hon. PIERRE S. DU PONT,
House of Representatives,
Washington, D.C.

DEAR MR. DU PONT: Thank you very much for writing to the United States International Trade Commission concerning a proposed bill to suspend until the close of June 30, 1977, the column 1 rate of duty on "certain doxorubicin hydrochloride antibiotics".

Doxorubicin hydrochloride is used solely as an antineoplastic (anticancer) agent. The material is toxic to human and animal cells and therefore cannot be used as a general antiinfective agent as are most other antibiotics. The drug is unique and does not appear to be in direct competition with other antibiotic or antineoplastic agents. It is generally utilized by physicians active in the field of cancer chemotherapy.

There is currently no U.S. production of doxorubicin hydrochloride and it does not appear that domestic production is anticipated in the near future. The drug is manufactured only in Italy by Farmitalia, S.P.A. and is distributed only by Adria Laboratories, Inc., of Wilmington, Delaware.

Doxorubicin hydrochloride is presently classified under item 437.32 of the Tariff Schedules with a column 1 trade-agreement duty rate of 5 percent ad valorem if imported in bulk form, and in item 438.02 at the same rate of duty when imported in ampoules, capsules, jubes, lozenges, pills or similar forms. There are no official statistics on the quantity of this drug which has been imported. It is known that its cost is presently much higher, and in some cases, many times higher than most other antineoplastic agents. In the absence of official data as to imports, the Commission is not able to state what the loss of revenues would be by reason of enactment of the temporary free entry provision.

Information received informally from the National Institutes of Health, indicates that such agency has been desirous of having the drug imported free of duty. That agency procures some millions of dollars worth of the drug each year. The advice is that the subject drug is one of the most effective, and possibly the most effective, drug in the treatment of cancer. The cost to the individual patient of the drug apparently can be thousands of dollars.

It is suggested that a technical change be affected in the article description of the proposed provision. The present article description would thus be deleted and the following language substituted therefor: "Doxorubicin hydrochloride (provided for in items 437.32 and 438.02, part 3B, schedule 4)."

Please continue to call on us whenever you feel we can be of further service to you.

I hope you have a nice day.

Yours sincerely,

DANIEL MINCHEW,
Vice Chairman.

NATIONAL INSTITUTES OF HEALTH,
Bethesda, Md., September 30, 1975.
Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HANSEN: Adriamycin is an antibiotic antitumor drug developed by the Farmitalia Company of Milan, Italy. Clinical testing was begun in the United States in 1970 under the sponsorship of the National Cancer Institute (NCI). A New Drug Application (NDA) for the drug was approved by the Food and Drug Administration in 1974 for the marketing of the drug by Adria Laboratories, Inc., of Wilmington, Delaware. This NDA was approved based on clinical data obtained by NCI during its sponsored trials. Adriamcyin is approved for usage against a wide variety of human cancers including breast cancer, lung cancer, bladder cancer, sarcomas of all varieties, malignant lymphomas and acute leukemia.

While the drug is distributed by Adria Laboratories, it is manufactured only by Farmitalia, S.P.A., in Italy. The cost of this drug is very high. A single treatment can cost a patient approximately $200 and since full therapy can entail nine to ten treatments, the cost of a full course of treatment can approach $2,000. This puts a great financial strain on too many patients since third-party carriers will not reimburse for use of the drug on an outpatient basis.

We would defer to the Treasury Department for the establishment of the Administration's position on this legislation because they are more knowledgeable about the situations involved in the imposition and lifting of import duties.

Sincerely yours,

RONALD W. LAMONT-HAVERS, M.D.,
Deputy Director.

THE SECRETARY OF THE TREASURY,
Washington, D.C., November 21, 1975.
Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR CLIFF: In your letter of October 10, 1975, you ask whether the Department has a position on your proposed legislation to suspend temporarily the duty on doxorubicin hydrochloride.

The Treasury cannot make a final decision on pending legislation until the Administration's position is cleared by the Office of Management and Budget. However, Treasury usually supports duty suspension bills if the suspension is not likely to injure a domestic industry. From the International Trade Commission's letter which you enclosed, it appears that suspending the duty on doxorubicin hydrochloride would not injure a U.S. industry. The Treasury is thus likely to support the bill.

Attached are some technical suggestions on the drafting of the bill which you might want to consider.

With best regards,

Sincerely yours,

WILLIAM E. SIMON.

MEMORANDUM

Subject: Proposed legislation to temporarily suspend the import duty on doxorubicin hydrochloride

Senator Hansen in a letter of October 10, 1975, requested the views of the Department of the Treasury on the proposed legislation to suspend the duties on doxorubicin hydrochloride.

Currently the drug is classifiable under the provision for antibiotics, other, in item 437.32, Tariff Schedules of the United States (TSUS, dutiable at the rate of 5 percent ad valorem. If put up in dosage form it is classifiable in item 438.02, also at 5 percent ad valorem.

The proposed legislation would create a new item in the appendix to the tariff schedules, item 907.40—"Antibiotics, other, Doxorubicin Hydrochloride (provided for in items 437.32 and 438.02, Part 3, Schedule 4)." Under column 1 the item would be free; there would be no change in the rate of duty in column 2. The suspension of duty would extend through June 30, 1977.

We agree with the suggestion of the International Trade Commission that the superior heading to the provision be deleted. In addition we would add a qualifying phrase. It is understood that doxorubicin hydrochloride is a fermentation product which is not currently made with the use of a benzenoid precursor. However, in view of the purview of Headnote 1, Part 1, Schedule 4, it is suggested that the article description be modified to state "Doxorubicin hydrochloride (provided for in item 407.85, Part 1, or in item 437.32 or 438.02, Part 3, Schedule 4, depending on source)."

Since the product is classifiable in a "basket" provision, we have no accurate figures on total importation. Nevertheless, at the port of Philadelphia, where apparently the bulk of the importations were entered, there were 27 entries between September 1974 and July 1975 and it is understood that the average value of a shipment was about $350,000. The volume of importations has increased significantly during the past year.

By Mr. MOSS (for himself, Mr. MCGEE, and Mr. STONE):

S. 3688. A bill to amend title 13, United States Code, to provide for a mid-decade census of population, and for other purposes. Referred to the Committee on Post Office and Civil Service.

MID-DECADE CENSUS

Mr. MOSS. Mr. President, today Senator MCGEE, Senator STONE, and I are introducing legislation to institute a mid-decade census, to provide better interim population statistics, and to require that the population data used to determine the allocation of Federal funds be the most recent and accurate available.

We cannot legislate wisely or administer Federal programs fairly for a nation whose social characteristics we cannot accurately assess. We have long collected agricultural and economic data on a 5-year basis; but our most recent population figures and social data are adjustments in the last complete enumeration, or decennial census. With each passing year after the census, these extrapolations become less and less accurate.

To resolve that problem this bill would institute a mid-decade census to commence in 1985 and be repeated every 10 years thereafter. The House has already recognized this need by passing H.R. 11337 early in April. Second, the bill includes a modified version of Senator STONE's bill, S. 1009, requiring collection of annual population statistics for each State, county, or local government unit with a population of 50,000 or more and biennial figures for areas with smaller populations.

Further, the bill recognizes two important national trends.

The first is the increasing mobility of our growing population. In little more than 5 years since our last decennial census, the more industrialized regions of the United States have experienced very slow growth or have even lost population, while States in the South and the Mountain and Pacific West have experienced great increases in population and the rate of population growth. The population of the South grew 8.6 percent between 1970 and 1975, in the Pacific States 6.3 percent, and in the Mountain West a startling 16.3 percent. In a few individual States the growth rates have been considerably higher. It is obvious that changes in the size and distribution of our population can be rapid and extensive.

The second trend is the growth in size and number of Federal assistance programs. In fiscal year 1975, there were some 1,030 such programs which distributed nearly $50 billion dollars, fully 15 percent of the Federal budget. At least 120 of these programs, including some of the largest, allocated money on the basis of relative population. They benefit every State, county, municipality, and school district in the country.

These programs cannot be administered equitably without accounting for significant changes in population. Because such changes can occur rapidly, it is imperative that the statistics used to determine the allocation of Federal funds be the most recent and accurate available. Accordingly, the bill requires just that, except with respect to programs which are now required by law to be administered on the basis of decennial census figures.

In the very near future, I shall announce a hearing before the Senate Post Office Committee Subcommittee on Census and Statistics, and I hope that we can complete action on this important legislation before the end of the session.

Mr. McGEE. Mr. President, I am pleased to join today with my colleagues, Senator Moss and Senator Stone, in the introduction of legislation to provide for a mid-decade census of population. Our common action reflects our common recognition of a serious problem facing our respective States, rapid population growth. The States of Wyoming, Utah, and Florida are not, however, unique in their plight. Every State of the Union experiences significant population shifts in the course of the 10-year hiatus between the decennial censuses conducted by the Bureau of the Census. For some States, this interim means rapid growth; for others it means the loss of population. But in either case, each ensuing year makes the problem of planning and the allocation of resources to meet social needs a progressively difficult and uncertain task. In testimony before the Committee on Post Office and Civil Service in 1968, Senator Ribicoff offered these thoughts about the need for a mid-decade census:

> Without adequate data, neither the Federal Government and local governments nor business can make the most informed decisions—especially in our highly mobile society.

The date given for Senator Ribicoff's quotation clearly demonstrates that the idea of a mid-decade census of population is neither novel nor recent. A number of nations around the world have found it necessary to conduct their censuses more often than once every 10 years. Among the most prominent countries using a quinquennial census are Canada, the United Kingdom, Japan, and Australia.

Halfway through this decade, the need for a complete social census has again become apparent. It is ironic that while we have recognized for almost a half-century the need for collecting agricultural and economic data on a 5-year basis, we have yet to respond in kind to the social needs of our Nation. Faced with these considerations, the House of Representatives found sufficient impetus to act on a mid-decade census bill, H.R. 11337, which it passed on April 7 of this year. The bill we are introducing today differs from the House version in several ways, but ultimately it shares the common and all-important purpose of establishing a mid-decade census of population. One difference is the introduction of several new technical revisions pertaining to the authority and operation of the Bureau of the Census recommended by the Department of Commerce.

Also, the Senate version incorporates a modified form of S. 1009, a bill passed by the Senate on December 15, to require the compilation of current data on total population between censuses and, further, to require the use of such data in the administration of Federal laws in which population is a factor. This legislation now excludes coverage of those Federal laws administered on the basis of decennial census population figures. This is proposed in order to accommodate the objections of several of the Northeastern States, who have properly pointed out that these particular laws are integral to their long-range planning and that the modification of the formulas by which they are administered would be financially disruptive.

Elements of the legislation retained from the House language include a general revision of language and style throughout title 13, United States Code, which most properly can be described as technical. The bill also seeks to account for changes such as the statehood status of Alaska and Hawaii and the reorganization of territories such as the Commonwealth of the Northern Marianas Islands. Moreover, the bill seeks to tighten the protection of the confidentiality of census records retained by the Bureau of the Census.

Perhaps no other aspect of this proposal will be studied so carefully as its cost. However, it seems quite possible that enactment of a mid-decade census of population will result in the exchange of improved information for less cost. The Congressional Budget Office has estimated that the expense of the mid-decade census in fiscal year 1976 dollars would be $517.5 million. The Congressional Budget Office has also calculated the elimination of those statistical programs used to update census data could be eliminated at a savings of $490.6 million. Consequently, the net cost in fiscal year 1976 could be as low as $26.9 million.

It should be pointed out that in calculating the cost of the mid-decade census, the Congressional Budget Office based its figures on the assumption that the census would be conducted by total enumeration. It is quite conceivable, however, that the population and social characteristics of larger metropolitan areas could be determined by the use of sampling procedures. Such a method would mean the cost of the mid-decade census would drop even further. The strong likelihood exists, therefore, that enactment of this legislation will, in fact, mean a reduction in the overall Federal budget.

To me, these are compelling reasons for the swift and thorough consideration of legislation to authorize a mid-decade census of population. Senator Moss will soon announce hearing dates for the consideration of this bill and its companion, H.R. 11337. I recognize the tight schedule that we will be operating under in the Senate, but I sincerely hope and believe this legislation merits our every effort to see that its enactment occurs before the close of the second session of the 94th Congress. Mr. President, at this time I ask unanimous consent that the report on a mid-decade census of population prepared by the Congressional Budget Office along with a letter I received from the Honorable Ed Herschler, Governor of Wyoming, relating to this legislation be inserted in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Congressional Budget Office,
Washington, D.C., May 21, 1976.

Hon. Gale McGee,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 11337, a bill to provide for a mid-decade census of population.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

Robert A. Levine,
Deputy Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE—MAY 21, 1976

1. Bill Number: H.R. 11337.

2. Bill Title: To Provide for a Mid-Decade Census of Population, and Other Purposes.

3. Purpose of Bill: This bill authorizes a mid-decade census of the population of the United States beginning in 1985, and every ten years thereafter. The bill also repeals the law providing prison sentences for failing to respond to census questions, directs the Secretary of Commerce to use sampling methods whenever feasible, and strengthens the confidentiality of census records.

4. Cost Estimate: The net cost of conducting a mid-decade census in 1985 would be $26.9 million in FY 1976 dollars. This cost figure does not assume any inflationary impact beyond December 1976; because of this, the dollar cost will be higher in FY 1985.

5. Basis for Estimate:

The cost of a mid-decade census in FY 1976 is estimated to be $517.5 million. The money for the 1985 census would be spent out over an eight-year period. The FY 1981 cost would be approximately $2.2 million. This cost estimate does not include any inflationary impact, and assumes the costs in FY 1976 dollars. The reason for this assumption is the uncertain rate of inflation for the next decade.

In FY 1976, the federal government supported fifty-five annual major statistical programs at a cost of $498.4 million. In addition, another $46.7 million was spent in support of various periodic statistical programs, which gives a FY 1976 statistical program total of $545.1 million. Much of the data collected in these surveys is specialized information, but at least 10 percent updates census results, especially in the latter half of the decade.

To estimate the approximate savings to the federal government if a mid-decade census were instituted, the annual statistical cost of $545.1 million x 10 percent = $54.5 million. This figure is multiplied by 9, the number of years between the present census years, for a saving of $490.6 million. This figure, $490.6 million, subtracted from $517.5 million, equals $26.9 million as the total cost of a mid-decade census in FY 1976 dollars.

It is possible that other savings might be realized if a mid-decade census were conducted, such as a decrease in lawsuits over revenue sharing programs and less statistical studies legislated by Congress to attain a more accurate data base for policy making, but these have not been considered in this estimate.

6. Estimate Comparison: The House Committee on Post Office and Civil Service estimated the cost of H.R. 11337 to be negative and actually might save the government $50 million. The difference between the estimates is that they used a mid-decade census cost of $350 million in FY 1975 dollars.

7. Previous CBO Estimate: None.

8. Estimate Prepared By: Jack Garrity (225-5275)

9. Estimate Approved By:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

WYOMING EXECUTIVE DEPARTMENT,
Cheyenne, Wyo., May 6, 1976.

Hon. GALE W. MCGEE,
Chairman, Senate Post Office and Civil Service Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: On April 7, the House passed H.R. 11337, which provides for a mid-decade population census. This data would be used to update decennial census figures in federal assistance programs. I understand that the bill has been referred to your committee.

Energy development has produced substantial population increases for Wyoming since the 1970 census. Growth can be expected to continue indefinitely. Many federal grants are based upon the decennial census figures. As our population has grown at a more rapid rate than that for the rest of the nation, we are losing funds which we would receive with an updated census.

I urge your support for the bill.

Yours sincerely,

ED HERSCHLER,
Governor.

ADDITIONAL COSPONSORS

S. 495

At the request of Mr. RIBICOFF, the Senator from Alabama (Mr. ALLEN), the Senator from Colorado (Mr. HASKELL), and the Senator from Maine (Mr. MUSKIE) were added as cosponsors of S. 495, the Watergate Reorganization and Reform Act.

S. 3632

At the request of Mr. TUNNEY, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 3632, to provide for the acquisition and preservation of works of art in Federal buildings.

S. 3663

At the request of Mr. GARY HART, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 3663, to amend section 404 of the Federal Water Pollution Control Act.

SENATE RESOLUTION 490—SUBMISSION OF A RESOLUTION TO DISAPPROVE ENERGY ACTION NO. 5

(Referred to the Committee on Interior and Insular Affairs.)

Mr. JACKSON submitted the following resolution:

S. RES. 490

Resolved, That the Senate does not favor the energy action numbered 5 transmitted to the Congress on July 20, 1975.

Mr. JACKSON. Mr. President, today I am submitting a resolution expressing the Senate's disapproval of Energy Action No. 5, the Federal Energy Administration proposal to remove price and allocation controls from naphthas, gas oils, and certain other petroleum products. The full text of the FEA proposal appears in the CONGRESSIONAL RECORD of July 20, 1976 at pages 22779-22781.

The provisions of sections 455 and 551 of the Energy Policy and Conservation Act (Public Law 94-163) specify the congressional review procedures for the submission and consideration of proposals by the administration to amend the regulation affecting domestic crude oil and refined petroleum products. The proposed energy actions would become effective unless disapproved by either House of Congress within 15 legislative days. In the case of this proposal to decontrol naphthas, gas oils, and other products, the 15-day period would end on midnight August 4, 1976.

I anticipate that the resolution with respect to Energy Action No. 5 will be referred to the Committee on Interior and Insular Affairs. The committee has no hearings scheduled on this decontrol proposal at this time. In any event, if the committee has not reported the resolution at the end of 5 days after referral, section 551(f)(4) of the Energy Policy and Conservation Act provides that any Member of the Senate may move to discharge the committee from further consideration of the resolution. Such a discharge motion would be highly privileged and the debate on the motion would be limited to 1 hour.

These procedures assure that the Senate will not be denied an opportunity to vote on a resolution of disapproval with respect to an energy action by inaction of any committee. I am submitting this resolution to preserve the opportunity of the Senate to act in the case of the petroleum products covered by Energy Action No. 5. The Senate should examine each of these FEA decontrol proposals closely during the statutory review period. If disapproval is warranted, my resolution will provide an opportunity for the Senate to express itself in the case of Energy Action No. 5.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENT NO. 2047

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (H.R. 10612) to reform the tax laws of the United States.

AMENDMENT NO. 2055

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill (H.R. 10612), supra.

AMENDMENT NO. 2056

(Ordered to be printed and to lie on the table.)

Mr. FANNIN submitted an amendment intended to be proposed by him to the bill (H.R. 10612), supra.

AMENDMENT NO. 2057

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself and Mr. THURMOND) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 10612), supra.

CRIME CONTROL ACT OF 1976—S. 2212

AMENDMENT NO. 2048

(Ordered to be printed and to lie on the table.)

Mr. BAYH. Mr. President, I have the good fortune of serving on the Judiciary Committee with the floor manager of S. 2212, the distinguished senior Senator from Arkansas (Mr. MCCLELLAN). I know how hard he and other committee members, including Senators HRUSKA and KENNEDY, have labored to provide stronger and more effective crime control legislation.

The amendment I propose at this time is not designed to find fault with their efforts. Rather, it is designed to carry out my responsibility as chairman of the Judiciary Committee's Subcommittee to Investigate Juvenile Delinquency and as author of the 1974 Juvenile Justice and Delinquency Prevention Act (Public Law 93-415) which my colleagues in this body approved almost without objection in 1974 by a vote of 88 to 1. Today, I urge you to help assure that the long-ignored area of juvenile crime prevention remains the priority of the Federal anticrime program.

The Juvenile Justice and Delinquency Prevention Act was the product of a bipartisan effort of groups of dedicated citizens and of strong bipartisan majorities in both the Senate and House—329 to 20—to specifically address this Nation's juvenile crime problem, which finds more than one-half of all serious crimes committed by young people who have the highest recidivism rate of any age group.

The most eloquent evidence of the scope of the problem is the fact that although youngsters from ages 10 to 17 account for only 16 percent of our population, they, likewise, account for fully 45 percent of all persons arrested for serious crimes. More than 60 percent of all criminal arrests are of people 22 years of age or younger.

This measure was designed specifically to prevent young people from entering our failing juvenile justice system and to assist communities in developing more sensible and economic approaches for youngsters already in the juvenile justice system. Its cornerstone is the acknowledgment of the vital role private nonprofit organizations must play in the fight against crime. Involvement of the millions of citizens represented by such groups, will help assure that we avoid the wasteful duplication inherent in past Federal crime policy. Under its provisions the Office of Juvenile Justice and Delinquency Prevention, LEAA, must assist those public and private agencies who use prevention methods in dealing with juvenile offenders to help assure that only those youth who should be are incarcerated and that the thousands of youth who have committed no criminal act—status offenders, such as runaways and truants—are never incarcerated, but dealt with in a healthy and more appropriate manner.

An essential aspect of the 1974 act is the "maintenance of effort" provision—section 261(b) and section 544. It requires LEAA to continue at least the fiscal year 1972 level—$112 million—of support for a wide range of juvenile programs. This provision assured that the 1974 act's primary aim, to focus the new Office efforts on prevention, would not be the victim of a "shell game" whereby LEAA merely shifted traditional juvenile programs to the new office. Thus, it guaranteed that juvenile crime prevention was the priority.

Fiscal year 1972 was selected only because it was the most recent year for which current and reportedly accurate data were available. Witnesses from LEAA represented to the Subcommittee to Investigate Juvenile Delinquency in June 1973 that nearly $140 million had been awarded by the Agency during that year ostensibly to programs for the improvement of the traditional juvenile justice system. It was this provision, when coupled with the new prevention thrust of the substantive program authorized by the 1974 act, which represented a commitment by the Congress to make the prevention of juvenile crime a national priority—not one of several competing programs administered by LEAA, but the national crime-fighting priority.

The subcommittee has worked for years to persuade LEAA to make an effort in the delinquency field commensurate with the fact that youths under the age of 20 are responsible for half the crime in this country. In fiscal year 1970, LEAA spent an unimpressive 12 percent; in fiscal year 1971, 14 percent; and in fiscal year 1972, 20 percent of its block funds in this vital area. In 1973 the Senate approved the Bayh-Cook amendment to the LEAA extension bill (H.R. 8152) which required LEAA to allocate 30 percent of its dollars to juvenile crime prevention. Regrettably, some who had not objected to its Senate passage opposed it in the House-Senate conference where it was deleted.

Thus, the passage of the 1974 act, which was opposed by the Nixon administration—LEAA, HEW, and OMB—was truly a turning point in Federal crime prevention policy. It was unmistakably clear that we had finally responded to the reality that juveniles commit more than half the serious crime.

Unfortunately, in its zealousness to defeat both the 1973 Bayh-Cook amendment for the improvement of the juvenile justice system and the bill which eventually became the 1974 act, the administration and its representatives grossly misrepresented their efforts in this area.

In hearings before my subcommittee last year, OMB Deputy Director Paul O'Neill, and other representatives of the administration finally admitted that the actual expenditure for fiscal year 1972 was $111,851,054 or $28 million less than we had contemplated would be required to be spent each year under the maintenance of effort provision of the 1974 act.

The legislative history of the Juvenile Justice Act is replete with reference to the significance of this provision. The Judiciary Committee report, the explanations of the bill, both when introduced and debated by myself and Senator Hruska, as well as our joint explanations to this body of the action taken by the Senate-House conference on the measure each cite the $140 million figure and stress the requirement of this expenditure as integral to the impact contemplated by Congress through the passage of the Juvenile Justice and Delinquency Prevention Act of 1974.

Once law, the Ford administration, as if on cue from its predecessor, steadfastly opposed appropriations for the act and hampered the implementation of its provisions. When the President signed the act he ironically cited the availability of the "$140 million" as the basis for not seeking appropriations for the new prevention program.

Despite continued stiff Ford administration opposition to this congressional crime prevention program, $25 million was obtained in the fiscal year 1975 supplemental. The act authorized $125 million for fiscal year 1976; the President requested zero funding; the Senate appropriated $75 million; and the Congress approved $40 million. In January, President Ford proposed to defer $15 million from fiscal year 1976 to fiscal year 1977 and requested a paltry $10 million of the $150 million authorized for fiscal year 1977, or a $30 million reduction from fiscal year 1976. On March 4, 1976, the House, on a voice vote, rejected the Ford deferral and recently the Congress provided $75 million for the new prevention program.

Mr. President, while we have obtained, over strong administration opposition, about 50 percent of the funding Congress authorized for the new prevention program under the 1974 act, the administration has renewed its efforts to prevent its full implementation. In fact, the Ford "Crime Control Act of 1976," S. 2212, would repeal the maintenance of effort provision of the 1974 act.

It is interesting to note that the primary reason stated for the administration's opposition to funding of the 1974 act prevention program was the availability of the very "maintenance of effort" provision which the administration seeks to repeal in S. 2212.

Mr. President, the same forked-tongue approach was articulated by Deputy Attorney General Harold Tyler before the Senate Appropriations Subcommittee. He again cited the availability of the maintenance of effort requirement in urging the Appropriations Committee to reduce by 75 percent, to $10 million, current funding for the new prevention program or in other words, kill it.

The Ford administration was unable to persuade the Judiciary Committee to fully repeal this key section of the 1974 act, but they were able to persuade a close majority to accept a substitute percentage formula for the present law, the effect of which would substantially reduce the total Federal effort for juvenile crime prevention. But, what the President seeks, and what his supporters will diligently pursue is the full emasculation of the program. This intent is clearly evidenced in the original version of S. 2212 and even more importantly in the President's proposal to extend the 1974 act, for 1 year, which was submitted to Congress on May 15, after the percentage formula version was reported from the Judiciary Committee. This new proposal again incorporates sections repealing the key maintenance of effort provision. My subcommittee heard testimony on this measure on May 20 and it was clear to me that rather than an extension bill, it is an extinction bill.

It is this type of doubletalk for the better part of a decade which is in part responsible for the annual recordbreaking double-digit escalation of serious crime in this country.

Mr. President, I am not able to support the reported version of President Ford's Crime Control Act of 1976, S. 2212, because it—sections 26(b) and 28—repeals a significant provision of the Juvenile Justice and Delinquency Prevention Act of 1974 (Public Law 93-415). The formula substituted for present law—by a vote of 7 to 5, voting "nay": Senators BAYH, HART, KENNEDY, ABOUREZK, and MATHIAS; and voting "yea": Senators MCCLELLAN, BURDICK, EASTLAND, HRUSKA, FONG, THURMOND, and WILLIAM L. SCOTT, represents a clear erosion of a congressional priority for juvenile crime prevention and at best proposes that we trade current legal requirements that retain this priority for the prospect of perhaps comparable requirements.

Under the approach recommended by the committee, rather than the level mandated by the 1974 act; namely expenditures for the improvement of juvenile justice systems for fiscal year 1972 represented to be $140 million, but in fact, about $112 million, 19.15 percent of the total allocation of LEAA parts C and E funds would be maintained annually. This percentage represents the relationship of actual fiscal year 1972 expenditures for juvenile justice improvement—$112 million—to total C and E allocation of $584 million for that year. Its application in fiscal year 1977 would require that less than $82 million of Crime Control Act moneys be maintained for juvenile justice system improvement. Thus, $30 million less would be allocated than in fiscal year 1975 or 1976. It is likewise important to recall that because of the misrepresentation regarding actual expenditures in fiscal year 1972, $28 million less than Congress had intended was allocated to juvenile crime in fiscal years 1975 and 1976. The cumulative impact of the administration's sleight of hand regarding the $140 million figure and the application of the percentage formula solely to LEAA parts C and E would reduce the act's congressional commitment by $114 million: $28 million in fiscal year 1975, $28 million in fiscal year 1976, and $58 million in fiscal year 1977. This is totally unacceptable.

On May 28, 1976, I introduced amendment No. 1731, which would strike the provisions of S. 2212 which substitute the narrow percentage formula approach for the extremely significant maintenance of effort requirement. The approach of amendment No. 1731, which favors current statutory language is identical to that taken by Chairman Rodino's House Judiciary Committee in S. 2212's companion bill, H.R. 13636. In addition to the pure merit of supporting the status quo which retains juvenile crime prevention as the LEAA priority, it was my view that those interested in fundamentally altering the provisions of the 1974 act, as the reported bill clearly intends, reserve their proposals until next spring and work with the subcommittee in drafting legislation to extend the 1974 act. Our hearings to accomplish this extension began May 20, 1976. It was with this perspective that I introduced amendment No. 1731 to excise these unpalatable sections.

Since that time I have reviewed this matter and concluded that the flexibility provided by the percentage formula approach may be more equitable in that the maintenance level would increase or decrease in proportion to the actual allocation of funds each fiscal year, but that the allocation for juvenile justice improvement should be a percentage of the total Crime Control Act appropriation, not solely of LEAA part C and E funds. The commitment to improving the juvenile justice system should be reflected in each category or area of LEAA activity: technical assistance-research, evaluation and technology transfer; educational assistance and special training; data systems and statistical assistance; management and operations; and planning as well as the matching and discretionary grants to improve and strengthen the criminal justice system.

Today, therefore, I ask my colleagues' support for my new amendment. The amendment does not authorize any additional appropriations; it simply helps insure, consistent with the policy thrust of the 1974 act, that LEAA will allocate crime control funds in proportion to the seriousness of the juvenile crime problem. The amendment will require that 19.15 percent of Crime Control Act funds, in deference to the level recommended in the committee report, be allocated for the improvement of the juvenile justice system.

It should be recalled that in 1973 this body supported, without objection, the Bayh-Cook amendment to the LEAA extension bill which would have required that 30 percent of LEAA part C and E funds be allocated for improvement of the juvenile justice system. My amendment, today, is clearly consistent with that effort. Had the 30-percent requirement become law it would have required that nearly $130 million of Crime Control Act, part C and E dollars—$427,500,000—be maintained during fiscal year 1977.

Coincidentally, the application of the 19.15-percent formula to Crime Control Act moneys for fiscal year 1977—$678,000,000—would require that an almost identical amount, $129,837,000, be maintained for the improvement of the juvenile justice system.

If we are to tamper with the 1974 act in a manner that will have significant impact, let us be assured that we act consistent with our dedication to the conviction that juvenile crime prevention be the priority of the Federal crime program. The GAO has identified this as the most cost-effective crime prevention program we have; it is supported by a myriad of groups interested in the safety of our citizens and our youth who are our future; and I am proud to say that this bipartisan approach is strongly endorsed in my party's national platform. My amendment will guarantee a continuity of investment of Crime Control Act funds for the improvement of the juvenile justice system; and when coupled with the appropriations obtained for the new office—$75 million for fiscal year 1977—we can truly say that we have begun to address the cornerstone of crime in this country—juvenile delinquency.

More money alone, however, will not get the job done. There is no magic solution to the serious problems of crime and delinquency.

Yet, as we celebrate the 200th anniversary of the beginning of our struggle to establish a just and free society, we must recognize that whatever progress is to be made rests, in large part, on the willingness of our people to invest in the future of succeeding generations. I think we can do better for this young generation of Americans than setting them adrift in schools racked by violence, communities staggering under soaring crime rates, and a juvenile system that often lacks the most important ingredient—justice.

The young people of this country are our future. How we respond to children in trouble, whether we are vindictive or considerate, will not only measure the depth of our conscience, but will determine the type of society we convey to future generations. Erosion of the commitment to children in trouble, as contained in S. 2212, as reported, is clearly not compatible with these objectives.

I urge my colleagues to support my amendment and help retain juvenile crime prevention as the national anti-crime program priority.

I ask unanimous consent that my amendment be printed in the Record at this point:

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 2048

On page 33, strike lines 11 through 16, inserting in lieu thereof the following:

(b) striking subsection (b) and inserting in lieu thereof the following:

"(b) In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, the Administration shall maintain from the appropriation for the Law Enforcement Assistance Administration, each fiscal year, at least the same level of financial assistance for juvenile delinquency programs that such assistance bore to the total appropriation for the programs funded pursuant to part C and part E of this title during fiscal year 1972, namely 19.15 per centum of the total appropriation for the Administration."

On page 34, strike lines 16 through 23, inserting in lieu thereof the following:

Sec. 28. Section 261 of the Juvenile Justice and Delinquency Prevention Act of 1974 (88 Stat. 1129) is amended by striking subsection (b) and inserting in lieu thereof the following:

"(b) In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, the Administration shall maintain from the appropriation for the Law Enforcement Assistance Administration, each fiscal year, at least the same level of financial assistance for juvenile delinquency programs that such assistance bore to the total appropriation for the programs funded pursuant to part C and part E of this title during fiscal year 1972, namely 19.15 per centum of the total appropriation for the Administration."

AMENDMENTS NOS. 2049, 2050, AND 2051

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted three amendments intended to be proposed by him to the bill (S. 2212) to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and for other purposes.

AMENDMENT NO. 2053

(Ordered to be printed and to lie on the table.)

Mr. PERCY. Mr. President, I am introducing an amendment to S. 2212, the Crime Control Act of 1976. This amendment is identical to S. 3657, the Drug Enforcement Administration Improvement Act of 1976, which I introduced along with Senators Nunn and Ribicoff on July 1, 1976. It provides for the removal of all upper-level supervisory personnel in the Drug Enforcement Administration—DEA—from the civil service system. This involves those positions of grade GS–15 and above—some 162 people in this 4,200 person agency.

This removal would become effective 1 year after the enactment of this bill. In the interim, the people in such positions who do not elect to remain in their positions in the excepted service could either:

Transfer to a similar position for which they are qualified in another agency which is protected by the civil service; or

Transfer to a grade GS–14 position in DEA with no loss in salary or pension rights.

There are two questions which I would like to address in these introductory remarks. First, "Is this amendment relevant to the bill which we are now considering?" And, second, "Is this amendment worth supporting?"

There are two reasons why an amendment to improve DEA is an appropriate one to be offering to S. 2212. One is the direct financial connection between the Law Enforcement Assistance Administration—LEAA—and DEA. As you all know, S. 2212 provides for the reauthorization of LEAA. And, LEAA has funded, and continues to fund DEA administered projects in the States and localities to the tune of over $30 million for the last 3 fiscal years—$11.5 million of that in fiscal 1976 alone.

But there is a second, and far more important reason why an amendment designed to improve the Drug Enforcement Administration belongs in a crime control bill. This is the tragic correlation between drug abuse and crime. The traffic in hard drugs literally breeds crime, and this twin peril is a principal reason for the intolerable conditions in many parts of our urban centers. In fact, in his April 27, 1976, message to Congress on drug abuse, President Ford indicated that law enforcement officials estimate that as much as one-half of all "street crime"—robberies, muggings, and burglaries—is committed by drug addicts to support their habits. Drug abuse has been calculated to cost us up to $17 billion a year, and a large portion of this cost results from such street crimes.

Consequently, an effective fight against drug abuse would have a significant impact on crime. And this impact is likely to be greatest in precisely those high crime areas which S. 2212 singles out for extra assistance. A successful Federal drug law enforcement effort would be of tremendous value to such areas, and to the Nation as a whole.

So the real question is not whether an amendment designed to improve the Drug Enforcement Administration is germane to the Crime Control Act of 1976. Clearly it is. Rather, the question is whether this proposal to remove the top supervisory positions in DEA from the civil service system would improve the agency. And, I think the record is equally unequivocal on this point—it would.

S. 3657, the Drug Enforcement Administration Improvement Act of 1976, which forms the body of this amendment, grew out of the investigation by the Permanent Subcommittee on Investigations into the Federal drug law enforcement effort.

The Investigations Subcommittee's June–July 1975 hearings showed that during DEA's first 2 years, a period in which heroin addiction was growing to epidemic proportions, the agency was beset by mismanagement, internal strife, and some serious integrity problems.

A major obstacle to the successful resolution of these problems has been the restrictions imposed upon the Administrator of DEA by the civil service personnel policies under which the agency operates. Because of rigid civil service rules and regulations, an Administrator interested in upgrading the quality of DEA personnel and the effectiveness of agency programs, does not have the administrative flexibility needed to make those major personnel changes he deems necessary.

Furthermore, when the Administrator seeks to fill key supervisory positions from within the agency, his choice is severely limited by civil service rules which ordinarily prohibit an employee from advancing more than one full grade per year. This problem is especially acute at the crucial top levels of the agency, where the Administrator's choice may be limited to as few as two or three potential appointees.

This amendment is an attempt to solve this problem by giving the Administrator of DEA the greater managerial flexibility he so desperately needs to better run the Agency.

The record of the hearings held by the Senate Permanent Subcommittee on Investigations strongly supports this proposal. After an extensive review of internal difficulties at DEA and its predecessor agencies, the subcommittee has concluded that this reform is essential to the effective management of the Agency. As the subcommittee report, which was released last Sunday, concludes:

> It is the finding of the Subcommittee that DEA personnel should not be covered by civil service rules and regulations. The subcommittee believes a fair method of disengaging DEA or any successor organization from civil service would be to give personnel a 1-year grace period during which they could seek other Federal employment covered by civil service with their rights intact. In turn, should personnel choose to remain in place, they would, after the 1-year period, lose all rights and protections previously provided them under civil service.

In addition, I have been in contact with various individuals who have had experience, either working in, or dealing with DEA. Former Deputy Attorney General Laurence Silberman, former Acting DEA Administrator Henry S. Dogin, former Chief Inspector and former Acting Deputy Administrator of DEA Andrew C. Tartaglino, Watergate Special Prosecutor and former Acting DEA Chief Inspector Charles Ruff, and other senior officials both in and out of the Department of Justice have all expressed strong support for this legislation. Perhaps Mr. Silberman, who as Deputy Attorney General was the official primarily responsible for oversight of DEA, most cogently summed up the need for this legislation in his testimony before the Permanent Subcommittee on Investigations:

> I think this committee . . . could do something that would be of enormous help for DEA and for the Justice Department, and that is to pass legislation to take civil service away from DEA and give them the same personnel status as the FBI.
>
> If you do that, you will end up with a much better DEA, which will be less susceptible to corruption.
>
> As you dug into this investigation, I think this committee has become aware that the protections which civil service gives employees, while very valuable, are probably inappropriate in an organization engaged in direct law enforcement. You have a higher degree of discipline and you need a higher degree of flexibility of management.

As the ranking minority member of the Permanent Subcommittee on Investigations, I am firmly convinced of the need for this measure. And I am very pleased to have been joined in introducing S. 3657 by Senator NUNN, acting chairman of the subcommittee, and Senator RIBICOFF, a member of the subcommittee and chairman of the full Government Operations Committee. Both were active participants in the subcommittee's inquiry into the Federal drug law enforcement efforts, and both have indicated an acute understanding of the enormous need for greater managerial flexibility at the highest levels of DEA.

Before I conclude, I would like to emphasize one point in particular. This amendment is not intended as a means of capriciously punishing those individuals now in supervisory positions in DEA. Indeed, many of these individuals are men of the highest integrity, and are very dedicated and competent law enforcement officials.

Nor is this amendment intended to serve as a precedent for the wholesale removal of Government agencies from the civil service system. Rather, it is a recognition of the fact that Federal law enforcement agencies constitute a special case. In these agencies, the opportunities for "corner-cutting" and outright corruption are so great that a more flexible personnel system is needed to insure the integrity and effectiveness of agency personnel. By way of comparison, the other law enforcement agency under the Justice Department, the FBI, has, since its creation, maintained a personnel system wholly outside the civil service.

Mr. President, this amendment is absolutely essential to the most effective operation of the Drug Enforcement Administration. In view of the tremendous importance of DEA's role in the fight against drug abuse and the enormous impact which its efforts have on crime, especially in our cities, I think that this is an especially appropriate and important amendment to be offering to S. 2212, the Crime Control Act of 1976.

AMENDMENT NO. 2054

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN. Mr. President, I am today submitting an amendment to S. 2212, the Crime Control Act of 1976. My amendment would add paragraph 13 to section 301(a), and would serve to highlight and encourage the use of Federal funding for one program that has proven an invaluable aid to State and local law enforcement.

I speak of early case assessment, a program in which Federal funds finance efforts at the local level to employ experienced prosecutors to analyze criminal cases immediately upon their entry into the criminal justice system. These prosecutors target and expedite cases involving violent crimes. They immediately interview witnesses, who might otherwise disappear or become impossible to locate. They eliminate cases that should never be brought to trial due to weak or nonexistent evidence or for other reasons. They concentrate the limited resources of the Government on those cases that would most wisely be prosecuted, either due to the violence of the crime or the winnability of the case.

Mr. President, competent case screening has been done in a few cities like New York, St. Louis, and Houston. It has proved to be an invaluable managerial technique that has saved the prosecution valuable resources, the courts valuable time, and the public a considerable amount of money. It has protected the rights of defendants who would have been acquitted after a lengthy, expensive and trying ordeal that should never have taken place. It protects the innocent, and facilitates the prosecution of the truly dangerous. It has reduced the abuse of plea-bargaining that has allowed so many dangerous offenders to escape punishment, especially in high crime areas.

Mr. President, my amendment would emphasize the availability of Federal funds for this effort—a highly effective program—and one that has made justice more just, law enforcement more effective, Federal spending more wise, and our streets a little more safe.

I seek to encourage the process of early case assessment. It is a truly efficient businesslike approach to the justice system. It is a proven procedure which others should recognize and utilize.

Mr. President, I urge adoption of this amendment as one step in the right direction to help curb the violence that plagues so many of our streets and communities, and I ask unanimous consent that the text of this amendment be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 2054

On page 16, line 22, strike out "; and" and after line 22 insert the following:

"(13) The establishment of early case assessment panels for any unit of local government within the State having a population of two hundred and fifty thousand or more to screen and analyze cases as early as possible from the time of the bringing of charges, to determine the feasibility of successful prosecution, to expedite the prosecution of cases involving repeat offenders and perpetrators of violent crimes, and to concentrate prosecution efforts on cases with a high probability of successful prosecution."; and

CLEAN AIR ACT AMENDMENTS OF 1976—S. 3219

AMENDMENT NO. 2052

(Ordered to be printed and to lie on the table.)

Mr. WILLIAMS (for himself and Mr. Case) submitted an amendment intended to be proposed by them jointly to the bill (S. 3219) to amend the Clean Air Act, as amended.

SCHEDULE OF HEARINGS

Mr. JACKSON. Mr. President, I wish to announce for the information of my colleagues and the interested public the following schedule of hearings to be held before the Subcommittee on Parks and Recreation of the Senate Interior and Insular Affairs Committee:

July 26—10 a.m., in room 3110 of the Dirksen Building:

H.R. 13713, National Park Service omnibus bill regarding extension of boundaries and acquisition ceilings, encompassing the following measures:

S. 1133, Golden Spike National Historic Site.

S. 1510, Andrew Johnson National Historic Site.

S. 2325, Gulf Islands National Seashore.

S. 2904, establishing Buffalo National River.

S. 3012, Colorado National Monument.

Additional boundary and ceiling changes include:

S. 91, Antietam National Battlefield.

S. 2182, C&O Canal Development Act.

S. 2257, Edison National Historic Site.

S. 2894, Bandelier National Monument.

S. 3116, Haleakala National Park.

S. 3373, Nez Perce National Historic Park.

S. 3410, Morriston National Historical Park.

S. 3501, Fort Union Trading Post National Historic Site.

S. 3560, John F. Kennedy Center authorization.

Written testimony will also be accepted on S. 3430, Park Service Authorities Bill.

July 27—10 a.m., in room 3110 of the Dirksen Building:

Senate Joint Resolution 139, St. Paul's Church, Eastchester.

H.R. 10370, Canaveral Seashore Commission.

S. 400, Frederick Law Olmstead National Historic Site.

S. 3419, Afro-American Museum.

S. 3441, Congressional Cemetery Maintenance.

August 2—10 a.m., in room 3110 of the Dirksen Building:

S. 2112, Bartram National Scenic Trail—study.

S. 2783, Daniel Boone National Scenic Trail—study.

S. 3273, Nee Me Poo National Scenic Trail—study.

S. 3287, Iditarod National Historic Trail—establish.

S. 3528, Desert National Scenic Trail—study.

House Concurrent Resolution 225, Washington-Rochambeau National Historic Route—establish.

Persons having any questions concerning these hearings may wish to contact Mr. James P. Beirne, counsel to the subcommittee, at 224-7145. Written testimony for the record should be submitted to the Subcommittee on Parks and Recreation, Committee on Interior and Insular Affairs, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

NOTICE OF HEARING

Mr. HASKELL. Mr. President, I wish to announce for the benefit of my colleagues and the public, the scheduling of a public hearing before the Subcommittee on the Environment and Land Resources of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for July 30, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding three bills which are presently before the subcommittee. The measures are:

S. 3204.—to provide for the study of certain lands in the State;

S. 3676.—of Missouri to determine their suitability for designation as wilderness; and

S. 3444.—to provide for the study of certain lands in the State of Louisiana to determine their suitability for designation as wilderness.

For further information regarding the hearings you may wish to contact Mr. Thomas Williams of the subcommittee staff on extension 4-9894. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Subcommittee on Environment and Land Resources, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

NOTICE OF HEARING ON NOMINATION

Mr. MOSS. Mr. President, on behalf of myself, Senator Kennedy, and Senator Tunney, I announce that a hearing on the nomination of Dr. H. Guyford Stever to become Director of the Office of Science and Technology Policy in the Executive Office of the President will be held on Wednesday, July 28, 1976, at 11 a.m., in room 318 of the Russell Senate Office Building.

ADDITIONAL STATEMENTS

JOBS FROM INDUSTRY, NOT FEDS

Mr. BUCKLEY. Mr. President, since this Congress convened a year and a half ago, there has been much discussion about ways in which the Federal Government can create jobs for unemployed workers. Perhaps it is time for the Congress to talk less on this subject and to listen more, heeding especially the advice of those men and women around the country whose wisdom and experience have made them leaders in commerce and industry, that is, in the creation of jobs through private initiative.

Douglass C. Harvey is one of them. As vice president and general manager of the apparatus division of the Eastman Kodak Co. in Rochester, N.Y., Doug Harvey is a business leader of whom his community and his State can be proud. In a recent address to the graduating class of Roberts Wesleyan College in Rochester, he explained how the Congress can stimulate the American economy to produce more jobs and how, if we are not careful, the Congress can disrupt our economic system beyond repair. His analysis, published in the Rochester Democrat and Chronicle of June 28, 1976, is hard hitting and astute. It says what badly needs saying, especially in the Congress. I therefore ask unanimous consent, Mr. President, that Mr. Harvey's remarks be printed in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Jobs From Industry, Not Feds

(By Douglass C. Harvey)

The National unemployment level has lingered at a deplorable 7½ percent, and we read that unemployment among liberal-arts graduates is twice the national figure.

Viable jobs come into existence only to meet a want or need for goods or services that enough people perceive as having a value worth their hard-earned dollars.

One percentage point of unemployment means 900,000 jobs that aren't there, $50 billion worth of goods and services that are not produced, and $14 billion in taxes that are not collected. Under the circumstances, you would have a hard time finding anybody of any political persuasion who regards 7½ percent unemployment as a tolerable long-term condition for this country.

The most prominent remedy that has been proposed is a bill currently in Senate debate. It commits the federal government to provide a job for every "adult American, able, willing, and seeking work." Sounds like an easy solution, doesn't it? . . .

One of the bill's co-sponsors, Sen. Hubert Humphrey, was reported as saying that those who "worship at the shrine of the free market forget that we live in a country that has people, and the free market doesn't take care of the poor."

This sort of thing is all right for 30-second TV commercials, or airport stopovers—even for a declared non-candidate. But Sen. Humphrey was talking in a "think tank" to professional economists and others who have reason to know how the American economy works.

Any of them might have countered with abundant evidence to show the senator that what he said just ain't so.

They couldn't have used a more pertinent source than the distinguished Harvard economist, Joseph Schumpeter . . .

Schumpeter commented: "Queen Elizabeth owned silk stockings. The capitalist achievement does not typically consist in providing more silk stockings for queens, but in bringing them within the reach of factory girls for a steadily decreasing amount of effort."

We have had a dramatic demonstration of Schumpeter's thesis in our time. From 1960 through 1973, $1.8 trillion in capital investment was poured into the American economy, and 18.6 million new jobs were created. During the same period, the percentage of the population living below the poverty line, as defined by the U.S. government, declined from 22 per cent to 11 per cent.

These statistics would tend to belie the statement that the free market doesn't take care of the poor . . .

But Schumpeter came to what he called a "paradoxical conclusion:" Karl Marx would probably turn out to be right for the wrong reasons. "Capitalism," said Schumpeter, "is being killed by its own achievements . . ."

When Schumpeter himself was countercharged with being defeatist on the future of capitalism and individual freedom, he replied:

"The report that a given ship is sinking is not defeatist. Only the spirit in which the report is received can be defeatist. The crew can sit down and drink. But it can also run for the pumps."

I am one for the pumps.

A Chamber of Commerce spokesman testified before a congressional committee that the average public service employment job would cost $8,000 in public subsidies.

By and large, these jobs are not for the creation of goods. By contrast, the investment needed (per job) in the business sector today lies in the $60,000 to $70,000 range.

One can ask: If jobs provided by government cost so much less is that, then, the key? Senator Humphrey seems to think so.

But I ask you, would things be better if government were to provide two out of six jobs? Three out of six?

Jobs provided by government drain our tax dollars. Jobs in the business sector, on the other hand, require more capital—to be sure—but return taxes to the national treasury. It should be obvious, the emphasis must be toward the creation of jobs in the business sector . . .

But why is the capital needed to provide a job in the business sector so much greater than in government?

The reason is that these jobs create goods and have to be competitive with the same work being performed almost anywhere else in the world. The buzz word is "productivity."

The wage the average worker at the Kodak Apparatus Division receives for an hour of production would pay for better than two workers in Japan, about three in Mexico, six in Hong Kong, and nine in Taiwan.

The only way American workers can stay competitive in the world market is through the use of modern tools and advanced training that make their work more productive—productive in ideas, as well as goods . . .

Treasury Secretary William Simon has warned that, in real terms, the United States is actually cutting back on its investment in new jobs.

Capital invested per new worker from 1971 through 1975 averaged $67,000, which sounds substantial. But for the comparable period a decade ago, the average comes out $77,000 on the same basis.

So what? So the American job is becoming less competitive in the world market. It's less competitive because as a nation we're losing ground in productivity.

The tasks our system will be confronted with, in the years ahead, are even more demanding than anything it has achieved in the past:

We have to provide new jobs for about half again as many workers over the next ten years as we did over the past ten.

We have to rebuild a national industrial plant that is now estimated to be two years behind those of Western Europe and Japan.

We have to develop new sources of energy to lessen the nation's dependence on foreign oil, a project that could require a trillion dollars in capital investment over the next ten years.

And, we have to resume putting roofs over people's heads—to the tune of another trillion dollars investment in construction.

All in all, informed estimates of the capital requirement to keep the American economy moving range between $4 trillion and $4.7 trillion from now through 1985.

And, if present trends in capital formation continue, we aren't going to make it! We aren't going to make it by $350 billion to $650 billion.

That much of a shortfall would mean that we would have to settle for an economy operating at less than its full potential, with a continuing slowdown in productivity and, probably, more underemployment, inflation, recession, or, perhaps, all of these conditions, together.

But, I'm an optimist. I don't believe Schumpeter's prophecy need come true.

First, there is a dire need for cooperation, not antagonism, between government and industry, if there are to be enough jobs for this and future generations.

Secondly, profits derived from providing needed goods and desired services are not bad. In fact, they are a vital ingredient in a healthy economy. . . .

Some of our Congressmen are suggesting that there is an easy solution to the job question—but don't be misled by a mirage and accept the easy way.

There is no such thing as a free lunch.

MRS. SHIKU SATOW: LEARNING IS A LIFELONG PURSUIT

Mr. TUNNEY. Mr. President, at the age of 86, Mr. Shiku Satow has watched 25 children and grandchildren receive high school diplomas at Leuzinger High School in Lawndale, Calif. And at the age of 86, it became Mrs. Satow's turn to ascend the podium in cap and gown to receive a diploma of her own.

A longtime resident of Hawthorne, Mrs. Satow and her family have contributed a richness to the quality of education at Leuzinger and to life in Hawthorne itself. Among her offspring who have graduated have been several football players, a valedictorian, several student class presidents, and award winners. During the June graduation ceremonies, almost half a century after her first child entered Leuzinger, Mrs. Satow's family, friends, and neighbors rose to honor her as she received the first honorary diploma ever awarded by the school.

I join all of those who know and respect Mrs. Satow in expressing my sincere congratulations and good wishes on this momentous occasion. It is an honor justly deserved.

I ask unanimous consent that the text of an article which appeared in the Los Angeles Times about Mrs. Satow's graduation be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHE GETS A DIPLOMA AT 86—HONOR MARKS FAMILY'S TIES TO HIGH SCHOOL: 25 GRADUATES

(By Charles Hillinger)

As the elderly Japanese-American woman walked to the podium in white cap and gown, the 390 graduating seniors assembled on the Leuzinger High School football field jumped to their feet, clapped and cheered.

In the bleachers, hundreds of relatives and friends of the graduates rose at the same time to give the woman a standing ovation.

For 86-year-old Shiku Satow, the event highlighted almost half a century of association with the high school from which 25 members of her family—seven children and 18 grandchildren—have graduated.

Mrs. Satow was awarded an honorary diploma—the first ever given by Leuzinger—at graduation exercises Wednesday evening in Lawndale.

"This is one of the happiest moments of my life," she said after the ceremonies. "All these years I have set out there in the audience watching my children and grandchildren graduate. I never expected to be up here with the graduates."

Seated beside Mrs. Satow on the podium was her eldest son, Hideo, a member of Leuzinger's first graduating class in 1932.

Among graduates this year was Gwyn Christine Satow, whose father, Kunio, 51, received his diploma in 1942.

Kunio was the only one of the 25 Satow to gradaute from Leuzinger who did not receive his diploma at regular graduation exercises.

His diploma was presented in a special graduation ceremony for Japanese-Americans from high schools throughout Southern California assembled at the World War II internment camp at Santa Anita Race Track in June, 1942.

Mrs. Satow has lived in Hawthorne since she and her late husband, Tomijiro, first came to the United States in 1914.

She is still active in the floral business she and her husband established the year they arrived. Mrs. Satow, six sons and one daughter grow carnations on 10 acres of land.

From the very beginning, her family has had close ties with Leuzinger.

In fact, for Wednesday evening's ceremonies, a special section in the audience was reserved for Mrs. Satow's seven children, 22 grandchildren, eight great-grandchildren and other members of the family.

"Throughout the entire history of our school, except for the three war years, there has always been a member of Shiku Satow's family in attendance," said Principal Jim Crase.

"The Satows have all been outstanding students—beginning with Hideo who won the first Darsie Award for service to Leuzinger. Satows have included a valedictorian, football players, student class presidents. They have enriched the life of this campus immensely."

Then, while the school choir sang "This Is My Country" and a fireworks display ended the evening's ceremonies, Mrs. Satow had a few words of her own.

"I am so happy this happened," she said softly. "America has been very good to my family."

BEING GENEROUS WITH SOMEBODY ELSE'S MONEY

Mr. HELMS. Mr. President, it would be amusing—if the self-deception were not so tragic—to note how generous some politicians and public officials can be with somebody else's money. I am always amazed at the reasoning of those limousine liberals who point the finger at those of us with conservative inclinations, accusing us of lacking sufficient compassion for the unfortunate. We are being so stingy, they say, while they, being endowed by their Creator with hearts of much larger dimensions, are always generous on behalf of the unfortunate.

One almost has a pang of guilt—for a moment—until the simple truth emerges: It is not their money with which our liberal friends are being generous; it is not our money with which conservatives are being stingy. It is the money of our fellow man that is at issue. One cannot be generous or stingy with someone else's money.

It is remindful of the institution of whipping boys in the days of royalty. It was considered an act of disloyalty to spank an infant king, so one of his young subjects would take his place. There was a certain child king, under this institution, who impressed everyone by his humility in insisting that he be properly punished for the slightest misbehavior. Everyone was impressed, at least until it was realized that it was not the king's posterior that was receiving the requested punishment.

Indeed, Mr. President, often it seems that those whose eloquence rises to the loftiest heights on the subject of generosity are remarkably consistent in making sure that public generosity is first extended to themselves. It is very true, as someone once pointed out, that hypocrisy is the tribute that evil pays to virtue.

A fine friend and outstanding citizen of Asheville, N.C., Mr. David B. Morgan, Jr., recently sent me a most blatant example of the hypocrisy of the limousine liberals. In an article appearing in the International Herald Tribune on May 24, 1976, there is set out a synopsis of the ridiculously excessive salaries paid to and enjoyed by the United Nations staff in Geneva. These are the same international bureaucrats who like to lecture the rest of us on our responsibilities to the malnourished, sick, and poor people of the world. It appears that they have been partially successful in eliminating poverty, and providing for the abundant life—their own.

Mr. President, I ask unanimous consent that the article from the International Herald Tribune be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Paris International Herald Tribune, May 24, 1976]

UN Salaries in Geneva: A Stern Accounting

(By John A. Callcott)

Geneva, May 23.—The salaries and benefits enjoyed by the 10,000 international employees of the UN here have come under sharp attack from member governments that pay the bill.

Resident diplomats are asking how it is possible that a messenger can take home $413 a week for pushing around a trolley stacked with interoffice mail.

Criticism has provoked an internal UN investigation. Still secret, the report which emerged concedes that things have got out of hand. It cites the case of the messenger.

SOME EXAMPLES

Some other examples of salaries and fringe benefits at the European headquarters of the UN and the specialized agrencies in Geneva:

$350 a week, free of tax, for a young copytypist.

$555 a week for a mid-echelon member of management.

$1,000 a week for top executives plus diplomatic privileges.

Six weeks annual vacation for everyone, a generous pension plan, family and school allowances.

An "old boy" system that allows divisional directors to retire at half pay only to become "technical advisers" or "consultants" the next day at their old salary—which in some cases means a tax-free $1,240 a week.

"'Never," an ambassador said, "have so many done so little for so much."

Just arrived as his country's permanent representative, the ambassador was exasperated at being unable to find his own secretarial and clerical staff.

"They're all at the UN," he said. "How can we match those salaries and fringe benefits?"

There are similar complaints from private enterprise. A temporary employment agency says it has extreme trouble finding secretaries.

"Downtown, a bilingual secretary with shorthand can earn from 2,400 to 3,100 Swiss francs a month ($960 to $1,240). But the international organizations pay as much or more than that for a typist, as well as longer holidays and other benefits," an executive of the employment agency said.

At one of the large U.S. multinational corporations, the personnel manager said he could afford to match UN wages but it was impossible to offer comparable vacation, pension and other advantages. "The situation is even more difficult for smaller companies and diplomatic missions," he said.

The UN salary system, and relaxed working atmosphere, provoked a sarcastic comment on the "international good life" from Patrick Moynihan last year during his brief tenure as U.S. ambassador.

"You know the kind of money some of these people make?" Mr. Moynihan said at a private luncheon. "Why, only Russian ballerinas, pop singers and soccer stars make that much."

Top UN management is increasingly concerned at member countries' criticism, which has become stronger following the strike earlier this year of the so-called "general services" employees for more money.

These "GS," as they are known, comprise clerical, technical and lower-management staff. They make up roughly two-thirds of the total number of "international functionaries," the rest being the higher grade "professionals," of "PS."

The strike by the "GS" resulted in a pay increase as of next month that is retroactive to last August. This increase will add $5 million a year to the budget of the UN itself, housed in the sprawling Palais des Nations, and another $4 million to $5 million to the budgets of the specialized agencies, such as the International Labor Organization, the World Health Organization and International Telecommunications Union.

High officials expect trouble at the General Assembly in New York this year when member governments will be faced with a formal request for more money. France, in particular, is expected to balk.

Already signed, however, the new pay agreement cannot be withdrawn, according to UN executives. If governments refuse to pay more, then UN programs will have to be slashed. Many contracts will not be renewed and there may be dismissals, particularly at the ILO, which already has frozen hirings.

TRIBUTE TO SENATOR PHILIP A. HART

Mr. McGOVERN. Mr. President, last month, Network, the religious lobbying group, held their fifth annual seminar here in Washington, D.C.

The Michigan delegation to the seminar proudly offered a fitting resolution in tribute to one of the most tireless and devoted workers for peace and social justice in the Senate—our colleague Philip A. Hart.

It goes without saying that such an honor is well deserved and I ask unanimous consent that the Network resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Tribute to Senator Philip Hart, Michigan

Whereas Senator Philip Hart of Michigan has served the people of his state tirelessly for 18 years,

Whereas Senator Philip Hart has concerned himself with those issues that relate to struggling peoples,

Whereas Senator Philip Hart has proved himself the conscience of the Senate, the visionary of the country, and the hope of a hopeless world,

Whereas Senator Philip Hart has not only addressed his words in debate, his pen in amendments, but also cast his vote for the strongest bills for the good of the people,

Whereas Senator Philip Hart has maintained a perfect record in Congress as recorded by Network in its concern for health, employment, criminal justice, defense budget cuts, food and foreign policy, and women's rights,

Be It Resolved that we, the Network Legislative Seminar of 1976, honor and pay tribute to you in gratitude for your action and service.

A FUTURE FOR EVERY CHILD

Mr. HATFIELD. Mr. President, recently an article written by Dr. Jean Mayer, world-renowned expert and consultant with the United Nations Children's Fund, has come to my attention. Dr. Mayer's article, which appeared in both the Washington Post and the New York Daily News, is a heartwarming account of the vital and impressive work being done by UNICEF over the past three decades. I would remind my colleagues of UNICEF's high purpose "A Future for Every Child" and of the fact that 80 percent of UNICEF's budget is directed toward improving the quality of life for needy mothers and children throughout the world.

It is a formidable task. As Dr. Mayer indicates, more than 100 million children under the age of 5 are still suffering from severe malnourishment, and 90 percent of the young children who die each year could be saved with simple preventive measures. I recommend that my colleagues lend their attention to the thoughtful article by Dr. Mayer and to the efforts by UNICEF and other organizations to help ease the immense suffering throughout the world. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

LET'S NOT FORGET THE CHILDREN

(By Dr. Jean Mayer)

A most unfortunate consequence of the current disenchantment with the United Nations and some of its agencies is the drop in support for UNICEF, one of the most exemplary of the international charitable institutions today.

Ever since it was created in 1946 as the International Children's Emergency Fund (later shortened to the U.N. Children's Fund), this organization has been dedicated without reservation, to its motto, "A Future for Every Child." During the war in Nigeria, UNICEF was the only U.N. organization to join private relief organizations and the Red Cross in responding to the desperate needs of the starving children of Biafra and Nigeria. During the drought in Africa, UNICEF worked with other international relief organizations to airlift food, drugs and supplies for child health services. Immediately after the earthquake in Guatemala last February, UNICEF began flying in emergency equipment, food and medications.

UNICEF has been involved in helping developing countries to invent, manufacture and distribute low-cost, high-protein foods for young children, especially in urban areas where not enough milk is available. And they have sponsored family and child welfare services, daycare centers, family counseling services, youth clubs and parent education. UNICEF also teaches scientific methods of birth control when a nation officially requests such information.

Despite such intensive efforts, UNICEF estimates that these services have reached only 20 per cent of the youngsters in developing nations. Indeed, more than 100 million children under 5 are still severely malnourished, and 90 per cent of the young children who die each year could be saved with simple preventive measures.

To reach even more children, UNICEF is attemping to train more local manpower. Under this plan, villagers and slum dwellers choose representatives to be schooled in new techniques of agriculture, medicine and nutrition, among others. These workers then return to their homes to teach their neighbors these newly acquired skills, including how to protect grain from rot and rodents or how to breed fish, chickens and other small animals.

Helping children to survive an emergency has been UNICEF's tradition since its first shipments of food, medicine and clothing to Europe at the end of World War II. Since then, UNICEF workers have vaccinated more than 400 million children against tuberculosis, treated more than 40 million for trachoma, the leading cause of blindness in underdeveloped countries, and treated more than 400,000 for leprosy.

But UNICEF has recognized that you cannot insure a child's health solely with emergency aid. Today, about 80 per cent of the UNICEF budget is dedicated to improving the quality of daily life for needy mothers and children throughout the world.

In more than 100 countries, UNICEF has paid for or equipped thousands of pediatric and maternity wards, rural health care centers, child-care centers and orphanages. To improve health services, they have trained paramedical and auxiliary workers. To improve environmental health, they have helped drill wells for clean water, built sanitary facilities and sponsored community health education programs. To improve nutrition, they have helped plant community gardens, set up school canteens and funded nutrition education and training centers.

In addition to all these efforts to aid individuals, UNICEF also offers its help to governments that request it. For example, UNICEF is helping national governments set up effective nutrition monitoring systems, with special attention to the needs of the youngest and most vulnerable members of their population.

At a time when most human institutions have proved themselves sadly unequal to their tasks, UNICEF has been a model of intelligent services, courage and goodwill towards all. Its ultimate success will improve the lives of all people, for we all are citizens of a small and interdependent world. But such success also depends upon our continued support.

OVERREGULATION AND UNIVERSITIES

Mr. McINTYRE. Mr. President, in its issue dated July 5, 1976, U.S. News & World Report published an article titled "Another Campus Revolt—This Time Against Washington," which shows the overregulation of our universities by the Federal Government.

Part of this article quotes the president of Dartmouth College, in my home State of New Hampshire:

> It is a very frustrating thing that we have to respond to something within two weeks and the Government may take up to a year to make up its mind whether it accepts your explanation or not.

As cochairman of the Commission on Federal Paperwork, I am becoming increasingly aware of the problems facing our Nation's businesses, universities, and nonprofit institutions.

I ask unanimous consent that the article from the U.S. News & World Report be printed in the Record. I also hope that the Members of the Senate will consider the problems of Government regulation and paperwork when evaluating legislation. We must work to correct the situation that forces our private institutions to waste so much time and resources in collecting information and filling out forms for the Government.

There being no objection, the article was ordered to be printed in the Record, as follows:

ANOTHER CAMPUS REVOLT—THIS TIME AGAINST WASHINGTON

A mood of rebellion is spreading among college educators who are finding themselves increasingly under the thumb of a benevolent despot—the federal bureaucracy.

Since 1960, more than 50 billions in Government dollars has flowed from Washington, D.C., to the campuses of the nation.

This money enabled them to absorb soaring enrollments, upgrade faculties and expand research—much of it for the Government.

Now educators are having to pay the price for that largess.

They are under mounting pressure to comply—just as public utilities, television stations and drug companies have to—with federal regulations on what they can and can't do, or risk a cutoff of Government support.

STREAM OF GUIDELINES

This means compliance with a never-ending stream of Washington's guidelines on student admissions, faculty hiring and promotion, curriculum changes, degree requirements, fees, class size, facilities, salaries, pensions, discipline and athletics.

Many of these guidelines have their origin in a rule requiring "affirmative action" by institutions to apply laws that bar discrimination against women and racial minorities, whether as students or teachers. This rule is sometimes blamed by college officials for producing a lowering of standards, with "reverse discrimination" against white males.

Campus administrators also must deal with a wide variety of other federal statutes and rules that cover matters ranging from occupational safety to environment and health. Federal research-and-development contracts often change course content and direction.

Today, colleges and universities are becoming restive—and even defiant on occasion.

Some are refusing to participate in any federally aided programs. Many are appealing to Congress and the courts for help against what Texas A & M President Jack K. Williams calls "bureaucratic blackmail."

Meantime they are having to live with these hard facts:

Nearly 400 federal programs now directly affect higher education. About 50 executive agencies and two dozen congressional committees crank out bills, regulations, program guidelines, criteria standards and audit requirements for colleges and universities.

Even a $5,000 federal grant can have attached to it regulations covering 100 or more pages of bureaucratic fine print. An affirmative-action plan drawn up by the University of California at Berkeley to guarantee equality of educational and employment opportunities alone required 70,000 statistical calculations.

It is the Government's power of the purse that usually brings compliance.

STRINGS ATTACHED

Congress is now investing almost 10 billion dollars a year in higher education, as shown in the chart on page 92. Every penny of this money has strings attached. Institutions that fail to stay in line can lose all federal financial assistance. This has never happened, however, because, as one federal official put it, "the sanctions for noncompliance are just too overwhelming."

Adds Richard W. Lyman, president of Stanford University: "In the U.S. today, a major university cannot divorce itself from Government support and remain a major university."

Educators got a taste of what divorce would be like when the Government cut back on research-and-development contracts in the early 1970s. Enrollments shrank at graduate schools as scholarship money dried up. Many institutions had to phase out major research projects, and at some a freeze was put on faculty hiring.

LOOKING FOR HELP

In their struggle to get out from under the Government's thumb, university officials look for help from David Mathews, Secretary of Health, Education and Welfare, who had first-hand knowledge of their problems as president of the University of Alabama.

Secretary Mathews acknowledges that the independence and diversity of higher education is endangered by "the enormous pressure for uniformity" applied by federal agencies. Further, he conceded that red tape is especially burdensome to small institutions with small staffs.

Mr. Mathews told *U.S. News & World Report* that HEW has launched studies aimed at easing the paper-work load, and that institutions are now getting more access to the development of regulations.

The Secretary pointed out, however, that much of HEW's bureaucratic machinery is the result of social legislation of the last 10 years, which has conferred great benefits as well as problems on colleges and their students.

With the help of Government tuition loans, college enrollments have grown by more than 6.5 million since 1956. In approximately the same period, higher education's land, buildings and equipment increased in value from about 18 billion dollars to more than 67 billion. Much of this was financed with federal dollars. Secretary Mathews said:

"Somebody has to monitor all this spending. Inevitably, the bureaucracy follows the dollar. But the regulations are aimed at protecting people from any capriciousness in bureaucracy and providing uniformity in administration of the law."

At present, as a result, the long arm of Government reaches into almost every corner of the campus. Harvard President Derek C. Bok described the scope this way in his most recent report to the university's board of overseers:

"Rules have been issued to regulate the internal operations of educational institutions by requiring them to grant equal admission to women and minority groups, to institute grievance procedures in cases of alleged discrimination and to open confidential files for student inspection.

"Tax laws have been amended in ways that affect the incentive to make charitable contributions to colleges and universities. . . . Congress has cut certain programs and expanded others in ways that dramatize the power of the purse to alter the shape and priorities of the university. Congress has demonstrated that it is even prepared to regulate the curriculum. Although never enacted into law, the House of Representatives passed a bill in 1974 to induce all medical schools to require every student to complete six weeks of training in a health facility situated in a medically underserved area."

Confusion over the Government's role in education, critics say, is heightened by the multitude of agencies that are empowered to enforce the same or similar policies.

In the area of equal-employment opportunity, for example, authority is shared by four different bodies—HEW, the Labor Department, the Equal Employment Opportunity Commission and the Internal Revenue Service.

Widespread among educators is the conviction that many Government dictums have been poorly thought out. President Lyman of Stanford spoke of a tendency to "legislate or regulate first and ask questions afterward, if at all."

An example of this often cited by college administrators is the Family Rights and Privacy Act of 1974, sponsored by Senator James L. Buckley (Cons.-Rep.), of New York, which denies potential employers and other third parties access to grades and other school records without the permission of the student who is involved.

The law slipped through Congress without public hearings and with little debate. It developed into an administrative nightmare and eventually had to be sent back to Congress for major repair work.

Barbara Pearson, director of affirmative-action programs at the University of Southern California, commented that Congress passes laws with the best of intentions but "regulations that the bureaus put out drive us up the wall." She added that some agencies "seem more interested in poundage than the contents" of the reports they receive from universities.

Typical of the impasse that often develops between universities and Government was Michigan State's struggle to get approval of its affirmative-action plans for equality of campus educational and employment opportunities.

Michigan State was told in 1975 that it would have to draft a whole new set of affirmative-action standards to keep a million dollars' worth of federal contracts. It got two weeks to come up with a new plan that would have cost an estimated $100,000 to develop.

After frantic negotiations, HEW finally relented—by approving an affirmative-action plan originally submitted by MSU in 1970.

"PANIC FOR WEEKS"

The university's relations with the Government have improved since then, but administrators are still jittery. Said Robert Perrin, vice president for university and federal relations: "You get a Government envelope in the mail in the morning and it can throw the whole university into a panic for weeks."

At other institutions, the mood ascends to a high pitch of indignation.

"We stand at the gates of the kingdom of chaos," said President Jack K. Williams of Texas A & M. He maintained that the Equal Employment Opportunity Commission "is at war with us" and HEW "is too often our enemy, too often an agency acting from overstimulated idiocy."

A complaint of Chancellor Archie Dykes of the University of Kansas is this: "We've had to add to our legal staff because our lawyers spend so much time corresponding with the Federal Government. They hire lawyers to write to our lawyers, and we have to hire more lawyers to reply."

At the University of North Carolina in Greensboro, Donald J. Reichard, director of institutional research, said 10 reports required by HEW last year swamped his computer facilities. "All other uses of the computer stopped," he recalls. "For a six-month period we did nothing but HEW reports."

One report from Greensboro to the Office of Civil Rights was 1,187 pages in length and weighed more than 12 pounds.

Costs are equally staggering.

Compliance with five federal programs is costing Harvard up to 8.3 million dollars a year. At the University of Rochester, Government red tape is estimated to add 1 million dollars annually to operating costs.

The University of Kansas, which gets about 24 millions in federal funds annually, spends more than $750,000 a year on compliance reports.

Result: Some institutions now are flirting with the idea of getting along without federal funds.

The presidents of four universities in the Washington, D.C., area—American, Catholic, Georgetown and George Washington—have issued a "1976 Declaration of Independence," pledging to refuse federal money that encroaches on academic freedom. They asserted:

"Government interference is disrupting higher education to a point where institutional autonomy is seriously threatened. Without the vigorous exercise of independence, the American system of higher education . . . will certainly collapse."

Said Charles U. Daly, Harvard's vice president for government and community affairs: "If it came to the point where we really felt we were sacrificing the guts of academic freedom, then we certainly would consider giving up federal aid, and I hope we'd have the courage to give it up.

"That obviously would be extraordinarily difficult for Harvard, and it would be a suicidal decision for a great many financially weaker institutions."

Robert L. Sproull, president of the richly endowed University of Rochester, agrees and commented: "Of course we could exist without federal grants and contracts, but we'd be a much different institution. And the country and the 21st century would be weaker for it.

"But nobody in Washington cares about the 21st century. It's all they can do to care about next week, and nothing—absolutely nothing—goes beyond the first Tuesday in November."

In fact, about 75 private colleges and universities receive either no Government aid or assistance in amounts of less than 2 per cent of their budgets.

Many educators, however, learned last October that there may be no escape from bureaucratic entanglements.

HEW ruled that, as of October 1, any college enrolling students who receive individual aid through Government loan and grant programs is to be considered a "recipient institution"—subject to a wide range of Government controls.

The ruling covers millions of students attending almost every institution of higher education in the country.

Brigham Young University and Hillsdale College in Michigan are leading a group of schools in efforts to nullify or at least modify this latest interpretation of a "recipient institution."

Few, however, see a way out from under Washington's lengthening shadow across higher education.

The president of Baylor University, Abner V. McCall, concedes that although Baylor refuses to accept building grants or Government loans, it has been lassoed by the new recipient-institution ruling.

Mr. McCall adds ruefully: "If you're in for a penny, you're in all the way."

In that situation, educators are besieging Congress and HEW with demands for a bigger voice in developing legislation affecting their institutions and in drafting regulations for the administration of new laws. Two principal aims:

Get Congress to assume responsibility for monitoring regulations affecting education to make sure they're working fairly.

Change employment rules designed for business and industry but unworkable for universities.

In courts, too, educators are challenging bureaucratic demands.

A VICTORY

When the State of Maryland was threatened with the loss of 65 million dollars in federal aid to its 28 public colleges because of alleged failure to eliminate racial segregation, it obtained a federal-court injunction restraining HEW's civil-rights office from carrying out its threat. The court held that the Government had acted "arbitrarily and whimsically."

Beyond those measures, Frederic W. Ness, president of the 1,400-member Association of American Colleges, is advising college officials to be more alert to what goes on in Congress. "Sometimes we have been caught napping," he said.

From Stephen Bailey, vice president of the American Council on Education, comes a further admonition to the academic hierarchy: to continue improving their old "image" in Washington, where, unfairly or not, they have had a reputation for being "exclusive, self-indulgent, patronizing and sloppy."

On more and more campuses there is rising talk of organizing a common front of faculty members, alumni and administrators in the battle against the federal bureaucracy.

Until a more effective challenge is mounted, however, many eductors share the feeling of Harvard's Derek Bok that "it is unlikely that higher eduaction will do much more than fight a series of rear-guard actions toward off the more menacing forms of Government intervention."

ALICE LICHTENSTEIN

Mr. MATHIAS. Mr. President, whenever a gifted teacher retires from the classroom, there is reason for regret. But in these days when new tales of scandal on Capitol Hill daily appear in the press, all of us in Congress have special cause to regret the retirement of one dedicated teacher—Alice Lichtenstein.

Ms. Lichtenstein, as an employee of the Social Security Administration since June 1, 1959, has imparted her expert knowledge of her subject: "Congress and the Legislative Process" to more than 2,600 employees in 87 classes. For the past 17 years, she has emphasized to her students the positive side of the legislative process. She has told them of the slogging hard work it takes to make the system work. She has interpreted the legislative process faithfully but as a friend. When she has identified its failures, she has done so in order to strengthen it.

I am proud that Alice Lichtenstein is a Marylander and a constituent of mine. But all of us here in Congress also are constituents of hers and she has served us well. In gratitude, I ask unanimous consent that a resolution presented to her by her last class June 17, 1976, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SSA RESOLUTION

Whereas Alice Lichtenstein agreed to teach this last class on Congress and the Legislative Process for the Bureau of Data Processing; and

Whereas during her career she has taught 87 classes containing over 2600 students; and

Whereas this could be a dull subject area if taught only by the textbook; and

Whereas Alice teaches these classes with a contagious excitement about political processes; and

Whereas she gave us the benefit of her knowledge and experience; and

Whereas she presented this knowledge in an amusing and interesting fashion unique to her and;

Whereas she has given herself to us above and beyond the call of duty; and

Whereas we appreciate the added touches she gives this course; and

Whereas she has started us in the habit of reading the newspaper front and editorial page before the comics; and

Whereas we will always remember her when we read or think about Congress and the legislative process in the future; and

Whereas all the other classes she has taught and influenced cannot be present at this time; and

Whereas we must represent them all: Now, therefore be it

Resolved that we will all rise and applaud Alice Lichtenstein for the excellent work she has accomplished.

A NEW BREED OF ACTIVIST STATE COURT

Mr. TUNNEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article by that distinguished jurist Stanley Mosk, justice of the supreme court of California. The article is entitled "A New Breed of Activist State Court," and appeared in the Baltimore Sun on June 13. Justice Mosk traces the role of State courts and State judges, from Revolutionary times down to our own day, in protecting the rights and liberties of the citizen. As chairman of the Constitutional Rights Subcommittee, I call this fine article to the attention of my colleagues:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW BREED OF ACTIVIST STATE COURT

(By Stanley Mosk)

Almost imperceptibly in the past several years there has developed in the courts of the nation a pheonix-like resurgence of genuine federalism. It results from a curious but expedient welding of traditional states-rights advocates and hard-shell civil libertarians who rightly or wrongly are disenchanted with recent trends in the Supreme Court.

Perspective from the future may be necessary to determine whether this revival of federalism, long deemed to be but a historical memory, is to endure, or indeed whether it is practical in this era of communication and transportation that virtually obliterate state boundaries. But court decisions on various subjects in some 19 states certify that there is a distinct movement which warrants explication.

For 173 of the 200 years of this republic a relentless tide of judicial authority has flowed from the states to the federal government. It began with Chief Justice John Marshall's opinion in 1803 in Marbury v. Madison—despite the apprehensions and opposition of Thomas Jefferson—and has been enhanced by every successor of Marshall. In many respects the highest state courts were reduced in effectiveness to mere wayside stations on the route from trial courts to the Supreme Court.

This is not to suggest that the movement was either unnecessary or undesirable. Just prior to the ascendency of the Warren court, it was commonly said that "if our liberties are not protected in Des Moines the only hope is in Washington."

That observation proved to be a prophecy. The Warren court, from its inception in 1953, served as the midwife to a design of constitutional law. The previous era had been characterized by a benign acceptance of racism, political rotten boroughs, disability of the poor, an Anthony Comstock approach to sexual matters, denial of universal suffrage, and unconcern for the rights of the criminally accused. Chief Justice Warren and his colleagues elected to employ the federal Constitution to achieve a liberating impact in the areas of politically opportunity, criminal justice and racial equality.

Out in the hinterland there was understandable furor over many of the decisions. Rural politicians who had more cows than people for constituents saw their power threatened by reapportionment. Law enforcement officers resented the necessity to change their long-accepted technique as a result of decisions in the criminal law field. State courts had relied on an 1833 Supreme Court decision that declared the federal Bill of Rights was inapplicable to the states and functioned solely as a restraint upon the national government.

Gradually the states adapted their criminal and judicial techniques to the requirements of the Supreme Court. Some of the efforts were labored, but in general a satisfactory accommodation was achieved. Police officers were taught how to lawfully enforce the law. Trial judges became reconciled to admitting only legally obtained evidence.

Just as a period of peaceful coexistence seemed imminent, the post-Warren counterrevolution began. All legal scholars agree that the current court is no longer a bold, innovative institution determined to be the nation's conscience. The court apparently sees its role as one of self-restraint, of minimal interference. From our current vantage point one cannot pass judgment on that course. Perhaps it is wise, or inevitable that a period of hypertension be followed by years of lowered expectations.

But the role of state courts—the primary source of justice for most persons—has become infinitely more complex. As the Supreme Court has careened from one end of the constitutional spectrum to the other, state courts must choose between two alternatives. They can shift gears and once again change directions, thus resuming their pre-Warren course of callousness in the constitutional area. Or they can continue their more recent concern for protection of individual rights by reliance upon the independent nonfederal grounds found in the state constitutions. A growing number of states have adopted the latter course.

Indeed, Justice William Brennan, the Supreme Court's most ardent champion of individual rights, has several times cordially invited the states to rely upon their own charters rather than to follow the high court's cutbacks on federal protection. Last December he reminded them that each state has power to impose higher standards governing police practices under state law than is required by the federal Constitution," and he enumerated several state courts of last resort which have done so.

The list is growing. In determining the voluntariness of a consent to search premises New Jersey's highest court departed from the new federal rule, and relied upon its state Constitution. On the defense of entrapment, at least four states—Michigan, Iowa, New Mexico and Alaska—have chosen a different test than that most recently employed by the Supreme Court. In cases involving warrantless electronic surveillance Michigan has gone its independent way. On the subject of double jeopardy, Michigan, Oregon, California and Pennsylvania have imposed higher standards than the Supreme Court now requires.

On impeachment exceptions to the famed Miranda rule, Pennsylvania, Hawaii and California relied upon state authority rather than the new federal rule. The right to counsel at pre-indictment police lineups, recently abandoned by the high court, is being retained in Nevada, Oklahoma and Michigan.

In cases known as United States v. Robinson and Gustafson v. Florida, a majority of the Supreme Court permitted law enforcement officers to make full body searches of the person incident to custodial arrests for mere traffic offenses and other minor violations which involve no tangible evidence. Hawaii and California deliberately rejected the Robinson-Gustafson rule and with careful analysis relied upon their respective state constitutions to afford greater protection for citizens in their states.

In other specific areas, a wide diversity of states have on occasion clung to state constitutional authority to reach conclusions at variance with those of the high court. Among them, in addition to those already mentioned, are Wisconsin, North Dakota, Missouri, Indiana, South Carolina and Ohio. At least two relevant questions arise regarding this recycled federalism. Is it historically tenable? Is it permitted by the Supreme Court? To each the answer is affirmative.

A reading of the "Federalist Papers" clearly reveals an intent by the founding fathers to permit the states to remain a repository of individual rights. Alexander Hamilton and James Madison so declared time and again. Madison put it this way: "The powers reserved to the several States will extend to all the objects which, in the ordinary course of affairs, concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the State." That, of course, is the tenor of the Tenth Amendment to the Constitution.

But, it is sometimes argued, most state constitutions derive in inspiration, and often in actual text, from the federal Constitution and thus they should have no independent qualities. This is said to be particularly so with reference to bills of individual rights.

However it is more relevant to recognize that our founding fathers obtained their inspiration and texts for the first 10 amendments from the predecessors of the states: the colonies and their declarations of rights. It was the Pennsylvania Declaration of Rights of 1776 that, with regard to freedom of speech and press, was the direct precurser of perhaps the most significant guarantee of the federal Bill of Rights contained in the First Amendment.

Maryland's Declaration of Rights prohibited bills of attainder, Delaware's inspired prohibitions against quartering of soldiers and ex post facto laws, and North Carolina's declaration contained a compendium of almost all of the fundamental rights which came to be recognized by American constitution-makers, both federal and state.

Thus if chronology in the cataloguing of rights is significant, the states have more than an arguable claim to priority.

As to contemporary authority, the Supreme Court has frequently declared that states may impose higher standards than those required by the United States Constitution. Justice John M. Harlan was a consistent advocate of decentralizing criminal justice, urging that state criminal procedure should be uninhibited by federal restraints as long as there is adherence to fundamental standards of fairness. Chief Justice Burger has expressed a similar viewpoint.

It should be emphasized that no state claims the right to differ with the United States Supreme Court on federal constitutional interpretations. If state courts restrict, or unduly expand, individual rights under federal constitutional provisions, the Supreme Court will undoubtedly intervene and take appropriate action. In that area it has unquestioned supremacy. But the states are beginning to assert the right to interpret their state constitutions in a manner different than that expressed by the Supreme Court in employing the federal constitution, even though the provisions of the two may be textually similar. If the result is fragmentation of a national consciousness, it is justified in furtherance of an expanded liberty.

This revival of federalism has a twofold result. First, it gives to the citizens of the states a higher degree of individual protection than would otherwise obtain. And secondly reliance upon state law in rendering a decision as a general rule insulates the case from subsequent federal review. This has the cumulative benefit of hastening the finality of decision thus blunting one of the common criticisms of courts: that justice in its tortuous path through court after court takes too long. There may be those who will recall civil-rights conflicts of the past and thus deem the resurgence of states rights as a calamity. That fear is understandable in view of the track record of some states with a history of inadequate and insensitive judicial systems. But it can be said with considerable confidence that those days are past, that the quality of justice in most states compares favorably with that in the federal judiciary. There are at least a dozen state courts of last resort that most legal commentators would rank as truly outstanding by any standard.

The United States has learned much in 200 years. But federal institutions do not have all the answers. Encouraging the 50 states to experiment, to retain their historic individuality, to seek innovative responses to problems of protecting individual liberty, may produce more satisfactory solutions in the years ahead. Those who are experiencing equal protection and due process gloom on the national scene may one day liken state courts to those monks who kept classical learning alive so that it might be rediscovered in the Renaissance.

NUTRITION AND THE ELDERLY

Mr. McGOVERN. Mr. President, as chairman of the Select Committee on Nutrition and Human Needs, I have heard much testimony over the years concerning the severe nutritional problems of our Nation's senior citizens. Though precise national statistics have been difficult to obtain, the evidence clearly indicates that millions of elderly persons suffer from various types and degrees of malnutrition.

In response to these nutrition problems, Congress, in 1972, established the title VII, nutrition program to provide nutritional support for persons 60 years and over. More recently, Senators PERCY, KENNEDY, DOLE, and myself have introduced S. 3585, the National Meals-on-Wheels Act of 1976, to extend the benefits of a title VII hot meal to the homebound elderly, blind, and disabled who are incapable of participating in the regular title VII congregate program.

Mr. President, a recent study conducted in Missouri underscores the positive health effects of nutritional support for the elderly such as is provided through title VII. Nutritionists at Lincoln University in Jefferson City, Mo., have completed an evaluation of participants in local elderly nutrition projects. The study, funded by the Central Missouri Agency on Aging, found that title VII meals significantly reduce the nutritional deficiencies which plague older Americans. The study, which will be presented at the October meeting of the Gerontological Society in New York, was reported in the June 24 issue of CNI Weekly Reports. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MISSOURI EVALUATES ELDERLY FEEDING IMPACT

A nutritional evaluation of Title VII recipients funded by the Central Missouri Agency on Aging has found reduced vitamin A and C deficiencies and a lower-than-expected incidence of iron deficiency anemia among persons participating regularly in elderly feeding projects.

Final results of the survey, which was conducted by nutritionists at Lincoln University in Jefferson City, are scheduled for presentation at the annual meeting of the Gerontological Society in New York City in October.

The Lincoln University researchers prepared one-day food records for over 400 persons 60 years and older randomly selected from participants in elderly feeding projects in late 1974. Subjects were divided into three groups: (1) participants not consuming a meal on site the day of the record, (2) participants not consuming a Title VII meal on the day chosen, and (3) non-participants prior to the opening of one site.

The researchers found that individuals who had eaten a Title VII meal consumed significantly more calories, protein and calcium than subjects not eating on site. There were fewer persons with low and deficient serum levels of vitamins A and C among individuals who had participated in the program two to five times per week compared with those who had participated less than twice a week.

BASELINE STUDY

The survey, which was directed by Mary Bess Kohrs, also found lower-than-expected levels of iron deficiency anemia among Title VII participants. Anemia was about one-fourth as common among male participants and about one-half as common among female participants in 1975 as compared with similar individuals surveyed in 1973 before the Title VII program began in Missouri.

The Title VII survey results were measured against USDA-funded baseline studies similar to the Ten-State Nutrition Survey of the late 1960s. That 1973 Missouri survey found widespread malnutrition throughout the state, including considerable iron deficiency; obesity; calcium and vitamin A deficiencies; and inadequate caloric intake among certain groups. Children, women of child-bearing age, and adults 60 years and over were especially affected. Iron was the nutrient most commonly lacking in diets surveyed.

USDA has awarded Lincoln University a grant of $72,298 for a follow-up project to study the principal economic and social factors associated with the state's nutritional deficiencies.

Arnold Shaefer, former director of the Ten-State Survey, told CNI Weekly Report the Missouri study and its offshoots demonstrate that malnutrition and related health problems can be overcome if authorities are willing to see problems and pursue effective solutions.

BICENTENNIAL RESOLUTION OF CLINTON LODGE NO. 54 F. & A.M.

Mr. TALMADGE. Mr. President, the Clinton Lodge No. 54 F. & A.M. of Savannah, Ga., has adopted an outstanding resolution in observance of our Nation's Bicentennial.

This resolution is a splendid affirmation of the principles upon which the United States was founded 200 years ago and an expression of dedication to the blessings of freedom and prosperity.

I bring this resolution to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, the United States of America is celebrating its 200th year of independence and,

Whereas, the ideals of freemasonry were an inspiration to the founding fathers of our nation and,

Whereas, our membership desires to join with the nation in recognizing this landmark;

Now, therefore; be it hereby resolved: that Clinton Lodge No. 54 F. and A.M., in regular communication assembled, goes on record as joining the United States of America in celebrating the 200th anniversary of the independence of our country and joins in the prayers of the free world invoking the blessings of the Supreme Architect of the Universe to preserve and maintain the liberties and freedoms of intellect, as well as activities, which are enjoined in this great country so that they may continue as an example for freedom-loving people everywhere and as a wholesome environment for our own citizens, enabling us and our future generations to continue the principles of independence we have established, which allows people of all cultures to live peacefully and harmoniously; and,

Be it furthermore resolved: that this resolution be spread upon the minutes of Clinton Lodge No. 54 F. and A.M. and copies hereof be sent to the Most Worshipful Grand Lodge of the State of Georgia, our Senior United States Senator and our District United States Congressman.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, over a quarter century has passed since the General Assembly of the United Nations, adopted the text of the Genocide Convention. On December 9, 1948, the United States voted for the adoption of this significant landmark in the development of international law.

The United States helped draft the convention and was among the first nations to sign it. Today, over 70 nations have ratified this treaty, but we have not.

Millions of Americans will feel that a historic achievement has been registered if this convention at long last becomes an accepted part of the law of nations. This year, as we celebrate the 200th anniversary of the Declaration of Independence, that great monument in the history of human liberty, it is imperative that we continue, and reaffirm, our support for the protection of human rights, by endorsing the Genocide Convention.

The United States should take every opportunity to champion the rule of law in the conduct of nations. Let us give fresh vitality to America's leadership in the struggle for human rights and ratify the Genocide Convention without delay.

JUDGE UPHOLDS BLM TERMINATION OF GRAZING ACT ADVISORY BOARDS

Mr. METCALF. Mr. President, U.S. District Court Judge Bruce R. Thompson of Nevada has held that the automatic termination provision of the Federal Advisory Committee Act does indeed apply to advisory boards established by the Taylor Grazing Act.

His June 15 decision in a suit against the Secretary of the Interior and the Bureau of Land Management supports the effort of BLM to utilize the Federal Advisory Committee Act to evolve into a comprehensive land management agency.

Section 14 of the Federal Advisory Committee Act provided that each advisory committee in existence on the effective date of the act would terminate automatically in 2 years—on January 5, 1975—unless it had been formally renewed or enjoyed a longer duration specified by law.

In January 1975, BLM let its grazing district advisory boards lapse and replaced them with broadly based multiple use advisory boards representing not only stockmen but such other interests as wildlife, forestry, minerals, soil conservation, outdoor recreation, urban and suburban development, and county government.

Members of a terminated board brought suit, contending that advisory boards established by the Taylor Grazing Act are exempt from any effect of the Federal Advisory Committee Act, because if they were not their termination would involve implied repeal of the Taylor Grazing Act.

In finding for BLM, Judge Thompson declared:

> Thus, we think it is clear that when Congress enacted the FACA, it was concerned about the proliferation of advisory committees which had outlived their usefulness. To remedy this situation, Congress contemplated that the Act would affect existing substantive law and that if it later decided the advisory committees were necessary, Congress would enact legislation to recharter them. The Secretary of the Interior had no obligation or authority to recharter the advisory boards of which plaintiffs were members.

Mr. President, I ask unanimous consent that Judge Thompson's decision be printed in the RECORD.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

[In the U.S. District Court for the District of Nevada]

John C. Carpenter, Jr., et al, Plaintiffs, versus Rogers C. B. Morton, et al, Defendants.

CIVIL No. R–75–1 BRT

OPINION

This case was tried to the Court on stipulated facts and memoranda of law. This opinion shall constitute the findings of fact and conclusions of law required by Rule 52, Federal Rules of Civil Procedure. The key issue to be decided is whether the Secretary of the Interior is obligated to recharter the advisory boards created by the Taylor Grazing Act and terminated by Section 14 of the Federal Advisory Committee Act (FACA). It appears that this is a case of first impression.

By a 1939 amendment to the Taylor Grazing Act (43 U.S.C. § 315, et seq.), Congress established boards of grazing district advisors in the several districts (Section 3150–1). All plaintiffs were members of such a board until January 1975.

Defendant Thomas S. Kleppe is the Secretary of the United States Department of the Interior. The remaining defendants are employees, managers, officers or directors of the Bureau of Land Management (BLM).

Pursuant to the Taylor Grazing Act, the Department of the Interior promulgated a regulation relating to the appointment, term of office and removal of members of grazing district boards. 43 CFR § 4114.1–3. The regulation was in effect at all times in 1974 and 1975. Specifically, the regulation provided that the State Director of the Bureau of Land Management could, in his discretion, appoint board members in certain classifications to a term of office of three hundred sixty-five days and could renew those appointments upon expiration. The length of the renewal term would depend on the classification of the board member.

In 1972, Congress enacted the Federal Advisory Committee Act, Public Law 92–463; 86 Stat. 770; 5 U.S.C. § 1, et seq., App. I. The effective date of the Act was January 5, 1973 (§ 15). The purpose of the Act, as it relates to this controversy, is to provide a means by which advisory committees[1] which had been established by Congress, the President and various agencies could be reviewed so that those no longer furthering the purpose for which they were established could be terminated (§ 2).

Section 14(a)(1) of the Act provides that each advisory committee existing at the time of the effective date of the Act shall terminate within two years unless, among other things, the advisory committee is one established by an act of Congress and for which Congress has provided a longer duration period.

Section 14(b)(1) contemplates that an advisory committee which had been terminated may be renewed.

Plaintiffs argue that the advisory boards established by the Taylor Grazing Act are exempt from any effect of the FACA. The crux of plaintiffs' argument is that the FACA could not have abolished the advisory boards established by the Taylor Grazing Act because to do so would necessarily involve an implied repeal of the Taylor Grazing Act and implied repeals are not favored. See *Morton* v. *Mancari*, 417 U.S. 535, 550 (1974).

Plaintiffs further argue that the FACA merely terminated all advisory committees so that various governmental authorities could reassess the need for advisory boards under their respective jurisdictions. Plaintiffs conclude that in this case the Taylor Grazing Act itself implicitly requires that grazing district advisory boards be reinstated and that there is no need to reassess the situation.

Section 14 of the Act uses the word "terminate" in describing the effect of the Act on existing advisory committees. Other sections of the Act, in different contexts (§§ 5, 6 and 7, for example), use the word "abolish." Plaintiffs argue that if Congress had intended that the operative provision of Section 14 would cause the existing advisory committees to cease to exist, it would have used the word "abolish" rather than the word "terminate."

While plaintiffs' arguments has a superficial appeal, it is not persuasive. Section 14 (6)(1) provides for the possible renewal of an advisory committee terminated by the Act. The use of the word "terminate" in section 14(a)(1) is entirely consistent with the renewal provision of Section 14(6)(1); the use of the word "abolish" would not be consistent with the provision.

Section 5 of the Act provides that "each standing committee of the Senate and the House of Representatives shall make a continuing review of the activities of each advisory committee under its jurisdiction to determine whether such advisory committee should be abolished." Section 6 of the Act provides that the President shall (beginning with the year after the effective date of the Act) make an annual report including the names of the advisory committees established by Congress which he recommends should be abolished. Section 7 of the Act provides that the Director of the Office of Management and Budget shall (immediately after October 6, 1972) institute a comprehensive review of the activities and responsibilities of each advisory committee to determine "whether it should be abolished."

Defendants argue that sections 5, 6 and 7 are primarily applicable to those advisory committees established after the effective date of the Act (i.e., to those advisory committees to which Section 14 would not apply). Defendants' argument is logical and persuasive. Unquestionably, the FACA was intended to have both immediately effect through (§ 14) and prospective effect through §§ 5, 6 and 7. Since the procedures of §§ 5, 6 and 7 contemplate a studied decision with respect to the question of whether a particular advisory committee is necessary, Congress could use a term denoting finality; thus the use of the word "abolish." Since the procedure of Section 14 is automatic and, further, since it contemplates the possible renewal of a previously disbanded advisory committee, Congress used the word "terminate."

The case of *Wright* v. *Vinton Branch*, 300 U.S. 440, 463–64, n. 8 (1937), holds that it is appropriate to refer to reports to determine Congressional intent.

Congressman D. B. Fascell, one of the managers of the bill on the part of the House, said:

"One of the major purposes of the bill is to establish congressional control over the proliferation of committees * * *. If the Congress creates an advisory committee by statute, we shall continue to have a right to repeal or create. The only way we touch a committee or affect a committee in this bill, and that applies to all of them, is they terminate at the end of two years, unless appropriate action is taken to continue them * * *. If it is Congress, we must reauthorize. Now, we do that so that we can get some kind of control with respect to the creation and indefinite continuation of these committees." (118 Cong. Rec. 16305 (1972)).[2]

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[1] An advisory committee is described as "any committee, board * * * or other similar group * * * which is * * * established by statute * * *." Section 3(2).

[2] The House bill to which Congressman Fascell referred is set out in full in 118 Cong. Rec. 16300–16301. The termination provision (insofar as it is pertinent to the issue here) is substantially similar to Section 14 of the Act.

Senator Charles Percy, one of the managers of the bill on the part of the Senate, said:

"Another key provision is that all advisory committees will terminate unless specific action is taken by the creating authority to continue them." 118 Cong. Rec. 30274 (1972).[3]

Thus, we think it is clear that when Congress enacted the FACA, it was concerned about the proliferation of advisory committees which had outlived their usefulness. To remedy this situation, Congress chose to terminate all advisory committees. In doing that, Congress contemplated that the Act would affect existing substantive law and that if it later decided the advisory committees were necessary, Congress would enact legislation to recharter them. The Secretary of the Interior had no obligation or authority to recharter the advisory boards of which plaintiffs were members. Accordingly,

It hereby is ordered that judgment shall be entered in favor of defendants and against plaintiffs.

IMPORTANCE OF MISSISSIPPI BARGE TRANSPORTATION

Mr. HUMPHREY. Mr. President, during the June 24, 1976, hearing by the Water Resources Subcommittee of the Committee on Public Works, testimony was given by Dr. William F. Hueg, Jr., who is deputy vice president and dean of the Institute of Agriculture, Forestry, and Home Economics at the University of Minnesota.

Dr. Hueg testified before the subcommittee concerning the importance of Lock and Dam 26 in assuring reliable barge transportation on the Mississippi River. The river is well suited to transport bulk commodities such as grain, and the barge transportation system provides efficient, low-cost shipping services to the upper Midwest farmers. The river is a vital transportation artery for not only grain, but also inputs such as petroleum products and fertilizer. Commercial traffic on the Mississippi is vital to the economy of the upper Midwest.

Dr. Hueg also emphasize the large impact that a small increase in transportation costs has on grain and fertilizer prices. As both of these commodities must be transported over long distances, an increase in transportation costs reduces the prices which farmers receive and increases prices farmers must pay for inputs such as fertilizer.

Dr. Hueg pointed out that farmers and consumers have also benefitted indirectly from low-cost barge transportation because barge competition was a major factor inducing the railroads to offer special multiple-car rates on soybeans and corn from the upper Midwest to the gulf. These improved rail rates reduced costs and improved services to the area's farm and industrial economy.

Dr. Hueg stressed the fact that Mississippi River ports alone handled nearly 40 percent of grain exports in 1975, thus playing a major role in the national economy. With rising petroleum imports, grain exports play a vital role in our balance of payments.

I believe Dr. Hueg's testimony is very helpful in considering the course of action to be taken on lock and dam 26. I, therefore, ask unanimous consent that Dr. Hueg's testimony be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF DR. WILLIAM F. HUEG, JR.

Mr. Chairman, I appreciate the opportunity to express my views concerning the importance of barge transportation on the Mississippi River to the economy of the Upper Midwest, and particularly, to health and vigor of its agricultural sector. Competent engineers tell us that Locks and Dam 26 at Alton, Illinois, is in a critical state of decay and must be replaced if commercial traffic on the Mississippi is to continue. It is important that we proceed with dispatch to replace this facility, otherwise, the economy of the Upper Midwest will be jeopardized. In 1975, Minnesota exported $820 million worth of wheat, soybeans, and feed grains, much of it by river barge.

River barge transportation provides efficient, low cost, shipping services to Upper Midwest farmers. The river is particularly well-suited to the efficient shipment of bulk commodities on which our farmers are heavily dependent. Grain is a bulk commodity and we produce large quantities for export. This grain must be shipped down river to our ports for export. The Mississippi River is a vital transportation artery for this export grain. Our farmers also need large quantities of production inputs such as petroleum products and fertilizer which are shipped by barge up the river. Most of the fertilizer in the United States is mined or produced in our southern states. Phosphate is mined in Florida and nitrogen fertilizers are also produced in the South near the sources of natural gas. The cheapest way of shipping these bulky fertilizers to the Upper Midwest is by river barge.

If barge transportation on the river is halted, transportation costs between the Upper Midwest and our export ports will be increased. Higher transportation costs are a two-edged sword for farmers. They reduce prices farmers receive for grain and increase prices farmers must pay for important inputs such as fertilizer. Both grain and fertilizer are high in bulk relative to their value. Consequently, a small increase in transportation costs has a large impact on grain and fertilizer prices since they must be transported over long distances. Economists estimate that if river transportation for grain were halted, corn and soybean prices in Southern Minnesota would decline by nearly 20 cents per bushel. Phosphate fertilizer prices, on the other hand, would be increased as much as $12 per ton. Lower grain prices and higher fertilizer prices would bear heavily on the agricultural economy of the Upper Midwest.

We saw evidence of this effect in April of 1976 when the Locks and Dam 26 was closed for about 10 days. The price of corn dropped 4 cents a bushel during this period. There was little purpose to offer corn for sale when you couldn't deliver at the point of export. This was a loss of income to Minnesota farmers.

Farmers and consumers have also benefited indirectly from low-cost barge transportation. The existence of barge competition was a major factor inducing the railroads to offer special multiple-car rates on soybeans and corn from the Upper Midwest to the Gulf. These improved rail rate structures reduced costs and improved services to our area's farm and industrial economy.

Farmers and consumers have been particularly interested in grain transportation costs and facilities in recent years as the United States has exported record quantities of grain. In fiscal 1976, the United States will export a record 93 million tons of wheat, feed grains, and soybeans. A sizeable share of our grain exports is produced in the Upper Midwest states which rely heavily on the river to ship the grain to the port for export. In 1975, 3.2 billion bushels of grain were inspected for export at all U.S. ports. Mississippi River ports alone handled 1.2 billion bushels or nearly 40 percent of this grain for export. The reason why such a large proportion of our grain is exported through Mississippi River ports is that grain can be efficiently shipped by barge down the Mississippi River from where it is produced in the Upper Midwest. See Table 1.

Grain exports are important not only to agriculture but to the United States' economy as a whole. With our petroleum imports rising, grain exports will continue to play a vital role in our balance of payments. If our farmers are to continue producing large quantities of grain for export, we should not pursue transportation policies which reduce grain prices and increase production costs. These will be the results if barge traffic on the Mississippi is reduced, interrupted, or halted altogether. It is my understanding that even if construction were to start today, it would be about 8–10 years before the new Locks and Dam 26 would be available. This places Upper Midwest agriculture in a dangerous position.

Our grain transportation system consists of trucks, railroads, and barges on inland waterways. Each plays a vital role in the system. We cannot reduce the effectiveness or lose one mode without doing irreparable damage to the entire system. Therefore, it is crucial that the Locks and Dam 26 issue be resolved as soon as possible so our transportation system can continue to function with maximum efficiency.

We all recognize that the Mississippi River is a multivalue resource to our entire nation. A balance between its commercial, environmental, and natural significance must be struck. That balance can be achieved with safeguards protecting the river's many values with a new Locks and Dam at Alton, Illinois, under proposed legislation that is now before the Congress.

TABLE I.—VOLUME OF GRAIN SHIPPED OUT BY MINNEAPOLIS-ST. PAUL AREA ELEVATORS VIA BARGE AND RAIL, JANUARY–DECEMBER 1975

Grain	Total (millions of bushels)	Barge (millions) of bushels)	Percent of total	Rail (millions of bushels)	Percent of total
Wheat	76.8	58.3	75.9	18.5	24.1
Durum	11.5	5.7	49.3	5.8	50.4
Corn	76.6	65.7	85.8	10.6	13.8
Oats	36.4	7.0	19.4	27.9	76.8
Barley	36.0			35.3	98.1
Rye	2.3	.4	16.8	1.9	82.4
Flax	.1			.1	100.0
Soybeans	15.0	13.5	89.9	1.0	6.6
Total	254.7	150.6	59.1	101.1	39.7

APPROPRIATIONS FOR CSA MIGRANT PROGRAMS

Mr. BAYH. Mr. President, for years this country has utilized the services of migrant and seasonal farm laborers to annually harvest crops. While doing so we have largely ignored the fact that this group of workers is one of the most exploited groups in the American labor force. These people are constantly searching for an honest day's work to support themselves and are rewarded with wages so low they are forced to live in poverty. Migrants are anxious to perform an honest day's work and yet are forced to exist in the poorest of living conditions, in housing which is unsanitary and cramped. Their children receive an erratic education. Even the most rudimentary health and sanitary facilities are usually unavailable.

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[3] The pertinent part of the Senate bill to which Senator Percy referred is set out in 118 Cong. Rec. 30271. It also is substantially similar to Section 14 of the Act.

I am very pleased that $10 million has been included in the 1977 Appropriations bill for the Community Services Administration—HEW—to assume the responsibility for programs the Office of Economic Opportunity previously administered. On May 27 I wrote a letter to Senator MAGNUSON, chairman of the Labor-HEW Appropriations Subcommittee, outlining the reasons why I believe there is a pressing need to return these programs to a service oriented agency.

At the present time the Department of Labor is responsible for all migrant worker services. Congress entrusted the Labor Department with this work after receiving assurances that DOL would maintain the wide range and good quality of programs that had been developed and administered by the Community Services Administration of the Office of Equal Opportunity. The appropriation for migrant programs was $37 million in 1973, the last year that OEA administered these programs.

While migrants represent 2 percent of the Nation's population, they receive only about one one-hundredth of all Federal expenditures for domestic social programs and services.

The primary service for migrant workers now provided by the Labor Department is a job training program through CETA. This is a vital program which should be continued. However, this vocational training program reaches only a limited number of farmworkers seeking to leave the migrant mainstream and settle permanently. Other important services previously provided for other members of the family under the OEO-CSA programs have been severely reduced. The Department of Labor has not received sufficient funds—nor is it a traditional DOL function—for provision of such services as health care, day care, legal counseling, community development programs, housing assistance, educational services, emergency funds, or services for stranded families. Many of these programs, such as community clinics, are also used by the residents of the local community.

Lack of a wide range of services means that families, many with small children, do not receive services which they desperately need. Most communities do not have adequate money, time, or staff to devote to the wide range of services necessary to handle the influx of so many potentially service-demanding transients.

The total number of migrants and seasonal workers in the country is impossible to determine. Estimates range from 200,000 to 7½ million. The most commonly accepted figures are 2½ million migrant workers and 3 to 4 million seasonal workers.

The 1971 Manpower Report of the President gave the following account of migrant farmworkers:

> The migratory workers and their families may be away from their home base for several months out of the year. Their itinerary may span thousands of miles, many different employers, and a variety of crops. Jobs are intermittent, and slack periods with little or no earnings are common.
>
> Migratory farmworkers travel out of economic necessity, not because of preference for nomadic life. Seasonal farm activities in the southern parts of Florida, Texas and California, which are the home base areas for the largest groups of migrants, do not provide sufficient employment and earnings. Workers depending on seasonal farm jobs must move with the crops in the hope of lengthening their periods of work and increasing their annual incomes. Migrants begin their annual trek northward in the early spring, following a cycle of activities in a number of crop areas. In California, they typically cultivate cotton and vegetables and then move into the harvest of a variety of spring vegetable and fruit crops. In other Western and North Central States, they find spring jobs in sugar beet cultivation and in the strawberry harvest. During the spring, migratory workers also are found in fruit and vegetable harvest activities in the Atlantic Coast States. Summer and fall are the most active seasons; migratory workers are relied on to supplement local labor in harvesting tomatoes, grapes, peaches, pears, melons, cherries, blueberries, cucumbers, apples, tobacco and other crops.
>
> The peak employment of migratory workers in areas reporting to the Department of Labor usually occurs in August . . . Nearly three-fourths of these were interstate migrants. Virtually every state uses migratory workers at some time during the year, with the largest numbers in California, Michigan, Texas, and Florida. Other states with significant numbers of these workers were Ohio, Oregon, New York, Washington, and New Jersey.
>
> Migratory workers basic problem is, of course, irregularity of work, despite efforts by the public employment service to coordinate and regularize their employment. Harvest timetables may be upset by the vagaries of weather and crop failure. The number of workers needed may be overestimated, or the unexpected arrival of crews may upset prior plans and create labor surpluses in some areas while others are short of workers. And workers receive no pay for time spent in travel or waiting for work. In effect, some of the risks associated with the weather and other circumstances are shifted from employers to hired workers to a much greater extent than in other industries where the labor supply is less flexible and workers are protected by collective bargaining agreements. Furthermore, housing and sanitary conditions are often unsatisfactory in the migrant workers' camps, and adequate health services and child care are generally lacking.
>
> The majority of migratory farmworkers come from seriously disadvantaged groups. Many are Mexican-Americans and Negroes, whose employment problems are compounded by discrimination.
>
> The average level of education is low. Since families are constantly on the move, the schooling of children is often interrupted. Large numbers of migrant children who are in school are below the grade level normal for their age. Many drop out of school at an early age to help supplement family earnings and thus further handicap themselves in future efforts to enter more stable, better paid fields.

A study by the Office of Economic Opportunity found that the average migrant family of six had a total income of $2,021 in 1971. At that time the poverty level established by OEO for a family of six was $4,800.

CHILDREN OF MIGRANTS FACE MANY PROBLEMS

HEW reports that the average migrant farmworker has not completed more than 12 years of school. In addition, the DHEW found that more than 90 percent of all migrant children never finish high school.

For a migrant child, education is an erratic process. The children are constantly moved from one school district to another, with very little continuity in subjects. They are put into classes where teachers are not adequately trained to deal with language problems or with a sudden influx of students who remain in school for a short period of time.

School is a difficult time for many children, but a migrant child may find it especially so. A child will attend up to 10 schools in 1 year, will be taken in and out in the midst of programs and will usually be a year or two behind his age group.

But the problems faced by the children of a migrant family go far beyond educational deprivation.

In testimony before the Subcommittee on Migratory Labor on July 18, 1968, Dr. Robert Coles, research psychiatrist at Harvard University, stated:

> It is one thing to get poor food, never see a doctor, and live in a brokendown shack—indeed, at times in enlarged chicken coop without running water, screens, plumbing or even electricity. It is quite another order of human experience when children are moved from one place to another, within States and across State lines. These children eventually become dazed, listless, numb to anything but immediate survival—which is also in jeopardy, because the infant mortality rate among such children can be three or four times higher than it is among nonmigrant people. I am saying that constant mobility, constant moving and more moving, damages the physical and mental health of children in special ways—so that migrants present us with a special and awful problem even when compared to other underprivileged groups.

A special aspect of the problem is presented by preschool aged children. When harvest time occurs, the work needs to be completed quickly. All hands are needed and used, including the people who usually look after the younger children. Because there are usually no day care centers near the fields, the children spend the days in the cars or around the fields supervised by adolescents. The older children are usually working the fields with their parents.

The fact that quality day care is necessary is obvious. The problem is how to provide it given the unusual life style migrant families live in. The families come to an area for a short time, they do not have money, time or available transportation to find and place their children in established day care facilities in the town. Existing facilities are inadequate to handle the large number of children suddenly thrust upon them. The hours the children need to be cared for are long and can, during the harvest period, be 7 days a week. It is unrealistic to expect a community to bear this burden without some help.

In some areas migrants have been able to set up day care facilities, but this is not true in all areas. When day care centers are available, it is beneficial to the children and to the rest of the family. The parents are able to work a maximum of hours to earn needed money, while school age children can attend school rather than stay home to babysit.

The way to attack these problems is through counseling and education. Often, neither public officials nor migrants know what type of services the migrant family can qualify for in a given community. By funding the community services administration migrant programs, money would be available to local organizations desiring to help these workers and their families. Assistance would be available to arrange for adequate health care and for proper child care.

HOUSING

> Migrants live in dilapidated, drafty, ramshackled houses that are cold and wet in winter, and leaky, steaming, and excessively hot in the summer.

Reported the President's National Advisory Commission on Rural Poverty in September 1967.

> Insufficient ventilation, poor or no mattresses, unsanitary privies and bathing devices, and unsanitary storage and disposal of garbage and refuse are too often the prevailing conditions.

It is customary for the growers to provide housing for the migrants working on their farmland. To most farmers this housing is their lowest priority.

Many people believe there is no worse housing in existence anywhere in this country than the housing used by migrants as they move from farm to farm.

Growers and migrants have argued over housing for years. The growers say that they are the only employers in the country required to furnish housing to their employees—an argument frequently heard when stricter housing standards are sought. Migrants, on the other hand, contend that the growers use this housing as an unfair bargaining tool when the migrants negotiate wages. Migrants have charged that, in some cases when they try to leave a camp, the grower will prevent them, claiming that they owe rent money for housing. At their very worst, some camps are reminiscent of the days of slavery. In Dade County Fla., in 1973, a farm labor contractor was convicted by a U.S. district court on 2 of 16 counts of peonage and involuntary servitude.

In testimony before the Subcommittee on Migratory Labor in 1970, Dr. Raymond Wheeler stated:

> We saw housing and living conditions horrible and dehumanizing to the point of our disbelief . . . without heat, adequate light or ventilation, and containing no plumbing or refrigeration, each room (no larger than 8 x 14 feet) is the living space of an entire family appropriately suggesting slave quarters of earlier days. . . .
>
> . . . For example, in Dade County Florida we looked at quarters operated by the Homestead Housing Authority with public funds . . . there was not one gesture toward providing either comfort or basic human needs—no source of water, no toilet, no refrigeration, no heat.

WAGES

Vernon M. Briggs, Jr., writing in Chicanos in Rural Poverty said:

> Regardless of his race or ethnic group, the legal status of anyone employed in the agricultural sector of the American economy is that of a second-class citizen.
>
> Although large farmowners are the most privileged group in American corporate society (with import quota protection, antitrust law, exemptions, price supports, soil bank purchases, subsidized research, irrigation, land reclamation and erosion projects, and special property tax rates), farmworkers survive only by the law of the jungle.

Agricultural workers have historically been excluded from the protections of the National Labor Relations Act and the Fair Labor Standards Act. It was not until 1973 that laws were enacted which would eventually make the minimum wage in agriculture equitable with the minimum wage of other workers. Today, agricultural employers who hire 500 person-days of labor in any quarter of the preceeding calendar year, and who are engaged in interstate commerce are required to pay minimum wages to their employees. But migrants are often unaware of this—and other—protections extended to them by State or Federal law.

Funding for the Community Services Administration migrant labor program will provide counseling resources to advise workers of their rights under the law.

PROBLEMS OF THE WORKER

One of the few Federal benefit programs for which migrants are eligible is social security. A worker may receive benefits if he or she received cash wages amounting to at least $150—on a piece-rate basis—from one employee during the year, or if he or she worked for one employer 20 days or more during the year on a cash-time basis.

The Social Security Administration estimated that in 1972 a minimum of 300,000 migrant workers should have been covered by social security deductions. Reports were received for only 100,000; no one knows what happened to the other 200,000.

HEALTH

The infant mortality rate for migrants is 25 percent higher than the national average. Births occur outside of hospitals at a rate nine times higher for migrant mothers than the national rate. Mortality rates for tuberculosis and other infectious diseases among migrants are 2½ times the national rate. For influenza and pneumonia, the rate is 20 percent higher than for the general population. The rate of hospitalization for accidents is 50 percent higher for migrants than it is for the Nation as a whole.

In addition to what many consider to be inadequate levels of funding, the migrant health program has encountered a number of obstacles which complicate efforts to improve and maintain the health of migrants. These include problems in hospitalization for migrants, migrant camp sanitation, and medicaid coverage.

Mr. President, I have sought to enumerate some of the very severe problems facing migrant workers in our country.

The $10 million provided for CSA migrants programs in the Senate version of the fiscal 1977 Labor-HEW Appropriations bill is a step in the right direction toward correcting the inadequacies of the present social services and aid in providing ones that have existed in the past. I congratulate Chairman MAGNUSON and Senator BROOKE, the ranking minority member of the subcommittee, for such a fine bill and their continued commitment to alleviate the poor conditions in which so many migrant workers and their families must live.

I am hopeful that all or most of the $10 million appropriated by the Senate will be retained in conference. With this modest beginning, CSA can begin to counsel migrants, public officials and community organizations on how to meet the needs of the migrant family. Assistance can be provided to groups for health care, child care, adequate housing, and for advisory services on rules and regulations pertaining to wages. Local communities will be participants in a cooperative effort to improve the living conditions of migrant workers.

Mr. President, I ask unanimous consent that the following table be printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

AVERAGE NUMBER OF DAYS WORKED AND WAGES EARNED AT FARM AND NONFARM WAGEWORK, 1973[1]

	Number of workers	Farm and nonfarm			Farm			Nonfarm		
			Wages earned			Wages earned			Wages earned	
		Days worked	Per year	Per day	Days worked	Per year	Per day	Days worked	Per year	Per day
All migratory workers	203, 000	150	$2, 517	$16. 85	98	$1, 597	$16. 35	52	$920	$17. 70
South	60, 000	166	2, 454	14. 75	114	1, 479	12. 95	52	975	18. 65
West	89, 000	166	3, 134	18. 85	132	2, 347	18. 50	35	697	20. 15

[1] Agricultural Economic Report No. 265, Department of Agriculture, 1973.

Note: Of the 203,000 migratory workers, 108,000 or about 53 percent did farm wagework only. These individuals averaged 138 days of work during the year for an average of $17.70 per day, or $2,457 per year.

SOLAR ENERGY

Mr. GRAVEL. Mr. President, I call to the attention of my colleagues a project which, while it is still in its infancy, could have the most far-reaching effects on the world's supply of energy.

Some years ago, Peter Glaser proposed the construction of solar energy satellites. These satellites would convert huge amounts of the Sun's energy and beam this energy to Earth by means of microwave. The capability of a single power satellite could be five times that of the largest nuclear plant.

This basic concept is now being refined by a group including Gerard K. O'Neill, a professor of physics at Princeton. Professor O'Neill suggests that not only is the solar energy satellite a promising idea, but the economics of this proposal might be improved by using the Moon's minerals to construct the satellites.

The idea involves building satellites to contain manufacturing facilities, then acquiring from the Moon the materials needed for the orbiting solar power stations. The great cost of lifting materials from the Earth would then be avoided.

This seems to me to present a worthwhile follow-on to our country's great effort to reach the Moon, and I hope NASA will seriously examine proposals like Dr. O'Neill's.

I ask unanimous consent that Professor O'Neill's article "Space Colonies and Energy Supply to the Earth" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPACE COLONIES AND ENERGY SUPPLY TO THE EARTH

(By Gerard K. O'Neill)

Manufacturing facilities in high orbit could be used to build satellite solar power stations from lunar materials.

Within this century it may be feasible to establish manufacturing facilities in space, possibly in the vicinity of one of the Lagrange libration points of the earth-moon system (1, 2). Near two of these points, called L4 and L5, there are orbits which are stable under the combined gravitational effects of the earth, the moon, and the sun. A space manufacturing facility (SMF; the terms space community and space colony have also been used to describe such a facility) would be a self-sustaining habitat for a large number of people (of the order of 10^1 to 10^2). Its energy needs would be met by solar power, used directly as sunlight for agriculture, as process heat for industry when concentrated by mirrors, or indirectly as electricity.

The SMF may be economically more effective than alternative industries on the earth for the construction of products whose end use would be in geosynchronous or higher orbits. Such products, if made on the earth, would have to be lifted by rockets out of the earth's gravitational potential well, which is about 6500 km deep. In contrast, the SMF would obtain the raw materials for its products from the surface of the moon, whose gravitational well is only 1/20 as deep. As a consequence of the moon's vacuum environment, and of that factor of 20 in energy, a launching device located on the moon could transport material to the SMF at low cost relative to shipment from the earth. In this article I suggest that solar power stations may be constructed at a space colony, and relocated in geosynchronous orbit to supply energy to the earth, at a lower cost than if such stations were to be built on and lifted from the earth.

ENERGY NEEDS

The increasing demand for electricity, the shortage of fuels on the earth, and concern about widespread use of nuclear energy have led to consideration of satellite solar power stations (SSPS's). Glaser (3) has studied the SSPS concept, which is the location in geosynchronous orbit of stations converting solar into electrical energy, to be sent down as microwave power for conversion to direct current or to a power line frequence at the earth's surface.

In 1975 the Energy Forecast Working Group of the Institute of Electrical and Electronics Engineers (IEEE) summarized forecasts, by 12 organizations, of the electric generating capacity which will be required by the United States during the years 1975 to 2000 (4). The IEEE summary estimated an increase from about 500 Gw in 1975 (5) to a required capacity of 781 to 1070 Gw in 1985, and to a capacity of 1880 to 2250 Gw in 2000. The IEEE estimates therefore correspond to an average construction rate of new generator capacity of about 65,000 Mw/year in 1990 and 115,000 Mw/year in 2000. A study by Associated Universities, Inc. (AUI), predicted a demand for 85,000 Mw/year of new capacity at the turn of the century (6). The discussion that follows is not sensitive to such differences in the estimates.

At current prices [typically $450 per kilowatt installed for a coal-fired plant (7)] the forecasts therefore correspond to a market of $30 billion per year in the United States alone in the year 1990, and $40 billion to $50 billion per year a decade later. [The dollar figure may be conservative; the AUI study (6) was based on the assumption that most of the increased capacity during 1985 to 2020 would be powered by nuclear reactors, with higher installed costs (7) of $600 to $1800 per kilowatt in 1972 dollars.] Economic self-interest would tend to enlarge the market to the wider range beyond national borders; assistance to developing nations in the form of electrical energy would also increase the total production requirement for new power plants.

ENVIRONMENTAL EFFECTS

Each method so far considered for power generation has characteristics which are potentially damaging. Nuclear power produces radioactive wastes and materials convertible for use in nucler weapons. Coal-fired plants require extensive strip-mining to keep them supplied. In the year 2000 electric generation for the United States alone will require the mining of more than 2×10^9 tons of coal per year, unless alternative sources provide most of the energy needed at that time.

Transmission to the earth of the energy generated by an SSPS would require a microwave beam to a central antenna. That may be less desirable environmentally than the high-voltage lines used conventionally at the surface of the earth for the interconnection of large generator plants. Microwave transmission may, though, be more acceptable than the alternatives of nuclear power or strip-mining and that is an important issue which should be studied carefully Glaser (3, 8) has stated that the microwave beam intensity outside the antenna site would be low enough to satisfy stringent environmental requirements. Because the conversion of microwave energy to direct current could be about 90 percent efficient, an SSPS antenna array would release into the biosphere only one-tenth as much energy as it would deliver for use. In contrast, a fossil-fuel or nuclear plant discards as waste heat about 1.5 times the energy which it delivers to the power lines. The land-use requirements for an SSPS ground antenna array would be only about one-tenth to one one-hundredth as great as for direct photovoltaic energy conversion of sunlight, because direct conversion is limited by low efficiency, the day-night cycle, seasonal variation of the day length, atmospheric absorption, and cloud cover.

ECONOMIC FACTORS

Delay in the realization of the SSPS concept appears to be due mainly to lift costs and power plant mass. The installed cost of an SSPS would depend primarily on four factors: the capital cost per kilowatt of the power plant for converting solar energy to electricity ($/kw); the specific mass of the power plant in kilograms per kilowatt of output (kg/kw); the cost per kilogram of lifting power plant from the earth to geosynchronous orbit ($/kgsy); and the overall efficiency of converting electricity into microwave energy, transmitting it to the earth, and a reconverting it into direct current or to a power line frequency (ϵ). The installed capital cost of the installation, per kilowatt of power output from the antenna busbar on the earth, would be approximately

$$1/\epsilon[\$/\text{kw}+(\text{kg/kw})(\$/\text{kgsy})]$$

plus interest charges, development costs, and smaller additive terms for the ground antenna and the land it would occupy.

EARTH-LAUNCHED POWER SATELLITES

Solution of the microwave transmission problem (9, 10) for the SSPS appears to be progressing well: tests have already demonstrated a transmission efficiency ϵ (direct current to direct current by a microwave link) of 55 percent. The goal is an efficiency of about 63 percent. For an earth-launched SSPS, the economic problem lies in the remaining factors: capital cost, power plant mass per unit power, and lift cost.

Two alternatives for the conversion of solar energy to electric energy in an SSPS have been considered: photovoltaic cells (solar panel arrays) and turbogenerators powered by mirror-concentrated sunlight.

Glaser (3) has estimated that for an earth-launched SSPS the specific mass for solar panel arrays will have to be reduced to about 0.88 kg/kw. For comparison, the value for photovoltaic solar cell arrays in operational satellites of the last decade has ranged from 78 to 107 kg/kw; one experimental satellite designed as a short-life test vehicle achieved 29 kg/kf (11). For the Solar Electric Propulsion System space probe scheduled to fly in 1984, the specific mass is intended to be 13 kg/kw (12).

Present costs of solar panel arrays for space applications are based on manual assembly techniques and are therefore much too high for application to an SSPS; they are typically $175,000 per kilowatt (3). A more reasonable starting point is the 1971 figure of $5,000 per kilowatt for single-crystal wafers 5 cm in diameter. The necessary target figure (3) for a competitive SSPS launched from the earth is about $220 per kilowatt, about half the present cost of a large, coal-fired central power station.

As an alternative to a photovoltaic array for SSPS power, Woodcock and Gregory (13) have considered the use of closed-cycle helium turbines (14) driving conventional electric generators. In that alternative the specific mass must be reduced from presently attainable values (10 kg/kw) to about 5 kg/kw. To achieve that reduction, Woodcock and Gregory have assumed a development program in which the turbine inlet temperature could be increased to a value considerably higher than that used in current practice

For an earth-launched SSPS the cost of lifting components to geosynchronous orbit from the earth would be critically important. For a photovoltaic SSPS of 0.88 kg/kw, the necessary lift cost figure would be $220/kgsy (3). For the turbogenerator SSPS of 5 kg/kw and efficiency ϵ of 70 percent, the performance demands on the lift vehicle would be even more severe; $75/kgsy (13).

LAUNCH VEHICLES

An advanced, chemically propelled "space tug" could bring from low earth orbit to geosynchronous orbit, as payload, about one-third of the total payload delivered to low earth orbit from the earth's surface. When the cost of space-tug operations is included, the cost of transport ($/kgsy) from the earth to geosynchronous orbit can then be taken as roughly four times the cost of transport to low earth orbit. For simplicity, lift cost figures in the following discussion will refer to the overall transport from the surface of the earth to geosynchronous orbit ($/kgsy) and will be taken as four times the cost to low orbit. An additional uncertainty of about ± 30 percent is a consequence of this simplification.

The target figure for the space shuttle, planned for operation in the early 1980's, is $1400/kgsy, not including development costs of several billion dollars (15). A heavy-lift launch vehicle (70-ton payload) using the same kind of engines that are already being developed for the shuttle, and therefore obtainable without large additional expense for development, is estimated to be capable of achieving $600/kgsy to $1000/kgsy). (16).

To summarize, for an economically viable earth-launched photovoltaic SSPS the specific mass (kg/kw) must be reduced by about a factor of 30 to 60 below the corresponding figure for satellites of the 1970's; the lift cost to geosynchronous orbit must be reduced by about a factor of 4 below figures estimated to be attainable in the 1980's without large additional development costs; the capital cost ($/kw) must be reduced by a factor of about 30.

For an earth-launched turbogenerator SSPS the capital cost must be held equal to that of a present-day coal-fired plant; the specific mass must be reduced to about half the value currently attainable; ϵ must be raised to 0.70; and the lift cost must be reduced by about a factor of 10 below the figure now considered to be attainable in the 1980's without substantial postshuttle development.

Table 1 summarizes the values of these factors which have been assumed in several studies and, where the information is available, the resulting estimate of power cost. Extrapolations to vehicles more advanced than shuttle-derived rockets are necessarily subject to large uncertainties; new developments in engines, heat shields, reusable fuel tanks, and other components would all be needed before their construction. For a very large vehicle, capable of lifting 180 tons to low orbit, estimates of attainable recurring cost range from $80/kgsy to $900/kgsy, and estimates of development cost range from $5 billion to more than $25 billion (17).

POWERPLANT ECONOMICS

In power generation, the busbar cost is crucial to the achievement of market penetration. Power plants are characterized as base load (operating nearly all the time), intermediate load (operating part of each day), and peak load (operating only during coincidences of maximum industrial and residential demands). Peak-load plants are normally simple and inexpensive to build and, when called into use, generate electricity at a cost up to 60 mills (that is, $0.06 per kilowatt-hour). Intermediate-load plants are capitalized more heavily and generate electricity at 20 to 25 mills.

Eventually photovoltaic solar cells located in the American Southwest may be competitive with one type of intermediate-load service; the supply of energy for air conditioning. Base-load plants (mainly coal-fired and nuclear) supply power at 15 to 17 mills. Nuclear plants in particular are best suited to base-load service; they must run nearly all the time to amortize the heavy capital investment required for their construction. Once started, a nuclear plant is kept running for another reason also: each time it is turned off there is a risk of component failure due to temperature changes.

If electricity could be obtained from an inexhaustible source at 4 to 8 mills, lower even than base-load rates, it could have a profound impact on economic security and independence; residential and industrial heating could then be shifted to electricity, relieving demands on natural gas and oil supplies, and the production of synthetic fuel alternatives to gasoline could become practical.

Like a nuclear plant, an SSPS would have to operate nearly all the time to amortize its construction cost. Economic viability of an SSPS would require, therefore, that it operate in base-load service, at rates not over 15 to 17 mills. If SSPS power is to have major impact on the problems of energy resources and dependence, a way must be found to build and locate large numbers of SSPS plants (up to 20 to 40 per year of 5-Gw size) and the electricity rates at which they operate must be low enough so that they will achieve market penetration, being chosen for new construction in preference to alternative (coal or nuclear) plants. If those two conditions are not met, SSPS power can be no more than an exotic rarity, classed with hydroelectric and geothermal power among fringe sources (1 to 5 percent) of energy.

My purpose in stating these necessary economic conditions is not to discourage the development of a prototype SSPS. Clearly, though, it will be difficult to meet these conditions with SSPS plants built on, and launched from, the earth. In support of the viewpoint that SSPS development is justified nevertheless, I will outline what may be a way to meet the conditions of SSPS mass production and low electrical rates.

THE SPACE MANUFACTURING ALTERNATIVE

The effectiveness of an SMF program for the achievement of economical solar power on the earth would depend on two key elements: the use of lunar materials and the "bootstrap process"—the construction by the first SMF not only of SSPS units but of additional SMF's. The use of lunar materials would circumvent the problem of lift cost (S/kgsy) and therefore of power plant mass (kg/kw). The bootstrap process would replace linear growth in the number of SSPS units by exponential growth.

The establishment of the first SMF would require the transport of 3,000 to 10,000 tons to the lunar surface, and 10,000 to 40,000 tons to L5(2). The structural mass of the SMF has been estimated as 150,000 tons (18), and the total mass including cosmic-ray shielding could be 25 to 65 times larger. The SMF would be built almost entirely of lunar surface materials. The lunar soil (regolith) as found, unselected, contains 20 to 30 percent metals, 20 percent silicon, and 40 percent oxygen by weight (19). Depending on whether the first SMF were provided at the outset with a massive cosmic-ray shield, or acquired such a shield over a period of years by the accretion of industrial wastes (slag) from the manufacturing operations at L5, the transport machine (mass-driver) for lunar surface materials would be required to lift 80,000 to 700,000 tons per year from the moon to L5. With full-time operation at a cycling rate of 30 kg/sec, the mass-driver previously described (2) would transport 940,000 tons per year.

After completion of the SMF, the lunar mass-driver would continue to export raw materials to the SMF site. There, the processing plant already used for SMF construction would continue to produce metals, glass, ceramics, and other materials. In zero or low-gravity construction bays adjacent to the SMF habitat, those materials would be formed into SSPS components.

An SSPS built at a space colony would be considerably simpler than one launched from the earth, because the colony-built SSPS could be designed without launch vehicle constraints. Turbogenerators could be fewer and of the most efficient size rather than kept within vehicle limits. Solar reflectors and waste-heat radiators could be built in large sizes and would never have to withstand launch accelerations. That is a significant advantage because an SSPS would be mechanically fragile: the specific mass figures of Table 1 imply an overall average thickness for the SSPS, including solar energy converters, radiators, conductors, mirrors, supports, and transmitting equipment, of only 0.08 to 0.6 mm of aluminum.

Table 1. Critical factors in satellite power station economics. The numbers assumed in several studies for the factors specific power plant mass, component lift cost from the earth, transmission loss factor (ϵ^{-1}), and interest rate are summarized; in each case a higher number corresponds to a more conservative assumption. Earth-launched SSPS values are from (13) for those with turbogenerators and from (3) for those with photovoltaic cells. Data in the last column are from this article. The lift cost from the earth to geosynchronous orbit is approximately equal to the cost for lift to Lagrange point L5. For base-load service, busbar power costs are now typically 15 to 17 mill/kwh.

SSPS	Specific mass (kg/kw)	Lift cost ($/kgsy)	ϵ^{-1}	Interest rate (percent)	Initial busbar power cost (mill/kwh)
Earth-launched:					
Turbogenerator...	5.0	75	1.43	8	25
Photovoltaic.	.8	220	1.54	....	....
Built in space from lunar material...	10.0	950	1.6	10	15

The linear dimension of the SSPS would be several kilometers, about ten times larger than those of the SMF. On completion, the SSPS would be tested in space close to the construction site. It would then be moved to geosynchronous orbit through the small velocity interval (2.1 km/sec) which separates that orbit from L5. A second mass-driver, similar to the one which by then would have been in operation on the moon for several years, could be used for this task. It would be assembled outside the SMF and attached to the completed power station, to serve as a reaction engine. It would use as reaction mass industrial wastes, possibly liquid oxygen, left over from the processing of materials for the SSPS. As a reaction engine, the mass-driver would have an exhaust velocity of 2.4 to 3.7 km/sec and a thrust controllable from zero up to a maximum of several tons. It would be powered by the SSPS during the orbital transfer time of 1 to 4 months.

The economics of SSPS construction at L5 requires a fresh viewpoint: in that construction almost no materials or energy from the earth would be required. The colony itself, once established, would be self-sustaining, and its residents would be paid mainly in goods and services produced by the colony.

The economic input to the combined colony-SSPS program is the sum of development and construction costs for the first colony, the cost of lifting the materials needed from the earth for subsequent colonies and for noncolony-built SSPS components, a payment on the earth of $10,000 annually to every colonist, representing that portion of salaries convertible to goods and services on the earth (for subsequent use on visits or, if desired, on retirement), and a carrying charge of 10 percent interest on the outstanding balance in every year of the program (20). That is approximately equivalent to discounted economics with a 10 percent discount rate.

Cost estimates for the first SMF (Table 2) are based on making an early start, with the shuttle and a shuttle-derived freight vehicle. The lift costs assumed for Table 2 are therefore relatively high, equivalent to $950/kgsy. The time line of Fig. 1 uses the intermediate cost estimate of Table 2.

Table 2. Cost estimates for establishing a first manufacturing facility in space. Cost figures not in parentheses are based on transport rates of $1900/kg from the earth to the lunar surface and $950/kg to Lagrange point L5. Those in parentheses are based on the assumption (13) of transport rates reduced by a factor of 12, with an additional $10 billion added for vehicle development and no change in administrative costs. In this simplified table, personnel rotation, if required, and material resupply are within the tonnage figures.

[Dollar amounts in billions]

Type of estimate	Lift to lunar surface		Lift to L5		Development and construction	Administrative and salaries (20 percent)	Total cost, rounded	
	Tons	Amount	Tons	Amount				
Minimal	3,000	$5.7	10,000	$9.5	$11.0	$5.2	$31.4	($27.4)
Intermediate	10,500	20.0	42,000	40.0	20.0	16.0	96.0	(50.8)
High	20,000	38.0	80,000	76.0	40.0	30.8	185.0	(89.8)

Because of the high interest rate assumed, the cost-benefit analysis is sensitive to the speed of construction of the SMF, and therefore to productivity. The first colony, with a structural mass of about 150,000 tons, is assumed to be constructed in 6 years by a work force of 2,000 people. The corresponding productivity, 13 tons per person per year, is consistent with analyses by D. Morgan of current experience on the earth in materials processing and fabrication (18). I assume that subsequent colonies could be constructed in 2 years. This tripling of production rate would require devoting 4,000 people of a 10,000-person colony to new-community construction (compared to 2,000 people available at the construction site during the building of the first SMF) and an increase of efficiency by a modest factor of 1.5. I assume that most of the residents of the early space communities will be employed in production, support services being assisted as far as possible by automation. Later decreases in the employed fraction of the work force are assumed to be compensated by productivity increases.

The productivity required at L5 for the SSPS would depend on the ratio of kilograms to kilowatts of output at the time of construction. In my assumption, an SSPS supply 5,000 Mw of electricity at the busbar would have a mass of 80,000 tons; in the study by Woodcock and Gregory (13), 35,000 tons; in the study by Glaser (3), only 11,000 tons. Assuming that the remainder of an SMF work force, 6,000 persons, were committed to SSPS construction, and that two SSPS units were produced per SMF per year, the corresponding requirements for productivity would be 27, 12, and 4 tons per person per year. Most of the production operations of SSPS construction would take place within the weather-free, zero-gravity, enclosed environment of a space community's assembly volume, which should favor high productivity. For 12 to 27 tons per person annually, and a peak production rate of 160 Gw/year of new generator capacity, a total work force of 100,000 to 200,000 people in space would be required. New colony construction is therefore taken to be halted after the 16th colony, because of market saturation.

* * * * *

Because of the exponential growth of the number of SMF's, satellite power could have a strong impact relatively soon. By year 11 from the start of SMF construction, the usable electric energy supplied to the earth by the program could exceed the peak capacity of the Alaska pipeline (2×10^6 barrels a day) (21). Two years later the production rate of SSPS plants could exceed the U.S. annual need for new generating capacity. By year 17, the total energy so far provided from the satellites could exceed the estimated capacity of the Alaskan North Slope (10^{10} barrels) (21).

This discussion has been confined to technical questions. Clearly, though, if an SMF program is initiated, it will have wider impact than the science-oriented space programs that have preceded it. As an enterprise with the potential to return a profit and to tap an inexhaustible source of energy, it could be carried out as a joint venture of several or many nations. The worldwide food shortages that have been forecast for the next decades could be alleviated substantially by the provision to developing nations of low-cost energy for the manufacture of agricultural chemicals (22). In the SMF approach, subsidies of that kind to the Third World could be given out of new, nonterrestrial wealth, not requiring sacrifice by donor nations.

The data in this article should be considered not as definitive, but as requiring substantiation or correction by additional research. So far, during a year of exposure of the SMF concept to technical review, no major changes in the basic concept have been necessary, but it is almost certain that further work will uncover both unsuspected problems and new technical possibilities. A modest amount of research on the key questions of productivity, life support needs, SMF and SSPS construction methods, and lunar materials transport could substantially improve our knowledge of the cost and time required for the achievement of the first beachhead in space, and of the speed with which the initial investment could be returned.

SUMMARY

The feasibility of establishing manufacturing facilities in a high orbit is under discussion. They could be used for the construction of satellite solar power stations from lunar materials. Estimates indicate that this may be considerably more economical than constructing power stations on the earth and lifting them into orbit.

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23. It is a pleasure to thank P. Glaser, M. Hopkins, D. Morgan, and G. Woodcock for providing useful information not yet published. The latter part of this study was carried out with support from the National Aeronautics and Space Administration.

FPC PREPARING ANOTHER GOUGE OF CONSUMERS

Mr. METCALF. Mr. President, while public and congressional attention is diverted to many other matters, the electric and gas utility industry is increasing its efforts to slip hidden overcharges into utility bills.

The technique I wish to discuss today is called "construction work in progress."

Simply stated, the utilities want to add to their rate base—upon which utility revenues and customer charges are based—the cost of plant construction which has not been completed.

Historically, utilities' rate base has included the value of property "used and useful" in providing service to current customers. Regulatory commissions have permitted utilities to recover construction costs. Utilities have tended, especially in recent years, to build more plants than they need, because they misjudge demand and customer resistance to higher rates.

The effect of permitting construction work in progress to be included in the rate base would be to accelerate unneeded construction and to increase consumer costs without noticeably increasing the utilities' rate of return.

For example, if a utility has a $1 billion dollar rate base and has a rate of return of 8 percent, it will be allowed to set rates to bring it $80 million in annual revenue. If the utility is permitted to include in its rate base $100 million in "construction work in progress" it can take in an additional $8 million a year without showing an increase in the rate of return.

The administration proposed legislating "construction work in progress" in S. 594, the President's omnibus energy bill. Senator Muskie's and my subcommittee conducted hearings on the utility sections of that bill. After we developed the real story of "construction work in progress" not even the President's closest friends suggested putting such a monstrosity onto the statutes.

So the Federal Power Commission is planning to do what the Congress would not do. Unless the Congress and the public focus on this issue, one of these days soon when the Congress is about to recess—or in recess—there will be a decision by the Commission which will violate fair regulatory principles and add more unjustified costs for consumers.

Electrical Week has just issued an "Extra" which describes the FPC maneuvers. I ask unanimous consent that the article be printed in the Record, followed by my statement to the FPC shortly after it initiated consideration of this consumer ripoff.

There being no objection, the material was ordered to be printed in the Record, as follows:

FPC Begins Marking Up CWIP Rule; Would Require Showing of Financial Need

Utilities with bond-coverage ratios below a still-undecided-upon level and utilities building pollution-control or fuel-conversion facilities mandated by the government will be allowed to place construction work in progress (CWIP) in the rate base for their wholesale sales, the Federal Power Commission tentatively decided in preliminary votes late Friday. The four sitting FPC commissioners also, at the working session, tentatively rejected 2–2 a proposal to allow CWIP for utilities that do more than half of their business in states in which the state commission allows CWIP in the rate base. And they agreed to study a proposal by Commissioner John Holloman to bar CWIP in cases where an investor-owned utility building a new generating facility has refused offers by municipal and cooperative utilities to buy shares of that facility.

The commissioners gave no indication when they would actually issue their long-awaited and already-controversial CWIP decision. The meeting Friday was the second one last week on the subject and at the end of it chairman Richard Dunham said the commissioners had made "considerable progress" on the CWIP question. All four commissioners indicated during the Friday session that they would like to see some CWIP in the rate base for all utilities meeting some broad criteria.

The vote on the financial-need criterion was 3–1, with only Commissioner James Watt dissenting. An FPC staff member told the commissioners that one likely cutoff point was a bond coverage ratio—the amount net earnings exceed required interest payments—of 2.5 times, but he added that the 2.5 figure "was thought to be illustrative more than anything else." Dunham then asked if the final figure the staff would come up with would be between 2 and 3 times. The staff member agreed, and the commissioners voted to include such a criterion in their CWIP order. Commissioners Holloman and Don Smith noted that they favored such a financial-need criterion "as one test"—but not the only one. The commissioners indicated that they would allow only enough CWIP to utilities meeting the financial need test to bring the coverage ratio up to the minimum level.

The proposal that CWIP for wholesale sales be allowed where a state commission already allows it for retail sales failed after Commissioner Smith expressed misgivings about FPC actions depending on varying state practices. State policy "is relevant but should not be controlling," he said. He and Holloman voted against the proposal. Another proposal, by Dunham, that CWIP be allowed "in all cases," also failed in a 2–2 vote, Smith and Holloman voting against it and Watt voting for it. The vote to allow CWIP for pollution-control and fuel-conversion equipment was unanimous, though the commissioners had noted on Wednesday that defining which equipment was eligible might be difficult.

The individual positions of the commissioners varied. Dunham seemed prepared to grant CWIP in as many cases as possible. Watt agreed, opposing the financial-need test because "arbitrary formulas would bring about discrimination among companies" and create a "hodge-podge" of decisions—sometimes for the same utility. "If we do not face the problems of the electric power industry today, we will see an industry crippled in 20 years like the gas industry is today because of decisions made 20 years ago," Watt said. Holloman favored a case-by-case approach to CWIP, arguing that rates of return aren't standard nationally and CWIP shouldn't be, either. Smith favored CWIP at least in cases where "societal problems" such as fuel-conversion orders require large utility expenditures.

Statement by Senator Lee Metcalf

Re FPC Docket No. RM 75–13, Amendments to Uniform Systems of Accounts for Public Utilities and Licensees and for Natural Gas Companies and to Regulations Under the Federal Power Act and Natural Gas Act, to provide for inclusion of Construction work in progress in rate base.

To Kenneth F. Plumb, Secretary, Federal Power Commission.

I am greatly dismayed by this proposed rulemaking to include construction work in progress in the rate base. If adopted, the rule will deceptively and unnecessarily raise the cost of basic electric service.

At a time when Americans are questioning why the classic economic law of supply and demand seems to work only when prices are going up, this-under-the-table attempt to punish consumers for their commendable conservation efforts must be labeled irresponsible.

Once again, the average citizen sees that the agencies of government originally intended to protect his interest from monopoly power are instead more concerned with the financial success of the companies they are supposed to regulate. Utility customers will be forced to bail out managerial incompetence and inefficiency of the worst sort under this proposal.

Because this proposed rule defies the facts on the record as well as our National efforts to promote conservation and combat inflation, I strongly urge the Commission to reject it. I ask each Commissioner to consider carefully the following points in light of the economic and political woes the American people have been forced to bear during the past two years:

(1) *The Proposal is deceptive.* The amount of profit allowed a utility is the product of a percentage fair rate of return multiplied by the rate base which is supposed to represent the capital invested in providing service. That product—the allowed profit—can be made larger by either increasing the rate of return or enlarging the rate base.

The public expects that if their rates are to be raised to provide more profit for investors, there must be a full public hearing where each utility is required to prove that its investors deserve a greater rate of return. The public does not expect across-the-board rate increases by means of an obscure rule change which does not require an increase in the allowed rate of return or the proof which must accompany such an increase. Enlarging the rate base by including construction work in progress accomplishes higher profits without public awareness of that result.

If utility investors need more profit, then the Commission should move openly by the normal rate-making process and increase the allowed rate of return upon convincing proof. Consumers would then understand that their rates are being raised to increase utility profits.

Americans are sick and tired of price fixing, double-dipping, tax loopholes, and the myriad other hidden ways by which large corporations bilk the public each year. The Federal Power Commission should not be an accomplice to such deception by approving the proposed rule.

(2) *The Proposal violates one of the basic principles of rate making.* It has long been accepted that the rate base should only include the value of property which is "used and useful" in providing service to current customers. Otherwise, customers would be forced to pay a return on property not used in the utility business. To prevent such inequity, the Federal Power Commission and most other regulatory commissions have not included unfinished and therefore unproductive property in the rate base.

Adoption of this proposal would change all of that. Utility managements will no longer have any efficiency incentive to complete plant construction expeditiously. Investors will earn a return whether capital is invested productively or not. Not only will regulation guarantee these cost-plus monopolies a profit, but they will be further elevated above the rigors of competition by being guaranteed a return on non-productive investment. Incompetent and inefficient utility executives will surely believe in Santa Claus is this proposal is adopted.

The primary reason that construction work in progress is so large in proportion to plant in service is that many utility managements have made the decision to "go nuclear" when adding additional generating capacity. That decision is not surprising since existing rate-making procedures gear total allowed profit to the total amount invested in providing service, thus inducing managements to increase plant investment.

Nuclear power plants have the dubious distinction of being the most expensive power source available to utilities as well as the most time consuming to construct. That means the amount of construction work in progress increases geometrically. Construction periods of six to ten years are commonly forecast for nuclear plants.

The wisdom of restricting allowed return to currently productive investment is essential as an incentive to bring plant on line as quickly as possible.

(3) *This proposal is based on an unrealistic projected growth rate for electricity consumption.* There is no present shortage of electric generating capacity in this Nation. All that propaganda we keep hearing about the lights going out if utilities do not earn enough to satisfy Wall Street is based upon projections of the amount of capacity needed to serve customers five or six years from now. The vast amounts of capital which excessive profits from today's customers are supposed to attract will be used to serve the assumed needs of customers far in the future.

Intelligent projections of growth in electricity consumption are an absolute necessity when dealing with capital requirements measured in tens of billions of dollars. The historical growth rate has been about 7% annually, but due to skyrocketing rates and conservation efforts by customers, the power industry's summer peak increased by only 1.04% this year, according to Electrical World. Almost half of the 77 utilities surveyed had summer peaks which actually declined. The Commission's own Bureau of Power has compiled electric generation data for the first nine months of 1974 showing that the amount of electricity generated this year is 1.63% less than for the same period last year.

A peak that grows while total generation declines means even more inefficient use of the Nation's generating facilities. (It should be noted that customer resistance to increased consumption has occurred for the most part under rate schedules which encourage greater use of electricity. Adoption of rate schedules which encourage conservation should ensure more efficient use of existing facilities.)

After a $4 million, two-year study, the Ford Foundation's Energy Policy Project has found that a long-term average growth of about 2% annually—as set forth in its final report—is both technically feasible and economical.* The Congressional Research Service has calculated that a growth rate of 2% in 1975 and 3% thereafter would reduce the electric utility industry's demand for external capital by $57.8 billion over the next five years. That is a 50% reduction from the amount which would be needed using a business as usual scenario of 4% growth in 1975 and 6.5% thereafter as calculated by the Commission's Office of Economics.

Reducing capital demand by such a large margin would help lower interest rates and free capital resources for other uses such as housing. A low growth rate seems reasonable in view of the significantly larger proportion of customers' real income which now goes to pay for energy.

Cash earnings will increase for utilities under a realistic growth and construction projection. As unnecessary and expensive construction plans are abandoned to reduce the proportion of construction work in progress to plant in service, plant now under construction will begin contributing to earnings as it becomes operational. When Wall Street realizes that utilities will not need excessive amounts of high priced capital, investors will react more favorably in valuing existing and future debt and equity securities.

The situation in the electric utility industry today, then, is as follows: a very low growth rate in consumption; a corresponding enormous decrease in the amount of capital utilities will have to raise; and the prospect for increased cash earnings as maximum utilization of existing facilities occurs.

I would like to focus on the assumptions made by the Federal Power Commission staff in support of granting utilities higher immediate profits by including construction work in progress in the rate base.

No justification for adoption is offered in this proposed rulemaking. In fact, adoption is treated as an accomplished fact since public comment is only solicited on how best to implement the proposal. The perceived need for greater utility profits must derive from reports such as the study of the industry prepared by the Commission's Office of Accounting and Finance in September, 1974. That report recognized that growth in consumption is greatly diminished, that population and GNP are not expected to maintain historic post-World War II growth levels, and that the large proportionate real increases in the price of electricity are dampening demand. Nevertheless, the report accepts the premise that "increasing consumption of power is indigenous to our system of long-term economic growth." The analysis concludes, "But, in the absence of clearly defined new trends, we will base our appraisal of the future on earlier estimates of about 7% growth in the consumption of electricity."

That incredible statement typifies the sort of bureaucratic irresponsibility which causes my constituents to wonder if anyone in Washington knows what is going on in the rest of the Nation! If anyone wants a clearer definition of economic trends, I suggest they put down their copies of *Public Utilities Fortnightly* and go have a talk with the homebuilders in California, the miners in Montana, the auto workers in Michigan, or any head of household trying to plan the family budget. The efforts by consumers to halt the endless cycle of rate increases through conservation and changes in lifestyle are simply ignored.

The 27 September, 1974 issue of *FPC News* reports that the Bureau of Power is also using an average 7% demand growth rate in computing generating capacity for the years 1984 to 1993.

The really disturbing aspect of all this is that it may end up costing consumers up to $37 billion dollars during the next five years if this proposed rulemaking is adopted, according to figures prepared by the Congressional Research Service. A Commission staff appraisal which blandly regards the most serious economic challenge since the Depression as a historical fluke becomes the rationale for changing long accepted rate-making policies to raise utility profits. National Utility Service Inc., an economic consulting firm, surveyed fifty of the Nation's largest electric utilities and found that their rates rose 12.3% in 1973 and catapulated 55.4% in the first half of this year alone! The American people are fed up with government which does not respond to their needs. They can no logner afford the luxury of the Federal Power Commission staff ignoring current factual realities to see if a trend develops. Consumers do not see the sense in further raids on their shrunken pocketbooks to support an idle and speculative demand forecast when many people are losing their jobs and nearly everyone is cutting back to make ends meet. Utility investors should be willing to bear their share of the current financial burden until the demand for electricity catches up with the ambitious construction programs planned by their managements.

The Federal Power Commission must take into account the efforts of customers to adjust to a new energy-expensive lifestyle when deciding on policies which will significantly raise the basic cost of living. Perhaps an extensive staff study on the effects of skyrocketing electric rates would be an apt beginning.

(4) *This proposal will force customers to bail out inefficient utility managements.* As noted earlier, adoption of this proposal will remove any incentive for bringing plant on line expeditiously. Utilities which have invested heavily in problem nuclear facilities will be able to pass the cost of their mistakes onto the public.

Nuclear plants have proven to be such an enormously expensive boondoggle that the *Wall Street Journal* has called them "atomic lemons." *Forbes* quotes Donald Cook, chairman of American Electric Power Co., as saying: "Nuclear plants have more problems than a hound dog has fleas. I'm talking about operating and engineering problems unrelated to safety." Construction delays due to improper planning are common. When they finally become operational, nuclear plants have been running at a wasteful 55% of capacity rather than the 80% operating ratio upon which all of the supposed cost saving figures are based.

The decision to go nuclear was made in corporate boardrooms without any input from the customers who are affected so greatly by that decision. It would be manifestly unfair to now require customers to bail out managements who have shown poor judgment.

(5) *This proposal is highly inflationary.* Including construction work in progress in the rate base will have the pure inflationary effect of raising prices without producing any benefit in return. The Commission's own Office of Economics has projected that it will cost consumers $22.1 billion over the next five years.

Other than needlessly enriching investors, there is no indication that any benefit will accrue from this proposal. There will be no need to raise the vast amounts of capital necessary to meet a 7% growth in demand if present trends continue. Increasing profits does not necessarily improve the attractiveness of utility securities anyway. Investors are aware of current trends and will not react favorably until utilities adjust to using their facilities more productively in a low-growth environment. It does not take a brilliant analyst to realize that customers are at the end of their rope and will not continually accept increased profits for utilities. We in the Congress are acutely aware of consumer resistance to proposals such as this, and I must stress the magnitude of such public sentiment.

In summary, I must impress upon the Commission and its staff that the American people and the Congress will no longer tolerate acquiescence to utility claims for ever greater profits when everyone else is paring back to fight joblessness and double-digit inflation. Any rate increase must be open, must be based on hard proof rather than idle assumptions, and each utility must bear the burden of proving its own need. Across-the-board rate hikes from proposals like this do not complement our National efforts to meet the economic challenge before us. Therefore, I must respectfully ask the Commission to reject this proposed rulemaking and go on record as being opposed to similar inflationary measures.

APPROPRIATIONS FOR FAMILY PLANNING

Mr. BAYH. Mr. President, the Labor-HEW appropriations bill for fiscal year 1977 which the Senate passed on June 30, contains $122.6 million for badly needed family planning services. I commend Senator MAGNUSON, chairman of the subcommittee, for recognizing this need and supporting the allocation of the full $122.6 million which I requested. Because of Senator MAGNUSON's support, despite ever-present tight budgetary constraints, the Senate has taken a significant step toward providing help for the

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* *A Time To Choose, America's Energy Future,* Energy Policy Project of the Ford Foundation, Ballinger Publishing Co., Cambridge, Mass , 1974, pp. 45–80, 325.

3½ million women who need family planning services but do not have access to them.

Mr. President, the Senate affirmed its commitment to American women in need of family planning with its passage, in 1970, of the Family Planning Services and Population Research Act (Public Law 91–572). This act marked the beginning of a major new congressional initiative in the field of family planning. The act amended the Public Health Service Act to include a new title X. The legislation authorized the Secretary of HEW to award project grants to voluntarily formed family planning programs. These project grants now form the backbone of Federal efforts in the field. In fiscal year 1974, $8 of every $10 spent for the provision of family planning came from the Federal Government. The bulk of this money was used for project grants.

As a result of past appropriations family planning services have been extended to millions of American women, thereby reducing the human, social, and economic costs incurred as a result of unplanned children. Ten years ago only 600,000 people were served by organized family planning organizations; today, 3.5 million are served. The project grants funded by title X of the Public Health Service Act serve 2 million of these women, in comparison with 860,000 only 4 years earlier.

Unfortunately, congressional appropriations for the project grants have remained static despite the increased use of family planning programs. From fiscal year 1973 through fiscal year 1976 4 consecutive years, the funding level for project grants was $94.5 million. Taking inflation into account, this represents an effective reduction in outlays of 30 percent. The program has now reached a stage where it cannot serve additional women without eliminating services for those who have taken advantage of the program in the past, or abandoning high medical standards. Thus, the 3½ million low- and marginal-income women who currently do not have access to family planning now will not be able to receive services unless Congress increases its appropriations.

This year, the Senate has affirmed its desire to move forward in the field of family planning by making its fiscal year 1977 appropriation for family planning $122.6 million; this amount includes a $20.5 million increase in funding for project grants. The House has appropriated $100,615,000 for fiscal year 1977. Both branches of Congress suggest appropriations above the clearly inadequate budget request of $79,435,000. The President's request would eliminate services for half a million women—an alternative rejected by both the House and Senate.

The proposed increase in funds is a long needed step in the direction of providing family planning services to all who need them. I am hopeful that my esteemed colleagues in the House of Representatives, accept the higher Senate figure for this program. The need for family planning is too great to risk delay.

The human costs of dilatory action would be considerable. Twenty to twenty-five percent of all births are still unplanned or unwanted at the time of conception; the proportion is much higher among the poor. These pregnancies deny women the personal freedom to make critical choices about their own future. unwanted pregnancies affect education and employment decisions and deny women the ability to determine the number and spacing of their children. Since high and middle income women can afford family planning services provided by private sources, these women are given a relative advantage in the freedom to decide their future. Poor women must be aided by governmentally provided services to share this right equally.

For many women one of the most traumatic consequences of unplanned pregnancy is the decision to have an abortion. In 1974, 1 million legal abortions were performed in this country, reflecting the inadequate provision of services to all who need them. Teenage mothers accounted for one-third of these abortions. Regardless of one's stand on the abortion issue, I think we can all agree that family planning is preferable to abortion for preventing the birth of unwanted children.

American teenagers demonstrate the greatest need for family planning services. It has been estimated that 70 to 80 percent of sexually active teenagers do not use family planning services. Planned Parenthood predicts an epidemic of teenage pregnancies for three reasons: First, increased sexual activity among teenagers; second, nonuse or ineffective use of contraceptives; and third, lack of contraceptive information and services for teenagers.

Sexual activity among teenagers has increased over the past few years. The proportion of 15- to 17-year-olds who had sexual experience increased from 20 percent in 1970 to 30 percent 3 years later. Now 50 percent of all 19-year-old women are sexually active. The overall proportion of women age 13 to 19 who have had sexual experience is 3 in 10.

Approximately 1 million women under the age of 20 become pregnant each year. Sixty percent of these pregnancies result in live births; almost a third end with abortions. Given this large number of pregnancies and the significant percentage which are carried to term, it is no surprise that 1 in 10 of all teenage women bear a child during their teen years.

Teenage mothers account for a fairly large proportion of all births. In 1973, 19 percent of all live births were to teenage mothers. The proportion of teenage births to live births has increased over the past few years.

Teenage pregnancies are largely the result of nonuse or ineffective use of contraceptives. Four out of five of the sexually experienced teenage women do not use contraceptives regularly. Of these nonusers, 84 percent do not want to become pregnant. Yet, these teenagers are, for the most part, uncognizant of the risk they are taking. A recent survey indicated that of teenage women who do not use contraceptives, 71 percent are ignorant of the pregnancy risk; 31 percent said they knew of no place where they could obtain contraceptives. Increased expenditures on family planning can help disseminate information about pregnancy risk and make contraceptives more accessible.

Teenage women who bear children face a variety of problems. Teenage mothers experience more medical problems for both mother and child than older women. These mothers frequently suffer from toxemia, prolonged labor, and iron-deficiency anemia. Prematurity and low birth weight of babies are more common in cases of teenage pregnancies. Thus, there is a higher risk that children will be stricken by epilepsy, cerebral palsy, and mental retardation or be physically impaired. The mortality rates for teenage mothers and their children are also higher than those for older women.

Unstable marriages are often the plight of the 3 in 10 teenage mothers who marry shortly before or after the outcome of their pregnancy. Half of all teenage marriages dissolve within 5 years; those resulting from pregnancies are three times as likely to dissolve.

Yet, the trend is away from "hurry-up" marriages inspired by the desire to legitimize a pregnancy. The number of out-of-wedlock births is rising. Between 1968 and 1973 the percentage of live births which were out-of-wedlock increased from 81 to 85 percent for women under the age of 15 and increased from 27 to 34 percent for women age 15 through 19. As the number of out-of-wedlock births grows, so does the number of women who are the sole source of support for their children. Many face financial hardship.

Both married and unmarried mothers are often forced to drop out of school or job training as a result of their pregnancies. Therefore, they may permanently lose their chance for economic advancement. Often, they must rely on public assistance to enable them and their children to survive.

Appropriations for family planning services can thus be clearly justified by the tremendous human and social costs resulting from unwanted pregnancies. The money can also be justified on the basis of economic costs. It has been demonstrated that every dollar spent on family planning services in 1 year results in a savings of $2 the next year in maternal costs, infant care, and public assistance payments.

The substantial human, social, and economic costs of inadequate family planning services lead me to strongly urge the conferees for the Labor-HEW appropriations bill to adopt the higher Senate figure of $122.6 million for family planning. Three and a half million women, many of them teenagers, require services that present appropriations cannot provide. The allocation of $122.6 million provides a funding increase which will begin to solve this problem.

Mr. President, too much time has passed since Congress last took a significant step toward the objective of providing family planning services for all who need them. I hope we do not wait yet another year to meet the urgent needs of millions of Americans.

PRELIMINARY NOTIFICATION: PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that three such notifications were received on July 16, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

WEATHER WARFARE

Mr. CASE. Mr. President, I call the attention of my colleagues to an article on weather warfare written recently by Marquis Childs. There is an increasing interest in weather changes and a heightened realization, as Mr. Childs puts it, of "the power that man has acquired over the fragile atmosphere in which he has his being".

Mr. Childs reminds us that one of our colleagues, the Senator from Rhode Island, **Claiborne Pell**, took the initiative in Congress some 5 years ago to sound a warning about the possibilities and dangers involved in the application of environmental modification techniques—particularly weather modification—for purposes of warfare. As Mr. Childs points out, it was the persistent prodding of Senator **Pell** that first brought to light the Defense Department's weather modification activities in Southeast Asia, and the implications of those activities.

His efforts convinced the State Department of the need for a treaty banning environmental warfare. Negotiations on such a treaty are nearing completion in Geneva, and a treaty may be ready for approval by the U.N. General Assembly as early as this fall.

I have been a strong supporter of this treaty, as I believe that the emerging science of climatology and other related environmental disciplines should be devoted to solely peaceful purposes. It is my hope that by clearly establishing that these new areas of inquiry shall be for the benefit and not the destruction of mankind, ways will be found to explain and deal with the kinds of erratic weather patterns which recently devastated the Sahel in Africa and are now threatening Western Europe.

Mr. President, I ask unanimous consent that Mr. Childs' article, which appeared in the Washington Post on July 13, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 13, 1976]

Making War With the Weather

(By Marquis Childs)

The news from Britain and Western Europe is of an unprecedented drought. Crops are shriveling under a relentless sun and cattle are being slaughtered because pastures are drying up to a desert-like consistency. In Britain the scarcity of rainfall that has prevailed for months is the most severe since record-keeping first began more than 200 years ago.

The fear is that this may herald a profound change in weather patterns rather than being merely a one-time occurrence. It could be a shift related to such remote phenomena as the melting of the polar ice cap with winds and clouds concentrated in Northern, as against Western Europe.

What this dramatizes is the power that man has acquired over the fragile atmosphere in which he has his being. It is a power that, used selectively, can destroy the existence of life in a given area. Or, with no intention of destruction, the continued use of aerosol sprays along with supersonic planes can weaken the layer of ozone that shields the earth from destructive elements in the sun's rays. The consequences of the latter will be an unprecedented increase in the incidence of skin cancer.

Sen. Claiborne Pell (D-R.I.) has since 1971 made an attempt to outlaw the use of weather modification in warfare one of his principal concerns. Through a series of Senate hearings and finally in a proposed joint treaty put forward by the United States and the Soviet Union, the armament control committee of the United Nations is moving to place the proposal before the nations of the world.

It has been a slow process, with the Department of Defense resisting in the early stages every step of the way. Finally, in 1974, after repeated prodding by Pell, the Defense Department agreed to testify on the use of weather modification but only on a top-secret basis. Later they permitted the record of their use of their techniques in Vietnam to be made public, hoping apparently that they would be ignored or forgotten.

For two years the Defense Department used every known method to destroy the atmosphere in areas of North Vietnam and to blot out the Communist forces there. They used the fire bomb technique that, in both Hamburg and Dresden, during World War II created fire storms which suffocated thousands. But in the tropical atmosphere, three fire bomb attempts resulted in an updraft causing huge thunder storms that put out the fires.

Cloud seeding was frequently used to create floods. A substance like soap suds was dropped on the Hi Chi Minh Trail so that, in theory, it would become impassable for the work forces carrying arms to Communist troops in the South.

In 1969 a flood of torrential proportion hit North Vietnam. It was the worst since 1945 when more than a million persons died. While the Defense Department has denied any participation in acts that might have created the flood, an inquiry put to the CIA has gone unanswered.

Pell is concerned that modifications theoretically confined to a single area could have far wider effects, as with the torrential monsoons that swept North Vietnam in 1969. This is one reason he is unhappy about the language of the treaty which prohibits weather warfare to "long-standing, severe and widespread activities."

During the Senate hearings the question of Cuba was raised, together with, in the recent past, heavy floods at sugar cane harvest time as well as severe droughts. The Defense Department denied any activity that could have caused these phenomena. One of the world's most distinguished climatologists, Gordon J. F. MacDonald of the University of California at Los Angeles, warned that operations causing floods, tidal waves and droughts could be carried out secretly.

"Such a 'secret war,'" he said, "need never be declared or even known by the affected population. It would go on for years with only the security forces involved being aware of it. The years of drought and storm would be attributed to unkindly nature and only after a nation was thoroughly drained would an armed takeover be attempted."

Even though this dire prediction has some substance, a treaty would at least be a partial barrier in the event of open war. The U.S.-U.S.S.R. treaty prohibiting weather modification is winding its way at a snail's pace through the United Nations disarmament committee in Geneva with the prospect that it may be out by 1977 for action by the General Assembly.

TRIBUTE TO BARCLAY WARBURTON III

Mr. PELL. Mr. President, America's Bicentennial celebration this year has produced many special events and pageants as a result of millions of Americans volunteering their services. I should like to give special attention and thanks to one citizen, Barclay "Buzzy" Warburton III, a Rhode Islander and resident of my home city of Newport, who perhaps more than anyone else was responsible for bringing to our waters the largest and most spectacular celebration in our Nation's history—the tall ships.

The tall ships represent more than the greatest flotilla of sailing vessels ever assembled in modern times. They represent the active cooperation and good will of 23 nations and the participation and friendly competition of the youth from these countries.

The coming of the tall ships stirred memories in millions of citizens of the origins of America, a country peopled two centuries ago by immigrants arriving on its shores in wooden ships from all over the world. The bonds of friendship and good will that were established in this pageant of peace and spirit of celebration will be remembered for centuries to come.

Barclay Warburton had a most beautiful dream and deserves a special tribute for working so hard to make it a vivid reality for all of us.

Mr. President, I ask that the following article from the New Yorker magazine of June 21, 1976, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Bicentennial Beat

Tall Ships: When the Tall Ships sail up the Hudson in a parade past the city on July 4th, in celebration of the Bicentennial, one of the smaller ones, a fifty-one-foot brig named Black Pearl, will be watched with special pride by her owner, Barclay Warburton III, and also with a special sense of relief. More than anyone else, Mr. Warburton has been instrumental in bringing here the greatest gathering of sailing ships since the Battle of Navarino (British, French, and Russians versus Turks and Egyptians), just shy of a hundred and forty-nine years ago. Warburton will view the parade from the aircraft carrier Forrestal while his son Barclay Warburton IV sails Black Pearl. The elder Warburton is president of the American Sail Training Association and will be responsible for the Tall Ships during their stay in Newport, Rhode Island. Once they get under way for New York, a different organization, Operation Sail '76, takes over, and Warburton can relax.

We called on Warburton, a man of fifty-four, known to his friends as "Buzzy," aboard Black Pearl, berthed at the Williams and Manchester Shipyard (est. 1901), in Newport. We found him genial, charming, with eyes of nautical blue and a trim figure, impeccably dressed (navy-blue blazer with New York Yacht Club emblem on breast pocket and gilt buttons; captain's cap with high peak; white shirt; navy-blue tie, patterned in white with the logo of the Tall Ships; collar pin; white handkerchief in breast pocket gray flannels). He gave us a hand as we leaped from the dock to the scrubbed teak dock and led us below, down a spiral mahogany companionway, to the cabin. Through a porthole we could see blue sky, silver-gray pilings, and seagulls, and in an hour's talk we picked up the following information.

Tall ships (the phrase is taken from John Masefield's line "And all I ask is a tall ship and a star to steer her by") began to fade away at the turn of the century. Among the last to be used commercially were a fleet called the Flying P's—each ship's name began with "P"—built for a Hamburg shipowner, F. Laeisz, who used them in the grain trade with Australia until the Second World War, and Portugal's Grand Banks schooners, which carried cod fishermen to sea for five hundred years. Two of the present Tall Ships are survivors of these enterprises. The Soviet Union's huge Kruzenshtern was built for Laeisz in 1926 ad christened Padua. The Russians took her over in 1946. Gazela Primeiro, one of only four large ships in the Tall Ships fleet with a wooden hull, is the oldest.

She was built in 1883 and was working the Banks until seven years ago, but now takes it easy as the property of the Philadelphia Maritime Museum, which uses her as a sail-training ship. Herr Laeisz partly financed his ships by charging apprentice crewmen for the privilege of sailing on them. Loaded with grain, the ships raced back from Australia around the Horn. The last "grain race" was in 1938. The idea of training young men on sailing ships in preparation for a naval or merchant-marine career has remained alive in Europe, especially in Germany, and most of the Tall Ships are school ships. In 1955, a group of British yachtsmen formed the Sail Training Association, in order to make the experience of sailing available to more young people, whether or not they were preparing for a life at sea, and to promote international races that would bring together young sailors from a number of countries.

Four years ago, Warburton sailed Black Pearl across the Atlantic for one of these races and found that his was the first American yacht to enter. As an ardent yachtsman who had spent much of his youth sailing a sloop off Long Island and later owned a catboat fatefully named Enchantress, he deeply approved of the idea of giving young people a chance to learn about the sea. He and other sailing enthusiasts formed the American Sail Training Association, based in Newport, and they arranged that this year the British association's biennial international race would finish there.

About eighteen big, Class A square-riggers are entered, and eighty smaller Class B's—yawls, ketches, sloops, and so on. Warburton expects twenty-three nations to be represented. The race has three stages. It began May 2nd in Plymouth, England, on a course of 1,425 miles to the Canary Islands. Joined there by additional entries, the fleet sailed on May 23rd for Bermuda—a distance of 2,530 miles. On June 20th, with still more vessels added to make up the grand total of about a hundred, they will set sail for Newport—635 miles distant. For a few days, a small part of the Atlantic will be crowded with sail. It so happens that two other sailing races—the Newport to Bermuda and the Observer Singlehanded from England—may intersect the Tall Ships around June 22nd as they cross the Gulf Stream three or four hundred miles off Newport.

The first Tall Ships should cross the finish line, four miles southeast of the Brenton Reef Tower, on June 24th. The U.S. Coast Guard cutter Hamilton and the Race Committee will be waiting for them. Ships arriving at night will illumine their sails to show their number. Since the ships are handicapped by a complicated system, the first to cross the line is not necessarily the winner. All should be in port by June 27th. They will stay in Newport until July 1st, during which time their combined crews of about four thousand young men and a few young women will be busy with regattas and get-togethers of various kinds, and the ships will be open to the public. Logistical problems are numerous, and for a year Warburton and his staff have been trying to think of everything. Three radio stations will handle communications with arriving vessels. A dozen pilots have donated their services.

Tugs will stand by to assist big ships to their berths. Eight thousand feet of dock space has been reserved. Four or five of the big ships will be at wharves, and a number of nine-ton anchors have been set out to moor others. Navy landing craft will bring crews ashore, and commercial launches will take visitors to the ships. Provisioning and refuse pickup have been arranged. Interpreters have been lined up. Tourists—possibly a half million of them—must somehow be shuttled to the waterfront, since parking will be impossible. The Newport harbor master expects five thousand visiting small craft. Lobstermen expect that their trap buoys will be run over. Finally, Warburton and his aides pray for a light northerly wind and no fog on the morning of July 1st, when all hundred ships are to hoist their sails to parade up Narragansett Bay before heading for New York.

The rules of the transatlantic race require that fifty percent of the crew be trainees sixteen to twenty-five years old and that engine power be used only to pump bilge, to charge batteries, to weigh anchor, or to help in a dire emergency, such as a man overboard. Thus, with these exceptions, the ships will be sailed as they were a hundred years ago. How tall are the Tall Ships, and what are the problems of navigating them? Kruzenshtern's mainmast is a hundred and seventy-four feet ten inches above her deck. The length of the main yard is ninety-five feet six inches. She carries thirty-four sails, with such romantic names as double topsails, double topgallants, royals, and double spanker. It takes thirty-five men to haul them up. The U.S. Coast Guard's Eagle, a former German training ship, which will lead the parade up the Hudson, has a mainmast a hundred and fifty feet tall. Black Pearl, less than a quarter their size, has ten sails, and her mainmast is fifty-six feet above the deck. She is technically a "hermaphrodite brig," with her foremast square-rigged and her mainmast rigged fore and aft. Sailing a square-rigger is a special technique. The yards pivot at the mast and can be turned to catch the wind—"bracing the yards" is the term. Old-time captains were so adept at maneuvering that they could do almost anything with their ships—could even back through a crowded anchorage. Coming about, however, is a critical moment for a square-rigger—so critical that the captain always used to give the command "Mainsail haul" himself. If it is given too soon, the ship may be caught in stays (unable to move); if too late, she may gather sternway (start moving backward).

The sails of a square-rigger can be trimmed by hauling on lines from the deck, but to furl or unfurl the sails the crew must go aloft, climbing up narrow rope ladders called ratlines, and then go out on the yards. A sailor stands on a footrope just under the yard and drapes his body over it as he works. Warburton admits that it can be terrifying at first, but he breaks his trainees in gradually, and most of them feel at home aloft in a few days. Sail Training cadets wear a safety harness, and there have been no fatalities. "You learn to move with the ship," Warburton said, "It's beautiful up there, close to the sky, watching the sea—a wonderful feeling. I go up myself now and then, just to show the crew that the old man can still do it."

THE DEBATE ON DIVESTITURE

Mr. GARY HART. Mr. President, one of the greatest ironies in the debate on divestiture of the oil industry is that both the proponents and opponents of the issue claim to be fighting for the free enterprise system. The definition of "free enterprise" surely has a number of wildly different meanings in this country.

To me, a competitive marketplace, regulated by economic rather than government controls, is the essence of the free enterprise system. Creating genuine competition in the petroleum marketplace and removing the need for government controls is precisely the goal of divestiture.

It is disturbing to me that there is so much confusion over this basic principle. In a recent letter to the Washington Post, Charles E. Mueller, associate editor of the Antitrust Law and Economic Review, discussed the problem and posed the following rhetorical question: "How can it be that in this land of Jefferson, our great capitalists embrace government regulation rather than economic freedom and view as their 'radical' enemy a Senator who wants to make them compete rather than collude?"

Mr. President, I ask unanimous consent that Mr. Mueller's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Antitrust Law &
Economics Review,
Washington, D.C., June 22, 1976.

The Editor,
Washington Post,
Washington, D.C.

I am concerned with the Post's position on the monopoly/oligopoly question or, perhaps more accurately, with its lack of one to date and its treatment of the "Break Up Big Oil?" question (Post, June 20).

I understand, of course, that Mr. Samuelson is a freelancer, not an editorial writer of yours, and hence that his views may not necessarily reflect the official position his views may not necessarily reflect the official position of the Post itself. And your staff reporting has given me no cause for suspecting a pro-monopoly bias in your newsroom. Indeed, your economic reporters, particularly Hobart Rowen, Morton Mintz, and Carole Schifrin, have always impressed me as being properly suspicious of corporate oligopoly as the ideal way of running an economy.

Finally, I have never suspected the Post of waffling on the oligopoly question out of a fear that its own corporate interests might be adversely affected either directly or, through the interests of some of its advertisers, indirectly. I have always assumed that the Post, as Irving Kristol has said of the Times, is simply above this sort of thing: "One can be reasonably certain that, where there is a conflict between an opportunity to make (or save) money, and an opportunity to fulfill its self-imposed journalistic obligations, the Times will resolve this conflict in favor of the latter—and won't even deliberate overly long before doing so."

Still, I can't seem to recall an instance in which the Post has expressed a firm editorial opinion on the merits of the oligopoly question. The Star, displaying more courage than wisdom, has done so in admirably firm tones: It is in favor of oligopoly. ("Oh, Those Wicked Oligopolies," Star, June 6.) Joining Professor Galbraith and the Wall Street Journal, the Star has no quarrel with a policy of allowing each industry to be "dominated by wicked oligopolists" so long as this dominance is "monitored" by someone, presumably the government.

Does the Post share this complacent view of the oligopoly problem and the efficacy of government regulation?

Let me return here to the "Break Up Big Oil?" debate between Bob Samuelson and Senator Gary Hart (D-Colo.). My concern goes beyond the relatively narrow question of whether this particular industry ought to be restructured. I happen to think it should but, given the complicating role of OPEC in the whole affair, I can see how Mr. Samuelson might conclude otherwise. One should not get concerned with the way a man reads the evidence in a particular case if his analytical apparatus and beginning premises are themselves acceptable.

But that is precisely where I believe Mr. Samuelson has gone astray. I read him as saying that, not just in the petroleum industry, but in our other major oligopolies as well, he shares the view of the Star, the Wall Street Journal, and Professor Galbraith that oligopoly is a benign force in the national economy.

To be sure, Mr. Samuelson does not say this in so many words. But that is surely the overall impression the reader gets. Before getting to such matters as the "mammoth legal and financial job of splitting the oil companies into basic parts"—and without mentioning how casually those "parts" were put together by a series of mergers in the first place—he gives passing notice to the potential usefulness of a "debate about the desirable size of business enterprise" in the economy at large. "Should these large concentrations of corporate power be fractured? How much do people really support this goal? Would it change the nature of our economic system? If divestiture is to be debated seriously, these are some of the questions people ought to be asking. Do divestiture proponents eschew them because they suspect public support is wafer thin?"

As Mr. Samuelson surely knows, the amount of public support a given proposal enjoys is a political question, a matter of raw power and not of whether the proposed action would be in the public interest and hence "ought" to be implemented. A great newspaper like the Washington Post cannot fairly allow its editorial positions on the great issues of the day to be governed by anything so gross as a conclusion that, while a given set of proposed remedies might be objectively sound and morally right, they must be rejected out of hand if they're not politically expedient at the moment.

The bottom line in any meaningful discussion of the oligopoly question is, as Mr. Samuelson correctly points out, whether an industry dominated by oligopolists charges higher or lower prices than it would charge under a less concentrated industry organization. He concludes, as I read him, that oligopoly yields prices that are at least as low as those produced by competition. I think he is wrong and by, as they say where I come from, a country mile.

Why do I think so? Well, I can't point to Industry X and say, "Look, Industry X was broken up and prices promptly dropped by 32% or 64%." The reason I can't do that is because our two antitrust agencies, the FTC and the Antitrust Division of the Justice Department, have never had the guts to actually break up one of our oligopolies.

But I have the next best thing to point to. These two agencies have occasionally managed to break up a price fixing conspiracy in such industries as bread, tetracycline, liquid asphalt, electrical equipment, bleachers, and quinine. When they do so, prices invariably fall by 15% (milk) to 75% (tetracycline and liquid asphalt). If ITT, Wonder Bread, and Safeway Bakeries can whip 55 bakers in Seattle into line and jack Seattle bread prices up by 15% above the previous competitive price, does it make sense to conclude that General Motors, U.S. Steel, Exxon, and the other giants of our major oligopoly industries have been unable to do at least as well in their more conveniently organized industries?

I would be astonished if a break-up of any American oligopoly didn't produce a price drop of say 25% or more. While our great oligopolies aren't particularly efficient at producing goods and services, there's surely every reason to believe they are at least as competent in setting and maintaining a monopoly price as these little groups of price fixers the Justice Department is constantly flushing out of the economic woodwork.

If oligopoly means anything, then, it means the economic equivalent of price fixing. Breaking up an oligopoly is therefore the economic equivalent of breaking up a price fixing conspiracy. The price effects of doing so would undoubtedly be at least as great, namely, an average price decline of, as noted, some 25% or more.*

Finally, let me express my astonishment and even alarm at a comment by Mr. Samuelson's opponent in the big-oil debate, Senator Hart. Correctly noting that the country now "confronts a crossroads in its economic evolution" and that, in supporting divestiture of the oil firms, he is "also supporting a return to a petroleum market free from government interference," the Senator characterized himself as a "radical free enterpriser."

This conjunction of the word "radical" and the phrase "free enterpriser" is the cause of my concern here. Have we really reached a point in our national life where being for free enterprise makes a man a "radical"? How can it be that in this land of Jefferson our great capitalists embrace government regulation rather than economic freedom and view as their "radical" enemy a Senator who wants to make them compete rather than collude?

If Mr. Samuelson is right about oligopoly being more popular than competition, then he is surely sounding the death-knell for democratic capitalism. Oligopoly, as institutionalized price fixing, is also institutionalized theft. Allowing the stockholders of our 200 largest firms to levy a 25% monopoly tax on the country's 220 million citizens obviously has the effect of "redistributing" income and wealth in a perversely regressive fashion, taking money from the relatively poor and giving it to the relatively rich.

With friends like Mr. Samuelson, Professor Galbraith, the Wall Street Journal, and the Star, free enterprise doesn't need enemies. Their call for more oligopolies and less competition could hardly be improved upon as prescription for realizing all of free enterprise's worst fears. By the latest United Nations count, some 120 of the world's just over 150 countries (with about 75% of the world's population) have already turned socialist. And while that list grows longer with each edition of the newspapers, here at home our most "conservative" leaders content themselves with a lot of whining about the evils of unrestrained competition and the necessity for the government to come into their industries and help them "regulate" their cartel prices upward.

In this kind of Alice-in-Wonderland world, perhaps Senator Hart is right. As a genuine free enterpriser, one who would establish real competitive structures and then turn our industries loose to price and profit on their own, perhaps he is in truth something of a cultural freak, a "radical" in some Kafkaesque sense of the word.

In any event, however, we have indeed reached, as the Senator says, a crossroads in terms of our basic economic structure and thus the mechanism to be used in distributing our future income and wealth.

It is a fateful question. The socialists of the future will surely nationalize our great oligopolies. The deconcentration of a dozen or so of these major industries over the next decade or two would just as surely spare them—and us—the dubious blessings of living in a government-owned economic system.

Let me ask again: Where does the *Washington Post* stand on the oligopoly question? Or does journalistic prudence dictate that questions like this be left to pro-monopoly free-lancers and gutsy "radical free enterprisers" like Senator Hart?

Put me down on Senator Hart's side. Any man who's shrewd enough to sense that being a serious enterpriser today automatically makes him a radical is sure to get his name inscribed on the endangered species list but I'll join him just for the hell of it. A man like that deserves at least one salute before the price fixers get him.

Sincerely,

Charles E. Mueller,
Associate Editor.

TREATMENT OF SCIENTIFIC RESEARCH IN LAW OF THE SEA CONFERENCE

Mr. PELL. Mr. President, as my colleagues are aware, I am an ardent advocate of long standing of a law of the sea treaty. In fact, I first introduced a Senate resolution in 1967 on a third law of the sea conference. The prospects for concluding a treaty within a reasonable period of time were significantly improved as a result of the most recent session which was held in New York from March 15 until May 7, but the treaty which emerges from these negotiations must be a sound one which fairly balances the interests of all of the participants. The revised single negotiating texts which resulted from the New York session generally are much improved versions of the texts which came out of the previous session in Geneva, but the latest texts are not yet the kind of documents which the United States ought to accept.

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* In case Mr. Samuelson wants to raise that old chestnut about "how could prices fall 25% in an industry whose profits are 'only' 4% or 6% or 16% of sales?," ask him to drop me a line and I'll explain it to him.

Although I am deeply committed to the necessity of a law of the sea treaty, I am equally committed to insuring that the basic U.S. interests in the oceans are protected. That is why I have spoken out against setting any arbitrary time limit for concluding a treaty which is unrelated to whatever progress is being made in the negotiations.

It is particularly distressing in this regard to hear that many nations have not yet accepted the improved portions of the single negotiating text as a basis for continued negotiations. That attitude augurs ill for improving other sections.

Today, I wish to direct my remarks at that much overlooked section of the single negotiating text relating to marine scientific research in the economic zones of coastal States extending beyond the territorial sea out to 200 miles, and on the Continental Shelf beyond that distance. These areas contain approximately 37 percent of the Earth's surface covered by the oceans, but they contain an even greater portion of the scientifically interesting subjects of marine research. As the importance of the oceans becomes more evident to governments and peoples around the world, so too will the importance of marine scientific research be better appreciated. For only with adequate and broadly disseminated research will the world know more about the extent and sources of marine pollution, the role that knowledge of the oceans can play in long-range weather forecasting, and the future uses to which the oceans can be put.

The United States originally took the position that research in the economic zone or on the Continental Shelf of coastal States should not be subject to coastal State consent and that coastal State interests in those areas should be protected through a series of agreed obligations upon the researcher. On April 8, however, Secretary of State Kissinger modified that position by stating that the United States is prepared to agree to coastal State control of scientific research which is directly related to the exploration and exploitation of resources of the economic zone, but that other research must not be hampered. He further promised that coastal States would receive advance notice of scientific research, would have the right to participate in that research, and would receive data and results of such research as well as assistance in interpreting the significance of those results. That is an eminently reasonable proposal which demonstrates the willingness of the United States to accommodate the legitimate interests of other coastal States.

The revised single negotiating text, however, does not reflect this or any similar accommodation that places some research under the control of the coastal State but guarantees the right to conduct other research upon compliance with internationally established conditions. This would have been a creative accommodation placing some research under a consent regime and protecting the right to conduct other research. The revised single negotiating text places all research under a consent regime. Rather than providing a guaranteed right to conduct certain research, the revised text imposes some form of tenuous duty on the coastal State not to withhold its consent.

U.S. scientists find the text unacceptable. In addition to no guaranteed right to conduct some forms of research, the revised text does not even include meaningful provisions that would provide the predictability necessary for the planning and conduct of research. The text even includes a repugnant provision restricting publication of research results. In short, rather than fostering knowledge, the revised text appears designed to curtail the acquisition of knowledge.

More is at stake than the loss of valuable scientific knowledge. If the American scientific community joins other interest groups in the United States who believe that it would be better not to have any law of the sea treaty at all rather than one based on the current single negotiating text. I fear there is additional risk that Senate approval might not be forthcoming.

I urge the administration to maintain its original position and to insist on reciprocal accommodation of U.S. interests.

Looking beyond the specific issue of marine research, I would like to reiterate that I am delighted that Secretary of State Kissinger will personally be leading the U.S. delegation at the next session of the Law of the Sea Conference which will be held in New York in August and September of this year. I would urge, however, that the Secretary of State become actively engaged in law of the sea issues well before August, particularly by discussing those issues in meetings with foreign leaders.

BEEF PURCHASES

Mr. DOLE. Mr. President, the Senator from Kansas would like to call to the attention of the Senate the timely action of the Department of Agriculture in announcing the start of a major ground beef purchase program for distribution to school lunch programs and institutional and elderly feeding programs throughout the country.

GOOD FOR TAXPAYERS

Last week I urged Secretary Butz to take this very action.

It is a wise and responsible use of taxpayer funds. That is because the price of finished cattle and wholesale beef has steadily dropped to a very low level. Beef is presently a good buy for the money.

With the prices for cattle the way they are, now is the time to get the most meat for the taxpayer's dollar. It is an efficient expenditure of Federal funds. I wish we could be assured that Federal revenues are being spent as efficiently in other programs.

GOOD FOR RECIPIENTS

Schoolchildren, elderly people and other recipients under this program will also benefit. By getting meat at a cheaper price, there will be more beef for distribution. Beef, with its strong protein content, will result in a nutritionally improved diet that is so important to good health, especially for children.

As Secretary Butz emphasized, this is a very opportune time for USDA to enter the market. Although this buying announcement is essentially for a standard purchase, principally for the school lunch program, the purchase is being made earlier than usual and as large as possible in an administration effort to take advantage of the current low prices and the large supply situation.

STABILIZE THE INDUSTRY

Hopefully, the Government purchases will help stabilize prices or even boost them back to where cattlemen are again operating in the black. The cattle industry is now in the bottom part of one of its price cycles. Cattle prices have been steadily declining to the point now where most producers are operating in the red.

There is the possibility of substantial economic losses and disruptions if the depressed conditions in the industry continue. The Government has a legitimate interest in avoiding such disruptions.

In my opinion, this timely expenditure of Federal funds, which would be spent for beef in any event, will help avert disaster in the cattle industry, and hopefully put it on a healthy footing again.

CONSUMER INTEREST

Consumers have an interest to be served in this announcement as well. When the livestock industry is depressed to the point where disruptions occur—where cattlemen start going out of business—then ultimately a reverse trend has to occur where cattle are in short supply and prices rise to an extremely high level.

Allowing a situation to continue that might eventually lead to a short supply and extremely high prices would not be in the best interests of consumers. So USDA's timely action today is in the best interest of consumers in that it will help stabilize the industry and encourage the continued production of adequate supplies of beef at reasonable prices.

A "food marketing alert" was also issued by USDA calling consumers' attention to the availability of beef and urging retailers to continue their beef promotional efforts as a means of increasing movement of beef through channels of trade.

Mr. President, I applaud the responsive action by the administration and wish to call it to the attention of my colleagues.

AMERICANS IN VIETNAM

Mr. KENNEDY. Mr. President, I was gratified to receive today a cable and a telephone call from the Vietnamese Embassy in Paris indicating that American citizens still in South Vietnam will be authorized to leave Vietnam with their wives and children beginning August 1, with the assistance of the United Nations High Commissioner for Refugees.

I want to commend the Government of the Socialist Republic of Vietnam for another gesture of good will to the American people, and for continuing to respond to the many humanitarian issues that remain in the aftermath of the long war.

In authorizing the speedy departure

of those Americans and their families who now wish to leave Vietnam, the Government of Vietnam has taken another important step in promoting better relations between our two peoples and countries. And this act will give hope to other families separated by the events of last year. Such humanitarian issues, including the question of obtaining information on Americans still considered missing in Indochina, remain a source of deep concern to all Americans.

Mr. President, Americans have already acknowledged with appreciation the repatriation by Vietnamese authorities of the American missionaries and others caught in the conflict last year. And they have also acknowledged with appreciation the repatriation of the remains of three American pilots previously missing in action, and the remains of the two marines who were the last two American casualties of the war.

I share the hope with many Americans that the end of battle and the beginning of a new era on the Indochina Peninsula will see the building of good relations, and the resolution of outstanding questions between our two nations—including those Americans still missing in Vietnam.

It is time for our Government to take some real steps in moving from a position of hostility and neglect toward Vietnam, to a policy of reconciliation and normalization.

ELMER F. MUNSHOWER: CITIZEN, SOLDIER

Mr. MATHIAS. Mr. President, many Americans are called upon from time to time to serve our country. But only a very few have demonstrated the unusual combination of competence and patriotism which results in repeated calls to public service. Such a man was Elmer F. Munshower of Frederick, Md., who died on July 6, 1976, at the age of 91. It is significant that Colonel Munshower's career comprehended both civil and military service and both elective and appointive office. It was a sure measure of the wide recognition of Colonel Munshower's integrity and ability that he was drafted to serve by the votes of the people as well as by the commissions of governors and presidents.

There was a standard of quality that was a characteristic of Colonel Munshower's conduct as mayor of Frederick, as superintendent of the Maryland State Police, and as an officer in the Army and the National Guard. In all of his long career he enjoyed the support and encouragement of his wife, Nellie, who predeceased him in 1973.

I want to extend my sympathy to Colonel Munshower's daughter, Mrs. John Sommer of Silver Spring, Md. I ask unanimous consent that the attached editorial which appeared in the Frederick Post on July 8, 1976, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COL. ELMER MUNSHOWER

For three-quarters of a century the name of Elmer Floyd Munshower has been prominent in the life of Frederick and Maryland.

Colonel Munshower died Tuesday, June 6, at the age of 91.

Though retired from public service since June 1959, he remained active in many community activities almost until the end.

Colonel Munshower rose to the top in so many challenges in life that he was probably one of Maryland's most widely known sons, certainly one of the most revered and respected men in our times.

To recount his achievements, most of which are in the news account of his passing, would be redundant and not in keeping with the strong, forceful character that was his.

But Colonel Munshower lived a productive and exemplary life, beginning in farming as a youth in his teens, moving into the painting business, and then into electrical engineering which was to be his main business.

He was a veritable "one man regiment," entering the military as a national guardsman in 1906, advancing to lieutenant in 1916 and serving his country at the Mexican Border. As a captain, Company A, 115th Infantry, in 1917, he distinguished himself overseas in World War I with the 20th Division at Verdun. He rose to major, commanding the First Battalion, Maryland National Guard, and serving as executive officer of the regiment.

He was elected a Frederick Alderman in 1925 and 1928, and was elected Mayor in 1931, the second Republican in 30 years to head the city government.

He was appointed head of the Maryland State Police in February, 1937, by Gov. Harry Nice and served in that capacity two years, then becoming consulting superintendent for reorganizing the Baltimore County police department.

With the advent of World War II, Colonel Munshower again answered the call and served as commanding officer of Camp A. P. Hill in Virginia, remaining at that military training center until his retirement at the end of the war in 1945.

He returned to civil duties after the war, serving as superintendent of the Maryland State Reformatory for Males, and under his direction, instituted policies of vocational training and rehabilitation, in addition to religious instruction and special physical training.

In 1950, he was again elected mayor of Frederick, a post he held until June 1951, at which time he was reappointed superintendent of the Maryland State Police, where he remained until his retirement from public service in June, 1959.

Active in many local organizations, including the Independent Hose Company, of which he was a past-president and the Kiwanis Club of Frederick, of which he was a charter member, Colonel Munshower was a lifelong member of the Calvary United Methodist Church. He was active in the early days of the YMCA and continued to support the association to his last days.

Having received many honors, three which came late in life, gave him much pleasure—the Golden Hand of Friendship Award in 1973 conferred by Harry Rosenfeld and the Frederick Shopping Center Merchants Association, the Maryland Distinguished Service Cross in 1974, and the honor of King of the Mardi Gras in February, 1975.

He received a standing ovation when introduced at the recent retirement banquet for his longtime friend Major Charles V. Main, who credited Colonel Munshower with his becoming both a State Policeman and later Frederick Chief of Police.

Wherever he went, Colonel Munshower was warmly welcomed. He was a pleasant conversationalist and enjoyed a hearty exchange of banter with his friends. His mind was always alert and he was a wealth of information. State troopers of all ages knew him and respected him, and he annually attended the academy's graduation programs to meet and encourage the new troopers.

Colonel Munshower's wife, Mrs. Nellie Stratton Munshower passed away in 1973.

He leaves one daughter, Mrs. John Sommer of Silver Spring. Also surviving are one sister, Mrs. Carroll Rector of Frederick; one granddaughter, Mrs. George W. Fisher, Burlington, N.C.; one nephew, Donald Kreh, Hagerstown; one niece, Mrs. John L. Kline, near Poolesville; one great-nephew, Dr. Donald W. Kreh, Kingsport, Tenn.; two great-nieces, Mrs. Nevins Todd, Salisbury, and Mrs. Robert Harley, Frederick, and a number of great-great nieces and nephews.

Friends are being received at the Smith, Fadeley, Keeney and Basford Funeral Home in Frederick from 7 to 9 this evening. Funeral services will be at 11 a.m. Friday at the Calvary United Methodist Church, the Rev. Robert E. Zimmerli, pastor, and the Rev. Raymond L. Roderick, associate pastor, officiating. Interment will be in Mt. Olivet Cemetery.

(Memorials may be made in Elmer Munshower's name to the Frederick County Unit of the American Cancer Society).

Colonel Munshower lived a long and useful life. His contributions to Frederick, to his State of Maryland and to his Country were many. He will never be forgotten. He made his mark on our lives and the record will forever show it in our favor. That is the way he lived it; that is the way he wanted it. That was Elmer Munshower—born September 1, 1885, the son of William Munshower and Amanda Routzahn Munshower.

THE IMPORTANCE OF ENERGY CONSERVATION

Mr. PELL. Mr. President, recently, the Christian Science Monitor published an excellent article on the energy crisis, examining specifically our progress toward energy independence, the domestic options available to our Nation in achieving this goal and the importance of a vigorous national energy conservation effort.

This article, Mr. President. is especially timely in view of the resumption later this week of the conference committee meetings on the Federal Energy Administration extension legislation. This measure, adopted by the Senate in June, includes amendments establishing for the first time a much needed national energy conservation program.

As an original cosponsor of the energy conservation amendments introduced by Senator KENNEDY and in view of the pending consideration by the conferees, I believe this timely article is worthy of the attention of my colleagues and members of the conference. The article is important because of the misconceptions about our energy shortage in 1973–74, the need to increase public awareness of the energy issue and its complexity, and the alarming increase in our dependency upon imported oil, especially from the Middle East and Africa.

Mr. President, I ask unanimous consent that the Christian Science Monitor article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENERGY

Summer '76 has opened with renewed warnings of possible gasoline shortages. But it is doubtful that even this can arouse the American public from the apathy that has dulled national awareness of the chronic overall energy shortages that are staring the United States in the face.

Most Americans seem to have convinced themselves that the "energy crisis" so dramatically brought to their attention by the Arab oil embargo in 1973–74 was a hoax.

But since that time U.S. dependence on foreign oil has jumped from 35 to 40 percent and this figure is growing daily. At the current rate of increase, imports could reach 50 percent by 1980. In a country where oil and natural gas supply 77 percent of the energy needs, this directly reflects the widening gap between domestic supply and demand.

Frank Zarb, head of the Federal Energy Administration (FEA), warns that an embargo today could throw a million Americans out of work. Yet there is no national plan for meeting such a contingency. At this writing Congress has not even funded the buildup of a billion-barrel strategic oil reserve which it has authorized.

Rep. Mike McCormack (D), Washington, has described the nation's attempts to grapple with the issue of energy policy as similar to "wrestling over deck chairs on the Titanic as it is sinking." Congressional inability to come up with a national energy plan arises in part because few of the nation's political leaders have really attempted to understand this complex and long-term issue and also because they are targets for vigorous, and often conflicting, lobbying on almost every energy issue.

Industrialists, union leaders, environmentalists, and an assortment of other special-interest groups have realized the importance of energy and its intimate relationship to military, economic, and political power. The United States's dominant position in the world today is largely due to the historical fact that the potential of oil as a cheap energy source was realized during the nation's industrially formative years and the country has been blessed with large domestic reserves.

Clearly the United States must develop new energy sources and better ways to use them. The important questions are: When will this transition come, how can it best be accomplished, and what are the most acceptable alternatives?

We feel that the "energy crisis" represents both a difficult challenge and a golden opportunity. It demands that Americans, as a people, rethink many of their national and personal priorities. It demands that they define what they mean by quality of life so that they can preserve it even if some material indices of their standard of living should decline.

It is clear that the consumptive lifestyle which has developed in the United States in the last quarter century cannot continue indefinitely. Lined up behind the energy crisis are materials shortages, water shortages, and other physical limitations. All these problems are similar in nature. Solving them will require cooperation and restraint.

Estimates of the nation's energy future vary widely. The basic assumptions of each forecaster influence the outcome of the projections to a greater degree than do the facts each works from. More often than not these basic values are hidden from public view. In general, they range from the desire for zero growth to a fatalistic belief that high historic trends will continue.

A set of typical projections was made last April at a conference of Americans for Energy Independence (AEI), a group of industrialists, union officials, energy experts, and other citizens groups.

The group used 1973 as a baseline, a year when the country consumed 74.6 quadrillion Btus of energy. A Btu is the energy it takes to raise the temperature of a pound of water one degree Fahrenheit. So a quadrillion Btus is a handy term for a lot of energy, and is called a "quad" by energy specialists.

Projecting the country's energy use at a modest 2.3 percent annual growth rate, the conference forecast a need for 98 quads in 1985. Over the decade preceding 1973, the growth rate had been 4.2 percent. At this annual rate, the U.S. would need 122 quads by '85. The actual 1975 growth rate, held in check somewhat by depression, was 3.5 percent—between the two projections.

Vigorous, but not necessarily puritanical, energy conservation can keep the energy growth to the lower, 2.3 percent rate, the FEA's latest study concludes. This would lead to important savings. However, at this level, conservation alone would not solve the problem.

Estimates of domestic oil production in 1985 ran from 10 million barrels per day to about 14. This would provide between 21 and 29 quads. Natural gas may supply anywhere from 18 to 22 quads. If 1,025 million tons of coal a year can be mined and used by 1985 (which means an annual coal industry growth rate of 5 percent), this energy source could provide 23.2 quads. A conservative prediction for geothermal, hydroelectric, and solar energy is 4.6 quads. This gives a rounded total of between 67 and 79 quads and a shortfall of anywhere from 21 to 33 quads. This would be made up by nuclear power and imported oil.

You can quarrel with the numbers in any such projection. But the basic trend of a growing energy gap becoming a yawning chasm without vigorous preventive effort which these forecasts portray is valid. This is the short-term energy challenge which the United States has yet to face realistically.

Without a major conservation effort to cut the historical growth of energy use in half, the picture looks bleak. There is as yet no well-defined national conservation plan, although many industries have already concluded that vigorous steps in this direction are both essential and economic for themselves.

The country's massive coal reserves must be mined more extensively. Yet there is no agreement on how that can be done in a popularly acceptable manner. Increasing coal production 60 percent by 1985 means bringing into production four times as many mines as were opened in the last 25 years. It means finding $18 to $20 billion in new capital for what is presently a $5 billion industry. Using more coal also means solving massive transportation, air pollution, mining safety, and environmental problems that may create as much resistance as nuclear power does today.

Then there is nuclear power. Until the issue of public acceptance is resolved, something not likely within the next few years, this will remain an uncertain factor in energy planning.

Beyond 1985, the question of what to do when the oil and gas run out dominates America's energy horizon.

Most countries foresee world petroleum shortages developing sometime after the end of the century. And even before such a general shortage develops, rising world demand may make it impossible for the U.S. to rely heavily on imported oil even if it wants to. For this reason alone, the United States must resolve the issue of nuclear power versus its alternatives and begin building its long-term energy supply.

Much of the controversy which surrounds energy issues, including nuclear power, stems from the relationship of energy to lifestyle. The energy establishment—both in industry and in government—seems to assume that the American people only want more of the same. On the other hand, opponents to nuclear power, many in the environmental movement, and many public-interest groups advocate a substantially different set of priorities. Yet seldom are these differences articulated. Instead the debate is muddled by arguments over scarcely intelligible technical points.

NUCLEAR POWER

Without the breeder reactor, which literally breeds new atomic fuel as it runs, nuclear power holds little long-term promise. Natural uranium contains about 0.7 percent of a form of the metal that fissions to release energy. This concentration is enriched to about 3.2 percent for U.S. reactor fuel. The rest of the metal is of a form that does not readily fission. It must be transformed to fissionable uranium or plutonium to be used as fuel. Breeder reactors are being designed to accomplish this transformation with an efficiency that produces more fuel than they consume.

With breeders entering the energy economy in force after 2000, the United States could have all the nuclear fuel it needed. Without breeders, the country could run out of fissionable uranium before it runs out of oil. Estimates vary. But none, including official projections of the Energy Research and Development Agency (ERDA), expect domestic uranium resources to stretch much beyond 2000 without breeders. A pessimist like M. A. Lieberman of the Energy and Resources Group at the University of California can show cogent reason for saying that domestic uranium probably won't fully fuel the 160,000 to 185,000 megawatts worth of nuclear power plants anticipated by ERDA's national plan for the 1980's (up from 39,600 megawatts today). There is foreign uranium available to be imported, and heavy foreign competition for it.

Right now, American breeder development languishes as issues of cost, safety, design fitness, and industrial participation are debated. But even if the breeder moved smartly forward tomorrow, many new ordinary reactors may be needed between now and the late 1990s. So the nuclear issue has two major aspects: Does the country want nuclear power, that is the breeder, to play a major long-term role; and, to what extent will it use nuclear power, that is, ordinary reactors, in the short run?

We believe the resolution of these many-faceted issues depends critically on public perceptions of safety. Can nuclear waste be safely disposed of? Will safeguards be instituted which provide a reasonable defense against terrorist attack? Can the amount of plutonium which finds its way into the environment be kept at an acceptably low level? Is the remote possibility of a major power plant accident and its probable consequences acceptable?

The answers to some of these questions are not going to be as reassuring as one would like. But the hazards of nuclear energy must be seen in the perspective of the alternatives: the dangers of pushing the development of coal use and production; and, the hardships of severe energy curtailment.

COAL

There is no doubt that the United States has enough coal in the ground to meet all foreseeable energy needs. The question is how much can be recovered how fast and at what economic, social, and environmental costs? These costs still are largely undetermined.

Western coal looms large in energy planning. It cannot be had without massive strip mining and, if it is turned into gas or liquid fuels, without diversion of much scarce water. It may be possible to repair the mining damage in most areas and without exorbitant cost, given the will and necessary laws. But already the Sierra Club has warned of loss of a cherished way of life, presaging stubborn environmental opposition to strip mining.

There also are serious air pollution problems when coal is burned. Unlike the major risks of nuclear power, which are largely theoretical, what is known of coal's hazards is based on actual mortality and public health data. Environmental Protection

Agency (EPA) studies suggest that, unless the strict 1975 standards for keeping sulfur oxides out of the air are adhered to, the number of deaths attributable to coal burning could be many times greater than those arising from routine operation of an equivalent number of nuclear power plants.

Compared to the billion dollars that has been spent studying the health hazards of radiation, intensive research into the adverse effects of coal pollution and what to do about them look feeble. Only in the last two years has the government begun sponsoring this research, with EPA allocating $5.4 million in 1975, $9.5 million in 1976, and $13.5 million in 1977. Until this newborn research effort bears fruit, it will not be possible to make an informed judgment of the relative risks of coal versus the atom.

For the next two decades, a decision against nuclear power seems to entail a greater commitment to coal. Unless the growth psychology built into almost all of our economic institutions changes with surprising rapidity, the effects of major energy shortages in this country will be grim. It will be a pleasant surprise if conservation efforts do more than hold the nation's energy growth rate to 2.5 percent a year, let alone make up for possible loss of the nuclear option.

In the long run, however, the nation has alternatives.

FUSION AND SOLAR ENERGY

The promise of harnessing some form of the fusion process that powers the sun is tantalizing, but the engineering outlook for so doing is uncertain. If practical, fusion theoretically could supply all the nation's—and world's—energy needs at a presently unknown but probably bearable economic and environmental cost. But no one has yet gotten the process to work in the laboratory. The U.S. program couldn't usefully absorb much more money than it is getting. Under the circumstances, one can only wait and see what develops.

Solar energy, on the other hand, looks better every day. There seems little doubt it can supply many of the heating and cooling needs of housing and, according to the range of estimates, could account for at least 6 to 13 percent of U.S. energy use by the century's end. What is needed here are tax and financial incentives to encourage market development.

A second potential pay-off is the use of solar energy to create electricity. Generators "fired" by arrays of mirrors, solar cells that convert sunshine directly into electricity, sun-tapping satellites beaming power to earth; these are technologies being researched. The major uncertainties involve cost and technical feasibility.

Compared to fusion there seems a much clearer hope that solar power will be viable in the next century. Nevertheless long-range solar research will receive only one-fifth the money of fusion and one-tenth that of fission in 1977. Although it would be foolish to divert massive sums from other energy options, federal support for solar research should be increased as fast as is prudent until it is in better balance with support for development of other long-term options.

As for other energy sources—hydro, geothermal, wind, and sea—these will be useful, even important in some local or regional situations. But they are likely to remain subsidiary.

CONSERVATION

Important both for the short term and the long range, conservation can make an energy contribution equivalent to that of a new basic supply. For example, halving the historic energy use growth rate in the AEI projections cited earlier could cut anticipated 1985 energy demand by 20 percent. There are major opportunities for savings in housing and buildings, in industry, and in transportation. Dr. Stephen Berry of the University of Chicago estimates that doubling the average gasoline mileage in the U.S. auto fleet could save 7 percent of the U.S. annual energy budget: in 1985 this would amount to 1.2 billion barrels of oil.

We welcome the change of emphasis in ERDA's latest energy plan which places conservation among the top priorities. Yet we cannot help noting that the energy agency will be putting only 3.8 percent of its money into this type of research in 1977 (up from 3 percent in fiscal 1976).

Unfortunately, the conservation leadership from Washington is weak. Throughout the country, effective conservation measures—such as revised building codes—are spotty. Skeptics, especially those in the energy industry, continue to cite the close historic correlation between growth of gross national product (GNP) and growth of energy use as evidence that more than a modicum of conservation threatens employment and living standards.

Growth of energy use and of GNP have indeed been correlated, as have GNP and employment. But the direct correlation between energy use growth and employment is not as clear. We doubt that it is a cause-and-effect relationship. The fact that other nations, such as Sweden, have high employment and a high standard of living with substantially lower per capita energy consumption throws doubt on any glib conclusion that an energy-conserving economy must be a less productive economy.

In short, we believe the United States can have the energy it needs given the vision, the will, and the cooperative effort to effectively husband its resources.

At this point, there are too many unknowns to draw up a definitive national plan. What is needed is a flexible approach, one that can be modified to take future facts and realizations into account.

Because the problem touches almost every aspect of modern life—technology, economics, national defense, social organization, life-style—an institutional framework is needed which integrates all these aspects. The nation's approach is still piecemeal.

The course the nation needs to take must be more purposeful than the vacillation that has so far characterized its energy posture. Setting such a course is not just a job for government. All segments of society need to take up their responsibilities from the householder who douses unnecessary lights and adds extra insulation to the steel management that opts for a more energy-efficient process.

Facing up to the energy challenge demands the best thinking of all citizens. It is past time to move the national debate out of the arena of an adversary process and into a forum that gives priority to finding constructive solutions.

There are immediate needs that Washington has neglected and that must be met to help the country begin to meet the energy challenge.

Congress should give serious consideration to combining FEA and ERDA into a single energy agency with Cabinet-level representation. This may be necessary to orchestrate policy and technology considerations.

The studies of the hazards of coal which EPA and ERDA are sponsoring should be pursued on a top priority basis.

The FEA should prepare a detailed, but flexible, provisional plan for obtaining the massive increase in coal supply it thinks will be needed within the next decade.

The FEA or ERDA should commission a task force to study the relation between energy use and the economy, admittedly a difficult subject to analyze. If growing energy use is not needed to sustain economic growth, how does the country attain the needed degree of conservation?

Since the effect of a new oil embargo would likely be more devastating than the crisis of winter 1973–1974, the FEA should draw up a detailed national contingency plan. Congress should promptly fund the strategic oil reserve.

FEA or ERDA should develop a model building code, both for saving energy in new buildings and in insulating and otherwise adapting existing houses and buildings to be more energy efficient. This model code should be periodically updated to reflect evolving knowledge. The federal government should also take a more vigorous lead in helping states and local communities adapt their building codes for energy conservation.

Congress should enact consumer incentives for making existing homes more energy efficient, specifically tax credits for installing insulation and storm windows.

The U.S. should sponsor several studies of the relation between energy use and the various lifestyles. All major supply-demand projections include implied assumptions about life-style. Yet no one has studied the life-style-energy relations systematically as related to the country's energy options. It is essential for Americans to have this information to make intelligent energy choices.

The U.S. should undertake a study of how the public perceives the energy issue. Politicians, energy managers, and special interest groups often confuse the energy debate by not speaking directly to public concerns and misconceptions. It is essential that such a study be undertaken.

We have restricted ourselves to recommendations that may seem simple and that are short term. We are aware of too many uncertainties to try to write a national energy plan, to take sides in the nuclear debate, or be partisan to solar power which does seem attractive in the long run. We favor making conservation the No. 1 national energy priority.

We favor more emphasis on public transportation. But recognizing the massive investment in highways and the fact that constructing a transit system is a heavy drain on energy resources in itself, we conclude that mass transit is a long-term measure to be approached carefully and can at this time only urge the Department of Transportation and the FEA to study this complex problem intensively. Meanwhile, since raising gasoline mileage on cars can reap large energy savings, we urge Washington to keep on the back of Detroit to meet the 1980 goal of 20 miles per gallon and 1985 goal of 27.5 m.p.g. something automakers do seem to have made up their minds to do.

NEW SERIES OF SENATE BUDGET SCOREKEEPING REPORTS FOR FISCAL YEAR 1977

Mr. MUSKIE. Mr. President, each Senator has on his desk the first of a new series of Senate budget scorekeeping reports for fiscal year 1977 that has just been issued. I would like to take a moment to describe the new report since it represents a significant departure from the reports issued for fiscal year 1976.

The major new innovation contained in this report is a table for each Senate committee—and also a table for each subcommittee of the Appropriations Committee—showing the relationship of each committee's budget actions to the first concurrent resolution on the budget, Senate Concurrent Resolution 109. A breakdown by committee is possible for the first time this year due to the implementation of section 302 of the Congressional Budget Act—the so-called crosswalk provision—under which the statement of managers accompanying the conference report on the budget resolution allocates the budget spending totals among Senate committees, which the committees themselves then subdivide among subcommittees or programs. The implementation of section 302 of the Budget Act permits the scorekeeping system to keep track of budgetary actions in a manner consistent with the way the Senate does its work.

This report also continues the practice begun last year of including information relating to possible future congressional budgetary actions for fiscal year 1977. Though such information is tentative, its inclusion, along with information on actions completed or underway, enhances the value of the report in presenting a full budgetary picture.

Each committee or subcommittee table in the report has the same basic format. The table begins with the first budget resolution allocation made to the committee. Action to date is then reported, and the difference between the allocation and action to date shows us the current status of the committee's actions relative to the first budget resolution. Possible later requirements are then listed, and when these are added to action to date, the committee's potential status in relation to the first budget resolution is calculated.

All of the committee tables present information on direct spending jurisdiction, that is, the portion of the budget over which a particular committee has direct control in the sense that legislation under its purview, when enacted, directly provides budget authority which forms part of the budget totals. All standing committees of the Senate with the exception of the Budget Committee have some direct spending jurisdiction, although the bulk falls to two Committees—Appropriations and Finance.

In addition, the tables for the authorizing committees present information on entitlement programs subject to appropriations action that fall within the authorizing committee's area of responsibility. The dollar amounts for these programs fall within the direct spending jurisdiction of the Appropriations Committee, but since any action by the authorizing committee on such entitlements essentially locks in the appropriations process, these amounts were crosswalked to both the appropriations and the authorizing committees in the first budget resolution. This information is also necessary for determining whether referrals of entitlement bills to the Appropriations Committee are necessary under section 401(b) of the Congressional Budget Act.

In addition to the committee and subcommittee spending tables, the report includes a series of summary tables showing the status of the budget as a whole, both in terms of revenues and spending. A summary table is also included showing budgetary status by function. Finally there is a table summarizing the individual committee tables.

The report also contains a section comparing congressional action on appropriation bills to the President's budget request which should be of particular interest to the Appropriations Committee. Finally, there is a section containing summary budget status information on the transition quarter between fiscal years 1976 and 1977.

Mr. President, I believe this new report, which will be issued weekly between now and the end of the congressional session, should assist each Senator in understanding the relationship of individual budgetary actions to the first budget resolution targets. By focusing on committee splits, the new report should be easier to understand than the reports issued last year. The staff of the Budget Committee will be happy to assist anyone who has questions regarding the report. Needless to say, we would be happy to receive suggestions for further improvement in the report. Our aim is to make the report as useful as possible for each Senator.

RECOMMENDATIONS FOR THE DISTRICT OF COLUMBIA

Mr. MATHIAS. Mr. President, on July 1, 1976, the Senate adopted H.R. 11009, a bill to provide for an independent audit of the financial condition of the government of the District of Columbia. Cities throughout the Nation are facing tremendous financial pressures and the experience of New York has emphasized the need for clear accounting information. By undertaking a thorough overhaul of the financial management system in the Nation's Capital, we can establish a model for good municipal accounting that can be followed by cities throughout the country.

In 1972 the Nelsen Commission completed an exhaustive study of the Organization of the District government. The report of the Nelsen Commission contains more than 400 recommendations on every aspect of local government. While some of these recommendations relate specifically to the unique characteristics of the District, many of the report's findings might be applied to other cities as well.

I think that our colleagues would find the specific recommendations of the Nelsen Commission on Financial Affairs of special interest. I have selected a few recommendations of the Nelsen Commission that relate most directly to the current problems of financial management and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

REPORT OF THE COMMISSION ON THE ORGANIZATION OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

CHAPTER VI. FINANCIAL AFFAIRS

A. Budgeting

1. The Commission recommends that the District Government include long-term fiscal projections in the annual budget justifications to reflect the impact of capital projects on the operating budget, the impact of operating requirements on the need for future capital projects, financial commitments under approved retirement plans, and debt servicing for capital projects.

2. The Commission recommends that the Mayor-Commissioner direct the "mandatory" budget concept be minimized in all phases of the budget preparation, review and execution cycles, and that a policy of zero-base examination of budget requests be increasingly emphasized within agencies during preparation of the budget, and in the Central Budget Office during the review of agency budgets.

3. The Commission recommends that the Mayor-Commissioner, concurrent with the development and installation of an improved citywide accounting system, direct all District Government agencies to develop capability to produce work measurement and productivity statistics on a continuing basis as support for the budget justifications.

4. The Commission recommends that the District Government retain the current practice of financing capital projects through Treasury borrowings but that continuing and serious consideration be given to the relative merits of various other proposals for financing capital projects.

5. The Commission recommends that the revenue section of the annual budget justification assess the effect of debt servicing requirements for capital projects now under way, and assist in establishing priorities for projects in the planning stage by closely examining the ability of the District Government's revenue base to sustain the future debt service costs.

6. The Commission recommends that the Treasury Department establish interest rates for District Government borrowings at a level which will result in debt servicing costs generally comparable to those being paid by other cities, all factors being taken into consideration.

7. The Commission recommends that the Office of Management and Budget direct all Federal agencies or instrumentalities to process grant funds for any department or agency of the District Government through the District Government's Central Budget Office for centralized fund and allotment control.

8. The Commission recommends that the Mayor-Commissioner periodically report to the Congress the steps he has taken to implement his order of January 3, 1972 establishing an internal financial management improvement program consistent with Recommendation No. I-1 relating to implementing instructions and reporting procedures.

The Commission recommends Congress simultaneously consider certain steps it can take to assist the District Government in the financial management improvement program. One important step in this direction has already been taken by the Congress in enacting a multi-year Federal Payment authorization. Other suggested areas include (1) a clarification of the authorization process; (2) a relaxation of reprogramming authorities with appropriate reporting requirements and (3) the possibility of some form of joint hearings during the budget cycle.

9. The Commission recommends that the Congress clarify the authorization process as it applies to District Government appropriations by reconstituting the Appropriation Act as a combination Authorization/Appropriation Act containing specific control amounts and limitations, or by printing the control amounts and limitations in the Report of the Conferees on the Appropriation Act.

10. The Commission recommends that the Congress work toward establishing procedures for closer liaison between the four Congressional Committees concerned with District Government affairs, looking toward the undertaking, at least on a trial basis, of some form of joint Senate/House hearings to assist in simplifying the District Government's budget process. Joint hearings between the two House Committees approving substantive legislation and expenditure requests (House District Committee and House District Appropriations Subcommittee) and between the two similar Senate Committees is another approach that offers promise.

11. The Commission recommends that the Mayor-Commissioner by personal example and leadership, continue to instill a spirit of cost consciousness throughout the District Government with the goal of identifying demonstrated savings and achieving related budgetary reductions.

B. Accounting

1. The Commission recommends that the Mayor-Commissioner take such administrative action as may be required to assure that the approved statement of the District Government Accounting Principles and Standards are fully implemented in the development of a revised, integrated accounting system.

2. The Commission recommends that the Mayor-Commissioner assign to a single individual (the Comptroller) responsibility for design, implementation, and operation of a comprehensive integrated accounting system to serve the needs of all levels of management.[1]

3. The Commission recommends that the Mayor-Commissioner expedite the design and application of an integrated accounting system which will produce timely and reliable financial information at the operating level as well as the executive level and which will avoid the present duplication of effort. (The General Accounting Office has offered to cooperate during the preparation of a system design which will meet the requirements of that office.)

4. The Commission recommends that the Mayor-Commissioner assign to the Comptroller the responsibility for establishing accounting policy and communicating that policy to accounting personnel by the issuance of a currently maintained accounting manual.

5. The Commission recommends that the Mayor-Commissioner (1) issue an order to encourage the use of effective cost accounting techniques throughout the departments and agencies of the District Government, (2) direct the new Office of the Comptroller to publish criteria and guidelines to ensure the effective development and operation of cost accounting systems and (3) provide the Office of the Comptroller with a small but highly competent cost analysis staff to promote management use of cost information thoughout the District Government, and to make special cost studies and analysis available to the Mayor-Commissioner and other officials.

6. The Commission recommends that the Mayor-Commissioner direct the Comptroller to (a) immediately develop and implement procedures for adequate maintenance of the real property accounts providing for the capitalization of roads, streets and bridges; (b) establish a project to determine the best way to inventory and capitalize all property, both real and personal, which is not currently reflected in the central accounts, and (c) assure that the integrated accounting system provides a positive inventory control for materials, supplies and equipment.

7. The Commission recommends that the Mayor-Commissioner take the necessary steps to develop and implement an effective reporting system which, in coordination with an integrated accounting system, will provide complete and timely financial information for operating management, for executive review and decision-making by the Mayor-Commissioner and his principal staff and line subordinates, and for the information of the public.

8. The Commission recommends that the Congress favorably consider pending legislation which would establish an open-ended authority for use of revolving funds for the District Government, amending it to (a) include criteria for establishing a monetary ceiling on capitalization of such funds, (b) provide for annual review of the fund operations to preclude excessive accumulation of profits, and (c) provide for submission of business type budgets to the Congress in accordance with the provisions of the Government Corporation Control Act, as amended, U.S. Code, sec. 31–481 et seq.

9. The Commission recommends that the Mayor-Commissioner, pending enactment of legislation, (a) develop a program and criteria for the most effective use of the new revolving fund authority and (b) plan for the accounting for such funds to become an integral part of the proposed new integrated accounting system. (See Recommendation No. VI–29.)

10. The Commission recommends that the Mayor-Commissioner, following enactment of enabling legislation, transfer both the D.C. Postage Account and the Share Computer Program operation to the new revolving fund, and that the accounting for this fund be accomplished in accordance with the new integrated accounting system.

The Commission recommends that the Mayor-Commissioner take immediate action to bring the Construction Services Fund accounting under positive control to preclude the over-obligation of "in-house" services on approved capital outlay projects.

The Commission recommends that the Mayor-Commissioner take prompt action to formalize the establishment of mail room procedures to provide for positive control over all cash receipts and the separation of all cash receipts from personnel who have control over the bills and other related documents.

C. Expenditures, revenues, and federal payment

1. The Commission recommends that the Mayor-Commissioner continue efforts to develop meaningful inter-community expenditure and revenue comparisons in conjunction with the Government Divisions, Bureau of the Census, and that the results of studies in this area be made available to the Federal Office of Management and Budget for their use in submitting recommendations concerning the level of the Federal Payment.

2. The Commission recommends that the Federal Payment should: be predictable; operate to encourage District efforts to raise move revenue; use the prior year authorization level as a base; operate to avoid wide flunctuations impacting adversely on the District's ability to plan and finance operations; and, to the extent possible, reflect the unusual costs to the District of its role as the Nation's Capital.

3. The Commission recommends that once the District is granted the authority, subject to Congressional veto, to set the rates for all existing taxes and charges, as recommended by the Commission, it should conform its overall revenue effort as closely as possible to that of comparable metropolitan centers, taking into consideration its relationship with its immediate environs.

4. The Commission recommends that the Congress continue to authorize the Federal Payment at least one fiscal year in advance.

5. The Commission recommends that the Office of Management and Budget specifically recommend and justify the amount of the authorization and appropriation for each Federal Payment. In determining such amount, the Office of Management and Budget should consider, among others, the factors bearing on the proposed Payment level as discussed on page 510, volume II.

D. Users charges

1. The Commission recommends that the Mayor-Commissioner issue an order which establishes basic policy, assigns responsibility, sets up a continuing program for the administration of user charges, throughout the District Government, and provides for periodic reviews and reports by the internal audit organization on the program's effectiveness. (A draft of a suggested directive has been provided the Mayor-Commissioner's staff.)

2. The Commission recommends that the Mayor-Commissioner (a) initiate immediately a comprehensive review of all charges and fees currently in effect to determine what revisions should be made, (b) make appropriate changes within his authority, and (c) where authority rests with either Congress or the District Council, make appropriate recommendations to those bodies.

BLACK MEDICS GAIN TOP POSTS IN CEDAR RAPIDS HOSPITAL

Mr. CLARK. Mr. President, the residents of Cedar Rapids, Iowa, are very proud of their fine medical facilities, as well they should be.

The largest of the city's medical centers is St. Luke's Methodist Hospital, and some of the hospital's top personnel were recently featured in a story in Ebony magazine.

The story describes the rise of four men, all black, to top positions at St. Luke's, a hospital located in a city where few members of racial minorities reside.

These men—Dr. Percy G. Harris, president of the medical staff; Dr. Montague S. Lawrence, chief of surgical services and chairman of the credentials committee; Dr. Kingsley B. Grant, chief pathologist and director of laboratory services; and Vernon Smith, supervisor of special chemistry—are a credit to their city. Their accomplishments have not come easily, and they have had to work hard to overcome the traditional barriers that exist for blacks in education, jobs, and housing. Their success is largely the result of their diligence and talents, as noted in the story:

> Professionally, there seems to be no mystery about why and how three black doctors, two of whom were born in Mississippi and the other in Belize, came to command so much respect and hold so much authority in the city like Cedar Rapids. The answer, according to just about everyone at St. Luke's, is that the three doctors and Mr. Smith are very, very good at what they do.

As a resident of the Cedar Rapids area, I know the high standing in which these men are held in the community. I ask unanimous consent that the article from Ebony magazine of June, 1976, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

BLACK MEDICS IN CONTROL

TALENTED MEDICAL MEN HOLD KEY POSITIONS IN MIDWEST HOSPITAL

The last place most people would expect to find a group of high-powered, black, medical professionals is Cedar Rapids, Iowa, a relatively small, rural-oriented, politically conservative urban community of approximately 110,000 people (99 per cent of whom are white); yet four of the most influential professionals at St. Luke's Methodist Hospital, the city's largest medical center, are black. Dr. Percey G. Harris is president of the hospital's 216-member medical staff; Dr. Montague S. Lawrence is chief of surgical services and chairman of the credentials committee; Dr. Kingsley B. Grant is chief pathologist and director of laboratory services; and Vernon Smith is the biochemist and supervisor of special chemistry. Another black physician, Dr. Reid E. Motley, is also on the staff at the 580-bed facility but holds no other position. In all, there are four black doctors in the city (Smith has a master's degree in organic chemistry).

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[1] On April 5, 1972, the Mayor-Commissioner established an Office of Budget and Financial Management with broad authority to act on improvements in financial management. (See Appendix, VI–9, p. 159.)

Perhaps the achievements of these men wouldn't seem so extraordinary if it were not for two widely held perceptions of places like Cedar Rapids—places located in the food-producing heartland of the nation. For whatever reason and whether it is a correct perception or not, many people consider Middle America a code name for bigotry and intransigent opposition to progressive social reforms. In other words, many black folk think of Cedar Rapids as enemy territory. The other popular perception of mid-America has to do with folkloric fantasies, nostalgia and cultural myths—the frontier, reverence for the land, rock-ribbed faith in the simple virtues like honesty, thrift and loyalty. The truth is probably more complicated than either description. Certainly, the achievements and experiences of the four black movers and shakers at St. Luke's do not fit either stereotype.

Of the four, only Dr. Harris and Smith have geographical reasons for being in Cedar Rapids. Smith was born in the city, and Dr. Harris, though born in Durant, Miss., grew up in Waterloo, Iowa, not far from Cedar Rapids. Grant and Lawrence, however, had to go out of their way to get to Eastern Iowa.

Dr. Lawrence was born in Laurel, Miss., and received his undergraduate degree from Alcorn State University in Lorman, Miss., and his M.D. from Meharry Medical College in Nashville, Tenn. In 1953, however, when he emerged from the armed services, ready to begin his residency training, there were very few places in the country able to train a physician interested in thoracic and cardiovascular surgery and even fewer willing to admit a black doctor. The University of Iowa at Iowa City, about 20 miles south of Cedar Rapids, was an exception. Dr. Lawrence says he remained on the medical school staff following his residency and was eventually appointed full professor. Although he still teaches at the University, he moved to Cedar Rapids in 1971 and entered private practice. The move, he explains, was a logical one, because most of his patients at the University live in the area.

Dr. Grant, a Howard University graduate from Belize (formerly British Honduras) in Central America, came to Cedar Rapids in 1959 to begin his internship. He says his application to St. Luke's was a matter of economics. "In looking around for a place to do my internship," he recalls, "St. Luke's was included just by chance, because at the time I was looking, hospitals weren't paying very much and St. Luke's had better salaries." He says he was unaware that Dr. Harris was in Cedar Rapids when he applied, though he had known him at Howard. After applying, however, Harris "wrote me and told me that he was in the area and that he had done an internship (at St. Luke's) two years before and had been satisfied with it (the hospital)."

According to Dr. Harris, he was the first black intern at St. Luke's, but only the second in the City. Smith joined St. Luke's laboratory staff in 1956 after receiving his master's degree from the University of Iowa and battling polio for four years.

Smith is employed by the hospital and works under Dr. Grant, who has a contractural arrangement with the hospital which allows him to engage in private practice. Smith's specialty is toxic substances (poisons). Dr. Grant has supervisory control of all laboratory services at the hospital. As a pathologist, however, his function is to interpret and diagnose the changes caused by disease in tissues—i.e., to determine whether suspected cancerous tissue is malignant or benign.

Doctors Harris and Lawrence have no official tie to the hospital. "We are in private practice," Dr. Harris explains, "and we have privileges to practice at St. Luke's—it so happens that all of the physicians in this community practice at both hospitals. But aside from that, we have no direct tie or link with the hospital." The president of the medical staff, he says, and the chief of surgical services are selected by their colleagues to serve for a one-year period. The chairman of the credentials committee, Dr. Lawrence adds, is appointed by the president of the medical staff. Among its many responsibilities, according to Dr. Lawrence, the credentials committee decides who may enter or practice at St. Luke's. The committee, he says, also has a degree of disciplinary authority. The president of the medical staff, Harris explains, "is basically responsible for the professional conduct of the professional staff of the hospital."

All four men agree that Cedar Rapids took some getting used to, but not much. Of the four, Dr. Harris had the hardest go of it. "At first," he recalls, "I didn't get a lot of help from other physicians in this community. Basically, without the help of one man, Dr. Maurice Estes, I might not have survived in Cedar Rapids." Professionally, however, he says, "I could count on one hand the number of known instances of racial resentment I've encountered."

Dr. Lawrence and Dr. Grant agree, and Dr. Harris adds: "The disadvantages have not been very great. I've learned to like Cedar Rapids very much and sometimes I've said, facetiously of course, that I like the city so well that if God would make a deal with me I'd rather stay here than take a chance on heaven."

Smith has a theory about why it has been so relatively easy for black doctors to establish themselves in the basically conservative and overwhelmingly white community of Cedar Rapids: "I think we have to recognize that Cedar Rapids is an economically sound community with some good people living here, otherwise the community wouldn't thrive and do as well as it does. Consequently, if you have something to offer—I like the term marketable commodities—and certainly a physician, if he's good, has a marketable commodity, the make up of this community is such that it will recognize what you have to offer and utilize it."

It has not all been smooth sailing, however. "We've had our demonstrations," according to Dr. Grant, who served as chairman of the city's Human Relations Commission for two-and-a-half years. "They were small, it is true, but there were demonstrations and they brought to the attention of the white community the fact that things were not as the British would say 'approximately all right.' For instance, it has only been in the past two or three years that blacks have been shown homes regardless of the locale."

Dr. Harris has good reason to remember that "one of the biggest racial disputes" involved the property on which he built his home. The property, he says, was sold to him by the church he belongs to, "and the sale of that property to me nearly split that church. But, again, that was a long time ago, and there were people who were willing to take a stand. Enough, in fact, to make a difference."

Harris, who is the only medical examiner Linn County has ever had, explains that "one of the reasons why things have been fairly easy here is that there are so few blacks in the city—the small number does not pose such a threat. But there is another reason, which is perhaps a bit more intangible. It seems to me that in Cedar Rapids there are more than enough people who really care about their fellow citizens."

Professionally, there seems to be no mystery about why and how three black doctors, two of whom were born in Mississippi and the other in Belize, came to command so much respect and hold so much authority in a city like Cedar Rapids. The answer, according to just about everyone at St. Luke's, is that the three doctors and Mr. Smith are very, very good at what they do.

THE BISHOPS' CALL FOR PEACE AND SELF-DEVELOPMENT OF PEOPLES

Mr. McGOVERN. Mr. President, as we know too well, for many years the Vietnamese struggled and suffered for national independence. They have now achieved that goal, but they still face the mammoth internal task of physical reconstruction and political, economic and cultural consolidation.

During the war, the United States was miscast in a disgracefully large and heavy-handed role in that conflict. But now that the war is over and the healing and rebuilding have begun, is there not a more worthwhile, more appropriate role for the United States to play?

The mistake of our initial involvement in the war should not have rendered us forever hostile to the very people for whom we were, at one time, not so long ago, willing to sacrifice so much. A mission for the United States in Vietnam does still exist. If we ever truly believed in unity, self-determination and self-development for the Vietnamese people then it seems to me that now is the time to prove it.

Last spring my good friend James Armstrong, Methodist Bishop for the Dakotas and president of the United Methodist Board of Church and Society, led a delegation of religious and peace group leaders to Vietnam. He saw firsthand, as I did last January, the spirit and determination of the Vietnamese people who are working hard to repair the division and the destruction caused by 20 years of war. But he also saw, the desperate need of these people for help and support in their efforts if they are to succeed.

In May of this year, at the General Conference of the United Methodist Church held in Portland, Oreg., Bishop Armstrong delivered the Bishops' Call for Peace and Self-Development of Peoples. In his remarks, he focused on the situation in Vietnam and he urged the United States to demonstrate our own spiritual vitality and hope in a new life for others by developing programs of healing, reconciliation and reconstruction for Vietnam. We, he said, "who paid for that war—must—be willing, in the name of Christ, to help pay for the peace.

I agree with Bishop Armstrong. If we are to be a nation possessing the wisdom, sensitivity and compassion for which we would like to be known, then some degree of U.S. assistance to Vietnam, conditioned on the comprehensive accounting of Americans still listed as missing in action, would be the most positive and logical response to the end of the war.

Mr. President, I ask unanimous consent that the report of Bishop James Armstrong to the 1976 General Conference of the United Methodist Church be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

The Bishops' Call for Peace and the Self-Development of Peoples

Last Sunday, April 25, 1976, after twenty years of ruinous, tragic struggle, the people of Vietnam voted for the reunification of their land. Vietnam is a continuing embarrassment to us—as a nation and a church. We wish it would go away. We try to ignore it; we try to forget it. But the reality of the self-development dreams of 45,000,000 people in Southeast Asia is with us yet. Perhaps if, for the moment, we try to see Vietnam as a microcosmic view of the "enemies" and the "sources" of peace, we will better understand the implications of the Bishops' Call for Peace and the Self-Development of Peoples.

(Let me insert a parenthetical word of explanation and apology to those who are delegates or visitors from other nations. In speaking of Vietnam I will be specific and direct, for without such honesty any talk of Vietnam in retrospect is meaningless. Therefore, I will speak as a citizen of the United States and will make repeated references to the moods and policies of my own country—a country which I love even as you love yours.)

VIETNAM AND THE "ENEMIES OF PEACE"

"Economic exploitation" was listed as an enemy of peace by the Bishops' Call. The clash of economic systems provided the real reason for U.S. military involvement in Vietnam. Ignoring the well-being of the people, we argued that the struggle being waged was between capitalism and communism. We had to stem the communist tide, we said; we had to keep the dominoes from toppling.

The people were not the object. Some two million of them were killed between 1954 and 1974. More than 80 per cent of the casualties were civilian.

Freedom was not the object. The Saigon government, from beginning to end, was a corrupt military police state.

The culture was not the object. The culture was nearly destroyed. Peasants were torn from their villages, from their sacred lands and traditional graveyards. Families were ripped apart or flooded into already overcrowded cities. Children became beggars. Girls became prostitutes. Confucian family concepts, Buddhist pacifism and the Christian love ethic were all flaunted by the brute irrationality of hatred and violence.

A young attorney, a member of the National Assembly of South Vietnam, told a group of us in Saigon in 1969: "The best thing you can do for us is to save us from your salvation."

If not for freedom, if not to preserve traditional values, if not for the sake of the people involved, why were we there? To serve the political and economic interests of the United States of America.

"Nation worship" was listed as an enemy of peace by the Bishops' Call. The "national interest" has been used to justify everything, in this country, from McCarthyism to the Bay of Pigs, from the criminal misadventures of the FBI and the CIA to Watergate—to Vietnam.

"But, of course," say certain of our leaders. "Domestic practice and foreign policy must be based on the national interest. That's the way it's always been. That's the way it must continue to be." But think for a moment! If we have a right to exalt and make secure our nation at the expense of others, then so do 150 other nations across the face of the globe. The law of the jungle is legitimized. It rules out any possibility of international law and international order. It makes inevitable the violent chaos of international anarchy. And all of this in a moment of time when human survival depends upon a sense of global community, mutual responsibility and the development of structures of interdependence. Nation worship, whether in Russia or Rhodesia, China or Chile, Israel or Syria—or the United States of America—contains the seeds that in a near and altogether predictable future can destroy us all.

"Racism" was listed as an enemy of peace by the Bishops' Call. At its best, war brutalizes everyone involved. The Vietnamese were "gooks" and "slants"; they were not seen as persons. Read the testimony surrounding the My Lai massacre. Human beings were not murdered; they were "wasted." Babies and young mothers and helpless old men were not people—not once did Lt. Calley refer to them as "people"—they were "the enemy." And always the words were there: "gooks," "slants," "slants," "gooks,"—racism.

"Continued reliance upon military violence" was called an enemy of peace by the Bishops' Call.

In 1954 the Geneva Agreement called for a temporary division of Vietnam. Within two years elections would be held over *all* the country to choose the leadership for a united Vietnam. That was twenty years ago. Those elections were never held. Ngo Dinh Diem, the ruler of South Vietnam who was living in the U.S. when the Geneva Agreements were signed, would not permit them. Our State Department backed him to the hilt. Why? Because both Diem and John Foster Dulles knew that an election in 1956 would have brought Ho Chi Minh an overwhelming landslide victory. And we talk about the self-determination of peoples.

Gareth Porter in his significant new book, *A Peace Denied*, points out how time after time after time, when negotiations were in progress and political solutions seemed within reach, we chose the military alternative instead. In January 1973, when the peace agreements were signed, we received less than we could have in 1969; far less than we could have in 1954. And that after twice as much bomb tonnage had been dropped on a people as in all previous wars combined. During the six years of the Battle of Britain, Germany dropped 80,000 tons of bombs on England. During the handful of days of the so-called "Christmas bombing" we dropped more than 90,000 tons of bombs on Vietnam.

Early this month I stood on the site of the Bach Mai Hospital in Hanoi. On December 22, 1972, one hundred bombs were dropped on the hospital. It was destroyed. Today, partially rebuilt, it stands as a grim reminder of the fact that modern warfare is no respecter of persons—it is as indiscriminate as it is insane. Certainly, in Vietnam, it was born—and in the end it proved nothing except its own futility.

You will remember, the Call began by saying that "blind self-interest" is an enemy of peace. That included us all. Reference was made to "greed and cowardice, silence and truculence, arrogance and apathy"—to sin. In analyzing the tragedy of Vietnam, it is not enough to blame economic, political and military institutions, it is not enough to blame opposing ideologies or superpowers vying for supremacy. We are involved. Those very traits we have referred to—

Greed—cowardice—silence when voices should be heard—arrogance—indifference—blind self-interest—are expressed in the natural depths of our own beings. Even as nations need spiritual renewal so do we, and we cannot expect nations to change unless our own attitudes, values and life-styles are converted. Whether looking at an international disgrace like Indochina, or a national shame like Watergate, or our most private pitfalls, we need to know the hope and the power and the promise of new birth.

VIETNAM AND THE "SOURCES OF PEACE"

We have talked about the enemies of peace. As we take this microcosmic view of Vietnam, where do we see the "sources" of peace.

"Liberation"—the genuine self-development of peoples—must supplant continuing patterns of exploitation.

Vietnam is not a perfect society today. No thoughtful person would claim that. However, Vietnam has been returned to the hands of the Vietnamese. For a thousand years they defended themselves against the Chinese. Then the outsiders were the French. Then the Americans. Now the aliens are gone and Vietnam is left with a legacy of overwhelming problems: unemployment, a lack of food, disease epidemics, crippled transportation and communication systems, and the challenge of building a new and equitable society.

When Ho Chi Minh emerged from the jungles at the end of World War II as the socialist leader of a nationalist movement, he borrowed heavily from our own Declaration of Independence in writing a Constitution. Even as we have much to learn from Vietnam about sacrifice and collective responsibility, so, too, can they learn much from us about individual freedom. Perhaps, in a new atmosphere of humility and mutual respect we will be willing to learn from one another. As freedom and justice, as individual rights and collective responsibility are joined, liberation becomes a reality.

Wherever one travels in Vietnam today, one sees this quotation from Ho Chi Minh emblazened against the sky: "There is nothing more precious than independence and freedom." Let us pray that this war-ravaged people may find them both.

Another source of peace? Racial justice.

Look about you in this assembly. Asia is here. Europe is here. Africa is here. South and North America are here. The islands of the sea are here. Black, brown, red, yellow, white—all are one in the Creator's sight. No one here would presume to say he or she is inherently superior to anoher. In Christ there is no East, no West, no Jew, no Arab, no male, no female, no communist, no capitalist, no black, no white, no "Jap", no "spick", nor "gook", nor "slant"—for *all* are one.

For years idealists and activists among us have been singing: "we shall overcome, someday." But, time is running out—that "someday" of racial justice must soon come if peace is to be made real.

Another source of peace? The demilitarization of our psychology, of our economy, of our approach to fundamental human problems.

How long, O Lord, how long, will we permit military budgets to soar while people programs suffer?

How long, O Lord, how long, will we permit the tentacles of a military/industrial network to ensnare and stifle the free and peace-loving instincts of the Republic?

How long, O Lord, how long, will we train and support military dictatorships around the world, arming virtually every side of every war, while paying lip service to human rights and impartial justice?

How long, O Lord, how long, will we allow the most nationalistic and militaristic of our presidential candidates to set the ground rules for foreign policy debate in an election year—a debate that becomes a disgrace in the light of international need and global reality?

What right have we as a people to go through the agony of Vietnam if we fail to learn and apply the harsh lessons therefrom? Somehow we must become convinced that the true glory of this republic rests in something other than a battle hymn!

Another source of peace? Let's be specific: Self-development programs, humanitarian aid programs, reconstruction programs that will help heal the wounds of the past and build for a more secure and just tomorrow.

Following World War II the United States helped rebuild vanquished nations. Germany and Japan, totalitarian countries responsible for crimes against humanity, were granted massive economic and technological assistance that helped lift them from the ruin of their defeat. For the Allies, at least, the issues in that war seemed clear. Right was right and wrong was wrong—and right, we felt, was clearly on our side.

Not so in Vietnam. The issues were not clear. The more we learned about Indochina, the more confused we became. The United States was sharply divided. A sense of shame followed our confusion. Yet now, in the aftermath of that sort of war, the United States has withheld diplomatic recognition, vetoed United Nations membership, imposed a trade boycott and steered clear of logical steps that would lead to the normalization of relationships.

Apparently, the humiliation was too great. How could a tiny, peasant people; a hardy, gentle people stave off the economic and technological power, the air and naval power, the man-power of a "super-power"? We don't know, but they did! So today we would rather not talk about it; rather not think about it. Rebuild Vietnam? We don't seem ready yet to extend our traditional response to a devastated people (their spirit is not broken and they were not defeated). We don't seem ready yet to assume our moral obligation.

In February, 1973, in private correspondence now made public, President Nixon promised Vietnam $3.25 billions of reconstruction aid with no conditions, with no political strings attached.

In the Paris Agreements Articles 8 and 21 lead naturally to the "normalization" of relationships referred to in Article 22. Article 8 deals with the "missing in action" question and it must be dealt with. The Congressional committee under the chairmanship of Mississippi's "Sonny" Montgomery is dealing with it. And Congressman Montgomery, a so-called "hawk" during the war, insists that we must respond to Article 21, calling for significant reconstruction aid, if we expect Vietnam to respond further to the MIA proviso. Montgomery, who with his committee has recently visited Vietnam, has also called for the lifting of the embargo and the normalization of ties between the two lands.

Surely on the basis of past precedent (remember World War II), international morality, and Christian conscience, the government of the United States has no choice but to offer massive assistance to a people devastated by thirty years of continuous warfare. We bore 80% of the French costs during the French-Indochinese War. We paid the full tab for the twenty years of ruinous violence that followed. American dollars paid for the carpet-bombing and napalm, for the levelling of forests and the chemical rape of countless rice paddies and sweet potato fields; for the irreparable mutilation of a land and the indescribable sufferings of a people. We paid for the war. Now, in the name of God and for the sake of humanity, let us help pay for the peace! "Peace with honor"? There will be no legitimate claim to national honor for us this side of a significant role in the reconstruction of a ravaged Vietnam.

Our churches have a role to play in this. Through UMCOR and Church World Service, through the Fund for Reconciliation and Reconstruction in Indochina of the World Council of Churches and the humanitarian aid programs of Friendshipment, we will be called upon to help with food, with the restoration of agriculture and the rural base, with resources to help in the development of indigenous industries, with medical supplies and educational equipment, and in a thousand gestures designed to symbolize reconciliation and friendship.

Toward the end of the General Conference in 1972 the Council of Bishops asked me to leave Atlanta and attend the 3rd United Nations Conference on Trade and Development being held in South America. There I represented the Bishops' Call for Peace and the Self-development of Peoples. During the last days of this General Conference I have been asked to chair a press conference and enter into conversation with Congressional leadership in Washington to plead for a humanitarian response to the urgent needs of Vietnam—again as a representative of the Bishops' Call.

These activities symbolize, in some small way, the relationship of a legislative body like this General Conference to a real world out there where exploitation and tyranny and suffering and war continue to plague God's created order.

For just as the enemies of peace must be personalized, so must the sources of peace. As the Bishop's Call said:

"New life based upon an honest awareness of past failures and sins is a requisite for peace . . . If God's conditions for peace include penitence and new life, they can also be summarized with one word: LOVE . . . Freedom is love's expression. Justice is love's demand. Believing that those who live by the sword will perish by the sword, and that those who find their security in nuclear stockpiles may well be destroyed by that weaponry, love seeks to overcome evil with good. God was in Christ reconciling the world to himself . . . he has entrusted us with the message of reconciliation."

We began by saying that Vietnam offers a microcosmic study of the enemies and sources of peace. Let me close with a note of hope and promise drawn from the pen of a Vietnamese poet:

"I would like to say some simple things,
Simple as a field of rice or sweet potatoes,
Or a silent early morning.
Please let me breathe again the air of yesterday,
Let children frolic in the sun
With kites over bamboo bridges.

"Just a narrow little space will be enough
For rows of bamboo trees around it;
And leave a little space for an entrance,
A place for a girl and boy to tell the story of the moon,
For old women with babies to gather and chatter.

"Please give me back these things I've mentioned
A story as simple
As a bird's unbroken song,
As a mother, as a baby,
As the life of long ago the poets used to tell . . ."—(Hoang Minh Nhan)

RECONCILIATION AND RECONSTRUCTION IN INDOCHINA

Only the General Conference speaks officially for The United Methodist Church. This resolution was adopted by the 1976 General Conference meeting in Portland, Oregon, May 1976.

The wounds caused by the war in Vietnam will be long in healing. Many persons may be tempted to ignore or forget, to avoid the burden of remembering. But Jesus Christ is the healer of broken lives, divided peoples and devastated nations. Those who follow Him are called to help heal the wounds left from that war. One mark of our own spiritual vitality and of our hope in a new life for others is our sensitivity in dealing with the human concerns that still remain. This, likewise, will be a measure of the spiritual renewal of the nations involved.

The United States poured our tremendous wealth in the course of the war which destroyed villages, ravaged farm lands and resulted in death, suffering, and homelessness for millions of human beings in Indochina as well as thousands from the United States and other nations. Will the many who paid for that war be willing, in the name of Christ, to help pay for the peace?

Therefore, we urge a program of healing, reconciliation and reconstruction which would include:

1. The provision of humanitarian aid for such purposes as the restoration of agriculture and village life, indigenous industries, medical and educational facilities, and supplies, through the efforts of Christian churches and related agencies, including UMCOR, Church World Service and the Fund for Reconciliation and Reconstruction in Indochina of the World Council of Churches and the humanitarian aid programs of Friendshipment.
2. The normalization of relations with Vietnam including diplomatic recognition, trade, and membership in the United Nations.
3. The participation of the United States government, as in the case of Japan and Germany following World War II, in assisting the reconstruction of Vietnam by economic aid, preferably through international agencies.
4. The completion of other unfinished business: information on the missing in action and the possible recovery of their remains, and a program of broad amnesty, with the church continuing a ministry to the families of all youth who were victims of the war.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 495, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes.

The PRESIDENT pro tempore. Under the previous order, only title I is open to amendment, except for amendments to be offered by the Senator from Nebraska (Mr. HRUSKA) to titles II and III.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar under new reports.

There being no objection, the Senate proceeded to the consideration of legislative business.

The PRESIDENT pro tempore. The nominations will be stated.

NATIONAL MEDIATION BOARD

The assistant legislative clerk read the nomination of David H. Stowe, of Maryland, to be a member of the National Mediation Board.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The assistant legislative clerk proceeded to read sundry nominations in the National Commission on Libraries and Information Science.

Mr. MANSFIELD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request the President be notified.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes.

UP AMENDMENT NO. 214

Mr. RIBICOFF. Mr. President, I send to the desk an amendment in the nature of a substitute for title I of S. 495, the Watergate Reform Act of 1976, as reported, and ask for its immediate consideration.

The PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF) proposes an unprinted amendment (No. 214) in the nature of a substitute.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF's amendment is as follows:

Strike all from line 17 on page 37, through and including line 22 on page 53 and insert in lieu thereof the following:

TITLE I—AMENDMENTS TO TITLE 28, UNITED STATES CODE

REORGANIZATION OF THE DEPARTMENT OF JUSTICE

SEC. 101. (a) Title 28, United States Code, is amended by adding after chapter 37 the following new chapter:

"Chapter 39—OFFICE OF SPECIAL PROSECUTOR AND OFFICE OF GOVERNMENT CRIMES AND OFFICE OF PROFESSIONAL RESPONSIBILITY

"Sec.

"591. Special Prosecutor: Appointment and Removal

"592. Jurisdiction

"593. Authority

"594. Office of Government Crimes

"595. Jurisdiction

"596. Reporting

"597. Disqualification of Officers and Employees of the Department of Justice

"598. Office of Professional Responsibility

"§ 591. Special Prosecutor: Appointment and Removal

"(a) There is established within the Department of Justice an independent Office of Special Prosecutor which shall be headed by a Special Prosecutor appointed by the President, by and with the advice and consent of the Senate.

"(b) The Special Prosecutor shall be appointed for a term of three years and shall be compensated pursuant to Level II of the Executive Schedule, section 5313 of Title 5, United States Code. No person shall serve as Special Prosecutor for more than a single term.

"(c) A person shall not be appointed Special Prosecutor if he has at any time during the five years preceding such appointment held a high level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of, a candidate for any elective Federal office. The confirmation by the Senate of a Presidential nomination of a Special Prosecutor shall constitute a final determination that such officer meets the requirements of this subsection.

"(d) A Special Prosecutor shall only be removed by the President for extraordinary improprieties, for malfeasance in office, or for any conduct constituting a felony. An action may be brought in the United States District Court for the District of Columbia to challenge the action of the President under this subsection by seeking reinstatement or other appropriate relief. In the event of any removal, the President shall promptly submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report describing with particularity the grounds for such action. The Committees shall make available to the public such report, except that each Committee may, if necessary to avoid prejudicing the legal rights of any individual, delete or postpone publishing such portions of the report, or the whole report, or any name or other identifying details.

"(e) The special prosecutor shall report no less than annually to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives and shall include in such reports information concerning his relationship with the Attorney General, United States Attorneys, other agencies of government, the degree of independence exercised under section 593, the types and numbers of matters of which he has declined jurisdiction under section 592(b) and such other matters as he deems appropriate. However, the report shall not include any information which might impair or compromise an ongoing matter, or which the special prosecutor determines would constitute an improper invasion of personal privacy or other improper disclosure.

"§ 592. Jurisdiction

"(a)(1) The Special Prosecutor shall have jurisdiction to investigate and prosecute possible violations of Federal criminal law by a person who holds or who at the time of such possible violation held any of the following positions in the Federal Government: (i) President, Vice President, Attorney General, or Director of the Federal Bureau of Investigation; (ii) any position compensated at a rate equal to or greater than level I or level II of the Executive Schedule under sections 5312 of 5313 of Title 5, United States Code, (iii) Member of Congress, or (iv) any member of the Federal judiciary.

"(2) The Attorney General shall promptly refer to the Special Prosecutor for investigation and, if warranted, prosecution any information, allegations or complaints relating to any violation specified in paragraph (1). In addition, the Attorney General shall promptly refer to the Special Prosecutor for investigation and if warranted prosecution any matter where the Attorney General determines that in the interest of the administration of jusice it would be inappropriate for the Department of Justice (other than the Office of Special Prosecutor) to conduct such investigation or prosecution.

"(b) The Special Prosecutor may in his discretion decline to accept referrals under subsection (a)(2) of this section. The Special Prosecutor may decline to assert jurisdiction under subsection (a)(1) of this section when the matter over which he has jurisdiction is a peripheral or incidental part of an investigation or prosecution already being conducted elsewhere in the Department of Justice, or when for some other reason he determines it would be in the interest of the administration of justice to permit the matter to be handled elsewhere in the Department: *Provided, however,* That any such declination shall be accompanied by the establishment of such procedures as the Special Prosecutor considers necessary and appropriate to keep him informed of the progress of the investigation or prosecution as it relates to such matter; and *Provided further,* That the Special Prosecutor may at any time assume responsibility for investigation and prosecution of such matter. If the Special Prosecutor declines to accept a referral under subsection (a)(2) or declines to assert jurisdiction under subsection (a)(1) he shall submit his reasons for taking such action in writing to the Attorney General.

"§ 593. Authority

"(a) The temporary special prosecutor shall have, within the jurisdiction specified by section 592 over matters which he has assumed responsibility, full power and independent authority, subject only to the power of the President, under section 591(d) to—

"(1) conduct proceedings before grand juries and other investigations;

"(2) participate in court proceedings and engage in any litigation, including civil and criminal matters, as he deems necessary;

"(3) appeal any decision of a court in which he is a party;

"(4) review all documentary evidence available from any source;

"(5) determine whether or not to contest the assertion of any testimonial privilege;

"(6) receive appropriate national security clearances and, if necessary contest in court, including where appropriate participation in in camera proceedings, any claim of privilege or attempt to withhold evidence on grounds of national security;

"(7) make applications to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpenas, or other court orders, and for purposes of sections 6003, 6004, and 6005, of title 18, United States Code, as amended, the Special Prosecutor may exercise the authority vested in a United States Attorney, or the Attorney General;

"(8) inspect, obtain, or use the original or copy of any tax return, in accordance with the applicable statutes and regulations, and for purposes of section 6103, of title 26, United States Code, as amended, and the regulations thereunder, a Special Prosecutor may exercise the powers vested in a United States Attorney or the Attorney General;

"(9) initiate and conduct prosecutions in any court of competent jurisdiction, frame and sign indictments, file information, and handle all aspects of any case in the name of the United States;

"(10) communicate with, and appear before, and provide information to appropriate Congressional committees;

"(11) exercise all other powers as to the conduct of criminal investigations and prosecutions which would otherwise be vested in the Attorney General or the United States Attorneys under the provisions of chapters 31 and 35 of title 28 of the United States Code, as amended, and the regulations thereunder, coordinate and direct the activities of all Departments of Justice personnel, including United States Attorneys, and act as attorney for the Government in such investigations and prosecutions except that the Attorney General shall exercise direction or control as to those matters that specifically require the Attorney General's personal action under section 3516 of title 18, United States Code.

"(b) The Special Prosecutor shall have power to appoint, fix the compensation, and assign the duties of such employees as he deems necessary, including but not limited to investigators, attorneys, and part-time consultants, without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title. The Department of Justice shall provide assistance to the Special Prosecutor which shall include but not be limited to, affording to the Special Prosecutor full access to any records, files, or other materials relevant to matters within his jurisdiction, providing to the Special Prosecutor the resources and personnel required to perform his duties, and use by the special prosecutor of the investigative and other services of the Federal Bureau of Investigation.".

"(c) The Special Prosecutor may from time to time make public such statements or reports as he deems appropriate. The Special Prosecutor may present reports, statements, or recommendations to the Congress, the President or the Attorney General.

"(d) Nothing in this chapter shall prevent the Attorney General or the Solicitor General from making presentations to any court as to issues of law raised by any case or appeal.

"§ 594. Office of Government Crimes

"(a) There is established within the Department of Justice an Office of Government Crimes, which shall be headed by a Director appointed by the President by and with the advice and consent of the Senate. The Director shall report directly to the Attorney General on a regular basis when he deems it necessary, and shall report to any other person the Attorney General directs. The Attorney General shall determine the organization placement of the Office within the Department.

"(b) A person shall not be appointed Director of the Office of Government Crimes if he has at any time during the five years preceding such appointment held a high level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of, a candidate for any elective Federal office. The confirmation by the Senate of a Presidential nomination of a Director shall constitute a final determination that such officer meets the requirements of this subsection.

"§ 595. Jurisdiction

"(a) The Attorney General shall, except as to matters referred to the Special Prosecutor pursuant to section 592 of this Chapter, delegate to the Office on Government Crimes jurisdiction of (1) criminal violations of Federal law related directly or indirectly to his Government position, employment, or compensation, by any individual who holds or who at the time of such possible violation held a position as an elected or appointed Federal Government officer, employee or special employee; (2) criminal violations of Federal laws relating to lobbying, conflicts of interest, campaigns, and election to public office committed by any person except insofar as such violations relate to matters involving discrimination or intimidation on the grounds of race, color, religion or national origin; (3) the supervision of investigations and prosecutions of criminal violations of Federal law involving state or local government officials or employees; and (4) such other matters as the Attorney General may deem appropriate.

"(b) Jurisdiction delegated to the Office of Government Crimes pursuant to subsection (a) of this subsection may be concurrently delegated by the Attorney General to. or concurrently reside in, the United States Attorneys or other units of the Department of Justice. In the event of such concurrent delegation, the Director shall supervise the United States Attorneys or other units in the performance of such duties. This section shall not limit any authority conferred upon the Attorney General, the Federal Bureau of Investigation, or any other department or agency of government to investigate any matter.

"§ 596. Reporting

"At the beginning of each regular session of the Congress, the Attorney General shall report to the Congress on the activities and operation of the Office of Government Crimes for the preceding fiscal year.

"Such report shall specify the number and type of investigations and prosecutions subject to the jurisdiction of such unit and the disposition thereof but shall not include any information which would impair an ongoing investigation, prosecution, or proceeding, or which the Attorney General determines would constitute an improper invasion of personal privacy.

"§ 597. Disqualification of Officers and Employees of the Department of Justice

"The Attorney General shall promulgate rules and regulations which require any officer or employee of the Department of Justice, including a United States attorney or a member of his staff, to disqualify himself from participation in a particular investigation or prosecution if such participation may result in a personal financial, or partisan political conflict of interest, or the appearance thereof. Such rules and regulations may provide that a willful violation of any provision thereof shall result in removal from office.

"§ 598. Office of Professional Responsibility

"(a) There is established within the Department of Justice an Office of Professional Responsibility, which shall be headed by a Counsel on Special Responsibilitiy appointed by the Attorney General. The Counsel shall be subject to the general supervision and direction of the Attorney General and shall report directly to the Attorney General or, in appropriate cases, to the Deputy Attorney General or the Solicitor General.

"(b) Except as to matters which are to be referred to the Special Prosecutor under Section 592 of this Chapter, the Counsel on Professional Responsibility shall be responsible for reviewing any information or allegation presented to him concerning conduct by an employee of the Department of Justice that may be in violation of law, of Department Regulations or orders, or of applicable standards of conduct, and shall undertake a preliminary investigation to determine what further steps should be taken. On the basis of such investigation the Counsel shall refer the matter to the appropriate unit within the Department or shall recommend to the Attorney General or, in appropriate cases, to the Deputy Attorney General or Solicitor General, what other action, if any should be taken. The Counsel shall undertake such other responsibilities as the Attorney General may direct.

"(c) Nothing in this section shall derogate from the authority of internal inspection units of the Department of Justice and the heads of other units to receive, investigate and act upon information or allegations concerning unlawful or improper conduct."

(b) The analysis of part II of title 28, United States Code, is amended by adding after the item following chapter 37 the following new item:

"39. Office of Special Prosecutor, Office of Government Crimes, and Office of Professional Responsibility..........591".

(c) (1) Section 5315 of title 5, United States Code, is amended by adding "§ (105) Director of Office of Government Crimes."

(2) Section 5313 of title 5, United States Code, is amended by adding "Special Prosecutor".

SEPARABILITY

SEC. 102. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance, is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 103. There are authorized to be appropriated for each fiscal year through September 30, 1981, such sums as may be necessary to carry out the provisions of this title.

Mr. RIBICOFF. Mr. President, I point out that this amendment in the nature of a substitute is being offered in behalf of myself, the Senator from Illinois (Mr. PERCY), the Senator from New York (Mr. JAVITS), the Senator from Connecticut (Mr. WEICKER), and the Senator from Massachusetts (Mr. KENNEDY), and they should be considered as coauthors and cosponsors of the amendment.

This amendment is the product of 18 months of work by the Government Operations Committee, tireless work by interested Senators on the Judiciary Committee, extensive time and effort on the part of the Attorney General and significant contributions and support from President Ford.

The Government Operations Committee has been concerned with how we presently handle investigations and prosecutions of possible criminal activity by high-level Federal Government officials. The serious deficiencies of our present system of handling these cases were highlighted by Watergate but were in no way caused by or limited to Watergate.

The Government Operations Committee held extensive hearings on this subject and initially considered a proposal for a permanent office of special prosecutor. Because of objections raised by the Department of Justice and others that there was not enough work to keep such an office busy and that a high caliber individual could not be attracted to such a position, the Government Operations Committee adopted the approach recommended by the American Bar Association for a statutory mechanism requiring the appointment of a temporary special prosecutor when needed by the Attorney General or the court.

Mr. President, the Government Operations Committee is proud of its proposal and of the extensive support from the legal community for that proposal. In order that we have a complete record and because of my respect for these individuals, I ask unanimous consent that at the conclusion of my remarks, letters endorsing the committee's proposal from Archibald Cox, Leon Jaworski, and Henry Ruth be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. During the last 3 weeks, Senators PERCY, JAVITS, WEICKER, KENNEDY, and I and our staffs have had extensive discussions with the Attorney General and his staff.

Three major factors discovered in the course of those discussions led us to decide to return to our original concept of a permanent special prosecutor. First, we were told that there were many more presently active cases than we had expected which would have required the appointment of a temporary special prosecutor under the Committee's bill. We were told that anywhere from 6 to 40 temporary special prosecutors could be required at this time. Therefore, the concern that a permanent special prosecutor would be bored or have nothing to do was not as serious a possiblity as we thought.

Second, the Department expressed great concern about the actual operation of a mechanism requiring the appointment of a temporary special prosecutor at an early stage in an investigation. While the Committee was prepared to offer amendments to minimize these problems, the legitimate concerns of the Department had to be weighed against any disadvantages of a permanent special prosecutor.

Third, the President is now willing to support a permanent independent special prosecutor. This is highly significant. The fair administration of justice should not be a partisan matter or a matter of one branch of Government pitted against another. I am proud that every Republican member of the Committee on Government Operations is a cosponsor of this legislation. Congress and the President working together can this year establish the necessary institutional framework to insure that whatever high level government corruption which exists now or in the future will be investigated impartially, vigorously, and most importantly fairly.

The compromise proposal introduced this morning is much less complex than the version of S. 495 reported by the Committee on Government Operations. At this point I will briefly describe the major provisions of this compromise which follows the basic format and critical details of President Ford's proposal of July 19 while substantially accomplishing the major goals of title I of S. 495.

The first part of the amendment establishes a permanent independent Office of Special Prosecutor within the Department of Justice headed by a Special Prosecutor appointed by the President by and with the advice and consent of the Senate. The Special Prosecutor would be appointed for a 3-year term, and would not be eligible for reappointment to that office.

No person could be appointed Special Prosecutor if he has at any time during the preceding 5 years held a high-level position working on the campaign of any candidate for any elective Federal office.

A Special Prosecutor could only be removed by the President for cause.

The Special Prosecutor would have jurisdiction to investigate and prosecute possible violations of Federal criminal law by a person who holds or who at the time of such possible violation held any of the following positions in the Federal Government: President, Vice President, Attorney General, or Director of the Federal Bureau of Investigation, any Cabinet member, and other high-level Government officials compensated at a rate at least equal to level II of the Executive Schedule, all Members of Congress, and all members of the Federal judiciary.

The Attorney General is also required to refer to the Special Prosecutor any matter where the Attorney General determines that in the interests of the administration of justice it would be inappropriate for the Department of Justice, other than the Office of Special Prosecutor, to conduct such investigation or prosecution. Thus in cases where the subject of an investigation is a top aide to the President or is a very powerful staff aide to a Member of Congress, and the Attorney General believes that he or the President has a very serious conflict of interest because of the appearance that partisan political considerations might influence their handling of the case, the Attorney General would refer such a case to the Special Prosecutor.

The authority of the Special Prosecutor is specifically set forth. It is based on the powers given the Watergate Special Prosecution Force. The Special Prosecutor is totally independent of the Attorney General except that the approval of the Attorney General is still required for the use of a wiretap under section 2516 of title 18, United States Code.

The Special Prosecutor has the authority to select his employees, to make public statements or reports and to present reports, statements or recommendations to Congress, the President or the Attorney General. The Special Prosecutor will also have to periodically report to the Judiciary Committees of the House of Representatives and the Senate.

It is important to note that this proposal only contains an authorization for a period of approximately 4 years. At the expiration of that period, the President, Congress, the legal community and the public can review the operation of this office and determine whether it should be continued, abolished; or altered.

The next major section of this substitute amendment to title I would create an Office of Government Crimes rather than a Division of Government Crimes as presently contained in S. 495. The creation of an office will provide additional flexibility to the Attorney General while accomplishing the principal goals of the supporters of a new division.

The Office of Government Crimes would be headed by a Director who is appointed by the President with the advice and consent of the Senate. The Director serves at the pleasure of the President. No person may be appointed Director if he has actively participated in a political campaign on behalf of a candidate for elective office during the 5 years preceding the appointment.

The Office of Government Crimes except as to matters referred to the Special Prosecutor would have jurisdiction over:

First. All criminal violations of Federal law by any past or present Federal Government officer, employee or, special employee if the violation relates to the person's Federal Government employment;

Second. Criminal violations of laws relating to lobbying, conflict of interest, campaigns and election to public office by any person except violations related to discrimination on the grounds of race, color, religion, or national origin; and

Third. Any other matters the Attorney General believes are appropriate.

The Attorney General is specifically given the discretion of placing this Office of Government Crimes anywhere administratively within the Department. Thus he could place it in the Criminal Division under the supervision of the Assistant Attorney General heading that Division. However the Director of this Office would also report directly to the Attorney General no matter who else also supervises his work and coordinates it with other Department activities.

The proposed substitute amendment also includes a section directing the Attorney General to promulgate rules and regulations requiring the disqualification on a particular matter of any Justice Department employee, including a U.S. attorney, if participation by that person may result in a personal, financial, or partisan political conflict of interest, or the appearance thereof. Present departmental regulations only cover financial conflicts of interest. This provision would require the Attorney General to broaden those regulations.

Finally, the amendment includes the President's proposal for establishing an Office of Professional Responsibility. This Office now exists in the Department and this proposal would simply legislatively sanction what already exists.

The Office of Professional Responsibility does preliminary investigations on behalf of the Attorney General of wrongdoing by employees of the Department of Justice.

Mr. President, this proposed compromise substitute amendment for title I of S. 495 meets the objectives of the sponsors of S. 495 and the objections and objectives of the President. I urge the Senate to enact this product of extensive hearings, study, and investigation. I believe it will serve the best interests of our Nation.

Mr. President, I take this opportunity to commend Attorney General Levi and President Ford for their deep interest in this entire problem. I also take this opportunity again to pay special tribute to the skill, persistence, and hard work of my colleague from Connecticut, Senator WEICKER, and of our colleagues Senator PERCY and Senator JAVITS, who have made such great contributions toward this measure. I also commend the various members of our respective staffs.

May I say, Mr. President, that personally I like title I as it is now presented.

I did have some concerns with the committee proposal. I thought it was unduly complicated.

I know that the Senator from Nebraska (Mr. HRUSKA) had often talked to me about his concern about some of the proposals in S. 495, and it is my feeling that as a result of the hard work by the Attorney General and his staff and the hard work and cooperation of the Committee on Government Operations we now have a solid piece of legislation that will do the job.

All the members of the Committee on Government Operations, the President, and the Attorney General should be pleased with the results of all our efforts.

EXHIBIT 1

HARVARD LAW SCHOOL,
Cambridge, Mass., June 2, 1976.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR SENATOR RIBICOFF: This will acknowledge your letter of May 17 inviting my comments upon Title I of the Watergate Reorganization and Reform Act of 1976 (S. 495).

I agree that it is very important to put in place a statutory mechanism for the designation of a Special Prosecutor to investigate and, upon probable cause, prosecute high level federal officials so closely linked to the President and Attorney General as to raise a question concerning the ability of the Attorney General to avoid both the actuality and appearance of conflicting interests. The mechanism which would be established by enactment of S. 495 as amended by your committee seems, in general, the most satisfactory that could be devised.

I recognize that the proposed procedure would call for supplanting the Attorney General even in situations in which the President and the Attorney General were fully prepared to prosecute vigorously and fairly a high level official who had proved faithless to the trust reposed in him. It seems regrettable that they should be precluded from applying high standards of honor and integrity to former associates. I am satisfied, however, that this disadvantage in situations in which the proposed procedure is not required is more than offset by the benefits of a firm and established rule applicable to all Presidents and Attorneys General under all conditions.

Some of the details of Sections 591–597 seem questionable. I mention them seriatim against the chance that the committee will offer perfecting amendments on the floor.

1. Section 594(c)(1) seems ambiguous. Subsection (c) appears to envisage two kinds of conflict of interest. One kind is the conflict or appearance of conflict which exists whenever the subject of the criminal investigation or prosecution occupies one of the positions described in subdivision (2). The other kind is any case not within subdivision (2) in which the President or the Attorney General has "a direct and substantial personal or partisan political interest in the outcome of the proposed criminal investigation or prosecution."

The quoted words are ambiguous as to character of the personal interest which may give rise to the conflict. Does a conflict arise when the Attorney General has "a direct and substantial personal . . . interest in the outcome" or only when he has "a direct and substantial personal . . . political interest in the outcome?"

If the former reading is correct, then the provision is too broad. Suppose that an investigation were instituted by the Anti-trust Division which might lead to prosecuting under the Sherman Act a corporation of which Attorney General's brother is a major shareholder and the chief executive officer. Plainly, the Attorney General should disqualify himself from any participation. The Deputy Attorney General should act in his place. It would be foolish, however, to call for the appointment of a Special Prosecutor in such a case.

If the purpose is to limit subsection (c)(1) to conflicts arising from personal political interest, the objection fails. This intent could be made much clearer by putting commas around the phrase "personal or partisan" so that the whole would read "a direct and substantial, personal or partisan, political interest in the outcome." This would also make it clear that the conflicting interest must be direct and substantial in all cases.

2. Subsection (d)(1) on page 44 would be clearer if the comma in line 6 were removed.

3. Subsection (d)(2), in lines 4–9 on page 47, very properly permits the court to maintain the secrecy of a report where necessary to avoid prejudicing the rights of an individual, but the power is limited by line 6 on page 47 to "rights under federal law." I see no reason for the limitation. If the individual's right to a fair trial under federal law is more important than the public interest in knowledge of the full content of a report under the reasons for removing a temporary Special Prosecutor, his right to a fair trial upon any State charge would also seem superior. Is it not unseemly for Congress to declare that it is willing to override an individual's interest in a fair trial in a State court although it would protect him if he were prosecuted in federal court?

In my opinion, subsection (d)(3) on page 47 contains an unwise invitation to litigation. The phrase in lines 10 and 11 "any aggrieved person" leads me to conclude that any volunteer could sue to challenge the removal of a temporary Special Prosecutor. True, one usually need show some harm in fact in order to be aggrieved, but in this instance it is hard to imagine any person who can suffer harm except the Special Prosecutor. Since the provision for suit by an aggrieved person must mean something, one is forced to conclude that the intent is to allow persons to sue without showing harm.

I think it unwise to extend standing so widely. The temporary Special Prosecutor may have very good reasons for not seeking review, drawn from his conclusion concerning the public interest or his personal knowledge of the facts. Also, volunteers should not be put in a position to tie up further action by the Attorney General. There will be few cases in which a temporary Special Prosecutor is removed with a view toward frustrating investigation or prosecution. There may be more in which one Special Prosecutor is under fire and the Attorney General deems it advisable to replace him with another. If third persons are allowed to sue in the latter and numerically more likely cases, they could easily tie up pursuit of the investigation or prosecution.

4. Two provisions of Section 597, "Expedited judicial review," seem objectionable. All ad hoc provisions for appeal as of right to the Supreme Court of the United States are unwise. Ad hoc provisions for expediting particular classes of appeals are equally unwise. The difficulty, in both instances, is that the enactment is drawn without reviewing other classes of cases which have equal or greater claim to the Supreme Court's attention. Although there might be some instances in which the status of the Special Prosecutor and constitutional challenge were of major national significance, it is more likely that the question will be raised in some relatively unimportant case without great attention focussing upon the constitutional issue.

With these changes I urge the enactment of Title I. I have no doubt about the constitutionality of the method provided for the appointment of a temporary Special Prosecutor, and no serious doubt about the constitutionality of the restrictions upon his removal.

S. 495 fails to deal with dangers brought to light by the Watergate affair which I consider much more serious than any subject covered by the bill.

One group of omitted subjects is suggested by such abuses of constitutional power as the use of investigative agencies for political purposes, electronic surveillance without judicial authorization upon a showing of probable cause, the infiltration of political organizations, and similar activities. Perhaps such matters are not within the committee's jurisdiction.

Equally important is the matter of executive privilege. Although the country did not suffer through most of our history from the absence of definitive resolutions of conflicts between the Congress and the President over furnishing information desired by the Congress, the extraordinary increase in the number and importance of refusals under President Eisenhower and Nixon and the breadth of the privilege asserted by them convince me that Congress should face up to the question while public recollection of the Watergate affair is still fresh. For the President to claim executive privilege is too easy a way to hide such wrongs as corruption, malfeasance, sheer carelessness or ineptitude, and unilateral exercise of questionable executive authority. The ability to make such claims successfully encourages resort to secrecy and manipulation as techniques of executive power. Although I am skeptical about congressional reliance upon litigation as a way of protecting the Congress against executive encroachment, in this instance no better alternative is available.

It has been suggested that Congress might solve the problem by conferring jurisdiction upon a United States District Court to enforce congressional subpoenas against officials in the executive branch, leaving it to the courts to work out the scope of executive privilege. These proposals seem unwise. A court has no satisfactory method of determining the extent of the legislative need for particular documents or information. The distinctions worked out by courts in ruling upon claims of executive privilege in ordinary civil and criminal litigation are not suitable for passing upon the enforceability of congressional subpoenas because the objects of the inquiry and the underlying rules of competency and relevancy are altogether different.

I submit that Congress should enact legislation setting up a procedure by which the Senate or the House would review any subpoena issued by one of its committees to an official in the executive branch prior to enforcement if executive privilege were claimed. The vote of the entire chamber would protect against rash judgment or abuse of power by a single committee. If either the Senate or the House did vote to enforce the subpoena, it should be the legal duty of the executive official to comply and that duty should be made enforceable by judicial proceedings.

Such a measure might be thought to intrude upon a constitutional privilege of the President as described in *United States* v. *Nixon*, but the relevant language in the opinion is unclear and I believe that such an act would ultimately be held constitutional by the Supreme Court.

I am glad to have this opportunity to comment upon such important legislation.

Sincerely,

ARCHIBALD COX.

FULBRIGHT & JAWORSKI,
Houston, Tex., May 6, 1976.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, Russell Senate Office Building, Washington, D.C.

MY DEAR SENATOR RIBICOFF: For the record, I would like to note my approval of S. 495, the "Watergate Reorganization and Reform Act of 1976." It is a constructive piece of legislation that I hope will be adopted. May I add my commendation on the excellence of your Committee's work.

With kindest personal regards and every good wish, I am

Sincerely yours,

LEON JAWORSKI.

BETHESDA, MD.,
May 11, 1976.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, Dirksen Senate Office Building, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I have read closely the provisions of Title I of S. 495, as amended and ordered reported by the Committee on Government Operations. In my testimony last year before the Committee, I had opposed the original bill's creation of a permanent special prosecutor.

I certainly endorse the amended bill in its proposed creation of a Division of Government Crimes in the Department of Justice and in its proposed vehicle, when needed, for the creation of a temporary special prosecutor. The temporary nature of any special prosecution effort, and the inclusion of a triggering mechanism to invoke the temporary appointment, represent an ideal solution for balancing the need for prosecutive independence against the potential abuses which exist in a permanent, independent office.

I appreciate the opportunity you have given me to comment on this amended bill and I certainly admire the skill and persistence of you, your Committee and the Committee staff in trying to ensure that appropriate institutional reform follows in the path of recent prosecutions and revelations about government abuses of power.

Sincerely,

HENRY S. RUTH, Jr.

Mr. WEICKER. Mr. President, the importance of this amendment now before the Senate is best illustrated by its bipartisan support and the bipartisan spirit in which it is offered. Putting aside party labels and all other interests—the sponsors of this proposal choose to place the interests of justice above all other considerations.

It is our intent to restore the confidence of the American public in their system of justice.

It is our intent to remove from the administration of justice all consideration of partisan political gain or loss.

Likewise, it is our intent that, no matter who the offender, the hand of Justice will move swiftly, deliberately, and without the slightest taint of partiality.

For these reasons, I support this amendment to create a permanent Special Prosecutor and an Office of Government Crimes within the Department of Justice.

Jurisdiction over such sensitive cases involving the President, Vice President, Cabinet officers, high-level government officials, and Members of Congress, in addition to other cases which the Attorney General may wish to refer, is sufficiently broad to avoid the spectre of a prosecutor investigating for the sake of investigation; and abusing his authority.

Senate confirmation, coupled with the reporting requirements in the amendment, assure accountability.

The Office of Government Crimes constitutes an important initiative designed to increase the priority given to the enforcement of existing laws governing the conduct of Federal employees, as well as our lobbying and elections laws. The Director of this Office will be appointed by the President, by and with the advice and consent of the Senate, and will have direct access to the Attorney General.

This proposal, and the statutory mandate for the Office of Professional Responsibility, establish a national commitment to vigorously pursue and enforce our precepts of equal justice.

The provisions of this title establish procedural safeguards to insure against abuses of power similar to those which tormented our nation. We will act through law to establish these safeguards against future violations of law.

Through this bill—and through this—law we will revitalize our system of criminal justice, restore its integrity, and build a future which rests not so much on the interests of the few as on the interests of the many to whom we are accountable. Never again can we or any of our leaders lose sight of this—the highest and most important principle of a democracy.

Mr. President, I have often said during the course of this legislation that were it not for the expertise and the dedication of the senior Senator from Connecticut, the chairman of the Committee on Government Operations, the measure would not be before the Senate at this time.

It should be pointed out that, in addition to those admirable qualities, what has made it possible for all hands to get together is the eschewing of partisanship by Senator RIBICOFF. At all times, he has attempted to include Republicans, Democrats, the executive branch, and the legislative branch, in order to obtain a bill that will work for the American people.

At this time, I pay a special tribute to Dick Wegman, Dave Schaefer, and Claudia Ingram, of my staff, for the enormous amount of the work which has gone into this final effort.

In conclusion, I praise the role played by President Ford, Attorney General Levi, and the administration.

I realize that in an election year, the name "Watergate" is not a pleasant thing for anyone in my party to contemplate or to have raised again. On the other hand, as was pointed out, Watergate was nothing that could be attributed to a particular political party. It was an abuse of power by certain individuals. I think it is abundantly clear in the statements and the actions of President Ford, Attorney General Levi, and this Republican administration that their dedication to a system of justice politically free is unmatched by anyone.

We realize, the President realizes, the importance of a system of justice that is equal for all Americans. Indeed, without a standard of justice for all, the country will fall from within, rather than from outside pressures.

All last week and through this week, I have been in communication with the President and with Attorney General Levi. What they wanted was a bill that was constitutional, that was capable of becoming law, and they wanted it done by this Congress.

I am proud of the President, and the members of my party who have participated in putting together this reform measure: Senator PERCY, the ranking member; Senator CASE, on financial disclosure; Senator JAVITS, insofar as title II is concerned. They all have worked hard with their Democratic colleagues to assure their fellow citizens of the United States that what was a national nightmare a few years ago will not be an encore of reality in the future. •

Mr. HRUSKA. Mr. President, I regret very much that I was unable to participate in yesterday's debate on S. 495, but a death in my family kept me in Nebraska and away from the Senate Chamber.

It is my belief that this body will make a serious mistake if it approves the legislation now being considered. My reasons for opposing this bill are presented in some detail in a statement on page 22092 of the July 2 RECORD. I refer my colleagues to those comments.

I regret very much that my colleagues on the Committee on the Judiciary chose not to act on S. 495 during the period of time it was on referral to that committee. I believe that with a detailed investigation of all the aspects of this bill, my colleagues would have seen how bad this legislation really is. As I read the debate from yesterday, however, it appears that it is the will of the Senate to approve this legislation as reported by the Committee on Government Operations. I am saddened at that prospect, because I feel the bill is unsound and patently unconstitutional. I will vote against it.

Certainly, the objectives of S. 495 are admirable. The President wants reform in the areas covered by the bill. The Attorney General wants reform. The Senate wants reform. I want reform. The question is, of course, What route do we take to achieve the reform we all want? I submit that the bill before us is not the right means to the desired end.

Mr. President, the administration is not pleased with this bill as reported. In fact, President Ford has been negotiating for some time for an acceptable compromise on several aspects of this legislation. The President has been more than fair in this matter. On Monday of this week, the President sent a proposal by way of a substitute for S. 495, together with a transmittal letter of the same date on that subject. I ask unanimous consent that the text of the proposed bill and of the President's letter be printed in the Record at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HRUSKA. Mr. President, I do this so a viable option to S. 495 will be in the public record. It is a workable bill and I urge my colleagues to give it their serious consideration. It should serve as a basis for debate and comparison to the Government Operations Committee bill in this body and to any proposal on this subject to be considered by the House of Representatives.

Mr. President, I am gratified that the proponents of this bill have agreed to accept, in somewhat modified form, title I of the President's proposal. The President's proposal goes far in removing some of the fundamental constitutional infirmities contained in the bill as reported from committee, although not completely.

Mr. President, it is extremely difficult to draft a bill which accomplishes the purpose of preventing the recurrence of incidents such as Watergate without violating the constitutional principle of separation of powers.

Unpleasant as was that recent traumatic episode we in Congress must be aware of the certain constitutional limitations in legislating against future similar situations. Alleged disregard for constitutional principles by a previous Chief Executive does not excuse the Congress in neglecting the separation of powers required by the Constitution. Such departures from the constitutional framework will only tend to diminish the strength of the constitutional balance on which our system rests.

Mr. President, quite simply under our system of Government, the Constitution grants different duties and responsibilities for the three branches of Government. The prosecution of crimes is one of the central responsibilities of the executive branch. The Constitution specifically provides that "the executive power shall be vested in a President of the United States," and that the President's basic obligation is to "take care that the laws be faithfully executed."

Given the principle that criminal prosecution is a core executive function and that a long line of court decisions have upheld the President's authority to discharge executive branch employees, I am concerned that any limitations in this regard will be held unconstitutional.

Mr. President, on June 25 the Attorney General addressed a letter to the Senator from Connecticut and the Senator from Illinois on the subject of title I of S. 495.

The Attorney General's letter of June 25, and the Deputy Attorney General's testimony of May 26, 1976, before the Judiciary Committee set forth the strong objections of the Department of Justice to title I of S. 495, the "Watergate Reform Act." Title I, as reported, would require appointment of temporary special prosecutors in certain cases and would establish a Division of Government Crimes within the Department of Justice. Mr. President, I subscribe to those strong objections raised by the Attorney General. I supplement them now as follows:

Section 594 of the bill, as reported, provides for appointment of a temporary special prosecutor in each case in which the President or Attorney General have a conflict of interest or an appearance of a conflict. Conflict of interest is generally defined as having "a direct and substantial personal or partisan political interest in the outcome of the proposed criminal investigation or prosecution" and includes all cases involving certain present and former officials of the executive branch (section 504(c).)

The bill as reported is an understandable effort to remove personal or partisan bias—or the public perception of such bias—from law enforcement. Its proponents believe it would only rarely require the appointment of a special prosecutor.

As set forth in the Attorney General's letter of June 25, 1976, the Department of Justice believes there are substantial questions regarding the constitutionality of the proposal. The Department also believes that the practical effect of the bill would be to enhance the opportunities for and the appearance of partisan law enforcement; to require many special prosecutors at any time; and to diminish the liklihood of equal justice for similarly situated individuals. The bill would also seriously erode the authority of the Department in dealing with other agencies.

The bill would have disqualified the Department of Justice from conducting certain cases and has been analogized to the principle that a private attorney or law firm should not represent clients with conflicting interests. The policy of encouraging private attorneys to avoid situations in which they have divided loyalties is premised on the belief that a private party can obtain effective representation from many other lawyers who would not have any possible conflict of interest. While there are many private attorneys, there has been but one Department of Justice.

That is an immutable fact, constitutionally provided and, of course, guarded and safeguarded by the doctrine of separation of power. Federal prosecutorial responsibility has been vested in a single agency to promote the uniform application of established policies and procedures by experienced individuals, and under strict accountability along constitutional lines, also. The possible value of disqualifying the Department in particular cases is outweighed by the inevitable risk that a series of special prosecutors will result in a form of ad hoc, unequal justice.

Removing from the Attorney General the authority to prosecute high public officials would seriously erode his ability to persuade his colleagues to follow his legal advice. Without the knowledge that failure to accede to the Attorney General's view would be prosecutable, other Cabinet officers would be likely to regard him as just another lawyer with his own opinion and would feel free to rely on other counsel who gave more desirable advice.

Legislation based on the principle that the Attorney General and the Department are necessarily partisan and untrustworthy is likely to become a self-fulfilling prophecy. It would promote the appointment of politically oriented Attorney Generals and the recruitment of line attorneys who believe that some partisanship is expected of them. This would be damaging indeed, particularly in the numerous difficult cases not requiring a special prosecutor in which fairness and professionalism—and the appearance of these qualities—are essential to public confidence in the administration of justice.

Mr. President, on July 8, Prof. Philip Kurland of the University of Chicago Law School faculty addressed a letter to the Senator from Connecticut, the distinguished chairman of the Committee on Government Operations, and the Senator from Illinois, who is the ranking Republican on the Committee on Government Operations. This letter had to do with comments on title I of the pending bill. Mr. Kurland had testified during the hearings before the Committee on Government Operations on S. 495 as it was originally introduced. The bill as reported, however, differs vastly and greatly from the introduced bill. Hence the supplemental letter of July 8 by Professor Kurland. I ask unanimous consent that the text of the letter so referred to be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The University of Chicago,
Chicago, Ill., July 8, 1976.

Dear Senators Ribicoff and Percy: When I was in Washington last week, at the Senate Subcommittee on Separation of Powers, I was given a copy of the revised S. 495 with the report and hearings thereon. Inasmuch as you solicited my opinion, over two years ago, on the original bill, I venture to offer my opinion on the present version, or at least one aspect of it, that which relates to special prosecutors. I must say that I find that part of S. 495 unfortunate at best, dangerous at worst.

It is unfortunate because it offers as a cure for Watergate ills something that is totally extraneous to the problems uncovered by Watergate. It is dangerous because it affords a potent, new device for what can be described in terms of the pre-Watergate governmental crisis as McCarthyism.

1. You have certainly misconstrued history if the concept of a special prosecutor is based on the notion that the Watergate special prosecutor contributed to the discovery and remedy for the Watergate abuses. The discovery and remedy for the Watergate abuses are correctly attributable to two other institutions. The first and foremost was Congress: the Senate Select Committee, operating in the best traditions of Congressional responsibility for oversight of executive behavior, and the House Judiciary Committee, again responsibly assuming the difficult task of determining whether a government official should be removed from office. It should be remembered that impeachment is a proper inquiry for all those who would be made subject to special prosecutions by S. 495, except the Senators and Congressmen, for

whom separate mechanisms exist. The second was the press: it, too, acted responsibly in uncovering the details of Watergate, despite extraordinary criticism and pressures to abandon it.

Dean and Magruder went to the grand jury before the special prosecutor took hold, primarily because the Senate Select Committee was already on their tails. The revelation of the existence of the tapes came through the investigations of the Senate Committee, not the special prosecutor. The special prosecutor undertook criminal prosecutions of those malefactors uncovered by the Congress and the ordinary processes of the law. That is the role of a special prosecutor generally: not so much investigative, as prosecutorial. I do not mean to disparage the Watergate special prosecutor. But I should insist that his was not an important role—except perhaps as Archie Cox became a martyr—in l'affaire Watergate.

Moreover, the utilization of special prosecutors at a stage prior to criminal trial is once again an evasion of Congressional responsibility, not an effectuation thereof. It should not be forgotten that the primary problems revealed by Watergate were an undue concentration of power within particular branches of the executive department—the Department of Justice was not among them—and an unwillingness of Congress to assume its place of primacy in the constitutional scheme. Every time an important governmental problem has arisen in recent decades, Congress has pusillanimously delegated the treatment of the ailment to someone else. Thus, the proposed public prosecutorial scheme in S. 495 is only another symptom of the Watergate syndrome rather than a contribution toward its elimination. Once more Congress will be saying, "Please, someone else, perform our job of executive oversight for us."

2. Let me turn to the dangers of the proposal. Who are the targets for action as set out in the bill? All elected officials, and all federal judges, and all executive branch personnel who hold responsible jobs. The only elected federal officials are the President and Vice-President and all members of the Senate and House of Representatives.

The special prosecutorial mechanism could be triggered whenever a charge of misfeasance, malfeasance, or nonfeasance was levelled by any person who chose to make such a charge. This is what I term the "Joe McCarthy" aspect. Just imagine if each of the phony McCarthy charges against executive branch officials were to require special prosecutors to investigate and prosecute. Just imagine the official Cohens and Schines who might offer such charges. Just imagine the extraordinary number of unofficial individuals eager to assert such charges.

It is not enough to say that an Attorney General could cut off such frivolous—however defined—charges. The fact is that no Attorney General in his right mind would dare to cut off such prosecutions, if he could. The minute he did so, he would become suspect of political activity. Moreover, his decisions would be subject to judicial challenge, at which time the whole matter would take on the same costume as if the special prosecutor had begun an investigation.

It is not my imagination that conjures up a parade of horribles. Personal experience as a law clerk at the United States Supreme Court and the United States Court of Appeals has taught me that the number of charges levelled against judges is enormous. A short term with the Department of Justice revealed that even such lowly officials as I was are subject to the same kinds of attack by those who are disappointed in their demands. And my service as a staff member to a Senate subcommittee was equally revealing of the distemper of many of our citizenry. I don't know whether you get to see your own "crank mail," if you do, you know that I am not exaggerating. Nor does this take into account the very large number of individuals who would and do enjoy the role of "private prosecutor." The number of calls for special prosecutions may well be enormous.

If, as is likely, most of the claims prove invalid, the accused will nevertheless have been blighted. And perhaps more important, the accused will—like the President during Watergate—not be able to perform his duties while the charges are pending. The special prosecution provisions of S. 495 afford adequate means for bringing large portions of government to a standstill. Perhaps we do have too much government, but again it should be Congress that makes the decision where and when it should be diminished or eliminated.

Moreover, the specter of a large number of special prosecutions will soon overshadow the few important situations where specific remedial action is really required. It will demean the major cases by inclusion of them in a large series of minor ones. It will, also, tend to reduce both the actuality and possibility of Congressional investigations. It should be recalled that if Archie Cox had his way, the Senate Select Committee would have ground to a halt while he carried on his investigations and prosecutions. And then where would we have been?

The provision for a special judicial panel to oversee the role of the Attorney General and the special prosecutor is also bothersome. I put to one side the constitutional questions, the answers to which are far from clear. What concerns me is the expansion of the judicial power and particularly when it is relegated to the hands of superannuated federal justices and judges. You must not think of senior federal judges in terms of Learned Hands or Henry Friendlys. Let me assure you that those are the exceptions rather than the rule. Most superannuated judges were of no great competence while they performed active service and have since necessarily retired for age and the physical and mental deterioration that age brings on. To entrust them with charge of highly volatile political affairs is to put dynamite in the hands of an incompetent.

Allow me two points in closing. First I would repeat an anecdote and leave you to draw your own inferences. After Robert Jackson had been appointed a Supreme Court Justice and Francis Biddle had been appointed Attorney General in his place, President Roosevelt took some glee in reporting to Jackson that he, Roosevelt, had decided to appoint Samuel Roseman as counsel to the President in the White House. He asked Jackson's opinion. Jackson told him he regarded Roseman very highly indeed, but if the President wanted Roseman as his lawyer he should appoint him Attorney General. He went on to say that if Roosevelt had appointed a house counsel while Jackson was Attorney General he would have resigned his office.

Second, I assume that my credentials as a supporter of the primacy of Congress and an antagonist of all that Watergate stands for are adequate to avoid any charge of bias against reform. I urge the deletion of the special prosecutor provisions of the bill because they neither serve to enhance the authority of Congress nor preclude the centralization of undue power in portions of the executive branch. These were the evils revealed by Watergate. The criminal trials were byplays that tended to take attention away from the fundamental questions. The special prosecutions afforded by this bill will have the same effect: the assumption that the criminal trials are directed to reform when they are not; the subordination of Congressional power and duty to executive and judicial authority for, after all, the special prosecutors are still executive officials and superannuated judges are still judges.

The creation of the Congressional counsel should serve well toward Watergate reform. Much more is needed by way of attention to appropriate Congressional and executive reorganization plans, so that Congress can operate more efficiently and the power in the executive can be dispersed in order that it not be readily abused. I think that the passage of special prosecutor legislation will hinder rather than aid these goals. You will do a service to our country if you help eliminate these provisions from S. 495.

With all good wishes,

As always,

Philip B. Kurland.

TITLE II

Mr. HRUSKA. Mr. President, I also invite the Senate's attention to title II of S. 495, the Watergate Reorganization and Reform Act of 1976, as reported by the Committee on Government Operations.

As with title I of S. 495 as reported, title II presents very serious questions both as to the constitutionality and workability of its provisions.

Section 201 of title II would establish, as an office of Congress, the Office of Congressional Legal Counsel to be headed by a Congressional Legal Counsel and a Deputy Congressional Legal Counsel, appointed by the President Pro Tempore of the Senate and the Speaker of the House of Representatives from among recommendations submitted by the majority and minority leaders in the Senate and the House of Representatives. It appears that the duties of the Congressional Legal Counsel would fall into the following three categories:

First. At the direction of Congress or the appropriate House, the Congressional Legal Counsel would defend Congress—this would include either House, an officer or agency, Member, committee, subcommittee, officer, or employee—in any civil action pending in any Federal, State, or local court in which such entity is a party defendant and in which the validity of an official congressional action is placed in issue. This would, I understand, include actions involving subpenas or orders.

Second. The Congressional Legal Counsel, at the direction of Congress or the appropriate House, could bring a civil action to enforce a subpena or order issued by Congress, a House of Congress, a committee, or subcommittee authorized to issue such subpena or order. A new section 1364 would be added to title 28 of the United States Code giving the U.S. District Court for the District of Columbia original jurisdiction over any civil action brought by Congress to enforce any subpena or order issued by Congress, a House of Congress, a committee, subcommittee, or joint committee of Congress.

Third. Another major duty of the Congressional Legal Counsel would be to intervene or to appear as amicus curiae, at the direction of Congress, in any legal action pending in any Federal, State, or local court in which the constitutionality of a law of the United States is challenged, the United States is a party, and the constitutionality of that statute is not adequately defended by counsel for the United States. An intervention or appearance as amicus curiae may also be directed when the pending case concerns the powers and responsibilities of Congress under article I of the Constitution.

It seems to me that serious constitutional questions accompany both the method of appointments of the proposed Congressional Legal Counsel and the threat inherent in S. 495 to the doctrine of separation of powers.

APPOINTMENT OF CONGRESSIONAL LEGAL COUNSEL

Under the bill the Counsel would be appointed by the Speaker of the House and the President Pro Tempore of the Senate from among recommendations submitted by the majority and minority leaders of the House of Representatives and the Senate. It would seem that the Counsel would be an officer of the United States and the Constitution does not authorize the appointment of officers of the United States in the manner envisaged by the bill.

Article II, section 2 of the Constitution provides that the President—

> * * * by and with the advice and consent of the Senate shall appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and *all other Officers* of the United States, whose Appointments are not herein otherwise provided for * * *; but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments. (Underscoring added).

It should be noted that this section relates to "all other officers of the United States," not merely the officers in the executive branch. It is well established that the judicial officers and many legislative officers, such as the Comptroller General, the Librarian of Congress, the Public Printer, and so forth, are appointed in accordance with the procedures established in this section.

The Congressional Legal Counsel would not come under any of the exceptions to article II. The method of appointment, that is, by the Speaker of the House and the President pro tempore of the Senate is not one of the means provided for in the final clause of section 2, namely, the President alone, the courts of law, or the heads of departments. Nor does the Constitution provide "otherwise" for the appointment of congressional officers. True, article I, section 2, clause 5 provides that the House of Representatives shall choose their Speaker and other officers, and article I, section 3, clause 5 provides similarly that the Senate shall choose "their other officers" that is, its officers other than Vice President. The Constitution, however, does not provide "otherwise" for the appointment of joint congressional officers. We believe that this was a deliberate omission and not an oversight. The Constitutional Convention deliberately split the legislative branch into two Houses lest it overwhelm the other two branches of the Government. As James Madison stated in the Federalist No. 51:

> In republican government the legislative authority, necessarily, predominates. The remedy for this inconveniency is, to divide the legislature into different branches; and to render them by different modes of election and different principles of action, as little connected with each other as the nature of their common functions and their common dependence on the society, will admit * * * As the weight of the legislative authority requires that it should be thus divided, the weakness of the executive branch may require * * * that it should be fortified.

Legislative precedent supports this conclusion. The principal joint congressional officers are appointed in this manner: The Comptroller General (31 U.S.C. 42); the Librarian of Congress (2 U.S.C. 136); and the Public Printer (44 U.S.C. 301) are appointed by the President by and with the advice and consent of the Senate; the Architect of the Capitol is appointed by the President alone (40 U.S.C. 162). Significantly, the Legislative Counsel appointed by the President pro tempore of the Senate and by the Speaker of the House of Representatives, respectively (2 U.S.C. 272), are officers of the House of which they have been appointed and not officers of Congress at large (2 U.S.C. 273, 276. See also Congressional Directory, 93d Cong., 2d Sess., pp. 418, 426.).

It follows that the Constitution does not provide "otherwise" for the appointment of congressional officers; hence, if the Congressional Legal Counsel is an officer he has to be appointed as provided for in article II, section 2—that is, by the President.

SEPARATION OF POWERS

Section 205(a)(1) of S. 495 authorizes the Congressional Legal Counsel to intervene or appear as amicus curiae in any legal action pending in any court of the United States or of a State in which the constitutionality of any law of the United States is challenged. As pointed out by the Department of Justice during hearings on S. 495, the intervention or appearance by the Congressional Legal Counsel as amicus merely because the constitutionality of a law is challenged is inextricably intertwined with the vindication of "public rights". The Supreme Court of the United States, in the recent decision in Buckley against Valeo, January 30, 1976, held, inter alia, that the "responsibility for conducting civil litigation in the courts of the United States for vindicating public rights" may only be discharged by "officers of the United States."

In his statement on S. 1384 before the Senate Separation of Powers Subcommittee in 1967, the late Prof. Alexander Bickel of Yale stated this encroachment problem convincingly:

> To be sure, appearances as amicus in behalf of Congress, such as are provided for by section 2(a)(4) in the version of the bill that I have seen, have been fairly customary where an interest of the Congress separable from that of the Executive, and not subsumed in the Executive's duty to take care that the laws are faithfully executed, is present. But I think it is constitutionally very dubious, and in any event quite unwise, to have Congress represented, either as amicus or of right, by its own lawyer in any case in which the validity or interpretation of an act of Congress is involved, as provided also by section 3(a).
>
> Enforcement of the law is part of its execution, and litigating its constitutionality or interpretation is part of its enforcement. I do not think Congress can take over or, as of right, share these functions. Section 2(a)(5) and 3(b) in the version that I have seen, providing that the Legislative Attorney General shall displace the Attorney General of the United States as counsel for any Member or officer of either House of Congress in defending any official action seem to me perhaps constitutionally more supportable, but also of dubious wisdom.
>
> What Congress does sorely need, it seems to me, by the name of Legislative Attorney General or any other name, is an officer whose duty it would be routinely to review actions of courts and of administrative agencies which lay bare, as they do by the dozen each year, points of policy either omitted or made insufficiently clear in existing legislation. Such an officer could take the initiative in starting up the legislative process to supply omissions in existing legislation, or to review questionable constructions of existing legislation. He could present Congress at each session with an agenda of necessary law revision. By thus systematically coordinating the work of Congress with that of the courts and of the administrative agencies, such an officer could vastly enhance the policy-making authority of Congress.

The argument that Congress should be represented in these legal proceedings is probably based upon the theory that since Congress makes the laws, it may also supervise the manner in which they are enforced and interpreted. This argument is not persuasive. Congress is restricted by principles of separation of powers to the enactment of legislation; the functions of executing and interpreting the laws are vested in executive and judiciary branches which must remain coequal with Congress.

My concerns are not limited to the proposed Congressional Legal Counsel intervening or appearing as amicus under section 205 where the constitutionality of any law of the United States is challenged. The same difficulties could also be raised as to the bringing of civil actions to enforce subpenas or orders under section 204 as well as defending Congress and its constituent parts in actions relating to orders or subpenas issued by or directed to Congress. The Supreme Court in *Buckley* v. *Valeo*, 44 L.W. 41668, suggested that legislative power may come to an end at the courtroom door.

The Court stated:

> The discretionary power to seek judicial relief . . . cannot possibly be regarded as merely in aid of the legislative function of Congress.

Accordingly, I must express strong reservations regarding any granting of litigative functions to a Congressional Legal Counsel who would certainly be a nonexecutive officer.

The institution of a Congressional Legal Counsel could well be of great use to Congress and I favor further consideration of such a proposal. But for reasons I have stated, I cannot support title II of S. 495 as reported to the Senate.

In sum, the provision in title II for an Office of Congressional Legal Counsel is unnecessary, and raises serious policy and constitutional problems.

The responsibility for representing individual Members of Congress and congressional entities in actions arising out of the discharge of official duty is vested in the Justice Department. In discharging this responsibilty, the Department has vigorously asserted congressional prerogatives such as the speech or debate clause. It is only in those cases where the Department has been presented with conflicts of interest that congressional representation has been declined. Such cases have been few, only five within the past 5 years. Since nonrepresentation because of conflicts is so rare, and since in those isolated cases, representation by private counsel is a readily available alternative, the more drastic remedy of permanent establishment of an Office of Congressional Legal Counsel seems unnecessary.

Moreover, there is an inevitable relationship between Government lawyering and law enforcement, which, as the Supreme Court recently reminded us again in Buckley against Valeo, is the exclusive responsibility of the Executive. This bill confers upon the Office of Congressional Legal Counsel a shared responsibility in some cases and exclusive responsibility in others, for legal representation in cases that would necessarily involve the faithful execution of the laws. The exclusive right of representation in cases covered by section 203 which could test the constitutionality of legislation effectively vests enforcement responsibility in such cases in the legislative rather than the executive branch.

For these reasons, it seems unnecessary, unwise, and of dubious constitutionality to establish a permanent congressional lawyering force with the kinds of law enforcement responsibilities conferred by title II of S. 495.

TITLE III

Mr. President, I find the provisions of title III of S. 495 distressing from both a policy and constitutional standpoint.

This title would lay bare on the public record virtually all of the financial holdings, liabilities, and transactions of Members of Congress, judges, high executive officials, and senior civil servants. The same information would also be required of their wives and dependents.

It should be noted, Mr. President, that this requirement is not limited to financial activity which is related to Government service such as honorariums or gifts which an individual may receive during the year. The requirement to disclose is not based upon some supposed area of criminal or ethical misconduct. Rather it is the blanket public disclosure of an individual's total financial situation which, in most cases, was developed prior to an individual's public career.

Mr. President, I contend that there will be a great number of people who will balk at this public financial undressing in public. It is difficult enough now to attract qualified people into the public service. This public disclosure will certainly not encourage any to enter such service who have any notion of or respect for the concept of privacy.

I can well imagine that there are those who do not wish to have their friends and neighbors know of their financial picture. There may be some men of ordinary means who have married rich women who would not wish to have such knowledge bantered about. Or there may be the public servant who has meager financial assets who would be embarrassed to make such a public disclosure.

It has been suggested also that some individuals who are heavily in debt may become the target of unscrupulous agents or groups who are attempting to advance their cause with the Government. I know that most of our public officials and civil servants would not fall for the temptations which may be offered, but I am not willing to make them exposed targets to such inducements and harassments.

Mr. President, the Supreme Court has for some time recognized the concept of privacy. I suggest that the provisions of title III, broad as they are, would invade the individual's right to privacy. As noted, the degree of disclosure is far beyond the financial activity which pertains to an individual's Government service. Although the Supreme Court has yet to directly address this question, the overbreadth of this provision, I am sure, if enacted, will be subject to litigation.

Mr. President, this Senator cannot argue with attempts to require the reporting of property which is gained by public officials by virtue of their governmental position. It is rather the overbreadth of the measure before us which disturbs me. A fine analysis of this question of overbreadth has been prepared by the Library of Congress. I ask unanimous consent, Mr. President, that portions of this document appear in the Record following my remarks.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Constitutional Issues Which May Arise In Bill Providing for Full Financial Disclosure by Federal Officials

This report discusses the constitutional issues which may arise in a law which requires the disclosure of personal finances of certain Federal officers and employees. . . .

RIGHT OF PRIVACY

The primary constitutional concern with respect to a scheme of personal financial disclosure by public officials is the possible intrusion upon the right of privacy of those individuals covered by the operation of the statute. Although not expressly stated within the Constitution, the Supreme Court has recognized a constitutional right of privacy of individuals in certain instances . . .

Although substantial arguments exist that a "fundamental" right of privacy is limited to intimate personal relationships, individual Justices of the Supreme Court have expressed concern over unwarranted governmental intrusions into an individual's expectation of financial privacy. Although refraining from categorizing the right to financial privacy as a "fundamental" right, Justices Powell and Blackmun, concurring in the Court's decision in *California Bankers Association* v. *Schultz*, 416 U.S. 21 (1974) which upheld a Federal provision requiring banks to report certain financial transactions of their customers thought to be engaged in illegal activities, presented considerations which may be used to contend that a zone of privacy in financial affairs emanates from First Amendment rights of association:

"A significant extension of the regulations' reporting requirements, however, would pose substantial and difficult constitutional questions for me. In their full reach, the reports apparently authorized by the open-ended language of the Act touch upon intimate areas of an individual's personal affairs. Financial transactions can reveal much about a person's activities, associations, and beliefs. At some point, governmental intrusion upon these areas would implicate legitimate expectations of privacy. Moreover, the potential for abuse is particularly acute where, as here, the legislative scheme permits access to this information without invocation of the judicial process. In such instances, the important responsibility for balancing societal and individual interests is left to unreviewed executive discretion, rather than the scrutiny of a neutral magistrate." (416 U.S. at 78)

In at least one instance, a State Supreme Court has applied the concept of a constitutional right of privacy to an individual's financial affairs, based primarily upon considerations of the Fourth Amendment. In the case of *Carmel-by-the-Sea* v. *Young*, 466 P. 2d 225 (Calif. 1970) the California Supreme Court overturned its State's financial disclosure law as an overbroad intrusion into an official's right of financial privacy:

"In any event we are satisfied that the protection of one's personal financial affairs and those of his (or her) spouse and children against compulsory public disclosure is an aspect of the zone of privacy which is protected by the Fourth Amendment and which also falls within that penumbra of constitutional rights into which the government may not intrude absent a showing of compelling need and that the intrusion is not overly broad." (466 P. 2d at 231–232) . . .

OVERBREADTH

It is generally required of statutes which may affect personal rights, even though the State may demonstrate a legitimate or even a compelling interest in the regulation, that the regulation "may not be achieved by means which sweep unnecessarily broadly and thereby invade the area of protected freedoms" (*NAACP* v. *Alabama*, 377 U.S. 288, 307 (1964)). For a statute such as the one in question, this standard may require that the information which is required to be disclosed must bear "a reasonable relationship to the achievement of the governmental purpose asserted as its justification" (*Bates* v. *Little Rock*, 361 U.S. 516, 525 (1960). In a case dealing with rights which the Court held were fundamental First Amendment Rights, it stated that "it is an essential prerequisite . . . that the State convincingly show a substantial relation between the information sought and a subject of overriding and compelling State interest" (*Gibson* v. *Florida Legislative Investigating Committee*, 372 U.S. 539, 546 (1963).

This question of overbreadth was the primary concern of the California Supreme Court when it overturned its State's financial disclosure provision in the 1970 *Carmel-by-the-Sea case:*

"No effort is made to relate the disclosure to financial dealings or assets which might be expected to give rise to a conflict of interest; that is, to those having some rational connection with or bearing upon, or which might be affected by, the functions or jurisdiction of any particular agency, whether State or local, or on the functions or jurisdiction of any particular public officer or employee. Instead, the statute directs that *every* public officer and *each* candidate shall file as a *public record*, 'a statement describing the nature and extent of his investments' and those 'owned by either spouse or by a minor child thereof,' if 'such investment is in excess of' $10,000, excepting only a home and real property used primarily for personal or recreational purposes." (466 P. 2d at 232).

Thus, the Supreme Court of California concluded:

"We are satisfied that in light of the principles applicable to the constitutional rights here involved, no overriding necessity has been established which would justify sustaining a statute having the broad sweep of the one now before us, which, as stated, would intrude alike into the relevant and the irrelevant private financial affairs of the numerous public officials and employees covered by the statute and is not limited to only such holdings as might be affected by the duties or functions of a particular public office." (466 P. 2d at 234.)

Mr. HRUSKA. Mr. President, by way of summary, I want to say again that all of us are interested in a proper statutory provision for effecting reforms and effecting such status as will result in an improved public image of the Congress, of the executive branch, and of the judiciary.

However, in the processing of this bill up to this point I do not see in it that degree of study, that degree of analysis, that degree of exploration in depth of the fundamental issues which such legislation raises.

Too often the Congress reacts to events by passing so-called good-government legislation which due to the passion of the day has not been given careful scrutiny that is our obligation to the American people. During these times, it is often politically difficult for a Member of this body to oppose such legislation. This is, of course, especially true in an election year. The undisputed fact remains, however, that bad legislation is still bad legislation.

Mr. President, it is common knowledge that I have chosen not to seek reelection to the Senate. I have, therefore, no vested interest in this legislation as I will not be directly affected by it. I oppose it on the principle that this great body which I have grown to cherish will be making a serious mistake and will come to regret it.

Mr. President, as I earlier indicated, it is my intention to vote against S. 495. My reasons are clear. I believe the bill is unconstitutional and I believe the courts will declare it so.

I yield the floor, Mr. President.

EXHIBIT 1

TEXT OF A LETTER FROM THE PRESIDENT TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE

JULY 19, 1976.

DEAR MR. SPEAKER: (DEAR MR. PRESIDENT:) One of the foremost objectives of my Administration has been to restore public faith and trust in the integrity of all three branches of our government, the executive, the legislative and the judicial. Much progress has been made, but we must take additonal steps to insure that public concerns are fully satisfied.

The Senate now has before it a bill, S. 495, which could serve these important objectives. However, as drafted, S. 495 contains serious Constitutional and practical problems, and it is so narrowly drawn that it does not fairly and adequately meet the objectives of such legislation.

I am writing to you today to propose a substitute to S. 495 that would correct the Constitutional deficiencies in the bill and would also expand its scope so that it would apply in equal force to the President, the Vice President, major appointees of the Federal government, and members of the Congress of the United States. I believe this new bill represents a sound, constructive approach and I would urge its adoption by the Congress.

In its current form, S. 495 provides for the appointment of temporary special prosecutors to deal with allegations of wrongdoing by key members of the government. The proposed legislation also would establish the Office of Congressional Legal Counsel to represent Congress before the Courts, and it provides for public financial disclosure by high level personnel in the government.

While I strongly support the principles underlying this legislation, I am especially concerned about three particular aspects of the bill in its present form:

"Title I, which provides for a series of different independent and special prosecutors for separate cases of alleged wrongdoing, is of highly questionable constitutionality because it would invest in the judiciary the power to review the role of the Attorney General in conducting prosecutions and the power to appoint special prosecutors not subject to Executive direction. To grant the judiciary such authority is contrary to the fundamental principles of separation of powers. Moreover, S. 495 requires the appointment of a different special prosecutor for each case, all on an *ad hoc* basis. The Department of Justice estimates if S. 495 were now law, approximately half a dozen special prosecutors would have to be appointed, and close to 50 other matters possibly requiring appoinment would be under advisement by a special court. This extraordinary result of the present bill would almost certainly produce inconsistency and inequity of prosecutorial action. I must also point out that Title I would not require direct referral to a special prosecutor of allegations of wrongdoing by most members of Congress, while it would require referral for all high level officers of the executive branch. I do not believe that such difference in treatment should be allowed to exist if public confidence in the government is to be maintained."

"Title II attempts to preempt certain law enforcement powers accorded to the President by the Constitution and vest them in the Congress.

"Title III, requiring financial disclosure by numerous government officers and employees, allows certain loopholes in reporting procedures, and has certain other deficiencies."

To remedy these defects, while advancing the principles of accountability by officers and employees in all three branches of the Federal government, I am transmitting today a substitute for S. 495. I urge the Senate to consider my modifications in proposals at the same time it considers S. 495. I also urge the House Judiciary Committee to consider my proposal at the time of its initial hearings on this matter later this week.

The highlights of my proposed legislation to maintain the public's confidence in the integrity of our government are as follows:

TITLE I—REORGANIZATION OF THE DEPARTMENT OF JUSTICE

To avoid the problems in Title I, my legislative proposal would establish a permanent Office of Special Prosecutor to investigate and prosecute criminal wrongdoing committed by high level government officials. The Special Prosecutor would be appointed by the President, by and with the advice and consent of the Senate, for a single three-year term. Individuals who hold a high level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of a candidate for any elective Federal office would be ineligible for appointment. The bill would sanction removal of the Special Prosecutor only for extraordinary improprieties and in the event of removal, the President would be required to submit to the Committees on the Judiciary a report describing with particularity the grounds for such action.

Any allegation of criminal wrongdoing concerning the President, Vice President, members of Congress, or persons compensated at the rate of Level I or II of the Executive Schedule would be referred directly to the Special Prosecutor for investigation and, if warranted, prosecution. The Attorney General could refer to the Special Prosecutor any other allegation involving a violation of criminal law whenever he found that it was in the best interest of the administration of justice. The Special Prosecutor could, however, decline to accept the referral of any allegation. In that event, the allegation would be investigated by the Department of Justice.

The Special Prosecutor would have plenary authority to investigate and prosecute matters within his jurisdiction, including the authority to appeal adverse judicial rulings. However, in the event of a disagreement with the Special Prosecutor on an issue of law, the Attorney General would be free to present his position to the court before which the prosecution or appeal is lodged.

My proposal would also institutionalize, by statute, the investigation and prosecution of violations of law by government officials and employees which do not fall within the jurisdiction of the Special Prosecutor. Title I would also establish by statute a Section on Government Crimes and an Office of Professional Responsibility within the Department of Justice.

TITLE II—CONGRESSIONAL LEGAL COUNSEL

I have also proposed a revised Title II that creates an Office of Congressional Legal Counsel and assigns the powers and duties of that Office. Like S. 495, this proposal gives Congress the legal assistance necessary to the proper discharge of its functions, but it does so in a manner consistent with the Constitution of the United States. Under my proposal, when the Attorney General certifies that he cannot represent Congress or a congressional entity, Congress or the appropriate house of Congress may direct the Congressional Legal Counsel to defend any legal action, enforce subpoenas, bring described civil actions, intervene in cases or appear as amicus curiae to defend the constitutionality of any law of the United States or the powers and responsibilities of Congress. Congressional Legal Counsel may request grants of immunity under the Organized Crime Control Act of 1970.

In all of these matters, my proposal like S. 495, provides for exclusive congressional control and direction of the activities of the Congressional Legal Counsel.

TITLE III—GOVERNMENT PERSONNEL FINANCIAL DISCLOSURE REQUIREMENTS

My proposed bill recognizes and protects the public's right to be assured that public officials, regardless of which branch of government they serve in, disclose personal financial matters which could give rise to a conflict of interest in the performance of their official duties.

My proposal would require Federal public officers and employees to file financial reports with a designated office in their branch of government. In addition, public disclosure would be made of the financial statements of (i) all elected officials, (ii) high ranking officers or employees appointed by such officials, (iii) significant policy making and confidential employees, and (iv) other employees compensated at the rate of GS 16 or above (but not those in competitive civil service or who, save for certain legal exemptions, would be in the competitive civil service). My proposed legislation would also give the Comptroller General oversight authority to audit such statements as well as the authority to make findings of a conflict of interest and if the problem is not corrected, to make those findings public. Thus, the public's right to have accountability from public officers and employees is doubly protected: first, by the executive, legislative or judicial branch office with which reports are filed, and secondly, by the Comptroller General.

In addition, my proposal would close certain loopholes contained in the current Senate bill. For example, the present proposal requires the reporting of any item received in kind whose fair market value "for such item" exceeds $500. Such provision would allow a series of gifts from the same source, each valued at less than $500 to go unreported. Under my proposed legislation such gifts would be aggregated and hence require reporting. Moreover, my proposal would make clear that while property owned for personal use, such as the family home, furniture, jewelry, the family car, etc., need not be inventoried in disclosure forms, property of a business or investment nature must be reported. Assets unknown to the individual because they are held in a bona fide "blind trust" need not be identified, but the trust interest must be disclosed.

I believe these provisions better serve the public interest than those contained in S. 495. Therefore, I urge the Congress to give prompt and favorable consideration to my proposal.

Sincerely,

GERALD R. FORD.

TITLE I—AMENDMENTS TO TITLE 28, UNITED STATES CODE

REORGANIZATION OF THE DEPARTMENT OF JUSTICE

Sec. 101(a) Title 28, United States Code, is amended by adding after chapter 37 the following new chapter:

Chapter 39—Appointment of Special Prosecutor and Establishment of Government Crimes Section and Office of Professional Responsibility

§ 591. SPECIAL PROSECUTOR: APPOINTMENT AND REMOVAL

(a) There is established within the Department of Justice an Office of Special Prosecutor which shall be headed by a Special Prosecutor appointed by the President, by and with the advice and consent of the Senate.

(b) The Special Prosecutor shall be appointed for a term of three years and shall be compensated at a rate provided for level IV of the Executive Schedule under section 5315 of Title 5, United States Code. No person shall serve as Special Prosecutor for more than a single term.

(c) A person shall not be appointed Special Prosecutor if he has at any time during the five years preceding such appointment held a high level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of, a candidate for any elective Federal office. This provision shall not, however, form the basis for any challenge of the legitimacy of a Special Prosecutor or the validity of any of his actions, once he has been appointed.

(d) The grounds for removal of a Special Prosecutor should be, and to the maximum extent permitted by the Constitution shall be, limited to those which constitute extraordinary impropriety. In the event of any removal, the President shall promptly submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report describing with particularity the grounds for such action.

§ 592. JURISDICTION

(a) There shall be referred to the Special Prosecutor for investigation and, if warranted, prosecution all information, allegations or complaints indicating a possible violation of Federal criminal law by a person who holds or who at the time of such possible violation held any of the following positions in the Federal Government: (i) President, Vice President, Attorney General, or Director of the Federal Bureau of Investigation; (ii) any position compensated at a rate equal to level I or level II of the Executive Schedule under sections 5312 or 5313 of Title 5, United States Code; or (iii) Member of Congress.

(b) When the Attorney General determines that it is in the interest of the administration of justice, he may refer any other matter which he deems appropriate to the Special Prosecutor for investigation and, if warranted, prosecution.

(c) The Special Prosecutor may in his discretion decline to accept referrals under subsection (b) of this section. The Special Prosecutor may decline to assert jurisdiction under subsection (a) of this section when the matter over which he has jurisdiction is a peripheral or incidental part of an investigation or prosecution already being conducted elsewhere in the Department of Justice, or when for some other reason he determines it would be in the interest of the administration of justice to permit the matter to be handled elsewhere in the Department: *Provided, however,* That any such declination shall be accompanied by the establishment of such procedures as the Special Prosecutor considers necessary and appropriate to keep him informed of the progress of the investigation or prosecution as it relates to such matter; *And provided further,* That the Special Prosecutor may at any time assume responsibility for investigation and prosecution of such matter.

§ 593. AUTHORITY

(a) As to the matters described in section 592 of this Chapter for which he has assumed responsibility, the Special Prosecutor shall have authority (1) to conduct proceedings before grand juries and other investigations he deems necessary; (2) to review all documentary evidence available to the Department of Justice from any source, to which he shall have full access; (3) to determine whether or not to contest the assertion of Executive Privilege and any other testimonial privilege; (4) to determine whether or not application should be made to any Federal court for a grant of immunity to any witness, consistently with applicable statutory requirements, or for warrants, subpoenas, or other court orders; (5) to decide whether or not to prosecute any individual, firm, corporation or group of individuals; (6) to initiate and conduct prosecutions, frame indictments, file information, and handle all aspects of any cases within his jurisdiction, including any appeals; (7) to coordinate and direct the activities of all Department of Justice personnel, including United States Attorneys; (8) to deal with, appear before, and provide information to Congressional committees having jurisdiction over any aspect of the above matters.

(b) In exercising his authority hereunder, the Special Prosecutor shall not be subject to the direction or control of the Attorney General, except as to those matters which by statute specifically require the Attorney General's personal action, approval, or concurrence; provided, however, that nothing in this chapter shall prevent the Attorney General or the Solicitor General from presenting to any court views of the United States as to issues of law raised by any case or appeal.

§ 594. SECTION ON GOVERNMENT CRIMES

(a) There is established within the Criminal Division of the Department of Justice a Section on Government Crimes, which shall be headed by a Director appointed by the Attorney General. The Director shall be subordinate to the Assistant Attorney General for the Criminal Division, but shall also report directly to the Attorney General on a regular basis and when he deems it necessary.

(b) A person shall not be appointed Director of the Section on Government Crimes if he has at any time during the five years preceding such appointment held a high level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of, a candidate for any elective Federal office. This provision shall not, however, form the basis for any challenge of the legitimacy of a Director or the validity of any of his actions, once he has been appointed.

§ 595. JURISDICTION

(a) The Attorney General shall, except as to matters referred to the Special Prosecutor pursuant to section 592 of this Chapter, delegate to the Section on Government Crimes jurisdiction of (1) criminal violations of Federal law committed by any elected or appointed Federal Government officer, employee or special employee (other than members of the military) related directly or indirectly to his government position, employment, or compensation; (2) criminal violations of Federal laws relating to lobbying, campaigns, and election to public office committed by any person except insofar as such violations relate to matters involving discrimination or intimidation on the grounds of race, color, religion or national origin; and (3) such other matters as the Attorney General may deem appropriate.

(b) Jurisdiction delegated to the Section on Government Crimes pursuant to subsection (a) of this subsection may be concurrently delegated by the Attorney General to, or concurrently reside in, the United States Attorneys or other units of the Department of Justice. This section shall not limit any authority conferred upon the Attorney General, the Federal Bureau of Investigation, or any other department or agency of government to investigate any matter.

§ 596. REPORTING

At the beginning of each regular session of the Congress, the Attorney General shall report to the Congress on the activities and operation of the Section on Government Crimes for the preceding fiscal year.

Such report shall specify the number and type of investigations and prosecutions subject to the jurisdiction of such unit and the disposition thereof but shall not include any information which would impair an ongoing investigation, prosecution, or proceeding, or which the Attorney General determines would constitute an improper invasion of personal privacy.

§ 597. OFFICE OF PROFESSIONAL RESPONSIBILITY

There is established within the Department of Justice an Office of Professional Responsibility, which shall be headed by a Counsel on Special Responsibility appointed by the Attorney General. The Counsel shall be subject to the general supervision and direction of the Attorney General, and shall report directly to the Attorney General or, in appropriate cases, to the Deputy Attorney General or the Solicitor General.

§ 598. FUNCTIONS

(a) Except as to matters which are to be referred to the Special Prosecutor under Section 592 of this Chapter, the Counsel on Professional Responsibility shall be responsible for reviewing any information or allegation presented to him concerning conduct by an employee of the Department of Justice that may be in violation of law, of Department Regulations or orders, or of applicable standards of conduct, and shall undertake a preliminary investigation to determine what further steps should be taken. On the basis of such investigation the Counsel shall refer the matter to the appropriate unit within the Department or shall recommend to the Attorney General or, in appropriate cases, to the Deputy Attorney General or Solicitor General, what other action, if any should be taken. The Counsel shall undertake such other responsibilities as the Attorney General may direct.

(b) Nothing in this section shall derogate from the authority of internal inspection units of the Department of Justice and the heads of other units to receive, investigate and act upon information or allegations concerning unlawful or improper conduct.

TITLE II—CONGRESSIONAL LEGAL COUNSEL

ESTABLISHMENT OF OFFICE OF CONGRESSIONAL LEGAL COUNSEL

SEC. 201. (a)(1) There is established, as an office of the Congress, the Office of Congressional Legal Counsel (hereinafter referred to as the "Office"), which shall be headed by a Congressional Legal Counsel; and there shall be a Deputy Congressional Legal Counsel who shall perform such duties as may be assigned to him by the Congressional Legal Counsel and, during any absence, disability, or vacancy in the office of the Congressional Legal Counsel, the Deputy Congressional Legal Counsel shall serve as Acting Congressional Legal Counsel.

(2) The Congressional Legal Counsel and the Deputy Congressional Legal Counsel each shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives from among recommendations submitted by the majority and minority leaders of the Senate and the House of Representatives. Any appointment made under this subsection shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office. Any person appointed as Congressional Legal Counsel or Deputy Congressional Legal Counsel shall be learned in the law, a member of the bar of a State or the District of Columbia, and shall not engage in any other business, vocation, or employment during the term of such appointment.

(3)(A) Any appointment made under this subsection shall become effective upon approval, by concurrent resolution, of the Senate and the House of Representatives. The Congressional Legal Counsel and the Deputy Congressional Legal Counsel shall each be appointed for a term which shall expire at the end of the Congress following the Congress during which the Congressional Legal Counsel is appointed except that the Congress may, by concurrent resolution, remove either the Congressional Legal Counsel or the Deputy Congressional Legal Counsel prior to the termination of his term of office. The Congressional Legal Counsel and the Deputy Congressional Legal Counsel may be reappointed at the termination of any term of office.

(B) The first Congressional Legal Counsel and the first Deputy Congressional Legal Counsel shall be appointed and take office within ninety days after the enactment of this title, and thereafter the Counsel shall be appointed and take office within thirty days after the beginning of the session of Congress immediately following the termination of the Congressional Legal Counsel's term of office.

(4) The Congressional Legal Counsel shall receive compensation at a per annum gross rate equal to the rate of basic pay for level III of the Executive Schedule under section 5314 of title 5, United States Code. The Deputy Congressional Legal Counsel shall receive compensation at a per annum gross rate equal to the rate of basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b)(1) The Congressional Legal Counsel shall appoint and fix the compensation of such Assistant Congressional Legal Counsels and of such other personnel as may be necessary to carry out the provisions of this title and may prescribe the duties and responsibilities of such personnel. Any appointment made under this subsection shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office. Any person appointed as Assistant Congressional Legal Counsel shall be learned in the law, a member of the bar of a State or the District of Columbia, and shall not engage in any other business, vocation, or employment during the term of such appointment. All such employees shall serve at the pleasure of the Congressional Legal Counsel.

(2) For purpose of pay (other than pay of the Congressional Legal Counsel and Deputy Congressional Legal Counsel) and employment benefits, rights, and privileges, all personnel of the Office shall be treated as if they were employees of the Senate.

(c) In carrying out the functions of the Office, the Congressional Legal Counsel may procure the temporary (not to exceed one year) or intermittent services of individual consultants (including outside counsel), or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72(a)(i)).

(d) The Congressional Legal Counsel may establish such procedures as may be necessary to carry out the provisions of this title.

(e) The Congressional Legal Counsel may delegate authority for the performance of any function imposed by this Act except any function imposed upon the Congressional Legal Counsel under section 203(d)(2) of this title.

DUTIES AND FUNCTIONS

SEC. 202. (a) Whenever the Joint Committee on Congressional Operations (hereinafter referred to in this title as the "Joint Committee") is performing any of the responsibilities set forth in subsection (b), the Speaker of the House of Representatives, the majority and minority leaders of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate shall be ex officio members of the Joint Committee.

(b) The Joint Committee shall—

(1) oversee the activities of the Office of Congressional Legal Counsel, including but not limited to, consulting with the Congressional Legal Counsel with respect to the conduct of litigation in which the Congressional Legal Counsel is involved;

(2) pursuant to section 207 of this title, recommend the appropriate action to be taken in resolution of a conflict or inconsistency;

(3) pursuant to section 203(d)(2), cause the publication in the Congressional Record of the notification required of the Congressional Legal Counsel under that section.

(c)(1) Whenever the Congress is not in session, the Joint Committee may, in accordance with the provisions in section 203 (b)(2), authorize the Congressional Legal Counsel to undertake its responsibilities under section 203(a) in the absence of an appropriate resolution for a period not to exceed ten days after the Congress or the appropriate House of Congress reconvenes.

(2) The Joint Committee may poll its members by telephone in order to conduct a vote under this subsection.

LEGAL ACTIONS INSTITUTED OR DEFENDED BY THE CONGRESSIONAL LEGAL COUNCIL

SEC. 203. Upon written certification by the Attorney General declining to provide legal representation in matters described in this section, the Congressional Legal Counsel, at the direction of Congress or the appropriate House of Congress shall—

(a)(1) defend Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or any Member, officer, or employee of a House of Congress in any civil action pending in any court of the United States or of a State or political subdivision thereof in which Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency is made a party defendant and in which there is placed in issue the validity of any proceeding of, or action, including issuance of any subpena or order, taken by Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency; or

(2) defend Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or a Member, officer, or employee of a House of Congress in any civil action pending in any court of the United States or of a State or political subdivision thereof with respect to any subpena or order directed to Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency.

(b)(1) Representation of a Member, officer, or employee under section 203(a) shall be undertaken by the Congressional Legal Counsel only upon the consent of such Member, officer, or employee. The resolution directing the Congressional Legal Counsel to represent a Member, officer, or employee may limit such representation to constitutional issues relating to the powers and responsibilities of Congress.

(2) The Congressional Legal Counsel may undertake its responsibilities under subsection (a) in the absence of an appropriate resolution by the Congress or by one House of the Congress if—

(A) Congress or the appropriate House of Congress is not in session;

(B) the interest to be represented would be prejudiced by a delay in representation; and

(C) the Joint Committee authorizes the Congressional Legal Counsel to proceed in its representation as provided under section 202.

(c)(1) The Congressional Legal Counsel, at the direction of Congress or the appropriate House of Congress, shall bring a civil action under any statute conferring jurisdiction on any court of the United States to enforce, or issue a declaratory judgment concerning the validity of any subpena or order issued by Congress, or a House of Congress, a committee, or a subcommittee of a committee authorized to issue a subpena or order.

(2) Nothing in subsection (a) shall limit the discretion of—

(A) the President pro tempore of the Senate or the Speaker of the House of Representatives in certifying to the United States Attorney for the District of Columbia any matter pursuant to section 104 of the Revised Statutes (2 U.S.C. 194); or

(B) either House of Congress to hold any individual or entity in contempt of such House of Congress.

(d)(1) The Congressional Legal Counsel, at the direction of Congress, shall intervene or appear as amicus curiae in any legal action pending in any court of the United States or of a State or political subdivision thereof in which—

(A) the constitutionality of any law of the United States is challenged and the United States is a party; or

(B) the powers and responsibilities of Congress under article I of the Constitution of the United States are placed in issue.

(2) The Congressional Legal Counsel shall notify the Joint Committee of any legal action in which the Congressional Legal Counsel is of the opinion that intervention or appearance as amicus curiae by Congress is necessary to carry out the purposes of this sction. Such notification shall contain a description of the legal proceeding together with the reasons that the Congressional Legal Counsel is of the opinion that Congress should intervene or appear as amicus curiae. The Joint Committee shall cause said notification to be published in the Congressional Record for the Senate and House of Representatives.

IMMUNITY PROCEEDINGS

SEC. 204. The Congressional Legal Counsel, at the direction of the appropriate House of Congress or any committee of Congress, shall serve as the duly authorized representative of such House or committee in requesting a United States district court to issue an order granting immunity pursuant to section 201(a) of the Organized Crime Control Act of 1970 (18 U.S.C. 6005).

ADVISORY AND OTHER FUNCTIONS

SEC. 205. (a) The Congressional Legal Counsel shall advise, consult, and cooperate—

(1) with the United States Attorney for the District of Columbia with respect to any criminal proceeding for contempt of Congress certified pursuant to section 104 of the Revised Statutes (2 U.S.C. 194);

(2) with the Joint Committee on Congressional Operations in identifying any court proceeding or action which is of vital interest to Congress or to either House of Congress under section 402(a)(2) of the Legislative Reorganization Act of 1970 (2 U.S.C. 412 (a)(2));

(3) with the Comptroller General, General Accounting Office, the Office of Legislative Counsel of the Senate, the Office of the Legislative Counsel of the House of Representatives, and the Congressional Research Service, except that none of the responsibilities and authority granted by this title to the Congressional Legal Counsel shall be construed to affect or infringe upon any functions, powers, or duties of the Comptroller General of the United States;

(4) with any Member, officer, or employee of Congress not represented under section 203 with regard to obtaining private legal counsel for such Member, officer, or employee;

(5) with the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Parliamentarians of the Senate and House of Representatives regarding any subpena, order, or request for withdrawal of papers presented to the Senate and House of Representatives or which raises a question of the privileges of the Senate or House of Representatives; and

(6) with any committee or subcommittee in promulgating and revising their rules and procedures for the use of congressional investigative powers and questions which may arise in the course of any investigation.

(b) The Congressional Legal Counsel shall compile and maintain legal research files of materials from court proceedings which have involved Congress, a House of Congress, an office or agency of Congress, or any committee, subcommittee, Member, officer, or employee of Congress. Public court papers and other research memoranda which do not contain information of a confidential or privileged nature shall be made available to the public consistent with any applicable procedures set forth in such rules of the Senate and House of Representatives as may apply and the interests of Congress.

(c) The Congressional Legal Counsel shall perform such other duties consistent with the purposes and limitations of this title as the Congress may direct.

DEFENSE OF CERTAIN CONSTITUTIONAL POWERS

SEC. 206. In performing any function under section 203, the Congressional Legal Counsel shall defend vigorously when placed in issue—

(1) the constitutional privilege from arrest or from being questioned in any other place for any speech or debate under section 6 of article I of the Constitution of the United States;

(2) the constitutional power of each House of Congress to be judge of the elections, returns, and qualifications of its own Members and to punish or expel a Member under section 5 of article I of the Constitution of the United States;

(3) the constitutional power of each House of Congress to except from publication such parts of its journal as in its judgment may require secrecy;

(4) the constitutional power of each House of Congress to determine the rules of its proceedings;

(5) the constitutional power of Congress to make all laws as shall be necessary and proper for carrying into execution the constitutional powers of Congress and all other powers vested by the Constitution in the Government of the United States, or in any department or office thereof;

(6) all other constitutional powers and responsibilities of Congress; and

(7) the constitutionality of statutes enacted by Congress.

CONFLICT OR INCONSISTENCY

SEC. 207. (a) In the carrying out of the provisions of this title, the Congressional Legal Counsel shall notify the Joint Committee and any party represented or entitled to representation under this title, of the existence and nature of any conflict or inconsistency between the representation of such party and the carrying out of any other provisions of this title, or compliance with professional standards and responsibilities.

(b) Upon receipt of such notification, the Joint Committee shall recommend the action to be taken to avoid or resolve the conflict or inconsistency. The Joint Committee shall cause the notification of conflict or inconsistency and the Joint Committee's recommendation with respect to resolution thereof to be published in the Congressional Record of the appropriate House or Houses of Congress. If Congress or the appropriate House of Congress does not direct the Joint Committee within fifteen days from the date of publication in the Record to resolve the conflict in another manner, the Congressional Legal Counsel shall take such action as may be necessary to resolve the conflict or inconsistency as recommended by the Joint Committee. Any instruction or determination made pursuant to this subsection shall not be reviewable in any court of law.

(c) The appropriate House of Congress may by resolution authorize the reimbursement of any Member, officer, or employee who is not represented by the Congressional Legal Counsel as a result of the operation of subsection (b) or who declines to be represented pursuant to section 203(b) for costs reasonably incurred in obtaining representation. Such reimbursement shall be from funds appropriated to the contingent fund of the appropriate House.

PROCEDURE FOR DIRECTION OF CONGRESSIONAL LEGAL COUNSEL

SEC. 208.(a) Directives made pursuant to sections 203 (a), (c)(1), (d)(1), and 204, of this title shall be made as follows:

(e)(1) Directives made by Congress pursuant to section 203(a), (c)(1), and (d)(1) of this title shall be authorized by a concurrent resolution of Congress.

(2) Directives made by either House of Congress pursuant to sections 203(a), (c)(1), and 204 of this title shall be authorized by passage of a resolution of such House.

(3) Directives made by a committee of Congress pursuant to section 204 of this title shall be in writing and approved by an affirmative vote of two-thirds of the members of the full committee.

(b)(1) A resoluion or concurrent resolution introduced pursuant to subsection (a) shall not be referred to a committee, except as otherwise required under subsection (c) (1). Upon introduction or when reported as required under subsection (c)(2), it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution or concurrent resolution. A motion to proceed to the consideration of a resolution or concurrent resolution shall be highly privileged and not debatable. An amendment to such motion shall not be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) If the motion to proceed to the consideration of the resolution or concurrent resolution is agreed to, debate thereon shall be limited to not more than five hours, which shall be divided equally between, and controlled by, those favoring and those opposing the resolution or concurrent resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution or concurrent resolution shall be in order, except an amendment pursuant to section 203(b) to limit representation by the Congressional Legal Counsel to constitutional issues relating to the powers and responsibilities of Congress. No motion to recommit the resolution or concurrent resolution shall be in order, and it shall not be in order to reconsider the vote by which the resolution or concurrent resolution is agreed to or disagreed to.

(3) Motions to postpone, made with respect to the consideration of the resolution or concurrent resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to the resolution or concurrent resolution shall be decided without debate.

(c) It shall not be in order in the Senate or House of Representatives to consider a resolution to direct the Congressional Legal Counsel to bring a civil action pursuant to section 203(c)(1) to enforce or secure a declaratory judgment concerning the validity of a subpena or order issued by a committee or subcommittee unless (1) such resolution is reported by a majority vote of the members of such committee or committee of which such subcommittee is a subcommittee, and (2) the report filed by such committee or committee of which such subcommittee is a subcommittee contains a statement of—

(A) the procedure followed in issuing such subpena;

(B) the extent to which the party subpenaed has complied with such subpena;

(C) any objections or privileges raised by the subpenaed party; and

(D) the comparative effectiveness of bringing a civil action to enforce the subpena, certification of a criminal action for contempt of Congress, and initiating a contempt proceeding before a House of Congress.

(d) The extent to which a report filed pursuant to subsection (c)(2) is in compliance with such subsection shall not be reviewable in any court of law.

(e) For purposes of the computation of time in sections 202(c)(1) and 207(b)—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period.

(f) For purposes of this title, when referred to herein, the term "committee" shall include standing, select, special, or joint committees established by law or resolution and the Techology Assessment Board.

(g) The provisions of this section are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and, as such, they shall be considered as part of the rules of each House, respectively, and such rules shall supersede any other rule of each House only to the

extent that rule is inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(h) Any directive to the Congressional Legal Counsel to bring a civil action pursuant to section 203(c) (1) of this title in the name of a committee, or subcommittee of Congress shall constitute authorization for such committee, or subcommittee to bring such action within the meaning of any statute conferring jurisdiction on any court of the United States.

PROCEDURAL PROVISIONS

SEC. 209. (a) Permission to intervene as a party or to file a brief amicus curiae under section 203(d) of this title shall be of right and may be denied by a court only upon an express finding that such intervention or filing is untimely and would significantly delay the pending action.

(b) The Congressional Legal Counsel, the Deputy Congressional Legal Counsel or any designated Assistant Congressional Legal Counsel, shall be entitled, for the purpose of performing his functions under this title, to enter an appearance in any such proceeding before any court of the United States without compliance with any requirement for admission to practice before such court, except that the authorization conferred by this paragraph shall not apply with respect to the admission of any person to practice before the United States Supreme Court.

(c) Nothing in this title shall be construed to confer standing on any party seeking to bring, or jurisdiction on any court with respect to, any civil or criminal action against Congress, either House of Congress, a Member of Congress, a committee or subcommittee of Congress, or any officer, employee, office, or agency of Congress.

(d) In any civil action brought pursuant to section 203(c) of this title, the court shall assign the case for hearing at the earliest practicable date and cause the case in every way to be expedited. Any appeal or petition for review from any order or judgment in such action shall be expedited in the same manner.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 210. (a) Section 3210 of title 39, United States Code, is amended—

(1) by striking out "and the Legislative Counsels of the House of Representatives and the Senate" in subsection (b) (1) and inserting in lieu thereof "the Legislative Counsels of the House of Representatives and the Senate, and the Congressional Legal Counsel"; and

(2) by striking out "or the Legislative Counsel of the House of Representatives or the Senate" in subsection (b) (2) and inserting in lieu thereof "the Legislative Counsel of the House of Representatives or the Senate, or the Congressional Legal Counsel".

(b) Section 3216(a) (1) (A) of such title is amended by striking out "and the Legislative Counsels of the House of Representatives and the Senate" and inserting in lieu thereof "the Legislative Counsels of the House of Representatives and the Senate, and the Congressional Legal Counsel".

(c) Section 3219 of such title is amended by striking out "or the Legislative Counsel of the House of Representatives or the Senate" and inserting in lieu thereof "the Legislative Counsel of the House of Representatives or the Senate, or the Congressional Legal Counsel".

(d) Section 8 of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and sixty-six, and for other purposes", approved March 3, 1875, as amended (2 U.S.C. 118), is repealed.

SEPARABILITY

SEC. 211. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 212. There are authorized to be appropriated for each fiscal year through October 30, 1981, such sums as may be necessary to carry out the provisions of this title. Amounts so appropriated shall be disbursed by the Secretary of the Senate upon vouchers signed by the Congressional Legal Counsel, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

TITLE III—GOVERNMENT PERSONNEL: FINANCIAL DISCLOSURE REQUIREMENTS

DEFINITIONS

SEC. 301. As used in this title—

(1) the term "agency" means each authority of the Government of the United States;

(2) the term "commodity future" means commodity future as defined in sections 2 and 5 of the Commodity Exchange Act, as amended (7 U.S.C. 2 and 5);

(3) the term "Comptroller General" means the Comptroller General of the United States;

(4) the term "dependent" means dependent as defined in section 152 of the Internal Revenue Code of 1954;

(5) the term "employee" includes any employee designated under section 2105 of title 5, United States Code, and any employee of the United States Postal Service or of the Postal Rate Commission;

(6) the term "immediate family" means—(A) the spouse of an individual, (B) the child, parent, grandparent, grandchild, brother, or sister of an individual or of the spouse of such individual, and (C) the spouse of any individual designated in clause (B);

(7) the term "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(8) the term "Member of Congress" means a Senator, a Representative, a Resident Commissioner, or a Delegate;

(9) the term "officer" includes any officer designated under section 2104 of title 5, United States Code, any elected or appointed officer of the Congress or of either House of Congress, and any officer of the United States Postal Service or of the Postal Rate Commission;

(10) the term "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(11) the term "transactions in securities and commodities" means any acquisition, transfer, or other disposition involving any security or commodity;

(12) the term "uniformed services" means any of the armed forces, the commissioned corps of the Public Health Service, or the commissioned corps of the National Oceanic and Atmospheric Administration;

(13) the term "political contribution" means a contribution as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431); and

(14) the term "expenditure" means an expenditure as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431).

INDIVIDUALS REQUIRED TO FILE REPORT

SEC. 302. (a) Any individual who is or was an officer or employee designated under subsection (b) shall file each calendar year a report containing a full and complete financial statement for the preceding calendar year if such individual has occupied the office or position for a period in excess of ninety days in such calendar year.

(b) The officers and employees referred to in subsection (a) are—

(1) the President;

(2) the Vice President;

(3) each Member of Congress;

(4) each justice or judge of the United States;

(5) each officer or employee of the United States who is compensated at a rate equal to or in excess of the minimum rate prescribed for employees holding the grade of GS–16 under section 5332(a) of title 5, United States Code; and

(6) each member of a uniformed service who is compensated at a rate equal to or in excess of the monthly rate of pay prescribed for grade O–6 as adjusted under section 1009 of title 37, United States Code.

(c) Any individual who seeks nomination for election, or election, to the Office of President, Vice President, or Member of Congress shall file in any year in which such individual has—

(1) taken the action necessary under the law of a State to qualify for nomination for election, or election, or

(2) received political contributions or made expenditures, or has given consent for any other person to receive political contributions or make expenditures, with a view to bringing about such individual's nomination for election or election, to such office, a report containing a full and complete financial statement for the preceding calendar year.

CONTENTS OF REPORTS

SEC. 303. (a) Each individual shall include in each report required to be filed by him under section 302 a full and complete statement, in such manner and form as the Comptroller General may prescribe, with respect to—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from any member of his immediate family) received during the preceding calendar year which exceeds $100 in amount or value, including any fee or other honorarium received for or in connection with the preparation or delivery of any speech, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication;

(2) the fair market value and source of any item received in kind or aggregate of such items received from one source (other than items received in kind from any member of his immediate family), including, but not limited to, any transportation or entertainment received, during the preceding calendar year if such fair market value for such item exceeds $500;

(3) the identity and the category of value, as designated under subsection (b), of each asset known to him, held during the preceding calendar year for business or investment purposes and which has a value in excess of $1,000 as of the close of the preceding calendar year;

(4) the identity and the category of amount, as designated under subsection (b), of each liability owed which is in excess of $1,000 as of the close of the preceding calendar year;

(5) the identity, the category of amount as designated under subsection (b), and date of any transaction in securities of any business entity or any transaction in commodities futures during the preceding calendar year which is in excess of $1,000;

(6) the identity and the category of value as designated under subsection (b), or any purchase or sale of real property or any interest in any real property which was held for business or investment purposes during

the preceding calendar year if the value of property involved in such purchase or sale exceeds $1,000;

(7) any patent right or any interest in any patent right, and the nature of such patent right, held during the preceding calendar year; and

(8) a description of, the parties to, and the terms of any contract, promise, or other agreement between such individual and any person with respect to his employment after such individual ceases to occupy his office or position with the Government, including any agreement under which such individual is taking a leave of absence from an office or position outside of the Government in order to occupy an office or position of the Government, and a description of and the parties with any unfunded pension agreement between such individual and any employer other than the Government.

Each individual designated under paragraphs (5) and (6) of section 302(b) shall also include in such report the identity of any person, other than the Government, who paid such individual compensation in excess of $5,000 in any of the five years prior to the preceding calendar year and the nature and term of the services such individual performed for such person. The preceding sentence shall not require any individual to include in such report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services.

(b)(1) For purposes of paragraphs (3) through (6) of subsection (a), an individual need not specify the actual amount or value of each asset, each liability, each transaction in securities of any business entity or in commodities futures, or each purchase or sale required to be reported under such paragraphs, but such individual shall indicate which of the following categories such amount or value is within—

(A) not more than $5,000,

(B) greater than $5,000 but not more than $15,000,

(C) greater than $15,000 but not more than $50,000, or

(D) greater than $50,000.

(2) Each individual shall report the actual amount or value of any other item required to be reported under this section.

(c) For purposes of paragraphs (1) through (7) of subsection (a), an individual shall include each item of income or reimbursement and each gift received, each item received in kind, each asset held, each liability owed, each transaction in commodities futures and in securities, each purchase or sale of real property or interest in any real property, and each patent right or interest in any real property, and each patent right or interest in any patent right held by him, his spouse, or any of his dependents, or by him and his spouse jointly, him and any of his dependents jointly, or his spouse and any of his dependents jointly, or by any person acting on his behalf.

FILING OF REPORTS

SEC. 304. (a)(1) Not later than May 15 of each year, reports will be filed as follows: officers and employees of the Executive Branch, other than an individual excepted under paragraph (3) of this subsection, shall file their reports with the Chairman of the Civil Service Commission; Justices, judges, officers and employees of any court of the United States shall file their reports with the Director of the Administrative Office of the United States courts; members, officers and employees of the Legislative Branch shall file their reports with the Secretary of the Senate or the Clerk of the House of Representatives, respectively. The Comptroller General shall have access to such reports for the purpose of carrying out this title.

(2) Each such individual, other than the President, Vice President, a Member of Congress, a justice or judge of the United States, any officer or employee of the Senate or the House of Representatives or any court of the United States, the head of each agency, each Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, or each full-time member of a committee, board, or commission appointed by the President, shall file a copy of such report with the head of the agency in which such individual occupies any office or position at the same time as such report is filed pursuant to paragraph (1).

(3) The President may exempt any individual in the Central Intelligence Agency, the Defense Intelligence Agency, or the National Security Agency, or any individual engaged in intelligence activities in any agency of the United States from the requirement to file a report with the Civil Service Commission if the President finds that, due to the nature of the office or position occupied by such individual, public disclosure of such report would reveal the identity of an undercover agent of the Federal Government. Each individual exempted by the President from such requirements shall file such report with the head of the agency in which he occupies an office or position.

(b)(1) Each individual who seeks nomination for election, or election, to the office of President or Vice President and is required to file a report under section 302(c) shall file such report with the Chairman of the Federal Election Commission within one month after the earliest of either action which such individual takes under section 302(c) (1) or (2).

(2) Each individual who seeks nomination for election, or election, to the Office of Member of Congress and is required to file a report under section 302(c) shall file such report with the Clerk of the House or the Secretary of the Senate within one month after the earliest of either action which such individual takes under section 302(c) (1) or (2).

(c)(1) Any individual who ceases prior to May 15 of any calendar year to occupy the office or position the occupancy of which imposes upon him the reporting requirement contained in section 302(a) shall file such report for the preceding calendar year and the period of such calendar year for which he occupies such office or position on or before May 15 of such calendar year.

(2) Any individual who ceases to occupy such office or position after May 15 of any calendar year shall file such report for the period of such calendar year which he occupies such office or position on the last day he occupies such office or position.

(d) Persons with whom reports are to be filed may grant one or more reasonable extensions of time for filing any report but the total of such extensions in any case shall not exceed ninety days.

FAILURE TO FILE OR FALSIFYING REPORTS; PROCEDURE

SEC. 305. (a)(1) Any individual who willfully fails to file a report as required under section 302, or who knowingly and willfully falsified or fails to report any information such individual is required to report under section 303, shall be fined in any amount not exceeding $10,000, or imprisoned for not more than one year, or both.

(2) The Attorney General may bring a civil action in any district court of the United States against any individual who fails to file a report which such individual is required to file under section 302 or who fails to report any information which such individual is required to report under section 303. The court in which such action is brought may assess against such individual a penalty in any amount not to exceed $5,000.

(b) The head of each agency, the Clerk of the House of Representatives with respect to any Member, officer, or employee of the House of Representatives, the Secretary of the Senate with respect to any Member, officer or employee of the Senate, and the Director of the Administrative Office of the United States Courts with respect to any justice, judge, officer, or employee of any court of the United States shall submit annually to the Comptroller General a complete list of individuals who are required to file a report under section 302 and shall submit at the close of each calendar quarter a list of individuals who have begun or have terminated employment with such agency, the House of Representatives, the Senate, or any court in such calendar quarter.

(c) The Comptroller General or the person with whom a report is required to be filed pursuant to this title shall refer to the Attorney General the name of any individual which he has reasonable cause to believe has failed to file a report or has falsified or failed to file information required to be reported. In addition, if such individual is a Member, officer, or employee of the Senate or the House of Representatives, the Comptroller General shall refer the name of such individual to the Senate Select Committee on Standards and Conduct or the Committee on Standards of Official Conduct of the House of Representatives, whichever is appropriate.

(d) The President, the Vice President, either House of Congress, the Director of the Administrative Office of the United States Courts, the head of each agency or the Civil Service Commission may take any appropriate personnel or other action against any individual failing to file a report or information or falsifying information.

CUSTODY AND AUDIT OF, AND PUBLIC ACCESS TO, REPORTS

SEC. 306. (a)(1) Except as provided in (2), the person with whom a report is required to be filed shall make such report available for public inspection within fifteen days after the receipt thereof and shall provide a copy of such report to any person upon a written request.

(2) The foregoing paragraph shall not apply to individuals in the competitive service, individuals in Schedules A and B of the excepted service, or other individuals who are determined by the Civil Service Commission to be in career positions.

(b) Any person requesting a copy of a report under subsection (a)(1) shall supply his name and address and the name of the person or organization, if any, on whose behalf he is requesting such copy and may be required to pay a reasonable fee in an amount necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing.

(c)(1) It shall be unlawful for any person to inspect or obtain a copy of any report—

(A) for any unlawful purpose;

(B) for any commercial purpose;

(C) to determine or establish the credit rating of any individual;

(D) to compile any mailing list, or

(E) for use directly or indirectly in the solicitation of money for any political, charitable or other purpose.

(2) The Attorney General may bring a civil action in any district court of the United States against any person who inspects or obtains such report for any purpose prohibited in paragraph (1). The court in which such action is brought may assess against such individual a penalty in any amount not to exceed $1,000.

(d) Reports shall be held and made available to the public for a period of five years after receipt. After such five-year period, the reports shall be destroyed.

(e) (1) The House of Representatives, the Senate, the Director of the Administrative Office of the United States Courts, the Chairman of the Civil Service Commission, and the head of each agency shall make provisions to assure that each report shall be reviewed in accordance with any law or regulation with respect to conflicts of interest or confidential financial information of officers or employees of the House of Representatives, the Senate, the United States courts or each such agency or in accordance with rules and regulations as may be prescribed.

(2) Notwithstanding any law or resolution, whenever in any criminal case pending in any competent court in which a Member, officer, or employee of the Senate is a defendant, or in any proceeding before a grand jury of any competent court in which alleged criminal conduct of a Member, officer, or employee of the Senate is under investigation, a subpena is served upon the Secretary of the Senate directing him to appear and produce any reports filed pursuant to any financial disclosure requirement, then he shall—

(i) if such report is in a sealed envelope, unseal the envelope containing such report and have an authenticated copy made of such report, replace such report in such envelope and reseal it, and note on such envelope that it was opened pursuant to this paragraph in response to a subpena, a copy of which shall be attached to such envelope, and

(ii) appear in response to such subpena and produce the authenticated copy so made. For purposes of this paragraph, the term "competent court" means a court of the United States, a State, or the District of Columbia which has general jurisdiction to hear cases involving criminal offenses against the United States, such State, or the District of Columbia, as the case may be.

(f) (1) The Comptroller General shall, under such regulations as he may prescribe, conduct on a random basis audits of not more than 5 per centum of the reports filed under section 304(a) (1).

(2) The Comptroller General shall audit during each term of an individual holding the office of President or Vice President at least one report filed by such individual under section 304(a) (1) during such term.

(3) The Comptroller General shall, during each six-year period beginning after the date of enactment of this Act, audit at least one report filed by each Member of the Senate and the House of Representatives during such six-year period.

(4) (A) In conducting an audit under paragraph (1), (2), or (3), the Comptroller General is authorized to require by subpena the production of books, papers, and other documents. All such subpenas shall be issued and signed by the Comptroller General.

(B) In case of a refusal to comply with a subpena issued under subparagraph (A)—

(i) the Comptroller General is authorized to seek an order by any district court of the United States having jurisdiction of the defendant to require the production of the documents involved; and

(ii) such district court may issue such order and enforce it by contempt proceedings.

(5) Whenever the Comptroller General finds that a report filed under Section 304 (a) (1) discloses the existence of a conflict of interest or a potential conflict of interest, he shall report his finding to the person with whom such report has been filed with a copy to the individual who filed such report. In the event an issue raised by such a report is not resolved to the satisfaction of the Comptroller General, he may, after the lapse of 90 days from the date of his report, make public the report filed under Section 304(a) (1), together with his finding and all comments made or actions taken in respect of his finding.

SEPARABILITY

SEC. 307. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance, is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 308. There are authorized to be appropriated for each fiscal year through October 30, 1981, such sums as may be necessary to carry out the provisions of this title.

Mr. PERCY. Mr. President, the Senate is today considering title I of S. 495, which would establish a Division of Government Crimes within the Department of Justice to investigate and prosecute public officials accused of violating Federal law and create a triggering mechanism whereby a temporary special prosecutor could be appointed in certain limited conflict of interest situations. This title has undergone many revisions in the Government Operations Committee and it was further altered during the last several weeks during intensive discussions with officials of the Department of Justice.

On Monday, July 19, just as S. 495 was coming before the Senate for its consideration, the President sent a new proposal to the Congress and asked that it be adopted instead of S. 495. Yesterday the Senate basically accepted titles II and III of S. 495 as unanimously approved by the committee on April 9. Some changes designed to meet specific concerns raised by Attorney General Levi and other officials in the Department of Justice were incorporated in these titles, however

With respect to title I of this legislation, members of the Government Operations Committee see considerable merit in President Ford's proposal and have been working over the last 2 days to modify it so that it would have wide support in the Senate. We believe that this has been achieved in the new title I Senator RIBICOFF has referred to this morning and we strongly urge its adoption by the full Senate.

Title I as amended would provide for the establishment within the Department of Justice of an independent Office of Special Prosecutor which would be headed by a special prosecutor appointed by the President by and with the advice and consent of the Senate. The special prosecutor would be appointed for a nonrenewable term of 3 years. During the 5 years preceding his appointment he could not have held a high level position of trust and responsibility on the personal campaign staff or in the party organization working on behalf of a candidate for any elective Federal office.

The special prosecutor could only be removed by the President for extraordinary improprieties, malfeasance in office, or for any conduct constituting a felony. Title I of S. 495, as reported out of the Government Operations Committee, and title I of President Ford's proposal provided for removal of the special prosecutor by the President only for "extraordinary improprieties." The committee has lowered the standard for removal in an effort to insure that no special prosecutor would become a law unto himself. While independence from the President and the Attorney General would be absolutely necessary in the handling of the sensitive cases before him, the special prosecutor must always know that he is ultimately accountable not only to the American people but to the President for serious misconduct in office.

Under the newly drafted legislation, the special prosecutor would have jurisdiction to investigate and prosecute possible violations of the Federal criminal law by the President, the Vice President, the Attorney General, the Director of the Federal Bureau of Investigation, any individual compensated at a rate equal to level I or II of the executive schedule, any Member of Congress, or any member of the Federal judiciary. The Attorney General would also have the authority to refer any matter to the special prosecutor for investigation and, if warranted, prosecution where he determines that in the interest of the administration of justice it would be inappropriate for the Department of Justice—other than the office of special prosecutor—to conduct the investigation or prosecution.

The second major reform proposed in title I of this legislation would be the establishment within the Department of Justice of an Office of Government Crimes which would be headed by a Director appointed by the President by and with the advice and consent of the Senate. The Director would report directly to the Attorney General on a regular basis and he could report to any other person in the Department of Justice at the direction of the Attorney General. The Attorney General would also have the authority under this legislation to determine the organizational placement of the Office within the Department. I understand that Attorney General Levi feels strongly that this Office should be placed within the Criminal Division. Under this legislation he will be able to do so. Future Attorneys General may have different views on this matter and they would be able to alter the bureaucratic arrangement to better fit their style.

Except as to matters referred to the special prosecutor under title I, the Attorney General would delegate to the Office of Government Crimes jurisdiction of:

First. Criminal violations of law related directly or indirectly to the Government position or compensation of any individual who holds or who at the time of possible violations held a position as an elected or appointed Federal Government official.

Second. Criminal violations of Federal law relating to lobbying, conflicts of interest, campaigns, and election to public office to the extent that such violations do not involve discrimination or intimidation on the grounds of race, color, religion or national origin.

Third. Whatever other matters the Attorney General may deem appropriate.

The Attorney General would be required to report to the Congress on the activities and operation of the Office of Government Crimes at the beginning of each session of Congress.

Section 597 of this title directs the Attorney General to promulgate rules and regulations which would require any officer or employee of the Department of Justice to disqualify himself from participation in a particular investigation or prosecution if participation would result in a personal, financial, or partisan political conflict of interest, or appearance thereof.

Mr. President, title I of President Ford's bill would codify the Office of Professional Responsibility which was established at the direction of Attorney General Levi on December 9, 1975. The Counsel on Professional Responsibility would be appointed by the Attorney General and would be subject to his general supervision. His responsibilities would include reviewing any information or allegations presented to him concerning conduct by Department of Justice employees that may be in violation of law, of Department regulations or orders, or of applicable standards of conduct. Once he has completed his review he could refer the matter to the appropriate unit within the Department or recommend to the Attorney General whatever other action should be taken.

The committee has studied this reform by Attorney General Levi and has found that the new Office of Professional Responsibility serves an important function. We agree with the President that this Office should be established by statute and we have incorporated his proposal on this point in the title I we are presenting to the Senate this morning.

Mr. President, title I of S. 495 is basically title I of President Ford's proposal as modified over the last 2 days by the Government Operations Committee. This proposal is not perfect. There are potential problems in its operation which we have discussed at length with the Attorney General and other legal scholars around the country. But after careful analysis, we do feel that it offers the best possibility of insuring that investigations and prosecutions of high Government officials will be handled in a manner such that there will be no real or apparent partisan political conflict of interest. At the same time, I am convinced that this proposal leaves the primary responsibility for enforcing the laws of the United States where it properly belongs—in the hands of the Attorney General.

Enactment of this legislation by the Senate and House of Representatives should go a long way toward insuring the integrity of our Government as well as the fact and appearance of impartial administration of justice. I am convinced that this is a bill the President can and will sign. I therefore urge its prompt enactment by the Senate.

Mr. KENNEDY. Mr. President, as we move toward a successful conclusion on this piece of legislation here in the Senate, I again note the very special contribution that has been made by the chairman of the Government Operations Committee, Senator RIBICOFF, and his colleague from that State, Senator WEICKER, and also the distinguished Senator from Illinois (Mr. PERCY), and the Senator from New York (Mr. JAVITS), all of whom have played such a leading role in developing this substitute to Title I of S. 495.

I also wish to acknowledge the work that has been done by the Attorney General, more dramatically in very recent times, almost in the final hours, and the support which has been given now to this proposal by the President, as well.

I am happy to join the Senators in offering the substitute, and I urge my colleagues to support it.

The substitute incorporates the three main principles that the Government Operations Committee insisted upon in S. 495 and that the Judiciary Committee insisted upon in 1973 regarding a Watergate special prosecutor.

First, the substitute recognizes fully the principle that we should establish by statute a class of cases that is better handled outside the normal routine manner to guard against the reality and the appearance of improper influence or special treatment for Cabinet Members, Senators and Congressmen, and White House assistants. The amendment clearly delineates the special class of cases.

If I may, I would like to have the attention of the manager of the bill concerning the particular areas of jurisdiction in section 592(a)(1) in which it is quite clear as to what the jurisdiction would be for the special prosecutor.

The (a)(2) provision refers to the additional instances when the Attorney General may refer cases to the special prosecutor.

I would be interested in gaining further information and legislative history from the floor manager of the bill as to whether there are limitations on the types of individuals who might be so included, whether those are limited only to the Federal officials who are named in the (a)(1) section or whether there are conceived to be additional private officials who may have some special relationship with those who hold those offices in the (a)(1) section; whether it might even include State officials or local officials; and also, then, what the limitations are to try to provide at least some safeguard against abuse, perhaps, of that particular power. I know this has been a matter which has been given very careful consideration by the committee.

As I understand, this language here is meant to provide some degree of flexibility. But also included in it is the kind of protections and guarantees which, I know, the chairman of the committee is very much concerned about.

Mr. RIBICOFF. Mr. President, first, I wish to state that the Senator from Massachusetts has taken a deep and continuous interest in this entire legislation. We have consulted with the Senator from Massachusetts throughout the long history of this bill, and his contributions have been invaluable.

I would also like to pay tribute to a member of his staff, Mr. Phil Bakes, who has been working with the staff of the Government Operations Committee throughout. He has been invaluable with his input, and he has kept the Senator from Massachusetts continuously advised. I do want to take this opportunity of paying tribute to the Senator from Massachusetts and Mr. Bakes.

I respond to the questions raised in this way: We have explicitly named certain Federal officers in the (a)(1) category of the bill. The Attorney General would have to refer to the special prosecutor in the event allegations concerning those individuals came to his attention.

In addition, with respect to the other individuals or matters raised by the Senator from Massachusetts, the bill requires that they also be referred whenever the Attorney General determines that, in the interests of the administration of justice, the Department of Justice should not handle such cases. This would certainly apply to the types of cases posed by the Senator from Massachusetts.

Concerning potential abuses by the special prosecutor, to a great exent this is going to have to be the job of the Senate and the House Judiciary Committees. We have made it very clear that the jurisdiction over the special prosecutor would be that of the Judiciary Committee. We would hope, and we would expect, as has been the case in the past, that the Judiciary Committee would exercise its oversight jurisdiction with hearings to keep track of what is being done, requiring the special prosecutor to make periodic reports to the Judiciary Committee as to his actions and activities, and it would be up to the Judiciary Committee to determine if he was fulfilling his function properly, and if any changes in the law or any remedy had to be taken either administratively or statutorily.

Mr. KENNEDY. I think that is a very helpful comment, and I appreciate the references to Phil Bakes.

Mr. RIBICOFF. May I point out, too, the bill provides that the special prosecutor can be removed by the President for extraordinary improprieties, for malfeasance in office or for any conduct constituting a felony.

The Judiciary Committee has great power. We may recall that through the entire Watergate proceedings it was the insistence of the Judiciary Committee, led by its able chairman, Senator EASTLAND, that time and time again insisted on the independence of the special prosecutor. If my memory serves me right, it was during the confirmation hearings for Elliot Richardson, as Attorney General, that the charter for the Special Prosecutor, Archibald Cox, was nailed down. There is no question but that in the event of any action that came to view, if there was a feeling that there was abuse or impropriety, public opinion and public hearings by the Judiciary Committee would be the greatest sanction we could possibly have in place. I do not know how you could write into legislation all the details of what should or should not be done, but I have complete faith in the Judiciary Committee of this body and also in the other body, because it has proven itself during the past, that it would assure that this job was being handled in the most proper and precise way.

Mr. KENNEDY. I thank the chairman, the Senator from Connecticut, for defining that, not only the authority of the Judiciary Committee, but in illustrating the parameters of the authority in section (a)(2), which I agree would be my understanding of that power and authority and how it should be utilized.

To continue, Mr. President, the substitute clearly establishes that the special prosecutor will have independence. The substitute incorporates the language of printed amendment No. 1926 which I had intended to offer. The effect is to establish by statute full power and independent authority to investigate and prosecute the special class of cases. There is no power of President or Attorney General to interfere. This is essential in regard to political considerations. Under the substitute this is accomplished by the special prosecutor appointed for a 3-year term, which will overlap administrations. He cannot succeed himself, so he will not court favor to get reappointed. He cannot be appointed if he or she served in political campaigns. He is appointed by the President with the advice and consent of the Senate—here, the Senate and especially the Judiciary Committee will have to be particularly diligent in scrutinizing the man or woman nominated.

Mr. RIBICOFF. May I state, the Senator is absolutely correct. This concept of Senator KENNEDY's which was incorporated in his amendment was folded in completely into the substitute for title I, introduced today, and the language of that amendment is verbatim in the legislation on the floor now.

Mr. KENNEDY. I thank the chairman.

The third main point is that the substitute statutorily establishes safeguards to see to it that a person performing independent power over the special cases is in fact sufficiently removed from partisan politics. Under the substitute it is the process of appointment and confirmation that must take the place of court appointment in the original version of S. 495. Two points should be made here.

First, under the original bill, a court only made the appointment in cases where the Attorney General refused to appoint a special prosecutor. So, as a practical matter, the Attorney General alone could make the appointment and the Senate would have no role. Under the substitute, the Senate has an important role to play in each appointment and can reject unsuitable appointees. This is an important safeguard.

Second, there was a constitutional question whether a court could be involved in the appointment process. It is important to stress that in accepting the substitute we are not accepting the administration's argument that court appointment is unconstitutional.

I would like to elicit the view of the chairman of the committee on this particular issue.

As he is very much aware, this was the subject matter of very extensive hearings in the Judiciary Committee. We had a host of different constitutional authorities, some of the leading legal scholars of this country, and it was a matter given great attention. I am completely satisfied, having gone through those hearings and studied the material and participated during the course of those hearings, about the constitutionality of the approach that was included in S. 495 as reported.

I want to make very sure that if we accept this substitute, we are accepting it for the reasons that the chairman of the committee and others have outlined and that I have mentioned here, and not because we have doubts about the constitutionality of a court-appointed prosecutor.

I would be interested in the point of view the Senator has on that issue.

Mr. RIBICOFF. Frankly, we paid considerable attention to the point raised by members of the Justice Department and we had come to the conclusion after considerable hearings, after great study and consultation from men like Prof. Paul Freund, Prof. Archibald Cox, and from the American Bar Association, that this was constitutional.

We changed our point of view because we felt that our original thought might be very complex to handle.

My personal feeling is the approach now adopted is clearcut. It is easier and makes more sense. That great obligation and burden will be placed on the Judiciary Committee—and I am glad that the chairman of that Judiciary Committee is in the chair.

During the consideration of this legislation, Mr. Jaworski, Mr. Ruth, and Mr. Cox had raised some concerns regarding the special prosecutor, and stressed the importance of making him accountable for his actions, in order to insure against irresponsible actions by such an officer. These witnesses also questioned whether we could get a good man in this job because there might not be enough work for him and he might be bored. This did concern us, and we believe it is essential that, under this legislation, he be given enough to do.

My feeling is that probably, outside the Attorney General no greater obligation or responsibility would rest upon the shoulders of the chairman or members of this Judiciary Committee than in the confirmation hearings of the special prosecutor.

I think we are going to have to delve into not only his legal knowledge, but the probity of his character, his sense of fairness, the willingness to look at all sides of an issue, to be very careful before any individual is hauled into the public by an accusation which may be unfounded or which may not be based on sufficient facts to tear a reputation apart.

So here again, I am satisfied that the Judiciary Committee of this body in confirmation hearings will take the utmost care in deliberation, and in assuring that the man we get for this job is a person of character, responsibility, balance, and a complete sense of judiciousness.

Mr. KENNEDY. I think that is a helpful comment in reminding us of the kind of individual that should be appointed and the standard which ought to be used in evaluation.

I think all of us are very much aware of the different criteria which are used by the Senate in performing its advice and consent function, that perhaps there is a different standard used for Presidential appointment to a cabinet post versus a Federal judge who will remain with us far beyond the term of any particular administration, and there are varying degrees of criteria which are used and which are readily understandable.

It is helpful to have the view of the chairman of the the Government Operations Committee on that particular issue.

In addition, what I am interested in gaining from the chairman is the issue, if he has a view on this particular issue, as to the constitutionality of the original proposal. I want, if we can, in establishing the legislative history, the understanding that the reason we are going to the substitute is no fundamental question in the mind of the chairman of the Government Operations Committee as to the constitutionality of the provisions which had been included originally in S. 495, which the Judiciary Committee had included in S. 2611, because this was, of course, an issue which was very extensively examined in the Judiciary Committee.

I am completely satisfied as to the constitutionality of that particular approach and the majority of the members of the Judiciary Committee were. But it is an issue in which there are members of this body having differing views, and we respect those, obviously.

But in the fashioning of this particular substitute, as I understand it, the reasons for the fashioning of this substitute and this other means were not because of any reservations that the chairman of the Government Operations Committee has on the constitutional issue which has been discussed and debated.

Mr. RIBICOFF. May I respond and say I am in complete agreement with the conclusions of the Senator from Massachusetts.

Mr. President, I ask unanimous consent to have printed in the RECORD various opinions and materials that we have in support of the proposition that such a procedure is constitutional.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

The material, ordered to be printed in the RECORD, is as follows:

UNIVERSITY OF CALIFORNIA, BERKELEY,
Berkeley, Calif., May 10, 1976.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR SENATOR RIBICOFF: I am pleased to give you and the Committee my opinion on Title I of S. 495, particularly as to the constitutionality and policy direction of the provisions for appointment of a temporary special prosecutor.

Almost needless to say, there can be no question concerning Congress' power to establish a Division of Government Crimes within the Justice Department and to provide for the head of that Division to be an Assistant Attorney General appointed by the President with the advice and consent of the Senate. Nor can there be any doubt about Congress' power to authorize the Attorney General alone to appoint a temporary special prosecutor. I am not aware that any question has been raised concerning this and the matter has in any event been firmly settled by relatively recent holdings of the Supreme Court and other federal courts.

The power of the Congress to authorize appointment of a temporary special prosecutor by a court is in my judgment equally well-founded Constitutionally. Its source is Article II, Section 2, clause 2:

". . . the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments."

This is the same provision which supports the empowering of the Attorney General to appoint. It follows that a temporary special prosecutor is an "inferior Officer" within the meaning of this provision and that this is clearly settled by those court holdings which accept such an appointment by the Attorney General alone.

The only possible distinction between appointment by a court and by an Attorney General would have to be based on the proposition that the quoted language of Article II, Section 2 should be constructively limited to vesting "in the Courts of Law" only appointments of officers whose work is somehow judicial or related to the courts—and then on the further argument that a special prosecutor does not fall within that category. That position is clearly wrong; both of its propositions have been soundly rejected as a matter of authority, history, and sound constitutional construction.

The first half—the suggestion that the constitutional authority for Congress to authorize appointments by the courts is restricted to judicially-related inferior officers—was squarely rejected by the Supreme Court in *Ex Parte Siebold*, 100 U.S. 371 (1880). The Court there held that while Congress might appropriately be guided by such considerations of role-relatedness, the Constitution itself imposed no such limitations.

Beyond that there is authority and history even more directly in point confirming that appointment of prosecutors by judges is Constitutionally valid. As is well known, there is now and has long been established provision for appointment by Federal District Courts of temporary United States attorneys. (The current statute is 28 U.S.C. § 546.) This provision has been in operation for a goodly time now and apparently is of unquestioned validity.

Indeed, the idea that judicial appointment of prosecutors is well within the Constitutional scheme goes back to the founding of the nation. A number of Framers of the Constitution (including such leaders as Ellsworth and Paterson) were members of the Senate Judiciary Committee in the First Congress which initially proposed that local United States attorneys be appointed by the District Judges and that the Attorney General be appointed by the Supreme Court. Though this proposal never became law, the fact that these men saw fit to report it to the Floor of the Senate certainly indicates that they viewed it as entirely consistent with the Constitution.

Moreover, the contemporary history of that period confirms in another way that prosecution for crime was not perceived as a function belonging exclusively to Executive appointees. The First Congress (which has been characterized as virtually a continued session of the Constitutional Convention) explicitly provided for criminal prosecutions to be instituted and maintained to conclusion by private individuals as well as public prosecutors. [One example of this, out of many, is the statute outlawing larceny in Federal territory, 1 Stat. 112 § 16 (Act of April 30, 1970).]

The foregoing, in my view, clearly support the judgment that Congress may constitutionally authorize judicial appointment of a prosecutor, even one with general prosecutorial authority. Judicial appointment of a temporary special prosecutor with the specific charge provided for in Title I of S. 495 is an a fortiori case. That legislation addresses itself to the particular situation in which there is a conflict of interest within the Executive Branch. To whatever extent concepts of separation of powers might be viewed as arguing for some limitation on judicial appointment of prosecutors, those concepts would have their least force with regard to the situation dealt with here in which the Executive Branch would otherwise be investigating and considering prosecution of its own top officials.

The basic authority for judicial appointment of a temporary special prosecutor being valid,, the only remaining question relates to the additional functions given the appointing Court by the Act; these include receiving reports from the Attorney General and determining whether a conflict of interest, or the appearance thereof, exists. These functions, which are clearly related to, and concomitants of, the power of appointment are also in my judgment soundly constitutional. Though some authority can be cited for this proposition, the point may be most clearly made by analogy. Assume that Congress authorized judicial appointment of referees, masters, clerks, or other such officers up to a certain number and then provided to handle expected increases in court business as specified by statutory criteria. Would there be any doubt that the legislation would be valid not only in authorizing the courts to determine when those statutory criteria were met, but also in empowering them to receive census and other demographic material and relevant economic data from the Commerce and Treasury Departments, as well as the Justice Department and the Administrative Office of the Courts, in order to provide the factual basis for making that determination? The answer seems to me clear: Congress has the power to specify the statutory criteria and may authorize the Courts to receive relevant data in order to determine whether the criteria have been met. On this basis, I believe that the ancillary provisions contained in Title I of S. 495 are entirely valid. I might add that, in my view, the fact that these criteria and arrangements are structured so as to limit the judicial appointment of a temporary special prosecutor to the most necessary circumstances of conflict of interest reinforces that conclusion. As I have indicated, judicial appointment of a standing special prosecutor would pose no constitutional problems; there should certainly be no more where the purpose of the additional procedures is to insure that the appointment is limited to those circumstances of greatest necessity.

The policy judgments are, of course, more open to differences of views than the constitutional ones. I believe that the policy direction taken by Title I of S. 495 is a sound one. It clearly seeks to focus primary responsibility for the enforcement of federal law, even as to government officials within the Executive Branch, in the Department of Justice and subject to the immediate supervision of the Attorney General. That seems to me entirely appropriate and entirely sound. Despite the occasional lapses—which are inevitable in any human institution—the Department of Justice certainly warrants the reposing of trust and confidence in its abilities and dedication. Maintenance of *esprit*, responsibility, dedication and high competence can only be achieved by the reposing of such confidence. At the same time, in special circumstance where the conflict of interests or the potential or appearance thereof reaches to the highest levels of the Executive Branch, it is appropriate to make special arrangements. Even here, I note that the proposed legislation would give primary initiative to the Attorney General; that; too, seems to me appropriate. And the final provision for judicial appointment of a temporary special prosecutor in the extraordinary circumstances where such independence from the Executive Branch is essential is, in my judgment, a salutary improvement and learning from experience. Though I do not speak to every detail of the Bill in structuring the interface between the role of the Department of Justice and the appointing court, the general approach taken here seems to me wise and the product of a careful and thoughtful legislative process. Further consideration, and perhaps specifically consultation with the Department of Justice, may help improve some of the particulars. But I am favorably impressed with the basic contours of Title I of the Bill as it now stands and strongly support its general policy direction.

Sincerely,

PAUL J. MISHKIN,
Emanuel Heller Professor of Law.

AMERICAN BAR ASSOCIATION,
Washington, D.C., June 3, 1976.

Hon. ROMAN HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HRUSKA: At the hearings held before the Senate Judiciary Committee on S. 495 May 27, 1976, you asked me to comment on several issues which arose during the hearing. These included the thrust of *Ex parte Siebold*, 100 U.S. 371 (1880) with respect to the appointing power of the courts; and *United States* v. *Cox*, 342 F.2d 167 (5th Cir. 1965), cert. denied 85 Sup. Ct. 1767 (1965), and *United States* v. *Cowan*, 524 F.2d 504 (5th Cir. 1975), with respect to prosecutorial discretion. You also asked for an analysis of the meaning of the phrase "inferior officer" as contained in the Constitution and the role of the federal prosecutor as a minister of justice and quasi-judicial official. Finally, you asked for a comparison of the relevant provisions of Title I of S. 495 and the recommendations of the American Bar Association contained in the report of its Special Committee to Study Federal Law Enforcement Agencies.

THE APPOINTING POWER OF FEDERAL COURTS

The Siebold case involved a statute imposing upon federal circuit courts the duty of appointing supervisors of elections. It was alleged that these duties were entirely executive in character and that no power could be conferred upon the courts of the United States to appoint officers whose duties are not connected with the judicial branch of the government. The United States Supreme Court rejected these arguments and upheld the courts' appointment power.

The Court cited Article II, Section 2 of the U.S. Constitution which provides that "the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments." Of this provision the Court said:

"It is no doubt usual and proper to vest the appointment of inferior officers in that department of the government, executive or judicial, or in that particular executive department to which the duties of such officers appertain. But there is no absolute requirement to this effect in the Constitution; and if there were, it would be difficult in many cases to determine to which department an officer properly belonged . . . but as the Constitution stands, the selection of the appointing power, as between the functionaries named, is a matter resting in the discretion of Congress and, looking at the subject in a practical light, it is perhaps better that it should rest there than that the country should be harassed by the endless controversies to which a more specific direction on this subject might have given rise."

The Court also stated that the duty to appoint inferior officers, "when required thereto by law, is a constitutional duty of the courts. . . ." The Court then posited the "incongruity" test, stating that unless there exists an incongruity between the duties to be performed and the appointing authority such "as to excuse the courts from its performance, or . . . render their acts void," the appointment will be valid.

Congress has provided for the appointment by the district court of U.S. attorneys when a vacancy occurs (28 U.S.C. 546). This power was upheld in *United States* v. *Solomon*, 216 F. Supp. 235 (S.D.N.Y. 1963). Professor Paul Freund of Harvard believes that judicial appointment of a special prosecutor may rest on even firmer footing than the appointment of a U.S. attorney to fill a vacancy. He has pointed out that, although limited in tenure, a U.S. attorney appointed by the court assumes all the power of that office, regardless of the subject matter. The special prosecutor, on the other hand, has a far more limited jurisdiction under S. 495, where the specific jurisdiction of the temporary special prosecutor is to be defined by the appointing power.

THE PROSECUTORIAL FUNCTION

During the hearing you raised a question as to whether or not the prosecutor performed a function so executive in nature as to render the appointment of a temporary special prosecutor, albeit under clearly defined circumstances and with limited jurisdiction, incongruous under *Ex parte Siebold*. In answering this question, we must consider three factors: the nature and scope of the prosecutor's function; the interrelationship between the different actors (judge, prosecutor, and defense attorney) in the criminal justice system; and the problems inherent in having individuals investigating and prosecuting crimes involving high-ranking government officials.

Former Attorney General Robert H. Jackson stated that the prosecutor has more control over life, liberty, and reputation than any other person in America, that he has tremendous discretion, and that the manner in which he conducts investigations has a profound affect on the lives of citizens.

The American Bar Association has stated that the prosecutor is not only an advocate but an administrator of justice and that his duty is to seek justice, not merely to convict. His obligation is to protect the innocent as well as to convict the guilty, to guard the rights of the accused as well as to enforce the rights of the public. The ABA concluded:

"This is one of the senses in which the prosecutor has sometimes been described as a 'minister of justice' or as occupying a quasi-judicial position. In the present context, both concepts can be embraced in more contemporary terminology by describing him as an administrator of justice." (*Standards Relating to the Prosecution Function and the Defense Function*, American Bar Association (1971), p. 44)

The function of the prosecutor in determining probable cause for arrest and for submitting a case to a grand jury has been described as quasi-judicial in several Supreme Court cases. See *Ocampo* v. *United States*, 234 U.S. 91 (1913) and *Gagnon* v. *Scarpelli*, 411 U.S. 778 (1973). In the pretrial stage of the criminal justice system, the police or other law enforcement officer makes an arrest and may cause a complaint to be filed. He then recommends to the prosecutor that a formal charge be instituted. The prosecutor carefully reviews the recommendation of the arresting officer and supporting evidence before deciding to submit the case to the grand jury for its consideration or before filing an information in open court.

The extensive responsibilities of prosecutors have given rise to their being regarded as quasi-judicial officials entitled to a type of "judicial immunity" befitting such quasi-judicial status. In *Golden v. Smith*, 324 F. Supp. 727 (D.C. Ore. 1971), the court found there was no liability on the part of a prosecutor for damages caused by an allegedly illegal arrest and detention, noting that "prosecutors, as quasi-judicial officers, have an immunity similar to that of judges for acts which constitute an integral part of the judicial process."

It is settled that a prosecutor is both an officer of the executive branch and an officer of the court. As Judge (now Chief Justice) Burger stated regarding the role of the U.S. attorney:

"An attorney for the United States, as any other attorney, however, appears in a dual role. He is at once an officer of the court and the agent and attorney for a client; in the first capacity he is responsible to the court for the manner of his conduct of a case, i.e., his demeanor, deportment and ethical conduct." *Newman* v. *United States*, 382 F.2d 479, 481 (D.C. Cir. 1967).

The American Bar Association points out that all serious criminal cases require the participation of three entities: the judge, the counsel for the prosecution, and the counsel for the accused. Absent any one of these (barring valid waiver of counsel), the court is incomplete. In short, a "court" must be viewed as a three-legged structure which cannot stand without the support of all three.

Thus, the prosecutor plays a role within the court system in the investigation and prosecution of crimes which goes far beyond purely executive or administrative functions. Appointing a temporary special prosecutor under the limited circumstances and with the limited jurisdiction set forth in S. 495 is no more incongruous than the appointment by the district court of temporary U.S. attorneys when there is a vacancy, or the appointment of defense counsel for indigent defendants. In fact, it would be far less incongruous than the appointment of a temporary U.S. attorney who would assume all the power of that office regardless of the subject matter.

S. 495 does not casually place the appointing authority in the court. The bill places upon the Attorney General the primary responsibility for appointing a temporary special prosecutor. It is only after a review of a case in which the Attorney General has held that there is no conflict of interest and has made no appointment that the proposed court division would consider appointing a temporary special prosecutor, and then only if it found a conflict. In such a circumstance, where the court has found a conflict of interest in the Executive Branch, it could well be said that incongruity would inhere in an executive appointment. But, whether that is true or not, this situation is one in which the Attorney General has decided not to make an appointment, and therefore an investigation might not occur unless another authority is given the power to make the appointment.

The American Bar Association has stated the following:

"A prosecutor should avoid the appearance or reality of a conflict of interest with respect to his official duties. In some instances, as defined in the Code of Professional Responsibility, his failure to do so will constitute unprofessional conduct." (*Standards Relating to the Prosecution Function and the Defense Function*, § 1.2)

Chief Justice Burger stated in *Newman*, *supra*, that an attorney for the United States is responsible to the court for his ethical conduct. In *Sherman* v. *United States*, 356 U.S. 380 (1958), the Supreme Court spoke of the general supervisory power of courts over the administration of criminal justice:

"Insofar as they are used as instrumentalities in the administration of criminal justice, the federal courts have an obligation to set their face against enforcement of law by lawless means or means that violate rationally vindicated standards of justice, and to refuse to sustain such methods by effectuating them. They do this in the exercise of a recognized jurisdiction to formulate and apply 'proper standards for the enforcement of the federal criminal law in the criminal courts.'"

To impose "ethical conduct" and enforce "rationally vindicated standards of justice," a court of law may be authorized to appoint a temporary special prosecutor under clearly defined circumstances and with limited jurisdiction.

TEMPORARY SPECIAL PROSECUTOR AS AN INFERIOR OFFICER

During the hearing you raised the question of whether the temporary special prosecutor provided for in S. 495 was an "inferior officer" under Article II, Section 2 of the Constitution. (It should be noted that the Attorney General's authority under present law to appoint a temporary special prosecutor is based on this Section, and that the "inferior officer" question applies equally to his appointments and those by a court.) Professor Paul Freund holds that an office is an inferior office if it is inferior to those that have been enumerated in the Constitution, namely ambassadors, public ministers, consuls and judges of the Supreme Court. Another authority, Professor Paul Mishkin of the Boalt Hall School of Law of the University of California, believes that the history of the development of that clause in the Constitutional Convention indicates that "inferior officer" means anybody inferior to the appointing authorities in Article II, Section 2.

The meaning of "inferior officer" has been explicitly interpreted in Collins' Case, 14 Ct. Cl. 569 (1878). In that case, the court characterized the Congressional power to establish appointing authority in this manner:

"Thus it may authorize the President or the head of the war department to appoint an army officer, because the officer to be appointed is inferior to the one thus vested with the appointing power. The word "inferior" is not here used in that vague, indefinite, and quite inaccurate sense which has been suggested—the sense of petit or unimportant; but it means subordinate or inferior to those officers in whom respectively the power of appointment may be vested—the President, the courts of law and the heads of departments."

I conclude that the historical record, the language of the Constitution and the holding of the federal courts give clear indication that a temporary special prosecutor appointed under the provisions of S. 495 would be an "inferior officer."

PROSECUTORIAL DISCRETION

During the hearings it was stated by other witnesses that S. 495 would involve an unconstitutional interference with the discretion of the prosecutor in violation of separation of powers in the Constitution. I was asked to comment on *United States* v. *Cox* and *United States* v. *Cowan* in this respect.

At the outset it should be stated that S. 495 in no way authorizes the appointing court to interfere in the exercise of the prosecutor's discretion in handling a particular case. The court is given only two functions, both unrelated to the exercise of that discretion. First, the court may be called upon to review the relationship of the President or the Attorney General to potential defendants only insofar as it may constitute a conflict of interest as defined in S. 495. Should the court find such a conflict, it could then appoint a temporary special prosecutor.

Second, at the time of making such an appointment, the court would establish the overall jurisdiction of the temporary special prosecutor with respect to the matter to be investigated. Once having made the appointment based upon a conflict of interest standard, and after having stated the jurisdiction, the special division of the court would no longer have any authority to second-guess decisions made by the temporary special prosecutor in the course of the investigation and any subsequent judicial proceedings.

United States v. *Cox* and *United States* v. *Cowan* stand for the proposition that prior to the return of an indictment or the filing of an information, the Attorney General and subordinates have the absolute power and discretion to institute or not institute a prosecution. Nothing in S. 495 contravenes these holdings. We should not confuse the power of appointment and the authority to establish basic jurisdiction with the supervision of the prosecutor in a case as it progresses. To avoid any connotation of such supervision, S. 495 provides that the Attorney General, and only the Attorney General, may remove the temporary special prosecutor for "extraordinary improprieties." The only role which the court would play in such an instance would be to review the removal to ascertain whether or not this standard has been met.

You asked for some special commentary concerning *United States* v. *Cowan*. That case involved the appointment of a special prosecutor by a district court judge in Texas after he refused to dismiss a case under Rule 48(a) of the Federal Rules of Criminal Procedure and the local U.S. attorney then refused to proceed with the case. The Fifth Circuit Court of Appeals reviewed the history of the development of Rule 48(a) and concluded that, while a court could refuse to dismiss a case under certain circumstances, the district court in this matter had exceeded the bounds of its discretion in denying the government's motion to dismiss. Having so concluded the court stated, "We have no cause to consider the propriety of its order effectuating that denial by appointing special prosecutors." Thus, the case is not dispositive of any issues relating to the appointment of special prosecutors.

CONCLUSION

The questions you have raised focus on the scope of the powers of federal courts under the Constitution. The "separation of powers" principle inherent in the Constitution did not assume tightly compartmentalized branches of government. In commenting on this structure the Supreme Court in an opinion authored by Chief Justice Burger, stated:

"In designing the structure of our government and dividing and allocating the sovereign power among three co-equal branches, the Framers of the Constitution sought to provide a comprehensive system, but the separate powers were not intended to operate with absolute independence.

"While the Constitution diffuses power the better to secure liberty, it also contemplates that practice will integrate the dispersed powers into a workable government. It enjoins upon its branches separateness but interdependence, autonomy but reciprocity." (*United States* v. *Nixon*, 418 U.S. 683, 707 (1974)).

In discussing the conflict between the absolute discretion of the prosecutor in initiating prosecution, and Rule 48(a) of the Federal Rules of Criminal Procedure authorizing the dismissal of a case "by leave of the court," Judge Murrah in *United States* v. *Cowan* spelled out the nature of the court's power:

"We think the rule [48(a)] should and can be construed to preserve the essential judicial function of protecting the public interest in the evenhanded administration of criminal justice without encroaching on the primary duty of the Executive to take care that the laws are faithfully executed. The resulting balance of power is precisely what the Framers intended." As Judge Wisdom put it, quoting Montesquieu, "'To prevent the abuse of power, it is necessary that by the very disposition of things, power should be a check to power' . . . [thus] the Framers wove a web of checks and balances designed to prevent abuse of power" and "were too sophisticated to believe that the three branches of government were absolutely separate, airtight departments." *United States* v. *Cox*. . . . From this, it seems altogether proper to say that the phrase "by leave of court" in Rule 48(a) was intended to modify and condition the absolute power of the Executive, consistently with the Framer's concept of Separation of Powers, by erecting a check on the abuse of Executive prerogatives. . . . The rule was not promulgated to shift absolute power from the Executive to the Judicial Branch. Rather, it was intended as a power to check power.

The proposed authority in S. 495 for a division of the U.S. Court of Appeals to appoint a temporary special prosecutor is intended and acts as "a power to check power." The special prosecutor, once appointed, would exclusively exercise prosecutorial direction.

I am attaching a chart which compares the ABA recommendations on the Government Crimes Division and the temporary special prosecutor mechanism with the provisions of Title I of S. 495. As you will note, they are markedly similar.

I hope this letter is responsive to your requests. We stand ready to offer any further assistance should it be desired.

Sincerely,

HERBERT S. MILLER,
Reporter/Consultant to the Special Committee.

A COMPARISON OF THE PROVISIONS OF TITLE I OF S. 495, THE WATERGATE REORGANIZATION AND REFORM ACT OF 1976, AND THE AMERICAN BAR ASSOCIATION RECOMMENDATIONS CONTAINED IN ITS REPORT, "PREVENTING IMPROPER INFLUENCES ON FEDERAL LAW ENFORCEMENT AGENCIES"

The Special Committee to Study Federal Law Enforcement Agencies of the American Bar Association published a report in January, 1976, entitled "Preventing Improper Influences on Federal Law Enforcement Agencies." The report contained twenty specific recommendations for preventing abuses of these agencies, all twenty of which were approved by the Association's House of Delegates in February, 1976, as official policy.

Two of those recommendations ("Prosecuting Government Crimes" and "Special Prosecutor") are almost totally in accord with the provisions of Title I of S. 495, the Watergate Reorganization and Reform Act of 1976, as reported on May 12, 1976, by the U.S. Senate Committee on Government Operations. The following analysis compares the ABA recommendations to the S. 495 provisions.

DIVISION OF GOVERNMENT CRIMES

Issue	*S. 495 Approach*	*ABA Approach*
1. Establishment of division.	By statute.	By statute.
2. Jurisdiction.	Federal criminal law violations by high-level government officials; federal criminal law violations by all government employees if work-related; lobbying, campaign and election law violations.	Violations of federal laws by government officials; cases referred by the Federal Election Commission; violations of federal campaign laws.
3. Selection of Assistant Attorney General.	Presidential appointment, Senate confirmation.	Presidential appointment, Senate confirmation.
4. Qualifications of Assistant Attorney General.	Must not have held a high-level position of trust and responsibility in campaign of elected President or Vice-President within five years preceeding appointment.	No recommendation with respect to the Assistant Attorney General, although a similar restriction on nominees for Attorney General and Deputy Attorney General was recommended.
5. Term of Assistant Attorney General.	Coterminus with that of the President making the appointment.	No recommendation.
6. Requirements in Office.	(a) Shall not engage in outside business. (b) Shall report to Congress each session on Division's activities.	(a) No recommendation. (b) No specific reporting recommendation; although the ABA report contemplates close Congressional scrutiny of this statutorily-mandated division.
7. Supervision of Assistant Attorney General.	By Attorney General.	By Attorney General.

TEMPORARY SPECIAL PROSECUTOR (TSP) MECHANISM

Issue	*S. 495 Approach*	*ABA Approach*
1. Circumstances triggering	Conflict of interest or appearance thereof in which the President or the Attorney General has a direct and substantial personal or partisan political interest in the outcome of the proposed criminal investigation or prosecution (with matters involving specified government officials being automatically deemed to create a conflict).	(a) Conflicts of interest, implications of partiality or alleged misconduct as delineated in ABA *Standards Relating to the Prosecution and Defense Function;* (b) Appearance of professional impropriety under Canon 9 of ABA Code of Professional Responsibility; (c) Improper influence or obstruction of justice as defined in 18 U.S.C. 1501–1510.
2. Action to be taken by Attorney General	(a) File memorandum with Court summarizing allegations and result of preliminary investigation, including information relevant to determining existence of a conflict of interest; the Attorney General's findings; and whether the Attorney General has disqualified himself and appointed a temporary special prosecutor or not; (b) Appoint a temporary special prosecutor if he deems it appropriate.	(a) File memorandum with Court stating facts, legal conclusion and decision with respect to whether or not to appoint a temporary special prosecutor; (b) Appoint a temporary special prosecutor if he deems it appropriate. (c) Request the Court to make the appointment.
3. Alternative means of bringing conflict situation to Court's attention.	Any individual, after 30 days' notice to Attorney General of information raising a conflict issue, may petition Court to review the matter.	The Court can act on its own authority to review allegations of conflict.
4. Response by Court where no TSP appointment made by Attorney General.	Review matter and determine whether a conflict exists, and if so appoint a TSP.	Review matter and determine whether a conflict exists, and if so, either call upon the Attorney General to appoint a TSP or make such appointment itself.
5. Response by Court where Attorney General has appointed a TSP.	Review appointment to determine if TSP is himself in a conflict situation and, if so, appoint a different TSP.	Review appointment to determine if TSP is himself in a conflict situation and, if so, call upon the Attorney General to make a new appointment or appoint a different TSP.
6. Jurisdiction of TSP.	Whoever appoints the TSP shall specify in writing the matters which such prosecutor is authorized to investigate and prosecute. The statement of jurisdiction in the case of appointment by the Attorney General is subject to review by the Court to determine whether it is "sufficiently broad to enable the TSP to carry out the purposes of this chapter."	The appointing authority would delineate the jurisdiction. Where the Attorney General has made the appointment, the statement of jurisdiction in his memorandum to the Court would be reviewed by the Court and modified where necessary.
7. Removal of TSP.	(a) Upon filing with Attorney General of report stating that all investigations and prosecutions have been completed; (b) By Attorney General for "extraordinary improprieties," subject to review by Court.	(a) No specific recommendation; (b) By Attorney General for "extraordinary improprieties," subject to review by Court.
8. Powers of TSP.	Within specified jurisdiction the same power as an Assistant Attorney General for Government Crimes, except that TSP can appeal any decision in a case to which he is a party without approval of Attorney General or Solicitor General.	Within specified jurisdiction the same power as the Attorney General or a U.S. Attorney in prosecuting a case.
9. Nature of Court.	Division of three judges of the U.S. Court of Appeals for the District of Columbia; judges to be assigned for a two-year term by the chief judge, with priority given to senior retired circuit court judges and senior retired justices; prohibition against judges who participated in process of appointing TSP from deciding on matters brought thereafter by TSP's office.	Special Court of appointment composed of three retired senior federal circuit court judges appointed by the Chief Justice for a two-year term.
10. Expedited judicial review.	Detailed mechanism for expediting judicial review of actions challenging TSP's authority.	No recommendation.
11. Disqualification of Department of Justice employees.	Requires Attorney General to promulgate rules and regulations requiring officers and employees of the Department to disqualify themselves in matters where a conflict, or appearance thereof, may result.	No recommendation.

Mr. KENNEDY. Finally, Mr. President, the trouble with a temporary Special Prosecutor bill was the possibility of having a multiplicity of Special Prosecutors at any one time investigating unrelated cases. One way to cure that problem is to assign even unrelated cases to the same Special Prosecutor so there will not be a multiplicity. Then, in effect, we have created a permanent one, and we ought to call it that as we do in the substitute. There is no magic in whether we call the prosecutor temporary or permanent.

Mr. President, this bill will help get at the problem of high level corruption. It is not a panacea. As long as there are mortals serving in high places there will be breaches of public trust. But there is no reason to throw up our hands and fail to implement by statute institutional reforms for which need has been demonstrated. The bill and the amendments offered this morning are sound measures and deserve our enthusiastic support.

Mr. RIBICOFF. I thank the Senator.

UP AMENDMENT NO. 215

Mr. BENTSEN. Mr. President, I have an unprinted amendment at the desk. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment No. 215:

On page 10, line 11, in Sec. 594(b) after "appointed", insert: "Attorney General, Deputy Attorney General, or"

Mr. BENTSEN. Mr. President, I certainly support the substitute proposed by the chairman of the committee and the distinguished Senator from Massachusetts, but I would like to add an amendment to it that I think strengthens the purpose of the substitute and would go a long way toward helping restore the confidence of the American people in the Department of Justice in the aftermath of Watergate.

Mr. President, according to the substitute, title I, section 594, the director heading the Division of Government Crimes and the new permanent special prosecutor shall not have held, "a high level position of trust and responsibility while serving on the personal campaign staff or in an organization or political party working on behalf of the campaign of an individual who was elected to the office of President or Vice President."

Mr. President, I commend the Government Operations Committee under the able leadership of the distinguished senior Senator from Connecticut for putting in that kind of provision. I think it is a meritorious approach. It is an important limitation placed on the potential for abuse of power inherent in this office.

However, I believe that prohibition ought to be extended as well to the Attorney General and the Deputy Attorney General. In other words, the superiors of the Director for Government Crimes.

Mr. President, that is the purpose of my amendment. It is simply time to end what seems to have become the nearly standard practice of Presidents appointing as Attorney General of the principal leaders of the political campaign in which they were elected. This has been done time after time and has become ingrained in the political system. We have had some obvious examples of men who have managed a successful Presidential campaign and were immediately appointed to head the Justice Department.

Let me recapitulate briefly. John Mitchell, Robert Kennedy, and J. Howard McGrath, Attorney General under Truman, are the most obvious examples of men who managed the successful Presidential campaigns and who immediately after were appointed to head the Justice Department. Unfortunately the practice has been working its way into our political system for much longer than these relatively recent appointments; it is a practice going at least as far back as Woodrow Wilson.

Historically and by tradition, but with certain exceptions, the top Presidential appointees in the Department of Justice have been highly respected representatives of the legal profession. But where they have also been major campaign officials of the President their appointment only contributes to a growing perception of the Department of Justice as a political instrument. With all of the highly competent members of the legal profession that can be drawn from, it is simply not necessary to look just to the ranks of the President's campaign staff for top Justice Department personnel.

The conduct of some of the recent officials of the Department is too fresh in the minds of the public and too deeply etched on the members of the bar to be passed with a bromide that "the next President will not let it happen."

It is time to assure the American people that law enforcement decisions will not be determined by partisan politics, either Democratic or Republican.

I believe the Watergate reform bill, the substitute pending before us, and my amendment, will be a major step to deal effectively with the problem of politicization of legal posts within the Justice Department. It will insure the Department's capacity to administer justice evenly. It will help restore the people's reception of the impartiality of the justice that is administered.

The partisan orientation in recent years of those responsible for supervising the Nation's legal affairs seems extreme. If justice is to be impartial it must, in the beginning, be nonpartisan. It should not be run or even given the appearance of being run, by people who march to a drum beat emanating from the political advisors of any President or his party.

Decisions as to whether cases are prosecuted or dismissed, whether appeals are taken or settled, must not depend on political influence.

Mr. President, the Senate may be interested to learn that the American Bar Association and the Watergate Special Prosecution Force have endorsed the concept of my amendment, that is to say, prohibiting the Attorney General and the Deputy Attorney General from having held a high level position on the campaign staff of the President who appoints him.

I would hope the distinguished floor manager of the bill would see fit to accept my amendment which takes their efforts to restore confidence in our judicial system one step further, and I hope the Senate will support it as well.

Mr. RIBICOFF. Mr. President, I am personally sympathetic with the amendment of the Senator from Texas, but my colleague from New York has serious constitutional doubts, I would prefer that he address himself to those doubts.

Mr. BENTSEN. It seems to me that this has at least in part been addressed by calling for the director, who is an appointee of the President, to fall within these limitations. To carry it to the next step, the Attorney General and the Deputy Attorney General should be in the same category. Surely, with all the people the President has to choose from, to just preclude or negate these few is not in any way an unreasonable limitation on the President of the United States.

Mr. JAVITS. If the Senator will yield to me, the appointee for the Attorney General is a member of the Cabinet subject to Senate confirmation. I am troubled, though I do not know—this is a matter of first impression to me—whether or not there is any precedent or any decision on the subject. As for me, I certainly would not be able to accept the amendment. Because this is such a serious matter and we are facing a Presidential election and putting a restriction upon the new President, whoever he may be, in the appointment of one of the highest offices of the United States with enormous powers, my suggestion to the Senator would be that this amendment not be acted upon today; but that we allow the matter to go over until tomorrow, so that we may have a look at the situation. I cannot, standing on one foot here, tell the Senator whether his proposal is or is not constitutional.

As to its desirability, I have deep concern about that as well, in inhibiting the freedom of action of a President of the United States. We have had some wonderful Attorneys General who have been very active in politics. Indeed, we have had some wonderful Chief Justices of the United States, like Earl Warren, who have been very active in politics.

I do not know that we really ought to get into this thicket. I simply do not know. I am not in a position to say. It is true that Senators have an absolute right to introduce any amendments they wish, but I believe an amendment of this size and consequence is one I really feel I cannot deal with just on the spur of the moment.

I ask the Senator the best question that I can under the circumstances, which is on the issue of constitutionality, which he may have researched. But if all he relies on is the fact that we have included in our bill the disqualification respecting an assistant attorney general in the Criminal Division, not subject to Senate confirmation, I would hardly consider that conclusive either on the ground that we have judged the constitutionality on that point—I do not think we even considered it—or on the ground that the two cases are analogous.

So for me, on the minority side, I could not accept this amendment. I would feel it would have to be voted on, and perhaps even be subject to a motion to table, on the ground that it is simply too precipitate for us to deal with just like this.

Mr. BENTSEN. Mr. President, let me say in reply that I think the members of the committee and the proponents of the substitute have already faced up to that question when they talk about the Director having to fall within these qualifications, or be precluded, because the Director is subject to confirmation by the Senate. He will be appointed by the President and his name placed before the Senate to determine whether he should be confirmed or not. If we face up to that point, I do not see any serious difference between saying that that applies to the Deputy Attorney General and the Attorney General of the United States.

I really do not think, when we are talking about all the members of the bar, that we have put any serious limitation on the President at all. There are lots of other places if he wants to reward someone who helped in his campaign. Let him be Postmaster General; I do not think that he could do much worse than what has already happened over there. But let us not put him in the Justice Department, as has happened too frequently in the past. We saw it happen with J. Howard McGrath, under President Truman, with Robert Kennedy under President Kennedy, with John Mitchell under President Nixon—it goes all the way back to Wilson's time. Some of these have been very able men, but nevertheless the appearance is there that someone who has played a very top role in the political campaign of someone who has become President of the United States all of a sudden is Attorney General. It becomes a punching post, and this just should not be in a system such as ours. If the President wants to reward that man, let him put him in some other Cabinet post.

Mr. WEICKER. Mr. President, I would respond to the Senator from Texas in the following way:

First, this bill is not intended to be a sweeping condemnation of politics. What it is intended to do is strengthen our governmental system.

The point of the Senator from Texas that we have, both in the case of the Director of the Office of Government Crimes and the Office of the Special Prosecutor, removed both those gentlemen, as best we can, from the area of politics, responds to the very point made by the Senator from Texas.

But here is a special situation where a conflict could arise at the highest level, and the pursuit of justice demands that there be a separation as between the judicial system and any connection with politics. That is exactly why we have put these systems into place. But I have very serious reservations not just as to its constitutionality, but as to the principle behind saying that the President, at least in the sense of partisan political activity, is restricted as to whom he may choose for his Cabinet in the case of the Attoreny General.

I realize that the proposition put forth by the Senator from Texas is seemingly a very attractive one; but I think it is not our job to spray the landscape here. There are abuses that we have to address, but I think we have to do so with precision, and I think that is exactly what the Government Operations Committee has done, without tearing apart those matters of politics and government that have served us well over the years.

I recognized the point that the distinguished Senator from Texas raises in one of my recommendations on the Watergate report. I stated that I thought the Attorney General should be elected rather than appointed. In other words, I had no fear of our political processes, but I wanted to allow a judgment to be exercised by the people of this Nation as a whole, rather than by one individual.

I think Senators will find that in most of the States of the Union where such is the case, invariably the attorney general is of a different party than the party of the Governor's office, because the people do like to have a division.

I recognize the problem, and I try to address it in my own way; but to put this kind of a limitation on it would possibly fly in the face of constitutional propriety. And I repeat, and repeat very forcefully: Politics and politicians in this country have made some mistakes, and it is up to the system to correct them, and no one has been more hard-nosed on this subject than myself; but make no mistake about the ride I have, both in the individuals and the system, and I will restate it, even though I be dragged all over the arena, time and time again.

I am a great admirer of the Senator from Texas. He is a distinguished Member of this body in every sense of the word. But for the sake of the public as a whole, of whom we have become the favorite target, for Heaven's sake, let us use some perception in how we criticize and in what we recommend.

I think that has been done, and done very well, by the Committee on Government Operations. I would hope that the recommendation of the Senator from New York would be followed.

I do not wish to condemn out of hand the entire concept that is offered by the Senator from Texas, but I suggest that we let this go over for a day. We are not going to seek for passage, I believe, today.

Mr. RIBICOFF. Mr. President, if the Senator will yield, I would hope the Senate would be able to pass this bill today. The staffs are getting together some of the authorities, and they feel that within a half hour they would be able to produce for the inspection of the Senator from New York, the Senator from Connecticut, and the Senator from Texas some of the authorities that would enable us to come to a conclusion or an opinion on the constitutional proposition.

But we are in a position, I hope, to finish this bill today.

Mr. BENTSEN. Mr. President, if I may say so, I think that would be a productive effort. I am aware of the concern over the question which the Senator has raised on constitutionality, but I know that the American Bar Association has approved this concept without raising the question of a constitutional problem.

I am willing to, and will in a moment, withdraw the amendment, subject to hearing some additional information from the staff on the constitutional question.

Mr. RIBICOFF. Mr. President, I do not think it is necessary for the Senator to withdraw his amendment. I think the Senator could temporarily put his amendment aside and be given an opportunity to call it up again as we proceed. Certainly the Senator will not be foreclosed out of discussing it further.

Mr. BENTSEN. I think we are in accord. It is simply the question of the mechanics of procedure.

Mr. President, I want the privilege of bringing the amendment up again.

I shall also point out what the Watergate Task Force Commission stated on this point. They are referring to the question of independence of the Department of Justice officials, and in that they stated:

> The President should not nominate, the Senate should not confirm as an Attorney General or as any other appointee in a high Department of Justice post a person who served as a President's campaign manager or in a similar high level campaign role.

This is so because, when a campaign manager is out there seeking support for his candidate, he is going to make certain commitments as he goes around the country. Then those people will come again before the Justice Department, at some later date, on some question of conduct or the criminal statutes, then they are going to be in a compromised position.

So I feel very strongly about the merits of the proposal. But I am willing to set aside the amendment temporarily while we try to obtain additional information on the constitutional question.

Mr. PERCY. Mr. President, will the Senator yield for a comment?

Mr. BENTSEN. Yes.

Mr. PERCY. The Senator is dealing with a subject that the Senator from Illinois has been concerned about for many years. The record is filled with statements that I have made on the noninvolvement of the Attorney General, in politics and partisan politics while he is holding office.

Certainly, the supreme test came when Attorney General Levi was appointed, although he is a longtime friend and associate, in taking that same position I was taking a position that would take one of my fine friends, and I hope always a supporter, out of any relationship with any campaign. Certainly I hold firmly to the conviction that the Attorney General should not engage in partisan politics.

I do not think the Secretary of State should. But I would hate to have a provision embodied, whether it is constitutional or not, in legislation prohibiting anyone to be appointed Secretary of State who has had anything to do with partisan politics. That would remove a candidate for President, such as the distinguished Senator from Texas, and so many people who would give advice, counsel, help, and assistance, and we would want to encourage those people to participate in a campaign.

As regards the Attorney General, many lawyers who might consider that they might be a possible appointee would then remove themselves from politics when they are the very people we want involved in politics.

So we think the objective of the amendment to keep the Attorney General out of partisan politics is a noble and worthy one.

Mr. BENTSEN. That is what I am talking about.

Mr. PERCY. I think the point has been well made. But I certainly appreciate the fact that the distinguished Senator from Texas will not press forward with the amendment because the Senator from Illinois would have to oppose it.

Mr. BENTSEN. Let me say I intend to press forward with the amendment if we can satisfy ourselves on the constitutional question because I would argue very strongly the other side as to the merits of it in regard to the Attorney General's position. I am not talking about the State Department. I am not talking about the Postmaster General. I am not talking about HEW, or the Department of Agriculture. Put all the politicians you want in those positions.

Put a politician in the Attorney General job if that is what you want but to not choose someone who has held a very major position in the political campaign of an incoming President.

That is what we are trying to preclude,

and that is what they did with the director's job. So that is all I am talking about, extending it on to the Attorney General and the Deputy Attorney General.

With the understanding that the constitutional question is being studied, I will set aside my amendment, if there is no objection, Mr. President, at this time.

Mr. President, I ask unanimous consent to set aside the amendment for the moment.

The PRESIDING OFFICER. Without objection, the amendment is temporarily laid aside.

Mr. JAVITS. Mr. President, on yesterday we had concluded our consideration of amendments to title II and we had, however, allowed for the possibility that Senator HRUSKA might present some amendment. Senator HRUSKA has returned and advises me he has no amendment to present to title II.

But, Mr. President, I find that there was inadvertently omitted from title II authorization for appropriations; therefore, with the approval of Senator HRUSKA's staff man, who says he would have no objection, I ask unanimous consent that this one amendment which deals strictly with the authorization for appropriations in title II may be considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 216

Mr. JAVITS. Mr. President, I send that amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes unprinted amendment No. 216.

On page 76, strike lines 19 through 25 and in lieu thereof insert the following:

SEC. 216. There are authorized to be appropriated to the Office for each fiscal year through October 30, 1981, such sums as may be necessary to enable it to carry out its duties and functions. Until sums are first appropriated pursuant to the preceding sentence, but for a period not exceeding 12 months following the effective date of this subsection, the expenses of the Office shall be paid from the contingent fund of the Senate, in accordance with the paragraph relating to the contingent fund of the Senate under the heading "UNDER LEGISLATIVE" in the Act of October 1, 1888 (28 Stat. 546; 2 U.S.C. 68), and upon vouchers approved by the Director.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum momentarily.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent to momentarily withdraw the amendment, with the privilege of resubmitting it under the unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. JAVITS. Mr. President, I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. Will the Senator inform the Chair as to whether or not the amendment has been changed.

Mr. JAVITS. It has not been changed.

The PRESIDING OFFICER. The amendment has been previously stated.

Mr. JAVITS. Mr. President, a word of explanation. The authorization for appropriations was included in the original bill but not in the form which would have provided for an interim operation of the office until an appropriation came through. All we have done is to restate the authorization, but we have provided for the interim financing until an appropriation could come through, giving that 12-month period.

I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. ALLEN. What is the amendment about?

Mr. JAVITS. The amendment is to deal with the authorization for appropriations under title II, the congressional legal counsel, and to deal with the interim period until an appropriation comes through.

Mr. ALLEN. I think the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT REFERRAL OF NOMINATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent, as in executive session, that when the nomination of Guy Stever, to be Director of the Office of Science and Technology Policy, is received by the Senate, it be jointly referred to the Committees on Commerce, Labor and Public Welfare, and Aeronautical and Space Sciences.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATING CERTAIN LANDS AS WILDERNESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 874.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 1026) to designate certain lands in the Chassanowitzka National Wildlife Refurge, Citrus County, Florida, as wilderness.

The Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That (a), in accordance with subsection (c) of section 3 of the Wilderness Act (78 Stat. 890, 892), the following lands are hereby designated as wilderness and, therefore, as components of the national wilderness preservation system:

(1) certain lands in the Simeonof National Wildlife Refuge, Alaska, which comprise approximately twenty-five thousand one hundred and forty acres, are depicted on a map entitled "Simeonof Wilderness—Proposed" and dated January 1971, and shall be known as the Simeonof Wilderness;

(2) certain lands in the Big Lake National Wildlife Refuge, Arkansas, which comprise approximately two thousand six hundred acres, are depicted on a map entitled "Proposed Big Lake Wilderness" and dated June 1976, and shall be known as the Big Lake Wilderness;

(3) certain lands in Chassahowitzka National Wildlife Refuge, Florida, which comprise approximately twenty-three thousand three hundred and sixty acres, are depicted on a map entitled "Proposed Chassahowitzka Wilderness" and dated June 1976, and shall be known as the Chassahowitzka Wilderness;

(4) certain lands in the J. N. "Ding" Darling National Wildlife Refuge, Florida, which comprise approximately two thousand eight hundred and twenty-five acres, are depicted on a map entitled "Proposed J. N. 'Ding' Darling Wilderness" and dated June 1976, and shall be known as the J. N. "Ding" Darling Wilderness;

(5) certain lands in the Lake Woodruff National Wildlife Refuge, Florida, which comprise approximately one thousand one hundred and forty-six acres, are depicted on a map entitled "Proposed Lake Woodruff Wilderness" and date June 1976, and shall be known as the Lake Woodruff Wilderness;

(6) certain lands in the Crab Orchard National Wildlife Refuge, Illinois, which comprise approximately four thousand and fifty acres, are depicted on a map entitled "Crab Orchard Wilderness Proposal" and dated January 1973, and shall be known as the Crab Orchard Wilderness;

(7) certain lands in the Lacassine National Wildlife Refuge, Louisiana, which comprise approximately two thousand eight hundred and fifty-four acres, are depicted on a map entitled "Lacassine Wilderness Proposal" and dated January 1974, and shall be known as the Lacassine Wilderness;

(8) certain lands in Agassiz National Wildlife Refuge, Minnesota, which comprise approximately four thousand acres, are depicted on a map entitled "Agassiz Wilderness Proposal" and dated November 1973, and shall be known as the Agassiz Wilderness;

(9) certain lands in the Tamarac National

Wildlife Refuge, Minnesota, which comprise approximately two thousand one hundred and thirty-eight acres, are depicted on a map entitled "Tamarac Wilderness Proposal" and dated January 1973, and shall be known as the Tamarac Wilderness.

(10) certain lands in the Mingo National Wildlife Refuge, Missouri, which comprise approximately seven thousand acres, are depicted on a map entitled "Proposed Mingo Wilderness" and dated June 1976, and shall be known as the Mingo Wilderness;

(1) certain lands in the Fort Niobrara National Wildlife Refuge, Nebraska, which comprise approximately four thousand six hundred and thirty-five acres, are depicted on a map entitled "Fort Niobrara Wilderness Proposal" and dated November 1973, and shall be known as the Fort Niobrara Wilderness;

(12) certain lands in the Swanquarter National Wildlife Refuge, North Carolina, which comprise approximately nine thousand acres; are depicted on a map entitled "Swanquarter Wilderness Proposal" and dated December 1973, and shall be known as the Swanquarter Wilderness;

(13) certain lands in the Medicine Lake National Wildlife Refuge, Montana, which comprise approximately eleven thousand three hundred and sixty-six acres, are depicted on a map entitled "Medicine Lake Wilderness Proposal" and dated November 1973, and shall be known as the Medicine Lake Wilderness;

(14) certain lands in the Red Rock Lakes National Wildlife Refuge, Montana, which comprise approximately thirty-two thousand three hundred and fifty acres, are depicted on a map entitled "Red Rock Lakes Wilderness Proposal" and dated January 1974, and shall be known as the Red Rock Lakes Wilderness;

(15) certain lands in the UL Bend National Wildlife Refuge, Montana, which comprise approximately twenty thousand eight hundred and ninety acres, and are depicted on a map entitled "Proposed UL Bend Wilderness" and dated June 1976, and shall be known as UL Bend Wilderness;

(16) certain lands in the Oregon Islands National Wildlife Refuge, Oregon, which comprise approximately four hundred and fifty-four acres, are depicted on a map entitled "Proposed Oregon Islands Wilderness" and dated June 1976, and shall be known as Oregon Islands Wilderness; and

(17) certain lands in the San Juan Islands National Wildlife Refuge, Washington, which comprise approximately three hundred and fifty-three acres, are depicted on a map entitled "Proposed San Juan Islands Wilderness" and dated June 1976, and shall be known as the San Juan Islands Wilderness.

(b) (1) As soon as practicable after this Act takes effect, maps of the areas designated as wilderness pursuant to subsection (a) of this section (hereinafter referred to as "wilderness areas") and legal descriptions of their boundaries shall be filed with the Committees of Interior and Insular Affairs of the United States Senate and House of Representatives, and such maps and descriptions shall have the same force and effect as if included in this Act: *Provided, however*, That corrections of clerical and typographical errors in such maps and descriptions may be made by the Secretary of the Interior.

(2) The maps and descriptions of boundaries of the wilderness areas shall be on file and available for public inspection in the offices of the United States Fish and Wildlife Service, Department of the Interior.

SEC. 2. The wilderness areas shall be administered by the Secretary of the Interior in accordance with the applicable provisions of Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to designate certain lands as wilderness.

WATERGATE REORGANIZATION AND REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 495) to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes.

Mr. HRUSKA. Mr. President, I ask unanimous consent that the following staff members be allowed the privilege of the floor during consideration and voting on the pending measure: J. C. Argetsinger of the Judiciary Committee, Eric Hultman of my staff, and Dorothy Parker of the staff of Senator FONG.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. I ask unanimous consent that Ron Chiodo of Senator CHILES' staff have the privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. I ask unanimous consent that a member of my staff, Miss Sally Shelton, have the privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT 215—AS MODIFIED

Mr. BENTSEN. Mr. President, I send to the desk a modification of my amendment that we temporarily set aside.

The PRESIDING OFFICER. The clerk will state the modified amendment.

The legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes modified unprinted amendment No. 215 of the unprinted amendment No. 214.

On page 10 add the following new subsection:

(c) An individual shall not be appointed Attorney General or Deputy Attorney General if such individual has, during the 5 years preceding such appointment, held a high level position of trust and responsibility while serving on the national personal campaign staff or in an organization or political party working on behalf of the national campaign of an individual who was elected to the office of President or Vice President.

Mr. BENTSEN. Mr. President, I purposely narrowed the scope of the amendment to have it apply only to a position of high trust in the national campaign of the candidate, the candidate who becomes the President or the Vice President of the United States. So it is a narrower limitation than that of the Director of the Criminal Division.

The question arose as to the constitutionality of such a provision: Was this an undue limitation on the powers of the President to appoint? First, I believe that that was faced up to by the proponents of the substitute when they placed the limitations on the qualifications of the Director of the Criminal Division and of the Special Prosecutor. The limitations I have placed on the power of the person who fills the Attorney General's slot or the Deputy Attorney General's are actually even narrower. When we talk about the constitutional question, I would like to cite a publication by the Library of Congress, an analysis and interpretation prepared by the congressional research service of the Library of Congress, Lester Jayson, Supervising Editor. I quote from page 523, Article II—Executive Department:

> As an incident to the establishment of an office Congress has also the power to determine the qualifications of the officer and in so doing necessarily limits the range of choice of the appointing power. First and last, it has laid down a great variety of qualifications, depending on citizenship, residence, professional attainments, occupational experience, age, race, property, sound habits, and so on. It has required that appointees be representative of a political party, of an industry, of a geographic region, or of a particular branch of the Government. It has confined the President's selection to a small number of persons to be named by others.

Those are some of the limitations we have already seen placed in effect on the President's power to appoint.

The limitation I placed is to say that the President of the United States can choose from the entire bar association to be Attorney General anyone except a man who has filled a position of high trust in the national campaign of that man who goes into office as President or goes into office as Vice President.

I think it is time we take partisanship out of the Attorney General's office and out of the Justice Department. We have seen it become engrained in the political system of this country that the Attorney General's job is used as a reward for a national campaign manager or other high campaign official. It goes all the way back to Wilson's time. We saw it done with Harry Truman with J. Howard McGrath; we saw it done with John Kennedy with his brother, Robert Kennedy; we saw it done with Richard Nixon with John Mitchell; we saw it done with General Eisenhower with Herbert Brownell.

Now, we have had some good men appointed to those positions, but we just ought to take it out of the arena of politics. If you want to reward someone who has been a national campaign manager or one of your top campaign officials who has traveled that campaign trail with you, then let us make him Postmaster General, let us make him Secretary of Agriculture, put him in as the head of HEW. You have a lot of other political payoffs you can give him. But let us not put him in a partisan role, let us not add partisanship to the Justice

Department. If you have a campaign manager who is touring this country trying to gain votes for his candidate, making political deals, making promises, and you then turn around and put him in as the head of the Justice Department, and then see some of these people coming before that Attorney General, I think that is a mistake and I think the American people think it is a mistake.

What has been done in this substitute bill is a great step forward in trying to help clean up the political processes of this country, to restore the confidence of the American people in the political system of this country. All you have to do is look at the latest public opinion polls and see how they feel about the Congress, about their own government. This is a step in the right direction, and my amendment adds to that.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. BENTSEN. Yes, I would be glad to yield.

Mr. RIBICOFF. The question has been raised as to how the American Bar Association feels. I shall read the recommendation for the benefit of the distinguished Senator from New York and the distinguished Senator from Texas:

Recommendation—Politics and the Attorney General. Congress should enact legislation prohibiting one who has played a leading partisan role in the election of a President from being appointed Attorney General or Deputy Attorney General. Individuals holding the position of campaign manager, chairman of the finance committee, chairman of the national political party, or other high level campaign role involved in electing the President should be among those considered to have played a leading partisan role. All Presidential appointees in the Department should be prohibited from engaging in such activity while in office.

Since World War II, four of six Presidents have named as Attorney General a principal leader of a Presidential campaign in which they were elected. The close connection between partisan politics and the Office of Attorney General has seriously reduced the effectiveness of the Department of Justice, inflamed fears about the integrity of the administration of justice and created a substantial credibility gap in the minds of the public.

2) The nomination and confirmation of the Attorney General and Deputy Attorney General should receive the same emphasis as a process for appointment to the Supreme Court. The standard for appointment to these positions should be governed by the highest professional qualifications and not political reward.

I think that reflects the thinking of the Senator from Texas, and I call that to the attention of my colleague for whom I have the highest respect because he did raise the question in conversation with me as to the attitude of the American Bar Association.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BENTSEN. I yield.

Mr. JAVITS. I have read the amendment very carefully, and I do not think it tracks the recommendation of the American Bar Association as the Senator, I think, wishes to track it.

Mr. BENTSEN. Let me say to the distinguished Senator I would be very happy to track the recommendation of the American Bar Association.

Mr. JAVITS. I think that would at least help us when this spur-of-the-moment effort to deal with a very, very important point occurs, so I would hope very much that the amendment could be modified in that way.

Mr. BENTSEN. I will say to the distinguished Senator from New York that I will be very happy to track this language from the American Bar Association. I think it is good language, and will, I think, in a very concise way, state who would be precluded from consideration, if that would be satisfactory to the Senator from New York.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LEAHY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 217

Mr. BENTSEN. Mr. President, I withdraw the amendment I had and send a new amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment numbered 217 to unprinted amendment No. 214:

On page 10 of the unprinted amendment No. 214, add the following new subsection:

(c) An individual who has played a leading partisan role in the election of a President shall not be appointed Attorney General or Deputy Attorney General. Individuals holding the position of national campaign manager, national chairman of the finance committee, chairman of the national political party, or other comparable high level campaign role involved in electing the President should be those considered to have played a leading partisan role.

Mr. BENTSEN. Mr. President, we discussed this at some length, and I hope now, having discussed it with the manager of the bill and the manager for the minority, that this will be an acceptable amendment that will be approved.

Mr. RIBICOFF. Mr. President, on behalf of the managers of the bill, I find this amendment acceptable.

Mr. JAVITS. Mr. President, the manager of the bill on the part of the minority in this matter is Senator WEICKER, but he has very kindly allowed me to state my views and he will state his own.

I have no objection to taking this amendment to conference, and I have so advised Senator BENTSEN. I use that catechism for this reason: I did feel that this was a matter of major importance, especially on the threshold of a presidential campaign, and that in the time which we have available many questions are left in my mind unresolved. Therefore, for one, if I should be a conferee and I probably will, I did not want to lock myself into a situation of blanket acceptance. But I do feel that there is enough to the amendment and to the anxiety which it seeks to quiet as to justify taking it to conference rather than having a contest about it here.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment of the Senator from Connecticut, as amended.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 218

Mr. RIBICOFF. Mr. President, on behalf of Senator NUNN, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF) on behalf of the Senator from Georgia (Mr. NUNN) proposes an unprinted amendment No. 218 to unprinted amendment No. 214:

On page 3, line 12, insert the following after "office", "for willful neglect of duty, for permanent incapacitation".

Mr. RIBICOFF. Mr. President, I have cleared this with the minority. It is a good amendment and I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Jim Davidson and Bill Goodwin, of the Government Operations Committee staff, be granted the privilege of the floor during the consideration of S. 495.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 219

Mr. RIBICOFF. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), proposes an unprinted amendment No. 219:

On page 87, after line 5, insert the following:

The Comptroller General shall promulgate such rules and regulations as are required to carry out the provisions and purposes of this Title.

Mr. MANSFIELD. Will the Senator yield?

Mr. RIBICOFF. I am pleased to yield.

UNANIMOUS-CONSENT AGREEMENT—VOTE ON S. 495 TO OCCUR AT 12:30 P.M. TODAY

Mr. MANSFIELD. Mr. President, after discussing the matter with the acting Republican leader, the manager and the ranking Republican manager of the bill, I am about to propound a unanimous consent request. That is, I ask unanimous consent that the vote on final passage of S. 495, the pending business, occur at the hour of 12:30 p.m. today.

Mr. JAVITS. Will the Senator yield for a clarification?

Mr. MANSFIELD. I yield.

Mr. JAVITS. If there are amendments pending before 12:30, will they be voted on before the final vote?

Mr. MANSFIELD. They will.

Mr. JAVITS. I thank the Senator.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana renew his unanimous-consent request?

Mr. MANSFIELD. Yes, I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIBICOFF. Mr. President, the amendment just read has been drawn after consultation with various Members of the Senate, including the minority. It becomes obvious that in order to carry out title III, the Comptroller General will be required to have rules and regulations and forms, and since all the reporting will be with the Comptroller General, we deem it proper that he be required to draw up the proper forms and regulations.

Mr. President, I ask unanimous consent that this amendment be considered in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to unprinted amendment No. 214, as amended.

Mr. HASKELL. Mr. President, I call up my amendment No. 2031, and ask unanimous consent that it may be considered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, may we know what the request is?

The PRESIDING OFFICER. The question is that an amendment which would not be in order to be called up at this time be considered in order.

Mr. JAVITS. Why would it not be in order?

Mr. RIBICOFF. It is, after we close out titles II and III.

The PRESIDING OFFICER. The Senate is still considering unprinted amendment No. 214.

Mr. RIBICOFF. Mr. President, I move the adoption of amendment No. 214.

Mr. TAFT. Mr. President, will the Senator yield? What is amendment No. 214?

Mr. RIBICOFF. That is the substitute for title I.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2031—AS MODIFIED

Mr. HASKELL. Mr. President, I call up my amendment No. 2031, and ask unanimous consent that it be considered in order at this time.

The PRESIDING OFFICER. The consideration of amendments to title IV is now in order. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes an amendment numbered 2031, as modified.

Mr. HASKELL's amendment (No. 2031, as modified) is as follows:

At the end of the bill, add the following on page — after line —:

"TITLE IV—ENFORCEMENT OF ETHICAL STANDARDS FOR EXECUTIVE BRANCH EMPLOYEES

"DEFINITIONS

"SEC. 401. For purposes of this title, the term—

"(1) 'agency' means an agency, as defined in section 551 of title 5, United States Code; and

"(2) 'employee' means an employee of an agency.

"CIVIL SERVICE COMMISSION

"SEC. 402. The Civil Service Commission shall—

"(1) establish by rule standards of ethical conduct for all employees with respect to financial conflicts of interest;

"(2) establish by rule guidelines to assist heads of agencies in determining whether a conflict of interest exists, or appears to exist, under the standards established under paragraph (1);

"(3) develop forms (hereafter in this title referred to as 'disclosure statements') for the purpose of eliciting from all employees the information required to be disclosed in the standards established under paragraph (1);

"(4) review each disclosure statement filed by an employee as required under section 405; and

"(5) review, upon appeal by any employee, the decision of the agency which adjudicated a complaint against such employee as provided under section 407(b).

"ESTABLISHMENT OF OFFICE OF ETHICS ENFORCEMENT

"SEC. 403. There is established within the Civil Service Commission the Office of Ethics Enforcement (hereafter in this title referred to as the 'Office') which shall be headed by the Director of the Office of Ethics Enforcement (hereafter in this title referred to as the 'Director') who shall be appointed by the Civil Service Commission.

"FUNCTIONS OF THE OFFICE

"SEC. 404. The Office shall—

"(1) promulgate rules to enforce the standards of ethical conduct established by the Civil Service Commission as provided in section 402(1);

"(2) render advisory opinions as provided in section 406(a); and

"(3) conduct random audits of disclosure statements filed by employees in accordance with regulations issued by the Office.

"DISCLOSURE STATEMENTS

"SEC. 405. (a) Each employee or former employee who has held his position for a period in excess of ninety days in a calendar year shall file for such calendar year a disclosure statement in accordance with regulations promulgated by the Civil Service Commission. Such disclosure statement shall be filed—

"(1) at such time and place as the Office shall require by regulation; and

"(2)(A) in the case of an employee who is the head of an agency, a Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, or a full-time member appointed by the President of a committee, board, or commission, with the Civil Service Commission, or,

"(B) in the case of any other employee, with the head of the agency to which such employee is assigned.

"(b) The Civil Service Commission and the head of each agency shall assign such full-time employees as are necessary to examine each disclosure statement filed with such Commission or agency. The Commission and the head of each agency shall be responsible for determining, on the basis of such examination, whether a conflict of interest exists, or appears to exist, under the rules of ethical conduct.

"(c) The Civil Service Commission may by rule exempt from furnishing any information required in a disclosure statement the individuals required to file the same information in a financial statement as provided in section 302 of title III of this Act. The Commission may also by rule exempt from any requirement for filing a disclosure statement special Federal Government employees, as defined in section 202 of title 18, United States Code.

"ADVISORY OPINIONS; RULEMAKING

"SEC. 406. (a)(1) Upon written request to the Office by any person, the Office shall render an advisory opinion in writing within a reasonable time with respect to whether any specific transaction or activity would constitute a violation of the standard of ethical conduct established by the Civil Service Commission under section 402(1).

"(2) Notwithstanding any other provision of law, any person who requests and relies in good faith upon an advisory opinion rendered in accordance with paragraph (1) and who furnished to the Office the full and complete facts regarding the transaction or activity in question as known by such person at the time of such request, shall not, as a result of such reliance, be subject to any disciplinary, civil, or criminal sanction under this title.

"(b) Notwithstanding any other provision of law, no rule may be issued by the Civil Service Commission or any agency to carry out the provisions of this title unless such rule is proposed and issued in accordance with the general notice and opportunity for public participation requirements in section 553 (b) and (c) of title 5, United States Code.

"ENFORCEMENT

"SEC. 407. (a)(1) Any person who believes a violation of the standards on ethical conduct established by the Civil Service Commission under section 402(1) has occurred may file a complaint with the Office. The Office may not take any action under this section solely on the basis of a complaint by a person whose identity is not disclosed to the Office.

"(2) The Director shall refer any complaint concerning an employee received by the Office under paragraph (1)—

"(A) in the case of an employee who is the head of an agency, a Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, or a full-time member appointed by the President of a committee, board, or commission, to the Civil Service Commission; and

"(B) in the case of any other employee, to the head of the agency to which such employee is assigned.

"(b)(1) If the Commission or the head of an agency, upon receiving a complaint under subsection (a), has reason to believe that an employee has violated the standards of ethical conduct, the Commission or the head of such agency shall conduct a hearing in accordance with the provisions of sections 554 through 557 of title 5, United States Code.

"(2) Any decision by an agency may be appealed by the employee or the complainant based on the whole record.

"(3) The court of appeals of the United States shall have jurisdiction of any appeal from a final decision of the Commission without regard to the amount in controversy. Such appeal shall be brought in the same manner and subject to the same limitations as an appeal from the decision of a district court of the United States under section 1291 of title 28, United States Code.

"(c)(1)(A) Except as provided in subparagraph (B), the head of each agency shall be primarily responsible for imposing disciplinary sanctions on any employee of such agency who is found after a final adjudication to have violated the standards of ethical conduct established by the Civil Service Commission under section 402(1).

"(B) In the case of any employee described in subsection (a)(2)(A), the Civil Service Commission shall be primarily responsible for imposing disciplinary sanctions as described in subparagraph (A).

"(2) The disciplinary sanctions referred to in paragraph (1) are—

"(A) reprimand;

"(B) suspension;

"(C) disqualification from participation in a specific transaction or activity;

"(D) dismissal;

"(E) recommendation to the President to remove an employee appointed by such President; and

"(F) denial or rescission, as the Commission deems appropriate, of any application before it in which there has been a violation of a rule under section 402(1).

"(d) Following an adjudication under this section, if the Civil Service Commission or the head of an agency determines that a civil or criminal penalty is the appropriate sanction against an employee, the Commission or the head of such agency shall refer the matter to the Assistant Attorney General for Government Crimes in the Department of Justice for action in accordance with the provisions of section 408.

"CIVIL AND CRIMINAL PENALTIES

"SEC. 408. (a) Any person who—

"(1) fails to file a disclosure statement in accordance with this title or any rule or regulation promulgated under such title;

"(2) files a disclosure statement containing false information; or

"(3) violates any standard of ethical conduct established by the Civil Service Commission under section 401(1); is subject to a civil penalty which does not exceed an amount equal to the profit gained as a result of such violation and interest thereon at a rate equal to the annual rate established in section 6621 of the Internal Revenue Code of 1954.

"(b) Any person who knowingly and willfully—

"(1) fails to file a disclosure statement in accordance with this title or any rule or regulation promulgated under such title;

"(2) files a disclosure statement containing false information; or

"(3) violates any standard of ethical conduct established by the Civil Service Commission under section 402(1);

shall be fined in an amount which does not exceed the greater of $10,000 or 200 percent of the amount equal to the profit gained as a result of such violation.

"EFFECT ON OTHER LAWS

"SEC. 409. Nothing in this title shall be considered to prohibit an agency from imposing on the employees of such agency standards of ethical conduct more stringent than the standards imposed by the Civil Service Commission under section 402(1).

"SEC. 410. The Civil Service Commission is directed to deliver to the Congress an annual report detailing specific steps taken pursuant to this Act and evaluating the effectiveness of standards of conduct and procedures of enforcement regarding potential financial conflicts of interest or the appearance thereof.

"TECHNICAL AMENDMENT

"SEC. 411. (a) The Director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"'(105) Director of the Office of Ethics Enforcement, Civil Service Commission.'"

Mr. HASKELL. Mr. President, I ask unanimous consent that Everett Engstrom and John Cevette of my staff be accorded the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, last year, with the support of seven cosponsors, I introduced S. 2098. The cosponsors of that legislation were Senators BIDEN, CHILES, CRANSTON, GARN, GARY HART, HATFIELD, and LEAHY.

That bill, basically, did two things: It mandated public financial disclosure for public officials, and it created a Commission on Ethics empowered to set uniform standards of proper financial conduct as well as uniform standards for enforcing such conduct on a Government-wide basis.

Obviously, Mr. President, I was extremely pleased when the Committee on Government Operations reported S. 495, containing similar financial disclosure provisions. I wish to congratulate the distinguished members of that committee for reporting and bringing to the floor such a responsible and effective bill as S. 495, and I further compliment the members of that committee on successfully negotiating with the administration a compromise of what appeared to be an impasse which had developed over the last few days.

It is obviously important that S. 495 become law, and that we take a significant step in preventing future Watergate-type abuses of power, in aid, obviously, of restoring public confidence in our system of government.

My observation, Mr. President, is that we should take S. 495 one step further, and that is why I have brought up the amendment that is now pending.

It is my view, and I think probably it would be concurred in generally among those Members of the Senate who have looked into the problem, that there is a need for a far greater standardization of rules and regulations defining financial conflict of interest. There should also be a consistency in enforcement procedures, and there should be some method of external monitoring of the effectiveness of those procedures. In other words, it is my view that disclosure alone will not get the job done.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HASKELL. I am very pleased to yield to the Senator from Connecticut.

Mr. RIBICOFF. I have the very highest respect for the Senator from Colorado, and I know what he is trying to achieve. My feeling is that we have handled the upper echelons of the executive, legislative, and judicial branches. He feels that that should be extended through the entire range of the Federal Government.

Mr. HASKELL. If I may interrupt the Senator, not quite, though I think we go further than the distinguished Senator from Connecticut. I would merely add those employees who now, under the Executive order, have to file financial statements. They would continue to do so, and would be subject to the ultimate civil service jurisdiction.

I am concerned that some agencies have effective enforcement procedures, and others do not, and I would like to see some kind of uniformity of procedure to be sure there is effective enforcement.

Mr. RIBICOFF. I think it is going to be difficult to take care of those now involved, without further inundating the Civil Service Commission and the Comptroller General. The Government Operations Committee did not have hearings on the proposal of the Senator from Colorado. I wonder if the Senator would be amenable to two alternative suggestions: Either assurance from me personally that the Government Operations Committee will have hearings on this whole subject matter early in 1977, or a mandate to the Civil Service Commission to undertake a study of this problem as it affects the entire Federal Establishment subject to civil service, and report back to Congress by May 15.

I would hope that we could proceed with that assurance, without the necessity of trying to force upon them, so to speak, the wide-ranging suggestion of the Senator from Colorado.

I think the first step for restoration of public confidence is to assure that the top levels of the executive branch, the Members of Congress, and the judiciary are subject to these rules and regulations.

Mr. HASKELL. I would concur with the distinguished chairman that that is the priority number one item.

Mr. RIBICOFF. I think that the Comptroller General is going to have to have rules and regulations and put this together, and I do not wish to drown him in putting the house in order as far as we are all concerned.

I hope the Senator from Colorado will accept either one of those suggestions.

Mr. HASKELL. I think the Senator from Connecticut has made an excellent suggestion, to be sure. I shall state to the Senator from Connecticut, so we are on the same wavelength, as to what my concern is and the thrust of my amendment. My concern, No. 1, is that there is no uniform guideline and definition as to what is enforced. My concern, No. 2, is that there is no evenhandedness or assurance of consistent enforcement. Some agencies do a reasonably good job; others do nothing. So my effort is to allow for Government-wide guidelines and centralized enforcement. I happen to pick the Civil Service Commission. Maybe it ought to be someone else.

Mr. RIBICOFF. The Civil Service Commission is fine. I think we could write that into this bill, and I am sure that it would be accepted by the minority managers, to require the Civil Service Commission to study the objectives put forward by the Senator from Colorado to report back to Congress by May 15 with its recommendations, and I assure the Senator from Colorado that immediately when those recommendations come back I shall have hearings in the Committee on Government Operations on those recommendations.

Mr. HASKELL. I think that is a very good solution.

AMENDMENT NO. 220

I shall send a modification of my amendment to the desk which, in effect, says the Civil Service Commission and the Department of Justice shall each analyze regulations and procedures presently in effect with regard to financial conflicts of interest among employees of the Federal Government and recommend to the Government Operations Committee for its consideration such legislation as may be necessary, and with the comment on the proposed amendment that I have pending, I shall make the necessary changes and send the amendment to the desk.

With that report coming in and the distinguished chairman's assurances of hearings on the subject matter, I think that pushes us forward down the road where we wish to go but we do not wish to go too hastily.

Mr. RIBICOFF. I thank the Senator.

Will the clerk state the amendment?

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Colorado (Mr. HASKELL) proposes a modification. In lieu of the other language, insert the following:
>
> The Civil Service Commission and the Department of Justice shall each analyze regulations and procedures presently in effect with regard to financial conflicts of interest among employees of the federal government and recommend to the appropriate committees of Congress for their consideration such legislation as may be necessary. Such report shall be delivered within six months of the enactment of this Act.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum for the purpose of modifying my amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I ask the clerk to read the modification of my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The language now reads as follows:

> The Civil Service Commission and the Department of Justice shall each analyze regulations and procedures presently in effect with regard to financial conflicts of interest among employees of the federal government and recommend to the appropriate committees of Congress for their consideration such legislation as may be necessary including comments on S. 2098. Such reports shall be delivered within six months of the enactment of this Act.

Mr. RIBICOFF. Mr. President, as manager of the bill, this amendment is satisfactory and acceptable.

Mr. JAVITS. Yes. It is satisfactory.

Mr. PERCY. Mr. President, I certainly feel the procedure is satisfactory to the minority and we support it.

The amendment was agreed to.

Mr. HASKELL. I thank the Senator very much.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I think it would be helpful for our colleagues—at least for those who are not on the floor and will read the RECORD tomorrow—to have, in layman's language, a brief discussion of the financial disclosure section, which is title III of this bill.

I have divided that section into roughly six major parts, and I should like to have a reaction from some of my colleagues who have helped with it—Senator RIBICOFF and Senator JAVITS—to be certain that we all understand what is required.

Also, I have tried to make an analysis as to how much work it will be for Senators to file these reports, because I did not want to see us move into a situation such as we had in the campaign reform bill, where we never really realized how much of a paperwork load we were imposing upon every candidate for office when we passed the bill.

The first item is income. Every Member of Congress will be required to disclose his salary, his honorariums, and the dividends he receives, in the exact amount, and the source of those dividends; interest that he receives on any bonds, and the source of that income—that is, naming specifically the issuer of the bond; any capital gains; any farm income; any partnership income.

In appraising the income section, all this material is available from tax returns. It probably would not be reported in the exact form that is used on a tax return, but the exact form would be prescribed, as I understand it, by the Comptroller General. It would be my hope that the format conform as much as possible to accounting procedures necessary for the filing of the income tax return. That would lessen the paperwork burden and the accounting responsibility of the individual officeholder or public official who would be required to report under this particular provision of title III.

The complexity of the income portion of it would depend upon the complexity of the income; but, as I see it, the burden would not be very great.

Do my colleagues feel that this is a proper interpretation of that particular section?

Mr. RIBICOFF. Mr. President, I think that is the interpretation; but, frankly, I do not think it was our intent.

The feeling is that when this item and this line were put in, we were talking about income that was coming from a person's law firm, if he was an officer of a corporation, or a partnership, or gifts he received, or honorariums he might have received.

It had been our feeling that in covering in section 303(b), the assets to be listed and the requirement to list these various assets—securities, business entities, commodity futures, purchase or sale of real estate—that would cover the income that came from those particular transactions or particular assets.

It was not our intention to require the persons covered to file their income tax returns. Unfortunately, as the wording is now listed, unless we clarify it in this colloquy, it would be a distortion of what your income really was, because by listing your income without proper deduction, you do not show the true net income you are receiving.

In other words, let us say that you have a farm and your income is $20,000 and your expenses are $15,000. If you list $20,000, it is not a true report of what your net income is.

Mr. PERCY. Or even taking a lesser example, but a more direct one for, say, a Member of Congress, an honorarium might be provided up to the legal limit. Out of that honorarium, the Member of Congress might be expected to pay his expenses—hotel lodging, transportation. It is not our purpose to have the gross amount put down. It is our purpose then to put the net amount down: What is the real income which is reportable income?

You do not pay income taxes if you have expenses against income. Is that, for purposes of clarification, the intent of those who drafted the legistlation, to see that net income is reported, not just gross income?

Mr. RIBICOFF. That would be the only thing that would make sense. To report the gross income would be a distortion and would not really be the true fact. It is certainly not the intention to distort what the income really is.

Mr. PERCY. What the Senator from Illinois has discussed to date is generally—almost always—in cash form.

Second, we did provide for the reporting of items received in kind, but limited that to amounts over $500. Certainly, the suggestion of the Attorney General is that what we really mean is not that a series of gifts of $499 is not reportable but an accumulated sum total of gifts amounting to $500 is proper. We certainly appreciate the Attorney General pointing out this possible loophole to us, because it was the intention of the committee to see that an aggregate amount of $500 be reported.

That would require the reporting, then, of the fair market value of such things as transportation which is accepted by a Member of Congress or a member of the administration, or whatever top officials are covered by this, or the fair market value of entertainment or lodging.

Here, we are trying to get after the kinds of things that have been revealed publicly, where public officials have been recipients of lavish—and I state lavish in terms of $500 or more—entertainment or paid vacations which, in lieu of cash, are just as much an attempt to reach a person through some form of financial incentive as a cash payment.

What we are saying is simply that if a public official in the category covered by this section of the bill is a recipient, he should report it and be required to report it. The fair market value would be what the going rate would be, as best can be determined, subject to whatever criticism might be leveled if someone dared undervalue such an emolument that he may have received.

Mr. RIBICOFF. We have to look at this with some commonsense. Around the luncheon table yesterday, one of the Members of this body pointed out that he has, in his own State, one of his best friends, who has a house on a lake. The man has no business connections with him whatsoever; he is retired. Sometimes, when the Member goes home to his State, he visits, as he did long before he was in the U.S. Senate, and might spend a week with his friend. I told him that I thought that we have to exercise commonsense. I do not know how you put a money value on that. These are friendships that you have. When you visit a friend's home, I personally see nothing wrong, if you lived with a friend, spend a week with him, in his company in fellowship and friendship, that you would consider that that was something that was wrong. Yet, I suppose if we look at what the cost of staying at a resort with comparable facilities for a week would be, it might be over $500.

I told him I did not know what the answer would be but if it were I, I would say that I spent a week at the home of my friend and I do not think that—friendship and staying at the home of my friend should be listed at more than $500.

Mr. PERCY. It puts us into areas where judgment must be exercised.

Mr. RIBICOFF. I do not think any apology has to be made.

Mr. PERCY. I think there is a lot of difference between a situation where it is a friendship of a decade or two's standing, or where it is a person where the only relationship you have ever had with that person is a legislative relationship, where he has lobbied and where the intent and purpose is, somehow, during the course of that weekend, to discuss legislation. I would say a Member of Congress who does not report something that would be valued fairly at over $500 in that kind of relationship would take a chance if he did not report that.

Mr. RIBICOFF. I think we have had instances over the past where different corporations have had hunting lodges or resorts where there was no connection of friendship. I would put that in a different category than staying at the home of a friend who has nothing to do with the legislative activities of the individual Member.

Mr. PERCY. The third area for possible clarification might be the listing of assets over $1,000. Here we specifically have excluded personal items, personal effects, jewelry, et cetera. But we do require a list of houses. Every Member, or virtually every Member of Congress, has a residence in the Washington, D.C., area, and possibly in their own district or State. If they rent, there is no listing. If they own, there is a listing, although the specific address does not need to be disclosed. I think there would be a sensitivity to listing addresses. I do not think it is in the public interest that every public official list his specific address. We get enough mail in our offices and we do not want to be deluged and take bushel baskets back.

For the purposes of clarification, if the Senator from Illinois owns a home in Washington, D.C., he would list the house, and indicate that it is an asset in whatever category is appropriate—over $50,000, over $100,000. The specific value is not put down, and no specific address is listed. Is that the understanding of the Senator from Connecticut?

Mr. RIBICOFF. I would say the Senator would have to list the home in Washington. Again, the same Member said to me, "About 5 years ago, I bought a home in Washington for some $50,000. It is naturally, with inflation, worth more than $55,000. I am reluctant to go out and hire an appraiser."

I said, "I think we have taken care of that. We have a category, due to an amendment by the Senator from Alabama, where we list the value as between $50,000 and $100,000." I said that it seems to me that if you list a home, original cost $55,000, you put it in the category of $50,000 to $100,000 and nobody is going to say that you wilfully misled or knowingly falsified.

I think a generalization—I do not think we should burden the individuals involved with getting an appraisal every year as to what the value of that home may be because of inflationary pressure. I am satisfied that we would cover it if we said, in 1971, I bought this house for $55,000 and I estimate that it is in the category of between $50,000 and $100,000.

Would the Senator from Alabama say that that would cover a proper reporting under those circumstances if you have a home of your own?

Mr. ALLEN. Yes, I would.

Mr. RIBICOFF. If the Senator had a home of his own?

Mr. ALLEN. Yes, indeed.

Mr. PERCY. But specifically on the point of identification, the Senator from Illinois wants to be certain we are not requiring Senators, Congressmen, or anyone else to identify the specific address of a home that they own, and this includes a Cabinet official. Is it adequate, in the judgment of the floor manager of the bill, for the Senator or Congressman to simply say he has a home or residence in such and such a category, over $100,000, over $50,000, in Washington, D.C., or in a specific county of a specific State, in Cook County, Ill., without specifying a street address of that particular residence?

Mr. RIBICOFF. I am worried about that. I think we could get ourselves into a lot of trouble if we did not specify the address.

I think, as I contemplate it, we have to list the real estate we may own that may not be our home, and I contemplate we would be required to say "I have a piece of real estate at 10 Main Street," in a certain city, and I list what I consider to be the value, and I wonder if we would not get ourselves into trouble if we did not put our addresses in as to where our homes are.

I do not think those people who want to know where any of us live will have any trouble finding out that we live in Washington or Chicago, Ill., and where we actually live.

Mr. PERCY. The Senator from Illinois would differentiate between a residence——

Mr. RIBICOFF. I think we ought to list where the property is located.

Mr. ALLEN. That would be my understanding, I will say to the distinguished Senator. It ought to be identified.

Mr. PERCY. If it is not clearly understood on the record that Members of Congress and members of the Cabinet are not required to list the specific address of their home, the Senator from Illinois will offer an amendment specifically excluding that. I think it is a matter of security, a matter of privacy, not to have it a matter of public record and required as a matter of public record where top officials actually live and reside.

Mr. RIBICOFF. I will say to the Senator that under those circumstances he would be required to put an amendment in because I must confess it was not my intention when we wrote this language that we could exclude the exact address of the property we owned.

Mr. WEICKER. Mr. President, would it satisfy the Senator, in the context of this colloquy, if the residence were identified by town and State without a street address? It seems to me that would serve the purpose.

Mr. RIBICOFF. Well, for the personal residence, and I would like to get the consensus of the other members of the Government Operations Committee——

Mr. ALLEN. I think if it is identified as being a home there would be other ways of ascertaining its whereabouts. It would be sufficient in the statement if it is identified as being his home.

Mr. JAVITS. Mr. President, will the Senator yield to me to offer an amendment, as our time is going very quickly?

Mr. ALLEN. I also wish to express a different view for the legislative history to one of the lines of discussion before 12:30. There is no great rush. It will take only 2 or 3 minutes, but at some time I hope the chairman will yield to me.

Mr. RIBICOFF. I would be pleased to yield. I think Senator JAVITS had a amendment.

Mr. PERCY. Mr. President, I believe the Senator from Illinois has the floor, and unless it is on this particular point I would rather finish the colloquy.

Mr. JAVITS. It is on this particular point, but, nonetheless, I will defer to the Senator. He is a cosponsor of this amendment.

Mr. PERCY. If the Senator from New York can help clarify it, that would be fine. We are not requiring the Attorney General of the United States or others to give a specific address in Washington, D.C., to require that it be published where they live. This, I think, would be a contravention of privacy. I have seen the residence, and what happens at the residence, as I go by every night, of the publisher of the Washington Post. I would not want to have those kinds of demonstrations and every public official subjected to that kind of abuse of the privacy of that residence and home and the danger possibly to it which would result under this bill. I do not think it would serve any useful purpose whatsoever.

Mr. RIBICOFF. We should go one step further and have the same rules for any home used as a residence.

Mr. BROCK. Mr. President, will the Senator yield? I think the Senator from Illinois has a valid point. We do not want to subject any official to harassment or that sort of thing, and I think at least for this particular member of the committee it would be adequate for any personal residence, and that would be your residence in your State as well as your residence here, to simply list the city.

Mr. JAVITS. Mr. President, will the Senator yield to me on this point?

Mr. PERCY. I would be happy to yield.

Mr. JAVITS. We have given blanket authority to the Comptroller General to make rules and regulations. This is one he will make, and I have every confidence that he will make it properly and will respect the cofidentiality, when requested, because, in my judgment, the language of the statute could be complied with, to wit, the identity and category of value of each asset by saying, "I own a home and it is worth so much money," or "It is in this category of over $100,000," or whatever.

That could be done, but that question could be in doubt, and the best way to resolve it is by the rules and regulations which will be made. I hope and expect that those rules and regulations will respect the confidentiality of a residence, if requested.

Mr. BROCK. I think that is the clear intent, at least of the Senator, to have confidentiality.

Mr. PERCY. If we have the concurrence of the floor manager of the bill, then the record is very clear.

Mr. RIBICOFF. You have the concurrence because I am very sympathetic to it. But I hope the Comptroller General, in promulgating the rules and regulations, will take that into account, providing the value and city are there and what the property is used for, and that would be satisfactory, without giving the exact address.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PERCY. I want to thank my colleagues. I want to make the point very strongly that after the publication of the addresses of certain of our colleagues, their homes were ransacked very shortly after that. And, having had a crime committeed in my own home, I am very sensitive indeed as to publicity giving home addresses, publicity that does not serve the public interest. As long as the town and the city are identified, that serves disclosure properly.

I am happy to yield to the Senator from New York.

UP AMENDMENT NO. 221

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that it be considered?

Mr. JAVITS. I ask unanimous consent that it be considered.

The PRESIDING OFFICER. Without objection, the clerk will report.

Mr. ABOUREZK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ABOUREZK. Does it require unanimous consent to offer an amendment at this time to the bill?

The PRESIDING OFFICER. Except for the Senator from Nebraska (Mr. HRUSKA) or any other who is granted that request, the other request would have to be taken up on an individual basis.

Mr. ABOUREZK. What if an amendment is offered to the amendment of the Senator from New York, would that require unanimous consent?

The PRESIDING OFFICER. The same.

Mr. JAVITS. Mr. President, I will request unanimous consent.

Mr. ABOUREZK. I want to discuss it with him, but I would ask unanimous consent that it be in order that I offer an amendment to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. Reserving the right to object, Mr. President, we have a terribly tight timeframe here, and I want to be sure there is adequate time for discussion.

Mr. ABOUREZK. I hope there will be. It will not take very long.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, does Senator ALLEN wish me to yield to him?

The PRESIDING OFFICER. Will the Senator allow the amendment to be stated?

Mr. ALLEN. I want to have something to say before 12:30.

Mr. JAVITS. It will not take more than 3 minutes.

The second assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS) for himself, Mr. RIBICOFF, Mr. PERCY, and Mr. WEICKER proposes unprinted amendment No. 221.

The amendment is as follows:

> On page 84, line 11, insert after the word "defendants" the following "within his control."
>
> And on page 84, line 12, strike all after words inserted above and insert the following: "or by him and his spouse or defendants jointly or by any person acting on his behalf."

Mr. JAVITS. Mr. President, this amendment is the product of the joint work of Senators RIBICOFF, WEICKER, PERCY, and myself, and it is offered by all of us as sort of the activists on this bill.

What it does is the following: If Members will turn to page 84, the amendment retains everything on page 84 up to line 11 and the word "dependents." It then inserts after the word "dependents" the words "within his control."

It also preserves the words "or by him and his spouse jointly," and insert after the word "spouse" the words "or dependents jointly," and it then strikes the rest of line 12 and the rest of line 13, except that it preserves on line 14 "or by any person acting on his behalf."

The purpose of the amendment, Mr. President, is to deal with the privacy of the spouse and the dependents of an individual, and to deal with the question of trusts, either so-called blind trusts, which have been established by Members, or hereditary trusts of which Members may be the beneficiaries.

It sets the test in the word "control." In other words, if a Member in any way controls the assets or the trusts that he is interested in, and his wife or dependents, in each case or, then he must report every detail about it.

In the case of a blind trust, he is to report whatever he knows.

In other words, he established a trust—if he did—he put over $100,000, or whatever the category, in it, he is a beneficiary, the trustee is So-and-So, here is a copy of the trust instrument, but beyond that, he knoweth not.

That is what we mean by control. We think that is a fair and rational way to deal with this question of privacy of the spouse or the dependents and the requirement to act on the part of the Member.

There is no doubt about the fact, Mr. President, that this is not absolutely airtight and foolproof. But we believe it is just about as far as we can go with any practical scheme that tries to do both things, to wit, preserve privacy, where it is legitimate, of the wife, and children and, at the same time, point to whatever the member may be doing in respect of the assets of himself and his family.

We have chosen the best word we could, which is the word "control."

That is the whole amendment, Mr. President, and I hope my colleagues will feel that we have made a fair resolution of the difficulty.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GLENN). The Senator from South Dakota.

UP AMENDMENT NO. 222

Mr. ABOUREZK. Mr. President, I send an amendment, by way of a substitute to the Javits amendment, to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) proposes a substitute to the amendment of Mr. JAVITS, unprinted amendment No. 222.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment of Mr. JAVITS (No. UP 221) add the following:

Provided, That no disclosure shall be required as to those items of the spouse and dependents of the reporting individual which represent their sole property and which are not in any way, directly or indirectly, past or present, derived from the income, earnings, investments, assets, dividends, property, holdings or activities of the covered official.

Mr. JAVITS. Mr. President, I make the point of order that it is not a proper substitute. My amendment is an amendment to strike and insert.

The PRESIDING OFFICER. The amendment of the Senator from South Dakota is a proper substitute. It also is a strike-and-insert amendment, the same thing.

Mr. ABOUREZK. Mr. President, the purpose of this amendment, which I might add is supported by Common Cause and myself, and I just discussed it with a couple of Senators who said they see no objection to it, is to merely tighten up the wording of the Javits amendment, to accomplish the same thing.

What it would do is make certain that any property of dependents, of wives or children, that is acquired on their own and not in connection with the officeholder who might be the spouse, is prevented from being disclosed. But the principal purpose would be to make certain, unlike the Javits language, that no one is allowed to transfer any property out of his or her name into their spouse's or child's name to avoid disclosure.

It would accomplish the same thing, but I think it tightens it up.

Mr. JAVITS. Will the Senator yield to me?

Mr. ABOUREZK. Yes.

Mr. JAVITS. The only reason I made the point of order is this. I read the Senator's amendment carefully. We are trying to do the same thing. But I think jumping at it so quickly and suddenly, that the Senator ought to substitute what he has for mine. I think he ought to add it, then we can work it out in conference.

What I am concerned about, for example, are transfers of assets which may not be covered by the rather blanket statement which the Senator makes which intends to cover it, but which may not.

Because we deliberated and worked so hard and satisfied so many people with this word "control," I would be more than glad to accept and incorporate exactly what the Senator has.

If it is redundant, it is redundant. But let us not just dismantle everything we have been working on here for hours and, indeed, days.

That is my only point.

Mr. RIBICOFF. If the Senator will yield, if the Senator would comply with the request of the Senator from New York and go to conference, the Senator has our assurance that his ideas and Senator JAVITS' ideas would be studied most carefully, in consultation with the Senator from South Dakota, to try to get the intent established, because time is running out.

Mr. ABOUREZK. I would be willing to do that if—and I would like the Senator to state it—it is his intent to prevent an officeholder from transferring assets to a spouse or a child?

Mr. JAVITS. Absolutely.

Mr. RIBICOFF. That is my intention.

Mr. ABOUREZK. Then shall we ask unanimous consent this be added?

Mr. JAVITS. That is fine and I accept it as an addition and modify my amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I wish to express a difference of opinion on the meaning of a certain phrase here in the bill from that expressed in colloquy between the distinguished manager of the bill (Mr. RIBICOFF) and Mr. PERCY.

On page 80, section 303, where each covered individual is required to file a full and complete statement in the manner and form as the Comptroller General may prescribe with respect to the amount and source of each item of income.

It was stated in colloquy that this would mean each item of net income. I submit, that is not the reasonable interpretation of these words, because the bill would call for a statement of the amount and source of each item of income.

In other words, everything that comes in has got to be stated. Then, of course, if the officer or official who filed the statement wanted to say, "Now, I will charge against that so much item of expense, leaving a net of so much," that would be in order and that would be within the contemplations of this language.

Let us assume a case of this sort, a public official, an officeholder, could possibly be a slum lord who might possibly have $100,000 of rental income, but he would say, "Well, I spent a whole $100,000 and, therefore, I had no net income," and report no income.

I think it should be incumbent——

Mr. RIBICOFF. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. RIBICOFF. I agree with that position. I do not think we do not have to report it. We report it on the net basis. I hope the Comptroller General in promulgating rules and regulations would indicate all charges against the income source we have.

Mr. ALLEN. Yes, but does the Senator concede that the gross figure must first be stated?

Mr. RIBICOFF. I do not think, the way we have it, there is any question.

Mr. ALLEN. That is all I want to establish.

Then the gross figure, like when we file an income tax, we establish our gross income and then deductions off that?

Mr. RIBICOFF. We are not in disagreement.

Mr. ALLEN. I thank the Senator.

Mr. PERCY. If the Senator will yield for a comment, the interpretation of the Senator from Illinois is exactly the same, certainly, that the gross income is offset by whatever expenses are incurred and the net income figure is reported——

Mr. ALLEN. That is not what the Senator from Connecticut said. The Senator from Connecticut said that the gross figure would be reported and then the expenses against that, ending up with the other figure. But the gross figure must be stated. The Senator from Illinois does not seem to understand it.

Mr. PERCY. That is exactly what the Senator from Illinois said.

Mr. ALLEN. The gross figure must be on.

Mr. PERCY. The net figure is the income of the individual. They must then list the gross figure and expenses against that to arrive at the net figure, all of which is available on ordinary income tax returns.

Mr. ALLEN. But the gross figure must be stated.

Mr. PERCY. Of the incumbent officeholder making the report.

Mr. ALLEN. But the gross figure must be stated.

Mr. RIBICOFF. Mr. President, I send to the desk——

Several Senators addressed the Chair.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the Javits amendment, as modified by the amendment of the Senator from South Dakota.

The amendment, as modified, was agreed to.

Mr. RIBICOFF. Mr. President, I ask unanimous consent to extend the time for 5 minutes. I do not want to foreclose the Senator from South Dakota.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 223

Mr. RIBICOFF. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF) proposes an unprinted amendment numbered 223:

On page 91, line 6, strike the word "subpena" and insert in lieu therefore the following:

"Discovery order of a competent court".

Mr. RIBICOFF. Mr. President, this amendment has been submitted at the request of Senator GRIFFIN, who points out that any attorney could issue a subpena. We want to make sure that it is a discovery order of a competent court which prevails.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. President, I ask unanimous consent that Senator HASKELL and Senator MUSKIE be listed as cosponsors of S. 495.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that technical and clerical changes be made in S. 495 after final passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Senator from Alabama (Mr. ALLEN) be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS SUBMITTED

Mr. ROTH. Mr. President, the Watergate Reform Act is an effort to establish permanent institutions and procedures to fight corruption in Government and strengthen the ability of Congress and the executive branch to investigate and prosecute any abuses that do occur. The Government Operations Committee has spent a great deal of time and effort working on this bill, and I believe that it has been vastly improved over the original drafts. In particular, I want to congratulate our chairman, Senator ABRAHAM RIBICOFF, and my Republican colleagues on the committee, especially Senators CHARLES PERCY, JACOB JAVITS, and LOWELL WEICKER, who have been so instrumental in putting the bill into its present form and getting it to the floor.

The Watergate Reform Act has been in every sense a bipartisan effort by Republicans and Democrats who want to prevent the kinds of abuses of public trust that we have experienced in recent years. The Watergate affair under a Republican administration and the Bobby Baker scandal under a Democratic administration have shown the need to enhance the accountability of public officials and establish procedures to insure that an independent or special prosecutor will be appointed whenever the President or Attorney General has a conflict of interest in any case under investigation or prosecution.

I am pleased that title III of the bill relating to financial disclosure includes several amendments I offered in committee to insure that the information disclosed is accurate and that the Department of Justice, courts, and ethics committees of Congress have access to any financial information that may be needed to enforce the laws and punish violators.

In committee, I authored the provisions requiring the Comptroller General to make spotcheck audits of the financial disclosure forms. I have long held that financial disclosure without auditing is a paper tiger. The kind of person who would accept bribes or extort payments is not going to hesitate to falsify the financial information he is required under the bill to disclose. Without any audit, there would be little to deter him from falsifying, and it would be almost impossible to catch him. My amendment will put some teeth into the law. Just as spotcheck IRS audits help prevent falsification of tax returns, audits by the Comptroller General of financial disclosure information will help insure that the information provided is accurate, complete, and honest. All high ranking public officials, including the President, Vice President, and Members of Congress, the Cabinet, and the Supreme Court, would know that their statements might be checked.

Without an audit procedure, public financial disclosure would only give the appearance of a check on corruption, not a real check. Whatever sense of confidence it gives the public and press would be a false sense of confidence. In a period of widespread disillusionment with government, it is essential to insure that the reforms we adopt are real and effective reforms.

Mr. CHURCH. Mr. President, I am pleased that the Senate Government Operations Committee has reported S. 495, the Watergate Reorganization and Reform Act, to the Senate for consideration. This bill contains three titles, each of which has significance far beyond the circumstances of the Watergate affair.

Title I would create a Division of Government Crimes in the Department of Justice, and provide for the possible appointment of independent special prosecutors for alleged criminal wrongdoing by high-level Government officials.

Title II would establish a Congressional Legal Counsel to represent Congress in three major types of litigation: First, civil actions in which congressional individuals or entities are a party defendant and in which an official congressional action is placed in issue; second, legal actions in which the constitutionality of a law of the United States is challenged, the United States is a party, and the constitutionality of the law is not adequately defended by counsel for the United States; and, third, civil actions to enforce a subpena or other order issued by Congress.

Title III would require annual financial disclosures by high level officials in all three branches of the Federal Government.

TITLE I

As chairman of the Select Committee on Intelligence, I called earlier this year for a temporary special prosecutor on intelligence abuses. I ask unanimous consent that a copy of that statement appear at the conclusion of my remarks today.

It was my view then, and it remains my view today, that a temporary special prosecutor is required to examine the question of intelligence abuses. The official relationship between the FBI and the Department of Justice quite simply places the Attorney General in an untenable position. He has been asked to investigate the very house over which he must preside. This is an unreasonable and unfair burden to place upon any person, regardless of his integrity.

The Select Committee on Intelligence uncovered a long list of unlawful violations by the intelligence agencies, including the Federal Bureau of Investigation. Our findings were made available to the Attorney General and we were given repeated assurances that investigations for possible prosecution were going forward. Yet, in all these months, I have heard nothing concerning the results of the Justice Department inquiries.

If a single prosecution is contemplated, it is the best kept secret since the White House tapes.

However, if a special prosecutor had been named, a number of court cases would most likely have been brought by now. That they have not is evidence enough of the need for special prosecutor appointments, as envisaged under title I of S. 495.

Title I would have worked well in the cases uncovered by the Intelligence Committee. The definition of conflict of interest for the Department of Justice provides the trigger for a special prosecutor appointment. When the conflict is considerable, title I requires the Attorney General to file a memorandum with the U.S. court of appeals. If in that memorandum the Attorney General acknowledges the conflict, he must also name a special prosecutor and describe the matters to be investigated.

If the Attorney General does not believe that a conflict of interest exists and fails to appoint a special prosecutor, the court of appeals is authorized to review that determination and to appoint a special prosecutor if it disagrees with the finding of the Attorney General.

The court may also review the appointment of the prosecutor as well as his jurisdiction, changing both as it deems appropriate under title I guidelines.

In the investigation conducted by the Intelligence Committee, I am sure a special prosecutor would have been appointed through these procedures if title I of S. 495 had already been law.

These procedures for investigating government misdeeds lie at the heart of this Watergate Reform Act. They do not call into question the integrity of the Attorney General, now or in the future. Instead, they provide a process for assisting the Department of Justice fulfill its mission to uphold the law in cases where the Department faces a real or potential conflict of interest dilemma. It is important to remember that the appearance of impartiality is just as vital as being impartial. Title I would help the Justice Department maintain the sanctity of both.

To resort to the use of a temporary special prosecutor, when necessary, is entirely proper. Leon Jaworski, himself a former Special Prosecutor, and others in the legal community have endorsed this concept on numerous occasions. Title I of the Watergate Reorganization and Reform Act can close this conspicuous gap in our system of justice.

TITLE II

The aspect of title II which I find particularly laudatory is the provision allowing a Congressional Legal Counsel to bring civil actions in order to enforce subpenas or other orders issued by Congress. This provision would reverse, of course, the existing procedure of criminal contempt action, but we are all aware how difficult it is to apply such an extreme recourse to obtain information from recalcitrant individuals or corporations. My own experiences lead me to the conclusion that the ability to pursue information through less draconian means is absolutely imperative to the expedition of congressional business. I strongly endorse this provision of title II.

TITLE III

Title III of this legislation, Mr. President, would require high-level officials in all three branches of the Government to make public financial disclosures. I was one of the first Senators to voluntarily make such a disclosure, and I have made it my practice to do so periodically ever since. The Government Operations Committee is to be commended for its endorsement of disclosure, and for including the requirement in this bill.

I want to compliment the Government Operations Committee for reporting the Watergate Reform Act, S. 495, to the Senate for consideration. This bill represents a culmination of many hours of hard work in the wake of the Watergate affair. The committee had done a superlative job. The Watergate Reorganization and Reform Act deserves to be passed by the Senate.

Mr. HATHAWAY. Mr. President, I would like to ask the distinguished floor manager a few questions regarding title III of this bill which concerns financial disclosure by Government personnel. My questions are concerned particularly with the provisions of section 304(a)(4), which grants to the President the authority to "exempt any individual in the Central Intelligence Agency, the Defense Intelligence Agency, or the National Security Agency, or any individual engaged exclusively in intelligence activities in any agency of the United States from the requirement to file a report with the Comptroller General if the President finds that, due to the nature of the office or position occupied by such individual, public disclosure of such report would reveal the identity of an undercover agent of the Federal Government." Each such individual so exempted must still file a report with the head of his agency, or if head of the agency, with the Chairman of the Civil Service Commission.

I would like to ask the distinguished floor manager whether this subsection is intended in any way to lessen the responsibility and duty of the individuals so exempted to avoid situations of financial conflict of interest in the conduct of their public and private lives?

Mr. RIBICOFF. This subsection is not intended in any way to lessen the responsibility and duty of these individuals under any existing law to comply with conflict of interest requirements.

Mr. HATHAWAY. Is it not correct to interpret this subsection as being necessary to prevent public disclosure of the identities of undercover agents by the Comptroller General under the public access provisions contained in section 306 of that title? In other words the exemption in section 304(a)(4) is intended solely to avoid the public disclosure of information and identity under section 306(a) and is not to be interpreted to allow secret operatives to engage in activities which lead to situations of conflict of interest?

Mr. RIBICOFF. The Senator is correct.

Mr. HATHAWAY. The head of each agency would still be required to make determinations regarding possible conflicts of interest consistent with the framework set up in title III of this bill, is that not correct?

Mr. RIBICOFF. This does not change existing requirements, the Senator is correct.

Mr. HATHAWAY. I have a couple of remaining questions regarding the relationship between section 304(a)(4) of this legislation and the provisions of Senate Resolution 400 which set up the Select Committee on Intelligence and was agreed to by this body on May 19. I am pleased to be able to address these questions to the floor manager of this bill who was significantly involved in the consideration of that measure.

Section 11(b) of the resolution as adopted expresses "the sense of the Senate that the head of any department or agency of the United States involved in any intelligence activities should furnish any information or document in the possession, custody, or control of the department or agency, or person paid by such department or agency, whenever requested by the select committee with respect to any matter within such committee's jurisdiction."

Am I correct in assuming that it is not the intention of section 304(a)(4) of this bill to in any way modify, mitigate, or vitiate the select committee's authority to gather information as contained in section 11(b) of Senate Resolution 400?

Mr. RIBICOFF. Yes, the Senator is correct.

Mr. HATHAWAY. Similarly, section 11(c) of Senate Resolution 400 states:

> It is the sense of the Senate that each department and agency of the United States should report immediately upon discovery to the select committee any and all intelligence activities which constitute violations of the constitutional rights of any person, violations of law, or violations of Executive orders, Presidential directives, or departmental or agency rules or regulations; each department and agency should further report to such committee what actions have been taken or are expected to be taken by the departments or agencies with respect to such violations.

Am I correct in assuming that it is not the intention of section 304(a)(4) of this bill to in any way modify, mitigate, or vitiate the duty of departments and agencies of the United States to report immediately any such activities to the select committee under the provisions of that section 11(c) of Senate Resolution 400?

Mr. RIBICOFF. Yes, the Senator is correct.

Mr. HATHAWAY. I thank the distinguished floor manager for clarifying this matter for me. As a member of the Select Committee on Intelligence, I am particularly pleased that its authority is not intended to be diminished by the legislation under consideration today of which I am a cosponsor. Further, I think it is particularly important that the responsibility of undercover agents to scrupulously avoid situations of financial conflict of interest is acknowledged in this legislation. The business or so-called proprietary activities of the intelligence community will be an area of close study for the committee in upcoming months and it is important that the principles contained in title III of this bill be seen by this body to apply to all employees of the intelligence community.

Mr. BAYH. Mr. President, I would like to take just a few moments to explain my vote on final passage of S. 495, the Watergate Reorganization and Reform Act. I have voted for passage of S. 495 because I heartily support titles II and III which require full financial disclosure by high level officials and employees of the Federal Government and establish the Office of Congressional Legal Counsel. However, I am deeply concerned with title I which has been amended to provide for the establishment of a permanent special prosecutor.

Events of the last few years have demonstrated the need for legislation establishing a mechanism to insure vigorous and independent investigations and prosecution of high officials of the Federal Government. We have learned through painful experience that our present Federal prosecutorial system is inadequate when required to pursue allegations of criminal wrongdoing against those who have direct control or a substantial influence over that system. I do not believe this inadequacy is corrected by S. 495.

By institutionalizing the office of special prosecutor within the Department of Justice, we have undercut the independence envisioned when the establishment of a special prosecutor was first considered in 1973.

It stretches one's credulity to imagine that a so-called "special prosecutor" who is appointed by the President in his discretion, who is totally incorporated within the standard operations of the Department of Justice, and who is required to report specific decisions and the reasons for those decisions to the Attorney General, would enjoy the independence essential to the fulfillment of his difficult responsibilities. Indeed, it is a misnomer to refer to such an appointee as a special prosecutor; a more apt title might be "permanent prosecutor for high Federal officials."

Having witnessed in recent years the pressures that can be brought to bear on our system of criminal justice, it is a serious error to institutionalize a would-be remedy for existing institutional weakness that itself is inherently flawed. Indeed, it is not impossible to imagine that circumstances could arise in the future under the structure incorporated in the compromise title I that would leave us with a situation precisely like that which necessitated the appointment of a truly independent special prosecutor 3 years ago.

As reported from the Committee of Government Operations, title I of S. 495 provided for the appointment of a temporary special prosecutor when it was evident or likely that a conflict of interest, either material or political, would prevent the Department of Justice from undertaking a full, vigorous investigation and prosecution of criminal wrongdoing. Title I was clearly drafted to insure that a special prosecutor would be appointed when needed and that once appointed he or she would be immune from political influence. Instead, we have chosen a mechanism which will enable a circumvention of the prosecution of high Government officials should the President simply fail to nominate an individual for the position of special prosecutor. More significantly, we have put the special prosecutor within the same criminal justice system, the failure of which was the driving force behind the adoption of S. 495.

Mr. President, I hope that the future of this great country will bring a time of honest and open government and will obviate the need for legislation such as the Watergate Reorganization and Reform Act. That time will not come unless the Members of this body take hard stands against corruption in government. By adopting the amended version of title I of S. 495, we have missed another opportunity to take that hard stand.

Mr. DOLE. Mr. President, though I am not entirely satisfied that this bill represents truly desirable reorganization and reform—or even that it poses the best means of assuring integrity and accountability among high-level Government officials—I am going to support it as the closest we can come to something reasonably acceptable.

I will continue to have reservations, however, about the constitutionality of a Special Prosecutor under title I; the advisability of a congressional legal counsel under title II; and the necessity and utility of the massive, and perhaps unmanageable, disclosure requirements—covering in excess of some 15,000 bureaucrats—under title III. Hopefully, some of these doubts, which other Senators share, can be further addressed as hearings on the matter begin in the House of Representatives next week.

One aspect of the final version of this legislation which does have my particular approval, Mr. President, is that dealing with the jurisdiction of the Special Prosecutor. Since I indicated yesterday my intention of offering an amendment to include allegations of criminal wrongdoing against Members of Congress as part of the so-called triggering mechanism, I was pleased to have that change incorporated into the committee's substitute just adopted.

As Senators are, of course, aware, the legislative branch was excluded from the jurisdictional authority of the Special Prosecutor under the originally reported text of S. 495. It seems to me, however, that an inherent conflict of interest is going to exist any time the Attorney General has to make a decision as to whether he should prosecute another political officeholder.

Certainly, as an appointee of the President, no matter how hard he strives for objectivity relative to Senators or Representatives, he will always be subject to charges of partiality. Accordingly, any such judgments would be most appropriate for an independent prosecutor who—if such a position is to be created—could make them without the pressures that might otherwise exist.

The Criminal Division of the Justice Department—which now has authority and responsibility for investigating and prosecuting matters concerning Members of Congress is, I think, carrying out this duty very commendably. In fact, it is currently pursuing several cases involving possible misuse of public funds and unauthorized release of classified information within the House of Representatives.

As the committee noted in its report, however, these types of extraordinary situations demand an unusually high profile to assure the public that they are not being treated as mere routine inquiries. Top priority—and the appearance of complete impartiality—are essential if we are to demonstrate that such misconduct is being dealt with effectively.

Again, Mr. President, I believe the substitute for title I—which was basically the President's proposal—was a great improvement to this legislation and corrected many of the problems I had with that part of the bill. Unfortunately, it did not clear up everything that might be questionable about S. 495, but it has made it a package which, on balance, can be regarded as a significant effort to restore confidence in our American Government.

Mr. CLARK. Mr. President, I am very pleased to be a cosponsor of S. 495, the Watergate Reorganization and Reform Act of 1976. This vital legislation was approved unanimously by the Government Operations Committee after hearing testimony from 20 distinguished witnesses and receiving written comments from numerous Government agencies and legal scholars. Further evidence of the bill's merit is demonstrated by the strong endorsements it has received from the American Bar Association and three former Watergate special prosecutors: Archibald Cox, Leon Jaworski, and Henry Ruth.

By creating a new Division of Government Crimes within the Department of Justice, S. 495 will significantly improve Government efforts to enforce Federal election laws and investigate cases of misconduct by those in positions of public authority. At the same time, it contains appropriate provisions for appointment of an independent special prosecutor to handle cases where the Justice Department might be involved in a possible conflict-of-interest situation. Surely this Nation must never again be made to endure a repetition of the Watergate scandals, where the Attorney General conducted nearly a year of desultory and superficial investigation before press revelations and outraged public opinion forced the appointment of Archibald Cox.

The public financial disclosure provisions of S. 495 will prove to be of equal significance in restoring public trust in our institutions of Government. Two years ago, Congress passed the Federal Elections Campaign Act, requiring full accounting of contributions to and spending by Presidential and congressional candidates. Last month, the Senate approved the lobbying reform bill, which will mandate the disclosure of all contributions made to lobbyists and a listing of all gifts, loans, and honorariums made by lobbyists to Members and employees of Congress. It is no less essential that officeholders in the legislative, executive, and judicial branches of Government subject their own financial affairs to the same kind of rigorous scrutiny by the public. The uniform disclosure requirements of S. 495, I believe, will deter future conflicts-of-interest from arising and contribute to public awareness of the high level of integrity maintained by the vast majority of Government officials.

Mr. President, it has now been over 4 years since the collection of horrors known as Watergate came to the attention of the American people. Memories of these scandals may have faded, but not the need for implementing the reforms necessary to prevent such threats to democracy from arising ever again. The passage of S. 495, I believe, will be a major step in restoring the confidence of the people in their public officeholders, and I urge its adoption.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed

for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. PHILIP A. HART) and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I also announce that the Senator from Florida (Mr. STONE) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea".

Mr. GRIFFIN. I announce that the Senator from Pennsylvania (Mr. HUGH SCOTT) is absent on official business.

The result was announced—yeas 91, nays 5, as follows:

[Rollcall Vote No. 398 Leg.]

YEAS—91

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—5

Curtis
Fannin
Hruska
Laxalt
Scott,
  William L.

NOT VOTING—4

Hart, Philip A.
Morgan
Scott, Hugh
Stone

So the bill (S. 495), as amended, was passed, as follows:

S. 495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Watergate Reorganization and Reform Act of 1976".

TITLE I—AMENDMENTS TO TITLE 28, UNITED STATES CODE

REORGANIZATION OF THE DEPARTMENT OF JUSTICE

SEC. 101 (a) Title 28, United States Code, is amended by adding after chapter 37 the following new chapter:

"Chapter 39—OFFICE OF SPECIAL PROSECUTOR AND OFFICE OF GOVERNMENT CRIMES AND OFFICE OF PROFESSIONAL RESPONSIBILITY

"Sec.
"591. Special Prosecutor: Appointment and Removal.
"592. Jurisdiction.
"593. Authority.
"594. Office of Government Crimes.
"595. Jurisdiction.
"596. Reporting.
"597. Disqualification of Officers and Employees of the Department of Justice.
"598. Office of Professional Responsibility.

"§ 591. Special Prosecutor: Appointment and Removal

"(a) There is established within the Department of Justice an independent Office of Special Prosecutor whcich shall be headed by a Special Prosecutor appointed by the President, by and with the advice and consent of the Senate.

"(b) The Special Prosecutor shall be appointed for a term of three years and shall be compensated pursuant to level II of the Executive Schedule, section 5313 of title 5, United States Code. No person shall serve as Special Prosecutor for more than a single term.

"(c) A person shall not be appointed Special Prosecutor if he has at any time during the five years preceding such appointment held a high level position of trust and responsibility on the personal campaign staff of,. or in an organization or political party working on behalf of, a candidate for any elective Federal office. The confirmation by the Senate of a Presidential nomination of a Special Prosecutor shall constitute a final determination that such officer meets the requirements of this subsection.

"(d) A Special Prosecutor shall only be removed by the President for extraordinary improprieties, for malfeasance in office, for willful neglect of duty, for permanent incapacitation, or for any conduct constituting a felony. An action may be brought in the United States District Court for the District of Columbia to challenge the action of the President under this subsection by seeking reinstatement or other appropriate relief. In the event of any removal, the President shall promptly submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report describing with particularity the grounds for such action. The committees shall make available to the public such report, except that each committee may, if necessary to avoid prejudicing the legal rights of any individual, delete or postpone publishing such portions of the report, or the whole report, or any name or other identifying details.

"(e) The Special Prosecutor shall report no less than annually to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives and shall include in such reports information concerning his relationship with the Attorney General, United States Attorneys, other agencies of Government, the degree of independence exercised under section 593, the types and numbers of matters of which he has declined jurisdiction under section 592(b) and such other matters as he deems appropriate. However, the report shall not include any information which might impair or compromise an ongoing matter, or which the Special Prosecutor determines wouid constitute an improper invasion of personal privacy or other improper disclosure.

"§ 592. Jurisdiction

"(a) (1) The Special Prosecutor shall have jurisdiction to investigate and prosecute possible violations of Federal criminal law by a person who holds or who at the time of such possible violation held any of the following positions in the Federal Government: (i) President, Vice President, Attorney General, or Director of the Federal Bureau of Investigation; (ii) any position compensated at a rate equal to or greater than level I or level II of the Executive Schedule under sections 5312 or 5313 of title 5, United States Code, (iii) Member of Congress, or (iv) any member of the Federal judiciary.

"(2) The Attorney General shall promptly refer to the Special Prosecutor for investigation and, if warranted, prosecution any information, allegations or complaints relating to any violation specified in paragraph (1). In addition, the Attorney General shall promptly refer to the Special Prosecutor for investigation and if warranted prosecution any matter where the Attorney General determines that in the interest of the administration of justice it would be inappropriate for the Department of Justice (other than the Office of Special Prosecutor) to conduct such investigation or prosecution.

"(b) The Special Prosecutor may in his discretion decline to accept referrals under subsection (a) (2) of this section. The Special Prosecutor may decline to assert jurisdiction under subsection (a) (1) of this section when the matter over which he has jurisdiction is a peripheral or incidental part of an investigation or prosecution already being conducted elsewhere in the Department of Justice, or when for some other reason he determines it would be in the interest of the administration of justice to permit the matter to be handled elsewhere in the department: *Provided, however,* That any such declination shall be accompanied by the establishment of such procedures as the Special Prosecutor considers necessary and appropriate to keep him informed of the progress of the investigation or prosecution as it relates to such matter: *And provided further,* That the Special Prosecutor may at any time assume responsibility for investigation and prosecution of such matter. If the Special Prosecutor declines to accept a referral under subsection (a) (2) or declines to assert jurisdiction under subsection (a) (1) he shall submit his reasons for taking such action in writing to the Attorney General.

"§ 593 Authority

"(a) The temporary Special Prosecutor shall have, within the jurisdiction specified by section 592 over matters which he has assumed responsibility, full power and independent authority, subject only to the power of the President under section 591(d) to—

"(1) conduct proceedings before grand juries and other investigations;

"(2) participate in court proceedings and engage in any litigation, including civil and criminal matters, as he deems necessary;

"(3) appeal any decision of a court in which he is a party;

"(4) review all documentary evidence available from any source;

"(5) determine whether or not to contest the assertion of any testimonial privilege;

"(6) receive appropriate national security clearances and, if necessary contest in court, including where appropriate participation in in camera proceedings, any claim of privilege or attempt to withhold evidence on grounds of national security;

"(7) make applications to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpenas, or other court orders, and for purposes of sections 6003, 6004, and 6005, of title 18, United States Code, as amended, the Special Prosecutor may exercise the authority vested in a United States Attorney, or the Attorney General;

"(8) inspect, obtain, or use the original or copy of any tax return, in accordance with the applicable statutes and regulations, and for purposes of section 6103, of title 26, United States Code, as amended, and the regulations thereunder, a Special Prosecutor may exercise the powers vested in a United States Attorney or the Attorney General;

"(9) initiate and conduct prosecutions in any court of competent jurisdiction, frame and sign indictments, file information, and handle all aspects of any case in the name of the United States;

"(10) communicate with, and appear before, and provide information to, appropriate Congressional committees;

"(11) exercise all other powers as to the conduct of criminal investigations and prosecutions which would otherwise be vested in the Attorney General or the United States Attorneys under the provisions of chapters 31 and 35 of title 28 of the United States Code, as amended, and the regulations thereunder, coordinate and direct the activities of all Department of Justice personnel, including United States Attorneys, and act as attorney for the Government in such investigations and prosecutions except that the Attorney General shall exercise direction or control as to those matters that specifically require the Attorney General's personal action under section 2516 of title 18, United States Code.

"(b) The Special Prosecutor shall have power to appoint, fix the compensation, and assign the duties of such employees as he deems necessary, including but not limited to investigators, attorneys, and part-time consultants, without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title. The Department of Justice shall provide assistance to the Special Prosecutor which shall include but not be limited to, affording to the Special Prosecutor full access to any records, files, or other materials relevant to matters within his jurisdiction, providing to the Special Prosecutor the resources and personnel required to perform his duties, and use by the special prosecutor of the investigative and other services of the Federal Bureau of Investigation.

"(c) The Special Prosecutor may from time to time make public such statements or reports as he deems appropriate. The Special Prosecutor may present reports, statements, or recommendations to the Congress, the President or the Attorney General.

"(d) Nothing in this chapter shall prevent the Attorney General or the Solicitor General from making presentations to any court as to issues of law raised by any case or appeal.

"§ 594. Office of Government Crimes

"(a) There is established within the Department of Justice an Office of Government Crimes, which shall be headed by a Director appointed by the President, by and with the advice and consent of the Senate. The Director shall report directly to the Attorney General on a regular basis and when he deems it necessary and shall report to any other person the Attorney General directs. The Attorney General shall determine the organizational placement of the office within the department.

"(b) A person shall not be appointed director of the Office of Government Crimes if he has at any time during the five years preceding such appointment held a high level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of, a candidate for any elective Federal office. The confirmation by the Senate of a Presidential nomination of a director shall constitute a final determination that such officer meets the requirements of this subsection.

"(c) An individual who has played a leading partisan role in the election of a President shall not be appointed Attorney General or Deputy Attorney General. Individuals holding the position of national campaign manager, national chairman of the finance committee, chairman of the national political party, or other comparable high level campaign role involved in electing the President should be among those considered to have played a leading partisan role.

"§ 595. Jurisdiction

"(a) The Attorney General shall, except as to matters referred to the Special Prosecutor pursuant to section 592 of this chapter, delegate to the Office on Government Crimes jurisdiction of (1) criminal violations of Federal law related directly or indirectly to his Government position, employment, or compensation, by any individual who holds or who at the time of such possible violation held a position as an elected or appointed Federal Government officer, employee or special employee; (2) criminal violations of Federal laws relating to lobbying, conflicts of interest, campaigns, and election to public office committed by any person except insofar as such violations relate to matters involving discrimination or intimidation on the grounds of race, color, religion or national origin; (3) the supervision of investigations and prosecutions of criminal violations of Federal law involving State or local government officials or employees; and (4) such other matters as the Attorney General may deem appropriate.

"(b) Jurisdiction delegated to the Office of Government Crimes pursuant to subsection (a) of this subsection may be concurrently delegated by the Attorney General to, or concurrently reside in, the United States attorneys or other units of the Department of Justice. In the event of such concurrent delegation, the Director shall supervise the United States attorneys or other units in the performance of such duties. This section shall not limit any authority conferred upon the Attorney General, the Federal Bureau of Investigation, or any other department or agency of government to investigate any matter.

"§ 596. Reporting

"(a) At the beginning of each regular session of the Congress, the Attorney General shall report to the Congress on the activities and operation of the Office of Government Crimes for the preceding fiscal year.

"(b) such report shall specify the number and type of investigations and prosecutions subject to the jurisdiction of such unit and the disposition thereof but shall not include any information which would impair an ongoing investigation, prosecution, or proceeding, or which the Attorney General determines would constitute an improper invasion of personal privacy.

"§ 597. Disqualification of officers and employees of the Department of Justice

"The Attorney General shall promulgate rules and regulations which require any officer or employee of the Department of Justice, including a United States attorney or a member of his staff, to disqualify himself from participation in a particular investigation or prosecution if such participation may result in a personal, financial, or partisan political conflict of interest, or the appearance thereof. Such rules and regulations may provide that a willful violation of any provision thereof shall result in removal from office.

"§ 598. Office of Professional Responsibility

"(a) There is established within the Department of Justice an Office of Professional Responsibility, which shall be headed by a Counsel on Special Responsibility appointed by the Attorney General. The counsel shall be subject to the general supervision and direction of the Attorney General, and shall report directly to the Attorney General or, in appropriate cases, to the Deputy Attorney General or the Solicitor General.

"(b) Except as to matters which are to be referred to the Special Prosecutor under section 592 of this chapter, the Counsel on Professional Responsibility shall be responsible for reviewing any information or allegation presented to him concerning conduct by an employee of the Department of Justice that may be in violation of law, of department regulations or orders, or of applicable standards of conduct, and shall undertake a preliminary investigation to determine what further steps should be taken. On the basis of such investigation the counsel shall refer the matter to the appropriate unit within the department or shall recommend to the Attorney General or, in appropriate cases, to the Deputy Attorney General or Solicitor General, what other action, if any should be taken. The counsel shall undertake such other responsibilities as the Attorney General may direct.

"(c) Nothing in this section shall derogate from the authority of internal inspection units of the Department of Justice and the heads of other units to receive, investigate and act upon information or allegations concerning unlawful or improper conduct.".

(b) The analysis of part II of title 28, United States Code, is amended by adding after the item following chapter 37 the following new item:

"39. Office of Special Prosecutor, Office
of Government Crimes, and Office of Professional Responsibility .... 591".

(c)(1) Section 5315 of title 5, United States Code, is amended by adding "(105 Director of Office of Government Crimes.".

(2) Section 5313 of title 5, United States Code, is amended by adding "Special Prosecutor".

SEPARABILITY

SEC. 102. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance, is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 103. There are authorized to be appropriated for each fiscal year through September 30, 1981, such sums as may be necessary to carry out the provisions of this title.

TITLE II—CONGRESSIONAL LEGAL COUNSEL

ESTABLISHMENT OF OFFICE OF CONGRESSIONAL LEGAL COUNSEL

SEC. 201. (a)(1) There is established, as an office of the Congress, the Office of Congressional Legal Counsel (hereinafter referred to as the "Office"), which shall be headed by a Congressional Legal Counsel; and there shall be a Deputy Congressional Legal Counsel who shall perform such duties as may be assigned to him by the Congressional Legal Counsel and, during any absence, disability, or vacancy in the office of the Congressional Legal Counsel, the Deputy Congressional Legal Counsel shall serve as Acting Congressional Legal Counsel.

(2) The Congressional Legal Counsel and the Deputy Congressional Legal Counsel each shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives from among recommendations submitted by the majority and minority leaders of the Senate and the House of Representatives. Any appointment made under this subsection shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office. Any person appointed as Congressional Legal Counsel or Deputy Congressional Legal Counsel shall be learned in the law, a member of the bar of a State or the District of Columbia, and shall not engage in any other business, vocation, or employment during the term of such appointment.

(3)(A) Any appointment made under this subsection shall become effective upon approval, by concurrent resolution, of the Senate and the House of Representatives. The Congressional Legal Counsel and the Deputy Congressional Legal Counsel shall each be appointed for a term which shall expire at the end of the Congress following the Congress during which the Congressional Legal Counsel is appointed except that the Congress may, by concurrent resolution, remove either the Congressional Legal Counsel or the Deputy Congressional Legal Counsel prior to the termination of his term of office. The Congressional Legal Counsel and the Deputy Congressional Legal Counsel may be reappointed at the termination of any term of office.

(B) The first Congressional Legal Counsel and the first Deputy Congressional Legal Counsel shall be appointed and take office within ninety days after the enactment of this title, and thereafter the Counsel shall be appointed and take office within thirty days after the beginning of the session of Congress immediately following the termination of the Congressional Legal Counsel's term of office.

(4) The Congressional Legal Counsel shall receive compensation at a per annum gross rate equal to the rate of basic pay for level III of the Executive Schedule under section 5314 of title 5, United States Code. The Deputy Congressional Legal Counsel shall receive compensation at a per annum gross rate equal to the rate of basic pay for level IV of the Executive Schedule under section 5316 of title 5, United States Code.

(b)(1) The Congressional Legal Counsel shall appoint and fix the compensation of such Assistant Congressional Legal Counsels and of such other personnel as may be necessary to carry out the provisions of this title and may prescribe the duties and responsibilities of such personnel. Any appointment made under this subsection shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office. Any person appointed as Assistant Congressional Legal Counsel shall be learned in the law, a member of the bar of a State or the District of Columbia, and shall not engage in any other business, vocation, or employment during the term of such appointment. All such employees shall serve at the pleasure of the Congressional Legal Counsel.

(2) For purpose of pay (other than pay of the Congressional Legal Counsel and Deputy Congressional Legal Counsel) and employment benefits, rights, and privileges, all personnel of the Office shall be treated as if they were employees of the Senate.

(c) In carrying out the functions of the Office, the Congressional Legal Counsel may procure the temporary (not to exceed one year) or intermittent services of individual consultants (including outside counsel), or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72(a)(1)).

(d) The Congressional Legal Counsel may establish such procedures as may be necessary to carry out the provisions of this title.

(e) The Congressional Legal Counsel may delegate authority for the performance of any function imposed by this Act except any function imposed upon the Congressional Legal Counsel under section 205(b) of this title.

DUTIES AND FUNCTIONS

SEC. 202. (a) Whenever the Joint Committee on Congressional Operations (hereinafter referred to in this title as the "Joint Committee") is performing any of the responsibilities set forth in subsection (b), the Speaker of the House of Representatives, the majority and minority leaders of the House of Representatives, the President pro tempore of the Senate and the majority and minority leaders of the Senate shall be ex officio members of the Joint Committee.

(b) The Joint Committee shall—

(1) oversee the activities of the Office of Congressional Legal Counsel, including but not limited to, consulting with the Congressional Legal Counsel with respect to the conduct of litigation in which the Congressional Legal Counsel is involved;

(2) pursuant to section 203(a), make a recommendation with respect to representation of a Member, officer, or employee in a civil action;

(3) pursuant to section 309 of this title, recommend the appropriate action to be taken in resolution of a conflict or inconsistency;

(4) pursuant to section 205(b), cause the publication in the Congressional Record of the notification required of the Congressional Legal Counsel under that section.

(c)(1) Whenever the Congress is not in session, the Joint Committee may, in accordance with the provisions in section 203(b)(2), authorize the Congressional Legal Counsel to undertake its responsibilities under section 203(a) in the absence of an appropriate resolution for a period not to exceed ten days after the Congress or the appropriate House of Congress reconvenes.

(2) The Joint Committee may poll its members by telephone in order to conduct a vote under this subsection.

DEFENDING A HOUSE, COMMITTEE, MEMBER, OFFICER, AGENCY, OR EMPLOYEE OF CONGRESS

SEC. 203. (a) Except as otherwise provided in subsection (b), the Congressional Legal Counsel, at the direction of Congress or the appropriate House of Congress shall—

(1) defend Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or any Member, officer, or employee of a House of Congress in any civil action pending in any court of the United States or of a State or political subdivision thereof in which Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency is made a party defendant and in which there is placed in issue the validity of any proceeding of, or action, including issuance of any subpena or order, taken by Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency in its or his official or representative capacity; or

(2) defend Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or a Member, officer, or employee of a House of Congress in any civil action pending in any court of the United States or of a State or political subdivision thereof with respect to any subpena or order directed to Congress, such House, committee, subcommittee, Member, officer, employee, office, or agency in its or his official or representative capacity.

(b)(1) Representation of a Member, officer, or employee under section 203(a) shall be undertaken by the Congressional Legal Counsel only upon the consent of such Member, officer, or employee. The resolution directing the Congressional Legal Counsel to represent a Member, officer, or employee may limit such representation to constitutional issues relating to the powers and responsibilities of Congress.

(2) The Congressional Legal Counsel may undertake its responsibilities under subsection (a) in the absence of an appropriate resolution by the Congress or by one House of the Congress if—

(A) Congress or the appropriate House of Congress is not in session;

(B) the interest to be represented would be prejudiced by a delay in representation; and

(C) the Joint Committee authorizes the Congressional Legal Counsel to proceed in its representation as provided under section 202.

INSTITUTING A CIVIL ACTION TO ENFORCE A SUBPENA OR ORDER

SEC. 204. (a) The Congressional Legal Counsel, at the direction of Congress or the appropriate House of Congress, shall bring a civil action under any statute conferring jurisdiction on any court of the United States to enforce, or issue a declaratory judgment concerning the validity of any subpena or order issued by Congress, or a House of Congress, a committee, or a subcommittee of a committee authorized to issue a subpena or order.

(b) Nothing in subsection (a) shall limit the discretion of—

(1) the President pro tempore of the Senate or the Speaker of the House of Representatives in certifying to the United States Attorney for the District of Columbia any matter pursuant to section 104 of the Revised Statutes (2 U.S.C. 194); or

(2) either House of Congress to hold any individual or entity in contempt of such House of Congress.

INTERVENTION OR APPEARANCE

SEC. 205. (a) The Congressional Legal Counsel, at the direction of Congress, shall intervene or appear as amicus curiae in any legal action pending in any court of the United States or of a State or political subdivision thereof in which—

(1) the constitutionality of any law of the United States is challenged, the United States is a party, and the constitutionality of such law is not adequately defended by counsel for the United States; or

(2) the powers and responsibilities of Congress under article I of the Constitution of the United States are placed in issue.

(b) The Congressional Legal Counsel shall notify the Joint Committee of any legal action in which the Congressional Legal Counsel is of the opinion that intervention or appearance as amicus curiae by Congress is necessary to carry out the purposes of subsection (a). Such notification shall contain a description of the legal proceeding together with the reasons that the Congressional Legal Counsel is of the opinion that Congress should intervene or appear as amicus curiae. The Joint Committee shall cause said notification to be published in the Congressional Record for the Senate and House of Representatives.

(c) The Congressional Legal Counsel shall limit any intervention or appearance as amicus curiae in an action involving a Member, officer, or employee of Congress to constitutional issues relating to the powers and responsibilities of Congress.

IMMUNITY PROCEEDINGS

SEC. 206. The Congressional Legal Counsel, at the direction of the appropriate House of Congress or any committee of Congress shall serve as the duly authorized representative of such House or committee in requesting a United States district court to issue an order granting immunity pursuant to section 201(a) of the Organized Crime Control Act of 1970 (18 U.S.C. 6005).

ADVISORY AND OTHER FUNCTIONS

SEC. 207. (a) The Congressional Legal Counsel shall advise, consult, and cooperate—

(1) with the United States Attorney for the District of Columbia with respect to any criminal proceeding for contempt of Congress certified pursuant to section 104 of the Revised Statutes (2 U.S.C. 194);

(2) with the Joint Committee on Congressional Operations in identifying any court proceeding or action which is of vital interest to Congress or to either House of Congress under section 402(a)(2) of the Legislative Reorganization Act of 1970 (2 U.S.C. 412(a)(2));

(3) with the Comptroller General, General Accounting Office, the Office of Legislative Counsel of the Senate, the Office of the Leg-

islative Counsel of the House of Representatives, and the Congressional Research Service, except that none of the responsibilities and authority granted by this title to the Congressional Legal Counsel shall be construed to affect or infringe upon any functions, powers, or duties of the Comptroller General of the United States;

(4) with any Member, officer, or employee of Congress not represented under section 203 with regard to obtaining private legal counsel for such Member, officer, or employee;

(5) with the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Parliamentarians of the Senate and House of Representatives regarding any subpena, order, or request for withdrawal of papers presented to the Senate and House of Representatives or which raises a question of the privileges of the Senate or House of Representatives; and

(6) with any committee or subcommittee in promulgating and revising their rules and procedures for the use of congressional investigative powers and questions which may arise in the course of any investigation.

(b) The Congressional Legal Counsel shall compile and maintain legal research files of materials from court proceedings which have involved Congress, a House of Congress, an office or agency of Congress, or any committee, subcommittee, Member, officer, or employee of Congress. Public court papers and other research memoranda which do not contain information of a confidential or privileged nature shall be made available to the public consistent with any applicable procedures set forth in such rules of the Senate and House of Representatives as may apply and the interests of Congress.

(c) The Congressional Legal Counsel shall perform such other duties consistent with the purposes and limitations of this title as the Congress may direct.

DEFENSE OF CERTAIN CONSTITUTIONAL POWERS

SEC. 208. In performing any function under section 203, 204, or 205, the Congressional Legal Counsel shall defend vigorously when placed in issue—

(1) the constitutional privilege from arrest or from being questioned in any other place for any speech or debate under section 6 of article I of the Constitution of the United States;

(2) the constitutional power of each House of Congress to be judge of the elections, returns, and qualifications of its own Members and to punish or expel a Member under section 5 of article I of the Constitution of the United States;

(3) the constitutional power of each House of Congress to except from publication such parts of its journal as in its judgment may require secrecy;

(4) the constitutional power of each House of Congress to determine the rules of its proceedings;

(5) the constitutional power of Congress to make all laws as shall be necessary and proper for carrying into execution the constitutional powers of Congress and all other powers vested by the Constitution in the Government of the United States, or in any department or office thereof;

(6) all other constitutional powers and responsibilities of Congress; and

(7) the constitutionality of statutes enacted by Congress.

CONFLICT OR INCONSISTENCY

SEC. 209. (a) In the carrying out of the provisions of this title, the Congressional Legal Counsel shall notify the Joint Committee and any party represented or entitled to representation under his title, of the existence and nature of any conflict or inconsistency between the representation of such party and the carrying out of any other provisions of this title, or compliance with professional standards and responsibilities.

(b) Upon receipt of such notification, the Joint Committee shall recommend the action to be taken to avoid or resolve the conflict or inconsistency. The Joint Committee shall cause the notification of conflict or inconsistency and the Joint Committee's recommendation with respect to resolution thereof to be published in the Congressional Record of the appropriate House or Houses of Congress. If Congress or the appropriate House of Congress does not direct the Joint Committee within fifteen days from the date of publication in the Record to resolve the conflict in another manner, the Congressional Legal Counsel shall take such action as may be necessary to resolve the conflict or inconsistency as recommended by the Joint Committee. Any instruction or determination made pursuant to this subsection shall not be reviewable in any court of law.

(c) The appropriate House of Congress may by resolution authorize the reimbursement of any Member, officer, or employee who is not represented by the Congressional Legal Counsel as a result of the operation of subsection (b) or who declines to be represented pursuant to section 203(b) for costs reasonably incurred in obtaining representation. Such reimbursement shall be from funds appropriated to the contingent fund of the appropriate House.

PROCEDURE FOR DIRECTION OF CONGRESSIONAL LEGAL COUNSEL

SEC. 210. (a) Directives made pursuant to sections 203(a), 204(a), 205(a), and 206, of this title shall be made as follows:

(1) Directives made by Congress pursuant to sections 203(a), 204(a), and 205(a) of this title shall be authorized by a concurrent resolution of Congress.

(2) Directives made by either House of Congress pursuant to sections 203(a), 204(a), and 206 of this title shall be authorized by passage of a resolution of such House.

(3) Directives made by a committee of Congress pursuant to section 206 of this title shall be in writing and approved by an affirmative vote of two-thirds of the members of the full committee.

(b)(1) A resolution or concurrent resolution introduced pursuant to subsection (a) shall not be referred to a committee, except as otherwise required under subsection (c)(1). Upon introduction or when reported as required under subsection (c)(2), it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution or concurrent resolution. A motion to proceed to the consideration of a resolution or concurrent resolution shall be highly privileged and not debatable. An amendment to such motion shall not be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) If the motion to proceed to the consideration of the resolution or concurrent resolution is agreed to, debate thereon shall be limited to not more than five hours, which shall be divided equally between, and controlled by, those favoring and those opposing the resolution or concurrent resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution or concurrent resolution shall be in order, except an amendment pursuant to section 203(b) to limit representation by the Congressional Legal Counsel to constitutional issues relating to the powers and responsibilities of Congress. No notion to recommit the resolution or concurrent resolution shall be in order, and it shall not be in order to reconsider the vote by which the resolution or concurrent resolution is agreed to or disagreed to.

(3) Motions to postpone, made with respect to the consideration of the resolution or concurrent resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to the resolution or concurrent resolution shall be decided without debate.

(c) It shall not be in order in the Senate or House of Representatives to consider a resolution to direct the Congressional Legal Counsel to bring a civil action pursuant to section 204(a) to enforce or secure a declaratory judgment concerning the validity of a subpena or order issued by a committee or subcommittee unless (1) such resolution is reported by a majority vote of the members of such committee or committee of which such subcommittee is a subcommittee, and (2) the report filed by such committee or committee of which such subcommittee is a subcommittee contains a statement of—

(A) the procedure followed in issuing such subpena;

(B) the extent to which the party subpenaed has complied with such subpena;

(C) any objections or privileges raised by the subpenaed party; and

(D) the comparative effectiveness of bringing a civil action to enforce the subpena, certification of a criminal action for contempt of Congress, and initiating a contempt proceeding before a House of Congress.

(d) The extent to which a report filed pursuant to subsection (c)(2) is in compliance with such subsection shall not be reviewable in any court of law.

(e) For purposes of the computation of time in sections 202(c)(1) and 209(b)—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period.

(f) For purposes of this title, when referred to herein, the term "committee" shall include standing, select, special, or joint committees established by law or resolution and the Technology Assessment Board.

(g) The provisions of this section are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and, as such, they shall be considered as part of the rules of each House, respectively, and such rules shall supersede any other rule of each House only to the extent that rule is inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(h) Any directive to the Congressional Legal Counsel to bring a civil action pursuant to section 204(a) of this title in the name of a committee, or subcommittee of Congress shall constitute authorization for such committee, or subcommittee to bring such action within the meaning of any statute conferring jurisdiction on any court of the United States.

ATTORNEY GENERAL RELIEVED OF RESPONSIBILITY

SEC. 211. (a) Upon receipt of written notice that the Congressional Legal Counsel has undertaken, pursuant to section 203(a) of this title, to perform any representational service with respect to any designated action or proceeding pending or to be instituted, the Attorney General shall—

(1) be relieved of any responsibility with respect to such representational service;

(2) have no authority to perform such

service in such action or proceeding except at the request or with the approval of the Congressional Legal Counsel or either House of Congress; and

(3) transfer all materials relevant to the representation authorized under section 203 (a) to the Congressional Legal Counsel.

Provided, however, That nothing in this subsection shall limit any right of the Attorney General under existing law to intervene or appear as amicus curiae in such action or proceeding.

(b) The Attorney General shall notify the Congressional Legal Counsel with respect to any proceeding in which the United States is a party of any determination by the Attorney General or Solicitor General not to appeal any court decision affecting the constitutionality of a statute enacted by Congress within such time as will enable the Congressional Legal Counsel to intervene in such proceeding pursuant to section 205.

PROCEDURAL PROVISIONS

SEC. 212. (a) Permission to intervene as a party or to file a brief amicus curiae under section 205 of this title shall be of right and may be denied by a court only upon an express finding that such intervention or filing is untimely and would significantly delay the pending action.

(b) The Congressional Legal Counsel, the Deputy Congressional Legal Counsel or any designated Assistant Congressional Legal Counsel, shall be entitled, for the purpose of performing his functions under this title, to enter an appearance in any such proceeding before any court of the United States without compliance with any requirement for admission to practice before such court, except that the authorization conferred by this paragraph shall not apply with respect to the admission of any person to practice before the United States Supreme Court.

(c) Nothing in this title shall be construed to confer standing on any party seeking to bring, or jurisdiction on any court with respect to, any civil or criminal action against Congress, either House of Congress, a Member of Congress, a committee or subcommittee of Congress, or any officer, employee, office, or agency of Congress.

(d) In any civil action brought pursuant to section 204 of this title, the court shall assign the case for hearing at the earliest practicable date and cause the case in every way to be expedited. Any appeal or petition for review from any order or judgment in such action shall be expedited in the same manner.

JURISDICTION OF CONGRESSIONAL ACTIONS

SEC. 213. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Congressional actions

"(a) The District Court for the District of Columbia shall have original jurisdiction, without regard to the sum or value of the matter in controversy, over any civil action brought by Congress, a House of Congress, or any authorized committee or joint committee of Congress, or any subcommittee thereof, to enforce, or secure a declaration concerning the validity of, any subpena or order issued by Congress, or such House, committee, subcommittee, or joint committee to any entity acting or purporting to act under color or authority of State law or to any natural person to secure the production of documents or other materials of any kind or the answering of any deposition or interrogatory or to secure testimony or any combination thereof. This section shall not apply to an action to enforce, or secure a declaration concerning the validity of, any subpena or order issued to an officer or employee of the Federal Government acting within his official capacity.

"(b) The Congress, or either House of Congress, any committee, subcommittee, or joint committee of Congress commencing and prosecuting a civil action under this section may be represented in such action by such attorneys as it may designate.

"(c) A civil action commenced or prosecuted under this section may not be authorized pursuant to the Standing Order of the Senate 'authorizing suits by Senate Committees' (S. Jour. 572, 70–1, May 28, 1928.".

(b) The analysis of such chapter 85 is amended by adding at the end thereof the following new item:

"1364. Congressional actions.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 214. (a) Section 3210 of title 39, United States Code, is amended—

(1) by striking out "and the Legislative Counsels of the House of Representatives and the Senate" in subsection (b)(1) and inserting in lieu thereof "the Legislative Counsels of the House of Representatives and the Senate, and the Congressional Legal Counsel"; and

(2) by striking out "or the Legislative Counsel of the House of Representatives or the Senate" in subsection (b)(2) and inserting in lieu thereof "the Legislative Counsel of the House of Representatives of the Senate, or the Congressional Legal Counsel".

(b) Section 3216(a)(1)(A) of such title is amended by striking out "and the Legislative Counsels of the House of Representatives and the Senate" and inserting in lieu thereof "the Legislative Counsels of the House of Representatives and the Senate, and the Congressional Legal Counsel".

(c) Section 3219 of such title is amended by striking out "or the Legislative Counsel of the House of Representatives or the Senate" and inserting in lieu thereof "the Legislative Counsel of the House of Representatives or the Senate, or the Congressional Legal Counsel".

(d) Section 8 of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and seventy-six, and for other purposes", approved March 3, 1875, as amended (2 U.S.C. 118), is repealed.

SEPARABILITY

SEC. 215. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any part of this title, or the application thereof to any person or circumstance is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 216. There are authorized to be appropriated to the office for each fiscal year through October 30, 1981, such sums as may be necessary to enable it to carry out its duties and functions. Until sums are first appropriated pursuant to the preceding sentence, but for a period not exceeding twelve months following the effective date of this subsection, the expenses of the office shall be paid from the contingent fund of the Senate, in accordance with the paragraph relating to the contingent fund of the Senate under the heading, "UNDER LEGISLATIVE" in the Act of October 1, 1888 (28 Stat. 546; 2 U.S.C. 68), and upon vouchers approved by the director

TITLE III—GOVERNMENT PERSONNEL; FINANCIAL DISCLOSURE REQUIREMENTS

DEFINITIONS

SEC. 301. As used in this title—

(1) the term "agency" means each authority of the Government of the United States;

(2) the term "commodity future" means commodity future as defined in sections 2 and 5 of the Commodity Exchange Act, as amended (7 U.S.C. 2 and 5);

(3) the term "Comptroller General" means the Comptroller General of the United States;

(4) the term "dependent" means dependent as defined in section 152 of the Internal Revenue Code of 1954;

(5) the term "employee" includes any employee designated under section 2105 of title 5, United States Code, and any employee of the United States Postal Service or of the Postal Rate Commission;

(6) the term "immediate family" means—(A) the spouse of an individual, (B) the child, parent, grandparent, grandchild, brother, or sister of an individual or of the spouse of such individual, and (C) the spouse of any individual designated in clause (B);

(7) the term "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(8) the term "Member of Congress" means a Senator, a Representative, a Resident Commissioner, or a Delegate;

(9) the term "officer" includes any officer designated under section 2104 of title 5, United States Code, and any officer of the United States Postal Service or of the Postal Rate Commission;

(10) the term "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(11) the term "transactions in securities and commodities" means any acquisition, transfer, or other disposition involving any security or commodity;

(12) the term "uniformed services" means any of the armed forces, the commissioned corps of the Public Health Service, or the commissioned corps of the National Oceanic and Atmospheric Administration;

(13) the term "political contribution" means a contribution as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431); and

(14) the term "expenditure" means an expenditure as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431).

INDIVIDUALS REQUIRED TO FILE REPORT

SEC. 302. (a) Any individual who is or was an officer or employee designated under subsection (b) shall file each calendar year a report containing a full and complete financial statement for the preceding calendar year if such individual has occupied the office or position for a period in excess of ninety days in such calendar year.

(b) The officers and employees referred to in subsection (a) are—

(1) the President;

(2) the Vice President;

(3) each Member of Congress;

(4) each justice or judge of the United States;

(5) each officer or employee of the United States who is compensated at a rate equal to or in excess of the minimum rate prescribed for employees holding the grade of GS–16 under section 5332(a) of title 5, United States Code; and

(6) each member of a uniformed service who is compensated at a rate equal to or in excess of the monthly rate of pay prescribed for grade O–7, as adjusted under section 1009 of title 37, United States Code.

(c) Any individual who seeks nomination for election, or election, to the office of President, Vice President, or Member of Congress shall file in any year in which such individual has—

(1) taken the action necessary under the law of a State to qualify for nomination for election, or election, or

(2) received political contributions or made expenditures, or has given consent for any other person to receive political contributions or make expenditures, with a view to bringing about such individual's nomination for election or election, to such office,

a report containing a full and complete financial statement for the preceding calendar year.

CONTENTS OF REPORTS

SEC. 303. (a) Each individual shall include in each report required to be filed by him under section 302 a full and complete statement, in such manner and form as the Comptroller General may prescribe, with respect to—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from any member of his immediate family) received during the preceding calendar year which exceeds $100 in amount or value, including any fee or other honorarium received for or in connection with the preparation or delivery of any speech, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication;

(2) the fair market value and source of any item received in kind or aggregate of such items received from one source (other than items received in kind from any member of his immediate family), including, but not limited to, any transportation or entertainment received, during the preceding calendar year if such fair market value for such item exceeds $500;

(3) the identity and the category of value, as designated under subsection (b), of each asset, other than household furnishings or goods, jewelry, clothing, or any vehicle owned solely for the personal use of the individual, his spouse, or any of his dependents, held during the preceding calendar year which has a value in excess of $1,000 as of the close of the preceding calendar year;

(4) the identity and the category of amount, as designated under subsection (b), of each liability owed which is in excess of $1,000 as of the close of the preceding calendar year;

(5) the identity, the category of amount, as designated under subsection (b), and date of any transaction in securities of any business entity or any transaction in commodities futures during the preceding calendar year which is in excess of $1,000;

(6) the identity and the category of value, as designated under subsection (b), of any purchase or sale of real property or any interest in any real property during the preceding calendar year if the value of property involved in such purchase or sale exceeds $1,000;

(7) any patent right or any interest in any patent right, and the nature of such patent right, held during the preceding calendar year; and

(8) a description of, the parties to, and the terms of any contract, promise, or other agreement between such individual and any person with respect to his employment after such individual ceases to occupy his office or position with the Government, including any agreement under which such individual is taking a leave of absence from an office or position outside of the Government in order to occupy an office or position of the Government, and a description of and the parties with any unfunded pension agreement between such individual and any employer other than the Government.

Each individual designated under paragraphs (5) and (6) of section 302(b) shall also include in such report the identity of any person, other than the Government, who paid such individual compensation in excess of $5,000 in any of the five years prior to the preceding calendar year and the nature and term of the services such individual performed for such person. The preceding sentence shall not require any individual to include in such report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services.

(b)(1) For purposes of paragraphs (3) through (6) of subsection (a), an individual need not specify the actual amount or value of each asset, each liability, each transaction in securities of any business entity or in commodities futures, or each purchase or sale required to be reported under such paragraphs, but such individual shall indicate which of the following categories such amount or value is within—

(A) not more than $5,000,

(B) greater than $5,000 but not more than $15,000,

(C) greater than $15,000 but not more than $50,000,

(D) greater than $50,000, but not more than $100,000, or

(E) greater than $100,000.

(2) Each individual shall report the actual amount or value of any other item required to be reported under this section.

(c) For purposes of paragraphs (1) through (7) of subsection (a), an individual shall include each item of income or reimbursement and each gift received, each item received in kind, each asset held, each liability owed, each transaction in commodities futures and in securities, each purchase or sale of real property or interest in any real property, and each patient right or interest in any patent right held by him, his spouse, or any of his dependents within his control, or by him and his spouse or dependents jointly, or by any person acting on his behalf: *Provided*, That no disclosure shall be required as to those items of the spouse and dependents of the reporting individual which represent their sole property and which are not in any way, directly or indirectly, past or present, derived from the income, earnings, investments, assets, dividends, property, holdings or activities of the covered official.

FILING OF REPORTS

SEC. 304. (a)(1) Each individual required to file a report under section 302(a), other than an individual excepted under paragraph (3) of this subsection, shall file such report with the Comptroller General not later than May 15 of each year. Each such individual, other than the President, Vice President, a Member of Congress, a justice or judge of the United States, any officer or employee of the Senate or the House of Representatives or any court of the United States, the head of each agency, each Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, or each full-time member of a committee, board, or commission appointed by the President, shall file a copy of such report with the head of the agency in which such individual occupies any office or position at the same time as such report is filed with the Comptroller General.

(2) Each Member, officer, and employee of the House of Representatives and the Senate required to file a report under section 302 (a) shall file a copy of such report with the Clerk of the House of Representatives and the Secretary of the Senate, respectively, and each justice, judge, officer, and employee of any court of the United States shall file a copy of such report with the Director of the Administrative Office of the United States Courts at the same time as such report is filed with the Comptroller General.

(3) The head of each agency, each Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in the Executive Office, and each full-time member of a committee, board, or commission appointed by the President, shall file a copy of such report with the Chairman of the Civil Service Commission at the same time such report is filed with the Comptroller General.

(4) The President may exempt any individual in the Central Intelligence Agency, the Defense Intelligence Agency, or the National Security Agency, or any individual engaged exclusively in intelligence activities in any agency of the United States from the requirement to file a report with the Comptroller General if the President finds that, due to the nature of the office or position occupied by such individual, public disclosure of such report would reveal the identity of an undercover agent of the Federal Government. Each individual exempted by the President from such requirements shall file such report with the head of the agency in which he occupies an office or position or, if an individual described in subsection (a)(3), with the Chairman of the Civil Service Commission.

(b) Each individual required to file a report under section 302(c) shall file such report with the Comptroller General within one month after the earliest of either action which such individual takes under section 302(c)(1) or (2).

(c)(1) Any individual who ceases prior to May 15 of any calendar year to occupy the office or position the occupancy of which imposes upon him the reporting requirement contained in section 302(a) shall file such report for the preceding calendar year and the period of such calendar year for which he occupies such office or position on or before May 15 of such calendar year.

(2) Any individual who ceases to occupy such office or position after May 15 of any calendar year shall file such report for the period of such calendar year which he occupies such office or position on the last day he occupies such office or position.

(d) The Comptroller General may grant one or more reasonable extensions of time for filing any report but the total of such extensions shall not exceed ninety days.

(e) The Comptroller General shall promulgate such rules and regulations as are required to carry out the provisions and purposes of this title.

FAILURE TO FILE OR FALSIFYING REPORT; PROCEDURE

SEC. 305. (a)(1) Any individual who knowingly and willfully falsifies or fails to report any information such individual is required to report under section 303, shall be fined in any amount not exceeding $10,000, or imprisoned for not more than one year, or both.

(2) The Attorney General may bring a civil action in any district court of the United States against any individual who fails to file a report which such individual is required to file under section 302 or who fails to report any information which such individual is required to report under section 303. The court in which such action is brought may assess against such individual a penalty in any amount not to exceed $5,000

(b) The head of each agency, the Clerk of the House of Representatives with respect to any Member, officer, or employee of the House of Representatives, the Secretary of the Senate with respect to any Member, officer or employee of the Senate, and the Director of the Administrative Office of the United States Courts with respect to any justice, judge, officer, or employee of any court of the United States shall submit annually to the Comptroller General a complete list of individuals who are required to file a report under section 302 and shall submit at the close of each calendar quarter a list of individuals who have begun or have terminated employment with such agency, the House of Representatives, the Senate, or any court in such calendar quarter.

(c) The Comptroller General shall refer to the Attorney General the name of any individual the Comptroller General has reasonable cause to believe has failed to file a report or has falsified or failed to file information required to be reported. In addition, if such individual is a Member, officer, or employee of the Senate or the House of Representatives, the Comptroller General shall refer the name of such individual to the Senate Select Committee on Standards and Conduct or the Committee on Standards of Official Conduct of the House of Representatives, whichever is appropriate.

(d) The President, the Vice President, either House of Congress, the Director of the Administrative Office of the United States Courts, the head of each agency or the Civil Service Commission may take any appropriate personnel or other action against any individual failing to file a report or information or falsifying information.

CUSTODY AND AUDIT OF, AND PUBLIC ACCESS TO, REPORTS

SEC. 306. (a) The Comptroller General shall make each report filed with him under section 305 available to the public within fifteen days after the receipt of such report from any individual and provide a copy of such report to any person upon a written or oral request.

(b) The Comptroller General may require any person receiving a copy of such report under subsection (a) to supply his name and address and the name of the person or organization, if any, on whose behalf he is requesting such copy and to pay a reasonable fee in any amount which the Comptroller General finds necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing. The Comptroller General may furnish any copy of such report without charge or at a reduced charge if he determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the public.

(c) (1) It shall be unlawful for any person to inspect or obtain a copy of any report—

(A) for any unlawful purpose;

(B) for any commercial purpose;

(C) to determine or establish the credit rating of any individual; or

(D) for use directly or indirectly in the solicitation of money for any political, charitable, or other purpose.

(2) The Attorney General may bring a civil action in any district court of the United States against any person who inspects or obtains such report for any purpose prohibited in paragraph (1). The court in which such action is brought may assess against such individual a penalty in any amount not to exceed $1,000.

(d) Any report received by the Comptroller General shall be held in his custody and made available to the public for a period of five years after receipt by the Comptroller General of such report. After such five-year period, the Comptroller General shall destroy any such report.

(e) (1) The House of Representatives, the Senate, the Director of the Administrative Office of the United States Courts, the Chairman of the Civil Service Commission, and the head of each agency shall make provisions to assure that each report shall be viewed in accordance with any law or regulation with respect to conflicts of interest or confidential financial information of officers or employees of the House of Representatives, the Senate, the United States courts or each such agency or in accordance with rules and regulations as may be prescribed.

(2) Notwithstanding any law or resolution, whenever in any criminal case pending in any competent court in which a Member, officer, or employee of the Senate is a defendant, or in any proceeding before a grand jury of any competent court in which alleged criminal conduct of a Member, officer, or employee of the Senate is under investigation, a discovery order of a competent court is served upon the Comptroller General of the United States directing him to appear and produce any reports filed pursuant to any financial disclosure requirement, then the Comptroller General shall—

(A) if such report is in a sealed envelope, unseal the envelope containing such report and have an authenticated copy made of such report, replace such report in such envelope and reseal it, and note on such envelope that it was opened pursuant to this paragraph in response to a subpena, a copy of which shall be attached to such envelope, and

(B) appear in response to such subpena and produce the authenticated copy so made. For purposes of this paragraph, the term "competent court" means a court of the United States, a State, or the District of Columbia which has general jurisdiction to hear cases involving criminal offenses against the United States, such State, or the District of Columbia, as the case may be.

(f) (1) The Comptroller General shall, under such regulations as he may prescribe, conduct on a random basis audits of not more than 5 per centum of the reports filed with him under section 304(a) (1).

(2) The Comptroller General shall audit during each term of an individual holding the office of President or Vice President at least one report filed by such individual under section 304(a) (1) during such term.

(3) The Comptroller General shall, during each six-year period beginning after the date of enactment of this Act, audit at least one report filed by each Member of the Senate and the House of Representatives during such six-year period.

(4) (A) In conducting an audit under paragraph (1), (2), or (3), the Comptroller General is authorized to require by subpena the production of books, papers, and other documents. All such subpenas shall be issued and signed by the Comptroller General.

(B) In case of a refusal to comply with a subpena issued under subparagraph (A)—

(i) the Comptroller General is authorized to seek an order by any district court of the United States having jurisdiction of the defendant to require the production of the documents involved; and

(ii) such district court may issue such order and enforce it by contempt proceedings.

SEC. 307. The Civil Service Commission and the Department of Justice shall each analyze regulations and procedures presently in effect with regard to financial conflicts of interest among employees of the Federal Government and recommend to the appropriate committees of Congress for their consideration such legislation as may be necessary including comments on amendment numbered 2031 as submitted. Such reports shall be delivered within six months of the enactment of this Act.

SEPARABILITY

SEC. 308. If any part of this title is held invalid, the remainder of the title shall not be affected thereby. If any provision of any of this title, or the application thereof to any person or circumstance, is held invalid, the provisions of other parts and their application to other persons or circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 309. There are authorized to be appropriated for each fiscal year through September 30, 1981, such sums as may be necessary to carry out the provisions of this title.

EFFECTIVE DATE

SEC. 310. The provisions of this title shall take effect on January 1, 1977, except that (1) no individual shall be required to file a report under section 304(a) prior to May 15, 1978, and (2) any individual who is required to file a report during calendar year 1977 under section 304 (b) or (c) shall only be required to include information with respect to calendar year 1977.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the name of the Senator from Maine (Mr. MUSKIE) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. I ask unanimous consent that the text of the bill as passed be printed in the RECORD following the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

TECHNICAL AND CLERICAL CORRECTIONS IN ENGROSSMENT OF CERTAIN MEASURES

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 972 and the Senate amendment to H.R. 9460.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE WASHINGTON POST: YELLOW JOURNALISM

Mr. McGOVERN. Mr. President, today's Washington Post carries the crudest example of yellow journalism that I have witnessed in many years. It is a page 2 story by Eugene L. Meyer implying that my public position on the State of Israel is influenced by the fact that a piece of property I own has been rented to the Syrian Ambassador. The article can only be the product of a mean-spirited, vindictive editorial judgment that sacrifices decency and fairness to sensationalism.

The article also carries a quote by Hyman Bookbinder, executive director of the American Jewish Committee, saying that my voting record and statements on Israel are "generally good."

The PRESIDING OFFICER. Will the Senator suspend for a moment, please?

Senators will please clear the well. Senators wishing to converse please retire to the cloakroom. Senators will take their seats.

Will Senators clear the well, please? The Senator from South Dakota has a right to be heard. Please clear the well and the aisles.

The Senate will be in order.

The Senator from South Dakota.

Mr. McGOVERN. Continuing the quote from Mr. Bookbinder, it says that:

> McGovern, more often than others, has indicated some less than total support for the current Israeli position. It adds up to a feeling he is soft on the issue. There's a lot of easy Arab money around,

Bookbinder said:

> After awhile it does develop a potentially general softness and attitude about your clients. I'm more concerned about a general quid pro quo than an explicit crude one.

When I telephoned Mr. Bookbinder early this morning after reading the Post story, he said that his remarks were taken out of context. Judging from the general tenor of the Post story and my confidence in Mr. Bookbinder's integrity, I believe that his remarks were twisted out of context.

Mr. Bookbinder has today sent the following statement to the Washington Post and has also authorized me to release it to the Senate:

> I am distressed over Mr. Meyer's reckless stringing together of unrelated comments to give the impression that I believe Senator McGovern's position on the Middle East may have been the result of the rental of his home. In the brief telephone interview with the reporter, I steadfastly refused to be drawn into such an intimation.
>
> Whatever difference I may have with Senator McGovern on any given issue, I have always considered him totally honorable and fair. I still do. It is unthinkable to me that George McGovern would permit any financial consideration to determine his position on any issue affecting the welfare of this country or the peace of the world.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. McGOVERN. Yes, I yield to the Senator.

Mr. RIBICOFF. I read the article this morning in the Washington Post, and I reject it completely.

I have known the Senator from South Dakota for many years. The Senator from South Dakota cannot be bought by anyone on any issue. The Senator from South Dakota is a man of integrity and high principles. He speaks his mind, and he speaks his mind on the basic issues facing this country. To say that the Senator from South Dakota would be selling out his deep views and feelings because he rented a house to the Syrian Ambassador is an absolute outrage and a canard.

The Senator from South Dakota has always approached the problems of all people looking forward to a peaceful world. There is no question about his integrity. His record on the State of Israel and the Middle East is there for anyone to read, and in many votes in the Chamber and many statements that he has made throughout this country and throughout the world.

The Senator from South Dakota owes no apology to anyone. The Senator from South Dakota is admired by every person in the Senate, and the Senator has millions of friends, people of all races, colors, and creeds, and that includes the people of the Jewish faith.

I consider the Senator from South Dakota one of my closest friends. He always has had my highest admiration and always will have my highest admiration and respect.

Mr. McGOVERN. I thank the Senator from Connecticut for those words. I am deeply grateful to him.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. McGOVERN. Yes, I yield to the Senator from Minnesota.

Mr. HUMPHREY. I rise to join with the Senator from Connecticut in his observations on the public record and indeed the private concerns of the Senator from South Dakota, not only on the issue of the problems in the Middle East but on all public matters.

We in this body from time to time have votes of disagreement. Those votes are based upon serious concern and a hard look at the problems as we see them. People do not always agree. But that does not mean that we are at liberty to contest the other fellow's motives.

The Senator from South Dakota is known in his State, in my State, and in this Senate as a person of absolute personal integrity. And it goes without saying that this has been one of the reasons for his political strength, for the high admiration in which he is held by literally hundreds of thousands of our fellow citizens.

The Senator from South Dakota has interested himself as a member of the Committee on Foreign Relations in all matters of our foreign policy and particularly the critical issue of the Middle East. He has traveled in the Middle East. He has had the courage to speak with people of different persuasions in the Middle East. That does not in any way mean that he is the captive of any one group or that he has an allegiance or alliance with any group that would in any way violate his own sense of what is right for the national interest of the United States.

I say to the Senator, I would not worry about such a story if I were you. It does not impress anyone. I can assure you that those of us who know you only can say this, that we are proud to call you our friend.

Mr. McGOVERN. I thank the Senator from Minnesota very much, and I am deeply grateful to him.

I quite agree that the story itself has little or no merit, but this happens to be the fourth time that the Washington Post has carried stories about this piece of property. I was puzzled by the first three, which were largely repetitious stories. They have now carried three photographs of the house. I would have had less publicity if I had bought a massage parlor out in Fairfax.

I think that what needs to be put on the record are the total facts about this whole issue. I did not think it was worth replying to either when the first three stories appeared. That has happened over the last 16 months. But for some inexplicable reason this newspaper is fascinated with this transaction and is trying to blow it up into a major national and now an international issue. So while I appreciate the Senator's kind and generous advice not to be concerned about it, I have answered in detail.

What are the further facts?

Prior to my 1972 Presidential campaign, I took all of my current savings and placed them in a blind trust administered by Mr. Myer Feldman, a Washington attorney, and Mr. Henry Kimelman.

At the end of that 5-year trust, December 31, 1974, there was approximately $60,000 in the fund. It was this money that I used to make the down payment on a $250,000 house on Kalorama Road. The house carries a $150,000 mortgage and a $50,000 second loan.

I had originally thought that the property could be used as a center for the storage and historical study of the papers from my 1972 campaign. This idea was opposed by citizens of the Kalorama Association and so I simply turned the property over to my lawyer and asked him to look into the possibility of renting it. The history project and all of my public papers are now to be housed at Princeton University at the request of Princeton.

My lawyer decided that the property was best suitable for use as an embassy rental. Indeed, he learned that the previous owner of the house had already been approached by the Syrian Ambassador who was looking for a house to rent for his family. The house was rented at the going rate for such a property—a rate which has not yet covered my payments and upkeep on the property. There is no gain to me beyond what I would receive from any other tenant who was

For reasons that have never been clear to me, the Washington Post has been fascinated by my purchase of this house. The Post has now carried four newsstories in the last 16 months about my ownership of this house. In three of these stories, they have carried prominent photographs of the house.

The previous stories simply puzzled me. Today's story is a vicious smear that demands an answer.

It is a smear, first of all, because it implies that the rental of my house to an Arab envoy has led me to less than a 100-percent commitment to all aspects of Israel foreign policy. I resent this shabby implication with every fiber of my being. I have tried to the very best of my ability to be fair and impartial about Middle East issues—especially since I became chairman of the Foreign Relations Subcommittee on the Near East. I am willing to submit my entire record on the Middle East to the closest scrutiny by my colleagues in the Senate or by anyone else.

I do not say that I have agreed down to the last detail with every single position the Israel Government has taken. But there is nothing "soft" or biased or unfair in my record as chairman of the Subcommittee on the Near East.

I think it would be catastrophic if Israel's independence, freedom, or survival were destroyed. I am determined to do all in my power to prevent that. But a U.S. Senator must evaluate these and other issues according to his own best judgment—not on the basis of what some lobbying group feels is the most slavish, singleminded position.

To argue that it is improper for a Senator to rent a piece of property to an Arab envoy is to suggest that the Arab boycott against firms doing business with Israel be applied in reserve against Arabs. I deplore the Arab boycott. I would equally deplore a boycott against firms doing business with the Arabs. We have to begin dealing with each other as human beings—not as stereotyped enemies or supporters.

In an effort to prove that I have been subverted by the Syrian Ambassador, the Post article mentioned that I supported the sale of a limited number of Hawk missiles to Jordan. That just happens to be the position of the U.S. Government. Are Secretary Kissinger and President Ford also renting houses to the Arabs? Is it not possible that all of us came to a conclusion without the help of the Syrian Ambassador that it is better for Jordan to be dependent on the United States for its defense than to be dependent upon Moscow?

The Post also says that while I signed a letter with 75 other Senators in May 1975, urging continued support of Israel that I qualified it with a statement making clear that this was not an endorsement of Israel's permanent occupation of Arab lands seized in the 1967 war. That is also the position of the U.S. Government. Some of my Senate colleagues, who are longtime champions of Israel, refused even to sign the May 1975, letter on the grounds that it was an excessively biased pro-Israel position that would jeopardize a peaceful settlement of the Middle East conflict.

Because of what I regard as a nasty slur on my character and my judgment by the Washington Post, I hereby ask Senator CANNON, the chairman of the Ethics Committee, to submit this entire matter to his committee for evaluation. If there is the slightest belief by the committee that I have done anything unethical or improper in renting my house to an Arab Ambassador, I want to be so advised. On the other hand, if the committee concludes that my handling of this matter is proper, I want that to be known to the public. I will be guided by the committee's judgment.

I am going to request that that committee look into the allegations made in the Washington Post story, that they consult with me, with my lawyer, or with anyone else with whom they want to talk. If there is the slightest hint of anything unethical or improper or unwise, about this investment on my part, I want the Senate Ethics Committee to put that on the public record. If, on the other hand, after looking at it, they find what I believe to be the case, that it is a perfectly proper, open transaction and one that any Senator can stand on, I want that to be a part of the public record.

I ask unanimous consent that the Washington Post story and Mr. Bookbinder's statement of today be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SYRIAN ENVOY RENTS MCGOVERN HOME

(By Eugene L. Meyer)

Since March 1975, Sen. George S. McGovern (D-S.D.), chairman of the Senate foreign relations subcommittee on Near Eastern affairs, has received rental income from Syria on a property he owns in Washington.

The property, a large brick house at 2447 Kalorama Rd. NW, was purchased for $250,000 in January, 1965, and is rented as a residence for Syrian ambassador Sabaah Kabbani and his family.

According to Bardyl Tirana, McGovern's attorney, the rental property has so far failed to produce a net profit for the 1972 Democratic presidential nominee. The balance sheet of first-year expenses over income resulted in a $3,446.76 loss—in effect a tax deduction from McGovern's gross income.

McGovern declined direct comment Monday and denied, through press aide Robert McKeithen, that the arrangement created any conflict of interest for him. "He views the Syrian ambassador as strictly a tenant," McKeithen said.

Since his outspoken public support of Israel during the 1972 campaign, McGovern has come under increasing criticism from pro-Israel groups here for what they consider stands generally more sympathetic to the Arab cause and critical of Israeli policies.

In May, 1975, McGovern joined 75 other senators in signing a letter urging continued U.S. support for Israel and then issued a qualifying statement criticizing Israeli occupation of Arab lands since 1967.

Last August, according to congressional sources, McGovern fought unsuccessfully in closed sessions of the Senate Foreign Relations Committee to have the U.S. sell Hawk missiles to Jordan.

Hyman Bookbinder, executive director of the American Jewish Committee, said McGovern's voting record on aid to Israel and his statement on Israeli independence are "generally good."

"But McGovern, more often than others, has indicated some less than total support for the current Israeli position," he said. "It adds up to a feeling he is soft on the issue."

"There's a lot of easy Arab money around," Bookbinder said. "After a while, it does develop a potentially general softness and attitude about your clients. I'm more concerned about a general quid pro quo than an explicit crude one."

McGovern bought the large house with a $50,000 down payment, a $150,000 mortgage and a $50,000 personal bank loan as an investment. His original intentions he said at the time, was to house in it 1972 presidential campaign memorabilia. The collection is being stored instead at Prnceton University.

The neighhorhood civic association raised zoning objections, lawyer Tirana said yesterday, and "we knew we'd be looking for a tenant." The Syrian ambassador has already contacted the former owners about renting the property but they wanted to sell it rather than lease it," Tirana said.

Ambassador Kabbani called McGovern aide Owen Donley, who called Tirana, who said he has handled the property for the senator since.

The house was best suited for embassy use, Tirana said, thus narrowing the rental market. "The alternative would have been selling the house," Tirana said. "The senator didn't want to sell the house. He still doesn't."

From March 1975 to March 1976, the Syrians paid $23,750 in rent, while McGovern paid $6,384 in maintenance and insurance, $3,702 in taxes, and $17,129 in mortgage and loan payments, for a net deficit of $3,466, according to Tirana. Under a new lease in effect since March, the monthly rent has risen from $2,500 to $3,000, and Tirana estimates McGovern will "probably come close to breaking even for the year."

STATEMENT BY MR. HYMAN BOOKBINDER

I am distressed over Mr. Meyer's reckless stringing together of unrelated comments to give the impression that I believe Senator McGovern's position on the Middle East may have been the result of the rental of his house. In the brief telephone interview with the reporter, I steadfastly refused to be drawn into such an intimation.

Whatever difference I may have with Senator McGovern on any given issue, I have always considered him totally honorable and fair. I still do. It is unthinkable to me that George McGovern would permit any financial consideration to determine his position on any issue affecting the welfare of this country or the peace of the world.

KIDNAPING OF SCHOOLCHILDREN IN CHOWCHILLA, CALIF.

Mr. TUNNEY. Mr. President, I send to the desk a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 489) relating to the kidnaping of schoolchildren in Chowchilla, Calif.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. TUNNEY. Mr. President, I am sure that all my colleagues in the Senate followed with the same concern I did the chilling events of the kidnaping of 27 persons in a schoolbus in Chowchilla, Calif. I know we all shared the same sense of relief and gratitude when the children and their driver were found safe and well.

The resolution I have submitted expresses the Senate's esteem and high regard for the bravery and levelheadedness shown by those kidnapped during their horrible ordeal.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution, with its preamble, was agreed to, as follows:

S. RES. 489

Whereas on July 15, twenty-six children and one adult from the community of Chowchilla, California, were kidnaped from their school bus;

Whereas the kidnaping was a matter of the most intense concern throughout the State of California and the United States;

Whereas, the courage and resolve of the members of the group enabled them to escape from the underground cell into which they were herded;

Whereas their safe return to their homes and families was greeted with joy and thanksgiving by their fellow residents of Chowchilla, the citizens of the State of California, and the people of the United States; Now, therefore, be it

Resolved, That

The Senate of the United States join the people of the United States in expressing immense relief and joy at the safe return to Chowchilla of all the kidnap victims; and,

Be it further resolved, that:

The Senate convey to those kidnapped: Frank Edward Ray, Jennifer Louise Brown, Jeffrey Brown, Cynthia Lynette Van Hoff, Jody Matheny, Darle Daniels, Angela Robison, Michelle Robison, Jody Heffington, Julia Carrejo, Irene Carrejo, Linda Carrejo, Stella Carrejo, Lisa Barietta, Larry Parks, Anora Parks, Sheryl Lynn Hinsley, John Easterbrook, Barbara Parker, Lisa Ardery, Monica Ardery, Judy Reynolds, Rebecca Reynolds, Mike Marshall, Robert Gonzales, Andres Gonzales, Laura Yazzie its expressions of esteem and regard in recognition of their exemplary fortitude and courage.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965, AMENDMENTS—VETO

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now proceed to the consideration of the President's veto message on S. 3201, which will be stated by title.

The assistant legislative clerk read as follows:

Veto message on S. 3201, a bill to amend the Public Works and Economic Development Act of 1965, to increase the antirecessionary effectiveness of the program, and for other purposes.

The Senate proceeded to reconsider the bill.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

The time is to be equally divided between and controlled by the distinguished Senator from West Virginia (Mr. RANDOLPH) and the distinguished Senator from New York (Mr. BUCKLEY), the vote on reconsideration of the bill to occur at 2 p.m.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that during consideration of and voting on the veto override on S. 3201, the following staff members be granted the privilege of the floor: M. Barry Meyer, John W. Yago, Philip T. Cummings, Richard Harris, Richard Greer, Judy Parente, Bailey Guard, Alvin From, Stevens Swain, Mike Hathaway, and Lee Lockwood.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, today the Senate is being asked for the second time this year to reject a Presidential veto of an urgently needed public works bill. The Committee on Public Works began developing legislation in this area more than a year ago. We were prompted by concern for the American economy and the challenge to create new job opportunities for millions of unemployed citizens.

The measure on which we will vote today is our second effort to infuse new strength into the national economy through a broadly based public works program. The first measure was vetoed by the President in what I believe to be an ill-advised and unwarranted action. The veto of the pending Public Works Employment Act was equally unjustified.

I am confident that Members of the Senate will express their concern for continuing weak spots in the economy by voting today to override the veto of S. 3201.

Earlier this year, the Senate failed by the narrow margin of three votes to override the first veto. At that time, the President expressed his objections to the measure that had been passed by Congress. In writing a second bill, the Committee on Public Works made a sincere attempt to accommodate the viewpoint of the President and his administration. I believed we were successful in that objective while preparing a program that will help to remove the lingering effects of recessions.

Mr. President, the Public Works Employment Act of 1976 authorizes a total of $3.95 billion. These funds would be committed to activities in three broad fields. The first is $2 billion for the construction of local public works facilities. This is a tried and proven approach in alleviating economic sluggishness. Public works programs provide jobs for skilled workers in the construction industry, where unemployment remains at approximately double the national average. These programs, in addition, resulted in the creation of public facilities whose usefulness extends many years beyond the life of the immediate program.

Mr. President, construction is our largest single industry. More than 5 million Americans earn their livings in this field. The impact of construction, therefore, is widespread. With more than 600,000 construction workers out of jobs, a strain is created elsewhere in the economy. Conversely, when construction workers are employed, business is helped elsewhere.

In hearings earlier this year, the Committee on Public Works received testimony indicating the seriousness of the situation. I stress that unemployment in construction is considerably higher than the national average, but the numbers are extraordinarily high in given communities and trades. In some cities, approximately half of all construction workers are without jobs.

This unsatisfactory situation is given extra emphasis by the fact that the spring construction season this year was not as vigorous as historically expected. Construction in the private sector has been down for several years, and expenditures in the public sector have not increased substantially to take up the slack.

It is obvious that the Federal Government must take the lead to stimulate new building of public facilities at a time when they are needed to improve communities and to provide jobs.

The legislation also authorizes the maximum of $1.25 billion in countercyclical revenue-sharing assistance to States and communities. This money will be of enormous value to public bodies whose local revenues continue to be depleted by economic conditions.

The bill authorizes $700 million for the construction of sewage treatment facilities under the Water Pollution Control Act. These funds will enable communities to move forward in the elimination of water pollution while providing needed employment.

The funds authorized by this bill will be spent by State and local governments. Several Federal agencies will participate in distributing these funds to those State and local governments. Title I will be administered by the Secretary of Commerce, I think it is important to say for the record, acting through the Economic Development Administration. The countercyclical assistance of title II will be allocated by the Secretary of the Treasury. Grants of water pollution control funds under title III will be made by the Environmental Protection Agency. And the Secretary of Labor plays a role throughout the act in supplying unemployment determinations and implementing the Davis-Bacon Act.

The total authorization of $3.95 billion is $2.25 billion less than the bill vetoed last winter. It is a realistic amount which can bring positive results to our whole economic development plan.

Expenditures of this level will not damage the Federal budget. The successful execution of this program, in fact, could have favorable fiscal benefit by generating new tax revenues.

Mr. President, on June 16 the Senate adopted the conference report on this legislation by a vote of 70 to 25. We know that in the past year there has been progress in recovery from the recession in our country. This recovery, however, is incomplete. With 7½ percent of our labor force without jobs, we cannot consider our national economy to be healthy. The uncertainty surrounding the situation is further compounded by the most recent report of the Department of Labor which showed that unemployment actually increased between May and June. This information should convince doubters that the Public Works Employment Act should become law.

Mr. President, I reemphasize that the President's reasoning in vetoing this bill is faulty. I know that Members of the Senate, regardless of their membership within the parties, are committed to alleviating unemployment and I hope and it is a genuine hope, not a partisan hope, that they will join together in voting to override the veto of the President.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I yield myself 10 minutes.

Mr. President, I will vote to sustain the veto by the President of the United States of S. 3201—the Public Works Employment Act of 1976—and I urge my colleagues to support the veto.

My colleagues may recall that I voted against final passage of the bill as amended by the Senate, and while I served as a conferee I did not sign the statement of managers and voted against the conference report. I did so not because all the measures in the bill are bad, for they are not; nor because all the objectives are bad, for they are not. The important consideration to me is that the large provisions added to this legislation by Senate amendment increased the total authorization of this measure to an aggregate sum that should not be undertaken at this time. The addition of these extraneous provisions together with the conference committee's action to eliminate the "trigger" mechanism from the Senate bill altered, I believe, the very nature and character of the bill from a necessary "jobs bill" to a "Christmas tree" bill and just another public works program.

As I have stated before, while I am sympathetic to several aspects of the legislation, I believe stable growth of the economy through responsible fiscal management, confidence of the people that we do not just throw programs together and the people's money about, and recognition that responses must be timely and respect an order of priorities, may be of greater influence and equal benefit to our Nation's health and welfare.

Mr. President, it is with especial disappointment that I find myself in disagreement with the distinguished Senator from West Virginia who is chairman of the Public Works Committee. I had the distinct honor and privilege to serve as ranking Republican of that committee for some time, and even though I relinquished that position in order to accept a similar position on another newly formed committee, I still maintain my keen interest in the work of the important Public Works Committee. I know and still appreciate the dedicated effort and attention to legislation that our distinguished colleague from West Virginia has given over many years he has served with such distinction in that position.

Our chairman and other members of the Public Works Committee have worked diligently and with flexibility to provide jobs for the country's unemployed. The chairman of the full committee (Mr. RANDOLPH), the chairman of the Subcommittee for Economic Development (Mr. MONTOYA), and the ranking minority member of the subcommittee (Mr. McCLURE) acted in a very responsible and careful manner in bringing to the Senate floor an excellent bill that I enthusiastically supported and wholeheartedly recommended to my colleagues.

The committee bill was a real attempt to meet the need to create jobs while facing our budgetary responsibilities in order to continue growth and recovery, unhampered by inflation. It would have created approximately 125,000 jobs and would have authorized a maximum of $2.5 billion, or in effect about $1.5 billion at current unemployment levels. I think that bill, as reported from the Senate Public Works Committee to the Senate of the United States, was a realistic measure designed to respond effectively to the problem of unemployment in our Nation. When reported from the committee the bill received the vote of every single minority member of the Public Works Committee as well as every majority member of that committee, and thus become truly a bipartisan and unanimous presentation of the Senate Public Works Committee to this body for its deliberations.

However, Mr. President, the vetoed bill—the bill before us now—is distinctly different from the measure reported from the Public Works Committee and, I believe, in substantial variance with the original intent enunciated unanimously by all of the Members on both sides of the aisle in that committee. If we had enacted the Public Works Committee bill I speculate we would not have this veto on our hands now.

As my colleagues will recall, the Senate, by the amendment offered by my friend and colleague from Maine (Mr. MUSKIE), added $1.375 billion for countercyclical revenue sharing and $1.4 billion for wastewater treatment facilities. Thus the total authorization was increased from the $2.5 billion level reported from the full committee, to the $5.3 billion as it was finally enacted by the Senate.

Mr. President, I have no great quarrel with countercyclical revenue-sharing. I applaud the Senator from Maine and the junior Senator from Tennessee for their leadership role in formulating and stating this new concept of great value to local government. But, I submit, Mr. President, that this bill, a job bill, in this format was not the place to put it, and I voted against that amendment and I will vote to sustain this veto, in part, because of that expensive addition at this time.

The same is true of the so-called Talmadge-Nunn amendment. Nobody quarrels, certainly I do not quarrel, with the need for additional funding for wastewater treatment facilities for our hard-pressed municipalities and local units of government around the country.

As we put pressure on them from the Federal level to improve the quality of the Nation's receiving water, surely we should help them to provide the funds to build those facilities. If we improve the quality of the receiving water, that is what we should do. But this is not a water bill. This is a jobs bill, and that industry is at full employment, and that is a very expensive way to try to create new jobs. I resisted that amendment at the time it was offered in the Senate, even though it would have meant money under the proposed formula for my State, because it was not an appropriate jobs measure in that format.

While the conferees reduced the waste water treatment facilities authorization to $700 million, the countercyclical revenue sharing proposal was decreased only marginally—from $1.375 billion to $1.250 billion. The major change in conference, I believe, was to remove the "trigger" mechanism from the Senate bill. When the conferees did that, in my view, they changed the very nature of this measure from a jobs bill intended to respond quickly appropriately and adequately to the need for jobs in a time of high unemployment to a straight, traditional, public works bill.

The trigger mechanism—which would release funds as unemployment increases and cut back funds as the jobless rate falls—provided an assurance that as economic activity quickens and the unemployment rate continues to drop, the program will phase out in proportion to the need for it. An objection often raised against temporary Government job creation programs, is that, while intended to be immediate and short term, they may be allowed to continue after the need for them has passed. We must take care how to avoid future overstimulation of the economy that could lead to inflation, undermine consumer confidence, and threaten the recovery now so well underway. For this reason I believe the trigger mechanism is an integral and essential part of the bill. In addition, the trigger mechanism distinguished the bill as a countercyclical measure and not just another public works program, and I consider its removal from the Senate bill to be a substantive change that altered the character and nature of the legislation.

Mr. President, in conclusion I believe the aggregate bill without the safeguard of the trigger mechanism to be an expenditure in the wrong amount at the wrong time. Between May 1975, and May 1976, the rate of inflation declined 35 percent over the same period in the preceding year. However, frankly, Mr. President, I am not sanguine that we have totally defeated inflation. Strong inflationary forces remain. We must take care to avoid another inflationary spiral in the future when the economy approaches full recovery. An outbreak of price increases—such as we experienced in 1973 and 1974—would undermine the recovery and would be devastating to all Americans.

Secondly, Mr. President, while I am frankly sympathetic to the purpose and philosophy of the programs added to the Senate bill, I believe they should stand on their own merit and should not overburden the committee bill designed to alleviate the problem of unemployment.

Mr. President, I will vote to sustain the President's veto, and I urge my colleagues to do the same.

OVERRIDE OF PRESIDENT'S VETO IS ESSENTIAL TO ECONOMIC RECOVERY

Mr. HUMPHREY. Mr. President, I rise to urge all of my colleagues to vote to override the President's veto of the conference report on S. 3201, the Local Public Works Employment Act of 1976. This important jobs bill is the cornerstone of our congressional program to insure a vigorous and sustained economic recovery. It will provide jobs to many of our Nation's unemployed, it will put some life back into the construction industry and it will provide emergency assistance to States, counties and cities that have been devastated by the recession.

Mr. President, yesterday's newspapers and this morning newspapers carried the news item that the recovery is slowing down; in other words, that the anticipated speed of the recovery had not developed.

In vetoing this conference report, the President has raised four major objections. I would like to take the time to answer those objections for my colleagues, because I believe the President has misunderstood important features of the legislation.

First, the President tells us that few new jobs will be created by this conference report. Let us set the record straight. This measure, according to congressional estimates, will create 325,000 new jobs, enough to reduce the national unemployment rate by more than three-tenths of 1 percentage point. Moreover, the jobs will be created in precisely those regions, cities and sectors of the economy that are experiencing the most severe unemployment problems.

The Joint Economic Committee of Congress has conducted extensive hearings into the unemployment picture of this country. We have travelled from city to city. What the Senator from West Virginia has said in his opening statement today is buttressed by facts in State after State and city after city as to the high rates of unemployment, particularly amongst the building trades, in many of our large metropolitan areas.

I wish this program could be more ambitious—that more people could be put back to work. But the President should recognize that Congress passed a more extensive jobs program last winter and he vetoed that too.

This bill has been reduced so that it conformed to the President's objections to the earlier bill that he vetoed.

Second, the President tells us that some of the jobs created by this bill would come too late in late 1977 when the economy is far into recovery. I would like to differ with the President on that issue.

Mr. President, no job is too late if there is unemployment. Second, by the estimates of the administration's Council of Economic Advisers, they say that we will have over 6 percent unemployment by 1980. So surely, this modest bill that is designed to provide a few jobs to Americans who want to work, who want to get off the welfare rolls, who want to get off of unemployment compensation, does not provide jobs that come in too late.

Both title I and title II of this conference report contain provisions which require that appropriations for these programs be expanded within a specific period of time. There is no time lag. Moreover, forecasts prepared by the President's own Council of Economic Advisers, indicate that the unemployment rate will be above 6 percent until 1980. That is hardly what I would call full employment. No job is too late if it is created when the national unemployment rate still exceeds 6 percent.

Third, the President tells us that each job in this bill will cost $25,000—that the bill is far too expensive. I have to disagree with the President's arithmetic. If the bill creates 325,000 jobs and costs $4 billion, the cost per job is approximately $12,000, not $25,000. You just need to have basic arithmetic to know that.

In other words, if there are 325,000 jobs for $4 billion, it means about $12,000 a job.

Finally, the President tells us that this bill is inflationary. Nothing could be further from the truth. This conference report increases expenditures in precisely those areas and sectors that have the greatest underutilized capacity. At present, 15 percent of our Nation's construction workers are unemployed. In many of our cities, the overall unemployment rate is still above 10 percent.

At present, today, Mr. President, 23 percent of our plant capacity is idle. As we reduce unemployment, we have been reducing inflation. When is the administration going to learn from their own statistics? When we had unemployment at 9.5 percent, we had inflation at 14 percent. Now that unemployment is 7.5 percent, inflation is at 7 percent. If we get unemployment down to 6 percent, inflation will come down to at least 5 percent. I cannot, for the life of me, understand how, on the one hand, the President can proclaim that recovery is on the way, that inflation is subsiding, that unemployment is diminishing, and when we present a bill that will further reduce unemployment, that will further use our plant capacity, that will put people to work, they again respond, as if it were a phonograph record, that it will be inflationary. With so large a share of the work force idle, this bill certainly will not create inflationary pressures.

Mr. President, our Nation's economy has been recovering for each of the last six quarters. The gross national product has been rising, the unemployment rate has been dropping, and many other indicators of economic performance have been improving. There is much with which the Congress can be pleased.

However, now is not the time for us to rest on our laurels. The national unemployment rate is still 7.5 percent and almost 7 million American citizens remain unemployed. In some sectors of our economy, such as the construction industry, unemployment remains above 15 percent. There is much that remains to be done if we are to achieve full employment through a sustained and vigorous recovery.

This conference report bill will make a major contribution to a sustained and vigorous economic recovery. It will permit the construction of essential public facilities, it will allow State and local governments to hold the line against regressive tax increases. It will help State and local governments to keep policemen, firemen and other essential workers on their payrolls. Most of all, it will mean jobs for unemployed American workers.

Mr. President, it is time that we lay the issue squarely before the American people. The question is not, as the President argues, whether we should have public jobs or private jobs. The question is whether we have jobs or the waste of unemployment.

That is the issue about which the American people are concerned. The American people want to go back to work and it's time that we give them an opportunity. I urge all of my colleagues to vote to override the President's veto.

Mr. President, this veto must be overridden. I appeal to the people on this side of the aisle, the Democrats, at least, to remember that they made pledges as a party on reducing unemployment. This will be the acid test. If the American people find out that this party cannot keep its word, we do not deserve to win elections.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. I inquire of the Presiding Officer the time which has been consumed.

The PRESIDING OFFICER. The Senator from West Virginia has utilized 19 minutes. He has 11 minutes remaining on his time. The Senator from Tennessee has used 10 minutes and has 20 minutes remaining on his time.

Mr. RANDOLPH. I thank the Presiding Officer. I yield 4 minutes to the able Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. I thank my good friend from West Virginia, the chairman of the Public Works Committee. I am not sure that there is anything left to be said about this measure, considering the number of times we debated it on the floor, either in legislative form from the committee or in conference report, but I would like to make just a few points, if I may.

Mr. President, the vote this afternoon to override the veto of S. 3201 marks the sixth time that the Senate has been asked to consider essentially the same antirecession package.

On four of the previous votes, this package has passed the Senate by a healthy majority. On the fifth occasion, the bill was passed by a voice vote.

Aside from these specific votes the Senate has given its tacit approval to this antirecession package by approving its inclusion in the second concurrent budget resolution for fiscal year 1976 and in the first resolution for fiscal year 1977.

Now, I suggest to my colleagues that this record demonstrates a solid and continuing commitment by this body to this legislative concept.

But, the President is doing his best to frustrate this congressional commitment. He vetoed one bill—H.R. 5247—because it was too expensive. We took that bill and cut its cost substantially, in a gesture of compromise and in recognition of the fact that the economy has improved, even though we still have a long way to go.

Unfortunately, the President did not respond in the same vein.

During the year and a half debate on this legislation, there have been a number of arguments raised against it that I would like to respond to briefly here this afternoon.

The first argument is that it is too expensive.

I say that that argument is utter nonsense.

The total cost of this legislation is about $3.9 billion. That is a drop in the bucket compared to what unemployment is already costing us. The experts say that it costs the U.S. Treasury about $17 billion for every increase of one percentage point in unemployment above the full employment level. That means that the current unemployment level of 7.5 percent is costing us a cool $50 billion a year in lost revenues and increased recession related costs.

Those who argue against this bill because they want a balanced budget are talking through their hats. As long as unemployment remains so high, there will be no balanced budget, and they know it.

Another argument raised against this bill is that it will only create make-work jobs that we are better off without.

I say that that argument too is nonsense.

Title I of this bill will provide Federal funds for local capital construction projects on which all preliminary work has been done and where construction can be begun within 90 days. Throughout my State of Maine—and I suspect throughout the Nation—cities and towns are ready to go on projects which they deemed important enough to start work on but which they have had to defer because of pressures the recession has placed on their budgets. A shot in the arm for the construction industry—the industry most hurt by this recession—is hardly my idea of a make-work program.

Title II of this bill would provide emergency budget assistance to State and local governments where unemployment is the highest and where the pressures of recession have been most severe. Enabling the city of Detroit to retain its police force at full strength or the city of Philadelphia to keep its public hospital open is hardly my idea of a make-work program.

The same people who say this kind of legislation will only create make-work jobs are also the first to attack putting able-bodied people on the public dole. Well, I ask them, which way do they want it? They cannot have it both ways.

This bill will take a great many people off the unemployment rolls and put them back to work. From virtually every aspect of public policy consideration, that is a goal we ought to be working for, not against. I can only conclude that those people who argue against this bill on these grounds would rather continue paying unemployed Americans for doing nothing rather than for doing a useful day's work.

Finally, Mr. President, there is the argument that this bill will contribute to a rekindling of inflation—something we all want to avoid.

My response to this argument is that inflation results when we have an overheated economy or shortages in certain critical segments of the economy.

Clearly, we do not have the former. The latest figures on GNP growth released just yesterday indicate a significant slowdown in the rate of GNP growth, and thus a significant slowdown in the rate of economic recovery from this recession.

And in the construction industry, the only shortages I am aware of is a shortage of jobs.

Furthermore, Mr. President, this bill is a modest short-term remedy. Title II is authorized for five quarters only, and will last an even shorter period of time should national unemployment drop below 6 percent. Funds provided under title II will go directly into State and local government general budget accounts—"not a part of the economy likely to generate bottleneck inflation," in the words of economist Charles Schultze. And to the extent that this budget assistance eases the pressure for higher State and local excise taxes, title II money could actually alleviate some inflationary pressures.

Title I will provide money for local construction projects which are ready to go within 90 days, so that its impact on the construction industry can begin almost immediately.

Mr. President, this bill will help speed our economic recovery. It has but one simple purpose—to create jobs. And create jobs it will—300,000 of them—according to the Congressional Budget Office's analysis of antirecession measures.

Unemployment today is not just high—it is very high. And the jump in unemployment last month is just another indication that we have long passed the time we can sit back and wait for recovery to come around the corner.

Let us get on with the business of putting America back to work.

Mr. President, I ask unanimous consent to have printed in the RECORD some editorials on the vetoed bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times]

UNWISE VETO

Though urged by Republican mayors around the country to sign it, President Ford has vetoed the $3.95 billion public works employment bill and denounced it as an effort by the Democratic majority in Congress to enact "empty promises and giveaway programs." The bill would lead, Mr. Ford asserts, to "larger deficits, higher taxes, higher inflation and, ultimately, higher unemployment."

This is a heavy load of denunciation to be laid on this legislation aimed at creating more jobs, when the unemployment rate has gone back up to 7.5 percent, with more than seven million Americans out of work. The bill is not a massive boondoggle; it represents less than 1 percent of the total Federal budget and less than one-fourth of one percent of anticipated gross national product in 1977.

Mr. Ford says the bill's scaled-down size from the $6 billion public works job bill he vetoed in February is irrelevant, contending that "bad policy is bad whether the inflation price tag is $4 billion or $6 billion."

Obviously—indeed, simplistically—any appropriation can be denounced as inflationary, including the $101 billion defense outlay (an $8 billion increase over fiscal 1976) that the President has proposed for the current fiscal year. The real question, however, is whether the budget as a whole, in terms of outlays, taxes and deficit, is inflationary—or insufficiently stimulative—and whether particular outlays represent a constructive use of the public's money.

Congress has not acted irresponsibly on the budget as a whole or on this particular public works employment bill. The proposed $4 billion public works bill falls within the Congressional budget resolution of $413 billion for fiscal 1977. That spending, total, given anticipated revenues of $363 billion, would result in a $50 billion budget deficit. This is a more realistic budget than President Ford has proposed and would bring down unemployment sooner without worsening inflation.

The President wants to limit outlays to $394 billion—a figure that would involve real slashes in virtually every social program, while only defense and energy outlays would rise. Such a budget ceiling, would in fact be deflationary or depressive; Mr. Ford has sought to ward off that danger by proposing a further $10 billion tax cut. He still recommends a $43 billion budget deficit, with higher Social Security and unemployment taxes making up some of the difference.

The President has thus sought to further his right-wing philosophy—and his campaign not only against the Democrats but against Governor Reagan—by this unwise veto.

The $4 billion public works bill would help the hard-pressed cities. It would create jobs for the unemployed; even if the President were right and Congress wrong in predicting that the bill would create only 160,000 rather than 300,000 jobs, these would help absorb many laid-off construction workers, and the counter-cyclical revenue-sharing to cities and states would save the threatened jobs of many policemen, firemen and other municipal workers. The bill would also provide needed funds for facilities to prevent water pollution.

The targeting of public expenditures to help the cities, the construction industry and the unemployed makes sense during this period of slow recovery from the serious 1973–75 recession. Congress ought to pass the public works jobs bill over the President's veto.

[From the Washington Post]

THE JOBS BILL

President Ford is a nice man, but he's got a terrible sense of timing. Last week he vetoed the jobs bill, an effort by the Democrats to create jobs by pouring $3.95 billion into good works, mainly construction. Just four days earlier the Labor Department had announced that the unemployment rate had risen from 7.3 per cent in May to 7.5 per cent in June, a disquieting reversal of a slow but steady decline. Two days before that, the fiscal year had ended with both federal spending and the budget deficit substantially lower than the administration had expected.

Why did Mr. Ford veto the bill? As he explained it, he was trying to save the country from another great surge of reckless congressional spending and inflation. ". . . Congress is moving full speed down the road to bigger and bigger give-away programs," he said in the fervent statement published by the White House. The interesting thing is, of course, that nothing remotely like that is going on.

The Democratic majority in Congress has been proceeding with extreme caution on every matter that involves money. The new congressional budget procedure has turned out so far to be an unexpectedly powerful deterrent to the occasional spendthrift impulses of the committees. Last fall Congress voted not to let the deficit exceed $74 billion, and until recently both Congress and the administration expected it to come out just under that number. But for reasons that no one has yet quite explained, spending in the final weeks of the fiscal year was a good deal lower than anticipated. It now appears that, when all the accounts are totalled, the actual deficit may turn out to be as low as $68 billion. No wild rush of congressional spending is building up. Quite the contrary.

There is a faintly comic paradox here. The present consensus on federal fiscal policy—which means taxing and spending—is a good deal closer than either the President or Congress really likes to admit. The President understands perfectly well that the present huge deficit is mainly the effect of the recession, and any premature attempt to cut that deficit threatens to pitch the national economy back into even deeper stagnation. Nobody wants to be responsible for that. On the other hand, most of the Democrats in Congress have perceived that a great wave of new spending will lead to inflation, which in turn will lead to higher unemployment. Circumstance has pressed the debaters embarrassingly close together. The surprising thing is not that they are arguing about spending, but rather that the amounts in this argument are—in comparison with the federal budget—remarkably small.

A jobs bill authorizing $3.95 billion is just about the right size to keep the quarrel precolating through the coming election campaign season. The amount is large enough to command attention, but it is not big enough to make a serious difference in a federal budget that will be, after all, at least 100 times bigger. That $3.95 billion is less, as it turns out, than the margin of error in the forecasts of this year's deficit.

The bill would devote most of this money to public works. It is quite true that public works appropriations are on the whole a rather inefficient way to pull down the unemployment rate. But it is better than nothing and, at a time when the unemployment rate in the construction industry is 17 per cent, it is absurd to call this modest program inflationary. Some of this money would go into waste water treatment plants; they can easily be justified on their own terms, quite aside from any contribution that their construction might make to the jobs market. The most valuable part of this bill would provide a modest increase in federal aid to state and local governments, in response to the recession. It is recognition that high unemployment brings greater demands on local public services, at a time when receipts from sales taxes decline. The veto has brought down on Mr. Ford the anger of a long list of mayors and governors, not all of them Democrats. To them, the veto is further evidence of Mr. Ford's failure to comprehend the fierce pressures on the big cities.

This bill hardly constitutes a sweeping solution to the present confusion of American economic policy, or a fundamental remedy to the prospect of continued high unemployment. At even the most generous estimate—which is to say, the Democrats'—it will reduce the unemployment rate by perhaps three-tenths of one percentage point. But if Congress can create two or three hundred thousand jobs quickly, with little penalty in inflation, the opportunity is not one to be missed. There appear to be enough votes, in both houses of Congress, to override the veto. When Congress reconvenes next week, that piece of business deserves to have the first priority.

[From the Chicago Sun-Times]

CITIES NEED MORE FEDERAL HELP

Mayor Daley and the resolutions committee of the U.S. Conference of Mayors hit the bull's-eye over the weekend when they called on President Ford to get his priorities in order—to pay more attention to the crisis of the nation's cities and less to defense spending.

"If we're not going to be strong at home, how can we be strong abroad?" the mayor asked in a speech at the meeting in Milwaukee of some 350 American mayors who are considering a resolution that would call for a federal spending shift away from defense and into an attack on city problems.

That shift is long overdue. There was a time when the cities produced excess wealth. Federal tax policies were set then that drained some of that excess away, channeling it to the poorer rural areas of the country. But those policies have long since been in need of re-examination. Neal R. Peirce, a specialist on state and local government, reported in The Sunday Sun-Times that federal spending and tax policies each year drain $30 billion from the Midwest and Northeast states that are highly urbanized and give the money to the South, Southwest, Rocky Mountain and Pacific Coast states. The Great Lakes states, where cities such as Chicago, Detroit and Cleveland have monumental problems resulting in large part from declining tax bases, pay to the federal government $18.6 billion more each year than they get back. California, though, receives from the federal government $7 billion more than it pays.

If there were no inner city unemployment problem, no deterioration of housing, no excessive crime, no urban poverty creating huge welfare rolls, no mass transit shortage, no public education deterioration, no need for large urban health care programs, no racial turmoil, that policy might make sense.

But Chicago and all the other older American cities have all of those problems and each year the financial wherewithal to combat them grows smaller as residents, business and industry, despairing of fighting, flee to suburban communities or those areas of the country benefiting from federal largesse.

It is time for the federal government to change its policies. The mayors called on Ford not to veto a $4 billion public works bill that would help the cities. He should listen to them. Unemployment among youth in Chicago is officially estimated at 38.5 per cent. Unofficial estimates go as high as 50 per cent. The situation is not improving as the national economy improves. Chicago's share of federal manpower training funds is actually decreasing when it should be increasing.

Even if Ford were to sign the public works bill, however, that would be only a short-term fix. Continuing sources of new funds would still be necessary, perhaps through a revision of the general revenue-sharing formula to channel more federal money to cities.

The mayors said the cities face "financial trauma." They're right. Cities such as Chicago, New York, Detroit and Cleveland cannot be allowed to rot away much longer without the entire nation suffering dangerously.

Mr. BAKER. Mr. President, I yield to the distinguished Senator from Idaho such time as he may utilize.

Mr. McCLURE. Mr. President, I thank the Senator from Tennessee for yielding the time.

I want to state at the outset that I have been closely involved with this legislation for over a year, since May of 1975, when the Public Works Committee first began hearings on an antirecessionary public works jobs bill.

I think I would be remiss if I did not acknowledge at this time, as pointedly and generously as I can, the diligent effort and the fine job of all members of the committee, particularly the chairman, Senator RANDOLPH, and Senator BAKER, during these very many months we have been working on this question.

Although I supported S. 3201 as reported by the committee and have worked toward a reasonable, focused approach to the problem of unemployment, I was unable to support the expanded measure which ultimately emerged and which has been vetoed by the President. I will vote to sustain the President's veto.

I am concerned about the total cost of the measure—nearly $4 billion—and its timing. I do not believe the added costs of the Senate amendments will be effective in creating jobs quickly.

The timing of this legislation is crucial. The justification for this bill has been that it is needed to provide temporary assistance to counter the economic recession of the past few years. It is not a replacement or merely an add-on to regular Federal public works programs. As an antirecessionary program, it should reflect the changing economic conditions, phasing out as recovery proceeds.

During the 12 months which have passed since the Senate first considered this legislation the economic situation facing this country has greatly changed. When we began, unemployment was nearly 9 percent and rising, employment opportunities were declining, inflation was rampant, reaching 12 percent and almost every economic indicator showed the scope of our economic problems. Fortunately the situation has turned around.

Indicators have steadily improved. GNP and employment have climbed. Inflation and unemployment have gone down. As the economic picture has changed so has our approach to the large emergency programs we were considering during the period of economic distress. As recovery continues to take hold, it is imperative that our efforts to meet specific problems be carefully balanced against maintaining the stable, balanced growth which has marked the recovery.

The public works portion of this bill as it emerged from conference does not include the triggering mechanism in the Senate measure designed to gear the amount of expenditures to the extent of unemployment. The trigger mechanism characterized this legislation as an antirecessionary proposal not just another large spending program. Without some mechanism to reduce outlays as the economy improves, the program will result in large expenditures at the wrong time. The trigger is made more crucial, I believe, by the fact that there is a long leadtime and phaseout time for public works programs. Our efforts to remove the last vestiges of the recession should not throw us back into the boom and bust cycle that created the turmoil of the last few years.

Total employment has been rising, reaching over 87 million workers, 3 million more jobs since March of last year. The economy has improved and gains have been real and impressive. A recovery built on sound, sustainable growth will produce the expanded economy necessary to provide the permanent jobs for the increasing number of people entering the job market.

No one is complacent about existing unemployment levels and we all share the goal of generating needed employment opportunities. But I believe this bill is less effective in creating jobs quickly now when they are needed—for the substantial increase in expenditures. In one month the private sector generated 707,000 jobs—more jobs than would be created over a year with the expenditure of nearly $4 billion under this bill.

I agree with the President that there are other ways to generate productive permanent employment more effectively and without the inflation tendencies inherent in this bill.

It is my judgment that the composite of the bill, without the triggering device that associates spending under title I with the employment levels, is a bad composite piece of legislation and, therefore, should not be enacted.

Throughout the discussion of this legislation there have been some references to the number of jobs and the cost of the jobs which will be created by expenditures under the public works portion of the bill. Of course, the cost per job and the number of jobs depends on the type of project selected. Large public works which utilize highly skilled manpower and costly materials will have a high per job cost, more funds used for materials and other expenses, and, therefore, a fewer number of jobs created for the expenditure than smaller projects using less skilled labor and materials.

Smaller, labor intensive projects, such as beautification, repair and maintenance activities, generally have a lower job cost. Also more funds are used for wages than materials so more jobs may be created. Figures on the cost per job in this bill have ranged from around $10,000, the estimated cost under the jobs opportunities program, to $25,000, the figure the President uses in his veto message, the cost associated with regular public works programs and the experience under the public works impact program—an accelerated public works program enacted in 1971.

New construction employment can be high, $30,000 to $40,000 per man-year. Repair, renovation and maintenance involve a lower expenditure, about $10,000 to $12,000 per worker per year. But what of some of our experience? What has our experience indicated under some of the other programs we have tried?

The estimated cost per job under title X—the jobs opportunities program—has averaged around $10,875 per job, $7,000 of that being Federal cost. I emphasize that these figures are based on information supplied by the applicants and are very preliminary estimates. By law, title X projects must be labor-intensive and small enough to be substantially completed in 12 months.

Many of the programs funded under title X were public service type activities. According to EDA, title X projects have a labor-intensity factor of 72 percent and 83.4 percent in the two rounds of the program. That is precisely the reason that the construction trades have opposed title X—because there was not enough new construction allowed under the program. They have advocated the approach in this public works bill over the approach in title X. But the lack of construction and the numerous public service jobs funded under the jobs opportunities program is precisely the reason the estimated cost per job is relatively low.

According to the study of the PWIP program, which is perhaps the most extensive review of our experience with an accelerated public works program, the cost per man month, not man-year by man month, of employment under that accelerated public works program averaged $3,788, and ranged from an average of $3,238 per man month for airport buildings to $7,426 per man month of employment on jails and police stations.

The same study indicated that the average job lasted less than 1 month. Fifty-eight percent of the workers held jobs that lasted 80 hours or less. And yet we talk about this being a sure cure or a sure shot in the arm for these men who have suffered long-term unemployment problems.

The average labor intensity of the 202 projects in the survey was 21.2 percent. Labor intensity is the percentage of the total project cost represented by wage payments. This means that for every dollar in wage payments generated by the projects, roughly four additional dollars were spent on nonwage items such as materials, overhead, profit and so forth.

It seems to me that we do need to look at what we are doing and when we are talking about a stimulatory measure that is designed to deal with unemployment during a period of recession the bill should be carefully focused and narrowly focused to generate the largest possible number of jobs during the period of time and in the areas where those jobs are needed. I think this bill fails on both scores.

Mr. BAKER. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from West Virginia has 6 minutes remaining, and the Senator from Tennessee has 9 minutes.

Mr. BAKER. Mr. President, I have only one other request for time. The Senator who asked for that is not presently in the Chamber. I would like to reserve the remainder of my time.

Mr. RANDOLPH. Mr. President, no member of our committee and no Member of the Senate has given more substantial leadership to the development of this program than the able Senator from New Mexico. He chairs our Subcommittee on Economic Development and has been instrumental in creating the innovative programs in this area that are helping provide a better life for many Americans.

I yield 4½ minutes to the Senator from New Mexico.

Mr. MONTOYA. I thank the Senator from West Virginia (Mr. RANDOLPH), the distinguished chairman of the Public Works Committee.

Mr. President, the vote today will decide whether the Congress, in the face of lingering and alarmingly high unemployment, is going to enact a public works jobs bill over the President's veto. The Congress has, for the better part of 2 years, labored with this legislation—first in an earlier and larger public works jobs bill that the President successfully vetoed and now the present bill.

The President says in his veto message on July 6—be patient, the economy if left alone will provide the necessary jobs for the unemployed. These words came to us in Congress exactly 4 days after—let me repeat, after—the Bureau of Labor Statistics announced on July 2 that unemployment had gone up from 7.3 percent to 7.5 percent for the month of June.

Mr. President, this bill is more than $2 billion smaller than the earlier bill vetoed by the President and sustained narrowly in the Senate. We proposed this smaller bill because we hoped the President would sign it. There were some indications he would sign it. When he vetoed it, I was tempted to believe those who said he was playing delegate politics in his struggle with Governor Reagan.

I want to say this by way of preliminary remarks:

The Economic Development Subcommittee and the full Public Works Committee devoted much time in trying to prepare a bill we thought might meet with the President's approval. On the floor of this Senate there were some amendments added which increased the authorizations beyond what we considered proper and acceptable to the President. In conference we reduced the authorizations so that we thought the product of the conference, as subsequently adopted by the Senate and the House, would be acceptable to the President.

Yet in his veto message, he called the bill election year politics. He said:

> The bill sends a clear signal to the American people that four months before a national election, the Congress is enacting empty promises and giveaway programs.

By saying Congress, I assume he means to include those Republicans who have supported this legislation. We have been working on public works jobs legislation all through 1975 and 1976. And we have had a great deal of congressional Republican support. We are going to need that support today to enact this jobs bill over Mr. Ford's objections.

Mr. President, the Congress has said in its votes on the earlier H.R. 5247 and now in S. 3201 that it wants to do something now to put unemployed people on useful jobs. The Nation's Governors favor the bill. The Nation's mayors favor the bill. The Association of Counties favors the bill. Organized labor favors the bill. Nearly if not all public interest groups favor the bill. The Democratic candidate for President favors the bill.

In the face of overwhelming national sentiment for this jobs bill, the President says "No" and accuses the Congress of bad faith in passing it. So we have government by veto; this was his 52d veto.

Mr. President, the American people are getting tired of government by veto, for it is premised on the dubious principle that the "least government is the best government." "No programs are better than some programs, and few programs are better than more programs." "Let the sacred economy untrammeled by artificial stimulus work its will; it will provide for all." I think this is erroneous.

It is a wonder to me that we have survived, in the 1970's, the anointment in the Presidency of 19th century economics.

What about the unemployed? Some students of the problem believe close to 10 million Americans are without jobs that would like to work. We know that the unemployed figure in the construction industry runs between 15 to 17 percent. We know that in some cities construction worker unemployment runs in figures in the 30- and 40-percent range.

Unemployment in the big cities runs to 12, 13, and 14 percent. What are we going to do about it?

We, the Members of Congress, represent the people. We must consider the plight of the unemployed. We must not be satisfied with an unemployment level of 7.5 percent, at this time, or accept the President's contention that nothing is needed by way of public works or other direct assistance.

Towns and cities across America have not recovered from this recession. Too little revenue is available to meet rising service costs. The problem is whether to cut back on services, which means laying off people, or to raise taxes. Raising taxes in cities with a diminishing tax base because of the outmigration of industry in recent years is unthinkable. To listen to some mayors, crisis is on the doorstep.

So busy has the White House been in this election year, that it appears to have merely dusted off the President's earlier February veto to make it do double duty with this bill. The rhetoric is the same. The message is back again with the same old nonsense.

The veto message says the bill will not create as many jobs as Congress says. We have been around this horn before. Our capacity to estimate the jobs to be created is as good as the executive branch. Fortunately, Congress has greater expertise than ever. We know the executive opposes the bill and will downplay the number of jobs to be created.

The veto message says it will be inflationary. Every unwanted spending measure in the past 7 years has been called inflationary. How can stimulation of the sick construction industry, operating far below capacity cause inflation? What is inflationary about restoring some laid-off policemen in Detroit?

The veto message says the jobs will come too late—in 1977 and 1978. The answer is, we have a program in this bill designed to move quickly, to have construction workers on-site quickly since only projects ready-to-go will be approved. Even so, unemployment, even by the administration's own estimates, will still be far too high in 1977 and 1978.

The veto message says each job created will be too costly. Not when you average together the local government jobs to be maintained or restored under title II with the construction jobs in title I, and remember the fact that a community facility of lasting worth will also be constructed under title I.

Mr. President, I have served as chairman of the Subcommittee on Economic Development for many years. This recession has occupied much of the subcommittee's time in the past 2 years. Our mission is long-range economic development for the long-term lagging regions of the country. When unemployment continues to hold at high levels, it is difficult to separate out the long-range programs and goals from the antirecessionary when the lingering effects of the recession are so pervasive.

As chairman, one of my hopes has been that we can enact a jobs bill such as this one to demonstrate the efficacy of well-tailored public works programs to fight recessions. This is such a bill. It is a 1-year program. It is needed. It is worth a try.

Mr. President, I think it is about time that we act on a nonpartisan basis here in Congress, and vote to override the President's veto on this very important bill.

I ask unanimous consent to have printed in the RECORD, at this point, correspondence from the AFL–CIO, the Coalition of Northeastern Governors, the Farmers Union, the Brotherhood of Carpenters & Joiners of America, the UAW, and the Council on National Priorities and Resources in support of this measure.

There being no objection, the letters and enclosures were ordered to be printed in the RECORD, as follows:

PUBLIC EMPLOYEE,
DEPARTMENT AFL–CIO,
Washington, D.C., July 14, 1976.

DEAR SENATOR MONTOYA: The Public Works Employment Act, which as you know passed the Senate 54–28 and the House 339–57, has been vetoed by President Ford. The Public Employee Department, AFL–CIO, is deeply concerned.

In our view the override of the veto of S. 3201, which will presumably be before the Senate in the very near future, would be an important contribution both to the maintenance of state and local government services and to the building and construction industry. We are particularly interested in Title II's anti-recession grants. Although reduced from the provisions of last winter's vetoed, H.R. 5247, this bill would provide $1.25 billion to state and local governments to maintain basic services during periods of high unemployment.

The override of the President's veto, and final enactment of this bill, would help to ease the burdens of our cities and to mitigate the problem of unemployment which was so eloquently addressed in the platform adopted by the Democratic National Convention in New York.

We sincerely hope that you will vote to override President Ford's veto of this important measure.

Respectfully,
W. HOWARD MCCLENNAN,
President.

PED PRESIDENT DENOUNCES FORD VETO OF PUBLIC WORKS JOBS BILL

"Despite President Ford's designation of the public works jobs bill as a giveaway, the fact remains that severe unemployment and the fiscal crisis of local and state governments demand the concentrated attention of the federal government," declared William H. McClennan, president of the AFL–CIO's Public Employment Department, following the President's second veto of a public works measure.

"As a nation, we simply cannot permit the unemployment problem and financial plight of our communities to fester without forthright action by this Administration.

"Fortunately, the overwhelming votes in the Senate and House for the vetoed bill give great hope that Congress will reject the President's disregard for suffering experienced by public and private industry workers and their families. Public services by our communities must be maintained at realistic levels."

The vetoed measure made available to states and cities $1.25 billion in antirecession funds, $2 billion for public works projects and $700 million for waste water treatment. As many as 300,000 jobs would be financed by these mechanisms, according to the legislation's sponsors.

The House vote was 328–83. Senators approved the measure 70–25. If maintained on an override vote, the margins are sufficient to pass the legislation, regardless of the President's objections. Twenty-nine AFL–CIO unions representing 1.5 million public workers in state, local, federal and postal services, comprise the Department.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., July 13, 1976.

Hon. JOSEPH M. MONTOYA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONTOYA: I am enclosing a copy of a press release which President Meany issued on the question of President Ford's veto of the accelerated public works bill. We most certainly hope you will agree with us and will vote to override this most recent veto of a serious attempt by the Congress to provide badly needed jobs for many unemployed.

Sincerely yours,
ANDREW J. BIEMILLER,
Director, Department of Legislation.
Enclosure.

AFL–CIO President George Meany today made the following comment on President Ford's veto of the Accelerated Public Works Bill:

"This veto comes as no surprise. It is one more item in President Ford's unbroken record of hostility toward the unemployed and indifference to the needs of the states and cities and their citizens.

"This bill, already passed twice by heavy majorities in both Houses of Congress, is too important to be sacrificed to the President's narrow ideology and his political image.

"America's unemployed must be put back to work. America's hard-pressed cities and states must receive aid. America's economic mess, created by the Nixon-Ford Administration, must be eliminated.

"This measure would be a major step toward achieving these goals. Therefore, we urge all members of the House and Senate to give the nation the help it needs by overriding Mr. Ford's veto immediately after the current recess ends."

JULY 20, 1976.

Hon. JOSEPH M. MONTOYA,
Dirksen Senate Office Building,
Washington, D.C.:

We Governors of the Northeast were greatly disappointed by the President's recent veto of the public works/counter cyclical assistance legislation.

An override of this veto will provide vitally needed services for, not only the States we represent, but, indeed for all the Nation—a Nation struggling to overcome the ravages of economic misfortune.

Enactment of the Public Works Employment Act of 1976 (S. 3201) will create 200,000 badly-needed jobs. In addition, this legislation will provide vital counter-cyclical aid to State and local governments—aid which is essential to the continuation of critical basic services and aid which will assure the maintenance of 90,000 jobs that might, otherwise, be eliminated. As governors of a region particularly hard-hit by recession and unemployment, we urge you to vote to override the President's veto of S. 3201.

THE COALITION OF NORTHEASTERN GOVERNORS

Governor Ella Grasso, Connecticut;
Governor Michael Dukakis, Massachusetts.
Governor Brendan Byrne, New Jersey.
Governor Hugh Carey, New York, chairman;
Governor Milton Shapp, Pennsylvania;
Governor Philip Noel, Rhode Island;
Governor Thomas Salmon, Vermont.

NATIONAL FARMERS UNION,
July 19, 1976.

URGENT LEGISLATIVE MESSAGE

To: Members of the United States Senate.
From: Tony T. Dechant, President.

Farmers Union urges you to vote to override President Ford's veto of the Public Works Employment Act of 1976, S. 3201. The members of the Senate clearly indicated their support of this important legislation in the vote of 70 to 25 for passage of the Conference Report. This overwhelming support of the Senate recognized that continued high unemployment holds at 7.5 percent, with the construction industry suffering a 17 percent national unemployment rate.

Farmers Union believes that a full employment economy provides the best market to farmers to sell at a fair price the food and fiber they produce. But 129 of the 150 major labor areas in our nation have over 6 percent of their work force unemployed in May 1976, and 38 of those areas have over 10 percent of their people out of work.

The public works program will help state and local governments move ahead on construction of already approved public facilities such as water and sewer lines, libraries, streets and sidewalks and roads, courthouses, schools, police and fire stations, and badly needed health facilities.

Such a program will help to accelerate the attainment of the rural development goals outlined in the April 26, 1976 Sixth Annual

Report of the President to Congress on Government Services to Rural America, pursuant to Title IX, Section 901(e) of the Agricultural Act of 1970, and the Third Annual Report of the Secretary of Agriculture to the Congress on Rural Development Goals issued May 7, 1976, pursuant to Title VI, Section 603(b) of the Rural Development Act of 1972.

Wages paid on these jobs will help support local merchants and increase tax contributions to local, state and Federal governments. The construction adds to the needed services and facilities of our hard-pressed cities and small towns, and counties.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA,
Washington, D.C., July 16, 1976.

Hon. JOSEPH M. MONTOYA,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR MONTOYA: The President's second veto of the scaled down Public Works Jobs Bill, S. 3201, comes as an expected, yet still a callous blow to our membership and the U.S. Construction Industry.

While all other sectors of our Nation's economy have been enjoying at least a modest upswing during the present so-called "recovery", the Construction Industry and we in the Building Trades have continued to bear the highest unemployment rates in the country.

The national average unemployment rate for the building trades is in excess of 15%. This is merely the shadow of our true urban rate, which is well in excess of 20% for our members. S. 3201 is, in our view, if anything, a modest attack on this problem through the wise mix of quick-starting Public Works Projects, much needed countercyclical aid, and water treatment programs.

On behalf of our entire membership I urge you to vote to override the President's veto of S. 3201, the Public Works Jobs Bill.

Sincerely yours,
CHARLES E. NICHOLS,
General Treasurer and
Director of Legislation.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURE IMPLEMENT WORKERS OF AMERICA—UAW,
Washington, D.C., July 19, 1976.

DEAR SENATOR: Once again, we find ourselves in deep disagreement with the President in his decision to veto a bill assigned to give unemployed Americans meaningful jobs and assist hard pressed state and local governments. Congress should override the ill-advised, economically-short sighted veto of the public works jobs measure (S. 3201).

The Congress has tried to reach a compromise with the President on this issue. It reduced the amount of funds involved as compared with the original badly-needed public works bill. In our judgment, the President is being irresponsible on this important legislation.

We agree with the solid majority in Congress which has voted for the bill in large numbers. We did not believe the veto of the original public works jobs bill could be justified under any circumstances given the economic conditions facing the nation. This second veto is unconscionable and should be overwhelmingly overridden.

A vote to override will be in the national interest; the UAW urges you to vote to enact S. 3201 over the President's veto.

Sincerely,
LEONARD WOODCOCK.

COUNCIL ON NATIONAL PRIORITIES AND RESOURCES,
Washington, D.C., July 19, 1976.

DEAR MEMBER OF CONGRESS: In vetoing the Public Works Employment Act, President Ford has once again shown his insensitivity to the needs and hardships of the unemployed and to the economic waste associated with high unemployment. Incredibly, the Administration has decided to deny meaningful jobs to 350,000 American citizens. We urge you to reverse this decision by voting to override the veto when the Congress considers the measure this week.

By vetoing the bill, Ford is refusing desperately-needed aid to thousands of struggling localities. The counter-cyclical provisions of S. 3201 would help state and local governments avoid critical financial problems and forestall budget cutbacks, personnel layoffs and tax increases—all of which counteract federal efforts to stimulate the economy.

The Council on National Priorities and Resources believes the counter-cyclical public works bill is crucial to economic recovery. Certainly last month's unemployment rate, still higher than in any previous recession year since World War II, attests to the need for greater government stimulation of the economy.

High unemployment translates not only into personal hardship, and a loss of self esteem for the millions of people out of work but into budget deficits as well. Many figures have been advanced to document the costs of the recession. The most telling point is that each percentage point of unemployment costs the federal government $17 billion in revenues and increased expenditures. Moreover, high unemployment in this recession has so far cost the nation more than $800 billion in lost GNP—national resources desperately needed. Thus, putting people back to work, as would be done by enactment of this measure, is a productive venture.

The budget resolution adopted by the Congress in May specifically provides the needed funds for this public works/counter-cyclical measure. Thus, enacting the bill over the President's veto would merely represent reaffirmation of the Congress' announced fiscal policy.

As you know, the Congress passed S. 3201 by an overwhelming margin—more than the two-thirds necessary to override the veto. We hope you will continue to support this critical legislation by voting to override the President's veto.

Sincerely,
ROBERT R. NATHAN,
Chairman.

The PRESIDING OFFICER. The Senator's additional minute has expired. Who yields time?

Mr. McCLURE. Mr. President, I yield 2 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, I strongly urge this body to sustain the President's veto of S. 3201.

This bill was questionable when it passed the Senate, but it has been made worse in conference by elimination of the "trigger" from the title I public works funds. As it now stands, it is my understanding that these "emergency" funds can be used in communities where unemployment is not a problem. Approving this measure would be an irresponsible act and a waste of the taxpayers money. Under the guise of providing emergency funds to create new jobs, these funds could be used in areas where, in fact, no unemployment problem exists.

The proponents argue that this is needed because there are no other programs which can provide assistance to the unemployed, especially in the construction industry. Of course, this argument has no foundation. It is proposed that under existing programs over $21 billion will be outlayed for public works projects in fiscal year 1977. This is a 17-percent increase over this year's funding. If S. 3201 is approved, it will provide more funds in fiscal years 1978 and 1979 than fiscal year 1977. Surely this is not an emergency program to attack the unemployment problems of today. Its major effect won't be realized for years to come.

In addition to this $21 billion that will be outlayed for public works projects for fiscal year 1977, yesterday we approved a housing conference report which authorizes over $3 billion for new or substantially rehabilitated housing. In the Banking Committee, we have heard over and over again the desperate condition of the construction industry. So, we are doing something about it. We are saying "let's put dollars into housing—not in 1978 or 1979—but today." This means jobs for the construction industry today, and much needed housing for America tomorrow. These housing funds not only mean construction jobs today, but it has a multiplier effect. It means more manufacturing jobs for appliance workers, carpet producers, pipe suppliers, and wire manufacturers.

Let me quote from the committee report on the housing bill:

> *A primary objective* of the above funding allocation is to increase the concentration of current HUD programs on new housing construction, with the intent of increasing the housing supply and of *creating jobs in the construction industry*, one of the most highly depressed sectors of the economy.

The Banking Committee thinks that the housing bill could create over 1 million jobs in the next fiscal year.

The unemployment problem is primarily in the construction industry. Funds for housing production will help alleviate it now, and not 2 or 3 years from now, as would the public works bill.

I think the economy, and the American taxpayer would be best served by sustaining the veto of S. 3201.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, I yield the Senator from Kansas such time as he may require of the 6 minutes remaining.

Mr. DOLE. Mr. President, in the opinion of the Senator from Kansas, the President has once again displayed courage and good economic sense to veto the make-work approach to our economic problems epitomized by the Public Works Employment Act. I do not say this with any discredit to the distinguished chairman of the committee, but there is a different view, a different philosophy. The Senator from Kansas voted to sustain the President's veto of a larger version of this bill in February. It was a bad idea then, and even though it has been scaled down somewhat, about all it is now is a scaled-down bad idea.

Mr. President, the economic recovery is both stronger than anticipated and further along. If there ever was a time for this program, it has long since past. Well over half of the $4 billion provided in this bill would spend out not this year, when unemployment is above 7 percent, not next year when the unemployment rate may be above 6 percent, but in 1978 and beyond when the unemployment rate will be below 6 percent and still falling.

Mr. President, included in this bill is some $1.3 billion in revenue grants to States and localities. We have for the last 2 years heard dire predictions about the fate of States and cities—of massive layoffs of public employees adding heavily to our unemployment. Mr. President, this has simply not come to pass. To be sure, this has not been an easy time for many cities and States. Indeed, it has not been an easy time for all of us. I have seen reports that local governments have been forced to cut back and economize on some services. But it is to the credit of the ingenuity of local governments that they have weathered the recession so well. It is this type of self-reliance that is the strength of our private economy and the local units of government. What these individuals need is not a belated hand out, but rather an assurance that the inflation-recession cycle is being brought under control and will not be repeated. This reassurance can be given by sustaining the President's veto of this legislation.

Included in this bill is also $700 million for EPA construction grants. The cleaning up and preservation of our environment is a national priority which the Senator from Kansas supports. I look much more favorably on this portion of this legislation. The projects to be undertaken are warranted in their own right, aside from considerations of economic policy and unemployment. Additional funds for important projects in Kansas would be authorized. It is my understanding that while there remains some $6 billion of unobligated balances for these grants, the allocation of these funds is such that 4 States now have no funds available and some 15 States will have exhausted their allocation by the end of fiscal year 1977. It is unfortunate that this section is a captive of this bill and has not been presented in its own right for our consideration.

The Congress has sustained the President in rejecting this program once before. It is indeed regrettable that Congress has not displayed the ingenuity to come forth with better and more acceptable ideas and proposals. Along with several of my colleagues the Senator from Kansas has introduced legislation that would provide for private employment through wage subsidies. The appropriate committees have not seen fit to hold hearings and to even consider such an approach. Instead, we get a warmed over version of the same old ideas—public works.

There may be some of my colleagues who have very serious reservations about this legislation but who feel some compulsion to "do something" about unemployment. It is late in the legislative session and this bill may be Congress last shot at what is claimed to be a positive employment program. I would urge my colleagues to stand fast and again sustain the President's veto. The Congress and the administration have responded positively to unemployment since the onset of the recession. We have cut taxes and twice extended that tax cut. We have enacted a temporary public service employment program and will probably act to continue that program in the next few weeks.

We have in place numerous programs to provide assistance and income support for those who are temporarily without jobs.

The economy has responded to these measures with a vigorous and continuing recovery. Mr. President, we must resist the temptation to overreact, to enact a program which would do little for employment now when it is most needed and which would add to inflationary pressures 2 years from now when it is least needed. I would repeat that over half of the $4 billion would spend out in 1978 and beyond. According to recently revised economic projections, the unemployment rate will be below 6 percent. Some $2 billion would be committed and spent at a time when we will be seeking budgetary balance.

Mr. President, if this body fails to sustain the President's veto of the $4 billion spending measure, the confidence of consumers and businesspersons alike in the ability of our Government to act positively, but wisely and with moderation, will be undermined. The prospect of accelerated inflation and continued deficit spending that is raised by this legislation can easily do more damage than what little good this bill would yield directly. This revived confidence has been the strongest source of our economic recovery to date and has been the thrust of the President's economic program. The President has already saved the taxpayers of this country more than $2 billion by refusing to go along with the original public works bill and thereby forcing its revision. We now have the opportunity to join with the President in saving another $4 billion and further supporting private confidence.

A final consideration which I would urge my colleagues to bear in mind is where this legislation might lead us. We are urged to pass this employment-creating bill—300,000 jobs it is claimed—because the unemployment rate is too high. Well, according to the Humphrey-Hawkins bill, the unemployment rate will always be too high until it reaches 3 percent. So when that rate is 5 or 5½ percent, what do we need? You guessed it, another public works bill, or something like it. It is this basic approach to employment—and the further and expanded use of it—that is at issue here.

Mr. President, as I look at the arithmetic, the veto will probably be overridden, but again I would commend the President of the United States for having the courage of his convictions in doing what he should do and can do to make good economic sense, and I urge my colleagues to support the President by sustaining the veto of S. 3201.

Mr. BAKER. Mr. President, I have no further requests for time. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. If I were to yield back the remaining 3 minutes, does the previous unanimous-consent order still require the vote to occur at 2 o'clock?

The PRESIDING OFFICER. The Senator is correct.

Mr. RANDOLPH. Mr. President, may I inquire how much time remains to the Senator from West Virginia?

The PRESIDING OFFICER. The Senator from West Virginia has 30 seconds remaining of this time.

Mr. RANDOLPH. Does the Senator want that now, or later?

Mr. BAKER. Mr. President, I will give the Senator from West Virginia another 30 seconds.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 1 minute.

Mr. RANDOLPH. Such courtesy is appreciated.

The commitment of the Senator from Tennessee (Mr. BAKER) to these programs is certainly recognized by me. He has long been active in developing legislation in this area within the committee. His contributions have been valuable. I am grateful for his effort, and for the efforts of all the members of our committee in approaching these problems.

Mr. President, I regret that the President has spoken of our action on this matter as an empty promise. This is the fulfillment of a promise. He has spoken of a giveaway program. This is a productive program, an investment in America and its people.

Members of this body differ as to their votes. I vote against what I call giveaway programs of billions of dollars to foreign aid, but I vote for programs that are positive in nature to employ Americans in constructing those projects which are of lasting benefit.

This measure provides such projects, and I hope and believe the Members of the Senate will override the veto of the President. The vote we shall take, I am sure, will be on the merits of the legislation. We will not cast our votes on the basis of political partisanship.

Once again, I call attention to the contributions of the committee staff to the preparation of legislation. The majority and minority staffs operate with the same spirit of cooperation that characterizes the members of the committee themselves.

Throughout the history of this bill, the staff has worked to help us find solutions to difficult problems. Recognition is due the involvement of Barry Meyer, Bailey Guard, John Yago, Philip Cummings, Richard Harris, Richard Greer, Judy Parente, and Stevens Swain.

Mr. BAKER. Mr. President, I do not urge my colleagues to sustain the President's veto without considerable distress, because I agree with much of what the distinguished chairman of the committee has just said. But I think we have messed this thing up; I really do. As the distinguished Senator from Maine said a little while ago, this is our sixth effort to try to pass an anticyclical jobs program. Our efforts began almost 2 years ago to combat unemployment and the ravages of inflation. But somewhere along the line, we got derailed.

Suddenly it was no longer an antirecessionary jobs program. It was a wastewater treatment program and countercyclical revenue sharing plan to aid hardpressed local units of government. The price tag went up from $2.5 billion, which all of us supported, to $5.3 billion when it passed the Senate. Incidentally, this bill is not as much improved moneywise in conference as might first appear on the surface because of that trigger I spoke of before. With the trigger intact the effective authorization of the committee bill was $1.5 billion at current unemployment levels which compares with a total authorization in the Senate-passed bill of $5.3 billion, or $4.2 billion if the trigger is taken into account. The bill sent to the President, upon which we are asked to act today, contains a total authorization of $3.950 billion, with no trigger mechanism. Thus the authorization of the vetoed bill is only $250 million under the effective authorization of the Senate bill and is $2.450 billion over the effective authorization of the bill as reported by committee.

Mr. President, I urge our colleagues to vote to sustain the veto.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS SUBMITTED

Mr. RIBICOFF. Mr. President, for far too long this Nation has been gripped by an unemployment crisis which, at times, has reached levels not seen since the depression of the 1930's. At the present time over 7 million men and women are out of work. This figure does not include the additional millions who have despaired of finding employment and are not actively seeking jobs or those who are employed only parttime. The current official national unemployment rate stands at 7.5 percent but it is much higher in some parts of the Nation. In Connecticut, for example, we have a statewide joblessness level of over 9 percent, but certain communities are experiencing unemployment rates of 14 percent and higher.

Last month the Congress passed legislation—S. 3201, the Public Works Employment Act of 1976—which would create or preserve at least 300,000 jobs. Many of these positions would be in the construction industry where unemployment has been at levels of 30 percent and higher in some locations. This much needed measure would also provide funds to carry out public works projects and to construct waste water treatment facilities. S. 3201 also furnishes countercyclical antirecession funds to aid hardpressed cities and States—money which will assure the maintenance of an estimated 90,000 jobs, such as those of policemen, firemen, and other essential municipal employees, which might otherwise be eliminated.

President Ford's ill-conceived veto of the public works employment bill displays a disregard for the plight of our unemployed citizens and apathy toward the requirements of our cities and States. Contrary to his claim, this measure is not inflationary and falls within the congressional budget resolution of $413 billion for fiscal year 1977. The public works jobs bill is critical to help put Americans back to work, to save Americans from being forced out of their jobs and to aid Americans in recovering from the severe economic dislocations of the past several years. The House and Senate passed this legislation by substantial margins last month and I urge that we override this veto with the same vigor.

Mr. TUNNEY. Mr. President, I am voting today to override the President's veto of the Public Works Employment Act, legislation vital to this country's economic well-being.

Mr. Ford says we cannot afford programs to put people back to work.

This recession has already cost the American people $400 billion in lost output. The Federal Treasury is paying out $19 billion annually in unemployment compensation.

I say we can no longer afford not to put California and America back to work.

The Public Works Employment Act provides $2 billion for badly needed investment in public facilities. This investment would create several hundred thousand additional jobs.

Public works projects are not makework programs, they are wise investments in America's future. They improve the economy's infrastructure which will lead to future increases in its productivity.

Mr. Ford says we must fight inflation and balance the Federal budget.

It is foolhardy to believe we can balance the Federal budget as long as 7 million Americans are idle and hence not paying taxes to the Federal Treasury.

And the best way to fight inflation is to put Americans back to work producing the goods and services needed by their fellow Americans.

Only this administration's so-called economic experts continue to believe the discredited theory that high unemployment keeps prices stable. These "experts" told us we could have low unemployment or price stability but not both.

So they engineered an economic program designed to cause massive unemployment to keep prices down. The result was both high unemployment and galloping inflation.

The Ford administration should have learned by now that scarcity drives up prices and abundance drives them down.

Mr. TAFT. Mr. President, I am voting to enact into law S. 3201, the public works jobs bill.

I am doing so for three principal reasons:

First. Unemployment in the construction industry remains at a level that is escalate if further postponed; and

Second. Local governments all over this Nation are in dire financial straits because of inflation, increased service requirements, and a failure of local revenues to grow as fast as expenses, and all of these factors have resulted in cancellation or suspension of needed public works projects—the cost of which will escalate if further postponed;

Third. A public works bill seems certain to be enacted by this Congress and S. 3201 represents the best and least expensive compromise obtainable.

Moreover, the total cost of the bill has been reduced to under $4 billion from a grossly inflated $6.1 billion originally asked for by the Congress.

Furthermore, the Tallmadge-Nunn water pollution amendment in the previous public works proposals would have penalized the State of Ohio by denying it $40 million of waste water treatment funds. Now, under S. 3201, neither Ohio nor any other State will lose funding.

What I have opposed in the past has been a gross enlargement of public works spending programs to initiate a host of new projects, funded at an unsustainably high level, to produce temporary public jobs in projects thought up simply to utilize temporary Federal funds. The funds in this bill are to be used for the thousands of long-term projects under construction which had to be set aside when State and local governments ran low on funds to complete them. This sort of responsible continuation of existing programs, and support for those projects which are ready to resume construction within 90 days will actually be useful in reducing the enormous unemployment in the construction industry.

I vote to override the President's veto with some reluctance. Unemployment figures have dropped, and it is conceivable that the market will provide more jobs in the private sector for those still needing them, as the economy continues its upswing. This should be carefully monitored by the administration and in the appropriation process. Mere expenditure of Federal money is basically not the most effective way of improving our economic situation. The best way of using the taxpayers' money to reduce unemployment generally is through tax reduction, establishment of job training programs, and encouragement of capital formation by tax policies and Government economy.

Spending, under this proposal, if unchecked, could well occur at a time when it might contribute to the inflationary pressures in our resurging economy, and the program should be reviewed as the situation changes.

Circumstances may indicate that some of this money might be better spent by encouraging private industry and promoting expansion of permanent jobs in the private sector. However, I believe a limited public works bill is necessary, and that this is the best bill we can get.

Mr. PEARSON. Mr. President, I would like, very briefly, to explain why I am shortly going to vote to sustain this veto. Hopefully, my explanation will serve to convince other Members to vote likewise, but I do not intend to take on the advocate's mantle.

First, this bill's ineffective provisions will not accomplish its laudatory purposes. But more importantly, the legislation represents an economically dangerous stimulant for future inflation.

The bill is ineffective because it is likely to create no more than 160,000 jobs, with no real assurance that even these will be permanent additions to the employment market. The administration has calculated that the effect of this $4 billion bill will be to reduce unemployment by six-hundredths percent. That reduction, any reduction, is valuable if it results in a net economic gain to our citizens. But this marginal and temporary additional reduction in already improving employment rates will be more than offset by adverse inflationary pressures. Pressures that will come at a crucial point in our economic recovery.

There will be almost no immediate impact on employment by enactment of this legislation. The delayed intended benefit will come when it will do more harm than good in terms of the Nation's needs late next year. It will refuel the all-consuming fires of inflation which the administration has so fiercely been fighting. At a time when inflation, not unemployment, will be the Nation's principal economic foe, this bill will pour an additional unwanted billion dollars into a market not yet ready for such stimulation.

The long-range budgetary implications of this law will prove to be economically damaging. The Federal deficit is expected to swell an additional $1½ billion next year alone, solely as a result of this legislation. Resulting drains on capital supplies will reduce the availability of private investment funds with concomitant reductions in the very employment force the bill ostensibly intends to bolster. In this way the bill is at best ineffective, and more likely it is counterproductive.

The alleged value of this legislation is that it will create a few jobs at $25,000 a piece. In terms of its impact in Kansas, I am unable to determine that it will have any lasting beneficial result. Nationwide, I am convinced it will, on balance, not supply any true solution to the unemployment problem in the full context of economic recovery.

Mr. President, for these reasons I will cast my vote, in the interest of America's economic security, to sustain the veto of the so-called Public Works Employment Act. But there is additional cause to vote in favor of this veto.

President Ford has done the unpopular thing. He has vetoed a bill, the sponsors of which claim, will offer humane attention to the unfortunate unemployed. At a time when political temptation would be easily accepted, the President has acted with intelligence and courage consistent with the long-range economic well-being of the Nation. This kind of fortitude and foresight deserves support.

Mr. THURMOND. Mr. President, for the second time this year the Senate is faced with the critical decision of whether or not to support President Ford's veto of a so-called Public Works Employment Act.

I thought the President was right last February in rejecting the first legislation of this nature, which called for the additional deficit spending of nearly $6.2 billion for largely ineffective, unwise, and highly inflationary purposes. The present version of this bill carries a price tag of nearly $4 billion but, in my carefully studied opinion, this cost reduction does not render the bill acceptable. I think President Ford made another wise and courageous decision to veto this bill, and I intend to vote to sustain his veto.

Yet, Mr. President, I want to make it clear that I do not consider this bill to be entirely without merit. Nor am I oblivious to the still serious problems of unemployment and community needs which it seeks to address. Were this legislation entirely aimed at putting people to work in the construction of needed public facilities, I would be more inclined to support it.

Unfortunately, the Senate did not heed the advice of the chairman and ranking minority member of its Public Works Committee in respect to the Muskie "countercyclical assistance" amendment. Acting very unwisely, in my opinion, the Senate added approximately $1.3 billion to the cost of this measure by approving the Muskie "countercyclical assistance" amendment. This provision makes no lasting contribution to local communities. It is primarily aimed at assisting big cities with financial problems that are most likely of their own making, although they may have been aggravated by the recent recession. In short, this particular provision is essentially an extension of the Federal Government bailout of New York City philosophy to other financially troubled areas. The inclusion of this most unwise section makes the entire bill suspect.

Mr. President, this bill also incorporates the Talmadge-Nunn formula for reallocating previously impounded and released wastewater treatment construction funds in a more equitable manner. This formula reflects the most recent EPA recommendations for allocating these funds to the States, according to a formula based on both population and needs.

I supported the Talmadge-Nunn amendment when it passed the Senate last summer by a more than 2-to-1 vote. However, rather than simply incorporating this more equitable distribution of already authorized funds, this bill authorizes an additional $700 million in new funds to insure that the 17 States which enjoyed an unfair advantage under the old, outdated formula, lose nothing under this new, more equitable allocation. Mr. President, I do not believe the deficit ridden Federal budget can stand this kind of unwarranted generosity.

Mr. President, when this bill is closely examined, I believe it shows itself to be an ineffective and extremely costly answer to the problem of unemployment. Even the accelerated public works portion of the legislation would not likely have the immediate job-creating impact that its proponents claim. The limited number of jobs produced would be largely temporary. Thus, to proclaim this bill to be a constructive solution to unemployment is highly misleading, because when the money is gone, the jobs will be also. In the meantime, the financing of these public works projects through increased Federal deficit spending threatens the continued economic recovery in the private sector, because of the capital drain, higher interest rates, and general inflation that would result.

Mr. President, Congress ought to show its concern for the financial problems of local governments by promptly enacting an extension of the revenue sharing program, with no hampering strings attached. Congress ought to constructively confront unemployment problems by encouraging balanced economic growth in the private sector, with particular emphasis on job-creating tax incentives. Congress ought to show a responsibility to all the American people by recognizing that more inflation benefits neither local governments, people with jobs, nor those without them.

S. 3201, despite its good intentions, is not consistent with responsible economic policies. Accordingly, I urge the Senate to sustain the President's veto.

Mr. DOMENICI. Mr. President, I will vote to override the President's veto of S. 3201, the Public Works Employment Act. I will vote to override the veto even though I have reservations about some aspects of the measure. I believe it will be the last opportunity for this Congress to pass a public works program and I believe there are many needed public works projects in areas of serious unemployment which can be undertaken.

One of my chief concerns is the potential impact of a long spend out of funds provided in this bill. The conference agreement removed the triggering mechanism on the public works programs which was included in the Senate version of the bill. The purpose of the trigger was to phase out the program as recovery progresses and to minimize any inflationary impact. I am hopeful that through the appropriations process and proper administration of the program we can control the spend out of funds, relating the level of activity to the needs of the economy. I know that many Members are concerned about the impact of expenditures under this bill on the rate of inflation. It will require careful attention and administration to insure that these projects are initiated quickly so that they will produce jobs now when they are needed.

This is an authorization bill. I am certain that appropriations will reflect the economic recovery and provide us a second means to gage the ultimate impact of the program. Also, I trust that funds will be targeted to those smaller communities of extreme need but which lack the resources to meet those needs. These areas can put the funds to use almost immediately and utilize idle resources.

However, despite these concerns, I believe the bill is needed. For example, serious unemployment exists today among unemployment in the construction trades is not as severe as the national rate, that the employment situation is becoming more serious as unemployed workers move into the State seeking jobs. Not only would communities benefit from the projects authorized by this legislation, but so will many of these unemployed workers.

I believe that many small communities can be greatly assisted with the funds in this bill for waste water treatment construction grants. These funds will be in addition to ongoing activities and projects in communities further down the State's list could be undertaken. Also, I believe that the countercyclical amendment will provide funds for communities to maintain vital public services that are being eroded by continued fiscal difficulties.

For these reasons and because I believe it is the last opportunity to enact a program of this kind in this Congress, I will vote to override the veto.

Mr. BEALL. Mr. President, I rise to urge my colleagues to override the President's veto of S. 3201, the Public Works Employment Act of 1976.

When S. 3201 was considered by the Congress, I voted against its passage. I did so because of what I regarded as serious deficiencies in the bill's approach. Specifically, I was concerned with the targeting provisions of the bill and when the jobs authorized by the measure would actually be created. On the latter point, I was concerned that the bill did not contain adequate safeguards to assure that the money would actually be expended when unemployment was at its highest and that the programs would be allowed to drag out and provide a stimulus at a time when the economy improved.

I am voting to override today for a very practical reason. That is, I believe that unless the Congress enacts this jobs bill, there may not be another chance and opportunity to continue the public works jobs program. I want to make it clear, Mr. President, that I have supported public works employment. As a matter of fact, I voted on July 29, 1975, for a public works employment bill which contained higher authorization levels than the present bill. I also voted on February 19 of this year to override the President's veto of that measure.

Mr. President, as a member of the Budget Committee, I supported the budget allocation for jobs, and this bill is within the limits established by the Budget Committee. It was the wisdom of some of the provisions and not the need of the unemployed nor the size of the allocation that led me to cast my earlier votes.

Mr. President, this represents the last best chance to get a public works employment measure and even with its serious deficiencies, it will be of benefit.

In addition, during the recess period, I have had an opportunity to discuss this bill with a number of elected officials and citizens.

Only this morning, for example, Mr. President, I heard that a number of Maryland school districts are ready to participate and use these funds in a constructive manner.

Finally, Mr. President, I have reached the decision I make today because of the fact that large numbers of Marylanders and Americans remain unemployed and need help.

Mr. KENNEDY. Mr. President, I rise to urge the Senate to vote to override the unwise and unproductive veto by the President of the Local Public Works Employment Act, a bill which means hundreds of thousands of jobs for the unemployed in Massachusetts and in the Nation.

Not only will this measure assure employment opportunities which are critical to reduce the current 7.5 percent unemployment rate across the Nation, but it will mean the construction of vital facilities in our cities and towns.

I have supported this measure from its inception and cosponsored the countercyclical revenue-sharing program which is an integral part of this bill.

It is unfortunate that we are forced once again to seek to enact this measure over the President's veto. Had the earlier bill been signed, men and women would be working now throughout the country providing vital public services and building schools, libraries, police, and fire facilities.

Both the Governor of Massachusetts and the mayor of Boston, as well as other local public officials in my State have written in support of the bill and in support of an override of the President's veto.

The bill itself provides some $2 billion for local public works projects and emphasizes the accelerated start of construction by requiring that work begin within 90 days of project approval.

Equally important in my view is the requirement that 70 percent of the funds be targeted to areas where unemployment is higher than the national average. This will assure that the funds will go where the need is greatest.

Massachusetts, for example, has an unemployment rate of some 8.4 percent and in the construction industry some 20 percent of our construction workers are idled. The level of employment in the construction indusrty is even 14 percent less than a year ago, demonstrating the critical need for stimulating this industry, which has been at the margin of the all too slow recovery from recession.

The bill also provides $1.25 billion in countercyclical grants to State and local governments for the maintenance of basic services during times of high unemployment. These funds are essential to permit local governments to continue to provide basic public services when, as a result of the recession, their revenues have declined and the demand for services have increased. This provision will mean $57.2 million for my own State, $19.1 million to the State government and $38.1 million to local communities.

I believe this bill is a critical part of the effort to achieve national economic recovery, and the opposition of the administration only reflects again its misreading of national priorities. The veto reflects an abdication of national leadership in the battle against continuing unacceptable levels of unemployment. That veto should be overridden.

Mr. BUCKLEY. Mr. President, I would like to offer a few remarks in explanation of my decision to vote to sustain the President's veto of S. 3201, the Public Works Employment Act of 1976. As my colleagues may recall, I was among those who voted to override a veto of the original version of this bill, H.R. 5247, which was sustained in the Senate on February 19. I supported the original bill because I was anxious to see enacted a new, and I believed, approach to helping States and local governments adjust to the economic realities of the recession we were experiencing at that time. I am referring to the so-called countercyclical revenue-sharing concept which was adopted as an amendment to the public works jobs bill last July 29.

My support for this concept is based upon the belief that the Federal Government should assume a certain responsibility to help offset the adverse effects of its own actions. In other words, it should not, in this instance, leave State and local governments holding the bag when the recession, induced by wrong-headed economic policies followed by the Federal Government, cut deeply into tax revenues while adding to public assistance obligations, especially as so many of those commitments have been mandated by the Federal Government in the first instance.

Therefore, I consider it a legitimate exercise of Federal Government authority to help relieve the financial burdens of the cities and municipalities whose economies had been most severely affected by the recession that the Federal Government had brought about. The formula for distribution in the original proposal focused Federal funds where they were most needed.

I supported the larger bill to which the countercyclical amendment was attached with some reluctance. While the countercyclical provision was based on a total outlay of an estimated $1.8 billion, the price tag for the entire package was some $6 billion, the balance going to public works projects. It has long been understood by most reputable economists that public works appropriations are an inefficient way to reduce unemployment, the stated objective of the parent bill. The administration's statement accompanying the President's veto message on S. 3201 convincingly describes why the public works approach will fail to create the number of jobs claimed by its proponents and will fail to make little, if any, contribution to the currently declining trend in unemployment.

Yet I did vote for the original bill because I found irresistable the fact that, for once, the formula for distribution of funds—in the countercyclical revenue-sharing program—was fair from the perspective of New York City and State, and might have created a precedent for other programs. I also believed that this bill was an appropriate alternative to a multibillion dollar public service jobs program. As my colleagues are aware, a goodly portion of the public service jobs funds are being devoted to maintaining on municipal payrolls employees who were or would have been furloughed because of fiscal problems created by the recession. It is precisely the function of the countercyclical program to anticipate and prevent such layoffs, and the consequent reduction in basic services such as police and fire protection or sanitation.

When the President's veto of the first public works bill was sustained, I had hoped that we might be able to salvage the countercyclical revenue-sharing concept by enacting it as separate legislation. Yet almost immediately the Democratic leadership proceeded to reconstruct an identical package, in spite of the flaws which the President identified, and in spite of the fact that the country was well on its way to economic recovery. I appreciate the problems still facing the construction industry, but I emphatically believe that there are far more effective and far less inflationary means to resolve them. Because the Federal funds will have to be borrowed to implement this program, the availability of funds in the private sector will be diminished, funds that could be used to create more permanent jobs that would not require continued taxpayer support.

Perhaps most disappointing to me, however, was the abandonment, in all but name, of the countercyclical concept. While it is still called by the same name, the mechanism for distributing funds was significantly altered, all to the detriment of States like New York and its local governments. Instead of being targeted to areas of excessively high unemployment created by recession, the second generation countercyclical provision applies to a broader set of problems. And, instead of basing the formula on local tax effort, an index of how strapped a locality might already be, it has ended up as warmed over general revenue sharing. Finally, based on the contribution New York taxpayers make to the Federal Treasury, the bill we are considering today would cost New Yorkers more than they could hope to recover from the provisions of the legislation. At a time when New Yorkers, and others in the Northeast are more sensitive than ever to the unfairness in the distribution of a number of Federal programs, I find it very difficult to accept the restructuring of an otherwise sound concept in a way that would cost New Yorkers more than they will receive. Under these circumstances I believe the only responsible course is to vote to sustain the President's veto.

The PRESIDING OFFICER. The hour of 2 p.m. has arrived.

The question is, Shall the bill (S. 3201) pass, the objections of the President of the United States to the contrary notwithstanding? The yeas and nays are mandatory under the Constitution. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. MORGAN), is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), is necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. HUGH SCOTT), is absent on official business.

The yeas and nays resulted—yeas 73, nays 24, as follows:

[Rollcall Vote No. 399 Leg.]

YEAS—73

Abourezk
Allen
Bayh
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Tunney
Weicker
Williams

NAYS—24

Baker
Bartlett
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Dole
Fannin
Garn
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Pearson
Proxmire
Roth
Scott, William L.
Stevens
Thurmond
Tower
Young

NOT VOTING—3

Goldwater
Morgan
Scott, Hugh

The PRESIDING OFFICER. (Mr. DOMENICI). On this vote, the yeas are 73 and the nays are 24. Two-thirds of the Senators present and voting having voted in the affirmative, the bill, on reconsideration, is passed, the objections of the President of the United States to the contrary notwithstanding.

TAX REFORM ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the hour of 2:15 p.m. having arrived, the Senate will now resume consideration of the unfinished business, H.R. 10612, which will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

The PRESIDING OFFICER. The pending question is an amendment proposed by the Senator from Indiana (Mr. HARTKE) to committee amendment No. 20.

The amendment to the committee amendment is as follows:

Sec. 1038. Limitations on foreign tax credit for income taxes paid in connection with foreign oil and gas extraction income.

(a) IN GENERAL.—Section 907 of subpart A of part III of subchapter N of chapter 1 (relating to foreign tax credit) is amended by striking out subsections (a), (b), and (c), renumbering subsections (d), (e), and (f) as (c), (d), and (e) and adding the following new subsections:

"(a) REDUCTION IN AMOUNT ALLOWED AS FOREIGN TAX UNDER SECTION 901.—In applying section 901, the amount of any income, war profits, and excess profits taxes paid or accrued (or deemed to have been paid) during the taxable years with respect to the foreign oil and gas extraction income from any country which would (but for this subsection) be taken into account for purposes of section 901 shall be reduced by the amount (if any) by which the amount of such taxes exceeds the product of—

"(1) the amount of the foreign oil and gas extraction income from that country for the taxable year multiplied by—

"(2) the percentage which is—

"(A) in taxable years ending in 1975, 110 percent of,

"(B) in taxable years ending in 1976, 105 percent of,

"(C) in taxable years ending after 1976, the sum of the normal tax rate and the surtax rate for the taxable year specified in section 11.

"(b) FOREIGN INCOME DEFINITIONS AND SPECIAL RULES.—For the purposes of this section—

"(1) The term 'foreign oil and gas extraction income' means the taxable income derived from sources without the United States and its possessions from—

"(A) The extraction (by the taxpayer or any other person) or minerals from oil or gas wells, or

"(B) The sale or exchange of assets used by the taxpayer in the trade or business described in subparagraph (A).

"(2) DIVIDENDS, INTEREST, PARTNERSHIP, DISTRIBUTION, ETC.—The term 'foreign oil, and gas extraction income' includes—

"(A) dividends and interest from a foreign corporation in respect of which taxes are deemed paid by the taxpayer under section 902,

"(B) dividends from a domestic corporation which are treated under section 861(a)(2)(A) as income from sources without the United States,

"(C) amounts with respect to which taxes are deemed paid under section 960(a), and

"(D) the taxpayer's distributive share of the income of partnerships,

to the extent such dividends, interest, amounts, or distributive share is attributable to foreign oil and gas extraction income."

(b) DENIAL OF CREDIT FOR ROYALTY PAYMENTS.—

(1) IN GENERAL.—The text of section 903 (relating to definition of creditable taxes) is amended to read as follows:

"(a) IN GENERAL.—For purposes of this subpart and sections 164(a) and 275(a), the term 'income, war profits and excess profits taxes' means a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any foreign possession of the United States.

"(b) ROYALTIES.—

"(1) IN GENERAL.—For purposes of this subpart and sections 164(a) and 275(a), in the case of taxes paid or accrued to any foreign country with respect to income derived from the extraction, production, or refining of oil or gas in such country, the term 'income, war profits, and excess profits taxes' does not include any amount paid as a royalty.

"(2) DETERMINATION BY SECRETARY.—The Secretary shall determine, in accordance with the provisions of paragraph (3), with respect to payments made to any foreign country in connection with income from the extraction, production, or refining of oil or gas in such country, what portion (if any) of that payment constitutes the payment of a royalty.

"(3) BASIC RULES.—In the case of any foreign country which imposes an income, war profits, or excess profits tax on income from activities other than the extraction, production, or refining of oil, gas, or other natural resources in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, or of the amount of tax paid for the income or profit involved) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary, on account of the manner in which it is determined, the rate or amount involved, or any other reason, to constitute the payment of a royalty is considered to be a royalty payment.".

(2) TREATMENT OF CARRYOVERS.—Section 904(f)(4) (relating to transitional rules for carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(C) CARRYOVERS TO YEARS BEGINNING AFTER DECEMBER 31, 1976.—

"(1) Whenever pre-1977 taxes are, under the provisions of subsection (d), deemed to be post-1976 taxes, the pre-1977 taxes shall be redetermined in accordance with the provisions of section 901(e)(3) (relating to limitation of credit for foreign taxes on oil-related income) and section 903(b) (relating to royalties) as if those provisions applied to the taxable year in which the pre-1977 taxes were paid or accrued.

"(ii) For purposes of this subparagraph, the term 'pre-1977 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year ending before January 1, 1977, and the term 'post-1976 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning after December 31, 1976.".

(c) EFFECTIVE DATE.—The amendments made by this Act apply with respect to taxable years ending after December 31, 1976.

Mr. HARTKE. Mr. President, I ask unanimous consent that the names of the Senator from Idaho (Mr. CHURCH) and the Senator from Delaware (Mr. BIDEN) be added as cosponsors of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HARTKE. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that Ira Shepard and James O'Connell have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I was wondering if the distinguished chairman of the committee would give consideration to taking up the Hartke amendment, which is now pending, the revision of retirement income credit, and credit for child care expenses today and, if need be, tomorrow, and then have the bill go over until Monday because of the fact that hearings have been reopened and it is difficult for the committee and the chairman, especially, to keep two balls in the air at once.

Mr. LONG. Mr. President, I believe we can make more progress than that because, in response to inquiry about certain matters, we have held further hearings. I would like to vote on certain matters that come next in the bill, because even though we have taken further testimony on them, one of them is about a bill that has passed the Senate once already. I do not think anybody will change his mind on that. I want to take a poll of the committee.

On those that fall in title VIII, I am polling the committee and I do not think anybody will care to change his mind.

In title VIII, there is no suggestion of change. I was hoping we could dispose of titles VIII and IX in addition to the matters the majority leader has mentioned.

Mr. MANSFIELD. The Senator then is prepared to go ahead and hold hearings tomorrow and to carry on with the discussion of the bill on the floor also?

Mr. LONG. Yes. It seems to me that there are several items on which we are hearing additional testimony and if we get to those, I would suggest that we simply defer that and vote on it later and go on with the other things on which it is very clear that the Senators know what their position is. I think we can make a lot more progress on the bill than the Senator realizes.

Mr. MANSFIELD. That is all right. I wanted to raise the possibility, because I felt the chairman and his committee may have been over burdening themselves too much with hearings in the morning and coming here in the afternoon. I thought that perhaps the best way to face up to it would be to consider the Hartke amendment, and then the other two—revision of retirement income credit and credit for child care expenses—and then have the bill go over until Monday so that the chairman and the committee would not be rushed so much. If he desires to go ahead this way, it is fine.

Mr. LONG. I think that that is the best way.

Mr. JAVITS. Mr. President, will the Senator yield so we may be able to allocate our time?

Mr. MANSFIELD. Yes.

Mr. JAVITS. I have an amendment on this rather important issue in title VIII. I would like to ask the chairman whether or not he is going to proceed with the day care and other matters that the majority leader spoke of first, or is he expecting to go to title VIII first?

Mr. LONG. I should think that we could debate and ask the Senate to take its position with regard to the amendment the Senator has on title VIII. I know what the Senator's position is and I think he knows what mine is. It is not a new subject, really.

Mr. JAVITS. Fine.

Mr. LONG. I think we can dispose of it.

Mr. NELSON. Will the Senator yield? I should like to ask the chairman of the Committee on Finance a question.

Mr. MANSFIELD. Yes; I yield the floor to the Senator.

Mr. NELSON. I ask the chairman of the Committee on Finance, on some of those items that have been referred to by Senator MANSFIELD now, which may be in controversy or doubt one way or the other, is my understanding correct that the Senator does not intend to take those up before we complete the hearings?

Mr. LONG. Here is what I think we ought to vote on: The majority leader has suggested certain amendments that he has suggested we vote on; we passed through those titles yesterday. Some Senators were not aware of the fact that this matter was going to be considered.

I ask unanimous consent to have an amendment by Mr. INOUYE on foreign conventions considered to be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. We can dispose of the Hartke amendment, then we can vote on that; then we can vote on these amendments to these titles which we have already been through that the majority leader mentioned, that other Senators would like to offer.

With regard to title VIII on capital formation, section 802—we have had further testimony on that. I am undertaking to poll the committee on that, but I do not think anybody is going to change his position on it. I know I shall not and I do not think anybody else is going to.

I do not see why we cannot proceed to vote on sections 803, extensions of foreign tax credit; 804, employees stock ownership plan; 805, investment credit in the case of movie and television films; and 806, investment credit in the case of certain ships. That happens to be something that we have already passed and sent to the House on a previous occasion.

Also, on section 807, the 8 years' carryover.

Mr. CURTIS. Will the distinguished chairman yield?

Mr. LONG. On title IX, there is no real controversy.

Mr. CURTIS. Will the Senator yield?

Mr. LONG. Yes.

Mr. CURTIS. I certainly approve of the position of our chairman that we move ahead on this bill. It is very important that we move with dispatch. It is an important matter to consider.

Is my understanding correct that unanimous consent has been granted or is being sought to take up some amendments in reference to title V, that technically has already gone by?

Mr. LONG. If it has not been, I am going to ask for it.

Mr. CURTIS. I wish to include in that request that an amendment that may be offered by the distinguished Senator from Wyoming (Mr. HANSEN), relating to a military matter, be included in the unanimous-consent request.

Mr. LONG. I say to the Senator, may we simply take that amendment at the end of the bill. I think I do not know of any objection to letting Senators offer their amendments when they were not aware that the section was being voted on, which they meant to amend at that time.

Mr. CURTIS. Fine.

Mr. JAVITS. Mr. President, will the Senator yield on that point?

Mr. LONG. Yes.

Mr. JAVITS. The Senate rather skipped over title VI quickly yesterday and I thought I would bring up an amendment on VI that will not take long. Will the Senator bear that in mind for me?

Mr. LONG. Yes, I would like to know what the amendment will be.

Mr. JAVITS. It is the artists amendment.

Mr. LONG. Yes, whatsoever the Senate wishes to do about it, we shall do.

Mr. HATHAWAY. Will the Senator yield?

Mr. LONG. Yes.

Mr. HATHAWAY. I have three amendments to title V, which was passed over yesterday, just to change deductions to credits. It is in keeping with our earlier agreement to do it in order, rather than wait until the end of the bill.

Mr. LONG. Yes sir, I would like to do that. May I suggest that we do these amendment by amendment? We will take the Hartke amendment next and vote on that. Then if the Senator from Massachusetts wants to do his, we will take the Kennedy amendment.

Mr. JAVITS. Could we go to mine after Kennedy?

Mr. KENNEDY. Will the Senator yield for a question?

Mr. LONG. May I suggest that one of

our staff members here simply contact the Senators and line the amendments up in the order in which they ought to be and we shall take them in order?

Mr. KENNEDY. Would the Senator be willing to yield for a point of information?

Mr. LONG. Surely.

Mr. KENNEDY. The chairman of the Committee on Finance was extremely accommodating when some of us spoke to him about the initial proposal, the reform proposal which was introduced by the Senator from Wisconsin (Mr. NELSON). He indicated that, after we had considered the first provisions of the committee bill in terms of tax shelters and the minimum tax, we would go onto our reform package. Part of that package was the foreign tax credit. Those of us who make up this group—we thought that after the foreign tax credit, we would go to the improved tax credit for the elderly, which is section 504. In terms of our particular interest, that would have completed action on the reform package.

After section 504, there was the provision, for child care expenses, which the Senator from Maine and I were interested in. All of us were prepared to follow the agreed procedure, that we would go seriatim through the package.

After we finished our vote on the recommittal motion yesterday, it was our expectation to go on to the foreign tax credit for oil.

Now we are in the position where we would just like to carry out what was previously agreed to. If we are not permitted to do that, then obviously we can offer those amendments in any other section and preserve our rights.

All we would really like to do, at least from my point of view and, in my conversation with the other members of the group, is to follow what I think was agreed upon by the floor manager of the bill and understood by the other members. But we realize where we are in terms of the rules, and we are prepared to follow the Senator's wishes. But I would hope that we could finish the amendment of the Senator from Indiana which, I understand, has been agreed to, then proceed to the retirement income credit, which I will propose; and then to the credit for child care expenses, which will be proposed by myself and the Senator from Maine. It seems to me that would be the way to proceed. But we could also offer those in other sections, in whatever way is agreed upon. But, it seems to me, it would be consistent with our previous understanding and logical to complete the package now.

Finally, I did mention to the majority leader that I thought this would keep us busy for some time, but that I hoped if we do reach the special interest provisions, which begin at section 802, that given the fact that the Finance Committee is having hearings yesterday, today, and tomorrow, we could deter action until the results of the hearings are clear. We want to know what Treasury and IRS and the Finance Committee will do, before we vote on these provisions on the floor. The Senator has stated the Finance Committee hearings probably will not change any votes. But I would like to see, as a matter of record what the Treasury has stated on these proposals and what the IRS has stated on them. These views could be of some use to the Members of the Senate during the course of the floor debate. But I am also prepared to offer amendments on those particular provisions, such as section 802, which is the returnable investment credit. I know my colleague, the Senator from New York, is ready on section 804, the ESOP provision. We will be glad to do what the leader and the chairman of the Finance Committee want to do. We are prepared to debate and to discuss these matters, and we are glad to expedite the work of the Senate.

Mr. LONG. Mr. President, one of the great Senators of this body who, I think, we could all agree, was a great reformer by anyone's standards, the great former Senator from Illinois, Mr. Douglas, used to say, he used to refer us to this fine old Christian hymn, "Lead on Kindly Light"——

Mr. KENNEDY. I know the point.

Mr. LONG. "I ask not to see the distant shore, one step is enough for me," and as far as I am concerned, may I say to the Senator, I am willing to do it any one of the several ways the Senator has suggested here.

Now, why do we not agree all right, we will take the Hartke amendment next, and then we will take whichever one the Senator wants to take next, let him just name it.

Mr. KENNEDY. If the Senator will yield, Mr. President, upon the completion of the Hartke amendment, we would have the retirement tax credit for the elderly.

Mr. LONG. Let us take that one next.

Mr. KENNEDY. Then if we could just follow on as the Senate would normally follow, we would preserve our rights. That would be the way I would suggest up to the sections on the special interests in title VIII. Then I would sincerely hope, although I will abide by the desire of the leadership and the chairman of the committee, that when we begin the special interest provisions on which the Finance Committee is holding hearings, we could wait for the Treasury Department recommendations and the IRS recommendations and the committee's action, which we will all have at the first of the week. But, if not, I am prepared to offer amendments in those areas now.

Mr. LONG. So far as that is concerned we can go to whatever order the Senators would like. I am willing to accommodate everybody. All I suggest is there is enough work in this bill for us to move ahead on and vote on issues that must be voted on. As far as I am concerned, there are only about four things in this bill I do not agree with, and so we can move, and there is so much in the bill we ought to be voting on, much of which, some of which, came over from the House, and that, although most of the Senate agrees with it, some individual Senators probably will not, and so I would just hope we could dispose of as much of it as we can.

That is the sort of procedure we use in the Finance Committee. If we cannot decide one thing right now, we decide as much as we can, and then after awhile the whole thing has been decided. So if we go along that way, I think we will all make good progress, and I would not be surprised but what we will find ourselves agreeing on some things for a change, which will be fine.

Mr. MANSFIELD. Mr. President, if the Senator will yield, the purpose was, of course, not to try to overburden the Finance Committee, but to try to get the necessary reports from the Treasury Department and the other agencies affected and, in that way, to complete section 504 on page 191, section 505 on page 196, as well as the Hartke amendment now pending, and then to lay the pending business aside until Monday, clean up other parts of the calendar. But the chairman of the committee indicates he would prefer to go ahead, and I see no way out of it.

Mr. KENNEDY. If the leader will yield, Mr. President, if we are going to proceed, perhaps we can go into the areas where the Finance Committee is not having hearings, such as the administrative provisions of title XII, where a number of us have recommendations. We can continue to make progress that way.

Mr. LONG. Fine.

Mr. KENNEDY. With the option to come back to the other provision.

Mr. MANSFIELD. Would the Senator agree to that?

Mr. LONG. Yes.

Mr. MANSFIELD. Fine.

Mr. HASKELL. Mr. President, if the Senator will yield, does the Senator intend to have a committee meeting on the various provisions that are now being subject to hearing prior to bringing them up on the floor?

Mr. LONG. Yes, at 10 o'clock Friday.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. LONG. But meanwhile though I would hope we could just move ahead—There is so much in this bill and, frankly, you know, as much as we quarrel about some of these things, about who has the better way of doing this, I cannot help but observe that by the time we get through differing as to what the approach ought to be, and then we finally vote on the title, some of these titles are being carried by an almost unanimous vote, and while some would prefer to do it one way and some the other, they all agree we ought to do something about it. So I would hope we could just move ahead and do as much of it as we can because I hope that we will complete this bill before our Republican friends have to go to the Republican Convention. There is a distinct possibility that if we just keep on voting—that we can complete this.

Mr. HASKELL. I am all for it, may I say to the Senator. I just wanted to ascertain whether we would have a committee meeting on the provisions that are subject to hearing before we vote on the floor.

Mr. LONG. That is right. I do not know whom it helps or whom it hurts if we complete action on the floor before the Republican Convention. But I feel that if we do not, some of our Republican friends are going to treat us to some nationwide criticism because we have not voted on it, and I hope we can do it, and the best way to do it is to vote on as many issues as we can in whatever manner it pleases the Senate.

Mr. JAVITS. Mr. President, will the Senator yield? So that the Members understand, do I understand that we are going through title V?

Mr. LONG. We will take care of the amendment which the Senator's wife has been working on so hard one way or another.

Mr. JAVITS. I am not talking about mine, but just to dispose of our time. We are going to deal now with the Kennedy group's amendment to title V; is that right?

Mr. LONG. Yes; we will take that.

Mr. JAVITS. I thank the Senator.

Mr. LONG. First, we will take the Hartke amendment, because it is pending, and then we will turn to that.

Mr. NELSON. Mr. President, will the Senator yield for a question?

Mr. LONG. Yes.

Mr. NELSON. Yesterday at the hearings I did not have an opportunity to leaf all the way through the presentation of the Commissioner of the Internal Revenue Service. My inquiry is if that particular sheaf of paper, which was presented by the Commissioner yesterday, covers all of the amendments that we are now having hearings on before the Finance Committee.

Mr. LONG. The Treasury, not the Commissioner, has submited a position paper covering all amendments so we will have the Treasury position on all of them.

Now, I believe the Treasury, having reversed itself on some of these provisions, will proceed to reverse itself again when it knows certain additional information. That may be or may not be. We will just have to see.

But that is one good thing about holding hearings, when someone is misinformed and someone points out he is in error, if he is the right kind of person he will admit he made a mistake, and that will change his view.

Mr. NELSON. As the chairman knows, the Treasury this morning conceded they had changed their position on one of the amendments, and also, I think, with the amendment recommended by the committee.

I raise this point, however, because I have not had a chance, even as a member of the committee, since yesterday to look through the Treasurer's report on all these amendments.

I think it would be helpful if the Members here all knew, or had on their desk the Treasury report, and on those where they reversed themseves the chairman could explain it on the floor.

My next point is that I am happy to proceed however the Senator wishes to proceed on this. However, I noticed in the hearings this morning two amendments which I think I continue to favor, but questions were raised about them that I have not yet had an opportunity to pursue.

My only concern would be if those amendments popped up now, having just discovered there is criticism of them in the way they are worded, I do not know whether I would be against them in their present form.

My inquiry is, if one of those that is controversial came up is the chairman prepared to lay it aside and move on?

Mr. LONG. Yes.

Mr. NELSON. May I make one more point, because I may forget it later on.

I intend to offer an amendment when we are through here, a modification of the DISC amendment.

I want the chairman to know that I will offer another DISC amendment and agree to a time limitation.

It is my understanding that there will be another modification of the minimum tax amendment which will probably be offered.

So the chairman of the committee should know it.

Mr. LONG. I hope those who want to offer it will get their amendment prepared and let us take a look in advance so we have a chance to prepare our arguments, just as they do.

May I say, Mr. President, if we can find the conference report on the child care conference, I will offer that as soon as I can do so.

Mr. GRIFFIN. Will the Senator yield to me so I can address an inquiry to the majority leader?

Mr. LONG. Yes.

Mr. GRIFFIN. Perhaps in view of this colloquy, he can give us some idea what the revised program will be now for the rest of the week.

Mr. MANSFIELD. I am delighted to answer the query of the acting Republican leader.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. The Senate is aware the leadership did try to reach an agreement by means of which the pending business would be laid aside after today and return to it on Monday so it would not interfere with the hearings which the distinguished chairman of the committee has reopened.

Evidently, on the basis of the information available, we will go ahead every day on the tax bill in the afternoon.

For the information of the Senate then, I should like to outline the schedule for the next few days.

Following the vote on the override of the President's veto of S. 3201, the public works employment bill, the Senate has returned to consideration of the unfinished business, H.R. 10612, the tax reform bill. There will be votes on that bill during the remainder of this day until a reasonable hour this evening.

The Senate will convene at 9:30 a.m. on tomorrow.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

At this time, Mr. President, I ask unanimous consent that when the Senate adjourns tonight it stand in adjournment until the hour of 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. At approximately 10 o'clock, the Senate will proceed to the consideration of LEAA. At 2 p.m. tomorrow, approximately, that bill will be laid aside temporarily, if not completed, and the Senate will return to consideration of the tax bill.

There will be votes during the day tomorrow on the two bills, going until a reasonable hour in the evening.

On Friday morning, after routine morning business, the Senate will return to consideration of the LEAA, if it is not completed—I anticipate it may be well completed on Thursday—and then take up the Clean Air Act on Firday.

The Clean Air Act will be considered until 2 p.m., when we will return to consideration of the tax bill.

There will be votes on those two bills during the day.

We will continue consideration of the clean air bill until disposed of before turning then to Calendar No. 915, H.R. 8603, the postal reform bill.

We will continue on this two-track system, if possible, until disposition of the tax bill.

I remind the Senate that we have only 15 working days left after today until we recess for the Republican Convention, with a number of major proposals to dispose of. I trust we will make every effort to complete the agenda as scheduled. We have made good progress. I hope it continues.

I would not foreclose the possibility of Saturday meetings between now and the time off for the Republican Convention.

Mr. GRIFFIN. I thank the majority leader.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. BUMPERS. Will the floor manager yield for a clarification of a question in my mind?

Mr. LONG. Yes.

Mr. BUMPERS. I have two amendments, one to title VIII and one to title X. I understand when we quit last night that title VIII was the pending business, and the Senator from Indiana asked that that be set aside until he could present the amendment which he is, apparently, presenting here today.

My question is this: I understood the Senator from Massachusetts suggested all these special interest amendments be postponed until at least Monday. Is that correct?

Mr. KENNEDY. The Senator is correct.

Starting at title VIII. It seems to me we have a good deal that can be done—titles V and VI, and also in title VII, the administrative provisions. Then, hopefully, when the Finance Committee has completed its 3 days of hearings, the members can vote and we can have a chance to examine the Treasury Department recommendations, and we would come back to them on the floor.

I think there is more than enough work in the other provisions to keep us busy. But that is what I had suggested.

I think the chairman indicated, "Let's move ahead and see what progress we can make."

That seems to be satisfactory. But I still feel we would be much better off deferring action on this.

Mr. BUMPERS. I have no quarrel as long as we all understand it.

There was a unanimous-consent agreement entered into last night before we left that as soon as the Hartke amendment was disposed of we would return to title VIII. That is, the committee amendment to title VIII. Has a subsequent unanimous-consent agreement been entered into which vitiates that?

Mr. KENNEDY. No. I think the floor manager of the bill is prepared to make one.

I would add that if it is not accepted, of course, our rights are preserved, since we can offer amendments to other parts of the bill. So our rights are going to be preserved.

But it does seem, as the Senator has made the point, to make more sense to follow what was previously agreed to.

Mr. BUMPERS. Does the floor manager agree with the comment of the Senator from Massachusetts?

Mr. LONG. Yes.

Can the Senator tell me what section of title VIII he has in mind offering an amendment to?

Mr. BUMPERS. Section 806.

Mr. LONG. Section 806 is one of the sections on which further testimony has been taken.

Incidentally, that is a bill which has passed the Senate once already. We have passed it.

Mr. BUMPERS. I understand.

Mr. LONG. It came from the Commerce Committee.

But in view of the fact that we have taken further testimony on it, I really think we ought to respect any request, that we defer action on that until the committee, having taken further testimony, has a chance to vote again on it.

That is fine with me. We can go ahead and vote on it later on. So, as far as I am concerned, we can do it either way.

But I would suggest we defer action on section 806 until at least Friday and the committee can vote on that Friday.

Mr. BUMPERS. I have one additional question I would like to address as a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Yesterday afternoon we were moving quickly in passing committee amendments. Unless some of us stayed here to guard the floor and protect our rights, this can and often does happen. I do not mean to say there is anything wrong with it, it is just that we have to be very zealous in guarding our rights.

My question is: If these committee amendments are adopted, in the absence of a unanimous-consent agreement to the contrary, does that eliminate our right to introduce an amendment to an agreed-to committee amendment?

The PRESIDING OFFICER. Yes, but if the committee amendment were just an insert, as opposed to a strike and insert, the matter inserted cannot be amended, but the original House language can be.

Mr. BUMPERS. That would mean that perfecting amendments would still be in order, then; is that correct?

The PRESIDING OFFICER. To the House language, not to the committee language. That is correct.

Mr. BUMPERS. I thank the Chair.

Mr. LONG. I am happy to say to the distinguished Senator from Arkansas that so far, and I hope it will stay that way, we are accommodating one another when we do it by unanimous consent.

Mr. BUMPERS. I want the Senator to know I am not protesting. I just want to know where we are going. The majority leader and the manager have outlined it pretty well. I am satisfied with it.

Mr. LONG. I am not sure what the Senator's amendment is but I think it has to do with the shipping amendment. I would be happy to help assure the Senator he will be protected when he offers his amendment.

Mr. BUMPERS. I thank the Senator.

Mr. HARTKE. Mr. President, are we ready to proceed with the amendment?

The PRESIDING OFFICER. The amendment is before the Senate.

Mr. CURTIS. Will the Senator yield?

Mr. HARTKE. I will be glad to yield.

Mr. CURTIS. It is my understanding that last night unanimous consent was asked to take up this amendment and my rights were reserved. I have had the opportunity to look into the amendment. I am not for the amendment but I shall not object to the procedure adopted.

Mr. HARTKE. I did that very specifically with the understanding that the Senator from Nebraska did not want to take it up then.

Mr. CURTIS. I have no objection to taking it up at this time.

Mr. HARTKE. Fine.

Mr. President, this is amendment No. 2043, a star print thereof. I have discussed this matter not alone with one of the chief architects in this field of foreign tax credit, Senator CHURCH, but also with the chairman of the committee. I could go into great detail, but quite honestly it is an extension of the amendment which was passed last year and then the modification of that bill which was passed by the Senate and adopted by the conference committee which changed the foreign tax credit from being unlimited and limited down to basically the 50 percent.

What this does was explained in the Finance Committee this morning. It is to change the 50 percent and bring it back to 48 percent. There was a discussion of another amendment which dealt with individuals. Mr. Nolan was there this morning. He was formerly with the Treasury. As he explained at that time to the committee and for the information of the committee, what this really does is places the individual and the corporation on the same basis. That is, that on the foreign tax credit there will be an allowance up to 48 percent. It applies only to oil and gas. It is not the original amendment which I submitted in the committee, which would have changed the credit to a deduction. That was the amendment which passed the Senate last year.

If I may have the attention of the floor manager, I would be glad to go through this, but I am prepared to submit my statement for the record rather than to go into lengthy debate.

Mr. LONG. Mr. President, I do not plan to oppose the amendment. I personally think I will probably vote for the amendment. The Senator did not offer the amendment in the committee. I believe he offered some amendment which was far more sweeping than this.

Mr. HARTKE. I have talked to Senator PACKWOOD who opposed the deferral amendment. He does not intend to oppose it either. As a matter of fact, I believe I understand he intends to support this amendment.

I did not offer this amendment in committee. The amendment I offered in committee would have changed the tax credit to a tax deduction. That was the measure passed last year in the Senate. That amendment was defeated in the committee. This amendment, therefore, is not as far reaching as the other proposition.

I might say that this amendment does preserve the general proposition which the chairman has enunciated a number of times in committee. That is, among equal sovereigns the same type of a principle applies. That is exactly what is preserved in this amendment. The fact is it only changes the law insofar as it reduces the present allowance for tax credit up to 50 percent down to the corporate tax rate of 48 percent, thereby providing for complete tax equity.

Mr. LONG. I am going to vote for the amendment. I want to make clear that this amendment, from the point of view of those who are going to pay an additional tax, is subject to the same criticism as those who would criticize some of the amendments that were adopted at the close of the committee session, because hearings had not been held on them.

I know of no reason why we should not do this. I am going to vote for it. But I think that we might understand that those who might complain about it will have the opportunity also to say they did not have the opportunity to be heard. My reaction is that if that is the case, they can come and protest and someone can either offer an amendment subsequently or else it can be considered in conference.

Mr. HARTKE. Mr. President, in light of that situation, I will proceed with my statement concerning the explanation of this amendment.

FOREIGN TAX CREDIT TO 48 PERCENT FOR OIL AND GAS INDUSTRIES AMENDMENT

Mr. President, the foreign tax credit has been enshrined in our tax code. Its function is twofold. One is to assure that corporate profits are not double taxed and the other is to demonstrate our respect for the right of other sovereign nations to impose taxes on American businesses operating within their jurisdiction. My view, as the Members well know, is that this concept needs to be rethought in the context of current economic realities. However, I concede at this point, that the foreign tax credit has become something of a sacred cow. But this sacred cow is being milked to bloat the corporate profits of oil and gas companies by ingeniously manipulating its more subtle provisions.

Last year, in the Tax Reduction Act of 1975, some headway was made toward the goal of closing these loopholes which serve no interest but those of the corporations. But the loopholes that remain are still substantial and cannot be justified on any substantive grounds. The amendment I am offering seeks to tighten these controls by reducing to 48 percent, the maximum foreign tax credit allowable, to oil and gas companies. It will also tighten the procedures under which the credit is computed.

Extractive industries—and the oil industry expecially—have most abused the foreign tax credit. The idea behind the foreign tax credit is straightforward—the U.S. Government ought not to "double" tax the earnings of American companies operating abroad. To implement this objective, our Government allows a credit for all foreign taxes paid to be applied against taxes owed the United States. If the foreign government taxes at a rate lower than our own, the Treasury collects the difference. If the foreign country taxes at a rate higher than our own, we allow the company to do one of two things. Either it can carryback 2 years or forward 5 this "excess" credit, or it can apply it to the operation of other subsidiaries in countries where there is a U.S. tax liability because the rate of taxation is lower than our own.

It is in the area of excess credits that oil and gas companies have been able to take unfair advantage of the tax laws. These companies face a unique set of circumstances. Every business has certain costs associated with it which typically include labor and capital. But extractive businesses have another factor of production which is the cost of the mineral being extracted. The owners of minerals, like oil or bauxite, do not simply allow American firms to take their resources without payment. The payment is most often referred to as a "royalty."

From the point of view of a company, a royalty payment is a payment to a factor of production like labor or capital. Most extractive industries operating abroad find that these resources are owned by the national government of that country. And it is precisely because the owner of the minerals is a government and not a private person that the occasion for manipulating American tax law arises.

Where the owner of the minerals is a foreign government, there are two distinct sets of transactions that occur between the company and the government. Conceptually, these transactions are distinct, but in practice they are often blurred.

The first transaction is the payment of a royalty by the company to the government. Typically, this involves a particular amount for each unit of mineral extracted—so many dollars for a barrel of oil, or so many dollars for a ton of bauxite. This transaction is of a purely business nature as it involves the exchange of property.

The second type of transaction is substantially different. It is a tax transaction. Every sovereign government has the right to tax any person or persons operating within its jurisdiction, regardless of nationality, unless this right is freely relinquished, as in the case of some tax treaties. Therefore extractive industries operating abroad are taxed by the foreign sovereign as a condition of doing business there. It is this tax transaction to which the principle of the foreign tax credit applies.

Because these two separate transactions—the tax transaction and the royalty transaction—occur between the same entities in extractive industries where the government is the owner of the mineral resource, it is possible to confuse the two. The possibility of confusion increases when, for whatever reason, the foreign government adopts procedural formulas which intentionally blur the distinction. And this, Mr. President, is precisely what has occurred.

As a courtesy to foreign companies, many of these governments have seen fit to eradicate the distinctiveness of the two transactions by subsuming them both under the appellation tax. But a rose by any other name, Mr. President, is still a rose. So it is with royalty payment. The fact that a foreign government chooses to call a royalty payment a tax does not change the reality. What it does is make it more complicated for our Government to differentiate between the two, and it provides the occasion for widespread abuse by the companies. The intent of our tax code, which is to prevent double taxation, remains intact.

The melding by these foreign governments of royalty payments and taxes gives our companies a very high corporate tax rate on paper. It is my understanding that at present the corporate tax rate in most of the oil producing countries averages about 67 percent. To allow the 19 percentage points differential as an excess tax credit is a fraud on the American taxpayer. It is nothing more or less than a public subsidy to corporations whose holdings and profits are already astronomical.

The Congress recognized this last year and placed major restrictions on the abuse. Those changes did not go far enough, and the abuse continues. In the conference between House and Senate, a compromise formula was agreed upon. Under it, oil companies were to be allowed to claim 4.8-percent excess credits in 1975; 2.4 percent in 1976; and 2 percent beginning in 1977 and thereafter. In other words, the aggregate foreign tax credit that could be claimed in one country by an oil company was to be phased down to 50 percent.

Other restrictions limiting the types of operations that the excess profits can shelter were also enacted. The key provision is one which limits sheltering to "oil-related income." However, a proviso was also included to allow this to include shipping. Thus, we sanctified the practice of using royalty payments paid to the OPEC countries to shelter shipping operations organized in tax haven countries like Liberia and Panama. H.R. 10612 further expands the definition of "oil-related income" to include interest paid to the U.S. parent by a branch company.

I applaud Congress for its actions last year. But now, it is time to complete the task we began. I doubt if any of the Members of Congress really intended to continue tax loopholes that work to the benefit of these vast and powerful multinational corporations. They are in no need of Government subsidy. They are extremely viable and extremely profitable enterprises. They ought to pay their fair share of American taxes, just as the family of four which makes $20,000 a year does. That family pays about 13 percent of its income in taxes; Exxon, in 1972, paid only 6.5 percent on its total earnings. Other oil companies paid even less.

The amendment under consideration would reduce the total allowable credit in any country for an oil or gas company 48 percent—that is, the rate of U.S. corporate taxes. This would end the problem of excess credits by insuring that there would be no excess credits. The question of what kinds of income to allow the credits to shelter would disappear. The amendment would also tighten the procedures under which taxes and royalties are differentiated.

Revenue estimates for this amendment vary considerably. A somewhat conservative but realistic figure is $60 million per year in increased taxes to the U.S. Government. But the revenue effect is secondary to the principle of equity that is at stake, and to the effects on investment in the American economy. The excess credit for the oil companies is a positive incentive for those companies to invest their foreign earnings abroad, whether it be in shipping or refining or some other activity. Every new dollar invested in the United States will help employ more of our citizens and to increase the tax base. Every new dollar of investment will be an investment in America's continued future as an industrial nation.

I commend this amendment to my colleagues, and hope they will be able to support it.

MULTINATIONAL OIL CORPORATIONS AND FOREIGN TAX CREDITS: THE GREAT TREASURY RAID OF 1976

Mr. CHURCH. Mr. President, Revenue Ruling dated April 8, 1976, the Internal Revenue Service disallowed as foreign income taxes creditable against U.S. tax certain payments made by major oil companies to the Government of Indonesia. By press release dated July 14, 1976, the Service further elaborated on this ruling. It held that in order to be creditable against U.S. taxes, the oil companies must affirmatively demonstrate that payments made to oil producing exporting countries are genuine income taxes within the meaning of U.S. law. Under the criteria set forth in the press release, it is highly doubtful that payments to countries which constitute the cartel of oil producing exporting countries—OPEC—can qualify for creditability status. The result could be billions—not millions—of dollars of added revenues for the U.S. Treasury.

However, sections 1035 (e) and (f) of the bill reported by the Finance Committee can be interpreted as evidencing a congressional intent to override the IRS rulings and preserve the status quo under which such payments have been allowed as creditable foreign income taxes. Moreover, the oil companies are seeking to persuade the IRS to recognize payments to the OPEC countries as payments made "in lieu" of income taxes under section 903 of the Code and, therefore, entitled to be creditable against U.S. tax. Section 903 has never previously been invoked for this purpose. It was enacted in 1942 for entirely different reasons. There is no justification for the companies position.

If the bill is enacted in its present form, it will permit the continuation of a flagrant raid on the U.S. Treasury. In order to block this raid, I will support the amendment offered by the distinguished Senator from Indiana (Mr. HARTKE), amending section 903 of the Code to make it clear that royalty payments are not to be deemed payments "in lieu" of income taxes within the meaning of that section and setting a maximum allowable limit of foreign tax credits equivalent to the U.S. corporate income tax rate. At the appropriate time, I may introduce amendments to the bill reported by the Finance Committee striking sections 1035 (e) and (f).

The issues are sufficiently important that a full discussion is in order. We start with the basic fact that these oil companies have accumulated so many excess foreign tax credits that they pay no tax to the U.S. Government on their foreign source income derived from oil and gas extraction activities. Indeed, they hardly pay any tax at all to the U.S. Government. On average, for the past 5 years, the five major American-based multinational oil corporations—Exxon, Gulf, Mobil, Texaco, and Standard Oil of California—SOCAL—paid between 1.6 and 6 percent of their total earnings in taxes to the U.S. Government. In contrast, the average rate of tax for corporations was 34.9 percent in 1974.

When I agreed to speak in support of this amendment, I did so with considerable trepidation, for a discussion of this international oil pricing and taxes reminds me of nothing so much as a Mad Hatter's tea party in which nothing is what it appears to be: Royalties are called income taxes, posted prices are not real but fictitious, subsidiary corporations are created not for profit but to lose money—in perpetuity.

But the story is really not all that complicated so long as we keep our attention focused on certain basic facts. A foreign tax credit provision was first enacted in the Revenue Act of 1918. Its purpose was to protect U.S. corporations against so-called double taxation of their foreign income: To insure, for example, that a U.S. corporation would not have to pay both French and U.S. income taxes on income earned in France. From the beginning it was always intended to have a very limited application. With a few irrelevant exceptions, it was intended to apply only to income taxes—not to excise taxes, tariffs, or any form of royalty.

What is at issue here is not the propriety of the provision itself, but the impropriety of its present application to the international oil industry. That application first became an issue in 1950, when the Saudi Arabian Government was considering imposing an income tax on the operations of the Arabian-American Oil Co.—Aramco—which was then owned by Exxon, Mobil, Texaco, and Socal. Aramco had a provision in its concession agreement with Saudi Arabia which exempted it from such taxation. Nevertheless, the Aramco partners brought the matter to the attention of the State Department, which raised the matter in the National Security Council. The Council determined that Aramco's acquiescence in the tax would be in the U.S. national interest, since it would funnel money to the poverty-ridden, but firmly anti-Communist Government of Saudi Arabia.

By having Aramco accept the new tax, the administration could provide American economic assistance to Saudi Arabia without having to ask Congress for funds; by then permitting Aramco to credit fully the Saudi "tax" against taxes owed the United States, the U.S. Treasury and not the company would bear the financial burden of this aid. The mechanism used to reach this decision was entirely within the executive branch. Congress had no opportunity to participate, nor was the public apprised. In the words of Ambassador George McGhee, Assistant Secretary of State for Near Eastern Affairs during this period:

> As I understand it, the (State) Department, through the National Security Council, made known its views on the overall political situation, and in the Council the U.S. policy was put together which led the Treasury Department to make the tax credit concession.[1]

That decision permitted Aramco to receive a tax ruling allowing the companies that owned Aramco to credit tax payments made to the Saudi Arabian Government against their U.S. income tax liability. Shortly thereafter, this tax ruling was applied to all U.S. oil companies holding concessions overseas.

Indeed, in 1967, the attorney for the five American majors, John J. McCloy, reminded Secretary of State Dean Rusk of the foreign policy rationale behind this decision. McCloy told Rusk that an IRS audit of the tax returns of the companies might damage the American national interest:

> The present system of providing substantial revenues to the oil producing countries of the Middle East by means of a combination of royalties and of local income taxes on the producing companies (creditable under U.S. tax law) was recommended to the oil companies and to the foreign governments involved by the Department of State and the Treasury Department.

McCloy continued:

> These departments recognized that it was in the national interest of the United States to keep such nations stable and friendly to the United States and thereby ensure American access to the vast oil reserves there located. If the oil companies did not provide the necessary revenues by paying substantial taxes to producing countries, large amounts of direct foreign aid might well be required.

Thus the first basic fact is that this original tax rule was granted for reasons of state not reasons of law. It was a foreign policy decision, not one based on tax equity or other revenue considerations. But the revenue effect of this decision was swift and dramatic. In 1950 Aramco paid the United States $50 million in income taxes; in 1951 the company paid $6 million: and this soon dropped to zero. The quick acquiescence in the proposed income tax reduced Saudi Arabian pressure for relinquishment of portions of Aramco's concession, while costing Aramco nothing. It thus set the pattern for the entire Middle East. By 1954, almost every major petroleum exporting country had established an income tax on the Saudi Arabian model.

Whether during the 1950's there was sufficient legal justification under applicable tax law for rationalizing this essentially foreign policy decision, is a question which I shall not try to resolve, since it is very clear that, from 1960 on, all such justification has been lacking. After 1958, and especially after the formation of the oil producing exporting country—OPEC—cartel in 1960, the posted price on which OPEC country taxes were based came to be far higher than the actual price at which oil was sold. There was no relationship between the so-called income tax imposed by an OPEC country and the profit or loss realized by the company selling the oil. A country like Iran, for example, a member of the OPEC cartel, in effect, imposed a fixed charge per barrel of oil sold. A company like Mobil, one of the major multinational oil companies, which made up a consortium of companies operating in Iran, paid that fixed charge regardless of whether it earned a profit or lost money on the sale of that barrel of Iranian oil. Other OPEC countries accomplished the same result, although the manner in which they did so may have differed from country to country.

So our second basic fact is that since 1960, at least, the payments made by the major oil companies to the OPEC countries have been fixed per barrel payments which never varied with the flux of profit and loss of the companies. Simply put, they have been royalty payments.

This basic fact was obscured by a bewildering superstructure of subsidiary corporations, complicated dividend and investment arrangements, and arcane jargon which kept the Internal Revenue Service sufficiently befuddled that it could never disentangle the substance of the transaction from the form. Like the proverbial shell game in which the hand is faster than the eye, the Government tax experts could not follow the financial pea as it was moved around among the various corporate shells created by the most ingenious and imaginative Wall Street legal talent that money could buy.

But there was never any doubt on the part of this corporate legal talent about the real nature of these transactions. In 1970, at the request of Mr. McCloy on behalf of his clients, the Justice Department issued a series of Business Review letters which enabled the oil companies to join together for the purpose of negotiating prices with the OPEC cartel free of any fear of antitrust prosecution by the Department. In the course of these negotiations, the companies designated individual tax counsel to figure out how best to structure the payments to the OPEC cartel so as to obtain the maximum tax creditability advantages for themselves. Within the confidentiality of their own internal communications, tax counsel to the companies candidly stated their opinion that—

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[1] Multinational Corporations and United States Foreign Policy hearings before the Subcommittee on Multinational Corporations of the Committee on Foreign Relations, U.S. Senate, on Multinational Petroleum Companies and Foreign Policy, January 30, 1974, Part 4, p. 87.

> The artificiality of this system is obvious and well known, but it has not been challenged by IRS.[2]

In late 1973, the last remaining appearances of rationality were stripped away from this artificial system of international oil pricing and taxation. Late that year, the OPEC cartel imposed a 500-percent increase over the price of crude oil prevailing on October 1, 1973.

This precipitous price rise resulted in an equally marked increase in the amount of so-called "income taxes" paid by the multinational oil companies to the cartel countries. After elimination of those foreign tax credits used to offset U.S. taxes on foreign extraction income, there remained an estimated $16 billion in excess tax credits that would reduce taxes paid to the United States on both domestic and foreign operations to virtually nothing.

Alarmed by the prospect of such huge tax credits, the Treasury perceived the need to finally impose some limit on the creditability of payments made by the companies to the OPEC nations. The Tax Reduction Act of 1975 thus provides a separate limitation to be used in computing the foreign tax credit allowable to all foreign oil related income. It requires that the amount of any taxes paid to foreign governments which will be allowed as a credit on foreign oil extraction income is limited to 52.8 percent of that income—after deductions—in 1975, 50.4 percent in 1976, and 50 percent in subsequent years. These tax credits must be computed on an overall limitation and applied only to foreign oil-related income.

The 1975 Tax Act also requires that no tax credit will be allowed with respect to payments to a foreign country in connection with the purchase and sale of oil or gas where the company does not have an economic interest in the oil and gas and the purchase or sale is at a price which differs from the fair market value. The specific purpose of the separate limitation is to restrict the use of excess foreign taxes so that they would not offset taxes paid the United States on all domestic and foreign income. Since the percentage limitations are still above the U.S. corporate tax maximum of 48 percent, excess tax credits could still be accumulated by the companies. But the Tax Reduction Act of 1975 did not deal with the critical question as to whether the payments were fixed per barrel charges or creditable income taxes. We thus dealt with the symptom—the astronomical rise in potential excess foreign tax credits—but not the cause, the character of the payments themselves.

The OPEC cartel, however, was not so inhibited. On December 13, 1974, the OPEC countries established the rule that "the average government take from the operating oil companies will be $10.12 for the so-called marker or standard crude. This $10.12 could be made up of any combination of taxes, royalties, buyback payments, or other payments, so long as these various elements always total $10.12 per barrel. Denominating part or all of this amount as an income tax instead of a royalty, has no significance other than to permit U.S. oil companies to claim foreign tax credits for these payments under U.S. tax law.

The OPEC cartel had thus made explicit what had always been implicit in the artificial pricing system of international oil: That oil company payments to the OPEC countries were no more than fixed per barrel charges. Once this elementary fact is recognized, the stakes are not reckoned in the millions of dollars but in billions of dollars of lost revenues for the U.S. Treasury. We are no longer dealing with the question of whether to limit oil company excess foreign tax credits but with the fundamental issue of whether any part of the oil company payments to the OPEC cartel are properly creditable income taxes.

Recent IRS rulings indicate that the IRS is no longer willing to automatically accord these payments creditability status. The companies must prove that the foreign payments are made pursuant to genuine income taxes. And under the criteria stated by the IRS, it is unlikely that the Service can be persuaded that under present circumstances, payments made to the cartel countries are entitled to creditability status. Indeed, the service has already disallowed such creditability status to payments made by the oil companies in Indonesia. Similarly, the credibility of some part or all of the payments made to the Government of Iran are also in jeopardy.

The companies recognize the peril they face. They have undertaken a three-pronged attack to preserve the status quo: first, Platt's Oil Gram, a respected industry trade weekly, and the New York Times report that industry tax lawyers are invading Indonesia to rewrite that country's laws so as to bring company payments within the IRS criteria. But no matter how the laws of individual countries are rewritten, so long as the OPEC cartel insists on a uniform fee per barrel of crude oil—adjusted for gravity and freight differentials—a vigilant IRS must disallow these payments for tax creditability purposes.

Recognizing this danger, the companies have apparently persuaded the Finance Committee, to, in effect, overrule the IRS. This is the practical effect of sections 1035 (e) and (f) of the Finance Committee bill.

The joint committee's revenue-loss estimates of approximately $40 and $25 million for 1035 (e) and (f) respectively are based on the assumption that the IRS will continue to recognize the payments to OPEC countries as creditable tax payments. Implicitly, then, 1035 (e) and (f) seem to prejudge precisely the question at issue between IRS and the companies. Section 1035(e) anticipates an expected IRS ruling dealing directly with Iran but effectively with all similar oil and gas arrangements throughout the world. In the 1975 Tax Reduction Act. Congress eliminated foreign tax credits for oil payments when the oil company did not have an economic interest in the oil and the purchase or sale is at a price differing from its fair market value. Iran claims ownership of the oil in its domain. The companies operate in Iran by means of service contracts and contribute part of the capital investment costs. There are strong indications that IRS will disallow substantial tax credits claimed by the companies in Iran by holding that they have no economic interest in part of the oil there. But section 1035(e) essentially prohibits for 10 years any ruling by the IRS on leases in effect as of March 21, 1975, that a taxpayer has no "economic interest" in the oil and that the oil was purchased at a price different from the fair market value.

Section 1035(f) directly overrules an April 8, 1976, IRS ruling holding that a contractor—in this instance, Mobil Oil Co.—under a production sharing contract with Indonesia could not take a foreign tax credit on oil retained by the Indonesian Government. Section 1035(f) exempts from the IRS ruling, contracts entered into before April 8, 1976, the day of the IRS ruling. Thus both provisions would appear to preempt the IRS rulings, existing and anticipated, unfavorable to the companies.

The companies are now seeking to persuade the IRS that payments made to the cartel countries are payments "in lieu" of income taxes under section 903 of the Code and on that basis entitled to creditability status. Not until recently has section 903 been invoked by the oil companies in justification of their claim. It is a mark of their desperation that they have resorted to this provision which was first enacted in 1942 for completely different purposes.

The issue is thus clearly drawn: Are we going to permit the continued raid on the Treasury or are we going to block it? The amendments I support are designed to block it. First, the Hartke amendment would make it clear that under section 903 of the Code, royalty payments are not considered to be payments "in lieu" of income taxes. Thus the companies would be blocked from using section 902 as an escape hatch to avoid the impact of the recent IRS rulings.

Second, in the event that the IRS did rule that oil company payments to the OPEC cartel countries were entitled to creditability status, it would put a cap on excess foreign tax credits that could be accumulated by the companies. I can find no justification at all for allowing oil companies to accumulate any excess foreign tax credits.

I may also offer amendments striking sections 1035 (e) and (f) from the present bill, leaving it to the IRS to determine the creditability status of oil company payments to cartel countries. It is ironic, of course, that during all the years that the Service meekly acquiesced in the oil company claims for creditability of their foreign payments, the companies opposed legislative initiatives by the Congress in this field. But now that the IRS has asserted itself, and the creditability claims of the companies are in doubt, the companies are clamoring at the gates, seeking to have the Congress preserve their special privileges.

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[2] Op. Cit., p. 109.

I say it is time for this Congress to finally say to the oil companies that we are not going to save them from the IRS. The Service is perfectly capable of distinguishing a genuine income tax in Great Britain or Norway, for example, from the fixed per barrel charge imposed by the OPEC cartel.

In effect, then, I am proposing that the oil companies no longer receive the special dispensations to which they have become accustomed.

Mr. HARTKE. I am ready to vote, Mr. President.

Mr. LONG. May I ask about one problem?

Mr. HARTKE. Yes.

Mr. LONG. The logic of the Hartke amendment applies very well to corporations. It does not take care of the problem of an individual. In other words, the Hartke amendment is based on the theory that, in view of the fact that our corporate tax goes up to 48 percent, a person should not be able to take a tax credit on foreign taxes paid beyond 48 percent.

If that happens to be an individual, his tax rate can go up above 48 percent. That is one of the amendments we conducted hearings on today. Mr. Nolan testified that the same logic would indicate that the rate for individuals should correspond to what the individual tax rate is, just like the rate for corporations should apply to what the corporation's rate is.

If we agree to the Senator's amendment, I think we should keep in mind that we are going to have this problem on which we conducted hearings today and on which the Senator interrogated the witness. It has to do with the fact that the logic that would dictate 48 percent would dictate a different percent with regard to individuals. That is something the committee can bring before the Senate.

Mr. HARTKE. The chairman of the committee states the proposition correctly. There is no question about it. Since I was the author of the original amendment and participated in the conference, there is no question that the tax application as far as individuals was not intended to apply in that fashion. What was said by Mr. Nolan this morning is correct. What the chairman has said is correct. I think if we apply the matter correctly, to correct the law from 1975 and to make the two absolutely agree with each other, the amendment which dealt with some trust—I have forgotten what it was—should also be adopted at some later time, too, or whenever the Senate wants to adopt it.

Mr. LONG. I wonder if the Senator would be willing to modify his amendment to include that part of the language which appears at page 500 line 19 through line 18 on page 501 which applies the same principle to individuals.

Mr. HARTKE. I would be willing to so modify. Will the Senator move?

Mr. LONG. I will so move, if the Senator will so modify his amendment.

Mr. HARTKE. That is right.

Mr. LONG. It would apply the appropriate rate against individuals, that the rate at which they are entitled to take credit is the average effective rate at which they pay here in the United States.

Mr. HARTKE. I so modify it.

The PRESIDING OFFICER. The amendment is so modified. Will the Senator please send the modification to the desk?

Mr. LONG. It is the language which appears on page 500 line 19 through line 18 on page 501.

Mr. BROCK. Mr. President, may I ask a question of the chairman while we are waiting for that? Or perhaps the question should be addressed to the Senator from Indiana.

What if an individual's rate is 37 percent? Would that be the limit, or would it be 48 percent, or higher?

Mr. HARTKE. No; the rate will apply at 37 percent; the equivalent rate for the individual will apply. That is the intention of the amendment. In other words, what we are seeking to do is have a progressive rate of taxation for individuals.

Mr. BROCK. It seems to me like that might hurt people with lesser incomes.

Mr. LONG. The individual's rate could be 70 percent, it could be 30 percent, it could be as low as 14 percent, but the individual would have the same principle as the corporation: He would be entitled to take the credit at the rate at which he pays, so that the same principle that dictates the 48-percent rate for the corporation would be applicable to the individual.

Mr. BROCK. I understand, but I do not necessarily agree. The individual might be better off the other way.

Mr. LONG. He might or might not, but the principle is correct.

Mr. HARTKE. No; let me explain. It is very simple. It does not make any difference where the rate is, his rate will apply with relation to the tax he is paying in the United States. I can assure the Senator that, in fairness to the individual, whatever his tax rate is, he will not get a windfall.

Mr. BROCK. The guy who has a lesser rate of income has less tax than the guy with the greater income, who pays a higher rate.

Mr. LONG. But the principle is exactly the same. If one is paying taxes in this country at a 14-percent rate, then he has a right to a tax credit at the 14-percent rate. If he is paying a 70-percent rate, he is entitled to take the rate which he pays here. For a corporation, the rate is 48 percent, and they are entitled to take the credit at the 48-percent rate. That means that no one will have any excess credits.

Mr. BROCK. I understand. But I think this may hit the little guy harder than the guy with a lot of money.

Mr. LONG. It does not.

Mr. BROCK. Maybe there are not many people without much money doing this, I do not know.

Mr. HARTKE. This will eliminate the excess credit for corporations, or eliminate the excess credit for individuals, but at the same time will not penalize individuals simply because they are at a lower tax rate.

Mr. BROCK. One of the complaints about this bill is that we really have not thought a whole lot about some of these things, and I guess the Senator from Tennessee has not thought a whole lot about this proposition, because he has not heard it suggested until today.

Mr. LONG. It is in the bill.

Mr. BROCK. As he is offering it?

Mr. LONG. This part of it, yes.

ADDITIONAL STATEMENT SUBMITTED

Mr. BIDEN. Mr. President, I commend the distinguished Senator from Indiana for the amendment that he has introduced today. This is a change in our tax laws that is sorely needed. It has been needed for a long time. I had hoped that, when the amendment of the Senator from Indiana on the same subject was adopted last year by the Senate, the problem had been solved. However, the version that came from conference was certainly not satisfactory. I hope that this year the issue can be laid to rest.

The problem with which this amendment deals—tax credits for oil companies operating abroad—has been of concern for some time. The Senator from Indiana has been concerned, and so have I. In the last session of Congress, I introduced legislation to accomplish what the Senator is trying to achieve today. No action was taken in that Congress. Because of the importance that I attached to the abuse of the foreign tax credit by oil companies, I introduced remedial legislation again early in this Congress, January 21 1975. That bill, S. 294, would have stopped the use of royalties as tax credits by oil companies and eliminated the problem of excess foreign tax credits.

Mr. President, we hear much these days of what is called "sunset" legislation. This is legislation that causes certain Government programs or policies to self-destruct periodically. I have introduced two of these "sunset" bills myself. One would provide that all Government spending programs would automatically end in 4 years unless they were reviewed and reenacted by Congress. My other bill would do the same for many of our Federal regulatory agencies. I begin to wonder today if we do not need a third process that would automatically terminate all tax breaks periodically if they are not reviewed and reenacted by Congress.

This amendment highlights the problem of building more and more tax breaks into our laws and then forgetting about them. It is clear that the provisions on foreign tax credits as applied to oil companies should have terminated years ago, if indeed they should ever have been allowed to happen. Years ago, Congress recognized that double taxation of foreign subsidiaries of American companies might be unduly burdensome and harmful to American business and the economy. Therefore, legislation was enacted which allowed foreign income taxes to be credited on a dollar-for-dollar basis against U.S. income tax liability.

This seemingly sound principle has been grossly expanded, however, to include other charges which can in no way be construed as creditable taxes. Rather than taxes on income, they are actually royalties. Royalties are fixed, per-barrel charges which are production costs and should be treated as such.

The revenue rulings which allowed these production costs to be credited as taxes were promulgated by the Treasury Department as early as 1950. Although it is moot to ponder the validity of these rulings at the time they were first made 20 years ago, they definitely are not valid today. Furthermore, steps must be taken which will specifically forbid this practice. Like the legislation I have introduced, this amendment will achieve just that.

I hope that passage of this amendment will introduce a measure of fairness to taxpayers and consumers. The oil companies will begin to pay their fair share of taxes, and in so doing relieve some of the pressure from the consumer, who is now suffering the double burden of paying higher petroleum product prices and being forced to pay for Treasury tax losses due to the current inequitable tax advantages of the oil companies. It will take away an unfair advantage that oil companies operating overseas now have, not only over their domestic counterparts, but also over most other types of corporations as well.

Mr. President, I again commend the Senator from Indiana on his amendment. I urge my colleagues to support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified was agreed to.

Mr. HARTKE. I would like to say that in the package that was submitted by a group of us this is one of the basic items in that package so for the so-called reform group this is a victory, to which the chairman of the committee has agreed.

Mr. LONG. Well it is also a victory for the committee. We had one of our amendments agreed to. And for the Treasury it is also a victory because we picked up $130 million.

Mr. HARTKE. I would like to make the further statement for the RECORD that the Treasury did this morning endorse this amendment.

The PRESIDING OFFICER. The question recurs on agreeing to committee amendment No. 18.

AMENDMENT NO. 2046

Mr. KENNEDY. Mr. President I send to the desk an amendment for myself, Mr. NELSON, Mr. HOLLINGS, Mr. MATHIAS, Mr. BROOKE, Mr. CLARK, Mr. GARY HART, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HASKELL, Mr. HATHAWAY, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. MONDALE, and Mr. PROXMIRE to H.R. 10612, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and others, proposes an amendment numbered 2046.

Mr. KENNEDY's amendment (No. 2046) is as follows:

On page 191, beginning with line 22, strike out all through the line after line 12 and insert the following:

SEC. 504. REVISION OF RETIREMENT INCOME CREDIT.

(a) IN GENERAL.—Section 37 (relating to retirement income) is amended to read as follows:

"SEC. 37. CREDIT FOR THE ELDERLY.

"(a) GENERAL RULE.—In the case of individual who has attained age 65 before the close of the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of such individual's section 37 amount for such taxable year.

"(b) SECTION 37 AMOUNT.—For purposes of subsection (a)—

"(1) IN GENERAL.—An individual's section 37 amount for the taxable year is the applicable initial amount determined under paragraph (2), reduced as provided in paragraph (3) and in subsection (c).

"(2) INITIAL AMOUNT.—The initial amount is—

"(A) $2,500 in the case of a single individual,

"(B) $2,500 in the case of a joint return where only one spouse is eligible for the credit under subsection (a),

"(C) $3,750 in the case of a joint return where both spouses are eligible for the credit under subsection (a), or

"(D) $1,875 in the case of a married individual filing a separate return.

"(3) REDUCTION.—The reduction under this paragraph is an amount equal to the sum of the amounts received by the individual (or, in the case of a joint return, by either spouse) as a pension or annuity—

"(A) under title II of the Social Security Act,

"(B) under the Railroad Retirement Act of 1935 or 1937, or

"(C) otherwise excluded from gross income. No reduction shall be made under this paragraph for any amount excluded from gross income under section 72 (relating to annuities), 101 (relating to life insurance proceeds), 104 (relating to compensation for injuries or sickness), 105 (relating to amounts received under accident and health plans), 402 (relating to taxability of beneficiary of employees' trust), or 403 (relating to taxation of employee annuities).

"(c) ADJUSTED GROSS INCOME LIMITATION.—If the adjusted gross income of the taxpayer exceeds—

"(1) $7,500 in the case of a single individual,

"(2) $10,000 in the case of a joint return, or

"(3) $5,000 in the case of a married individual filing a separate return,

the section 37 amount shall be reduced by one-half of the excess of the adjusted gross income over $7,500, $10,000, or $5,000, as the case may be.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) MARRIED COUPLE MUST FILE JOINT RETURN.—Except in the case of a husband and wife who live apart at all times during the taxable year, if the taxpayer is married at the close of the taxable year, the credit provided by this section shall be allowed only if the taxpayer and his spouse file a joint return for the taxable year.

"(2) MARITAL STATUS.—Marital status shall be determined under section 143.

"(3) JOINT RETURN.—The term 'joint return' means the joint return of a husband and wife made under section 6013.

"(e) ELECTION OF PRIOR LAW WITH RESPECT TO PUBLIC RETIREMENT SYSTEM INCOME.—

"(1) IN GENERAL.—In the case of a taxpayer who has not attained age 65 before the close of the taxable year (other than a married individual whose spouse has attained age 65 before the close of the taxable year), his credit (if any) under this section shall be determined under this subsection.

"(2) ONE SPOUSE AGE 65 OR OVER.—In the case of a married individual who has not attained age 65 before the close of the taxable year but whose spouse has attained such age, this paragraph shall apply for the taxable year only if both spouses elect, at such time and in such manner as the Secretary shall by regulations prescribe, to have this paragraph apply. If this paragraph applies for the taxable year, the credit (if any) of each spouse under this section shall be determined under this subsection.

"(3) COMPUTATION OF CREDIT.—In the case of an individual whose credit under this section for the taxable year is determined under this subsection, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the amount received by such individual as retirement income (as defined in paragraph (4) and as limited by paragraph (5)).

"(4) RETIREMENT INCOME.—For purposes of this subsection, the term 'retirement income' means—

"(A) in the case of an individual who has attained age 65 before the close of the taxable year, income from—

"(i) pensions and annuities (including, in the case of an individual who is, or has been, an employee within the meaning of section 401(c)(1), distributions by a trust described in section 401(a) which is exempt from tax under section 501(a)),

"(ii) interest,

"(iii) rents,

"(iv) dividends,

"(v) bonds described in section 405(b)(1) which are received under a qualified bond purchase plan described in section 405(a) or in a distribution from a trust described in section 401(a) which is exempt from tax under section 501(a), or retirement bonds described in section 409, and

"(vi) an individual retirement account described in section 408(a) or an individual retirement annuity described in section 408 (b), or

"(B) in the case of an individual who has not attained age 65 before the close of the taxable year, income from pensions and annuities under a public retirement system (as defined in paragraph (8)(A)),

to the extent included in gross income without reference to this subsection, but only to the extent such income does not represent compensation for personal services rendered during the taxable year.

"(5) LIMITATION ON RETIREMENT INCOME.—For purposes of this subsection, the amount of retirement income shall not exceed $2,500 less—

"(A) the reduction provided by subsection (b)(3), and

"(B) in the case of any individual who has not attained age 72 before the close of the taxable year—

"(i) if such individual has not attained age 62 before the close of the taxable year, any amount of earned income (as defined in paragraph (8)(B)) in excess of $900 received by such individual in the taxable year, or

"(ii) if such individual has attained age 62 before the close of the taxable year, the sum of one-half the amount of earned income received by such individual if the taxable year in excess of $1,200 but not in excess of $1,700, and the amount of earned income so received in excess of $1,700.

"(6) Limitation in case of married individuals.—In the case of a joint return, paragraph (5) shall be applied by substituting '$3,750' for '$2,500'. The $3,750 provided by the preceding sentence shall be divided between the spouses in such amounts as may be agreed on by them, except that not more than $2,500 may be assigned to either spouse.

"(7) Limitation in the case of separate returns.—In the case of a married individual filing a separate return, paragraph (5) shall be applied by substituting '$1,875' for '$2,500'.

"(8) Definitions.—For purposes of this subsection—

"(A) Public retirement system defined.—The term 'public retirement system' means a pension, annuity, retirement, or similar fund or system established by the United States, a State, a possession of the United States, any political subdivision of any of the foregoing, or the District of Columbia.

"(B) Earned income.—The term 'earned income' has the meaning assigned to such term by section 7701(a)(36), except that such term does not include any amount received as a pension or annuity.

"(f) Nonresident Alien Ineligible for Credit.—No credit shall be allowed under this section to any nonresident alien."

(b) Technical Amendments.—

(1) Section 904 (relating to limitation on foreign tax credit) is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) Coordination With Credit for the Elderly.—In the case of an individual, for purposes of subsection (a) the tax against which the credit is taken is such tax reduced by the amount of the credit (if any) for the taxable year allowable under section 37 (relating to credit for the elderly)."

(2) Section 6014(a) (relating to tax not computed by taxpayer) is amended by striking out the last sentence thereof.

(3) Section 6014(b) is amended—

(A) by striking out paragraph (4),

(B) by redesignating paragraph (5) as paragraph (4). and

(C) by inserting "or" at the end of paragraph (3).

(4) Sections 41(b)(2), 46(a)(3)(C), and 50A(a)(3)(C) are each amended by striking out "retirement income" and inserting in lieu thereof "credit for the elderly".

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 37 and inserting in lieu thereof the following:

"Sec. 37. Credit for the elderly."

The PRESIDING OFFICER (Mr. Percy). This amendment attempts to amend a committee amendment that has already been agreed to.

Mr. LONG. Mr. President, I ask unanimous consent that it be in order to consider this amendment at this point.

The PRESIDING OFFICER. Is there objection? Without objection, the Senate will proceed with committee amendment No. 15. The amendment, by unanimous consent, is in order.

Mr. KENNEDY. Mr. President, social security benefits at this time are exempt from the Federal income tax. The retirement income credit was first adopted in 1954 to provide for comparable tax relief for elderly persons not receiving social security income.

The credit has not been updated since 1962, even though social security benefits have been increased seven times, by some 135 percent, since then.

The tax credit is 15 percent of retirement income. In general, persons 65 years of age or older are eligible for the credit; however, retired persons under 65 are eligible if their income is from a public employee retirement plan.

Four major changes in the current tax credit are made by the House bill and the Finance Committee bill. First, the maximum amount of income eligible for the credit is raised from $1,524 to $2,500 for single persons, for a new tax saving of $146. It is raised from $2,286 to $3,750 for married couples, for a new tax saving of $220.

Second, all types of income are made eligible for the credit. Under present law, only investment or pension income is eligible. Elderly persons who must work do not get the benefit, since earned income is not eligible for the credit. The effect of the amendment is to transform the "retirement income" credit into an "elderly" credit.

Third, earned income above $7,500, or $10,000 for a couple, must be used to offset the maximum amount eligible for the credit. Under the present law, earnings over $1,200 offset the credit.

Fourth, the credit is to be available regardless of prior work experience. Under present law, persons must have earned $600 or more in each of 10 prior years to be eligible.

The Senate adopted this same amendment in 1974, but it was dropped in conference because the House had not considered it. Now the House has approved it, and it is part of the House bill.

This amendment would make only two changes in the Finance Committee provisions: it would make the changes fully effective in 1976, eliminating the Finance Committee's 2-year phasein, and it would continue the credit for public retirees under 65.

The amendment is supported by elderly groups. The National Council of Senior Citizens has stated:

> The immediate extension of the retirement credit is a matter of crucial concern and particular urgency, since the elderly have little time to wait.

Mr. President, I hope the Senate will adopt this amendment. Essentially, our amendment restores the provisions of the House bill. The revenue loss amounts to some $340 million in fiscal year 1977. Under the Finance Committee bill, it is $101 million in 1977, and $270 million thereafter. So the amendment will cost $239 million more than the committee bill in 1977, and $70 million more in future years.

The Senate yesterday went on record very clearly in terms of the gasoline tax deduction amendment, to reverse the action of the committee and restore $285 million of benefits to taxpayers under the gasoline tax deduction. It seems to me this is an area of much greater priority, to insure that the credit for the elderly will at least represent, in terms of its credit aspects, similar treatment to that which the Senate has provided in raising social benefits over the years.

That is the practical aspect of this amendment. It is highly warranted and justified. I do not think there is any other group in our society that is in greater need of additional help and assistance than elderly people who are living on retirement income and on fixed income. The purpose of this amendment is to try and provide some modest relief for those individuals.

Mr. LONG. Mr. President, this amendment confronts the Finance Committee with the problem that was imposed on use by the Budget Committee. The Budget Committee gave us a recommendation that we confine ourselves to a $15.3 billion tax cut. We have argued back and forth as to whether that meant that the committee had to add additional taxes or not. But there is one thing I do not think we argued about or had any controversy about at all, and that was that the $15.3 billion did not include this item.

So what the Finance Committee did was to take this measure which was in the House bill and to phase it in over a period of time. We did not make it quite as generous as this amendment would be so that by doing that, by phasing it in, not being quite as generous with regard to public employees below age 65, the Finance Committee undertook to hold down the costs so as to stay with a $15.3 billion figure.

So we are well above it now, and this puts us, with an amendment to add $239 million on top of a bill that is already well beyond the budget ceiling.

How are we expected to handle this? As far as those of us on the Finance Committee are concerned, having received our orders from the Senate in the budget resolution, we looked at this item which was not in the budget resolution, phased it in over a period of time, and undertook to be not quite so generous so that the budget would be protected. Now we find that we are confronted with an amendment which, with the budget already busted, it is busted by another $239 million.

If the whole idea of maintaining fiscal integrity is to be abandoned, then of course I suppose all of us might just as well go vote for everything that is going to do more good for more deserving people. Goodness knows, we have a lot of deserving people, fine aged people, disabled and poor, just all kinds of fine deserving people and little children in this country.

But what attitude are we to take with regard to the plight of our Government which is now in the process of going more and more deeply into the red? It is sort of like old times for the Senator from Louisiana to stand here trying to head off these spending amendments on social security, unemployment, and welfare bills, and these various tax cuts that have popular appeal, but they go far beyond anything the Government can afford.

With this amendment added to the gasoline tax action yesterday, striking out what the Senate proposed to do in the way of reform, a reform which had been recommended by the Treasury time and again, between the two amendments that add $524 million to the proposed deficit, and with the Beall amendment, which was agreed to yesterday, that runs the deficit proposed already over $600 million.

I suppose, Mr. President, those of us who worship at the shrine of fiscal integrity feel a duty to stay by the budget process, but I must say it becomes sort of a lost cause when we find ourselves more or less abandoned. It is like years of old when the Finance Committee used to fight alone to try to keep these bills within a budgetary limit.

So I will be compelled to vote against the amendment, Mr. President, just for the simple reason that the Government cannot afford it.

Mr. CURTIS. Mr. President, the retirement income credit is something that in which I am very much interested. I had something to do with its original enactment. At that time, social security benefits were not taxable by administrative ruling of the Treasury Department. Railroad retirement benefits were nontaxable by reason of an act of Congress. Civil service retirement benefits were taxable after the employee's own contributions were consumed in the payments.

But at that time there were a great many other people who did not have any retirement program. If they had any income at all it was interest on their savings income from a small rental property, or something else. They had no assistance and still their retirement income was taxed fully. So the income retirement credit was created to equalize the situation among those who had a tax-free retirement, those who had a partially tax-free retirement, and those whose retirement income was fully taxed.

It needs to be upgraded now and then. The Finance Committee did that. But in order to take care of many needs and to be fiscally responsible, there are several provisions in this bill as it comes from the Finance Committee that are phased in over a period of years.

What the distinguished Senator from Massachusetts proposes in this regard is not anything that we oppose in principle but, in fact, it should be phased in over a few years to lessen the impact on the budget.

His proposal, as I understand it, also contains one other point, and that is it lowers the age for those who receive retirement income credit for public employees. This amendment thus raises the question whether or not such action should be taken for everyone. At the least, we should do so with our eyes open to the fact that if the retirement credit is available for civil service retirees under 65, it would just be a matter of time until it will be proposed that we do it for everyone, and maybe we should, but, on the other hand, as the distinguished chairman has said, what we have done here is updated the credit. We thought that we were cooperative with the efforts to have the budget more under control by phasing it in. Moreover, eliminating the credit for those under 65 will greatly simplify the credit with little or no adverse effect.

It is my hope that the amendment not be pushed.

COMMUNICATIONS ACT AMENDMENTS

Mr. PASTORE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2054.

The PRESIDING OFFICER (Mr. Percy) laid before the Senate the amendment of the House of Representatives to the bill (S. 2054) to amend section 203 and 204 of the Communications Act of 1934.

(The amendment of the House is printed in the Record of July 20, 1976, beginning at page 22862.)

Mr. PASTORE. Mr. President, the only significant difference between the House and Senate versions of this legislation concerns the language which makes clear that the extended 90-day notice period for common carrier tariff changes is the maximum period which the Federal Communications Commission may prescribe. The Senate version of S. 2054 makes this intent plain by implication, providing that the Commission may "allow changes upon less than the notice herein specified". The House version specifically provides that "the Commission may not require the notice period specified to be more than 90 days." This is a difference of form and not substance, and therefore I believe we should accept the House substitute.

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. KENNEDY. It is interesting for me to hear the argument this afternoon that this is an amendment that cannot be accepted because of its cost.

It is important at this point to remind the Senate what we have done for many different groups in our society. The amendment I propose this afternoon is targeted on perhaps the neediest groups of people in our society—elderly citizens living on retirement income.

The argument is made that at least we ought to stop the benefits for persons under 65. But many of these individuals, teachers or firefighters or policemen who have worked 20 or 30 years and then retired but have not reached the age of 65. These are the people who are going to benefit under this provision.

We hear that we cannot afford to spend $240 million more to try to do something about those individuals, to try to equalize their retirement income with respect to what persons are receiving under social security, but for one reason or another are not participating in social security.

It is important at the outset that we understand who actually will benefit. They are the elderly people who are not participating under social security—especially public employees, firefighters, policemen, and teachers who are participating under separate retirement plans. It is said we cannot afford $240 million for them. But at the same time, they tell us we can afford the $1 billion rejection of our minimums tax proposal to try to tax the richest 1 percent of the population. That was rejected by the Committee on Finance and rejected by the Senate. It was rejected by the chairman and the ranking member of that committee. It would have provided $1 billion more in taxes from the top 1 percent of the people of this country. But they say we cannot afford to benefit those who are elderly, who represent perhaps the bottom level of the people of this country in terms of income.

The Senate rejected the amendments on DISC. If the amendment by the Senator from Colorado had been accepted, it would have raised $1.5 billion from the richest and the most powerful corporations in this country. The Senate rejected our deferral reform, which is a loophole that underwrites the movement of jobs in manufacturing from this country to foreign countries. Tax deferral costs us $300 million a year.

The Senate believed sufficiently in tax shelters that it refused to accept our reform to raise $300 million in that area, again from individuals in our country who are in the top 3 or 4 percent of income.

That is $3 billion of benefits with respect to the richest individuals and the most powerful corporations in the country; $3 billion has been rejected, and there was no mention at that time that we could not afford it. Yet we cannot afford $3 million for the elderly.

We now have an amendment to benefit the elderly; to help those who are not participating in social security, just to equalize their treament with what Congress has done with respect to social security. It is justified and warranted. And the amendment also provides some additional relief for those who are participating in public employee retirement funds who believed the commitment that Congress made to provide a tax credit that would be maintained over the years of their retirement.

But now we have found that the Committee on Finance is prepared to abandon that commitment, on the ground that we cannot afford it.

Mr. President, I do not think a clearer issue will be presented to this body, in terms of our alternatives and priorities, and about whom the Senate is trying to help in this legislation.

I hope we can afford this proposal. If we are not prepared to say that we can afford it now, I hope we can accept it and go back into all the other areas—DISC, deferral tax shelters, the maximum tax—and pick up the additional moneys to warrant it. I am prepared to support any of those proposals here this afternoon which would make up that difference.

There could not be a clearer example of priorities in this legislation than the proposal we are considering in this amendment. I hope it will be accepted and supported by the Members of this body.

Mr. LONG. Mr. President, there may have been a time in my early years in the Senate when I might have made an argument somewhat like that of the Senator. I cannot recall whether I ever did, but let me analyze it for a moment.

Basically, the Senator's argument is that if he had his way, he would put several billion dollars of additional taxes on rich people, and he would provide tremendous social welfare benefits to people who are not rich, particularly the poor. That is fine. I certainly applaud the Senator for looking at it that way. If I could specify the particular rich people that I would like to specify—those who have foundations, for example—I probably would do the same. But the Senator has not been successful in taxing those people he would like to tax. So, having failed to raise the revenue which he would like to raise, he now wants to spend the money, anyway.

I did what little I could, within the limits of my conscience, to help raise a lot more money. I voted for about $4 billion of additional revenues that we do not have now. I do not like to incur the wrath of all the bankers and building and loan associations in the country; but I voted, notwithstanding that, to have a withholding tax on interest and dividends, and it did not succeed. One reason why it did not succeed was that the Senator got up and damned it with faint praise. But that is all right. We all have a different opinion about these matters.

Then I tried to do something about the deduction for the gasoline tax, which does not benefit those who take the standard deduction, anyway, and I got nowhere with that. That would be another $570 million we would have picked up. Those two items total $2.7 billion.

If we had the revenue, which I voted for, I would be glad to vote for the Senator's amendment. We do not have the revenue.

The Senator is talking about spending money we do not have. In my early years in the Senate, I suppose I tended to take somewhat the same view about some of these matters. But when I became a member of the Committee on Finance, I found more and more the pressure of circumstances requiring me to think in terms of fiscal responsibility. That being the case, it may be that the chairman of the Budget Committee and his committee are now prepared to relieve me of any obligation to stay by that $15.3 billion ceiling.

Can I look to the distinguished Senator from Maine and think that I am now relieved of any obligation to stay by that $15.3 billion ceiling, that the sky is the limit from now on?

Mr. MUSKIE. Mr. President, I think the Senator understands from the discussions we have had on the floor that the $2 billion tax reform target is one not that the Senator from Maine proposed but one that Congress as a whole did.

That is my view and it is still my view. It is not my prerogative to pick and choose what the revenue losers will be or the revenue gainers will be. The Senator from Louisiana and the Senator from Massachusetts are as aware as the Senator from Maine of what the budget targets are. I hope we do not forget them as we move along. But I have not been given a prerogative. If I were to assert it, I cannot think of any Senator who would be more vigorously in opposition to my asserting that prerogative than the Senator from Louisiana, because he has been very careful to spell out what my business is. His view of what my business is is much less expansive than my view of my business is. But there certainly is no disagreement, there should not be, by any Member of this body that our targets are our targets.

There is an overall revenue target, there is also a tax reform yield target. The latter we are slipping farther and farther away from. I think an informal estimate indicates that we are down to about $500 million now, in terms of the net $2 billion in revenue gainers that we were hoping to get from tax reform. So we are slipping farther and farther away from that. That is obvious.

This amendment will take us away from it; other amendments that are pending will take us even farther away from it.

I can understand how Senators who are for one type of revenue gainer may be against another type of revenue gainer, and getting them together is the interesting exercise which I sit here and observe as chairman of the Committee on the Budget. I am almost tempted to reach the conclusion which the Senator from Louisiana has expressed from time to time, that when we are all through, it will balance out as a wash.

I much prefer some other revenue gainers than to vote against the pending amendment. I think I share the view of the Senator from Massachusetts that his amendment would establish a real equity that ought to be supported. Whether or not I can vote for his amendment when I get through listening to the arguments will be heavily weighted by my special responsibilities as chairman of the Committee on the Budget, I am sure. I have to try to be reasonably evenhanded on these things. But I would have much preferred to pick up some revenue from some of the things the Senate has already rejected.

The Senator from Louisiana knows what my views are on those; there is no sense in repeating them. But I do join him in cautioning the whole Senate that we are slipping farther and farther away, on almost every amendment submitted, from the goal of $2 billion in net revenue gain from tax expenditures.

It is hoped that we can pick up some revenue gainers. There still may be some other possibilities, but I am not going to act as the conscience of the Senate on each and every amendment. I am going to try to guide my own vote in accordance with what I think are the equities. It is not always easy to do, but I think I have a little tougher job to do in that respect than other Senators have.

Mr. LONG. The question, then, Mr. President, resolves itself to a matter of whether we can afford this. We are already way over the target. I do not know how we hope to get back within it. Frankly, it was my thought, and it is still my thought, that the Committee on the Budget should give us one figure: how much revenue does it expect us to raise? With regard to the activity of the Committee on Finance, how much money does it expect to raise and how much money does it expect to spend?

With regard to the money to be raised by the tax system, considering both the increases and cuts, my feeling has been, and I think the Senate by now understands my view, that we ought to have just one figure and that we ought to try to hew to that figure. I would have thought that the Committee on the Budget and the Committee on Finance ought to try to work together to see that, however we do it, to stay within that figure, so if somebody puts something else in, he has to take something out somewhere. If we could get together on that, maybe we could make it work.

Mr. MUSKIE. I would welcome that kind of arrangement, but the revenue number was $362.5 billion. That was the revenue number in the first concurrent resolution. It was made possible by, basically, a tax-cut extension which would be part of that $362.5 billion. Part of that we offset by $2 billion in tax reforms. There would be a $15.3 billion overall tax loss, leaving us with net revenues of $362.5 billion. I hope that we hold to that $362.5 billion. If we do not, then the pressures will mount to hold down spending and to reduce spending below targets that we set. We have done a good job on appropriation bills up to this point.

They also include subjects of interest to those who are compassionate about the disadvantaged. Direct programs also benefit the elderly and benefit a lot of people who cannot help themselves.

The priority-setting feature of direct appropriations as well as revenues involve some tough decisions. But we have to keep our eye on that $362.5 billion revenue here, until we finally put it in place in the second concurrent resolution. I am going to do my best to cast my votes in the line of that target.

Mr. LONG. Mr. President, I think the Senator made clear to me, as we entered into the debate that has been taking place on this floor, that he felt that we would both learn something about this budget process as we went along. I hope we do. I hope that, as we go through this matter, we can learn how to work together to try to make this budget process work.

As far as this Senator is concerned, I am going to vote against this amendment for one simple reason: I believe that when the Senate voted that budget resolution, it placed me under a responsibility, as chairman of the Senate Committee on Finance, of holding that figure in the Senate. As long as anybody around here wants to stand by the principle of fiscal integrity in this matter, I am disposed to try to stay with it, until I feel it is disposed of.

Mr. KENNEDY. Mr. President, it is interesting to listen to the chairman of the Committee on Finance make this argument about whether we can afford the improvement of this tax credit for elderly people and those who are beneficiaries under public retirement programs. We have seen legislation come to the floor of the U.S. Senate that protects almost every major loophole, for every rich and powerful interest that takes advantage of the Internal Revenue Code. We did not hear these doubts when we had the opportunity to raise a billion dollars in terms of DISC or hundreds of millions of dollars in deferral, which goes to the major multinational corporations; or on the minimum tax, where we could have recovered over a billion dollars, which now goes to the richest 1 percent of individuals in this country. But suddenly, when it comes to those people, primarily public employees—firefighters, policemen, teachers—who have retired, they say we just cannot afford it. Their hands go up in the air, and they say, if you can find the money, I am glad to support it. Well, the House of Representatives found the money. It is not so magical to try to find the resources. We can find the resources and we can find the money.

I daresay that I agree with the position that has been taken by the chairman of the Committee on the Budget. Individuals in this body are conscientiously attempting to follow the Budget Committee's resolution as we go through the many additional provisions of this legislation. They have a sense of equity but they are faced with a problem, when proposals are advanced that exceed the budget targets. They wonder whether they can, in good conscience, support those proposals, which they would have supported without hesitation if we had been able to recover the hundreds of millions or billions of dollars of revenues in these other areas.

I would say to my good friend and colleague, the Senator from Maine, that we will have the opportunity, certainly as we move through this legislation, to reconsider, hopefully, the minimum tax proposal amendment that will be offered by the Senator from Arkansas, and tax deferral, and see if we cannot recover some of those additional resources. Perhaps, then, the Senate of the United States will be able to exercise both sound fiscal judgment and a sense of equity, after having supported this particular proposal, recognizing that we should set our priorities straight and try to provide equity for those retirees who will be affected by this amendment. We know that far stronger groups have benefitted generously through the earlier provisions of this legislation.

You know, it is interesting, Mr. President, that the Supreme Court in the last term upheld the forced retirement of firefighters and police under the age of 65. In that particular case it involved a policeman from Massachusetts who was only 50 years of age. He had served in the fire department for his period of years and was then retired. If he had been on social security, he would have at least benefitted with the 135-percent increase we have provided over the last 12 years. But because this individual is a public employee and participating in a public retirement program, he may be denied his credit, as the Finance Committee has recommended because it refuses to find the necessary resources to help him.

There are few issues, as I mentioned before, that raise the question of priorities as clearly as this issue does, Mr. President, and I am very hopeful that the Senate will support this proposal.

I would like to ask for the yeas and nays on this amendment.

The PRESIDING OFFICER (Mr. PERCY). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, will the Senator yield? The definition of what the budget process is is not simple, and what its mandate is, what the authority of the various institutions which make it up may be. But let me say this about it: It is not the Senate Budget Committee alone, it is not the House Budget Committee alone, it is not the Congressional Budget Office alone, it is those three new institutions, but it is also every other committee of the Senate, and it is every Member of the Senate, as well as every Member of the House.

When we commit ourselves to the budget process and the targets which together we establish following it, we do not at one and the same time surrender our individual sense of equity and justice in the process. I think that gets confused in the debate over this tax bill. Tax bills during all of my term in the Senate, have become among the most complicated and difficult pieces of legislation to understand.

I have watched direct appropriations grow over the 18 years I have been in the Senate, and I have been reminded over and over again, especially by the more conservative Members of the Senate, of the growth in those direct appropriations, and I have heard them testify before the Budget Committee and speak on the floor of the Senate to the effect that that growth in direct appropriations and direct spending has been inflationary, that it has taken the Government into activities and roles and programs that exceed what the people want the Government to be involved in.

But, at one and the same time, there has been an even greater growth in the cost of tax expenditures. Over the same 10-year time frame that the more conservative Members of this body have focused my attention to on the growth in direct appropriations, there has been a greater growth in tax expenditures which we rarely examine closely, and which are rarely subjected to the same tests of equity and justice and priorities that we are asked to apply to direct appropriations.

I personally—and I am speaking now not as chairman of the Budget Committee, I am speaking now as an individual Senator reflecting my own sense of priorities and equities—think our performance on this tax bill in terms of the equities and the priorities has been very disappointing and, at one and the same time, we have fallen short, fallen short deliberately with our eyes wide open, of the targets we set in the budget resolution of this spring.

I applaud the willingness of the Senate to exercise discipline on the spending side, the appropriations side, of the budget. That has been a plus, and we have been credited with an important achievement, as an institution, on the outside by those who watch the performance of the Senate and of the Congress as a whole.

But we have not, in all frankness and candor, matched it by a similar performance on the revenue side and on the tax expenditure side. Maybe that is so because it is more complicated, more difficult, much more difficult to pinpoint in terms of the impact on people and on the economy.

I find it very difficult to watch this parade of amendments, revenue losers, revenue gainers, and to apply my twin responsibilities, my responsibility as chairman of the Budget Committee to try to hold the Senate's feet to the fire in terms of the targets we set in the spring, but my other responsibility as a Senator to respond to the sense of equity that I have developed in my own public career and as a representative of my people.

I think we have done a much better job on the appropriations side, and that we are in the process of doing a very disappointing job on the revenue side.

I am not sure whether I am going to vote for this bill when we finish working on it. I am not sure how long we are going to be working on it, but if this bill, when we have finished work on it, falls as far short of what we have mandated in the budget resolution and as far short of what I think is equity to the American people, as it now stands, I would doubt very much that I can vote for it.

That is not a threat to anybody. It is simply an explanation of the internal turmoil that I feel as I view these twin responsibilities that I have.

The Kennedy amendment puts me right in the middle of both of them, and I am not sure at this point how I will vote on it because in my role as Budget Committee chairman I ought to be concerned about the revenue loss.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MUSKIE. But in my other role I am concerned about the inequity of what we have done up to this point in this tax bill.

Mr. KENNEDY. I think the Senator from Maine has explained very well the dilemma, but would he not agree with me that we should not be forced into the position of depending on who gets on the floor first and advances his particular amendment? Why should we be put into a situation where we must vote against a meritorious proposal because of revenue problems, when the revenue issues in the bill are still open. Yet that is where we find ourselves today. The Finance Committee brings a bill to the floor with its own priorities, and say take it or leave it. But we have our own priorities. We have gone through what I think the Senator from Maine, in reviewing his own votes, and I would agree, were the major opportunities for significant increases in terms of revenues raised. We tried to conform with the budget resolution, and we failed so far.

But would not the Senator have felt easier if this had been the first amendment? Perhaps the Senator at that time could have supported it, not looking back over these past weeks. As we go through the rest of this legislation, I hope we can vote on the basis of merit on particular amendments, and then attempt to reconcile the revenue figures at the end. Why should the cost of the failure of the Senate to close some of these loopholes be borne by the elderly people of this country?

If we fail to provide these kinds of benefits, then the Senator from Maine will understand that in order to reduce the budget or reduce the deficit next year, we are going to have to find additional reductions in expenditures. If we look at the track record of Congress over the period of the past 10 years, those reductions will not come from the Defense Department. They will come in the area of child and maternal care, health, community mental health centers, title I education programs, meals-on-wheels. We have seen that happen over the past few years.

It does seem to me that, hopefully, we can gain the support not only of the Senator from Maine, but of others who are also concerned about the budget process in terms of the merits of these amendments. We can give them assurance that there will be an opportunity for us to raise the revenues before the final vote is cast. Then I, too, will join the Senator from Maine in expressing reservations or opposition if we are not going to provide at least some degree of conformity with the budget resolution. But I admire the sense of equity which the Senator from Maine has not only spoken about, but has exemplified during the course of his legislative career.

Mr. MUSKIE. I think that is a reasonable argument, a reasonable position to take.

It seems to me, we are almost forced now, given the way the debate on this pending bill has gone, to follow our own sense of equities until we finish the work and then look at the finished product and determine whether we can support it, depending upon whether it meets the budget targets, and at the same time, is an equitable matter.

I think that is almost the recourse to which we have been forced by the way in which the legislative process has worked on this bill. So I could not disagree at all with the argument.

As a matter of fact, the argument that the Senator just made follows the theme laid down by the floor manager of the bill in reminding us of Paul Douglas, "lead kindly light" philosophy.

We take one step at a time until we see where we have gone and then, at that point, stop and take stock of what we have got and either support it as consistent with established congressional policy, or we know our equities are inconsistent, then vote on the final product.

I guess we just cannot, through all these amendments coming along, judge each one in the context of the whole. We have almost got to take each one on its merits.

I think that is the Senator's argument.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, this bill contains $2.5 billion additional taxes on people.

We tried to do something for the low-income people and we did that with the earned income credit. That was to help the working poor. That cost some money.

We tried to do something to help employees to own stock in the companies in which they worked. That cost some money.

We expanded the standard deduction to help low-income people, and that cost us some money.

So that we have done things to help the poor and we have done things to tax the rich.

We did not do everything exactly the way the Senator had in mind, but anybody who knows what that minimum tax is and who has paid it and finds it has been increased five times over what it was, or, put the other way, increased by 400 percent, will know it is collecting a lot of additional taxes. And we have 50 amendments in the bill aimed at the kind of people against whom the Senator spoke in such impassioned terms as those who do not pay enough in the way of income taxes.

I do not like to vote for tax increases, but I have voted for this $2.5 billion I made reference to.

I voted for the $2 billion proposal on interest and dividends. I voted for another $600 million by terminating the deduction of State and local gasoline taxes. I voted for the Hartke amendment. That is $5 billion of additional taxes I voted for. Most of that $5.2 billion is taxes I would not enjoy voting for. But I voted for them just because the Government needs the money. Those are regarded as reforms.

I would like to have voted for the $35 tax credit to be extended all year, but I voted against the Allen amendment which I would like to have voted for.

I was prepared to vote against the Muskie amendment, which I would have loved to have voted for, just as a matter of my duty to the Nation's fiscal problems.

So there is $8 billion of fiscal responsibility that this Senator has tried to demonstrate, as manager of this bill.

With all deference to the Senator, I have been in this business of trying to help the aged, the poor, and disabled a lot longer than he has, and I have offered amendments that would cost as much as his, and some of them cost more.

I understand the problem. I sympathize with the people. I also recognize the Government's fiscal responsibility.

That being the case, I think even if the chairman of the Budget Committee retires to the field to try to save the fiscal solvency of this Government, I will still have to stay and see what I can do about it.

Mr. HANSEN. Mr. President, I think what may escape the attention or understanding of some people is that the Senate Finance Committee has had several months of long, continuous duty. We have held hearings on the House bill. We have had testimony from all kinds of people, from every sector of the economy. We have heard from the representatives of the retired people, the poor people. We have heard from welfare folks, we have heard from everyone we can imagine.

I think what needs to be understood is that while it is an easy thing to refer to the activities of the Finance Committee as representing a group of individuals concerned with extending tax benefits and tax breaks to the wealthy, to those who have it and denying it to the have-nots, lacking compassion and exhibiting little fairness, and totally devoid of a sense of equity, that really the exact opposite is true.

The facts are that it can be documented if anyone cares to read through the reports that have been put out—the reports of the hearings are several times the thickness of this volume here. It would be very interesting reading to find out exactly how the tax system works.

Let me give a few examples.

This morning we heard from a representative of the National Association of Homebuilders—I believe that was the organization represented. He comes from the State of Connecticut. He observed that in that State unemployment is 17 percent. Nationally, it is about 7.2 percent.

He made the point that so long as we continued to treat those persons with money that might otherwise be made available to go into public housing, as we have by the present tax code, we could expect a continuation of that sort of unemployment.

The point was very simple. This is not money that is going to be loaned to someone to build a house with a pretty good chance of repayment, with the adequate assurances that collateral will provide and other guarantees would provide. But rather, if we are going to address the problems of the poor people, the folks who do not have a decent home to live in, we have to understand that some inducement, some incentive, some encouragement must be given to investors in order that money might be made available.

I think 2 or 3 years ago we had national goals. I am certain the distinguished representative of the great State of Massachusetts has been out in the forefront in pleading the case of poor people, deploring the fact that housing has not been adequate.

I know that present occupant of the chair has told me about his visit through the State of Illinois and what he has observed in Chicago; the need that people there have for housing.

The fact is that housing is a pretty risky investment. It has been subsidized. We have had Federal programs that were drafted and designed to encourage a particular type of investment that would result in greater availability of housing.

I have talked with different Secretaries of HUD and HEW. They tell me when some family builds one new home it will generally result in three different families upgrading their place of living. The family that built the house sells the house, and that house, in turn, will be bought by someone else who will sell another house. Then we have three families getting into a better situation than they had before, as far as dwellings are concerned.

We had a national goal of 2.6 million units of new homes per year. We are way down. We are way down because we are not building that many. There is not the encouragement for people to put money into housing programs necessary to stimulate that kind of activity.

One can say that is a tax loophole. Sure, if one wants to describe or define a loophole as something that gives a favor, inducement, or encouragement to somebody to do something.

If we look through the Tax Code over the years we will probably find that we have had all sorts of tax loopholes depending upon who defines the tax loopholes.

The situation is just this simple: By and large the Congress of the United States has had specific objectives, definite goals in mind, as it wrote into the tax code these specific provisions.

I am from a State which produces quite a bit of oil. We had a tax loophole as far as oil is concerned. That is, if you come from a State that does not produce any oil. But if one looks at it as people in the State of Wyoming did, if one looks at the depletion allowance as an inducement to take the risk that people have found results in finding oil in a significant field is about 1 time out of 50, one finds oil maybe 1 out of 15 or 20 times, the fact is that it is expensive, it is risky. People were encouraged to do it because of a tax loophole. The depletion allowance was 27.5 percent. That means that if one finds oil, if he is lucky enough and if he is able to go out and get the money put together to drill a well, at one time the Government of the United States said 27.5 percent of the production from that well translated into dollars would not be taxable. It would be charged off as a depletion allowance.

A few years ago when the Arabs raised the price of oil and it went up in not too many months to four times as much as it was, when the worldwide consumption of oil increased, as it did, when we devalued the dollar, as we did, there were many stories in the papers about how the oil companies were all getting rich.

The same thing could happen if the price of suits at a haberdashery downtown were to be increased about four times. We could say every person who has a clothing store will be rich.

He is rich, as far as the increased value of his inventory is concerned on that one time, but he will find out, as the oil companies did, that when he tries to replace that suit, or replace that barrel of oil, the price has gone up. But the press gave little attention, if any, to that fact.

The result was that most of the people, as reflected by the Congress, decided that the oil companies were getting too rich, so we lowered the depletion allowance. We brought about some other changes in the tax code, all of which did one thing: They made the domestic oil business less attractive to investors than it had been before. What happened? At one time we were importing about 12 to 15 percent of all the oil we used in the United States, but in the first week of March of this year we imported more than 50 percent of all we used.

People have very short memories. Not everybody understands or knows that when the boycott was on we actually had to transport fuel oil from the East Coast of the United States clear across the Atlantic to the Mediterranean to fuel the Sixth Fleet. We could not buy any oil and here we were right in the middle of the greatest oil-producing area of the world, the so-called Middle East. Because of the embargo we could not buy any oil there at all.

That is the kind of thinking we have been indulging ourselves in, and I think more and more people are beginning to question how wise we are.

I am sure that, as we debate the various provisions of this bill in the next 2 weeks, if it takes that long, we will hear these various charges made again and again of where is the equity; where is the fairness; are we devoid of compassion; have we no concern for people?

I think we do have concern for people. I think we would be far better off today. My guess is we will come to a realization of the fact that if we want to put the American oil industry back into business so as to lessen our dependency upon foreign sources of supply, we are going to have to take a different attitude in the taxes that we impose upon that industry and upon the independence of it, if we expect to get that kind of action.

We can say whatever we want to about an oil man, but the one thing we cannot say about him generally is that he is dumb.

Someone asked why did one of the major integrated companies buy some Montgomery Ward stock? It did so for a very good reason. Their managers could read the papers just as anyone else could. It did not look so good to have all their eggs in the oil basket. Why not get into some other activities? As people responsible for the dividends that the stockholders in their companies would hope to be able to realize over the years, it seemed to make sense to diversify and to get into some other things.

Mr. HATFIELD assumed the chair at this point.

Mr. HANSEN. I am going through this litany, I say to my chairman and our colleagues, for the very good reason: I believe it is very easy to criticize what the Senate Finance Committee has done, and it is quite another thing to understand why we are doing what we are doing.

One of the reasons I am going to support a liberalization of the tax laws that affect housing in this country is because I want to do something about it. I am going to continue to support capital gains treatment for timber. I know it is important to the distinguished occupant of the chair at this time. I say that for one very good reason: I want more lumber, not less, available. If more lumber is available for the building industry it is apt to be able to be purchased slightly cheaper than it would otherwise be, or if not cheaper at least its availability will be greater than it would otherwise be, and more people will own homes.

Then there is another very important reason. Just earlier today we passed a bill that in effect overrode the President's veto on public jobs.

We had some testimony on that, too, in the Finance Committee. Almost without exception, people agreed that it was far better to have a job in the private sector than it was for the Government to try to provide jobs.

I was reading some figures just a few days ago on New York State. New York State has the highest combined tax total, when you add together the Federal taxes, the State taxes, the county and the local taxes, of any one of the 50 States. Interestingly enough, last year New York State lost more jobs in the private sector, according to the information before me, than all the other 49 States put together.

What has happened here? Industry is leaving New York.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HANSEN. I yield.

Mr. TOWER. Is the Senator aware that New York City spends over twice as much per capita for its city government as the next highest city government, some $1,200 or $1,300 per person, yet their unemployment figures are, I think, above the national average?

Mr. HANSEN. Way above the national average. And there is not a city in the United States that has salaries, wages, and fringe benefits comparable to New York City. They have done some of the strangest things I ever heard of.

Mr. TOWER. As a matter of fact, until recently the city employees did not even contribute to their own pension funds.

Mr. HANSEN. Indeed not. I remember a few years ago when we had hearings on a pension proposal, we had representatives of New York come down here, and I thought, now we are going to hear from people who know what the problems are, because, as I remember, one out of every seven or eight people in New York City was on welfare at that time, and I thought we would hear from people who knew what they were talking about, and get some good information.

Mr. TOWER. Will the Senator yield further?

Mr. HANSEN. I yield.

Mr. TOWER. If I had a good welfare check coming in every month, I would move out of New York and move to Wyoming or Texas. Or Louisiana.

Mr. HANSEN. The people who came down and appeared before the Finance Committee testified for 2 or 3 hours, and never said one word about what was wrong with welfare in New York State. We never heard a word about it.

You know what they testified? They said.

> If welfare is nationalized, if the Federal Government takes it over, we want to be sure that you Members of the Finance Committee understand that the State of New York has assured us that we are going to go from a 40-

> hour week down to a 32-hour week. We want to have you understand that we have been been promised increases in salaries, and we want you to understand that everybody is grandfathered in, so that no one is going to lose his job.

That was about the story they told us. They were not concerned about the working mother, the widow with children, or anyone else, insofar as their testimony disclosed that day. They were thinking about "Old Number One."

They wanted to have a shorter workweek, they wanted to have guaranteed job security, they wanted to be entitled to the benefits that they had been promised and assured would be given them by the city of New York and by the State of New York in the years ahead. That is about what they talked about.

That, to me, was a rather disillusioning thing. But to get back to the point that I think is germane, relevant, and important, it is simply this: When you put people to work in the private sector, they become tax contributors and they are no longer tax consumers. They are earning some money, and they are going to pay some taxes to help out with the load that everyone agrees is too high these days. That is the first thing.

The second thing is that they are going to be producing something. They are going to be producing either goods or services, or both. And what does that do? It tends to fight inflation also, because if you are producing, if the demand expressed in dollars, as I remember some economists a long time ago tried to explain to me, remains constant, and if more goods are put into the marketplace, the price for each item is likely to drop, because, other things being equal, there is more goods to supply the demand at a fixed price. The same thing is true with services.

The sort of activity and the sort of encouragement that the Finance Committee has carefully considered and written into this bill was designed to do exactly that. It was designed to get people into the private sector, to get them to become taxpayers, and to get them to become producers of goods and services.

And it does something else. It gives them some pride. It gives them some confidence. It gives them the ability to say, "I am taking care of you" as they look at their little children. And those are very important attributes that we can give people and we should give people.

I think every person ought to have the right to a job. I do not deny at all that there may be times when there are not enough jobs to go around, and in those times I think we do need to exercise visible compassion and understanding, fairness, and the sort of consideration that makes us recognize that fact.

But what is the situation today? Our economy is getting better. There is no one today who says we are going the wrong way for the economy. We are going the right way. We are going up. There are more jobs available. There has been concern that we might be getting out of this depression or this recession too quickly, and that conceivably we could be fueling the fires of inflation again, and there was real concern among some of the economists that that might be taking place.

But most of the economists, on a pretty wide spectrum, I think, agree today that we are moving along, maybe not as rapidly as some would wish we were, more rapidly than others think is desirable, but nevertheless we are improving. So it seems to me that we are on the right track, and the right track, to my mind, has to be to give the sort of encouragement to industry that will make job opportunities for people in the United States.

Let me conclude by saying just one more word about this point, which I have touched on before: We will probably spend at least $25 billion, maybe $30 billion, this year for the oil we have to buy abroad. There was a flap here not too many months ago because the President put an embargo on grain shipments. One of the great things about the farms of America is that they have been able to outproduce the rest of the world, farm for farm, and thank God we have the kind of expertise, technology, knowhow, and incentive that gives people the desire to make these great wheatfields and farms that grow cotton, corn, or whatever as productive as they are, because that has been the saving grace, with two or three other things that could be added to it, that has kept our balance of payments in as near a situation of equilibrium as has been the case.

The fact is that we are spending a lot of money for oil, and if we do not change that around, we are going to become increasingly subject to the whims and the caprices of foreign countries and foreign dictators, who may decide, for reasons best known to them, that they do not like the way we are running our foreign affairs or our domestic affairs, and may decide to shut us off.

So I just say, Mr. President, that we want to open up some loopholes, if people call them that, and let them call them that, if it results in Americans being put back on the job. In my State of Wyoming not too long ago there was a shortage of oil rigs. One could not find an oil rig. There was a shortage of the things that were necessary in the exploration for oil in this country. One thing that these tax changes did was to stop all of that. There is no longer any shortage of oil rigs. They have them stacked up in Wyoming. They have them stacked up in other parts of the country. There is no shortage of the other things that are necessary to the active participation of people in this great industry because there is plenty of everything, and we are paying for it. We are sending over to other parts of the world at least $25 million a year.

It makes sense to me to turn that around, and it makes sense to me to let the price of oil that is produced in the stripper wells rise so as to make certain that no one shuts a well down when there is still oil in the ground that could be pumped out for one very good reason. It is a finite resource and if we have been leaving 70 percent, as we used to, of the oil in the ground, if we move that down to 60, down to 50, or down to 40 percent, we have, in effect, discovered some very major oil fields in the United States. It has been estimated that we have about 40 billion barrels of known reserves. By that is meant that at present prices we will recover about 40 billion barrels of oil from the discoveries we now have made. If we were to take the controls off of oil, if we were to let the price of stripper oil rise so as not to go above the world price but to go up to the world price, it would give enough incentive and encouragement to the domestic industry that along with secondary and tertiary recovery efforts, that are expensive, we might have instead of 40 million barrels of oil, 100 billion barrels of oil. It is going to cost more money, sure.

But what happens? If it is produced here in the United States, the taxes will be paid to this country and the jobs that are provided will be filled by Americans. Everything about it is going to put people to work in this country, and at the same time we are going to be able, with a freer hand, to determine what course of action we should take worldwide than is presently the case. I think that makes good sense.

I have imposed upon the chairman of the committee and my colleagues to spell out in some detail what I think ought to be considered because this is what we are talking about here today. We are talking about equity, fairness, and compassion.

In my judgment, let us not become so obsessed with doing what seems to be the immediate thing that we forget how human nature works. Let us get people back to work. Let us get them back to work in America doing American jobs, intensifying the kinds of activities here that can indeed lower unemployment in this country to 3 percent without the extra jobs.

I happened to vote against overriding that veto. If I am not on the losing side, I think something is wrong, and it is not often I think something is wrong because I am generally on the losing side. But I will have to say this: If we can follow the course which I think has been charted by the Finance Committee, that is the direction we are going to be moving in. We are going to be putting Americans to work. We are going to be increasing jobs in this country. We are going to be making taxpayers out of people who are now tax consumers.

I take this opportunity to express here my appreciation for the tremendous job that Chairman LONG has done in seeing that we perceive the entire role of the Finance Committee in trying to shape the kind of a tax bill that responds to the best long-range goals of all Americans. He has not been 100 percent successful. He has been criticized. He has been maligned. He has been called all kinds of names. But I, for one, can say this, that I think he has done a great job and I think history is going to vindicate his judgment.

Mr. LONG. I thank the Senator.

Mr. CHURCH. Mr. President, I support the adoption of the Kennedy amendment to H.R. 10612, the Tax Reform Act.

The Kennedy amendment is patterned after the House-passed version of the elderly credit provision. And it would perfect the Finance Committee proposal in two ways.

First, it would permit public pensioners under age 65 to be eligible for the retirement income credit.

Second, it would raise the maximum amounts for computing this 15-percent credit from $1,524 to $2,500 for elderly single persons and from $2,286 to $3,750 for aged couples, effective this year. The Senate Finance Committee proposal would phase in these increases over a 2-year period: From $1,524 to $2,000 in 1976 and then to $2,500 in 1977 for elderly individuals. In the case of aged couples, the maximum amounts for computing the credit would rise from $2,286 to $3,000 in 1976 and eventually to $3,750 in 1977.

The House-passed version of the elderly credit—as incorporated in the Kennedy amendment—is preferable, in my judgment, to the Finance Committee recommendations.

Under ideal conditions, though, I would prefer a modernization of the retirement income credit along the lines of my proposal, S. 389. However, this measure has little chance for passage now—since the Ways and Means Committee and the Finance Committee have opted for the new elderly credit as a means to restructure the retirement income credit.

Like the House-passed provision, my bill would boost the maximum amounts for computing the 15-percent credit from $1,524 to $2,500 for single aged persons and from $2,286 to $3,750 for elderly couples, effective this year.

However, it would not have established income phaseouts as in the House and Senate bills: A $1 reduction in the maximum amounts for computing the credit for each $2 of adjusted gross income above $7,500 for individuals and $10,000 for couples. Thus, the moderate-income pensioner would receive greater tax relief under my approach.

In addition, S. 389 would build an automatic cost-of-living adjustment mechanism into the retirement income credit. The maximum amounts for computing the retirement income credit would be boosted proportionately with social security cost-of-living adjustments.

The need for modernizing the retirement income credit is long overdue. It has been 12 years since it was last updated.

The net effect is that it provides little relief for many potential eligible persons.

Senator Kennedy's amendment would help ease the tax burden of many older Americans. In fact, it can provide a maximum tax savings for 1976 equal to $146 for aged individuals and $220 for elderly couples.

For these reasons, I reaffirm my support for the Kennedy amendment.

Several Senators. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. McCLELLAN (after having voted in the negative). On this vote I have a live pair with the distinguished Senator from Florida (Mr. Stone). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from North Carolina (Mr. Morgan), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I also announce that the Senator from Florida (Mr. Stone) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Packwood) is necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. Hugh Scott) is absent on official business.

The result was announced—yeas 70, nays 22, as follows:

[Rollcall Vote No. 400 Leg.]

YEAS—70

Abourezk
Allen
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Montoya
Moss
Nelson
Nunn
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Symington
Tunney
Weicker
Williams

NAYS—22

Baker
Bartlett
Bellmon
Curtis
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
Long
McClure
Muskie
Percy
Scott, William L.
Taft
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

McClellan, against.

NOT VOTING—7

Metcalf
Mondale
Morgan
Packwood
Scott, Hugh
Stennis
Stone

So Mr. Kennedy's amendment was agreed to.

AMENDMENT NO. 2014

Mr. KENNEDY. Mr. President, I send an amendment to the desk in behalf of myself and Mr. Hathaway and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. Kennedy), for himself and Mr. Hathaway, proposes an amendment:

On page 197, strike out lines 7 through 22.

On page 197, line 23, strike out "(c)" and insert in lieu thereof "(b)".

On page 199, line 4, strike out "(d)" and insert in lieu therof "(c)".

On page 199, line 13, strike out "(e)" and insert in lieu thereof "(d)".

On page 203, between lines 22 and 23, insert the following:

"(2) Credit to be refundable.—Section 6401(b) (relating to excess credits) is amended—

"(A) by inserting before ', and 667(b)' the following: ', 44C (relating to expenses for household and dependent care services)'; and

"(B) by striking out 'and 44B' and inserting in lieu thereof '44B, and 44C'.

"(3) Assessment authority.—Section 6401 (a)(4) (relating to assessment authority) is amended—

"(A) by striking out 'or 44B' in the caption thereof and inserting in lieu thereof the following: '44B, or 44C';

"(B) by striking out the word 'or' immediately before 'section 44B' and inserting in lieu thereof a comma; and

"(C) by inserting immediately after 'equipment)' the following: ', or section 44C (relating to expenses for household and dependent care services)'."

On page 203, line 23, strike out "(2)" and insert in lieu thereof "(4)".

Mr. LONG. Mr. President, will the Senator yield for a moment?

Mr. KENNEDY. Mr. President, I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I ask unanimous consent that it be in order to consider that amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

VIETNAMESE ACT ON AMERICANS IN SOUTH VIETNAM

Mr. McGOVERN. Will the Senator yield to me?

Mr. KENNEDY. I yield to the Senator from South Dakota without losing my right to the floor.

Mr. McGOVERN. I appreciate the Senator's yielding to me. It will take me just a couple of minutes to make an announcement to the Senate.

Mr. President, I am pleased to report that I have been advised by the Government of Vietnam that Americans who were left behind in the April 1975 U.S. evacuation will be permitted to return to the United States next month.

This issue was among the questions I raised with PRG President Huynh Tan Phat and Foreign Minister Madame Nguyen Thi Binh when I visited Saigon in January. They told me that there was no policy obstacle to the return of the remaining Americans, but that it would take some time to resolve administrative problems.

Before I left Saigon, I was given the names of two Americans who have since returned to the United States, and I was told that Vietnamese authorities would "continue with the rest of the list."

Today's notification came in the form of a telegram to me from the Vietnamese Embassy in Paris. It states:

> Americans blocked in South Vietnam will be authorized to leave South Vietnam with their wives and children in August, 1976, with the aid of the High Commissioner on Refugees.

Mr. President, I wish to observe that in the light of the enormous internal problems that have faced this new government, I think it is commendable that they moved quickly on this matter. It is my own belief that we ought to respond by doing what we can to normalize relations with the Government of Vietnam. That is the best way to expedite the handling of other matters, including the problems of those Americans that are still listed as missing in action.

I am encouraged by this telegram today and I think it indicates a willingness on the part of the Vietnamese to put the war behind us and to move on to a happier and more normal relationship.

I thank the Senator from Massachusetts for yielding to me.

Mr. KENNEDY. I thank the Senator for making that statement and comment. I received a telegram this afternoon, as well, which is identical to the language which the Senator has stated. I join in indicating a positive response. It should be a matter of great satisfaction to those American families that will be permitted to leave South Vietnam. The United Nations Commissioner on Refugees has been constantly pursuing their interests and their well-being, and this willingness to assist, I think, has been notable.

I do appreciate the fact that the Senator from South Dakota has mentioned as an indication of the willingness of that government to move in the orderly process of normalizing relationships, which is one I would agree with and which is an effort that should be made by the United States.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. KENNEDY. Mr. President, on this particular amendment which is presented by myself and the distinguished Senator from Maine (Mr. HATHAWAY) I will outline the amendment very briefly.

The House and Senate Finance Committee bills would replace the present itemized personal deduction for child care costs with a tax credit equal to 20 percent of the costs incurred for the care of a child under age 15—or for an incapacitated dependent or spouse—to enable the taxpayer to work. The maximum tax credit is $400 for one dependent or $800 for two or more dependents. The cost of the provision is $346 million in fiscal year 1977.

Under the proposed amendment, the child care credit would be made refundable—that is, a taxpayer would be entitled to a refund to the extent the credit exceeded tax liability for the year. The revenue cost of the amendment is $35 million in fiscal year 1977.

The refundable feature will benefit low-income working families, who will not benefit from the credit in the Finance Committee bill because their income is near or below the poverty level and they have little or no tax liability. In general, the amendment would benefit taxpayers with incomes of $5,000 to $7,500 a year, whose tax liability is less than $400 or $800 a year.

Proportionally larger numbers of women are represented in lower income brackets, so the refundable credit will be of special importance to them.

Women earn one-half as much as men earn when they work outside the home.

Sixty percent of all women who work outside the home are divorced, widowed, single, or are working to raise the total family income above $7,000 a year.

The number of female-headed households more than doubled from 1960 to 1974.

Two-thirds of the women heading households with children under 14 are in the labor force.

Thirty-four percent of the women with children under age 6 work outside the home.

Lower income women are forced to expend a greater amount of their minimal salaries for substandard child care.

Finally, Mr. President, the earned income credit, a separate provision in the tax law for low income workers, is already refundable. The present amendment would follow this precedent by making the child care credit refundable as well. I hope the amendment will be accepted.

Obviously, this amendment is advantageous for the encouragement of people to work. If we do not provide some degree of incentive for individuals to work, then there are additional expenses which will be necessitated for welfare costs or for other kinds of costs. So the child care credit is an extremely important work incentive, and I am pleased that the Senate has gone on record in support of it.

The advantage of a credit, as opposed to a deduction, should be obvious to every Member of this body. Quite clearly, it benefits those in the lower income brackets to the greatest extent. A deduction, for those who are in the lowest bracket, provides only a 14-percent benefit. For those in the highest bracket, the benefit is 70 percent. So a credit is a fairer and a more equitable way of achieving the goal. So it makes sense to have a credit instead of a deduction.

What we are doing in this particular amendment is to apply the same concept that has already been adopted by the Senate Finance Committee in the earned income credit. That means that if there are individuals who are working and who have child care expenses, but who do not have sufficient tax liability to use the full credit, they would receive a refund to the extent they are not using their full credit.

So, Mr. President, I hope this amendment will be adopted. It will help working mothers in the $5,000 to $7,500 income range to the greatest extent.

On the matter of equity, we have provided some very generous benefits in this bill for those in the top 1 percent income bracket, the most powerful individuals and the wealthiest corporations. We ought to be prepared to provide some relief for working low-income people who are trying to make ends meet, but who are caught in the crossfire of inflation, higher energy costs, higher household costs, higher food costs, higher medical costs, and who are attempting to work and provide for their families.

Mr. President, I hope this amendment will be accepted.

Mr. ALLEN. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. Yes.

Mr. ALLEN. I notice the factsheet here shows that the revenue cost of the amendment is $35 million in fiscal year 1977. I assume that is added to the cost of the House and the Senate Finance Committee amendment cost of $346 million; is that right?

Mr. KENNEDY. The Senator is correct.

Mr. ALLEN. So with this amendment the cost would be $381 million?

Mr. KENNEDY. The Senator is correct.

Mr. ALLEN. Well now, did we not just get through passing an amendment that the Senator proposed that cost some $350 million or so?

Mr. KENNEDY. $240 million more than the committee bill.

Mr. ALLEN. $240 million, and here is the one now of a $381 million cost to the Treasury; is that correct?

Mr. KENNEDY. $346 million is already in the Senate bill.

Mr. ALLEN. The difference then between the Finance Committee amendment and the amendment of the distinguished Senator from Massachusetts is that the Finance Committee would allow the credits but after they used up the credits in paying tax, there would be no money paid to the taxpayers; is that correct?

Mr. KENNEDY. The Senator is correct. What we have proposed is to make the credit refundable. The refundable concept has been accepted by the Senate Finance Committee for the earned income credit. It was the brainchild of the chairman of the committee. I have supported it and I think it has been of great help and assistance to millions of the neediest people, working people, in our society. This amendment would extend that same concept to those people who are the working poor, in the $5,000 to $7,500 class, who have children, and who have expenses for child care.

It extends the concept of the refundable credit to those heads of households. Basically and generally, those persons, according to the figures and statistics, are the working, low-income women in our society.

Mr. ALLEN. Well now, we already have the concept of the low-income credit to provide for paying back the income tax paid up to $400, I believe, for incomes of $4,000, and then it is phased out on up to $8,000. So we would have $400 conceivably which could be obtained there in cash, and here you would permit an additional $800 for two children or more that would be refunded; is that correct?

Mr. KENNEDY. The Senator is correct, it will be available when the people are working. I think it is an important work incentive.

We have noted the various provisions of this bill which provide very generous benefits to companies and individuals. We have a child care program in the tax laws, and this amendment makes it more equitable, and at a very modest cost.

We already have many tax benefits for rich individuals and corporations. Why not one for low-income working mothers, when it is already available for higher income workers?

All we are saying is that if a family would have been eligible for the credit except for the lack of tax liability, he is entitled to a refund. It is a basic principle of tax equity for low-income groups.

Mr. ALLEN. It seems strange to the Senator from Alabama, we provide in tax laws for taxpayers making a profit out of their tax payments.

I can see the advisability, possibly, of having separate programs of this sort. But when we provide for paying taxes, it is the concept of the Finance Committee to allow various credits that will eat up the tax liability.

But the Senator from Massachusetts would go one step further than that and provide for cash subsidies out of the tax laws. It seems to me we are putting an expensive social program in the tax laws and that this would more properly be the subject of some added social program, of which there are many before the Congress now.

I was wondering whether we ought to provide for paying cash to taxpayers. Taxpayers ought to pay cash to the Treasury, not the other way around.

I feel that the Finance Committee has gone just as far as it should go, to allow these credits to eat up tax liability, but not go a step further than that and pay the taxpayer tax money that other taxpayers are paying.

Mr. FORD. Will the Senator yield for a question?

Mr. KENNEDY. If I might respond, I hope the Senator will then indicate his opposition to section 802, which will be the refundable credit for expiring investment tax credits, suggested by the Finance Committee.

That is one of the special interest provisions and I hope the Senator will make that same argument when we come to that particular proposal.

Now, another point is that many low-income persons who are receiving welfare may already get these child care services, which are covered by welfare costs or other kinds of public programs. They would get no benefit from this amendment, because they have no costs for child care. That is why the cost of the program is so low. What we are talking about here is help for working mothers with child care costs.

The possibility of helping thousands of heads of households, primarily women who are attempting to work to provide for their family, at a cost of $35 million, seems to me to be a very worthwhile investment.

Mr. LONG. Will the Senator yield at that point?

Mr. KENNEDY. Yes.

Mr. LONG. May I say to the Senator, I had not thought of his amendment. This is the first time I have had it thoroughly explained to me. I have heard his argument and I am frank to tell the Senator, as one who serves on the committee, there is no way on God's green Earth we can consistently argue against the amendment.

So I will vote for the amendment and applaud the Senator for offering it.

Frankly, I have for a long time followed the view that we ought to recognize the fact that these poor people who do not pay any income tax are paying a great deal of taxes that do not meet the eye.

For example, it was a disappointment to me when I worked on the Tax Reform Act in 1969 and I asked somebody to bring in a chart to show us how the tax cut would be distributed so the rich would pay more and the poor less. But our able staff came in with something that indicates, "How do you want the corporation income treated, do you want 60 percent or 75 percent of the corporate tax as being passed on to the customer?"

I had never thought about it that way at all. But by the time they are through, for the most part, those taxes are passed through to the consumer in the cost of product.

These people also pay sales taxes. The landlord pays taxes on the property and passes that on through to the tenants in the amount of the rent.

So there are all kinds of taxes that get through to people that do not quite meet the eye.

But if we are going to provide this tax credit to a working mother who really does not need it because she has enough income that she can very well afford to pay for somebody to help look after her child while she is out working, we cannot justify the inequity of saying, "Well, maybe this well-to-do-mother should get the full benefit of it, but this less well-to-do mother should not get the benefit of it."

The House deviated from the previous concept of a deduction for child care to make it a tax credit.

So, someone hires a person to look after the child while the mother is working. We will treat them all alike, whether they are in the high income tax bracket, they will not get a better break than if they are in a lower bracket. Treat them all alike, so it does not benefit the upper income mother more than the other.

So we accepted the idea of a credit.

We see another bill which advocated, I think quite correctly, that the purpose of the investment tax credit was to persuade people to make an investment and to build a new plant and buy new equipment. We took the view it did not seem quite fair to say that the fellow who got the best of it would get the full benefit of it, but the man who had a tough time making profits never would get the benefit of it.

So we say, after 7 years, that he would eventually get his tax credit, which will not cost a penny for 7 years and, in the long run, will make us money because it will put business in a better position and improve their capability to buy new equipment and put people to work.

But I think the Senator is entirely right, we cannot do that for the business community by making the investment tax credit refundable for a $1 million corporation and not do the same thing for a poor mother trying to support her children.

So there is one logical answer, we can vote for the amendment and I will vote for it.

Mr. KENNEDY. Well, I am glad to hear that.

Mr. ALLEN. Mr. President, I am going to support the Finance Committee in its recommendation even though the chairman of the committee does not support the Finance Committee.

Mr. LONG. Will the Senator yield at that point?

Mr. ALLEN. Yes.

Mr. LONG. Let me say that this amendment was not offered in the Finance Committee. The argument was not made in the Finance Committee. It was not considered in the Finance Committee.

Mr. ALLEN. Yet the Finance Committee limits the credit to the amount of taxes. It does not provide for a refund.

Mr. LONG. But the Finance Committee did not make that tax credit a refundable tax credit.

Mr. ALLEN. That is the point.

Mr. LONG. Nobody suggested it do so. The Senator offers the amendment and makes an argument I have not heard before. But now we have heard it. I sat here and heard the argument. And to say, "How would I respond?"

The answer is, I will not respond except to vote for the amendment, because, as one who believes in and as one who has favored this type of tax consideration for working mothers and led the charge, or case, for the earned income credit for the working poor who have children, I do not see how I could be consistent in opposing this amendment.

Everyone else can tell you their own position, but I do not see how I can be consistent by doing other than voting for the amendment. This one does not involve a great deal of revenue loss. I will get to the revenue problem later. This involves only $35 million. Frankly, if it had been offered in committee, I think I would have voted for it. This is one of those things that I do not believe I can vote against, but I certainly recognize the Senator's right to take a different view.

Mr. ALLEN. I thank the Senator for his explanation.

The distinguished Senator from Massachusetts said he wondered if I would apply this same argument to a situation involving a corporation. Of course I would not. I do not believe it is right to have supposed taxpayers making a profit out of the tax laws of the Nation, and making a profit out of taxes paid by other taxpayers.

Wipe the tax out. That is all right. That is what the Finance Committee amendment would do. But do not go beyond that. If we want to set up a subsidy in a social program providing for this amount of money, that is one thing. But do not mix social programs and taxation to provide that people make profits out of taxes they are supposed to pay. I do not see the logic of that.

If the Senator wants to set up a program of this sort, do so, but do not mix it in with taxes. Taxes are supposed to be something coming into the Treasury.

If the Senator wants to give concessions to taxpayers and say that because of this expense or that expense, or the low earnings, we are going to give back what taxes they paid, well and good. But do not build in a profit for any taxpayer where the people not only do not pay taxes but they would make a profit from people who do pay taxes.

I will oppose any such provision for corporations just as well as I would for individuals.

This is the first time I have ever heard of paying individuals profits from the Federal Treasury in lieu of their tax liability. We have marked out taxes, we have erased taxes, but this is the first time I have ever heard—and maybe there are other instances I do not know of—of a taxpayer making a profit out of a tax liability. That seems to be what we are doing here.

Mr. LONG. May I say to my distinguished friend from Alabama that I have had somewhat heated exchanges at times with our friend from Massachusetts on the subject of tax expenditure. This is what I would define as being a tax expenditure. There is no doubt about that. This is a tax expenditure by my definition and I suppose by his as well. But, we would both agree to take a look at this and ask do we approve of using the tax system for this purpose?

I do, and the Senator might not. He certainly has a right to state that he would not do that. I believe the time will come when he will, for a simple reason. The tax system and the tax laws give potential for bringing about results that are wanted just as the appropriation procedure does. Sometimes we can use the tax system to help bring about a good result and sometimes we can use the appropriations system better. We should use whatever appears to be more appropriate at the time. At this time, the Senator does not think it is appropriate to do it, I understand. In my judgment, it is much more dignified to do it this way for those people than to try to do it by way of welfare.

Mr. ALLEN. Heretofore the Senator in his earned income credit has not provided for a cash rebate other than to the extent of taxes paid in, is that not correct?

Mr. LONG. It is not correct. The earned income credit does not ask the first question about how much taxes were paid. It simply says that if they are a low income earner and have children to support——

Mr. ALLEN. It pays back the social security, then.

Mr. LONG. No, it is not tied to that. We thought about it. That was our starting point. We started out thinking in those terms. But in due course we concluded that the best way to do it would be to do it as a simple refundable tax credit payable from the Treasury to the taxpayer. The Secretary of the Treasury has studied the matter and has concluded that under the law he had every right to do that. It presents no constitutional problem.

Mr. KENNEDY. Mr. President, I thank the Senator from Louisiana, both for his comments and his support. He is quite correct that we are building upon the refundable earned income credit idea which was first proposed by the Senator and accepted by the Finance Committee. We are extending that concept to working poor people who have children and who might otherwise be on welfare.

I agree with the comment he has made about the relationship between tax expenditures and appropriations. As the Senator from Maine so eloquently stated here earlier in the afternoon, we are talking about expenditures in two respects, direct appropriations and tax expenditures. The fact of the matter is most of the tax expenditures which are being considered go to a relatively small group of the wealthiest and most powerful individuals in our society. The child care credit is, as he quite correctly stated, a tax expenditure and it is going to go to the neediest and the working poor, primarily the heads of households, primarily the working poor women in our society.

Mr. MANSFIELD. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. I do not see how we can differentiate between taxes and social programs. I think they compliment one another. But it is hard to see how anyone can read the argument set forth—and I agree completely with the distinguished chairman of the committee—and not be in favor of an amendment of this kind. It certainly indicates that women are treated as inferiors, as far as the work force is concerned, and these figures are not only startling but disheartening.

Let me repeat them: Women earn one-half as much as men earn when they work outside the home.

Sixty percent of all women who work outside the home are divorced, widowed, single, or are working to raise the total family income above $7,000 a year. Below the poverty level.

The number of female-headed households more than doubled from 1960 to 1974. What does that mean? It means that the men are taking leave and responsibilities are on the women with the children.

Two-thirds of the women heading households with children under 14 are in the labor force. Startling.

Thirty-four percent of the women with children under age 6 work outside the home.

Lower income women are forced to expend a greater amount of their minimal salaries for substandard child care.

Well, I think this tells the whole story. I commend the distinguished Senator from Massachusetts once again for coming up with an amendment which is not expensive, as far as the additional cost is concerned, but it is meritorious in the best sense and takes care of a part of the population which I think has been discriminated against too much for too long.

Mr. KENNEDY. I thank the majority leader.

In my testimony to the Finance Committee last March, this idea was part of my proposals. I know it was not considered in the committee markup, but I wanted to give my assurance to the chairman of the Finance Committee that it was part of my earlier recommendations to the Finance Committee. As far as I was concerned, I was prepared to offer it then.

I know the Senator from Maine also has been very interested in this.

Mr. LONG. If the Senator will yield, there is one more point that might be made if one pictures a situation of a poor woman with one child or two who takes a job as a domestic, who pays someone to look after her children while she goes to work to do housework for someone else.

We are disappointed so far that a lot of people like that are not coming in and applying for the earned income credit. Even though they are entitled to it, they are afraid of that tax collector, it seems. We need to find a better way to get those people to apply for it, because they are entitled to it. In addition to that, they would be entitled to this child care credit.

But if that person did not take that job working as a domestic in someone else's home or as a maid in a hotel or whatever, then that person would be entitled to go on the welfare rolls and draw welfare, and it would cost us a lot more that way. The person who does take that type of job is doing the economy a favor in the long run, because it is less expensive to give that person the tax credit than to support that person on the welfare rolls.

I believe that people who are entitled to live on the taxpayers under the welfare system, but prefer to go out and set an example for their children and work to improve their condition, deserve a great deal of credit, and I think we should show them recognition.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATHAWAY. Mr. President, I would just like to make a few brief remarks about this proposal. I was glad to hear the majority leader reiterate the statistics with respect to the working women. Certainly they would be the chief beneficiaries if this amendment passes.

For those who think this amendment would be costly, some of the costs will be offset by the costs we will save by getting women off welfare and getting them to be productive individuals. And actually I think with the passage of time the costs will go down, because once people get out into the work world, they will probably be earning sufficient money that the refundable part of the credit will not be as operative in subsequent years as in the first year.

Finally, in answer to the point the Senator from Alabama was making, let me say that we should not allow a person to profit by the Tax Code, but what we are actually doing is giving an $800 subsidy, or a maximum of $800, depending on how much is spent and how many children are being cared for. We are giving this subsidy to those who pay $800 or more in taxes by saying, "You do not have to pay your taxes," and we are giving to those who do not pay that much the difference between what they pay in taxes and the $800.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina

(Mr. Morgan), the Senator from Minnesota (Mr. Mondale), the Senator from Montana (Mr. Metcalf), and the Senator from California (Mr. Tunney) are necessarily absent.

I also announce that the Senator from Florida (Mr. Stone) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Garn) and the Senator from Oregon (Mr. Packwood) are necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. Hugh Scott) is absent on official business.

The result was announced—yeas 71, nays 21, as follows:

[Rollcall Vote No. 401 Leg.]

YEAS—71

Abourezk
Baker
Bartlett
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Weicker
Williams
Young

NAYS—21

Allen
Bellmon
Buckley
Bumpers
Byrd, Harry F., Jr.
Curtis
Eagleton
Eastland
Fannin
Goldwater
Hansen
Helms
Hruska
McClellan
McClure
Nunn
Scott, William L.
Stennis
Talmadge
Thurmond
Tower

NOT VOTING—8

Garn
Metcalf
Mondale
Morgan
Packwood
Scott, Hugh
Stone
Tunney

So Mr. Kennedy's amendment was agreed to.

AMENDMENT NO. 1922

Mr. HATHAWAY. Mr. President, I call up my printed amendment No. 1922.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. Hathaway) proposes an amendment numbered 1922.

The amendment is as follows:

After section 501 of title V, insert the following new section 502, and renumber the subsequent sections accordingly.

Sec. 502. Credit against tax in lieu of deduction for personal exemptions.

(a) Subsection (a) of section 42 of subpart A of part IV of subchapter A of chapter 1 (relating to allowance of credit) is amended by adding at the end thereof the following new paragraph:

"(3) Personal exemptions.—In addition to the provisions of paragraph (1) of this subsection, in the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount determined under section 151 for personal exemptions."

(b) So much of section 151 (relating to deductions for personal exemptions) as precedes subsection (b) is amended to read as follows:

"Sec. 151. Credit for personal exemptions.

"(a) Amount of Credit.—The amount of the credit allowed by paragraph (3) of subsection (a) of section 42 for the taxable year for personal exemptions shall be $175 for each exemption allowed to the taxpayer under this section for the taxable year."

(c) Section 151 is further amended by striking out "of $750" wherever it appears therein.

Mr. HATHAWAY. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the amendment may be in order at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HATHAWAY. I thank the Senator.

Mr. President, this is a very simple amendment. It provides, with respect to a personal exemption, that a taxpayer shall be entitled to $175 credit instead of the present $750 deduction. This means that the taxpayer will be able to subtract $175 from his tax bill rather than $750 from his income. This makes the personal exemption a much more equitable exemption than the current tax credit.

At $175, the size of this credit has very little budgetary impact. In fact, it raises about $94 million in revenue.

A credit, as has been recognized by the Finance Committee and by the Senate in other instances, benefits everyone equally; but a reduction provides more of a benefit to the high income taxpayer than to the low income taxpayer.

Under the current law, if you have a $750 deduction for a personal exemption, to a person in a 60-percent bracket, for example, that is worth 60 percent of $750, which is $450. To the person in the 20-percent bracket, that is 20 percent of $750, and it is worth to him only $150.

Personal exemptions represent a tax allowance for the cost of supporting an individual. Providing a larger allowance to the higher income taxpayers violates the logic of cost, since it costs the lower income taxpayer just as much to live, and the logic of need, since the higher income taxpayer is better able to meet those costs. This is exactly what the current law does with a deduction instead of a credit.

Increasingly, more Members of Congress both in the Senate and in the House, are coming to realize that because of our graduated tax code, a deduction provides a benefit more generous to those with less need, whereas a tax credit treats everyone equally. Congress recognized the equity of tax credits when it provided the $35 credit as the centerpiece for our present tax cut. The House and the Finance Committee recognized it when they adopted the tax credit approach for child care.

The Finance Committee also recognized it in allowing a tax credit for higher education costs and in changing the estate tax exemption to a credit.

Finally, both Houses of Congress have recognized it in a number of different provisions for encouraging solar and other energy uses. We have recognized it in all these various areas. There is no reason whatever not to recognize it with respect to the personal exemption.

I shall read just a few figures in regard to how this will affect taxpayers throughout the country.

If this amendment is agreed to, a total of 42,245,000 taxpayers will benefit, 21,625,000 will not benefit. They will have to pay an increase in taxes. So that it is about 2 to 1 in favor of lowering the taxes of individuals throughout the country; 3,668,000, as a result of enactment of this amendment, will have to pay no taxes at all.

Mr. President, I have made all of the points that I think I can make in favor of this amendment. It is desirable from the point of equity. As I mentioned earlier, it has no revenue loss; in fact, we have a revenue gain of $90 million. It has been recognized in the Tax Code and by the Committee on Finance in various other parts of the law. There is no reason not to recognize it in this part of the law to do justice to our taxpayers throughout the country.

I think that I should say, finally, that we should not confuse this with a business deduction. If this were a credit instead of a business deduction, I would not be advocating it. The personal exemption of $750 is not a deduction allowed for the production of income; it is a deduction recognizing the cost of dependency care. Certainly, recognizing the cost of dependency care, those in greater need of dependency care, those in the lower income brackets, should get a better break than those in the upper income brackets. But in the present system, the reverse is true. This amendment attempts to do equity.

I suppose a more equitable situation would be to have a tapered credit or a graduated credit, so those in the lower income brackets actually get a bigger credit than those in the upper income brackets. But I am satisfied that the flat amount that is going to be able to be deducted by all taxpayers, regardless of their income, at least goes 90 percent of the way toward destroying the inequity that now exists under the present law.

Mr. NELSON. Will the Senator from Maine yield?

Mr. HATHAWAY. I am happy to yield to the Senator from Wisconsin.

Mr. NELSON. I commend the Senator from Maine for offering this amendment to substitute a tax credit for dependents in place of a tax deduction. This issue has been before us on other occasions, but not adopted.

It is totally inequitable to establish a proposition that we are going to allow a deduction to a taxpayer for each dependent that he has, the purpose being to help him in the support of his wife and his children, and then decide to use a method in giving that help that is disproportionately beneficial the richer you are. So we have a situation that, if there are three dependents totaling $3,000, for each $1,000 of deduction, if you are at the top of the tax bracket, if you are at the 70-percent level of deduction, it is worth $700, as the Senator from Maine pointed out; if you are a working man or woman in the 14 or 15 percent bracket, each one of your deductions is worth $150 for every $1,000 deduction.

If the purpose is to give some assistance to the taxpayer in supporting his dependents, then at least each dependent ought to be treated in the same way. I think it is sound tax policy and equity to say that every taxpayer will be allowed the same amount of money in support of each dependent. If we give a credit, it will be exactly the same for everybody. As the Senator suggested, it might even be more equitable if we tailored it to the larger at the bottom than at the top; but in any event, this is far more equitable than the present system. I cannot see any sound argument at all in opposition to it. I hope that the Senate will vote in support of the proposal made by the Senator from Maine.

Mr. CURTIS. Will the distinguished Senator yield for a question?

Mr. HATHAWAY. Yes, I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. How many taxpayers have a tax increase by virtue of this amendment?

Mr. HATHAWAY. The number of returns that would have an increase would be 21,625,000. The number that would have a decrease would be twice that amount.

Mr. CURTIS. That is the number of returns, but how many individuals?

Mr. HATHAWAY. I do not know.

Mr. CURTIS. In some instances, there would be several in a family on the one return.

What would this do in reference to the elderly who have some income, because, at the present time, they have doubled the personal exemption?

Mr. HATHAWAY. They would get a double credit under this provision. Every place where a person gets a $750 deduction he or she would get $175 credit.

Mr. CURTIS. But is it not true that this would mean a tax increase for every individual whose family income is taxed at 23 percent or more?

Mr. HATHAWAY. It would be about that, yes. Those with adjusted gross income of $17,000 and above would pay more taxes and those below would pay less taxes.

Mr. CURTIS. The Senator said 21 million returns would have a tax increase. How many would have a tax cut?

Mr. HATHAWAY. 42,245,000 would have a tax cut.

Mr. CURTIS. Returns?

Mr. HATHAWAY. That is in the number of returns, that is not individuals. I do not have the breakdown as to individuals.

Mr. CURTIS. In that 42 million, is the Senator not including some returns where there is no tax paid?

Mr. HATHAWAY. No; these are under current returns. There is another figure showing that if this went through, 3,368,000 would not have to file a return at all—or they would have no tax liability at all, I should say.

Mr. CURTIS. Many people file a return who may not have a tax liability.

Mr. HATHAWAY. All of these figures are computed on the basis of people paying something and they would have a decrease, because there is a separate figure showing which ones would pay no tax at all as a result of it.

Mr. CURTIS. It seems to me that if we are going to shift from an exemption to a credit, we ought to do it at some time when our situation was such that we were going to increase the amount so that the shift could be made without an actual increase in taxes for anybody. I believe that many taxpayers who, it would appear, would benefit by the Senator's amendment, are benefiting in a number of other ways, and probably do not have any tax liability.

Mr. HATHAWAY. The returns are on this chart, which I ask unanimous consent to have printed in the RECORD, along with my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED AGGREGATE DECREASE AND INCREASE IN FEDERAL INDIVIDUAL INCOME TAX LIABILITY, RESULTING FROM GRANTING A $175 NONREFUNDABLE MANDATORY CREDIT IN LIEU OF THE $750 EXEMPTION ALLOWANCE

[By adjusted gross income class; 1975 income levels; 1976 law (with full-year reductions)]

	Returns with tax decrease			Returns with tax increase		
Adjusted gross income class	Total number with tax decrease (thousands)	Number made nontaxable (thousands)	Decrease in tax liability (millions)	Number of returns (thousands)	Increase in tax liability (millions)	Net change in tax liability (millions)
0 to $5,000	6,928	1,886	$353			−$353
$5,000 to $10,000	18,505	1,528	1,375			−1,375
$10,000 to $15,000	13,789	230	1,117	2,899	$70	−1,047
$15,000 to $20,000	2,859	17	109	7,785	284	175
$20,000 to $30,000	146	5	9	7,701	1,056	1,047
$30,000 to $50,000	17	1	1	2,407	967	966
$50,000 to $100,000	2	(1)	(1)	687	537	537
$100,000 and over	(1)	(1)	(1)	147	144	144
Total	42,245	3,668	2,963	21,625	3,058	94

[1] Less than $500,000.

Note: Details may not add to totals because of rounding.

Mr. HATHAWAY. It indicates that the 42 million are those who are currently paying some tax.

Mr. CURTIS. Is it not true that for a married couple who have $10,000 or more income, this would be a tax increase?

Mr. HATHAWAY. No; it would be a decrease, up to about $17,000.

Mr. CURTIS. No, $10,000 or more.

Mr. HATHAWAY. It depends on how much more.

Mr. CURTIS. At $10,000, would they have it?

Mr. HATHAWAY. At $10,000, they would have a decrease in their tax liability as a result of this amendment.

Mr. CURTIS. At what point would they have an increase?

Mr. HATHAWAY. About $17,000.

Mr. CURTIS. I do not know if we are using the same figures or not, whether this is adjusted gross or whether it is not.

Mr. HATHAWAY. These figures were prepared by the staff of the Joint Committee on Internal Revenue Taxation on June 22 of this year.

Mr. CURTIS. I thank the Senator.

Mr. ALLEN. Will the Senator yield for a question?

Mr. HATHAWAY. Yes; I am happy to yield.

Mr. ALLEN. Would this amendment have a similar provision to the Kennedy amendment, that there would be a cash refund for any unused credit?

Mr. HATHAWAY. The answer to the Senator from Alabama is no, this is not a refundable credit.

Mr. ALLEN. When would that come? Would that come tomorrow or next week?

Mr. HATHAWAY. I do not intend to offer such an amendment. I do not know whether anybody else intends to or not.

Mr. ALLEN. Mr. President, will the Senator yield the floor? I want to make a comment on my own time.

Mr. HATHAWAY. I would be happy to yield the floor.

Mr. ALLEN. Of course, we are laying a precedent here for a move, if not as to this bill, certainly later, to provide for cash refunds to the potential taxpayer or the filer of a return of the unused credit, and I feel that that would be a bad precedent.

I remarked, in discussing the Kennedy amendment, in pointing out that in this bill and in his amendment it is the first time that I know of that the tax laws have provided that the taxpayer not only pay no taxes but that he get a cash subsidy from other taxpayers or from the Treasury, and the distinguished Senator from Louisiana (Mr. LONG) said:

> Well, no, this earned income credit is not based on taxes. It is based on the amount of earning.

Well, of course, I suggested that it was based on the amount of the social security paid, and he said, no, that was the original concept, and it was in the bill the first time it passed here in the Senate. But whether it is there or not in so many words it is there in actuality because we know that the employer and the employee under social security paid 5.85 percent, which would make it 11.7 percent, so they paid in 11.7 percent in social security taxes and then they got back 10 percent of what they have paid up to $4,000.

So that a $3,000 couple with child would get back $300, which is just about the amount of social security taxes they had paid. So actually this Kennedy amendment approach that has been agreed to by an overwhelming vote is the first time we have entered upon the concept of paying people for filing tax returns. Never before has that been done, so far as I know, and I feel like we are embarking upon a very dangerous course of mixing social programs with tax laws, and I think this credit we are talking about here, it will not be many days or many sessions of Congress before this credit is made refundable in the form of cash. I feel like we have entered upon a very dangerous precedent here in the Senate if we start letting some people pay taxes and other people file returns who get cash payments from the Treasury.

As I say, if we want social programs of that sort let us have social programs of that sort. Let us not write the tax laws in such a way as to provide for paying people for filing returns, not only wiping out the tax liability, which is done in the earned income credit, whether it is put on that basis or not, because it is there, because it is based on earned income on which social security is paid. So, in effect, it is paying back about nine-tenths of the social security payment made by the employer and employee.

By setting up this credit it will not be long before the argument is made, "Well, this group of taxpayers did not need this credit and, therefore, why should we penalize them for not using it up. Let us pay them in cash."

So it is just one step down the road toward further subsidies out of the tax laws. I do not object to wiping out all taxes for deserving individuals, but not to pay bonuses out of the Treasury. I believe this amendment, which sounds good on its face, is going to lead to another bad precedent.

Mr. HATHAWAY. Mr. President, if the Senator will yield, I would like to point out that we already have the social programs and we already allow the deduction. The point of this amendment is to make the program more equitable. We are already saying to the taxpayer, "Take $750 for every dependent and deduct it from your income." We know that because of the bracket system that is worth more to a person in the upper bracket than in the lower bracket, so we know it is inequitable.

If we were to come on the floor today and advocate a direct appropriation where we were going to give a person in the 60-percent tax bracket $450 for every child, and give a person in the 20-percent tax bracket $150 for every child it would be voted down 100 to 0, but that is just the effect of the $750 deduction.

The trouble is that the general public does not understand it. If they did, they would be out here in front of the Senate with clubs to get us to change it. That is just what I am trying to do here.

The Senator is correct, there may be later on someone who will offer an amendment to make it a refundable credit which will make it more equitable. I am not going to advocate it certainly at this time nor on this bill, but I would like to point out that we already have a social program, and this simply makes it a more equitable social program.

Mr. ALLEN. You do not have a social program to the extent of wiping out tax liability and then paying cash bonuses. That is nowhere in the law.

Mr. HATHAWAY. We do not have it to that extent; that is true.

Mr. ALLEN. Until today. Today is the the very first time that concept has been entered upon.

Mr. HATHAWAY. No; the first time was the earned income credit, which was advocated by the chairman of the Finance Committee.

Mr. ALLEN. But there, as I pointed out though, that is less than the amount the individual has paid in, he and his employer paid in, in social security taxes. So the taxes have been paid in such cases, not income taxes necessarily but social security taxes, in an amount in excess of the earned income credit.

Mr. HATHAWAY. The refund under the earned income credit is not limited to income for social security taxes. I mean, if you only pay $100 in taxes you are entitled to $200, and you are getting more in income tax from social security tax than what the employee paid.

Mr. ALLEN. The Senator is wrong about that. The social security tax of the employer and employee is 11.7 percent, and all he is getting back is 10 percent. So all of this is earned income, and all earned income is subject to social security tax. So for every dollar he has earned somebody has paid 11.7 percent in social security taxes, and all he is getting back is 10 percent. So there is no loss to the Treasury. Today for the first time we have entered upon a program providing for cash loss to the Treasury. Heretofore, it has been the wiping out of taxes or paying a bonus less than the amount paid in.

Mr. HATHAWAY. Well, it is a bonus to the extent of the individual because he has only paid half of that social security tax.

Mr. ALLEN. I understand, but still social security tax has been paid in to his credit by someone.

Mr. HATHAWAY. That is true, but that was not the design of the earned income credit.

Mr. ALLEN. Yes.

Mr. HATHAWAY. But, nevertheless, we get back to the earned income credit. We are just talking about a matter of degree in social programs. It would be more of a social program, and maybe a more equitable social program, if we made it refundable, because we would be sure that everybody got $175 per child, per dependent.

Mr. ALLEN. That is why I was asking the Senator if it contains that feature, and he said it did not now.

Mr. HATHAWAY. It does not contain that feature.

Mr. CURTIS. Mr. President, will the Senator yield further?

Mr. HATHAWAY. Yes.

Mr. CURTIS The Senator's proposal has some advantages, but it disturbs me, and I am thinking of a type of taxpayer who is entitled to a great deal of consideration: a husband and a wife with five children and $15,000 taxable income, which is not high, and they will have an increase of taxes of over $210.

According to my figures, with $15,000 of taxable income, a couple with five children under present law, and using the deduction, would pay $1572.50.

Under the Senator's proposal, they pay $1,785, or about $212.50 more.

We talk about burdens of taxes at various levels, and the burden of taxes is great on all people, but I believe that we would not have to go very far up the line of income and we would be reaching families that are totally self-supporting.

They have enough income, so many of the social benefits are not theirs. Under the Senator's proposal, he would be giving them quite an increase in taxes.

Mr. HATHAWAY. I think, if I may answer the Senator, having different figures, I do not know what the source of the figures are. Our break-even point is about $17,000 in adjusted gross income.

Mr. CURTIS. I am talking about taxable income and a family of five children. Of all the people that should not have a tax increase, it is such a family.

If they have $17,000 taxable income, they are not getting all these social benefits that are extended to a lot of people who have no income, or a very small one.

At that point, we are going to increase the taxes on them.

Now, I hope that if the Senator insists on pursuing his amendment, the Senate vote it down.

Mr. HATHAWAY. To answer the Senator, I do not think those figures are correct. The breaking point would be about $17,000. But I do not think that break-even point is necessarily too relevant here since twice as many tax returns are going to show a decrease in taxes paid as are going to show an increase in taxes paid.

Furthermore, the Senator, I think, would have to admit that it is more equitable to give a credit in a situation like this than to have a deduction.

Mr. CURTIS. No.

Mr. HATHAWAY. This is a subsidy to the individual to take care of the cost of his dependents. Why would we give them in the upper income more than in the lower income bracket?

It seems to me it should be the reverse.

Mr. CURTIS. I am talking about $15,000 taxable income, which means before exemptions. The way it figures out here, at that modest income for a family of seven, it would be a very sizable tax increase.

I do not believe that the distinguished Senator would want to do that, because if it is true at $15,000, it is going to be true up the line. Most of the people are not in the real high brackets.

But the Senator is reaching those people who are totally dependent on their own earnings and are not the recipients of many social benefits, and give them the tax break.

Mr. HATHAWAY. The Senator is giving twice as many a tax break as he is giving a tax increase, so I think from that point of view——

Mr. CURTIS. That does not mean it is just or that all those getting the tax increase are entitled to it.

I do not think we should raise the taxes on a $15,000 family of taxable income before exemptions, particularly if they have——

Mr. HATHAWAY. We cannot examine each family getting the benefit and say, "This one should have it and that one should not," any more than for the investment tax credit we can examine each company that will get the benefit of that and see whether or not each individual company needs it.

But, generally speaking, I think the Senator would agree if——

Mr. CURTIS. The tax credit is not paid to the company, it is paid to the purchaser in each instance.

SEVERAL SENATORS. Vote! Vote!

Mr. HATHAWAY. The tax credit can be subtracted from the company's tax liability.

Mr. CURTIS. No. It reduces the tax liability of the purchaser of equipment.

Mr. HATHAWAY. That is correct.

Mr. CURTIS. Not the producer.

Mr. HATHAWAY. That is what I am saying. He gets that deduction. He would be able to subtract that amount from his tax liability. Some companies may need that, some may not. I do not question that.

Mr. CURTIS. He has to do something particularly to do that. He has to make an expenditure and then get a credit.

I did not support it some years ago. I think it is clearly tax expenditure, but I believe it is one that has worked and I am supporting it.

Mr. HATHAWAY. But would the Senator agree that if we were starting from the beginning, and we had no deduction whatsoever for dependents, and if we were to make an appropriation of so much money to every family for each of their dependents that certainly we would at least make that amount equal per dependent regardless of the family's income and, if anything, we probably would make it a little bigger for the poorer family than the richer family?

Mr. CURTIS. It also gets into a bad theory. The Senator's illustration may imply that all income belongs to the Government and because we are going to tax it all, then appropriate a benefit back to the people.

The purpose and the intent of the personal exemption is based on the fact that here is a certain amount of income that is free of taxation.

As I said a minute ago, there might be a time when we would be in a position to increase the personal exemption, or credit, whichever one we use, where we could shift to this without giving an increase in taxes to so many people.

But I do not want to vote a tax increase on a family of five children with only $15,000 of taxable income prior to an exemption.

Mr. President, I yield the floor.

Mr. TALMADGE addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. TALMADGE. Mr. President, this is a prime example of how not to legislate, to suddenly spring an amendment on the floor of the Senate, write and rewrite the entire Tax Code of the United States, in some 10 minutes with Senators not having the slightest idea of how it will affect millions and countless millions of Americans.

In the first instance, the amendment does not even have an effective date. So it would become effective at the time the President signed it.

Also, the amendment does not change withholding rates to make withholding match the new tax liability. Everything done to date on withholding would be out of kilter.

In the past, over all these years, we have had an exemption and we have raised it periodically. It is now $750 per spouse or per dependent. We have recently introduced a credit of $35 per dependent in order to try to do justice to those in the very low-income brackets.

Now, in addition to the $35 credit, this would establish another $175 credit. We would not know how the credits would work, we would not know which would have priority, we would not know how they would mesh together on the withholding taxes.

It would make a jungle of the entire Revenue Code.

Something of this nature should first be proposed and sent to the Finance Committee, hearings ought to be held on the proposal where not only the Internal Revenue Service and the Treasury Department could comment, but also the people throughout the length and breadth of this country.

But we do not have that. We have it suddenly thrust on us on the Senate floor. We do not even have calculators on the Senate floor. They are not permitted on the Senate floor. We have to rely on our experts to make the estimates of the effects of the amendment as best they can in a period of seconds or minutes with tablets and pencils.

Here is what the amendment would do, Mr. President. It would raise taxes on 21,625,000 tax returns.

Here is what it would do further: It would increase taxes on everyone in tax brackets higher than 23 percent.

Here is what it would do for a single individual with an adjusted gross income of $8,450: It would raise his taxes.

Here is what it would do for a couple, a man and wife, with income of $15,600: It would raise their taxes.

The great hue and cry that we hear throughout America at the present time is that the tax burden falls unjustly on middle America, the working people who earn $12,000, $14,000, $15,000, and $18,000 a year.

That is exactly what this amendment would do—it would raise taxes on them.

They are not the people who get the benefit of food stamps. They are not the people who get the benefit of public housing. They are not the people who get the benefit of free scholarships. They are not the people who get the benefit of medicaid. These are the God-fearing, hard-working people who work for a living, pay their taxes, and make this country great. That is exactly the group on whom the Senator's amendment will put an added burden. I hope the amendment will be rejected.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. MORGAN), the Senator from Minnesota (Mr. MONDALE), the Senator from Montana (Mr. METCALF), the Senator from California (Mr. TUNNEY), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

I also announce that the Senator from Florida (Mr. STONE) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. TOWER. I announce that the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Pennsylvania (Mr. HUGH SCOTT) is absent on official business.

The result was announced—yeas 18, nays 70, as follows:

[Rollcall Vote No. 402 Leg.]

YEAS—18

Abourezk
Bayh
Biden
Brooke
Case
Clark
Culver
Durkin
Hart, Philip A.
Haskell
Hathaway
Mansfield
McIntyre
Nelson
Pell
Proxmire
Stevenson
Williams

NAYS—70

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Glenn
Gravel
Hansen
Hart, Gary
Hartke
Hatfield
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGee
Montoya
Moss
Muskie
Nunn
Pastore
Pearson

Percy
Randolph
Ribicoff
Roth
Schweiker
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—12

Garn
Goldwater
Griffin
Humphrey
McGovern
Metcalf
Mondale
Morgan
Packwood
Scott, Hugh
Stone
Tunney

So Mr. HATHAWAY's amendment (No. 1922) was rejected.

Mr. JAVITS. Mr. President, are we at title VIII of the bill now?

The PRESIDING OFFICER (Mr. HUDDLESTON). The Senator is correct. We are on title VIII.

AMENDMENT NO. 1901

Mr. JAVITS. Mr. President, I send to the desk an amendment on behalf of myself and Senators RIBICOFF, PELL, HUMPHREY, MAGNUSON, and DURKIN.

I ask that it be made the pending business.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) for himself and Mr. RIBICOFF, Mr. PELL, Mr. HUMPHREY, Mr. MAGNUSON, and Mr. DURKIN, proposes amendment numbered 1901.

The amendment is as follows:

On page 846, after line 21, insert the following:

SEC. 1326. DONATIONS OF WORKS OF ART BY ARTISTS TO CHARITABLE ORGANIZATIONS.

(a) IN GENERAL.—Section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraphs:

"(3) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—In the case of a charitable contribution of a literary, musical, or artistic composition by a taxpayer described in paragraph (3)(A) of section 1221 to an organization described in section 501(c)(3), paragraph (1) shall not apply, except to the extent that the total amount of such contributions by the taxpayer for the taxable year exceeds the smaller of—

"(A) $25,000, or

"(B) the gross income for the taxable year of the taxpayer attributable to the sale of literary, musical, or artistic compositions in that taxable year and in previous taxable years.

"(4) The special rule of paragraph (3) shall only apply if the taxpayer receives from the donee a written statement that the donated property represents material of historical, artistic, musical, or literary significance and that the use by the donee will be related to the purpose or function constituting the basis for its exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described in subsection (c)(2)(B)), and shall not apply in the case of charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while he held an office under the Government of the United States or of any State or political subdivision thereof if the writing, preparations, or production of such property was related to, or arose out of, the performance of the duties of such office."

(b) CONFORMING AMENDMENT.—Section 170(d) (relating to carryovers of excess contributions) is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL FOR AMOUNTS DETERMINED UNDER SUBSECTION (e)(3).—In applying subparagraph (A), of paragraph (3), the excess determined under subparagraph (A) for the contribution year shall be reduced to the extent that such excess reflects amounts determined by reference to subsection (e)(3)."

(c) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1976.

Mr. JAVITS. Mr. President, the reason for proposing this amendment to this particular title of the bill is that of the feeling that it is not necessary to ask unanimous consent to include it in title VI, where it belongs, it would be more convenient to the manager of the bill, and so I have proposed it for title VIII, and I understand it is satisfactory to the manager.

Mr. HATHAWAY. Mr. President, in light of the vote on the last amendment, which I offered, I am not going to offer two other amendments, one of which would change the interest deduction on all personal interest to a credit of 19 percent of that deduction, and the other of which, if that had failed, would change the mortgage interest deduction to a credit of 19 percent of that.

Both of these I think have the same basic argument that was offered in favor of the amendment which was just defeated.

Obviously, the Senate is not ready at this time to change these deductions which have for a long time been in the law to credits which I feel would be more equitable.

Hopefully, hearings can be held on these particular measures in the not too distant future, and perhaps more Members will be persuaded that the credit route for nonbusiness deductions is certainly much more equitable than the deduction route.

Mr. HATFIELD. Mr. President, I am pleased to express support for the amendment offered by my colleague from Kentucky, Senator HUDDLESTON and agreed to by the Senate yesterday. The amendment provides a specific time frame for the study of tax simplification. While a great many weighty issues have been dealt with in connection with H.R. 10612, the bill does not take significant steps toward simplification. It is my hope that the Joint Committee on Taxation will view this assignment very seriously.

In offering my bill, S. 802, to the Senate early this session, I put forward a plan for tax simplification and reform which is of the type which is to be considered by the joint committee. I understand that the Treasury Department has been giving consideration to a similar proposal to broaden greatly the tax base by eliminating all or most tax deductions and credits. Hopefully, there will be other options which will be considered in this study.

Virtually every "tax reform" bill which has been carried through the tax committees and to the floor of each body quickly has lost its characteristics of reform and simplification. Unless and until we are willing to wipe the slate clean of the myriad of tax expenditures and begin again with a fair and understandable tax code, we will make little progress toward tax reform. I welcome the study to be undertaken by the joint committee and I commend my colleague, Senator HUDDLESTON, for offering his amendment.

TAX SIMPLIFICATION

Mr. ROTH. Mr. President, I would like to call to the attention of the Senate the provisions in the tax reform bill dealing with simplification of the individual income tax laws. Tax simplification is one of my major goals, and despite the many difficulties involved in simplifying the tax laws, the tax reform bill does contain a number of significant simplification provisions. The committee bill simplifies and reduces the number of tax tables taxpayers must use to compute their taxes. This provision will reduce the number of tax tables from 12 to 4, and it is estimated that more than 90 percent of taxpayers will be able to benefit from the new simplified tax tables. The committee amendment also repeals and simplifies a number of "deadwood" provisions in the law, those provisions which are no longer used or of little importance. This provision would repeal almost 150 sections of the code and amend about 850 other provisions.

In addition, the committee amendment would make important changes in the law which amend and simplify the deduction for alimony payments, the retirement income credit, the child care credit, the sick pay exclusion, and moving expense deductions.

I would also like to call to every Senator's attention a little-noticed but significant provision approved by the Finance Committee. This provision is an amendment which I proposed instructing the staff of the Joint Committee on Taxation to conduct a comprehensive study of ways to simplify the income tax system.

Under this amendment, the bipartisan joint committee staff, which in my opinion is the most professional and highly respected staff in Congress, will conduct a study to determine how our tax laws can be simplified and tax rates reduced by repealing or simplifying deductions, exemptions, and credits.

There is a growing discontent about our Nation's tax laws and despite years of promises for tax reform, the tax laws have become more complex and less equitable. It must be a top priority to make the tax laws fairer and more understandable for the general public.

Our goal should be a tax system that can be understood by the average taxpayer and not just by the tax specialist. The only way this can be accomplished is to reduce the hundreds of deduction, exceptions and credits to a minimum number of deductions for personal exemptions and charitable and religious deductions, and to combine this action with a substantial reduction in the tax rates.

I am hopeful that this study will lead to the same type of reforms that the Joint Budget Study Committee accomplished 3 years ago. That study led to the enactment of the Budget Reform Act, which has been hailed as the most significant congressional reform in years. As a member of that study committee, I recognize the important contributions a comprehensive study can have in accomplishing reforms, and I am hopeful this tax simplification study will also result in significant reforms.

COMMITTEE STUDY INDICATES POSSIBILITY THAT 1 MILLION JOBS WERE SAVED AS A RESULT OF SMALL BUSINESS TAX REDUCTIONS OF 1975

Mr. NELSON. Mr. President, since the Senate will shortly be called upon to consider the extension of the tax reductions for small business enacted by the emergency Tax Reduction Act of 1975 (P.L. 94-12), I would like to report some preliminary results of a survey conducted by the Select Committee on Small Business which suggests that between one-half million and 1 million jobs may have been saved last year because of congressional recognition of smaller firms in that legislation.

STATUS OF THE SMALL BUSINESS PROVISIONS

The present parliamentary situation is that the Senate Finance Committee has recommended that the small business rate reductions be made permanent as a part of the Tax Reform Act of 1975 (H.R. 10612). The House of Representatives, in contrast, has voted to extend them only through 1977. The impact of the small business provisions would thus also be relevant to the drafting and consideration of a conference report by both Houses.

The question of the shape of the emergency tax cuts first arose early last year as a response to the worst U.S. recession since the Great Depression of the 1930's. Under the administrational proposal, which was limited to increasing the investment tax credit, the small business community would have received approximately 25 percent of the $4 billion in proposed business tax cuts—or $1 billion—but with the following drawbacks: This tax benefit applies only after purchase of equipment so it is the least valuable to firms that are labor-intensive, a hallmark of small business. Also at that time the credit further restricted to include only $50,000 worth of used machinery, the kind that new and small enterprises typically purchase.

The Select Committee on Small Business, of which I am chairman, questioned that approach to stimulating the economy, pointing out further that the benefits of investment credit are highly concentrated, and, in fact, about 350 of the largest American companies would receive over 40 percent of the entire credit. In opening hearings on February 2, 1975, we raised the question of distribution of benefits between large and small businesses in the following terms:

> The gross national product figures tell us that approximately 65 percent of all spending in the economy is by consumers. This provides a rough rule of thumb of how tax and other stimulative measures should be divided between consumers and businesses.
>
> As to the remaining 35 percent, the best Government statistics we have tell us that small business accounts for about 97 percent of the number of businesses, one-half of all the employment, and one-third of the gross national product. These figures seem to argue for a substantial fraction of the business tax benefits to go to the small business sector—perhaps one-third, if our objective is to stimulate the economy generally, or closer to one-half if we are most interested in expanding employment.

These hearings brought about changes to the business provisions to provide for a tax reduction from 22 to 20 percent on the first $25,000 of corporate earnings; and an additional reduction from 48 to 22 percent on the next $25,000 of corporate earnings; and an increase to $100,000 in the amount of used machinery eligible for the increased investment credit.

As a consequence of this congressional action, smaller businesses ultimately received about $1.323 billion in benefits, or 37.54 percent of the $3.572 billion in business reductions contained in the bill.* This would constitute a proportion about 50 percent higher than under the administration proposal.

EXAMINING THE EFFECTS OF THESE DECISIONS

Did this strategy work? Did it help small business and did it help the economy? The select committee has sought, through hearings and related research, to find out.

As a part of this effort, a questionnaire was formulated, with the advice and assistance of the Joint Committee on Internal Revenue Taxation. It asked small businessmen for their actual decisions based upon the 1975 tax reductions in terms of jobs saved or added, new investment, reduction of indebtedness, compensation, and so forth.

This questionnaire was subsequently distributed to a sampling of about 15,000 small and independent businessmen in each of the major types of commerce, including: retailing, wholesaling, manufacturing, construction, and services.

Over 2,000 enterprises took the time and trouble to reply to the questions, and the results of this questionnaire are just beginning to be evaluated. Because of the potential importance of these matters to small business and to the pending legislation, I would like to give the Senate a preview of one aspect of the survey dealing with employment.

NUMBER OF JOBS PRESERVED

The survey asked the following question: "If there had been no tax reduction for 1975, how many employees would your business have been required to lay off?" In response to this question, 2,130 respondents, with a total employment of approximately 57,000, stated that 1,580 jobs were saved in their companies. This amounted to three jobs saved per company, or 2.77 percent of the work force in these businesses.

At first glance, 1,580 jobs may appear to be rather insignificant, compared to a potential work force of 93 million people. However, if only medium-sized corporations—which can be generally defined as having over $25,000 in net income, and which made up over two-thirds of the survey respondents—are used as a base, the total would be about 225,000 medium-sized companies. If half of these reacted to the emergency tax cuts, as the survey also indicates, the result would be 112,500 multiplied by 3 positions, or almost 350,000 jobs saved in this sector of the economy. Since 90 percent of U.S. corporations earn less than $25,000, it is likely that the remaining 1.8 million small companies would add substantially to that total, making an estimate of one-half million jobs save an estimate of one-half million jobs saved quite conservative.

If the retention ratio of 2.77 percent is related to the fact that small business accounts for over half the private employment in this country, a simple arithmetical projection—2.77 percent times 36.7 million—would give a total of 1 million jobs retained. But since the 36.7 million includes both corporate and noncorporate business, this may be a little on the high side. What the figures should be will be addressed, and I hope resolved, by experts inside and outside of Government, to whom we will send the findings of the survey when they are published.

We certainly do not claim that a straight-line projection is necessarily a preferred method of analysis, and we do not wish to overinflate our claims in this area. The committee will assure that the statistical results will be subjected to thorough examination by trained experienced economists in all walks of life. We do contend that the size and the distribution of the sample and the care in drafting and testing the questionnaire invite such serious consideration and that our calculations are suggestive.

But, to the extent that this study reflects reality, it seems to show very significant benefits resulting to the economy as a whole from the decisions of the Congress to distribute about $1.323 billion in rate reductions of the total $22.8 billion of benefits in the emergency tax bill to the small business sector.

Relating these figures, rough as they admittedly are, to overall unemployment would place the unemployment rate for the third quarter of 1975 from one-half point to a full point higher than it otherwise would have been. In other words, the national unemployment rate might have been 9 or 9.5 percent rather than 8.5 percent.

Several scholars have observed that concentrating the same tax reductions in the investment credit would not have had these effects on employment, because buying new machinery may not automatically tend to increase employment. It may tend to reduce the number of jobs somewhat. For example, a recent study of the possible use of the investment credit to foster rural development came to the following conclusion:

> * * * in general, capital-tied incentives increase the substitution of capital for labor * * * and to this extent such subsidies act counter to stated program purposes (and) discriminate against labor intensive firms, placing at a competitive disadvantage the very businesses intensive in the productive factor for which the tax subsidy is theoretically designed.*

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* Estimate of the Joint Committee on Internal Revenue Taxation; defining "small business" as firms with less than $50,000 in net income, except as to the surtax, where corporations with between $50,000 and $100,000 net income are included. If the $50,000 limit is adhered to throughout, the comparable figures are $1.259 billion in benefits and 35.24 percent of the total for smaller firms.

*See "Alternative Tax Subsidies for the Training and Employment of the Unemployed," by Kenneth R. Biederman, in "The Economics of Federal Subsidy Programs," a Compendium of Papers submitted to the Joint Economic Committee, Part 4—Higher Education and Manpower Subsidies. Aug. 28, 1975, p. 541 et seq., p. 547.

Further, if the half-million or 1 million jobs were in fact saved, and this figure were multiplied by the average yearly wage for 1975—which was about $8,500—the amount of wages saved would amount to $4¼ billion to $8½ billion, and the Federal taxes—assuming an average-sized family of four—would amount to between $292.5 million and $585 million.

Among the fascinating possible implications of such figures for study would be:

First, the direct return of somewhere between 22 and 44 percent of small business tax cuts in income taxes in the first year alone, with additional revenues from income, sales, and other taxes thereafter. These revenue savings, in my view, should be savings on unemployment, welfare, food stamps, and other combined with estimates of further such benefits to assess the total return of this investment; and

Second, the surprisingly small amount of tax dollars that were apparently needed per each job retained. To the extent that these indications might turn out to be valid guides, the cost seemed to be in the neighborhood of $1,500 to $3,000 per job.

This would be in marked contrast to estimates by other authorities of $9,090 to directly finance a public service job and $66,667 in general tax cuts to finance a job indirectly.[1] On previous occasions, the committee has referred to conference board studies showing that the average capital invested per job approximates $30,000 with a low of about $10,000 in such industries as apparel, furniture, and leather and approximately $15,000 in miscellaneous manufacturing.[2]

The hypotheses arising from our survey, for that is all they are at this point, surely needed to be rigorously analyzed and tested. The next step will be publication of the survey results later this year and we intend to circulate them widely so that all who are interested may have an opportunity to apply their own methods and their own computers, and so that they may come to their own conclusions.

But, if the final results are anything like the preliminary ones, they signal a great benefit from distributing tax benefits fairly and equitably between small, medium, and large businesses. The indications from the data constitute a strong argument for retaining the three-tiered tax structure ushered in by Public Law 94–12 which makes the essential distinctions between small, medium-sized, and large businesses. I would hope that Congress will act to make this structure permanent for the well-being of 13 million smaller and medium-sized businesses, their employees, and the entire American economy.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS, CONSIDERATION OF S. 2212, AND RESUMPTION OF H.R. 10612

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a brief period for the transaction of routine morning business, not to extend beyond 30 minutes, with statements therein limited to 5 minutes each, at the conclusion of which the Senate will proceed to the consideration of Calendar Order No. 804, S. 2212, the LEAA bill, and that if action is not completed on that bill prior to the hour of 2 p.m. tomorrow the Senate no later than the hour of 2 p.m. tomorrow resume consideration of the unfinished business, the tax reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO SENATOR STONE

Mr. ROBERT C. BYRD. Mr. President, Senator Stone could not be present for the votes today subsequent to the vote to override the President's veto of S. 3201, the antirecessionary public works employment bill. He has a very high temperature and is confined to his home, but he, nevertheless, came to the floor at the request of the leadership and voted to override the veto. He manifested a desire, notwithstanding his physical condition, to remain near the floor for the remainder of today's votes, but both the majority leader and I insisted that he return home immediately following the override vote. Senator Stone's willingness to come to the floor today, in spite of a very severe cold, indicates a high sense of responsibility and dedication to duty worthy of recognition and emulation.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, if the House of Representatives overrides the Presidential veto of the military construction bill tomorrow, it is the intention of the leadership to bring that matter to a vote in the area of 3:30 p.m. to 4 p.m. I am in no position at the moment to state exactly what hour, but that would be the approximate time for the vote to override the President's veto of the military construction bill, in the event the House of Representatives overrides that bill prior to that time.

There will be rollcall votes on amendments to the omnibus crime control and safe streets bill, and it is possible that final passage of that measure could occur by the hour of 2 p.m. tomorrow.

However, in the event action is not completed on that bill by 2 p.m., the Senate will resume consideration of the unfinished business, the tax reform bill, and rollcall votes will continue thereon.

Mr. President, it is the present understanding, as indicated earlier, that there will be a vote on the attempted override of the President's veto of the military construction bill tomorrow afternoon, in the event the other body overrides that veto tomorrow.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETO OF MILITARY CONSTRUCTION AUTHORIZATION, 1977—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that in the event the House of Representatives votes to override the President's veto of the military construction bill tomorrow, the Senate proceed, at 3:30 p.m., to debate the override, with a vote on the override to occur no later than 4 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that such time as may be consumed for debate between 3:30 p.m. and 4 p.m. tomorrow be equally divided between the majority leader and the minority leader or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 tomorrow morning.

The motion was agreed to; and at 6:51 p.m., the Senate adjourned until tomorrow, Thursday, July 22, 1976, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 21, 1976:

Department of State

Stanley E. Shirk, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador.

Department of the Treasury

Stanley E. Shirk, of Connecticut, to be Comptroller of the Currency, vice James E. Smith, resigned.

Office of Science and Technology Policy

H. Guyford Stever, of the District of Columbia, to be Director of the Office of Science and Technology Policy (new position).

Federal Communications Commission

Joseph R. Fogarty, of Rhode Island, to be a member of the Federal Communications Commission for the unexpired term of 7 years from July 1, 1971, vice Charlotte T. Reid, resigned.

Securities and Exchange Commission

Patrick J. Delaney, of New York, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1981, vice A. A. Sommer, Jr.

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[1] Summary Table 1, "Temporary Measures to Stimulate Employment: An Evaluation of Some Alternative," Congressional Budget Office, Sept. 2, 1975, p. v.

[2] Capital Invested per Employee," Road Maps of Industry No. 1749, The Conference Board, Nov. 1, 1974; reprinted in Hearings, "Small Business Tax Reform, June 17, 18, and 19, 1975, p. 548.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 21, 1976:

National Mediation Board

David H. Stowe, of Maryland, to be a member of the National Mediation Board for the term expiring July 1, 1979.

National Commission on Libraries and Information Science

The following-named persons to be members of the National Commission on Libraries and Information Science for the terms indicated:

For the remainder of the term expiring July 19, 1977.

Ralph A. Renick, of Florida.

For terms expiring July 19, 1980.

Frederick H. Burkhardt, of Vermont.

Marian Pollensky Leith, of North Carolina.

Mildred E. Younger, of California.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, July 21, 1976*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Humble yourselves in the sight of the Lord and He will lift you up.—James 4: 10.

O God, our Father, whose love never lets us go, whose strength never lets us down, and whose justice never lets us off, with the dawn of a new day we come to Thee praying for courage, understanding, and wisdom as we face the tasks that await us.

In these trying times when crucial decisions are to be made, let not discouragements depress us, nor defeats disillusion us, nor disappointments make us desolate, but may Thy spirit lift us up, hold us steady and keep us steadfast that we may now and always do justly, love mercy, and walk humbly with Thee.

"To serve the present age,
My calling to fulfill;
O may it all my powers engage
To do my Father's will."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and concurrent resolution of the House of the following titles:

H.R. 13308. An act to amend the Federal Aviation Act of 1958 to extend the authority of the Secretary of Transportation with respect to war risk insurance; and

H. Con. Res. 678. Concurrent resolution directing the Clerk of the House to make a correction in the enrollment of H.R. 11504.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3295) entitled "An act to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain housing programs under the National Housing Act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14231) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 2, 3, 4, 12, 22, 28, 31, 40, 48, 53, 54, 55, 60, 65, and 72 to the foregoing bill.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 366. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty;

H.R. 5465. An act to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes;

H.R. 9460. An act to provide for the establishment of a constitution for the Virgin Islands; and

H.R. 9491. An act to provide for the establishment of a constitution for Guam.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 366) entitled "An act to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McClellan, Mr. Philip A. Hart, Mr. Kennedy, Mr. Hruska, and Mr. Thurmond to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 972. An act to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes.

APPOINTMENT AS MEMBERS OF COMMISSION ON ADMINISTRATIVE REVIEW

The SPEAKER. Pursuant to the provisions of House Resolution 1368, 94th Congress, the Chair appoints as members of the Commission on Administrative Review the following Members of the House:

The gentleman from Wisconsin, Mr. Obey, Chairman;

The gentleman from Illinois, Mr. Price;

The gentleman from Washington, Mr. Meeds;

The gentleman from Indiana, Mr. Hamilton;

The gentleman from New Hampshire, Mr. D'Amours;

The gentleman from Minnesota, Mr. Frenzel;

The gentleman from Colorado, Mr. Armstrong; and

The gentleman from Maryland, Mr. Bauman.

And the following members from private life:

Mr. Ralph Huitt, Washington, D.C.;

Dr. Charles U. Daly, Cambridge, Mass.;

Ms. Lucy Benson, Amherst, Mass.;

Mr. William DuChessi, Amsterdam, N.Y.;

Mr. William Hamilton, Washington, D.C.;

Mr. Robert W. Galvin, Schaumberg, Ill.; and

Mr. Roscoe Egger, Washington, D.C.

CONFERENCE REPORT ON H.R. 13655, AUTOMOTIVE TRANSPORT RESEARCH AND DEVELOPMENT ACT OF 1976

Mr. McCORMACK submitted the following conference report and statement on the bill (H.R. 13655) to establish a 5-year research and development program leading to advanced automobile propulsion systems, and for other purposes:

Conference Report (H. Rept. No. 94–1351)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the text of the bill (H.R. 13655) to establish a five-year research and development program leading to advanced automobile propulsion systems, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

That this Act may be cited as the "Automotive Transport Research and Development Act of 1976".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) existing automobiles, on the average, fall short of meeting the long-term goals of the Nation with respect to environmental protection, safety, and energy conservation;

(2) advanced alternatives to existing automobiles could, with sufficient research and development effort, meet these long-term goals, and have the potential to be mass produced at reasonable cost; and advanced automobiles could operate with significantly less adverse environmental impact and fuel consumption than existing automobiles, while meeting all of the other requirements of Federal law;

(3) insufficient resources are being devoted to both research on and development of advanced automobile technology;

(4) an expanded research and development effort with respect to advanced automobile technology would complement and stimulate corresponding efforts by the private sector and would encourage automobile manufacturers to consider seriously the incorporation of such advanced technology into automobiles and automobile components; and

(5) the Nation's energy safety, and environmental problems are urgent, and therefore advanced automobile technology should be developed, tested, demonstrated, and prepared for manufacture within the shortest practicable time.

(b) It is therefore the purpose of the Congress in this Act to—

(1)(A) direct the Energy Research and Development Administration to make contracts and grants for research and development leading to the development of advanced automobile propulsion systems, advanced automobile subsystems, and integrated test vehicles within 5 years of the date of enactment of this Act, or within the shortest practicable time consistent with appropriate research and development techniques, and (B) evaluate and disseminate information with respect to advanced automobile technology.

(2) preserve, enhance, and facilitate competition in research, development, and production with respect to existing and alternative automobiles, automobile propulsion systems, and automobile components; and

(3) supplement, but neither supplant nor duplicate, the automotive research and development efforts of private industry.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Administrator" means the Administrator of the Energy Research and Development Administration;

(2) "advanced automobile" means a personal-use transportation vehicle which is fuel-propelled and is energy-efficient, safe, reliable, damage-resistant, and environmentally sound, and which—

(A) requires, consistent with environmental requirements, the least total amount of energy to be consumed with respect to its fabrication, operation, and disposal, and represents a substantial improvement over existing automobiles with respect to such factors;

(B) to the extent practicable, is capable of utilizing different types of fuel;

(C) can be mass produced at the lowest possible cost consistent with the requirements of this Act;

(D) has a projected ownership cost to the first owner which is competitive with automobiles of the same size and class which are produced using standard technology, taking into account the other features of such advanced automobile which may justify costs different than those associated with standard technology;

(E) operates safely and with sufficient performance with respect to acceleration, cold weather starting, cruising speed, and other performance factors;

(F) to the extent practicable, is capable of intermodal adaptability; and

(G) at a minimum, can be produced, distributed, operated, and disposed of in compliance with any requirement of Federal law, including requirements for fuel economy, exhaust emissions, noise control, safety, and damage resistance;

(3) "advanced automobile propulsion system" means an energy conversion system, including engine and drive train, which utilizes advanced technology and is suitable for use in an advanced automobile;

(4) "advanced automobile subsystem" means a subsystem which impacts materially the performance of the automobile in terms of fuel economy, environmental impact, safety, damageability, or reliability, and for which there is promise of technological improvement in such performance through research and development;

(5) "damage resistance" refers to the ability of an automobile to withstand physical damage when involved in an accident;

(6) "developer" means any person engaged in whole or in part in research or other efforts directed toward the development of advanced automobile technology;

(7) "fuel" means any energy source capable of propelling an automobile;

(8) "fuel economy" refers to the average distance traveled in representative driving conditions by an automobile per unit of fuel consumed, as determined by the Administrator of the Environmental Protection Agency in accordance with test procedures which shall be established by rule and shall require that fuel economy tests be conducted in conjunction with the exhaust emissions tests mandated by section 206 of the Clean Air Act (42 U.S.C. 1857f-5);

(9) "integrated test vehicle" means a vehicle which incorporates an advanced automobile propulsion system and other advanced automobile subsystems and which is used to determine, when functioning in an integrated manner, the compatibility and performance characteristics of these advanced subsystems over their useful life, (A) consistent with the Nation's need to increase substantially automobile fuel economy, to reduce substantially environmental impact, to conform to Federal requirements, including safety and damageability standards, and otherwise to provide automobiles satisfactory to consumers without unduly compromising the advanced automotive propulsion system and other subsystems; and (B) compatible with the criteria for an advanced automobile;

(10) "intermodal adaptability" refers to any characteristics of an automobile which enable it to be operated or carried, or which facilitate its operation or carriage, by or on an alternative mode or other system of transportation;

(11) "reliability refers to (A) the average time and distance over which normal automobile operation can be expected without significant repair or replacement of parts, and (B) the ease of diagnosis and repair of an automobile, its systems, and parts in the event of failure during use or damage from an accident;

(12) "safety" refers to the performance of an automobile or automobile system or equipment in such a manner that the public is protected against unreasonable risk of accident and against unreasonable risk of death or bodily injury in case of accident;

(13) "Secretary" means the Secretary of Transportation; and

(14) "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.

DUTIES OF THE ADMINISTRATOR

SEC. 4. (a) The Administrator shall establish, within the Energy Research and Development Administration, a program to insure the development of advanced automobile propulsion systems, advanced automobile subsystems, and integrated test vehicles within 5 years after the date of enactment of this Act, or within the shortest practicable time, consistent with appropriate research and development technique. In conducting such program, the Administrator shall—

(1) establish and conduct new projects and accelerate existing projects which may contribute to the development of advanced automobile propulsion systems, advanced automobile subsystems, and integrated test vehicles;

(2) give priority attention to the development of advanced propulsion systems with appropriate attention to those advanced propulsion systems which are flexible in the type of fuel used, except that in integrating the various features of an automobile or the purpose of constructing integrated test vehicles, the Administrator shall incorporate advanced technology with respect to safety, damageability, and the other features of an integrated test vehicle in a manner which recognizes the automobile as a personal transportation system; and

(3) insure that research and development under this Act supplements, but neither supplants nor duplicates, the automotive research and development efforts of private industry.

(b) The Administrator shall, in fulfilling his responsibilities under this Act, make contracts and grants with any Federal agency, laboratory, university, non-profit organization, industrial organization, public, or private agency, institution, organizational, corporation, partnership, or individual for—

(1) research and development leading to advanced automobile propulsion systems which are likely to help meet the Nation's long-term goals with respect to fuel economy, environmental protection, and other objectives;

(2) research and development on other automobile subsystems in which possible improvements can be identified and which are suitable for inclusion in an integrated test vehicle; and

(3) the integration of advanced automobile propulsion systems developed under this program, with other advanced automobile subsystems developed under this program or elsewhere, into integrated test vehicles, which will be fully tested to determine the characteristics of such advanced propulsion system and other subsystems when integrated.

(c) In providing financial assistance under this Act, the Administrator shall give full consideration to the capabilities of Federal laboratories, except that not more than 60 per centum of the funds appropriated pursuant to the authorization under section 12 shall be directly expended in Federal laboratories. In accordance with section 7, such laboratories shall be available for testing components and subsystems which, in the Administrator's judgment, is likely to contribute to the development of advanced automobiles.

(d) The Administrator shall conduct evaluations, arrange for tests, and disseminate information pursuant to section 7 and submit reports required under section 10.

(e) The Administrator shall intensify research in key basic science areas in which the lack of knowledge limits development of advanced automobile propulsion systems.

DUTIES OF THE SECRETARY

SEC. 5. The Secretary, in furtherance of the purposes of this Act, shall evaluate the extent to which the automobile industry utilizes advanced automotive technology which is or could be made available to it. The Secretary shall submit a report to the Congress each year on the results of such evaluation including any appropriate recommendations which may encourage the utilization of advanced automobile technology by the automobile industry.

COORDINATION AND CONSULTATION

SEC. 6. (a) The Administrator shall have overall management responsibility for carrying out the program under section 4. In carrying out such program, the Administrator, consistent with such overall management responsibility—

(1) shall utilize the expertise of the Department of Transportation to the maximum extent practicable in the areas of safety and damageability research and development and, to the extent deemed appropriate by the Administrator, in other areas of research and development on automobile technology; and

(2) may utilize any further Federal agency (except as provided in paragraph (1)) in accordance with subsection (c), in carrying out any activity under this Act, to the extent that the Administrator determines that any such agency has capabilities which would allow such agency to contribute to the purposes of this Act.

(b) The Secretary, whenever the expertise of the Department of Transportation is utilized in accordance with subsection (a), may exercise the powers granted to the Administrator under subsection (c) and shall enter into contracts and make grants for such purpose, subject to the overall management responsibility of the Administrator.

(c) The Administrator may, in accordance with subsection (e), obtain the assistance of any department, agency, or instrumentality of the executive branch of the Federal Government upon written request, on a reimbursable basis or otherwise and with the consent of such department, agency, or instrumentality. Each such request shall identify the assistance the Administrator deems necessary to carry out any duty under this Act.

(d) The Administrator shall consult with the Administrator of the Environmental Protection Agency and the Secretary, and shall establish procedures for periodic consultation with representatives of science, industry, and such other groups as may have special expertise in the area of automobile research, development, and technology. The Administrator may establish such advisory panels as he deems appropriate to review and make recommendations with respect to application for funding under this Act.

(e) Nothing contained in this Act shall be construed to reduce in any way the responsibilities of the Administrator for automotive research, development, and demonstration under the Energy Reorganization Act of 1974 (42 U.S.C. 5801 et seq.) and the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901 et seq.)

EVALUATION, TESTING, AND INFORMATION DISSEMINATION

SEC. 7. (a) The Administrator shall, for the purposes of performing his responsibilities under this Act, consider any reasonable new or improved technology, a description of which is submitted to the Administrator in writing, which could lead or contribute to the development of advanced automobile technology.

(b) The Administrator of the Environmental Protection Agency shall test, or cause to be tested, in a facility subject to Environmental Protection Agency supervision, each integrated test vehicle developed in whole or in part with Federal financial assistance under this Act, or referred to the Administrator of the Environmental Protection Agency for such purpose by the Administrator, to determine whether such vehicle complies with any exhaust emission standards or any other requirements promulgated or reasonably expected to be promulgated under any provision of the Clean Air Act (42 U.S.C. 1857 et seq.), the Noise Control Act of 1972 (42 U.S.C. 4901 et seq.), or any other provision of Federal law administered by the Administrator of the Environmental Protection Agency. In conjunction with any test for compliance with exhaust emission standards under this section, the Administrator of the Environmental Protection Agency shall also conduct tests to determine the fuel economy of such vehicle. The Administrator of the Environmental Protection Agency shall submit all test data and the results of such tests to the Administrator.

(c) The Secretary shall test, or shall cause to be tested in a facility subject to supervision by the Secretary, each type of integrated test vehicle developed in whole or in part with Federal financial assistance under this Act, or referred to the Secretary for such purpose by the Administrator, to determine whether such vehicle complies with any standards promulgated as of the date of such testing, or reasonably expected to be promulgated in the future, under any provision of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.), the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.), the Automobile Information Disclosure Act (15 U.S.C. 1232), and any other statute enacted by Congress and whose provisions are applicable to automobiles where testing would be appropriate. All test data and the results of all tests conducted by the Secretary shall be submitted to the Administrator.

(d) The Administrator shall collect, analyze, and disseminate to developers information, data, and materials that may be relevant to the development of advanced automobile technology.

PATENTS

SEC. 8. Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908) shall apply to any contract (including any assignment, substitution of parties, or subcontract thereunder) or grant, entered into, made, or issued by the Administrator under this Act.

COMPTROLLER GENERAL AUDIT AND EXAMINATION

SEC. 9. Section 306 of the Energy Reorganization Act of 1974 (42 U.S.C. 5876) shall apply with respect to the authority of the Comptroller General to have access to and rights of examination of books, documents, papers, and records of recipients of financial assistance under this Act; except that for the purposes of this Act, the term "contract" (as used in section 166 of the Atomic Energy Act (42 U.S.C. 2206), insofar as it relates to such section 306) means "contract or grant".

REPORTS

SEC. 10. (a) As a separate part of the annual report submitted under section 15(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 with respect to the comprehensive plan and program then in effect under section 6 (a) and (b) of such Act, the Administrator shall submit to Congress an annual report of activities under this Act. Such report shall include—

(1) a current comprehensive program definition for implementing this Act;

(2) an evaluation of the state of automobile research and development in the United States;

(3) the number and amount of contracts and grants made under this Act;

(4) an analysis of the progress made in developing advanced automobile technology; and

(5) suggestions for improvements in advanced automobile research and development, including recommendations for legislation.

(b) The Administrator shall conduct a survey of developers, lending institutions, and other appropriate persons or institutions and shall otherwise make a study for the purpose of determining whether, and under what conditions, research, development, demonstration, and commercial availability of advanced automobile technology may be aided by the guarantee of financial obligations by the Federal Government. The Administrator shall report the results of such survey and study to the Congress within 1 year after the date of enactment of this Act. Such report shall include an examination of those stages of advanced automobile technology research, development, demonstration, and commercialization for which financial obligation guarantees may be useful or appropriate and shall contain such legislative recommendations as may be necessary.

AMENDMENT OF THE NATIONAL AERONAUTICS AND SPACE ACT

SEC. 11. (a) Section 102 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451) is amended by redesignating subsection (d) as subsection (e), and by inserting immediately after subsection (c) the following new subsection:

"(d) The Congress declares that the general welfare of the United States requires that the unique competence in scientific and engineering systems of the National Aeronautics and Space Administration also be directed toward the development of advanced automobile propulsion systems. Such development shall be conducted so as to contribute to the achievement of the purposes set forth in section 2(b) of the Automotive Transport Research and Development Act of 1976.".

(b) The subsection of section 102 of such Act redesignated as subsection (e) by subsection (a) of this section is amended by striking out "and (c)" and inserting in lieu thereof "(c), and (d)".

AUTHORIZATION FOR APPROPRIATION

SEC. 12. There are authorized to be appropriated to carry out the purposes of this Act—

(1) not to exceed $25,000,000 for the fiscal year ending September 30, 1977, and

(2) not to exceed $75,000,000 for the fiscal year ending September 30, 1978.

(b) Any budget request for appropriations pursuant to the authority in subsection (a) shall specify the relationship between the research, development, and demonstration to be supported with such appropriations and any related requests for appropriations for programs of the Federal Government concerning automobile research and development.

OLIN E. TEAGUE,
DON FUQUA,
MIKE MCCORMACK,
GEORGE E. BROWN, Jr.,
RAY THORNTON,
CHARLES A. MOSHER,
BARRY M. GOLDWATER, Jr.,
Managers on the Part of the House.

WARREN G. MAGNUSON,
FRANK E. MOSS,
JOHN V. TUNNEY,
HOWARD H. BAKER, Jr.,
TED STEVENS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing vote of the two Houses on the amendment of the Senate the bill (H.R. 13655) to establish a five-year research and development program leading to advanced automobile propulsion systems, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause and inserted a substitute text. The differences between the House bill and the Senate amendment, and the substitute agreed to in conference, are noted below. Minor technical and clarifying changes are not discussed.

SUMMARY

The Automotive Transport Research and Development Act is the result of a committee of conference designated to reconcile the differences between the House and Senate versions of H.R. 13655.

The substitute reported by the committee of conference establishes a program within the Energy Research and Development Administration (ERDA) for advanced automobile research and development. A 5-year program is provided to ensure the development of advanced automobile propulsion systems, advanced automobile subsystems, and integrated test vehicles (which is a new term resulting from the compromise by the committee of conference).

The Administrator of ERDA would establish in-house programs and provide grants and contracts outside ERDA. The Administrator is to utilize other Federal agencies to the extent that they have expertise appropriate to the R. & D. program.

The Administrator would be responsible for testing and evaluating new technology, as well as establishing a capability for information collection, analysis, and dissemination.

The Administrator would submit reports on the research and development activities within the United States, as well as prepare a report on the need for a loan guarantee authority in order to perform research and development activities in automobile technology and commercialization thereof.

MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT

House bill

The House bill was not structured as an amendment to existing law.

Senate amendment

The Senate amendment was structured as an amendment to the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.).

Conference substitute

The conference substitute is not structured as an amendment to an existing law.

FINDINGS AND PURPOSES

House bill

The House bill contains findings of the Congress that existing automobile propulsion systems do not meet national goals but that, with the aid of research and development, advanced alternatives could meet long-term goals while conforming to all Federal requirements.

Insufficient resources are now being devoted to advanced automobile propulsion systems and their components. An expanded R. & D. program would complement and stimulate private efforts and encourage manufacturers to substitute advanced propulsion systems and their components for existing technology.

The findings also state that the Nation's energy, safety, and environmental problems are urgent and that advanced propulsion systems should be developed, tested, and prepared for manufacture in the shortest practical time.

A statement of Congressional purposes is also provided. The provisions state that it is the purpose of Congress in this Act to (1) make contracts and grants under a 5-year program leading to an advanced automobile propulsion system which is likely to meet the Nation's long-term goals, (2) preserve, enhance, and facilitate competition in R. & D. and (3) supplement, but not supplant, the automotive research and development efforts of private industry.

Senate amendment

The Senate amendment is similar to the House provision, except that the Senate provision reflects the Senate goal of preparing production prototypes of automobiles, whereas the House provision confines itself primarily to propulsion systems. Moreover, the purposes are modified in the Senate amendment to reflect the goal of preparing production prototypes of advanced automobiles within 4 years of the date of enactment, or within the shortest practicable time consistent with appropriate research and development techniques.

Conference substitute

The conference substitute is similar to both the House bill and the Senate amendment, but with differences which reflect the conference agreement concerning the scope of the program. The conference substitute declares the purposes of Congress in this program is to make grants and contracts for R. & D. leading to the development of advanced automobile propulsion systems, advanced automobile subsystems, and integrated test vehicles within 5 years of the date of enactment of this Act, or within the shortest practicable time consistent with appropriate research and development techniques.

The conference substitute states that the program is "to supplement, but not supplant nor duplicate, the automobile research and development efforts of private industry".

The conference substitute includes three basic elements in placing this requirement on the Federal program. First, the program must supplement the automotive R. & D. efforts of industry. While ERDA is not limited merely to "adding to" or "building on" projects initiated by the private sector, the Federal R. & D. should be supportive of the private sector's R. & D. and formulated to produce advanced technology which can be ultimately refined for incorporation in mass production vehicles. This also means that ERDA should make reasonable attempts to learn from the private sector's R. & D. successes and failures, and not "reinvent the wheel" in formulating its program. For example, if considerable R. & D. effort has been put into a new system and it has been decided for good reason that the system cannot be satisfactorily refined for mass production vehicles, ERDA should not attempt, in the absence of a new technological advancement or other significant consideration, to conduct Federal R. & D. on the system. Certainly, in any situation where ERDA does launch such a program, it should have the burden to justify to Congress why there should be such Federal R. & D.

Second, the ERDA program should not be formulated in a manner which will supplant private sector R. & D. The program should not result in any displacement or lessening of industry's R. & D. commitment. The program, therefore, should be focused on R. & D. which the private sector has not and will not include in its normal program. Of course, ERDA will not be precluded from engaging in a project because the private sector may conduct it in the future or will conduct it, but at a time sufficiently distant so that the benefits resulting will not be available at a time which will achieve the goals of this Act.

Third, the program should not duplicate private R. & D. While there may be some necessary duplication of effort in the conduct of related R. & D., ERDA should not include R. & D. projects in the Federal program if the private sector is engaged in similar development. ERDA, however, can conduct R. & D. on advanced generations of automobile technology and on advanced refinements to automobile technology in use or under development by the private sector. Additionally, as required by section 4(e), ERDA shall intensify research in basic science areas, such as combustion and advanced materials research, which limits the development of advanced automobile propulsion systems.

The combined effect of the three elements of this requirement is intended to sharply define a Federal automotive R. & D. program which ultimately will advance the overall pace of development and state-of-the-art of advanced automotive technology. This cumulative advance will be accomplished not by wasting Federal R. & D. funds through unnecessary duplication and not by displacing or supplanting private efforts by having ERDA do the R. & D. for the private sector, but rather by establishing a Federal program which will supplement private R. & D. and be supportive of the private sector's ultimate development and design responsibility for transfer of the advanced technology into mass production vehicles. The conferees intend that the Federal automotive R. & D. program under this Act will be formulated and implemented in a manner which is consistent with each element of this requirement and with the overall combined effect of the three elements in advancing automotive technology.

DEFINITIONS

House bill

Terms used throughout the House bill are defined.

Of particular interest is the definition of "advanced automobile propulsion system" as the program envisioned by the House bill centers around a 5-year program aimed at the development of such systems. The term is defined to mean "an energy conversion system, including engine and drive train, which is used to propel an advanced automobile".

Senate amendment

Under the Senate amendment, the definition of an "advanced automobile" is important as the development of production prototypes of advanced automobiles is the goal. The term is defined to mean a personal use transportation vehicle which requires, consistent with environmental requirements, the least total amount of energy to be consumed during its fabrication, operation, and disposal, and must represent a substantial improvement over existing automobiles with respect to energy consumed. The vehicle must be capable of mass-production at the lowest possible cost consistent with the requirements of this title (the Senate amendment adds a new title VI to the Motor Vehicle Information and Cost Savings Act), It must operate safely and perform sufficiently with respect to acceleration, cold weather starting, cruising speed, and other performance factors. It must be, to the extent practicable, capable of intermodal adaptability, and comply with any requirement of Federal law.

The definition differs from the comparable definition of the House bill in that the Senate version does not include the requirement that projected ownership costs to the first owner be comparable to standard automobiles.

The Senate amendment does not include a definition of "advanced automobile propulsion system".

The Senate amendment includes a definition of "production prototype" whose construction is the goal of the R. & D. program. It is defined to mean an automobile which is in its final stage of development and is capable of being placed into production for retail sale in quantities exceeding 10,000 automobiles per year.

Conference substitute

The conference substitute includes definitions common to both the House bill and the Senate amendment.

In addition, the conference substitute defines "integrated test vehicle" which are to be developed under the 5-year program envisioned by the conference substitute along with advanced propulsion systems and advanced automobile subsystems. Integrated test vehicles incorporate advanced propulsion systems and other advanced automobile subsystems and are used to determine, when functioning in an integrated manner, the performance of such integrated systems and vehicles over their useful life. Integrated test vehicles must substantially increase automobile fuel economy and substantially reduce environmental impact and conform with all applicable Federal requirements. Integrated test vehicles must otherwise be satisfactory (concerning factors such as acceleration and handling) without unduly compromising the advanced automobile propulsion system, which is the heart of the vehicle. The vehicles must also perform sufficiently in different types of climatic conditions. Finally, the vehicle is to be compatible with criteria for an advanced automobile. In other words, it may not be developed in a way which will preclude subsequent development as an advanced automobile. This means that the integrated test vehicle need not satisfy each criterion comprising an advanced automobile. Rather, the technology must be developed, integrated, and tested in a manner that will support further engineering development and tooling for use in a mass produced vehicle. For example, the vehicle may not be of such an exotic nature that the technology cannot be incorporated into a mass-producible vehicle. Nor can the technology, when incorporated into mass produced vehicles, be extraordinarily costly to the consumer.

As the integrated test vehicle is defined to include advanced propulsion systems and other automobile subsystems, the definition of "advanced automobile subsystems" is important. It is defined to mean a subsystem of an automobile which materially impacts the performance of the automobile in terms of fuel economy, environmental impact, safety, damageability, or reliability and for which there is a promise of technological improvement in such performance through research and development.

The definition of "advanced automobile" contained in the conference substitute adopts the ownership cost criterion of the House bill with slight modification. The ownership cost consideration to be taken into account to the first owner must be "competitive with automobiles of the same size and class which are produced using standard technology taking into account the other features of such automobile which justify costs different than those associated with standard technology". Ownership cost refers not only to purchase cost but also operating and maintenance costs to the first owner.

In several places in the conference substitute, the term "advanced automobile technology" is used. So that there is no confusion over the use of this term, it is meant to include advanced propulsion systems, advanced automobile subsystems, and integrated test vehicles.

The definition of "advanced propulsion system" used in the House bill is incorporated in the conference substitute.

DUTIES OF THE ADMINISTRATOR

House bill

The House bill requires the Administrator to establish a 5-year program aimed at the development of advanced automobile propulsion systems which, to the maximum extent practicable, are flexible in the type of fuel used. In doing so, the Administrator would make grants and contracts for R. & D. and establish a research, development, and demonstration program within ERDA. The Administrator would intensify research in key basic science areas and give full consideration to the capabilities of Federal laboratories, except that not more than 60 percent of the funds authorized could be directly expended in Federal laboratories. The Administrator would conduct an active industry-Government fellowship program for scientists involved in automobile R. & D.

The Administrator would consider any reasonable new or improved technology and to make Federal laboratories available for developing and prooftesting components and subsystems.

Procedures would be established for utilizing the Office of Energy-Related Inventions at the National Bureau of Standards.

Consideration would be given to the capabilities of other Federal agencies in the conduct of the programs under this authority. The Administrator would consult with EPA and establish procedures for periodic consultation with representatives of science, industry, and other groups. The Administrator would establish such advisory panels as he deems appropriate to review and make recommendations with respect to applications for funding under this Act and to ensure that the R. & D. efforts supplement, but not supplant, the R. & D. efforts of the private industry.

Senate amendment

The Senate amendment requires that production prototypes of an advanced automobile be developed within 4 years after the date of enactment or within the shortest time practicable consistent with appropriate R. & D. technique. Non-petroleum based fuel would be utilized by the automobile to the maximum extent practicable.

In furtherance of the program, the Administrator would make contracts, grants, and loan guarantees for R. & D. efforts and establish new projects and accelerate existing projects within the Agency.

The Administrator would test or direct the testing of production prototypes and secure certification for Government procurement purposes (discussed later).

The Administrator would collect, analyze, and disseminate to developers information, data, and materials relevant to the development of advanced automobiles and evaluate any reasonable new or improved technology submitted to the Administrator.

Finally, the Administrator could not construct production prototypes if the Administrator found that such effort would duplicate efforts outside the Federal Government. A report of such finding would be submitted to relevant committees of Congress 60 days prior to making the finding.

Conference substitute

The conference substitute requires the Administrator to establish in ERDA a program to ensure the development of advanced automobile propulsion systems, advanced automobile subsystems, and integrated test vehicles within 5 years, or within the shortest practicable time consistent with appropriate research and development techniques. No authority exists to finance the construction of production prototypes.

The Administrator is to establish and conduct new projects and accelerate existing projects in furtherance of the goals, and to give priority attention to the development of advanced propulsion systems with appropriate attention to those which are flexible in the type of fuel used. Moreover, the Administrator is to ensure that R. & D. under this Act supplements, but does not supplant nor duplicate, the automotive research and development efforts by private industry. Again, the committee of conference intends the same interpretation of the latter requirement as that discussed earlier under "Findings and Purposes".

Thus, the conference substitute draws a middle-ground between the House and Senate versions of the legislation. Whereas the House version authorized a program only with respect to advanced propulsion systems, the Senate envisioned the preparation of production prototypes, defined in the Senate amendment to mean "an automobile which is in its final stage of development and which is capable of being placed into production, for sale at retail, in quantities exceeding 10,000 automobiles a year.

The conference substitute authorizes and requires the development of advanced automobile propulsion systems, other advanced automobile subsystems and "integrated test vehicles." Integrated test vehicles are complete, fully-tested vehicles, yet which have not gone through production engineering and made fully ready for mass production. It is clear that the heart of the vehicle to be produced is the propulsion system, and most of the effort, at least in the initial stages of the program should be directed toward the propulsion system. The committee of conference anticipates that perhaps two-thirds to three-fourths of the funds available over the life of the program would be devoted to advanced automobile propulsion systems. At the same time, it is extremely difficult to place an advanced propulsion system into existing automobiles and expect them to work properly without further R. & D. Problems of engine compartment size, chassis construction, weight distribution and other factors require that the vehicle produced be an integrated whole.

The vehicle must comply with all Federal standards affecting automobiles. Thus, in constructing the integrated vehicle, the ERDA Administrator must insure that standards relating to safety, damageability, and other requirements be complied with. It is expected that the Administrator will utilize advanced technology with respect to these factors in constructing the integrated test vehicle.

Provision is made (see "Coordination and Consultation") for the Administrator to coordinate his activities with the Secretary of Transportation and to utilize, to the maximum extent practicable, the expertise of the Department of Transportation (DOT) with respect to safety and damageability, in conducting the program under this Act. The conferees are of the opinion that the Administrator should use DOT for those areas of research and development in which it is the most appropriate Federal agency to perform the task. Other Federal agencies which have special expertise, such as the National Aeronautics and Space Administration with its propulsion system expertise, will participate as well.

Nonetheless, with respect to integrated test vehicles, new, advanced and innovative technology will be utilized to comply with applicable Federal standards.

In providing financial assistance, the Administrator is to give full consideration to the capabilities of Federal laboratories. The House provision providing that not more than 60 percent of the funds authorized to be appropriated shall be expended in Federal laboratories is incorporated. The 60 percent limitation is to be viewed not as a goal, but as a limitation. A lesser percentage is desirable.

The committee of conference discussed the question of how many integrated test vehicles should be constructed under the conference substitute. While it is difficult to predict the precise number of integrated test vehicles that will be necessary for full and adequate testing, as required under the conference substitute, it is clearly the conferees' intention that the vehicles produced may number twenty or thirty, but not in the hundreds or thousands. Nonetheless, a sufficient number should be produced which will conform with the requirement that the vehicle will be tested over its useful life, and that the test data generated be reliable. Of course, accelerated testing will tend to eliminate the necessity of testing for 5 or 10 years, or longer.

The substitute also requires the Administrator to intensify research in basic science areas, such as combustion and advanced materials research which limit the development of advanced propulsion systems.

DUTIES OF THE SECRETARY

House bill

The House bill requires the Secretary to make available facilities and expertise for testing prototypes which are developed based on activities related to the programs under this Act and to collect, analyze, and disseminate to developers information, data, and materials that may be relevant.

The Secretary is to evaluate the extent to which the automobile industry utilizes current technology and to recommend incentive measures to the Congress.

Senate amendment

No comparable provision.

Conference substitute

The conference substitute requires the Secretary to evaluate the extent to which the automobile industry utilizes advanced automotive technology and shall report to the Congress on an annual basis on the results of this continuing study and shall include in such report any recommendations that may be appropriate to encourage utilization of advanced automobile technology by the automobile industry. The other duties of the Secretary referred to in the House bill have been incorporated in other provisions of the conference substitute.

COORDINATION AND CONSULTATION

House bill

The House bill requires the Secretary and Administrator to consult and cooperate with respect to their duties and responsibilities so that the duties and responsibilities of both would be performed in the most meaningful and effective way. Nothing contained in the bill is to affect the assigned duties of the Administrator under the Energy Reorganization Act of 1974, or the Federal Non-Nuclear Energy Research and Development Act.

Senate amendment

The Senate amendment requires the Administrator to utilize DOT to the maximum extent practicable and to utilize other Federal agencies to the extent that the other agencies have capabilities which would allow them to contribute to the attainment of the purposes of this title.

The Secretary of Transportation, when utilized, would be authorized to exercise powers granted to the Administrator with respect to grants and contracts, loan guarantees, and other matters.

The Administrator would be authorized to obtain the assistance of other Federal agencies on a reimbursable basis or otherwise, with the consent of the assisting agency.

Conference substitute

The Administrator of ERDA will have overall management responsibility for carrying out the program, but shall, to the maximum extent practicable, utilize the expertise of DOT in the areas of safety and damageability, and other areas as the Administrator deems appropriate. The Administrator may also utilize other Federal agencies, such as NASA, to the extent that other agencies have appropriate capabilities.

The committee of conference is aware of ongoing research programs within DOT concerning motor vehicle safety and damageability and other programs supporting the Department's administration of the motor vehicle fuel economy standards program. It is also aware of the Memorandum of Understanding between DOT and ERDA, dated April 26, 1976, concerning working relationships between the two agencies relating to energy conservation in transportation. Among other things, the memorandum establishes a steering group to coordinate the activities of the two agencies.

While the responsibility for this program lies with the ERDA Administrator, the role of other agencies is recognized and there is considerable flexibility in the conference substitute as to how he discharges those responsibilities.

There is nothing in the conference substitute which would preclude the Administrator's discharging his duties in the manner outlined in the Memorandum of Understanding. Nonetheless, as the responsibility for the R. & D. program under the conference substitute is assigned to the Administrator, he is the accountable official.

The Secretary is authorized to utilize the grants and contracts authority when the expertise of DOT is utilized. Of course, nothing contained in the provision will affect the authority of other agencies to make grants and contracts as well to the extent that they are otherwise authorized.

The ERDA Administrator is to consult with the Administrator of the Environmental Protection Agency (EPA) and DOT and to consult with representatives of science, industry, and other groups. The ERDA Administrator may establish such advisory panels as he deems appropriate to review and make recommendations with respect to applications for funding under the Act.

Nothing contained in the Act affects the responsibilities of the Administrator under the Energy Reorganization Act or the Federal Non-Nuclear Energy Research and Development Act. Of course, the responsibilities of other Federal agencies are also unaffected.

POWERS OF THE ADMINISTRATOR

House bill

No provision.

Senate amendment

The Senate amendment specifically authorizes the Administrator to appoint personnel to carry out the program, procure temporary intermittent services, enter into contracts, leases, cooperative agreements, and other transactions to carry out his duties, and to acquire, deal in and with, and dispose of property.

Conference substitute

The conference substitute deletes the Senate amendment as being duplicative of authority already possessed by the Administrator under other statutes.

CONTRACTS AND GRANTS

House bill

The House bill contains no separate provision dealing with contracts and grants as the authority was specifically provided under "Duties of the Administrator", discussed above.

Senate amendment

The Senate provides specific provision for contracts and grants in support of the program and requires the Administrator to consult with EPA, DOT, and other groups as may be appropriate.

Contracts and grants would be made in accordance with rules of the Administrator.

Conference substitute

As the provisions of the Senate amendment were duplicative of other provisions of the conference substitute, the provisions of the Senate amendment were deleted.

OBLIGATION GUARANTEES

House bill

No provision.

Senate amendment

The Senate amendment authorizes the Administrator to guarantee financial obligations for the purpose of financing programs which would be likely to lead to the development of production prototypes and to the availability of advanced automobiles. The Administrator is authorized to guarantee obligations up to a total amount of $175 million.

Conference substitute

While loan guarantees may provide needed capital for the development of advanced automobile technology, there is sufficient question about what kinds of projects should be financed in this manner and at what stage of development. Consequently, the committee of conference deleted the loan guarantee provision in favor of a 1-year study of loan guarantees and their applicability which will be discussed under "Reports" below.

EVALUATION, TESTING, AND INFORMATION DISSEMINATION

House bill

The House bill has no specific provision dealing with this subject, although the functions of evaluation, testing and information dissemination are referred to under "Duties of the Administrator", discussed above.

Senate amendment

The Senate amendment requires the Administrator of EPA to perform tests for compliance with standards under EPA's authority and for fuel economy. It also provides for the testing, under procedures specified by the Secretary of Transportation, of production prototypes for compliance with automobile standards under the jurisdiction of the Department of Transportation.

The Low Emission Vehicle Certification Board, established under section 212 of the Clean Air Act, would evaluate production prototypes for the purposes of Federal procurement, discussed below.

Conference substitute

The conference substitute requires the Administrator to consider any reasonable new or improved technology which could contribute to the development of advanced automobile technology and for testing by the EPA Administrator for compliance with statutes under EPA jurisdiction. EPA would also test for fuel economy.

The Secretary of Transportation is required to test integrated test vehicles constructed in whole or in part with financial assistance under this Act for the purpose of determining compliance with standards administered by DOT.

The conference substitute also requires the Administrator to collect, analyze, and disseminate to developers information, data, and materials that may be relevant to the development of advanced automobile technology.

As the Government procurement provisions of the Senate amendment have been deleted, the provisions of the Senate amendment dealing with certification by the Low Emission Vehicle Certification Board have been deleted as well.

PATENTS

House bill

The House bill contains no provision, although section 9 of the Federal Non-Nuclear Energy Research and Development Act was deemed by the House to apply to any contract or grant entered into under this Act.

Senate amendment

The Senate amendment includes language concerning patents which is virtually identical to section 9 of the Federal Non-Nuclear Energy Research and Development Act. Under the provisions, title to inventions made or conceived under the program would be vested with the United States with appropriate waiver provision to assure the commercial availability of the technology.

Moreover, the Senate amendment provides compulsory patent licensing when the Administrator determines that it is reasonably necessary to the development, demonstration, or commercial application of any advanced automotive invention, process, or system. The district courts, when the necessary findings by the Administrator had been made, would be authorized to order that the patent be licensed at such reasonable royalty and on such reasonably nondiscriminatory terms and conditions as the court shall determine.

Conference substitute

The conference substitute explicitly provides that the patent policy of the Federal Non-Nuclear Energy Research and Development Act of 1974 will apply to any contract or grant entered into, made, or issued by the Administrator under this Act. In administering the waiver provisions as they will be applicable to this Act, it is expected that the Administrator will take care to recognize the benefits of involving small business enterprises in the programs envisioned by this Act, and will grant waivers to the extent practicable in recognition of that policy.

AUDIT AND EXAMINATION

House bill

No specific provision is provided, although general authority for the Administrator and the Comptroller General to have access to records is provided under the Energy Reorganization Act.

Senate amendment

The Senate amendment requires recipients of financial assistance to keep such records as the Administrator prescribes.

Moreover, the Administrator and the Comptroller General would have access for the purpose of audit and examination to any books, documents, papers, and records which, in the opinion of the Administrator or the Comptroller General, may be related to the financial assistance granted.

Conference substitute

The conference substitute does not include a record-keeping requirement because the authority currently exists under the Energy Reorganization Act.

The conference substitute states that with respect to the authority of the Comptroller General to conduct audit and examinations, section 306 of the Energy Reorganization Act will apply to recipients of financial assistance under this Act.

Under section 306 of the Energy Reorganization Act, contracts issued must contain a clause which gives the Comptroller General or his duly authorized representative, until the expiration of 3 years after final payment, access to and the right to examine any "directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors". So that it is clear that the grant authority of this Act is included as well, the conference substitute specifies that the word "contract" means "contract or grant" insofar as this program is related.

The committee of conference deleted the expanded authority of the Comptroller General contained in the Senate amendment because of litigation which is currently being conducted over similar language to that contained in section 306 of the Energy Reorganization Act, concerning procurement by the Department of Defense. Until that litigation is concluded and the authority of the Comptroller General in these kinds of instances is more precisely defined, it is unwise to create yet another objective standard for GAO access.

REPORTS

House bill

The House bill requires, as a separate part of the annual report submitted under section 15(a) of the Federal Non-nuclear Energy Research and Development Act of 1974, reports concerning a number of activities. They include (1) a current comprehensive program definition for implementing the Act, which is the planning document on how the goals of this Act are to be accomplished, (2) an account of the state of automobile R. & D. in the United States, (3) the number and amount of contracts and grants made under this Act, (4) progress made in developing advanced automobile propulsion systems and their components, and (5) suggestions for improvements in the R. & D. program.

Senate amendment

The Senate amendment is similar, but without the requirement that a current comprehensive program definition for implementing the Act be included.

Conference substitute

The conference substitute adopts the House provision with technical changes.

In complying with the requirement that annual reports contain a comprehensive program definition, the Administrator shall include projections for funding over the life of the program, the number and types of propulsion systems and other technologies to be developed, the costs of program elements, and a schedule for accomplishing the goals of the program.

In lieu of the inclusion of the loan guarantees provisions of the Senate amendment, the conference substitute requires the Administrator to conduct a survey of developers, lending institutions, and others and to make a study for the purpose of determining whether, and under what conditions, research, development, and demonstration, and commercialization of advanced automotive technology may be aided by loan guarantees. Specific attention should be given to the considerations of small business and the various classes of potential recipients of loan guarantee assistance. The results are to be reported to Congress within 1 year and shall contain such legislative recommendations as may be necessary. It is expected that the amount of money spent by ERDA, on this study will be small and will not significantly displace funds to be used for R. & D. purposes.

AMENDMENT OF THE NATIONAL AERONAUTICS AND SPACE ACT

House bill

The House bill amends the National Aeronautics and Space Act to require that the unique competence in the scientific and engineering systems of the National Aeronautics and Space Administration also be directed toward the development of advanced automobile propulsion systems.

Senate amendment

No comparable provision.

Conference substitute

The conference substitute adopts the provision in the House bill. In doing so, it is intended that the provision is necessary only for the purpose of ensuring that the National Aeronautics and Space Administration has the authority to carry out programs assigned to it by the ERDA Administrator. NASA may not establish a separate program for such R. & D. under this new authority. The provision is thus to insure that NASA has the authority to be eligible for "pass through" funds from ERDA under the provisions of this Act. Of course, the inclusion of the amendments to the National Aeronautics and Space Act does not effect the eligibility of any other Federal agency for funds on a "pass through" basis.

INFORMATION DISSEMINATION

House bill

The House bill requires that information maintained by the Administrator under this Act shall be subject to the provisions of section 552 of title V, United States Code, the "Freedom of Information Act". A prohibition on disclosure when the information, if made public, would divulge (1) trade secrets or (2) other proprietary information of such person is provided. Exceptions are made for furnishing such information to other Federal agencies, employees of ERDA, and to the Congress.

Any disclosure of the protected material would be punishable in accordance with the penalties contained in 18 U.S.C. 1905.

Senate amendment

No comparable provision. The provisions of existing law would apply.

Conference substitute

The conference substitute contains no reference to information dissemination. Thus, the provisions of existing law would apply.

TRANSFER OF FUNCTIONS

House bill

The House bill requires that within 60 days of the enactment of the law creating the electric vehicle research, development, and demonstration program, all the authorities of that program vested in other agencies shall be transferred to ERDA.

Senate amendment

No comparable provision.

Conference substitute

As the electric vehicle research, development, and demonstration program will be administered by the ERDA Administrator, no transfer is necessary. Consequently, the provision of the House bill was deleted.

GOVERNMENT PROCUREMENT

House bill

No provision.

Senate amendment

The Senate amendment requires that vehicles certified as advanced automobiles by the Low Emission Vehicle Certification Board be procured by all Federal agencies to the extent required under regulations prescribed jointly by the Vehicle Certification Board and the Administrator of General Services.

Conference substitute

The conference substitute deletes the provision in the Senate amendment. As the goal of the program is to produce "integrated test vehicles", which are not yet ready for production, the inclusion of a procurement provision is not appropriate.

RELATIONSHIP TO ANTITRUST LAWS

House bill

No provision. A disclaimer against any immunity from antitrust liability is provided under the Federal Non-Nuclear Energy Research and Development Act and applies to activities of ERDA.

Senate amendment

The Senate amendment specifically states that nothing in this title shall be deemed to convey any immunity from civil or criminal liability, or to create any defenses to actions under the antitrust laws.

Conference substitute

The conference substitute contains no provision as existing law applicable to ERDA already disclaims any intent to grant immunity.

AUTHORIZATION FOR APPROPRIATION

House bill

The House bill authorizes to be appropriated not to exceed $20 million for fiscal year 1977, and such sums as may be included in the annual authorization for the nonnuclear programs of the Energy Research and Development Administration for such subsequent fiscal year.

Any request for appropriations pursuant to this Act are to specify the relationship between the programs to be supported with such appropriations and any related programs which are being supported or are being proposed to be supported under other authorities.

Senate amendment

The Senate amendment provides authorization for appropriations of $55 million for fiscal year 1977 and $100 million for fiscal year 1978. The amounts authorized under this provision are for grants and contracts. Authorization for appropriations to pay defaulted loans is provided for under the loan guarantee provisions.

Conference substitute

The conference substitute authorizes not to exceed $25 million for the fiscal year 1977, and not to exceed $75 million for the fiscal year 1978.

The provisions of the House bill which require the Administrator to specify the relationship between budget requests for programs under this Act and other related requests under other programs are also included.

Olin E. Teague,
Don Fuqua,
Mike McCormack,
George E. Brown, Jr.,
Ray Thornton,
Charles A. Mosher,
Barry M. Goldwater, Jr.,
Managers on the Part of the House.

Warren G. Magnuson,
Frank E. Moss,
John V. Tunney,
Howard H. Baker, Jr.,
Ted Stevens,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 523]

Abzug
Addabbo
Anderson, Ill.
Andrews, N.C.
AuCoin
Badillo
Buchanan
Burton, John
Byron
Clay
Collins, Ill.
Conyers
Cotter
Coughlin
Dellums
Derwinski
Dickinson
Downing, Va.
Drinan
du Pont
Edwards, Ala.
Esch
Eshleman
Ford, Mich.
Fuqua
Giaimo
Gibbons
Green
Hannaford
Harkin
Harsha
Hébert
Heckler, Mass.
Heinz
Helstoski
Hinshaw
Howard
Howe
Jarman
Jones, Ala.
Jones, Tenn
Karth
Kelly
Kemp
Koch
Litton
Lott
Matsunaga
McDade
McDonald
McKinney
Melcher
Mink
Murphy, Ill.
O'Hara
Pepper
Peyser
Randall
Rees
Reuss
Riegle
Rodino
Roncalio
Rosenthal
Ruppe
Ryan
Santini
Scheuer
Shipley
Stanton,
James V.
Steelman
Stokes
Stuckey
Symington
Teague
Udall
Waxman
Young, Alaska
Young, Ga.

The SPEAKER. On this rollcall 353 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ELECTION AS MEMBER OF COMMITTEE ON THE JUDICIARY AND COMMITTEE ON VETERANS' AFFAIRS

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 1411) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1411

Resolved, That Sam B. Hall, Jr., of Texas be, and he is hereby, elected a member of the Committee on the Judiciary and of the Committee on Veterans' Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SO-CALLED SUMMER ADJOURNMENT

(Mr. TAYLOR of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAYLOR of North Carolina. Mr. Speaker, I have here a United Press release—UPI—dated today which just came in and it states:

> Press Secretary Ron Nessen did not rule out the possibility that Ford might even call Congress back from summer adjournment to act on his proposals.

Now what does he mean by "summer adjournment"? I wish that some Republican Member of the House would notify the White House that we have no summer adjournment, that the only recess we have this summer is for the week of the Republican National Convention and a long weekend for Labor Day.

Now if the President wants us to remain in session during the week of the Republican Convention, which is the only week we are scheduled to be out, it is all right with me, but I believe that he should tell us so, and I resent press releases of this type going out deceiving and misrepresenting the facts to the American people.

And I have one question: Will the President of the United States remain in the White House working on the problems of the Nation during this same week when Congress is scheduled to be in recess?

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1976

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6218) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. Murphy).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6218, with Mr. Natcher in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, June 14, 1976, title II had been read and was open to amendment at any point. Are there further amendments to title II?

AMENDMENT OFFERED BY MR. FORSYTHE

Mr. FORSYTHE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Forsythe: On page 47, line 12, after "finds that", insert "because of such activity".

Mr. FORSYTHE. Mr. Chairman, this is, I think, a very simple technical amendment to make sure that the purpose and intent of the committee is carried out by adding just these four words, that an affected State also means that the effect to be rendered on that State is associated with the Outer Continental Shelf development. As presently written, the language could be interpreted to mean an inclusion of the risk of damage from other sources would also be included in the definition of an affected State.

Mr. Chairman, I urge adoption of the amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the gentleman has well stated the case and the majority is happy to accept the amendment.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, the minority accepts the amendment, too.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Forsythe).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FISH

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Fish: On page 53, line 6, strike "structures", and insert "installations and other devices" in lieu thereof.
>
> On page 53, line 10, strike "structure", and insert "installation or other device" in lieu thereof.
>
> On page 53, lines 22 and 23, strike "and structures", and insert ", installations, and other devices" in lieu thereof.
>
> On page 55, lines 9 through 19, strike "or structure" each time the words appear, and in each case insert ", installation, or other device" in lieu thereof.
>
> On page 55, line 24 through page 56, line 8, strike "and structures" each time the

words appear, and in each case insert ", installations, and other devices" in lieu thereof.

On page 56, lines 13 through 19, strike "or structure" each time the words appear, and in each case insert ", installation, or other device" in lieu thereof.

Mr. FISH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Chairman, I shall not use the entire 5 minutes. This amendment conforms the language of the Outer Continental Shelf Lands Act to that of the 1958 Convention on the Continental Shelf. Specifically, with respect to the application of laws and regulations to activities on the OCS, the amendment strikes "structures" and inserts the broader term "installations and other devices."

The use of the new term makes it clear that the United States asserts the broadest possible authority over OCS activities, including mobile rigs and semisubmersibles while they are in the drilling mode. It also clarifies the Coast Guard's authority over any foreign vessel engaged in OCS activities.

Mr. Chairman, I know of no opposition to this amendment and urge its adoption.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the majority is happy to accept this additional and clarifying language and feels it is well intentioned in purpose.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. FISH).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: Page 55, strike out lines 21 through 24 and insert in lieu thereof the following:

(1) by amending subsection (e) to read as follows:

"(e) The Secretary of the Department in which the Coast Guard is operating shall mark for the protection of navigation any installation referred to in subsection (a) whenever the owner has failed suitably to mark such island or structure in accordance with regulations issued under this Act, and the owner shall pay the cost of such marking.";

Page 56, strike out lines 9 through 19.

Page 56, line 20, strike out "(g)" and insert in lieu thereof "(e)".

Mr. MURPHY of New York. Mr. Chairman, H.R. 6218 adds new sections 21 and 22 describing and allocating responsibility for the promulgation and enforcement of safety regulations. The authority given in subsection 4(e) to the Coast Guard to issue regulations regarding the avoidance of navigational hazards in the waters of the Outer Continental Shelf is specifically, and concurrently, given to Coast Guard, Army, and the Secretary of the Interior in section 21(a)(1)(B). As authority and mandates for the promulgation of regulations is granted by this new section, and only permissive authority was granted in section 4, this amendment makes it clear that Coast Guard, Army, and the Interior Department were to act in concert, and that Coast Guard would not have independent authority to promulgate and enforce regulations, outside of the mandate of this section. This intent of this amendment is to clarify the intent of the committee when it passed H.R. 6218 providing for concurrent authority as to safety regulations.

Mr. DU PONT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the minority report pointed to the ambiguities and conflicts in the bill concerning the regulation of safety on the Outer Continental Shelf. I commend pages 256 and 257 of the report to the Members' attention for the details of the problem. The amendment we are considering now seeks to cure one of the problems, that caused by the creation of new authority to regulate safety on the OCS without terminating existing authority, but it goes about it in the wrong way, by terminating the old authority leaving only the confused ambiguous new provisions.

We will be proposing, at the appropriate time, an amendment which will cure the problem the way it should be cured, by replacing the confused, ambiguous, overlapping authority contained in the bill with language which recognizes the existing authority to regulate safety on the OCS and provides a vehicle for improving on these existing safety programs.

The minority report points out that in the current Outer Continental Shelf Lands Act, the Coast Guard has the sole authority to regulate lights, markings, and other warning devices on structures on the OCS and the Department of the Army—Corps of Engineers—has the sole authority to prevent the erection of obstructions to navigation. These agencies are currently exercising that authority not only on the OCS, but are exercising identical authority over structures located in the navigable waters of the United States inside the OCS. The proposed amendment would terminate that authority for the OCS but leave the regulatory programs in effect for identical structures located inside the OCS. The need for the regulatory program is the same, regardless of the location of the structure. The regulations should be uniform, whether the structure is on the OCS or inside it. The existing authority should be continued, not shifted to the Department of the Interior. Although the bill provides for, or perhaps even requires, consultation or some other role for the Coast Guard and the Corps of Engineers, there is no assurance that a uniform regulatory program will continue, if this amendment is adopted.

In addition to regulations concerned with the protection of navigation the Coast Guard has promulgated regulations under the authority of the present Outer Continental Shelf Lands Act which deal with the safety of life and property on OCS structures. This amendment would terminate that authority and replace it with joint regulatory authority. Existing regulations on such subjects as: Life preservers; lifeboats and liferafts; and emergency drills in the preparation and launching of lifeboats; all matters within the particular expertise of the Coast Guard would become subject to a joint regulatory and enforcement program involving the Department of the Interior and OSHA.

In addition to the long-term problems caused by eliminating the Coast Guard's existing authority, and replacing it with joint authority, the effect of this amendment is to cause a hiatus during which there will be no effective enforcement of safety regulations on the OCS. Existing authority will be terminated upon the bill's enactment. New safety regulations must await the completion of a study by the National Academy of Engineering, to be completed within 9 months. Existing regulations can be repromulgated, but only after they have been found consistent with the new provisions. While there is provision for old regulations to remain in effect pending repromulgation, it appears that there must first be a decision by the Secretary of the Interior, after the completion of the study, that the old regulation should be retained. A gap in the effective enforcement of safety on the OCS cannot be tolerated.

I urge the defeat of the proposed amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I am happy to yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I would like to clearly point out that the report gives the Coast Guard sole responsibility over lights, marking, and other warning devices for aids to navigation, but we share authority with the Department of the Interior, the Coast Guard and the Army on obstructions to navigation. That is the only difference, and the committee felt this was the approach to take.

Mr. DU PONT. I would say to the gentleman that as I understand his amendment, before any of the regulations can remain in effect after enactment into law of this bill, there is going to have to be an administrative decision to pick one or the other agency. That administrative decision might take as much as a year, and that is the problem.

Mr. MURPHY of New York. If the gentleman will yield further, the existing procedure and law is that the existing regulations remain in force and effect until the promulgation of new regulations.

Mr. DU PONT. I would say to the gentleman that if that were the case, I would not be objecting to his amendment. But, that is not what the proposed language says, so I would urge defeat of the amendment.

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words, and rise in opposition to the amendment.

Mr. Chairman, I am concerned with the effect of the proposed amendment on existing programs for the regulation of safety on the OCS. The amendment would delete the present authority for the Coast Guard to regulate such vital areas as prescribing the lights, markings, and warning devices required on structures from the dangers of collision from vessels navigating on the high seas, and which also protect the vessels from the dangers posed by the structures. It would also eliminate the present authority of the Coast Guard to prescribe and enforce regulations designed to protect life and property on the structures themselves.

Under its existing authority the Coast Guard has promulgated an extensive set of regulations dealing with structures located on the OCS. In addition to the regulations covering required lights and fog signals, the Coast Guard has promulgated regulations covering means of escape from the structures, personnel landings, required guardrails, lifefloats, liferafts or their equivalent; life preserver, ring life buoys and special work lifevests; firefighting equipment; and required drills in firefighting and the preparation and launching of lifefloats and other lifesaving equipment. These regulations are vital to the safety of the persons working on the structures on the OCS and must continue in effect unabated.

The Coast Guard Subcommittee of the Merchant Marine and Fisheries Committee appreciates the fact that the Ad Hoc Select Committee on the Outer Continental Shelf recognizes the role of the Coast Guard in these areas and is gratified that the report expresses the intent that the Coast Guard continue its lead role in promulgating new regulations in these areas. I am concerned however that, under the terms of the bill, there will be a gap in which there will be no effective enforcement of these vital safety regulations.

The bill provides that, upon enactment, the National Academy of Engineering is to undertake a study of all present safety regulations and submit its report within 9 months.

The bill also requires the Secretary of the Interior to review existing regulations, and, after considering the results of the study by the National Academy of Engineering, promulgate new regulations or repromulgate existing ones. All of this is to be accomplished in 1 year. Even if that optomistic timetable is met, there will be a period of time where there can be no effective, enforceable safety regulations on the OCS, if this amendment is adopted. This would be an intolerable situation.

There is language in the bill which indicates that existing regulations will remain in effect, pending repromulgation, however, there is still required a decision by the Secretary of the Interior that the regulation in question is consistent with the provisions of the bill, including the use of the best available and safest technology economically achievable, and that it should be retained. This presumably cannot be done until the results of the review and study are available.

There is undoubtedly a need for improvement in the regulation of all aspects of safety as it concerns operations on the OCS. The Coast Guard is presently engaged, in cooperation with OSHA, in preparing regulations concerning diving activities. The point is, this effort is being undertaken under existing authority and is not dependent on the authority contained in this bill. This existing authority should be continued. I urge my colleagues to reject this amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I am privileged to yield to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I want to be clear that this amendment in no way takes away any power or authority from the Coast Guard.

What we did was move from section 4 to section 21 some very specific language, which I will state from page 94, lines 9 to 13:

> Any safety regulation in effect on the date of enactment of this section which such officials find should be retained shall be promulgated pursuant to the provisions of this section, but shall remain in effect until so promulgated.

We have very clearly spelled out what the responsibility of the Coast Guard is. We also very clearly say that there shall be shared authority. But I think the gentleman from New York has put his finger on the problem, which was skirted by the gentleman from Delaware, and that is that there are additional safety responsibilities that have not been addressed, namely, divers safety.

OSHA is specifically charged with responsibilities to protect the many men who are in probably the most hazardous positions working on the Continental Shelf, and that is the reason for the incorporation of this language.

Mr. Chairman, I hope that the amendment will be accepted.

The CHAIRMAN. The time of the gentleman from New York (Mr. BIAGGI) has expired.

(On request of Mr. FISH and by unanimous consent, Mr. BIAGGI was allowed to proceed for 2 additional minutes.)

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I will be pleased to yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Chairman, I just want to point this out to the gentleman, and perhaps this should be directed to the chairman of the ad hoc committee:

It is my understanding that the Coast Guard is already an agency that has marked areas offshore for navigation. I think what the gentleman's amendment is saying is that it is optional that they do it if they think it is necessary. I do not see that the amendment does anything that is not being done right now.

Mr. MURPHY of New York. Mr. Chairman, if the gentleman from New York (Mr. BIAGGI) will yield, the amendment states that it is specifically the responsibility and the sole responsibility of the Coast Guard, and that instead of having the Army in one area, the Department of the Interior in one area, and the Coast Guard in another area, according to what the language says, they must get together in order to promulgate navigation rules.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, I would say to the subcommittee chairman that the section on page 94 that he just read does not solve the problem; it creates the problem. The language the gentleman read is as follows:

> Any safety regulation in effect on the date of enactment of this section which such officials find should be retained. . . .

That requires the Secretary of the Army, the Coast Guard, and all these other agencies to get together and make a finding. That is the period I am worried about. That finding must be made, and until it is made, all regulations will be suspended.

Mr. MURPHY of New York. Mr. Chairman, if I may read the last phrase of that sentence on page 94, lines 12 and 13, it says:

> . . . but shall remain in effect until so promulgated.

We have stated it three times to the gentleman, and I repeat that those regulations will be in effect until new regulations are promulgated.

Mr. du PONT. But not until there is a finding.

Mr. MURPHY of New York. That is simply not the fact.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if I might have the attention of the gentleman from New York (Mr. BIAGGI), the chairman of the Subcommittee on Coast Guard and Navigation, having to do with Coast Guard activities.

As I understand it—and I wish the gentleman would elucidate on this matter which we have been discussing during the last few minutes—the amendment before us would end the authority of the Coast Guard over safety regulations in the OCS that it presently has. Is that the gentleman's understanding of the amendment?

Mr. BIAGGI. Mr. Chairman, if the gentleman will yield, that is my understanding, yes.

Mr. FISH. It has been pointed out by the chairman of the committee that this is not so, but yet it seems to me that the gentleman's amendment strikes out, wipes out a part of the law, section 4e (1), upon which the regulations are based. Is that the gentleman's understanding?

Mr. BIAGGI. Mr. Chairman, that is the reason for our objections. I might reply that there seems to be some confusion and some conflict as to the Member's understanding of the proposed amendment. It has not been cleared up to my satisfaction.

In the light of that confusion, rather than hazard passage of the amendment, I would prefer to stay with the status quo and have the legislation enacted absent the amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, as the former chairman of the Subcommittee on the Coast Guard and the present ranking member, I can state specifically that no authority is taken from the Coast Guard. Actually we state that they will have shared responsibility in the area of navigation.

The present chairman of that subcommittee has pointed specifically to the problem of OSHA. We had 28 divers die in offshore activities during the past calendar year, and that is one of the reasons why this amendment has been offered.

Mr. FISH. Mr. Chairman, I wonder if I might address a question to the subcommittee chairman.

The gentleman stated that regulations will remain in effect under his amendment. Is it not so that regulations will have to be repromulgated, and that there is an intermediate study called for that will take some time?

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield, regardless of the studies, the present regulations will remain in force and effect until new regulations are promulgated. That will be true in spite of any studies that may be made or called for in the bill.

Mr. FISH. The way I read the amendment, Mr. Chairman, is that only those that will be repromulgated will be in effect. Otherwise, the basic law as to the regulations and the pending authority of the Coast Guard is stricken.

Mr. MURPHY of New York. Mr. Chairman, categorically, if we read the language in the bill, it specifically states that all regulations will remain in effect until new regulations are promulgated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Murphy).

The question was taken; and on a division (demanded by Mr. Fish) there were—ayes 16, noes 18.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DU PONT

Mr. du PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. du Pont: On page 56, line 14, strike "shall", and insert "may" in lieu thereof.

(Mr. du PONT asked and was given permission to revise and extend his remarks.)

Mr. du PONT. Mr. Chairman, I hope this is a noncontroversial amendment. It corrects a problem that I think exists with the bill. The bill says that the Coast Guard "shall" mark every rig on the Outer Continental Shelf.

Mr. Chairman, it is standard procedure for the Coast Guard to put in place appropriate markings, but a requirement that every structure be marked may well lead to massive confusion in those areas where there are large numbers of structures.

I think that the Coast Guard has done a good job in its marking program. I would not want to see a mandatory requirement that every structure be marked because I think it would confuse the navigators of ships and lead to less safety for those using our oceans rather than more.

In addition, Mr. Chairman, there is the possibility that a mandatory duty to mark could expose the Government to damage claims under the Federal Tort Claims Act when, in fact, it was the operator of the facility that was negligent and not the Government.

Therefore, Mr. Chairman, I think that if we adhere to existing marking regulations, giving discretion to the Coast Guard, we would serve our safety interests very much better.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to this amendment because it would severely hamper the efforts of this legislation to develop proper safeguards against navigational hazards.

The amendment would permit, instead of require, the Coast Guard to mark obstructions, when the operator or owner of the structure fails to mark them. Presently, such owners or operators are required by law to always mark any structure. This should be enforced and is not. The Coast Guard should only step in when the owner or operator is not diligent. To continue discretionary authority to mark would continue to allow Coast Guard not to enforce their requirement on such owners or operators. It is just a perpetuation of the status quo which has been woefully inadequate, according to testimony which the committee received.

By simply changing the word "shall" to "may," we would be abandoning a clear mandate to the Coast Guard to insure the safety of waterborne commerce by forcing others to mark or marking themselves these navigational hazards.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, I am not aware, in the testimony which the gentleman from New York (Mr. Murphy) is referring to, of any criticism we received of the role of the Coast Guard.

There is criticism of the role of the rig operators, to be sure; but I think if we really require every single structure to be marked by the Coast Guard, we are going to create more of a problem.

As far as I can see from the testimony, the Coast Guard is doing its job properly and we ought to let it continue to do so. Would the gentleman from New York agree?

Mr. MURPHY of New York. In answer to the gentleman from Delaware, on a Saturday night, when we finished our hearings in New Orleans, we had received assurances from the regional Coast Guard Director that he had a problem in making sure that each of the rigs was marked. Then he told us that he did not have sufficient personnel on hand to insure that they were properly lighted and marked.

At 3 a.m. on Sunday, a Greek tanker plowed into a production rig which allegedly was unlighted and severed nine oil lines.

At 10 o'clock the next morning we had a further conference with the admiral and he reiterated his statement which certainly flies in the face of the proposition promoted by the gentleman from Delaware.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. du Pont).

The question was taken; and on a division (demanded by Mr. du Pont) there were ayes 16, noes 14.

Mr. MURPHY of New York. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will state to the gentleman from New York that that objection cannot be made in the Committee of the Whole.

Mr. MURPHY of New York. Mr. Chairman, I demand a recorded vote, and, pending that, I make the point of order that a quorum is not present.

PARLIAMENTARY INQUIRY

Mr. du PONT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. du PONT. Mr. Chairman, the request of the gentleman from New York was on the point of order that a quorum was not present and the pending business of the Committee of the Whole will therefore be the establishment of a quorum of the Committee of the Whole and not a vote on the amendment?

The CHAIRMAN. The gentleman is correct.

The Chair will count. Forty-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to report their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 524]

Abzug
Anderson, Ill.
Andrews, N.C.
Badillo
Bowen
Buchanan
Burton, John
Cederberg
Chisholm
Clay
Cochran
Conyers
Cotter
Davis
Derwinski
Diggs
Dingell
Downing, Va.
Drinan
Esch
Evins, Tenn.
Flynt
Ford, Mich.
Fraser
Fuqua
Giaimo
Gude
Harkin
Harsha
Hébert
Heinz
Helstoski
Hinshaw
Howard
Howe
Jarman
Jones, Tenn.
Karth
Leggett
Litton
Long, Md.
Lundine
McDade
Mathis
Matsunaga
Melcher
Mikva
Milford
Murphy, Ill.
Neal
Nedzi

Nolan
O'Hara
Pepper
Peyser
Quie
Randall
Rees
Reuss
Riegle
Rodino

Ruppe
Scheuer
Shipley
Shuster
Skubitz
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens

Stokes
Stuckey
Symington
Teague
Udall
Waxman
Young, Alaska
Young, Ga.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6218, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 354 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from New York (Mr. MURPHY) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 242, not voting 43, as follows:

[Roll No. 525]

AYES—147

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bevill
Biester
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burleson, Tex.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Downing, Va.
du Pont
Edwards, Ala.
English
Erlenborn
Eshleman
Fenwick
Findley
Fish
Flynt
Forsythe
Frenzel
Frey
Goldwater
Gonzalez

Goodling
Gradison
Grassley
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Heckler, Mass.
Hightower
Hillis
Holt
Horton
Hutchinson
Hyde
Ichord
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Lloyd, Calif.
Lott
Lujan
McClory
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Mahon
Martin
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mosher

Myers, Ind.
Nichols
O'Brien
Patten, N.J.
Paul
Pettis
Poage
Pressler
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thone
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Wiggins
Winn
Wydler
Wylie
Young, Fla.

NOES—242

Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.

Annunzio
Ashley
Aspin
AuCoin
Baldus
Baucus
Beard, R.I.

Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin

Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Chappell
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Fountain
Fraser
Gaydos
Gibbons
Gilman
Ginn
Green
Gude
Haley
Hall, Ill.
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins

Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Henderson
Hicks
Holland
Holtzman
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCloskey
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey

O'Neill
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Perkins
Pickle
Pike
Preyer
Price
Rangel
Rees
Richmond
Rinaldo
Risenhoover
Roberts
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Stratton
Studds
Sullivan
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—43

Abzug
Anderson, Ill.
Andrews, N.C.
Badillo
Burton, John
Chisholm
Clay
Cotter
Coughlin
Derwinski
Duncan, Oreg.
Esch
Evins, Tenn.
Ford, Mich.
Fuqua

Giaimo
Harkin
Heinz
Helstoski
Hinshaw
Howard
Howe
Jarman
Jones, Tenn.
Litton
Murphy, Ill.
O'Hara
Pepper
Peyser
Randall

Reuss
Riegle
Rodino
Shipley
Stanton, James V.
Steelman
Stephens
Stokes
Stuckey
Symington
Udall
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Anderson of Illinois for, with Mr. Jones of Tennessee against.

Mr. Young of Alaska for, with Ms. Abzug against.

Mr. Derwinski for, with Mr. Pepper against.

Mr. Coughlin for, with Mr. John Burton against.

Mr. DOWNING of Virginia changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MURPHY of New York: On line 10, page 57, delete the period after provisions and insert: "and the Secretary may at any time prescribe and amend such rules and regulations as he determines to be necessary and proper in order to provide for the prevention of waste and conservation of the natural resources in the outer Continental Shelf, and the protection of correlative rights therein."

Mr. MURPHY of New York. Mr. Chairman, this amendment is technical in nature and it is offered at the administration's request.

The clause inserted comes from the present OCS Lands Act and has formed the primary basis on which judicial and regulatory action have defined the authority of the Secretary to govern leasing operations. Retaining this phrase insures that no loss of previous regulatory authority will occur and prevents any possible automatic application of State law, because of a lack of regulations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MURPHY of New York: On page 59, line 2, to page 59, line 4, strike all after "regulations" to "law" and insert the following:
>
> (A) shall not occur unless and until operations under such lease or permit shall have been under suspension, or temporary prohibition, by the Secretary, with due extension of any lease or permit term continuously for a period of five years, or for a lesser period upon request of the lessee, and (B) shall entitle the lessee to receive such compensation as he shows to the Secretary as being equal to the lesser of (i) the fair value of the cancelled rights as of the date of cancellation, taking account of both anticipated revenues from the lease and anticipated costs, including costs of compliance with all applicable regulations and operating orders, liability for clean-up costs or damages, or both, in the case of oil spill, and all other costs reasonably anticipated on the lease, or (ii) the excess, if any, over the lessee's revenues, from the lease (plus interest thereon from the date of receipt to date of reimbursement) of all consideration paid for the lease and all direct expenditures made by the lessee after the date of issuance of such lease and in connection with exploration or development, or both, pursuant to the lease (plus interest on such consideration and such expenditures from date of payment to date of reimbursement).

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, it was the intention of the ad hoc committee that threats of harm or damage were to be dealt with by suspension, and be followed by cancellation only if there is actual demonstration of serious harm or damage, which would not decrease over a reasonable period of time, resulting from the activity. In addition, it was the intention of the ad hoc committee to require adequate compensation to be paid for the cancellation of a lease, if through no fault of the lessee. This amendment insures and codifies both of these intentions.

A lease should be cancelled only in an extreme case, after it has been clearly demonstrated by the passage of time, that a hazard is unacceptable and cannot be reduced or removed. This amendment would provide for a period of 5 years for a suspension to occur prior to the actual cancellation of a lease, so as to make a determination as to whether the risk of serious harm or damage would decrease over a reasonable period of time. The Secretary is also given the discretion, at the request of a lessee, to reduce the period of time.

Section 204, amending section 5 of the Outer Continental Shelf Lands Act, provided that cancellation should not "foreclose any claim for compensation as may be required by the Constitution of the United States or any other law." A new amended section 25, also included in H.R. 6218, would specify total reimbursement for all expenses, plus interest, plus bonuses, for any cancellation resulting from a disapproval of a development and production plan. This amendment, together with an amendment to section 25, also to be offered, provides for adequate compensation for either type of cancellation. Compensation is provided for the value of the rights of which the lessee is deprived, or restitution of the excess of cost of revenues, whichever is less. The lessee is thus paid an amount which bears a closer relation to the values for which he is being deprived by cancellation, or the amount of just restitution for his operations on a lease.

AMENDMENT OFFERED BY MR. WIGGINS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. WIGGINS. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Wiggins as a substitute for the amendment offered by Mr. Murphy of New York: On page 58, strike all after "(B)" on line 6, down through page 59, line 4, and insert in lieu thereof the following: "if there is a threat of serious, irreparable, and immediate harm or damage to life (including aquatic life), to property, to any mineral deposits (in areas leased or not yet leased), or to the marine, coastal or human environment not anticipated in kind or degree at the time such operation or activity was authorized. No operation or activity may be suspended or temporarily prohibited under (B) of this subsection for a period longer than 10 days unless the Secretary shall, after affording interested parties an opportunity for hearing, find that the threatened harm or damage exceeds the advantages of continuing such operation or activity in light of the policies and purposes of this Act; and any such operation or activity shall be suspended or temporarily prohibited only to the extent and for the period necessary to alleviate the threatened harm or damage. Any permit of lease affected by such suspension or prohibition shall be extended for a period equivalent to the period of suspension or prohibition, except that no permit or lease shall be so extended when such suspension or prohibition is the result of gross negligence or willful violation of such lease or permit, or of regulations issued concerning such lease or permit;

"(2) for the cancellation of any lease by the Secretary, after affording the lessee opportunity for a hearing, if the Secretary finds that operations pursuant to such lease pose a serious and unacceptable threat of harm or damage, unanticipated in kind or degree by the Secretary at the time such lease was issued, arising from exceptional geologic conditions in the lease area, exceptional resource values in the marine or coastal environment, or other exceptional circumstances, after considering, in light of the policies and purposes of this Act, the advantages of continuing such operations, except that—

"(A) such lease shall not be canceled pursuant to this paragraph if (i) such threat of harm or damage will significantly decrease within a reasonable period of time, (ii) it is probable that the utilization of new technology will significantly lessen such threat of harm or damage within a reasonable period of time, (iii) there remains a portion of the lease area which may be safe and practical to explore and develop, or (iv) any environmental risks inherent in terminating all operations pursuant to such lease outweigh such threat of harm or damage,

"(B) the cancellation of any lease pursuant to such regulations shall not foreclose any claim for compensation as may be required by the Constitution of the United States or any other law;".

Mr. WIGGINS (during the reading). Mr. Chairman, I ask unanimous consent that my substitute amendment be deemed as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WIGGINS. Mr. Chairman, this is an important amendment dealing perhaps with hundreds of millions, or perhaps billions of dollars. It is worthy of careful attention.

Mr. Chairman, section 204 of the bill amends section 5 of the Outer Continental Shelf Lands Act. The new section 5 directs the Secretary to promulgate regulations which shall include procedures for the suspension or temporary prohibition of any operation or activity conducted on the leasehold, and for the cancellation of the lease itself.

It is obvious that the Secretary must be given this authority, but it is just as obvious that it should be exercised only for the most compelling of reasons in view of the potential for great economic loss if operations are suspended even for a few days.

The present language of the bill is deficient and must be changed. The bill would authorize all operations on a leased tract to be suspended if the Secretary finds a serious threat to the marine, coastal or human environment. That language is much too broad. No governmental official should be given the power to shut down a going business for an indefinite period without affording the affected parties an opportunity to be heard.

My amendment accomplishes the following objectives:

First. An emergency suspension of operations can be ordered because of threatened harm not anticipated at the time the activity was originally authorized;

Second. The emergency suspension can continue beyond 10 days only if a hearing is held and the Secretary finds that the threatened harm exceeds the advantages of continued operation;

Third. No suspension shall be for a longer period or be more extensive than is necessary to alleviate the threatened harm; and

Fourth. Except for willful violations, the lease will be extended for the period of any suspension.

The second part of my amendment alters the cancellation procedures contained in the present bill.

As presently worded, the lease may be canceled if, after hearing, the Secretary finds that the continuation of the lease would cause serious harm, which would not decrease over a reasonable time, to various important interests. Cancellation would not foreclose a claim for compensation.

Admittedly, the procedure for cancellation is superior to that invoked in the case of a suspension; however, it remains deficient and must be changed.

My amendment would achieve the following:

First. The harm justifying cancellation must be unanticipated in kind or degree from that contemplated when the lease was made;

Second. The interest to be protected by cancellation must override the advantages of continued operation;

Third. The lease may not be canceled if the harm will significantly decrease within a reasonable time or by the employment of different technology;

Fourth. Nor may the lease be canceled in its entirety if partial development may be continued safely; and

Fifth. Finally, compensation to parties as a result of the cancellation is protected.

This comprehensive amendment improves the bill and should be adopted.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. Wiggins was allowed to proceed for 5 additional minutes.)

Mr. WIGGINS. Mr. Chairman, this is a comprehensive amendment. Its value to the Members as responsible legislators is that it establishes criteria for the Government to act adversely on important property interests.

If criteria is not in the bill, we have what amounts to the uncontrolled discretion of the Secretary. My substitute is necessary to preserve the constitutionality of this section. The amendment offered by the gentleman from New York (Mr. Murphy) would permit the Federal Government to cancel the lease. Admittedly, a lease is an important and very valuable property interest. Perhaps hundreds of millions of dollars may have been bid for the opportunity of obtaining the lease.

The first point I wish to underscore

is that we are talking about big money and big interests.

Second, it ought to be clear that the Government may not take that property away from any person for an overriding public purpose without paying him for it. The fifth amendment requires it.

The amendment offered by the gentleman from New York (Mr. MURPHY) is, I would think, particularly deficient because it does not require that the Government pay compensation to the owner of the leasehold equivalent to the value of his property interest but merely the amount of his unrecovered costs.

I can foresee, and I am sure the Members can, that an owner who has been operating profitably may have recovered all of his costs. If the lease is canceled and the Murphy amendment prevails, he gets nothing. To the contrary, the leasee is entitled to just compensation under the Constitution. There really should be no question about that.

I strenuously urge that the Members protect in this respect the constitutionality of the bill by adopting my substitute and defeating the Murphy amendment.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the substitute amendment.

I rise in opposition to this amendment primarily because it grants too much discretion to the Secretary of the Interior.

The amendment changes the conditions that must exist for the Secretary to reach a decision to cancel a lease. As the bill is now worded, the Secretary must find that continued activity would cause serious harm or damage, which would not decrease over a reasonable period of time. The occasion when the Secretary might find that activities would cause and not just threaten serious harm or damage will be sufficiently rare to avoid having leases unnecessarily canceled. And yet, when serious harm or damage actually would occur, this language insures that activities will cease and the lease will be canceled.

The language of the amendment, however, leaves too much discretion to the Secretary. The Secretary must find that there is a serious and unacceptable threat of harm or damage. He must also take into consideration the advantages of continuing the operations. What do these terms mean? By talking about serious and unacceptable threat and weighing factors, you immediately open the issue up to possible abuse, inaction, or wrong action. Also, it must be kept in mind that one cannot be sure of the advantages of continuing operations, because these are based only on estimates of the resources to be recovered.

Also, the amendment calls for "just" compensation. Again, this is too discretionary and could cause long delays due to court proceedings by oil companies which disagree with the Secretary's interpretation of a "just" compensation.

Finally, Mr. Chairman, section 5(a) (2) of the bill requires the Secretary of the Interior to hold a hearing to determine the damage which had been done by activity affecting the coastal and marine environment—and only then could he cancel any lease or permit. Standards for cancellation are explicitly stated in contrast to the amendment offered by Mr. WIGGINS. The outcome of the hearing as to the facts determines if a lease is to be canceled. This amendment would not leave it up to the interpretation of the Secretary of the Interior to decide if a threat to the environment exists or not, or if the environmental risks inherent in terminating an operation outweigh the damage done.

Technical expertise is needed to determine the advantages of continued operation. Not only estimates of the resources to be recovered, but also future technology, has to be considered. The latter may provide in the near future for safer development of the same resources, without environmental risks.

My amendment also defines the compensation a lessee can expect to receive as suggested by the Interior Department, and, in contrast to the minority amendment, does not leave it up to the Secretary of the Interior to determine a just compensation.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I understood the gentleman from California to say that his amendment would require the Secretary to find that the risk was not contemplated at the time the contract was made, which, if so, seems to me to open up a larger loophole because all offshore drilling involves certain risks.

So that many risks will always have been contemplated at the time the contract was made.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield to the gentleman from California.

Mr. WIGGINS. Mr. Chairman, I want to address this question to my colleague, the gentleman from Ohio (Mr. SEIBERLING), whom I know to be a lawyer. Let me ask the gentleman this:

Is a leasehold interest a property interest that can be taken without payment of compensation for a public purpose by a government agency?

Mr. SEIBERLING. Mr. Chairman, if the gentleman from New York (Mr. MURPHY) will yield, I am not sure the issue is one of compensation or but rather whether the Secretary should have certain power.

Mr. WIGGINS. Mr. Chairman, I think the gentleman can answer the question. It almost answers itself. It goes right to the heart of the argument of the gentleman from New York (Mr. MURPHY).

This interest acquired by the lessee is something in the nature of a contract which cannot be abrogated unilaterally without fair compensation. That clearly cannot be the law. It is not the law.

Mr. SEIBERLING. The Constitution requires fair compensation. No matter what the Congress does, we cannot override that. However, as I understand the gentleman's amendment, it would limit the power of the Secretary to exercise the right to cancel a contract, compensation or no compensation.

Mr. WIGGINS. Indeed it establishes a criteria for cancellation or supervision for the first time in the bill. Were it not for my amendment, lessee would be subject to the uncontrolled discretion of the Secretary with respect to both suspension and cancellation.

Mr. SEIBERLING. Would the gentleman agree that compensation would be required in any event by the Constitution of the United States?

Mr. WIGGINS. I agree. And, of course, it would be intolerable for the gentleman to vote, as a good lawyer, for a formula of compensation which allows the lesser of just compensation or unrecovered costs.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to my colleague on the committee, the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I thank the gentleman for yielding.

I wonder if I might have the attention of my colleague, the gentleman from California (Mr. WIGGINS). I know that my colleague is a distinguished lawyer, and it just seems to me that the gentleman has skirted the real issue involved.

We are talking about provisions that can be written into the contract. This provision will be written into the contract either directly or by adoption by reference. This exception will be made. As a matter of policy, we are selling public lands, it is sufficient for Congress to determine public policy in connection with the OCS and make that policy a part of any lease sale. By so doing, the lessee is fully aware of the terms of purchase and buys accordingly. I do not see how that procedure deprives anyone of property rights in violation of the Constitution.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(By unanimous consent, Mr. MURPHY of New York was allowed to proceed for 3 additional minutes.)

Mr. WIGGINS. Mr. Chairman, if the gentleman from New York (Mr. MURPHY) will yield further, the question posed assumes that the provisions of the statute will be written into the lease itself and will become part of the bargain between the parties. That is not contemplated in the act itself, nor is it customary for a statute to be incorporated as an integral part of the lease. I would be astounded, frankly, if I were to find in the normal lease a recitation of the full statutory authority of the Government to enter into that lease.

Mr. HUGHES. Mr. Chairman, if the gentleman from New York will yield further, I just want to say to my colleague that he well knows that there are numerous exceptions provided within the lease. When the oil companies bid, they know exactly what they are bidding on. We are writing into the law by this provision the terms and conditions under which they will develop the lease.

Finally when they offer their bids, they know that 1 out of 1,000 or 1 out of 10,000 times they may hit a structure which will create an unreasonable and unacceptable risk to the environment.

Mr. WIGGINS. But here we have the Government causing a lessee to suffer a cancellation of his lease not by reason of his violation of the terms thereof but because of some overriding public interest. The procedure is indistinguishable from a taking subject to fifth amendment rights of compensation.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think my distinguished friend, the gentleman from New Jersey (Mr. Hughes) has put his finger right on the point. The lease is conditioned by the statute. Whether the lease restates the statute or not, the proprietary interest of the lessee is conditioned by the lease subject to the statutory limitation.

Therefore, we can write that in any way we want to because a property right never flows to the lessee unless that property right is contemplated by the statute in the beginning.

I can see no constitutional question involved.

Mr. WIGGINS. If the gentleman will yield further, I will be happy to engage in further colloquy on the issue.

To accept the premise of the gentleman from Texas (Mr. Eckhardt) would mean that a lease entered into by a private party and the Federal Government can be terminated by the Federal Government without compensation to the lessee so long as the statute gave the Federal Government that right.

The CHAIRMAN. The time of the gentleman from New York (Mr. Murphy) has expired.

(By unanimous consent, Mr. Murphy of New York was allowed to proceed for 1 additional minute.)

Mr. WIGGINS. Mr. Chairman, will the gentleman yield further?

Mr. MURPHY of New York. I yield to the gentleman from California.

Mr. WIGGINS. To continue, Mr. Chairman, if the public interest requires that private interests suffer for the public benefit, it is desirable as a matter of policy and, I believe, required by law that the public pay for that benefit.

This is not a familiar forfeiture clause in a lease. It is either a "taking" or the lease is largely illusory because the lessor may cancel the lease when it appears in the public interest to do so. There has never been any suggestion that the parties have regarded these leans as creating a tenancy at will. The entire act would be frustrated if such a construction is given the leases, since it is clear that the act contemplates substantial investments in the leasehold by successful bidders. The billions heretofore paid in bonus bids argue overwhelmingly for a construction of these leases vesting a property interest in the lessee for a fixed term which cannot be suspended or terminated, even in the public interest, without just compensation.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. MURPHY of New York. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, it may be that the distinguished gentleman from California (Mr. Wiggins), who is very learned in the law, is correct and that the lease is not so favorable to the lessee as he would like it to be. Also, it may be less valuable because of the limitation of the statute. However, the argument has to be an argument on questions of policy, not on questions of constitutionality, because we may withhold from the lease whatever we desire to withhold from it by statute, in advance of the lease being granted.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from California.

Mr. WIGGINS. Mr. Chairman, I thank the gentleman for yielding.

I will not monopolize any more of the Members' time than is necessary, but if the gentleman from Texas (Mr. Eckhardt) is correct and the Federal Government has reserved the right to cancel the lease and the lessee accepted the leasehold on that basis and therefore would have no right to complain, then it is quite clear that the lessee would be spending substantial sums of money, knowing that the Federal Government could jerk the lease out from under him if the public interest required it.

If that is what a OSC lease provides, it is equivalent to a tenancy at will, the will of the Federal Government.

To the contrary, a lessee is purchasing a right for a term to explore for minerals in the Outer Continental Shelf. Such a lease does not exist only at the sufferance of the Federal Government.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, the only thing I am trying to get the gentleman from California (Mr. Wiggins) to agree with me on is that the question is one of policy; that is, to what extent the lease should be at sufferance or subject to termination because of a public interest involved.

The gentleman may be right with respect to his insistence that the policy should be to give some vested interest not subject to such cancellation; but I hope that the gentleman will agree with me that if the policy should be otherwise we may so limit the lease without violating any constitutional provision because the limitation is a limitation by statute in advance of the lease granting any property right to the lessee.

Mr. Chairman, that is the point I am attempting to make here. I do not necessarily disagree with the gentleman from California on policy, but I hope he would agree with me that there is no constitutional inhibition against restricting the lease in advance in any way that Congress desires to do it.

Mr. WIGGINS. If the gentleman will yield further, I understand the point of the gentleman from Texas (Mr. Eckhardt) clearly; but I do believe that we have the power in the Congress to pass a statute which would condition the right of fair compensation in the event of a taking. The case of a forfeiture for a violation of the lease is to be distinguished. Here the cancellation is occasioned by an overriding public interest. The situation is identical to a taking by eminent domain. The same rules of compensation should apply.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I would ask if it is the intention of the amendment to permit lessees to hold their leases in perpetuity as certain lessees may now do, as a result of leases issued by the Department of the Interior, not with regard to oil leases, but with respect to mineral leases of land, where they are entitled to have renewals ad infinitum, in perpetuity?

As I understand the purpose of the legislation it is not to permit that kind of leasing.

Mr. WIGGINS. Mr. Chairman, if the gentleman will yield further, these are fixed term leases and my amendment does not change or deal with that. It does not deny the power of the Secretary to either suspend or cancel. It simply requires suspension or a cancellation to meet certain criteria and in the event he elects to either suspend or cancel after hearing that just compensation is payable. It is just that simple.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Fish was allowed to proceed for 1 additional minute.)

Mr. FISH. Mr. Chairman, I think the Members of the House might be interested to know that we are talking about page 59 of the bill, line 2, dealing with the cancellation of leases pursuant to regulations and the language says:

> . . . such regulations shall not foreclose any claim for compensation as may be required by the Constitution of the United States or any other law; . . .

The amendment offered by the gentleman from New York (Mr. Murphy), strikes that language.

This is a very complex area that we considered in the committee. This language was at the suggestion of the gentlewoman from Hawaii (Mrs. Mink) at that time. The Murphy of New York amendment strikes the language. The Wiggins amendment, among other things, restores the language.

We felt in the committee and I feel today the only fair and reasonable thing is to provide for this constitutional guarantee. We are talking, therefore, about just compensation for the taking of property for a public purpose. The amendment offered by the gentleman from New York (Mr. Murphy) would not deny the constitutional recovery as a maximum but it is conceivable it could be less than that. Further, it raises the question of entitlement to compensation whereas the Wiggins amendment in the nature of a substitute would leave it to the courts to decide the issue of whether or not the lessee would receive compensation.

I urge an aye vote on the Wiggins amendment in the nature of a substitute.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. WIGGINS) as a substitute for the amendment offered by the gentleman from New York (Mr. MURPHY).

The question was taken; and on a division (demanded by Mr. WIGGINS) there were—ayes 14, noes 15.

Mr. WIGGINS. Mr. Chairman, I demand a recorded vote, and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Forty-seven Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 526]

Abzug
Adams
Anderson, Ill.
Andrews, N.C.
Armstrong
Ashley
Badillo
Beard, R.I.
Bedell
Brooks
Burton, John
Chisholm
Clausen, Don H.
Clay
Cohen
Conyers
Coughlin
D'Amours
Derwinski
Drinan
Erlenborn
Esch
Evins, Tenn.
Ford, Mich.
Giaimo
Harkin
Hébert
Heinz
Helstoski
Hinshaw
Horton
Howe
Jarman
Jones, Tenn.
Karth
Leggett
Litton
Meeds
Mills
Moss
O'Hara
Pepper
Peyser
Pressler
Randall
Rees
Riegle
Rodino
Roncalio
Russo
Scheuer
Shipley
Sisk
Stanton, James V.
Steelman
Stephens
Stokes
Stuckey
Symington
Thompson
Udall
Waggonner
Waxman
Wiggins
Young, Alaska
Young, Ga.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6218, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 366 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

The SPEAKER. The Committee will resume its sitting.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1976

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. At the time of the point of order of no quorum, the pending business was the demand of the gentleman from California (Mr. WIGGINS) for a recorded vote.

Does the gentleman from California Mr. WIGGINS) insist upon his demand?

Mr. WIGGINS. I do, Mr. Chairman.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 225, not voting 41, as follows:

[Roll No. 527]

AYES—166

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Boggs
Bowen
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Dent
Devine
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Eshleman
Findley
Fish
Flowers
Flynt
Forsythe
Frenzel
Frey
Gilman
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Heckler, Mass.
Henderson
Hightower
Hillis
Holt
Horton
Hubbard
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Long, La.
Lott
Lujan
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Mahon
Martin
Matsunaga
Melcher
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Murtha
Myers, Ind.
Myers, Pa.
O'Brien
Paul
Pettis
Pickle
Poage
Pritchard
Quie
Quillen
Regula
Rhodes
Roberts
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Taylor, Mo.
Teague
Thone
Thornton
Treen
Udall
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wylie
Yatron
Young, Fla.
Young, Tex.

NOES—225

Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Annunzio
Aspin
AuCoin
Baldus
Baucus
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Chappell
Chisholm
Cohen
Collins, Ill.
Conte
Conyers
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Gibbons
Ginn
Gonzalez
Green
Gude
Hall, Ill.
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Hicks
Holland
Holtzman
Howard
Hughes
Hungate
Ichord
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jordan
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lundine
McClory
McCloskey
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mann
Mathis
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pike
Preyer
Price
Rangel
Reuss
Richmond
Rinaldo
Risenhoover
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Stokes
Stratton
Stuckey
Studds
Sullivan
Taylor, N.C.
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, C. H.
Wirth
Wolff
Wydler
Yates
Zablocki
Zeferetti

NOT VOTING—41

Abzug
Anderson, Ill.
Andrews, N.C.
Ashley
Badillo
Bedell
Burton, John
Clay
Corman
Derwinski
Dickinson
Esch
Evins, Tenn.
Ford, Mich.
Giaimo
Harkin
Hébert
Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.
Karth
Litton
Mills
O'Hara
Pepper
Peyser
Pressler
Railsback
Randall
Rees
Riegle
Rodino
Shipley
Stanton, James V.
Steelman
Symington
Whitten
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Anderson of Illinois for, with Ms. Abzug against.

Mr. Dickinson for, with Mr. Jones of Tennessee against.

Mr. Young of Alaska for, with Mr. Pepper against.

Mr. Railsback for, with Mr. John Burton against.

Mr. Derwinski for, with Mr. Rodino against.

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The question was taken; and on a division (demanded by Mr. MURPHY of New York) there were—ayes 56, noes 33.

RECORDED VOTE

Mr. FISH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 247, noes 145, answered "present" 1, not voting 39, as follows:

[Roll No. 528]

AYES—247

Adams
Addabbo
Allen
Ambro
Anderson, Calif.
Annunzio
Aspin
AuCoin

Badillo
Baldus
Baucus
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carter
Chappell
Chisholm
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Fountain
Fraser
Gibbons
Ginn
Gonzalez
Green
Gude
Hall, Ill.
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hays, Ohio
Hechler, W. Va.
Hefner
Henderson
Hicks
Holland
Holtzman
Howard
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jordan
Kastenmeier
Keys
Koch
Krebs
LaFalce
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCloskey
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pickle
Pike
Poage
Preyer
Price
Railsback
Rangel
Reuss
Richmond
Rinaldo
Roberts
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Taylor, N.C.
Teague
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NOES—145

Abdnor
Alexander
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Devine
Dickinson
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Eshleman
Fenwick
Findley
Fish
Flynt
Forsythe
Frenzel
Frey
Gilman
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Heckler, Mass.
Hightower
Hillis
Holt
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Lott
Lujan
McClory
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Martin
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
O'Brien
Passman
Paul
Pettis
Pritchard
Quie
Quillen
Regula
Rhodes
Risenhoover
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Wiggins
Wilson, Bob
Winn
Wylie
Young, Fla.

ANSWERED "PRESENT"—1

Gaydos

NOT VOTING—39

Abzug
Anderson, Ill.
Andrews, N.C.
Ashley
Bedell
Burton, John
Carr
Clay
Derwinski
Esch
Ford, Mich.
Fuqua
Giaimo
Harkin
Hayes, Ind.
Hébert
Heinz
Helstoski
Hinshaw
Horton
Howe
Jones, Tenn.
Karth
Litton
O'Hara
Pepper
Peyser
Pressler
Randall
Rees
Riegle
Rodino
Shipley
Stanton, James V.
Steelman
Symington
Whitten
Young, Alaska
Young, Ga.

The clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Anderson of Illinois against.

Ms. Abzug for, with Mr. Young of Alaska against.

Mr. John Burton for, with Mr. Derwinski against.

Mr. Pepper for, with Mr. Hébert against.

Mr. Rodino for, with Mr. Horton against.

Mr. BROWN of Michigan changed his vote from "aye" to "no."

Mr. WYDLER changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 60, line 3, delete the semicolon after "gas" and add "other than by the United States Government;"

Mr. MURPHY of New York. Mr. Chairman, the Federal Government is presently considering, in connection with the strategic petroleum reserve program mandated by the Energy Policy and Conservation Act, the storage of petroleum in salt domes on the Outer Continental Shelf. The Department of the Interior's regulations dealing with subsurface storage of oil and gas is designed for private parties and it is unnecessary to have the Government issue regulations for itself.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the entire 5 minutes. I would just like to express my support for the amendment which removes a problem in the bill which has inadvertently caused some concern.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it just occurs to me in observing the RECORD where the amendments are printed that a great number of these amendments are being offered by the chairman of the committee. It seems to me that if there are some 60 amendments at the desk that it might be better to recommit the bill and have the committee go back and do its work and not bring a bill to the floor with such a great number of amendments being offered.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Certainly.

Mr. MURPHY of New York. I think it has been the experience of this House that whenever we have a bill that involves energy that the same ground that has been plowed month after month in the committees must be plowed again on the floor.

Many of the amendments I am offering myself are compromises which I have worked out with the administration and many Members of the minority. Many of these amendments as the progress of this bill goes forward will be offered en bloc and, hopefully, we can dispose of this business in an orderly fashion; but it is just the nature of the great controversy over the problem of energy and the role of the Federal Government and the role of private industry and the role, of course, of this House in dealing with that problem that requires this process.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman from New York for those comments, but is the gentleman saying that the committee did not consider the recommendations of the administration in the course of the committee's consideration of the bill?

Mr. MURPHY of New York. Our committee considered every recommendation of the agencies of the Federal Government and the administration in the markup of this bill, which took 4 months and went through 194 amendments. After the bill was completed, the administration came in with an additional 34 amendments and we are seeing the product of these after-the-fact negotiations being currently exercised on the floor.

Mr. BROWN of Michigan. Mr. Chairman. I thank the gentleman for those comments, but it seems to me the whole purpose of the committee function is to come up with a bill which has the input of the committee, as well as the administration, and to open up on the floor something that does not require so many amendments from the leadership, the proponents of the bill and the chairman of the committee.

Mr. MURPHY of New York. The amendments offered by the chairman are those amendments offered in a spirit of compromise with the administration. I am offering them on the floor because the administration was not timely enough to bring those amendments up in the first 18 months of the consideration of this bill. The Secretary and other members of the administration involved have admitted this and appreciate the fact that they are receiving this accommodation.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I would like to support what the gentleman from New York (Mr. MURPHY) has said. There was considerable time following the markup and reporting out of this legislation before the administration came up with numerous and detailed amendments. We have been having negotiating sessions on those, as well as on the amendments that the minority felt should be offered.

Most of these amendments the chairman is offering are in that spirit, and are amendments which the minority has accepted.

Mr. BROWN of Michigan. I thank the gentleman for his comments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California: On page 69, line 22, strike "90" and insert "66⅔".

On page 71, line 7, strike "90" and insert "66⅔".

Mr. MILLER of California. Mr. Chairman, the amendment I am offering is an amendment offered with the hope of persuading the Secretary of the Interior to allow greater flexibility and to offer more leases under alternative leasing systems than he currently does today. Under the provisions as written in the bill, the committee has outlined a number of alternative methods of leasing that are available to the Secretary of the Interior. It also says that in no event shall the front-end bonus bid system be used to a greater extent than 90 percent.

What, in effect, we are saying, if we look at the past history of the Department of the Interior, is that 10 percent of the leases perhaps shall be offered on an alternative bid system, most of which deal with extracting royalties over the life of the lease. Currently, under the bonus bid system, the major oil companies have a stranglehold on the entry into the offshore oil exploration, but independents and small companies seeking to find a source of crude oil cannot do so. The major oil companies are able to find the capital with which to enter into bonus systems and therefore secure the oil rights under the land and to tie it up for a number of years.

What I am saying is that we ought to allow the Secretary to offer up to 33⅓ percent in alternative systems, and in no event shall he offer more than 66⅔ percent of all leases under the bonus bid system. Most of the reports and studies of the Outer Continental Shelf in this country and in the world have said that one of the major flaws in the lease system is the continual use by the U.S. Government of the bonus bid system. This system requires the companies to come up with massive amounts of capital in order to secure rights to go ahead to explore and produce oil. It requires companies to come up with massive amounts of capital and end up, in effect, with a dry hole.

The companies will say that this is a good deal for the Federal Government because they give away all this money and do not find any oil. I do not think it is the public purpose of this Congress or of the Department of the Interior to try to make moneys from the companies when there are no resources to be developed. Rather, we ought to embark on a lease practice that is equitable, which provides a fair return and allows small companies to have a chance on these leases.

There have been a number of articles and discussions within the oil industry about the capital required for the oil industry to continue to explore. I think one of the interesting comments was made in an issue of Fortune magazine entitled, "Why Big Oil Is Putting the Brakes On." It talks about the high risk of oil development, but it says:

> One company has estimated that about 30 percent of the approximately $100 billion the industry would have to spend in the 1976–80 period must go for lease bonuses, principally to the federal government. If the government decided to forgo front-end payments for leases, which really represent a form of prepaid taxes, and instead accept royalty payments on each barrel of future output, the cash-flow prospects would look more favorable.
>
> It is altogether possible that, if their near-term cash requirements were reduced, the companies might decide to proceed with a much more ambitious drilling schedule than they currently are planning for the rest of the decade. As a result, oil and gas output in the Eighties could increase dramatically, and post-1980 imports would greatly decline. In other words, if the U.S. government stopped skimming off the top, as it were, the oil companies could afford to lease more land and do more exploring, and this activity would generate higher revenues in the early Eighties than the industry is now anticipating.

So I think what we have here is that we have the oil companies telling us they have struck a great bargain for the American people, that the American Treasury has received 94 percent of all of the revenues.

That is not fact. That is not fact, because when we take the front-end bonus and they are allowed to expense it, they are allowed to write off dry wells, the fact is that the Treasury has not received that benefit of some 94 percent.

When we had the oil companies before our committee, we put the question to them: "You guys complain about leaving hundreds of millions of dollars on the table," as they call it, when they bid and they find no oil. "Why don't you want to revise the system so it is a pay-as-you-go plan, so if you find oil you share the revenues?"

There was no answer.

But they say it is a terrible liability, a terrible risk, to have front-end bonus bidding. But they do not want to change the system. I suspect they do not want to change the system because they do not want the competition by independent oil groups to have part of this action in developing the country's resources.

I think if we look at the reports by the Public Land Law Review Commission, the California State Legislature, or the Journal of Petroleum Technology, all of these talk about the disadvantages of front-end bonus bidding.

So what my amendment would do is to say to the Secretary of the Interior: You shall offer.

If he determines that one of these alternative systems is not in the best interest of the public, is not in the best interest of oil development, he can still reject that bid. He is not required to let that bid go out for exploration. He can reject it. But the fact of the matter is, he is wedded to the bonus-bid system. For 22 years he has had these alternatives available to him, and in only two instances can we show that he had some type of alternative system.

The amendment that I am offering is supported by labor, by environmental groups, by the small producers. I think it is an amendment that deserves favorable consideration of this House.

Mr. FORSYTHE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think we really have to look at the history of what has happened in petroleum energy in this country when we look at this issue. Certainly the oil industry has provided more and cheaper energy for this Nation than any other nation in the world.

It is a fact that I support the additional systems of bidding. But they are basically untried. And to mandate that we move to untried systems with a mandate that one-third of all leases be under an untried system I think is just a risk we should not take.

The issue is the question of competition from smaller and independent producers? I do not think the record substantiates that. In our hearings, the independents approved, as well as did the majors, the existing system. The Secretary has offered, as my colleague from California indicated, these new systems in two instances now. He has proposed this in the frontier area off the Atlantic coast that is scheduled for bidding in August of this year. I grant that it was the interest of the committee that has encouraged some of these new bidding procedures.

I do not believe that we should move to a mandate in this regard. When we particularly recognize that this bill obviously will go to conference and that we already have a 50-percent mandate in the Senate bill, I think we are going to come out with a 10–50 level or some smaller level, and we should not mandate a higher level in the House bill.

So, Mr. Chairman, I must urge we vote down the amendment.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, I thank the gentleman for yielding.

The gentleman began by saying that this Nation has benefited from cheaper energy as a result of the front-end bonus bidding system. I wonder if the gentleman could explain to the Committee how in the world the imposition of literally billions of dollars—I believe in this regard it is some $16 billion—on the cost of energy, which is unrelated to the cost of production, leads to cheaper energy. I do not understand the gentleman's reasoning.

Mr. FORSYTHE. Mr. Chairman, I think the gentleman will recall that my explanation was not quite as he termed it. I said we would have cheaper energy as a result of the efforts of industry, as we have had over the history of this whole petroleum industry. At least intentionally, I did not add that the front-end bidding system was the reason for that. Despite that, we still have received much cheaper energy and more energy under this system.

I think there is one other thing that must be remembered, and that is that we must see that we do have industry that has the capital capability to get into the field. One of the problems with royalty bidding is that they may get the bid and then sit on it. To my way of thinking, the front-end bidding system has the greatest incentive for exploration that I believe can be provided.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. FORSYTHE. I am happy to yield to by colleague, the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I thank my colleague for yielding.

My colleague is right in saying that perhaps some of the alternative bidding systems are untried by the Department of the Interior, but my colleague must agree that the very same companies that are bidding in our frontier areas are the same companies that have been using many other bidding systems throughout the world.

Mr. FORSYTHE. This is also true. We also have other systems that are being used around the world that I am sure this Congress is not interested in. Certainly the Secretary should not be given the right to negotiate who gets a lease without having an open, competitive system so far as getting access to this great resource.

Mr. HUGHES. Mr. Chairman, will my colleague yield further?

Mr. FORSYTHE. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, the problem is, as my colleague says, that the Secretary of the Interior just will not try other bidding systems. The companies that are bidding in our frontier areas are used to bidding under a myriad of different bidding systems throughout the entire world.

How do we get the Secretary of the Interior to change his way of doing business when he is comfortable with the present system, a system which forces the independent companies out of the OCS areas. The bonus system clearly keeps them out of the OCS because of the capital requirements just to offer a bid. How do we change that if we do not do what we are trying to do here?

Mr. FORSYTHE. Mr. Chairman, without commenting on who is forced out, because I do not believe this is true, the fact is that we are going to have to mandate what the level is going to be. We accepted the 10 percent mandate of other systems, and as I pointed out, we have a 50 percent mandate from the Senate in its bill.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. FORSYTHE) has expired.

(On request of Mr. MILLER of California and by unanimous consent, Mr. FORSYTHE was allowed to proceed for 3 additional minutes.)

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, the gentleman made the point that there is unique capital need to go into what we all acknowledge is a high-risk business and a speculative business in most instances, and yet somehow we require the companies to pay in hundreds of millions of dollars for new development before real serious exploration has begun. As a matter of fact, over the past couple of decades some $20 billion has been left there that is of no value in terms of exploration or development.

I suggest that when we look at the record, it shows that some 62 percent of the total leases are controlled by the major oil companies. I cannot believe that the major oil companies want to leave $20 billion in the Federal Treasury, because they pay so little in taxes anyway. Why would they want to leave $20 billion in the Treasury?

Could it be because they want to keep competition out? I think that is so.

When we talk about capital requirements, I do not understand the gentleman's argument. I think, as far as the Treasury is concerned, and as Fortune magazine says, they are going to continue to skim capital.

Mr. FORSYTHE. Mr. Chairman, it is a question of being able to put up that capital and then being able to continue to develop and exploit the resources. They have obviously figured that in the long run they are going to be better off than they would by having a lot of extra kinds of systems that are not proven.

Through the joint bidding system they have been able to accommodate bringing in smaller producers to join in these kinds of things.

Mr. MILLER of California. If the gentleman will yield further, I think the gentleman is quite correct. They have figured out that they would be better off in the long run if they put up a bonus to tie up futures. When they capitalize that out and when they figure the cost of the bonuses, they get a 36-percent benefit in writing off the bonuses.

Yes, they are better off in the long run; but where is the U.S. Treasury?

Mr. FORSYTHE. Where is the U.S. consumer? I think it is more important that we have the energy we have. In most of the rest of the world it is far more costly.

Mr. MILLER of California. If the gentleman will yield further, he cannot say that laying $20 billion of unproductive money on the table contributed to keeping the price of gasoline down. It cannot be said.

We might as well throw the $20 billion into the street and say that that is how we kept the prices down.

We are talking about $20 billion in the Treasury that has not produced one barrel of oil.

Mr. FORSYTHE. We certainly cannot say that when we look at the history of the amount of oil that has been produced.

Mr. MILLER of California. Does the gentleman think that the bonus system is what has produced that?

Mr. FORSYTHE. I do not say that that is all of it. The competence of the industry is also involved.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will not take the full 5 minutes.

I think this issue has been fully explored.

The basic assumption in the amendment is that the bonus-bid system has been effective.

I do not think that is the case. Department of Interior figures show that in the first 30 years of offshore drilling, the United States received 94 percent of the revenues derived from OCS operations. This has been a good record of putting money into the U.S. Treasury.

Mr. Chairman, this is not a question of whether or not one is for or opposed to experimentation. The minority certainly is not opposed to experimentation. It contributed to the list of several experimental bidding systems that appear in the bill.

What we are maintaining is what I thought was the understanding of the committee. The committee bill that we have before us says, in effect, let us have some experiments with these different bidding systems first, there is a risk in mandating a higher figure than 10 percent for these purposes.

Incidentally, it has not been mentioned, but there is absolutely nothing in the bill, as it is before the committee, that would inhibit the Secretary, after he has experimented with different bidding systems, from increasing the percentage himself far beyond the 10 percent that is mandated under the present bill.

Mr. Chairman, I think it is also important to mention, as was referred to briefly by my colleague, the gentleman from New Jersey (Mr. FORSYTHE), that when we get to conference, the Senate already has a 50–50 proposition. The closer we get to that—and in this case of the gentleman's amendment, it would be one-third—we are going to reduce the options available to the House to come out with a compromise.

I would also add that the bonus-bid system which is being criticized here today, provides that it is industry that takes the risks in exploration and not the taxpayer.

Mr. Chairman, I urge a "no" vote on this amendment.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, I thank the gentleman for yielding.

The gentleman referred to the fact that in some two decades of OCS experience some 94 percent of the revenues from OCS operations have gone into the U.S. Treasury.

Is the gentleman aware of how much of that 94 percent consisted of front-end bonus payments and how much consisted of royalty payments?

Mr. FISH. If the gentleman from Massachusetts will be patient, I will get those figures for him.

In 1974, bonuses were $5,022,000,000—and that is rounding off the figures—in the same year royalties were $560,000,000.

Mr. STUDDS. In other words, roughly 10 to 1?

Mr. FISH. The gentleman is correct.

Mr. STUDDS. I believe that has been the history to date, this money has been in the form of front end bonus payments. But the question as raised by the gentleman from California (Mr. MILLER) is what conceivable benefit is it to the American people to have these billions and billions of dollars not going into exploration, stimulating production but sitting in the U.S. Treasury, when this is totally unrelated to the real worth of production of our offshore resources? I do not understand what sense it makes from the viewpoint of the public and I do not understand what sense it makes from the viewpoint of the oil companies, unless the gentleman from California is correct that it is an investment they are willing to make so as to freeze out competition.

Mr. FISH. Mr. Chairman, I think we are all interested in carrying on exploration. What we are facing here is a question of degree as to how much we want to insist that the experts at a time when we are desperately in need of oil production take on some experiments that might not work.

I know that the gentleman has expressed himself many times that he is hardly a tool of the oil industry. I would like the gentleman to consider that, considering the history of the front end bonus payments, this would be freeing up an enormous amount of money that these major oil companies could have used to bid on tracts in other areas.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FISH was allowed to proceed for 3 additional minutes.)

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, first on the question of 94 percent of all oil revenues going into the Federal Treasury, I have a letter from the Economics Division of the Library of Congress which says:

> This percentage, however, is misleading. Under the OCS Lands Act if production occurs within five years of the lease award (up to ten years with extensions), the payment of the bonus provides the oil company with the right to produce from the tract for an indefinite period of time. The bonus payment is not only a payment for the first year of production from the tract, but also a payment for every year of production over the life of the lease. To match a payment which applies to the life of the tract with the earlier years of production (or to count it in even before production commences, as is often done) clearly overstates the actual percentage of the wellhead petroleum production value that is paid to the government.

Because, actually, once they pay out the bonus the Secretary never takes away the lease and we have tied up an oil future then when an embargo comes along and you have a sudden increased valuation in the resources, and then they are trying to tell the American people that they have paid all this money when in fact it has increased in value over the years through inflation, and with decontrol coming on down the pike, it is misleading to say the least.

Furthermore, Mr. Chairman, there is not in this amendment, nor in the bill, anything that requires the Secretary to use one of these alternatives if he determines it is not in the best interest of the Federal Government or if it is not in the best interests of oil production and development, because that is clearly outlined in the bill, and the criteria for adopting the provisions which we outline.

Mr. FISH. That would be the subject of the next amendment I will offer, because the system that we have gotten ourselves into, negates any possibility of the Secretary making exceptions. But, let me get back to this matter of the 94-percent figure. None of the witnesses, certainly none out of the Government, said that that was a final figure. There is still oil and gas in the ground subject to royalties, subject to taxation. So this figure certainly is not any more than what we have proposed it to be.

Mr. MILLER of California. Mr. Chairman, if the gentleman will yield further, we have got to understand that this bonus bid theory started out when we thought we were levying a high production tax on the oil companies, and that we would extract that out of the royalties in the form of income taxes, when the fact is that so far as income taxes are concerned of the oil companies, they pay a little less than everybody in this House. So the bonus bid system is giving away these resources and we have not extracted royalties through income taxes. So, in effect, we are talking about giving away our public resources to a selected few companies that control the vast majority of the leases.

This is the time to open it up to the independents so that they can find out what competition is all about.

Mr. FISH. I think the taxes the gentleman from California is talking about pertain solely to foreign oil.

Mr. MILLER of California. No, I am talking about domestic tax liability.

Let me ask the gentleman here, since he made reference to the discretion that the Secretary has.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FISH was allowed to proceed for 1 additional minute.)

Mr. FISH. I think the gentleman knows the discretion the Secretary has, that he must seek the two-House authority to exceed the formula, and I wonder whether the gentleman agrees with me that this is a very cumbersome procedure that would effect the result he mentioned, and whether the gentleman would, therefore, support my amendment.

Mr. MILLER of California. I think the gentleman's amendment heads in the right direction. I would just like to point out to the gentleman in the bill on page 65 there are two escape clauses. If the royalty system looks like it is inhibiting production or looks like it is inhibiting tertiary extraction, he can change it, or he can forestall it, or he can put off the payment of those royalties. In no way are the oil companies in a bind on this one.

Mr. FISH. Mr. Chairman, I call for a "no" vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MILLER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FISH

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. FISH: On page 70, lines 13 and 14, strike "if both the Senate and House of Representatives pass a resolution of approval" and insert in lieu thereof "unless either the Senate or the House of Representatives passes a resolution of disapproval".

Mr. FISH. Mr. Chairman, this amendment retains the statutory limit of 66⅔ percent in the use of bonus bidding for Federal offshore oil and gas leases. The bill allows the Secretary of the Interior to exceed this limit for any year in which he finds that compliance would unduly delay efficient development, result in less than a fair return to the Federal Government, or result in a reduction in competition, but only if both Houses of Congress approve a resolution agreeing with the Secretary's findings within 30 days.

This is impossible. Except in the gravest instances of national security or football blackouts, both Houses of Congress cannot act within 30 days to do anything. I doubt that one House could take any positive action within such a short time.

In order that the Secretary can act pursuant to findings made under this section as described, this amendment would change congressional review to a one-House disapproval system. All the Members are familiar with this system. It has been used in such cases as the Petroleum Allocation Act, Public Law 93-552 relating to military construction on

Diego Garcia, Public Law 93–197 regarding the Menominee Indians, the Presidential Recordings Act, portions of the District of Columbia Self-Government Act, the Government Reorganization Act, and deferrals under the Congressional Budget Act. It is the only system which can work.

There is no sense in giving the Secretary a power which he is not allowed to use. If either House of Congress feels that the Secretary is misusing this power, or even that it needs more facts and more time to decide, it is a relatively simple matter to pass a disapproval resolution. That is all this amendment does. To repeat, it makes no change in the basis statutory requirement that the Secretary use experimental bidding systems. It retains congressional control, while allowing nonobjectional decisions of the Secretary to proceed without the need for positive congressional action in an impossible period of time.

I urge adoption of the amendment.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Would the gentleman from New York respond to a question?

Mr. FISH. Certainly.

Mr. MILLER of California. Do I understand correctly that if the Secretary desires to offer less than one-third of the leases on an alternative system, under the gentleman's amendment we would be required to disapprove that action in one House?

Mr. FISH. If the gentleman will yield, only by one House. One House will be required to disapprove that action.

Mr. MILLER of California. So absent one House's disapproval I might as well take my amendment and throw it off the balcony because the Secretary does not like alternative systems. That is from 23 years of history. I have heard of hollow victories before.

Mr. FISH. This amendment would have been offered whether or not the gentleman's amendment had been proposed.

Mr. MILLER of California. I appreciate that.

Mr. FISH. It was not directed at that at all. It makes the Department of the Interior no different from the President's taking action with respect to deferrals. It goes to the respective committees of the Congress and comes to us on a regular basis. This would be certainly far easier a burden on the Members of Congress than to expect both Houses to take an affirmative judgment.

Mr. MILLER of California. Mr. Chairman, if I might say, without appearing to have great pride of authorship—which I do—I think we are abrogating our responsibility. We have just mandated that the Secretary offer 30 percent in alternative systems and the statement of the gentleman from New York and other people has been that we cannot get Congress to do anything and we cannot get one House to do anything in less than 90 days, so what makes us think we can get both Houses to do it?

Mr. FISH. If the gentleman would yield, it is far easier to get one House to disagree. These are the grounds and the only grounds upon which the Secretary can come back to the Congress because of these findings the gentleman is familiar with and the Secretary has to make his decision on that basis. This whole question is: What is the role of the Congress and how can they facilitate cooperating with the Secretary of the Interior and getting about the business of expanding this natural resource?

Mr. MILLER of California. Mr. Chairman, I do not yield any further.

If I might I would just like to say maybe the Congress ought to be in a position of agreeing instead of disapproving and disagreeing. I think that would be in keeping with the review of the OCS policies we are undertaking. The reason we have this bill is because many people think there ought to be revisions. I think we ought to retain that power within the Congress and reject the amendment offered by the gentleman from New York.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. FISH

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York as a substitute for the amendment offered by Mr. FISH: On page 70, delete line 13, and insert in lieu thereof: "ion if either the Senate or the House of Representatives passes a"

On page 70, after insert new subparagraphs 205(a)(6)(C)(iii) to 205(a)(6)(C)(xi) as follows:

"(iii) Subsections (iv) to (xi) of this section are enacted by Congress—as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this subparagraph; and they supersede other rules only to the extent that they are inconsistent therewith; and

"With full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(iv) A resolution approving the request of the Secretary to exceed the limitation shall immediately be referred to a committee (and all resolutions with respect to the same request shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(v) If the Committee, to which has been referred any resolution approving the request of the Secretary to exceed the limitation has not reported the resolution at the end of 10 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same request which has been referred to the committee.

"(vi) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same recommendation), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(vii) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same request.

"(viii) When the committee has reported, or has been discharged from further consideration of, a resolution as provided, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(ix) Debate on the resolution is limited to not more than 2 hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(x) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution with respect to a request, and motions to proceed to the consideration of other business, shall be decided without debate.

"(xi) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a request shall be decided without debate."

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the substitute amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, when the committee passed H.R. 6218, it required the Secretary to limit his use of bonus bidding to 90 percent of leases offered in frontier areas. New leasing options had to be used in at least 10 percent of leases offered. As this requirement of alternative systems was low, the committee made it almost an absolute mandate by providing that the only way the Secretary could exceed the limitation was pursuant to a joint resolution of approval within 30 days.

If the House chooses to require use of new systems in one-third of all leases offered, additional flexibility must be granted to the Secretary to allow him to secure an exemption. Shifting the burden on Congress from approval to disapproval provides, in effect, total discretion to the Secretary to disregard the mandates of Congress. A third possibility is that offered by this amendment—single House approval with detailed swift procedures for congressional consideration and action.

This amendment is patterned on the Federal Pay Act, 5 U.S.C. 5305(d) to (k) and the Energy Policy and Conservation Act of 1975, 42 U.S.C. 6422(d). Through explicit exercise of its rulemakers power, Congress agrees to expedite consideration of any request of the Secretary for permission to use the bonus bid system in more than two-thirds of all offerings. Rapid congressional action is assured and yet thorough congressional consideration and authority is maintained. If either House, pursuant to these procedures, approves the Secretary's request, he may act accordingly. If neither House acts to approve, the will of Congress has been expressed and the Secretary must comply with that will.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I merely want to say that while I think my amendment is superior, I think that the amendment offered by the committee chairman is an improvement over the bill and I am glad to go along with it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY) as a substitute for the amendment offered by the gentleman from New York (Mr. FISH).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. FISH), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 72, lines 10 and 11, strike "be extended" and insert in lieu thereof "if the Secretary so provides in the terms of the lease, be subject to an extension".

Mr. MURPHY of New York. Mr. Chairman, this is another technical amendment that is in agreement with the administration.

The present language of amended section (8)(b)(2) allows extensions in certain circumstances. Extension for a second 5-year period is to be allowed if necessary to encourage exploration and development in areas of unusually deep water or adverse weather conditions. As both of these situations are known prior to offering the leases, the Secretary can easily decide which leases will include terms allowing later extension for a second 5-year period. An area supervisor, acting under secretarial delegation, can thereafter approve such an extension if the lessee has exercised due diligence. The amendment provides that extensions are to be possible only on those leases containing a term authorizing them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHARLES WILSON of Texas: On page 72, strike lines 6 through 9, and insert in lieu thereof the following:

"(1) be for a tract consisting of a compact area not exceeding five thousand seven hundred and sixty acres, as the Secretary may determine, unless the Secretary finds that a larger area is necessary to comprise a reasonable economic production unit;"

Mr. CHARLES WILSON of Texas. Mr. Chairman, current law provides for the leasing of compact tracts not exceeding 5,760 acres; the committee bill drops the requirement for compactness and gives the Secretary of the Interior broad discretion to base the tract on entire geological structures, or a "reasonable economic production unit."

This amendment is a compromise between the two, providing the Secretary with some discretion. The problem with the committee bill is twofold:

First. If the Secretary incorrectly guesses on the exact size of an entire structure, he might be sued for oil and gas which could be produced from portions of the structure later found outside the lease area. This could be aggravated if that outlying portion of the structure had already been leased to someone else.

Second. If the Secretary leases a tract larger than the minimum economic production unit in an effort to lease an entire structure, he is stifling competition by making it more difficult for small companies to bid for the larger, more expensive tract.

My amendment allows the Secretary more discretion than current law, providing him the ability to outline larger areas to implement the Phillips plan, but in the main, keeping the current workable tract size in the interest of competition in the industry.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. CHARLES WILSON of Texas. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I think the amendment offered by the gentleman from Texas is consistent with the language currently in the bill, and we will be happy to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. CHARLES WILSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHARLES WILSON of Texas: Strike page 71, line 15, down through page 72, line 3, and insert in lieu thereof the following:

"(7) The Secretary may, by regulation, permit submission of bids made jointly by or on behalf of two or more persons for an oil and gas lease under this Act unless more than one of the joint bidders, directly or indirectly, controls or is chargeable worldwide with an average daily production of one million six hundred thousand barrels a day or more, or the equivalent, in crude oil, natural gas, and liquified petroleum. products."

Mr. CHARLES WILSON of Texas. Mr. Chairman, this amendment would allow independents jointly or with one major to bid on 1-percent shares of offshore leases. The bill currently provides that such joint bidding may be done only after the Secretary of the Interior specifically decides that a particular joint bid would encourage competition; obviously, any such joint bidding by independents would provide competition to the majors. Leases for a single tract have sold for over $200 million; that means that a 1-percent share of a high-risk operation could be more than $2 million, and very few independents are able to afford that amount on their own.

This amendment is procompetitive by removing an unnecessary layer of bureaucratic factfinding.

Mr. FISH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment.

Proposed section 8(a)(7), beginning on page 71, line 15 has two provisions. The first, with which I agree, forbids joint bidding by two or more major oil companies under any conditions. The second has the effect of forbidding small companies, or small companies together with only one major company, from bidding on 1 per centum shares of Phillips plan leases, unless the Secretary specifically finds such joint bidding to be necessary to promote competition. The amendment by the gentleman from Texas would strike the second provision, while maintaining the ban on joint bidding by two or more majors.

One percent of a lease may not seem like much to anyone else, but it does to me. Leases for a single tract have been sold for over $200 million. That is $2 million for a 1 per centum share of a single 5,760 acre tract. The reported bill goes even further, however, and permits leasing of entire structures which may extend for many miles in every direction, covering dozens of present tracts. This could up the cost of a single share to the tens of millions of dollars—not such a small amount after all.

Small companies currently involved in OCS activities informed me that they cannot afford to go it alone, even for a single share. They can participate, however, if they can bid jointly with other small companies or in a group with a single major. This is the present system, it provides the maximum opportunity for participation by independents, and there is no reason to change it. The language currently in the bill is anticompetitive, because it puts the burden on small companies to prove that they are small, a waste of time and money which could be better spent for exploration on the OCS, rather than a bureaucratic exercise in the obvious. Let us give the little guy a chance, Mr. Chairman.

I accept the amendment, and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. CHARLES WILSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 73, lines 5 through 11, delete paragraph (5) and renumber succeeding paragraphs accordingly.

Mr. MURPHY of New York. Mr. Chairman, paragraph (5) requires leases to contain a provision that the Secretary has a right to require increased production for emergency shortages of oil and gas. A new subsection (5)(f)(2) in H.R. 6218 already requires the lessee to produce at rates which assure the "maximum rate of production which is efficient and safe." In addition, the Energy Policy and Conservation Act, provides procedures by which the President can require rates of production on an emergency level, because of severe energy supply interruption. There is, therefore, no need to include a specific lease provision, as to such emergency shortages, and thus no need for paragraph (5).

Mr. FORSYTHE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I compliment my chairman on this amendment, and I do support it.

I will have an amendment, in addition to his amendment, which will complete taking action in another section of the bill which I think is required. But I think this is a good amendment, and I do support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FORSYTHE

Mr. FORSYTHE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORSYTHE: On page 62, lines 20 and 21, strike "which is to deal with emergency shortages of oil or gas or".

Mr. FORSYTHE. Mr. Chairman, I think this just completes the action that the previous amendment took, to see that we do not have the Secretary ordering emergency production when this authority should, under the present law and the amendment of the chairman, reside in the President. I hope this will be considered as a technical amendment and that it will be supported by the committee.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. I thank the gentleman for yielding.

Mr. Chairman, I am happy to support the gentleman's amendment, and I recommend its approval.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. FORSYTHE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DODD: Page 74, line 8, immediately after "laws," insert the following:

"If the Attorney General or the Federal Trade Commission advises the Secretary, within such thirty-day period, that a proposed lease or extension may create or maintain a situation inconsistent with the antitrust laws, the Secretary may issue such lease or allow such extension only if—

"(1) he commences a public hearing on the record within sixty days after the date of the receipt of such advice, in accordance with chapter 5 of title 5, United States Code; and

"(2) he makes a finding, pursuant to such hearing, that the overall benefit to the public from the issuance or extension of such lease clearly outweighs any possible adverse effect upon competition and that there is no reasonable alternative which would have a lesser adverse effect upon competition."

Mr. DODD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DODD. Mr. Chairman, this amendment very simply does the following:

Under the existing wording of H.R. 6218, the bill provides for the Secretary of the Interior to notify the Attorney General and the Federal Trade Commission of the proposed lease sales. It then gives the Attorney General and the FTC a 30-day period in which to respond. It does not mandate a response, but it allows them to respond. During that period of time the Attorney General or the Federal Trade Commission can study the proposed lease sale and determine if the proposed sale would be inconsistent with antitrust laws.

Why do we need this competitive review process? How important is competition really in our energy industry?

Let me quote, if I may, from an October 1975 report by the Federal Trade Commission Bureau of Economics and Competition:

> Effective competition is central to achieving the broad objectives of Federal leasing policy.
>
> Without effective competition in the market for oil and gas, resource development is unlikely to be efficient.
>
> And without effective competition in the market for oil and gas leases, the receipt of fair market value for the leases cannot be assured.

Is there competition in the oil industry itself? Let me quote, if I may, from statistics which I think will make it abundantly clear to the Members the lack of competition which exists in the oil and gas industry.

I might add, Mr. Chairman, that these are Federal Trade Commission statistics.

> Total production of oil from Federal offshore leases in 1974 amounted to 332 million barrels. Of this total the 8 largest companies produced more than 61 percent. In that same year the top 8 producers accounted for 53 percent of offshore natural gas production.
>
> For all years of offshore development under the OCS Lands Act of 1953, the top 8 producers have accounted for an amazing 86 percent of all oil produced and 78 percent of all natural gas produced.

So we do have a situation here, I think, where clearly competition does not exist.

Mr. Chairman, by inclusion of this particular language in the bill I think we will, first, foster competition, and second, it will prevent the likelihood of having long, drawn out and costly antitrust suits which can cause a serious delay in this kind of production.

Third, this process will complete the entire review process, where otherwise we would be notifying the Attorney General, notifying the Federal Trade Commission, without requiring some response back from these agencies regarding antitrust inconsistencies. It is far wiser to review the proposed lease sales prior to the actual sale than finding out at a later date that we are going to have to correct a disastrous situation because of serious antitrust violations.

The reason we are using the word, "inconsistent," here rather than referring to a "violation" is that this will give the Attorney General's office or the Federal Trade Commission a chance to take a broader perspective without having to reach the final legal determination of a "violation."

Mr. Chairman, I hope the Members will support this amendment. I think it is vitally important that we encourage competition and furthermore that there are not serious violations of our antitrust laws.

I might add, by the way, that the language of this amendment has also been included in several pieces of legislation we have had before us in the 94th Congress. It was included in the Elk Hills bill, in the Coal Leasing Act, and in other pieces of legislation which have come before the Congress in the past. This is not new ground we are plowing here.

Mr. Chairman, I strongly urge my fellow Members to support the amendment.

Mr. MURPHY of New York. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the amendment offered by the gentleman is acceptable inasmuch as it serves to carry out the intent of the section it would amend.

In section 205(c), we now provide that the Secretary may issue a lease after giving the Attorney General and the Federal Trade Commission 30 days in which to advise whether the action is consistent with antitrust laws.

Mr. DODD's amendment would go beyond a 30-day comment period to require a public hearing in the event either agency finds the lease issuance or extension is inconsistent with antitrust laws. Further, the Secretary must find that there is some overriding benefit to the public from granting the lease that "clearly outweighs" the antitrust aspect.

This amendment would further the intent of the committee that our offshore drilling program not lead to further concentration in the petroleum industry, but that on the contrary, it serve to promote free enterprise competition.

In this context, the gentleman's amendment makes a constructive addition to the provision in question.

Mr. FISH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the stated intent of the author of this amendment is to eliminate delays. Instead, the amendment ends up by making a bad, delay-causing situation even worse. The way to eliminate delays caused by Attorney General and FTC review is to leave antitrust enforcement to the normal procedures of those agencies. Certainly, we can have Interior inform the other agencies when it is about to issue a lease, but after that it should be up to those agencies to proceed or not, as determined by the antitrust laws.

The gentleman from Connecticut has complained that the present language of this subsection can be read to allow the Secretary to grant a lease despite antitrust findings by the Attorney General or the FTC. Instead of remedying this situation, the amendment locks it into law. If I understand the gentleman's amendment, it specifically allows the Secretary to issue a lease after a hearing, if he thinks the benefits of such issuance are more important than the antitrust laws, flying in the face of the findings of the Attorney General or FTC. If there was any doubt in the present language, it is removed by this amendment.

The Secretary can issue the lease, even if this is inconsistent with the antitrust laws, whatever that means, but no defense to those laws is provided to the lessee. The amendment, therefore, creates a situation where the Secretary can offer a lease to a bidder, but, as soon as it is signed, the bidder might be open to prosecution under the antitrust laws. What company would pay tens or hundreds of millions of dollars for a lease under such a cloud? What would happen to a bidder's bid deposit if he refuses to sign a lease offered under these circumstances?

On the other hand, if the findings are that the issuance of the lease would be inconsistent with, but not in violation of, the antitrust laws, the successful bidder would be able to sue the Secretary for violation of the terms of the lease sale. If the highest bidder is qualified to carry out his responsibilities under the lease, and is not violating any law, refusal to grant the lease would be unfair at best, illegal at worst, and definitely cheat the American taxpayer out of receiving the highest possible revenues for the leasing of public lands and resources.

In short, the Secretary of the Interior is not competent to make the finding required in paragraph (2) of the amendment to trade off the antitrust laws against the benefits of issuing the lease. This is why we have an Antitrust Division in the Justice Department and a Federal Trade Commission. They have the expertise to make these decisions on their own, and in fact will do so, no matter what the Secretary of the Interior does. The amendment bodes ill for any person who has an interest in greater competition in the energy field, and it should be soundly defeated.

Mr. WIGGINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I may have the attention of the gentleman from Connecticut (Mr. Dodd), I want to speak of the procedure which is required by his amendment.

I urge the gentleman to correct me if my understanding of that procedure is incorrect.

Let us assume a lease area is made available for bids, and an interested bidder, we will say, in a front-end bid puts his money up in an effort to be the successful bidder on a particular parcel.

Let us suppose that the Secretary determines that a given bidder is the high bidder and the Secretary is prepared to lease the parcel to that bidder. Before the lease is, in fact, issued, it is my understanding that the Secretary must advise FTC and the Attorney General with respect to the particular bidder which the Secretary has in mind. The Attorney General then reviews the facts and makes a judgment, along with the FTC, concerning the anticompetitive impact if that bid is accepted.

Let us suppose that the Attorney General advises that, in his view, it would be inconsistent with the antitrust laws to accept the bid of a given bidder and the Secretary is so advised; but for reasons known best to the Secretary, the Secretary accepts the bid.

Given the fact that the Attorney General is likely to file a lawsuit, does the bidder have an opportunity to withdraw his bid?

Mr. DODD. Will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, just to go back, the initial point of the gentleman from California (Mr. Wiggins) is correct. There is a 30-day period during which time the Attorney General and the Federal Trade Commission would have the information regarding the lease and the top bidder. Before approving the lease within that 30-day period, the Attorney General or the Federal Trade Commission could report back. It is not mandatory that they review every proposed lease sale. This is not mandating that everyone be reviewed and a comment be made on everyone. However, let us say that they come back with a review on a proposed sale saying, "In our estimation, an approval of this lease sale could be inconsistent with the antitrust laws." Then the Secretary of the Interior must hold a public hearing on this within 60 days of notification of this lease sale.

If the Secretary of the Interior determines during the public hearing that it is in the public interest to approve the lease sale, despite the fact that there will be an adverse effect on the antitrust laws, he then can proceed to go ahead with the lease sale. Therefore, in a sense, we are not precluding that.

Mr. WIGGINS. However, the bidder has bought not only a lease; he has bought a lawsuit because the Attorney General does not agree, by hypothesis, with the decision of the Secretary of the Interior. Presumptively, the Attorney General would proceed with legal action.

My special concern is that the offeror—that is what a bid is; it is an offer which can result in a contractual relationship if accepted by the Secretary of the Interior—is protected. Is it possible that the offer may be withdrawn in the face of an adverse report by the Attorney General?

Does the gentleman from Connecticut believe that the bidder will be able to do so if the gentleman's amendment is adopted?

Mr. DODD. If the gentleman will yield further, that is a contractual question as to whether or not there has been an acceptance. During that hiatus period, I would think that the offeror—in this case the oil company—would be able to remove itself without any penalty or cost. That would be my guess.

Mr. WIGGINS. I think that legislative history should be clear. If the Secretary were to disagree with the opinion of the Attorney General, that disagreement may be of great comfort to the Secretary; but the Attorney General is the one who files the lawsuit; and the judgment of the Secretary is of no comfort at all to the oil company which may have to defend an antitrust action filed by the Attorney General.

Mr. DODD. If the gentleman will yield further, the Secretary would only make a competitive decision. He is not going to make a decision regarding the contractual relationship, in that sense, so I believe we should not preclude the industry from removing itself in that situation.

Mr. WIGGINS. Then I understand the state of the record at this moment to be that an oil company which has made a bid which would otherwise be successful need not run the risk of a lawsuit if it is determined by the Attorney General that the acceptance of the bid would result in anticompetitive practices, but that the bidder may withdraw his offer under those circumstances. Does the gentleman from Connecticut agree with that statement?

Mr. DODD. The gentleman is reaching a legal conclusion.

Mr. WIGGINS. Does the gentleman from Connecticut agree with that conclusion?

Mr. DODD. Not entirely, no. I do not think that we could say, de facto, that that is so.

Mr. Chairman, I appreciate what the gentleman from California (Mr. Wiggins) is suggesting in his hypothetical situation, but, I do not think that we can reach, sitting here today, a legal conclusion. I would certainly emphasize with an oil company confronted with that kind of a situation and rather than forcing the company to buy a potential lawsuit, I would think that within the 30-day notification and response period, the company should be able to extract itself from that kind of a situation, but to say here and now that a particular industry or oil company should be absolutely protected is a conclusion we cannot reach.

Mr. HUGHES. Mr. Chariman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, my colleague poses a very interesting question. Presupposing the situation my colleagues describes could ever occur, I cannot imagine an oil company moving ahead with a lease sale if the Attorney General determined the sale might violate our antitrust laws. Even if it did occur I would think the Attorney General would have ample relief through injunctive sanctions against the development or the sale of lease. By the same taken the bidder should have a number of options available, including that of withdrawing his bid if indeed it violates the law. Is not that implicit in the language of the bill?

Mr. WIGGINS. The Attorney General has ample authority to respond to anticompetitive practices under the law. I am concerned whether in the event such a situation did occur, given the attitude of the Attorney General, that the offer could be withdrawn. The answer is that the offer could be withdrawn at anytime after the decision of the Attorney General and prior to acceptance by the Secretary after the required hearing. I think that is where the record stands. I am satisfied with it.

I yield back the balance of my time.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the full 5 minutes.

I wish to rise in strong support of the amendment offered by the gentleman from Connecticut (Mr. DODD). His amendment would conform the language of this bill to the language, in every substantial respect, that was included in the Elk Hills bill and in the Mineral Leasing Act amendments that this House approved by an overwhelming vote.

I think we would be very well advised to accept the language of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. DODD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WIGGINS

Mr. WIGGINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGINS: On page 74, lines 3 to 8, strike the sentence beginning: "Such notification shall . . . etc."

Mr. WIGGINS. Mr. Chairman, the sentence that is stricken by my amendment immediately precedes the language added by the Dodd amendment and is not inconsistent with the Dodd amendment.

Section 205 of the bill amends certain provisions of the Outer Continental Shelf Lands Act, relating to the bidding and leasing procedures.

The amendment I offer is to section 205(b) of the bill commencing on page 73.

Section 205(b) amends section (a) of the Outer Continental Shelf Lands Act by adding a new section (c) which provides, in substance, that no lease shall be issued or extended unless the Secretary of the Interior shall first give 30 days notice to the Attorney General of the United States and the Federal Trade Commission of the proposed lease.

The obvious purpose of this requirement is to permit both the Attorney General and the Federal Trade Commission to review the antitrust implications of the proposed lease.

I endorse this prelease notification procedure and my amendment does not alter the bill in this respect. However, commencing on page 74, line 3 of the bill, there is a "kicker," a mischievous sentence which my amendment removes. The objectionable sentence requires the Secretary of the Interior to furnish to the Attorney General and the Federal Trade Commission such information as the Attorney General and the Federal Trade Commission may require in order that these agencies make their antitrust determinations.

The sentence, therefore, casts a burden on the Secretary of the Interior which he is ill-equipped to meet. It is the business of the Secretary of the Interior to accumulate geologic data, data on the environment and the like, in other words, information relating to the physical world in which we live. Antitrust judgments, on the other hand, are based upon economic factors such as pricing and markets. The Attorney General and the FTC are equipped to obtain such data under present law. To force the Secretary of the Interior to do so is simply to insure delay. It is to force the Secretary of the Interior to discharge a duty which he is ill-equipped to discharge. For that reason it is my urgent request that the Committee strike the offensive sentence. That is all my amendment does.

Mr. Chairman, I yield back the remainder of my time.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

As I understand the language in the bill, the bill would not require the Secretary to provide any information that he did not have. Obviously, that would be an impossibility. But as I read it, what it would require is that whatever information the Secretary has, and the Attorney General or the FTC require, he would be compelled to provide. If that is a correct interpretation, then I see no need for the gentleman's amendment.

I wonder if the gentleman from New York (Mr. MURPHY) would agree with me that that is a reasonable interpretation of the language?

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

I would agree with the gentleman from Ohio. I do not think we want to hamper the ability of those agencies to fully and carefully review a lease sale or an extension to determine whether it would create or maintain a situation that was inconsistent with the antitrust laws.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from California.

Mr. WIGGINS. I thank the gentleman for yielding.

I obviously would prefer the construction of the language adopted by the gentleman from Ohio and approved by the Chairman, but it seems to me inconsistent with the words used, and a careful reading of the sentence says that such notification—that is the notification provided by the Secretary of the Interior—shall contain such information as the Attorney General and the Federal Trade Commission may require.

I suspect, knowing as I do the people in both of those agencies, that they are going to require a great deal which is not possessed by the Secretary of the Interior, and a burden is cast upon the Secretary of the Interior to dig up that information. It is my point that that is a burden which he is ill-equipped to bear.

Mr. SEIBERLING. It seems to me we cannot compel the Secretary of the Interior to provide information he does not have. The Attorney General or FTC might argue that he should have it, but one cannot squeeze blood out of a stone.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

It seems to me that the definition of the word "require" is what is in question here. Does "require" mean "need" or does "require" mean "shall have requested"? In other words, does this foresee that the Attorney General and the Federal Trade Commission will have already said to the Secretary of the Interior, "When you extend these leases, we are going to have to know this and that"? In other words, they have required from the Secretary of the Interior certain information that shall accompany any such request for extension. In that case it seems to me entirely sensible. But if we are talking about the Secretary of the Interior's understanding of what the Attorney General and the FTC might need in order to make a judgment of this kind, I think it is unrealistic.

Mr. SEIBERLING. The word "require" is a word that can mean one or the other.

Mrs. FENWICK. What does it mean?

Mr. SEIBERLING. It can mean "demand."

Mrs. FENWICK. What does it mean exactly?

Mr. SEIBERLING. I would construe it to mean "need" and since the word is inherently ambiguous one can look to the legislative history and unless someone disagrees with me I think it would mean "need."

Mrs. FENWICK. If it means "need" we are in trouble, because how is the Secretary of the Interior to be an expert on the kind of information that would be necessary under any single extension he is now notifying the Attorney General about? It seems to me it should mean "require" and certainly if he is to provide this kind of information with every notification it would be a burden, unless he has been told what information is needed.

Mr. SEIBERLING. I think we are not really in disagreement here. By the normal processes of Government dealings, since the Attorney General is the best judge of what information he needs to make his analysis, if he says he needs it, and if the Secretary of the Interior has the information, then under the language of this bill he would have to give it to the Attorney General.

Mrs. FENWICK. I am afraid I have not made my point clear. I have a hunch the gentleman from New York (Mr. MURPHY) knows what I am getting at, but I have not made it clear to my friend, the gentleman from Ohio.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, if I may have the attention of my colleague from California, I can see how it can be interpreted as my colleague has interpreted it. I do not think the answer is to strike it. I think the Secretary should provide whatever information is helpful and available.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 1 additional minute.)

Mr. HUGHES. Will the gentleman yield further?

Mr. SEIBERLING. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I do not think the cure that has been offered by my colleague is the cure we should have. Perhaps we can clear it up in conference, but I agree with my colleague it is much broader than it should be.

Mr. SEIBERLING. Let me say as the original drafter of this provision in the Elk Hills bill which has now gone into several subsequent bills, what I wanted to say was that the information the Secretary had on a matter would have to be turned over to the Attorney General if there was a need for it. It is not intended to require the Secretary to set up a division duplicating the Antitrust Division, but merely to make available whatever information they have and that the Attorney General needs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. WIGGINS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California: On page 74, line 11, add: "Innocent or nonnegligent parties to any joint lease which is cancelled due to the failure of one or more partners to exercise due diligence on other leases may seek damages for such loss from the responsible partner or partners."

Mr. MILLER of California. Mr. Chairman, I believe this is a noncontroversial amendment. There was some discussion in the committee and some discussion subsequently to the reporting of the bill as to what would be the standing of the parties under section (d) requiring due diligence. The language I seek to insert is somewhat standard language that the State of California uses to clarify and preserve the rights of a nonnegligent or innocent party, if you will, to a joint venture in the case of a finding of lack of due diligence. I daresay on the part of the Federal Government I do not think it has ever had a finding of lack of due diligence in the case of any leasing on the Continental Shelf but I think this goes to preserve the rights of the parties within their arrangements.

I would hope the committee will accept the amendment.

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield, the committee agrees with the gentleman and accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MILLER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FORSYTHE

Mr. FORSYTHE. Mr. Chairman, I offer an amedment.

The Clerk read as follows:

Amendment offered by Mr. FORSYTHE: Strike page 74, line 16, down through page 76, line 3. On page 63, after line 7, insert a new section as follows:

CONTROVERSY OVER JURISDICTION

SEC. 205. Section 7 of the Outer Continental Shelf Lands Act (43 U.S.C. 1336) is amended—

(1) in the first sentence thereof, by inserting "(a)" immediately before "In"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in subsection (a) of this section, in the case of any lease issued under this Act after the date of enactment of this subsection with respect to which production may, in the judgment of the Secretary, result in the drainage of oil or gas from lands of any State, the Secretary shall—

"(A) whenever the lands of such State have been or are about to be leased or otherwise utilized for exploration, development, or production by such State, seek to establish an agreement for unitary exploration, development, and production of the Federal and State lands; or

"(B) whenever such State has not or is not about to so lease or utilize such lands, include a term in the lease making the lessee a party to any negotiations and any suit for equitable division of the proceeds from such lease among the lessee, the State, and the Federal Government.

"(2) Whenever subparagraph (B) of paragraph (1) is applicable, and upon an allegation by the State or a determination by the Secretary that drainage of oil or gas from State lands is occurring, the Secretary shall institute negotiations among the lessee, the State, and the Federal Government for the equitable division of the proceeds from such lease. If within six months after the date on which negotiations are commenced pursuant to the preceding sentence an equitable distribution is not agreed to by the parties to the negotiations, any party to such negotiations may initiate a suit for a equitable division of the proceeds from such lease. Notwithstanding any other provision of this subsection, the Secretary shall not be required to include the term referred to in subparagraph (B) of paragraph (1) in such lease, or to institute negotiations pursuant to this paragraph, unless the State agrees to insert a similar term and to institute similar negotiations in any case in which operations on lands of such State may result in the drainage of oil or gas from Federal lands.".

And renumber succeeding sections accordingly.

Mr. FORSYTHE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FORSYTHE. Mr. Chairman, I did feel that the amendment offered by the gentleman from California (Mr. MILLER) did help this whole question of Federal and State leasing, but I think much more is needed.

Mr. Chairman, I feel that this is an extremely important amendment. The present language of the bill requires that an offer of joint Federal-State leasing be made if a geological structure extends into the submerged lands of a coastal State. The committee acted out of the honest concern that future Federal leasing activities on Federal land might deplete resources from the State's portion without the State sharing in the revenues.

While I share that concern, I unfortunately cannot support the committee approach to solving this problem. The joint leasing requirements in the present bill could very well result in indefinite delays in OCS leasing. I have strongly supported the inclusion of the States in the OCS decision process, but I cannot support that inclusion to the degree that the States would be able to delay development of what the Supreme Court has clearly ruled is a Federal resource.

The joint lease concept currently in the bill, in effect extends State jurisdiction beyond 3 miles. A State could veto leasing in the first 3 miles of Federal waters by accepting the Secretary's offer to lease jointly and then simply refusing to find the lease terms "mutually acceptable." In any case, the State would be in a position to dictate the terms under which Federal lands would be leased. Such State power over development of a Federal resource directly conflicts with the Supreme Court decision concerning Federal sovereignty on the OCS.

The committee version additionally requires that all moneys obtained from a lease within the 3-mile limit, whether jointly leased or not, will be placed in escrow until a proper determination for sharing the revenues has been reached.

There is, however, a better way to handle the potential drainage of State lands and accomplish the same purpose as the committee language, but without indefinite delays, without the disruption of jurisdictional boundaries, and without tying up millions of dollars of capital in escrow—capital which could be better used in further exploration and development. The better way to handle this problem is embodied in my amendment and can be summed up in one word: Unitization.

Unitization, Mr. Chairman, is where individual tracts are leased separately on a single geological structure, but the individual lessees explore and develop the entire structure jointly, sharing in the proceeds. This procedure is currently being required by the Federal Government on the Outer Continental Shelf. It is common in the State waters of Louisiana, Texas, and California. It is an ideal procedure to use when a structure is located on both sides of the line dividing Federal and State jurisdiction. The Federal Government can lease the portion on its side of the line under Federal law and subject to Federal terms and conditions. On the State side of the line the State can similarly exercise its own jurisdiction. If the State agrees, the holders of the two leases—who could even be the same person—would be required to conduct joint operations on the structure, and share any revenues as provided in the unitization agreement.

If the State is not interested in developing its portion of the structure, the Secretary would be permitted to lease the Federal portion of the structure, but must require the Federal lessee to be a party to any subsequent negotiations or suit regarding the division of proceeds. Thereafter, if the State alleges, or if the Secretary finds, that oil or gas is being drained from State lands, my amendment would provide a period of negotiation among the leasee, the State, and the Federal Government concerning equitable division of the proceeds from the lease. If such negotiations are not successful within a period of 6 months, any of the three parties may initiate a suit for an equitable division. This procedure is contingent on the State's agreement to follow similar procedures if Federal resources are being drained by operations on State lands.

Such an approach will be much more workable than the requirement for joint leasing in the present bill. The States are protected, but each side maintains its sovereign jurisdiction. I, therefore, urge the support of my colleagues for this amendment.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I oppose this amendment because I have been told that Mr. MILLER is proposing another amendment, which I support, which will make explicit the procedures for determining whether a common structure or trap is involved, for setting the time periods for acceptance or rejection of joint leasing and for establishing the terms of such leases.

A State has certain rights over its resources. If there is a real possibility that such resources will be drained by a lessee operating on the Outer Continental Shelf outside a State's jurisdiction, this could interfere with that State's rights. Section 202 intends to establish a protection for States by allowing joint Federal/State leasing without unduly delaying the leasing process.

This provision does not give the governor of a State the right to refuse to agree to responsible terms for joint leasing. And while it explicitly requires the consultation with the Governor of the coastal State for leases seaward of the coastal State, it does not give the Governor the right to veto or stop leasing. It gives the Secretary the right in a situation where the Governor declines the offer, or the parties disagree, to lease the Federally-owned portion of such area in accordance with the statute.

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New Jersey.

Mr. FORSYTHE. Why does the gentleman object when we provide the same system in the bill as it now stands? We have this tie-up of all this capital in the Treasury, which seems to be objected to by some of the majority Members. It seems to me that we do have a protection.

Mr. MURPHY of New York. In responding, I would say that at the point of leasing we are not sure just what the situation is in terms of petroleum hydrocarbon potential in the trap or in the area in question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. FORSYTHE).

The question was taken; and on a division (demanded by Mr. FORSYTHE) there were—ayes 9; noes 17.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California: On page 75, line 8, after "which" insert "he concludes, in consultation with the Governor of the coastal State." On page 75, lines 16 to 18, strike all after "terms" and insert "terms which shall be consistent with the provisions of this Act, applicable regulations and, to the maximum extent practicable, with the applicable laws of the coastal state. If the Governor declines the offer, or if the parties cannot agree to such terms within a reasonable period of time, the Secretary may lease the federally owned portion of such area in accordance with this Act."

Mr. MILLER of California. Mr. Chairman, the purpose of this amendment—and I believe again that it is of a noncontroversial nature—is to make sure that the Federal-State joint leasing setup in the bill, that those procedures which make the determination as to whether or not that is going to be utilized or not, do not place any further delay on the development of those Federal tracts.

The idea is to make sure that the Governors of the offshore States have full say in how those resources will be developed that are adjacent to State lands, offshore lands.

In the event that the State, for some reason, has a moratorium that it will not lease, for whatever reasons, this is to make sure that the Federal Government does not siphon off State resources and thereby State revenues. So what this says is that the Governor must make a determination within a reasonable period of time whether or not he wants to engage in a joint lease with the Federal Government. If he does not make that determination within a reasonable time, as outlined in the bill, then the Federal Government can go ahead and lease that land, and they can ignore that. But what it does is to make sure the States have a firm hold on the Government to make a decision, and that they have some constant say over the protection of their resources.

If the Members look at the record of the Department of the Interior, in every instance in recent leasing, the States and the Governors representing the States have protested the leasing but they have been extended, I would say, very little courtesy.

I had the pleasure of going down to the Department of the Interior to have a cup of coffee with the Secretary of the Interior, who invited in everybody from the State of California who was interested. He told them what nice gentleman they were, and then he went ahead and leased the property over their objections.

I do not think that is what we are talking about, in terms of good faith leasing, and I think this will help clarify it and it will avoid any further delays.

I urge the Members to vote for the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MILLER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BELL

Mr. BELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BELL: On page 79, lines 3 through 11, strike all of subsection (g).

Mr. BELL. Mr. Chairman, my amendment strikes out section 11(g) from title II.

Section 11(g) seems to be a simple and harmless attempt to try to gather more information regarding the Outer Continental Shelf prior to leasing.

However, the results could be very complicated and could result in some very dangerous effects on our OCS leasing and management program.

We all agree that the purpose of this bill is to try to get as much energy as we can as quickly as we can, and as efficiently as we can.

Unfortunately, this section harms these objectives.

First, because it will more than likely dampen enthusiasm for continued OCS bidding and, thus, will result in less exploration and development.

Let us look at some very simple statistics regarding exploration.

In 1974, for example, out of an estimated 8,723 exploratory wells drilled in the United States, 6,722 were dry holes.

Now, if you explore before you are to lease a tract, the proponents of section 11(g) argue that you will more than likely obtain more information about oil and gas deposits in the area.

This could be if we are lucky.

Statistics, however, place the odds strongly against us.

I have no quarrel with the objective of this subsection.

However, the route which section 11(g) dictates to try to obtain this information may be very harmful.

Years of experience by private industry has shown that section 11(g) will more likely discourage thorough and complete development of the Outer Continental Shelf than encourage such development.

Debate on this particular section in both the committee and on the floor would lead one to conjecture that the proponents of subsection (g) believe that by drilling once on structure, as this section provides, would result in either a gusher or a dry hole.

If this were all that could result, then possibly section 11(g) might work to the Federal Government's benefit and to the benefit of further development of the OCS.

But, other results can occur when you drill.

It is more probable that when you do strike something, you will get possibly some slightly encouraging geological information or a marginally productive well, one in which you only get a small amount of oil or gas which would not pay for the cost of the drilling or development.

This can be encouraging or discouraging to the company drilling, depending on the amount of investment they have already put into the development of the area.

You do not always get a highly productive well or a dry hole.

You often get what is termed in the industry a "teaser."

When you do get a "teaser," the company may try to spend more money to find out if there is actually commercial quantities of gas or oil down there, and if the next well will bring in the necessary commercial production.

And let there be no mistake about it.

When you are drilling offshore, you must spend millions of dollars, not just thousands of dollars, to develop and explore.

Let us consider the case of company *x*, which has decided to accept the opportunity of section 11(G) to drill before they bid on a structure.

They have no bid in, they obtain no lease, they are just volunteering to do this work in the hope of finding information and, subsequently, winning the bid.

They may spend $5 to $15 million on such exploration activities, with the greatest probability being that they will get either a dry hole or another marginally productive teaser well.

Once the company has struck one of these discouraging wells, then the question arises whether or not to proceed and try elsewhere on this structure which originally looked promising.

However, under section 11(G), this decision must be made with the Federal Government since no lease has been made.

The Federal Government, in trying to develop the OCS, may try to persuade the company to go ahead and drill further.

But the company, having no investment in the area, may not be attracted by such a proposal.

They would be fearful of going up structure and finding another teaser or another dry hole.

With $5 to $15 million invested, the company can easily make the decision to abandon such a well.

The future of that lease is in serious jeopardy at this point.

Such an abandonment by a company will have a dampening effect on the potential of the lease area and the potential size of the bids offered by other companies.

Yet, there may still be potentially major oil or gas finds in the immediate area.

Let us not kid ourselves.

Geologists talk to other geologists in the oil industry.

If company X were to give up or abandon the future search because of unattractive prospects or unfortunate exploration costs, word would spread like wildfire.

Then, any attempt by the Interior Department to lease this area might be fruitless.

In truth, it might even adversely affect nearby areas.

The Government and the taxpayers would not only have lost an opportunity for a sizable cash bonus but also the chance of a full, thorough exploration which still might have resulted in a rich oil or gas find.

Now, let us look at the present development scheme. Where exploration follows leasing.

Oil companies now do simple geophysical and off structure geological exploration presently.

If company Z wins a lease, then they may proceed with further geophysical work with off or on structure drilling for oil or gas.

However, at this point, they may have invested over $100 million in just a bonus bid.

Comparing company Z's position with company X's position, we see that the government is already $100 million ahead at this point.

Now, suppose that company Z gets a teaser well.

At this point, they have invested over $100 million instead of just $5 million.

Their decision at this point would almost surely be to go ahead and continue to explore the field.

If they were to abandon the field, they would be abandoning a large investment.

The incentive is very great for them to continue to try and develop the field.

Furthermore, statistics now show that more fields are found on drilling three to seven exploratory wells than by just drilling one or two wells.

This is because companies are now drilling at deeper zones and in more complicated structures than ever before.

Today you do not often come up with a new big find merely by drilling one well.

Now, is the Government better off under the proposal to lease first before exploration or to explore first and then lease.

By the explore-first-lease-later approach what we are doing is shifting some of the responsibility and the gamble for this highly risky exploratory activity from the oil company to the Federal Government and the taxpayer.

By requiring that exploration occur first taxpayers and the Federal Government may have to forgo a substantial cash bonus in order to gamble that the exploration before lease method may make a find.

They also may eliminate the possibility of a thorough exploration job.

As a result, the probability is that the Government will lose money because of lessening of the bonus and oil offshore will not be found.

The best thing to do is to get the oil companies committed to the lease first by some kind of a sizable bonus payment if possible so that the job of exploration will be complete and thorough.

Our goal is to get energy quickly.

That can best be done by working out a salable program, which is attractive to many participants who are interested in Outer Continental Shelf oil and gas development and therefore, will make substantial bids to get it.

In conclusion, I urge you to vote for my amendment to strike section 11(g).

Because by keeping section 11(g), we are putting the Federal Government and, therefore, the taxpayers, into the gamble that oil companies make when they go out and explore for oil.

Even if a private company were to do the drilling at its own expense to explore for oil before it leases, the probability is the taxpayers will lose money that they would have gotten if we had leased first.

This is so because the Government and taxpayers may very well lose a cash bonus by oil companies heretofore interested in bidding on the area.

By exploring before leasing, the highly probable results, that is a dry hole or a teaser, will more than likely diminish the attractiveness of the area and scare away any further development.

As you can see, section 11(g) puts the people of the United States directly into the gamble that oil companies now take on their own when they explore for oil offshore.

Clearly it seems that the odds are that you will lose more bonus money than you will gain by exploring before leasing.

Mr. HUGHES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. BELL) which seeks to strike section 11(g) of the OCS Lands Act amendments.

Section 11(g) is very modest in scope. It simply provides for a nongovernmental program of exploratory drilling in offshore areas which have not yet been leased to oil and gas producers. Such drilling would not be required more than once in each frontier area. And because it is entirely dependent upon voluntary industry participation, it need not be carried out at all if no oil company seeks a permit.

The program is to be conducted by private industry on a strictly voluntary basis without cost to the Government.

My colleagues should know that drilling is already carried out in offshore areas prior to leasing. This provision of the legislation is not some dramatic departure from the way we have been doing things.

Permits for prelease drilling have already been granted in the Gulf of Mexico, southern California, and the Gulf of Alaska, as well as the Atlantic Ocean. Prelease drilling has met with widespread industry support and acceptance, as evidenced by the fact that 31 companies shared the estimated $9 million cost of drilling the Baltimore Canyon Trough test well.

The big difference is that the existing drilling program is carried out in areas where there is little or no chance of finding oil or gas. In contrast, section 11(g) would require that at least one test be carried out in an area where there is the greatest chance of finding oil or gas.

I can see little value in the existing program which encourages oil companies to expend many millions of dollars drilling test wells in areas which could not possibly have any oil. This is not done anywhere else in the world. This section simply says: drill the same well you planned to drill anyway, but do it where there is a chance you will find oil.

There are a number of reasons why a modest program of prelease test drilling is desirable:

First, it would increase the likelihood that the Government would receive a fair return for the sale of the area, when it is eventually leased.

Second, and just as importantly, it would reduce the likelihood that oil and gas producers will be paying out vast sums of money in the form of bonus bids for leases which eventually turn out to be valueless.

We are told so often these days about how the industry needs astronomical sums of money to develop offshore reserves. Yet, our leasing system adds to the financial burden by requiring oil companies to pay out enormous sums of money for offshore tracts without having any firm idea about the commercial value of those tracts.

My colleagues may be interested in knowing that the largest bid ever received for an offshore tract was $211 million, for an area off the gulf coast of Florida known as the Destin Dome. That area has been pretty much shown to be worthless.

Now I ask my colleagues, could not that $211 million have been more wisely used in producing oil from areas which have been proven as commercially viable? And I further ask my colleagues, what small oil company could afford to take that kind of risk?

The way we have been doing things explains why some areas of the offshore are dominated by as few as four major oil companies. And it also explains why the major oil companies are so adamently opposed to this provision, which might show in advance of the lease sale whether or not a tract has any value.

We have been told that this program will lead to a post-office-like program of government exploration. That is absurd. Government exploration has been clearly and explicitly authorized since 1953 by section 11 of the OCS Lands Act. Section 11(g) calls for a nongovernmental exploration program, dependent entirely upon voluntary industry participation.

As under the existing drilling program, only those firms which agree to take the risk would be permitted to share in the knowledge gained from the test well. This would eliminate the possibility that a firm which did not take the initial risk could later take advantage of the knowledge gained from the test and outbid one of the participants.

But it is important to note that any firm which wishes to join in the test and can pay its proportionate share of the expenses must be allowed to participate.

Mr. Chairman, there has been a vast amount of misinformation spread about this provision of the legislation. It has been called Government exploration. It has been said that the Government would be required to drill the first well on each lease much in the same way as feudal lords had the right to spend the first night with each new bride on his feudal estate.

We have been warned of delays and that massive unemployment would result from the program.

Me thinks that they doth protest too much.

We are carrying out prelease drilling now with private industry doing the work. And this section would carry out that same drilling, except that it will be in areas where there is some chance of finding oil. And that is what the Nation wants to do.

We will accelerate our knowledge. Not delay it.

I urge my colleagues to defeat the amendment which seeks to delete this important step forward.

Mr. BELL's argument is the same argument we have heard for years. The Interior Department, at the urging of the oil industry is unwilling to try new policies, such as drilling on structure. The industry likes the way we have done business for years and they want no change. The major oil companies love it because it is their exclusive domain. They do not want the smaller companies to share in the knowledge, because they could then participate in the offshore areas. If we want four or five or six major oil companies to dominate the OCS areas as we accelerate production of the OCS areas, vote for the amendment offered by the gentleman from California (Mr. BELL). If you want to bring our lease policies into the 20th century, vote with me to defeat the Bell amendment.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from California.

Mr. BELL. I thank the gentleman for yielding.

What would the gentleman think would be the net worth of an independent oil company that was capable of drilling offshore, say, in California? What does the gentleman think would be the net worth of an independent company that could do this?

Mr. HUGHES. I would think an independent company could range anywhere from $2 million upward.

Mr. BELL. If the gentleman will yield further, let me tell the gentleman something. I have been in the oil business for 20 years and I know that there is not one independent company that can possibly finance a drilling program on Federal property offshore in California with $2 million net worth. When they start the well, that is $2 million right there. The bonus is higher than that.

Mr. HUGHES. I refuse to yield any further at this point. Let me just say to my colleague—he had 15 minutes—I only have 5 minutes to develop my argument.

Mr. BELL. Onshore or offshore?

Mr. HUGHES. I do not yield to my colleague. He knows very well that it was the small, independent companies—the wildcatters that developed the resources in this country. The major oil companies were heavily committed to the mideast and other places around the world. Ask the major oil companies—I have, and I am sure the gentleman has, too—when they seek the right to do some pre-lease exploratory drilling overseas where they sink the test wells. Do they sink them in areas where they know there is no oil and gas? Of course, they do not. It is just in this country that we play blind man's bluff. It does not make sense that we have the oil companies for years and years doing the seismic and geophysical data to determine where the highest potential for oil and gas resources is, and then turn around and permit the same oil and gas companies to sink stratigraphic test wells offshore where they know there is no oil and gas.

All we are asking the Department of the Interior is to try it; they may like it. The oil companies—particularly the small ones—will welcome the opportunity for pre-lease exploratory drilling?

I have asked enumerable oil companies if they would ask for permits if they were offered. The answer is, yes, they would. They do not want to be excluded. They would participate. But I want to assure my colleagues who will participate besides the major oil companies. We would have the independent oil companies participating, and that is exactly what they do not want.

I think the answer is if we want competition in the OCS areas, if we want to accelerate development of the OCS areas, we will bring in the smaller oil companies to help develop our domestic resources in the OCS.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

What is my colleague's definition of an independent oil company?

Mr. HUGHES. An independent oil company, from my standpoint, is an oil company, first of all, that is not vertically integrated.

Mr. KAZEN. They have at least how much capital?

Mr. HUGHES. I indicated it varies. There are small companies—with as little as $1 million in net worth—some with even less than that.

I urge my colleagues to defeat the Bell amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. BELL. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from California.

Mr. BELL. The gentleman just in the well I think is really not very well informed on the industry itself, if I must say so. In the first place there is no oil company that ought to be drilling offshore—and I hate to say this because I have been an independent and our company could never drill offshore—and there is no company that should be able to drill offshore which would have a net worth of less than $50 million to start with. The costs could get into amazing amounts, just tremendous amounts.

Let me point out one thing. The gentleman speaks of off-structure drilling. That is not an exploration for oil. Another way to look at it is that it is another form of geophysical work where they go and drill off structure and they are looking for various geological information, for example, to find the closure of a structure to see if it can possibly trap oil or gas. They are looking to see whether or not the structure closes and at what point and whether the sand has a potentiality for great permeability or porosity or not.

These are just some reasons why they drill off structure.

They drill off structure to find to geophysical information they want. But if one drills on structure without a lease and one gets oil, then he is in a position of having to bid on it. He will have no lease. Other companies may outbid him, maybe. So he may have spent $15 million or $25 million drilling and other companies can outbid him and he has nothing.

But that is why they drill off structure and not on structure.

Mr. FISH. Mr. Chairman, I yield further to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Chairman, I think what we have to remember is the gentleman objects to bonus bidding. Let me point up one thing. Bonus bidding is a very good thing. If there is a piece of property in Texas and one owns a bit of that property in Texas and a company comes up and want to bid on that property, one has to decide just like in offshore bidding what kind of an arrangement is best. He may have a choice of a royalty and a bonus. So he should make a balanced choice. That is enough bonus to protect himself in case it is a dry hole and yet enough royalty to furnish a good income in case it is a commercial producer. The odds are that 80 percent of the holes drilled are going to be dry holes, so one had better take a sizable bonus because he might end up with nothing but just a royalty on a piece of property with no oil or gas under it. Therefore, no income. This is the kind of protection we should seek to give the Federal Government in these offshore bids.

So I think for the good of the country it is better that we accept some sizeable bonus bids that come from the oil companies, which may amount to hundreds of millions of dollars because otherwise if no production of oil or gas is obtained the Government may obtain nothing of value for this property.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I do not think it is the province of the Government to take money from the oil companies for resources that do not exist—if there is a way to minimize the guesswork. And there is an opportunity to do that by onstructure stratographic testing.

Mr. BELL. I must tell my friend this. That is the reason why the oil business is like it is, because it is a risky business. That is the risk one takes. Let them take their risk. Let the oil companies take their risks. I am telling the gentleman he is not going to find all the oil he thinks is there. It is not all going to be there, so the Government might as well take some money when it can be obtained.

Mr. HUGHES. I think my colleague, the gentleman from New York has yielded to me. I want to say to my colleague from California it is time we stopped doing business as usual just because that is what the industry wants—particularly in respect to the development of our oil and gas resources. The bonus bid system substantially reduces the opportunity for smaller companies to participate in OCS development.

Mr. MOSS. Mr. Chairman, a point of order. The gentleman from California has not been yielded to.

The CHAIRMAN. The gentleman from New York (Mr. FISH) has the floor.

Mr. FISH. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I just want to say it should not be the province of the U.S. Government to take huge amounts of capital from the private sector for oil and gas resources that we do not have. We can develop our resources without taking capital necessary for OCS development. The oil companies are often heard complaining about the capital or front money that they have to put up and the massive capital it takes to develop OCS resources. And it does. But then they defend the very system that strains the capital markets—the bonus-bid system.

We have an alternative. First of all we can find out a little bit more about what we are selling and the oil companies will know a little bit more about what they are buying by prelease on structure test drilling. Is that not what the U.S. Government should be doing in the first place? Should we not find out as much as we can about what we are selling before we sell our property rights in the OCS? I think we should—and so does the American public.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, the gentleman from New York has yielded to me.

The gentleman from New Jersey (Mr. HUGHES) has a confusion in his mind. He thinks all that is black gold glitters. It does not. Because he is going to find out there are more dry holes than good. So we will be better off with bonuses in some cases. But we should share it. We should get some bonuses and some royalties. That is the way to operate. That is the way we should operate.

I think it is important that we develop this energy as rapidly as possible.

The CHAIRMAN. The time of the gentleman from New York (Mr. FISH) has expired.

(By unanimous consent, Mr. FISH was allowed to proceed for an additional 3 minutes.)

Mr. FISH. Mr. Chairman, I yield to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Chairman, I think we must remember the important thing that we are all trying to do here. We are trying to get energy for the country as rapidly and efficiently as we possibly can get it. Certainly, it is nice to try new things when they arise and they make good sense. Unfortunately, I do not believe the suggestion of the gentleman makes good sense.

I think we should try new things. I am one of those that believes we should make tougher deals with the oil companies offshore, but we should do it intelligently.

We must remember we are not in this game to create difficulties. That is not the point. The point is to get energy to the country. Let us try to give these companies the opportunity they need.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, does it make sense to my colleague that just 3 or 4 months ago there was a stratigraphic test made off the New Jersey coast—a test well sunk to 16,000 feet at a cost of $9 million, in an area that we know contains no oil or gas.

I do not argue with the proposition that maybe one test well will not show there is commercially extractable gas or oil in a structure. It may require three, five or seven tests; but I know that by drilling offstructure we will not find it. That is the kind of delay, the kind of lack of knowledge that deprives us of the opportunity for planned development and a fair return. We should be doing a little better job of managing and husbanding our resources, a little better job of getting more people involved in the process of bidding than we have in the years past. I am only saying by providing for an experimental prelease onstructure stratographic test program, why not try it. It may work.

Mr. FISH. Mr. Chairman, I yield to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Chairman, I think the gentleman from New Jersey overlooks a very important fact. Sometimes oil companies spend a lot of money just on geophysical work. Those stratigraphic off structure wells are simply another form of geophysical work, finding the kind of sand and the potential for deeper sand before they bid on property. Some of this geophysical work is what they make their judgments on, as to whether or not they should submit a bid for the Federal lease; if so, how much?

To show what can happen, Exxon spent $1 billion off the coast of Florida in exploring for oil and gas. They got absolutely nothing. That is the kind of chances oil companies have to take. This is an expensive business that requires big oil companies to do it.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to all this scientific gobbledygook. If I can, I would like to bring us down to what the practical issue is, as I see it.

The question is whether only the big oil companies, who can afford it, are going to do all the exploratory drilling and then keep the results close to their chests, away from the public, away from the Government, away from small companies, or whether we are going to have the Government do some exploratory drilling, so that all the bidders have a pretty good idea what is in that field before any bids are submitted, and whether the Government itself is going to have the drilling results, so that it has a pretty good idea what kind of money it ought to be getting from the bidders. That is what this is all about.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, in the first place, I thought I explained that there are no small very independent oil companies in offshore drilling.

Second, let me point out one thing as far as a major oil company is concerned. Maybe it would be better to have the Government come in, all right, and do the exploratory work; but if the Government comes in and does the exploratory work, let the Government do it all, because the exploratory work is the most of the risk. That is the greatest risk. If we are going to have the Government do that, then let the Government do it all.

Mr. SEIBERLING. Mr. Chairman, I agree there is no small company in offshore drilling. That is one of the things this bill is trying to remedy, so that we can get some consortia of small oil companies involved in this offshore oil production, instead of having the big boys gobble it all up.

Mr. BELL. Mr. Chairman, may I give the gentleman a case in point?

The CHAIRMAN. The gentleman from Ohio (Mr. SEIBERLING) has the floor.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I had understood that the gentleman was making a point, not so much with respect to big or small oil companies, but with respect to the proposition that one of the contracting parties should not be blindfolded. The United States should have as much information as the lessee with which the United States is dealing.

Mr. SEIBERLING. Yes, but my point goes beyond that. Not only should the United States have as much information as the bidders, but all bidders should have the same basic information. That is the point.

Mr. BELL. Does not the United States now have that information? Do they not have all the information the oil companies get?

Mr. SEIBERLING. They do not have it.

Mr. BELL. They can ask for it and they can get it. My staff here tells me that they can have it.

Mr. SEIBERLING. I have had a little experience in the Judiciary Committee with trying to get information out of the oil companies, and sometimes it is like pulling eyeteeth, even though we have the power of subpena.

Mr. FORSYTHE. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I want to make just two points. There has been a lot of discussion here about the capital of the major oil companies and their front-end money they have to put up. We must remember that these are voluntary bids that they do put forward to get these leases.

Second, so far as the stratigraphic drilling is concerned, they are consortium drillers, and that information is available to the U.S. Government so far as every bit of the information is concerned. I think that in the New Jersey drilling, it was something like 13 or 14 companies which joined together to make this drill. Those that are interested get in that stratigraphic consortia, so they do have that information available. Therefore, I fully support the position of the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from California.

Mr. BELL. Incidentally, the comment was made that the Federal Government does not have access to the information of the major oil companies. Under section 26 of this bill, that provides the Government with this information, so they do have that information. They have just as much of the information as the oil companies have, so they can make that judgment.

It is all a gamble, and we might as well face up to that. It is not a proven thing, and the Lord himself only knows what is under there.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I strongly oppose this amendment offered by the gentleman from California (Mr. BELL). He has brought forth many cogent arguments which the committee considered for months and months through its deliberations on the bill. The very thrust and the purpose of the language presently in the bill, which he would change, is to bring about stratigraphic testing. The gentleman from New Jersey just alluded to the fact that 31 oil companies joined together to go out off the New Jersey coast, in the Baltimore Canyon area, and sink a stratigraphic test hole. The same thing took place in the Georges Bank area off New England.

A large group of companies joined together for private and proprietary information for themselves, which they must share with the Federal Government. The same thing goes on off the California coast; the same thing goes on in the Gulf of Alaska.

If the gentleman's amendment were to succeed, we would not have the situation that we are trying to get to. The committee is not opposed to the bonus bid system. One-third, we say, of those leases should be in alternate types of bidding. Therefore, two-thirds of the leases will be in the bonus bid area.

We will be sharing more stratigraphic information with companies who join together to pay for these test drill holes. One hole costs $9 million to drill off the Georges Bank area. This was shared by a large number of companies, and therefore some companies that might not have the tremendous resources of the Seven Sisters and some of the other major independents, which would have a private preserve in the offshore area. In this bill we have tried to draw in smaller companies so that the "action" is spread around on the public lands in America.

For these reasons, I firmly and hopefully hope that the committee will reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. BELL).

The question was taken; and on a division (demanded by Mr. BELL) there were—ayes 17, noes 23.

Mr. BELL. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty-five Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from California (Mr. BELL) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 82, line 3, after the word "which" insert the words "he determines.". On page 82, lines 9 and 10, strike the words "all of the." On page 83, line 14, after the word "States" and on page 83, line 17, after "et seq.)" insert the words: "which have been specifically identified by the Governors of such States as relevant matters for the Secretary's consideration". On page 83, line 22, strike the word "has" and insert "will have."

Mr. MURPHY of New York. Mr. Chairman, these amendments are basically technical in nature. It is made explicit that the Secretary is to determine the size, timing, and location of leasing activity to meet national energy needs for a 5-year period. In addition, the amendment makes it clear that one of the considerations as to the leasing program is that management of the OCS is to consider relevant economic, social and economic values. In addition, in determining the leasing program, the laws, goals and policies and plans of affected and coastal States, as identified by the Governors as relevant, are to be considered. Finally, this amendment makes it clear that the potential capability of industry to exploit, at the time activity is to occur, is to be considered in preparing the program.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, we are pleased to accept this amendment on this side of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MURPHY of New York: On page 85, line 21, strike "or after June 30, 1977" and insert in lieu thereof "or after eighteen months following the date of enactment of this section".

Mr. MURPHY of New York. Mr. Chairman, at the time H.R. 6218 was originally drafted, June 30, 1977, gave sufficient time for a leasing program to be prepared, submitted to the States and regional advisory boards, then to Congress, and then finally approved. That date is now impractical, because of the expected date of final passage of this legislation requiring the leasing program to be prepared. It was the intent of the committee that a sufficient period of time should be allowed for preparation and final approval of a leasing program. This amendment is in conformity with that intention, and has the agreement of the administration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MURPHY of New York: On page 87, line 1, after "consistency", insert the words ", to the maximum extent practicable,".

Mr. MURPHY of New York. Mr. Chairman, this is another amendment in agreement with the administration.

The Coastal Zone Management Act requires Federal agency programs to be consistent "to the maximum extent practicable" with approved state CZM programs. This amendment would make it clear that OCS leasing programs, as all other Federal programs, is to have the same consistency requirement. It is basically a conforming requirement, making the language consistent with that used in other sections of H.R. 6218.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, we on this side are pleased to join with the committee chairman in support of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DU PONT: On page 85, line 4 after the word, "Congress" add a comma and strike out the word, "and"
>
> On page 85, line 5, afer the word, "Attorney General" and before the word "and" insert the words "and to the Governors of affected States and to Regional Outer Continental Shelf Advisory Boards"
>
> On page 86, after line 3, insert the following:
>
> "(d)(1) During the preparation of any program under this section, the Secretary shall invite and consider suggestions for such program from the Governor of any State which may become an affected State under such program. The Secretary may also invite or consider suggestions from any other person.
>
> "(2) After such preparation and at least sixty days prior to publication of such program in the Federal Register, the Secretary shall transmit a copy of such proposed program to the Governor of each affected State for review and comment. If any such comment is received by the Secretary at least fifteen days prior to such submission and includes a request for any modification of the proposed program, the Secretary shall reply in writing, granting or denying such request in whole or in part, or granting such request in such modified form as the Secretary considers appropriate, and stating his reasons therefor. All such correspondence between the Secretary and the Governor of any affected State, together with any additional information and data relating thereto, shall accompany the program when such program is submitted to the Congress.

Mr. DU PONT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. DU PONT. Mr. Chairman, the purpose of this amendment is to give the affected States a somewhat earlier opportunity to comment on and participate in the preparation of the leasing program that is put together by the Secretary. As the bill is now written, the Secretary prepares a plan within 9 months of the enactment of this legislation, submits it to the Attorney General and the Congress, and prints it in the Federal Register. There is no provision for notifying the affected States, nor is there any mechanism for allowing the affected States to have their comments considered by the Secretary in drafting his program.

My amendment simply provides, first of all, that when the Congress is notified, so are the governors of the affected States and, second, that during preparation of the program, the Secretary must invite and consider suggestions for such program from the Governors of the affected States and from the regional boards. I do not believe it slows the procedure down; I believe it allows the States affected a much better role, a much more comprehensive role in the development of the program.

Mr. Chairman, I would urge the adoption of the amendment.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I will be happy to yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

I understand this is quite a different amendment from the one that was printed in the RECORD earlier, with a much sharper focus on the issue. Speaking for the minority, I am glad to accept it.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

The gentleman has drafted a very wise amendment that certainly brings the States much closer to the very heart of this issue. I feel it is a good amendment and am happy to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FORSYTHE

Mr. FORSYTHE. Mr. Chairman, I offer an amendment. The Clerk read as follows:

> Amendment offered by Mr. FORSYTHE: On page 89, strike lines 7 through 20, and insert in lieu thereof the following: "the Secretary shall fully consider such recommendations in light of national security, the desirability of obtaining oil and gas supplies in a balanced manner, and the policies and purposes of this Act. If the Secretary finds that he cannot accept such recommendations, he shall communicate, in writing, to such Board or such Governor the reasons for rejection of such recommendations."

Mr. FORSYTHE. Mr. Chairman, in discussing this amendment, let me first emphasize that during the development of this legislation I fully supported attempts to provide as much State participation as possible in the development of the Outer Continental Shelf. A basic premise that must be continually kept in mind, however, is that the oil and gas resources of the OCS are national resources. The States must be allowed to participate in the decision process, and the decisions should reflect a balance between State and national interests. The final decisions, however, must basically be made in relation to national priorities.

Page 89 of the committee bill presently provides that the Secretary shall accept the recommendations of any Regional Advisory Board or the Governor of any affected State unless he determines such recommendations are not consistent with national security or the overriding national interest.

Such language does not balance State and national interests, but gives State interests the upper hand. The present language assumes that, except in the case of those specified conflicts of national security or overriding national interest, whenever, there is a disagreement between a Governor and the Secretary over the size, timing or location of a lease sale or over a development plan, the Governor is always right and the Secretary is always wrong. This is a fundamentally dangerous assumption for development decisions regarding a federally owned resource. My amendment provides, instead, that the Secretary must fully consider such recommendations, and must fully explain in writing the reasons behind any rejection of those recommendations.

The potential oil and gas reserves of the Outer Continental Shelf, Mr. Chairman, do not lie within the territorial boundaries of any State, and the benefits of the development of those resources will be nationally distributed. Therefore, it is the Secretary, responsible to the President, who has a national, not a regional viewpoint which enables him to balance the benefits and costs of one region against those of others. A Governor's responsibility is primarily toward his State and region. No Governor or regional group of Governors should be expected to judge such issues in a national perspective.

Again, I fully support State participation in the OCS decision process. However, I cannot go so far as to support the requirement that the Secretary must accept the Governor's recommendations except in the case of national security or the overriding national interests.

The Coastal Zone Management Act provides protections for the States in the development of their coastal areas. We have strongly affirmed those protections in this bill, and have further provided full opportunity for the Governors to comment at key points in the OCS decision process. Given these ample safeguards for State participation in that process, I strongly feel that there is no need for the language which my amendment deletes. In fact, the inclusion of the present language could lead to significant delays which are not in the national interest.

Therefore, I urge the support of my colleagues for this amendment. I have repeatedly stated that the OCS must be developed with a balance of State and national priorities. This amendment will go a long way toward insuring that balance.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey (Mr. FORSYTHE).

Mr. Chairman, this amendment strikes at the very heart of this legislation. One of the major purposes of this bill is to insure that States have an opportunity to participate in the OCS development decisions which will affect their welfare. The language which is now included in the bill achieves that purpose by forcing the Secretary to give due consideration to their comments and recommendations.

The States are not given an absolute vote power over Federal decisions. The Secretary has only to find that the overriding national interest or national security require him to reject a Governor's recommendation and to submit his reasons in writing to the Governor.

This seems the most effective way of insuring that the Secretary actually will consider recommendations from the States seriously, and yet provides a necessary balance with other national factors.

The argument has been made that the approval procedure contemplated in H.R. 6213 will permit the States to interfere in technical development decisions of the petroleum industry. This is not the case, and I want to take now a few moments of the Members' time to go over the procedure we are recommending so that those with apprehensions will be satisfied.

In section 19 of the bill, we provide for the establishment of regional Outer Continental Shelf advisory boards which shall make recommendations to the Secretary of the Interior concerning a proposed lease sale or a development and production plan. We then provide that the Secretary shall accept the regional board's recommendations or those of the affected State's Governor, unless he finds that the recommendations coming from the States are not in the national interest or are not consistent with the national security.

Now, the argument is being made that these regional boards might get into the business of prescribing the details of how a company puts its production platforms into place, making recommendations about the angle at which wells will be drilled into the shelf, for instance.

The regional advisory boards or the Governors are not given the authority to get into the technical matters of this kind, as these types of mechanical and technical issues are left to the present permitting process which we do not interrupt.

We make this clear in the bill in the language you will find in section 25. Here in subsection "g" we spell out the basis on which the Secretary is to approve or disapprove a development and production plan. You will see here that we call for modifications in the submitted plans if the Secretary finds that:

First. The plans do not meet safety standards;

Second. They do not adequately protect the environment.

Disapproval is authorized only if the plan does not conform to this proposed legislation, if it is inconsistent with the State's approved coastal zone management program, or if because exceptional geological conditions make the plan unsafe.

None of these considerations involve such technical matters as the angle at which a well is drilled. Therefore, the recommendations which a regional board or a Governor shall make to the Secretary will necesarily be limited to only those areas in which the legislation gives the Secretary discretion to either modify or disapprove a development and production plan.

The Secretary's review of company development and production plans will focus on their safety provisions, how they will affect the coastal environment and whether the onshore facilities are to be located in areas where the State's coastal program calls for.

As the Secretary's review of a development and production plan is limited to these areas, so also must be the process by which a Secretary is to consider, accept, or reject a recommendation by a board or a Governor. While the Governor on the board can comment on anything, the Secretary can only accept such recommendations as to a plan where he has the power to modify or disapprove a plan. The Interior Department's permitting process will continue to deal with technical details.

Our essential purpose in setting up the regional boards is to give the coastal States and communities a means of dealing with those aspects of offshore production which directly affect them. Their concerns are basically about the safety of offshore operations, the environmental impact and the onshore implications. That is where we place the Secretary's discretion in reviewing these plans and that is where the State and regional bodies will focus their attention.

I hope this answers the concerns which some of the Members have expressed to me and that this statement will serve as part of the legislative history of this measure, and will be helpful in expressing the intent of Congress in this regard.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words. I rise in favor of the amendment.

Mr. Chairman, I will not take the full five minutes, but I would like to point out that we are dealing with any recommendation by a State or regional advisory board to the Secretary with respect to a development and production plan. The language in the bill as presently written is that of a presumption of acceptance of the recommendation by the Secretary. I think it very seriously binds the Secretary, and that is why the amendment of the gentleman from New Jersey was prepared and presented to the Committee. It restores the balance between the purpose of the States and regional advisory boards making their recommendations and the judgment of the Secretary. After fully considering the recommendations in the light of national security, the desirability of obtaining oil and gas and the policies and purposes of this act, the Secretary exercises his responsibility. I think that is a much more effective administrative mechanism.

Mr. Chairman, I might point out that this is a matter of great concern to the present Secretary of the Interior. He feels it would bind his hands unecessarily and if the amendment is not adopted and the committee bill stands as it is, it will be a factor in his recommending to the President of the United States that he veto this legislation.

Mr. STUDDS. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I dare say this amendment offered by the gentleman from New Jersey is of great interest to the Secretary of the Interior. As a Representative of a frontier region and a coastal State, I can say that the Governor of my State and, so far as I am able to determine, the Governor of almost and perhaps every single frontier coastal State is convinced that the present Secretary of the Interior pays little or no attention to the recommendations of the coastal Governors.

I oppose as strongly as I can the effort contained in the amendment offered by the gentleman from New Jersey to further dilute the fairly modest assurances this committee has written into the bill that the views of the coastal Governors will be respected. Just as a classic example of the attitude of the Secretary, I would like to quote from a letter from the Governor of California written in April 1976, to the Secretary of the Interior. The California Coastal Commission was just about to hold a hearing on an application by Exxon for a short facility for processing crude oil. On the eve of that hearing, prior to it, the State of California was informed by the Department of the Interior that they were going to proceed to OK Exxon's application for an offshore facility if the State of California would not OK it onshore. This is the letter from the Governor to the Secretary:

Hon. THOMAS S. KLEPPE,
Secretary of the Interior, Interior Building, Washington, D.C.

DEAR MR. KLEPPE: This administration has consistently tried to be reasonable about development of the Outer Continental Shelf. I recognize the need to develop new sources of energy, but I believe that can be done without giving a windfall to the oil companies and without taking unnecessary risks with the environment. Although the Department of the Interior says it will respect the environmental concerns of the coastal states, what the Department does is consistently to disregard state views and state agency rulings.

The most recent incident is the Department's summary approval of Exxon's request to process crude oil from its offshore wells on a floating treatment plant two-tenths of a mile beyond the state's jurisdiction. This action is, in the Department's own view, the most environmentally hazardous form of development, and it will waste natural gas desperately needed in the Southern California area. The only apparent reason for doing this is to make life a little easier for the Exxon Corporation.

Common courtesy, if not due process, would have given the California Coastal Commission a hearing before overriding their position. The Department did not do that, nor has your office even answered the request of the Commission's Chairman for a re-examination of the issue.

How credible, in view of this, are your assurances to the Congress that the Department will listen sympathetically to the legitimate concerns of the coastal states?

The environment we leave our children is too important to be caught up in this kind of state-federal squabble. With respect, I urge you to involve yourself personally in the re-examination the Coastal Commission has requested.

Sincerely,
EDMUND G. BROWN, Jr.,
Governor.

Mr. Chairman, I would suggest that this attitude on the part of the Secretary of the Interior and on the part of the major oil companies adds up to an arrogant disregard for the views of the coastal States. I urge as strongly as I can that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. FORSYTHE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 90, line 21, strike ", in itself," and on line 22, insert after "Secretary" and before the period at the end of the sentence, the following: ", unless the Secretary, in his discretion, finds such failure to be an appropriate basis for such preclusion."

Mr. MURPHY of New York. Mr. Chairman, the required studies to determine baseline information will involve substantial study efforts and should not necessarily be grounds for delaying development through litigation. The present language of H.R. 6218 effectively precludes the Secretary from delaying approval of a development and production plan, even temporarily, even if he believes that more baseline information should be available before initiating development. This amendment would make it clear that while the failure to complete a study is not ordinarily to be in itself a basis for disapproving a development and production plan, and should not be a basis to challenge authorization of development through litigation, the Secretary has the power to temporarily delay approval if he feels that the study is important enough to wait for.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FORSYTHE

Mr. FORSYTHE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORSYTHE: Strike page 89, line 22, down through page 92, line 15, and insert in lieu thereof the following:

"(a)(1) The Secretary, in consultation with the Secretary of Commerce, and in cooperation with coastal States, shall design and conduct a study of—

"(A) any area or region of the outer Continental Shelf in which a lease is in effect on the date of enactment of this section, or in which a lease is proposed to be sold within one year after such date of enactment; and

"(B) any area or region of the outer Continental Shelf in which a lease is proposed to be sold following the one year period beginning on such date of enactment.

The Secretary may utilize information collected in any study prior to the date of enactment of this section complying with the foregoing requirements of this subsection. Nothing in this subsection shall be interpreted as requiring the Secretary to conduct more than one study pursuant to this subsection in any area or region of the outer Continental Shelf.

"(2) Each study required by paragraph (1) shall be commenced—

"(A) with respect to any area or region described in subparagraph (A) of paragraph (1), six months after the date of enactment of this section; or

"(B) with respect to any area or region described in subparagraph (B) of paragraph (1), six months prior to the sale of a lease in such area or region.

"(3) Nothing in this section shall be interpreted as requiring any delay in the holding of any lease sale, or in approval of any plan under section 19 or 20 of this Act, pending completion of any study required by paragraph (1).

"(b) Promptly after the first lease sale held with respect to any area or region studied pursuant to subsection (a) of this section, the Secretary, in consultation with the Secretary of Commerce, shall take such action as is necessary to complete such study, and shall monitor the affected environment in a manner designed to provide data which can be compared with previously collected data for the purpose of identifying any significant change in the quality and productivity of such environment, and establishing trends in the various factors studied and monitored.

"(c) To the extent that other Federal agencies are conducting studies of or are monitoring the affected environment, the Secretary shall utilize the information derived therefrom in lieu of directly conducting such activities. The Secretary may utilize information obtained from any State or local government entity, or from any person, for the purposes of this section. For the purpose of carrying out his responsibilities under this section, the Secretary may by agreement utilize, with or without reimbursement, the services, personnel, or facilities of any Federal, State, or local government agency.

"(d) As soon as practicable after the end of each fiscal year, the Secretary shall submit to the Congress and make available to the general public an assessment of the cumulative environmental effect of activities conducted under this Act.

"(e) In executing his responsibilities under this section the Secretary is authorized and directed, to the maximum extent practicable, to enter into appropriate arrangements to utilize on a reimbursable basis the capabilities of the Department of Commerce. In carrying out such arrangements the Secretary of Commerce is authorized to enter into contracts or grants with any person, organization or entity with funds appropriated to the Secretary of the Interior pursuant to this act."

Mr. FORSYTHE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FORSYTHE. Mr. Chairman, this is an extremely important amendment. The entire purpose of this bill is supposedly to design a coherent safe program for producing vitally needed oil and gas from the Outer Continental Shelf. Such a program is, of necessity, extremely complex involving the interaction of many different organizations and factors. The overall responsibility for coordinating this complex program lies with the Department of Interior.

The present form of the bill, however, while leaving the responsibility with Interior, fragments the ability of the Department of the Interior to carry out that responsibility by transferring to the Department of Commerce control of one of the most important tools that Interior has at its command—the baseline study.

Perhaps the intention of this section of the bill is based on a complete misunderstanding of the nature of a baseline study. Such a study is simply the establishing of a departure point which must then be carefully monitored for change. The committee bill presently deals with baseline studies as predictive tools, whereas in reality, baseline studies are retrospective tools. In other words, we cannot use a baseline study of one area to predict what will happen in another area. We can only use a baseline study to gain some idea of what actually happened in a specific area by monitoring subsequent events. Rarely can baseline studies be used to establish a firm cause-effect relationship, but they definitely are an extremely important tool in understanding the entire interaction of development and the environment.

Let us be realistic. We are all aware of the delays and problems associated with involving two Government agences which often have different priorities. Even the most simple memorandum of agreement often requires months or years. In this instance, we need a flexible tool for maintaining an ongoing analysis of the effect of development on the environment. How can the Department with primary responsibility for the entire process, however, be deprived of control of this extremely important tool for understanding the process?

While the Department of Interior often contracts with the Department of Commerce to carry out the actual studies, the Department of Interior still has control of those studies. To shift that control to another department would create serious problems in Interior's ability to maintain a continuing analysis of the effects of development.

The authority for conducting baseline studies presently lies with Interior. The bill shifts that authority to Commerce. My amendment would simply restore that authority to Interior, the department with the overall responsibility for development of the OCS. Let me point out that both the Department of Commerce and the Department of Interior both support this restoration. Failure to make this restoration could very well be another factor in a possible veto recommendation.

Another important aspect of the present form of the bill is the apparently inadvertent creation of a 6-month gap in the leasing procedure. With no explanation or discussion in the report, the committee bill requires that a baseline study of an area must be commenced at least 6-months before any lease sale takes place. In the absence of explanation, I can only assume that again this provision is the result of a basic misunderstanding of the entire development process. No significant action takes place on the shelf itself immediately following a lease sale. During the period following a sale there is ample time to conduct baseline studies if they have not already been commenced. Let me emphasize once more that the only purpose of this bill is supposedly to establish an orderly, rational process for developing a major resource as rapidly and as safely as possible. But here again we have built in an unnecessary bureaucratic delay which does not take into account the realities of the development process. My amendment would rectify that situation.

In summary, Mr. Chairman, my amendment would correct two major defects in the present bill. First, it would recognize the overall responsibility of the Department of Interior for developing the Outer Continental Shelf by restoring to Interior control of a major tool for carrying out that responsibility. Second, my amendment would also remove a major, apparently unintentional delay in the development timetable. These present defects in the bill must be removed. I therefore urge my colleagues to support this amendment.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose this amendment because it flies in the face of reality. Today, most baseline and monitoring studies are conducted by the National Oceanic and Atmospheric Administration in the Department of Commerce. All we have done in the bill is recognize this fact and give Commerce the "de jure" as well as the "de facto" responsibility for these studies. I think we are more likely to make full use of our scientific and oceanic expertise over a NOAA if we transfer full control of the program of environmental studies and monitoring over to their office.

The amendment also weakens this section on baseline and monitoring studies. It restricts the subject matter of these studies by removing the study of the effects on the human and coastal environments. It has also removed the provision for a study to predict the impacts of development both onshore and offshore. These are important provisions and should not be removed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. FORSYTHE).

The question was taken; and on a division (demanded by Mr. FORSYTHE), there were—ayes 5, noes 20.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 99, line 4, to page 99, line 9, strike all after "regulations" to the end of the subsection, and insert the following: "reported or alleged, the investigators undertaken, the results of such investigations, and any administrative or judicial action taken as a result of such investigations."

Mr. MURPHY of New York. Mr. Chairman, this is another amendment that is in agreement with the administration, and it is technical in nature.

Mr. Chairman, it is expected that traditional oversight procedures will provide a sufficient check on enforcement activities, if a summary as to safety enforcement is sufficiently explicit to allow adequate information to prepare for such oversight hearings. This amendment, technical in nature, indicates the nature of the information that is sought. Generally, it provides an index of what safety regulations are most commonly alleged to be violated, and what procedures are undertaken by the enforcing department to require leases and permittees to comply with applicable laws and regulations. At the same time, it insures the right to privacy by not requiring those who make an allegation to be included in any report, and by also not requiring those accused but not proven to be in violation to be included in any report.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I just want to say that I think this language in the gentleman's amendment is an improvement over the bill, and we are glad to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DU PONT: On page 92, line 16, strike all after "(a)" down through page 94, line 16, and insert in lieu thereof the following:

"Upon the date of enactment of this section, the Secretary and the Secretary of the Department in which the Coast Guard is operating shall, in consultation with each other and other agency heads as appropriate, promptly commence a study of the adequacy of safety regulations in effect on such date of enactment, and of the technology, equipment, and techniques available for the exploration, production and development of natural resources, with respect to the Outer Continental Shelf. The results of this study shall be submitted to the Congress, together with a plan of action which each Secretary proposes to take, working alone and in consultation with the other, under their respective authorities under this or other Acts, to promote safety, health, and environmental protection in the exploration, production and development of natural resources of the Outer Continental Shelf.

"(b) In exercising their respective responsibilities for floating, temporarily fixed, or permanently fixed structures for the exploration, production and development of the natural resources of the Outer Continental Shelf, the Secretary and the Secretary of the Deparment in which the Coast Guard is operating shall require the use of the best available and safest technology which the respective Secretary determines to be economically achievable, wherever use of less than such technology would cause operations conducted pursuant to this Act to pose a significantly greater threat to safety, health, or the environment, on all new drilling and production operations and, wherever practicable, on existing operations.

"(c) Nothing in this section shall affect any authority otherwise provided by law to the Secretary of Labor for the protection of occupational safety and health, to the Administrator of the Environmental Protection Agency for the protection of the environment, or to the Secretary of Transportation with respect to pipeline safety."

On page 94, line 17, strike "(2)", and insert in lieu thereof "(d)".

On page 95, strike lines 4 through 7.

Mr. du PONT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. du PONT. Mr. Chairman, some of the amendments that we have discussed this afternoon have been, in the words of some of my colleagues coming in here to vote, "a litle bit obscure." But here we have an amendment that every Member is going to be able to understand, because it goes not only to the heart of the OCS bill but to the heart of the whole tortured bureaucracy we have in Washington. This bill is a classic example of bureaucratic overkill, and it does not bode well that we begin our OCS efforts with barrels of red tape.

I just want to cite for the committee the way safety regulations are going to be handled under this bill. There is going to be a committee to write the regulations. Listen to who the committee is composed of: First, there is the Secretary of the Interior, and then he is going to get together with the Administrator of the EPA and the Secretary of Commerce, or both of them, to worry about marine and coastal environmental matters. Then there will be the Secretary of the Army and the Secretary of Transportation, or both of them, and the Secretary of Labor and the Secretary of Transportation, or both of them.

Mr. Chairman, we have the entire Federal Government here in one neat super committee writing safety regulations for the OCS. Who knows how long they will wrangle on how badly they will confuse us? I have seen some silly things in the years that I have been in Congress, but this has to be the silliest.

There is an old saying that a camel is a horse put together by a committee. Mr. Chairman, that is exactly what we are going to see if we allow six different bureaucracies in Washington to sit down with their principals, with their droves of staff members and advisers, around a large mahogany table, to try to write regulations for the OCS. It is a silly way to proceed.

Mr. Chairman, my amendment very simply leaves the power in the Coast Guard, as represented by its commanding secretary, the Secretary of Transportation, and the Interior Department. These are the agencies that know of sea going and oil drilling problems.

Mr. Chairman, let us have some safety regulations written by the people who know what is going on. Neither the Army or the EPA has much reason to be given a coequal role in writing safety regulations 150 miles at sea.

There are some special problems that are recognized in my amendment. OSHA clearly is going to have to deal with certain specific problems. That is recognized, but do we have to have safety regulations written for offshore oil rigs by six different departments of the Federal Government? Of course not; such a procedure is just plumb crazy.

For all these reasons, Mr. Chairman, I urge support for my amendment.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment because it totally replaces an entire section of the bill which is strong and will insure safe operations on the OCS, with language that is considerably watered down.

Under the section 21 that is now in the bill, the Secretary is required to promulgate and periodically revise new safety regulations. Jurisdiction over the protection of the environment, the marking of navigational hazards, and promotion of occupational safety and health is clearly set out, acknowledging the present responsibilities of the various federal agencies.

The present wording of the bill also calls for an independent study to be conducted by the National Academy of Engineering as to the adequacy of existing safety regulations and of technology, equipment, and techniques pertaining to the OCS.

In the amendment that has been offered, this has been drastically revised. No longer is the Secretary required to issue new regulations. No longer is the National Academy of Engineering to conduct their independent study. Instead, the Secretary and the Coast Guard conducts the studies, and submits a "plan of action" to the Congress. No longer are appropriate agencies to work together and prepare regulations. This language is considerably weaker than the mandate that is delivered in the bill now.

Another provision that has been dropped by the amendment is the requirement that no new safety regulation shall reduce the degree of safety or protection to the environment from the level now provided in regulations.

I would like to point out that amendment No. 22 effectively eliminates a strong worker safety protection. Page 107 of the report by the select committee on H.R. 6218 states:

> The Committee intended that the Occupational Safety and Health Administration, to the maximum extent possible be given lead agency responsibility for the development of safety regulations as to the occupational safety and health, in coordination and consultation of course, with the Secretary of Interior and the Coast Guard.

It is the committee's intent of section 21, which the amendment seeks to replace, that the Occupational Safety and Health Administration, with primary jurisdiction industry wide over occupational safety and health and having special expertise in that area, should have primary authority in the development and enforcement of occupational safety and health regulations on the Outer Continental Shelf. That is not to say that the Coast Guard does not have an imporant role. Indeed, it is participating in the development of diving regulations and the enforcement of such regulations at this time in cooperation with the Occupational Safety and Health Administration. What is meant by "lead agency responsibility" is that OSHA should never be pre-empted from exercising its authority by action of the Secretary of Interior or the Secretary of the Department in which the Coast Guard is operating, notwithstanding any provision of the Occupational Safety and Health Act of 1970.

Section 21 is to insure that OSHA, with primary jurisdiction over occupational safety and health industry-wide and having its special expertise, not be displaced in exercising primary responsibility in development, enforcement and promulgation of regulations concerning occupational safety and health on the Outer Continental Shelf by action of any other agency. Expressed differently, the Coast Guard and the Interior Department, by cooperating with OSHA in matters concerning occupational safety and health, should not, for purposes of section 4(b)(1) of the Occupational Safety and Health Act of 1970, be deemed to be exercising Statutory authority to prescribe or enforce standards or regulations affecting occupational safety and health.

All of these changes would cripple one of the most important sections in the bill ensuring safe operations in the OCS, and this amendment should be defeated.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, I cannot argue too much with what the gentleman from New York (Mr. Murphy) has said, because he and I have a very profound philosophical agreement on this whole question. The best I can do is to summarize: I am sorry that Gilbert and Sullivan are dead, because this bill is straight out of the first act of a Gilbert and Sullivan farce: We are going to get EPA, Interior, Transportation, Labor, the Commerce Department, and the Army together to write the regulations. All we are missing is a bishop or two to represent the church. Then, just to make sure we are not going to make any mistakes, we are going to ask the National Academy of Engineers—whoever they are—to come in and study the mess the six departments have made of it. I submit it is madness, my friends, it is madness. We ought to adopt the amendment and correct the situation.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I will be glad to yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, one of the purposes and thrusts of this legislation is to codify the responsibilities and to draw clear lines as to where the authority of OSHA lies, where the authority of the Coast Guard and all of the other agencies responsible for the activities on the Outer Continental Shelf lie, as to just who has what responsibility.

At the present time the safety regulations are drawn by these several agencies. We say they should come together and write comprehensive safety regulations.

I would say, if the investigations of this committee are proper, that this industry has not even inspected below the waterline on a comprehensive basis on any offshore platform on the Outer Continental Shelf. We are long overdue in passing their legislation.

Mr. FISH. Mr. Chairman, this is one of the most important amendments that the minority has presented before the Committee today. I think the case has been very well made by the gentleman from Delaware (Mr. DU PONT) that what we are talking about here in terms of safety is a bureaucratic nightmare. I would like to read one section that appears in the minority views of the committee report.

> Under the current OCSLA, the Coast Guard regulates "safety equipment and other matters relating to the promotion of safety of life and property.". DOI also has some overall concern in this area under its broad mandate to prescribe regulations relating to leasing of the OCS. Whenever neither agency acts to protect occupational safety and health on the OCS, OSHA is required to do so under its own legislation, ...

Here we have a committee bill that is giving OSHA, who has not acted in the entire 6 years of its life when it had the authority to do so, a leading role, Mr. Chairman. Without changing any of these independent grants of jurisdiction, the committee bill also requires joint regulation by the Department of the Interior and the Coast Guard or the Department of the Interior and the Department of Labor, and OSHA, or among all three. It is for this reason, this nightmare of regulatory agencies that we put forth this amendment for the Committee's consideration, and I urge support of the du Pont amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The question was taken; and on a division (demanded by Mr. DU PONT) there were—ayes 14, noes 12.

RECORDED VOTE

Mr. MURPHY of New York. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Thirty-four Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from New York (Mr. MURPHY) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 193, noes 193, not voting 47, as follows:

[Roll No. 529]

AYES—193

Abdnor
Alexander
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derrick
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Fenwick
Findley
Fish
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Hubbard
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Lloyd, Calif.
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKay
McKinney
Mahon
Mann
Martin
Melcher
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Myers, Ind.
Neal
Nichols
O'Brien
Passman
Patterson, Calif.
Paul
Pettis
Pickle
Poage
Pressler
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rose
Rousselot
Runnels
Ruppe
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Teague
Thone
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.

NOES—193

Adams
Addabbo
Albert
Allen
Ambro
Anderson, Calif.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Brademas
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Chappell
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fraser
Gaydos
Gibbons
Gilman
Ginn
Gonzalez
Gude
Hall, Ill.
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hechler, W. Va.
Hefner
Holtzman
Howard
Hughes
Hungate
Jeffords
Johnson, Calif.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Lloyd, Tenn.
Long, Md.
Lundine
McHugh
Madden
Maguire
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Moakley
Moffett
Mollohan
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patten, N.J.
Pattison, N.Y.
Perkins
Pike
Preyer
Price
Rangel
Rees
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, C. H.
Wolff
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—47

Abzug
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Bedell
Biaggi
Bonker
Burton, John
Chisholm
Clay
Derwinski
Esch
Evins, Tenn.
Ford, Mich.
Giaimo
Goldwater
Green
Harkin
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Helstoski
Hinshaw
Howe
Jones, Ala.
Jones, Tenn.
Litton
McDonald
McFall
Madigan
Mitchell, Md.
Moorhead, Pa.
O'Hara
Pepper
Peyser
Reuss
Riegle
Shipley
Sikes
Stanton, James V.
Steelman
Symington
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Jones of Tennessee against.

Mr. Sikes for, with Mr. Annunzio against.

Mr. Anderson of Illinois for, with Ms. Abzug against.

Mr. Goldwater for, with Mr. John Burton against.

Mr. Young of Alaska for, with Mr. Mitchell of Maryland against.

Mr. Derwinski for, with Mr. Pepper against.

Mr. Madigan for, with Mr. Moorhead of Pennsylvania against.

Mrs. Heckler of Massachusetts for, with Mr. Clay against.

Ms. HOLTZMAN and Mr. HARRINGTON changed their vote from "aye" to "no."

Messrs. ASHBROOK, STEPHENS, and EVANS of Colorado changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. McDONALD. Mr. Chairman, during rollcall No. 529 today on the amendment offered by Mr. DU PONT, the bells did not ring in my office. Had I known of the vote I would have voted "aye" on the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, the next amendment that I would have offered was applicable only if the previous amendment had carried so it is withdrawn.

AMENDMENT OFFERED BY MR. KETCHUM

Mr. KETCHUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ketchum: Page 99, immediately after the period on line 23, add the following new sentence: "Any hearing held by the Secretary pursuant to this subsection shall be held in the State which is nearest the location of the area covered by the lease which is the subject of such hearing.".

Mr. KETCHUM. Mr. Chairman, the amendment that I have prepared—this and one additional amendment—deals with the subject matter that I have discussed on this floor many times, and that is the question of having hearings, where they are necessary, in the locality in which the alleged offense or disagreement might occur. I have had an opportunity to discuss this with the members of the committee, and I should like to congratulate them on the content of the bill in this regard. I really think that they have done a very superlative job of taking care of this particular situation in this bill. I would like to congratulate the committee, if not on the bill, at least on these provisions of the bill and, therefore, Mr. Chairman, I request unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. WIGGINS

Mr. WIGGINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wiggins: On page 98, strike all after the period on line 10, down through line 14.

Mr. WIGGINS. Mr. Chairman, the amendment now under consideration deals with that section of the bill providing for the enforcement of safety regulations. On page 98 of the bill it is provided that the Secretary, the Secretary of Labor, or the Secretary of the Department in which the Coast Guard is operating shall consider allegations from any persons with respect to the existence of a safety regulation violation. The Secretary is under a mandatory duty to consider an allegation from anybody. I have no quarrel with that. Any allegation should, in fact, be appropriately considered by the Secretaries. But then the bill goes on to provide the following:

Any such Secretary who receives an allegation shall respond to such allegation within thirty days, and submit his findings within ninety days, after receipt of such allegation, stating whether or not such alleged violation exists and, if so, what action has been or will be taken.

Mr. Chairman, this casts a duty upon the Secretary to make an investigation and make written findings with respect to every allegation made by any person with respect to any safety violation.

There are some complaints which will be frivolous in nature on their face. Some complaints will be duplicative of other complaints. Some may be in the form of a petition filed, let us say, by 400 or 500 individuals. This requires a terribly burdensome chore to make separate findings and to respond to every allegation made.

It is my position that every responsible allegation ought to be investigated. But to say that a Secretary must respond in writing, stating findings, within a time certain with respect to every allegation is an unreasonable requirement.

My amendment simply strikes that sentence which imposes the duty upon the Secretaries to be responsive.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Chairman, I think the gentleman states the case well and the majority is happy to accept his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Wiggins).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DU PONT

Mr. du PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. du Pont: On page 104, after line 15, insert the following new subsection:

"(e) Notwithstanding any other provision of this section, this section shall not apply to any action which is commenced to require compliance with any provision of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)."

Mr. du PONT. Mr. Chairman, I am hopeful that my margin of success on this amendment will be somewhat larger than on the last one. It is a very simple amendment that says that nothing in this act is going to interfere with an individual's rights under the National Environmental Policy Act. The NEPA is a good act. It is working. We want to make sure we keep it working. We want to be sure we do not erode it by anything in this act and this amendment is to make sure that under this bill we do not erode the NEPA.

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield, our side is like-minded with the gentleman from Delaware. We hope his amendment carries unanimously.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. du Pont).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WIGGINS

Mr. WIGGINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wiggins: On page 100, line 3, strike "behalf—" and all that follows down through page 101, line 12, and insert in lieu thereof the following: "behalf against any Federal official, where there is alleged a failure of such official to perform any act or duty under this Act which is not discretionary, including the enforcement of any provision of this Act, any regulation promulgated under this Act, and the terms of any lease or permit issued or maintained pursuant to this Act.

"(2) No action may be commenced under paragraph (1) of this subsection—

"(A) prior to sixty days after the plaintiff has given notice of such action, in writing under oath, to the Federal official concerned, in such manner as such official shall by regulation prescribe, except that such action may be brought immediately after such notification in any case in which the failure to perform constitutes an imminent threat to the public health or safety or would immediately affect a legal interest of the plaintiff; or

"(B) if the failure to perform involves enforcement as described in paragraph (1), and (i) the Federal official concerned has commenced and is diligently pursuing an administrative remedy to accomplish such enforcement, or (ii) such official or the Attorney General has commenced and is diligently prosecuting a civil action in a court of the United States with respect to such enforcement, but in any such action any person adversely affected or aggrieved may intervene as a matter of right."

On page 101, line 13, strike "(4)", and insert in lieu thereof "(3)".

Mr. WIGGINS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WIGGINS. Mr. Chairman, it is not expected that this amendment will be endorsed by the majority. Beginning on page 99, a new section 23 is added to the Outer Continental Shelf Lands Act. The new section is captioned "Citizen Suits, Court Jurisdiction, and Judicial Review."

The vice of the new section is contained in its subsection (a). In that subsection standing to sue is given to any person having an interest which is or can be adversely affected with respect to any provision of the act, any regulation promulgated under the act, or any lease or permit issued pursuant to the act. Normally the parties to a lease are the only ones given standing to enforce its provisions. Normally the Administrator of a regulatory agency is charged with responsibility of enforcing his own regulations. But not so in this bill. Third parties, interested persons, and organizations may sue to enforce safety regulations, for instance, although they may be not employed by the company alleged to be in violation of safety regulations.

We may confidenty expect that this new power will be exercised vigorously.

Can there be any doubt that environmental groups, for example, or others will seize upon every opportunity to enjoin performance under a lease because of alleged violation of the lease terms which do not bother the parties to the lease, because of alleged violations of regulations which do not bother the administrator who wrote the regulation, or the act itself. Violations of a contract should be left to the parties to the contract for correction under normal circumstances. Violations of law should be left to law enforcement agencies, not to individuals who may be supremely unconcerned with national policy and national interests.

But, of course, violations must not be neglected.

Mr. Chairman, my amendment recognizes the rights of third parties to compel the performance of nondiscretionary duties imposed upon Federal officials; in other words, mandamus is the appropriate remedy, rather than an action, for example, to enjoin performance under the lease. Mandamus is the preferred remedy, not third party proceedings which will produce, in my opinion, unnecessary delay and unnecessary expense.

Mr. Chairman, I urge adoption of the amendment.

Mr. ECKHARDT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is one of the sections of section 208 of this act which amends the Outer Continental Shelf Lands Act. The Outer Continental Shelf Lands Act provides in section 1333, paragraph 36, "Jurisdiction of United States district courts," that the U.S. district courts shall have original jurisdiction in cases and controversies arising out of or in connection with any operation conducted in the Outer Continental Shelf for any violations, et cetera.

The section under attack here specifically gives a right for a person having an interest which is or can be adversely affected to bring suit against any person, including the United States or any other governmental instrumentality or agency for any violations, et cetera.

The language here is more restrictive than the language in the Clean Air Act. Indeed, the language here essentially writes into this bill the rule of law which exists as a general proposition expressed in Kentucky Utilities Flast, Data Processing, Barlow and Sierra Club versus Norton. It was said in the Sierra Club case that where a party does not rely on any specific statute authorizing invocation of the judicial process, the question of standing depends on whether the party has alleged such a "personal stake in the outcome of the controversy as to insure that the dispute sought to be adjudicated will be presented in an adversary context and in the form historically viewed as capable of judicial resolution."

Now, it makes no difference whether the dispute or difference, whether the controversy arises in connection with a lease contract or whether it arises with respect to any other action or either the Federal Government or of individuals. The statute establishes the public right and establishes the standards under which both the Government and the lessee must act. If those standards are violated, an individual who is thereby arguably injured and seeks to adjudicate a dispute and presents it in an adversary context in the form historically viewed as capable of judicial resoluton is entitled to go into court and utilize the provisions of the original act giving Federal courts jurisdiction.

Thus, what this section does is to write into the statute existing Federal law on standing. I do not think it would have been too important, in the first place, to have put the whole section in, but now recall that the section that the amendment attacks deals with two things. It deals with the right of an individual having an interest which is or can be adversely affected as a result of an action to come in and bring a suit against either a Federal officer or anyone else who takes that action which is alleged to violate the act; and second, it permits an action against the Federal agency to call upon it to do its duty.

This amendment strikes out the first provision; and, since the law of standing has always rested heavily on the intent of the Congress with respect to who is protected by the act, to strike that section now would strongly imply a legislative intent to deny to individuals their ordinary right to bring to court a controversy in which they contend that they have been injured individually.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. ECKHARDT was allowed to proceed for 1 additional minute.)

Mr. ECKHARDT. I suggest that the committee has very wisely drafted this section to provide that a person with an interest which is or can be adversely affected is a person having standing. It would be very mischievous to strike it.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Chairman, I thank the gentleman for yielding to me.

I have listened with interest to the comments of the gentleman from Texas, and it is clear that he believes that the language of the bill does not expand the law of standing at all, that it intends to codify the existing common law with respect to standing. He is correct that this controversy evolves around the question of standing.

The drafters of the bill felt obliged to insert an entire new section to give a right to sue to individuals who the gentleman from Texas (Mr. ECKHARDT) believes already have that right. Members of the committee, the right that is given here is not to vindicate an interest which may be adversely affected in an appropriate action designed for that purpose. The right which is given is to enforce a regulation or to enforce a lease to which the plaintiffs are not a party; to enforce the terms of a permit. That is an extension of the law of standing.

If you and I enter into a lease, and I violate one of its provisions, normally it is nobody's business except ours, and a third party may not bring an action to enforce the lease. He may bring some common law action to redress a wrong visited upon him, but the action is not to enforce the regulations promulgated under this act, the terms of the lease or of any permit.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. ECKHARDT. In the *Sierra Club* case, the intent was to enforce a right under the statute with respect to the development of certain property called Mineral King. Now, it is true that in that case standing was not found, but only because Sierra Club members had not actually used that area.

But, in all of the recent standing cases, such as Flast against Cohen, and others, it has been clearly held that where some statutory right which affects a person directly is arguably violated. That person has standing to sue.

Merely because a lease is involved instead of, for instance, the development of an area without having first gone through proceedings to determine the environmental effect—the fact that a lease is involved does not change the matter one iota. An individual would ordinarily be permitted to go in and make the contention that the law had been violated in connection with the violating of the lease. That is what this section does, as I understand it. I think if we removed it, we would certainly change the situation that exists ordinarily at common law.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. I thank the gentleman for yielding.

Mr. Chairman, whether the gentleman from Texas is correct or I am correct, the legislative history clearly ought to reflect that the interest of the plaintiff alleged to have been violated by the defendant must be substantial, it must be immediate, it must be real and not so peripheral as to indicate an indirect interest in the lawsuit.

What is really at the bottom of all of the standing controversy is the nature of the interest of the party affected. Clearly, whoever is correct here, we are not going to void, I trust, the general rules of substantiality as to that interest.

Mr. ECKHARDT. If the gentleman will yield further, I would assume that it would be exactly the same standard, the same type of interest, that existed in Hardin against Kentucky Utilities Co., Flast against Cohen, Data Processing Service Organizations against Camp, Barlow against Collins, and Sierra Club against Morton.

That is what I understand to be attempted to be covered by this section.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I strenuously oppose this amendment because it would remove an important provision of the bill designed to guarantee citizens a direct course of action in suits against violators of the law.

This amendment is similar to one introduced by the gentleman during markup of H.R. 6218. It would authorize suits to be undertaken by a citizen only against governmental officials. In H.R. 6218, citizens are permitted to sue either the Government official or the violators of the act. The Government official is permitted to intervene in any "third-party suit." Section 23, the citizen suit provision, is patterned on a similar provision in the Clean Air Act, the Deepwater Ports Act, the Federal Water Pollution Control Act, and the Coal Leasing Act. It provides for individuals to directly sue violators and thus to force lessees and permittees to act responsibly.

The gentleman's amendment to section 23 would effectively eliminate this now well-accepted avenue for citizens with grievances against violators of the law. In addition, it would, by necessity, cause delays. Under section 23, a citizen could sue a violator and force, through appropriate court action, the violator to cease his improper action or inaction. Under the gentleman's amendment, citizens would have to sue the Federal official, and secure relief, ordering the Federal official to act against the third party. Necessary enforcement might, therefore, be unjustifiably delayed.

I urge the Members to defeat the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. WIGGINS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 99, line 23, after the period after "violations", add the following sentence: "Cancellation of a lease pursuant to this subsection shall not entitle a lessee to any compensation."

Mr. MURPHY of New York. Mr. Chairman, it was the clear intent of the committee that a cancellation for violation of safety or other regulations would not entitle a lessee to compensation. This amendment makes that intent explicit as to a specific subsection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DU PONT: On page 104, line 17, after "Labor,", insert "the Secretary of the Army,".

On page 105, line 6, after "Labor,", insert "the Secretary of the Army,".

Mr. DU PONT. Mr. Chairman, this is a technical, conforming amendment offered to conform this section of the bill to fit with amendments that we have agreed to earlier in the day on earlier sections of the bill.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the amendment offered by the gentleman from Delaware (Mr. DU PONT) is a worthy amendment, and we are happy to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 106, line 18, to page 106, line 22, strike from "under" to "commenced" and insert the following: "or maintained under this Act in any region of the outer Continental Shelf where there has been no development of oil and gas prior to January 1, 1975, including the outer Continental Shelf region off Southern California outside the Santa Barbara Channel,"

Mr. MURPHY of New York. Mr. Chairman, this is another amendment that is offered with the agreement of the administration and is somewhat technical in nature.

The clear intent of the committee was to make provisions of section 25 retroactive to undeveloped leases in all frontier areas, but as now worded, it is made retroactive to hundreds of leases issued in recent years in developed regions of the Gulf of Mexico. This amendment would limit retroactivity to frontier areas, including southern California, and thus avoid a large and unnecessary workload of plan submission and review.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, we on the minority side have no objection to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 109, lines 7, to page 109, line 9, strike from "in any" to "gas", and insert the following: "in any area or region of the outer Continental Shelf where there has been no development of oil and gas prior to October 1, 1975, including the outer Continental Shelf region off Southern California outside the Santa Barbara Channel,"

Mr. MURPHY of New York. This is another amendment that is in agreement with the administration, and it is technical in nature.

H.R. 6218 requires preparation of one EIS prior to major development in a structure, area or region where there has been no previous development. The existing language of the bill could be construed to require an EIS on each and every structure. This was clearly not the intent of the committee. The committee's intent was at least one EIS in every area or region, but not every geological structure, where there has been no previous development. This amendment clarifies the committee's intentions.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, this amendment is similar to one the minority would have offered had the chairman of the committee not offered this, and, of course, we are glad to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 111, lines 3 and 4, delete the phrase ", and with any valid exercise of authority by the state involved or any political subdivision thereof" and on page 111, lines 12 and 13, delete the phrase ", or with any valid exercise of authority by the state involved or any political subdivision thereof".

Mr. MURPHY of New York. Mr. Chairman, this is another amendment that has the agreement of the administration and that is technical in nature.

The present language in H.R. 6218 conditions modifications or disapproval of a development and production plan with "any valid exercise of authority by the State involved or any political subdivision thereof." This language was originally included because the development and production plan had to cover onshore facilities associated with OCS activities. The present H.R. 6218 provides that a development and production plan is limited only to offshore facilities, and onshore facilities are to be described in a statement of information. A plan, or modification of a plan, cannot therefore be inconsistent with an exercise of State or local authority, since no authority exists on the OCS by a State or local government agency. This amendment would eliminate any misunderstandings.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, the minority is happy to accept the amendment offered by the gentleman from New York (Mr. MURPHY).

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WIGGINS

Mr. WIGGINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGINS: On page 111, lines 3 through 5, strike ", and with any valid exercise of authority by the State involved or any political subdivision thereof".

Mr. WIGGINS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WIGGINS. Mr. Chairman, we are in the same section as that just amended by the chairman, dealing with the development plan which must be filed with the Secretary.

The section that my amendment is addressed to deals with the basis for disapproval of those plans. If the Secretary disapproves a development and production plan, he effectively will forestall any development on the leased area.

Mr. Chairman, the language which I offer is on page 111 of the bill.

The CHAIRMAN. The gentleman from California (Mr. WIGGINS) will please suspend for just a moment.

The Chair would like to inquire of the gentleman if the amendment which the gentleman intends to offer is No. 30 or No. 31?

Mr. WIGGINS. It is No. 30, Mr. Chairman.

The CHAIRMAN. Without objection, the amendment which was read is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will report amendment No. 30.

The Clerk read as follows:

Amendment offered by Mr. WIGGINS: On page 111, strike all after the period on line 5, down through line 25, and insert in lieu thereof the following: The Secretary shall disapprove a plan only—

"(A) if operations proposed in such plan pose a threat of harm or damage as described in section 5(a)(2) of this Act, and it is not practical to modify such plan to reduce such threat to the extent that such plan, as modified, provides for environmentally safe operations, and is consistent with the provisions of this Act, regulations prescribed under this Act, and the provisions of the lease; or

"(B) if the Secretary is not required to disapprove such plan under subparagraph (A) of this paragraph, and if any proposed activity to be conducted pursuant to such plan (i) is not in compliance with the requirements of this Act or any other applicable Federal Law, or (ii) is not, to the maximum extent practicable, consistent with the coastal zone management program of any affected State approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455), and it is not practical to modify such plan to achieve such compliance and such consistency."

If any plan is disapproved pursuant to clause (A) of this paragraph, the Secretary shall, whenever permitted under the regulations promulgated pursuant to section 5(a)(2) of this Act, cancel the lease in accordance with such regulations.

Mr. WIGGINS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WIGGINS. Mr. Chairman, the amendment which I was previously describing is this amendment which is now printed in the RECORD. It deals with page 111 of the bill and the grounds for disapproval of a development and production plan which is submitted to the Secretary for his approval.

Basically what I have done, Mr. Chairman, is to rewrite the section in question beginning on line 5 of page 111 in a fashion which I believe to be more coherent than that presented in the bill.

In addition, I specifically delete certain sections, and it is to that issue that I want to call attention. A plan may be disapproved if the plan is inconsistent with any valid exercise of authority by the State involved or by any political subdivision thereof.

Mr. Chairman, the Members will recall that just a moment ago we approved an amendment striking that language in an earlier section. To that extent, my proposal is conforming to the amendment which we have just adopted.

In addition, Mr. Chairman, subsection (A) says that the Secretary may disapprove a plan if the lessee fails to demonstrate that he can comply with the requirements of the act.

I strike that. I think that is entirely too subjective to give the Secretary the power to frustrate an investment in a project based upon the Secretary's determination that the man who is able to come up with a great deal of money is unable to comply with the requirements of the act. Accordingly, that is stricken.

What remains has been restructured into two paragraphs. One, to provide that if disapproval is exercised under subsection (A), the lessee is entitled to compensation as provided under earlier provisions of the act. It, on the other hand, disapproval is premised on subsection (B), no compensation is payable.

This is consistent with the bill, as I understand.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, am I correct that the action that was taken by the chairman of the committee, the gentleman from New York (Mr. MURPHY), was to strike that language on page 111, wherever it appeared ", and with any valid exercise of authority by the state involved or any political subdivision thereof," the gentleman from California in offering his amendment also strikes that?

Mr. WIGGINS. The language that was stricken, as I understand, was in lines 3, 4, and 5.

Mr. MILLER of California. That is correct.

Mr. WIGGINS. And I am striking the same language in lines 12 and 13.

Mr. MILLER of California. As I read the amendment, does the gentleman not also strike out—or, what happens to the requirement that they be consistent with the Coastal Zone Management Act?

Mr. WIGGINS. That remains in my amendment.

Mr. MILLER of California. I thank the gentleman.

Mr. WIGGINS. In fact, the amendment does not have that much impact, except in a couple of areas, and I want to make clear where they are.

It strikes the language with regard to the "valid exercise of authority by a state or political subdivision thereof." As I understand, it also strikes the basis for disapproval which was premised upon the feeling by the Secretary that the lessee cannot meet the requirements of the act or other applicable Federal laws.

My reason for striking that is simply that I regard that as too broad an authority to be exercised without guidelines.

I do not believe this is entirely technical, although it has technical implications. I would regard it as a substantive improvement to the bill and I urge the adoption of the amendment.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will offer an amendment that goes to the same section at the conclusion of this amendment, and also which will clarify the situation.

I oppose this amendment because it gives the Secretary too much discretion and because it changes the basis for disapproval of a development and production plan from insuring safe operations to the "practicality" of modifying the plan.

The amendment allows the Secretary to judge if a plan poses a threat of harm or damage to life, property or the environment, and also to judge the practicality of modifying that plan. This replaces the basis used in the bill now, that is that "the proposed plan cannot be modified to insure a safe operation."

The amendment also provides for automatic cancellation of a lease for which a development and production plan has been disapproved, rather than, as we have amended the bill, to provide for suspension first, and then cancellation if the plan cannot be modified in 5 years.

I urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. WIGGINS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. FORSYTHE

Mr. FORSYTHE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORSYTHE: On page 110, lines 17 and 18, strike "one hundred and twenty", and insert in lieu thereof "sixty".

Mr. FORSYTHE. Mr. Chairman, this amendment removes another source of delay. In subsection (g)(1) of section 25, the Secretary has 120 days after States have submitted their comments on a proposed development and production plan, to approve, disapprove, or require modification of a plan.

The Secretary will already have had over 90 days to study the plan in depth, during which time the States will be submitting comments to him. Then, all he needs to do is to review the State comments and make his decision.

The Secretary will not be new to the application at the time the 120-day period commences. He will have discussed the leasing at the time of the drafting of the 5-year plan, the initial drafting of the proposal, and in discussions with the States.

It should not be a difficult matter, then, for him to make a decision in a shorter time. My amendment will shorten this period to 60 days, which will be much more than sufficient. If it really is the national policy of the Federal Government to expedite the leasing process, than this amendment only furthers that goal. For this reason, I urge its adoption.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I reluctantly oppose this amendment offered by my colleague, the gentleman from New Jersey (Mr. FORSYTHE), because I feel that it imposes an unreasonable time constraint on the Secretary of the Interior.

This amendment would limit the time he has in which to consider the comments of States and local governments to 60 days instead of 120. The Secretary needs this longer time if he is to take those comments seriously and not just send pro forma responses to the States, rejecting each and every suggestion. These State comments are an important part of the planning process, as envisioned in this bill, and we need to insure that the Secretary has ample time in which to consider these comments.

I urge my colleagues to defeat this

amendment and give the Secretary 120 days.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. FORSYTHE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 111, line 17, to page 111, line 25, strike from "IF" to "lease.", and insert the following:

"If a plan is disapproved under clauses (A) or (B) of this paragraph, the lessee shall not be entitled to compensation because of such disapproval. If the plan is disapproved under clause (C) of this paragraph, the term of the lease shall be duly extended, and at any time within five years after said disapproval, the lessee may reapply for approval of the same or a modified plan, and the Secretary shall approve, disapprove, or require modifications of a plan in accordance with this subsection. Upon expiration of such five-year period, or at an earlier time upon request of a lessee, if the Secretary has not approved a plan, the Secretary shall cancel the lease, and the lessee shall be entitled to receive such compensation as he shows to the Secretary is equal to the lesser of (i) the fair value of the cancelled rights as of the date of cancellation, taking account of both anticipated revenues from the lease and anticipated costs, including cost of compliance with all applicable regulations in operating waters, liability for cleanup costs or damages, or both, in the case of an oil spill, and all other costs reasonable anticipated with respect to the lease, or (ii) the excess, if any, over the lessee's revenues from the lease (plus interest thereon from date of receipt to date of reimbursement) of all consideration paid for the lease and all direct expenditures made by the lessee after the date of issuance of such lease, and in connection with exploration or development, or both, pursuant to the lease (plus interest on such consideration and such expenditures from the date of payment to the date of reimbursement). The Secretary may, at any time within the five-year period, described in subparagraph (C), require the lessee to submit a plan of development and production for approval, disapproval, or modification. If the lessee fails to submit a required plan expeditiously and in good faith, the Secretary shall find that the lessee has not been duly diligent in pursuing his obligations under the lease, and shall immediately cancel such lease, without compensation, under the provisions of section 5(c) of this Act."

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, this amendment makes two important changes to the provisions for disapproval of the development and production plan. Compensation is precluded for a disapproval where a lessee has failed to comply with the requirements of the act, or of programs prepared in accordance with the Coastal Zone Management Act of 1972, or with the requirements of other applicable Federal laws. This was the clear intent of the Ad Hoc Committee.

In addition, this amendment conforms the procedures for disapproval, followed by cancellation and compensation, to those established by an earlier amendment for the general cancellation provision. A lease should be canceled only in an extreme case, after it has been clearly demonstrated by the passage of time that a hazard is unacceptable and that it cannot be reduced or removed. In addition, a disapproval of development and production plans, should not automatically result in a cancellation, if there is a possibility over a reasonable period of time, that a plan can be prepared that will insure a safe operation. By providing for a 5-year period between suspension and cancellation, unless a shorter period is requested by the lessee, an adequate determination can be made as to whether or not cancellation is merited.

Finally, the compensation provision in section 25, as passed by the committee, would pay the lessee an amount which bears no relation to either the values of which he is being deprived by cancellation or the amount of just restitution for his operations on the lease. Compensation, as provided in this amendment, would be for the value of rights for which the lessee is deprived or restitution of the excess of cost over revenues, whichever is less. Thus, the lesse is held harmless from cancellation at minimum cost to the Treasury.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment raises the same issues that were debated and voted on earlier today on the Wiggins substitute to the Murphy amendment. It is all a matter of record. We do oppose this amendment, naturally, for the same reasons specified fully during debate on those two earlier amendments.

Mr. Chairman, I urge the Committee to reject this unjust amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 112, line 13, strike out "or", and on line 15, after the comma, insert "or is otherwise not inconsistent with the provisions of this Act."

Mr. MURPHY of New York. Mr. Chairman, the current language does not allow the Secretary to approve revisions which are merely for the convenience of the lessee, even if they are in full conformity with provisions of the OCS act, and implementing regulations. So long as such revisions are consistent with the protection of the environment, and not contrary to the public interest, there is no reason not to permit them.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Chairman, this amendment allows the Secretary to approve revisions in an approved development and production plan, as long as they are consistent with the other provisions of the Outer Continental Shelf Lands Act.

Present language permits revisions only if it actually improves the efficiency, safety, or environmental protection of the recovery operations, or if it is to avoid substantial economic hardship to the lessee.

I know of no reason why a lessee should be precluded from changing his plan if it is neutral with respect to these factors or avoids economic hardship short of "substantial." The Secretary should be able to approve such revisions for the convenience of the lessee so long as they are consistent with protection of the marine and coastal environments and are not contrary to the public interest.

This is exactly what the amendment does, and I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On Page 113, after line 5, insert the following new subsection (j):

"(j) If any development and production plan submitted to the Secretary pursuant to this section provides for the production and transportation of natural gas, the lessee shall contemporaneously submit to the Federal Power Commission that portion of such plan which relates to production of natural gas and the facilities for transportation of natural gas. The Secretary and the Federal Power Commission shall agree as to which of them shall prepare an environmental impact statement pursuant to the National Environmental Policy Act of 1969 applicable to such portion of such plan, or conduct studies as to the effect on the environment of implementing it. Thereafter, the findings and recommendations by the agency preparing such environmental impact statement or conducting such studies pursuant to that agreement shall be adopted by the other agency, and such other agency shall not independently prepare another environmental impact statement or duplicate such studies with respect to such portion of such plan, but the Federal Power Commission, in connection with its review of an application for a certificate of public convenience and necessity applicable to such transportation facilities pursuant to section 7 of the Natural Gas Act (15 U.S. Code 717), may prepare such environmental studies or statement relevant to certification of such transportation facilities as have not been covered by an environmental impact statement or studies prepared by the Secretary. The Secretary, in consultation with the Federal Power Commission, shall promulgate rules to implement this subsection, but the Federal Power Commission shall retain sole authority with respect to rules and procedure applicable to the filing of any application with the Commission and to all aspects of the Commission's review of, and action on, any such application."

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, the purpose of the amendment is very simple, that is to assure proper coordination between the Secretary of the Interior and the Federal Power Commission with respect to the preparing of the 102(2)(c) statements required by the National Environmental Protection Act and to assure that each of them carries out their proper responsibilities. It does not substantively amend the National Environmental Protection Act and I believe it does nothing other than clarify the intent of the committee with regard to how these kinds of matters should be handled.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Chairman, I thank my colleague, the gentleman from Michigan.

The gentleman's amendment makes a useful addition to section 25, dealing with development and production plans. It is possible that two plans for transportation might be necessary for OCS gas—one as it relates to a D. & P. plan, and one as it relates to pipelines. One plan would be for the Interior Department and one for the FPC. The gentleman's amendment seeks to eliminate possible duplication by calling for a coordinated approval process for natural gas pipelines. The amendment would serve to eliminate steps in the approval process by providing for joint use of any environmental impact statements issued. The amendment also directs the Secretary to abide by the FPC approval process for such pipelines, rather than duplicating them with his own investigation.

I support the amendment.

Mr. DINGELL. I thank the gentleman.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York (Mr. Fish).

Mr. FISH. Mr. Chairman, I thank the gentleman for yielding.

We on the minority side like what the gentleman is aiming at. He very properly seeks to eliminate duplication of effort. As the gentleman knows, however, we do have some reservations with respect to some of the specific language in the amendment. I have discussed these reservations with the gentleman, and we trust it will be agreeable that sometime between now and the conference we will be able to sit down and discuss some changes in the language.

Mr. DINGELL. I have that understanding with the gentleman and I will certainly be most amenable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Dingell).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Murphy of New York: On page 115, lines 20 and 21, strike subparagraph (B) and insert a new subparagraph (B) as follows:

"(B)(i) the summary of data prepared by the Secretary pursuant to subsection (b)(2) of this section, and (ii) any other processed, analyzed, or interpreted data prepared by the Secretary pursuant to subsection (b)(1) of this subsection, unless the Secretary determines that transmittal of such data prepared pursuant to subsection (b)(1) would unduly damage the competitive position of the lessee or permittee who provided to the Secretary with the information which the Secretary had processed, analyzed, or interpreted;".

Mr. MURPHY of New York. Mr. Chairman, this amendment is technical in nature and incorporates many of the suggestions of the Department of the Interior.

Mr. Chairman, section 26 requires a summary of data to be submitted to the States, and also requires that the Secretary is to process, analyze, and interpret the data that he receives from lessees and permittees. Strict confidentiality requirements are provided for all such data received by the Secretary. In order to avoid any possible misinterpretation of this provision, which might allow secondary products to, in fact, result in the revelation of confidential data, this amendment would make it clear that the summary is to be immediately forwarded to any affected State or appropriate regional advisory board, but that other processed, analyzed, or interpreted data is to be forwarded only if not in violation of confidentiality requirements. Any information not forwarded, is already to be made accessible, if after a lease sale, to a representative of the State government, under 26(d)(2).

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield.

Mr. FISH. Mr. Chairman, the minority is happy to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Murphy).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FORSYTHE

Mr. FORSYTHE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

AMENDMENT OFFERED BY MR. FORSYTHE

Amendment offered by Mr. Forsythe: On page 116, lines 3 and 4, strike "Notwithstanding any other provision of this section", and insert in lieu thereof "Notwithstanding the provisions of any regulation required pursuant to the second sentence of subsection (c) of this section".

On page 116, line 21, after "withhold transmittal", insert "and deny inspection".

Mr. FORSYTHE. Mr. Chairman, this amendment makes two perfecting changes in the information section.

First, the paragraph permitting State inspection of confidential information currently can be read as exempting the procedures for such inspection from any regulatory control by the Secretary. As the author of this amendment in committee, I will state that my intent was only to insure that the material could be inspected, even if industry did not like the idea. The Secretary should still have control over the inspection, however. The amendment would change the "Notwithstanding" language to make this point clear.

Second, subsection (f) on page 116 gives the Secretary authority to withhold transmittal of privileged information to any State which cannot or does not respect the confidentiality of such information. He should similarly be able to deny inspection in such cases, or the Secretary's authority will be meaningless.

I urge the adoption of this technical, but important amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Forsythe).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FISH

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fish: On page 118, lines 3 through 5, strike "Upon the commencement of production of oil from the Outer Continental Shelf pursuant to any lease issued after the date of enactment of this subsection, the", and insert in lieu thereof "The".

On page 118, line 14, strike "such", and insert in lieu thereof "any".

On page 119, lines 17 through 19, strike "upon the commencement of production of gas pursuant to any lease issued after the date of enactment of this subsection.".

Mr. FISH (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Chairman, this is a perfecting amendment which conforms subsections (b) and (c) to the basic authority of subsection (a) of that section. The section is entitled "Federal Purchase and Disposition of Oil and Gas."

A little legislative history is in order. Section 5(a)(1) of the Outer Continental Shelf Lands Act gives the Secretary authority to provide for the sale of royalty oil and gas at not less than market value. This applies to all leases old and new, except as might be necessary to comply with the provisions relating to former State leases on the OCS. This is changed in the committee bill to require that sale of royalty oil and gas be in accordance with the new section presently under discussion.

When section 27 was considered by the ad hoc select committee, its scope was restricted to leases issued after the affected date. This would have had the effect of forbidding the disposal of royalty oil and gas from prior leases and even left the ability of the Secretary to demand the royalty in the form of the product instead of cash. Because of this gap, the committee modified, or at least agreed to modify the section to apply to all leases, as in present law. Subsection (a) now allows the Secretary to demand royalties in kind from any lease and to purchase up to 16⅔ percent of production from any lease if the royalty is less than that figure.

Unfortunately, the next two subsections were not similarly modified, so that the Secretary may only sell royalty oil and gas taken from leases issued after the date of enactment of this legislation.

I do not know what he is supposed to do with royalty oil and gas from existing leases, but there is no way he can sell it.

The amendment completes the closing of this gap by allowing the Secretary to sell any part of the oil and gas he takes as a royalty or puchases from any lease, old or new, under the terms of this section. It is entirely logical and consistent wiht the rest of the section and the intent of the Committee, and I hope it will be adopted with that in mind.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, we will be happy to accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered bythe gentleman from New York (Mr. FISH).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FORSYTHE

Mr. FORSYTHE. Mr. Chairman, I offer an amendment.

The Clerk read as fololws:

Amendment offered by Mr. FORSYTHE: On page 120, line 11, strike "the", and insert in lieu thereof "participation in any allocated or lottery".

Mr. FORSYTHE. Mr. Chairman, this is a technical amendment which makes the royalty gas subsection read the same as the royalty oil subsection with respect to limiting participation in an allocated sale or lottery sale of federally owned OCS gas under emergency shortage conditions. The amendment corrects an error and is fully consistent with the intent of the committee in reporting this section to the House. I know of no opposition to this amendment and I urge its adoption.

The question is on the amendment offered by the gentleman from New Jersey (Mr. FORSYTHE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: Page 123, line 9, strike out the quotation marks and the period following such quotation marks and insert immediately after line 9 the following new section:

"SEC. 29. DOMESTIC CONSTRUCTION AND OPERATION.—(a) Within six months of the date of the enactment of this section, the Secretary shall by regulation require that any vessel, rig, platform, or other vehicle or structure used more than one year after such date of enactment in the exploration, development, or production of the mineral resources located on or under the seabed and subsoil of the outer Continental Shelf be manned or crewed by citizens of the United States, unless specific contractual provisions or national registry manning requirements in effecct on such date of enactment provide to the contrary. The Secretary shall also by regulation require that any vessel, rig, platform, or other vehicle or structure used more than one year after such date of enactment in the exploration, development, or production of the mineral resources located on or under the seabed and subsoil of the outer Continental Shelf and built or rebuilt more than one year after such date of enactment (1) be built or rebuilt in the United States, (2) be owned by citizens of the United States (3) be operated by citizens of the United States, (4) be manned or crewed by citizens of the United States, and (5) when required to be documented, be documented under the laws of the United States.

"(b) As used in this section, the terms 'vessel', 'documented under the laws of the United States', and 'citizen of the United States' shall have the meanings assigned to them under the first section and section 2 of the Shipping Act of 1916 (46 U.S.C. 801 and 802.".

Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. GIBBONS. Mr. Chairman, reserving the right to object, I have a point of order against the amendment and I just want to protect my rights.

The CHAIRMAN. The gentleman's rights will be protected. The gentleman from Florida (Mr. GIBBONS) reserves a point of order.

Mr. GIBBONS. Mr. Chairman, I withdraw my reservation of objection.

Mr. FRENZEL. Mr. Chairman, I also reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Minnesota (Mr. FRENZEL) reserves a point of order.

Is there objection to the request of the gentleman from New York (Mr. MURPHY)?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, the intent of this amendment is to insure that, in the future, all platforms and drilling rigs operating on the American Outer Continental Shelf are U.S. built, assembled, and manned. At the present time, there are no restrictions on the nationality of either equipment or workers operating on the OCS beyond the 3-mile or 3-league limit. Thus, in the case of the east coast, for example, foreign-flag drilling rigs or U.S.-flagged rigs manned by foreign workers will be free to operate beyond the 3-mile or 3-league limit. This amendment would help to generate jobs for American shoreside workers and also assist U.S. maritime workers in obtaining employment. It would also insure that the American economy would be spurred as would American industry, by the requirement that facilities, vessels, or structures used for the exploitation of our offshore resources be domestically constructed.

In order to avoid unjust application to existing plans and arrangements and any other contractual problems, and to ameliorate problems dealing with the enforcement of this provision, the Secretary would be required to promulgate regulations within 6 months, and the amendment would not be effective for 1 year.

The use of a vessel, rig, platform or other vehicle or structure pursuant to a contract in existence at the date of enactment of this act would be exempt. Similarly, if a foreign owned or documented vehicle or structure is built or rebuilt less than 1 year after the date of enactment and the country of ownership or documentation requires partial manning or operation of such vehicles or structures by its nationals, the vehicle or structure would be, to the extent of the foreign country manning requirements, exempt from the provision requiring domestic manning or crewing.

Thus, unless there is a contract or foreign registry manning requirement in existence at the time of enactment of this provision, within 1 year all vessels, rigs, or other structures would have to be manned by citizens of the United States. In addition, any construction or reconstruction of any vehicle or structure, within 1 year of enactment of this provision, could only occur within the United States.

This amendment is vigorously supported by the labor unions, the construction industry, and many of the supply industries. If we are to exploit our own resources in the Outer Continental Shelf, we should assure that that exploitation occurs so as to maximize the benefits to our economy, rather than to any other country's economy.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Florida (Mr. GIBBONS) insist upon his point of order?

Mr. GIBBONS. Yes, sir, I do.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. GIBBONS. Mr. Chairman, the longer I am in this House, the more I am impressed with the wisdom of the rules of this House. The rules of this House provide that an amendment must be germane to the subject matter that it is addressed to.

This amendment is not germane to that. This amendment is a naked buy national requirement. This bill deals with the production of oil and resources of the Outer Continental Shelf. This amendment restricts where people can buy the material that goes into it for its ordinary production.

Another important reason why this amendment is out of order is that the jurisdiction of this ad hoc committee is severely limited by the rules of the House and by the resolution establishing the committee.

The rules of the House, rule X, clause 3, authorizes the Speaker to refer matters to a special ad hoc committee, such as this, with the approval of the House Membership. An ad hoc committee is to be made up of members of the legislative committees that have jurisdiction over the matter.

This amendment is wholly within the jurisdiction of the Committee on Ways and Means. It is not within the jurisdiction of any of the three subcommittees that deal with this matter.

For instance, in volume 119, CONGRESSIONAL RECORD, page 93 of the 1st session of the Congress that met on December 14, 1973, an amendment was offered to a bill reported by the Committee on Interstate and Foreign Commerce that was granting a broad range of powers to the President under the Federal Energy Administration to establish and conserve energy resources, and directing the Secretary of Housing and Urban Development to make loans to assist in the installation of insulation material for residences.

The Chair held that this was beyond the scope of the bill and was within the jurisdiction of the Committee on Banking, Currency and Housing.

Mr. Chairman, this is certain and adequate. This ad hoc committee is, under the rules of the House, made up of the members of three committees, none of which have jurisdiction over this matter of "buy national." This matter is exclusively within the jurisdiction of the Committee on Ways and Means.

The CHAIRMAN. Does the gentleman from Minnesota (Mr. FRENZEL) desire to be heard at this time?

Mr. FRENZEL. I do, Mr. Chairman.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. FRENZEL. Mr. Chairman, I make a point of order against the Murphy amendment. The basis for my point of order is that the amendment violates rule XVI because it is not germane.

Cannon's Precedents—VII—states that committees are all creatures of the House and exercise no authority or jurisdiction beyond that specifically conferred by the rules or by the special delegation of the House itself. House Resolution 412, passed last year, which created the select committee strictly limited its jurisdiction to that of the Committees on Interior, Judiciary, and Merchant Marine and Fisheries.

The Murphy amendment is a so-called Buy American provision requiring vessels, rigs, and platforms be built in the United States. These protectionist restrictions of trade clearly fall within the jurisdiction of the Ways and Means Committee and obviously exceeds the jurisdiction given to the select committee under House Resolution 412.

Deschler's Procedure, chapter 28, section 33.1 covers the example of an Education and Labor bill in the 90th Congress amending the Fair Labor Standards Act. An amendment proposing to modify the Tariff Act of 1930 which was within the jurisdiction of the Committee on Ways and Means was held to be nongermane. The same chapter, section 4.8 cites another bill amending the Fair Labor Standards Act. An amendment modifying provisions with respect to the importation of merchandise was ruled nongermane.

Mr. Chairman, Deschler, chapter 28, section 4.16 states that committee jurisdiction over the subject of the amendment and of the original bill is not the exclusive test of germaneness, but in this case the amendment clearly invades another jurisdiction and is not integral to the purpose or effect of the bill according to our rules. The fundamental purpose of an amendment must be germane to the fundamental purpose of the bill. The fundamental purpose of this bill is not protectionism or restriction of trade.

The CHAIRMAN. Does the gentleman from New York (Mr. MURPHY) desire to be heard on the point of order?

Mr. MURPHY of New York. I do, Mr. Chairman.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. MURPHY of New York. Mr. Chairman, this amendment is clearly germane. One major purpose of the bill H.R. 6218 is to establish a policy for the management of oil and natural gas development in the Outer Continental Shelf. This goal is accomplished through numerous provisions which direct Secretary of the Interior and other Federal officials to assert regulatory authority over the individuals and mechanical equipment and devices involved in the exploration, development, and production of Outer Continental Shelf oil and gas.

The provisions of this legislation address such matters as safety regulation upon structures utilized for exploration and development of OCS resources, the creation of an oilspill pollution fund and imposition of rules of liability covering both structures and vessels. The legislation also addresses the matter of maximization of domestic economic benefit from OCS oil and gas by establishing a policy of limitation on exports and lessening anticompetitive effect by preventing joint bidding by very large oil companies.

Simply put, the subject before the House is the broad issue of policy to regulate the development of OCS oil and gas. The subject before the House is who will develop OCS resources, under what environmental, social, and economic controls. My amendment addresses this subject and is thus germane.

Mr. Chairman, I respectfully submit that the point of order should not be sustained.

The CHAIRMAN. Does the gentleman from Texas (Mr. ECKHARDT) desire to be heard on the point of order?

Mr. ECKHARDT. Yes, Mr. Chairman; I should like to be heard briefly in support of the germaneness of the amendment.

The CHAIRMAN. The Chair will hear the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I primarily rise because I think it is extremely important that we not establish a precedent respecting any jurisdiction which is too narrow in an ad hoc committee of this nature.

The very reason for appointing ad hoc committees is to give a certain flexibility and a certain scope to deal with the specific problem.

Mr. Chairman, as the gentleman from New York (Mr. MURPHY) has very well pointed out, his amendment is a restriction on terms and conditions provided for in this bill which has been designated to this ad hoc committee.

It would seem to me that this is a ruling of vast importance because there may well be a time in this body when a number of ad hoc committees may be appointed as a necessary instrument for putting into effect the will of this body; and a narrow construction with respect to germaneness on the basis of the delegation of the jurisdiction of those committees would, in my opinion, be a very, very bad thing from the standpoint of future precedent.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Florida (Mr. GIBBONS) makes a point of order against the amendment offered by the gentleman from New York on the grounds that it is not germane to title II of the committee amendment in the nature of a substitute.

The amendment would add a new section to the Outer Continental Shelf Lands Act to require that vessels, rigs and platforms used for the exploration and production of resources on the Outer Continental Shelf be built in the United States, operated by United States citizens, and documented under the laws of the United States. Section 208 of the committee amendment in the nature of a substitute to H.R. 6218 adds a variety of new sections to the Outer Continental Shelf Lands Act to impose requirements on and to offer guidelines for the development and production of the resources on the shelf. The committee amendment requires management of the shelf to consider all economic, social, and environmental values of such resources, imposes safety regulations on the design and use of all equipment on the shelf, requires leasing plans, subject to the approval of the Secretary, to detail the equipment and facilities to be used in development, and provides for the gathering of all information relative to the facilities and equipment to be used in such development. Additionally, section 208 adds sections to the existing act to insure the availability of domestic energy from shelf development by providing for Federal purchase of the resources and limiting export of such resources. The amendment offered by the gentleman from New York would add a further direction and restriction to those contained in section 208 of the committee amendment. For the reasons stated, the Chair feels that the amendment in this context is germane to the portion of the bill to which it is offered and therefore overrules the point of order.

Mr. FISH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-three Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. ALLEN). One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The CHAIRMAN. The gentleman from Florida (Mr. GIBBONS) is recognized for 5 minutes.

Mr. GIBBONS. Mr. Chairman, and all the other 102 Members who are here, let me point out in opposition to this amendment that this ad hoc committee never had any hearings on this amendment and never discussed it in any of their markup sessions. I am going to call this a very special type of amendment. It is not in the American interest. There were no hearings. There was no discussion. It is not within the jurisdiction of this subcommittee.

I am going to call it the most narrow type of protectionism that I have ever seen exhibited by this Congress. This is not a restraint upon the U.S. Government to buy national. This is a restraint upon industry in America to make them buy national. It is not only to buy national but also to throw away everything that they have got that is used on the Outer Continental Shelf after a year has expired.

This is the kind of thing that we have promised time and time again in international discussions and agreements and treaties not to do. And here, with less than a quorum present, Mr. Chairman, we are about to do this.

I am making an argument that I think is important and which really affects the future of this country. This is the kind of thinking that got us into trouble and got the whole world into trouble in the thirties when we passed the Smoot-Hawley tariff, this kind of negative protectionism. It was one of the underlying causes, one of the main causes of World War II. It was a cause of and prolonged the depression that wracked the world in the 1930's.

Here we are, with less than a quorum present, about to repeat that kind of history again.

This amendment as it is drawn essentially not only requires one to throw away what one has on the Outer Continental Shelf after a year after the law becomes effective, if it ever does, but it says we cannot ever bring anything onto the Outer Continental Shelf unless it was made in this country.

What have we got to win with that? We make most of the oil drilling rigs and we make most of the drilling equipment anyway. We will not be helping ourselves. We buy most of that here anyway. We have got the lead in technology in this. We make and sell most of the equipment used not only here but also all over the world.

So we pass this kind of amendment and what we will have done is make enemies out of people who are buying things from us now.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I associate myself with the remarks of the gentleman from Florida with respect to the restrictions on the use of oil rigs. I would like to say that I could enthusiastically support the limitation suggested by this amendment with respect to the crewing and manning of those rigs, but I would like to ask the gentleman with respect to the main thrust of his argument: If this amendment passes will it put us into violation of the GATT agreements?

Mr. GIBBONS. Why, certainly, it does. It violates every solemn agreement that this country has entered into, as recently as, oh, a year or so ago.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I would like to ask the gentleman from Florida if it is not true there are American drillers employing American crews that for one reason or another, perhaps because of price or the unavailability of shipbuilding facilities in this country, do have foreign rigs in the Outer Continental Shelf and those American companies employing American personnel would have to withdraw those rigs if this act passes?

Mr. GIBBONS. They would have to throw them away or sell them. I do not know what they would do with them.

Mr. DUNCAN of Oregon. Mr. Chairman, I thank the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, we have passed these provisions and I think they are unwise. They might apply to the Government in this country, but never in the history of this country have we made it apply to private enterprise.

What kind of a precedent are we setting here at 6:30 in the afternoon with nobody here?

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think the gentleman makes a powerful argument. As the gentleman knows, I felt we should have the right to vote on the amendment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(At the request of Mr. ECKHARDT, and by unanimous consent, Mr. GIBBONS was allowed to proceed for an additional 3 minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. GIBBONS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I am particularly persuaded by the gentleman's statement, and I have not heard it refuted, that the amendment would require that equipment now in existence be withdrawn after a year. If that be true, it would seem to be that the amendment would tend to do precisely the opposite of what it is intended, because it would require giving up or the loss of a certain amount of capital and equipment, which would then make it impossible to man that equipment and perhaps impossible to replace it. I have not heard an answer to that, and unless I do, I am inclined to vote against the amendment.

Mr. GIBBONS. If we read the amendment, it is very clear in the language of the amendment that they cannot use anything on this Outer Continental Shelf 1 year after the date of enactment of this law, unless it was made in the United States. I do not care how small it is, if it is any structure, if it is two things put together, I guess it would be a structure and it is gone.

Not only can they not import it into this country, but they have to throw away what they have.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield further?

Mr. GIBBONS. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I wonder if the gentleman could give us any information as to the quantity or number of American rigs engaged in oil exploration in foreign jurisdictions and what we might reasonably expect to be the result in those countries by the passing of such a restriction as this?

Mr. GIBBONS. Well, it poisons the well, so to speak, and that is a poor pun; but what it does, it says to other countries, "You know, we don't want your stuff," when they want to buy it and so they will go ahead and include ours.

It is the same kind of old battle we started back in the thirties that led the world into a great depression and finally ended up in World War II.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, in response to the question of the gentleman from Oregon (Mr. DUNCAN) as to what is going to happen to us because of this amendment, here is the situation in the North Sea. Actually, because of our request, the United Kingdom relaxed some of the restrictions they had against foreign procurement in their North Sea drilling and as a result, we have a good deal of men and equipment drilling there now. If we pass this amendment now, the British are liable to suddenly unrelax. Then we will have people out of work and companies down as a result of this amendment.

Mr. DUNCAN of Oregon. Mr. Chairman, if the gentleman will yield further, is not that true in Indonesia and in the Mediterranean and in the Red Sea?

Mr. GIBBONS. It is all over the world. We lead in technology and this will penalize us in the long run.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment.

Mr. Chairman, it seems to me that this is a good example of cutting off our nose to spite our face. This amendment is not needed; indeed, it will be counterproductive.

Distant competitors cannot match the opportunities our suppliers have here on our own shores. The economics of our own drilling on the Outer Continental Shelf strongly favor the use of American equipment and technology, and American personnel as well. What we are doing, if we enact this amendment, is giving an excuse to protectionist interests in other countries to enact similar provisions, to retaliate against American technology and American manufacturers with respect to offshore drilling in other parts of the world.

It is a foolish thing to do. It is the sort of action that causes the world to sink into the economic swamps that the gentleman from Florida (Mr. GIBBONS) was talking about when he talked about the protectionism of the early thirties. It would be a mistake, I think, to enact this amendment, if only for the business it could lose our suppliers in the North Sea area alone, through retaliation, where we have so far been able to discourage "Buy British" impulses.

We have very little to gain from it because economics are working for us on this issue; and we have a great deal to lose in some other parts of the world. I hope the amendment will be defeated.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I rise in vigorous opposition to the buy national amendment to the Outer Continental Shelf bill. This amendment would require all ships, rigs, and equipment used on OCS projects to be built in the United States, owned and operated by U.S. citizens, and documented under U.S. law. This shortsighted and unnecessary proposal has very limited support and would cause far more harm than good to American companies and workers.

As a member of the Ways and Means Subcommittee on Trade, I have some very strong objections to the buy national amendment. Not only does the amendment overstep the jurisdiction of the ad hoc Select OCS Committee, but even within the ad hoc committee, neither hearings nor a careful evaluation of the possible effects of the amendment has been conducted. For this reason alone, it should not be passed by the House.

The amendment itself is unneeded, unjustifiable, and in clear violation of our commitment to GATT. It is potentially very harmful to U.S. firms and workers because it paves the way for the adoption of similar restrictive or retaliatory policies by our trading partners.

At present, essentially all U.S. OCS rigs and equipment are American made, owned, and operated, and they are expected to remain so in the future. Furthermore, 90 percent of the oil drilling equipment used in the world today is manufactured in the United States. In fact, 44 percent of U.S. manufactured oil rigs and drilling equipment is exported, and this percentage has been increasing rapidly. The competitive advantage which the United States holds in price, technology, and quality of oil production equipment is not expected to change much in the future—unless, however, the United States should adopt a buy national policy.

If the buy national amendment is passed, it may encourage other nations, such as the United Kingdom, Canada, and Norway, to adopt similar buy national policies. This would effectively reduce the international market for U.S. manufactured rigs and equipment. The recent trends to ease restrictive policies on foreign procurement and involvement in offshore areas may be absolutely and irreparably reversed. For example, the United Kingdom, which relaxed its foreign procurement policies on oil exploration equipment used in the North Sea, may decide to reinstate very restrictive procurement policies.

Furthermore, any unnecessary and unwise restriction of our market to other nations invariably invites our trading partners to make counterrestrictions. Such retaliatory actions may be directed toward and U.S. exporting industry, not just those producing oil rigs or drilling equipment.

In a broader context, this amendment is in direct opposition to U.S. efforts and intentions in OECD, the International Energy Agreements, and the multilateral trade negotiations in Geneva. It essentially constitutes an embargo, in direct violation of article II of GATT. It further undermines the U.S. position as a leader in the formulation of an international code on government procurement practices and an international code of conduct. Finally, it contradicts the U.S. commitment, as a member of IEA, to avoid any legislative attempts to prevent members from receiving national treatment in energy-related areas. Instead of passing protectionist policies such as the buy national amendment now before us, the United States ought to assume the world leadership position in favor of freer and expanded trade between all nations.

Therefore, I strongly encourage my colleagues to vote against the Murphy buy national amendment.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not wish to take 5 minutes, but as I have listened to the debate here, I think only one conclusion can be drawn. That is, that this amendment would be a disaster to the interests of the United States. This is not a tariff. It is not a quota. It is an absolute ban on the importation of offshore well-drilling equipment, something that we in this country have never tried with respect to private enterprise.

If it were limited to purchases by the U.S. Government, I think it would make sense, but I really think the implications of this are so wide reaching that we would be very, very ill-advised to adopt this amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to support the gentleman from New York, but I know that consistency is no virtue in this House. Just 2 weeks ago, on June 28, I rose to speak in favor of buy American policy for the procurement of airplanes for the Coast Guard. My leading opposition at that time was the gentleman from New York.

I would like to read from his speech here. It was really a delight:

> Needless to say, such proposals are costly matters for the companies involved. Costs to date are estimated at approximately $300,000 per company. The so-called non-American companies have entered this competition in good faith. They are perfectly willing to meet the terms of the proposal including the qualification under the Buy-American Act. This act, of course, gives to American companies a favored advantage.
>
> The amendment offered by Mr. CONTE is unusually discriminatory—

I wonder what his amendment is if mine was discriminatory—

> I feel that it will reflect adversely not only on the two non-American sources which have entered the competition, but on the whole of our international aerospace procurements. As you are aware, this industry is a major contributor toward achieving a favorable U.S. balance of trade.
>
> This may not continue to be the case if obviously discriminatory legislation such as this is enacted. Coming at a time when at least one foreign government is meeting to discuss joint ventures, when members of American aerospace industry are meeting with their foreign counterparts, when the Federal Republic of Germany is looking for a replacement of its fighter aircraft, and when the procurrent by the Dutch of the F–16 is just beginning, it could have a severe adverse effect upon our foreign aerospace markets.

Nevertheless, I still want to support the amendment. I believe it is a good amendment, and I am glad to see the gentleman has been persuaded to the buy American point of view.

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield, I have not determined yet whether consistency is a virtue. But in our debate on the medium range, I was fully supported that the firms should meet the buy American provisions and they should not be excluded, because in the case of the Falcon jet or in the case of the Falcon Corp., they determined, after they had spent a considerable sum of money at the request of the U.S. Government, that they would meet the buy American provisions. I think if the gentleman will examine my remarks he will find that the buy American philosophy I stated at that time is fully consistent with the buy American philosophy as stated in this amendment.

Mr. CONTE. I do not agree with the gentleman. As I said on the floor that day, in rebuttal to the gentleman's argument, according to the Wall Street Journal, the Falcon aircraft was heavily subsidized by the French Government. I wanted to make a wager, but the gentleman did not take me up on it.

But I believe in the buy American concept. That is why I will go along with the gentleman's amendment.

Mr. DUNCAN of Oregon. Mr. Chairman, if the gentleman will yield, is it not true that the gentleman's amendment was directed toward the purchase of equipment by taxpayers' money of the U.S. Government?

Mr. CONTE. Yes, and in that respect my amendment was even more legitimate than this one.

Mr. DUNCAN of Oregon. Whereas this bill deals with purchase and utilization by private citizens.

Mr. CONTE. That is exactly right.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment and in favor of the position of the gentleman from New York (Mr. MURPHY) of 2 or 3 weeks ago. I urge a no vote on this amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I would just like to quote a paragraph from a letter that was received on June 28, 1976, from the Shipbuilders Council of America:

> Contrary to an assertion which has been made—erroneously, we must emphasize—90 percent of all offshore drilling rigs are not built in the United States. The sad facts are that U.S. preeminence in this field has been lost through another example of export of U.S. technology and the resulting export of jobs for U.S. workers. The U.S. percentage of the world orderbook dropped from 59 percent

at the start of 1972 to less than 27 percent at the beginning of 1976.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Murphy).

The question was taken; and on a division (demanded by Mr. Murphy of New York) there were—ayes 5, noes 47.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hughes: On page 123, strike the period and quotation mark at the end of line 9, and insert immediately after line 9 the following new section:

"Sec. 29. Restrictions on Employment.—No fulltime officer or employee of the Department of Interior who directly or indirectly discharged duties or responsibilities under this Act, and who was at any time during the twelve months preceding the termination of his employment with the Department compensated under the Executive Schedule or compensated at or above the annual rate of basic pay for grade GS–16 of the General Schedule, shall accept, for a period of two years after the date of termination of employment with the Department, employment or compensation, directly or indirectly, from any person, persons, association, corporation or other entity, subject to regulation under this Act.".

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record).

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, the purpose of my amendment is very simple, but the effect could be very far reaching. It would provide that any high-ranking official of the Department of the Interior with regulatory or administrative responsibilities under this act, could not take a job with any industry which is regulated under this act for a period of 2 years after the termination of his employment with the Department of the Interior.

Many of us have become concerned about the revolving door between Government and industry. We are dismayed when top level officials of a regulated industry go to work for a Federal agency which is responsible for regulating that same industry, or vice versa.

We ask whether, when such officials make important decisions affecting the welfare of the Nation, do they have the public interest in mind, or are their eyes set on some job later on in their careers when they return to private industry.

If they decide that the public interest conflicts with private interest, what will be their reception when they seek a job with a company they have had to regulate?

Our esteemed former President, Dwight D. Eisenhower called this to our attention when he warned us, in his farewell address, of the military-industrial complex.

Ralph Nader has called these type of arrangements deferred bribes. That is not necessarily so, but in this era of increasing consciousness of conflicts of interest in Government, we must strive to avoid even the appearance of impropriety.

Former Secretary of the Interior Stewart L. Udall, said that the potential abuses of this revolving door system can be incestuous and corrupting.

I do not contend that the problem lies only with the Department of the Interior. In fact, it is spread throughout the Government. But we must start somewhere, and we might as well start here, today.

The amendment I am proposing would not affect all Interior Department employees. Only those who are on the Executive Schedule or in the GS supergrades. And then, only those who have regulatory responsibilities under the Act.

They are not forbidden from returning to private industry. Only to those industries which they are charged with regulating. And then, only for a period of 2 years.

Is this a problem? Consider these points.

Senator William Proxmire has pointed out as early as 1969 that more than 2,000 retired military officers of the rank of colonel or Navy captain and above were employed by 100 defense contractors.

Here is another item: Gen. James Ferguson was commander of the Air Force Systems Command, which buys aircraft and jet engines, but he then was hired as vice president of United Aircraft Corp., a major aerospace manufacturer which does half of its business with the Government.

Item: Assistant Secretary of Agricultural Palmby resigns to be vice president of Continental Grain Co.

Item: Security and Exchange Commissioner Needham, who has the responsibility of regulating the New York Stock Exchange, resigns to become chairman of the New York Stock Exchange.

Item: Federal Power Commissioner Bagge quits the Commission to become president of National Coal Association, and submits pleadings to the FPC.

We must ask whether, when an industry hires someone out of a Government regulatory agency, do they seek his expertise, or is it a reward for a job well done?

I could go on and give many more examples, but it would serve no use to belabor the point.

I urge my colleagues to support this amendment, which would go a long way toward restoring public confidence in the integrity of our Federal agencies, and draw a clear distinct line between the regulators and the regulated. And it would remove any temptation that a Government official might have to foresake his public trust in hopes of receiving a high-paying job in private industry at some future date.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I am happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

I heartily support this amendment, but I would like to ask the gentleman why we are limiting it to the Department of the Interior. Are there no members of other departments mentioned in the bill who also have regulatory functions?

Mr. HUGHES. Well, the others are not mentioned because, first of all, there would be a germaneness question involved. It is the Department of the Interior that has the primary responsibility for OCS development.

Mrs. FENWICK. Yes, but are there no other departments involved?

Mr. HUGHES. Mr. Chairman, it is my intention to offer the same amendment to other measures when they come up in order to provide the very same conflict of interest prohibition to other agencies and departments.

Mrs. FENWICK. This one is before us now, however. What I am asking is this: Are there no other department members who share with the Department of the Interior the regulatory functions which would disqualify them from employment in the industries they regulate for 2 years?

Mr. HUGHES. There are some others involved, but it is the Department of the Interior that has primary responsibility and broader language might have made the amendment nongermane.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. Hughes) has expired.

(On request of Mr. Seiberling and by unanimous consent, Mr. Hughes was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I commend the gentleman from New Jersey (Mr. Hughes) for this amendment and for his intention to offer similar amendments with respect to every single executive branch department.

It is high time that we started to do something about this problem.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I am happy to support the gentleman's amendment, and I hope the committee will agree with it.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I would just like to inquire of the gentleman with respect to a couple of questions that are bothering me here.

What if the situation was that there was a reduction in force and personnel qualifying under the gentleman's amendment fell under this reduction in force? Would they be bound under this amendment not to go to work?

Mr. HUGHES. They would be bound just as anybody else. I think that people going to the Federal departments and agencies for employment ought to be on notice that they cannot return to the priority sector they regulated for 2 years. Clearly 2 years is a reasonable time. And the public interests require no less.

I do not know how else we are going to stop the revolving door.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. Hughes) has again expired.

(On request of Mr. Fish and by unanimous consent, Mr. Hughes was allowed to proceed 1 additional minute.)

Mr. FISH. Mr. Chairman, will the gentleman yield further?

Mr. HUGHES. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I thank the gentleman for yielding.

I ask him this question: What about a person in this situation? We put together the Federal Energy Office in a hurry a year and a half ago. Let us say that somebody comes from industry, as is frequently the case, and has expertise, especially in the development end of one of the major oil companies. He comes to work for the Department of the Interior, and then he leaves.

Would he not be able to go back to his original employer? For a period of 2 years would he be bound to comply with this requirement?

Mr. HUGHES. This amendment concerns only those who are in Federal employment for a period of a year. If the employee has a policymaking function in supergrade GS–16 and above, or in the Executive Schedule, he or she cannot go back to the industry he or she regulates for a reasonable period of time.

I cannot believe that we cannot find enough expertise in this country that we have to take people in these agencies in policymaking functions, who administer policies for us, and then have to go back to the same industries they regulated.

Mr. FISH. If the gentleman will yield further, I appreciate the gentleman's opinion, but I am thinking of the man who was on the job before this happened.

Mr. HUGHES. The legislation is prospective in nature.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. Hughes) has again expired.

(On request of Mr. Fish and by unanimous consent, Mr. Hughes was allowed to proceed for 1 additional minute.)

Mr. FISH. Mr. Chairman, will the gentleman yield further?

Mr. HUGHES. I yield to the gentleman from New York.

Mr. FISH. There is a business-Government exchange program. People come with expertise from business and go into Government temporarily, and vice versa. Both industry and Government are enriched by this exchange. Would these people be affected by this?

Mr. HUGHES. If they are employed by the Federal Government in a policymaking function in the grades described for a period of a year, then they would be covered.

Mr. FISH. I thank the gentleman, but I must reluctantly oppose this amendment on those grounds.

Mr. HUGHES. I thank my colleague, the gentleman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Hughes).

The amendment was agreed to.

The CHAIRMAN. If there are no additional amendments to title II, the Clerk will read title III.

The Clerk read as follows:

TITLE III—OFFSHORE OIL SPILL POLLUTION FUND

DEFINITIONS

Sec. 301. As used in this title, unless the context indicates otherwise, the term—

(1) "cleanup costs" means all reasonable and actual costs, including administrative and other costs, to the Federal Government, to any State or local government, or to any foreign government, or to their contractors or subcontractors, of (A) removing or attempting to remove oil discharged from any offshore facility or vessel, or (B) taking other measures to prevent such discharge, or to reduce or mitigate damages to the public health or welfare, or to public property, including shorelines, beaches, and the natural resources of the marine environment;

(2) "damages" means compensation sought pursuant to this title by any person suffering any direct and actual injury proximately caused by the discharge of oil from an offshore facility or vessel, except that such term does not include clean-up costs;

(3) "discharge" includes any spilling, leaking, pumping, pouring, emptying, or dumping, regardless of whether it occurred intentionally or unintentionally;

(4) "offshore facility" includes any oil refinery, drilling structure, oil storage or transfer terminal, or pipeline, or any appurtenance related to any of the foregoing, which (A) is used, or is capable of being used, to drill for, pump, produce, store, handle, transfer, process, or transport oil produced from the Outer Continental Shelf of the United States, and (B) is located seaward of the high water mark, except that such term does not include a vessel or a deepwater port;

(5) "Fund" means the Offshore Oil Pollution Compensation Fund established under section 302(a) of this title;

(6) "owner" means (A) with respect to an offshore facility, any person owning such facility, whether by lease, permit, contract, license, or other form of agreement, (B) with respect to any facility abandoned without prior approval of the Secretary of the Interior, the person who owned such facility immediately prior to such abandonment, and (C) with respect to a vessel, any person owning such vessel;

(7) "operator" means (A) with respect to an offshore facility, any person operating such facility, whether by lease, permit, contract, license, or other form of agreement, and (B) with respect to a vessel, any person operating or chartering by demise such vessel;

(8) "person" means an individual, a public or private corporation, partnership, or other association, or a government entity;

(9) "person in charge" means the individual immediately responsible for the operations of an offshore facility or vessel;

(10) "Secretary" means the Secretary of Transportation;

(11) "revolving account" means the account in the Treasury of the United States which is established under section 302(b) of this title;

(12) "incident" means any occurrence or series of related occurrences, involving one or more offshore facilities or vessels, which cause or pose an imminent threat of oil pollution; and

(13) "vessel" means every description of watercraft or other contrivance, whether or not self-propelled, which is used to transport oil directly from an offshore facility.

ESTABLISHMENT OF THE FUND AND THE REVOLVING ACCOUNT

Sec. 302. (a) There is established within the Department of Transportation an Offshore Oil Pollution Compensation Fund. The Fund may sue or be sued in its own name.

(b) There is established in the Treasury of the United States a revolving account, without fiscal year limitation, which shall be available to the Fund to carry out the provisions of this title.

PROHIBITION

Sec. 303. The discharge of oil from any offshore facility or vessel, in quantities which the President under section 311(b) of the Federal Water Pollution Control Act (33 U.S.C. 1321(b)) determines to be harmful, is prohibited.

NOTIFICATION

Sec. 304. (a) Any person in charge of an offshore facility or vessel shall, as soon as he has knowledge of any discharge of oil from such offshore facility or vessel which may be in violation of section 303 of this title, immediately notify the Secretary of such discharge.

(b) Any person in charge of an offshore facility or vessel who fails to immediately notify the Secretary, as required by subsection (a) of this section, shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than one year, or both, except that no person convicted under this section shall also be convicted for the same failure to notify under section 311(b)(5) of the Federal Water Pollution Control Act.

(c) Notification received pursuant to this section or information obtained by the exploitation of such notification shall not be used against any person providing such notification in any criminal case, except a prosecution for perjury or for giving a false statement.

REMOVAL OF DISCHARGED OIL

Sec. 305. (a) Whenever any oil is discharged from any offshore facility or vessel in violation of section 303 of this title, the President shall act to remove or arrange for the removal of such oil, unless he determines such removal will be done properly and expeditiously by the owner or operator of such offshore facility or vessel.

(b) Removal of oil and actions to minimize damage from oil discharged shall, to the greatest extent possible, be in accordance with the National Contingency Plan for removal of oil and hazardous substances established pursuant to section 311(c)(2) of the Federal Water Pollution Control Act.

(c) Whenever the President acts to remove a discharge of oil pursuant to this section, he is authorized to draw upon the money available in the revolving account. Such money shall be used to pay promptly for all cleanup costs incurred by the President in removing such oil or in minimizing damage caused by such oil discharge.

DUTIES AND POWER

Sec. 306. (a) In order to carry out the purposes of this title, the Secretary shall—

(1) administer and maintain the Fund, in accordance with the provisions of this title;

(2) establish regulations and provide for the fair and expeditious settlement of claims, in accordance with section 313 of this title;

(3) provide public access to information, in accordance with section 319(a) of this title;

(4) submit an annual report, in accordance with section 320 of this title; and

(5) perform such other functions as are prescribed by law.

(b) In the performance of his duties under this title, the Secretary is authorized to—

(1) utilize, with the consent of the agency concerned, the services or personnel, on a reimbursable or replacement basis or otherwise, of any Federal Government agency, of any State or local government agency, or of any organization, to perform such functions on behalf of the Fund as are necessary or appropriate;

(2) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this title;

(3) conduct such studies and investigations, obtain such data and information, and hold such meetings or public hearings as may be necessary or appropriate to facilitate the exercise of any authority granted to, or the performance of any duty imposed on, the Fund under this title;

(4) enter into such contracts, agreements, and other arrangements as are deemed necessary or appropriate for the acquisition of

material, information, or other assistance related to, or required by, the implementation of this title; and

(5) issue and enforce orders during proceedings conducted pursuant to this title, including issuing subpenas, administering oaths, compelling the attendance and testimony of witnesses and the production of books, papers, documents, and other evidence, and the taking of depositions.

RECOVERABLE DAMAGES

SEC. 307. Damages may be recovered under this title for—

(1) the value of any loss or injury, at the time such loss or injury is incurred, with respect to any real or personal property which is damaged or destroyed as a result of a discharge of oil;

(2) (A) the cost to the owner of restoring, repairing, or replacing any real or personal property which is damaged or destroyed by a discharge of oil, (B) any income necessarily lost by such owner during the time such property is being restored, repaired, or replaced, and (C) any reduction in the value of such property caused by such discharge;

(3) any loss of income or impairment of earning capacity for a period of not to exceed one year due to damages to real or personal property, or to natural resources, without regard to ownership of such property or resources, which are damaged or destroyed by a discharge of oil, if the claimant derives at least 25 per centum of his earnings from activities which utilize such property or natural resources;

(4) any costs and expenses incurred by the Federal Government or any State government in the restoration, repair, or replacement of natural resources which are damaged or destroyed by a discharge of oil; and

(5) any loss of tax, royalty, rental, or net profit share revenue by the Federal Government or any State or local government for a period of not to exceed one year due to injury to real or personal property resulting from a discharge of oil.

CLEANUP COSTS AND DAMAGES

SEC. 308. (a) All cleanup costs incurred by the President, the Secretary, or any other Federal, State, or local official or agency, in connection with a discharge of oil shall be borne by the owner and operator of the offshore facility or vessel from which the discharge occurred.

(b) Notwithstanding any other provision of law and except as provided in subsection (d) of this section, the owner and operator of an offshore facility shall be held jointly and severally liable, without regard to fault, for damages which result from a discharge of oil from such offshore facility. Such liability shall not exceed $35,000,000, except that if it can be shown that (1) such damages were the result of gross negligence or willful misconduct within the privity and knowledge of such owner or operator, or of the person in charge of such offshore facility, or (2) such discharge was the result of a violation of applicable safety, construction, or operating standards or regulations, such owner and operator shall be jointly and severaly liable for the full amount of such damages.

(c) Notwithstanding any other provision of law and except as provided in subsection (d) of this section, the owner and operator of a vessel shall be jointly and severally liable, without regard to fault, for damages which result from a discharge of oil from such vessel. Such liability shall not exceed $150 per gross registered ton, except that if it can be shown that (1) such damages were the result of gross negligence or willful misconduct within the privity and knowledge of such owner or operator, or of the person in charge of such vessel, or (2) such discharge was the result of a violation of applicable safety, construction, or operating standards or regulations, such owner and operator shall be jointly and severally liable for the full amount of such damages.

(d) No liability shall be imposed under subsection (b) or (c) of this section to the extent the owner or operator establishes that the discharge of oil or that any damages resulting from such discharge were caused by (1) an act of war, (2) the negligent or intentional act of the damaged party or of any third party (including any government entity), or (3) a natural phenomenon of an exceptional inevitable, and irresistible character.

(e) (1) In any case in which the owner or operator of an offshore facility is held liable, pursuant to this section, for cleanup costs and damages resulting from a discharge of oil, such owner or operator shall be subrogated, if such discharge was the result of the unseaworthiness of a vessel or the negligence of the owner, operator, or person in charge of the vessel, to the rights of any person who is entitled to recover any damages against such owner, operator, or person in charge.

(2) In any case in which the owner or operator of a vessel is held liable, pursuant to this section, for cleanup costs and damages resulting from a discharge of oil, such owner or operator shall be subrogated, if such discharge was caused by negligence on the part of the owner, operator, or person in charge of an offshore facility, to the rights of any person who is entitled to recover any damages against such owner, operator, or person in charge.

(3) The provisions of this section shall not in any way affect or limit any rights which an owner or operator of an offshore facility or vessel, or the Fund, may have against any third party whose acts may have caused or contributed to a discharge of oil.

DISBURSEMENTS FROM THE REVOLVING ACCOUNT

SEC. 309. (a) Amounts in the revolving account shall be available for disbursement and shall be disbursed by the Fund for only the following purposes:

(1) Administrative and personnel expenses of the Fund.

(2) Cleanup costs resulting from the discharge of oil which are incurred pursuant to this title or pursuant to any State or local law, and costs of the removal of oil incurred by the owner or operator of an offshore facility or vessel to the extent that the discharge of such oil was caused solely by an act of war or negligence on the part of the Federal Government in establishing and maintaining aids to navigation.

(3) Subject to the provisions of section 313 of this title, all damages not actually compensated pursuant to section 308(b) or (c) of this title.

(b) Payment of compensation by the Fund shall be subject to the Fund acquiring by subrogation all rights of the claimant to recover cleanup costs or damages from the person responsible for such discharge. The Fund shall diligently pursue recovery for any such subrogated rights.

(c) Notwithstanding any other provision of this section, the Fund shall not be liable to pay cleanup costs and damages of any claimant to the extent that the negligence or intentional act of such claimant caused the discharge.

(d) In all claims or actions by the Fund against the owner, operator, or person providing financial responsibility, the Fund shall recover (1) except as otherwise provided in this title, the amount the Fund has paid to the claimant or to any government entity undertaking cleanup operations, without reduction, and (2) interest on that amount, at the existing commercial interest rate, from the date upon which the request for reimbursement was issued from the Fund to the owner, operator, or such person, to the date on which the Fund is paid by such owner, operator, or person.

(e) Whenever the amount in the revolving account is not sufficient to pay cleanup costs and damages for which the Fund is liable pursuant to this section, the Fund may issue, in an amount not to exceed $500,000,000, notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such notes or other obligations shall bear interest at a rate to be determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. Moneys obtained by the Fund under this subsection shall be deposited in the revolving account, and redemptions of any such notes or other obligations shall be made by the Fund from the revolving account. The Secretary of the Treasury shall purchase any such notes or other obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under this subsection. The Secretary of the Treasury may sell any such notes or other obligations at such times and prices and upon such terms and conditions as he shall determine in his discretion. All purchases, redemptions, and sales of such notes or other obligations by such Secretary of the Treasury shall be treated as public debt transactions of the United States.

FEE COLLECTION; DEPOSITS IN REVOLVING ACCOUNT

SEC. 310. (a) (1) The Secretary shall levy and collect a fee of not to exceed 3 cents per barrel on oil obtained from the Outer Continental Shelf, which shall be imposed on the owner of the oil when such oil is transferred from a well to a pipeline or vessel. Any oil upon which a fee has been levied pursuant to this subsection shall not be subject to a subsequent levy under this subsection.

(2) The collection of the fee imposed pursuant to paragraph (1) of this subsection shall continue until the amount in the revolving account totals at least $100,000,000, whereupon collection of such fee may be suspended. Thereafter, the Secretary shall, from time to time and in accordance with the limitation set forth in the first sentence of paragraph (1) of this subsection, modify by regulation the amount of the fee, if any, to be collected under this subsection in order to maintain the revolving account at a level of not less than $100,000,000 and not more than $200,000,000. For purposes of this paragraph, all sums deposited pursuant to subsection (b) of this section shall be included in the calculation of the balance in the revolving account.

(b) All sums received through fee collection, reimbursements, fines, penalties, investments, and judgments pursuant to this title shall be deposited in the revolving account, except that whenever the amount in the revolving account exceeds $200,000,000, the excess sums shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

(c) All sums not needed for the purposes specified in this title shall be prudently invested in income-producing securities issued by the United States and approved by the Secretary of the Treasury.

FINANCIAL RESPONSIBILITY

SEC. 311. (a) Each owner or operator of an offshore facility shall establish and maintain, under rules and regulations prescribed by the President, evidence of financial responsibility based on the capacity of the offshore facility and other relevant factors. Financial responsibility may be established by any one, or a combination of, the following methods acceptable to the President: (1) evidence of insurance, (2) surety bonds, (3) qualification as a self-insurer, or (4) other evidence of financial responsibility satisfactory to the President.

(b) Each owner or operator of a vessel over three hundred gross registered tons (other than a vessel which is not self-propelled and which does not carry oil as cargo or fuel) shall establish and maintain, under rules and regulations prescribed by the Federal Maritime Commission, evidence of financial responsibility based on the liability requirements of this title and the tonnage of the vessel. In cases where an owner or operator owns, operates, or charters more than one such vessel, financial responsibility need only be established to meet the maximum liability to which the largest of such vessels could be subjected. Financial responsibility may be established by any one, or combination, of the following methods acceptable to the President: (1) evidence of insurance, (2) surety bonds, (3) qualification as a self-insurer, or (4) other evidence of financial responsibility satisfactory to the President.

(c) Any claim for cleanup costs and damages by any claimant or by the Fund may be brought directly against the surety, the insurer, or any other person providing financial responsibility.

(d) Any person who fails to comply with the provisions of this section or any regulation issued under this section shall be subject to a fine of not more than $25,000.

(e) The President shall increase the requirements established under this section and the limit of liability under section 308 of this title annually, by an amount equal to the annual percentage increase in the wholesale price index.

(f) No owner or operator of an offshore facility or vessel who establishes and maintains evidence of financial responsibility in accordance with this section shall be required under any State law, rule, or regulation to establish any other evidence of financial responsibility in connection with liability for the discharge of oil from such offshore facility or vessel. Evidence of compliance with the financial responsibility requirement of this section shall be accepted by a State in lieu of any other requirement of financial responsibility imposed by such State in connection with liability for the discharge of oil from such offshore facility or vessel.

TRUSTEE OF NATURAL RESOURCES

SEC. 312. The Secretary, or the authorized representative of any State, shall act on behalf of the public as trustee of the natural resources to recover for damages to such resources. Sums recovered shall be used to restore, rehabilitate, or acquire the equivalent of such natural resources by the appropriate agencies of the Federal Government, or the State government.

CLAIMS PROCEDURE

SEC. 313. (a) The Secretary shall prescribe, and may from time to time amend, regulations for the filing processing, settlement, and adjudication of claims for cleanup costs and damages resulting from the discharge of oil from an offshore facility or vessel.

(b)(1) Whenever the Secretary receives information from any person alleging the discharge of oil from any offshore facility or vessel in violation of section 303 of this title, he shall notify the owner and operator of such offshore facility or vessel of such allegation. Such owner or operator may, within five days after receiving such notification, deny such allegation, or deny liability for damages for any of the reasons set forth in section 308(d) of this title.

(2) Any denial made pursuant to paragraph (1) of this subsection shall be adjudicated in accordance with the provisions of subsection (i) of this section.

(c)(1) If a denial is not made pursuant to subsection (b)(1) of this section, the owner and operator, or the person providing financial responsibility, shall advertise, in accordance with regulations promulgated by the Secretary, in any area where damages may occur, the procedures under which claims may be presented to such owner and operator or such person providing financial responsibility. The Secretary shall publish the text of such advertisement, in modified form if necessary, in the Federal Register. If any person fails to make any advertisement required by this paragraph, the Secretary shall do so and such person shall pay the costs of such advertisement.

(2) If a denial is made pursuant to subsection (b) of this section, the Secretary shall advertise and publish procedures under which claims may be presented to the Secretary for payment by the Fund from the revolving account.

(3) Any advertisement made under this subsection shall commence no later than fifteen days after the date of the notification and shall continue for a period of no less than thirty days. Such advertisement shall be repeated thereafter in such modified form as may be necessary, but not less frequently than once each calendar quarter for a total period of five years.

(d)(1) Any claim presented to any person under subsection (e)(1) of this section, or to the Secretary for payment from the Fund, shall be presented within one year after the date of discovery of any damages for which such claim is made, except that no such claim may be presented after the end of the five-year period beginning on the date on which advertising was commenced pursuant to subsection (c) of this section.

(2) Each person's damage claims arising from one incident which are presented to the Secretary shall be stated in one form, which may be amended to include new claims as they are discovered. Damages which are known or reasonably should be known, and which are not included in the claim at the time compensation is made, shall be deemed waived.

(e)(1) Except as provided in subsection (f) of this section, all claims shall be presented (A) to the owner and operator, or (B) to the person providing financial responsibility.

(2) Any person to whom a claim has been presented pursuant to paragraph (1) of this subsection shall promptly notify the claimant of the rights which such claimant may have under this title and notify the Secretary of receipt of such claim.

(f) The following claims may be presented to the Secretary for payment by the Fund from the revolving account:

(1) Any claim for damages resulting from any discharge with respect to which a denial has been made pursuant to subsection (b)(1) of this section.

(2) Any claim which has been presented to any person pursuant to subsection (e)(1) of this section, if such person—

(A) has not accepted liability for such claim for any such reason,

(B) submits to the claimant a written offer for settlement of the claim, which the claimant rejects for any reason, or

(C) has not settled such claim by agreement with the claimant within sixty days after the date on which (i) such claim was presented, or (ii) advertising was commenced pursuant to subsection (c) of this section, whichever date is later.

(g) In the case of a claim which has been presented to any person under subsection (e)(1) of this section, and which may be presented to the Secretary under subsection (f)(2) of this section, such person shall, within two days after a request by the claimant, transmit directly to the Secretary such claim and such other supporting documents as the Secretary may by regulation prescribe, and such claim shall be deemed presented to the Secretary for payment by the Fund.

(h)(1) Except as provided in paragraph (2) of this subsection, the Secretary shall use the facilities and services of private insurance and claims adjusting organizations in administering this section and may contract to pay compensation for such facilities and services. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes, upon a showing by the Secretary that advertising is not reasonably practicable, and advance payments may be made. A payment to a claimant, for a single claim in excess of $100,000, or two or more claims aggregating in excess of $200,000, shall be first approved by the Secretary.

(2) In extraordinary circumstances in which the services of such private organizations are inadequate, the Secretary may use Federal personnel to administer the provisions of this section, to the extent necessitated by such extraordinary circumstances.

(i) The following matters in dispute shall be submitted to the Secretary and adjudicated pursuant to the provisions of this section:

(1) Upon the petition of a claimant, in the case of a claim which has been presented to the Secretary for payment by the Fund, and in which the Secretary—

(A) has, for any reason, denied liability for such claim; or

(B) has not settled such claim by agreement with such claimant within ninety days after the date on which (i) such claim was presented to the Secretary, or (ii) advertising was commenced pursuant to subsection (c)(2) of this title, whichever date is later.

(2) Upon the petition of the owner and operator or the person providing financial responsibility, who is or may be liable for cleanup costs and damages pursuant to section 308 of this title—

(A) any denial made pursuant to subsection (b)(1) of this section;

(B) any objection to an exception to the limit of liability set forth in section 308(b) or (c) of this title; and

(C) the amount of any payment or proposed payment by the Fund which may be recovered from such owner and operator, or such person providing financial responsibility, pursuant to section 309(d) of this title.

(j)(1) Upon receipt of any matter in dispute submitted for adjudication pursuant to subsection (i) of this section, the Secretary shall refer such matter to a hearing examiner appointed under section 3105 of title 5, United States Code. Such hearing examiner shall promptly adjudicate the case and render a decision in accordance with section 554 of title 5, United States Code.

(2) For purposes of any hearing conducted pursuant to this subsection, the hearing examiner shall have the power to administer oaths and subpena the attendance and testimony of witnesses and the production of books, records, and other evidence relative or pertinent to the issues presented for determination.

(3) A hearing conducted under this subsection shall be conducted within the United States judicial district within which the matter in dispute occurred, or, if such matter occurred within two or more districts, in any of the affected districts or, if such matter in dispute occurred outside of any district, in the nearest district.

(k) Upon a decision by the hearing examiner and in the absence of a request for judicial review, any amount to be paid from the revolving account shall be certified to the Fund which shall promptly disburse the award. Such decision shall not be reviewable by the Secretary.

JUDICIAL REVIEW

SEC. 314. (a) Any person who suffers legal wrong or who is adversely affected or aggrieved by the decision of a hearing examiner may, no later than sixty days after such decision is made, seek judicial review of such decision (A) in the United States court of appeals for the circuit in which the damage occurred, or, if such damage occurred outside of any circuit, in the United States court of appeals for the nearest circuit, or (B) in the United States Court of Appeals for the District of Columbia.

(b) In any case in which the person responsible for the discharge, or the Fund, seeks judicial review, attorneys' fees and court costs shall be awarded to the claimant if the decision of the hearing examiner is affirmed.

CLASS ACTIONS

SEC. 315. (a) The Attorney General may act on behalf of any group of damaged citizens which the Secretary determines would be more adequately represented as a class in the recovery of claims under this title. Sums recovered shall be distributed to the members of such group.

(b) If, within ninety days after a discharge of oil in violation of section 303 of this title has occurred, the Attorney General fails to act on behalf of a group who may be entitled to compensation, any member of such group may maintain a class action to recover such damages on behalf of such group. Failure of the Attorney General to act in accordance with this subsection shall have no bearing on any class action maintained in accordance with this subsection.

(c) In any case in which the number of members of the class seeking the recovery of claims under this title exceeds one thousand, publishing notice of the action in the Federal Register and in local newspapers serving the areas in which the damaged parties reside shall be deemed to fulfill the requirement for public notice established by rule 23(c)(2) of the Federal Rules of Civil Procedure.

REPRESENTATION

SEC. 316. The Secretary shall initially request the Attorney General to promptly institute court actions and to appear and represent the Fund for all claims under this title. Unless the Attorney General notifies the Secretary that he will institute such action or will otherwise appear within a reasonable time, attorneys appointed by the Secretary shall appear and represent the Fund.

JURISDICTION AND VENUE

SEC. 317. (a) The United States district courts shall have original jurisdiction over all controversies arising under this title, without regard to the citizenship of the parties or the amount in controversy.

(b) Venue shall lie in any district (1) wherein the damage complained of occurred, or, if such damage occurred outside of any district, in the nearest district, or (2) wherein the defendant resides, may be found, or has its principal office. For the purposes of this section, the Fund shall reside in the District of Columbia.

ACCESS TO RECORDS

SEC. 318. (a) Each person responsible for contributing to the Fund in accordance with this title shall keep such records and furnish such information as the Secretary shall prescribe in regulations. Collection shall be at such times and such manner as shall be prescribed in such regulations.

(b) The Secretary shall have access to any books, documents, papers, and records of such person in order to undertake regular examinations of and audits on the collection of fees.

(c) The Comptroller General shall have access to any books, documents, papers, records, and other information of any person liable to contribute to the Fund, and of the Fund.

PUBLIC ACCESS TO INFORMATION

SEC 319. (a) Copies of any communication, document, report, or information transmitted between any official of the Federal Government and any person concerning liability and compensation for damages resulting from the discharge of oil from an offshore facility or vessel shall be made available to the public for inspection, and shall be available for the purpose of reproduction at a reasonable cost, to the public upon identifiable request.

(b) Nothing contained in this section shall be construed to require the release of any information of the kind described in subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

ANNUAL REPORT

SEC. 320. Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives (1) a report on the administration of the Fund during such fiscal year, (2) a summary of the management and enforcement activities of the Fund, and (3) recommendations to the Congress for such additional legislative authority as may be necessary to improve the management of the Fund and the administration of the liability provisions of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 321. (a) There is authorized to be appropriated for the administration of this title $10,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, and $5,000,000 for the fiscal year ending September 30, 1979.

(b) There are also authorized to be appropriated to the Fund from time to time such amounts as may be necessary to carry out the purposes of the applicable provisions of this title, including the entering into contracts pursuant to section 306(b)(4) of this title, any disbursements of funds pursuant to section 309(a) of this title, and the issuance of notes or other obligations pursuant to section 309(e) of this title.

(c) Notwithstanding any other provision of this title, the authority to make contracts pursuant to section 806(b)(4) of this title to make disbursements pursuant to section 309(a) of this title, to issue notes or other obligations pursuant to section 309(e) of this title, and to charge and collect fees pursuant to section 310(a) of this title shall be effective only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of enactment of this title.

RELATIONSHIP TO OTHER LAW

SEC. 322 (a) Except as provided in section 311(f) of this title, this title shall not be interpreted to preempt the field of liability or to preclude any State from imposing additional requirements or liability for any discharge of oil resulting in damages or cleanup costs within the jurisdiction of any State.

(b) Any person who receives compensation for damages or cleanup costs pursuant to this title shall be precluded from recovering compensation for the same damages or cleanup costs pursuant to any other State or Federal law. Any person who receives compensation for damages or cleanup costs pursuant to any other State or Federal law shall be precluded from receiving compensation for the same damages or cleanup costs under this title.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENTS OFFERED BY MR. STUDDS

Mr. STUDDS. Mr. Chairman, I offer amendments, and I rise to propound what I believe to be a singularly humane unanimous-consent request at this hour.

Mr. Chairman, I have 19 amendments to title III. All of them were printed in the RECORD of June 17, 1976.

They range from questions of minor substance, those of a purely technical nature, to some change or merely correction of a typographical error in the text of the bill. All 19 have been cleared by both the majority and minority sides of the committee. The proposition that they be offered en bloc has been cleared also on both sides of the committee.

Consequently, Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. MURPHY of New York. Mr. Chairman, reserving the right to object, I am unaware of any objections to these amendments, and in view of the lateness of the hour, I would urge their adoption.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. FISH. Mr. Chairman, reserving the right to object, the minority is glad to accept the amendments.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The amendments are as follows:

Amendments offered by Mr. STUDDS: On page 132, strike line 25 and all that follows through the end of line 16 on page 133, and insert in lieu thereof the following:

"(e)(1) To the extent that liability is not imposed, pursuant to subsection (d)(2) of this section, on the owner or operator of an offshore facility or vessel for cleanup costs or damages resulting from a discharge of oil from such facility or vessel, the damaged party or third party whose negligent or intentional act caused such discharge or any damages resulting from such discharge shall, if such damaged party or third party is also an offshore facility or vessel, be liable for such cleanup costs or damages to the same extent as if such discharge had occurred from the offshore facility or vessel of such damaged party or third party.

"(2) Payment of cleanup costs or damages by the owner or operator of any offshore facility or vessel to any person pursuant to this title shall be subject to such owner or operator acquiring by subrogation all rights of such person to recover such cleanup costs or damages from any other person."

On page 133, add a new subsection after line 21 to read as follows:

"(f) Notwithstanding any other provision of this title, no person shall be liable under this title for payment of cleanup costs or damages to any government of a foreign country, or any citizen of a foreign country not a resident of the United States, unless (1) such payment is authorized by a treaty or executive agreement between such country and the United States, or (2) the Secretary of State, in consultation with the Attorney General, certifies that such country provides an adequate and substantially similar remedy for United States claimants for cleanup costs and damages related to discharges of oil produced from the Outer Continental Shelf of such country."

On page 133, after line 21 and after the subsection inserted by previous amendment, insert the following additional new subsection:

"(g) Any owner or operator of any offshore facility or vessel liable for damages to any person pursuant to subsection (b), (c), or (e)(1) of this section shall also be liable to such person for interest on the amount of such damages for which such owner or operator is liable, at the existing commercial interest rate, from the date the claim or amended claim including such damages was presented to the date on which the damages are paid. Such interest shall not be subject to any limitation of liability specified in subsection (b) or (c) of this section."

On page 151, line 2, strike "provided in section 311(f) of" and insert in lieu thereof "otherwise provided in".

On page 134, line 20, insert "(1)" after "pay", and on page 134, line 21, strike the word "negligence" and all that follows through the end of line 22 and insert in lieu thereof "discharge of oil or any damages resulting from such discharge were caused by the negligent or intentional act of the damaged party, or (2) damages of any claimant to the extent that the discharge of oil or any damages resulting from such discharge were caused by an act of war."

On page 150, after line 25 add the following new subsection:

"(d) There are hereby authorized to be appropriated to the Fund such sums as may be necessary to reimburse the Fund for amounts paid for cleanup costs and damages in connection with discharges of oil caused by the negligent or intentional act of any agency of the United States."

On page 139, line 19, strike "Secretary" and insert in lieu thereof "President".

On page 148, line 22, strike "in order to" and insert in lieu thereof "relevant to the administration of this title, and shall" and on page 149, line 2, strike "and" and insert in lieu thereof "relevant to the administration of this title, and to all books, documents, papers, records, and other information".

On page 135, line 3, strike "and" and on page 135, line 7, strike the period and insert in lieu thereof ", and (3) all reasonable and actual administrative costs incurred by the Secretary and disbursed by the Fund in connection with such claim or action, including costs of investigation, processing, hearings, appeals, and collection. Costs recovered pursuant to clause (3) of this subsection shall not be subject to any limitation of liability applicable to such owner, operator, or person providing financial responsibility, under the provisions of subsection (b) or (c) of section 308 of this title."

On page 131, lines 3 and 4, strike the first comma and the words "royalty, rental, or net profit share".

On page 139, line 3, strike "increase" and insert in lieu thereof "adjust" and on page 139, line 6, strike "increase" and insert in lieu thereof "change".

On page 137, line 10, strike "except" and all that follows through "receipts" on line 14.

On page 147, line 4, after "group" insert ", except that the reasonable and actual costs incurred by the Attorney General in representing such class shall be paid out of such sums recovered, and shall be deposited in the Treasury of the United States, and credited to miscellaneous receipts".

On page 147, at the end of line 4 add a new sentence to read as follows: "The Attorney General shall not commence any action under this subsection against the Fund or any other agency of the United States."

On page 130, line 16, strike "one year" and insert in lieu thereof "five years".

On page 136, line 13, after "and" insert "the Secretary of the Treasury shall" and on page 136, line 16, strike "transferred" and all that follows through "subsection" on page 136, line 19, and insert in lieu thereof "produced".

On page 144, line 20, strike "title" and insert in lieu thereof "section".

On page 148, line 20, insert "in" after "and".

On page 132, line 23, insert a comma after the word "exceptional".

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, because of the kindness of both the minority and the majority sides in accepting the amendments, and since I believe they are noncontroversial, I will not take the time of the Members to discuss the amendments.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I wish to congratulate my colleague, the gentleman from Massachusetts (Mr. STUDDS) for the great contribution he has given to this entire legislation, particularly regarding the environmental aspects. I might say that these amendments the gentleman has offered are both technical and comprehensive and helpful to the legislation. We are happy to accept them.

Mr. STUDDS. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Massachusetts (Mr. STUDDS).

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer two amendments, and I ask unanimous consent that these two amendments, dealing with oil spills, be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. MURPHY of New York: Page 124, strike out lines 12 through 17 and insert in lieu thereof the following: "going, which is used to drill for, produce, store, handle, transfer, process, or transport oil produced from the Outer Continental Shelf (as the term Outer Continental Shelf is defined in section 2(a) of the Outer Continental Shelf Lands Act (42 U.S.C. 1331(a))), and is located on the Outer Continental Shelf, except that such term does not include (A) a vessel, or (B) a deepwater port (as the term deepwater port is defined in section 3(10) of the Deepwater Port Act of 1974 (33 U.S.C. 1502));".

On page 126, strike line 2, and insert in lieu thereof "is operating in the waters above the outer Continental Shelf (as the term 'outer Continental Shelf' is defined in section 2(a) of the Outer Continental Shelf Lands Act (42 U.S.C. 1331(a)), and which is transporting oil directly from an offshore facility, and such term specifically excludes any watercraft or other contrivance which is operating in the navigable waters of the United States (as the term 'navigable waters' is defined in section 502 of the Federal Water Pollution Control Act (33 U.S.C. 1362)).".

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FISH. Mr. Chairman, reserving the right to object, I would ask the gentleman from New York whether these amendments are to title III on oil spills?

Mr. MURPHY of New York. If the gentleman will yield, they are on title III, oil spills.

Mr. FISH. They would be numbered on the agenda as what?

Mr. MURPHY of New York. They are numbered 63 and 64 and majority amendments numbers 20 and 22.

These are in response to the objection to the Committee on Public Work and Transportation to the oil spill jurisdictional problem.

Mr. FISH. Jurisdiction over the coastal zone, or the State-owned waters rather than the Outer Continental Shelf?

Mr. MURPHY of New York. That is correct.

Mr. FISH. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, section 301(4) defined "offshore facility" for the purposes of the oil spill title, so as to include any facility located within 3 miles, which actually services OCS oil. It was the intent of this provision to ensure that any spill that would result from the development and production of OCS oil, handled just within the 3-mile or 3-league line, be included within the requirements as to cleanup, compensation for damages, and coverage by the oil spill fund. Representatives from the Committee on Public Works and Transportation have raised an objection that this provision might overlap facilities in State waters, which come under the Federal Water Pollution Control Act, under the jurisdiction of the Public Works Committee. In order to avoid any conflict with the jurisdiction of that committee, this amendment, deleting such coverage, is offered.

As vessels are separately defined in this section, and separately considered in this title, section 301(4) does not include them as "offshore facilities." Similarly, as deepwater ports, and spills from such ports are dealt with by the Deepwater Ports Act, they are not included in this definition and not covered by this title.

Section 301(13) defined as "vessel" as any watercraft directly transporting OCS oil from an offshore facility to land. At the time when a rule was being considered for H.R. 6218, the Public Works and Transportation Committee raised an objection that title III—the oil spill title—would therefore apply to vessels while in State waters and thus interfere with the jurisdiction of that committee pursuant to the Federal Water Pollution Control Act. This amendment is intended to eliminate such jurisdictional problems by providing that the requirements for cleanup, the provisions for payment of cleanup costs, and for damages, and the applicability of the fund would only apply to vessels transporting OCS oil while in the Outer Continental Shelf.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. MURPHY).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DU PONT: on page 131, line 24, after "violation", insert "by such owner, operator, or person in charge,".

On page 132, line 13, after "violation", insert "by such owner, operator, or person in charge,".

Mr. DU PONT. Mr. Chairman, section 308 of this bill deals with the question of liability for cleanup costs and for damages resulting from oil spills. This amendment deals with one particular portion of that section which places an unlimited liability on people who can be shown to have caused the spill as a result of gross negligence or willful misconduct within the privity and knowledge of such owner or operator. But as the bill reads now, the bill does not say that the violation must have resulted from an act of the owner or operator. The language of the bill appears to say that if there was a violation by a third party that the owner of the well is going to be responsible in an unlimited fashion for the costs of the damages. That does not seem fair to me.

So, Mr. Chairman, my amendment simply puts in two phrases, identical in each case, requiring that in order to place unlimited liability upon the owner or operator the damage must have been caused "by such owner, operator, or person in charge,".

I think that that clarifies the legislation substantially, makes it a sound piece of legislation, and I urge adoption of the amendment.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the gentleman's amendment. This amendment would provide that an owner or operator would not be fully liable for all damages resulting from the violation of applicable regulations unless he or the person in charge committed the violation that led to a spill.

The intent of section 308, relating to payment for cleanup costs and damages, is to provide for liability up to established limits for most oil discharges, and also to provide for unlimited liability where serious dereliction of duty can be shown by gross negligence, intentional misconduct, or violation of applicable regulations. The gentleman's amendment would limit this application of liability, and thus interefere with a careful and long-established balance.

Under the legal doctrine of respondeat superior, an individual is to assume all responsibility for the actions of the people that he employs or contracts to undertake his work. Under that same doctrine, an individual is liable for the failure of such people to properly undertake their duties. The gentleman's amendment would limit use of that doctrine in oil spill discharges and provide that a contractor or an employee who undertakes work for an owner or operator, and in doing so violates applicable standards or regulations, would be the only one liable for unlimited damages, rather than the person who contracted or employed him.

It would, in effect, limit careful screening by the owner or operator of employees or contractors and also eliminate the need for periodic checking of the work product of these individuals.

As this amendment is in direct opposition to the policy behind a long-established legal doctrine, and also might result in more danger in our offshore activities, I oppose it.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Delaware.

Mr. DU PONT. I thank the gentleman for yielding.

I am not sure we are talking about the same amendment. If the gentleman will read at the bottom of page 131, he will see that there are two sections that deal with the instance where the liability shall become unlimited. Subsection (1) talks about gross negligence, and it says: "Gross negligence or willful misconduct within the privity and knowledge of such owner or operator."

Then subsection (2) talks about the discharge being the result of a violation of safety, construction, or operating standards, but it does not have that parallel phrase that requires that it be the owner or operator who has created the violation. I would look upon this amendment purely as a technical change to clarify that, and I do not understand the argument that the gentleman just made.

Mr. MURPHY of New York. I might say to my colleague, an owner and an operator is responsible for the activities and the operations of his employees and, as a consequence I think that the gentleman's amendment is far more than technical, but dilutes the intent of the committee to protect the shoreline.

Mr. DU PONT. If the gentleman would yield further, to take an absurd case, if someone boarded an oil rig and violated a safety standard—a third party climbed onto an oil rig during the night and violated a safety standard—as I read the bill, the owner and operator would be liable, and that surely is not the intent of the legislation.

Mr. MURPHY of New York. But the owner would have to be responsible for the discharge, and under the instance the gentleman just brought up he would not be responsible for that discharge.

Mr. DU PONT. If the gentleman would yield further, unfortunately, the legislation does not say that; it just says he will be jointly and severally liable for the full amount, because there is missing that little phrase that says it must have been within his control.

Mr. MURPHY of New York. I think if the gentleman will go to line 24 on page 131, he will see the word "applicable," and "applicable" is the word that would answer the gentleman's reservation.

Mr. DU PONT. If the gentleman would yield further, I do not agree with the gentleman's interpretation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The amendment was rejected.

AMENDMENT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DU PONT: On page 132, after line 24, add a new subsection as follows:

(e) If an owner or operator—

(1) provides all cooperation and assistance requested by the Coast Guard in furtherance of cleanup activities; and

(2) establishes that the discharge of oil or any damages resulting from such discharge were caused by (A) an act of war, (B) the negligent or intentional act of the damaged party or of any third party (including any government entity), or (C) a natural phenomenon of an exceptional, inevitable, and irresistable charter

no liability shall be imposed under subsection (a) of this section to the extent that such action or phenomenon caused such discharge or damages.

and redesignate succeeding subsection accordingly.

Mr. DU PONT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. DU PONT. Mr. Chairman, one of the defenses that is placed in this bill for people who have negligently caused damages as a result of an oil spill is that if the damages were caused by an act of God or an act of war he is not liable, which appears on page 132 in subsection (d). In other words, we are stating that it is the policy of the Congress that if there is an act of war or if an act of God occurs and oil is spilled and damages result from that oil spill, the owner of the well will not be held liable.

There is no such parallel provision however for clean-up costs, so what we are saying in the bill is that if lightning strikes one's oil well and one causes damage he is not going to be liable, but if lightning strikes his oil well and if a spill has to be cleaned up, then he is going to be liable. That seems to me entirely inconsistent, and so my amendment simply extends the exceptions already in the bill for damages to oil spill cleanup costs. In other words, if the cost of the cleaning up of the oil was a result of an act of war or an act of God there is no liability, and liability would fall upon the contingency fund.

In addition we say that the owner or operator of the well must have cooperated and assisted authorities in cleaning up in order to take advantage of this protection. I think it applies to subsection (a) as well as to subsections (b) and (c) this protection, and I would urge support of the amendment.

Mr. STUDDS. Mr. Chairman, I rise in opposition to the gentleman's amendment. Presently, section 308(a) provides for unlimited liability by an owner or operator for any cleanup costs associated with a discharge of oil. The intent of this subsection is to assure that adequate cleanup mechanisms are established by lessees or permittees in advance of their activities so that any spills can be promptly and efficiently removed. It is an incentive to these individuals to obtain the most modern and efficient techniques, and to periodically update and improve these techniques, so they can limit their costs if and when there is a spill.

The gentleman's amendment would provide for defenses to such unlimited cleanup and thereby provide a disincentive to prespill protections. A permittee or lessee could, possibly, not feel the necessity or urgency to establish elaborate cleanup preparations or to promptly act in response to a spill if he believes that he can, through proof of a later defense, escape from any costs.

There is, in fact, no real problem involved in requiring unlimited liability for cleanup costs. This is the law today, as detailed in Interior Department OCS regulations. Through self-insurance, or private insurance, and through voluntary cleanup cooperatives, an owner or operator is able to calculate his expenses and eliminate the possibility of an unfair charge or cost at a later date.

For these reasons, Mr. Chairman, I believe that safety and economy mandate that this amendment be defeated.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, the committee found in its field trips particularly in the Gulf area that industry is fully supportive of this concept. The technology and equipment is available and ready to move to meet the problem of major spills. The committee felt this same philosophy should protect the coasts on the East and the West as well as the Gulf and Alaska.

Mr. STUDDS. I thank the chairman.

Mr. Chairman, the language in the bill does not change current law. Current law and consequently the liability on spills would be changed and reduced if we accepted the amendment offered by the gentleman from Delaware. Therefore I urge defeat of the amendment.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words and I yield to the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman from Massachusetts has totally misstated what we are talking about here. This amendment in no way limits anyone's liability for cleanup costs. It simply says in three specific cases that the loss shall fall where the Lord puts it.

The gentleman says if we adopt this amendment we will have less incentive for having good equipment. What we are talking about is if the United States goes to war and as a result of the U.S. Government getting involved in military conflict a military airplane crashes into the oil well, the gentleman says the rig operator ought to be liable. I think that is rubbish. The U.S. Government ought to be liable.

In addition the gentleman says if an earthquake comes along we want to make sure these rig owners or operators are fully liable for any spill caused by the earthquake. I think that is rubbish, too. We all take the risks for earthquakes.

I do not think that that kind of liability ought to be placed on the rig operator, nor do I agree with the gentleman that the present law puts liability for acts of God and acts of war on oil well operators. I do not know what the gentleman is reading from, but my bet is that under the law today in any court we go into that an act of war is an adequate defense, as is an act of God. I do not think this has anything to do with limiting liability. It simply extends three very normal defenses used everywhere in the law to this particular case.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The question was taken; and on a division (demanded by Mr. DU PONT) there were—ayes 17, noes 39.

So the amendment was rejected.

Mr. MURPHY of New York. Mr. Chairman, I have no further amendments.

The CHAIRMAN. If there are no further amendments to title III, the Clerk will read.

The Clerk read as follows:

TITLE IV—AMENDMENTS TO THE COASTAL ZONE MANAGEMENT ACT OF 1972

AMENDMENTS TO THE COASTAL ZONE MANAGEMENT ACT OF 1972

SEC. 401. The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), is amended as follows:

(1) Section 304 of such Act (16 U.S.C. 1453) is amended by adding at the end thereof the following new subsections:

"(j) 'Outer Continental Shelf energy activity' means exploration for, or the development or production of, oil and gas resources from the outer Continental Shelf, or the location, construction, expansion or operation of any energy facilities made necessary by such exploration or development.

"(k) 'Energy facilities' means new facilities, or additions to existing facilities—

"(1) which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource; or

"(2) which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection and which will serve, impact, or otherwise affect a substantial geographical area or substantial numbers of people.

The term includes, but is not limited to (A) electric generating plants; (B) petroleum refineries and associated facilities; (C) gasification plants; liquefied natural gas storage, transfer, or conversion facilities; and uranium enrichment or nuclear fuel processing facilities; (D) outer Continental Shelf oil and gas exploration, development, and production facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, refining complexes, and any other installation or property that is necessary for such exploration, development, or production; (E) facilities for offshore loading and marine transfer of petroleum; (F) pipelines and transmission facilities; and (G) terminals which are associated with any of the foregoing.

"(l) 'Public facilities and public services' means any services or facilities which are financed, in whole or in part, by State or local government. Such services and facilities include, but are not limited to, highways, secondary roads, parking, mass transit, water supply, waste collection and treatment, schools and education, hospitals and health care, fire and police protection, recreation and culture, other human services, and facilities related thereto, and such governmental services as are necessary to support any increase in population and development.

"(m) 'Local government' means any political subdivision of any coastal State if such subdivision has taxing authority or provides any public service which is financed in whole or part by taxes, and such term includes, but is not limited to, any school district, fire district, transportation authority, and any other special purpose district or authority.

"(n) 'Net adverse impacts' means the consequences of a coastal energy activity which which are determined by the Secretary to be economically or ecologically costly to a State's coastal zone when weighed against the benefits of a coastal energy activity which directly offset such costly consequences according to the criteria as determined in accordance with section 308(c) of this title. Such impacts may include, but are not limited to—

"(1) rapid and significant population changes or economic development requiring expenditures for public facilities and public services which cannot be financed entirely through its usual and reasonable means of generating State and local revenues, or through availability of Federal funds including those authorized by this title;

"(2) unavoidable loss of unique or unusually valuable ecological or recreational resources when such loss cannot be replaced or restored through its usual and reasonable means of generating State and local revenues, or through availability of Federal funds including those authorized by this title.

"(o) 'Coastal energy activity' means any of the following activities if it is carried out in, or has a significant effect on, the coastal zone of any coastal State or coastal States—

"(1) the exploration, development, production, or transportation of oil and gas resources from the outer Continental Shelf and the location, construction, expansion, or operation of supporting equipment and facilities limited to exploratory rigs and vessels; production platforms; subsea completion systems; marine service and supply bases for rigs, drill ships, and supply vessels; pipelines, pipelaying vessels and pipeline terminals, tanks receiving oil or gas from the outer Continental Shelf for temporary storage; vessel loading docks and terminals used for the transportation of oil or gas from the outer Continental Shelf; and other facilities or equipment required for the removal of the foregoing or made necessary by the foregoing when such other facilities or equipment are determined by the coastal state affected to have technical requirements which would make their location, construction, expansion, or operation in the coastal zone unavoidable;

"(2) the location, construction, expansion, or operation of vessel loading docks, terminals, and storage facilities used for the transportation of liquefied natural gas, coal, or oil of conversion or treatment facilities necessarily associated with the processing of liquefied natural gas; or

"(3) the location, construction, expansion, or operation of deepwater ports and directly associated facilities, as defined in the Deepwater Port Act (33 U.S.C. 1501–1524).".

(2) Sections 308 through 315 of such Act (16 U.S.C. 1457 through 1464) are redesignated as sections 310 through 317, respectively.

(3) Such Act is amended by inserting immediately after section 307 the following new subsections:

"COASTAL ENERGY ACTIVITY IMPACT PROGRAM

"SEC. 308. (a) (1) The Secretary shall make a payment for each fiscal year to each coastal state in an amount which bears to the amount appropriated for that fiscal year pursuant to paragraph (6) of this subsection the same ratio as the number representing the average of the following proportions (computed with regard to such state) bears to 100—

"(A) the proportion which the outer Continental Shelf acreage which is adjacent to such state and which is leased by the Federal Government in that year bears to the total outer Continental Shelf acreage which is leased by the Federal Government in that year;

"(B) the proportion which the number of exploration and development wells adjacent to that state which are drilled in that year on outer Continental Shelf acreage leased by the Federal Government bears to the total number of exploration and development wells drilled in that year on outer Continental Shelf acreage leased by the Federal Government;

"(C) the proportion which the volume of oil and natural gas produced in that year from outer Continental Shelf acreage which is adjacent to such state and which is leased by the Federal Government bears to the total volume of oil and natural gas produced in that year from outer Continental Shelf lands under Federal lease in that year;

"(D) the proportion which the volume of oil and natural gas produced from outer Continental Shelf acreage leased by the Federal Government and first landed in such state in that year bears to the total volume of oil and natural gas produced from all outer Continental Shelf acreage leased by the Federal Government and first landed in the United States in that year;

"(E) the proportion which the number of individuals residing in such state in that year who are employed directly in outer Continental Shelf energy activities by outer Continental Shelf lessees and their contractors and subcontractors bears to the total number of individuals residing in all coastal states who are employed directly in outer Continental Shelf energy activities in that year by outer Continental Shelf lessees, and their contractors and subcontractors; and

"(F) the proportion which the onshore capital investment which is made during that year in such state and which is required to directly support outer Continental Shelf energy activities bears to the total of all such onshore capital investment made in all coastal states during that year.

"(2) For purposes of calculating the proportions set forth in paragraph (1) of this subsection, 'the outer Continental Shelf lands which are adjacent to such state' shall be the portion of the outer Continental Shelf lying on that state's side of extended seaward boundaries determined as follows: (A) In the absence of seaward lateral boundaries, or any portion thereof, clearly defined or fixed by interstate compacts, agreements, or judicial decree (if entered into, agreed to, or issued before the effective date of this paragraph), the boundaries shall be that portion of the outer Continental Shelf which would lie on that state's side of lateral marine boundaries as determined by the application of the principles of the Convention on the Territorial Sea and the Contiguous Zone. (B) If seaward lateral boundaries have been clearly defined or fixed by interstate compacts, agreements, or judicial decree (if entered into, agreed to, or issued before the effective date of this paragraph), such boundaries shall be extended on the basis of the principles of delimitation used to establish them.

"(3) The Secretary shall have the responsibility for the compilation, evaluation, and calculation of all relevant data required to determine the amount of the payments authorized by this subsection and shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, set forth the method by which collection and evaluation of such data shall be made. In compiling and evaluating such data, the Secretary may require the assistance of any relevant Federal or State agency. In calculating the proportions set forth in paragraph (1) of this subsection, payments made for any fiscal year shall be based on data from the immediately preceding fiscal year, and data from the transitional quarter beginning July 1, 1976, and ending September 30, 1976, shall be included in the data from the fiscal year ending June 30, 1976.

"(4) Each coastal state receiving payments under this subsection shall use the moneys for the following purposes and in the following order of priority:

"(A) The retirement of state and local bonds, if any, which are guaranteed under section 309 of this title which were issued for projects or programs designed to provide revenues which are to be used to provide public services and public facilities which are made necessary by outer Continental Shelf energy activity; except that, if the amount of such payments is insufficient to retire both state and local bonds, priority shall be given to retiring local bonds.

"(B) The study of, planning for, development of, and the carrying out of projects or programs which are designed to provide new or additional public facilities or public services required as a direct result of outer Continental Shelf energy activity.

"(C) The reduction or amelioration of any unavoidable loss of unique or unusually valuable ecological or recreational resources resulting from outer Continental Shelf activity.

"(5) It shall be the responsibility of the Secretary to determine annually if such coastal state has expended or committed funds in accordance with the purposes authorized herein by utilizing procedures pursuant to section 312 of this title. The United States shall be entitled to recover from any coastal state that portion of any payment received by such state under this subsection which—

"(A) is not expended by such state before the close of the fiscal year immediately following the fiscal year in which the payment was disbursed, or

"(B) is expended or committed by such state for any purposes other than a purpose set forth in paragraph (4) of this subsection.

"(6) For purposes of this subsection, there are hereby authorized to be appropriated funds not to exceed $50,000,000 for the fiscal year ending September 30, 1977; $50,000,000 for the fiscal year ending September 30, 1978; $75,000,000 for the fiscal year ending September 30, 1979; $100,000,000 for the fiscal year ending September 30, 1980; and $125,000,000 for the fiscal year ending September 30, 1981.

"(7) It is the intent of Congress that each state receiving payments under this subsection shall, to the maximum extent practicable, allocate all or a portion of such payments to local governments thereof and that such allocation shall be on a basis which is proportional to the extent to which local governments require assistance for purposes as provided in paragraph (4) of this subsection. In addition, any coastal state may, for the purposes of carrying out the provisions of this subsection and with the approval of the Secretary, allocate all or a portion of any grant received under this subsection to (A) any areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, (B) any regional agency, or (C) any interstate agency. No provision in this subsection shall relieve any state of the responsibility for insuring that any funds allocated to any local government or other agency shall be applied in furtherence of the purposes of this subsection.

"(b) (1) The Secretary may make grants to any coastal state if he determines that such state's coastal zone is being, or is likely to be, impacted by the location, construction, expansion, or operation of energy facilities in, or which significantly affect its coastal zone. Such grants shall be for the purpose of enabling such coastal state to study and plan for the economic, social, and environmental consequences which are resulting or are likely to result in its coastal zone from such energy facilities. The amount of any such grant may equal up to 80 per centum of the cost of such study or plan, to the extent of available funds.

"(2) The Secretary may make grants to any coastal state if he is satisfied, pursuant to regulations and criteria to be promulgated according to subsection (c) of this section, that such state's coastal zone has suffered, or will suffer, net adverse impacts from any coastal energy activity. Such grants shall be used for, and may equal up to 80 per centum of the cost of carrying out projects, programs, or other purposes which are designed to reduce or ameliorate any net adverse impacts resulting from coastal energy activity.

"(c) Within one hundred and eighty days after the effective date of this section, the Secretary shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant eligibility under subsection (b) of this section. Such regulations shall—

"(1) include appropriate criteria for determining the amount of a grant and the general range of studying and planning activities for which grants will be provided under subsection (b) (1) of this section;

"(2) specify the means and criteria by which the Secretary shall determine whether a state's coastal zone has, or will suffer, net adverse impacts;

"(3) include criteria for calculating the amount of a grant under subsection (b) (2) of this section, which criteria shall include consideration of—

"(A) offsetting benefits to the state's coastal zone or a political subdivision thereof, including but not limited to, increased revenues;

"(B) the state's overall efforts to reduce or ameliorate net adverse impacts, including but not limited to, the state's effort to insure that persons whose coastal energy activity is directly responsible for net adverse impacts in the state's coastal zone are required, to the maximum extent practicable, to reduce or ameliorate such net adverse impacts;

"(C) the state's consideration of alternative sites for the coastal energy activity which would minimize net adverse impacts; and

"(D) the availability of Federal funds pursuant to other statutes, regulations, and programs, and under subsection (a) of this section, which may be used in whole or in part to reduce or ameliorate net adverse impacts of coastal energy activity;

In developing regulations under this section, the Secretary shall consult with the appropriate Federal agencies, which upon request, shall assist the Secretary in the formulation of the regulations under this subsection on a nonreimbursable basis; with representatives of appropriate state and local governments; with commercial, industrial, and environmental organizations; with public and private groups; and with any other appropriate organizations and persons with knowledge or concerns regarding adverse impacts and benefits that may affect the coastal zone.

"(d) All funds appropriated to carry out the purposes of subsection (b) of this section shall be deposited in a fund which shall be known as the Coastal Energy Activity Impact Fund. The fund shall be administered and used by the Secretary as a revolving fund for carrying out such purposes. General expenses of administering this section may be charged to the fund. Moneys in the fund may be deposited in interest-bearing accounts or invested in bonds or other obligations which are guaranteed as to principal and interest to the United States.

"(e) There are hereby authorized to be appropriated to the Coastal Energy Activity Impact Fund such sums not to exceed $125,000,000 for the fiscal year ending September 30, 1977, and for each of the next four succeeding fiscal years, as may be necessary, which shall remain available until expended.

"(f) It is the intent of Congress that each state receiving any grant under paragraph (1) or (2) of subsection (c) of this section shall, to the maximum extent practicable, allocate all or a portion of such grant to any local government thereof which has suffered or may suffer net adverse impacts resulting from coastal energy activities and such allocation shall be on a basis which is proportional to the extent of such net adverse impact. In addition, any coastal state may, for the purpose of carrying out the provisions of subsection (c) of this section, with the approval of the Secretary, allocate all or a portion of any grant received to (1) any areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, (2) any regional agency, or (3) any interstate agency. No provision in subsection (b) of this section shall relieve a state of the responsibility for insuring that any funds so allocated to any local government or any other agency shall be applied in furtherance of the purposes of such subsection.

"(g) No coastal state is eligible to receive any payment under subsection (a) of this section, or any grant under subsection (b) of this section unless such state—

"(1) is receiving a program development grant under section 305 of this title, or is making satisfactory progress, as determined by the Secretary, toward the development of a coastal zone management program, or has such a program approved pursuant to section 306 of this title; and

"(2) has demonstrated to the satisfaction of, and has provided adequate assurances to, the Secretary that the proceeds of any such payment or grant will be used in a manner consistent with the coastal zone management program being developed by it, or with its approved program, consistent with the goals and objectives of this title.

"STATE AND LOCAL GOVERNMENT BOND GUARANTEES

"SEC. 309. (a) The Secretary is authorized, in accordance with such rules as he shall prescribe, to make commitments to guarantee and to guarantee the payment of interest on and the principal balance of bonds or other evidences of indebtedness issued by a coastal state or unit of general purpose local government for the purposes specified in subsection (b) of this section.

"(b) A bond or other evidence of indebtedness may be guaranteed under this section only if it is issued by a coastal state or unit of general purpose local government for the purpose of obtaining revenues which are to be used to provide public services and public facilities which are made necessary by outer Continental Shelf energy activities.

"(c) Bonds or other evidences of indebtedness guaranteed under this section shall be guaranteed on such terms and conditions as the Secretary shall prescribe, except that—

"(1) no guarantee shall be made unless the Secretary determines that the issuer of the evidence of indebtedness would not be able to borrow sufficient revenues on reasonable terms and conditions without the guarantee;

"(2) the guarantees shall provide for complete amortization of the indebtedness within a period not to exceed thirty years;

"(3) the aggregate principal amount of the obligations which may be guaranteed under this section on behalf of a coastal state or a unit of general purpose local government and outstanding at any one time may not exceed $20,000,000;

"(4) the aggregate principal amount of all the obligations which may be guaranteed under this section and outstanding at any one time may not exceed $200,000,000;

"(5) no guarantee shall be made unless the Secretary determines that the bonds or other evidences of indebtedness will—

"(A) be issued only to investors approved by, or meeting requirements prescribed by, the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

"(B) bear interest at a rate satisfactory to the Secretary;

"(C) contain or be subject to repayment, maturity, and other provisions satisfactory to the Secretary; and

"(D) contain or be subject to provisions with respect to the protection of the security interest of the United States;

"(6) the approval of the Secretary of the Treasury shall be required with respect to any guarantee made under this section, except that the Secretary of the Treasury may waive this requirement with respect to the issuing of any such obligation when he determines that such issuing does not have a significant impact on the market for Federal Government and Federal Government-guaranteed securities;

"(7) the Secretary determines that there is reasonable assurance that the issuer of the evidence of indebtedness will be able to make the payments of the principal of and interest on such evidence of indebtedness; and

"(8) no guarantee shall be made after September 30, 1981.

"(d)(1) Prior to the time when the first bond or other evidence of indebtedness is guaranteed under this section, the Secretary shall publish in the Federal Register a list of the proposed terms and conditions under which bonds and other evidences of indebtedness will be guaranteed under this section. For at least thirty days following such publication, the Secretary shall receive, and give consideration to, comments from the public concerning such terms and conditions. Following this period, the Secretary shall publish in the Federal Register a final list of the conditions under which bonds and other evidences of indebtedness will be guaranteed under this section. The initial guarantee made under this section may not be conducted until thirty days after the final list of terms and conditions is published.

"(2) Prior to making any amendment to such final list of terms and conditions, the Secretary shall publish such amendment in the Federal Register and receive, and give consideration to, comments from the public for at least thirty days following such publication. Following this period, the Secretary shall publish in the Federal Register the final form of the amendment, and such amendment shall not become effective until thirty days after this publication.

"(e) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to principal, interest, and any redemption premiums. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligation involved for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation.

"(f) The Secretary shall prescribe and collect a fee in connection with guarantees made under this section. This fee may not exceed the amount which the Secretary estimates to be necessary to cover the administrative costs of carrying out this section. Fees collected under this subsection shall be deposited in the revolving fund established under subsection (i).

"(g) With respect to any obligation guaranteed under this section, the interest payment paid on such obligation and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

"(h)(1) Payments required to be made as a result of any guarantee made under this section shall be made by the Secretary from funds which may be appropriated to the revolving fund established by subsection (i) or from funds obtained from the Secretary of the Treasury and deposited in such revolving fund pursuant to subsection (i)(2).

"(2) If there is a default by a coastal state or unit of general purpose local government in any payment of principal or interest due under a bond or other evidence of indebtedness guaranteed by the Secretary under this section, any holder of such bond or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, after investigating the facts presented by the holder, shall pay to the holder the amount which is due him, unless the Secretary finds that there was no default by the coastal state or unit of general purpose local government or that such default has been remedied. If the Secretary makes a payment under this paragraph, the United States shall have a right of reimbursement against the coastal state or unit of general purpose local government for which the payment was made for the amount of such payment plus interest at the prevailing current rate as determined by the Secretary. If any revenue becomes due to such coastal state or unit of general purpose local government under section 308(a) of this title, the Secretary shall, in lieu of paying such coastal state or unit of general purpose local government such revenue, deposit such revenue in the revolving fund established under subsection (i) until the right of reimbursement has been satisfied.

"(3) The Attorney General shall, upon request of the Secretary, take such action as may be appropriate to enforce any right accruing to the United States as a result of the issuance of any guarantee under this section. Any sum recovered pursuant to this paragraph shall be paid into the revolving fund established by subsection (i).

"(i)(1) The Secretary shall establish a revolving fund to provide for the timely payment of any liability incurred as a result of guarantees made under this section, for the payment of costs of administering this section, and for the payment of obligations issued to the Secretary of the Treasury under paragraph (2) of this subsection. This revolving fund shall be comprised of—

"(A) receipts from fees collected under this section;

"(B) recoveries under security, subrogation, and other rights;

"(C) reimbursements, interest income, and any other receipts obtained in connection with guarantees made under the section;

"(D) proceeds of the obligations issued to the Secretary of the Treasury pursuant to paragraph (2) of this subsection; and

"(E) such sums as may be appropriated to carry out the provisions of this section.

Funds in the revolving fund not currently needed for the purpose of this section shall be kept on deposit or invested in obligations of the United States or guaranteed thereby or in obligations, participations, or other instruments which are lawful investments for fiduciary, trust, or public funds.

"(2) The Secretary may, for the purpose of carrying out the functions of this section, issue obligations to the Secretary of the Treasury only to such extent or in such amounts as may be provided in appropriation Acts. The obligations issued under this paragraph shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury shall purchase any obligation so issued, and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any security issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include purchases of the obligations hereunder. Proceeds obtained by the Secretary from the issuance of obligations under this paragraph shall be deposited in the revolving fund established in paragraph (1).

"(3) There are authorized to be appropriated to the revolving fund such sums as may be necessary to carry out the provisions of this section.

"(4) Funds may be obligated for purposes stated in subsection (i) only to the extent provided in appropriations Acts.

"(j) No bond or other evidence of indebtedness shall be guaranteed under this section unless the issuer of the evidence of indebtedness and the person holding the note with respect to such evidence of indebtedness permit the General Accounting Office to audit, under rules prescribed by the Comptroller General of the United States, all financial transactions of such issuer and holder which relate to such evidence of indebtedness. The representatives of the General Accounting Office shall have access to all books, accounts, reports, files, and other records of such issuer and such holder insofar as any such record pertains to financial transactions relating to the evidence of indebtedness guaranteed under this section.

"(k) For purposes of this section, the term 'unit of general purpose local government' shall mean any city, county, town, township, parish, village, or other general purpose political subdivision of a coastal state, if such general purpose political subdivision possesses taxing powers and has responsibility for providing public facilities or public services to the community, as determined by the Secretary.

"(l) Notwithstanding any other provision of this section, the authority to make guarantees or commitments to guarantee under this section shall be effective only to the extent provided in appropriations Acts enacted after the date of enactment of this section.".

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: Page 151, strike out line 16 and all that follows down through and including line 2 on page 175.

Renumber the succeeding title, all sections therein, and all references thereto accordingly.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, on Monday, the President will sign the Coastal Zone Management Act Amendments of 1976. This was a product of many, many months of deliberation on the part of the House and the Senate in trying to codify the coastal zone amendments to protect the coastal areas.

Mr. Chairman, title IV of H.R. 6218 is the coastal activity impact program which was originally contained in H.R. 3981, the Coastal Zone Management Act Amendments of 1976. As you know, that bill was passed by the House on March 11 and the final version which emerged from the conference committee was approved by this body on June 30 by a 391 to 14 margin.

Our conference committee on S. 586, the coastal zone management amendments, was conducted in close coordination with the administration. After the initial threat of a veto, we were able to reach accommodation with the Office of Management and Budget and the Department of Commerce regarding the structure and scope of the impact fund. Within the next few days, the President will sign the bill, and S. 586 will become law. Consequently, the retention of an impact fund in this OCS bill is unnecessary and duplicative. Therefore, my amendment would delete title IV from the bill.

In addition to the fact that the coastal energy impact fund is about to become law in another piece of legislation, there are a number of other reasons which support my amendment to delete.

Although the integrity of the House version of the impact fund was essentially maintained in the conference report, there were some aspects of that section which were altered at the request of the administration—to insure a Presidential signature. The dimensions of the House impact fund to which the administration strenuously objected remain, of course, in this OCS bill. If we were to pass H.R. 6218 with the House version of the fund in it, I have every reason to believe that this would be a sufficient reason for OMB to recommend a veto.

Therefore, we should give the coastal zone management impact fund—the one on which the House, the Senate, and the administration all agreed—time to work. If, for some reason, the fund does not work adequately to aid affected coastal States, the Congress can always amend it.

I would also like to point out that S. 521, the Senate's OCS bill, contains an impact fund—the same one which was in the Senate's original coastal zone management legislation. Now this means that the concept of an impact fund is still a proper subject for consideration by the conference committee which will be convened to reconcile the differences between the House and Senate OCS bills.

But, if the House retains its title IV in H.R. 6218, the conferees will be limited to including an impact fund which is somewhere between the versions of the two bodies. Only if we remove our impact fund can the conference committee have the flexibility to deal with the question of Federal aid for OCS impacts in a reasonable manner. If, for example, the conferees were to conclude that the coastal energy impact fund in S. 586 is adequate to compensate coastal States for the negative effects of OCS development, they should have the discretion to fashion H.R. 6218 accordingly. However, if we retain the impact fund here, the conferees could be judged to exceed their scope if they remove some type of fund from the OCS bill.

Additionally, there is some question about the germaneness of title IV—given the fact that it is an amendment to the Coastal Zone Management Act and not the Outer Continental Shelf Lands Act. I think it is imperative that we avoid any possible parliamentary problems in the consideration of this important legislation.

In summary then:

Because the Congress worked for more than 18 months on the Coastal Zone Management Act amendments and, in cooperation with the administration, fashioned a $1.2 billion impact fund which was satisfactory to all parties concerned and overwhelmingly approved by both the House and Senate;

Because the impact fund in the coastal zone management bill, which will be signed into law within a few days, should be given time to work before any further congressional modifications are made;

Because certain provisions in title IV are clearly unacceptable to the administration and could lead to a veto of the entire OCS bill; and

Because the inclusion of title IV may raise certain parliamentary problems for consideration of the bill now and for the conference committee with the Senate,

I urge my colleagues to support this amendment to delete.

Mr. HUGHES. Mr. Chairman, I move to strike the requisite number of words.

I wonder if the chairman would tell me. The gentleman has apparently received assurances that the President is going to sign the coastal zone bill on Monday?

Mr. MURPHY of New York. Mr. Chairman, he sent me an invitation for the bill-signing.

Mr. HUGHES. Well, it would not be the first time the President has changed his mind on bill-signing over a weekend.

Let me ask this for those not familiar with the impact aid section. The provisions of the coastal zone management bill parallel amost entirely, do they not, the impact provisions in the OCS bill.

Mr. MURPHY of New York. They were very similar. There had to be some changes made in the conference, but I would assure the gentleman that the House version of the coastal zone bill was as close to the wire as a bill can be and still get approval from the administration.

Mr. HUGHES. Mr. Chairman, I thank the gentleman.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I would be happy to yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, on the part of the minority, it was hoped during the committee markup, that we could live with the work produced in coastal zone management conference and substitute that for what was before us at the time. We are very happy this situation has worked out so well, and we accept the amendment.

Mr. HUGHES. Mr. Chairman, I am happy with it that way, as long as the President is going to sign it. It is an important aspect of the bill—and absolutely essential for a coastal State like New Jersey.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

The CHAIRMAN. The Clerk read title V.

The Clerk read as follows:

TITLE V—MISCELLANEOUS PROVISIONS

REVIEW OF SHUT-IN OR FLARING WELLS

SEC. 501. (a) In a report submitted within six months after the date of enactment of this Act, and in his annual report thereafter, the Secretary shall list all shut-in oil and gas wells and wells flaring natural gas on leases issued under the Outer Continental Shelf Lands Act. Each such report shall be submitted to the Comptroller General and shall indicate why each well is shut-in or flaring natural gas, and whether the Secretary intends to require production on such a shut-in well or order cessation flaring.

(b) Within six months after receipt of the Secretary's report, the Comptroller General shall review and evaluate the methodology used by the Secretary in allowing the wells to be shut-in or to flare natural gas and submit his findings and recommendations to the Congress.

REVIEW AND REVISION OF ROYALTY PAYMENTS

SEC. 502. As soon as feasible and no later than ninety days after the date of enactment of this Act, and annually thereafter, the Secretary of the Interior shall submit a report or reports to the Congress describing the extent, during the two-year period preceding such report, of deliquent royalty accounts under leases issued under any Act which regulates the development of oil and gas on Federal lands, and what new auditing, post-auditing, and accounting procedures have been adopted to assure accurate and timely payment of royalties and net profit shares. Such report or reports shall include any recommendations for corrective action which the Secretary of the Interior determines to be appropriate.

NATURAL GAS DISTRIBUTION

SEC. 503. The Federal Power Commission shall, pursuant to its authority under section 7 of the Natural Gas Act, permit any natural gas distributing company which engages, directly or indirectly, in development and production of natural gas from the Outer Continental Shelf to transport to its service area for distribution any natural gas obtained by such natural gas distributing company from such development and production. For purposes of this section, the term "natural gas distributing company" means any person (1) engaged in the distribution of natural gas at retail, and (2) regulated or operated as a public utility by a State or local government.

RELATIONSHIP TO EXISTING LAW

SEC. 504. Except as otherwise expressly provided in this Act, nothing in this Act shall be construed to amend, modify, or repeal any provision of the Coastal Zone Management Act of 1972, the National Environmental Policy Act of 1969, the Mining and Mineral Policy Act of 1970, or any other Act.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUGHES: On page 177, after line 2, add the following new section:

"RULE AND REGULATION REVIEW

"SEC. 505 (a) Any rule or regulation issued under authority of this Act after the date of enactment of this section may by resolution of either House of Congress be disapproved, in whole or in part, if such resolution of disapproval is adopted not later than the end of the first period of 60 calendar days when Congress is in session (whether or not continuous) which period begins on the date such rule or regulation is finally adopted by the Department or agency adopting same. The Department or agency adopting any such rule or regulation shall transmit such rule or regulation to each House of Congress immediately upon its final adoption. Upon adoption of such a resolution of disapproval by either House of Congress, such rule or regulation, or part thereof, as the case may be, shall cease to be in effect.

"(b) Congressional inaction on or rejection of a resolution shall not be deemed an expression of approval of such rule."

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, I am not going to take the full 5 minutes because the amendment is a very simple one. It is something that has been offered on the other side of the aisle by the gentleman from California (Mr. KETCHUM). It has been offered at times by the gentleman from Georgia (Mr. LEVITAS) on our side of the aisle.

It merely requires the Department of the Interior, to submit all rules and regulations promulgated under this act to the Congress for review for a period of 60 days.

It will force our committees to do the kind of oversight that we should on legislation. I do not know how many times I have heard the argument made that after we have sent a bill to some agency or department the rules and regulations impede or frustrate the intent of the legislation. This amendment is going to move to Congress to do some of the oversight we have neglected to do for so many years.

I urge my colleagues to support the amendment and I yield back the balance of my time.

Mr. ECKHARDT. Mr. Chairman, I wish to speak against the amendment.

Mr. Chairman, this is again an attempt to place in this specific legislation what seems to me to be one of the most mischievous approaches that has ever been devised. The rules of the agencies, if they may be reviewed politically before Congress, will not be reviewed and stopped or contested by citizens and individuals for whom they are drafted, but we will be called upon to make a political review in favor of the interest which is regulated.

In every instance, this gives a second bite at the apple by the regulated party, not in the public interest. When we have these matters come back to us for review, it is supposed that we are going to do something about them. However, I just filed today a resolution of disapproval of the FEA action. There is not time to consider that in any detail. This type of procedure is the worst procedure we could possibly engage in.

We will put ourselves in the position of second judging and being a second court of appeal for every public interest in the country when that special interest does not want a rule to go into effect. This type of process does not afford additional strength to Congress. It simply invites Congress to permit a review, a second bite at the apple, with respect to such interests that want an appeal to this body. It will come back to haunt us. We will be called upon to review almost every rule in Congress.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Texas. I also would point out that this does not make any distinction between normal housekeeping rules and rules of a more substantive nature.

It is mischievous, and it would cause confusion and chaos. It implies a congressional approval when Congress had not the time to act. Having functioned in an oversight capacity as the chairman of subcommittees now for 22 years, I can say from my experience that nothing would lend respect to the credibility for the kind of work the Congress should do than this apparent approval process which, in fact, would only delay it.

I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the distinguished gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I wish to join in the gentleman's remarks. They are absolutely appropriate.

The Committee on the Judiciary, in a bit of absence of mind I can only conceive, has reported out a bill, which hopefully will never come to the floor, to provide this kind of review for every single agency, on the excuse that the House is not now doing an effective oversight job.

I have written a dissenting opinion, and in the course of it I found out that there were over 15,000 agency legislative rules last year, which would mean that the House would have to double its staff in order to cope with the avalanche of regulations we would review.

If we think we are not even doing an adequate oversight job, how on earth could we possibly review this enormous volume of regulation?

The purpose of establishing administrative agencies and delegating quasi-legislative powers is to dispense with the House getting into detailed nitty-gritty. And yet this amendment would put us in the opposilte posture. I think it must be defeated if we are to do our job of legislating effectively.

Mr. ECKHARDT. I fully agree with the gentleman. But I think if we want to proceed in this way, we ought to do it properly.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to rise in support of this amendment. I have offered this amendment to a number of authorizing bills. It has been accepted after great argument. The initial argument was over 2½ hours on this floor. It was adopted because I believe that the Members of this House have finally responded to their constituents' constant complaints about over-regulation.

The amendment offered by my colleague, the gentleman from New Jersey (Mr. Hughes) differs from mine only in a minute way, and that is that it does not necessarily mean that if a regulation has passed the 60-day period that every Member necessarily agrees with it. That is the only difference between this amendment and the amendment that I have proposed, which will be coming up next.

Again, this amendment has been attached to every authorizing bill this year. It has been approved in every case. I ask for any aye vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Hughes).

The question was taken; and on a division (demanded by Mr. Eckhardt) there were—ayes 59, noes 14.

So the amendment was agreed to.

AMENDMENT OFFERED BY MRS. BURKE OF CALIFORNIA

Mrs. BURKE of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. Burke of California: On page 176, line 19, insert a new section 504, and renumber succeeding sections accordingly:

"Sec. 504. Each agency or department given responsibility for the promulgation or enforcement of regulations under this Act or the Outer Continental Shelf Lands Act, shall take such affirmative action as deemed necessary to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving or participating in any activity, sale or employment, conducted pursuant to the provisions of this Act or the Outer Continental Shelf Lands Act. The agency or department shall promulgate such rules as it deems necessary to carry out the purposes of this section, and any rules promulgated under this section, through agency and department provisions and rules which shall be similar to those established and in effect under Title VI of the Civil Rights Amendments of 1964."

Mrs. BURKE of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. BURKE of California. Mr. Chairman, I would like to outline the intended scope and purpose of the equal employment opportunity amendment which I am offering to H.R. 6218, the Outer Continental Shelf Lands Act Amendments of 1976. This amendment is similar to that which I offered to the Trans-Alaskan Pipeline Act in 1973, at a time when I was a member of the House Interior Committee.

The genesis of this latter provision was a letter I received from a minority contractor in Seattle, Wash., who asked whether any provisions had been made to secure the right of minority contractors and minorities generally to participate in the construction of the Alaskan pipeline. After examining this issue more closely, I discovered that our affirmative action programs designed to assure equal employment and contracting opportunity in construction work applied only where there was a Government contract or a "federally assisted construction contract."

As interpreted by the House Legislative Counsel's Office, this would not include the situation on the Outer Continental Shelf where there is a Federal permit to operate on public lands. Therefore, it could be argued that our Government's equal employment opportunity policies would not apply. It is to assure that construction projects under this bill be subject to these policies, to the maximum extent possible, that I offer this amendment at this time.

Under my amendment, the Secretary of the Interior must take such affirmative action as he deems necessary to achieve the promotion and insuring of equal opportunities for all persons, without regard to race, sex, creed, color, or national origin in all activities associated with exploration, leasing, development, production and other activities related to development of Outer Continental Shelf mineral resources. This includes, but is not limited to, employment, bidding and awarding of contracts and subcontracts to minority business enterprises to the maximum practicable extent.

The term "Affirmative action" is intended to include the provisions under Executive Order 11246, and the policies, rules, regulations and orders of the various Federal departments and agencies. This includes, but is not limited to, those relating to equal opportunity in Federal employment with Government contractors or with contractors performing under federally assisted construction contracts. It also includes Federal policy and regulations pertaining to Federal procurement programs, including, but not limited to, Federal procurement regulations relating to utilization of minority business enterprises.

For those who argue that an affirmative action amendment is unnecessary, I would like to remind my colleagues of the experience of the Alyeska Pipeline Service Co., builders of the Trans-Alaskan oil pipeline. As late as September 1974, 1 year after passage of the Trans-Alaska Pipeline Act, the company was still dragging its feet on implementation of an affirmative action program. In the meantime, millions of dollars in contracts were being let each day. It was only after considerable effort by such organizations as the National Association of Black Manufacturers, the Latin American Manufacturers Association, the Federation of Alaskan Natives, and the National Association of Minority Contractors that we were able to turn the tide in the contracting process.

Without legislation to support our work, it is unlikely that we would have achieved the success we have. As a result of my amendment, 415 minority and female-owned firms have been awarded a total of $312 million in contracts and purchase orders. This is more than twice the goal of $155 million in awards which was set by Alyeska. The experience with the Trans-Alaskan oil pipeline has proved that there are many qualified minority enterprises which can bid competitively in the business world when given the opportunity. Adoption of a similar amendment to the OCS bill will help further efforts to broaden competition in a vital industry.

Since, under the OCS bill, the Secretary of the Interior would be directly involved in various aspects of the OCS leasing program, and since this Department has successfully developed and implemented affirmative action programs, it is my belief that the Secretary should be vested with the responsibility to develop, implement and enforce this portion of the legislation through appropriate policies, rules, and regulations.

The language in the amendment makes clear the fact that the Secretary of the Interior shall adopt substantially similar enforcement rules as appear in the various enforcement provisions and rules of agencies and departments relating to title VI of the Civil Rights Act of 1964, including but not limited to those relating to contract compliance. Thus, in developing appropriate sanctions and penalties for noncompliance with the Secretary's affirmative action program and attendant rules and regulations, the Secretary shall be guided by the range and nature of the sanction and penalty provisions applicable under title VI of the Civil Rights Act of 1964.

Mr. Chairman, as further evidence of the need for my amendment, I would like to relate briefly the experience of a small minority firm called California Energy Systems. This firm was in the business of building rigs and conducting other construction activities relating to offshore development of mineral resources. For a year, it struggled for contracts from the large oil companies like Exxon, Standard Oil, and British Petroleum. Regardless of proven successes in actual construction, the firm failed even to get a hearing. The Federal Government also turned a deaf ear. As a result, the firm folded this year.

It is to prevent situations like this from recurring, and to promote opportunities for minority and female-owned business enterprises to become full beneficiaries of the economic promise of our Nation that I urge my colleagues to support my amendment. If minorities are precluded from being participants from ground zero in economic projects like OCS development which promise to have great impact on our economy, the economic recovery we seek will continue to be just a dream. In supporting this amendment, we are reaffirming our commitment to a policy of nondiscrimination and to the American Dream that all Americans, without regard to race, creed, color, national origin, or sex can enjoy and participate equally in the benefits offered by our country.

Mr. FISH. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, we on the minority side are very happy to accept the gentlewoman's amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the majority accepts the amendment. We are very happy that the gentlewoman brought this to the attention of the full House.

Mrs. BURKE of California. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Mrs. Burke).

The amendment was agreed to.

Mr. BAUMAN. Mr. Chairman, I have waited until now to speak on H.R. 6218 quite frankly because I wished to see the final form which this important legislation would take. Although I find much in this bill as amended and reamended that is objectionable, on balance I find that I must support it.

This bill is the product of a unique and historic situation. Using a new rule enacted at the beginning of the present Congress, the Speaker referred H.R. 6218 to a special ad hoc committee composed of members from the three committees of the House which would normally have jurisdiction over the subject matter of the bill. It has been my honor to serve as a member of the Ad Hoc Committee on the Outer Continental Shelf by appointment of the Speaker and the minority leader and I want to commend the work done by all the membership and the staff.

I am well aware that the bill contains provisions which by many are viewed as unwarranted. I believe that the bill on the whole is compatible with the urgent need to increase our domestic supplies of gas and oil. It avoids the most serious threat to such production since the bill excludes Federal governmental exploration and production of oil, a proposal which I did not and cannot support.

I do object to the fact that the safety provisions of the bill were not corrected by the amendment offered by the gentleman from Delaware (Mr. du Pont). Many of the procedures provided by the bill are cumbersome and complicated. Hopefully, the conference of the two Houses will be able to smooth out many of these rough edges.

Mr. Chairman, what does commend this legislation to me as a Representative of a coastal area are the new and much needed safeguards which will protect the environmental concerns of my area. Important new language in the bill creates a strong voice for the coastal States which will be affected by offshore development of oil and gas. In many past instances the coastal States have been ignored by the Federal Government in its oil leasing policies and this bill gives the States the power to make their views known through regional advisory boards and by requiring State participation at various points prior to actual oil production. Equally important is the oil spill provision which establishes liability standards and also permits States such as Maryland to also impose their own authority over oil spills.

Mr. Chairman, none of us wants to impede the increase of much needed energy supplies in this great Nation. But no one could represent a magnificent area such as the Chesapeake Bay and the Ocean City-Assateague Island coastline as I do, and not realize there is also a need to preserve what we already have. I believe, despite its short comings, this bill will meet both of these needs.

I urge the passage of the bill.

Mr. DINGELL. Mr. Chairman, the existing Outer Continental Shelf Lands Act already provides for alternative bases for leasing of Federal offshore lands. That act permits leasing based upon a fixed royalty, established by the Department of the Interior, and a cash bonus bid; or leasing based upon a fixed cash bonus, established by the Department of the Interior, and a royalty bid. To date, however, only a portion of a single lease sale has been conducted on the basis of royalty bidding.

It is important that we consider some of the substantive reasons for utilizing leasing systems in addition to the bonus bid system. Cash bonus bidding requires the expenditures of large amounts of capital in order to purchase exploration and development rights on the Outer Continental Shelf. These large front end expenditures are necessary because of the high potential value of the tracts leased. This capital outflow can retard development of needed energy resources. I believe our national energy policy is better served by investment of those dollars, which would have been paid to the U.S. Government in the form of a cash bonus, in actual exploration and development efforts. At the very time at which the Congress is considering proposals to provide Federal assistance for the financing of the expansion of our domestic energy production, it is inconsistent that we continue a capital drain on that very industry. While alternative bidding systems would throw more of the risk of failure to discover commercial reserves of oil and natural gas upon the Federal Government, this risk is no different from the financial risks shouldered by the Federal Government under the variety of loan guarantee and other financial assistance proposals now under consideration by the Congress.

Some critics of alternative leasing systems speculate regarding projected revenue impacts of alternative bidding systems. In my view, it is immaterial whether the Treasury receives less lease revenues under alternative bidding systems. If these systems remove significant barriers to entry and increased competition results from expanded participation in oil and natural gas exploration and development by more firms, the benefits of lower prices to be enjoyed by the consumer-taxpayers of the Nation more than offset the possibility of lost revenues to the Treasury.

It is clear to me that the 20-year history of the OCS leasing demonstrates that merely providing the authority to utilize leasing methods alternative to the over-relied-upon bonus bid system will not suffice if it is the intent of the Congress that these alternative leasing methods are actually utilized in the future. It is clear that the Department of the Interior is committed to a leasing program based almost exclusively upon the bonus bid system. The scheduling of past lease sales also reveals the strong interest of the executive branch in utilizing OCS bonus bid revenues to offset or minimize Federal budgetary deficits. Simply stated, the inertia of the present system will not be overcome by merely providing the authority to utilize alternative leasing methods, the benefits of which can only be realized in the long term.

For that reason, I support Congressman Miller's amendment. I believe the Congress must require the Secretary of the Interior to offer a specific portion of each lease sale in the frontier areas on a bidding basis other than the traditional bonus bidding system. I am confident that such a requirement will dislodge the traditional bonus bid system from its preferred position and will result in increasing utilization of alternative systems. I do not think that the Congress should, at this time, otherwise restrict the discretion of the Secretary of the Interior in any manner. For that reason, I do not believe it is necessary that the Secretary be instructed to actually award a specific proportion of leases on a basis of other than that of bonus bids. Nor do I believe it is necessary that the Secretary be instructed to accept a specific portion of the bids which are made on a basis other than the bonus bidding system. I believe we can trust the Secretary of the Interior to carry out the congressional intent and to conduct good faith experiments with alternative leasing methods, with a view toward a reform of Federal leasing practices over time.

While alternative leasing systems are not without their problems, these problems are not insoluable. A range of administrative measures can be developed to overcome them. For that reason, I support this amendment which provides the minimum stimulus necessary to remove the inertia which surrounds our present over-reliance upon bonus bidding. It is my hope that adoption of this amendment and its enactment into law will result in expanded use of alternative leasing methods so as to increase participation on OCS exploration and development by small businesses and independent producers. Competition, consumers, and the Nation will benefit.

Mr. ALEXANDER. Mr. Chairman, as a Member of the House who believes that our oceans are a potenital key source for both the food and energy needs of future generations, I would like to share with my colleagues a recent editorial from the Indianapolis Star regarding the upcoming United Nations Law of the Sea Conference. The editorial discusses the importance of this particular session of the Law of the Sea Conference in view of the upcoming Presidential election. I commend this editorial to my colleagues:

[From the Indianapolis Star, July 16, 1976]

HARVESTING THE SEA'S RICHES

(By Holmes Alexander)

WASHINGTON.—Next month while the Republican Convention in Kansas City is picking its candidates, the United Nations Law of the Sea convention will be meeting in New York City to complete a treaty of immense significance to the incoming president.

The Sea Law of 1977 and the U.S. president of 1977 have a converging destiny. The magnitude of the seabed wealth in industrial minerals, only recently made available by our technology, is almost beyond comprehension. The complexity of the Law of the Sea (LOS) makes the U.N. charter look as simple as a country club rule book. Yet the most important item of them all is likely to be the state of mind of the new president.

This is true because in the seabed we are talking about a vast continent where the leap in mineral values goes from billions into the trillions. Natural gas deposits off U.S. shores alone are estimated by university economists at $7 trillion. What lies off other shores is incalculable.

Deep-sea mining of materials in the next decade would supply the U.S. with 40 per cent of its annual needs in manganese and nickel, 3 per cent of its copper requirements, 200 per cent of cobalt needs, according to studies by Profs. David Johnson (Louisiana State) and Denis Logue (Dartmouth).

The mind-set of the next president comes strongly into play because his philosophy of government and international relations will determine how the world's economy advances into the 1980s.

The other 139 nation-delegates to the LOS convention are a mixed lot. They represent highly industrialized capitalist states like Japan and West Germany, highly industrialized Socialist states like Britain and the USSR, land-locked countries with no logical nor lawful claim to the wealth of the oceans, and—perhaps most troublesome—places like the entire continents of Africa and South America which possess in their soil the same minerals that are becoming available in the seabottom.

How does the coming American president regard this jumble? If he puts the highest priority upon his country's self-interest, as he should, he might say, "The USA will not sign or ratify any LOS treaty which doesn't fully represent the American input of capital and technology. We can get along just fine, without the LOS treaty, by a combination of domestic legislation, purchase of mining rights, and use of force when necessary."

But suppose the next American president has a mind-set which tells him that the seabottom belongs to everybody? He might then sign an LOS treaty, or administer U.S. law so as to accommodate and compensate the poor nations, the coastless nations and the nations whose prices for tin, copper or gold would suffer when these same minerals rise from the deep and join the world market.

If our next Chief Executive goes in for soft-heartedness we could find ourselves stuck with an LOS treaty in which we made the major investment for mining the oceans, and yet had a minor voice in such matters as pricing, profit-taking and production.

Mr. DOWNEY of New York. Mr. Chairman, 200 years ago, our Nation faced a critical test of political independence. Today, we face no less a problem in attempting to establish our energy independence. Our heavy reliance upon petroleum, combined with our diminishing domestic reserves, is making us ever more dependent upon foreign sources of oil. The 1973 Arab oil embargo underscored our dependency of foreign sources for oil—a dependency which increased in the last year from 35 to 40 percent of total consumption. Thus, if we are to meet this Nation's immediate energy needs, we must strive for greater energy independence. In achieving this goal, the United States will have to develop and explore the oil and gas reserves within our Outer Continental Shelf, OCS.

Yet, the offshore development that would accompany the exploration and development of the OCS could pose serious environmental and economic problems if great caution is not exercised. First, increasing offshore drilling would significantly raise the probabilities of oil spills. Any massive spill could have a devasting effect on the coastal zone, and, in turn, on the entire marine ecosystem. By endangering marine species, an oil spill could be detrimental to the Nation's commercial fishing industry: an industry which represents a major economic resource to the coastal zone.

The impact of oilspills on tourism could be equally devastating. On Long Island alone, there are over 50,000 acres of Federal and State parklands, visited by over 20 million people each year, that would be needlessly destroyed by careless development in the Outer Continental Shelf.

Offshore drilling for oil and gas would also have broader ranging implications beyond the dangers of oilspills. The new oil and gas production will require the coastal zone to accommodate some or all of the onshore development related to offshore oil and gas production. Communities are going to have to provide new housing, new hospitals, new schools and highways and other industrial and recreational facilities, as well as expanded law enforcement, fire protection and public utility services. The various conflicting uses of the coastal zone need to be balanced and resolved in order to serve tomorrow's economic needs without sacrificing open land spaces to inefficient and unsightly urban and suburban development.

Thus, the impact of the OCS development covers a wide-ranging area of environmental and economic concerns. We must realize that the quality of marine ecosystems, the ability of coastal States and communities to preserve their character and provide essential services in areas experiencing construction of onshore support facilities, and the competitive structure of the oil and gas industry will all be influenced by the manner in which OCS development occurs. It is essential, then, that with any Outer Continental Shelf development, careful and cautious planning be implemented.

In light of this urgent need for careful planning, I would like to speak in support of H.R. 6218, Outer Continental Shelf Lands Act Amendments of 1976. The bill, which would set new guidelines for management of the oil and gas resources of the Outer Continental Shelf, establishes as policy the development of the OCS in a manner that protects the environment and the affected States, and promotes competition.

First, by requiring companies which obtain leases to prepare exploration, and development and production plans, to be approved by the Secretary of Interior, the bill would provide adequate environmental and safety protections. The development and production plan would have to describe the specific work to be undertaken, all offshore facilities and operations proposed by the company, the onshore activities that will result from the OCS activity and other relevant information.

Additional safeguards would require the National Oceanic and Atmosphere Administration, NOAA, prior to approval of the plan, to provide the Secretary of Interior with baseline information. Along with an environmental impact statement that must also be prepared, the NOAA study would protect the marine environment from unnecessary damage.

Besides protecting the environment, the bill would also protect affected coastal States. All too often in the past, the Secretary of the Interior has not given thorough consideration to the views of the States affected by offshore oil and gas development. By authorizing the Governors of affected States to establish regional boards to advise the Secretary of all matters relating to OCS activities, and requiring the Secretary of the Interior to offer States the opportunity to jointly lease tracts that fall within 3 miles of State lands; the bill would be placing more responsibilities on State and local governments. If State and local governments are going to adequately plan for the growth and development that would accompany OCS exploration, they must become active participants in OCS-related matters.

Additionally, the bill would protect the interests of smaller oil companies. Previously, the Outer Continental Shelf leasing system has inadvertently allowed the majority of leases to be captured by large oil corporations. However, the bill would prohibit joint bidding among major producers—those producing more than 1.6 million barrels per day. Thus, the bill would penetrate the dominance the major oil companies have enjoyed in the past.

By protecting the environment and affected States, and promoting competition, this bill would encourage responsible development of offshore drilling areas. Yet, if we are to develop the Outer Continental Shelf in a manner that is both economically efficient and environmentally sound, the proposed bill must be strengthened.

An amendment to the bidding system that would require that the Secretary of Interior use lease systems, other than the bonus/fixed royalty system, for 33⅓ percent of leases offered during each of the next 5 years would be a positive first step to reduce the monopolistic practices of the oil industry, while enabling the industry to invest capital in exploration.

In addition, I strongly support the Murphy amendment that would require oil rigs, production platforms and mining ships engaged in exploration to be built in the United States and be owned and manned by American citizens. Adoption of this amendment would result in new jobs for American workers and provide a strong economic boost for U.S. rig and production platforms builders, and the manufacturers that back up these industries.

Finally, I feel that we must correct a

defect of the committee bill which would permit leases to be granted even if the Attorney General and the FTC find that such leases violate antitrust laws. An amendment that would require the Secretary to hold a hearing prior to the issuance of a lease, when the FTC and the Attorney General make such a finding, would assure maximum competition and thereby assure the most efficient development of the OCS resources with a fair return to the taxpayer.

Consequently, with these amendments, H.R. 6218, Outer Continental Shelf Lands Act Amendments of 1976, represents a much needed effort that will combine energy development with environmental protection. The energy demands of our time necessitate the development of our gas and oil resources on the OCS; however, it would be irresponsible for this Nation to approach this kind of development without the proper amount of caution. This landmark bill is designed to insure that the proper care is taken in moving toward energy independence.

Mr. LEGGETT. Mr. Chairman, we all know that the United States needs additional energy. Our offshore reserves of oil and gas obviously represent one of the primary sources of the extra energy America must have, especially as onshore petroleum production continues to decline. According to U.S. Geological Survey estimates, offshore reserves account for one third of our discoverable and producible oil, and 22 percent of our natural gas deposits. It is clear that we must develop these valuable offshore reserves if we are to meet our needs for fossil fuels without further dependence on foreign sources in the ensuing decades.

It is equally clear, however, that development of Outer Continental Shelf petroleum cannot be allowed to proceed at the expense of environmental and other concerns. The proper approach to OCS exploration and development requires us to do a number of things.

It is essential that we protect the coastal and marine environment. We must involve the States affected by it in the planning and decision process. I believe we should also encourage greater competition and the involvement of smaller, independent producers to the extent possible. And we ought to structure the leasing process for OCS reserves so as to obtain the maximum return for all American citizens, to whom the Outer Continental Shelf ultimately belongs. What is needed is an approach that finds a balance among the many interests and concerns, some conflicting, which are involved in OCS development.

With an era of significantly increased reliance on offshore oil and gas ahead, it is particularly appropriate to have before us the bill H.R. 6218 to amend the OCS Lands Act of 1953, unchanged for 23 years. A more comprehensive policy in this area is clearly needed. The fact that there is now no legislation concerning the effects of oil pollution stemming from OCS activities makes this need especially compelling. The bill would establish specific statutory guidelines, standards and procedures to govern all aspects of OCS development.

This legislation obviously represents a considerable effort on the part of our Ad Hoc Committee to find a balance among the many diverse and competing interests involved in such a complicated area. Many of us could no doubt find one or more provisions which we would change. I find the outcome, whatever its imperfections, to be definitely preferable to having no bill at all. In the interest of time, I will confine my remarks to certain of the provisions which are of particular interest to me.

A basic purpose of H.R. 6218 is to establish a comprehensive policy for the rational management of offshore oil and gas reserves in accordance with the basic interests involved. New responsibility is vested in the Secretary of the Interior for this purpose. He must first develop an overall 5-year leasing plan which would set forth the size, timing and location of OCS leases. This plan is to represent a balanced assessment of the proposed program's environmental consequences, discovery potential, and impact on the coastal zone.

The Secretary must submit his plan to the Attorney General and the Federal Trade Commission to determine its effect on competition within the energy industry. They would also review the actual issuance or extension of a given lease to decide whether it was anticompetitive.

One of the major emphasis in this bill, of prime importance in the effort to increase competition in OCS development, is the provision for reform of the bidding process in offshore leasing. It has been brought out in study after study that the practice of awarding OCS leases on the basis of front end, or cash bonus, bidding is probably the greater defect in the current leasing procedure.

There is no question but that this procedure is anticompetitive. It requires a company to have vast amounts of capital to bid on a tract, and the price is set without sufficient knowledge of the value of its reserves. The system appears almost to be designed to prevent all but the major oil companies from being able to compete for OCS leases.

Another of the effects of this system is to prevent the public from getting a fair return for its oil and gas reserves. This is so not only because cash bonus bidding reduces competition, but also because bids are not usually based on meaningful estimates of the amount of oil or gas that could actually be obtained from a lease. With only the majors competing, bids tend to be based as much on the availability as the potential of the tracts being bid. Furthermore, in periods of accelerated sales, as has been proposed by the administration in recent years, bids tend to fall in response to the greater supply of available tracts. As was demonstrated once again in the California lease sale of last December, this has been the pattern in all sales conducted since the start of the accelerated lease program. In that period, the average bonus bid per acre has dropped precipitously, and the number of bids per tract has fallen almost 50 percent when compared with earlier lease sales.

As a start toward changing this oligopolistic system, increasing competition, and gaining higher returns for the public, the bill would allow Interior to utilize seven other bidding methods—based on net profits, royalties, or percentages of a lease area. Since the 1953 law already gives the Interior Secretary broad discretionary authority, which would encompass these alternative bidding systems, the significant provision is the one requiring the Secretary to use one of the alternatives in at least 10 percent of all lease sales in frontier areas over the next 5 years.

The 10 percent minimum must prevail unless Congress specifically approves a reduction. If the Secretary of the Interior concludes that the bonus bid system must be used for more than 90 percent of the sales in an area to promote efficient development and competition, he must submit a report to us to that effect. Both Houses must pass a resolution of approval before the 90 percent limitation may be exceeded.

Mr. Chairman, the 10 percent provision is but a modest attempt to try changing a system which has prevailed, not as a requirement of law but at the discretion of the Interior Department, for over 20 years. The alternative bidding systems have been used by both foreign countries and Coastal States for some time. They represent "experiments" only to a Federal department which took 21 years to try any of them. In fact, I agree with Congressman MILLER that the 10 percent rule, while otherwise laudable, should be extended further. I intend to support his amendment to the bill increasing from 10 to 33⅓ percent the proportion of the tracts in a frontier area which the Secretary must offer under alternative bidding systems.

Another major purpose of the bill is to provide the States a much greater degree of participation in the entire decision process on OCS exploitation. This is of particular importance in my home State of California, which has experienced so many difficulties in obtaining information from the Department of the Interior, not to speak of involvement in decisionmaking, concerning the leasing program off the California coast.

Section 18 of the bill would require the Secretary of the Interior's 5-year plan to be submitted to both the States and local governments for their review. Furthermore, section 19 would authorize the Governors of all affected States to establish Regional OCS Advisory Boards to work with Federal agencies on OCS activities. The key provision is that any recommendation concerning a proposed lease sale or development and production plan, made by either a Regional Board or the Governor of an affected State, must be accepted by the Secretary unless he determines that it is not consistent with national security or an overriding national interest.

A closely related matter is the access of both Federal and State and local authorities to information about OCS activities. The bill would require all OCS operators to provide the Secretary of the Interior all of the data obtained from their offshore activities, as well as any other specific information he requires. A summary of this data, including estimates of reserves, size and timing of development and location of pipelines and onshore facilities, is to be made available to the States to assist them in planning to deal with the effects of offshore activity on them. This provision should help my State and others deal with one of the major problems they have encountered in OCS development—the inability to find out what is going on and what the Federal Government and the oil companies are doing.

Another provision which is of real importance to both my own and other coastal States concerns State lands, those within 3 miles of the seaward boundary of a coastal State. The bill requires Interior to offer the Governor of the affected State the opportunity to lease jointly any such area which might contain a geological structure or trap common to both State and Federal lands. This provision would prevent Federal lessees from draining State resources by drilling close to the borderline and would not delay the leasing process.

I have dwelled at length on the decisionmaking processes and leasing procedures embodied in the bill. Just as important, perhaps more so, are the provisions of H.R. 6218 directly oriented toward protection of the marine, coastal and human environment.

There is now no law establishing either responsibility or liability for dealing with oil pollution resulting from development of OCS oil and gas reserves. Similarly, just as current law gives the States no voice in decisionmaking on OCS leasing and development, neither does it provide for consultation with or assistance to States which are adversely affected by offshore development. H.R. 6218 would fill a number of these gaps.

Title III of the bill would establish procedures for dealing with oil spills from any offshore facility in the OCS, and any device or vessel used to transport oil or gas from such a facility to shore. It provides that the owner or operator involved is strictly liable for all costs of cleaning up an oil spill, as well as for the first $35 million of damages resulting from an oil spill. In addition, the bill creates an Offshore Oil Pollution Fund, which would pay any damages or cleanup costs not covered by the perpetrator of the oil spill, as well as those involved in cases where the spiller was not identified. This fund would be maintained at between $100 and $200 million by a 3-cent surcharge on each barrel of oil produced on the OCS, and it would also be authorized to borrow up to $500 million from the Treasury in the event that the costs of a spill exceeded its financial reserves.

The environmental impact process which the bill establishes is closely related to the new role of Governors and regional advisory boards in OCS decisionmaking. Section 25 requires environmental impact statements and a hearing for each major lease area in previously undeveloped regions prior to approval of development and production. The Governors and regional boards are assured that their recommendations stemming from this process will be a part of the decisions on whether to approve such plans. And if the environmental studies show that safe operation of an offshore facility cannot be insured, as a result of unusual circumstances, then the Secretary is authorized to cancel the lease in question, with all costs of the lessee reimbursed.

I should note that the effects of OCS development on the marine environment are certainly not limited to the problem of well blowouts and oilspills. The bill also authorizes the National Oceanic and Atmospheric Administration to try to predict the impact of OCS activities, and possible oilspills, on the marine biota in a proposed exploration area. NOAA's studies must be completed prior to approval of any development or production plan.

The bill would also call for establishment of a new set of regulations for employee and navigational safety, as well as environmental protection. These regulations would require use of the best and safest technologies economically feasible on all new drilling and production operations, as well as in existing areas if practicable.

In sum, the many provisions of the bill relating to the marine and coastal environment would establish a comprehensive new regime for the governance of OCS activities. It is my hope that these new procedures will enable us to combine the OCS development that is needed with maintenance of the natural environment.

We must keep in mind, though, that the impact of OCS development is not limited to its effects on the coasts and oceans. It will also have major consequences for coastal States as the oil and gas is brought ashore, processed, stored, and transported. The States will need assistance to minimize the adverse effects of the various stages of the process, as well as new infrastructure in the form of housing, schools, roads, and other services in the areas where onshore activities take place. The bill would authorize an impact fund as a means of providing the necessary assistance.

Permit me to mention one other issue in conclusion. The bill retains the existing provisions of law authorizing the Secretary of the Interior to conduct offshore exploration, either with Government personnel or via private contractors. Frankly, I had hoped the bill would go further toward establishing a greater Federal role in offshore exploration and development.

One of the biggest flaws in the current system is that our Government is now able to obtain very little knowledge of the public petroleum resources which it is selling to the oil companies in OCS leases. And with essentially none of the substantive geological work done before leasing, the companies do not really know what they are bidding on. We could help solve many of these problems by obtaining geological and geographical information on potential lease areas in a federally contracted exploration program, designed to supplement, not replace, the activities of the companies. I think we should consider, not taking over offshore oil exploration, but starting a limited program of exploration on contract designed to tell both the seller and the buyer more about the value of what is being leased.

Let me reiterate, however, that this reservation does not cause me to oppose the bill. I urge my colleagues to support H.R. 6218 because, on balance, it will provide a comprehensive process for the management of both our valuable offshore petroleum resources and the equally valuable resources represented by the marine and coastal environment in which they are located.

The CHAIRMAN. If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6218) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes, pursuant to House Resolution 1217, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. FISH

Mr. FISH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opopposed to the bill?

Mr. FISH. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FISH moves to recommit the bill H.R. 6218 to the ad hoc Select Committee on the Outer Continental Shelf with instructions to report back the same to the House forthwith with the following amendments:

On page 58, strike all after "(B)" on line 6, down through page 59, line 4, and insert in lieu thereof the following: "if there is a threat of serious, irreparable, and immediate harm or damage to life (including aquatic life), to property, to any mineral deposits (in areas leased or not yet leased), or to the marine, coastal or human environment not anticipated in kind or degree at the time such operation or activity was authorized. No operation or activity may be suspended or temporarily prohibited under clause (B) of this paragraph for a period longer than 10 days unless the Secretary shall, after affording interested parties an opportunity for hearing, find that the threatened harm or damage exceeds the advantages of continuing such operation or activity in light of the policies and purposes of this Act, and any such operation or activity shall be suspended or temporarily prohibited only to the extent and for the period necessary to alleviate the threatened harm or damage. Any permit or lease affected by any suspension or prohibition under this paragraph shall be extended for a period equivalent to the period of suspension or prohibition, unless such suspension or prohibition is the result of gross negligence or willful violation of such lease or permit, or of regulations issued concerning such lease or permit;

"(2) for the cancellation of any lease by the Secretary, after affording the lessee opportunity for a hearing, if the Secretary finds that operations pursuant to such lease pose a serious and unacceptable threat of harm or damage, unanticipated in kind or degree by the Secretary at the time such lease was issued, arising from exceptional geologic conditions in the lease area, exceptional resource values in the marine or coastal environment or other exceptional circumstances, after considering, in light of the policies and purposes of this Act, the advantages of continuing such operations, except that—

"(A) such lease shall not be canceled pursuant to this paragraph if (i) such threat of harm or damage will significantly decrease over time, (ii) it is probable that the development of new technology or further study will significantly lessen such threat of harm or damage within a reasonable period of time, (iii) there remains a portion of the lease area which may be safe and practical to explore and develop, or (iv) any environmental risks inherent in terminating all operations pursuant to such lease outweigh such threat of harm or damage;

"(B) the cancellation of any lease pursuant to such regulations shall not foreclose any claim for compensation as may be required by the Constitution of the United States or any other law;"

On page 69, line 22, strike "66⅔", and insert "90" in lieu thereof.

On page 71, line 7, strike "66⅔", and insert "90" in lieu thereof.

On page 79, lines 3 through 11, strike all of subsection (g).

On page 89, strike lines 7 through 20, and insert in lieu thereof the following: "the Secretary shall fully consider such recommendations in light of national security, the desirability of obtaining oil and gas supplies in a balanced manner, and the policies and purposes of this Act. If the Secretary finds that he cannot accept such recommendations, he shall communicate, in writing to such Board or such Governor the reasons for rejection of such recommendations."

On page 92, line 16, strike all after "(a)" down through page 94, line 16, and insert in lieu thereof the following: Upon the date of enactment of this section, the Secretary and the Secretary of the Department in which the Coast Guard is operating shall, in consultation with each other and other agency heads as appropriate, promptly commence a study of the adequacy of safety regulations in effect on such date of enactment, and of the technology, equipment, and techniques available for the exploration, production and development of natural resources, with respect to the Outer Continental Shelf. The results of this study shall be submitted to the Congress, together with a plan of action which each Secretary proposes to take, working alone and in consultation with the other, under their respective authorities under this or other Acts, to promote safety, health, and environmental protection in the exploration, production and development of natural resources of the Outer Continental Shelf.

"(b) In exercising their respective responsibilities for floating, temporarily fixed, or permanently fixed structures for the exploration, production and development of the natural resources of the Outer Continental Shelf, the Secretary and the Secretary of the Department in which the Coast Guard is operating shall require the use of the best available and safest technology which the respective Secretary determines to be economically achievable, wherever use of less than such technology would cause operations conducted pursuant to this Act to pose a significantly greater threat to safety, health, or the environment, on all new drilling and production operations and, wherever practicable, on existing operations.

"(c) Nothing in this section shall affect any authority otherwise provided by law to the Secretary of Labor for the protection of occupational safety and health, to the Administrator of the Environmental Protection Agency for the protection of the environment, or to the Secretary of Transportation with respect to pipeline safety."

On page 94, line 17, strike "(2)", and insert in lieu thereof "(d)".

On page 95, strike lines 4 through 7.

Strike page 95, line 14, down through page 99, line 23, and insert in lieu thereof the following:

"Sec. 22. Enforcement of Environmental, Health, and Safety Regulations.—(a) The Secretary and the Secretary of the Department in which the Coast Guard is operating shall consult with each other regarding the enforcement of environmental, health, and safety regulations which either has promulgated pursuant to this Act, and each may by agreement utilize, with or without reimbursement, the services, personnel, or facilities of any Federal agency, for the enforcement of their respective regulations.

"(b) The Secretary and the Secretary of the Department in which the Coast Guard is operating shall individually, or jointly if they so agree, promulgate regulations within one hundred and twenty days after the date of enactment of this section to provide for—

"(1) scheduled onsite inspection at least once a year of each facility on the outer Continental Shelf which is subject to any environmental, health, or safety regulation promulgated pursuant to this Act, which inspection shall include, whenever practical, testing of all safety equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents; and

"(2) periodic onsite inspection without advance notice to the operator of such facility to assure compliance with such environmental, health, or safety regulations.

"(c) Any authorized representative of the Secretary or of the Secretary of the Department in which the Coast Guard is operating, upon presenting appropriate credentials to the owner or operator of any facility subject to inspection pursuant to subsection (b) of this section, shall be authorized to—

"(1) enter without delay any part of such facility; and

"(2) examine any document or record which is pertinent to such inspection.

"(d) (1) The Secretary or the Secretary of the Department in which the Coast Guard is operating, as applicable, shall make an investigation and public report on each major fire, major personal injury, and major oil spillage occuring as a result of operations conducted pursuant to this Act. For the purpose of this subsection, the term 'major oil spillage' means any discharge from a single source of more than two hundreds barrels of oil over a period of thirty days or of more than fifty barrels over a single twenty-four-hour period. In addition, such Secretary may make an investigation and report of any lesser oil spillage.

"(2) In any investigation conducted pursuant to this subsection, the Secretary conducting such investigation shall have the power to subpoena witnesses and to require the production of books, papers, documents, and any other evidence relating to such investigation.

"(e) The Secretary, or the Secretary of the Department in which the Coast Guard is operating shall consider any allegation from any person of the existence of a violation of any safety regulation which such Secretary has issued pursuant to this Act.

On page 111, strike all after the period on line 5, down through line 25, and insert in lieu thereof the following: The Secretary shall disapprove a plan only—

"(a) if operations proposed in such plan pose a threat of harm or damage as described in section 5(a) (2) of this Act, and it is not practical to modify such plan to reduce such threat to the extent that such plan, as modified, provides for environmentally safe operations, and is consistent with the provisions of this Act, regulations prescribed under this Act, and the provisions of the lease; or

"(B) if the Secretary is not required to disapprove such plan under subparagraph (A) of this paragraph, and if any proposed activity to be conducted pursuant to such plan (i) is not in compliance with the requirements of this Act or any other applicable Federal Law, or (ii) is not, to the maximum extent practicable, consistent with the coastal zone management program of any affected State approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455), and it is not practical to modify such plan to achieve such compliance and such consistency.

If any plan is disapproved pursuant to clause (A) of this paragraph. the Secretary shall, whenever permitted under the regulations promulgated pursuant to section 5(a) (2) of this Act, cancel the lease in accordance with such regulations.

Mr. FISH (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from New York (Mr. Fish) in support of his motion to recommit.

Mr. Speaker, this motion to recommit directs the ad hoc select committee to report the bill back to the House forthwith with amendments to accomplish the following: These amendments were considered by the committee today.

First. Revise the cancellation and compensation provisions;

Second. Eliminate overlapping safety regulatory jurisdiction;

Third. Strike mandatory on-structure stratographic drilling;

Fourth. Eliminate the State veto of Federal decisions; and

Fifth. Strike amendment adopted to require increased use of experimental bidding systems.

I would like to briefly review each of these issues, which constitute our key objections to the present form of the bill.

When leases are canceled for environmental, safety, or national security reasons the bill provides that some lessees will receive less than the fair value of their canceled rights. This does not conform to the constitutional mandate of just compensation. It also rewards the unsuccessful, inefficient lessee. It gives less to the lessee who is successfully giving this country the oil it needs. This provides a strong incentive for an unsuccessful lessee to take action to force a cancellation. The amendment by Mr. Wiggins allows the canceled lessee to claim compensation under the Constitution or other law. This is just compensation. No one is unjustly enriched, and no one is unjustly penalized. This claim provision also makes it possible to deny compensation when the lessee has caused the cancellation. Under the present language, the lessee is paid even if the cancellation is his own fault.

An amendment to the section dealing with disaproval of development and production plans is also included in the motion, to conform that section to the cancellation and compensation system just described.

Second, Mr. Speaker, the present language of the bill will delay the promulgation of needed safety regulations while various executive branch agencies fight over who will take the regulatory lead for each type of regulation. OMB, not the Congress will make the final decision. Agencies with substantive expertise, such as the Army Corps of Engineers, could be cut out completely under section 21 of the bill.

The amendment maintains the current lines of regulatory authority for Interior, the Coast Guard, and the Army, with OSHA empowered to step in under its own act when those agencies do not cover a hazardous working condition. Interior and Coast Guard are required to review their safety regulations and submit an action plan to Congress to improve safety and health on the OCS. The committee voted 193 to 193 on this amendment when offered by Mr. DU PONT.

They are mandated to require use of the best available and safety technology when this would make a significant difference in the degree of protection to safety and the environment. Conforming changes are also made to the section on enforcement of safety regulations.

Third, the present language of the bill requires the Secretary to seek applicants for prelease on-structure drilling for oil and gas. The presumption is that he will grant permits for such federally directed drilling, if there are qualified applicants. In his lucid explanation in support of his amendment to strike, Mr. Bell told the committee one hole per frontier area will not prove up anything. If oil or gas is found, it will be impossible to tell if there is a producible quantity or the extent and limits of the reservoir. If no oil or gas is found, it could lead to abandonment of an area which does in fact contain producible energy resources. Many more of such holes would be necessary to provide any useful information. These cost millions of dollars each, and industry cannot be expected to pay the cost when a nonparticipant can step in and win the lease with a high bid. The only alternative would then be for the taxpayer to bear the cost and take the risk through Federal exploration, which the committee wisely rejected.

An amendment in the recommittal motion strikes this requirement.

Mr. Speaker, the motion contains an amendment to change State veto power over Federal decisions involving Federal resources into a requirement that the Secretary fully consider recommendations from the States and regional advisory boards and explain his reasons if he cannot accept them.

Finally, Mr. Speaker, the motion reverses the amendment adopted in the Committee of the Whole to require that untested experimental bidding systems be utilized in increased amounts. Instead of requiring one-third of the acreage to be risked in this manner, the motion returns to the 10-percent requirement originally reported by the ad hoc select committee.

This will not remove all my objections to the bill, but would clear up the main problems and give us a bill which I could support for the purpose of going to conference. I see no chance of enactment of the bill in its present form.

Mr. Speaker, I urge adoption of the motion to recommit.

The SPEAKER. The Chair recognizes the gentleman from New York (Mr. MURPHY) on the motion to recommit.

Mr. MURPHY of New York. Mr. Speaker, the motion to recommit contains amendments which were considered fully in the select committee on the Outer Continental Shelf, and they were rejected by the Committee of the Whole today.

Virtually every Member of the House had the opportunity to work the will of the House on those amendments.

Consequently, Mr. Speaker, I ask for a rejection of the motion to recommit.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. FISH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 151, nays 235, not voting 46, as follows:

[Roll No. 530]

YEAS—151

Abdnor
Andrews,
 N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Boggs
Bowen
Breaux
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Cederberg
Clancy
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Eshleman
Findley
Fish
Flowers
Forsythe
Frenzel
Frey
Fuqua
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hammer-
 schmidt
Hansen
Harsha
Henderson
Hightower
Hillis
Holt
Hubbard
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Latta
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
Madigan
Mahon
Martin
Melcher
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead,
 Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Paul
Pettis
Pickle
Poage
Pressler
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rousselot
Runnels
Ruppe
Satterfield
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton,
 J. William
Symms
Talcott
Taylor, Mo.
Teague
Thone
Thornton
Treen
Vander Jagt
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wright
Wylie
Young, Fla.
Young, Tex.

NAYS—235

Adams
Addabbo
Alexander
Allen
Ambro
Anderson,
 Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Brademas
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Chappell
Chisholm
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Ind.
Fary
Fascell
Fenwick
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fountain
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gude
Hall, Ill.
Hamilton
Hanley
Hannaford
Harrington
Harris
Hayes, Ind.
Hechler, W. Va.
Hefner
Hicks
Holland
Holtzman
Horton
Howard
Hughes
Hungate
Ichord
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kastenmeier
Keys
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lundine
McCormack
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson,
 Calif.
Pattison, N.Y.
Perkins
Pike
Preyer
Price
Randall
Rangel
Reuss
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Taylor, N.C.
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wydler
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—46

Abzug
Anderson, Ill.
Andrews, N.C.
Bedell
Bonker
Burton, John
Clausen,
 Don H.
Clay
Conyers
Derwinski
Esch
Evans, Colo.
Evins, Tenn.
Flynt
Ford, Mich.
Green
Harkin
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.

Karth
Krueger
Litton
O'Hara
Pepper
Peyser
Rees
Riegle
Schneebeli
Shipley
Sikes
Slack
Stanton, James V.
Steelman
Steiger, Ariz.
Stuckey
Symington
Waggonner
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Pepper against.

Mr. Sikes for, with Mr. John Burton against.

Mr. Waggonner for, with Mr. Hawkins against.

Mr. Derwinski for, with Ms. Abzug against.

Mr. Schneebeli for, with Mr. Ford of Michigan against.

Mr. Steiger of Arizona for, with Mr. Helstoski against.

Mr. Young of Alaska for, with Mr. Clay against.

Mr. Anderson of Illinois for, with Mr. Jones of Tennessee against.

Mr. Don H. Clausen for, with Mrs. Heckler of Massachusetts against.

Until further notice:

Mr. Bedell with Mr. Stuckey.

Mr. Evans of Colorado with Mr. Karth.

Mr. Green with Mr. Krueger.

Mr. Harkin with Mr. Rees.

Mr. Evins of Tennessee with Mr. Shipley.

Mr. Hays of Ohio with Mr. Slack.

Mr. Young of Georgia with Mr. Mills.

Mr. Howe with Mr. Litton.

Mr. Flynt with Mr. O' Hara.

Mr. James V. Stanton with Mr. Riegle.

Mr. Andrews of North Carolina with Mr. Symington.

Mr. Steelman with Mr. Heinz.

Mr. LUJAN changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McFALL). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HUGHES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 247, nays 140, not voting 45, as follows:

[Roll No. 531]

YEAS—247

Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Broyhill
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Carter
Chappell
Chisholm
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Ind.
Fary
Fascell
Fenwick
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gradison
Gude
Hall, Ill.
Hamilton
Hanley
Hannaford
Harrington
Harris
Hayes, Ind.
Hechler, W. Va.
Hefner
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jordan
Kastenmeier
Keys
Koch
Krebs
LaFalce
Lagomarsino
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lundine
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Madden
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pike
Pressler
Preyer
Price
Randall
Rangel
Reuss
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Talcott
Taylor, N.C.
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, C. H.
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—140

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Beard, Tenn.
Bell
Boggs
Bowen
Breaux
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Cederberg
Clancy
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Eshleman
Findley
Fish
Flowers
Forsythe
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Henderson
Hightower
Hubbard
Hutchinson
Hyde
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Landrum
Latta
Long, La.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
McKay
Madigan
Mahon
Martin
Mathis
Melcher
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Paul
Pettis
Pickle
Poage
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rousselot
Runnels
Ruppe
Satterfield
Schulze
Sebelius
Shriver
Shuster
Sisk
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Stephens
Symms
Taylor, Mo.
Teague
Thone
Thornton
Treen
Vander Jagt
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Young, Tex.

NOT VOTING—45

Abzug
Anderson, Ill.
Andrews, N.C.
Bedell
Burton, John
Clausen, Don H.
Clay
Derwinski
Esch
Evans, Colo.
Evins, Tenn.
Flynt
Ford, Mich.
Green
Harkin
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Helstoski
Hinshaw
Howe
Jones, Tenn.
Karth
Krueger
Litton
Mills
O'Hara
Pepper
Peyser
Rees
Riegle
Schneebeli
Shipley
Sikes
Slack
Stanton, James V.
Steelman
Steiger, Ariz.
Stuckey
Symington
Waggonner
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Hébert against.

Mr. Pepper for, with Mr. Sikes against.

Mrs. Heckler of Massachusetts for, with Mr. Waggonner against.

Mr. John Burton for, with Mr. Anderson of Illinois against.

Mr. Ford of Michigan for, with Mr. Derwinski against.

Ms. Abzug for, with Mr. Schneebeli against.

Mr. Mills for, with Mr. Steiger of Arizona against.

Mr. Clay for, with Mr. Young of Alaska against.

Mr. Hawkins for, with Mr. Don H. Clausen against.

Until further notice:

Mr. Helstoski with Mr. Evans of Colorado.

Mr. Harkin with Mr. Green.

Mr. Howe with Mr. Karth.

Mr. Stuckey with Mr. Krueger.

Mr. Shipley with Mr. Flynt.

Mr. Hays of Ohio with Mr. Evins of Tennessee.

Mr. Bedell with Mr. Riegle.

Mr. Litton with Mr. O'Hara.

Mr. Young of Georgia with Mr. Rees.

Mr. Andrews of North Carolina with Mr. Esch.

Mr. Slack with Mr. Heinz.

Mr. James V. Stanton with Mr. Peyser.

Mr. Steelman with Mr. Symington.

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, to protect the marine and coastal environment, to amend the Outer Continental Shelf Lands Act, and for other purposes.".

A motion to reconsider was laid on the table.

Mr. MURPHY of New York. Mr. Speaker, pursuant to the provisions of House Resolution 1217, I call up from the Speaker's table the Senate bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. MURPHY of New York moves to strike out all after the enacting clause of the Senate bill S. 521, and to insert in lieu thereof the provisions of H.R. 6218, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, to protect the marine and coastal environment, to amend the Outer Continental Shelf Lands Act, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 6218) was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF S. 521

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendment to the Senate bill S. 521 the Clerk of the House be authorized to correct punctuation, spelling, cross references, and designation of titles, sections, and subordinate provisions, to reflect the actions of the House in amending the bill H.R. 6218.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 6218, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TENTH ANNUAL REPORT OF NATIONAL ENDOWMENT FOR THE HUMANITIES, FISCAL YEAR 1975—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and the Humanities Act of 1965, as amended, I transmit herewith the tenth annual report of the National Endowment for the Humanities for fiscal year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *July 21, 1976.*

PERMISSION FOR SUBCOMMITTEE ON FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE, OF COMMITTEE ON BANKING, CURRENCY AND HOUSING TO SIT TOMORROW BETWEEN 10 A.M. AND 12 NOON

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Currency and Housing be permitted to sit between 10 a.m. and 12 o'clock noon tomorrow for consideration of the consumer cooperative bank bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, can the gentleman assure us that it is just one bill that will be considered?

Mr. ST GERMAIN. That is correct.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PERSONAL EXPLANATION

Mr. RONCALIO. Mr. Speaker, yesterday afternoon on the rollcall vote on the Pickle amendment and on the subsequent vote on passage of H.R. 10210, I was absent from the House.

I had been at a doctor's office for an examination for better than 4 hours.

Had I been present, Mr. Speaker, I would have voted "yes" on the Pickle amendment and "no" on the final passage of H.R. 10210.

ENGLISH-SPEAKING UNION OF THE COMMONWEALTH BICENTENARY DINNER

(Mr. NICHOLS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, among the many countries who participated in commemorating our 200th birthday were our friends from "down under," the Commonwealth of New Zealand.

Many Members of this body will recall our longtime friend. the Honorable Armistead Seldon, who served with such distinction in this body for some 16 years and who is now ably representing the United States as our Ambassador in New England.

Because of the close bonds of friendship between our two nations, neither their government nor the New Zealanders are ashamed to acclaim their affections for this Nation. Many of their citizens remember the dark days of World War II and the role which the United States played in assisting our friends preserve their freedoms. Some months ago, I was privileged to travel to this beautiful country and my heart was warmed by the depth of friendship which their people hold for America.

On July 7 of this year the English Speaking Union of the Commonwealth held its bicentenary dinner, honoring America and our Declaration of Independence. The remarks of Ambassador Seldon and of the Right Honorable R. D. Muldoon, Prime Minister of New Zealand, were stirring and heart warming. I am pleased that we have such a good neighbor and it is for this reason that I commend the remarks of both Prime Minister Muldoon and Ambassador Seldon to each Member of this House to demonstrate to all the good will between America and New Zealand:

SPEECH OF AMBASSADOR SELDEN

Mr. Prime Minister and Mrs. Muldoon; Mr. President and Mrs. Ching; Distinguished guests; Ladies and Gentlemen:

It is indeed an honor for Mrs. Selden and me to be your guests here tonight, and we are extremely pleased that the English Speaking Union of Wellington has set aside an evening to commemorate a very special time in the history of one of the great English Speaking nations of the world—my own United States.

As Mr. Ching has pointed out, our language is one of the great cultural forces uniting the liberal, individualistic, freedom-loving peoples of the world. And this force is growing. An example, as Mr. Ching highlighted, is the establishment of English Speaking Unions on the European Continent. Even in the years before 1776 and our Declaration of Independence, many in the English-speaking world—primarily England—understood what our colonists were saying about their rights and their desire for a degree of freedom in the new land. When I say they understood, I mean not only the language in which the patriots wrote, but more importantly the meaning, the reasoning, the depth of feeling in their writing. These were qualities that surpassed the words, qualities that went to the heart of Englishmen around the world whose education and training, whose history and heritage, whose laws and belief in liberty were much the same. Many, probably most, English speakers outside the American colonies were opposed to our act of rebellion, but even among those there was a degree of understanding of what the new "Americans" were discussing, and why. The unifying factor was the result of many centuries of shared experiences; the vehicle for the transmission of these experiences cumulatively was English.

Why then if understanding—real understanding—was possible, why did the American colonies and the British Empire go to war? The answer must lie in the tremendous forces of change that were sweeping the world, at that time, forces which obscured or distorted a clear vision of the inevitable direction of the American colonial protests.

To understand what took place in America in 1776 and its far reaching implications a brief look at what was transpiring in other parts of the world might be helpful. For example, two hundred years ago story tellers were informing inland tribes of strange goings-on at several points along the New Zealand coast. Strange ships with strangely pale men had touched land at several points and had exhibited to some of the native people powers beyond what had been seen previously. Some, the stories went, considered the visitors as some manifestation of a god and kept trinkets, pieces of metal and other items they brought with them as venerable objects. Some listeners scoffed at the idea of a walking stick that poured out thunder and lightening and that could kill a man or animal at some distance without touching him. But the story tellers said it was true. Other, wiser men, considered the reports and realized the possibility that a new time was coming to their islands.

While the Maori tribesmen were discussing these events in their winter of 1776, James Cook, the topic of their discussions, set sail one July morning from England for the third of his voyages to the Pacific. This might be called his "American" Voyage for it was intended primarily to search the coasts of what is now Canada and the U.S. to find the Northwest Passage, the long sought sea route from the Atlantic to the Pacific. The passage was not found but the voyage did add to his record of discoveries and explorations. It was, unfortunately, his last voyage, for, as you know, he died on February 14, 1779 in the Hawaiian Islands. In Japan, the Japanese developed in secrecy, their doors closed to the West after a brief encounter with European traders and missionaries.

In India in 1776 the British East India Company was consolidating its business and political interests with a variety of agreements with the heads of the numerous small kingdoms that controlled the land on which valuable tea and other items were grown. And one might imagine the gossip in Calcutta when the news arrived that American Revolutionaries had dumped 342 chests of the East India Company's tea, valued at some 18,000 pounds, into Boston Harbor to protest the imposition by the King of a tax on tea designed to provide protection for the faltering East India Company.

In Europe, Empress Catherine II was on the throne of Russia, Louis XVI and Queen Marie Antoinette ruled France in those days of royal glory and George III—"Farmer George", the first English born monarch in more than 60 years—sat on the throne heading an Empire on which the sun never set.

In the schools of England and the rest of the Western World, students were studying the political ideas of ancient Greece and Rome and successive philosophies of government down through their contemporary period, repeating, as required by their school masters, each detail they could recall.

Against this background of monarchy and feudalism, empire and colonialism, exploitation and adventure, some new political ideas were in the ascendancy in the strip of British Colonies along the eastern seaboard of North America. Today these ideas are widely accepted as the normal course of government in many parts of the world, but then they were as strange to many in Europe as Captain Cook was to the Maoris. And it is this understanding of the processes that were ongoing in the minds of leading British colonists in America that led to the break between the mother country and the American colonies.

These ideas were revolutionary in political thought. They fired the American Revolution and spawned ideas and expectations that continue to be revolutionary in many parts of the world.

Yet, America's Founding Fathers, who had modest expectations, issued almost no flaming manifestoes like later revolutionists. Even the Declaration of Independence, the closest thing to such a document, is more of a legal brief devoted principally, in order to justify separating from the Crown, to listing the offenses of King George III against the rights of Englishmen. There was no counterrevolution and all of the Founding Fathers, save Hamilton, who was killed in a private duel, died peacefully. While nearly all revolutions since that time have had to call up some kind of "terror," "dictatorship of the proletariat" or other harsh measures in the name of liberty, such did not happen in the United States. The overturn in America came without extremists seizing power, without resort to dictatorship and without the violent reaction that would have prevented the war wounds from ever healing.

What, then, did the American Revolution accomplish?

First, a nation was created. This was something no other people had accomplished for heretofore nations had simply grown.

Second, the conventional wisdom that you could not dispense with a monarchy, a ruling class, and an established church was successfully defied. Even before they could know what the results would be, the rights of freedom of religion, separation of church and state, freedom of speech, freedom of assembly and freedom of the press were guaranteed.

Third, effective self government was inaugurated through a series of far reaching democratic reforms. Associated with the concept that government is limited, the principle that government derives its powers from the consent of the governed was put into effect.

Fourth, a federal system was effected. Each of the individual states voluntarily gave up some of its sovereignty to a new government. The results were a federal union which is today the oldest and most successful in history.

Fifth, the historical problem of colonialism was solved by establishing a system whereby additional lands could become states on an equal footing with the original states.

Finally, these political and constitutional changes achieved by America's revolution have proved enduring.

I'm certain there are few, if any, here this evening who are not aware of what has taken place in America during the two hundred years that have intervened since its founding. Through a system of government devised two centuries ago, America has made advances unprecedented in world history, and, during the present century, it has assumed awesome global responsibilities.

At the end of World War II the United States had unprecedented power to be used almost as it wished. It chose, however, not to dominate others. Rather, without parallel in history, it showed a sense of responsibility for the well-being of all nations of the world.

To friend and foe alike, it offered not only freedom from abuse of U.S. power but a generous sense of responsibility for their affirmative well-being . . . the Marshall Plan, foreign aid, protection from aggression, unrequited efforts to make the United Nations an effective instrument. While I am quite aware that I, as an American, am somewhat biased I am quite confident history will record that United States power and the generosity of its people contributed substantially to the longest period of comparative peace after a major war that the world has ever enjoyed.

But what of the future? Ten years ago more than half of the world lived in open functioning democracies. In the ensuing decade there has been a dramatic decline in that percentage. You and I have the good fortune to continue to live under governments chosen and empowered by the governed. Yet, can a form of government that guarantees the freedoms we enjoy continue to survive and prosper in today's world?

The problems that lie ahead cannot be overestimated. Yet, the incomparably greater problems that faced Americans of 1776 were summounted by faith in their ability to create a better land in which to live and the determination to do so.

Earlier this year President Ford, in referring to the Bicentennial, summed up the belief of most Americans when he said "The challenges faced by our forebears were not only to their physical capabilities but also to their faith in the future. Their response to these challenegs affirmed their deep belief that by their actions they could create a better world for themselves and those that would follow. As we enter America's third century, let us emulate in word and deed, their resolve and vision."

As the United States celebrates its Bicentennial, reexamines its heritage and looks to the future, I am confident there will be a rekindling of the faith that made America a great nation and that the challenges of both the present and the future will be met with confidence and determination.

This, I believe, is vital not only to America but to other nations throughout the world who share similar forms of government and our deep belief in individual freedom.

During the celebrations that have been held this week in New Zealand to commemorate America's Bicentennial, and this includes this evening's delightful event—I have been deeply moved by the warmth and friendship for America that has been expressed to me by New Zealanders in every walk of life—from the Prime Minister to the man in the street. My firm belief that in New Zealand there is a tremendous reservoir of good will towards America and its people has been greatly strengthened by events of the past few days.

Your Queen is in the United States at this very moment taking part in the Bicentennial celebrations—further evidence of the cultural and historical ties that continue to bind together our two nations.

So, to you, Mr. Prime Minister, and to the fine people you represent, I want to take this opportunity to express my personal appreciation and the appreciation of the American people for the outstanding way in which your country has joined with mine in celebrating the two hundredth anniversary of America's freedom and independence.

THE RIGHT HONORABLE R. D. MULDOON, PRIME MINISTER OF NEW ZEALAND, EXTEMPORANEOUS REMARKS PRECEDING HIS PREPARED SPEECH

Thank you very much, Mr. Ching, Ambassador and Mrs. Selden, other distinguished guests, ladies and gentleman. I am pleased to have the opportunity of saying just a few words on this important occasion and at this time of joy for the United States of America. I was very happy to take part in, as many of you did I know, a thrilling service in the Cathedral on Sunday morning. There I was able fortuitously to say a few things, that were not written by me, but through reading the lesson that I feel was appropriate to the occasion and to the great country whose 200th birthday is being celebrated this week. I'm one of those who is unashamedly a friend of the United Staes. When I say that, I am speaking of the United States that I have been fortunate enough to get to know over the years, particularly since I have been in politics. I believe, Mr. Ambassador, that some of the best money that the United States taxpayer spends is the provision of what used to be called, and I think probably still are called, Foreign Leader grants, taking people from countries around the world, people who may in their own country achieve some position of eminence, to show them the United States as it really is, not the United States that we read about in the papers, not the sensational United States, the United States of the ordinary American citizen, and sending these people from so many countries out to different parts of the United States. There they meet ordinary Americans at home and as they go about their daily lives, getting the feel of that tremendous sense of decency which makes that great democracy what it is. Now I was fortunate enough to be one of those some years ago, and I was in the United States for three months. I regard it as some of the best time that I have spent since I entered politics.

The opportunity of meeting just ordinary and relatively undistinguished Americans and getting the feel of the fact that they are just so much like ordinary undistinguished New Zealanders and that they have got this tremendous sense of just the plain, simple decent things of life. I am sure that over 200 years that's what produced that great country in essence. That is why I regard myself as a very firm friend of that great country.

ADDRESS TO THE ENGLISH SPEAKING UNION OF THE COMMONWEALTH

When the Bi-Centenary of the United States of America was celebrated last Sunday on July the 4th, it was a time for us to think back on the accelerating pace of the development of life on this globe.

During that period of two hundred years, while congratulating our American friends on their Bi-Centenary, we should also have a thought for the development of mankind during that short period in the total history of the world.

At the time of the Declaration of Independence Captain Cook had only recently rediscovered New Zealand and the history of the European settlement of this country parallels the history of the growth of the most powerful nation on earth.

Apart from the disparity of size we have so much in common with the American people that it is worthwhile at a time like this to look back and seek the similarities rather than the differences.

During the time since Independence the United States has been a haven for the poor and the oppressed from the whole world, initially from Europe but more recently from other countries.

Thousands upon thousands of settlers have seen the United States as the land of promise where they could start a new life free from the stresses, the anxieties, the dangers and the persecutions of the countries in which they were born.

That New Zealanders came here for rather less pressing reasons in no way diminishes the recognition of the courage that our own forbears needed to take up their roots and travel to a new country on the other side of the globe of which they had heard but which they could not know until they reached it.

It is this quality of initiative and enterprise which I believe has been handed down to succeeding generations, both here and in the United States.

Equally, of course, the same circumstances in both countries breed a determination to succeed by one's own efforts to master the difficulties, natural and man-made, but at the same time to retain for the less fortunate a compassion which will always extend a helping hand because after all tomorrow or next week you and your family may be among the less fortunate.

If the United States is a multi-cultural society, then so is New Zealand, and if at times there are those who dwell on the difficulties of a multi-cultural society, then history has taught us, and the knowledge is deep inside us, that from many cultures we get many virtues.

We get an understanding of all the varieties of outlook, or temperament, and of culture in all its forms, that emphasizes the miracle of human personality.

It is all of these features of the origin of the two countries which makes our people so resistant to any force or policy which attempts to force them into the same mold.

Many principles we hold in common as nations but over-riding all is the desire for freedom as a nation and for freedom inside the law as individuals.

In a world of nations where the lamp of freedom, in many cases, flickers, and in others is extinguished, the United States and New Zealand are among those lucky countries where it glows as brightly as ever and if human frailty results in a Watergate then that episode itself is a triumph for the American system of justice from which the highest office in the land is not immune.

It is a sad fact of life in today's world that fewer and fewer countries can say that they have retained that kind of system of justice.

I believe that the acceleration of man's knowledge and expertise in science and technology has outstripped both the development of his psychology and to some extent his political systems.

Nevertheless in the years since World War II, and again in spite of the natural reactions of individual Americans to international events, the international generosity of that great country has been unsurpassed in the whole of recorded history.

The United States has not simply assumed the burdens of the free world, it has given of its national treasure year after year to sustain the free world.

That this generosity has, in the main, not been appreciated makes it all the more remarkable that it has continued.

The American people today can say that after two hundred years, during which distance has been annihilated from the horse and the sailing ship as our fastest means of travel to the supersonic jet and the space satellite for travel and communication respectively, they have managed to build a nation that in economic strength, in contribution to science, technology, and even philosophy, has not been eclipsed in the history of life on this globe while at the same time retaining in a full measure the rights and freedoms that must be the continuing heritage of mankind if the human race is to survive.

For this we in this small South Pacific nation, cherishing a similar heritage, salute the American people at the time of this joyous celebration.

May the friendship between our two countries continue for at least the next two hundred years.

DEATH OF JUDGE GEORGE W. DRAPER II

(Mr. HUNGATE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HUNGATE. Mr. Speaker, all of us enjoy the rights of our free society and the due process of law guaranteed by our Constitution. Those rights exist and adapt to serve the people of our country in their struggle for justice and equality and in their pursuit of happiness because of the largely unsung efforts of outstanding students of the law and jurists like George W. Draper II.

His untimely passing will be mourned, not only by his personal friends, but by all those who love the law and appreciate the contributions he made to its growth and improvement.

I extend particular sympathy to his family and ask permission to include herewith the obituary contained in the Washington Post.

[From the Washington Post, July 19, 1976]

Judge George W. Draper Dies

(By Leon Dash)

Judge George W. Draper II, 55, an associate judge of D. C. Superior Court since 1971, died Friday of a heart attack at the Washington Adventist Hospital in Takoma Park.

Born in Easton, Pa., Judge Draper graduated from Howard University with a B.A. in political science and a law degree in 1947. In 1948, he received a masters law degree from New York University.

He was an assistant professor of law at Lincoln University law school in St. Louis from 1948 to 1950, practiced law in St. Louis from 1950 to 1952, and was an assistant circuit attorney in the prosecutor's office in St. Louis from 1952 to 1954. In January, 1957, he was appointed as the chief trial assistant to the circuit attorney of St. Louis.

Judge Draper became the assistant attorney general, chief of criminal appeals section for Missouri in November, 1961 under Sen. Thomas Eagleton (D.-Mo.) when Eagleton was Missouri's attorney general. In 1964, Judge Draper was appointed as the director of legal services for the St. Louis human development corporation.

In 1965, Judge Draper moved to Washington where he served as chief counsel of the metropolitan department of the Department of Housing and Urban Development.

From May, 1968 until his appointment to Superior Court by former President Richard M. Nixon in December, 1971, Judge Draper was with the Equal Employment Opportunity Commission as both the deputy general counsel and deputy executive director of the commission.

In June, 1973, a contempt of court sentence by Judge Draper against a juvenile court social worker, Iris Elaine Banks, was ruled illegal in a precedent-setting ruling by the D.C. Court of Appeals.

Judge Draper was angered that neither Mrs. Banks nor anyone from her office, the city's social rehabilitation administration, had attend a 13-year-old youth's initial hearing on Saturday, Aug. 5, 1972. The youth, who was charged with grand larceny, unauthorized use of an automobile, tampering and malicious destruction of property, had been allowed to remain at the city receiving home over that weekend.

On Monday, Judge Draper ordered Mrs. Banks to keep the youth overnight then cited her for contempt of court when she refused to do so and sentenced her to eight hours in custody of the U.S. marshal.

In a 2-to-1 decision, the appeals court ruled that "when a court acts in excess of its authority in issuing an order, a refusal to obey that order is not punishable by contempt."

Judge Draper was a member of numerous civic, social and legal organizations. He was an active member of the Howard University Law Alumni Association and was the recipient of the Distinguished Law Alumnus of the year award for 1976.

Judge Draper was the first president of the Tamarack Triangle Civic Association of Montgomery County, a life time member of Alpha Phi Alpha Fraternity, Beta Chapter, a member of the bars of the State of Missouri, the District of Columbia and of the Supreme Court of the United States.

"He felt he was a conservative but I'm sure there were those who thought he was a radical," Bessie Draper said yesterday about her husband's judicial philosophy.

"He was a man who was really concerned about people," she added. Judge Draper "saw the law as a tool to serve people."

He is also survived by three sons, George William III, Thornton Collin, Wesley Robert; his mother, Grace Draper Smith, all of the home, 13312 Bea Kay Dr., Silver Spring and his brother, Harry Draper, of Washington.

In lieu of flowers, the family requests that donations be sent to the Howard University Law School to establish a scholarship and loan fund for married law students in his memory.

THE BURIAL OF THE BOWNE 100-YEAR TIME CAPSULE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Murphy) is recognized for 10 minutes.

Mr. MURPHY of New York. Mr. Speaker, I wish to bring attention to an exciting and unusual event taking place today at Manhattan, New York's South Street Seaport Museum, which is located in my congressional district. A 100-year time capsule is being buried in Seaport's Bowne Print Shop Restoration, to be opened in A.D. 2075. In addition to my personal comments, the capsule will contain letters from Speaker Albert, Secretary Dent—on behalf of President Ford—Governor Carey, and Mayor Beame, and messages from the children of today to the children of 2075—artifacts which should prove of interest to the psychologists and socialogists of the future.

Responsible for the capsule and its contents is New York State's oldest continuing business, Bowne & Co., Inc., which celebrated its 200th birthday last year. Robert Bowne, founder of the company, played a major role in the development of New York City's institutions for banking, fire insurance, health care, free schooling, and equal rights, as well as being instrumental in the construction of the Erie Canal. For the past two centuries, Bowne & Co. has continued the tradition of its founder, making valuable contributions to the city of New York. It is with great pride, therefore, that I bring the efforts of my constituents at the South Street Seaport Museum to the attention of my colleagues in the U.S. Congress.

THE BICENTENNIAL CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, in the spirit of our Bicentennial and its celebration of our independence, we most appropriately observe this week, the 18th, Captive Nations Week.

The familiar, long list of captive nations and peoples remind us of the more than two dozen nations that since 1920 have lost their independence under the heels of Soviet Russian imperio-colonialism and Communist totalitarianism. Congress passed the Captive Nations Week resolution in 1959, and President Eisenhower signed it into Public Law 86–90. Since then, Cuba, Cambodia, South Vietnam, and Laos have been added to the long list, and Angola appears to be next.

No matter how much some of us choose to forget it, this tragic extension of the captive nations list is a solid measure of the continuing defects and shortcomings of our foreign policy. Just 2 months ago the Vice President alluded to this when he declared:

> The era of old world imperialism has gone, and yet we find ourselves faced with a new and far more complex form of imperialism, a mixture of Czarism and Marxism with colonial appendages.

ROCKEFELLER said:

> I was just telling it like it is.

For those given to the genetic captive nations analysis Soviet Russian imperio-colonialism is really neither new nor more complex, and supporters of the captive nations have been telling it like it is for some time. And, thank God, they will persist in this so that our policy would at last cope with the challenges of this old imperialism.

The plain fact is that no policy exists for the captive nations which in toto are one of our most valuable allies. Moscow's "peaceful coexistence" policy, which, with its built-in tenets of systematic warfare and wars of national liberation, has destroyed the independence of numerous nations since 1920, faces no ideologic and political counterforce in our posture.

This is a serious gap in our position and must be filled in with massive concern for human rights and our ethnographic involvement, particularly with the non-Russian nations in the U.S.S.R. itself. To further peace and freedom through strength, this new dimension is indispensable to a policy that would preclude more additions to the already long list of captive nations.

In this first of several statements on the Bicentennial Captive Nations Week, I append to my remarks the President's proclamation, a report in the July 12 New York Times, and a piece on "How Many More Captive Nations?" by Dr. Lev E. Dobriansky of Georgetown University.

THE WHITE HOUSE.

CAPTIVE NATIONS WEEK, 1976—BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION

This year we mark the beginning of our third century as an independent nation. Two hundred years ago our Declaration of Independence declared that "all men are created equal." It did not say "all Americans" but embraced all men everywhere. Throughout our history we have repeatedly demonstrated our conviction and concern that men and women throughout the world should share the full blessings of liberty.

As we celebrate our Bicentennial, it is important that we let the world know that America still cares, that the torch in the Statute of Liberty still burns brightly. The world should know that we stand for freedom and independence in 1976, just as we stood for freedom and independence in 1776.

For two centuries, the fundamental basis of American policy toward other nations has remained unchanged: the United States supports the aspirations for freedom, independence and national self-determination of all peoples. We do not accept foreign domination over any nation. We reaffirm today this principle and policy.

The Eighty-Sixth Congress, by a joint resolution approved July 17, 1959 (73 Stat. 212), authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

Now, Therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the week beginning July 18, 1976 as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the aspirations of all peoples for self-determination and liberty.

In Witness Whereof, I have hereunto set my hand this second day of July in the year of our Lord nineteen hundred seventy-six, and of the Independence of the United States of America the two hundredth.

GERALD R. FORD.

[From the New York Times, July 12, 1976]

BEAME AND BUCKLEY CRITICIZE DÉTENTE

Mayor Beame and Senator James L. Buckley assailed the Ford Administration's policy of détente with the Soviet Union and Eastern Europe yesterday at a Bicentennial Salute to the Captive Nations held on Liberty Island.

"We will never forget the captive nations," the Mayor said, "and if sometimes the Administration in Washington acts as if they did not exist, the United States labor movement, a large part of Congress and the City of New York with its Statute of Liberty are here to remind the world that Americans will not rest easy until all people have governments of their own choosing."

"Maybe the Soviets have lifted an Iron Curtain around the captive nations, but they have lowered a détente curtain in its place," the Mayor said.

Senator Buckley, Conservative-Republican of New York, told the crowd that "We here today declare that we will not allow ourselves to be befuddled by the illusions of détente."

"We reject as immoral and ultimately suicidal any policy that seeks to buy peace by compromising away the liberties of other peoples," the Senator added.

HOW MANY MORE CAPTIVE NATIONS?

(By Lev E. Dobriansky)

Still the problem of another divided nation, namely Korea, is aggravated by unjustified allegations and pressures in our country concerning the denial of human rights in the free Republic of Korea. In what is essentially a war zone marked by open, military presence and a constant threat from the North, the expression of human rights enjoys a latitude and scope that far surpass other countries in the Free World which are not similarly situated. As in the case of the free Chinese, the overall politico-economic progress achieved by South Korea these past ten years cannot but attract the admiration of all who have invested heavily in its survival and continued struggle for national independence. Here, too, it should not be forgotten that it was Moscow that formed the North Korean armed forces and has had a vital, sustained interest in their preparations for further aggression. South Korea, too, could become a captive nation should we politically miscalculate to the detriment of our own strategic and politico-moral interests. The gain ultimately would redound to Moscow and its expanding global interests.

The real possibilities for more captive nations should be obvious, given the global goals and the growing array of means available to Moscow, as well as the essentially defensive and defective nature of deleted detente. The areas cited here are presently the most critical. Tomorrow, along the endless-crisis course propped by our own short-run makeshifts, they will be in South Asia, the Mideast, Latin America, and even Western Europe. Temorary peace in the Mideast, for example, is only a surface situation beneath which driving forces are at work toward a further, inevitable unsettlement. One of these forces is the deeply penetrating tenacles of Soviet Russian imperialism. Twenty years ago most analysts viewed this as "unthinkable." But as one of the few analysts with a grasp of understanding this chief force, Professor Hans Morgenthau vividly expressed it, the USSR "has pursued the age-old policies of Russia which, in the Middle East as elsewhere, have a very respectable ancestry under the aegis of Czarism."

In short, so long as our policy, which the Secretary of State recently stated has not changed since World War II, continues to lack central direction of purpose and movement, in addition to compatible means for execution, the opportunities for Soviet Russian expansionism will remain bright and open. Moscow, with its traditional array of purpose, mission and techniques, which it does not fear to use even in a nuclear age, knows this, and consequently desires more than anything the continuation of deleted detente. For not only in the so-called Third World but also in Western Europe emerging opportunities exist through associated communist parties. Significantly, when it comes to the fundamental issue of mythical American imperialism and real Soviet Russian imperialism, the typical answer was recently given by France's Paul Laurent: "Differences of opinion that exist between Communist parties can under no circumstances be allowed to form an obstacle to joint action against imperialism and to the proclaiming of joint goals." The imperialism here is the common American target.

MOSCOW VALUES DELETED DETENTE

When the President deleted "detente" from our official vocabulary—though the policy of drift has remained—Moscow immediately reacted in a very concerned manner. As a crude example, Georgi Arbatov, head of the think-tank Institute of the USA and Canada saw fit to advise the President not to listen to "right-wing loud mouths" and "old horses of the Cold War who criticize detente." This advice was entirely in conformity with the values the Russians have been reaping from detente, which in their clear logic of "peaceful coexistence" is in reality just another form of the incessant Cold War but at this stage and time of greater comparative advantage. In the whole discussion on detente, this crucial point of operational logic is insufficiently appreciated by our leaders, including the Secretary of State who, only recently at the NATO meeting in Oslo, began to attach some value to "Soviet ideology." But more important, we still have developed no logical counterpart, and thus no mechanics of positive action, to the rational and motivating constructs of Moscow's "peaceful coexistence" doctrine. As we shall see, this glaring gap in our posture can strategically be filled with the non-Russian dimension that the captive nations analysis provides.

On more than one occasion Brezhnev has defined clearly the Russian view of detente and its basic utility at this time for Moscow's unchanged global goals. As he stated it in 1973, "Peaceful coexistence does not mean the end of the struggle of the two world powers. The struggle between the proletariat and the bourgeoisie, between world socialism and imperialism, will be waged right up to the complete and final victory of communism on a world scale." Stripped of its Aesopean language, this means the further advance of Soviet Russian imperialism and additional captive nations, including in the end the U.S., not inconceivably as another non-Russian republic in the World USSR. At the 25th Party Congress, Brezhnev restated this doctrinal point and emphasized that detente does not "in the slightest abolish the laws of the class struggle," which are mythical laws justifying Russian interventionism anywhere. In short, Moscow has always and with logical consistency maintained that detente can place no curbs on the systematic warfare construct of its fixed "peaceful coexistence" policy. This has been so since Lenin enunciated it nearly 60 years ago. Curiously, when Kissinger asserts that "Today, for the first time in our history, we face the stark reality that the challenge is unending . . . ," one cannot but wonder about his perspectives.

In addition to the integral systemic warfare construct, which operationally is chiefly directed at the advanced industrial democracies, the other fixed construct on "wars of national liberation" is also consistently upheld by Moscow. Angola is the most recent example of success in the operational application of this concept. At the same 25th Party Congress, Brezhnev let it be known that "Our party supports and will continue to support peoples fighting for their freedom. This attitude to the complicated processes within the developing countries is clear and definite." Of course, the party controls the government with totalitarian reins, and as it fought in Lenin's time for the "freedom" of the now captive nations of Byelorussia, Ukraine and others, so on this two-level basis it has been fighting for the "freedom" of Vietnam, Angola, Portugal and countless others in our time.

What is not generally understood with appreciative insight is that the very logic of Moscow's "peaceful coexistence," involving systemic warfare, wars of national liberation, and ideational warfare in general, with each conducted through extensive networks of the dual party/governmental setup, sharply contradicts the peaceful intentions, the conciliatory moves and much of the process of deleted detente as viewed by us. When last fall the French President Giscard d'Estaing toasted Brezhnev at a state dinner in Moscow with the words "There should be a relaxation of ideological competition between East and West to avoid excessive tensions," the Russian leader was psychologically toasted. Whenever truths such as this one, the captive nations, the denial of human rights in the USSR and so forth confront the Russians, they characteristically display irritation enough to cause us to retreat for want of negotiating another relatively minor agreement. The pursuit of a policy of retreat from truths can only mean a steady erosion of our own values, purposes and leadership. More important at this stage, it signifies a failure on our part to provide a logical counterpart to the total doctrine of Moscow's "peaceful coexistence."

It is only a question of time before this grave need will be recognized; the sooner the better, for it is time that Moscow has been buying in its support and use of deleted detente. As overall trends will show, the USSR has made rapid strides in the past decade in its own military build-up and the manufacture of arms for export to foment the so-called "wars of national liberation." Given our margin of technological advantage, and at that a dubious and shifting one in many areas, the USSR by mid-1975 has exceeded us in military manpower, major surface combatant ships and submarines, strategic offensive and defensive weapons, and in basic conventional ground force weapons, except for helicopters. Well documented analyses along these lines, including the recent CIA revision on Moscow's military expenditures, can lead to a numbers game and all sorts of speculation. They can also distort our perspectives regarding traditional Russian modes of diplomacy and Cold War operations.

Unless the Russians develop a first-strike capability in strategic arms, their use of overall military superiority will be no different from the manpower "steamroller" scare by which the former Czars frightened the capitals of Europe. In other words, "peaceful coexistence" will inevitably become more intensified, with diplomatic intimidation and blackmail predicated on a flaunted military superiority. To many of us this will appear as a so-called return to the Cold War; in reality, it will only be a more intensified phase of the present, marked by still greater unsettlement, friction and disarray in all quarters of the globe.

Essential to the composite development of USSR's psycho-political strength, engendering the economic, sociological, cultural and other spheres under totalitarian control, is Moscow's ready access to advanced Western technology. One of the chief illusions of detente, "economic interdependence," would facilitate this. Those given to this illusion had better interpret Brezhnev accurately when at the "25th" he clearly stressed, "Economic and trade ties with capitalist states strengthen and expand the policy of peaceful coexistence," as conceived by Moscow.

THE NON-RUSSIAN DIMENSION

Is there a better alternative to Kissinger's brand of detente? There certainly is, for a more genuine peace, our strong leadership, a reborn America and a newly confident Free World. A careful analysis of the Secretary of State's speeches and statements will show that the supportive logic behind his generalizations breaks down into three essential points, namely the necessity for peace, the dread of returning to the Cold War, and the prospect of a nuclear war. In combination, these scarcely provide a counterpart logic to that of Moscow's "peaceful coexistence" policy. No person in his senses would dispute the first point, but when one reviews, among other things, Moscow's role in Vietnam, its incitement of the Yom Kippur War, its try in Chile and Portugal, its success in Angola, etc. not to mention its avowed "peaceful coexistence" policy with its warfare constructs, we only delude ourselves that under the cover of his detente these events and more pave the road of peace. The "peace" achieved in Vietnam was a piece of territory lost to the enemy.

The second point on returning to the Cold War need hardly be elaborated upon in light of our foregoing analysis. If anything, it plainly indicates the Secretary's misconception of traditional Russian policy. As for the point on an outbreak of a nuclear war, the play on popular nuclearitis has become somewhat outworn. Here, too, one prays that this will never come to pass, and with undiminished growth in our military technology, the probability of it now remains high. But, for some reason, it is often overlooked that the presence of nuclear arms in no way deters Moscow from pursuing the warfare paths ingrained in its policy of "peaceful coexistence." Except for terminological differences, these paths have always existed in imperial Russian policy, and it is in this area that a policy with regard to the captive nations must be developed.

In providing a counterpart logic to "peaceful coexistence," one hesitates to use the appropriate term, ethnographic warfare. However, if we are realistic enough and view it in ideational terms as the communists do systemic warfare in their "peaceful coexistence," the necessary counterpart logic should become evident. Moreover, the methods of its employment would be consistent with the tides of "peaceful coexistence." The chief field for its employment is made to order in the non-Russian dimension of the Soviet Union itself, namely its captive non-Russian nations. Nowhere in any of Kissinger's works, from the early "A World Restored" to "The Troubled Partnership" is there any vivid awareness of this fundamental dimension and its vast possibilities for effective competition with Moscow. For the recent period, his views are shaped by his aide's "organic relationship" notion.

American concern for peoples and nations subjected to colonialist rule has always been a precious asset of our tradition. Indeed, the focal point of the American Bicentennial Revolution is the Declaration of Independence from an empire. Yet, ironically enough, when it comes to Russian colonialist rule within the USSR, involving over 125 million non-Russians, such concern and interest fades, and our official policy operates as though the USSR were some nation-state rather than the primary empire that it is. As a recent "New York Times" editorial put it, "Millions of Ukrainians, Byelorussians, Latvians, Estonians, Lithuanians, Jews, Georgians, Armenians, Azerbaidzhanis, Kazakhs, Uzbeks and other non-Russians wonder why they remain subjugated in an era when colonialism has been destroyed almost everywhere else." Contrary to Kissinger's belated moral observations that we can "no longer expect that moral judgments expressed in absolute terms will command broad acceptance," judgments about national independence, the end of colonialist rule, human rights and more still command broad acceptance, particularly among the captive nations.

The formulation of this new policy and its imaginative implementation in the whole politico-economic sphere require not only a sensitive knowledge of the non-Russian nations and peoples in the USSR but also a modicum of courage, conviction and will to cultivate constructively this basic dimension—all in the fair spirit of competitive coexistence. A good start on this, as indicated earlier, was provided by the President's pre-Helsinki declaration. His Milwaukee statement on April 2 repudiated the notion of "organic relationship" and emphasized, "The United States strongly supports the aspirations for freedom, for national independence of peoples everywhere, including the peoples of Eastern Europe." On the basis of these two statements observers are looking forward to a strong Presidential proclamation of the '76 Captive Nations Week. More, the credibility of these positions will be judged in the field of application as concerns the non-Russian dimension within the imperial state of the USSR. A studied interference in empires has always been the hallmark of the American tradition. The worst of them all, the USSR, can be no exception for a reborn and renewed America.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Mr. Speaker, I most certainly will yield to my colleague, the gentleman from California (Mr. ROUSSELOT) who for many, many years has joined with me on the subject of Captive Nations Week.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague the gentleman from Pennsylvania (Mr. FLOOD) yielding to me. I know that I express the sentiments of many of the Members of this House when I say we are grateful to the gentleman for taking this special order today. The distinguished gentleman from Pennsylvania has always taken the lead in this body to make sure we do not forget those nations living under tyranny behind the Iron Curtain who are, in fact, captive nations. Since this is our Bicentennial Year, we especially appreciate our colleague from Pennsylvania reemphasizing the fact that many, many people throughout this world are looking toward the day when they may be again free to enjoy the kind of liberty they once had.

Mr. Speaker, we are indeed grateful to the gentleman from Pennsylvania (Mr. FLOOD) for his continuing efforts to make sure America does not forget these fine nations.

Mr. FLOOD. Mr. Speaker, I thank my friend, the gentleman from California (Mr. ROUSSELOT), for his eloquent help.

Mr. WOLFF. Mr. Speaker, as a former recipient of the Captive Nations Medal, I would like to take this time to bring to the attention of my colleagues the burden endured by the people of these nations at the hand of the Soviet Union.

The period of World War II, witnessed the forced occupation and seizure of Czechoslovakia, Hungary, Bulgaria, Poland, and Romania. The Soviet Union has been ruthless in its efforts to attain power and complete control in Eastern Europe, and has succeeded in robbing Latvia, Lithuania, and Estonia of their sovereignty and independence by incorporating them under Soviet rule.

I deplore these oppressive tactics of the Soviet Union, which have put an end to the cherished freedoms of speech, religion, assembly and participation for the people of these captive nations. At a time when the United States is celebrating 200 years of freedom, we cannot lose sight of the fact that people throughout the world do not share this same freedom.

In August 1975, when the United States and the Soviet Union both signed the Final Act in Helsinki, another step forward was taken in the name of détente. This act set forth basic ideas of individual freedoms and human rights, but it also served to recognize Soviet East-European boundaries—boundaries which were established by force. The U.S.S.R. has used this act to tighten its control over the captive nations areas, and has ignored all declarations for the preservation of human rights. It was in response to these Soviet actions that I cosponsored House Resolution 864, which states that it is the sense of the House to continue the U.S. policy of nonrecognition of the Soviet annexation of the Baltic nations.

Since their occupation, the captive Baltic nations of Latvia, Estonia, and Lithuania, have been crying out to the world for help. They do not want to remain under the oppressive hand of the Soviet Union, and believe that with the help of the United States, and other nations who share their dedication to freedom, they will be able to once again become dignified and independent nations.

I call on my colleagues to join with me in recognizing the need for the U.S. Government to insist that the Soviet Union and her satellites honor their commitments arising from the Helsinki agreement, and restore the basic freedoms guaranteed therein, to the people of the captive nations.

Mr. ZABLOCKI. Mr. Speaker, in accord with Public Law 86-90, the third week in July has been set aside as Captive Nations Week, dedicated to the commemoration of the fate of millions of people denied basic human rights by Communist oppression.

In celebrating this 18th observance of Captive Nations Week, it is important that we take the time to reaffirm our basic belief in the right to freedom for all men. Certainly, in this year of our Bicentennial, as we rededicate ourselves to those noble principles upon which our Nation is founded, we should also reaffirm our commitment to those who live in captive nations. As America lauds itself on its tradition of fostering and encouraging the exercise of individual constitutional rights, it must not ignore the fact that millions of people still live in closed societies unable to exercise those precious freedoms which we so often take for granted. It is right that we proclaim our patriotism, our historic past and our hopes for the future. But at the same time we must also have the courage to proclaim our continued concern for people all over the world who live in the shadows of political, social, and religious oppression.

In the captive nations of Eastern and Central Europe, there are millions of people who are unable to hear the facts, to speak the truth, and to fully participate in and determine their own form of government. The U.S.S.R. has sought our acquiesence of its control over these countries, a control that precludes free exchange of ideas, personal mobility and the exchange of information. This area of Europe has long endured as the traditional power fulcrum in maintaining a balance of power. It should not be abandoned and thereby enable the Soviet Union to obtain sufficient leverage to penetrate further into the European continent. The United States must declare, therefore, that it will not accept any permanent Russian hegemony over this part of Europe.

It has been my position in the past, and I reaffirm that position today, that détente, to be effective, has to consider human and moral as well as trade and political realities. Any future agreements between the Soviet Union, the United States and the free world should be made contingent on the Soviets adhering to a policy which respects the fundamental rights of all people. Without this insistence, the citizens living in captive nations will be forced to endure only more oppression. Our priorities should be clear, and it is my hope that soon freedom, liberty, and self-determination will again return to those living in captive nations of the world.

Mr. BROOMFIELD. Mr. Speaker, there is a poignant irony in the fact that July 1976, the month of our Bicentennial, our celebration of freedom, is also the period in which we pause to honor the captive nations of the world, the millions of people less fortunate than ourselves who have been robbed of their freedom and imprisoned behind the dank, foreboding moat of Communist repression.

As we mark two centuries of independence and control of our own affairs, let us step back for a moment to consider the plight of the captive nations where freedom and dignity are scarce commodities, where concepts like sovereignty and independence have been disfigured beyond recognition.

Some of these nations, such as the Baltic States, have known independence for decades only to be swallowed up in Soviet expansionism. Others, in the wake of the Second World War, have been permitted to retain a national identity but have forfeited most of the prerogatives of nationhood to their Soviet overlords.

The plight of the captive nations provides a vivid reminder that the United States has not been universally successful in its defense of freedom and self-determination throughout the world. Millions of people exist today as innocent victims of oppression; they live a life devoid of respect for the rights of man and the dignity of the individual—concepts Americans have come to take for granted.

Compassion, an abiding sense of justice, and a determination to help others less fortunate than ourselves are all characteristics deeply ingrained in the American character. Three decades after the conclusion of World War II our sense of tragedy at the situation of the captive nations is undiminished. There are millions of Americans today who trace their origins to the captive nations of Europe. They came here to participate in the American dream, they have contributed enormously to our society, and they remain determined—rightfully determined—to keep the tragedy of their homelands before the conscience of the world.

We who are concerned with this issue can take some consolation from the fact that last year's Helsinki accord pledges the signatories, including the Soviet Union and the Eastern European nations, to respect for fundamental human rights. I am pleased to see that Congress has established a Commission on Security and Cooperation in Europe to oversee compliance with the Helsinki provisions, to insure that basket three is not an empty basket.

But, in the final analysis, the steadfastness of the free world, our refusal to acknowledge the legitimacy of Soviet imperialism, and our continued concern with the status of the captive nations is our most potent weapon against Soviet voraciousness, for it lets the victims of aggression know they are not alone or forgotten and provides them with hope for the future.

Mr. CLEVELAND. Mr. Speaker, this year the American people are celebrating the Bicentennial of our great Nation. During the recess of the Congress I was proud to participate, in several towns and cities of my district in New Hampshire, in a number of events honoring our 200th anniversary as a free and independent country. Everywhere I went I could see, in the spirit of celebration, a renewed awareness and commitment to the noble ideals of freedom and equality expressed in our Declaration of Independence.

It is particularly fitting, therefore, that we in the Congress pause at this point in our Bicentennial Year to mark the 18th observance of Captive Nations Week. It is my hope that the significance of this year in our own history will add a special gravity and emphasis to our tribute to those nations of the world which cannot enjoy those freedoms of justice and self-determination which we too often take for granted. Throughout my 14 years in Congress I have been calling attention to the deprivation of basic human rights suffered by those people under Soviet Communist domination. The irony that such an event as Captive Nations Week is still necessary puts this grave matter in sharp focus.

Although in recent years we have seen some breakthroughs in our relations with Communist governments, we have also seen that the threat of communism is one which continues unabated in its attempt to trample on human freedom and dignity. Africa has now become center stage, with Angola falling under Communist control and Soviet influence dangerously evident in other parts of that continent. Even in Western Europe communism is becoming a potent force, although fortunately not a dominant one. Only by the grace of the democratic ballot were Portugal and Italy saved from Communist rule, thus displaying to all the world that given a free and unhindered choice, people will reject the totalitarianism of communism. It can control only by force, and brute force is the only reason for our paying tribute today to those nations living under its yoke.

The recent Communist Party Congress in Moscow indicated that the Soviet Union's control over the world's Communist governments may no longer be the monolithic threat it once was. However, we cannot afford to be deluded into a false sense of security. Congress has, I am relieved to note, realized again the need for a strong national defense, and this year will pass a defense budget which recognizes the realities of an untidy and dangerous world.

Mr. Speaker, let us strive constantly to translate our Bicentennial enthusiasm for liberty and justice into active efforts to make these freedoms available to every nation. Let us make the pressure of world opinion, led by the voices of Americans, strong enough that those countries whose loss of freedom we mourn this week will, one day soon, join again the roster of "free and independent states."

Mr. HANLEY. Mr. Speaker, the third week of July was designated Captive Nations Week by unanimous consent of Congress in 1959. The jurisdiction of Captive Nations Week was forcefully stated in the following words of the Public Law (86-90) which made the designation:

> The desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace . . .

This year, in commemoration of Captive Nations Week, I salute, and make public, my support for the people in all the Soviet enslaved European nations who desire to acquire their inalienable right to self-determination and national sovereignty.

As every Member of this great body is aware, the policy of détente reached a milestone when the United States, the U.S.S.R., and 33 other nations signed the Final Act of Helsinki on August 1, 1975. The Final Act contains far-reaching declarations on the relationship between international security and the preservation of human rights. However, it is now clear that it was a mistake to assume that if the West recognizes Soviet domination over East Central Europe, Moscow would harbor no further plans for extending its control over other parts of the globe. The Soviets have tightened their hold on their own people and on the captive nations. The persecution of Russian Jews and dissidents has increased. The Brezhnev doctrine, so successfully applied against Czechoslovakia in 1968, was resurrected in Poland recently in the form of an extraordinary revision of the constitution that creates a unilateral legal obligation for Poland to remain an ally of the Soviet Union, and perpetuates Communist domination over the country.

I am deeply convinced that only the implementation of the principles established in the Final Act, in respect of human rights and fundamental freedoms, can bring peace and security to Europe. The present situation breeds permanent discontent which leads to periodic outbursts of unrest having the potential of involving the rest of the world.

Furthermore, I believe that only a strong America, committed to the ideals of freedom, democracy, and progress, can make the world safe from the dangerous enemies of liberty—the Soviet Union and her satellites. The Communist governments should relentlessly be pressed to implement the provisions of the agreement they signed in Helsinki.

What we are witnessing now simply makes a mockery of the Helsinki accords and of the policy of détente which the Soviets are successfully turning into a tool to steadily increase their international power, and their grip over the captive nations, without the danger of encountering any serious American opposition. It should not take any more Cubas, Cambodias, or Angolas to wake us up. The United States cannot, and should not, continue to do nothing while the Soviet Union makes shambles out of the Final Act of Helsinki.

In short, it is my strong belief that the road to peace lies in pressing firmly and consistently Soviet Russia and her satellites, at all international forums, to abide by their international obligations. We must make it clear that if the countries of the Warsaw Pact are to get Western technology, agricultural products, economic concessions and credits which they seem to want so badly, there will have to be a respect on their part for human and political rights which form the base of our own civilization.

Finally, in this Bicentennial year, it is so clear that our country's past international history is so valuable in adding to the lives of each and every one of us. In this light, we must press for the immediate removal of Communist-raised barriers of communication separating the captive nations from the common cultural European heritage they share.

As citizens of a free nation, Mr. Speaker, we must urge that our liberties be extended to those deprived of them in the captivated European nations. The people of these nations look toward the United States for hope and inspiration, and for the day when freedom may once again prevail in their lands.

Mr. YATRON. Mr. Speaker, it was the burning desire for freedom—for a life of liberty—which became the mandate of the American Revolution. Two hundred years later, we, the American people, bask in the glory of our liberties and look to perpetuate our freedoms.

In this vein, we also look with deep sadness and sympathy at citizens of the world community who are less fortunate. While we are beneficiaries of a strong, vibrant democracy, others are citizens of captive nations, who are enveloped in a political environment which violates what we know as basic, unalienable rights.

It is fitting that the people of our Nation vow to remain free and aid and comfort our suppressed brethren that they may someday enjoy the basic rights of humanity.

The traditions of America are founded on the precepts of ancient law and the desire of a nation to remain indefeasible.

It is my sincere hope that during Captive Nation's Week our citizens will thoughtfully observe this period by reflecting not only our own sovereignty but pledging to uphold freedom throughout the world.

Mr. PATTEN. Mr. Speaker, in this Bicentennial Year, our great country celebrates its independence as well as its commitment to certain basic freedoms.

Yet countries still exist where these basic rights—freedom of speech and freedom to live one's life as one chooses—are still denied.

Since January 1940, the Latvian people

as well as the Estonians and Lithuanians have had their respective states occupied by the Soviet Union. Through persecution, imprisonment, murder, and deportation, cultural and national identification are denied these small freedom loving states.

The United States has played an important role by never recognizing the forceful annexation of these Baltic States into the Soviet Union. This support gives hope to all oppressed people and reinforces the drive to achieve national independence.

As these people strive for their emancipation, let us pay homage to the brave people of these countries and let us hope and pray that we will soon be celebrating their actual independence, not a celebration of their declaration.

Mr. WYDLER. Mr. Speaker, the President of the United States issued a proclamation designating the third week of July of each year as Captive Nations Week. For years we have marked this solemn occasion to express our sympathy with the millions of people around the world who are deprived of liberty as individuals and as nations. The President observed that our American Declaration of Independence states that all men are created equal—not just Americans. This anniversary assumes special significance during our Bicentennial. As we celebrate our successful, if imperfect, 200-year experiment with democracy, our joy is tempered by the knowledge that entire nations in Eastern Europe, the Soviet Union, and Asia continue to be denied basic human rights and dignity under communism.

Between 1920 and 1940, 14 independent nations were forceably incorporated into the Soviet Union. Since 1946 another 16 nations have fallen under Communist control; not one of them on the basis of self-determination, as expressed by free elections. In the past decades, the people of the captive nations have expressed their feelings in the only possible way. They have voted with their feet. Hundreds of thousands of people have fled the tyrannies under which they lived at great personal risk, many of them to start new lives in the United States. The addition to our society of these people with their vivid memories of oppression has strengthened our resolve to protect our liberty and to continue to support the aspirations of those less fortunate.

We are reminded on this occasion of some ominous trends in the world today. We must view with concern the fact that the scales of liberty are tilting toward less freedom—rather than more—in many parts of the world.

Despots of various persuasions and ideologies are sacrificing the hopes of their people for the sake of their personal aggrandizement or to find a quick fix to their nations' problems of development. The number of truly democratic nations in the world is diminishing. The United States can remain indifferent to this dangerous trend only at its own peril. We must continue to speak out for the rights of subjugated people in every international forum. We must insist that the signatory states to the Final Act of the Conference on Security and Cooperation in Europe and the United Nations Charter live up to their pledges to respect the principles of human rights and self-determination for all nationalities. It is in the vital self-interest of the United States to defend the right of the oppressed in other countries because, as President Wilson stated in 1917:

> Only free people can hold their purpose and their honor steady to a common end and prefer the interests of mankind to any narrow interest of their own.

During this Captive Nations Week, observances in many parts of the country will symbolize America's rededication to the struggle for liberty and human rights. In this struggle we have as our allies the vast majority of the world's population. Liberty and democracy are not uniquely American values. The yearning for freedom is universal and cannot forever be ignored.

Mr. CONABLE. Mr. Speaker, this week, we observe the 18th anniversary of Captive Nations Week. As Americans celebrating our Bicentennial Year of the republican form of government based upon "the consent of the governed," we are ever more conscious of the aspirations for freedom and liberty that still remain unrealized by numerous nations throughout the world.

In this era of peaceful coexistence, nations are undergoing substantial changes in culture, science, and trade, but Americans cannot forget the great number of people of these subjugated nations who still desire and seek basic human liberties. Populations have been removed from their homelands through deportation and resettlement programs; civil rights are broadly denied and economic and social freedoms are practically nonexistent in many nations. Unfortunately, these conditions extend today to many of the new emerging nations, as well.

Thus today, I want to join with my colleagues to express continuing concern for these people of the captives nations in the world. As Americans we remain dedicated toward ending personal oppression and extending human rights, and we are linked with these people, not only by bonds of family and culture, but also by the love of liberty and justice.

Mr. McDONALD. Mr. Speaker, ever since the 86th Congress, we have taken notice of the so-called captive nations. But what has been the trend? The statements from the White House each year have become blander and more meaningless. What has been the trend in our foreign policy in support of the captive nations? The Berlin Wall has been built. Czechoslovakia was invaded and is still occupied by Soviet troops. Finland has been further compromised, in fact the process coined a new word—"Finlandization." The Soviets have achieved their long sought goal of a Conference on European Security and Economy, which resulted in the Helsinki Agreement. In fact, the so-called captive nations are not a bit freer than they ever were. Under the guise of détente and the Kissinger-Sonnenfelt doctrine our State Department is forging new chains for them.

What about the role of Congress? What action has the Congress taken? We have spoken loudly on the treatment of Jews in the Soviet Union, but as for others behind the Iron Curtain, the Congress has done very little. If, in fact, this Captive Nations Week is to be meaningful, we in the Congress have to be more resolute in the cause of freedom whether the executive branch is or not. One week with some pious speeches is not enough. We have to work for freedom of the captive nations on a regular basis with appropriate hearings, legislation, and resolutions. We have to continually spotlight the Soviet-imposed slavery and the unnatural situation of the captive nations in Eastern Europe. As Members of Congress, we can stop the trend of diminishing the role of Radio Liberty and Radio Free Europe and squelch suggestions that such operations be placed under the U.S. Information Agency and the very rapid Voice of America. We can put some teeth into the newly formed Commission on Security and Cooperation in Europe. These are just a few of the things this great body can do. We should get on with the business of freedom, if that is what we are fully committed to as Representatives of the American people in this our great Bicentennial Year.

Mr. ANNUNZIO. Mr. Speaker, since 1959 the third week in July has been set aside by an act of Congress as Captive Nations Week in order that the American people may devote themselves anew to the just aspiration of all peoples for national independence and human liberty.

It is certainly fitting that we in the free world, who have enjoyed for centuries the priceless rights of democracy, do all that we can to give hope and support to those captive nations which aspire to national independence. By so doing, we not only reaffirm our dedication to the noble principles of self-government established by our Founding Fathers, but we also give tangible evidence to the captive peoples of our relentless opposition to oppression.

Millions of Americans who trace their origin to the captive nations, and to other lands, join each year during this special week to express their hope and their support for policies which will free the captive nations. In Chicago, under the capable and energetic leadership of Chairman Viktors Viksnins, the week-long observance culminated in the annual parade on State Street and a reception afterward in the Palmer House Hotel. Rev. Janis Smits, who, along with his family, was recently allowed to leave Latvia after much harassment, also visited Chicago during Captive Nations Week. I was glad to have a part in facilitating his release through letters to Soviet authorities urging the recognition of his right to emigrate.

The captive nations parade in Chicago featured national groups wearing their native costumes, joined by city officials, Chicago civic and business leaders, and members of the Armed Forces. Our distinguished mayor of Chicago, Hon. Richard J. Daley, proclaimed Captive Nations Week for the city of Chicago as did Gov. Dan Walker for the State of Illinois, and a copy of the mayor's and the Governor's proclamations follow as well as the news release on the observances issued by the Captive Nations Committee:

STATE OF ILLINOIS EXECUTIVE DEPARTMENT

PROCLAMATION

The desire for freedom and independence that united our forefathers two hundred years ago stirs today in the hearts of subjugated liberty-longing peoples throughout the world.

In the intervening years we have welcomed hundreds of thousands to these shores and, through the democratic process, we have striven for harmonious national unity.

Because of their different racial, religious and ethnic backgrounds life in these United States has been exciting and interesting and progressive. Although the people share their love of freedom and respect for independence they are encouraged to preserve their cultural differences and traditions.

Aware that in many countries the people are denied self-expression and must submit to the dominance of others, I, Dan Walker, Governor of the State of Illinois, proclaim July 12–17, 1976, CAPTIVE NATIONS WEEK. The Illinois observance will be culminated by the eighteenth annual Captive Nations Parade July 17 on State Street in Chicago followed by a reception and I suggest that all who can participate in the celebration.

In witness whereof, I have hereunto set my hand caused the Great Seal of the State of Illinois to be affixed.

Done at the Capitol, in the City of Springfield, this twenty-third day of June, in the Year of Our Lord one-thousand nine hundred and seventy-six, and of the State of Illinois the one hundred and fifty-eighth.

Dan Walker,
Governor.
Michael J. Howlett,
Secretary of State.

City of Chicago Proclamation

Whereas, our city's annual observance of Captive Nation's Week will be highlighted by a State Street parade at noon on July 17th; and

Whereas, under auspices of the Captive Nation's Friends Committee, the week's activities will direct public attention to the plight of people whose homelands are under Communist control; and

Whereas, many citizens of these countries are linked by family ties to residents of this community, and it is commendable that United States citizens, in appreciation of their freedoms, should extend sympathy and the hope of freedom to their fellow-men and women whose liberty has been denied:

Now, therefore, I Richard J. Daley, Mayor of the City of Chicago, do hereby proclaim the period of July 12 through July 17, 1976, to be Captive Nations Week in Chicago and urge all citizens to take cognizance of the special events arranged for this time.

Press Release

To the public and all news media: President Ford, Governor Walker and Mayor Daley have declared the week of July 11 through July 17, as Captive Nations Week, and have asked that it be commemorated with appropriate ceremonies.

We have been asked to participate actively to demonstrate our desire for freedom and self-determination for all the Captive Nations, rather than just to limit our participation to the issuance of a proclamation.

People of all the Captive Nations have often stated that they want freedom for their nations and countrymen, but too often this desire has been expressed only in words. During Captive Nations Week, through our participation, we can show our enemy that we have not given up the fight but, are continuing and will continue until our nations have regained their independence.

To some it seems that participation in Captive Nations Week, is of little value and does nothing to enhance freedom for the captive people of the world. This is not so. When we first came to this country at the end of World War II, very few people in positions of influence were concerned with the situation or future of the Captive Nations. Because of our activities this situation has changed for the better. People throughout the Free World are better informed about the plight of the Captive Nations and today we are able to influence favorable legislation and resolutions in Congress, which in turn, to some degree, protect our interests in the conduct of international affairs. I am convinced that in coming years we will be able to exert even more influence in the shaping of Free World Policies, that concern the Captive Nations of the World.

No one national group should however feel that they can accomplish this by themselves. Our greatest strength lies in our unity of purpose and cooperation. Working together to achieve justice for all the Captive Nations, we will be most effective. I am very happy and proud to say that the Chicago Captive Nations Committee has been more effective than most and the cooperation of the member ethnic group could serve as a model for similar organizations in other cities.

In this Bicentennial year the United States celebrates the 200th Anniversary of its independence. This country was founded on the principles of individual freedom and justice. Those of us who came to this country after World War II, having experienced tyranny are especially appreciative of this. We are free to work in our national organizations, worship in our churches and participate in the activities of our congregations. This freedom also, places upon us the responsibility, to show our respect and gratitude to the country.

The Captive Nations Week Commemoration gives us all an opportunity to pay homage to the principles of freedom and justice on which this country was founded and to show that we desire these principles, to be applied also to the Captive Nations which presently do not enjoy liberty.

This years Captive Nations Week Parade, will be held on July 17, at 12:00 Noon on State Street. It will be attended by representatives of the City, State government and will have members of various veteran and youth groups attending.

We will be especially honored by the presence of the Rev. Janis Smits, who was recently and after much harassment allowed to leave Latvia, and who last month testified before the House Foreign Relations Committee regarding religious persecution in the Soviet Union.

The Captive Nations Committee and the Rev. Smits have scheduled a Press Conference for 10 AM on July 15, in the Chicago Sheraton Hotel, Lake Superior Room. It is my hope that the Press Conference is well attended, not only by members of the press but also, by American Religious Leaders, as it will provide all with an opportunity to learn of the condition and treatment of Churches behind the Iron Curtain. After the parade on July 17, at 2 PM a reception will be held at the Palmer House Imperial Room, with Senator Carl T. Curtis of Nebraska as the Main Speaker.

The Captive Nations Committee sincerely urges all representatives of Chicago Ethnic Organizations and members of the Captive Nationalities to attend the activities of Captive Nations Week and show your support for the ideals of freedom and justice on which this country was founded as well as demonstrate our wish that these ideals be applied to the nations presently not enjoying them.

Viktors Viksnins,
Chairman, Captive Nations Committee.

Mr. GREEN. Mr. Speaker, this week marks the 18th anniversary of Captive Nations Week, an observance initiated by the 86th Congress and proclaimed by each of our Presidents since then.

For us, this is a week of reflection and remembrance, in which we renew our hopes that the people of the world living under Communist rule will soon have their freedoms restored.

With détente crowding the headlines, it is easy to overlook the human tragedy that the denial of liberty brings. In the words of Solzhenitsyn, "communism is antihumanity." Even for Americans, it is sometimes difficult to revitalize the memory of our revolution. With our own freedoms seemingly so well secured, we can easily forget the inestimable loss their denial brings. It is the fact that we have not forgotten which is our best hope for the future.

For the same reason, as long as there is hope among the people of the world's captive nations that freedom will return, they have a chance. We, in Congress, encourage that hope each year through this observance. It is important to us, a nation born from an idea—so precious to us all—that all men are created equal and have a right to liberty, and it is important for the world.

Mr. RODINO. Mr. Speaker, I would like to join with my colleagues in commemorating the 18th annual Captive Nations Week. Ever since 1959, when Congress passed Public Law 86–90 designating the third week in July as Captive Nations Week, we have used this time to reflect on the value of human dignity and freedom basic to all the peoples of the world.

National self-determinism has always been a cherished ideal in America. It was essential to the struggle which gave birth to our nation, and it has been reiterated by American statesmen throughout our history. The ideals on which America was founded have given our people the basis of a free society, unparalleled anywhere in the world. The Founding Fathers were ultimately concerned with securing liberty for all people, and they were convinced that a democratic system of government would best suit that objective. The past 200 years have shown the wisdom of their choice.

Actions which would not be tolerated in other countries—

The freedom to worship however we please;

The freedom to express views openly, however different they may be from those of the majority;

The freedom to read any material, no matter how unusual it may seem to most people; and

The freedom to privately or publicly assemble, even with the intention of protest are actually protected by law in our society.

As we celebrate these freedoms during our Bicentennial we must reflect upon the plight of countless others around the world who do not share in the benefits of freedom. During Captive Nations Week we can reaffirm our beliefs in the fundamental rights of all individuals, no matter where they may live.

In the spirit of American tradition, it is imperative that we continue to approach other countries with a strong commitment to personal freedoms, to spread the cause of freedom which we, as a nation, value so dearly.

Mr. ROE. Mr. Speaker. I wish to join with our colleagues Congressmen Daniel Flood, of Pennsylvania, and Ed-

WARD DERWINSKI, of Illinois, in today's special order for a commemorative salute to the people of captive nations throughout the world on the 18th observance of Captive Nations Week—July 18–24, during the Bicentennial year of our Nation's birth.

As we celebrate our Bicentennial year and reflect on the history of our Nation and the contribution all peoples have made to our preeminence as a representative democracy, second to none, throughout the world, we can only hope that the people of the captive nations of the world may some day be as fortunate as we are and be able to establish a government of the people, for the people, and by the people—which is truly what the United States of America is all about.

In the final analysis the integrity and destiny of the future of all peoples depends on the solid foundation of the cornerstone laid by the founders of our democracy which provided, first and foremost, for justice on behalf of the inalienable human rights of the individual.

During the 86th Congress Public Law 82–90 was adopted in condemnation of the imperialistic policies of communist Russia which subjugated the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijain, Georgia, North Korea, Albania, Udel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, et al. The President was also authorized and requested by this congressional resolution to issue a proclamation each year designating the third week of July as "Captive Nations Week" until such time as freedom and independence is achieved for all of the captive nations of the world.

During the 94th Congress, Members of the House have already recorded our denunciation of the Soviet annexation of the Baltic area in the passage of the resolution which I had joined with many of our colleagues in sponsoring—my bills numbered House Concurrent Resolution 140, House Concurrent Resolution 141, and House Concurrent Resolution 462—expressing the sense of the House of Representatives in the nonrecognition of the Soviet Union's annexation of the Baltic nations. The unanimous vote on December 2, 1975, of 407 Members of the House with no one dissenting strongly affirmed our agreement for the adoption of this resolution on behalf of the just cause of the Lithuanians, Estonians, and Latvians in the U.S.S.R.

The enactment into Public Law 94–304 on June 3, 1976, of the legislative measure which I also sponsored—my bills numbered H.R. 11169 and H.R. 11204—establishing a Commission on Security and Cooperation in Europe to monitor international compliance with the Helsinki Accord also reaffirms our fullest dedication to seeking international communion and international understanding of the plight of these oppressed people to help restore their basic human rights to freedom of thought, conscience, and religion.

Mr. Speaker, during this week it is appropriate that we here in America join with all freedom-loving peoples throughout the world in reasserting our dedication to achieving universal understanding and sympathy from the worldwide international community of nations to halt the usurpation of the states and fundamental rights of the oppressed people of captive nations whose religious and cultural freedoms as well as their right to emigrate are being rejected by an unjust and cruel exercise of authority.

I trust that our congressional recognition of the seriousness of their plight will help hasten the solution that will remove Soviet domination, unjust treatment, discrimination and oppression of the human rights of the individual and achieve national sovereignty for the states of these courageous people, insuring their rightful place in international communion with all nations and all peoples throughout the world.

Mr. ARCHER. Mr. Speaker, I wish to join my colleagues in speaking on Captive Nation's Week, July 18–24.

When human freedom has been such a precious commodity throughout world history, it is indeed unfortunate that we look around at our world today and find so many millions of people living under Communist dictatorships.

A chief contribution of our Western cultural heritage has been the evolution of the viewpoint that government is to serve the people. The main thrust of the Marxist philosophy has been that man is the servant of the government and the state. It is during Captive Nation's Week that we can reflect on the real meaning of the difference in philosophy.

The Russian people were the first to fall under the control of the Communists. Despite promises of bringing a better life to the Russian people, the Soviet Government under Lenin and later Stalin brought a totalitarian dictatorship over the Russians. The results were tragic—the economy collapsed, any respect and protection for individual rights disappeared, and millions and millions of people died. The Communist leadership went forward to plot and conspire to bring this same system to people throughout the world.

The biggest setback for freedom came with World War II and the postwar settlement. Poland represents a tragic example. After an agreement was made in secret between Hitler's Germany and Stalin's Russia to divide Poland, the German Nazi government brutally attacked the Polish people. After enduring the hardships, the dislocations, and the casualities of war, the people of Poland hopefully looked forward to freedom in the postwar era. Yet, the history of Poland in that tragic period was to be liberated from the tyranny of the Nazi rule only to fall under the tyranny of the Communist rule. The flame of hope for freedom for the Polish nation was extinguished.

The rollcall of nations which fell behind the Iron Curtain include the homelands of many brave and courageous people. Latvia, Lithuania, and Estonia were the earliest nations to fall. Then such nations as Czechoslovakia, Bulgaria, Albania, Hungary, and Romania disappeared from the list of non-Communist nations. Communists took control dividing nations like Germany and Korea. In 1949 millions of Chinese became victims behind the Bamboo Curtain. Cuba fell under Communist control in 1959. Last year, we witnessed South Vietnam, Cambodia, and Laos suffering the same fate.

Other nations throughout the world stand in danger of falling into the Communist orbit. We wonder how many of these nations will still be non-Communist in 10 years.

In the Soviet Union presently, individuals so cherish freedom that they risk the chance for an education, the loss of a job, arrest and imprisonment, and isolation in order to apply for exit permits out of their homeland. The desire for freedom must be tremendous for an individual to give up everything—family, friends, a job, and so forth—in order to seek a new home in a strange land. Yet, millions do not have the choice to leave.

It is appropriate that we take this time during Captive Nation's Week to remember the millions of people who remain behind the Iron and Bamboo Curtains. We sympathize with their sufferings and hope one day that they may achieve freedom. We in the United States should be willing to rededicate ourselves to promoting and supporting governments which will serve mankind and not enslave mankind. May the torch of freedom once again shine in the Captive Nations.

Mr. McCOLLISTER. Mr. Speaker, I am pleased to join with my colleagues in the House today in observing the 18th anniversary of Captive Nation's Week.

On July 17, 1959, President Eisenhower first signed into law a joint resolution proclaiming the third week in July as Captive Nation's Week. This week is to serve as a time of reflection and recognition that countless millions of people endure the oppressive policies of the Soviet regime. I have reaffirmed many times in this Chamber my commitment to the freedom and independence of the captive nations through cosponsorship of various related resolutions. House Concurrent Resolution 183, for example, expresses the sense of Congress that it should remain U.S. policy not to recognize, in any way, the annexation of the Baltic nations by the Soviet Union. Additionally, it directed the U.S. delegation to the European Security Conference to not agree to recognize the Soviet Union's annexation of Estonia, Latvia, and Lithuania.

The 200th anniversary of our own freedom and independence has special significance for those who labor under the Soviet yoke. For these people, our Bicentennial represents the hope that one day they too will be free to enjoy the basic human rights that we as Americans take for granted: Freedom of speech and religion. I am especially disturbed at the Soviet Union's prohibition of free religious worship. Recently, I cosponsored a measure, House Concurrent Resolution 606, expressing congressional concern to the Soviet Government to allow free worship.

Although we will probably not see any

overt actions by the Soviet Union because of our efforts today, and throughout the year, we must never let the Kremlin forget that these oppressed nations are in the hearts and minds of the American people. The Soviets must be reminded continually of the consistent concern of the United States in this matter.

In recent years, we have seen a critical change in the influence of the Soviet presence. Southeast Asia, Africa, Portugal, and Italy are places where communism has found a haven to flourish, and has spread like a cancer which seeks and destroys the very essence of humanity: freedom. Such instability in the international environment is certainly unhealthy and counterproductive to American interests. While we, of course, cannot serve as the world's policeman, we must continue our commitment to freedom-loving nations who wish to decide for themselves how they want to govern and be governed.

Mr. McCLORY. Mr. Speaker, all of us in this Chamber realize that a large measure of America's greatness results from the contributions of citizens who trace their origins to the countries to which we pay tribute this week, the captive nations. My own 13th Congressional District in Northern Illinois, for example, includes many Americans of Albanian, Bulgarian, Czechoslovakian, Estonian, Hungarian Latvian, Lithuanian, Polish, and Romanian descent.

These fine citizens cherish the American tradition of freedom and remain tireless in their campaign for the rights of their embattled countrymen abroad. They have expressed understandable concern about détente, fearing that an atmosphere of cooperation might compromise the urgency of their cause.

Despite misgivings about détente, we can see that it has eased—if only slightly—the burdens of the citizens of the captive nations, and of their loved ones in the United States. Emigration, though still difficult, has become more accessible, and visits from foreign friends and relatives more frequent.

But let us have no illusions. Détente has softened the hard edges of political captivity, but it has not brought an end to repression. A clear example is the recent increase in duties imposed by the Soviets on parcels from abroad. These increases—which range from 100 to 1,000 percent—are plainly inconsistent with the spirit of the Helsinki charter. Further, they make it virtually impossible for American citizens to aid their loved ones within the Soviet Union as they have in the past with packages from this country. These tangible expressions of devotion have often supplied not only luxuries, but life's basic necessities.

While seeking cooperation and understanding with the Soviets, we must never be lulled into the facile assumption that our objectives and theirs have somehow coalesced. Political captivity with all its tragic implications remains an agonizing reality, and we must never relinquish our fervent hope for freedom and national self-determination throughout the world.

Mr. Speaker, 200 years ago America became the first nation in world history to throw off the bonds of colonialism. The patriots who fought at Lexington, Saratoga, and Yorktown became an example that animated the hearts of men and the cause of freedom throughout the world, and that example still lives today.

But we are more than a prototype or historical lesson. We are the champion and the hope of the free world. By virtue of our heritage, our efforts, and our great good fortune, we have become the leading democracy on Earth.

Our obligations are enormous. We must remain strong. We must remain vigilant. We must pursue peace with the Soviets through strength, and we must continue to assert the rights of all peoples to political freedom. If we fail or falter, the cause of freedom will do the same. The fight of the captive nations is therefore our fight, for their condition will never be hopeless, their cause never forgotten, as long as America survives.

Mr. Speaker, as we observe Captive Nations Week in the midst of the 200th anniversary of the first revolution, let us look forward to the day when all citizens of the world have the opportunity to breathe the political atmosphere inspired by that magnificent assumption of Thomas Jefferson—that all men are created equal.

Mr. REUSS. Mr. Speaker, I join my colleagues in this Bicentennial salute to the captive nations.

In this country, we have just completed celebrations of our Nation's birth and the special freedoms which we enjoy. It is fitting that we should remember in a special way the people and nations of Middle and Eastern Europe which have been denied political liberty.

Since the end of World War II, as many new nations gained their independence, the Soviet Union has extended and maintained a dominion over the proud peoples of Middle and Eastern Europe. But they have not accepted that subjugation meekly. Time after time—from East Germany in 1953, and Poland and Hungary in 1956, to Czechoslovakia in 1968—these people have shown tenacity and courage in their demands to be free from outside domination. We in the West owe a debt of gratitude to those who continue to struggle for political freedom. Let us remember these brave people during Captive Nations Week, 1976, and dedicate ourselves to policies which will aid them in their efforts.

Mr. SARASIN. Mr. Speaker, as you know, this week marks the 18th observance of Captive Nations Week. In 1959, by a joint congressional resolution, this week was designated as a time when we, as Americans, can reflect upon the personal freedoms and civil liberties which we enjoy, and express our national awareness and concern for the plight of the peoples of these captive nations. More than ever, it is incumbent upon us to reaffirm our national beliefs and principles of the right to self-determination. The list of captive nations is unfortunately growing; Soviet hegemony in Eastern Europe, established three decades ago, was only the beginning. Since that time, unfortunately, we have witnessed the tragic fall of South Vietnam and Cambodia. Now, recently, Angola has fallen under Communist domination.

The recent historic summit meeting of European Communist leaders might seem to suggest that the Soviet Union's leadership of the Communist Party is relaxing, that the "Eurocommunists" are beginning to demonstrate their independence from the Soviet Union. However, we must remember the period just prior to August 1968. At that time, many westerners argued that the liberal policies of Alexander Dubcek signaled a relaxation of the previous repression of personal freedoms. However, the vigorous reaction of the Soviet Union to this expression of human rights and dignity by Czechoslovakia served to reconfirm in our minds that the Soviet Union prefers to suppress civil liberties to maintain order in its police state rather than support civil liberties to provide for constructive contributions by the people to the State.

Mr. Speaker, I applaud the spirit of détente between the United States and the Soviet Union. However, we must not be deterred in our national resolve to appeal for the freedom and independence of the many oppressed peoples of the world. I call on my colleagues to express collectively their sentiment in opposition to the subjugation of the captive nations of the world and to rededicate ourselves to the elimination of the oppressive practices by the Soviet Union.

Mr. FORSYTHE. Mr. Speaker, since 1959, the third week of July has been designated Captive Nations Week. In this, our Bicentennial Year, I think it is especially important that we stop and seriously consider how precious freedom is, realizing that in many nations freedom is only an illusion.

I ask that we remember the sobering realities faced by the people in the nations of Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasus, Ukraine, Far Eastern Republic, Turkestan, Mongolian People's Republic, Estonia, Latvia, Lithuania, Albania, Bulgaria, Serbia, Croatia, Slovenia, Poland, Romania, and Czechoslovakia.

Living in America, we can easily forget and take for granted the freedom and liberties that have become a way of life. Yet the people of Eastern and Central Europe cry for the fundamental principles of human dignity and freedom. We have observed many heroic actions taken for freedom within these countries, but still the iron fist reaches out from Moscow to end any attempt by the people to determine their own form of government. More than ever before they need to know that the people of the United States of America support them in their struggle for freedom.

During this week, the 18th annual observance of Captive Nations Week, every American must hope and pray together that the captive nations of the world may soon realize their freedom. Although the official observance of Captive Nations Week lasts only 1 week, let us remember that the rights and freedoms granted to all Americans insuring our human dignity are being denied to the people of the nations of Eastern and Central Europe. We must stand firm in our resolve to continue our moral support to those people who resist oppressive government where basic human rights and freedoms are denied.

Ms. ABZUG. Mr. Speaker, every year since 1959, the President of the United States has proclaimed the third week of July, Captive Nations Week. Once again as we commemorate the week during our own Bicentennial anniversary of independence, we are reminded of the true meaning of freedom and individual rights. Two hundred years ago, the founders of this country showed their strong commitment to the principle of liberty for all through the Declaration of Independence. Two hundred years later, we are still as strongly committed to human rights as were our Founding Fathers. In proclaiming Captive Nations Week during our Bicentennial Year, we reaffirm America's continuing support of freedom and self-determination for every country and for all peoples.

Throughout the two centuries of America's existence, we have acted as a leader for millions of people in countries beside our own who aspire to freedom. In 1789, after our own revolution inspired them, the French through a revolution of their own demanded and achieved basic individual rights. Even today, America represents hope to millions of people living under governments which do not believe in these rights.

Captive Nations Week should remind us of our heritage, but it should also bring to mind events in this century in which citizens has lost their own right to self-determination and freedoms. We must not forget the suffering generated as a result of a totalitarian regime gaining control in Germany in the 1930's. We should not forget the lesson of Vietnam, and the suffering caused by support for a totalitarian regime there. We should also not forget the lesson of India, and the recent events of this past year, during which individual rights were virtually abolished.

In our Bicentennial Year, our commitment to the freedoms for which our founders fought should reaffirm our commitment to help others less fortunate than ourselves, whose basic human rights have been denied. America, as a world leader has to demonstrate that our commitment to democracy is not an empty one: It is meaningful and permanent, and one which in our Bicentennial Year, we should strive to protect to an even greater degree than before.

Mr. CONTE. Mr. Speaker, I would, first of all, like to commend the gentleman from Pennsylvania (Mr. FLOOD) and the gentleman from Illinois (Mr. DERWINSKI) for arranging this special order in commemoration of Captive Nations Week. Certainly few Members of this House have been more concerned with captive nations than these two gentlemen, and their interest in this area is deeply appreciated.

It is perhaps most appropriate in the midst of our own Bicentennial celebration, during which we rededicate ourselves to those principles of freedom and liberty which made this country great, to remember the countless millions who do not enjoy the blessings of liberty.

This 18th annual observance of Captive Nations Week once again reminds us of the growing list of oppressed peoples. In 1975 the peoples of Cambodia, South Vietnam, and Laos fell under Communist domination. Recent events in Africa, especially the introduction of Cuban troops into Angola, have not been calculated to give comfort to those of us who support the principle of self-determination everywhere in the world. A growing number of countries are losing their liberty, and this trend will no doubt continue without action on our part.

It is regrettable that better relations beween the United States and the Soviet Union have not brought about significant improvements in the human rights status of the citizens of most European Communist countries. Freedom of speech, freedom of the press, freedom of religion, and freedom of travel—all of which we accept as the birthright of our democratic system—are still largely denied to vast numbers of the world's population.

Certainly a start has been made in easing the restrictions on fundamental freedoms in the captive nations. The Conference on Security and Cooperation in Europe last year marked a significant step, in securing Communist recognition of fundamental rights. Yet it remains to be seen whether those words will come to mean more than just that; whether words will be translated into actions and policy.

Captive Nations Week should not only remind us of the oppressed peoples of the world, but should also motivate us to seek ways of alleviating repression wherever it may appear. To that end, I suggest the establishment of closer trade relations, mutual exchange of products and resources, and increased academic and cultural exchanges. Increased contacts cannot help but bring forth a better understanding of our world coupled with greater cooperation within it. Repression survives best in a closed society; once exposed to the light of freedom it will not long live in the atmosphere of public opinion.

While the opportunities to break down the artificial barriers which divide the peoples of the world can only be provided by governments, the key is in personal contact. Exchanges must be permitted between people, for only then can the example which is ours truly serve as an inspiration to oppressed peoples everywhere.

The United States stands as an example to all nations of the benefits to be reaped from an open society. By rededicating ourselves to the high ideals of liberty, self-determination, and democracy, we serve as a beacon to those "huddled masses, yearning to breathe free." As we commemorate Captive Nations Week, let us continue to strive to serve as an illustration of a society which provides and protects human rights at home, and encourages and promotes such rights all over the world.

Mr. BELL. Mr. Speaker, I wish to pay tribute to the more than 20 captive nations during this 18th annual observance of Captive Nations Week. It is especially significant in this Bicentennial Year that we pause to reflect upon that quality which is the very basis of our Nation's existence: freedom.

We have a tendency to take our freedom for granted. Yet, for millions of people representing more than a score of nationalities, freedom is but a dream, existing only in their hopes and aspirations.

International cooperation and understanding have increased in recent years; tensions have eased and the potential for conflict has in many cases been reduced. Even in this atmosphere, however, it remains appropriate that we participate in this observance to remind the world that our Nation stands committed to the values of personal and national self-determination, independence, justice, and basic human rights for all peoples and nationalities.

America's founders struck a lasting blow for these principles two centuries ago. This year particularly we should strive to uphold our heritage and dedication to the support of freedom and liberty for all peoples. A renewed initiative led by the United States, to seek the reestablishment of the national sovereignty and personal freedoms once enjoyed by the captive nations, would be a most fitting Bicentennial goal.

Mr. DERWINSKI. Mr. Speaker, nearly a year has gone by since 34 European nations as well as the United States, and Canada, signed the Helsinki agreement. Among other things, all of the signatories pledged to respect such fundamental human rights as freedom of thought, conscience, religion and belief. Commonly referred to as the "basket three" provisions of the accord, they raised the expectations of millions who have been denied, in many instances, these basic rights for more than a generation.

I must report today, during this week in which we remember those who collectively have been held captive for so long, that their suspicions of a year ago have been proved correct as they continue to face despair and frustration. Only last month, our International Relations Subcommittee on International Organizations, of which I am a member, heard depressing and alarming testimony from a number of witnesses on the methods employed by Soviet authorities to persecute those who dare manifest publicly their religious beliefs or preferences. Especially dramatic was the testimony of Prof. Lev Dobriansky of Georgetown University who graphically portrayed the obliteration of certain religious groups in the U.S.S.R. as tantamount to religious genocide.

Janis Smit, pastor of a small parish in Aizpute, Latvia, another witness before our subcommittee, testified that he left Soviet-occupied Latvia on May 25 of this year, after the Soviet Government prohibited him from discharging his pastoral responsibilities. The reasons given for the suspension of Reverend Smit's religious liberties left me incredulous and I feel compelled to share them with you. They are as follows: First, preaching the New Testament in several Soviet Republics and cities other than his own parish; second, asking the believers to pray for those in prisons and persecuted; third, permitting minors below the age of 18 to participate in church activities, in particular, singing in the choir. Even those of us who were not too sanguine about the outcome of the Helsinki Conference had not expected such a flagrant flouting of both the spirit and letter of the agreement.

Earlier this month, this country celebrated an event that marked the end of our own colonial period and the beginning of a nation whose respect for the human rights of its citizenry is unparalleled in the annals of recorded history. Thus, I feel it is most appropriate that as we commemorate the acquisition of our own freedoms that we also take some time this week to reflect upon the plight of those who are still questing for the emancipation that we now have for so long enjoyed. But unlike previous years, when our remembrance of those still fettered by the shackles of Communist totalitarianism amounted to little more than compassionate rhetoric, let us distinguish our Bicentennial commemoration by committing ourselves to something more tangible and substantive.

Mr. Speaker, I am pleased to say that this Congress, by establishing a bipartisan commission to monitor the implementation of the Helsinki accords, has served notice to the world, and especially to those who look to us as the foremost champion of human freedom and self-determination, that this year we are prepared to make a special commitment to those who have been victimized by Soviet expansionism. The very creation of this watchdog body has already sent strong signals to the U.S.S.R. and its Eastern European allies that we intend to intensively pressure them to abide by the terms of the Helsinki agreement. I commend Congress for undertaking this effort and fervently hope that its work will provoke true and lasting compliance with the humanitarian principles set forth in Helsinki and pave the way for the restoration of freedom to those nations that have been forced to endure the intolerable and shameful indignity of subordinating their national identities and heritage to an alien ideology.

Mr. Speaker, it is important that we stress the worldwide importance of the Captive Nations Week commemorations, for when we speak of those held under the alien ideology of communism, we speak of peoples in Asia, Europe, Cuba in the Western Hemisphere, and we find that the aggressive designs of Communist imperialism are now clearly visible on the African continent.

Just as our Nation, as so aptly stated by Lincoln, could not long endure half slave and half free, so it is that the world cannot endure half slave and half free. Freedoms which all men seek, legitimate nationalistic aspirations, the right to national identity, the right to maintain their language, culture, and traditions, the right to worship in a manner of their choosing, give more strength to the cause of the free world than to atheistic Communist totalitarianism.

Mr. Speaker, I am especially pleased that the distinguished Governor of Illinois, Dan Walker, and the great mayor of Chicago, Richard J. Daley, have issued very timely proclamations for Captive Nations Week. As a Congressman representing Illinois, I am pleased to insert them in the RECORD as part of my remarks:

[State of Illinois]

PROCLAMATION

The desire for freedom and independence that united our forefathers two hundred years ago stirs today in the hearts of subjugated liberty-longing peoples throughout the world.

In the intervening years we have welcomed hundreds of thousands to these shores and, through the democratic process, we have striven for harmonious national unity.

Because of their different racial, religious and ethnic backgrounds life in these United States has been exciting and interesting and progressive. Although the people share their love of freedom and respect for independence they are encouraged to preserve their cultural differences and traditions.

Aware that in many countries the people are denied self-expression and must submit to the dominance of others, I, Dan Walker, Governor of the State of Illinois, proclaim July 12-17, 1976, CAPTIVE NATIONS WEEK. The Illinois observance will be culminated by the eighteenth annual Captive Nations Parade July 17 on State Street in Chicago followed by a reception and I suggest that all who can participate in the celebration.

In witness whereof, I hereunto set my hand and caused the Great Seal of the State of Illinois to be affixed.

Done at the Capitol, in the city of Springfield, this twenty-third day of June, in the Year of Our Lord one-thousand nine hundred and seventy-six, and of the State of Illinois the one hundred and fifty-eighth.

DAN WALKER,
Governor.

[City of Chicago]

PROCLAMATION

Whereas, our city's annual observance of Captive Nation's Week will be highlighted by a State Street parade at noon on July 17th; and

Whereas, under auspices of the Captive Nation's Friends Committee, the week's activities will direct public attention to the plight of people whose homelands are under Communist control; and

Whereas, many citizens of these countries are linked by family ties to residents of this community, and it is commendable that United States citizens, in appreciation of their freedoms, should extend sympathy and the hope of freedom to their fellow-men and women whose liberty has been denied:

Now, therefore, I, Richard J. Daley, Mayor of the City of Chicago, do hereby proclaim the period of July 12 through July 17, 1976, to be CAPTIVE NATIONS WEEK IN CHICAGO and urge all citizens to take cognizance of the special events arranged for this time.

Dated this 4th day of May, 1976.

RICHARD J. DALEY,
Mayor.

Mr. DELANEY. Mr. Speaker, following close upon our own Bicentennial celebration, the 18th observance of Captive Nations Week this year is an especially appropriate time to hail the forcefulness and courage of those captive peoples who have maintained their identity and independence of spirit despite all the vicissitudes and would-be dominance to which they have been subjected. It is a time for reflection, for thanksgiving for our own liberty, and for rededication to the cause of liberty. The Polish poet Ignacy Krasicki stated this theme well:

> The Young thrush asked the
> Old one why he wept,
> "There's comfort in this cage
> Where we are kept.'
>
> "Ah, you who were born here
> May well think that's so,
> But I knew freedom once,
> And weep to know."

Many of those who fought in our own Revolutionary War and helped us gain our independence are heroes now of Capitive Nations—men as illustrious as Kosciusko and Pulaski.

Mr. Speaker, we must not be lulled by the present tour of the so-called Russian Regional Folk Concert group into thinking that the enslaved peoples within and outside the USSR are happy and content with their lot. These captive nations have an inalienable right to self-determination and national sovereignty. A mockery is daily being made of the Helsinki agreements which the Soviet Union only recently signed. Communist barriers separate the captive nations from the common cultural heritage of their neighbors.

It is my fervent hope that these valiant peoples may once again enjoy the liberty that is so rightly theirs. In the words of another great poet laureate and freedom-fighter of Ukraine, Taras Shevchenko, I say to them:

> Struggle on—and be triumphant!
> God himself will aid you;
> At your side fight Truth and Justice,
> Right and Sacred Freedom.

Mr. DINGELL. Mr. Speaker, Congress has designated the third week of July each year as Captive Nations Week. During this week we commemorate and reaffirm our support of the courageous peoples of East-Central Europe for their brave struggle for freedom.

The captive nation's present struggle for relief from Communist oppression began over 35 years ago. During this period, the Soviet Union has forcefully imposed policies of political, social, economic, and cultural repression on the spirited people of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary Latvia, Lithuania, Poland, Romania, and other nations throughout the world. Today, freedom of thought and expression remain restricted for millions of people.

In the face of tyranny, cruelty and deportations, the inhabitants of the captive nations have responded with tireless efforts for independence, and remain committed to the great American ideals of liberty, freedom and democracy. Those of the free world, particularly the citizens of the United States celebrating our Bicentennial Year, must stand firm in our resolve to continue our moral support of those people denied the inalienable rights of self-determination and national sovereignty. I ask all Americans to joint with me this week in saluting the stouthearted people of the captive nations as they continue their struggle.

Mr. KOCH. Mr. Speaker, on Sunday, June 11, I participated in ceremonies at Liberty Island at the foot of the Statue of Liberty in New York Harbor commemorating Captive Nations Day. About 5,000 people stood in line for hours to take the ferryboat across the harbor to participate in the ceremony. I was proud to address that audience and I should like to repeat the substance of those remarks for you today.

This week marks the 18th annual observance of Captive Nations Week. The United States has publicly expressed itself by resolution of the Congress in support of the captive nations in their struggle for the recovery of their independence. The captive nations are those which have been overrun by the Soviet Union. The U.S.S.R. has sought to make, and regrettably has made, the governments of Eastern Europe into its satellites, each nation having the facade of independence but none with real independence. In the case of the Baltic States of Estonia, Latvia, and Lithuania the Soviet Union has even deprived them of the public fiction of independence, absorbing those once independent nations directly into the U.S.S.R. In the case of Ukraine and Byelorussia as well as other nations geographically contained within the Soviet Union proper, the Soviet government has embarked upon a campaign of cultural genocide, seeking to deny the separate ethnic heritage of those countries and regions.

It is regrettable that there are still those who, while condemning oppression by right-wing governments such as Spain, Chile, and Uruguay, refuse to apply the same standards to the oppressors on the left. For some unfathomable reason, decent people who are not themselves Communists nor supporters of the U.S.S.R. Government, do not react to the more than 50 million killings in the U.S.S.R. with the same repulsion as they reacted to the equally beastly killings by Nazi-Germany. And indeed, many of those same people with a patronizing attitude are willing to accept the immorality and brutality practiced by so-called Third World states where repression reigns, as for example, in India and Uganda, to cite just two.

Americans of conscience were shocked when President Ford declined to meet with Aleksandr Solzhenitsyn, one of the heros of the 20th century, because of a fear of impairing détente with the Soviet Union. Would Premier Leonid Brezhnev have worried about meeting with Eldridge Cleaver when the latter had left the United States and attacked this country daily with slanders? I think not. To his credit, Mr. Cleaver, who has returned to the United States, has pointed out how much better the United States treats its citizens, regardless of their race, religion, or politics, than does the rest of the non-Democratic world even with all of our sins. I believe détente must be a two-way street and not a one-way thoroughfare carrying economic support from Washington to Moscow. And certainly, we ought not to place the United States imprimatur acquiescing to the Soviet Union's conquests, and regrettably the Helsinki agreement which is President Ford's own agreement, not ratified by the Congress, sought to do that. And the Congress should not consider itself bound by that action when it considers legislative actions concerning Eastern Europe.

It is particularly fitting that we as Americans, celebrating the Bicentennial of our Nation's independence, observe Captive Nations Week and urge the peoples of those various captive nations not to lose heart: Liberty can never be extinguished by the oppressors. It may be caused to flicker, but the courage of those who live in those captive nations demonstrates that the will to live and live in freedom cannot be extinguished.

Mr. Speaker, I am proud to have been the House sponsor of the proposal ultimately accepted in 1971 by the United States Government which allows any Soviet citizen permitted to leave the Soviet Union to enter the United States without quota restrictions. And while many Jews have left the Soviet Union, so have many others of varying nationalities come here under what we call parole status. I am a supporter of the Jackson-Vanik provision in our trade laws, and I believe that we must not provide most-favored-nation status to the Soviet Union, unless and until it agrees to end its prohibitions against emigration, and allows those Soviet citizens wishing to do so, to leave.

I am mindful of the fact that the vast numbers of Soviet citizens will not elect and should not elect to leave the Soviet Union because it is their home and the land of their ancestors. But the United States should apply whatever economic, diplomatic and moral pressures that it can to cause the U.S.S.R. to reduce, if not to end, its tyranny and repression against its own citizens. Those of us engaged in the struggle against repression must wage that war against oppression on the right and on the left, until we are successful in ending the repression of freedom everywhere. For so long as any of us of any race, of any religion, or of any nationality is held in bondage we are all in bondage.

Mr. PRICE. Mr. Speaker, I am proud to be here with my colleagues in the House at this time so that we may pay tribute to millions of individuals by observing Captive Nations Week. The nine countries which constitute the captive nations of Eastern Europe are now in the midst of a struggle for their independence which has been denied to them for decades. This struggle should not go unnoticed because it represents the eternal conflict between democracy and dictatorship which is now taking place throughout the world.

The words of Public Law 86–90 should be recalled:

> The desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace.

These thoughts should be emphasized if we are not to lose sight of the basic objective of self-determination and the preservation of human rights.

The 200th birthday of the United States should be more than a celebration of our good fortune. We should also pay tribute to those individuals who strive for freedom in spite of severe hardships. Those individuals who are less fortunate need to be remembered so that their fight for independence is given the necessary support needed to insure the struggle for democracy.

Mr. MOAKLEY. Mr. Speaker, in keeping with the spirit of this country's 200th birthday, Captive Nations Week is most surely an appropriate way to remember the many freedoms and inalienable rights that we, as Americans, share in this great Nation. Few countries can proudly boast so many basic human rights which are inherent to us. The right to speak freely, the right to emigrate, the right to due legal process, the right to freedom from foreign hegemony, and the right to an equal opportunity for individual self-fulfillment, are among the many liberties known to American citizens. To realize that we hold these liberties is not enough. We must make certain that our freedoms are not tampered with and our basic liberties remain intact and do all that we can to see that people of subjugated nations are also not unjustly treated.

In this Bicentennial year, Americans have been made increasingly aware of our unlimited freedom. It is inconceivable to us that we could live without these liberties. Ironically, just 31 years ago the people of Europe had regained their freedom by throwing off the burden of Nazi tyranny. Today this tyranny is not absent, it has merely taken on another form.

Unknown and incomprehensible to many of us, is the fact that there are people in this world, today, who are being denied the basic freedoms which have become so common to us. The U.N. Declaration on Human Rights guarantees that no individual in the world can be denied these basic freedoms. However, throughout central Europe, the Soviet Union, Cuba, and Southeast Asia, incidents of denial are continually occurring. Men and women in the 31 captive nations are often punished for mere expressions of what we see as basic rights; freedom of speech, assembly and choice. We must continue to pledge our support to those ill-treated yet courageous spokespeople who still reside within the Communist nations.

America has always been a symbol for freedom and unrestrained liberties. People from many foreign nations have often looked to the United States for support and guidance because of our feelings concerning the preservation of human rights. We must remember to continue using our influence toward helping captive nations, and hold fast our belief in the benefits of undeniable justice. This week, July 18–24, must therefore be observed in the traditional spirit which has become so common to Americans and so desired by the captive nations.

Mr. BLANCHARD. Mr. Speaker, very few of us here—if any—have ever known what it is like not to be free or not to be guaranteed basic human rights. Unfortunately, there are, however, millions of people in other parts of the world whose basic rights have been denied and violated.

In July, as we celebrate our 200th anniversary of independence and freedom, we also solemnly mark the 18th observance of Captive Nations Week. It is fitting, at this time, that we remember how very precious our freedom and liberty are. It is fitting that we reaffirm our strong commitment to continue to protect and cherish these noble ideals. It is fitting that we speak out for those who are not allowed to speak out.

We know that our brave, captive friends have not given up hope. They tenaciously cling to a belief in freedom in the face of oppressive conditions and persecution. Time may pass but their thirst for liberty has not lessened. The memory of independence has not faded. We remember the words of Public Law 86–90 which says:

> The desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace.

We must continue to let the peoples of the captive nations know that we hear their voices and that we add our prayers for freedom to theirs. We speak out in the name of justice for an end to their oppression and their suffering.

Public Law 86–90 ends with the statement that a proclamation in observance of this week should be issued—

> Until such time as freedom and independence shall have been achieved for all the nations of the world.

I know my colleagues and the people of America join me in hoping that that time is not far away.

Mr. ADDABBO. Mr. Speaker, this week marks the 18th annual observance of Captive Nations Week, a time when we in the Congress join with religious and civic leaders across the country in reaffirming our commitment to the basic, inalienable rights of the people living in capitive nations to independence and freedom. The belief in the right to freedom as a basic international right is one which needs to be reasserted without qualification at this moment in history. That is the purpose of this week and it is appropriate that we in Congress make our voices heard on this most timely and fundamental subject.

In this, our Bicentennial year, we must never lose sight of our basic principles. To do so for expediency now would result in disaster for all of us later. The issues of the individual's right to freedom or a nation's right to independence from the oppression of tyrannical rule cannot be ignored, compromised, or tampered with for short-term diplomatic successes.

I am always appalled to hear the numbers of people living in East and Central Europe under Communist rule, more than 100 million people who have not lost the hope for freedom and who must not lose the support of America. This week provides an opportunity for us all to reaffirm our support to these 100 million people and the principles of independence and freedom.

Mr. BIAGGI. Mr. Speaker, I want to join my colleagues in a united pledge of support for those unfortunate individuals unwillingly constrained within the borders of authoritarian regimes, namely the capitive peoples of the world.

As we descend from the euphoria of the celebration of our 200th year as a free nation, let us not permit those principles which we so eloquently reaffirmed on July 4 to be relegated to an inglorious existence in the civics classes of our elementary schools. The cause of liberty and human rights must be continually reasserted lest they become empty anachronisms detached from the present. That reassertion should take place not in words only, but in deeds as well. Our constant fight to preserve and protect our own freedoms is synonymous with the struggle of captive people everywhere to obtain for themselves the same freedoms.

The inalienable rights that Jefferson enumerated, the right to life, liberty, and the pursuit of happiness, tend to be taken for granted within our Nation. The Founding Fathers put their entire faith and the weight of the Government they created not in a single person but in the entire body of citizens. This is most conspicuously displayed in the Constitution which opens with the words, "We, the people" and is most eloquently reaffirmed in Lincoln's immortal description of a government "of the people, by the people and for the people." And it was in these hands that Jefferson entrusted the most solemn right of any people, the right to disband their own government when it becomes destructive to their needs and wants.

These rights, which we assume as a given, are not universally perceived as such. For those living in captive nations, the belief in individual human rights apart from those delegated by the government is frowned upon. In these nations, liberty is not something to be shared by all but rather is reserved for the few, specifically, those in power. As a nation dedicated to the cause of freedom and human rights, we have an obligation to, whenever possible, battle injustice anywhere in the world. As a people, we have a moral duty to make the cause of those victims of injustice our own. To support in any manner the governments that perpetuate these outrages against their own people would be, in effect, aiding and abetting in a crime against humanity.

Too many people today say that the struggle for freedom and liberty in foreign lands is not our struggle. It is a matter for those who live in that country to fight for their own rights as we did for ours. Yet if we permit even one nation to fall under the domination of totalitarian regimes, we will have failed not only that nation but our own as well, for soon we will find ourselves alone in a struggle to preserve our own freedom.

We share a common bond. The quest for freedom and personal liberty is basic to human nature. I do not want to find myself in the position of a German citizen during the Hitler regime who, when the Jews were arrested said, "that is not my concern, I am not Jewish." And when the religious leaders were arrested, said "Why should I protest, I am not a cleric." And when the Catholics were arrested said, "But I am not Catholic, why should I risk my life?" And when they came to arrest him asked "Who will help me?" Only to find there was no one left to protest.

It is with this in mind, Mr. Speaker, that I once again urge the Congress to make our dealings with the governments of captured nations, whether it be in the name of détente or just good economics, be made contingent upon a substantial modification in the internal social policies of these nations. Let us use the abundant blessings of our land, not for monetary gain, but for a higher purpose. Let us put principles before the pocketbook by using our natural resources and farm products to secure freedom from oppression for those living in captive nations. To do less would result, in effect, in the prostitution of those truths which we proclaim as self-evident, that all men are created equal and are endowed with the right to life, liberty, and the pursuit of happiness.

Mr. Speaker, we have an obligation to those idealistic men of wisdom and purpose who gave birth to our Nation to remain faithful to those creeds which they fought and died for, and which they solemnly willed to posterity. The struggle for freedom must remain vibrant and never ending, whether it be in a foreign land or between our own two shores. While the struggle at home might at times seem more cogent, those in distant lands are no less worthy. Those living in captive lands must not be reduced to a statistic but rather viewed in human terms, as indentured individuals who deserve no less than what we already have experienced and savoured, the taste of freedom, and transform for them that abstraction into a reality.

Mr. DEL CLAWSON. Mr. Speaker, "The Truth Shall Make You Free" (John 8:32) is the biblical reference for the symbolic statue of "Imagination" in the Library of Congress given by Charles W. Eliot. The aptness of the choice by the then president of Harvard who was commissioned to make the suggestions for the inscriptions in the library building in 1896 comes to mind with particular force as the Congress takes note of Captive Nations Week in the year of our Bicentennial. We in America are celebrating the 200th anniversary of our freedom while the citizens of the Captive Nations have only the vision the imagination provides of freedom. But the hope held out by the quotation under the statue "The Truth Shall Make You Free" is the more potent for the enslaved people of the world. If we in America support the truth as a guiding principle in international relations; and if we continue to insist on comparable good faith from the nations with whom we deal and co-exist we can only hope that people everywhere will be encouraged to persist until that hope is a reality for them as well. This is our 18th observance of Captive Nation's Week. We salute those who love freedom in the Captive Nations and hope that they will not abandon their faith.

Mr. FISH. Mr. Speaker, this year we are celebrating our Bicentennial as a nation, commemorating 200 years of freedom and liberty in a democratic society. For the past year we have taken the time to remember our traditions of human liberty, to reffect on our past accomplishments as a nation, and to look forward toward our future challenges and endeavors. Today we are taking the time to remind every American of the plight of millions of East and Central Europeans who have been deprived of their liberty and political freedom because of the oppression and domination of their countries by the Soviet Union.

Eighteen years ago, the Congress enacted Public Law 86–90 designating every third week in July as Captive Nations Week. The purpose of this law is to reaffirm American opposition to the Soviet Union's political, economic, and cultural strangulation of the captive nations of Europe, and to staunchly reinforce the determination of those countries to achieve national independence. As a freedom-loving nation, we have a moral responsibility to battle to secure rightful and basic human freedoms for these beleaguered people.

The men and women of Eastern and Central Europe live without the basic human rights of freedom of religion, speech, press, and the right of self-determination. These people have not taken their opposition to Soviet oppression lying down. History tells us of the numerous struggles, against enormous odds, to free themselves of their Soviet-dominated governments. Resistance to Russian influence took place in Hungary in 1956, East Berlin in 1961, and Czechoslovakia in 1968, and despite the Russian's brutal show of force, opposition continues today.

Our responsibility to the captive people of the world does not end here—it merely begins. We must continue to show our support for the aspirations of the people who live in the captive nations—to live in a free, undominated nation. Let us hope that one day soon there will be no need to observe Captive Nations Week, and on the face of the Earth there will be no captive people.

Mr. GILMAN. Mr. Speaker, the week of July 18 through 24 marks the 18th anniversary of Captive Nations Week, an anniversary designated by President Eisenhower when he signed Public Law 86–90 and observed by every succeeding President to memorialize the plight of those nations overpowered by the brutal tyranny of the Soviet Union: Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, Ukraine, Far Eastern Republic, Turkistan, Mongolia, Estonia, Latvia, Lithuania, Albania, Bulgaria, Poland, Romania, Czechoslovakia, Hungary, East Germany. To the list of other captive nations we must include North Vietnam, Cambodia, South Vietnam, Mainland China, Cuba, and Yukoslavia.

Soviet violation of human rights is well known and this is not an exhaustive litany: The persecution of its own citizens and the 100 million persons living in Eastern and Central Europe; the harassment by Soviet authorities of Soviet Jews and political dissidents—including incarceration in the infamous gulags—the sadistic application of psychology to maim, rather than to heal, its political prisoners; Sovietization of non-Russian peoples in the U.S.S.R., imprisonment of Soviet Jews and other as "prisoners of conscience" whose only crime was to seek immigration from the Soviet Union and the refusal to permit Nobel Laureates Boris Pasternak and Andrei Sakhorov to travel to Oslo to respectively accept their coveted Nobel prizes in literature and peace clearly indicate violations of human rights and decency. The United Nations Declaration of Human Rights has been violated—the Final Act of the Conference on Security and Cooperation in Europe—the Helsinki agreement of August 1, 1975, particularly those aspects of the agreement promoting greater communication of people and ideas between the East and the West has been transgressed.

Mr. Speaker, it is important for our Nation to observe Captive Nations Week. Such observances serve as a reminder, a beacon of hope and inspiration to those nations reminding them that we have not forgotten them and that one day their right of self-determination will be restored. The violations of human rights by the Soviet Union underscores the reasons for enacting S. 2679 which establishes the Commission on Security and Cooperation in Europe. Its purpose is to monitor the acts of the signatories to the Helsinki agreement, with particular regard to the provisions relating to cooperation in the humanitarian fields.

S. 2679 which is identical to the bill I cosponsored, H.R. 12333, was signed by President Ford on June 3, 1976, as Public Law 94–304.

Although our Government is far from being perfect—and while our leaders have made mistakes—we can be thankful for our many blessings of life, liberty, and the pursuit of happiness. We can be thankful that, but for the grace of God, the people of our Nation did not experience the atrocities of Hitler's Third Reich, the tyranny of Fascist Italy and Imperial Japan. We have not known the authoritarian domination by the Soviet Union or by any other nation. We have much to be thankful for, Mr. Speaker, and in observing the plight of the captive nations, we should pause, as we begin our third century as an independent nation, to remind ourselves of our own blessings and the positive aspects of our society.

Mr. Speaker, I call my colleagues' attention to page 49 of this week's issue of Time magazine—July 26, 1976—that vividly summarizes the brutal treatment by the KGB toward the celebrated Russian writer Andrei Amalrik and his incarceration in the Soviet prison camps for prophesizing the demise of the Soviet Union in his book "Will the Soviet Union Survive Until 1984?" Mr. Amalrik, who recently was permitted to leave the Soviet Union for the Netherlands, stated:

> My leaving the Soviet Union is not exactly a victory. I would call it a tactical retreat; I have retreated in order to strike back in the future.

Mr. Speaker, I am proud to observe Captive Nations Week and I urge my colleagues to take part in this important observance. And, in that spirit, I request that the Time article be inserted at this point in the RECORD.

SOVIET UNION: TACTICAL RETREAT

As Aeroflot Flight No. SU 229 prepared to take off from Moscow to Amsterdam last week, Russian Writer Andrei Amalrik tucked his Siamese cat Disa under his arm while his artist wife Gyusel accepted a farewell bouquet of red peonies. KGB agents darted in and out of the small crowd assembled at Sheremetyevo Airport, snapping pictures of the couple taking leave of their desolate friends.

The scene marked the end of a historic decade of dissent in the Soviet Union. Since 1965 the KGB had conducted a campaign to fragment Russia's "democratic movement for human rights" by imprisoning or exiling its members. Amalrik, 38, was the last of his generation of celebrated protester-intellectuals to succumb. At Moscow airport, Physicist Valentin Turchin, a longtime Amalrik friend, explained that although a whole new group of lesser-known dissidents had sprung up to replace the old, "Andrei's departure is a pity for us; he is able to draw much attention to our movement."

Amalrik electrified Western readers with his 1969 book *Will the Soviet Union Survive Until 1984?*, which prophesied the dissolution of the U.S.S.R. as a result of internal upheaval and war with China. Over the past decade this and other writings published only in the West cost Amalrik two terms in concentration camps and two stretches of Siberian exile. After his return a year ago from eastern Siberia, he was offered the choice of publicly repudiating his book or exile. Refusing to do either, he was placed under constant KGB surveillance, frequently picked up, interrogated and threatened. Finally he agreed to go West. His departure, originally scheduled for late June, was delayed when he balked at demands by the Soviet Ministry of Culture that he pay a $5,400 export duty on various art objects, including paintings by his wife, whose work was officially unauthorized.

On his arrival in Amsterdam, Amalrik said he looked forward to a "normal life," planned to write a book on political terrorism and to lecture in Holland and the U.S. He also expressed fears for the new crop of dissidents he left behind. The KGB has begun to use "Mafia methods," he said, citing the recent fatal mugging of Poet Konstantin Bogatyryov, the Russian translator of Rainer Maria Rilke who had protested against Soviet civil rights violations. While the scholar was dying of a fractured skull in the hospital, Amalrik went on, KGB agents ordered the doctors to "fix him so he will come out an idiot," then threatened the physicians when they refused to comply with their order. Still, Amalrik expressed hope that he could continue to struggle against repression. "My leaving the Soviet Union is not exactly a victory," he said. "I would call it a tactical retreat; I have retreated in order to strike back in the future."

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order today on Captive Nations Week.

The SPEAKER pro tempore. (Mr. MURTHA). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TESTIMONY OF PATRICK BOARMAN ON PROPOSED AMENDMENT TO ARTICLES OF AGREEMENT OF IMF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 30 minutes.

Mr. PAUL. Mr. Speaker, the last item on the program for this week is H.R. 13955, the proposed amendments to the Bretton Woods Agreement establishing the International Monetary Fund. As we all know, that act failed to pass under suspension of the rules on June 22. Since that time, Dr. Patrick Boarman, executive director of the Institute for Economic and Legal Analysis, has had the opportunity to testify on the proposed amendments before the Senate Foreign Relations Committee. I would like to call the attention of my colleagues to Dr. Boarman's testimony on the amendments they will be asked to approve later this week:

Statement of Patrick M. Boarman

Mr. Chairman, and Members of the Foreign Relations Committee:

My name is Patrick Boarman and I am an economist with a lifetime of professional involvement with international monetary affairs. Currently, I am Executive Director of the Institute for Economic and Legal Analysis, Inc., a New York-based non-profit research organization. I appreciate this opportunity to present my views to the Foreign Relations Committee on the proposed Amendment of the IMF Articles of Agreement and wish to emphasize that I speak for myself and not in behalf of the organization with which I am now connected. Let me begin by stating that I am strongly opposed to the bill before you, (S. 3454).

The proposals you are being asked to ratify are momentous ones because they signal a fundamental alteration in the structure and functioning of the international monetary system. The Amendment embraces, in addition to a quota increase on which I shall not comment, essentially two things: first, the legitimizing of the present system of floating exchange rates and the abrogation of any future requirement to maintain par values for national currencies; and second, the ending, once for all, of the monetary role of gold.

It is true that we have been living with both of these arrangements for several years and to some extent perhaps have become adjusted to them. But adjustment or quasi-adjustment to emergency measures is one thing; locking them into place for the long-term future is another. The gold window was shut in Fall 1971 and we have been on a floating system since Spring 1973. This has been far too short and, I may add, far too turbulent a period to allow adequate testing of the new arrangements, either of their virtues or their possibly fatal drawbacks. They remain, in any case, controversial to a degree. The question is whether we are by the present proposed actions foreclosing to the country and to the world the possibility of restoring at some point in the future a genuine world money.

Let me make clear that a true world money—an international medium of exchange and store of value and unit of account—can only subsist in a structure of exchange parities which is stable. Stability of international money—as essential a requirement if money is to perform its functions as in the case of domestic money—means stability of the structure of existing exchange rates. It is also enormously helpful, and the historical record testifies to it, if such a structure can be anchored to a numeraire, a common denominator, whose own long-term value is stable and which is universally accepted as money. A floating rate system, on the other hand, is constructed on the assumption that international money will not be stable. And it is logical, where such a system is envisaged as permanent, to want to do away with the traditional anchor, gold.

Still, some kind of reference point, if only for measuring changes in rates, and possibly for use as a sheet anchor if you will, seems to be wanted and so we have Special Drawing Rights (SDRs). And, indeed, the proposed Amendment calls for further issue of SDR paper currency. But as my friend Henry Hazlitt, the distinguished economist and journalist, remarked in a recent communication: "To use paper currency as a reserve against which to issue more paper currency is a monetary monstrosity and will only accelerate world inflation everywhere."[1]

The bill before you does appear to continue to hold open to Fund members the option of adopting a par value for their currencies, if they so choose (which is not at all the same thing as a generally required system of par values). But this positive aspect of the legislation is clouded by the language of S. 3454 which declares specifically that "Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States. . . . (b) propose a par value for the United States dollar . . . "[2] If the United States does in this fashion foreclose any future prospect of a return to a par value for its currency, there is little practical likelihood that any other country will make use of the option in question (except under the assumption that the present open-ended system breaks down into a congeries of closed currency blocs). Hence, in spite of some obeisance in the Amendment to the value of having stable currency relationships, the world financial system is, in fact, being cut adrift to float on mostly uncharted seas.

In the case of gold, even the shelter of ambiguous language is withdrawn. The intent is clearly to end its role once for all and to substitute in its place Special Drawing Rights. In Secretary William Simon's words: ". . . it must be understood that gold is on a one-way track out of the world monetary system."[3] So here, certainly, is an avowed point of no return; once the monetary role of gold, and the institutional devices supporting it, have been completely destroyed, it may prove impossible, as in the case of Humpty Dumpty, to ever put it together again. In my view, and for reasons to be developed, this would be a major loss to the world. At the very least, we should not have a bill that is openly hostile to gold and that irrevocably forecloses the possibility of a reinstitution of a gold-based money, should that at some point be the desire of the United States, or of any other member of the Fund.

Is this exaltation to a permanent status of emergency measures and of a demagogic gold phobia with its accompanying destruction of the last effective brake on monetary irresponsibility the best that we can hope for from the IMF elite? If so, and given the recent concerted effort to transform the IMF from a watchdog of international monetary order to a vehicle for the redistribution of wealth around the world, we may be in no better shape in respect to the hopes that can be placed in that agency than is the case with the UN. However, the financial and economic penalties of succumbing to demagogy in this instance may be far graver in the long run than what we have had to endure in the UN General Assembly.

Let me briefly outline the reasons for my concern at the perpetuation of the floating rate system and the permanent proscription of gold as a monetary asset. The overwhelming threat in virtually all of the free countries today is that the inflation spawned by the relentless expansion of the welfare state will become permanent. But permanent inflation on the order of that experienced in some Western countries recently undermines and corrupts the system of parliamentary democracy. Inflation gone amuck produced the Great Depression of the 1930s. Inflation out of control led directly to the great recession of 1973–75, with its immense costs in both human and economic terms. And we may be in for a replay of this disastrous cycle. As Arthur Burns observed recently, some foreign governments are running "frightening" budget deficits that "have to be brought under control," lest world inflationary pressures move back again to the two-digit range.

Manifestly, the most urgent need of the time is to find whatever new means of arresting the inflationary process can be discovered whilst shoring up and reinvigorating those existing institutions which have a good track record in this regard. The trend, unfortunately, is in the other direction—away from discipline and towards greater monetary permissiveness. Domestically, the flight from discipline began in the 1930s with the abrogation of the gold convertibility of most currencies. Thereafter, the important remaining obstacles to monetary abuse were international institutions such as the international gold exchange standard and fixed exchange rates—the Bretton Woods arrangements—but under the pressure of events in the last few years these too have been scrapped.

Needless to say, the Bretton Woods system which the Amendment before you would alter was far from perfect. And I do want to make one major concession to its critics. It had a fatal flaw. That flaw was the key currency role which, somewhat by accident, fell to the dollar and which meant that other nations accepted dollars as a constituent part of their monetary reserves. This was bad because the discipline the system imposed on other nations was not imposed on the United States. The U.S. was permitted to finance its external deficits by simply printing more dollars rather than by yielding up real goods and services. Bretton Woods conferred upon us the marvelous secret of having "deficits without tears," in Jacques Rueff's unforgettable phrase. We should certainly not repeat this error; no one currency should have to assume the full burden of a reserve medium. That burden should be divided amongst all the major currencies of the world; and they would be well able to carry it were the several domestic economies to be held to a level of spending consistent with the level of output.

The point to be kept in view is that a "key currency" is not inherently necessary to a well-functioning system of stable rates of exchange. Witness the operation of the pre-1914 gold standard—perhaps the most successful set of international monetary arrangements the world has ever known.

It is at all events fallacious to ascribe to a system of stable rates of exchange *per se* the inflationary bias of a system of stable rates coupled with the use of a key currency (the so-called gold exchange standard).

Gentlemen, you should be aware that if you approve the legislation before you, you will be legitimizing and institutionalizing a collection of makeshift devices to which resort was had in a period of extreme international monetary disorder. In effect, you will be accepting a premise that the present disorderly conditions in the world's money markets cannot be overcome and should be regarded as permanent. You would also be formally casting away the only remaining anchor on runaway government spending and its inevitable by-product, inflation, that is left in the world, namely, the system of fixed rates of exchange, based on gold, known historically as "Bretton Woods." Let me underscore this point. Bretton Woods broke down because of insufficient discipline on the

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[1] Letter of Henry Hazlitt to Elizabeth Currier, May 21, 1976.

[2] S. 3454, 94th Congress, 2nd Session, May 19, 1976, lines 6–13.

[3] Letter of Secretary of the Treasury William E. Simon to Mr. H. Vernon Scott, Chairman, Advisory Committee, National Associated Businessmen, Inc., March 18, 1976.

United States. But you don't solve the problem of insufficient discipline on one country by establishing a system in which there is no discipline on anybody.

We need to reflect deeply on this matter of discipline. Without it, nothing else is possible. We have already, some of us, learned the painful lesson at home that there ain't no such thing as free lunch, or free health care, or free education, or free food. Are we now to pursue the same will o' the wisp abroad? Have we not already been instructed enough in these matters by the British and the Italians? As Richard Janssen noted recently in a perceptive column in the Wall Street Journal (June 21, 1976): "Without economic 'discipline' [there is] the risk [of] a surge of consumer and social spending and neglect of the investment needed to produce enough goods and enough jobs to assure noninflationary growth . . . The most obvious disappearance from the old set of disciplines is the fixed rate currency system . . . Before it crumbled into floating in the early 1970s, that postwar system did exert discipline on governments. Unless they tightly limited their inflation, they'd have to announce a devaluation against other currencies, a dramatic admission of muddling and an act which carried the onus of openly breaking faith with owners of their currency and with fellow members of the International Monetary Fund, which set the rules."

Now it is certainly a striking coincidence, if coincidence it is, that the recent violent explosion of inflation and the subsequent severe economic contraction in all the major free nations nicely dovetails with the de facto demise of stable rates and the immobilization of the world's monetary gold. This is something which should give us pause before we congratulate ourselves that we are moving onto a new plateau of stability and order with the adoption of the Amendment before you.

Consider the fact that since 1968 exchange rate changes have been occurring with ever greater frequency, with the tempo of such changes increasing up to the general currency float of 1973.

In that general float, there has been, if anything, even greater turbulence in the currency markets. Here we have the pound plunging to levels requiring a $5.3 billion rescue action by 10 countries (who said floating would do away with the need for reserves?) and the franc rising in Switzerland to levels which induced that country to slap severe restrictions on further capital inflows (who said floating will do away with controls on the flow of funds and give us back a free international capital market?). And speaking of turbulence, who said floating would usher in a new era of international financial stability? Undeniable is the fact that the period of rapid exchange rate changes is the one in which the free world has been afflicted with virulent double-digit inflation.

In contrast, the period 1950–68, characterized by stable rates of exchange for the most part, was one of consistently lower inflationary pressure. And both inflationary and recessionary impulses differed significantly in their timing in the different countries. One can hardly speak of the period as exhibiting a simultaneous or universal inflationary trend. Such a trend, however, is the hallmark of the present period. Moreover, what is true of the transfer of inflationary impulses under floating is apparently also true of deflationary or recessionary impulses. The previous coincidence of cyclical peaks in the major countries has lately been succeeded by a coincidence of cyclical troughs, a process which may turn out to reflect the efficiency with which economic impulses are transmitted from one economy to another under a system of floating exchange rates. The recent record suggests that a world that floats together also inflates and slumps together (who said floating would allow each nation the luxury of pursuing its own independent economic policy?).

Certainly, the phenomenon of cyclical simultaneity needs further study as to its causes and ultimate consequences. On one plane of analysis, it involves a major economic loss: the parallel occurrence of expansion and contraction in different economies served by means of the mutual interchanges of goods and money among these economies to moderate cyclical movements in all of them (one country's boom was slowed by another country's bust, and vice versa). The pre-1914 gold standard was the classic mechanism for the achievement of this kind of equilibrium; but even the modified gold exchange standard of the post World War II era fostered similar tendencies.

The contrasting experiences described here, in which a regime of stable exchange rates is associated over a protracted period with moderate inflation and recession, while a series of ever more rapid and sizable exchange rate changes, culminating in a general currency float, coincides with an explosion of inflation in every country, and a subsequent severe depression—the worst since the Great Depression—demands explanation. The explanation, I submit, is that floating rates of exchange drastically reduce the incentives of national governments to resist inflation.

Under floating, the marginal morality of the most inflation-prone nation tends to become the prevailing morality of the world community. For once the idea of defending stable rates is abandoned, there is little incentive for deficit countries to defend any particular rate any more. That is, there is a reduction in the incentives to take any positive action to counter the inflationary forces that are pushing the rate down.

On the other hand, the forces tending to push a rate of exchange (the international value of its currency) up in the surplus country are likely to be interfered with at some point as exporters struggle to retain markets. This failure of the appreciating currency to rise to its "market level" means that some additional inflation will be imported into the surplus country.

To put it another way: in a country with a depreciating currency, one would expect an aggravation of an internal inflation, whereas in the country with the appreciating currency, a deflation would normally occur, and to that extent help offset inflationary surges elsewhere in the system. But because of the downward rigidity of most costs and prices in every modern economy, there is a floor placed under the downward drift of the price level in an appreciating country, whereas in the case of depreciation no upward limit to rising prices obtains. The result of all this is to bring about a net increase of inflation in the system as a whole.[4]

A system of stable rates, on the other hand, may be likened to a series of fortifications or barricades of varying heights and thicknesses, or of dikes if you wish, located at strategic points throughout the international monetary system and serving to contain the omnipresent tendency of governments to follow the path of least resistance when it comes to monetary matters. Safeguarding exchange rates and safeguarding reserves requires decisive action on the home front. Protecting a shrinking gold reserve from further depletion is a concrete, easily understood target for even the most myopic monetary official to aim at. Moreover, a devaluation under a stable rate system becomes a politically disgraceful, hence dangerous act, impelling parliaments to consider with some care whether they ought not to change the domestic policies liable to produce a devaluation. Secretary Simon, in his testimony on this bill before the House Banking Committee, emphasized that you have to start with national stability first in order to get ultimate exchange rate stability on an international scale. The truth is, however, that as long as officials at the national level have no especial reason for pursuing policies which lead to stability of their currency externally, such as trying to protect international reserves or forestall a devaluation, they will not do so. Why should they? In that respect, exchange rate flexibility practiced on a worldwide scale is tantamount to monetary permissiveness on a worldwide scale.

Not too long ago, I heard the view expressed by a Treasury official[5] that one of the problems with the Bretton Woods system was that other countries simply set their exchange rates at levels which allowed them to accumulate dollars, which they then converted into U.S. gold. It was implied that this was somehow perverse and that what they really should have done was to let their exchange rates move to reflect the changes going on.

I submit that this is a very one-sided and, in its effects, pernicious way of looking at the matter. The exchange rate is really the hinge connecting two (or more) national economies with one another. If the two economies, initially in equilibrium, begin to diverge structurally from one another, or follow different money and income paths, stresses will arise in the relations between them, and these stresses will increase as the divergences increase. There are two ways of righting the situation. One is for the hinge, i.e., the rate of exchange, to change; the other is for those very internal monetary, fiscal and economic structures or policies which are diverging to change, leaving the rate of exchange intact.

Why must it always be assumed that the exchange rate is wrong and not the underlying conditions? What is so sacrosanct about Britain's swollen social welfare spending which requires it to stay in place while the pound sinks ever lower? As a matter of fact, if the underlying real conditions are not changed, a movement of the rate of exchange will not accomplish anything except, as in the case of Britain, to establish a bargain basement sale which rekindles the inflation. The more protracted the divergence of the national economies in question from each other, the greater will be the amount of the adjustment burden falling on the rate and the more turbulent, volatile, and chaotic will be exchange rate movements generally. That is, in effect, the spectacle that we behold at the moment. Rates gyrate dramatically, governments totter, and the United States feels compelled to warn against Communist participation in some Western governments. And this is supposed to represent stability?

I would like to conclude with a brief comment on gold. I have stressed the inherent difficulty, given the looming menace of the welfare state in every country, of returning to sane, anti-inflationary economic policies. But in this situation the unsophistication of the average man in monetary matters is precisely why gold has been historically and can continue to be today the best antidote to the inflation syndrome which seems to inhere in contemporary parliamentary democracies. It may be even futile to waste a lot of time and energy trying to get rid of it and I suggest that the way in which the gold price has held up in the face of the concerted battering it has taken at the hands of the IMF and the U.S. Treasury is remarkable. As Janos Fekete, Deputy President of the National Bank of Hungary, said a while back (and I find it amusing that we are being instructed in these matters by Communists): "There are about three hundred economists in the world who are against gold, but unfortunately there are about three billion inhabitants of the world who believe in gold. Now the trick is how the three hundred economists can convince the other three billion. Maybe it is possible, but it certainly will take a long time." Gentlemen, is there time for this educational process to take effect before everything falls apart, monetarily speaking?

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[4] For a fuller explanation see Patrick M. Boarman, "Floating Exchange Rates and Worldwide Inflation." Modern Age, Summer, 1976.

[5] Mr. Widman, at the fourth annual meeting of the Committee for Monetary Research & Education, Inc., Arden House, Columbia University, Harriman, N.Y., March 1976.

Will Rogers was a man with an unsophisticated but profoundly sensible view of money matters. I don't know what he thought about gold, but I rather imagine he had a favorable view of it since, as he once remarked, "I ain't so much interested in the return on my money as the return of my money."

I think it should be noted that while economists of the Keynesian and monetarist persuasions (and I guess that pretty much covers the lot) continue to attack people's scrambling for the yellow metal as something irrational, they reveal their own irrationality by ignoring or trying to ignore this major constant in human behavior over the past 5,000 years: people like gold. More importantly—people understand it. Historically and today, the preference for gold is a preference for money of last resort which provides security from and independence of the follies of national governments. It is the means by which the people say to government, you cannot go on giving me pieces of paper that I don't trust, that lose their value, that I can't use, that I don't want. Moreover, gold is the one international money that cannot be multiplied at will, cannot be politicized, cannot be made the instrument of economic blackmail of one nation-state by another. To wish to deny to citizens such a valuable and freedom-conserving device carries a hint of totalitarian arrogance. It also makes substantially more difficult the pursuit of a balanced monetary policy.

As William Rees-Mogg, editor of the London Times, has observed in his beautifully written and wise little book, The Crisis of World Inflation: the Reigning Error, monetary policy is at best a difficult subject. Discussions about it do not have the same effect on expectations that expectations about gold do. A modern government makes decisions about monetary policy which only a very small number understand (who really understands the mysteries of SDRs and Eurodollars?) and not all of them believe the policy will be carried through. Therefore, a monetary policy which is concerned only with the money supply, unrelated to gold, observes Rees-Mogg, "has a long time-lag before it can be seen to be a consistent and credible part of government policy. The gold commitment is not itself unchangeable. But it is seen immediately and its nature is generally understood." A government which goes on gold says in effect that in future "the nation will have to earn real money, that the government and individuals will both have to pay their way in the world in the hardest of hard currencies, that the money supply will be limited." [6]

Gentlemen, I repeat that the critical problem before the world community is the containing of inflation, lest we all be submerged in the next tidal wave of it. Containing inflation means containing the spending propensities of governments; it means slowing somehow the juggernaut of the welfare state. The prospect if we do not is, to echo Mr. Arthur Burns, truly frightening. There is a quotation by Edmund Burke, the great conservative British statesman, that is unsurpassed in its summing up of this moral dilemma. "Men are qualified for civil liberty," he wrote 200 years ago, "in exact proportion to their disposition to put chains on their own appetites."

The Amendment before you is one which, if it truly succeeds in making floating rates permanent and in banishing gold forever from the monetary scene, will have removed the few constraints that still serve to hold in check in some measure the voracious appetite of the contemporary welfare state. In the Government's statements in behalf of the Amendment which I have read, there are many pious obeisances to the need for nations to achieve internal stability, but there are no real teeth in the legislation that would bring this about, no effective sanctions, and no mechanisms which would lead to the putting up of the dikes and barricades against inflation we so sorely need. That is a signal defect of the legislation before you and I would hope it could be remedied before we proceed much farther on this one-way track.

Thank you.

THE PLIGHT OF BORIS LEIBOVICH TSITILIONOK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Frey) is recognized for 5 minutes.

Mr. FREY. Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Because the Soviet Union is not living up to that promise, Members of Congress are conducting a vigil on behalf of the families which remain separated.

A case history of these families entitled "Orphans of the Exodus," dramatically details this tragic problem. At this time I would like to bring to the Members' attention the situation of Boris Leibovich Tsitilionok:

Boris Leibovich Tsitilionok

Boris Tsitilionok is a 31 year old toolmaker who applied for an exit visa in 1971. Refused on the basis of national security, he subsequently lost his job and was placed under incessant KGB surveillance with periodic visits to their offices, threats of repression, and fortnightly arrests.

In February 1975, he was among nine Jewish activists who demonstrated briefly in Moscow carrying banners of "Visas not Prisons" and "Free Emigration of the Soviet Jews to Israel." Their demonstration was brought to an end within 30 seconds by police and KGB men. In March 1975, he was sentenced to 5 years in exile in Siberia.

Prior to sentencing, Boris' parents, who live in Haifa, wrote the following appeal:

"Our son participated in ten demonstrations and was detained 25 times and this was only during 1972–73. In July 1973, he was thrown into prison together with other boys where they were beaten up severely by the prison guards. During Brezhnev's visit to the U.S. he was detained and arrested 9 times. . . . **On the 10th of November, 1974, he was** picked up in the street by members of the KGB and warned that if he would continue to insist on his emigration he would be put in a mental institution. . . . Our family begs you to undertake urgent measures before it is too late. Our family will be very grateful to you if you will raise your voice in defense of our son."

In another plea dated October 5, 1975, his mother Batia wrote:

"My son, Boris, is now in the Far North, Siberia. . . . I want to stress that he is an official Israeli citizen. He got his citizenship on the 10th of March 1972. I, as many Jewish mothers, appeal to the Jewish hearts and consciences all over the world to take an active part in our struggle, in our fight for free emigration of the Soviet Jews to Israel. I am very obliged to your attention and for your noble participation in the fate of the Orphans of Aliyah."

IN SUPPORT OF GOLD CLAUSE PROHIBITION REPEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. Conlan) is recognized for 10 minutes.

Mr. CONLAN. Mr. Speaker, it is long past time that Congress rectified a glaring and unnecessary inconsistency in the law concerning the ownership of gold. The time is clearly ripe for this Congress to restore to Americans the right to enter into binding contracts which require payment in gold or dollars measured in gold. I have today introduced a bill which would restore this right by the repeal of the joint resolution of June 5, 1933, entitled "Joint Resolution To Assure Uniform Value to Coins and Currencies of the United States" (31 U.S.C. 463).

I call the continuation of this law an inconsistency because Congress has already restored the right to own gold. At this time, an American citizen can own gold, as he can own sugar, silver, sow bellies, or any other commodity. But while a citizen can enter a binding contract which demands payment in hundredweight of sow bellies or the dollar equivalent thereof, he cannot enter such a binding contract if the terms of payment are denominated in gold. If we really mean to reduce gold to being just another commodity, if we mean to accord full rights of ownership to Americans, surely we want to remove the peculiar prohibition against this particular use of gold.

The continued prohibition is also unnecessary. The only substantive objection I have seen to repeal of the prohibition is an opinion rendered by the Secretary of the Treasury nearly 2 years ago, the burden of which is that gold clauses might undermine the strength of the dollar and efforts to control inflation. Clearly, the Secretary was referring to the behavior of international exchange rates and, just as clearly, this objection is no longer of any force since we have apparently agreed, through participation in International Monetary Fund agreements, to establish floating exchange rates. The Treasury is no longer under any pressure or obligation to support or defend the dollar in international markets. The dollar will be strong or weak depending entirely on relative rates of inflation in this and other countries.

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[6] William Rees-Mogg, The Crisis of World Inflation.

In truth, then, strengthening the dollar has nothing to do with what private citizens do with gold and how they arrange contract payments, but instead is a matter controlled by the Federal Government directly. Now, as was always ultimately the real case, deficit spending and monetizaton of the debt are the determinants of inflation and a weak dollar.

There is no reason, therefore, why Congress should not repeal the joint resolution forbidding gold clause contracts. And there are a number of considerations which argue strongly in favor of such repeal, as conferring public and private benefits and restoring a basic right.

A great public benefit could be obtained if the Treasury itself were to sell bonds, notes, and bills payable in gold or dollar equivalents to gold. Such bonds would be, in a sense, inflation-indexed, so that the noteholder would lose nothing by inflation eating away the value of the dollars he has loaned to the Government. Since market interest rates always reflect this inflation premium, such bonds would sell for much lower interest rates than are today the case. This could save the Treasury a good deal from the $41 billion we expect to spend on debt servicing in the next fiscal year.

The same kind of benefit would appear privately as individual contracts were written in terms of gold. Such contracts would have a stable real value to the extent that the price of gold moves in concert with prices generally. Thus, any premium in price demanded in view of possible inflation would be left out. Since no compensation would have to be made for the uncertain future course of prices, some efficiency and therefore lower costs of contract could be expected.

I have no doubt, Mr. Speaker, that my colleagues in the House have noticed the remarkable drop in the price of gold in the last several days. And it might be said that gold clauses evidently would cause more instability than would dollars, for it is evident that the dollar—this week—is more stable in value than an ounce of gold. Why, then, should Congress encourage citizens to use gold clauses in their contracts? Is not this a disservice to them?

But the bill I have introduced does not encourage gold clauses, does not even recommend them. I doubt, in fact, that such clauses would be very widely used, for as long as they can be used, as long as citizens can protect themselves from imprudent and inflationary fiscal and monetary policies, the Federal Government will have little incentive to adopt such policies, since Government cannot then fool the people and gain at their expense. And if some people are wrong about the relative stability of dollar and gold values, then they will pay the price for their error. We should accord them the ordinary right to make such judgments and take such risks with their own investments. It is far better, and in accord with American liberties to guarantee citizens the right to make and pay for their own errors, instead of demanding, as we now do, that they pay for erroneous fiscal and monetary policies, policies far removed from their control.

Mr. Speaker, Congress has protected itself from inflation by indexing the salaries of its Members. It is no more than simple fairness—indeed, equal protection of the law—that we now restore to ordinary citizens a device, however imperfect, by which they may do the same thing in at least some areas of their private lives. The text of the bill follows:

H.R. 14792

A bill to declare the public policy of the United States and to remove all legal obstacles to the use of gold clauses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That the Congress finds and determines that—

(a) The prohibition from entering into contracts requiring payment in currencies of other nations, gold or gold coin, is an unreasonable infringement upon the rights of Americans.

(b) Such prohibition inequitably prevents Americans from exercising this right to protect themselves against inflation, and thus—

(1) is inconsistent with Acts of Congress mandating inflation-related income increases for social security recipients, Federal employees, Members of Congress, and others;

(2) is inconsistent with the right of Americans to enter into private financial agreements, including labor contracts, providing for automatic salary increases.

(c) Such prohibition does not significantly affect the stability of the value of the dollar in foreign exchange markets; such value being primarily determined in the long run by domestic fiscal and monetary policies, the financial and monetary conditions within the United States and its major trading partners, and changing patterns of international trade.

(d) Such prohibition is inconsistent with the freedom of Americans to hold, sell, and deal in gold, as established by Public Law 93-373.

(e) Such prohibition, by preventing Americans from exercising the aforementioned rights to protect themselves from the results of imprudent monetary policies, has reduced needed incentives to monetary authorities to adopt policies which would preserve the value of the dollar.

SEC. 2. That the joint resolution of June 5, 1933, entitled "Joint resolution to assure uniform value to coins and currencies of the United States" (31 U.S.C. 463) is hereby repealed.

FEDERAL-AID HIGHWAY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 30 minutes.

Mr. HOWARD. Mr. Speaker, I rise to alert the Members of this body to a willful, deliberate, and totally destructive maneuver initiated this very morning by the leaders of the Committee on the Budget to accomplish by subterfuge what they were unable to do in free and open debate on the floor of the House just 3 weeks ago.

On June 28, by the decisive vote of 251 to 146, the House rejected an attempt by that committee and its allies on the Appropriations Committee to impose obligation ceilings on the Federal-aid highway program.

The other body has seen fit to impose such limitations, and a conference session has been scheduled for tomorrow morning to seek an honorable reconciliation of our differences. The conferees appointed by you, Mr. Speaker, are morally committed by that vote of June 28 to uphold the House position on Federal-aid highway appropriations, and, until a few short hours ago, I have had no cause to doubt that they would do so.

It has now come to my attention that the Committee on the Budget, through its chairman and ranking minority member, has taken it upon itself to advise the House conferees to run up the white flag and surrender—or perhaps betray might be a more appropriate word—the expressed will of the House.

In all my years in the House of Representatives, Mr. Speaker, I cannot recall a more arrogant reach for power than this attempt to sell out our own conference stand and reverse the majority decision of the House.

I say now to the instigators of this transparent maneuver that I have every confidence in the integrity of the distinguished members of our conference committee, that they will properly and resolutely live up to the responsibility and trust assigned to them by a decisive majority of their colleagues.

The issue at stake is critical to the continued successful progress of the entire Federal-aid highway program, and it was thrashed out most thoroughly on the floor of the House on June 28 before the Members recorded their overwhelming vote against the appropriations limitations so ardently—and unsuccessfully—championed by the Budget and Appropriations Committees.

The arguments advanced for such limitations centered around the mistaken notion that a ceiling of $7.2 billion on highway trust fund obligations for fiscal year 1977 is essential for effective budgetary control and for stability in the levels of funding available for the program.

The weakness of their argument was clearly demonstrated in the course of debate, the House sustained the position of our Committee on Public Works and Transportation, and the proposed obligation ceiling was buried. Now they want to dig up the corpse and bring it back to life in conference.

I think it would be appropriate, Mr. Speaker, to recall, particularly for the benefit of our House conferees, the solid, factual reasons why those of us who have had long experience with the workings of the Federal-aid highway program are so firmly convinced that the imposition of an arbitrary appropriations limit would blow the whole program sky high with disastrous consequences to State and local governments everywhere that are dependent on the trust fund for continued orderly financing of their transportation needs.

As my distinguished colleague, Mr. HARSHA, explained so clearly in the course of our June 28 debate, the key step in the whole process of financing the Federal-aid program is apportionment to the States, simply a division of interstate, primary, secondary, and urban highway authorizations according to formulas established by law.

That is the critical point—the apportionment, not the obligation. The Secretary of Transportation cannot, under the law, apportion more than the amount of revenue anticipated for the trust fund to liquidate obligations when they come due, regardless of how much we may authorize. If the fund's revenues decline, or if our authorizations prove to be too high, the Secretary must reduce his apportionments accordingly.

This reflects the basic nature of the trust fund itself, the fundamental principle that funds from no other source are involved and they cannot be used for any other purpose. It is a balanced-budget system, a self-financing system. And the only role of the appropriations committee in this whole process is to appropriate funds from the highway trust fund to reimburse the States after, I repeat, after the fact—to provide cash to liquidate highway obligations incurred by the States.

The entire balanced, self-financing system is geared to the realities of highway construction and the Federal-State partnership through which it has worked so successfully for so many years. Many roadbuilding projects take years to complete. The separate States have varying needs and priorities which change from time to time as projects come to completion and new demands arise. They proceed, of necessity, at uneven rates in obligating funds in the various highway categories.

The fatal flaw in all of these proposals to impose limitations on obligational authority is their assumption that the obligation and the actual outlay of trust fund moneys are synonymous and occur simultaneously. That is just plain wrong, and if we were to allow ourselves to be deluded into accepting obligation ceilings the consequences could be disastrous.

Mr. Speaker, I believe it is in order to dispel any notion that the Committee on Public Works and Transportation is seeking preferential treatment in this matter of highway obligation limitations. I call to the attention of the House the fact that at least 61 percent of the entire budget for fiscal year 1977 goes into programs on which the Appropriations Committee neither imposes obligation ceilings nor otherwise controls outlays, other than to provide funds to meet obligations.

This attempt to clamp an arbitrary and senseless legal lid on highway authorizations would serve only to substitute congressional impoundment for the executive impoundment process about which all of us have complained so vigorously in the past.

We must permit the States to go forward with their programs, to obligate funds as their plans, programs, and priorities warrant and we can do it within the established budget process.

This process, which fully covers new authority and outlays from a variety of trust funds, while exempting them from obligational ceilings in appropriations acts, must be allowed to work unimpeded, without subjecting the highway program and all of its job-creating potential to the manipulations of the executive branch—which is exactly what would happen if our conferees fail in their moral commitment to uphold the House position.

Mr. Speaker, the advocates of highway obligation ceilings could not win their case in the open forum of the House of Representatives. We cannot, and we must not allow them to slide it in through the back door of the House-Senate conference.

I call upon the House conferees to stand by the decision of June 28 and uphold the expressed and explicit will of their fellow members.

JOB DISCRIMINATION AGAINST SLAVIC AMERICANS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. **ROSTENKOWSKI.** Mr. Speaker, I would like to inform the House that I have today met with the distinguished Secretary of Labor, William Usery, to discuss the problem of job discrimination among Chicago's Slavic community. With me at the meeting were representatives of the Polish-American Congress throughout the United States. Their efforts in combating discrimination and injustice against Slavic Americans are well known.

I am happy to report that the meeting was successful and was a major step toward sensitizing the Labor Department to the problems of Chicago's Slavic community. But this is not enough. I expect shortly to introduce a House joint resolution which will call for the collection and publication of economic and social statistics for Americans of Slavic origin or descent.

The need for a suitable information collection system for Slavic Americans is imperative if we are to attack the problem of job discrimination both boldly and effectively. I welcome the support of my colleagues for this resolution which I feel will help root out the pervasive and demoralizing influence that job discrimination has had on large segments of our society. Slavic Americans have played an important role in the evolution of America as a nation. They must not be denied the basic opportunities they deserve as Americans.

MORE ON SEXUAL ASSAULTS IN THE PRISONS: "IF YOU SAY ANYTHING, I'LL ICE YOU"

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. **KOCH.** Mr. Speaker, on April 5, 1976, page 9473, and on June 28, 1976, page 21061, I placed in the CONGRESSIONAL RECORD two statements describing a particularly horrendous incident involving an adolescent who had been sexually assaulted in a prison van. I will not repeat the details of the incident but urge our colleagues to read the two statements.

I would like to provide additional material bearing upon the incident. The district attorney in the Bronx and the district attorney in Queens have each taken the position that it was the other's responsibility to pursue the matter and bring criminal proceedings against the six inmates who forced the adolescent in question to commit oral sodomy upon them while he was incarcerated with them in the prison van.

The latest memo I have received from Mario Merola, district attorney for Bronx County gives more details on what occurred in that van and subsequent thereto. It was chilling to read the opening sentence of that memorandum which reported the threat made to the adolescent, M.S., by another prisoner while in the van which was, "if you say anything, I'll ice you."

I have now asked the judges, the mayor of the city of New York, and the Governor of the State of New York to investigate the sexual assaults that are occurring in the city and State prison systems; and I have asked the chairman of the House Criminal Justice Subcommittee of the Judiciary Committee to do the same with respect to sexual assaults in the Federal prison system. Is anyone listening?

The correspondence follows:

JULY 9, 1976.

Re M. S.
Hon. EDWARD I. KOCH,
New York, N.Y.

DEAR CONGRESSMAN KOCH: Pursuant to your request, I instructed Assistant District Attorney Joseph Karp to reinvestigate this matter and prepare a memorandum for me.

Enclosed is a copy of the memorandum he prepared for me. If I can be of any further assistance in this matter feel free to contact me.

Very truly yours,
MARIO MEROLA,
District Attorney, Bronx County.

MEMORANDUM

To Mario Merola, District Attorney.
From Assistant District Attorney Joseph S. Karp.
Re Complaint of M. S. of Sodomy & Robbery on 10/10/74 on Dept. of Corrections Bus.

At approximately 10:20 P.M. on October 10, 1974 C.O. James Lasser No. 175 overheard a threat, to wit, "If you say anything I'll ice you," from an unknown inmate to an unknown inmate coming from the inside of Corrections Van No. 93V, after returning from Manhattan Courts upon arrival at the receiving area of C–74 Rikers Island.

Once inside the receiving room C.O. Lasser was able to observe that inmate M. S. had an abrasion and marks on his face which were not present prior to departure from Manhattan.

C. O. Lasser took M. S. aside and inquired as to his injury. M. S. admitted having been assaulted and robbed on the Correction Van in New York County. After further interrogation, he admitted being forced to commit oral sodomy on the Van to six inmates. M. S. did not know where the crimes occurred. Based upon his portrayal of the time elapsed and general landmark information, C. O. Lasser was able to deduce that the crimes occurred in Brooklyn and Queens. The only time the Van was in the jurisdiction of Bronx County was upon arrival at Rikers Island, however, no crimes occurred there.

After the Department of Corrections completed its initial investigation C. O. Lasser was ordered to bring J. H. E., T. C., and H. P. to Bronx Criminal Court for arraignment. Arrest numbers were issued on October 11, 1974 through the 114th Precinct.

On October 11, 1974 M. S. was released from Rikers Island having completed his sentence.

On October 21, 1974 C. O. Lasser went to Manhattan to locate M. S. to inform him that he was to appear in Part 1E Bronx Criminal Court on October 22, 1974. M. S. had given two addresses, one was fictitious, the other had no record of him living there. C. O. Lasser was unable to locate M. S.

On October 22, 1974, C. O. Lasser appeared in Part 1E before Judge Gorfinkel. The case was appropriately dismissed by Judge Gorfinkel for lack of jurisdiction without prejudice to reinstitute proceedings in an appropriate jurisdiction.

Neither A. D. A. Poppe, the Assistant in 1E, nor A. D. A. Dorf, the correction liaison, recall whether or not this dismissal was pursuant to our motion or on the court's initiative. M. S. was not present in court at that time.

A. D. A. Dorf then informed C. O. Lasser not to take any further action until Dorf could locate M. S.

On October 30, 1974 M. S. was interviewed by A.D.A., Dorf, in his office. According to A.D.A. Dorf, at that time he determined that the only provable crimes occurred in Queens, and the crimes in Brooklyn and Manhattan could not be proven against any of the defendants. Having no legal jurisdiction to authorize an arrest for a crime which occurred outside of Bronx County, A.D.A. Dorf contacted the Queens District Attorney's Office. A.D.A. Dorf spoke to A.D.A. Lawrence Finnegan of the Queens D.A.'s Office, and according to Dorf, Finnegan was fully apprised of the situation. Finnegan declined to prosecute the case.

Based upon Finnegan's statements, A.D.A. Dorf advised M.S. that he would have to go to the 114th Precinct in Queens to report the incident. He did this as his only possible recourse, having no right to authorize an arrest for a crime occurring outside of Bronx County.

Dorf, while M.S. was present, then called the 114th Precinct to arrange for an appointment for M.S. The appointment was scheduled for November 2, 1974 at 10:30 A.M., at the 114th Precinct Investigations Unit to see either Detectives Dall Anegra, Grennan or Restivo.

According to P.A.A. Leavy of the 114th Precinct Investigations Unit, Detectives Dall Anegra and Restivo were on duty on October 30, 1974 and Detective Grennan was on duty on November 2, 1974. No diary entries were made of the scheduled appointment, but P.A.A. Leavy informed me that it is not the general practice to make diary entries of appointments which are scheduled to be conducted within the precinct. The 114th Precinct has no record of M.S. having ever appeared to file a complaint.

In conclusion, it appears that M.S., a reluctant complainant from the outset, failed to pursue this matter, especially in light of the fact that the Bronx D.A.'s Office was not prosecuting this matter, for jurisdictional reasons which he may not have understood, and the Queens D.A.'s Office refusing to prosecute, for reasons which appeared to be policy oriented rather than jurisdictionally based.

WASTE HEAT UTILIZATION—A NEGLECTED CONSERVATION POTENTIAL

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes.

Mr. VANIK. Mr. Speaker, I continue to be amazed by the misguided efforts of this administration in establishing a national energy policy, both for the near term and for the decades and centuries ahead. In spite of the declared commitments to increased conservation and more rapid development of solar energy and other clean technologies, we continue to tolerate a budgetary bias that works against full development of these two important energy technologies.

Recently, I conducted inquiries into the development and promotion of waste heat utilization technologies by the Federal Energy Administration and by the Energy Research and Development Administration. I believe that my findings in this one important technology are sympomatic of the weaknesses of Federal efforts to increase conservation. This single area of conservation technology, if properly and realistically utilized, could result in an energy savings of 20 percent in the near future. This would mean an energy savings equal to the equivalent of 1.6 billion barrels of oil per year. In a very short time, increased conservation through waste heat utilization could reduce our increasing oil imports by one-half.

The potential energy savings through waste heat utilization demands the full attention of this country. However, this technology has thus far received only token attention from this Nation's energy agencies. ERDA, for example, will spend less than two-tenths of 1 percent of its multibillion dollar budget for fiscal year 1977 on "waste heat studies and other technologies." Of the 12,000 people employed by ERDA and FEA, approximately 15 people are devoting only part of their time to study and develop waste heat utilization. It is difficult to justify the low expenditure of money and man-hours on this aspect of conservation in view of the substantial energy savings that stand to be realized.

Waste heat presently accounts for approximately 70 percent of the fuel that is burned in this country. When gasoline or other fuels are burned to power an engine or to heat a home, very little of the potential energy is actually harnessed to ultimately do the work that it was intended to perform. In fact, it is extremely rare that a piece of machinery will utilize over 50 percent of the potential energy that is fed into it. The generation of electricity, for example, is only about 33 percent efficient. An automobile wastes an average of 70 percent of every gallon that it burns. Such inefficiency costs the U.S. economy billions of dollars every year in wasted precious fuel.

The wasted energy flows out of a heating or mechanical system in the form of unburned fuel, as in vapors in automobile exhaust, or, far more substantially, in the form of waste heat. Experiments are underway to recycle unburned emissions to provide a more efficient engine. However, little substantial work has been done to recapture the billions of Btu's in waste heat that annually flow out industrial and residential chimneys into the atmosphere or out into cooling lagoons at powerplants.

When a fuel is burned for heat or work, enormous quantities of heat are given off as a byproduct to these energy uses. If even a small percentage of this wasted energy can be economically recaptured and recycled to similar or other uses, it would result in substantial energy savings. In the generation of electricity, for example, even the most efficient steam generating plant only operates at 35 percent efficiency. That is, only 35 percent of the potential energy of fuel is changed into electricity. The remaining 65 percent is wasted. The heat that is created when the boiler fuel is burned flows out of the generating plant into the environment without serving any useful purpose.

There are many, many uses to which waste heat can be put in this country. The warm discharge water from powerplant cooling systems is being used to heat greenhouses, warm soil for agriculture, and provide faster growing mediums for fish and shellfish, aquaculture, and mariculture. Several aquaculture projects are already commercially profitable, such as the Long Island Oyster Farms, which has reduced normal growing periods of oysters from 5 to 3 years.

After selective breeding and larva growth, the oysters are placed in the warmed discharge lagoon of the Northport, Long Island, electric generating plant of the Long Island Lighting Co., for a period of 4 to 6 months. During this time they grow as much as five times as fast as they would under colder conditions. The culture is then removed and placed in the eastern end of the Long Island Sound for the final growth period before harvest. This operation is now commercially profitable, with sales of approximately $5 million per year.

In concentrated forms, waste heat from powerplants can be pumped to nearby housing projects, hospitals, or other large municipal complexes. Such an application is technologically and economically feasible, although the temperature of the waste heat diminishes as a function of the distance over which it must travel. However, European countries are already using waste heat for such purposes.

One of the main deterrents in this country to the widespread application of this utilization of waste heat is the high degree of centralization of our powerplants. Rather than smaller local plants, this Nation has leaned toward fewer, more massive plants, decreasing the availability of this resource.

Although some utilities on the west coast, most notably, are already selling waste steam to industries for process work, the necessity of locating the user close to the source of the heat serves as a disincentive in many instances.

The four nuclear plants under construction in North Anna, Va., are located in an isolated rural setting, far from any residential or industrial center. Nevertheless, the large cooling lagoons could be used for fresh water aquaculture experimentation by nearby universities.

However, when asked if waste heat utilization technologies were considered during the development of these powerplants, Vepco officials said they had not considered this issue due to the location of the plant. In view of the significant experiments that are currently underway at several fossil fuel and nuclear plants, it is hard to believe that at least some good use could not come of this heated effluent water.

Waste heat utilization is not limited to powerplants. Almost everything that creates heat, whether through the direct burning of a fossil fuel, or through the conversion of electrical energy into work or heat, wastes more energy than it directly employs in the desired task. Appliances such as refrigerators and air-conditioners generate heat in the manufacture of cold. Many home fireplaces, if not properly designed, pull more warm air up the chimney than they give off into the room. This heat can be channeled into water heaters or to colder parts of the home.

Heat from industrial processes such as steel manufacturing could be siphoned off and transported to another plant for use as space heating.

Internal combustion engines generate heat in excess of a thousand degrees in many instances. This heat flows out the exhaust stack into the air. It could be channeled to a secondary boiler and beyond that to a water heater.

In other words, a given quantity of heat can be made to do two or three times the amount of work that it is currently performing. The addition of an extra boiler alone can increase engine efficiency to over 50 percent, from the previous high of 30 to 40 percent.

Waste heat technology can be initially expensive. There is a full range of equipment that can be employed.

Often, efficient use of waste heat only requires the installation of piping to pull the waste heat out of a process plant and channel it to another area requiring heat for hot water, space heat, or other functions. In other instances, entirely new machinery may be required in order to recycle the waste heat. Energy users may be discouraged from installing such expensive equipment until accurate payback figures can be projected.

However, most important to the businessman or homeowner, the payback period for the installation of waste heat recovery equipment is extremely short, due to the high cost of each barrel of oil that is saved by this technology.

Oil now costs almost three times what it did just 3 years ago so that it is now three times more practical to install waste heat recovery equipment, either in new equipment or through retrofit. Since it is cheaper to save a barrel of oil than to develop a new barrel, simple economics support the development of waste heat technologies.

The Federal Government, through its energy agencies, stands to play a major role in this development by providing capital, coordinating efforts, funding research, and serving as a national clearinghouse for the promotion of new developments.

Mr. Speaker, the development of waste heat recovery technology stands to save this country billions of barrels of precious fuel, and over $20 billion a year. Such savings can only be realized through accelerated research and development of the needed technologies.

Industries and individuals must be encouraged to apply these new, efficient technologies. In my recent survey of the 88 biggest industrial users of natural gas in the State of Ohio, for example, only 17 percent of the responding companies were utilizing waste heat recovery methods in their plants. Increased industrial awareness and increased availability of new recovery equipment are essential if this percentage is to be increased.

We are beyond the point where conservation means simply doing with less. Meaningful conservation can be achieved by using our fuel more efficiently through such conservation technologies as waste heat recovery and others. Although it is impossible in practical terms to ever achieve 100-percent efficiency, we can come very close to doubling the current 30-percent efficiency of our energy use.

The full application of combined conservation technologies could eventually cut our energy consumption in half. However, we have paid far too little attention to the technological aspects of conservation in spite of the great savings that we stand to realize.

Although the national and international efforts of ERDA and FEA to promote the utilization of waste heat recovery technology are somewhat encouraging, much more needs to be done. Last winter ERDA declared that conservation was being given top priority. However, it appears that the only real new support for conservation has been increased lip service.

The weak attention being given to such a potentially significant conservation technology as waste heat utilization underscores the need for concrete action to back up last winter's declaration and to realize real energy savings. The test case of waste heat research shows that we are sorely lacking in such concrete action.

I am including the response from ERDA and from FEA as an extension of remarks in today's Record. The response from ERDA is especially significant since ERDA is developing this letter into a major fact sheet on waste heat utilization.

AIDING THOSE PERSONS NOT HELPED BY ERISA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Carr) is recognized for 5 minutes.

Mr. CARR. Mr. Speaker, I am introducing today a bill to help a small group of people who were not adequately protected when Congress acted in 1974 to protect employee pension benefits.

In 1974, Congress passed a landmark piece of legislation known as the Employee Retirement Income Security Act, ERISA. This law set up basic standards to be followed by pension plans to insure that employees would be protected from unsound and unfair plans. Until Congress passed that law, many employees experienced financial disaster when their pension plans went broke; others lost the money they had paid into their plan when they moved to another company; and some were fired before retirement and received no pension benefits.

Such problems were greatly reduced by ERISA, which has rightly been called one of the major congressional accomplishments of the last several years. ERISA not only improved the quality of pension programs throughout the Nation; it also set up the Pension Benefits Guaranty Corporation—PBGC—to take over funding of those plans that go bankrupt. ERISA requires the PBGC to make the basic pension payments of bankrupt plans and gives PBGC the option also to pay other benefits in a particular plan, such as health insurance, life insurance and early retirement benefits.

While in general ERISA has improved pension protection, its first few years have revealed a flaw that has had a severe adverse impact on those who have been affected by it. This flaw is that retirement plans such as "30 and out" programs are not fully protected by ERISA. The result is that in those few cases in which pension plans have gone bankrupt since ERISA and have been taken over by the PBGC, those employees entitled to early retirement benefits in normal circumstances are left without full compensation under the bankrupt plans administered by PBGC. The personal circumstances caused by this flaw have been tragic. I can cite specific examples of persons who under a solvent plan would be receiving $550 a month in early retirement benefits but who, because their plan went bankrupt and had to be administered by PBGC, are receiving less than $90 a month—and without any help from social security benefits, because under their early retirement plan they have retired somewhat before the normal retirement age.

If the intent of ERISA was to prevent persons under pension plans from suffering great financial hardship because their pension plans were poorly operated, then it is clear that in these cases it is now lacking. It is hard to imagine a greater unfairness than telling a person who has worked most of his life while contributing to a pension plan under a certain set of expectations, that because the plan has gone bankrupt, his monthly allotment will not be $550, as expected, but instead will be $90. This is precisely the type of situation that ERISA was intended to prevent.

To repair this flaw, I am today introducing a bill to amend ERISA so that in administering a bankrupt pension fund, PBGC would be required to fund not only the basic benefits, but also the early retirement benefits that would normally go to employees under a solvent pension plan. This is currently optional for PBGC.

Although the number of people who would be affected by this bill are few, their situation is so desperate that immediate action is called for to insure that the true intent of ERISA is met completely.

URGING THE HOUSE TO OVERRIDE THE PRESIDENT'S VETO OF THE JOBS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Dodd) is recognized for 10 minutes.

Mr. DODD. Mr. Speaker, 2 weeks ago, the President again callously turned his back on the unemployed workers of this Nation. He vetoed the Public Works Employment Act of 1976—an urgently needed measure designed to provide about 350,000 jobs, many in the extremely depressed, private construction industry.

This veto must be overriden, and I urge all my colleagues to cast their votes in this manner, so we can continue the fight against the present, shaky economic conditions and promote further progress toward economic recovery.

The Public Works Employment Act is a three-pronged attack by Congress on the jobs problems of this country. The bill provides nearly $4 billion for quick-starting public works construction, for antirecession aid to cities and towns, and for wastewater treatment projects.

My own State of Connecticut, and its many cities and towns, could expect to receive about $27.2 million to be used to avoid layoffs of essential government workers—such as police and fire personnel—in these times of decreasing tax revenues and greater demands on local government services.

My own Second Congressional District could expect to receive about $6.9 million in such antirecession assistance, and I can assure all my colleagues that this aid is needed.

Detailed estimates of how much money would come to Connecticut and the Second District, specifically, from the public works section of this bill are not yet available.

But that money is intended to finance capital improvements which can be started within 90 days in areas of high unemployment.

Mr. Speaker, the veto of the Public Works Employment Act marks the second time in recent months that the President has tried to defeat a congressional initiative to create jobs and exercise responsible economic leadership.

Last February, Congress passed a similar measure, although larger in scope and it was vetoed. Although the House voted overwhelmingly to override that veto, the Senate then fell just three votes short.

I am pleased to note that earlier today, the Senate was able to override this latest antijobs veto by the President. It is now up to the House of Representatives tomorrow to again reaffirm its determination to take positive action to provide jobs, by again voting to override this veto.

The President's veto of this measure comes at a particularly inappropriate time, for we have just witnessed a rise in the Nation's unemployment rate from 7.3 percent in May, to 7.5 percent last month. This represents more than 7 million Americans still out of work throughout this country.

In Connecticut, unfortunately, the jobless rate is even higher—9.1 percent, and parts of the Second District have still higher unemployment statistics.

Nationwide, the jobless rate in the construction industry, the sector this bill is designed to help the most, is an astounding 17 percent.

It is obvious that by his veto, President Ford with his unimaginative economic policies, is completely out of touch with what is the true nature of the economy in this country, and with what really must be done to improve conditions.

It is even more obvious that the private sector, alone, despite the President's beliefs to the contrary, is simply unable at this time to fulfill the responsibility of providing enough jobs for our citizens and of sparking economic recovery. I am convinced that the Public Works Employment Act of 1976 is necessary to begin this economic healing process. It will help the private sector heal itself, also.

I have spoken to many of my constituents in eastern Connecticut, and it is clear that the present high unemployment brings hardships to everyone—not just those without jobs. We know, for example, that the cost of unemployment benefits alone was $20 billion last year and will be at least $15 billion this year, according to Congress Joint Economic Committee.

These staggering statistics demonstrate convincingly that when the President vetoed this measure on supposed "prudent economic" grounds, he really was engaging in "false economies." I would go so far as to say that he was being fiscally unwise, if not irresponsible.

I would add that the almost $4 billion which this bill would cost already has been included in Congress first concurrent budget resolution, which set overall spending limits for the Federal Government. Contrary to the President's misconceptions, we are "breaking no budgets" with this bill. Congress already has included this amount within its restrained Federal budget.

Again, I urge all my colleagues in the House to cast an affirmative vote for jobs and for a better economy by voting to override this uninformed, insensitive veto.

HEW FRAUD AND ABUSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. St Germain) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, I am pleased to join in the cosponsorship of legislation introduced yesterday by my distinguished colleague and good friend, L. H. Fountain, chairman of the Subcommittee on Intergovernmental Relations and Human Resources, of the Government Operations Committee, providing for the establishment of the Office of Inspector General within the Department of Health, Education and Welfare.

Chairman Fountain is to be commended for the many weeks and months of diligent effort on the part of his subcommittee rooting out examples of flagrant abuses, in some instances bordering on fraud in the multibillion dollar programs administered by the Department of Health, Education and Welfare. I found it shocking indeed to read in the committee report of the pitifully inadequate staff of HEW, a total lack of high-level follow-up on those examples officially brought to the Department's attention and statements to the effect that the Department has well over a 10-year backlog of cases to be investigated.

This is all too reminiscent of the scandalous situation that the House Government Operations Committee uncovered in the operations of FHA-insured mortgage programs in our inner cities in 1971. I point out that it was not until HUD, under continued and sustained pressure from our committee appointed an Inspector General, that significant progress was made in bringing to the bar of justice those guilty of totally destroying programs which we had enacted to assist the most needy among us.

Of special and growing concern—due to the problems that are developing in a number of student assistance programs where in certain cases institutions of higher education, who serve as lenders, pass on to the taxpayer the responsibility for the defaulting student, thus contributing to the "ripoff" syndrome which, if not forcibly dealt with, can indeed cause the termination of programs desperately needed by mililons of young Americans and, in turn, thousands of institutions increasingly hrd pressed to provide a quality education for all.

The Fountain subcommittee has made a compelling case for urgent and immediate action and, hence, I commend to our colleagues, Mr. Speaker, the Fountain bill, with the expectation that we will proceed promptly to take this most significant step forward to insure that the type of oversight which we have a duty to require be conducted forthrightly.

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Brooks) is recognized for 10 minutes.

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The June 1976 list includes:

Alleviating Agricultural Producers' Crop Losses: What Should the Federal Role Be? RED–76–91, May 4.

The President's Budget for Fiscal Year 1977 and Its Implications for Rural Development. OPA–76–42, May 5.

Student Participation in the Food Stamp Program at Six Selected Universities. RED–76–105, April 29.

Improprieties in the Sale of Alaska Railroad Surplus Scrap Metal. LCD–75–206, February 17.

Examination of the Government National Mortgage Association's Financial Statements for Fiscal Year 1975. FOD–76–10, May 10.

Bilingual Education: An Unmet Need. MWD–76–25, May 19.

Programs to Reduce the Decennial Census Undercount. GGD–76–72, May 5.

Policies and Programs Being Developed to Expand Procurement of Products Containing Recycled Materials. PSAD–76–139, May 18.

Status of GAO's Responsibilities under the Federal Reports Act. OSP–76–14, May 28.

Managers Need to Provide Better Protection for Federal Automatic Data Processing Facilities. FGMSD–76–40, May 10.

Operations of General Services Administration's General Supply Fund. LCD–76–421, March 19.

Relocating Employees from San Pedro to Los Angeles. GGD–76–65, March 1.

Geographical Distribution of Federal Science Funds to Colleges and Universities. PSAD–76–94, April 16.

Need for Better Management and Control over Scientific Equipment. RED–76–100, May 3.

Improvements Needed in Rehabilitating Social Security Disability Insurance Beneficiaries. MWD-76-66, May 13.

Need for an International Disaster Relief Agency. ID-76-15, May 5.

Strengthening and Using Universities as a Resource for Developing Countries. ID-76-57, May 5.

Channeling Foreign Aid through Private and Voluntary Organizations. ID-76-58, May 5.

Providing Economic Incentives to Farmers Increases Food Production in Developing Countries. ID-76-34, May 13.

Examination of Financial Statements of the Inter-American Foundation Fiscal Years 1975 and 1974. ID-76-59, May 12.

Examination of Financial Statements of the Panama Canal Company and the Canal Zone Government for Fiscal Years 1975 and 1974. FOD-76-11, May 27.

Agency for International Development Relationships with Airlie Foundation and George Washington University's Department of Medical and Public Affairs. ID-76-56, April 29.

State and County Probation: Systems in Crisis. GGD-76-87, May 27.

Further Improvements Needed in Administrative and Financial Operations of the U.S. District Courts. GGD-76-67, May 10.

Examination of Financial Statements of Federal Prison Industries, Inc. Fiscal Year 1975. FOD-76-12, May 17.

Improvements Needed in Managing the Army's Field Level Equipment Modification Program. LCD-76-435, May 4.

Cost-Effectiveness Analysis of Two Military Physician Procurement Programs: The Scholarship Program and the University Program. MWD-76-122, May 5.

Adoption of a Single Method of Shipping Household Goods Overseas—Pros and Cons. LCD-76-225, May 6.

Developing Equipment Needs for Army Missions Requires Constant Attention. LCD-75-442, May 10.

Job Opportunities for Women in the Military: Progress and Problems. FPCD-76-26, May 11.

Policies and Scope of Air Installation Compatible Air Zones Program. LCD–76–329, May 21.

Procurement of Beef by the Department of Defense—Are We Getting Our Money's Worth? PSAD–76–142, May 25.

Observations on Personnel Reductions at Major Military Headquarters on Hawaii. FPCD–76–16, November 4, 1975.

Suggested Improvements in Staffing and Organization of Top Management Headquarters in the Department of Defense. FPCD–76–35, April 20.

Status and Obstacles to Commercialization of Coal Liquefaction and Gasification. RED–76–81, May 5.

Can the U.S. Breeder Reactor Development Program Be Accelerated by Using Foreign Technology? RED–76–93, May 6.

Allocation of Uranium Enrichment Services To Fuel Foreign and Domestic Nuclear Reactors. ID–75–45, March 4, 1975.

U.S. Financial Assistance in the Development of Foreign Nuclear Energy Programs. ID–75–63, May 28, 1975.

Comments on Selected Aspects of the Administration's Proposal for Government Assistance to Private Uranium Enrichment Groups. RED–76–110, May 10.

Review of the Information-Gathering Practices of the Federal Energy Administration. OSP–76–18, May 11.

Management of and Plans for the Naval Petroleum Reserves. LCD–76–313, May 14.

Changes Needed in Revenue Sharing Act for Indian Tribes and Alaskan Native Villages. GGD–76–64, May 27.

Additionally, letter reports are summarized including:

Notification of release of budget authority for the Department of Agriculture and Corps of Engineers in accordance with the Impoundment Control Act. ACG–76–24, April 30.

Status of impounded budget authority for proposed rescissions in the President's 10th special message. ACG–76–25, May 3.

Comments on proposed impoundments of funds for the Departments of Health, Education, and Welfare; and the Treasury. ACG–76–26, May 25.

GAO confirms information contained in the President's special message to the Congress concerning two deferrals of budget authority for the Department of the Interior. ACG–76–27, May 26.

The Department of Housing and Urban Development needs to act promptly and aggressively to collect millions of dollars of delinquent mortgage premiums due from mortgages. FGMSD–76–54, May 4.

The Civil Service Commission and the Office of Management and Budget should correct variances in salaries and training provided to Federal guards. GGD–76–82, May 5.

GAO suggestions for improving Defense programs for monitoring and evaluating the efficiency of military services' logistics pipelines. LCD–76–208, May 5.

GAO comments on the Federal Communication Commission procedures for collecting information from the public. OSP–76–19, May 7.

The National Institute of Education needs to improve its procedures for obtaining employees' financial disclosure statements. PSAD–76–138, May 10.

The Social Security Administration needs to take steps to follow up on GAO recommendations concerning the Medicare program. MWD–76–124, May 11.

Department of Defense actions to improve processing of military disability retirements have not been adequate. FPCD–76–59, May 11.

GAO comments on the Farmers Home Administration's November 1974 sale of $100 million of certificates of beneficial ownership to a security brokerage firm. RED–76–109, May 12.

How the Department of Defense can improve its research, development, test, and evaluation program on packaging. LCD–76–221, May 18.

The Veterans Administration has not followed up on 1973 GAO recommendations for improving laboratory operations. MWD–76–130, May 20.

Old and new problems plague General Services Administration motor pool and vehicle management operations. LCD–76–223, May 25.

Searching and copying fees charged by Federal agencies for filling information requests. LCD–76–428, April 12.

General Services Administration leasing practices in awarding leases for office and warehouse space in the Denver, Colorado, area. LCD–76–333, April 16.

Real estate transactions by the Greensboro, North Carolina, Redevelopment Commission. RED–76–99, April 21.

Allegations of improprieties in administering Government contracts at the Goodyear Aerospace Corporation. PSAD–76–128, April 28.

Information about implementation of utilization review penalties on States providing health care to persons receiving Federal assistance. MWD–76–89, January 26.

Conditions at the Veterans Memorial Hospital at Quezon City, Republic of the Philippines. MWD–75–58, February 11, 1975.

Assessment of agency comments on GAO's report, "The U.S. Should Recover Full Costs of Reimbursable Satellite Launches." LCD–76–104, September 25, 1975.

The monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, room 4522, 441 G Street, NW., Washington, D.C. 20548. Phone (202) 275–6241.

Summaries of significant legal decisions and advisory opinions of the Comptroller General issued in May 1976, are also available as follows:

Regulatory Agency Assistance to Indigent Participants, Public Interest and Consumer Groups. B–180224, May 10.

Constitutional Power to Rescue Americans and Statutory Restrictions on Combat Activity. B–133001, December 8, 1975.

Extension of Time to Select a Home After Military Retirement. B–126158, April 21.

Award of Navy Recruiting Advertising Services Contract Upheld. B–184825, May 14.

Small Business Section 8(a) Determinations Not Subject to GAO Review. B–186066, May 4.

Decision Not to Break Out Key Component of System for Competitive Procurement. B–184927, April 23.

Transportation of Private Auto on Ferry. B–183004, May 5.

Prorating Monthly Apartment Rental to Determine Subsistence Expense Entitlement. B–185467, May 5.

Additional Round of Best and Final Offers Recommended. B–185715, May 4.

Arbitrator's Award of Retroactive Promotion and Backpay. B–180010.08, May 4.

Real Estate Expenses Upon Transfer: Requirement for Title in Employee. B–183048, May 13.

Travel Expenses of Adult Escort for Dependent Infant Traveling by Air. B–183563, May 4.

If you need further information regarding these or other decisions, please call (202) 275–5028 or write to the General Counsel, U.S. General Accounting Office, Washington, D.C. 20548.

THE WABASH CANAL

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, I rise in protest to a further waste of tax dollars and the inability of the Corps of Engineers to adapt plans to changed circumstances.

The corps is about to waste $150,000 to continue a study of the navigability of the Wabash River from Mount Carmel to Terre Haute when the first part of the study, from the Ohio River to Mount Carmel has shown channelization economically unfeasible.

It has been generally agreed, even by supporters of a continuation of the study and a canal, that if the lower 42 miles of canal were not economically feasible then the next stage on up to Terre Haute would not be either. Consequently I believe we might as well save the taxpayer the $150,000 programed for the next step in the study.

But logic and professional experience do not seem to count for much with the Corps of Engineers. When the House took up the public works appropriations bill in mid-June I urged that we wait on the $150,000 for the Mount Carmel to Terre Haute portion until we could find out whether the Ohio River to Mt. Carmel section proved economically valuable. I could not get this information at that time. Several weeks later the corps district office was able to tell me that the cost-benefit ratio was under 1.0. No way, then, can you justify first, a canal in that area or, second, continuation of the study for a proposed canal from Mount Carmel to Terre Haute.

Immediately I contacted the corps asking that they recommend that this study terminate. I have now received a letter which I would like to include along with my own. While the corps does not answer my questions, I think the conclusion comes through obliquely. They will continue right on with the study as though nothing had happened and another $150,000 will go down the drain. Where will it all end?

The following exchange of letters should indicate how difficult it is to obtain a reasonable decision from the corps:

JULY 1, 1976.

Col. JAMES N. ELLIS,
District Engineer, U.S. Army District, Louisville, P.O. Box 59, Louisville, Ky.

DEAR COLONEL ELLIS: As you know I am very concerned about the Wabash River Navigation Study and I have endeavored to prevent the additional funding of $150,000 for continuation of that study up beyond Mt. Carmel to Terre Haute. I particularly thought this should be delayed until the first segment, the Ohio River to Mt. Carmel study, could be finished. Mr. Myers, a strong supporter of both studies, even conceded on the floor of the House that if the study of the lower reaches showed a canal to be uneconomic, that the continued study would not be advisable.

I was disappointed not to be able to secure adequate statistical information on the results of the study of the lower reaches so far in time for debate on the floor of the House June 15th.

I understand now, however, that preliminary estimates of some 7 alternate routes studying the Ohio River to Mt. Carmel section indicate that none of these would be economically feasible since the cost-benefit ratio would be below 1.0.

It is my intention in writing you at this time to express my hope that the Corps of Engineers will make sure that this information is made available to the Public Works Appropriations Committee, the Office of Management and Budget, so that any plans for continuing the study from Mt. Carmel to Terre Haute will be terminated. I realize that the figures you now have are not final, but the preliminary reports certainly justify withholding the use of any funds for the next phase of the study.

I look forward to hearing from you in this matter.

Yours sincerely,
J. EDWARD ROUSH,
Member of Congress.

JULY 15, 1976.

Hon. J. EDWARD ROUSH,
House of Representatives,
Washington, D.C.

DEAR MR. ROUSH: I am writing in response to your letter dated 1 July 1976 requesting that information be made available to Public Works Appropriations Committee and the Office of Management and Budget relative to progress of the Wabash River Navigation feasibility studies underway in the Louisville District Office.

As a result of the seven outstanding Congressional resolutions requesting various feasibility studies for navigation on the Wabash River, the Louisville District is under mandate to report to Congress on the results of those studies. The three study termini specified in the various study resolutions are Mt. Carmel, Illinois (including a canal to Carmi, Illinois); Terre Haute, Indiana; and the Great Lakes. Reconnaissance level reports were completed for the Ohio River to Great Lakes and Ohio River to Mt. Carmel and a survey scope study is nearing completion on the Ohio River to Mt. Carmel portion of the considered waterway. It is anticipated that as the Ohio River to Mt. Carmel report is being finalized and reviewed by higher authority that a reconnaissance level report on a possible navigable waterway from the Ohio River to Terre Haute can be completed and the results, in response to all seven congressional resolutions be presented in a single report to Congress. At the present time little data exists on which to evaluate the economic feasibility of a Terre Haute terminus. It is expected that a relatively minor effort will be required for collecting such data and the funds provided in the Fiscal Year 1977 Budget request are sufficient to complete these studies. Any conclusions reached at this time would be speculative without commodity and rate data for a considered Terre Haute terminus. Should 1977 funds be withdrawn at the present time and then study completion refunded at a later date, a substantially greater effort would be required to resume work than to complete the effort now.

It is therefore my intent to proceed with review of the current study effort and to incorporate reconnaissance scope results of a considered Terre Haute extension into the final report prior to submission to the Congress. The final report is currently scheduled for submission to the Ohio River Division Office in Fiscal Year 1977.

Sincerely yours,
JAMES N. ELLIS,
Colonel, Corps of Engineers, District Engineer.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. O'NEILL, for today, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RINALDO) and to revise and extend their remarks and include extraneous matter:)

Mr. PAUL, for 30 minutes, today.
Mr. FREY, for 5 minutes, today.
Mr. FORSYTHE, for 5 minutes, today.
Mr. SARASIN, for 5 minutes, today.
Mr. STEIGER of Arizona, for 10 minutes, today.
Mr. CONLAN, for 10 minutes, today.

(The following Members (at the request of Mr. MCDONALD) to revise and extend their remarks and include extraneous matter:)

Mr. HOWARD, for 30 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ROSTENKOWSKI for 5 minutes, today.
Mr. KOCH, for 5 minutes, today.
Mr. VANIK, for 15 minutes, today.
Mr. DIGGS, for 10 minutes, today.
Mr. CARR, for 5 minutes, today.
Mr. ALEXANDER, for 60 minutes, today.
Mr. DODD, for 10 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. BROOKS, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. RINALDO) and to include extraneous material:)

Mr. SCHULZE.
Mr. YOUNG of Florida.
Mr. ROUSSELOT in two instances.
Mr. RINALDO.
Mr. FORSYTHE.
Mr. LOTT.
Mr. SARASIN.
Mr. BROWN of Ohio.
Mr. SNYDER.
Mr. THONE.
Mr. MCCLORY.
Mr. GILMAN.
Mr. STEIGER of Wisconsin.
Mr. MICHEL.
Mr. COHEN.
Mr. HYDE.
Mr. KEMP in three instances.
Mr. DON H. CLAUSEN.
Mr. SYMMS in two instances.
Mr. BROYHILL.
Mr. FISH.

(The following Members (at the request of Mr. MCDONALD) and to include extraneous matter:)

Mr. NIX in two instances.
Mr. NICHOLS in two instances.
Ms. ABZUG.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. BEARD of Rhode Island.
Mr. RUSSO.
Mr. JACOBS.
Mr. FARY.
Mr. SANTINI.
Mr. VANIK in three instances.
Mr. PHILLIP BURTON.
Mr. KARTH.
Ms. JORDAN.
Mr. LONG of Maryland.
Mr. DINGELL in two instances.
Mr. HENDERSON.
Mr. FRASER.
Mr. RANGEL.
Mr. DENT.
Mr. HARRINGTON in three instances.
Mr. GAYDOS in 11 instances.
Mr. LAFALCE.
Mr. PRICE in three instances.
Mr. ALEXANDER in 10 instances.
Mr. CARNEY.
Mr. BROWN of California in five instances.
Mr. LEHMAN in 10 instances.
Mr. RONCALIO.
Mr. MAGUIRE.
Mr. SISK.
Mr. MCDONALD in three instances.
Mr. ST GERMAIN.
Mr. SCHEUER.
Mr. CHARLES WILSON of Texas.
Mr. THORNTON.

SENATE BILLS REFERRED

Bills of the Senate of the following title were taken from the Speaker's table and, under the rule, referred as follows:

S. 972. An act to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes; to the Committee on Education and Labor.

S. 3521. An act to expedite a decision on the delivery of Alaska natural gas to U.S. markets, and for other purposes; to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 11504. An act to amend section 502 of the Merchant Marine Act, 1936.

H.R. 13308. An act to amend the Federal Aviation Act of 1958 to extend the authority of the Secretary of Transportation with respect to war risk insurance; and

H.R. 14231. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2447. An act to amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State and other than the State from which they were elected; and

S. 3295. An act to amend and extend laws relating to housing and community development.

ADJOURNMENT

Mr. McDONALD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly at 8 o'clock and 22 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, July 22, 1976, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3660. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting 11 plans for works of improvement in various watersheds, none of which involves a project with a structure which provides more than 4,000 acre-feet of total storage capacity, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended [16 U.S.C. 1005]; to the Committee on Agriculture.

3661. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

3662. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

3663. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

3664. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period July 15 to October 15, 1976, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

3665. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ended June 30, 1976, pursuant to section 201(h) of the Federal Civil Defense Act, as amended [50 U.S.C. App. 2281(h)]; to the Committee on Armed Services.

3666. A letter from the Deputy Assistant Secretary of the Interior, transmitting the 1975 annual report of the Office of Water Research and Technology, pursuant to section 307 of the Water Resources Research Act of 1964, as amended; to the Committee on Interior and Insular Affairs.

3667. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Anthony D. Marshall and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

3668. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92-403; to the Committee on International Relations.

3669. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of May 31, 1976, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

3670. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting six plans for works of improvement in various watersheds, each of which involves a project with at least one structure which provides more than 4,000 acre-feet of total storage capacity, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended [16 U.S.C. 1005]; to the Committee on Public Works and Transportation.

3671. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, dated March 22, 1976, submitting a report on the Gowanus Canal, N.Y., authorized by the River and Harbor Act of 1950; to the Committee on Public Works and Transportation.

3672. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, dated April 6, 1976, submitting a report on Oregon Slough, Oreg., requested by resolutions of the Senate and House Committees on Public Works adopted July 24, 1967, and October 19, 1967, respectively (H. Doc. No. 94-562); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

3673. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, dated November 14, 1975, submitting a report on the Iowa and Cedar Rivers, Iowa and Minn., at Evansdale, Iowa, requested by a resolution of the House Committee on Flood Control adopted July 16, 1945 (H. Doc. No. 94-563); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

3674. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report covering the 6 months ended June 30, 1976, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 301(d)(2) of the Trade Act of 1974; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

3675. A letter from the Comptroller General of the United States, transmitting a report that the results of the National Assessment of Educational Progress need to be made more useful; jointly, to the Committees on Government Operations, and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McCORMACK: Committee of Conference. Conference report on H.R. 13655. (Rept. No. 94-1351). Ordered to be printed.

Mr. JONES of Alabama: Committee on Public Works and Transportation. Report pursuant to section 302(b) of the Congressional Budget Act of 1974. (Rept. No. 94-1352). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 1144. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of social clubs and certain other membership organizations; with an amendment (Rept. No. 94-1353). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 5161. A bill to amend section 451 of the Internal Revenue Code of 1954 to provide for a special rule for the inclusion in income of magazine sales for display purposes; with amendments (Rept. No. 94-1354). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 10155. A bill to amend the Internal Revenue Code of 1954 with respect to the exempt function income of a political organization; with an amendment (Rept. No. 94-1355). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 1416. A resolution providing for the consideration of H.R. 14514. A bill to permit a State which no longer qualifies for hold harmless treatment under the supplemental security income program to elect to remain a food stamp cashout State upon condition that it pass through a part of the 1976 cost-of-living increase in SSI benefits and all of any subsequent increases in such benefits (Rept. No. 94-1356). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 14779. A bill to designate certain lands in the Big Lake National Wildlife Refuge, Mississippi County, Ark., as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. BEARD of Rhode Island:

H.R. 14780. A bill to condition U.S. membership in the International Criminal Police Organization upon such organization agreeing to comply with the provisions of the United States Code relating to the protection of individual privacy from misuse of Government records; to the Committee on the Judiciary.

By Mr. BRINKLEY (for himself, Mrs. Heckler of Massachusetts, Mr. Mann, Mr. Murphy of New York, and Mr. Robinson):

H.R. 14781. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

By Mrs. BURKE of California (for herself, Mr. Steelman, and Mr. Wirth):

H.R. 14782. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mr. CARR:

H.R. 14783. A bill to amend the Employee Retirement Income Security Act of 1974 to require the Pension Benefit Guarantee Corporation to insure certain nonbasic benefits; to the Committee on Education and Labor.

By Mr. KASTENMEIER (for himself, Mr. Steelman, and Mr. Howard):

H.R. 14784. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary and Standards of Official Conduct.

By Mr. LEGGETT (for himself, Mr. Brown of California, Mr. John L. Burton, Mr. Don H. Clausen, Mr. Dellums, Mr. Edwards of California, Mr. Hawkins, Mr. Moss, Mrs. Pettis, Mr. Roybal, and Mr. Stark):

H.R. 14785. A bill to authorize and direct the Secretary of the Department of Health, Education, and Welfare to convey certain lands to D-Q University on fee simple absolute; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD of California (for himself and Mr. Corman):

H.R. 14786. A bill to incorporate the American Blood Commission; to the Committee on the Judiciary.

By Mr. NIX:

H.R. 14787. A bill to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, to include supervisory and managerial or specialists positions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PAUL:

H.R. 14788. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

By Mr. PAUL:

H.R. 14789. A bill to extend from 1 to 2 years the maximum period which may elapse between the sale of a residence and the purchase of another in order that gain from such sale will not be recognized for Federal income tax purposes; to the Committee on Ways and Means.

By Mr. PAUL:

H.R. 14790. A bill to amend title XI of the Social Security Act to repeal sections 1151 to 1170, inclusive, establishing professional standards review organizations to review health services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. QUILLEN:

H.R. 14791. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. CONLAN:

H.R. 14792. A bill to declare the public policy of the United States and to remove all legal obstacles to the use of gold clauses; to the Committee on Banking, Currency and Housing.

By Mr. FLORIO:

H.R. 14793. A bill to regulate the management of hazardous waste; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMAN:

H.R. 14794. A bill to provide mandatory minimum prison sentences for persons illegally manufacturing, distributing, or dispensing certain narcotic drugs, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. HUTCHINSON:

H.R. 14795. A bill to effect certain reorganizations of the Department of Justice, to establish an office of congressional legal counsel, to set certain financial disclosure requirements for various Government personnel and for other purposes; jointly, to the Committees on the Judiciary, Rules, and Standards of Official Conduct.

By Mr. REUSS:

H.R. 14796. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 5 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking, Currency and Housing.

H.R. 14797. A bill to repeal the requirements that the amount of U.S. notes outstanding at any time remain fixed; to the Committee on Banking, Currency and Housing.

By Mr. RISENHOOVER:

H.R. 14798. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. RONCALIO:

H.R. 14799. A bill to provide for the amendment of the public survey records to eliminate a conflict between the official cadastral survey and a private survey of the so-called World tract within the Medicine Bow National Forest, Wyo.; to the Committee on Interior and Insular Affairs.

By Mr. RONCALIO:

H.R. 14800. A bill to provide relief to certain persons owning land adjacent to public lands within the Medicine Bow National Forest and near the community of Mountain Home, Wyo.; to the Committee on Interior and Insular Affairs.

By Mr. SARBANES:

H.R. 14801. A bill to avoid the loss of State and local revenues resulting from the exemption, by Federal law, of Members of Congress from the payment of State and local income taxes to State and local jurisdictions in which they reside; to the Committee on Government Operations.

By Mr. TAYLOR of Missouri (for himself, Mr. McFall, and Mr. Sebelius):

H.R. 14802. A bill to amend title 5, United States Code, to provide for the payment of overtime to certain personnel employed in the Department of Agriculture, Animal and Plant Health Inspection Service; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON (for himself and Mr. Nedzi):

H.R. 14803. A bill to provide for adjusting the amount of interest paid on funds deposited in the Treasury of the United States as a permanent loan by the Board of Trustees of the National Gallery of Art; to the Committee on House Administration.

By Mr. VANIK (for himself, Mr. Clancy, Mr. Helstoski, Mr. Lehman, Mr. Rangel, and Mr. Stark):

H.R. 14804. A bill to amend titles II and XVIII of the Social Security Act to make improvements in the end stage renal disease program presently authorized under section 226 of that act; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SCHEUER (for himself, Mr. Moss, and Mr. Maguire):

H.R. 14805. A bill to amend title XIX of the Social Security Act to provide a mechanism for the more effective detection and prevention of fraud and abuse in connection with the medical assistance program under that title; to the Committee on Interstate and Foreign Commerce.

By Mr. BOWEN:

H.J. Res. 1025. A resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. CORNELL:

H.J. Res. 1026. A resolution to designate October of each year as "national learning disabilities month"; to the Committee on Post Office and Civil Service.

By Mr. PAUL:

H.J. Res. 1027. A resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency, and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. PAUL:

H.J. Res. 1028. A resolution proposing the Bricker amendment to the Constitution of the United States relative to force and effect of treaties and executive agreements; to the Committee on the Judiciary.

By Mr. ROBERT W. DANIEL, Jr.:

H. Res. 1412. A resolution relative to the action of the Canadian Government regarding participation in the Olympics, and for other purposes; to the Committee on International Relations.

By Mr. ECKHARDT:

H. Res. 1413. A resolution to disapprove the proposed exemption of naphthas, gas, oils, and other products from the Mandatory petroleum allocation and price regulations (energy action No. 5); to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H. Res. 1414. A resolution to provide additional funds for the ad hoc Select Committee on the Outer Continental Shelf for the expenses associated with the completion of the legislative process on H.R. 6218, a bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, to amend the Outer Continental Shelf Lands Act, and for other purposes; to the Committee on House Administration.

By Mr. NEAL:

H. Res. 1415. A resolution providing for the consideration of the bill (H.R. 13372) to amend the Wild and Scenic Rivers Act; to the Committee on Rules.

MEMORIALS

Under clause 4 of title XXII:

433. The SPEAKER presented a memorial of the Legislature of the State of Arizona, relative to educational support aid under the Johnson-O'Malley Act, which was referred to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BADILLO:

H.R. 14806. A bill for the relief of Fernando Gutierrez Lazo and Dolores Moya Machado; to the Committee on the Judiciary.

By Mr. RHODES:

H.R. 14807. A bill for the relief of Judith A. Gerhard; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

521. By the SPEAKER: Petition of Horace E. Barber, Thurmont, Md., and others, relative to cutbacks in General Service Administration employees; to the Committee on Government Operations.

522. Also, petition of Guillermo Sevilla Sacasa, Ambassador of Nicaragua, and others, relative to the testimony of Fr. Fernando Cardenal before the House Subcommittee on International Organizations; to the Committee on International Relations.

523. Also, petition of the National Advisory Council on Research in Energy Conservation, Alexandria, Va., relative to the use of energy conservation research in resolving the national energy dilemma; to the Committee on Science and Technology.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 13636

By Mr. MYERS of Pennsylvania:

On page 20 after Line 17 add the following:

SEC. 113. After Section 527 of the Omnibus Crime Control and Safe Streets Act of 1963 as redesignated by Section 10(c) of this Act, add the following new Section:

"SUNSHINE IN GOVERNMENT

"SEC. 520(a) Each officer or employee of the Administrator who—

"(1) performs any function or duty under this act; and

"(2) has any known financial interest in any person who applies for or receives financial assistance under this Act;

"Shall, begin on February 1, 1977, annually file with the Administrator a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

"(b) The Administrator shall—

"(1) act within ninety days after the date of enactment of this Act—

"(A) to define the term 'known financial interest' for purposes of subsection (a) of this section; and

"(B) to establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provision for the filing by such officers and employees of such statements and the review by the Administrator of such statements; and

"(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

"(c) In the rules prescribed in subsection (b) of this section, the Administrator may identify specific positions within the Administration which are of a nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

"(d) Any officer or employee who is subject to, and knowingly violates, this section, shall be fined not more than $2,500 or imprisoned not more than one year, or both."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of July 20, 1976, page 22935:

HOUSE BILLS

H.R. 14400. June 16, 1976. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 14401. June 15, 1976. Judiciary. Incorporates the American Blood Commission.

H.R. 14402. June 16, 1976. Interstate and Foreign Commerce. Requires, under the Federal Food, Drug, and Cosmetic Act, that the identity of the manufacturer of a prescription drug must appear on the label of the package from which the drug is dispensed.

H.R. 14403. June 16, 1976. Agriculture. Amends the Agricultural Act of 1949 to set forth the established price for the 1976 crops of corn and wheat and the price supports for corn, wheat, and soybeans. Establishes a support level for milk at 100 percent of its parity price until March 31, 1978. Prohibits the Commodity Credit Corporation from selling any corn, wheat, or soybeans owned or controlled by it at less than 110 percent of their respective parity prices.

H.R. 14404. June 16, 1976. Agriculture. Amends the Food Stamp Act of 1964 to prohibit any individual enrolled in an institution of higher education from receiving food stamps if such individual receives at least one-half his income from any other individual who is a member of a household which is ineligible for food stamps.

Provides for an exception to such prohibition in cases of severe hardship.

H.R. 14405. June 16, 1976. Education and Labor. Requires, under the Occupational ministrator of the Small Business Administration provide onsite consultation. States stration provide onsite consultation. States that such visits may be conducted only upon valid request. Directs the Administrator to make recommendations concerning the elimination of any hazards disclosed during the visit.

H.R. 14406. June 16, 1976. Ways and Means. Amends the Medicare and Medicaid programs of the Social Security Act to require automatic sprinkler systems in all skilled nursing facilities and intermediate care facilities certified for participation in such programs unless a waiver of such requirement is granted in accordance with conditions set forth in this Act.

Establishes a program of low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems.

H.R. 14407. June 16, 1976. Merchant Marine and Fisheries. Stipulates that the African elephant shall be deemed to be added to the endangered species list of the Endangered Species Act of 1973. Directs the Secretary of the Interior to specify the portion of the range of the African elephant in which it is endangered.

H.R. 14408. June 16, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14409. June 16, 1976. Interstate and Foreign Commerce. Permits the Secretary of Health, Education, and Welfare to indemnify manufacturers producing vaccines for a comprehensive nationwide influenza immunization program against claims for injury related to innoculation with such vaccines.

H.R. 14410. June 16, 1976. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require the participation of optometrists in the activities of the National Professional Standards Review Council and of local professional standards review organizations.

H.R. 14411. June 16, 1976. Post Office and Civil Service. Sets the annual rate of pay for Members of Congress and the Vice President at the rate in effect on September 30, 1975. Removes the authority of the Commission on Executive, Legislative, and Judicial Salaries to review salaries of Members of Congress.

H.R. 14412. June 16, 1976. Ways and Means. Amends the Medicare program of the Social Security Act to authorize payment for the services of clinical psychologists under the supplementary medical insurance benefits program of the Medicare program.

H.R. 14413. June 16, 1976. Interior and Insular Affairs. States that for the purpose of maintaining law and order and to protect persons and property within Indian country the Secretary of the Interior may charge any officers or employees of the Department of the Interior with law enforcement responsibilities.

H.R. 14414. June 16, 1976. Ways and Means. Authorizes every individual whose income tax liability, under the Internal Revenue Code, is $1 or more to designate that $1 shall be used to reduce the public debt of the United States.

H.R. 14415. June 16, 1976. Science and Technology; Public Works and Transportation. Directs the Administrator of the Energy Research and Development Administration to establish a program of research, development, and demonstration in order to promote utilization of energy conservation technologies in residential, commercial, and industrial buildings.

Directs the Administrator of General Services to establish standards to promote energy efficiency in the construction and renovation of Federal buildings.

H.R. 14416. June 16, 1976. Interior and Insular Affairs; International Relations. Amends the Trans-Alaska Pipeline Authorization Act and the Mineral Leasing Act of 1920 to direct the President to develop a plan for an equitable system of transportation, allocation, and distribution of Alaskan petroleum resources to all areas of the United States.

H.R. 14417. June 16, 1976. Interior and Insular Affairs. Authorizes the Secretary of the Interior, upon the request of an Indian tribe, to acquire any lands within the boundaries of the requesting tribes reservation for the purpose of consolidating tribal land holdings.

H.R. 14418. June 16, 1976. Merchant Marine and Fisheries. Directs the Secretary of the Interior to establish a pilot program to compensate persons in Minnesota for damage to livestock caused by the wild eastern timber wolf since such wolf was listed as an endangered or threatened species.

Stipulates that such compensation shall be equal to the fair market value of the damaged livestock or the medical expenses incurred to restore such livestock. Sets forth the formula for determination of the Federal share of such compensation. Directs the Secretary to study the damage caused by such wolf and means of reducing or eliminating such damage.

H.R. 14419. June 16, 1976. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require disclosure on food package labels of the portion of the weight of the food which is sugar in instances where sugar constitutes ten percent or more of the total number of calories in the food.

H.R. 14420. June 16, 1976. Ways and Means. Amends the Internal Revenue Code to allow members of volunteer firefighting organizations to deduct the cost of firefighting-related clothing expenses.

H.R. 14421. June 16, 1976. Education and Labor. Authorizes the creation of a special Opportunities Industrialization Centers job training and job creation program in order to provide jobs to one million unemployed Americans.

Directs the Secretary of Labor to enter into contracts with Opportunities Industrialization Centers to provide comprehensive employment services for unemployed persons.

Sets forth conditions governing the provision of Federal financial assistance and authorizes appropriations to fund the program for the next four fiscal years.

H.R. 14422. June 16, 1976. Veterans' Affairs. Extends the period in which veterans may use their veterans' educational assistance.

H.R. 14423. June 16, 1976. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 14424. June 16, 1976. Agriculture. Amends the Forest and Rangeland Renewable Resources Planning Act of 1974 to direct the Secretary of Agriculture to include in the Renewable Resource Program, national program recommendations which take into account specified policy objectives.

Requires the Secretary to provide for public participation in the formulation and review of proposed land management plans and to promulgate regulations for their development and revision.

Revises provisions relating to sale of timber found on National Forest Service lands.

H.R. 14425. June 16, 1976. Banking, Currency and Housing. Exempts from the provisions of the Interstate Land Sales Full Disclosure Act individuals who have not sold 300 or more lots.

H.R. 14426. June 16, 1976. Interstate and Foreign Commerce. Eliminates the requirement, under the Federal Food, Drug, and Cosmetic Act, that new drugs will be regulated according to their effectiveness. States that such drugs will be regulated solely to assure their safety.

H.R. 14427. June 16, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States arising from property confiscated in 1948 and 1950 covered by the International Claims Agreement Act.

H.R. 14428. June 16, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States arising from medical treatment received at a Marine Corps Hospital.

H.R. 14429. June 17, 1976. Ways and Means. Authorizes the President, under the Old-Age, Survivors, and Distability Insurance program of the Social Security Act, to enter into agreements establishing totalization arrangements between the social security system of the United States and the social security system of any foreign country, for the purpose of establishing entitlement to and the amount of old-age, survivors, disability, or derivative benefits based on a combination of an individual's periods of coverage under the social security system established by this title and the social security system of such foreign country.

H.R. 14430. June 17, 1976. Ways and Means. Amends the Social Security Act to establish a new method of determining the initial primary insurance amount of an individual under the old-age, survivors, and disability insurance program. Requires the economic indexing of a worker's earnings in determining the base amount from which an individual's payments will be computed.

Revises the method of calculating the monthly earnings limitation.

H.R. 14431. June 17, 1976. Ways and Means. Amends the Internal Revenue Code to allow a tax deduction in an amount not to exceed $1,000 for amounts paid by the taxpayer to an eligible educational institution for tuition for the attendance of the taxpayer or any eligible dependent.

H.R. 14432. June 17, 1976. Government Operations. Requires, under the Office of Federal Procurement Policy Act, that Federal agencies pay interest at an annual rate of at least 12 percent on any payment which is overdue by more than two weeks on a contract with a small business concern.

H.R. 14433. June 17, 1976. Armed Services. States that the Chief of the Biomedical Sciences Corps and the Assistant Surgeon General for Veterinary Services of the Air Force shall hold the rank of brigadier general.

H.R. 14434. June 17, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14435. June 17, 1976. Veterans' Affairs. Extends the delimiting period in the case of any eligible veteran who is pursuing, during, his or her tenth year of eligibility, a program of education.

H.R. 14436. June 17, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the Medicare program for specified services performed by chiropractors, including x-rays, and physical examination, and related routine laboratory tests.

H.R. 14437. June 17, 1976. Interstate and Foreign Commerce. Permits the Secretary of Health, Education, and Welfare to indemnify manufacturers producing vaccines for a comprehensive nationwide influenza immunization program against claims for injury related to innoculation with such vaccines.

H.R. 14438. June 17, 1976. Interstate and Foreign Commerce. Amends the Medicaid program of the Social Security Act to require the States to operate programs of control of the utilization of specified medical and health care services.

Sets forth requirements for such utilization control programs.

Provides for the reduction of the Federal payment to a State for Medicaid costs for any quarter in which the requirements of the Medicaid utilization control programs are not met.

H.R. 14439. June 17, 1976. Science and Technology; Judiciary; Rules. Establishes a national materials policy for the United States. Establishes a National Materials Policy Board to implement such policy and make recommendations for the maximum effective use of limited resources. Establishes a commission to review such recommendations.

H.R. 14440. June 17, 1976. Ways and Means. Authorizes the President, under the Old-Age, Survivors, and Disability Insurance program of the Social Security Act, to enter into agreements establishing totalization arrangements between the social security system of the United States and the social security system of any foreign country, for the purposes of establishing entitlement to and the amount of old-age, survivors, disability, or derivative benefits based on a combination of an individual's periods of coverage under the social security system established by this title and the social security system of such foreign country.

H.R. 14441. June 17, 1976. Ways and Means. Amends the Internal Revenue Code and the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to provide coverage of such program to all officers and employees of the United States.

H.R. 14442. June 17, 1976. Ways and Means. Increases in specified annual increments, to an upper limit of $22,000 in 1977, the amount of annual earnings which (subject to future automatic adjustments) may be taken into account for social security benefit and tax purposes under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act, and the Internal Revenue Code.

H.R. 14443. June 17, 1976. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to increase the amount of outside income which is permitted each year without deductions from benefits, and to provide that income of all types and from all sources, as opposed to earned income alone, shall be included in determining whether an individual's benefits are subject to such deductions.

H.R. 14444. June 17, 1976. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to require that the United States pay prevailing defendants in civil suits under such Act a reasonable attorney's fee and other reasonable litigation costs.

H.R. 14445. June 17, 1976. Public Works and Transportation. Designates a new postal facility in Youngstown, Ohio, as the "Michael J. Kirwan Post Office."

H.R. 14446. June 17, 1976. Veterans' Affairs. Extends the delimiting period in the case of any eligible veteran who is pursuing, during his or her tenth year of eligibility, a program of education.

H.R. 14447. June 17, 1976. Judiciary. Provides, under the Immigration and Nationality Act, that any refugee paroled into the United States after March 31, 1975, from the Republic of Vietnam, Laos, or Cambodia, present in the United States for two years shall be granted permanent resident status if found to be admissable by an immigration officer. Permits other nationals or residents of such countries who were paroled into the United States before such date to be admitted as permanent residents.

H.R. 14448. June 17, 1976. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to authorize payment under the Medicare program for occupational therapy services.

H.R. 14449. June 17, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 14450. June 17, 1976. Judiciary. Directs the Secretary of the Air Force to pay to a certain individual retirement pay to which such individual would have been entitled had the Secretary placed such individual on the disability retired list of the Air Force.

H.R. 14451. June 18, 1976. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus personal property of the United States through the States to specified public and private public service and health agencies and Indian tribes.

H.R. 14452. June 18, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14453. June 18, 1976. Ways and Means; Interstate and Foreign Commerce. Establishes a voluntary home care benefits program for aged and disabled individuals who are eligible for Medicare benefits, such program to be financed with contributions from funds appropriated by the Federal Government and contributions by the States. Creates within the United States Treasury the Federal Home Care Trust Fund.

Amends the Social Security Act to extend Medicare coverage of hospital care for the aged to remove time limitations on inpatient hospital services and posthospital extended care services.

H.R. 14454. June 18, 1976. Post Office and Civil Service. Revises the formula for determining when to make cost-of-living adjustments in Federal civil service annuities. Eliminates the one percent increase which is automatically added on to such adjustments.

H.R. 14455. June 18, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14456. June 18, 1976. Education and Labor. Amends the Older Americans Act of 1965 to allow States to distribute Federal funds for the establishment of projects to provide home-delivered meals to qualified homebound elderly persons.

Directs the Commissioner of the Administration on Aging to conduct a demonstration project involving at least three States to determine the feasibility of using the meals system designed by the National Aeronautics and Space Administration for the elderly as a component of, or substitute for, regular nutrition projects assisted under such Act.

H.R. 14457. June 18, 1976. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require the participation of optometrists in the activities of the National Professional Standards Review Council and of local professional standards review organizations.

H.R. 14458. June 18, 1976. Banking, Currency and Housing. Establishes the Reconstruction Finance Corporation to make loans and loan guarantees to business concerns which would otherwise be unable to obtain needed financing.

Authorizes the Corporation to issue notes, debentures, bonds, and other such obligations which will be fully guaranteed by the United States.

H.R. 14459. June 18, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14460. June 18, 1976. Education and Labor. Extends the date for the issuance by the Secretary of Treasury of the salary reduction regulations required under the Internal Revenue Code by the Employee Retirement Income Security Act of 1974.

H.R. 14461. June 18, 1976. Armed Services; Merchant Marine and Fisheries. Establishes a Commission to Study the Quality of Instruction at the Service Academies to: (1) study the quality of instruction and training at the service academies; (2) study the feasibility of including more civilian professors and instructors; and (3) study the rules of the academies concerning the conduct of cadets.

H.R. 14462. June 18, 1976. Post Office and Civil Service. Requires the United States Postal Service to hold a public hearing prior to closing any post office.

Lists factors which the Postal Service must consider and evaluate in making a determination with respect to any such closing.

H.R. 14463. June 18, 1976. Merchant Marine and Fisheries. Extends the coastwise laws of the United States to the Virgin Islands with respect to the transportation of crude oil, unfinished oils, residual fuel oil, and finished products.

H.R. 14464. June 18, 1976. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to provide education services for the dependents of persons engaged in the construction of the Chief Joseph Dam and Reservoir in Washington.

H.R. 14465. June 18, 1976. Post Office and Civil Service. Declares the United States Postal Service liable for any actual damages resulting from the negligence of its agents with respect to damaged, lost, or delayed mail. Sets monetary limits on such liability.

Creates a presumption that damage, delay, or loss of mail resulted from the negligence of the Postal Service. Stipulates that such presumption may be rebutted only by a clear preponderance of the evidence.

Defines "damaged mail," "lost mail," and "delayed mail" for the purposes of this Act.

H.R. 14466. June 18, 1976. Public Works and Transportation. Requires that federally guaranteed loans to air carriers for the purchase of turbojet-powered aircraft only be made if such aircraft complies with specified noise standards.

H.R. 14467. June 18, 1976. Ways and Means. Amends the Social Security Act to require the participation of optometrists in the activities of the National Professional Standards Review Council and of local professional standards review organizations.

H.R. 14468. June 18, 1976. Banking, Currency and Housing. Amends the Federal Fire Prevention and Control Act of 1974 to authorize the Administrator of the National Fire Prevention and Control Administration to make grants to volunteer fire departments which are unable to purchase necessary firefighting equipment because of the increased cost of such equipment as the result of inflation.

H.R. 14469. June 18, 1976. Veterans' Affairs. Amends the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 to extend the final date for entering into agreements which the Veterans' Administration provides special pay to physicians and dentists in its employ.

H.R. 14470. June 18, 1976. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 14471. June 21, 1976. Science and Technology. Directs the President to establish an earthquake hazard reduction program.

Establishes a National Advisory Committee on Earthquake Hazard Reduction to review and advise the President on matters regarding the earthquake hazard reduction program.

H.R. 14472. June 21, 1976. House Administration. Directs the Secretary of the Interior to permit the National Committee of American Airmen Rescued by General Mihailovich to construct and maintain a monument to General Draza Mihailovich on public lands in the District of Columbia.

H.R. 14473. June 21, 1976. Ways and Means. Revises the eligibility requirements for disability insurance benefits for blind persons under the Old-Age, Survivors, and Disability Insurance program of the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under such act.

H.R. 14474. June 21, 1976. Post Office and Civil Service. Requires that the following information be posted in a prominent place in each post office: (1) the qualifications, dates, and places for voter registration and voting in the area served by the post office; (2) the names and office addresses of the United States Senators and Representative for the area served by the post office; (3) the names and office addresses of the State legislators representing the area served by the post office; and (4) the cost and availability of Western Union public opinion messages to the President, Vice President, and Members of Congress.

H.R. 14475. June 21, 1976. Public Works and Transportation. Directs the Secretary of Transportation to undertake a water-based mass transportation service demonstration project under the Urban Mass Transportation Act of 1964 between specified points in the State of New Jersey.

EXTENSIONS OF REMARKS

LET'S TAKE CARE OF OURSELVES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. GAYDOS. Mr. Speaker, during our recent recess, two dramas were played out on separate world stages—unrelated in most ways and yet, it seems to me, tied together in a larger sense and offering us valuable insight into the realities of international relations today.

On the one hand, Israel's dramatic and courageous rescue of Jews kidnapped by terrorists and held in a sanctuary in Uganda caught the imagination of the free world and served notice that there are no safe havens for terrorists if the law-abiding nations of the world stand firm in their determination to resist this kind of blackmail.

On the other, Canada's collapse under the economic pressure applied by Communist China to prevent athletes from Taiwan from competing in the Olympics under their own flag drew the censure of everyone who believes in fair play and reminds all of us that even those nations we feel are our closest allies and friends will act in what they perceive to be their own self-interest when the chips are down.

Four years I have been saying, on the floor of this House and from any other forum where I was afforded the opportunity, that it is long past time for Americans to begin behaving in our own self-interest and abandon the discredited policies which have seen us squander our material and moral resources around the world in a vain and foolish attempt to buy friendship.

We have deprived our own citizens of needed social services while we borrowed money to lavish on other countries in a foreign aid program so profligate as to defy rational explanation. We short-changed our own people and used the money to build the economies of nations around the globe. And when we had rebuilt them, we did nothing to prevent them from dumping products from their American financed factories back in America at the cost of American jobs and American profits.

When some of us made so bold as to first question this policy and then object to it, we were told that the wave of the future washed the shore of international cooperation and we must continue to share our wealth if we were to win the respect and admiration of the other nations of the world.

But we have not won their respect and admiration, Mr. Speaker. We have, instead, seen our attempts to buy friendship met with indifference at best and contempt at the worst. Human nature still holds sway and nations, like people, do act in their own self-interest and not from altruistic motives.

Canada's decision to break its earlier pledge to accept the Taiwanese athletes under the banner of the Republic of China only demonstrates that she feels her best interest lies with the pragmatism of wheat sales to Communist China rather than with the idealism of international sporting competition.

Israel's quick and instinctive reaction to the slightest threat to her soveregnty makes plain that she feels her best interest can be served by convincing the world that she will fight for her right to existence.

Perhaps we in America can learn from the reaction of Israel and Canada to widely dissimilar pressures. Perhaps we can best serve our own interests so long as they do not interfere with the rights and freedoms of others.

Such actions on our part will not make us universally liked. But they surely will make us universally respected. And while it may be dangerous in this world to be hated, it is surely more dangerous to be despised.

REPRESENTATIVE REUSS FIGHTS FED

HON. JOHN L. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. LaFALCE. Mr. Speaker, the power of the Federal Open Market Committee in our daily lives is a little understood phenomenon. The committee meets in secret, once a month, and makes decisions that immediately affect the interest rates a consumer pays, the size of the Nation's money supply, the rate of unemployment and the rate of inflation.

Yet 5 of the 12 voting members of the committee are chosen by the banking interests of the country and have never been approved by the Senate, as are all other persons who make such vital governmental decisions. The chairman of the House Banking Committee, Representative Henry S. Reuss, has brought suit to end this situation, charging that the exercise of such power by private citizens is unconstitutional.

In an excellent article in the Washington Star of July 17, 1976, John Holusha explores this situation and its ramifications for the Nation's economy. I would like to include the article at this point in the Record.

Small Group of Men, in Secret, Controls Our Bankrolls

(By John Holusha)

A small group of powerful men meet in secret.

Sitting around a vast table in a baronial setting, they discuss the state of the nation. Unobserved and unregulated, they reach a decision that will mean jobs or joblessness for millions of Americans within a few months.

If this reads like fiction or something from the past, it's nct. The scene is repeated each month when the Federal Reserve's Open Market Committee meets.

Though generally unknown to the public at large, the decisions made by the 12 economists and bankers of the committee normally more than anything else determines if the economy will be buoyant or sickly; whether prices will soar or remain stable.

This is because the committee controls the nation's money supply. Economists can't agree on just what the money supply is (the Fed itself currently uses five definitions) but virtually all agree that it is the key to the economy.

Columbia Prof. Philip Cagan observes that money supply is the "major factor in economic policy—its the only factor we have any real control over. In the long run it is the growth of the money supply that effectively determines the rate of inflation. And in the shorter run, fluctuations in the money supply effect economic activity which involves employment."

In the most general terms, a rapidly expanding money supply tends towards a booming economy, full employment and higher prices. Holding back on monetary growth tends to pull down the inflation rate but at the social cost of people out of work.

Authority over the money supply is vested in the Federal Reserve System, this nation's central bank, and exercized by the open market committee. Thus it is that actions by the committee can increase or dry up the funds for home mortgages, send interest rates up and down, produce gloom or joy in the stock market.

Who are the men who hold this power?

Seven of the 12 are the full board of governors of the Fed—effectively its board of directors. Governors are appointed by the president and confirmed by the Senate for 14-year terms.

The remaining five voting members are presidents of regional Federal Reserve banks. These banks—there are 12 of them—are the operating arms of the Fed.

Each regional bank has its own board of directors, two-thirds of which is picked by commercial bankers. These boards hire the bank presidents independently, without any review by elected officials.

The increasing recognition of the importance of the committee's work has produced demands that monetary policy come out from behind closed doors and that the public have more control over those who make that policy.

The latest development is a suit filed by Rep. Henry Reuss, D.-Wis., the chairman of the House Banking Committee, which contends that it is unconstitutional for privately selected individuals to serve on the committee.

"Even if the boards of the regional banks had appointed nothing but Albert Schweitzers, it is still unconstitutional to have the powers of government exercised by anyone but government officials," Reuss said in a recent interview.

The presence of private individuals on a panel that makes fundamental economic policy is the historical quirk growing out of the curious development of the Federal Reserve, the nation's central bank.

The Fed was set up by Congress shortly before World War I to end periodic bank panics by standing ready to lend to banks facing runs by depositors. To mollify resistance to a single central bank, 12 regional banks were established in the major financial centers of the day, with a small operation in Washington.

Each of the banks had the power to conduct its own monetary policy through open market operations, although the New York Fed bank was dominant in practice.

Open market operations are the means used to "create" money. When the Fed buys a bond it pays with a check drawn on itself. Since all banks accept Fed checks as money, it never has to "pay" as an individual would. The payment for the bond is new money.

In its early days as a "banker's bank" the Fed system was as much private as it was public. Banks using its services were required to buy stock in the regional banks. In return they got two-thirds representation on the boards of directors which, in turn, chose the executives of the bank.

Depression era legislation concentrated power in the board of governors in Washington, but the regional banks kept five voting seats on the crucial open market committee.

Since nothing about the Fed is simple, the allocation of the votes is appropriately complicated. The president of the New York bank always has a vote and is vice chairman of the committee. This is in deference to the preeminence of New York's financial markets.

Another vote alternates between the Chicago and Cleveland banks, simply because they were the main secondary financial markets in 1913. The remaining three votes are split among the presidents of the Boston, Philadelphia, Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco banks.

Actually, it's not so much the voting power but the presence of all the regional bank presidents in the committee's deliberations that's important, according to Dr. James Pierce, an economist formerly with the Fed.

Pierce describes a typical meeting:

"There is a long, oval table in the board room (at the Fed's Constitution Avenue headquarters). The 12 members of the open market committee and the seven other regional bank presidents are at the table with about five or six staff members.

"The whole thing is very formal. Burns (Fed Chairman Arthur Burns) gavels the meeting to order. The first business is a report on foreign operations. On the basis of that report there will be a directive to the foreign account manager.

"Then they move into the domestic area. Typically there will be staff briefings. They discuss the state of the economy and the outlook for the future and generally conclude with recommendations for monetary policy (that is, how much new money to create).

"After the staff presentations everyone around the table states his views. In terms of input, there is very little distinction between the voting and non-voting members.

"From this discussion, hopefully a consensus will emerge. The Fed likes consensuses; it doesn't like split votes."

The product of the meeting is a directive to the Fed's open market desk in New York. The directive contains a synopsis of the economic discussion and concludes with something like this:

"In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions that will encourage continued economic recovery, while resisting inflationary pressures and contributing to a sustainable pattern of international transactions.

"To implement this policy, while taking account of developments in domestic and international financial markets, the committee seeks to maintain prevailing bank reserve and money market conditions over the period immediately ahead, providing that monetary aggregates appear to be growing at the rates currently expected."

The vote in this case was 11–0, with one member absent.

This delphic order is supplemented by telephone contact between the governors and the New York desk which actually buys and sells government securities to expand or contract the money supply.

Though the deliberations are conducted in economic terms, Cagan, long a student of the Fed, says "there is no doubt that political ideology lurks in the background. Conservative members clearly have not favored revving up the economy to the extent that liberal critics would have wanted them to."

At present, most observers agree, the reserve bankers power is limited, due largely to the immense prestige of Chairman Burns.

"There's no questions, though," Pierce says, "that with a different chairman, the reserve banks might become dominant."

"These people (the bank presidents) develop a certain state of mind. They work with bankers and tend to identify with bankers' interests."

Bankers traditionally have been more concerned with protecting the stability of the currency—that is, staving off inflation—than the consequences of unemployment.

It is the potential power of a group of unelected businessmen that irks Reuss.

The regional bank presidents are beholden to their banker-dominated boards for "jobs that pay incomparably better than any federal job other than the President himself," he says.

Regional bank president salaries are set by the individual boards of directors and range from a low of $52,500 in Richmond to the $95,000 paid to Paul Volcker of the New York Fed bank. All are paid more than the members of the board of governors.

The result of this control over salaries and perquisites of the regional bank presidents is that bankers as a group "have this discriminatory power over what happens to jobs, interest rates and housing."

Reuss, who has been having a bad year legislatively, tried earlier this year for a legal requirement of a presidential nomination and Senate confirmation for all open market committee members. The thrust was blunted by a 18–17 vote in committee, principally due to opposition by the powerful bank lobby and Burns.

The bankers argue that regional bank participation is necessary to prevent monetary policy developing a Washington fixation. "If there's a recession in the Northeast, things might be fine in Kansas. You need a variety of inputs," one banker said.

American Bankers Association President J. Rex Duwe says, "The question is whether the present system has worked well and does it continue to work? Our position is that it has worked remarkably well. Why tamper with something that works?"

Burns has testified that presidential appointments to high-paying regional bank posts "would turn these offices into political plums, and that an atmosphere of partisanship would thus be injected into the formulation of monetary policy."

DEPUTY U.S. MARSHALS

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. NIX. Mr. Speaker, today I am introducing a bill which, when enacted into law, will amend title 5, United States Code to provide for the reclassification of positions of deputy U.S. marshals, to include supervisory and managerial specialists positions and for other purposes.

Both the Department of Justice and the U.S. Civil Service Commission have finally conceded that the level of difficulty of work and the hazardous situations faced by deputy marshals have increased. Because of the delicate questions of confronting civil disorder, prison riots, and armed confrontations such as at Wounded Knee, deputy marshals are assigned to tasks involving grave risks of injury and/or death.

Present alongside the approximately 150 marshals at Wounded Knee in 1973, many of whom were in grades GS–6, GS–7, and GS–8, were approximately 100 to 150 FBI personnel on a rotational basis. Their grades were GS–11 and GS–13. During some of the firefights at Wounded Knee as many as 5,000 rounds were fired.

During this "armed confrontation," Marshal Lloyd H. Grim was shot from ambush on March 24, 1973 and as a result, he is paralyzed for life. Because of the outlined events, I believe it is time to consider reclassification of deputy marshal positions. This legislation would create a journeyman level equivalent to that of GS–11, general and criminal investigative personnel.

The very fact that the people and the Congress ask and expect these public servants to put their lives on the line during the carrying out of their duties justifies the establishing of a GS–11 journeyman level.

We need a highly qualified deputy marshal force. This legislation will go a long way toward keeping the good men we now have and toward obtaining the best men in the future.

CAPITAL FORMATION

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. ROUSSELOT. Mr. Speaker, the outcome of the deliberations of two different groups which are currently considering tax reform matters in Congress will have a great impact on the future economic freedom and prosperity of our Nation. One group is the U.S. Senate, presently continuing its consideration of H.R. 10612, the Tax Reform Act of 1975. The second group is the House Task Force on Capital Formation. This special 10-member committee, appointed by Chairman AL ULLMAN of the House Committee on Ways and Means, is conducting an ongoing study on the current capital formation crisis in the United States. Depending upon the nature of the ultimate findings and legislative determinations of each body, the formation of capital—and hence the growth of the economy and the creation of jobs in our country—could be made either much easier or much more difficult.

The formation and the availability of investment capital is intrinsically connected to job creation and economic prosperity in our Nation. The measure of progress and prosperity which our country has enjoyed up until now—and the measure to which we will enjoy it in the future—is inseperably related to the ability with which the free market system can raise capital, and hence grow and expand.

A recently released advertisement of the Bethlehem Steel Corp. addresses the urgent need for tax laws in the United States which will aid in closing the anticipated capital gap and provide the needed investment funds for continued growth and expansion of the private sector. The advertisement also effectively illustrates the role of capital in the creation of jobs, and how jobs, in turn, help the well-being of every citizen.

Mr. Speaker, I would urge all of my colleagues, before making a final judgment upon tax policies which will affect so greatly the welfare of our Nation and its citizens to read and consider the wisdom of the following short, but significant message of Bethlehem Steel:

WHAT DO NEW JOBS FOR AMERICANS MEAN TO YOU . . . A TAXPAYER?

Example: consider a married man with one child, living in Pennsylvania, who earned $200 a week before he lost his job.

Taking that man off unemployment and putting him on our payroll—even at the lowest-pay entry job—would result in a switch of about $7,900 a year, from an economic "minus" to an economic "plus!"

He'd earn about $11,000 a year. And instead of the state and federal governments (all of us taxpayers!) paying him more than $5,900 in unemployment compensation, he'd be paying the government more than $1,970. About $1,000 in Federal income tax, and more than $970 in other payroll taxes, including social security and state and local income taxes.

Whether you look at it in social and humanitarian terms, or as a matter of cold economic reality, it comes out the same. The private sector—business—must maintain jobs and create new ones. And that means business must find the money to do it.

How many future jobs? Right now, America needs millions of jobs to get people back onto business payrolls. But there's also the challenge of a growing work force. 1½ million new jobs are needed every year from now through 1980—just to employ the young people reaching working age, and others entering the job market.

How much money does it take to create a new job?

The average investment to create a single new job opportunity in manufacturing is around $25,000. By 1980, it'll be at least $35,000 (or $52½ billion to create 1½ million new jobs).

Where will that money come from?

The key to getting the money we need for expansion and improvement of our plants is better earnings*—earnings that can be invested in our operations and that will encourage investors to provide us additional money.

But this alone is not enough because under present Federal tax laws the government would take too much of any additional dollars we can earn. What we need now is Federal tax reform to help lower barriers to capital formation.

EIGHTEENTH OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. HYDE. Mr. Speaker, last week marked the 18th observance of Captive

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*In 1975, Bethlehem's earnings after taxes were only 4.8% of revenues.

Nations Week. This year, Captive Nations Week came at a particularly significant time for all Americans.

The list of nations that have fallen under the yoke of Communist dictatorships grew last year to include Cambodia, South Vietnam, Laos, and Angola. Though an extremely small minority, the Communists were nearly able to seize control in Portugal. Especially tragic is the plight of the Eastern European and Baltic countries.

It is no accident that this month's issue of Soviet Life features as its cover story, the smiling faces of some people in Latvia, Lithuania, and Estonia. This type of propaganda cannot refute the fact that there is a lack of basic freedoms in the captive nations, or that there are thousands of people from those countries still in Siberian concentration camps. The Soviets cannot disguise the mockery they make of a citizen's right to an impartial trial.

The Soviet Government may be able to portray some happy faces posed for magazines, but they hardly refute the denied exit visas, lack of political dissent, and denial of freedom to worship and speak as one pleases, symbolized best by the Berlin Wall.

The Soviets, having received what they most wanted from the Helsinki Agreement, have not shown a willingness to uphold the commitments to which they agreed. This should surprise no one.

We must never forget those people in the Baltic nations who yearn for the day they can be free. Let us never cease in our efforts to remain strong, and to increasingly work for the day when people everywhere will live in liberty. The example of steadfastness and courage shown to us by the suffering citizens of the captive nations continues to provide inspiration to us all.

SENATE PUBLIC WORKS BILL OVERRIDE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. HARRINGTON. Mr. Speaker, I applaud our colleagues in the Senate for their override of the President's veto of the public works bill, and urge that we follow their lead and vote overwhelmingly to do the same. The Senate's action is the only responsible reply to such an irresponsible veto, and serves as a clear and convincing repudiation of the President's do-nothing economic philosophy which has mired us so deeply in recession.

This bill recognizes, and begins to treat, the economic crisis facing our cities and towns. Here, at the level that most closely affects people's daily needs, unemployment has threatened the ability of communities to maintain essential services. By stimulating public construction and disbursing direct grants we are providing immediate help for a problem which is beyond the scope of local government to solve alone. For the State of Massachusetts, where the unemployment rate is currently 8 percent, the public works bill brings needed assistance to bear on the fiscal problems faced by our cities and towns in the form of $57.2 million in direct grants.

The roundabout route this legislation has taken is demonstrable evidence of the damage Mr. Ford's policy of government by veto is visiting upon our economy. We passed a stronger public works bill in January. He rejected it and Congress was unable to override his veto. If that bill had passed, there would be construction at public works jobsites in progress right now, local governments would stand on stronger fiscal footing, and unemployment would be reduced.

Through its opposition to even the most moderate attempts at stimulating economic recovery, the Ford administration has evinced a blatant lack of imagination, innovation, and sensitivity. It is not surprising that so many voters are frustrated and alienated by what they perceive as a lack of leadership and a paralysis of Government in Washington.

Nowhere is Federal assistance more necessary than in the cities and towns of Massachusetts, where widespread and persistent joblessness has vitiated any movement toward economic recovery. In New England, our economic problems are in large part the result of the Republican administration policy of steering Federal contracts and programs away from the Northeast, and into the "sunbelt" States of the South and Southwest.

Of course, passage of this bill alone will not cure our economic ailments. We need further Federal action to stimulate recovery and fight unemployment. But passage of public works legislation is an essential beginning. I therefore urge my colleagues in the House to vote to override the President's veto.

SUPPRESSION OF INNOVATION: PART XI

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SYMMS. Mr. Speaker, during recent months I have inserted numerous articles into the RECORD which have argued for the repeal of the 1962 amendments to the Food, Drug, and Cosmetic Act. The articles, contributed by prominent physicians, economists, and pharmacologists, have criticized the "efficacy" amendments because of the debilitating aspects the law has as regards drug innovation.

Since introducing my bill, I have received many letters from physicians relating their dismay at not being able to treat their patients with pharmaceutical drugs that are readily available in Europe. The reactions that I have encountered have ranged from mild frustration to adamant opposition. It is clearly apparent from the responses that I have received that the United States suffers from a very genuine "drug lag" because of the efficacy requirement.

I would like to share with my colleagues one particularly telling letter submitted by a constituent of mine, Dr. Joseph J. Callanan. Dr. Callanan, specialist in internal medicine and allergy, clearly enunciates the problem as he sees it. I would ask my colleagues to read this letter and then ask themselves why so many doctors can see no benefit in the efficacy amendments.

The letter follows:

JOSEPH J. CALLANAN, M.D., P.A.,
Boise, Idaho, July 13, 1976.

STEVEN D. SYMMS,
First District, Idaho,
1410 Longworth House Office Building,
Washington, D.C.

DEAR STEVE: I certainly appreciated your informative letter and your congressional testimony before the Sub-Committee on Health and Environment concerning the F.D.A. I heartily endorse all of your recommendations. I agree completely with your feeling on streamlining such agencies. The F.D.A. was started on a reasonable basis to counteract profiteering from certain drug companies but it has obviously exceeded its mandate and could be responsible for more harm than it was supposed to correct. I can see no reason why a legitimate drug should require 7 years to go through the F.D.A. before it can be authorized for use in the United States. In my field of allergy, there are two such drugs, namely Chromolyn Sodium and an inhalant cortisone Beclamethazone which have not been available since 1971 because of the F.D.A.'s slow-footed policies. As you indicated in your testimony, there are certain drugs that are difficult to prove efficacy on in the usual double-blind control studies. However, individuals seem to benefit from them at times and probably should not be denied use. The one that comes to mind is bacterial vaccine which is used in certain types of respiratory allergy. I know of no controlled study that shows bacterial vaccine is effective, however, in my own experience, it has helped a small number of individuals that I have been unable to improve. This is generally the experience of other allergists. At present, certain allergy laboratories such as Hollister-Stier have to go to needless expense to prove the efficacy of not only bacterial vaccine but many other medications. The experience of physicians and previous scientific studies have all shown that these drugs are beneficial. The high costs to prove what is common knowledge are being passed down to the patient. I feel that this is unnecessary.

Best regards,

JOSEPH J. CALLANAN, M.D., P.A.

THE CERTIFIED PROFESSIONAL SECRETARY

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Ms. JORDAN. Mr. Speaker, this week in Houston, Tex., the National Secretaries Association (International), NSA, is conducting its 31st annual international convention. The theme of this convention is appropriate to the organization's stature as the world's leading organization for secretaries: E pluribus unum. One out of many.

The goals of the convention are to conduct association business through voting delegates and to provide professional educational enrichment for all members and affiliate registrants—total membership is currently 37,000 plus affiliates.

One highlight of the week's activities will be the announcement of those individuals who have achieved the rating of certified professional secretary—CPS—in 1976. This rating is earned by completing all six sections of a 2-day comprehensive examination which is administered by the Institute for Certifying Secretaries, a department of the National Secretaries Association (International). The institute is composed of representatives from management, business education, and NSA. This program has been established:

First. To improve secretarial personnel by giving specific direction to an education program and by providing a means of measuring the extent of professional development.

Second. To provide secretaries with the assurance which comes from having attained a professional educational standard.

Third. To promote the professional identity of the exceptional secretary.

Fourth. To assist management in selecting qualified secretaries.

Fifth. To plan and sponsor additional programs of continuing professional development for the certified professional secretaries.

Candidates for the CPS rating are tested in six areas: Environmental relationships in business; business and public policy; economics and management; financial analysis and the mathematics of business; communications and decisionmaking; and office procedures.

Although this is a brief summary of the certified professional secretary's rating and program, I hope it will serve to call this important designation to the attention of any of my colleagues who have not been familiar with the CPS rating in the past.

At this time I would like to offer my heartiest congratulations to those who have achieved this important distinction and offer my wishes for a successful convention to all members of the national association (international) who are visiting Houston this week.

THE ISRAELIS' RESCUE MISSION

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. PHILLIP BURTON. Mr. Speaker, I thought that my colleagues would be interested in the following editorial. It relates to the remarkable and courageous Israeli rescue of the hostages held by terrorists in Uganda:

[From the San Francisco Chronicle]

The Israelis' Rescue Mission

The Israeli commandos' rescue raid was a brilliantly-executed feat of arms—a daring measure to save a desperate and deadly situation. One can only admire the courage that took the Israeli troopers thousands of miles into Africa to carry out their coup de main. Ample justification for the move lay in the terror and inhumanity of the hijackers and the outrageous nature of their crime.

It is to be hoped that the whirlwind of retribution so swiftly reaped by these terrorists will serve as some deterrent to acts of this nature. Hijacking has become the nightmare crime of this decade in which blameless travelers are sacrificed in the name of violent ideology.

While the Israeli act of rescue was undeniably an act of intrusion on Uganda's sovereignty, there was justification. Idi Amin, the 6-foot-3, 250-pound former sergeant major who rules that country, can best be described as a bully and a braggart. His pompous posturing and penchant for character assassination might be merely comic if they were not aspects of a tyrannical nature. The International Commission of Jurists has accused Amin of maintaining his power through a reign of terror. Former ministers claim 80,000 persons have been killed in Uganda since he took over in 1971.

And from all reports, Amin was working hand-in-glove with the terrorists. Had the scene been set almost anywhere else—in Athens, say, or London, or Paris—the Israeli action could not have been countenanced. But the situation in those cities would have been totally different. At Entebbe airport, the Israelis saw the all-too-familiar picture of a maniac dictator with innocent victims at his disposal.

So the Israelis acted and brought their own deadly precision to bear on an intolerable situation. There may be some pro forma support for Amin's crimes of territorial violation and for vengeance. But as a number of African diplomats have pointed out, the backing so far is "without passion." Considering the overall circumstances of the rescue, it may be expected to die down soon.

DEMOCRATIC PLATFORM

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SNYDER. Mr. Speaker, 2 weeks before the Democratic Convention had even assembled, our distinguished colleague from Florida inserted in the Congressional Record of July 1, 1976, the 1976 Democratic Platform. It proved to be a very wordy document, consuming 13 pages of the Record, at an additional cost of $4,576.

Suspecting that many good people may not think it worthwhile to take the time to read the whole document, the following summary is submitted for the convenience of those interested:

Summary of the 1976 Democratic Platform

Increase Federal spending in all areas, except defense.

National economic planning by the Federal government.

Mandatory national health insurance program.

Federally-financed guaranteed annual income.

Federalize all welfare programs.

Federally-financed Congressional elections.

Intensify regulation of all industry.

Nationwide Federal building standards.

Divestiture of oil companies.

Continue regulation of oil and natural gas prices.

Discourage reliance on nuclear power.

Eliminate tax-shelter farming.

Repeal Section 14(b) of the Taft-Hartley Act.

Mandatory school busing for school desegregation.

Gun control and a ban on small handguns.

Ratify the Equal Rights Amendment (ERA).

Support abortion.

Full pardon for Vietnam-era draft-dodgers.

Reduce defense spending.

Delay production of the B–1 bomber.

Ban all nuclear weapons testing.

Reduce U.S. commitments to NATO.

Reduce military aid and sales to allied nations.

Relinquish control and sovereignty over the Panama Canal.

Diplomatic recognition of Red China.

Expand U.S. detente policies with Communist nations.

Increase U.S. foreign aid.

Increase U.S. trade with Communist nations.

End tax advantages for U.S. businesses trading and doing business with South Africa and Rhodesia.

Repeal Byrd Amendment allowing U.S. chrome purchases from Rhodesia.

Expand U.S. relations with black African nations at expense of South Africa and Rhodesia.

RARE FALCONS TO BE RELEASED

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Ms. ABZUG. Mr. Speaker, I would like to call my colleagues attention to an article from the July 2 edition of the New York Times concerning 28 rare peregrine falcons. The purpose of placing this article in the Record is to remind my colleagues that further legislation concerning the preservation of endangered species should not be forgotten in this Bicentennial Year. This article shows the importance of conservation legislation in that proper management and action can reverse the tide of endangered species.

As this article points out, preservation of wildlife is directly related to the environment and pollution. I urge my colleagues to support additional legislation concerning conservation measures as well as environmental problems. Species, besides the peregrine falcons, such as the whooping crane, bald eagle, California condor, eastern cougar, red wolf, and the West Indian Manatee—or sea cow—are endangered due to changes in their environment by pollution.

Conservation of these precious species, as well as others not on the endangered species list, is very important. Years from now, they should not have to exist in museums as stuffed specimens to be viewed. Endangered wildlife should be preserved so that our descendants can observe these species in the wild, their natural habitat.

The article follows:

Twenty-Eight Rare Falcons Will Be Released in Wilderness

Washington, July 1.—In a project sponsored jointly by the Interior Department, Cornell University and the states involved, 28 peregrine falcons will be released this summer into wilderness areas of six states, including New York and New Jersey, the United States Fish and Wildlife Service announced today.

The exact locations of release in all but one of the states were not disclosed by the Federal agency so as to protect the birds from being shot, as they were in a similar program two years ago. However, the public will be permitted to witness the release of four of the endangered birds of prey at the Brigantine National Wildlife Refuge near Atlantic City on July 6.

Until last year, when 16 of the birds were released, the peregrine falcon was considered extinct east of the Mississippi River since early 1960's. Biologists attributed the demise of the falcons to DDT and automobile emissions.

But with the success of last year's program—all but four survived and those died from causes other than pollution or were removed by wildlife officials—scientists believe that the Eastern population can now be replenished.

The other states involved are New Hampshire, Pennsylvania, Maryland and Colorado. The birds were born at Cornell University's ornithology laboratory under the direction of Dr. Thomas Cade. Next year the university expects to hatch nearly 100 peregrine falcons.

FREEDOM

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. COHEN. Mr. Speaker, earlier this month, our Nation and its citizens paused to mark the 200th anniversary of our independence.

The occasion inspired many tributes to America. One of the simplest, yet most eloquent tributes to come out of the Bicentennial weekend was a poem entitled "Freedom," which was written by one of my constituents, James Davidson of Caribou, Maine.

Mr. Davidson's poem, which was read publicly during Bicentennial ceremonies in Caribou, speaks to the many liberties we, as Americans, enjoy, and I include it at this point in the RECORD for the consideration of my colleagues.

FREEDOM

(By James Davidson, July 4th, 1976)

I can stand on a hill and dream,
  I can try, invest and fail.
I can also succeed and build
  A factory where once was a vale.

I can have whiskers, wear beads and protest,
  Hold a sign for the President to see.
I can stand in a pulpit and speak
  Against the corruption I see.

I can live in the north or the south,
  I can worship or not as I choose.
The money I earn is my own,
  To save and to spend or to lose.

I can diet, be fat, join a fad,
  Buy health foods and eat oysters raw.
My home is my own and the door,
  When closed is protected by law.

I can think, I can write, I can vote
  For the one appealing to me.
My children not bound by my past,
  For I live in a land of the free.

The United States of America

THE FERMI NATIONAL LABORATORY

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. PRICE. Mr. Speaker, D. J. R. Bruckner, vice president for public affairs of the University of Chicago, recently brought to my attention a very interesting article from the July 12, 1976, issue of the New Republic.

I include "The Fermi National Laboratory" by Kenneth Evett to be printed in the CONGRESSIONAL RECORD, so that I might share this significant perspective on technology:

THE FERMI NATIONAL LABORATORY

While advocates of the marriage of art and technology go marching down the aisle, dragging the venerable muse toward an alliance with the appropriated machinery of modern technology, whom should they meet coming in the opposite direction but physicist Robert E. Wilson, designer and director of the Fermi National Laboratory at Batavia, Illinois, offering his creation—one of the largest, most complex, and sophisticated instruments of scientific research on earth—as his version of that improbable consummation in which technology has become one with art. The inadvertent beauty of functional machines has long been widely noted, but Wilson, while responding to the rigorous necessities of efficiency and experimental precision, has, in addition, consciously designed his laboratory in every particular and on a gigantic scale to satisfy his own esthetic predilections. This rare combination of artistic and scientific aspiration, implemented by unlimited access to the most potent and intricate tools of modern technology, has produced a hybrid creation unprecedented in the history of art or science.

Wilson has an international reputation as an experimental physicist and as an inventive creator of atom-smashing systems. He was a charter member of that group of marked men who met on the pine-scented mesas at Los Alamos during World War II to design and construct the world's first atom bomb. It was Wilson who climbed the tower at Alamagordo in the dead of night to check final preparations before the release of that first fireball and mushroom cloud. After the war, he taught at Princeton and Harvard, finally settled at Cornell where he put together a 12-GeV. (Giga, or one thousand million electron volts) synchrotron laboratory that has been acclaimed by his peers as a model of ingenious efficiency. Known in his field as an unorthodox but stubborn genius, in 1968 Wilson was asked by the Atomic Energy Commission to give his opinion of the "Berkeley" plan then being considered for a new national atomic laboratory facility. He bluntly informed the commission that he could design and build a more efficient accelerator for less money. Finally he was invited to submit his own proposal and came up with a conventional configuration that was both technically daring and economical. After contending with his professional rivals, coping with bureaucratic obstructions from the AEC, congressional cross-examination and other such obstacles, Wilson was eventually given the assignment, provided with $250 million and granted baronial power to build his instrument of atomic research.

In a relatively short time his crew of physicists, engineers, architects, laborers and artists had burrowed tunnels under the prairie soil, formed lakes, built laboratories, designed and constructed intricate instruments and beautified the entire ensemble. However, there were moments when his creation appeared to be a total loss (while his more conservative colleagues from Geneva to Berkeley contemplated his dilemmas with varying degrees of dismay and satisfaction). At one point the magnetic system seemed irreparably damaged by damp. In another crisis, when a minute filament of stainless steel became lodged somewhere in the four-mile underground ring and interfered with the path of the beam, a ferret was induced to crawl through the inaccessible reaches of the tube dragging its custodial equipment on a string. Wilson braved his way through all these difficulties and had his creation functioning ahead of schedule. It has cost less than the original estimate and, though incomplete, has already achieved a phenomenal 400 GeV. level (as compared with 30 GeV. at Brookhaven National Laboratory and 30 GeV. at CERN in Switzerland). Not content with this, Wilson is currently seeking support for a plan to extend the capacity of his lab to 1000 GeV. and, as usual, is meeting with firm opposition from some of his scientific brethren.

Wilson once wrote an article for Scientific American suggesting that the greater accelerator laboratories of our day might be regarded by future generations as meaning that Gothic cathedrals mean in part to us—the highest examples of communal purpose, technological development and esthetic achievement. Acting on this far-fetched assumption, he has designed his atom-smashing instruments not only to probe the outer limits of knowledge but to be visually rewarding as well. Such a notion puts a strain on conventional preconceptions about the nature of both science and art. Can scientific expectations of proof and predictable repetition of experiments be squared with the subjective ambiguities of art? If there is a conflict between the two, which necessity prevails in the design decision? Are the unexplained mysteries of modern physics as paradoxical as the ambivalent imagery and equivocal spatial definitions of modern art? Therefore, do relative standards obtain equally in both realms? Wilson has long believed that scientific and artistic creativity are part of the same phenomenon—the intuitive or rational leap to new insights, forms or structures. He sees his artistic and scientific efforts as inseparable.

By now Wilson's grand design is nearly complete. A colony of world-renowned physicists occupies a village of white-painted, transplanted and remodeled farm houses; a herd of buffalo roam the sight; wild prairie grasses have been planted to return the land to its natural ground cover; and the ensemble sits there, an island of intense Celebration and high Civilization amidst the suburban semirural expanses of northern Illinois.

From O'Hare International Airport the approach to the Fermi Laboratory runs along a superhighway lined with competitive modern structures, all desperately trying by some novel device of fenestration, substance or form to make a distinctive architectural statement amidst that typical American outskirts-of-town confusion. Eventually the route dwindles into a simple two-way road that passes through vague, unfocused suburban settlements and then moves into the open-country space of the 7000 acres that surround the Fermi Labroratory. With no other architectural competition on that open flat farm land, the 16-story office building of the complex looms up from afar (not unlike Chartres riding serenely over the wheat fields of the Beauce) as a structure of some symbolic and functional import. This highrise unit, by deliberate coincidence the same height as the cathedral at Beauvais, sits on the northern perimeter of the site and serves as a focus for the ensemble.

In the rudimentary terms of function and form, Wilson's creation consists of a precast-concrete underground circular tunnel one mile and a quarter in diameter that houses a small, clyindrical metal tube enveloped by auxiliary machinery and mounted on delicately adjusted supports. This hollow circular ring passes between the poles of a thousand powerful magnets symmetrically distributed around the ring, and is tangentially connected to the generative and terminal ends of the complex. Along an initial tangent, atomic particles are injected at high energy into the ring. The magnets then bend the trajectories of these minute entities of matter so that they follow the circular path. On each successive revolution of the ring, they receive large amounts of energy from a high voltage contrivance and are accelerated to fantastic speeds, until eventually they are whirled off the circuit along selected tangents that fan out to various labs where the particles are brought into controlled collisions with a target such as a bar of iron, copper or berylium, or a cup of liquid hydrogen in the expectation that at least some of them will meet up with, and for a brief moment, shatter the known subatomic components into even more basic components. At present the focus of research is the behavior of the mysterious "quarks." However, with the unprecedented energies now circling the ring, ultimate discoveries on the structure of the universe are possible or imminent. These subatomic events occur behind massive blocks of radioactive-proof lead shields, are monitored by electronic devices, and the behavior of the minute particles under the stress of bombardment is observed, recorded and studied. The ring, and tangent connections are buried under an earthern berm dense enough, to contain harmful radiation. Above ground, the interior rim of the berm is flanked by a moat of air-cooled water. Adjacent to the subterranean magnetic installations, fountains that are lined up at right angles to the circular path of the moat send up jets of water in rhythmic rise and fall, responding to the cooling needs of the machinery under ground, so that the sight and sound of moving waters is a pervasive feature of the ensemble. Inside the perimeter of the ring and nearby the highrise structure is a handsome auditorium designed by Wilson. Outside the ring are various support structures, laboratories and electrical installations.

A kind of school-boy resourcefulness and Yankee know-how are brought to bear on design problems. The basic precast concrete forms used to build the shell of the ring are employed in a completely different context to become the walls of the auditorium. The roof of one lab is made of leftover bisected steel culvert casings. To construct the walls of a small polyhydron lab, open-ended cast-off tin cans are encased in colored lucite panels to form an ornamental and translucent skin for the structure. The power poles that bring in electrical energy to feed the lab's insatiable needs were designed by Wilson, as was the formwork for the reinforced concrete structure of the office building, and even the coffee tables of the lounge were planned under the director's eye. Both indoor and outdoor public areas are animated by free-standing sculpture (also designed by Wilson), and many of the opaque surfaces of the complex are painted in a rainbow range of high-intensity colors. The scientific effectiveness of Wilson's design now seems assured; the esthetic aspects of his creation invite critical scrutiny.

The dominant highrise office building is situated on artificially raised ground and approached along a causeway lined up on center axis with the building and flanked by two sizable free-form lakes. This quasi-formal approach arouses expectations of grandeur, but terminates ingloriously in a parking lot, so that Wilson's cathedral of science seems to rise up from a foundation of fat, multi-colored American automobiles, interspersed with academic Peugeots and Audis. The abstract concept of this edifice is theatrical and employs two massive arcs that emerge from the ground on a path counter to the earth's curvature. They bend toward one another but do not tough as they gradually straighten out into two vertical thrusts. The interior consists of a huge enclosed court flanked by offices, with an overdesigned abstract garden at ground level and a mezzanine balcony dripping with drawing-board spinach straight out of a Frank Lloyd Wright sketch of the '30s. The functional and spatial organization of the building express the director's democratic bias. Although the offices are isolated by windows, all the inhabitants share in a visually open plan of lateral movement, inside, toward the court and the occupants across the way—outside, toward the expansive Illinois landscape.

When the lab was officially dedicated in an outdoor ceremony last year, a fierce prairie wind almost blew the visiting dignitaries off the platform, but Wilson, persevering against difficulties, insisted that the ceremonies continue. Professor Leon Lederman of Columbia University, the main speaker, blamed Wilson right off "as the one who got me up here, freezing, insecure, without a blackboard, without slides to show, and in a situation in which I feel totally uncomfortable." He then discussed the history and rationale of the lab, pointed out the enormous research potential of Wilson's creation, mentioned in passing the possible socio-economic benefits that might accrue from it, made a plea for the continued support of pure research, and continued, "this facility is nothing short of magnificent." He then described the complexities of the path traversed by a beam of protons after it leaves the ring and is "transported about two miles through a tortuous series of magnets which bend it, squeeze it, shrink it, peel off parts for experiments, and finally deliver it striking a target only a few thousandths of an inch across—a marvel of engineering and organization." He spoke of the future of this lab where "Pion beams, beams of charged and neutral Kaons, anti-proton beams, beams of particles of such short lifetime that the distance they cover, only inches in previous generations of accelerators, are now extended by the relativity principle and then higher energy to many yards, making incisive studies possible." He finally paid tribute to "our director, whose charisma, artistry, impudence and unflagging optimism have alternately driven us up the wall but also occasionally to some heights of pleasure." He ended his speech, with an "I wish I had said that" quotation from an exchange between Wilson and Sen. John Pastore at a "congressional inquisition":

Sen. PASTORE. Is there anything connected with the hopes of this accelerator that in any way involves the security of this country?

Dr. WILSON. No sir, I do not believe so.

Sen. PASTORE. Nothing at all?

Dr. WILSON. Nothing at all.

Sen. PASTORE. It has no value in that respect?

Dr. WILSON. It has only to do with the respect with which we regard one another, the dignity of men, our love of culture. It has to do with those things. It has to do with are we good painters, good sculptors, great poets. I mean all the things we really venerate and honor in our country and are patriotic about. It has nothing to do directly with defending our country except to make it worth defending.—KENNETH EVETT.

SEE YOU AT THE TOP—CONCERNED CITIZEN DOES SOMETHING

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. STEIGER of Arizona. Mr. Speaker, I would like to share some information with you and my fellow Americans about a man, a book, and a course which is already affecting the lives of many of our people and could well have a positive effect on our Nation's future. The man is Zig Ziglar, the book is "See You at the Top," and the course is appropriately entitled, "The Richer Life Course."

Mr. Ziglar, a dedicated Christian, was raised by a devoted mother who gave him an abundance of love, discipline, encouragement, and spiritual guidance. His work life started at age 10 in a grocery store in Yazoo City, Miss. Since that time he has traveled over 2 million miles sharing his enthusiastic message of optimism and expertise with audiences of all kinds and ages. He actively sells America to all Americans and expends considerable energy motivating our youth to positively channel their talents and energy to create for themselves a richer life—and a better America—in which to live that life. As one of our country's most versatile speakers, he has shared the platform with such outstanding Americans as Ronald Reagan, General Chappie James, Norman Vincent Peale, former Supreme Court Justice Arthur Goldberg, and others.

Mr. Ziglar wrote "See You at the Top," because he strongly felt that his philosophy offered real hope and specific guidance for those who seek the "more" way of life. The book was an immediate hit with the man on the street as well as many business institutions Mr. Ziglar serves. Over a dozen of these companies have bought from 1,000 to 4,000 copies. The biggest and most pleasant surprise occurred when teachers and institutional leaders started buying personal copies and getting permission to teach the book as a course. Leading the parade was Mrs. Mamie McCullough, a high school teacher, who heard Zig speak and picked up a copy of the book which "changed her life." Immediately recognizing the commonsense value of the philosophy, Mrs. McCullough, with the enthusiastic support of principal W. A. Childs, started teaching the book as a course at Central High School in Thomasville, Ga. Self image and performance improvement of class members was dramatic and according to Mr. Childs the effect on the faculty and student body was "substantial."

With this beginning and with encouragement from many teachers, parents, principals, and concerned citizens around the country, Zig Ziglar and the staff of We Believe, Inc., started putting together a complete course in personal growth. Educator Carroll Phillips was brought in to write a Leader's Guide and Creative

Ideas Manual. Mr. Ziglar personally recorded 15 hours of motivational-instructional material to coincide with the book and manuals so that "The Richer Life Course," could be easily and effectively taught with a minimal amount of preparatory time.

The philosophy of "See You at the Top," is effective because it deals with symptons and causes and not just the problem. Mr. Ziglar strongly believes that drugs, alcoholism, obesity, promiscuity, crime, irresponsibility, and so forth, are not problems, but symptons of problems. The book and course builds individual confidence while stressing that life offers opportunity to the committed individual with initiative, who accepts personal responsibility for his activities. In short, it is a "hope filled," but no nonsense, no free lunch philosophy that works if the individual will.

The universal truth and acceptance of his message is evidenced by the fact that endorsements enthusiastically come from men like Dr. Norman Vincent Peale and former Congressman Ed Foreman as well as prison inmates, medical doctors, educators, and housewives representing every race, creed, and color.

Throughout the book and course, Mr. Ziglar stresses that you can get everything you want in life if you help enough other people get what they want. He believes that health, success, and happiness are available to those who build their lives on the foundation stones of honesty, faith, character, integrity, and loyalty. The purpose of the book is serious, but the style is so unique and the humor so wholesome and contagious that you are persuaded to take your responsibilities seriously while retaining the capacity to laugh at yourself.

Significantly, "See You at the Top," is an idea book that teaches how to build a healthy self-image, how to reach your objectives, and how to build an attitude foundation so solid that your attitude controls your circumstances instead of your circumstances controlling your attitude. The book and course vividly describes how we acquire destructive habits and exactly what we can do to avoid or eliminate these destructive habits while building good habits. I am confident this information will be instrumental in keeping thousands of our youth off the junk heap of human misery by giving them precise directions on how to build a solid, happy, productive life.

The philosophy is an eye opener as it deals with solutions to America's problems ranging from pornography and alcoholism, to a declining faith in our capacity to solve our problems and maintain our position of world leadership. Mr. Ziglar's approach to selling the benefits of a strong family unit fills a much needed void in our educational system. His own 29 year marriage to the former Jean Abernathy of Jackson, Miss., serves as an excellent example.

Significantly his approach offers a definite plan to teach our citizens that you do not "pay the price" for success, happiness, good health, and so forth. For the first time, many of them will realize that when you compare success and failure, happiness and misery, good health and poor health, that you enjoy the price of success, good health, happiness, and so forth. You pay the price for failure.

His religious beliefs are deep and strong, but his efforts are primarily directly at selling the personal benefits of a solid moral foundation, perseverance in our quest for success, resourcefulness in applying our ability, personal responsibility for our actions, honest effort for our daily wages, and faith in Almighty God as the hope for America. His challenging question, "If everyone in America was doing exactly what you are doing, would our country be getting better—or worse?" will surely make us sit up and think—and then get busy to make certain that America's tomorrow's are better than its yesterdays.

STIFF PENALTIES FOR DRUG TRAFFICKERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. GILMAN. Mr. Speaker, drug trafficking is once again on the rise. Drugs have "hooked" more than 500,000 Americans and last year took the lives of over 5,000 addicts. Drug abuse is costing the public an estimated $17 billion annually in drug-related crimes.

In my investigations in Southeast Asia, Turkey, Mexico, Colombia, and in the Harlem "drug pits" of New York City, I have come to learn firsthand the sources, the extensiveness, and the cruel effects of this deadly business. Last year, more than $1 billion worth of heroin crossed our borders from Mexico. Over $500 million of cocaine came onto our shores from Colombia, and increasingly large amounts of heroin are being shipped to the United States from Southeast Asia. In New York City, which accounts for more than 50 percent of the heroin traffic in the United States, in one area in Harlem, there are estimated daily sales of $3 million of heroin and throughout the Nation it is estimated that there is over $1 billion of narcotics sales annually.

Mr. Speaker, most drug enforcement officials voice the complaint that our drug laws are too lax. In order to give some teeth to the penalties for drug trafficking, I am today introducing legislation that imposes severe mandatory minimum sentences for persons convicted of illegally manufacturing, distributing, or dispensing certain drugs.

The thrust of this measure is fivefold:

First. Drug enforcement officials stress that in order to effectively wage war against the heinous business of drug trafficking, stiff mandatory minimum sentences with restricted parole eligibility are urgently needed. No useful purpose is served if a convicted drug trafficker is permitted to return to his manufacturing laboratory or to the streets as a pusher after completing only a light sentence or is released on parole after serving only a small portion of his original sentence. This legislation would prevent the courts from granting probation or suspending execution of the sentence for drug traffickers.

Second. All proceeds of illegal drug transactions would be forfeited.

Third. A convicted felon, regardless of whether the first conviction was drug related, who subsequently is convicted of violating this measure, would be declared to be a two-time offender, subjecting him to a severe mandatory minimum sentence and to restricted parole eligibility. Exceptions to the mandatory minimum sentence and restricted parole eligibility would be granted where, first, a person's mental capacity was impaired; second, the individual was under unusual duress; third, the individual was an accomplice whose participation in the crime was relatively minor; and fourth, the individual cooperated with law enforcement officials.

Fourth. If an individual is convicted of an offense for which the mandatory term of imprisonment and the mandatory term of parole ineligibility may be invoked, the court, prior to the imposition of the sentence, would be required to hold a hearing to determine whether the term of imprisonment and parole ineligibility is mandatory.

Fifth. And finally, a judicial hearing is provided to determine whether an individual charged with violating this measure should be released prior to the trial.

Mr. Speaker, this proposal requires the court to impose a mandatory minimum sentence of 5 years without any eligibility for parole. An individual convicted of a felony, regardless of whether the previous felony conviction was drug related, would, upon conviction of violating this measure, be sentenced to a mandatory minimum sentence of 10 years and would be eligible for parole only after having served a sentence of at least 8 years.

For those who commit the heinous offense of preying on our young and who distribute illegal narcotics to those under 21 years of age, they would receive a mandatory minimum sentence of 8 years without any parole eligibility. A prior felony conviction would subject the felon to a mandatory minimum sentence of 11 years with parole ineligibility during first 9 years.

To help seal our Nation's borders to the illegal importation of narcotics, my proposal provides a mandatory minimum sentence of 5 years without any eligibility for parole for illegal importing or exporting of narcotics. Upon conviction for such a violation, an individual with a prior felony conviction would be subject to a mandatory minimum sentence of 10 years and would be eligible for parole only after having served a term of at least 8 years. A conviction for attempting or conspiring to import illegal drugs would subject the individual to a mandatory minimum sentence of 6 years with no opportunity for parole; a prior felony conviction would subject the felon who attempts or conspires to import or export this deadly venom to a mandatory minimum sentence of 8 years, with parole eligibility after having served a sentence of at least 6 years.

Mr. Speaker, as I pointed out recently

to the graduates of the Drug Enforcement Administration's National Training Institute:

> We are battling a vicious, highly organized criminal activity. We are not just dealing with the common criminal on our streets. We are dealing with a conscienceless people who don't care about the 5,000 people who died from drug abuse . . . who do not care about the thousands who are injured and killed when junkies in need of a fix, rob to pay for their habit . . . who don't care about the misery felt by the parents and the families of those whose minds are maimed by drugs. Their only care is for the dollars, the bloody profits from their death dealing drugs. They are the worst kind of criminals and they must be dealt with accordingly. They deserve no quarter.

Mr. Speaker, in order to arrest the flow of heroin from the Golden Triangle of Indochina, from the poppy fields of Turkey, from the mountains of Mexico and Latin America—the deadly drugs that find their way to virtually every community in the United States and into the blood streams of hundreds of thousands of this Nation's citizens—the courts and the law enforcement agencies need these weapons in the fight against the peddlers of misery and death: Stiff mandatory minimum sentences with restrictive parole eligibility and no probation or suspended sentences. The parasites who profit from the suffering of others should be isolated from society and placed where they belong, in prison.

I remind my colleagues that President Ford, in his April 27 message on drug abuse to the Congress, in calling for stringent mandatory minimum sentences and restricted parole eligibility, stated:

> The purpose of this proposal is not to impose vindictive punishment but to protect society from those who prey upon it and to deter others who might be tempted to sell drugs. Considering the terrible human toll that drug addiction takes and the extent to which it contributes to more and more crime, it is a matter of high priority that Congress make our laws more effective in curbing drug traffic.

Mr. Speaker, in our war against organized crime, I urge my colleagues to join in this endeavor to help stamp out drug traffic and I request that the full text of this legislation be inserted at this point in the Record:

H.R. 14794

A bill to provide mandatory minimum prison sentences for persons illegally manufacturing, distributing, or dispensing certain narcotic drugs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Narcotic Sentencing Act of 1976".

TITLE I—MANDATORY MINIMUM SENTENCES

Sec. 101. (a) Section 401 of part D of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 841) is amended by adding the following new subparagraph at the end of subsection (b)(1):

"(C)(i) Except as provided in clause (ii), the court, in setting the sentence under subparagraph (A) of any person convicted of a violation of subsection (a) involving any narcotic drug in schedule I or II, may not sentence such person to probation, or suspend imposition or execution of the sentence, or sentence such person pursuant to chapter 402 of title 18, United States Code, but shall sentence such person to a term of imprisonment of not less than five years and shall designate a term of parole ineligibility of not less than five years. If such person committed such violation after such person had been convicted of a felony, the mandatory minimum term or imprisonment under this subparagraph shall be not less than ten years and the mandatory minimum term of parole ineligibility shall be not less than eight years. A term of imprisonment under this subparagraph shall run consecutively to any other term of imprisonment imposed on such person, and a term of parole ineligibility under this subparagraph shall run consecutively to any other term of parole ineligibility imposed on such person.

"(ii) Notwithstanding the provisions of clause (i), the court may sentence any person convicted of a violation of subsection (a) involving any narcotic drug in schedule I or II to a shorter term of parole ineligibility or imprisonment than required under clause (i), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the violation

"(I) such person's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(II) such person was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(III) such person was an accomplice, the conduct constituting the offense was principally the conduct of another person, and such person's participation was relatively minor,

or if the court finds that after the arrest of such person, such person supplied law enforcement officials with information useful in the apprehension of any other person who violated this Act.".

(b) Section 405 of such part (21 U.S.C. 845) is amended—

(1) in subsections (a) and (b) by striking out "at least eighteen years old" wherever it appears in such subsections; and

(2) by adding at the end of such section the following new subsection:

"(c)(1) Except as provided in paragraph (2), the court, in setting the sentence under section 401(b)(1)(A) of any person who violated section 401(a)(1) by distributing any narcotic drug in schedule I or II to a person under twenty-one years of age, shall not sentence such person to probation or suspend imposition or execution of the sentence, or sentence the person pursuant to chapter 402 of title 18, United States Code, but shall—

"(A) except as provided in subparagraph (B), sentence such person to a term of imprisonment of not less than eight years and shall designate a term of parole ineligibility of not less than eight years; or

"(B) sentence such person to a term of imprisonment of not less then eleven years and shall designate a term of parole ineligibility of not less than nine years, if such person committed such violation after such person had been convicted of a felony.

A term of imprisonment under this subsection shall run consecutively to any other term of imprisonment imposed on the such person, and a term of parole ineligibility under this subsection shall run consecutively to any other term of parole ineligibility imposed on such person.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence any person who violated section 401(a)(1) by distributing any narcotic drug in schedule I or II to a person under twenty-one years of age to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the violation—

"(A) such person's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(B) such person was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(C) such person was an accomplice, the conduct constituting the offense was principally the conduct of another person, and such person's participation was relatively minor,

or if the court finds that after the arrest of such person, such person supplied law enforcement officials with information useful in the apprehension of any other person who violated this Act.".

(c) Section 406 of such part (21 U.S.C. 846) is amended by inserting "(a)" after "406" and by adding at the end thereof the following:

"(b)(1) Except as provided in paragraph (2), the court in setting the sentence of any person convicted of a violation of subsection (a) involving any narcotic drug in schedule I or II, may not sentence such person to probation, or suspend imposition or execution of the sentence, or sentence such person pursuant to chapter 402 of title 18, but shall sentence such person to a term of imprisonment of not less than four years and shall designate a term of parole ineligibility of not less than four years. If such person committed such violation after such person had been convicted of a felony, the mandatory minimum term of imprisonment under this paragraph shall be not less than eight years and the mandatory minimum term of parole ineligibility shall be not less than six years. A term of imprisonment under this paragraph shall run consecutively to any other term of imprisonment imposed on such person, and a term of parole ineligibility under this paragraph shall run consecutively to any other term of parole ineligibility imposed on such person.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence any person convicted of a violation of subsection (a) involving any narcotic drug in schedule I or II to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the violation—

"(A) such person's mental capacity was significantly impaired although not so impaired as to constitute a defense to prosecution;

"(B) such person was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(C) such person was an accomplice, the conduct constituting the offense was principally the conduct of another person, and such person's participation was relatively minor;

or if the court finds that after the arrest of such person, such person supplied information to law enforcement officials useful in the apprehension of any other person who violated this Act."

Sec. 102. (a) Section 1010 of part A of title III of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 960) is amended by adding the following new paragraph at the end of subsection (b):

"(3)(A) Except as provided in subparagraph (B), the court, in setting any sentence under paragraph (1) of any person convicted of violating subsection (a), may not sentence such person to probation, or suspend imposition or execution of the sentence, or sentence such person pursuant to chapter 402 of title 18, United States Code, but shall sentence such person to a term of imprisonment of not less than five years and shall designate a term of parole ineligibility of not less than five years. A term of imprisonment under this subparagraph shall run consecutively to any other term of imprisonment imposed on such person, and a term of parole ineligibility under this subparagraph shall run consecutively to any other term of parole ineligibility.

"(B) Notwithstanding the provisions of subparagraph (A), the court may sentence any person convicted of violating subsection (a) to a shorter term of parole ineligibility than required under subparagraph (A), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense—

"(i) such person's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(ii) such person was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(iii) such person was an accomplice, the conduct constituting the offense was principally the conduct of another person, and such person's participation was relatively minor;
or if the court finds that after the arrest of such person, such person supplied law enforcement officials with information useful in the apprehension of any other person who violated this Act.".

(b) Section 1012 of such part (21 U.S.C. 962) is amended—

(1) in subsection (b) by striking out "under" and all that follows through "stimulant drugs,"; and

(2) by adding at the end thereof the following:

"(d)(1) Except as provided in paragraph (2), the court, in setting the sentence under section 1010(b) of any person convicted of violating section 1010(a), may not, if such person committed such violation after such person had been convicted of a felony, sentence such person to probation or suspend imposition or execution of the sentence, or sentence the person pursuant to chapter 402 of title 18, United States Code, but shall sentence such person to a term of imprisonment of not less than ten years and shall designate a term of parole ineligibility of not les than eight years. A term of imprisonment under this paragraph shall run consecutively to any other term of imprisonment imposed on such person, and a term of parole ineligibility under this paragraph shall run consecutively to any other term of parole ineligibility imposed on such person.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence any person convicted of violating section 1010 (a) to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense—

"(A) such person's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(B) such person was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(C) such person was an accomplice, the conduct constituting the offense was principally the conduct of another person, and such person's participation was relatively minor;
or if the court finds that after the arrest of such person, such person supplied law enforcement officials with information useful in the apprehension of any other person who violated this Act.".

(c) Section 1013 of such part (21 U.S.C. 963) is amended by inserting "(a)" after "1013" and adding at the end thereof the following:

"(b)(1) Except as provided in paragraph (2), the court, in setting the sentence of any person convicted of a violation of subsection (a) involving any narcotic drug in schedule I or II, may not sentence such person to probation or suspend imposition or execution of the sentence, or sentence such person pursuant to chapter 402 of title 18, United States Code, but shall sentence such person to a term of imprisonment of not less than four years and shall designate a term of parole ineligibility of not less than four years. If such person committed such violation after such person had been convicted of a felony, the madatory minimum term of imprisonment under this subsection shall be not less than eight years and the mandatory minimum term of parole ineligibility shall be not less than six years. A term of imprisonment under this paragraph shall run consecutively to any other term of imprisonment imposed on such person, and a term of parole ineligibility under this paragraph shall run consecutively to any other term of parole ineligibility imposed on such person pursuant to section 4205(b)(1) of title 18, United States Code.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence any person convicted of violating subsection (a) to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense—

"(A) such person's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(B) such person was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(C) such person was an accomplice, the conduct constituting the offense was principally the conduct of another person, and such person's participation was relatively minor;
or if the court finds that after the arrest of such person, such person supplied law enforcement officials with information useful in the apprehension of any other person who violated this Act.".

SEC. 103. The Federal Rules of Criminal Procedure are amended by adding the following new rule after rule 32:

"Rule 32.1. Sentence to a Mandatory Sentence of Imprisonment .

"If any defendant is convicted of an offense for which the defendant may be sentenced to a mandatory term of imprisonment and a mandatory term of parole ineligibility under section 401(b)(1)(C), 405(c), 406(b), 1010(b)(3), 1012(d), or 1013(b) of the Comprehensive Drug Abuse Prevention and Control Act of 1970, the court prior to imposition of sentence shall hold a hearing to determine whether a term of imprisonment and parole ineligibility is mandatory. The hearing shall be held before the court sitting without a jury, and the defendant and the Government shall be entitled to assistance of counsel, compulsory process, and cross-examination of such witnesses as appear at the hearing. If it appears by a preponderance of the information, including information submitted during the trial, during the sentencing hearing, and in so much of the presentence report as the court relies on, that the defendant is subject to a mandatory term of imprisonment and parole ineligibility, the court shall sentence the defendant in accordance with the appropriate provisions of the Comprehensive Drug Abuse Prevention and Control Act of 1970. The court shall place in the record its findings, including an identification of the information relied upon in making its findings.".

TITLE II—CONDITIONS OF RELEASE

SEC. 201. Part D of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 801 et seq.) is amended by adding at the end thereof the following new sections:

"RELEASE CONDITIONS

"SEC. 412. In setting conditions of release under section 3146(a) of title 18, United States Code, for any person charged with an offense (1) under section 401(a) of this title or section 1010(a) of title III with respect to any narcotic drug in schedule I or II, (2) under section 406 of this title with attempting or conspiring to commit an offense under section 401(a) of this title relating to any narcotic drug in schedule I or II, or (3) under section 1013 of title III with attempting or conspiring to commit an offense under section 1010(a) of title III relating to any narcotic drug in schedule I or II, the judicial officer shall, in addition to determining which conditions will reasonably assure the appearance of the person for trial, consider which conditions will reasonably assure the safety of the community, the personal safety of persons in the community including witnesses to the offense, and the avoidance of future similar offenses by the person charged.

"DENIAL OF RELEASE PRIOR TO TRIAL

"SEC. 413. (a) Subject to the provisions of this section and notwithstanding the provisions of section 3146 of title 18, United States Code, a judicial officer may deny release of a person (1) who is charged (A) with an offense under section 401(a) of this title or section 1010(a) of title III with respect to any narcotic drug in schedule I or II, (B) under section 406 of this title with attempting or conspiring to commit an offense under section 401(a) of this title relating to any narcotic drug in schedule I or II, or (C) under section 1013 of title III with attempting or conspiring to commit an offense under section 1010(a) of title III relating to any narcotic drug in schedule I or II, and (2) who—

"(A) has previously been convicted of an offense under any provision of Federal, State, or foreign law, which is punishable by more than one year's imprisonment;

"(B) at the time of the offense, was on parole, probation, or other conditional release in connection with a conviction for or a pending charge of an offense under Federal or State law that is punishable by more than one year's imprisonment;

"(C) is a nonresident alien;

"(D) was arrested while in possession of a passport or other documentation necessary for international travel incorrectly identifying him or belonging to some other person; or

"(E) has been convicted of having been a fugitive from justice, an escapee, or for willfully failing to appear before any court or judicial officer under Federal or State law.

"(b) No person described in subsection (a) of this section shall be denied release unless the judicial officer—

"(1) holds a hearing in accordance with the provisions of subsection (c) of this section and finds—

"(A) that there is clear and convincing evidence that the person is a person described in paragraph (A), (B), (C), (D), or (E) of subsection (a)(2) of this section;

"(B) that there are no conditions of release which will reasonably assure the appearance of the person charged, the safety of the community, the personal safety of persons in the community including witnesses to the offense, or the avoidance of future similar offenses by the person charged; and

"(C) that on the basis of information presented by proffer or otherwise to the judicial officer there is a substantial probability that the person committed the offense for which he is present before the officer, and

"(2) issues an order denying release accompanied by written findings of fact and the reasons for its entry.

"(c) The following procedures shall apply to hearings held pursuant to this section:

"(1) Whenever the person is before a judicial officer, the hearing may be initiated on oral motion of the United States attorney.

"(2) Whenever the person has been released pursuant to section 3146 of title 18, United States Code, and it subsequently appears that such person may be subject to an order denying release under this section, the United States Attorney may initiate a hearing by ex parte written motion. Upon such motion the judicial officer may issue a warrant for the arrest of the person.

"(3) The hearing shall be held immediately upon the person's being brought before the judicial officer for such hearing unless the person or the United States attorney moves for a continuance. A continuance granted on motion of the person shall not exceed five calendar days, unless there are extenuating circumstances. A continuance or motion of the United States attorney shall be granted upon good cause shown and not exceed three calendar days. The person may be held pending the hearing.

"(4) The person shall be entitled to representation by counsel and shall be entitled to present information by proffer or otherwise, to testify, and to present witnesses in his own behalf.

"(5) Information stated in, or offered in connection with, any order entered pursuant to this section need not conform to the rules pertaining to the admissibility of evidence in a court of law.

"(6) Testimony of the person given during the hearing shall not be admissible on the issue of guilt in any other judicial proceeding, but such testimony shall be admissible in proceedings under sections 3150 and 3151 of title 18, United States Code, in perjury proceedings, and for the purposes of impeachment in any subsequent proceedings.

"(7) Appeals from orders denying release may be taken pursuant to section 3147 of title 18, United States Code. The United States may appeal from orders granting release under this section.

"(d) The case of a person denied release pursuant to this section shall be placed on an expedited calendar and, consistent with the sound administration of justice, his trial shall be given priority.

"DEFINITIONS

"SEC. 414. As used in sections 412 and 413 of this title, the term 'judicial officer' means any person or court authorized pursuant to section 3041 of title 18, United States Code, or the Federal Rules of Criminal Procedure, to admit to bail or otherwise to release a person before trial or sentencing or pending appeal, in a court of the United States and any judge of the Superior Court of the District of Columbia.".

SEC. 202. The table of contents at the beginning of the Drug Abuse Prevention and Control Act of 1970 is amended by adding the following new items after the item relating to section 411:

"Sec. 412. Release conditions.
"Sec. 413. Denial of release prior to trial.
"Sec. 414. Definitions.".

TITLE III—FORFEITURE OF PROCEEDS OF ILLEGAL DRUG TRANSACTIONS

SEC. 301. Section 511 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881) is amended by—

(1) adding at the end of subsection (a) the following new paragraph:

"(6) All proceeds of an offense described in this title or title III and all moneys, negotiable instruments, and securities used or intended to be used by any person, directly or indirectly, in connection with a violation of this tile or title III."; and

(2) adding after "Whenever property" in subsection (e) the following: "described in paragraphs (1), (2), (3), (4), or (5) of subsection (a)"; and

(3) adding at the end thereof the following:

"(h) Whenever property described in subsection (a)(6) is forfeited for violation of this title or title III, the Attorney General, making due provision for the rights of any innocent person—

"(1) may dispose of such property, other than moneys, negotiable instruments, and securities, in the manner set forth in paragraph (1), (3), or (4) of subsection (e);

"(2) may dispose of negotiable instruments and securities in the manner set forth in subsection (e)(2); and

"(3) shall forward proceeds of sales of negotiable instruments and securities held pursuant to subsection (e)(2) and moneys forfeited under subsection (a)(6) to the Treasurer of the United States for deposit in the general fund of the United States Treasury.".

BLACK VOTERS AND THE NOVEMBER ELECTION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. RANGEL. Mr. Speaker, the 1965 Voting Rights Act still remains a landmark on the road to equal suffrage opportunities for black people in our Nation. It is only since then that blacks have come to constitute a potent force in U.S. political affairs. On the Federal level, the congressional Black Caucus is one manifestiation of the new clout, but it is, of course, only a reflection of the increased participation of black voters.

Striking as the gains in black representation and participation have been during the past 20 years, the following article makes clear that blacks still have a vast untapped potential to elect sympathetic officials and thereby influence the policy outputs emanating from Washington and State and local centers across the country. Among registered black voters participation is quite high; the problem lies in registering greater numbers of Negroes and bringing them out to the polls.

The following article by Benjamin Hooks clarifies the position of black voters as we approach the November general election. I hope that my colleagues will find it informative and, above all, will realize that if they address the concerns of the blacks of this Nation, candidates of both parties could gain a vast number of votes.

The article follows:

BLACKS MUST REGISTER TO VOTE TO MAKE DIFFERENCE

(By Benjamin Hooks)

On Friday, May 28, 1976, the Bureau of Census released some startling information. It solemnly declared that "about 15 million Black Americans will be of voting age during the 1976 Presidential elections, a 10 percent increase since 1972"!

That, my friends, is truly a lot of potential Black Power! I say "potential" because there is no assurance that blacks will exercise this kind of muscle to its absolute maximum at the polls this fall or at any other time. Nobody in this country—no race, no ethnic group, no voting block of special interests or concerns exercises its franchise 100 percent.

Indeed, in the past elections, knowledgeable observers have become alarmed at the monumental indifference voters have shown in casting their votes, especially in off-Presidential election years.

It is as if the voters through sheer boredom or indifference are casting a gigantic "no" vote to all politicians and issues. Of course, we know this is not true, but appearances can be damaging. Like Lott's wife, we should be above suspicion.

Now it doesn't take an egghead to know that representative government cannot continue if the electorate in sufficient numbers do not lend its support. We surely invite tyranny or something worse.

Certainly blacks cannot afford to be indifferent to issues and politicians who bring, or ought to be raising, those issues. Nor does their voting record of the past indicate this will happen.

In 1972, for example, blacks of voting age numbered 13,493,000. Of this total, however, only 8,837,000 were registered to vote, a percentage of 65. Of the total registered, 7,032,000 actually went to the polls in that Presidential election. That is a whopping 80 percent of all those black registered to vote.

This figure startled a lot of people when it was released that year. However, authorities tell us that it is not unusual for registered voters to turn out 70–80 percent in Presidential election years.

The in-between years, the off-Presidential year elections, is when voter interest woefully lags. In the 1974 congressional races for example, blacks eligible to vote numbered 14,174,000.

But only 4,786,000 of the registered 7,778,000 actually turned out to vote. This was a miserable 34 percent of the total black eligible vote. I am indebted to John Britton of the Joint Center for Political Studies for some of those figures. Some of them were issued by the BLS, which the JCPS also uses.

Using the BLS eligible black voter projection, what can we expect the voter turnout to be this year? BLS is forecasting a low 55 percent black voter registration this year.

That means only 8.25 million blacks will register to vote. But if BLS Presidential election figures are correct, 80 percent of this voter complement, or 6.6 million blacks will cast their ballots for President.

History has shown that blacks, as other races and ethnic groups will vote for those politicians we believe will do the most for us—or those, at any rate, who promise or in some way signal they will do the most for us.

This is acting in what one perceives to be self interest. And no one should fault that. For it will not be a vote against white folks, or any other folks, but a vote for blacks and our urgent needs.

We can take these election registration figures and make any number of permutations. But one thing we know for certain. That in close elections black folks do have an enormous impact on the outcome. This year the election vote promises to be close.

Rev. Jesse Jackson figured that Kennedy in 1960 won the election by 116,000; and in 1968, Nixon won by 550,000 votes. "Therefore," he says, "in two Presidential elections, victories were won by a combined margin of less than 700,000!

The hands that picked cotton 10 years ago can pick Presidents today." I say blacks can make a difference between who goes to the White House or who goes back home.

But blacks can best do that, by increasing their voter registration numbers, then casting their ballots for the man who speaks to conditions relevant to our interests.

REMARKS BY HON. ROBERT N. C. NIX ON THE RIGHT TO FOOD RESOLUTION

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. NIX. Mr. Speaker, I am submitting for the RECORD a letter I have received from the "Bread for the World" organization which is active in support of House Concurrent Resolution 393. This organization is active in Philadelphia and in my district.

This open letter sets out in brief the case for the passage of House Concurrent Resolution 393, the so-called right-to-food resolution.

We all sense that in the not too distant future the world will face a food crisis. The growth of the world's population is the prime cause for this situation. The U.S. farm system will stand between millions and the prospect of starvation. House Concurrent Resolution 393 puts the Congress on record as accepting that challenge by promising within time to dedicate 1 percent of our gross national income to feeding the world's population.

I urge the House to support this resolution.

The letter follows:

DEAR CONGRESSMEMBERS: As members of Bread for the World, a nationwide Christian citizen movement established to work towards a world which every person has an adequately nutritious diet, we would like to encourage your support of the Right to Food Resolution. This letter is a followup of our meeting with Congressman Nix of your subcommittee on Saturday June 19th.

We want to impress upon you the fact that we and those we represent in Pennsylvania Congressional District No. 2 strongly support the type of foreign aid which the resolution advocates. In particular, in section No. 4 of the resolution a specific concern must be shown that development assistance and food assistance reach the 1% target of our total national production (GNP). According to the World Book statistics for 1975, the U.S., ranking 13th of the developed countries, give .23% of its GNP. The OPEC and Sweden, among other countries, have reached the 4% target. We would like to point out that this is development aid which should help the people become self sufficient by caring for their own nutritional needs. Once self sufficient, future U.S. food aid of this type would be unnecessary.

On the local and national scene we view this resolution as a foundation on which future legislation can be built to ensure a nutritionally adequate diet for all our citizens.

Looking forward to cooperating with your subcommittee in preparing for future legislation which will be based on this resolution.

PATRICIA M. GROVES,
Congressional District Coordinator, BFW.
WILLIAM W. M. MEADE,
BFW Member.
REV. ED. J. BRADY, JR.,
BFW Member.
VIRGINIA W. SMITH,
BFW Member.

POLITICS AND THE OLYMPICS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. MICHEL. Mr. Speaker, politics is important business, but I fear that in one sense at least, it has come to be regarded as too important by a lot of people. The Olympic games are a sad case in point.

The games, like so much else that used to be above politics—or perhaps beneath it—have become politicized. Athletes whose skills and accomplishments entitle them to participate at Montreal this year are not there, simply because their government, or some other government, or both, finds it politically inexpedient to allow them to participate.

I fear it will get worse before it gets better, and if it does, the entire concept of the Olympic games is threatened.

As a member of the President's Commission on Olympic Sports, I have a great interest in seeing that such a tragedy is averted. I am sure my colleagues agree with me.

In that regard, I insert in the RECORD two editorials on the subject, one from the Chicago Tribune, and one from the Galesburg Register-Mail, in my district:

[From the Chicago Tribune, July 13, 1976]

A SAD DAY FOR THE OLYMPICS

The wars of ancient Greece were not allowed to interfere with the Olympic Games. Truces were called, and athletes from all over the Aegean world were given safe passage to the fields of Olympia in order that the quadrennial ritual could go on, unmarred by transient political differences.

How times have changed. For a decade or more, politics has been an unwelcome intruder at the Olympic Games: and now, for the first time since the games were revived in 1896, a country has been forced out of the games because the host country doesn't happen to have diplomatic relations with it.

Canada, which recognizes mainland China and sells wheat to it, told the team from the Republic of China [Taiwan] that it could not use the name China or display its own flag during the games which are about to open in Montreal Canada took this position despite the fact that the Republic of China is a member of the International Olympic Committee and despite the fact that Canada had agreed to abide by the IOC charter, under which all members of the IOC are assured the right to participate.

The committee protested but Canada refused to budge; so the committee's executive board yielded and urged Taiwan to participate without its name or its flag. The Taiwanese understandably declined this dishonor. Unless the executive board's surrender is overruled by the full committee, which seems unlikely, or unless Canada yields to Monday's appeal by President Ford, there will be no Chinese team at the games.

So the United States, which also recognizes Taiwan as the Republic of China, finds itself committed to a betrayal of its own allies and of the spirit of the Olympic Games.

Both Doug Roby, American member of the IOC, and Philip Krumm, president of the U.S. Olympic Committee, denounced the executive board's action. Mr. Roby spoke of "the beginning of the fall of the Olympic Games." Mr. Krumm said that the United States, too, would have withdrawn if plans had not gone so far.

Meanwhile Tanzania, encouraged by mainland China's success, says it will withdraw from the games if New Zealand is allowed to participate. New Zealand's crime, it seems, is that it is willing to compete with South Africa.

And as if all this did not present a depressing enough picture of the future of the Olympic Games, the 1980 games are scheduled for Moscow. If we think Canada has allowed politics to interfere with the games, we're afraid we haven't seen anything yet.

[From the Galesburg (Ill.) Register-Mail, July 14, 1976]

SAD SITUATION SURROUNDS SPORT

(By Robert F. Harrison)

The spirit of the Olympic movement has been buried under a million bushels of Canadian wheat.

For a decade or more, politics has cast a darkening shadow over the Olympic Games. This year, for the first time since the Games were revived in 1896, a country has been forced out of the competition because the host country does not have diplomatic relations with it.

Canada, which recognizes mainland China and sells wheat to it, told the team from the Republic of China (Taiwan) that it could not use the name China or display its own flag during the Games which are scheduled to open Saturday in Montreal. Canada took this position despite the fact that the Republic of China is a member of the International Olympic Committee and despite the fact that Canada agreed six years ago to abide by the International Olympic Committee's charter, which assures all IOC members the right to participate in the Games.

Canada's action, sprung on the IOC just a few weeks ago, is a sad commentary on how far "modern" nations have come. Even in ancient Greece, wars were not allowed to interfere with the Olympic Games. Truces were called, and athletes from throughout the Aegean world were given safe passage to the fields of Olympia so the quadrennial event could go on unscathed by political disagreements of the moment.

The IOC protested Canada's action, but that freedom-loving nation apparently prefers money to principle and refused to budge. The IOC's executive board yielded and urged Taiwan to participate without its name or its flag. The Taiwanese, understandably, declined that dishonor.

Unless the IOC executive board's surrender is overruled by the full committee, or unless Canada yields to an appeal by President Ford to reverse its stand, there will be no Chinese team at the Games this year.

For the United States, which does recognize Taiwan as the Republic of China, it's a tough spot—committed to betraying its own allies and the spirit of the Olympic Games.

Doug Roby, an American member of the IOC, and Philip Krumm, president of the U.S. Olympic Committee, have denounced the IOC executive board's action. Krumm went so far as to suggest that the United States would have withdrawn from the Games if plans had not gone so far. Roby characterized the Canadian situation as "the beginning of the fall of the Olympic Games."

The Taiwan problem may only be the tip of an iceberg yet to cast a chill on the Olympics. Tanzania, encouraged by mainland China's success in pressuring Canada, says it will withdraw from the Games if New Zealand is allowed to participate. New Zealand's apparent crime is that it is willing to compete with South Africa.

What's even more depressing is that the 1980 Olympic Games are scheduled for Moscow. If you think Canada has allowed politics to interfere with the Games, you may not have seen anything yet.

Lord Killanin, president of the IOC, told reporters this week that "The whole world is absolutely fed up with politicians interfering with sport."

He's right. It's bad that modern-day man's code of civilized conduct is not as advanced as that of the ancient Greeks.

ANIMALS SUFFER FOR SCIENCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. KOCH. Mr. Speaker, I have brought to the attention of our colleagues correspondence that I have had with the American Museum of Natural History concerning experiments that are performed in that institution on cats. I refer to the statement that I made on June 29, 1976, CONGRESSIONAL RECORD H7009. I would like to bring to the attention of our colleagues an article on the same subject which appeared in Our Town of July 16, 1976, authored by Henry Spira, on the same subject and with much more by way of details of what is taking place at that institution. Our Town, a publication of which Ed Kayatt is the publisher, is a community weekly which concerns itself with a whole-host of issues. However, one issue which has received a good deal of its attention relates to the humane treatment of animals and unfortunately too often the treatment rendered is inhumane. Arleen Kayatt is both the wife of the publisher and one of his excellent reporters. She has concerned herself particularly with this issue of animal welfare and has highlighted inhumanities perpetrated by humankind against animalkind. I want to commend the publication, its newswoman and the author of the appended article, Henry Spira, for focusing public attention on this issue.

The need for a Commission on the Human Treatment of Animals to look into the litany of horrors that readily comes to mind when one discusses animal welfare makes my proposal more relevant each day. I urge that our colleagues become cosponsors of H.R. 11112, and that Congressman W. R. POAGE, chairman, Subcommittee on Livestock and Grains, House Agriculture Committee, hold hearings on the bill.

The article follows:

ANIMALS SUFFER FOR SCIENCE, 2 BILLION GOVERNMENT DOLLARS SPENT ANNUALLY FOR EXPERIMENTATION

(By Henry Spira)

At the American Museum of Natural History, cats are in agony because our tax money is paying for absurd sex experiments. And Museum Director Nicholson stoutly defends the Museum's "freedom to study whatever it chooses, without regard to its demonstrable value" (NY Times, 2–16–76). The cruel and futile experiments are supported by the National Institutes of Health, which yearly hand out two billion dollars of Federal funds, mostly for animal experiments. Generally, the animal researchers cloak themselves in the noble cause of protecting human health and saving lives. A myth, which is a source of their power.

The Museum experiment is not unique. It's the tip of the iceberg. Millions of animals are being driven insane, suffocated, poisoned, battered, radiated, crushed, blinded, scalded. Were it not for Congress appropriating billions for make work grants, in which animals are cut up alive, these horrors would not take place.

On the Fifth Floor of the Museum's Education Building, cats and kittens are deliberately blinded—both eyes cut out. Their hearing and sense of smell destroyed by slicing into their brains. Their sense of touch deadened by cutting nerves in their sex organs. The Museum's experiments score the mutilated animals on their sexual performance. Some male cats are subjected to a terminal electro-physiological experiment, forced into a rack where the penis is stimulated with filaments.

The cats scream, and the Museum puts up a "sound retarded" room (M5285 p9). Cats are driven out of their minds by pain and stress and the Museum staff confines them into "special testing pens and transfer cages as a safety device. We expect that certain animals . . . will be difficult or impossible to handle in the ordinary manner" (HD00348–14 p4). In freedom, these cats would be naturally playful and affectionate. And the taxpayers have been paying for this "research" during the past 17 years. In the last reported year, 74 cats and kittens were cut up alive. To date, $437,000 has been appropriated through Grant HD 00348 from the National Institute of Child Health and Human Development, Bethesda, Maryland 20014.

The experimenters say that their research may be relevant to human sexual behavior. And the Museum claims that the purpose is "to increase our knowledge and understanding of nature" (5–25–76). But surely, nothing profound will be revealed through an unnatural hacking experiment, through an environment of fear, terror, confinement and butchering.

Neither cats, nor you, nor I, are sex machines to be mechanically and artificially rearranged. We, like other animals, are intricate symphonies with feelings, interests and preferences; our love involves compassion, tenderness and caring.

And recent major advances in our knowledge and understanding of sex are due to women asserting themselves as sexual equals and theorists (see NY Times Mag 7–4–76 pp 90–99). The theme is liberation and freedom not manipulation and oppression; not a return to the Dark Ages of clitoridectomies—when women were multilated to rearrange their sexual behavior.

The Museum's experimenters cite numerous sex and mutilation studies on monkeys, hamsters, rats, and mice, often with "contradictory conclusions." The same crude and routine experiments have been repeated for the past 80 years—J. Langley and H.K. Anderson in 1896 were already in the sexual mutilations of cats to study erections (J. Physiol 19: 85–130).

The chief cat experimenter and chairman of the Museum's Animal Behavior Department is 66-year-old Lester R. Aronson. He refers continuously to Frank A. Beach to justify his own grant applications. But once Beach left the laboratory, he admitted that "Some theories that have been proposed on the basis of studies of caged animals under highly artificial conditions aren't particularly illuminating and actually can be misleading. I have been as guilty as anyone else on that score." (Psych Today 3–75).

And H. F. Harlow, for 12 years editor of the Journal of Comparative and Physiological Psychology, reviewed some 2,500 papers, including many painful experiments. He conceded that "most experiments are not worth doing and the data contained are not worth publishing."

What crime and tortures are committed in the name of science! And still the animals continue to suffer.

And not just the cats at the Museum, but an estimated 60 to 120 million animals a year, from mice to monkeys, and including 700,000 to 2,500,000 cats and dogs. The Museum experiment is only a speck on the tip of the iceberg of animal suffering.

Standard & Poor's reports that Charles River Breeding, producers of lab animals, currently raise more than 16 million specially bred rats, mice, hamsters, rabbits and guinea pigs a year (5–10–76).

Rutgers University's Lab Animal Fact Sheet November 1972 gave these figures for animals used in biological medical research: rodents 45,370,000; rabbits 700,000; dogs 500,000; cats 200,000; primates 85,283; birds 1,724,279.

And at hearings of the House of Representatives held in March, 1966, animal breeders stated that they were using 60 million animals in laboratories and projecting an "animal consumption" of 97 million by 1970.

Meanwhile, the May 1976 United Action for Animals Report (205 East 42nd Street, NYC 10017), warns that the Toxic Substances Control Act, if passed as is, will cause the poisoning of more millions of lab animals through "acute, subacure and chronic" tests of hazardous chemicals. Humane, non animal using techniques are available and others could readily be developed. After all, if we can send people to the moon, we possess the technological knowhow to test poisons without using live animals. A representative of the Consumer Product Safety Commission said that the animal poisoning tests will "by necessity or lack of interest, continue to be used" (UAA 5–76).

Animal experiments are not being undertaken as a last resort, but simply as a matter of routine, habit and inertia. It's not a question of giant medical breakthroughs; nor balancing whether animals should suffer or people; but a way of getting government grants in exchange for the animals' agony and blood. Congress should be forced to choose between the greed of the vivisectors and the real needs of our society.

Aronson's last major paper, "Olfactory Deprivation and Mating Behavior . . ." includes learned tables with standard deviations for "mean frequency of mounts." Is this worth the agony of hundreds of cats? Of one cat?

And these experiments are self perpetuating. Undergraduate students, funded by the National Science Foundation, participated. What will they learn? That it is acceptable to force animals into solitary confinement, slice their brains, mate and kill them—in order to cash in on a government grant and publish a paper about sex and smell? Is there a mixup of values?

Now the pressure is on the Museum. There's NBC-TV; Ed and Pegeen Fitzgerald on WOR-radio; national and local weeklies; a two-page discussion in the Congressional Record; an investigation by the Department of Health, Education & Welfare; demonstrations by up to 100 people from the Society for Animal Rights, Animals Need You, Mercy for Animals, Fund for Animals; and interest is escalating.

The Museum's non-spokeswoman, Carol Patterson in the Office of Public Affairs, would offer no comment beyond a one-page general statement which does not refer to any specific experiment. They note that the Museum has "never been questioned or challenged by peers and colleagues," which indicates that useless, painful experiments, are routine. The peer review is a form of cronyism currently being investigated by the General Accounting Office. I left messages for Arsonson, but he refused to return my calls. Last year, when I came across Aronson in the Museum's Great Hall, I asked his feelings about confining and inflicting pain on innocent beings for curiosity's sake. He preferred not to comment. Arsonson can walk away; the cats and kittens imprisoned in his lab don't have that option.

Stonewalling doesn't work, a conditioned reflex can be predicted. They won't defend their right to cause suffering through sex mutilation experiments. No. They'll proclaim the doom of the human race if animals don't continue to be tormented in laboratories. People will suffer and die, the health of the nation will be in jeopardy—all due to the interference of anti-science critics.

These scare tactics have worked in the past. A myth has been pushed that animal torture equals human health. And the politicians in Congress have fallen for it. Thus Congressman Thomas S. Foley, chairman of the House Committee on Agriculture which handles legislation affecting animals in research, said: "We do not feel that there is any substitute for the continuation of experimentation with live animals and that the authority of laboratories must be given a great deal of attention and regard in order not to interfere with the necessary advancement of medical science."

But Dr. Edward J. Burger, Jr., a science advisor to the president, admitted: "There's a great deal of concern for the large national expenditures made each year in behalf of health . . . A number of thoughtful observers have remarked that the relationship between national health expenditures and health is a poor one at best. Some have claimed that there is no longer any relationship" (House Committee on Science and Technology, Nov. 1975).

And Dr. Irving Ladimer told a National Academy of Sciences Symposium: "The National Institutes of Health, which is not a regulatory agency, has effectively instituted prior animals studies through its system of review and approval of applications for biomedical support" (10–22–75).

Through its funding priorities and testing requirements, Congress, brainwashed by the animal-using establishment, promotes animal agony. And yet, despite all the dull politicians, the tide is running towards accountability and against tyranny—witness, the leisurely fall from sacred heights of the FBI and to a lesser extent of the CIA.

National security did not require burglarizing by the FBI any more than national health requires tormenting animals. There are a vast number of non-animal alternatives, including cell, tissue and organ cultures, computers, dummies, chromatography, spectromety. There's a simple, rapid, inexpensive test for checking the cancer-producing potential of man-made chemicals using the bacteria salmonella typhimurium (McCahn J. & Ames B. 1976 Annals NY Acad Sci, via Dallas Pratt MD).

Aronson and Nicholson can rightly complain that they've been singled out. A similar case could be made against just about any other federally funded animal experiment or testing facility. And that's true. In addition, the Museum material here presented comes from the Museum's signed grant applications—that's what they proposed to do and that's what they got grant dollars for. Now, whether they actually carried these plans through, there's no way of knowing. The Museum labs and the experimenters' mouths are shut tight to press and public.

I'd like to reassure Nicholson-Aronson that this is not a vendetta. There's nothing personal, though I'm responsible for getting the file through the Freedom of Information Act and spreading it around. It's just that the human mind cannot focus on 100 million of our fellow beings being cut up and poisoned alive, but we can identify with a single experiment.

The ethical case against experiments on living animals is that it is cowardly and immoral to attempt to derive some advantage through inflicting pain on defenseless animals. That it is wrong for the strong to exploit and dominate the weak. But in the year 1976, it is also unnecessary and counterproductive. Alternatives are available or could be developed. Federal funds need to be taken away from senseless animal experiments and used for needed health research and development, replacing the testing of live animals. It all depends on our priorities. We are the species capable of moral choice. It's time we used that option.

PRISON SITUATION CITED BY KNIGHT REPORTER

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SIMON. Mr. Speaker, the Chicago Tribune the other day carried an article by Jan Schaffer of the Knight News Service which, if it is accurate, indicates a deplorable situation in one of our Federal penitentiaries.

I am taking the liberty of inserting it in the RECORD together with a response I received from the Federal Bureau of Prisons about the article:

IF THEY SEND ME BACK TO PRISON, I'M DEAD

(By Jan Schaffer)

PHILADELPHIA.—Francis R. Marziani scanned the published version of his affidavit describing his life as a convict in Lewisburg Federal Penitentiary and then sobbed.

"I'll be murdered," he said quietly. "They told me I'd be murdered before."

Marziani, a former Drexel Hill, Pa., auto body shop operator who began serving a five-year sentence in Lewisburg last August for attempted arson, described to Federal District Judge Clarence Newcomber the gang rapes, beatings, and threats on his life he's experienced in the prison and asked the Judge to reduce his sentence.

At the close of the hearing, Judge Newcomer granted the request, resetting Marziani's sentence to the time he's already served—15 months—and five years' probation.

Calling Marziani's testimony "a tale of terror consisting of depraved animalistic conduct of the prison population at Lewisburg Federal Penitentiary," Judge Newcomer said, "It is sufficient to know that a man weighing in excess of 310 pounds was reduced to 175 pounds within six months, that the same man chose solitary confinement voluntarily to avoid the prison population, that he recounted much of his testimony in tears, that he absolutely believes he will be a dead man immediately upon his return to Lewisburg.

During his testimony, Marziani, 37, told Judge Newcomer "I've had massive doses of convincing. I'll never commit another crime—ever, ever. It's been a nightmare. I never believed it could exist like that.

"Prison is terrible," said Marziani. "I didn't think God could make hell on earth, but I don't see how it could be anywhere else."

Other inmates at Lewisburg have not been so lucky as Marziani.

The Federal Bureau of Prisons last week began an official inquiry into conditions at the prison, prompted by the May 15 death of a 29-year-old West Chester, Pa., man, Mark Silver.

Silver was the fourth death so far this year at the prison and the seventh since July of 1974, said a spokesman for the bureau.

Silver, sentenced to five years on drug charges, was found at the bottom of the staircase of a cellblock with a knife in his back, according to a prison bureau spokesman. The incident is being investigated by the FBI.

Ironically, Silver was killed only days after he attempted to be transferred to the federal prison at Lexington, Ky.

A significant increase in assaults has also been reported at Lewisburg this year. Eleven assaults so far have been reported for 1976 compared to 14 for all of 1975.

The prisons bureau spokesman said the increase in murders and assaults at Lewisburg may partly be due to the overcrowded conditions. Built to house 1,257 men, the prison presently houses 1,588, 149 more than last year. The prisoners are cared for by a staff of 372, including 166 guards divided into three shifts.

There is a possibility that many crimes committed in the prison are not reported.

Marziani, for example, never reported the time he was raped by five inmates, because, he said, they threatened to kill him if he talked.

He described this incident and others in an affadavit filed in U.S. District Court on Tuesday:

"I am going to be executed soon, even though I was originally sentenced to only five years in prison. . . . But it won't be the gas chamber or the electric chair, the so-called civilized forms of murder.

"No, I'll be executed with a shank shortly after I'm returned to Lewisburg Penitentiary.

"In case you're not familiar with a shank, it's a two-foot-long piece of sheet metal, sheared off on one of the machines in the prison shop. It's then folded over so the two razor-sharp edges form one. Crude, yes, but very effective.

"When they finally get me—and I'm not sure where it will be . . . in my dormitory, in the chow hall, or in the corridor—I probably won't die all that quickly, if I can judge from the few murders I've seen myself since I arrived at Lewisburg."

"Most of these inmates don't give a damn about killing or being killed. It means nothing. Except it's a big honor to them if you 'get a body.'

". . . Up here, they kill for fun and recognition. They're not animals—they're cannibals.

Marziani said his time in prison taught him that the death penalty should be brought back. "The cannibals should not be allowed to rape, maim, and murder in prison where they have nothing to lose anyway."

JULY 6, 1976.

Hon. PAUL SIMON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SIMON: Thank you for forwarding the Chicago Tribune article regarding Francis R. Marziani, a former prisoner at Lewisburg, who was recently released by the Court.

I am greatly concerned by the increase in Violence at Lewisburg. We have seen a sharp increase in assaults and murders, particularly in major penitentiaries, and Lewisburg is no exception. In order to get a better understanding of the causes of this increase, I appointed a special fact finding committee to study the situation at Lewisburg. I expect their report in the near future and anticipate being able to make several positive program adjustments as a result of their recommendations.

If I may be of any further assistance, please do not hesitate to call on me.

Sincerely,

NORMAN A. CARLSON,
Director.

HON. LEW DESCHLER

HON. DAVID N. HENDERSON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1976

Mr. HENDERSON. Mr. Speaker, I was deeply saddened to learn of the passing of Lew Deschler, the longtime Parliamentarian of the House of Representatives.

Lew Deschler was my warm and good friend and I valued his advice regarding the working of the House far more than that which we came to expect of him as the learned Parliamentarian. In those instances where I requested his advice pertaining to the rules of the House, I found that he not only gave the answers but took the time to explain the reasoning behind the rule and how this made the legislative body function not only in an orderly manner but a more effective and fair manner. Far more importantly, his counseling and advice that would not come from his long study and experience of the rules but rather flowed from Lew Deschler, the warm and true person, always helped me as a legislator.

We will miss Lew Deschler but the Congress and the country will always be better for his service and each of us whose life was touched by Lew will be better for having known him as a good, as well as a great man.

BISHOP'S BICENTENNIAL PRAYER

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. RUSSO. Mr. Speaker, today, as we commemorate Captive Nations Week, I would like to share with my colleagues a most beautiful and heartfelt prayer by Vincent Brizgys, D.D., Lithuanian Bishop in Exile.

Bishop Brizgys has eloquently captured the spirit of America in his Bicentennial prayer. It is all the more poignant spoken by one whose life bears witness to the tragedy of countries ruthlessly stripped of their freedom and people who struggle daily to recapture their priceless liberty.

The material follows:

BISHOP'S BICENTENNIAL PRAYER

(The following prayer was written by Vincent Brizgys, D.D., Lithuanian Bishop in Exile, commemorating the Bicentennial of the Independence of the United States of America.)

Almighty Lord, God of the universe, we worship You in a land in whose welcome embrace millions from other lands found refuge. Crushed by persecution, poverty, and oppression they fled to these shores. Here Your bountiful blessings worked miracles of transformation: from multitudes of unschooled arose a society of scholars; from the destitute came makers of a nation of untold wealth; from the downtrodden emerged the founders of a glorious free republic.

Humbly aware of Your goodness in granting us Your gifts, O Lord, we are mindful too of our debt to this country celebrating its 200th Anniversary of Independence under God. In a spirit of joy and deep reverence, we join its citizens in expressions of gratitude to all who pioneered, built, and established America to its present greatness. With them we turn to You their unfailing Guide attested in the motto: In God We Trust. May this be ours for all ages.

We ask, O Glorious God, that this country's manifold beauties stretching between ocean vastness may reflect Your creatures' love for You: beautiful as mountain grandeur, gentle hills and fertile plains; forest, field, and farm design; every splendor of earth, sea, sand, and sky. For You and for all our fellowmen and women may there reign as ineffably beautiful a love.

Together may we acknowledge You Lord in filial obedience to Your Commandments. We pray that America's faithful trust in You might be for all peoples and for all times Wisdoms unerring guide to freedom and justice. This we ask through Our Lord Jesus Christ, Your Son, Who lives and reigns with You and the Holy Spirit, one God, for ever and ever. Amen.

TRIBUTE TO CAPT. FERNALD P. ANDERSON

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. LOTT. Mr. Speaker, I would like to share with my colleagues the text of remarks made by Joseph T. McCullen, Jr., Assistant Secretary of the Navy for Manpower and Reserve Affairs, at the occasion of Capt. Fernald P. "Flip" Anderson's retirement. Those remarks follow:

TRIBUTE TO CAPTAIN ANDERSON

Captain Anderson, Mrs. Anderson, Mrs. Rosson, Many Distinguished Guests, Ladies, Gentlemen:

I am happy to be here, but I must admit to feelings of mixed emotions because of the occasion which prompts my remarks. Certainly, Captain and Mrs. Anderson have the same sense of mixed emotions and I suspect others here do as well.

That being said, let me state that it is a genuine privilege to say a few words about Captain Anderson who today concludes more than 32 years of eminently successful and distinguished service to our Navy and our Country.

Captain Flip Anderson has served in a wide variety of roles. He served on battleships, cruisers and destroyers. He flew early warning planes and patrol aircraft. He has served in operations and has served in staff assignments. Wherever Flip Anderson served, he served in outstanding fashion.

For the last six years, Flip has been head of the Council of Personnel Boards. He has served under three Assistant Secretaries of the Navy; and it has been my distinct privilege to have worked closely with Flip for the last three years.

In addition to directing the administration of the Navy Discharge Review Board, the Clemency and Parole Board and the Physical Disability Review Board, he was their President. During the period after General Mize left to head the First Marine Division and before Adm. DeLayge's arrival, Capt. Anderson also headed the Office of Naval Disability Evaluation and its system of Boards. Captain Anderson also worked with me and the Admiral on bringing about the successful merger of the various Boards.

Now, because most of you present work with the Boards, I won't go through a detailed litany of accomplishment. I will note that under Captain Anderson's excellent leadership the Council of Boards has kept abreast of the surging review requirements in recent years without adding additional resources. For example, in recent years discharge review cases have quadrupled. Overall, more than 30,000 individual cases have been reviewed under Flip Anderson's stewardship. Decisions were of tremendous importance to individuals and to the naval service. Captain Anderson has led and molded an efficient, productive and high-stepping group which is a model for the Governmental bureaucracy.

In short, Flip Anderson is a first-rate manager, an executive par excellence. And, in my opinion, no one could have done a better job.

But the cold facts of accomplishment never tell all about a man. Some people achieve much but don't really have character. Flip Anderson has a lot of character and, thus, he is an easy person to talk about. But, quite honestly, I must admit to you, ladies and gentlemen, that as I stand here, I don't know where to begin.

Let me start with a trait in Flip that I admire—and we all should admire it when we see it. Humility. Yes, humility. Someone once wrote:

"Humility, that sweet low-lying root,
From which all other heavenly virtues
shoot."

Now, what do I mean when I say Flip Anderson has humility? What I mean is that Flip is not a big "I am" man. Oh, he has his pride, of course. But Flip is a team player. He is genuinely sensitive to others. He loves others. He is emphatic. He is interested in the well-being of his fellow man. Maybe—this is why he was so good in the role that I knew him.

Furthermore, Flip Anderson is open, self-possessed, straightforward—and an individual with the highest integrity. Integrity is one of his utmost traits.

And, one of his utmost skills is getting things done. Flip Anderson is a doer, dedicated to getting the job done—getting the job done right. No detail is too small for Flip. No task is too monumental nor too tough for Flip.

Put all these traits together and what do you get? A leader, that's what. And that is what Flip Anderson has been and what he is.

In short, friends, Flip is a man of ability and character.

You know, someone said,—Moore, I think—

"The greatest debt is gratitude when it is not in your power to repay it."

Flip, I am grateful, but more important and impressive, so is the Navy. There are thousands of people who have petitioned the Boards you have headed who are grateful. Today, you leave a legacy of achievement behind you.

How can we repay you? No way. Certainly, my words this morning are not adequate. The medal you soon are to be presented is not adequate. But, perhaps in receiving this unique award, you will realize that we are grateful.

I know that I speak for everyone in this room and for thousands of other Americans when I say as deeply and sincerely as I can "Thank you, Flip". It is a privilege to know you. I wish you every good wish in the future.

Now—it may not be the sophisticated thing to say, and some may even class it as a sexist remark. But, I truly believe that behind every great man is an equally great lady. And, therefore, Caroline you are a great lady. Undoubtedly, you have been the source of Flip's great strength and accomplishment. We, therefore, are grateful to you as well. You have been tolerant and understanding when Flip had to deploy and when he had to work long hours. You both have raised two fine young men who also have served their country—one in the Navy as a physician and the other still serves as a career Marine legal officer.

John Kennedy once said:

"A life of service is a constant test of your will."

To that one might add—master that challenge and yours will be a worthwhile life.

Flip Anderson—you have mastered that challenge. Yours is a worthwhile life. Thank you again—congratulations on your success and best wishes to you, always.

Commander Wilson, would you please read the citation?

The Secretary of the Navy,
Washington, D.C.

The President of the United States takes pleasure in presenting the Legion of Merit (Gold Star in lieu of the Second Award) to Captain Fernald P. Anderson, United States Navy, for service as set forth in the following citation:

For exceptionally meritorious conduct in the performance of outstanding service from July 1971 through October 1975 as Director of the Navy Council of Personnel Boards. An outstanding competent and resourceful leader, Captain Anderson was responsible for and directly supervised the successful operation of the Navy Council of Personnel Boards. His professional expertise as presiding officer of the boards and his managerial skill as an administrator were decisive factors in providing effective oversight of Navy and Marine discharges together with review of clemency, parole, and physical disability in support of the statutory responsibilities of the Secretary of the Navy. During Captain Anderson's tenure, the annual applications considered by the Council of Boards doubled, an absolute increase of three thousand cases per year. This increase was assimilated without an increase in Council personnel resources and without diminution of the quality of individual board actions. Captain Anderson's sensitivity to individual problems and his perceptive judgment in determining needed actions resulted in the fullest utilization of manpower and were invaluable aids to the Assistant Secretary of the Navy (Manpower and Reserve Affairs). By his distinctive achievements, inspiring leadership, and steadfast dedication, Captain Anderson reflected great credit upon himself and upheld the highest traditions of the United States Naval Service.

For the President, June 22.

J. William Middendorf,
Secretary of the Navy.

Thank you Commander. Now Mrs. Anderson—because you share in this award, I will ask you to pin the medal on the Captain.

ILLINOIS COUPLE COMPLETES PEACE CORPS TOUR

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. PRICE. Mr. Speaker, Walter and Marie Kozuch Dawson, both 24, completed their tours as Peace Corps volunteers last month.

For 2½ years, Mr. and Mrs. Dawson have worked side by side as partners in a forestry project in tropical Ecuador. Their work has involved evaluating experimental stands of trees used in reforesting an overpopulated, overfarmed Ecuadorean province.

I would like to commend them for their service to the people of this developing nation.

They are both natives of Illinois, graduating from Southern Illinois University at Carbondale in 1973. He is the son of Amelia and the late Walter Dawson of Lebanon, Ill. She is the daughter of Lottie and Edward Kozuch of Round Lake. Mr. Dawson's undergraduate degree was in forestry and he hopes to enter forestry graduate school in the near future.

Working in forestry, the Dawsons have seen few immediate results come from their efforts. However, I applaud the concern for the future that their work shows. They deserve thanks for taking several years of their lives to do something to improve the future of another nation's people.

I am confident that they have gained as much from their Peace Corps experience as they have given to others through it. I can only hope that all of the Peace Corps volunteers around the world show the concern for humanity and dedication to their work that the Dawsons demonstrate so clearly.

LIFELONG LEARNING PROGRAMS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. FRASER. Mr. Speaker, earlier this Congress, Senator Walter Mondale introduced the Lifelong Learning Act. Shortly thereafter I introduced a companion bill in the House. The bill, H.R. 10965, calls for the establishment of a national strategy of lifelong learning, the provision of Federal support for efforts designed to bring greater coordination to existent lifelong learning programs, and the encouragement of innovative approaches.

Although no action has been taken on the House version of the bill, the omnibus education bill reported from the Senate Labor and Public Welfare Committee on May 14 amends title I of the Higher Education Act of 1965 to include a new part C: "National Strategy for Lifelong Learning." The Senate bill, S. 2657, defines lifelong learning programs as those "intended to affect the knowledge, skills, and attitudes of persons who have left the traditionally sequenced educational system." It further states that "such programs may be carried out through formal or informal educational processes and any project, activity, or service designed to serve the educational needs of adults throughout their lives." Funding is authorized for efforts to assess and evaluate existent lifelong learning programs and to foster greater coordination among Federal support for such programs. Grants to States and public and private agencies are also authorized to support development, testing, and demonstration projects. Finally, the Commissioner of Education is required to submit by 1978 a report and legislative recommendations on the implementation of the act's provisions.

The concept of lifelong learning is founded upon the recognition that one's desire to learn endures throughout a lifetime—it does not end when one passes the traditional college years of 20–25. Programs intended to open our educational institutions more fully to nontraditional students have sprouted up throughout the country. This is largely attributable to the impact a number of social forces have had on our educational system: the changing perception of women's role in our society, an accelerating rate of social and technology change requiring frequent retooling of skills and updating of knowledge; the increasing proportion of our over-60 population; and a rekindled interest in learning for reasons unrelated to concrete goals of achievement.

These new programs have been grouped with programs of community education, adult education, labor education, occupational education, and many others. Their proliferation has been essentially haphazard—it has not been guided by an overarching direction or by long-range planning. To an extent this is desirable. Many of these programs have furnished valuable reminders of the abundant creativity and imagination individuals and local groups can bring to the task of problem solving. However, unguided development too often results in duplication of effort and in obstacles to program coordination and integration. Harold Miller of the University of Minnesota recently told the Senate Education Subcommittee that 23 different Federal agencies spend over $2.5 billion annually on 208 lifelong learning-oriented programs.

Such a situation is unwieldly, wasteful, and stifling. A national strategy on lifelong learning is needed to minimize duplication and to promote cooperation and planning. It is also needed to facilitate the testing, evaluation, and dissemination of approaches that hold the promise of creating educational options for people throughout their lives. The language of the Senate bill addresses these needs.

I would like to call my colleagues' attention to two articles which describe the efforts of people who have chosen to enroll at the University of Minnesota after an extended absence from the educational system. Written by Liza Quam of the Minnesota Daily, the articles underscore the importance of programs tailored to meet the needs of nontraditional students. The articles follow:

[From the Minnesota Daily, May 27, 1976]

Older Students Fit School Into Family, Financial Schedules

(By Liza Quam)

(Editor's Note: This is the first of a two-part series on people returning to the University's educational system after many years. Friday's article will deal with the older students' adjustments to the learning process.)

Barb Kvernes got tired of being a switchboard operator. Her bachelor's degree in English from the University didn't help much in securing a job. "I was paid not to think." Two children and an unemployed husband later, she has returned to the University enrolled in the accounting department.

At 19, Maya Jones dropped out of college and married, worked for awhile, had four children, worked again, then came back to school 25 years later.

Frank Tousley did rodeo work with his father when he was a child. He made it through 10th grade, joined the Navy, got married at age 21, and now has six children.

At age 38 he's back in school on the GI bill after holding many jobs that required "kissing a lot of be-hinds."

Although still in the minority, the students that have "come back" are gaining in numbers despite great difficulties unfamiliar to the typical student 15 years their junior.

Last year 1,891 students over the age of 34 registered for fall quarter, according to University Admissions and Records statistics. More than half of these students were undergraduates or adult specials, the rest were enrolled in graduate and professional schools.

There are no more additional statistical data about them. But the students are eager to talk about being "back" in school.

Kvernes came back to school not because she wanted to but because she felt she had to. "I realized I would have to go back if I was ever going to get a decent job. If I could have arranged my life, I would have waited until the kids were in school and there was more money for disposal." But since neither her husband nor she could find a well-paying job, they decided to use their savings and both go back to school. They returned two years ago when their sons were two and four years old.

"It's most difficult to find reasonably priced child care. It is very, very difficult to cope with the demands of being a mother and a student," Kvernes said, "I have no back-up. If the children get sick, I stay home or work it out with my husband. It was chaos when the children got the mumps."

Child-care expenses for the student/parent are often too high to even be considered. For a quarter, Kvernes' four-year-old son attended classes with his mother in the morning and attended kindergarten in the afternoon. The bond between mother and son was strengthened, Kvernes said, but keeping a child occupied during college classes is both difficult and distracting.

Sam Lewis, University director of financial aid, admits that there "really isn't anything specified as primarily for older students" in government or private aid funds. He added that the students who have come back to school often have "had families" and "established life styles which are typically middle class," making it difficult for them to adjust and qualify as "low-income students."

The older student is not interested in residing in a dorm or sharing an apartment with another student, so expenses run high, Lewis said. "We try to be understanding of the fact, but we can't help as much as we want."

Another problem facing older students who seek financial aid is that most aid is designed for a degree program, Lewis said.

Many students such as Tousley, have no degree goals in mind. They take courses that especially interest them no matter what the field. Tousley said "it really hasn't been that hard (financially). The GI bill pays as much as a part-time job. It's strictly a matter of money," he said. When his GI bill allotment "runs out, then I won't go any more."

The Minnesota Women's Center, which works with many of the older women who return to school, reports that many older students have difficulty deciding to enroll in school. "Their anticipation of money problems and not feeling right in taking money from the family keeps many away," a spokeswoman for the center said last week. Jones admits she suffered from a "guilt thing of taking money for a really selfish thing. Women who have been mothers for a while don't think like that."

Another problem is time organization, according to Jim Moynihan. who sees many older students while counseling in the extension division. "These students need help on deciding how much to bite off" when they have a family, he said.

Kvernes philosophizes longingly that "it is in the inefficiencies that life is enjoyable," and with her coursework there is "no time" for those inefficiencies. "I have become a very organized person," she added.

[From the Minnesota Daily, May 28, 1976]

Adjusting to College Bolsters Self-Confidence of Many Older Students

(By Liza Quam)

Unlike the student who enters college directly from high school, the older person who returns to school must readjust to the learning process.

Last year 1,891 students over the age of 34 registered for fall quarter, according to University Admissions and Records statistics. More than half of these students were undergraduates or adult specials, the rest were enrolled in graduate and professional schools.

Vernelle Kurak, now 42, is one person who "quit a good job" to return to school twelve years after finishing high school. Presently Kurak is director of the Reading and Writing Study Skills Center in General College (GC).

The biggest difficulty the older student has with school work is lack of academic self-confidence. "They have had no recent opportunity to compare themselves," Kurak said. "They're sure they're at the bottom. They're sure it's a fluke when they get a good grade."

Jim Moynihan, a counselor in the Department of Continuing Education and Extension agrees with Kurak. He said many students begin in night school in order to "test" themselves against the abilities of other students.

Maya Jones, 44, is one of the returning students who began in night school. She decided to try school full-time after making good grades in two extension classes. "If I hadn't done well, I wouldn't have come back," she said. Jones, who wanted to use her homemaking experience, decided to major in home economics and is planning a career working with unwed high school age mothers.

"My first few days of day school I kept saying to myself, "Oh my God, what am I doing here?" But now Jones says she's gained self-confidence in her schooling. "You become aware of yourself and your capabilities. You are not accountable to anyone but yourself. A job is not like that. Here you don't feel guilty for anyone else," she said.

Older students often seek help at the GC Skills Center, Kurak said. It's a place students can go for help from their peers rather than their instructors, whom Kurak said, are approached with hesitancy by older students.

Frank Tousley, a 38-year-old student, feels "teachers react differently to older students. I don't know if they feel threatened or not." He questioned whether instructors "think they can B.S. the younger students" and not the older ones. "I get a feeling of being cheated when I can't pin them down on a question. But I'll back off rather than embarrass them in front of the kids," Tousley said.

"The wonderful thing about older students is they have many experiences to bring with them," Kurak said. The younger students and the older students interact without parent/child tension, making it healthy for both older and younger students, he said.

The older students' attitudes are very good, and they are highly motivated; "they are here because they want to be," Kurak added.

Tousley said he is not sure college is good for "kids" right out of high school. He said he advised his son to "go into the service first because of the benefits and to get the goofyness out first. Then he might know what to do.

"Younger students are not more idealistic but more naive. They don't know what it's about," he said.

Barb Kvernes, who's back for a degree in accounting agrees with Tousley. "A lot of the younger people don't realize the world is much tougher than expected." Although her advice to her children will be to double-major the first time around, Kvernes said her goals are clearer than when she was working for a B.A. in English during the early 60's. "I'm going through with a strategy this time," she said.

Kurak, Kvernes, Jones and Tousley all avidly agree that their later schooling has enhanced their feelings about themselves and some of their relationships. Jones said she thinks of school as "my world, something I do which isn't related to the family." She claims she is now more open and accepting in her relationships with her children. When she and her husband go for a walk each night, "it's not just 'how was your day at the office?' I haven't sat at home all day. I have something to talk about too," Jones said.

Tousley said school has kept him "with it. When you believe that you can do something, it feels good."

"My sense of competency has increased in the last two years. I have a feeling nothing's going to faze me anymore," Kvernes said.

WASTE HEAT UTILIZATION—ERDA AND FEA RESPOND TO QUESTIONS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. VANIK. Mr. Speaker, in connection with a statement that I have made today concerning the efforts of the Federal energy agencies to develop and promote waste heat recovery and utilization technology, I am here including the responses from the Energy Research and Development Administration and the Federal Energy Administration to several questions that I asked earlier this year.

I would like to call particular attention to the response from ERDA since ERDA is developing this letter into a major factsheet on waste heat utilization.

ENERGY RESEARCH AND
DEVELOPMENT ADMINISTRATION,
Washington, D.C.

Hon. CHARLES A. VANIK,
House of Representatives.

DEAR MR. VANIK: Your interest in waste heat utilization is directly in line with one of the important areas of interest to the Energy Research and Development Administration (ERDA) and especially to the Office of Conservation. Industrial waste heat alone accounts for over 20% of the total national energy consumption. Considering total consumption of 75 Quads (10 to the 15th Btu), the waste heat from industrial processes alone would exceed 15 quads.

Consequently, there are a number of significant ERDA programs formulated for waste heat recovery and utilization, as well as process efficiency improvements, which will result in reducing waste heat. Five of these programs are within the Office of Conservation: 1) Buildings and Consumer Products, 2) Industrial Energy Conservation, 3) Energy Conversion, 4) The Office of Highway Vehicle Systems, and 5) Non-Highway Transport Systems. We are aware of only one other program within ERDA that is directly involved in waste heat utilization and that program is Advanced Concepts Evaluation in the Office of Nuclear Energy.

The following answers pertain to the questions addressed in your letter of February 11, 1976.

(1) How many personnel within the Energy Research and Development Administration are engaged in various efforts to utilize waste heat? What portion of the ERDA budget is being used for waste heat studies and other initiatives? I would appreciate having the figure for FY 1975, as well as the estimates for FY 1976, the transitional quarter and FY 1977.

There are approximately 13 employees within ERDA who are spending a portion of their time working in the waste heat area. These personnel are broken down into the following programs: Buildings and Consumer Products, 2; Industrial Energy Conservation, 3; Energy Conversion, 3; Office of Highway Vehicle Systems, 3; Non-Highway Transport Systems, 1; and Advanced Concepts Evaluation, 1.

The total ERDA budget appropriation was approximately $2.7 billion in FY 75, $3.6 billion in FY 76, $1.0 billion in the transition quarter, and approximately $4.6 billion was requested for FY 77. The portion of the ERDA budget being used for waste heat studies and other technology initiatives is .018% for FY 75, .17% for FY 76, .1% in the transition quarter, and as requested would be .19% in FY 77. A more detailed breakdown of this distribution is contained in Attachment I.

(2) As I see it, waste heat utilization affects primarily two sectors: waste heat from the generation of electrical power and as a by-product of industrial energy uses. Could you provide me with materials describing the proposals and their status? I would also appreciate knowing of any action that ERDA may be taking on them.

Attachment II consists of a list of proposals received by Buildings and Consumer Products and Energy Conversion. The other programs have not received formal proposals directly related to waste heat utilization. However, all of the programs are involved in waste heat project; below are brief synopses of each of these projects.

(1) Buildings and Consumer Products:

(a) Community Systems Subprogram.—The Integrated Systems element of this subprogram has as its main thrust the recovery and productive use of ⅔ of the total energy consumed that is otherwise wasted in the process of producing electricity. Projects totaling approximately $1.75 million in FY 76 and $4.0 million in FY 77 are scheduled. In FY 76 and 77, approximately 1.5 man-years per year in ERDA Headquarters has been assigned to manage this program. (Please see page 18 of the enclosed Program Approval Document (Attachment III) for project listing.)

(b) Architectural and Engineering Systems Subprogram.—Heat recovery within buildings, as one of many energy conservation measures, forms part of this subprogram. Approximately ¼ man-years per year and approximately $50 thousand in FY 76 and $500 thousand in FY 77 are dedicated to heat recovery within buildings.

(c) Technology and Appliances Subprogram.—A project for heat recovery and reuse through integrated appliances budgeted at approximately $500 thousand is scheduled for FY 77. "Integration" of appliances takes heat rejected from certain appliances (refrigerators, air-conditioners, ranges) to supply the needs of other appliances (e.g., domestic hot water heaters).

(2) Industrial Energy Conservation:

(a) High Temperature Recuperator Systems.—This project is the development and demonstration of high efficiency (70–80%) high temperature (1200° F to 3000° F) recuperator systems to capture the thermal energy now being exhausted to the atmosphere from the flues and incinerators of glass, cement, aluminum and steel remelt, soaking pits and finishing operations. This project addresses heat recovery and other projects related to the use of such heat after it is recovered. Such uses include using it for process heat and in-plant power generation.

(b) High Temperature Heat Pump.—This project is the development and demonstration of an industrial heat pump which would operate in thermal ranges higher than those where known development effort has been concentrated. The heat pump as applied to industrial processes is an extremely attractive device. Heat pumps are devices which take energy from a source and pump it to another source in concentrated (higher heat level) form. The performance of a heat pump is measured by its coefficient of performance (COP) which can have a value greater than one (1.0). To put this into perspective, corresponding heater efficiencies as COP's would be: gas heaters (less than .60), oil-fired heaters (less than .55) and electric heaters (.30).

(c) Inert Gas Paint Curing System.—In 1975 the total coating industry (coil coating and post painting) finished 70 billion square feet of metals for a total energy consumption of 197x10^{12} Btu which was primarily natural gas. A new paint curing energy recovery process has been developed wherein the solvent vapors (normally incinerated and discharged to the atmosphere) are used as a fuel supply for the heat to cure the paint. The oven, in this case, has no burners and the curing energy is supplied by the incineration of the solvent vapors with very little additional fuel required. The equipment for this process is currently available although not in operation. It is expensive (ranging from $800 thousand to $1 million installed) and therefore poses significant risk to industry. This project consists of planning and installation of this equipment in one line of a major coal coater's plant and running a six-month demonstration test on it.

(3) Energy Conversion:

(a) Rankine Bottoming Cycles.—Three Rankine type waste heat programs have been initiated in FY 76 amounting to over $0.5 million. Closed Rankine Systems are quickly and economically implementable and appear to provide the greatest near-term (2–10 years) benefit to utilization of low-grade waste heat. These systems will initially be installed in large industrial diesel engines typically used for electric power generation, marine propulsion, and industrial process power.

(b) Thermionics.—Efforts are underway to develop advanced thermionic conversion devices (non-rotating machinery, direct thermal to electrical conversion) for utilization with high temperature waste heat generated by large steam electrical power stations. The machinery being investigated is not susceptible to particulates found in many alternate fuels. FY 76 funding is approximately $265 thousand.

(c) Helical Expanders.—Ongoing efforts are being conducted to provide conversion machinery capable of operating at higher source temperatures, with less cleanup, thereby making combined cycle systems more practical and improving Carnot potential. Helical expanders and other direct fired conversion machinery for operation with any fuel service and minimum cleanup are being investigated for possible development. This effort is currently funded for FY 76 at approximately $200 thousand.

(d) Heat Exchangers.—In conjunction with thermionics, helical expanders and bottoming cycle applications, an interagency (Navy) effort for $150 thousand in FY 76 is being conducted for heat exchanger technology for application in low- and high-grade heat recovery.

(4) Office of Highway Vehicle Systems:

The Office of Highway Vehicle Systems (OHVS) has as its prime goal the development and implementation of technologies which will effect significant improvements in the fuel economy of vehicles—over and above efforts being made by the industry. OHVS programs include improvements to internal combustion engines, development of promising new engine concepts, and methods of using waste heat. In this latter area, OHVS has two programs aimed at improving the fuel economy of vehicles directly through the use of waste heat. One is applied to passenger cars. This program, nearly complete, is entitled "Turbocompounding the Spark Ignition Engine." The other waste heat program applied to large trucks is entitled "Truck Diesel-Rankine Compound Engine Development Program," and is an ongoing effort. Although the technologies involved in each of these two programs are different, our results to date indicate that both have the potential of producing about a 15% fuel economy gain in vehicles.

(5) Non-Highway Transport Systems:

Non-Highway Transport System is also currently supporting a study of the application of bottoming cycles to gas and oil pipeline pumping stations. Should the study results validate the economic viability of low level rankine heat recovery systems for pipelines, a demonstration program of such a system will be planned for support beginning in FY 77.

(6) Advanced Concepts Evaluation:

(a) Feasibility of Aquaculture.—This project is a joint effort with the Vermont Yankee Nuclear Power Corporation and the State of Vermont on the feasibility of aquaculture at the Vermont Yankee Nuclear Power Plant. An amount of $40 thousand has been awarded for this project.

(b) Beneficial Uses of Power Plant Waste Heat.—The most recent accomplishment of this Nuclear Research Application (NRA) project at the Oak Ridge National Laboratory is the development of a system for using power plant waste heat to heat and cool greenhouses. ERDA funding has been used to design a one-half acre demonstration greenhouse, which the Tennessee Valley Authority plans to build with their funds at the Brown's Ferry Nuclear Power Plant. In the coming year, the NRA project plans to evaluate multi-use waste heat systems, the potential for commercial utilization of power plant waste heat, and the use of waste heat to grow algae for aquaculture food-chains. The planned obligations are $80 thousand in FY 76, $25 thousand in the transition quarter and $125 thousand in FY 77.

(3) What efforts are being made to encourage waste heat utilization by private industry? Is waste heat utilization being actively incorporated into any educational programs for industrial energy conservation? I would appreciate having any materials that might be relevant to these two questions.

The Office of Conservation's Division of Buildings and Industry is developing, in FY 76, a manual on how to use waste heat in industry. They are also coordinating efforts in waste heat utilization with industrial trade associations. The Energy Conversion Program has several cost-sharing contracts with industry and frequently holds multi-pronged discussions with representatives from the industrial sector. Various articles are also being prepared by Energy Conversion to appear in the American Public Power Association Journal.

We are not aware, at this time, of any programs actively incorporating waste heat utilization into any educational programs for industrial energy conservation.

(4) What specifically constitutes ERDA's involvement in the international energy agency with regards to waste heat utilization? How actively is ERDA monitoring international developments in this matter? Again, I would appreciate having any materials that might be relevant to these questions.

Attachment IV, ERDA 76–13, contains a brief synopsis of the areas in which ERDA is involved in the International Energy Agency Program (IEA). Within the waste heat utilization area, Mr. Gerald Leighton (Office of Conservation) is the U.S. Representative on the Waste Heat Utilization Working Group which is chaired by Dr. Helmut Klein of West Germany. The Working Group's program is designed to provide participating countries with essential data for the planning of integrated energy systems. The projects will address the use of rejected low grade heat, particularly that arising from electricity production; the techniques of mapping the demand for heat in industrial and residential districts; and heat storage.

At a recent IEA Committee on R&D meeting, it was determined that the Waste Heat Utilization Group would be folded into the Working Group for Energy Conservation R&D which is chaired by Dr. Melvin H. Chiogioji (Office of Conservation) of the U.S.

We hope to engage in cooperative research in the areas of energy storage, bottoming and topping cycles, and heat cascading. ERDA is actively monitoring and participating in research programs in these areas.

Under the Community Systems Subprogram (Buildings and Consumer Products) a bilateral project is being undertaken with the Federal Republic of Germany to evaluate a test facility for recovery and productive use of waste heat in small scale community energy systems.

Dr. William S. Thielbahr (Naval Weapons Center, China Lake, California) and Mr. Dominic J. Monetta (Conservation Research and Technology, ERDA), with the assistance of Dr. George Leppert (Argonne National Laboratory), are negotiating an international cooperative agreement with the United Kingdom to initiate data base transfers and cooperative research programs in an area of heat transfer technology.

During FY 75, the EPA Alternative Automotive Power Systems Division in Ann Arbor, Michigan contracted a program with Ricardo and Company, Engineers of Sussex, England to explore and map the potential for improving the fuel economy of spark ignition automobile engines through better use of energy in the engine exhaust. With the transfer of the Ann Arbor group to ERDA, the program was completed as an ERDA Transportation Energy Conservation Contract. Two Italian Alfa Romeo 2 liter engines were purchased and tested in this program. One was fitted with a more-or-less conventional turbosupercharger; the other was provided with a way to independently pressurize the inlet and the exhaust; thus mapping could be done over a reasonably wide range of variables. Based on these results, a preliminary design of a turbocompound engine was made to meet performance requirements of the 1974 EPA Compact Car Specifications. Using this engine design, fuel economy calculations were made for a 3500 lb. car in both the Federal urban and highway driving cycles. These calculations indicated gains in fuel economy for the turbocompound engine of 16% and 13% for the two cycles, respectively. A progress statement from this program is enclosed for additional information (Attachment V).

(5) What efforts are being made to coordinate research and development of waste heat with other Government and/or private agencies, such as the Federal Energy Administration and the Armed Services?

A joint multi-year project is being undertaken with the Department of Defense and Buildings and Consumer Products to pursue development and implementation of heat recovery and other energy conservation measures on a community scale, using Navy installations as the test community.

Energy Conversion plans to support two projects with the Navy this fiscal year; heat transfer technology for approximately $125 thousand and waste heat utilization for approximately $10 thousand. The Energy Conversion Program has already awarded $35 thousand to the Naval Weapons Center, China Lake, California for a project dealing with heat exchanges.

Waste heat utilization research and development are being coordinated within the government through interagency coordinating groups on buildings conservation and integrated energy systems. Coordination with private agencies is being developed through Program Opportunity Notices to industry and direct contacts with trade associations of major potential users such as the International District Heating Association.

In addition, ERDA maintains interface with other government agencies, such as FEA, NBS and with other industry groups such as EPRI, AGA, APPA and IGT through various agreements.

I hope you will find the information contained in this letter helpful. Enclosed are additional materials I thought might be of interest to you. If I can be of further assistance, please do not hesitate to call me.

Sincerely,

John A. Belding,
Acting Director, Division of Conservation Research and Technology, Office of Conservation.

Federal Energy Administration,
Washington, D.C.

Hon. Charles A. Vanik,
House of Representatives,
Washington, D.C.

Dear Mr. Vanik: Thank you for your letter of February 11, 1976, concerning waste heat utilization. You raised a number of questions which I will answer in detail below. At a later date, we will provide materials which are presently in various stages of development.

As an integral part of its ongoing industrial energy conservation program, the Federal Energy Administration's (FEA) Office of Energy Conservation and Environment (ECE) is actively pursuing work relating to waste heat recovery both from the generation of electrical power and as a by-product of industrial energy uses. As indicated in my letter of February 5, work is going on relative to increasing the dual use of energy by industry and in waste heat recovry. Specifically, you are referred to the Michigan Industrial Center Study, which was funded in FY 1974 by the National Science Foundation with support from the FEA. Copies of the report are scarce. However, arrangements may be made to review our Industrial Programs (IP) office copy by calling Mr. Dick Cowles at 254–9755. IP has contracted with Thermo-Electron Corporation to develop a detailed assessment of the potential for increased in-plant power generation by the paper, petroleum refining, and chemical industries. That office has also funded the National Bureau of Standards (NBS) to develop a waste heat management guidebook for use by industrial managers and engineers. Topic coverage of this document will include waste heat recovery techniques, economics, equipment availability, and design concepts.

The total expenditure for these two documents is approximately $400,000, of which all but $35,000 was obligated in FY 1975. NBS has been provided $35,000 of FY 1976 funds to complete the guidebook. Each of these documents should be available within a few months. Contract expenditures for waste heat utilization work by ECE are presently undetermined for the Transitional Quarter and FY 1977. There are two IP personnel who are engaged part time on waste heat utilization matters.

Industrial waste heat management is a topic slated for inclusion in the upcoming industrial workshops program. Beginning in late summer, this program will reach an estimated 4,000 plants over the period of a year. The waste heat management guidebook will be available both as reference material for the presentations and discussions as well as a document which can be provided to the attendees.

The International Energy Agency (IEA) is a key international forum within which documents such as those described above can be formally exchanged. Information transfer is an important benefit deriving from active participation in the IEA. The Chairman of the Energy Conservation Research and Development Group of the IEA is on the staff of the Energy Research and Development Administration (ERDA). He has contributed extensively to the activities of the Waste Heat Committee.

Regarding cooperation within the Federal Government, IP recently hosted a meeting attended by a number of representatives outside FEA. The purpose of the meeting was to discuss potential Federal roles to stimulate dual-purpose power plant development. A copy of the discussion outline is attached as well as a follow-up analysis. Since the meeting, IP developed a Request for Proposals for a study of industrial dual-purpose power plant development, to include (1) an assessment of the total potential, (2) an estimate of the expected development without Federal stimuli, (3) an identification and assessment of possible Federal actions, and (4) development of a program implementation plan. FEA, ERDA and Department of Commerce representatives meet monthly to discuss program direction. Informal discussions on important program such as waste heat occur even more frequently.

The Thermo-Electron report will include recommendations dealing with impediments and incentives to increase waste heat utilization. Some impediments and potential incentives are also contained in the dual-purpose power plant discussion outline and the follow-up analysis.

I trust this information will be helpful. If I can be of further assistance, please do not hesitate to call.

Sincerely,

Frank G. Zarb,
Administrator.

MASONIC WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. MURPHY of New York. Mr. Speaker, on June 27, 1976, an unusual Bicentennial event took place on Staten Island of my congressional district. The Masonic Association of Richmond County held a large parade in honor of Independence Day, the Nation's 200th birthday and the history of this fraternal order in our country.

The parade was held in Richmondtown, a site significant because the Masons met in the town tavern years before the Revolution. Now the town is being restored, and the room above the tavern is being named a Masonic museum.

The crosstown celebration included delegations from all of the Staten Island lodges and Masonic organizations and guests from many out-of-town lodges. I am very proud of the Richmond Masonic Association, and think my colleagues will be interested in an account of "Masonic Week in the Borough of Staten Island.":

Masonic Week Honoring America in Its Eicentennial

On June 27, 1976, Sunday afternoon, at historic Richmondtown Restoration, Staten Island, N.Y., there gathered over 6000 Masons and their families and friends to celebrate the Nation's Bicentennial. A parade of approximately one mile took place in the county which consisted of Masons, Shriners, Order of the Eastern Star, Triangle Girls, Order of the DeMolay, Royal Arch Masons, Scottish Rite Masons, Knight Templars and the Commandry, National Sojourners, Order of the Amaranth, Tall Cedars of Lebanon, the Cedarettes, the Sea Scouts, Masonic War Veterans, Richmond Lodge of Masons led by its Master W.'. Alexander Gollinge, Jr.; Huguenot Lodge of Masons led by its Master W.'. George C. Steadman; Tompkins Lodge of Masons led by its Master W.'. Carl Anderson; Beacon Light Lodge of Masons led by its Master W.'. Fred Altomonte; Aquehonga Lodge of Masons led by its Master W.'. Edward E. Boyko; Great Kills Lodge of Masons led by its Master W.'. William R. Knieriem; New Dorp Lodge of Masons led by its Master W.'. James Moylan; LaGuardia Lodge of Masons led by its Master W.'. Harold A. Johnson.

The Bicentennial event was sponsored by the Richmond Masonic Association whose President is W.'. Bentley L. Brown; Vice-President W.'. Fred S. Cericola; Vice-President W.'. Walter R. Lee; Treasurer W.'. Donald W. Joergens; Secretary W.'. Michael Percoco; Chairman of the Board R.'.W.'. Robert J. Jones; Vice-Chairman of the Board R.'.W.'. Gerard Bartholamew McGee; Chaplain R.'.W.'. Solomon M. Rosanoff.

The event was in two phases. Parade with floats and the marchers with four marching bands; and, a ceremony at the very old courthouse in the Richmondtown Restoration Area which dates back to pre-Revolutionary War days.

Announcing the Line of March was former Criminal Court Judge R.'.W.'. Alfred J. 'Pete' Cawse; the event Chairman and Master of Ceremony was W.'. William Reycraft; the General Chairman of the Bicentennial Program for the Richmond Masonic Association was R.'.W.'. Alexander A. Bleimann, who is currently the Chairman of the Grand Lodge Committee on the 1976 Bicentennial for the State of New York, F. & A. M. The official color guards and bearers consisted of the Staten Shrine Club whose President is R.'.W.'. John J. Columbo, the Rangers of the Tall Cedars of Lebanon under its Director Bro. Walter Bentsen; and the National Sojourners from Fort Monmouth, N.J.; and the Masonic War Veterans Grand Lodge Post.

A narration was recited by R.'.W.'. Alexander Bleimann, a copy of which follows and which brings the theme of the Bicentennial event to the fore.

THE NARRATION FOR MASONIC WEEK BICENTENNIAL CELEBRATION

Thomas Jefferson would have been incredibly proud were he alive today to hear the resulting effect of the inspiring words he wrote nearly two hundred years ago . . . "When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the laws of nature and of nature's god entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation."

His words continue, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness . . ."

You and I as citizens of this great nation are privileged to enjoy many priceless gifts which have come to us since the signing of the Great Declaration 200 years ago. The most priceless of these indeed is our Freedom; freedom to assemble here this afternoon as Americans and as Masons.

But as we celebrate the Bicentennial today, we must also pause to remember that freedom was not easily gained, nor has it been easy to attain, for there are those in the world today who would deprive us of our freedom. And so, as we stand on the threshold of the third century of Americana, we must stand resolutely prepared to defend our rights as those who had gone this way before us.

Our Flag, which you all have displayed today and which appears throughout the area is unlike many other flags. Many of them have evolved after the development of their country. But ours was born from the fight for freedom, and there is none which has so inspired the veneration we render it. Our Flag is stained in design by the blood of those who died for it 200 years ago, and through the centuries of those who died defending it. We pay respect to it by pledging allegiance to it, fly it over our homes and from tops of buildings, display it with honor in every country in the world, nominate it with loving epithets such as "Grand Old Flag", "Stars and Stripes", "Old Glory", and "the Red, White, and Blue". And, one of our Presidents even named a National Holiday for it. No other symbol whether it be the Seal of the President, the Eagle, Uncle Sam, or the Liberty Bell, excites the feelings and emotions as does our Flag. Such reverence is paralleled to religion itself. And so, for the past two hundred years it has become a motif to signify loyalty, sacrifice, heroism, and patriotic emotions. It has also been focality of indignity and outrage. It has been burned, spat on, desecrated, misused, and insulted. Yet, it flies proudly above all in glory and majesty.

Senator George Hoars stated a hundred years ago, "Beautiful as a flower to those who love it, terrible as a meteor to those who hate it, it is the symbol of the power and glory, and the honor, of Americans."

Akin to American Heritage is the Heritage of Freemasonry. Of the 56 men who signed the Declaration of Independence, 9 were Masons. Of the 39 signers of the Constitution of our country, 13 were Masons. Of the 48 who signed the Articles of Confederation, 9 were Masons. Of 38 Presidents of the United States, 15 were Masons, including the one in the White House at the present time. Of the Vice-Presidents of the United States, 17 were Masons, including the M.'.W.'. Daniel D. Tompkins who lived here on Staten Island.

The history of the world in the last 200 years and more, has been heavily ladened with notable Masons in the constant struggle for Freedom and Justice, certainly too numerous indeed to make note of here.

It is said, therefore, that "Freemasonry builds its temples in the hearts of men and among Nations."

May our Nation similarly experience its third century of Horizons of Brotherhood, Hope and Charity "with firm reliance on the protection of divine Providence, we must mutually pledge to each other our lives, our Fortunes and our Sacred Honor."

The Grand Lodge of Free and Accepted Masons of the State of New York was represented by R.'.W.'. William R. Punt, Deputy Grand Master; R.'.W.'.Frederick Stutz, Past Treasurer; M.'.W.'. Arthur Markewich, Past Grand Master; R.'.W.'. Frederick Stutz, Past Senior Grand Warden; R.'.W.'. Raymond Bansept, Grand Steward; W.'. Raymond Alvarez, Director of Communications, R.'.W.'. Wendell K. Walker, Grand Secretary.

The Bicentennial Committee comprised of W.'. Valerio Chironna, W.'. Jack Gilbert, W.'. Charles W. Kirkley, R.'.W.'. Wilbur L. Decker, R.'.W.'. John Columbo, R.'.W.'. Philip C. DePaul, R.'.W.'. Dominic M. Rufulo, W.'. Walter Lee, W.'. John Mathieson, R.'.W.'. John W. Davis, R.'.W.'. Victor D. Lederhandler, W.'. H. Arnold Johnson, W.'. Fred S. Cericola, W.'. Theodore Chintalan, R.'.W.'. Raymond Bansept.

The Masonic Guest of Honor was R.'.W.'. William R. Punt, Deputy Grand Master of the Grand Lodge of New York, F. & A.M. who gave the principal address. The invocation was given by a Grand Chaplain Emeritus of the Grand Lodge of New York, R.'.W.'. and Rabbi Benjamin B. Wykansky. The National Anthem was sung by Mrs. Robert J. Jones, the wife of the District Deputy Grand Master. The Benediction was given by Bro. and Rev. E. Howard Housman.

The Pledge of Allegiance to the Flag was presented by W.'. Charles J. Combs.

W.'. William J. Reycraft, the Chairman of the event, related that part of the Revolution was fought on the site in which the Bicentennial event was taking place. It was the forces under Admiral Richard Lord Howe that occupied New York and Staten Island. It was here Major John Anre was stationed at the Cocclestown Tavern, which is being restored as a Colonial building and as the Masonic Library and Museum for the Richmond Masonic Association.

The Hon. John M. Murphy, distinguished Congressman of Staten Island, greeted the assemblage, and recounted his great admiration for the Masonic Movement and friendship he has had with his Masonic neighbors. Also present was the Hon. Robert T. Connor, the distinguished Borough President of the County, who declared by an official Proclamation that the period between June 27th and July 4th inclusive would be Masonic Bicentennial Week in honor of the Masonic Fraternity.

Mr. Frederick Loffredo, President of the Staten Island Historical Society, greeted the Richmond Masonic Association and the Grand Lodge of New York, F. & A.M. and remarked of the close kinship Richmondtown had with the Masonic Fraternity since 1745.

The President of the Richmond Masonic Association, W.'. Bentley L. Brown, presented Mr. Loring McMillen, Executive Director of the Richmondtown Restoration Project, a gift for recognition of the work done on the Masonic Museum and Library.

R.'.W.'. Alexander A. Bleimann, General Chairman, presented Mr. Richmond E. Diamond, Associate Publisher of the Staten Island Advance, with a Meritorious Service Certificate for his great service to the community during the Bicentennial Year. A similar award was presented to Mr. Les Trautman, Managing Editor of the Staten Island Advance by R.'.W.'. Alfred J. Cawse on behalf of the Richmond Masonic Association.

R.'.W.'. Robert J. Jones, District Deputy Grand Master, presented a Grand Lodge Bicentennial Certificate to W.'. Theodore Chintalan for his great effort in bringing patriotic values and the meaning of Bicentennial to the community. Bro. Jones Also Remarked concerning the greatness of our beloved Country in a confused world, and asked for periods of special prayer for Brotherhood and Peace on Earth.

On receiving the Borough Presidential Proclamation on behalf of the Richmond Masonic Association, W.'. William Reycraft remarked that the Bicentennial Masonic Seal, designed by Mrs. Jeanne V. Bleimann of Staten Island was affixed and made part of the official document.

The Richmond Masonic Association has programed three notable Bicentennial events in 1976. The first was a church service at the Bicentennial Church of St. Andrews at historic Richmondtown on January 25, 1976. The second was a parade and ceremony at historic Conference House, a National Landmark, on Staten Island, there Benjamin Franklin, John Adams, and Edward Rutledge met with Admiral Richard Lord Howe on September 11, 1776, to discuss ways to resolve the Revolution. The aftermath in American History. The third was his great community participation on June 27th, 1976, one week before Independence Day.

A most befitting celebration and observance for our Great Nation.

ALEXANDER A. BLEIMANN,
General Chairman.

A TRIBUTE TO KARL MONROE—DISTINGUISHED ILLINOIS JOURNALIST

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. PRICE. Mr. Speaker, one of my constituents, Mr. Karl Monroe, editor of the Collinsville, Ill., Herald has been honored in that newspaper by Mr. Irving Dilliard for his journalistic leadership. I feel Karl's integrity and his devotion to journalism sets a high example of a truly dedicated newspaperman. I would like to share this article depicting his contribution to journalism with my colleagues:

HAPPY BIRTHDAY, MR. EDITOR, AN INDEPENDENT TRIBUTE

(By Irving Dilliard)

Collinsville is a fortunate community in many ways. Its founders chose an excellent site high on the bluffs overlooking the great Mississippi flood plain. Through the years Collinsville's municipal officials have been on the whole progressive leaders who have worked to meet the needs and advance the welfare of our people. The same can be said of the promoters of business, industry, education, culture and religion in our area. Collinsville's youth have distinguished themselves academically and in athletics and then gone on to earn posts of note and value in adult life. Everyone can think of instances both past and present, that support these statements about Collinsville.

One respect in which our community is rarely fortunate is likely to be overlooked when credits are being distributed. That is in the editorship of the semiweekly newspaper, The Collinsville Herald. And that means in the presence of Karl Monroe either at the Herald office, 113 E. Clay St. or at his home, 7 Briarcliffe Drive, or jogging, as it were, somewhere in between.

Since Karl was born, July 1, 1915, his birthday this coming Thursday is something of a milestone for him for it marks the completion of a memorable year in his life. It marks also, so this observer believes, an occasion, in the life of Collinsville as well. Thus Collinsville would do well to take stock of what Karl's journalistic leadership has meant to us all.

Karl has not always pleased everyone and the sooner this is said the better. As editor he has had to make a lot of decisions and many of these decisions have gone against the likes and preferences of others. Inevitably he has rubbed some people the wrong way. Seldom has he had as much time to consider and weigh matters as he might wish. That is just the way it is in the never-ending business of editing a newspaper.

Karl learned his craft at his father's typewriter. The late State Senator-Representative James Oliver Monroe was editor before him and J.O. knew his calling as few editors do. But J.O. was a widely known political figure who, over the years, allotted a major share of his time to the politics of Madison County and State of Illinois and to the demands of the Legislature. Karl has been and is editor, for all practical purposes, full-time. This devotion to the editorship shows in the Herald's opinion and news and feature pages and in the high quality of the news, business and production staffs that Karl has recruited or helped develop into innovative, efficient and responsible organizations.

The Herald was established in 1879 and so lacks only three years of being at the century mark. Since Karl's father took over the Herald in the World War I year of 1917, the Herald has been in Monroe hands for more than half its life. Karl became editor and president of the Herald company in 1956—just 20 years ago. For 10 years, 1946–56, he had been news editor.

Now let's go back and put some of the bigger pieces of our editor's life in order. Named Karl Louis, he was born in Jacksonville, his mother being the former Frieda Koch. The Kochs were an alert, cultured family and Karl bears qualities of his maternal grandmother, Elizabeth Koch, who in later years lived in Collinsville and still is well-remembered for her contribution to life and learning here. For example, Mrs. Koch was chairman of the community-wide library organization in 1919 that proposed city sponsorship and tax support for the Collinsville Memorial Public Library.

Karl was not yet two years old when J.O. moved his journalistic activities from Jacksonville to Collinsville. The Monroe family was soon established in a two-story, book-piled home in the West Clay-Summit Avenue neighborhood. There Karl grew up, the second among five. There were an older brother, John, a civil servant with the Department of Defense; two younger brothers, both sadly removed from the Collinsville scene by untimely death, James O. Jr., Madison County Circuit Judge, and Thomas W., business and mechanical manager at the Herald; and one sister, Elizabeth, who became Mrs. Ronald E. Stevens.

Karl attended Collinsville public schools, graduating from high school in 1933. He then enrolled at Illinois College, Jacksonville, from which he was graduated with Phi Beta Kappa's gold key in 1937. Remembering his high academic record and taking note of his achievement as an editor, Illinois College presented him with its Distinguished Citizen Award at its 1968 Commencement.

Because Karl mostly has kept to his office and duties related to it and has done his work locally week in and week out, honors that many others would have sought have come to him almost automatically. This year he is president of the statewide Illinois Press Association, with responsibilities from Cairo all the way to the Wisconsin line. This truly is no light undertaking.

Few editors have done more than Karl to bring the International Society of Weekly Newspaper Editors to its present state of organization and influence. He was its president, 1968–70, and has missed few of its sessions over some two decades. He and Mrs. Monroe, the former Mary Vivian Meni, whom he married Aug. 18, 1940, spent the third week in June at Northern Illinois University, DeKalb and Oregon campuses, discussing common problems and editorial efforts with other I.S.W.N.E. members from over the country and Canada. While there he learned that one of his bicentennial editors, "Not Worth a Continental," had been adjudged among the "Golden Dozen" best weekly editorials of the year 1975. As such, it was reproduced in a booklet and circulated to all members.

A past president of the Southern Illinois Editorial Association, Karl has three distinctions that taken together have not come to any other Illinois editor: 1968, the Illinois Press Association's Editor of the Year; 1972, the Southern Illinois Editorial Association's Golden "M" Master Editor; and 1976, Northern Illinois University Journalism Department's Illinois Journalist of the Year. This last award has been presented five times and Karl Monroe is the first editor outside Chicago to receive it.

Knowing that an editor can be compromised by public connections, Karl has avoided the temptations of civic posts and offices, the one significant exception being membership on the Madison County Board of School Trustees. That post, which seldom is in the limelight, he has held since 1952. For a lesser length of time he has been Collinsville's representative on the Board of Trustees of the Madison County Historical Society which maintains, with the support of the Board of Supervisors, the County Historical Museum in Edwardsville. Throughout his editorship the Herald had reflected his deep interest in area history.

Along the way Karl has given his personal backing to many charitable causes. In the late 1940s he was a director of the Salvation Army's efforts in Collinsville and he chaired the Red Cross's campaign in 1950. He fully deserved the DeMolay's Legion of Honor Award that came to him in 1962. If it seems that he must have accepted every salute directed to him, that is not so. This spring he was invited to be president of the Public Question Club of St. Louis, 1976–77. As his hands were full with the Illinois Press Association presidency he had to say "No" to the St. Louis club at this time.

Karl devoted two years, 1944–46, to the Army in World War II. He served with the 39th Infantry in Europe and then was on duty with the British forces in the occupation of Germany and Austria, where he reached the rank of 1st Lieutenant. Apart from his military experience he has traveled in both Europe and the Orient.

Notwithstanding a joint life as busy as this one, Karl and Mary Monroe have been the parents of four: Becky, Mrs. Gerald H. Veach; Kay, Mrs. Melvin R. Weisbrod; Mike and Bill. Karl is a Methodist, but you would never know it from the columns of the Herald which plays no favorites. He does however have his own code which allows little cheer for John Barleycorn in his editorial page column. Week by week the medical news proves him right and still more right in his long war against what used to be called coffin nails.

Karl can be kindly and understanding in unusual situations as in his relationship with the late Elmer Hazzard who could make a unique contribution to Collinsville sports only because the Monroes saw what Hazzy had to offer if he was allowed to go pretty much his own way. Karl can be a momentary Thoreau as when he is setting out a row of rose bushes or planting a bed of pink petunias along his driveway.

There is no doubt about it, Karl Monroe could have made his way wholly creditably with the metropolitan journalists of St. Louis or Chicago—or for that matter New York or Washington. Collinsville, in the nation's bicentennial year, can be grateful that he chose to stay in his home town and do his part in making it a better place in which to live.

Now as a final word: Karl does not know this is being written. He does not know that I have enlisted the help of News Editor Pat Gauen to get it into the Herald without Karl's knowledge. It may not work but we are going to try. For the cause is a good one:

"Happy Birthday Karl—Many Returns of the Day!"

THE MEDICAL FREEDOM OF CHOICE ACT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SYMMS. Mr. Speaker, it was my pleasure on June 23, 1976, to appear before the Subcommittee on Health and the Environment accompanied by my distinguished colleague Congressman RICHARD OTTINGER. The topic of discussion was the FDA and problems caused by our current drug regulations as well as possible future problems of new legislation. It is with great pleasure that I present Congressman OTTINGER's testimony to the readership of the RECORD:

THE MEDICAL FREEDOM OF CHOICE ACT

(Testimony of Hon. RICHARD L. OTTINGER of New York Before the Subcommittee on Health and the Environment)

Mr. Chairman, I appreciate that you have given Congressman Symms, Dr. Halberstam and myself the opportunity to appear before you today to testify in behalf of the Medical Freedom of Choice Act, H.R. 14426.

The co-sponsors of this proposal represent a variety of political philosophies and include some of the most conservative as well as some of the most liberal members of the House. Likewise, the reasons that convinced these members to co-sponsor such legislation are many and varied.

My own feeling is that the efficacy requirements that are now in place for the approval of new drugs in this country infringe upon the right of the individual to choose from among safe forms of medical treatment that could otherwise be on the market. Frequently psychology is as important to curing disease as is medicine. If a person thinks a remedy will help him, it may have that effect even though the product may have no proven medicinal value. There are also drugs which are in wide use elsewhere the efficacy of which is disputed by reputable scientists. There is no reason why these drugs should not be available for use—so long as they are indisputably safe, accurately labeled with respect to efficacy, and promoted and advertised accurately as well.

I cannot emphasize strongly enough my feeling that drugs that have not been proven safe to the satisfaction of the Food and Drug Administration should not be on the market. Furthermore, the American consumer should be aware through proper labeling and promotion that although a drug has passed all safety standards, it may or may not be effective in treating the ailment for which it is being prescribed. It is my opinion that the Food, Drug and Cosmetic Act probably contains sufficient authority now to allow the FDA to carry out strict labeling standards regarding the effectiveness of drugs were the proof of efficacy requirements removed from the law. However, if evidence to the contrary should be presented, I would want to strengthen FDA's authority in this area, either through amendments to H.R. 14426 or through separate legislation.

I understand that Congressman Symms is also drafting additional legislation in this area that he intends to introduce at a later date and that he is prepared to comment on that legislation in this testimony today. The FTC clearly does not have the authority to act against any misleading advertising.

In addition to the basic question of the right of individuals to exercise freedom of choice of safe medical treatment, there is considerable evidence that internal problems at FDA and over-stringent proof requirements have made it virtually impossible to meet efficacy standards under present law. While I am basically supportive of the FDA, I have seen convincing data to show that the efficacy requirements are contributing to a "drug lag" in this country because of unnecessarily stringent efficacy standards. You will also hear from a competent member of the medical profession who will address himself more specifically to the issue of the drug lag and the fact that FDA regulations are stifling drug research in the U.S. because scientists feel that it is fruitless to experiment with drugs that are unlikely to ever reach the American marketplace.

Many people have pointed out the fact that the efficacy requirements in the Food, Drug and Cosmetic Act have encouraged the build-up of a drug monopoly where only the very large drug companies can afford the expensive testing they are required to conduct in order to establish effectiveness. In this sense, H.R. 14426 is a pro-consumer anti-monopoly bill. It would stimulate competition between the larger and the smaller drug manufacturers and should result in lower drug prices.

As our drug regulatory system is now structured, medical freedom of choice is available to a select group—those who can afford to leave the country to obtain treatment recommended by their physicians but available only outside the U.S. Since there has always been controversy at all levels within the medical and scientific community as to the effectiveness of particular drugs, we can conclude that many of these determinations are subjective at best. Therefore, a doctor who is convinced of the usefulness of an unapproved drug faces the choice of counseling the patient to leave the country to obtain treatment or else violating the law by acquiring and administering the drug illegally.

Mr. Chairman, I would have to say that there may be points made regarding this legislation with which I will not agree entirely. My own decision in co-sponsoring the legislation has come from my conviction that an informed consumer should be free to choose safe medical treatment that is recommended by his or her physician and that the federal government should not involve itself in denying such freedom of choice to the public. The controversy that rages within the medical community over the efficacy of certain drugs, the barriers which have come into being against the use of certain possibly effective and beneficial drugs in the U.S. and the question of "drug lag" certainly demand a reinvestigation of the 1962 amendments. I reiterate that we can and must demand the safety of consumer goods and that we must insure that the public is well-informed about what is being purchased. But there is a limit to the extent to which we can protect the public, and when we reach the point where we have violated the individual's freedom of choice, then we have gone too far.

Again, I appreciate the opportunity to testify before you.

THIS, AND THE NEXT, 200 YEARS

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. NICHOLS. Mr. Speaker, all across this great Nation, the people of America have exhibited an enthusiasm for America that befits a Bicentennial celebration. We seem to be at peace with ourselves for the first time in a number of years and every indication leads me to believe that many of the problems that once plagued and threatened this great land have been overcome.

But in the future, as we move into our third century, new, more tedious problems will no doubt arise.

The Birmingham News, one of Alabama's leading newspapers, addressed this very subject in an editorial appearing in the July 4, 1976, issue. I believe that many salient points are made and that this article would be of interest to my colleagues of the House. I am therefore submitting for publication in the CONGRESSIONAL RECORD a copy of the article entitled "This, and the Next, 200 Years":

THIS, AND THE NEXT, 200 YEARS

". . . this great anniversary festival ought to be commemorated as the day of deliverance, by solemn acts of devotion to God Almighty. It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires and illuminations, from one end of the country to the other, from this time forever more."—John Adams to Abigail Adams, July 3, 1776.

Millions of Americans still share the awe and gratitude that John Adams expressed in his fervid letter to his wife, Abigail, but they lack the words to express how they feel about their country on this most solemn of days.

Even if they had the words, they might be reluctant to express their love and devotion so openly, since it is presently unfashionable to express deep and positive feelings for one's country or the spiritual mystery which created it and preserved it from 1776 to this day.

One can imagine the righteous anger John Adam would show in the face of the self-hate, self-condemnation script which has been foisted on the nation since some time in the '60s. He would have seen the hate-America syndrome as spawned by elitist commentators, priests and rabbis, revisionist historians and the rag-tag assembly of radical-chic artists, actors and musicians as an attempt to discredit the very foundations of the nation.

But the United States of America has always had its detractors, both at home and abroad, even as the ink was drying on the Declaration of Independence, down to this present day—in Washington, Philadelphia, Boston and New York in Moscow, New Delhi and Peking.

Some of the criticism has been honest and spoken out of love for the nation.

Some has been made out of arrogance, out of a meanness of spirit and out of a thirst for power.

But regardless of the detractors, the nation has moved forward—from a revolution in political thought and government, to a revolution in industry and agriculture, science, medicine and technology.

Hardly any aspect of life on this earth today can be said not to have been influenced by American know-how and American enthusiasm and American belief in itself and in its goals to make life more abundant and more abundantly free.

While no nation in history has enjoyed a higher standard of living, neither has any nation in history given of its wealth and substance more freely.

But even so, the gift of wealth and substance has been secondary to the gift that is implicit in the nation itself—the example of free people using their free wills working together to make life a more rewarding and meaningful experience.

Hardly a nation exists in this world today that has not felt the compassion of this country in times of trouble and need. Wherever tragedy has struck in the world, Americans have been among the first to respond with heart, money, goods and manpower.

So, despite its detractors, the nation has fulfilled its promise in ways the founding fathers never dreamed of or hoped for. This is not to say that it has not had failures, that it has not been insensitive at times, that it has not made mistakes, that it has not at times listened to siren voices.

And as glorious as its history may be, it has not reached its zenith. It has not yet filled its full potential of guaranteeing life, liberty and the pursuit of happiness where men stand equal in the eyes of the law and of the Creator.

The great experiment is still in progress. The risks our forefathers saw are still with us, still being taken every day in the nation's life.

And as long as we remain a free people in a democratic republican system, the risks will be woven into the fabric of our lives, for risk is the other side of the coin of freedom. To risk, to dare is also the very essence of freedom. It is this peculiarly American understanding that has allowed, and will allow, us to move boldly into the unknown.

The gravest danger the nation faces now and in the next 100 years exists in the thinking of those who would attempt to remove all risks from life through legislation and regulation. To exchange risks for certainty will be to try to buy security.

Therefore, it is imperative that we look with skepticism upon those who would save us from ourselves, those elitists who promise to remove all risks from our lives and offer us some kind of Utopia.

This is not the first time the nation has been confronted by elitists who have all the answers. Since its founding, the "mind of the nation" has from time to time found it necessary to confront and rebuke efforts to establish elitist rule.

We are in such a confrontation today, on this our 200th anniversary. Social critic Irving Kristol calls them the "new class." He identifies them as a likeminded group of public officials, civil servants, public service professionals, teachers, school administrators, psychologists, sociologists, environmentalists, members of the news media, motion picture directors, actors, musicians and writers and foundation managers.

These people share a common dislike for many of our traditional freedoms but focus vocally on a dislike for the free market and free enterprise system. They are convinced that society must improve through greater government participation in all of life, but mostly in economic affairs. They turn to the political process to exercise influence and power.

Since they are more brilliant and elegant than ordinary people, the members of the new class feel they should make all sorts of decisons for the rank and file of Americans to "improve the quality of their lives."

The new class does not recognize that ordinary people have varied needs that are valid. They deplore the fact that ordinary people express these needs in the free marketplace. They also deplore that the free marketplace is oriented toward meeting the commonplace needs of ordinary people. The new class objects to this interaction because it does not stimulate an elegant or brilliant society.

The new class also uses the tactics of McCarthyism—it uses character assassination, innuendo and slander—to attack both the political and the economic systems.

The new class, like elitist groups before it, will fail. It will fail because the arrogance of its members blinds it to the cleverness and intuitiveness of ordinary people. Because ordinary people do not have the words, cannot articulate their feelings of patriotism, of love of country and reverence for freedom and independence, the elitist fail to recognize these deep currents in ordinary Americans.

So there will be risks in the next 200 years, risks from within as from without. The risks, as always, will be from those who would deprive us of our freedom and independence out of a thirst for power and out of an arrogance that says we do not know what is good for us and the land we live upon.

We will resist and we will win. For we have a thirst for freedom that can never be quenched and can never be fully satisfied. It is a divine infection that is in our blood and will be in the blood of our children and our childrens' children. So let freedom ring—today and forever more.

IS NOTHING SACCHARINE ANYMORE?

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SANTINI. Mr. Speaker, the Sugar Disclosure Labeling Act which I introduced is now cosponsored by 33 Members of the House. This legislative effort is intended to provide interested consumers with important nutritional information in order to aid them in selecting the components of their daily diet. This bill would require that packaged food products containing more than 10 percent sugar clearly label the percentage of sugar on the package.

Many Americans are not informed about the large number of food products that contain sugar. Excessive sugar consumption poses a myriad of medical problems running the gamut from tooth decay and excess weight to heart disease and diabetes.

The following letter from Ms. Betty Wedman, a nutritionist from Hinsdale, Ill., sets forth some lucid and compelling assertions in support of this legislation. Ms. Wedman makes her point and makes it well. This information is necessary in the interest of public responsibility. The text of her letter follows:

HINSDALE MEDICAL CENTER,
Hinsdale, Ill., June 21, 1976.

Re: H.R. 13536.
Hon. JIM SANTINI,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE SANTINI: Consumers have the right to know the percentage of sugar added to foods in manufacturing and processing. In the interest of public responsibility, food manufacturers need to provide this information instead of declaring that the information is a "trade secret". One food manufacturer can have a competitor's product analyzed for the percentage of sugar and formulate a competitive product. In reality, the percentage of sugar remains only a secret to the consumer!

Assessing the number of consumers this information will help is difficult and my personal estimate is as follows: 6 million people with diabetes; one-third of United States population that is labeled OBESE or overweight by the U.S. Public Health Service; millions of parents concerned with dental caries in their children; millions of consumers wanting to control their sugar intake.

People with diabetes need to know what foods have added sugar and how much so they can determine whether it can be allowed in their diet. Not knowing is harmful to diabetic patients because they either have to memorize food brands allowed on their diet, go without the food or take their chances including the food and seeing if it causes an insulin reaction.

As a nutrition educator, I would like to be able to teach the patient with diabetes that foods containing up to a certain percentage of added sugar can be used in their diet. Patients can be educated to make value judgments for themselves instead of having to memorize or carry a list of "allowable foods".

Using Dr. Ira Shannon's research on the added sugar in cereals, here is an example of how the percentage of sugar on cereal labels can be used to help the diabetic make a wise food choice.

PERCENT ADDED SUGAR IN CEREALS

5 percent or less, Shredded Wheat, Cheerios, Puffed Wheat & Rice, Wheat Chex.

5 percent to 10 percent, Alpen, Product 19, Total, Wheaties, Corn Chex.

10 to 25 percent, Special K, Corn Flakes, Rice Krispies, Bran cereals, "Natural" cereals.

25 to 50 percent, Heartland, Bran Buds, Sugar Sparkled Corn Flakes, Fruit Loops.

71 percent, Sugar Orange Crisp.

Rather than memorizing the brand of cereals following into the category of cereal with the percentage of sugar listed in the above chart, why isn't the information on the label? A diabetic patient could be told that he can eat cereals containing up to —% added sugar, per serving, based on his individual condition. Then, as control of his disease changes, foods with different percentages of sugar can be adjusted in the diet.

The juvenile diabetes patients I counsel are allowed to choose cereals that contain up to 10% added sugar, while adult on-set diabetes patients are allowed to choose cereals that contain up to 25% added sugar. As a new cereal becomes available on the market, most diabetic patients are not able to determine for themselves whether they can consume this cereal. Mothers of juvenile diabetics frantically try to calculate this information in the supermarket or put off their purchase regardless of the screams of the child until they call me to ask about the new cereal. How much more convenient for the consumer if this information was readily available on the box at the time of purchase!

Overweight and obese persons are told to reduce or eliminate high calorie-low nutrition foods from their diet. Again, the patient can be EDUCATED about food selection based on nutrient density (amount of nutrients received from a food based on caloric content). I teach my weight control patients how to choose nutritious snacks—a behavior modification technique needed to help an overweight person control his eating habits while still including some "treats and sweets in his diet". Without the percentage of sugar on the food label, a patient has to memorize what snacks to avoid instead of learning how to use the label to evaluate the nutritional value of the food.

From this example can you choose the most nutritious without knowing the percentage of added sugar?

PLAIN GELATIN DESSERT*

Serving size=½cup.
Calories=71.
Protein=1.8 gm.
Carbohydrate=16.9 gm.
Fat=0.

FRESH ORANGE*

Serving size=1.
Calories=64.
Protein=2.1 gm.
Carbohydrate=24.7 gm.
Fat=.5 gm.

Providing the bare facts does not provide enough information for a wise consumer purchase. The fresh fruit appears as a very high carbohydrate food and might quickly be overlooked as a good contribution to the daily diet because of that carbohydrate level. Provide the percentage of sugar added on each label and the nutrition picture changes. Foods with high added sugar content carry less nutrients per calorie and do not contribute bulk or fiber to the diet, unless a bulking agent has been added in processing.

Plain gelatin: 100% added sugar.

Fresh orange: 0% added sugar.

Another reason for having the percentage of sugar added on the label is to distinguish between different brands of the same food or two products with similar names made by the same manufacturer.

Vanilla wafers brand X: 50% added sugar.

Vanilla wafers brand Y: 63% added sugar.

For example, a puzzling dilemna faces many consumers when they try to decide between a national brand product called Graham crackers and the same manufacturer's product labeled Honey Grahams. Seeing the percentage of sugar labeled on these two products would help the consumer decipher the difference between the two products.

Parents are concerned about dental caries in their children and sugar plays a big role in dental carie formation. Current research has shown that the frequency of eating sugar is more harmful than the concentration but this does not eliminate the need for percentage labeling of the sugar. Nutritionists, including myself, stress the importance of quality snack foods among children—foods that provide good nutrition along with the calories. Cereal is a good snack food that I recommend for juvenile diabetics, underweight children and for young people whose activity schedule does not allow for a traditional 3-meal-a-day eating style. Parents need to be able to evaluate which cereals provide good nutrition while not exposing their children's teeth to high sugar assaults in choosing good snack foods.

It is my opinion that consumers today are wanting more control over their food selection and sugar is a food ingredient many want to reduce. Without adequate food labeling the consumer will be left in the dark as to the sugar content of foods.

Ingredient listing is NOT enough to inform the consumer about the amount of sugar in a food. Food manufacturers are not consistent as to how they label sweeteners and consumers do not recognize all the terms that refer to sugar: sucrose, fructose, dextrose, molasses, honey, corn syrup, cane syrup.

Lack of education in the area of sugar and sweeteners has led some consumers into believing "raw sugar" was better for you than sucrose. In reality raw sugar is made from the same sugar cane as sucrose and has less molasses extracted in the refining process. Raw sugar may also contain molds, fibers, waxes and contaminants which make it a LESS desirable product than sucrose in the food supply.

A similar confusion surrounds honey. Consumers do not identify the fact that a sweetener—regardless of whether it is made by bees, or grown in the form of sugar beets or sugar cane—reacts the same way in the body. Honey has no magical properties that scientists have been able to identify and contributes calories and dental carie assaults and raises blood glucose levels the same as sucrose.

In closing, I would like to make one final point. The labeling of sugar added to foods must be done in a uniform manner throughout the food industry.

Different companies are trying various approaches—Kellogg's is labeling sugar in grams per ounce, Giant Foods is listing the number of level teaspoons per added serving. Speaking as a nutrition educator, I would like to see the labeling of added sugar done in percentages by total weight of the food. I have taught nutrition classes with diabetic and weight control patients using both the gram labeling and percentage labeling approaches. Patient recall and understanding of the caloric values of foods was 75% greater when the percentage labeling of sugar was used. The grams per ounce labeling confused my patients. Labeling sugar in the grams per ounce method caused sugar to be considered a "nutrient" like protein, carbohydrate, and fat. Any method that causes that type of confusion should be avoided at all costs!

Yours very truly,

BETTY WEDMAN, M.S., R.D.

AUTOMOBILE EMISSION STANDARDS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. BROWN of Ohio. Mr. Speaker, in the near future, the House will consider the Clean Air Act Amendments bill, H.R. 10498. Section 203 of this bill would delay statutory emission standards for automobiles for the third time since the standards were first established. However, the delay provided for is not sufficient to meet the problem that the automobile manufacturers have with the standards—the lack of technology capable of insuring compliance with the standards. Representative DINGELL has indicated that he will offer an amendment during floor consideration that would further delay and relax the auto emission standards without any deleterious effect on the environment. The comprehensive DOT–EPA–FEA analysis indicates that no significant improvements in national ambient air quality would be attained by moving to the emission standards in the legislation over the 1976 standards or the standards of the Dingell amendment. Furthermore, the interagency analysis concludes that the 1980–85 fuel economy and consumer cost penalties associated with the standards in the House bill would total 9.3 billion gallons of gasoline and $22.3 billion in added initial purchase and operating costs over what they would be under the Dingell amendment.

I have received a copy of a letter to Representative ROGERS from the Motor Vehicle Manufacturers Association which details the automobile manufacturers problems with the auto emission standards in the bill. I would urge my colleagues to read this letter carefully and to support the Dingell amendment when it is offered in the House.

The letter follows:

MOTOR VEHICLE MANUFACTURERS
ASSOCIATION OF THE UNITED
STATES, INC.
Washington, D.C., May 6, 1976.

Hon. PAUL G. ROGERS,
U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ROGERS: I am writing you on behalf of the automobile manufacturers who are members of MVMA after having been authorized to do so by the Chief Executive Officer of each company—namely, Messrs. Roy D. Chapin, Jr. (American Motors), Henry Ford II (Ford), Thomas A. Murphy (General Motors) and John J. Riccardo (Chrysler).

Their concern and mine are the statements you recently made in a speech before the Air Pollution Control Association which was inserted in the April 13th Congressional Record by Representative James W. Symington.

Frankly, your statements regarding the industry's stance on auto emission control generally, and the House bill specifically, indicates an apparent misunderstanding of the position of MVMA and its member companies. Unfortunately, this sometimes happens in the debate which surrounds issues as complex as proposed amendments to the Clean Air Act. Views may be expressed without the necessary clarification or elaboration, and thus, are misunderstood. Since this may have been the case regarding the position of domestic automobile manufacturers on auto emission standards, I would like to clarify what have been and continue to be their views.

You stated that "Detroit has spent millions of dollars promoting the idea that economical cars and non-polluting cars are a mutually exclusive figment of someone's imagination." Two points must be made regarding this statement:

First, there has never been an MVMA position on specific fuel economy or cost penalties associated with any given level of standards. Rather, each manufacturer in testimony before the Congress and elsewhere presented its best estimate of the fuel economy levels and consumer costs which are likely to result at various emission standards. Any public expression of the domestic manufacturers' views on auto emission control has cited the resulting range of the fuel economy and cost penalties which individual companies have publicly presented as their best estimates.

Secondly, MVMA and its members have not taken the position that cleaner cars and more economical cars are "mutually exclusive", nor has the industry invested in promoting that concept. Repeatedly, individual companies have publicly stated their commitment to improvements that will result in cleaner, more fuel efficient and economical vehicles. In January, 1975, for example, individual manufacturers made commitments to the Administration to achieve a 40% industry-wide improvement in automobile fuel economy by 1980. Such commitments have been backed by billions of dollars in investment in research and engineering programs.

What the Association and its members have said is that clean air, energy and cost objectives must be balanced—that tighter emission controls impose higher consumer costs and fuel economy penalties, and narrow the range of technological alternatives for achieving significant improvements both in fuel economy and emission control.

The comprehensive DOT/EPA/FEA analysis of April 8, 1976 underscores the need to strike the necessary balance. The interagency study indicates that no significant improvements in national ambient air quality would be attained by moving to auto emission standards more stringent than those now applicable to 1976 models or the standards in the so-called Dingell/Train proposal. At the same time, in their specific comparison of the standards contained in H.R. 10498 with the Dingell/Train proposal, the interagency analysis concludes that the 1980–1985 fuel economy and consumer cost penalties of the House bill would total 9.27 billion gallons of gasoline and $22.3 billion in added initial purchase and operating costs over what they would otherwise be if the Dingell/Train auto emission standards were adopted.

In your speech you also refer to "personal knowledge that at least one automobile manufacturer said that the one-year extension was acceptable." I am assured, Congressman, that any statements regarding a one-year extension were made in the context of a manufacturer's need to know now what auto emission standards it will have to meet for the 1978 model year.

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*Based on U.S.D.A. Handbook 456.

As you may well know, the pre-certification procedure begins more than a year before the introduction of new models—for 1978 models scheduled for introduction in the Fall of 1977, this means that pre-certification data should be filed with EPA as early as July of this year. In view of this deadline, manufacturers undoubtedly have already had to make significant engineering, procurement, and financial commitments for 1978 models.

Although the House Interstate and Foreign Commerce Committee and Senate Public Works Committee both agree that changes to the current Clean Air Act are needed, as yet there is still no commitment from Congress on what auto emission standards will be required for 1978 models. Consequently, since Congressional deliberations on revised auto emission standards have been going on for more than a year, and final action still appears to be months away, any references to a one-year extension were based solely on the need for an immediate decision on 1978 model year standards—not as a substitute for a decision on longer-term auto emission control.

You mention industry claims regarding fuel economy penalties and costs which are contrary to "test results in California and from a joint analysis conducted by the Federal Energy Administration and the Enviromental Protection Agency." Individual manufacturers have publicly estimated the cost and fuel economy impacts of varying levels of auto emission standards, including those now in effect in California, based on testing and actual in-use experience. Differences in such estimates—whether made by individual manufacturers or government agencies—are due to the base standards used for comparison, assumptions on vehicle weight and model mix and assumptions about future control systems.

For these reasons, one would expect that estimates of likely fuel economy performance associated with various emissions levels would vary. What is important is that historical data, developed on a consistent basis through the EPA voluntary fuel economy labeling programs, indicates that the imposition of more stringent emission standards extracts a fuel economy penalty, as evidenced by a comparison of average fuel economy levels achieved with 1975 and 1976 cars designed to meet California and federal standards respectively.

You also mentioned that "information from industry, as to its needs and capabilities . . . was set on the high side so as to allow for compromises down." We would point out that no manufacturer claims that interim levels such as the 1976 California levels of .9/9.0/2.0 were not technically achievable. Testimony given by manufacturers before Congress clearly indicates that their primary efforts were made not only to define the level of capability but also to identify the level which, in each manufacturer's judgment, represented the best balance between air quality needs, fuel economy and costs to the consumer.

Your statement that you "find it ironic" that manufacturers cautioned against the catalyst and yet advertised its qualities we believe is unfair. In the EPA suspension hearings beginning in 1972, manufacturers and other witnesses were obligated to relate all of the relevant information at their disposal about the catalyst—both pro and con. It was clear that catalyst installation was likely to be required across the board—without the flexibility to phase in this new technology in the manner manufacturers historically employ to minimize the risk to the customer and to themselves of unknown, undesirable side effects—and manufacturers expressed their concern about potential problems. After a year and a half of experience with the catalyst, manufacturer experience, as well as that of the customers, has been good.

Let me now clearly state the position of MVMA and its member companies on auto emission control. Initially, the Association and its members urged a five-year extension of 1975/1976 auto emission standards. In our view, further tightening of those control levels are not justified in light of the fuel economy and cost penalties associated with more stringent standards, nor would stiffer levels of control result in significant air quality improvements.

We are still of that opinion, but have recognized that a carryover of present standards does not have the necessary Congressional support. Consequently, we have since supported the adoption of the Dingell/Train proposal. We believed at the time the House Subcommittee and Committee markup sessions took place that the EPA proposed standards, incorporated into the Dingell amendment, represented a reasoned and balanced alternative for the attainment of air quality goals.

It continues to be our belief today, and will be when H.R. 10498 is debated on the House floor. I know of no manufacturer who has endorsed the standards contained in H.R. 10498 as one might imply from your APCA speech. It is our judgment, based on the voluminous data presented to Congress, the EPA and others, that the fuel economy, and cost penalties inherent in H.R. 10498 go far beyond what the manufacturers, customers, and the nation can afford to "live with". It is also obvious from this testimony that keeping the .4 NOx in the law as H.R. 10498 would do, would preclude promising technology—a problem that will not be cured by the costly and inefficient year-to-year suspension process included in H.R. 10498.

Thus, the support of the Dingell/Train proposal by MVMA member companies—and opposition to the standards contained in H.R. 10498—is unanimous and is founded on technical judgments made on the basis of publicly available data and not with a view towards potential House and Senate Conference Committee deliberations.

Again, perhaps the views of the MVMA and its member companies on the need for a proper balance between air quality goals on the one hand, and fuel economy and consumer costs on the other, were not as clearly stated as they might have been. I hope I have clarified the basis and substance for the views of MVMA and its member companies with respect to amendments of the Clean Air Act, and that, as a result of this clarification, you will be able to support the Dingell/Train proposal when it is introduced as an amendment to H.R. 10498.

I and representatives of each of the MVMA member companies who have authorized me to write you on their behalf, stand ready to discuss this matter with you further.

To assure that all who have read your APCA speech understand the position of MVMA and its member companies on auto emission amendments to the Clean Air Act, I would appreciate a similar insertion of this letter in the Congressional Record.

Sincerely,

W. B. Eberle.

REGULATORY COST IMPACT ACT OF 1976

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. THONE. Mr. Speaker, on June 28 I introduced, with Frank Horton, the "Regulatory Cost Impact Act of 1976." The public outcry over the size and cost of the Federal bureaucracy and the heavy handedness of its regulators is growing louder daily. Each new issue of the Federal Register provides additional reasons for this outrage.

During the last decade and a half, the public demanded quick, simple answers to a multitude of problems. Most of the problems, in retrospect, were too complex for these deceptively "simple" solutions. But our elected leaders, as they continued to attempt to respond to this thirst for answers, continued to jerry-build solutions. They were often overlapping, many times created duplication and were almost never discontinued. But always they were held out as the answer—neatly packaged solutions for the complex continuum of social and economic ills. And never were they analyzed from a cost-benefit perspective. At no time did we even attempt to determine their net public benefit.

The result was an exploded, engorged bureaucracy which has become an ever-present daily factor, and often irritant to the lives of every American. We cannot and shall not tolerate this lumbering, unresponsive, stifling behemoth. Government must do its job, but in a way that helps people and the economy.

This plethora of laws passed by Congress, the rules implementing them, and the bureaucracy enforcing them, have had a tremendous effect on the cost of doing business and consumer prices. In a sense, this is a bill to regulate the regulators as it applies very stringent but sensible standards to Federal decision-making procedures. Federal officials would be forced to evaluate their proposals in much the same way the Federal Government requires State and local government, businesses, schools, and individuals to evaluate their intentions and performances in meeting Federal requirements.

This bill is not designed to attack the bureaucracy—rather to force it to improve by ever reminding it of the importance of keeping the public need first in government decisions. We believe if proposed regulations are not cost effective or do not reflect congressional intent, they should not be implemented.

Certainly, as a result of this, the impact of Government programs on the costs of goods and services in this country has become a source of ever-increasing concern to many of us. Regulatory reform has moved from nice to talk about to how do we implement. Deregulation, zero-based budgeting, sunset laws, and congressional review of executive branch rulemaking are concepts now receiving renewed attention and careful study.

This bill provides a framework so costs imposed on the public by Government laws and regulations can be compared with the benefits the public receives. For the first time in our history, it would be Government policy for Federal regulations or statutes, where a significant economic impact on public costs can be projected, to provide public benefits commensurate with those costs. Those which entail potentially excessive or unreasonable costs in relation to derived benefits would receive extreme, careful scrutiny before they are implemented.

In order to insure Federal statutes, regulations and policies do provide equivalent public benefits, proposed Federal agency regulations with projected significant economic impacts would be accompanied by a regulatory cost/benefit assessment analyzing public costs and benefits. The assessment would study short- and long-term, direct and indirect costs and benefits—quantifying when possible and listing when immeasurable. The assessment would evaluate the net public benefit of the proposal by examining the relationship between its costs and benefits and the reasonable alternatives to it, their respective costs and benefits and the relationship of their costs and benefits. The final regulatory cost/benefit assessment would be prepared after the public and other agencies had had an opportunity to comment on a draft assessment published in the Federal Register. A Federal regulator would thus have to carefully consider the balance between costs and benefits before issuing the final regulation.

Conceptually, this bill consolidates the efforts of a variety of activities during the last 2 years. Executive Order 11821, as promulgated by President Ford on November 27, 1974, requires agencies to certify they have evaluated the inflationary impact of regulatory proposals. Congressional rules now require a detailed analytical statement on those bills which might have an inflationary impact on the prices and costs. S. 200 and H.R. 7575 which called for cost assessment statements in certain circumstances have passed their respective Chambers during this Congress.

The time has come to weigh anticipated public benefits against public costs. No longer is it fair to saddle the public with excessive costs for untold, intangible public benefits. Costly new laws and regulations should provide substantial benefits to workers, consumers, and the public. These benefits must be carefully balanced against the real costs to the economy and if they do not, we should know why they do not. The public is no longer willing to pay a hidden price tag that obscures and confuses what it is paying for. H.R. 14591 provides the vehicle.

We believe the only sensible standard which Government policymakers, lawmakers, and regulators can follow in carrying out the responsibilities the people have bestowed on us is the net public benefit. Each Government action should be predicated on the basis that it will provide more in benefits to people than it removes in costs—and these must be costs in their broadest sense. Only those in the highest order of social good should be allowed to avoid this test.

Mr. Speaker, the costs and effect of unneeded, unnecessary, and superfluous Federal regulation on the public cannot be overstated. It is vital to the public of the United States that this growth be systematically curbed and contained. This legislation is essential to that end. It is time for us, the Congress, to ask the executive branch to act in a cost-effective manner. The public expects and deserves nothing less. We must demand it.

I look forward to early committee action so this legislation may be brought before the House. I wish at this time to extend upon the RECORD a brief analysis of this legislation:

SUMMARY OF THE MAJOR SECTIONS

(1) Congressional findings—

(A) government programs and policies are often adopted without adequate information on public costs, without balancing those costs with the benefits to be derived; and without attempting to determine the net public benefit of those programs and policies.

(B) present and recurring economic problems are at least partially attributable to the excessive costs of government programs which don't provide commensurate benefits; and

(C) programs should bear a reasonable relationship between costs and benefits (Section 2(a)).

(2) A congressional policy declaration for proposed legislation or regulations, where a significant impact on costs to the public can be projected, to provide benefits bearing a reasonable relationship to such costs. (Section 2(b)).

(3) "Benefits" and "Costs" are defined to include short- and long-term effects to the public, those which may be quantified or measured in an appropriate manner, and those which cannot be adequately measured but which are nevertheless deemed to be of significance to the public. (Section 3).

(4) Every agency would prepare a draft Regulatory Cost/Benefit Assessment for regulations which might significantly impact public costs. The Assessment would require short- and long-term costs and benefits to be analyzed. They must be quantified or measured wherever possible and listed when they are not quantifiable. The Assessment would then evaluate the net public benefit of such proposal by examining the relationship between its costs and benefits and the reasonable alternatives to it, their respective costs and benefits and the relationship of their costs and benefits. (Section 4(a)).

(5) The agency shall follow certain procedural responsibilities for review and comment of the draft Assessment by the public and other agencies, for the preparation and publication of the final Regulatory Cost/Benefit Assessment, and the final regulation shall be subject to judicial review including compliance with the Act. Section 4(b–d).

(6) Emergency procedures are provided in the case the delay for preparation of a draft Regulatory Cost/Benefit Assessment would present a substantial risk to health or safety of persons or to national security, so the regulation may be promulgated subject to a requirement that a Regulatory Cost/Benefit Assessment can be prepared and the regulation be revised or rescinded as needed in light of the final Assessment. Section 5.

(7) The Executive shall promulgate sufficiently detailed guidelines to insure the preparation of complete, comprehensive, objective Regulatory Cost/Benefit Assessments shortly after adoption of the Act and provide for judicial review of their completeness. Section 6.

(8) Agencies may review existing regulations under certain circumstances, and amend them if they determine there is substantial disparity between the public costs and the benefits derived. Section 7.

(9) Congressional committees shall prepare Regulatory Cost/Benefit Assessments for legislation having a significant impact on public costs. (Section 8.)

THE CAPITOL CHANDELIER

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. LONG of Maryland. Mr. Speaker, as visitors tour their Capitol, they often remark on the beauty of the massive chandelier on the second floor just north of the rotunda, in what has been popularly termed the "little rotunda."

I am most pleased to share with my colleagues and their guests in the Capitol some fascinating information on how this lovely and valued piece came into existence.

The Reverend Paul R. Diehl, who now lives in Baltimore, was from 1949 to 1955 pastor of Trinity United Methodist Church in Washington, D.C. With the support of parishioner Col. O. J. Posey, Reverend Diehl located a chandelier in the recently closed Maryland Theater, Baltimore, which would be a suitable memorial in Trinity's sanctuary for the parents of Colonel Posey.

After extensive work, which amounted to reconstructing the piece and adding many crystal chains, Reverend Diehl had the pleasure of installing the piece in Trinity's sanctuary.

Trinity was merged with other parishes into Capitol Hill United Methodist Church. In 1964, the old Trinity was torn down and a new church built. The chandelier was incompatible with the new structure and was sold. It now graces the Capitol, very little changed from the days when Reverend Diehl's congregations admired it.

I share with my colleagues Reverend Diehl's own report on the history of this magnificent work:

REPORT BY REV. PAUL R. DIEHL

In the Little Rotunda of the Capitol of the U.S. there hangs a United Methodist christened crystal chandelier! This is of special interest to all United Methodists as they visit Washington, D.C.

During the years of 1949–1955 I was pastor of Trinity Methodist Church, Washington, D.C., founded by the Rev. William Watters in 1802. Trinity was the fourth house of worship for the congregation; this building seating around five hundred in its nave, with its rectangular shape, its rounded pews and balcony, presented an ideal setting for some unusual chandelier. Early in the year 1951, Col. O. J. Posey, U.S.A., a member of the church, suggested to me that he would like to give a memorial for his father and mother. We began to think immediately in terms of a crystal chandelier. After several months of searching we finally found one that we thought could be used in the Maryland Theatre, Baltimore, Md., this theatre, recently closed, imported its chandelier from Europe in 1902. It consisted of a very heavy brass collar seven feet across with its crystals running down to a smaller brass collar about two feet below then tapering off to a beautiful finish about eighteen inches below. This was not exactly what we had hoped to find; but after thinking about it, I suggested to Col. Posey that we redesign it by building a top for it, to him this was agreeable and he said, "I will pay for all materials if you do the work." As we began the search for the needed crystals we soon discovered that they were not to be had in Washington, D.C., although the city was filled with stores specializing in crystal chandeliers. A dealer ordered them from Czechoslovakia for us; and when they came all crystals of the same size were boxed together. In the meantime we found a crown for the chandelier in a scrap heap which a merchant had thrown away and all other things which needed to be done were ready when the crystals came. So, I started the long procedure of putting the graduated crystals together, eighty chains, seven feet long, were made for the top; this was done in my study on the third floor over a period of about six months and in my spare time. Eight arms with its prisms and hurricane lamps were bought locally; all that was needed now was to assemble it. When finished it was eleven feet high and nine feet across, a truly magnificent thing. Keats never uttered truer words than when he said, "A thing of beauty is a joy forever."

However, soon Trinity congregation was to be changed; other near-by churches merged with it to form a new congregation known as Capitol Hill. In 1964 Trinity was torn down and a new edifice erected on its site. The architectural style was different and the crystal chandelier unsuitable; a wrecking company obtained it but because of its beauty it was not cast aside. By some strange stroke of fortune the architect of the U.S. Capitol discovered it and the government bought it and now it hangs in the Little Rotunda, on the Senate side of the Capitol, on the right as one enters the building from the East. With the exception of discarding the hurricane lamps and adding an additional eight arms, it is without change. Truly it is a magnificent symbol of light and beauty as personified in our Christian faith — a Methodist-christened chandelier hanging in the place that seems to have been made for it from the very beginning.

THE NEED FOR A MILITARY CONSTRUCTION BILL OVERRIDE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. HARRINGTON. Mr. Speaker, on Thursday, July 22, the House will consider the President's veto of the military construction bill. Although supportive of many of its provisions, the President nevertheless vetoed it because of the inclusion of a section that would have prohibited certain base closings or reductions of personnel from certain bases unless the action was reported to and approved by the Congress. This section further required the Department of Defense to identify the full range of environmental impacts of the proposed action.

According to the President, the delay incurred as a result of this congressional oversight period would prove to be too costly a measure.

It is exactly this shortsighted view from the administration—and those immediately preceding it—that have perpetuated both the current economic stranglehold gripping the Nation and the economic disparity that exists between regions of the country.

For several months, my office—in conjunction with the Library of Congress—has been monitoring the flow of Federal dollars, jobs, and resources. Not surprisingly, in nearly every area studies—tax burdens versus outlays; Federal civilian jobs; Department of Defense military and civilian employment; public works funding; total economic development assistance funding; and NASA procurement awards—the industrialized Northeast and particularly New England has lagged far behind the rest of the Nation while sustaining the highest unemployment rates.

Since 1969, the Department of Defense has undertaken over 2,700 actions to reduce, realine or close military bases. The chart below, which lists those States which have suffered a decrease in military employment over the past 15 years, indicates the result of a policy that does not include congressional oversight.

Of the 20 States that suffered decreases in DOD military and civilian employment, 11 are located in the three regions of the industrialized Northeast; 5 of the 6 New England States are included; and only 3 "sunbelt" States suffered decreases.

The policies of the past several administrations seem to be insensitive to the needs of those regions particularly hard hit by the recession. It is time for Congress to relieve the executive branch of a responsibility which they have failed to execute in the best interest of the Nation. Therefore, I urge all my colleagues to vote to override the President's veto of a bill that provides a first step toward restoring balanced growth throughout the country.

DEPARTMENT OF DEFENSE MILITARY AND CIVILIAN EMPLOYMENT: 1960-75

Staff	Civilian Employment		Military employment		Dif-ference	Percent decrease
	1960	1975	1960	1975		
Massachusetts	25, 400	12, 301	35, 716	10, 326	—38, 399	63. 0
Maine	1, 820	2, 118	14, 113	5, 594	—8, 221	52. 0
New York	51, 678	23, 099	40, 519	21, 296	—47, 802	52. 0
Oregon	3, 704	3, 200	4, 802	1, 415	—3, 891	46. 0
Wisconsin	2, 169	3, 049	5, 035	835	—3, 320	46. 0
Rhode Island	8, 440	5, 981	7, 398	2, 883	—6, 974	44. 0
New Jersey	26, 434	26, 290	41, 097	23, 954	—17, 287	26. 0
Pennsylvania	66, 741	54, 258	15, 284	9, 048	—18, 719	23. 0
Kansas	5, 992	6, 534	34, 378	25, 502	—8, 334	21. 0
Nebraska	4, 281	3, 886	15, 026	11, 796	—3, 625	19. 0
Minnesota	1, 872	3, 262	5, 023	2, 296	—1, 337	19. 0
Ohio	37, 962	33, 630	18, 990	12, 619	—10, 703	19. 0
Illinois	28, 237	22, 167	46, 125	39, 882	—12, 313	16. 5
Maryland	22, 697	22, 487	35, 716	26, 670	—9, 256	16. 0
Delaware	1, 191	2, 079	7, 814	5, 546	—1, 380	15. 0
Vermont	171	526	607	174	—78	10. 0
Washington	23, 785	24, 360	47, 733	39, 545	—5, 613	8. 0
Missouri	15, 339	20, 974	30, 272	22, 993	—1, 664	4. 0
Connecticut	2, 494	3, 322	6, 123	5, 025	—260	3. 0
California	140, 445	139, 763	207, 875	202, 188	—6, 369	2. 0

Source: Office of the Assistant Secretary of Defense for Comptroller.

CONSTITUENT SERVICE FUND

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SARASIN. Mr. Speaker, at regular intervals over the past 2 years I have reported to my colleagues in the House and had published in the CONGRESSIONAL RECORD an accounting of the receipts and expenditures of a constituent service fund maintained to help underwrite the high cost of providing the kind of communications and services I feel the residents of my Fifth District deserve.

These include such things as the maintenance and repair of my mobile district office, which we maintain at no expense to the taxpayer and which required substantial repair recently, costs associated with printing newsletters and questionnaires, travel to and from the congressional district in excess of the 26 official trips and incidental costs associated with the public forums, information seminars, and other special services provided.

The initial report in January 1974, disclosed my intention to establish such a fund and included a lengthy opinion from the Internal Revenue Service which I solicited to make sure the fund met every legal and ethical requirement. This IRS opinion covered every aspect of the plan, including contributions, the kind of expenditures to be made, and tax aspects of the fund. Administration of the fund has carefully followed these guidelines.

The fund has been very valuable in helping me to better serve my constituents and I am very grateful to the many individuals who have contributed to the success of the program. As before, contributions are accepted only from individuals, with no corporations, businesses, unions, or other groups allowed to contribute. The maximum allowable contribution has been reduced from $200 to $150 this year. Total receipts and expenditures from January 1, 1976, to June 30, 1976, were as follows:

Constituent service fund

RECEIPTS	
Miscellaneous contributions	$10.00
38 full memberships at $150	5,700.00
7 (½) year memberships at $75	525.00
Total	6,235.00
Reimbursement by Ronald Sarasin for transportation costs paid by Connecticut Broadcasters Association for seminar participation	95.00
Total receipts	6,330.00
EXPENDITURES	
Printing expenses, supplies	1,651.11
Mobile office expenses	1,303.54
Reimbursement for travel expenses	628.68
Entertainment and Fifth District functions	342.58
Office expenses, subscriptions, refreshments for congressional hearings, etc	542.09
Post office box rental	28.00
Custodian fee for meeting	10.00
Total expenditures	4,506.00
Balance as of June 30, 1976	1,824.00

MINNESOTA UNIVERSITY PRESIDENT URGES COLLEGE-CONGRESS "TREATY"

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. KARTH. Mr. Speaker, a common and ancient superstition among legislators of all kinds—Federal, State, and local—is that the academic world and its leaders inhabit the empyrean or at very least a cloud-enshrouded ivory tower. That makes academic leaders—so goes the myth—remote and isolated from the real world, out-of-touch with harsh day-to-day realities. A few years ago they were derisively called "big-domes" and "egg-heads."

This superstition has survived too long; it has no validity today if, indeed, it ever had.

The Nation's most valued academic leaders, helmsmen of our universities and colleges, are very much a part of today's world. And more than ever before they are not merely familiar with the work of State and national legislative bodies; today they are frequently inside those bodies, elected representatives, members of official commissions or advisory committees, active participants in the writing of our laws and the guidance of government.

An outstanding example of this breed of academic leaders who understands government and participates in its decisionmaking is the president of one of the country's largest and most prestigious universities, the University of Minnesota.

President C. Peter Magrath heads an internationally renowned institution with a student body of 60,000, a community larger than hundreds of American cities.

President Magrath, in a thoughtful and provocative commencement address at the University of North Dakota, has presented a body of perceptions that deserve careful consideration not alone by members of faculties and their students but also by Members of Congress.

Here we find the academic intellect at its very best in charting what are and what should be the relations between our universities and the Federal Government.

President Magrath points out that "we are in the midst of a period of criticizing government with blinders on." But, he emphasizes, "we are naive if we fail to understand that rules and regulations do not mysteriously grow out of social vacuums. Regulatory guidelines—no matter how grotesquely written or how unmanageably enforced—are written to implement legislation passed in response to what elective representatives have judged to be misfirings of our society, misfirings that they are trying to correct through government."

Following a detailed discussion of this and other problems of town-and-gown relationships, President Magrath concludes that "Our objective, overall, should be a new partnership between our universities and the Federal Government, one aimed at achieving needed reforms, not compromising them."

Because President Magrath's trenchant statement deserves the reading and thoughtful consideration of every Member of Congress, I insert the text of this seminal speech in the CONGRESSIONAL RECORD:

UNIVERSITIES AND WASHINGTON NEED TO SIGN A PEACE TREATY

(By C. Peter Magrath)

We in colleges and universities are now discovering that it is infinitely more pleasant and compelling to promote good causes for others than to accept rules and regulations applied to ourselves.

This is so even though many of the federal government's regulations are aimed at correcting the same kinds of abuses (at least abstractly) that we were quick to criticize when the target for reform was General Motors or a segregated school district in Alabama or Georgia.

But even as we acknowledge this irony, and the valuable perspective it offers, we must face a fundamental question: Why has government seen fit to issue such a host of regulations in the first place? To be sure, many governmental procedures and guidelines are silly and exasperating. Yet it does seem that we are in the midst of a period of criticizing government with blinders on. We are naive if we fail to understand that rules and regulations do not mysteriously grow out of social vacuums. Regulatory guidelines—no matter how grotesquely written, or how unmanageably enforced—are written to implement legislation passed in response to what elected respresentatives have judged to be misfirings of our society, misfirings that they are trying to correct through government.

In talking about regulations at the federal level, we are not really talking about the laws themselves; we are talking, rather, about the administrative machinery used to put those laws, including executive orders and other promulgations, into effect. A colleague of mine at the University of Minnesota has described the situation this way: The basic law creating the Environmental Protection Agency is a good law and runs about seven pages; the rules and regulations spawned by those few pages could fill a moving van.

Twelve major pieces of federal legislation govern the behavior of colleges and universities. These laws pertain to such matters as equal opportunity in employment and education, occupational safety and health, and environmental protection. Colleges and universities—public and private—are legally bound by these laws, at the risk of losing federal financial support. Needless to say, they have an overwhelming financial interest in doing what the government tells them to.

Outside of administrative inconvenience, what problems do colleges really face in complying fully with these laws and their accompanying regulations? Are the problems really *that* trying?

Compliance is undeniably expensive. It is estimated that federally mandated regulations and programs aimed at furthering such social objectives as combating racial and sexual discrimination, improving the physical safety of facilities, and assuring the proper expenditures of federal dollars will cost institutions of higher education approximately $2-billion this year. This is equivalent to the total amount of voluntary donations our colleges and universities will attract during this same period. These federal programs (in addition to such things as Social Security taxes, a particularly large expense) are costing colleges and universities 10 to 20 times more today than they did 10 years ago. Somehow these costs must be covered by already thin operating budgets, and, clearly, they put pressures on tuition rates that are already too steep. The objectives are laudable, but the compliance machinery, unfortunately, often has a detrimental impact on a university's ability to do the very things it is supposed to do: teach, conduct research, and offer education-related public services.

Colleges and universities currently find themselves embroiled in a controversy with the Department of Health, Education, and Welfare in the area of scientific and scholarly research. Basically, HEW. wants to make certain that researchers are doing the things they are supposed to be doing under the terms of their federal contracts. Fair enough. But H.E.W. has devised a control mechanism—called "effort certification," to use the jargon—that forces universities to collect, collate, and disseminate information regarding how researchers and their support staffs occupy their time, in some instances for every working hour.

Although the intent behind this new procedure is reasonable, its implementation is not. There is, for one thing, absolutely no assurance that this new system will actually provide the safeguards of accountability it is meant to provide. Researchers truly interested in bilking the government—and I do not believe there are significant numbers of them—will presumably have little compunction about lying on a time card; they are not going to let such a modest obstacle stand in the way of invalidating a trust, if that is their intention.

There are other costs. Disputes over compliance often wind up in court, resulting in lengthy and expensive legal battles. One major American university expects to spend approximately $400,000 litigating one such current case.

The very fear of this kind of legal entanglement often dissuades talented would-be administrators from accepting important administrative posts because they see these jobs as increasingly riskly and too emotionally draining. This is by no means an insignificant problem.

Higher Education, of course, does not face this situation alone. Businesses often contend with the same problem. But there is a major difference. Businesses can meet increased operating costs by raising prices; universities have to raise tuitions. The difference is fundamental. The increasing costs of compliance are certainly not the sole cause for constantly growing tuition rates; they are not even the dominant cause. But we must be very concerned about any factor that places significant stress on tuition levels.

Nevertheless, it is essential that we view governmental activities in their proper context. We must understand that laws, and in turn, rules and regulations, do not just happen. There are reasons, usually good ones, behind them. Virtually without exception, these laws represent responses to broad social mandates for reform and for improving our social environment.

Affirmative-action and civil-rights requirements, to select just two examples, have not just happened; they are direct responses to centuries of racial and sexual discrimination, and to our determination to do something about that discrimination.

One could argue that many rules and regulations as they are written and enforced do not, in fact, constitute the best or most effective way of dealing with the problems they are intended to correct. We are not being fair or smart, however, if we lump virtually all governmental regulations and programs together and claim them to be collectively suspect. Most federal and state initiatives have proved beneficial, despite our frustrations from regulations. As a society, and as individual colleges and universities, we have needed a hard collective kick in the pants in a number of areas of crucial social concern. Government has provided that needed kick, and we are, and will be, better off for it.

The challenge, really, is where do we go from here? How do we reconcile the problem of acknowledging the government's legitimate obligation to effect needed social change and the fact that so very few people seem pleased with the way it is being done?

First, it is essential that we do not permit our disagreement with certain procedures and regulations to dissuade us from doing what is right. We must not try to wriggle off the regulatory hook simply because it scratches. We are, after all, educators; our perspective should be broad. Moreover, we must openly identify ourselves as being concerned about ways to implement meaningfully the major social initiatives of recent years. We must be willing partners to this new social contract.

Second, administrators, faculty members, students, trustees, and other interested parties to the educational process must lobby more effectively for federal and state procedures compatible with the relatively decentralized and highly professional nature of universities. Universities and colleges *are* different—not necessarily better, but different—from most other kinds of institutions. Applicable rules and regulations, if they are to be effective, must be drafted and enforced with these differences in mind. We must also communicate more forcefully than we have the undeniable fact that increased costs of compliance invariably show up in increased tuition rates.

Federal compliance efforts, if they really are to work, will always be costly, and one question in particular must be answered: How should these costs be met? One of the most frequent and justified complaints voiced by my colleagues is that government, once it has mandated an elaborate and expensive new program, offers little help to universities in paying for it. University officials find themselves caught between legally mandated rocks and economically imposed hard places as they scour their inflexible budgets for needed extra dollars. Government must recognize this severe problem.

Most fundamental of all, there is an imperative need to recreate a climate of civility between higher education and the federal government, as this relationship has seriously deteriorated for a variety of reasons in recent years. We need, in short, a peace treaty between our universities and our government in Washington, and we need it soon. I am convinced this damaged relationship can indeed be repaired, but it will take mutual good will and respect, and intense and precise communication. It will also take trust, and a recognition that the important goals of affirmative action, equal opportunity, occupational safety and health, and fiscal accountability can best be accomplished through cooperation, not costly conflict.

Our objective, overall, should be a new partnership between our universities and the federal government, one aimed at achieving needed reforms, not compromising them.

We run a serious risk in arguing squinty-eyed about the ways in which our nation implements its social policies. We must not destroy the significant progress already made, nor backtrack on the important progress we are still obliged to make in education and in other areas of national life. Most certainly, we must not allow this to happen because we have arguments not with the need for constructive change, but with the administrative tools used in accomplishing that change.

NEW STYLE COLLECTIVE BARGAINING

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. DENT. Mr. Speaker, collective bargaining is the key to the trade union movement. Three years ago, the steelworkers created a history making labor agreement in the steel industry with the objective of meeting not only new and varying circumstances facing union members and their families, but the quickly changing technological and economic world in which the steel industry operates.

This agreement—the experimental negotiating agreement—ENA—has many provisions. A couple of these provisions are that wage-wise, the industry will automatically share in productivity improvements, at a rate of 3 percent. Also, it provides a division between the workers and the companies of the cost of stockpiling steel in anticipation of a strike or difficulty. If the steelworkers fail to agree on any of these issues, they will be referred to a panel of arbitrators that have already been agreed to, and this panel will resolve the difference.

One of the essential reasons for signing this agreement was the impact of imports, with foreign steel producers coming in every third year in anticipation of a strike, and signing long-term contracts with steel buyers, who had been customers of United Steelworkers plants. In 1971, the steelworkers imported 18,300,000 tons of steel. That is the productivity of 108,000 American steelworkers. Since 1971, and the signing of this agreement, imports dropped to 12 million tons. Imports prolong strikes.

I would like to call to the attention of my colleagues the following interview between Mr. I. W. Abel, president of the United States Steelworkers of America, and a vice president of AFL–CIO, Dale McFeatters of Scripps-Howard Newspapers, and Robert Cooney of Press Associates, Inc.:

LABOR NEWS CONFERENCE—MUTUAL BROADCASTING SYSTEM

Subject: New Style Collective Bargaining.

Guest: I. W. Abel, president of the United Steelworkers of America, and a vice president of AFL–CIO.

Reporters: Dale McFeatters of Scripps-Howard Newspapers, Robert Cooney of Press Associates, Inc.

Moderator: Frank Harden.

MUTUAL ANNOUNCER. The following time is presented as a public service by this station and the Mutual Broadcasting System.

HARDEN. Labor News Conference. Welcome to another edition of Labor News Conference, a public affairs program brought to you by the AFL–CIO. Labor News Conference brings together leading AFL–CIO representatives and ranking members of the press. Today's guest is I. W. Abel, president of the United Steelworkers of America, and a vice president of the AFL–CIO.

Collective bargaining is the hearthstone of the trade union movement. Wages, hours and working conditions are the foundation of the union contract. Throughout the history of trade unionism, human and economic need, as well as tradition, have guided unions in their bargaining goals. Three years ago, the Steelworkers shaped a history-making labor agreement in the steel industry that was aimed at meeting not only new and changing circumstances confronting union members and their families, but the rapidly changing technological and economic world in which the steel industry operates. Here to question Mr. Abel about that history-making labor agreement and what many union leaders see as a new style of collective bargaining that is likely to become the rule rather than the exception in the decades ahead, are Dale McFeatters, labor correspondent for the Scripps-Howard Newspapers, and Robert Cooney, managing editor of Press Associates, Incorporated. Your moderator, Frank Harden.

And now, Mr. McFeatters, I believe you have the first question?

MCFEATTERS. Mr. Abel, three years ago, the Steelworkers signed the Experimental Negotiating Agreement—an agreement that caused quite a bit of favorable attention and some controversy, at the time. I wonder if you can tell us exactly what the agreement entailed and how it has worked in the three years since it was signed?

ABEL. Well, the agreement provides several things—perhaps it is desirable that I get into a little of the background.

Quite frankly, it was because of our past relationships and difficulties—strikes and what-not—that stimulated competition from foreign producers and got both sides in a bad way. So we set out to find a better way of handling our relationships. Out of that came what we call the Experimental Negotiating Agreement—ENA for short.

It specifically sets aside certain provisions of our existing agreements—union shop, check-off systems, for example—as "sacred cow" provisions—they are untouchables.

In addition, it provides that wage-wise, we will automatically share in productivity improvements, at a rate of 3 percent, the first of each August.

On wage increases, it provides a full cost-of-living provision to safeguard us from any erosion from inflation, with the adjustments taking place every three months and plowed into our base rates, so that all of our fringe benefits get the impact of cost of living.

Also, it provides a division between the workers and the companies of the cost of stockpiling steel in anticipation of a strike or difficulty. That was estimated to cost the companies about $80 million each negotiation. So that is divided, and figures to about

$56 million that goes to the workers by way of a $150 bonus per-employee.

The agreement also provides that all other matters—economic matters—are subject for bargaining—pensions, insurance, holidays, vacations—all that sort of thing—including even additional wage adjustments, if we feel we are entitled to more than the regular 3 percent that is automatic.

It also provides—and this is an important factor, because many people refer to it as a "no-strike clause"—it's not a no-strike clause—it provides that if we fail to agree on any of these other issues, we will refer them to a panel of arbitrators that we have already agreed to—people who know the steel industry, who know the Steelworkers union, who are acquainted with our past relations and history. They will resolve the differences.

The other significant provision of the ENA is that which provides that our local unions, for the first time in the history of our relationship, now have the right to legally strike, over local issues. This has never been permitted before. So, rather than a no-strike provisions, it actually provides for the right to strike.

McFeatters. Mr. Abel, I understand that one of the key reasons for signing this agreement was the impact of imports, with foreign steel producers coming in every third year—when your contract was up—in anticipation of a strike, and signing long-term contracts with steel-buyers, who had formerly been customers of your steel plants. Now, with this agreement in effect a little over three years, what effect has it had on imports?

Abel. Well, this had quite a sizable noticeable effect, up to this point.

You are quite right—this is what brought it on, stemming from our 1959 strike which, incidentaly, was the last strike we had—it ran for 116 days.

It was at that time that the foreign producers really made inroads into the American market, and grew each three years, until 1971. When we got into bargaining that year, we imported 18,300,000 tons of foreign steel into this country—that is the productivity of 108,000 American steelworkers.

So you see, a lot of jobs are involved—a lot of sales involved for the companies.

In 1971, a full month before our expiration date, the steel companies were required to lay off many thousands of our members, and they remained laid off for over seven months.

Since that time, and the signing of this agreement, imports have dropped from 18.3 million tons in 1971, to a rate—at the present time—of about 12 million tons—and there is a steady reduction each time we go along.

Cooney. Mr. Abel, you mentioned that the new approach in collective bargaining in the steel industry now permits local unions to strike over local issues. What is behind that? What is the nature of the problems that might lead to that kind of action?

Abel. Well, all kinds of issues are peculiar to a given plant or operation, and we treat them as local issues—they are negotiated by our committees from the particular company and the particular plant, separate and apart from the economic issues.

These could be safety issues, they could be wash room issues, starting time, relief time. As a matter of fact, in the last negotiations, we dealt with over 16,000 separate local issues, and all of them, I'm pleased to say, were resolved.

There were several instances where local unions did set up a strike vote over the issue, but just the taking of a vote brought about the kind of pressures that resolved the issues without exercising the strike weapon.

McFeatters. Mr. Abel, let me ask a two part question—obviously, you feel that this agreement has been a good thing in basic steel. Would it be a good agreement in the other industries with which the Steelworkers negotiate, say, in can, copper, aluminium? Do you think it would be a good agreement in an industry, for example, like auto—or rubber, which is in the midst of a strike now—or, is this agreement unique to steel?

Abel. Well, I hesitate to say that it's unique to steel.

The conditions that brought it about were unique to steel, but, by the same token, other industries and other unions are being hard-hit as foreign imports erode both their markets, their industries and their jobs.

The electrical appliance industry for one—it has been virtually wiped out in this country. The auto industry is very heavily affected by imports of Volkswagens, Datsuns and so on. I heard on the news just recently that one of the things that is permitting the rubber strike to continue is the import of foreign-produced tires.

So there are many affected industries.

In aluminium, we don't have the real problem of imports that we have in steel and some of the other industries. We do have the problem in the non-ferrous industry—there is a lot of imported copper and brass and that sort of thing.

I wouldn't say it is necessarily a tool to be used where there are imports—that kind of threat. After all, the purpose of the labor movement is to improve the standards of life for the membership and their families.

If we can achieve it in this fashion, and perhaps a little better—and we have, so far, in steel—I think it is a better way, and I would recommend it, certainly. I think there are a number of other unions and a number of situations where it could resolve a lot of serious problems.

Cooney. Mr. Abel, you're chairman of the AFL–CIO Committee on Economic Policy, and you have been talking about economic problems in the steel industry. But as far as our national economy goes, it seems you have a great responsibility in that area too. The United States has been in the middle of the most prolonged and deepest recession since the Great Depression. Unemployment, over the last year and one-half alone, has been between 7 percent and 9 percent. We're also talking about plant capacity, which is about 25 percent idle—I don't know what it is in the steel industry. What economic policies do you think could bring the country out of the recession. How could it be done?

Abel. We of the AFL–CIO have submitted a number of proposals—to the President and to the Congress—broad, overall recommendations for economic improvement.

Unfortunately, all of these—or nearly all—have been ignored, up to the present time.

We have recommended, for example, programs designed to bring about urban renewal, slum-clearance, rebuilding of low-cost housing, the building of hospital facilities—things that we need badly. Many of these kinds of programs are greatly needed by the country, not only to provide services for people, but to take care of a lot of the problems of our major metropolitan areas and to provide jobs and job opportunities for people.

This can be done; it has been done in the past. Some people talk about not being able to afford it. You mentioned the capacity of industry. Certainly, when you're losing 25 percent or 30 percent of the capacity of American industry, that's a great loss—something you won't get back with upwards of million people unemployed for a long period of time. That's a great loss that you won't recoup.

And instead of those people earning money and paying taxes, the government is required to provide some kind of assistance for them. So, it's an economic loss to the whole society.

We believe strongly, you see, that we can't continue to operate a free society, a free economy, with very high rates of unemployment and wasted industrial capacity. It's a terrible thing to have happen to us. But so far, we haven't been able to convince the people in leadership and government that we have to attack those problems head-on, with effective programs and policies.

Cooney. Well, a few moments ago, you described how the Steelworkers and the steel employers have been working together to modernize the industry and make it more efficient, more productive. Yet, the Nixon and Ford Administrations believe that the way to bring about efficiency—shake out the inefficient—apparently is to have a prolonged period of high-level unemployment. How do you plan to deal with that approach, when it involves the national Administration?

Abel. Well, that theory, of course, has been proven false down through the years—you don't eliminate these conditions by creating a scarcity; you eliminate these problems by producing abundance—and this is where we greatly differ with the Nixon-Ford Administration.

The argument has been raised by Administration spokesmen, as well as some business interests, that the way to cope with inflation is to have high unemployment. In other words, deny people the opportunities.

But, we've had high unemployment now for a long, long period of time—unemployment running 10 million and more—the highest since the Great Depression.

Yet, it has had little, if any, impact on inflation. And now, about the time we see inflation easing somewhat, and unemployment starting to go down a little, right away, interest rates start moving up again.

This, by and large, has been a major factor in the kind of inflation we have had.

McFeatters. Mr. Abel, we are on the threshold of the nation's big triennial bargaining cycle, with auto coming up this Fall, then steel, can, copper next Spring, and winding up with coal a year from now. What are workers going to be demanding in these contracts?

Abel. Well, I would assume there will be more concern with the security measures than anything else.

There will be great interest, naturally, in keeping our earning capacity up and improving it. We will, in steel, under ENA—automatically, until 1980, without anything further done—continue to receive the 3 percent annual improvement factor and the cost-of-living adjustments. But beyond that, we will be interested in improving our pensions, keeping them up to date, perhaps a little more leisure time—vacations and holidays.

There may be some need to take a close look at some of our welfare programs, or second accident programs. But they are in pretty good shape.

There were problems in many industries with the supplemental employment funds being depleted by heavy layoffs.

We'll be looking at those sorts of things.

I hope that maybe the time has come that we can achieve, at long last, one of our original goals—guaranteed employment.

McFeatters. Mr. Abel, it seems that each year, the Steelworkers have made some kind of breakthrough in fringes—there was the 13-week vacation, and last time around, I think, it was that cost-of-living increase for retirees. What do you have up your sleeve for next year?

Abel. Well, I don't know that we have anything up our sleeve—I personally would like to see, as I said, achievement, at long last, of the guaranteed wage—full employment concept that the Steelworkers started out to secure back in 1937, at our first convention.

Cooney. Mr. Abel, you have been discussing the collective bargaining prospects—the prospects ahead. How can you expect to make any real or sizeable gains in collective bargaining, or through collective bargaining, as long as the economy is recovering so slowly? You can't gain very much in an unhealthy economy, can you? How do you change it?

Abel. Well, certainly you can gain more

with a full and healthy economy—there is no question about that.

But that doesn't mean that because the economy hasn't operated up to capacity, you don't make strides forward.

We certainly intend to make progress.

Fortunately, our industry has pretty well recovered from the recession. It is operating at about 90 percent, or a little better, of capacity now, and it looks like it's going to be that for sometime. This, again, is due in large measure to our new concept of stabilizing the industry.

We will continue to try to improve benefits for workers, yes.

HARDEN. Thank you, gentlemen. Today's Labor News Conference guest was I. W. Abel, president of the United Steelworkers of America, and a vice president of the AFL–CIO. Representing the press were Robert Cooney of Press Associates, Incorporated, and Dale McFeatters of the Scripps-Howard Newspapers. This is Frank Harden, inviting you to listen again next week. Labor News Conference is a public affairs production of the AFL–CIO, produced in cooperation with the Mutual Broadcasting System.

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GRANT H. PEALER

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. YOUNG of Florida. Mr. Speaker, for the past 4 years a resident of the Sixth Congressional District of Florida, Mr. Grant H. Pealer, has been trying to gain official recognition as the first person to enlist in the Regular Army Reserves. In Elmira, N.Y., Mr. Pealer enlisted in the Army Reserves at exactly 9 a.m. on August 16, 1938—which was the day the President authorized enlistments to begin. According to Mr. Pealer, the next man did not enlist until 4 days later at Staten Island—it was this second man who was noted by two newspapers as being the first enlistee in the Regular Army Reserves. Despite appeals from Mr. Pealer, the papers did not correct their stories. The following article, which appeared in the June 24 issue of the Clearwater Sun, provides a great deal of background information on Mr. Pealer's quest for such recognition:

MAN ENLISTS ARMY TO PROVE HIS CLAIM

(By Tom Keyser)

LARGO.—Grant Pealer says there are two groups of Americans: citizens and patriots. Citizens perform on the local level. They join Sertoma or they help put on the July 4 fireworks display. Patriots serve the federal government. They join the Army or they run for Congress.

There should be a third category for Pealer, somewhere out there beyond patriots.

In 1943, after being discharged from the Army as a 100 percent disabled veterans, Pealer tried to re-enlist.

"I didn't want anything to do with civilian life," he said. "I was a soldier, man. I didn't want to be anything but a soldier."

But he had developed a nervous condition in the Army after losing his wife and suffering a concussion at Pearl Harbor and fighting the Japanese in the Pacific. The Army psychiatrist spotted him in a minute and Pealer never got back into the Army.

But a flesh wound never stopped an American soldier, nor did it deter Pealer. He simply went to work in Army-related intelligence. He eventually made it to Florida, organized a scouting program for handicapped persons, won the Sertoma Humanitarian Award in 1971, made first lieutenant in the Civil Air Patrol and set up the Col. Ed White Memorial Fund to help cadets fly.

Now, of all things, Pealer is trying to prove he was the first person to enlist in the Army Reserves. Well, to be accurate, Pealer is trying to get the Army to say he was the first person to enlist in the Army Reserves. Pealer KNOWS he was.

"I've known it all along," he said. "But unless the Army says it, 200 years from now nobody's going to be able to find out who the first one was. So I'm trying to get the ball rolling."

Pealer said he enlisted in the Army Reserves at Elmira, N.Y. at exactly 9 a.m. Aug. 16, 1938—the day the President authorized enlistments to begin. The next man did not enlist until four days later at Staten Island. That's when Pealer's problems started. The New York Mirror and another paper ran stories saying that man was the first enlistee. The papers did not correct the stories even after Pealer called them, he said.

His four-year attempt to gain official recognition has involved elected officials and top Army personnel. His latest response, dated June 16, was from Brig. Gen. J. C. Pennington. In part, it said:

"I can readily understand your feelings in this matter. However, the Department of the Army cannot with accuracy resolve questions of 'who was first.'

"We have been unable to locate any documentation which would confirm or deny the fact you were the first enlisted man in the Regular Army Reserves."

Pealer's response: "Most of all I'm peed off. The U.S. government doesn't know I was the first one. Hell, enlisted men don't even know the history of the Reserve Corps. Unless somebody stirs them up, they're not going to know."

Fortunately, we have Pealer to stir them up. Unfortunately, stirring them up stirs up Pealer too. His doctor recently told him to slow down and watch his blood pressure. And that's not an easy order for Pealer to follow.

"I've always felt a man's first obligation is to his country," he said. "Everybody's got to do something. If they don't, we'll be in a worse mess than we've ever imagined.

"I could sit back and not do anything—I've got a pretty good pension. But if someone wasn't scout commissioner or an officer in the Civil Air Patrol, there'd be a lot more kids on the road tearing down mailboxes, I'll tell you that."

But right now all the Army has to do to satisfy Pealer is to send him a certificate saying he was the first one, or all the U.S. Senate and House have to do is pass a resolution saying he was the first one.

That's not asking too much to make an old soldier happy now, is it? No, no, a thousand times no! Pealer is an all right guy. He even says Nixon was a good guy who just got caught, that's all.

And anyone who still says that in public at least deserves the world to know he was the first man to enlist in the Army Reserves.

After many unsuccessful attempts to establish that he was, in fact, the first person to enlist in the Army Reserves, Mr. Pealer contacted me in August of last year for additional assistance. Since that time, I have made inquiries with the Department of the Army, the National Personnel Records Center, the White House and the Chief of the Army Reserves. The responses I have received have all been the same—no documentation exists which would confirm or deny the fact that Mr. Pealer was the first enlisted man in the Regular Army Reserves. In view of this, unless someone can disprove Mr. Pealer's claim, I take this opportunity to declare him to be the first man to enlist in the Regular Army Reserves.

POLISH HIGHLANDERS OF CHICAGO—A SENSATION IN THEIR BICENTENNIAL PERFORMANCE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. FARY. Mr. Speaker, the Harnasie Ensemble, a group of Polish Americans from the Fifth Congressional District of Chicago, performing in their authentic traditional and colorful uniforms of their forefathers, electrified the crowds with their gala display at the National Folk Festival at the Wolf Trap Theatre in Vienna, Va., this past weekend as a part of the Bicentennial celebration.

Working with my colleague, Representative EDWARD J. DERWINSKI, a member of this celebrated group, arrangements were made for the Highlanders to meet with President Ford, but regrettably because of a previous commitment he could not be present.

Mr. Edward E. Nowak, advisor to the Highlanders organization, and Mr. Michael Ciesla, president and musical director, presented to the honorable Milton Mitler, Special Assistant to the President a beautifully hand carved scene of the Tatra Mountains in Southern Poland and a handsome carved CIUPAGA walking cane the type used 500 years ago by shepards attending their sheep.

The Highlanders performed Saturday morning on the steps of the Capitol before a large crowd, including Members of Congress, staff members, and tourists before leaving for the Wolf Trap where they held workshops and performed again to a standing ovation at Saturday and Sunday performances.

The Polish Highlanders of North America was founded in 1928 by people who came from the southern part of Poland—a region called Podhale.

The word Podhale which is the name of a region in the Tatra Mountains, has many connotations and means different things to different people. To some it means fresh mountain air, others will remember the smell of Sun-parched rock or glittering snow under the skies. Podhale region has always stimulated the imagination of poets and musicians fascinated by its peculiar geographical and ethnic features.

There is a sharp difference between this region and the remaining provinces of Poland. It is not only the beautiful mountain landscape, but also the people, their dialect, art, costume, music, song and dance.

Deriving their name from that region, the Podhalanie took on the name of Polish Highlanders in their new home—the United States of America. The organization consists of a main lodge with 33 circles or branches.

During World War II, the goal of the organization was weakened by passing away of older members and the first generation's lack of presenting the songs and dances with true authenticity. The situation has changed in the past several years.

Members of this group emigrated to Chicago from the Tatra Mountains in the Podhale region of southeastern Poland during the last two decades, bringing with them an exciting art form that is centuries old. Unique elements of irregular rhythms, ensemble harmony and high, rough-voiced singing combine to produce a powerful music found nowhere else. Although the basic combination of lead and harmony fiddles (Zespol Hamasie uses an accordion in place of one harmony fiddle) with bowed cello or bass is common to other parts of southeast Poland as well as to parts of Ukraine and Czechoslovakia dance music from these other areas consists of the more familiar polkas, kolomyikas, csardases, waltzes and obereks.

The Tatra Mountains are part of the Western Carpathians in a region that extends southwards from the rest of Poland. For centuries the mountaineers made their living as shepherds, taking their sheep from the valleys to the high slopes to graze during the summer months. In the mid-19th century, others discovered the natural beauty of the region, turning Zakopanie, Nowy Targ, Koscielisko and other Tatra villages into prosperous vacation resorts. This period produced Podhale's greatest celebrity—a fiddler, singer and storyteller named Jan Sabala (d. 1894) who has been commemorated in Podhale stories and songs.

Podhale music has been played and sung in America for decades. It was first recorded in the spring of 1927, when the visiting geologist, actor and singer Stefan Jarosz recorded two popular gorale (mountaineer) songs in Columbia's Chicago studios, "Taniec Zbojnicki" and "Goral Ja Se Goral," released on Columbia 18224–F. Jarasz was accompanied by a group of traditional musicians led by the legendary fiddler Karol Stoch (d. ca. 1950). On June 11, 1928, Stoch himself assembled a group of musicians and began a series of recordings for Victor, which were consistently magnificent and remain the finest single body of recorded Podhale music mainly because Stoch's skill as a musician and improviser has yet to be surpassed.

I will not have had the pleasure of seeing "Zespoy Harnasie" perform until this festival, and my notes on them come only from correspondence, photographs and recordings. The group is a part of Circle 31 of the Polish Highlander Alliance of North America. The Circle's President, Michael Ciesla, is also director of "Zespoy Harnasie." Many of its performers are well known in Europe and have been to festivals in several of the Slavic and Balkan countries. In Chicago they are seen regularly in community events and appear on radio and television. They are enthusiastically dedicated to the preservation and propagation of Podhale lore, music and dance in the United States. The musicians are: Stanislaw Pawlikowski—lead violin, Franciszek Kenik—second violin, Wladyslaw Sieczka—accordion and Michal Zolmiesczyk—bass.

The elaborate and richly decorated costumes worn by the group are as much an outgrowth of tradition as the music and dancing. Centuries old and still hand made, the costumes are invariably used for any festive gathering. The feathered hat and ciupaga (shepherd's stick) are the visible symbols of the goral's pride in himself and his culture.

I would like to express to the good people of Washington and Virginia my sincere thanks for the gracious courtesies extended the Highlanders during thier visit.

ARAB BOYCOTT—REMARKS BY WILL MASLOW

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. KOCH. Mr. Speaker, I am one of those who has taken an active interest in the legislative proposals to deal with the Arab boycott of Israel, and along with my colleague James H. Scheuer I have introduced two of the leading bills designed to outlaw American participation in that boycott, H.R. 11463 and H.R. 13151. Recently, a distinguished constituent of mine, Will Maslow, who is general counsel of the American Jewish Congress, testified before the House International Relations Committee in favor of strict legislation to deal with the Arab boycott. For the interest of my colleagues, I am appending a copy of the remarks made by Will Maslow before that committee:

Remarks by Will Maslow

Mr. Maslow. I want to address myself first to the question of the efficacy of diplomatic efforts. I have read Secretary Simon's statements and had the pleasure of a conference with him months ago on this problem.

Now the Administration has been engaged in these diplomatic efforts at least since 1965 and the result has been a dismal failure. It would not be bad if they really tried but far from trying we see disingenuous approaches.

When Secretary Simon says on page 10 of his statement that he had conversations with leaders of Arab Governments, including Saudi Arabia, and had a meeting with the United States-Saudi Arabian Joint Commission, and the Saudi Arabian Government disavowed any racial or religious discrimination, he is misleading the American public, because Saudi Arabia has not abandoned a policy of denying visas to Jews. Neither has Kuwait abandoned such a policy.

And if that is a measure of the Secretary's diplomatic efforts we are not going to get very far in enforcing the basic policy of our statute.

I am sorry to say that other departments of our government have been equally ineffective in pursuing these diplomatic efforts.

The Commerce Department had spent its time in attempting to influence the Congress against any extension at all of the boycott provisions, arguing again disingenuously, that the Arab boycott is a political act. The Arab boycott is much more than a political program. It is also a program which is aimed at what the boycott regulations call Zionist supporters and which turn out in the last analysis to be Jews.

When Kuwait in February 1975 refused to be partners in a European banking syndicate, because of the participation of Lazard Freres and Rothschild Company, they were not refusing because these banking houses are Zionist supporters. They refused to participate, because they were Jews.

When the Department of Commerce tells us that there is no anti-Jewish motivation in the boycott, all I can do is refer you to Business International, a well-known business consulting firm which publishes material on business prospects in the Middle East. I am reading from their April 1975 report entitled "Business Prospects in the Middle East," in which they give a check list of the boycott rules, and item number ten is "indulge in Zionist activities."

We know how difficult it is for Arab lands to distinguish between Zionism and Racism. It is equally difficult for them to distinguish between Zionists and Jews.

One of the questions asked, I think, by Congressman Solarz, was whether or not American companies are issuing certificates not only about the origin of the goods or the vessels upon which they are carried, but also whether or not they are issuing certificates reciting in effect that they are not dealing with blacklisted suppliers.

I may be able to give you some personal knowledge about this problem. My information derives from a project which my organization, the American Jewish Congress, initiated about six months ago in which we submitted a shareholder resolution dealing with the Arab boycott on behalf of shareholders to 140 major American companies, companies whose names are household words, Exxon, Texaco, General Motors, etc. In the course of those negotiations, I had the opportunity to sit face to face with top management to discuss the anatomy of the boycott. A short answer, therefore, to Congressman Solarz is that the certifications dealing with blacklisted vessels are widespread. Not only are they widespread but when we asked the companies to desist from such practices they refused.

They said if we abandon these certifications the Arab companies will only turn to our competitors.

The only way we can deal with such a problem is by an American law which would prevent any company from issuing such certificates.

When President Ford issued his directive of November 20, 1975, which was aimed almost exclusively at violations of boycott regulations which entailed discrimination because of race or religion, you could almost hear the sigh of relief from American companies because now they could tell their Arab customers we can't give you any certificates or we can't make any promises about discrimination based upon religion or Zionist supporters because now that is illegal.

I suggest to you you will find similar support from a large segment of American business when you strengthen their hands by enactment of legislation dealing with the boycott.

I want to address myself to another question which seems to be of concern, and that is the question of whether it is sufficient, as the Senate bill seems to do, to limit the law to reporting requirements or whether, as some of the House proposals do, Congress should go beyond and actually prohibit.

I want to point out, first of all, that the existing Commerce Department regulations, those which were enacted after President Ford's directive, do both.

Section 369.2 is a regulation which forbids giving any certificates dealing with religion. The Commerce Department regulation requires that you submit your report but at the same time it instructs you that it is forbidden to issue such a certificate. Whereas, section 369.3 which relates to practices other than those based upon race or religion, merely requires reporting.

Now, with all due respect, I don't think that reporting alone is going to solve the problem. One of the greatest evils that we have encountered and about which this Committee has heard testimony, is the use of discriminatory letters of credit by banks. Banks are not concealing the fact that they are processing letters of credit which contain discriminatory conditions.

These conditions refer not only to the origin of the goods or the means by which they are shipped; also whether the suppliers or the American exporters are on the blacklist.

When there were hearings held in New York in February on the LISA Act, there was sworn testimony by the banks, Chase Manhattan, Chemical, Irving Trust, First National City, etc., that they were processing these letters and they intended to continue to process them.

You are familiar, of course, with the directive issued by the Federal Reserve Board in which the Federal Reserve Board in an unparalleled statement declared to its member banks that it was a misuse of banking privileges for any bank to become even passively involved in the boycott regulations and specifically cited the processing of letters of credit as an instance of that.

Did that deter the American banks from continuing to process these letters?

On the contrary, they said in their sworn testimony they would continue.

Merely to require them to report, therefore, is going to be no great burden upon them; they will report and they will continue.

You must certainly, as far as banks are concerned, prohibit the practice as well.

I think also we have gone far beyond reporting alone in other legislation. That is a very timid approach. If something is clear to policy, why don't we prohibit it? Why do we have to say report it and rely upon the force of public opinion to exert pressure against you?

The United States Government is not so weak and so puny that it has to rely upon private pressures to enforce its policies.

This statute has now been on the books since 1965 with no results at all.

Finally, gentlemen, I would like to close with some reference to Secretary Simon's argument that we would lose a great deal of trade or American business would lose a great deal of trade if the United States Congress enacted mandatory legislation.

I again take as my source Business International, an agency management consulting company who seems to specialize in telling American business how they can live within the Arab boycott. In an issue of Business International dated May 21, 1976, it referred to Iraq. Iraq as you know is a country swimming in oil and swimming in petrodollars. It also is a country which is not recognized by the United States, it has a socialist economy and has close ties to Eastern Europe. You would expect, therefore, that the last country in the world that it would be buying its goods from is America. On the contrary, most of the contracts being let by Iraq are now going to American companies.

That brings me to the peculiar nature of this Arab boycott list. It wasn't until Senator Church's Committee published a copy of this Arab boycott list in the multinational corporation hearings that we ever had available in the United States a list of who was actually boycotted. We found out that not only there is no one list but that each country has its own list and these lists vary.

You ask yourself why is there this peculiar situation? If the Arab countries want to enforce a boycott, why don't they publish the list, why don't they agree upon a uniform list? The answer is they don't want to. They want to use the list when it serves their national interest and when it doesn't they pay no attention to it. Thus we have the example of Saudi Arabia making contracts with companies on the Algerian blacklist and companies on the Saudi Arabian list have no difficulty in doing business with Algeria when they want to do so.

Ford Company is on the Arab blacklist and before you begin to shed any tears about Ford, I should tell you that last year it did $50 million worth of business in the Arab lands. So Arab boycott policy is not a unified monolithic position.

From my negotiations with almost 100 major companies, I have concluded that this boycott is a vast bluff, in which American companies allowed themselves to be intimidated and blackmailed.

If a law were enacted, they could tell the Arab customers we are sorry, if you want our technology, if you want our knowhow, if you want our contracts, this is how it has to be.

This Committee cannot of course affect the primary boycott. That is, if Arab countries do not want to deal with Israel, that is not a matter that this committee or this Congress can hope to do anything about. But you can prevent Arab blackmail and Arab boycotts from importing their bigotry in the United States and requiring American companies and American banks to enforce their boycott.

Thank you.

Chairman MORGAN. Thank you.

INTRODUCTION OF A BILL TO PROTECT THE RIGHTS OF U.S. CITIZENS FROM ABUSE BY THE INTERNATIONAL CRIMINAL POLICE ORGANIZATION

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. BEARD of Rhode Island. Mr. Speaker, I am introducing a bill today that I believe is long overdue, especially in view of what we have learned recently in connection with the abuse of civil rights by agencies of the Federal Government, both at home and abroad.

The United States has for many years had a relationship with the International Criminal Police Organization, known as Interpol, a semiprivate corporation based in France. The United States is just one of 127 countries who pay for membership in Interpol and all the information banked at Interpol's headquarters in France is available to the police of any one of those countries, several of them actually police states and a number of them hostile to the United States and to American citizens.

As presently constituted, Interpol has no obligation whatever to abide by the provisions of the Freedom of Information Act and the U.S. laws relating to the protection of individual privacy from misuse of Government records.

The role of Interpol is not generally known, even by many police officials in this country, as my own investigations have shown. Interpol is an information bank, engaged in the collection of information from government sources, from national police groups, from local police departments, and from informants scattered around the world. Myths have grown up around this organization and the popular image of Interpol has been shaped by mystery novelists and cops-and-robbers programs on television.

The value of our membership in Interpol has been the subject of hearings before the Senate Subcommittee on Treasury Appropriations in 1975 and 1976. For several years, the Interpol office has been maintained by the Department of the Treasury under assignment from the Attorney General of the United States in whose office lies the responsibility for the U.S. relationship with Interpol. Just recently, the Attorney General ordered the Interpol office moved from the Treasury Department to the Department of Justice, an action that I am sure was based on a report to the Attorney General that outlined the serious weaknesses of the operation of the Interpol office under Treasury auspices.

It was the background of Interpol that aroused my interest and curiosity about this organization. Founded in 1923 in Vienna, Austria, Interpol became dominated as early as 1936 by representatives of the Nazi Gestapo and later on, with the absorption of Austria by Nazi Germany, Interpol headquarters was moved to Berlin, into the same building that housed the offices of the dreaded RSHA of Hitler's regime. While Interpol officials insist that the organization ceased to exist during the Second World War, we have plenty of documentation to show that it continued to operate, even publishing its magazine.

With the end of the war, Interpol reconstituted itself but its leadership continued to have direct ties to the methods and actual personnel of the Nazi Gestapo. As recently as 1972, the president of Interpol was a former Nazi SS officer, one Paul Dickopf.

If we indeed allow information about American citizens to be transmitted overseas and made available on request to the 127 countries in Interpol, then we must have some kind of assurance that that information is correct and factual and free from rumor, innuendo, false statements and defamation. That is exactly what my bill is intended to accomplish.

BATTLE TANKS—$1.33 A POUND

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. NICHOLS. Mr. Speaker, in a recent issue of Army magazine an article dealt at some length on the outstanding work accomplished at the Anniston Army Depot.

Certainly the fact that this depot is in Alabama's Third Congressional District plays an important role in my support of the facility itself, however, the facts demonstrate that the work completed there is some of the most beneficial, competent and of the best craftsmanship found anywhere within our depot system.

The Alabama and Georgia employees of this facility are patriotic Americans who know that by reworking and renovating the old A48 battle tank to an M48 A5 configuration, they are participating in the important function of replenishing our woefully depleted tank supplies both here and in Europe.

For the record of this body and for the reading of all Members of Congress dutifully concerned with protecting America, I am submitting for publication the following article entitled "Battle Tanks, $1.33 a pound." I am sure that it will be both interesting and informative for all readers:

BATTLE TANKS—$1.33 POUND

(By Lt. Col. Tom Hamrick)

No matter how you try to polish it, the tank-rebuild center and all of sprawling, single-story Anniston Army Depot, Ala., looks like Dullsville from a distance. There are no bugles, no fluttering unit standards, no columns of marching troops, no secretaries eating lunch on a lawn near a magnificient headquarters building, no soldier-sweetheart promenade scene anywhere on the horizon.

Not even a comely brunette named Shirley Ramsey can inject a touch of glamour into an awesome arena of grease, welding torches and programmed and unprogrammed cacophony. She is a modern-day counterpart of World War II's "Rosie the Riveter" and the first to concede that the daylight hours she spends as a mechanic refurbishing a tired M48 battle tank don't make for fascinating reading.

But Anniston Army Depot may well be the only place in the world where the Army can buy a new titan tank—or one that Dixie workers say is surely just as good as new—for $75,000. And the center is pouring out 60 a month at $1.33 a pound, with a bonding guarantee.

Still, chances are you wouldn't walk across the street to visit the depot on a workday. Just as well. There are 18 miles of barbed wire and 42 miles of chain-link fence around the rolling 15,204 acres in the Appalachian foothills of Alabama. Civilian guards check out visitors as if they had the king's jewels hidden in the nearest men's room.

Down at the information office, civilian publicist Bill Congo ponders how he can report the depot's impressive task load in salable publicity releases, even though the depot is the largest single civilian employer in eastern Alabama, with 4,500 souls with rural roots reporting in for duty every day.

Newsmen who occasionally come to the gigantic tank-rebuild shed, the center ring of the depot's activities, walk away also wondering how they're going to translate iron-mongering and statistics into exciting paragraphs.

"So they do have a capacity to salvage 3½ tanks a day from the scrap pile. Our readers will just yawn," said one touring reporter.

Although the 50-ton Goliaths of the M48 and M60 families—which are swung overhead by giant cranes—create an elephantine assembly-line safety hazard, the four to five generally minor accidents the tank center chalks up monthly don't make headlines.

Bill Congo remembers the depot's last fatality sometime last summer when a motorist reportedly ignored warnings at the front gate, accelerated through and seconds later, died after crashing into a parked tank. And the depot has long ago squeezed all the publicity it could from the presence of five bison on the grounds, a gift from the Navy for reasons Mr. Congo isn't sure about.

Around the place, workers regret that only a handful of Army troops have even heard of Anniston Army Depot, for even being the Army's largest ammunition storage facility in continental America hasn't served to turn a spotlight on the installation. Nor in the city of Anniston, ten miles away via a heavily trafficked, dangerous, two-lane, serpentine road, does the depot find itself a topic in day-to-day conversation.

This then is the story of the Anniston Army Depot. It may not seem an important one except that the depot's mission might provide tne turning point in battle at some future date, as a financially pressed Army finds itself pushed to buy new tanks at a half-million dollars each.

"There's a helluva lot of patriotism in Alabama and around this depot, and we like to think that we're giving the soldier tanks he wouldn't otherwise have," boasted a red-headed mechanic.

Aged and battered tanks, as many as trainloads of 40 at a time, are pushed onto the depot's 49 miles of rail for total overhaul, equipping with more powerful guns and a tripled operational range, as the individual model requires. Some two months later, rebuilt from the bottom track up, they roll out again, headed for the world, or maybe just around the corner to the nearest National Guard or Army Reserve unit.

Father, son and grandson—and sometimes, mother, daughter and granddaughter—man the 35-year-old plant where a rebuild facility overhauls and upgrades unserviceable M48A1, M48A2C and M48A3 tanks into a more potent M48A5 configuration, which will closely complement the performance capability of the M60 tank series, also refurbished here.

The M48s enter armed with the 90-mm gun and leave equipped with the M60's blasting punch of the 105-mm. Additionally, the gas engine of the 48A1 is yanked out and replaced with diesel equipment to match that of the new tanks the Army uses. In the process, the range of the A1 is increased from 100 miles to 300 miles, cutting back on pit stops for refueling.

Anniston Army Depot and everything it does is largely a civilianized operation. Total uniform strength at the depot numbers 67. Yet, despite an impressive tank turnout, the depot will close the gap only slightly against a Soviet lead in battlefield armor. The Soviets boast a 4.5 to one edge: about 42,000 tanks vs. a slim 9,000 in the hands of U.S. armored forces.

The current target strength for U.S. tanks, as established by Congress, is 14,400. When this goal is achieved and if the Soviets stay at their 42,000 level, the Soviets' numerical superiority will drop to 2.9 to one, with the odds still heavily weighted in Moscow's favor.

This tank-rebuild factory, sitting in the midst of what was nothing more than woods and cotton fields at the start of World War II, is expected to play an accelerating role in upgrading America's armored power. By late 1977, the Anniston rebuild center intends to be geared to double its present tank output to seven reclaimed tanks per duty day, "all with zero mileage and zero age, representing a product as good as brand new," in depot parlance.

Each tank will get the same 2,250 man-hours of meticulous attention now being accorded daily to the 90 to 110 mobile fortresses in the plant's processing line.

In they come, an endless chain: "Susie Q," "Honey Belle III," "Hell's Hammer" and "Little Orphan Annie." Some are burned out and rusted, with fenders and road wheels twisted into grotesque shapes. Others appear undamaged by test or time, with fatal ills camouflaged by relatively new coats of paint on sleek, steel carcasses.

In a measure of 56 working days, all will be stripped to the ground to the very last bolt and reassembled on a production line which is probably surpassed nowhere in America, from the standpoint of sheer dead weight.

The "line" itself is both literal and figurative. There is a line, but its end product is inched forward by heavy overhead cranes, two of them 60-ton monsters. There is no "belt" as in a Ford plant, although the disassembly and reassembly technique is otherwise much the same, as a tank is leap-frogged up the lane from one crew of workmen to another a few feet ahead.

It costs the depot some 2,200 men and women—half the human strength of the local command—to operate the two lines and also to man the adjacent reclamation facilities, a 17-building complex.

The guts of the operation is a noisy, high-ceilinged coliseum so vast it could host five football games in simultaneous play. It is into this welter that the old tank enters to be reborn for combat. The attendant sheds are designed for support, ranging from storage to stenography, and house repair for cylinders, turrets, artillery, engines and transmissions.

Elsewhere in the depot, the command's predominant civilian corps is engaged in receiving, repairing, cataloging, maintaining and storing combat and transport vehicles, weapons from rifles to towed artillery, guided missiles and strategic materiel—all secured in a battery of 43 warehouses spread over two million square feet of red Alabama earth.

Before hostilities in Indochina ended for the American forces, the depot devoted 60 percent of its ammo maintenance-and-supply mission to serving troops in that theater of war. Should an emergency arise, the depot is ready; closeted in its 1,405 igloos and Stradley magazines are munitions ranging from rockets to missiles and their intricate components.

But the command is most proud of its tank rebuild campaign. It believes the Army is getting more than its money's worth for the $120 million it earmarks annually for the rebuild program. The gargantuan effort is also considered one of the brighter economy feathers in the cap of the Army's Materiel Development and Readiness Command (DARCOM), headquartered in Alexandria, Va., where other information specialists try to encourage press and TV depot coverage from long distance.

As the depot's commander, Brig. Gen. Robert L. Bergquist, sees it, "the words 'Anniston' and 'tanks,' while perhaps not synonymous, are becoming inseparable. The depot has been working . . . to earn the distinction of being 'the tank overhaul center of the free world.' "

Gen. Bergquist thinks the depot has unquestionably won that title. One mechanic on the assembly line refers to the general as "an everywhere guy. He believes in knowing what's going on by at-your-elbow inspections." Gen. Bergquist's force is similarly impressed that they have the only general officer in the Army in command of a depot.

Because he has a command which operates behind barbed wire where visits are discouraged, Gen. Bergquist puts heavy emphasis on playing host once a year to the local countryside. He throws the front gate open and stages what depot officials claim is the Army's most extravagant Armed Forces Day event. Last year, flyovers, paradrops, a plethora of Army exhibits and band music attracted 30,000 visitors.

Industry-oriented, Gen. Bergquist represents a new and growing breed of Army general, say his staff. They regard him as "a man who would be completely at home running a Chrysler plant for fun and profit." The general is a *cum laude* graduate of Providence College and holds a master's degree in business administration from the Wharton

School of Finance and Commerce at the University of Pennsylvania.

The tank plant is geared to penny-pinching economy from screws to salaries, and heavy accent is placed on job attendance—goldbricks are advised they are replaceable, costly overhead.

"We tell them all—and I think most of them believe it—that they're competing with civilian industry and if the Army can get the job done cheaper by a civilian plant, the Pentagon will damned sure close the tank plant here," said Bobby Coplin, chief of the vehicle branch of the rebuild shop.

"We expect and we get a full day's work for a full day's pay," contends Mr. Coplin. "If we don't, I try to run them off. This is the Bible Belt we're in, and a man's word and his work are his bond."

Equal stress is given to salvaging every ounce of metal which can be reclaimed and used again on the same tank or its mate. Step by disemboweling step, a team of four to six mechanics commands each link of the strip line. Then hull, parts, motor power are steam cleaned and sandblasted, with the naked steel tank housing subsequently introduced to the assembly line for rebirth, from fan belt to fire control.

Before it quits the facility, what looks every inch a new model from Detroit is waded through a fording pool to test for leaks and its weaponry is tested on the range by civilian gunners.

Through it all, production-line managers employ an intricate quality-data feedback system to evaluate individual rebuild efficiency. Since the system was inaugurated, Gen. Bergquist claims that defects have decreased by 50 percent. "This translates," he said, "to a cost-avoidance of $390,000 (a year) by eliminating rework requirements."

The end product, whether M48 or M60, is "essentially the same tank," according to one spokesman, "with armor, weight, fire controls and artillery punch." Depot officials say some of the Army's tank experts agree the converted 48s are on equal par with the newer 60s.

One-sixth of the depot's personnel are women—nearly 700—and the coliseum's shop foreman insists that "they can be expected to carry their full share of the load, and they carry it well. I get mighty few complaints from our women."

For the most part, the women are involved in painting and restocking parts. Some have been on the job since the depot did its bit against Hitler and Mussolini.

Despite a safety record which balloons management pride, "the rebuild plant is—hell, yes—a dangerous place to work," according to foreman Coplin. Overhead cranes are constantly ferrying equipment along the twin belt lines of disassembly—assembly as warning horns blast out alerts. Hard hats, however, aren't required attire. "If a 15-ton turret fell on your head, a plastic helment wouldn't keep you from getting a bad headache," one workman grinned.

Yet worker attention to constant danger is mandatory, particularly on the belt lines. Only recently, workers are constantly reminded, a mechanic who didn't watch his step let an overhead crane lodge an iron monster in his instep.

Originally a World War II ordnance depot, the records show that over 1,230,000 tons of material were handled during wartime, with employment peaking at 6,780. Not until 1962 did the plant get into the tank-rebuild business on a major scale, when it won the Pentagon's blessing to upgrade the combat prowess of the M48 family. New facilities were hurriedly installed, and the first finalized vehicle rolled out of the plant in March, 1963.

The depot, plus nearby Fort McClellan, provides the unquestioned financial heartbeat for the city of Anniston and Calhoun county, with a combined population of 105,000. The community was greatly concerned that the depot might be mothballed or at least diminished as a source of revenue when the war in Vietnam ended.

"It hasn't happened, thank God," said an Anniston community leader, "but half the town is waiting for the other shoe to drop. We don't mind admitting that half of our local economy is directly related to two big government payrolls."

This is the big reason the command continually accents what one depot official called "pure bread-and-butter politics among our employees." Still, the absentee statistic at time worries depot officialdom, as with the beginning of the fishing season.

But the command is nonetheless willing to compare its per capita attendance and total performance with "Yankee Country" industry—any day you want to pick.

A STRATEGY TO RESCUE THE NORTHEAST

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. HARRINGTON. Mr. Speaker, this past Sunday an article by Richard A. Hill entitled, "A Strategy to Rescue the Northeast" appeared in the Boston Sunday Globe. Mr. Hill, who is chairman of the First National Bank of Boston, originally made these remarks before the Conference on a National Policy for Urban America. In his article, Mr. Hill cogently presents the problems plaguing the older cities of the industrially mature Northeastern and Midwestern States, including the structural problems of high energy and transportation costs and higher taxes which have caused the massive flight of industry, jobs, and population from these areas in recent years.

This economic decline has been followed by a pursuant competition and infighting among these States for the remaining pieces of an ever decreasing economic pie, making an already bad situation worse. Adding to this problem is the fact that the economically depressed Northeastern and Midwestern industrial States pay billions of dollars more in taxes than they receive in Federal outlays, while the economically booming Sunbelt States are the recipients of billions more in Federal expenditures than they pay in taxes.

In response to these problems Mr. Hill proposes the establishment of a coalition of the 14 industrially mature States, from Illinois eastward and northward to Maine, to formulate a comprehensive strategy of economic cooperation. He also calls for a long overdue reform of formulas for Federal grant-in-aid programs to produce a more equitable distribution of funds and to combat the existing "prosperity gap" between regions. It is not a narrow appeal to sectional prejudices but rather an intelligent summary of the causes of economic decline in the Northeast and Midwest and a means of alleviating this problem, to the ultimate benefit of the whole country.

The text of the article follows for the benefit of my colleagues:

A Strategy To Rescue the Northeast

(By Richard E. Hill)

In a sense, we are all at a watershed point. Our cities are in deep trouble. They cannot make ends meet. Staggering costs—for employees' salaries, for providing the basic amenities of life—have been institutionalized to the point that even holding the line is regarded as a major victory.

Cities must balance their budgets. Eliminating deficits by the use of mirrors won't work any more. Belt tightening is essential. Yet the social needs for which the public sector must provide will not go away.

Eighty-five percent of the population lives in urban areas. That statistic alone ought to be evidence for the proposition that this country is ready for "A National Policy for Urban America."

Yet, although that percentage has been high for a good many years, many of the people classified as "urbanized have ignored the problems of the central city. They assumed that those problems could be escaped simply by moving to the suburbs.

That myth has been exploded. There is an increasing realization that everyone in a metropolitan area depends upon the continued vitality of the central city whose existence makes the metropolitan area possible. Thus, the time may be ripe for a national urban policy.

Obviously, there would be many facets to a (national urban) policy: I want to devote myself to outlining one of them: Restructuring the Federal grants-in-aid system to achieve a more equitable distribution of funds, and to begin overcoming this nation's looming prosperity gap.

Let me note at the outset that I am not talking about all cities. Specifically, I am not talking about the booming, prosperous cities of the West and the South—the so-called Sunbelt. The 13 fastest-growing metropolitan areas in the country are in Florida, Texas, Arizona, and Colorado. These are also the areas of dynamic economic growth.

In New York, as you well know, the picture is different. This metropolitan area has lost 14,000 factories and 477,000 manufacturing jobs in the past two decades, according to one study. Another frequently cited fact is that the city has lost a total of 500,000 jobs since 1969.

But New York's problems are not unique. Over the past five years, Cleveland has lost 5 percent of its total private sector jobs. During the same periods, Philadelphia lost nearly one quarter of its manufacturing jobs. From my perspective as chairman of the board of the largest bank in New England, I see the problem in an especially acute form.

Last week on these pages, The Globe's Martin Nolan wrote of the economic decline of the older, urban Northeast relative to the newly rising Old South and the prosperous Sunbelt states. Recently, Richard D. Hill, chairman of the First National Bank of Boston, spoke before the Conference on a National Policy for Urban America in New York. This is a partially edited version of his remarks, outlining a strategy for overcoming this prosperity gap.

The unemployment rate for Massachusetts in March 1976 was 8.8 percent, 17 percent higher than the national rate.

We in Boston have a lot in common with such cities as New York, Cleveland, and Philadelphia: All of us, in fact, are part of the 14 states that make up the mature, industrialized region of the country.

This region stretches from Illinois and Indiana on its western edge, eastward across Michigan and Ohio to Pennsylvania and Delaware, and north through New Jersey, New York, and New England.

No one has found a catchy name for it, to match the term Sunbelt, but whatever label one selects, the fact is that these states represent an economically stranded region of our country.

The economic component of a national urban policy must, therefore, be directed toward the cites of these 14 states, their metropolitan areas, and the states themselves.

What can the national government do to help? Obviously, a prosperous national economy is part of the answer.

But it is only a part, since structural problems in the older, industrialized states may prevent them from sharing fully in national prosperity.

A major structural problem is the high cost of the public sector within these states, exacerbated by a dwindling private sector upon which to draw for support. The latter is forced to bear not only the high economic costs of doing business in the region, such as high energy and transportation costs. The private sector must also pay a major share of the very high taxes which the governments of this region levy to support the services they feel compelled to provide. This burden is a significant factor in the decline of the economically mature states.

Some have urged that states and their localities "go it alone" and either raise from their own sources the revenues necessary, or cut back services, no matter how extensively.

But the cities cannot meet their fixed annual costs through their own revenues. The municipal tax base within these 14 states is simply not great enough. Moreover, a sharp rise in taxes, or imposition of a commuter tax, simply drives business elsewhere, and prevents new enterprises from locating there.

To many, metropolitan government has seemed a promising solution. Yet it has not had the political appeal which the theoreticians had hoped for.

Assumption of costs and functions by the state level of government might seem a desirable alternative, and can be a partial solution. Yet, state governments and hypothetical metropolitan governments must contend with the prospect of interstate competition for new business development. The problem is especially serious for areas in competition with the Sunbelt, since the public sector in that region can boast of increased services without the taxes to match.

While on the subject of interstate competition, it should be noted that states in this region only harm our common cause when one attempts to pirate an existing business from another. As Felix Rohatyn put it, "We cannot survive on our economic island, acting like hyenas fighting for the remaining pieces of economic flesh." We will be a weak region in a weaker country.

Where then will the funds come from—the public sector revenues to support those governmental activities that cannot, and should not, be abolished are drastically curtailed? Few will be surprised to hear that my answer is the Federal Government.

The Federal Government possesses one of the most effective revenue-raising devices ever invented: the Federal Income Tax. Moreover, the revenues raised from national taxes do not engender the destructive competition among the states which I have just discussed. A substantial proportion of these revenues goes to help state and local government—through the Federal grants-in-aid system.

Federal grants permit basic responsibility for governmental functions to remain at the state and local levels. At the same time, the national government shares in the cost.

What I propose is a restructuring of the Federal grants-in-aid system to redirect substantial funds to the mature, industrialized states. Beyond that short-term step, I propose the formation of a coalition of these states to achieve important longer term goals.

I am not speaking of a "Marshall Plan for the cities," at least not yet. A program of that magnitude is an important mid- to long-term goal, and the strategy I am outlining to-

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taken under particular circumstances.

Nor do I call for widespread Federal "takeovers" of essentially state and local functions. I believe in decentralized government, decentralized to the maximum extent possible. But that relief faces a severe dilemma when confronted wiht fiscal problems whose magnitude seems to rule out local solutions.

Statistics on the Federal grants-in-aid system are staggering. In fiscal 1976, Federal grants to state and local governments will total approximately $63 billion. In 1950, these grants totaled only $2 billion—a thirtyfold increase in less than 30 years.

The grants account for approximately one sixth of all Federal outlays and provide the money for almost one quarter of all state and local expenditures. Indeed, these programs have been one of the fastest growth sectors of the Federal budget. Since 1965, they have increased at an annual average of 18.3 percent, almost twice the annual growth rate of 11 percent for all Federal outlays.

Who, in fact, gets these funds? Obviously, my task today would be much easier if I could say to you that the statistics on the distribution of funds under Federal grant programs show a blatant, ongoing pattern of regional discrimination against the mature, industrialized states. But the true picture is much more subtle than that.

For many years, the system did favor the Sunbelt.

But in the early 1970's, the pattern shifted, largely due to changes in the program mix. More Federal funds were going for human services programs, and the older, industrialized states benefitted accordingly. By 1974, these states had actually passed the Sunbelt, which in that year received only 90 percent as much as did the older, industrialized states.

A very strong case can be made that the mature, industrialized states need special help from the Federal grants-in-aid system. We are talking, let me repeat, about $60 billion—almost one sixth of the Federal budget. It is not enough to say that, for the moment at least, those sums are being distributed less inequitably than in the past. It is the Congress's task to "put money where the needs are," and today, the overwhelming needs are in the older, industrialized states.

These states are no longer rich, no matter what average per capita income figures may show. High average per capita income levels frequently exist in states with the largest number of poor, unemployed and needy citizens.

These states, especially their metropolitan areas, are suffering economically, in part because of the severe burden which their public sector, even with belt tightening, places on private businesses located within their borders.

National economic policy must be geared at reducing this burden in order to help the private sector. Thus, any Federal grants-in-aid programs which provide ongoing support to a basic governmental activity must single out this region for special treatment. That is the goal, and one way to achieve it is through the formulas themselves.

Recent Congressional debate on Federal grants-in-aid has centered on whether localities should have a relatively free hand in administering programs (known as the block grant approach), or whether the Federal Government should retain greater control, known as the categorical approach. But the formula aspects—which are admittedly complex—have been largely ignored.

Thus, our region's elected officials in Washington, displaying their primary concern over program content, have lost sight of the issue with perhaps the most significant consequences for the Northeast and industrialized Midwest—how Federal funds are actually distributed.

Isn't is about time that we, the concerned citizens of the older, industrialized states, made the case for formula factors which would favor this region?

In addition to further research on grants-in-aid, more empirical work is needed to determine the overall pattern of other Federal expenditures. The industrialized states of the Northeast and the Midwest pay billions of dollars more in taxes each year than they receive in Federal outlays for goods and services. The gainers are the Sunbelt states.

The disparities are especially disturbing when one considers the high multiplier effects of these Federal outlays.

And that brings me to a series of proposals I would like to make.

First, and foremost, that the governors and other elected officials of the mature, industrialized states, as well as interested citizens, recognize their commonality of interests and declare as a national priority a more equitable system of apportioning Federal expenditures, especially under grants-in-aid programs.

Next, as a beginning step, that governors and other elected officials of these states, and representatives of the private and public sectors, jointly decide upon a precise program for changing the Federal grant system and agree upon a strategy to achieve the changes. This should include efforts to:

Identify the grants-in-aid programs in which formulas play a major role and target the expiration dates of these programs so that we can be prepared, when the opportunity arises, to insist on formula changes that are more advantageous to our region. This is where the action is and it is time that the elected leaders of our region move right into the thick of it. During the energy crisis and revenue sharing debates, the Northeastern congressional delegations were instrumental in advancing regional interests. We must intensify our support for forceful regional leadership in Washington on other fronts as well.

Specify those formula components which would direct more generous Federal grants-in-aid to regions that are needy by today's standards. We must urge Northeastern congressional representatives to ally with congressmen from other economically mature states to seek to incorporate these factors into program formula. I do not think this is a call for sectionalism or undue favoritism.

Finally, I propose that in September of 1976 the governors and other public and private sector leaders of the older, industrialized states meet to frame a detailed and comprehensive action strategy around the issue of obtaining a fair share of Federal grants-in-aid funds for our region.

This issue is only beginning, but it is a very good place to start.

That the mature, industrialized states must join together to pursue a common strategy for overcoming the prosperity gap is truly an idea whose time has come.

LETTER FROM A CONSTITUENT

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. JACOBS. Mr. Speaker, this is a letter I received from my constituent, Mr. F. T. Gamage of Indianapolis, Ind. I believe the eloquence of Mr. Gamage deserves wider attention:

> . . . I cannot accept the blanket statement that the private life of a representative is not public business. This blanket philosophy

is a major factor contributing to the present tragic failure and breakdown of government and public confidence in it. When a person chooses public life, he moves into a glass house a great deal like a preacher does. His private life is not public business ONLY as long as his personal actions do not put him in a position where he is subject to blackmail and other forces which can dictate his political decisions often against his better judgment and frequently detrimental to his constituents. Let us face it. Anyone without sufficient personal integrity to conduct his private life in a moral and honest manner, cannot possibly possess the good judgment necessary to conduct his political life properly. This is seen in the current rash of congressmen cheating on their expense accounts, false reporting of travel costs, listing relatives and friends on office payrolls, padding office and personal expenses, unnecessary family pleasure trips all over the world disguised as government business, and many more. It is difficult to pick up a newspaper without seeing an article about someone indicted, convicted, investigated, or accused of some kind of unethical action which amounts to stealing taxpayer's money for some sleazy personal purpose.

MEDICAL FREEDOM OF CHOICE: TESTIMONY OF THE HONORABLE STEVEN SYMMS BEFORE THE HEALTH AND ENVIRONMENT SUBCOMMITTEE

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. BROYHILL. Mr. Speaker, on June 23, my distinguished colleague, Congressman Steve Symms, testified before the Subcommittee on Health and the Environment on a subject which affects the lives and health of millions of Americans. He argued in favor of their right to access to any drug which has been proven safe in the treatment of their illnesses.

This basic tenet is no innovation. Until 1962, safety was the sole criterion the Food and Drug Administration used in judging drugs which it cleared for interstate commerce. In 1962, however, the Food, Drug, and Cosmetic Act was amended to require that a drug be proven effective as well as safe. This apparently simple addition has had wide repercussions on the treatment of patients and on the availability and development of new and valuable drugs in the United States.

As Mr. Symms pointed out, the monetary cost to the consumer has been extraordinary. When one considers the Government's operating expenses, the pharmaceutical companies' cost in proving the efficacy of old, tried-and-true drugs, and the additional cost of getting approval for new drugs, the total cost of the effectiveness requirement has been nearly $1 billion per year. Hidden costs which arise when small companies go out of business because they cannot meet the cost of additional Federal regulation can only be guessed.

The Congressman went on to show that while some monetary benefit can be traced to the proscription of various harmless and ineffectual drugs, none of the several studies that have been done in this area have shown a net benefit to the consumer. The costs always outweigh the benefits.

The strongest argument put forward in this testimony is based not on the monetary cost of the regulation but on the cost in human terms. While this amendment to the original act appears to be consumer-oriented, developments during the 14 years since its enactment give evidence that it has—in many cases—denied Americans proper and efficacious treatment which is accessible to others in developed countries around the world.

The 1962 amendments have had the effect of discouraging the innovation and marketing of all drugs—not just ineffective drugs. New drugs for hypertension, TB, asthma, arthritis, and many other disease conditions have been available to citizens of other nations for as long as 9 years before being made available in the United States. Physicians find that if they are to obey their Hippocratic oath and treat their patients in the best manner known, they must either arrange to acquire a drug illegally or recommend that their patients travel abroad to receive the treatment unavailable in the United States. For patients not rich enough to travel abroad and whose physicians obey the law, there is no alternative: They must accept second or third best—if even that can be had.

In an attempt to undo the ill-effects of the 1962 amendments, Mr. Symms has introduced legislation which would strike the efficacy clauses from the 1962 amendments while keeping intact the proof-of-safety requirements of the original act. In addition, and in order to lessen the chance that a patient may be treated with ineffectual drugs when effective ones are obtainable, he is also in the process of drafting legislation which would tighten the labeling requirements in regard to relative effectiveness.

Mr. Speaker, in order that all of my colleagues may become acquainted with Mr. Symms' arguments in their entirety, I include them in the Record at this point:

TESTIMONY OF STEVEN D. SYMMS, MEMBER OF CONGRESS, BEFORE THE SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT

Mr. Chairman, Members of the Subcommittee and colleagues, it is my pleasure to be here to discuss with you the need for some changes of the drug regulatory mechanism presently existing. There certainly are problems with the way in which the Food, Drug and Cosmetic Act of 1938 and the 1962 Amendments are operating. To be honest with you, I am fearful that the current operation of the law may be harming more Americans than it is helping. Episodes such as the thalidomide tragedy in the early 1960's and the elixir of sulfanilamide tragedy in the 1930's tend to stand out and attract public attention. It seems that more stringent food and drug laws have always followed in the wake of such sad incidents, pushed through Congress with a lot of emotionalism. But I wonder if our approach to the food and drug laws has been overzealous—especially when one considers the "drug lag" which has been precipitated by the 1962 Amendments. Research is now coming to light which indicates that more Americans are being harmed because a new, more effective, drug is not available than are harmed by precipitous approval of an unsafe drug.

One of the provisions of H.R. 14289 would require that pre-1938 human drugs be proven safe and effective. Heretofore, these drugs have fallen under the provisions of a "grandfather clause." I wonder if this provision will not divert much of the scarce and precious manpower of the Food and Drug Administration from the critically important evaluation of new drugs, much needed by American patients. I wonder further, Mr. Chairman, if the cost that this provision imposes upon manufacturers—particularly small drug manufacturers—will tend to drive them out of business and increase the problem of overconcentration in the drug industry. I am mindful that another government agency, the Federal Trade Commission, has characterized the situation in the drug industry as being one of "dangerous concentration."

At this time, I would like to share with the Chairman and Members of this Subcommittee excerpts of letters which were sent to me by small drug companies after they learned of the legislation Mr. Ottinger and I have cosponsored, the Medical Freedom of Choice Act.

A small drug manufacturer in Decatur, Georgia, wrote to state that FDA regulations had substantially eliminated the "grandfather clause" already. The result of this action has been quite costly and time-consuming. They manufacture heparin sodium injection, which is an anti-coagulant that has been on the market since the mid-1930's. The major use of the drug now is for open heart surgery and in maintaining life for kidney dialysis patients. All companies manufacturing the product had to submit new drug application data. They were not able to pool their resources for a combined NDA. This small firm had to cough up $10,000 to, in their words, "tell the FDA officials, most of the completely inept, what the drug did, how it worked, and why it was safe. Now this is something that people in pharmacy, medicine and nursing already know, and we found it difficult to translate the information to the officials of the FDA. For instance the physician in charge of this 'new drug' was a radiologist who knew nothing at all about anticoagulant therapy. The long, drawn-out process was very expensive and frustrating."

A small drug company in upstate New York wrote and stated that it is even expensive to get a clinical investigation performed by a medical school. Research professors at such schools will not accept new drugs for such testing until the innovator has obtained an IND from the FDA. The company states, "The cost connected with such submissions are enormous. Further, I fail to see why federal bureaucrats are more capable of making decisions in this respect than qualified doctors."

A drug innovator in Louisiana contacted Congressman Henson Moore to recount this same "Catch–22" and how it affected him. He has devised a product which is useful in filling decayed and abscessed teeth. According to dentists using the product, they would have been unable to save the teeth without the product. Because the cost of obtaining NDA approval was too great for this single innovator, he reached an agreement with a nearby dental school to have their researchers conduct the testing. However, FDA refused to grant this innovator an IND despite the clinical data he had been able to obtain. Without the IND, the dental school will not touch the product. The upshot of this is that the product will be manufactured and marketed overseas. Americans will have to do without it, perhaps indefinitely.

Another small drug firm in Miami, Florida contacted me regarding new FDA regulations which the FDA blithely admitted would drive a number of small firms out of business. A violation of any of the 25 procedures detailed in the regulations means that a drug product will automatically be deemed adulterated and may be recalled and confiscated. The regulations include such requirements as storing bottle caps 24 inches from the wall, cleaning toilet facilities in a specified manner, the filing of 18 sets of reports along with quarterly reports and summaries, the maintenance of written records regarding the cleaning of laboratory beakers, the maintenance of housing space for animals regardless of whether the drug company does it own animal toxicity studies and keeps animals, the prohibition of trash anywhere in the building, and the list goes on and on. Any of you desiring to have a look at these regulations may feel free to ask me for them at the close of these hearings. I have them with me. The small firm states, "The callous high-handed attitude of the F.D.A. toward small and medium sized firms is frightening."

A Southern California drug firm wrote to describe its timed release hormone capsules which had been used by doctors in the area for over 20 years with great success. The firm points out that FDA has appealed to physicians to use estrogen and androgen steroids in as low a dosage as possible. Hence the value of a timed release. The firm has been barred from remanufacturing the drug because it cannot afford the thousands of dollars which FDA approval will require. Its vice president states, "Our goal, and a difficult problem now, is to keep the uniqueness of our product line with products that have proven themselves over a period of time. If we can't, we will be forced to convert much of our line to 'me too drugs'. . . . and that just doesn't seem like the way of free enterprise!"

These are just a few examples of the problems being encountered by small firms. The scores of letters I have received indicate to me that these examples are not isolated. They are part of a pattern of small firms being driven out of business. The point is that our present regulatory system is decreasing the competition in the drug industry. Small firms just simply don't stand a chance. And decreased competition is bound to be reflected in higher prices to the consumers.

THE EFFECT ON THE CONSUMER

The effect of our drug laws and regulations upon the consumer can be viewed from two perspectives. The first perspective I shall deal with is the economic impact upon the consumer. This type of analysis attempts to quantify in dollar terms the loss of lives, the extended disability of sick Americans, and other consequences which flow from the fact that a needed drug is not available on the market. The second perspective is more humanitarian. It is somehow rather cold to talk of human suffering in dollar terms. Dr. Halberstam has touched upon this humanitarian, or medical, view of what a drug lag inflicts upon American patients. So my remarks will be brief on that point.

The Economic Impact: There are two possible ways in which to measure the economic impact of the 1962 Amendments to the American consumer. One method adopted by the editors of Private Practice entails adding up the expenditures by pharmaceutical companies to prove the efficacy of old drugs which have been placed on the market in the years since 1938, the additional cost to drug companies to secure approval of new drugs because of more stringent regulations and more elaborate testing procedures, and the government's expenses in supporting the administrative operations of the FDA as it enforces the 1962 Amendments. The sum of all these figures for the first 12 years of the 1962 Amendments' operation is $12 billion. For 1970 alone, the FDA spent nearly $15 million of its $66 million budget complying with the requirements of the 1962 Amendments. That figure has steadily increased.

Professor Sam Peltzman of the University of Chicago estimates the cost of the Amendments in a different manner. Based on a rather complex economic model, which adopts assumptions favorable to the role of the FDA as a drug regulator, Peltzman has determined the dollar benefits the Amendments have afforded the consumer by keeping ineffective drugs off the market, and, the dollar losses inflicted upon consumers as a result of not being able to use new drugs during the two to four years that they are kept off the market by the Amendments. Peltzman estimates that the American consumer has been afforded an annual gain of $100 million by reduced marketing of ineffective drugs. However, the "missed benefits" resulting from a reduced flow of new drugs is anywhere from $300 million to $400 million annually. Increased regulation has also meant less competition in the drug industry. As a result, existing drugs have commanded prices higher than what would have been expected without the Amendments. The higher prices have added $50 million to the price tag of drugs. So the measurable effects of the 1962 Amendments total up to a net loss to American consumers of $250 million to $350 million annually. This is roughly equivalent to 6% of total drug sales.

I have yet to run across an economic analysis showing that the 1962 Amendments have resulted in a net gain to consumers and I can only draw the conclusion that the consumer as taxpayer, as drug buyer, and as patient is the loser. You may ask, what about the benefits that consumers have been afforded because ineffective drugs were kept from the market, and what about the lives which the FDA has saved by blocking the marketing of unsafe drugs? Well, in answer to that I must point to two things. The first is the President's 1975 Economic Report which states, "It is not clear that the average efficacy of drugs introduced after 1962 is any higher than that of drugs previously introduced." The second is the 1938 Food, Drug and Cosmetic Act which has given the FDA jurisdiction over safety for quite some time. The addition of an efficacy requirement seems to be accomplishing only a few things, none of them good. One is that it has increased research, development and reporting costs, another thing has been decreased competition and increased concentration of the drug industry, and a third consequence is the delay in the marketing of valuable new products. Most American consumers, burdened by these costs, and denied the most advanced drug therapy in the world, would probably agree with my premise that the most ineffective drug is the one which is simply not available when you need it.

The Human Impact: The consequences of increased drug regulation to the American patient can justifiably be characterized as dire, and perhaps fatal in many cases. Progress in the new field of orthomolecular therapy has been stymied by the presence of the "efficacy" requirement. Such therapy relies upon vitamins and minerals—all non-toxic and thus sufficiently safe to meet with FDA requirements. But many of these therapies, such as the "U Series" devised by Dr. Henry Turkel of Detroit, Michigan, have not received NDA approval from FDA because the particular drug reviewer did not find them to be effective. But it appears clear that this determination—a very subjective determination, as are all decisions about drug efficacy—was a foregone conclusion. Before the drug reviewer even took a look at the first page of the IND or NDA, he had heard talk about treatments for mongolism being uniformly "quack remedies." He also felt that any treatment for a cellular, or chromosomal, defect was not possible—despite the fact that other in-born defects such as diabetes are treatable, though they cannot be "cured." Whatever the medical arguments on the "U Series," pro or con, the simple fact remains that the therapy is perfectly legal in Michigan. And many American parents travel with their mongoloid children to Michigan for this treatment, at great cost and personal sacrifice. I have a constituent in Couer d'Alene, Idaho, who will not be able to afford this travel expense in two more years when her older children enter college. A man in Crofton, Maryland called to ask why he must travel with his retarded child to Michigan for these treatments when no one has found them unsafe. These two parents, and the parents of hundreds of thousands of mongoloid children in this country are distraught about FDA prohibitions on the "U Series." They accept the argument which I accept: When trained physicians disagree about the efficacy of drugs known to be safe, and especially when those who doubt efficacy have never had any clinical experience with them, the individual practicing physician must decide how to treat a particular patient. I do not think the FDA should be permitted to refuse the marketing of these types of drugs.

Another drug which was once permitted on the American market but which has been withdrawn—to the detriment of arthritis sufferers—is DMSO (dimethyl sulfoxide). It has not been shown unsafe or ineffective. The FDA even backed off an inch after totally banning the product—it is now available to veterinarians for the treatment of horses with sore legs!

Probably all of the Members of this Subcommittee have, at some time, received letters from constituents asking about Laetrile, or Vitamin B_{17}. The FDA contends that it is not a vitamin, although scientific bodies recognize it as such in 24 other countries. It is a controversial topic and, since I am not a scientist nor a physician, I make no value judgements about the substance. All I know is that it is not toxic. No one has ever died from an overdose of it. The most violent reaction to Laetrile has been temporary nausea. I find the following statement, which is excerpted from a letter sent to me by an attorney in Chicago, an eloquent expression of the views of most Laetrile users:

"Having had two cancer operations in less than six months, I want no more. Any treatment that may avoid this is attractive to me, if it will do me no harm. So I have been taking Laetrile . . . To me the whole business [of FDA regulation] is wrong. If Vitamin B_{17} won't hurt me or anyone else, why should I have to pay smuggler's prices? To me it's nuts! I would have no objection whatever, if the F.D.A. required that on each package of Laetrile there appeared in bold type, 'The Surgeon General, the Commissioner of the Food and Drug Administration and the American Medical Association have all decided that Vitamin B_{17} has no therapeutic value in treating or preventing cancer' or some similar warning. But to tell me and others like me that we can't get what we want, even if it's only a placebo, is not worthy of our government."

Another humanitarian concern of mine revolves around the question of medical ethics and whether FDA regulations promote ethical research. Of course, it is only ethical to test a drug before it is sent out to a mass market. However, I am concerned about evidence of unnecessary testing—testing which will be detrimental to the human beings involved in the clinical investigation. An exchange of letters which appeared in the Journal of the American Medical Association between Dr. Crout, of the FDA's Bureau of Drugs, and Dr. Edward Freis, who won the 1971 Lasker Award for his studies of hypertension, is revealing. Dr. Freis initiated the volley of correspondence by expressing his dissatisfaction with the "drug lag" in antihypertensive drugs—particularly that group of drugs known as Beta-blockers. Dr. Crout countered by stating that some of the NDAs filed for these drugs had not been approved because they were not backed up by controlled studies. Dr. Freis' reply is most enlightening on the topic of medical ethics. He responds that controlled studies should not have been required for these drugs unless the objective of the FDA was to determine relative efficacy. And relative efficacy determinations are plainly beyond the scope of FDA's authority under current law. The antihypertensive drugs had such a marked effect upon human blood pressure, that proof of this effect was unnecessary. In fact, a controlled trial would be ethically questionable because it would necessitate placing individuals with hypertension problems on placebos for an extended period of time—thus, effectively denying them treatment. In Dr. Freis' own words:

"Assigning such patients to placebos for long periods of time would be ethically unthinkable. Unfortunately the FDA seems to have little appreciation of these risks. As recently as last year [1974], in outlining the protocol for evaluating a new diuretic agent, the FDA requested a placebo run-in period of three months in patients with diastolic blood pressures averaging between 105 and 115 mm Hg. These patients not only have a high risk of complications developing when hypertension is left untreated, but it has also been conclusively demonstrated that treatment of such patients is effective in preventing major cardiovascular complications. Needless to say, the company would have had great difficulty finding investigators willing to follow such a protocol."

Mr. Chairman, various drug manufacturers' representatives with whom I have had the opportunity to talk about drug regulations have alluded to other protocols which they found medically unethical—protocols which, in the name of benefitting mankind, would have imposed a serious and unnecessary risk upon the human subjects of clinical investigation. This area should warrant further in-depth consideration by this Committee if the FDA stays in the business of making subjective determinations about efficacy.

This brings me to another point about the legislation before us, H.R. 14289. Section 10(a) of the bill, which appears on page 16, would tend to launch us into the area of relative efficacy. It calls upon the FDA to take into account other available drugs or forms of therapy and not just the benefits versus the risks of a drug under review. Mr. Chairman, it seems to me that it is only common sensical to have a wide range of drugs available for treatment of the same illness. Some drugs act well on an individual and others not so well. It is something which depends upon the individual patient's bodily makeup. A provision such as this may lead to removal of drugs by the FDA which have been profoundly beneficial to a minority of patients (10 percent or even a fraction of 1 percent) simply because this minority does not respond well to the other drugs on the market. I respectfully call upon the Members of this Subcommittee to reconsider the ramifications of this particular provision upon American patients.

THE FOOD AND DRUG ADMINISTRATION

That there is a serious problem with the operation of the FDA is virtually undeniable. A reasonable person, and the Members of this Subcommittee, might be inclined to discount the articles written by long-time critics of the FDA. But there are other voices and prestigious groups now saying the same thing. I find it highly significant, for example, that the recently issued report of the President's Biomedical Research Panel was critical of the FDA. This Panel was convened two years ago to review the National Institute of Health—not the FDA—and yet it devoted some considerable space in its report to comment on the FDA. The Report stated the following:

> There is a clear impasse arising between society's desire for new and better drugs and the barriers society is erecting to their development and introduction. These barriers, based on a valid desire to improve the standards of safety and efficacy and to assure ethical control in clinical evaluations, increase developmental costs. There is a real danger of bringing the development process and access to clinical resources to a halt. Many feel that the American public is being denied new drugs currently available abroad because of excessive FDA requirements . . . there is a different kind of hazard to public health, posed by the prolonged delays and great costs of developing new and potentially useful drugs which the FDA's own protective systems have imposed. In some respects, the agency has become a formidable roadblock.

Another highly significant statement was made by Dr. Richard Crout, Director of the Bureau of Drugs at FDA, on April 19th of this year. He was addressing the HEW Panel on New Drug Regulation and he stated:

> FDA has a long-term problem with the recruitment of personnel, good scientific personnel. FDA staff is not strong in the same scientific sense that the staff of the NIH is. So, it is a fundamental societal concern as to whether, over the long term, FDA can operate solely with an in-house staff, or what the role of the advisory committees will be, because I don't think we will ever solve the problem of a totally strong in-house staff.

Mr. Chairman and colleagues, I consider this a rather powerful admission of inadequacy. And it makes me question the wisdom of any legislation which seeks to give the FDA even greater authority to make subjective medical determinations affecting the health of 230 million Americans. It is for this reason that I have strong reservations about H.R. 14289.

I want to make one final point about the FDA. And that is the fact that I don't see this as being a problem of folks in white hats (critics of FDA) versus folks in black hats (FDA personnel). I have mellowed to the point where I can feel a certain compassion for the people over at FDA. Their situation has been rather aptly described in a book entitled "The Medical Police" which was written by some German authors and which is a rather stern indictment of American drug regulatory policy. The book describes the FDA as follows:

> A group of not particularly qualified people who nowadays face terrible pressure from the consumer protection movement and who are trammeled by the bureaucratic mechanism are expected to judge, often with insufficient technical facilities, the risk-benefit ratio of drugs whose mode of operation is frequently unknown.

I believe that the FDA is trapped between two opposing forces because so much power has been vested in the agency. It is the scapegoat for all sides. And the constant attacks upon the agency, the innumerable times that agency officials have been required to trot up here to the Hill to defend agency actions, have had a detrimental effect upon Americans. Much agency manpower has been diverted from necessary work to the task of justifying agency actions for the benefit of Congressional committees, consumer groups and industry critics. Since 1974 the agency has been attacked for being a "captive" of the very industry which it is supposed to regulate, and the chaos which this charge has created was probably capped off by the resignation of Dr. Chalmers two weeks ago. He felt that the panel investigating the charges could not possibly complete its task because of the in-fighting of its members.

Lord Acton stated that power corrupts and absolute power corrupts absolutely. Whether the Members of this subcommittee share that view of power or not, I do believe that the concentration of power in the FDA has made it very vulnerable to charges of corruption—whether the charges are true or not. Therefore, I honestly believe that the task of this subcommittee should be to seek ways in which to diffuse the power held by the FDA. And I will touch upon some suggestions for diffusing power in the next section of my testimony.

TOWARD TRUE REGULATORY REFORM

It is easy to be long on complaints about an agency and short on constructive ideas for improving it, so that goals espoused by nearly everyone may be obtained. Almost everyone agrees that there is a dangerous overconcentration in the drug industry, so increased competition is a desirable goal. New drugs can save lives, just as harmful drugs can destroy them, so everyone agrees that unsafe drugs should be kept from the market but that helpful therapies should not be unnecessarily delayed from becoming available to patients who need them. Everyone agrees that innovation and scientific research should be stimulated—not impeded—by our regulatory structure. Everyone agrees that the small firm and the single innovator should not be discriminated against by our drug laws. With these goals in mind, I have developed a 14 point program for reforming the drug laws. Legislation embodying 13 of these points is now being drafted and should be ready for introduction by the end of this month. Here are the 14 points which I feel should be covered by a regulatory reform program.

(1) Repeal of the "efficacy clause." Because determinations about efficacy are necessarily subjective, I feel that we are heading toward a very dangerous and peculiar form of American Lysenkoism when we allow a government agency to be the final arbiter of scientific "truth." Such a policy has already inflicted great cost, pain, and legal harrassment upon the millions of Americans who believe in nontoxic, but medically unorthodox, treatments for arthritis, cancer, mental retardation and other conditions. Such a policy threatens to supplant the educated judgment of American physicians with rigid governmental edicts. The fact that this policy is leading in this direction is illustrated by legislation currently pending in the Senate which would fine any American physician $10,000 for deviating from the FDA approved dosages for any drug, or for deviating from "approved uses." The plain fact is that doctors treating pneumonia exceed the FDA recommended dosage of penicillin every day. Must the health of the American people wait until the slow wheels of bureaucracy grind and change the labelling for penicillin? Conventional medical wisdom is often years ahead of what you read on an FDA-approved label. Legislation repealing the "efficacy clause" is now pending before this subcommittee. It is the Medical Freedom of Choice Act and is co-sponsored by 30 Members of Congress.

As a practical matter, very few drugs are nontoxic and kept from the market solely because of the "efficacy clause." Most drugs have side effects and the FDA, in regulating safety alone, will have to consider benefits versus risks. The following points are aimed at diffusing the power to make benefit versus risk decisions, and at promoting full disclosure and competition.

(2) Labelling. The legislation now being drafted would allow the FDA to disclaim the benefit of any particular drug as applied to a given medical condition. However, since there are often two or more sides in medical controversies, the labelling should disclose the views of drug researchers who believe that the drug is beneficial, the dosage they recommend, and other pertinent information. The plain fact is that much harm has been done to Americans because necessary changes in labelling were delayed. The relabelling of chloromycetin was delayed for 7 years. The FDA official responsible for delaying the relabelling went on to become vice president of medical affairs for the firm which owned

the patent on the drug. When any solid body of scientific evidence arises which indicates a harmful side effect, it should be brought to the attention of the practicing physician by a prompt change of the label. Perhaps if FDA-approved information were not the only information allowed on a label, there would not be this type of delay. I believe that American physicians and patients can only benefit from full disclosure about a medication. Let the FDA list its "approved uses," but let drug researchers and physicians who finds valuable new uses for a marketed drug have their information about dosages and uses disseminated also.

(3) Paperwork. The FDA is causing drug manufacturers, large and small, to drown in paperwork. The Chairman of Eli Lilly Company's Board of Directors recently announced that 2,038 pounds of paper had to be delivered to the FDA for one drug application. Only 25% of that massive body of information was directly pertinent to the evaluation of the drug by FDA. The rest contained incredibly detailed reports on every patient during its 7 years of testing in humans—a few of these reports were in excess of 200 pages per patient. Considering that FDA received 137 original new drug applications last year, plus 157 resubmitted applications and 966 so-called abbreviated applications—that is a lot of paper. More than the FDA drug reviewers ever look at or truly need. I therefore propose that drug companies submit only "certified summaries" of relevant information and allow for on-site inspection by FDA drug reviewers of the data upon which the summary is based. Such a process might help the document control system at FDA, which is rather slovenly. This provision of the bill will also mandate that the FDA get its document control system in shape. Right now, drug companies send in reports about "in vitro" and animal studies of a new drug. These reports are around 3,000 pages and are submitted in triplicate to the FDA. Yet, when the time comes to submit the reports about clinical studies of the drugs in humans, this same animal data must be resubmitted in triplicate because the original reports are not "readily retrievable" at FDA. I take it to mean that these reports are lost. They should not be lost. The FDA must put its document system in order.

(4) A Positive Mandate. There is no incentive presently existing in the drug laws for the FDA to avoid unnecessary delay. The FDA needs to be made aware that unnecessary delay in the marketing of a new drug can inflict harm and death upon the American public just as much as precipitous approval of a harmful drug can. The data which has been compiled by researchers at the University of Rochester School of Medicine indicates that the delay in approving Beta-blockers may have harmed many victims of hypertension, stroke and heart attack.

(5) Economic Impact Statements. As things now stand, the FDA does not conduct in-depth economic impact studies before promulgating new regulations. The agency's analysis seems to limit itself to a consideration of the administrative cost of the regulations and the cost of new employees whom drug companies will have to hire to handle the paperwork spawned by the regulations. The economic impact statements which will be required under my legislation entail studies of any decreased competition in the drug industry caused by the new regulations, additional costs being passed along to the consumer as a result of the new rules, and the effect of the rules upon drug research and innovation. Surveys of drug companies should be conducted to find out how much manpower will have to be diverted from drug research to government paperwork to comply with the rules. When Eli Lilly devotes more manhours to their required government reporting than they devote to their combined heart and lung disease and cancer research effort, we are in a sorry state.

(6) FDA Reporting Requirements. The Food and Drug Administration will be called upon to file a report semi-annually which contains information about (a) actions on IND filings and NDA submissions of all new chemical entity drugs; (b) the chemical name of the drug and the name of its sponsor; (c) whether the drug is approved for use in foreign countries and the names of those countries; and (d) the justification for FDAs actions.

(7) Time Restrictions. Experience with the 1962 Amendments has shown that the FDA just simply does not reach a decision within that space of time allowed by statute. Because the FDA can exercise the option to extend the 180 day requirement, the average length of time for a drug to go through testing for approval is now seven years. The extensions of 180 day periods are made ad infinitum. Half of this time is in the IND stage and the other half in the NDA stage. The law needs to be made more rigid by doing the following two things: (a) limiting the number of extensions to one additional period of 180 days and (b) allowing the drug sponsor to request a status review of his application within 90 to 120 days after submission, with the option to include a member of the standing advisory committee in this review, available either to the FDA or the drug sponsors.

(8) Trade Secrets. Provisions of the law regarding trade secrets are not fair. They promote an unnecessary amount of secrecy. It is important that manufacturing and synthesizing processes continue to be treated as trade secrets. However, I see no reason why preclinical and clinical summaries cannot be released at the time that an NDA is approved. Therefore, my legislation will require the release of such summaries to the public.

(9) Advisory Committees. My legislation will mandate the use of outside advisory committees. And I don't mean paid consultants chosen by FDA officials, who fall prey to charges of "special interest." I mean persons who are active in the medical field which will be most affected by a new drug which is under review. As I envision it, a majority of the members of the advisory committee should be nominated by the various medical specialty organizations existing in this country. Examples are the American College of Surgeons, the American Academy of Orthopedic Surgeons, the American College of Cardiology and the list could go on and on. Pharmacologists serving on the advisory committee could be nominated by the American Society of Clinical Pharmacologists. One further point in connection with these committees is that the definition of "conflict of interest" needs to be changed. Membership on a committee should be prohibited if a person has a pecuniary interest in the approval of a new drug, but the academic interest of a drug researcher in the drug under review should never be construed as a "conflict of interest." No one has a better understanding of how the drug works and is in a better position to defend the physiological thesis underlying it. But if the person is a stockholder in the company whose drug is being reviewed, or is a paid consultant to that company, then he might have non-scientific reasons for desiring its approval and this would not be a good thing.

(10) The IND and Small Drug Firms. The examples I mentioned of small drug firms and single innovators who were unable to obtain INDs so that medical school researchers could conduct clinical investigations were disheartening to me, and I am sure they were to you. Our drug laws definitely discriminate against those people who have talent and brilliance but who are not backed by large sums of money or powerful drug companies. And something must be done to make the drug laws treat these people more reasonably. I am mindful that some of our greatest medical discoveries were made by one, or two, or three researchers who defied the medical orthodoxy of the day. As one scientist stated in a recent letter, "Someone has to realize that, out in the boon-docks, there are a lot of scientists who haven't fallen off the turnip wagon and that the corporate structure and government don't have the corner on brains."

To remedy this situation, a provision of my bill calls for a modified IND procedure to be used by single innovators and small firms desiring to use the assistance of a medical, dental or veterinary school in their clinical investigations of a new drug. This provision will cut the red tape which stymies the progress of new drug development by individuals and small firms.

(11) National Drug Review Board. The concept of such a Board to help determine agency policies has been promoted by Senator Kennedy. The idea is not a bad one inasmuch as it helps to diffuse FDA power. The one distinction between Senator Kennedy's concept and mine involves the power of the Board to intrude in the day-to-day affairs of the FDA. I don't believe that the Board should be allowed to do this. Rather, it should serve in an advisory capacity to the FDA Commissioner, helping to determine the long range policies of the agency. Let outside advisory committees of medical experts intrude in the day-to-day affairs of FDA when the committees seek a status review of an NDA. The Board should not serve this function.

(12) Congressional Approval of New Regulation. There is some precedent for requiring the Congress to vote to approve new regulations. This approach was used with the Title IX sex discrimination regulations and I feel that the same approach needs to be used when dealing with drug regulations. When the FDA's economic impact statement blithely acknowledges that a good number of small firms will be unable to cope with new regulations and will go out of business, there should be Congressional review of those regulations. There are no elected officials at the FDA. There is no one directly accountable to the voters and the small business constituency. And the approval or disapproval of a body which is directly accountable to the American people whose health and businesses are at stake is badly needed.

(13) Semi-Sunset Law. I call this provision a semi-sunset law because it calls for a mandatory review of the FDA's operations at the end of six years. The Food and Drug Administration serves a function which not too many Americans will question. I don't think it should face an expiration of its charter at the close of six years. However, a comprehensive review of the agency's functions should be conducted at that time, and the agency should be called upon to justify its policies. I do not mean to harass the FDA with this provision. In fact, it is my intention to help the agency perform its proper role. A lot of responsible people have complained recently that the FDA is so busy defending itself from attacks from the Congress, from consumer groups, from the drug industry and others, that it can't perform its duties. It is my understanding that there were no approvals of new drugs during a six month period last year after Senator Kennedy's Health Subcommittee started probing into allegedly outrageous profits and charges of drug industry influence over FDA personnel. Plainly, Americans in need of new therapies were the ones who lost out while this was going on. A provision calling for mandatory review will assure critics of the FDA that they will have a chance to air their views during comprehensive hearings and

the provision will help to quell the brushfires which the FDA is constantly being called upon to fight.

(14) Patent Law Revision. Because the House Judiciary Committee typically handles changes in the copyright and patent laws, this provision will have to be a separate item of legislation. It is my hope that it can be considered concurrently with the broader reform bill. It is most unfair to drug innovators to have a patent start to toll when they submit their NDA to the Food and Drug Administration for review and approval. A number of years elapse in which the drug is not being marketed, there is no return on investment and yet there is a loss of valuable patent life. This legislation seeks to correct the problem by changing the patent law for drugs to allow for the patent to start tolling at the time an NDA is approved.

Mr. Chairman and colleagues, this concludes my testimony. It is my feeling that we will never reach a "no risk" goal as far as drug safety is concerned. Most worthwhile drugs will have some side effects and the decisions about whether these drugs are to be used belongs to the American patient under the guidance of his physician. The weighing of benefits versus risks needs to be made by competent people, who are conscious of the fact that delayed therapy is no better than denied therapy—and it can be just as fatal for many Americans as denied therapy. Thank you for your consideration of my views. It is my hope that this Subcommittee will take decisive action on behalf of American patients and consumers to tackle a problem which virtually everyone acknowledges—the "drug lag."

KEYNOTE ADDRESS

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. CHARLES WILSON of Texas. Mr. Speaker, when Barbara Jordan speaks, those within hearing listen. So it is not for the sake of publicizing her that I seek permission to reprint her keynote speech at the Democratic National Convention here in the Congressional Record. Rather, I offer it to my colleagues as a permanent record of her vision for the future of our party and our Nation. It is a masterful exposition of our beliefs which we have labored to translate into national policy—equality, democracy, tolerance.

I would guess there are few Republicans in the House who did not watch Ms. Jordan deliver this speech in New York, and fewer still who did not share our pride in our colleague. Many have said so. The Grand Old Party also has great leaders, and it is Abraham Lincoln's legacy that inspires hope that one day both parties will be able to join together to fulfill the vision of which Barbara spoke.

We Democrats in the House proved our regard and respect for the egalitarian procedures of our great convention. We sent the best that we had.

The address follows:

Keynote Address

One hundred and forty-four years ago, members of the Democratic Party first met in convention to select a Presidential candidate. Since that time, Democrats have continued to convene once every four years and draft a party platform and nominate a Presidential candidate. And our meeting this week is a continuation of that tradition.

But there is something different about tonight. There is something special about tonight. What is different? What is special? I, Barbara Jordan, am a keynote speaker.

A lot of years passed since 1832, and during that time it would have been most unusual for any national political party to ask that a Barbara Jordan deliver a keynote address . . . but tonight here I am. And I feel that notwithstanding the past that my presence here is one additional bit of evidence that the American Dream need not forever be deferred.

Now that I have this grand distinction what in the world am I supposed to say?

I could easily spend this time praising the accomplishments of this party and attacking the Republicans but I don't choose to do that.

I could list the many problems which Americans have. I could list the problems which cause people to feel cynical, angry, frustrated: problems which include lack of integrity in government; the feeling that the individual no longer counts; the reality of material and spiritual poverty; the feeling that the grand American experiment is failing or has failed. I could recite these problems and then I could sit down and offer no solutions. But I don't choose to do that either.

The citizens of America expect more. They deserve and they want more than a recital of problems.

We are a people in a quandry about the present. We are a people in search of our future. We are a people in search of a national community.

We are a people trying not only to solve the problems of the present: unemployment, inflation . . . but we are attempting on a larger scale to fulfill the promise of America. We are attempting to fulfill our national purpose; to create and sustain a society in which all of us are equal.

Throughout our history, when people have looked for new ways to solve their problems, and to uphold the principles of this nation, many times they have turned to political parties. They have often turned to the Democratic Party.

What is it, what is it about the Democratic Party that makes it the instrument that people use when they search for ways to shape their future? Well I believe the answer to that question lies in our concept of governing. Our concept of governing is derived from our view of people. It is a concept deeply rooted in a set of beliefs firmly etched in the national conscience, of all of us.

Now what are these beliefs?

First, we believe in equality for all and privileges for none. This is a belief that each American regardless of background has equal standing in the public forum, all of us. Because we believe this idea so firmly, we are an inclusive rather than an exclusive party. Let everybody come.

I think it no accident that most of those emigrating to America in the 19th century identified with the Democratic Party. We are a heterogeneous party made up of Americans of diverse backgrounds.

We believe that the people are the source of all governmental power; that the authority of the people is to be extended, not restricted. This can be accomplished only by providing each citizen with every opportunity to participate in the management of the government. They must have that.

We believe that the government which represents the authority of all the people, not just one interest group, but all the people, has an obligation to actively underscore, actively seek to remove those obstacles which would block individual achievement. . . . obstacles emanating from race, sex, economic condition. The government must seek to remove them.

We are a party of innovation. We do not reject our traditions, but we are willing to adapt to changing circumstances, when change we must. We are willing to suffer the discomfort of change in order to achieve a better future.

We have a positive vision of the future founded on the belief that the gap between the promise and reality of America can one day be finally closed. We believe that.

This my friends, is the bedrock of our concept of governing. This is a part of the reason why Americans have turned to the Democratic Party. These are the foundations upon which a national community can be built.

Let's all understand that these guiding principles cannot be discarded for short-term political gains. They represent what this country is all about. They are indigenous to the American idea. And these are principles which are not negotiable.

In other times, I could stand here and give this kind of exposition on the beliefs of the Democratic Party and that would be enough. But today that is not enough. People want more. That is not sufficient reason for the majority of the people of this country to vote Democratic. We have made mistakes. In our haste to do all things for all people, we did not foresee the full consequences of our actions. And when the people raised their voices, we didn't hear. But our deafness was only a temporary condition, and not an irreversible condition.

Even as I stand here and admit that we have made mistakes I still believe that as the people of America sit in judgment on each party, they will recognize that our mistakes were mistakes of the heart. They'll recognize that.

And now we must look to the future. Let us heed the voice of the people and recognize their common sense. If we do not, we not only blaspheme our political heritage, we ignore the common ties that bind all Americans.

Many fear the future. Many are distrustful of their leaders, and believe that their voices are never heard. Many seek only to satisfy their private work wants. To satisfy private interests.

But this is the great danger America faces. That we will cease to be one nation and become instead a collection of interest groups: city against suburb, region against region, individual against individual. Each seeking to satisfy private wants.

If that happens, who then will speak for America?

Who then will speak for the common good?

This is the question which must be answered in 1976.

Are we to be one people bound together by common spirit sharing in a common endeavor or will we become a divided nation?

For all of its uncertainty, we cannot flee the future. We must not become the new puritans and reject our society. We must address and master the future together. It can be done if we restore the belief that we share a sense of national community, that we share a common national endeavor. It can be done.

There is no executive order; there is no law that can require the American people to form a national community. This we must do as individuals and if we do it as individuals, there is no President of the United States who can veto that decision.

As a first step, we must restore our belief in ourselves. We are a generous people so why can't we be generous with each other? We need to take to heart the words spoken by Thomas Jefferson:

> Let us restore to social intercourse that harmony and that affection without which liberty and even life are but dreary things.

A nation is formed by the willingness of each of us to share in the responsibility for upholding the common good.

A government is invigorated when each of us is willing to participate in shaping the future of this nation.

In this election year we must define the common good and begin again to shape a common future. Let each person do his or her part. If one citizen is unwilling to participate, all of us are going to suffer. For the American idea, though it is shared by all of us, is realized in each one of us.

And now, what are those of us who are elected public officials supposed to do? We call ourselves public servants but I'll tell you this: we as public servants must set an example for the rest of the nation. It is hypocritical for the public official to admonish and exhort the people to uphold the common good if we are derelict in upholding the common good. More is required of public officials than slogans and handshakes and press releases. More is required. We must hold ourselves strictly accountable. We must provide the people with a vision of the future.

If we promise as public officials, we must deliver. If we as public officials propose, we must produce. If we say to the American people it is time for you to be sacrificial; sacrifice. If the public official says that, we (public officials) must be the first to give. We must be. And again, if we make mistakes, we must be willing to admit them. We have to do that. What we have to do is strike a balance between the idea that government should do everything and the idea, the belief, that government ought to do nothing. Strike a balance.

Let there be no illusions about the difficultly of forming this kind of a national community. It's tough, difficult, not easy. But a spirit of harmony will survive in America only if each of us remembers that we share a common destiny. If each of us remembers when self-interest and bitterness seem to prevail, that we share a common destiny.

I have confidence that we can form this kind of national community.

I have confidence that the Democratic Party can lead the way. I have that confidence. We cannot improve on the system of government handed down to us by the founders of the Republic, there is no way to improve upon that. But what we can do is to find new ways to implement that system and realize our destiny.

Now, I began this speech by commenting to you on the uniqueness of a Barbara Jordan making the keynote address. Well I am going to close my speech by quoting a Republican President and I ask you that as you listen to these words of Abraham Lincoln, relate them to the concept of a national community in which every last one of us participates: As I would not be a slave, so I would not be a master. This expresses my idea of Democracy. Whatever differs from this, to the extent of the difference is no Democracy.

FLORENCE GALIDA WRITES FASCINATING HISTORY OF THE CITY OF CAMPBELL, OHIO

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. CARNEY. Mr. Speaker, in line with our Nation's Bicentennial celebration, Mrs. Florence Galida has written a "Fascinating History of the City of Campbell," Ohio. Mrs. Galida is well-qualified to write such a book. She was born in Campbell, Ohio, on July 29, 1934, the daughter of Michael J. Katula, Sr., and the former Ann Solic; she was educated in the Campbell public school system, attending Reed Elementary and Memorial High School, where she graduated in 1952. She then attended St. Elizabeth Hospital School of Nursing and spent the next 4 years as a nurse in surgery. During 2 years in California while her husband, Dr. John F. Galida, completed service in the U.S. Navy, Mrs. Galida pursued her interest in writing by taking courses at the University of California in San Diego. She returned to Campbell in 1961. Dr. and Mrs. Galida are the parents of three daughters, Gale, Lynn, and Joan.

In writing this history of the city of Campbell, Florence Galida spent 1½ years of daily research. She did it, she said, because:

> This story had to be written. If not by this writer then by others who have recognized something special in the City of Campbell. One book cannot tell it all, but groundwork must be set for future writers and historians. The real value of a book like this is what is in it to share with the coming generations.

As a result of her long research into the history of the city of Campbell, she developed a great knowledge of and respect for, the city's founders. "Hopefully it can be relayed to those who know very little about our early years. That a city survived out of all the hardships it endured is a miracle in itself," she says. In my opinion, Florence Galida has relayed the history of the city of Campbell and its people with great eloquence.

Mr. Speaker, in order to fully appreciate our heritage, we must have a clear understanding of those who have gone before us and the sacrifices that they have made. This book will enable us to have such an understanding. The story begins with early colonial times when the land which is now Campbell was designated a part of the Connecticut Western Reserve by King Charles II of England. After the Revolutionary War, the land on which the city of Campbell is now located was fertile farmland settled by a few small landowners. "It was a peaceful community and thus it remained until fate intervened in the name of progress. With the turning of the century, serenity would be forever lost to this quiet countryside," the author observes.

In 1900, Youngstown Iron, Sheet and Tube Co. purchased 300 acres of land at $100 per acre and built a steel mill. Soon after, young people from Eastern Europe came to work in the mill; there were: Poles, Croatians, Slovaks, Serbs, Russians, Italians, Romanians, Hungarians, Ukrainians, and Bulgarians. The foreign-born outnumbered the native-born by close to 4 to 1.

With understanding and compassion, Mrs. Galida recounts the hardships endured by the young immigrants in a lawless boomtown. In the mills, working conditions were deplorable; there were no labor unions nor occupational safety and health standards. Almost inevitably, there came the strike, riots and holocaust of 1916, in which many buildings and large sections of the village were left in ruins.

Nevertheless, by 1922, the village known as east Youngstown had become a city; in 1926, the city was named "Campbell" after James A. Campbell, the president and original owner of Youngstown Sheet and Tube Co.

The "Fascinating History of the City of Campbell" contains chapters devoted to the early pioneers who settled within the boundaries of what is now Campbell, Campbell's political leaders, a history of the Campbell school system, the calamities which the people of Campbell have experienced down through the years, Campbell's war dead, famous sons and daughters of Campbell, and Campbell's famous athletes.

In one chapter of her book, Mrs. Galida refers to the city of Campbell as the "City of Churches." Campbell, with a population of less than 13,000, has no fewer than 17 beautiful churches. Histories of the founding of each of Campbell's 17 churches are included, together with color photographs.

In addition to her rich narrative history, Mrs. Galida tells the story of Campbell in pictures. Her work is embellished with numerous interesting photographs of people—young and old, rich and poor, at work and at play—photographs taken as early as 1892, and as recently as 1976.

The history of Campbell is first and foremost the history of people with diverse ethnic backgrounds; it is the story of the struggle of a small town to survive and prosper. Florence Galida has succeeded in capturing the essence of the city of Campbell and its people.

As one who lived and went to school in the city of Campbell, I am very pleased that Florence Galida has written this marvelous book. By so doing, she has preserved the story of a unique American city for posterity.

HAROLD R. BOUSMAN

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. PATTERSON of California. Mr. Speaker, I would like to take a moment to honor Harold R. Bousman who, after 16 years of distinguished service to the citizens of Buena Park, Calif., retired as a member of their city council.

John Stuart Mill said:

> The worth of a State, in the long run, is the worth of the individuals composing it.

In that respect, if Buena Park were to be judged on the worth of its individual council members, we would find Harold Bousman's record of conscientious performance to be a credit to the city.

In addition to serving as mayor of this great city for 2 of those 16 years, Harold Bousman has also been devoted to the betterment of community life in the city of Buena Park as an active member of the Messiah Lutheran Church, and an instrumental force in beginning a Boy Scout group at his church.

I salute Harold Bousman for his diligence in serving his community as an elected official and offer my warmest regards and best wishes on his retirement from the council knowing that Buena Park will continue to benefit from his leadership and good citizenship.

H.R. 12012—AMEND THE END-STAGE RENAL DISEASE PROGRAM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. VANIK. Mr. Speaker, on February 19, 1976, I introduced H.R. 12012, a bill to amend the end-stage renal disease—ESRD—program. Since that time both my office and the Oversight Subcommittee have received numerous comments and recommendations from individuals involved in every facet of the ESRD program which they believe would improve this legislation.

Today I am introducing a bill which is very similar to H.R. 12012, yet reflects many of these recommendations. The following is a summary of the major differences between H.R. 12012 and the bill which I am now introducing.

First. Medicare coverage begins the first month in which an individual incurs necessary medical expenses in preparation for kidney transplant surgery provided that such surgery occurs in that month or in either of the next 2 months.

Second. Medicare coverage is extended for patients who have undergone a kidney transplant to 3 years. The bill provides immediate medicare coverage to any patient whose transplant fails after said 3-year period.

Third. Retroactive reimbursement for the first 2 to 3 months of dialysis for patients willing to undergo home dialysis training and dialysis at home is limited to those patients who initiated such course of dialysis after July 1, 1973.

Fourth. Reimbursement for kidney disease treatment centers and organ procurement agencies not operated by providers shall be reimbursed for charges related to costs by applying such tests of reasonableness as the Secretary finds appropriate including: yearly audits, tests of the relationship of charges to cost in the provision of the services involved, and incentive reimbursement.

Fifth. Expenses incurred by a live donor with respect to all preparatory, operation, and post operation recovery costs for a kidney donation shall be reimbursed by the program but the donor will not be entitled to medicare coverage. Post operation recovery costs shall be limited to the actual period of recovery not to exceed 2 months.

Sixth. The section calling for reimbursement to kidney donors for earned income lost due to the act of donation has been dropped in its entirety.

Seventh. Before the Secretary can implement on a nationwide basis any of the pilot projects or experiments, he must submit to the Congress a report and detailed description of such project or experiment. Congress then has 60 days to reject said report. If Congress has not adopted a concurrent resolution by that time stating that it does not approve the proposed implementation, the Secretary may proceed with the implementation of said project or experiment.

CONFERENCE OF THE COMMITTEE ON DISARMAMENT

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SCHULZE. Mr. Speaker, last week I attended the Conference of the Committee on Disarmament in Geneva, Switzerland. As a member of the Congressional Advisory Group to the U.S. delegation, I have looked forward to the opportunity to see firsthand what is being done in this important area.

The Conference on Disarmament, comprised of 31 nations, holds two sessions annually as a principal international forum for the discussion and negotiation of arms control and disarmament agreements.

Since its inception, the CCD has helped achieve a number of significant agreements such as the Non-Proliferation Treaty, 1968, the Seabeds Arms Control Treaty, 1971, and the Biological Weapons Convention, 1972.

The U.S. Arms Control and Disarmament Agency has primary responsibility for U.S. participation in the CCD.

Currently the U.S. delegation is headed by the extremely capable Ambassador Joseph Martin, Jr. It was my pleasure to meet with Ambassador Martin on several occasions to discuss the current status of the CCD negotiations. The Ambassador informed me that the current negotiations were going well and that he was optimistic about progress in the areas now under discussion.

At the current session there were several extremely important issues under consideration.

One issue involves environmental warfare through the use of environmental modification—ENMOD.

On August 21, 1975, the U.S. and Soviet representatives submitted texts of a draft convention which would prohibit the military or other hostile use of environmental modification techniques which would have "widespread, long-lasting, or severe effects" as the means of destruction, damage, or injury to another party. This convention would ban the use of techniques to cause such things as earthquakes, tsunamis—tidal waves—or climate modification for destructive purposes.

Although many of the techniques being dealt with in the ENMOD agreement are still theoretical in nature, the agreement represents an important step in the history of arms control and disarmament since these nations are identifying potentially dangerous weapon techniques and are working to prohibit their use before they become standard weapons of the future.

Another issue is the attempt to ban the production, development, and stockpiling of chemical weapons.

The importance of this aspect of these negotiations is difficult to overestimate. Although it might be possible to protect innocent men, women, and children from conventional bombs during war, it would be virtually impossible to protect them from chemical gases and agents. The prohibition of these types of weapons is important to the survival of mankind.

Ambassador Martin and a U.S. expert on chemical weapons control, Dr. Robert Mikulak, with whom I met, stated that although the negotiations had not yet led to satisfactory solutions of the critical problems of verification, new initiatives have raised hopes that an agreement will eventually be reached and one more weapon of war may be eliminated.

It was my privilege to share the U.S. desk with Ambassador Martin as he presented a statement which lauded the recent meeting of chemical weapons experts and concluded with the suggestion to the assembled delegates that a program of technical exchange visits to selected facilities be initiated.

Although the work of the CCD is long, tedious and often frustrating, I feel that for the good of mankind its work is absolutely essential and should be supported by all countries. Ambassador Martin deserves the gratitude of our Nation as well as the world population for his perserverence and dedication to the achievement of lasting peace.

In addition to attending the plenary session of the CCD and the informal meetings with Ambassador Martin and his staff, I also attended an informal meeting with Ambassador U. Alexis Johnson, the Chief of the U.S. Delegation to the SALT negotiations which are also being held in Geneva.

The purpose of this meeting was to ascertain the current status of the SALT II discussions and the possibility of the United States and the U.S.S.R. reaching a new agreement.

According to Ambassador Johnson, approximately 90 percent of a proposed draft is mutually acceptable. However, the remainder is naturally in the areas of most difficulty and therefore will not be resolved easily or without consultation at the highest levels.

The SALT talks will recess at the end of July and resume on September 21.

Ambassador Martin's statement mentioned above follows:

THE U.S. DELEGATION TO THE CONFERENCE OF THE COMMITTEE ON DISARMAMENT

Mr. Chairman, since the last few weeks of the Spring session, the CCD's discussions of chemical weapons limitations seem to have taken on a new vigor. This morning I would like once again to address this question and in particular to comment on the results of the informal meetings with chemical weapons experts which took place last week.

Coming at a time when there seems to be renewed optimism that effective solutions to the remaining problems can be found, these meetings were particularly appropriate. I would like to express my appreciation to the Delegation of the Federal Republic of Germany, which first suggested that the meetings be held, as well as to all the experts who participated.

A most important contribution to the growing feeling that progress is being achieved was by the leader of the United

Kingdom Delegation, Lord Goronwy-Roberts, in his statement just before the informal meetings began. My delegation welcomes his announcement that the United Kingdom Delegation plans to table a draft comprehensive CW convention later this session. I believe that the British effort to bring elements of previous drafts together with fresh ideas for effective limitations is the sort of pragmatic, constructive approach which is most likely to lead our work to a successful result. My delegation will look forward to introduction of the United Kingdom draft.

Past informal meetings with chemical weapons experts have laid a sound and impressive technical foundation for the Committee's work. My delegation believes that the meetings last week, in which twenty-two experts from thirteen countries took part, advanced our work in a number of important respects. Valuable contributions were made in eleven new working papers and the comments of the experts on previous proposals.

In reviewing the experts' comments, my delegation was struck by the similarity of the views on the question of defining the agents subject to limitation or prohibition in an initial CW measure. As I have indicated several times recently, this is one of the aspects of CW restraints in which the United States believes an adequate technical basis exists for reaching agreement in the near future. In our view the experts' comments lend further support to this conclusion, which we reached tentatively after reviewing past CCD discussions. The results of this review are embodied in working paper CC D/499 which we introduced in the Committee on June 29.

Briefly stated, the principal conclusions of our review of the definitional question are:

1. There appears to be broad support, perhaps even a consensus, for incorporating a general purpose criterion in any CW agreement.

2. The use of toxicity as an additional criterion has general applicability and has received broad support.

3. The applicability of the other approaches that have been suggested is less general. A judgment on the need for such additional criteria can best be made once a consensus is reached on the types of agents to be covered in an agreement.

To my knowledge no disagreement on these key points was expressed during the experts' discussions.

A closely related issue concerns the agents to be covered in a first-stage agreement. My delegation and a number of others have expressed the view that less toxic lethal agents should not be exempted from prohibition. We appreciate the willingness of the Japanese delegation to take these views into account by agreeing that all lethal chemical agents could be included in an initial ban.

In this connection it is important to note that my delegation has adopted a slightly different terminology in the working paper CCD/499. In that paper the term lethal and other highly toxic CW agents is used. We believe that since the word "lethal" is ambiguous from a technical standpoint, the phase "lethal and other highly toxic CW agents", defined by appropriate toxicity criteria, better expresses the scope of the agents which should be covered. For the sake of convenience, we shall continue to use the word "lethal" by itself, but it should be understood that the two terms are equivalent.

During the informal meetings, a number of experts emphasized the importance of including such dual-purpose lethal agents as hydrogen cyanide and phosgene in an initial prohibition. None of the participants disagreed with the general proposition that all lethal agents should be included in a first-stage agreement.

Much of the discussion concerned the area of verification, where the technical foundation for the Committee's work is not yet firmly established. Judging from the views expressed, there is general recognition of the importance of verification questions, but as yet no consensus on their solution. For its part the United States submitted two working papers which describe how certain verification procedures might be employed.

Our hope is that this information will assist members to make judgments concerning the adequacy and acceptability of these procedures.

With the same objective in mind, my delegation has also suggested that it might be useful to consider the feasibility and utility of technical exchange visits to selected chemical production or disposal facilities of various types in different countries. Because of the complexity of the CW verification question, it has been difficult to gain a clear picture through working papers and discussions alone. The United States believes that first-hand knowledge could help to provide a fuller understanding of the proposals which have been made. In our view such visits could not only help point the way to sound provisions in an eventual CW agreement, but could also serve as confidence-building measures in their own right.

My delegation believes that a program of technical exchange visits would be most successful if it were broadly-based, not only in terms of participation by CCD members but also with regard to the types of facilities visited and kinds of information exchanged. Undoubtedly, visits to the few facilities used for detoxification of CW agents could be especially useful. But much relevant information could be gained by visits to other types of facilities in which procedures similar to those proposed for CW verification are already employed. Among the industries where such control methods are commonly used are the nuclear, drug and alcoholic beverage industries.

Furthermore, one of the important tasks in verification would be to confirm that activities conducted for ostensibly peaceful purposes are in fact legitimate. Procedures which do not place an undue burden of intrusiveness on the chemical industries of States must be developed to accomplish this important task. One way to acquire a fuller understanding of this issue might be to visit an organophosphorus insecticide plant.

My delegation is willing to work with others this summer in exploring a program of technical exchange visits. In this regard we appreciate the positive reaction of the Swedish delegation during the spring session. We are also gratified that the experts from several other delegations have already spoken positively about technical exchange in the area of chemical defense.

We hope that in the coming weeks the concept of technical exchange will receive general support and that it will be possible to begin technical exchange visits early in the fall of this year. We believe that a program of visits later this year would substantially facilitate the Committee's discussions at its first session in 1977.

FINANCIAL DISCLOSURE

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. RONCALIO. Mr. Speaker, as is my annual practice, I am publishing in the CONGRESSIONAL RECORD a statement of income taxes paid for the previous year and a current financial statement.

My return for taxable year 1975 has been filed, and the following is a summary of key information for the individual income tax return of Teno and Cecelia Roncalio of 3024 Capitol Avenue, Cheyenne, Wyo.:

Gross Income: $59,407.00

Net taxable income: $31,259.00.

Income taxes paid: $8,399.00.

Percentage of gross income paid in taxes: 14.1%.

Income:

Wages, $42,850.00.

Dividends, $1,599.00.

Interest, $8,470.00.

Other, $6,488.00.

Major deductions:

Real estate taxes paid, $5,805.00.

Home mortgage interest paid, $5,375.00.

Capital loss (maximum allowed), $1,000.00.

Maximum away from Home living expenses, $3,000.00.

My current financial statement is as follows:

ASSETS	
Cash in banks	$106,295.99
Checking accounts	6,295.99
Certificates of deposit	100,000.00
Stocks and bonds	30,337.50
100 UP Corp	8,750.00
1,000 Lionel Corp	3,125.00
800 C. I. Mortgage Group	800.00
900 Portland General Electric	17,662.50
Life insurance, cash value	6,833.00
Prudential ([1] $5,000)	[2] 3,564.00
Prudential ([1] $5,000)	[2] 2,472.00
Equitable ([1] $2,000)	[2] 797.00
U.S. House of Representatives ([1] $55,000)	(3)
Real estate	720,000.00
Five acres unimproved commercial property in McLean, Va., with home	600,000.00
Cheyenne, Wyo., home	60,000.00
Cheyenne Law Center, two commercial buildings (50% ownership)	60,000.00
Automobiles	1,500.00
1965 Oldsmobile	600.00
1970 Volkswagen	900.00
Other assets:	
Two units, Jasmin Groves	----------
Five-eighths interest in 23 miles gold claims, Snake River	1.00
Total assets	864,967.49
LIABILITIES	
Notes payable to banks	123,407.20
First National Bank, Gillette	60,000.00
American National Bank, Cheyenne	13,482.20
Rock Springs National Bank	12,425.00
American National Bank, Cheyenne	37,500.00
Real estate mortgages	153,540.99
Mortgage on McLean acreage and home	133,000.00
Mortgage on Cheyenne Law Center (50% ownership)	20,540.99
Total liabilities	276,948.19
Net worth	588,019.30

[1] Face value.

[2] Cash value.

[3] No cash value.

WHY ARE WE ARMING THE ARABS?

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. LEHMAN. Mr. Speaker, the dramatic Israeli rescue of 100 hostages in Uganda on the day of America's Bicentennial celebration underscored Israel's role as a force against lawlessness and tyranny.

Freedom loving people throughout the world shared in a sense of pride that the international terrorists and their accomplices were defeated by the forces of democracy.

However, while our Government has issued statements of praise for Israel, it is apparently taking steps which could threaten the very existence of that small nation.

The administration is proposing to sell to Saudi Arabia 2,000 advanced Sidewinder air-to-air missiles.

It is no secret that these weapons would be added to the Arab stockpile of arms for use against Israel. Past conflicts have shown that we can expect these weapons to be transferred to front line Arab countries in the event of war. Sworn guarantees against the transfer of U.S. supplied weapons have proven to be worthless in wartime.

Israeli air supremacy has been the key to Israel's success in past wars. The introduction of 2,000 of the most modern air-to-air missiles could threaten Israel's air supremacy in the Middle East. It could destabilize the balance of power and make a new outbreak of fighting more likely.

Mr. Speaker, for the past few years our Government has been following a dangerous and misguided policy—one which would furnish weapons to those nations who oppose Israel's very existence.

Three years ago, I spoke out against an administration plan to sell high performance F–4 Phantom jets to Saudi Arabia. Two years ago, I opposed the Government plan to deliver sophisticated American tanks to the Saudis.

We are now furnishing C–130 transport planes to Egypt and Hawk antiaircraft missiles to Jordan, both actions taken over my strongest objection.

It makes no sense for our Nation, with its ideals of democracy and equality, to furnish weapons to a country like Saudi Arabia. That country is one of the few feudal monarchies left in the world. Slavery is still practiced in some areas and discrimination is national policy. Jewish Americans are barred from entering Saudi Arabia.

The Saudis make no secret of their intentions toward Israel. Former King Saud said that the Arabs should be willing to sacrifice 10 million men to destroy Israel.

Saudi Arabia maintains a military brigade in Syria on the border with Israel and has participated in joint Arab air maneuvers, using their American-built F–5 fighters in conjunction with the Syrian Air Force.

Saudi Arabia is paying for Jordan's new American antiaircraft missile system as well as purchasing French and British jet fighter aircraft for Egypt.

Let us also not forget that Saudi Arabia was largely responsible for the 1973 Arab oil embargo which many believe represented an act of economic war against the United States.

Incredibly, we have now turned around and provided Saudi Arabia with more than $4,000,000,000 in American weapons in the past year alone.

I call upon the Congress of the United States to block this proposed sale of advanced U.S. air-to-air missiles to Saudi Arabia and to bring about an end to our Government's senseless policy of arming Israel's enemies.

FRANK EDWARD RAY, JR.

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SISK. Mr. Speaker, we in this Nation have a tendency to take much for granted. We are fortunate, of course, to live in a society which for the most part has come to expect good rather than evil.

But how quickly we are to learn of the slender thread which separates the two, which separates the feeling of inner peace from overt anxiety and fright. How quickly we learn of the preciousness of life.

The residents of a small agricultural city in my district lived through a nightmare last weekend which drove those points home. There are none of my colleagues, of course, who have not heard reports of how 26 children and a busdriver were taken captive in Chowchilla, Calif., and buried beneath a stone quarry.

This Nation was shaken by that barbaric act. We ask: Why did it happen? How could it happen? Where will it all end?

But from the nightmarish episode, which remains beyond all comprehension of civilized man, emerged the actions of a man which brought reunion between the children and their parents.

Frank Edward Ray, Jr., the busdriver, kept the children as calm as possible under the circumstances and led the assault to free the captives from their 8-by-16 foot encasement.

> Me and a couple of the boys thought to start digging or we were going to die.

So digging in relays, inching upward, Ed refused to quit until he had freed the children—whose ages ranged from 5 to 14—from their tomb.

Ed is not one to seek wordly fame, so he is somewhat uncomfortable with all the attention that he has received over the last few days. His life has been not unlike that of most Americans, working hard for a modest living, caring about his community and quietly earning the respect and friendship of his neighbors.

Ed, who also enjoys farming, has been a busdriver for the Dairyland School District for over two decades. A newspaper perhaps described him best the other day with these words:

> (Ed is) one of the most beloved drivers in the district . . . A man with a solid family background and as stable as anyone would ever want to know.

Ed's actions were of courage and heroism certainly. But they also signified the basic goodness and strength of the American people.

Ed would probably describe himself simply as a "common man." But he found, as so many others have before him, a greatness of spirit and will.

For the residents of Chowchilla their nightmare of days past will never cease. But they are fortunate that Frank Edward Ray is a member of their community. And I am sure that when the parents look at their children they will see Ed, too. The city of Chowchilla has already decided to rename its airport as the "Ed Ray Airport." But how does one really extend appreciation in such circumstances? I suspect it is impossible.

I commend Ed Ray, and I am deeply proud to say that he is a constituent of mine.

WESTERN AID "HELPING" TO ARM RUSSIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. McDONALD. Mr. Speaker, if it was not already clear to everyone before, it has again been documented that East-West trade is not in the best interests of the free world. Dr. Alexander Wolynski has recently pointed out that one result of such trade is to cause increased defense spending as well as easing the strain on the Soviet economy. I commend this review of Dr. Wolynski's book to the attention of my colleagues, as it appeared in the Daily Telegraph of London on July 12, 1976:

> WESTERN AID "HELPING TO ARM RUSSIA"
>
> (By David Floyd)
>
> Western economic aid is a major factor enabling the Soviet leaders to continue the expansion of Russia's military strength, according to a Polish economist now in Britain.
>
> Dr. Alexander Wolynski reaches this conclusion in a study of the effects of trade with Russia and the countries of Eastern Europe published today by the Institute for the Study of Conflict.
>
> Trade with the Soviet bloc, financed by massive Western credits, is of "direct military significance," he says.
>
> "It is true that this economic aid is sufficient to produce a major breakthrough in Soviet economic development, but it is an essential contribution to its military effort.
>
> NET RESULT
>
> He continued: "The net financial transfer from the West to the Warsaw Pact countries last year was equal to that year's British defence expenditure."
>
> The paradox of the situation, Dr. Wolynski says, is that "those countries which are the prime technological subsidisers of the Soviet Union have also the largest military budgets, necessary solely due to the presumed threat from Russia."
>
> By financing Soviet armaments they increase the necessity to spend more on their

own defence, which some of them claim they cannot afford."

Dr. Wolynski says it is "suicidal" for the West to subsidise the Russian economy "so long as it serves only to compensate for the drain on resources caused by military expenditure".

BICENTENNIAL WEEKEND

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. DON H. CLAUSEN. Mr. Speaker, all Americans can justifiably take pride in the accomplishments of our Nation over the past 200 years. We can also take pride in the manner in which we celebrated our 200th birthday over the July 4th weekend. It was a time for reflection and celebration, and the mature and responsible, yet still enthusiastic manner in which we observed the Bicentennial weekend is in itself a source of satisfaction.

I was privileged to participate in a Bicentennial community worship service in Petaluma, Calif., on July 4, 1976, a Sunday. The service was especially appropriate for an Independence Day observance since it was a joint service which the congregations of several Petaluma churches shared.

The service opened with a beautiful organ prelude by JoAnn Lane and trumpet fanfare by Karl Bundesen. After a Psalm reading by Rev. Herb Bauck, the congregaticn, led by Rev. Richard McMillan, sang "America the Beautiful." The Rev. Marvin Barbee then gave the opening prayer, after which the St. Vincent's Church choir, under the direction of Terry Jensen, with Marilyn Lee at the organ, performed selections by Schubert and Mozart. Rev. Herb Bauck then led the congregation in a "Litany for the Nation." Other program highlights included gospel music by the Steve Asmuth Family, a choral presentation by the combined Protestant Choirs, under the direction of Harrill Johnson, Scripture readings by Rev. Thorval Evenson and Rev. Hugh Goss, and a "Prayer for the Nation" by Father Gary Lombardi.

While scores of people participated to make the program a huge success, the assistance and cooperation of several individuals merits special recognition. They are Merle Bullard, who provided the public address system; Ken Colin, general manager, Petaluma Bicentennial Committee; Warren Hopper, director of ushers; William L. Patrick, who provided the organ; Jim Raymond, recreation director of the city of Petaluma; and Beverly Wilson, manager of the Sonoma-Marin Fair.

In my remarks I pointed out a few contemporary problems and offered some solutions. I would like to share these thoughts with my colleagues and to record this historical and meaningful event, for posterity, in the official RECORD of the Congress:

I am very proud to be able to be with you on this 200th anniversary of the signing of the Declaration of Independence and the formal entry of the United States into the family of nations. Its always a pleasure to speak in Petaluma, and I welcome this opportunity to address the Bicentennial community worship service.

The spirit of Petaluma is very much alive. Just look at Mayor Helen Putnam and the city council and how well dressed they are for this occasion.

I am pleased to acknowledge the presence of the ministers and their families. This community worship service is certainly accomplishing our objective of bringing people together.

The Bicentennial of our Nation presents us with an unique opportunity. At this time it is appropriate to look back with pride over everything that our predecessors have accomplished and at the same time look forward to the future with hope and confidence. It is a time to rededicate ourselves to the spirit of the American Revolution, which in the final analysis is the spirit which has enabled one generation of Americans to make sacrifices so that the next generation will have a better quality of life.

In spite of our illustrious past, I strongly believe our national spirit needs rejuvenation. For the past 15 years it has been buffeted by one crisis after another. First we experienced the assassination of a President, followed by the longest war in the Nation's history, while at the same time we had riots and civil disorders in our major cities. We then underwent a constitutional crises resulting in the removal of a President from office, and an energy crises which brought about the worst recession and highest unemployment since World War II.

As a result, many sincere citizens ask, "What's wrong with America?" Our motto is "In God We Trust." Can it be that after showering so many blessings and gifts upon our Nation that God has become angry with us? Has he forsaken us to stew in our own juices?"

Recently at a House prayer breakfast, I heard Wilbur Mills, for years one of the most powerful men on Capitol Hill, recount some of his experiences following the humiliating exposure of some of his weaknesses. Mr. Mills says "God didn't leave me, I left him." "I was much more concerned with what God could do for me than in what I could do for him."

Can the same thing be said about the United States as a nation?

I'm sure more and more of us are concerned about the increase in our national godlessness.

I know that you believe as I do—that God without man is still God—man without God is nothing.

This land was settled by men and women who left their homes in search of religious freedom, to worship God in accordance with the dictates of their own conscience. Our precious Bill of Rights guarantees freedom of religion, which most Americans consider as one of our most cherished traditions. The doctrine of separation of church and State reinforces this freedom.

But we must insure that in our desire to guarantee freedom of choice to people of every religious persuasion, that we don't reduce our concepts to a Godless or atheistic basis.

Is this the trend of the future? Is the concept of a Supreme Being so offensive to a small number of people that we'll soon be required to sterilize our culture to avoid any reference to God?

Can you imagine a United States where on the one hand we shout "let freedom ring" but on the other hand we can no longer sing: God Bless America, America, America, God Shed His Grace on Thee, Mine Eyes have Seen the Glory of the Coming of the Lord, Protect Us by Thy Might, Great God Our King.

Contemporary America developed from an agrarian society. In the old days, families lived together on the farm, where parents were also teachers, instilling not only practical domestic knowledge of agriculture, animal husbandry, sewing, cooking, and homemaking, but also imparting high moral values in religion, where children learned to know and love God, and in ethics, where children learned the difference between right and wrong. It was a simple society—somewhat utopian, in which freedom was stressed—the ability of a man to stand on his own two feet and make his own living.

With growth came interdependence. The increase in commerce meant that population centers followed the pioneers across the country. Schools took over the formal education of our children. Only church schools were able to teach religion, but our children continued to learn ethics, an appreciation of what's right and wrong, from their teachers, as well as from their parents.

In the old days, and maybe many of you still remember them, our teachers closely supervised the same small group of children for the entire school year, and were in an ideal position to identify ethical weak spots and attempt to correct them. Today's teachers, in our modern system, have a much more difficult task in making the same identification.

Our assembly line education system exposes each teacher to upwards of two hundred students daily, with a proportionate decrease in the amount of exposure as the number increases. In such an atmosphere, the teacher must concentrate on the hard skills, like mathematics, physics, and geography, with scant time for any ethical instruction. We live in a much more complex society today and there seem to be far fewer absolute maximums. Everything is conditioned or qualified.

Perhaps this can be seen in our attitude toward work.

America became great because of the hard work of our ancestors. The "christian ethic" or work ethic was a motivating spirit in Revolutionary and pre-Revolutionary times. Simply stated this philosophy held that work was good, that man was ordained to work, that man would be rewarded in direct proportion with how hard he worked, and that man would find God through hard work.

But American attitudes toward work are changing. We pay our farmers not to plant crops. We set up welfare systems which, rather than administer to the truly needy, encourage indolence and cheating on the part of many of the people affected.

For example, in spite of high levels of unemployment, we find that our restaurant industry in many parts of the country must be staffed by illegal aliens because the work is hard, and many unemployed able-bodied Americans can make as much money on welfare.

And its not only our attitudes toward work that are changing. In an age of affluence, shoplifting has reached alarming proportions, and employee theft is probably an even bigger problem.

Our new morality seems to be characterized by an attitude of "everyone else does it, why not me?"

If this has become our national attitude toward morality, is it any wonder that crime is up? Whether violent crime on the streets—corporate crime—shoplifting—or cheating on income taxes.

What happened to our old attitudes toward honesty?

Many will answer that question by looking back and saying, "People weren't any more honest in the old days either. Look at what so-and-so did."

There never has been any shortage of thieves.

The difference is the manner in which dishonesty today is perceived.

In the old days, felons went to jail. Today they write best sellers.

There's also another perception problem. None of us wants to appear "square"—a "goody two-shoes." People seem to dislike those with a "holier than thou" attitude. As a result we may keep our feelings to ourselves rather than express the indignation we feel, thereby by our silence, by our failure to condemn, we in effect, are giving our tacit approval to dishonest or unethical actions.

What can we do to correct some of the problems we see about us? How can we assure, in these days with more and more working mothers being required to leave their preschool tots in day care centers, that our children are learning those morals, ethics, and values which have traditionally been part of the American way of life?

How do we counter the influence of the television set, with its glorifying of crime and criminals?

How do we get back on course and recapture the spirit of the American revolution?

Frankly, I don't think we've ever really lost that spirit, which I defined earlier as the drive of each generation to make America a better place for the next generation. We Americans believe in fair play. We're willing to compete, as long as the game's not rigged against us, as long as we have an equal opportunity.

Somebody figured it out—we have 35 million laws—trying to enforce Ten Commandments.

Which prompts me to suggest that the fellow who stays home on election day because he doesn't want anything to do with crooked politics—has a lot more to do with crooked politics than he realizes.

If you want to give your country a great birthday present on this Bicentennial, register and vote—and when you vote—be sure you vote for those people who genuinely believe in and support the Bible—the Ten Commandments—the Christian ethic—the Constitution—the Bill of Rights.

The Bicentennial may be a good time for fair-minded citizens to take a good look at our system, to determine our strengths and weaknesses, and to take the appropriate corrective action.

The solution to America's problems today lies where it has lain for the past 200 years, with you and I, the American people.

We need a rededication to those Christian values which have so characterized our past.

We need to put our own house in order—by setting an example for our children of Christian principles in action, of honesty and truthfulness, by leading lives of high moral character, by showing respect for honored traditions, by applying Christian principles to Government, by being a Christian not just on the day of worship, but every day, 7 days a week, making a conscious effort to know, love, and serve God.

We must strive to be better Christians in order to be better Americans, and striving to be better Americans, we can be better Christians.

How many of you have seen the bumper strip that reads: If you believe—honk your horn! I want you to know that I believe.

I believe in Jesus Christ.
I believe in you people.
I believe in our institutions.
I believe in our Constitution.
I believe in America.

LODI BICENTENNIAL SOUVENIR MAGAZINE

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. MAGUIRE. Mr. Speaker, as we celebrate our Bicentennial on behalf of the citizens of Lodi, N.J., I would like to thank Mr. Lawrence G. Toscano, the borough historian and his wife, Rose, for their diligent work writing and editing the Lodi Bicentennial souvenir magazine.

Mr. and Mrs. Toscano's work was honored by a standing ovation at the June 24 meeting of the mayor and council. The magazine, a compilation of the Nation's history and Bergen County's, accompanied by pictures, is a tribute to the patriotism of Americans expressed in neighborly towns such as Lodi. It is also a tribute to the dedication and hard work of people like the Toscanos, who will celebrate their 50th wedding anniversary on October 31.

THE CORMAN AMENDMENT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. RINALDO. Mr. Speaker, yesterday I cast my vote against the Corman amendment to H.R. 10210, the Unemployment Compensation Amendments Act. The Corman amendment would have established minimum Federal standards for the computation of State unemployment compensation benefits.

I reached this decision only after giving the Corman approach lengthy and thoughtful deliberation. I understand the goal of those who supported this amendment. It deserves debate. And, to a certain degree, it reflects the belief, held by Republicans and Democrats alike, that a Federal minimum benefit standard deserves consideration. Yet, in the final analysis, the House rejected this amendment by the decisive margin of 281 to 113.

It is no accident that the New Jersey congressional delegation rejected this amendment by the even more decisive margin of 10 to 4. Standing against the amendment were Representatives DANIELS, FENWICK, FLORIO, FORSYTHE, HUGHES, MINISH, PATTEN, RODINO, and ROE, as well as myself.

None of these Representatives could be fairly or accurately portrayed as lacking compassion for the unemployed; many of them have demonstrated their commitment to the unemployed by voting time and time again to override Presidential vetoes of jobs creation bills. I think it is clear, then that the votes of the New Jersey congressional delegation were motivated by something other than an attitude of indifference toward the plight of the unemployed.

In fact, we voted against more unemployment in New Jersey. The truth of the matter is that, had the Corman amendment been approved, its adoption in New Jersey could well have triggered an exodus of businesses from our State. This result would have increased the number of unemployed, and made it even more difficult for those who are now unemployed to find jobs.

The present New Jersey State formula for computing unemployment compensation benefits is as follows: Two-thirds of salary up to a maximum of one-half of the average State wage—$191 per week. The Corman amendment's minimum benefit formula was exactly the reverse: One-half of salary up to two-thirds of the average State wage. Employers in New Jersey therefore faced the very real risk that the minimum Federal formula would be superimposed upon the existing State formula, with the result that the new formula might have been two-thirds of salary up to two-thirds of the average State wage.

According to the New Jersey Department of Labor and Industry, a two-thirds of two-thirds formula would have necessitated an immediate boost of 17 percent in the unemployment compensation tax assessed against New Jersey employers. Since New Jersey already ranks as the fifth most expensive State in the Union for employers, a 17-percent increase in the unemployment compensation tax would have almost certainly encouraged industry to leave the State. With a current unemployment rate of 11.3 percent, New Jersey could have ill-afforded an exodus of industry.

In addition, since New Jersey is one of three States which imposes an unemployment compensation tax on employees, the Corman amendment would have increased the deductions from the paychecks of New Jersey workers. I am adamantly opposed to such a policy. I have worked in the U.S. Congress to give rebates and tax reductions, not higher taxes, to workers. And now, in the Corman proposal, we are asked to reduce even further the dwindling paychecks of New Jersey workers. Mr. Speaker, I have no intention of taxing my constituents any further.

Some observers attempted to assure me that these fears were groundless. I was informed that the State legislature would never allow the minimum Federal formula to be superimposed upon the existing State formula. Yet the State administration refused to make a public commitment to oppose such a costly mixing of the two formulas.

Similarly, I was told that uniform benefit standards would increase the attractiveness of New Jersey to employers by eliminating the variations in State unemployment compensation taxes. However, since the Corman amendment formula was pegged to the average wage in each State, and since such average wages vary dramatically across the Nation, the Corman amendment would not have imposed "uniform" benefit standards at all. As a matter of fact, it might have actually widened the "employer cost gap" between New Jersey and other States.

Lastly, there is the cost factor. The Corman amendment, had it been in effect last year, would have cost New Jersey $79 million more than it was already paying. And the State now is close to half a billion dollars in debt to the Federal Government. In fact, only two States owe more to the Federal Government.

In summation, Mr. Speaker, this amendment would have been a disaster for New Jersey. It would have further depleted the State treasury, running the State further into debt. It would have taken more money out of the pockets of

New Jersey's working men and women. It would have driven businesses out of the State. It would have thrown more citizens out of work. And it would have made it even harder for those out of work to find a job.

Mr. Speaker, my vote indicates a concern for the unemployed. I cannot accept higher unemployment in New Jersey—nor will I accept higher taxes.

MORE ON APPROPRIATE TECHNOLOGY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. BROWN of California. Mr. Speaker, I wish to take this opportunity to update my May 27 remarks, which can be found on page E2924 of the Congressional Record, on the subject of appropriate technology. Since that time the Community Services Administration has developed its proposal for a National Center for Appropriate Technology much further, and the Agency for International Development has developed its proposal, in response to the Foreign Assistance Act, much further.

This progress has not gone unnoticed. In order to share recent articles on this subject with my colleagues, I would like to insert into the Record a copy of the article by Wilson Clark which appeared in the July issue of the Smithsonian magazine, and a briefer article from the June 11 issue of Science magazine.

The material follows:

[From the Smithsonian magazine, July 1976]

Big and/or Little? Search Is on for Right Technology

(By Wilson Clark)

[Note.—A frequent contributor to Smithsonian, Wilson Clark is the author of the book "Energy for Survival."]

Modern industrial society is characterized by symbols of greatness and size. Man's imprint on the Earth's surface is no longer a few handcrafted shrines like the ancient pyramids but a vast network of industries, highways, buildings. Not only do our modern technological monuments consume an ever-increasing portion of the Earth's energy and minerals, but their proliferation is accelerating the rate of international environmental destruction. A question arises: is our technology appropriate? If not, are there alternative technological and social approaches which can provide employment, reduce pollution and rely on abundant, renewable sources of energy and materials?

Symbolic of the sheer size of our technology is the supertanker. Developed within the last decade, it is the largest moving object ever built. Ships approaching 500,000 tons deadweight now ply the oceans, and behemoth craft of one million tons are under consideration. A ship that big could fit a cathedral into one of its five main oil storage tanks, which descend 100 feet into the water.

A major spill from a medium-sized supertanker could easily equal the total accidental spills (200,000 tons) from all the world's shipping in 1969. Supertankers rely on complicated but fragile systems to prevent such disasters; many of them are equipped, for example, with only one boiler (compared to 27 on the Queen Mary).

Noël Mostert, author of "Supership," notes their vulnerability: "If that one boiler starts to fail, the ship is in a desperate state. . . . Without steam, the engines go, and all electrical power as well. The electronic complexity of these ships is wholly dependent upon the main propulsive unit. As steam dwindles and the propeller stops turning, the lights fail, and so do radar, echo sounders, and all other modern navigating paraphernalia. . . . The lot goes. All blink, flicker and die."

The supertanker is not the only symbol of our society's dependency on the functioning of the machine. In November 1965 a failure of a sprawling electric-power grid left the northeastern United States without power for many hours. As our dependence on power grids and on bigger and more complex power plants grows, so will our vulnerability to "blackouts."

The lesson was underscored by a nearly disastrous accident on March 22, 1975, at the Tennessee Valley Authority's Browns Ferry nuclear facility in Alabama when a fire started by a technician's candle narrowly missed causing a reactor melt-down that might have "decimated" nearby Decatur, said Business Week.

On the road to centralizing technology, many efficient, small-scale processes have given way to large-scale, inefficient systems. In agriculture, for example, the extensive use of machinery has resulted in a system which no longer produces a net output of energy, but instead consumes more British Thermal Units (BTUs) of oil than it yields in BTUs of food to the consumer. The magnitude of risk and waste has prompted an international debate over the scale of technology. It is one thing for productive nations like the United States to use energy-intensive agriculture to help fill total world needs, but it is appropriate for the less developed nations?

Assistance to developing nations by developed ones has concentrated on industrialization and this has created a host of problems. The African writer and technology specialist Jimoh Omo-Fadaka points out:

"Often aid creates a psychological dependence on getting still more aid. It saps initiative and enterprise; again, it may foster—as it has in so many nonindustrialized countries—a type of development wholly inappropriate to circumstance. Industrial plants are created, instead of basic water supplies being improved. Aspirations are created that can never be fulfilled." On the other hand, Omo-Fadaka indicates that the kind of development needed "is one that will produce enough food to feed the whole of the population and that will absorb the labor. In this type of development, agriculture should be the key factor, not industry."

The long-term debt of the developing countries has increased from $40 billion to $130 billion since 1970. Fortunately, many of the technologies the developing world is most in need of are not nearly as expensive as the technologies of the industrialized world.

A recent study of industries and employment in developing countries by the International Labour Office (ILO) in Geneva concluded that new research and development is needed to bring about a "shift to indigenous raw materials, small hand-operated machinery and the use of various waste materials for the generation of energy in individual industrial plants." With funding provided by Sweden, the ILO conducted research in developing countries.

They found, for example, that in comparison with modern, imported tin-can-manufacturing processes, less expensive, labor-intensive processes in Thailand employ more people for a smaller total investment. By investing in a labor-intensive process, ten-year savings would amount to about $500,000. Since local machine shops could manufacture some of the equipment, there would be less revenue spent for foreign parts, and there would be more growth in native industries.

In Kenya, the purchase of second-hand rather than new, machines used in the processing of jute might offer the advantage of increasing employment and productivity. Machine shops of the East African Railway and small local shops could be employed for "generating new types of technical knowledge in the railway workshops, and . . . might contribute to making secondhand equipment more viable in Kenya."

Although there has been too little effort by corporations and governments to investigate the use of such appropriate techniques in the developing world, a number of small, nonprofit organizations in Europe and America have made great progress in this field for years. The English economist E. F. Schumacher coined the term "intermediate technology" to describe the kinds of approaches and industries needed in the developing world. "I have named it intermediate technology," he says, "to signify that it is vastly superior to the primitive technology of bygone ages but at the same time much simpler, cheaper, and freer than the supertechnology of the rich." Schumacher, top economist and head of planning for the British Coal Board for 20 years, paid many visits to developing countries in the 1950s and 60s, observing—with despair—the limited usefulness of advanced technology in solving persistent problems of food and shelter. In 1966 he founded the Intermediate Technology Development Group (ITDG), with headquarters in London.

For example, at the request of the Zambian government, the ITDG developed an egg-tray production machine costing $19,500, which is scaled to the needs of the country. The cheapest machine available on the international market would have cost $390,000, and would produce a million trays a month, far more than Zambia needed. The small machine offers more employment opportunities and lower capital investment, and can be used to fabricate other items than egg trays.

In the United States, a number of nonprofit organizations provide similar services. VITA, or Volunteers in Technical Assistance, located near Washington, D.C., provides a consulting service which uses the expertise of more than 6,000 scientists and engineers who offer free advice on questions of technology and construction. VITA consultants have designed for use in developing countries machines and implements such as windmills, bicycle-powered pumps, spinning wheels and solar cookers. According to World Bank adviser Charles Weiss, "appropriate technology is an issue which lies at the center of development strategy but which at present is being left largely to organizations like VITA."

The developing countries need energy for small industries and home uses (such as lighting, cooking and pumping water). A new project of the United Nations' Environment Programme (UNEP) is testing the use of solar energy, wind power, and fuel production from manure and agricultural wastes for providing the energy needs of villages. Dr. Ishrat Usmani, senior energy advisor to UNEP, pioneered this approach for the development of "Rural Energy Centers."

"As far as the fuel-starved countries are concerned," says Usmani, the former director of Pakistan's atomic energy commission, "the introduction of nuclear power not only drains their limited trained manpower and scarce capital resources, but it makes them totally dependent on imported fuel, millions of dollars' worth of spare parts and even foreign supervisory personnel."

The United Nations has contracted with Oklahoma State University and the Brace Research Institute of McGill University

(Montreal) to design energy systems for use in the rural centers.

A team from Oklahoma State, which has pioneered in wind-power research, will design a center for a village in southern Sri Lanka, and Brace Research Institute one for Senegal.

Each village center will use a combination of solar power, wind power and energy from agricultural wastes to provide lighting, pumping and cooking needs. The village energy centers will have the installed power equivalent of a 20- to 50-kilowatt electric generating plant.

In many developing countries these technologies will come none too soon: supplies of fuels—such as firewood and charcoal—are perilously low.

In Nepal, population pressures have caused farmers to seek more arable land, forcing a move to less fertile mountainous areas. Simultaneously, villagers seeking firewood have caused extensive deforestation. Erik Eckholm, of the Washington, D.C.-based Worldwatch Institute, describes the ecological havoc. "Topsoil washing down into India and Bangladesh is now Nepal's most precious export, but one for which it receives no compensation. As fertile soils slip away, the productive capacity of the hills declines, even while the demand for food grows inexorably."

To curb this growing problem, the Nepalese government is encouraging land and forest conservation, but the existing population is hard-pressed to find fuel for cooking and heating homes. As nearby sources of wood disappear, villagers have to travel hours to find firewood, or they burn cow dung. Since the dung is needed to restore fertility, burning it only exacerbates the dilemma of the people.

One answer to the fuel problem is methane digesters to convert cow dung into methane gas, used for cooking or heating, and produce fertilizer in the process. The basic technology required to treat manure for gas production has been used since 1900 in India. Methane gas is produced when rich animal manures (and other organic matter) are confined in an oxygen-free closed container (or "digester") at temperatures ranging between 59 and 122 degrees Fahrenheit (15–50 degrees Celsius); bacteria convert the wastes into methane gas at atmospheric pressure through a process similar to fermentation.

According to Brot Coburn, a young American Peace Corps volunteer who has been building home-sized methane plants in Nepal since 1973, a digester designed to use the manure of five cattle will provide the cooking-fuel needs of a family of five. At the current cost of firewood in Pokhara, Nepal, the digester—costing about $400—would pay for itself in about five years. This assumes only the cost of scarce firewood, not the other by-product of the digester, a richer fertilizer than cow dung applied directly to the fields.

More sophisticated methane-digester technology is in practical, day-to-day use in the Peoples' Republic of China and in Taiwan.

In the United States, the principles of methane digestion have been used for years to treat sewage in a number of waste treatment plants, but only recently has the process been utilized in an integrated manner for fuel and fertilizer production. One of the largest experimental projects is nearing completion at a Washington state prison farm. With support from the state's Department of Ecology, a small nonprofit research firm in Seattle called Ecotope Group built the entire system at a cost of $140,000. According to designer Ken Smith, the system will provide fuel to run the farm's creamery, electricity for refrigeration in summer, and a nitrogen-enhanced fertilizer of higher quality than the original manure. The system will save more than $10,000 a year in the equivalent cost of fuel and fertilizer.

This innovative project has been built five years ahead of the federal government's plan for a similar plant and at significantly lower cost than the government's budget.

It is no coincidence that most of the projects described here were accomplished by individuals and small organizations, working independently and at low cost; this characterizes the goal of appropriate technologies. Although their application is often confined to developing countries, there is no compelling reason to limit the use of these technologies to countries where agrarian conditions and fuel scarcities are common. In fact, the increasing development of small-scale technologies in America, Japan and Europe indicates that this new industrial revolution may offset the historic tradition of industrial centralization. Tom Bender, architect and an editor of *Rain*, an appropriate-technology journal, says: "Much of the real efficiency of large organization has been its ability to apply inexpensive energy to do our work, yet we now have technologies that permit equally effective use of energy in small applications."

The idea that efficiency increases with size has rarely been challenged, and remains a key concept in economic theory, yet small businesses and organizations are often as efficient in their use of human and physical resources as large enterprises, if not more so. "The Sources of Invention" (a comprehensive book on the subject of invention and innovation by Jewkes, Sawers and Stillerman) states that of 71 major 20th-Century inventions, more than half were the product of individual inventors, working without the backing of corporations or government. These individual contributions to technology include the self-winding watch, the safety razor, color film, air conditioning, streptomycin and Xerography.

But the inertial mass of large capital investment works in favor of large organizations in our economy, and government subsidies and laws tend to encourage bigness to the detriment of small businesses and organizations. Even government funding for development of small-scale energy technologies, notably solar energy, has favored large corporations rather than small research groups and businesses which have already developed systems for heating homes and buildings.

MAKING IT OFFICIAL

At least one state government, California, seems interested in helping to develop models for appropriate technology. The governor has established a state Office of Appropriate Technology, under the leadership of the state architect, Sim Van der Ryn. Van der Ryn is planning a number of projects to use low-cost, environmentally sound methods of constructing state buildings, to conserve resources and encourage community development.

In a review of the potential for appropriate technology, he comments that "public policy favors and often subsidizes large scale standardized activity at the expense of diversified local enterprise. We subsidize water to agribusiness; highways subsidize long-distance movement of products by large producers; building codes require the superfluous use of materials and encourage excessive energy consumption; agricultural marketing laws emphasize the cosmetic appearance of foods resulting in the wasting of large quantities of marketable food; health codes, waste and water laws prevent appropriate systems of waste recycling; land-use assessment and taxation policy discourage suitable uses of land—the list goes on."

As Van de Ryn sees it, the new appropriate technology office in California will serve as "a lobby inside government," and its functions will be to analyze the impediments which present legislation places on the development to the new, small-scale technologies.

He plans a new state office building that will use solar energy for cooling and heating. The building will save $18 million in fuel bills over its 50-year lifetime.

On the federal level, the Community Service Administration (CSA) has successfully spearheaded a "winterization" program for poor families in the United States. It is considering a grant to a nonprofit organization to establish a National Center for Appropriate Technology. The center will focus on granting money to community action agencies for local projects in energy conservation, community industry and self-reliant technology.

The idea of appropriate technology is derived as much from a vision of a diversified society, of self-reliant and prosperous homes and communities, as it is from technology per se. Just building a few small-scale technology demonstration projects will not accomplish the broader goal of a more human technology. The idea of appropriate technology challenges the existing order of things, especially the values of centralized government, institutions and industries. As E. F. Schumacher notes: "Science and engineering produce 'know-how'; but 'know-how' is nothing by itself; it is a means without an end, a mere potentiality, an unfinished sentence. 'Know-how' is no more a culture than a piano is music."

In the early years of this century, American society and industry were more diversified. The underlying technological characteristic of America a generation ago was community agriculture and industry. Now, instead of the village blacksmith there are automated steel mills and ubiquitous power lines.

Not all village blacksmiths have disappeared, however; a few remain, considered relics of a bygone age. I recently visited the author of a popular book called "The Modern Blacksmith," Alexander Weygers. Far from a relic, I found him a fascinating and engaging man whose values and education represent much that is admired, although very little that is understood by modern folk.

Weygers, who handcrafts all his own tools, is an accomplished artist and sculptor. His initial education was in mechanical engineering and shipbuilding in Holland in the 1920s. In the first year of his engineering studies, he says that "half of the time spent in school was in the shops, half in the classroom. And the time in the shop was simply to make sure that when you were through with your training, you could compete with a machine. You see, I caught the tail end of the steam age. In the steam age, when you were a marine engineer, if a ship would break down in midocean, the engineers had to be able to do die-making, machinist work, blacksmithing, anything. There was always a shop on board."

Weygers says that "this is what I have cashed in on all my life; the excellence of handwork." Today, he passes this knowledge along to students and apprentices, and is booked years in advance for his classes in toolmaking and blacksmithing.

During my meeting with Weygers, I was amazed that the quality of his tools reflected a precision that I have been taught to associate with machines, not human talent. All the more surprising was the source of his raw material—junk. All his tools are made from the throwaways of modern society—machines, appliances, springs from discarded autos. Just before I left, he said: "I believe that in the diversity of knowing as much as possible about as many things as possible is the source of strength. Our society's specialization is a product of man's fragility."

As I peer at the future course of technology and its effects on our lives, I would prefer the vision of Weygers, the ship's engineer-cum-artist and blacksmith, to the image of the supertanker.

[From Science magazine, June 11, 1976]

CONGRESS BUYS: "SMALL IS BEAUTIFUL"

An English economist's ideas about the role of technology in society are enjoying sudden favor in Congress. His concepts have already been incorporated into the appropriations bills of no less than four federal agencies.

The economist is E. F. Schumacher and the chief vehicle for his ideas is a collection of essays entitled "Small Is Beautiful." First published in 1973, the book has acquired a wide following and something of a cult status.

The central theme of Schumacher's ideas is that technology need not be a law unto itself but should be carefully designed to fit the specific circumstances of its users. For example, developing countries, Schumacher's particular field of interest, would often do better with labor-intensive technologies similar to those used by Western countries half a century ago rather than with the labor-displacing techniques of today.

Schumacher coined the term "intermediate technology" and set up a company, the Intermediate Technology Development Group, to spread the idea to the Third World (Science, 18 July 1975).

Intermediate technology is often used interchangeably with the essentially similar concepts of "appropriate technology" and "alternative technology." All refer to technology which possesses the social and economic attributes the speaker considers desirable, such as being low cost, labor intensive, small scale, easy to operate and repair, and sparing of energy. For many, the ideal of appropriate technology is the bicycle.

Congress has recently taken up the idea of appropriate technology in a significant way by writing encouragement or specific dollar amounts into the budgets of various agencies.

The Agency for International Development received $20 million in its 1975 budget to establish an intermediate technology program in conjunction with the private sector. The idea came from members of the House Committee on International Relations who were impressed with Schumacher's company and its work for developing countries. AID has not yet decided on the framework within which to spend the money.

The Community Services Administration, the successor to the Office of Economic Opportunity, has been granted $3 million to establish a National Center for Appropriate Technology. The center, still in the design stage, will probably be located in Butte, Montana. The center will help develop appropriate technologies for the poor, such as home insulation, and award grants to support local community technology groups.

At the suggestion of Congressman George E. Brown (D-Calif.), the House Committee on Science and Technology has directed the National Science Foundation to give emphasis to intermediate technologies. "Intermediate" or "appropriate" technologies, the committee said in its report authorizing the agency's 1977 budget, "may be defined as the level of applied technology which is best suited to specific cultural, economic, social and political climates." Inquiries among senior NSF officials did not uncover any high level of awareness of intermediate technology or immediate intent to emphasize it.

Also at Brown's suggestion, the House has written similar encouragement into the budget of the Energy Research and Development Administration.

Among presidential candidates, Governor Jerry Brown of California is a long-standing fan of Schumacher's and has set up an Office of Appropriate Technology in the California state government.

THE DANGERS OF ECONOMIC DETENTE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. McDONALD. Mr. Speaker, one field in which everyone acknowledges that the Soviet Union lags in is in that of computers. Computer technology is the basis of all the most sophisticated and strategic weapons development today. Therefore, any Soviet advances in this field show up rather quickly in new weapons development.

Miles Costick, an expert on East-West trade, recently treated this important subject in an article that appeared in Conservative Digest for July 1976. I commend this article to the attention of my colleagues who evidence such concern over our defense spending. Money could be saved by slowing down or stopping the transfer of technology to the U.S.S.R. and thus we would not have run so hard to stay barely even with the Soviets in weapons development. As it now stands, however, the tortoise is staying up with the hare, because we have thrown the tortoise a tow line to make his task easier.

The article follows:

THE DANGERS OF ECONOMIC DÉTENTE

(By Miles Costick)

Not satisfied with the serious damage done by his grand design for political detente, Secretary of State Henry Kissinger has also advanced the concept of "economic detente."

Economic detente, according to Kissinger, is based on the principle of "linkage" of the American and Soviet economies, and would add "an element of stability to the political equation."

However, stability is not the result because what the United States means by detente and what the USSR means by detente are two entirely different things.

Leonid Brezhnev and his colleagues see detente as a policy to increase Soviet power over the United States *without* alarming the Americans or their allies into taking effective countermeasures. Brezhnev made this clear to his Politburo and Warsaw Pact leaders during the summer of 1973.

His key proposition was dubbed the "new Brezhnev doctrine" by U.S. defense analysts, who summarized it as follows: "We communists have got to string along with the capitalists for a while. We need their credits, their agriculture and their technology.

"But we are going to continue a massive military buildup, and by the middle 1980s we will be in a position to return to a much more aggressive foreign policy designed to gain the upper hand in our relationship with the West."

Therefore, every U.S.-Soviet deal—particularly the transfer of advanced technology and sophisticated capital equipment—is an act of international politics.

THE NATURE OF TRADE

By now, the two general techniques in the Soviet pattern of trade have clearly emerged. One is to tap the Western technology and long-term credits in order to develop resources rapidly, including oil, natural gas, timber and rare metals in Siberia.

The other is to import complete industrial installations wholesale, especially in the chemical and petrochemical industries, computer production, the automotive field, the energy sector and modern metallurgy.

In 1972 alone, orders for Western technology ran to $2 billion—a figure that rose in 1973 to almost $3 billion and is still climbing—with the result that Moscow now spends over 22 percent of its foreign exchange earnings annually in repaying loans.

The surge in shipments of advanced technology was particularly evident in the case of the United States. According to figures released by the Department of Commerce, the U.S. shipped $547 million worth of machinery and equipment to the Soviet Union last year.

This sharp increase in the export of technology, combined with grain shipments worth $1.1 billion, produced a record trade gap in Soviet-American relations in 1975. United States' exports totaled $1.8 billion, compared with imports from the Soviet Union of $227 million, a ratio of almost seven to one.

More, however, lies behind the Soviet trade strategy than erecting large new industrial facilities. The major contract with Fiat to build a complete auto factory at Togliatti illustrates another Soviet objective. Fiat not only planned, programmed and supervised construction of the complex, but trained Soviet engineers and technicians and provided technical help in running the installation.

Thus, what Moscow wanted to and did acquire was not just a modern plant, but the very art of modern mass production of cars, plus the management and organization for such mass production. The same applies to the Kama River truck plant, which predominantly utilizes American technology.

Historically, the Kremlin has used trade for political and strategic reasons, to exploit economic crises and to try to disrupt Western economies. In the view of this observer, the Soviet Union had explicit political objectives in exhorting the Arab oil nations to bargain hard with the West.

By half privately, half publicly promoting the upward spiral of oil prices, Moscow hoped to push the West toward bankruptcy and depression. It was obvious that Moscow took great comfort in seeing inflation pressures increasing in the West.

The Soviet press made no secret that Moscow also saw advantages in the rising competitive frictions between Western Europe and the United States as the oil crisis mounted.

THE MILITARY DIMENSION

In his testimony on April 12, 1974, before an executive session of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee of the U.S. Congress, William Colby, then director of the CIA, stated that the Soviets "have been getting military technology" from the West.

When Chairman William Proxmire inquired about the nature of that technology, Mr. Colby replied: "Computers, some scientific instruments and advanced equipment."

In 1972, the U.S. Departments of State and Commerce granted an export license for 164 of the latest generation Centalign-B machine. These are of critical importance in the manufacture of precision miniature ball bearings, which, in turn, are imperative for any guidance mechanism used in intercontinental ballistic missiles—ICBMs, MIRVs and the latest in guided missiles, MARVs—Maneuverable Reentry Vehicles. The sole manufacturer of these unique machines is the Bryant Chucking Grinder Company of Springfield, Vermont.

The Soviet war industry gained 164 of these machines; the United States has never owned more than 77 of them. The export of Centalign-B machines to the Soviet Union gave Moscow direct access to the mass manufacture of guidance mechanisms needed for MIRVing and MARVing.

According to testimony presented to the Senate Finance Committee, United States and British computer technology and large scientific computers enabled the Soviets to make a breakthrough in the development and advancement of MIRVs by saving them valuable time ranging from two to four years.

In 1982, the Soviets will have at least 5,000 operational MIRVs aimed at the United States. Without American technology and precision miniature ball bearings, this would not have been possible.

In my presence, the former chief legal counsel of the contracting division in the Soviet Ministry of Armaments gave a sworn statement that, without the use of American computers, precision instruments and digital tools in Soviet research and development laboratories the Soviet military-industrial complex could not have made any advances in the development of high-energy lasers or nuclear devices. His statement was made in the spring of 1974.

This statement was confirmed on July 21, 1975, when Lt. Gen. Daniel Graham, then director of the Defense Intelligence Agency, testified before a subcommittee of the Congressional Joint Economic Committee in executive session that he was worried about a Soviet breakthrough in "the application of lasers."

Furthermore, the Soviet Union is seriously exploring "revolutionary" and "highly speculative" weapons technologies, which could give it the worldwide lead in military weaponry in the near future.

So stated Deputy Defense Secretary William Clements on April 20 of this year. Clements told an MIT university conference in Washington, D.C., that the Soviet's arms experiments "include high-energy lasers, surface-effect vehicles and antipersonnel-pressure weapons."

It should be stressed that the Soviets have made a breakthrough in the deployment of high-energy lasers in the form of antisatellite devices. It was recently reported that several U.S. spy satellites placed in orbit to observe Soviet compliance with the SALT I agreement were rendered nonoperable (blinded) by Soviet laser-beam devices.

Computers are at the core of today's and tomorrow's strategies. Without them there are no weapons systems. All the new technologies—giros, lasers, nucleonics, metallurgy, propulsion, including computer technologies themselves—are dependent upon computers. Furthermore, computers, lasers and nucleonics are interrelated.

ROPE SELLERS RUN WILD

And yet there is a concerted drive by several leading American electronic firms to sell to the Soviets fourth-generation large computers and related technologies, or to provide the Soviets with complete manufacturing facilities for the mass production of the latest generation computers.

For example, Control Data Corporation has provided the Soviet nuclear-research facility in Dubna near Moscow with its second- and third-generation computers. Today Control Data's management is pressing the Department of Commerce and other U.S. government agencies to permit the export to the Soviet Union of the world's largest and most advanced scientific computers—the fourth-generation Cyber-76 and Cyber-172 series.

Only eight such installations exist in the world, including those at the Atomic Energy Commission, U.S Air Force, NASA and the National Security Agency.

One of the most flagrant examples of the outflow of American advanced technology and automated machinery is to be found in the case of the KAMAZ–Kama River truck plant, still under construction in accordance with specifications provided by leading American engineering concerns.

Donald E. Stingel, president of Swindell-Dresser Co., told the congressional Subcommittee on International Trade of his firm's role as the plant's principal engineering and construction contractor. His testimony included the relevation that the firm is providing the USSR with a technology yet to be realized even in the United States.

Specifically, the KAMAZ will have an annual production capacity of 150,000 to 200,000 10-ton multiple-axle trucks, more than the capacity of all U.S. heavy-duty truck manufacturers. This plant will be capable of producing tanks, military scout cars, rocket launchers and trucks for military transport, but it was approved as "non-strategic."

Hedrick Smith, a Moscow correspondent for *The New York Times*, has reported a joke that circulated within the official Soviet establishment on the eve of Brezhnev's visit to Washington in June 1973. Brezhnev, it seems, had gathered his advisors for counsel on what he should ask from America.

"Ask them to sell us cars and build us highways," suggested one. "Ask them to build us computer factories and petrochemical plants," said a second. "Ask them to build us oil pipelines and atomic power stations," said a third. "No," replied Brezhnev thoughfully. "I'll just ask them to build us communism."

From the results to date of both political and economic detente that is exactly what the West has been doing: Building communism and digging its own grave.

SALUTE TO RHODE ISLAND'S CREDIT UNIONS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. ST GERMAIN. Mr. Speaker, on May 22, 1975, I was privileged to sponsor H.R. 7474, the Credit Union Financial Institutions Act Amendments of 1975. I was joined at the time by 34 cosponsors. Subsequently the vast majority of the provisions have been incorporated in S. 1267, passed by the Senate December 11, 1975, and in H.R. 13077, recently referred to the Subcommittee on Financial Institutions Supervision, Regulation and Insurance, which I have the honor of chairing.

As I stated on the floor on June 16, comprehensive financial reform envisioned by Chairman Reuss and myself has been delayed "because of the massive opposition heaped on our attempts by vested interests" which has the effect of denying to the credit union movement a number of provisions critically required if credit unionism is to survive in an increasingly competitive financial environment. Notwithstanding this setback, however, I am proud to report that Rhode Island credit unions continue to seek additional ways and means to provide still better services to the thousands of Rhode Islanders who have been served so well through the years by our credit unions. The league's willingness to innovate, its ability to predict future needs and requirements has often served as an example for other credit union leagues throughout the Nation. A lion's share of the credit for my home State's accomplishments must go to Robert V. Bianchini, managing director of the league, whose counsel is readily available to any and all who espouse the cause of credit unionism. This relatively young man, already a success in his chosen profession, has a promising future indeed and I commend him for his leadership in furthering a liquidity network benefiting credit union members, as described by the attached July 18 Providence Journal article:

Money Network for Credit Unions Readied in Rhode Island

(By Donald D. Breed)

Next month, the Rhode Island Credit Union League will embark on a venture that promises to bring greater convenience and security to the management of credit union assets, and could be the forerunner of even more fundamental changes in the nature of the credit union movement.

It's called RICUL Corporate Credit Union. It was chartered in May, after the Rhode Island General Assembly passed enabling legislation. Its purpose is to serve as a clearing house for credit unions with excess savings to loan them to credit unions that need money for loans.

It will be a member of U.S. Central Credit Union, and through it linked to credit unions across the country. By the end of the year, it's expected that the huge Canadian credit union movement will also be tied in.

Robert V. Bianchini, managing director of Rhode Island Credit Union League, believes that "the future of the league lies in financial services to members." He feels this will surpass in importance, though not replace, traditional league functions of lobbying and education. ("Education" at the league is so broad it might also be called industry self-regulation.)

Bianchini looks even beyond financial services to credit union-sponsored food cooperatives, housing developments and other consumer enterprises. In Canada, credit unions are already experimenting with food and housing cooperatives.

But the financial services area is enough to take on right now. With RICUL Corporate Credit Union, the league will be addressing a problem long recognized by the industry. Roy F. Bergengren, founder of Credit Union National Association, writing in 1928, stated it clearly and succinctly:

"A credit union is first a thrift agency. It develops the habit of systematic saving within the membership. This money is used to create credit resources for the members at legitimate rates of interest. At that point the credit union has solved two problems for its members, by supplying them with the best plan for saving money, and by solving their often difficult short-term credit problems.

"On the other hand, we have found out from much experience covering several hundred credit unions that at a given point the members have saved more than they need for their short-term credit problems. It is highly desirable that they should continue to save, but the credit union is confronted with the problem involved in rapidly accumulating amounts over and above the total needed for loans."

Excess savings continue to be the rule for the majority of U.S. credit unions. Surplus deposits have led a number of credit unions, including some in Rhode Island, into unwise investments. Some lost money in the stock market, for example. Bianchini says that even those who did not suffer losses have calculated that they could have done just as well by putting the money into International Credit Union Services, an affiliate of CUNA that many credit unions are now using for short-term investments.

ICU Services, which eventually will become part of U.S. Central, will be an investment alternative for Rhode Island credit unions, at least for the time being. ICU Services and U.S. Central pay the same rate—around 5.4 percent right now—on money left with them overnight or as other very short-term deposits.

At the beginning, RICUL Corporate expects to be about one-eighth of a percentage point below the ICU–U.S. Central rate, according to John Lanfredi, vice president of Rhode Island Central Credit Union who is serving as an adviser in establishment of RICUL Corporate. Eventually, RICUL Corporate expects to pay at least the same as the ICU–U.S. Central rate, but at the beginning it wants to build reserves, and for that it needs profits. Bianchini and Lanfredi said RICUL Corporate expects that it will soon be able to pass through the national rates, as received. It won't need a spread permanently, because it won't be counting RICUL Corporate as having administrative expenses.

If loan demand to RICUL Corporate is strong, it will be able to pay a higher rate than the national one, Lanfredi said. RICUL Corporate will be loaning to member credit unions at the bank prime rate, which now is 7¼ percent. The nearly two-percentage-point difference between U.S. Central's daily deposit rate and RICUL Corporate's loan rate would allow RICUL Corporate to pay more on deposits.

Lanfredi said that when credit unions now have to borrow from commercial banks, they get the prime rate "if they're lucky," and like regular corporate clients of banks are expected to keep compensating balances in the bank. When money is tight, the chances of borrowing at the prime rate diminish.

"When credit unions have to go to banks, they really sock 'em," he said.

In addition to daily deposits, member credit unions will be able to invest in certificates of deposit issues by RICUL Corporate in maturities ranging from 30 days up to one year. The rates will be determined by U.S. Central's rates on comparable CDs, and will either be exactly the same or one-eighth of a point lower.

When RICUL Corporate is in place and operating it will supercede the industry-wide function of Rhode Island Central Credit Union, the community credit union that shares the building on Jefferson Boulevard, Warwick, with the league headquarters. Rhode Island Central is now a member of U.S. Central, and takes excess savings from other Rhode Island credit unions as deposits and makes loans to them.

But it is also a regular community credit union that deals directly with consumers. Rhode Island Central's conflict between serving member credit unions and competing with them was one reason why RICUL Corporate was created, Lanfredi said. Another reason was that, while Rhode Island Central could usually handle the borrowing needs of small credit unions, it was unable to give much assistance to large ones during tight money crunches.

Still another reason is that Rhode Island Central, like any other state-chartered credit union, must put into reserve 20 percent of operating earnings. This figure is unnecessarily high for RICUL Corporate, Lanfredi said, and the 5 percent reserve standard will permit payment of higher interest.

Now Rhode Island Central will ease out of credit union-to-credit union dealings.

At least at the beginning, RICUL Corporate's rates to investing member credit unions will be slightly below rates offered by ICU Services or the rates on commercial bank CDs. Why, then, could RICUL Corporate expect to get deposits?

Because of "the loyalty factor," as it was put by Gary Plank, a visitor to Rhode Island and vice president of the Iowa league's corporate central credit union. The Iowa corporate central is paying a quarter of a percentage point less than ICU, but members participate anyway. "They realize we'll do a better job for them in the end," Plank said.

"One hand washes the other," said Albert Medici, president of Marquette Credit Union in Woonsocket, the state's largest credit union, explaining why he expects Marquette would be willing to put half of its excess deposits—which now amount to around $2 million—into RICUL Corporate as soon as it starts operation. Those surplus funds are now in ICU Services.

When money is tight, and credit unions are faced with the choice of cutting back on loans or paying high rates to banks, they'll be happy to have RICUL Corporate's low borrowing rates. RICUL Corporate itself will be able to borrow from U.S. Central at a half a percentage point below the bank prime rate. Eventually, RICUL Corporate expects to reduce its loan rate to something below the prime rate.

Indeed, if the whole state and national system works as planned, the credit union movement will have created a liquidity network separate from and somewhat sheltered from the volatility of the rates in the money markets.

"Our goal is to provide the credit union movement access to funds," said Robert Vonder Ohe, economist for CUNA. "When we need them most, the rest of the world won't give them to us."

Vonder Ohe said that U.S. credit unions now have a total of $40 billion in assets, and $10 billion of these funds are invested elsewhere than in loans to members. This $10 billion is a "guaranteed pool" that the movement can tap, he said. Even in tight money periods, the pool will shrink to only $5 billion or $6 billion.

And if the pool diminishes more than expected, or if it's not feasible to sell some of the assets at a given time, U.S. Central will be able to issue its own commercial paper—at less than the bank prime rate.

Whether the funds come from the pool of surplus deposits, or from commercial paper, the cost of funds will be lower, and U.S. Central will be able to work at lower spreads than a bank, Vonder Ohe said.

For one thing, the cost of money in the pool of excess deposits ought to be relatively stable. Credit unions do not traditionally seek out "hot money" with high-yielding instruments, but rely on regular savings.

Even when U.S. credit unions' savings are redistributed within the movement, there will probably be excess deposits left over for U.S. Central to invest. These will go into government securities, Vonder Ohe said. Since other persons would have purchased those government securities, the overall effect will be to free up money for business investment in the private sector.

While the U.S. Central network will give credit unions new independence from banks, it won't be free from money market influences. When interest rate on instruments outside U.S. Central begin to soar, a good number of credit unions will shift to them if the spread gets too tempting.

That's why Vonder Ohe says U.S. Central's lending rate "will follow the prime rate up." However, it may not move as quickly, and if the prime rate gets into double digits again, U.S. Central's may be three-quarters of a full percentage point lower, rather than half a point, as it is now.

Bianchini, who will manage RICUL Corporate in the development stage, will also be on the board of U.S. Central by virtue of his position as president of International Association of Managing Directors. He said RICUL Corporate will stand ready to assist credit unions in states—Massachusetts is one—that do not have corporate central credit unions, as yet. It is not clear whether any will want to use RICUL Corporate, no Rhode Island credit unions availed themselves of other league corporate centrals before May.

Credit unions will be able to borrow either fixed sums or open-end loan accounts, that is, a line of credit.

Applications must be accompanied by the latest financial statements, and RICUL Corporate will scrutinize the applicant's expense ratio, its ratio of borrowing to shares and deposits, and its ratio of borrowing to unimpaired capital (capital to which no book loss is being charged).

There are also general standards. For example, it is stated: "Priorities will always go to credit unions requiring liquidity for member's services. Loans will not be granted for the purpose of draining funds from the movement into outside investments."

Insofar as the cost of borrowing is kept down, especially when money is tight, loan rates to credit union members ought to reflect it.

Bianchini said that RICUL Corporate will discourage members from borrowing short (from RICUL Corporate) if they intend to use those funds for long-term loans, such as for home mortgages. However, he said some credit unions may now be willing to increase the mortgage portion of their loan portfolios, because with better access to funds they won't have to keep as many assets liquid.

The creation of RICUL Corporate and its tie to U.S. Central is another step in the development of Rhode Island credit unions as full service institutions. Bianchini, who sees virtually no limits to the potential of the movement, has been talking up corporate central in the state since well before the legislative effort.

In 1911, Alphonse Desjardins, one of the movement's founding fathers, spoke at Lowell, Mass., and predicted of credit unions that in time there would be "creation with these local hearths of savings a central organization, which while leaving them their full autonomy, their entire independence, would fortify their action and would be the discharge of their collective energies. . . ."

In this Bicentennial era, it's finally happening.

A NATIONAL DISGRACE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. SCHEUER. Mr. Speaker, on Thursday July 22, we are scheduled to consider the Pennsylvania Avenue Development Corporation Act Amendments, H.R. 7743. Everyone is aware of the shabby condition of Pennsylvania Avenue, with its deteriorating buildings and its empty lots. The north side of the avenue between the Capitol and the White House is an eyesore to the millions of Americans visiting the Capitol during our Bicentennial. This pathway of inaugural parades, which should be a source of pride for all of us, is instead a national disgrace.

An article in the Tuesday, July 20, issue of the Washington Star briefly states the history of Pennsylvania Avenue and clearly expresses that the time to act is now. The text of that article follows:

What's Become of the Avenue Plan?

(By Phillip M. Kadis)

It all began, the story goes, on that cold winter morn when Pat Moynihan and Arthur Goldberg shared a limousine in the John F. Kennedy inaugural parade from the Capitol to the White House.

Riding down the snow-covered triumphal

route lined with cheerful spectators from all over the country, it suddenly struck them that the north side of Pennsylvania Avenue was a disgrace, rundown and shabby. Hardly what anyone had a right to expect for a great processional way of the world's oldest continuous democracy.

It was not a new thought. But it had occurred to the right people, according to the story, those who would have some influence in the new administration.

Whether true or apocryphal, the weight of the presidency was indeed thrown behind transformation of the capital's oldest avenue. For nearly a decade and a half since, platoons of planners, civil leaders, architects, merchants and politicians under stringent review have struggled to put together a plan that would meet the esthetic, economic, social and budget demands of all the parties involved.

Now, because of an ill-considered vote in Congress last March combined with new budget reform measures, the most comprehensive and detailed program for rejuvenating and beautifying Pennsylvania Avenue is on the brink of collapse just when it was about to leave the drawing board and realize a vision that had hovered over the thoroughfare ever since it was first laid out by Pierre L'Enfant at the birth of the city.

The planning initiative, begun under Kennedy and endorsed by every president since, gathered momentum as the Avenue itself deteriorated. What came out of the years of effort (after several major overhauls and the scaling down early grandiosity) was the Pennsylvania Avenue Development Corp. (PADC), which produced its revised plans for pooling public and private investment to give the "Avenue of Presidents" the dignity so many believe it deserves and make it at the same time lively, accessible and livable. A thoroughly American "Elysian Fields" that might bear comparison with the proud Parisian boulevard.

That plan won the endorsement of a host of community groups, planning agencies, merchant and business associations, professional groups and labor organizations.

Last year, Congress put its imprimatur on the The Pennsylvania Avenue Plan, and it became law.

All that remained was for Congress to provide some financial underpinnings in order to launch development along the avenue. Top priority was to be given to the handsome and historic Willard Hotel which has been moldering unoccupied since 1968, a prey to vandals and a lightning rod of litigation.

Enabling legislation was passed by the Senate and it remained for the House to act.

The House bill, approved by a wide margin in the Interior Committee, authorized $38.8 million as the first chunk of a projected federal outlay of $130 million over a 12 to 15-year period for public improvements along the avenue to spur private investment of $400 million. (The Senate approved bill authorized the full $130 million.)

It also extended the corporation's authority to borrow $50 million from the U.S. Treasury to acquire and develop sites to $200 million through 1990. There was also a provision for $1.5 million to pay the annual salaries and other administrative costs of the PADC, and two lengthy technical sections that would amend the act establishing the corporation to conform to legislation establishing home rule for the District.

The bill was presented on the floor on March 15 under a suspension of the rules procedure that required a two-thirds vote and permitted no amendments. With the backing of National Parks and Recreation subcommittee chairman Roy A. Taylor, D-N.C., passage was considered a foregone conclusion.

That, however, proved to be a tactical mistake. The bill failed to win consideration by a vote of 201–149.

Taylor, who is retiring this year, had a good track record on similar legislation in the past. But the House was filled with a lot of new members who were either unaware or unappreciative of the traditional authority wielded by the subcommittee chairman.

Few members were aware of the history of the PADC plan. Although it had the backing of the White House, little support had been forthcoming from the White House staff prior to the vote with the result that Republicans voted 91–25 against consideration. AFL–CIO backers neglected to push for it, confident it would pass under the consent calendar procedure.

Of the votes against it, 16 were switches after the initial tally was registered, and there was evidence that some held back on their initial vote until they saw which way the vote was going. When in doubt, there's safety in numbers.

Three speakers supported the measure, and none opposed it, making the outcome all the more remarkable. Some attributed the defeat to a "new wave of fiscal conservatism" in an election year, especially when the budget had little room for federal projects in the Congressmen's home districts. Rep. Walter Fauntroy's office was in favor of the bill, but he had no votes to trade off with his colleagues.

Other reasons were later advanced for voting against the bill.

Rep. Virginia Smith, R-Neb., inserted remarks in the Congressional Record in which she tied her opposition to the bill to skepticism that the $130 million price tag would stick. She also cited her firm belief that private enterprise, "the system we trusted to build America in its first 200 years," could do the job without any government encouragement.

"This is the grandest street in America," she said. "What profitable business would not want to establish a base of operations along Pennsylvania Avenue?"

Whatever the reasons for the outcome of the vote, failure to take the measure up under suspension of the rules did not kill it.

The Interior Committee went back to work amending the bill for resubmission on the regular calendar, now expected to be this week.

But that was not the end of it.

While the committee was busy stripping off the intimidatingly long technical provisions (which will have to be attended to at some time in the future) and reducing the borrowing authority back to the original $50 million to dovetail with the two-year public improvement appropriation of $38.8 million, trouble was brewing on another burner.

The omnibus appropriations bill for fiscal '77 was grinding its way through the Congress. When conferees came to the budget requests for the PADC, they observed quite correctly that no funds had been authorized by the House. Since there could be no appropriation without an authorization, none was included in the final bill except for one small conditional provision.

If the House does ultimately pass H.R. 7743, $1 million of the requested $1.5 million would be available to pay PADC staff salaries.

The conditional appropriation is crucial to the survival of the PADC since its money would otherwise run out on Sept. 30, leading to the irretrievable dispersal of an expert and experienced staff.

Even if the House does vote the authorization, some way will have to be found (probably not until after the elections) to appropriate enough money to at least save the Willard and begin rudimentary improvements—even if it is budgetarily untidy under the new reform procedures.

Failure to approve the authorization bill will effectively wipe out the PADC, created by Congress four years ago to do what Congress decided city agencies and private developers could or would not do if left to their own devices.

Even if the PADC were effectively killed by failing to fund the staff, the plan would still be law unless it were specifically repealed by Congress.

Attempts to develop the area in a manner inconsistent with the plan could be blocked in court, opening several legal cans of worms.

That's exactly the fix the Willard is now in.

Its owner—New York businessman Charles B. Berenson—wants to gut the building and rip off its mansarded Beaux Arts facade (designed by Henry Janeway Hardenberg, architect of the Waldorf, the Astoria and the Plaza hotels in New York) and replace it with a modern office building.

But the plan requires preservation of the hotel, which often served as a residence for presidents, and the restoration of its public rooms on the first two floors. A demolition permit has been blocked by a federal court injunction.

To do him justice, Berenson is not opposed to preserving the Willard. It's just that it's not economically feasible for him to undertake the added financial burden of doing so himself.

Meanwhile, he has filed suits against the PADC and the District government claiming damages of $8 million and $1.5 million respectively for keeping him from developing his property while failing to buy him out, a complaint shared by other Pennsylvania Avenue property owners.

Berenson's attorneys claim he has been losing a whopping $1,400 a day in taxes and mortgage payments since the hotel closed in 1968.

PADC fears that similar lawsuits may sprout all along the avenue if funds to implement the plan are not appropriated.

The injunction that barred Berenson from tearing down the Willard because it was not consistent with the Congressionally-approved plan was precipitated not by the PADC but by a private civic organization called Don't Tear It Down, Inc.

Scrapping of the plan, many planners and business backers agree, would tend to retard the revitalization of downtown Washington.

"I don't think it's a linchpin," said Robert Gray, director of Downtown Progress. "But it certainly would not have a positive effect if it went down the tube. The Willard might not withstand another winter."

Gray said one of the most important aspects of the plan is the proposed establishment of a residential base downtown.

"It would bring life to the streets, more nearly achieve round-the-clock use of the area and modify the image of downtown as devoid of population after 5 p.m.," he said.

Rental and condominium units—a total of 1,500 are planned for the areas east and west of Seventh St. in the vicinity of the old Kann's and Lansburgh's department stores. They were deliberately added to avoid repeating the mistakes of L'Enfant Plaza, which takes on a cemetery cast after the office buildings are emptied.

Taking the first few lighting and landscaping steps, or reopening the Willard as a restored hotel, would be a psychological boost for downtown as well, according to John Fondersmith, chief of special projects for the District's Municipal Planning Office.

"Pennsylvania Avenue is a kind of landmark not only for the city, but it's also a reflection on the national scene," he said. "It has a very symbolic role. Visitors go to the mall, and then they want to eat and stroll. But that's over in Georgetown or some other area of the city.

"The plan is designed so that Pennsylvania Avenue becomes a bridge between the monuments, Federal Triangle and the downtown core. In the future, visitors will know they're in the heart of the capital," he said.

Some of the ceremomalizing and upgrading elements are already in place or about to be: the National Gallery of Art Annex, the new court building at Sixth St. and John Marshall Place NW; the cleaning and potential renovation of the old Post Office; the Streets for People project; the new Labor Department and even the FBI building, both of which bring increased employment to the downtown area.

What is needed, said Fondersmith, is something to tie them all together.

"It took something like 15 years, when Kennedy authorized the first master plan, to get this point," said Maurice Payne, director of design programs for the American Institute of Architects.

"If this is turned down, I should expect it would take at least as long to crank it all up again . . . another four or five inaugural parades at least."

Supporters of the plan question whether private developers would be willing to invest in the avenue without federal participation. They cite the example of Jerry Wolman's Presidential Building, erected in 1968 at 12th St. Wolman was unable to woo private tenants for the office at rents sufficient to cover costs and yield a reasonable profit. He subsequently defaulted on his mortgage, a significant factor in the collapse of his financial empire.

The building was then rented to the government at rates substantially below the going private rates for comparable office space.

In addition, private developers—without the condemnation authority granted the PADC—would find it difficult to assemble parcels large enough to develop because of contested estates and fragmented ownership of property along the avenue.

PADC officials assert that their estimates about the cost of acquiring land for development were kept intentionally high and their projections of revenues to be earned from sale or lease of that land were made deliberately low to provide a margin of safety against inflation. The PADC financial plan was scrutinized by the General Accounting Office, and its assumptions were found to be reasonable.

All in all, the $130 million price tag is very little more than the cost of the FBI building alone ($129 million) or the Rayburn Building.

If the Pennsylvania Avenue Plan and its implemental arm, the PADC, did not already exist, sooner or later it would have to be invented.

Nearly all that is architecturally distinctive and so much of what is visually beautiful in Washington is the result of federal planning and financial assistance, however reluctant or delayed.

Without the strong hand of the government, as architect Payne put it, there would still be railroad tracks on the mall.

In the midst of the Civil War, President Lincoln insisted that construction of the Capitol continue as a demonstration of faith in the union and its future. (Not uncharacteristically, Congress first tried to skimp on construction costs for the Capitol and then found that the reconstruction costs because of poor materials and workmanship were greater than those first proposed by Benjamin Latrobe.)

During the depths of the Great Depression, the capital was ornamented with some of its finest edifices, including the National Gallery of Art and the Supreme Court. All of Federal Triangle became a reality during those years.

Is it possible that "America's Main Street" will be the victim of a receding recession?

REFORM OF CRIMINAL CODE

HON. RAY THORNTON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1976

Mr. THORNTON. Mr. Speaker, when I sought office as attorney general of Arkansas in early 1970, one of the goals I set for that office was a comprehensive reform of the State's criminal code. In January of 1971 I outlined to the midwinter meeting of the Arkansas Bar Association the need to move forward with such an effort.

With the full cooperation and assistance of the Arkansas Bar Association, Chief Justice Carleton Harris and the State supreme court, the American Bar Association Section of Criminal Justice, and with financial assistance from the Law Enforcement Assistance Administration matched by resources of the Attorney General's office we established a Criminal Code Revision Commission chaired by the late Sheriff Robert Moore of McGehee, to evaluate the State's existing law and to revise both our substantive and procedural codes.

The success of this long and difficult task was recognized in December of 1975, when the State supreme court adopted the Proposed Rules of Criminal Procedure and on January 1, 1976, when the revised substantive criminal code went into effect.

I am proud of the lead role which Arkansas has taken in modernizing its criminal law, and I would like to recognize at this time the fine work which has been carried out by the American Bar Association Section of Criminal Justice to encourage the reform of the criminal justice system throughout the Nation. As a sponsor of the enabling legislation to grant to the Supreme Court of Arkansas the authority to promulgate a revised code of procedure, I know firsthand how valuable the Criminal Justice Section's work is.

With LEAA funding, the Criminal Justice Section has recently launched an eightfold attack on crime and an effort to improve our sometimes ineffective criminal justice system by publishing a series of easy-to-read booklets on how to implement criminal justice standards. Each of the pamphlets listed below is available from the Criminal Justice Section in Washington, D.C.:

First. "How To Implement Criminal Justice Standards"—A concise account of the step-by-step process of implementing criminal justice standards, including the comparative analysis, the State's "blueprint for action."

Second. "How To Implement Criminal Justice Standards Through Police/Bar Cooperation"—A description of ways in which law enforcement officers and members of the legal profession can work together for improved criminal justice.

Third. "How To Implement Criminal Justice Standards for Pretrial Release"—A review of contemporary bail practices and criteria for the release decision with suggestions on how to establish an adequate system for pretrial release.

Fourth. "How To Implement Criminal Justice Standards for Speedy Trial"—A close look at the speedy trial rerequirements suggested by the ABA Criminal Justice Standards and mandated by the 1974 Speedy Trial Act, including data-collection forms for documenting speedy trial problem areas.

Fifth. "How To Implement Criminal Justice Standards for Corrections"—A detailed summary of how to do cost analysis of correctional systems with a five-step procedure to identify and utilize different methods of estimating projected costs for new programs.

Sixth. "How State and Local Governments Can Economize by Implementing Criminal Justice Standards"—A comprehensive guide to all of the ABA Criminal Justice Standards, the two approved volumes of the ABA Standards Relating to Judicial Administration, and the reports of the National Advisory Commission on Criminal Justice Standards and Goals, with charts showing each standard in terms of suggested implementation strategy and cost.

Seventh. "How To Measure the Quality of Criminal Justice in Your Community: Story Ideas for Journalists"—A handy reporter's guide to the criminal justice system using the criminal justice standards as a frame of reference to ensure balanced presentation of current practices and issues.

Eighth. "How To Mobilize Citizen Support for Criminal Justice in Your Community: A Guide for Civic and Religious Leaders"—A capsule summary of such concerns of the lay public as police effectiveness/victim witness assistance, pretrial release/speedy trial, sentencing and lack of interagency cooperation, including examples of worthy projects.

Taken together, these eight booklets focus on the several avenues which can lead to lasting reform of criminal justice practices and services at the State and local level.

Appearing in a recent issue of the Arkansas Lawyer is an article by Edwin R. Bethune, Jr., who was chairman of the procedural committee of the Arkansas Criminal Code Revision Commission and who now a member of the ABA Criminal Justice Section's Committee on Implementation, chaired by Justice Tom C. Clark. His summary of the work done in Arkansas should be useful to those who are working in other States, and I would like to insert the text of his article at this point in the RECORD:

THE ASSIZES OF ARKANSAS (1970–1976)

INTRODUCTION

Before 1970 there was never a systematic revision of Arkansas criminal procedure. In the past, changes were piecemeal and, more often than not, took the form of ad hoc responses to specific problems or particular court decisions. Thus, our scheme of procedural law was antiquated and internally inconsistent. In short, the Arkansas criminal justice system needed to reexamine old ways of doing things, to reform, to experiment, to run risks, to dare.

Leaders of the Arkansas bench and bar had been aware of the need for broad reform for a long time. Many well-intentioned efforts were begun but for various reasons fell short of the mark.

It is tempting in an article like this to credit particular persons with the success of the recent project; but, upon reflection, that would not be fair. This reform was borne of necessity. It happened because the time was right. The past was truly prologue.

The work and guiding inspiraion of the leaders mentioned in this article was important but no more so than the contributions of many others who, due to space, must remain anonymous. The success of this reform is a credit to every Arkansas lawyer and judge who has made a stand, often times at great personal expenses, to improve the system. Credit is also due elected officials who publicly endorsed the idea, and to the media for their extensive and favorable treatment. A reform so wide-reaching could not have succeeded without such broad support.

THE ABA STANDARDS

Fortunately, we Arkansans did not have to start our revision effort from scratch. In 1964 the American Bar Association, anticipating revolutionary developments in the criminal process, organized a special committee to analyze the entire spectrum of criminal justice and to formulate standards for strengthening and improving its administration. Seventeen sets of standards covering the entire field from police function through post conviction remedies were produced. The list of subjects covered tells the story:

1. The Urban Police Function.
2. Electronic Surveillance.
3. The Prosecution Function.
4. The Defense Function.
5. Providing Defense Services.
6. The Function of the Trial Judge.
7. Pretrial Release.
8. Discovery and Procedure Before Trial.
9. Speedy Trial.
10. Joinder and Severance.
11. Pleas of Guilty.
12. Trial by Jury.
13. Sentencing Alternatives and Procedures.
14. Probation.
15. Appellate Review of Sentences.
16. Criminal Appeals.
17. Post-Conviction Remedies.

It is readily apparent from the titles that the ABA Standards deal with the "gut issues" in the criminal justice process.

It was a blessing to Arkansas that the American Bar Association's commitment to the improvement of the system did not stop with the writing of the Standards. The Criminal Justice Section of the ABA was charged with the duty of implementing the Standards in the fifty states and Mr. Justice Tom Clark took the leadership of that responsibility.

The first movement of the Arkansas reform coincided roughly with the kickoff of the national effort of the American Bar. It is hard now to state for certain whether we heard about the Standards and decided to reform or whether we decided to reform and then heard about the Standards. The chicken-or-egg problem is unimportant except as it emphasizes our early marriage to the ABA Standards implementation project—for it was that union that really got the Arkansas reform effort moving.

The ABA implementation program was well-funded. Lynn Edwards, Staff Director of the ABA Criminal Justice Section, came to Arkansas in 1970 to offer help and encouraged us to use the Standards as a basis for our reform. He explained the Standards to us and told us how to get started.

The quality of the Standards was immediately apparent. They were drafted by committees formed of persons from the entire spectrum of the field of criminal justice. The issues covered by the Standards were considered from every point of view—it was clear that good work of the Standards could stand the light of day. It was even clearer that it would be a mistake not to use the Standards and the valuable ABA support as a starting point for the Arkansas reform.

THE COMPARATIVE ANALYSES

The ABA counseled us to first make a formal study of the Standards. We were advised to compare the Standards with existing Arkansas law, thus identifying the critical areas for reform. The project—no small task—would entail a review of the entire body of Arkansas criminal procedural law.

Backed by funds obtained from LEAA. Professor Rafael Guzman of the University of Arkansas Law School at Fayetteville, took the responsibility for preparing the comparative analysis of all seventeen Standards. Since reform would necessarily follow completion of the comparative analyses, Professor Guzman agreed to and did complete his technical work in record time. Law students were employed to assist the professor and many of them later played important roles in the reform.

The comparative analyses were mimeographed in booklet form, one booklet for each Standard. The booklets were done so that the reader could quickly compare the Arkansas law with the ABA proposal. To further enhance comparison, the analyses contained a recommendation for action required to bring Arkansas law in line with the ABA Standards.

THE WORKSHOPS

As Professor Guzman's team of law students completed research on the first three Standards, a decision was made to study three of the Standards at a workshop to be attended by judges, prosecutors and defense attorneys. Travel and lodging expenses would be paid under an LEAA grant.

The workshop was held January 20–21, 1971, in Hot Springs and was jointly sponsored by the Arkansas Supreme Court, the Arkansas Judicial Council, the Arkansas Prosecuting Attorneys Association, the American Bar Association, the Arkansas Commission on Crime and Law Enforcement, and the Arkansas Bar Association. The unanimity of support for the first workshop was yet another testament to the quality of the American Bar Association Standards project.

The Arkansas Bar Association took the lead in publicizing and organizing the workshop. Free copies of the ABA Standards and comparative analyses were mailed to participants in advance. Each participant was given a reading assignment so that the Standards could be examined critically by people who had studied the material before coming to the workshop. The workshop was not to be a "spoon-feeding" of new ideas. Since it was felt that the Standards could "stand the light of day" the workshops were purposely designed to test the Standards in the labyrinth of open and studied discussion. The attendees were broken into three groups to study the Standards on "Pretrial Release", "Pleas of Guilty", and "Speedy Trial". All of the proceedings were reported with the idea that the written record would be used if and when an effort was made to reform procedural law.

The two-day workshop was interspersed with important messages concerning the American Bar Association Standards project which were beautifully delivered by Justice William H. Erickson of the Colorado Supreme Court, Professor Samuel Dash of the Institute of Criminal Law and Procedure of Georgetown University (and later of Watergate fame), Louis B. Nichols, a retired assistant director of the FBI, and the venerable Mr. Justice Tom C. Clark, retired United States Supreme Court Justice. All of the speakers were provided by the American Bar Association at no expense to the State of Arkansas. Their remarks and the high quality of the ABA Standards convinced the workshop participants that the starting point for reform had been found. The comments were so favorable that immediate plans were made to study the remainder of the Standards at a second and third workshop to be held as soon as possible.

The second workshop covering five important Standards was held October 7–8, 1971. The Standards studied were "Joinder and Severance", "Trial by Jury", "Discovery and Procedure Before Trial", "Criminal Appeal", and "Post-Conviction Remedies". The scheme of the workshop was changed so that each participant would have exposure to each Standard being studied; however, by using the Arden House format, the small study group concept was preserved. Assignments were once again given to judges, prosecutors and defense attorneys in advance so as to generate significant discussion. The ABA continued its fine assistance by sending eight nationally known speakers at no expense to Arkansas. Sam Dash, William Erickson, and Lynn Edwards made their second trip to Arkansas, and they were joined by Adrian Spears, Chief Judge of the United States District Court of the Western District of Texas; Jack G. Day, Chief Judge of the Court of Appeals of Ohio; Paul Wilson, Professor of Law at the University of Kansas; Reese Harrison, Assistant United States Attorney for the Western District of Texas; and, James R. Gillespie, Defense Attorney from San Antonio, Texas.

The third workshop was held January 20–21, 1972, using the same format that had proved successful at workshop II. The nine remaining Standards were considered: "Appellate Review of Sentences", "Sentencing Alternatives and Procedures", "Probation", "The Prosecution Function", "The Defense Function", "Providing Defense Services", "The Police Function", "The Judges Function", and, "Electronic Surveillance", The American Bar Association Section on Criminal Justice continued to be a major benefactor in the Arkansas reform effort. Another 125 sets of Standards were made available, free of charge, for workshop participants—a monetary value in the neighborhood of $4,000. Out-of-state speakers were again furnished at the expense of the American Bar. Mr. Justice Tom C. Clark and Chief Justice Jack G. Day made their second trip to Arkansas on behalf of the Standards project. Lynn Edwards continued to render yeoman service to our state by returning for his third visit. Other ABA speakers included Peter W. Low, Professor and Associate Dean of the University of Virginia Law School; Theodore B. Knudson, Chief Justice of the Fourth Judicial District of Minnesota; Herbert S. Miller, Deputy Director of the Institute of Criminal Law and Procedure of Georgetown University; Walter S. Rogosheske, Justice of the Supreme Court of Minnesota; Andrew W. Parnell, Judge of the Tenth Judicial Circuit of Wisconsin; Gerald T. Bennett, practicing lawyer and Associate Professor of the University of Florida; Keith Mossman, Past President of the National District Attorneys Association of Vinton, Iowa; and, G. Robert Blakey, Chief Counsel of the Sub-Committee on Criminal Law and Procedure, Committee on the Judiciary, United States Senate.

As workshop III drew to a close, Mr. Justice Tom C. Clark put Arkansas' effort in perspective. He said. "Little Arkansas is leading the national effort to implement the American Bar Association Standards." As authority for his statement, he pointed to the successful workshops, the comparative analyses, and other developments which will now be discussed.

JUDICIAL RULEMAKING

As the reform idea gathered momentum through the workshops and other collateral efforts, it became abundantly clear that Arkansas needed to make a fundamental decision about the adoption of procedural reforms. Would Arkansas, because of the inertia of custom, cling to the precedent that procedural rules could only be adopted by the legislature? Or, would she opt for judicial rulemaking in the area of pleading, practice and procedure?

The Arkansas Bar Association, acting on the premise that rulemaking is an inherent power of the Supreme Court, sponsored a measure in the 1971 state legislature which was patterned after the federal measure that authorized the United States Supreme Court to promulgate rules of pleading, practice and procedure in criminal cases. The bill gained the support of Attorney General Ray Thornton, Chief Justice Carleton Harris, and Governor Dale Bumpers. Within a matter of weeks the Arkansas General Assembly had passed Act 470 of 1971 which empowered the Arkansas Supreme Court to promulgate rules of pleading, practice and procedure in criminal cases. Thus, the way was clear for our high court to take over the business of procedural law.

THE ARKANSAS CRIMINAL CODE REVISION COMMISSION

Along about the time of the second workshop, Chief Justice Carleton Harris and Attorney General Ray Thornton entered into joint sponsorship of an 18-member Arkansas Criminal Code Revision Commission. The commission was charged with the responsibility of revising both substantive and procedural law. It was divided into two 9-member committees. Composition of each committee was carefully considered in order to insure proper representation of concerned groups and institutions. Members included an associate justice of the state Supreme Court, a sheriff, a municipal judge, two circuit judges, a chancellor, three former prosecuting attorneys, a state senator, a state representative, two law professors, and several attorneys skilled in the practice of criminal law. Circuit Judge Harold Simpson of Pocahontas was chosen to chair the 9-member substantive committee and this writer was chosen to chair the 9-member procedural committee. The committees were given carte blanche to reform the Arkansas criminal process and it was understood that the procedural committee would rely heavily on the work product emanating from the ABA Standards workshop.

All the members of the commission donated their time and expertise, being reimbursed only for their expenses. The expenses for the commission were borne by LEAA grants, American and Arkansas bar associations contributions, and $25,000 which was appropriated by the Arkansas legislature in 1973.

The members of the procedural committee in addition to the chairman were Jack Lessenberry of Little Rock, Judge Terry Shell of Jonesboro, Judge Bobby Steel of Nashville, William P. Thompson of Fort Smith, John T. Harmon of North Little Rock, Professor James W. Murphy of Little Rock, Justice John Fogleman of Little Rock, Terry Kirkpatrick of Fayetteville, Rep. Ray Smith of Hot Springs, Rep. Rudy Moore of Fayetteville, and Reggie Eilbott of Pine Bluff.

In 1972, Attorney General Ray Thornton was elected to Congress. His successor, Attorney General Jim Guy Tucker, became a 100 per cent supporter of the reform effort. In fact, Attorney General Tucker intensified the reform effort by providing additional staff and timely political support. Without his help the new rules of criminal procedure would still be on the drawing boards.

The procedural committee of the Criminal Code Revision Commission met at least one week-end per month. Meetings would run from Friday noon oftentimes until late Sunday afternoon. It was not uncommon to spend an entire week-end on one narrow subject. By and by, the committee produced tentative drafts which were refined by the staff of the Criminal Code Revision Commission. The revised drafts would come back to the committee two or three times before being finally approved. In April, 1974, the procedural committee of the Criminal Code Revision Commission completed its proposed draft. The draft was printed and a copy of the proposals was furnished to every lawyer and judge in the State of Arkansas.

THE ADOPTION OF THE RULES

In December of 1974, the Arkansas Criminal Code Revision Commission petitioned the Supreme Court of the State of Arkansas to adopt the Rules of Criminal Procedure as drafted by the procedural committee. The court entered an order fixing a briefing schedule and providing any interested person or group with an opportunity to file objections or suggest modifications. The rules, while pending before the court, were submitted to many groups other than lawyers and judges, including the General Assembly's Legislative Council Judiciary Committee and its standing joint interim committee on the judiciary.

Pursuant to the court's briefing schedule, suggestions and briefs were filed by the Arkansas Prosecuting Attorneys Association, bail-bondsmen, and others, including responses by the Criminal Code Revision Commission. All suggestions were considered by the court and several amendments were made to the proposed rules.

Then, in December of 1975, the Supreme Court issued its per curiam order which provided, inter alia:

"Pursuant to Act 470 of 1971, and in harmony with the court's constitutional superintending control over all trial courts, the court hereby adopts and approves the Proposed Rules of Criminal Procedure, as amended, effective January 1, 1976."

THE SPIRIT OF FREEDOM

A special salute goes to two men who played important but not so obvious roles in keeping the spirit of reform alive.

Col. C. E. Ransick, Executive Director of the Arkansas Bar Association, and his staff spent many hours in planning and conducting the workshops. They also, throughout the period of reform, maintained close liaison with the American Bar Association and with the Arkansas associations that have backed the effort from the beginning.

Frank Newell, Staff Director of the Criminal Code Revision Commission was a Godsend to the entire reform process. He personally attended all meetings of the procedural committee. When the meetings were over he would "put it all together" by reducing the many ideas to firm, understandable rules of law. Additionally, he drafted, or supervised the drafting of, the considerable commentary that will be of value as the rules are construed over the years to come. His untiring efforts were an inspiration to his staff and to all the members of the procedural committee.

Credit should also go to every president of the Arkansas Bar since 1969 since they each gave 100 per cent support to the Assizes of Arkansas. The leaders of the other supporting associations during the period of reform are also due credit since this reform succeeded only because it was broad-based.

In concluding this article, special mention must also be made of some interesting footnotes which show another side of the Arkansas reform effort.

Many states have literally spent hundreds of thousands of dollars on unsuccessful efforts to reform the criminal process. Our state, with its limited budget, completed the entire project on $25,000 which was obtained from the legislature in 1973. (Other money was obtained from American and Arkansas bar associations contributions and from LEAA grants through the Arkansas Commission on Crime and Law Enforcement, but, unlike other states, the effort was really done on a financial shoestring.)

Other things—which can only come under the heading of "scrounging"—deserve mention because they too show the real spirit of Arkansans when there is a job to be done. When the proposed official draft was ready for publication in April of 1974, the law firms of Smith, Williams, Friday, Eldredge and Clark; and Wright, Lindsey and Jennings of Little Rock, Arkansas, voluntarily typed the draft on mag-card automatic typewriters. As last minute changes were made, the law firms would retype the drafts free of charge. It was their way of helping out. Furthermore, when the commission finally got to the point where it needed a published draft, it outright begged the publisher of our Arkansas Statutes, Bobbs-Merrill, to print our proposals free of charge. The Bobbs-Merrill Company graciously accepted and many dollars were saved for the public.

Canon VIII of the Code of Professional Responsibility approved in January of 1970 by the Arkansas Supreme Court Provides:

"Changes in human affairs and imperfections in human institutions make necessary constant efforts to maintain and improve our legal system. This system should function in a manner that commands public respect and fosters the use of legal remedies to achieve redress of grievances."

"By reason of education and experience, lawyers are especially qualified to recognize deficiencies in the legal system and to initiate corrective measures therein. Thus they should participate in proposing and supporting legislation and programs to improve the system, without regard to the general interests or desires of clients or former clients."

"Rules of law are deficient if they are not just, understandable, and responsive to the needs of society. If a lawyer believes that the existence or absence of a rule of law, substantive or procedure, causes or contributes to an unjust result, he should endeavor by lawful means to obtain appropirate changes in the law. He should encourage the simplification of laws and the repeal or amendment of laws that are outmoded. Likewise, legal procedures should be improved whenever experience indicates a change is needed."

In 1970, when the Assizes of Arkansas were in their embryonic state, Arkansas lawyers and judges were challenged to do their duty under Canon VIII.

By the successful completion of the long and arduous reform process, Arkansas lawyers and judges have fulfilled their professional responsibility. However, we must now honor the spirit of the law and keep the new rules up to date. If we rest on our laurels, our accomplishments in the perspective of time, will be remembered as a small ray of light in the heretofore dismal history of Arkansas criminal procedure. If, however, we continue the alternative we have chosen—a vigorous and unrelenting effort to reform—the people of Arkansas will gain respect for their system and our progressive resolve will be heard across the country. The choice is ours . . .